



TRIIS
Insight, Integrity & Initiative

The Twenty-Second Issue

SHAREHOLDER NEWSLETTER

(January 1, 2016 through December 31, 2016)

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 2016, we were able to establish a profitable structure at the operating level for the fashion brands business, but the construction consultant business, for which a profitable structure had already been established, was hit by delays in the completion of construction projects leading to significant operating losses with the result that, for the first time in six years, an operating loss was posted at the overall consolidated level. As we regard returns of profit to shareholders as an important corporate objective, we are very happy to have been able to continue the payment of dividends for

six consecutive years.

When we turn our eyes to the world, a number of events have made us keenly aware that the emerging changes in politics and economics that have concerned us over the past few years are taking on increasingly concrete forms. The UK made the decision to leave the EU after a referendum on whether to remain, and in the US Donald Trump unexpectedly clinched the presidential election, while in Italy prime minister Matteo Renzi resigned after a referendum on amendments to the Italian constitution. On the one hand, this is seen in

some quarters as the victory of populism over the middle classes, caused by widening economic inequality, but even if we accept this as fact, it can also be said that the limits of a capitalism that has lost its “frontier” have become increasingly exposed. We believe this is the opening of an era in which the conventional wisdom of the past can no longer be depended on to guide our judgments in any way.

Moreover, the Abenomics that seeks to reconstruct Japan’s “two lost decades” is simply the implementation of measures built on the conventional wisdom of the past, and has arguably done no more than maintain the current state of affairs. Conversely, the actual Japanese economy, with an era of population onus is just around the corner, is proved that, even with limited monetary easing and the introduction of negative interest rates, the upward trend in growth of the past can no longer be relied on in an economy lacking new frontiers to pioneer. In that sense, the crucial issue in economic circumstances such as these is how efficiently profits can be secured or, to put it another way, to what degree productivity can be enhanced. However, the Trils Group has already been engaged in preparations for this new era for the past several years. 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.

We have increased the capital of our subsidiary in the United States, which was established during the fiscal year under review with the aim of conducting real estate and securities investment business, to US\$20 million and roughly half of this has already been invested. Accordingly, from fiscal 2017 onward the Group’s portfolio of businesses will consist of the three businesses of fashion brands, construction consultant, and real estate and securities investment.

As a result of the above, net sales for the fiscal year under review came to 1,578 million yen with an operating loss of 336 million yen, and a loss attributable to owners of parent of 494 million yen.

With regard to the fashion brands business, despite contracting demand among consumers for clothing and accessories, satisfactory growth in CLATHAS royalty income and Hamano’s focus on manufacturing luxury leather goods at its Karuizawa factory have resulted in improved confidence in our ability to achieve operating profitability. On the other hand, in the construction consultant business, due to a delay in delivery and other factors, some work that was scheduled to be completed remained unfinished and the resulting decrease in net sales led to a significant operating loss. As already explained above, overseas investment business is going to be added to our new business portfolio in the coming period as we have established TRIIS INTERNATIONAL AMERICA INC. as a subsidiary for carrying out real estate and securities investment business in the U.S. We intend to actively expand business globally with our two overseas subsidiaries in Taiwan and the US playing the central role.

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.



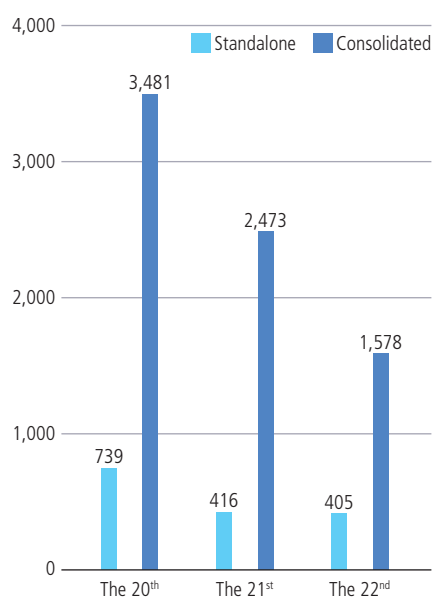
Hitoshi Ikeda

Representative Director and CEO
Trils Inc.

