

Consolidated Financial Results for The Six Months Ended September 30, 2014 Supplementary Materials

November 13, 2014

J Trust Co., Ltd.

■ J Trust Group's Key Initiatives

M & A

(International)

➤ M & A in Southeast Asia

- J Trust participated in the public bid process to acquire Indonesia Deposit Insurance Corporation's 99.996% interest in Indonesian commercial bank, PT Bank Mutiara Tbk. J Trust was selected as the successful bidder and signed a conditional share sale and purchase agreement with Indonesia Deposit Insurance Corporation.

- ⇒ The share acquisition is conditional upon the successful completion of certain regulatory procedures including obtaining approval from Financial Services Authority of Indonesia for J Trust to become the major shareholder of Bank Mutiara.

- Indonesia has the largest population in Southeast Asia and its economy is expected to grow at high pace. The Company aims at contributing to the further development of Indonesian economy by advancing its business model in retail finance, responding to demand in retail finance which is increasing along with the increase in personal income, strengthening its presence in Indonesian economy and expanding business.

- Through its subsidiary, JTRUST ASIA, the Group acquired 29.5% share of LCD Global Investments LTD. (Republic of Singapore, listed on Singapore Exchange).

- ⇒ Going forward, through LCD, the Group will conduct real estate business globally which will benefit from growth in population and economy in ASEAN and other countries.

- (i) Aim at obtaining know-how in real estate development and hotel management in ASEAN whose economy and population is expected to grow at high pace and establishing them as the profit base for the next stage

- (ii) Establish strategic operational alliance with LCD and contribute to the expansion of LCD's business by utilizing the Group's know-how and network in amusement business and real estate business

➤ M & A in South Korea

- J Trust's subsidiary, ADORES subscribed to the third party allotment by JB Amusement (listed on KOSDAQ) which is engaged in casino business through its subsidiary, agreed to establish collaborative relationship and signed agreement.

- ⇒ Going forward, we will advance collaboration through the acquisition etc. of know-how on casino business, generate synergy which leverages both parties' strength and aim at improvement of added value in amusement business and expansion of business.

Business Restructuring

(International)

➤ Transfer of business between subsidiaries in South Korea

- In August 2014, loan business of HICAPITAL, KJI and Neoline Credit have been transferred to Chinae Savings Bank.

- ⇒ Going forward, Chinae Savings Bank will specialize in lending, three consumer finance companies in South Korea will specialize in purchase and collection of NPL.

- (i) Funding for business operation changes from high interest rate borrowing (three consumer finance companies in South Korea) to deposit at low interest rate (Chinae Savings Bank) and it will improve profit structure.

- (ii) Balance of loans receivable will expand by leveraging client base of three consumer finance companies in South Korea and it will enable us to pursue the scale merit.

- (iii) We will be able to respond to wide range of customer demands by provision of low interest rate loans and improvement in convenience.

***The Six Months
Ended September 30, 2014
Overview of Consolidated
Financial Results***

Overview of Consolidated Financial Results for the Six Months Ended September 30, 2014

■ YOY Comparison of Consolidated Financial Results (cumulative)

Unit: million yen

	September 2013 (Cumulative)		September 2014 (Cumulative)		YOY Change	YOY, %	Major factors behind change	
	Result	%	Result	%				
Operating revenue	28,845	100.0	31,979	100.0	3,134	10.9	+	<ul style="list-style-type: none"> • Increase in operating revenue by banking business due to the transfer of loan business from subsidiaries to Chinae Savings Bank • Increase in interest income since P/L of KJI and HICAPITAL were included in consolidated P/L from the beginning of the fiscal year • At Keynote, the completion and delivery of property was carried over from the previous fiscal year due to the hike in demand prior to the increase of consumption tax and it boosted the sales in real estate business
							-	<ul style="list-style-type: none"> • Installment payment paying for commission decreased due to the decline in advances paid-installment balance. Other financial revenue decreased due to the relatively slow progress in collection. • Sales on amusement business declined due to store closure and hike in consumption tax
Operating expenses	12,426	43.1	14,442	45.2	2,016	16.2	+	<ul style="list-style-type: none"> • Operating expenses in banking business increased since Chinae Savings Bank recorded loss on sales of loans receivables caused by sales of NPL
Operating gross profit	16,419	56.9	17,536	54.8	1,117	6.8		
SG & A	14,187	49.2	20,169	63.1	5,982	42.2	+	<ul style="list-style-type: none"> • Expenses related to bad debt increased due to increase in provision for loss on interest repayment at KC Card. Following temporary factors also resulted in increase in expenses related to bad debt. Consolidation of KJI and HICAPITAL, increase in provision for doubtful account at Chinae Savings Bank due to disposal of NPL
Operating income	2,232	7.7	▲ 2,632	▲ 8.2	▲ 4,864	—		
Ordinary income	1,661	5.8	▲ 2,459	▲ 7.7	▲ 4,121	—	+	<ul style="list-style-type: none"> • J Trust recorded expense related to rights offering during the previous fiscal year
							-	<ul style="list-style-type: none"> • Decrease in operating income
Net income	1,144	4.0	▲ 3,754	▲ 11.7	▲ 4,898	—	-	<ul style="list-style-type: none"> • Decrease in ordinary income • Chinae Savings Bank recorded extraordinary loss due to impairment loss of goodwill etc.

