

TRUSCO™

「解体新書」2022

Integrated Report

TRUSCO

PRO TOOL

Skilled professionals need professionally qualified tools. This line of products brings manufacturers all the advantages of using excellent equipment, and will satisfy each and every user in the workplace.

TM

## GAMBARE!! JAPANESE MONODZUKURI



TM

### Integrated Report (this document)

This report describes the process behind providing value (value creation) to society through our business.



### Annual Securities Report

This report is prepared in accordance with Article 24 of the Financial Instruments and Exchange Act and is required to be submitted to the Kanto Local Finance Bureau.



### Corporate Governance Report

This report provides information about TRUSCO's approaches and systems related to corporate governance.



## TRUSCO NAKAYAMA Corporation



Tokyo Head Office  
TRUSCO Fiorito Bldg., 4-28-1, Shimbashi, Minato-ku, Tokyo 105-0004  
Osaka Head Office  
TRUSCO Glen Check Bldg., 1-34-15, Shinmachi, Nishi-ku, Osaka-shi, Osaka 550-0013

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Editor and Chief: Atsushi Shimozu  
General Manager of  
Corporate Planning Division  
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4,225 1,200 issues



### Building up trust Golden Fiorito

The walls of the Trusco Fiorito Building, which serves as the Tokyo Head Office, feature stacked stone called Golden Fiorito which expresses the concept "Building up trust".



Our Policy

# Business must serve people and society

Corporate Message

# GAMBARE!! JAPANESE MONODZUKURI



Annual Expenditure for Shipping  
**\$135 million**  
(as of December, 2021)

Logistic Centers Planet Saitama (Saito City, Saitama)

Location where stock center  
construction is planned



Top Message

# Common sense might change but our principles remain unchange.

- To become a company needed by both our customers and society -

President 中山 哲也  
Tetsuya Nakayama

TRUSCO Data Center  
Solemale

## What do customers want?

Emerging for the first time at the end of 2019, Covid-19 has changed how we look at the world. The “monodzukuri” industry, which is our business domain, was also severely impacted. However, last year (2021), there was a gradual recovery in terms of production site activities and capital expenditures. In FY2021, we achieved record consolidated net sales of \$2,066 million (+7.5% Year on Year) and net income of \$104 million (+44.9% Year on Year).

I believe the fact that we continued to invest in distribution centers and inventory while never forgetting the purpose of our business, which is to support Japanese manufacturing, “Monodzukuri” through the supply of PRO TOOLS, is the reason why we were able to achieve sales growth during the Covid-19 pandemic. No matter what the industry or company you are, members of an organization should always be thinking about how their organization should be. It is also important to consider the difference between ideal and actual situations as issues, solve each issue one by one, and be prepared for what is to come.

For example, indicators including ROE (return on equity) and ROA (return on assets), which are generally considered management indicators, probably mean nothing to customers. Although we say that we should keep watching our customers and the market, there are many times when this actually ends up not happening. Our “stock hit rate” serves as a key indicator from the customer's perspective, and starting this year we have decided to visualize “delivery lead time” as a KPI. I would like for us

to determine what our clients really need and put in place specific measures for achieving those needs.

## Every human being takes part in destroying the global environment

Covid-19 has made the world take a stricter stance regarding the global environment, including SDGs and ESG. Changes in the way we think about global environment also have had a major impact on the “Monodzukuri” industry, and companies are often in the spotlight, but we should recognize once again that every human being takes part in environmental destruction. There are many things that individuals should be aware of, such as not pouring leftover soup broth or cooking oil down the kitchen sink after a meal and not letting the shower run the entire time when shampooing their hair. Likewise, I



The self-sufficiency rate of solar power generation at the Tokyo Head Office is displayed at the entrance of the building in order to make employees aware of just how difficult it is to generate solar power on our own.

would like for us to take action by first making employees more environmentally conscious through means such as by creating a pamphlet with a checklist of actions designed to stop non-malicious environmental destruction within the company.

In addition to rethinking the impact of our business on the environment through our newly established Sustainability Committee, we have also established a research team for electric vehicles and carbon neutrality, and will aim to create a company that has a low environmental impact, including a product lineup.

## Achieving convenience while reducing the environmental burden

Last year, we focused on expanding “user-direct shipping” and “MRO Stocker.” “User-direct shipping” is a service in which we, as a wholesaler, deliver directly to people in the manufacturing sites what is conventionally delivered via our customers. We are able to provide this service because of our abundant inventory and six high-speed automated packaging and shipping lines, each referred to as “I-Pack®” throughout Japan, enabling us to deliver 2.83 million packages directly to users last year. Not only does this shorten delivery times but also helps reduce CO<sub>2</sub> emissions that are associated with packaging materials and truck-based transport.

Also, in 2020 we fully launched a service called MRO Stocker, which is like “Okigusuri,” a “Use first, pay later” system that has been around for many years in Japan for medicine, but for tools, which now has a larger presence in the market. By stocking products that are used regularly at manufacturing sites in advance, MRO Stocker not only allows products to be used immediately when needed but is also an environmentally friendly approach. This is because the number of product deliveries is reduced as the service is designed to prevent products from suddenly running out of stock.



We also offer MRO Stocker in a vending machine style format to keep products secure, allowing the service to be utilized by a variety of users.



Last year, the company purchased a Porsche Taycan, allowing us to reaffirm Porsche's level of commitment to electric vehicles.

We will continue to expand our business to provide convenience for our customers while reducing the environmental burden.

## The appropriate actions and direction of our business become clear if we have ambition

In our company, we have “capability targets” and “numerical targets.” We give priority to capability targets, which tell us the types of capabilities that we should possess as a company, rather than to numerical targets such as sales and profit figures. However, we have come to feel that the rapid advances in the fields of distribution, digital technology, and AI required to achieve these capability targets are beyond the scope of non experts. Cutting-edge digital technology is indispensable for “becoming the company we want to be.” Therefore, on June 15, 2021, we announced a capital and business alliance with GROUND Inc. and Cinnamon Inc. as well as a medium- to long- term industry-academia collaboration with Nagoya University. By forming a strong team with these organizations, we hope to realize the “fastest,” “shortest,” and “best” deliveries in the industry for the procurement of subsidiary equipment used at factories required at manufacturing sites to become a “platform holder” for manufacturing in Japan.

We will continue to aim to be a company that always supports the manufacturing industry in Japan by constantly focusing on the ambition behind being a business and company that is there for people and society.



# TRUSCO Integrated Report

## Integrated Report 2022

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#### Editorial Policy

We are publishing our Integrated Report annually in the hope that our institutional investors, shareholders, and other stakeholders will better understand our business and the process of value creation. “**GAMBARE!! JAPANESE MONODZUKURI**” is our corporate message. In the Integrated Report, we emphasize the story behind our vision, which is to be a company that will continue to be of service to the manufacturing industry in Japan that always provides the highest level of convenience. We believe the source of competitiveness for an organization is its **originality**. Therefore, we are building a business model that makes full use of products, logistics, and digital technologies. We hope that this report will give you some insight into our business and our approach to gaining a competitive advantage.

#### Period Covered by the Report

This Integrated Report covers TRUSCO’s business operations from January 1, 2021 to December 31, 2021.

#### Cautionary Information Regarding Forward-Looking Statements

This Integrated Report contains forward-looking statements regarding our future plans, strategies, and performance. These statements are based on our assumptions and plans based on current information. It contains risks and uncertainties related to economic trends and market demand. Therefore, please be aware that planned and actual results may differ, and that strategies may change.

#### Reference Guidelines

- “Guidance on Integrated Disclosure and Dialog for Co-Creation” (Ministry of Economy, Trade and Industry)
- “International Integrated Reporting Framework” (International Integrated Reporting Council (IIRC))

## Origin of the Corporate Name TRUSCO

Our company was founded as Nakayama Kiko Shokai in 1959 before it was incorporated as Nakayama Kiko Co., Ltd. in 1964.

The company then changed its name to TRUSCO NAKAYAMA Corporation in 1994.

TRUSCO was coined from the words “Trust” and “Company” to convey our commitment to building a company that earns trust.

This name demonstrates our corporate approach to earn the trust of everyone we associate with in order to become a company that continues to grow in the future.

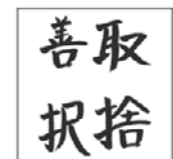
**TRUST + COMPANY**

**= TRUSCO™**  
Company Earning Your Trust

## Spirit of Management

### Shushazentaku

When you make a decision, you should ask yourself whether it is right or wrong, good or bad, and always choose what is right rather than focusing on whether it is profitable. Making a decision based on whether it will be profitable often results in a bad decision.



From the Top Message in FY2003

### Creativity in Management

Choosing majority solutions results in ordinary results. This is because the will of the majority is not always right.



Building a distribution system by strengthening our wholesale operations

### Emphasis on Regular Employment

We have a responsibility to provide workplaces where staff members can work with stability and peace of mind. We should not take away the goodness from people’s lives even if doing so increases profits. TRUSCO has no temporary employees. Part-time employees are limited to housewives, students, and the elderly, while heads of households are hired as full-time employees.



From left to right: Sous-chef Toshiro Sato (TRUSCO Resort and Spa Hakone) and Head Chef Taro Kinoshita (TRUSCO Resort and Spa Hakone and TRUSCO Resort and Spa Karuizawa)

### A Company With Assets

We must be able to secure company buildings, information systems, vehicles, and other important assets without relying on others. Owning assets means that they remain after depreciation, so money is not wasted. Instead of aiming for short-term profits, we stick to being “a company with assets” in order to have a long-term perspective of improving corporate value and to improve convenience for our customers. (see p.29).



Owning our own buildings allows us to strengthen functionality (Planet Saitama Distribution Center)

### Decisive Management

It is also important to continue pursuing the core value through reviewing our mission and raison d’etre, even if it means going back to the drawing board. Bringing a stop to some business practices, including the abolition of goods receipts and draft transactions, has resulted in changes. We will continue pursuing the core value by always deeply looking at the essence of things.



Top photo: Final note payable (August 2003)  
Bottom photo: Final note receivable (December 2005)



# Organizational Chart

As of June 1, 2022

### Advisor




**Takashashi Nakai**  
 Advisor  
 We have established the position of Advisor. Advisors serve the purpose of advising executive level managers based on their knowledge and experience. Although the mandatory retirement age for our executives is 65, they can remain employed until the age of 70 if they so desire.




**Masaki Matsuda**  
 Advisor  
 To be appointed as Advisor at the 59th Ordinary General Meeting of Shareholders which is scheduled to be held on March 18, 2022.


### Outside Director



**Kenichi Saito**  
 Outside Director Board Brain(BB)\*1  
 ForeSight & Company, Ltd.  
 President




**Kuniaki Hagihara**  
 Outside Director Board Brain(BB)\*1  
 Hagihara Industries Inc.  
 Chairman



**Takako Suzuki**  
 Outside Director Board Brain(BB)\*1  
 Chairman of the Board of Directors, Representative Executive Officer and President, S.T.CORPORATION


### President



**Tetsuya Nakayama**  
 President  
 Born December 24, 1958  
 63 years old; 41 years and 2 months at Trusco

**Career Summary**  
 1981: Joined the Company  
 1984: Director  
 1987: Executive Director  
 1991: Representative Director and Senior Executive Director  
 1994: President (present)

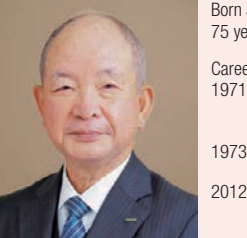
### Auditor



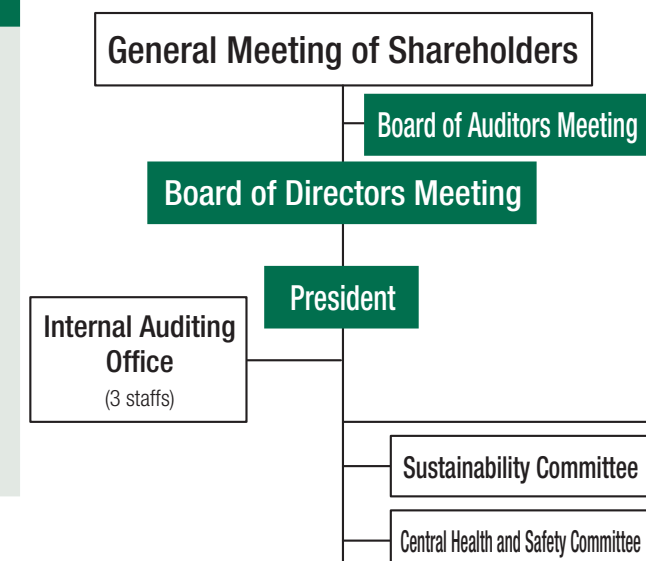
**Akira Takada**  
 Full-time Auditor




**Hiroaki Imagawa**  
 Full-time Auditor




**Hiroho Kamakura**  
 Part-time Auditor



### Department General Manager




**Atsushi Kazumi**  
 Director  
 General Manager of the Business Management Department and General Manager of the Digital Service Strategy Department




**Tatsuya Nakayama**  
 Senior Executive Officer  
 General Manager of the Product Division

### Department General Manager



**Kazuo Nakai**  
 Director  
 General Manager of the Sales Department



**Hideki Naoyoshi**  
 Director  
 General Manager of the Distribution Department


### Business Management Dept. (93 employees in total)\*2

#### Corporate Planning Division




**Atsushi Shimozu**  
 General Manager of the Corporate Planning Division

#### Personnel Division




**Tomoya Kita**  
 General Manager of the Personnel Division

#### Administration Division



**Mikio Adachi**  
 General Manager of the Administration Div. and Manager of the Property Section

#### Accounting Division



**Tetsuhiro Mori**  
 General Manager, Accounting Division

### Digital Service Strategy Department (62 employees in total)

#### Information Systems Division



**Takayuki Kimura**  
 General Manager of the Information Systems Division


#### Digital Promotion Division



**Atsuhiko Yamanaka**  
 General Manager, Digital Promotion Division


### Product Dept. (150 employees in total)

#### Tokyo Product Division




**Fumiaki Matsubara**  
 General Manager, Tokyo Product Division

#### Osaka Product Division




**Koshiro Aoyama**  
 General Manager of the Osaka Product Division

#### Overseas Product Division



**Norihiro Higashi**  
 General Manager, Overseas Product Division

### Sales Planning Division/e-Business Sales Division



**Masashi Yamamoto**  
 General Manager, Sales Planning Division and General Manager of the e-Business Sales Division

### Sales Department (917 employees in total)\*2

#### Factory Sales Division



**Kiyonori Unto**  
 General Manager, Factory Sales Division (East Japan)

#### Home Center Sales Division



**Shu Matsui**  
 General Manager, Home Center Sales Division and Branch Office Manager, HC Tokyo Branch

#### Overseas Division



**Naotsugu Kamijo**  
 General Manager, Overseas Division

#### Overseas Subsidiaries



**Kazuaki Harada**  
 President  
 Born November 16, 1980  
 41 years old; 19 years and 2 months at Trusco  
 Employees: 24  
 (3 employees on loan and 21 local staff)  
 Naotsugu Kamijo, Director



**Yohei Takuno**  
 President  
 Born May 16, 1986  
 35 years old; 12 years and 2 months at Trusco  
 Employees: 20  
 (3 employees on loan and 17 local staff)  
 Naotsugu Kamijo, Auditor

### Distribution Division (1,634 employees in total)

#### Distribution Reorganization Department



**Masaya Okada**  
 General Manager, Distribution Reorganization Department

#### Distribution Division



**Masato Otani**  
 General Manager, East Japan Distribution Division



**Takanori Hirayama**  
 General Manager, West Japan Distribution Division



## Company Overview As of December 31, 2021

Company name	TRUSCO NAKAYAMA Corporation		
Head store	4-28-1, Shimbashi, Minato-ku, Tokyo		
Head Offices	Tokyo Head Office: Trusco Fiorito Bldg., 4-28-1, Shimbashi, Minato-ku, Tokyo 105-0004 (registered as company head office) Osaka Head Office: Trusco Glen Check Bldg., 1-34-15, Shinmachi, Nishi-ku, Osaka-shi, Osaka 550-0013		
Branches	Japan: 88 (2 head offices, 59 sales branches, and 27 distribution centers) Overseas: 5 (Names of our overseas subsidiaries: TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED, PT.TRUSCO NAKAYAMA INDONESIA; Supplier business development office locations: Germany, Taiwan (to be established by the end of 2022), Thailand, and the US) (as of January 1, 2022)		
Capital	\$45 million; Listed on the First Section of the Tokyo Stock Exchange (Securities code: 9830)		
Shareholders' equity ratio	64.0% (as of December 31, 2021)		
Employees	Consolidated: 2,906 (10 officers, 1,632 full-time employees; 1,264 part-time staff)		
Founded	May 15, 1959		
Established	March 2, 1964		
Closing date for fiscal year	December 31		
Sales	Consolidated: \$2,066 million (for Fiscal Year Ending December 31, 2021)/Ordinary Income of \$2,193 million planned for Fiscal Year Ending December 31, 2022		
Ordinary Income	Consolidated: \$122 million (for Fiscal Year Ending December 31, 2021)/Ordinary Income of \$131 million planned for Fiscal Year Ending December 31, 2022		
Bank	Mizuho Bank, Resona Bank, Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Banking, Sumitomo Trust & Banking		
Accounting Auditor	Deloitte Touche Tohmatsu LLC		
Rating	A (Rating and Investment Information, Inc.)		
Suppliers	2,966 (2,662 suppliers in Japan, 304 overseas suppliers)		
Customers	Dealers of machine tools, construction materials, electrical materials, tubing materials, online shops, and home centers etc.; about 5,527 customers		
Business Areas	Wholesale of machine tools, distribution equipment, environmental safety equipment, and other equipment, along with the planning and development of the products of company's own brand TRUSCO		
Officers	As of June 1, 2022		
		Full-time Auditor	
President	Tetsuya Nakayama	Full-time Auditor	Akira Takada
Director	Kazuo Nakai (General Manager of the Sales Department)	Part-time Auditor	Hiroaki Imagawa Hiroho Kamakura
Director	Atsushi Kazumi (General Manager of the Business Management Department and General Manager of the Digital Service Strategy Department)		
Director	Hideki Naoyoshi (General Manager of the Distribution Department)		
Outside Director	Kenichi Saito (ForeSight & Company, Ltd.) President		
Outside Director	Kuniaki Hagihara (Chairman, Hagihara Industries Inc.)		
Outside Director	Takako Suzuki (President, S.T.CORPORATION)		
Senior Executive Officer	Tatsuya Nakayama General Manager of the Product Department		

## Our Policy

“Business must serve people and society”

## To Achieve “Our Ambitions” (Value Creation)

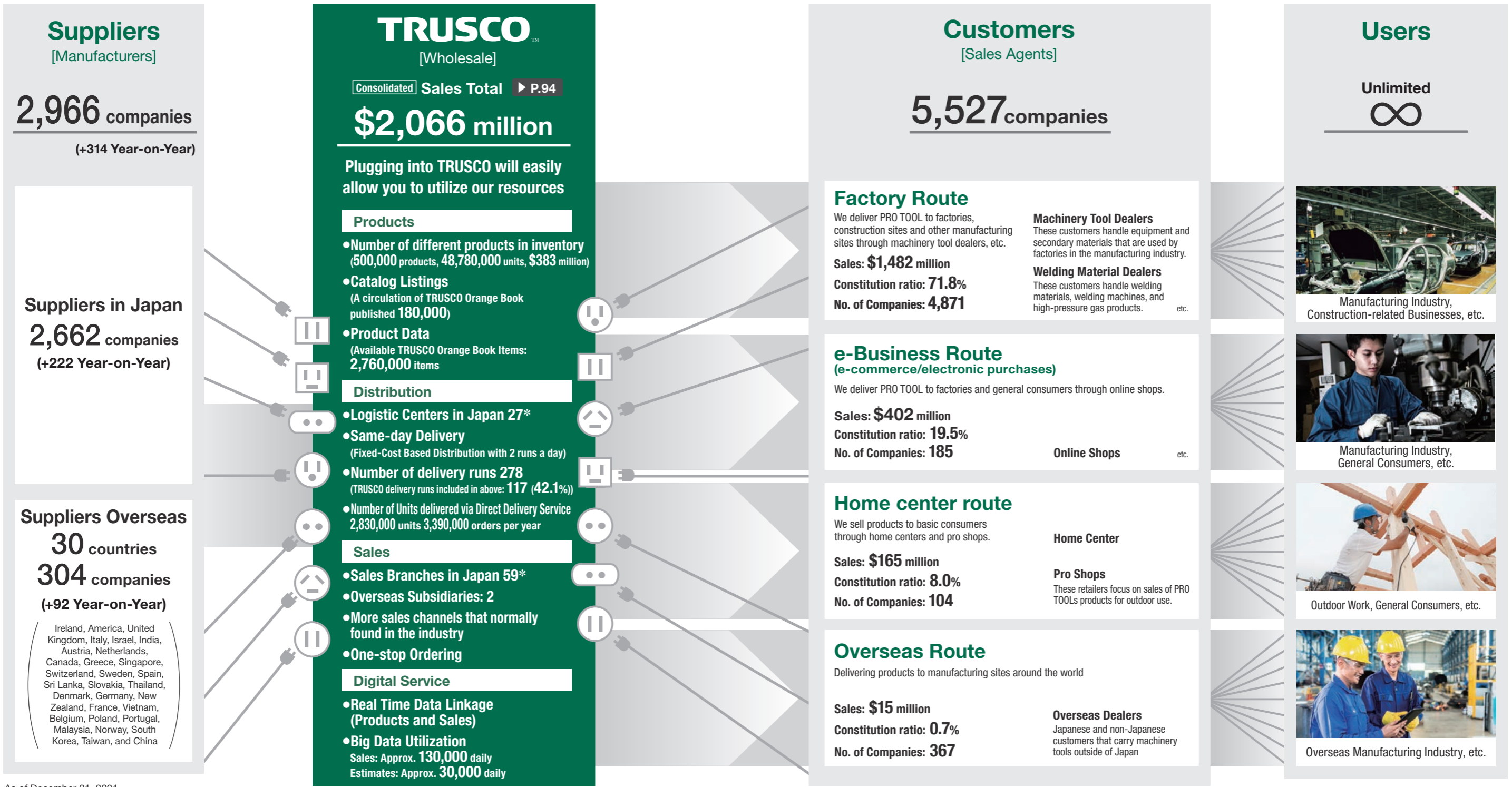
Founded as a latecomer to the industry, thinking outside the box has been our core approach from the start. We have provided a variety of services to meet the needs of our customers and the manufacturing industry of the times. In the future, we will continue to aim to be a company that always provides the highest level of convenience in order to continue to be of service to the manufacturing industry in Japan, based on our belief that business must serve people and society.

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# Business Flow

TRUSCO NAKAYAMA is a specialized trading company that procures PRO TOOL from suppliers and sells them to machinery tool dealers, Online shopping, home centers, and other customers. We ensure prompt, smooth and reliable delivery to manufacturing sites all over Japan. As a wholesaler, we have developed a unique business model to improve the convenience of our customers, suppliers, and users.



As of December 31, 2021

As of December 31, 2021  
\* As of January, 2022

As of December 31, 2021



# Helping People and Society

## - Value Creation Model -

As a Pro Tools supplier, we aim to be an indispensable company for Japanese manufacturing sites by heightening our ability to supply PRO TOOLS and providing convenience for our customers.



GAMBARE!! JAPANESE MONODZUKURI

We want to be of service to the manufacturing industry in Japan that always provides the highest level of convenience regardless of the times. Therefore, we strive to be a company that always provides the highest level of convenience.



### Becoming the Company We Want to Be

(Capability Targets) P.18

Management resources

#### Stock (Product capital/Social capital)

- Number of items in inventory: **500,000 items**
- Inventory Value: **\$383 million** (Consolidated) • Total number of items in inventory: **48,780,000 items**
- Total Number of suppliers: **2,966 companies** (Overseas: **304 companies**)

#### Deliver (Distribution capital)

- Logistic Centers in Japan: **27 locations** • Branches with inventory: **29 locations**
- Number of total delivery runs: **278 vehicles** (TRUSCO delivery runs included in above: **117 vehicles, 42.1%**)

#### Connecting (Digital capital)

- Digital Expenditures (most recent three periods): **\$46 million**
- Number of systems: **60** • Product Data Number: **3,500,000 items**
- Number of system connected companies: **10,864**

#### Communicate (Intellectual capital)

- TRUSCO Orange Book: **180,000** (2022 edition, total number published)
- Available TRUSCO Orange Book Items: **2,760,000 items**

#### Respond (Human capital/Social capital)

- Employees: **Consolidated 2,906** (Officers: **10** / Full-time staff: **1,632** / Part-time Staff: **1,264**)
- Number of Customer Companies: **5,527**

#### Support (Product capital/Nature capital/Social capital)

- Shareholders' equity ratio: **64.0%** • Rating: **A (R&I)**
  - Trusco Power Generation Installations: **19** • Number of shareholders: **14,406**
- As of December 31, 2021

#### Financial Results (Financial capital)

- Sales (consolidated): **\$2,066 million**
- Ordinary income (consolidated): **\$122 million** • Dividends: **\$0.31**

#### Improving Convenience

(Distribution capital, Intellectual capital, and Digital capital)

- Stock Hit Rate: **91.3%** (+0.3 pt year on year)
- System order intake ratio: **85.3%** (+1.4 pt year on year)
- Automated Estimate Ratio: **18.2%** (+10.1 pt year on year)
- Delivery Lead Time: **20 hrs. 6 min. 53 sec.**

#### A workplace where various human resources can flourish (Human capital)

- Turnover rate: **5.2%**
- Percentage of female employees among full-time employees: **35.0%**
- Managerial Retirement Age: **62** Full-time Staff Retirement Age: **65**
- Employment Extension: **70** Part-time Staff: **75**

#### Social and Environmental Value Creation

(Social capital/Nature capital)

- Renewable Energy Power Self-sufficiency Rate: **16.5%**
  - Naojiro Repair Service Sales: **\$14 million**
  - Number of Companies Appearing on "TRUSCO unknown gulliver" (TV program): **198** (as of February 28, 2022)
- As of December 31, 2021

Results

Aim for sustainable growth

through a cycle

Common sense might change but our principles remain unchanged.

Although common sense sometimes changes, our principles remain unchanged.

Never Changing Our Principles (Unchanging demands of the market)

- High-level of convenience
- Rapid, reliable delivery
- Abundant line-up and inventory
- Convincing prices
- Courteous, Polite, and Reliable
- Digital Capabilities

Society/Local Environment

Our Policy P.2

Business must serve people and society

Business Activities

#### Product Strategy P.32

Solving issues throughout the entire supply chain with our unique product lineup and product data

#### Digital Service Strategy P.56

To respond to the unchanging customer demand through our digital capabilities

#### Distribution Strategy P.44

Accelerating distribution innovation utilizing people and systems in pursuit of ultimate type of immediate delivery that no one has yet experienced

#### Human Resources Strategy P.62

To become a company that continues to provide support regardless of the times with our people (originality) as a starting point

#### Sales Strategy P.50

Aiming to become a supplier that is needed by our customers by accurately identifying their changing needs

#### Corporate Governance and Social Contributions P.71

Being a trusted company through our unique governance system, environmental initiatives, and highly transparent information dissemination

#### Material issues P.22

- Total optimization of the supply chain
- Planning and development of products that respond to diversifying needs
- Development of environments and human resources to enable them to fully display their personal abilities

- Environmental actions through business activities
- Contribution to stakeholders and local communities
- Governance based on a stance of Shushazentaku (choosing the proper action)

Contribution

- Value Creation
- Management Policy
- Products
- Distribution
- Sales
- Digital Service
- Human Resources
- Corporate Governance and Social Contributions
- Environmental Efforts
- Corporate Governance
- Relationships with Stakeholders
- The Nakayama visually impaired welfare foundation
- Corporate Data



# Becoming the Company We Want to Be -Capability Targets -

We believe that in order to constantly provide the highest level of convenience as a unique company, our priority should be capability targets, which tell us the types of capabilities that we should possess as a company, rather than to numerical targets such as sales and profit figures. In order to become a company that is needed by our customers and society during any era, we have set the following goals and will continue to work on achieving them.

## 01 To become a company that will be able to store one million items in inventory by 2030

We are working on expanding the number of items in our inventory and strengthening our distribution system to improve customer convenience. At Planet Aichi, which is planned for construction, we will build a state-of-the-art distribution system based on a different approach to distribution to establish a system which will allow us to store one million items in inventory by 2030.



Location where Planet Aichi is planned for construction (Kitanagoya-shi, Aichi) (approx. 41,636 m)

## 02 To become a company capable of receiving orders 24 hours a day and shipping products 365 days a year

With an eye on improving convenience for our customers and increasing the number of product shipments in the future, we will establish a system that enables us to receive orders 24 hours a day and ship products 365 days a year. Planet South Kanto, which was rebuilt and put into operation in August 2020, is equipped with an underground parking lot with a high ceiling that allows delivery trucks to enter. Facilities will be designed to allow loading and unloading even at night.



Planet South Kanto (Isehara City, Kanagawa) is designed so that it is capable of shipping products 365 days a year.

## 03 To become a company where products are always in stock and never experiences order or shipping based errors

We think that the number one reason for delivery delays is that an item is out of stock. We will expand the number of different products in inventory and move forward with creating a system for appropriate stocking made possible through the use of AI to prevent shortages from occurring. In addition, the majority of order and shipping errors occur when people are involved in the process. Through the adoption of robotics and AI, we are moving forward with automation and labor reduction, creating a system that is free of order and shipping based errors.

## 04 To become a company that never has to take inventory (Inventory variance rate as of December 31, 2021: 0.43%)

Although inventory is currently taken only once a year, the inventory variance rate has been reduced to 0.43% due to the sophistication of the system. However, taking inventory of 500,000 items is a time-consuming and labor-intensive process. For this reason, the Inventory Abolition Committee has been established within the company to eliminate the need for inventory work in the future. We are working to improve systems and operations to achieve this goal.

## 05 We want to make our Direct Delivery Service standard for distribution

In general, it is common practice in the industry to deliver products that wholesalers receive orders for from customers to users via those customers. However, in addition to long delivery times, the products need to be reshipped and repackaged, placing a burden on the environment. In contrast, since products are shipped directly to the users when using our Direct Delivery Service, delivery times, packaging material amounts, shipping costs, and the environmental burden can all be reduced by half. We will make our Direct Delivery Service common practice and associate it with environmental conservation (see pages 48 and 53).



Message of "Environmental Conservation Through a Wholesaler-based Direct Delivery Service"

## 06 To become a company capable of quickly providing estimates (Automated estimate ratio as of December 31, 2021: 18.2%)

The adoption of an AI-based quotation system in January 2020 allows us to respond to each of the 30,000 quotation requests received from our customers each day with a minimum reply time of five seconds. As of December 31, 2021, our automated estimate ratio is 18.2%. We are continuing to improve the system so that this ratio can be increased to 34.0% by 2025 (see p.60).

## 07 To become a company capable of realizing the "fastest," "shortest," and "best" deliveries in the industry

We believe that "immediate delivery is the greatest service" and have been working to strengthen our distribution system. In the future, we will aim to shorten lead time, the time from when an order is received to product delivery (20 hrs., 6 min., 53 sec. as of December 31st, 2021), by analyzing each order. We will address issues that emerge by visualizing what immediate delivery is and establish a system capable of realizing the "fastest," "shortest," and "best" deliveries in the industry (see p.48).



We aim to shorten the lead time for each order

## 08 To become a company with a minimal environmental burden

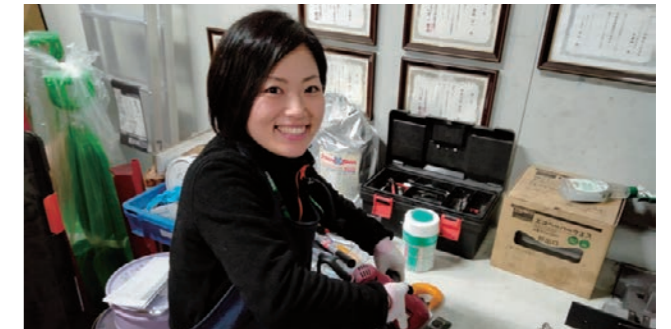
Offering an abundant line-up and inventory to select from has led to the realization of one-stop shopping, which results in lower consumption of energy and resources for procurement than purchasing products from multiple suppliers (see p.72). In addition, by establishing a fixed-cost based distribution system (see p.45), delivery is made using a fixed amount of energy regardless of the delivery volume without incurring costs for each individual delivery as with express home delivery services. In addition, we are expanding our Direct Delivery Service (see pages 48 and 53), an environmentally-friendly approach which reduces shipping costs and associated work by half, and our MRO Stocker (see p.52), a tool storage system that realizes zero delivery time. By gradually solving the issue of wastefulness hidden in distribution activities, we aim to become a company with a small environmental burden.



Manufacturing sites throughout Japan are introducing MRO Stocker

## 09 To become a company that is also actively involved in the recycling, reuse, and return of tools and equipment (Naojiro Repair Workshops results for FY2021: \$14 million)

Our Naojiro Repair Workshops, which have been in operation since 1998, provide unique services designed to help reduce the environmental burden and cut costs by prolonging the use of familiar tools and equipment (see p.53). In addition to re-grinding and calibration, Naojiro Repair Workshops offer a wide range of services, including tape processing.



Chain sling repair is handled at each distribution center (Michiko Suzuki, Planet Tohoku)

## 10 To become a "platform holder" that supports manufacturing in Japan

In June 2021, we announced an industry-academia collaboration with Nagoya University and capital and business alliances with GROUND Inc. and Cinnamon Inc. Together with reliable partners in these rapidly changing times, we are working to build a new distribution platform with the desire to become a "platform holder" for the procurement of PRO TOOLs for manufacturing sites (see p.30).



From left to right: Seiichi Matsuo (President of Tokai National Higher Education and Research System), Miku Hirano (CEO of Cinnamon Inc.), Tetsuya Nakayama (President of TRUSCO NAKAYAMA Corporation), and Hiratomo Miyata (President & CEO of GROUND Inc.) (At the 55th Anniversary Hall on the 3rd floor of the Tokyo Head Office of TRUSCO NAKAYAMA Corporation)

## 11 To become a company capable of rewriting the accepted practices, customs, accepted opinions, and conventions of the industry

As a latecomer to the industry, we have developed our business by thinking outside the box (see p.24). The starting point that continues to generate corporate vitality and growth is the idea that choosing majority solutions results in ordinary results. We will continue to solve various problems with ideas that take common sense by surprise, capable of rewriting the customs, accepted opinions, and conventions of the industry.



# Continuing to Provide Support Regardless of the Times -Sustainability -

## Basic Sustainability Policy ~TSV (TRUSCO Shared Value)~

We aspire to be a PRO TOOLS supplier that continually serves Japanese manufacturing in every era. Under the motto, "Business must serve people and society," we will create both social value and corporate value through our businesses to help resolve social issues and build sustainable local communities.

\*The term TRUSCO Shared Value (TSV) was created by combining TRUSCO and Creating Shared Value (CSV).

## Material issues

### For becoming a sustainable company with a small environmental burden

On the basis of its basic TSV policy, we identified the material issues that we face for sustainability. TRUSCO will address these issues through its business with a view towards the establishment of a sustainable society.

#### 1 Total optimization of the supply chain

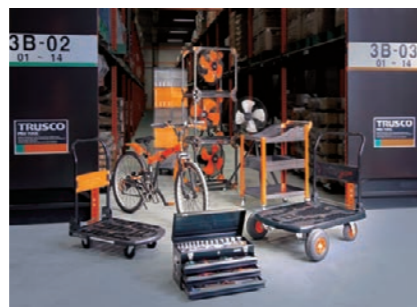
Become a platform holder supporting manufacturing and optimize the supply chain to establish sustainable PRO TOOLS distribution that is both human-friendly and environmentally friendly. (see p.72).



Contributing to reducing the environmental burden through one-stop distribution

#### 2 Planning and development of products that respond to diversifying needs

Develop and provide PB products with original value to suit diversifying needs and trends at manufacturing sites to help rationalize manufacturing operations, increase productivity, and strengthen competitiveness. (see p.35).



Strengthening competitiveness through unique product development

#### 3 Development of environments and human resources to enable them to fully display their personal abilities

We will be able to grow as a company by creating an environment where employees are always motivated and each can sufficiently demonstrate their abilities. (see p.63).



Providing human resource training and systems that give various insights

#### 4 Environmental actions through business activities

We contribute to reducing the environmental impact of our business activities and PB products, not only for ourselves but also for the users of our products, and contribute to the environmental activities of the Japanese manufacturing industry. (see p.53).



Measuring equipment is calibrated in-house through Naojiro Repair Workshops (Kazuhiro Umemoto, Acting Senior Supervisor at Planet Osaka)

#### 5 Contribution to stakeholders and local communities

Cherish the relationships with stakeholders through support for people with disabilities and communication with local communities and society through sponsorships and advertising. (see p.86).



New Nakayama Memorial Hall (The Nakayama visually impaired welfare foundation)

#### 6 Governance based on a stance of Shushazentaku (choosing the proper action)

Improve the fairness and transparency of management and implement swift and appropriate decision-making to conduct business activities that conform to laws and social norms. (see p.74).



Management meeting with employees seated at a round table so that all their faces can be seen

## Responding to risks and opportunities attributed with climate change

In order to continue to be of service to people and society in any era, we are resolving social issues and contributing to local communities based on our basic sustainability policy. Based on the TCFD recommendations\* for climate change, we also disclose the following four items: "Governance," "Strategy," "Risk Management," and "Indicators and Targets."

\*Task Force on Climate-related Financial Disclosures: An international framework that promotes disclosure of risks and opportunities attributed with climate change as well as financial impact, etc. In 2017, the TCFD released a proposal requiring companies and others organizations to disclose climate-related information.

### Governance

We have established the Sustainability Committee as an organization to oversee our efforts to address our basic sustainability policy (TSV) and material issues (materiality). With the Sustainability Promotion Section of the Corporate Planning Division serving as the office in charge of the committee's operations, the Sustainability Committee is responsible for overseeing activities to promote company-wide sustainability initiatives, including climate change-related risk management. Important agenda items approved by the Committee are reported to the Board of Directors on a case-by-case basis. In addition, a subworking group has been established under the umbrella of the Sustainability Committee to consider specific matters related with each risk and initiative (see Sustainability Promotion System on p.22).

### Strategy

As for the impact of climate change on our business operations, future external environmental changes are examined and their effects on the Company are analyzed based on a framework proposed by the TCFD. Below are the major risks and opportunities associated with our business activities that we are responding to.

Risks		Content	Impact on the Company
Transition Risks	Policy and Legal Risk	<ul style="list-style-type: none"> <li>Increase in purchase and maintenance costs of EV vehicles due to the shift from gasoline powered vehicles to EV vehicles in accordance with greenhouse gas emission regulations</li> <li>Soaring raw material prices for PB Products manufactured by the Company due to the introduction of plastic regulations and carbon taxes</li> </ul>	Increased costs
	Technology Risk	<ul style="list-style-type: none"> <li>Increased capital expenditures for new product development and further energy saving/efficiency improvements at distribution centers to achieve decarbonization</li> </ul>	Increased costs
	Market Risk	<ul style="list-style-type: none"> <li>Decrease in assessment level due to a perceived lack of environmental initiatives</li> </ul>	Decreased Sales
Physical Risks	Reputation Risk	<ul style="list-style-type: none"> <li>Decrease in order amounts due to carrying a low amount of sustainability-friendly products</li> <li>Decrease in the number of orders of physical catalogs from the Company, resulting in a decrease in the amount of orders from physical catalogs</li> </ul>	Decreased Sales
	Acute Risk	<ul style="list-style-type: none"> <li>Direct damage to own/domestic/overseas supply chain/inventory due to disaster</li> </ul>	Decreased Sales and Increased Costs
	Chronic Risk	<ul style="list-style-type: none"> <li>Deterioration of working environments at distribution centers due to rising temperatures and employee health hazards</li> </ul>	Increased costs
Opportunities		Content	Impact on the Company
Opportunities	Resource Efficiency	<ul style="list-style-type: none"> <li>Decrease in expenditures through more efficient delivery by strengthening our Direct Delivery Service and cutting the use of packaging materials by half</li> </ul>	Increased Sales and Decreased Costs
	Energy Source	<ul style="list-style-type: none"> <li>Reduction in financial costs by increasing in-house consumption of solar power</li> </ul>	Decreased Costs
	Product and Service	<ul style="list-style-type: none"> <li>Increase in MRO Stocker installations and direct shipments to users contributes to overall supply chain efficiency</li> <li>Promotion of the utilization of Naojiro Repair Workshops and increased demand for environmentally-friendly products</li> </ul>	Increased Sales
	Markets	<ul style="list-style-type: none"> <li>Increased sales due to increased product demand in the industrial robot market and EV-related markets</li> </ul>	Increased Sales
	Resilience	<ul style="list-style-type: none"> <li>Increased demand due to distribution of risk from having numerous distribution bases and the establishment of the "fastest," "shortest," and "best" delivery routes</li> </ul>	Increased Sales

### Risk Management

The Sustainability Committee manages all risks across the company. Among these risks, we have positioned risks related to climate change as one of the most important risk categories. A subworking group discusses climate change risks at least four times a year, examining the progress of initiatives for the issues and new risks, identifying risks and opportunities, evaluating them, and organizing countermeasures. The content of the discussions by the subworking group is reported to the Sustainability Committee, which meets twice a year, and particularly important issues are reported to the Board of Directors. In addition, the Sustainability Promotion Section generally reports on environment-related indicators and issues to the Board of Directors every month.

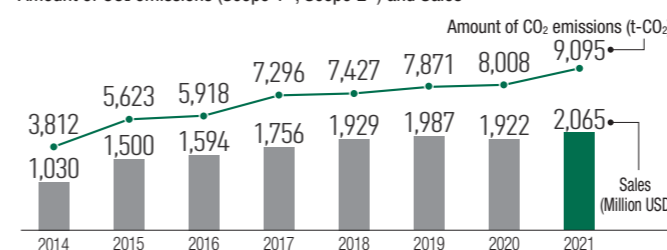
### Indicators and Targets

Since January 2022, we have been disclosing carbon dioxide emissions (Scope 1\* and Scope 2\*) and solar power generation capacity as environment-related indicators. In addition, as our own efforts to reduce the environmental impact of the entire supply chain, we have set targets for the number of direct shipments to users, which are highly efficient and reduce packaging material amounts and the number of companies that have introduced MRO stockers as indicators for reducing environmental impact.

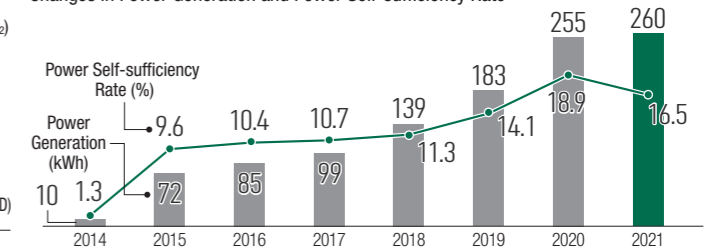
### Scope 3\* Disclosure

We have been working to optimize the entire supply chain and reduce greenhouse gas emissions in the supply chain by strengthening our Direct Delivery Service and promoting the use of MRO stockers. We are currently analyzing these and other initiatives for Scope 3 disclosure and will strive to disclose them in stages.

Amount of CO<sub>2</sub> emissions (Scope 1\*, Scope 2\*) and Sales



Changes in Power Generation and Power Self-sufficiency Rate



\*Scope 1: Direct emissions from fuel used by our Company. Scope 2: Indirect emissions resulting from energy supplied by another company. Scope 3: Indirect emissions related to the supply chain which are not categorized as Scope 1 or 2 emissions.

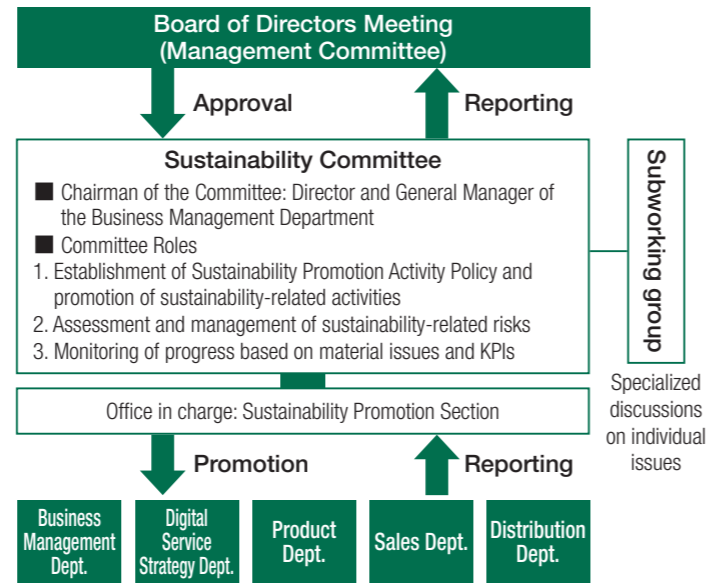


## Solving Material Issues

### Sustainability Promotion System

We have established specific themes, measures, and KPIs for solving identified material issues. Each department is responsible for the implementation of these various measures, and the Sustainability Committee oversees progress and promotes sustainability based on KPIs. The Sustainability Committee also manages and assesses risks related to sustainability, including climate change.

For individual issues that require specialized discussion, a subworking group has been established under the Sustainability Committee for focused discussions.



### Material Issue Identification Process

In addition to identifying material issues in the four-step process, meetings were held at each business site in Japan to discuss those material issues identified. Interviews with employees were also used to create content.






**Fukui Branch employees seen in a meeting**  
 • We realized that daily business activities that we conduct are also connected to the social issues.  
 • The meeting made us realize that we need to be more proactive in listing environmentally-friendly products in catalogs and their sale.