Financial Highlights

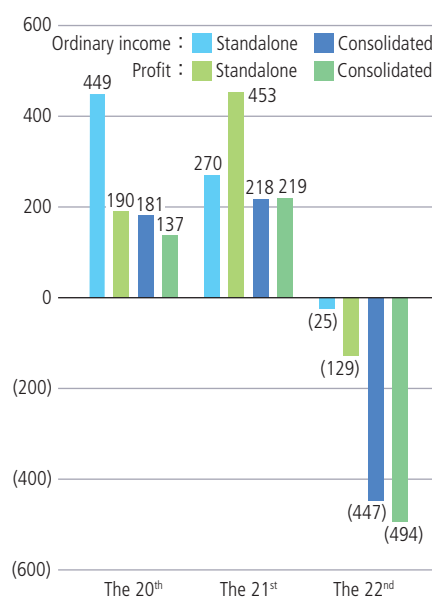
Net sales

(Millions of yen)



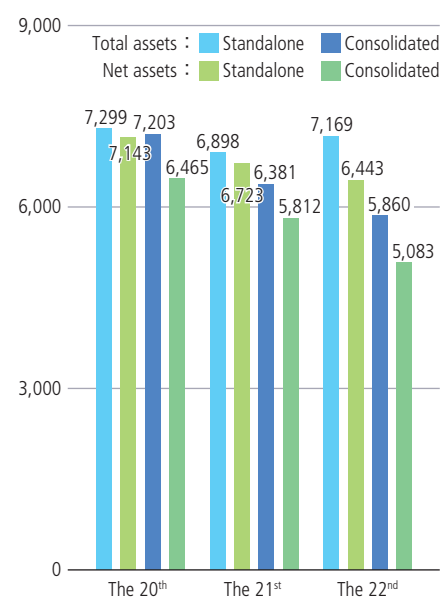
Ordinary income / Profit

(Millions of yen)



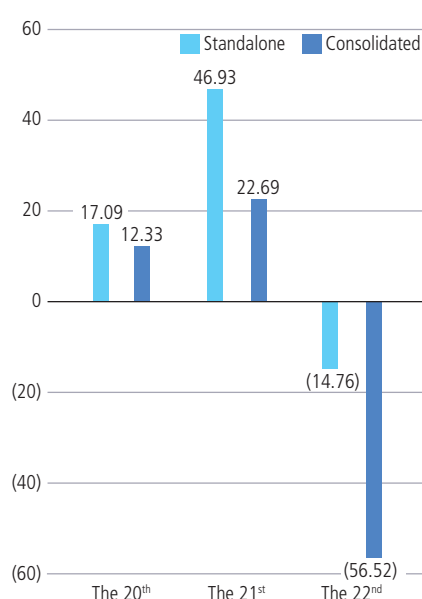
Total assets / Net assets

(Millions of yen)



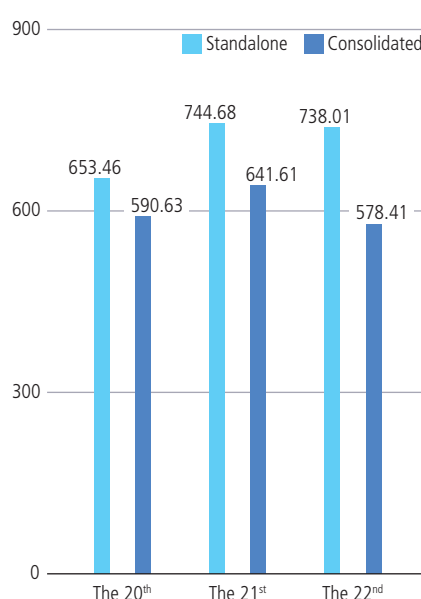
Earnings per share (EPS)

(Yen)



