



TRIIS
Insight, Integrity & Initiative

The Twenty-Third Issue

SHAREHOLDER NEWSLETTER

(January 1, 2017 through December 31, 2017)

Stock Code: 4840

Trils Incorporated

Management Principles and Corporate Philosophy

Management Principles

We aim to realize the following management principles:

1.

We strive to become a corporate group that values customer-centered innovation and ingenuity.

2.

We strive to become a corporate group that pursues a socially and environmentally responsible path toward economic success.

3.

We strive to become a corporate group that provides employees with safe and pleasant working environment where they have opportunities for growth and learning.

4.

We strive to become a corporate group that establishes cordial relationships with all stakeholders including shareholders, customers, employees, business partners, and society.

Corporate Philosophy

We are committed to accomplishing the following three "Is" and to create a new corporate value:

Insight

We, with sharpened insight, apprehend needs of our time clearly and precisely, to be always ready to contrive visionary plan for new business development for you.

Integrity

We, every single member of us, diligently mold corporate culture of dignity, integrity and honor.

Initiative

We take initiative and act proactively whenever we conduct business.

A Message from the CEO

In fiscal 2017, the existing business portfolio posted an operating loss on a consolidated basis. This was because, although the investment business we are engaged in the U.S. posted operating profits, the fashion brands and the construction consultant businesses posted operating loss. On a non-consolidated basis, Trils posted an operating profit. We were able to post 200 million yen in gains on the sale of fixed assets, such as real estate held by the

construction consultant business. This resulted in a consolidated income of 100 million yen. This fiscal year marked the tenth year since we changed the company name to Trils, and reorganized as a pure holding company. With great appreciation for our stakeholders' part in ensuring that we reached this ten-year milestone, we will pay commemorative dividends of 15 yen per share. We are very happy to have been able to continue the payment of dividends

for seven consecutive years.

Looking at the macro-economic environment, it is a more complex and unpredictable era with globalization of the economy, IT-led acceleration of information flow, and transition to the population onus period seen on a global scale. As we repeatedly mentioned in the last few years, we believe the limits of a capitalism that has lost its “frontier” have become exposed, and we now find ourselves in an era in which the conventional wisdom of the past can no longer be depended on to guide our judgments in any way. As of last year, the most crucial issue is how efficiently profits can be secured or, to put it another way, to what degree “productivity” can be improved.

I believe that the Group has already completed its response to the new era. Our aim is to establish globally unique corporate value while sharing our philosophy of carrying out “moderate corporate activities, that is to say, pursuing a middle path between the extremes” with all of our stakeholders, which naturally include communities and the global environment. It goes without saying that we continue to proceed toward our goals of “Revolution and denial of preconceived notions” and “Achieving sustainable cost advantages through innovation.”

To reiterate, in terms of size, we aim for a small, yet shining corporate group that ranks world No. 1 in its chosen fields by utilizing intellectual capital to insulate ourselves from the adverse impacts of economic fluctuations. Our policies remain unchanged.

As a result, consolidated net sales for the fiscal year under review came to 1,777 million yen with a consolidated operating loss of 109 million yen, and profit of 135 million yen.

With regard to the fashion brands business, although consumers are still frugal in their spending, the CLATHAS royalty income was steady. In addition, we

continued to take measures to enhance the brand value of Hamano and to improve productivity, such as cuts to distribution expenses and cost reductions.

In the construction consultant business, large projects carried over from the previous fiscal year were completed, and orders were steady. However, there were delays in setting up a personnel system capable of responding to this fiscal year’s orders, and sales and operating profit fell short of our initial forecasts.

Finally, in the investment business, TRIIS INTERNATIONAL AMERICA INC., which became our US subsidiary in the previous fiscal year, rented residential properties and industrial properties. The acquisition of additional commercial properties will be considered going forward.

We will continue to make earnest efforts to be a safe and sound long-term investment for you, strengthening the corporate structure of our Group companies as a pure holding company.

Enhancement of corporate value is important for all of the stakeholders surrounding the Trils Group, including our valued shareholders. I will make sure that all management decisions are economically rational toward creating greater corporate value. In closing, I would like to express my sincere appreciation for your continued support and patronage.



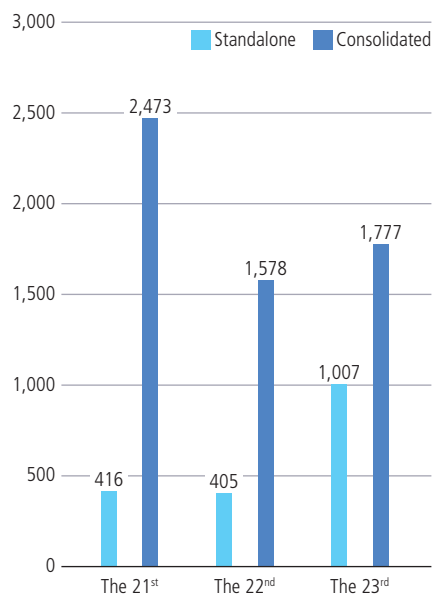
Hitoshi Ikeda

Representative Director and CEO
Trils Inc.

