

Data on page 25 is updated
as of June 28, 2018



J TRUST

Financial Results for Full-Year ended March 31, 2018 (FY03/2018)

May 15, 2018
J Trust Co., Ltd.



Disclaimer

- Adopted IFRS from Q1 FY03/2018. The results for FY03/2017 was also reviewed in IFRS.
- The results for ADORES in General Entertainment Business, is excluded from the consolidated results in FY03/2018.
- 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 Full-Year FY03/2018 Results**
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1. Highlights of Full-Year FY03/2018 Results

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

Financial Businesses are steadily growing

**Total of 3 financial businesses generated
9.2 billion yen of operating profit
(double the FY03/2017)**

Selection and Concentration of Management Resources

**Sold ADORES
(from General Entertainment Business)**

Investment Business

**Loss on investment in Group Lease
(around 6.4 billion yen)**

2. Overview of Full-Year FY03/2018

➤ Positive Operating Revenue and Profit

(Unit : in 100 million yen)

Consolidated Results (Compared with Full-Year FY03/2017)

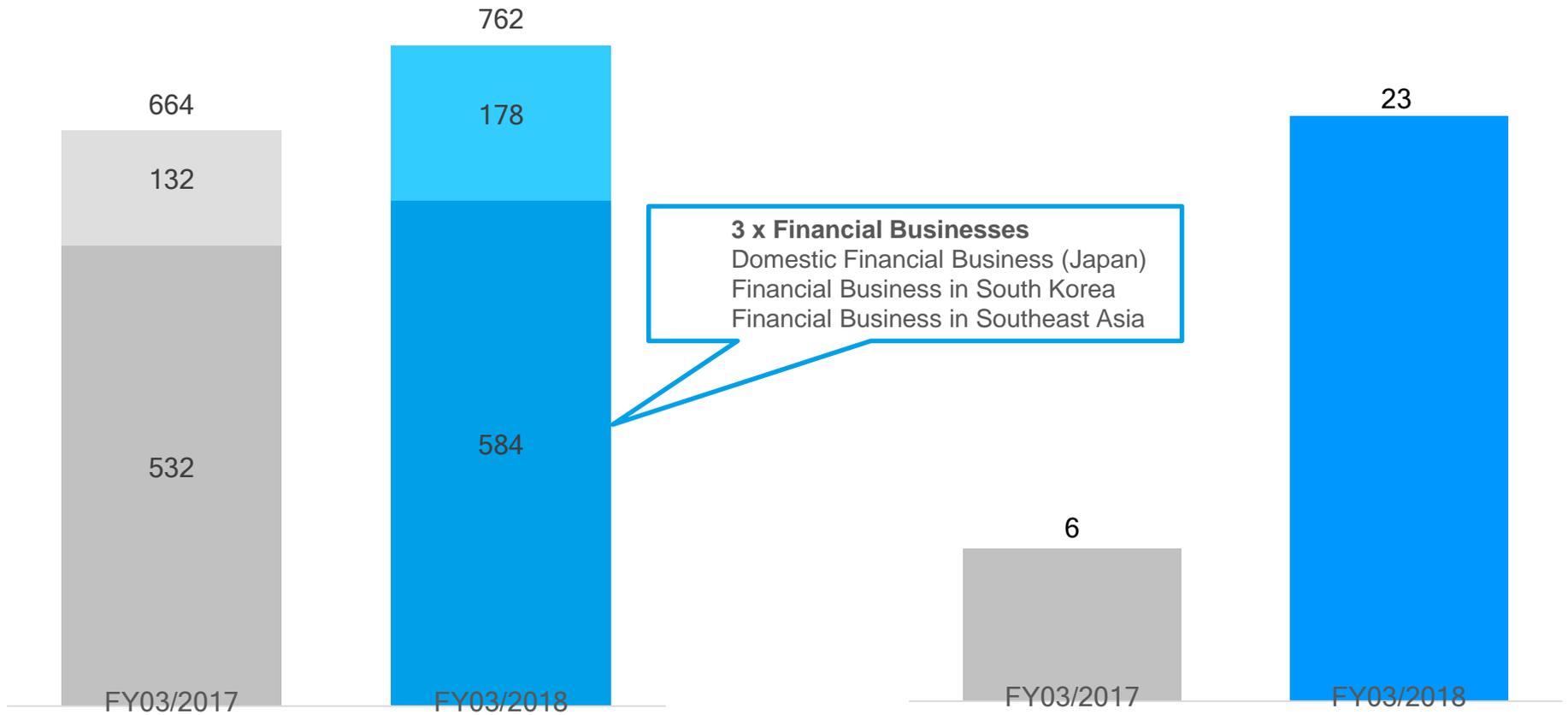
	Full-Year FY03/2017	Full-Year FY03/2018	Difference
Operating Revenue	664	762	+98
Operating Profit	6	23	+17
Profit (Loss) before Tax	-4	4	+8
Net Income	-12	-7	+5

- Operating Revenue Increased by 15%
- Operating Profit Increased by 1.7 billion yen

(Unit : in 100 million yen)

Operating Revenue

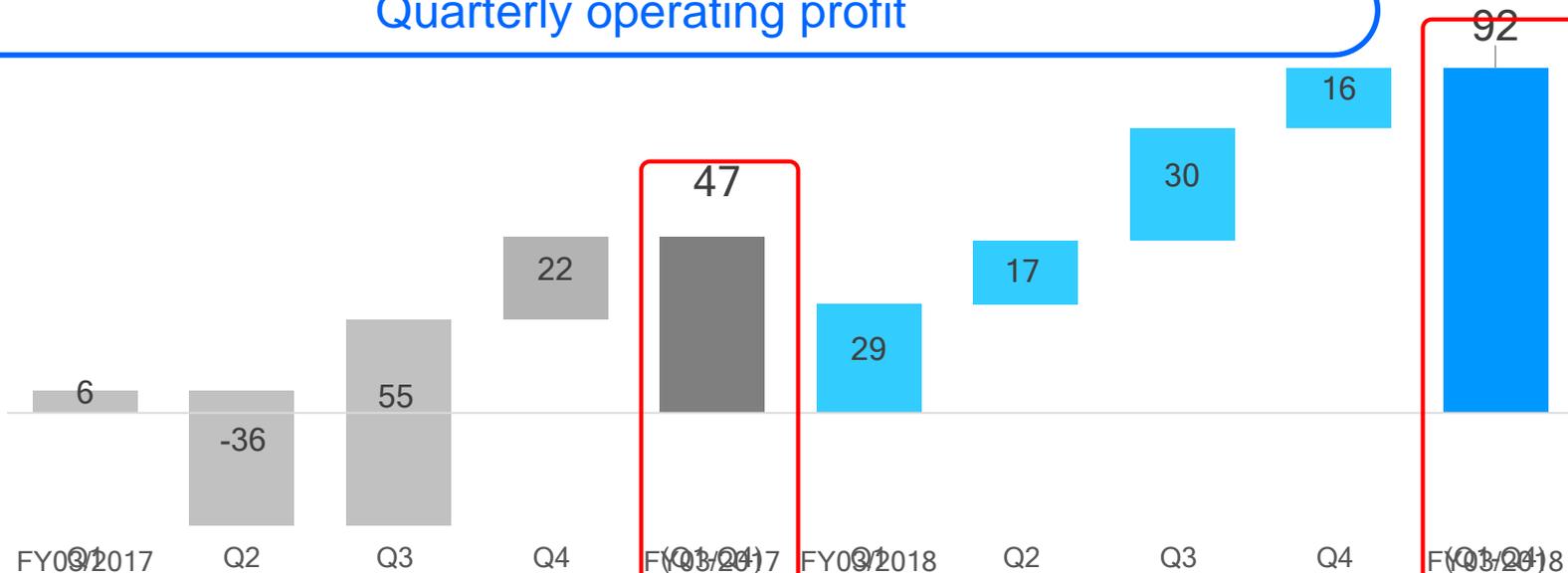
Operating Profit



➤ Generated Profits by Three Financial Businesses

(Unit : in 100 million yen)

Quarterly operating profit



	Q1 FY2017	Q2	Q3	Q4	(Q1-Q4) FY2017	Q1 FY2018	Q2	Q3	Q4	(Q1-Q4) FY2018
Domestic Financial Business (Japan)	11	11	18	15	55	11	13	10	7	41
Financial Business in South Korea	2	6	10	13	31	16	8	6	5	35
Financial Business in Southeast Asia	-6	-54	26	-5	-39	1	-4	13	5	15
Total	6	-36	55	22	47	29	17	30	16	92

3. Performance and Results by Segment

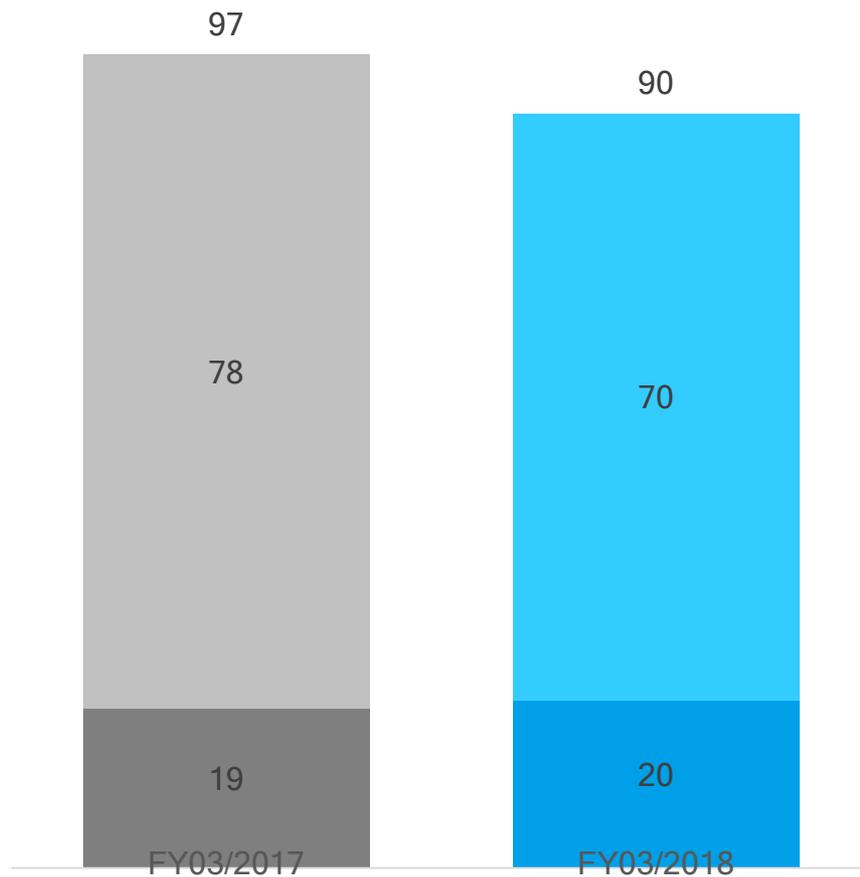
3-1. Domestic Financial Business (Japan)