Material Issue	Description	Themes	Related Measures	KPIs	Related Social Issues
<b>1</b> Optimization of the entire supply chain	Become a platform operator supporting manufacturing and optimize the supply chain to establish sustainable PRO TOOLS distribution that is both human-friendly and environmentally friendly.	<ul style="list-style-type: none"> <li>One-stop MRO distribution for improving convenience and reducing the environmental burden</li> <li>Dramatic efficiency in product selection and industry standardization of product data</li> <li>Realization of proposals and deliveries by anticipating customer needs</li> <li>Creating synergy effects through the power of people and digital technology to contribute to the expansion of business performance of partner companies</li> <li>Realization of the ability to accept orders 24 hours a day and ship products 365 days a year (stable supply of products)</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of Direct Delivery Service (p.48, 53)</li> <li>Ability to store 1,000,000 items in inventory (p.18)</li> <li>MRO Stocker (p.52)</li> <li>Distribution Facility Integrated Management System (WES) (p.58)</li> <li>Total optimization of stocking and procurement through demand forecast AI (p.48)</li> <li>Polario (website for business coordination)</li> <li>Expansion of product data using AI (p.58)</li> <li>Product database "Sterra"</li> <li>Provision of new customer experiences (UX) (p.58)</li> <li>Communication optimization through uniform management of customer information (p.58)</li> <li>Improvement of customer convenience through the utilization of AI (p.58)</li> <li>Distribution center BCP measures (p.49)</li> </ul>	<ul style="list-style-type: none"> <li>Number of packages delivered via Direct Delivery Service</li> <li>Number of companies that have introduced MRO Stocker</li> <li>Delivery lead time</li> <li>Number of different products in inventory and number of products that are stocked automatically</li> <li>Number of TRUSCO delivery routes/Percentage of TRUSCO delivery runs</li> <li>Stock hit rate</li> <li>Number of TRUSCO Orange Book items</li> <li>Automated Estimate Ratio</li> <li>System order intake ratio</li> <li>Number of companies connected to Orange Commerce</li> </ul>	
<b>2</b> Planning and development of products that respond to diversifying needs	Develop and provide PB products with original value to suit diversifying needs and trends at manufacturing sites to help rationalize manufacturing operations, increase productivity, and strengthen competitiveness.	<ul style="list-style-type: none"> <li>Strengthening of our PB Products lineup</li> <li>Improving the safety and quality of PB Products</li> <li>Promoting responsible procurement</li> </ul>	<ul style="list-style-type: none"> <li>Increasing the speed of PB Products development (p.35)</li> <li>New Product Review Meeting (p.35)</li> <li>PB Products quality assurance (p.35)</li> </ul>	<ul style="list-style-type: none"> <li>Number of PB Products</li> <li>Number of PB Products deficiencies and related accidents</li> </ul>	
<b>3</b> Development of environments and human resources to enable them to fully display their personal abilities	We will be able to grow as a company by creating an environment where employees are always motivated and each can sufficiently demonstrate their abilities.	<ul style="list-style-type: none"> <li>Creation of a work environment where our employees can continue to work with peace of mind for many years</li> <li>Expansion of opportunities for career advancement for each employee with a broad selection of choices available</li> <li>Creation of an environment where the work and results of employees can be fairly assessed</li> <li>Promotion of diversity</li> <li>Strengthening of health management as well as occupational safety and health</li> </ul>	<ul style="list-style-type: none"> <li>Various personnel programs that support different work styles (p.67, 68)</li> <li>Personnel programs by course (p.64)</li> <li>Open Judging System (p.64)</li> <li>Job challenge program (p.63)</li> <li>Boss challenge program (p.63)</li> <li>Open position challenge program (p.63)</li> <li>Dual position job challenge program (p.63)</li> </ul>	<ul style="list-style-type: none"> <li>Average number of overtime hours per month per employee</li> <li>Number of on-the-job accidents resulting in injury</li> <li>Percentage of women in management roles</li> <li>Percentage of female senior supervisors</li> </ul>	
<b>4</b> Environmental actions through business activities	We contribute to reducing the environmental impact of our business activities and PB products, not only for ourselves but also for the users of our products, and contribute to the environmental activities of the Japanese manufacturing industry.	<ul style="list-style-type: none"> <li>Realization of a supply chain with a small environmental burden</li> <li>Reduction of the environmental burden in business activities</li> <li>Planning and development of environmentally-friendly PB Products</li> <li>Realization of the active recycling, reuse, and return of tools and equipment</li> </ul>	<ul style="list-style-type: none"> <li>Optimization of the entire supply chain to reduce energy use, CO<sub>2</sub> emissions, packaging materials, and resources such as goods receipts (p.73)</li> <li>Solar power in-house generation (p.72)</li> <li>Introduction of Environmentally Friendly Vehicles (p.72)</li> <li>Energy saving activities at all business sites</li> <li>Efforts to make TRUSCO products environmentally-friendly (p.72)</li> <li>Naojiro Repair Workshops (p.53)</li> </ul>	<ul style="list-style-type: none"> <li>Amount of CO<sub>2</sub> emissions</li> <li>Power self-sufficiency rate</li> <li>Number of environmentally-friendly company vehicles introduced</li> <li>Naojiro Repair Workshops sales</li> </ul>	
<b>5</b> Contributions to stakeholders and local communities	Cherish the relationships with stakeholders through support for people with disabilities and communication with local communities and society through sponsorships and advertising.	<ul style="list-style-type: none"> <li>"Giving Back to Society" through the Nakayama visually impaired welfare foundation</li> <li>Strengthening of various sponsorships and advertising activities</li> <li>Promotion of activities in local communities surrounding TRUSCO locations</li> <li>Implementation of contingency donation activities</li> </ul>	<ul style="list-style-type: none"> <li>The Nakayama visually impaired welfare foundation (p.86)</li> <li>TRUSCO Shirarezaru Gulliver (p.84)</li> <li>Internal company newsletter "Hand Made" and TRUSCO "Gambare" Poster (p.84)</li> <li>Osaka Lowits sponsorship (p.85)</li> <li>"Skill Olympics/Abilympics" sponsorship (p.85)</li> <li>Support as an official sponsor of the Japanese Para-Sports Association (p.85)</li> <li>Sponsorship of concerts (p.85)</li> <li>Donation activities (p.85) (donations to Peshawar-kai, etc.)</li> <li>Local community activities (p.85) (TRUSCO Shonan Ohashi Bridge, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Social contribution activity performance</li> </ul>	
<b>6</b> Governance based on a stance of Shushazentaku (always choosing what is right rather than focusing on whether it is profitable)	Improve the fairness and transparency of management and implement swift and appropriate decision-making to conduct business activities that conform to laws and social norms.	<ul style="list-style-type: none"> <li>Realization of corporate governance effective for self-cleaning</li> <li>Strengthening of compliance</li> <li>Strengthening of risk management</li> <li>Realization of highly-transparent information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining and improving our unique governance structure (p.74)</li> <li>Director, Auditor, Executive Officer, Division General Manager OJS (p.75)</li> <li>"Fire Lookout Tower" electronic auditing system (p.75)</li> <li>Compliance Manual Trusco Zentaku Book (p.75)</li> <li>Compliance training (p.75)</li> <li>Internal/External Zentaku Consultation Hot Line (p.75)</li> <li>General Meeting of Shareholders (p.83)</li> <li>Study Tours for Shareholders (p.83)</li> </ul>	<ul style="list-style-type: none"> <li>Number of Zentaku Consultation Hot Line cases</li> <li>Average score of regular internal audits</li> </ul>	



# Thinking Outside the Box - A History of Value Creation -

## Needs of the times and proving value

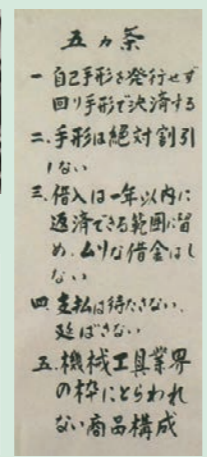
1959	1960-1969	1970-1989	1990-1999
<p><b>Founded as a latecomer to the industry</b></p> <p>Tetsuya Nakayama was born with a damaged optic nerve and loss of vision as a result of forceps delivery. Nakayama decided to start the company with complete resolve for the future of his child. As a latecomer to the industry, Nakayama earned the trust of his customers by aiming for a product lineup that was not bound by the industry limitations.</p>  <p>The year of the company's founding President Tetsuya Nakayama appears in the center of the photo (1959)</p>	<p><b>Catalog Strategy and Development of PB Products</b></p> <p>We aimed to streamline the distribution of pro-tools by publishing Nakayama Shoten, which listed multiple manufacturers, something that did not exist in the industry at that time. In addition, we began to develop our own products (private brands), which no other company could offer, to resolving customers' issues.</p>  <p>Launched a comprehensive catalog "Nakayama Business Bulletin" (1964)</p>	<p><b>Expansion of our business and the areas we serve</b></p> <p>In order to contribute to manufacturing sites across the country, we expanded our offices to all prefectures. We also entered the home improvement industry and expanded our sales network. Later, we also went public, aiming to become a company that contributes to society.</p>  <p>Store registration/Public offering of stocks (Tokyo and Osaka exchanges) (1989)</p>	<p><b>Strengthening distribution capabilities and going public</b></p> <p>Tetsuya Nakayama was appointed as President. In the same year, the company's first distribution center, Planet Kyushu, was launched into operation to strengthen distribution capabilities in earnest. We also changed our company name, established a corporate philosophy, and created a better working environment which led to our listing on the first sections of the Tokyo Stock Exchange and Osaka Securities Exchange.</p>  <p>Tetsuya Nakayama assumes position of President (1994)</p>

## Origin of TRUSCO NAKAYAMA

Chuji Nakayama, the founder of our company, created the "Five Articles", which can be called the company credo (image right). Since its inception, the company has had a culture of taking on various challenges without being bound by limitations. One of these was the first private brand (PB) product Komyotan (red lead), which was purchased in drums and then divided into small cans for sale in response to user requests. Although it took much time and effort, this was the starting point for wholesalers to purchase in large quantities and sell in small lots. This philosophy of "doing what others won't do," "selling what others won't sell," and "doing things before others do them" has been handed down as the DNA of our company to this day.



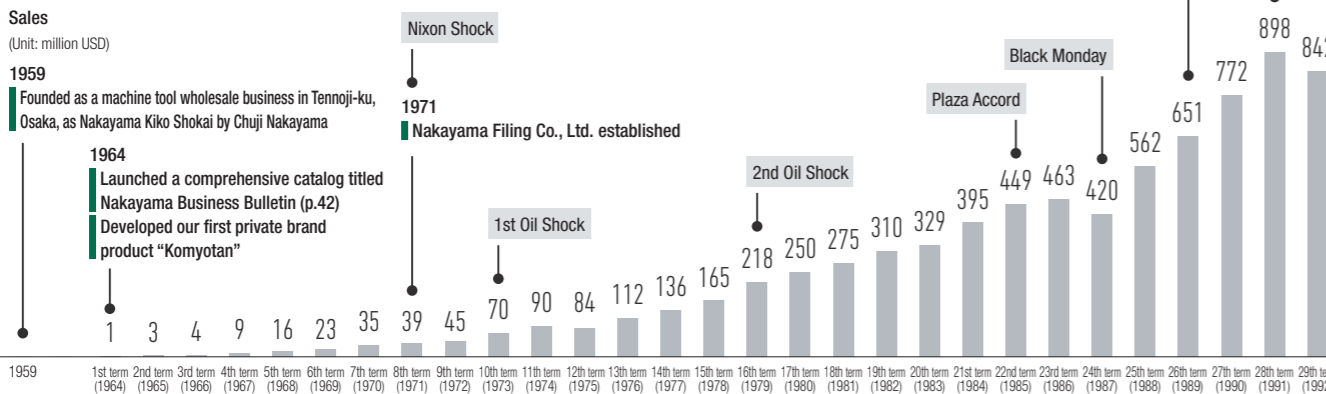
Chuji Nakayama at time of establishment (1959)





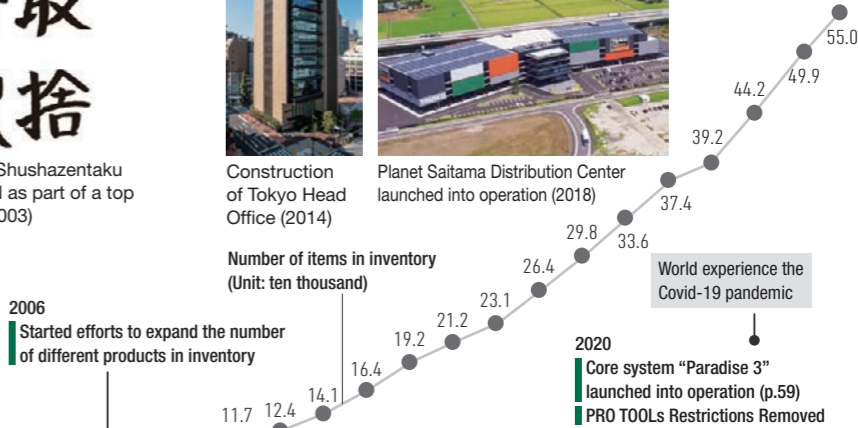
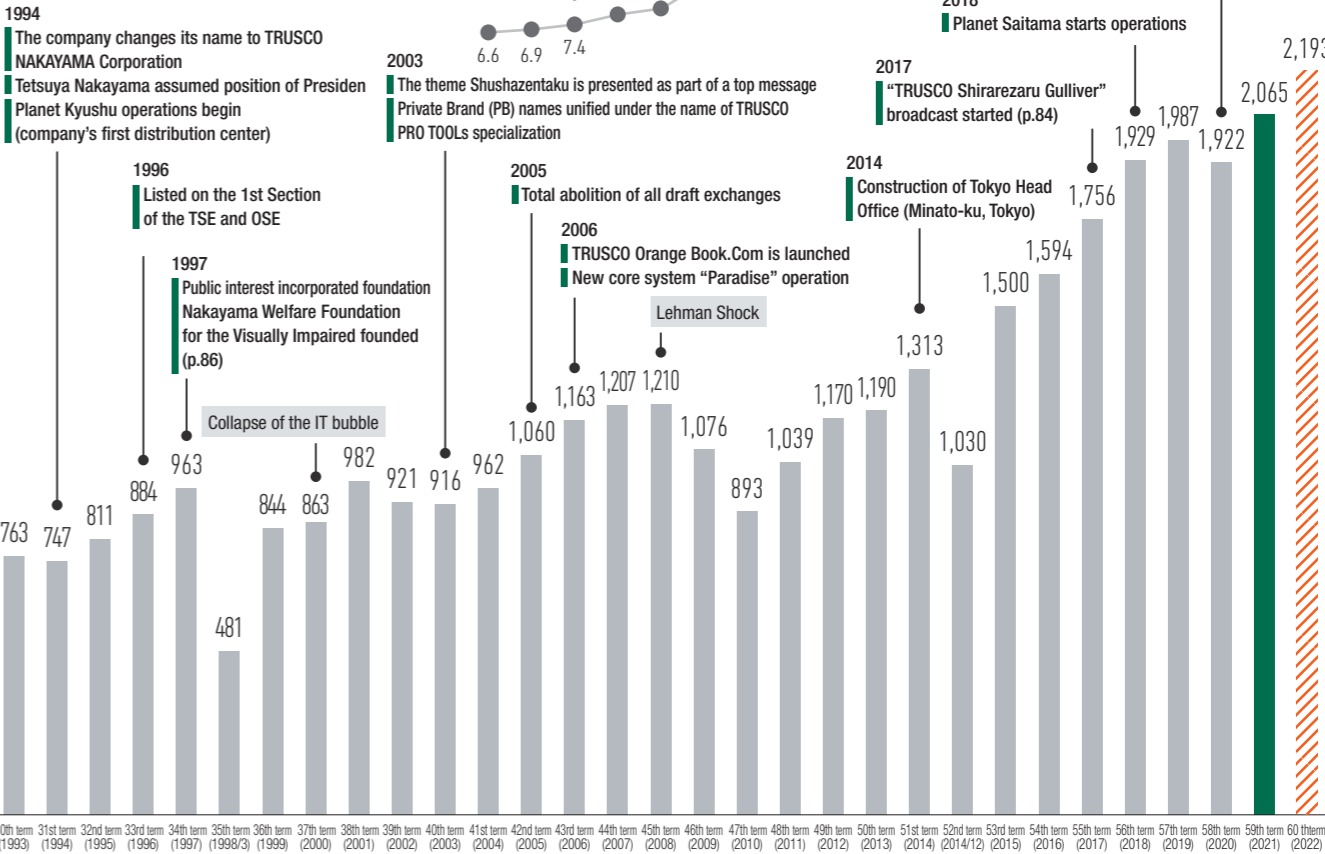


Chuji Nakayama writes the Five Articles (1959)



Komyotan, the company's first private brand product (1964)



2000-2009	2010-2021
<p><b>Brand renewal and strengthening of governance</b></p> <p>We unified 16 brands of private brand (PB) products under the TRUSCO brand and promoted branding and product development as a "PRO TOOLS Company." The theme of the top message was "Shushazentaku."* This laid the foundation for the governance that continues to this day, including the abolition of bill transactions and the introduction of the OJS (Open Judging System) for personnel evaluations.</p> <p>*Discretion: A criterion to make decisions is not profit and loss but good and bad.</p>  <p>Private Brand (PB) names unified under the name of TRUSCO (2003)</p>  <p>The theme Shushazentaku is presented as part of a top message (2003)</p>	<p><b>Strengthening of inventory expansion and accelerating investment in distribution and systems</b></p> <p>Based on the belief that a solid inventory is necessary to improve the convenience of our customers, we devised an inventory philosophy called the <b>NA-KAYAMA Original Inventory Logic</b> (see p.34). In 2018, we accelerated our investments in distribution and systems to strengthen our inventory expansion. Planet Saitama, our largest distribution center, also became operational, and we introduced the world's most advanced logistics equipment and systems to achieve high-density storage and high-speed receiving and shipping. In 2020, we also redesigned our core system, Paradise, to digitize our operations. This allowed us to improve the productivity of our business partners as well.</p>  <p>Planet Saitama Distribution Center launched into operation (2018)</p>  <p>Construction of Tokyo Head Office (2014)</p>  <p>Number of items in inventory (Unit: ten thousand)</p> <p>2006 Started efforts to expand the number of different products in inventory</p> <p>2018 Planet Saitama starts operations</p> <p>2017 "TRUSCO Shirazaru Gulliver" broadcast started (p.84)</p> <p>2020 Core system "Paradise 3" launched into operation (p.59) PRO TOOLS Restrictions Removed</p> <p>World experience the Covid-19 pandemic</p>  <p>1994 The company changes its name to TRUSCO NAKAYAMA Corporation</p> <p>1996 Listed on the 1st Section of the TSE and OSE</p> <p>1997 Public interest incorporated foundation Nakayama Welfare Foundation for the Visually Impaired founded (p.86)</p> <p>2003 The theme Shushazentaku is presented as part of a top message Private Brand (PB) names unified under the name of TRUSCO PRO TOOLS specialization</p> <p>2005 Total abolition of all draft exchanges</p> <p>2006 TRUSCO Orange Book.Com is launched New core system "Paradise" operation</p> <p>2014 Construction of Tokyo Head Office (Minato-ku, Tokyo)</p> <p>2019 Consolidated Accounting Started</p>



## External Evaluation

(some award winners as well as honorifics have been omitted)

### 2017 “Best IR Award for Encouragement” recipient (Sponsor: Japan Investor Relations Association)



The openness of TRUSCO's top management was reflected in the company's level of disclosure, and TRUSCO was recognized for its efforts to disclose information in an early and fair manner, including proactive dissemination of useful information to investors, as well as for its enhancement of ESG information and activities for individual investors.

Details can be found by scanning the QR code above.



#### Companies receiving the award in 2017

**“Best IR Award for Encouragement” recipients**  
TRUSCO NAKAYAMA Corporation  
Recruit Holdings Co., Ltd.  
**“IR Special Award” recipients**  
Kirin Holdings Company, Limited  
Sony Corporation  
Fuji Oil Co., Ltd.

**“IR Grand Prix” recipients**  
Komatsu Ltd.  
Shionogi & Co., Ltd.  
**“Best IR Award” recipients**  
DAIKIN INDUSTRIES, LTD.  
Daiwa House Industry Co., Ltd.  
Nabtesco Corporation, etc. (total of seven “Best IR Award” recipients)

### 2018 “Porter Prize” recipient (Sponsor: Hitotsubashi University Graduate School of International Corporate Strategy (ICS))



The company's unique inventory expansion strategy and logistics system have earned the trust of customers, who say “TRUSCO has it in stock.” The company's unique efforts to improve convenience without appealing to sales price were highly evaluated.

Details can be found by scanning the QR code above.



#### Companies receiving the award in 2018

TRUSCO NAKAYAMA Corporation  
Hoken No Madoguchi Group Inc.,  
MonotaRO Co., Ltd.  
RIZAP GROUP Inc.

### 2020 Selected as a “DX Stocks 2020” company “DX Grand Prix 2020” recipient (Sponsors: Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange)



“Intuition and assumptions can sometimes lead to fatal mistakes. We want to use the data analysis and utilization as a foundation for moving forward to the next stage.” In addition to this awareness by top management, the company was highly evaluated for converting data analysis into creative services by utilizing AI and other technologies.

Details can be found by scanning the QR code above.



#### “DX Grand Prix 2020” recipients

TRUSCO NAKAYAMA Corporation  
Komatsu Ltd.

#### Companies selected as a “DX Stocks 2020” companies

35 companies in total, including  
Kajima Corporation and Fujitsu Limited

### 2020 Information Technology Award “IT Grand Prize” Recipient (Digital Transformation category) (Sponsor: Japan Institute of Information Technology)



TRUSCO was recognized for the high level of results it has achieved by improving the efficiency of the entire industry through the development of IT systems and for improving operational efficiency and business innovation throughout the supply chain through the establishment of various mechanisms, including the automation of quotations using AI.

Details can be found by scanning the QR code above.



#### 2020 “IT Grand Prize” Recipients

(Digital Transformation category): Trusco Nakayama Corporation  
Customer/Business Functions category: All Nippon Airways Co., Ltd.  
Social Problem Solving category: Kochi Prefecture (prefectural government)

### 2021 Digital Transformation Certification (Sponsor: Ministry of Economy, Trade and Industry (METI))



TRUSCO was recognized for its internal operation reforms and improving the convenience of the entire supply chain through the use of digital technology.

Details can be found by scanning the QR code above.



#### Companies that have received DX Certification

TRUSCO NAKAYAMA Corporation  
Fujitsu Limited  
YAMATO HOLDINGS CO., LTD.  
etc.

### 2021 Selected as a “DX Stocks 2021” company (Sponsors: Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange)



Following last year's selection, TRUSCO was selected as one of the “DX Stocks 2021” for a second year in a row as part of efforts to promote strategic use of IT to enhance corporate value and competitiveness over the medium to long term.

Details can be found by scanning the QR code above.



#### “DX Grand Prix 2021” recipients

Hitachi, Ltd.  
SRE Holdings Corporation

#### Companies selected as a “DX Stocks 2021” companies

26 companies in total, including TRUSCO NAKAYAMA Corporation and Shimizu Corporation

## Be an Ultimate Master Wholesale (Management Policy)

We believe that the source of competitiveness for an organization is its originality and we are placing it at the root of our management strategy. TRUSCO continues to promote the improvement of convenience for our customers and enhancement of the environment and systems that allow our employees to work with peace of mind over the long term. Setting our own management indicators for each strategy, we will continue to aim to be a company that always meets the demands of the manufacturing sites.

TRUSCO's Strengths/Performance Highlights 28

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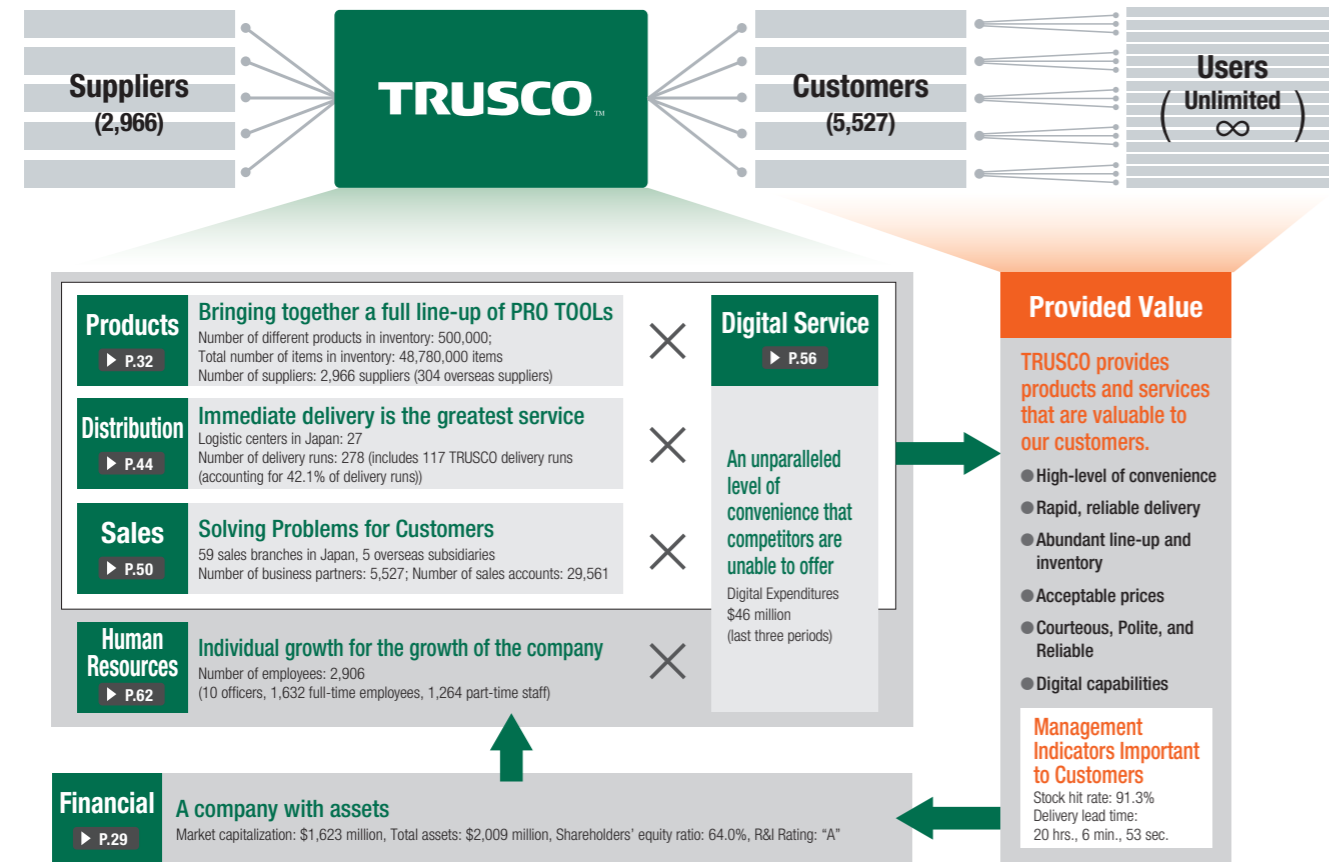
Human Resources Strategy 62



# Management Policy - Be an Ultimate Master Wholesale -

## TRUSCO's Strengths

In order to be a company that continues to be of service to Japanese manufacturing regardless of era, we are streamlining and optimizing the entire PRO TOOLS supply chain by executing five strategies for the following: products, distribution, sales, digital service, and human resources. The overall strategy is supported by our financial foundation (see p.29) based on being "a company with assets" which has been built through consistently providing customers with a variety of values, including high convenience.

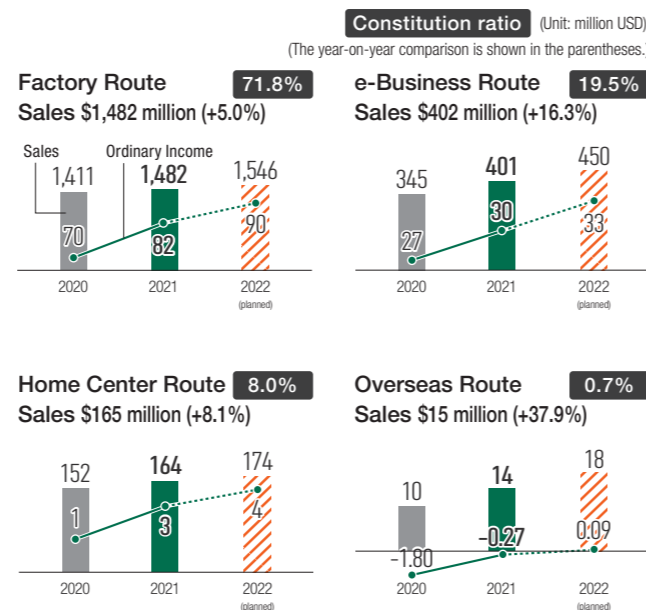


## Performance Highlights

For the 59th term (as of December 31, 2021) (consolidated)  
The year-on-year comparison is shown in the parentheses.

Sales (Consolidated)	<b>\$2,066 million</b>	( +7.5 % )
Gross profit margin (Consolidated)	<b>21.0 %</b>	( -0.5 pt )
Selling, general and administrative expenses (Consolidated)	<b>\$318 million</b>	( +1.4 % )
Depreciation (Consolidated)	<b>\$62 million</b>	( +5.6 % )
Operating income	<b>\$116 million</b>	( +17.0 % )
Ordinary Income (Consolidated)	<b>\$122 million</b>	( +17.4 % )
Attributable to shareholders	<b>\$104 million</b>	( +44.9 % )
Net Income (Consolidated)	<b>\$104 million</b>	( +44.9 % )
per share		
Annual dividend	<b>\$0.31</b>	( +\$0.04 )
Market Capitalization (as of December 31, 2021)	<b>\$1,624 million</b>	
Shareholders' equity ratio	<b>64.0 %</b>	

## Performance by Business Route (consolidated)



# Financial Strategy - A Company with Assets -

## We must be able to secure important assets without relying on others.

We believe that owning our own distribution centers, branch offices, data centers, and vehicles, which serve as the main arteries of corporate management, will bring the greatest benefits. This is why we are placing importance on the idea of TRUSCO being "Having assets on our own." Instead of aiming for short-term profits, we take the perspective of long-term corporate value enhancement and promote the strategic strengthening of financial foundation, which leads to greater convenience for our customers. Since 2016, we have maintained a rating of "A" by Rating and Investment Information, Inc., and by raising funds with an eye to the future and continuing to proactively make capital investments, we are providing our customers with higher value-added services.

## Product Strategy | Bringing Together a Full Line-up of PRO TOOLS (p.33)

Of our \$1,045 million in liquid assets, \$383 million was invested in inventory assets (products). We provide value to our customers by reassuring them that "Trusco has it."

## Distribution Strategy | Immediate delivery is the greatest service (p.45)

Our distribution facilities and material handling equipment account for about 60% of the \$883 million in tangible fixed assets. We are also promoting logistics DX to improve efficiency in warehouses and delivery speed.

## Digital Service Strategy | An unparalleled level of convenience that competitors are unable to offer (p.57)

To Achieve "Our Ambitions" (Value Creation), we strategically improve the our effectiveness through digital technology. In the future, we will build a new distribution platform called TRUSCO HACOBUNE to provide the highest level of convenience to the entire supply chain (p.30).



59th term (2021) Balance Sheet  
(Shareholders' equity ratio: 64.0%)

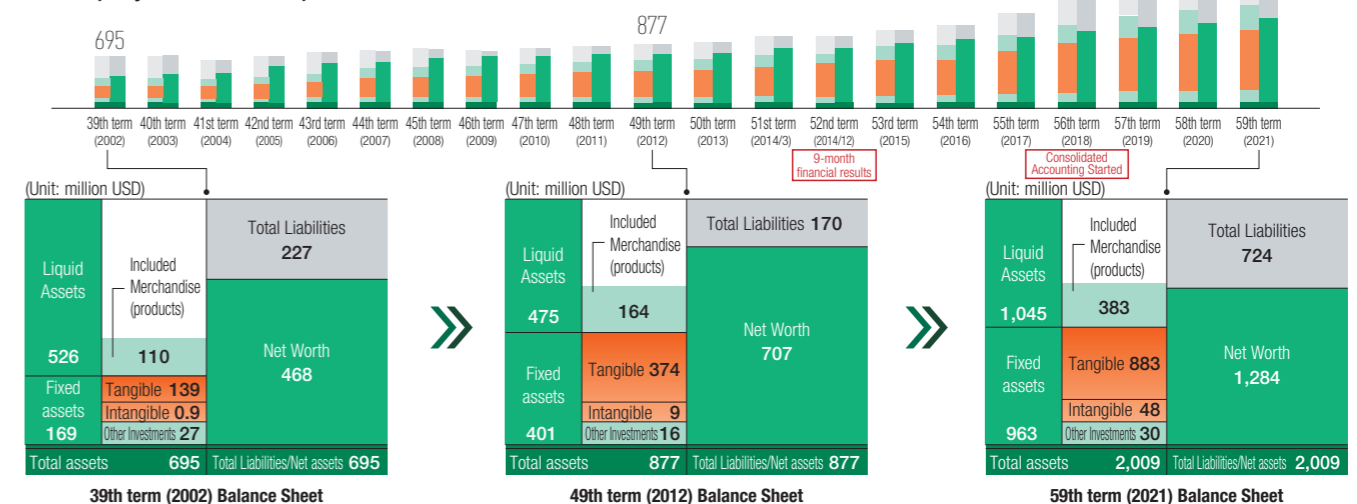
## To become a company that continues to be of service at all times through further investment in distribution and inventory

Since establishing Planet Kyushu, our first distribution center, in 1994, we have been actively building our own distribution facilities and material handling equipment (tangible fixed assets). TRUSCO currently has 27 distribution centers nationwide with 490,000 different products in inventory (\$383 million). Through the strategic enhancement of our tangible fixed assets and inventory, the company has improved convenience for its customers, resulting in a 2.1x increase in sales to \$2,065 million and a 2.7x increase in total assets to \$2,009 million

compared to 2001. In recent years, we have accelerated our investment in digital technology, promoting digital efficiency in all aspects of our operations. We are now planning to open Planet Aichi, a next-generation distribution center, as one way to improve customer convenience over the long term utilizing both tangible and intangible fixed assets. By owning our own facilities and making effective use of them over the long term, we aim to be a company that will continue to be of service to the public at all times while reducing our environmental burden.

## Changes in Total Assets

TRUSCO invests in merchandise (products) and fixed assets, continuing to put the concept "a company with assets" in practice in order to increase total assets.





# Medium-term Strategy - TRUSCO HACOBUne Project -

## Create a new distribution platform through industry-academia collaboration and capital and business alliances

In June 2021, we announced an industry-academia collaboration with National University Corporation Tokai National Higher Education and Research System Nagoya University and capital and business alliances with GROUND Inc. and Cinnamon Inc. at a press conference. By building "TRUSCO HACOBUne", a new distribution platform, we aim to further accelerate digital transformation (DX) (Trusco DX2.0), which will include the utilization of AI and robots. (see p.58).



From left to right: Seiichi Matsuo (President of Tokai National Higher Education and Research System), Miku Hirano (CEO of Cinnamon Inc.), Tetsuya Nakayama (President of TRUSCO NAKAYAMA Corporation), and Hiratomo Miyata (President & CEO of GROUND Inc.) (At the 55th Anniversary Hall on the 3rd floor of the Tokyo Head Office of TRUSCO NAKAYAMA Corporation)



Strict measures to protect against Covid-19 infection were taken during the press conference



Members of the media shown at the press conference

## Achieving the industry's "fastest," "shortest," and "best" deliveries, aiming to make the catchphrase "The best is already there" a reality

We give priority to capability targets (see p.18), which tell us the types of capabilities that we should possess as a company, rather than to numerical targets such as sales and profit figures. In this era of rapid change, achieving this goal requires cutting-edge digital technology and partners that we can trust with our future, leading to this industry-academia collaboration and capital and business alliances. We will invest \$4 million in GROUND Corporation and CINNAMON Corporation, respectively, and

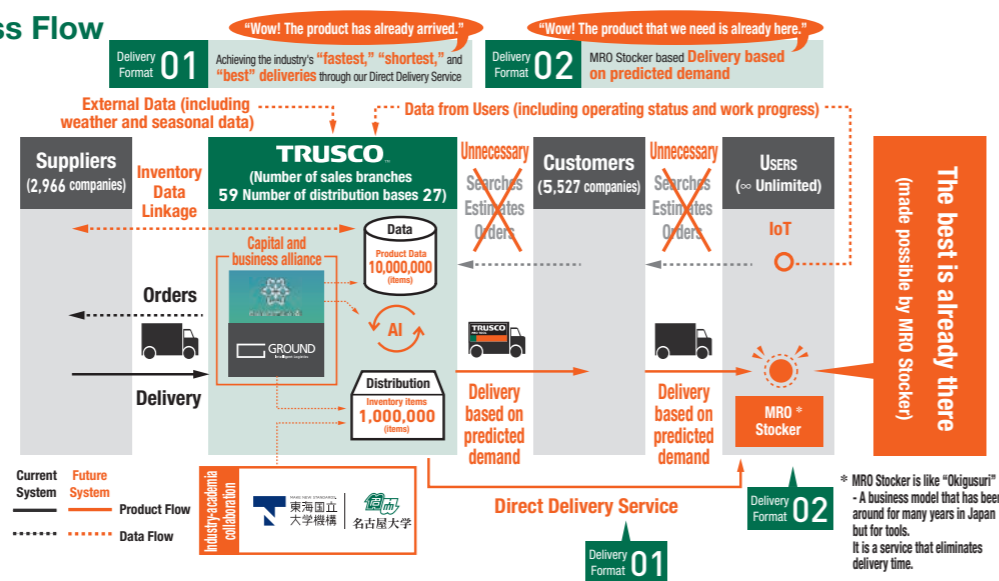
hope to build a strong partnership that includes not only business but also mutual exchange of human resources. We will strive to evolve as a PRO TOOLS supplier under the catchphrase "The best is already there" by achieving the industry's "fastest," "shortest," and "best" PRO TOOLS procurement required by manufacturing sites.



Press Release

## Changes in Business Flow

When the new distribution platform "TRUSCO HACOBUne" is launched into operation, the flow of products and information will change dramatically. GROUND, Cinnamon AI, and Nagoya University will deeply utilize our logistics and product data to create a flow that will further improve customer convenience.



## Comments from the Representatives of Partner Institutions

### Industry-academia collaboration

#### Tokai National Higher Education and Research System Nagoya University



Nagoya University conducts various types of research as part of the Tokai National Higher Education and Research System, the first national university system with multiple universities under one entity. The university was designated as a Type A (Top Type) university by the Top Global University Project.

Location: Furocho, Chikusa-ku, Nagoya-shi, Aichi  
Year of Establishment: 1939



Nagoya University website



Tokai National Higher Education and Research System President

Seiichi Matsuo

Nagoya University and TRUSCO NAKAYAMA Corporation will use Nagoya University and Planet Tokai as bases for research and development in industry-academia collaboration, as well as places for mutual personnel exchange, wide-ranging information exchange, and human resource development. In addition, TRUSCO and Nagoya University will utilize the Planet Aichi newly established by TRUSCO as a future logistics base to demonstrate the results of our research, aiming for the sustainable evolution of both organizations.

### TOPICS

#### Nagoya University Joint Lab

"Nagoya University Joint Lab" was established in Nagoya University for the purpose of sustainable growth of both the university and TRUSCO NAKAYAMA. The aim behind this effort is to create a place where various chains of creation can occur.



Nagoya University Joint Lab office

### Capital and business alliance

#### GROUND Inc.



GROUND Inc. is a top-class distribution vendor in Japan with the vision of "Toward a future in which distribution is permanently sustainable for all people."

Business Details: Provider of distribution solutions utilizing technology.

Location: the SOHO (3F), 2-7-4 Aomi, Koto-ku, Tokyo  
Date of Establishment: April 10, 2015



Company website



GROUND Inc. CEO

Hiratomo Miyata

No matter how great a technology is, it is meaningless if it cannot be implemented and utilized. This is a common belief shared by both GROUND and TRUSCO. First of all, we will support TRUSCO NAKAYAMA Corporation to achieve the highest quality distribution operations by implementing various cutting-edge technology solutions developed and provided by our company for the operation of Planet Aichi, a next-generation distribution center that is currently being planned.

### TOPICS

#### Announcement of Japan's first GWES adoption

GROUND Inc. has developed its own integrated management and optimization system for distribution facilities called "GWES" (GROUND Warehouse Execution System) which is planned to be adopted for the first time in Japan at Planet Aichi, which is in the planning phase. We will aim to make that distribution facility competitive at the highest level.



At a press conference held together with GROUND Inc.

#### Cinnamon Inc.



With the mission of "Bringing AI to the creative world," Cinnamon Inc. is an advanced company selected as one of the Top 100 startups in the world.

Business Details: Cinnamon offers products and consulting development related to artificial intelligence

Location: Spirit Building (6F), 3-19-13 Toranomon, Minato-ku, Tokyo

Date of Establishment: October 5, 2016



Company website



Cinnamon Inc. CEO

Miku Hirano

We first encountered TRUSCO NAKAYAMA Corporation when the company won the "DX Grand Prix 2020" at a breakfast meeting hosted by Hiroshi Kajiyama, then Minister of Economy, Trade and Industry. Utilizing support from the Japanese government, we believe that this partnership embodies the teaming of diverse participants with large companies, academia, and other startups that are transforming distribution and digital technology in our country. We will do our utmost to make this an example of how multi-stakeholders can come together to take on global challenges and help create a sustainable world.

### TOPICS

#### Cinnamon Inc. gains TV exposure

Cinnamon Inc. gained TV exposure on TV Tokyo's WBS (World Business Satellite) which aired on September 30, 2021. Footage of one of our regular meetings held at the Tokyo Head Office was also shown.



Cinnamon Inc. CEO Miku Hirano at the meeting



# Product Strategy

Solving issues throughout the entire supply chain with our unique product lineup and product data

Senior Executive Officer  
General Manager of the Product Division

Tatsuya Nakayama



## Expanding product lineup, amount of product data, and collaborations with suppliers

We are currently expanding our unique product lineup to help solve current and future issues for the manufacturing world. We will expand our product lineup with an eye on the future, such as on the proliferation of EVs and carbon neutrality, expand our Private Brand product lineup so that customers will say "TRUSCO will have it!", and discover unique, high quality overseas products to add to our business. In addition, our product lineup will only become more convenient when it is converted into appropriate product data. We will expand the number of product data from approximately 4.6 million items as of January 2022 to approximately 10 million items by January 2025. At the same time, we will continue to enhance easy-to-understand and substantial information to meet the needs of online shopping companies and others.

With our suppliers, we will not only continue our traditional catalog and inventory initiatives but also promote initiatives to solve issues throughout the supply chain by making full use of distribution and IT, such as individual initiatives utilizing our distribution network and data sharing.

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Expanding our unique product lineup to solve issues for the manufacturing world

## Striving to always have the products that customers need and can be easily selected

In order to realize that products required for manufacturing are always available, we aim to expand the number of manufacturers we handle both domestically and internationally to increase our inventory to 1 million different product types by 2030. On the other hand, with the world full of various types of tools, it takes time and effort for users to select those that are most suitable. We will continue to improve the environment in which users can easily select the most suitable professional tools by enhancing new functions and information through the use of digital technology, such as user-specific mini-catalogs, equivalent and similar product searches on TRUSCO Orange Book.Com, CO<sub>2</sub> emissions information related to products and distribution, and delivery date information for ordered products.

The number of pages in the Trusco Orange Book will be reduced to approximately half from the 2023 edition onward to reduce the environmental burden stemming from paper use and CO<sub>2</sub> emissions. At the same time, the book will be reborn as a

new form of digital hybrid, with a two-dimensional code on paper connecting to the wealth of information available on the Web in real time.



We are redesigning our product catalog to take advantage of both paper-based and Web-based benefits

## Building a convenient, safe, and secure platform that will become the industry standard

TRUSCO must be a company that provides support regardless of the times using a convenient system so that users and suppliers can focus on their respective manufacturing activities. In addition to providing information to users, we also provide suppliers with a variety of data generated by the platform, contributing to improved manufacturing by suppliers. Since existing product information has been prepared by various parties based on their own standards with different formats and expressions, these differences are causing inefficiencies in the operations of users, customers, and suppliers. We aim to improve the efficiency of the entire supply chain by building a product database that is easy to understand and use, and can be utilized throughout the industry. In addition, in order for our customers to focus on manufacturing safely, it is necessary for them to use PRO TOOLS that are just right for their work in an appropriate manner. Aiming to make it a safe and secure platform, we will work to provide easy-to-understand information to support appropriate selection and use, as well as to improve the quality of the products that we offer.



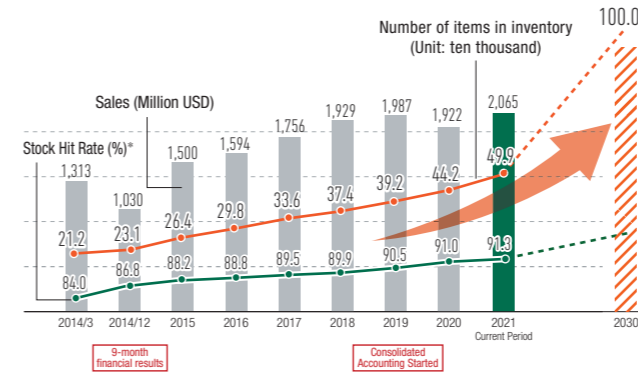
TRUSCO is creating an environment in which users and suppliers can focus on their respective manufacturing activities

# Inventory Strategy

## Bringing Together a Full Line-up of PRO TOOL

PRO TOOLS in general refer to tools, operational supplies, consumables, and machinery required by professionals at manufacturing sites such as factories and construction sites. We try to carry as many PRO TOOLS products as possible. By stocking not only the best-selling products but also all products with the same or similar functions, we are able to respond accurately to our customers' needs. We will continue to offer an abundant product lineup and inventory to help customers expand their businesses.

Changes in Sales, Stock Hit Rate, and Number of different products in inventory



\*Stock Hit Rate: Ratio of products delivered from our company stock among our total number of orders.

## Product Strategy Key Indicators

Private Brand (PB)		
Number of Items	<b>79,500</b>	(+11,800)
Sales	<b>\$391 million</b>	(+5.2%)
TRUSCO Orange Book.Com		
Number of items listed	<b>2,760,887</b>	(+423,667)
Total Number of suppliers		
	<b>2,966 companies</b>	(+314) companies
	Japan <b>2,662 companies</b>	(+222) companies
	Overseas <b>304 companies</b>	(+92) companies
TRUSCO Orange Book		
Number of listed manufacturers	<b>1,948 companies</b>	(+97 companies)
Number of items	<b>508,000 items</b>	(+37,000 items)
Inventory items		
Number of items in inventory	<b>499,964 items</b>	(+57,528 items)
Number of those products that are stocked automatically	<b>7,494 items</b>	(+4,529 items)
Total number of items in inventory	<b>48,787,614 units</b>	(+2,832,108 units)
Inventory Value	<b>\$384 million</b>	(+\$9 million)

## Sales Constitution Ratio of Available Products

Shows the constitution ratio of sales by category. Sales data current as of December 31, 2021. Figures in brackets are from the previous year provided for comparison.

<b>1 Cutting Tools 3.1%</b> Sales \$65 million (+10.6%) •Cutting Tools •Drilling tools •Threading cutting tools 	<b>2 Production Processing Tools 7.6%</b> Sales \$156 million (+7.4%) •Measurement equipment •Mechanics •Tools for machine tool, etc. 	<b>3 Construction Supplies 11.5%</b> Sales \$236 million (+6.9%) •Pneumatic tools •Welding equipment •Civil engineering equipment, etc. 
<b>4 Work Supplies 18.6%</b> Sales \$383 million (+7.6%) •Cutting goods •Grinding and polishing goods •Chemical products, etc. 	<b>5 Hand Tool 16.5%</b> Sales \$339 million (+9.5%) •Electric power tools and accessories •Pneumatic tools and accessories •Hand Tools, etc. 	<b>6 Environmental Safety Supplies 17.6%</b> Sales \$364 million (+5.0%) •Protective equipment •Safety goods •Environmental improvement goods •Air conditioning goods, etc. 
<b>7 Logistics/Storage Supplies 11.0%</b> Sales \$226 million (+10.3%) •Loading goods •Transportation goods •Containers and vessels 	<b>8 Laboratory Supplies 4.3%</b> Sales \$88 million (+5.7%) •Tool wagons •Storage and management goods •Work benches, etc. 	<b>9 Office Supplies/Storages 9.1%</b> Sales \$187 million (+6.9%) •Cleaning utensils •Office miscellaneous goods •OA business machinery, etc. 
<b>10 Other products 0.7%</b> Sales \$13 million (-18.4%)		



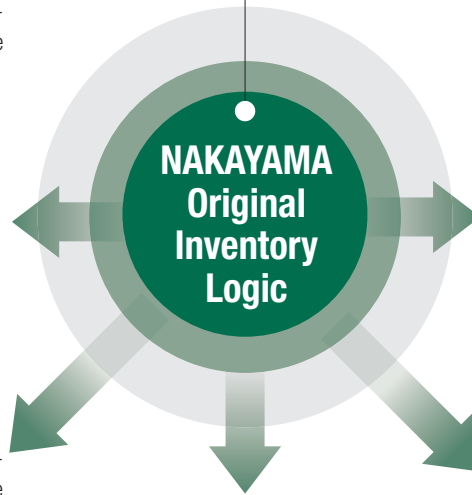
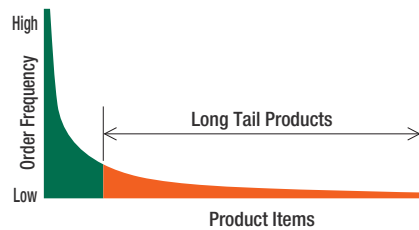
## Enhancing our inventory using the NAKAYAMA Original Inventory Logic

Based on the belief that inventory is necessary for the convenience of our customers and for improving sales, we have developed our own approach to inventory - the **NAKAYAMA Original Inventory Logic**. With this approach, we are expanding our inventory using creative methods to ensure that our customers always know that TRUSCO has what they need.

