Q1/3M FY03/2019

Earnings Presentation Material

August 2018

J Trust Co., Ltd.

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Disclaimer

- J Trust has adopted International Financial Reporting Standards (IFRS) from Q1 FY03/2018.
- The results for ADORES, Inc. in General Entertainment Business in the discontinued operations, is excluded from the consolidated results from 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 unit. 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 Q1 FY03/2019 Results

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

Before Highlights

Change in Business Segment Names

Until FY03/2018		From FY03/2019
Domestic financial business	⇒	Financial business in Japan
Financial business in South Korea	⇒	Financial business in South Korea and Mongolia
Financial business in Southeast Asia	⇒	Financial business in Southeast Asia
Investment business	⇒	Investment business
General entertainment business	⇒	General entertainment business
Real estate business	⇒	Real estate business
Other business	⇒	Other business

General entertainment business and real estate business are reported as "non-financial business" in this document.

Highlights

Financial Business in Japan

Operating profit: 0.9 billion yen – steadily growing

Financial Business in South Korea and Mongolia

Operating profit: 1.4 billion yen – steadily growing

Financial Business in Southeast Asia

Operating loss: 0.7 billion yen

Consolidated results

Profit before tax: 1.7 billion yen

2. Overview of Q1 FY03/2019

➢ Net income progress toward the full-year forecast: 26%

(Unit: 100 million yen)

Consolidated Results (YOY)

	Q1 FY03/2018	Q1 FY03/2019	Difference
Operating Revenue	176	178	+2
Operating Profit	24	5	-19
Profit before Tax	21	17	-4
Net Income	17	14	-3

The amounts from continuing operations, excluding discontinued operations are presented.

➢ Higher revenue driven by Financial Business in Japan and South Korea

(Unit: 100 million yen)

Operating revenue by Segment (YOY)

	Q1 FY03/2018	Q1 FY03/2019	Difference
Financial business in Japan	22	23	+1
Financial business in South Korea and Mongolia	88	101	+13
Financial business in Southeast Asia	35	31	-4
Investment business	5	2	-3
Non-financial business	20	16	-4
Other business	3	2	-1
Consolidated operating revenue	176	178	+2

The amounts from continuing operations, excluding discontinued operations.

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➢ Remain positive driven by Financial Businesses in Japan and South Korea

(Unit: 100 million yen)

Operating profit by Segment (YOY)

	Q1 FY03/2018	Q1 FY03/2019	Difference
Financial business in Japan	11	9	-2
Financial business in South Korea and Mongolia	16	14	-2
Financial business in Southeast Asia	1	-7	-8
Investment business	2	1	-1
Non-financial business	-2	-2	±0
Other business	-0	-0	-0
Consolidated operating profit	24	5	-19

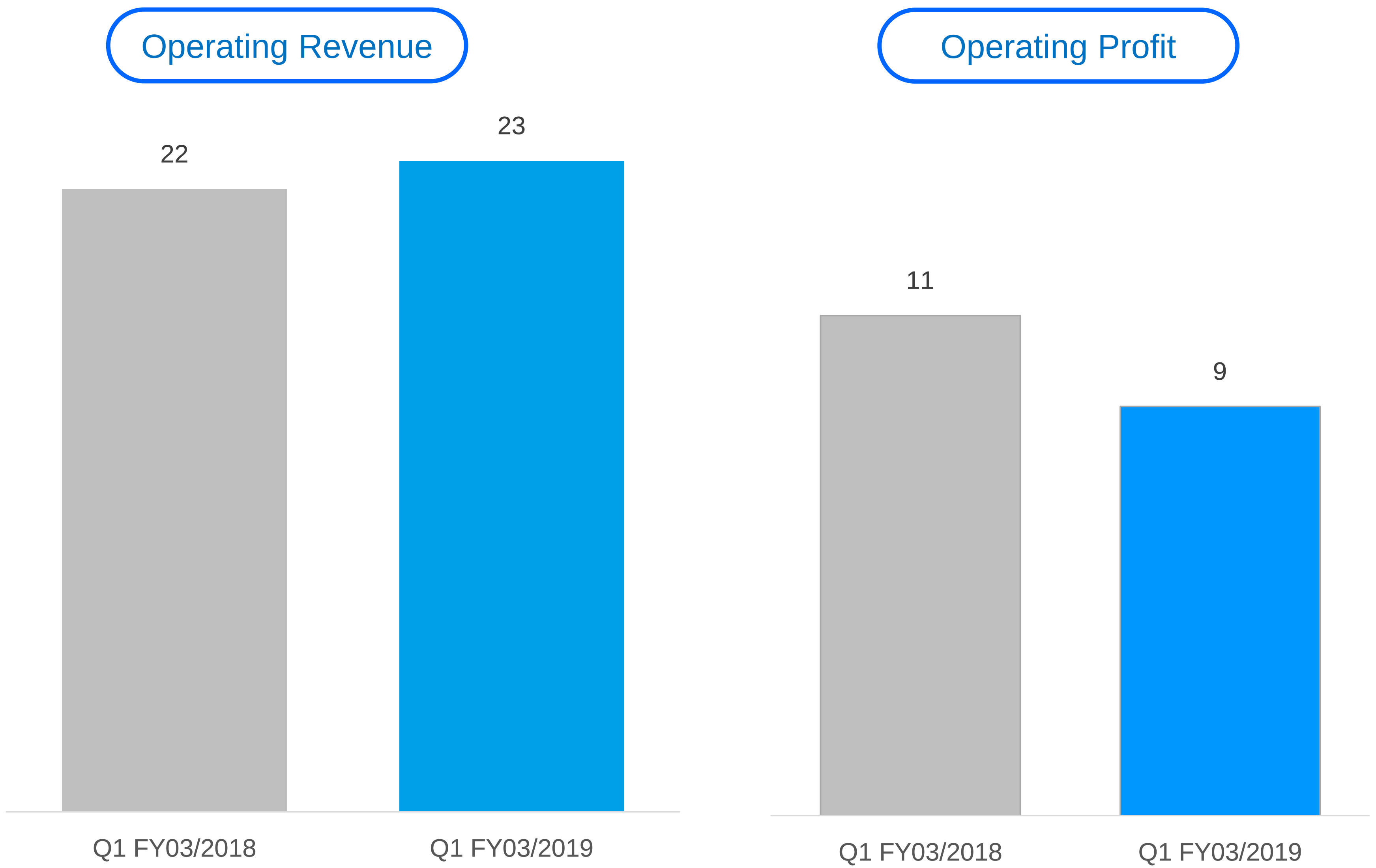
The amounts from continuing operations, excluding discontinued operations.

3. Performance and Results by Segment

3-1. Financial Business in Japan

Maintain high profitability

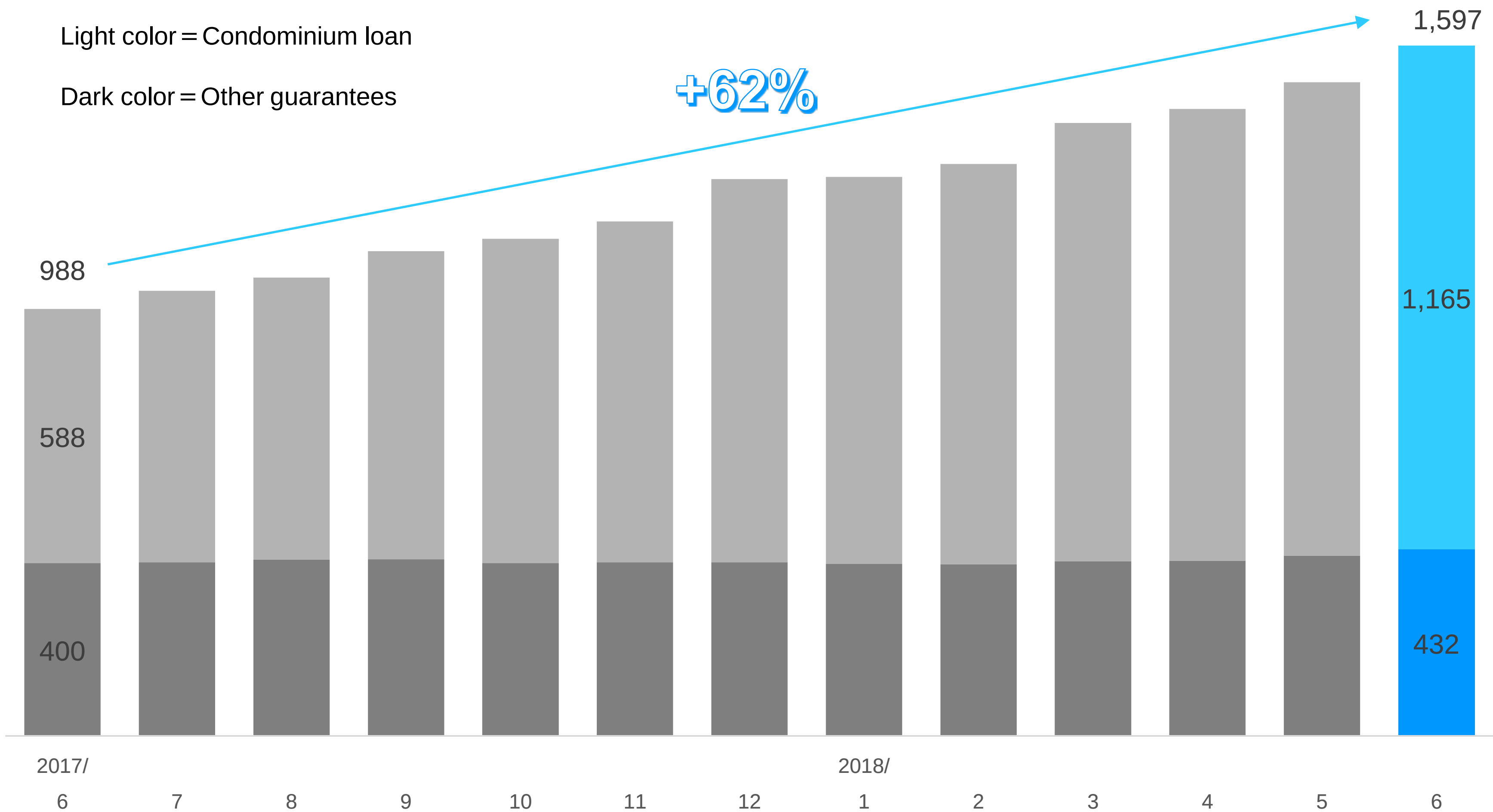
(Unit: 100 million yen)



➤ Amount of credit guarantee reaching nearly 160 billion yen

(Unit: 100 million yen)

The Amount of Credit Guarantee

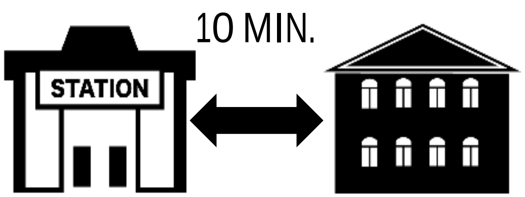


Financial Business in Japan / Condominium loan guarantee: Efforts for risk aversion

(1) Selection of property areas

Properties located mainly inTokyo, Osaka, Nagoya, and Fukuoka only

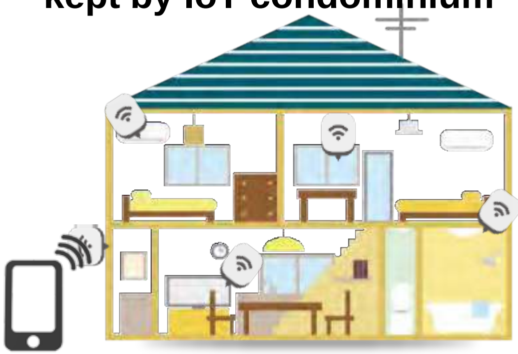
(2) Within walking distance from station



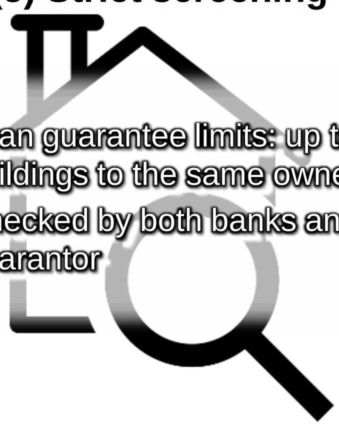
(3) Well-selected housing developers

- Select housing developers, which maintain and repair properties properly, can mitigate the risks such as sublease problems.

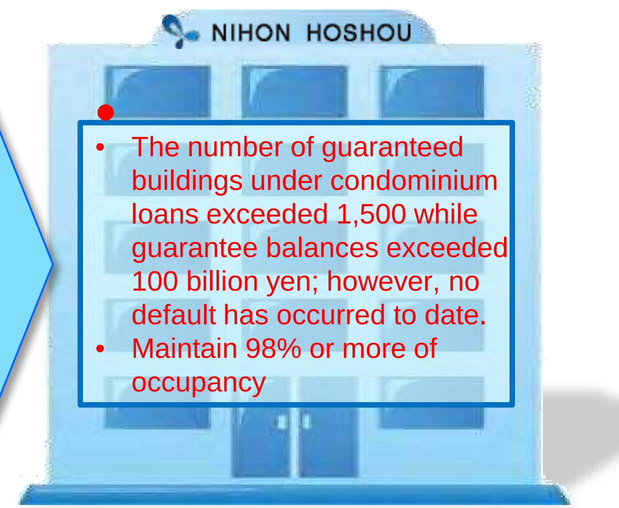
(4) High occupancy/rent kept by IoT condominium



(5) Strict screening



- ✓ Loan guarantee limits: up to 2 buildings to the same owner
- ✓ Checked by both banks and guarantor



- The number of guaranteed buildings under condominium loans exceeded 1,500 while guarantee balances exceeded 100 billion yen; however, no default has occurred to date.
- Maintain 98% or more of occupancy

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➢ Accelerate expansion in guarantee balances through product diversification and new tie-up partners

NIHON HOSHOU

Increased loan guarantee (reverse mortgage type) newly with Keikyu Corporation and Shonan Shinkin Bank

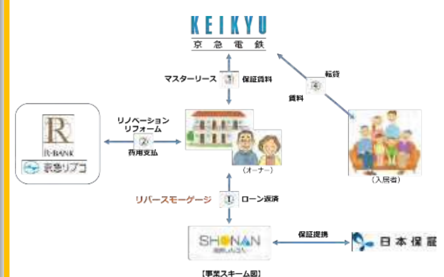

住宅新報

京急電鉄 湘南信金、日本保証と連携

空き家対策にリバースM

改修後に借り上げ

Published by JUTAKU-SHIMPO on July 10



- Slightly different from general mortgage loan schemes. Renovate a vacant house first. Keikyu Corp. leases it, and then rented out to a tenant.

