October 20, 2017

To whom it may concern:

Company name:	Trust Tech Inc.
Representative:	Yutaka Nishida, President and Representative Director (Stock code: 2154, First Section of the Tokyo Stock Exchange)
Inquiries:	Noriyuki Murai, Director, Senior Managing Corporate Executive Officer
TEL:	+81-3-5777-7727

Notice concerning the Conclusion of a Basic Agreement on the Acquisition of Shares of British Staffing Company "1998 Holdings Limited" and Subscription for an Allocation of New shares to a Third-party (and Its Conversion into a Subsidiary)

Trust Tech Inc. (the "Company") hereby gives notice that a resolution was passed at its Board of Directors meeting held on October 20, 2017 to conclude a "Basic Agreement"(Heads of Terms) for the Company to own 75% of the shares of 1998 Holdings Limited ("1998 Holdings") through the combination of the acquisition of shares in 1998 Holdings and a subscription for an allocation of new shares to a third-party by 1998 Holdings, and to convert it to a consolidated subsidiary.

1. Purpose for share acquisition and allocation of shares to a third party

The Trust Tech Group (the "Group") is taking steps to broaden its scope of business in worker dispatch services for the engineering and manufacturing field, by formulating medium-term growth strategies to establish business foundations in Japan and various countries worldwide, and to expand the scope of services to include not only the machinery and electric field but also the IT and soft services sectors as well.

Gap Personnel Group, a subsidiary of 1998 Holdings, is the number-three independent staffing company in the British manufacturing sector. Gap Personnel Group provides staffing services concentrated on the British logistics, food, and manufacturing sectors, and has a strong trading base, providing staffing services to several major companies in south-central England. By making 1998 Holdings a subsidiary, we expect to strengthen the Group's business platform in England. The Company is also allocating shares to a third party to secure investment resources to realize further growth for the Gap Personnel Group.

To expand its scope of business to make 1998 Holdings the Group's core for expansion in Europe, the Group aims to conclude a final agreement on the acquisition of shares and subscription for an allocation of new shares to a third-party.

2. Conversion method

By either November or December 2017, the Company will acquire 345,188 of 1998 Holdings' 493,125 issued shares from existing shareholders. Furthermore, the Company plans to receive 98,625 shares through an allocation of shares to a third party conducted by 1998 Holdings on the same date. As a result of the conversion, the Company plans to hold 443,813 shares (75.0%) of 1998 Holdings' 591,750 issued shares, making 1998 Holdings a consolidated subsidiary of the Company.

3. Overview of converting subsidiary

(1)	Name	1998 Holdings Limited	
(2)	Location	2 Chesney Court, Wrexham Technology Park, Wrexham, Clwyd, LL13 7YP	
(3)	Name and title of representative	Director: Gary Dewhurst	
(4)	Business	Holding company of subsidiaries operating worker dispatch businesses and worker recruitment businesses for manufacturing workers and engineers	
(5)	Capital	£3	
(6)	Founded	April 25, 2012	
(7)	Major shareholders and ratio of shareholding	Gary Dewhurst 90.0% Mark Roberts 10.0%	
(8)	Relationships of interest existing between the Company and 1998 Holdings	Capital relationship	None
		Personnel relationship	None
		Business relationship	None

(9) Consolidated business performance and financial position in most recent three-year period (Thousands of GBP)

Accounting period	Fiscal year ended March 31, 2015 (15 months due to change of closing date)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net assets	231	1,335	1,774
Total assets	20,240	26,965	25,036
Net assets per share	£0.24	£1.40	£3.72
Net sales	125,950	119,866	133,017
Profit before tax	(321)	1,909	2,628
Profit	(322)	1,416	2,218
Earnings per share	£(0.34)	£1.49	£4.66
Dividend per share	£1.55	£0.33	£0.85

(Note) Accompanying 1998 Holdings' conversion into a subsidiary, its subsidiaries Gap Personnel Holdings Limited, Gap Technical Limited, Kerr Recruitment Limited, Atkinson Page Limited and Gap Personnel Group sp. z o.o. will also be converted.

