



J TRUST

Q2/H1 FY03/2018

For six months ended September 30, 2017

Interim Results Presentation

November, 2017

J Trust Co., Ltd.



Disclaimer

- IFRS is adopted from Q1 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 and other terms etc., are calculated using the unit of 100 million as indicated.
- This English-translated document was prepared solely for the convenience of English speaking investors. If any discrepancies exist, the original Japanese version always prevails. J Trust shall not be liable for any loss or damages arising from this translation.

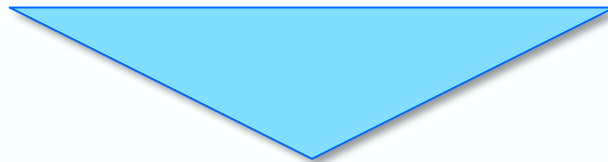
- 1. Highlights of Q2/H1 FY2018 Results**
- 2. Overview of Q2/H1 FY2018**
- 3. Performance and Results by Segment**
- 4. Consolidated Results and progress towards the full-year forecast**
- 5. View on the Future Direction regarding Group Lease**

APPENDIX

1. Highlights of Q2/H1 FY2018 Results

**General Manager PR&IR Division,
Corporate Planning Department
Hidehiko Hombu**

- Operating revenue and profit are higher than H1 FY2017 (Revenue: +2.5bn yen, Profit: +3.9bn yen)
- Business trend in Japan and South Korea are steadily growing
(OP progress over the forecast :
Domestic financial business (Japan) = 52% Financial business in South Korea = 75%)
- Recorded 4.1 bn yen of operating profit in H1



**Strengthen the business foundation
in financial segments**

Consolidated results (compared with H1 FY2018)

IFRS

H1 FY2017

H1 FY2018

Difference

(Unit : in 100 million yen)

Operating Revenue

389

414

+25

Operating Profit

2

41

+39

Net Income

-21

22

+43

*EBITDA
after adjustment

22

44

+22

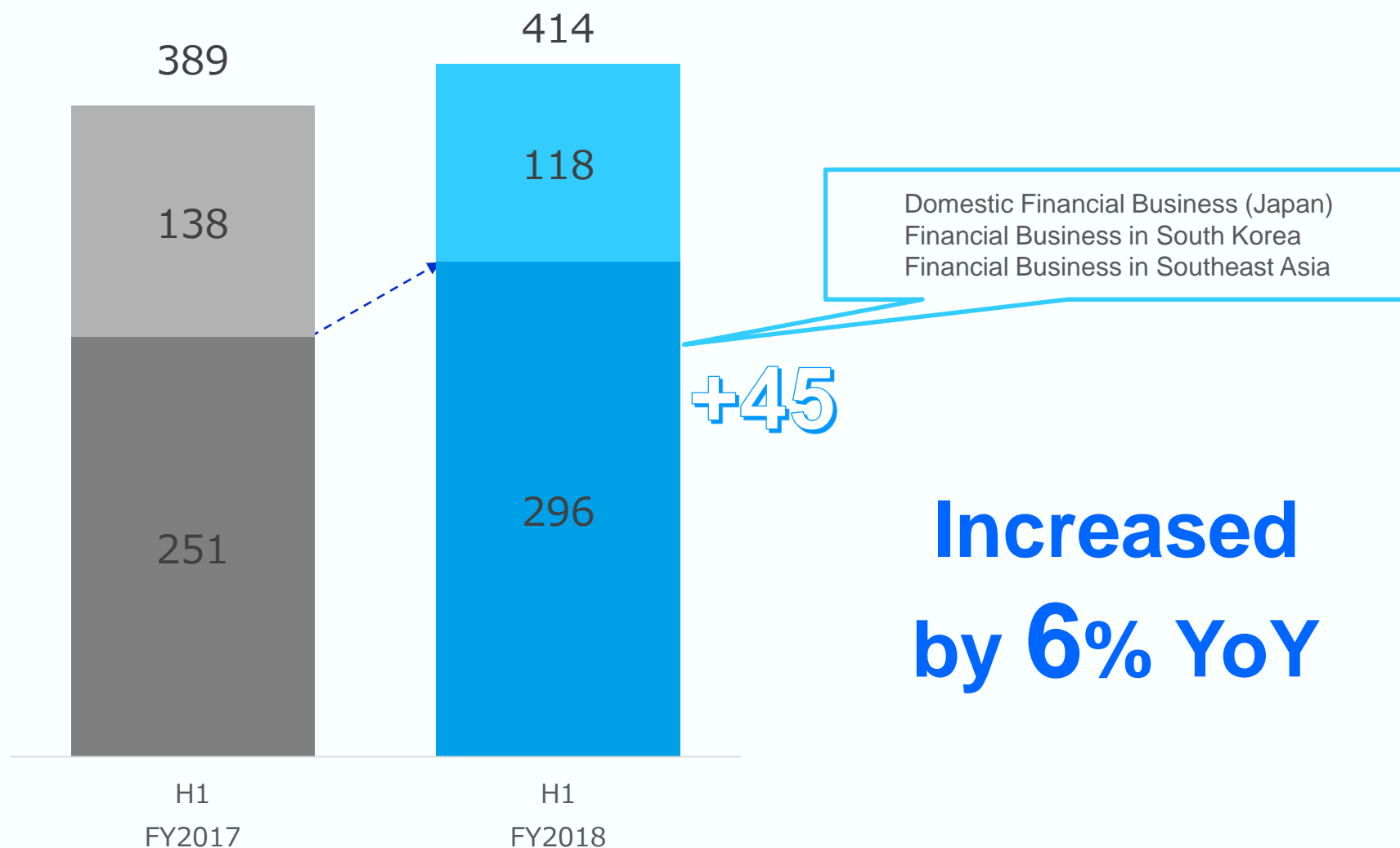
*EBITDA after adjustment : IFRS operating profit + amortization/depreciation
- miscellaneous operating income + miscellaneous operating expenses

2. Overview of Q2/H1 FY2018

Consolidated results

(Unit : in 100 million yen)

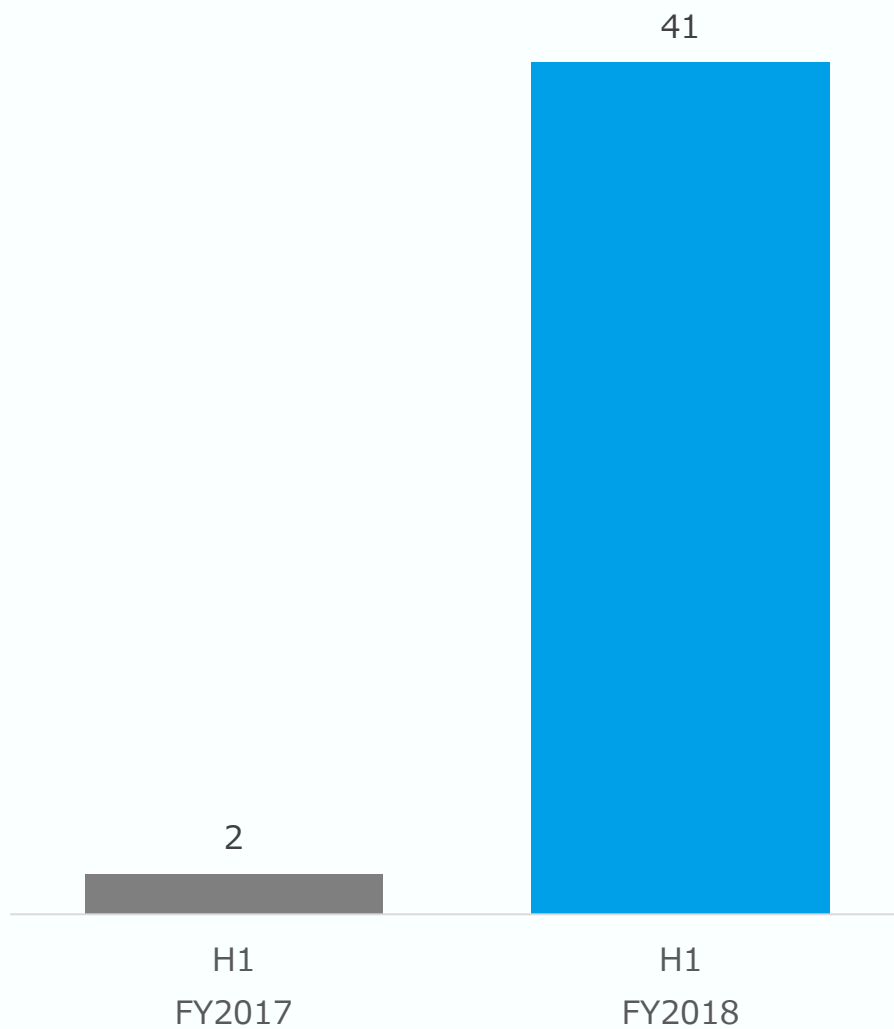
Operating Revenue



Consolidated results

(Unit : in 100 million yen)

