



J TRUST

Q2 FY03/2019

Earnings Presentation Material

November 15th, 2018
J Trust Co., Ltd.



- 1. Key Points from Results**
- 2. Q2 FY03/2019 Results**
- 3. Results by Segment**
- 4. Consolidated Earnings Forecast for FY03/2019**
- 5. Acknowledgement of Current Situation**

- J Trust has adopted the International Finance Report Standard (IFRS) since FY03/2018.
- From the Q2 FY03/2019 results, J Trust has classified the results of Highlights Entertainment, which the company decided to sell, as discontinued business.
- Information regarding forecasts listed in this document is estimated based on the knowledge, opinions, and judgement of the company at the time of the document's creation, therefore actual results may differ. Please understand that actual performance and results are subject to change greatly depending upon various factors.
- This document is meant to provide information about J Trust and is not intended to solicit investments in securities issued by the company or its subsidiaries.
- The figures listed on each page have been rounded down to the nearest unit. In addition, figures shown in chart and graphs such as YOY differences are displayed in units of 100 million.
- 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 damages or losses arising from this translation.

1. Key Points from Results

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

➤ Key Points from Results

Consolidated Operating Revenue

Revenue increased due to strong business in Korean Financial Business.

Consolidated Operating Profit

Profits decreased due to credit risk at J Trust Bank Indonesia.

Consolidated Profit before taxes

1.1 billion JPY in foreign exchange profits

2. Q2 FY03/2019 Results

➤ Operating revenue increased, but profits declined YOY.

Consolidated Results (YOY Comparison)

	Q2 FY03/2018	Q2 FY03/2019	Difference
Operating Revenue ※	34.6 billion JPY	36.5 billion JPY	+1.9 billion JPY
Operating Profit ※	4.6 billion JPY	0.0 billion JPY	-4.6 billion JPY
Profit before taxes ※	4.0 billion JPY	1.1 billion JPY	-2.9 billion JPY
Profit attributable to owners of parent	2.2 billion JPY	-2.1 billion JPY	-4.3 billion JPY

※ Amounts of operating revenue, operating profit, and profit before taxes do not include discontinued business.

➤ Revenue increase contributed by Financial Business in Korea

Operating Revenue by Segment (YOY)

	Q2 FY03/2018	Q2 FY03/2019	Difference
Financial Business in Japan	4.9 billion JPY	4.8 billion JPY	-0.1 billion JPY
Financial Business in South Korea and Mongolia	17.4 billion JPY	20.2 billion JPY	+2.8 billion JPY
Financial Business in Southeast Asia	7.2 billion JPY	6.2 billion JPY	-1.0 billion JPY
Investment business	1.1 billion JPY	0.5 billion JPY	-0.6 billion JPY
Non-Financial Business	2.7 billion JPY	3.1 billion JPY	+0.4 billion JPY
Other business	1.0 billion JPY	1.5 billion JPY	+0.5 billion JPY
Consolidated Operating Revenue	34.6 billion JPY	36.5 billion JPY	+1.9 billion JPY

Amounts shown do not include discontinued business.

➤ Negative earnings for Financial Business in Southeast Asia

Operating Profit by Segment (YOY)

	Q2 FY03/2018	Q2 FY03/2019	Difference
Financial Business in Japan	2.4 billion JPY	2.1 billion JPY	-0.3 billion JPY
Financial Business in South Korea and Mongolia	2.4 billion JPY	2.4 billion JPY	±0.0 billion JPY
Financial Business in Southeast Asia	-0.2 billion JPY	-2.4 billion JPY	-2.2 billion JPY
Investment business	1.0 billion JPY	-0.2 billion JPY	-1.2 billion JPY
Non-Financial Business	0.1 billion JPY	0.0 billion JPY	-0.1 billion JPY
Other Business	0.0 billion JPY	0.0 billion JPY	±0.0 billion JPY
(Adjustments, etc.)	-1.1 billion JPY	-1.9 billion JPY	-0.8 billion JPY
Consolidated Operating Profit	4.6 billion JPY	0.0 billion JPY	-4.6 billion JPY

Amounts shown do not include discontinued business.

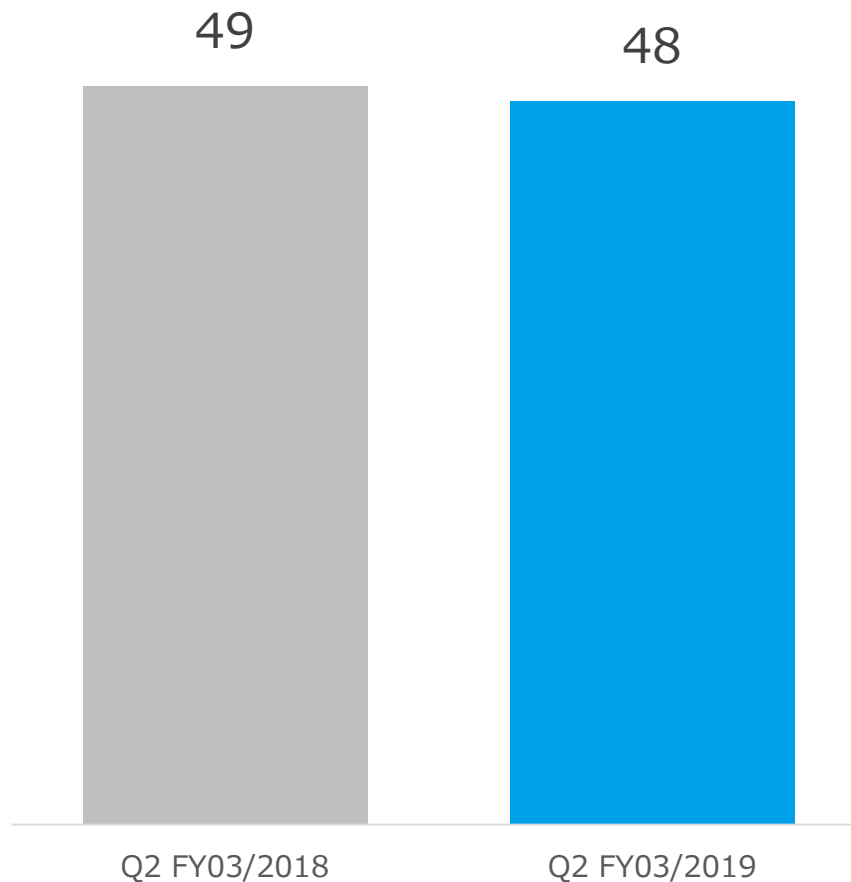
3. Results by Segment

3 – 1. Financial Business in Japan

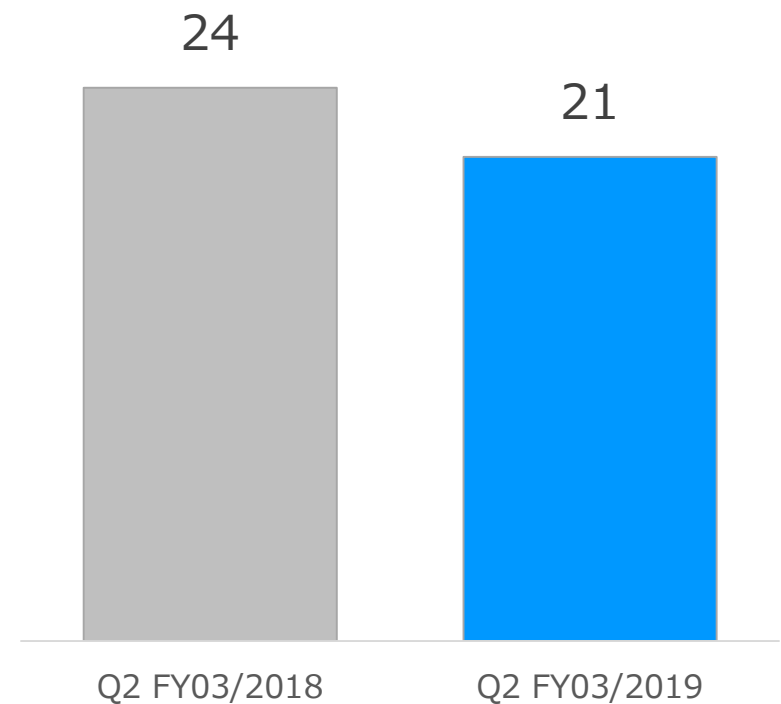
➤ A high and stable level of profit was maintained.

