

TRUSCO®

Securities
code
9830



**Date
and
time**

March 27 (Friday), 2026
at 10 a.m.
(Doors open at 9:00 a.m.)

Venue

Fuyo Room, Banquet Floor,
the Main Building,
Hotel New Otani Tokyo
4-1 Kioi-cho, Chiyoda-ku, Tokyo

**Matters
to be
resolved**

Proposal:
Election of Six (6) Directors

63rd Annual Shareholders' Meeting

From January 1, 2025 to December 31, 2025

Convocation Notice

Pre-registration is required for this Shareholders' Meeting.
If you would like to attend the meeting at the meeting venue, please see p4.

**Time Limit
for voting**

5:30 p.m., March 26 (Thu.)



Distribution Center Planet Aichi

1-1 Shirayumi, Okimura, Kita-Nagoya, Aichi

- Completion: February 2025
- Operation start: May 2026(planned)
- Inventory capacity: Over 1 million items
- Site area: 41,634m²
- Total floor area: 89,162m²
- Shipping capacity: 100 billion yen/year

Distribution Center HC East Japan Distribution Center

431-2 Matsushishimotei, Fukujima-shinden
Sanjo, Niigata

- Completion: April 2026
- Operation start: August 2026(planned)
- Site area: 26,300m²
- Total floor area: 48,338m²

Construction progress (Photo taken in February 2026)



Distribution Center Planet Nagano

1452-5 Nagasawa, Inoue, Suzaka, Nagano

- Completion: 2029(planned)
- Site area: 26,679m²
- Total floor area: 20,350m²(planned)

Conceptual drawing

GAMBARE!! JAPANESE MONODZUKURI

(Securities code: 9830)
March 3, 2026
4-28-1 Shimbashi, Minato-ku, Tokyo
TRUSCO NAKAYAMA Corporation
Tetsuya Nakayama, President

中山哲也



I would first like to express my gratitude for your continued support. TRUSCO NAKAYAMA has put forth effort to improve convenience for our customers by continuing capital investment in distribution facilities and equipment and digitalization, as well as through expanding inventories in order to meet the needs of Monodzukuri sites for a wide variety of items produced in small lots and ordered frequently.

The key phrase for this year is “Let’s put our flash of inspiration into words.”

We will turn flashes of inspiration that emerge from trial and error in solving challenges into action, guided by our policy that “Business must serve people and society.” We will continue to work to be a company needed by our customers and markets.

TRUSCO GAMBARE Poster

The poster features products, equipment, buildings, and other subjects representative of Japanese Monodzukuri, conveying our Company’s commitment to supporting people working in Japan’s manufacturing industry and Japanese Monodzukuri site.

Japan-made surgical assistance robot hinotori™ Surgical Robot System

The surgical assistance robot hinotori™ was invented by Mediaroid Corporation, a joint venture between Kawasaki Heavy Industries, Ltd. (KHI) and Sismex Corporation, as the culmination of KHI’s robotics technology and Sismex’s medical expertise. Designed to suit the smaller stature of Japanese users, it is expected to be capable of high-precision treatment and reduce patient burdens. At present, hinotori™ is undergoing demonstration experiments toward the practical application of remote robotic surgery.



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Reference Materials

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Information Regarding Convocation of Shareholders' Meeting

1 Date and Time March 27 (Fri.), 2026 at 10:00 a.m. (Doors open at 9:00 a.m.)

*Attendance at the venue is limited to 300 applicants and requires pre-registration.
*If the number of applicants exceeds the capacity, there will be a draw.

2 Place Fuyo Room, Banquet Floor, the Main Building, Hotel New Otani Tokyo
4-1 Kioi-cho, Chiyoda-ku, Tokyo

3 Matters Constituting the Purpose of the Meeting

Matters to be reported — Reports on the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, and the results of the audit of the Consolidated Financial Statements and Non-consolidated Financial Statements by the accounting auditor and the Board of Auditors for the 63rd Period (from January 1, 2025 to December 31, 2025)

Matters to be resolved — Proposal: Election of Six (6) Directors

4 Guide to the Exercise of Voting Rights ▶ Please refer to “Step 1 Exercise your voting rights” on p4

Notice is hereby given that the 63rd Annual Shareholders' Meeting of TRUSCO NAKAYAMA (“the Company”) will be held as described below. The Company provides information electronically concerning this shareholders' meeting. Pursuant to the provision of Article 325-3 of the Companies Act, matters subject to electronic provision are presented on the internet. Please access the URL below to check the information.

Websites for electronic provision of information

[Special website for Annual Shareholders' Meeting] <https://www.trusco.co.jp/en/ir/meeting/>

[Tokyo Stock Exchange (TSE) website]

[https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show\(in Japanese\)](https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show(in Japanese))

* On the TSE website, enter or search for the issue name (company name) or securities code (9830), then select “Basic Information” and “Documents for Public Inspection/PR Information” in that order.

You may exercise your voting right in advance either in writing or via the internet. Details of the Proposals are provided in Reference Materials of the Convocation Notice for the 63rd Annual Shareholders' Meeting. After examining the materials, please return the enclosed Voting Form indicating your vote “For” or “Against” each of the proposals or access the Company's website for voting, which is indicated on the Voting Form, and exercise your voting rights via the internet by 5:30 p.m., Thursday, March 26, 2026.



Special website for
Annual Shareholders'
Meeting



TSE website

List of Candidates (Proposal)

Proposal No.	Candidate No.	Name (Age)	Current status and responsibilities at the Company	Attendance at Board of Directors' meeting	No. of Company shares held
1	1	Tetsuya Nakayama (67) Re-appointment Internal	Representative Director and President	100% (11/11)	61,600
1	2	Kazuo Nakai (56) Re-appointment Internal	Director & General Manager of Product Department	100% (11/11)	10,200
1	3	Atsushi Kazumi (55) Re-appointment Internal	Director & General Manager of Business Management Department, General Manager of Digital Strategy Department, General Manager of Orange Book Department	100% (11/11)	10,000
1	4	Tatsuya Nakayama (40) Re-appointment Internal	Director & General Manager of Logistics Department	91% (10/11)	7,200
1	5	Lisa Ohta (48) Re-appointment Outside	Outside Director	89% (8/9)	1,000
1	6	Masataka Nashida (72) New Outside	Outside Director candidate	—	0

Notes: 1. The age of candidates is the age at the closing of the Meeting.
2. The candidates have no special interest in the Company.
3. Kenichi Saito and Kuniaki Hagihara resigned on June 30, 2025.
4. Lisa Ohta and Masataka Nashida are outside director candidates.

Providing the highest level of convenience for customers will result in social contribution

We have continued aggressive capital investment in order to accurately satisfy the needs of manufacturing sites for a wide variety of items in small lots. We made efforts to improve work efficiency of the entire supply chain, while working to reduce greenhouse gas emissions and consumption of resources, such as energy and packaging materials.

Developments and results of business activities

Operating results for the 63rd period ended December 2025

(figures in parentheses indicate yoy change % of total)

Net sales	Consolidated	320,043 million yen	(+8.5% yoy)
	Non-consolidated	318,954 million yen	(+8.5% yoy)

Ordinary income	Consolidated	22,541 million yen	(+12.4%)
	Non-consolidated	22,300 million yen	7.0%

Gross margin	Consolidated	20.9%	(±0.0pt)
	Non-consolidated	20.7%	(△0.1pt)

Net income attributable to owners of parent	Consolidated	15,881 million yen	(△1.3%)*2
	Non-consolidated	15,684 million yen	(△1.4%)

Selling, general and administrative expenses	Consolidated	43,914 million yen	(+5.3%)
	Non-consolidated	43,534 million yen	(+5.3%)
		Composition ratio	13.7%

Net income	Non-consolidated	15,684 million yen	(△1.4%)
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Incl.) Depreciation	Consolidated	5,552 million yen	(△8.1%)
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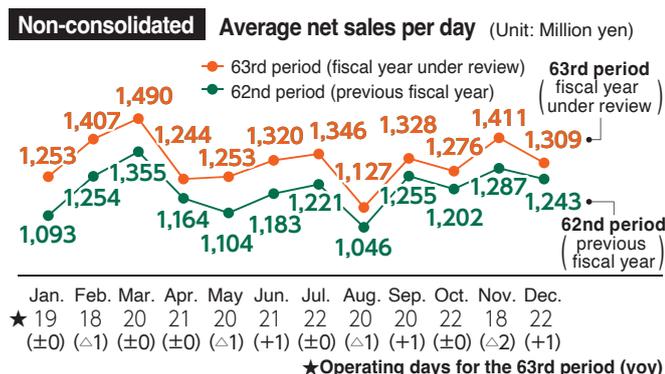
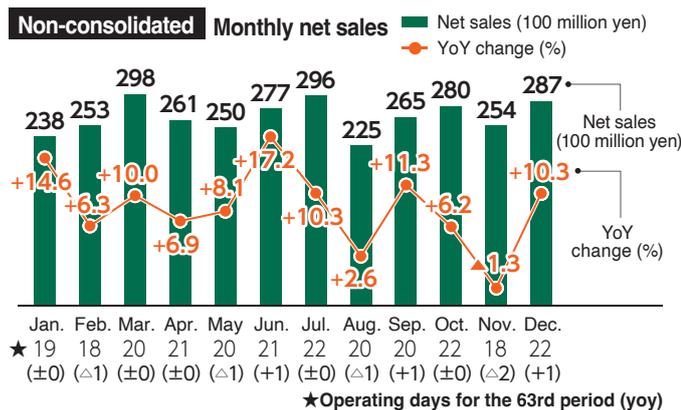
Net income per share	Consolidated	240.84 yen	(△3.25 yoy)
	Non-consolidated	237.86 yen	(△3.30 yoy)

Operating income	Consolidated	22,816 million yen	(+14.2%)
	Non-consolidated	22,492 million yen	7.1%

Annual dividend per share	60.00 yen	(+6.00 yoy)
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Note: *1 All figures stated in Business Report from page 6 onwards are rounded down to the nearest one million yen.

