



TRIIS
Insight, Integrity & Initiative

The Twenty-Sixth Issue

SHAREHOLDER NEWSLETTER

(January 1, 2020 through December 31, 2020)

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

We were able to secure an operating profit on both a consolidated and non-consolidated basis in FY2020 despite the difficult business environment during the COVID-19 pandemic. 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, and the year before last we also began investing in securities on the US mainland (in New York City). As a result, the business posted operating profit of 134 million yen. Next, the construction consultant business posted an operating loss of 47 million yen despite an evenly distributed flow of orders for coastal, river, and dam

projects. Finally, the fashion brands business posted an operating loss of 48 million yen due to a decline in product sales, despite a steady royalty business from fees for the use of the CLATHAS and Hamano brands. However, we posted a net profit on both a consolidated and non-consolidated basis, thanks to which we are very happy to have been able to continue the payment of dividends for ten consecutive years. In addition, as we also explained last fiscal year, the investment business has grown steadily over the last five years 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. As of end-FY2020, TIA's total assets had grown to USD 45 million (approximately JPY 4.7 billion), accounting for 72% of the Group's consolidated total assets of 6.5 billion yen. We expect TIA to generate operating profit budget of over 100 million yen in FY2021. The company played a key role in supporting overall Group earnings during the difficult operating conditions in FY2020.

Looking at the macro-economic environment, even compared to the year before last, central banks in Europe and other advanced countries have been left with no other option but to keep negative rates in place due to the unexpected spread of COVID-19 worldwide. The onset of the pandemic on top of the already abnormal economic conditions has made the outlook highly uncertain. The world economy continues to face the same host of uncertainties as before, including a 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. COVID-19 has come as an additional blow on top of all that, and with no end in sight for the pandemic, the outlook remains exceedingly unclear even now that FY2021 has commenced.

However, the Group has determined to follow a path of long-term business expansion and improvement in long-term corporate value. We managed to stay in the black even in FY2020, and 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 1,004 million yen, with operating profit of 98 million yen, and profit of 2 million yen.

In FY2021, 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 end-FY2020. It is now the largest in

scale of our three business portfolios. Total assets was USD 45 million (approximately JPY 4.7 billion) as of December 31, 2020. It has derived the bulk of its income and capital gains from real estate investment, however we expect an accelerated increase in investment from FY2021 not just in Hawaii, but also on the US mainland, mainly in New York. As a result, we forecast operating profit of 103 million yen.

Regarding the fashion brands business, conditions in the domestic retail market remain severe. Our Group focuses on the "Exclusive Luxury Market" as its segment, with the Karuizawa factory specializing in integrated production of handmade products, while our royalty business mainstay CLATHAS is strengthening relationships with licensees, including in Taiwan, which is the base of our global operations. As a result, we forecast operating profit of 31 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 FY2021 onwards. In the pursuit of new business, we plan to seek out not only public investment, but also look for private business and the further development of overseas markets. As a result, we forecast operating profit of 74 million yen.

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



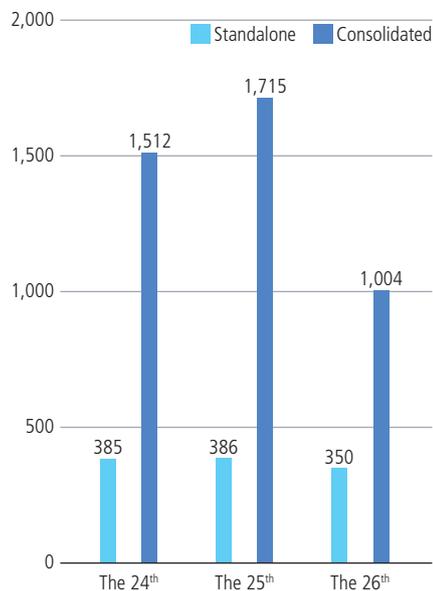
Hitoshi Ikeda

Representative Director and CEO
Trils Inc.