Unit: 100 million JPY

Operating Revenue



Operating Profit

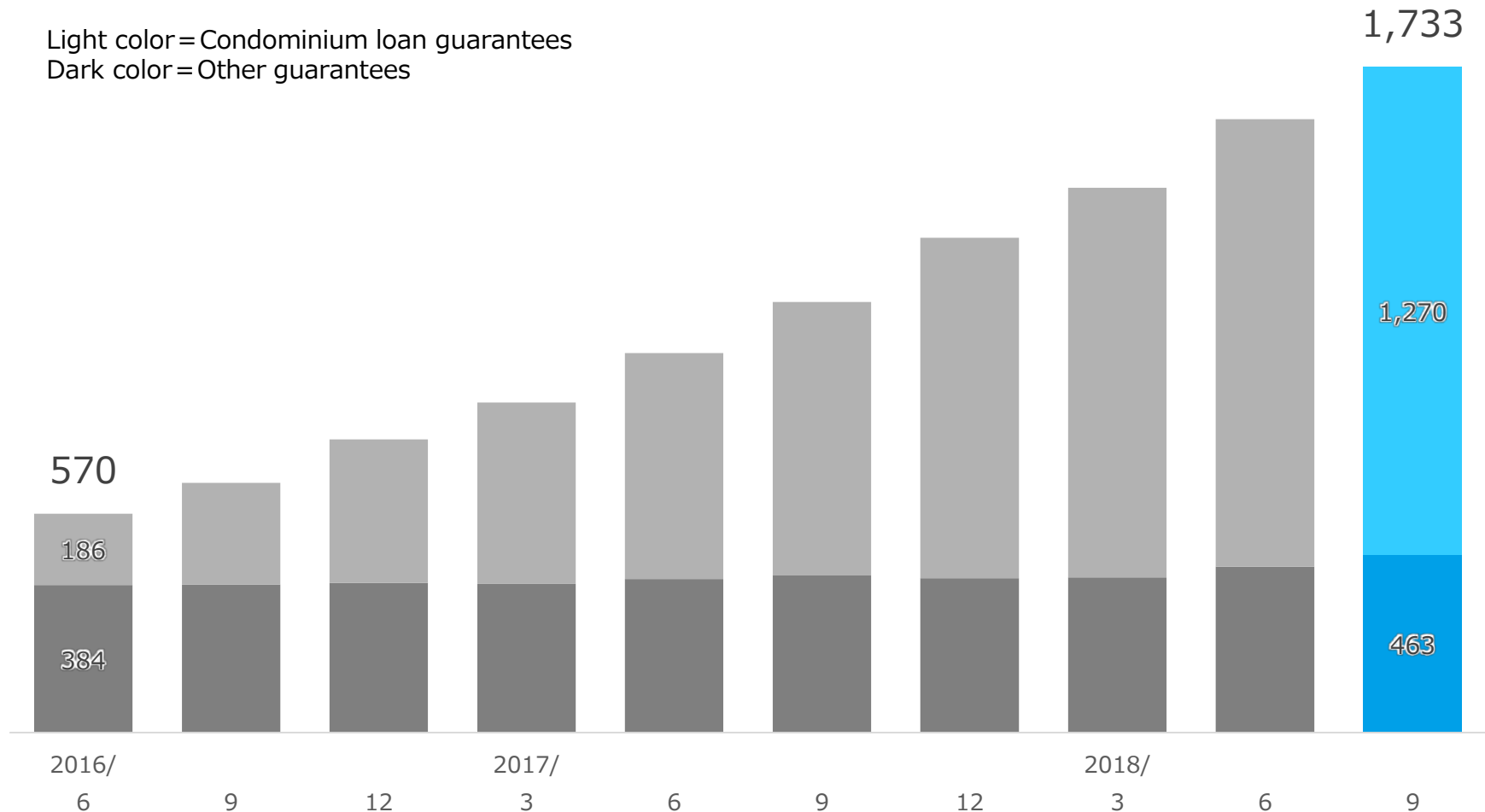


- The amount of credit guarantees surpassed 170 billion JPY.
J Trust will continue to accelerate the diversification of guarantees.

Amount of Credit Guarantees

Unit : 100 million JPY

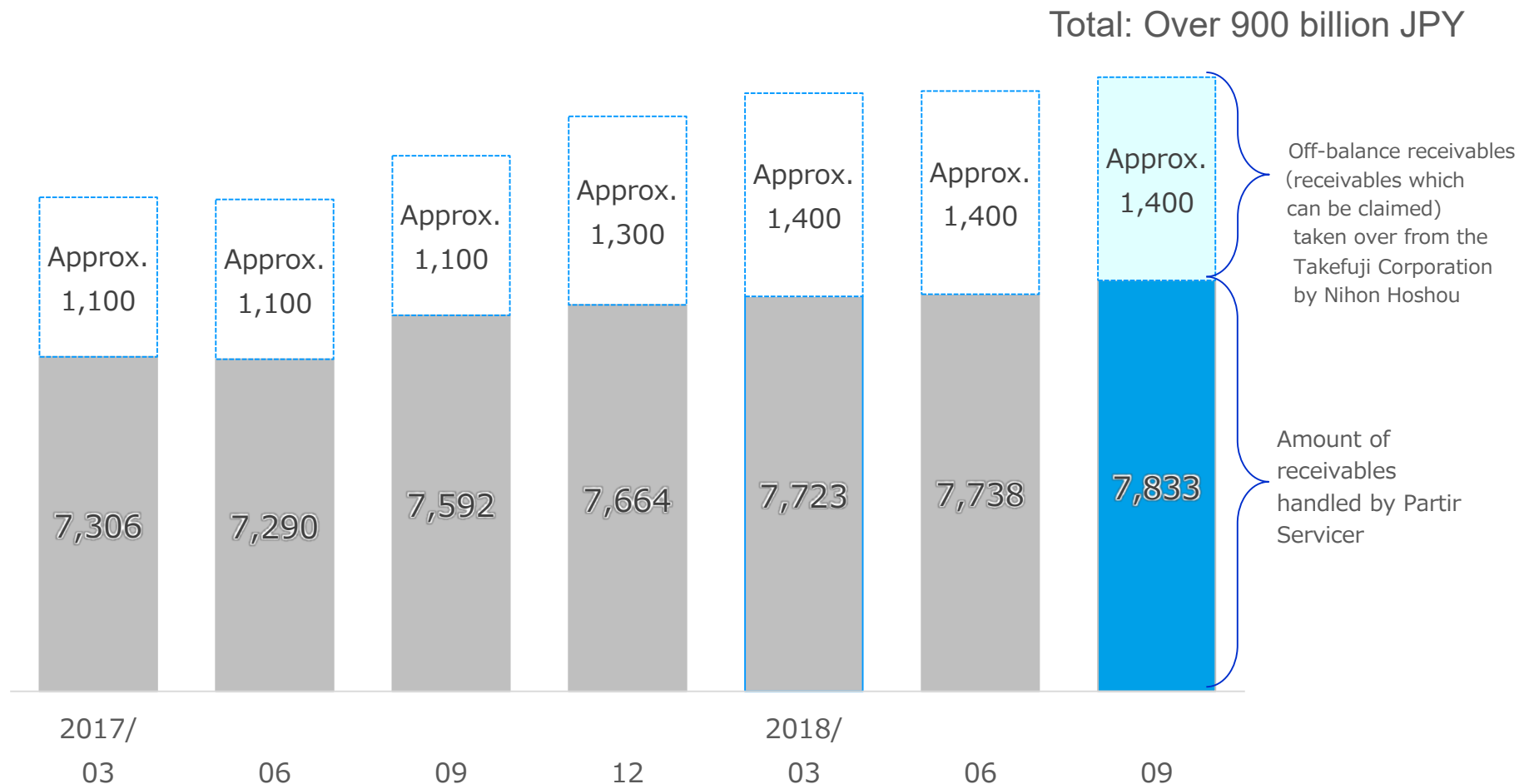
Light color = Condominium loan guarantees
Dark color = Other guarantees



➤ Purchasing of receivables continued to be successful.

Amount of Receivables in Servicer Business

Unit: 100 million JPY



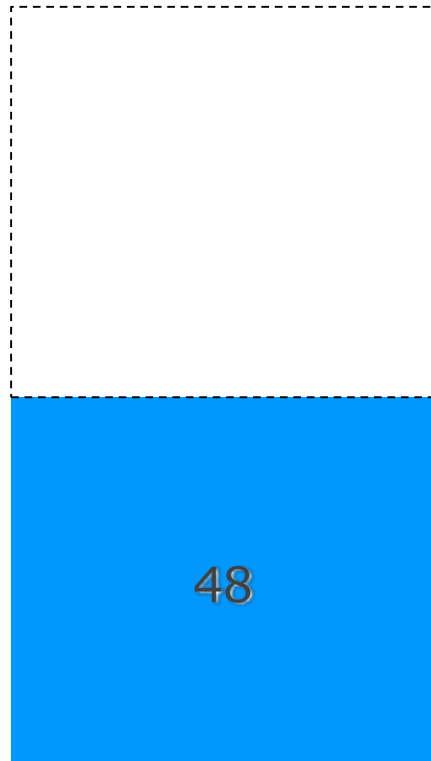
Amount of receivables includes both purchased and claimed receivables.
Amount of receivables includes some on-balance assets.