➤ Stable Profit Margin

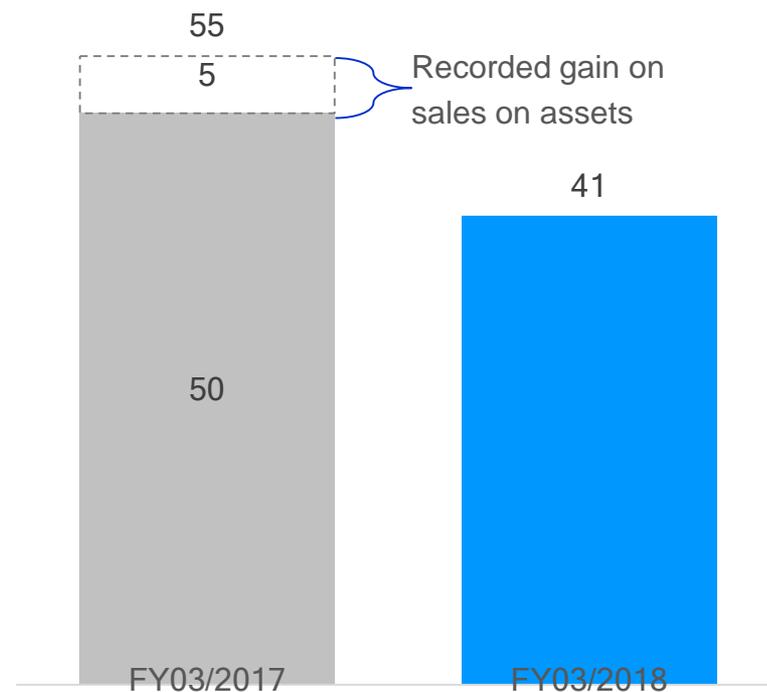
(Unit : in 100 million yen)

Operating Revenue

Lighter color=Servicer Business etc.
Darker color=Credit guarantee business



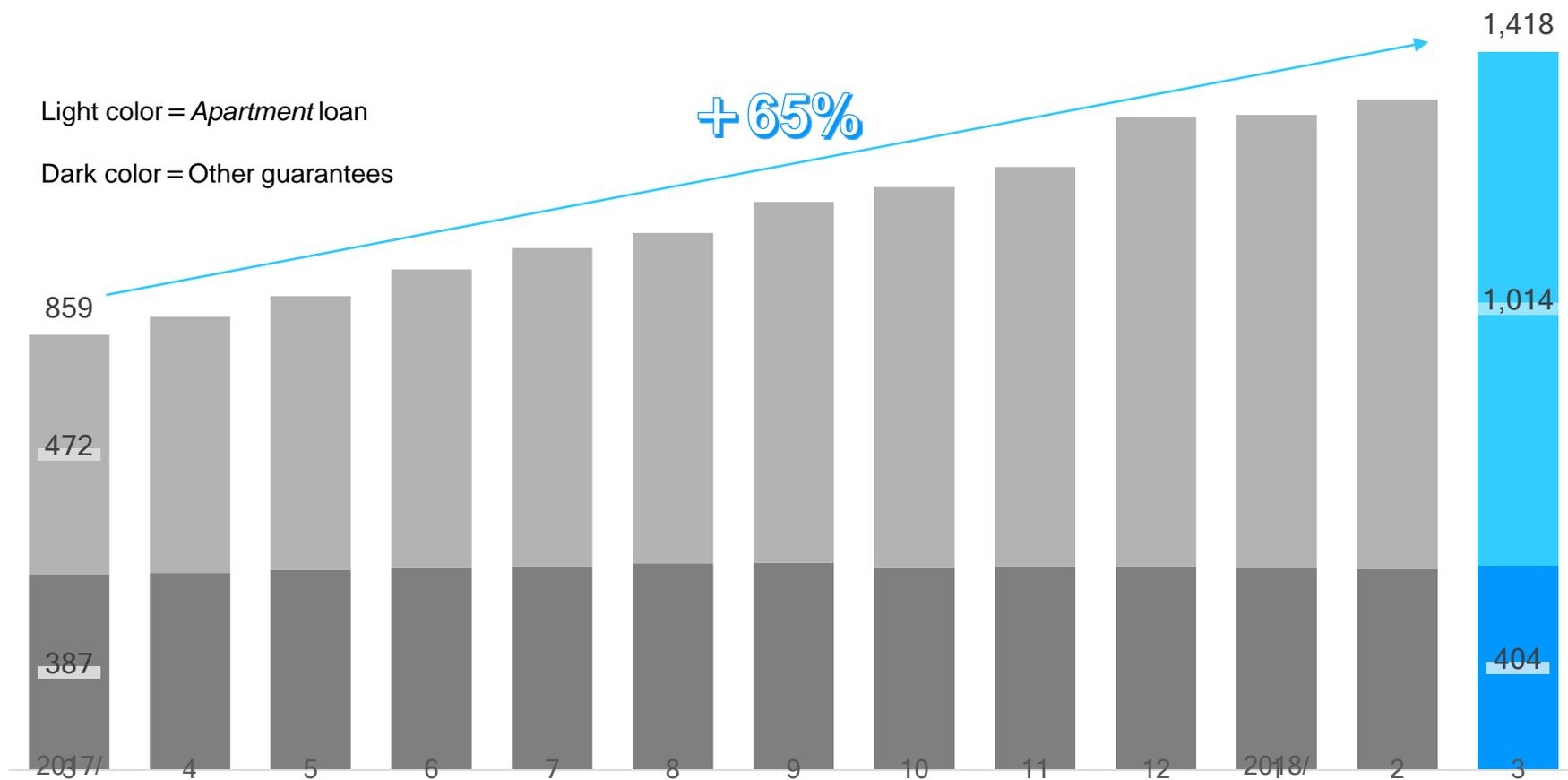
Operating Profit



➤ Exceeded Over 140 billion yen

(Unit : in 100 million yen)

The Amount of Credit Guarantee by Nihon Hoshou



- Accelerate to diversify products
- Increase the number of alliances



8 Financial Institutions are in alliance of credit guarantee (as of the end of Apr. 2018)

- | | |
|---------------|-----------------------------|
| 🏦 SBJ Bank | 🏦 Ehime Bank |
| 🏦 Kagawa Bank | 🏦 Kinki Sangyo Credit Union |
| 🏦 Saikyo Bank | 🏦 Seikyo Credit Union |
| 🏦 Taisho Bank | 🏦 Tokyo Star Bank |

Collaboration Agreement to revitalize local economy with

- | | |
|----------------------|-----------------------|
| 🏠 Odakyu Real Estate | 🏠 Shonan Shinkin Bank |
| 🏠 Keikyu Corporation | |

Launched “Guarantee for Overseas Real Estate Secured Loans” for overseas condominiums etc.



Covered Area

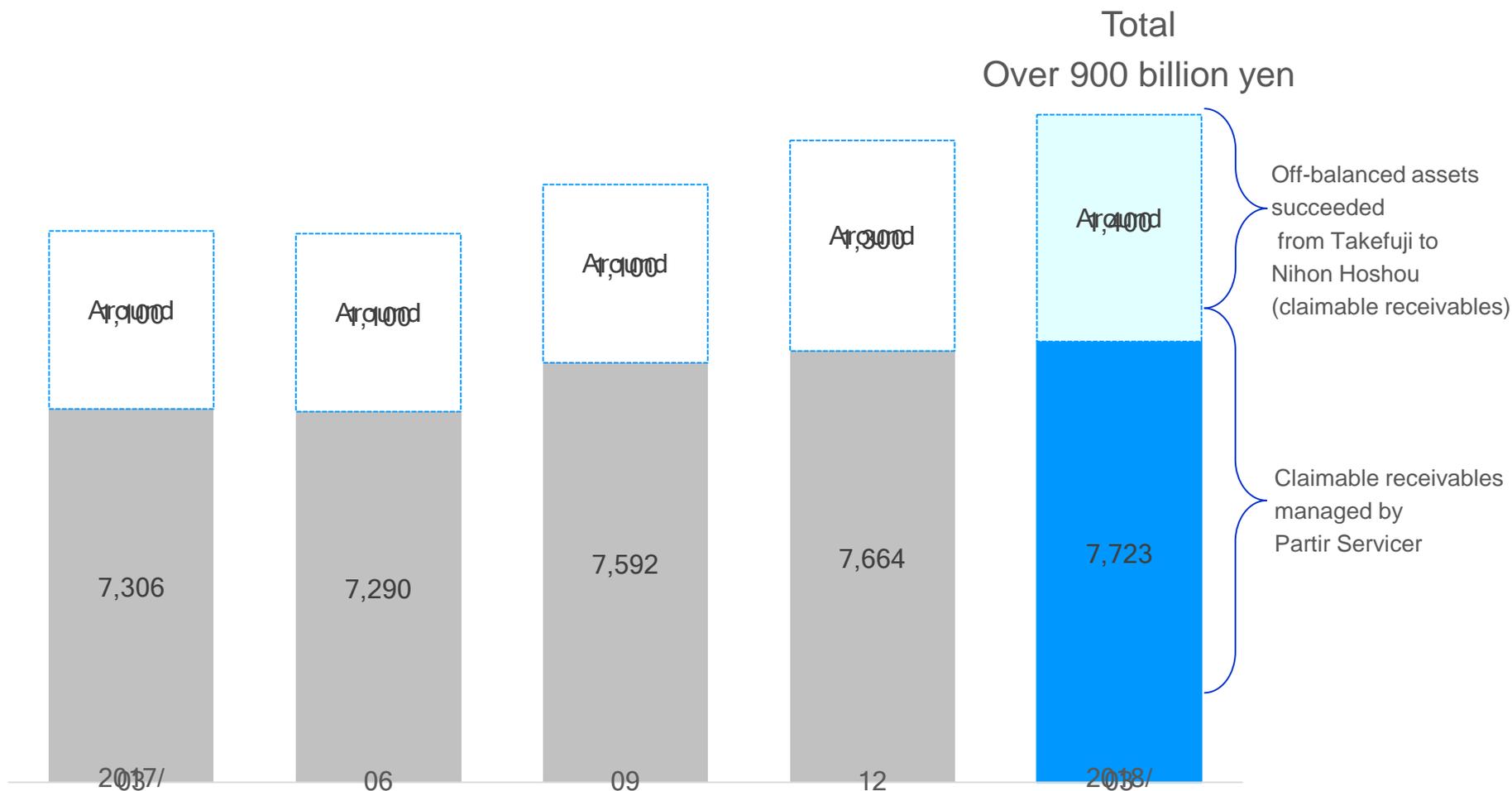
- | | |
|----------|---------|
| 🏠 Hawaii | 🏠 Texas |
|----------|---------|

