



**TRIIS**  
Insight, Integrity & Initiative

The Twenty-Fifth Issue

# SHAREHOLDER NEWSLETTER

(January 1, 2019 through December 31, 2019)

Stock Code: 4840

**Trils Incorporated**

## Management Principles and Corporate Philosophy

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### 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

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In terms of the results for fiscal 2019 on both a consolidated and non-consolidated basis, we posted an operating profit.

We will start off by giving an overview of each of our business portfolios.

First, our US investment business has mainly been engaged in real estate investment on the Hawaiian islands of Oahu and Maui, but in fiscal 2019 we also began investing in securities in the continental US.

In addition, capital stock was increased from USD 20 million (approximately JPY 2.2 billion) to USD 26 million (approximately JPY 2.9 billion), and we acquired an equity stake in vegan chocolate maker Raaka Chocolate Ltd.

As a result, the business posted operating profit of 73 million yen.

Next, the construction consultant business posted operating

profit of 133 million yen thanks to an evenly distributed flow of orders for coastal, river, and dam projects.

Finally, the fashion brands business posted operating profit of 25 million yen due to a steady royalty business from fees for the use of the CLATHAS and Hamano brands.

As a result, we are very happy to have been able to continue the payment of dividends for nine consecutive years.

In addition, as we also explained last fiscal year, the investment business has grown steadily after four years has passed since the establishment of our US subsidiary TRIIS INTERNATIONAL AMERICA INC. (TIA).

It has grown to become the Group's most important business portfolio on the consolidated balance sheet and consolidated statement of income, and we would like to express our sincere appreciation for the cooperation we have received from our

shareholders.

Consequently, we will pay a dividend of 15 yen per share, consisting of an ordinary dividend of 12 yen and a special dividend of 3 yen.

As of December 31, 2019, TIA's total assets had grown to USD 44 million (approximately JPY 4.8 billion), accounting for 70% of the Group's consolidated total assets of 6.8 billion yen.

We expect TIA to generate operating profit of over 100 million yen in fiscal 2020.

Looking at the macro-economic environment, negative interest rates remain in place in Europe and other advanced countries, as was the case in the previous year.

Conditions are also highly abnormal, with both short-term and long-term interest rates up to 10 years in the negative.

The world economy faces a host of uncertainties over the coming year, including the protracted trade war between the US and China, the Brexit issue, instability in the Middle-East, and increasingly violent pro-democracy demonstrations in Hong Kong.

It appears that the Japanese economy's "lost two decades" could be poised to play out on a global scale.

This has raised concerns in some quarters that MMT (Modern Monetary Theory), an alternative economic doctrine, may actually be more accurate than Keynesian economics.

As if to prove this, the International Monetary Fund (IMF) issued a severe world economic growth forecast of only 3% in 2019.

The Group has determined to follow a path of long-term business expansion and improvement in long-term corporate value.

We will continue to proceed toward our goals of "Revolution and denial of preconceived notions" and "Achieving sustainable cost advantages through innovation," as we aim to create corporate value that sets us apart in the world.

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 of the above, net sales came to 1,715 million yen, with operating profit of 250 million yen, and a profit attributable to owners of parent of 125 million yen.

Next fiscal year, naturally we will aim to achieve an operating profit for all three business portfolios, as well as to increase operating profit on a global level.

In particular, the investment business in which we are engaged in the US accounts for an increasingly large percentage of the Group's consolidated balance sheet and consolidated statement of income. We intend to improve corporate value by further bolstering its importance.

Next, we will discuss the positioning and outlook for each business segment.

Our US investment business started with capital of USD 10 million in January 2016, which has grown to USD 26 million as of December 31, 2019.

It is now the largest in scale of our three business portfolios.

Its total assets have increased steadily to USD 44 million (approximately JPY 4.8 billion) as of December 31, 2019.

It has derived the bulk of its income and capital gains from real estate investment, however in fiscal 2019 it increased investment not just in Hawaii, but also on the US mainland, mainly in New York.

We expect this growth to accelerate in the coming fiscal year.

As a result, we forecast operating profit of 108 million yen.

Regarding the fashion brands business, conditions in the domestic retail market remain severe.

Our Group focuses on the "Exclusive Luxury Market", with the Karuizawa factory specializing in integrated production of handmade products, and our royalty business mainstay CLATHAS also targeting that market for our own products. Sales are exclusively conducted over the Internet.

Taiwan remains the hub of our global business.

As a result, we forecast operating profit of 97 million yen.

Finally, we had been aiming for a contracted equilibrium in the construction consultant business, a goal we have broadly achieved.

We therefore plan to bolster our workforce and expand products for sale gradually from the coming fiscal year onwards.

