

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended June 30, 2018 (Based on Japanese GAAP)

August 10, 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 Executive Officer  
 Inquiries: Noriyuki Murai TEL 03-5777-7727  
 Scheduled date of ordinary general meeting of shareholders: September 21, 2018  
 Scheduled date to file Securities Report: September 25, 2018  
 Scheduled date to commence dividend payments: September 4, 2018  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended June 30, 2018 (from July 1, 2017 to June 30, 2018)

#### (1) Consolidated operating results

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	%
Year ended June 30, 2018	65,363	51.9	4,297	33.4	4,228	32.7	2,569	33.5
Year ended June 30, 2017	43,035	42.8	3,220	26.3	3,185	26.0	1,923	26.3

Note: Comprehensive income Year ended June 30, 2018 ¥2,711 million [33.7%]  
 Year ended June 30, 2017 ¥2,027 million [33.3%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended June 30, 2018	128.63	127.95	25.5	18.8	6.6
Year ended June 30, 2017	99.17	98.92	32.3	22.2	7.5

Reference: Share of profit (loss) of investments accounted for using the equity method

Year ended June 30, 2018 ¥2 million  
 Year ended June 30, 2017 ¥(3) million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2018	28,128	13,715	48.3	641.30
As of June 30, 2017	16,805	6,697	39.2	339.37

Reference: Equity As of June 30, 2018: ¥13,581 million  
 As of June 30, 2017: ¥6,594 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended June 30, 2018	5,144	(2,720)	2,415	9,410
Year ended June 30, 2017	2,274	(2,395)	764	4,581

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended June 30, 2017	–	15.00	–	30.00	45.00	874	45.4	14.7
Year ended June 30, 2018	–	20.00	–	35.00	55.00	1,135	42.8	11.2
Year ending June 30, 2019 (Forecast)	–	30.00	–	40.00	70.00		40.1	

## 3. Forecast of consolidated financial results for the year ending June 30, 2019 (from July 1, 2018 to June 30, 2019)

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, 2018	39,188	32.1	2,550	15.4	2,500	13.6	1,600	21.9	75.55
Full year	82,000	25.5	6,000	39.6	5,900	39.5	3,700	44.0	174.70

## 4. Notes

### (1) Changes in significant subsidiaries during the year ended June 30, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

### (2) 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

### (3) Number of issued shares (common shares)

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

As of June 30, 2018	21,179,400 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 June 30, 2018	532 shares	As of June 30, 2017	493 shares
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Average number of shares during the period

Year ended June 30, 2018	19,974,456 shares	Year ended June 30, 2017	19,401,559 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of June 30, 2017	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	4,581,972	9,410,098
Notes and accounts receivable - trade	6,245,524	10,045,310
Deferred tax assets	529,790	754,291
Allowance for doubtful accounts	–	(28,151)
Other	642,408	763,262
Total current assets	11,999,695	20,944,811
Non-current assets		
Property, plant and equipment		
Buildings and structures	319,814	439,154
Accumulated depreciation	(81,302)	(101,784)
Buildings and structures, net	238,511	337,370
Land	107,198	108,087
Other	286,715	384,288
Accumulated depreciation	(204,454)	(234,235)
Other, net	82,261	150,052
Total property, plant and equipment	427,970	595,510
Intangible assets		
Goodwill	3,681,754	5,658,927
Software	163,321	218,002
Other	135	83,507
Total intangible assets	3,845,211	5,960,438
Investments and other assets		
Deferred tax assets	25,954	57,854
Other	506,233	570,292
Total investments and other assets	532,187	628,146
Total non-current assets	4,805,369	7,184,095
Total assets	16,805,065	28,128,906

(Thousands of yen)