Expanding the areas in Nevada and California, U.S.

➤ Increasing the amount of Receivables / NPLs

(Unit : in 100 million yen)

The Amount of Receivables - *Service* Business



Claimable receivables includes purchasing and collecting receivables
 Claimable receivables includes some on the balance sheet

3. Performance and Results by Segment

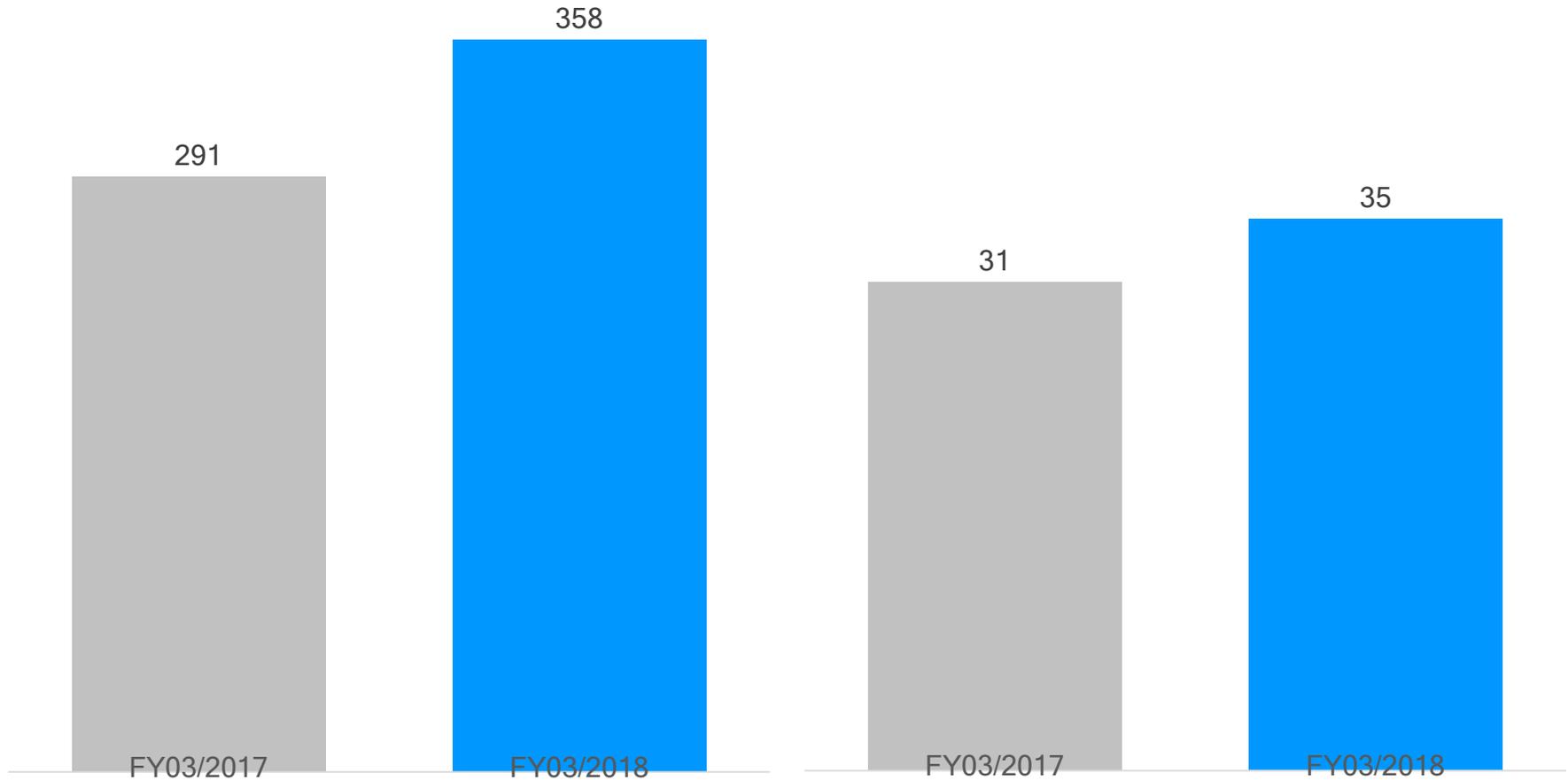
3-2. Financial Business in South Korea

- Operating Revenue increased by 23%
- Operating Profit increased by 13%

(Unit : in 100 million yen)

Operating Revenue

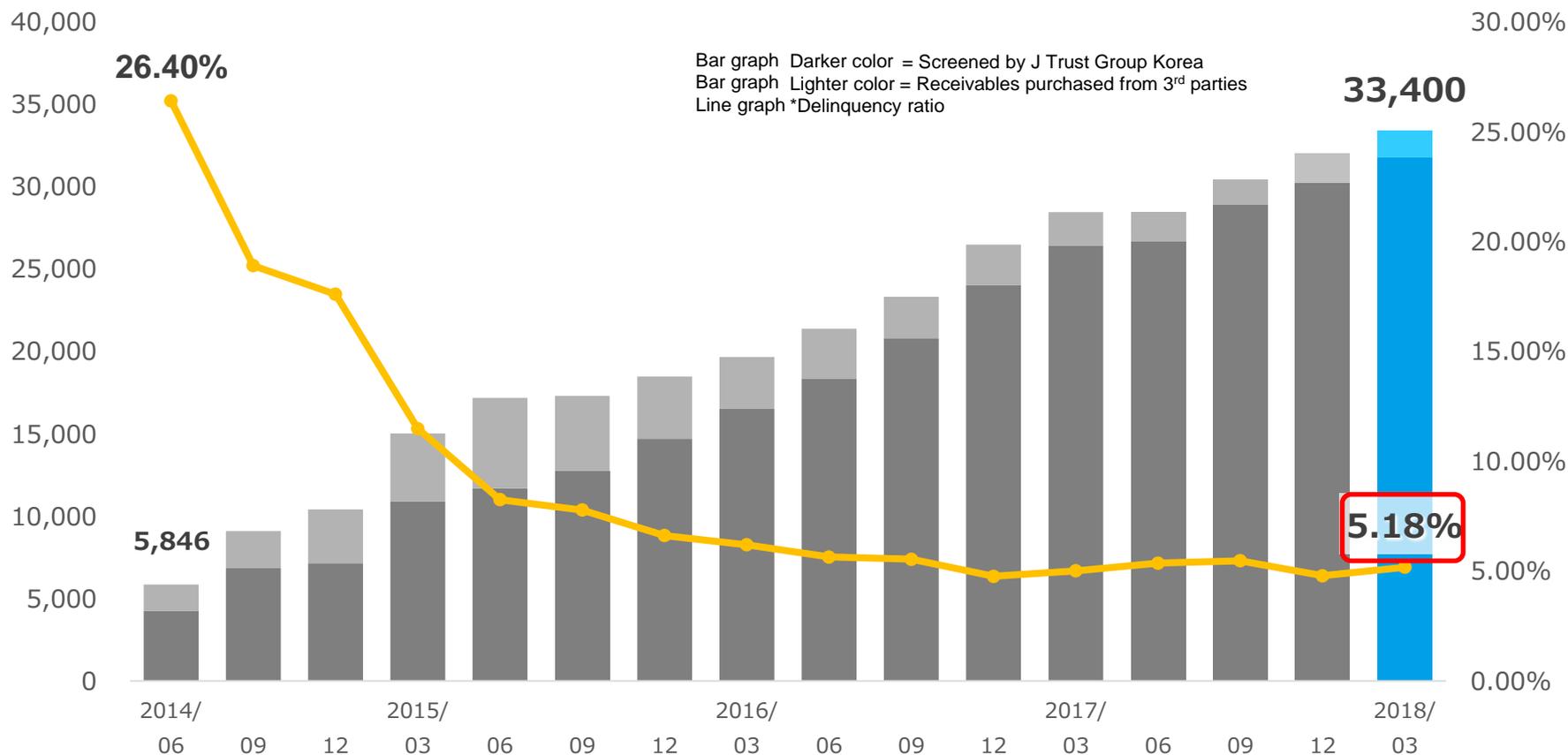
Operating Profit



- Increase in Loan Balance
- Maintain Lower NPL ratio

(Unit: in 100 million won)

