

# Consolidated Financial Results for the 1<sup>st</sup> quarter ended March 31, 2013

<under Japanese GAAP>

August 9, 2012

Company name: J Trust Co., Ltd. Stock exchange listings: Osaka Securities Exchange  
 URL: <http://www.jt-corp.co.jp/en/index.php> Securities code: 8508  
 Representative: Nobuyoshi Fujisawa, president and CEO  
 Contact: Kazunori Kuroda, director Telephone: +81-3-4330-9100  
 Scheduled date for submitting quarterly report: August 10, 2012  
 Scheduled date for commencement of dividend payment: —  
 Preparation of supplementary materials for the quarterly financial results: Yes  
 Holding of presentation of quarterly financial results: None

## 1. Consolidated financial results for the first quarter of fiscal year ended March 2013 (April 1, 2012~ June 30, 2012)

Note: All amounts are rounded down to the nearest million yen.

### i. Consolidated results of operations (cumulative) (% indicates increase/decrease compared to same quarter of previous year)

	Operating revenue		Operating income		Ordinary income		Quarterly net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of FY2013	9,867	161.4	4,039	597.2	3,870	559.7	3,991	956.6
First quarter of FY2012	3,774	(15.6)	579	(58.0)	586	(57.7)	377	(58.8)

(Note) 【Comprehensive income】 1<sup>st</sup> quarter of FY2013 : 3,980 million yen, 1<sup>st</sup> quarter of FY2012 : 371 million yen(—%)

	Quarterly net income per share	Quarterly net income per share (fully diluted)
	Yen	Yen
First quarter of FY2013	64.92	63.06
First quarter of FY 2012	6.32	6.27

(Note) J Trust conducted a stock split on June 1, 2012, whereby each common share was divided into 2 shares. “Quarterly net income per share” and “Quarterly net income per share (fully diluted)” have been calculated here as though this stock split had been conducted at the beginning of the previous fiscal year.

### ii. Consolidated financial position summary

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	%
First quarter of FY2013	145,941	61,054	36.6	860.79
FY2012	117,546	49,471	40.9	798.17

(Reference) 【Equity capital】 As of 1Q FY2013 : 53,398 million yen, FY2012 : 48,067 million yen

## 2. Dividends

	Yearly dividends				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
FY2011	—	6.00	—	6.00	12.00
FY2012	—				
FY2012(forecast)		3.00	—	4.00	7.00

(Note) Have there been any amendments to recently announced dividend forecasts? : No

(Note) J Trust conducted a stock split on June 1, 2012, whereby each common share was divided into 2 shares. The figure indicated for dividends per share for the March 2012 fiscal year reflects the amount prior to this split.

### 3. Projected consolidated results for the fiscal year ending March 31, 2013 (April 1, 2012 - March 31, 2013)

(% indicates increase/decrease compared to same quarter of previous year)

	Operating revenue		Operating income		Ordinary income		Current net income		Current net income per share
Second quarter	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	25,133	148.7	6,171	215.2	6,569	409.9	6,400	(78.9)	103.18
Full year	57,702	135.4	10,919	97.1	12,043	119.5	11,437	(66.8)	184.38

(Note) Have there been any amendments to recently announced earnings forecasts?: Yes

(Note) J Trust conducted a stock split on June 1, 2012, whereby each common share was divided into 2 shares. The figure listed for “Current net income per share” reflects the impact of this stock split.

#### \*Annotations

① Were there any major movements of subsidiary companies during the first half of current fiscal year (movements resulting in changed status of inclusion within scope of consolidation)?: Yes

NEW INCLUSION 1 company (Company name) Adores, Inc. EXCLUSION — (Company name)

\*Note: For details, please refer to attached document “2. Notes on summary information (1) Significant changes in subsidiary companies during the first half of the current fiscal year.”

② Were there any special accounting processes used for these quarterly consolidated financial statements?: No

③ Re-statement of any changes of accounting policy or any changes or amendment to accounting estimates.

[1] Any change to accounting policy following overhaul of basic accounting standards? : Yes

[2] Any change to accounting policy other than that indicated in [1] above? : No

[3] Any change to accounting estimates? : Yes

[4] Any re-statement of amendments? : No

(Note) For details, please refer to “2. Notes on summary information (2) Re-statement of any changes of accounting policy or any changes or amendment to accounting estimates” in the attached document.

④ Total number of issued common shares (regular shares)

[1] Total no. of issued shares at end of fiscal year (including treasury shares)	FY 2013, 1Q	62,325,652 shares	FY 2012	60,451,560 shares
[2] Total no. of treasury shares at end of fiscal year	FY 2013, 1Q	290,530 shares	FY 2012	229,572 shares
[3] Interim average no. of shares (cumulative quarter)	FY 2013, 1Q	61,479,397 shares	FY 2012, 1Q	59,801,324 shares

(Note) J Trust conducted a stock split on June 1, 2012, whereby each common share was divided into 2 shares. “Total number of issued shares (regular shares)” has been calculated here as though this stock split had been conducted at the beginning of the previous fiscal year.