Financial Highlights

Net sales

(Millions of yen)



Ordinary profit / Profit attributable to owners of parent

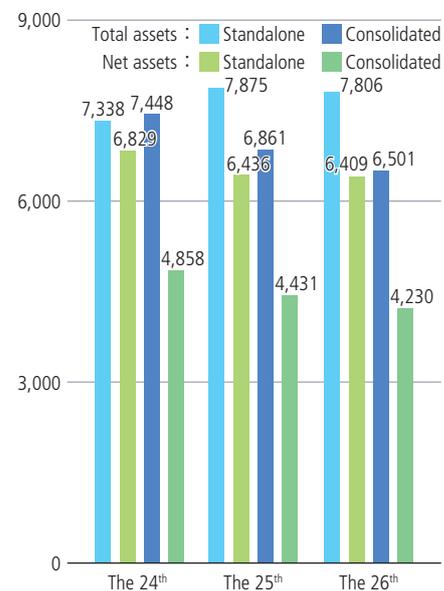
(Millions of yen)

* Profit on non-consolidated bases



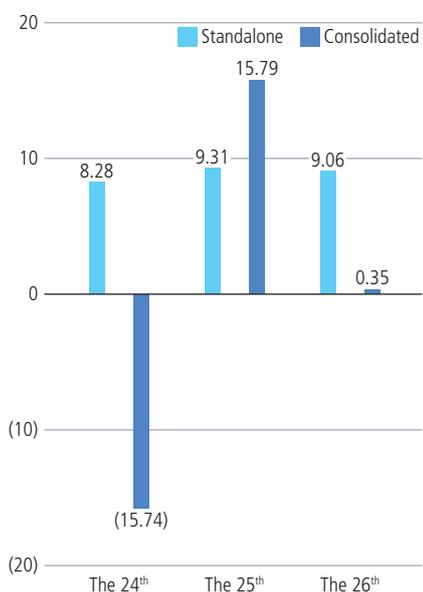
Total assets / Net assets

(Millions of yen)



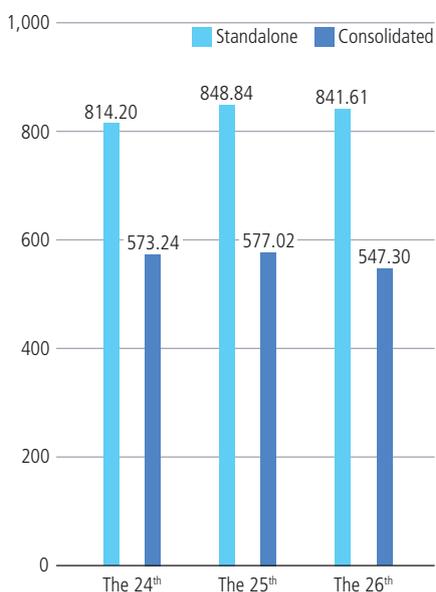
Earnings per share (EPS)

(Yen)



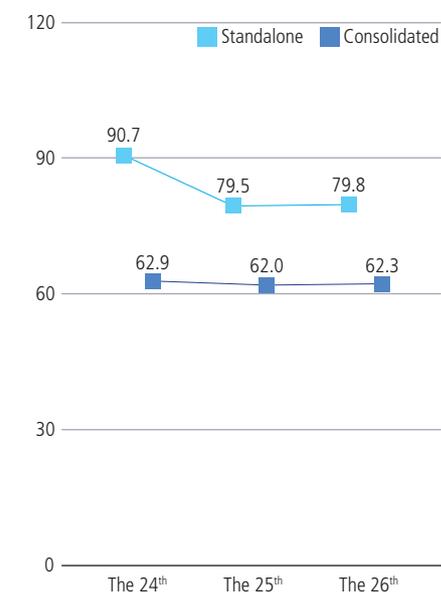
Book-value per share (BPS)

(Yen)



Capital ratio

(%)



The 26th Shareholder Newsletter Financial Highlights

Net sales fell 41.4% from 1,715 million yen in the previous fiscal year to 1,004 million yen. Selling, general and administrative expenses declined by 28.4% from the previous fiscal year to 422 million yen thanks to efforts to reduce such costs, but this was not enough to offset the decline in profit due to a fall in sales, and operating profit fell 60.7% from the previous fiscal year to 98 million yen. As a result, ordinary profit fell 79.9% from the previous fiscal year to 35 million yen. A gain on sales of non-current

assets of 34 million yen was posted to extraordinary income, but profit attributable to owners of parent fell a sharp 97.9% from the previous fiscal year to 2 million yen.

Consolidated profit per share was 0.35 yen, while standalone profit per share was 9.06 yen. The book-value per share (BPS) for consolidated and standalone was 547.30 yen and 841.61 yen, respectively.