Loan balance and NPLs* at Savings Banks / Capital Company



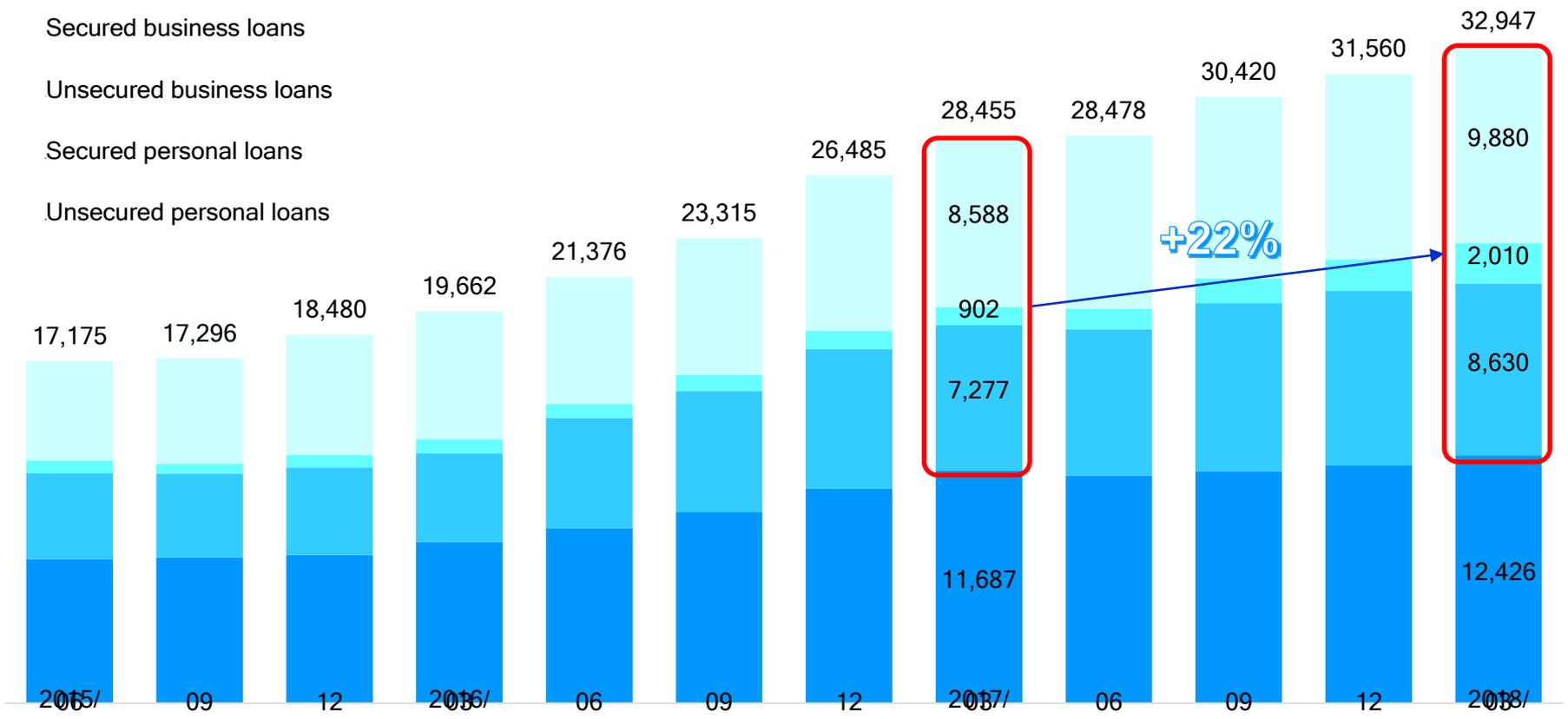
* Reference rate: 1 won=0.0999 yen

* Delinquency ratio = % of loan balance delinquent for 30 days or more

➤ Focus on Secured Lending
e.g. blue-chip companies under tighter regulations

(Unit: in 100 million won)

Loan Balance



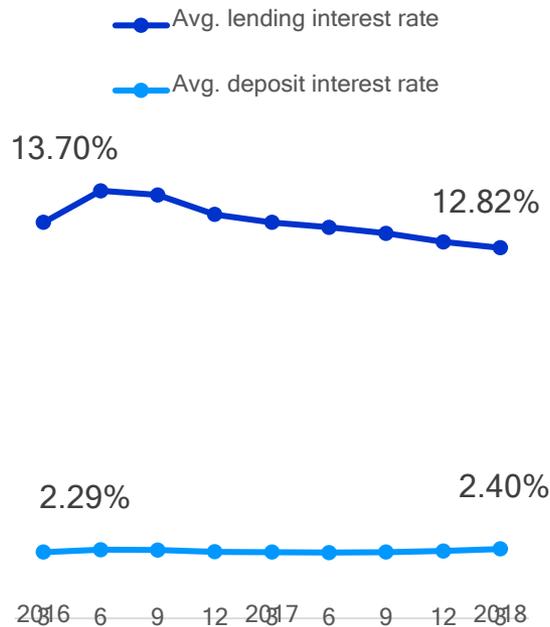
*Reference rate: 1 won=0.0999 yen

➤ Maintain the level of Net Interest Income under tighter regulations

(Unit: in 100 million won)

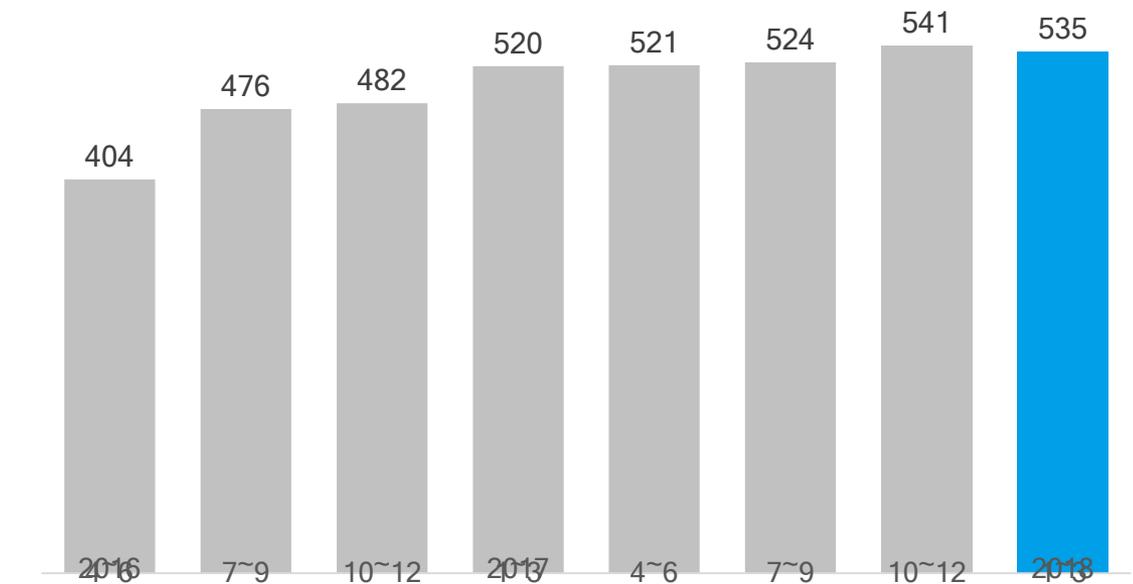
Key Indicators of 2 x Savings Bank

Avg. lending interest rate
Avg. deposit interest rate



Net interest income

(Unit: in 100 million won)



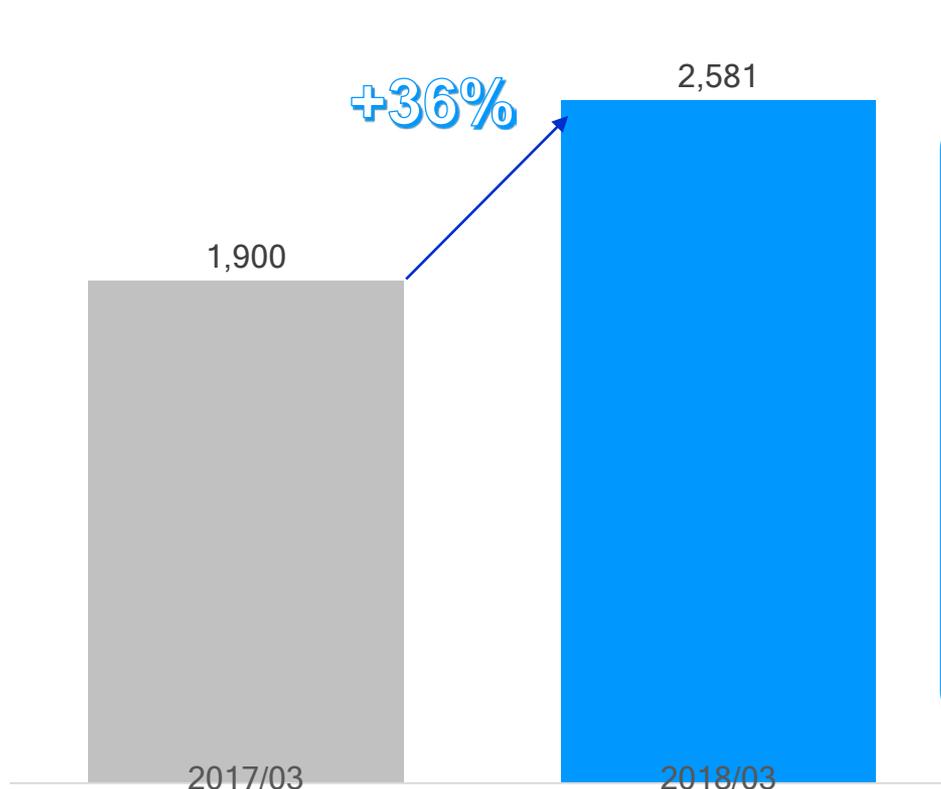
*Reference rate: 1 won=0.0999 yen

➤ Aggressively purchase receivables at *Servicer*

(Unit: in 100 million won)

Claimable receivables in TA Asset Management

Claimable Receivables



IRR
53%



Purchased receivables in FY03/2018

(based on claimable receivables)

Dec. 2017 18.8 bn won (around 2.0 bn yen)

Dec. 2017 16.5 bn won (around 1.7 bn yen)

Jan. 2018 64.5 bn won (around 6.8 bn yen)