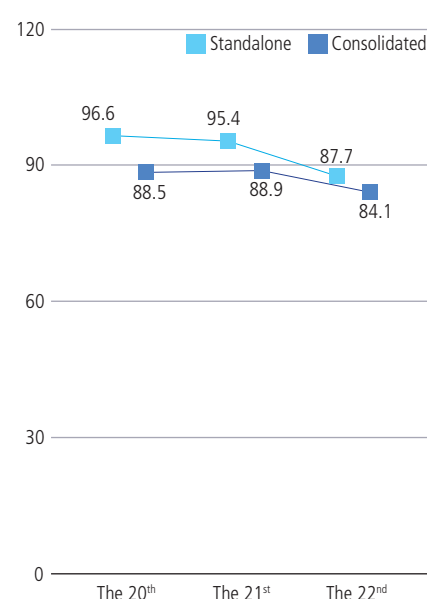
Book-value per share (BPS)

(Yen)



Capital ratio

(%)



The 22nd Shareholder Newsletter Financial Highlights

In the construction consultant business, completion of a major project slipped into the next fiscal year, with the result that net sales decreased by 36.2% from 2,473 million yen in the previous year to 1,578 million yen. Despite continued efforts to reduce the selling, general and administrative expenses, we recorded an operating loss of 336 million yen (operating loss of 68 million yen in the previous year). With factors such as foreign exchange losses, ordinary loss was 447

million yen (ordinary income of 218 million yen in the previous year), and loss attributable to owners of parent was 494 million yen (profit attributable to owners of parent of 219 million yen in the previous year).

Consolidated loss per share was 56.52 yen, while standalone loss per share was 14.76 yen. The book-value per share (BPS) for consolidated and standalone was 578.41 yen and 738.01 yen, respectively.

Consolidated Financial Statements

Consolidated Balance Sheet			(Thousands of yen)		
Item	Current term (as of Dec.31, 2016)	Previous term (as of Dec.31, 2015)	Item	Current term (as of Dec.31, 2016)	Previous term (as of Dec.31, 2015)
Assets			Liabilities		
Cash and deposits	2,538,093	2,313,329	Notes and accounts payable - trade	54,372	64,107
Notes and accounts receivable - trade	125,438	339,910	Current portion of long-term loans payable	5,605	—
Securities	—	1,206,285	Income taxes payable	13,996	19,164
Merchandise and finished goods	229,927	300,748	Provision for loss on order received	19,936	1,222
Work in process	185,572	149,927	Provision for sales returns	4,168	3,359
Raw materials and supplies	44,538	45,745	Provision for loss on withdrawals from employees' pension fund	—	9,015
Deferred tax assets	44,442	59,906	Advances received	204,805	175,931
Other	154,876	141,569	Other	155,085	183,844
Allowance for doubtful accounts	(7)	(8)	Total current liabilities	457,971	456,645
Total current assets	3,322,881	4,557,414	Long-term loans payable	204,114	—
Buildings and structures	754,730	188,572	Asset retirement obligations	20,648	23,057
Land	1,178,220	807,335	Other	94,999	88,870
Other	16,069	20,186	Total non-current liabilities	319,762	111,927
Total property, plant and equipment	1,949,021	1,016,094	Total liabilities	777,734	568,573
Goodwill	174,834	316,206	Net assets		
Software	12,765	11,002	Capital stock	5,000,000	5,000,000
Other	32,209	30,025	Capital surplus	1,098,485	1,547,321
Total intangible assets	219,808	357,234	Retained earnings	(761,649)	(160,753)
Investment securities	175,387	266,768	Treasury shares	(337,274)	(672,961)
Deferred tax assets	6	2,707	Total shareholders' equity	4,999,560	5,713,606
Other	211,151	202,259	Valuation difference on available-for-sale securities	—	(53,203)
Allowance for doubtful accounts	(17,328)	(21,348)	Foreign currency translation adjustment	(70,500)	12,703
Total investments and other assets	369,216	450,387	Total accumulated other comprehensive income	(70,500)	(40,500)
Total non-current assets	2,538,046	1,823,716	Subscription rights to shares	154,134	139,451
Total assets	5,860,928	6,381,130	Total net assets	5,083,194	5,812,557
			Total liabilities and net assets	5,860,928	6,381,130

Consolidated Balance Sheet

- Ⓐ Notes and accounts receivable - trade of 125 million yen includes 64 million yen for Crearia, 12 million yen for Tokyo Blouse, and 45 million yen for Hamano.
- Ⓑ Merchandise and finished goods of 229 million yen includes 55 million yen for Tokyo Blouse and 154 million yen for Hamano.