Consolidated Financial Statements

Consolidated Balance Sheet

(Thousands of yen)

Item	Current term (as of Dec.31,2020)	Previous term (as of Dec.31, 2019)	Item	Current term (as of Dec.31, 2020)	Previous term (as of Dec.31, 2019)
Assets			Liabilities		
Cash and deposits	1,611,553	2,131,343	Notes and accounts payable - trade	23,486	21,107
Notes and accounts receivable - trade	53,940	51,613	Current portion of long-term loans payable	33,529	33,627
Merchandise and finished goods	147,431	147,705	Income taxes payable	32,363	53,401
Work in process	214,767	160,623	Provision for bonuses	—	12,400
Raw materials and supplies	30,808	28,408	Provision for loss on order received	—	16,182
Other	177,329	33,850	Provision for sales returns	1,195	1,621
Total current assets	2,235,831	2,553,544	Advances received	198,464	139,813
Buildings and structures	1,514,277	1,431,630	Other	48,123	104,421
Land	2,441,662	2,507,312	Total current liabilities	337,162	382,575
Other	24,862	10,703	Long-term loans payable	1,871,795	1,983,197
Total property, plant and equipment	3,980,802	3,949,647	Asset retirement obligations	22,831	22,828
Software	3,861	6,410	Other	40,000	40,533
Other	10,619	13,969	Total non-current liabilities	1,934,626	2,046,559
Total intangible assets	14,480	20,379	Total liabilities	2,271,789	2,429,134
Investment securities	76,946	169,961	Net assets		
Deferred tax assets	21,734	20,231	Capital stock	5,000,000	5,000,000
Other	188,057	163,874	Capital surplus	632,572	635,850
Allowance for doubtful accounts	(15,935)	(16,535)	Retained earnings	(1,065,924)	(957,877)
Total investments and other assets	270,802	337,531	Treasury shares	(362,293)	(374,993)
Total non-current assets	4,266,086	4,307,558	Total shareholders' equity	4,204,354	4,302,979
Total assets	6,501,917	6,861,102	Valuation difference on available-for-sale securities	—	(7,006)
			Foreign currency translation adjustment	(151,162)	(40,608)
			Total accumulated other comprehensive income	(151,162)	(47,614)
			Share acquisition rights	176,935	176,602
			Total net assets	4,230,127	4,431,967
			Total liabilities and net assets	6,501,917	6,861,102

Consolidated Balance Sheet

- Ⓐ Notes and accounts receivable - trade of 53 million yen includes 14 million yen for Crearia and 28 million yen for Hamano.
- Ⓑ Work in process of 214 million yen includes 213 million yen for Crearia and 1 million yen for Hamano.

- Ⓒ Notes and accounts payable - trade of 23 million yen includes 21 million yen for Crearia, and 1 million yen for Trils Business Services.
- Ⓓ Advances received of 198 million yen includes 26 million yen for Trils and 172 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, 2020 through December 31, 2020)	Previous term (January 1, 2019 through December 31, 2019)	Item	Current term (January 1, 2020 through December 31, 2020)	Previous term (January 1, 2019 through December 31, 2019)
Net sales	1,004,281	1,715,190	Cash flows from operating activities	(103,895)	382,597
Cost of sales	483,187	873,387	Cash flows from investing activities	(113,230)	151,177
Gross profit	521,094	841,802	Cash flows from financing activities	(143,369)	(501,167)
Selling, general and administrative expenses	422,683	591,108	Effect of exchange rate change on cash and cash equivalents	(42,055)	(12,881)
Operating profit	98,410	250,694	Net increase (decrease) in cash and cash equivalents	(402,550)	19,725
Non-operating income	26,892	20,193	Cash and cash equivalents at beginning of period	1,895,275	1,875,549
Non-operating expenses	89,453	91,821	Cash and cash equivalents at end of period	1,492,725	1,895,275
Ordinary profit	35,849	179,065			
Extraordinary income	37,940	21,484			
Extraordinary losses	1,484	2,868			
Profit before income taxes	72,305	197,681			
Income taxes	69,731	72,557			
Profit	2,573	125,124			
Profit attributable to owners of parent	2,573	125,124			

Consolidated Statement of Cash Flow

Cash and cash equivalents from operating activities resulted in expenditures of 103 million yen. Cash and cash equivalents used in investing activities primarily consisted of the purchase of property, plant and equipment (291 million yen) and proceeds from sales of investment securities (202 million yen) which resulted in expenditures of 113 million

yen. Cash and cash equivalents from financing activities mainly consisted of the repayment of long-term borrowings (32 million yen) and dividend payouts (110 million yen), and resulted in expenditures of 143 million yen. The effect of exchange rate change was -42 million yen. As a result, cash and cash equivalents at end of period were 1,492 million yen.