<p><b>(Conventional Thinking = Don't Stock Unsellable Inventory)</b></p> <p><b>Inventory Sells</b></p> <p>We believe we receive orders thanks to stocking the products our customers need rather than inventory that sells.</p>	<p><b>(Conventional Thinking = Emphasize Stock Turnover Rate)</b></p> <p><b>Focus on Stock Hit Rate</b></p> <p>We believe the greatest barometer of our services is the stock hit rate that shows what percent of the total orders were fulfilled from stock to delivery.</p> <p><b>Stock hit rate: 91.3%</b> (as of December 31, 2021)</p>	<p><b>(Conventional Thinking = Minimize Stock)</b></p> <p><b>Inventory Energizes Growth</b></p> <p>Having a solid inventory allows us to expand business with online shopping companies and increase sales. By reducing the time and effort required to process orders, we have been able to significantly reduce overtime work for our employees, which has been the driving force behind our company's growth.</p>
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### Keeping Long Tail Products in stock

We are able to provide immediate delivery for even long tail products that have a low order frequency. By stocking all colors and sizes regardless of what sells, we have created a one-stop environment for our products.



### Accepting Product Returns Automatically

When an order is incorrect, a return can be automatically accepted for unopened inventory items. Products are collected by a delivery service that travels fixed routes.

### Stocking "Difficult-to-Deliver" products

We refer to large and long products that are difficult to manage and ship as "Difficult-to-Deliver" products. We are able to meet all orders by actively stocking these products.



We also have 7 m ladders in stock

### Inventory of Manufacturer Catalogs

We keep catalogs from manufacturers so that we can provide information immediately when detailed information about a product is needed. As with products, our catalog inventory is managed using bar codes, which allows for more customer business opportunities.



We carry catalogs from around 600 manufacturers.

### Inventory of seasonal products year-round

It is common for seasonal products to be stocked only in quantities that can be sold out during the season. However, in order to meet the demand for the last units, we keep more inventory than the seasonal demand and respond to orders throughout the year.



Ability to supply even the last unit of a product during seasonal demand

### Establishment of Cut Depots Dedicated to Cutting Tools

We have set up cut depots that stock cutting tools, which are the greatest consumable in factories, at three distribution centers in Japan, making those products available for immediate delivery.

Iscar Japan Ltd.	OSG Corporation	Kyocera Corporation
Kennametal Japan Ltd.	Sandvik K.K.	Sumitomo Electric Industries, Ltd.
Dijet Co., Ltd.	Tungaloy Corporation	NS Tool Co., Ltd.
Mapal	Mitsubishi Materials Corporation	MOLDINO
Union Tool	TRUSCO stocks products of 13 major cutting tool manufacturers	

## Private Brand Products

### Developing our own brand with an original approach

The TRUSCO brand was born out of the desire to respond to professional skills with professional quality. It was born as the industry's first Private Brand (PB) in 1964 and covers the widest range of auxiliary materials for factory use among all brands. At present, we are developing at a speed of about 10,000 additional items every year and are working to further strengthen the brand.



**Private Brand Products**  
Sales: **\$390 million** (Non-consolidated parent)  
Sales Constitution Ratio: **19.0%** (as of December 31, 2021)

Foldable Containers

**Metalcut Forest**

**KARTIO**

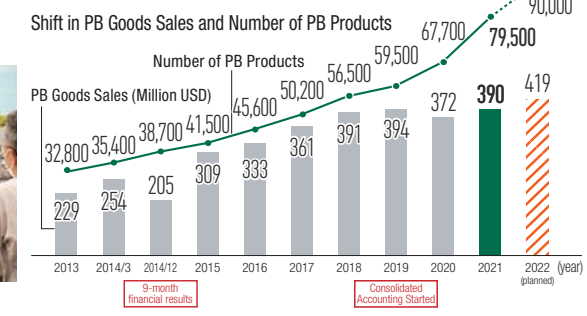
### New product review meeting for original product development

Once a month, members of the Company, including the President and directors, hold a new product review meeting. Among the approximately 10,000 items developed each year, highly original products are commercialized through this review meeting. Meeting participants examine not only functionality and cost but also how original the product is from a variety of perspectives.



Participants discuss various topics during a new product review meeting

### We develop approximately 10,000 products per year



### Received Multiple Good Design Awards

The Japan Institute of Design Promotion presents awards to products and services with superior design every year. TRUSCO has received Good Design Awards 22 times for many of its products including carts, air dusters, and hip roof tool boxes.



(2021 Good Design Award winner)



BT700J5-E100 Multi-coupling Dolly [BEETLE]



TPBC-BK Waterproof Tarpaulin Boot Case



GXFP3L-BK GORE-TEX Full-Zip Rain Pants

### Products Based on Ideas from Employees

The PB Request Box is a system for employees to propose ideas for new products. Approximately 100 new ideas are presented each month, some which lead to the creation of various unique PB Products.

### We also deeply focus on quality control

We established the PB (Private Brand) Quality Control Section to manage the quality of PB products. We are striving to enhance quality through measures that include the plans to prevent recurrence when a deficiency occurs as well as product improvements.



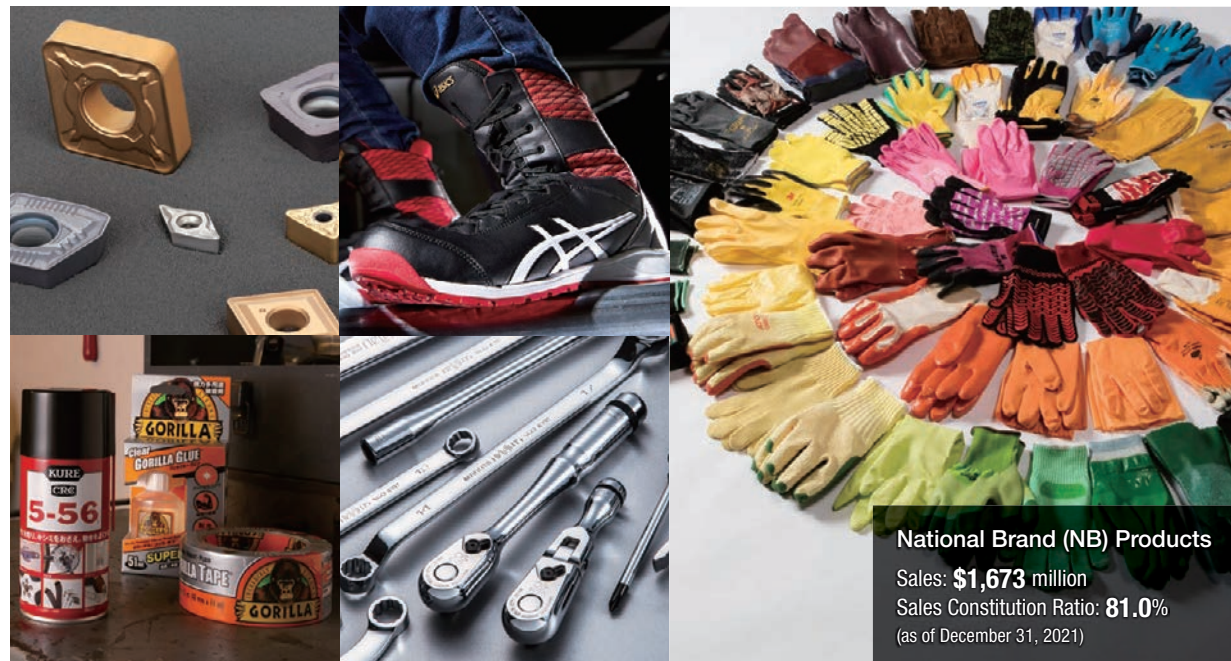
We perform thorough quality checks using specialized equipment



# National Brand (NB) Products

## Providing a Broad Selection of PRO TOOLS in Japan

We are able to provide items (National Brand Products) from around 2,662 companies procured from suppliers in Japan. The number of suppliers we work with grows by 100 or so annually so that we can provide a broad selection of products to everyone involved with manufacturing.



**National Brand (NB) Products**  
Sales: **\$1,673 million**  
Sales Constitution Ratio: **81.0%**  
(as of December 31, 2021)

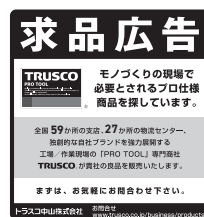
We are always looking for products with professional specifications to provide total support to manufacturing sites nationwide.

### Yattemasen List

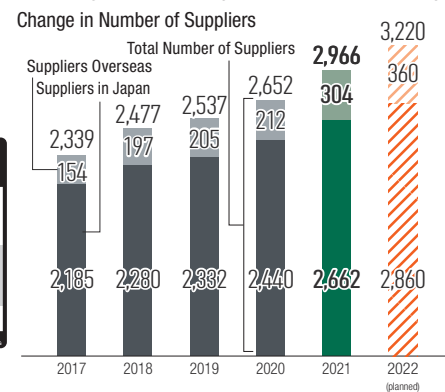
We have a list of suppliers that we have rejected because they do not do what we are looking for. The new ideas list is made available on our intranet and employees in the sales field contribute to the list daily in order to cultivate suppliers.

### Product Request Advertisements

We publish advertisements to recruit new suppliers in newspapers and on our website. We are opening avenues to products by placing product request advertisements.



### Increasing our suppliers by around 100 more annually



### Sales and composition ratio by product category in the Trusco Orange Book (fiscal year ended December 31, 2021)

Category	Sales	Number of Items	Sales Constitution ratio
01 Cutting Tools	\$69 million (+10.4%)	391,391	3.4%
02 Tools for machine tool	\$22 million (+8.4%)	45,396	1.1%
03 Measurement equipment	\$89 million (+11.2%)	86,518	4.4%
04 Mechatronics parts	\$27 million (+7.1%)	248,400	1.3%
05 Hardware and building materials	\$74 million (+8.6%)	301,375	3.6%
06 Pneumatic accessories	\$45 million (+16.2%)	363,729	2.2%
07 Electronic Devices	\$40 million (+22.0%)	180,394	2.0%
08 Chemical Products	\$126 million (+7.5%)	10,951	6.2%
09 Hand Tools	\$159 million (+10.0%)	103,650	7.7%
10 Electric, hydraulic, and pneumatic tools	\$196 million (+7.0%)	104,606	9.5%
11 Protective equipment	\$201 million (+1.6%)	188,458	9.8%
12 Safety goods	\$47 million (+9.5%)	58,305	2.3%
13 Packaging goods	\$142 million (+7.6%)	36,029	6.9%
14 Construction and Lighting Equipment	\$187 million (+3.4%)	126,971	9.1%
15 Loading goods	\$72 million (+4.5%)	22,029	3.5%
16 Logistics/Storage Supplies	\$118 million (+11.4%)	78,448	5.7%
17 Conveyance equipment	\$84 million (+12.7%)	619,495	4.1%
18 Cleaning and sanitation goods	\$112 million (+3.9%)	37,102	5.5%
19 Environmental improvement goods	\$85 million (+7.9%)	22,293	4.2%
20 Gardening equipment	\$15 million (-11.3%)	25,057	0.8%
21 Office Supplies/Storage	\$91 million (+7.0%)	173,637	4.4%
22 Research equipment	\$50 million (+9.0%)	119,606	2.4%
23 Other products		156,410	

\*Net Sales of New TRUSCO Orange Book Products

# Overseas National Brand Products

## Launching the World's PRO TOOLS in Japan

Starting with the Germany office (Düsseldorf), TRUSCO has sequentially opened product procurement bases overseas, including the Taiwan office and the Thailand office, to procure PRO TOOLS from around the world with a focus on Europe, where many high-quality tool manufacturers have built up a long history. We import quality PRO TOOLS from various countries to invigorate the manufacturing sites in Japan.



**Overseas Procurement**  
Sales: **\$49 million**  
Suppliers: **304**  
(as of December 31, 2021)

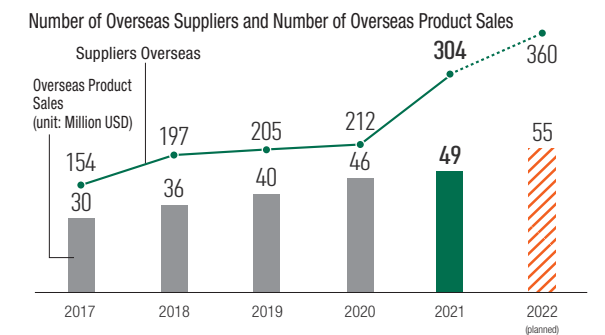
### TRUSCO also carries products that are difficult to obtain in Japan

At present, TRUSCO handles the products of approximately 304 overseas suppliers from 30 countries and stock them as Japanese products in distribution centers across Japan. With a wide-ranging lineup of overseas pro tools not readily available in Japan, we offer users increased convenience and options. We also have a website "Sekai no PRO TOOLS" where we provide promotional information based on a wealth of information.



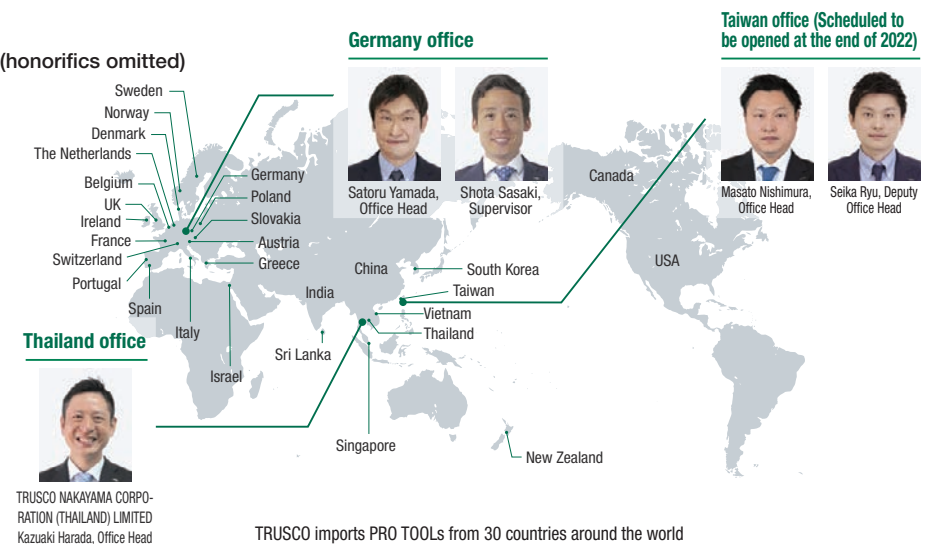
Access here to see the "Sekai no PRO TOOLS" website.

### Sales are growing in proportion to the increase in overseas suppliers.



### Major Overseas Suppliers (honorifics omitted)

- Ansell (Belgium)**: [Gloves and protective clothing]
- GEDORE (Germany)**: [Work tools, tool carts, and torque wrenches]
- PELICAN (USA)**: [Protective tool cases]
- uvex (Germany)**: [Safety glasses, gloves, and ear plugs]
- PB Swiss Tools (Switzerland)**: [Screwdrivers and Allen Wrenches]
- Comau (Italy)**: [Exoskeletons (power-assisted suits)]





# 2,966 manufacturers

Only some manufacturers are listed (296 companies).

## A-E

A&D Co., Ltd.
ABC TRADING Co., Ltd.
ACHILLES CORPORATION
ALINCO INCORPORATED
AM PRODUCTS, Inc.
AMANO CORPORATION
ANEST IWATA Corporation
AQUASYSTEM Co., Ltd.
AS ONE CORPORATION
ASADA CORPORATION
ASAHI KASEI ADVANCE CORPORATION
ASAHI METAL INDUSTRY Co., Ltd.
ASAHI SANGYO
Asahipen Corp.
ASICS Corporation
ASOH Co., Ltd.
ATOM CORPORATION
BELLSTAR ABRASIVE MFG. Co., Ltd.
BIG DAISHOWA Co., Ltd.
BLASTON
Bosch
BURRTEC Co., Ltd.
CAR-BOY CORPORATION
CEMEDINE Co., Ltd.
CHIYODA TSUSHO Co., Ltd.
CHUHATSU HANBAI Co., Ltd.
CHUKOH CHEMICAL INDUSTRIES, LTD.
CKD CORPORATION
COSMO BEAUTY Co., Ltd.
CUSTOM
DAIDOHANT Co., Ltd.
DAIHEN Techno Support Corporation
DAIKEN Co., Ltd.
DAILITE Co., Ltd.
DAINICHI Co., Ltd.
DIATEX Co., Ltd.
DIC PLASTICS INC.
DJI JAPAN
DUNLOP HOME PRODUCTS, LTD.
DuPont Toray Specialty Materials K.K.
Earth Chemical Co., Ltd.
ELECOM Co., Ltd.
ELEPHANT CHAIN BLOCK Co., Ltd.
Ellear Business Support Corporation
ENDO KOGYO CO., LTD.
ENGINEER INC.
ERECTA INTERNATIONAL CORPORATION
EXEN CORP.

## F-J

FUJI GLOVE Co., Ltd.
FUJI TOOLS
FUJII DENKO Co., Ltd.
FUJIMPULSE Co., Ltd.
FUJISAWA INDUSTRY Co., Ltd.
FUJIYA Co., Ltd.
FUSO SEIKI Co., Ltd.
Gentos Co., Ltd.
Gifu Plastic Industry Co., Ltd.
H.H.H.MANUFACTURING CO.
HAGIHARA INDUSTRIES INC.
HAKKO CORPORATION
HAKKO ELECTRIC CO., LTD.
HAKKO HANBAI Co., Ltd.
HAMMER CASTER Co., Ltd.
HASEGAWA KOGYO Co., Ltd.
HASHIMOTO CLOTH
HATAYA LIMITED
HENKEL JAPAN LTD.
HIKARI Co., Ltd.
HIOKI E.E. CORPORATION
Hitachi Global Life Solutions, Inc.
HONDA MOTOR Co., Ltd.

HOUSE BM
HOZAN TOOL INDUSTRIAL Co., Ltd.
ICHINEN MTM CO., LTD.
ICHINEN TASC0 CO., LTD.
Iloom Inc.
IKUPA SEIKI Co., Ltd.
IMAO CORPORATION
Inaba Corporation
Industry Kowa Co., Ltd.
Innovex Co., Ltd.
INOAC CORPORATION
IRIS OHYAMA Inc.
ISCAR JAPAN LTD.
ISHIHASHI SEIKO
Ishikawa Seisakusho Corporation
ISHIZAKI ELECTRIC MFG. Co., Ltd.
ITW PP&F Japan
JAPAN GREEN CROSS, INC.
JAPAN Vlene COMPANY, LTD.
JEFCOM
JOHNAN CORPORATION
JVC KENWOOD Corporation

## K-O

KAJIMEIKU Co., Ltd.
Kaneko Mfg Corporation
KANETEC Co., Ltd.
KANTOH Co., Ltd.
KARCHER JAPAN
KATSUYAMA KIKAI, LTD.
KAWANISHI INDUSTRY Co., Ltd.
Kikuchi Sheet Co., Ltd.
KING JIM Co., Ltd.
KINKI SEISAKUSYO
KITO CORPORATION
Ko-Ken Tool Co., Ltd.
Koki Holdings Co., Ltd.
KOKUYO Co., Ltd.
KOMY Co., Ltd.
KONISHI Co., Ltd.
KONNO CORPORATION
KONOE
KOSHIN LTD.
KOTOHIRA
Kowa Company, Ltd.
KUCHOFUKU CO., LTD.
kuraray trading Co., Ltd.
KURE ENGINEERING Ltd.
KURODA BRUSH
KYOCERA CORPORATION
KYOMACHI Co., Ltd.
KYOTO TOOL Co., Ltd.
LED LENSER JAPAN Inc.
LOBTEX Co., Ltd.
MAEDA SHELL SERVICE Co., Ltd.
Makita Corporation
MARUWA CHEMICAL Co., Ltd.
MARUYASU KIKAI
MARUZEN FABRIC & Co., Ltd.
MASADA SEISAKUSHO Co., Ltd.
Matsura Industry Co., Ltd.
MAX Co., Ltd.
MAX Corporation
Maxell Holdings, Ltd.
Maxell Izumi Co., Ltd.
MCC CORPORATION
MIDORI ANZEN Co., Ltd.
MINITOR Co., Ltd.
Mitsubishi Chemical Infracore Co., Ltd.
MITSUBISHI MATERIALS CORPORATION
MITSUGIRON Co., Ltd.
MITSUI CHEMICAL, INC.
MITUTOYO CORPORATION
MIYANAGA Co., Ltd.
MIZUHO KASEI KOGYO
MIZUMOTO MACHINE MFG. Co., Ltd.
MIZUSHIMA KOGYO
MOMENTIVE PERFORMANCE MATERIALS INC.

MOTOYUKI Co., Ltd.
MURAKI CO., LTD.
MURAKO Co., Ltd.
MURATEC-KDS CORP.
MUROMOTO TEKKO Co., Ltd.
MYZOX Co., Ltd.
NAIKI Co., Ltd.
NAKAMURA Mfg Co., Ltd.
Nakanishi Metal Works Co., Ltd.
NAKANISHI, INC.
NAKAO Co., Ltd.
NAKATOMI CORPORATION
NEWREGISTON Co., Ltd.
NICHIBAN Co., Ltd.
NICHIDO IND. Co., Ltd.
NICHIFU Co., Ltd.
NICHILAY MAGNET CO., LTD.
NIHON PISCO Co., Ltd.
NIHONSEIKI Co., Ltd.
NIIGATASEIKI Co., Ltd.
NIKKO Co., Ltd.
NIKKO STEEL WIRE ROPE M.F.G. Co., Ltd.
NIPPECO LTD.
NIPPON FILING Co., Ltd.
NIPPON PAPER CRECIA Co., Ltd.
NIPPON PLASTER Co., Ltd.
NIPPON PNEUMATIC MFG. Co., Ltd.
NIPPON POP RIVETS AND FASTENERS LTD.
NIPPON RESIBON CORPORATION
NISSA CHAIN Co., Ltd.
NITOMOS INC.
NITTO DENKO CORPORATION
NITTO KINZOKU KOGYO Co., Ltd.
NITTO KOHKI Co., Ltd.
NOGAWATERS Ltd.
NORITAKE COATED ABRASIVE Co., Ltd.
NORITSUISU
NS TOOL CO., LTD.
O.H.INDUSTRIAL Co., Ltd.
Office Mine, Inc.
Okamoto Industries, Inc.
OLFA CORPORATION
Omikogyo Co., Ltd.
ORION MACHINERY Co., Ltd.
OSAKA JACK Co., Ltd.
OSAKA KAKUTA KOGYO CO., LTD.
OSAKA SEIKAN Co., Ltd.
OSAKA TAIYU Co., Ltd.
OSG CORPORATION

## P-T

PANASONIC CORPORATION
Panduit Corp. Japan Branch
Pelican Products, Inc.
Pica Corp.
REX INDUSTRIES Co., Ltd.
Ridge Tool Company
RIKENOPTech
Saint-Gobain K.K.
SAKAI CHEMICAL
Sandvik
SANKIN CORPORATION
SANKO Co., Ltd.
SANKO INDUSTRIES Co., Ltd.
SANKO TECHNIO Co., Ltd.
Sanritsu-kiki Co., Ltd.
SANSHIN METAL WORKING Co., Ltd.
SANWA SUPPLY INC.
SARAYA Co., Ltd.
SEISANNIPPONSHA LTD.
SEIWA ELECTRIC MAKER Co., Ltd.
SEKISUI CHEMICAL Co., Ltd.
SHIGEMATSU WORKS Co., Ltd.
SHIN-ETSU CHEMICAL Co., Ltd.
SHINFUJII BURNER Co., Ltd.
SHINKIGOSEI Co., Ltd.
SHINWA RULES Co., Ltd.
SHIZUOKA SEIKI Co., Ltd.

SHOWA DENKI Co., Ltd.
SHOWA GLOVE
SIMON CORPORATION
SINKO CO., LTD.
SISIKU ADDKREIS CORPORATION
SMC CORPORATION
Snap-On Tools JAPAN K.K.
ST PRO CORPORATION
SUGATSUNE KOGYO Co., Ltd.
SUGICO
SUGIYASU Co., Ltd.
SUIDEN Co., Ltd.
SUIKO Co., Ltd.
Sumico Lubricant Co., Ltd.
Sumitomo Electric Industries, Ltd.
SUPER TOOL Co., Ltd.
SUS Corporation
SUZUKI KIKOH Co., Ltd.
TAIYO KOGYO
TAIYO SEIKI IRON WORKS Co., Ltd.
TAIYO, LTD.
TAKAGI Co., Ltd.
TAKAGI KOGYO Co., Ltd.
TANIZAWA SEISAKUSHO, LTD.
TEIJIN FRONTIER Co., Ltd.
TENMA CORPORATION
TERADA PUMP Co., Ltd.
TERAMOTO CORPORATION
Teraoka Seisakusho Co., Ltd.
THE YAMAZAKI CORPORATION
ThreeBond Co., Ltd.
TJM DESIGN CORP.
TOA TSUSHO Co., Ltd.
TOGAWA INDUSTRY CORPORATION
TOHNICHI Mfg Co., Ltd.
TOKYO MEDICAL Co., Ltd.
TOSE CO., LTD.
TOP KOGYO Co., Ltd.
TOWA CORPORATION LTD.
TOYO KOKEN K.K.
TOYO MATELAN Co., Ltd.
TOYOTOMI Co., Ltd.
TSUBOSAN FILE Co., Ltd.
TSUKASA CHEMICAL INDUSTRY Co., Ltd.
TSURUMI MANUFACTURING Co., Ltd.
TUNGALOY CORPORATION

## U-Y

UHT CORP.
ULVAC KIKO Inc.
UNIKA Co., Ltd.
UNION TOOL
UNIT
VESSEL CO., INC.
Vlene Create Company, Ltd.
WAKITA Corporation
WAKOPALLET Co., Ltd.
Wera
YAESU MUSEN Co., Ltd.
YAMABIKO CORPORATION
YAMADA CORPORATION
YAMAHA MOTOR POWERED PRODUCS Co., Ltd.
YAMAMOTO KOGAKU Co., Ltd.
YAMATO SANGYO
YAMATO SCIENTIFICS Co., Ltd.
YAMATO-SCALE Co., Ltd.
YAMATOSEITOSYO JAPAN CORPORATION
YAMAWA MFG. Co., Ltd.
YODOGAWA ELECTRIC TOOL MFG. Co., Ltd.
YODOGAWA STEEL WORKS, LTD.
YOKOHAMA OIL&FATS INDUSTRY Co., Ltd.
YOSHINO LIMITED.
YUEI Co., Ltd.
YUTAKA MAKE Co., Ltd.

## Other

3M Japan Limited
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# Number of different products in inventory: 499,964

(as of December 31, 2021)

## Cutting Tools

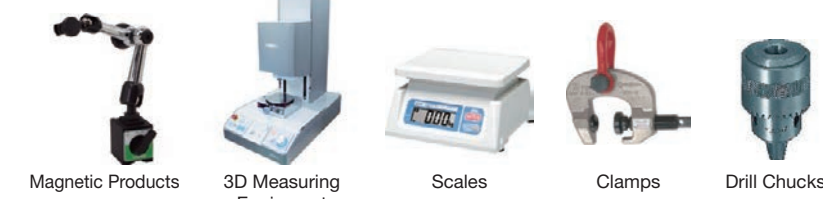


Chips Cutting Tools



Threading cutting tools

## Production Processing Tools



Magnetic Products 3D Measuring Equipment Scales Clamps Drill Chucks



Calipers Live Centers Level Adjusters Chucks Sprockets

## Construction Supplies



Floodlights Welding Masks Generators Silicone Grease Lubricants for Food Machinery Lithium Grease



Ladders Paint Valves Submersible Pumps Lubricants Purified Water Cutting Fluid



Outlet-equipped Retractable Extension Cords Engine Welder Headlamps Handsaws Disc Paper Cutting Grindstones

## Hand Tools



Screwdrivers Pliers Hammers Explosion-proof Tools Cable Cutters



Crimping Tools Cutting Pliers Steel Tool Boxes Insulating Equipment Electric Power Tools

## Environmental Safety Supplies



Safety Cones Oil Heaters Industrial Fans Portable Air Conditioners Safety Signs

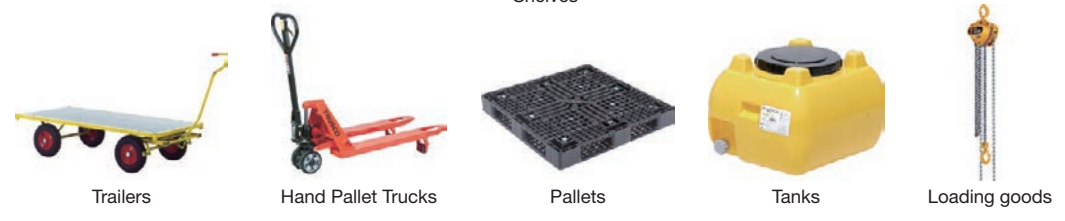


Poison Protection Masks Safety Glasses Helmet Work Gloves Safety Shoes

## Logistics/Storage Supplies



Conveyors Containers Shelves Hydraulic Jacks Trolleys



Trailers Hand Pallet Trucks Pallets Tanks Loading goods

## Laboratory Supplies



Wagons Cabinets Ultrasonic Cleaners



Drums Work benches Shallow Trays



Thermometers Flasks Oil Dispenser Bottles Tweezers

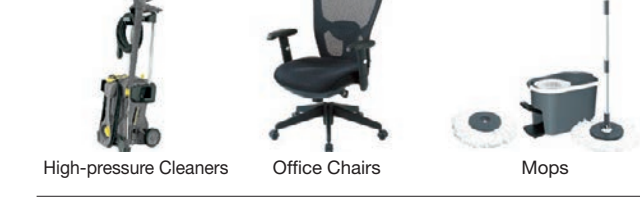
## Office Supplies/Storages



Hand Soap Office Supplies Computer Mice Clean Mats



Industrial Vacuum Cleaners Desks Stationery



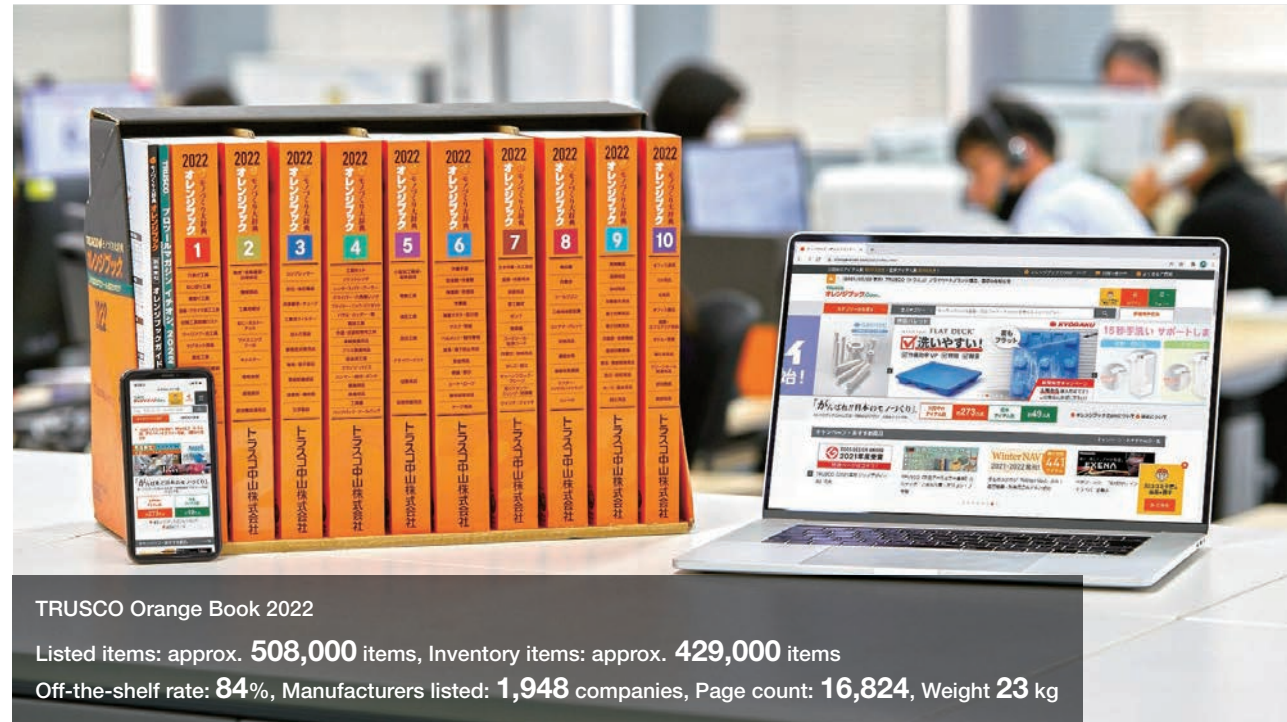
High-pressure Cleaners Office Chairs Mops



# Customer Support Feature

## Aiming to provide customers the most convenient feature in procurement Pro Tool

The feature needed for use at manufacturing sites vary greatly according to the times. There are also different situations that make procurement challenging, such as work sites that are offline and performing product searches without knowing product serial numbers. TRUSCO aims to provide the highest level of convenience in tool procurement in order to respond to any situation.



TRUSCO Orange Book 2022

Listed items: approx. **508,000** items, Inventory items: approx. **429,000** items  
Off-the-shelf rate: **84%**, Manufacturers listed: **1,948** companies, Page count: **16,824**, Weight **23 kg**

## Providing tools suitable for manufacturing sites

We launched our first product catalog “Nakayama Shouhou” (“Nakayama Business Bulletin”) in 1964. At that time, there were no catalogs that combined products from multiple manufacturers, and it was the first product catalog in the industry that provided users with real convenience. Currently, we are

developing not only catalog functions and web product search functions but also AI-based product search services. We provide tools suitable for a variety of manufacturing sites, most of which are linked to our inventory, to improve the convenience of PRO TOOLS searches and procurement.



Name of the company's comprehensive catalog changed from “Nakayama Shouhou” to “Orange Book” in 2000  
Note: Photo above shows the hand-book version (small size version) of the Orange Book.

The idea for the catalog was born from the concept that it would be more convenient for users if the catalogs of each manufacturer were consolidated and prices as well as part numbers were integrated.



## Paper-based Catalog & WEB

Starting with the 2023 TRUSCO Orange Book edition, we will reduce the page amount to half to make each catalog thinner and provide two-dimensional codes so that readers can access a wealth of information on the Internet in real time.

## TRUSCO Orange Book



### TRUSCO Orange Book - “Great Dictionary of Monodzukuri” used at various manufacturing sites

Our catalog lists every sort of PRO TOOL that is required on “manufacturing sites.” This is a professional tool catalog that supports efficient product search and procurement with a magazine-like composition that allows you to obtain delivery date information and find out about popular products at a glance. From 2020, the catalog page size was changed to A4, allowing more information to be provided on a single page so that you can see more at a glance. We also offer the “TRUSCO Digital Orange Book\*,” which combines the reading ease of a printed catalog with the portability and searchability of the web.



\*English version available



The Orange Book Book Stand (single-piece book holder) has been registered as a design

## TRUSCO Orange Book.Com



### Product search site listed all the information users need to acquire PRO TOOLS

This comprehensive site supports product searches and the purchase of PRO TOOL. Information on the products we handle is available, as are SDS forms (Safety Data Sheets), schematics, and more. In addition, site members can request product estimates, place orders, and submit return requests 24 hours a day, and even check inventory in real time. It is a system that we are continuing to build in order to support smooth business transactions and assist our customers in their sales activities.



The number of items listed on TRUSCO Orange Book.Com is increasing daily

## TRUSCO AI Orange Rescue



### AI Chatbot (automatic chat program) responds instantly even voice searches

AI Chatbot is a product search service that uses artificial intelligence (AI). It is capable of instantly finding the most suitable product from over 2.76 million items. Even if you do not know the specific industry name for the tool, manufacturer name, product name, or model number, you can easily narrow down the products you want using the voice search function and guided chat function. The AI “learns” the search results to improve accuracy day by day, helping to improve the efficiency of operations.



Quickly finds products even during fuzzy searches

## Catalogs that fit diversifying sales channels

### TRUSCO Orange Book Jr.

This catalog gathers representative excerpts from every product category into one book.

Pages: 1,488 (A4 size)  
Number of items listed: About 41,000  
Number of manufacturers listed: 1,140  
Price: \$18 (excluding tax)

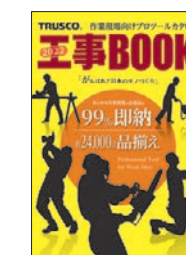
Note: A Thai version as well as a version for the Indonesia market (2020-2021 version) have also been published.



### TRUSCO Construction Tools BOOK (Registered Trademark)

This catalog features a lineup of PRO TOOL required for construction and other work sites. The cover is UV laminated for improved water and weather resistance. This means that you can even use it at work sites without worrying about it getting damaged.

Pages: 708 (A4 size)  
Number of items listed: About 24,000  
Number of manufacturers listed: 695  
Price: \$9 (excluding tax)



### TRUSCO PRO TOOL MAGAZINE ICHIOSHI

This catalog magazine features up-to-date information on items recommended by manufacturers.

Pages: 316 (A4 size)  
Number of items listed: 349  
Number of manufacturers listed: 292  
Price: \$4 (excluding tax)  
Front Cover: 2018: Mansai Nomura  
2019: Mari Watanabe  
2020: Rie Tanaka  
2021: Spotlight on craftsmen working at manufacturing sites  
2022: Osamu Suzuki



### COCOMITE

A guidebook for PRO TOOLS, COCOMITE features basic product knowledge, simple explanations of points for selecting products, and more. This publication makes selecting products more efficient.

Pages: About 964 (B5 size)  
Price: \$22 (excluding tax)  
Note: An English version of this publication titled COCOMITE UNIVERSAL is also available.





# Distribution Strategy

## Accelerating distribution innovation in pursuit of the ultimate type of immediate delivery that no one has yet experienced

Director  
General Manager of the Distribution Department **Hideki Naoyoshi**



### Providing a distribution service of the highest standard

"Highest standard" means to provide the highest level of convenience in the PRO TOOLS business domain.

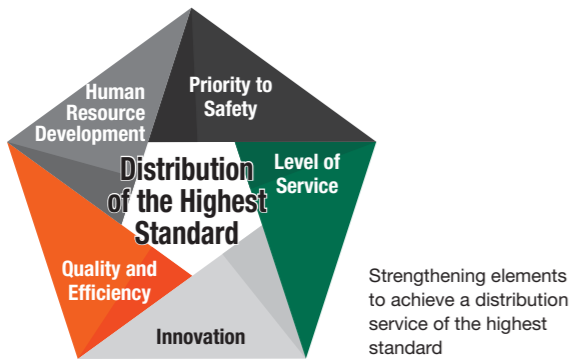
We will further refine our uniqueness in distribution, such as one-stop procurement by assorting all kinds of commercial materials required at manufacturing sites and developing a distribution network that covers the entire country. TRUSCO aims to provide the highest level of distribution service by upgrading and leveling out our distribution functions and taking on the challenge of the new distribution DX domain.

### Fundamental improvement of distribution functions

Our source for developing business is our inventory. We will improve our level of our immediate delivery system by thoroughly developing our inventory capabilities and maximizing the power of our inventory. We will also improve the accuracy and speed of solving of problems that impede convenience by improving operations and facility utilization rates to continuously raise the level of our functions.

### The challenge of distribution transformation

We aim to realize distribution DX by making full use of digital technologies, such as advanced demand forecasting using AI and visualization of the entire distribution process by introducing state-of-the-art logistics equipment. We will deeply collaborate with our partner companies to transform distribution in order to provide "one-of-a-kind" services to our customers.



### Optimization of our entire distribution service

Optimization of all processes from procurement to supply leads to overall optimization of the supply chain. We aim for a level of distribution with an eye on becoming a "platform holder" that supports manufacturing.

### Rapid problem solving

The functional enhancement of distribution is achieved by ensuring that real issues, such as running out of goods, quantity shortages, misdeliveries, and environmental improvements in warehouses, that interfere with the

level of service that we provide are not overlooked or neglected, but solved. What is important is the speed at which issues are resolved. Therefore, we will build an organizational structure that enables quicker problem solving.

### Human resource development for advanced distribution

Distributions processes are becoming increasingly sophisticated with cutting-edge digital technology, distribution equipment control, etc. Human resources are the key to fully utilizing our distribution assets, improving customer convenience, and strengthening distribution functions. We will strengthen human resource development that supports our distribution service.



Hiring more full-time drivers to improve our level of service

### Supporting Japan's manufacturing industry

Beyond achieving the ultimate in immediate delivery, we are sure that the excitement and joy that will make customers say "TRUSCO's service is really great! Thank you!" await us. We want to achieve a level of distribution that takes on the challenge to provide the "fastest," "shortest," and "best" deliveries as all members of TRUSCO constantly seek to improve convenience in order to realize our dreams. We want to see the Company contribute to Japan's manufacturing industry with the best service that no one has yet experienced by refining the uniqueness of distribution with our originality and ingenuity.

### A distribution framework in which people and systems permanently grow

Distribution in its true form should allow employees who want to do their best to work hard and be challenged and allow both people and systems to grow permanently through challenges. Naturally, there should never be a situation where the safety of our members is threatened. We will constantly review our workplace environment from the perspective of safety first and foremost as well as aim to create a distribution environment that attracts highly motivated people with an eye on the future.

## Distribution System

### Realizing the "fastest," "shortest," and "best" deliveries in the business

We are evolving logistics to meet the request from our customers, we will deliver "Just what is needed, only when needed, only in the quantity needed."

We have introduced the world's most advanced logistics facilities to promote labor saving and automation. For Planet Aichi, which is currently being conceptualized, we are also making use of the latest technologies, such as virtual simulation using a digital twin (see p.48).

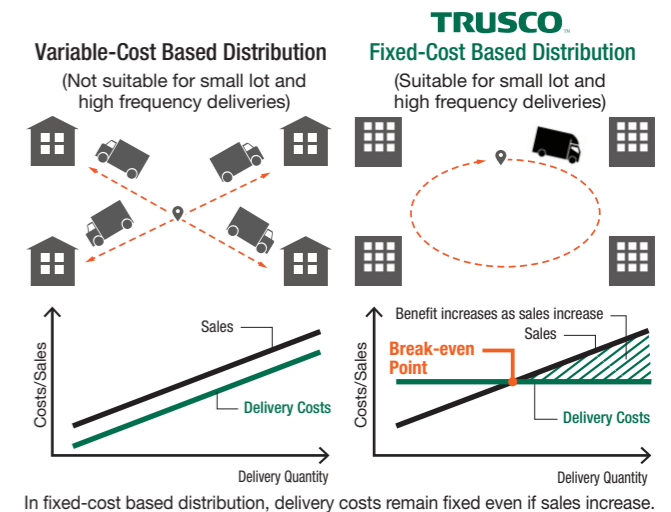
We also believe that "Immediate delivery is the greatest service" and analyze the lead time for each order from when an order is received to delivery (see p.48). We will address issues that emerge by visualizing what immediate delivery is and establish a system capable of realizing the "fastest," "shortest," and "best" deliveries in the industry.

### Unique fixed-cost based distribution

We have created a unique logistics system that establishes fixed freight costs. In contrast with variable-cost based distribution where costs are incurred for each individual delivery as with express home delivery services, etc., **fixed-cost based distribution** involves using fixed delivery routes so that delivery expenses are fixed regardless of the quantity of items delivered. As a result, we are able to provide better services to our customers, such as free deliveries (two deliveries per day), making products returnable if they are items that we stock (see p.34), and Naojiro Repair Workshops (see p.53) which handle repairs when necessary. In addition, because we have fixed delivery routes, we can deliver and collect cargo in containers without using cardboard boxes or other packaging materials, thus realizing low environmental impact distribution (see p.73).

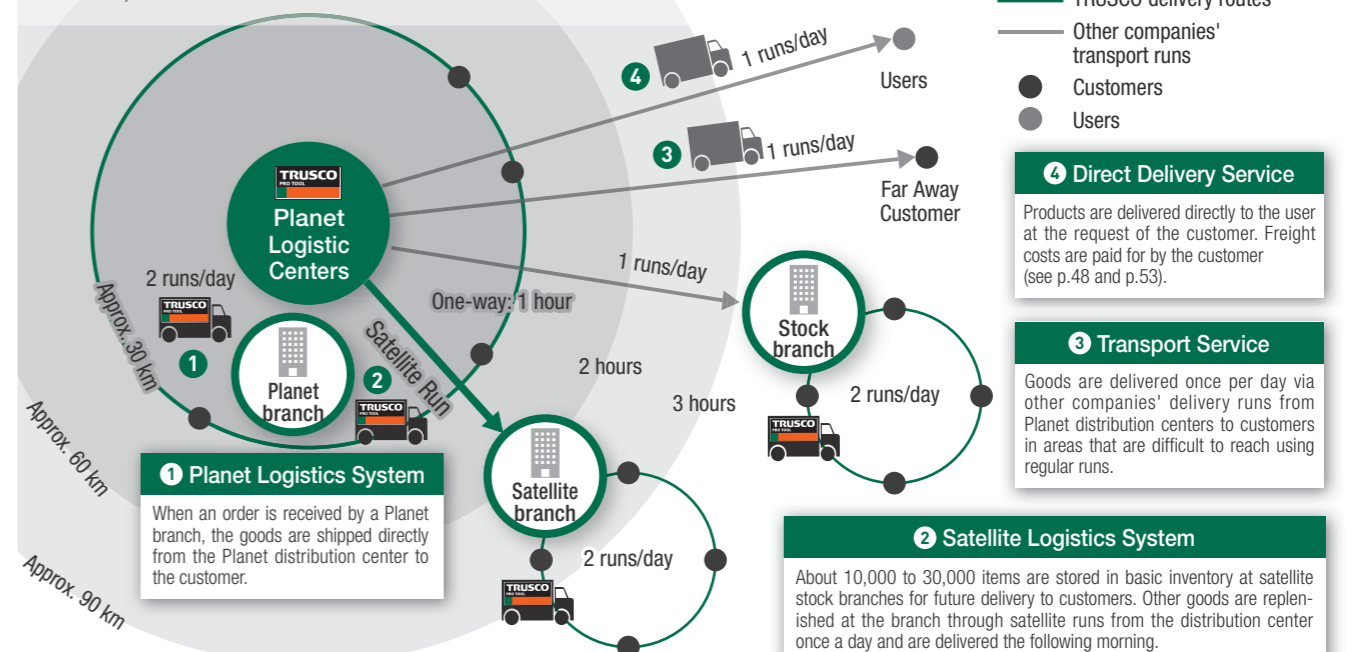
### Distribution Strategy Key Indicators

Number of distribution bases	27 locations	Logistic Centers	17 locations
		Stock Centers	10 locations
Number of packages delivered via Direct Delivery Service	2,836,392 (+1,173,239)		
Number of orders delivered via Direct Delivery Service	3,396,286 (+677,072)		
Labor cost to ship one order	\$1 (-\$0.1)		
Stock Hit Rate (Ratio of products delivered from our company stock among our total number of orders.)	91.3% (+0.3 pt)		
TRUSCO delivery routes	Number of Third-party Delivery Runs	161 vehicles (+1 vehicle)	
	TRUSCO delivery routes	117 vehicles (+7 vehicles)	
	Percentage of TRUSCO delivery runs	42.1% (+1.4 pt)	
Delivery Lead Time	20 hrs. 6 min. 53 sec.		



### Routes that achieve immediate delivery (Planet & Satellite Distribution System)

Throughout Japan, TRUSCO has built delivery routes that trace planet-like orbits around our distribution centers. From this, we have named our distribution centers "Planets."





# Logistics Wonderland

## Introduction of a cutting-edge distribution system

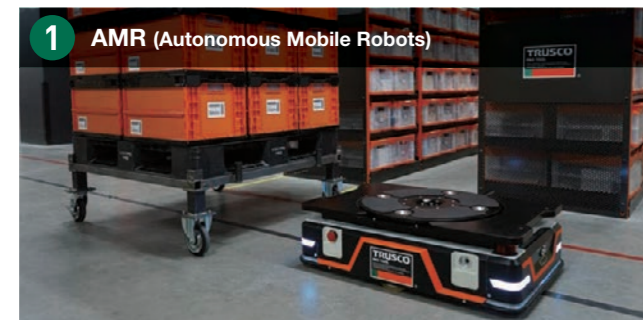
Our distribution centers, which house the world's most advanced logistics equipment, are each truly a "logistics wonderland." We have introduced a variety of logistics equipment and facilities to promote labor saving and automation. We continue to expand the number of items in stock and strengthen our immediate delivery system by realizing high-density storage in logistics equipment according to the size of the product and frequency of shipment, as well as high-speed receiving/shipping through automated sorting and packaging.

