

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended June 30, 2019 (Based on Japanese GAAP)

August 9, 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 Executive Officer  
 Inquiries: Noriyuki Murai TEL 03-5777-7727  
 Scheduled date of ordinary general meeting of shareholders: September 27, 2019  
 Scheduled date to file Securities Report: September 30, 2019  
 Scheduled date to commence dividend payments: September 10, 2019  
 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, 2019 (from July 1, 2018 to June 30, 2019)

#### (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, 2019	81,596	24.8	5,719	33.1	5,606	32.6	3,706	44.3
Year ended June 30, 2018	65,363	51.9	4,297	33.4	4,228	32.7	2,569	33.5

Note: Comprehensive income Year ended June 30, 2019 ¥3,672 million [35.5%]  
 Year ended June 30, 2018 ¥2,711 million [33.7%]

	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, 2019	87.47	87.20	25.5	18.9	7.0
Year ended June 30, 2018	64.31	63.98	25.5	18.8	6.6

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

Year ended June 30, 2019 ¥17 million  
 Year ended June 30, 2018 ¥2 million

Note: The Company implemented a 2-for-1 common stock split on July 1, 2019. Earnings per share and diluted earnings per share have been calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

#### (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, 2019	31,207	15,802	49.5	364.26
As of June 30, 2018	28,127	13,715	48.3	320.65

Reference: Equity As of June 30, 2019: ¥15,439 million  
 As of June 30, 2018: ¥13,581 million

Note: The Company implemented a 2-for-1 common stock split on July 1, 2019. Net assets per share have been calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

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 ended 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.

## (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, 2019	5,028	(1,430)	(2,748)	10,257
Year ended June 30, 2018	5,144	(2,720)	2,415	9,410

## 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, 2018	–	20.00	–	35.00	55.00	1,135	42.8	11.2
Year ended June 30, 2019	–	30.00	–	40.00	70.00	1,376	40.0	10.2
Year ending June 30, 2020 (Forecast)	–	15.00	–	25.00	40.00		44.2	

Note: The Company implemented a 2-for-1 common stock split on July 1, 2019. The dividend for the year ended June 30, 2018 and the dividend for the year ended June 30, 2019 indicate the actual amount paid prior to the stock split.

## 3. Forecast of consolidated financial results for the year ending June 30, 2020 (from July 1, 2019 to June 30, 2020)

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, 2019	41,810	3.9	2,731	(12.2)	2,636	(14.4)	1,560	(22.0)	36.81
Full year	87,000	6.6	6,500	13.6	6,350	13.3	3,840	3.6	90.60

Note: The Company implemented a 2-for-1 common stock split on July 1, 2019. The forecasted earnings per share for the year ending June 30, 2020 have been prepared taking its effect into account.

## 4. Notes

## (1) Changes in significant subsidiaries during the year ended June 30, 2019

(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, 2019	42,386,200 shares	As of June 30, 2018	42,358,800 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	1,532 shares	As of June 30, 2018	1,064 shares
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Average number of shares during the period

Year ended June 30, 2019	42,371,449 shares	Year ended June 30, 2018	39,948,912 shares
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Note: The Company implemented a 2-for-1 common stock split on July 1, 2019. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares during the period have been calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the year ended June 30, 2019 (from July 1, 2018 to June 30, 2019)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended June 30, 2019	30,005	18.5	4,016	22.9	3,930	13.7	2,838	30.4
Year ended June 30, 2018	25,315	19.6	3,268	30.9	3,457	29.1	2,176	14.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended June 30, 2019	66.99		66.78	
Year ended June 30, 2018	54.48		54.19	

Note: The Company implemented a 2-for-1 common stock split on July 1, 2019. Earnings per share and diluted earnings per share have been calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2019	23,062	13,944	60.4	328.92
As of June 30, 2018	20,556	12,450	60.5	293.84

Reference: Equity As of June 30, 2019 ¥13,941 million  
As of June 30, 2018 ¥12,446 million

Note: The Company implemented a 2-for-1 common stock split on July 1, 2019. Net assets per share have been calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

\* Financial results reports are exempt from audit 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.