3. Performance and Results by Segment

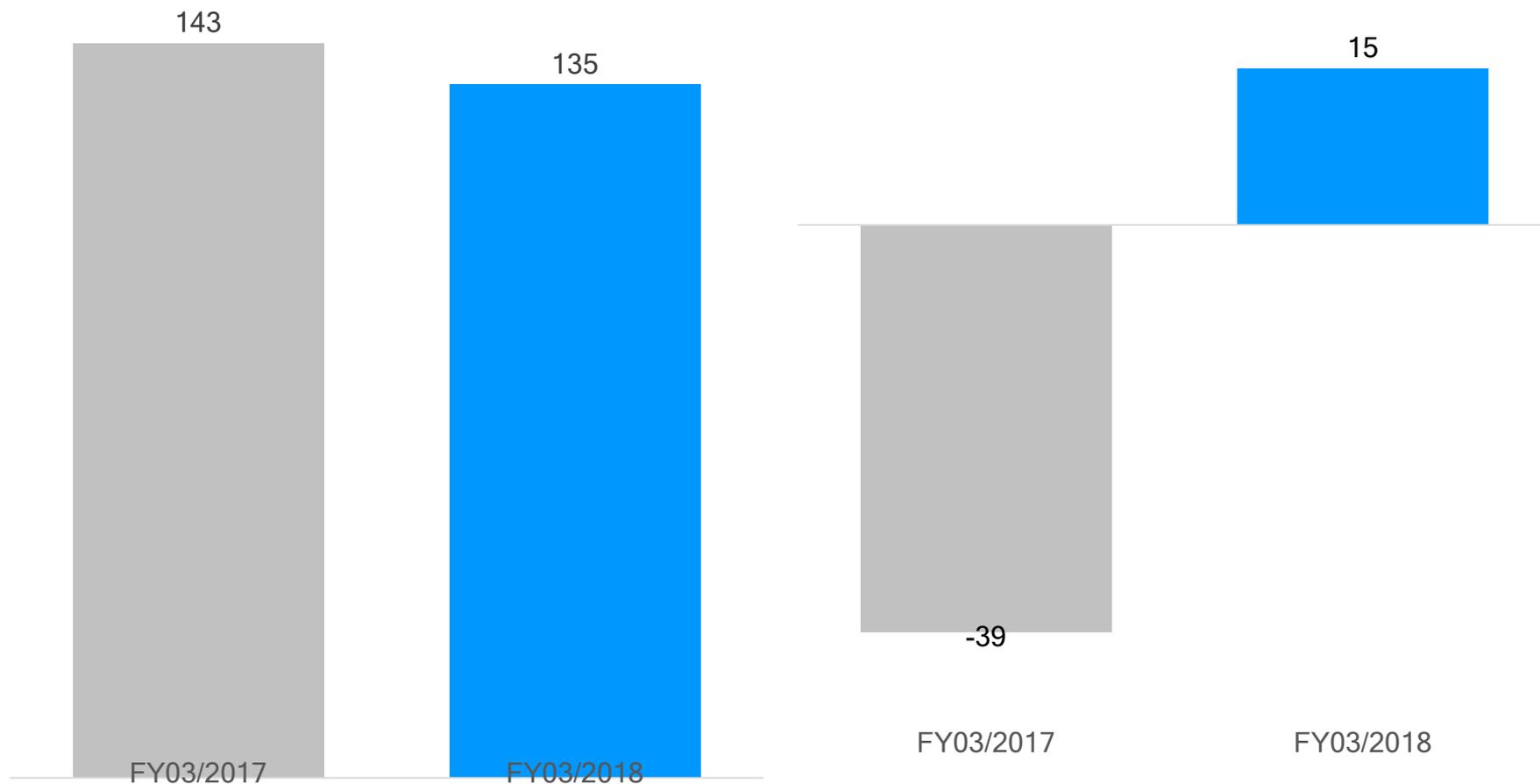
3-3. Financial Business in Southeast Asia

➤ Operating profit increased by 5.4 billion yen

(Unit : in 100 million yen)

Operating Revenue

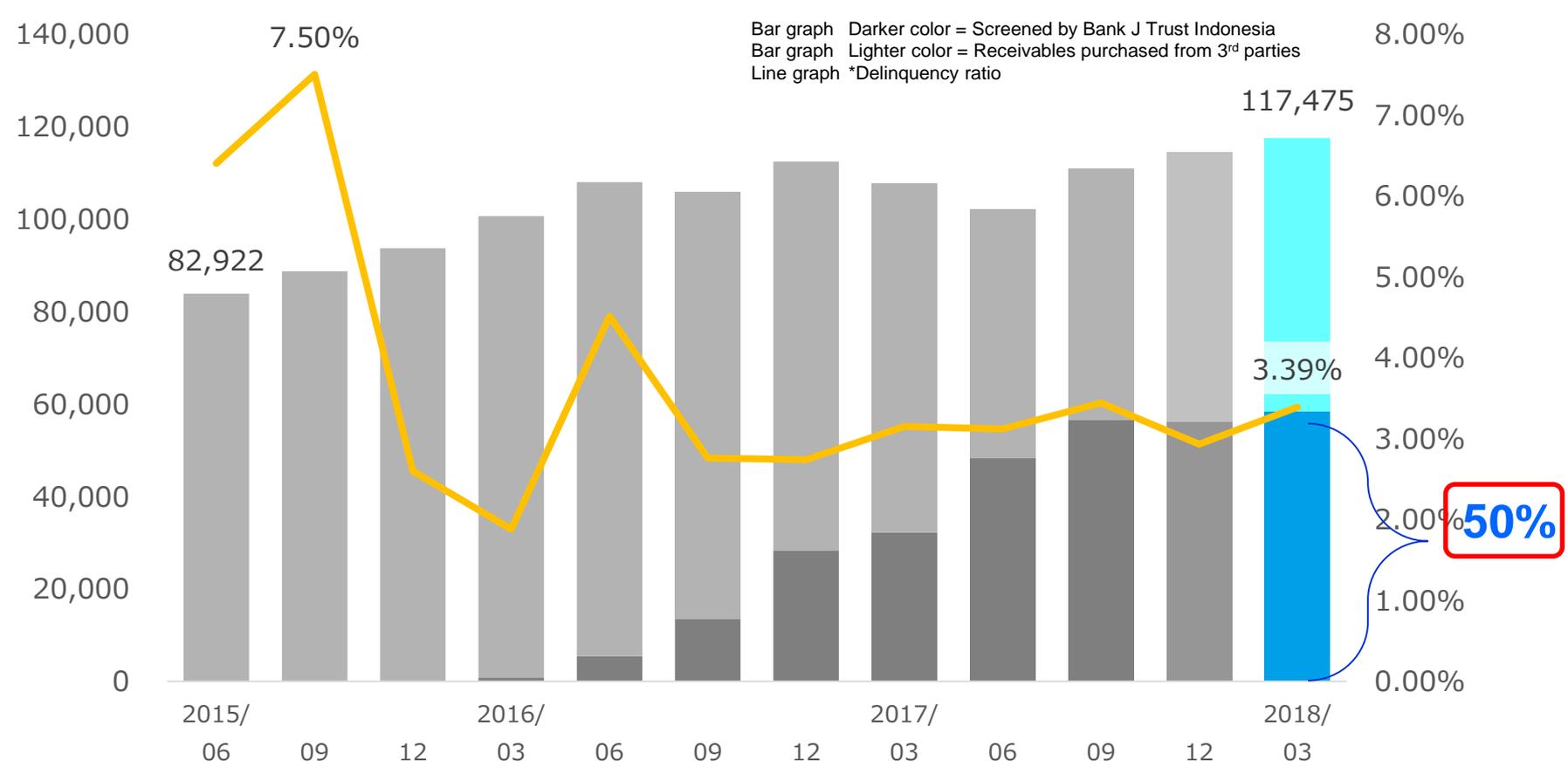
Operating Profit



➤ Increasing Loan Balance under new management team

(Unit: in 100 million rupiah)

J Trust Bank: Loan Balance and NPL ratio



* Reference rate : 1 rupiah = 0.0078 yen

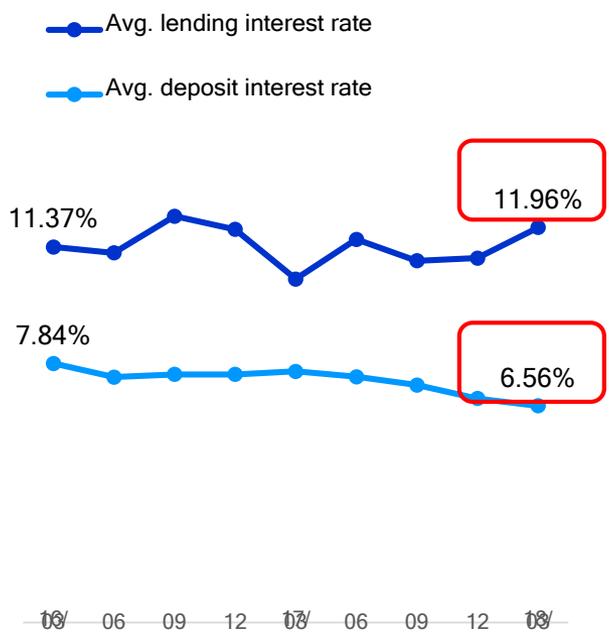
* Delinquency ratio = % of loan balance delinquent for 90 days or more

- Avg. lending interest rate is increasing
- Avg. deposit interest rate is getting lower