\* Statement regarding implementation status of regular quarterly procedures

This quarterly financial summary does not fall within the scope of regular quarterly procedures based on the Financial Instruments and Exchange Act. At the time of publication of this quarterly financial summary, the regular procedures for quarterly consolidated financial statements based on the Financial Instruments and Exchange Act have not yet been completed.

\* Explanation regarding the appropriate use of projected financial results, and other special remarks

- Please be aware that any information contained in this document pertaining to future financial performance etc. is based on the information currently available to J Trust and certain other premises judged to be reasonable, and that J Trust makes no undertaking to guarantee the achievement of this performance. Actual financial performance may vary widely from the forecasts contained herein. For details of assumptions and premises behind these performance forecasts, please refer to p.4 of attached document “1. Qualitative information relating to this quarterly statement (3) Qualitative information relating to consolidated performance forecasts.”
- Previously, items of information and notes etc. contained in J Trust quarterly consolidated financial statements were listed in thousand-yen units. However, starting from this consolidated accounting first quarter and this consolidated cumulative first quarter, items contained in financial statements will be listed in million-yen units.
- J Trust conducted a stock split on June 1, 2012, whereby each common share was divided into 2 shares.
- Supplemental accounting documents and other information can be found on the J Trust home page: <http://www.jt-corp.co.jp/>

○ Table of attached documents

1. Qualitative information regarding current quarterly financial results	2
(1) Qualitative information on consolidated results of operations	2
(2) Qualitative information on consolidated financial position	4
(3) Qualitative information on projected consolidated financial results	5
2. Notes on summary information (annotations)	5
(1) Movements of subsidiary companies during this consolidated cumulative quarter	5
(2) Re-statement of any changes of accounting policy or any changes or amendment to accounting estimates	5
3. Consolidated Quarterly Financial Statements	6
(1) Consolidated Quarterly Balance Sheets	6
(2) Consolidated Quarterly Profit and Loss Statement & Consolidated Quarterly Statement of Comprehensive Income	9
Consolidated Quarterly Profit and Loss Statement for the first quarter	9
Consolidated Quarterly Statement of Comprehensive Income for the first quarter	10
(3) Notes regarding Going Concern Assumption	11
(4) Notes in the event of any major changes regarding shareholder's equity	11
(5) Segment information etc.	11
(6) Significant subsequent events	13
4. Supplemental information	15

## 1. Qualitative information regarding current quarterly financial results

### (1) Qualitative information on consolidated results of operations

The Japanese economy during this consolidated cumulative first quarter experienced a mild upswing, bolstered by demand from rebuilding after the Great East Japan Earthquake and increased individual consumer spending thanks to monetary easing. However, in addition to risks such as electrical power shortages, the worsening of the Eurozone financial crisis and the ongoing high valuation of the Japanese yen also give cause for concern, such that the future outlook has remained unclear.

In the loans industry to which the J Trust Group belongs, ever since the revised Moneylending Business Act came into full effect, there has been a direct increase in the monthly balance of unsecured consumer loans (which had previously been experiencing an continuing downturn) compared to the previous year, and interest repayment demands also seem to have gradually settled, which could be seen as a sign of improvement. However, due to the shrinking of the market caused by the revised Moneylending Business Act coming into full effect and the wave of scale-backs and closures of businesses due to the deleterious financing environment, the economic climate remains harsh. Also, in the credit card industry, although we are seeing some ongoing expansion of card shopping due to a recovery of individual consumption, there has been a reduction in loans balance and card cashing balance due to the impact of total volume control following the full implementation of the revised Moneylending Business Act. Moreover, in real estate business, although real estate transactions dropped for a certain period after last year's earthquake, the government has implemented all kinds of preferential measures and low interest rates for acquisition of housing. Although the number of new residential constructions remains at a low level, it is showing an increasing trend. The market conditions are now experiencing a mild recovery, and displaying some robust movement, yet, there has also been a national downturn in real estate prices, with the market still believed to be in an adjustment phase.

Given this economic environment, during this consolidated cumulative first quarter, the J Trust Group has continued, since the previous year, to pro-actively conduct M&A and organizational restructuring, effectively utilizing the economic resources of the J Trust Group and streamlining its management in order to work toward strengthening the management base across the entire Group. In April 2012, Next Japan Holdings Co., Ltd. was acquired as a consolidated subsidiary by means of share exchange, and in July 2012 it was absorbed in a merger with J Trust. Following this transaction, although previously affiliated company Adores, Inc. (below, "Adores") had already concluded a business tie-up contract for rental services in the previous fiscal year with KC Card Co., Ltd., in order to further strengthen relations, a resolution was passed at the General Shareholder meeting of Adores held in June 2012 to appoint certain company directors of J Trust to the Adores board of directors, thus constituting sufficient standard of control to render Adores a consolidated subsidiary. In future, by fusing the operational know-how, human resources, and customer information of the amusement store facilities owned by both companies with KC Card's proven knowhow relating to account settlement abilities, marketing, and customer service, the company intends to develop new type of credit card business and to expand new B to C business, constantly striving to raise corporate value and expand the scale of business of the J Trust group.