Our goal is to roll out new business not only for public investment, but also for private business and in overseas markets.

As a result, we forecast operating profit of 8 million yen.

We will continue to make earnest efforts to be a safe and sound long-term investment for our shareholders, building and growing 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.



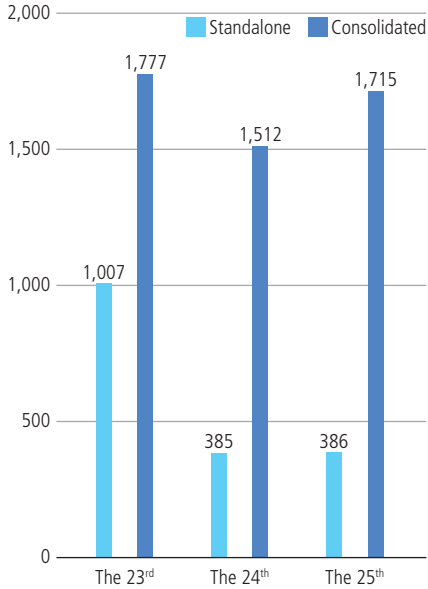
## Hitoshi Ikeda

Representative Director and CEO  
Trils Inc.

# Financial Highlights

## Net sales

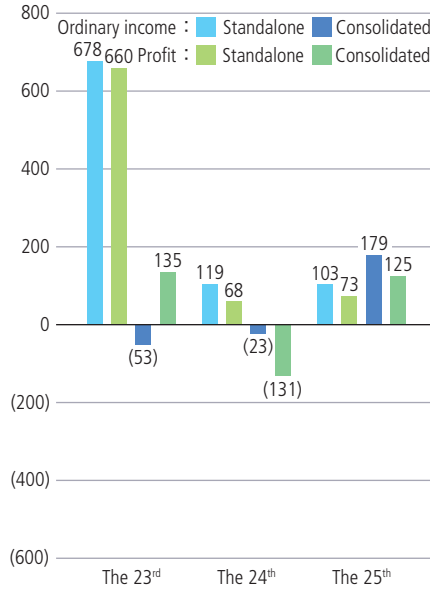
(Millions of yen)



## Ordinary profit / Profit attributable to owners of parent

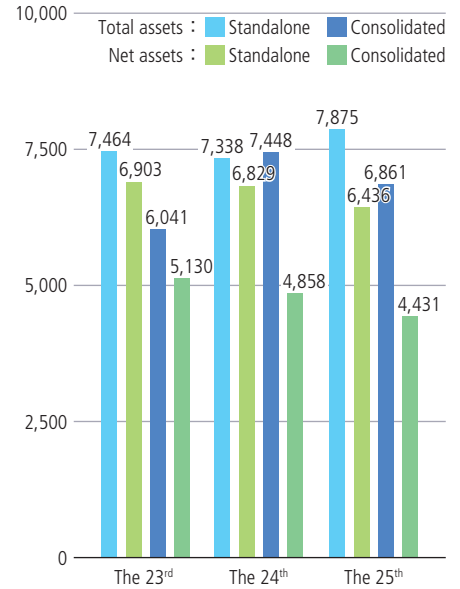
(Millions of yen)

\* Profit on non-consolidated bases



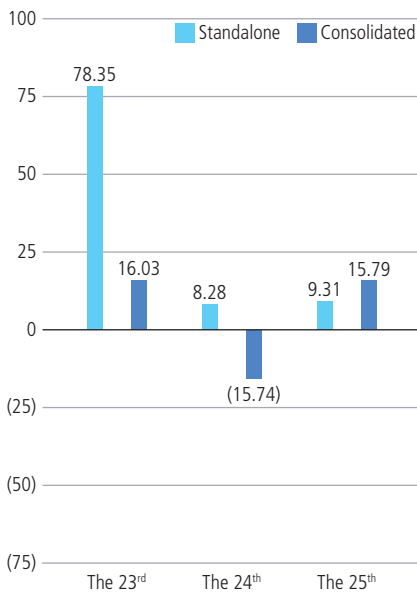
## Total assets / Net assets

(Millions of yen)



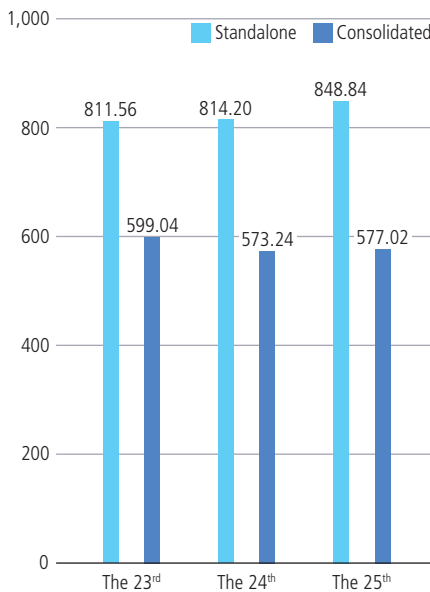
## Earnings per share (EPS)