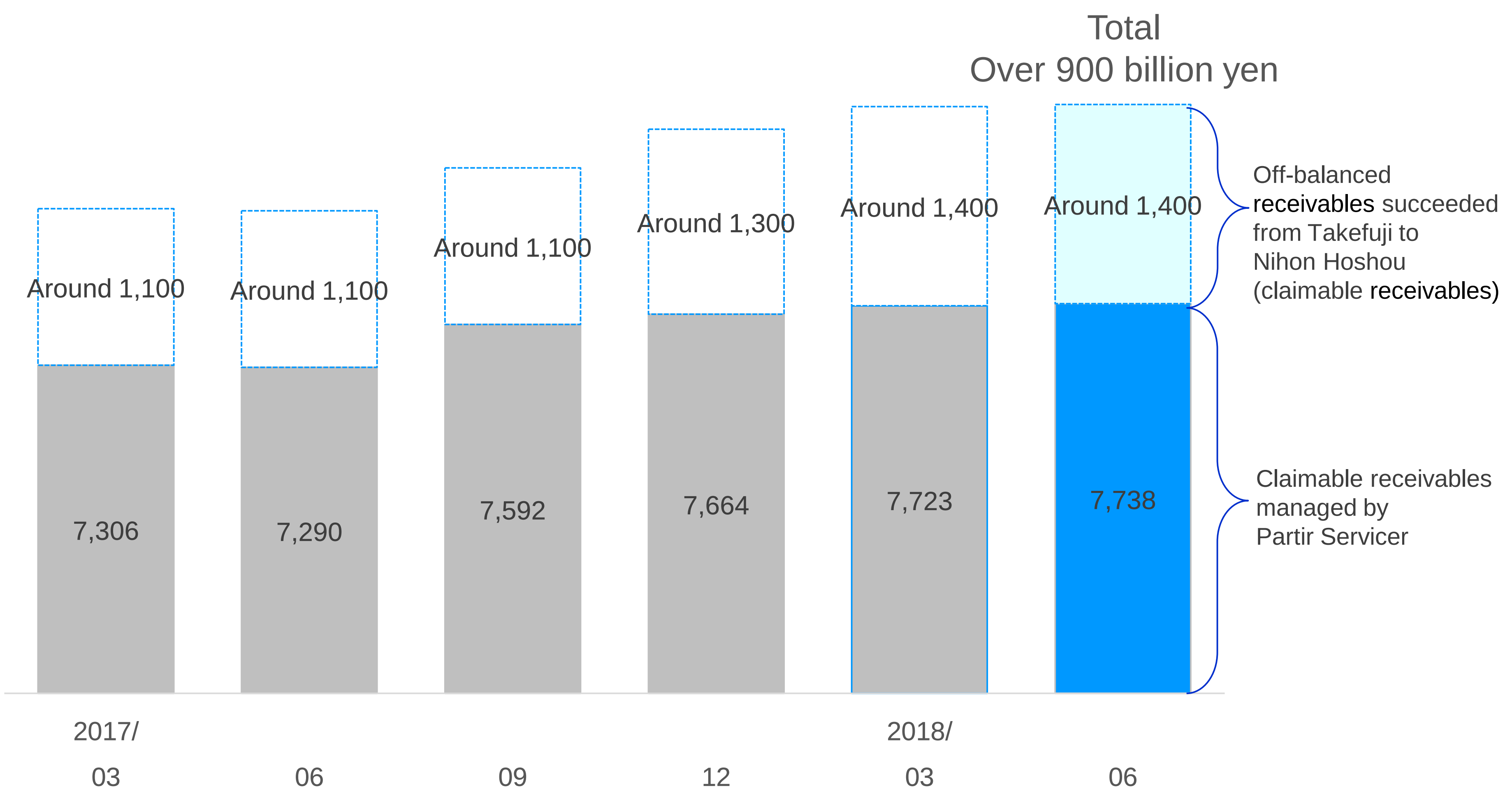
Launched "Guarantee for Real Estate Secured Loans" in California from July 2018 onwards

4th state after Hawaii, Texas, and Nevada

Solid growth in claimable receivables attained by successful NPL purchases

(Unit: 100 million yen)

The Amount of Receivables - *Servicer* Business



Claimable receivables include purchased receivables and entrusted receivables for collection.
Claimable receivables include some on balance receivables.

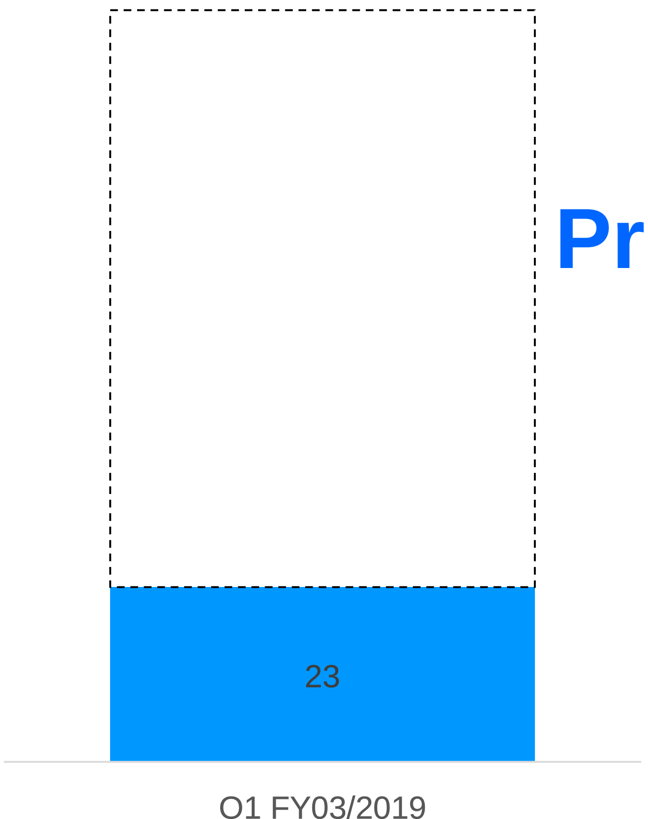
➢ Financial Business in Japan: Progress toward the full-year forecast

(Unit: 100 million yen)

Operating Revenue

Full-year forecast: 99

Actual figure: 23

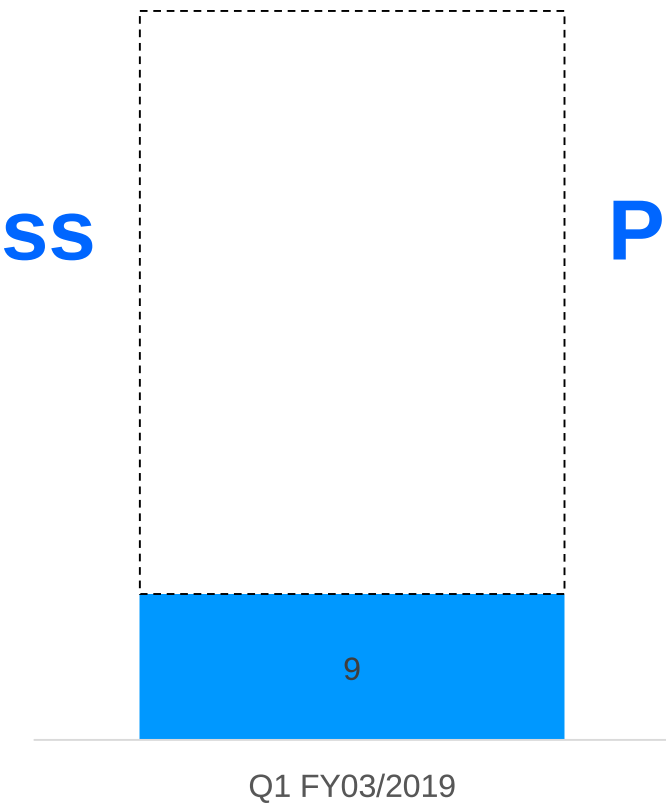


23%
Progress

Operating Profit

Full-year forecast: 45

Actual figure: 9

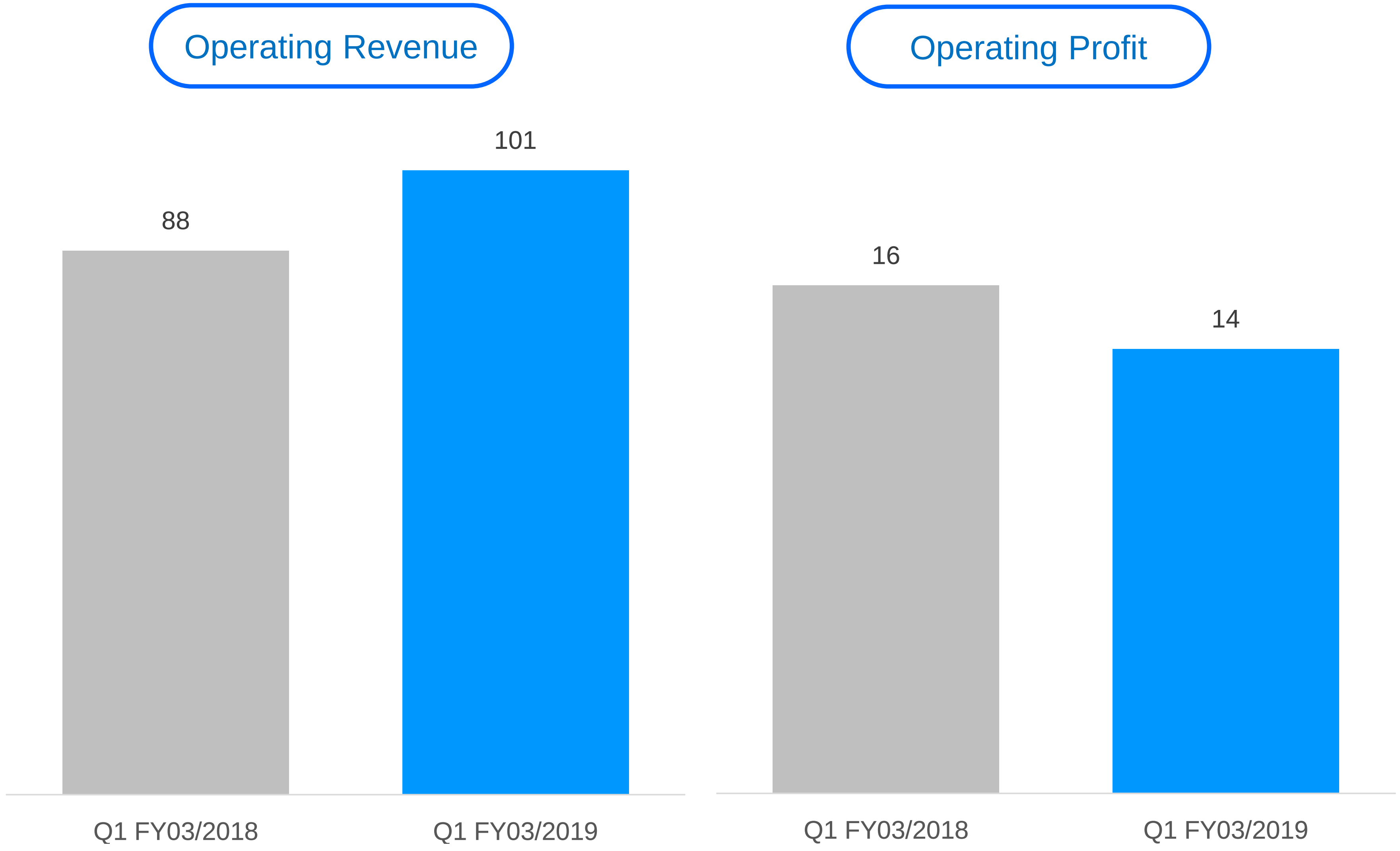


20%
Progress

3. Performance and Results by Segment
3-2. Financial Business in South Korea and Mongolia

Operating revenue increased by 15% YOY

(Unit: 100 million yen)

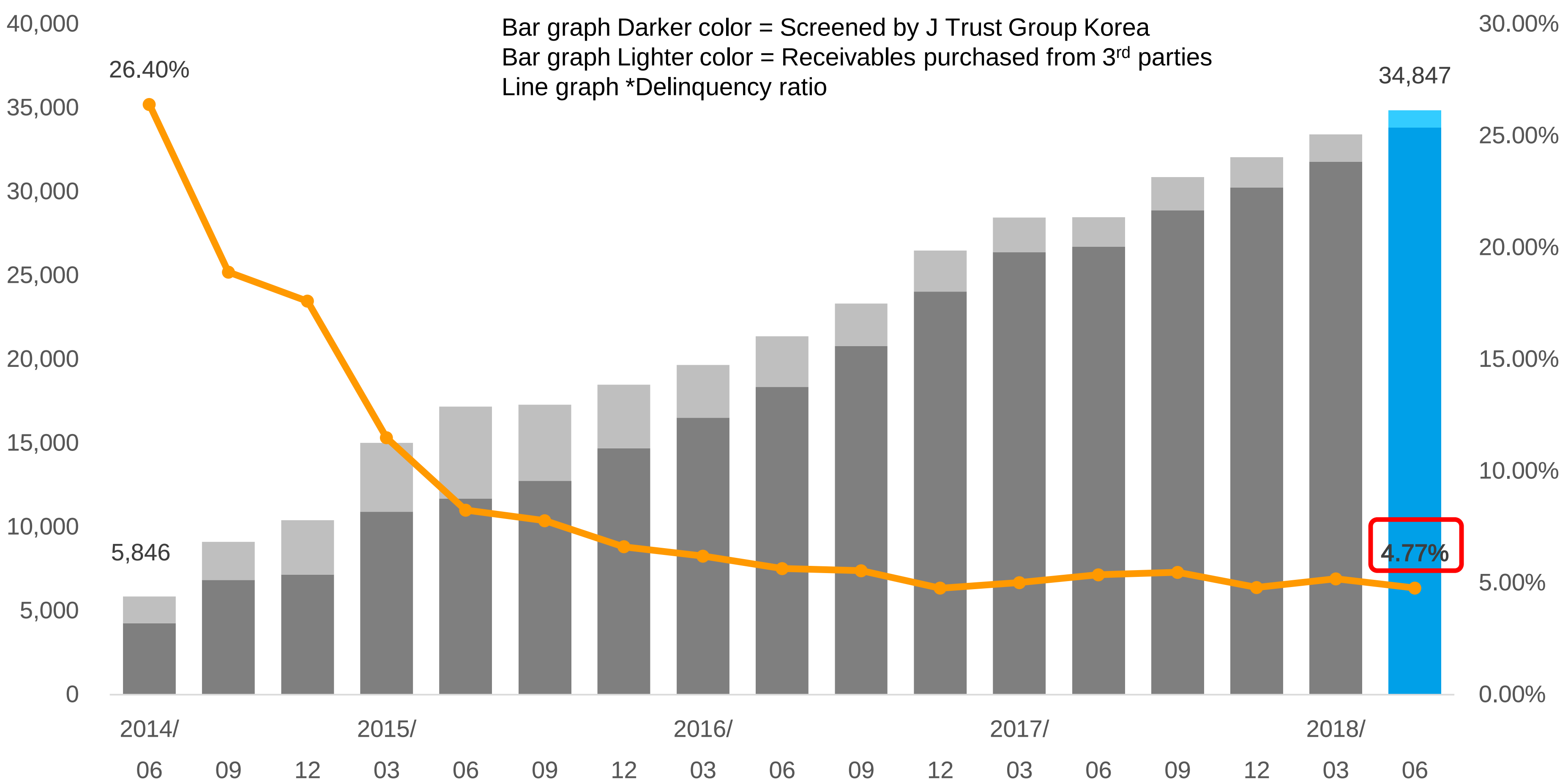


➢ Loan balance increased

➢ Delinquency ratio stays at low

(Unit: 100 million won)