Operating Profit



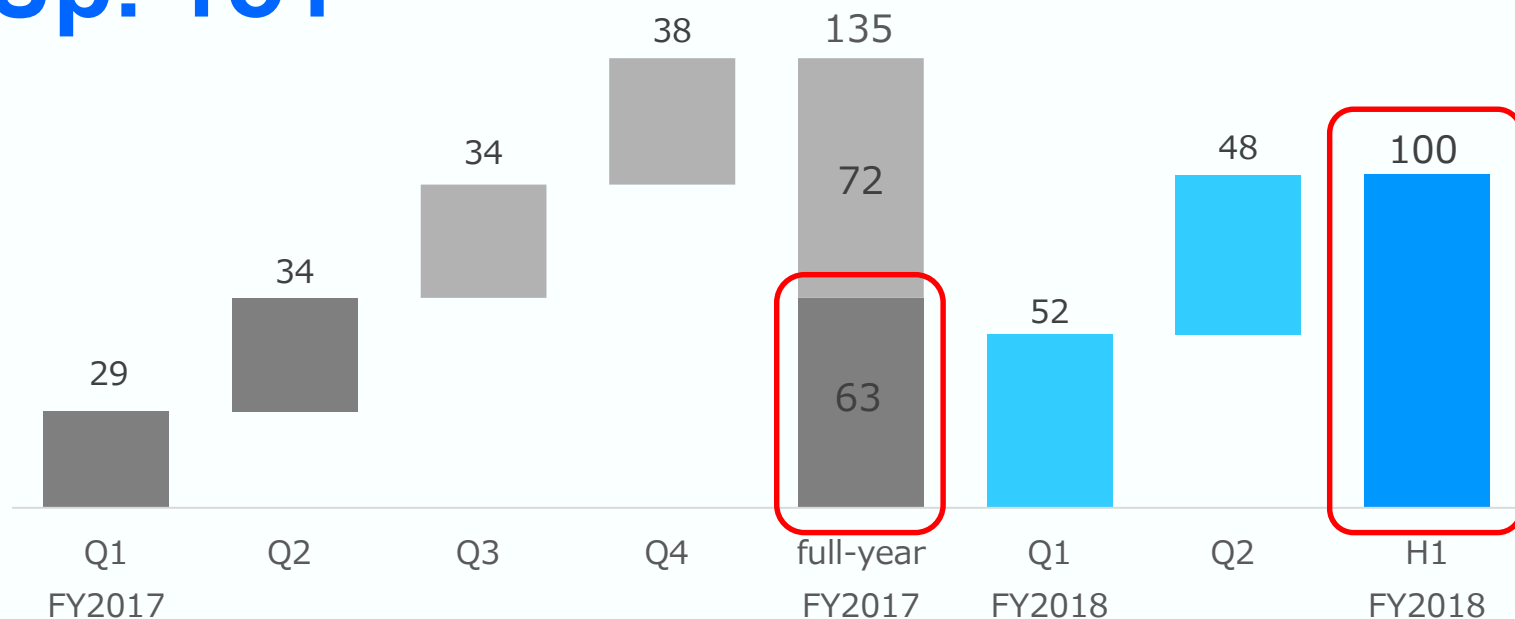
Up ↑ 20x

Consolidated results

(Unit : in 100 million yen)

Profit valuation and reserve portions

59% Up! YoY



	IFRS		J-GAAP		full-year FY2017	IFRS		H1 FY2018
	Q1 FY2017	Q2	Q3	Q4		Q1 FY2018	Q2	
Operating profit/loss (A)	7	-51	73	-90	-61	25	16	41
*Valuation Allowance (B)	35	78	32	49	194	29	39	68
Unrealized P&L on Investments (C)	13	-7	71	-79	-2	2	7	9
Reference figures (A+B-C)	29	34	34	38	135	52	48	100

* Valuation reserve etc.: Amortization of goodwill, Provision of allowance for doubtful accounts, Depreciation

3. Performance and Results by Segment

Operating revenue (compared with H1 FY2017)

(Unit: in 100 million yen)

IFRS

H1 FY2017

H1 FY2018

Difference

Domestic Financial Business	46	49	+3
Financial Business in South Korea	135	174	+39
Financial Business in Southeast Asia	68	72	+4
Investment Business	20	11	-9
*Non-Financial Business	105	95	-10
Others	15	13	-2
Total	389	414	+25

* Non Financial Business = General Entertainment Business and Real estate Business

Operating profit (compared with H1 FY2017)

(Unit: in 100 million yen)

IFRS

H1 FY2017

H1 FY2018

Difference

Domestic Financial Business	26	24	-2
Financial Business in South Korea	12	24	+12
Financial Business in Southeast Asia	-28	-2	+26
Investment Business	6	10	+4
*Non-Financial Business	3	- 2	-5
Others	-17	-13	+4
Total	2	41	+39

* Non Financial Business = General Entertainment Business and Real estate Business

Operating profit (compared with Q1 FY2018)

(Unit: in 100 million yen)

IFRS

Q1 FY2018

Q2 FY2018

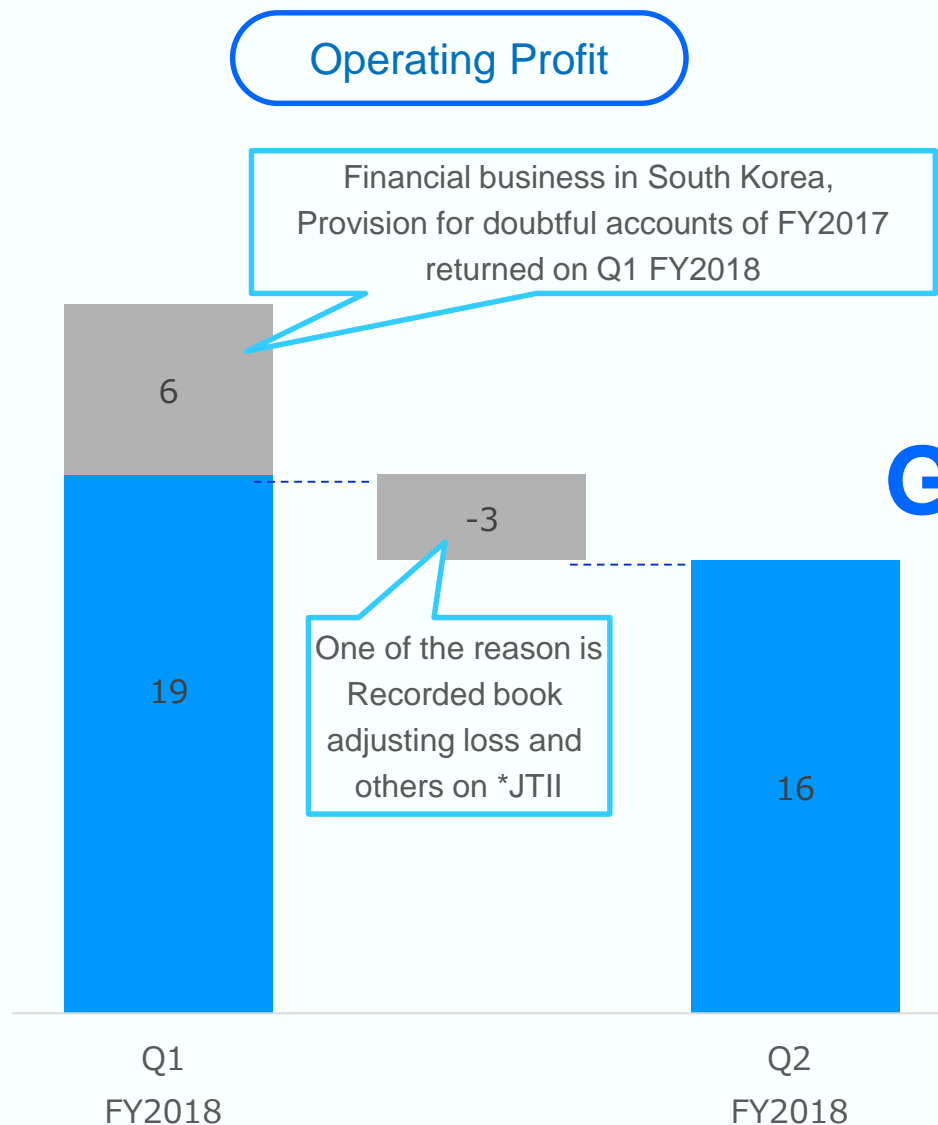
Difference

Domestic Financial Business	11	13	+2
Financial Business in South Korea	16	8	-8
Financial Business in Southeast Asia	1	-3	-4
Investment Business	2	8	+6
*Non-Financial Business	0	- 2	-2
Others	-5	-8	-3
Total	25	16	-9

* Non Financial Business = General Entertainment Business and Real estate Business

Consolidated results about difference of Q1 and Q2

(Unit: in 100 million yen)



Excluding those factors,
**Generated a stable
profit**

3. Performance and Results by Segment

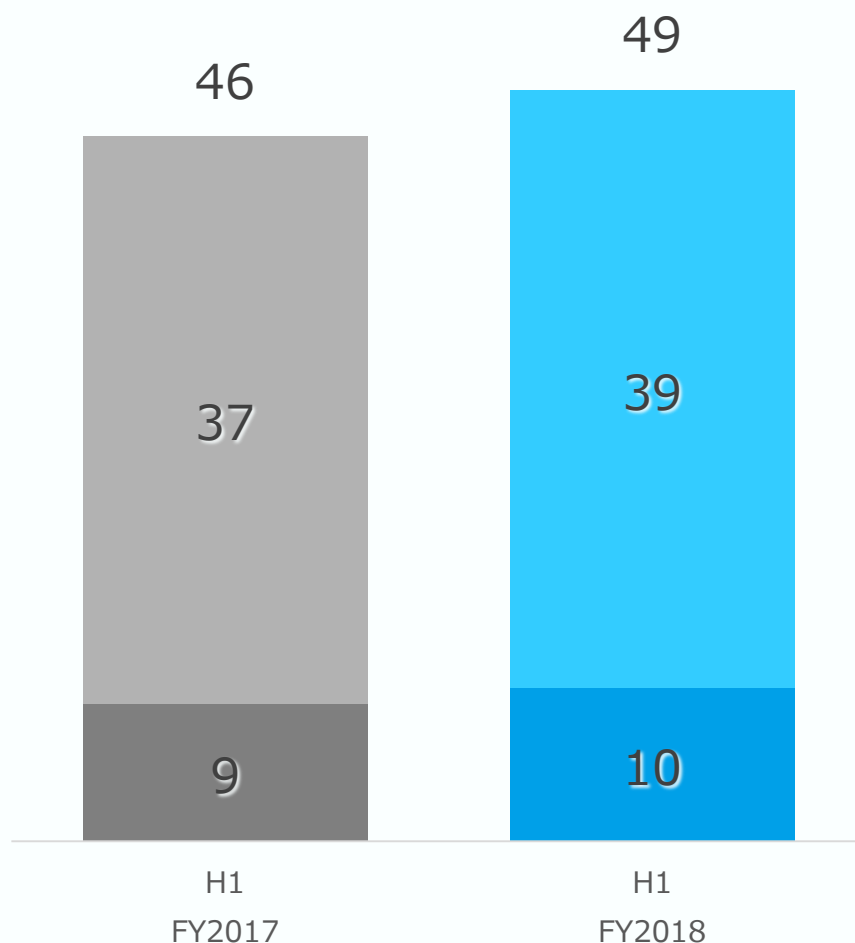
3-1. Domestic Financial Business (Japan)

Domestic Financial Business (Japan)

(Unit : in 100 million yen)