*2 Net income attributable to owners of parent includes extraordinary gain of 2,778 million yen from the sale of the former Osaka Head Office and other items recorded in the previous fiscal year.

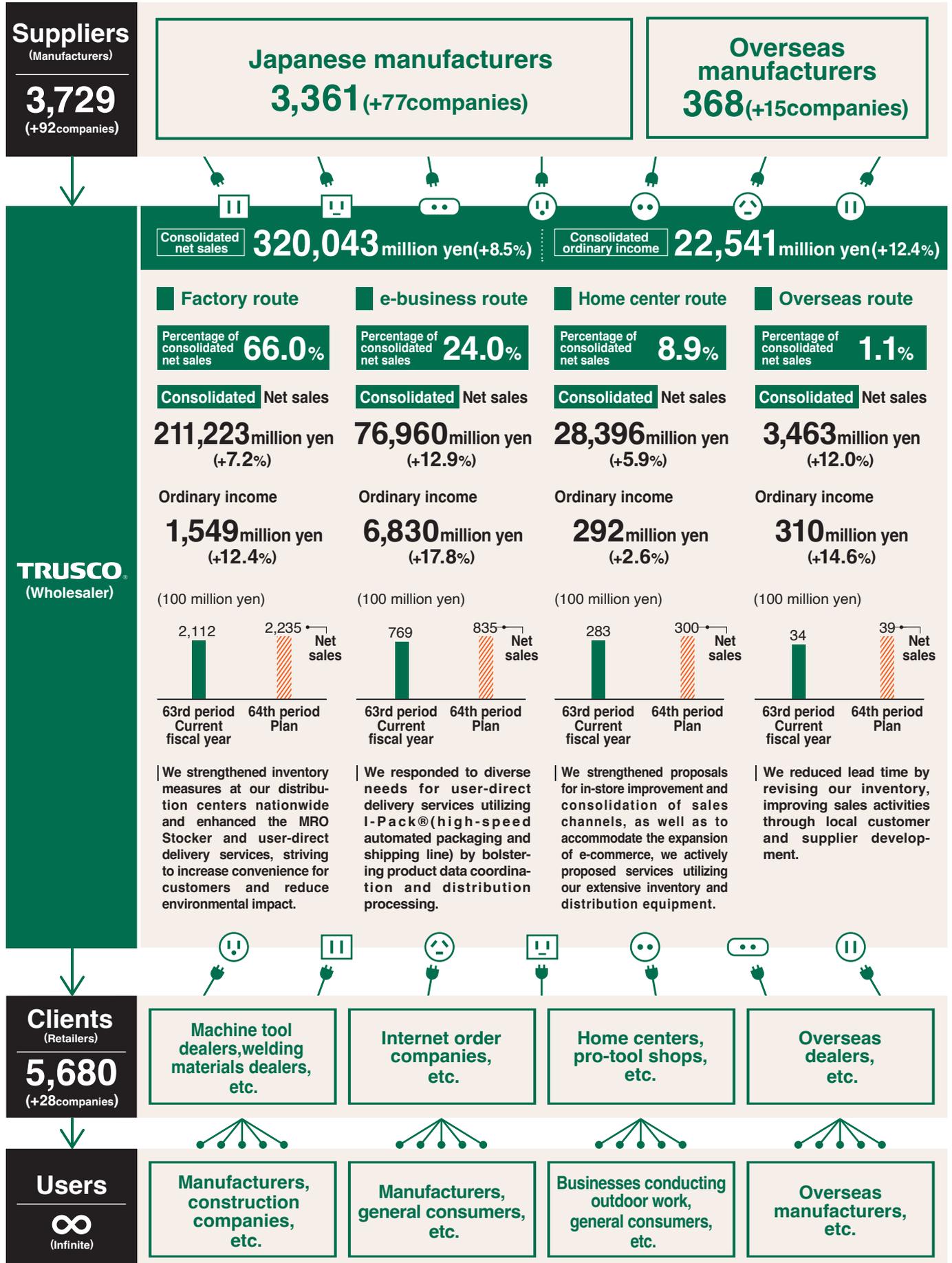


Non-consolidated Sales by category of goods and percentage of total sales

(figures in parentheses indicate yoy change % of total)

Cutting tools 9,262 million yen (+3.3%)	2.9%	Production processing goods 23,641 million yen (+8.4%)	7.4%
Construction goods 36,756 million yen (+7.4%)	11.5%	Work supply 58,210 million yen (+6.2%)	18.2%
Hand tools 53,139 million yen (+7.5%)	16.7%	Environmental safety equipment 64,283 million yen (+14.6%)	20.2%
Distribution and storage equipment 29,406 million yen (+1.9%)	9.2%	Research management equipment 11,749 million yen (+4.0%)	3.7%
Office and housing facility equipment 29,751 million yen (+13.2%)	9.3%	Other products 2,750 million yen (+19.8%)	0.9%

Business flow (YoY changes)



Business Report for the 63rd Period

From January 1, 2025 to December 31, 2025

Developments and results of business activities

Progress and plan on key performance indicators of the Company

Key performance indicators		62nd period FYE December 2024 Previous fiscal year		63rd period FYE December 2025 Fiscal year under review		64th period FYE December 2026 Plan		
Products	①Number of inventory items	611,708	(+18,154)	623,582	(+11,874)	643,582	(+20,000)	
	②Inventory value	55,366 million yen	(+4,518)	68,178 million yen	(+12,812)	79,000 million yen	(+10,822)	
	③Total number of suppliers	3,637	(+128)	3,729	(+92)	3,829	(+100)	
	④Incl.) Number of overseas suppliers	353	(+16)	368	(+15)	388	(+20)	
	⑤PB product sales	50,478 million yen	(+2,178)	51,945 million yen	(+1,467)	55,050 million yen	(+3,105)	
	⑥Percentage of PB product sales	17.1 %	(△0.9)	16.2 %	(△0.9)	16.1 %	(△0.1)	
Logistic	⑦Inventory shipment ratio	92.6 %	(+0.5)	92.8 %	(+0.2)	93.0 %	(+0.2)	
	⑧Number of items delivered directly to users	6,257,178	(+1,389,146)	8,487,923	(+2,230,745)	11,300,000	(+2,812,077)	
	⑨Direct sales to users	37,204 million yen	(+7,428)	47,588 million yen	(+10,384)	60,000 million yen	(+12,412)	
	⑩Number of hired vehicle delivery runs	146	(△7)	136	(△10)	128	(△8)	
	⑪Number of TRUSCO delivery runs	132	(+9)	143	(+11)	151	(+8)	
	⑫Percentage of TRUSCO delivery runs	47.5 %	(+2.9)	51.3 %	(+3.8)	54.1 %	(+2.8)	
	⑬Personnel expenses per receiving/shipping	156.7 yen	(+4.3)	162.3 yen	(+5.6)	152.0 yen	(△10.3)	
Catalogue media	⑭Number of items listed on TRUSCO Orange Book	422,000	(+53,000)	453,000	(+31,000)	460,000	(+7,000)	
	⑮Number of items released on TRUSCO Orange Book.Com	4,552,330	(+443,512)	4,185,878	(△366,452)	4,500,000	(+314,122)	
Sales	⑯Number of corporate customers	5,652	(+20)	5,680	(+28)	5,715	(+35)	
	⑰Number of MRO stockers introduced	1,414	(+211)	1,608	(+194)	1,810	(+202)	
	⑱Number of companies connected to Orange Commerce	2,631	(+184)	2,880	(+249)	3,080	(+200)	
Digital	⑲System order intake ratio	88.0 %	(+0.9)	88.6 %	(+0.6)	90.0 %	(+1.4)	
	⑳Automated estimate ratio	30.1 %	(+2.5)	30.5 %	(+0.4)	32.5 %	(+2.0)	
	㉑Web estimate request ratio	49.2 %	(+1.9)	49.5 %	(+0.3)	51.5 %	(+2.0)	
HR	㉒Total number of employees (including of cers and part-time employees)	3,184	(+141)	3,258	(+74)	—	—	
	㉓Number of part-time employees	1,464	(+94)	1,441	(△23)	—	—	
	㉔Average age (full-time employees)	39.7	(△0.2)	39.3	(△0.4)	—	—	
	㉕Average overtime hours per month	20.9	(+3.0)	23.0	(+2.1)	—	—	
	㉖Average annual salary (full-time employees)	720<756> million yen	(+58)	752<788> million yen	(+32)	—	—	
	㉗Career (career-track)	840<886> million yen	(+65)	886<936> million yen	(+46)	—	—	
	㉘Area	687<723> million yen	(+60)	714<750> million yen	(+27)	—	—	
	㉙Logistics	562<581> million yen	(+36)	592<610> million yen	(+30)	—	—	
	⑳ Salary of persons in managerial posts	Department General Managers and Division General Managers (excluding of cers)	1,579<1,679> million yen	(+191)	1,808<1,898> million yen	(+229)	—	—
		Branch Of cer Managers, Logistic Center Managers, Logistic Center Vice Managers, Section Managers of Head Of ce, etc.	1,239<1,315> million yen	(+109)	1,277<1,360> million yen	(+38)	—	—
㉚Turnover rate	5.1 %	(△0.3)	4.3 %	(△0.8)	—	—		
㉛Percentage of employees with disabilities	3.2 %	(+0.4)	3.1 %	(△0.1)	3.3 %	(+0.2)		
Environment	㉜Solar power generation capacity (per hour)	2,793 kWh	(±0)	4,659 kWh	(+1,866)	5,427 kWh	(+768)	

Notes:1. Figures in parentheses () indicate changes from the previous fiscal year.