[Reference: Overview of main converting second-tier subsidiary]

(1)	Name	Gap Personnel Holdings Limited	
(2)	Location	2 Chesney Court, Wrexham Technology Park, Wrexham, Clwyd, LL13 7YP	
(3)	Name and title of representative	Director：Gary Dewhurst	
(4)	Business	Worker dispatch business and worker recruitment business for manufacturing workers and engineers	
(5)	Capital	£3	
(6)	Founded	June 29, 1998	
(7)	Major shareholders and ratio of shareholding	1998 Holdings Limited	100%
(8)	Relationships of interest existing between the Company and 1998 Holdings	Capital relationship	None
		Personnel relationship	None
		Business relationship	None

(9) Business performance and financial position in most recent three-year period (Thousands of GBP)

Accounting period	Fiscal year ended March 31, 2015 (15 months due to change of closing date)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net assets	35	840	1,438
Total assets	19,267	24,290	24,609
Net assets per share	£117	£2,800	£4,793
Net sales	123,124	113,964	123,796
Profit before tax	(456)	1,529	1,880
Profit	(457)	1,117	1,470
Earnings per share	£(1,523)	£3,723	£4,900
Dividend per share	£4,930	£1,040	£1,353

4. Overview of selling shareholders

(1)	Name	Gary Dewhurst
(2)	Address	Wrexham, United Kingdom
(3)	Relationship between the listed company and the selling shareholder	None

(1)	Name	Mark Roberts
(2)	Address	Wrexham, United Kingdom
(3)	Relationship between the listed company and the selling shareholder	None

5. Overview of number of shares to be acquired, amount paid, and change in number of shares held

(1)	Number of shares held before share transfer	0 shares (Number of voting rights: 0) (Ratio of voting rights holding: 0%)
(2)	Number of shares to be acquired through the transfer	345,188 shares (Number of voting rights: 345,188)
(3)	Number of shares to be acquired through the allocation of shares to a third party	98,625 shares (Number of voting rights: 98,625)
(4)	Amount to be paid	To be determined (Note)
(5)	Number of shares held after share transfer	443,813 shares (Number of voting rights: 443,813) (Ratio of voting rights holding: 75.0%)

(Note) Regarding the amount to be paid, we are entering discussions on the conclusion of a share transfer agreement based on the basic agreement, and will issue a notice when the price is set.

6. Schedule

(1)	Date of resolution of the Board of Directors to conclude the Basic Agreement (Heads of Terms)	October 20, 2017
(2)	Date of conclusion of the share transfer agreement and agreement on subscription for an allocation of new shares to a third-party	November 2017 (planned)
(3)	Date of share transfer and subscription for an allocation of new shares to a third-party	November or December 2017 (planned)

7. Future outlook

The impact on the Company's operating results caused by this transaction is currently being reviewed, and a prompt disclosure will be made if required.