Loan balance and delinquency ratio* at Savings Banks / Capital Company



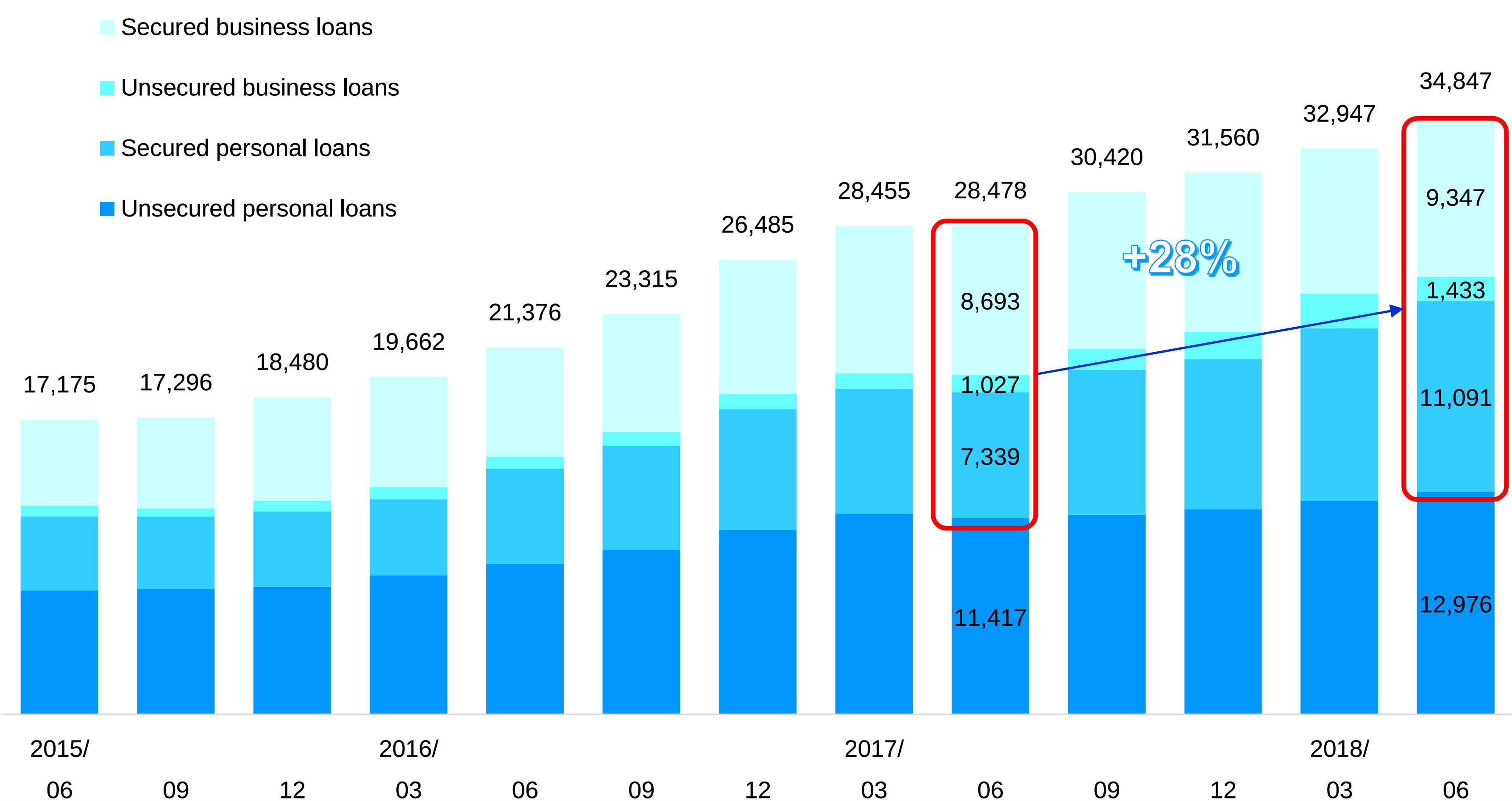
Reference rate: 1 won=0.0988 yen

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

➢ Focus on secured loans or loans to blue-chip companies amid tighter regulations

(Unit: 100 million won)

Loan Portfolio



Reference rate: 1 won=0.0988 yen

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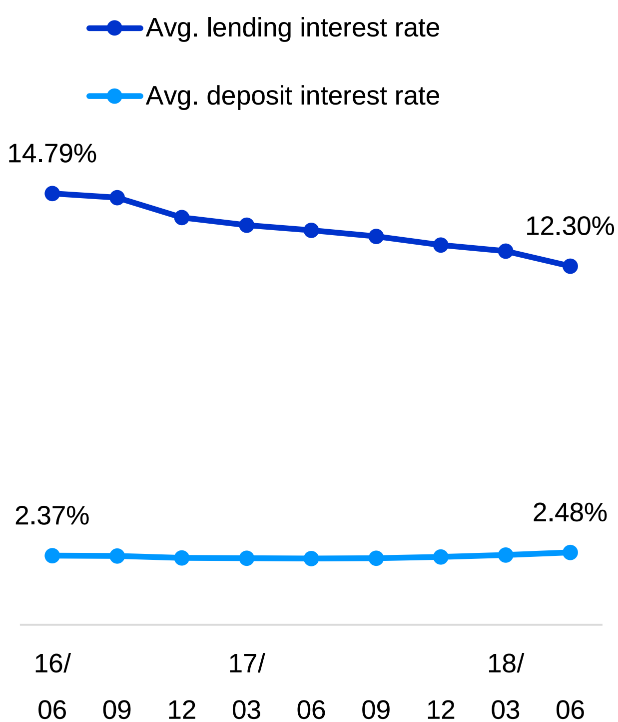
➢ Net interest income edged higher even under tighter regulations

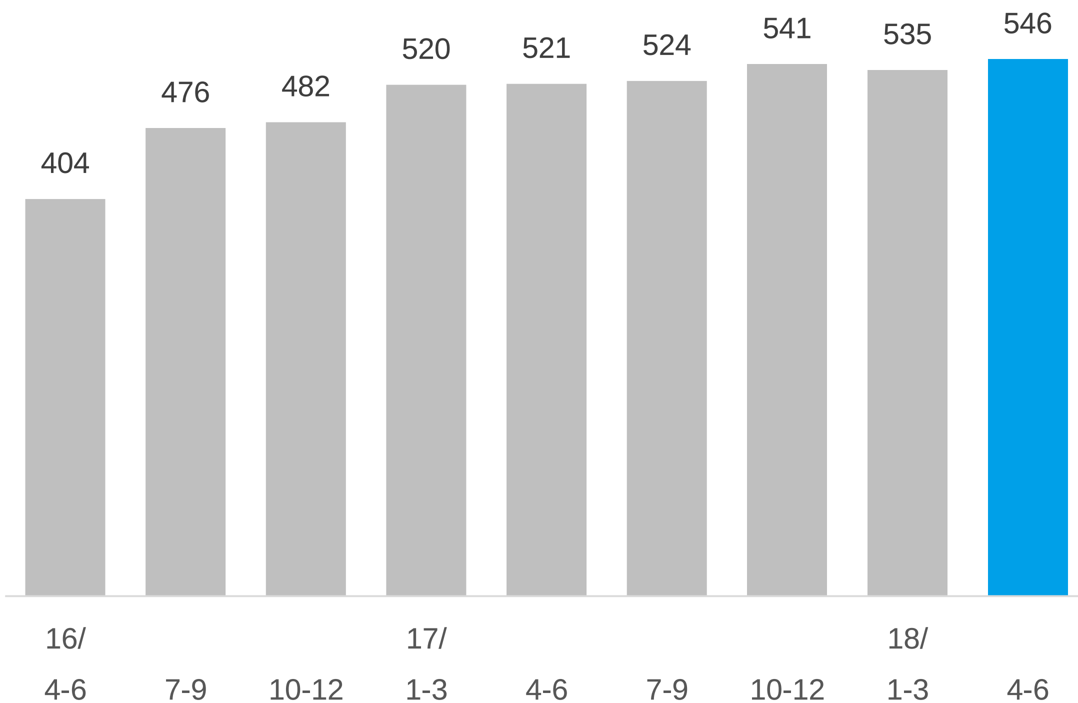
(Unit: 100 million won)

Key Indicators of 2 Savings Bank

Avg. lending interest rate / Avg. deposit interest rate



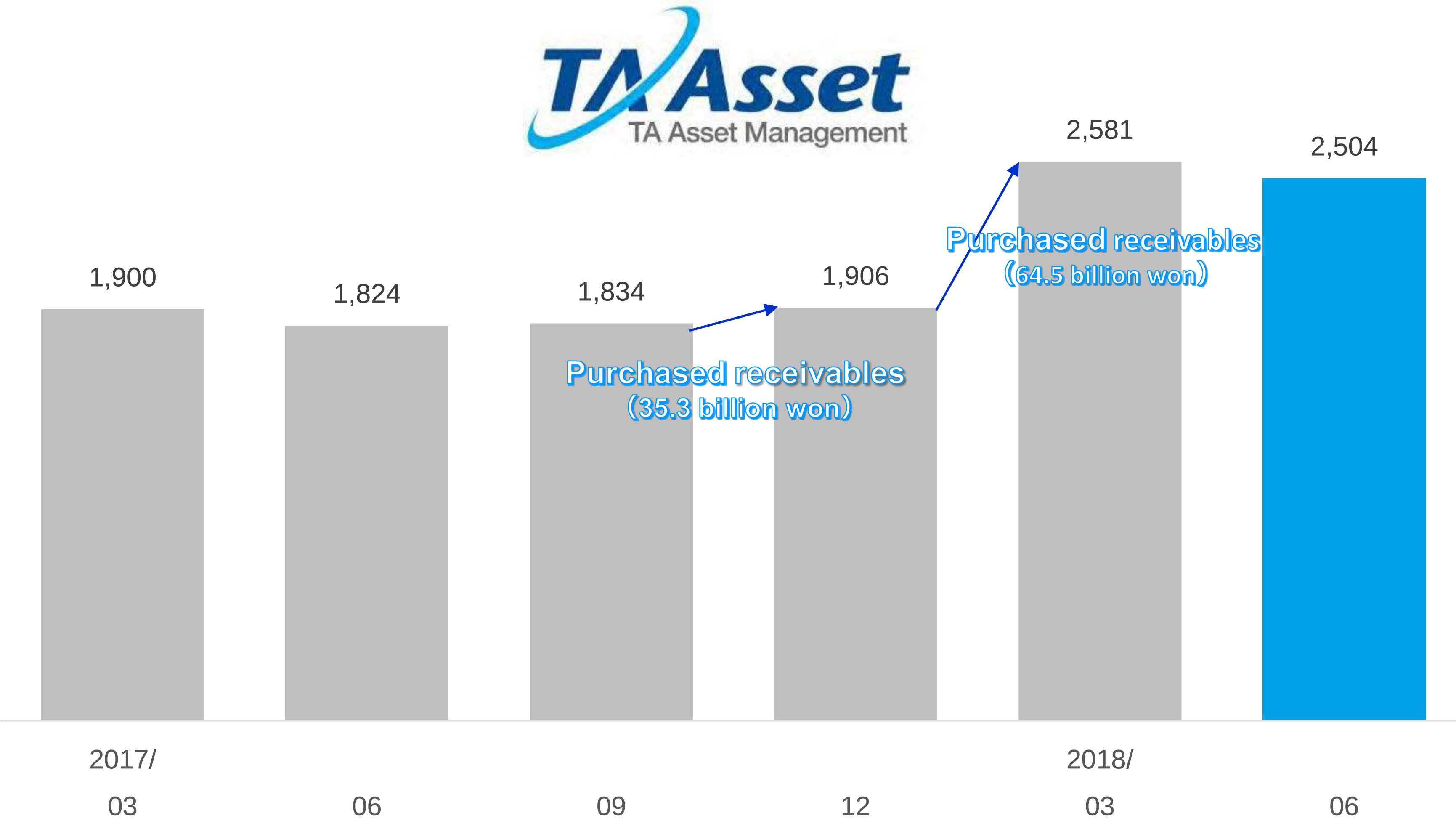
Net interest income



➢ Select purchasing quality receivables for revenue realization

(Unit: 100 million yen)

Claimable receivables in TA Asset Management



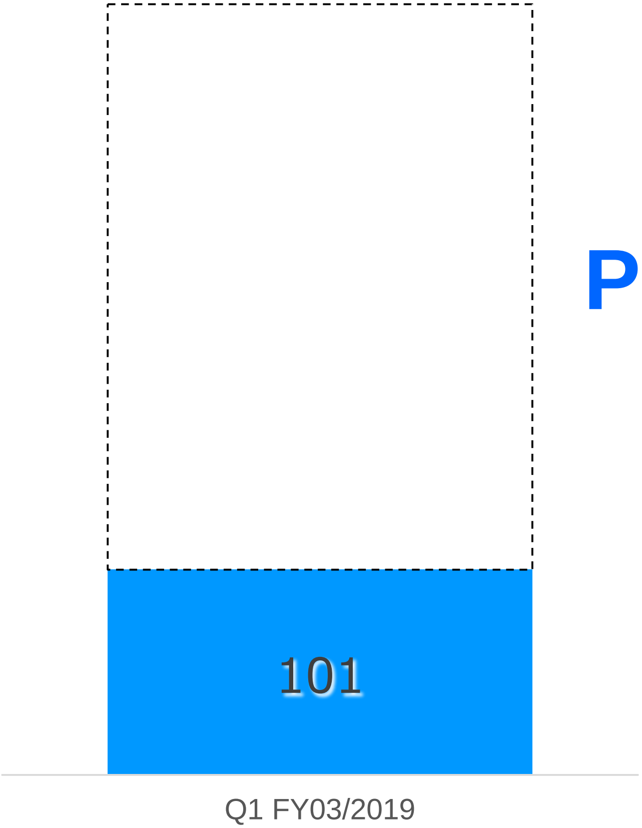
Reference rate: 1 won=0.0988 yen

Financial business in South Korea and Mongolia: Progress toward the full-year forecast

(Unit: 100 million yen)

Operating Revenue

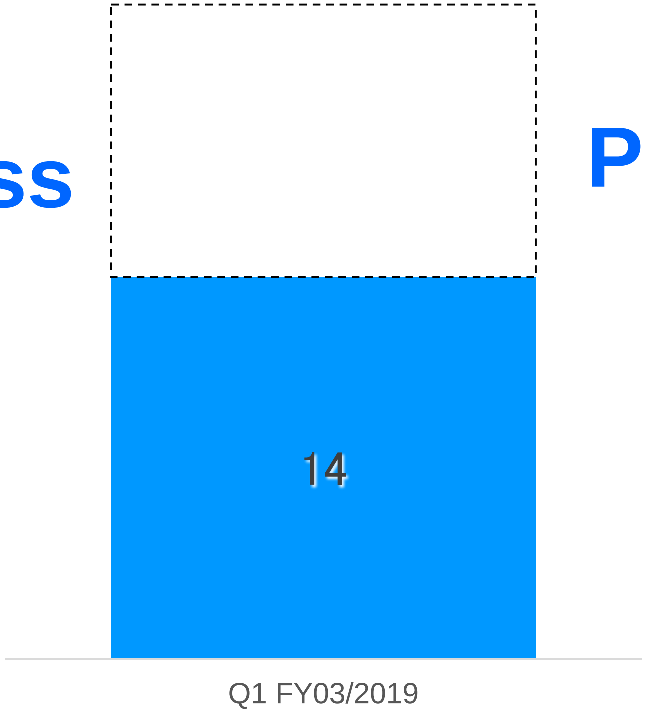
Full-year forecast: 379
Actual figure: 101