During this consolidated cumulative first quarter, J Trust received some additional business income from the credit card business of KC Card (acquired during the previous fiscal year), as well as from the consumer loan business of Takefuji Corporation (now known as TFK, assumed by Lopro Corporation), which underwent corporate rehabilitation. As a result, operating revenue was 9,867 million yen (an increase of 161.4% year-on-year), operating income was 4,039 million yen (an increase of 597.2% year-on-year), ordinary income was 3,870 million yen (an increase of 559.7% year-on-year), and quarterly net income was 3,991 million yen (an increase of 956.6% year-on-year).

Performance for each business segment was as follows:

#### ① Financial business

##### (Business loan services)

Business loan services are mainly handled by Lopro Corporation (below, "Lopro"). By moving ahead with commercial note discounting as a mid- to long-term financial business strategy, the balance of loans for commercial notes has been increasing steadily; however, the amount of operating loans have decreased, since collection on loans has been proceeding well.

As a result, for this first consolidated cumulative quarter, commercial notes were 2,484 million yen (an increase of 15.1% year-on-year), operating loans were 1,470 million yen (a decrease of 37.1% year-on-year), and long-term loans receivable were 63 million yen (an increase of 109.4% year-on-year), for a total balance of loan receivables of 4,018 million yen (including long-term loans receivable), which represents a decrease of 11.2% year-on-year.

(Consumer loan services)

Consumer loan services are handled by Lopro and Saikyo Card Co., Ltd. (below, “Saikyo Card”)

With regard to the balance of loans receivable for this first consolidated cumulative quarter, since collection on loans has been proceeding well, the amount of these loans has decreased; however, these have increased somewhat since Lopro assumed the consumer loan business of Takefuji Corporation in a corporate split in the previous fiscal year.

As a result, during this consolidated cumulative first quarter operating loans receivable were 18,619 million yen (an increase of 123.0% year-on-year), long-term loans receivable were 1,397 million yen (a decrease of 33.0% year-on-year), such that the total balance of loans receivable (including long-term loans receivable) was 20,016 million yen (an increase of 91.8% year-on-year).

(Credit and consumer credit services)

The J Trust Group is working to develop credit card services by leveraging the brand power and knowhow of the KC Card, which was a domestic (Japanese) consumer credit company in its previous incarnation before becoming a J Trust consolidated subsidiary during the previous fiscal year. The Lopro and Saikyo Card companies also provide consumer credit services through installment sales.

As a result, during this consolidated cumulative first quarter, the balance of advances paid-installment was 60,044 million yen (compared to 1,295 million yen for the same quarter in the previous year), long-term loans receivable were 6,087 million yen (compared to 42 million yen for the same quarter in the previous year), for a total balance of advances paid-installment (including long-term loans receivable) of 66,132 million yen (compared to 1,338 million yen for the same quarter in the previous year).

(Credit guarantee business)

Credit guarantee business is mainly handled by Nihon Hoshou, Lopro, and KC Card. The J Trust Group has announced the expansion of credit guarantee business as a mid- to long-term strategy, and in this consolidated cumulative first quarter, in addition to effectively utilizing the customer base of KC Card and Takefuji, the Group has focused on guaranteeing loans of the Saikyo Bank, Ltd. and Tokyo Star Bank, Ltd. in order to increase the balance of credit guarantee business.

As a result, during this consolidated cumulative first quarter, guarantees on secured loans were 13,961 million yen (an increase of 116.0% year-on-year), guarantees on unsecured loans were 10,553 million yen (an increase of 127.0% year-on-year), making the total balance of credit guarantees 24,515 million yen (an increase of 120.6% year-on-year).

(Factoring services)

Factoring services is handled by Lopro, Partir Servicer, United Partir, United Partir One, United Partir KC, and J Trust. As a mid- to long-term strategy, the J Trust Group is also actively seeking to purchase new receivables; however, since the collection rate on purchased receivables is higher than this new growth, the balance of purchased receivables for this consolidated cumulative first quarter was 2,239 million yen (a decrease of 33.3% year-on-year).

As a result of the above, operating revenue in the finance business was 8,318 million yen (an increase of 172.4% year-on-year) and segment income was 4,040 million yen (an increase of 452.8% year-on-year).

② Real estate business

Development of real estate business has centered on Keynote Co., Ltd., utilizing its synergy with J Trust’s financial business with an aim to generate revenue through housing-related business: not only sales and brokering of ready-built housing, but also built-to-order housing and renovation of second-hand housing. Our operating revenue, which dropped for a time due to the Great East Japan Earthquake, is now slightly increasing due to the gradual recovery of the real estate market.