Financial Highlights

Net sales

(Millions of yen)



Ordinary profit / Profit attributable to owners of parent

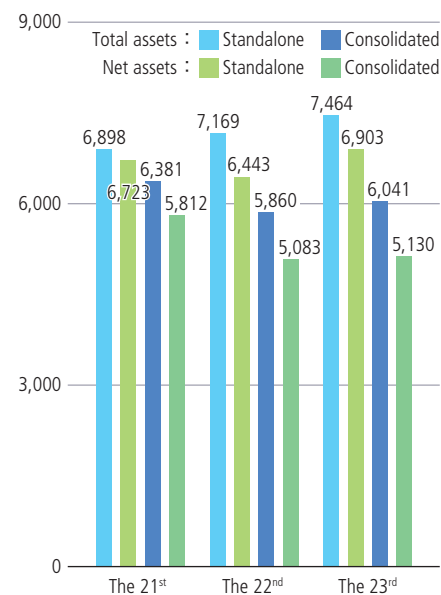
(Millions of yen)

* Profit on non-consolidated bases



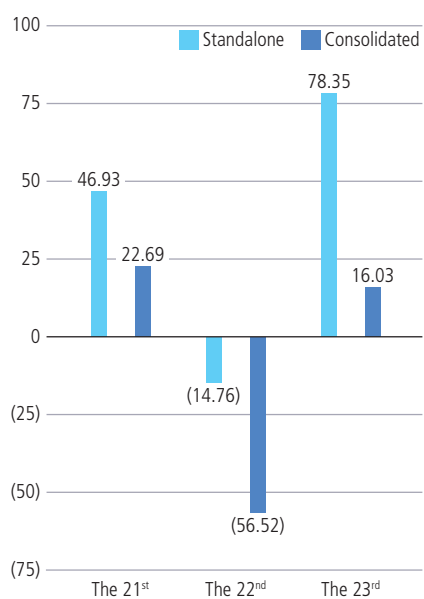
Total assets / Net assets

(Millions of yen)



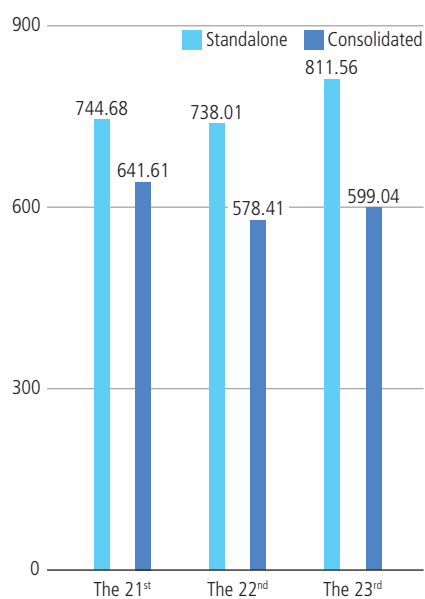
Earnings per share (EPS)

(Yen)



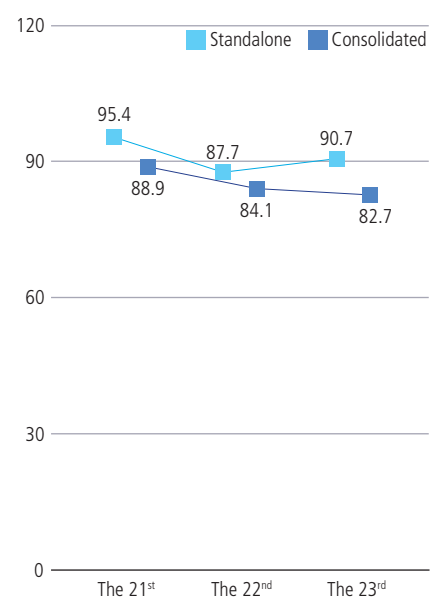
Book-value per share (BPS)

(Yen)



Capital ratio

(%)



The 23rd Shareholder Newsletter Financial Highlights

Net sales increased by 12.6% from 1,578 million yen in the previous year to 1,777 million yen. Despite continued efforts to reduce selling, general and administrative expenses, we recorded an operating loss of 109 million yen (operating loss of 336 million yen in the previous year). Ordinary loss was 53 million yen (ordinary loss of 447 million yen in the previous year), and profit attributable to owners of parent was 135 million yen (loss attributable to owners of parent of 494

million yen in the previous year), recording a 248 million yen gain on sales of non-current assets under extraordinary income. Consolidated profit per share was 16.03 yen, while standalone profit per share was 78.35 yen. The book-value per share (BPS) for consolidated and standalone was 599.04 yen and 811.56 yen, respectively.