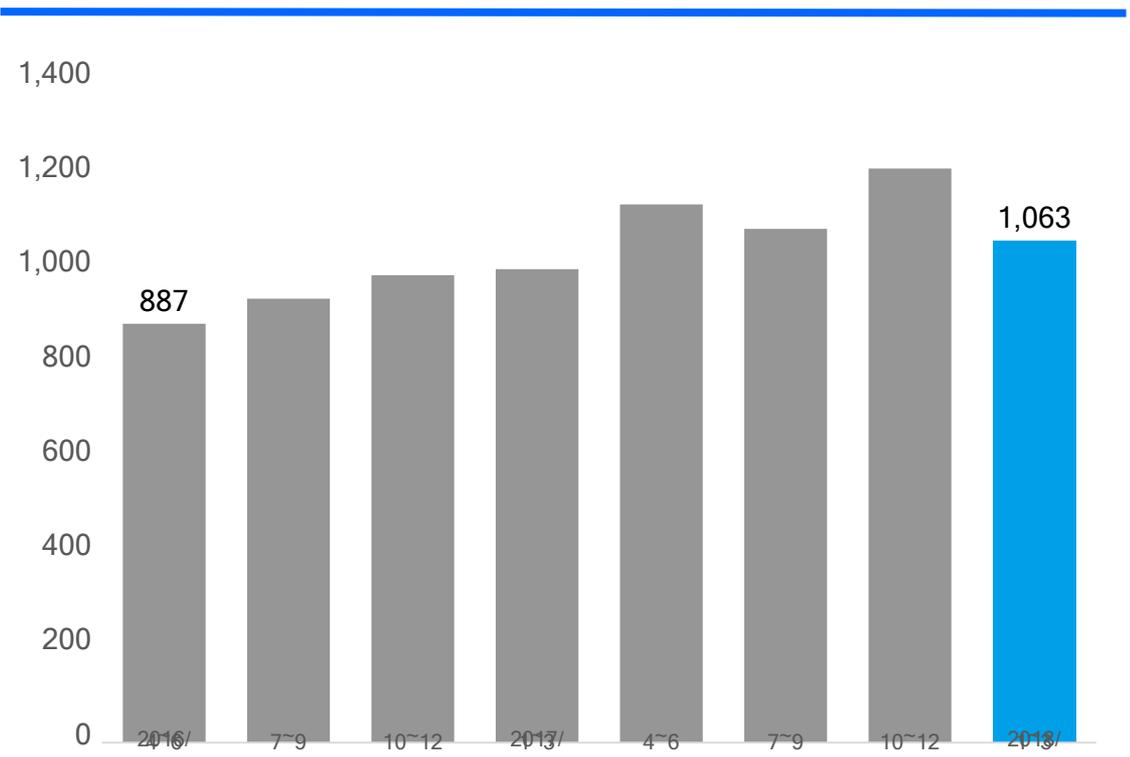
(Unit: in 100 million rupiah)

Key Indicator of J Trust Bank

Avg. lending interest rate
Avg. deposit interest rate



Net interest income



* Reference rate : 1 rupiah=0.0078 yen

- Provide different types of loans with mobile app in a timely manner

attract more customers collaborating with P2P lenders



P2P lending business

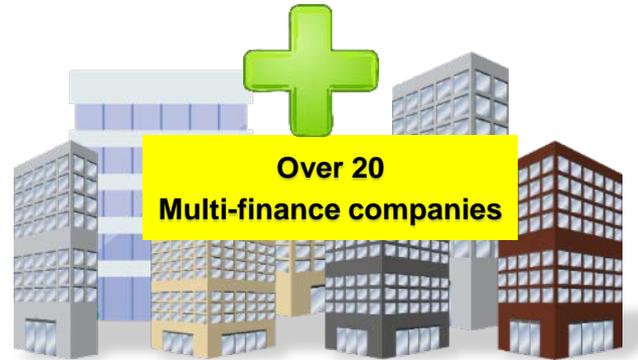
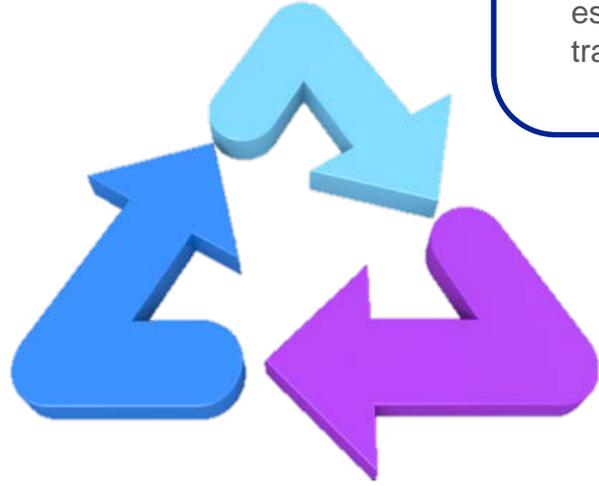
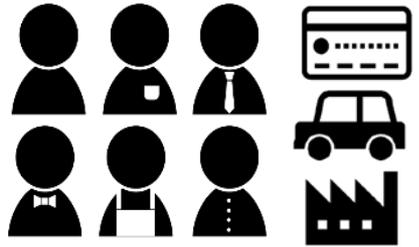


Solusi Finansial Kehidupan Anda



Target for small business, especially the ones who trade online

Able to lend money through mobile app



➤ Acquired 60% shares of Olympindo, a multi-finance company

(Unit : in million yen)

Olympindo's Financial Results



	FY12/2015	FY12/2016	FY12/2017
Net Asset	1,885	2,154	2,337
Total Asset	9,776	13,517	14,328
Operating Revenue	1,703	2,106	2,708
Net Income before tax	140	184	93

* Reference rate : 1 rupiah = 0.007815 yen
Audited figures are updated as of June 28, 2018

3. Performance and Results by Segment

3-4. Non-Financial Business

➤ 1.7 billion yen of operating loss

(Unit : in 100 million yen)

Non-Financial Business

	FY03/2017	FY03/2018	Difference
Operating Revenue	83	88	+5
Operating Profit	-3	-17	-14

Main factor	Keynote	Highlights Entertainment
Operating Revenue	69	18
Operating Expenses / Selling General and Administrative expenses / Miscellaneous Operating Expenses	63	43
Profit by Segment	6	-24

Non-Financial Business= Real Estate Business (Keynote) and General Entertainment Business (Highlights Entertainment)
Excluded results of ADORES from consolidated basis as it has separated from the group on March 26, 2018

➤ 2.8 billion yen of operating loss

(Unit : in 100 million yen)

Investment Business

	FY03/2017	FY03/2018	Difference
Operating Revenue	24	72	+48
Operating Profit	-1	-28	-27

Main factor of loss

Impairment loss on holding shares of GL	64
Loss on exchange	15

4. FY03/2019's Forecast

➤ Preconditions for Consolidated Earnings Forecast

- Impacts of IFRS 9* reflected in the figures. (IFRS 9 is introduced from Q1 FY03/2019)

*FY03/19's forecast is positive even the criteria of provision for doubtful accounts will change

- The exchange rate sets as follows

1 SGD: 82.82 JPY

1 IDR: 0.0086 JPY

1: KRW: 0.092 JPY

- As announced on April 19, 2018, Olympindo is scheduled to become a consolidated subsidiary of the Group at the end of July 2018, however, the impact on the business results is not reflected in this forecast.
- The impact on gains / losses that are normally occur in investment business are not reflected in this forecast.

➤ Consolidated Financial Forecast

(Unit : in 100 million yen)

Consolidated Financial Forecast

	FY03/2018 actual	FY03/2019 forecast
Operating Revenue (Growth Rates)	762	833 (+9%)
Operating Profit (Growth Rates)	23	70 (+204%)
Net Income (changes)	-7	53 (+60)
ROE	-	3.5%
Payout Ratio	-	23.2%

➤ By Segment

(Unit : in 100 million yen)

Consolidated Financial Forecast

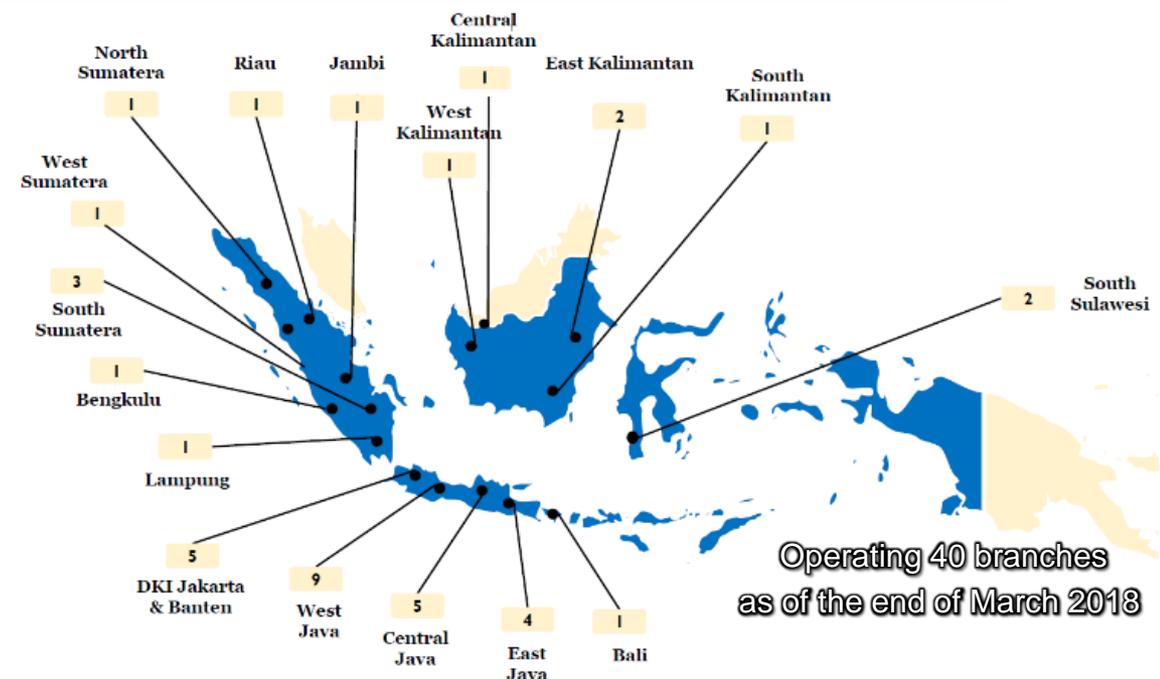
		FY03/2018 Actual	FY03/2019 Forecast
Domestic Financial Business	Operating revenue	90	99
	Operating profit	41	45
Financial Business in South Korea	Operating revenue	358	379
	Operating profit	35	24
Financial Business in Southeast Asia	Operating revenue	135	192
	Operating profit	15	26
Investment Business	Operating revenue	72	12
	Operating profit	-28	5
Others/Consolidation adjustment	Operating revenue	107	151
	Operating profit	-40	-30
Total	Operating revenue	762	833
	Operating profit	23	70