- Ⓒ Work in process of 185 million yen includes 176 million yen for Crearia and 4 million yen for Hamano.
- Ⓓ Goodwill of 174 million yen includes 107 million yen for Crearia and 66 million yen for Hamano.
- Ⓔ Notes and accounts payable - trade of 54 million yen includes 37 million yen for Crearia, 3 million yen for Tokyo Blouse, and 11 million yen for Hamano.

Consolidated Financial Statements (Summary)

Consolidated Statement of Income (Thousands of yen)			Consolidated Statement of Cash Flow (Thousands of yen)		
Item	Current term (January 1, 2016 through December 31, 2016)	Previous term (January 1, 2015 through December 31, 2015)	Item	Current term (January 1, 2016 through December 31, 2016)	Previous term (January 1, 2015 through December 31, 2015)
Net sales	1,578,908	2,473,744	Cash flows from operating activities	58,333	425,950
Cost of sales	991,184	1,353,202	Cash flows from investing activities	(900,298)	1,534,169
Gross profit	587,724	1,120,542	Cash flows from financing activities	(13,731)	(876,166)
Selling, general and administrative expenses	924,470	1,189,165	Effect of exchange rate change on cash and cash equivalents	(167,448)	746
Operating income (loss)	(336,746)	(68,622)	Net increase (decrease) in cash and cash equivalents	(1,023,145)	1,084,700
Non-operating income	70,635	318,838	Cash and cash equivalents at beginning of period	3,570,445	2,485,745
Non-operating expenses	181,651	32,163	Cash and cash equivalents at end of period	2,547,300	3,570,445
Ordinary income (loss)	(447,762)	218,052			
Extraordinary income	—	212,300			
Extraordinary losses	3,496	108,098			
Profit (loss) before income taxes	(451,259)	322,253			
Income taxes	43,533	103,199			
Profit (loss)	(494,792)	219,053			
Profit (loss) attributable to owners of parent	(494,792)	219,053			

Consolidated Statement of Cash Flow

Cash and cash equivalents at end of period from operating activities increased by 58 million yen. Cash and cash equivalents used in investing activities primarily consisted of the acquisition of property, plant and equipment (900 million yen). Cash and cash equivalents from financing activities consisted of the proceeds from long-term loans payable (209

million yen), cash dividends paid (107 million yen) and purchase of treasury shares (135 million yen), and resulted in expenses of 13 million yen. The effect of exchange rate change was 167 million yen. As a result, cash and cash equivalents at end of period were 2,547 million yen.

Consolidated Statement of Changes in Equity (January 1, 2016 through December 31, 2016)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	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	1,547,321	(160,753)	(672,961)	5,713,606	(53,203)	12,703	(40,500)	139,451	5,812,557
Changes of items during period										
Dividends of surplus			(106,103)		(106,103)					(106,103)
Loss attributable to owners of parent			(494,792)		(494,792)					(494,792)
Purchase of treasury shares				(135,409)	(135,409)					(135,409)
Disposal of treasury shares		(5,536)		27,796	22,259					22,259
Retirement of treasury shares		(443,300)		443,300	—					—
Net changes of items other than shareholders' equity						53,203	(83,203)	(30,000)	14,682	(15,317)
Total changes of items during period	—	(448,836)	(600,896)	335,686	(714,046)	53,203	(83,203)	(30,000)	14,682	(729,363)
Balance at end 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

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.

We aim to offer annual ordinary dividend of 12 yen per share to show our sincere appreciation for our shareholders' constant support.