Logistics Wonderland Planet Saitama

Scan the QR code to watch video.



- Labor saving capability
- Distribution Center where the technology was introduced



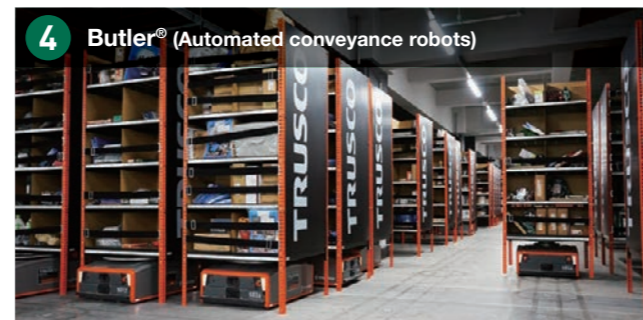
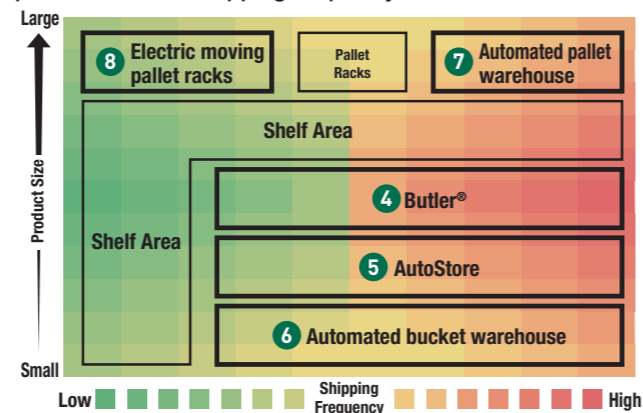
**1 AMR (Autonomous Mobile Robots)**  
AMRs are used for pallet transfer, especially after receiving large items or large quantities of goods for which pallet transfer is a labor-intensive and time-consuming process. This contributes to a reduction of man-hours through labor savings.

Reaches speed of 5.8 km/h when moving straight forward

Saitama



Utilizing a variety of logistics equipment according to product size and shipping frequency



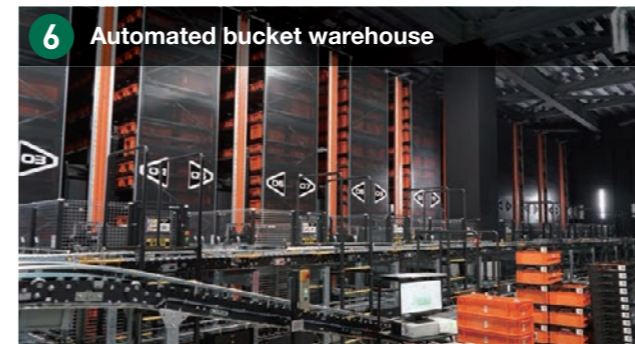
**4 Butler® (Automated conveyance robots)**  
Automated conveyance robots lift shelves and transport them to workers in the warehouse. This reduces workers' time spent walking and raises the efficiency of picking work.

Shipping Capacity 70 shipments/h (1 station)\*

Work Capacity Work Performed by approx. 2.5 Workers\*/h (1 station)

2x more storage capacity\* Tohoku Saitama

\*Independent estimate based on TRUSCO inventory items.

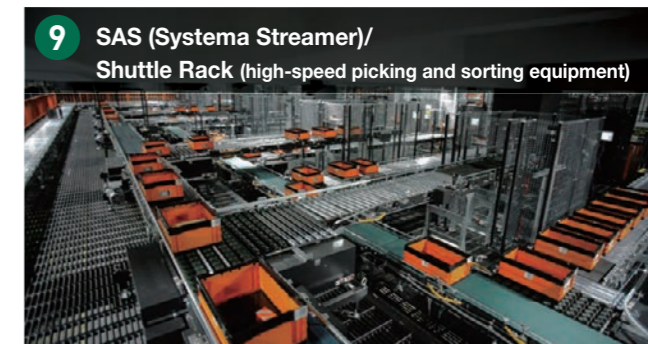


**6 Automated bucket warehouse**  
We offer high-density storage of buckets (containers) of small- and medium-sized goods that are characterized by many types and relatively low inventory volume for each product. Cranes are used to automatically transport the buckets. This allows for many products to be efficiently managed by a small number of workers.

Shipping Capacity 110 shipments/h (1 station)

Work Capacity Work Performed by approx. 3 Workers/h 2.5x more storage capacity

Tohoku Saitama East Kanto South Kanto Tokai Shiga Osaka Kobe



**9 SAS (Systema Streamer)/ Shuttle Rack (high-speed picking and sorting equipment)**  
This high-speed load assorting equipment for automated warehouses can simultaneously perform load assorting and sorting of goods. This reduces the work and time involved for sorting and transport.

Sorting capacity of 1,800 containers/h

Tohoku Saitama East Kanto South Kanto

Tokai Osaka Kobe



**7 Automated pallet warehouse**  
This effectively uses space to enable efficient storage of large and heavy goods. Large-size cranes are used to automatically transport goods to increase work efficiency.

Shipping Capacity 35 shipments/h (1 station)

3x more storage capacity

Work Performed by approx. 1.5 Workers/h (1 station)

Saitama North Kanto East Kanto

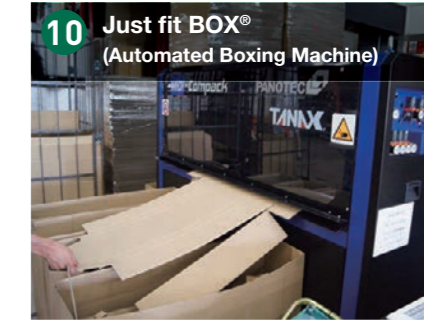


**8 Electric moving pallet racks**  
Movable pallet trucks reduce the number of passageways and expand storage space within warehouses. It increases the storage efficiency of large and heavy goods.

2x more storage capacity Saitama

East Kanto South Kanto Tokai

Shiga Kobe Sanyo



**10 Just fit BOX® (Automated Boxing Machine)**  
This automated boxing machine reads the three linear dimensions of large and irregular-shaped items, which are difficult to pack, and creates a box to fit its size. Utilizing this machine results in improved efficiency and packaging quality.

Packaging Capacity 10 Workers/h

120 packages/h Tohoku

North Kanto Saitama

East Kanto Tokai Osaka Kobe



**2 AGV (Automatic Guided Vehicles)**  
Automatic Guided Vehicles automatically transport products along magnetic tape laid out on the floor of the Distribution Center. It improves transport efficiency through labor saving.

Reaches speed of 3.6 km/h when moving straight forward

Saitama



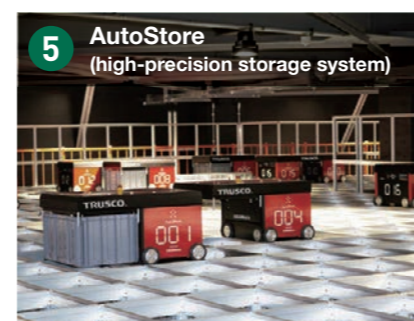
**3 GAS (Gate Assorting System)/ DAS (Digital Assorting System)**  
This equipment for sorting products eliminates sorting mistakes by people, improving precision and speed. This is because the lid of the container where a product is to be placed will open (or a light will shine to indicate which container), prompting the worker to simply place products inside.

Sorting Capacity 200 product types/h

Work Capacity Work Performed by approx. 3 Workers/h (1 station)

Tohoku Saitama East Kanto

South Kanto Tokai Osaka Kobe



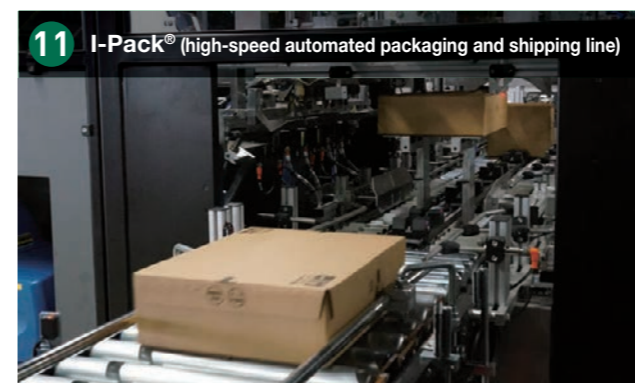
**5 AutoStore (high-precision storage system)**  
AutoStore maximizes space efficiency by stacking bins (plastic containers) from the floor to near the ceiling. The use of robots to transport containers to improve efficiency and reduce the amount of labor for loading/unloading work.

Shipping Capacity 120 shipments/h (1 station)

Work Capacity Work Performed by approx. 3 Workers/h (1 station)

2x to 3x more storage capacity Tohoku

North Kanto Saitama South Kanto



**11 I-Pack® (high-speed automated packaging and shipping line)**  
I-Pack places delivery slips inside packages and handles packaging as well as labeling all at high speeds. Automation leads to shorter packing time and better quality, the keys to our Direct Delivery Service (see p.48).

Packaging Capacity 24 Workers/h

720 packages/h per line

Tohoku Saitama Tokai Osaka



**12 Palletizing Robots**  
Palletizing robots are robots that perform loading and unloading operations. They are mainly used for sorting goods packed using I-Pack® to improve accuracy and work quality.

Sorting Capacity 300 product types/h

Saitama





## Towards Low Environmental Impact PRO TOOLS Distribution

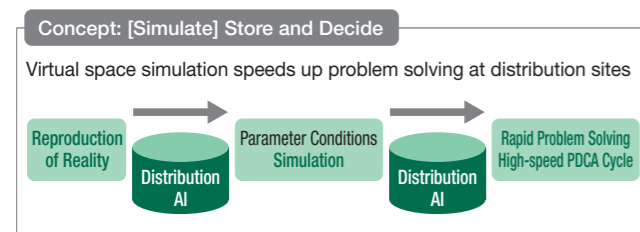
**Our Direct Delivery Service is an environmentally-friendly approach which reduces shipping costs and associated work by half**

Since products are shipped directly to the users when using our Direct Delivery Service, which is being strengthened by the Company, delivery times, packaging material amounts, shipping costs, and the environmental burden can be reduced by half. We are able to provide this service because of our six high-speed automated packaging and shipping lines, each referred to as "I-Pack" which are located throughout Japan. At 720 packages per hour per line, we automatically pack and ship orders at high speed. We will make our Direct Delivery Service common practice and associate it with environmental conservation (see p.53).

## Distribution DX Efforts

**Taking on the Challenge of Creating a Digital Twin**

This involves reproducing a warehouse environment digitally based on information acquired from the real world warehouse (human, material, and robot conditions). By introducing this "digital twin," we can quickly solve problems through preliminary simulation and analysis.

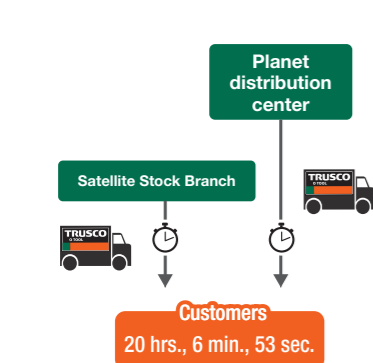


Analyzes and simulates how reality changes when deciding to change various parameters

## Visualization of the "fastest," "shortest," and "best" deliveries in the industry

**Providing Delivery Lead Time in Numbers (20 hrs., 6 min., 53 sec.)**

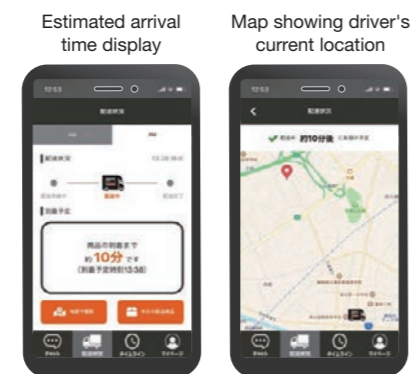
We aim to shorten lead time, the time from when an order is received to product delivery by analyzing each order. Visualization of the process until delivery is completed allows us to solve problems that emerge.



Lead time is visualized and shared

**Delivery Status Visualization**

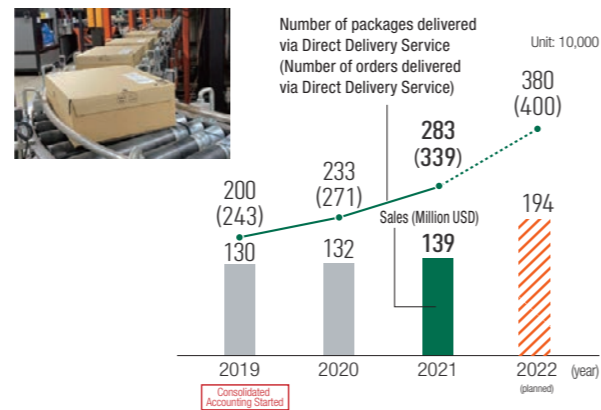
T-Rate (see p.60), a communication tool, provides customers with real-time information on delivery status, including delivery vehicle location, estimated time of arrival, and list of products to be delivered, for greater convenience and improved operational efficiency.



T-Rate greatly reduces delivery status related inquiries

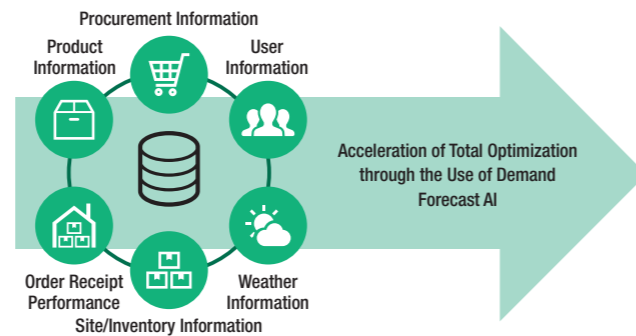
Enhancement of I-Pack® has improved our Direct Delivery Service

Changes in Number of Direct Deliveries to Users and Sales



**Total optimization of stocking and procurement through demand forecast AI**

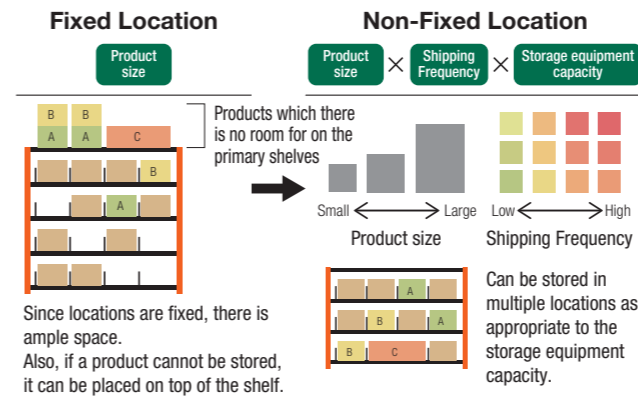
Introducing unique demand forecast AI provided by Cinnamon Inc. enables total optimization of product inventory and procurement. Optimizing the amount and lineup of product stock, inventory placement, management costs, procurement sources, etc. will improve product assortment and lead to an increase in stock hit rate.



## High-density Storage, Quality Control, and Response to Emergencies

**Introduction of Non-Fixed Location (Free Address) Inventory Management Systems**

TRUSCO is introducing inventory management systems that replace the fixed location method that assigns one location to one product with a free location method that fills the space opened by inventory depletion with a separate in-shipped product. This is a system where product size, rank, and storage equipment capacity data are registered in advance. When products arrive, they are directed to the best available location in the warehouse.



Since locations are fixed, there is ample space. Also, if a product cannot be stored, it can be placed on top of the shelf.

There is no need to set up storage locations as found in a fixed location based system. With capacity control, the system does not leave wasted space as it is, but makes effective use of it, achieving high-density storage.

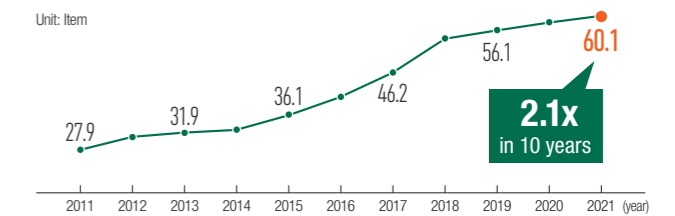
Over the past 10 years, the company has expanded its high-density storage level by approximately 2.1x (number of items per tsubo at main distribution centers).



AutoStore containers are stored closely together

Flat shelves are filled with merchandise making use of all available space

Number of Items Per Tsubo (3.3 m) at Main Distribution Centers



**Distribution centers with seismic isolation equipment (3 distribution centers)**

When the Great East Japan Earthquake occurred in March 2011, Planet Tohoku was unable to ship products due to them falling from the shelves, even though many PRO TOOLS were needed for disaster recovery. Based on this experience, the distribution centers built since then are equipped with seismic isolation equipment as standard equipment so that we can fulfill our responsibility to supply customers even in times of disaster.

Centers with equipment installed: **Osaka Saitama South Kanto**

**Enhancing safety by providing hazardous materials warehouses and product expiration date management**

Due to stocking a large number of chemical products that pose a risk of ignition or explosion, we have added hazardous material warehouses at our distribution centers. These warehouses are equipped with halon gas jets to extinguish fires for increased safety. In addition, for products with quality assurance expiration dates, we have established a system that enables us to manage such products and check product expiration dates accurately and efficiently even when the number of product items increases.



Hazardous material warehouse at Planet Saitama (approx. 284 m)



Products with quality assurance expiration dates are managed using quality control labels



Seismic isolation equipment in Planet Saitama

## TOPICS Extensive inventory of emergency disaster stockpiles (202 items, 6-month supply)

As a PRO TOOLS supplier, we also stockpile at least a six-month supply of products (202 items) such as generators, which are needed even in times of disaster, so that we can be of use to the community in times of emergency. In addition, we have built a system that supports other distribution sites even when a distribution line is cut, such as when disaster strikes a supply route. Distribution sites are located throughout Japan to reduce risk.

- Chemical Protective Clothing
- Work Gloves
- Disposable Dust-proof Masks
- Helmets
- Inverter Generators
- Flashlights
- Submersible Pumps
- Safety Goggles
- Sandbags
- Professional Safety Boots
- Dry Cell Batteries
- Gas Canisters
- Oil Heaters
- Sleeping Bags
- Portable Gasoline Cans
- Solar Chargers
- Portable Toilets
- Hand Soap
- Foldable Mats, etc.





# Sales Strategy

Aiming to become a supplier that is needed by our customers by accurately identifying their changing needs

Director  
General Manager of the Sales Department **Kazuo Nakai**



## Providing the best proposals to solve our customers' issues

In a rapidly changing business environment, our customers face a wide range of challenges. We conduct sales activities to solve these various issues by making optimal proposals from our management resources, including products, distribution, and digital technology.

## "TRUSCO will deliver" - Strengthening of our immediate delivery system

The spread of Covid-19 triggered a shortage of goods due to stagnant imports, a shortage of materials due to the resumption of economic activity, and price hikes. We will fulfill our responsibility to supply products under any circumstances by utilizing our unparalleled inventory.

## Making needed products available at manufacturing sites

Utilizing MRO Stocker, users experience zero delivery wait time. This means that customers can focus on sales activities to users by reducing the number of daily ordering and delivery operations. (see p.52)



After installation, users, customers, and our employees continue to hold regular business meetings. (Right: Eri Tomokane, a member of both the Osaka Branch and MRO Stocker Promotion Section)

## Addressing environmental issues is an important mission of our corporate activities

Growing awareness of environmental issues has led to an increasing demand for manufacturing suppliers that are actively involved in environmental conservation activities.

## Offering environmentally-friendly products

Demand for products related to EVs and carbon neutrality is expected to increase in the future. We will accelerate the supply of products to markets related to the environmental industry by leveraging our business with over 2,900 suppliers.

## Strengthening our Direct Delivery Service capabilities

By shipping directly from our company to users, we are able to reduce the amount of packaging materials and fuel used as well as the amount of CO<sub>2</sub> emitted, leading to a reduction in environmental impact. This also contributes to the reduction of delivery work for customers and the expansion of sales channels to distant areas where standard delivery is not possible. (see p.53)

\*TRUSCO does not sell any product directly to users.

## Strengthening our repair service to promote reuse of tools

We have newly established our Naojiro section, a section specializing in repair services, to strengthen our reuse activities, including repair of power tools and engine equipment, resharpening of cutting tools, and calibration of measuring instruments. By using our delivery service to collect repaired products, there is no need to send them, no packaging work, or no shipping charges. (see p.53)

## New sales style efforts

If the contents of daily sales communication and proposal materials are not securely stored and shared, customers will be inconvenienced when the person in charge takes a leave of absence or the person in charge is changed due to a personnel change.

## Introduction of CRM, a system for centralized management of customer information

When a customer makes an inquiry, anyone can check the CRM and respond in real time, leading to improved service.



Business meeting with a customer to solve a problem (Nozomi Fukuhara, a member of both the Osaka Branch and HR Support Section)

# Route specific strategies

## One-stop purchasing that integrates products, logistics, and digital services

We are grasping the latent needs of our customers that are not quantified and are working to solve their problems by utilizing our product, logistics, and digital services. By providing services suited to the characteristics of each route and realizing one-stop purchasing from customers to users, we will continue to contribute to improving productivity and sales in the entire industry.

### Sales Strategy Key Indicators

Sales	Factory Route	\$1,482 million	Home center route	\$165 million
	e-Business Route	\$402 million	Overseas Route	\$15 million
	Total	\$2,066 million		
Number of sales branches	Japan 59 locations	Branches with inventory 29 locations	Overseas 2 locations	TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED PT. TRUSCO NAKAYAMA INDONESIA
Number of customers	No. of Companies 5,527 companies (+12 companies)	Number of Sales Accounts 29,561 (+2,011)		
Number of companies connected to Orange Commerce	2,042 companies (+675 companies)			
MRO Stocker	Number introduced 329 locations (+282 incidents)	Under negotiation 513 incidents	(as of February, 2022)	

## Factory Route

Machinery Tool Dealers, Welding Material Dealers, etc. **4,871** Manufacturing Industry, Construction-related Businesses, etc.

### Toward a sales style that further utilizes digital technology

Our route is to do business with customers in a wide range of industries, such as with machine tool dealers who mainly handle equipment and factory auxiliary materials, and welding material dealers who mainly handle high-pressure gas. By having sales offices throughout Japan, we are able to respond quickly to any problems and strengthen the cooperative system of each region. In recent years, we have introduced MRO Stocker (see p.52), which is like "Okigusuri," a system of "Use First, Pay Later" that has been around for many years in Japan for medicine, but for tools. It allows us to provide high-quality product, logistics, and digital services.



Face Phone enables face-to-face online business meetings (Maika Shiraiishi, Osaka Branch)

## e-Business Route

Online Shops, etc. **185** Manufacturing Industry, General Consumers, etc.

### Providing high quality services required for e-business

We are developing business for mail-order companies that sell products via the Internet and business that links the purchasing systems utilized by users with our electronic catalog (Orange Commerce (see p.53)). By linking data in real time and visualization of the procurement process, we are helping our customers to improve order efficiency.



We provide support for user procurement efficiency

## Home Center Route

Home Centers, Pro Shops, etc. **104** Outdoor Work, General Consumers, etc.

### Supporting businesses that integrate physical and online businesses

The home center route involves doing business with home centers that have large stores nationwide and professional stores that serve craftsmen as customers. In recent years, we have been working to integrate physical and online businesses by promoting services that allow users to pick up products in stores in response to the growing demand for omni-channel services that link stores and mail-order sites.



Expanding Private Brand (PB) business at home centers throughout Japan

## Overseas Route

Overseas Dealers, etc. **367** Overseas Manufacturing Industry, etc.

### Overseas business based on our unique strengths

This is the route we take to do business with overseas subsidiaries of domestic customers and customers who handle local machinery tools. We have local subsidiaries in Thailand and Indonesia, where we provide the same quality of service as in Japan. We are contributing to the development of manufacturing in those regions by utilizing our unique strengths such as providing catalogs and inventory for those local markets.



TRUSCO Orange Book Junior (overseas version)



# MRO Stocker



## MRO Stocker

MRO Stocker is like "Okigusuri," a business model that has been around for many years in Japan, but for tools. This services allows for rapid delivery of needed items to manufacturing sites so that they are instantly available for use. MRO Stocker is stocked with consumables that users utilize on a daily basis in the manufacturing process, responding to the needs of manufacturing sites that need certain products immediately. Since users are billed only for the products that they use, MRO Stocker can be provided without any inventory risk by simply providing it at customer locations.



(Introduced at 329 locations (as of December 31, 2021))

### MRO Stocker realizes zero cost in three areas

- 1 Inventory management and stocktaking of regular stock → **Management cost \$0**
- 2 Product orders → **Delivery time 0 min.**
- 3 Unnecessary orders, including duplicate orders between departments → **Number of unnecessary orders place 0**

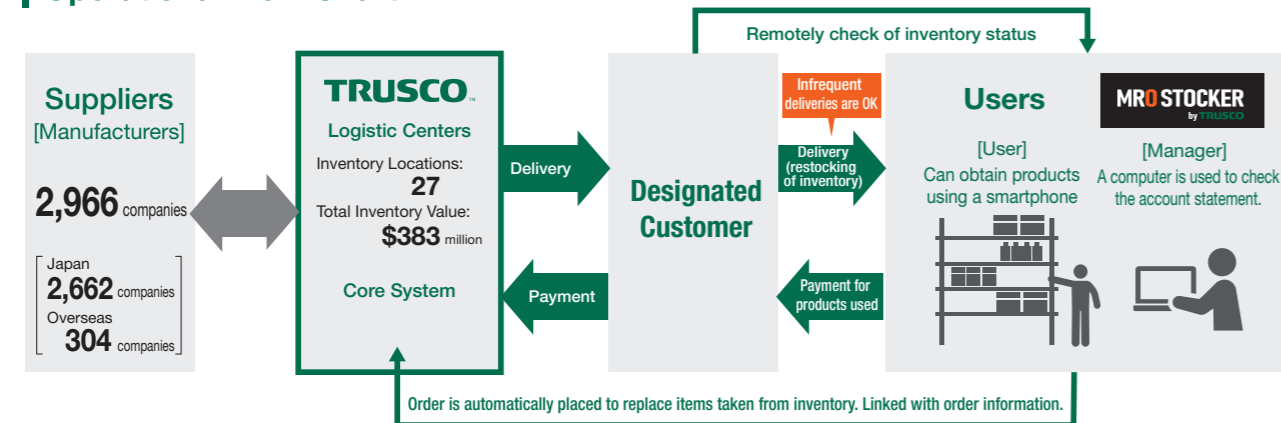


An MRO Stocker installation



Product purchase completed using a specialized smartphone app. MRO Stocker vending machines are equipped with features for high security.

## Operational Flow Chart



### TOPICS Example of MRO Stocker Adoption

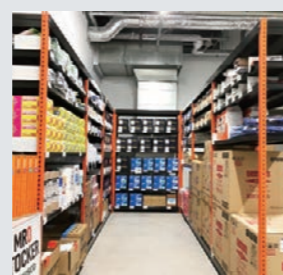
#### Food product manufacturer

Number of items in inventory: **146**  
 Number of shelves: **7** lightweight shelves  
 Location: Inside equipment warehouse at plant

Main inventory items: Consumable supplies (gloves, work shoes, water sampling bottles for testing purposes)

#### "Enriching people's lives"

**Mr. H, Head Manager of the plant**  
 The system eliminates the need for people to worry about overstocking or running out of supplies, reduces overtime hours, and gives users the peace of mind that they will always have an item ready in stock. MRO Stocker is truly a system that enriches people's lives. We hope to add more items to inventory in the future as space permits.



#### MRO Stocker receives attention from several media organizations and programs

Nihon Keizai Shimbun (October 29, 2020)  
 Nikkei Sangyo Shimbun (September 17, 2020)  
 NHK NEWS Ohayo Nippon  
 BS TV Tokyo  
 Nihon wa ko naru?!  
 TBS TV "Gacchiri Monday!!"  
 Nikkei Business (magazine) etc.

# Direct Delivery Service

## Environmental Conservation Through a Wholesaler-based Direct Delivery Service

With our Direct Delivery Service, products ordered by customers are delivered to users directly from our distribution centers. Since October 2021, we have been promoting the use of this service by covering part of the shipping costs for direct shipment to users. By promoting this service, we do not only shorten delivery lead time but also help our customers reduce delivery-related work and costs, which is linked with expanding sales to customers located in remote areas. It also contributes to environmental conservation by reducing CO<sub>2</sub> emissions associated with packaging materials and transport. We will continue to solve various issues faced by our customers through our Direct Delivery Service which leverages our immediate delivery system.

\* TRUSCO does not sell any products directly to users.  
 \* Our shipping charges for Direct Delivery Service are subject to certain conditions and not all orders from customers qualify for Direct Delivery Service.

**Our Direct Delivery Service can reduce the following by half**

Delivery times
Amount of packaging materials used
Shipping costs
Environmental burden
Labor



Our Direct Delivery Service solves various issues

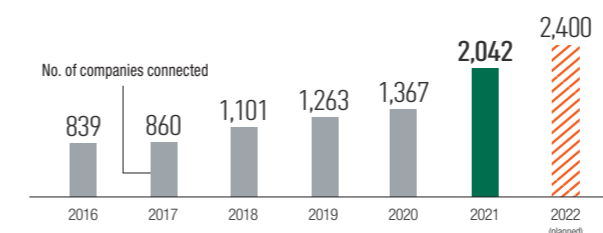
# Orange Commerce (electronic purchasing system)



## A purchasing support system for users that streamlines the procurement process

Orange Commerce is a purchasing support system that links with users' purchasing systems to provide web-based catalogs and product data for transactions among three parties: users, customers, and TRUSCO. By introducing this system, we are able to solve the problems stemming from work for large orders and purchasing information not being visualized all at once, thereby visualizing the procurement process and reducing costs. We support users in optimizing their professional tool procurement by enhancing reciprocal digital and analog functions and combining the strengths of systems, logistics, and products.

Number of Companies Connected to Orange Commerce



# Repair Workshops "Naojiro"



## A service that combines the reuse of PRO TOOLS and efficiency for our clients

Started in 1998, Naojiro Repair Workshops provide a unique TRUSCO service for repairs and maintenance that includes PRO TOOLS repair and sharpening of cutting tools. Generally, customers often have to request different repair services to perform repairs based on product category. However, this service allows customers to make a single request to TRUSCO to perform various types of repairs, reducing the amount of work required to make arrangements for repairs. Our delivery drivers and sales representatives collect repaired items as needed during deliveries and visits, meaning that there are basically no packaging or shipping costs for the customer. In addition, by promoting recycling and reuse, we support our customers' efforts to address environmental issues. (Naojiro Repair Workshops results for FY2021: \$14 million)



Naojiro Repair Workshops Website

### The Eight Services Available Through Naojiro

Repair	Re-grinding	Calibration	Reuse
Machining	Maintenance	Assembly	Construction and Installation



# Overseas Business

## Responding to MRO demand in countries around the world

In order to contribute to manufacturing around the world, we are accelerating our exports to various countries as well as business with local subsidiaries. In terms of domestic exports, we are currently doing business with 99 companies in 20 countries around the world (two of which are TRUSCO local subsidiaries), and we are developing unique businesses that can be realized by combining our management resources. Our local subsidiaries are located in Thailand and Indonesia, where we are contributing to local manufacturing by utilizing our strengths, such as providing local catalogs, our abundant inventory, and immediate delivery system. We will continue to expand our trading area and aim to become a company that can meet the demand for MRO from all over the world.

## Overseas Sales Dept.

### Unique business created by combining management resources

In overseas sales, we are mainly exporting our Private Brand (PB) products to countries around the world. In general, importing and exporting takes time and effort, but thanks to our inventory strategy and strong logistics capabilities, we have been able to build an immediate delivery system for exports, enabling us to meet the demands of each country.

## Overseas Subsidiary

### TRUSCO THAILAND TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED

This subsidiary has continued to expand its sales to Japanese dealers and to major local dealers. By holding inventory and strengthening our immediate delivery system, we are contributing to the efficiency of the PRO TOOLS supply chain in Thailand by collaborating with local customers. In recent years, we have also been promoting our own initiatives, such as direct trade with Japanese manufacturers, to reduce purchasing costs and increase our share of local sales.



TRUSCO Thailand staff

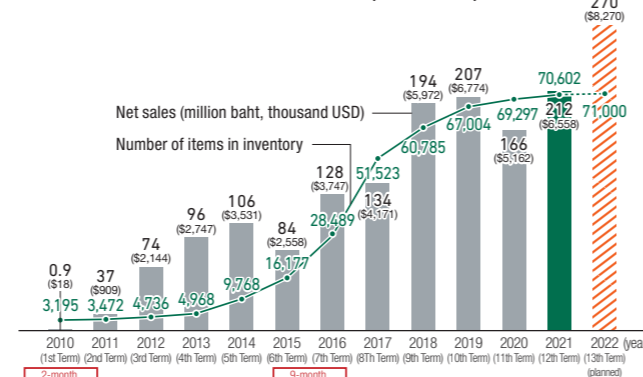
## Company Overview As of December 31, 2021

- Trade name: TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED
- President: Kazuaki Harada
- Director: Naotsugu Kamijyo
- Officer in charge at TRUSCO NAKAYAMA Corporation: Kazuo Nakai
- Business areas: Wholesale of PRO TOOLS (secondary materials used in factories)
- Capital: 390 million baht (about \$11.7 million)
- Employees: 24 (3 employees on loan and 21 local staff)
- Established: September 2010
- Equity: 99.9%
- Area of grounds: approx. 10,942 m<sup>2</sup>
- Floor area: approx. 4,730 m<sup>2</sup>
- Number of different products in inventory: 70,000
- Inventory value: \$5.4 million
- Total number of items in inventory: 498,000
- Value of investment: Land, \$2.2 million; Buildings, \$1.8 million
- Address: Bangplee, Samutprakarn (13 km south of Suvarnabhumi International Airport)
- Map showing location near Suvarnabhumi International Airport and Amata Nakorn Industrial Estate.
- TIP7 789/8 Moo9, Bangpla Bangplee Samutprakarn 10540 THAILAND

## History

- 2010.9 Established under name PRO TOOL NAKAYAMA CORPORATION (THAILAND) LIMITED
- Capital: 50 million baht
- 2011.2 Start of sales
- 2011.12 Capital increase of 30 million baht, raising capital to 80 million baht
- 2014.11 Change of name to TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED
- 2015.4 Capital increase of 30 million baht, Capital increase to 110 million baht
- 2015.6 Capital increase of 180 million baht, Capital increase to 290 million baht
- 2015.12 Relocation of office building (company-owned building)
- 2016.9 Capital increase of 100 million baht, raising capital to 390 million baht

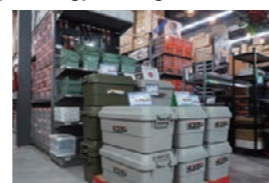
## Changes in sales and number of different products in inventory at TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED



Note: Sales in USD for each term are calculated using the exchange rate at the end of the period.

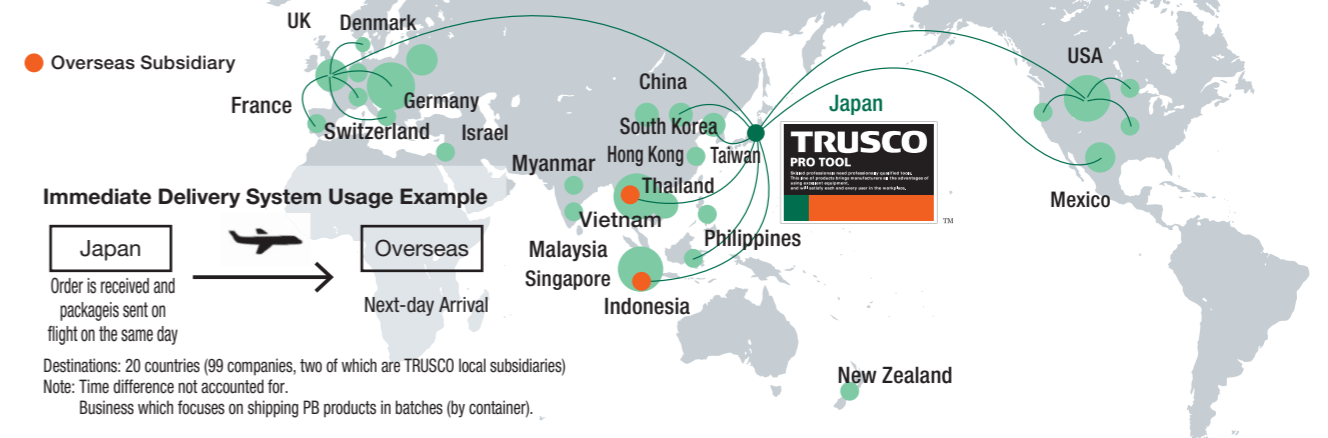
## Strengthening Efforts to Expand Business Through Local Home Centers

We have started business with local home centers to increase awareness of our brand and inventory strategy among local users in Thailand. We provide TRUSCO brand and NB products to many professional users. At the same time, we are also using SNS to spread information on a daily basis so that as many people as possible can become aware of our company.



A product display at a home center in Thailand

## Our Overseas Sales Section delivers PRO TOOLS around the world leveraging the strength of our immediate delivery system



## Overseas Subsidiary

### TRUSCO INDONESIA PT. TRUSCO NAKAYAMA INDONESIA

There were many factors that hindered PRO TOOLS distribution in Indonesia, such as heavy traffic congestion and strict import regulations. For this reason, we have set up a distribution center in an area where many factories belonging to Japanese companies are concentrated. With the largest inventory in the region, we are taking on the challenge of optimizing PRO TOOLS distribution. Against the backdrop of domestic demand in a company with a population of 270 million people, we will continue to contribute to Indonesia's advancing manufacturing industry.



TRUSCO NAKAYAMA INDONESIA staff

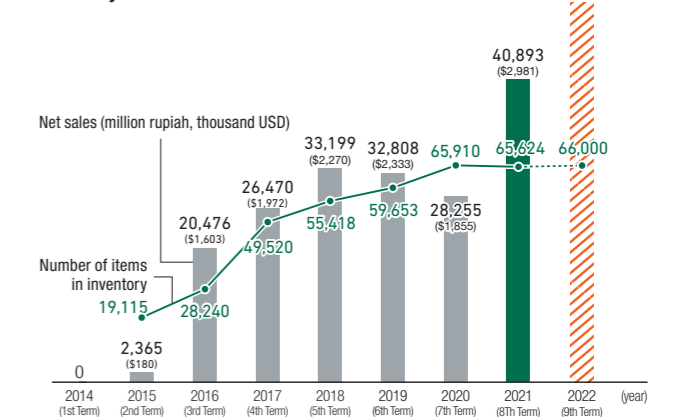
## Company Overview As of December 31, 2021

- Trade name: PT. TRUSCO NAKAYAMA INDONESIA
- President: Yohei Takuno
- Auditor: Naotsugu Kamijyo
- Officer in charge at TRUSCO NAKAYAMA Corporation: Kazuo Nakai
- Business areas: Wholesale of PRO TOOLS (secondary materials used in factories)
- Capital: About 378.8 billion rupiah (about \$28.8 million)
- Employees: 20 (3 employees on loan and 17 local staff)
- Established: December 2014
- Equity: 99.9%
- Area of grounds: approx. 16,178 m<sup>2</sup>
- Floor area: approx. 10,429 m<sup>2</sup>
- Number of different products in inventory: 65,000
- Inventory value: \$4.4 million
- Total number of items in inventory: 307,000
- Value of investment: Land, \$10.1 million; Buildings, \$5.7 million
- Address: Lippo Cikarang District, Bekasi, Jawa Barat (about 40 km east of the capital city, Jakarta)
- Map showing location near Soekarno-Hatta International Airport and Delta Silicon 6 industrial zone.
- Jl. Kenari Raya No. 36 Delta Silicon VI, Jayamukti, Cikarang Pusat, Kab. Bekasi 17815.

## History

- 2014.12 Established under name PT. TRUSCO NAKAYAMA INDONESIA
- Capital: About 54.2 billion rupiah
- 2016.1 Start of sales
- 2017.2 Capital increase of 261.3 billion rupiah, raising capital to 315.6 billion rupiah
- 2018.11 Capital increase of 63.1 billion rupiah, raising capital to 378.8 billion rupiah
- 2019.3 Relocation of office building (company-owned building)

## Changes in sales and number of different products in inventory at PT. TRUSCO NAKAYAMA INDONESIA



Note: Sales in USD for each term are calculated using the exchange rate at the end of the period.

## Increasing the number of manufacturers that we trade directly with

We are doing more business directly with manufacturers without going through a parent company. We are now able to carry products designed for the local voltage and models exclusively for the overseas market, further improving our product lineup.

Relationships with Stakeholders

The Nakayama visually impaired welfare foundation

Corporate Data

Number of manufacturers that we trade directly with is increasing annually

AQUA SYSTEM CO., LTD. OLFA CORPORATION

静岡製機株式会社 SHIZUOKA SEIKI Co., Ltd

KTC Suiden

KYOTO TOOL Co., Ltd. SUIDEN Co., Ltd

NITTO KOHKI Linda

NITTO KOHKI Co., Ltd. YOKOHAMA OIL&FATS INDUSTRY Co., Ltd.



# Digital Service Strategy

To respond to the unchanging customer demand through our digital capabilities.

Director  
General Manager of the Business Management Department  
and Digital Service Strategy Department

Atsushi Kazumi



## Working to improve supply chain productivity

Digital capabilities are indispensable to becoming the company that we want to be, so we regard continuous enhancement of our digital capabilities as essential. The digitalization of society as a whole is very important for the supply chain that supports Japanese manufacturing as well as for improving the productivity, quality, and sustainability of society. We believe that by utilizing our digital infrastructure throughout the supply chain we will be able to meet the constant demands of our customers, such as having everything they need, prompt and reliable delivery, reasonable prices, high level of convenience, and kindness, politeness, and security.



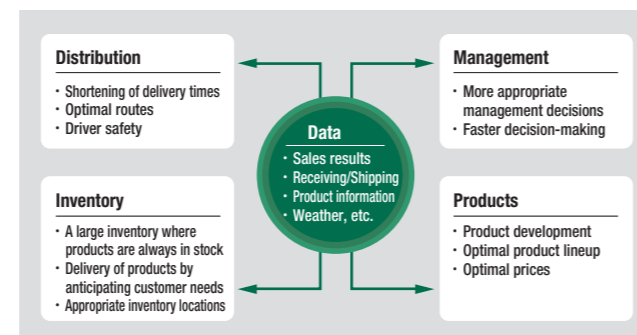
DX for unparalleled speed and convenience

## Creating new customer experiences

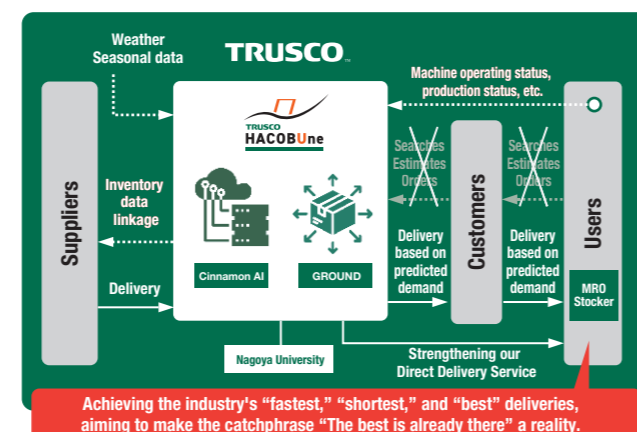
As a wholesaler, we are committed to improving convenience for our customers and providing a valuable customer experience for our users. MRO Stocker is an innovative service that combines a traditional "Okigusuri" business approach with digital technology to realize zero delivery time. In addition, our Direct Delivery Service is made possible by combining our inventory, distribution equipment, and digital technology capabilities. We hope the service will help shorten delivery times for users and improve the efficiency of our customers' operations. In 2021, we launched the "TRUSCO HACOBUne" project, our platform concept. By utilizing the latest digital technologies such as AI, IoT, and robotics, we aim to provide a unique customer experience making the catchphrase "The best thing is already there" a reality.

## Enhanced data-driven, accurate, and flexible decision-making

We are evolving our AI-based quotation system which utilizes AI to instantly respond to customer requests for estimates. The response, which previously took several hours, can now be provided in approximately 5 seconds. This has led to improved efficiency of operations and an increase in the quotation-based order rate. In addition, we have established and are implementing a business process for more accurate product assortment and inventory control by analyzing sales performance data for each item to optimize inventory to ensure that we have a wide selection of products and that the products customers want are provided by us any time. We are building a company that can respond flexibly to change by instantly analyzing data more appropriately and making timely and accurate business and management decisions in anticipation of future business growth.



Improving business services based on various types of data



Future work process using digital technology

# TRUSCO's Digital Transformation

## Becoming the Company We Want to Be by Utilizing Digital Technology

Digital transformation is a step of a process, not an end goal. In order to put our policy "Business must serve people and society" and slogan "GAMBARE!! JAPANESE MONODZUKURI" into practice in order to make a difference, it is essential for us to utilize digital technology. On June 15th, 2021, during our press conference where we announced our industry-academia collaboration with Nagoya University and capital and business alliances with GROUND Inc. and Cinnamon Inc., we presented our concept of a new distribution platform (TRUSCO HACOBUne). We plan to further accelerate digital transformation (TRUSCO DX2.0), including the use of AI and robots, to provide an unparalleled level of convenience that no other company can match.

### Digital Service Strategy Key Indicators

	(Started in January 2020)
Automated estimate ratio	18.2% (+10.1 pt)
Ratio of Web-based estimate requests	42.7% (+6.0 pt)
System order intake ratio	85.3% (+1.4 pt)
Digital Expenditures (most recent three periods)	\$46 million

DX1.0 >>> DX2.0

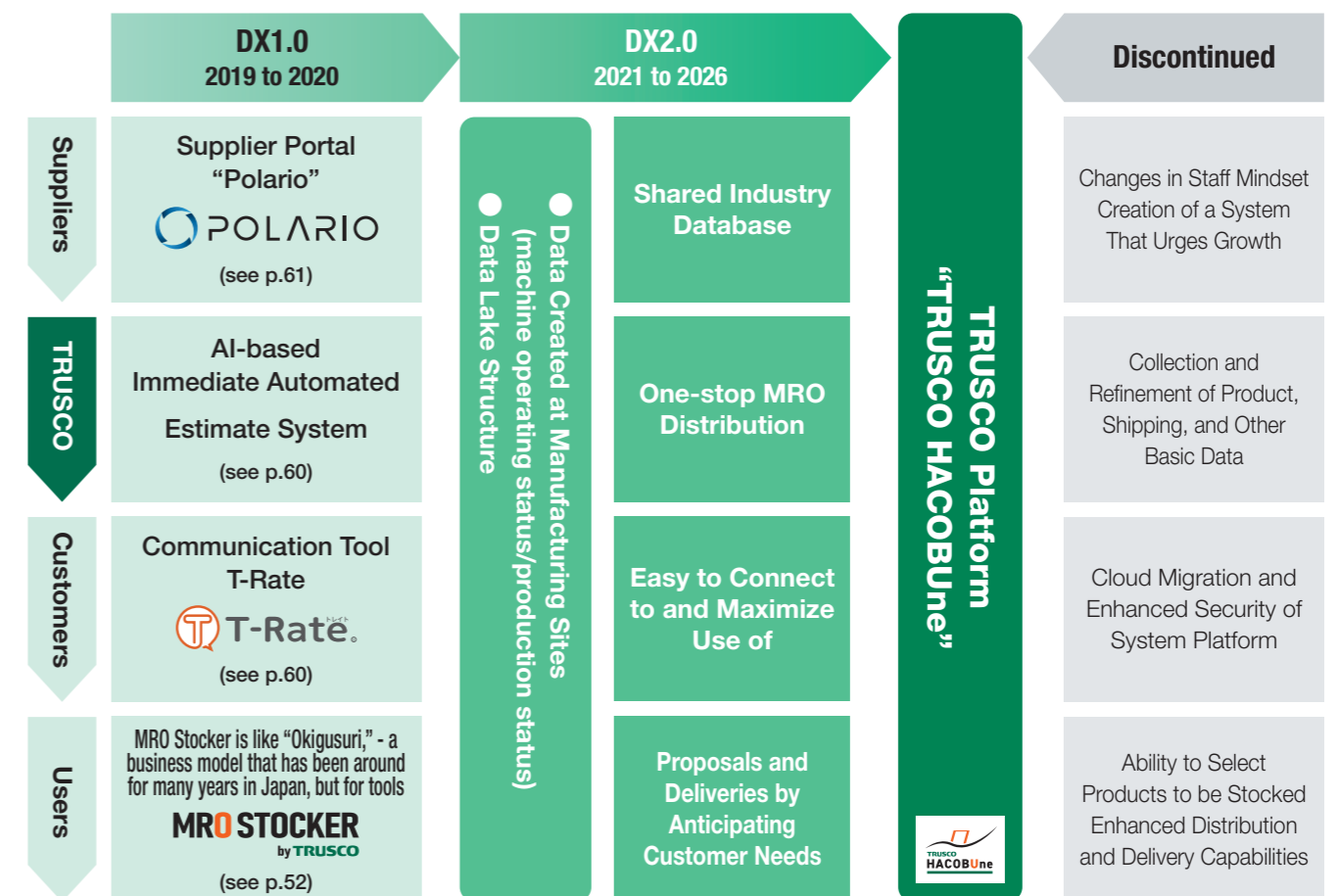
Automation of all work that can be automated (see p.59).