Overview of Consolidated Financial Results for the Six Months Ended September 30, 2014

■YOY Comparison of Operating Revenue and Operating Income (consolidated, cumulative) by Business Segment

Unit: million yen

		September 2013 (Cumulative)	September 2014 (Cumulative)	YOY change	YOY, %	Main factors behind the change
Financial business	Operating revenue	12,243	10,162	▲ 2,081	▲ 17.0	Installment payment paying for commission and interest income decreased due to the decrease in balance of advances paid-installment and operating loans receivable in Japan. Other financial revenue decreased due to the relatively slow progress in collection.
	Operating income	3,884	810	▲ 3,073	▲ 79.1	In addition to the decrease in operating revenue, SG & A increased due to the increase in provision for loss on interest repayment at KC Card etc.
Real estate business	Operating revenue	2,035	3,472	1,437	70.6	Completion and delivery of property was carried over from the previous fiscal year due to the hike in demand prior to the increase of consumption tax and sales from real estate was firm. With the sign of over supply, the effort to secure and maintain the appropriate level of inventory improved gross margin ratio and operating income increased.
	Operating income	149	358	208	139.4	
Amusement business	Operating revenue	8,763	7,697	▲ 1,066	▲ 12.2	Although active advancement of marketing/branding activities helped with supporting unit price per customer and number of customer, it was not enough to supplement the effect of slowdown in personal consumption due to hike in consumption tax. Operating revenue and income decreased.
	Operating income	788	399	▲ 389	▲ 49.4	
International business	Operating revenue	5,102	9,817	4,715	92.4	Operating revenue in banking business increased due to the transfer of loan business from subsidiaries to Chinae Savings Bank. P/L of KJI and HICAPITAL which were acquired at the end of previous fiscal year was included in consolidated P/L from this fiscal year. Change in scope of consolidation increased interest income which resulted in increase in operating revenue.
	Operating income	▲ 1,510	▲ 3,318	▲ 1,808	—	Temporary factors such as consolidation of KJI and HICAPITAL, increase in provision for doubtful account due to disposal of NPL at Chinae Savings Bank, recording of loss on sale of loans receivable as operating expenses in banking business due to the disposal of NPL at Chinae Savings Bank resulted in decrease in operating income.
Other business	Operating revenue	1,289	1,320	31	2.4	
	Operating income	▲ 35	35	71	—	
Total	Operating revenue	29,435	32,471	3,036	10.3	
	Operating income	3,276	▲ 1,714	▲ 4,991	—	
Elimination or corporate	Operating revenue	▲ 590	▲ 492	98	—	
	Operating income	▲ 1,044	▲ 918	126	—	
Consolidation	Operating revenue	28,845	31,979	3,134	10.9	
	Operating income	2,232	▲ 2,632	▲ 4,864	—	

***Changes in Key Consolidated
Management Indices
and Other Figures (Quarterly)***

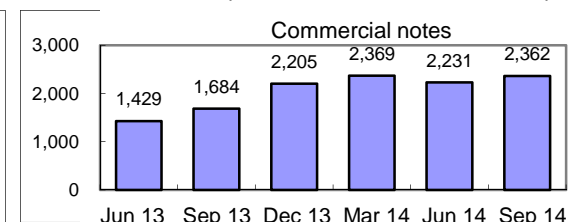
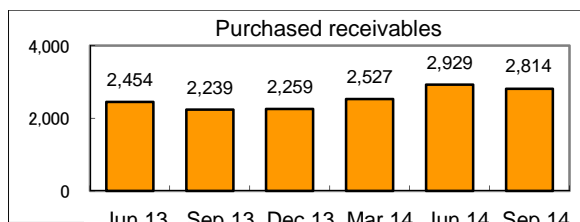
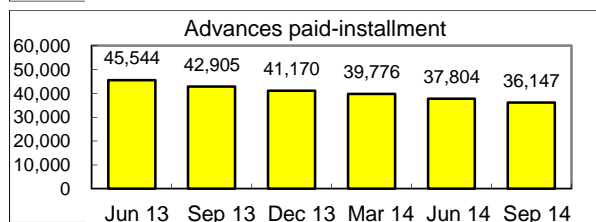
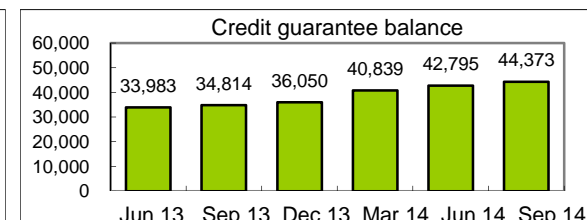
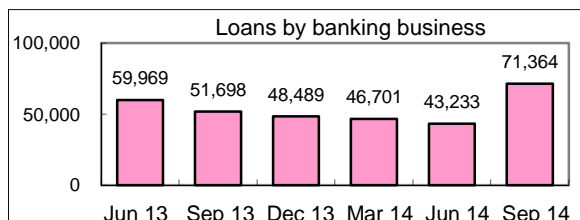
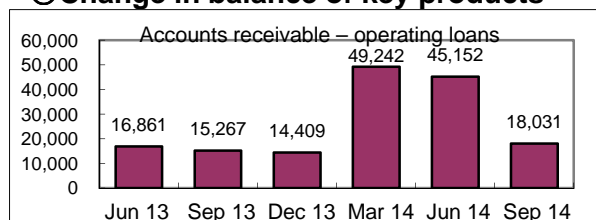
Change in Key Consolidated Management Indices and Other Figures (Quarterly)