Consolidated Financial Statements

Consolidated Balance Sheet			(Thousands of yen)		
Item	Current term (as of Dec.31, 2017)	Previous term (as of Dec.31, 2016)	Item	Current term (as of Dec.31, 2017)	Previous term (as of Dec.31, 2016)
Assets			Liabilities		
Cash and deposits	3,393,323	2,538,093	Notes and accounts payable - trade	81,484	54,372
Notes and accounts receivable - trade	138,870	125,438	Current portion of long-term loans payable	6,242	5,605
Securities	293,456	—	Income taxes payable	89,898	13,996
Merchandise and finished goods	196,046	229,927	Provision for loss on order received	18,226	19,936
Work in process	180,934	185,572	Provision for sales returns	2,871	4,168
Raw materials and supplies	48,701	44,538	Advances received	236,629	204,805
Deferred tax assets	51,576	44,442	Other	179,866	155,085
Other	171,617	154,876	Total current liabilities	615,218	457,971
Allowance for doubtful accounts	(8)	(7)	Long-term loans payable	214,027	204,114
Total current assets	4,474,518	3,322,881	Asset retirement obligations	38,070	20,648
Buildings and structures	664,546	754,730	Other	43,634	94,999
Land	620,202	1,178,220	Total non-current liabilities	295,733	319,762
Other	12,005	16,069	Total liabilities	910,952	777,734
Total property, plant and equipment	1,296,753	1,949,021	Net assets		
Goodwill	33,461	174,834	Capital stock	5,000,000	5,000,000
Software	8,994	12,765	Capital surplus	879,240	1,098,485
Other	21,665	32,209	Retained earnings	(728,699)	(761,649)
Total intangible assets	64,121	219,808	Treasury shares	(197,735)	(337,274)
Investment securities	0	175,387	Total shareholders' equity	4,952,805	4,999,560
Deferred tax assets	57	6	Foreign currency translation adjustment	42,956	(70,500)
Other	224,178	211,151	Total accumulated other comprehensive income	42,956	(70,500)
Allowance for doubtful accounts	(17,735)	(17,328)	Subscription rights to shares	135,180	154,134
Total investments and other assets	206,499	369,216	Total net assets	5,130,942	5,083,194
Total non-current assets	1,567,375	2,538,046	Total liabilities and net assets	6,041,894	5,860,928
Total assets	6,041,894	5,860,928			

Consolidated Balance Sheet

- Ⓐ Notes and accounts receivable - trade of 138 million yen includes 77 million yen for Crearia, 35 million yen for Hamano, and 12 million yen for Trils Business Services.
- Ⓑ Merchandise and finished goods of 196 million yen includes 49 million yen for Tokyo Blouse and 138 million yen for Hamano.

- Ⓒ Work in process of 180 million yen includes 170 million yen for Crearia and 8 million yen for Hamano.
- Ⓓ Notes and accounts payable - trade of 81 million yen includes 47 million yen for Crearia, 22 million yen for Hamano, and 10 million yen for Trils Business Services.
- Ⓔ Advances received of 236 million yen includes 29 million yen for Trils and 207 million yen for Crearia.

Consolidated Financial Statements (Summary)

Consolidated Statement of Income			Consolidated Statement of Cash Flow		
(Thousands of yen)			(Thousands of yen)		
Item	Current term (January 1, 2017 through December 31, 2017)	Previous term (January 1, 2016 through December 31, 2016)	Item	Current term (January 1, 2017 through December 31, 2017)	Previous term (January 1, 2016 through December 31, 2016)
Net sales	1,777,412	1,578,908	Cash flows from operating activities	135,811	58,333
Cost of sales	947,711	991,184	Cash flows from investing activities	(276,472)	(900,298)
Gross profit	829,701	587,724	Cash flows from financing activities	(226,099)	(13,731)
Selling, general and administrative expenses	939,413	924,470	Effect of exchange rate change on cash and cash equivalents	54,669	(167,448)
Operating loss	(109,712)	(336,746)	Net increase (decrease) in cash and cash equivalents	(312,090)	(1,023,145)
Non-operating income	74,163	70,635	Cash and cash equivalents at beginning of period	2,547,300	3,570,445
Non-operating expenses	17,716	181,651	Cash and cash equivalents at end of period	2,235,209	2,547,300
Ordinary loss	(53,265)	(447,762)			
Extraordinary income	248,891	—			
Extraordinary losses	17,317	3,496			
Profit (loss) before income taxes	178,309	(451,259)			
Income taxes	43,097	43,533			
Profit (loss)	135,211	(494,792)			
Profit (loss) attributable to owners of parent	135,211	(494,792)			

Consolidated Statement of Cash Flow

Cash and cash equivalents at the end of the period from operating activities totaled 135 million yen. Cash and cash equivalents used in investing activities amounted to 276 million yen due to payments into time deposits (1,131 million yen) and proceeds from the sale of property, plant and equipment (942 million yen). Cash and cash equivalents used in

financing activities totaled 226 million yen due to cash dividends paid (104 million yen) and purchase of treasury shares (133 million yen). The effect of the exchange rate change was 54 million yen. As a result, cash and cash equivalents at the end of the period were 2,235 million yen.