2. “㉒Total number of employees” includes officers, part-time employees, temporarily transferred employees and local employees of subsidiaries.

3. “㉖Average annual salary (full-time employees)” includes the salary of executive officers.

4. “㉕Average overtime hours per month” includes hours within the statutory overtime hours.

5. Figures in parentheses < > indicate the amount of salary including financial bonds. The Company pays retirement allowance annually as financial bonds” rather than paying it as a lump-sum retirement payment at the time of retirement.

6. “㉚Turnover rate” excludes retirees.

Changes in assets and profit or loss in the last 10 years

Performance indicators											Consolidation period	(Unit: Million yen)
Fiscal year	54th period FYE December 2016	55th period FYE December 2017	56th period FYE December 2018	57th period FYE December 2019 [Consolidated]	58th period FYE December 2020 [Consolidated]	59th period FYE December 2021 [Consolidated]	60th period FYE December 2022 [Consolidated]	61st period FYE December 2023 [Consolidated]	62nd period FYE December 2024 [Consolidated]	63rd period FYE December 2025 Fiscal year under review [Consolidated]		
Category												
Net sales	177,053	195,096	214,297	220,674	213,404	226,833	246,453	268,154	295,024	320,043		
Gross margin	21.7%	21.2%	21.2%	21.3%	21.5%	21.0%	21.2%	21.5%	20.9%	20.9%		
general and administrative expenses	24,198	27,114	31,127	33,237	34,891	34,673	37,493	39,003	41,704	43,914		
Operating income	14,163	14,276	14,364	13,797	11,017	12,997	14,667	18,519	19,978	22,816		
Ordinary income	14,433	14,581	14,642	14,197	11,559	13,555	15,065	18,669	20,056	22,541		
Net income*4	9,963	10,173	9,722	9,613	8,007	11,596	10,626	12,268	16,095	15,881		
Net income per share*1.3	151.08 yen	154.28 yen	147.44 yen	145.78 yen	121.43 yen	175.86 yen	161.15 yen	186.05 yen	244.09 yen	240.84 yen		
Dividends	38.00 yen	39.00 yen	37.00 yen	36.50 yen	30.50 yen	35.50 yen	40.00 yen	46.50 yen	54.00 yen	60.00 yen		
Net assets	105,836	113,680	120,648	127,478	132,960	142,426	151,002	160,716	173,996	186,252		
Return on equity (ROE)	9.8%	9.3%	8.3%	7.5%	6.1%	8.4%	7.2%	7.9%	9.6%	8.8%		
Total assets	128,044	147,363	170,216	196,094	208,854	222,657	225,207	244,878	270,290	308,359		
Net assets per share*2.3	1,604.89 yen	1,723.87 yen	1,829.54 yen	1,933.13 yen	2,016.28 yen	2,159.86 yen	2,289.92 yen	2,437.26 yen	2,638.68 yen	2,824.55 yen		
Return on assets (ROA)	11.6%	10.6%	9.2%	7.2%	5.7%	6.3%	6.7%	7.9%	7.8%	7.8%		
Equity ratio	82.7%	77.1%	70.9%	65.0%	63.7%	64.0%	67.1%	65.6%	64.4%	60.4%		

Notes: 1. Net income per share is calculated based on the average number of issued shares outstanding during the period after subtracting the average number of treasury shares outstanding during the period.

2. Net assets per share is calculated based on the total number of issued shares outstanding at the end of the period after subtracting the number of treasury shares outstanding at the end of the period.

3. The Company carried out a 1 to 2 stock split for its common stock on January 1, 2017. Therefore, the amounts of net income per share and net assets per share were calculated as if the stock split had been carried out at the beginning of the 53rd period.

4. The Company began to report consolidated figures from the fiscal year ended December 31, 2019. As a result, net income attributable to owners of parent company has been included from the fiscal year ended December 31, 2019 thereafter.

Trends in cash flows											Consolidation period	(Unit: Million yen)
Fiscal year	54th period FYE December 2016	55th period FYE December 2017	56th period FYE December 2018	57th period FYE December 2019 [Consolidated]	58th period FYE December 2020 [Consolidated]	59th period FYE December 2021 [Consolidated]	60th period FYE December 2022 [Consolidated]	61st period FYE December 2023 [Consolidated]	62nd period FYE December 2024 [Consolidated]	63rd period FYE December 2025 Fiscal year under review [Consolidated]		
Category												
Cash flow from operating activities	6,459	8,932	6,928	10,998	15,068	15,926	12,178	14,802	13,021	8,183		
Cash flow from investing activities	△ 7,806	△ 16,628	△ 18,144	△ 19,707	△ 8,743	△ 4,596	△ 5,165	△ 13,113	△ 18,267	△ 21,565		
Cash flow from financing activities	△ 2,262	7,424	12,492	14,558	7,722	△ 2,243	△ 9,110	1,932	3,238	19,636		
Cash and cash equivalents at the end of the period	10,682	10,412	11,685	18,330	32,344	41,449	39,400	43,085	41,135	47,408		

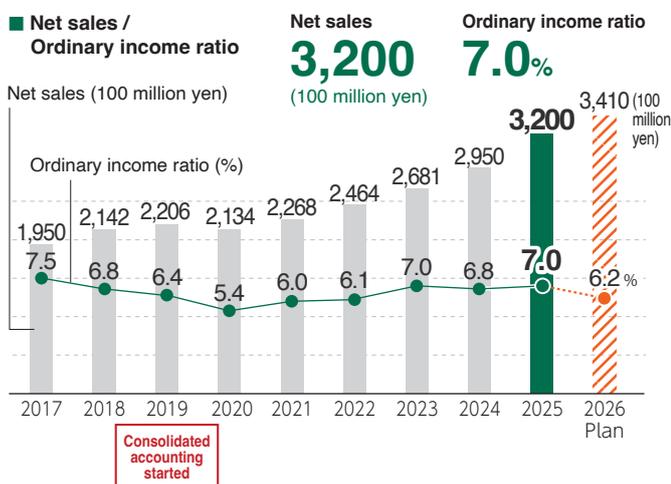
Eight Indicators Supporting Growth

Stable and Sound Management

(Financial foundation and effective inventory management)

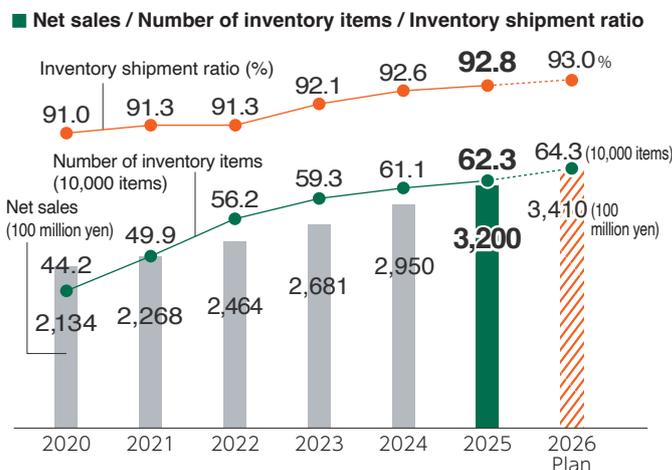
1 Net sales and ordinary income ratio

Through investments in products, logistics, and digitalization, we have strengthened our immediate delivery capabilities and continue to expand sales driven by market share expansion. Even during the COVID-19 pandemic in 2020, we stayed on a growth track with a limited year-on-year increase of 3.3%, demonstrating stability in spite of the economic conditions.



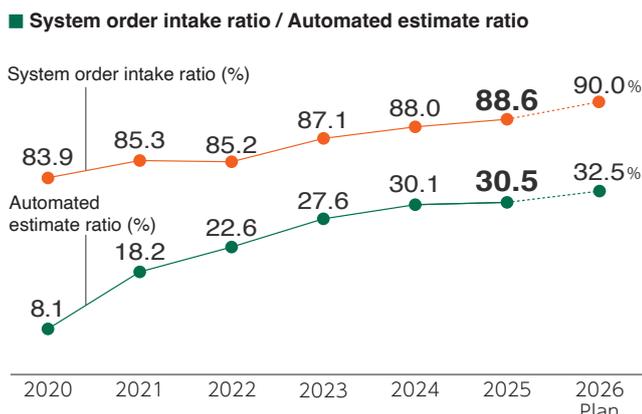
2 Net sales, number of inventory items, and inventory shipment ratio

We are strengthening our system for immediate delivery to customers through efforts to increase the number of our inventory items, including long tail products. Furthermore, the inventory shipment ratio, a key performance indicator representing the percentage of orders shipped out of our own inventory, exceeds 90%.