Adores is also active in real estate leasing. Since the deemed acquisition date for Adores was June 30, 2012, during this consolidated cumulative first quarter only the balance sheet entry falls within the scope of consolidated activities.

As a result of the above, during this consolidated cumulative first quarter operating revenue for real estate business was 1,093 million yen (an increase of 187.8% year-on-year), with segment income of 54 million yen (compared to a segment income loss of 30 million yen in the same quarter in the previous year).

③ Amusement business

J Trust is represented in the amusement business by Break Co., Ltd., which sells assorted merchandise for use in amusement machines, and Adores, which undertakes the operation of amusement facilities.

Also, since the deemed acquisition date for these companies was June 30, 2012, during this consolidated cumulative first quarter only the balance sheet entry falls within the scope of consolidated activities.

④ Overseas business

Within overseas business Neoline Credit Co., Ltd. has been developing its consumer finance business in South Korea. The Neoline Credit head office is located in the capital city of Seoul, with 3 regional branches in Daejeon, Daegu, and Pusan, as well as plans for further expansion of the store network, such as the opening of another branch in Incheon in April 2012, in order to facilitate the steady expansion of our loans balance within the growing South Korean consumer finance market.

As a result of the above, during this consolidated cumulative first quarter operating loans for overseas business were 4,796 million yen (an increase of 9.3% year-on-year), with operating revenue for overseas business of 420 million yen (an increase of 1.7% year-on-year) and segment income of 54 million yen (an increase of 19.5% year-on-year).

⑤ Other business

Within other business, J Trust System Co., Ltd. has been mainly undertaking system development for the J Trust Group, as well as computer operational and administrative services.

Also, Adores has been undertaking design and construction services. Since the deemed acquisition date for Adores was June 30, 2012, during this consolidated cumulative first quarter only the balance sheet entry falls within the scope of consolidated activities.

As a result of the above, operating revenue for other business was 205 million yen (a decrease of 9.3% year-on-year) and segment income was 8 million yen (a decrease of 27.6% year-on-year).

(2) Qualitative information on consolidated financial position

Total assets in this consolidated cumulative first quarter increased by 28,395 million yen compared to the previous consolidated fiscal year to reach 145,941 million yen (an increase of 24.2% year-on-year). This was mainly due to the high rate of collection on loans during this consolidated cumulative first quarter. Although operating loans fell by 2,827 million yen and advances paid-installment fell by 4,979 million yen, with the acquisition of Next Japan Holdings via share exchange and Adores becoming a consolidated subsidiary, cash and deposits increased by 10,430 million yen, other accounts receivable increased by 4,378 million yen, tangible noncurrent assets increased by 6,464 million yen, goodwill increased by 2,190 million yen, guarantee deposits increased by 6,058 million yen, and long-term loans receivable increased by 2,196 million yen, respectively.

With regard to liabilities, these increased by an amount of 16,812 million yen compared to the previous consolidated fiscal year to reach 84,887 million yen (an increase of 24.7% year-on-year). Despite a decrease of 2,015 million yen in provision for loss on interest repayment, this overall increase was mainly due to the acquisition of Next Japan Holdings via share exchange and Adores becoming a consolidated subsidiary, such that short-term loans payable (including current portion of long-term loans payable within 1 year) increased by 1,673 million yen, long-term loans payable increased by 13,801 million yen, and notes and accounts payable-trade increased by 1,995 million yen, respectively.

With regard to net assets, these increased by 11,582 million yen compared to the previous consolidated fiscal year to reach 61,054 million yen (an increase of 23.4% year-on-year). Despite a decrease of 180 million yen in retained earnings due to payment of dividends from surplus, a quarterly net income was recorded of 3,991 million yen, and

capital surplus increased by 1,611 million yen following the acquisition of Next Japan Holdings via a share exchange, minority interests increased by 6,207 million yen following Adores becoming a consolidated subsidiary. As a result of the above, compared to the previous consolidated fiscal year, net assets per share increased by 62.62 yen and became 860.79 yen, and equity ratio decreased by 4.3 points to 36.6% (down from 40.9% in the previous fiscal year). Also, since J Trust conducted a stock split dated June 1 2012 whereby each single share was divided into 2 shares, net assets per share as calculated at the end of the previous fiscal year reflect the impact of this stock split.

(3) Qualitative information on projected consolidated financial results

As announced in the press release dated July 12, 2012 entitled Announcement of acquisition of stock (and subsidiarization) of Neoline Holdings Co., Ltd.," J Trust acquired Next Japan Holdings Co., Ltd. (now renamed JT Investment Co., Ltd.) as a consolidated subsidiary via stock acquisition on July 13, 2012.

Accordingly, the projected consolidated financial results previously announced on May 29, 2012 were subsequently amended. For details of this amendment, please refer to the press release of August 9, 2012 entitled "Announcement of amendments to projected financial results."