Consolidated Statement of Changes in Equity (January 1, 2020 through December 31, 2020) (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	635,850	(957,877)	(374,993)	4,302,979	(7,006)	(40,608)	(47,614)	176,602	4,431,967
Changes of items during period										
Dividends of surplus			(110,621)		(110,621)					(110,621)
Profit attributable to owners of parent			2,573		2,573					2,573
Purchase of treasury shares				(486)	(486)					(486)
Disposal of treasury shares		(3,278)		13,186	9,908					9,908
Net changes of items other than shareholders' equity						7,006	(110,554)	(103,547)	333	(103,214)
Total changes of items during period	—	(3,278)	(108,047)	12,700	(98,625)	7,006	(110,554)	(103,547)	333	(201,839)
Balance at end of current period	5,000,000	632,572	(1,065,924)	(362,293)	4,204,354	—	(151,162)	(151,162)	176,935	4,230,127

Dividend Policy & Historical Share Price/Stock Information

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 key management tasks. Our basic policy is to continue paying a stable dividend, specifically an annual ordinary dividend of 12 yen per share, while taking into consideration the enhancement of internal reserves needed to further expand our operations and stabilize our business base.

	The 22 nd	The 23 rd	The 24 th	The 25 th	The 26 th
Total dividend payment (Million yen)	102	125	98	110	88
Dividend per share (yen)	12	15	12	15	12

Historical Share Price

Highest and lowest stock price during the last five years

Business Year	The 22 nd	The 23 rd	The 24 th	The 25 th	The 26 th
Account closing date	December 2016	December 2017	December 2018	December 2019	December 2020
Highest (yen)	395	435	402	663	547
Lowest (yen)	250	305	253	257	229

Highest and lowest stock price during the last 6 months

Month	July	August	September	October	November	December
Highest (yen)	311	314	323	352	333	355
Lowest (yen)	281	271	291	313	300	327

Stock Information

(as of December 31, 2020)

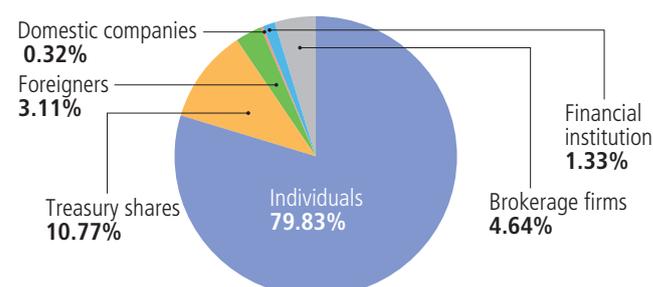
Total number of authorized shares	47,000,000 shares
Total number of shares issued and outstanding	8,300,000 shares
Number of shareholders	15,923

Major 10 shareholders

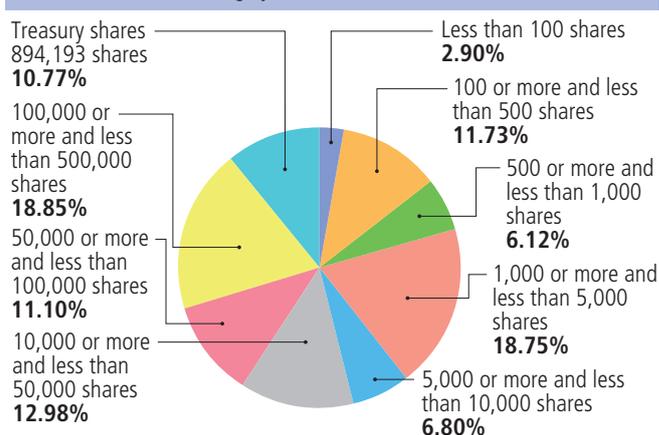
Name	Shares Held	% Total Shares Held
Hitoshi Ikeda	339,650	4.58
Tachibana Securities Co., Ltd.	237,700	3.20
Yukiko Sato	232,600	3.14
Yoshinori Takebayasi	228,000	3.07
BANK JULIUS BAER AND CO. LTD. SINGAPORE CLIENTS	213,860	2.88
Japan Securities Finance Co., Ltd.	110,600	1.49
SMBC Nikko Securities Inc.	101,600	1.37
Toyoharu Shimizu	101,000	1.36
Satoshi Hasegawa	90,300	1.21
Etsuo Uwajima	85,700	1.15