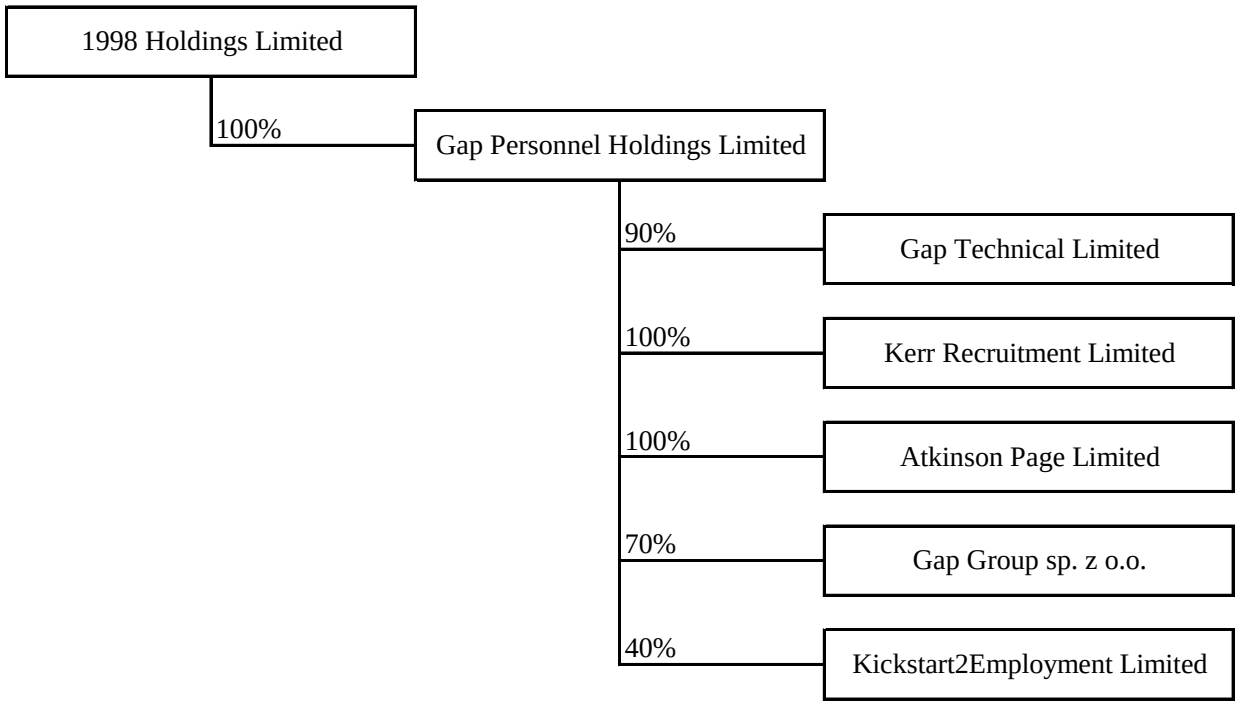
[Reference]

Forecast of consolidated financial results for the year ending June 30, 2018 (announced on August 10, 2017) and consolidated financial results for the year ended June 30, 2017

(Millions of yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Forecast of consolidated financial results (Year ending June 30, 2018)	51,500	4,250	4,250	2,620
Consolidated financial results (Year ended June 30, 2017)	43,035	3,220	3,185	1,923

[Reference: 1998 Holdings Limited Group Company Structure]



Note on translation
This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Stock code: 2154

Supplemental Materials:

The Conversion of British Staffing Company “1998 Holdings Limited” (gap personnel group) to a Subsidiary

October 20, 2017

Trust Tech Inc.

Expansion into the global market and the field of cutting-edge technology

(A) Regional:

Establishing business platforms in multiple countries worldwide for engineering and manufacturing worker dispatch

- It is becoming difficult to sustain our rate of growth in the markets in which we are currently expanding (domestic engineering and manufacturing fields).
- Going forward, there is a growing risk that competition with the major players in the domestic market will intensify.
- Enabling responses to global customer needs in multiple countries around the globe
- The potential to leverage our business and management know-how

(B) Field:

Preparing to expand from our existing fields of mechanical and electrical into IT and software, as well as the booming areas of IoT and AI

- Significant scope to expand human resource services in the increasingly important IoT and AI fields
- The Company is in a position to provide the necessary human resources.