(Yen)



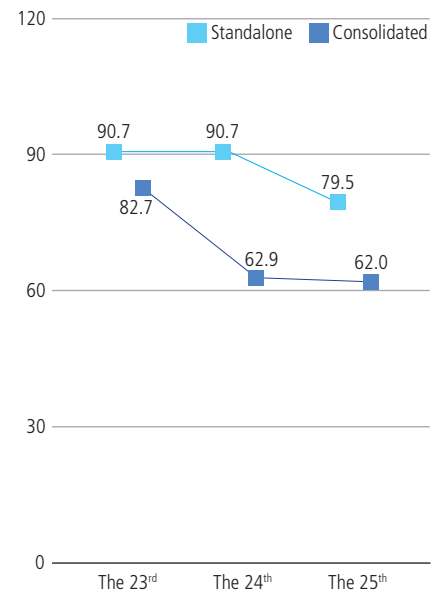
## Book-value per share (BPS)

(Yen)



## Capital ratio

(%)



## The 25<sup>th</sup> Shareholder Newsletter Financial Highlights

Net sales increased by 13.4% from 1,512 million yen in the previous fiscal year to 1,715 million yen. Efforts to reduce cost, selling, general and administrative expenses helped support an operating profit of 250 million yen (operating loss of 26 million yen in the previous fiscal year). Based on this, ordinary profit was 179 million yen (ordinary loss of 23 million yen in the previous fiscal year). A gain on sales of non-current assets of 12 million yen was posted to an extraordinary income. As a

result, profit attributable to owners of parent came to 125 million yen (loss attributable to owners of parent of 131 million yen in the previous fiscal year).

Consolidated profit per share was 15.79 yen, while standalone profit per share was 9.31 yen. The book-value per share (BPS) for consolidated and standalone was 577.02 yen and 848.84 yen, respectively.

# Consolidated Financial Statements

Consolidated Balance Sheet			(Thousands of yen)		
Item	Current term (as of Dec.31, 2019)	Previous term (as of Dec.31, 2018)	Item	Current term (as of Dec.31, 2019)	Previous term (as of Dec.31, 2018)
<b>Assets</b>			<b>Liabilities</b>		
Cash and deposits	2,131,343	2,168,226	Notes and accounts payable - trade	21,107	20,413
Notes and accounts receivable - trade	51,613	38,719	Current portion of long-term loans payable	33,627	33,191
Merchandise and finished goods	147,705	171,496	Income taxes payable	53,401	22,284
Work in process	160,623	222,706	Provision for bonuses	12,400	—
Raw materials and supplies	28,408	37,393	Provision for loss on order received	16,182	16,182
Other	33,850	130,215	Provision for sales returns	1,621	2,288
<b>Total current assets</b>	<b>2,553,544</b>	<b>2,768,758</b>	Advances received	139,813	270,776
Buildings and structures	1,431,630	1,669,397	Other	104,421	63,564
Land	2,507,312	2,626,878	<b>Total current liabilities</b>	<b>382,575</b>	<b>428,699</b>
Other	10,703	15,684	Long-term loans payable	1,983,197	2,097,797
<b>Total property, plant and equipment</b>	<b>3,949,647</b>	<b>4,311,960</b>	Asset retirement obligations	22,828	22,819
Software	6,410	8,850	Other	40,533	40,000
Other	13,969	17,318	<b>Total non-current liabilities</b>	<b>2,046,559</b>	<b>2,160,617</b>
<b>Total intangible assets</b>	<b>20,379</b>	<b>26,169</b>	<b>Total liabilities</b>	<b>2,429,134</b>	<b>2,589,317</b>
Investment securities	169,961	167,574	<b>Net assets</b>		
Deferred tax assets	20,231	28,068	Capital stock	5,000,000	5,000,000
Other	163,874	162,768	Capital surplus	635,850	878,675
Allowance for doubtful accounts	(16,535)	(17,135)	Retained earnings	(957,877)	(984,874)
<b>Total investments and other assets</b>	<b>337,531</b>	<b>341,276</b>	Treasury shares	(374,993)	(248,898)
<b>Total non-current assets</b>	<b>4,307,558</b>	<b>4,679,405</b>	<b>Total shareholders' equity</b>	<b>4,302,979</b>	<b>4,644,902</b>
<b>Total assets</b>	<b>6,861,102</b>	<b>7,448,163</b>	Valuation difference on available-for-sale securities	(7,006)	(1,905)
			Foreign currency translation adjustment	(40,608)	44,523
			<b>Total accumulated other comprehensive income</b>	<b>(47,614)</b>	<b>42,617</b>
			Share acquisition rights	176,602	171,327
			<b>Total net assets</b>	<b>4,431,967</b>	<b>4,858,846</b>
			<b>Total liabilities and net assets</b>	<b>6,861,102</b>	<b>7,448,163</b>