Note: 1. Trils holds its own shares as treasury shares (894,193 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, 2020)



Breakdown of shareholding by the number of shares owned (as of December 31, 2020)





× Miyota



The Hamano factory was founded 140 years ago in Miyota, Nagano Prefecture.
Miyota is a highland town surrounded by Mount Asama.

❖ Introducing Miyota

Click here for the Miyota website ▶ <https://www.town.miyota.nagano.jp/>

Miyota is a town with a population of about 15,000 people located at the southern foot of Mount Asama, one of the most active volcanoes in Japan.

It is known throughout Japan for its outstanding highland vegetables (lettuce, Chinese cabbage, and cabbage) which benefit from a year-round cool climate and relatively sparse rainfall. It has also developed as a base for other industries that can make the most of the cool weather, such as the precision machinery, food processing, and manufacturing industries.

It is also recently being seen as an attractive place for people to relocate to. It has convenient access to Tokyo via the Hokuriku Shinkansen and Joshin-etsu Expressway, and neighboring cities such as Saku, Komoro, and Karuizawa are only about 20 minutes away by car.

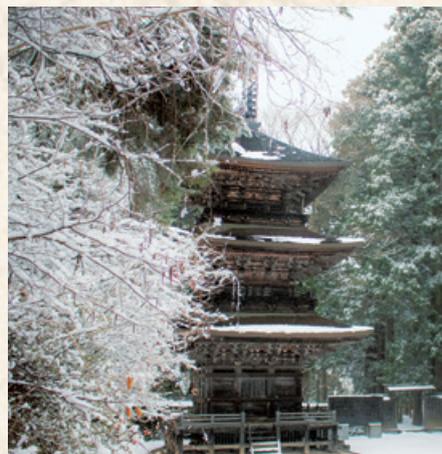
It has one of the highest rates of population growth in Nagano prefecture, and many young people live in this highland town rich in natural beauty.



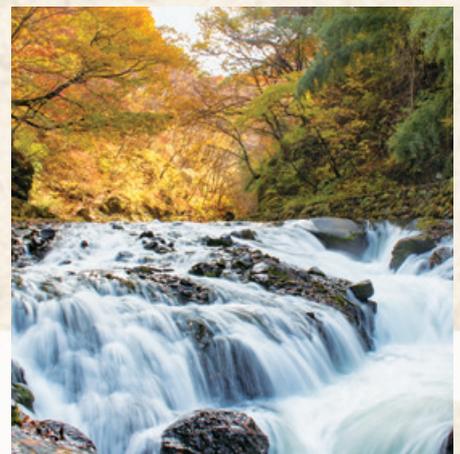
Cherry blossoms in full bloom at Shakunage Park



Dragon god festival



Shinrakuji Temple in winter



Yu river

Regarding Miyota's Hometown Tax Payments

Miyota is working on a unique new regional development project aimed at supporting local business. Hamano is also contributing to the development of Miyota through the hometown tax system.

- Clarifying the intended use of hometown tax payments in advance
- A result-oriented framework
- A town support project with a fun, game-like feel

We are working on visualizing the business through these efforts.

In introducing Miyota, we would like to share an explanation we received from Miyota's planning and finance division about the current situation and initiatives surrounding Miyota's hometown tax, and a message from Mayor Hiroshi Kozono.

Miyota's Hometown Tax: Current Situation and Initiatives

Miyota started a gift business for hometown tax payments from 2015, which Hamano has helped with since the project began. The amount of hometown tax paid to Miyota has been increasing in recent years, from about 43 million yen in FY2018 to about 109 million yen in FY2019, and this fiscal year it exceeded 210 million yen as of the end of December.