Operating revenue

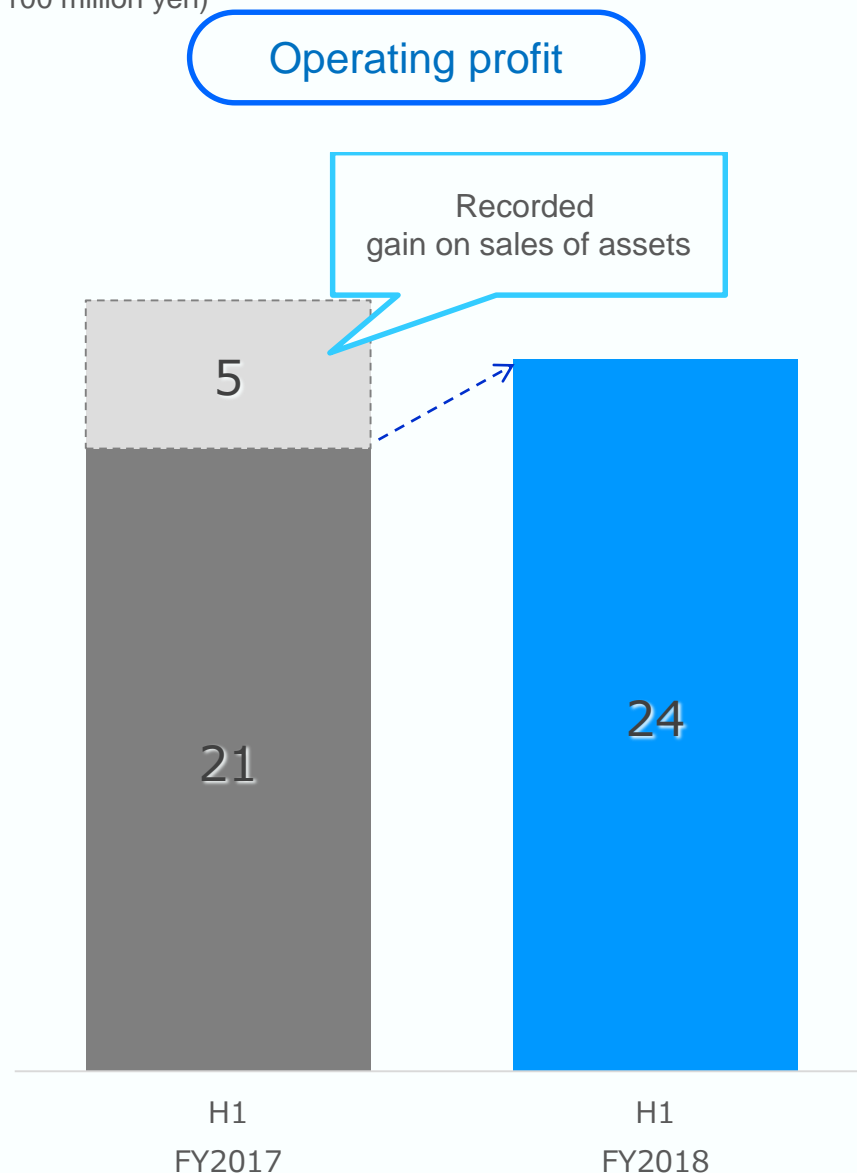
Light color=Servicer Business etc.
Dark color=Credit guarantee business



**Increased by
7% YoY**

Domestic Financial Business (Japan)

(Unit: in 100 million yen)

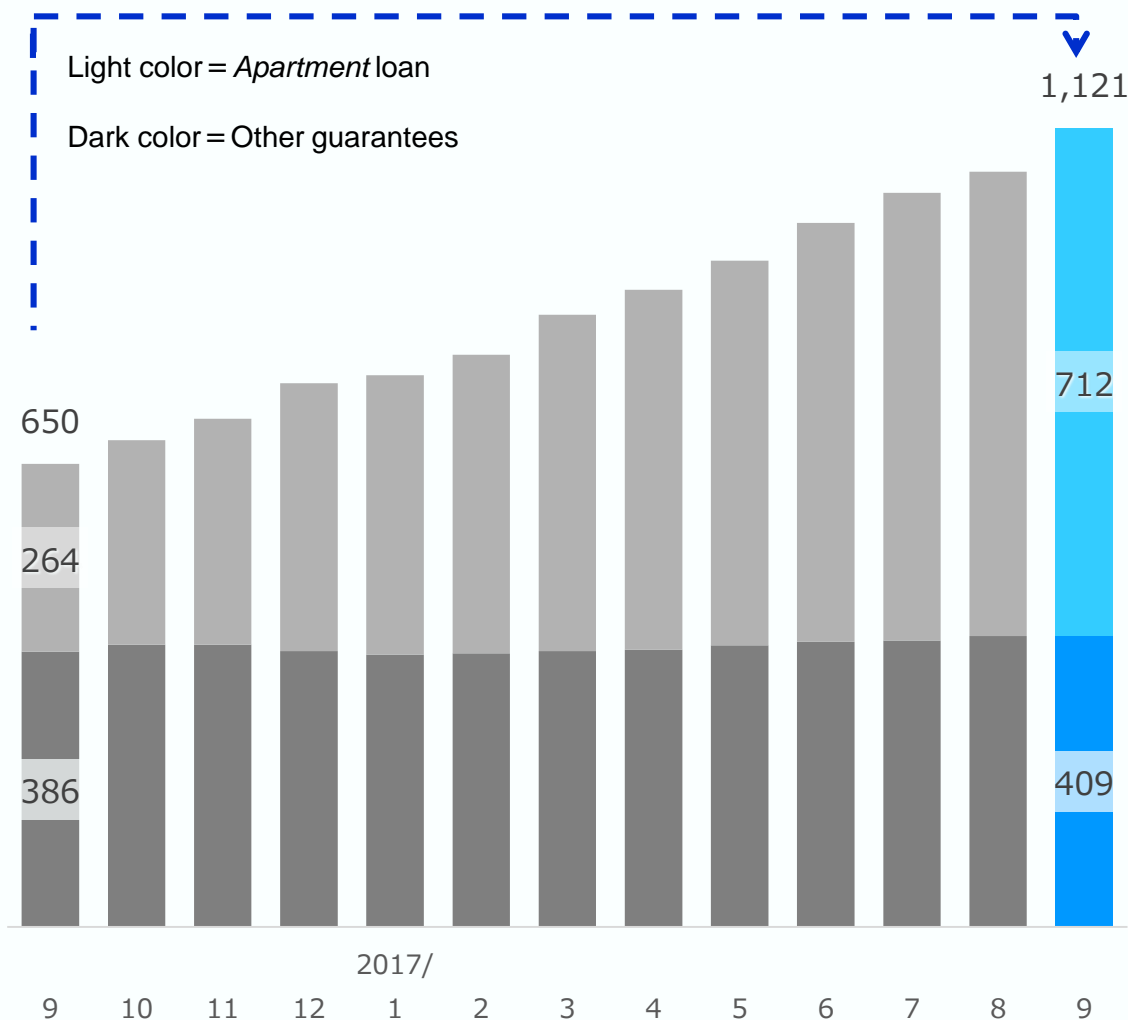


**Steady as
planned**

Credit guarantee business

(Unit: in 100 million yen)

Amount of credit guarantee by Nihon Hoshou



**Increased
by 72% YoY**

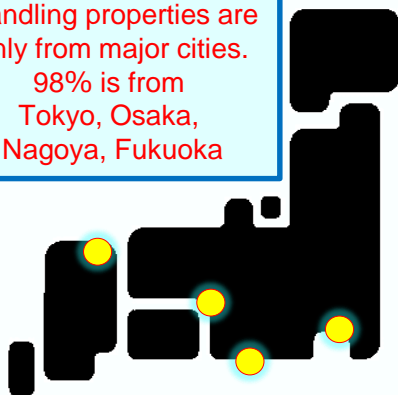
Reducing risk of apartment loan guarantee by using 3 ways of unique approach



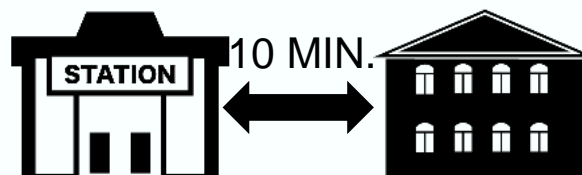
NIHON HOSHOU

① Selection of properties area

Handling properties are only from major cities.
98% is from Tokyo, Osaka, Nagoya, Fukuoka



② 10 min walk from Station



③ Selection of house maker



• House Management and maintenance are done properly
= Select House makers that can rely on.
→ Avoid troubles such as sublease problems.

98% Occupancy rate
end of Sept. 2017

Service business

(Unit: in 100 million yen)

Amount of receivables

7,262

7,592

**Increased
by 5% YoY**

End of Sept. 2016

End of Sept. 2017

Progress towards the full-year forecast

(Unit: in 100 million yen)

Operating revenue

107

(Forecast)

49

H1
FY2018

46%
Progress

Operating profit

46

(Forecast)

24

H1
FY2018

52%
Progress

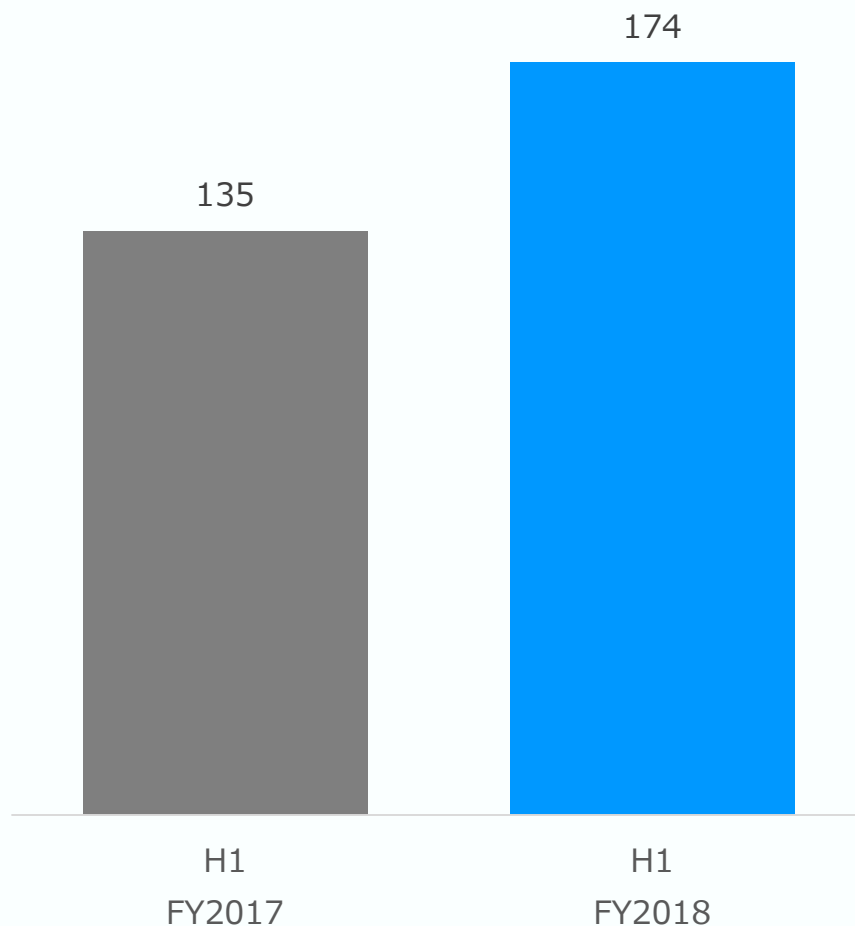
3. Performance and Results by Segment

3-2. Financial Business in South Korea

Financial Business in South Korea

(Unit: in 100 million yen)

