



# J TRUST

1<sup>st</sup> Quarter of FY2018

## Earnings Presentation Material

August 10, 2017

J Trust Co., Ltd.

**Website  
version**



# Earnings Presentation for Institutional Investors and Analysts

- **Date** Tuesday August 15, 2017  
10:00-11:00 JST (AM)
- **Speaker**

Representative Director Senior Managing Executive Officer	Nobuiku Chiba
Director Executive Officer General Manager of General Accounting Department	Taiji Hitachi
General Manager PR&IR Division, Corporate Planning Department	Hidehiko Hombu

\*The presentation is given in Japanese only.

\*Webcast replay of the presentation with English voice over will be available on J Trust's website after the event.

# Disclaimer

- IFRS is adopted from 1Q FY2018

Along with this, some of the past results of IFRS is reviewed.

- The information published in this material, including forecasts, is recognition, opinion, judgment or projection of the Company at the time of creation of this material and the Company does not guarantee its achievement. As such, please be aware that actual results may differ from the forecasts provided in this material as a result of various factors.
- The earnings presentation and this material are prepared to provide information to facilitate greater understanding of the Company. It is not intended for use in soliciting investments in the securities issued by the Company or its subsidiaries.
- The unit described in each page is rounded down to the nearest million yen. In addition, the differences described next to the charts and the graphs, when comparing previous term, are calculated using the unit of 100 million as indicated.

- Results for full-year FY2017 reviewed under IFRS
- Operating profit is 1.3 billion yen of surplus in IFRS, whereas in J-GAAP is 5.7 billion yen of loss

(in 100 million yen)

Full-Year FY2017  
(Apr. 2016- Mar. 2017)

**J-GAAP**

**IFRS audited**

**Operating revenue**

**850**

**801**

**Operating profit**

**-57**

**13**

**Net income**

**-98**

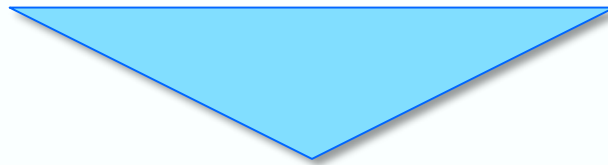
**-12**

- 1. Key Point of 1Q FY2018 Results**
- 2. Overview of 1Q FY2018**
- 3. Performance and Results by Business Segment**
- 4. Consolidated results and progress towards the full-year forecast**

## **APPENDIX**

# 1. Key Point of 1Q FY2018 Results

- Adopted IFRS
- Recorded 2.5 billion yen on operating profit



**Made a good start toward the full-year  
forecast on operating profit of 10 billion yen**

# Consolidated results (compared with 1Q FY2017)

IFRS

(in 100 million yen)

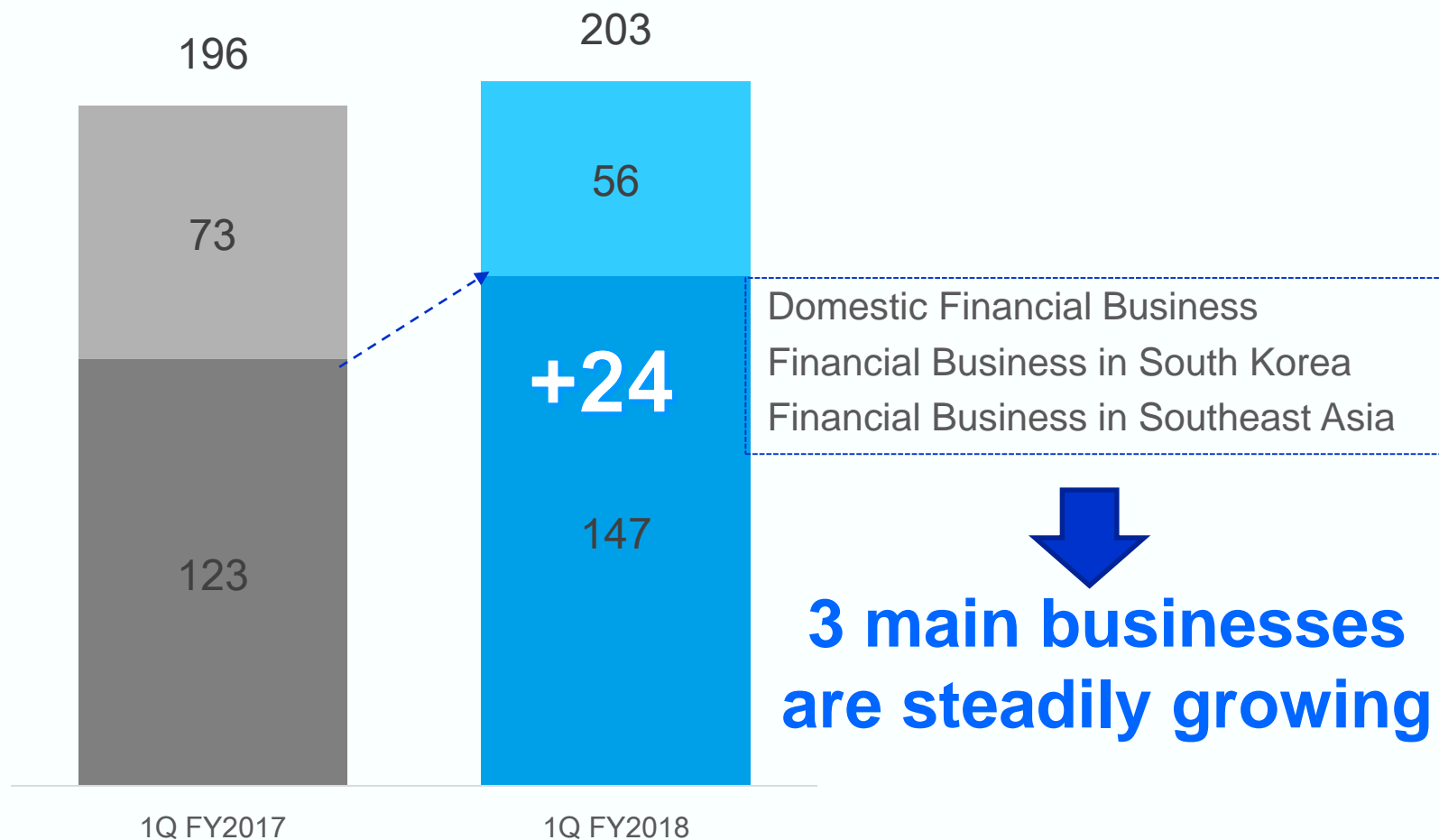
	1Q FY2017	1Q FY2018	Difference
Operating revenue	196	203	+7
Operating profit	8	25	+17
Net income	-9	17	+26
EBITDA after adjustment	8	25	+17

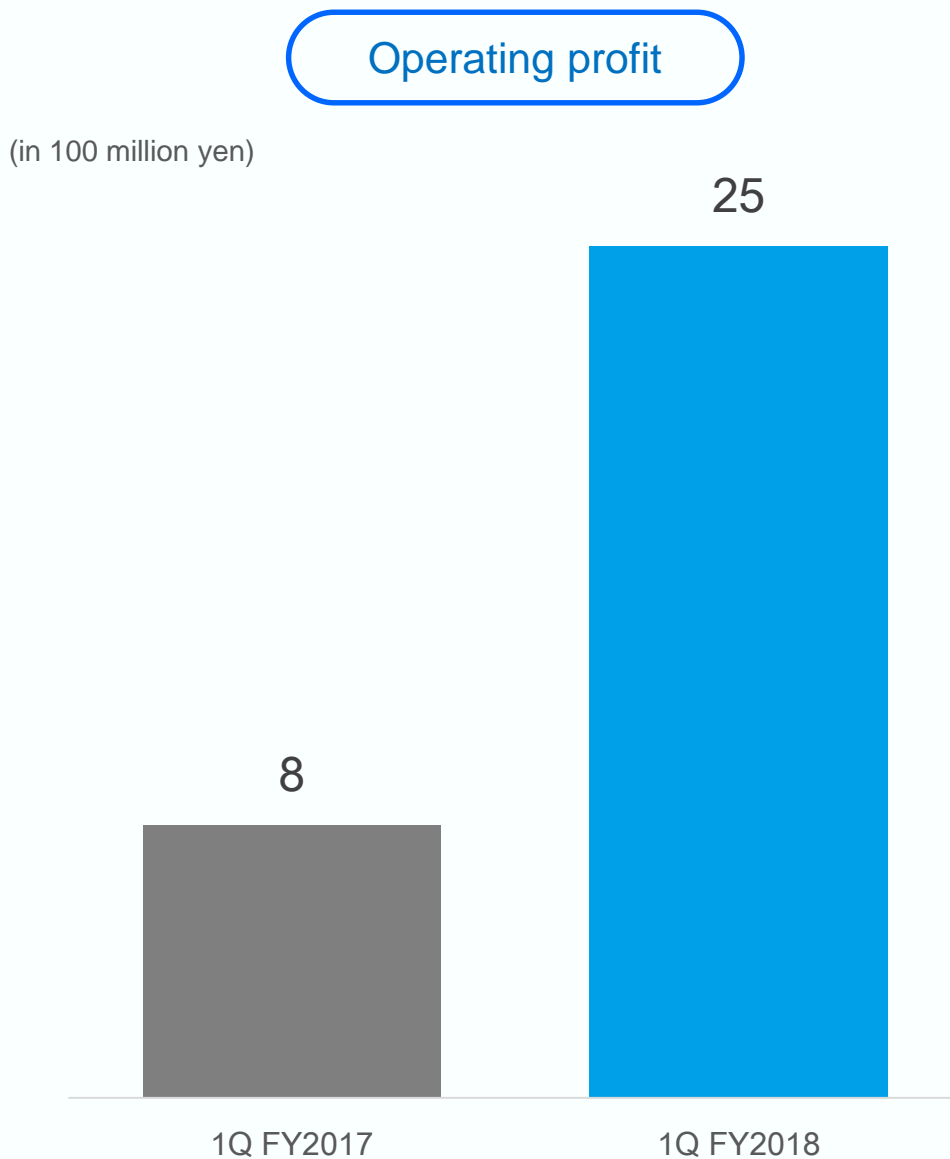
EBITDA after adjustment: operating profit + amortization of goodwill + depreciation  
– other operating profit + other operating expenses