(Method for obtaining materials for financial results meeting)

Financial results meeting for institutional investors and analysts will be held on Tuesday, August 20, 2019. Materials for the meeting will be provided on the Company's website as soon as possible after the meeting.

In addition to the above meeting, the Company holds meetings for individual investors regarding our business and performance on a timely basis. For the schedule of these meetings, please refer to the Company's website.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of June 30, 2018	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	9,410	10,257
Notes and accounts receivable - trade	10,045	10,905
Other	763	1,064
Allowance for doubtful accounts	(28)	(28)
Total current assets	20,190	22,199
Non-current assets		
Property, plant and equipment		
Buildings and structures	439	518
Accumulated depreciation	(101)	(132)
Buildings and structures, net	337	386
Land	108	107
Other	384	455
Accumulated depreciation	(234)	(301)
Other, net	150	153
Total property, plant and equipment	595	647
Intangible assets		
Goodwill	5,658	5,385
Software	290	345
Other	10	468
Total intangible assets	5,960	6,199
Investments and other assets		
Deferred tax assets	810	990
Other	570	1,170
Total investments and other assets	1,380	2,161
Total non-current assets	7,936	9,008
Total assets	28,127	31,207

(Millions of yen)

	As of June 30, 2018	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Short-term loans payable	2,145	2,199
Current portion of bonds	196	196
Current portion of long-term loans payable	300	–
Accrued expenses	4,208	5,044
Income taxes payable	1,017	1,445
Accrued consumption taxes	1,817	1,831
Provision for bonuses	966	1,168
Other	1,754	2,000
Total current liabilities	12,405	13,886
Non-current liabilities		
Bonds payable	910	714
Long-term loans payable	900	–
Deferred tax liabilities	–	88
Retirement benefit liability	47	53
Other	147	662
Total non-current liabilities	2,005	1,518
Total liabilities	14,411	15,404
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,199	4,216
Capital surplus	3,356	3,321
Retained earnings	5,830	7,833
Treasury shares	(0)	(1)
Total shareholders' equity	13,385	15,369
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Foreign currency translation adjustment	195	70
Total accumulated other comprehensive income	196	70
Share acquisition rights	3	3
Non-controlling interests	130	360
Total net assets	13,715	15,802
Total liabilities and net assets	28,127	31,207

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

(Millions of yen)

	Fiscal year ended June 30, 2018	Fiscal year ended June 30, 2019
Net sales	65,363	81,596
Cost of sales	52,060	64,705
Gross profit	13,302	16,891
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	279	285
Salaries and allowances	3,373	4,463
Retirement benefit expenses	20	29
Offering cost	560	577
Commission expenses	771	1,195
Taxes and dues	174	224
Other	3,825	4,396
Total selling, general and administrative expenses	9,005	11,171
Operating profit	4,297	5,719
Non-operating income		
Interest income	0	8
Subsidy income	46	47
Share of profit of entities accounted for using equity method	2	17
Other	16	11
Total non-operating income	64	85
Non-operating expenses		
Interest expenses	82	96
Share issuance cost	29	–
Valuation loss on sold put options debt pertain to non-controlling interests	–	25
Foreign exchange losses	9	54
Other	11	21
Total non-operating expenses	133	198
Ordinary profit	4,228	5,606
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	10	4
Settlement of contract amendment	170	–
Total extraordinary losses	180	4
Profit before income taxes	4,050	5,602
Income taxes - current	1,687	1,999
Income taxes - deferred	(227)	(197)
Total income taxes	1,460	1,802
Profit	2,590	3,800
Profit attributable to non-controlling interests	21	94
Profit attributable to owners of parent	2,569	3,706

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended June 30, 2018	Fiscal year ended June 30, 2019
Profit	2,590	3,800
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Foreign currency translation adjustment	119	(88)
Share of other comprehensive income of entities accounted for using equity method	0	(39)
Total other comprehensive income	120	(128)
Comprehensive income	2,711	3,672
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,691	3,580
Comprehensive income attributable to non-controlling interests	19	91