Consolidated Statement of Changes in Equity (January 1, 2017 through December 31, 2017)

	Shareholders' equity					Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	5,000,000	1,098,485	(761,649)	(337,274)	4,999,560	(70,500)	(70,500)	154,134	5,083,194
Changes of items during period									
Dividends of surplus			(102,261)		(102,261)				(102,261)
Profit attributable to owners of parent			135,211		135,211				135,211
Purchase of treasury shares				(133,796)	(133,796)				(133,796)
Disposal of treasury shares		(8,644)		62,735	54,091				54,091
Retirement of treasury shares		(210,600)		210,600	—				—
Net changes of items other than shareholders' equity						113,456	113,456	(18,954)	94,502
Total changes of items during period	—	(219,244)	32,950	139,539	(46,754)	113,456	113,456	(18,954)	47,748
Balance at end of current period	5,000,000	879,240	(728,699)	(197,735)	4,952,805	42,956	42,956	135,180	5,130,942

Dividend Policy & Historical Share Price

Dividend Policy

We regard the enhancement of corporate value through the growth and expansion of the business to be the most important matter, as well as considering returning profits to shareholders as one of our most important management tasks.

It has been 10 years since we became a pure holding company and changed our company name to Trils Incorporated. To express our appreciation for the support of our shareholders, we will pay a commemorative dividend of 3 yen in addition to the usual dividend of 12 yen, for a total of 15 yen per share.

	The 19 th	The 20 th	The 21 st	The 22 nd	The 23rd
Total dividend payment (Million yen)	112	129	106	102	125
Dividend per share (yen)	10	12	12	12	15

Note: Trils effected a 10-for-1 stock split of its outstanding common stock and changed the number of shares constituting a unit of stock from 10 to 100 on July 1, 2013.

Historical Share Price

Highest and lowest stock price during the last five years

Business Year	The 19 th	The 20 th	The 21 st	The 22 nd	The 23 rd
Account closing date	December 2013	December 2014	December 2015	December 2016	December 2017
Highest (yen)	4,000* ⁴¹⁶	514	464	395	435
Lowest (yen)	1,742* ²⁵⁶	211	314	250	305

Note: 1) Highest and Lowest stock prices are those recorded at the Tokyo Stock Exchange (JASDAQ) Standard after July 16, 2013. Prior to these periods, Trils was listed on the Osaka Securities Exchange (JASDAQ) Growth.

2) Trils effected a 10-for-1 stock split of its outstanding common stock and changed the number of shares constituting a unit of stock from 10 to 100 on July 1, 2013.

* The highest and lowest stock prices are adjusted to account for stock splits after the date of right allotment.

Highest and lowest stock price during the last 6 months

Month	July	August	September	October	November	December
Highest (yen)	354	365	389	429	435	435
Lowest (yen)	333	334	346	384	396	380

Ten-year trajectory

Trils Group

We have continued to take up the challenge of creating new value as a holding company.

In April 2017, we marked the tenth year since we changed our name to Trils Incorporated.

Over these ten years, the economic environment has undergone dramatic changes and we have faced many difficulties and issues, but have continued aiming to be a small, yet shining, corporate group that ranks No. 1 in the world in its chosen fields by utilizing our intellectual capital to insulate ourselves from the adverse impact of economic fluctuations. We have not swerved from this path. We would like to express our sincere appreciation for the support and corporation we have received from shareholders and other stakeholders.

We aim to use the valuable experience and knowledge we have built up thus far to create corporate value that sets us apart in the world. We will carry out even more proactive business activities to ensure new growth and further progress, while endeavoring to help create a prosperous and pleasant society.

March 1995

Established to develop, design, manufacture, and sell computer software and hardware.

April 2001

Listed on the Osaka Securities Exchange Nasdaq Japan (currently the Tokyo Stock Exchange (JASDAQ))

October 2004

Software sales

The MADO software for image distribution was revamped as "ZOOMA," targeting the dominant market. This makes it possible to send large-capacity images quickly while retaining their beauty, and the "ZOOMA" package succeeded in strengthening sales and raising the product's market recognition.

January 2007

Shifted to a pure holding company structure in which all operations are carried out by subsidiaries.

With the aim of clarifying responsibilities within the Group and speeding up decision-making, directors manage the Group overall, while operating officers manage the subsidiaries, each fulfilling their own responsibilities. With a view to including industries other than IT in the Group, we decided to adopt a pure holding company system, which does not have the image of specific industries.

April 2007

Changed the company name to Trils Incorporated

"Trils" means three "I"s.

This company name encompasses our determination to steadily achieve the three "I"s listed below.

"Insight" refers to our sharpened insight that allows us to clearly and precisely apprehend needs of our time.