## 2. Notes on summary information (annotations)

(1) Changes in subsidiary companies during this consolidated cumulative quarter

During this consolidated cumulative quarter, J Trust conducted a share exchange as a wholly owning parent company with Next Japan Holdings as a wholly owned subsidiary; consequently, both Next Japan Holdings and its own subsidiary Break Co., Ltd. now fall within the scope of consolidation of J Trust. Also, since J Trust seems to virtually controls the board of company directors (and principal decision-making body) of Next Japan Holdings affiliate company Adores, it has recognized that this standard of control exists, such that Adores, also now included within the scope of consolidation.

Also, since the deemed acquisition date for these companies was June 30, 2012, during this consolidated cumulative first quarter, only the balance sheet entry falls within the scope of consolidated activities.

(2) Re-statement of any changes of accounting policy or any changes or amendment to accounting estimates.

(Changes in accounting estimates and difficult-to-categorize changes in accounting policy)

Starting from this consolidated cumulative first quarter, following amendments to the Corporation Tax Act, J Trust and some of its Japanese subsidiary companies have changed their method of calculating depreciation of tangible noncurrent assets acquired after April 1, 2012, based on the post-amendment Corporation Tax Act.

The effect of this on profit and loss for this consolidated cumulative first quarter is expected to be very slight.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

(Unit: Million yen)

	Previous consolidated accounting period (March 31, 2012)	First quarter of current consolidated fiscal year (June 30, 2012)
<b>Assets</b>		
Current assets		
Cash and deposits	10,362	20,793
Commercial notes	2,119	2,484
Operating loans	27,713	24,886
Advances paid-installment	65,024	60,044
Purchased receivables	2,310	2,239
Subrogation receivable	506	552
Products	632	759
Works-in-process	682	388
Other	4,424	11,615
Allowance for doubtful accounts	(6,813)	(6,312)
Total current assets	106,963	117,452
Noncurrent assets		
Property, plant and equipment	5,095	11,559
Intangible assets		
Goodwill	805	2,996
Other	315	668
Total intangible assets	1,120	3,664
Investment and other assets		
Long-term loans receivables	8,487	7,548
Other	3,603	12,725
Allowance for doubtful accounts	(7,723)	(7,008)
Total investment and other assets	4,366	13,264
Total noncurrent assets	10,582	28,488
Total assets	117,546	145,941
<b>Liabilities</b>		
Current liabilities		
Notes discounted	1,776	2,234
Notes and accounts payable-trade	305	2,300
Short-term loans payable	3,039	3,464
Short-term loans payable to shareholders, directors or employees	22,000	20,000
Current portion of long-term loans payable	2,537	5,786
Current portion of bonds	—	33
Income taxes payable	254	151
Provision for loss on interest repayment	10,172	8,150
Provision for loss on business liquidation	1,107	289
Other reserves	237	125
Other	2,563	3,789
Total current liabilities	43,995	46,325
Noncurrent liabilities		
Long-term loans payable	13,670	27,472
Provision for loss on interest repayment	9,711	9,718
Provision for loss on guarantees	290	286
Provision for retirement benefits	9	11
Other	398	1,073



Total noncurrent liabilities	24,079	38,561
Total liabilities	68,074	84,887

(Unit: Million yen)

	Previous consolidated accounting period (March 31, 2012)	First quarter of current consolidated accounting period (June 30, 2012)
Net assets		
Shareholder's equity		
Capital equity	4,530	4,535
Capital surplus	2,265	3,876
Retained earnings	41,377	45,188
Treasury stock	(72)	(114)
Total shareholder's equity	48,099	53,485
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	3
Foreign currency translation adjustment	(37)	(89)
Total accumulated other comprehensive income	(32)	(86)
Subscription rights to shares	103	147
Minority interests	1,300	7,507
Total net assets	49,471	61,054
Total liabilities and net assets	117,546	145,941

## (2) Consolidated Quarterly Profit and Loss Statement &amp; Consolidated Quarterly Statement of Comprehensive Income

## Consolidated Quarterly Profit and Loss Statement (for the first quarter)

(Unit: Million yen)

	Previous consolidated cumulative first quarter From: April 1, 2011 To: June 30, 2011	Current consolidated cumulative first quarter From: April 1, 2012 To: June 30, 2012
Operating revenue	3,774	9,867
Operating expenses	866	1,689
Operating gross profit	2,908	8,178
Selling, general and administrative expenses	2,328	4,138
Operating income	579	4,039
Non-operating income		
Interest income	—	0
Dividends income	18	14
House rent income	9	41
Miscellaneous income	5	7
Total non-operating income	33	63
Non-operating expenses		
Interest expenses	2	7
Depreciation	3	6
Foreign exchange losses	17	217
Miscellaneous losses	3	1
Total non-operating expenses	26	232
Ordinary income	586	3,870
Extraordinary income		
Gain on sales of noncurrent assets	—	2
Gain on negative goodwill	—	155
Other	—	10
Total extraordinary income	—	167
Extraordinary loss		
Loss on sales of noncurrent assets	—	0
Loss on abandonment of noncurrent assets	—	3
Impairment loss	—	1
Loss on sales of investment securities	—	0
Total extraordinary loss	—	5
Quarterly net income before income tax	586	4,032
Additional income taxes	157	48
Income taxes - deferred	46	(50)
Total income tax etc.	204	(2)
Quarterly net income before minority interests	381	4,034
Minority interests in income	4	43
Quarterly net income	377	3,991