Hamano's elegant and high-quality products are especially popular among Miyota's gifts, accounting for about 60-70% of the value of the town's donations, and have made a considerable contribution to increasing our hometown tax revenue. Valuable donations are used for town development projects, such as repairing roads, subsidizing transportation expenses for the elderly, and supporting residents'

activities.

In addition, the hometown tax special promotional site Miyotan Quest was opened in September 2020 to help boost hometown tax revenue, and has been featured in many media and received a great response. The site features a role-playing game mechanic in which Miyotan (the town's character) grows after receiving a certain amount of hometown tax payments, and it also displays how the donations will be used in advance. It gives people the sense that they are participating in the virtual development of the town.

We would like to continue building better relationships with businesses such as Hamano so that the town can flourish, and develop businesses that make people feel good about donating to Miyota.

Miyotan Quest and Miyotan



The link below will take you to the Miyotan Quest homepage.
<https://miyotanquest.com/>

Miyotan is a character that grows whenever a certain amount of donations are received. Here is an example of how the character develops.



Miyotan level 0

This is Miyotan's starting level. The character grows after a certain amount of donations are received.



Miyotan level 13

The red bag and purse carried on the left side of Miyotan are products made by Hamano.



Miyotan level 29

This is Miyotan as of December 2020. Only a little more to go before level 30.

Voice

Greetings from Mayor Hiroshi Kozono

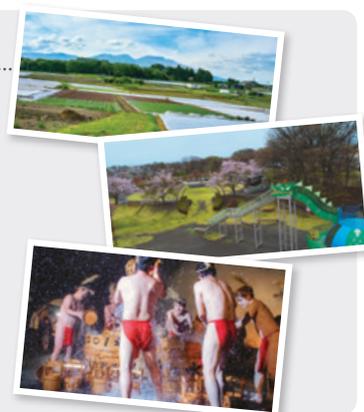
Hamano's handbags are intrinsically tied to Miyota's status, having made a considerable contribution to the branding of the town.

In particular, we have significantly strengthened cooperation with Hamano in the two years since I took office, thanks to which hometown tax payments have increased about fivefold since before I became mayor.

I feel this is due to the love put into the Hamano brand, Hamano's drive to expand its presence worldwide, and the company's diligent consideration of inventory management and other factors.

I would like to thank all Trils shareholders for your understanding of the town development that has been facilitated by our close collaboration with Hamano, and I encourage you all to try out a Hamano bag for yourself. And if possible, please consider purchasing one through the hometown tax system.

I believe Trils has been making appropriate investments in the wake of the COVID-19 pandemic and highly expect it to grow in the future. I look forward to a long-lasting relationship with the firm.



Hamano's products have been certified as gift items for hometown tax payments since October 2015, and a wide range of goods is on offer.

[SatoFull Website](https://www.satofull.jp/) <https://www.satofull.jp/>

[Furusato Choice Website](https://www.furusato-tax.jp/) <https://www.furusato-tax.jp/>

Please take this opportunity to gain a deeper understanding of the efforts and future prospects of Miyota, where the Karuizawa factory is located. We will endeavor to do our best to be of service so that you choose us as the local government to support.

On the next page, we will introduce **the Hamano bag**, which is popular for hometown tax payments. 



Hamano bags are all individually made by professional craftsmen. Introducing bags that are especially popular gifts for hometown tax payments.



Symphonia

We aim to create a quality bag that exudes an elegantly unique aura. The elegant rounded design of the bag is a testament to Hamano's highly skilled artisans.

It is a bag that can be used in a wide range of situations, from ceremonial occasions, to young children's exam interviews and thank-you parties, and suits both kimono and pants.



Grace Delight

The secret of its popularity is a design that strikes a beautiful balance between elegance and activity, weighing a mere 700g despite its all-leather construction.

It is a tote bag that hits the mark in terms of design, storage, and light weight. This is the most popular Grace series bag we have made.



Fiore Middle Boxy

A perfectly sized tote bag that is neither too big or too small.

Its B5 size gives it a storage capacity and design just right for carrying on a commute to work, shopping with friends, or even heading out to casual parties.

Comments from the young artisans that made the bags.



This year will be the third year since I joined the company, and I have been involved in various processes such as sewing machines, assembly, and parts.

My main job at the moment is cutting leather. This involves removing parts from the hide of a cow using a mold. Each piece of leather has scratches and depressions to differing extents and in different positions, so I take great care to choose parts that are free of such issues.