	The 18 th	The 19 th	The 20 th	The 21 st	The 22 nd
Total dividend payment (Million yen)	118	112	129	106	102
Dividend per share (yen)	100	10	12	12	12

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 18 th	The 19 th	The 20 th	The 21 st	The 22 nd
Account closing date	December 2012	December 2013	December 2014	December 2015	December 2016
Highest (yen)	2,045	4,000 ^{*416}	514	464	395
Lowest (yen)	1,220	1,742 ^{*256}	211	314	250

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)	288	276	320	310	367	373
Lowest (yen)	266	259	270	294	302	333

January

February

March

April

May

June



January 2016



HAMANO

Hamano Inc.

Tie-up with the Botticelli Exhibition



Hamano manufactured products in collaboration with the Botticelli Exhibition, which was held at the Tokyo Metropolitan Art Museum.

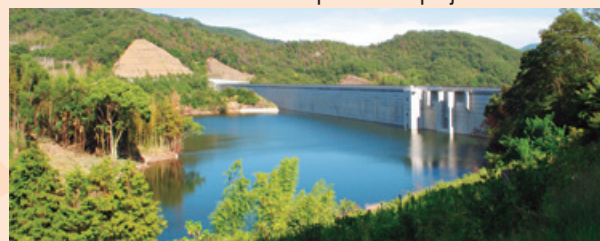


May 2016

CREARIA

Crearia Inc.

Crearia won Technology Award of the Japan Society of Dam Engineers as a design company for the redevelopment project of the Uchinomi Dam in Kagawa Prefecture which we 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.



March 2016



CLATHAS

CLATHAS

Launch of "2WAY shoulder bag BOOK"

A bright pink bag with a brand logo on the surface which is reproduced through a combination of embossing and foil stamping. It also comes with a bag charm that expresses the brand's "Camellia" mark. Due to the great success of this product, a further production run was decided in June.

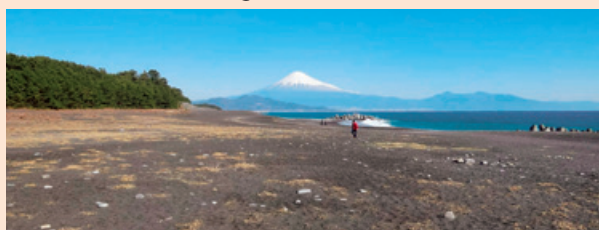


Continued Projects from 2015

CREARIA

Crearia Inc.

For business related to seacoasts and ports, Crearia is conducting business with a high degree of continuity, which consists primarily of community-based operations, maintenance and management work.



(Shizuoka Prefecture) Seacoast protection work related to the World Heritage registration of Miho-no-Matsubara



(Niigata Prefecture) Inspection of fishing port facilities on Sadoshima Island



(Akita Prefecture) Seacoast protection facilities inspection



Continued Projects from 2015



HAMANO

Hamano Inc.

Provision of thank you gifts to hometown taxpayers from Miyota-machi, Kitasaku-gun, Nagano Prefecture.

The provision of thank you gifts to hometown taxpayers of Miyota-machi that began in September 2015 has been very well received. Items include some products made by Hamano for CLATHAS.

These are provided on the "Satofull," website for hometown taxpayers (<http://www.satofull.jp/>).



Products by Hamano selected for the gift "Satofull," website for hometown taxpayers Royal Model "Urushi" (<http://www.satofull.jp/>).



July

August

September

October

November

December

October 2016  CLATHAS**CLATHAS****Launch of DIARY
2017 BUSINESS**

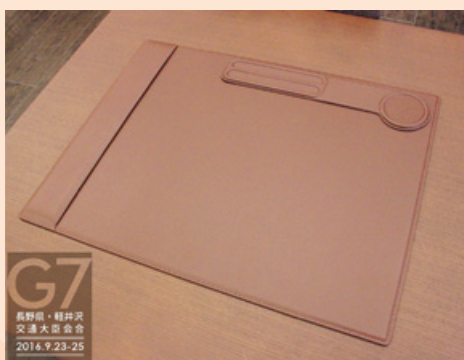
Thanks to being highly favorably received, this diary was launched for the fourth consecutive year. This has become a popular series as it is both user-friendly and cute.