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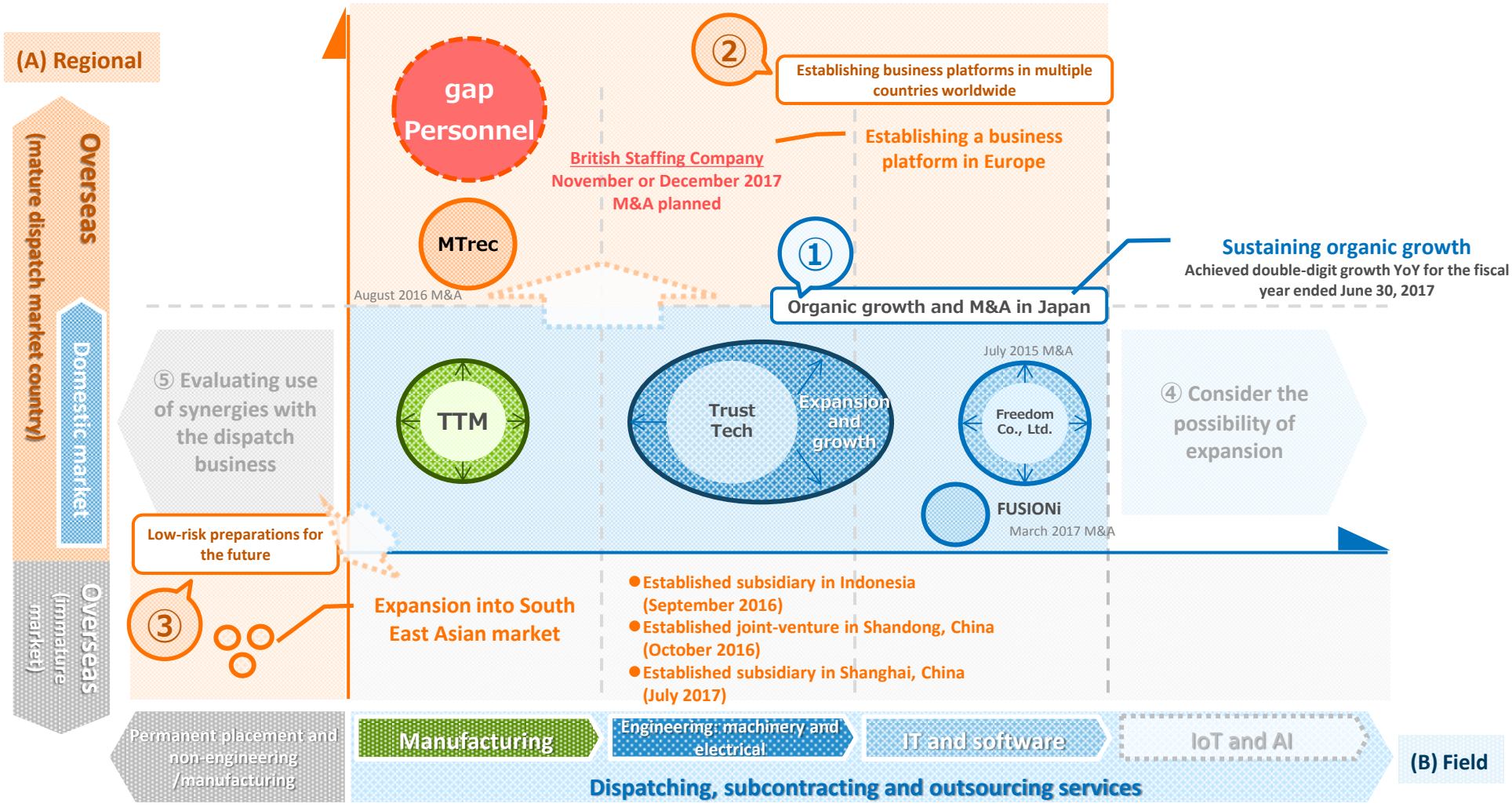
– State of Progress of the Mid-term Growth Strategy–