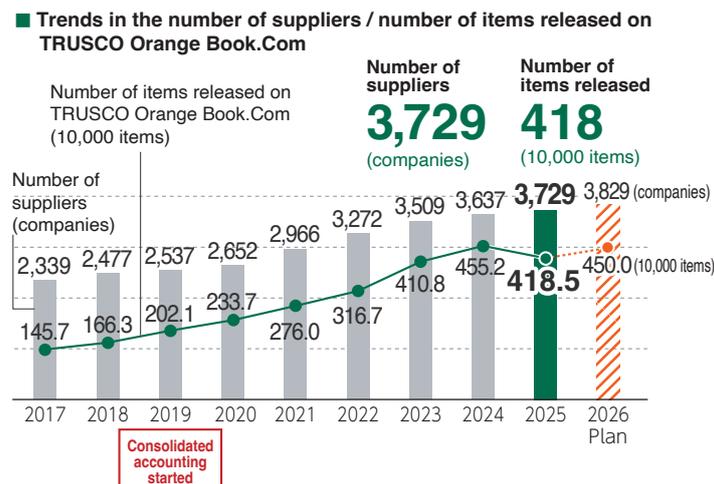
3 System order intake ratio and automated estimate ratio

The system order intake ratio, which represents the percentage of orders processed by the system, has improved. The installation of an AI-based quotation system has improved estimate response time and automated estimate ratios as well.



4 Number of suppliers / number of items released on TRUSCO Orange Book.Com

Connecting to TRUSCO instantly enables purchasing of products from 3,729 Company's suppliers. The number of suppliers and the number of items released are both increasing.

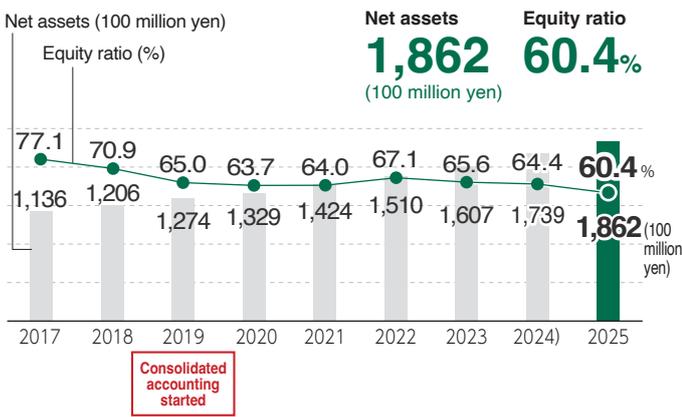


Our Unique Competitive Advantages and Growth Strategy

5 Net assets and equity ratio

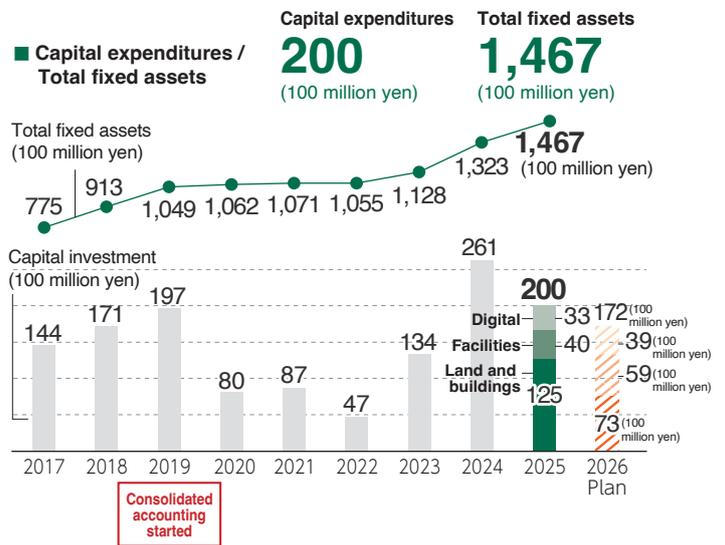
To advance active investments in distribution and digitalization, we secured a bank loan in 2017 for the first time since our founding. Amid aggressive capital investments, our Planet Aichi and the HC East Japan Distribution Center are set to be operational in 2026.

■ Net assets / Equity ratio



6 Capital expenditures and total fixed assets

We are actively investing in distribution to achieve immediate delivery and stable supplies of professional tools to Monodzukuri sites by increasing inventory items, enhancing shipping capacity, and strengthening direct delivery capabilities, while also investing in digital technology that supports various systems.

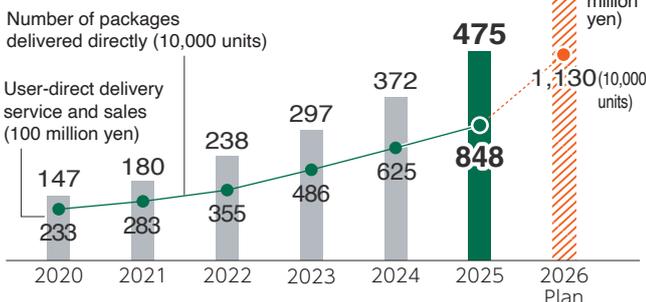


7 Number of packages delivered via user-direct delivery service and sales thereof



Our Uchoku (direct delivery to users) service has been well-received for reducing our customer's delivery and shipping costs, which is linked with expanding sales to customers located in remote areas, leading to annual growth. This service is only possible because of our extensive inventory, state-of-the-art distribution equipment, and the systems that support them.

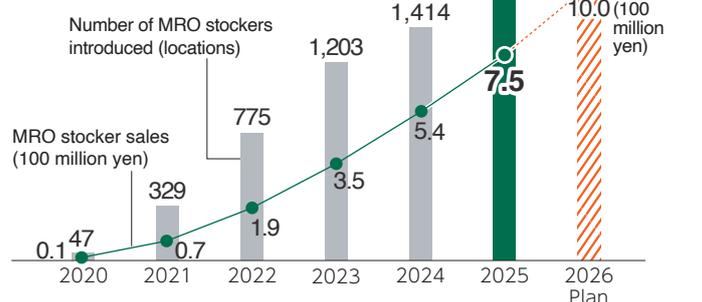
■ Number of packages delivered via user-direct delivery service and sales thereof



8 Number of MRO stockers installed and MRO stocker sales

Launched in 2020, MRO Stocker is similar to "okigusuri," a system of "use first, pay later" for medicine, but for tools, featuring zero lead time, zero ordering, and zero inventory management. The number of installations has been increasing year by year, enabling TRUSCO to respond to the needs of manufacturing sites that need certain products immediately.

■ Number of MRO stockers introduced and MRO stocker sales



Challenges to be addressed

64th period (fiscal year ending December 2026) Plan

Consolidated operating results	63rd period FYE December 2024 Fiscal year under review	64th period FYE December 2025 Plan
Net sales	320,043 million yen (+8.5%)	341,000 million yen (+6.5%)
Gross margin	20.9% (±0.0pt)	21.1% (+0.2pt)
Selling, general and administrative expenses	43,914 million yen (+5.3%)	50,080 million yen (+14.0%)
Incl.) Depreciation	5,552 million yen (△8.1%)	8,310 million yen (+49.7%)
Operating income	22,816 million yen (+14.2%)	21,720 million yen (△4.8%)
Ordinary income	22,541 million yen (+12.4%)	21,220 million yen (△5.9%)
Net income attributable to owners of parent	15,881 million yen*1 (△1.3%)	14,540 million yen (△8.4%)
Net income per share	240.84 yen (△3.25yen)	220.50 yen (△20.34yen)
Annual dividend per share	60.00 yen (+6.00yen)	*2 58.50 yen (△1.50yen)

Note: Figures in parentheses () indicate changes from the previous fiscal year.

*1. The Company recorded an extraordinary income of 2,778 million yen due to the sale of the former Osaka Head Office and other factors.

*2. The dividend plan for the 64th period (2026) is calculated by adding 10% of the planned depreciation expense in accordance with the TRUSCO Zentaku Dividend policy.

Planned Depreciation Expense: ¥8.31 billion × 10% × Dividend Payout Ratio 25% / Total number of issued shares ≈ ¥3

The dividend payout ratio will be 26.5%.

To become what we want to be: Capability targets

To be able to always provide the highest level of convenience as a creative company, we believe that we should prioritize “capability targets,” which clarify what abilities the Company should develop, rather than “quantitative targets,” such as sales and profit. To aim to become a company that is always needed by clients and the society, we will engage in our business while seeking to become “what we want to” be as described on the right.

- 1 We want to be a company with the ability to store 1 million items in inventory by 2030.
- 2 We want to make direct delivery by wholesalers to users the industry standard.
- 3 We want to increase the usage rate of our AI-based quotation system to 50%.
- 4 We want to raise our system order intake ratio to 95%.
- 5 We want to become a company with the ability to receive orders 24 hours a day and ship orders 365 days a year.
- 6 We want to become a platformer that supports the Japanese Monodzukuri.
- 7 We want to be a company that does everything right.
- 8 We want to be a company that can be of service in case of emergency
- 9 We want to be a company where employees can work in a stable, safe environment over a long term.
- 10 We want to be a company where smiles never fade.