## 2. Overview of 1Q FY2018

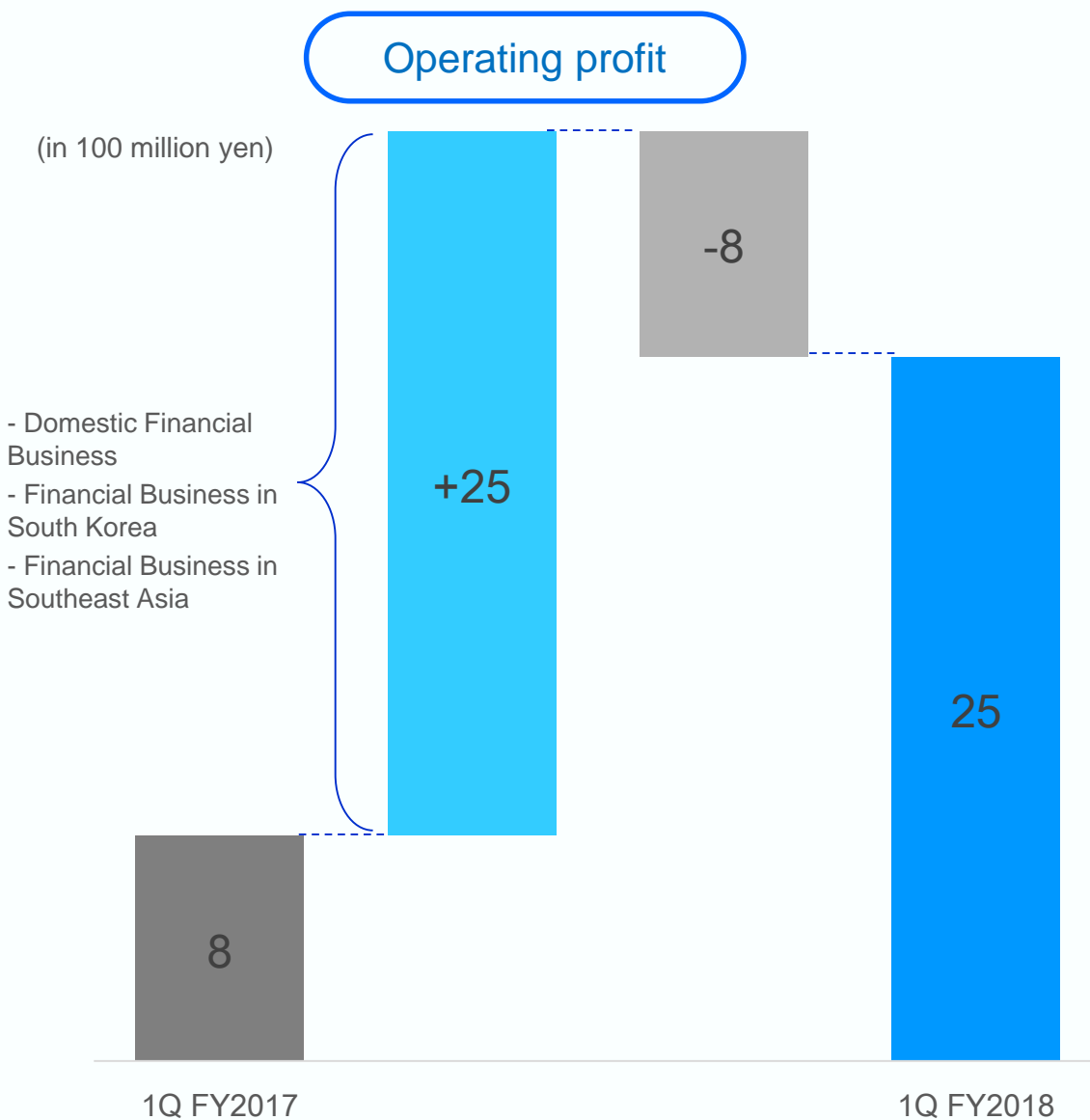
## Operating revenue

(in 100 million yen)





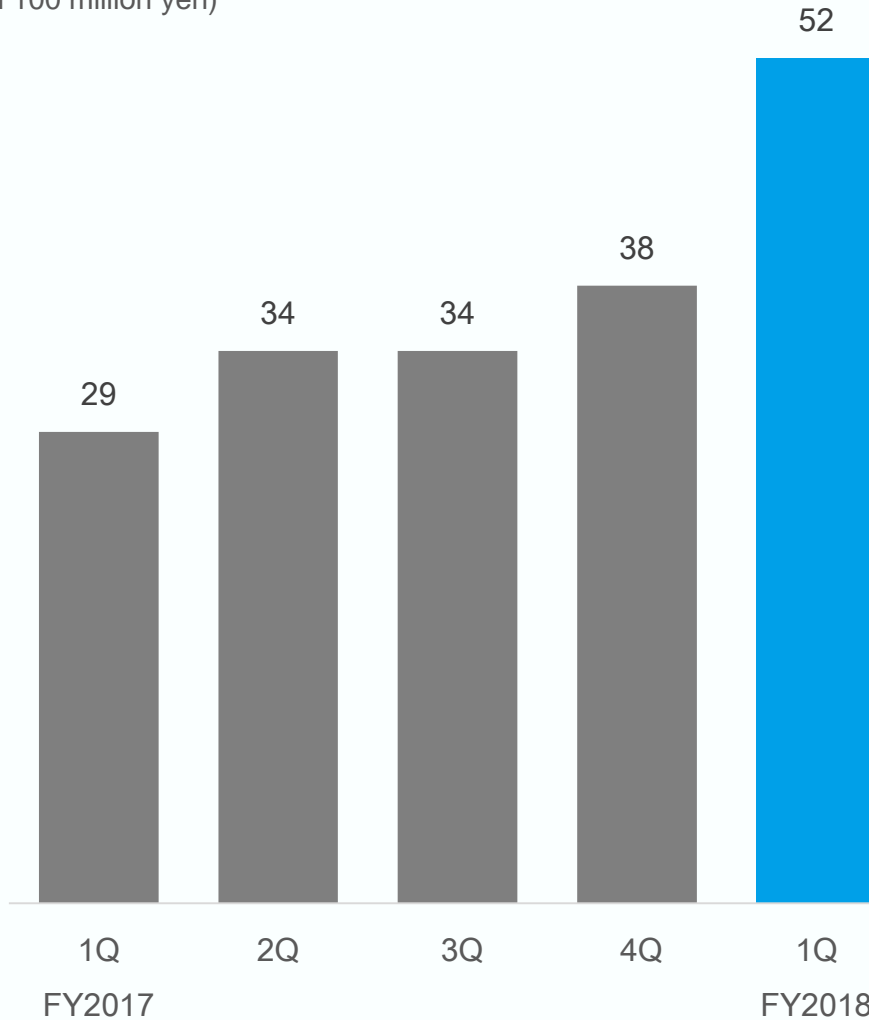
Up ↑ 3.1x



**The Financial  
Businesses are  
profit center**

# Business profit without accounting loss (estimate)

(in 100 million yen)



## Increasing steadily

	IFRS	J-GAAP				IFRS
	1Q FY2017	2Q	3Q	4Q	1Q FY2018	
Operating profit/loss (A)	7	-51	73	-90	25	
Valuation Allowance (B)	35	78	32	49	29	
Unrealized P&L on Investments (C)	13	-7	71	-79	2	
Reference figures (A+B-C)	29	34	34	38	52	

# Operating revenue by segment (compared with 1Q FY2017)

(in 100 million yen)

IFRS

1Q FY2017

1Q FY2018

Difference

**Domestic Financial  
Business**

21

22

+1

**Financial Business in  
South Korea**

68

88

+20

**Financial Business in  
Southeast Asia**

33

35

+2

**Investment Business**

13

5

-8

**Non-Financial Business**

50

47

-3

**Others**

11

6

-5

**Total**

196

203

+7

# Operating profit by segment (compared with 1Q FY2017)

(in 100 million yen)

IFRS

1Q FY2017

1Q FY2018

Difference

<b>Domestic Financial Business</b>	11	11	±0
<b>Financial Business in South Korea</b>	3	16	+13
<b>Financial Business in Southeast Asia</b>	-11	1	+12
<b>Investment Business</b>	13	2	-11
<b>Non-Financial Business</b>	0	-0	-0
<b>Others</b>	-7	-5	+2
<b>Total</b>	9	25	+16

## **3. Performance and Results by Segment**

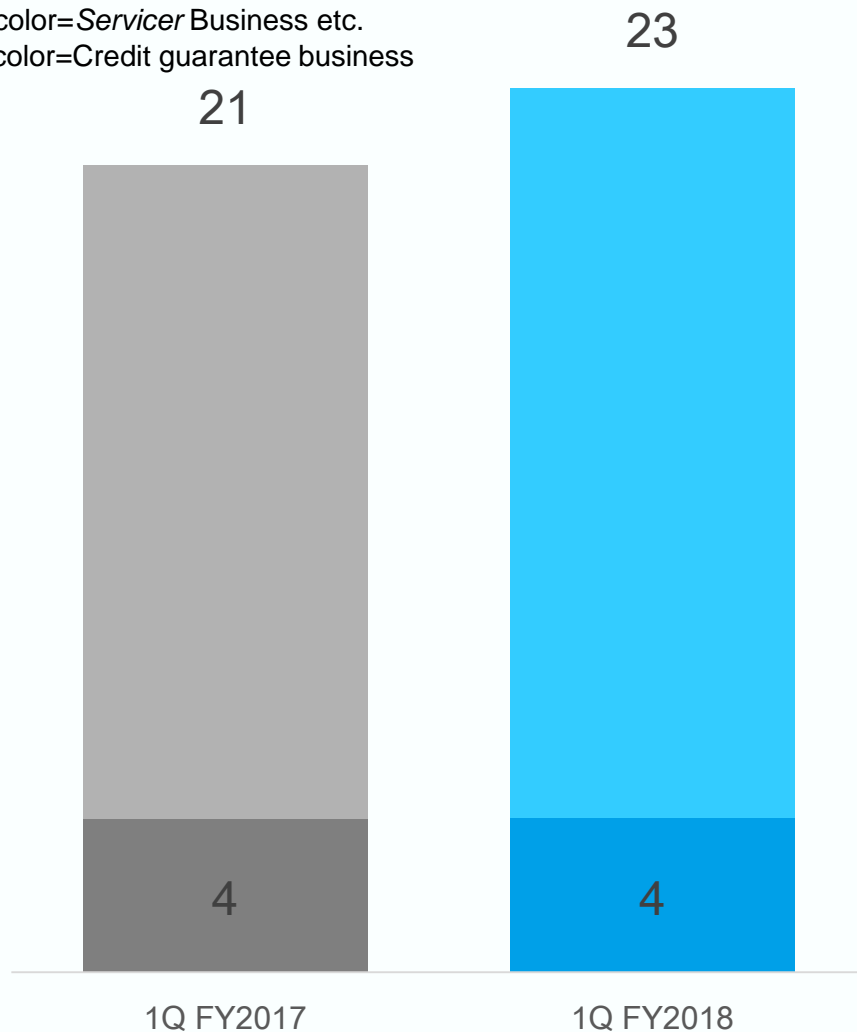
### **3-1. Domestic Financial Business**

## Operating revenue

(in 100 million yen)

Light color=Servicer Business etc.

