

Translation

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Summary of Consolidated Financial Results for the Six Months Ended December 31, 2015 (Based on Japanese GAAP)

February 12, 2016

Company name: Trust Tech Inc.
 Stock exchange listing: Tokyo
 Stock code: 2154 URL <http://www.trust-tech.jp/>
 Representative: CEO & Chairman Takehiko Ogawa
 Board Director
 Inquiries: Managing Corporate Executive Officer Noriyuki Murai TEL 03-5777-7727
 Chief Administrative Officer
 Scheduled date to file Quarterly Securities Report: February 15, 2016
 Scheduled date to commence dividend payments: March 4, 2016
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors, analysts and general investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2015 (from July 1, 2015 to December 31, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended December 31, 2015	14,545	46.7	1,107	69.0	1,103	64.6	643	51.8
Six months ended December 31, 2014	9,918	17.8	655	4.9	670	4.3	423	9.5

Note: Comprehensive income Six months ended December 31, 2015 ¥642 million [51.1 %]
 Six months ended December 31, 2014 ¥425 million [10.2 %]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended December 31, 2015	66.62		66.15	
Six months ended December 31, 2014	44.25		43.76	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	10,780	4,715	43.7
As of June 30, 2015	7,725	4,406	57.0

Reference: Equity As of December 31, 2015 ¥4,711 million
 As of June 30, 2015 ¥4,406 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended June 30, 2015	–	25.00	–	35.00	60.00
Year ending June 30, 2016	–	30.00	–	–	–
Year ending June 30, 2016 (Forecast)	–	–	–	25.00	–

Note: Revision of cash dividend forecast most recently announced: Yes

* The Company plans to implement a 2-for-1 stock split effective April 1, 2016. Accordingly, the year-end dividend per share for the fiscal year ending June 30, 2016 (forecast) indicates the amount in consideration of the stock split. On a pre-split basis, the year-end dividend per share for the fiscal year ending June 30, 2016 (forecast) would be 50.00 yen per share, which makes the annual dividend per share 80.00 yen in total. As a result, the dividend forecast has been revised (a dividend increase).

3. Forecast of consolidated financial results for the year ending June 30, 2016 (from July 1, 2015 to June 30, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	30,000	44.1	2,500	56.5	2,500	54.0	1,500	46.4	77.69

Note: Revision of consolidated financial results forecast most recently announced: Yes

For the revised forecasts of the consolidated financial results, please refer to the "Notice of differences between the consolidated earnings forecasts and the actual results for the six months ended December 31, 2015 and the revised forecasts of the consolidated financial results for the fiscal year ending June 30, 2016 as well as the interim dividend and the revisions to the year-end dividend forecast (a dividend increase)" released on February 12, 2016.

* The Company plans to implement a 2-for-1 stock split effective April 1, 2016. Accordingly, the earnings per share in the forecasts of the consolidated financial results for the fiscal year ending June 30, 2016 indicate the amount in consideration of the stock split. On a pre-split basis, the earnings per share for the fiscal year ending June 30, 2016 would be 155.38 yen.

4. Notes

- (1) Changes in significant subsidiaries during the six months ended December 31, 2015 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
 Newly included: 2 companies System One Co., Ltd., ECS Co., Ltd. Excluded: –
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
 Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 Changes in accounting policies due to other reasons: No
 Changes in accounting estimates: No
 Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2015	9,654,000 shares	As of June 30, 2015	9,654,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	164 shares	As of June 30, 2015	105 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2015	9,653,879 shares	Six months ended December 31, 2014	9,575,969 shares
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* Presentation of the implementation status of the procedures for quarterly review

This quarterly financial results summary is not subject to the procedures for quarterly review pursuant to the Financial Instruments and Exchange Act. The procedures for reviewing the Company's quarterly consolidated financial statements in accordance with the Financial Instruments and Exchange Act are yet to be completed at the time of disclosure of this quarterly financial results summary.

* Explanation of the appropriate use of earnings forecasts and other special notes

(Notes on forward-looking statements)

Earnings forecasts and other forward-looking statements stated in this document are based on information currently available to the Company and certain assumptions that the Company considers to be reasonable. The actual results may differ materially from the forecasts due to various factors.