27% Progress

Operating Profit

Full-year forecast: 24
Actual figure: 14



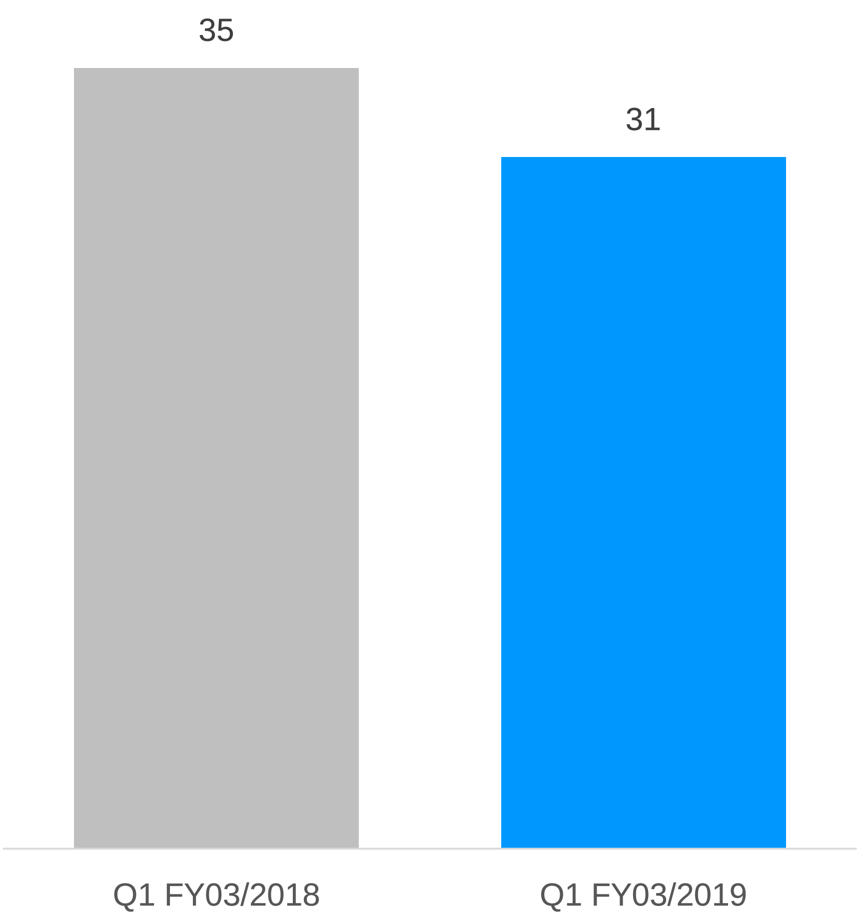
58% Progress

3. Performance and Results by Segment
3-3. Financial Business in Southeast Asia

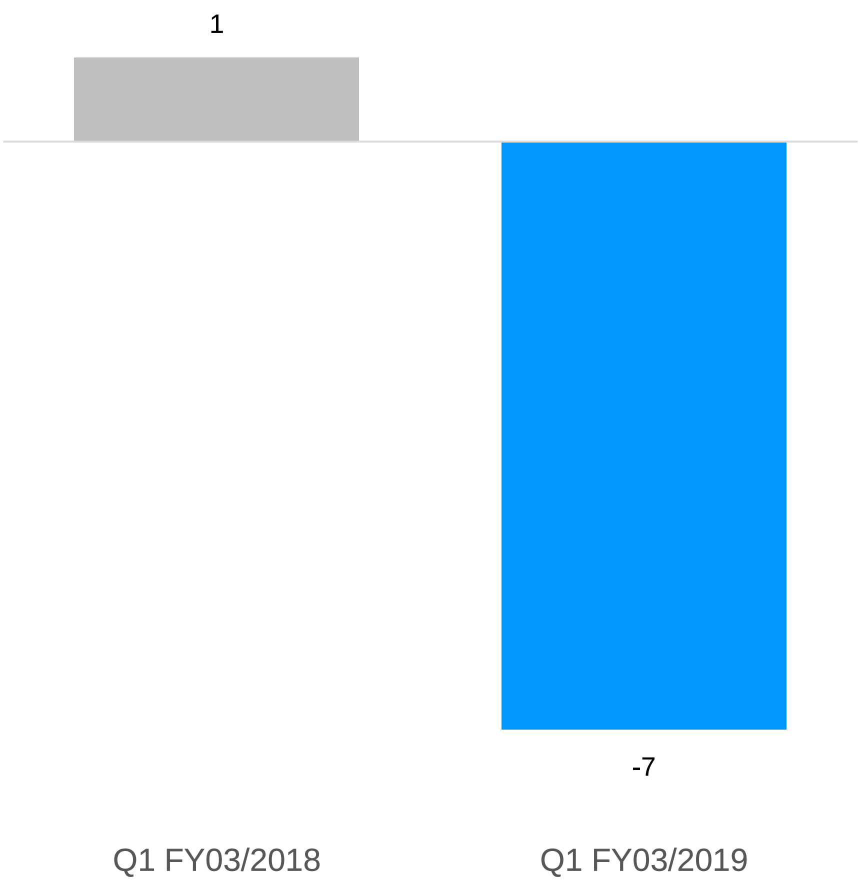
➢ Decrease in revenue and profit YOY

(Unit: 100 million yen)

Operating Revenue



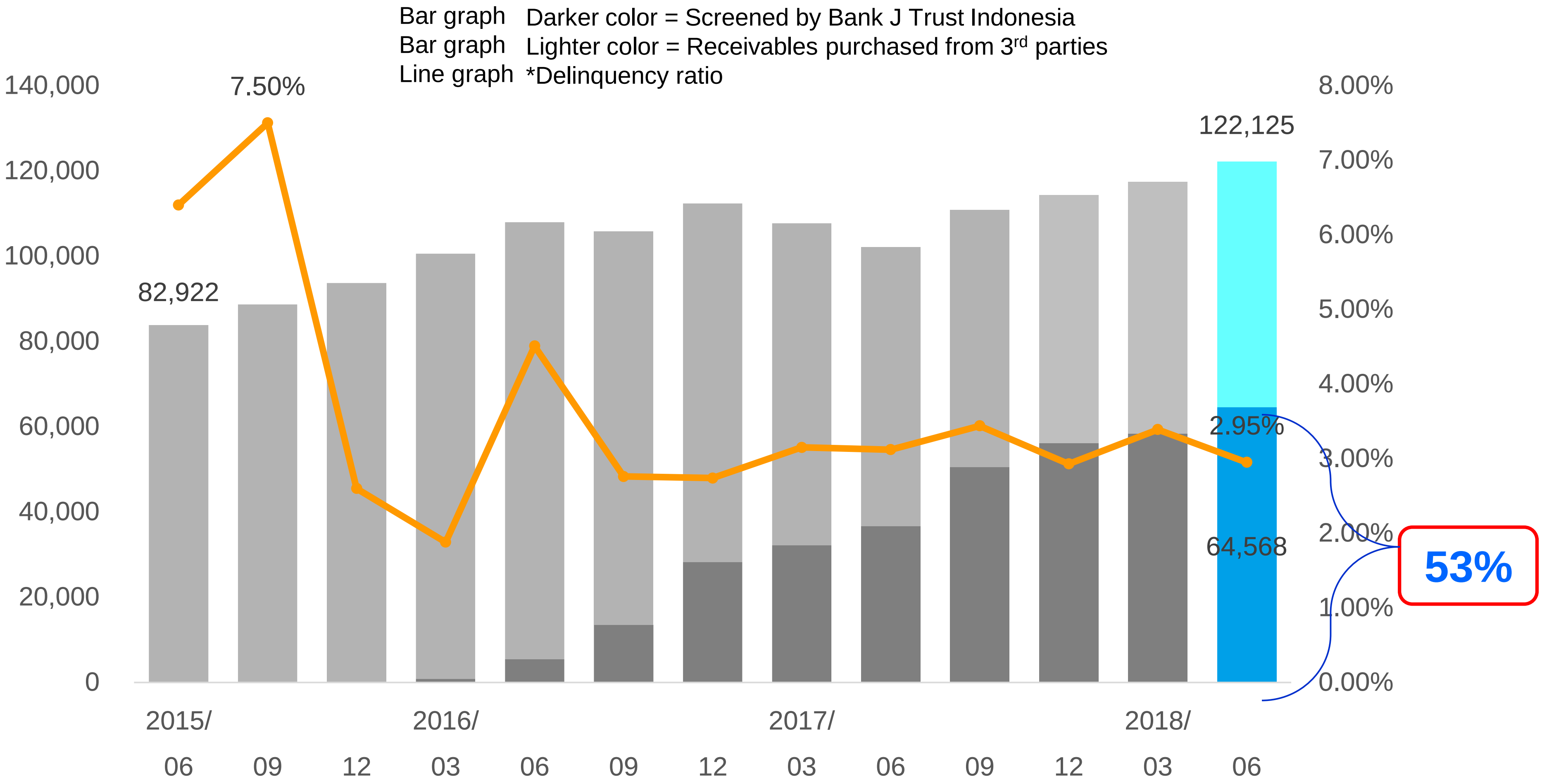
Operating Profit



➢ Loans screened by Bank J Trust Indonesia: More than 50% of loan balance

(Unit: 100 million rupiah)

J Trust Bank: Loan Balance and NPL ratio



Reference rate：1 rupiah＝0.0078 yen

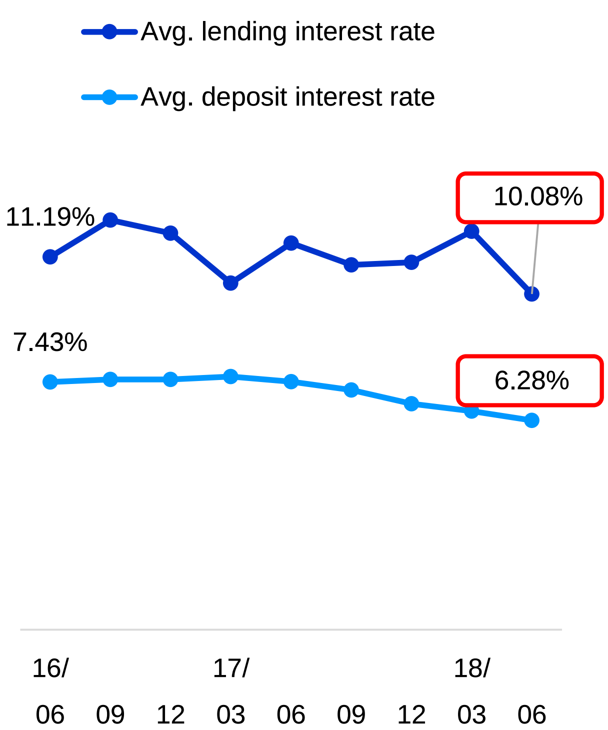
* NPL ratio ＝% of loan balance delinquent for 90 days or more

Avg. lending interest rate fell due to changes in credit ranking due to the application of IFRS 9

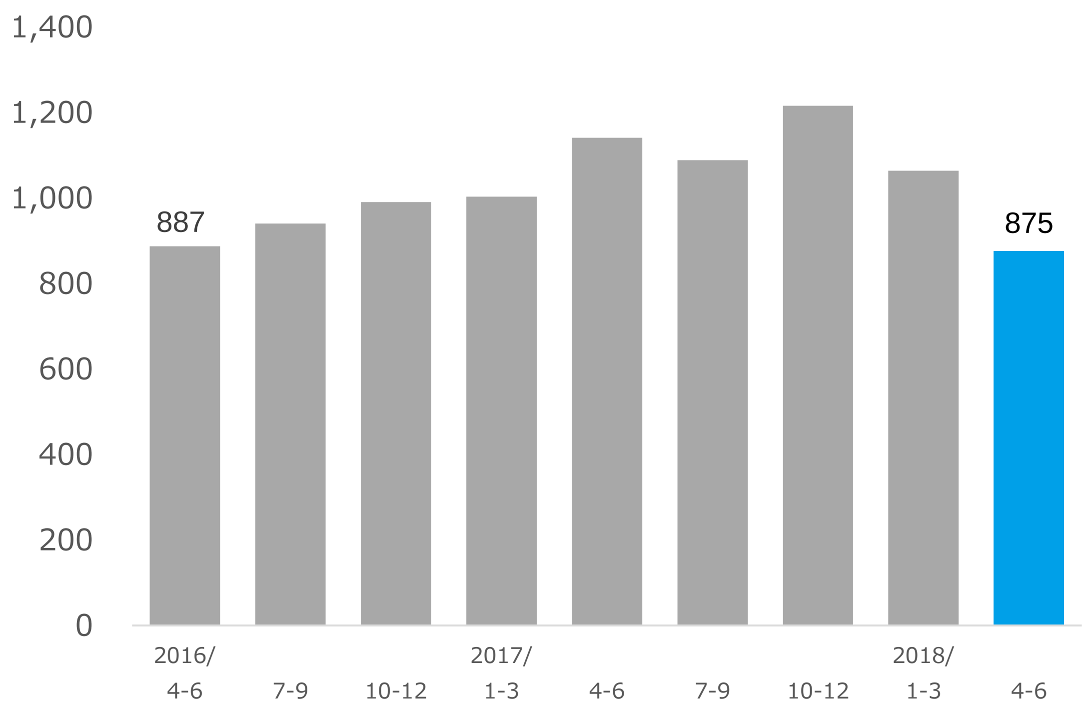
(Unit: 100 million rupiah)

Key Indicators of J Trust Bank

Avg. lending interest rate
Avg. deposit interest rate



Net interest income



Reference rate：1 rupiah＝0.0078 yen

J Trust Bank: Issues and Measures

Issues

- ✓ Sluggish growth in loan assets
- ✓ Changes in receivables' classification with introduction of IFRS9 / decrease in revenue due to deterioration of loan quality and additional provision for loan loss

Measures

- ✓ Accumulate loans in cooperation with Olympindo Multi Finance
- ✓ Strengthen staff employment for credit screening department and recruiting its head
- ✓ Tighten monitoring by setting up an exclusive team
- ✓ Reinforce collection with external advisor specialized in such fields

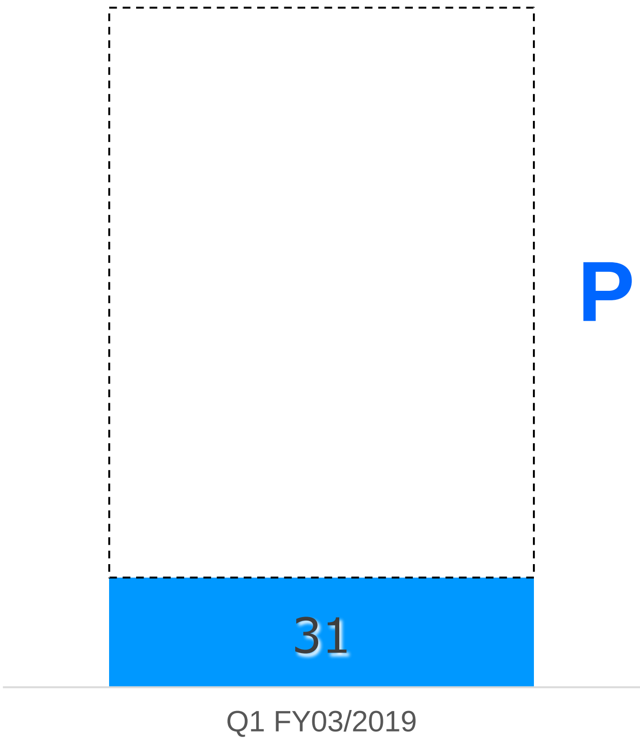
➢ Financial Business in Southeast Asia: Progress towards the full-year forecast

(Unit: 100 million yen)