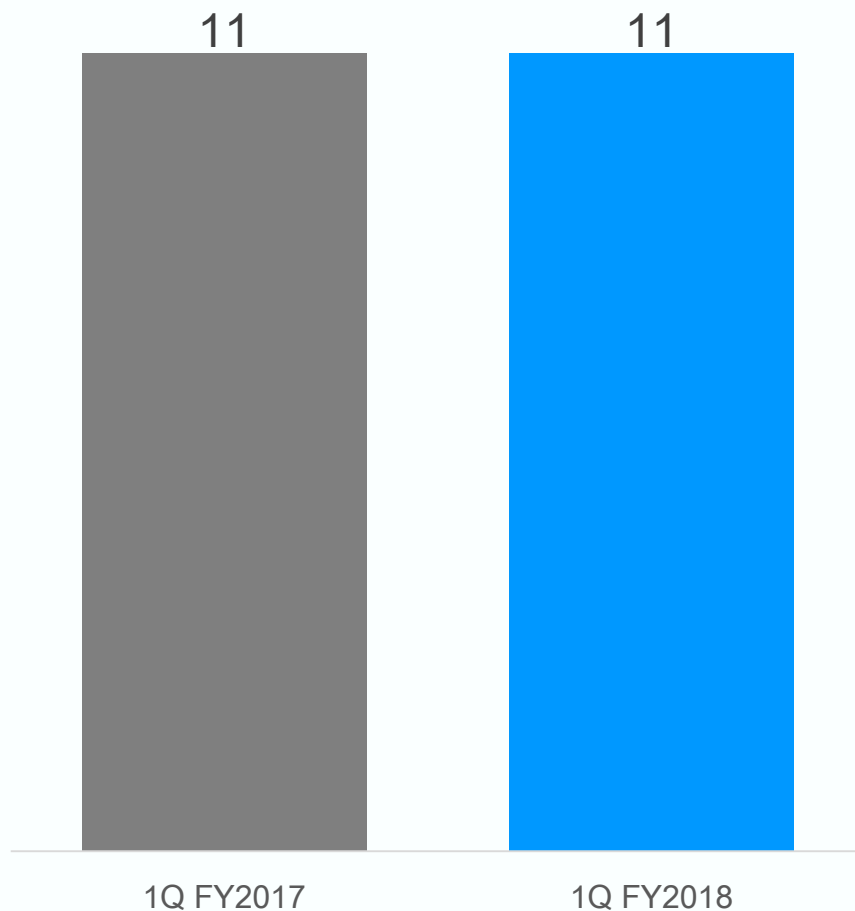
Dark color=Credit guarantee business



**Increased by  
10%**

## Operating profit

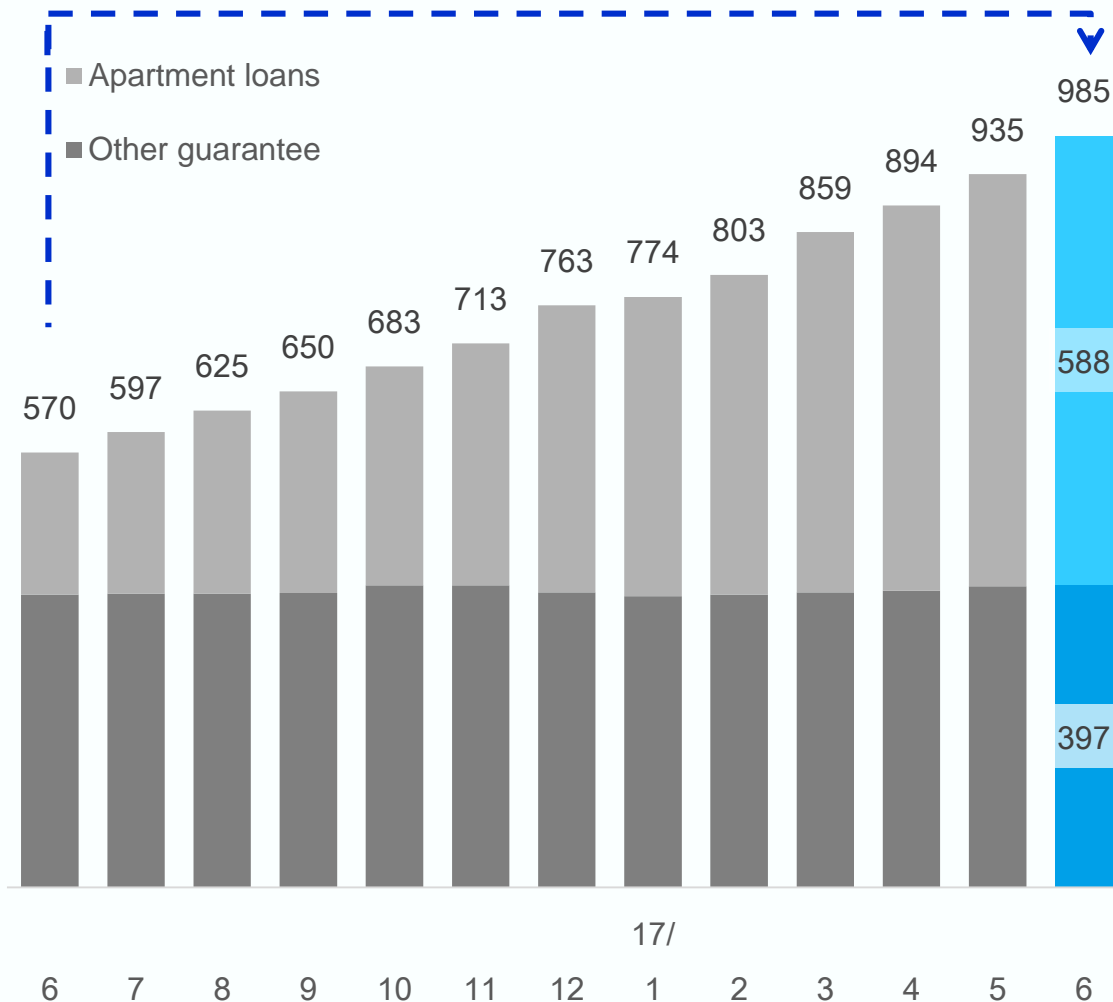
(in 100 million yen)



**Steady as  
planned**

## Amount of credit guarantee by Nihon Hoshou

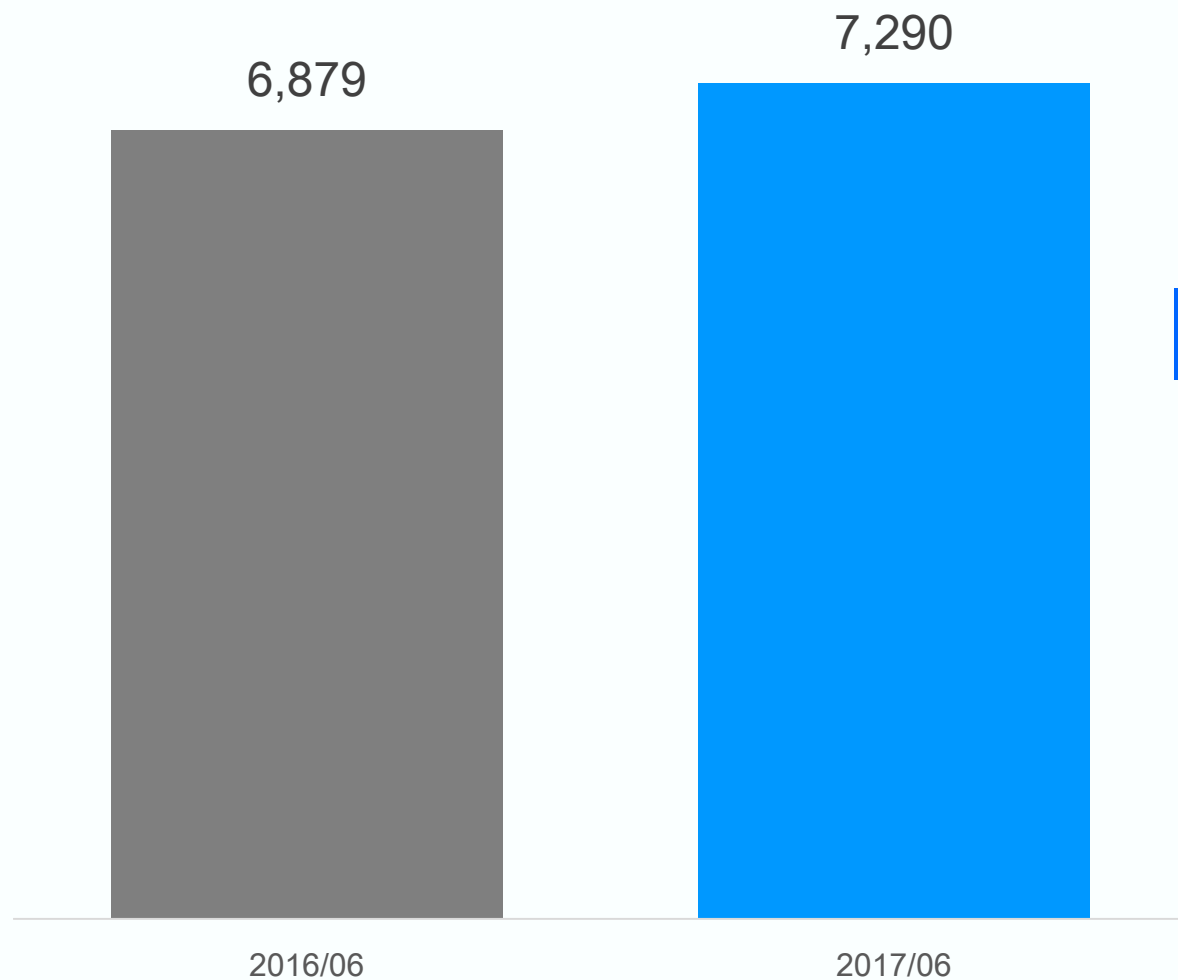
(in 100 million yen)