## Consolidated Balance Sheet

- Ⓐ Notes and accounts receivable - trade of 51 million yen includes 16 million yen for Crearia, 25 million yen for Hamano, and 5 million yen for Trils Business Services.
- Ⓑ Work in process of 160 million yen includes 157 million yen for Crearia

and 3 million yen for Hamano.

- Ⓒ Notes and accounts payable - trade of 21 million yen includes 15 million yen for Crearia and 5 million yen for Hamano.
- Ⓓ Advances received of 139 million yen includes 32 million yen for Trils and 107 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, 2019 through December 31, 2019)	Previous term (January 1, 2018 through December 31, 2018)	Item	Current term (January 1, 2019 through December 31, 2019)	Previous term (January 1, 2018 through December 31, 2018)
Net sales	1,715,190	1,512,338	Cash flows from operating activities	382,597	(67,157)
Cost of sales	873,387	814,528	Cash flows from investing activities	151,177	(2,026,036)
Gross profit	841,802	697,809	Cash flows from financing activities	(501,167)	1,733,047
Selling, general and administrative expenses	591,108	723,905	Effect of exchange rate change on cash and cash equivalents	(12,881)	486
Operating profit (loss)	250,694	(26,095)	Net increase (decrease) in cash and cash equivalents	19,725	(359,659)
Non-operating income	20,193	44,933	Cash and cash equivalents at beginning of period	1,875,549	2,235,209
Non-operating expenses	91,821	42,362	Cash and cash equivalents at end of period	1,895,275	1,875,549
Ordinary profit (loss)	179,065	(23,524)			
Extraordinary income	21,484	11,817			
Extraordinary losses	2,868	65,508			
Profit (loss) before income taxes	197,681	(77,215)			
Income taxes	72,557	53,863			
Profit (loss)	125,124	(131,079)			
Profit (loss) attributable to owners of parent	125,124	(131,079)			

## Consolidated Statement of Cash Flow

Cash and cash equivalents from operating activities resulted in income of 382 million yen. Cash and cash equivalents used in investing activities primarily consisted of the sale of property, plant and equipment (168 million yen), and resulted in income of 151 million yen. Cash and cash equivalents from financing activities mainly consisted of the purchase of

treasury shares (375 million yen) and dividend payouts (99 million yen), and resulted in expenditures of 501 million yen. The effect of exchange rate change was -12 million yen. As a result, cash and cash equivalents at end of period were 1,895 million yen.

## Consolidated Statement of Changes in Equity (January 1, 2019 through December 31, 2019) (Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	5,000,000	878,675	(984,874)	(248,898)	4,644,902	(1,905)	44,523	42,617	171,327	4,858,846
Changes of items during period										
Dividends of surplus			(98,127)		(98,127)					(98,127)
Profit attributable to owners of parent			125,124		125,124					125,124
Purchase of treasury shares				(375,337)	(375,337)					(375,337)
Disposal of treasury shares		175		6,243	6,418					6,418
Retirement of treasury shares		(243,000)		243,000	—					—
Net changes of items other than shareholders' equity						(5,100)	(85,131)	(90,231)	5,275	(84,956)
Total changes of items during period	—	(242,824)	26,997	(126,094)	(341,922)	(5,100)	(85,131)	(90,231)	5,275	(426,878)
Balance at end of current period	5,000,000	635,850	(957,877)	(374,993)	4,302,979	(7,006)	(40,608)	(47,614)	176,602	4,431,967

## 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 task.

In the fiscal year in review, our US investment business performed well and grew to become the most important business in our portfolio. 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 21 <sup>st</sup>	The 22 <sup>nd</sup>	The 23 <sup>rd</sup>	The 24 <sup>th</sup>	<b>The 25<sup>th</sup></b>
Total dividend payment (Million yen)	106	102	125	98	<b>110</b>
Dividend per share (yen)	12	12	15	12	<b>15</b>

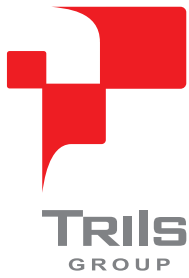
### Historical Share Price

Highest and lowest stock price during the last five years

Business Year	The 21 <sup>st</sup>	The 22 <sup>nd</sup>	The 23 <sup>rd</sup>	The 24 <sup>th</sup>	The 25 <sup>th</sup>
Account closing date	December 2015	December 2016	December 2017	December 2018	December 2019
Highest (yen)	464	395	435	402	663
Lowest (yen)	314	250	305	253	257