Planet Aichi with an inventory capacity of over 1 million items



I-Pack® (high-speed automated packaging and shipping line)
*Packaging capacity: 720 packages/h

Matters concerning Company Executives

Directors and Auditors (as of December 31, 2025)

Position	Name	Responsibilities and important concurrent posts	Term of office
Representative Director and President	Tetsuya Nakayama	Overall business of the Company	At the closing of the 63rd Annual Shareholders' Meeting
Director	Kazuo Nakai	General Manager of Product Department Executive in charge of TRUSCO NAKAYAMA USA, INC.	At the closing of the 63rd Annual Shareholders' Meeting
Director	Atsushi Kazumi	General Manager of Business Management Department, General Manager of Digital Strategy Department, General Manager of Orange Book Department	At the closing of the 63rd Annual Shareholders' Meeting
Director	Tatsuya Nakayama	General Manager of Distribution Department	At the closing of the 63rd Annual Shareholders' Meeting
Outside Director	Lisa Ohta	Representative Director of Dynamic Tools Corporation	At the closing of the 63rd Annual Shareholders' Meeting
Full-time Corporate Auditor	Kiyonori Unto		At the closing of the 65th Annual Shareholders' Meeting
Part-time Auditor	Yoritomo Wada	Part-time Auditor of Sekisui House, Ltd.	At the closing of the 64th Annual Shareholders' Meeting
Part-time Auditor	Ken Hineno	Representative Director, Actionlearning Co., Ltd. Representative, Hineno Certified Public Accountant Office Senior Partner, Hineno Accounting Office	At the closing of the 64th Annual Shareholders' Meeting

Notes: 1. Pursuant to Article 19 of the Articles of Incorporation of the Company, the term of office of a director is one year.

2. Outside Director Takako Suzuki resigned upon the expiration of her term at the closing of the 62nd Annual Shareholders' Meeting held on March 28, 2025.

3. Outside Directors Kenichi Saito and Kuniaki Hagihara, and Part-time Auditor Hiroho Kamakura resigned on June 30, 2025.

Employees

Number of employees (Unit: persons/age/years)

Category	2024 No. of employees*	2025 No. of employees*	YoY change	Average age	Average years of service
Female employees	626	669	+43	33.4	9.8
Male employees	1,083	1,140	+57	42.6	17.4
Part-time employees	1,464	1,441	△23	53.3	7.3
Officers	11	8	△3	55.6	20.3
Total and average	3,184	3,258	+74	45.6	11.4

*Note: The number of employees seconded employees and local employees of subsidiaries.

Number of employees with disabilities

	2021	2022	2023	2024	2025
No. of employees with disabilities	67	67	74	79	79
Required number of employees with disabilities based on the mandatory employment rate*1	55	62	64	73	74
Rate of employees with disabilities (%) ²	2.8	2.7	2.8	3.2	3.1
Mandatory employment rate	2.3	2.3	2.3	2.5	2.5

Notes: 1. The number of employees with disabilities necessary for the Company to satisfy the mandatory rate is calculated on a trial basis.
2. Rate of employees with disabilities is calculated as the ratio to the total number of full-time employees.

Matters concerning stock of the Company

Status of shares

(1) Total number of authorized shares	110,000,000
(2) Total number of issued shares	66,008,744 shares (including 68,385 treasury shares)
	65,940,773 shares (excluding 68,385 treasury shares)
(3) Number of shares per unit of stock	100
(4) Number of shareholders	14,362 (up 477 yoy)
Number of shareholders with voting rights	12,877 (up 214 yoy)

Share composition by shareholder and shareholder distribution

Number of shares: 66,008,744				
Treasury shares	Japanese companies	Banks and securities firms	Individuals and others	Foreign corporations, etc.
0.10%	39.39%	21.38%	13.73%	25.40%
68,385	26,003,869	14,112,238	9,061,312	16,762,940
1	512	57	13,564	228
(No change yoy)	(Up 2 yoy)	(Up 5 yoy)	(Up 446 yoy)	(Up 24 yoy)
Number of shareholders: 14,362				

Top 10 largest shareholders

Name	No. of shares held (thousand shares)	Shareholding ratio (%)
1 NS Holdings Corporation	7,918	12.01
2 The Master Trust Bank of Japan, Ltd. (Trust account)	7,151	10.84
3 The Nakayama Visually Impaired Welfare Foundation	4,350	6.60
4 Custody Bank of Japan, Ltd. (Trust account)	3,789	5.75
5 Daido Shoji Co., Ltd.	3,450	5.23
6 GOVERNMENT OF NORWAY	2,416	3.66
7 NR Holdings Corporation	2,358	3.58
8 NF Holdings Corporation	2,000	3.03
9 Heisei Jitsugyo Limited	1,802	2.73
10 SG/UCITS V/INV	1,645	2.49

Note: Shareholding ratio is the ratio of shares held to the total number of issued Number of shareholders: 65,940,773 shares (excluding 67,971 treasury shares) outstanding as of the last day of the fiscal year under review.

Dividend of surplus and dividend calculation standard

Dividend policy

The Company carries out business activities and capital investment for the purpose of being of service to the manufacturing sites in Japan to achieve sustainable growth and thereby intends to maximize the return to its shareholders. As for the distribution of profit, the Company's basic dividend policy is to pay performance-linked dividend at a consolidated payout ratio of 25% based on net income attributable to owners of parent, provided that the Company's profit has exceeded a certain threshold subject to a lower limit to secure stable dividend.

"TRUSCO Zentaku Dividend" **Newly established (2023)**

The Company introduced a new dividend system, "TRUSCO Zentaku Dividend," effective from the fiscal year ended December 31, 2023, based on the concept of "Shushazentaku" to overcome the dichotomy between positive investment in digital and distribution and shareholders' expectations for dividends. According to the above basic dividend policy, in case the determined annual dividend per share is less than the annual dividend per share for the previous term, a portion of depreciation for the relevant term (depreciation x 10% maximum) will be added to net income attributable to owners of parent, and the dividend will be paid with a consolidated payout ratio of 25%.

Treatment of the impact of special factors, such as the sale of real estate or shares

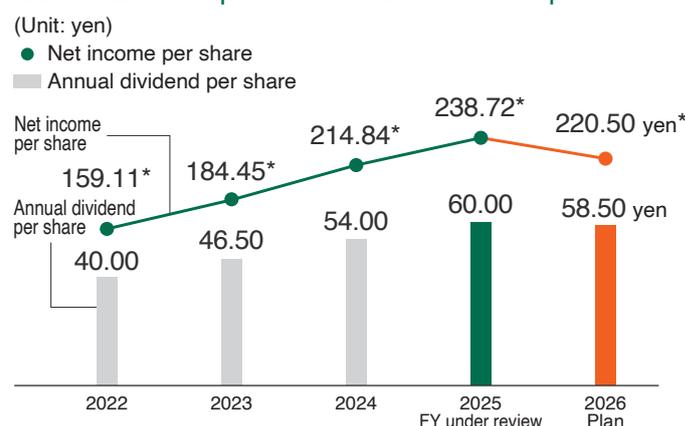
In a term in which net income attributable to owners of parent has fluctuated significantly due to the sale of real estate or shares not directly related to business activities or other special factors, their impact is excluded in the determination of dividend amount.

Dividend calculation standard

Net income per share	Annual (interim) dividend per share
Above 40 (20) yen	Net income per share x 25%
Below 40 (20) yen	10 (5) yen

Notes: 1. The figures in parentheses () indicate the calculation standard for the semi-annual period.
2. For the purpose of this calculation, any fraction less than 1 yen will be rounded up in increments of 0.50 yen.
(0.01 -0.49 yen will be rounded up to 0.50 yen and 0.51 -0.99 yen to 1.00 yen)
(Unit: Million yen)

Annual dividend per share and net income per share



Amounts of Remuneration, etc. of Directors and Auditors

Policy for determining the remuneration, etc. of Directors and Auditors

At its meeting held on October 14, 2021, the Board of Directors of the Company passed a resolution to establish a policy for determining the remuneration of individual officers. As the Board of Directors also confirmed that the method of determining remuneration and the remuneration determined for each individual officer for the fiscal year under review are consistent with the determination policy, the Company has judged that they comply with the determination policy. The Company determines the officers' remuneration paid to Directors and Auditors based on the following policy:

- (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) Officers' remuneration should be paid within the annual remuneration limit, including their bonuses.

Remuneration system for Directors and Auditors

Fixed remuneration

Monthly fixed remuneration
Paid in accordance with each officer's position, individual performance evaluation, etc.

+

Bonuses for Directors and Auditors

Paid in accordance with performance up to 3% of net income attributable to owners of parent provided that it is positive for the fiscal year

Method of determining officers' remuneration and its composition

Officers' remuneration consists of fixed remuneration (monthly fixed remuneration) and officers' bonuses. 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 Board of Directors will determine each component of remuneration after taking into account the management environment, business performance, achievements, management capabilities, the degree of contribution, etc. The determination of the specific amount of remuneration for each officer may be left to the discretion of the President Tetsuya Nakayama by resolution of the Board of Directors. The authority delegated to him is to determine the specific amount of remuneration for each officer after taking into account the business performance, achievements, management capabilities, the degree of contribution, etc., within the range designed for each position to take into consideration the right of representation, the responsibilities of each position, and the degree of influence on management. The reason for this delegation of authority is that he is the Representative Director and President of the Company, who oversees the overall business execution of the Company, and therefore is the most suitable person to evaluate each director while taking into consideration the financial performance of the whole Company from a high-level perspective.

① Fixed remuneration The amount of remuneration is determined at the beginning of each fiscal year after taking into account the business performance, achievements, management capabilities, the degree of contribution, etc., within the range designed for each position to take into consideration the right of representation, the responsibilities of each position, and the degree of influence on management.