**Increased  
by 73%**

## Amount of receivables

(in 100 million yen)

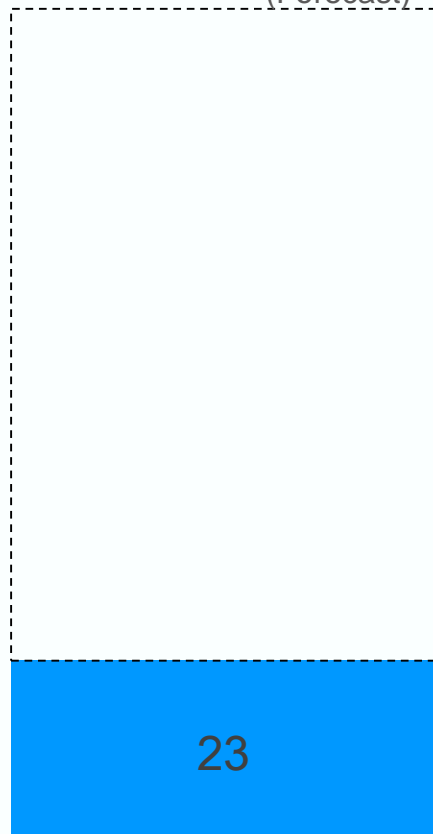


**Increased  
by 6%**

(in 100 million yen)

## Operating revenue

107  
(Forecast)

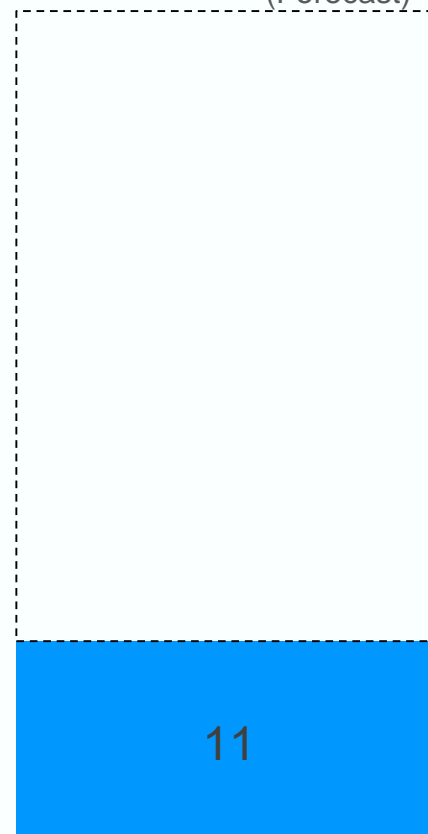


**21%  
Progress**

1Q FY2018

## Operating profit

46  
(Forecast)



**24%  
Progress**

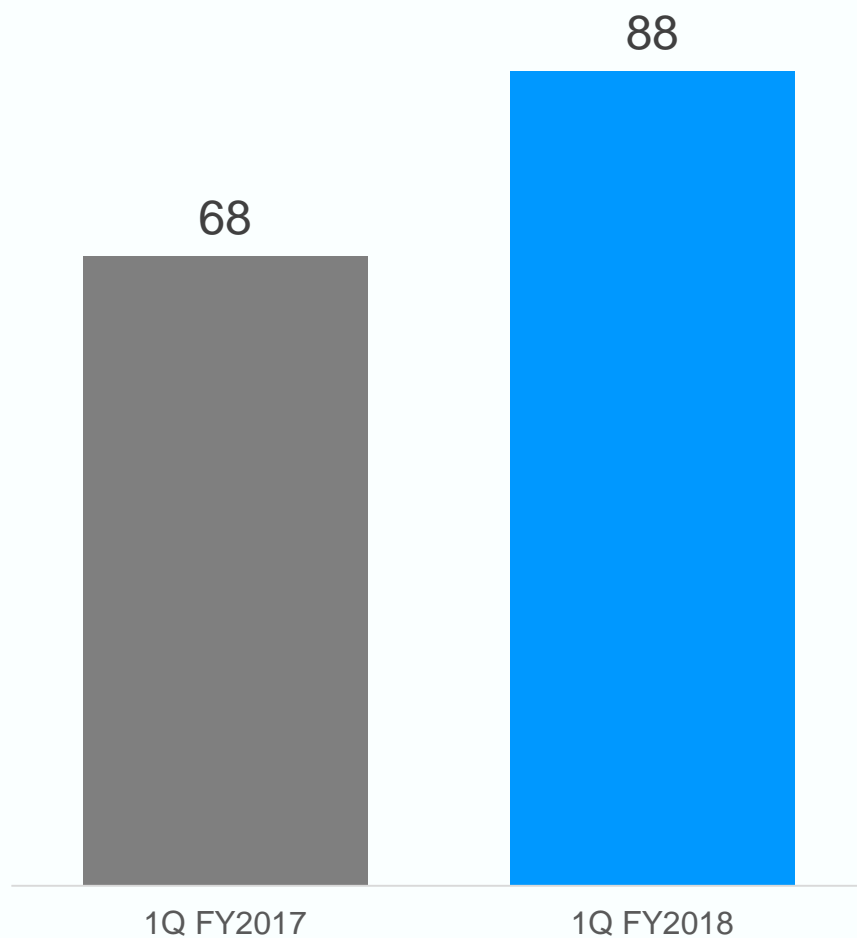
1Q FY2018

## **3. Performance and Results by Business Segment**

### **3-2. Financial Business in South Korea**

## Operating revenue

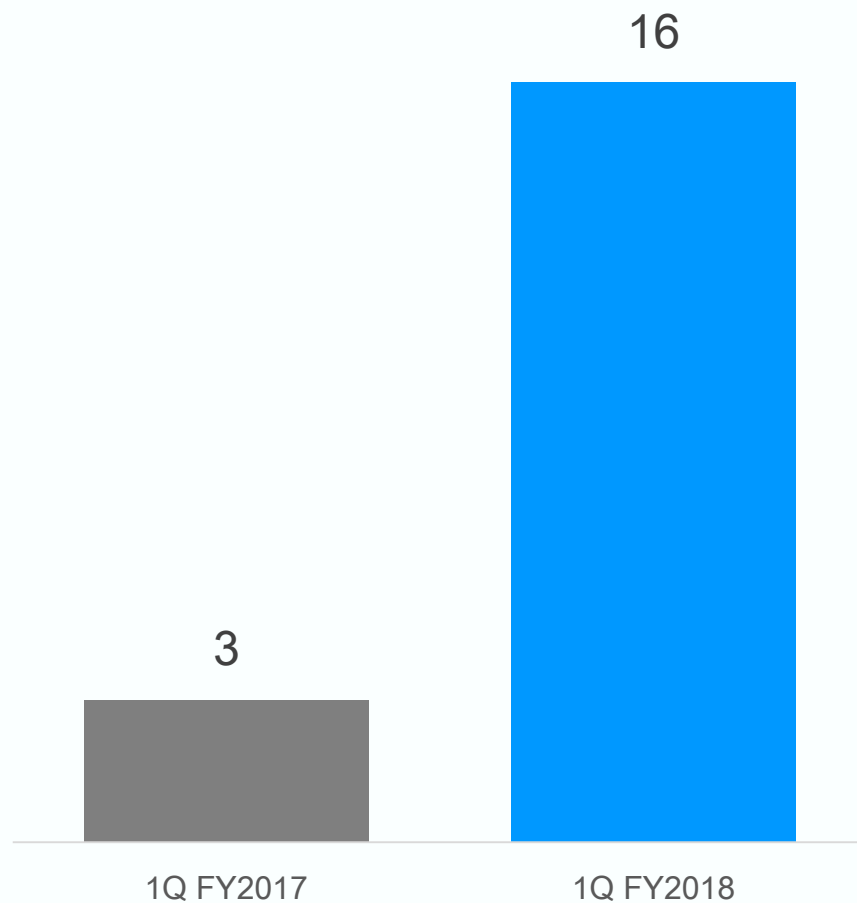
(in 100 million yen)