Operating revenue

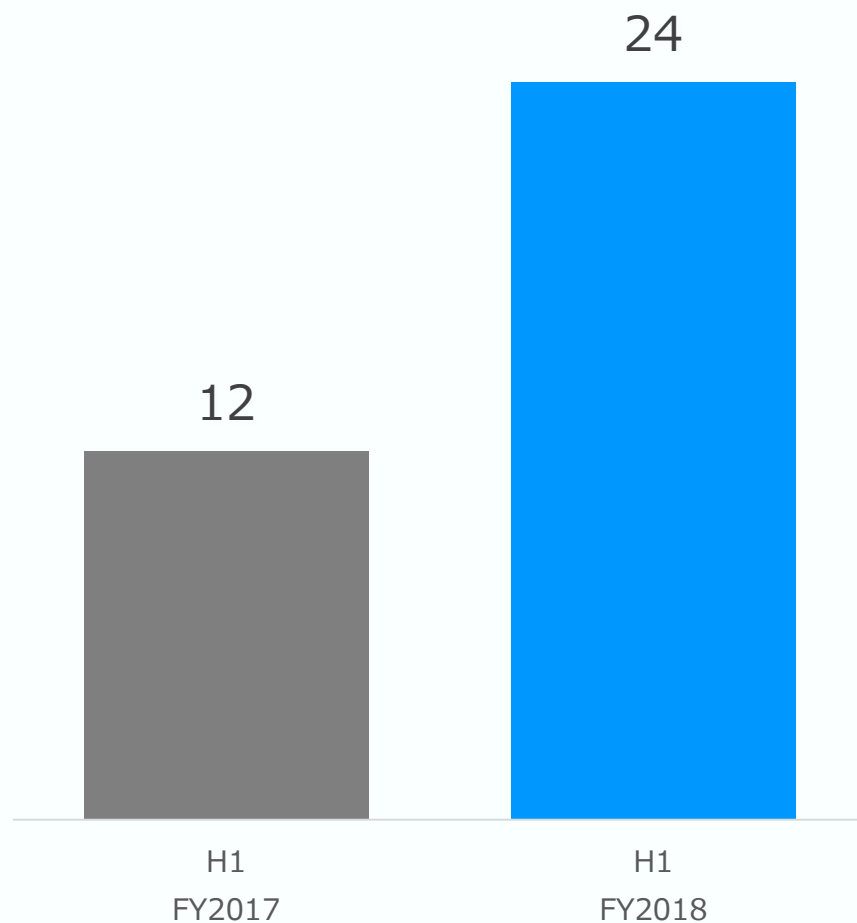


**Increased by
29% YoY**

Financial Business in South Korea

(Unit: in 100 million yen)

Operating profit



Up ↑ 2x

Financial Business in South Korea

(Unit: in 100 million yen)

Operating profit

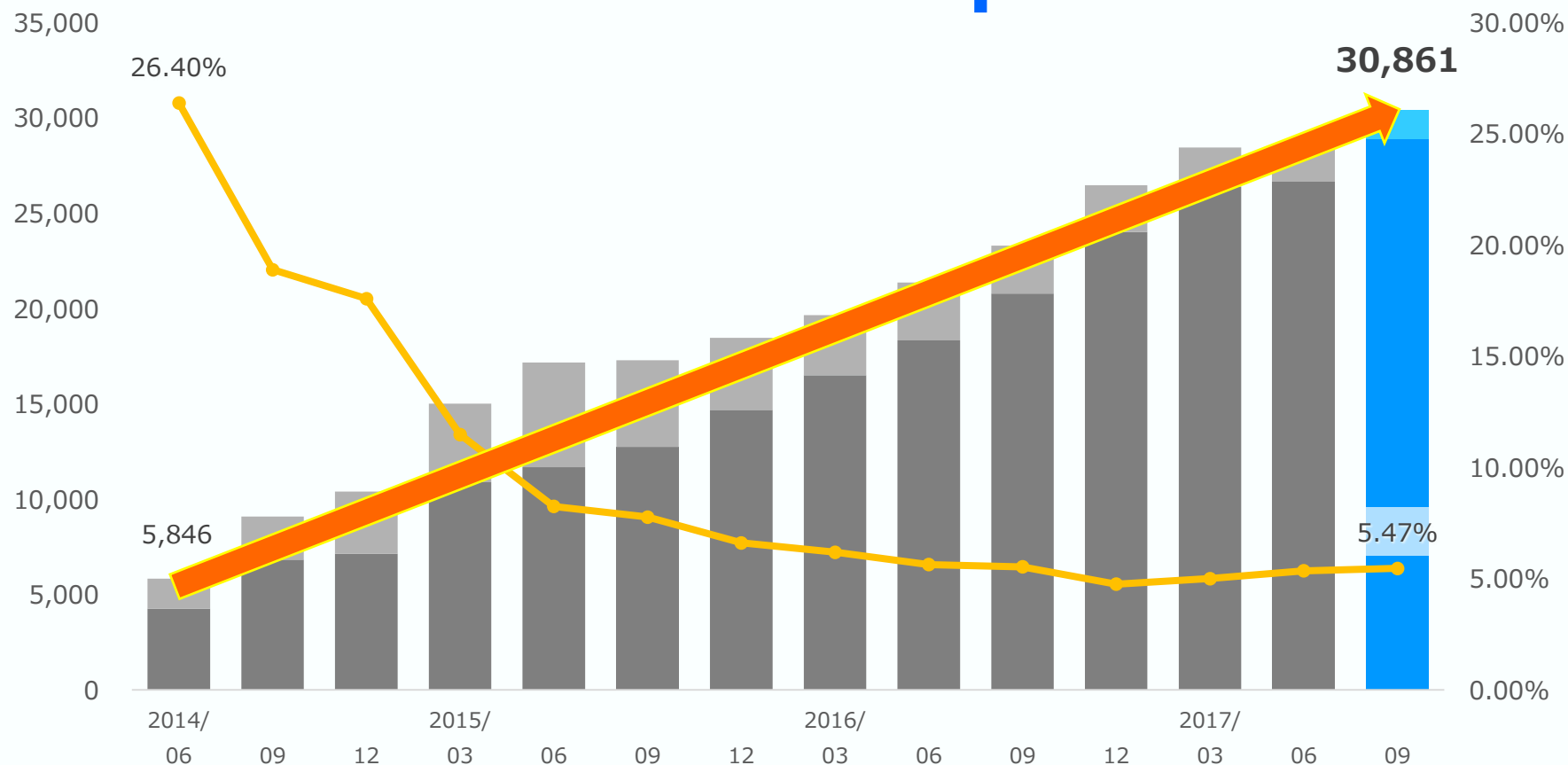


Loan balance and delinquency ratio of savings banks/capital company

(Unit: in 100 million won)

Bar graph Dark color = Screened by JT Chinae Savings bank
Line graph *NPL ratio

JT Chinae Savings Bank's Loan Balance Up 10x



* JT Chinae savings bank started Loan assets = 3,192(100 million won) (as of end-December 2012)

* Reference rate: 1 won=0.0989 yen

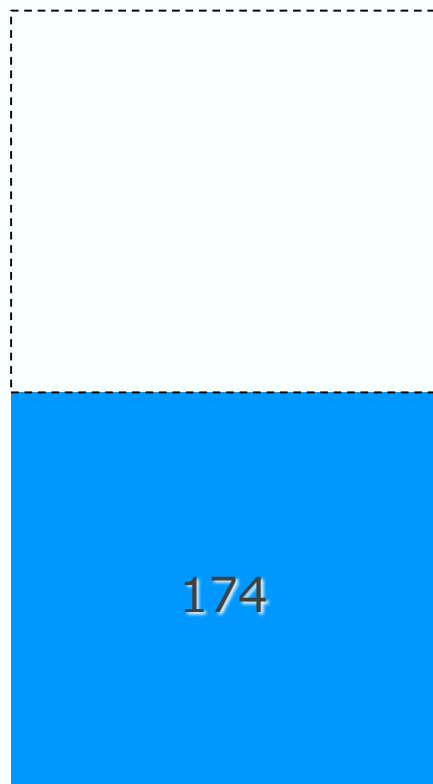
* NPL ratio = loans are delinquent for 30 days or more

Progress towards the full-year forecast

(Unit: in 100 million yen)

Operating revenue

341
(Forecast)

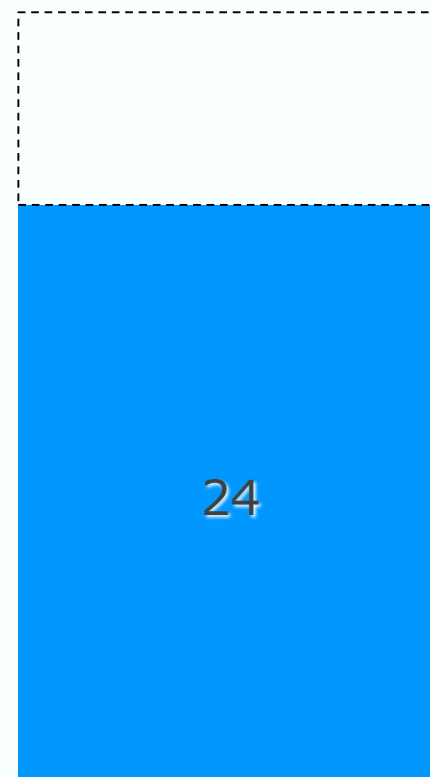


51%
Progress

H1
FY2018

Operating profit

32
(Forecast)