October 2016  CREARIA**Crearia Inc.**

The dam wall of the Gokayama Dam in Fukuoka Prefecture, for which the company conducted surveys and design, was completed and the process of filling with water began.

September 2016  HAMANO**Hamano Inc.**

Provision of specially designed leather desk mat for the G7 Transport Ministers' Meeting in Karuizawa, Nagano.



This is an original product developed especially for this G7 meeting. Special attention was paid to the pen tray and the document holder for improved ease of use. Moreover, Hamano's professional skills, such as a forming method known as "Shibori," are fully used.

November 2016  CLATHAS**CLATHAS****Launch of
"BAG & POUCH BOOK"**

A tote bag with a square pouch, coming with a mini Book containing the brand's new collection. Following the success of the "2WAY shoulder bag BOOK," this too has been very well received.

July 2016  CREARIA**Crearia Inc.**

Crearia was responsible for design and landscape management of the river revetment project in Tachinui area, the estuary of the Mimikawa river (Hyuga-city, Miyazaki Prefecture). The resulting preservation of a historic landscape was met with widespread approval, and the project was covered in the feature article "Doboku no Chikara" of Nikkei Construction.

November 2016  CREARIA**Crearia Inc.**

The foundation-laying ceremony was held for the Afuso Dam in Okinawa Prefecture, for which the Crearia is conducting surveys and design. We continue to provide construction management operations for the successful completion of the project.

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 22nd Shareholder Benefit Program ~

A. Shareholder discount: A 1,000 yen off ticket

Shareholders who own more than 100 shares (1 unit) and are recorded in the shareholder register as of December 31, 2016 are entitled to use this ticket. You can use this ticket only ONCE when you purchase TriIs group companies' products at the following stores.

To be used by December 31, 2017

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



1,000 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, 2016 are entitled to use this card.

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

To be used by December 31, 2017

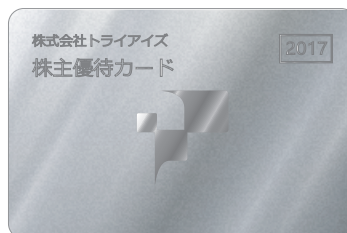
At CLATHAS Omotesando, CLATHAS Official Online Shop, Hamano Official Online Shop

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



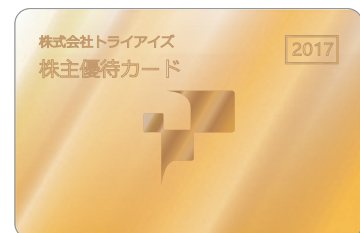
20% off shareholder benefit card

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.triis.co.jp/en/stock/return.html>)

Overview of TRIIS INTERNATIONAL AMERICA INC.



TRIIS INTERNATIONAL AMERICA INC.

Address: 1003 Bishop Street, Suite 1600 Honolulu HI 96813 USA
Date of establishment: January 2016
Representative: Yukiko Sato
(Representative Director and COO of the Company)
Paid-in capital: US\$20,000,000
Principal business: Development of investment business in real estate and securities in the US



Yukiko Sato

(Representative Director and COO of the Company)

TRIIS INTERNATIONAL AMERICA INC. was established in January 2016 to carry out real estate and securities investment businesses in the U.S. market, which is expected to continue to grow going forward.

While it is primarily engaged in highly profitable real estate investments, the company also handles long-term development projects that promise future capital gains. As for securities investments, the company mainly invests in highly safe fixed rate bonds.

We expect that the U.S. market will enjoy stable growth in the future as well. The most important factor is demographics. Compared with countries such as Japan and China, which are going to soon enter a period of population onus (period of decreasing productive population), the U.S. has more sound immigration policies, meaning that it continues to remain in a period of population bonus. Furthermore, considering the limitations of existing political approaches of Japan, including its financial and economic policies, increasing our exposure (investment) overseas, particularly in the U.S., will undoubtedly pave the way for future growth of our group.