"Integrity" reflects our corporate culture, which values dignity, integrity, and honor.

"Initiative" describes our proactive stance in conducting business with a forward-looking approach.



November 2007

CREARIA

Made Crearia Inc. (formerly INA New Engineering Research Institute) into a subsidiary

In the construction consulting industry, where it has served many companies, Crearia's technology and track record enable it to dominate water-related construction business. Crearia has built a solid position for itself in this sector.



Matsushima Bay

November 2008

Made Tokyo Blouse Inc. and Hamano Inc. into subsidiaries

We seek to improve earnings by rebranding, diversifying sales channels, and expanding globally.



June 2010

Established Trils Business Services Inc.

This company focuses on managing and operating the Trils Group.



April 2015

135th anniversary of Hamano Inc.'s founding

A reissue of the bag created in 1970 was produced to commemorate Hamano's 135th anniversary.

Hamano will continue to build its reputation as the "Eternal Japanesque Modern Brand" that can be used for a long time and gives individuals a way to express themselves without bending to fashion.



Model bag to commemorate 135th anniversary

May 2016

Technology Award of the Japan Society of Dam Engineers

Awarded Technology Award of the Japan Society of Dam Engineers for the redevelopment project of the Uchinomi Dam in Kagawa Prefecture which Crearia was involved in from survey to design. The company also received praise for landscape design that paid careful attention to the environmental impact of the project.



The Uchinomi Dam in Kagawa Prefecture

September 2016

Created Hamano's specially designed leather desk mat for the G7 Transport Ministers' Meeting in Karuizawa, Nagano.



Hamano's specialty desk mat

This is an original product developed especially for the G7 meeting. Special attention was paid to the pen tray and the document holder for improved ease of use and Hamano's professional skills were fully used.

December 2011

Made Trils International Inc. into a subsidiary

Became a local subsidiary as the first overseas business location for the Trils Group.

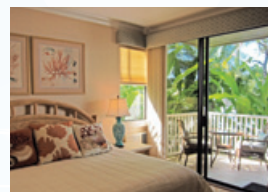
We aspire to further grow by expanding our licensing business in Taiwan.



January 2016

Established TRIIS INTERNATIONAL AMERICA INC. in the U.S.

This company runs a real estate and securities investment business focusing on highly profitable real estate investment in the US market, which is expected to grow going forward.



Condominium (Maui, Hawaii)



Warehouse (Oahu, Hawaii)

May 2010

Established Selective Inc.

Established in May 2010 in order to strengthen e-commerce in the Trils Group's fashion brand business; at the same time, CLATHAS and Hamano officially began operating online shops.



Employee report

Below, we will describe the responsibilities and future outlook of some of the staff who support the Group's growth.



General Affairs
Department
In charge of License
Asami Aoki

Trils Incorporated

Since Trils began its licensing business in 2011, CLATHAS and Hamano carried out rebranding in 2013 and 2017, respectively, updating their brand mark, brand logo, and brand color. Upgrading the brands to adapt them to changes in the times and customers' needs, while still carrying over the brands' world view, succeeded in creating new value for them.

Currently, CLATHAS' mainstay product is bags, but it is also attracting support from customers in all age groups with wallets and other small goods. We have received more licensing requests from publishers in recent years, and business notebooks and brand catalogs have now been sold for over five years. The trademark is now used on novelty goods of a major cosmetics company in Taiwan, indicating that the brand is recognized both in Japan and overseas. Licensing deals for Hamano, which began on a full scale in 2015, are steadily increasing thanks to the faith placed by customers in this brand and the strength backed by its 138 year history.

Going forward, we hope to further expand the licensing business and aim to give these two major brands a stronger global reach extending beyond Japan. To this end, increasing licensing deals is important, but we must also be careful to preserve their brand images. We intend to continue closely monitoring the standards of use and quality.

We will strive to manage and oversee the CLATHAS and Hamano brands so that they continue to be loved by a wide range of customers.



Selective Inc.



Director
Yoichi Tohyama

Selective is responsible for the operations and management of e-commerce for the Trils Group's fashion brands. At present, Selective runs the official online shops for CLATHAS and Hamano, as well as an online shop for overseas customers, for a total of three sites.

The e-commerce industry has expanded rapidly in recent years, with e-commerce sites such as the US-based Amazon and China's Taobao superseding brick-and-mortar stores. The media has reported on the way in which e-commerce is destroying and wiping out the existing distribution industry. Even Black Friday, which used to be the main event of the year for brick-and-mortar stores, has become an online shopping event. Major companies like Amazon and Taobao excel in offering convenience, but we think e-commerce that simply pursues advantages in terms of scale cannot offer customers genuine interactions, as this kind of systematic approach to commerce has diluted customer relationships.

However, Selective believes that building relationships with customers is very valuable. We can't interact with the customer face-to-face in e-commerce, and for this reason Selective responds to each order politely and attentively so that we remain a shop which customers want to use again and again.