75%
Progress

H1
FY2018

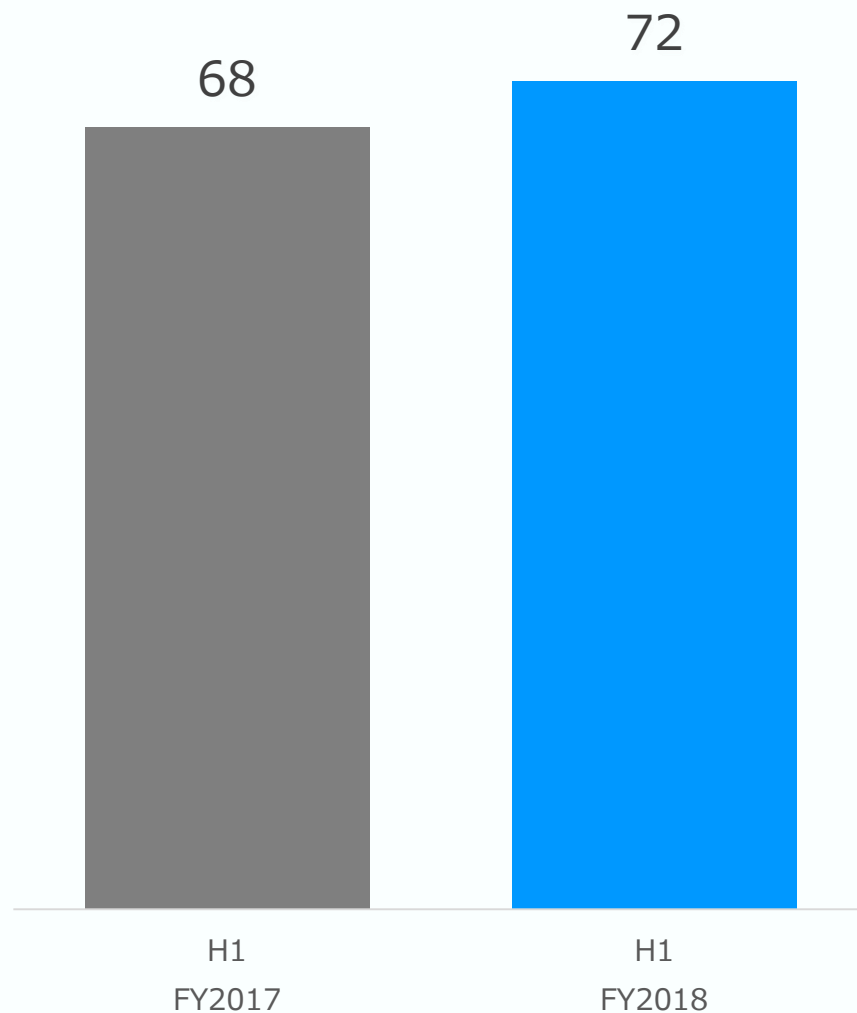
3. Performance and Results by Segment

3-3. Financial Business in Southeast Asia

Financial Business in Southeast Asia

(Unit: in 100 million yen)

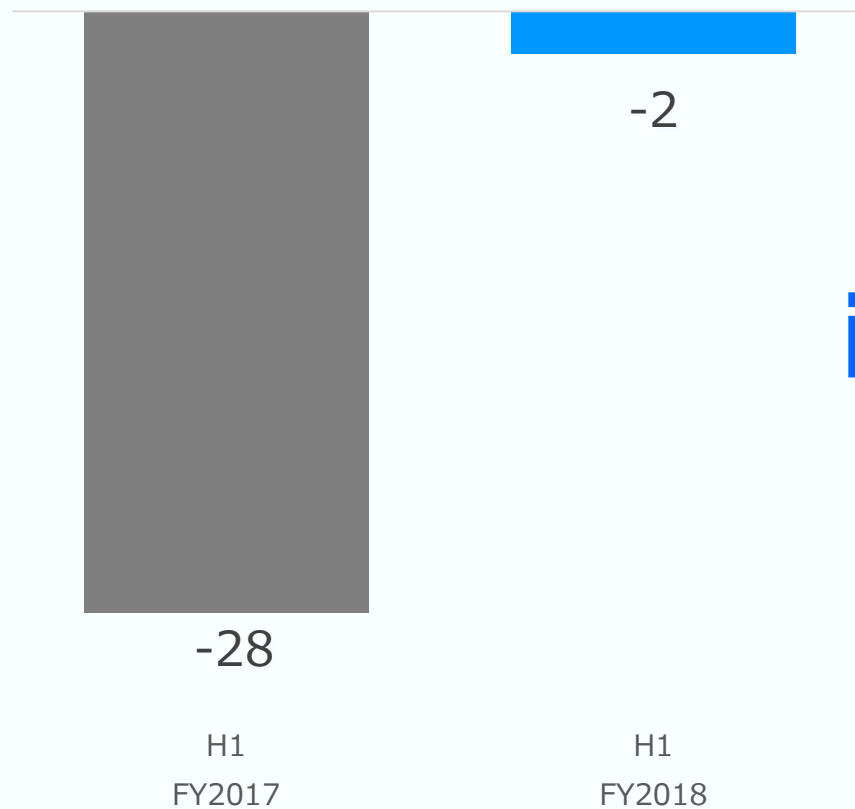
Operating revenue



**Increased by
6% YoY**

(Unit: in 100 million yen)

Operating profit

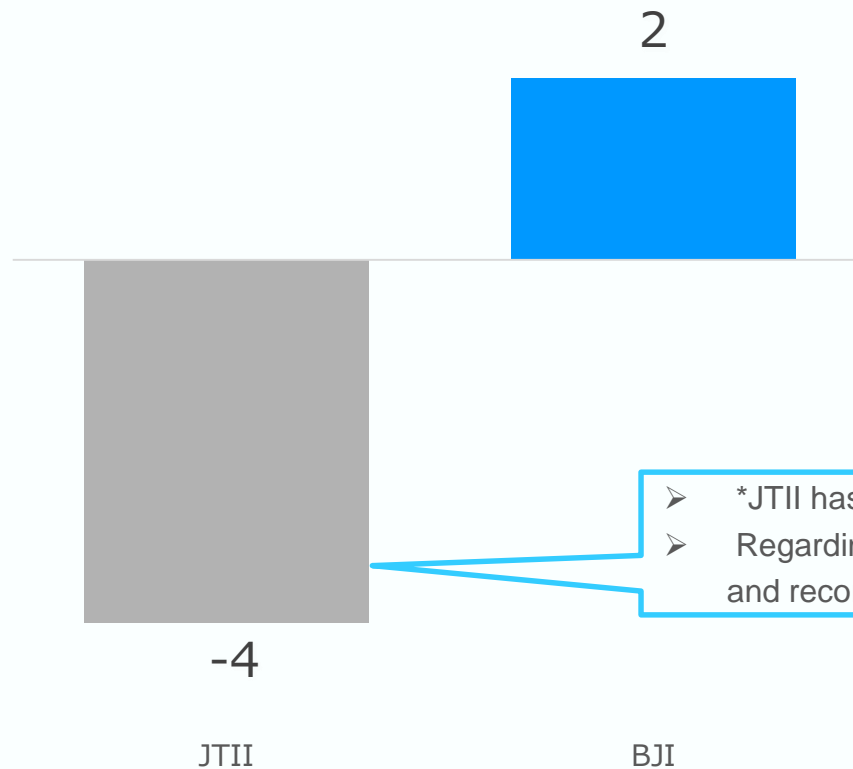


2.6 billion yen
increased YoY

Financial Business in Southeast Asia

(Unit: in 100 million yen)

Operating profit



***BJI in surplus**

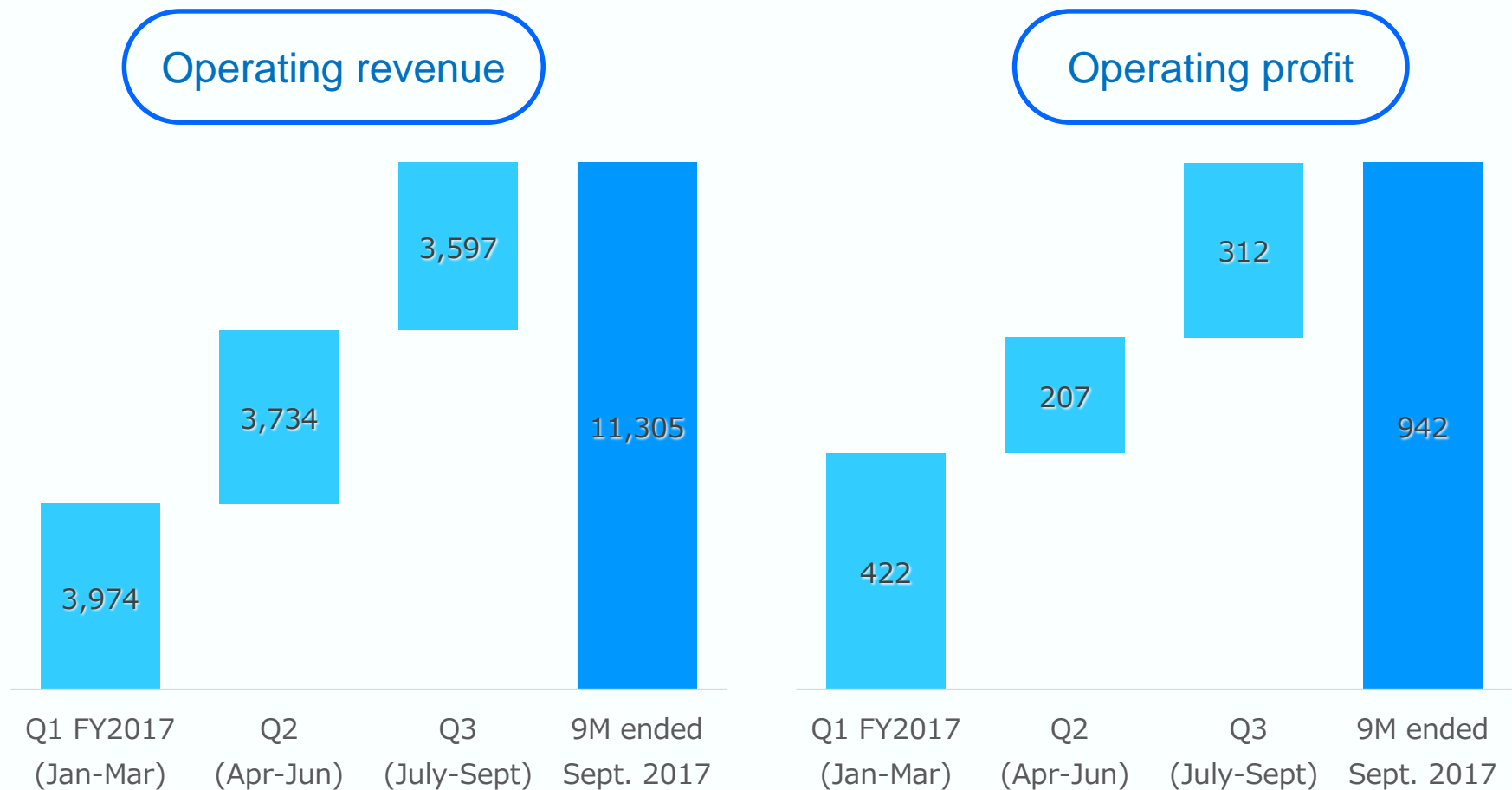
- *JTII has already collected 2 / 3 of transferred receivables.
- Regarding 4 large cases, consulted with an auditing firm and recorded as book adjusting loss.