**Increased by  
29%**

## Operating profit

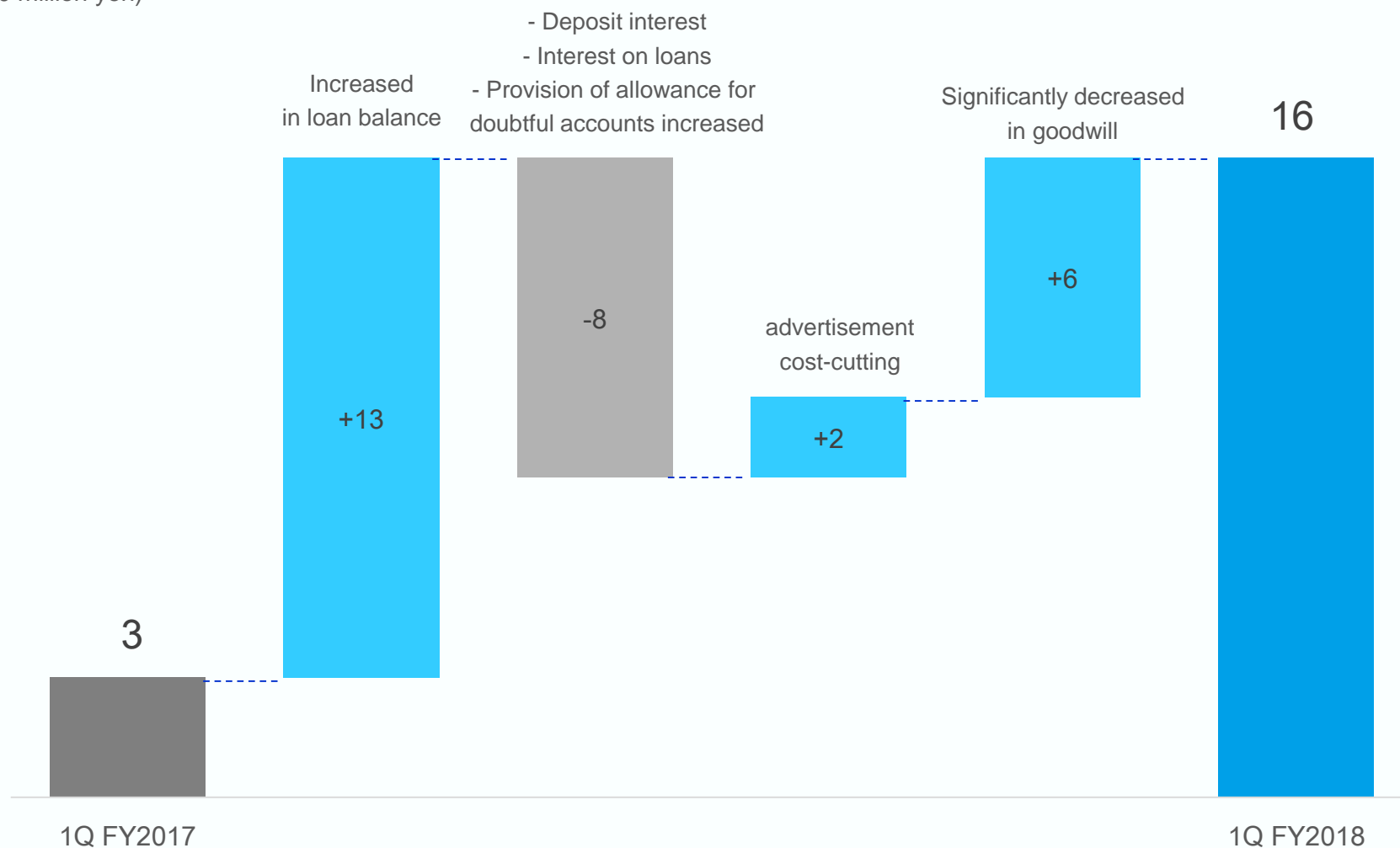
(in 100 million yen)



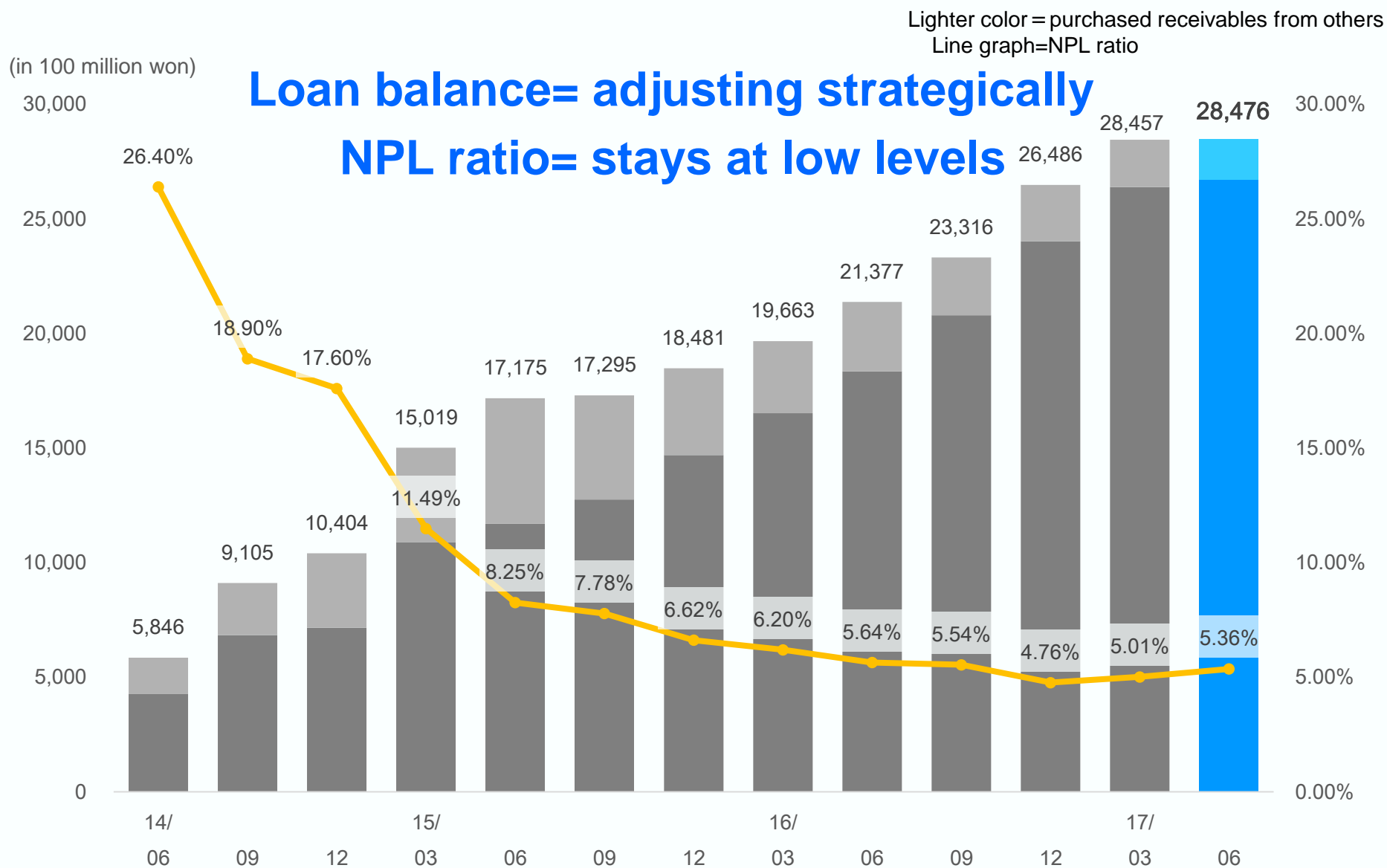
Up ↑ 5.3x

## Factors of increase and decrease of operating profit

(in 100 million yen)



# Operating assets and delinquency ratio of savings banks/capital company



Reference rate: 1 won=0.0981yen

\*definition of NPL: loans that are delinquent for 30 days or more

# Compared to the forecast

(in 100 million yen)

## Operating revenue

341 (Forecast)

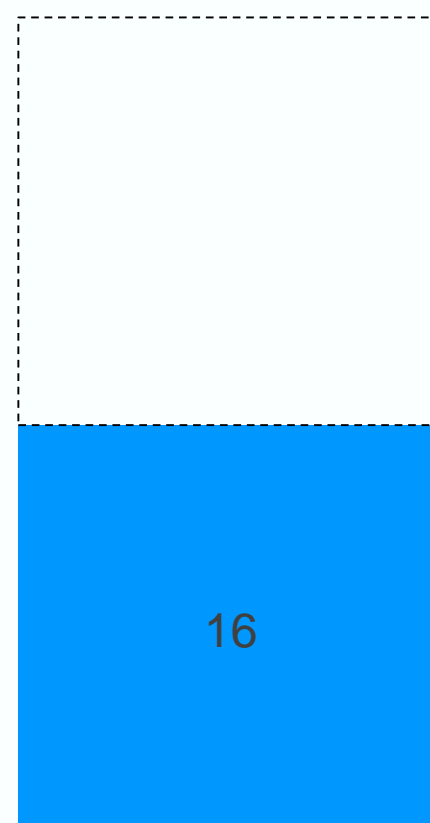


1Q FY2018

**26%**  
**Progress**

## Operating profit

32 (Forecast)