■ Balance by Product

Unit: million yen

	Dec 2012	Mar 2013	Jun 2013	Sep 2013	Dec 2013	Mar 2014	Jun 2014	Sep 2014
Commercial notes	2,037	1,656	1,429	1,684	2,205	2,369	2,231	2,362
Accounts receivable – operating loans	20,241	18,227	16,861	15,267	14,409	49,242	45,152	18,031
Loans by banking business	22,517	48,210	59,969	51,698	48,489	46,701	43,233	71,364
Advances paid-installment	51,756	48,133	45,544	42,905	41,170	39,776	37,804	36,147
Purchased receivables	2,482	2,529	2,454	2,239	2,259	2,527	2,929	2,814
L/T operating loans receivable	5,837	4,686	4,153	3,110	2,769	3,951	4,220	3,616
Credit guarantee balance	33,235	33,194	33,983	34,814	36,050	40,839	42,795	44,373

◎Change in balance of key products



1. Accounts receivable – operating loans increased due to the acquisition of KJI and HICAPITAL in March 2014 in South Korea. It decreased due to the transfer of loan business of three subsidiaries including Neoline Credit to Chinae Savings Bank in August 2014.
2. Loans by banking business increased due to assumption of partial asset from Mirae Savings Bank by Chinae Savings Bank and loan transfer from Solomon Savings Bank and HK Savings Bank. Collection of loans and provision for loss, slowdown in new lending owing to the limitation of marketing activity affected by credit card information leak at competitor and sale of NPL resulted in decrease. However, the transfer of loan business from subsidiaries in August 2014 increased the balance.
3. The Group aims at increasing credit guarantee balance by forming partnership with 10 regional financial institutions by October 2014.
4. At KC Card, shopping balance stays at the same level but cash advance keeps decreasing. The total balance of advances paid-installment is on decline.
5. The balance of purchased receivable is on increase due to the proactive purchase of new receivables which supplements decrease caused by collection.
6. The balance of commercial notes is increasing with expansion of credit line at partnered financial institutions.

Changes in Key Consolidated Management Indices and Other Figures (Quarterly)



■ Allowance for Doubtful Accounts etc.

Unit: million yen

Allowance for doubtful accounts	Dec 2012	Mar 2013	Jun 2013	Sep 2013	Dec 2013	Mar 2014	Jun 2014	Sep 2014
Balance of NPL (a)	14,361	15,387	17,679	18,471	18,410	27,413	24,089	24,292
Allowance for doubtful accounts(b)	9,400	9,195	10,838	9,996	11,422	11,684	10,814	12,510
Allowance rate against NPL (b)/(a)	65.5%	59.8%	61.3%	54.1%	62.0%	42.6%	44.9%	51.5%
Allowance against advances paid-installment	6,981	5,861	5,085	4,292	3,537	3,005	2,781	2,588
Other allowance for doubtful accounts	999	986	934	885	1,406	1,465	1,355	1,348

- For secured loans and guaranteed loans, the estimated realizable value from disposal of collateral and the estimated realizable value guaranteed is subtracted from the loan balance. Allowance for doubtful account is calculated based on the remaining balance taking the financial condition and result of the obligor into consideration. Other allowance for doubtful accounts is provided for purchased receivable, subrogation receivable, membership, investment and other asset.

Provision for loss on interest repayment

Provision for loss on interest repayment	8,856	8,438	8,145	7,593	7,388	6,833	6,463	6,555
Provision for loss on interest repayment against advances paid-installment	11,727	10,738	9,304	8,544	7,723	6,605	6,065	5,686

Provision for loss on guarantees

Credit guarantee balance (c)	33,235	33,194	33,983	34,814	36,050	40,839	42,795	44,373
Unsecured	16,634	16,458	16,293	16,506	16,853	21,007	22,055	22,718
Secured	16,600	16,735	17,689	18,308	19,196	19,832	20,740	21,654
Provision for loss on credit guarantees (d)	459	590	524	497	457	441	431	453
Provision rate against credit guarantee balance (d)/(c)	1.4%	1.8%	1.5%	1.4%	1.3%	1.1%	1.0%	1.0%
Provision for contingent liabilities of subsidiaries*	3,335	3,427	3,513	3,578	—	—	—	—

* Provision for contingent liabilities at subsidiaries was reversed when the Group completed full-repayment of borrowings etc. to RCC during the quarter ended December 2013.

- Allowance rate against NPL remained at high level due to increase in NPL caused by loan transfer at Chinae Savings Bank in South Korea and recording of additional allowance for more than expected increase in debt rehabilitation, credit recovery and delinquency. During the quarter ended March 2014, the method to record allowance for doubtful accounts was changed to the one based on historical data and this resulted in decrease in allowance rate against NPL. During the quarter ended September 2014, Chinae Savings Bank recorded additional allowance for doubtful account to deal with NPL. This is the temporary recording of loss for future turnaround.
- Provision for loss on interest repayment is recorded in consideration of expected claims based on the latest figure of excess. The provision decreased slightly due to the stabilization in number and amount of refund claims.
- During the quarter ended September 2011, KC Card was included in scope of consolidation. Allowance for doubtful account against advances paid-installment and provision for loss on interest repayment were recorded to prepare for the loss from bad debt. The aforementioned allowance decreased in line with the decrease in advances paid-installment balance.
- Regarding provision for loss on guarantees, the Company has expanded tie-up financial institution network and increased balance mainly in credit guarantee for unsecured loans. On the other hand, the Company tried to increase credit guarantee balance of secured loans whose risk is relatively low compared with unsecured loans. As a result, the allowance ratio against credit guarantee balance decreased.