Highest and lowest stock price during the last 6 months

Month	July	August	September	October	November	December
Highest (yen)	335	387	473	573	537	663
Lowest (yen)	316	314	351	375	411	508



# TRIIS INTERNATIONAL AMERICA INC.

## Background of investment

Raaka is a chocolate maker specialized in the manufacture of unroasted vegan chocolates that are free of dairy products. In Europe and the US, concerns about health, the environment, animal protection and etc. have driven swifter than expected growth in the vegan market. Beyond Meat (US), which is a manufacturer of plant-based meat that is also called vegetable-based meat, conducted an initial public offering (IPO) in May 2019, and its market capitalization has reached a scale of one trillion yen.

According to a US survey company, the plant-based meat market was worth USD 11.9 billion (approximately JPY 1.28 trillion\*) in 2018, and is expected to grow to USD 21.2 billion (approximately JPY 2.28 trillion\*) by 2025.

We invested in Raaka amid the backdrop of this growth in the vegan market in Europe and the US.

Leo Kayser III (Leo) owns a 63.1% stake in Raaka, and Raaka's employees own the remainder.

Starting with this investment, consolidated subsidiary TRIIS INTERNATIONAL AMERICA INC. plans to expand securities



investment in the continental US in cooperation with Leo's family fund.

This fund has also invested extensively not just in Europe and the US, but also in Asia, and plans to consider holding the Company's shares while taking into account future capital policies.



Outline of company invested in

(1) Name	Raaka Chocolate Inc.
(2) Address	64 Seabring St, Brooklyn, NY 11231
(3) Name and position of representative	President RYAN CHENEY
(4) Description of business	Manufacture and sale of vegan chocolate
(5) Capital stock	USD 2.9 million (Approximately JPY 313 million, as of June 2019)*
(6) Date of establishment	June 2011
(7) Major shareholders and % of total shares held	Leo Kayser III 63.1% Raaka employees 36.9%
(8) Our relationship with Raaka	Capital relationship None Personal relationships None Transactional relationships None
(9) Raaka's home page	<a href="https://www.raachocolate.com/">https://www.raachocolate.com/</a>

Description of investment

(1) Amount invested	USD 700,000 (Approximately JPY 75 million*)
(2) Our holding ratio following the investment	14.6%

\* Calculated using the exchange rate of JPY 107.92/USD on September 30, 2019, which was the day before disclosure.



**New properties acquired**

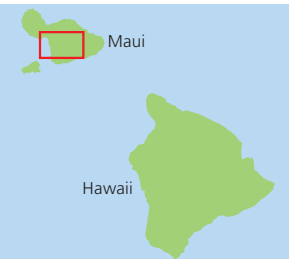
『**Wailea Beach Villas**』

Plan to offer special price accommodation as a shareholder benefit in a luxury condominium resort with two outdoor pools

\* The start date and method of provision will be disclosed on our website at a later date.



- The Shops at Wailea..... Four-minute walk
- Wailea Blue Course..... Five minutes by car
- Wailea Beach..... Five-minute walk
- Kahului Airport.....28 minutes by car