Achieving the industry's "fastest," "shortest," and "best" deliveries, aiming to make the catchphrase "The best is already there" a reality (see p.58).

## Medium-term Digital Transformation Strategy

### Providing Unparalleled Convenience in PRO TOOLS Procurement

We will continue our digital transformation for every business scene where we have contact with customers to improve the convenience of the entire supply chain, from the construction of a shared industry database to the delivery of products to users ahead of time.

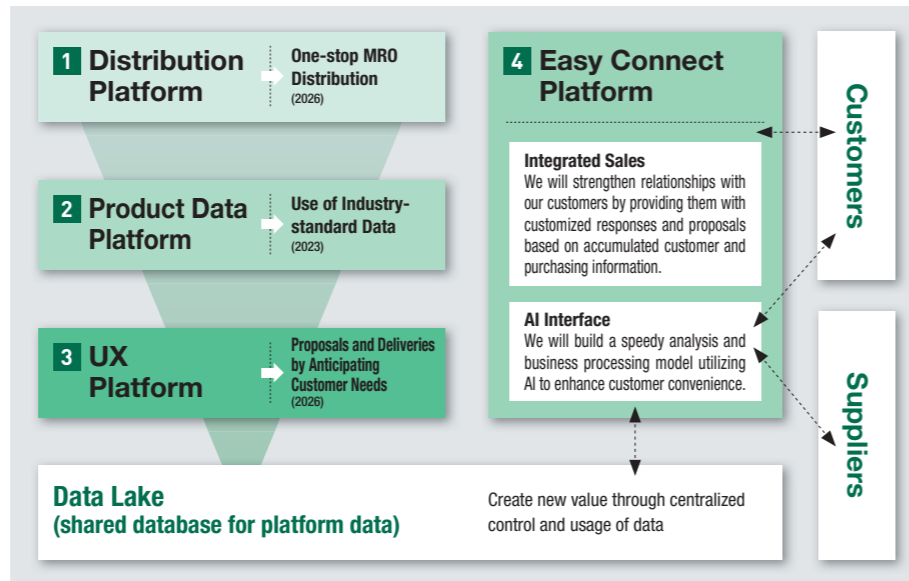




## TRUSCO DX2.0

### Toward becoming a “platform holder” that supports manufacturing sites

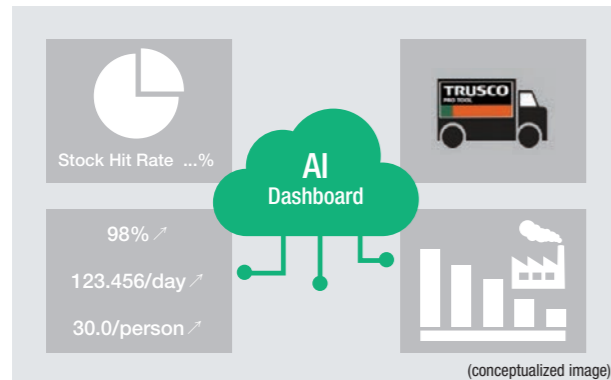
TRUSCO HACOBUNE was created to serve as a platform that integrates distribution, product data, and UX (user experience) to achieve the “fastest,” “shortest,” and “best” delivery in the industry, aiming to make the catchphrase “The best is already there” a reality. By streamlining the entire supply chain, we will create a foundation for providing the highest level of convenience to our customers.



### 1 Distribution Platform

#### We always have what customers need and deliver products quickly

In addition to demand forecast AI, Planet Aichi, a next-generation distribution center which will hold one million items in inventory, is scheduled to begin operations with the implementation of a distribution facility integrated management system (WES) designed to automate even inventory and personnel allocation decisions.

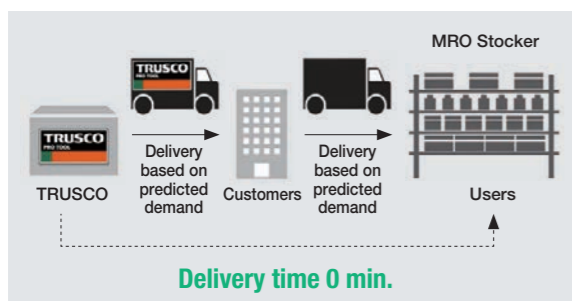


AI Dashboard allows data to be visualized, analyzed, and used in proposals (conceptualized image)

### 3 UX Platform

#### Allows users to easily select and purchase the best products

We will further advance user experience (UX) by implementing a search function for equivalent products and a linkage function with manufacturer inventory information for a vast array of products. MRO Stocker aims to realize the delivery of products that users will need in the future by using data and AI to make proposals ahead of time.

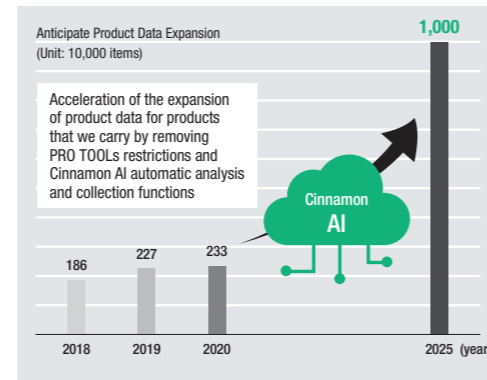


Delivering products in advance is made possible by MRO Stocker

### 2 Product Data Platform

#### Availability of all types of necessary product data

We will expand our product data to cover more than ten million items by building a system to implement automatic analysis and collection functions of product data using Cinnamon AI. We aim to achieve dramatic efficiency in product selection and industry standardization of product data.

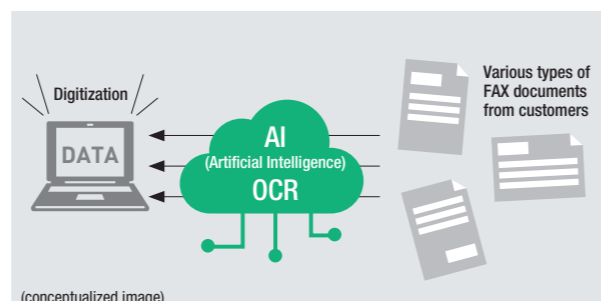


Rapid expansion of product data using Cinnamon AI

### 4 Easy Connect Platform

#### Toward stress-free business operations by connecting with TRUSCO

We will build a system that improves business efficiency and convenience despite customer and supplier business operations remaining the same.



(conceptualized image)

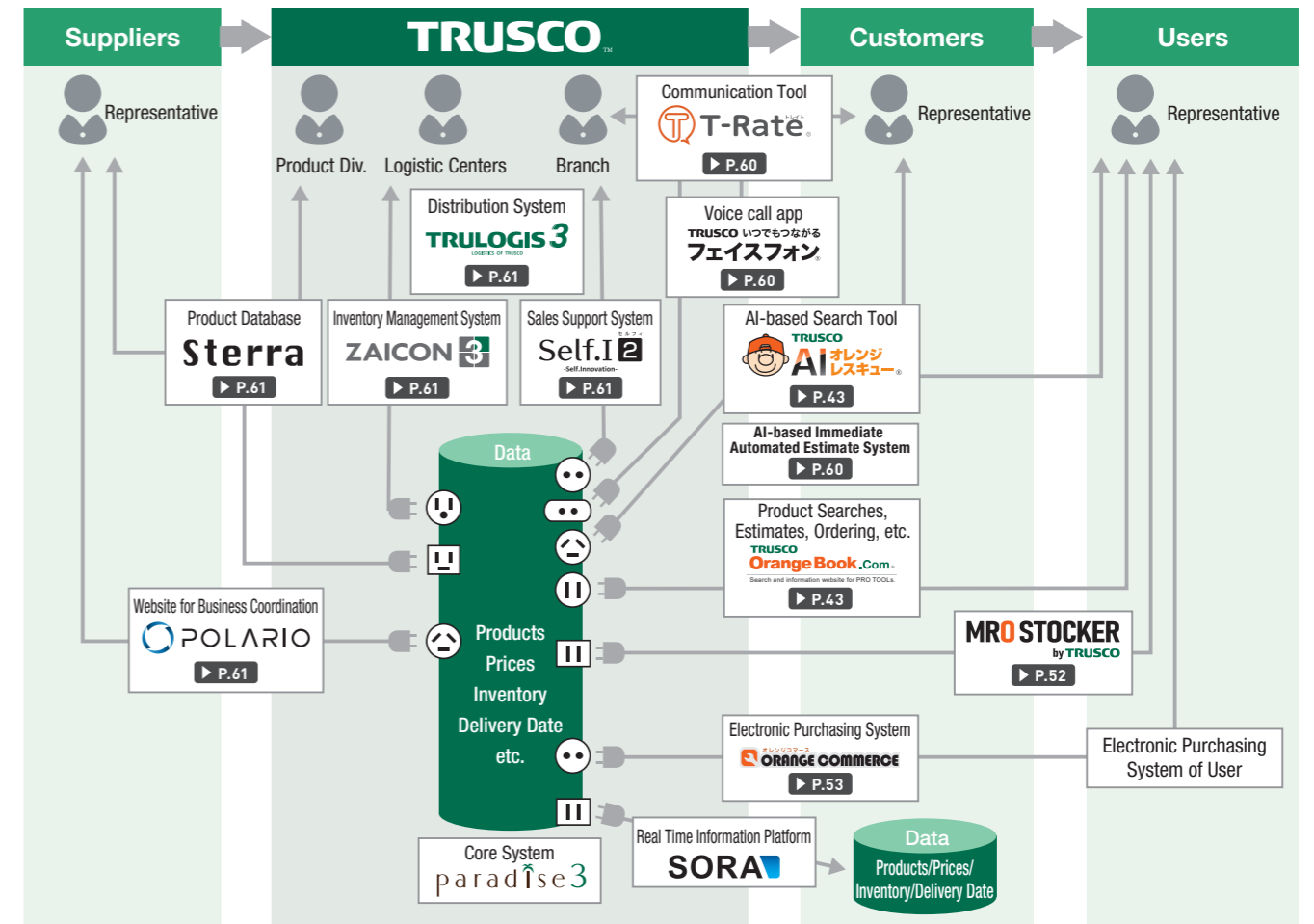
AI-OCR digitizes FAX content and places the data in an automated system

## TRUSCO DX1.0

### Automation of all work that can be automated

Starting with the launch of our core system “Paradise 3” in January 2020, we have released various systems to improve convenience with the aim of automating all tasks that can be automated in the supply chain. In addition to internal business reforms, including our AI-based quotation system (see p.60), which realizes dynamic pricing using AI, and ZAICON 3 (see p.61), our inventory management system that forecasts demand for each individual product to drastically cut down time used for inventory management, our company, which is in the middle of the distribution chain as a wholesaler, is promoting the reform of business practices throughout the supply chain by utilizing digital technology aiming at digital transformation.

#### TRUSCO DX Measures



#### Strategic partners that support our digital transformation (in alphabetical order, honorifics omitted)

Framework, Inc., IBM Japan Co., Ltd., Nomura Research Institute, Ltd., SAP Japan Co., Ltd., SCSK Corporation

### TOPICS IBM Women Leaders in AI

IBM Women Leaders in AI 2021 is a global award that recognizes women leaders, regardless of industry or country, who have used IBM Watson to drive change, growth, and innovation. In 2021, 40 women leaders from 18 different countries were selected with two female employees from TRUSCO receiving the award.



Section Manager Mio Sugihara, System Management Section



Manami Endo, IT Planning Section



# TRUSCO's Digital Services

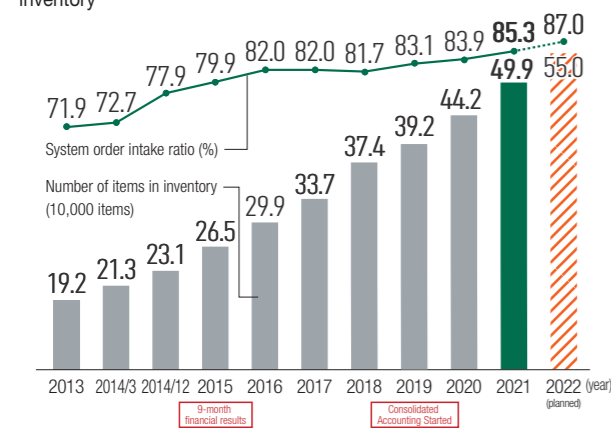
## System Order Intake Ratio (85.3%)

### Improvement of work efficiency through improvement of system order receipt rate

We have been developing highly convenient digital tools and expanding our inventory. As a result, our system order receipt rate (percentage of order receipts processed through our digital system among total order receipts) has improved. This has improved our work efficiency, allowing us to achieve greater sales per person without increasing overtime work.

### Use of digital tools and expansion of inventory contributes to a higher system order intake ratio

Changes in system order receipt rate and number of different products in inventory

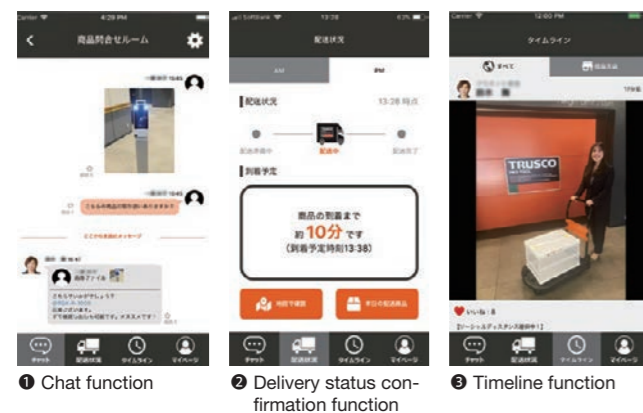


## Communication Tool "T-Rate"



### Realizing real-time communication with customers

"T-Rate" is a new tool for communicating with customers. This tool provides real-time communications through the following functions: ① Chat function which allows the customer to chat with a TRUSCO representative, ② A delivery status confirmation function that shows the scheduled arrival time of the delivery service, products being delivered, etc., and ③ A timeline function that delivers messages about our activities and PR products.



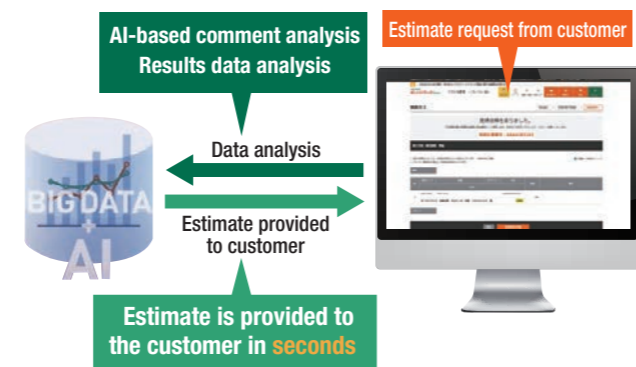
- ① Chat function
- ② Delivery status confirmation function
- ③ Timeline function

## AI-based Immediate Automated Estimate System "Sokutou Meijin"

### Automated estimates provided to customers using Artificial Intelligence (AI)

One of the challenges we face is how to respond quickly to an average of 30,000 estimate requests received from our customers each day. To address this issue, we have introduced the AI-based Immediate Automated Estimate System, "Sokutou Meijin," and have been promoting the automation of estimates through special price optimization where appropriate prices are automatically calculated for products on a regular basis based on actual orders and estimates. This has led to an improvement in the time it takes to reply to customers (minimum reply time: 5 seconds).

(18.2% of estimates are provided automatically (information current as of December 31, 2021))



## Videotelephone app "Face Phone"



### Promoting a new sales style

Allowing for communication with TRUSCO at any time, Face Phone is an online-based video telephone app using in conjunction with T-Rate using a PC or smartphone which allows face-to-face communications between customers and TRUSCO representatives, as if they were meeting in person. Most of the time used during sales activities is spent traveling to customer locations. However, we are now promoting a new sales style which utilizes that time to solve problems for our clients instead.



Driving to meet with customers takes time

By Using Face Phone...



Allowing for communications between customers and TRUSCO representatives at any time, anywhere. (Miho Matai, Osaka NB Product Section)



Face Phone Introductory Video

## Sales Support System "Self.I 2"



### Visualization of sales data to support accurate proposals

"Self.I 2" is a tool for visualizing sales data, such as customer estimate history, sales history, etc. This tool helps us to identify latent demand and make appropriate proposals, thereby contributing to the improvement of customers' sales.



Main screen showing Self.I 2 functions Customer sales performance screen

## Automatic Product Stocking System

### Automatic stocking of popular products

Products to be stocked based on sales results are automatically ordered to suppliers and stocked. By automatically stocking products, we improve the efficiency of our operations in addition to improving the level of service for our customers.

(Number of products that are stocked automatically: 7,494 (as of December 31, 2021))

## Inventory Management System "ZAICON 3"

### Drastically decreasing time spent on inventory management

"ZAICON 3" is an inventory management system that provides forecast calculations of required stock quantities based on sales performance records. The system reduces the time and effort required for registering products by automatically calculating the optimal and maximum ordering points for products, leading to increased efficiency.

## Distribution System "TRULOGIS 3"

### Improving the efficiency of all warehouse operations

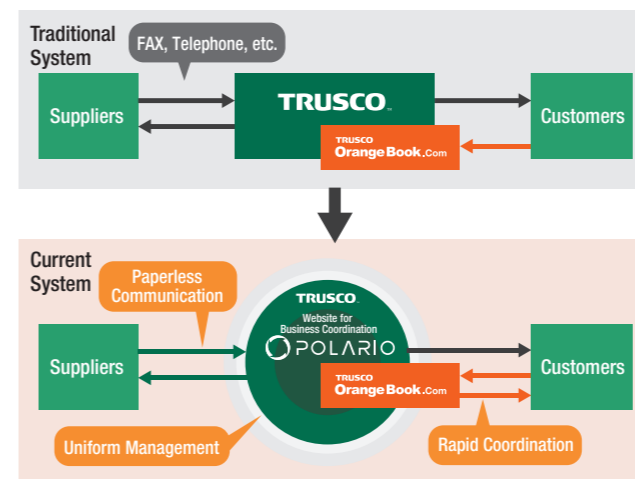
This distribution system manages the inventory work performed at distribution centers and at branches with inventory. It is responsible for improving the overall efficiency of warehouse operations, including automation of warehouse operations with labor saving equipment and free-location inventory systems.

## Website for Business Coordination "Polario"



### Polario centralizes business coordination with suppliers

Polario centralizes data such as existing supplier estimate correspondence data, order processing data, and Available-To-Promise (ATP) data. In addition to improving the chances of receiving orders, the amount of supplier-directed inquiries are reduced, lessening the burden on them.



## Analysis by Individual Product

### Utilizing big data to display product information so that it has a fresh appearance and is easy to understand

We have built a system that allows us to utilize the sales results of each product in real time. Using this system, for example, the sales results are disclosed on TRUSCO Orange Book.Com, and the products whose sales results have increased in the last month compared to the past are marked.



Product sales performance screen shown on TRUSCO Orange Book.Com

## Product Database "Sterra"



### Product data linkage in real time

New product database "Sterra" is a product information management system that serves as the "base" for product data. The introduction of this system has facilitated the input of information that was previously restricted in various ways and allows suppliers to easily register and edit product data.





# Human Resources Strategy

To become a company that continues to provide support regardless of the times with our people (originality) as a starting point

Director  
General Manager of the Business Management Department  
and Digital Service Strategy Department

Atsushi Kazumi

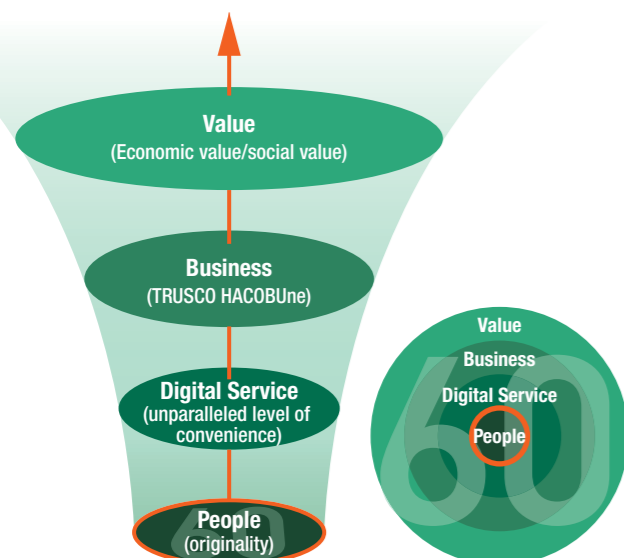


## Realizing “Our Ambitions” through our people and digital capabilities

We believe that the source of competitiveness of TRUSCO is its originality. In order to Achieve “Our Ambitions” (Value Creation), which means that we are a business that must serve people and society, we will once again take measures to enhance our people (originality), which is the starting point of our business in the 60th term. As a starting year, we will launch a new Personnel Division and transform our personnel system to change the awareness and behavior of our employees, thereby fostering human resources capable of creative thinking and enhancing the competitive advantage of our Company. With this originality as a starting point, we will accelerate our business transformation project (TRUSCO HACOBUne) to achieve the industry’s “fastest,” “shortest,” and “best” deliveries, aiming to make the catchphrase “The best is already there” a reality through digital technology that provides an unparalleled level of convenience that cannot be matched by other companies. TRUSCO aims to be a company that continues to be of service to our customers by combining people (creativity) and digital technology to further enhance customer convenience at all times.

### Our Policy

**Business must serve people and society**



Strengthening the development of our human resources (originality) to realize “Our Ambitions”

## Reform of the personnel system to create creative human resources capable of thinking on their own

We believe that “originality” is fostered by individual ability and aptitude as well as the working environment. The newly established Personnel Division will introduce a system (talent management system) and programs (expanded course areas and the Job Challenge Program) to maximize employee abilities, thereby enhancing employee engagement and the company’s overall human resources capabilities. In addition, in order to provide a workplace environment where everyone can work with peace of mind, we will further enhance our welfare programs, such as our “Vacation Bank Program (see p.67)” and “Fertility Treatment Support Program (see p.67).”

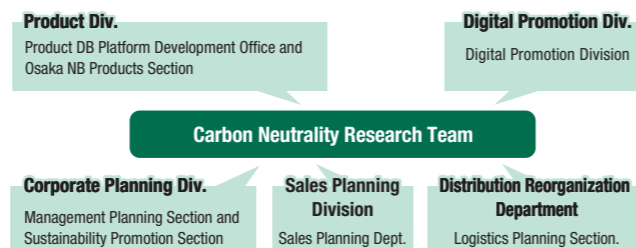


Reform of the personnel system will introduce a system designed to maximize employee abilities

## Strengthening sustainability promotion

While countries and companies are increasingly looked on critically due to their impact on the global environment, we believe it is necessary to recognize that each of us is partly responsible for the burden we place on the environment. With this in mind, we have formulated our basic policy on sustainability (TSV\*) and established a Sustainability Committee and Sustainability Promotion Section to promote our initiatives for corporate growth and environmental impact both internally and externally. (see p.20)

\*The abbreviation TSV (TRUSCO Shared Value) was formed by combining TRUSCO and CSV (Creating Shared Value).



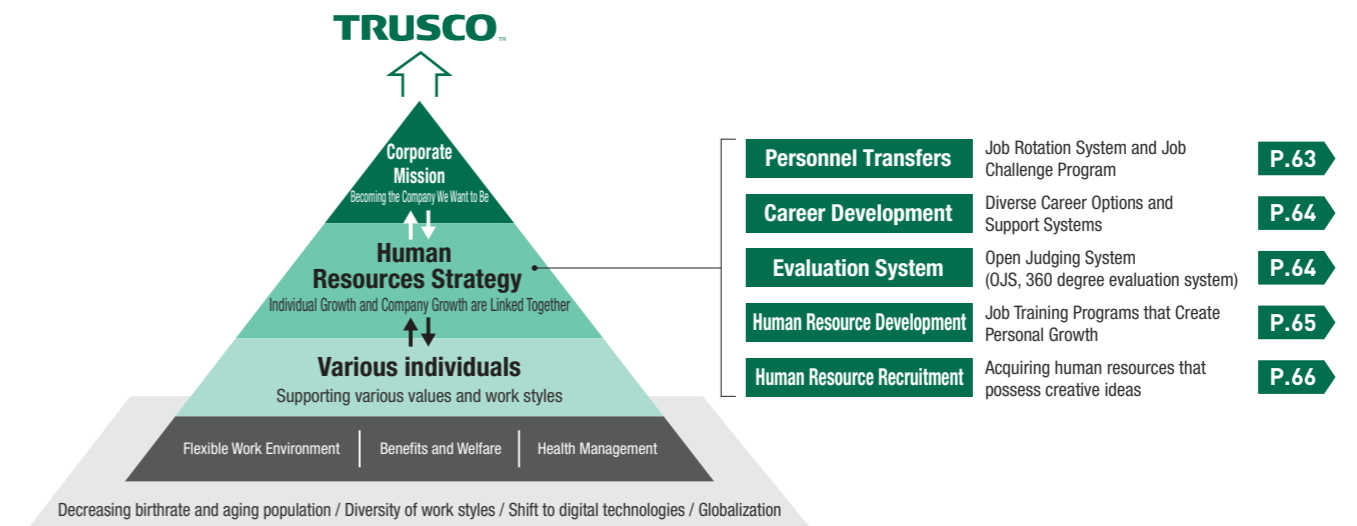
Cross-departmental teams established to strengthen sustainability

# Human Resources Strategy

## Individual Growth and Company Growth are Linked Together

Changes in the external environment and evolving management strategies are changing the way employees work. TRUSCO will create a learning environment in which each employee can acquire the skills to cope with such changes. We will also enhance our personnel system to accommodate diverse work styles and create an environment where employees can continue to work with security and stability over the long term. Individual growth is essential for the growth of the Company. We will accelerate our human resource strategy to ensure the growth of our individual employees.

## Overview of Our Human Resources Strategy

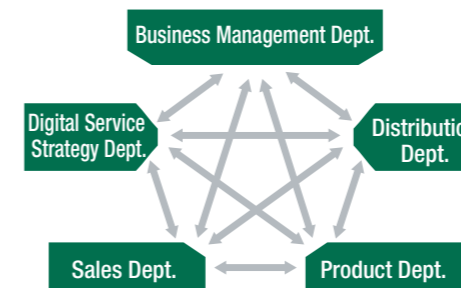


## Personnel Transfers Job Rotation System and Job Challenge Program

### Personnel transfers help hone work and human skills

Around five years after joining the company, employees are transferred across departments, such as sales, distribution, Head Office, etc., and job rotations are conducted within departments. This is a measure to avoid personalization of work and to improve work and human skills by experiencing a variety of jobs, as well as to raise awareness of work reform through organizational “restructuring,” thereby raising the level of corporate growth.

Employees are transferred across departments to hone work and human skills



## Human Resources Strategy Key Indicators

Employees	2,906	Officers	10
		Full-time staff	1,632
		Part-time Staff	1,264
Female staff ratio	Number of full-time staff Ratio	571	Number of officers* 152
		35.0 %	Number of supervisors 9
Note: Personnel with supervisory qualifications or higher			
Average Age	39.6	Male	43.2
		Female	32.8
Average overtime hours per month per employee	14.4 hrs. (-0.5 hrs.)		

- Personnel Transfers** Job Rotation System and Job Challenge Program **P.63**
- Career Development** Diverse Career Options and Support Systems **P.64**
- Evaluation System** Open Judging System (OJS, 360 degree evaluation system) **P.64**
- Human Resource Development** Job Training Programs that Create Personal Growth **P.65**
- Human Resource Recruitment** Acquiring human resources that possess creative ideas **P.66**

### Boss Challenge Program

This is a program that allows employees to pursue their career goals by becoming a candidate for a position or nomination in order to become an officer with the most authority in a given area. Participants are actually assigned as assistants to managers in charge and learn management skills as they work toward becoming bosses.

### Job Challenge Program

This is a program that allows employees to transfer to any department of their choice, serving as a system for fostering employees who have clear motivation and can grow TRUSCO NAKAYAMA further through their own contributions.

### Open Position Challenge Program

This is a program that allows an employees to apply for a position of his or her choice when there is a request for an increase in personnel, etc., as long as it is a position of his or her choice.

### Dual Position Job Challenge Program

This is a program that allows 20% of an employees’ workload to be performed in the desired position while maintaining their current position.



## Career Development **Diverse Career Options and Support Systems**

### Aiming to become a company where each and every employee can play an active role

Aiming to become a company where each and every employee can play an active role, TRUSCO has newly established various career courses. This system allows employees to make their own choices according to their diverse life and career plans.

Making their own choices improves their lives and motivates them to work and grow both themselves as individuals and the company.

In January 2022, we established the HR Support Section to support the independent career development of each and every employee.



New employee training session

#### Course List ●=Newly established course

Course Name	Course Details
Career Course	For employees who are self-aware and are allowed to hone their abilities for growth, aiming to become managers or supervisors capable of working in a variety of positions, can be transferred with a change of residence, and fulfill ability and evaluation criteria. One of the following classifications shall be made according to the transfer destination of the candidate. 1. Overseas Career Course: When the transfer destination is outside Japan 2. Domestic Career Course: When the transfer destination is within Japan
Digital Career Course ●	For employees who are self-aware and are allowed to hone their abilities for growth, aiming to become managers or supervisors to work specifically in IT related positions, can be transferred with a change of residence, and fulfill ability and evaluation criteria.
Distribution Career Course ●	For employees who are self-aware and are allowed to hone their abilities for growth, aiming to become managers or supervisors to work specifically in distribution related positions, can be transferred with a change of residence, and fulfill ability and evaluation criteria.
Local Career Course ●	For employees who are self-aware and are allowed to hone their abilities for growth, aiming to become managers or supervisors capable of working in a variety of positions in limited areas without a change of residence, and fulfill ability and evaluation criteria.
Specialist Course	For employees who acquire a high level of job performance through self-development and, if necessary, transfer with a change of residence and use their high level of expertise to serve up to the position of business manager in a specific department.
Expert Course ●	For employees who are expected to play a role in accordance with their level and contribute to business performance by honing their skills in a specific field and specializing in that field only in their local area.
Area Course	For employees who acquire sufficient working knowledge of the overall business that the employee is involved with and take on the role of business manager only in their local area.
Local Area Distribution Course ●	For employees who will be engaged in distribution operations such as delivery and product management only in their local area, responsible for serving in an advisory role for the total optimization of their distribution center and may take on the role of Distribution Center Manager.
Distribution Course	For employees who will be engaged in distribution operations such as delivery and product management only in their local area, and are expected to have the working abilities and skills to perform their various professional duties.

## Evaluation System **Open Judging System (OJS, 360 degree evaluation system)** Started in 2001

### Aiming to create a workplace free of ill feelings

The Open Judging System (OJS, 360 degree evaluation system), an electronic-based voting system, is a personnel evaluation system for all employees where employees are evaluated by each other that was introduced for the purpose of conducting fair and highly objective evaluations. Evaluating one another helps build an environment of fair assessment with good energy in the air. (evaluations are anonymous)

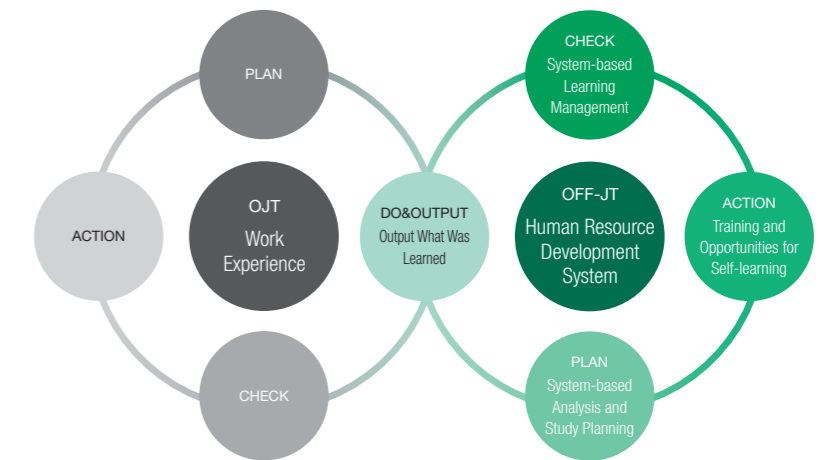
OJS Category	Started in	Staff Level	Overview	Procedure	Result
Personnel Evaluation OJS	2003	All staffs	This program reflects the evaluations between staffs who work in the same office in personnel ratings. Comments are included to provide feedback to the individual.	Procedure: Determine the performance, approach, and skill of the staff in five levels.	30% of this assessment is reflected in the personnel records related to achievement allowances, bonuses, financial bonds, and promotions/demotions.
Part-time Staff OJS	2015	Part-time Staff	The OJS program also applies to part-time staff and is highly evaluated for fairness and objectivity.		30% of this assessment is reflected in the personnel ratings related to hourly wage as well as bonuses and promotions. (also utilized in employee promotion criteria)
Promotion OJS	2001	Candidates for supervisor or higher	This program enables more multifaceted evaluations of candidates for a promotion of supervisor or higher by reflecting assessments from other employees.	Determine if the candidate should/should not be promoted.	Candidates who have an 80% or higher approval rating and satisfy the minimum number of votes are promoted.
Director, Auditor, Executive Committee, Division General Manager OJS	2012	Director, Auditor, Executive Committee, and Division General Manager	Evaluators who are the bosses <sup>(*1)</sup> or higher in charge of the company, evaluate the executive's performance at daily work and what they say at management meetings.	The evaluation is conducted once a year by about 140 people, including the bosses and members <sup>(**2)</sup> of the Management Conference. Each of 6 evaluation items is rated on a 24-point scale.	Management who add/drop below a certain standard of points two years consecutively become a candidate for promotion/demotion.
President OJS	2014	President	An OJS system implemented directly by shareholders during the General Meeting of Shareholders. We consider this as one of the important evaluation indicators for the President.	Votes are received from shareholders who have directly heard our business reports and Q&A at the General Meeting of Shareholders.	The results are posted on the Company website and resolution notification sent after the General Meeting of Shareholders.

\*1 Bosses: Included branch office managers, section managers, and distribution center managers \*2 Members of the Management Conference: Directors, Auditors, Executive Officers, and Division General Managers

## Human Resource Development **Job Training Programs that Create Personal Growth**

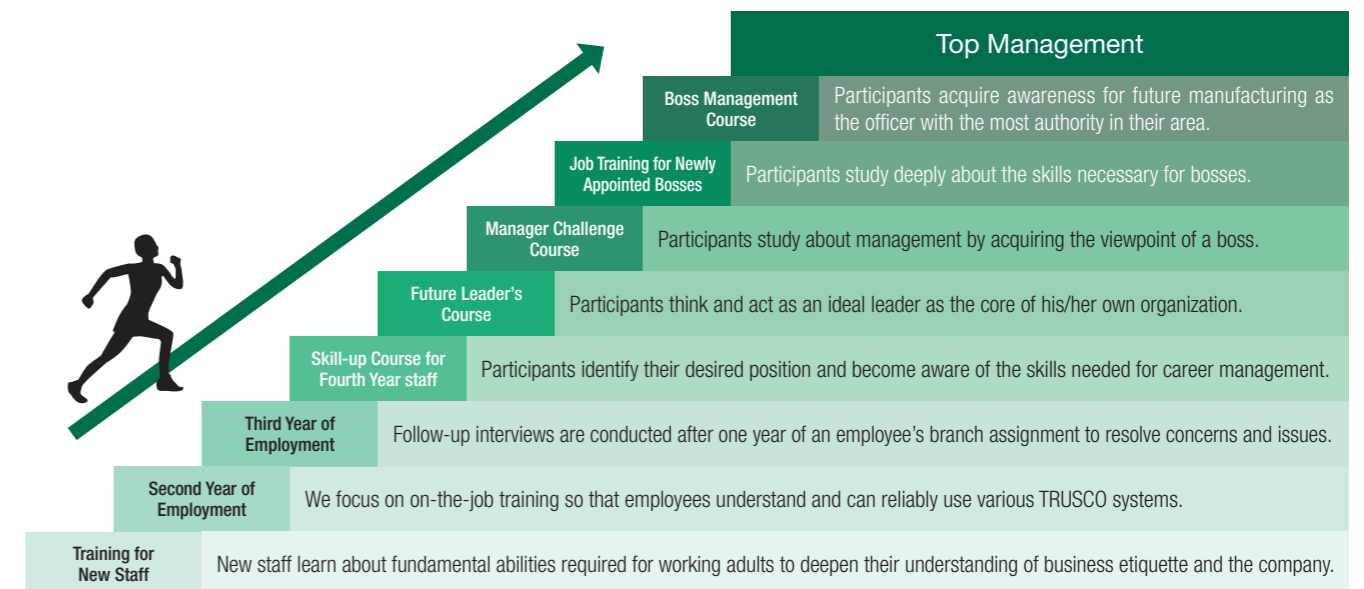
### No Education Beats Self Awareness

Although the training implemented by TRUSCO is based on on-the-job training, we aim to create an environment in which trainees can receive knowledge that they cannot learn through on-the-job training to gain awareness. We provide the experience gained from being at TRUSCO NAKAYAMA and a variety of learning environments, including training, e-learning, and distance learning.



## TRUSCO Stage Trial

We have established our own training system to help our employees become useful to people and society. By knowing exactly the types of human resources we are looking for at each stage, we give our employees the opportunity to become aware of what we are doing and to grow as individuals. It is an opportunity for employees to understand what they need to do, the skills they need, and the purpose.



## Other Job Training Programs

In addition to Trusco Stage Trial (our original education curriculum), we conduct a variety of other training courses as well. It is necessary for our employees to continue to learn in order to perform their work at a higher level. These training courses provide various types of support in accordance with each person's career and desire, including a level of on the job training (OJT) that goes beyond the boundaries of acquired qualifications and one's immediate organization.

Job Training Program	Staff Level	Overview
Area (Distribution) Training Course	Area/Logistics Employees	This training deploys staffs to another business location or distribution center for roughly one week. Establishing opportunities where the employee can compare job sites helps them grow and enhances our operations.
Overseas Business Course	Candidates	Participants learn about overseas business while working at one of our overseas subsidiaries (Thailand or Indonesia).
Global Challenge		Participants will learn about exporting while working at the Overseas Sales Section of the Tokyo Head Office.
Orange Doctor Examination	All employees	Orange Doctor Examination was established for the purpose of enhancing staff knowledge about our products. This examination is held twice a year. Staffs who pass the examination receive an allowance of 10,000 yen (USD90) per month for one year.
University Subsidy System		This system subsidizes 300,000 yen (USD2,700) from the cost of acquiring a degree as educational support for gaining a bachelor's degree from a University. The company also provides a 150,000 yen (USD1,350) subsidy for staffs to acquire a bachelor's degree in another field.
TRUSCO Distance Learning Courses		"Becoming a human resource who has a track record founded in the skills necessary to grow a company all starts with the will of the individual." This is why the company provides 50% assistance for the course fees to staffs who complete a course.

We also offer a variety of other learning environments to enable employees to meet their objectives.



## Human Resource Recruitment | We acquire human resources that possess creative ideas

### Providing Unique Job Experience Events

The source of competitiveness for an organization is its “originality.” Because we are one of the last wholesalers in the industry, we have aggressively challenged and achieved things the other companies do not try and can not do. We will continue to acquire human resources that create new value through original ideas to fuel our corporate growth.



Company entrance ceremony held in 2021 covering two years (Since the company entrance ceremony was held online in 2020, the 2021 ceremony included the 2020 online ceremony participants.)

#### Changes in Number of New Graduates Hired and Employees Hired Mid Career

		2017	2018	2019	2020	2021
Number of New Graduates Hired	Total	83	118	96	79	43
	Female	28	41	38	31	18
University Graduates	Male	23	42	35	25	17
	Female	0	0	0	0	0
Vocational School Graduates	Male	0	0	1	0	0
	Female	18	17	8	6	4
High School Graduates	Male	14	18	14	17	4
	Total	44	17	5	5	5
Number of Employees Hired Mid Career	Female	14	5	3	4	2
	Male	30	12	2	1	3

Based on the belief that “a student's duty is to study,” we set a recruiting period which allows students participating in recruitment activities to concentrate on studying. We provide a variety of unique job experience events so that students participating in job hunting activities can select the companies that they are truly interested in, which helps them avoid finding a job that they do not fit. By participating in company events even after an informal job offer has been made, prospects are able to further understand our corporate culture and resolve any concerns they may have before joining the company.

#### Trusco Prospective Candidate Guidance Team

In addition to the Recruitment Section, employees from all over the country who work in various departments, divisions, and sections conduct recruitment activities. In addition to explanatory meetings and interviews, we also provide individual follow-up services to relieve the anxiety of students participating in job hunting activities. We are committed to finding the people who will create the future of our company.



Explanatory meeting held at a university

#### Direct talks with management

In order to give people a better understanding about our ideas, we provide opportunities for students to have direct conversations with the President, directors, division general managers, and other members of the management team. During a Round Table Discussion with the President, the President answers each and every question that only he can answer.



Direct talks held with the President are conducted at the Tokyo Head Office and Osaka Head Office

#### Job Hunting Explanatory Meeting for Parents

We hold these sessions because we believe that by having parents of students participating in job hunting activities see our company from the perspective of a senior member of society, they will be able to understand our company and give appropriate advice to their son or daughter in job hunting activities. We held online in 2021. (participation is optional)



More and more parents are participating in these sessions each year

#### Family-Friendly Company Entrance Ceremonies

We invite family members of new employees to the company entrance ceremony every year so that they can see the proud moment of their sons and daughters who are taking a first step as a member of society. (Started in 2005)



Providing an opportunity to celebrate the beginning of a new life with family members

#### Participation in company events by candidates who have received informal job offers

People who have received informal job offers participate in company events such as the General Meeting of Shareholders and the Nakayama Wonderful Festa (see p.87), which is co-hosted by the Nakayama visually impaired welfare foundation and our company. We provide opportunities for them to understand more about the company and learn about social contribution.



Prospective TRUSCO employees participating in the Nakayama Wonderful Festa

#### Internship

We held a five day program at the Tokyo Head Office and the Osaka Head Office designed to give participants a chance to see what sales is like. This program is separate from recruitment activities and is positioned as a social contribution activity to help people choose a company for the future. (Held online in 2021)



An intern experiencing what sales is like

## Main programs for employees to work for many years with peace of mind

The time when the policies of a company begin is important and the “will” varies according to when a policy is put in place. We have a number of unique human resource programs that were inspired not by the trends of the world but by our concern for our employees. By respecting the opinions of our employees and supporting their work styles through various approaches, we improve their motivation to work which leads to the growth of the company.



Keisuke Tabuchi, an Akita Branch employee who utilized the Childcare Leave Program

#### Personnel Policies (some have been omitted)

Program	Started in	Overview
Childcare Leave Program (three years)	1992	TRUSCO employees can take childcare leave until the end of the month during which the child becomes three years old, if desired (Japanese law allows employees of any company to take childcare leave until the day before the child becomes one year old). (Program participants: 45)
Birthday Off Time System	1996	In order to promote the use of paid vacations, we encourage employees to take annual paid vacations on their birthdays (or one month before or after) as “birthday off time.” (Program participants: 291)
Half-day full-time employee system	1996	This system allows staff to reduce their working hours down to as few as three hours per day for reasons of child raising up until their child finished sixth grade (Legally, employees can reduce their working hours down to as few as two hours per day until a child reaches three years of age). Employees can also use this system to shorten their working hours when they are pregnant, taking care of a family member, or injured/sick. (Program participants: 97 for childcare, 0 for taking care of a family member, and 9 due to injury/sickness)
Happy Sunday Policy	2002	This is a system that allows employees who have been transferred not accompanied by family to delay coming to work on Mondays so that they can spend time with their families at dinner on Sundays when they return home on weekends (travel expenses for returning home twice a month and company housing rent are paid separately).
Financial Bond (annual payment for severance)	2003	Trusco Nakayama does not pay severance as a lump sum upon retirement, but as an annual payment known as a “financial bond,” a performance-based payment to reward annual contributions.
Transfer Request Policy	2005	This program allows staffs to request a transfer to a desired place of business due to life events such as marriage or taking care of a sick family member. (Program participants: 68 *previous three years)
Lovebird Transfer Policy	2005	This policy allows a staff to continue to work by accompanying a spouse when transferred to the area of that transfer regardless of whether their spouse is a company staff or not. (Program participants: 23 *previous three years)
Maternity Bonus Program	2005	This program pays a bonus for special leave for childbirth (14 weeks) during the bonus calculation period.
Child Support Allowance	2007	We provide \$90 per month allowance for each child to staff who have children under ten years old. TRUSCO started payments even to staffs who are on leave to raise children in 2014.
Vacation Bank Program	1) 2007 2) 2022	1. This is a program that allows employees to accumulate paid vacation days in case of illness, to provide nursing care, to study abroad, or for other reasons that require a long leave of absence. 2. In 2022, the name of the program was changed from “Accumulated Paid Leave System” to “Vacation Bank System.” The maximum number of days of paid leave that could be accumulated, which had been set at 60 days, has been eliminated. Unused paid vacation days can be accumulated without limit, and the program has been revised to expand its usage. In addition, unused accumulated paid leave days will be purchased at time of retirement.
Welcome Back Policy	2014	This program is for the re-employment of staff who had to resign to raise a child, take care of a sick family member, undergo infertility treatments, or to accompany their spouse goes to due to a work appointment within ten years of their resignation. (Program participants: 28, re-employed: 4)
Return-to-Work Support for Staffs on Maternity or Childcare Leave	2015	One tablet terminal is lent to each employee for information sharing, and information can be exchanged on “Tramama Port,” a space on the company intranet dedicated to employees on maternity or childcare leave. We also provide support to make it easier for employees to return to work, such as by setting up Office Visit Days every four months.
TRUSCO Part-time System for Retirement-aged Employees	2015	This system allows employees who have reached the age of 70 to continue employment at the company as part-time workers until the age of 75 if they wish to do so and meet certain criteria. (Alternate name: Senior System) (Program participants: 15)
TRUSCO new social work grant system	2016	This program provides the money necessary for new employees to smoothly start a career as a professional in society. TRUSCO provides this entrance allowance to new employees about one month before the date of entering the company (\$1,801 for persons who live alone and \$900 to persons who still live at home after joining the company) (Program participants: 43 *employees who entered the company in 2021)
My Home Concierge (housing consultation service)	2016	Two first-class licensed architects, who are employees of the company, have set up a desk where employees can consult about any problems they may have regarding housing. (Six consultations *held in 2021)
Work from home system	1) 2017 2) 2020	1. Open: Employees can telecommute at any time when it becomes difficult to come to the office due to relocation or integration of offices, transfer of a spouse, injury, illness, taking care of a family member, etc. 2. Discretionary: With the permission of the head of the office, employees can telecommute up to twice a week.
Return-to-Work Program for Staffs on Childcare Leave	2019	This program allows employees that finished their childcare leave to choose the number of working days, working hours, office work, or work from home until the child is three years old so that they can return to work with peace of mind.
In-company Sidework Program (Hybrid Work Program)	2019	This program allows employees to work in a different department on their days off and earn income on the side. Since the program focuses on work that any employee can do, it is a great way for them to gain new insights. (Program participants: 127)
Go Home Early System	2020	This is a system that allows employees to go home early even during scheduled working hours in order to instill in them the awareness and habit of finishing work early. Under the system, employees can leave up to 30 minutes earlier once a week. (Number of times the program was utilized: 158)
Additional Off Time System	2020	This system allows employees to adjust their start or finish time in exchange for up to one additional hour of rest time (or less than one hour) for very important reasons, such as visiting government offices, making hospital visits, etc. (Number of times the program was utilized: 52)
Infertility Treatment Leave Program	2021	This program allows employees to take up to a year leave only for specialized infertility treatment (in-vitro fertilization/microfertilization). Once the first child is born, the days of leave taken are reset, and the employee can use the program again for all subsequent children when infertility treatment is performed. Within one year from the initial leave start date, the leave can be taken divided into up to three times, and the Company will pay all social insurance premiums during the leave, including the employee's portion. (Eligible employees: Employees who have been with the company for at least one year.)
Right to Remain in Same Area for Work Exception for Course Changes	2021	If an employee undergoing infertility treatment requests it, the employee will not be transferred to a different location with a change of residence for up to one year (right to remain in same area for work). In addition, if an employee changes to an area course for infertility treatment, the employee may return to the original course with the evaluation requirement for returning to the original course waived.