Results in Fiscal 2016

We have already owned and invested in residential real estate in Maui and Oahu, Honolulu, and industrial real estate in the Kapolei Business Park. Our investments in industrial real estate were covered by Honolulu Business News on November 30, 2016. We will continue to manage the investment with the aim of securing capital gains, including long-term foreign exchange gains, while at the same time generating income primarily in the form of rental income.



The Company's industrial real estate in Kapolei Business Park



In 2017 Hamano Inc.
will renew its brand mark and brand logo.



The Hamano Inc. brand mark and brand logo concept

The sharply defined wings spreading from the “H” of the first letter of Hamano suggest the image of a hawk taking flight into the next hundred years of the brand’s history.

The innovative and tasteful design conveys a sense of the tradition and craftsmanship of 130-year-old brand, and energy for soaring toward the end of the 21st century.

The color is a combination of royal blue and royal bronze that is imbued with both tradition and style, expressing the pride of Hamano.

HAMANO Brand Concept

HAMANO Triad

Hamano’s three promises

Hawk Pride

The heroic flight of the hawk is a symbol of our quality of the leather from which our products are made, our tradition of craftsmanship and our pride.

Heart Made

Made with the heart as well as the hands. A truly superior bag is not only a creation of the hands, but is also born from the heart

High Quality

Infallible reliability and quality, as chosen by the Imperial Family

Created by world-renowned designer Mr. Masanori Shinozuka who also designed the logo for the Nagano Winter Olympic Games in 1998.



Corporate Profile and Business Structure

Corporate Profile

(as of December 31, 2016)

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):	92 Permanent: 54 Contingent: 38 (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, 2017)

Representative Director and CEO	Hitoshi Ikeda
Representative Director and COO	Yukiko Sato
Directors	Takanori Kajiwara Mitsue Seki
Outside Directors	Shogo Takai Yumiko Ashiwa
Corporate Auditors	Akihiko Shimomura Masami Kise Toshiyuki Nishimura