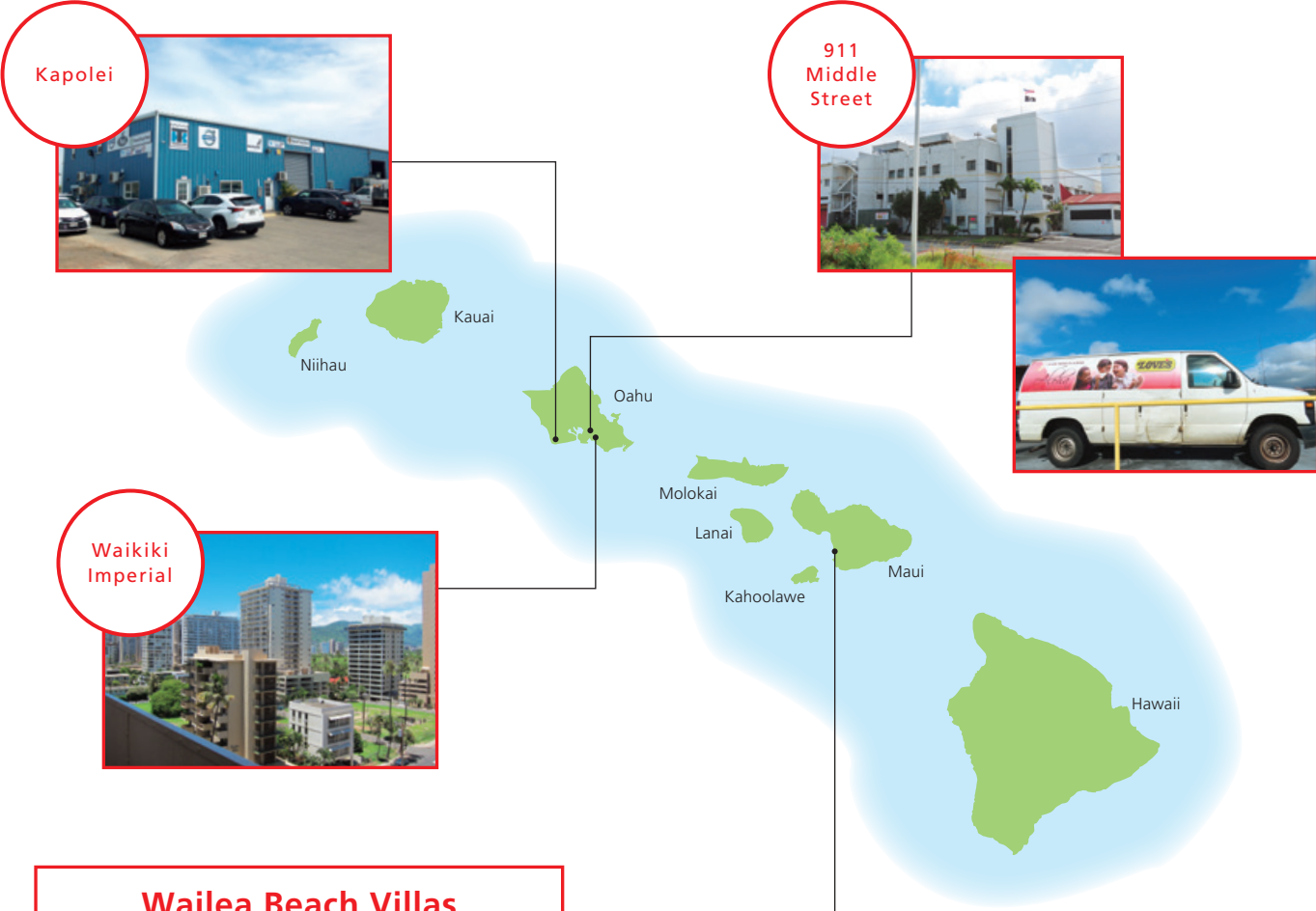
**About the area**

**Wailea**

Wailea Beach Villas is located directly on the beach, and also has convenient access to the shopping areas. Take in the breathtaking natural beauty of Wailea Beach and Keawakapu Beach.

More pictures on the next page ▶▶▶▶

**Hawaii investment properties**



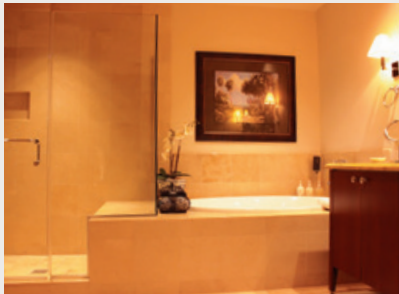
**Wailea Beach Villas**



Entrance



Lobby



Bathroom



Interior



View from rooms



Bedroom



# Crearia Inc.

## Business results in 2019

### Gomoto River diversion weir

Niigata Prefecture Yoita Maintenance Office



**Address** Shimazaki, Nagaoka-shi, Niigata  
**Office name** Niigata Prefecture Yoita Maintenance Office  
**Business period** FY2017 – FY2018  
**Overview** To reduce flooding damage, a diversion weir and diversion channel were constructed to divert water from the river during flooding. (Crearia designed the diversion weir)

### Kurokawa Himon

Niigata Prefecture Yoita Maintenance Office



**Address** Nanokaichi, Nagaoka-shi, Niigata  
**Office name** Niigata Prefecture Yoita Maintenance Office  
**Business period** Started in FY2019; currently under construction  
**Overview** Replaced existing drain gutters to accommodate a widening of the river due to river rehabilitation. (Crearia designed the drain gutter and replacement drainage channel)

### Afuso Dam

Okinawa Onna Village Dam Construction Office



**Address** Afuso, Onna Village, Okinawa  
**Office name** Onna Village Dam Construction Office  
**Business period** FY2005 – FY2021  
**Overview** A dam built to reduce flood damage and supply water for agricultural use and downstream rivers. (Crearia is involved in research, design and construction management)

# Stock Information and Shareholder Information

## Stock Information

(as of December 31, 2019)