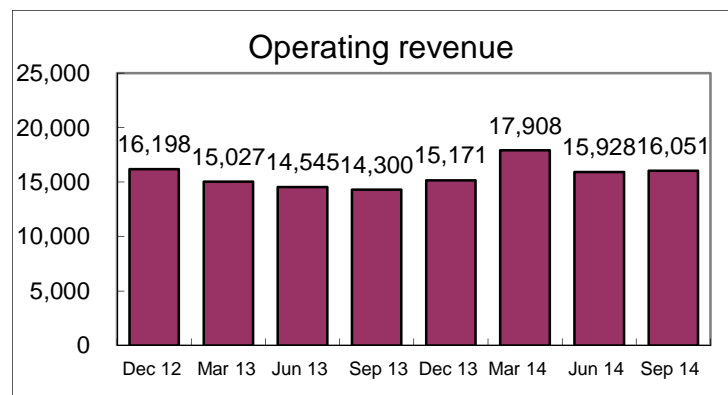
Changes in Key Consolidated Management Indices (Quarterly)

■ Operating Revenue

Unit: million yen

	FY2013			FY2014					FY2015	
	Dec 2012	Mar 2013	Cumulative	Jun 2013	Sep 2013	Dec 2013	Mar 2014	Cumulative	Jun 2014	Sep 2014
Discount revenue	42	45	190	36	37	43	65	183	48	46
Interest on loans	1,285	978	5,123	892	788	680	693	3,054	3,043	937
Collection from purchased receivables	593	708	2,403	616	677	762	961	3,018	710	701
Installment payment paying for commission	2,440	2,177	10,016	2,046	1,923	1,833	1,659	7,463	1,622	1,548
Guarantee commission received	431	543	1,751	546	555	561	713	2,377	650	665
Other financial revenue	2,751	917	6,868	708	598	519	1,264	3,091	309	273
Gain on bad debts recovered	1,843	1,663	6,634	1,247	1,139	1,189	1,559	5,135	1,174	1,169
Sales on real estate business	1,064	1,305	4,285	703	1,326	1,835	1,103	4,970	1,846	1,626
Sales on amusement business	4,475	4,354	13,484	4,222	4,493	3,947	3,846	16,510	3,631	4,054
Completed work (design/construction)	655	559	1,339	490	15	525	341	1,372	132	438
Operating revenue of banking business*		1,222	1,222	2,431	2,200	2,622	5,137	12,392	2,194	4,084
Other	616	551	2,364	601	542	650	561	2,356	564	503
Operating revenue	16,198	15,027	55,683	14,545	14,300	15,171	17,908	61,926	15,928	16,051

* Since Chinae Savings Bank started savings bank business from October 2012, the operating revenue of banking business is shown separately from quarter ended March 2013.



Solid operating revenue

Main breakdown is as follows.