➤ Progress of Full-Year Plan for Financial Business in Japan

Unit: 100 million JPY

Operating Revenue

Full-Year Plan: 99
Actual: 48

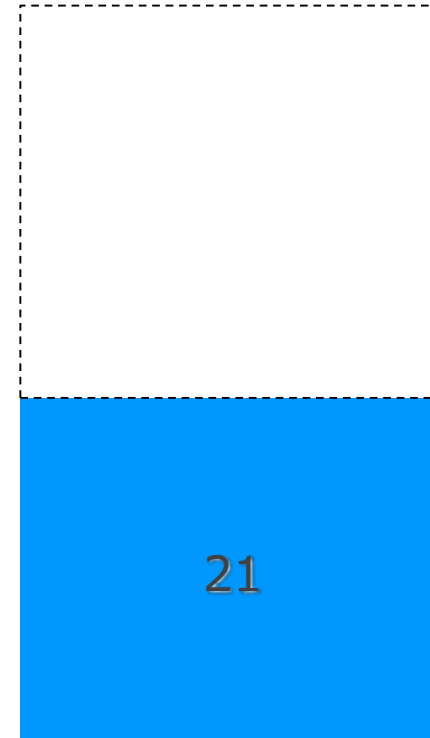


**Progress
48%**

Q2 FY03/2019

Operating Profit

Full-Year Plan: 45
Actual: 21



**Progress
47%**

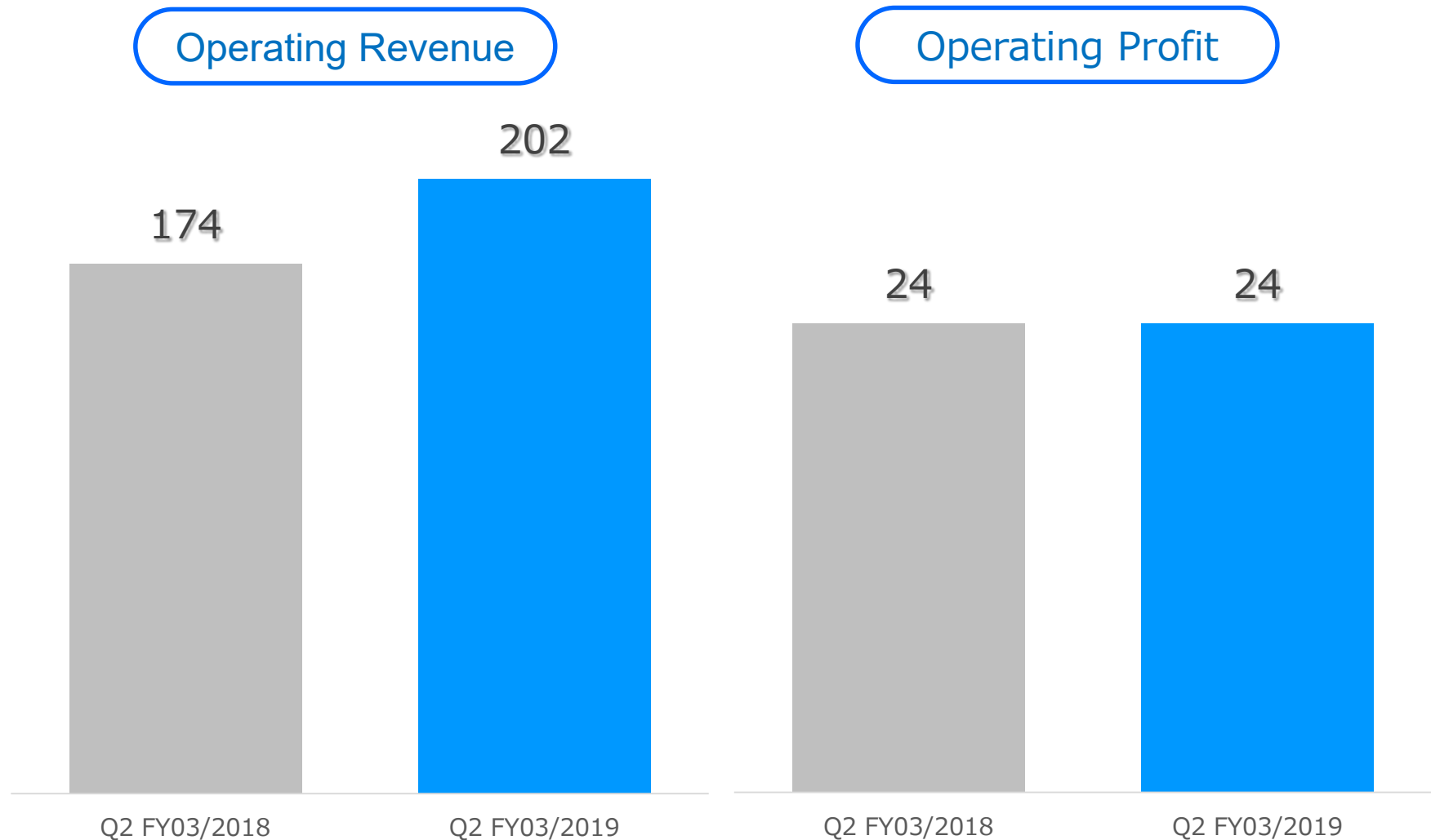
Q2 FY03/2019

3. Results by Segment

3 – 2. Financial Business in South Korea and Mongolia

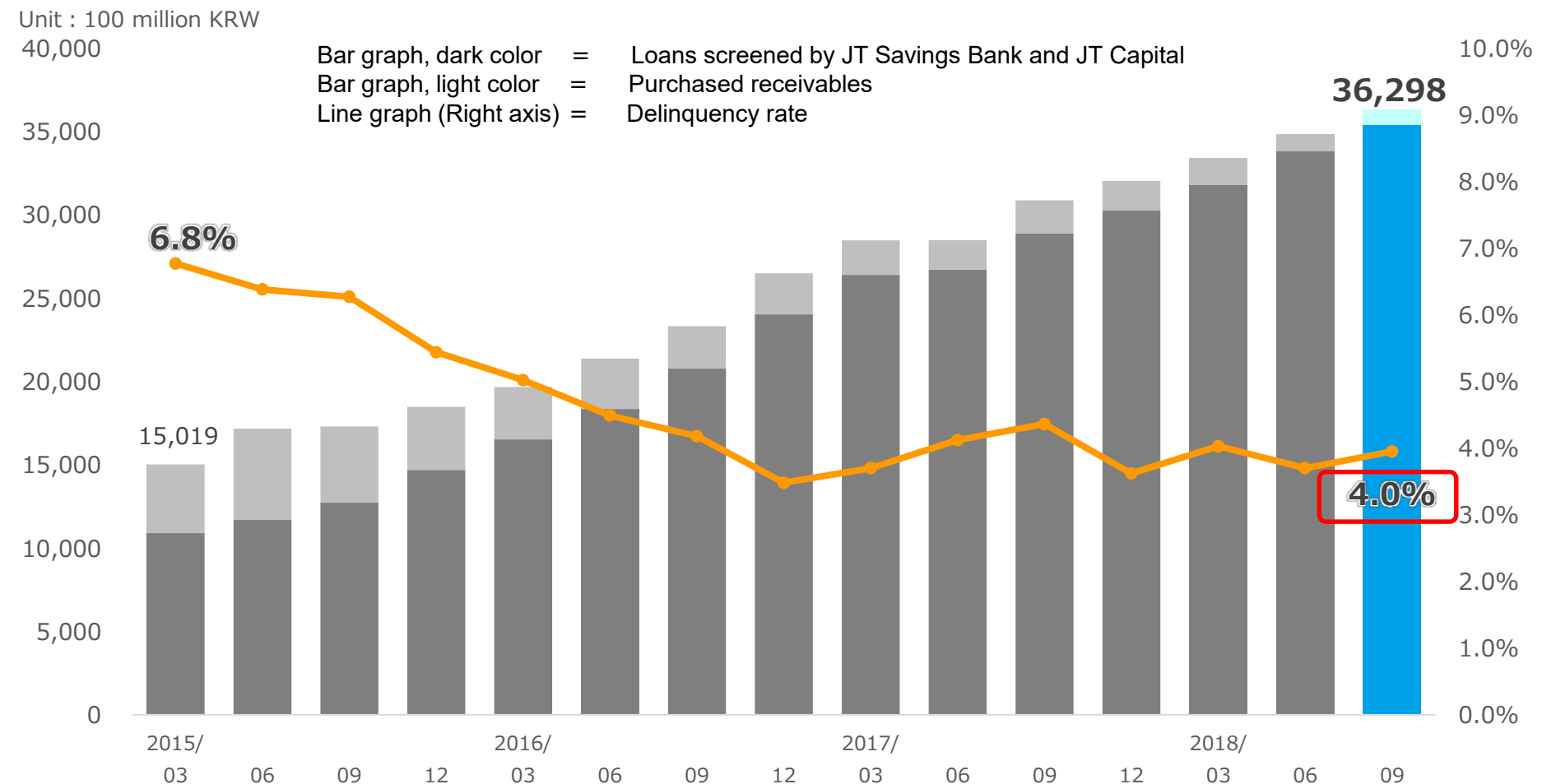
- Operating Revenue increased 16% from YOY, while Operating Profit already achieved the annual target.