5. Strategies and Initiatives towards the future growth

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

➤ Promote finance in agricultural equipment and microfinance by utilizing Olympindo's branches

Overview of Olympindo



Operating 40 branches as of the end of March 2018



Used car sales are the main business

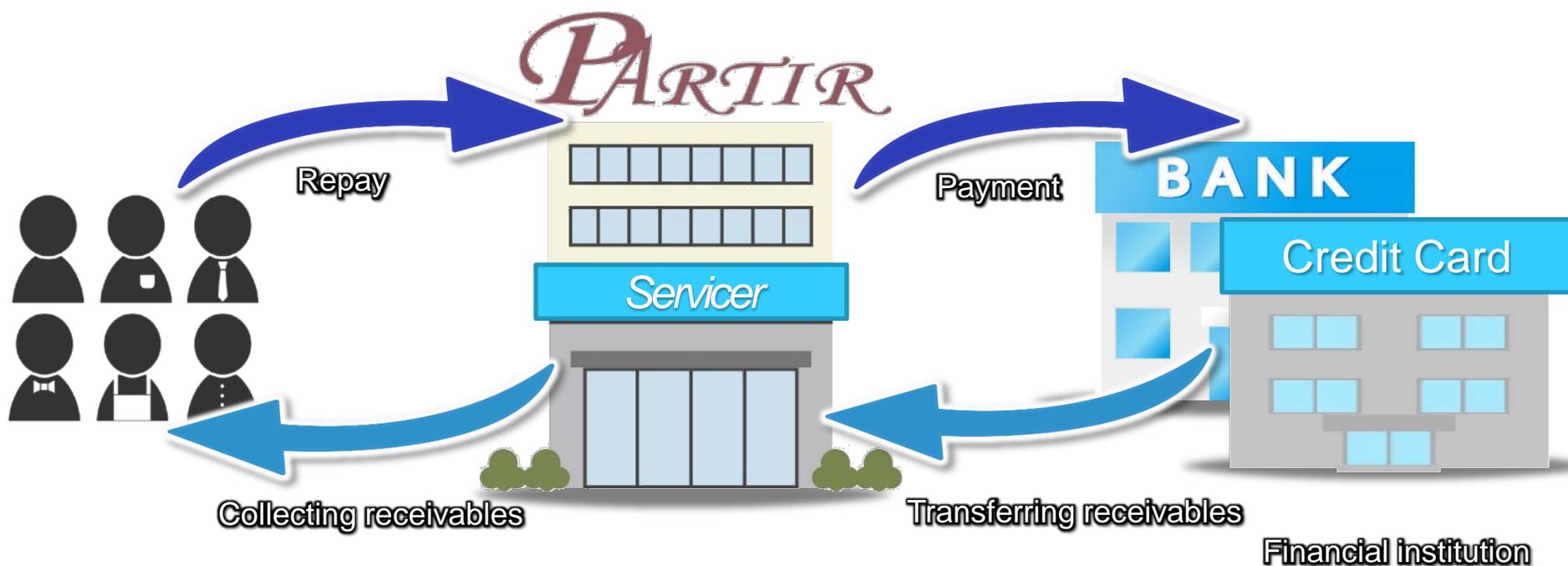


Promote finance in agricultural equipment and microfinance by utilizing Olympindo's branches

➤ Generate Stable Income through *Servicer*

Domestic Financial Business: *Servicer* Business

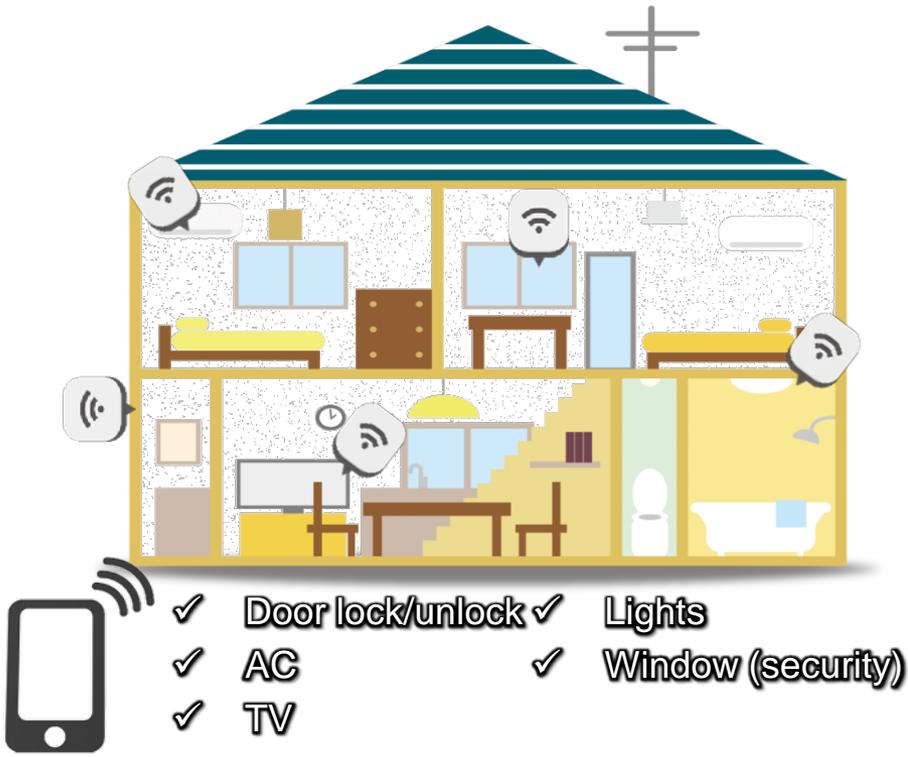
- Off-balanced claim receivables succeeded from Takefuji has increased to 140 billion yen
- Purchasing receivables from major card companies contributed to the profit



➤ Guarantee for Mortgage Loan will create win-win relationships among customers, banks, and Nihon Hoshou

Domestic Financial Business: Credit guarantee business

- Guarantee loans for Smart Apartments (IoT) in Japan
- Maintain high occupancy rate



Guarantee for Mortgage Loan in overseas, which are highly scarce and satisfy the needs of wealthy customers in Japan