Consolidated Quarterly Statement of Comprehensive Income (for the first quarter)

(Unit: Million yen)

	Previous consolidated cumulative first quarter From: April 1, 2011 To: June 30, 2011	Current consolidated cumulative first quarter From: April 1, 2012 To: June 30, 2012
Quarterly net income before minority interests	381	4,034
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	(1)
Foreign currency translation adjustment	(6)	(52)
Total other comprehensive income	(10)	(54)
Quarterly comprehensive income	371	3,980
(Breakdown)		
Quarterly comprehensive income attributable to parent company shareholders	367	3,937
Quarterly comprehensive income attributable to minority interests	4	43

(3) Notes regarding Going Concern Assumption

There are no notes on this topic.

(4) Notes in the event of any major changes regarding shareholder's equity

On April 30, 2012, J Trust conducted a share exchange to become a wholly owning company and acquire Next Japan Holdings as a wholly owned subsidiary. As a result, during this consolidated cumulative first quarter capital surplus increased by 1,611 million yen compared to the previous consolidated fiscal year. J Trust also conducted a payment of dividends from surplus in the amount of 180 million yen, while recording a quarterly net income of 3,991 million yen; consequently, shareholder's equity increased by 5,385 million yen compared to the previous consolidated fiscal year to reach 53,485 million yen.

(5) Segment information etc.

(Segment information)

1. Previous year's first consolidated cumulative quarter (from April 1, 2011 to June 30, 2011)

i. Information about operating revenue and operating income or loss for each reportable segment

(Unit: Million yen)

	Reportable segment				Other (see Note*)	Total
	Financial business	Real estate business	Overseas business	Sub-total		
Operating revenue						
Operating revenue for external customers	2,903	379	413	3,696	77	3,774
Intersegment sales and transfers	150	0	—	150	148	299
Total	3,054	379	413	3,847	226	4,073
Segment income or loss ( )	730	(30)	45	745	12	758

Note\*: "Other" refers to business segments not included in the reportable segments, and includes computer operations and management, commissioned software development, and operational guidance services.

ii. Amount of variance and details of variance between total amounts of income/loss by reportable segment and amounts listed on consolidated quarterly income/loss statement (after variance adjustment)

(Unit: Millions of yen)

Income	Amount
Total: Reportable segments	745
Income from "Other" category	12
Intersegment elimination	(104)
Companywide expenses (see Note*)	(74)
Operating income on consolidated quarterly income/loss statement	579

(Note\*) "Companywide expenses" are mainly general administrative expenses that do not belong to any reportable segment.

iii. Information on goodwill and impairment loss on noncurrent assets for each reportable segment.

There are no notes on this topic.

iv. Notes relating to changes in reportable segments etc.

On April 1, 2012, J Trust acquired 100% of the issued stock of Neoline Credit, which operates business overseas, making it a subsidiary company. Following this event, the reportable segment "Overseas business" was added.

2. Current year's first consolidated cumulative quarter (from April 1, 2012 to June 30, 2012)

i. Information about operating revenue and operating income or loss for each reportable segment

(Unit: Million yen)

	Reportable segment				Other (see Note*)	Total
	Finance business	Real estate business	Overseas business	Sub-total		
Operating revenue						
Operating revenue for external customers	8,266	1,090	420	9,777	90	9,867
Intersegment sales and transfers	51	2	—	54	115	169
Total	8,318	1,093	420	9,832	205	10,037
Segment income	4,040	54	54	4,149	8	4,158

(Note\*) “Other” refers to business segments not included in the reportable segments, and includes computer operations and management, commissioned software development, and operational guidance services.

ii. Information relating to assets for each reportable segment

As indicated below at “5. Notes relating to changes in reportable segments etc.,” a new reportable segment was added. Due to this, the amount of assets of the “Amusement business” segment listed at the end of the current first consolidated cumulative quarter increased by 17,143 million yen when compared to the final day of the previous fiscal year.

iii. Amount of variance and details of variance between total amounts of income/loss by reportable segment and amounts listed on consolidated quarterly income/loss statement (after variance adjustment)

(Unit: Million yen)

Income	Amount
Total: Reportable segments	4,149
Income from “Other” category	8
Intersegment elimination	(8)
Companywide expenses (see Note*)	(110)
Operating income on consolidated quarterly profit and loss statement	4,039

(Note\*) “Companywide expenses” are mainly general administrative expenses that do not belong to any reportable segment.

iv. Information on goodwill and impairment loss on noncurrent assets for each reportable segment.