M&A strategy according to the mid-term growth strategy



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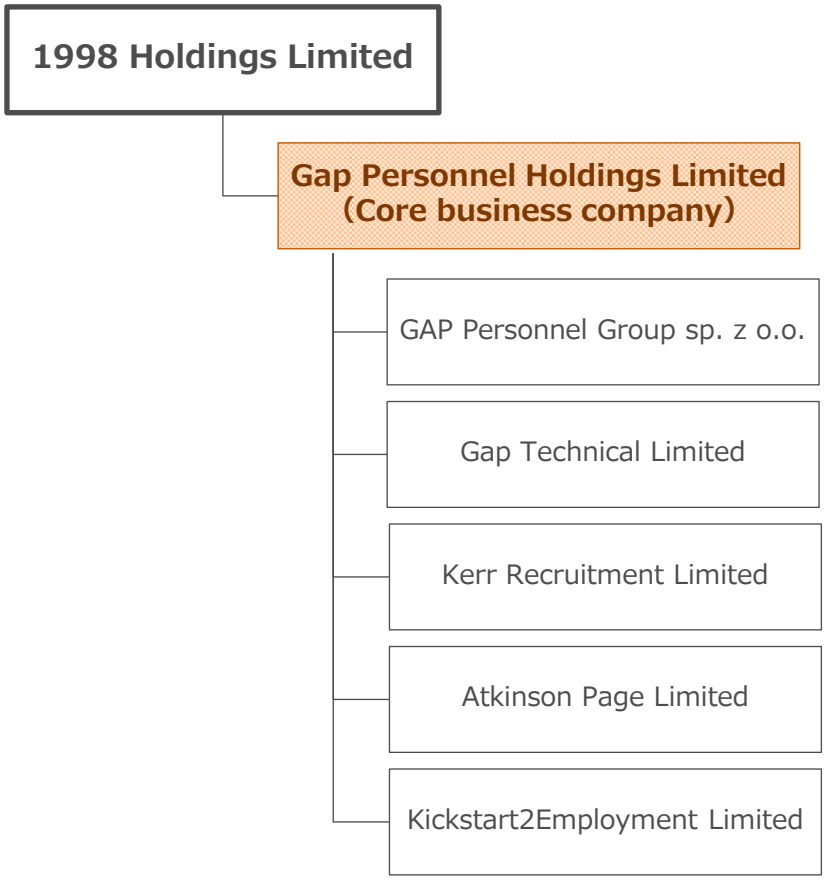
Overview of “1998 Holdings Limited”: Company Group Being Converted

- Provides worker dispatch, worker recruitment, and training services through seven companies for which 1998 Holdings is the holding company.
- GPHL makes up most of the group’s sales and EBITDA.



1998 Holdings Limited

Founded	April 25, 2012
Head Office	United Kingdom
Overview	Pure holding company

Gap Personnel Holdings Limited

Name	GAP Personnel Holdings Limited
Founded	June 29, 1998
Head Office	United Kingdom
Operating results	Net sales: ￡123,796k ／ Profit before tax: ￡1,880k (Year ended March 2017)
Number of employees	231
Number of dispatch workers	7,003
Business	Worker dispatch business and worker recruitment business for manufacturing workers and engineers

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Overview of “1998 Holdings Limited”: Business Region

- The group has a network of more than 20 offices in the south-central region of England, and is expanding business by acquiring customers and staff from neighboring areas.



