

Translation

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Summary of Consolidated Financial Results for the Three Months Ended September 30, 2017 (Based on Japanese GAAP)

November 10, 2017

Company name: Trust Tech Inc.
 Stock exchange listing: Tokyo
 Stock code: 2154 URL <http://www.trust-tech.jp/>
 Representative: President and Representative Director Yutaka Nishida
 Director, Senior Managing Corporate Noriyuki Murai
 Inquiries: Executive Officer TEL 03-5777-7727
 Scheduled date to file Quarterly Securities Report: November 13, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended September 30, 2017 (from July 1, 2017 to September 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended September 30, 2017	11,977	16.6	968	94.4	978	106.0	612	188.2
Three months ended September 30, 2016	10,274	46.9	498	36.2	474	31.0	212	18.2

Note: Comprehensive income Three months ended September 30, 2017 ¥696 million [145.2%]
 Three months ended September 30, 2016 ¥283 million [58.3%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended September 30, 2017	31.54		31.48	
Three months ended September 30, 2016	10.98		10.92	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	16,673	6,811	40.1
As of June 30, 2017	16,805	6,697	39.2

Reference: Equity As of September 30, 2017: ¥6,694 million
 As of June 30, 2017: ¥6,594 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended June 30, 2017	–	15.00	–	30.00	45.00
Year ending June 30, 2018	–				
Year ending June 30, 2018 (Forecast)		20.00	–	35.00	55.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending June 30, 2018 (from July 1, 2017 to June 30, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending December 31, 2017	24,620	20.3	2,065	58.0	2,062	60.6	1,273	75.3	65.52
Full year	51,500	19.7	4,250	32.0	4,250	33.4	2,620	36.2	134.83

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 2017
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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: No
- 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 September 30, 2017	19,433,800 shares	As of June 30, 2017	19,433,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2017	493 shares	As of June 30, 2017	493 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2017	19,432,664 shares	Three months ended September 30, 2016	19,366,632 shares
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* Quarterly financial results reports are not required to be subjected to quarterly reviews.

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

Earnings forecasts and other forward-looking statements stated in this document are based on information 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.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	4,581,972	4,481,220
Notes and accounts receivable - trade	6,245,524	6,271,844
Other	1,172,198	1,174,539
Total current assets	11,999,695	11,927,603
Non-current assets		
Property, plant and equipment	427,970	427,647
Intangible assets		
Goodwill	3,681,754	3,613,925
Other	163,456	165,869
Total intangible assets	3,845,211	3,779,795
Investments and other assets	532,187	538,110
Total non-current assets	4,805,369	4,745,552
Total assets	16,805,065	16,673,156
Liabilities		
Current liabilities		
Short-term loans payable	1,075,934	1,070,000
Current portion of bonds	196,000	196,000
Current portion of long-term loans payable	300,000	300,000
Accrued expenses	3,031,668	2,635,153
Income taxes payable	812,290	360,561
Accrued consumption taxes	742,448	755,709
Provision for bonuses	600,943	1,376,144
Other	882,047	934,121
Total current liabilities	7,641,333	7,627,690
Non-current liabilities		
Bonds payable	1,106,000	1,008,000
Long-term loans payable	1,200,000	1,050,000
Net defined benefit liability	44,628	45,691
Other	116,021	130,716
Total non-current liabilities	2,466,649	2,234,407
Total liabilities	10,107,983	9,862,097
Net assets		
Shareholders' equity		
Capital stock	1,562,705	1,563,185
Capital surplus	720,190	720,671
Retained earnings	4,238,432	4,268,430
Treasury shares	(569)	(569)
Total shareholders' equity	6,520,758	6,551,717
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	148	196
Foreign currency translation adjustment	73,917	142,239
Total accumulated other comprehensive income	74,065	142,436
Subscription rights to shares	4,028	4,009
Non-controlling interests	98,230	112,895
Total net assets	6,697,082	6,811,058
Total liabilities and net assets	16,805,065	16,673,156

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2016	Three months ended September 30, 2017
Net sales	10,274,140	11,977,237
Cost of sales	8,164,999	9,367,176
Gross profit	2,109,140	2,610,061
Selling, general and administrative expenses	1,610,890	1,641,386
Operating profit	498,249	968,674
Non-operating income		
Interest income	110	89
Subsidy income	922	12,932
Foreign exchange gains	–	1,658
Share of profit of entities accounted for using equity method	–	977
Other	713	1,892
Total non-operating income	1,746	17,550
Non-operating expenses		
Interest expenses	4,098	7,593
Foreign exchange losses	774	–
Bond issuance cost	20,083	–
Other	136	397
Total non-operating expenses	25,093	7,991
Ordinary profit	474,902	978,233
Extraordinary income		
Gain on sales of non-current assets	179	–
Gain on reversal of subscription rights to shares	–	11
Total extraordinary income	179	11
Extraordinary losses		
Loss on retirement of non-current assets	–	3,545
Total extraordinary losses	–	3,545
Profit before income taxes	475,081	974,699
Income taxes - current	200,763	321,818
Income taxes - deferred	52,185	29,617
Total income taxes	252,949	351,436
Profit	222,132	623,263
Profit attributable to non-controlling interests	9,445	10,289
Profit attributable to owners of parent	212,686	612,973

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2016	Three months ended September 30, 2017
Profit	222,132	623,263
Other comprehensive income		
Valuation difference on available-for-sale securities	100	48
Foreign currency translation adjustment	61,661	72,325
Share of other comprehensive income of entities accounted for using equity method	–	371
Total other comprehensive income	61,761	72,745
Comprehensive income	283,894	696,008
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	286,249	681,343
Comprehensive income attributable to non-controlling interests	(2,354)	14,664