② Officers' bonuses Officers' bonuses are determined as an incentive linked to profit indicators similar to the basic policy for shareholder returns. More specifically, the total amount is determined at the end of each fiscal year by the Board of Directors subject to the upper limit of 3% of net income attributable to owners of parent after calculating reference amounts by multiplying net income attributable to owners of parent by bonus multipliers (cumulative) for each position as specified in by laws. Officers' bonuses are paid annually within six months from the end of the relevant fiscal year. The amount to be paid to individual officers is determined for each officer within the remuneration range, taking into consideration, among others, the degree of contribution to the business results for the relevant fiscal year.

*The same remuneration system as for Directors is adopted also for Auditors and Outside Directors based on the recognition that they are also responsible for the enhancement of the corporate value of the Company and its consolidated subsidiaries. Individual amounts of fixed remuneration and officers' bonuses to be paid to Auditors are proposed by Directors to them and finalized through discussions among Auditors.

Upper limits, ranges, and total amounts for the fiscal year under review of officers' remuneration, etc.

	Position	Upper limits of officers' remuneration	Ranges of remuneration			Total amounts of remuneration, etc. of Directors and Auditors for the fiscal year under review		
			① Fixed remuneration	② Officers' bonuses	(① + ②)			
Directors	President	Within 600 million yen*1	60 million yen to 150 million yen	0 yen to 100 million yen	60 million yen to 250 million yen	Directors: 8 394 million yen in total	Internal Directors: 4 381 million yen in total	Officers: 12 434 million yen in total including 7 Outside Officers: 30 million yen in total
	Senior Executive Director		27 million yen to 39 million yen	0 yen to 24 million yen	27 million yen to 63 million yen			
	Executive Director		21 million yen to 33 million yen	0 yen to 20 million yen	21 million yen to 53 million yen			
	Director		18 million yen to 31 million yen	0 yen to 19 million yen	18 million yen to 50 million yen			
	Outside Director		4 million yen to 9 million yen	0 yen to 1 million yen	4 million yen to 10 million yen			
Auditors	Full-time Auditor	Within 100 million yen*2	15 million yen to 27 million yen	0 yen to 9 million yen	15 million yen to 36 million yen	Auditors: 4 (including 3 Outside Auditors) 39 million yen in total		
	Part-time Auditor		4 million yen to 9 million yen	0 yen to 1 million yen	4 million yen to 10 million yen			

- Notes: 1. As per the resolution passed at the 56th Annual Shareholders' Meeting held on March 8, 2019. The number of Directors at the close of the meeting was 9 (including 2 Outside Directors).
 2. As per the resolution passed at the 58th Annual Shareholders' Meeting held on March 18, 2021. The number of Auditors at the close of the meeting was 4 (including 3 Outside Auditors).
 3. The officers' retirement benefit program was transitioned to financial bonds in 2004. An amount equivalent to 10% of officers' bonuses is paid in monthly installments.
 4. The total amount of officers' remuneration paid for the fiscal year under review is equivalent to 0.8% of net income attributable to owners of parent.
 5. The table above includes one Director who retired at the closing of the 62nd Annual Shareholders' Meeting held on March 28, 2025, and two Directors and one Auditor who resigned on June 30, 2025, for a total of four.

Matters concerning Directors' and Officers' Liability Insurance Agreement

The Company has concluded with an insurance company, and bears the full premiums of, a Directors' and Officers' Liability Insurance Agreement covering as insured persons the directors, auditors, and executive officers of the Company and its consolidated subsidiaries. This insurance compensates for any litigation costs and damages arising from non-derivative actions, shareholder derivative actions, and corporate actions that are borne by the insured persons in executing their duties, provided that they have executed their duties in good faith or without violating laws and regulations. (However, measures are taken to ensure that the appropriateness of the execution of duties by the insured persons will not be undermined by excluding from the coverage any damage, etc. to those insured persons who have engaged in any criminal offense or intentional act of violating laws and regulations.)

The candidates on  p36-38 have no special interest in the company.

Election of Six (6) Directors

The terms of office of all six (6) directors will expire at the closing of the Meeting. Accordingly, with the aim of further strengthening our management structure, we would like to ask for your approval on the election of one (1) additional director, bringing the total to six (6) directors. The director candidates are as below.

Candidate No. **1** Re-appointment Internal

なか やま てつ や
中山 哲也

Tetsuya Nakayama



■ Candidate's profile

Date of birth _____ December 24, 1958 (67 years old)
With the Company _____ 44 years and 11 months
No. of Company shares held _____ 61,600
Attendance at Board of Directors' meeting - 100% (11/11)

Customer satisfaction determines sales

I believe providing convenience is key to sales growth, as opposed to imposing a grit-based mentality. We have finally exceeded the 300-billion-yen mark for sales, but we see this as just a steppingstone and aim for even greater heights. Going forward, we will make the most of the utility of our inventory, launch services that do not exist yet, and continue growing as "Tool Box in Japan."

■ Reason for nomination as a director candidate

Mr. Nakayama has been nominated as a director candidate, taking into consideration the results of the OJS on the President, which is a vote by shareholders who attended the previous (62nd) Annual Shareholders' Meeting, as well as management strategies, measures, and systems invented by him as Representative Director and President, as important benchmarks.

No. of attendees	Approval rate	No. of valid votes*	Affirmative votes
145	95.5%	133	127

*The number of valid votes does not include shareholders who did not vote on the day of the Meeting (abstention) or those whose vote contents could not be determined (invalid).

■ Brief biography, status, responsibilities, and important concurrent posts

March 1981 Joined the Company
October 1984 Director
December 1987 Executive Director
December 1991 Representative Director and Senior Executive Director
December 1994 Representative Director and President (present)

■ (Reference) The Company's shares held by related parties of Tetsuya Nakayama, Representative Director and President

The Nakayama Visual Welfare Foundation (President) 4,350,000 shares
NS Holdings Corporation (Auditor) 7,918,632 shares
NR Holdings Corporation (Auditor) 2,358,488 shares
NF Holdings Corporation (Representative Director and President) 2,000,000 shares

Candidate No. **2** Re-appointment Internal

なか い かず お
中井 一雄

Kazuo Nakai



■ Candidate's profile

Date of birth _____ July 7, 1969 (56 years old)
With the Company _____ 32 years and 11 months
No. of Company shares held _____ 10,200
Attendance at Board of Directors' meeting - 100% (11/11)

Challenging ourselves to create a groundbreaking product lineup

In a dramatically changing environment, we need to respond to market needs faster than ever before. Meeting these needs without exception and without compromise is our unwavering mission. We will build the most competitive product lineup and continue to support Monodzukuri sites. We will also boldly and steadily expand into new product domains, working to adopt and develop products that will become indispensable to our customers.

■ Reason for nomination as a director candidate

The candidate has extensive business experience through working for Sales Department, Logistics Department, and Business Management Department. As well as his efforts at the Sales Department during the 63rd period, he is expected to continue to contribute to swift and bold decision-making toward improvement of sustainable corporate value of the Company. Therefore, he has been nominated as a director candidate.

■ Brief biography, status, responsibilities, and important concurrent posts

April 1993 Joined the Company
April 2002 HC Niigata Sales Office Manager
April 2004 HC Osaka Branch Office Manager
April 2008 Personnel Section Manager
October 2008 Manager of Personnel Section and Healthcare Section
April 2013 General Manager of Corporate Planning Division
January 2017 Executive Officer & General Manager of Corporate Planning Division
January 2019 Executive Officer & General Manager of Business Management Department
March 2019 Director & General Manager of Business Management Department
October 2020 Director & General Manager of Sales Department Executive in charge of TRUSCO NAKAYAMA CORPORATION (THAILAND) Limited Executive in charge of PT. TRUSCO NAKAYAMA INDONESIA
January 2021 Director & General Manager of Sales Department, Home Center Sales Division, and Distribution Division
January 2022 Director & General Manager of Sales Department
November 2024 Director & General Manager of Product Department (present) Executive in charge of TRUSCO NAKAYAMA USA, INC. (present)

Candidate No. **3** Re-appointment Internal

かず み あつし
数見 篤
 Atsushi Kazumi



■ Candidate's profile

Date of birth _____ September 10, 1970 (55 years old)
 With the Company _____ 32 years and 11 months
 No. of Company shares held _____ 10,000
 Attendance at Board of Directors' meeting - 100% (11/11)

Sustained improvement in safety and security

Keeping in mind our mission of continuing to be of service to Monodzukuri sites, we are working to enhance convenience through various capital investments and inventory expansion every day. To continue these activities, prevention and response to disasters and cybersecurity attacks are gaining significance, as they can happen anytime and anywhere. We will pursue sustained improvement in safety and security without becoming overconfident.

■ Reason for nomination as a director candidate

The candidate has extensive business experience through working for Sales Department, Digital Strategy Department, and Business Management Department. As well as his efforts at the Business Management Department, Digital Strategy Department, and Orange Book Department during the 63rd period, he is expected to continue to contribute to swift and bold decision-making toward improvement of sustainable corporate value of the Company. Therefore, he has been nominated as a director candidate.