* JTII = J Trust Investments Indonesia

* BJI = J Trust Bank Indonesia

(Unit: in 100 million rupiah)

Better results in Indonesian accounting standard!!



* Reference rate : 1 rupiah = 0.0084 yen

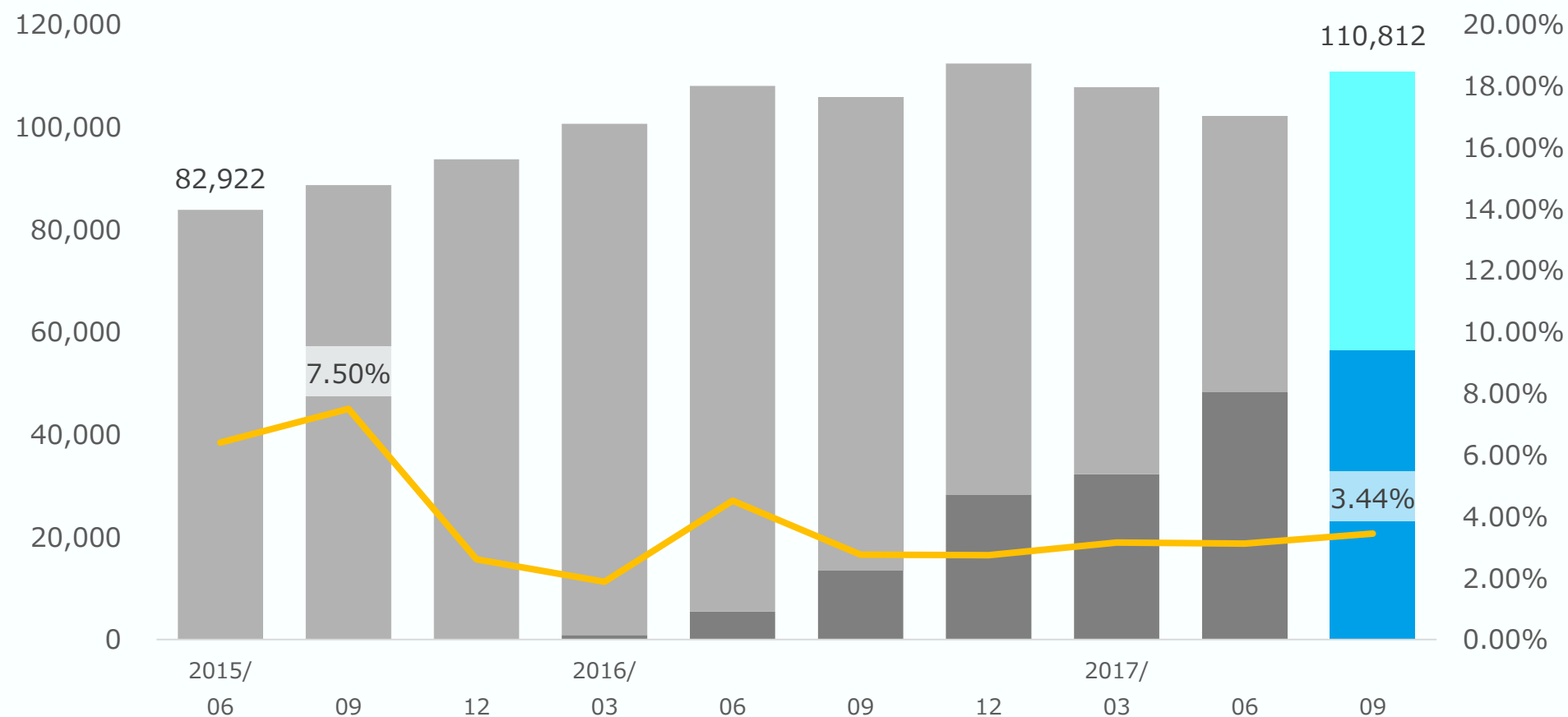
* FY2017 ended Dec.2017 in Indonesian accounting

Loan balance & NPL ratio

(Unit: in 100 million rupiah)

Bar graph Dark color = Screened by Bank J Trust Indonesia
Line graph *NPL ratio

Loan balance = Allocating portfolio strategically
NPL ratio = Stay at lower level



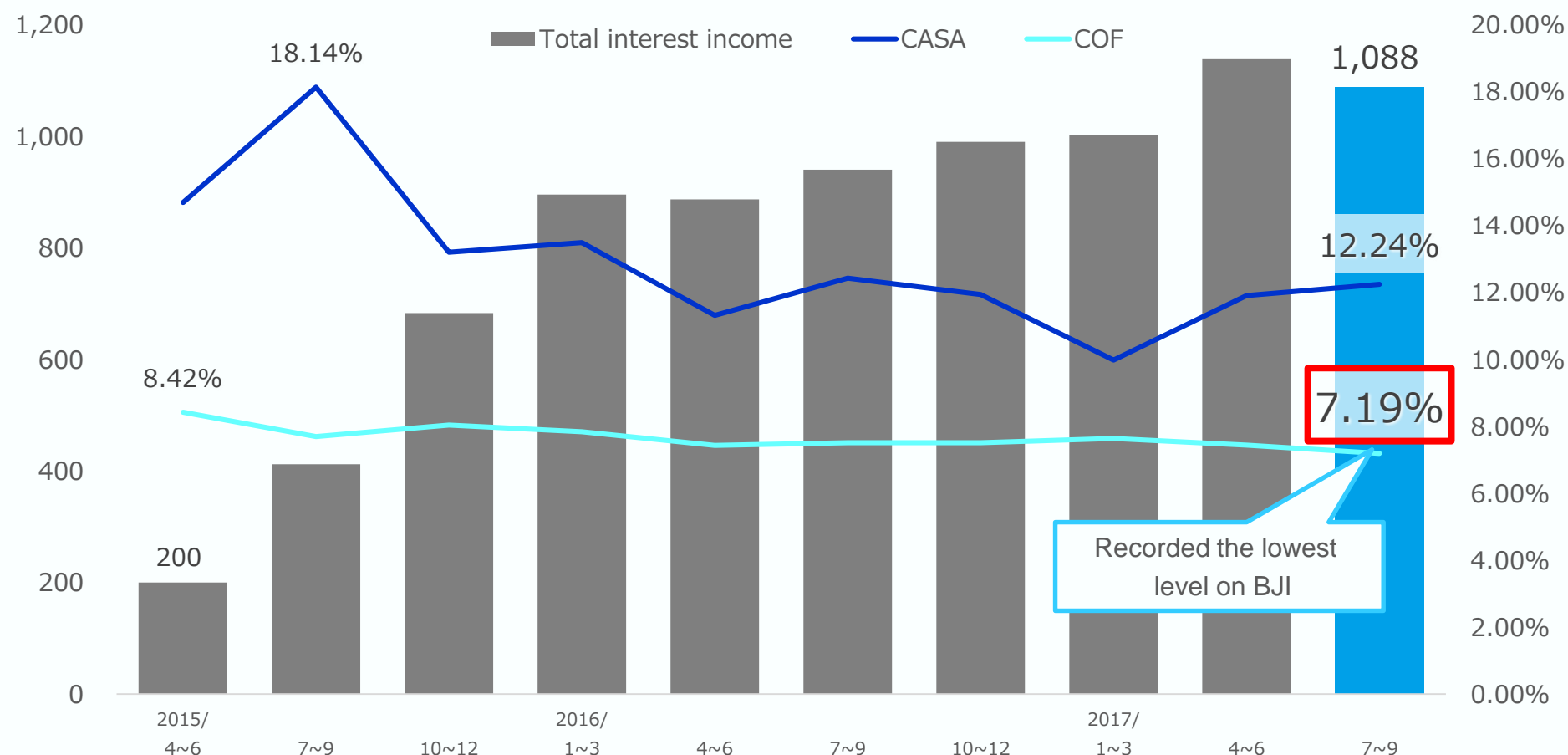
* Reference rate : 1 rupiah = 0.0084 yen