(Significant impairment loss on noncurrent assets)

There are no notes on this topic.

(Significant changes in amount of goodwill)

As indicated below at “5. Notes relating to changes in reportable segments etc.,” a new reportable segment was added. Also, the increased amount of goodwill caused by this event was 2,026 million yen for the current first consolidated cumulative quarter.

(Significant generation of negative goodwill)

Notes on this topic were omitted, as the amounts involved were too slight to be significant.

v. Notes relating to changes in reportable segments etc.

(Addition of new reportable segments)

In the current first consolidated cumulative quarter, J Trust conducted a share exchange to acquire Next Japan Holdings as a wholly owned subsidiary. Furthermore, Next Japan Holdings subsidiary Break Co., Ltd., as well as Adores, a previous affiliate of both companies, were also both added as wholly owned subsidiaries, with the new reportable segment “Amusement business” being subsequently added.

Also, since the deemed acquisition date for these companies was June 30, 2012, during this consolidated cumulative first quarter only the balance sheet entry falls within the scope of consolidated activities; thus, information for these companies has not been listed in regard to operating revenue and operating income/loss for this consolidated cumulative first quarter.

(Change of depreciation method)

Starting from this consolidated cumulative first quarter, following amendments to the Corporation Tax Act, J Trust and some of its Japanese subsidiary companies have changed their method of calculating depreciation of tangible fixed assets acquired after April 1, 2012, based on the post-amendment Corporation Tax Act. The effect of this on segment profit and loss for this consolidated cumulative first quarter is expected to be very slight.

(6) Significant subsequent events

At the J Trust board of directors' meeting which was held on July 12, 2012, a resolution was passed to acquire the entire shares of Neoline Holdings Co., Ltd. (The trade name was changed since July 13 and now renamed JT Investment Co., Ltd.) from NLHD Co., Ltd., thus rendering it a wholly owned subsidiary company. A stock acquisition contract was successfully concluded on that same day. An overview of this transaction is below.

i. Purpose of stock acquisition

JT Investment is an investment company, the stock of which was 100% owned by NLHD Co., Ltd., whose president & representative director, Nobuyoshi Fujisawa is also the principal shareholder and president & CEO of JT Trust, as well as serving as president & representative director of JT Investment.

JT Investment possesses a proven performance record over a wide range of assets for investment: corporate (stock), loans claims, real estate, and more. It encompasses such companies as Credia Co., Ltd., (developing finance and credit guarantee business), AAD Co., Ltd. (developing printing business), and NL Value Capital Co., Ltd. (developing investment business); Credia, AAD, NL Value Capital, and JT Investment together form the JT Investment Group.

By rendering JT Investment a wholly owned subsidiary, J Trust will be able to construct stronger relations with the JT Investment Group, thus effectively strengthening the management base of the J Trust Group and working to expand the scope of its business activities.

More concretely, in addition to the proven investment performance record and the investment/M&A knowhow of JT Investment, J Trust will benefit from the customer base of Credia (previously a publically listed company), as well as its proven history of cooperation with financial institutions connected to the guarantee business, and will absorb its knowhow relating to credit administration premised on low-cost operations. Considerable synergy with J Trust subsidiary Lopro is expected, which will further contribute to the expansion of the Group's credit guarantee services, in which Lopro is currently performing well. AAD is a printing business boasting more than 50 years of history since its founding, possessing its own printing factory, which offers a total support printing service from the planning stage through to design creation, photography, and printing. This internalizing of print-related services and reduction of printing-related costs will contribute to overall streamlining of management efficiency.

Also, as indicated above, JT Trust President & CEO Nobuyoshi Fujisawa also serves as president & CEO of JT Investment. Incorporating the transactions between J Trust Group and JT Investment ("Transactions with Related Parties") within the scope of J Trust's consolidated finances will serve to increase management transparency as a publically listed company and raise corporate value, which was the reasoning underpinning this acquisition of stock.

ii. Name & details of trading partner for stock acquisition

- |                   |                                     |
|-------------------|-------------------------------------|
| 1. Trade name     | NLHD Co., Ltd.                      |
| 2. Representative | Nobuyoshi Fujisawa, President & CEO |

iii. Name & details of company acquiring stock

- |                   |                                     |
|-------------------|-------------------------------------|
| 1. Trade name     | JT Investment Co., Ltd.             |
| 2. Location       | 1-7-12 Toranomom, Minato-ku, Tokyo  |
| 3. Representative | Nobuyoshi Fujisawa, President & CEO |

- |    |                         |  |
|----|-------------------------|--|
| 4. | Capital                 | 100 million yen (as at June 30, 2012)  |
| 5. | Description of business | Investment business, management consulting services, group management & administration |
- iv.     Timing of stock acquisition  
June 13, 2012
- v.     No. of shares acquired, acquisition price, and equity rate after acquisition
- |    |                               |                    |
|----|-------------------------------|--------------------|
| 1. | No. of shares acquired        | 370,140 shares     |
| 2. | Acquisition price             | 11,000 million yen |
| 3. | Equity rate after acquisition | 100.0%             |
- vi.     Method of fund procurement  
Self-funded