Unit: 100 million JPY



➤ Loan balances increased as the delinquency rate remained at a low level.

Loan balance and delinquency rate at JT Savings Bank, JT Chinae Savings Bank and JT Capital (K-GAAP standards)



Reference rate : 1 KRW=0.1023JPY (On September 31st when results were calculated)

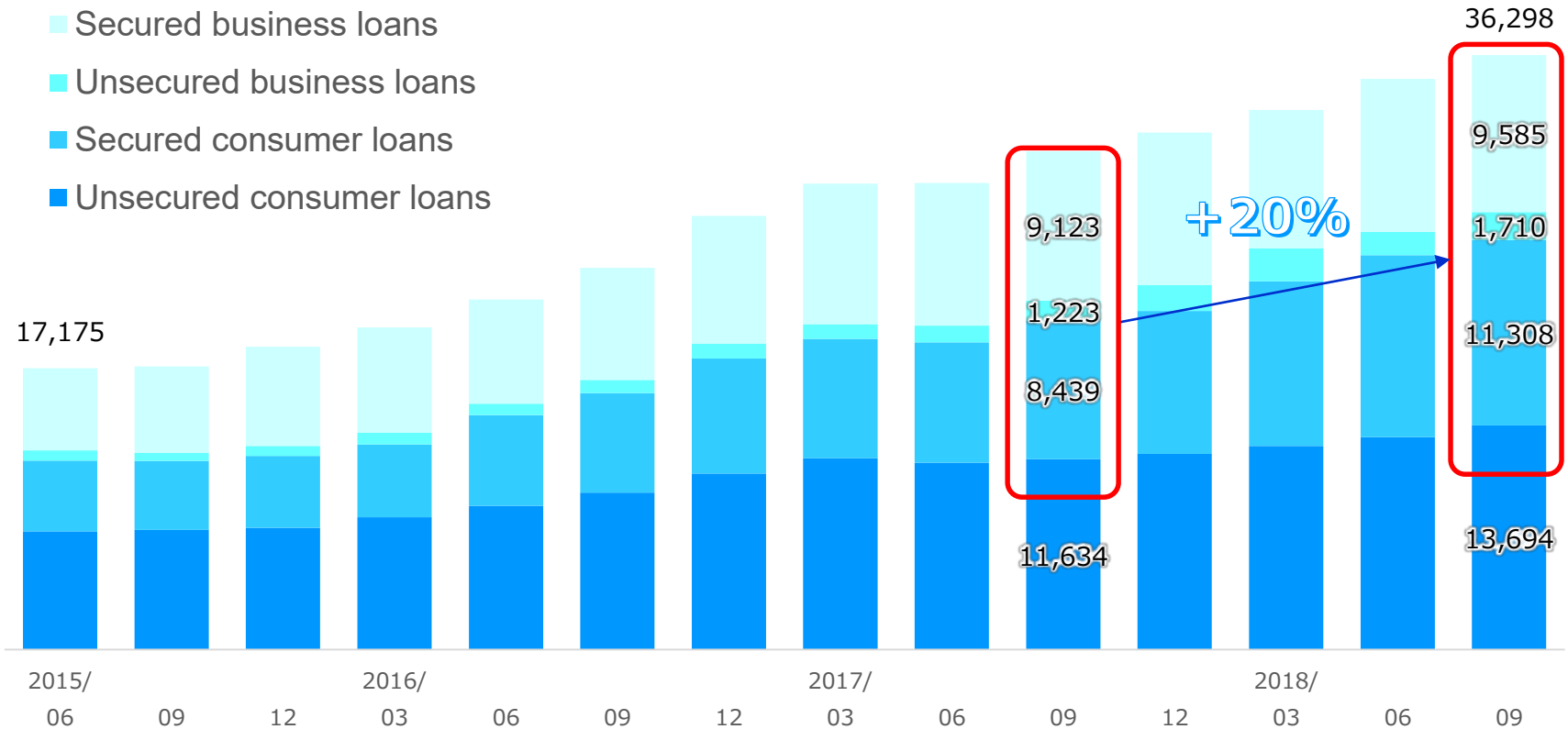
Delinquency rate = Percentage of loans which have been delinquent for more than 90 days

*As of November 28th, 2018, the delinquent loans shown here have been changed from those over 30 days or those delinquent for 90 days or more.

➤ Intensified loans and business loans for high-quality companies and mortgages

Unit: 100 million KRW

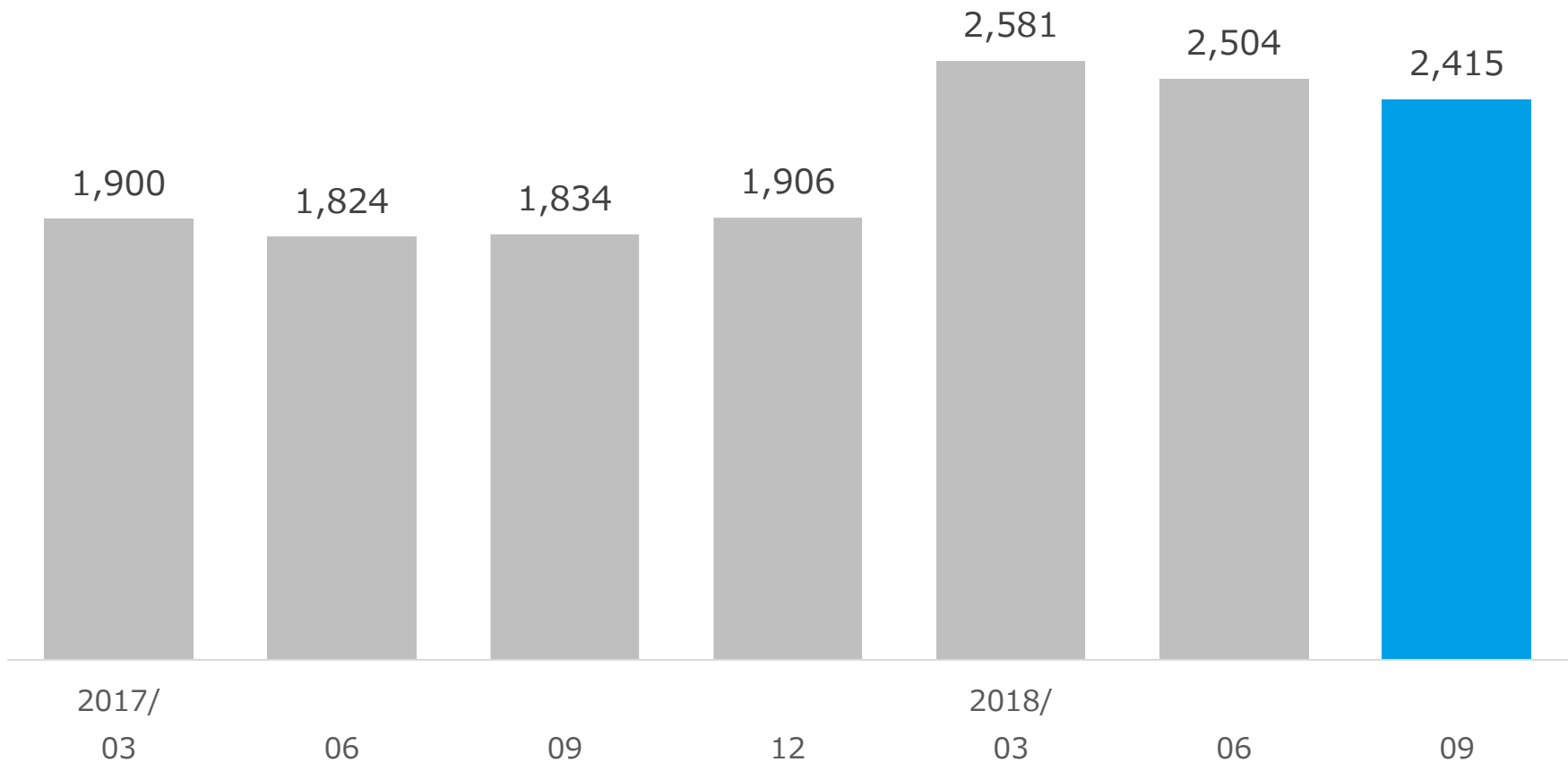
Loan Portfolio (K-GAAP standards)