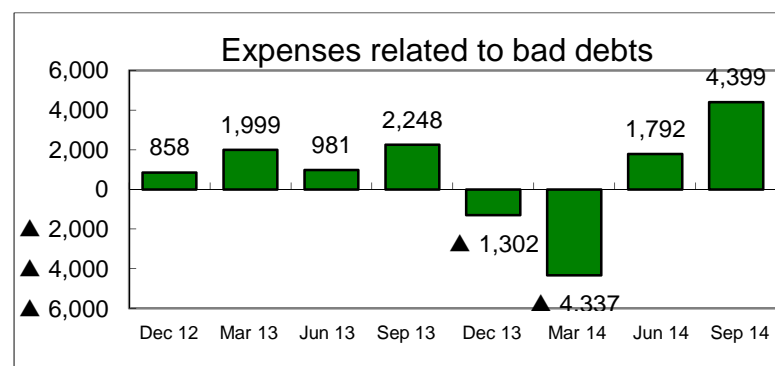
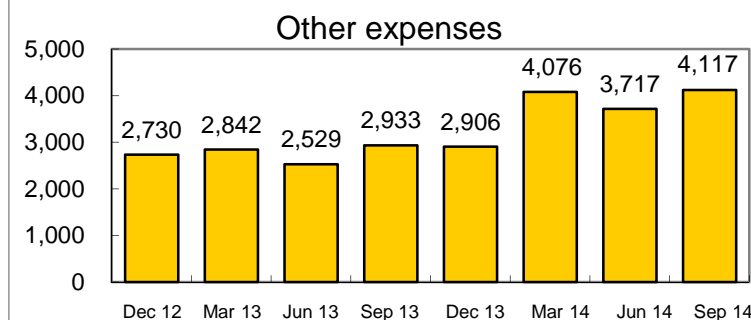
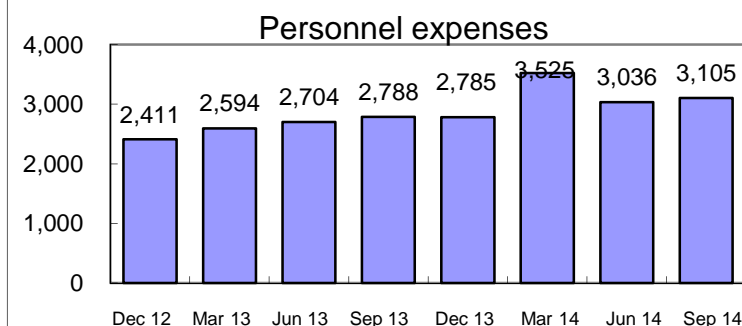
1. Interest income increased by including KJI and HICAPITAL in scope of P/L consolidation from the quarter ended June 2014. However, it decreased due to the transfer of loan business to Chinae Savings Bank during the quarter ended September 2014. Other financial revenue increased owing to the transfer of partial loans of Takefuji during the quarter ended March 2014. The overall other financial revenue decreased due to the decline in collection. Additionally, gain on bad debts recovered decreased but stays at similar level recently.
2. As for installment payment paying for commission, although change in shopping balance is flat, cash advance keeps declining. The total is on decrease.
3. Quarterly operating revenue of banking business changes depending on change in loans receivable due to the increase at Chinae Savings Bank through loan transfer, decrease due to collection and sale of loans. During the quarter ended September 2014, the operating revenue of banking business increased by transfer of loan business from subsidiaries. The drastic increase during the quarter ended March 2014 was due to the addition of consolidation period by 3 months caused by revision of accounting period.
4. Sales on amusement business was steady due to consolidation of ADORES and BREAK from the quarter ended September 2012. Recently, the sales is on decline affected by increase of consumption tax and the surge in popularity of free social games etc.
5. Sales on real estate business is starting to recover.

Changes in Key Consolidated Management Indices (Quarterly)

■ Selling, General and Administrative Expenses

Unit: million yen

	FY2013			FY2014					FY2015	
	Dec 2012	Mar 2013	Cumulative	Jun 2013	Sep 2013	Dec 2013	Mar 2014	Cumulative	Jun 2014	Sep 2014
Personnel expenses	2,411	2,594	9,349	2,704	2,788	2,785	3,525	11,804	3,036	3,105
Other expenses	2,730	2,842	9,802	2,529	2,933	2,906	4,076	12,446	3,717	4,117
Expenses related to bad debts	858	1,999	3,740	981	2,248	▲ 1,302	▲ 4,337	▲ 2,409	1,792	4,399
Selling, General and Administrative expenses	6,001	7,437	22,892	6,216	7,970	4,389	3,264	21,841	8,546	11,622



“Expenses related to bad debts”

During the quarter ended March 2014, the method to calculate allowance for doubtful account has been changed to the one based on the historical data at Chinae Savings Bank. This resulted in decrease in provision for doubtful account and led to significant decline in expenses related to bad debts. However, the expenses related to bad debts increased due to following factors. During the quarter ended September 2014, provision for loss on interest repayment at KC Card increased. Following temporary factors resulted in increase in expenses related to bad debt. P/L of KJI and HICAPITAL was included in consolidated statement starting from the quarter ended June 2014 and provision for doubtful account increased due to the disposal of NPL at Chinae Savings Bank.

“Personnel expenses and other expenses”

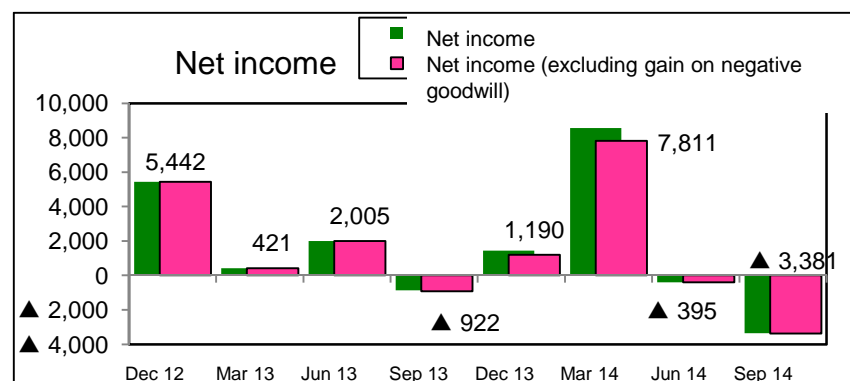
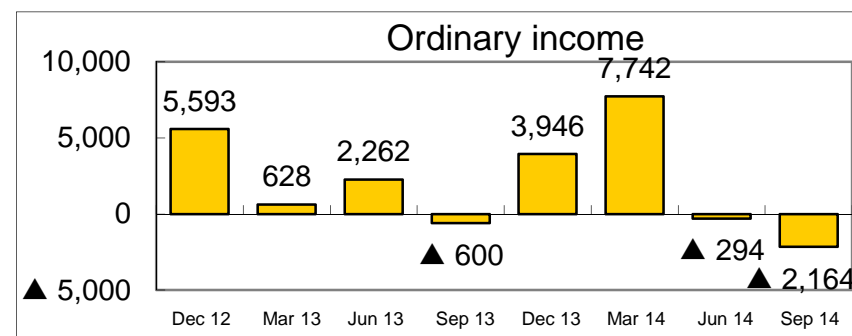
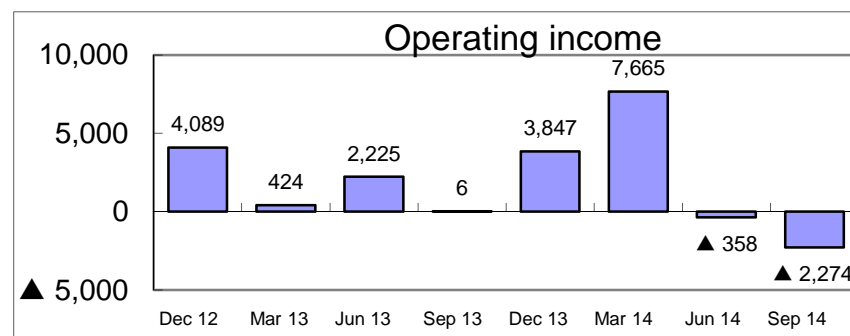
These expenses increased during the quarter ended March 2014 since the consolidation period for Chinae Savings Bank increased by 3 months due to change in accounting period. Overall, these expenses increased gradually along with expansion of the Group's business.

