

Trusco Nakayama Corporation
Financial Statements

Consolidated Balance Sheet
December 31, 2021

ASSETS	Millions of Yen		Thousands of U.S. Dollars*	LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars*
	2021	2020	2021		2021	2020	2021
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents	¥ 41,469	¥ 32,384	\$ 360,540	Accounts payable - trade	¥ 16,527	¥ 15,616	\$ 143,684
Accounts receivable - trade	28,962	25,705	251,803	Short-term loans borrowings	17,000	17,000	147,800
Electronically-recorded monetary claims	2,133	1,851	18,542	Other payables	3,828	3,454	33,280
Merchandise	42,628	41,543	370,613	Income taxes payable	2,898	1,708	25,197
Other current assets	815	1,100	7,085	Provision for bonuses	17	16	151
Allowance for doubtful accounts	(1)	(0)	(9)	Other current liabilities	2,160	416	18,784
Total current assets	116,006	102,583	1,008,574	Total current liabilities	42,430	38,210	368,896
PROPERTY, PLANT AND EQUIPMENT:				LONG-TERM LIABILITIES:			
Land	37,896	32,568	329,469	Long-term loans borrowings	35,000	35,000	304,295
Buildings and structures	75,660	72,158	657,803	Deposits received for guarantees	2,726	2,531	23,702
Machinery, equipment and vehicles	14,058	13,617	122,224	Retirement allowances for directors and the Audit and Supervisory board members	151	151	1,316
Furniture and fixtures	6,136	5,952	53,343	Other long-term liabilities	95	2	820
Construction in progress	226	3,008	1,970	Total long-term liabilities	37,972	37,684	330,133
Total	133,976	127,303	1,164,809				
Accumulated depreciation	(35,782)	(31,226)	(311,095)	EQUITY :			
Net property, plant and equipment	98,194	96,077	853,714	Common stock	5,022	5,022	43,665
INVESTMENTS AND OTHER ASSETS:				Capital surplus	4,711	4,711	40,961
Investment securities	2,967	1,850	25,796	Retained earnings	132,823	123,465	1,154,781
Software and software in progress	5,395	6,882	46,904	Unrealized gain on available-for-sale securities	679	598	5,902
Deferred tax assets	34	920	296	Land revaluation difference	(354)	(358)	(3,072)
Deferred tax assets on land revaluation	156	158	1,355	Foreign currency translation adjustment	(133)	(402)	(1,158)
Other assets	330	391	2,871	Treasury stock	(78)	(76)	(686)
Allowance for doubtful accounts	(10)	(7)	(88)	Total equity	142,670	132,960	1,240,393
Total investments and other assets	8,872	10,194	77,134	TOTAL	¥ 223,072	¥ 208,854	\$ 1,939,422
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* The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥115.02 to \$1, the approximate rate of exchange at December 31, 2021.

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Consolidated Statement of Income
Year Ended December 31, 2021

	Millions of Yen		Thousands of U.S. Dollars*
	2021	2020	2021
NET SALES	¥ 229,342	¥ 213,405	\$ 1,993,934
COST OF GOODS SOLD	181,067	167,495	1,574,220
Gross profit	48,275	45,910	419,714
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	35,383	34,892	307,631
Operating income	12,892	11,018	112,083
OTHER INCOME (EXPENSES) :			
Interest and dividend income	42	37	365
Interest expenses	(88)	(85)	(767)
Purchase discounts	1,886	1,735	16,400
Sales discounts	(1,763)	(1,697)	(15,328)
Gain on sales of non-current assets	3,466		30,135
Compensation loss on eviction	(50)		(435)
Other - net	604	552	5,250
Other income - net	4,097	542	35,620
INCOME BEFORE INCOME TAXES	16,989	11,560	147,703
INCOME TAXES :			
Current	4,533	3,596	39,409
Deferred	852	(43)	7,408
Total income taxes	5,385	3,553	46,817
NET INCOME	¥ 11,604	¥ 8,007	\$ 100,886
NET INCOME ATTRIBUTABLE TO OWNERS OF PARENT	¥ 11,604	¥ 8,007	\$ 100,886
	Yen		U.S. Dollars*
PER SHARE OF COMMON STOCK :			
Basic net income	¥ 175.97	¥ 121.43	\$ 1.53
Cash dividends applicable to the year	35.50	30.50	0.31

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Consolidated Statement of Changes in Equity
Year Ended December 31, 2021