➤ Collections of purchased receivables progressed steadily

Unit: 100 million KRW

Claimable Receivables in TA Asset Management

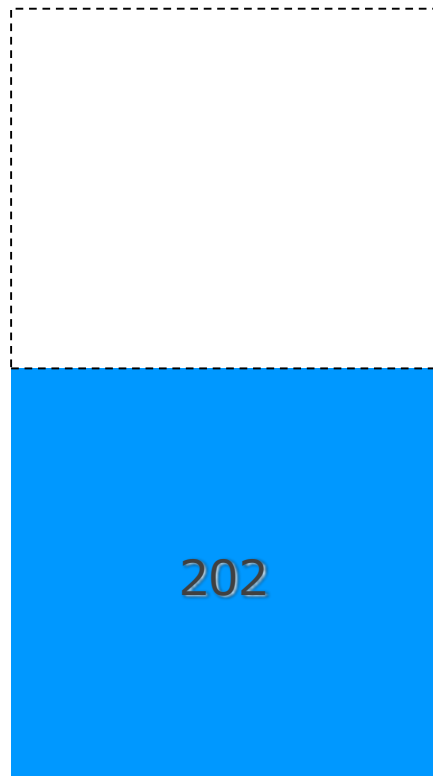


Reference rate : 1 KRW = 0.1023 JPY (Rate from September 31st when results were calculated)

➤ Progress of Full-Year Plan for Financial Business in South Korea and Mongolia

Operating Revenue

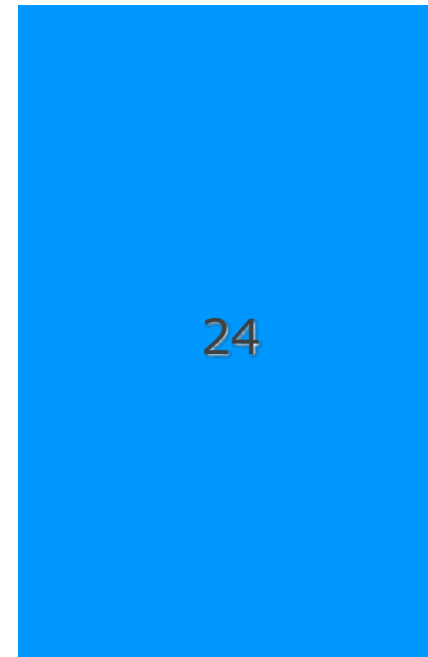
Full-Year Plan 379
Actual 202



Q2 FY03/2019

Operating Profit

Full-Year Plan 24
Actual 24



Q2 FY03/2019

Unit: 100 million yen

3. Results by Segment

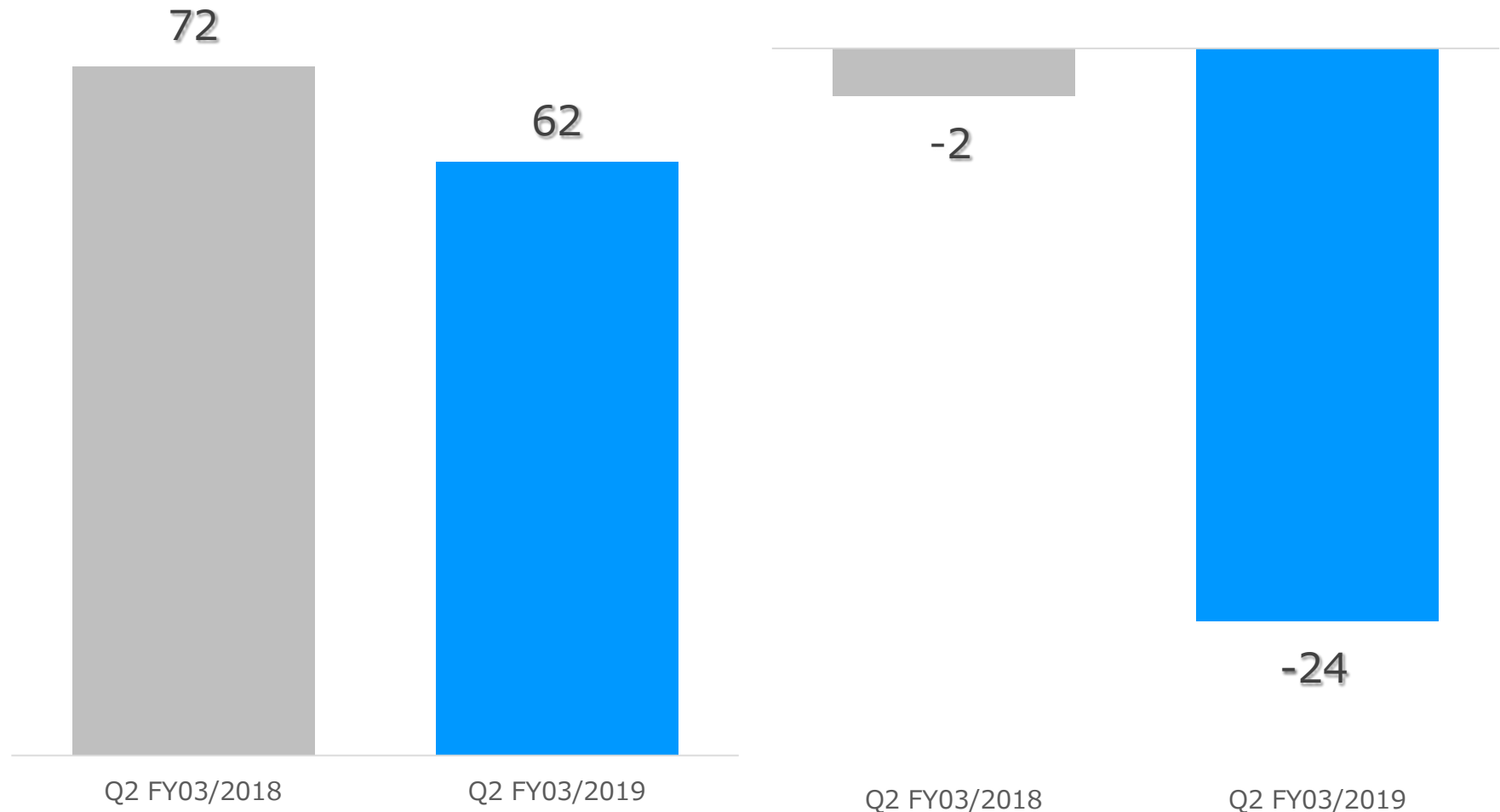
3 – 3. Financial Business in Southeast Asia