* NPL ratio = loans are delinquent for 30 days or more

Net interest income

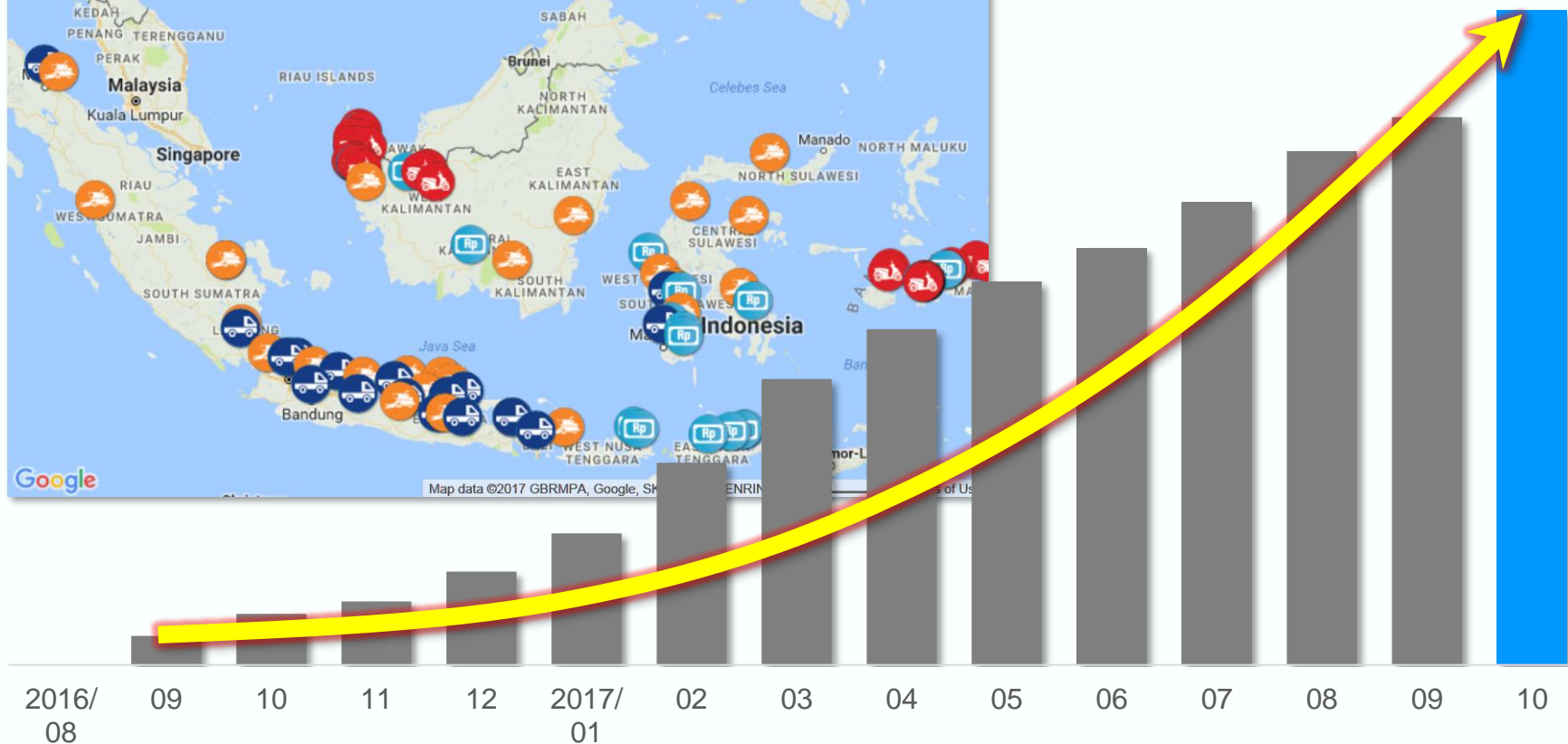
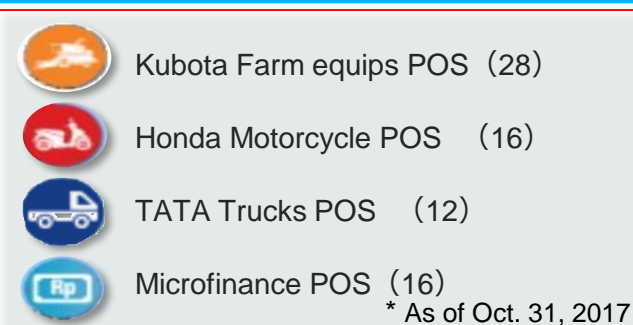
(Unit: in 100 million rupiah)

Marketing strategy success, COF is continuously down



* Reference rate: 1 rupiah=0.0084 yen

GLFI Number of POS



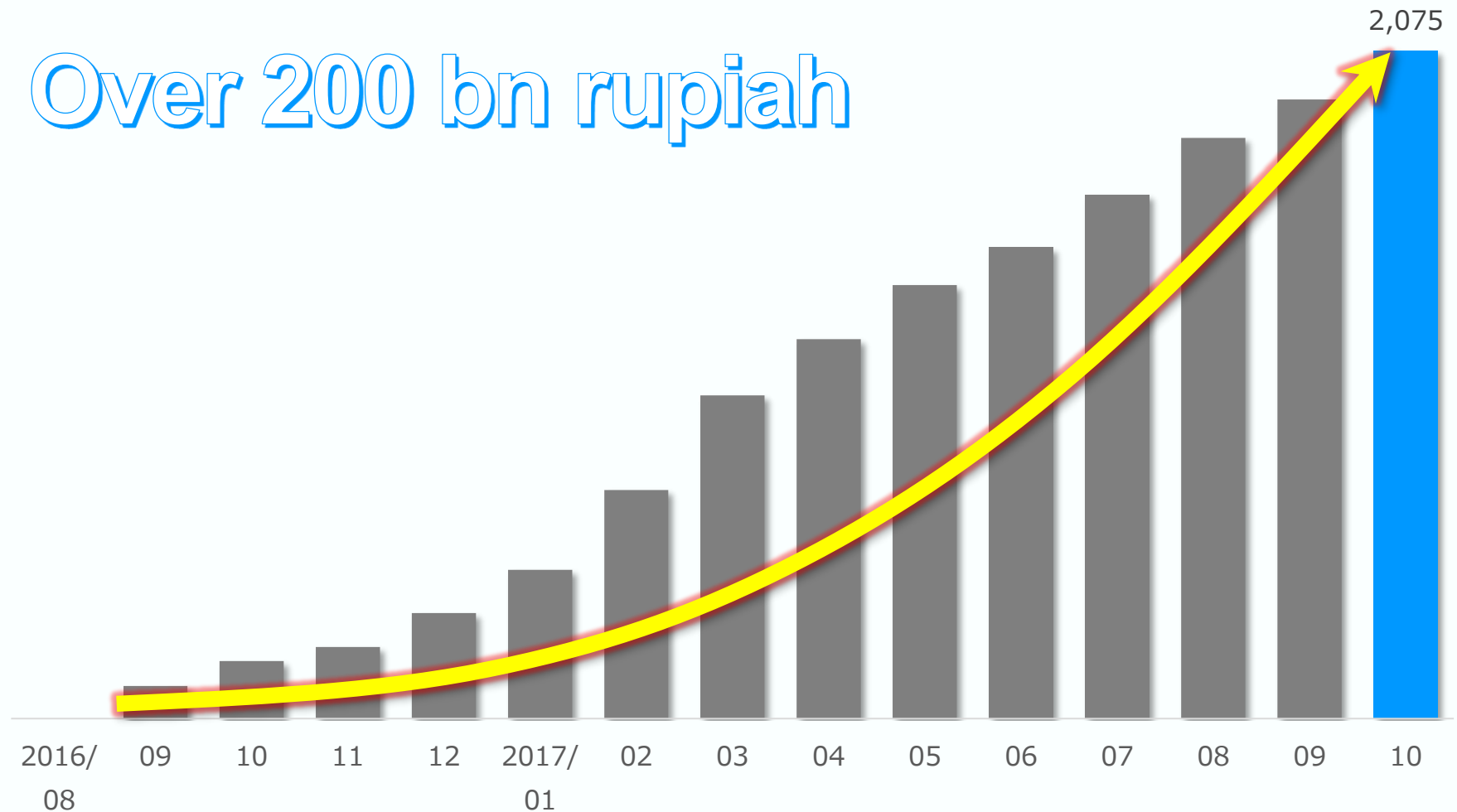
* GLFI = Group Lease Finance Indonesia

* POS = Point of Sales

(Unit: in 100 million rupiah)

GLFI Loan balance

Over 200 bn rupiah



* Reference rate : 1 rupiah = 0.0084 yen

* Loan balance is total of farm equipments, motorcycles, trucks and microfinance

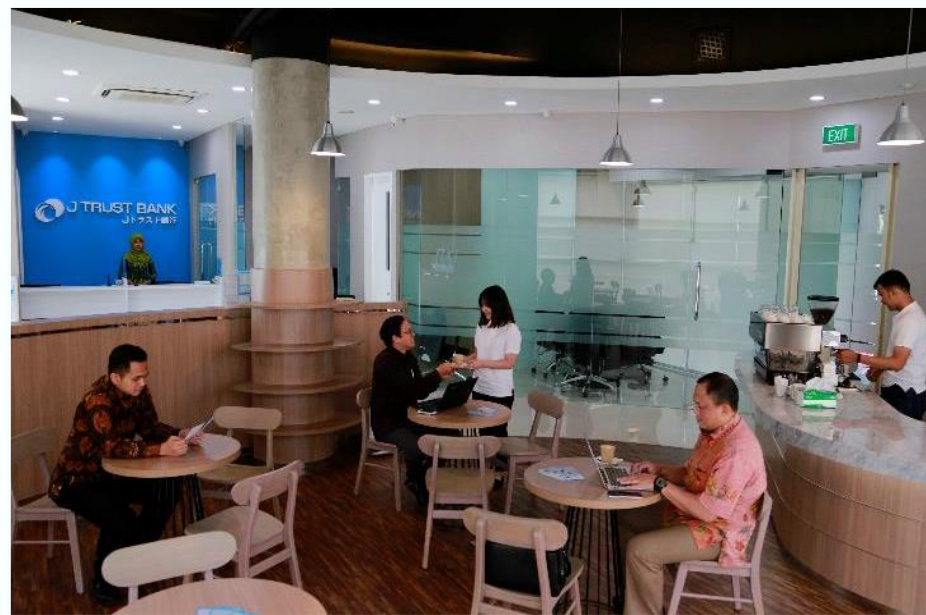
GLFI Number of
Customers

Exceed 7,500 Customers



* Number of customer is total of farm equipments, bikes, cars and microfinance

New branches opened in Aeon mall and Karawang area

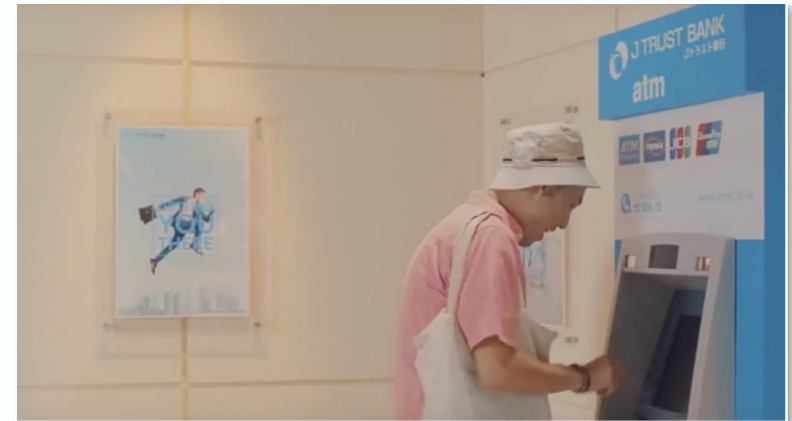


TV commercials

「Speed For Dreams」



「Getting You There」

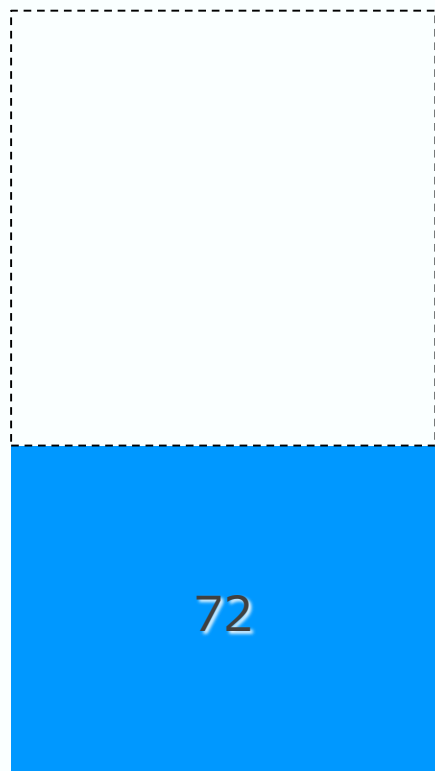


Progress towards the full-year forecast

(Unit: in 100 million yen)