Since last year, customer sales and service at the Karuizawa factory store have given me more opportunities to interact with customers who like Hamano bags. Many customers come to the store requesting repairs to bags they have used for many years or to buy easy to use accessories in a variety of colors, and I am overjoyed to see people continuing to lovingly use items I have crafted even after they have become worn out. The Karuizawa factory store gives me the opportunity to listen to the needs of our customers first-hand, and I feel that the more customers I get to serve the more my knowledge grows because the bags I recommend differ depending on the conditions of their use.

I would like to continue improving my knowledge and skills and grow as I gain a deeper understanding of the workings of the business.

Karuizawa factory Yuuto Sunohara (Joined the company in April 2018)

I joined Hamano in 2018. Currently, I work on making parts, including attaching stiffening material, gluing and folding edging, and applying inks. While working, I often contemplate how interesting it is to make forms from nothing, and I find it thrilling to bring my creation closer to the ideal shape through a process of trial-and-error. When making parts, I have to think up new ways to fold the edging and hand-shape the areas where the leather overlaps so that it does not become too thick. Even small adjustments can greatly change the appearance of the item, and it is satisfying to come up with various ideas that make the part look good. As I work on my craft, I also hope that I can make people who usually purchase Hamano's products even a little more excited and pleased. It feels great when customers say they are happy they bought a bag I have worked on, and praise the shape as beautiful. It makes me feel glad that I chose this as my job.

In the future, I want to be able to do everything from design to production by myself. There are many aspects of the craft that are difficult to explain in words and that I have get a feel for through practice. There are still things I lack the skill to do, but I plan to strive to do my best.

Karuizawa factory Yuzuha Yamazaki (Joined the company in April 2018)



Enrich the Future



In Japan, which is frequently hit by natural disasters, the deterioration of social infrastructure built up during periods of high economic growth is becoming increasingly serious, meaning renewing and prolonging the life of facilities and making effective use of existing stock is an urgent issue. Meanwhile, environmental issues such as global warming have come to the fore, making the conservation of the global environment and creation of a recycling-oriented society important issues. Crearia has been involved in the design and development of social infrastructure related to rivers since it was founded. We will leverage our accumulated expertise to constantly improve our water-related technologies and respond to ever-changing social demands. In addition, we will focus on the peripheral and upstream areas of existing fields and strive to evolve into a company that actively works to preserve and renew the environment.

We aim to be a company that has a unique presence in the construction consultant* industry, boasting strong technological prowess and impressive customer support, even if we are small in scale.

* A construction consultant provides consulting services on technical matters such as the planning, research, and design of public infrastructure including roads, bridges, dams, weirs, harbors, airports, and water and sewer services.

Crearia is involved in water-related social infrastructure projects across Japan.

Below are some of the projects we have worked on this fiscal year.

Minamikitakami Canal Floating Pier Miyagi Prefecture Eastern Civil Engineering Office

Address Shimodai, Omagari, Higashimatsushima, Miyagi Prefecture

Office name Miyagi Prefecture Eastern Civil Engineering Office

Business period FY2020

Overview A floating pier is a box-shaped floating structure comprising a combination of a buoyant body (float), a structure (frame), and a deck. It is mainly used for getting on and off a boat, loading and unloading supplies, and mooring a boat. Floating piers adjust to changes in water level, such as changing tides, maintaining a constant height above the water surface to ensure convenience and safety. Crearia is involved in the design of such piers.



Afuso Dam Construction Works 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.



Sakaizawa River Flood Control Reservoir Shizuoka Prefecture Eastern Agriculture and Forestry Office Gotemba Branch

Address Gotemba, Shizuoka Prefecture

Office name Shizuoka Prefecture Eastern Agriculture and Forestry Office Gotemba Branch

Business period FY2017 – FY2022

Overview This is a fill dam-type flood control reservoir built to store flood water and sediment from the Sakaizawa River basin in the JGSDF East Fuji Maneuver Area in order to prevent flood damage to the downstream area. Crearia is engaged in the design and analysis of the project.



On the next page we introduce **new Crearia employees** tasked with leading the next generation.

\\ New Face //

Introducing our new staff members

We interviewed new employees of Crearia about their work, attitude toward work, etc.