➤ Operating Revenue and Operating Profit decreased YOY

Unit: 100 million JPY

Operating Revenue

Operating Profit

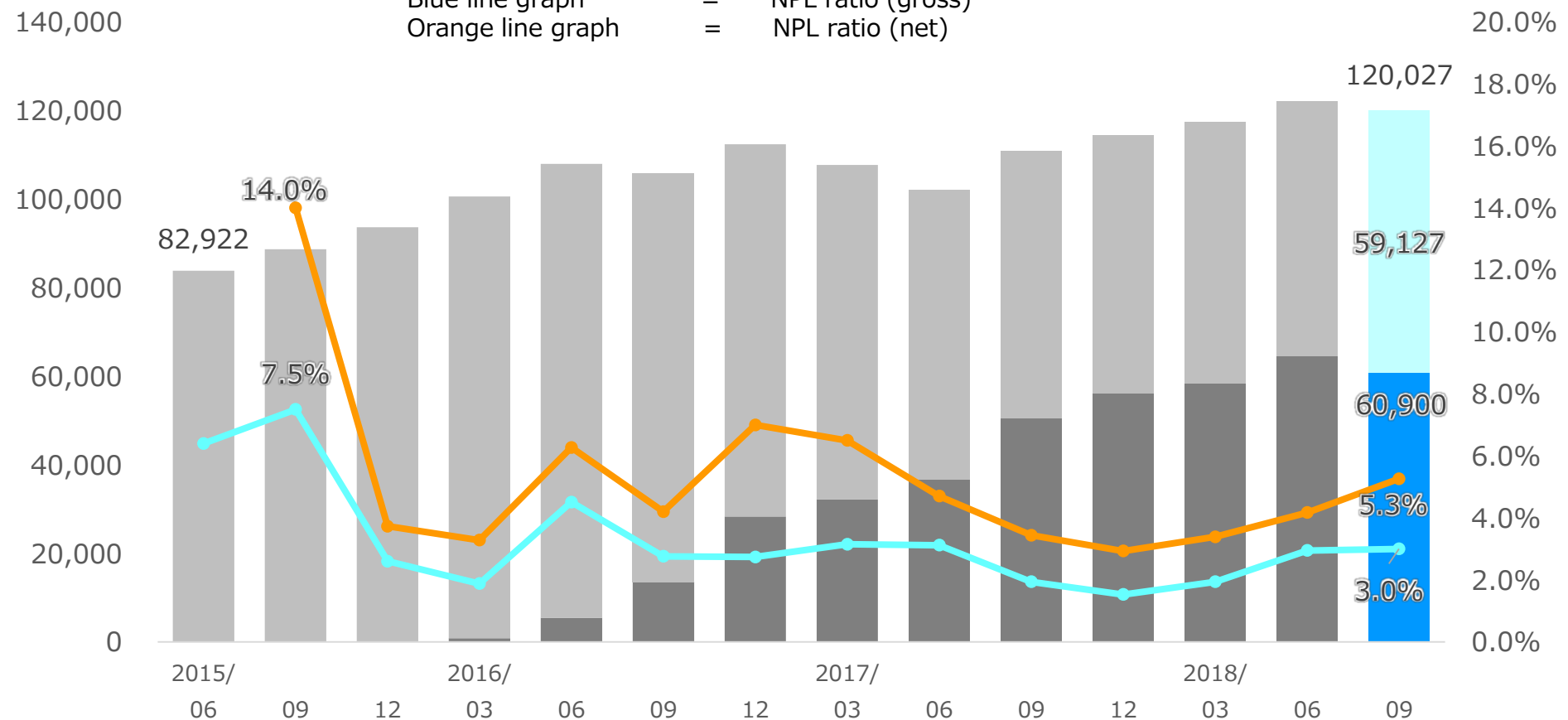


➤ A slight decrease in loan balances in recent quarters

Loan balance and NPL ratio at J Trust Bank Indonesia (using regional standards)

Unit: 100 million IDR

Dark colored bar graph = Loans screened by J Trust Bank Indonesia
 Light colored bar graph = Assigned receivables
 Blue line graph = NPL ratio (gross)
 Orange line graph = NPL ratio (net)



Reference rate : 1 IDR = 0.0078 JPY (Rate from September 31st when results were calculated)

NPL ratio = Percentage of total loans which have been delinquent for more than 30 days

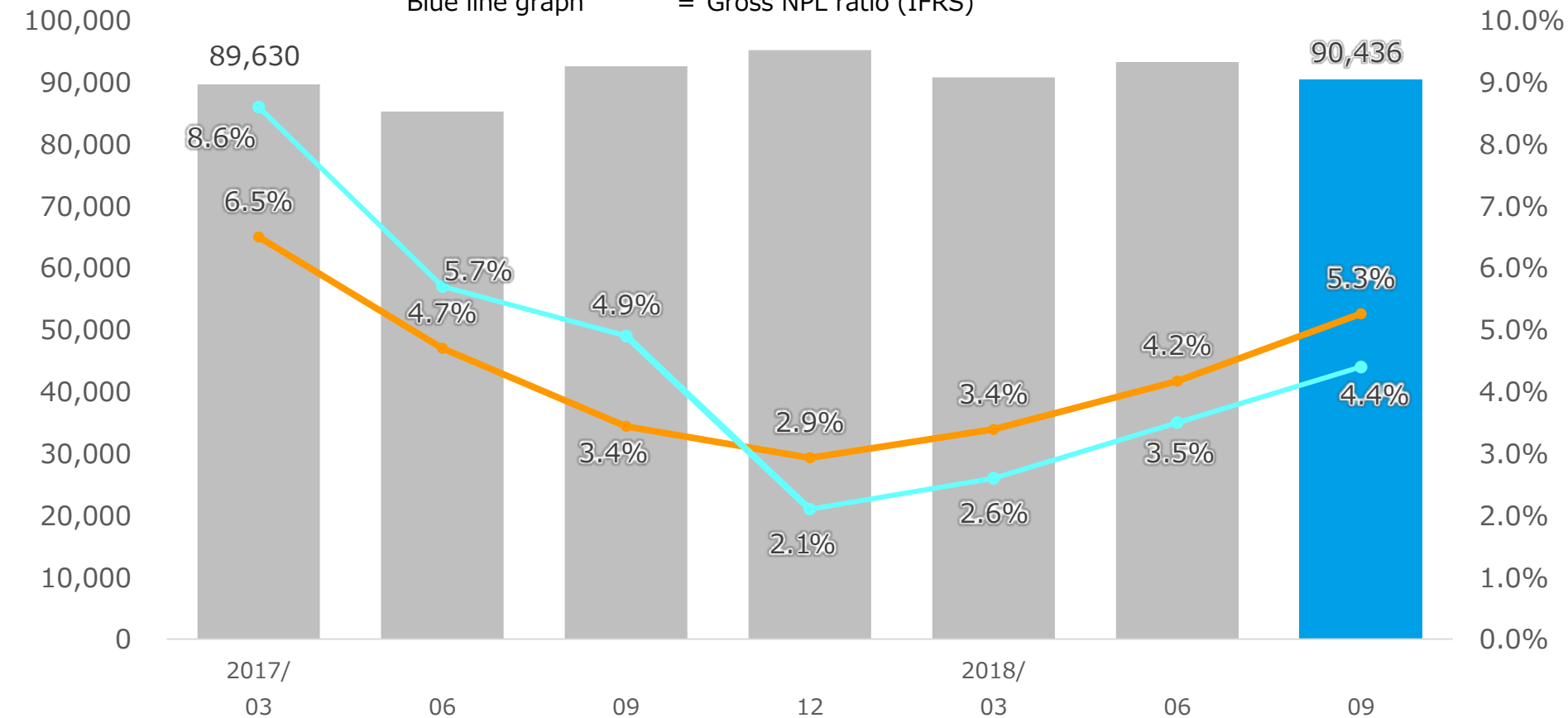
➤ Collection of Non-Performing Loans is an urgent issue.

Loan balance and NPL ratio at J Trust Bank Indonesia (IFRS standards)

Unit: 100 million yen

Bar graph
Orange line graph
Blue line graph

= Loan balance
= Gross NPL ratio (Regional standard)
= Gross NPL ratio (IFRS)



NPL ratio = Percentage of total loans which have been delinquent for 30 days or more

➤ Challenges, Problems and Solutions for J Trust Bank Indonesia

Challenges and Problems

○Improve quality of loans ○Accumulate sound assets ○Improve low spread

Solutions

	Solutions
Collection of NPLS	Launch a task force and work harder on collections Work harder on collections together with collections advisor who was hired in the first half of the fiscal year
Reduction of NPLS	Recheck all loans (Meet with customers again and conduct another analysis) Focus on reevaluation of screening process
Loan assets	Improvements on loan portfolios <ul style="list-style-type: none">• Quickly accumulate secured loans (such as automobile loans) through joint financing with the J Trust Group's new company JT Olympindo• Increasing sound assets that will not become delinquent even with low spread
Improving spread	Quickly implement net banking, which is currently waiting for approval by financial authorities, and reduce costs. It is expected that if accumulation of receivables can be achieved through JT Olympindo, then loan interest rates will also improve.
Others	Retrain and reduce personnel/ Close inefficient branch locations/ Reevaluate advertising expenses

➤ Progress of Full-Year Plan for Financial Business in Southeast Asia

Operating Revenue

Full-Year Plan 192
Actual Result 62

**Progress
32%**

62

Q2 FY03/2019

Operating Profit

Full-Year Plan 26
Actual Result -24

**Progress
- %**

-24

Q2 FY03/2019

Unit: 100 million JPY

3. Results by Segment

3 – 4. Investment Business

➤ Progress of Full-Year Plan for Investment Business

Operating Revenue

Full-Year Plan	12
Actual Result	5

Progress
42%

5

Q2 FY03/2019

Operating Profit

Full-Year Plan	5
Actual Result	-2

Unit: 100 million JPY

Progress
-%

-2

Q2 FY03/2019

3. Results by Segment

3 – 5. Non-Financial Business

- In October, J Trust sold its shares of Highlights Entertainment in order to further refine its business.