Head office

gappersonnel

- **Wrexham**

Branch Locations

North West

- Blackburn
- Crewe
- Liverpool
- Manchester
- Warrington

South West

- Bristol
- Exeter
- Gloucester
- Swindon
- Yeovil

Yorkshire

- Castleford
- Leeds
- Rotherham

Midlands

- Buxton
- Nottingham
- Nuneaton
- Stoke
- Wolverhampton

Wales

- Cardiff
- Flint
- Newport
- Wrexham

South East

- Ealing

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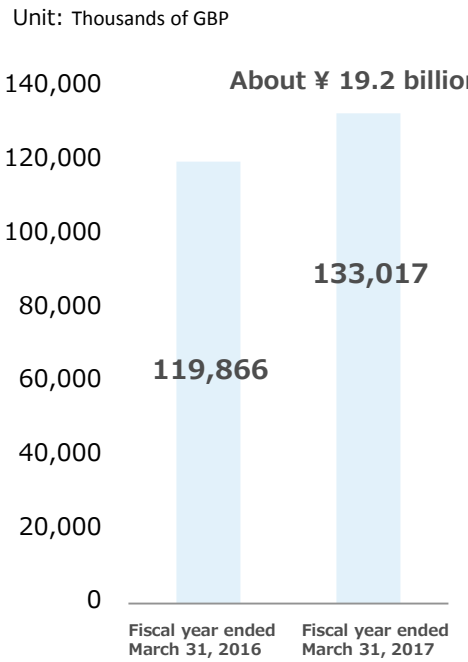
Overview of “Gap Personnel Holdings Limited”:

Operating results /Earnings Structure

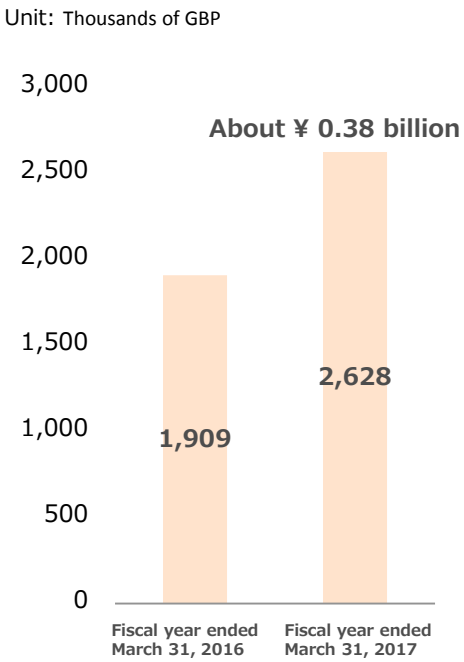
- Stable sales and profit through organic growth and M&A
- Major clients including logistics and warehousing vendors, food product manufacturers, and machinery and electrical manufacturers with large staffing needs

Operating results of Gap Personnel Holdings (Consolidated)