Note: In addition to the programs listed above, we offer a staggered workday system, free biz system, and a non-necktie system (a system that allows employees not to wear neckties even outside the cool biz period).



## We have a responsibility to provide workplaces where staff members can work with stability and peace of mind

### Policies to Give Staffs Long-term Job Security

A corporation has a responsibility to provide workplaces where staff members can work with stability and peace of mind. With this belief in mind, TRUSCO hires all staff members under full-time employment with non full-time hiring not being allowed in principle so that employees can continue to work for many years with peace of mind. In addition to creating a workplace where everyone can play an active role, we are also taking various initiatives such as hiring full-time childcare workers and chefs.

### Comfortable Workplace Environment Indicators

	As of December 31, 2021
Percentage of female employees hired	51.0% (employees)
Percentage of female employees	35.0% (employees) 73.5% (part-time employees)
Percentage of female senior supervisors	18.5% (62 persons)
Percentage of women in management roles	6.9% (9 persons)
Rate of paid days taken off	65.4% (employees)
Percentage of female employees that returned to work from child care leave	96% (43 persons)
Number of male employees that have taken child care leave	11 persons
Percentage of eligible males/females that took childcare leave	Males: 26% (employees) Females: 100% (employees)
Average number of overtime hours per month	14.4 hours (including fixed overtime)

Note: The above indicators are for the parent company only.

### Serves as both a childcare center and employee cafeteria

Planet Saitama and Planet South Kanto each have a childcare center for working full-time employees and part-time employees. The childcare center has full-time workers that are permanently assigned there. In addition, the employee cafeteria at Planet Saitama, where a full-time chef and nutritionist are permanently assigned, offers an original menu that focuses on the health of employees.



Childcare center at Planet South Kanto  
Childcare workers from Tora Kids Isehara  
Left to Right: Kaori Imai and Keiko Koda  
(together with children)

Planet Saitama employee cafeteria  
Nutritionists at CHERRY BLOSSOM  
Left to Right: Sayuri Ishikawa and  
Aki Hoshi



Employees of Okazaki Branch and Planet Tokai  
(Back row from left to right: Akira Kawauchi, Yui Shinojima, and Kai Koizumi  
Front row from left to right: Distribution Center Manager Yoko Nakanishi and Maiko Noumi)

### An environment where employees can easily take paid vacations

To encourage employees to take paid vacations, we encourage all employees to take at least six planned vacation days a year. Also, there are many policies established that make it easier to take paid vacations, such as birthday vacations and paid vacations that can be taken in hourly units (Average number of paid vacation days taken a year: 11.8).

### TRUSCO Smile Supporters

This is a mentor system for staff who have uncertainties and concerns about their job to consult with a senior staff member. There are currently 15 senior staff members throughout Japan that provide such support.

### Vitalization of Communication via a Staff Registry

We create a staff registry on an annual basis that includes each employee's name, date of birth, photo, etc. This acts as an important tool for communication among our employees who work throughout Japan.

In addition, questions geared to find out about what makes a particular employee feels amazing or down are also posted in order to understand that employee's values. This is used as a catalyst for improving the behavior and ideas of coworkers who read the answers.

山田(中山) 花子	ハナコ	キャリア(海外) 天然キャラ	職 種	管理全般
Post	山田(中山) 花子	キャリア(海外) 天然キャラ		
Grade	M3 課長 2009年~			
Company Cell Phone	090-0000-0000			
Company e-mail address	00000000@trusco.biz.ezweb.ne.jp			
Date of Joining	1999年(H11年)4月1日(19年3カ月)			
Affiliation History	1999年(H11年)4月 京都支店 2002年(H14年)4月 大阪支店 1999年4月キャリア→2009年4月キャリア(海外)			
Course History	105-0004 東京都港区新橋四丁目28番1号トラスコフィオレントビル★			
Home Address	03-0000-0000			
Home Tel	090-0000-0000			
Cell phone	private@ezweb.ne.jp			
e-mail address	桜田公園			
Emergency shelter (home)	大阪市西区新町一丁目34番15号トラスコ グレンチェックビル			
Return address	06-0000-0000			
Return Tel	新町北公園			
Emergency shelter	1976年(S51年)6月17日(42歳)			
Date of birth	京都府下京区			
Qualification	ダイ			
Place of birth	東京大学 法学部			
Nationality	アイデアに溢れている人			
Last school education	礼節を欠いた行動・言動			
When you feel this person is amazing	お家趣味多様化			
When you feel disappointed in this person	Back to the Future			
How the Corona Disaster has changed me	DIY、ドラマ鑑賞			
A movie that has left a lasting impression on me	子猫			
How I spend my stay home				
Recent big purchase				

Staff Directory

## Health Management

### Promoting a unique type of health management

Employee health management is essential for the continuous growth of a company. TRUSCO promotes its own Health Management by having established health care sections in Tokyo and Osaka and an independent health insurance association. The Company has also established a unique system that provides regular health check ups for employees as well as subsidies for their dependent spouses. We will continue to promote the health of our employees and link their health with our corporate growth.



Health Management initiative page



Trusco Nakayama Health Insurance Association website

## Trusco Nakayama Corporation Health Declaration

"As a company that supports manufacturing in Japan, Trusco Nakayama Corporation aims to be of service to people and society. Through our business activities, we will continue to help reduce the environmental impact caused by manufacturing sites, workplaces, and suppliers as well as promote the health of our employees so that they can continue to work with peace of mind for many years to come."

### Specific Health Management initiatives

#### Health Care Section (located at Tokyo and Osaka where are Head Office)

We have established the Health Care Section for the purpose of building an environment where staffs can maintain their physical and mental health and feel secure in their work. The Tokyo Head Office, Osaka Head Office, and distribution centers each have a Nursing Office designed for employees who are not feeling well. Public health nurses working at our Tokyo and Osaka head offices serve as points of contact for employee health-related consultations.



Health Care Section (Tokyo Head Office)  
Akiko Amakawa, public health nurse

Health Care Section (Osaka Head Office)  
Kiyomi Yamada, public health nurse

### Regular Health Check Ups

We offer full and mini health check-ups. We also subsidize the cost of physicals for dependent spouses. (Staffs over the age of 35 can undergo a full health check-up and staffs under the age of 35 can undergo a mini health check-up)

- Maintaining a 100% checkup rate (checkup performed once a year with company subsidy)
- Improving secondary checkup rate

### Mental health

We also focus on mental health initiatives.

- Maintaining a 100% stress check rate
- Using organizational diagnosis results to improve the workplace environment
- Providing mental health education through self-care and line care training
- Free mental health consultations (free consultations are available for individuals and their families with outside specialized organizations)

### Companies that promote non-smoking

Efforts are being made to keep members of the Company from smoking, including making it mandatory for directors, executive officers, division general managers, managers in charge, future manager candidates, and those who wish to join the company.

- Smoking cessation support
- Non-smoking rate for the entire company: 86.0% (Non-smoking rate for managers: 100%)

### Trusco Nakayama Health Insurance Association

Started in 2019

As a company that looks after the lives of our employees, we want to take responsibility for the health of our employees and their families. Based on that desire, in April 2019, we established the Trusco Nakayama Health Insurance Association, our sole health insurance association, at the Tokyo Head Office. Its establishment allows us to further enhance our own health services. We will promote initiatives that are suitable for our company so that employees can continue working with peace of mind for many years.



Original insurance card (sample)



Members of the Trusco Nakayama Health Insurance Association office  
(From left to right: Manager Akiko Tani, and Supervisor Ryoko Nakamura)

### Merits of having a single company-based health insurance association

- Smooth decision-making
- Started providing subsidies for specific types of infertility treatment (maximum of \$450, up to 6 times per child)
- Provision of subsidy for outpatient smoking cessation treatment (up to \$180)
- \*Additional assistance for HPV and PSA testing is scheduled to begin in April 2022. We will make additions and changes as needed, such as reviewing items for health checkups.

- Measures can be tailored to TRUSCO's characteristics through analysis of medical fee receipts, etc.
- Makes it easier to prevent employees as well as their family members from getting sick.
- Will make it possible to reduce premium amounts in the future.



## Benefits and Welfare

### For spending valuable time with those who are dear to us

We need to build an environment where employees can engage in their work safely with both body and mind. In order to encourage our employees to spend time with their families and loved ones on holidays, we have our own recreational facilities and boats which they can use.

### Programs

#### Nakayama Pension

This contribution-type corporate pension plan provides 10% financial assistance to a reserve fund to pay out to staffs as a 10-year fixed pension from the age of 65.

#### Congratulatory/Condolence Programs

TRUSCO has put in place five congratulatory and condolence programs for executive officers, staffs and part-time staffs.

1. Congratulatory gift for marriage	The company presents \$270 as congratulatory money to any staff who marries.
2. Congratulatory gift for childbirth	The company presents a catalog gift worth about \$90 for each child when a staff or their spouse gives birth.
3. Condolatory/condolence gift	The company presents up to \$450 as a condolatory gift when a staff or a member of their family passes away. We offer a condolence gift to families when an employee passes away (up to 90 thousand USD depending on how long the employee worked for the company).
4. Injury or Sickness Compensation	The company presents \$90 to a staff who has to take leave due to injury or sickness.
5. Disaster Compensation	The company presents up to \$900 based on the degree the house and belonging of an employee is damaged due to a disaster such as a fire or earthquake.

### Facilities

#### Resort Condominiums (15)

We have 15 resort condominiums that our officers, staff, and part-time staffs can use freely.

- Chuo-ku, Sapporo City
- Kusatsu, Agatsuma District, Gunma
- Minato-ku, Tokyo
- Shima City, Mie
- Chuo-ku, Kobe City etc.



Kurio Odori La Mode (Chuo-ku, Sapporo City, Hokkaido)

#### Recreational/Training Facilities

We use these facilities for a wide range of applications such as staff trips, and staff training. The chefs are also full-time employees of our company as we want to be in the hands of people who want us to eat delicious food.



TRUSCO Resort and Spa Karuizawa (From left to right: Assistant Manager Aoi Iki, Sous-chef Kan Izuka, and Manager Masato Kawashima)



TRUSCO Resort and Spa Hakone (Left to right: Emiko Kinoshita, Sous-chef Toshiro Sato, Manager Ryo Ishiguro, and Head Chef Taro Kinoshita)



Kyoto Kaguraoka Rengetsuso (Left to right: Head Chef Yusaku Karatsu, Manager Kenichi Hitaka, and Assistant Manager Chiharu Kitagawa)



Kyoto Kaguraoka Rengetsuso

#### Employee Stock Ownership Association

Staffs can purchase company shares by deducting it from their salary each month to receive a 10% bonus to the value of the contribution. It is recommended that employees withdraw shares once they become unit shares and own shares in their own name.

#### Accumulation Savings

This program allows staff to deduct money from their salary and bonuses to an accumulated savings in which the company will contribute twice each year to the staff.

#### Wine Seminar

We hold a wine seminar, a party designed exclusively for singles, once every two months at two locations, the Tokyo Head Office and the Osaka Head Office, to give single employees an opportunity to meet other singles. (We stopped holding wine seminars in order to prevent the spread of Covid-19.)

#### 60th Birthday Gift to Staffs

In celebration of a 60th birthday for officers and staff, the company invites those employees and one member of their family to either Tokyo Baycourt Club, a membership resort, or one of our company-owned recreation facilities (Kyoto Kaguraoka Rengetsuso, TRUSCO Resort and Spa Karuizawa, or TRUSCO Resort and Spa Hakone). We also arrange and cover travel to and from the location (Green Car tickets will be provided when traveling by Shinkansen and business class tickets will be provided when traveling by air) and also provide a monetary gift.



Tokyo Baycourt Club Hotel and Resort (Koto-ku, Tokyo)

#### Singles' Dormitories (4 locations)

We own four company dormitories (three in Tokyo and one in Osaka) for single staff and staff transferred to a position away from their family. TRUSCO also provides dormitories.



TRUSCO'S Shinbashi (Minato-ku, Tokyo)



TRUSCO'S Osaka (Higashi-Osaka City, Osaka)



TRUSCO'S Ayase (Adachi-ku, Tokyo)

#### Two Company Owned Yachts

TRUSCO owns two yachts, one in Yokohama (Kanagawa) and Ashiya (Hyogo). These yachts are made available as a chance to enjoy a bit of cruising. In addition, the company will subsidize half the cost of acquiring a license for a small vessel boating license (100 license holders in the company). (as of December 31, 2021)



TRUSCO'S I (Yokohama)  
Length: Approx. 41.00 ft. (12.50 m)  
Weight: Approx. 18 tons, Capacity: 12 persons  
Horsepower: 370 (5,460 cc) x two engines



TRUSCO'S II (Ashiya)  
Length: Approx. 36.00 ft. (10.98 m)  
Weight: Approx. 12 tons, Capacity: 12 persons  
Horsepower: 285 (3,600 cc) x two engines

## For the Embodiment of "TRUST COMPANY" (Corporate Governance and Social Contributions)

In order to continue to be a "TRUST COMPANY (=TRUSCO)", a company that is trusted by all of our stakeholders, we have made this concept the starting point of our daily corporate activities. We will build our own governance system, strive to provide highly transparent information, and communicate with our shareholders, the local community, and society.

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- E Environment
- S Social
- G Governance



# Environmental Efforts

E

## Actions to reduce the environmental burden through business activities

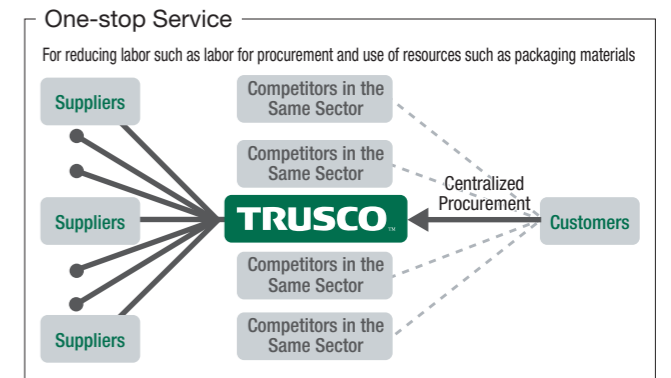
TRUSCO is committed to reducing the environmental burden of our business activities, planning and developing environmentally friendly PB Products, and proactively recycling, reusing, and returning products to their original state. The Company is working to reduce the environmental impact of the entire supply chain, from our company to even the users of our products, aiming to achieve sustainable distribution. We call these TSV (TRUSCO Shared Value) activities in the company, and we are working to raise awareness of reduction of the environmental burden among each and every employee. (see p.20).

## One-stop service reduces the environmental burden

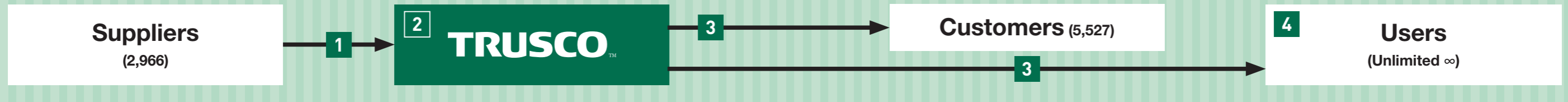
By offering a wide variety of PRO TOOLS, our customers are able to centrally procure the tools that they need at their manufacturing sites. As a result, the consumption of energy and resources for procurement can be reduced compared to purchasing from multiple suppliers.

CO<sub>2</sub> Emissions Scope1<sup>\*1</sup> 1,941.4 t-CO<sub>2</sub>  
Scope2<sup>\*2</sup> 7,154.2 t-CO<sub>2</sub>

\*1 Direct emissions from fuel used by the Company  
\*2 Indirect emissions resulting from energy supplied by another company



## Actions to reduce the environmental burden throughout the supply chain

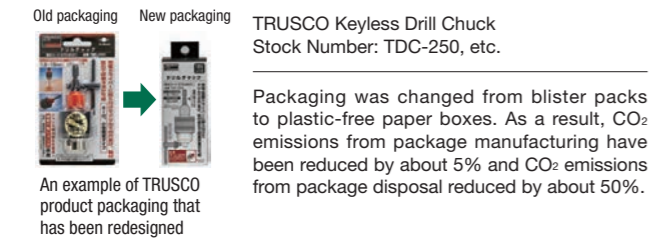


### 1 Offering products that are environmentally-friendly

We would like to help users select environmentally-friendly PRO TOOLS through efforts such as providing environmental information in our catalogs and planning/developing TRUSCO Private Brand products that are environmentally-friendly.

### Efforts to make TRUSCO products environmentally-friendly

In the planning and development of our own TRUSCO brand products, we have set environmental standards for resource conservation, waste reduction, long-lasting use, etc., and are promoting environmentally friendly product development from every aspect, from product design to product use and disposal. For existing products, we are reviewing the packaging of containers to reduce the volume of packages, improving loading efficiency by no longer shipping products in containers by the dozen and reducing the resources used for container packaging.



### Providing environmental information in catalogs

Environmentally-friendly PRO TOOLS are indicated by various marks in the TRUSCO Orange Book, including the Eco Mark as well as marks for products subject to green purchasing and products that are RoHS compliant, to allow customers to select those tools. In addition, customers can download data sheets with information on chemical substances contained in products and other information at TRUSCO Orange Book.Com.



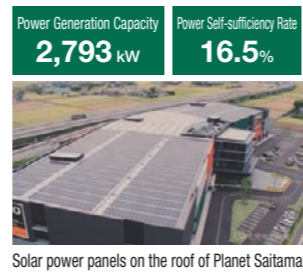
Marks that indicate eco-friendly products

### 2 Reducing the environmental burden by using our equipment

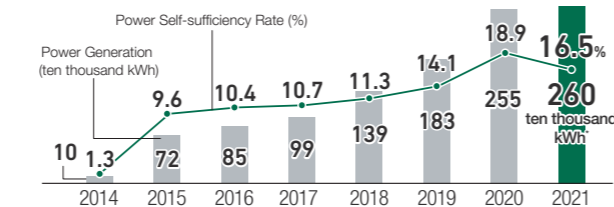
We are actively introducing environmental equipment to reduce the environmental burden generated by our own business activities.

#### Trusco Power Generation Installations (19 locations)

We have installed solar panels to the maximum extent possible when distribution centers and new company buildings were constructed, aiming to increase our own power generation capacity of renewable electricity to 3,500 kW by 2025.



#### Changes in Power Generation and Power Self-sufficiency Rate



\*The national average of energy consumed by a household in a year is 4,322 kWh of electricity, which means that our power generation is equivalent to the annual power consumption of approximately 600 households (from the Ministry of the Environment's website "Statistical Survey of CO<sub>2</sub> Emissions from the Household Sector").

### Introduction of Environmentally Friendly Vehicles

We are actively introducing hybrid vehicles as company-owned trucks used for deliveries and plan to introduce 40 hybrid vehicles (about 25% of our delivery trucks) by 2025. We will also gradually switch our sales vehicles to environmentally friendly vehicles, starting with those that need to be replaced without doing so unnecessarily.

\*TRUSCO purchased a Porsche Taycan to confirm and study Porsche's level of commitment to electric vehicles



Electric vehicle Porsche Taycan\*  
Hybrid Truck (Hino Dutro)

### 3 Delivering products to our customers

Our goal is to achieve the "best" environmentally-friendly and sustainable distribution of PRO TOOLS by delivering products in the most efficient and least environmentally burdensome manner possible for our customers.

#### Reducing the environmental burden through fixed-cost based distribution

We deliver our products to retailers via fixed routes from distribution centers located near our customers (27 locations throughout Japan), which reduces packaging materials and CO<sub>2</sub> emissions associated with delivery compared to shipping by courier service.

TRUSCO uses foldable containers and return cushions\* to deliver products to customers. Delivering products along fixed routes enables us to do so without using extra materials that would normally be required for shipping.

\*TRUSCO Return Cushion TRC-20 L/50 L (available in three colors)



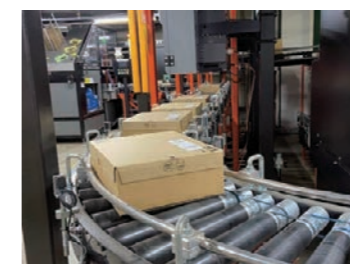
#### Reducing the environmental burden through our Direct Delivery Service (2.83 million packages a year)

TRUSCO's Direct Delivery Service realized through our abundant inventory and digital transformation (DX) of our distribution system makes it possible to make direct deliveries to users (2.83 million packages a year) instead of two-step deliveries that involve customers. Not only does this shorten delivery times but also helps reduce the amount of packaging materials used and CO<sub>2</sub> emissions. (see p.48)



Video on I-Pack®

We have six I-Pack® high-speed automated packaging and shipping lines throughout Japan that are capable of packaging and preparing 720 packages per line for shipping in just an hour.



### 4 Use of our products

MRO Stocker reduces the environmental burden by providing a one-stop service for users to purchase products. TRUSCO also provides services that support the 3R\* of PRO TOOLS that are used and can be reused for a long time after purchase.

\*3R: Reduce, Reuse, and Recycle

#### MRO Stocker (329 locations)

MRO Stocker is like "Okigusuri," a business model that has been around for many years in Japan, but for tools. Always having PRO TOOLS in stock that are used daily eliminates management costs, delivery time, and wasteful purchases. In addition, delivery costs associated with each order are also reduced, which helps to reduce the environmental burden. (see p. 52)



MRO Stocker Website

We borrow a space at the user's location and install MRO Stocker that provides just the right PRO TOOLS for that user. This makes it a highly productive, environmentally-friendly service.



#### Naojiro Repair Workshops (\$13 million/year)

Naojiro Repair Workshops offer eight services, including repair and re-sharpening. This service allows for the hassle-free repair, reuse, and maintenance of PRO TOOLS, making manufacturing sites that use the service more environmentally-friendly (see p.53).



Naojiro Repair Workshops Website

TRUSCO works together with Gifu Plastic Industry Co., Ltd. to collect Private Brand product pallets for recycling. Unneeded pallets are collected and pulverized to make recycled pallets. Pickup costs are not required.



Value Creation Management Policy  
Products  
Distribution  
Sales  
Digital Service  
Human Resources  
Corporate Governance and Social Contributions  
Environmental Efforts  
Corporate Governance  
Relationships with Stakeholders  
The Nakayama visually impaired welfare foundation  
Corporate Data



# Corporate Governance

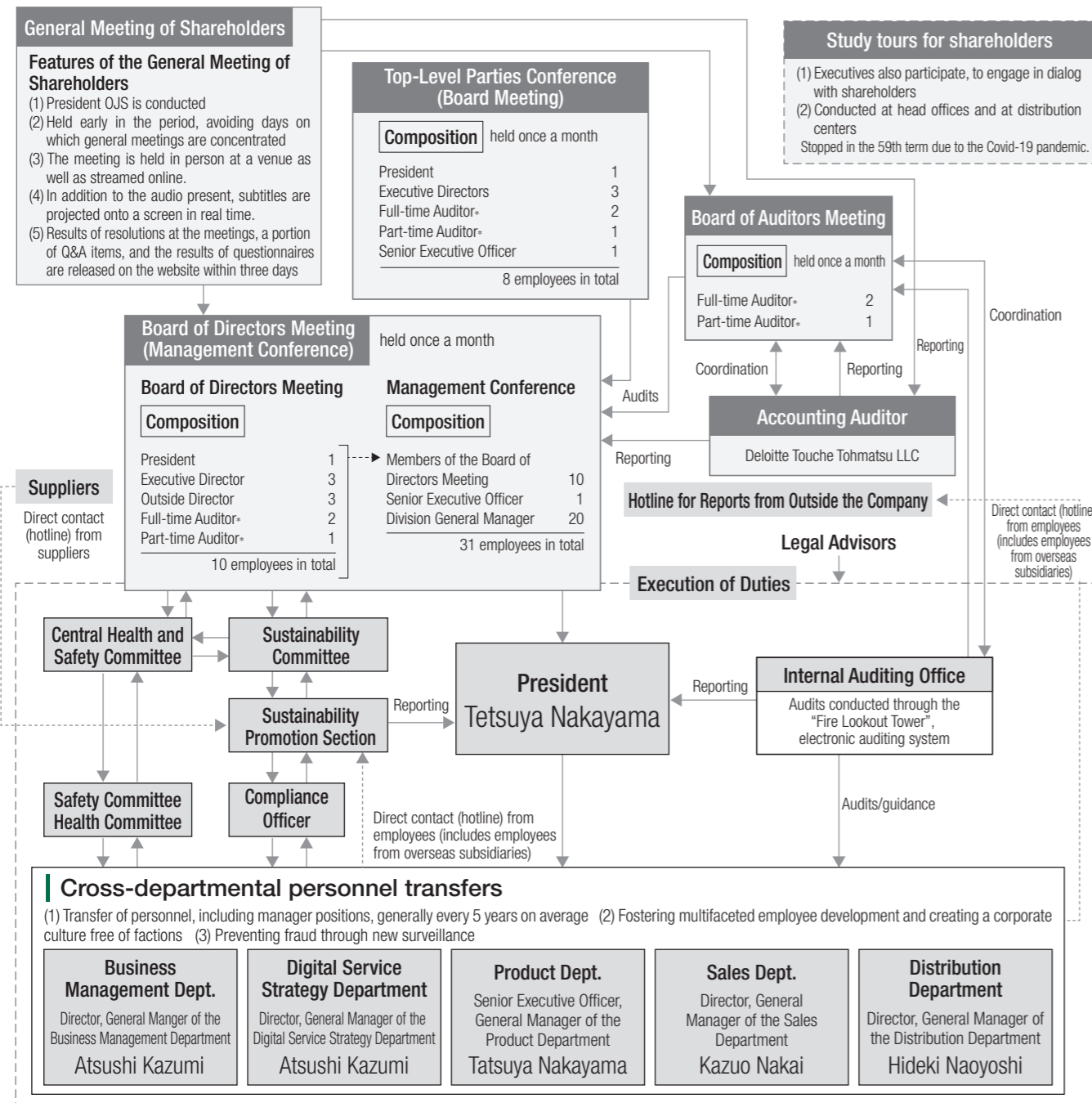


## For the Embodiment of "TRUST COMPANY"

The company name and corporate logo **TRUSCO** are a direct expression of "TRUST COMPANY", a company that is trusted by all stakeholders. We will fulfill our social mission by embodying this concept **TRUSCO** as the starting point of our daily corporate activities.



## Governance Structure (as of April 1, 2022)



Note: One full-time Corporate Auditor and one part-time Corporate Auditor are outside corporate auditors.

## Top-Level Parties Conference (Board Meeting)

Consisting of only executives (excluding Outside Directors), our Board of Directors Meetings deliberate and share the directions of the company, ensuring objective and rational decision-making.

## Establishment of Outside Directors (Board Brain)

TRUSCO selects Outside Directors not only for the prevention of improprieties, but for their broad knowledge and abundant experience concerning company management and for their ability to make contributions to sustainable growth and the improvement of company value.

Interview with Outside Directors (see p.79)



Interview video

## Hotline

TRUSCO has established a hotline for reporting from both inside and outside of the company to quickly discover, handle and prevent recurrence of compliance-related issues.

### Hotline

**In-house Hotline:** An internal hotline for employees has been established in the Sustainability Promotion Section\*.

**Legal Hotline:** An external hotline for employees has been established, and managed by an outside party.

**Business Partner Hotline:** A hotline for our suppliers has been established in the Sustainability Promotion Section\*.

\*Name change from January 1, 2022 (formerly "CSR Section")

## Sustainability Committee

Effective January 1, 2022, the name of the Compliance Committee was changed to "Sustainability Committee", which is chaired by the Director & General Manager of the Business Management Department and normally meets twice a year. The committee formulates activity policies, promotes and supervises activities, and reports regularly to the Board of Directors with the aim of solving social issues and contributing to sustainable local communities by creating both social and corporate value through our business activities.

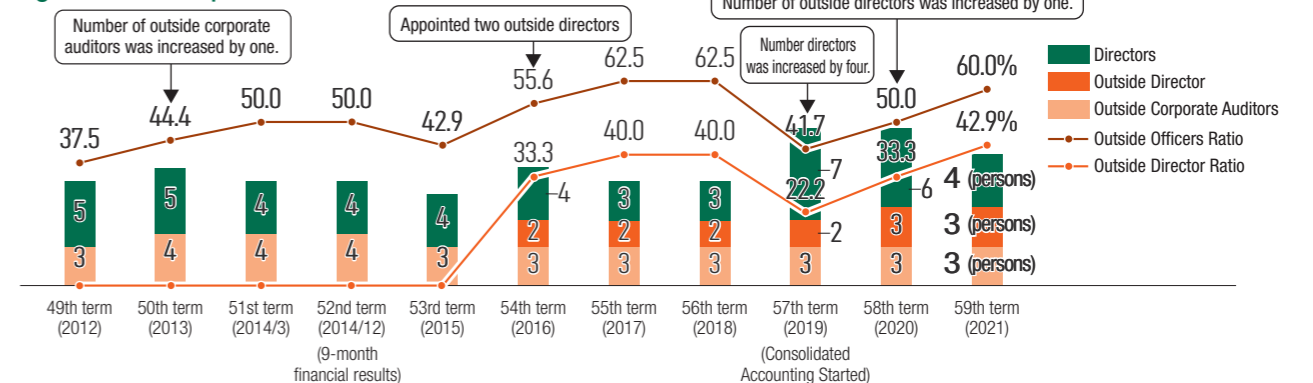
## Board of Directors Meeting (Management Committee)

We conduct decision-making at Board of Directors Meetings, generally held 1 time per month. The Management Conference seeks a wide range of opinions from participants that include Executive Officers and Division General Managers, to ensure a broad perspective and transparency.

### Features of the Conference

- Round-table layout allowing face-to-face communication
- Changes are made to seating every time with no priority given to facilitate participation from a fresh perspective
- Minutes of the Management Conference, containing not only resolution items but also the comments of every individual, are released to all employees within one week

## Changes in the Composition of the Board of Directors



## Open Judging System (OJS, 360 degree evaluation)

### Objectives

- Enhance the objectivity of the evaluation based on the fact that various evaluations are conducted not only by supervisors but also by colleagues and subordinates with whom the employees work on a daily basis.
- Evaluation comments are fed back to the participants to help them reaffirm their "strengths," "weaknesses," and "what is expected of them," leading to behavioral reforms.
- To create a good sense of tension in the workplace since it is a system in which co-workers mutually evaluate each other. Knowing that they are being monitored will encourage all employees to work harder and improve their abilities.

Type	Number of Times	Description
Personnel Record OJS	Twice a year	Conducts mutual OJS assessments of employees working in the same workplace (superiors, colleagues, and subordinates) with results reflected in personnel evaluations.
Promotion OJS	Once a year	All employees who know the employee will evaluate the employee and the results will be reflected in promotions, etc.

\*For all full-time and part-time employees, excluding officers.

### Evaluation System Method

- Personal information on voters is completely undisclosed.
- Each of 3 evaluation items is rated on a 5-point scale.
- Voting results are reflected in personnel evaluations, promotions, etc.

## "Fire Lookout Tower" electronic auditing system

This is the industry's first electronic auditing system, which was launched in June 2001. The system is operated for the purpose of immediately detecting abnormal events using electronic data of internal transactions and taking measures to prevent recurrence.

## Shushazentaku compliance training

To ensure that each and every employee has a high sense of ethics, we have adopted the concept of Shushazentaku as a compliance guideline and instilled our corporate stance of making a decision based on what is right rather than focusing on whether it is profitable. We distribute the Trusco Zentaku Book, our compliance manual, to all employees, including part-time workers, to ensure that they are fully aware of the importance of making good choices.



Trusco Zentaku Book, our compliance manual



# TRUSCO Skills Matrix

We have combined the skills required for management with our existing Open Judging System (OJS = 360-degree evaluation) to create a skills matrix for our directors. The skills matrix for directors is expressed as a 'T-shape'. We believe that the most important skill of the President is the creation of strategies, measures, and systems. We disclose the strategies, measures, and systems that the President devised as a manager aiming for creative management. For directors and auditors, in addition to the presence (or absence) of 11 skills based on experience and performance, we utilize Open Judging System (OJS = 360 degree evaluation) which has been firmly rooted in the Company over many years of system operation to enhance the fairness and objectivity of evaluations. For evaluating the President, we disclose the results of votes cast by shareholders attending the General Meeting of Shareholders as an important evaluation indicator (President OJS).

**Open Judging System (OJS = 360 degree evaluation)**  
Objective evaluation from a multi-faceted perspective

**General Skills Matrix**  
Main areas where we can expect contributions to be made due to experience and performance

## Open Judging System (OJS = 360 degree evaluation) based Officer Evaluation

A personnel evaluation system is in place whereby managers and above are evaluated from multiple perspectives. Voters (approximately 140 who are bosses or higher) look at the executive's attitude toward work and vote giving a maximum of 4 points for each evaluation item (24 points in total). In addition to the voting results, daily conducts, judgment, and problem-solving skills are also taken into consideration as criteria for promotion or demotion.



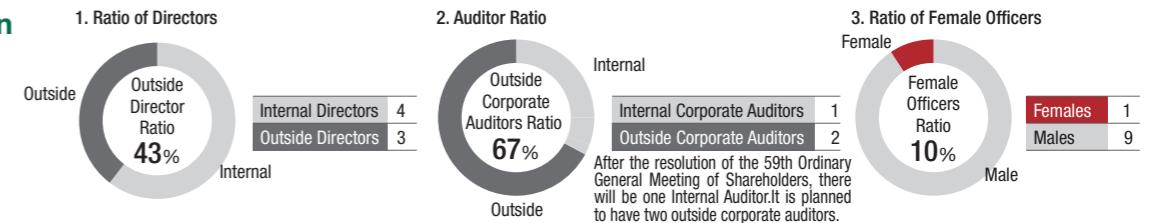
Open Judging System (OJS = 360 degree evaluation) (4 points × 6 items for a total possible maximum score of 24 points)							Directors (Senior Executive Officers)		Fields in Which Directors Have Experience/Track Record											
Ability to Make Judgments by Grasping the Essence of Matters	Management Skills	Originality/Ability to Create New Ideas	Problem Solving Skills	Communication Skills	Shushazentaku (Fairness, justice, and integrity)	Total (change from last year)			Corporate Management	Sales Marketing	Product Development	Distribution	Catalog Media	Finance/Accounting	Human Resources Development	IT Digital Service	Legal Affairs Risk Management	ESG Sustainability	Global Business	
3.3	3.2	2.5	3.3	3.4	3.2	19.0 (+ 0.1)		Director, General Manager of the Sales Department <b>Kazuo Nakai</b>	●	●		●		●	●		●	●	●	
3.5	3.1	3.3	3.3	3.1	3.0	19.4 (+ 0.2)		Director, General Manager of the Business Management Department and General Manager of the Digital Service Strategy Department <b>Atsushi Kazumi</b>	●	●			●	●	●	●	●	●		
3.1	2.9	2.8	3.2	3.1	3.1	18.2 (- 0.3)		Director, General Manager of the Distribution Department <b>Hideki Naoyoshi</b>	●	●		●				●	●			
3.4	3.0	3.2	3.2	3.3	3.2	19.4 (+ 0.3)		Senior Executive Officer, General Manager of the Product Department <b>Tatsuya Nakayama</b>	●	●	●		●	●	●		●	●	●	
Outside directors are not subject to OJS evaluation.								Outside Director <b>Kenichi Saito</b>	●	●	●				●			●	●	
Outside directors are not subject to OJS evaluation.								Outside Director <b>Kuniaki Hagihara</b>	●	●	●				●				●	
Outside directors are not subject to OJS evaluation.								Outside Director <b>Takako Suzuki</b>	●	●	●				●				●	
Compliance	Management Sense	Objectivity, Neutrality, Common Sense, and Knowledge	Ability to Identify Problems/Ability to Make Suggestions for Improvement	Communication Skills	Shushazentaku (Fairness, justice, and integrity)	Total (change from last year)	Auditor		Corporate Management	Sales Department Marketing	Product Development	Distribution	Catalog Media	Finance/Accounting	Human Resources Development	IT Digital Service	Legal Affairs Risk Management	ESG Sustainability	Global Business	
3.1	2.9	3.1	2.9	3.1	3.0	18.1 (+ 0.1)		Full-time Auditor <b>Akira Takada</b>						●			●	●		
2.8	2.9	2.7	2.9	3.0	2.5	16.8 (- 0.7)		Full-time Auditor*1 <b>Hiroaki Imagawa</b>		●	●	●	●	●	●		●	●		
Outside directors are not subject to OJS evaluation.								Part-time Auditor <b>Hiroho Kamakura</b>	●					●				●		

\*2 Executive Officer OJS results for the 59th term are provided.

Outside directors are not subject to OJS evaluation.

\*1 To be appointed as Full-time Auditor at the 59th Ordinary General Meeting of Shareholders which is scheduled to be held on March 18, 2022.

## Composition of Officers



President	President OJS			
 <b>Tetsuya Nakayama</b>	Number of attendees of the General Meeting of Shareholders	Approval rating	Valid ballots	Approvals
	324	98.4%	308	303

### Management strategies, measures, and programs initiated by President Nakayama

Total abolition of all draft exchanges, management to hold (inventory, real estate, vehicles), management strategy to stop, policy to strengthen logistics, policy to expand inventory, measures to expand Direct Delivery Service to users, AI-based quotation system called "Sokuto Meijin", unification of PB products into TRUSCO brand, name change for Nakayama Business Bulletin to Orange Book, number of inventory items and stock hit rate KPIs, MRO Stocker, performance-linked dividend policy, free-choice shareholder benefits, the idea of "TRUSCO Shirarezaru gulliver", year-round inventory of seasonal products, Nara factory closure, DOTKUL, Face Phone, Ichioishi Catalog, Cocomite, Orange Book Jr., product request advertisements, Yattemasen List, stocking of "difficult-to-deliver" products, OJS (Open Judging System), employee roster with photos, "Orange Doctor" qualification exam, wine seminars, Childcare Leave Program (3 years), establishment of company resort condominiums and recreation facilities, prohibition of non-regular employment of the head of household, establishment of the Health Care Section, annual payment of retirement allowance (see other personnel programs, p.67), establishment of Trusco Nakayama Health Insurance Association, establishment of Marine Club, donations to Peshawar Kai, sponsorship of Osaka Lovvits (women's handball team), and establishment of the Nakayama visually impaired welfare foundation.

Proposed in 2021: Vacation Bank Program, removal of PRO TOOLS restrictions, enhancement of Childcare Leave Program for male employees, Infertility Treatment Leave Program, and delivery lead time visualization.

Note: We believe that the most important skill demonstrated by President Nakayama is the planning of management strategies, measures, and systems, all of which are disclosed by the Company.

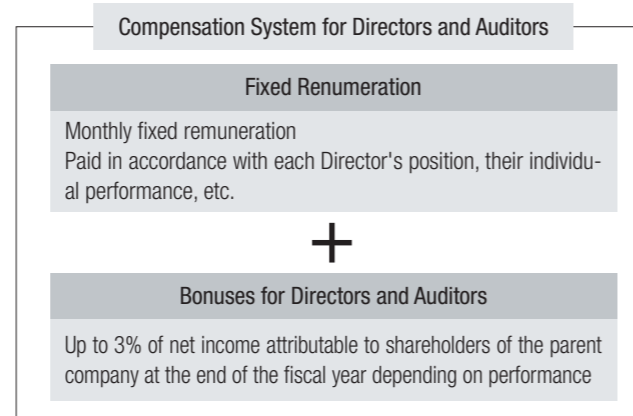


## Officers' Compensation

### Basic Policy on Determination of Compensation, Etc. for Directors and Auditors

The Company determines the officers' compensation paid to Directors and Auditors based on the following.

- (1) The level of remuneration should be such that the Company is able to retain the motivation to improve business performance and to secure excellent human resources from within and outside the Company.
- (2) The level should be based on changes in the business environment, objective external data, etc., and should take into account the balance between public standards, management content, and employee salaries.
- (3) Officer compensation should be paid within the annual remuneration limit, including bonuses.



### Method of Determining Officers' Compensation and Rate of Payment

Remuneration for Directors and Auditors consists of fixed remuneration (monthly fixed remuneration) and bonuses for Directors and Auditors. The following remuneration ranges, designed to take into account the responsibilities of each position and the degree of influence on management, have been established and the remuneration will be determined by the Board of Directors, respectively, after taking into account the management environment, business performance, achievements, management capabilities, and the degree of contribution.

The determination of the amount of remuneration for each officer is left to the discretion of President Nakayama by resolution of the Board of Directors. The amount of compensation for each officer is determined within a range designed for each position, taking into account the responsibility of the representative authority, position, etc., and the degree of influence on management, and taking into account performance, achievements, management ability, level of contribution, and other factors. The reason for delegating such authority is that the Company has determined that decisions by the President, who oversees the execution of business operations, are appropriate for the evaluation of each Director while maintaining a bird's-eye view of the Company's overall business performance.

#### 1. Fixed Remuneration

The amount of compensation is determined at the beginning of each fiscal year within a range designed for each position, taking into account the responsibility of the representative authority, position, etc., and the degree of influence on management, and taking into account performance, achievements, management ability, level of contribution, and other factors.

#### 2. Officers' Bonuses

As an incentive linked to profit indicators similar to the basic policy for shareholder returns, the total amount of officer's bonuses shall be determined by the Board of Directors and paid once a year within six months after the end of that fiscal year, with the maximum amount of 3% of net income attributable to the parent company after calculating the reference amount by multiplying the cumulative bonus multiplying ratio stipulated in the internal regulations by the net income attributable to the parent company shareholders at the time of closing of accounts.

The amount to be paid individually shall be determined for each Director within the remuneration range, taking into consideration the degree of contribution to the business results for the relevant fiscal year.

\*Although Auditors and Outside Directors are compensated in the same manner as directors from the viewpoint that they are responsible for improving the corporate value of the Company and its consolidated subsidiaries, individual amounts for fixed remuneration and officers' bonuses to be paid to Auditors shall be presented by Directors and finalized through discussions among Auditors.

	Position	Range of Officers' Compensation	Range of Compensation		
			1. Fixed Remuneration	2. Officers' Bonuses	(1 + 2)
Director	President	Up to \$5,405 per year*1	\$540 to \$1,297	0 to \$720	\$540 to \$2,018
	Senior Executive Director		\$243 to \$351	0 to \$216	\$243 to \$567
	Executive Director		\$189 to \$297	0 to \$180	\$189 to \$477
	Director		\$162 to \$243	0 to \$126	\$162 to \$369
	Outside Director		\$36 to \$81	0 to \$9	\$36 to \$90
Auditor	Full-time Auditor	Up to \$900 per year*2	\$135 to \$243	0 to \$81	\$135 to \$324
	Part-time Auditor		\$36 to \$81	0 to \$9	\$36 to \$90

\*1 Decided at the 56th Ordinary General Meeting of Shareholders held on March 8, 2019.

\*2 Decided at the 58th Ordinary General Meeting of Shareholders held on March 18, 2021.

(Unit: thousand USD)

### Prerequisites for Ensuring the Effectiveness of the Board of Directors and Board of Auditors

In order to ensure diversity, the Board of Directors consists of four Directors from within the company who are familiar with the business and three independent Outside Directors. The appointment of Directors is informally decided (resolved) at a meeting of the Board of Directors with the participation of Outside Directors. After assuming office during the General Meeting of Shareholders, they will undergo a multifaceted evaluation based on the Open Judging System ((OJS), a 360-degree evaluation system), which is the Company's unique evaluation system for Officers (excluding Outside

Directors and Part-time Auditors).

In the future, the Board of Directors will continue to recommend suitable candidates, regardless of gender or age, who meet the statutory requirements and have excellent character and insight. As for appointing foreigners, we believe it is not necessary as the scale of our overseas business is limited at present. However, we will consider it as our business expands. As for Auditors, we appoint those who have extensive knowledge of laws and regulations, finance, accounting, and corporate governance.

## Interview with Outside Directors



Outside Director (Board Brain (BB))

**Kenichi Saito**

President, ForeSight & Company Ltd.

Outside Director (Board Brain (BB))

**Takako Suzuki**

President, S.T.CORPORATION

Outside Director (Board Brain (BB))

**Kuniaki Hagihara**

Chairman, Hagihara Industries Inc.

Since they utilize their abundant experience and knowledge so as to contribute to the development of the company, TRUSCO calls Outside Directors "Board Brains." In general, the role of an Outside Director is to prevent scandals as an outside observer. However, at our company, we have formed our own highly transparent governance system, so we place emphasis on contributing to "sustainable growth and the improvement of company value." We interviewed each of these Outside Directors about the roles of Outside Directors and issues facing the company.

### Q1

**Please tell us about efforts that you have been involved with in the 59th term.**

#### Saito

As a management consultant, I have been making professional recommendations at monthly management meetings to provide hints on how to increase productivity and improve the performance of their own divisions. However, since May of the 59th term, I have been making recommendations using familiar topics such as Twitter posts. For example, in the first meeting, I made a recommendation on self-restraint

during the Covid-19 pandemic. I set themes that are familiar not only to management but also to the general employees who read the minutes of management meetings at a later date, and inform them of ways to solve problems and grow as individuals and as a company.

In common with all of us, it is a very important initiative to think all the time. Anyone can think in general, but thinking correctly is very difficult. Many people want to lead a prosperous life and grow in the future. Learning how to think correctly will bring them closer to achieving this goal, so I hope I can continue to share my own thoughts, ways of expression, and way to act.



**Suzuki**

I am the president of a consumer goods manufacturer, I have made recommendations from that perspective. Among my two major suggestions, the first is that all decisions should be made from the customer's point of view. For example, in regards to the ideal form of TRUSCO Orange Book, I wonder if it was created with a true understanding of how end users use it and what they want from it. Although it is inevitable, after years of manufacturing products, I feel that our eyes tend to end up focused on internal matters. So I posed questions that took us back to the basics, such as what the next fiscal year should be like and what the next 10 years should look like.

My second recommendation focuses on the fact that companies that respond to change in the daily necessities market have made remarkable progress while many changes occurred to the external environment due to Covid-19. As our company has a unique business model, I would like to see us pursue how we can differentiate ourselves from our competitors in private brand (PB) products as well. In terms of recommendations, we talk about how wholesalers and retailers in the daily necessities industry are responding to changes in the market. We have also asked them what we should be as a consumer goods manufacturer, providing an agenda similar to the one I would recommend at S.T. CORPORATION.