(Forecasts of the dividend amount and the financial results after the stock split)

The Company plans to implement a 2-for-1 stock split effective April 1, 2016. Accordingly, the forecast of the year-end dividend per share and the earnings per share in the forecasts of the financial results for the fiscal year ending June 30, 2016 indicate the amount in consideration of the stock split.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	3,038,978	3,662,544
Notes and accounts receivable - trade	2,954,078	3,506,820
Other	558,395	654,231
Total current assets	6,551,452	7,823,596
Non-current assets		
Property, plant and equipment	221,662	269,054
Intangible assets		
Goodwill	–	2,126,127
Other	130,607	133,184
Total intangible assets	130,607	2,259,312
Investments and other assets		
Real estate for investment, net	577,970	–
Other	243,767	429,014
Total investments and other assets	821,737	429,014
Total non-current assets	1,174,007	2,957,381
Total assets	7,725,460	10,780,978
Liabilities		
Current liabilities		
Short-term loans payable	–	2,300,000
Accrued expenses	1,754,367	1,897,856
Income taxes payable	388,534	281,932
Accrued consumption taxes	718,793	464,269
Provision for bonuses	188,794	405,774
Other	236,964	643,210
Total current liabilities	3,287,454	5,993,042
Non-current liabilities		
Net defined benefit liability	6,267	45,067
Other	25,291	27,396
Total non-current liabilities	31,558	72,464
Total liabilities	3,319,013	6,065,507
Net assets		
Shareholders' equity		
Capital stock	1,529,690	1,529,690
Capital surplus	687,175	687,175
Retained earnings	2,193,146	2,498,404
Treasury shares	(177)	(318)
Total shareholders' equity	4,409,835	4,714,951
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	61	(41)
Foreign currency translation adjustment	(3,449)	(3,865)
Total accumulated other comprehensive income	(3,388)	(3,907)
Subscription rights to shares	–	4,427
Total net assets	4,406,446	4,715,470
Total liabilities and net assets	7,725,460	10,780,978

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2014	Six months ended December 31, 2015
Net sales	9,918,260	14,545,278
Cost of sales	7,596,095	11,081,642
Gross profit	2,322,164	3,463,636
Selling, general and administrative expenses	1,667,072	2,356,226
Operating income	655,092	1,107,409
Non-operating income		
Interest income	225	354
Subsidy income	8,257	5,263
Foreign exchange gains	6,055	–
Other	1,317	3,300
Total non-operating income	15,857	8,917
Non-operating expenses		
Interest expenses	131	8,260
Foreign exchange losses	–	4,081
Other	6	–
Total non-operating expenses	138	12,342
Ordinary income	670,811	1,103,984
Extraordinary income		
Gain on sales of non-current assets	–	22,436
Total extraordinary income	–	22,436
Extraordinary losses		
Loss on retirement of non-current assets	–	470
payment burden money	5,825	–
Total extraordinary losses	5,825	470
Income before income taxes and minority interests	664,986	1,125,950
Income taxes - current	102,167	464,281
Income taxes - deferred	139,088	18,525
Total income taxes	241,256	482,806
Profit	423,729	643,144
Profit attributable to owners of parent	423,729	643,144

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2014	Six months ended December 31, 2015
Profit	423,729	643,144
Other comprehensive income		
Valuation difference on available-for-sale securities	17	(103)
Foreign currency translation adjustment	1,636	(416)
Total other comprehensive income	1,654	(519)
Comprehensive income	425,384	642,624
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	425,384	642,624

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended December 31, 2014	Six months ended December 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	664,986	1,125,950
Depreciation	41,578	52,221
Amortization of goodwill	–	116,476
Increase (decrease) in provision for bonuses	17,396	62,540
Increase (decrease) in net defined benefit liability	203	3,174
Interest and dividend income	(227)	(364)
Interest expenses	131	8,260
Loss (gain) on sales of non-current assets	–	(22,436)
Decrease (increase) in notes and accounts receivable - trade	(20,779)	(66,546)
Increase (decrease) in accrued expenses	(45,267)	(139,703)
Other, net	41,065	(106,606)
Subtotal	699,087	1,032,966
Interest and dividend income received	225	364
Interest expenses paid	(131)	(9,037)
Income taxes paid	(357,506)	(664,577)
Net cash provided by (used in) operating activities	341,675	359,715
Cash flows from investing activities		
Purchase of property, plant and equipment	(86,055)	(49,872)
Purchase of intangible assets	(62,977)	(31,492)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,978,802)
Payments for transfer of business	–	(108,000)
Net decrease (increase) in lease and gurantee deposits	14,912	(59,936)
Proceeds from sales of investments in real estates	–	598,650
Other, net	(180)	(17,947)
Net cash provided by (used in) investing activities	(134,299)	(1,647,401)
Cash flows from financing activities		
Increase in short-term loans payable	–	2,300,000
Repayments of lease obligations	(3,509)	(3,509)
Cash dividends paid	(286,996)	(337,330)
Other, net	23,200	4,285
Net cash provided by (used in) financing activities	(267,306)	1,963,445
Effect of exchange rate change on cash and cash equivalents	7,194	(862)
Net increase (decrease) in cash and cash equivalents	(52,736)	674,897
Cash and cash equivalents at beginning of period	2,429,972	3,038,978
Cash and cash equivalents at end of period	2,377,235	3,713,875