Changes in Key Consolidated Management Indices (Quarterly)

■ Quarterly Consolidated Results

Unit: million yen

	FY2013			FY2014					FY2015	
	Dec 2012	Mar 2013	Cumulative	Jun 2013	Sep 2013	Dec 2013	Mar 2014	Cumulative	Jun 2014	Sep 2014
Operating income	4,089	424	12,005	2,225	6	3,847	7,665	13,745	▲ 358	▲ 2,274
Ordinary income	5,593	628	13,704	2,262	▲ 600	3,946	7,742	13,351	▲ 294	▲ 2,164
Net income	5,442	421	13,309	2,005	▲ 861	1,441	8,560	11,145	▲ 395	▲ 3,359
Gain on negative goodwill	—	—	294	—	60	251	748	1,060	—	22
Excluding gain on negative goodwill	5,442	421	13,014	2,005	▲ 922	1,190	7,811	10,085	▲ 395	▲ 3,381



During the current quarter, operating income, ordinary income and net income declined. Main factors are as follows.

Decline in installment payment paying for commission, other financial revenue and sales on amusement business was negative factor for operating revenue. On the other hand, increase in interest on loans, operating revenue of banking business and sales on real estate business contributed to increase in operating revenue. However, due to following reasons, the Company recorded decrease in operating income, ordinary income and net income.

1. Expenses related to bad debts increased (increase in provision for loss on interest repayment at KC Card, temporary factors such as inclusion of KJI and HICAPITAL in consolidated P/L statement and increase in provision for doubtful account due to disposal of NPL at Chinae Savings Bank).
2. Chinae Savings Bank recorded loss on sale of NPL as operating expenses in banking business.
3. Chinae Savings Bank recorded impairment loss of goodwill.

Changes in Key Consolidated Management Indices and Other Figures



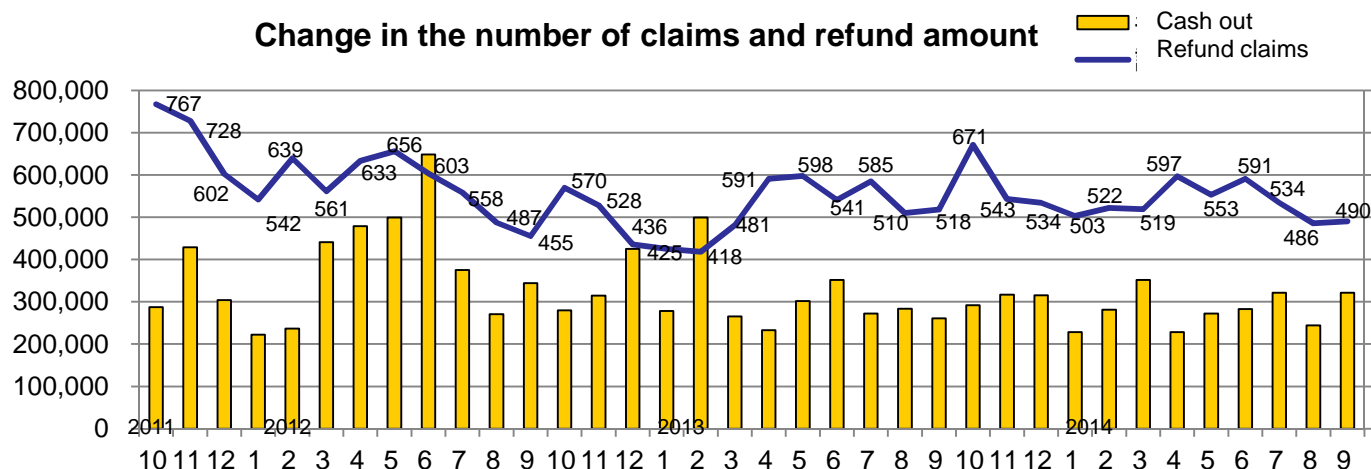
■ Cash Out Amount etc. Due to Interest Refund Claims