**Hagihara**

At management meetings, I share what is important in running a company based on various events and examples with the aim of providing hints and inspiration for the revitalization, growth, and development of the company. As TRUSCO's key phrase "No Self-Awareness No Growth" suggests, it is important how we develop our strengths within our business model. The leap from being a good company to being a great company is achieved by leveraging past strategies to keep the "flywheel" turning. The purpose of the flywheel is to keep the Company running at its best with the strengths of the Company creating further momentum. One needs to understand how their company's unique flywheel is built. Companies that establish their own unique flywheels, understand



Establish own unique "flywheel" and keep it running to become very strong.

the importance, and keep them running will become very strong. Although "Turning the flywheel" is just one example, I hope that my recommendations at management meetings will encourage employees to learn from them when they learn about examples in their day-to-day management. I would definitely encourage the members attending the management meetings, especially those in managerial positions and above, to develop their management sensitivity, so that a new generation can continue the continuity of the organisation.

**Q2**

**What challenges does TRUSCO NAKAYAMA face in order to continue to grow?**

**Hagihara**

If the development and spread of oral drugs proceed and a third vaccination dose becomes standard, we can expect economic recovery as the Covid-19 will become controllable like the flu. As the environment surrounding the company changes drastically, it is necessary for all employees to set up "antennas" to improve their ability to detect how the company should respond.

**Saito**

The impression that I get when I hear the term "post-Covid" is more of a return to normalcy of something that has deteriorated rather than an economic recovery. Statistics show that among publicly listed companies, the longer a company has been in business, the slower its growth rate tends to be. The longer a company has a history, the more likely it is to be bound by past successes, so we must always be thinking about how to achieve new growth. New growth also comes from learning from the customer, which is different from making judgments based on our own perspective. Each and every one of us needs to have a sense of ownership and act from the customer's point of view. Many of our employees have a growth mindset, so I would like them to link their own growth to the growth of Japan. In addition, although we are in the wholesale business, if we change our perception to "selling value" rather than just selling products, it will give us a chance to think about what the value is to the end user rather than being bound by the framework of the wholesale business.

**Suzuki**

President Nakayama has very strong leadership skills, and I hope that each and every Director, general manager, and employee will take on more leadership roles in the future. I also believe that the ideal form of TRUSCO does not have to be limited to our business category and that we should be able to propose new initiatives from the bottom up.

**Hagihara**

Although TRUSCO's business model is largely based on basic services in the manufacturing industry, such as how to conveniently deliver necessary items, we will continue to add value to the current business model by thinking about the value each of us can provide to our customers while making full use of digital technology. Also, with regard to DX, it is important to think about the value that customers really want, rather than simply improving operational efficiency.

**Saito**

What is important in improving business performance is that there must be products that are potentially needed by customers in addition to the products we handle in the product manufacturing process. There are two major factors for this. The first is a form of product development that gives shape to customer needs. The second important factor is to develop not only products but also services. For example, there must be specialists in the use of a specific product and the ability to discover intangible value that solves a problem and link it to a service rather than a tangible product.

**Suzuki**

I think it would be a good idea to have a forum for employees to discuss medium- and long-term issues and predictions of future environmental developments even regarding matters other than products. For example, at S.T. CORPORATION, we approach this using the OGISMA format (O for "objective," G for "goals," I for "Issue," S for "Strategy," M for "measurement," and A for "action"). Incorporating those elements into a single approach to move forward in creation over the long term.

It is necessary for managers to discuss the recognition of issues and predictions of future changes in the environment as recommended through OGISMA as well as to discuss and comment on other divisions.



If we change our perception to "selling value" rather than just selling products, it will give us a chance to think about what the value is to the end user.



Q3

What should TRUSCO's business strategy and unique growth strategy be like for becoming the company that we want to be in 10 years (or 5 years)?

Saito

I have two different ideas on this. One is not to change our business model itself but to evolve its content. I believe that our business style as a wholesaler will remain unchanged in the future. However, we can strengthen our existing business model by changing the customers to whom we provide products or by further enhancing the added value of our Private Brand (PB) products. The other idea is to expand the business domain by focusing on the business model. Since inventory and distribution are our competitive strengths, I believe that by overwhelmingly strengthening our own product development capabilities we will be able to offer a fee-based business in which we consult with various companies and receive compensation for our services (sale of knowledge). I believe that it is only when we are able to interview our clients and understand what kind of issues they are facing, rather than using our "intuition and experience" that has been cultivated over many years, that we can propose effective solutions.



I believe that awareness will spread among the general public regarding the fact that even in times of disaster, you can get everything you need from TRUSCO NAKAYAMA.

Hagihara

In terms of evolving the substance of the business model, it is important to dig deeper into core technologies, such as building overwhelming trust and brand power, logistics capabilities, and product lineups. By collaborating with our suppliers and customers, we can further enhance our core technologies and create an organization where we, our suppliers, and our customers can learn from each other and grow together. How to create new business with our existing business model is important.

Suzuki

While we are implementing measures to remove PRO TOOLS restrictions, we believe that there are many unique products among our Private Brand (PB) products that even ordinary consumers would like to use. For example, by developing and immediately delivering Private Brand (PB) products that serve specifically as disaster supplies, I believe that awareness will spread not only among BtoB customers but also among the general public that even in times of disaster, you can get everything you need from TRUSCO NAKAYAMA.

In addition, I believe that new businesses and ways of thinking can be created by creating opportunities in a more active manner to solicit ideas from young employees. I feel that by doing this on the premise that it is okay to try even if it fails, it will lead to a more active approach.

Interviewer: Takashi Nakai, Advisor

About Advisors

After retirement age, Officers can assume leadership roles for the purpose of providing guidance and support to those responsible for the company, utilizing their previously accumulated knowledge and experience. Although the mandatory retirement age for our executives is 65, Advisors they can remain employed until the age of 70 if they so desire.

Relationships with Stakeholders

Realizing the happiness of people with whom we are connected

Our mission is to contribute to society through our corporate activities and to realize the happiness of the people with whom we are connected (TRUSCO's Statement of Purpose). We call our employees and their families, business partners, shareholders, people involved in manufacturing in Japan, and all other stakeholders related to our company "people with whom we are connected." We will continue to value our connections with people who are related to us through a high level of transparency in management, thorough information disclosure, and communication with the community and society through sponsorship and advertising.



TRUSCO distribution facility tour (2019)

IR Activities

General Meeting of Shareholders

We think that the origin of IR is at the General Meeting of Shareholders. We have formulated our own clever ideas, such as holding the General Meeting of Shareholders early in the period to avoid times when other general shareholders meetings are held. For the 58th Annual General Meeting of Shareholders, we held the meeting with limited seating using advance registration system to prevent the spread of Covid-19. For the first time ever, we offered online viewing of the meeting so that shareholders nationwide could attend. Until the 58th Annual General Meeting of Shareholders, the meeting was held simultaneously at two venues, Tokyo and Osaka. However, from the 59th Annual General Meeting of Shareholders, the meeting will be held at a single venue in Tokyo and streamed online for viewing. We will continue to hold the General Meeting of Shareholders in such a way that more shareholders can attend from their homes or from distant locations.

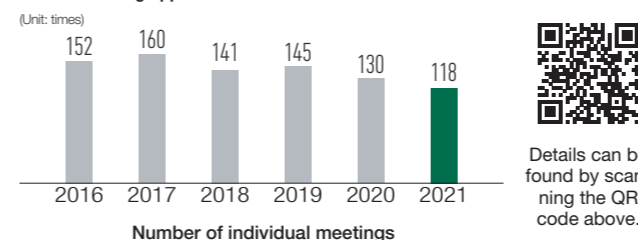


58th Ordinary General Meeting of Shareholders in Tokyo (held on March 18, 2021)

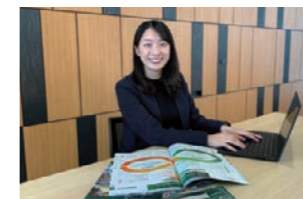
IR for Institutional Investors

We will begin the earning results briefing (large meeting) at the mid-term and final closing which will see the participation of around 100 institutional investors and dealers each session. The earning results briefing for 2021 was held online due to the Covid-19 pandemic. We are actively holding individual meetings with institutional investors and analysts, both in Japan and overseas via telephone and online tools.

We are creating opportunities for individual consultations and communication



A meeting streamed using an online tool (second quarter of FY2021).



Individual meetings held online (Minoru Naito, IR Section)

Study tours for shareholders

We hold tours of the Tokyo Head Office and distribution centers throughout Japan for shareholders. The meeting provides an opportunity for shareholders to get to know the executives, deepen their understanding of TRUSCO, and communicate.

(In FY2020 and FY2021, these tours were not held due to the Covid-19 pandemic.)

TRUSCO distribution facility tour Started in 2011

Visits of the inventory and logistics system that can deliver a wide variety of products and realize instant delivery. A total of 2,514 applications were received from which 263 people were selected via lottery to participate (2019).



Providing visitors with information about Butler®

TRUSCO Tokyo Head Office Tour Started in 2015

Visits to various departments and disaster countermeasure facilities. A total of 621 applications were received from which 88 people were selected via lottery to participate (2019).



Visitors had the opportunity to various sections and departments of the company to learn more about TRUSCO



## Public Relations Activities

### TV Program Sponsored by TRUSCO "TRUSCO Shirarezaru Gulliver"

Started in 2017

The program TRUSCO Shirarezaru Gulliver is being aired by TRUSCO to convey our desire to "bring pride and vitality to Japan by introducing world-class Japanese companies." Each program introduces one Japanese company, including manufacturing companies, and their thoughts and ideas, designed to let people know that there are many attractive companies in Japan.

TV Tokyo affiliates:  
TV Tokyo, TV Hokkaido, TV Aichi, TV Osaka, TV Setouchi, and TVQ Kyushu Broadcasting. The program is broadcast every Saturday evening from 6:00 to 6:30 p.m.



Program website



The program has featured 192 companies (as of December 31, 2021)

### Internal Company Newsletter "Hand Made"

Started in 1969

Under the editorial policy to create a communication magazine connecting the company and employees as well as the minds between employees, the newsletter has continued to spell the history of employees since 1969. The book is full of information with about 200 employees appearing in each volume.

"Wakatake" Published from 1969 to 1990  
"Hand Made" Published from 1990 to the present



"Hand Made" predecessor "Wakatake"



Current edition of "Hand Made"

### "TRUSCO Gambare" Poster

Started in 1995

Based on the theme of "GAMBARE!! JAPANESE MONOD-ZUKURI", which is our corporate message, every year we produce and distribute posters on topics of manufacturing which represents Japan. A topic of focus in 2022 is the international project (ITER) to construct the thermonuclear experimental reactor that is said to output energy equivalent to 8 tons of oil from 1 gram of seawater.



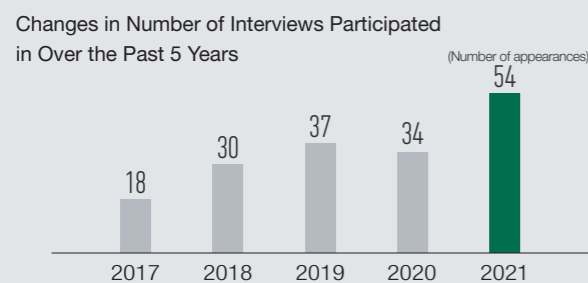
2022 TRUSCO "Gambare" Poster  
"Having the power of the sun on the Earth's surface" - thermonuclear experimental reactor ITER

Poster Gallery



## Media Information

Our efforts as a company have been introduced in various media including TV programs. The number of interviews that TRUSCO has participated in has tripled to 54 over the past 5 years. We will continue to create opportunities to make our company known to various stakeholders.



TRUSCO representatives appear on TBS TV's "Gacchiri Monday!!" on May 2, 2021

## Communication with the Community and Society

### Supporting the women's handball team "Osaka Lovvits"

Started in 2016

We are supporting the Osaka-based women's handball team "Osaka Lovvits," which is active in the Japanese handball league. Of the 18 athletes on the team, 14 are TRUSCO full-time employees. (as of December, 2021)



Osaka Lovvits Official Website



Osaka Lovvits team members

### TRUSCO Shonan Ohashi Bridge

Started in 2010

TRUSCO acquired the naming rights for Shonan Ohashi Bridge from Kanagawa Prefecture and named the bridge "TRUSCO Shonan Ohashi Bridge". It is the first time that naming rights have ever been granted for a bridge.



Bridge connecting Chigasaki City and Hiratsuka City in Kanagawa

### Employment of People with Disabilities

We aim for the independence and self-reliance of people with disabilities through work experiences and employment at our company.

As of December 31, 2021, 67 people with disabilities were hired (employment rate of people with disabilities: 2.82% (statutory employment rate: 2.2%).



Work area for people with disabilities (at a distribution center)

### Donations to NGO Peshawar-kai

Started in 2020

Donations have been made to support the Peshawar-kai\*, an NGO engaged in a comprehensive rural reconstruction project in Afghanistan, which is experiencing a drought, with the idea the "One irrigation channel is better than 100 medical clinics."

\*An NGO (non-governmental organization) formed in 1983 to support the late Dr. Tetsu Nakamura, who was making efforts toward the development of Pakistan and Afghanistan.



The late Dr. Tetsu Nakamura with staff in Afghanistan

### Support as an official sponsor of the Japan Para-Sports Association (JPSA)

Started in 2015

Serving as an official sponsor of the Japan Para-Sports Association (JPSA), we are striving for the spread of para sports and support the athletes.



Swimming competition held by the Japanese Para-Sports Association

### Sponsoring Pro Golfers

We sponsor two professional golfers, Ikue Asama and Hiroshi Ueda. Ikue Asama is employed at TRUSCO as a professional golfer.



Ikue Asama, professional golfer

Hiroshi Ueda, professional golfer

### Provided Infection Prevention Products to Kyoto University Hospital

2020

We provided infection prevention products and PB products to Kyoto University Hospital in order to support medical personnel who are dealing with patients infected with Covid-19.



Presentation ceremony (From left to right: Professor Omori, Hospital Director Mr. Miyamoto, and President Nakayama)

### "Skill Olympics/Abilympics" sponsorship

Started in 2010

We support "Skill Olympics" for young technicians ages 23 and under and "Abilympics" for people with disabilities who bear the future on "monodzukuri." These activities show just how great the participants are.



Aichi Skill Olympics/Abilympics Opening Ceremonies (2019)

### Sponsorship of Concerts

We have sponsored concerts organized by Narimichi Kawabata, a visually impaired violinist active in Japan and the U.K., and concerts organized by Tomomi Nishimoto, one of Japan's leading conductors.



Narimichi Kawabata Tomomi Nishimoto



## “Giving Back to Society” through the Nakayama visually impaired welfare foundation

The Nakayama visually impaired welfare foundation was established in 1997 in response to the will of “wanting to serve visually impaired people” by Kiyoko Nakayama, the mother of Tetsuya Nakayama (President of the foundation), who was born with optic nerves damaged by a forceps delivery. It later became a public interest incorporated foundation in 2010. The basic property shall be shares of Trusco Nakayama Corporation, and the foundation does not receive donations or support from outside and does its own management. We continue “Giving Back to Society” through the Nakayama visually impaired welfare foundation.

## Managing the foundation using stock dividends

The foundation was established by the Nakayama Family with four million shares of Trusco Nakayama Corporation stock and \$4 million in cash. In addition, the Nakayama Family donated an additional one million shares of Trusco Nakayama Corporation stock in 2021. The foundation operates its business with the dividends from the shares.

**Number of Shares of Trusco Nakayama Corporation Stock Held by the Foundation**  
4.35 million shares (as of December 31, 2021)

## Overview

**Established** October 1, 1997  
Transition to a public interest incorporated foundation was made on November 1, 2010.  
October 1, 2021 Japanese name of the Nakayama visually impaired welfare foundation was changed. (English translation remains the same)

**President** Tetsuya Nakayama

**Address** 2-1-9 Mizuki-dori, Hyogo-ku, Kobe, Hyogo Prefecture 652-0802 (3 min. walk from Shinkaichi Station)  
TEL: 078-599-6140 / FAX: 078-599-6141

**Support project results** \$7 million (cumulative total over 24 years until FY2020)

## List of Officers and Board of Directors for the Nakayama visually impaired welfare foundation (listed in alphabetical order)

President	Councilor
Tetsuya Nakayama President of TRUSCO NAKAYAMA Corporation	Yusuke Saraya President and Representative Director of Saraya Co., Ltd.
<b>Senior Director</b> Saori Nakayama Representative Director of NR Holdings Co., Ltd. Registered as Certified Public Accountant	Tomihiko Takamatsu Former Chairman of DyDo GROUP HOLDINGS INC. Yuko Nakayama Representative Director of NS Holdings Co., Ltd. Rie Nakayama Physician and Assistant Head of Ear, Nose, and Throat Department, Head and Neck Surgery, Kawasaki Municipal Hospital
<b>Managing Director</b> Atsushi Matsumae Managing Director (Former TRUSCO NAKAYAMA Corporation employee)	Motonobu Nishimura Chairman of Mandom Corporation Yuki Nomura President and Representative Director of TSP TAIYO Inc.
<b>Director</b> Takuji Iuchi President of AS ONE Corporation Tatsuya Otsuka President & Chief Executive Officer of Earth Corporation Kohei Goto Chairman of SANKO Co., Ltd. Teruo Hashimoto Chairman of Nippon Lighthouse Welfare Center for The Blind	Junji Hada Chairman of ELECOM Co., Ltd. Naotaro Hikida President and Representative Director of Kohnan Shoji Co., Ltd. Kunio Yamada Chairman of Rohto Pharmaceutical Co., Ltd. Yoshiaki Yamamoto Auditor, OM Kobe Co., Ltd. Teiji Wakita President and Representative Director of Wakita & Co., LTD.
Kenji Furuhashi President and CEO of Hosiden Corporation Masahiko Mori President of DMG MORI CO., Ltd. Naoyuki Yamamoto CEO and Chairman of Yamamoto Kogaku Co., Ltd.	Senichi Hoshino, who passed away on January 4, 2018, served as director from June 2017 to January 2018, and contributed to the development of the foundation.
<b>Auditor</b> Kouhei Nomura Attorney at Nomura & Partners Yoritomo Wada Certified Public Accountant at Wada & Co.	



Guide dogs “Tenero” and “Sumo” (2021)



New Nakayama Memorial Hall (completed on September 15, 2021)

**Area of grounds:** approx. 1,401 m<sup>2</sup>  
**Floor area:** approx. 5,712 m<sup>2</sup>  
**Structure:** 1 underground level, 5 floors above ground, equipped with isolation system

## Utility project 1

### Nakayama Memorial Hall facilities leasing business

Since Nakayama Memorial Hall opened in 2007, six nonprofit organizations have been working together in conjunction to hold activities including consultations, walking training, creating Braille translations, and events. Among these activities, there were 4,040 consultations conducted over the year. In September 2021, construction of the New Nakayama Memorial Hall was completed to further enhance social participation activities for the visually impaired and the blind. 11 nonprofit organizations hold activities in the New Nakayama Memorial Hall.



Spacious entrance



19 kW of solar power generation



Sunny balcony



Low Vision Floor  
Useful aids are provided for people who are blind or visually-impaired.

## Utility project 2

### Grant project for support groups for visually impaired people and individuals

The foundation provides grants to groups for visually impaired people and support groups in financial difficulty, and provides scholarships free of charge to university students and others. From FY2022, graduate students (master's degree students) will also be eligible for the scholarship.

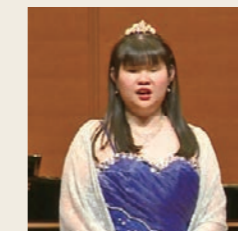
## Utility project 3

### Support activities for social participation activities for visually impaired people

People with disabilities spend every day like people without disabilities, and the foundation supports the participation of visually impaired people in society.

### 1 Hyogo Prefecture Visually Impaired People Music Festival Project

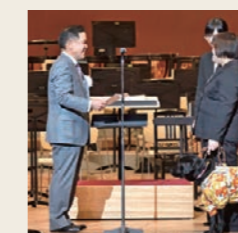
A classical concert started for the purpose of providing many visually impaired people with opportunities to perform. (Kobe Light Center (KLC))



Former scholarship student Kaori Tsutsui performing in a concert

### 2 Lending business for guide dogs

We commission the training of two guide dogs per year and lend them to the visually impaired as “Nakayama Go” guide dogs. As of 2021, we have loaned 43 dogs.



Guide dog lending ceremony held during the 22nd Nakayama Wonderful Festa

### 3 Personal computer course project

Courses are divided into beginner, Internet, Microsoft Office, iPad experience, and voice PC experience courses to teach basic computer usage and Internet operation.



Computer course

### 4 Music performance project “Nakayama Wonderful Festa”

This is a concert that visually impaired people can attend with wheelchairs and guide dogs which allows them to enjoy the concert free from worry. Some of our employees have participated in this event. Through the actual event, we have an opportunity to learn that our company not only pursues the profit of the company but also a part of the profit is useful for social contribution.

#### Past performers (honorifics omitted)

#16 2013 Mariko Takahashi	#21 2018 Aki Yashiro
#17 2014 Sayuri Ishikawa	#22 2019 Tomomi Nishimoto & IlluminArt Philharmonic Orchestra
#18 2015 Yoshimi Tendo	
#19 2016 Masahiko Takeuchi and Kaientai	
#20 2017 Masashi Sada	

Note: Concerts were not held in 2020 and 2021 due to the Covid-19 pandemic.



Nakayama Wonderful Festa #20 (Masashi Sada, performer)



A prospective TRUSCO employee attends to visitors

### 5 Accompanying aid workers (guide helpers) education training project

Training sessions are held six times a year with the aim of increasing the number and improving the quality of companionship support employees (guide helpers).

### 6 Barrier-free movie screening project “Nakayama UD Film Festival”

Sponsored by the Nakayama visually impaired welfare foundation, the Nakayama UD Film Festival features audio commentary and Japanese subtitles for films screened. (UD...Universal Design)



# Map of Bases

As of January 1, 2022

50	Shunan Branch	2929-14 Oaza Kume, Shunan-shi, Yamaguchi	
51	Ube Branch	5-395-5 Oaza Nakano Gaisaku, Ube-shi, Yamaguchi	
52	Takamatsu Branch	4001-77 Yoshida, Utazu-cho, Ayauta-gun, Kagawa	★
53	Takamatsu Stock Center	2-3-1 Asahimachi, Takamatsu-shi, Kagawa	★
54	Tokushima Branch	23 Nakahara, Ojin-cho Nakahara, Tokushima-shi, Tokushima	
55	Matsuyama Branch	1068-4 Kumanodai, Matsuyama-shi, Ehime	★
56	Kokura Branch	7-1 Kifunemachi, Kokurakita-ku, Kitakyushu-shi, Fukuoka	★
57	Hakata Stock Center Fukuoka Branch	2-4-14 Takeshita, Hakata-ku, Fukuoka-shi, Fukuoka	★
58	Planet Kyushu Tosu Branch	1651 Himekata-machi, Tosu-shi, Saga	★
59	HC Kyushu Distribution Center Kurume Stock Center	1956-1 Kitanomachinaka, Kurume-shi, Fukuoka	★
60	Nagasaki Branch	23-4 Ohashi-machi, Nagasaki-shi, Nagasaki	
61	Kumamoto Branch	5F Kumamoto Central Bldg. 66-7 Yamasaki-machi, Chuo-ku, Kumamoto-shi, Kumamoto	
62	Oita Branch	1-3-28 Mukaibara-Higashi, Oita-shi, Oita	★
63	Kagoshima Branch	3-68 Tokai-cho, Kagoshima-shi, Kagoshima	★
64	Okinawa Branch	5F Okinawaken Kensetsu Kaikan 5-6-8 Makiminato, Urasoe-shi, Okinawa	

<b>Osaka Head Office</b>			
40	Osaka Branch	TRUSCO Glen Check Bldg., 1-34-15, Shinmachi, Nishi-ku, Osaka-shi, Osaka	★
	HC Osaka Branch		
	Internet Sales Osaka Branch		
41	Planet Osaka South Osaka Branch	81-1 Ishizu Kitamachi, Sakai-ku, Sakai-shi, Osaka	★
42	Planet Kobe	1-3-5 Nakamachi, Minatojima, Chuo-ku, Kobe-shi, Hyogo	★
43	Kobe Branch	Nakayama Memorial Hall 5F, 2-1-9 Mizuki-dori, Hyogo-ku, Kobe, Hyogo	★
44	Himeji Branch	448-26 Hojo, Himeji-shi, Hyogo	★

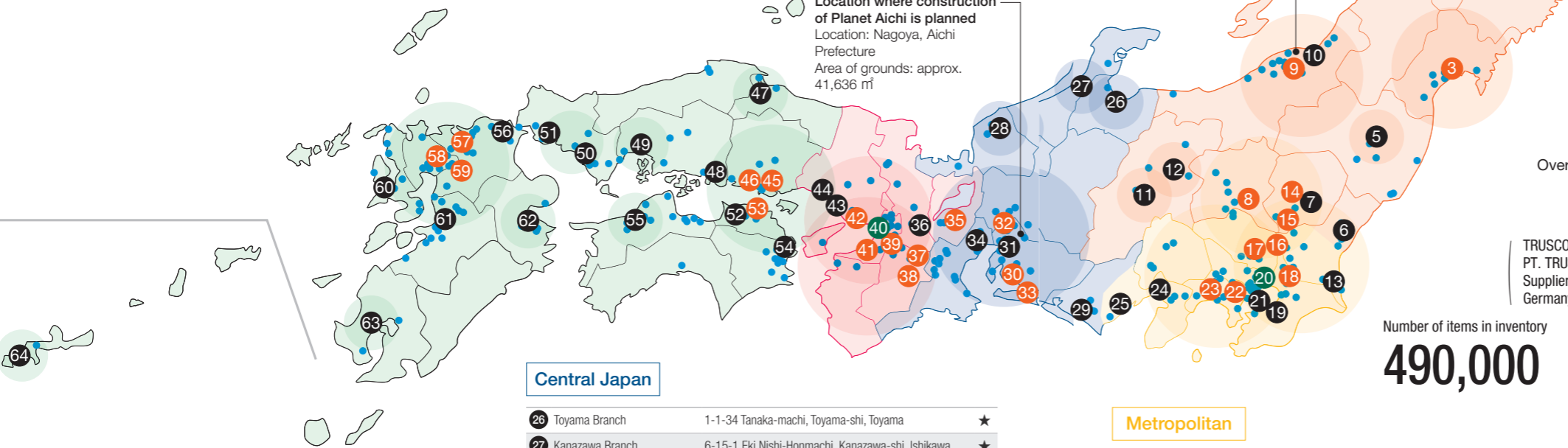
## West Japan

45	Planet Sanyo Okayama Branch	4-15 Amase, Kita-ku, Okayama-shi, Okayama	★
46	Okayama Stock Center	2-16-35 Fukunari, Minami-ku, Okayama-shi, Okayama	★
47	Yonago Branch	8-15-14 Yonehara, Yonago-shi, Tottori	★
48	Fukuyama Branch	2-4-13 Akebono-cho, Fukuyama-shi, Hiroshima	★
49	Hiroshima Branch	1-20-1 Naka-Hiromachi, Nishi-ku, Hiroshima-shi, Hiroshima	★

## Kinki

35	Planet Shiga Ryuo Branch	1140-3 Oguchi, Ryuo-cho, Gamou-gun, Shiga	★
36	Kyoto Branch	3F Trusco Crystal Bldg. 593 Higashi-Shiojikoji-cho, Shimogyo-ku, Kyoto-shi, Kyoto	★
37	HC West Japan Distribution Center	755-6 Kamifukawa-cho, Nara-shi, Nara	★
38	Nara Stock Center	758-6 Kamifukawa-cho, Nara-shi, Nara	★
39	East Osaka Stock Center/Higashi Osaka Branch	4-12 Shinjo-nishi, Higashi-Osaka-shi, Osaka	★

**New HC East Japan Distribution Center planned for construction**  
Location: Sanjo, Niigata Prefecture  
Area of grounds: approx. 26,307 m<sup>2</sup>



## Bases in Japan

# 93

● Head Office ● Japan Sales Branches ● Distribution Centers in Japan

2 59 27

(Branches with inventory: 29) (includes 10 Stock Centers)

Overseas Branches ● Number of companies that have introduced MRO Stocker

5 329

TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED  
PT. TRUSCO NAKAYAMA INDONESIA  
Supplier business development office locations:  
Germany, Taiwan (to be established by the end of 2022), Thailand

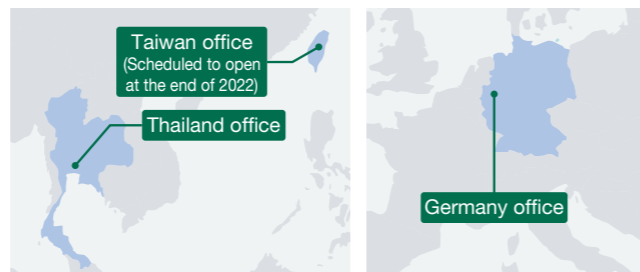
Number of items in inventory **490,000**  
Total number of items in inventory **48,780,000 items**  
Inventory Value **\$383 million**

## Central Japan

26	Toyama Branch	1-1-34 Tanaka-machi, Toyama-shi, Toyama	★
27	Kanazawa Branch	6-15-1 Eki Nishi-Honmachi, Kanazawa-shi, Ishikawa	★
28	Fukui Branch	1-52 Toiya-cho, Fukui-shi, Fukui	★
29	Hamamatsu Branch	209-1 Sode-cho, Naka-ku, Hamamatsu-shi, Shizuoka	
30	Planet Tokai Okazaki Branch	18 Minami-Kubo, Oka-cho, Okazaki-shi, Aichi	★
31	Nagoya Branch	12-26 Ukishima-cho, Mizuho-ku, Nagoya-shi, Aichi	★
32	Planet Nagoya Komaki Branch	10-1 Kawahigashi, Wada-cho, Nonan-shi, Aichi	★
33	Toyohashi Stock Center	33-16 Akemicho, Toyohashi-shi, Aichi	★
34	Yokkaichi Branch	5-4-13 Shinsho, Yokkaichi-shi, Mie	★

## Supplier business development office (Overseas Product Division)

Number of Bases **3**



## Metropolitan

13	Kashima Branch	3-3-24 Horiwari, Kamisu-shi, Ibaraki	★
14	Utsunomiya Stock Center	2-40-3 Shirasagi, Kaminokawamachi, Kawachi-gun, Tochigi	★
15	Oyama Stock Center	1-6-33 Awanomiya, Oyama-shi, Tochigi	★
16	Planet Saitama Satte Branch	988-7 Akagi, Shinmeiuchi, Satte-shi, Saitama	★
17	Omiya Branch Omiya Stock Center	2039 Nishi-Asuma, Nishi-ku, Saitama-shi, Saitama	★
18	Planet East Kanto Matsudo Branch	241-1 Kamihongo, Matsudo-shi, Chiba	★
19	Chiba Branch	1969-17 Yawatakaigan-dori, Ichihara-shi, Chiba	★
<b>Tokyo Head Office</b>			
20	Tokyo Branch	TRUSCO Fiorito Bldg. 4-28-1, Shimbashi, Minato-ku, Tokyo	★
	HC Tokyo Branch		
	Internet Sales Tokyo Branch		
	MRO Supply Tokyo Branch		
21	Keihin Branch	2-14-23 Kugahara, Ota-ku, Tokyo	★
22	Tokyo Backup Center	3-10-6 Tamachi, Kawasaki-ku, Kawasaki-shi, Kanagawa	★
23	Planet South Kanto Atsugi Branch	1567-1 Takamori, Isehara-shi, Kanagawa	★
24	Fuji Branch	251-1 Jubee, Fuji-shi, Shizuoka	★
25	Shizuoka Branch	1-20 Midorigaoka-cho, Suruga-ku, Shizuoka-shi, Shizuoka	★

## East Japan

1	Planet Hokkaido Sapporo Branch	3-4-51 Higashi-Naebo 5-jo, Higashi-ku, Sapporo-shi, Hokkaido	★
2	Hachinohe Branch	1-2-9 Numadate, Hachinohe-shi, Aomori	★
3	Planet Tohoku Sendai Branch	2-1-23 Ogimachi, Miyagino-ku, Sendai-shi, Miyagi	★
4	Akita Branch	2-41 Sanno-Rinkaimachi, Akita-shi, Akita	★
5	Koriyama Branch	1-23-7 Motomachi, Koriyama-shi, Fukushima	★
6	Mito Branch	1567 Sugaya, Naka-shi Ibaraki	★
7	Utsunomiya Branch	46-11 Hiraiide Kogyo Danchi, Utsunomiya-shi, Tochigi	★
8	Planet North Kanto Iseaki Branch	2739-1 Sanwa-cho, Iseaki-shi, Gunma	★
9	HC East Japan Distribution Center Niigata Branch	280 Oaza Shinbo, Sanjo-shi, Niigata	★
10	Niigataki Branch	2-6-50 Yutaka, Higashi-ku, Niigata-shi, Niigata	★
11	Okaya Branch	2-1-33 Shinmei-cho, Okaya-shi, Nagano	★
12	Ueda Branch	2F Unno-Machi-Kan Ito Bldg. 2-8-11 Chuo, Ueda-shi, Nagano	★

★ Indicates a company-owned property.

## Overseas Subsidiaries

Number of Bases **2**





## Main Business Locations All company-owned properties

### Logistic Centers

1 Area of Grounds 2 Floor Area 3 Start of Operations (Current Building) 4 Number of Employees  
5 Number of Items in Inventory 6 Total Number of Items in Inventory 7 Inventory Value (as of December 31, 2021)

<b>Planet Saitama</b>  Automated bucket warehouse   AutoStore   Automated pallet warehouse   Butler® Electric moving pallet racks   AGV   SAS   GAS   I-Pack®   Just fit BOX Palletizing Robots   AMR Saito City, Saitama 1 approx. 47,262 m²   2 approx. 42,694 m²   3 2018 4 183   5 467,000 different products   6 5,692,000 items   7 \$54.2 million	<b>Planet Hokkaido</b>  Sapporo City, Hokkaido 1 approx. 23,375 m²   2 approx. 5,507 m²   3 2004 4 34   5 49,000 different products   6 772,000 items   7 \$5.3 million	<b>Planet North Kanto</b>  Automated pallet warehouse   AutoStore   Just fit BOX Iseaki City, Gunma 1 approx. 33,057 m²   2 approx. 25,438 m²   3 2007 4 97   5 160,000 different products   6 2,764,000 items   7 \$20.6 million	<b>Planet East Kanto</b>  Automated bucket warehouse   Automated pallet warehouse Electric moving pallet racks   SAS   GAS Just fit BOX Matsudo City, Chiba 1 approx. 14,680 m²   2 approx. 23,735 m²   3 2006 4 178   5 357,000 different products   6 3,451,000 items   7 \$29.3 million	<b>Planet South Kanto</b>  Automated bucket warehouse   AutoStore   Electric moving pallet racks DAS   Shuttle racks Isehara City, Kanagawa 1 approx. 12,105 m²   2 approx. 26,062 m²   3 2020 4 127   5 156,000 different products   6 2,291,000 items   7 \$16.7 million	<b>Planet Tokai</b>  Automated bucket warehouse   Electric moving pallet racks SAS   GAS   I-Pack®   Just fit BOX Okazaki City, Aichi 1 approx. 13,666 m²   2 approx. 24,003 m²   3 2008 4 163   5 335,000 different products   6 3,741,000 items   7 \$37.4 million	<b>Planet Shiga</b>  Automated bucket warehouse   Electric moving pallet racks Ryoo, Shiga 1 approx. 11,576 m²   2 approx. 19,593 m²   3 2008 4 88   5 214,000 different products   6 2,231,000 items   7 \$16.4 million
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<b>Planet Osaka</b>  Automated bucket warehouse SAS   GAS   I-Pack®   Just fit BOX Sakai City, Osaka 1 approx. 13,669 m²   2 approx. 20,479 m²   3 2015 4 185   5 346,000 different products   6 3,730,000 items   7 \$37.0 million	<b>Planet Kobe</b>  Automated bucket warehouse   Electric moving pallet racks SAS   GAS   Just fit BOX Chuo-ku, Kobe City, Hyogo 1 approx. 8,287 m²   2 approx. 16,687 m²   3 2005 4 113   5 184,000 different products   6 2,409,000 items   7 \$17.2 million	<b>Planet Kyushu</b>  1 approx. 11,328 m²   2 approx. 22,690 m²   3 2015 4 78   5 194,000 different products   6 2,697,000 items   7 \$21.9 million	<b>Planet Sanyo</b>  Konan City, Aichi 1 approx. 5,626 m²   2 approx. 8,122 m²   3 1998 4 41   5 31,000 different products   6 752,000 items   7 \$5.2 million	<b>Planet Nagoya</b>  1 approx. 8,618 m²   2 approx. 9,771 m²   3 1994 4 33   5 25,000 different products   6 1,373,000 items   7 \$7.0 million	<b>Planet Toyohashi</b>  1 approx. 9,900 m²   2 approx. 6,856 m²   3 2019 4 20   5 2,000 different products   6 50.5 million	<b>Planet Nara</b>  Nara City 1 approx. 9,798 m²   2 approx. 2,866 m²   3 2017 4 46   5 2,000 different products   6 50.5 million	<b>Planet Okayama</b>  1 approx. 1,877 m²   2 approx. 872 m²   3 2019 4 29   5 29 different products   6 43,000 items   7 \$0.4 million	<b>Planet Osaka</b>  Higashi-Osaka City, Osaka 1 approx. 3,024 m²   2 approx. 8,558 m²   3 2008/2016/2017 4 53   5 15,000 different products   6 609,000 items   7 \$6.0 million	<b>Planet Tokyo</b>  Kita-ku, Okayama City 1 approx. 3,031 m²   2 approx. 10,694 m²   3 2013 4 44   5 33,000 different products   6 1,201,000 items   7 \$8.3 million	<b>Planet Kanagawa</b>  Kawasaki City, Kanagawa 1 approx. 2,509 m²   2 approx. 5,004 m²   3 2009 4 17   5 79,000 different products   6 1,063,000 items   7 \$15.4 million	<b>Planet Fukuoka</b>  Kurume City, Fukuoka 1 approx. 5,560 m²   2 approx. 5,933 m²   3 2016/2002 4 53   5 15,000 different products   6 1,088,000 items   7 \$4.6 million	<b>Planet Aichi</b>  Toyohashi City, Aichi 1 approx. 9,900 m²   2 approx. 6,856 m²   3 2019 4 20   5 2,000 different products   6 50.5 million	<b>Planet Chiba</b>  Oyama City, Tochigi 1 approx. 4,690 m²   2 approx. 3,166 m²   3 2019 4 163   5 1,000 different products   6 147,000 items   7 \$3.1 million	<b>Planet Tochigi</b>  Kamakura City, Kanagawa 1 approx. 1,877 m²   2 approx. 872 m²   3 2019 4 29   5 29 different products   6 43,000 items   7 \$0.4 million	<b>Planet Saitama</b>  Saitama City, Saitama 1 approx. 1,652 m²   2 approx. 1,371 m²   3 2021 4 146   5 21,000 items   6 21.0 million	<b>Planet Aichi</b>  Toyohashi City, Aichi 1 approx. 9,900 m²   2 approx. 6,856 m²   3 2019 4 20   5 2,000 different products   6 50.5 million	<b>Planet Fukuoka</b>  Hakata City, Fukuoka City 1 approx. 3,867 m²   2 approx. 7,609 m²   3 2016/2002 4 164   5 1,000 different products   6 596,000 items   7 \$2.5 million	<b>Planet Fukuoka</b>  Nara City 1 approx. 9,798 m²   2 approx. 2,866 m²   3 2017 4 46   5 2,000 different products   6 50.5 million	<b>Planet Okayama</b>  Minami-ku, Okayama City 1 approx. 1,685 m²   2 approx. 2,274 m²   3 2017 4 164   5 51,000 items   6 \$1.1 million	<b>Planet Kagawa</b>  Takamatsu City, Kagawa 1 approx. 8,413 m²   2 approx. 5,864 m²   3 2019 4 11   5 1,000 different products   6 886,000 items   7 \$7.2 million	<b>Planet Fukuoka</b>  Hakata City, Fukuoka City 1 approx. 3,867 m²   2 approx. 7,609 m²   3 2016/2002 4 164   5 1,000 different products   6 596,000 items   7 \$2.5 million
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### Head Office

<b>Tokyo Head Office (TRUSCO Florito Bldg.)</b>  Minato-ku, Tokyo 1 approx. 714 m²   2 approx. 5,818 m²   3 2014 4 240	<b>Osaka Head Office (TRUSCO Glen Check Bldg.)</b>  Nishi-ku, Osaka City 1 approx. 948 m²   2 approx. 8,426 m²   3 2004 4 166	<b>Future Osaka Head Office (TRUSCO Central Bldg.)</b>  Chuo-ku, Osaka City 1 approx. 1,034 m²   2 approx. 10,413 m² 3 New Osaka Head Office is scheduled to be opened in 2024	<b>Employee Dormitory</b>  Ota-ku, Tokyo TRUSCO'S Kugahara (Third and Fourth Floors of the Keihin Branch building) 1 approx. 1,338 m² 2 approx. 2,667 m² (24 rooms) 3 2004   4 19
<b>TRUSCO'S Shinbashi</b>  Minato-ku, Tokyo 1 approx. 165 m² 2 approx. 1,401 m² (30 rooms) 3 2014   4 23	<b>TRUSCO'S Osaka</b>  Higashi-Osaka City, Osaka 1 approx. 376 m² 2 approx. 1,973 m² (36 rooms) 3 2002   4 30	<b>TRUSCO'S Ayase</b>  Adachi-ku, Tokyo 1 approx. 148 m² 2 approx. 723 m² (21 rooms) 3 2021   4 17	

\*The currently held land and building will be transferred to a third party by December 28, 2024 for the relocation of the Osaka head office.

### Branch

<b>Hachinohe Branch</b>  Hachinohe City, Aomori 1 approx. 1,983 m²   2 approx. 1,001 m²   3 2000 4 15   5 11,000 different products   6 120,000 items   7 \$0.8 million	<b>Akita Branch</b>  Akita City 1 approx. 6,614 m²   2 approx. 2,191 m²   3 2007 4 11   5 9,000 different products   6 105,000 items   7 \$0.9 million	<b>Koriyama Branch</b>  Koriyama City, Fukushima 1 approx. 3,626 m²   2 approx. 2,730 m²   3 2016 4 20   5 16,000 different products   6 274,000 items   7 \$1.5 million
<b>Kashima Branch</b>  Kamisu City, Ibaraki 1 approx. 2,000 m²   2 approx. 2,290 m²   3 2016 4 10   5 19,000 different products   6 132,000 items   7 \$1.1 million	<b>Utsunomiya Branch</b>  Utsunomiya City, Tochigi 1 approx. 3,312 m²   2 approx. 1,474 m²   3 2009 4 13   5 12,000 different products   6 239,000 items   7 \$0.9 million	<b>Chiba Branch</b>  Ichihara City, Chiba 1 approx. 2,254 m²   2 approx. 2,717 m²   3 2011 4 22   5 23,000 different products   6 285,000 items   7 \$2.2 million
<b>Niigata City Branch</b>  Higashi-ku, Niigata City 1 approx. 1,890 m²   2 approx. 1,057 m²   3 2009 4 11   5 13,000 different products   6 160,000 items   7 \$0.9 million	<b>Toyama Branch</b>  Toyama City 1 approx. 1,633 m²   2 approx. 2,000 m²   3 1991 4 13   5 13,000 different products   6 145,000 items   7 \$0.9 million	<b>Kanazawa Branch</b>  Kanazawa City, Ishikawa 1 approx. 2,429 m²   2 approx. 2,469 m²   3 2004 4 17   5 26,000 different products   6 320,000 items   7 \$2.0 million

1 Area of Grounds 2 Floor Area 3 Start of Operations (Current Building) 4 Number of Employees  
5 Number of Items in Inventory 6 Total Number of Items in Inventory 7 Inventory Value

<b>Keihin Branch</b>  Ota-ku, Tokyo 1 approx. 1,338 m²   2 approx. 2,667 m²   3 2004 4 29   5 14,000 different products   6 160,000 items   7 \$0.9 million	<b>Fukui Branch</b>  Fukui City 1 approx. 2,119 m²   2 approx. 1,996 m²   3 2007 4 10   5 14,000 different products   6 160,000 items   7 \$0.9 million	<b>Fuji Branch</b>  Fuji City, Shizuoka 1 approx. 3,249 m²   2 approx. 1,828 m²   3 2017 4 15   5 18,000 different products   6 159,000 items   7 \$0.9 million
<b>Shizuoka Branch</b>  Suruga-ku, Shizuoka City 1 approx. 2,085 m²   2 approx. 1,795 m²   3 2012 4 16   5 15,000 different products   6 144,000 items   7 \$0.9 million	<b>Himeji Branch</b>  Himeji City, Hyogo 1 approx. 2,638 m²   2 approx. 2,406 m²   3 2011 4 15   5 19,000 different products   6 219,000 items   7 \$1.4 million	<b>Fukuyama Branch</b>  Fukuyama City, Hiroshima 1 approx. 2,604 m²   2 approx. 2,386 m²   3 2009 4 10   5 11,000 different products   6 194,000 items   7 \$0.8 million
<b>Hiroshima Branch</b>  Nishi-ku, Hiroshima City 1 approx. 2,578 m²   2 approx. 4,373 m²   3 2012 4 16   5 24,000 different products   6 256,000 items   7 \$1.6 million	<b>Matsuyama Branch</b>  Matsuyama City, Ehime 1 approx. 1,692 m²   2 approx. 998 m²   3 2000 4 12   5 13,000 different products   6 107,000 items   7 \$0.7 million	<b>Kokura Branch</b>  Kokurakita-ku, Kitakyushu City, Fukuoka 1 approx. 2,201 m²   2 approx. 2,036 m²   3 2004 4 17   5 14,000 different products   6 168,000 items   7 \$0.9 million
<b>Oita Branch</b>  Oita City 1 approx. 2,545 m²   2 approx. 2,433 m²   3 2017 4 12   5 14,000 different products   6 164,000 items   7 \$1.0 million	<b>Nagoya Branch</b>  Mizuho-ku, Nagoya City, Aichi 1 approx. 1,824 m²   2 approx. 3,123 m²   3 1998 4 29	<b>Yokkaichi Branch</b>  Yokkaichi City, Mie 1 approx. 1,292 m²   2 approx. 2,323 m²   3 1990 4 20   5 15,000 different products   6 169,000 items   7 \$0.9 million
<b>Kyoto Branch</b>  Shimogyo-ku, Kyoto City 1 approx. 360 m²   2 approx. 2,707 m²   3 2009 4 17	<b>Takamatsu Branch</b>  Utazu Town, Kagawa 1 approx. 2,631 m²   2 approx. 1,120 m²   3 1992 4 16   5 12,000 different products   6 121,000 items   7 \$0.8 million	<b>Kagoshima Branch</b>  Kagoshima City 1 approx. 991 m²   2 approx. 1,120 m²   3 1989 4 10   5 7,000 different products   6 53,000 items   7 \$0.3 million

### Company-owned Recreation/Training Facility

<b>TRUSCO Resort and Spa Hakone</b>  Hakone Town, Ashigarashimo-gun, Kanagawa 1 approx. 9,084 m²   2 approx. 2,307 m²   3 2011 4 3	<b>TRUSCO Resort and Spa Karuizawa</b>  Town of Karuizawa, Kitasaku-gun, Nagano 1 approx. 10,621 m²   2 approx. 1,983 m²   3 2021 4 3	<b>Kyoto Kaguraoka Rengetsuso</b>  Sakyo-ku, Kyoto 1 approx. 1,758 m²   2 approx. 1,603 m²   3 2018 4 3
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Only some are corporate-owned properties.



# A Glance at TRUSCO Through Numbers

We express our company's performance through various figures, including business performance during the 59th term and key indicators. (See p. 96 for details on business performance)

(as of December 31, 2021)  
The year-on-year comparison is shown in the parentheses.

## 59th Term (2021 12th term) Business Performance

Sales <small>Consolidated</small>	<b>\$2,066 million</b>	(+7.5%)
Gross profit margin <small>Consolidated</small>	<b>21.0%</b>	(-0.5 pt)
Selling, general and administrative expenses <small>Consolidated</small>	<b>\$318 million</b>	(+1.4%)
Depreciation <small>Consolidated</small>	<b>\$62 million</b>	(+5.6%)
Operating income	<b>\$116 million</b>	(+17.0%)
Ordinary Income <small>Consolidated</small>	<b>\$122 million</b>	(+17.4%)
Attributable to shareholders		
Net Income <small>Consolidated</small>	<b>\$104 million</b>	(+44.9%)
per share		
Annual dividend	<b>\$0.31</b>	(+\$0.04)
Market capitalization <small>(as of December 31, 2021)</small>	<b>\$1,624 million</b>	
Shareholders' equity ratio	<b>64.0%</b>	

R&I Rating  
**A**



Tokyo Head Office (TRUSCO Fiorito Bldg.)