■ Brief biography, status, responsibilities, and important concurrent posts

- April 1993 Joined the Company
- April 2001 Tsuchiura Sales Office Manager
- November 2002 Kanazawa Sales Office Manager
- April 2006 Osaka Branch Office Manager
- October 2010 Manager of Catalog Media Section and DOTKUL Section
- October 2013 General Managers of e-Commerce Sales Division
- April 2014 General Manager of e-Business Sales Division
- January 2017 Executive Officer & General Manager in charge of Internet Sales, e-Business Sales Division
- July 2017 Executive Officer & General Manager of Information Systems Division
- January 2019 Executive Officer & General Manager of Information Systems Department
- March 2019 Director & General Manager of Information Systems Department
- October 2020 Director & General Manager of Business Management Department, Digital Strategy Department, and Digital Promotion Division
- January 2021 Director & General Manager of Business Management Department and Digital Strategy Department
- April 2024 Director & General Manager of Business Management Department, General Manager of Digital Strategy Department, General Manager of Orange Book Department (pre-sent)

Candidate No. **4** Re-appointment Internal

なか やま たつ や
中山 達也
 Tatsuya Nakayama



■ Candidate's profile

Date of birth _____ August 4, 1985 (40 years old)
 With the Company _____ 13 years
 No. of Company shares held _____ 7,200
 Attendance at Board of Directors' meeting _____ 91% (10/11)

Becoming a pillar of strength in times of emergency

In the event of a disaster, a supply chain disruption, or emergencies for customers and suppliers, we aspire to be the organization and people who come to mind when customers and suppliers are in trouble or need help. This is why we hone our abilities, maintain a straight course, and use our imagination to prepare for any situation. We will consistently prepare to become a reliable presence when it comes to any difficulties.

■ Reason for nomination as a director candidate

The candidate has extensive business experience through working for Sales Department, Product Department, and Business Management Department. As well as his efforts at the Product Department during the 63rd period, he is expected to continue to contribute to swift and bold decision-making toward improvement of sustainable corporate value of the Company. Therefore, he has been nominated as a director candidate.

■ Brief biography, status, responsibilities, and important concurrent posts

- April 2013 Joined the Company
- January 2018 Branch Office Manager, Internet Sales Tokyo Branch Division 1
- September 2019 General Manager of Corporate Planning Division and Accounting Division
- April 2021 Senior Executive Officer & General Manager of Product Department
- March 2023 Director & General Manager of Product Department
- November 2024 Director & General Manager of Logistics Department (present)
 Convocation Notice of the 62nd Annual Share-holders' Meeting

Election of Six (6) Directors

Candidate No. **5** Re-appointment
Outside

おお た り さ
大田 梨沙
Lisa Ota



■ Candidate's profile

Date of birth _____ May 9, 1977 (48 years old)
With the Company _____ 1 year
No. of Company shares held _____ 1,000
Attendance at Board of Directors' meeting _____ 89% (8/9)

The power behind Japanese Monodzukuri

While the high quality of "Made in Japan" remains unchanged, competition with overseas products is intensifying. By creating an environment where necessary items are readily available at any time, we need to move toward being a company that keeps evolving from the user perspective. "When you face shortages, difficulties, or do not know who to contact, turn to TRUSCO first." We will provide earnest proposals to develop an environment that supports Japanese Monodzukuri.

■ Reason for nomination as an outside director candidate and outline of expected roles

This candidate has extensive knowledge and broad insight into manufacturing management. Furthermore, from the viewpoint of promoting women's activities, she is expected to contribute to the swift and bold decision-making of the management, thereby achieving "sustainable growth and enhancement of corporate value" of the Company. Therefore, she has been nominated as an outside director candidate.

■ Brief biography, status, responsibilities, and important concurrent posts

April 2001	Joined Nestlé Japan Ltd
December 2011	Joined Director of Dynamic Tools Corporation Joined DINEX CO., LTD.
March 2021	Representative Director of DINEX CO., LTD. (present)
August 2022	Representative Director of Dynamic Tools Corporation (present)
March 2025	Outside Director of the Company (present)

Outside officers ▶ P39

Candidate No. **6** New
Outside

なし だ まさ たか
梨田 昌孝
Masataka Nashida



■ Candidate's profile

With the Company _____ August 4, 1953 (72 years old)
No. of Company shares held _____ 0

Masataka Nashida's winning formula

My winning strategy, which led two professional baseball teams to championships, will directly serve as a catalyst for TRUSCO NAKAYAMA's growth. Applying the ability to judge the situation to AI-driven demand forecasting and individual development to enhancement of tool proposing skills, we aim to transform customers' sites into invincible teams. Considering "the tool as the player," we are working to develop the ultimate toolset for each job type and put it to the market as an immediate asset to customers. This will accelerate domestic market share increase and overseas expansion at the same time.

■ Reason for nomination as an outside director candidate and outline of expected roles

This candidate has rich experience leading professional baseball teams as a manager. Utilizing his abundant knowledge and broad insight in organizational management and talent development, he is expected to contribute to the Company's sustainable growth and enhancement of corporate value, and has therefore been nominated as an outside director candidate.

■ Brief biography, status, responsibilities, and important concurrent posts

January 1972	Joined the Kintetsu Buffaloes
January 2000	Appointed Manager of the Osaka Kintetsu Buffaloes
January 2008	Appointed Manager of the Hokkaido Nippon-Ham Fighters
October 2012	Appointed Japan National Team Overall Fielding Coach for the 2013 World Baseball Classic
January 2016	Appointed Manager of the Tohoku Rakuten Golden Eagles
Present	Baseball commentator and analyst

Outside officers ▶ P39

■ Notes concerning the candidates for outside directors

(1) On independence

Ms. Lisa Ohta and Mr. Masataka Nashida are outside director candidates as set forth in Item 7, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act and fulfill the Company's outside director appointment criteria. They also fulfill the requirements for independence stipulated by the Tokyo Stock Exchange as well as the independence criteria for outside officers stipulated by the Company. We have filed Ms. Lisa Ohta, as an independent officer with the Tokyo Stock Exchange. If Mr. Nashida's appointment is approved, we plan to file him as an independent officer with the Tokyo Stock Exchange.

(2) On the contract for limitation of liability

In order to acquire personnel who would become outside officers and to secure their effectiveness, we have concluded a contract for limitation of liability with Ms. Lisa Ohta with the amount of limited liability being the minimum total liability amount as prescribed in Paragraph 1, Article 425 of the Companies Act. If her appointment is approved, we are planning to continue the above contract for limitation of liability. If Mr. Nashida's appointment is approved, we plan to conclude a contract for limitation of liability under the same conditions.

(3) On special interest in the Company

Dynamic Tools Corporation, of which Ms. Lisa Ohta is Representative Director, and the Company have an approximately 2-year business relationship. However, our procurement from Dynamic Tools Corporation accounts for less than 1% of our total procurement by amount (less than 1% of the consolidated net sales of said company). In addition, there is no business relationship between DINEX CO., LTD., of which Ms. Lisa Ohta is Representative Director, and the Company, and no special

interest that will hinder or pose a problem in Ms. Ohta's execution of her duties as an outside director.

Mr. Masataka Nashida is affiliated with TRUE-MASA Co., Ltd., but there is no business relationship or other connection between True Masa Co., Ltd. and the Company, and no special interest that will hinder or pose a problem in Mr. Nashida's execution of his duties as an outside director.

■ Notes concerning the candidates

Directors Tetsuya Nakayama, Kazuo Nakai, Atsushi Kazumi, Tatsuya Nakayama, Lisa Ohta are scheduled to renew their Directors' and Officers' Liability Insurance Agreement in June. Masataka Nashida, a candidate for outside director, will enter into a new agreement of the same nature if his appointment is approved. The Company has concluded with an insurance company, and bears the full premiums of, a Directors' and Officers' Liability Insurance Agreement covering as insured persons the directors, auditors, and executive officers of the Company and its consolidated subsidiaries. This insurance compensates for any litigation costs and damages arising from non-derivative actions, shareholder derivative actions, and corporate actions that are borne by the insured persons in executing their duties, provided that they have executed their duties in good faith or without violating laws and regulations. (However, measures are taken to ensure that the appropriateness of the execution of duties by the insured persons will not be undermined by excluding from the coverage any damage, etc. to those insured persons who have engaged in any criminal offense or intentional act of violating laws and regulations.)

■ Criteria for Appointment of Outside Officers

For the appointment of outside directors and outside corporate auditors, TRUSCO NAKAYAMA Corporation (hereinafter referred to as the "Company") sets out the following criteria.

1. Criteria for Appointment of Outside Directors

The Company appoints outside directors from among those fulfilling the conditions set out below

- (1) Candidates shall be able to contribute to the improvement of sustainable corporate value of the Company and shall have extensive knowledge and sufficient experience of business management.
- (2) Candidates shall be subject to none of the grounds for disqualification as a director set out in the items of Paragraph 1, Article 331 of the Companies Act.
- (3) Candidates shall fulfill the requirements for an outside director set out in Item 15, Article 2 of the Companies Act.

2. Criteria for Appointment of Outside Corporate Auditors

The Company appoints outside corporate auditors from among those fulfilling the conditions set out below.

- (1) Candidates shall have knowledge in fields such as law, finance, accounting, corporate governance and the like and shall be able to contribute to the improvement of corporate value from a neutral and fair standpoint.
- (2) Candidates shall be subject to none of the grounds for disqualification as an auditor set out in Paragraph 1, Article 335 of the Companies Act.
- (3) Candidates shall fulfill the requirements for an outside corporate auditor set out in Item 16, Article 2 of the Companies Act.

■ Criteria for Independence of Outside Officers

The Company has set out the criteria for independence as below and deems that an outside officer is independent if none of the criteria applies thereto.