Operating Revenue

Full-year forecast: 192

Actual figure: 31



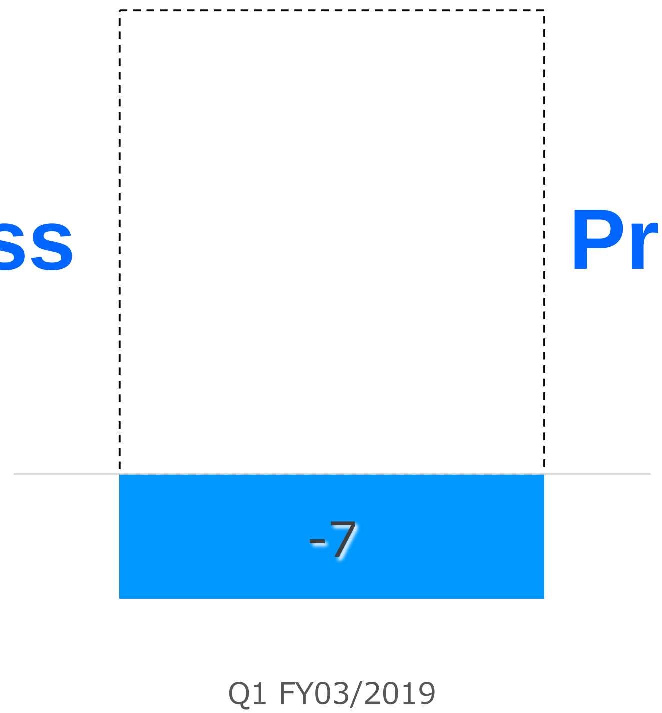
16%

Progress

Operating Profit

Full-year forecast: 26

Actual figure: -7



- %

Progress

3. Performance and Results by Segment

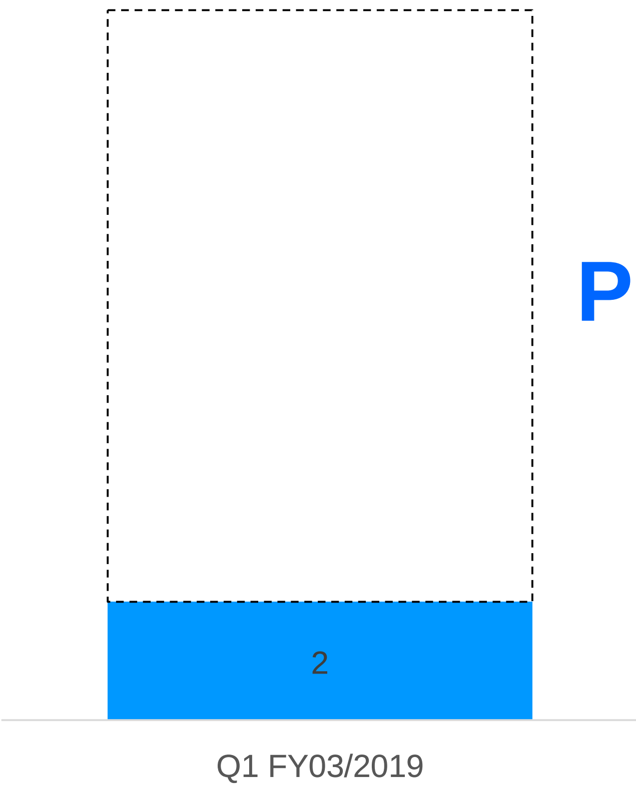
3-4. Investment Business

➢ Investment Business: Progress toward the full-year forecast

(Unit: 100 million yen)

Operating Revenue

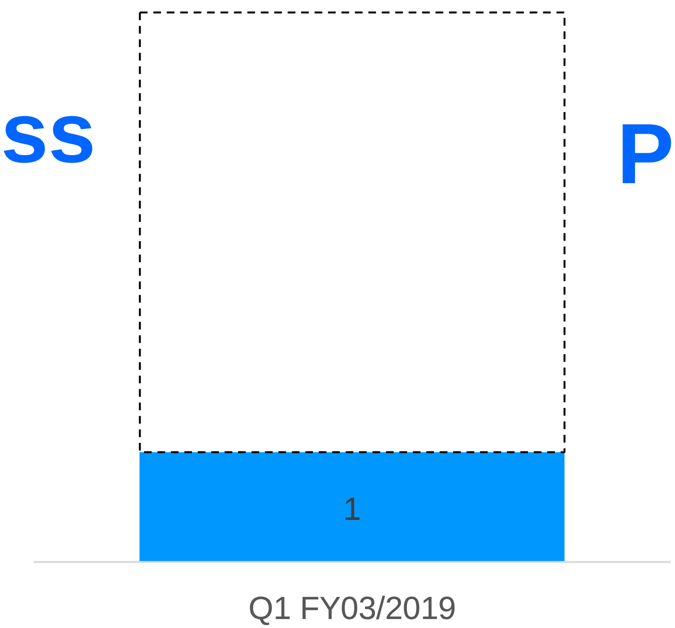
Full-year forecast: 12
Actual figure: 2



17% Progress

Operating Profit

Full-year forecast: 5
Actual figure: 1



20% Progress

3. Performance and Results by Segment

3-5. Non-financial Business

Recorded operating loss of 200 million yen

(Unit: 100 million yen)

Non-financial business

	1Q FY03/2018	1Q FY03/2019	Difference
Operating Revenue	20	16	-4
Operating Profit	-2	-2	±0

Main factor	Keynote	Highlights Entertainment
Operating Revenue	13	4
Operating Expenses / SG & A Expenses / Other Expenses	13	6
Operating Profit	-0	-2

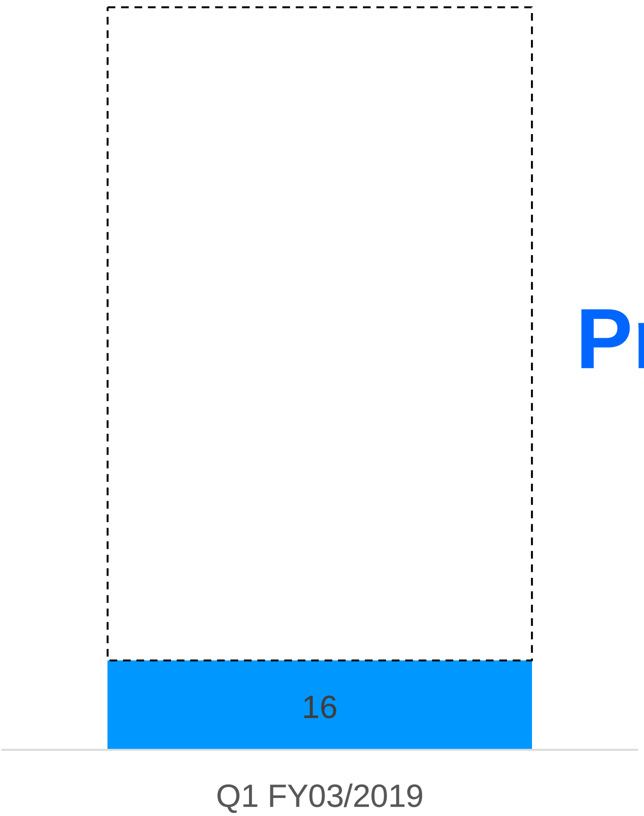
Non-Financial Business = Real Estate Business and General Entertainment Business

➢ Non-financial business: Progress toward the full-year forecast

(Unit: 100 million yen)

Operating Revenue

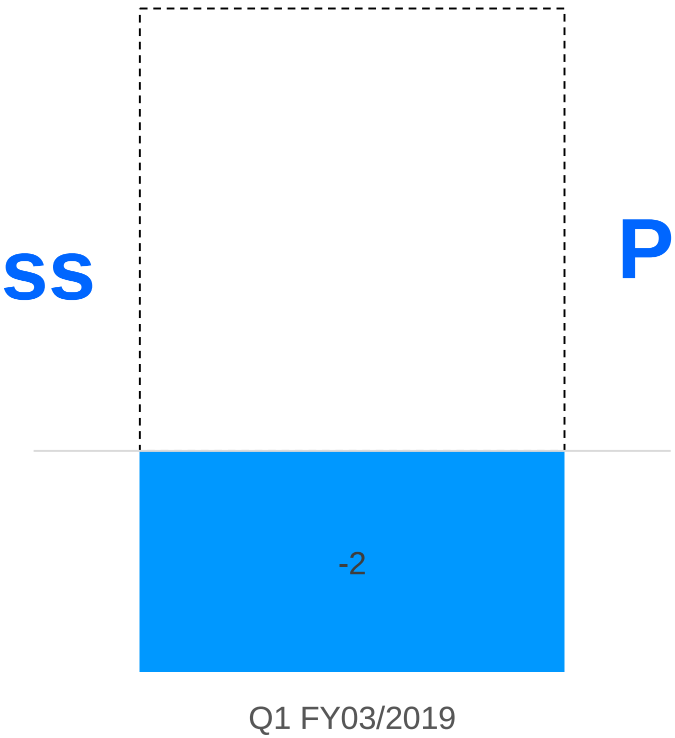
Full-year forecast: 133
Actual figure: 16



12% Progress

Operating Profit

Full-year forecast: 4
Actual figure: -2



- % Progress

4. Consolidated Financial Forecasts for FY03/2019

➢ Preconditions for consolidated earnings forecast

- J Trust has adopted IFRS 9 from FY03/2019 and its impacts are reflected in the figures.

  Forecast for FY03/19 are increasingly positive even after the changes in criteria of provision for doubtful accounts.

- The applicable exchange rates are the average rates (from the market entry date to end March 2018) as below.

  1 SGD: 82.82 JPY　　1 IDR: 0.0086 JPY　　1: KRW: 0.092 JPY

  Below sets out the exchange rates as of June 30, 2018.
  1 SGD: 81.77 JPY　　1 IDR: 0.0079 JPY　　1: KRW: 0.1012 JPY

- As announced on April 19, 2018, Olympindo is scheduled to be a consolidated subsidiary by August 30; however, its impact on the business results is not reflected in this forecast.

- In investment business, any impacts other than gains / losses that occur in the normal course of business are not reflected in this forecast.

Consolidated forecast and progress

(Unit: 100 million yen)

Consolidated Forecast and Progress

	FY03/2019 forecast	Q1 FY03/2019	Progress
Operating Revenue	833	178	21%
Operating Profit	70	5	7%
Profit attributable to owners of parent	53	14	26%
ROE	3.5%	0.9%	-

J TRUST

By Segment

(Unit: 100 million yen)

Consolidated Financial Forecast

		FY03/2019 forecast	Q1 FY03/2019	Progress
Financial Business in Japan	Operating Revenue	99	23	23%
	Operating Profit	45	9	20%
Financial Business in South Korea and Mongolia	Operating Revenue	379	101	27%
	Operating Profit	24	14	58%
Financial Business in Southeast Asia	Operating Revenue	192	31	16%
	Operating Profit	26	-7	-
Investment Business	Operating Revenue	12	2	17%
	Operating Profit	5	1	20%
Non-financial Business	Operating Revenue	133	16	12%
	Operating Profit	4	-2	-
Others/Consolidation adjustment, etc.	Operating Revenue	18	5	-
	Operating Profit	-34	-10	-
Total	**Operating Revenue**	**833**	**178**	**21%**
	Operating Profit	**70**	**5**	**7%**

5. Acknowledgement for the Current Situation

Takehito Yamanaka
Director, General Manager of PR & IR Division
Corporate Planning Department

Key Points

1. With a greater focus on financial services, profit contribution from banking business is expected to further go up.

2. Financial business in Japan puts forward diversification while pursuing risk mitigation.

3. Financial business in South Korea absorbs the impacts of regulations and aims for stable growth.

4. Financial business in Indonesia is on course to improve profitability by loan portfolio reshuffling.

5. Increase shareholders with shareholder perks.

Financial Business in Japan

(Unit: 100 million yen)

Companies and main operations

- Nihon Hoshou = Credit guarantee business
- Partir Servicer = Purchase and collection of receivables
- J TRUST Card = Credit and consumer credit services

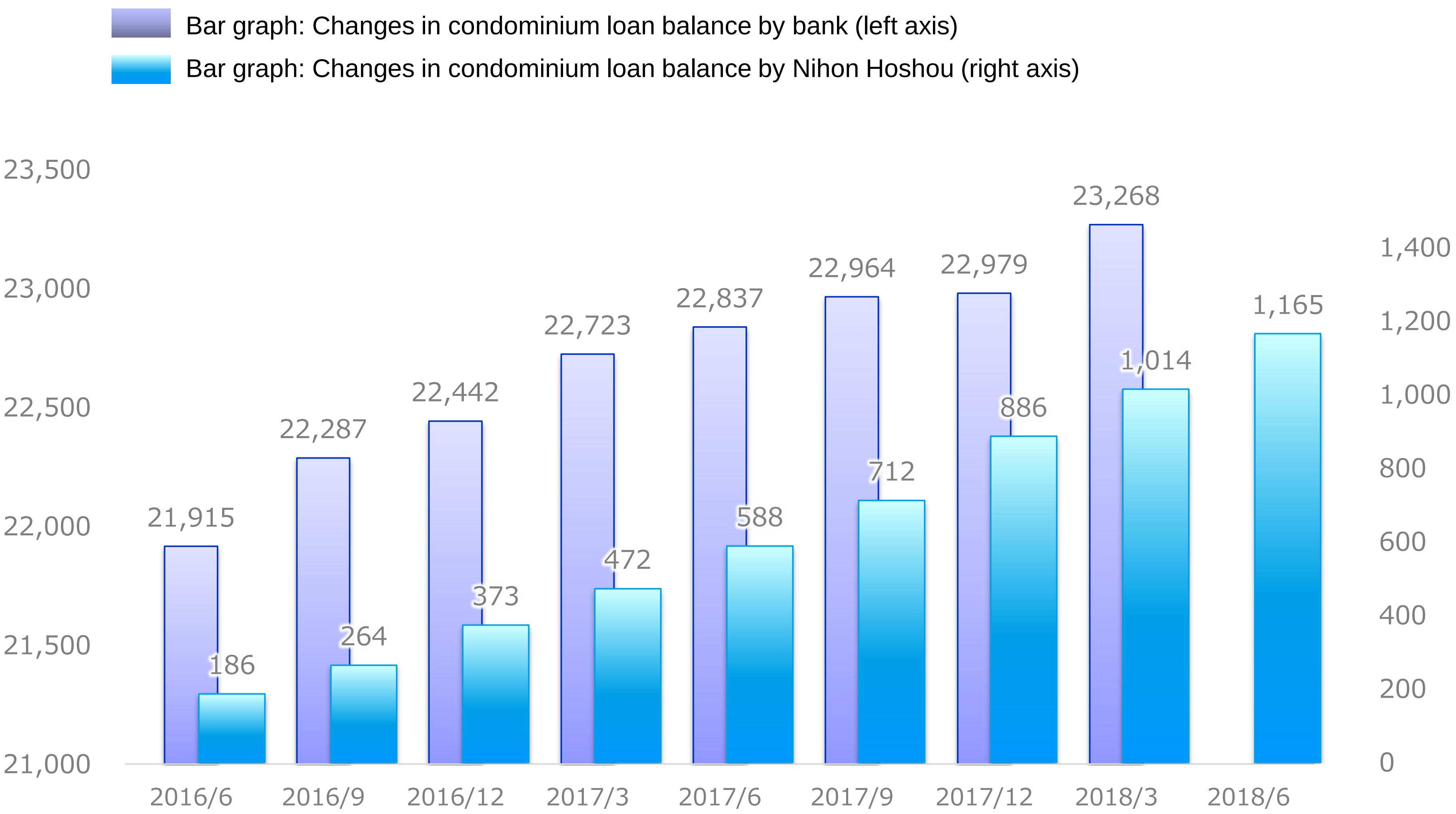
*plus several other companies.