## Human Resources

Employees	<b>2,906</b>	Officers <b>10</b>
		Full-time staff <b>1,632</b>
		Part-time Staff <b>1,264</b>
Female staff ratio	Ratio <b>35.0%</b>	Number of full-time staff <b>571</b>
		Number of officers* <b>152</b>
		Number of supervisors <b>9</b>
		<small>Note: Personnel with supervisory qualifications or higher</small>
Average age	<b>39.6</b>	Male <b>43.2</b>
		Female <b>32.8</b>
Retirement age	Managerial retirement age <b>62</b>	Full-time staff retirement age <b>65</b>
	Employment extension <b>70</b>	Part-time staff <b>75</b>
Average salary	<b>\$55.4</b>	Managers <b>\$100.6 (\$108.1)</b>
	<b>(\$58.8)</b>	Managers including branch managers, center managers, and Head Office section managers <b>\$131.3 (\$142.9)</b>
		Department general managers and division general managers (does not include officers) <b>\$65.2 (\$69.5)</b>
		Careers (regular positions) <b>\$53.6 (\$57.0)</b>
		Area (regional positions) <b>\$41.0 (\$42.8)</b>
		Logistics (distribution positions)
	<small>(Unit: thousand USD)</small>	<small>- The annual salary including financial bonds (annual payment severance) is shown in the parentheses.</small>
Number of employees with disabilities and employment rate of persons with disabilities	<b>67</b> People	Non-smoking rate for managers <b>100.0%</b>
	<b>2.82%</b>	(included managerial candidates)
		Non-smoking rate for the entire company <b>86.0%</b>



Shiori Soya, Overseas Procurement Section



Left to Right: Shintaro Hashiguchi, Chief of both the Distribution Platform Development Office and P Aichi Preparation Office, and Risa Okamoto



## Sales

Number of sales branches	Japan <b>59</b>	Overseas <b>5</b>
	Branches with inventory <b>29</b>	
Number of customers	Companies <b>5,527 (+12)</b>	
	Sales accounts <b>29,561 (+2,011)</b>	
MRO Stocker	Number introduced <b>329 (+282)</b>	
Number of companies connected to orange commerce	<b>2,042 (+675)</b>	

(as of January 1, 2022)  
Overseas subsidiary: TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED  
PT. TRUSCO NAKAYAMA INDONESIA  
Offices: Germany, Taiwan (scheduled for opening at the end of 2022)  
Thailand, and USA



MRO Stocker, which is like "Okigusuri," a business model that has been around for many years in Japan, but for tools.



## Products

Total Number of suppliers	<b>2,966</b> companies	(+314) companies	Japan <b>2,662</b> companies	Overseas <b>304</b> companies
Inventory items	Number of items in inventory	<b>499,964</b>	(+57,528)	
	Total number of items in inventory	<b>48,787,614</b>	(+2,832,108)	
	Inventory Value	<b>\$384 million</b>	(+\$9 million)	
TRUSCO Orange Book.Com	Number of items listed	<b>2,760,887</b>	(+423,667)	
Private Brand (PB)	Number of Items	<b>79,500</b>	(+11,800)	
	Sales	<b>\$390 million</b>	(+5.2%)	
TRUSCO Orange Book	Number of listed manufacturers	<b>1,948</b>	(+97 companies)	
	Number of items	<b>508,000</b>	(+37,000)	



Private Brand Products



TRUSCO Orange Book and TRUSCO Orange Book.Com



## Distribution

Number of distribution bases	<b>27</b>	Logistic centers <b>17</b>	Stock centers <b>10</b>
Floor areas of distribution centers in Japan	approx. <b>404,707</b> m <sup>2</sup>	Logistic centers approx. <b>352,604</b> m <sup>2</sup>	Branches with inventory approx. <b>52,102</b> m <sup>2</sup>
Inventory hit rate	(Ratio of products delivered from our company stock among our total number of orders.)	<b>91.3%</b>	(+0.3 pt)
TRUSCO delivery routes	Number of total delivery runs <b>278</b> vehicles (+8 vehicles)	Percentage of TRUSCO delivery runs <b>42.1%</b>	(+1.4 pt)
	Number of TRUSCO delivery routes <b>117</b> vehicles (+7 vehicles)		
Delivery lead time	<b>20 hrs. 06 min. 53 sec.</b>		
Number of packages delivered via direct delivery service	<b>2,836,392</b> units	(+1,173,239 units)	
Number of orders of direct delivery service	<b>3,396,286</b>	(+677,072)	
Inventory of materials to support recovery during a disaster	More than for <b>6</b> months	(normally 3 months)	



Planet Saitama Distribution Center



AutoStore (high-precision robot-based storage system)



## Digital Service

System order intake ratio	<b>85.3%</b>	(+1.4 pt)
Automated estimate ratio	<b>18.2%</b>	(+10.1 pt) (Started in January 2020)
Number of order receipts	<b>130,000</b> daily	<b>32.46</b> million per year
Number of estimates provided to customers	<b>30,000</b> daily	<b>8.23</b> million per year
Digital Expenditures (most recent three periods)	<b>\$46</b> million	



TRUSCO Data Center "Solemale"

## ESG

Number of shareholders	<b>14,406</b>	Number of attendees of the 58th Ordinary General Meeting of Shareholders <b>324</b>
	(As of the end of the 59th term)	Attendance rate for the 58th Ordinary General Meeting of Shareholders <b>2.0%</b>
Trusco power generation installations (Solar and wind power generation)	<b>19</b>	Power generation for 2021 <b>2,604,757</b> kWh
Renewable energy power self-sufficiency rate	<b>16.5%</b>	
Amount of CO <sub>2</sub> emissions	Scope1*1 <b>1,941.4</b> t-CO <sub>2</sub>	Scope2*2 <b>7,154.2</b> t-CO <sub>2</sub>
Corporate tax	<b>\$30</b> million	

\*1 Direct emissions from fuel used by the Company \*2 Indirect emissions resulting from energy supplied by another company

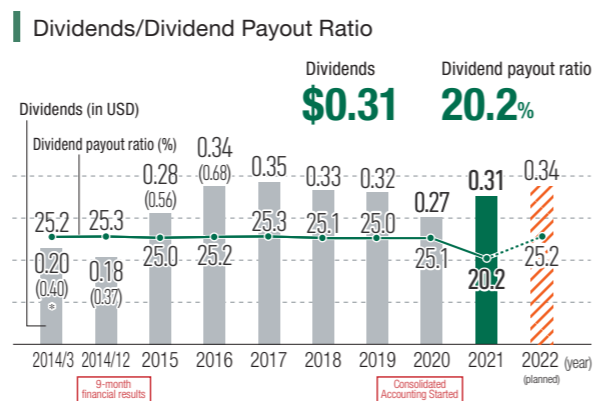
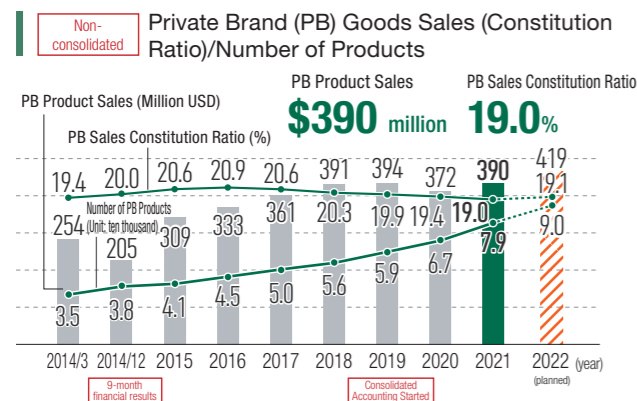
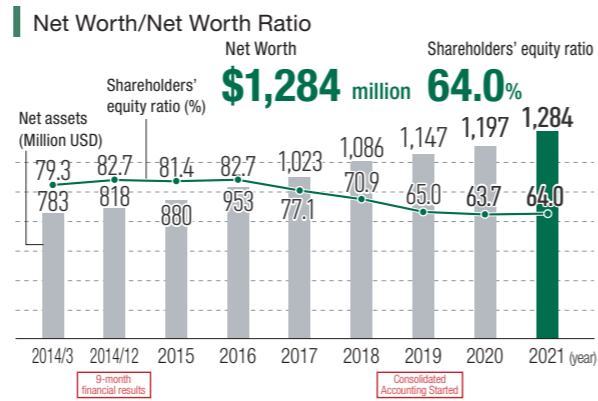
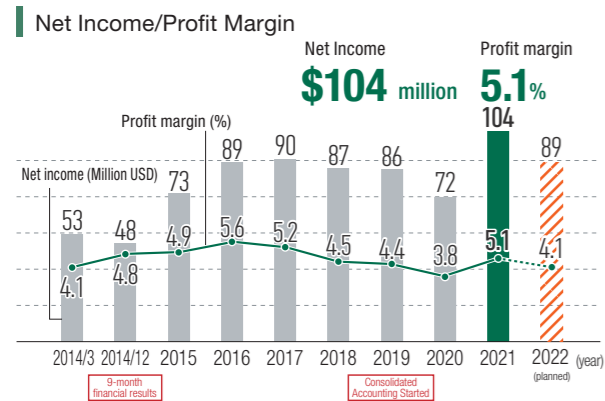
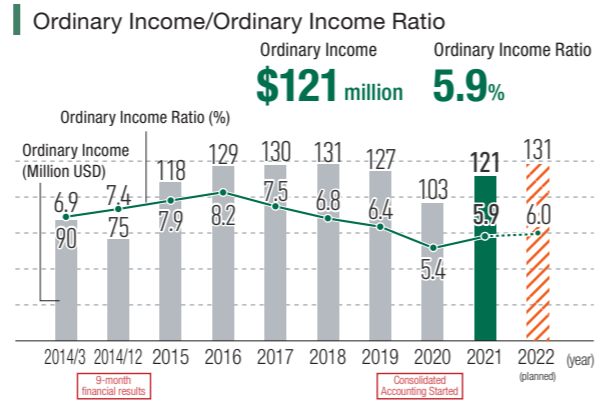
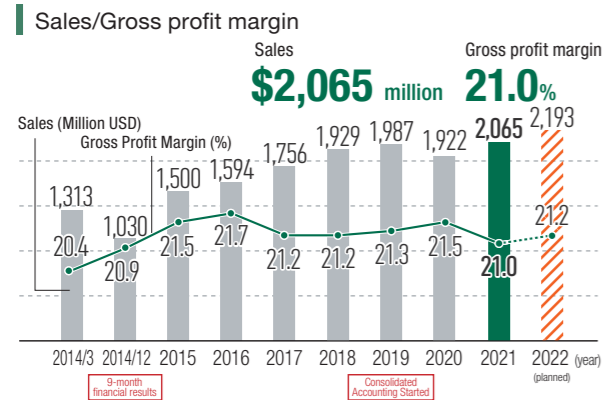


Solar power generation equipment at Planet South Kanto  
(Power Generation Capacity: 300 kW)  
(Number of Solar Panels: 1,190)

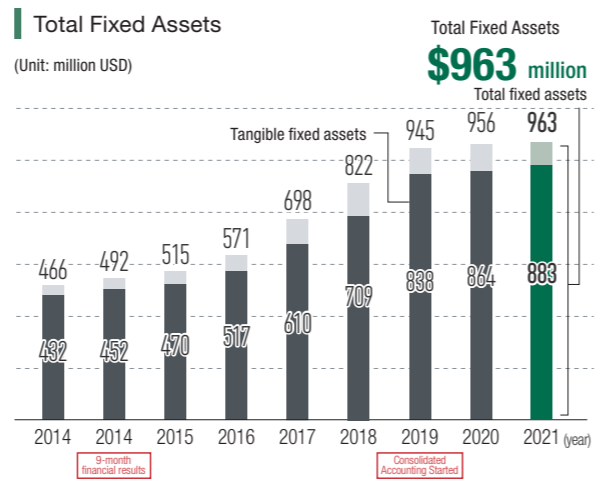
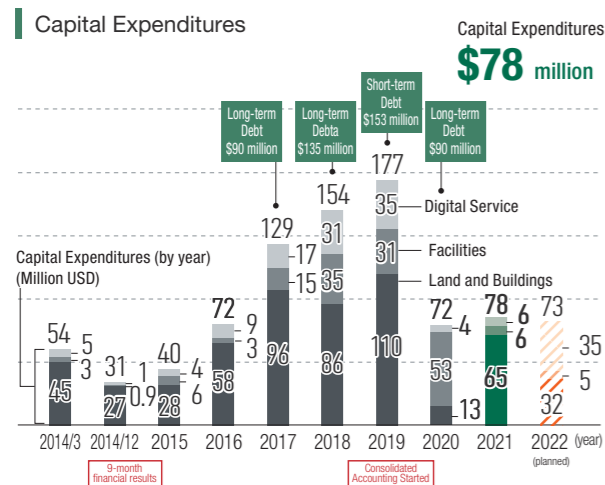


# Results Data (Operating Results Indicators) (as of December 31, 2021)

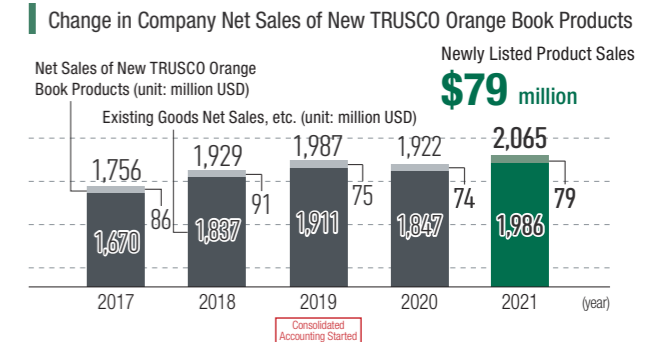
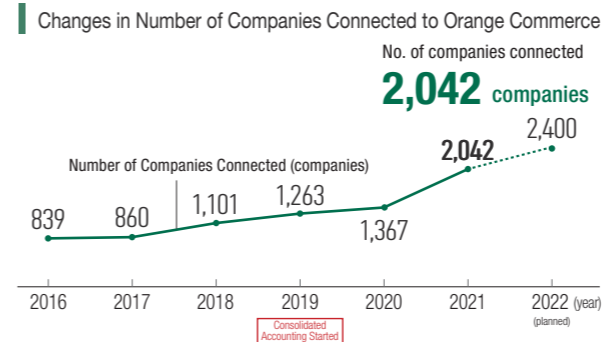
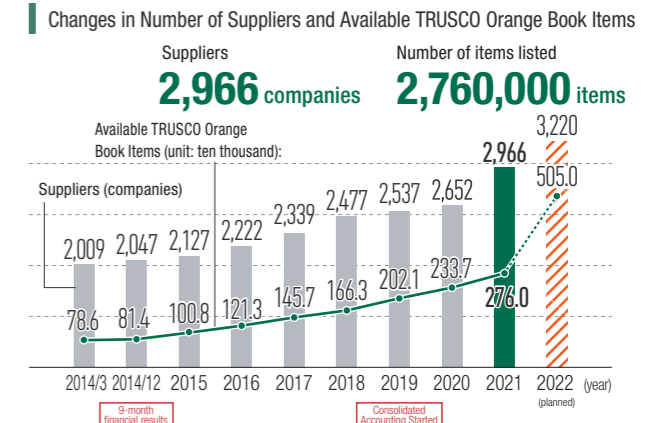
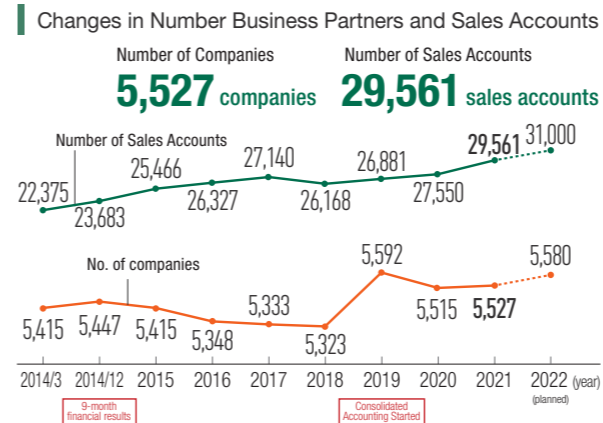
**Consolidated Accounting Started**: Figures based on consolidated business results due to the start of consolidated accounting in 2019.  
 \*The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. will be applied from the beginning of the 60th term, and the plan for the 60th term are the figures calculated after the application of the said accounting standard.



\*Dividends prior FY2016 were calculated based on number of shares after the stock split where one share was split into two shares on January 1, 2017. Figures in parenthesis denote the actual dividend amount paid.

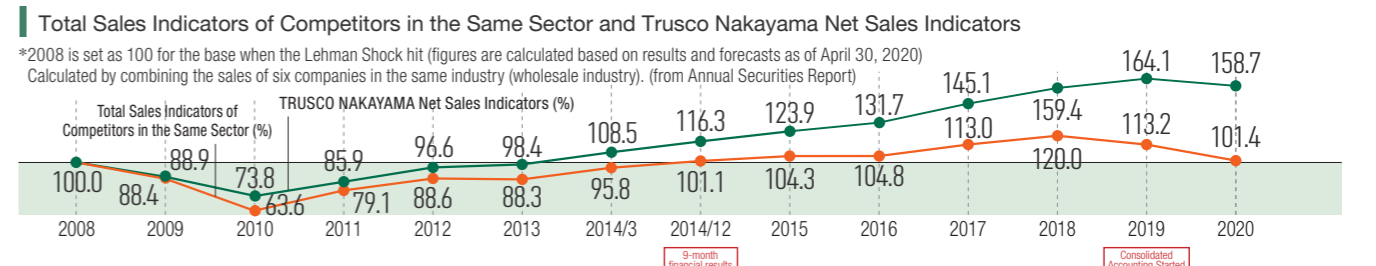
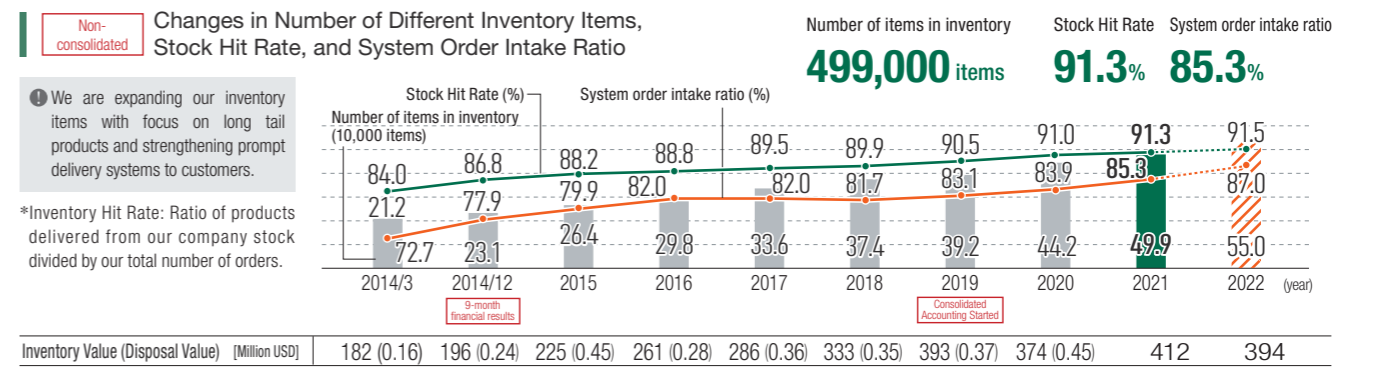


# Results Data (Sales Information) (as of December 31, 2021)

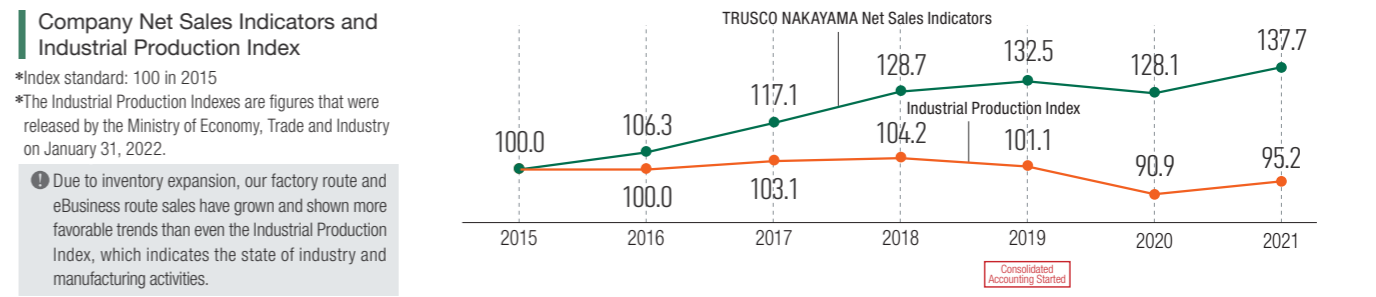


\*The method of counting the number of connected companies was changed in 2021.

① Approximately 4% of net sales are made up of net sales of products newly handled that year.



① Item and sales destination business expansion with small decline in sales distributes risk even in a bad economic environment and results in reliably increasing market share.





# Results Data (Operating Results Over the Past 10 Years)

		9-month financial results				Consolidated Accounting Started						
		50 <sup>th</sup> term	51 <sup>st</sup> term	52 <sup>nd</sup> term*	53 <sup>rd</sup> term	54 <sup>th</sup> term	55 <sup>th</sup> term	56 <sup>th</sup> term	57 <sup>th</sup> term	58 <sup>th</sup> term	59 <sup>th</sup> term	60 <sup>th</sup> term
Operating Results		2013/3	2014/3	2014/12	2015/12	2016/12	2017/12	2018/12	2019/12	2020/12	2021/12	2022/12 (planned)
Sales (Year on Year)	[Million USD] (%)	1,191 (+1.8)	1,314 (+10.3)	1,031 (+10.1)	1,500 (+6.5)	1,595 (+6.3)	1,757 (+10.2)	1,930 (+9.8)	1,988	1,922 (-3.3)	2,066 (+7.5)	2,193
Average Daily Sales (Year on Year) (Non-consolidated parent)	[Million USD] (%)	4.9 (+1.8)	5.4 (+10.3)	5.6 (+10.7)	6.2 (+6.5)	6.6 (+6.3)	7.2 (+8.8)	8.0 (+10.8)	8.4 (+5.0)	8.0 (-4.9)	8.5 (+6.9)	9.1
Gross Profit Margin (Year on Year)	[Million USD] (%)	241 (+1.1)	267 (+10.9)	216 (+13.3)	322 (+9.9)	345 (+7.3)	372 (+7.9)	409 (+9.9)	423	413 (-2.4)	434 (+5.2)	465
Gross profit margin	[%]	20.3	20.4	20.9	21.5	21.7	21.2	21.2	21.3	21.5	21.0	21.2
Selling, general and administrative expenses (Year on Year)	[Million USD] (%)	166 (+1.7)	176 (+6.2)	139 (+7.8)	205 (+10.0)	218 (+6.2)	244 (+12.0)	280 (+14.8)	299	314 (+5.0)	318 (+1.4)	337
Shipping expenses and packing costs (including fees for third-party delivery companies)	[Million USD]	25	28	23	33	36	42	50	55	56	61	65
Depreciation	[Million USD]	15	15	13	20	21	24	32	43	59	62	61
Salaries and bonuses (including bonus reserve inward/outward transfers)	[Million USD]	71	77	61	86	95	106	111	112	109	109	111
Selling and administration expense ratio	[%]	13.9	13.4	13.5	13.7	13.7	13.9	14.5	15.1	16.4	15.4	15.4
Operating income (Year on Year)	[Million USD] (%)	75 (-0.2)	91 (+21.3)	76 (+25.0)	116 (+9.7)	127 (+9.1)	128 (+0.8)	129 (+0.6)	124	99 (-20.1)	116 (+17.0)	128
Operating profit ratio	[%]	6.3	6.9	7.4	7.8	8.0	7.3	6.7	6.3	5.2	5.6	5.9
Ordinary income (Year on Year)	[Million USD] (%)	74 (-0.0)	90 (+21.3)	76 (+25.3)	119 (+12.0)	130 (+9.2)	131 (+1.0)	131 (+0.4)	127	104 (-18.6)	122 (+17.4)	131
Ordinary Income Ratio	[%]	6.3	6.9	7.4	7.9	8.2	7.5	6.8	6.4	5.4	5.9	6.0
Net income (Year on Year)	[Million USD] (%)	43 (+22.5)	53 (+23.6)	49 (+34.7)	74 (+11.9)	89 (+20.9)	91 (+2.1)	87 (-4.4)	86	72 (-16.7)	104 (+44.9)	89
Profit margin	[%]	3.6	4.1	4.8	4.9	5.6	5.2	4.5	4.4	3.8	5.1	4.1
Cash and deposits	[Million USD]	107	130	104	128	96	93	105	165	291	373	-
Merchandise	[Million USD]	182	182	196	225	261	286	333	393	374	384	394
Fixed assets	[Million USD]	432	467	492	515	571	698	823	945	957	964	-
Tangible fixed assets	[Million USD]	397	432	452	470	517	611	709	838	865	884	-
Intangible fixed assets	[Million USD]	17	18	16	15	19	30	53	77	62	48	-
Total assets	[Million USD]	901	988	990	1,082	1,153	1,327	1,533	1,766	1,881	2,009	-
Net Worth	[Million USD]	741	784	819	880	953	1,024	1,086	1,148	1,197	1,285	-
Shareholders' equity ratio	[%]	82.3	79.3	82.7	81.4	82.7	77.1	70.9	65.0	63.7	64.0	-

Note: The year-on-year change for the 52nd term was calculated by converting the 51st term into a nine-month period, and the year-on-year change for the 53rd term was calculated by converting the 52nd term into a 12-month period.

Cash Flow												
Cash flows from operating activities	[Million USD]	40	84	29	84	58	80	62	99	135	143	-
Corporate tax amount paid	[Million USD]	-35	-28	-39	-21	-52	-38	-36	-43	-38	-30	-
Cash flows from investing activities	[Million USD]	-47	-49	-39	-45	-70	-149	-163	-177	-78	-41	-
Cash flows from financing activities	[Million USD]	-10	-11	-15	-14	-20	66	112	131	69	-20	-
Dividend amount paid	[Million USD]	-10	-11	-15	-14	-20	-23	-22	-21	-20	-20	-
Net increase (decrease) in cash and cash equivalents	[Million USD]	-17	23	-25	24	-32	-2	11	52	126	82	-

Financial Indicators												
Return on assets (ROA)	[%]	8.4	9.6	7.7	11.5	11.6	10.6	9.2	7.2	5.7	6.3	-
Return on equity (ROE)*	[%]	6.0	7.0	6.2	8.7	9.8	9.3	8.3	7.5	6.1	8.4	-
Capital Expenditures	[Million USD]	46	55	31	40	73	129	154	178	72	79	73

\*ROE concept: TRUSCO NAKAYAMA does not employ short-term strategies to increase ROE. We aim to expand profit by providing investments to ongoing growth sectors to facilitate long-term and stable growth.

Information by Share												
Earnings per share (EPS)*	[USD]	0.65	0.81	0.74	1.12	1.36	1.38	1.32	1.31	1.09	1.58	-
Book-value per share (BPS)*	[USD]	11.23	11.88	12.41	13.35	14.45	15.53	16.48	17.41	18.16	19.49	-
Annual dividend	[USD]	0.33 (0.16)	0.40 (0.20)	0.37 (0.18)	0.56 (0.28)	0.68 (0.34)	0.35	0.33	0.32	0.27	0.31	0.34
Dividend payout ratio	[%]	25.3	25.2	25.3	25.0	25.2	25.3	25.1	25.0	25.1	20.2	25.2

\*The net income per share, net assets per share, and annual dividend amounts in parentheses before the 54th term were calculated based on the number of shares after the stock split for splitting one share into two shares on January 1, 2017.

Sales by Segment												
Factory Route	Sales (Year on Year) [Million USD] (%)	1,078 (+1.6)	1,192 (+10.5)	909 (+10.1)	1,257 (+5.3)	1,314 (+4.5)	1,418 (+8.1)	1,523 (+7.4)	1,531	1,412 (-7.8)	1,482 (+5.0)	1,547
e-Business Route	Sales (Year on Year) [Million USD] (%)	-	-	-	133 (+25.9)*1	167 (+24.9)	219 (+29.1)	276 (+26.1)	310	346 (+11.4)	402 (+16.3)	451
Home center route	Sales (Year on Year) [Million USD] (%)	98 (-1.2)	104 (+5.1)	78 (+0.2)	103 (-2.2)	108 (+4.8)	111 (+3.2)	121 (+8.6)	132	153 (+15.6)	165 (+8.1)	175
Overseas Route	Sales (Year on Year) [Million USD] (%)	13 (+70.5)	17 (+26.6)	43 (+35.2)	6 (+82.5)	5 (-15.2)	8 (+59.5)	8 (+5.3)	12*2	11 (-14.5)	15 (+37.9)	19

\*1 e-Business Route added as a result of expanding sales since the 53rd period.

\*2 Overseas Route established and business results of overseas subsidiaries included in figures due to the start of consolidated accounting in the 57th period.



# Results Data (Employee and Stock Information) (as of December 31, 2021)

		2013/3	2014/3	2014/12	2015/12	2016/12	2017/12	2018/12	2019/12	2020/12	2021/12
<b>Average Age/Salary of Staff by Course</b>											
<b>Employees*1</b> (persons)	<b>Total</b>	1,785	1,905	1,980	2,143	2,293	2,571	2,727	2,796	2,786	2,906
	Officers	9	8	8	7	9	8	8	12	12	10
	Full-time Staff	1,179	1,219	1,280	1,349	1,424	1,514	1,608	1,656	1,674	1,632
	Part-time employees	597	678	692	787	860	1,049	1,111	1,128	1,100	1,264
	Female staff ratio	26.7	28.6	29.1	29.9	32.7	33.7	34.6	35.3	35.2	35.0
<b>Average Age*1</b> (Years of Age)	<b>Staff Average</b>	39.6	39.7	39.4	39.6	39.3	38.6	38.2	38.2	38.4	39.6
	Career course	35.5	35.3	34.6	34.1	33.5	33.7	33.3	33.1	33.5	34.2
	Area course	40.8	41.1	41.6	42.3	43.2	43.6	43.7	44.0	44.0	37.8
	Specialist course	33.2	33.5	34.7	36.5	36.1	36.1	36.4	37.0	37.2	44.4
	Support course	-	34.4	34.6	37.3	37.9	38.1	39.5	39.6	40.6	41.2
Logistics course	45.7	45.8	44.0	42.7	40.2	37.9	36.8	37.2	37.1	37.8	
<b>Average Salary</b> (thousand USD) The average salary including financial bonds*2 is shown in the parentheses.	<b>Staff Average*3</b>	54.4 (57.3)	54.6 (57.6)	57.7 (60.6)	59.4 (61.6)	60.7 (63.8)	64.4 (67.6)	63.1 (66.5)	59.0 (62.3)	55.7 (59.0)	55.4 (58.8)
	Managers including branch managers, center managers, and Head Office section managers	78.3 (83.4)	79.0 (84.1)	84.2 (89.5)	89.5 (93.6)	95.8 (101.6)	103.8 (110.1)	103.6 (110.5)	102.3 (109.9)	101.6 (109.0)	100.6 (108.1)
	Department general managers and division general managers (does not include officers)	113.6 (123.6)	126.1 (135.3)	124.8 (135.5)	132.4 (141.3)	147.5 (158.9)	156.2 (167.7)	156.1 (169.0)	134.9 (146.0)	130.2 (141.6)	131.3 (142.9)
	Career course	61.8 (65.4)	61.8 (65.4)	64.5 (68.1)	65.4 (68.1)	68.1 (71.8)	72.5 (76.3)	72.4 (76.5)	68.2 (72.4)	64.9 (69.1)	65.2 (69.5)
	Area course	50.9 (53.6)	51.3 (54.8)	55.1 (57.8)	56.7 (58.9)	58.6 (61.8)	62.7 (65.8)	61.2 (64.5)	57.8 (61.2)	54.1 (57.4)	53.6 (57.0)
	Specialist course	50.8 (53.1)	51.5 (53.9)	56.3 (58.8)	61.9 (64.1)	66.3 (69.6)	68.2 (71.8)	68.5 (72.4)	64.4 (68.1)	61.2 (65.1)	62.9 (67.2)
	Support course	-	39.7 (41.8)	42.7 (44.6)	43.8 (45.4)	44.3 (46.6)	45.2 (47.4)	46.4 (48.8)	42.5 (45.1)	40.5 (42.8)	40.6 (43.1)
	Logistics course	41.7 (42.9)	41.4 (42.6)	43.8 (45.1)	48.1 (49.0)	46.7 (48.4)	48.7 (50.4)	46.8 (48.5)	44.3 (46.1)	41.5 (43.3)	41.0 (42.8)

\*1 Changed to consolidated employee count from 2019 \*2 TRUSCO NAKAYAMA has a payment policy that provides severance as annual financial bonds rather than a single payment upon resignation.

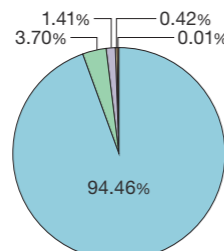
\*3 Staff averages include the executive officer.

	(persons)	2013/3	2014/3	2014/12	2015/12	2016/12	2017/12	2018/12	2019/12	2020/12	2021/12
<b>Number of Employees with Disabilities</b> (statutory employment rate based hires)		26 (37)	43 (29)	48 (32)	54 (43)	61 (38)	67 (43)	67 (48)	66 (51)	66 (50)	67 (55)
<b>Employee Rate of Persons with Disabilities</b>	[%]	2.1	2.3	3.3	3.2	3.2	3.1	2.9	2.9	2.9	2.82

## Status of Stock -As of December 31, 2021-

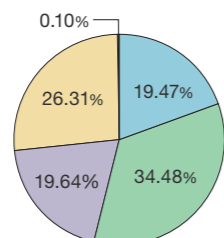
### Shareholder Composition

Individuals, etc.	13,608	94.46%
Japanese corporations	533	3.70%
Foreign corporations, etc.	203	1.41%
Financial firms/stock brokerages	61	0.42%
Treasury stock	1	0.01%
<b>Total</b>	<b>14,406</b>	

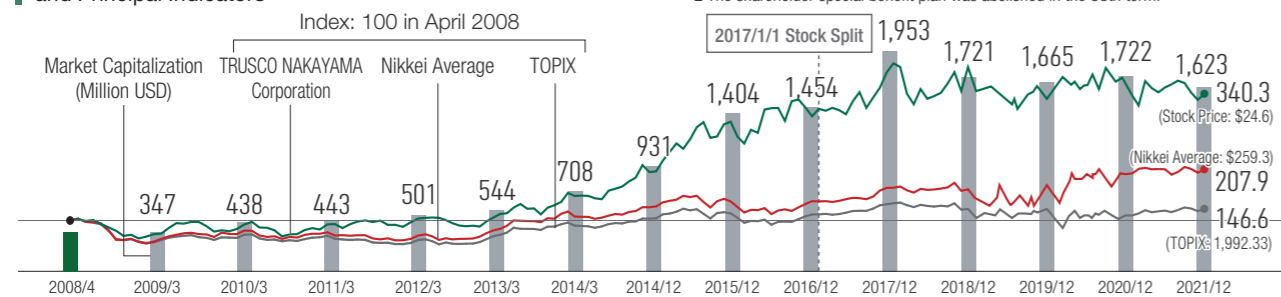


### Number of Shares Issued

Individuals, etc.	12,852,467	19.47%
Japanese corporations	22,757,978	34.48%
Foreign corporations, etc.	12,963,593	19.64%
Financial firms/stock brokerages	17,368,599	26.31%
Treasury stock	66,107	0.10%
<b>Total</b>	<b>66,008,744</b>	

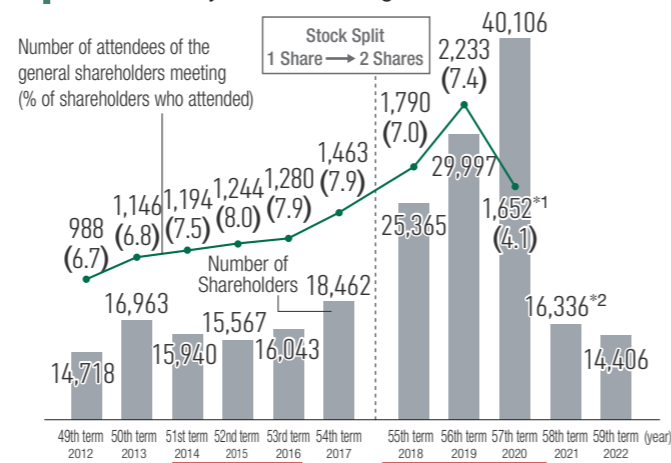


### Comparison of TRUSCO NAKAYAMA Market Capitalization and Principal Indicators



Note: The company's share price is based on the assumption that a stock split was conducted before the fiscal year ended December 2016. (Index: 100 in April 2008)

### Changes in Number of shareholders and attendance rate for the Ordinary General Meeting of Shareholders



\*1 The number of attendees at the Ordinary General Meeting of Shareholders for the 57th term decreased due to the Covid-19 pandemic.  
\*2 The shareholder special benefit plan was abolished in the 58th term.

### No. of New Employees and Retirees

		As of December 31, 2016	As of December 31, 2017	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020	As of December 31, 2021
<b>Full-time staff</b>	Women	465	510	557	585	589	571
	Men	959	1,004	1,051	1,071	1,085	1,061
	<b>Total</b>	<b>1,424</b>	<b>1,514</b>	<b>1,608</b>	<b>1,656</b>	<b>1,674</b>	<b>1,632</b>
<b>New employees</b>	Women	77	59	63	52	41	26
	Men	33	67	72	57	46	25
	<b>Total</b>	<b>110</b>	<b>126</b>	<b>135</b>	<b>109</b>	<b>87</b>	<b>51</b>
<b>Number of New Graduates Hired</b>	Women	66	46	58	46	37	22
	Men	31	37	60	50	42	21
	<b>Total</b>	<b>97</b>	<b>83</b>	<b>118</b>	<b>96</b>	<b>79</b>	<b>43</b>
<b>Retirees</b>	Women	20	18	20	42	37	45
	Men	18	18	26	44	33	45
	<b>Total</b>	<b>38</b>	<b>36</b>	<b>46</b>	<b>86</b>	<b>70</b>	<b>90</b>
<b>Turnover rate (%)</b>	Women	4.1	3.4	3.5	6.7	5.9	7.3
	Men	1.8	1.8	2.4	3.9	3.0	4.1
	<b>Total</b>	<b>2.6</b>	<b>2.3</b>	<b>2.8</b>	<b>4.9</b>	<b>4.0</b>	<b>5.2</b>

Note: Includes overseas employees on loan since 2018.

### Some of the Main Reasons for Resignation in 2021

- To start a business as an architect/building contractor (early retirement)
- To study in order to start a business independently
- To enter graduate school for accounting
- To take over the family business (tax accountant)
- Due to expiration of employment extension
- To work abroad after studying abroad
- To take on challenges as a freelancer
- To concentrate on childcare (Welcome Back Program\*)
- To start a business in agriculture (early retirement)

\*This program is for the re-employment of staff who had to resign to raise a child, take care of a sick family member, undergo infertility treatments, or to accompany their spouse overseas due to a work appointment within ten years of their resignation.



# Corporate History “GAMBARE!! JAPANESE MONODZUKURI”

<b>1959</b>	1959 ● Company founded by Chuji Nakayama on May 15, 1959 as Nakayama Kiko Shokai, which was a machine tool wholesale business in Tennoji-ku, Osaka.	
<b>1960s</b>	1962 ● Nagoya Sales Office (Atsuta-ku, Nagoya) opened 1964 ● March 2 Established Nakayama Kiko Co., Ltd. (Higashi-ku, Osaka, Current Chuo-ku) ● Tokyo office (Minato-ku, Tokyo) opened ● Nakayama Business Bulletin, the industry's first comprehensive catalog, is published ● Sales of our first private brand product "Komyotan" started 1968 ● Steel center opened	
<b>1970s</b>	1971 ● Head office moved to the Higashiosaka Machinery and Wholesale Complex in Osaka Prefecture ● Nakayama Filing Co., Ltd. established	1975 ● First online system "FACOM230-15" operation
<b>1980s</b>	1981 ● Started sales to the home center industry 1982 ● Started training for new employees (Shigisan, Nara Prefecture)	1987 ● Merger with Nakayama Filing Co., Ltd. (Surviving company is Nakayama Kiko Co., Ltd.) 1989 ● Store registration/Public offering of stocks
<b>1990s</b>	1991 ● New computer system "N-STEP" goes into operation 1992 ● CI "B-E-Plan 21 Corporate Evolution Activities" start ● Shareholder benefit plan introduction ● Changed the company name from Nakayama Kiko Co., Ltd. to Trusco Nakayama Corporation 1994 ● Opened our first distribution center Planet Kyushu ● Listed on the 2nd Section of the OSE ● Tetsuya Nakayama assumed the position of Representative Director and President	1995 ● "GAMBARE!! JAPANESE MONODZUKURI" company message start ● Listed on the 2nd Section of the TSE 1996 ● Listed on the 1st Section of the TSE and OSE 1997 ● Established the Nakayama visually impaired welfare foundation ● Net sales exceed \$900 million
<b>2000s</b>	2000 ● Fax machine-assisted automatic order entry system "DOTKUL" begins operations ● Name of the company's comprehensive catalog changed from "Nakayama Business Bulletin" to "Orange Book" 2001 ● Activities for eliminating draft transactions started ● Relief health care system started ● Started Half-day full-time employee system (formerly "Relaxed work hour reduction program") ● Promotion OJS system started (OJS: Open Judging System)	2002 ● Goods receipt abolition ● Two head office system started with the Tokyo Head Office in Minato-ku, Tokyo established ● Internet order receiving system "Web TRUSCO" launched into operation ● Started digital broadcast of the Ordinary General Meeting of Shareholders held in Osaka and Tokyo 2003 ● Personnel evaluation OJS system started ● Financial bond (annual payment for severance) introduction ● Private Brand (PB) names unified under the name of TRUSCO ● Moved away from home appliances and lifestyle products to specialize in PRO TOOLS



Chuji Nakayama at time of establishment (1959)



The year of the company's founding, President Tetsuya Nakayama (3 years old at the time) is in the center of the photo (1959)



Head office moved to Higashiosaka City (1971)



Newspaper articles about the company's public offering (1989)



Tetsuya Nakayama assumes position of President (1994)



Name of the company's comprehensive catalog changed to "Orange Book" (2000)



Launched first private brand product catalog "Nakayama Business Bulletin" (1964)



Nakayama Filing Co., Ltd. established (1971)



New computer system, N-STEP, is launched into operation (1991)



Corporate messages are started (1995)



Tokyo Head Office is established (2002)



Sales of our first private brand product "Komyotan" started (1964)



Introduced the small computer ACOM230-15 at the company (1975)



Opened the first Logistics Center Planet Kyushu (1994)



TRUSCO stock listed in First Sections of the Tokyo Stock Exchange (1996)



New Year's Message from President Nakayama (2003)

This slogan has always evolved by predicting the trends of the times and social changes. We continue to develop business that plays a role in helping with the development of Japanese manufacturing, "Monozukuri," through supply of PRO TOOLS.

<b>2000s</b>	2004 ● Internal company salesman "Orange Doctor" qualification exam started ● Osaka Head Office moved from Higashiosaka, Osaka to Nishi-ku, Osaka	2007 ● General Meeting of Shareholders held at 2 venues in Osaka and Tokyo simultaneously ● Electronic purchasing system "Orange Commerce" operation
<b>2010s</b>	2005 ● ISO14001 acquired for all Japanese domestic business sites ● Started a desired relocation/Lovebirds Transfer Program ● Total abolition of all draft exchanges 2006 ● Product search site "orange-book.com" launched into operation ● Core system "Paradise" operation ● Boss challenge course (responsible person appointment system) started	2008 ● Acquired the "KURUMIN" certification mark for next-generation training ● Inventory management system "ZAICON" operation 2009 ● 50th anniversary of company foundation ● "TRUSCO RESETPLAN" implementation to deal with the economic downturn precipitated by the Lehman Brothers bankruptcy
<b>2020s</b>	2010 ● TRUSCO Shonan Ohashi Bridge naming rights acquired ● Grouping of logistic centers and setting up of core centers ● Subsidiary TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED is established Formerly "Protool Nakayama (Thailand)" 2012 ● New logistics system "TRULOGIS" launched into operation ● Officer, executive officer, director OJS system started 2013 ● Sales activity support system: "Self.I" launched into operation ● E-commerce Sales Division and Overseas Division are established 2014 ● Welcome back system started ● Established e-Business Sales Division (formerly "e-commerce Sales Division") ● 55th anniversary of company foundation ● Started President OJS at General Meeting of Shareholders ● Fiscal year changed to end in December rather than March. ● Tokyo Head Office registered as company head office ● Relocation of Tokyo Head Office (Shimbashi, Minato-ku, Tokyo) ● Subsidiary PT.TRUSCO NAKAYAMA INDONESIA establishment 2015 ● Part-timer OJS system started ● Asunaro subsidy system started ● Established Germany Representative Office (Düsseldorf)	2016 ● Rating upgraded to "A" with issue size through the Rating and Investment (R&I) Information Co., Ltd. ● TRUSCO new social work grant system started 2017 ● "Best IR Award for Encouragement" recipient ● Established Orange Book AI Section ● "TRUSCO Shirarezaru Gulliver" broadcast started ● Distribution Department new establishment ● Product database: "Sterra" is launched into operation ● Health management superior corporation 2017 (White 500) certified 2018 ● Net sales exceed \$1,801 million ● Received Porter Prize ● Redesign of TRUSCO Orange Book.Com ● Planet Saitama starts operations ● Health management superior corporation 2018 (White 500) certified 2019 ● Consolidated accounting started ● 60th anniversary of company foundation ● Health management superior corporation 2019 (White 500) certified ● Established Trusco Nakayama Health Insurance Association ● Established Information Systems Department 2021 ● Two employees received the IBM Women Leaders in AI 2021 award ● Selected as a DX Stocks 2021 ● Announced industry-academia collaboration and capital and business alliances at a press conference ● Conforms to new market segment called "Prime Market" ● Received the Information Technology Award



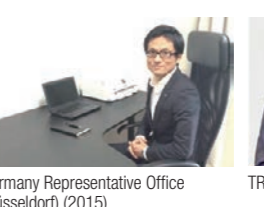
Final note payable (August 2003)



Final note receivable (December 2005)



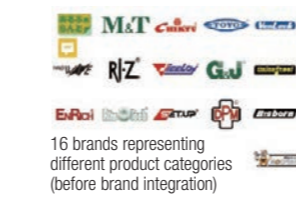
TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED building (2016)



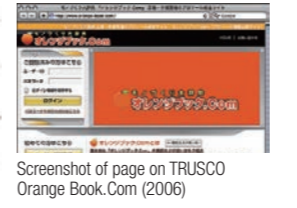
Germany Representative Office (Düsseldorf) (2015)



TRUSCO receives Porter Prize (2018)



16 brands representing different product categories (before brand integration)



Screenshot of page on TRUSCO Orange Book.Com (2006)



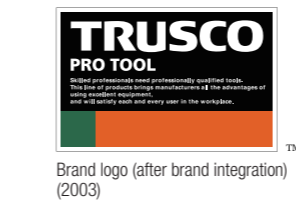
Relocation of Tokyo Head Office (2014)



TV program broadcasting starts (2017)



Established Trusco Nakayama Health Insurance Association (2019)



Brand logo (after brand integration) (2003)



TRUSCO data center (2006)



PT. TRUSCO NAKAYAMA INDONESIA building (2019)



Planet Saitama (2018)



Planet South Kanto (2020)