	As of June 30, 2017	As of June 30, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short-term loans payable	1,075,934	2,145,429
Current portion of bonds	196,000	196,000
Current portion of long-term loans payable	300,000	300,000
Lease obligations	1,379	–
Accrued expenses	3,031,668	4,208,966
Income taxes payable	812,290	1,017,617
Accrued consumption taxes	742,448	1,817,284
Provision for bonuses	600,943	966,235
Other	880,668	1,754,275
<b>Total current liabilities</b>	<b>7,641,333</b>	<b>12,405,809</b>
<b>Non-current liabilities</b>		
Bonds payable	1,106,000	910,000
Long-term loans payable	1,200,000	900,000
Lease obligations	10	–
Net defined benefit liability	44,628	47,701
Deferred tax liabilities	24,031	1,823
Other	91,978	147,585
<b>Total non-current liabilities</b>	<b>2,466,649</b>	<b>2,007,110</b>
<b>Total liabilities</b>	<b>10,107,983</b>	<b>14,412,920</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,562,705	4,199,431
Capital surplus	720,190	3,356,917
Retained earnings	4,238,432	5,830,208
Treasury shares	(569)	(690)
<b>Total shareholders' equity</b>	<b>6,520,758</b>	<b>13,385,867</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	148	721
Foreign currency translation adjustment	73,917	195,397
<b>Total accumulated other comprehensive income</b>	<b>74,065</b>	<b>196,118</b>
Share acquisition rights	4,028	3,575
Non-controlling interests	98,230	130,424
<b>Total net assets</b>	<b>6,697,082</b>	<b>13,715,985</b>
<b>Total liabilities and net assets</b>	<b>16,805,065</b>	<b>28,128,906</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended June 30, 2017	Fiscal year ended June 30, 2018
Net sales	43,035,463	65,363,585
Cost of sales	33,690,697	52,060,977
Gross profit	9,344,766	13,302,607
Selling, general and administrative expenses		
Directors' compensations	225,224	279,335
Salaries and allowances	2,216,035	3,373,295
Retirement benefit expenses	16,219	20,730
Offering cost	448,897	560,662
Taxes and dues	158,844	174,532
Other	3,059,162	4,596,568
Total selling, general and administrative expenses	6,124,385	9,005,124
Operating profit	3,220,381	4,297,482
Non-operating income		
Interest income	251	261
Subsidy income	23,493	46,324
Share of profit of entities accounted for using equity method	–	2,030
Other	2,149	16,083
Total non-operating income	25,895	64,699
Non-operating expenses		
Interest expenses	27,377	82,821
Bond issuance cost	20,083	–
Share issuance cost	–	29,463
Foreign exchange losses	6,359	9,788
Share of loss of entities accounted for using equity method	3,766	–
Other	3,030	11,151
Total non-operating expenses	60,617	133,225
Ordinary profit	3,185,658	4,228,957
Extraordinary income		
Gain on sales of non-current assets	179	722
Gain on reversal of share acquisition rights	209	11
Gain on sales of investment securities	–	1,853
Total extraordinary income	388	2,586
Extraordinary losses		
Loss on retirement of non-current assets	34,636	10,113
Settlement of contract amendment	–	170,643
Total extraordinary losses	34,636	180,757
Profit before income taxes	3,151,410	4,050,786
Income taxes - current	1,286,360	1,687,938
Income taxes - deferred	(93,231)	(227,869)
Total income taxes	1,193,129	1,460,069
Profit	1,958,280	2,590,716
Profit attributable to non-controlling interests	34,324	21,467
Profit attributable to owners of parent	1,923,956	2,569,249

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended June 30, 2017	Fiscal year ended June 30, 2018
Profit	1,958,280	2,590,716
Other comprehensive income		
Valuation difference on available-for-sale securities	475	572
Foreign currency translation adjustment	68,106	119,660
Share of other comprehensive income of entities accounted for using equity method	967	161
Total other comprehensive income	69,549	120,394
Comprehensive income	2,027,830	2,711,111
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,003,963	2,691,301
Comprehensive income attributable to non-controlling interests	23,867	19,809

## Consolidated statements of changes in equity

Fiscal year ended June 30, 2017

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,538,690	696,175	3,089,478	(397)	5,323,946
Changes of items during period					
Issuance of new shares	24,015	24,015			48,030
Dividends of surplus			(775,003)		(775,003)
Profit attributable to owners of parent			1,923,956		1,923,956
Purchase of treasury shares				(171)	(171)
Net changes of items other than shareholders' equity					
Total changes of items during period	24,015	24,015	1,148,953	(171)	1,196,812
Balance at end of current period	1,562,705	720,190	4,238,432	(569)	6,520,758