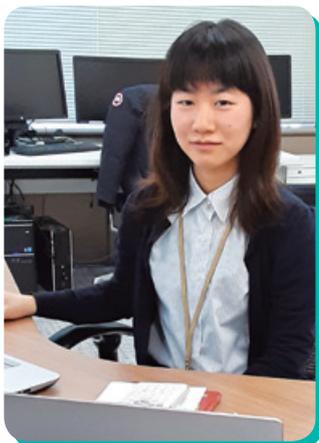
Engineering
Department
Survey G

Kazuaki Sugiura (Joined the company in January 2020)

I mainly work on issues surrounding sediment-related disasters. Based on the Sediment-related Disaster Prevention Law, each local government conducts a field survey of the height, angle, soil quality, etc. of steep slopes, and sets up a sediment-related disaster hazard area and a sediment-related disaster special hazard area. The designation of a sediment-related disaster hazard area serves as a warning to nearby residents, and after an area is so designated, the structure and development of new buildings is restricted to prevent the environment becoming more dangerous.

It is a difficult job that requires patience and careful judgment because there are many slopes to be surveyed including terrain and countermeasure facilities that are hard to evaluate. However, due to this, I am able to work through each process with a sense of satisfaction.

Amid continuing climatic aberrations, we will have to be increasingly vigilant against natural disasters and in managing the natural environment, however one issue we face is a lack of sufficient resources to handle the workload. I think it is important to work in earnest on the task at hand as an individual, but also see the need to be able to make the most efficient decisions as an organization. I would like to accumulate experience without neglecting basic things such as the sharing of information with my superiors and colleagues in the workplace.



Engineering
Department
Survey G

Rika Imafuku (Joined the company in April 2020)

I am mainly involved in two projects in the basic research I am in charge of. One is the revision of a report summarizing the survey details for work at Kawasaki river management in Kanagawa prefecture. The other is a civil engineering project in Karasuyama, Tochigi Prefecture, in which we have created a cross-sectional view of a slope based on a field survey, and are working on adjustments to the entire area.

There are two things that I find rewarding about my work. The first is that I get to work on several projects at the same time. This means that I am busy, but the experience I gain from each job helps me to reconsider the quality of my work. The second is the sense of purpose I gain from working to protect infrastructure. It is fulfilling to be able to contribute to society through my work, even if only to a limited extent. Conducting field surveys for the basic research operations is both physically and mentally demanding because survey requirements differ depending on the condition of the slope and the weather. Seeing the site with your own eyes is also a part of disaster prevention, which gives meaning to the hardship involved. I would also like to take on the challenge of environmental survey work if given the opportunity. As for my future aspirations, I hope to continue enjoying my work. I was worried when I first started this job because I had no experience in the construction industry. However, I have been striving every day to increase the number of jobs I can do so that I can become even a little more useful.

I would like to continue moving forward with my work without losing my desire to study.

Corporate Profile and Business Structure/Shareholder Information

Corporate Profile

(as of December 31, 2020)

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):	47 Permanent: 41 Contingent: 6 (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 24, 2021)

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

Trils Group Companies

(as of December 31, 2020)

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

Trils Business Structure

(as of March 24, 2021)



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 number above.

Shareholder Benefit

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

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

The 26th Shareholder Benefit Program: Regarding Accommodation Vouchers

Applicable shareholders

Shareholders who own more than 1,000 shares (10 unit) and are recorded in the shareholder register as of December 31, 2020.

Shareholder Benefit

One night's free vacation rental at our Wailea Beach Villas Resort

Use by: December 31, 2021 (Friday)

Usable at: Wailea Beach Villas



In view of travel restrictions to the area due to the spread of the COVID-19 pandemic, we will post details of the provision methods and other items on our website once the travel restrictions have been eased or lifted.

The 26th Shareholder Benefit Program: Regarding Shopping Vouchers

Applicable shareholders

Shareholders who own more than 100 shares (1 unit) and are recorded in the shareholder register as of December 31, 2020.

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, 2021 (Friday)

Available stores: CLATHAS Online Shop

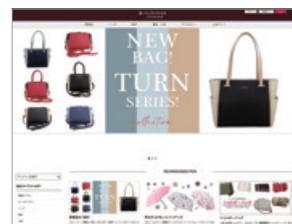
HAMANO Online Shop

Shareholders of 2,000 shares or more

You can purchase the Group's products at the discount rates on the right 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



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



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

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

■ 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.



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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