Unit: cases, thousand yen

	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012
No. of claims	767	728	602	542	639	561	633	656	603	558	487	455
YOY	51.9%	38.7%	18.3%	19.6%	10.9%	▲5.1%	40.7%	83.8%	36.7%	73.3%	▲38.6%	▲40.3%
Cash out	287,401	429,263	303,902	222,316	236,405	441,019	479,082	498,907	648,290	375,019	270,622	343,812

	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013
No. of claims	570	528	436	425	418	481	591	598	541	585	510	518
YOY	▲25.7%	▲27.5%	▲27.6%	▲21.6%	▲34.6%	▲14.3%	▲6.6%	▲8.8%	▲10.3%	4.8%	4.7%	13.8%
Cash out	280,099	314,408	424,735	278,221	499,200	265,434	232,533	301,858	351,328	272,207	283,809	260,768

	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014
No. of claims	671	543	534	503	522	519	597	553	591	534	486	490
YOY	17.7%	2.8%	22.5%	18.4%	24.9%	7.9%	1.0%	▲7.5%	9.2%	▲8.7%	▲4.7%	▲5.4%
Cash out	291,590	316,592	315,596	228,321	280,992	351,843	228,222	272,040	282,802	321,240	244,395	321,177



Regarding refund claims, law firm which handles refund claims is contacting potential customers in countryside who completely paid off the balance. The outlook remains uncertain but the increase is limited, starting to decrease YOY.
The cash out amount had increased due to a temporary increase in the number of voluntary settlement as the Company prompted voluntary settlement aiming at early settlement since quarter ended March 2012. However, the situation has calmed down and recently the amount remains at similar level.

The Group disclosed that part of KC Card's business which is mainly operated under the name of "KC Card" will be assumed by a new company through absorption-type company split and all the shares of the new company will be transferred effective January 5, 2015. The new business will assume some of overpayment loans. For reference, the below shows **the number of refund claims and cash out amount excluding figure for KC Card over the past 12 months.**

	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014
No. of claims	225	146	139	134	160	149	152	157	167	166	144	155
Cash out	47,653	46,458	68,978	51,430	55,074	57,936	55,306	53,312	51,052	50,763	30,579	52,209

***Progress with Consolidated Financial
Forecast for FY2015***

Consolidated Financial Forecast for FY2015 (April 1, 2014 – March 31, 2015)



Unit: million yen

	FY2014 (full year)		FY2015 (full year)		1 st Half of FY2015		Progress (%)
	Result	%	Forecast	%	Result	%	
Operating revenue	61,926	100.0	69,291	100.0	31,979	100.0	46.2
Operating income	13,745	22.2	2,656	3.8	▲2,632	—	—
Ordinary income	13,351	21.6	2,738	4.0	▲2,459	—	—
Net income	11,145	18.0	11,239	16.2	▲3,754	—	—

The Group deals with structural reform through M & A and business restructuring to establish foundation for the future growth. This fiscal year is considered the time to build the foundation. Therefore, the operating expenses increased temporarily during the current fiscal year while the reform is under way and operating income and ordinary income are expected to decline significantly.

During the 1st half of FY2015, Chinae Savings Bank recorded loss on sale of NPL and additional provision for doubtful account to prepare for sale and write off of NPL. These are temporary recording of loss in view of turnaround and we expect the steady progress in improvement in profit structure. Since recording of expenses took place ahead of improvement in profit, operating income, ordinary income and net income declined. These are in line with our plan toward achievement of financial forecast disclosed on August 13, 2014.

The Group expects improvement in financial result through following measures.

1. Various M & A to expand business

Acquisition of shares of Standard Chartered Capital (Korea) and Standard Chartered Savings Bank Korea

2. Improvement in profit structure through business restructuring

Transfer the “KC Card” brand to Yahoo Japan and SoftBank Payment Service and rebuild the Group’s credit card business centering around NUCS

In South Korea, loan business of Neoline Credit, KJI and HICAPITAL was transferred to Chinae Savings Bank

We expect to secure net income exceeding the last fiscal year with the expected recording of gain on negative goodwill realized from acquisition stated in 1. Therefore, the consolidated financial forecast for the fiscal year ending March 31, 2015 has not been changed from the forecast disclosed on August 13, 2014.

Please note that any information contained in this document pertaining to future financial performance etc. is based on the information currently available to the Company and certain other premises judged to be reasonable, and that the Company makes no undertaking to guarantee the achievement of the said performance. Given the circumstances where the Company intends to expand business through proactive M&A and purchase of accounts receivable etc. in addition to improve the Group’s efficiency through business restructuring, the actual financial performance may vary widely from the forecasts contained herein due to the change in various factors.