Latest performance and results by main companies

		Q1 FY03/2018	Q1 FY03/2019	Difference
Nihon Hoshou	Operating revenue	21	20	-1
	Operating profit	12	10	-2
Partir Servicer	Operating revenue	2	3	+1
	Operating profit	-0.6	-0.4	+0.2
J TRUST Card	Operating revenue	1	0.9	-0.1
	Operating profit	0.1	0.1	±0.0

➢ Financial Business in Japan: Condominium loan balance favorably goes up

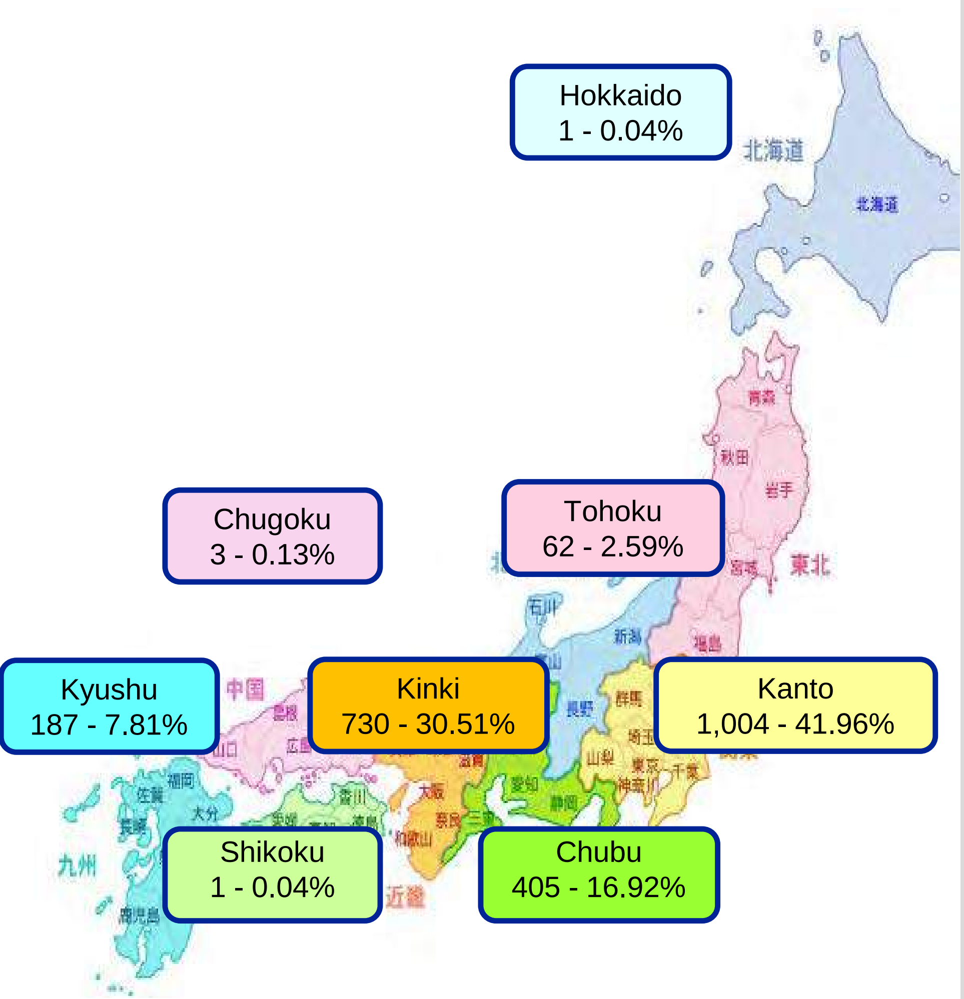
(Unit: 100 million yen)



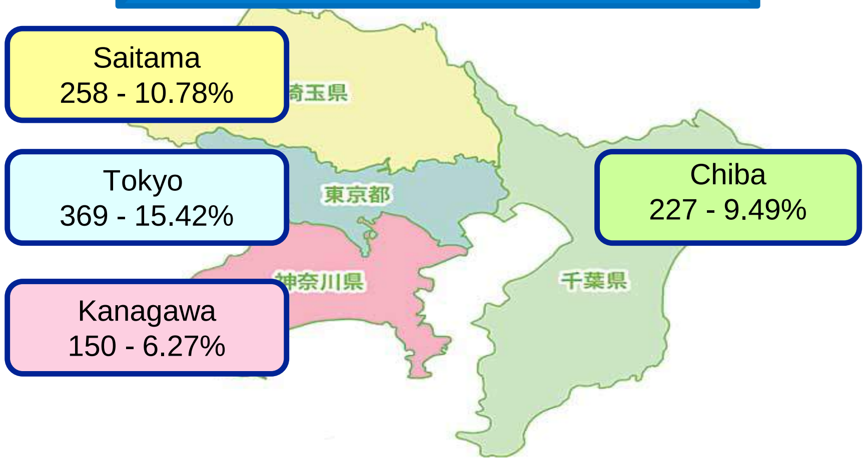
Source: Prepared by J Trust based on BOJ statistics

Successfully obtained approval in condominium loan backed by high quality properties and high occupancy

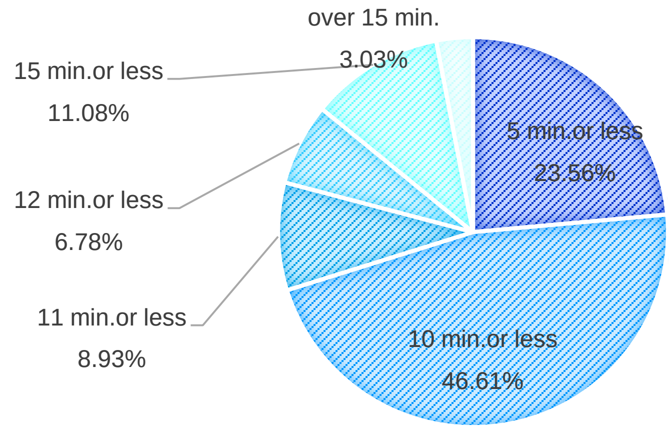
Approval status by area



Approval status in Kanto



Walking distance from station



Enhance stability through product diversification

Guarantee products

Condominium loan (1.29%)

Mortgage loan（1.29%）

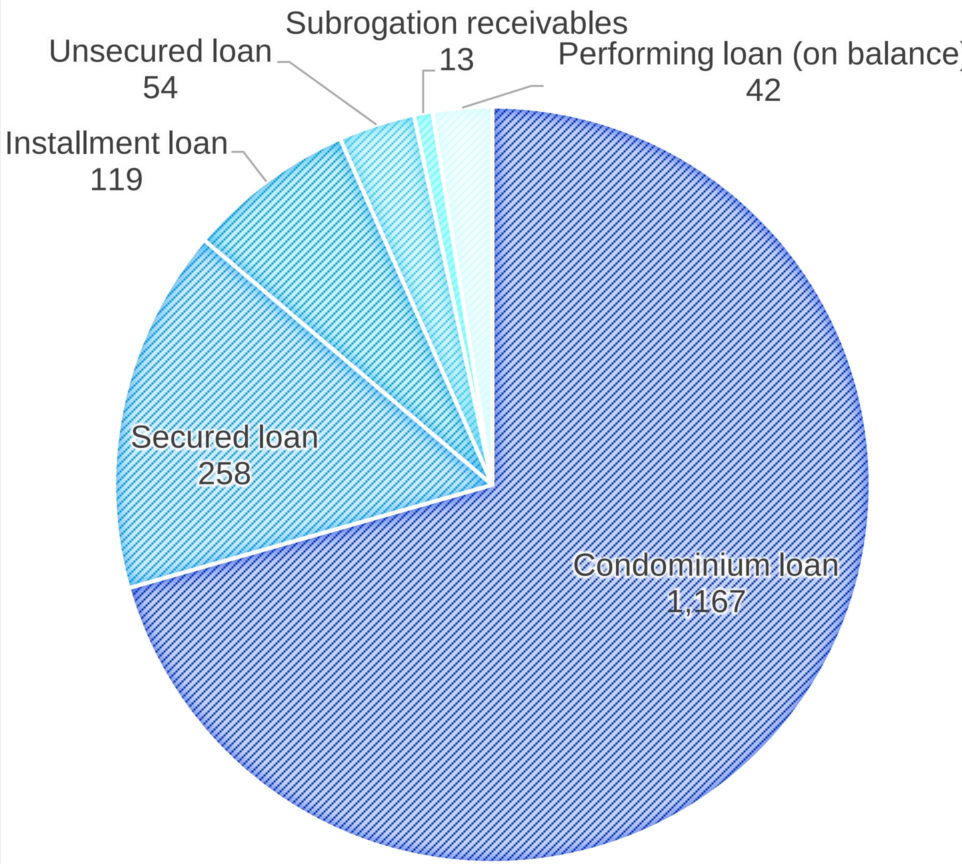
Real Estate Secured Loans in Japan (2.83%)

Overseas Real Estate Secured Loans (1.40%)

(Avg. guarantee yield: 1.84%)

Assets held by Nihon Hoshou

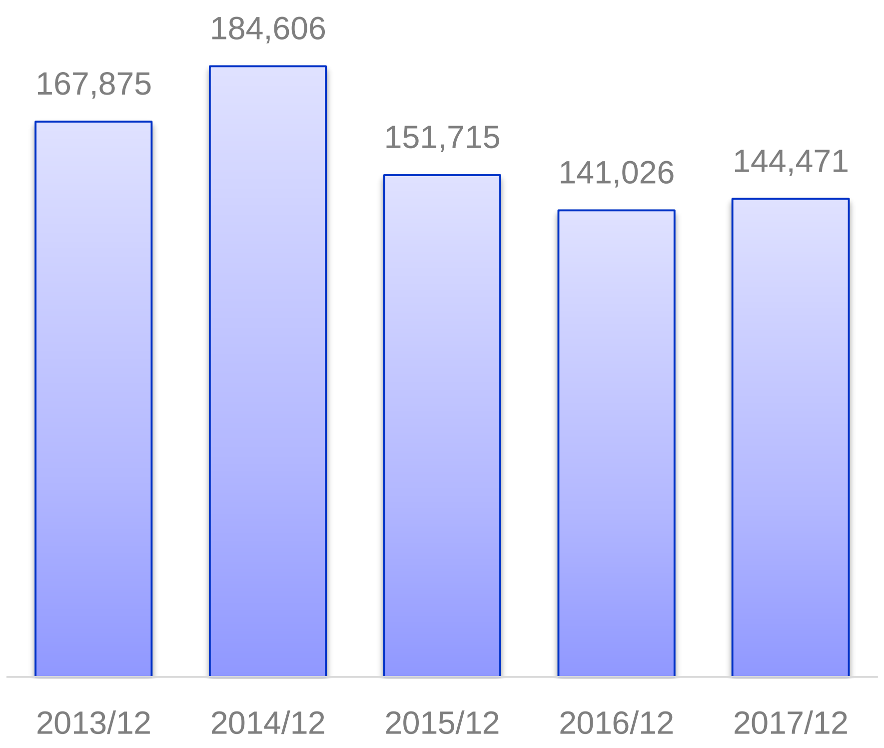
(Unit: 100 million yen)



- Increased lease/consumer credit receivables in the *Servicer* market
- Successfully purchased NPLs from an independent card companies

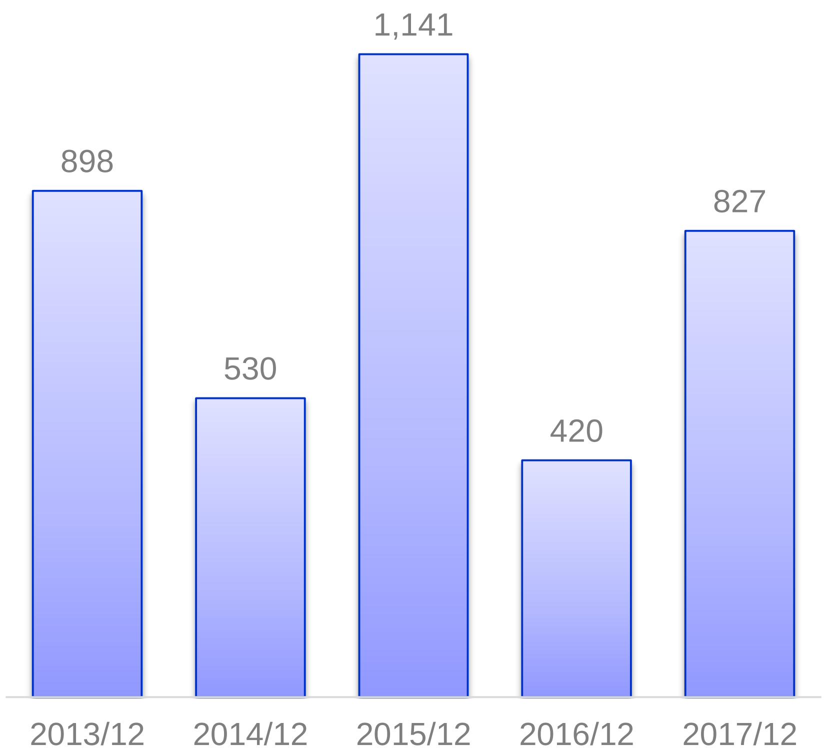
Changes in amount of receivables handled by Servicers

(Unit: 100 million yen)



Lease/consumer credit receivables handled by Servicers

(Unit: 100 million yen)



Source: prepared by J Trust based on data published by the Ministry of Justice

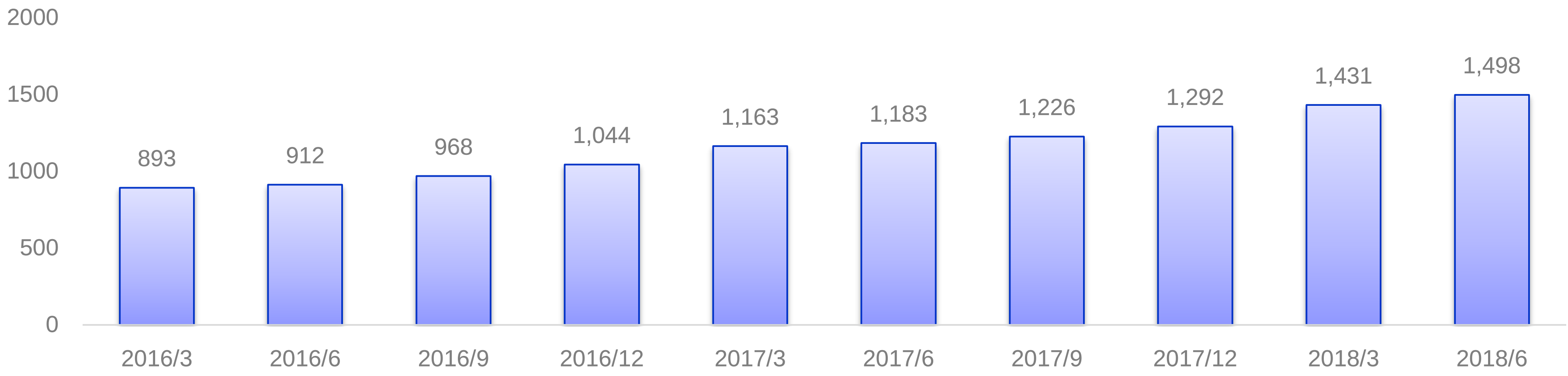
Business opportunities are expanding due to increased growth in the independent card company

Banks' card loans may offer NPL collection opportunities

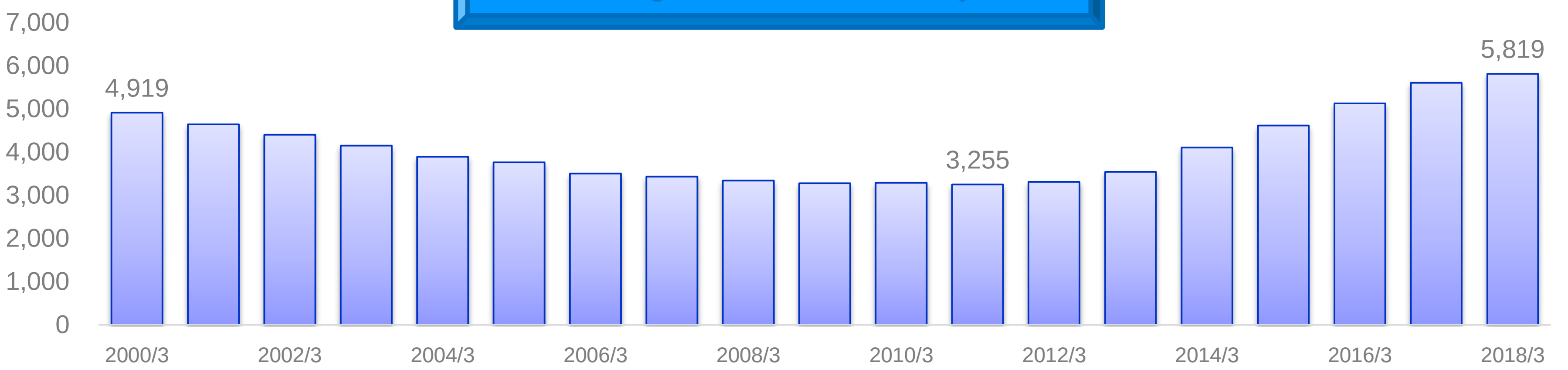
(Unit: billion yen)

Total outstanding loan balance by two major independent companies

* Shopping and cash advance in total



Outstanding card loan balance by banks



Source: Bank's card loan balance = prepared by J Trust based on BOJ statistics
Two major independent companies' loan balance =. Prepared by J Trust based on each company's published data

Financial business in South Korea: aim for solid growth by absorbing the impacts of tightened regulations

Impact of regulations (already took effect in or before 2017)

- Total lending volume control for savings banks (regulations on limits on household loan disbursement)
  ⇒Increases in loan disbursement to individuals are capped at 5.4% year on year.
- Loans with an interest rate of 20% or more require additional (1.5 times) loan loss reserves for savings banks under K-GAAP (1.3 times for capital company).