Non-Financial Business

	Q2 FY03/2018	Q2 FY03/2019	Difference
Operating Revenue	2.7 billion JPY	3.1 billion JPY	+0.4 billion JPY
Operating Profit	0.1 billion JPY	0.04 billion JPY	-0.06 billion JPY

Main Factors	Keynote (Real estate/Other)	KeyHolder (General entertainment)
Operating Revenue	3.9 billion JPY	0.5 billion JPY
Operating/SGA/Other expenses	3.8 billion JPY	0.5 billion JPY
Operating Profit	0.1 billion JPY	0 billion JPY

➤ Progress of Full-Year Plan for Non-Financial Business

Operating Revenue

Full-Year Plan 133
Actual Result 31

**Progress
23%**

31

Q2 FY03/2019

Operating Profit

Full-Year Plan 4
Actual Result 0

**Progress
0%**

0

Q2 FY03/2019

Unit: 100 million JPY

4. Consolidated Earnings Forecast for FY 03/2019

➤ Preconditions for Consolidated Earning Forecast

- J Trust has been adopting IFRS 9 since FY03/2019.
- The exchange rates used are the average rates from the market entry date to the end of March.

1 SGD : 82.82 JPY

1 IDR : 0.0086 JPY

1 KRW : 0.092 JPY

- The forecast does not reflect the financial impact of JT Olympindo, which joined the J Trust Group in October 2018.
- The forecast does not reflect any financial impacts in investment business other than the gains and losses which typically occur.

➤ Consolidated Earning Forecast and Progress

Consolidated Earnings Forecast and Progress

	FY03/2019 Earnings Forecast	Total Earnings in Q2 FY03/2019	Progress
Operating Revenue	83.3 billion JPY	36.5 billion JPY	44%
Operating Profit	7.0 billion JPY	0.0 billion JPY	0%
Profit attributable to owners of parent	5.3 billion JPY	-2.1 billion JPY	-
ROE	3.5%	-	-

➤ Earnings Forecast by Segment

Operating Revenue and Operating Profit by Segment

		FY03/2019 forecast	Total Earnings for Q2 FY03/2019	Progress
Financial Business in Japan	Operating Revenue	9.9 billion JPY	4.8 billion JPY	48%
	Operating Profit	4.5 billion JPY	2.1 billion JPY	47%
Financial Business in South Korea and Mongolia	Operating Revenue	37.9 billion JPY	20.2 billion JPY	53%
	Operating Profit	2.4 billion JPY	2.4 billion JPY	100%
Financial Business in Southeast Asia	Operating Revenue	19.2 billion JPY	6.2 billion JPY	32%
	Operating Profit	2.6 billion JPY	-2.4 billion JPY	-
Investment Business	Operating Revenue	1.2 billion JPY	0.5 billion JPY	42%
	Operating Profit	0.5 billion JPY	-0.2 billion JPY	-
Non-Financial Business	Operating Revenue	13.3 billion JPY	3.1 billion JPY	23%
	Operating Profit	0.4 billion JPY	0.0 billion JPY	0%
Other/Consolidated Adjustments, etc.	Operating Revenue	1.8 billion JPY	1.7 billion JPY	-
	Operating Profit	-3.4 billion JPY	-1.9 billion JPY	-
Total	Operating Revenue	83.3 billion JPY	36.5 billion JPY	44%
	Operating Profit	7.0 billion JPY	0.0 billion JPY	0%

5. Acknowledgement of Current Situation

**President & CEO
Nobuyoshi Fujisawa**

➤ Acknowledgement of Current Situation

- Overall Performance
- Financial Business in Japan
- Financial Business in South Korea and Mongolia
- Financial Business in Southeast Asia
- Other



➤ Overall Performance

Operating Profit by Segment (Compared to Full-Year Plan)

	Full-Year Plan	Q2 FY03/2019	Progress Rate
Financial Business in Japan	4.5 billion JPY	2.1 billion JPY	47%
Financial Business in South Korea and Mongolia	2.4 billion JPY	2.4 billion JPY	100%
Financial Business in Southeast Asia	2.6 billion JPY	-2.4 billion JPY	-
Investment Business	0.5 billion JPY	-0.2 billion JPY	-
Non-Financial Business	0.4 billion JPY	0.0 billion JPY	0%
Other/Consolidated Adjustments, etc.	-3.4 billion JPY	-0.8 billion JPY	-
Consolidated Operating Profit	7.0 billion JPY	0.0 billion JPY	0%

Amounts shown do not include discontinued business.

➤ Financial Business in Japan

Credit Guarantee Business

- ✓ Diversification of guarantees and increase of clients
 - Guarantees on overseas mortgage loans
 - Guarantees on reverse mortgage loans

Servicer Business

- ✓ Strengthening purchase and collection of receivables
 - Purchasing NPLs from independent credit card companies
 - Devising a collection method that will improve efficiency

Financial Business in Japan	Q1-2 FY03/2018	Q1-4 FY03/2018	Q1-2 FY03/2019	FY03/2019 Forecast
Operating Revenue	4.9 billion JPY	9.0 billion JPY	4.8 billion JPY	9.9 billion JPY
Operating Profit	2.4 billion JPY	4.1 billion JPY	2.1 billion JPY	4.5 billion JPY

➤ Financial Business in South Korea and Mongolia

Financial Business in South Korea

- ✓ Stable growth that will absorb the impact of regulations
- ✓ A three-pronged system that is not influenced by economic conditions

Financial Business in Mongolia

- ✓ Using the Group's expertise to yield profit
- ✓ Focusing on used automobile loans

Financial Business in South Korea and Mongolia	Q1-2 FY03/2018	Q1-4 FY03/2018	Q1-2 FY03/2019	FY03/2019 (Forecast)
Operating Revenue	17.4 billion JPY	35.8 billion JPY	20.2 billion JPY	37.9 billion JPY
Operating Profit	2.4 billion JPY	3.5 billion JPY	2.4 billion JPY	2.4 billion JPY

➤ Financial Business in Southeast Asia

Financial Business in Southeast Asia

- ✓ Increasing assets utilizing PT J TRUST OLYMPINDO MULTIFINANCE
- ✓ Reevaluating and enhancing system for managing and collecting receivables
- ✓ Promoting purchase and collection of NPLs at J Trust Investments Indonesia

Financial Business in Southeast Asia	Q1-2 FY03/2018	Q1-4 FY03/2018	Q1-2 FY03/2019	FY03/2019 (Forecast)
Operating Revenue	7.2 billion JPY	13.5 billion JPY	6.2 billion JPY	19.2 billion JPY
Operating Profit	-0.2 billion JPY	1.5 billion JPY	-2.4 billion JPY	2.6 billion JPY

Other

- ✓ Sale of Highlights Entertainment
- ✓ Progress at ANZ Royal Bank in Cambodia
- ✓ Transfer to the First Section of the Tokyo Stock Exchange
- ✓ Commitment to further M&A