	Thousands of Shares Outstanding Number of Shares of Common Stock	Millions of Yen							
		Shareholders' Equity				Accumulated Other Comprehensive Income			Total Equity
		Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustment	
BALANCE, JANUARY 1, 2020	65,944	¥ 5,022	¥ 4,711	¥ 117,733	¥ (75)	¥ 569	¥ (358)	¥ (124)	¥ 127,478
Net income				8,007					8,007
Cash dividends, ¥34.5 per share				(2,275)					(2,275)
Purchase of treasury stock	(1)				(1)				(1)
Disposal of treasury stock	0		0		0				0
Other									
Net change in the year						29		(278)	(249)
BALANCE, DECEMBER 31, 2020	65,943	¥ 5,022	¥ 4,711	¥ 123,465	¥ (76)	¥ 598	¥ (358)	¥ (402)	¥ 132,960
Net income				11,604					11,604
Cash dividends, ¥34.0 per share				(2,242)					(2,242)
Purchase of treasury stock	(1)				(2)				(2)
Disposal of treasury stock	0		0		0				0
Other				(4)					(4)
Net change in the year						81	4	269	354
BALANCE, DECEMBER 31, 2021	65,942	¥ 5,022	¥ 4,711	¥ 132,823	¥ (78)	¥ 679	¥ (354)	¥ (133)	¥ 142,670

	Thousands of U.S. Dollars*							
	Shareholders' Equity				Accumulated Other Comprehensive Income			Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustment	
BALANCE, DECEMBER 31, 2020	\$ 43,665	\$ 40,960	\$ 1,073,424	\$ (672)	\$ 5,198	\$ (3,108)	\$ (3,493)	\$ 1,155,974
Net income			100,886					100,886
Cash dividends, \$0.29 per share			(19,493)					(19,493)
Purchase of treasury stock				(15)				(15)
Disposal of treasury stock		1		1				2
Other			(36)					(36)
Net change in the year					704	36	2,335	3,075
BALANCE, DECEMBER 31, 2021	\$ 43,665	\$ 40,961	\$ 1,154,781	\$ (686)	\$ 5,902	\$ (3,072)	\$ (1,158)	\$ 1,240,393

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Consolidated Statement of Cash Flows
Year Ended December 31, 2021

	Millions of Yen		Thousands of U.S. Dollars*
	2021	2020	2021
OPERATING ACTIVITIES:			
Income before income taxes	¥ 16,989	¥ 11,560	\$ 147,703
Adjustments for:			
Depreciation and amortization	6,958	6,588	60,493
Increase(Decrease) in allowance for doubtful accounts	4	(0)	32
Gain on sales and disposals of property, plant and equipment	(3,466)		(30,135)
Compensation loss on eviction	50		435
Changes in assets and liabilities:			
Decrease(Increase) in accounts receivable	(3,540)	487	(30,780)
Decrease(Increase) in merchandise	(1,037)	2,049	(9,015)
Increase(Decrease) in accounts payable	909	(87)	7,907
Increase(Decrease) in accrued consumption taxes	2,071	(1,650)	18,009
Other - net	431	417	3,748
Income taxes paid	(3,392)	(4,296)	(29,492)
Compensation loss on eviction paid	(50)		(435)
Net cash provided by operating activities	<u>15,927</u>	<u>15,068</u>	<u>138,470</u>
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(7,876)	(8,053)	(68,471)
Proceeds from sales of property, plants and equipment	4,947		43,009
Purchase of intangible assets	(721)	(818)	(6,264)
Purchase of investment securities	(1,000)		(8,694)
Other - net	53	128	456
Net cash used in investing activities	<u>(4,597)</u>	<u>(8,743)</u>	<u>(39,964)</u>
FINANCING ACTIVITIES:			
Proceeds from long-term loans payable		10,000	
Repurchase of treasury stocks	(1)		(14)
Proceeds from sales of treasury stocks	0		2
Dividends paid	(2,242)	(2,275)	(19,489)
Other - net		(2)	
Net cash used in financing activities	<u>(2,243)</u>	<u>7,723</u>	<u>(19,501)</u>
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS			
	<u>19</u>	<u>(34)</u>	<u>161</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>9,106</u>	<u>14,014</u>	<u>79,166</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>32,344</u>	<u>18,330</u>	<u>281,205</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>¥ 41,450</u>	<u>¥ 32,344</u>	<u>\$ 360,371</u>

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