Regulations to be implemented in and after 2018

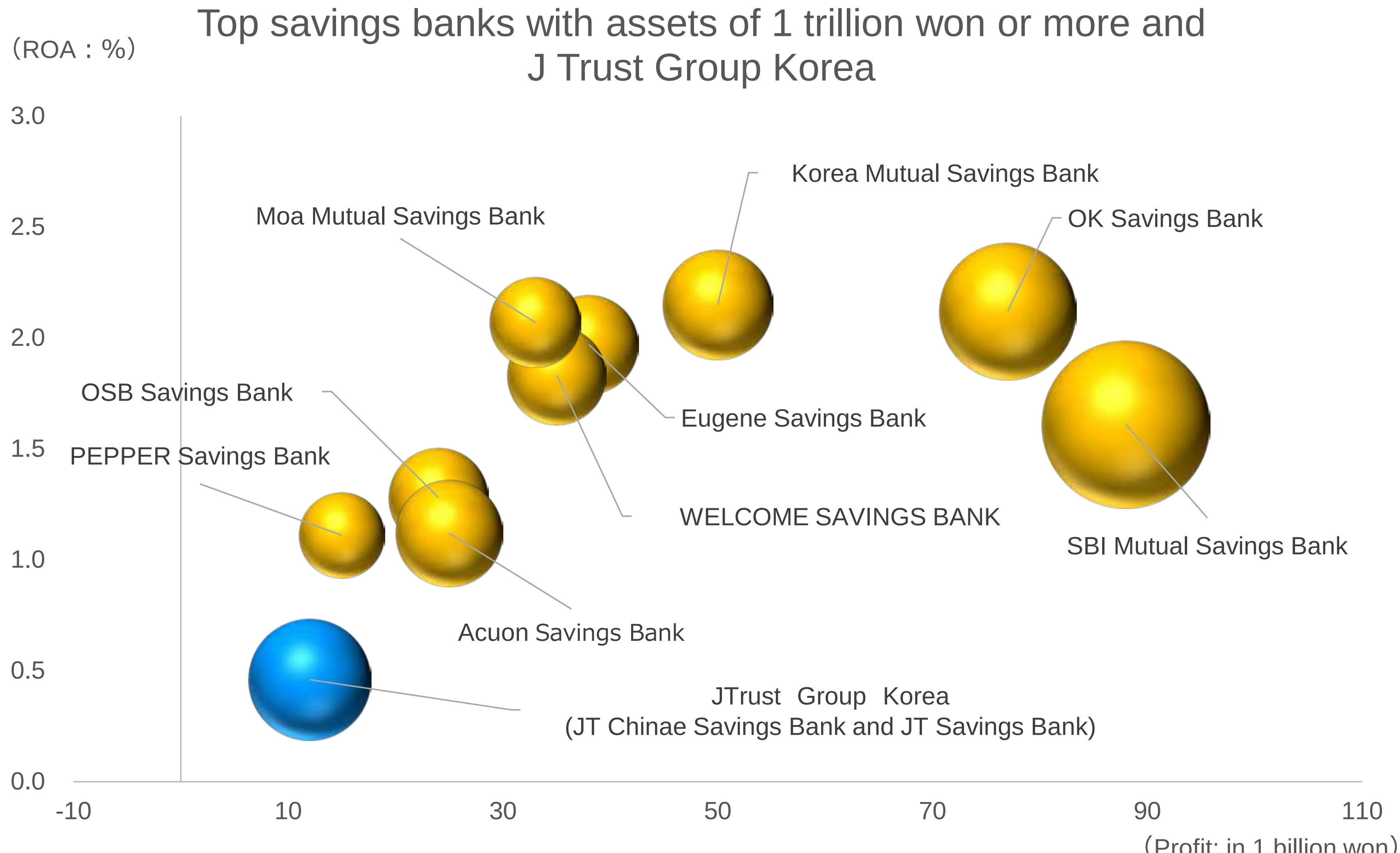
- Change the system of individual rehabilitation claims (repayment period shortened from 5 to 3 years, with which the past average exemption rate increased from some 30% to about 60%).
- Reduce the maximum interest rate (from 27.9% to 24%).
- Gradually increase the rate of loan loss reserve for the next 3 years based on the status of delinquencies under K-GAAP.
  (Loan loss reserve ratio for performing loans increase from 0.5% to max. 1.5%.
  Loan loss reserve ratio for sub-performing loans increase from 2% to max. 15%).

Regulations to be relaxed in and after 2018

- Restrictions on marketing areas are partially relaxed.
  (Borrowers were required to inhabit in the sales areas; however, restrictions are removed so long as borrower's collateral property is located in the area).

Savings Banks: Asset size ranking

* As of December, 2017

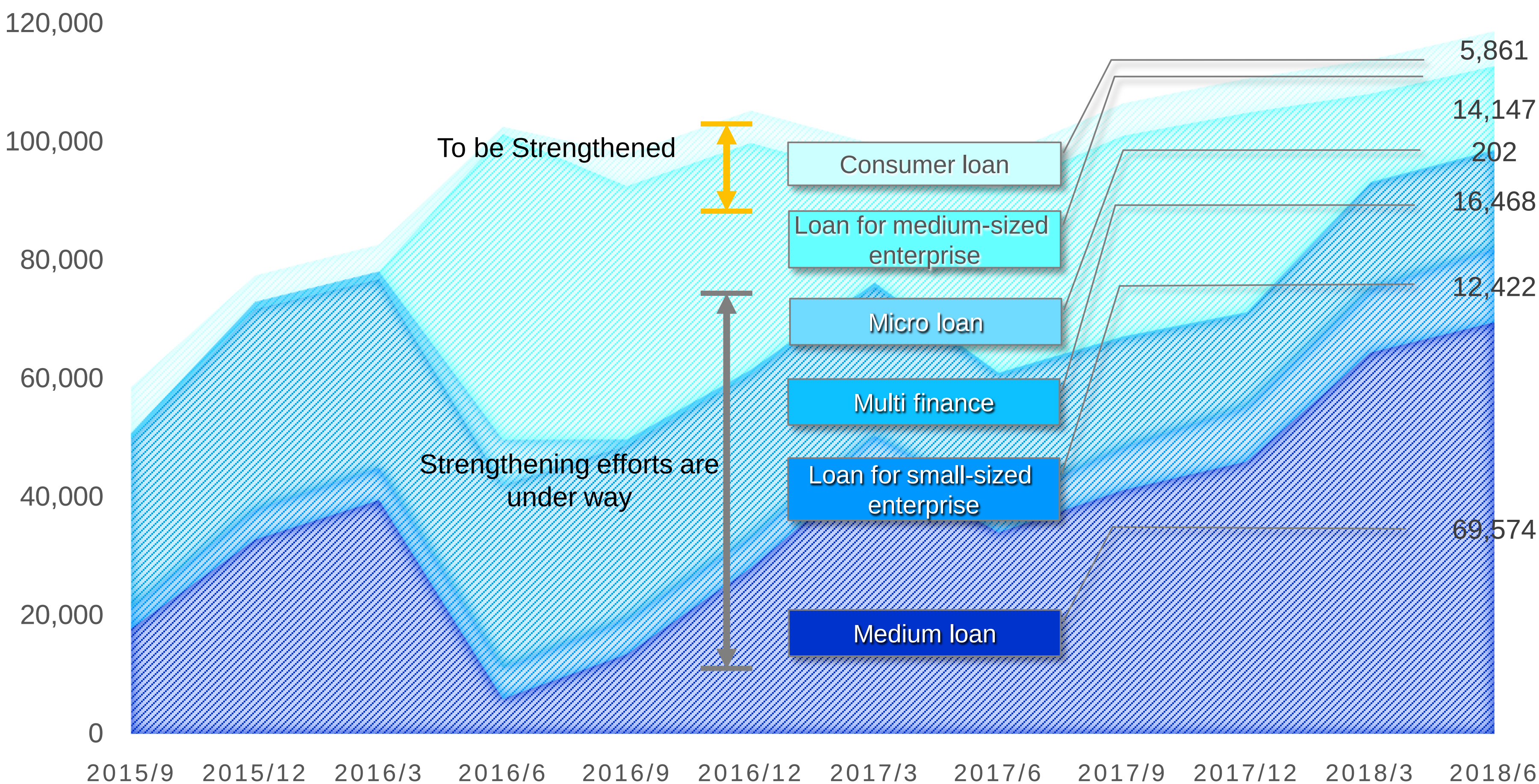


Source: Prepared by J Trust based on data published by South Korean Financial Supervisory Service

Financial Business in Southeast Asia: Promote portfolio reshuffling and expansion

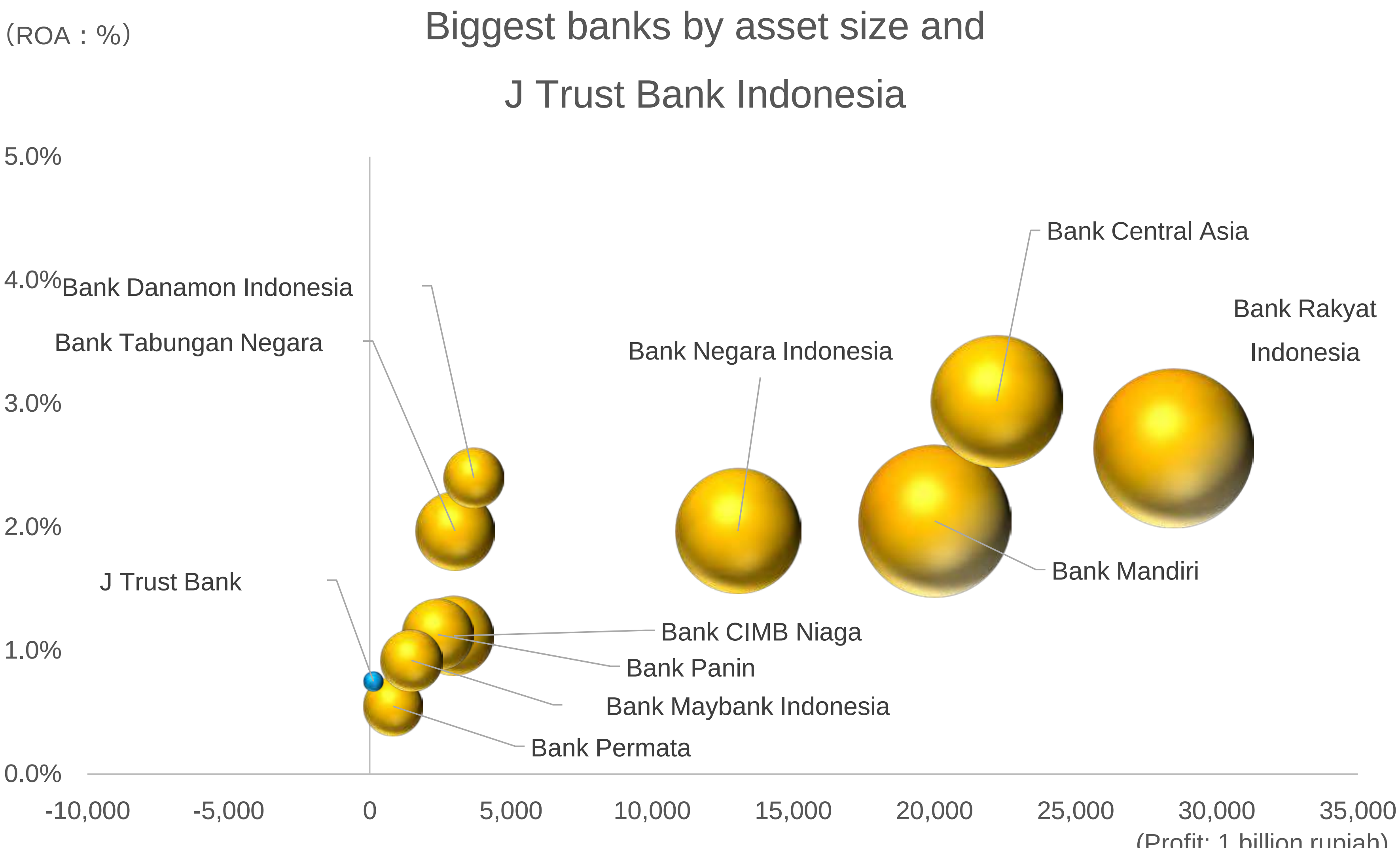
(Unit: 100 million rupiah)