We will continue to run an e-commerce business that is loved by our customers, while striving to improve convenience. Our motto is "One-to-One Communication that links people together."



(CLATHAS Online Shop:
www.clathas-online.jp/)



(Hamano Online Shop:
shop.hamanobag.com)



(Trils fashion Online Shop:
clathas-online.com)

Crearia Inc.



Erosion countermeasures at Miho no Matsubara



Technology Department
Coastal group
Yui Miyake

Crearia Inc. carries out construction consulting work, such as surveys, planning, design, analysis, and maintenance and management for infrastructure construction related to water, such as dams, rivers, and coasts.

Of these, in the coastal division, Crearia specializes in monitoring, the drafting of preservation plans, and facility design to protect lives and financial assets beyond the coast from disasters such as tsunami, storm surges, and coastal erosion.

Monitoring refers to the supervision of outside forces that affect coastal areas (tidal waves during typhoons, tsunami during earthquakes) and conditions in areas in which sandy shores are receding. This is the most fundamental aspect of managing coasts. Ongoing monitoring ensures that dangerous locations along the coast can be identified at an early stage. By taking preventative action, the coast can be effectively protected from damage due to tsunami and tidal waves. For example, damage from wave overtopping during typhoons can be prevented by

laying down sand in advance along the coastal areas where the sandy shore has decreased (artificial beach nourishment) and building and improving structures such as embankments.

We are known for our technology in many areas, including our monitoring operations, and have received awards from several local governments for our consulting services.

We expect consulting services to become even more important in all sectors going forward, including preventive measures against the natural disasters that become increasingly severe due to global warming and other climatic aberrations. The Company, including its young engineers, is expanding its fields of activity.



Wave overtopping a road during a typhoon

Stock Information and Shareholder Information

Stock Information

(as of December 31, 2017)

Total number of authorized shares	47,000,000 shares
Total number of shares issued and outstanding	8,900,000 shares
Number of shareholders	18,226

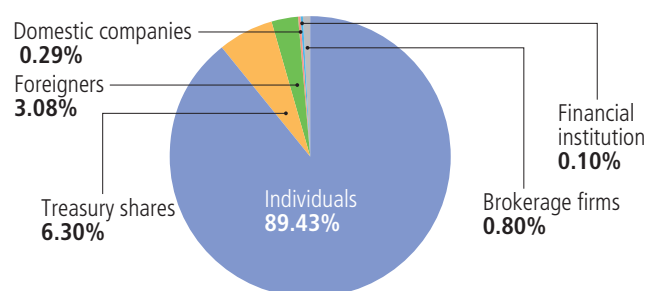
Major 10 shareholders

Name	Shares Held	% Total Shares Held
Hitoshi Ikeda	335,650	4.02
BANK JULIUS BAER AND CO. LTD. SINGAPORE CLIENTS	213,860	2.56
Yoshinori Takebayasi	210,000	2.51
Yukiko Sato	178,000	2.13
Katsunori Kuwajima	140,450	1.68
Toyoharu Shimizu	111,000	1.33
Takanori Kajiwara	98,500	1.18
Tomio Suzuki	86,400	1.03
Tatsuya Tsurumi	83,100	0.99
Mitsue Seki	78,900	0.94

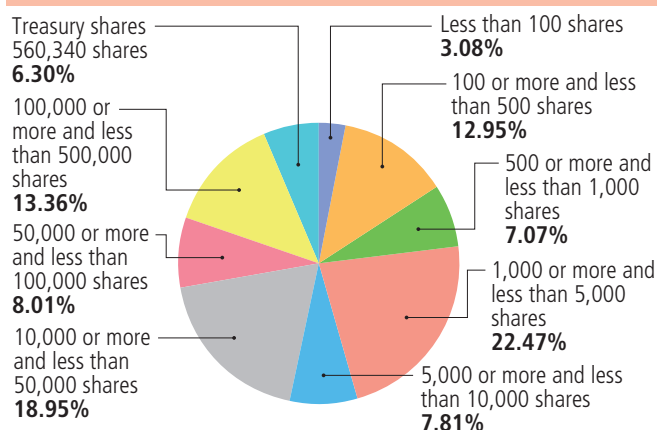
Note: 1. Trils holds its own shares as treasury shares (560,340 shares) and those shares are excluded from the above list of major shareholders.

2. Percentage of total shares held is calculated after subtracting the number of shares of treasury shares.

Breakdown of shareholding by investor type (as of December 31, 2017)



Breakdown of shareholding by the number of shares owned (as of December 31, 2017)



Shareholder Information

Business year: January 1 through December 31

General meeting of shareholders: Every year in March

Record date: Every year on December 31

Record date for dividend payment:

Year-end dividend record date: December 31

Interim dividend record date: June 30

Public notice: Trils has adopted the electronic public notice system. Our public notices are posted on the public notice page of the Trils website at <http://www.triis.co.jp>. In the event electronic public notices are not available due to unavoidable reasons, they will be published in the Nikkei.

