

Translation

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Summary of Consolidated Financial Results for the Six Months Ended December 31, 2017 (Based on Japanese GAAP)

February 9, 2018

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: February 13, 2018
 Scheduled date to commence dividend payments: March 6, 2018
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2017 (from July 1, 2017 to December 31, 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	%
Six months ended December 31, 2017	29,676	45.0	2,210	69.2	2,201	71.5	1,312	80.7
Six months ended December 31, 2016	20,471	40.7	1,306	18.0	1,283	16.3	726	12.9

Note: Comprehensive income Six months ended December 31, 2017 ¥1,548 million [113.8%]
 Six months ended December 31, 2016 ¥723 million [12.7%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended December 31, 2017	67.46		67.17	
Six months ended December 31, 2016	37.46		37.34	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	25,595	8,552	32.6
As of June 30, 2017	16,805	6,697	39.2

Reference: Equity As of December 31, 2017: ¥8,337 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	–	20.00			
Year ending June 30, 2018 (Forecast)			–	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
Full year	64,500	49.9	4,350	35.1	4,350	36.5	2,690	39.8	135.70

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

The calculation of earnings per share in the forecast of consolidated financial results considers the issuance of new shares through third-party allocation.

4. Notes

- (1) Changes in significant subsidiaries during the six months ended December 31, 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 December 31, 2017	19,725,400 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 December 31, 2017	532 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)

Six months ended December 31, 2017	19,456,673 shares	Six months ended December 31, 2016	19,389,587 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.

(Thousands of yen)

	As of June 30, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	4,581,972	6,427,768
Notes and accounts receivable - trade	6,245,524	10,416,829
Other	1,172,198	1,626,545
Allowance for doubtful accounts	-	△38,457
Total current assets	11,999,695	18,432,686
Non-current assets		
Property, plant and equipment	427,970	507,522
Intangible assets		
Goodwill	3,681,754	5,966,334
Other	163,456	182,261
Total intangible assets	3,845,211	6,148,596
Investments and other assets	532,187	507,188
Total non-current assets	4,805,369	7,163,307
Total assets	16,805,065	25,595,994
Liabilities		
Current liabilities		
Short-term loans payable	1,075,934	5,884,232
Current portion of bonds	196,000	196,000
Current portion of long-term loans payable	300,000	300,000
Accrued expenses	3,031,668	3,164,189
Income taxes payable	812,290	817,276
Accrued consumption taxes	742,448	1,527,182
Provision for bonuses	600,943	710,828
Other	882,047	2,082,939
Total current liabilities	7,641,333	14,682,649
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	46,828
Other	116,021	255,555
Total non-current liabilities	2,466,649	2,360,384
Total liabilities	10,107,983	17,043,033
Net assets		
Shareholders' equity		
Capital stock	1,562,705	1,980,229
Capital surplus	720,190	1,137,715
Retained earnings	4,238,432	4,968,020
Treasury shares	△569	△690
Total shareholders' equity	6,520,758	8,085,275
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	148	698
Foreign currency translation adjustment	73,917	251,742
Total accumulated other comprehensive income	74,065	252,441
Subscription rights to shares	4,028	47,403
Non-controlling interests	98,230	167,839
Total net assets	6,697,082	8,552,960
Total liabilities and net assets	16,805,065	25,595,994

(Thousands of yen)

	Six months ended December 31, 2016	Six months ended December 31, 2017
Net sales	20,471,244	29,676,152
Cost of sales	16,113,396	23,328,342
Gross profit	4,357,848	6,347,810
Selling, general and administrative expenses	3,050,990	4,137,171
Operating profit	1,306,858	2,210,638
Non-operating income		
Interest income	120	179
Subsidy income	7,599	28,423
Foreign exchange gains	2,153	1,464
Share of profit of entities accounted for using equity method	-	2,090
Other	1,306	3,839
Total non-operating income	11,178	35,998
Non-operating expenses		
Interest expenses	11,795	38,342
Bond issuance cost	20,083	-
Share of loss of entities accounted for using equity method	2,197	-
Other	171	6,943
Total non-operating expenses	34,248	45,285
Ordinary profit	1,283,788	2,201,350
Extraordinary income		
Gain on sales of non-current assets	179	-
Gain on reversal of subscription rights to shares	171	11
Gain on sales of investment securities	-	1,853
Total extraordinary income	350	1,864
Extraordinary losses		
Loss on retirement of non-current assets	3,476	3,985
Total extraordinary losses	3,476	3,985
Profit before income taxes	1,280,662	2,199,229
Income taxes - current	371,282	655,198
Income taxes - deferred	167,063	184,870
Total income taxes	538,346	840,068
Profit	742,316	1,359,160
Profit attributable to non-controlling interests	15,914	46,596
Profit attributable to owners of parent	726,401	1,312,563

(Thousands of yen)

	Six months ended December 31, 2016	Six months ended December 31, 2017
Profit	742,316	1,359,160
Other comprehensive income		
Valuation difference on available-for-sale securities	333	550
Foreign currency translation adjustment	△19,846	187,460
Share of other comprehensive income of entities accounted for using equity method	1,190	992
Total other comprehensive income	△18,321	189,003
Comprehensive income	723,994	1,548,164
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	723,785	1,490,939
Comprehensive income attributable to non-controlling interests	208	57,225