J Trust Bank Indonesia: Changes in portfolio

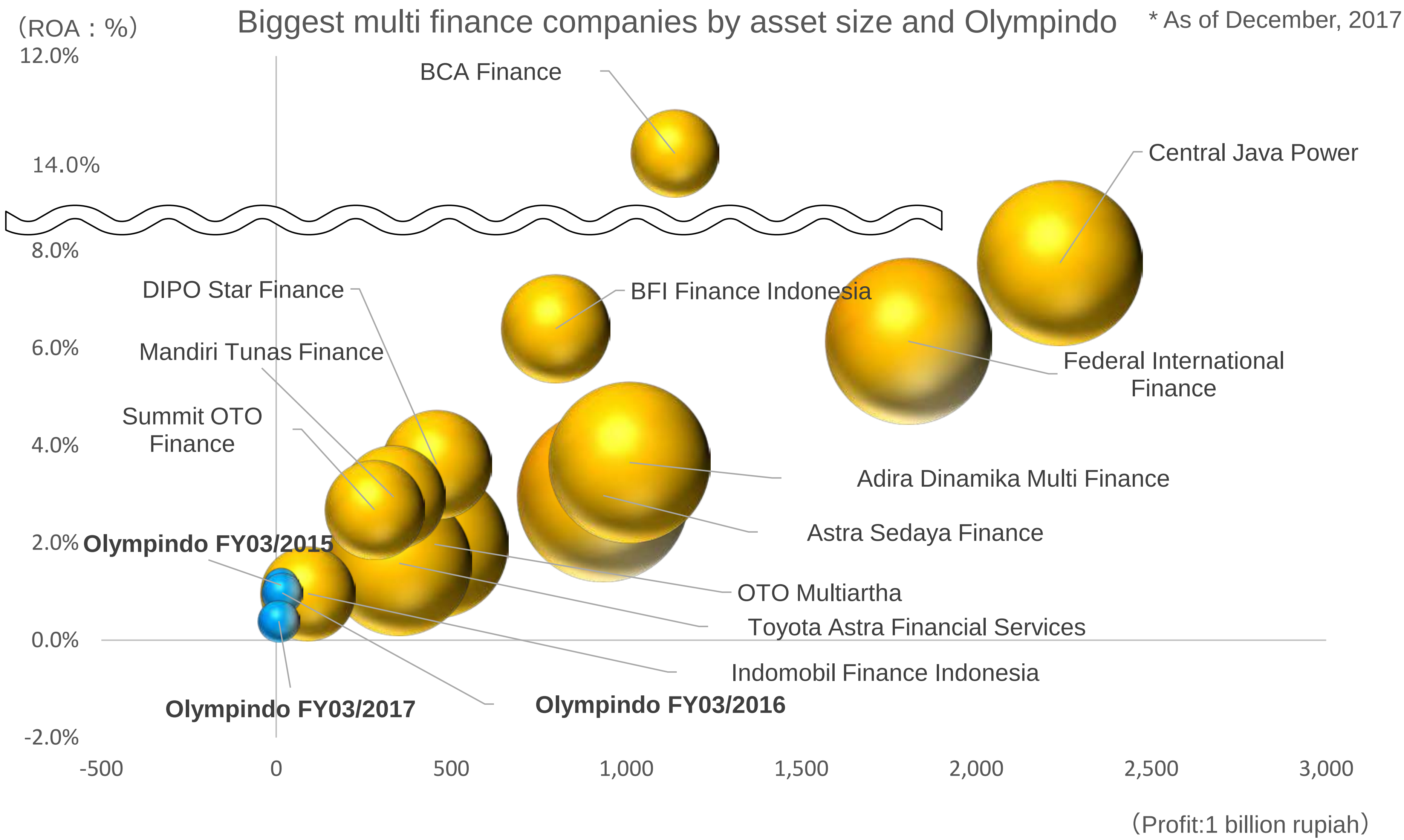


➢ J Trust Bank continues operational improvement

* As of December 2017



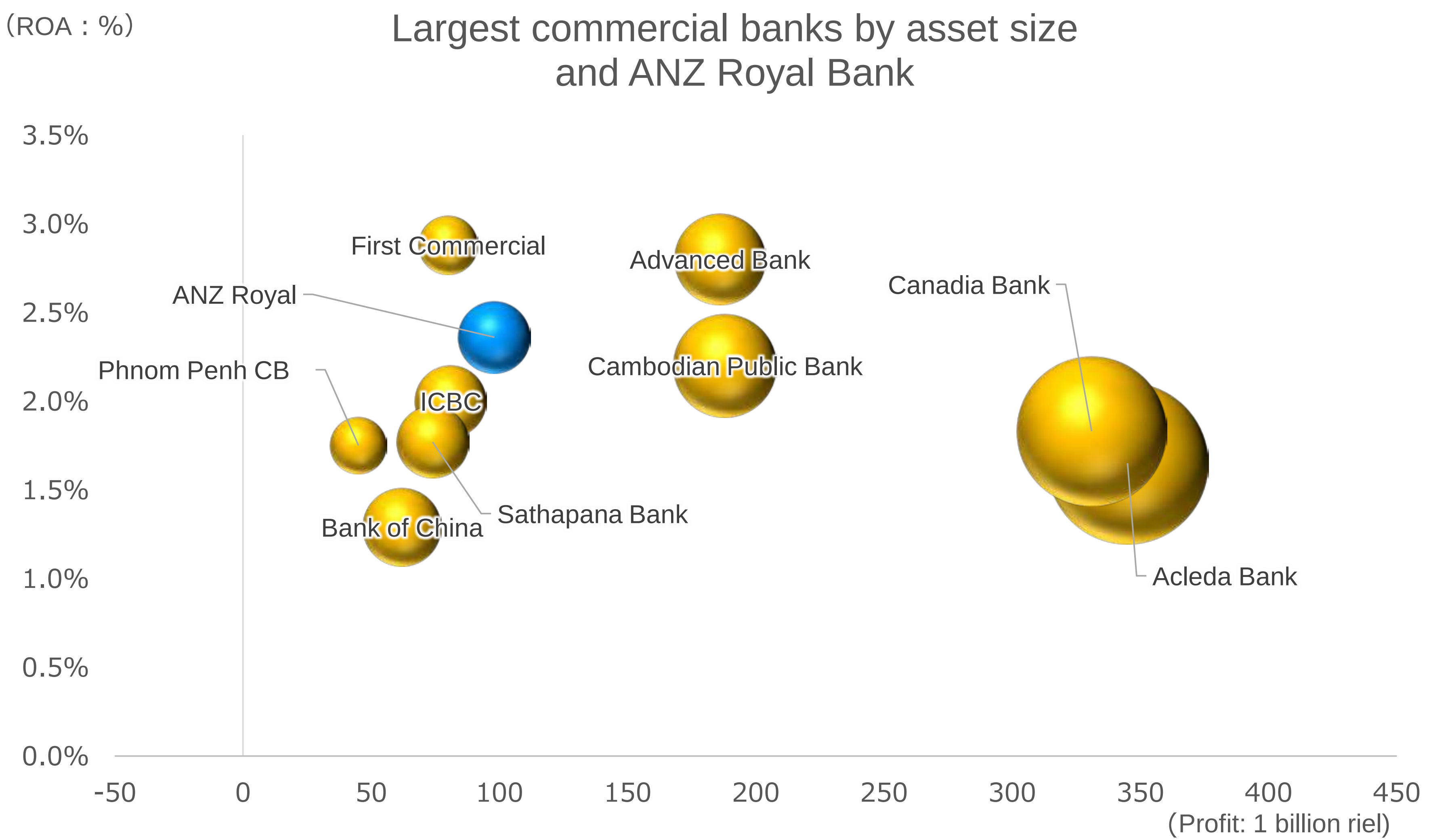
Multi finance Company: Asset size ranking



Source: prepared by J Trust based on data published by Biro Riset Infobank (Infobank Research Institute)
Olympindo's data is not December but March after audit/revision.

➢ Cambodia: Expect immediate profit contribution of ANZ Royal Bank

* As of December 2017



Source: Prepared by J Trust based on data published by National Bank of Cambodia

Capital Policy: Announced shareholder perks

Regular shareholder perks program starting from 43rd business year

✓ Dividend payments and shareholder perks offered per quarter

- Dividend (6 yen) paid at end of Mar. and Sept.
- Shareholder perks (2,500 yen) offered at end of June and Dec.

✓ Estimated total return: 3.13% - Dividend yield （1.31%) and perks yield （1.82%) assuming that shareholders possess 300 shares or more

(Based on the stock price: 915 yen as of June. 30）

Changes in the number of shareholders

	June 2018	Mar. 2018	Difference
No. of shareholders	16,150	15,462	688
300 shares or more	9,372	7,986	1,386
Less than 300 shares	6,778	7,476	-698
Shareholders who possessed less than 300 shares as of Mar. 2018 and increased their holdings to more than 300 shares as of June 30, 2018.			2,697

APPENDIX

➢ South Korea: Net profit/ROA/Total assets of the top savings banks (as of Dec. 31, 2017)

No.	Company name	Net profit	ROA	Total Assets (Unit: 1 million won)
1	SBI Mutual Savings Bank	88,900	1.61	5,531,569
2	OK Savings Bank	77,968	2.12	3,683,213
3	Jtrust Group Korea	12,162	0.42	2,923,447
	JT Chinae Savings Bank	7,100	0.34	2,061,511
	JT Savings Bank	5,062	0.59	861,936
4	Korea Mutual Savings Bank	50,805	2.15	2,365,777
5	Acuon Savings Bank	25,138	1.12	2,238,799
6	OSB Savings Bank	24,851	1.28	1,942,883
7	Eugene Savings Bank	38,020	1.97	1,927,828
8	WELCOME SAVINGS BANK	35,050	1.83	1,916,508
9	Moa Mutual Savings Bank	33,252	2.07	1,606,309
10	PEPPER SAVINGS BANK	15,890	1.11	1,434,253
11	Daishin Savings Bank	15,220	1.15	1,328,412
12	Dongbu Mutual Savings Bank	9,412	0.84	1,123,484

Source: Financial Supervisory Services

Indonesia: Net profit/ROA/Total assets of the top commercial banks (as of Dec. 31, 2017)

No.	Company name	Net profit	ROA	Total Assets (Unit: 1 billion rupiah)
1	PT BANK RAKYAT INDONESIA, Tbk	28,469	2.64%	1,076,438
2	PT BANK MANDIRI, Tbk	20,010	2.05%	978,328
3	PT BANK CENTRAL ASIA, Tbk	22,206	3.02%	734,784
4	PT BANK NEGARA INDONESIA, Tbk	13,045	1.97%	661,658
5	PT BANK CIMB NIAGA, Tbk	2,977	1.12%	266,305
6	PT BANK TABUNGAN NEGARA, Tbk	3,022	1.97%	261,510
7	PT Bank Pan Indonesia Tbk (PaninBank)	2,412	1.13%	213,541
8	PT BANK MAYBANK INDONESIA, Tbk	1,473	0.92%	160,552
9	PT BANK DANAMON INDONESIA, Tbk	3,681	2.40%	153,489
10	PT BANK PERMATA, Tbk	817	0.55%	148,091
54	**PT BANK JTRUST INDONESIA, Tbk**	**129**	**0.75%**	**17,206**

Source: OJK data

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➢ Indonesia: Net profit/ROA/Total assets of the top commercial banks (as of Dec. 31, 2017)

No.	Company name	Net profit	ROA	Total Assets (Unit: 1 billion rupiah)
1	Astra Sedaya Finance	934	2.97%	31,478
2	Federal International Finance	1,806	6.14%	29,411
3	Central Java Power	2,239	7.75%	28,908
4	Adira Dinamika Multi Finance	1,009	3.65%	27,643
5	OTO Multiartha	452	1.97%	22,957
6	Toyota Astra Financial Services	351	1.58%	22,201
7	DIPO Star Finance	458	3.61%	12,679
8	BFI Finance Indonesia	798	6.40%	12,476
9	Mandiri Tunas Finance	335	2.94%	11,404
10	Summit OTO Finance	281	2.68%	10,495
11	Indomobil Finance Indonesia	90	0.96%	9,415
12	BCA Finance	1,139	13.97%	8,152
44	**Olympindo Multi Finance**	**17**	**0.98%**	**1,727**

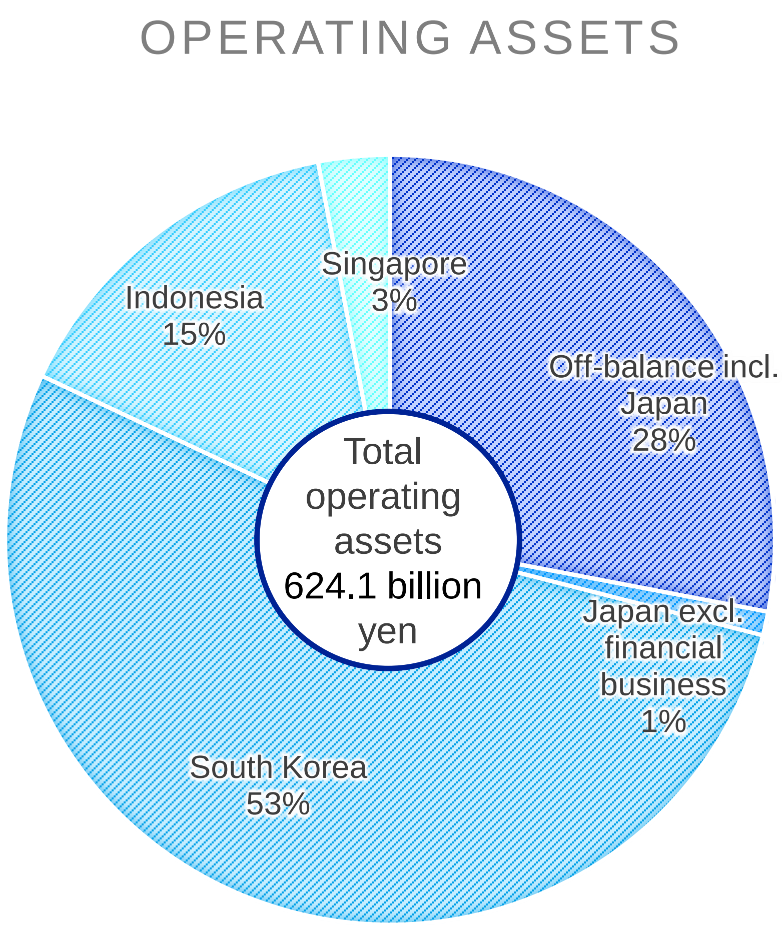
Source: Data of Biro Riset Infobank (Infobank Research Institute)

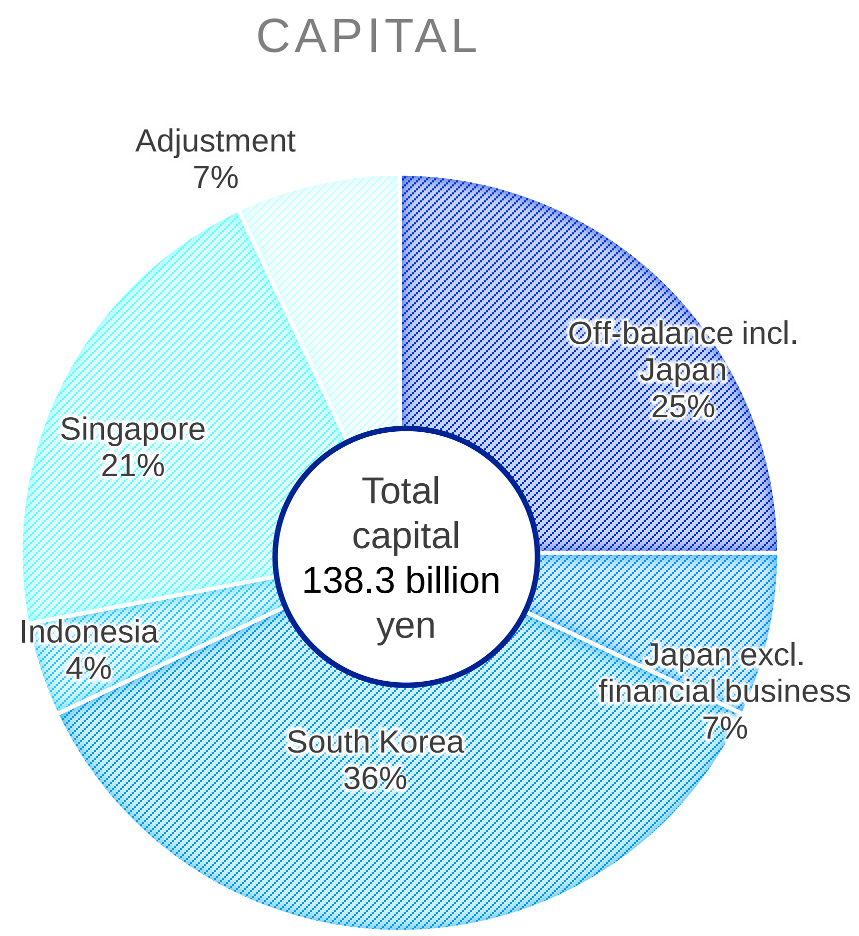
Cambodia: Profit/ROA/Total assets of the top commercial banks (as of Dec. 31, 2017)

No.	Company name	Net profit	ROA	Total Assets (Unit: in 1 billion riel)
1	Acleda Bank Plc.	345	1.65%	20,903
2	Canadia Bank Plc.	331	1.83%	18,060
3	Cambodian Public Bank Plc.	188	2.20%	8,574
4	Advanced Bank of Asia Ltd.	186	2.80%	6,671
5	**ANZ Royal Bank (Cambodia) Ltd.**	**98**	**2.36%**	**4,175**
6	ICBC Limited P.P. Branch	81	2.00%	4,092
7	First Commercial Bank, P.P. Branch	80	2.88%	2,782
8	Sathapana Bank Plc.	74	1.77%	4,185
9	Bank of China (Hong Kong) Limited P.P. Branch	62	1.29%	4,900
10	Phnom Penh Commercial Bank	45	1.75%	2,569

Source: National Bank of Cambodia

J Trust Group's operating assets and capital by region (as of June 30, 2018)





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