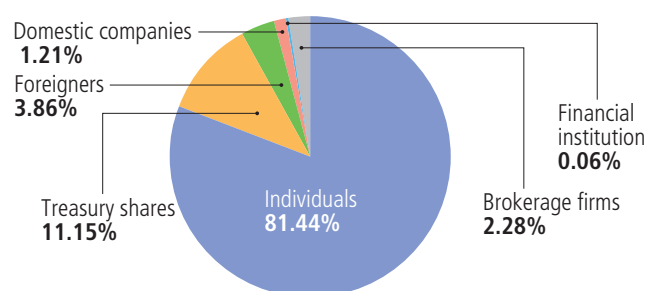
<b>Total number of authorized shares</b>	47,000,000 shares
<b>Total number of shares issued and outstanding</b>	8,300,000 shares
<b>Number of shareholders</b>	16,738

### Major 10 shareholders

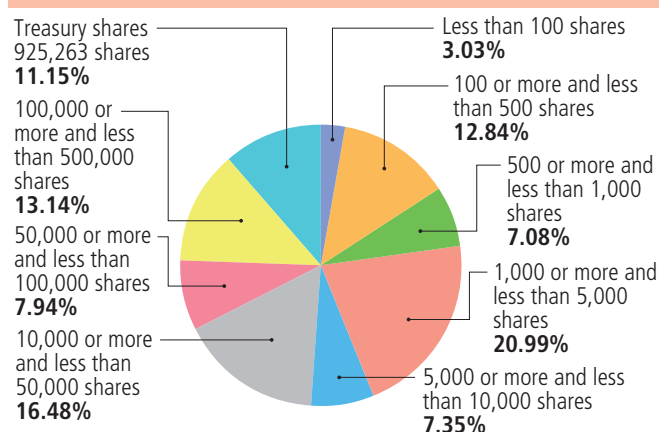
Name	Shares Held	% Total Shares Held
Hitoshi Ikeda	338,650	4.59
Yoshinori Takebayasi	228,000	3.09
BANK JULIUS BAER AND CO. LTD. SINGAPORE CLIENTS	213,860	2.89
Yukiko Sato	209,200	2.83
Toyoharu Shimizu	101,000	1.36
Shoji Nagai	83,000	1.12
Yukihiro Hara	80,100	1.08
Miki Koide	66,700	0.90
Mari Ikeda	65,700	0.89
Suguru Hirai	65,200	0.88

Note: 1. Trils holds its own shares as treasury shares (925,263 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, 2019)



## Breakdown of shareholding by the number of shares owned (as of December 31, 2019)



## 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.trils.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

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

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

### The 25th Shareholder Benefit Program

#### Applicable shareholders

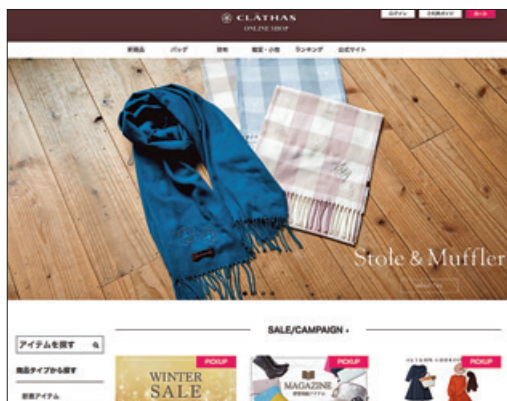
Shareholders who own more than 100 shares (1 unit) and are recorded in the shareholder register as of December 31, 2019.

#### Shareholder Benefit

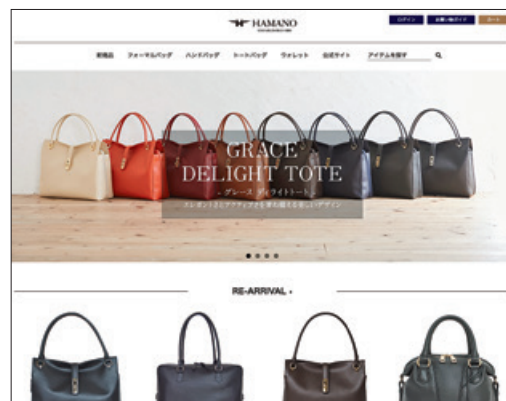
Purchase of 5,000 yen or more (tax/shipping separate) of the Group's products are entitled to a 2,000 yen discount. (\*One time only offer)

#### Use by: December 31, 2020 (Thursday)

Available stores: CLATHAS Online Shop HAMANO Online Shop



<https://www.clathas-online.jp/>



<https://shop.hamanobag.com/>

#### Shareholders of 2,000 shares or more

You can purchase the Group's products at the following discount rates as many times as you desire during the period in accordance with the number of shares owned in the standards below. (\*The above 2,000-yen benefit can be used at the same time.)