#### 4. Supplemental information

##### Operating results

##### (1) Breakdown of loans balance

Category			Previous consolidated cumulative first quarter (as at June 30, 2011)		Current consolidated cumulative first quarter (as at June 30, 2012)	
			Amount (million yen)	Composition (%)	Amount (million yen)	Composition (%)
Domestic	Consumer loan services	Unsecured loans	11,518 (2,073)	59.5	20,352 (1,333)	70.6
		Adjustments for corporate combinations	(1,983)	(10.3)	(762)	(2.7)
		Secured loans	900 (12)	4.7	426 (64)	1.5
		Sub-total	10,434 (2,086)	53.9	20,016 (1,397)	69.4
	Business loan services	Adjustments for corporate combinations	2,164 (5)	11.2	2,490 (6)	8.6
		Unsecured loans	1,035 (24)	5.3	684 (53)	2.4
		Secured loans	1,327 (0)	6.9	843 (3)	2.9
		Sub-total	4,526 (30)	23.4	4,018 (63)	13.9
	Discounted commercial notes: Total		2,164 (5)	11.2	2,490 (6)	8.6
	Operating loans: Total		12,797 (2,111)	66.1	21,544 (1,454)	74.7
	Total		14,961 (2,117)	77.3	24,034 (1,460)	83.3
Overseas	Consumer loan services	Unsecured loans	4,390 (—)	22.7	4,777 (—)	16.6
		Secured loans	— (—)	—	18 (—)	0.1
	Total		4,390 (—)	22.7	4,796 (—)	16.7
Inclusive sum			19,352 (2,117)	100.0	28,831 (1,460)	100.0

Note: Amounts listed within parentheses ( ) are long-term loans receivable.

(2) Balance of advances paid-installment

Category	Previous year's consolidated cumulative first quarter (as at June 30, 2011)	Current consolidated cumulative first quarter (as at June 30, 2012)
	Amount (million yen)	Amount (million yen)
Balance of advances paid-installment	1,338 (42)	66,132 (6,087)

Note: Amounts listed within parentheses () are long-term loans receivable.

(3) Breakdown of debt guarantee balance

Category	Previous consolidated cumulative first quarter (as at June 30, 2011)		Current consolidated cumulative first quarter (as at June 30, 2012)	
	Amount (million yen)	Composition (%)	Amount (million yen)	Composition (%)
Unsecured	4,649	41.8	10,553	43.0
Secured	6,465	58.2	13,961	57.0
Total	11,114	100.0	24,515	100.0

## (4) Breakdown of Operating Revenue

(Units: million yen)

Category		Previous consolidated cumulative first quarter From: April 1, 2011 To: June 30, 2011	Current consolidated cumulative first quarter From: April 1, 2012 To: June 30, 2012	Previous consolidated fiscal year From: April 1, 2011 To: March 31, 2012
1. Consumer loan services				
(1) Unsecured loans	1. Loan on deeds	878	1,393	3,394
(2) Secured loans	1. Real estate secured loans	23	10	84
	Total (consumer loans)	901	1,404	3,479
2. Business loan services				
(1) Discounted commercial notes	1. Discounts received	50	52	204
(2) Unsecured loans	1. Loans on notes	11	7	39
	2. Loans on deeds	17	20	49
	Sub-total	29	28	88
(3) Secured loans	1. real estate loans	16	9	62
	2. loans secured by securities	1	1	4
	3. loans secured by golf club membership	0	0	0
	4. loans secured by medical account receivables	0	0	0
	5. loans secured by deposits	0	0	3
	Sub-total	18	11	71
Total (business loans)		98	93	364
I. Loan interests and discounts received		1,000	1,497	3,844
II. Collection from purchased receivables		903	530	2,740
III. Sales from real estate business		379	1,090	2,645
IV. Installment payment paying for commission	1. Credit card revenue	—	726	2,028
	2. Financing revenue	—	2,021	6,926
	3. Installment payment paying for commission	88	53	281
	Sub-total	88	2,800	9,236
V. Other	1. Commission fees	85	57	329
	2. Guarantee commissions received	145	359	801
	3. Interest on deposits	3	11	8
	4. Other financial income	1,000	1,707	3,358
	5. Other	166	1,813	1,544
	Sub-total	1,402	3,948	6,041
Total operating revenue		3,774	9,867	24,508

Notes: 1. “Other financial revenue” refers mainly to the recorded difference between the collection from loans under factoring services, and the corresponding acquisition cost.

2. “1. Credit card revenue” and “2. Financing revenue” under IV. Installment payment paying for commission refer to credit card service revenues transacted by KC Card. As KC Card became a J Trust consolidated subsidiary of on August 1, 2011, no figures have been recorded for the previous fiscal year.