Share trading unit: 100 shares

Stock code: 4840

Transfer agent and account managing institution of the special account:

Sumitomo Mitsui Trust Bank, Limited
1-4-1, Marunouchi, Chiyoda-ku, Tokyo

Transfer agent contact office: Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited
1-4-1, Marunouchi, Chiyoda-ku, Tokyo

(Mail delivery address) Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited
2-8-4, Izumi, Suginami-ku, Tokyo 168-0063

(Phone inquiries) Toll-free: 0120-782-031
(Open from 9:00-17:00 except for Saturdays, Sundays, and national holidays)

* This toll-free telephone number is available only in Japan.

Share-related Procedures

1. Notifications and Inquiries, such as notifications of change of address

For shareholders with a trading account with a brokerage firm, please send all notifications and inquiries to your brokerage firm; for shareholders with no trading account with a brokerage firm, please call the number above.

2. Payment of Unclaimed Dividends

Please give payment instructions to our transfer agent, Sumitomo Mitsui Trust Bank, Limited.

3. Special Account

For those shareholders who have not used the "Hofuri" (the Japan Securities Dealers Association) before the introduction of the electronic share certificate system, an account (known as the "special account") has been opened with our transfer agent mentioned above, Sumitomo Mitsui Trust Bank, Limited. For inquiries on and notifications for the special account, please call the above number.

Shareholder Benefit

Trilis uses its shareholder benefit program to show appreciation of shareholders' trust and loyalty and offer opportunities for utilizing Trilis services to wider audiences.

Please take advantage of this opportunity to try Trilis Group services.

~ The 23rd Shareholder Benefit Program ~

A. Shareholder discount: A 2,000 yen off ticket

Shareholders who own more than 100 shares (1 unit) and are recorded in the shareholder register as of December 31, 2017 are entitled to use this ticket.

You can use this ticket only ONCE.

One ticket can be used for one purchase with a cost of 5,000 yen or more (excluding tax).

You can use this ticket when you purchase Trilis group companies' products at the following stores.

Use by: December 31, 2018 (Monday)

At CLATHAS Omotesando, CLATHAS Official Online Shop,
Hamano Official Online Shop



2,000 yen off shareholder benefit ticket

B. Shareholder Discount: Discount card for holders of 2,000 or more shares

Shareholders who own 2,000 or more shares and are recorded in the shareholder register as of December 31, 2017 are entitled to use this card.

This card can be used as often as you wish when you purchase any Trilis group companies' products at the following stores.

Use by: December 31, 2018 (Monday)

At CLATHAS Omotesando, CLATHAS Official Online Shop, Hamano Official Online Shop

For holders of 2,000 or more and
less than 5,000 shares



20% off shareholder benefit card

For holders of 5,000 or more and
less than 10,000 shares



30% off shareholder benefit card

For holders of
10,000 shares or more



40% off shareholder benefit card

For more information, please visit the shareholder benefit page of our website at:
(<http://www.trilis.co.jp/en/stock/return.html>)

Corporate Profile and Business Structure

Corporate Profile

(as of December 31, 2017)

Company name:	Trils Incorporated
Head office:	New Otani Garden Court 8F, 4-1, Kioi-Cho, Chiyoda-ku, Tokyo 102-8578
Date of establishment:	March 16, 1995
Paid-in capital:	5,000 million yen
Number of employees (consolidated):	89 Permanent: 55 Contingent: 34 (Contingent staff includes contract employees, along with temporary employees and occasional employees.)
Principal business:	Control and management of group companies as a pure holding company

Board of Directors

(as of March 23, 2018)

Representative Director and CEO	Hitoshi Ikeda
Representative Director and COO	Yukiko Sato
Directors	Mitsue Seki
Directors (Audit and Supervisory Committee Members)	Shogo Takai Toshiyuki Nishimura Yasufumi Sakurai
Operating Officers	Miki Koide Mochizuki Yuji Yoichi Tohyama Koji Matsumoto Yasuhito Sugiura Yasuhiro Tsunakawa