1Q FY2018

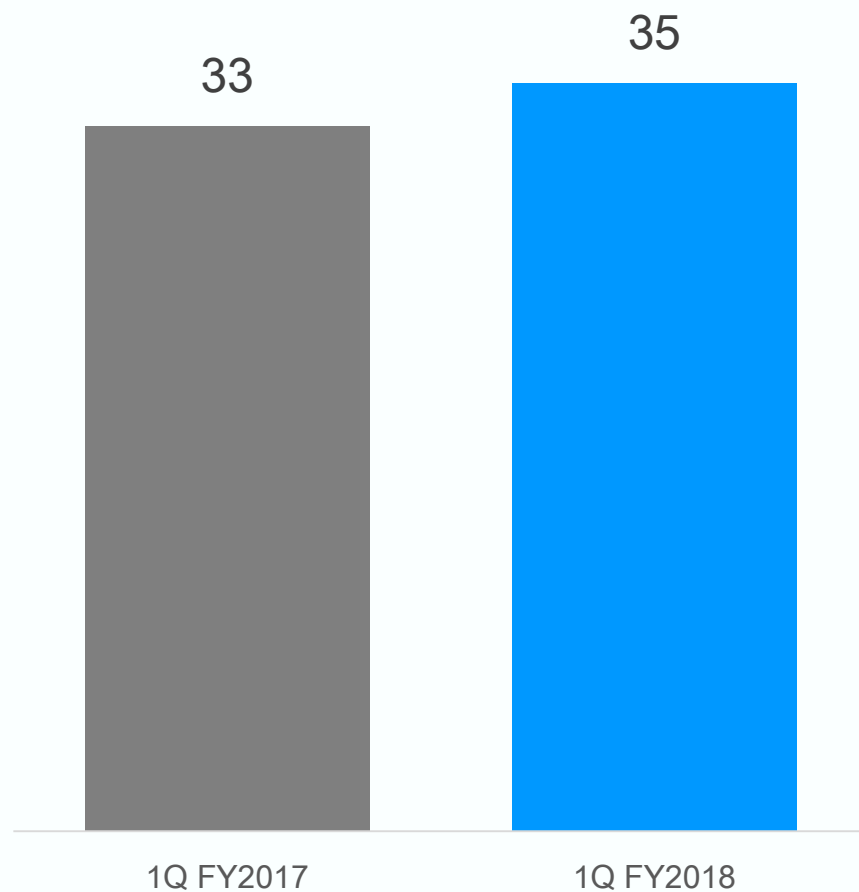
**50%**  
**Progress**

## **3. Performance and Results by Business Segment**

### **3-3. Financial Business in Southeast Asia**

## Operating revenue

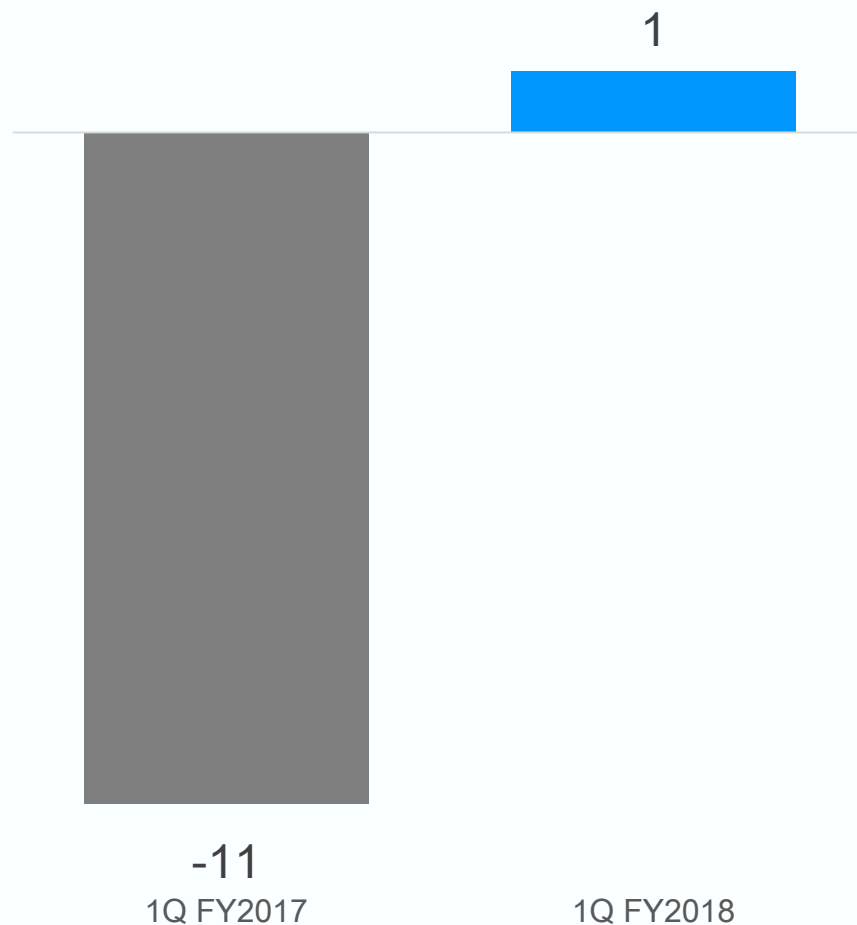
(in 100 million yen)



**Increased by  
6%**

## Operating profit

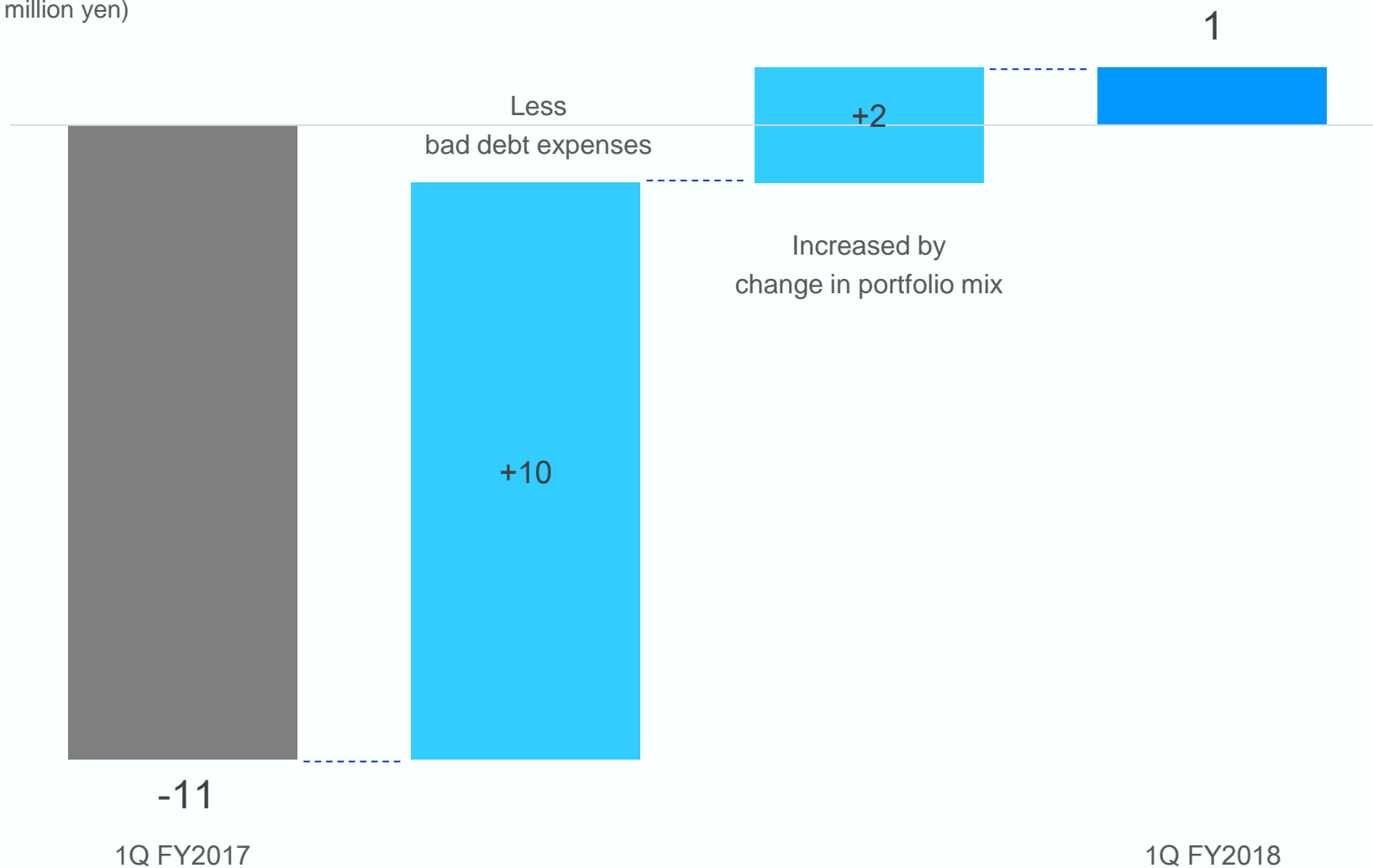
(in 100 million yen)



**1.2 billion yen  
increased**

## Factors of increase and decrease of operating profit

(in 100 million yen)

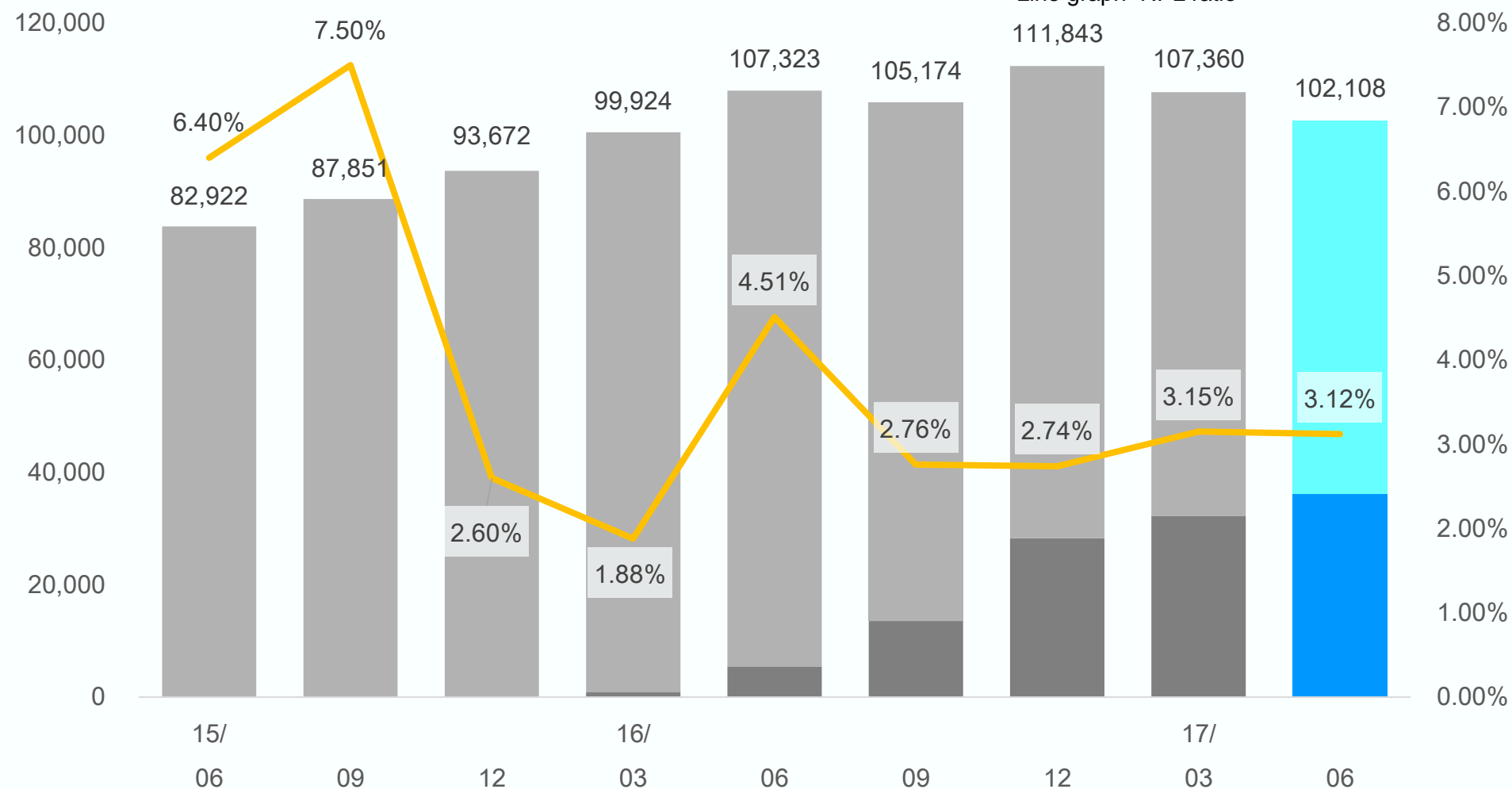


## Loan balance=changing the loan portfolio mix strategically

**NPL ratio =stays at low levels**

(in 100 million rupiah)