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	(327)	(5,613)	(5,940)	4,427	–	5,322,432
Changes of items during period						
Issuance of new shares						48,030
Dividends of surplus						(775,003)
Profit attributable to owners of parent						1,923,956
Purchase of treasury shares						(171)
Net changes of items other than shareholders' equity	475	79,531	80,006	(399)	98,230	177,838
Total changes of items during period	475	79,531	80,006	(399)	98,230	1,374,650
Balance at end of current period	148	73,917	74,065	4,028	98,230	6,697,082



Fiscal year ended June 30, 2018

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,562,705	720,190	4,238,432	(569)	6,520,758
Changes of items during period					
Issuance of new shares	2,636,726	2,636,726			5,273,453
Dividends of surplus			(977,472)		(977,472)
Profit attributable to owners of parent			2,569,249		2,569,249
Purchase of treasury shares				(120)	(120)
Net changes of items other than shareholders' equity					
Total changes of items during period	2,636,726	2,636,726	1,591,776	(120)	6,865,109
Balance at end of current period	4,199,431	3,356,917	5,830,208	(690)	13,385,867

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	148	73,917	74,065	4,028	98,230	6,697,082
Changes of items during period						
Issuance of new shares						5,273,453
Dividends of surplus						(977,472)
Profit attributable to owners of parent						2,569,249
Purchase of treasury shares						(120)
Net changes of items other than shareholders' equity	572	121,479	122,052	(452)	32,193	153,793
Total changes of items during period	572	121,479	122,052	(452)	32,193	7,018,903
Balance at end of current period	721	195,397	196,118	3,575	130,424	13,715,985

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2017	Fiscal year ended June 30, 2018
Cash flows from operating activities		
Profit before income taxes	3,151,410	4,050,786
Depreciation	142,776	152,351
Amortization of goodwill	382,409	642,873
Increase (decrease) in provision for bonuses	142,177	365,300
Increase (decrease) in net defined benefit liability	(15,954)	3,073
Interest and dividend income	(272)	(312)
Interest expenses	27,377	82,821
Share of loss (profit) of entities accounted for using equity method	3,766	(2,030)
Bond issuance cost	20,083	–
Loss on retirement of non-current assets	34,636	10,113
SettlementOfContractAmendment	–	170,643
Decrease (increase) in notes and accounts receivable - trade	(985,706)	(244,341)
Increase (decrease) in accrued expenses	550,666	1,031,524
Other, net	55,272	662,128
Subtotal	3,508,644	6,924,934
Interest and dividend income received	272	312
Interest expenses paid	(35,551)	(81,525)
PaymentsForSettlementOfContractAmendment	–	(170,643)
Income taxes paid	(1,198,423)	(1,528,246)
Net cash provided by (used in) operating activities	2,274,942	5,144,831
Cash flows from investing activities		
Purchase of property, plant and equipment	(148,838)	(220,214)
Purchase of intangible assets	(43,741)	(136,189)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,150,524)	(2,313,299)
Purchase of shares of subsidiaries and associates	(15,150)	(30,081)
Net decrease (increase) in lease and guarantee deposits	(40,252)	(95,301)
Other, net	2,990	74,846
Net cash provided by (used in) investing activities	(2,395,517)	(2,720,240)
Cash flows from financing activities		
Increase in short-term loans payable	3,000,000	2,000,000
Decrease in short-term loans payable	(4,284,805)	(3,350,814)
Proceeds from long-term loans payable	1,500,000	–
Repayments of long-term loans payable	–	(300,000)
Proceeds from issuance of bonds	1,379,916	–
Redemption of bonds	(98,000)	(196,000)
Repayments of lease obligations	(6,246)	(1,389)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	47,668	5,192,209
Cash dividends paid	(774,262)	(971,770)
Other, net	–	43,755
Net cash provided by (used in) financing activities	764,269	2,415,990
Effect of exchange rate change on cash and cash equivalents	7,782	(12,456)
Net increase (decrease) in cash and cash equivalents	651,476	4,828,125
Cash and cash equivalents at beginning of period	3,930,496	4,581,972
Cash and cash equivalents at end of period	4,581,972	9,410,098