Number of shares owned	Discount rate
2,000 shares or more	20%OFF
5,000 shares or more	30%OFF
10,000 shares or more	40%OFF

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

# Corporate Profile and Business Structure

## Corporate Profile

(as of December 31, 2019)

<b>Company name:</b>	Trils Incorporated
<b>Head office:</b>	New Otani Garden Court 8F, 4-1, Kioi-Cho, Chiyoda-ku, Tokyo 102-8578
<b>Date of establishment:</b>	March 16, 1995
<b>Paid-in capital:</b>	5,000 million yen
<b>Number of employees (consolidated):</b>	59 Permanent: 48 Contingent: 11 (Contingent staff includes contract employees, along with temporary employees and occasional employees.)
<b>Principal business:</b>	Control and management of group companies as a pure holding company

## Board of Directors

(as of March 25, 2020)

<b>Representative Director and CEO</b>	Hitoshi Ikeda
<b>Representative Director and COO</b>	Yukiko Sato
<b>Director</b>	Miki Koide
<b>Outside Directors (Audit and Supervisory Committee Member)</b>	Shogo Takai Toshiyuki Nishimura Yasufumi Sakurai

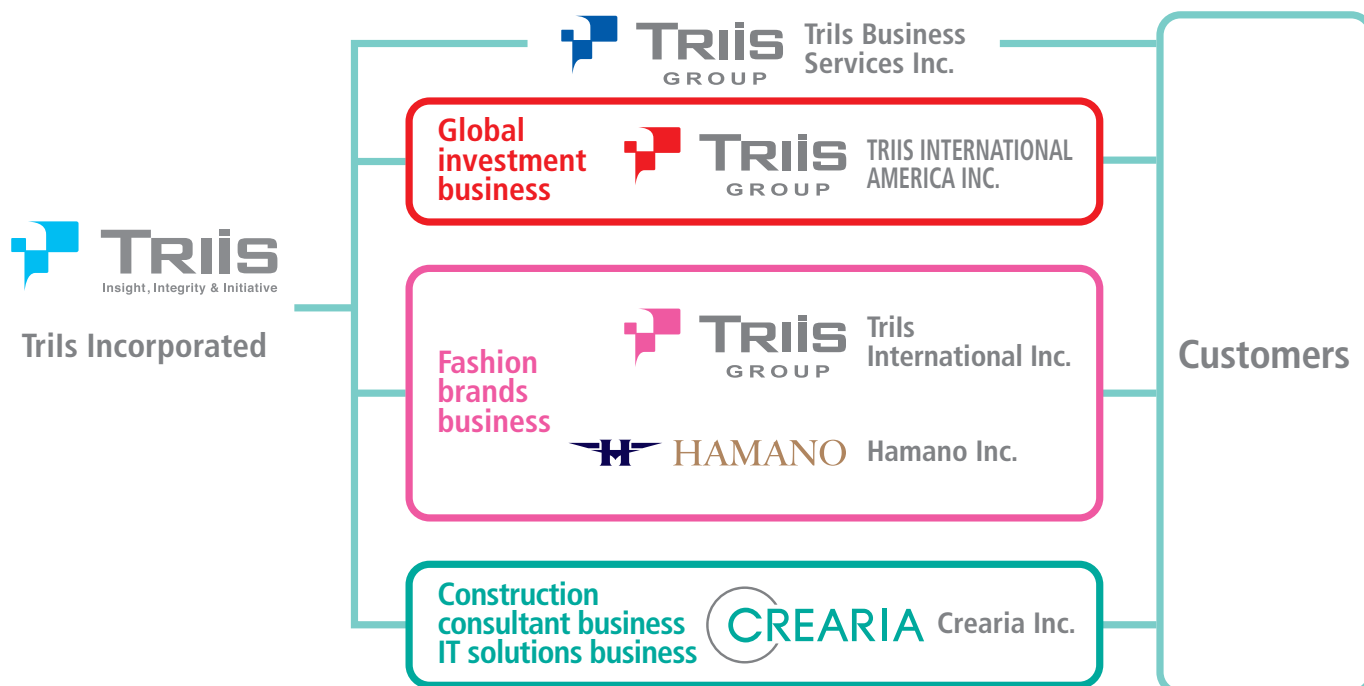
## Trils Group Companies

(as of December 31, 2019)

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

## Trils Business Structure

(as of March 25, 2020)



### ■ 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	<b>Free of charge</b>	<b>Varies depending on the brokerage firm.</b> Contact the brokerage firm of the trading account for information.
Special account		<b>Free of charge</b>

\* 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.



Trils 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 Trils that represents our corporate philosophy consisting of three elements.



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