Operating revenue

167 (Forecast)

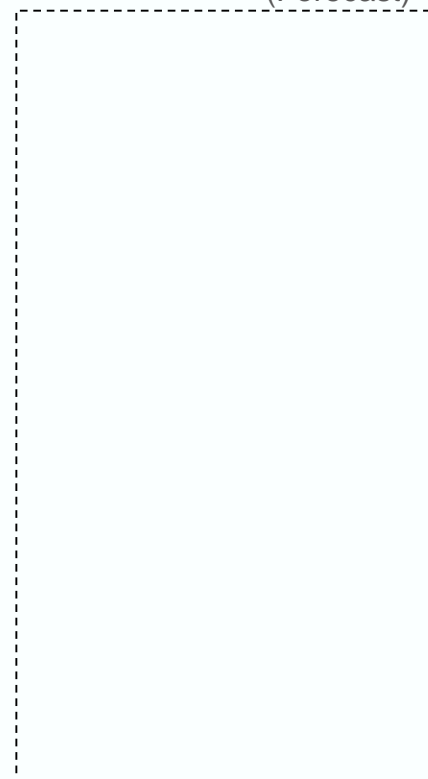


43%
Progress

H1
FY2018

Operating profit

24 (Forecast)



-%
Progress

H1
FY2018

What BJI will do towards achieve goal

	Content
BJI	<ul style="list-style-type: none">■ Improve Core Business<ul style="list-style-type: none">▫ Focus on corporate loan sized 100 million yen to 500 million yen (called commercial loan) and SME loan sized less than 100 million yen▫ Regarding multi-finance, convert strategy to focus on Japanese group companies, local conglomerates and GLFI▫ Organizing a new team for individual NPL collection and to strengthen collecting activity by using group experience and expertized■ Optimizing business location and human resource<ul style="list-style-type: none">▫ Opening new branches in regional towns and cities other than Jakarta (opening 5 new branches and the goal is 49 branches in total)▫ Hiring new employees in commercial/SME/Loan collection department▫ Promoting talent development programs and repositioning talented human resource■ Improve customer service and convenience<ul style="list-style-type: none">▫ Change to CBS (Core Banking System) ※ Plans to start on January 2018▫ Improve convenience of mobile and internet banking and provide new products and▫ Participating international money transfer consortium that utilizing block chain technology, crowd accounting softwares to uplift screening ability and convenience, develop partnering loan with P2P lending business etc. and new business develop utilizing full capacity of Fintech

What JTII will do towards achieve goal

	Content
JTII	<ul style="list-style-type: none">• Strengthen loan collection activity through selling real estate collaterals and business assets altogether to third parties, etc.• Make effort to resolve earlier stage by selling long-term overdue receivables (which are in process of legal action that raised from debtors)• Plan to sell real estate (auction) and to hire new employee who specialized in loan legal affairs.• From January 2018, will adopt performance-based compensation system, to boost employee's motivations• Ongoing negotiation to agreement on payment and repossession of collateral in parallel

3. Performance and Results by Segment

3-4. Investment Business/Non-Financial Business

Operating revenue & profit

(Unit: in 100 million yen)

Investment Business

	H1 FY2017	H1 FY2018	Difference	Forecast	%
Operating revenue	20	11	-9	27	41%
Operating profit	6	10	+4	25	40%

*Non-Financial Business

	H1 FY2017	H1 FY2018	Difference	Forecast	%
Operating revenue	105	95	-10	245	43%
Operating profit	3	-2	-5	8	- %

* Non Financial Business = General Entertainment Business and Real estate Business

Regarding investment (Group Lease PLC)

Common shares

Number of shares	122,163,100 shares
Book value as of ended Sept.	9,664 million yen (1 share = 23.40 baht)

Convertible bonds

Unit : thousand dollar

1) Subscription amount : 130 million USD (subscribed in August 2016)	Ended Mar. 2017	Ended Sept. 2017
Fair value of derivative component	26,218	26,773
Fair value of loan component	80,630	85,238
Total	106,848	112,011

2) Subscription amount : 50 million USD (subscribed in March 2017)	Ended Mar. 2017	Ended Sept. 2017
Fair value of derivative component	2,645	3,071
Fair value of loan component	48,883	50,962
Total	51,527	54,033

* Reference rate : 1 Thai Baht = 3.38 yen
1 US dollar = 112.73 yen

4. Consolidated Results

Progress towards the full-year forecast

Progress of full-year target

(Unit : in 100 million yen)

Operating revenue

Operating profit

894 (Forecast)

100 (Forecast)

46%
Progress

41%
Progress

414

41

H1
FY2018

H1
FY2018

5. View on Future Direction regarding Group Lease PCL

**Representative Director,
President & Chief Executive Officer
Nobuyoshi Fujisawa**

<Current Situation>

- *SEC has filed a criminal complaint with *DSI against Mr. Mitsuji Konoshita, Chief Executive Officer of *GL, for falsification and corporate fraud case.
- He has already resigned and lost the qualification for holding the positions of directors and executives in GL by regulations of The Stock Exchange of Thailand.
- On October 19, 2017 SEC requested GL to amend its financial statements.
- *EY modified the previous reports with an unqualified conclusion to disclaimer of conclusion dated as of October 17, 2017

<Business relations between GL and J Trust>

- *JTA holds 122 million shares (8.01% of total)
- JTA holds 180 million dollars of convertible bonds.
- JTA invested 20 billion rupiah (20% of the total equity) in *GLFI which was established in Indonesia by GL

View on future direction regarding Group Lease PCL

Case	GLFI	Shares of GL	Convertible Bonds of GL	Shareholder derivative suit/ Pursuing the liability of auditor
GL retains the current management structure as well as the shareholding structure	Request terminating the joint investment and turning to a wholly owned subsidiary of J Trust	Selling-off	(Assuming the exercise of the right to cancel) a. Early redemption b. Collecting debts by commencement of bankruptcy proceedings or reorganization proceedings	Entering a lawsuit against the directors and EY, depending on the conditions
GL is rescued by other investors	Request terminating the joint investment and turning to a wholly owned subsidiary of J Trust	Selling-off	(Assuming the exercise of the right to cancel) Repayment	Entering a lawsuit against the directors and EY, depending on the conditions
Business integration with J Trust	Turning to a wholly owned subsidiary of J Trust with the shareholding structure remains as it is	Holding the shares as a subsidiary of J Trust	Loans to subsidiaries	Entering a lawsuit against the directors and EY might be considered



Thank you for listening

APPENDIX

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

Figure is shown as round down less than a unit

***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

Unit: in 100 million yen

Nihon Hoshou		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Size of credit guarantees	FY2017	548	558	569	597	624	649	683	712	763	774	803	859
	FY2018	894	935	988	1,030	1,060	1,121	1,150					
Proportion of Apartment Loan	FY2017	145	156	186	212	240	264	287	317	373	386	408	472
	FY2018	505	540	588	628	652	712	750					

■ Financial Business in South Korea

Unit: in 100 million won

Financial Business in South Korea		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total	FY2017	20,148	20,622	21,376	21,936	22,823	23,315	24,234	25,789	26,485	27,169	27,811	28,457
	FY2018	28,692	28,674	28,476	29,412	30,266	30,861	31,876					

			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Loans by banking business	JT Chinae Savings Bank	FY2017	12,265	12,494	11,815	13,215	13,806	14,232	14,919	16,215	16,249	16,678	16,977	17,157
		FY2018	17,170	16,920	16,753	17,198	17,369	17,506	17,810					
	JT Savings Bank	FY2017	3,681	3,868	5,243	5,626	5,754	5,725	5,783	5,846	6,311	6,437	6,630	6,767
		FY2018	6,842	6,925	7,166	7,485	7,855	8,153	8,751					
Total		FY2017	15,946	16,362	17,059	18,842	19,560	19,957	20,703	22,061	22,560	23,115	23,607	23,925
		FY2018	24,012	23,846	23,919	24,683	25,224	25,659	26,562					

			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Accounts receivable – operating loans	JT Capital	FY2017	4,202	4,259	4,317	3,094	3,262	3,358	3,531	3,728	3,925	4,053	4,203	4,532
		FY2018	4,679	4,828	4,556	4,728	5,041	5,201	5,314					

■ Financial Business in Southeast Asia

Unit: in 100 million rupiah

PT Bank JTrust Indonesia Tbk. (BJI)		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Loans by banking business*	FY2017	101,798	105,232	107,323	104,318	106,729	105,174	106,033	107,092	111,843	109,295	109,969	107,360
	FY2018	106,218	104,974	102,108	104,818	106,806	110,812	112,001					

PT Group Lease Finance Indonesia (GLFI)		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
GLFI's balance	FY2017	–	–	–	–	–	102	179	223	328	462	709	998
	FY2018	1,169	1,329	1,425	1,627	1,804	1,923	2,075					
BJI's loan balance (related to GLFI)	FY2017	–	–	–	–	–	25	91	132	232	359	591	864
	FY2018	1,025	1,174	1,273	1,391	1,522	1,600	1,601					