Net sales

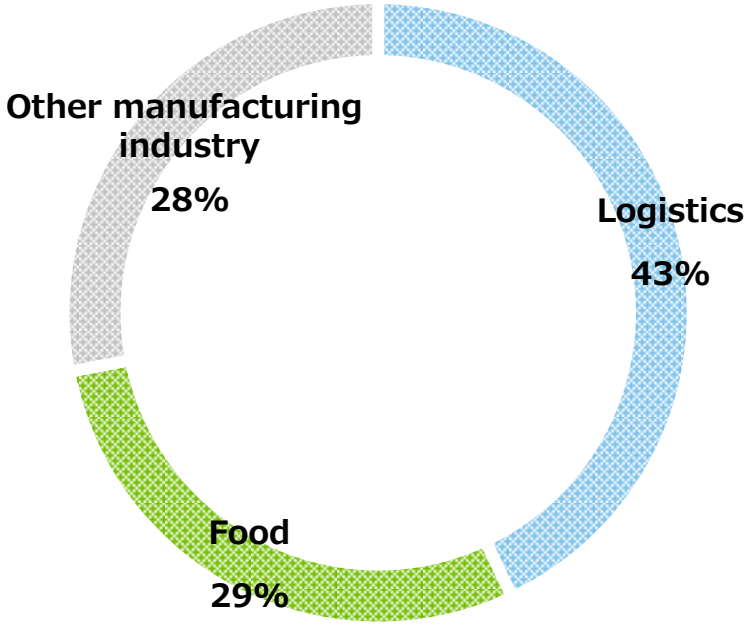


Profit before tax



Client industry breakdown

Client industry breakdown of Gap Personnel Holdings



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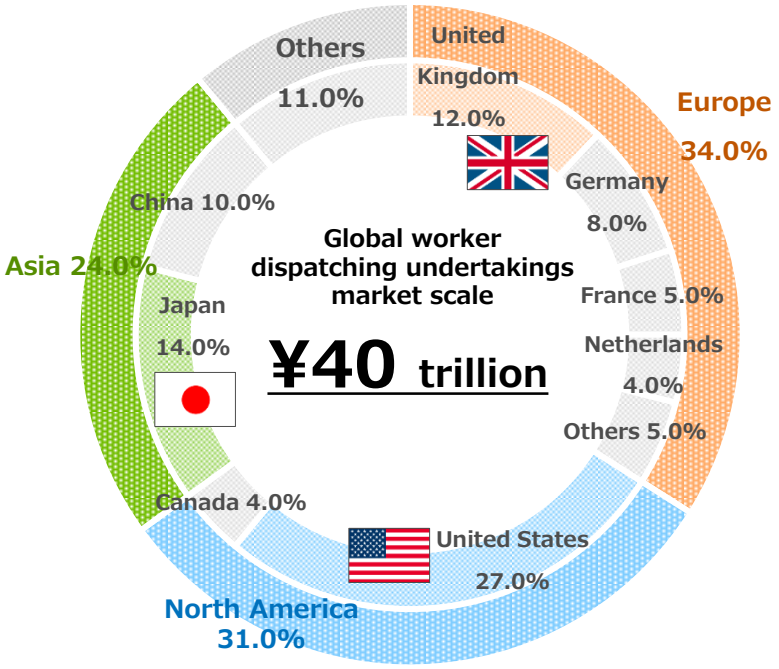
Supplement: UK's Worker Dispatching Undertakings Market

- The global worker dispatching undertakings market is valued at around ¥40 trillion, with just less than 70% of the global market made up of developed countries.
- The average national staffing rate is 1.6% in the global labor market, and England has the highest staffing rate at 3.9%.

Overseas sector

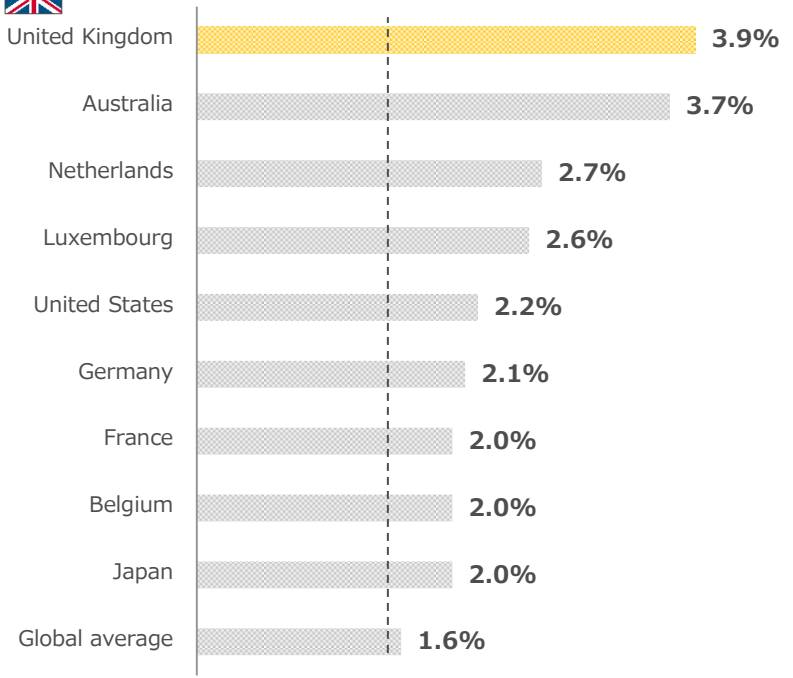
Global staffing market scale



Source: Ciett Economic Report 2016

Global staffing penetration rate

Staffing penetration rate = the percentage of workers made up by dispatched staff



Source: Ciett Economic Report 2016
*Because no statistical data exists for China, it has not been included.

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