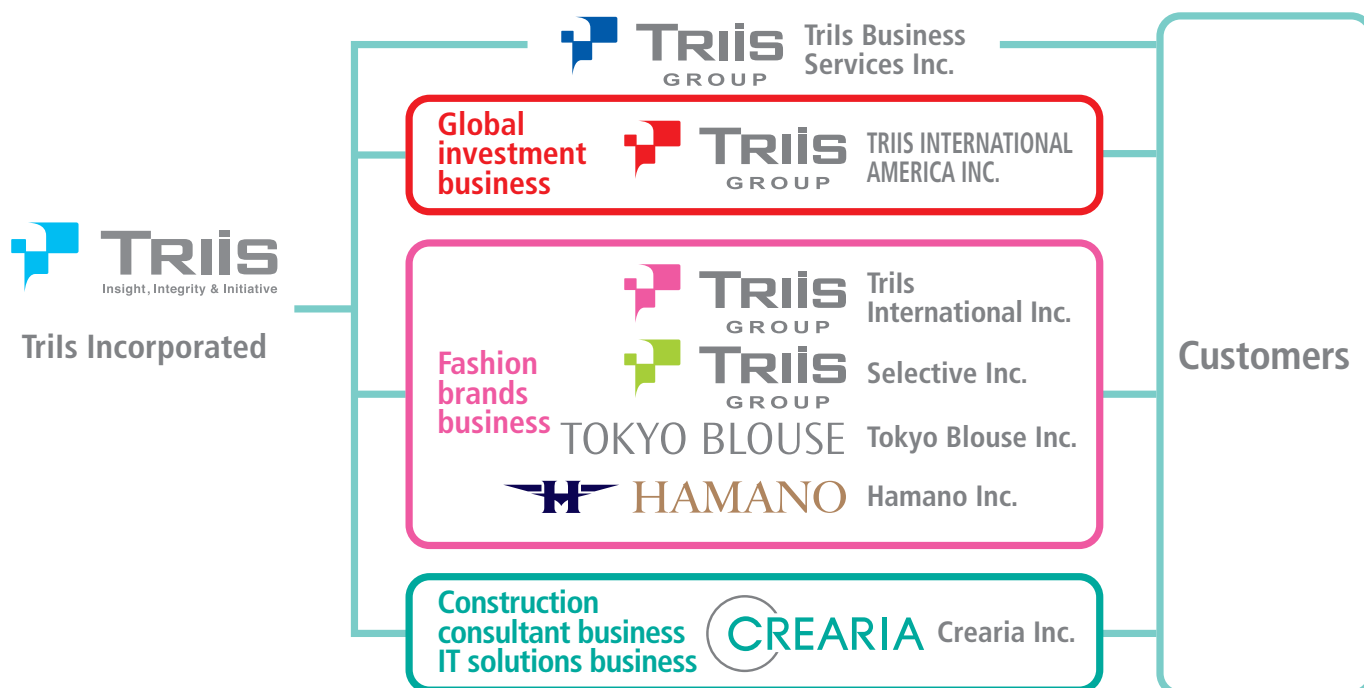
Trils Group Companies

(as of December 31, 2017)

TRIIS INTERNATIONAL AMERICA INC.
Trils International Inc.
Trils Business Services Inc.
Selective Inc.
Tokyo Blouse Inc.
Hamano Inc.
Crearia Inc.

Trils Business Structure

(as of March 23, 2018)



■ Purchase and Sale Programs for Odd-Lot Shares

Trils has Purchase and Sale Programs for Odd-Lot Shares (1 to 99 shares).

Odd-Lot shares are limited in that they may not be traded on the stock exchange and do not add to voting rights.

To solve such inconveniences, Trils has programs in place that allow you to request odd-lot shares to be purchased or sold.

1. Overview of the Programs

Purchase Program: allows you to request Trils to purchase your odd-lot shares at market price.

(Example) If you have 10 shares of Trils, we will purchase those 10 shares.

Sale Program: allows you to request Trils to sell the number of shares constituting one share unit together with your odd lot shares at market price.

(Example) If you have 10 shares of Trils, you purchase 90 shares from us to combine them into one share unit (100 shares).



2. Procedures (Please note that the procedures do not involve direct requests to Trils.)

■ **Odd-Lot shares recorded in a brokerage firm account**

Contact the brokerage firm of the trading account for information.

* If you own Trils shares across multiple brokerage firms, contact each brokerage firm for information.

■ **Odd-Lot shares recorded in the special account**

[Contact Information]

Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited

2-8-4 Izumi, Suginami-Ku, Tokyo 168-0063

Toll-free: 0120-782-031 (Open from 9:00-17:00 except for Saturdays, Sundays, and national holidays)

* This toll-free telephone number is available only in Japan.

3. Commissions (commissions that arise when using the Purchase and Sale Programs)

Account in which odd lot shares are recorded	Commissions to Trils	Commissions for the account managing institution
Brokerage firm account	Free of charge	Varies depending on the brokerage firm. Contact the brokerage firm of the trading account for information.
Special account		Free of charge

* Shareholders with a special account may not sell shares in the special account even after their odd-lot shares have been combined into share units using the Purchase Program.

These shares need to be transferred to a trading account before being sold. Contact Sumitomo Mitsui Trust Bank for details.



Trilis corporate symbol was created by world-renowned designer Mr. Masanori Shinozuka who also designed the logo for the Nagano Winter Olympic Games in 1998. His superb design sense produced the visionary symbol of Trilis that represents our corporate philosophy consisting of three elements.



TOKYO BLOUSE



New Otani Garden Court 8F, 4-1, Kioi-cho, Chiyoda-ku, Tokyo 102-8578
+81-3-3221-0211