

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended March 31, 2019 (Based on Japanese GAAP)

May 14, 2019

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: May 15, 2019
 Scheduled date to commence dividend payments: –
 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 nine months ended March 31, 2019 (from July 1, 2018 to March 31, 2019)

(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	%
Nine months ended March 31, 2019	61,447	29.5	4,474	41.2	4,428	41.8	2,926	73.1
Nine months ended March 31, 2018	47,466	52.3	3,168	46.2	3,123	46.1	1,690	32.3

Note: Comprehensive income
 Nine months ended March 31, 2019 ¥2,723 million [38.3 %]
 Nine months ended March 31, 2018 ¥1,968 million [37.7 %]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended March 31, 2019	138.14		137.38	
Nine months ended March 31, 2018	86.07		85.59	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2019	30,120	15,075	49.2
As of June 30, 2018	28,127	13,715	48.3

Reference: Equity
 As of March 31, 2019: ¥14,828 million
 As of June 30, 2018: ¥13,581 million

Note: The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter of the fiscal year ending June 30, 2019. Accordingly, figures in the consolidated financial position as of June 30, 2018 are those after retrospective application of the standard and guidances.

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, 2018	–	20.00	–	35.00	55.00
Year ending June 30, 2019	–	30.00	–		
Year ending June 30, 2019 (Forecast)				40.00	70.00

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

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
Full year	82,000	25.5	6,000	39.6	5,900	39.5	3,700	44.0	174.70

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended March 31, 2019
(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 March 31, 2019	21,188,700 shares	As of June 30, 2018	21,179,400 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	717 shares	As of June 30, 2018	532 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended March 31, 2019	21,183,807 shares	Nine months ended March 31, 2018	19,642,629 shares
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* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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.

Financial results meeting for institutional investors and analysts will be held on Friday, May 17, 2019, as a telephone conference. Materials for the meeting will be provided on the Company's website.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of June 30, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	9,410	9,188
Notes and accounts receivable - trade	10,045	11,277
Other	763	998
Allowance for doubtful accounts	(28)	(30)
Total current assets	20,190	21,433
Non-current assets		
Property, plant and equipment	595	629
Intangible assets		
Goodwill	5,658	5,776
Other	301	329
Total intangible assets	5,960	6,106
Investments and other assets	1,380	1,950
Total non-current assets	7,936	8,687
Total assets	28,127	30,120
Liabilities		
Current liabilities		
Short-term loans payable	2,145	2,939
Current portion of bonds	196	196
Current portion of long-term loans payable	300	300
Accrued expenses	4,208	3,313
Income taxes payable	1,017	763
Accrued consumption taxes	1,817	1,891
Provision for bonuses	966	1,919
Other	1,754	1,979
Total current liabilities	12,405	13,303
Non-current liabilities		
Bonds payable	910	714
Long-term loans payable	900	600
Net defined benefit liability	47	52
Other	147	375
Total non-current liabilities	2,005	1,741
Total liabilities	14,411	15,045
Net assets		
Shareholders' equity		
Capital stock	4,199	4,213
Capital surplus	3,356	3,318
Retained earnings	5,830	7,379
Treasury shares	(0)	(1)
Total shareholders' equity	13,385	14,910
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Foreign currency translation adjustment	195	(82)
Total accumulated other comprehensive income	196	(82)
Share acquisition rights	3	2
Non-controlling interests	130	244
Total net assets	13,715	15,075
Total liabilities and net assets	28,127	30,120

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended March 31, 2018	Nine months ended March 31, 2019
Net sales	47,466	61,447
Cost of sales	37,746	48,591
Gross profit	9,720	12,855
Selling, general and administrative expenses	6,552	8,381
Operating profit	3,168	4,474
Non-operating income		
Interest income	0	0
Subsidy income	40	41
Other	4	6
Total non-operating income	44	47
Non-operating expenses		
Interest expenses	60	69
Foreign exchange losses	6	13
Share of loss of entities accounted for using equity method	0	0
Other	21	9
Total non-operating expenses	89	93
Ordinary profit	3,123	4,428
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on reversal of share acquisition rights	0	0
Gain on sales of investment securities	1	-
Total extraordinary income	2	1
Extraordinary losses		
Loss on retirement of non-current assets	4	4
Settlement of contract amendment	170	-
Total extraordinary losses	174	4
Profit before income taxes	2,951	4,426
Income taxes - current	1,233	1,351
Income taxes - deferred	(34)	61
Total income taxes	1,199	1,413
Profit	1,751	3,013
Profit attributable to non-controlling interests	61	86
Profit attributable to owners of parent	1,690	2,926

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended March 31, 2018	Nine months ended March 31, 2019
Profit	1,751	3,013
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Foreign currency translation adjustment	215	(279)
Share of other comprehensive income of entities accounted for using equity method	0	(9)
Total other comprehensive income	217	(289)
Comprehensive income	1,968	2,723
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,896	2,647
Comprehensive income attributable to non-controlling interests	72	75