## Consolidated statements of changes in equity

Fiscal year ended June 30, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,562	720	4,238	(0)	6,520
Changes of items during period					
Issuance of new shares	2,636	2,636			5,273
Dividends of surplus			(977)		(977)
Profit attributable to owners of parent			2,569		2,569
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	2,636	2,636	1,591	(0)	6,865
Balance at end of current period	4,199	3,356	5,830	(0)	13,385

	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	0	73	74	4	98	6,697
Changes of items during period						
Issuance of new shares						5,273
Dividends of surplus						(977)
Profit attributable to owners of parent						2,569
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	0	121	122	(0)	32	153
Total changes of items during period	0	121	122	(0)	32	7,018
Balance at end of current period	0	195	196	3	130	13,715



Fiscal year ended June 30, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,199	3,356	5,830	(0)	13,385
Changes of items during period					
Issuance of new shares	17	17			34
Dividends of surplus			(1,376)		(1,376)
Profit attributable to owners of parent			3,706		3,706
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		(52)			(52)
Change in put option's liabilities pertain to non-controlling interests, etc			(326)		(326)
Net changes of items other than shareholders' equity					
Total changes of items during period	17	(35)	2,002	(0)	1,983
Balance at end of current period	4,216	3,321	7,833	(1)	15,369

	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	0	195	196	3	130	13,715
Changes of items during period						
Issuance of new shares						34
Dividends of surplus						(1,376)
Profit attributable to owners of parent						3,706
Purchase of treasury shares						(0)
Purchase of shares of consolidated subsidiaries						(52)
Change in put option's liabilities pertain to non-controlling interests, etc						(326)
Net changes of items other than shareholders' equity	(0)	(125)	(125)	(0)	229	103
Total changes of items during period	(0)	(125)	(125)	(0)	229	2,086
Balance at end of current period	(0)	70	70	3	360	15,802

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended June 30, 2018	Fiscal year ended June 30, 2019
Cash flows from operating activities		
Profit before income taxes	4,050	5,602
Depreciation	152	281
Amortization of goodwill	642	756
Increase (decrease) in provision for bonuses	365	202
Increase (decrease) in retirement benefit liability	3	5
Interest and dividend income	(0)	(8)
Interest expenses	82	96
Share of loss (profit) of entities accounted for using equity method	(2)	(17)
Loss on retirement of non-current assets	10	4
SettlementOfContractAmendment	170	–
Decrease (increase) in notes and accounts receivable - trade	(244)	(573)
Increase (decrease) in accrued expenses	1,031	731
Other, net	662	(386)
Subtotal	6,924	6,694
Interest and dividend income received	0	42
Interest expenses paid	(81)	(94)
PaymentsForSettlementOfContractAmendment	(170)	–
Income taxes paid	(1,528)	(1,615)
Net cash provided by (used in) operating activities	5,144	5,028
Cash flows from investing activities		
Purchase of property, plant and equipment	(220)	(155)
Purchase of intangible assets	(136)	(198)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,313)	(415)
Purchase of shares of subsidiaries and associates	(30)	(648)
Net decrease (increase) in lease and guarantee deposits	(95)	(0)
Other, net	74	(11)
Net cash provided by (used in) investing activities	(2,720)	(1,430)
Cash flows from financing activities		
Increase in short-term loans payable	2,000	292
Decrease in short-term loans payable	(3,350)	(179)
Repayments of long-term loans payable	(300)	(1,206)
Redemption of bonds	(196)	(196)
Repayments of lease obligations	(1)	–
Proceeds from issuance of shares resulting from exercise of share acquisition rights	5,192	8
Cash dividends paid	(971)	(1,380)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(85)
Other, net	43	(0)
Net cash provided by (used in) financing activities	2,415	(2,748)
Effect of exchange rate change on cash and cash equivalents	(12)	(2)
Net increase (decrease) in cash and cash equivalents	4,828	847
Cash and cash equivalents at beginning of period	4,581	9,410
Cash and cash equivalents at end of period	9,410	10,257