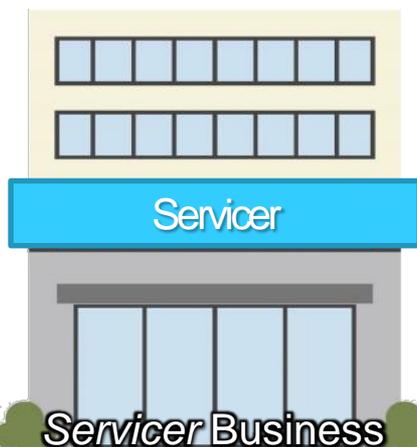


- Business grows even under tighter regulations and introduction of IFRS 9

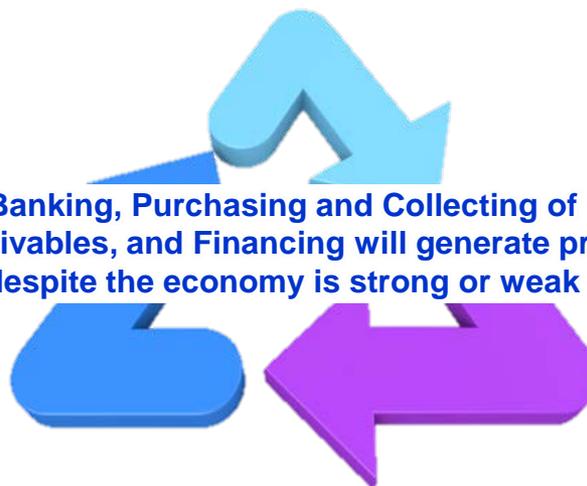
Financial Business in South Korea



-  JT Chinae Savings Bank
-  JT Savings Bank

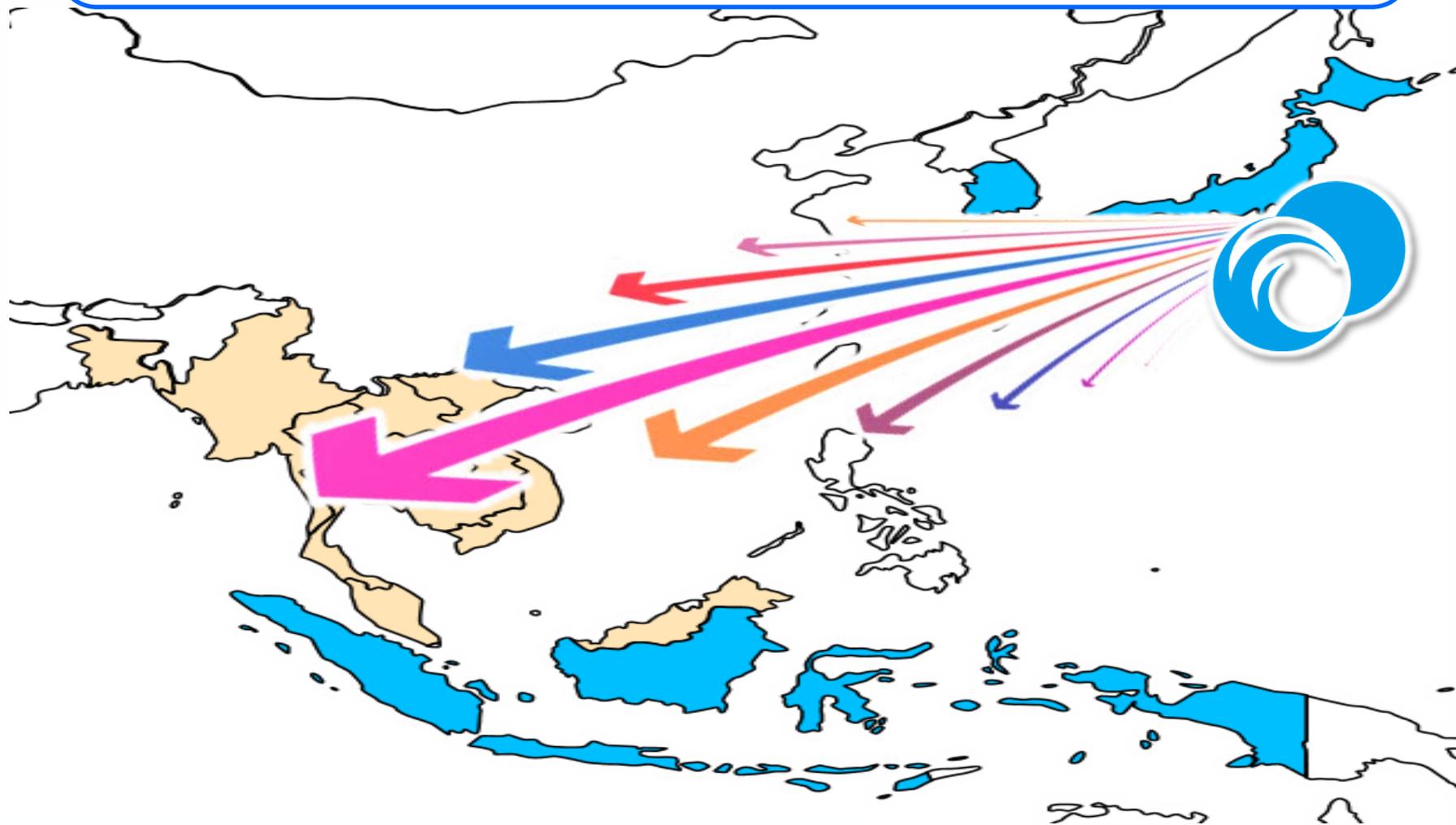


Banking, Purchasing and Collecting of Receivables, and Financing will generate profit despite the economy is strong or weak



➤ Expand Retail Finance in Southeast Asia

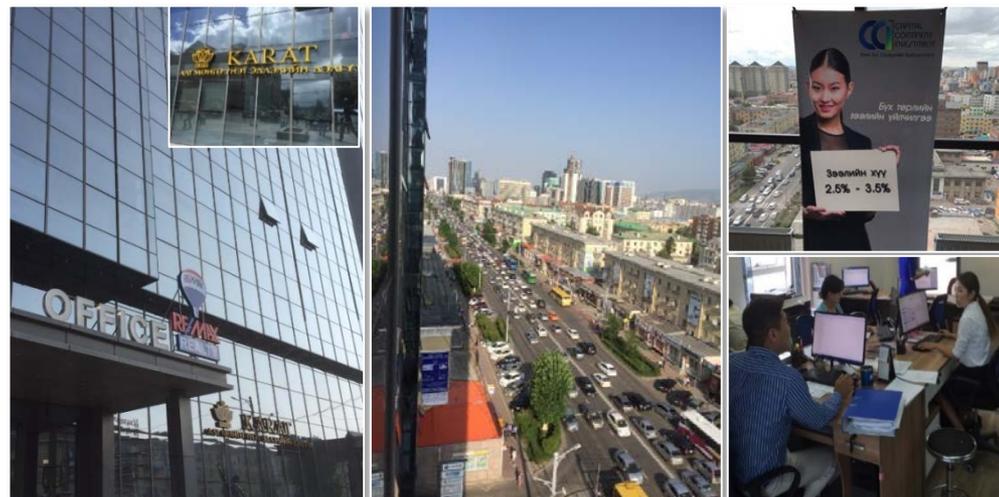
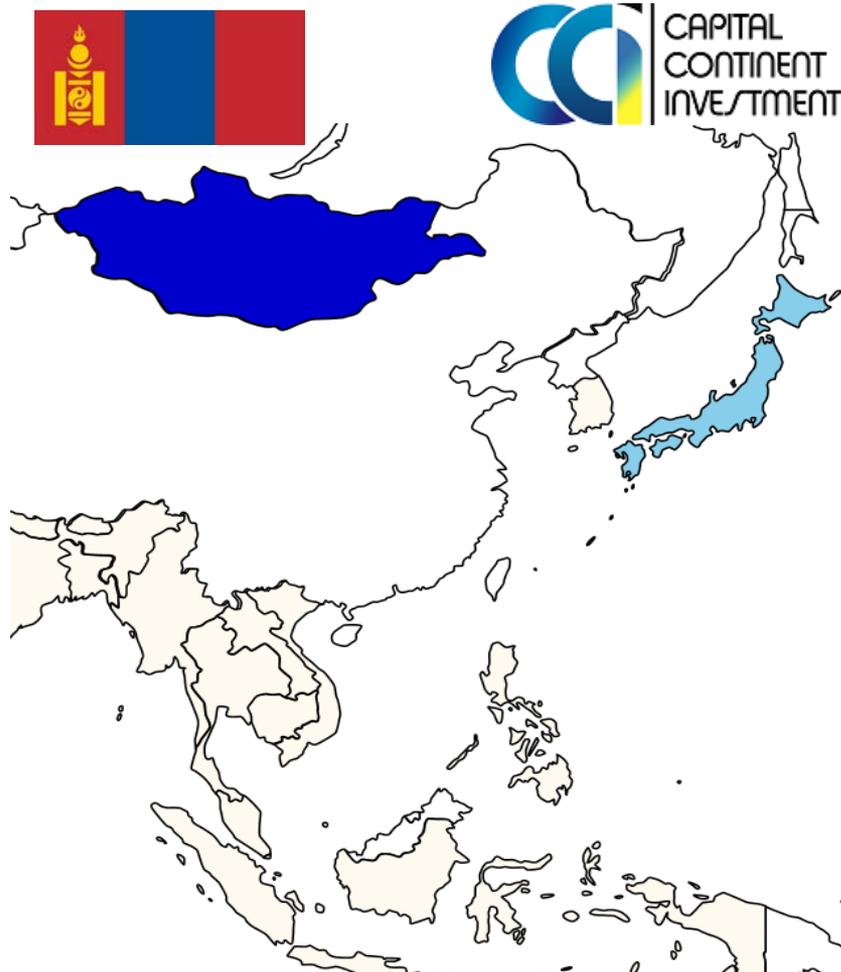
Financial Business in Southeast Asia



➤ Finance Company in Mongolian People's Republic (CCI)

(Unit : in million yen)

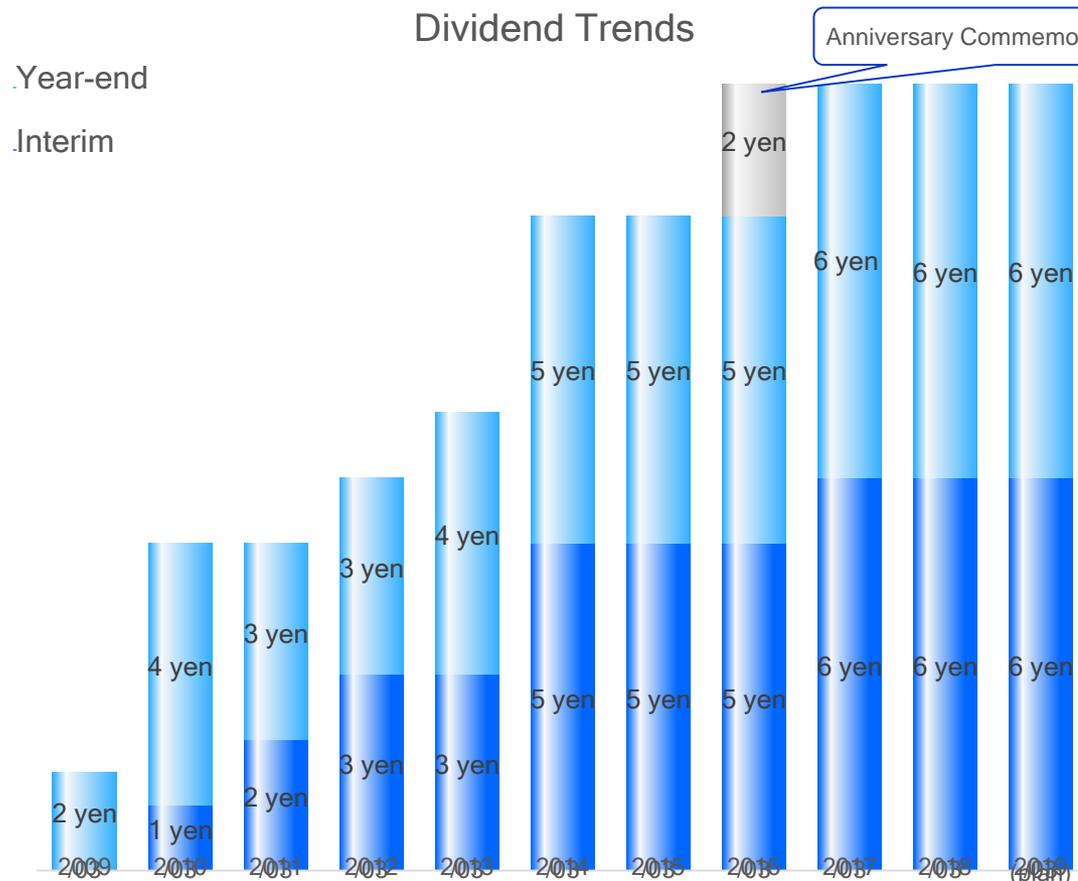
Acquired 100% ownership of Capital Continent Investment NBFI



	FY12/2015	FY12/2016	FY12/2017
Net Assets	35	-62	87
Total Assets	87	604	1,183
Operating Revenue	17	73	201
Profit (Loss) before Tax	8	-95	155

- Dividends are to be paid for 11 consecutive years
- Shareholder Perks are going to be introduced

Dividend and Shareholder Perks



- Worth 2,500 points are offered to shareholders who are listed in the register of shareholders as of June 30 or December 31, starting from FY03/2019.
- On the premise of holding 300 or more shares, the dividend yield is 1.55% and the preferred yield is 2.15%.
The Total: 3.70%

(Calculated at a stock price of 775 yen as of May 11, 2018)



J TRUST