- (1) A major shareholder of the Company (holding 10% or more of the total voting rights in the Company at the end of the most recent fiscal year), or an individual who serves as a key employee such as a director, auditor, executive officer, manager, or any other post higher than division general manager (hereinafter referred to as "Director, etc.") in an entity that is a major shareholder of the Company
- (2) A director, etc., of a corporation or the like of which the Company is a major business partner (with annual business exceeding 5% of consolidated net sales)
- (3) A director, etc., of a corporation or the like that is a major business partner of the Company (with annual business exceeding 5% of consolidated net sales)
- (4) A director, etc., of a corporation or the like that is a major lender to the Company (the Company borrows more than 2% of its total assets from the lender)
- (5) An accounting auditor of the Company or its subsidiary, or an individual who is responsible for auditing the Company or its subsidiary as an employee of the accounting auditor
- (6) A relative within the third degree of kinship or closer of an individual described in any of the items (1) to (5) above
- (7) A relative within the third degree of kinship or closer of an officer, executive officer, or key employee in a post higher than division general manager of the Company or its subsidiary
- (8) An individual to whom any of the items (1) to (7) above has applied within the last three years

Internal
Full-time

うんと きよのり
雲戸 清則
Kiyonori Unto



Profile

Date of birth February 9, 1962 (64 years old)
No. of Company shares held 6,400
Attendance at Board of Directors' meeting 100% (11/11)
Attendance at Board of Auditors' meeting 100% (14/14)
Years of service (at the closing of the Meeting) 2 year

Initiatives in the 63rd period

Mr. Kiyonori Unto attended meetings of the Board of Directors, Board of Auditors and other important meetings, using his many years of practical experience to suggest improvements in business operations and to propose risk countermeasures. Furthermore, as a full-time corporate auditor, he conducted audit activities such as visiting offices and attending inventories.

Sound corporate governance and value enhancement

In terms of pursuing sound corporate development, we, the auditors, and the executive side are determined to work together. We will strive to maintain and develop a quality, sound corporate governance system that fosters societal trust and fulfills our mandates from shareholders.

Brief biography, status, and important concurrent posts

November 1986	Joined the Company
April 2008	Okayama Branch Office Manager
April 2011	General Manager of Factory Sales Division (East)
April 2013	General Manager of Overseas Division
January 2019	General Manager of Factory Sales Division (East) and Distribution Division (East Japan)
January 2022	General Manager of Factory Sales Division (East)
March 2024	Full-time Corporate Auditor of the Company (present)

Outside
Part-time

わだ よりとも
和田 頼知
Yoritomo Wada



Profile

Date of birth October 23, 1955 (70 years old)
No. of Company shares held 2,000
Attendance at Board of Directors' meeting 100% (11/11)
Attendance at Board of Auditors' meeting 100% (14/14)
Years of service (at the closing of the Meeting) 3 year

Initiatives in the 63rd period

Mr. Yoritomo Wada attended meetings of the Board of Directors, Board of Auditors, accounting auditor report meetings, and internal committee meetings. He expressed various opinions on management policies and various matters based on his professional knowledge and experience as a certified public accountant who has been involved in the management of many companies.

Keeping a close eye on risk-benefit relationships

As this fiscal year's audit theme, we will closely monitor whether the risks inherent in various decisions that the Company makes are balanced with the benefits gained. We intend to take a long-term approach to this issue.

Brief biography, status, and important concurrent posts

April 1978	Joined Tohmatsu Audit Firm (now Deloitte Touche Tohmatsu LLC)
August 1981	Registered as a Certified Public Accountant
June 1996	Partner, Tohmatsu Audit Firm (now Deloitte Touche Tohmatsu LLC)
June 2019	Part-time Auditor of Nippon Shokubai Co., Ltd.
April 2020	Part-time Auditor of Sekisui House, Ltd. (present)
March 2023	Part-time Auditor of the Company (present)

Outside
Part-time

ひね の けん
日根野 健
Ken Hineno



Profile

Date of birth August 23, 1979 (46 years old)
No. of Company shares held 10,000
Attendance at Board of Directors' meeting 100% (11/11)
Attendance at Board of Auditors' meeting 100% (14/14)
Years of service (at the closing of the Meeting) 3 year

Initiatives in the 63rd period

Mr. Ken Hineno attended meetings of the Board of Directors, Board of Auditors, accounting auditor report meetings, and internal committee meetings. He expressed various opinions on management policies and various matters based on his professional knowledge and experience as a certified public accountant who has been involved in the management of many companies.

Protecting corporate value while taking risks

To enhance corporate value, trying new things and learning through trial and error are essential as the business environment constantly changes. We will protect corporate value, mindful to take on new challenges without involving excessive risk.

Brief biography, status, and important concurrent posts

October 2003	Joined Tohmatsu Audit Firm (now Deloitte Touche Tohmatsu LLC)
July 2007	Registered as a Certified Public Accountant
August 2007	Representative Director of Actionlearning Co., Ltd.(present) Representative of Hineno Certified Public Accountant Office (present)
December 2019	Senior Partner of Hineno Accounting Office (present)
March 2023	Part-time Auditor of the Company (present)

Here are the answers

to some of the questions that are frequently asked by our shareholders.



Q1 Are you considering the revival of the shareholder special benefit program?



At present, revival of the program is not planned.

The number of shareholders increased steadily thanks to the program. However, since the program was likely to boost the costs for benefit items for shareholders and for operation of the venue, etc. of general shareholders' meetings, we abolished the program in 2020. The Company needs to continue to invest in distribution equipment and digital technologies for the purpose of becoming what we want to be: a company that continues to be useful for manufacturing in Japan. We will reward our shareholders by making investments that will lead to further growth.



Q2 What is your policy on payout ratio?



Introduced the "TRUSCO Zentaku Dividend"

The Company intends to achieve sustainable growth and thereby maximize the return to its shareholders. Based on the policy that continuous capital investment is indispensable to enhance corporate value, we are aggressively investing in facilities. The Company introduced a new dividend system, "TRUSCO Zentaku Dividend," effective from the fiscal year ended December 31, 2023, based on the concept of "Shushazentaku" to overcome the dichotomy between positive investment in digital and distribution and shareholders' expectations for dividends.

See [p. 6](#) regarding the "TRUSCO Zentaku Dividend"



Q3 What is your policy on share buyback?



A company should develop measures for growth and invest funds in them

The aim of share buyback is to increase the index of a share by reducing the total number of shares in anticipation of a rise in stock price. However, we do not think it raises the company's production capacity, sales capacity, or corporate value. We will develop measures for the growth and invest funds in them to achieve growth, thereby rewarding our shareholders.



Q4 What is your policy on M&As?



Investment in distribution is equivalent to M&As

Building a distribution center, placing shelves, stocking goods, and selling them has the same effect as purchasing a company. We will continue to be an organic company that will continue to grow by itself even though the progress is slow.



Q5 What are the publicity effects of "TRUSCO Shirarezaru Gulliver"?



Deepening relationships with various business partners

The goal of "TRUSCO Shirarezaru Gulliver" is to bring pride and vitality to Japan by highlighting Japan's highly skilled companies in a program that we are the sole sponsor of.

The program has led to increased corporate recognition for TRUSCO as well as for the companies that appear on the program. In addition, the sponsorship has led to the development of new suppliers, expanded contacts with users, and the creation of business opportunities such as MRO Stocker, and we hope to continue sponsorship in the future.



Q6 What is your approach to women's participation and promotion?



Implementation of initiatives to promote the birth of female officers

The Company is implementing the initiatives listed below in order to promote the birth of female officers. The Company is also improving work environment as it believes it important to create a comfortable work environment for women in order to promote the birth of female officers.

- (1) In January 2024, the Company has started a "Girls' meeting for proposals" program under which a female employee chosen among association members who volunteer as candidates attends Management Conference meetings, which are attended by general managers or persons at higher positions, to make improvement and growth proposals.
- (2) The Company endeavors to increase the percentage of female employees in newly appointed management positions.
- (3) In order to create a comfortable work environment for women, the Company has introduced the following programs:

Lovebird Transfer Program:

This program allows employees to transfer, following their spouse' transfer, to the same area as their spouse and to continue to work for the Company regardless of whether their spouse is an employee of the Company.

Welcome Back Program:

This program is for the re-employment of employees who had to leave the Company to raise a child, take care of a sick family member, undergo infertility treatments, or to accompany their spouse overseas due to his or her overseas assignment, provided that ten years have not passed since their leaving the Company.

Fertility Treatment Leave:

Employees can take a leave for up to one year for infertility treatment, but only for specified infertility treatment (in vitro fertilization and intra-cytoplasmic sperm injection). The limit is reset at each childbirth, and the program can also be used again for the second and any subsequent child.



Q7 What is the reason that you do not start direct selling or selling for general consumers?



Be an Ultimate Master Wholesale

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. If we start direct selling for general consumers, all the online shopping companies today will be our competitors. "A wholesaler must thoroughly enhance its wholesale functions." We believe this is the best growth strategy. Through cooperation with online shopping companies and other retail businesses, the Company will continue to support and respond to the needs of Monodzukuri sites.



Q8 How does TRUSCO plan to develop its overseas business in the future?



Our consolidated subsidiaries will realize stable supply of products to satisfy the needs of foreign companies

Our overseas businesses are operated under two strategic approaches: the sales activities of local subsidiaries in Thailand and Indonesia, both of which hold inventories locally, and the sales activities of the Overseas Sales Section, focusing on the expansion of one-stop sales to local distributors and the development of new local distributors. Although our overseas business accounts for a small percentage of the total sales of the Company, we will aim to bolster relationships with local customers while working to develop new sales channels.

Overseas Sales Section

We engage in direct international trades with distributors located all over the world, mainly in the U.S, Europe, and ASEAN, exporting products to 20 countries as of December 31, 2024. We will continue to aim to become a company that is of service to the global manufacturing sector.