Lighter color = purchased receivables from others  
Line graph=NPL ratio



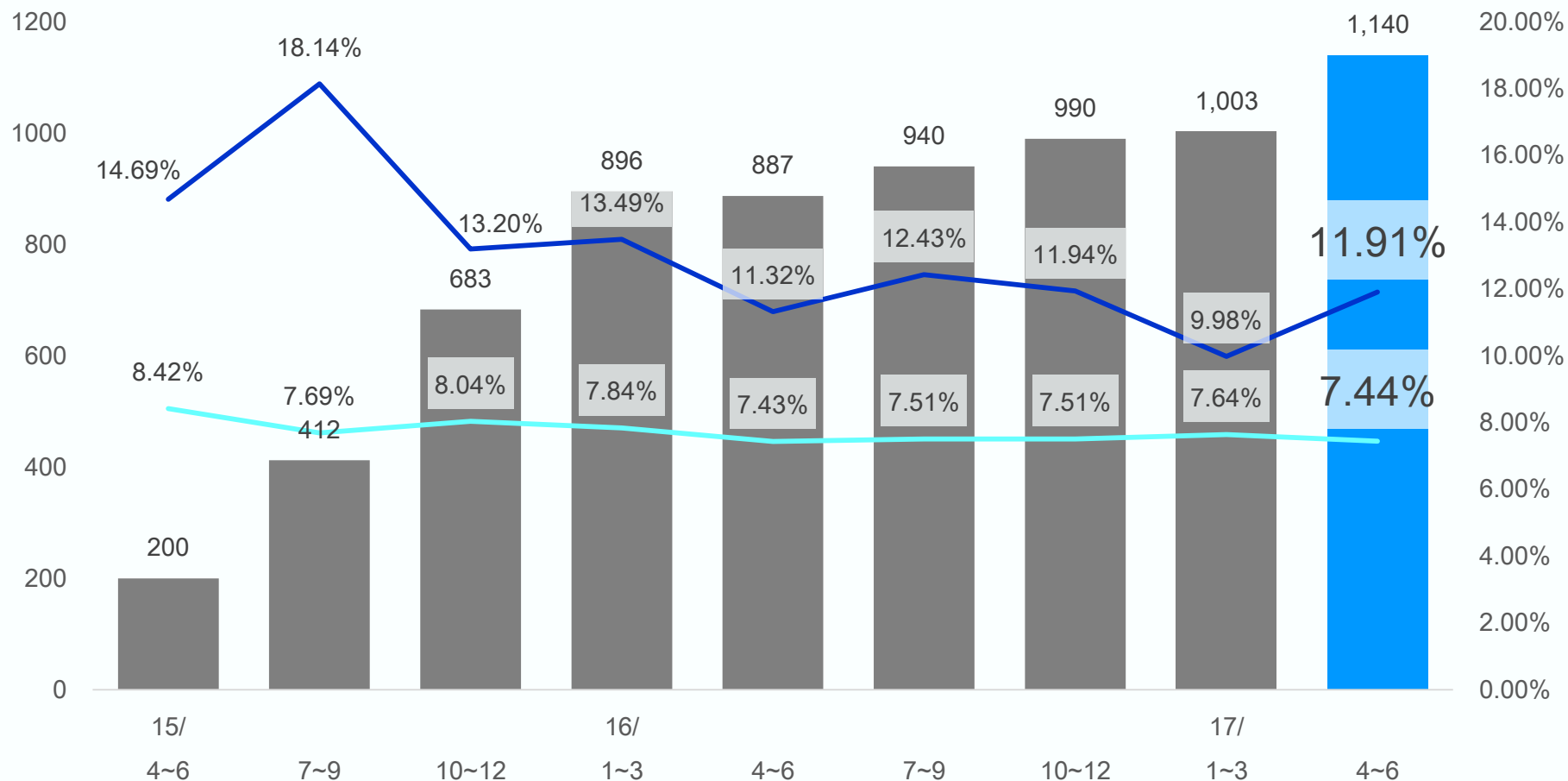
# Net interest income

(in 100 million rupiah)

**CASA = increasing**  
**COF = decreasing**



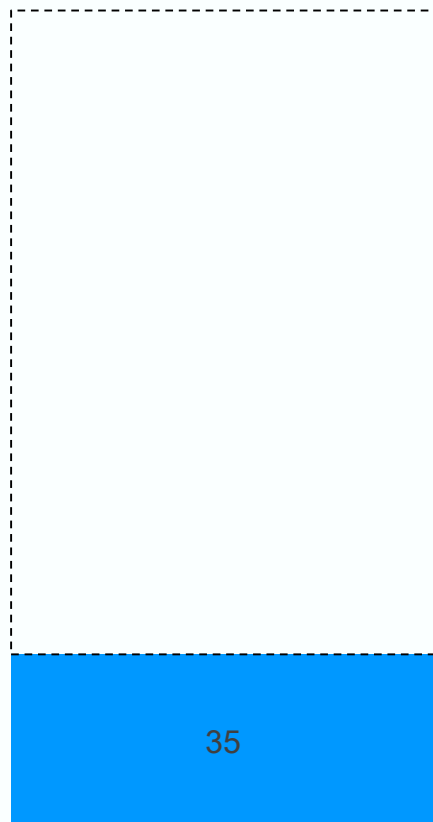
**Successful  
mass-marketing**



Reference rate: 1 rupiah=0.0084yen

## Operating revenue

167 (Forecast)

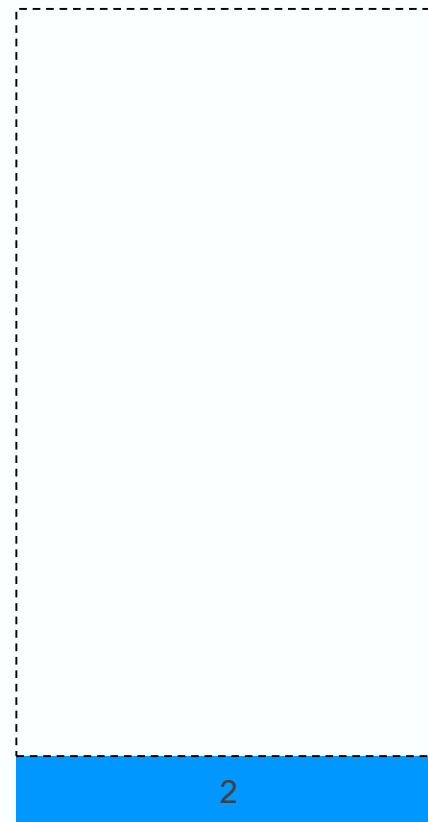


**21%**  
**Progress**

1Q FY2018

## Operating profit

24 (Forecast)



**8%**  
**Progress**

1Q FY2018

## **3. Performance and Results by Business Segment**

### **3-4. Investment Business/Non-Financial Business**

# Operating revenue & profit

(in 100 million yen)

## Investment Business

	1Q FY2017	1Q FY2018	Difference	Forecast	%
Operating revenue	13	5	-8	27	19%
Operating profit	13	2	-11	25	8%

## Non-Financial Business

	1Q FY2017	1Q FY2018	Difference	Forecast	%
Operating revenue	50	47	-3	245	19%
Operating profit	0	-0	-0	8	0%

## **4. Consolidated results**

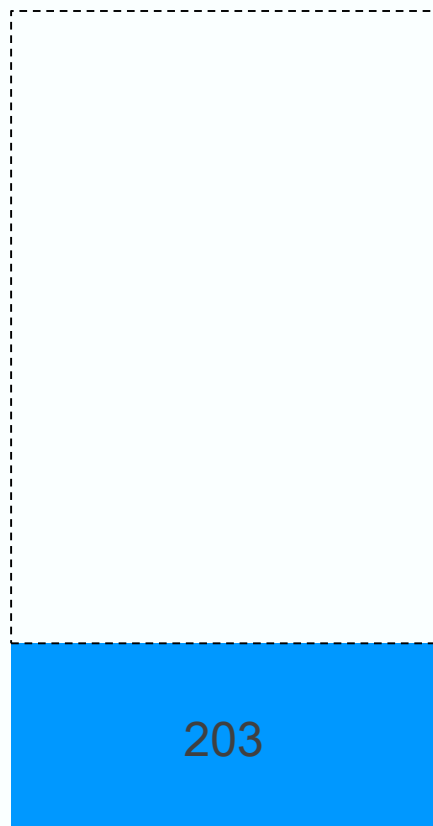
### **Progress towards the full-year forecast**

# Progress of full-year target

(in 100 million yen)

Operating revenue

894  
(Forecast)



**23%**  
**Progress**

1Q FY2018

Operating profit

100  
(Forecast)