(Reference 1)

***Overview of Non-Consolidated Financial
Results for The Six Months Ended
September 30, 2014***

■ YOY Comparison of Financial Result (cumulative)

Unit: million yen

	Sep 2013 (Cumulative)		Sep 2014 (Cumulative)		YOY change	%	Main factors behind change
	Result	%	Result	%			
Operating revenue	3,234	100.0	2,554	100.0	▲ 680	▲ 21.0	- <ul style="list-style-type: none"> • The financial result at subsidiaries during the last fiscal year decreased compared with the prior fiscal year and dividend from subsidiaries for this fiscal year decreased • Other financial revenue declined due to completion of collection from purchased receivable during the previous fiscal year
Operating expenses	479	14.8	220	8.6	▲ 259	▲ 54.0	- Interest on loans decreased due to the complete payoff to RCC during the last fiscal year
Operating gross profit	2,754	85.2	2,334	91.4	▲ 420	▲ 15.3	
SG & A	896	27.7	816	32.0	▲ 79	▲ 8.9	
Operating income	1,858	57.5	1,517	59.4	▲ 341	▲ 18.4	
Ordinary income	782	24.2	1,551	60.7	769	98.3	+ Recording of stock issuance cost related to rights offering during the previous fiscal year resulted in increase in ordinary income for this year compared with previous fiscal year
							- Decrease in operating income
Net income	761	23.6	1,552	60.8	790	103.8	+ Increase in ordinary income

(Reference 2)

***Overview of Results of Major
Consolidated Subsidiaries***






Overview of Results of Major Consolidated Subsidiaries

– Financial Business



Financial business (P/L cumulative)

Unit: million yen

			September 2013	September 2014	YOY Change
 日本保証	Nihon Hoshou Co., Ltd.	Operating revenue	5,470	4,626	▲ 843
		Operating income	1,965	996	▲ 968
	Partir Servicer Co., Ltd.	Operating revenue	614	664	50
		Operating income	57	70	12
	KC Card Co., Ltd.	Operating revenue	4,949	4,219	▲ 730
		Operating income	1,840	▲ 283	▲ 2,124
	CREDIA Co., Ltd.	Operating revenue	587	413	▲ 173
		Operating income	▲ 95	▲ 18	77
	NUCS Co., Ltd.	Operating revenue	-	110	—
		Operating income	-	12	—

Note: Since NUCS became included in the scope of P/L consolidation starting this fiscal year, the YOY change is omitted.
In January 2014, Nihon Hoshou's settlement date was changed from February to March. For the quarter ended September 2013, adjustment necessary for consolidation was made to financial statements as of the end of August 2013 to reflect the important transaction during September 2013.


Overview of Results of Major Consolidated Subsidiaries

–Real Estate Business, Amusement Business




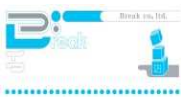
Real estate business (P/L cumulative)

Unit: million yen

			September 2013	September 2014	YOY change
	Keynote Co., Ltd.	Operating revenue	1,626	2,932	1,305
		Operating income	47	241	193

Amusement business (P/L cumulative)

Unit: million yen

			September 2013	September 2014	YOY change
	ADORES, Inc.	Operating revenue	8,807	7,880	▲ 927
		Operating income	697	400	▲ 297
	BREAK Co., Ltd.	Operating revenue	1,355	1,468	112
		Operating income	75	60	▲ 15






Overview of Results of Major Consolidated Subsidiaries

– International Business



International business (P/L cumulative)

Unit: million yen

			September 2013	September 2014	YOY Change
	Chinae Savings Bank Co., Ltd.	Operating revenue	4,632	5,912	1,280
		Operating income	▲ 1,601	▲ 3,591	▲ 1,990
	Neoline Credit Co., Ltd.	Operating revenue	469	227	▲ 242
		Operating income	120	▲ 99	▲ 220
	KJI Consumer Finance LLC	Operating revenue	-	2,226	—
		Operating income	-	297	—
	HICAPITAL Co., Ltd.	Operating revenue	-	1,253	—
		Operating income	-	1,383	—
	JTRUST ASIA PTE. LTD.	Operating revenue	-	6	—
		Operating income	-	▲ 39	—

(Reference 1) JTRUST ASIA was included in the scope of P/L consolidation from the quarter ended March 2014. KJI and HICAPITAL were included in the scope of P/L consolidation starting this fiscal year. Therefore, the comparison with the previous year for these companies is omitted. As for JTRUST ASIA's important transaction during the quarter ended September 2014, adjustment necessary for consolidation was made to financial statements as of June 2014.

(Reference 2)
Foreign
exchange rate

Quarter ended September 2014, adjustment necessary for consolidation was made to financial statements as of June 2014.

September 2013	Chinae Savings Bank	Converted by 1 Korean won ≒ 0.08528 yen Regarding important transaction from July till September, the adjustment necessary for consolidation is made to the financial statements as of June 2014 using conversion rate of 1 Korean won ≒ 0.08642 yen					
	Neoline Credit	Converted using foreign exchange rate of 1 Korean won ≒ 0.08795 yen					
September 2014	Cumulative figure based on monthly P/L in foreign currency converted by monthly average rate						
	Company	Monthly average rate					Unit: yen
		Apr	May	Jun	Jul	Aug	Sep
	Chinae Savings Bank, Neoline Credit, KJI and HICAPITAL (1 Korean won)		0.0984	0.0996	0.1003	0.0999	0.1007
JTRUST ASIA (1SGD), used for consolidation adjustment after July		81.74	81.37	81.56	81.64	81.81	82.29



Overview of Results of Major Consolidated Subsidiaries

– Other Business



Other business (P/L cumulative)

Unit: million yen

			September 2013	September 2014	YOY Change
	J Trust System Co., Ltd.	Operating revenue	408	345	▲ 63
		Operating income	▲ 51	▲ 17	33
	AAD Co., Ltd.	Operating revenue	395	392	▲ 2
		Operating income	16	20	4

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