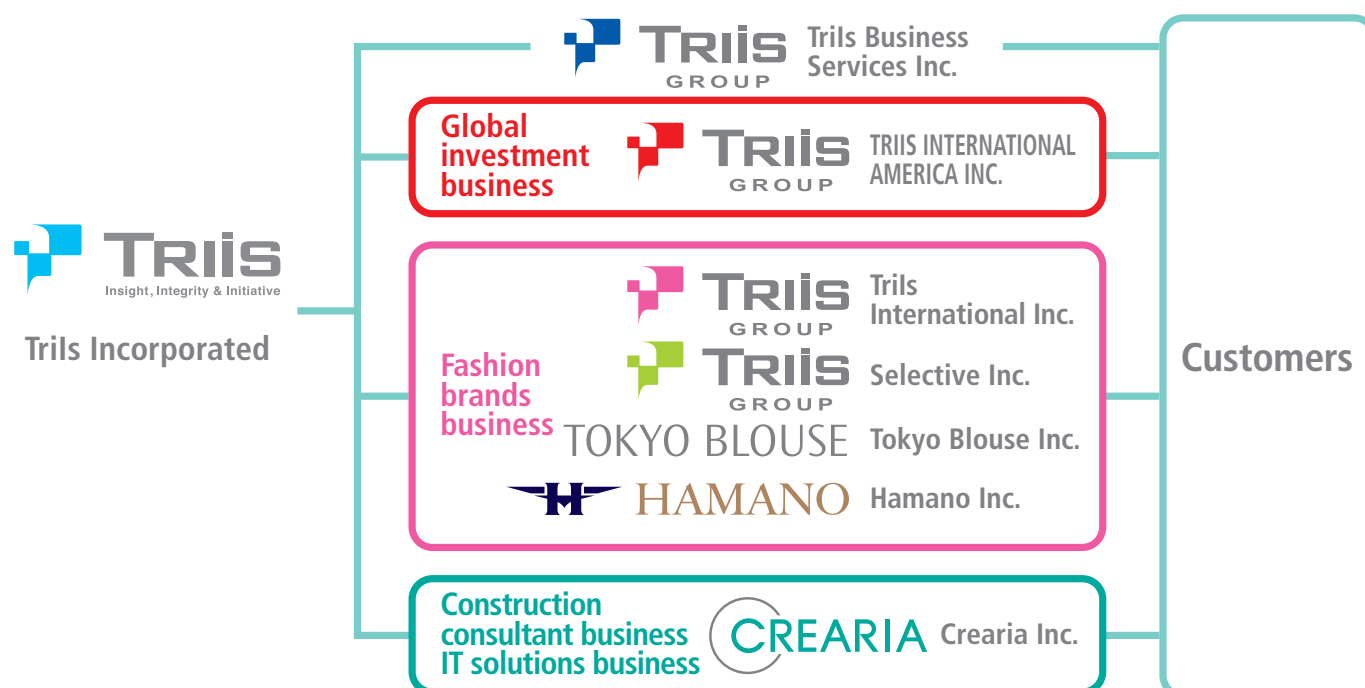
Trils Group Companies

(as of December 31, 2016)

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 April 1, 2017)



Stock Information and Shareholder Information

Stock Information

(as of December 31, 2016)

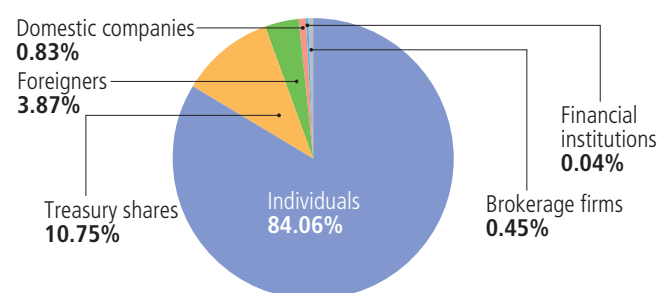
Total number of authorized shares	47,000,000 shares
Total number of shares issued and outstanding	9,500,000 shares
Number of shareholders	18,456

Major 10 shareholders

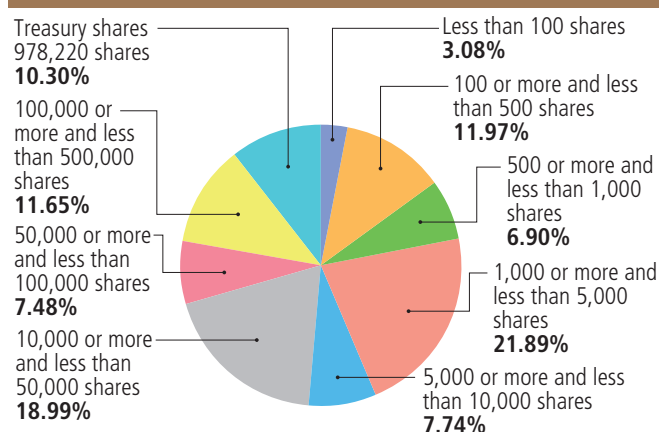
Name	Shares Held	% Total Shares Held
Hitoshi Ikeda	334,650	3.92
Bank Julius Baer & Co. Ltd. Singapore CLIENTS	213,860	2.50
Yoshinori Takebayasi	182,000	2.13
Yukiko Sato	152,800	1.79
Takanori Kajiwara	112,700	1.32
Toyoharu Shimizu	111,000	1.30
Tomio Suzuki	86,400	1.01
Mitsue Seki	78,600	0.92
Shoji Nagai	76,000	0.89
BNY GCM Client Account JPRD AC ISG (FE-AC)	73,700	0.86

Note: 1. Trils holds its own shares as treasury shares (978,220 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, 2016)



Breakdown of shareholding by the number of shares owned (as of December 31, 2016)



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.

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.



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



TOKYO BLOUSE



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