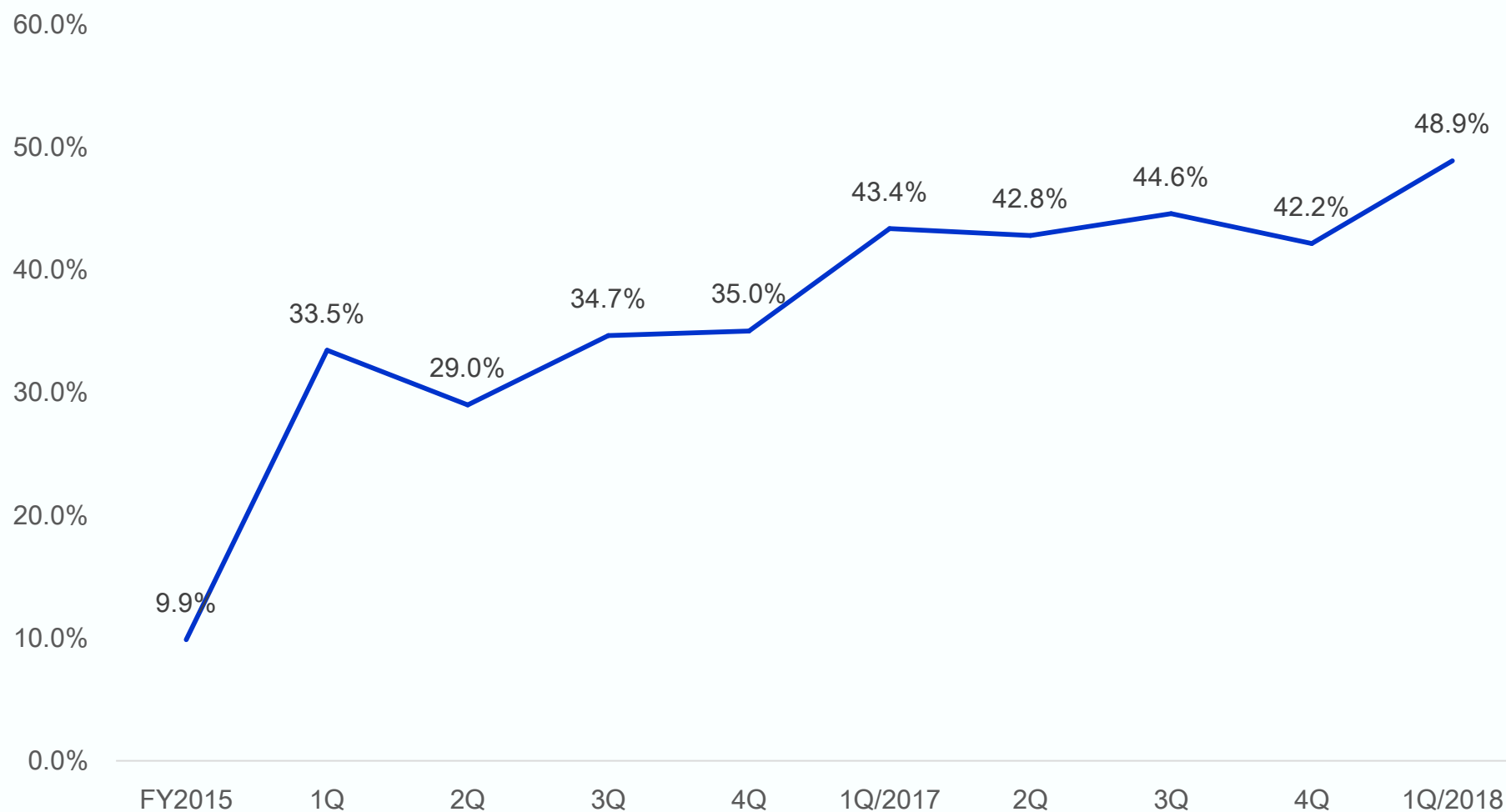


**25%**  
**Progress**

1Q FY2018

# APPENDIX

# Change in profit margin ratio of Nihon Hoshou



\*Until FY2017 J-GAAP From 1QFY2018 IFRS

## Common shares

Number of CB into common shares	98.1 million	Unrealized gain of about <b>1.5</b> billion yen
Exercised price	5,349 million yen (1 share=18 baht as of Dec. 30, 2015)	
Current share value	6,906 million yen (1 share=21.4 baht as of June 30, 2017)	

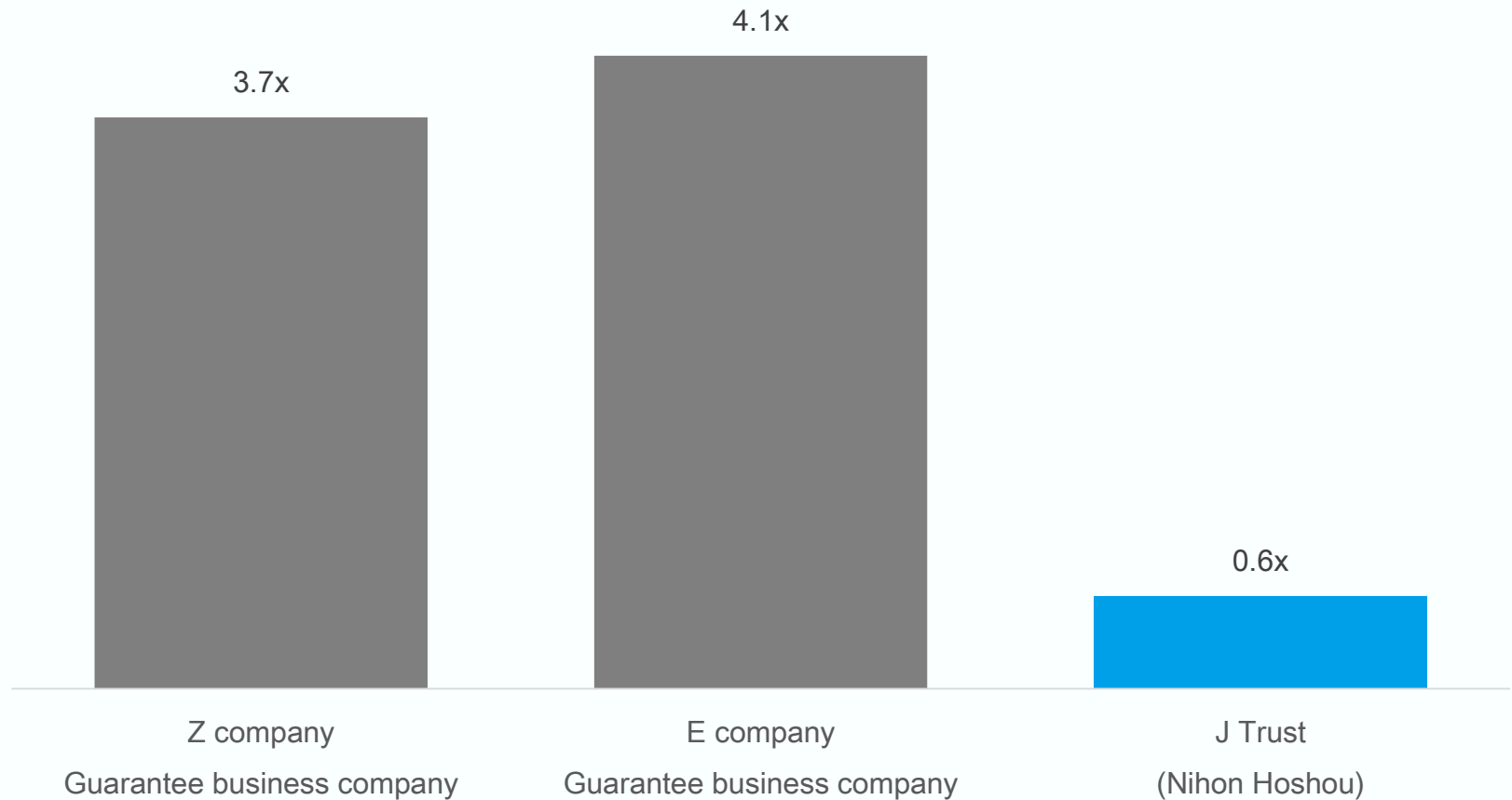
## Convertible bonds

(in thousand USD)

1) Subscription amount: 130 million USD (subscribed in August 2016)	Mar. 31, 2017	June 30, 2017
Fair value of derivative component	26,218	25,254
Fair value of loan component	80,630	84,204
<b>Total</b>	<b>106,848</b>	<b>109,458</b>

2) Subscription amount: 50 million USD (subscribed in March 2017)	Mar. 31, 2017	June 30, 2017
Fair value of derivative component	2,645	2,356
Fair value of loan component	48,883	50,160
<b>Total</b>	<b>51,527</b>	<b>52,516</b>

- PBR comparison ( As of August 1<sup>st</sup> 2017 )



# Monthly financial data from FY2017 to FY2018 <<Preliminary figures>>

\*The figures are shown under IFRS from July 2017. Since it has not been audited by corporate auditor yet, it may differ from the actual figures.

## Domestic Financial Business

in 100 million yen (rounded down to the nearest 100 million)

Nihon Hoshou		Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Size of credit guarantee	FY 2017	548	558	569	597	624	649	683	712	763	774	803	859
	FY 2018	894	935	988	1,030								
Proportion of Apartment Loan	FY 2017	145	156	186	212	240	264	287	317	373	386	408	472
	FY 2018	505	540	588	628								

## Financial Business in South Korea

in 100 million won (rounded down to the nearest 100 million)

Financial Business in South Korea		Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Total	FY 2017	20,148	20,622	21,376	21,936	22,823	23,315	24,234	25,789	26,485	27,169	27,811	28,457
	FY 2018	28,692	28,674	28,476	29,412								
		Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Loans by banking business	JT Chinae Savings Bank	FY 2017	12,265	12,494	11,815	13,215	13,806	14,232	14,919	16,215	16,249	16,678	17,157
		FY 2018	17,170	16,920	16,753	17,198							
	JT Savings Bank	FY 2017	3,681	3,868	5,243	5,626	5,754	5,725	5,783	5,846	6,311	6,437	6,767
		FY 2018	6,842	6,925	7,166	7,485							
Total	FY 2017	15,946	16,362	17,059	18,842	19,560	19,957	20,703	22,061	22,560	23,115	23,607	23,925
	FY 2018	24,012	23,846	23,919	24,683								
		Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Accounts receivable - operating loans	JT Capital	FY 2017	4,202	4,259	4,317	3,094	3,262	3,358	3,531	3,728	3,925	4,053	4,203
		FY 2018	4,679	4,828	4,556	4,728							

## Financial Business in Southeast Asia

in 100 million rupiah (rounded down to the nearest 100 million)

PT Bank JTrust Indonesia Tbk. (BJI)		Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Loans by banking business*	FY 2017	101,798	105,232	107,323	104,318	106,729	105,174	106,033	107,092	111,843	109,295	109,969	107,360
	FY 2018	106,218	104,974	102,108	104,818								
PT Group Lease Finance Indonesia (GLFI)		Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
GLFI's balance	FY 2017	-	-	-	-	-	102	179	223	328	462	709	998
	FY 2018	1,169	1,329	1,425	1,627								
BJI's loan balance (related to GLFI)	FY 2017	-	-	-	-	-	25	91	132	232	359	591	864
	FY 2018	1,025	1,174	1,273	1,391								



Announced in August 10<sup>th</sup>

## **GLFI reached agreement with TMDI**

【Details of contract】

GLFI will finance TATA vehicles, and GLFI will use the showroom space inside TMDI for business operation



**1945**

TATA MOTORS Established



**60,000**

Employee Strength



**\$42 Billion**

Company Turnover



**>9 Million**

Vehicles Sold



**>6,600**

Sales & Service Points



上場企業と個人投資家の対話の場  
第12回 **日経 IR・投資フェア** 2017

## Nikkei IR/Investment Fair 2017

- Date: Friday August 25, Saturday August 26, 2017
- Place: Tokyo Big Sight East Hall
- Presentation: Saturday Aug. 26 from 14:00-14:25