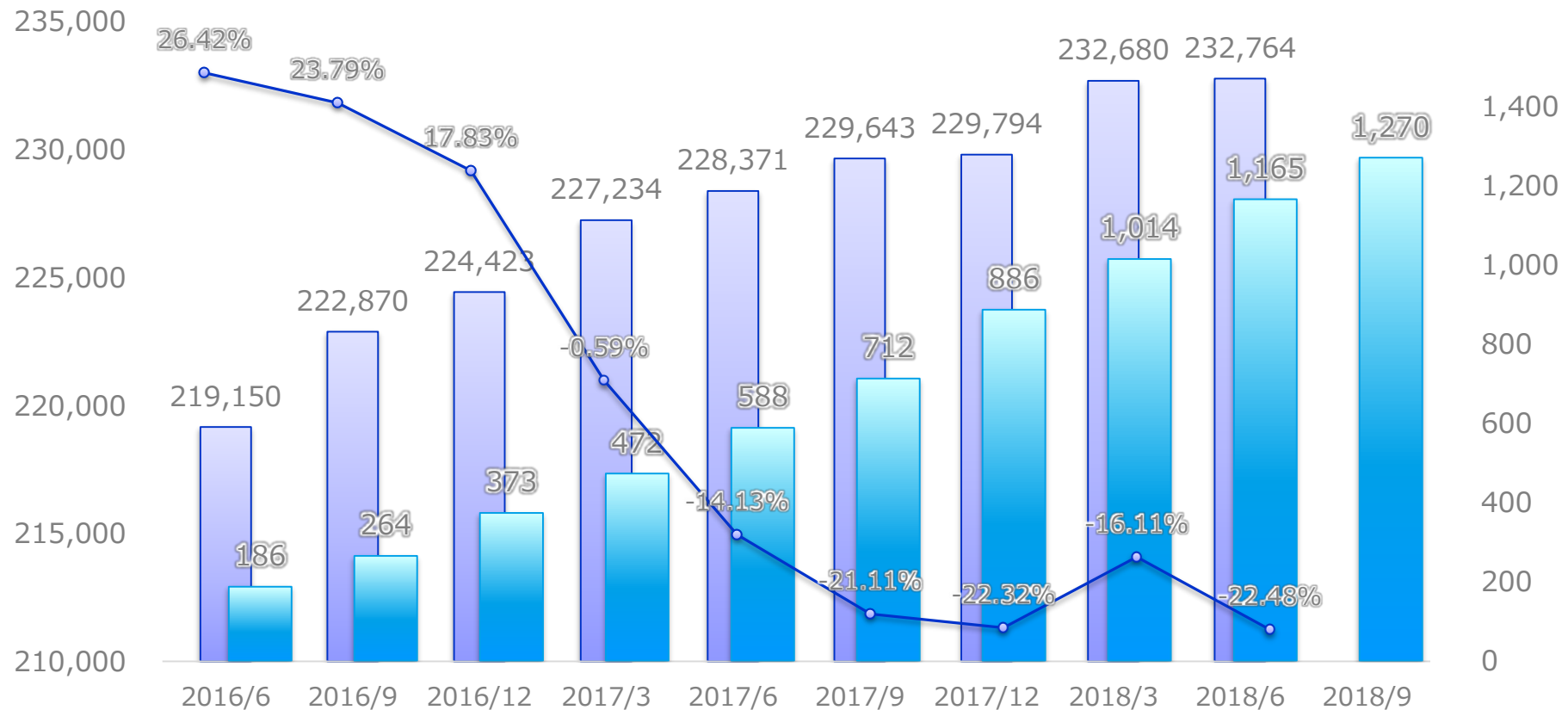
APPENDIX

➤ Financial Business in Japan: The Domestic Condominium Loan Market and Amount of Guarantees at J Trust

Left axis : Total amount of condominium loans at domestic banks (Bar graph)
 Right axis : Amount of condominium loans at Nihon Hoshou (Bar graph)
 Front : Total percent of money used at domestic banks (Line graph)

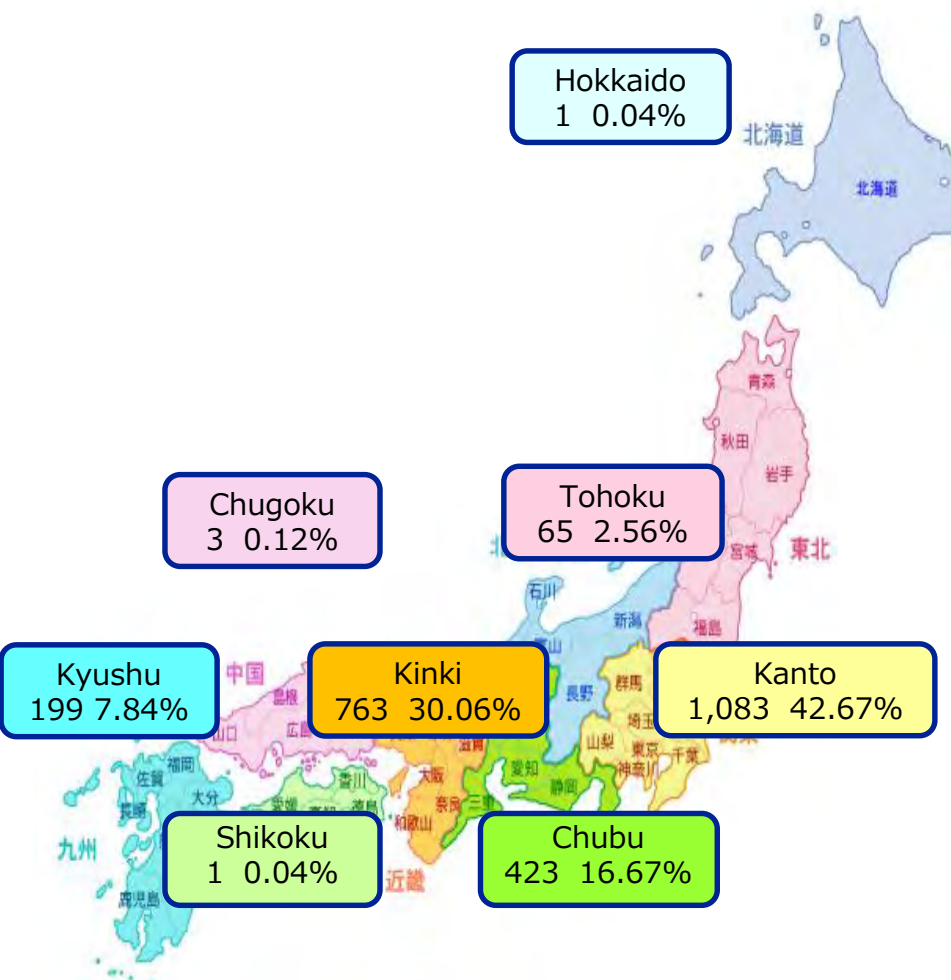
Unit: 100 million JPY

Unit: 100 million JPY

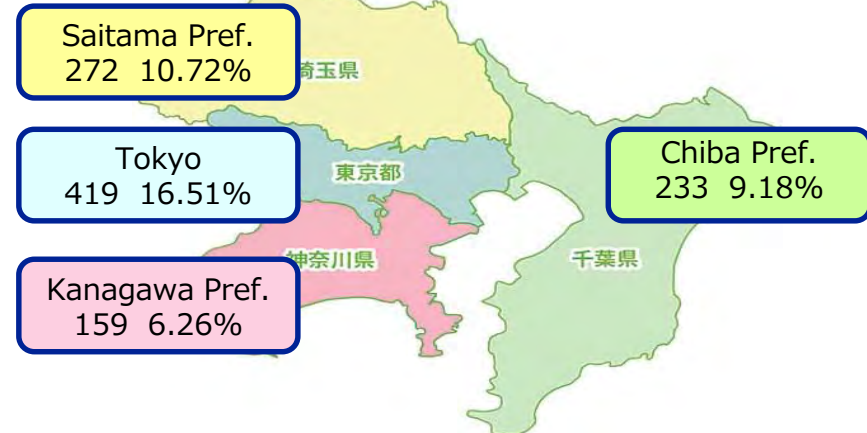


➤ Aspects of Condominium Properties and Occupancy Rate Data

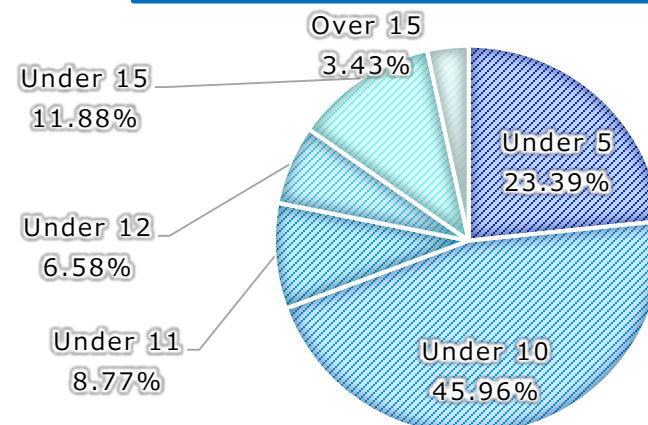
Distribution Map by Region



Distribution in Kanto Region



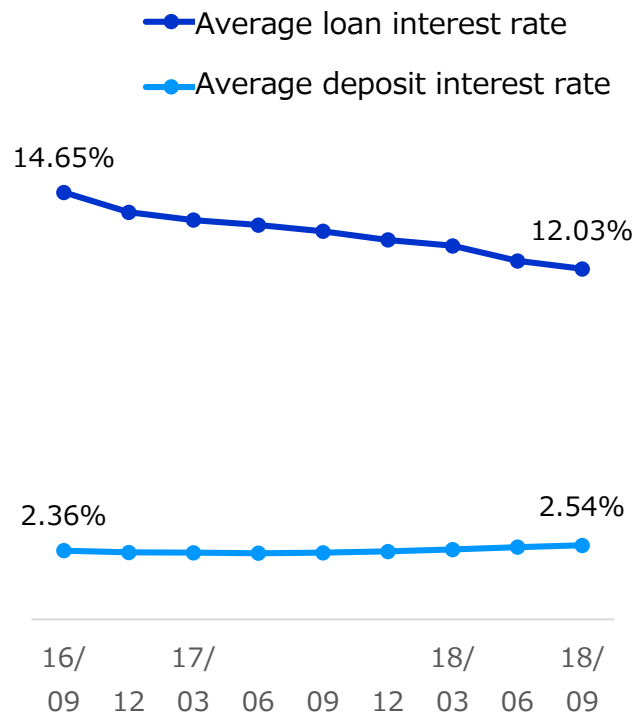
Distance in Minutes from Nearest Station (Walking)



➤ Data from Savings Banks in South Korea

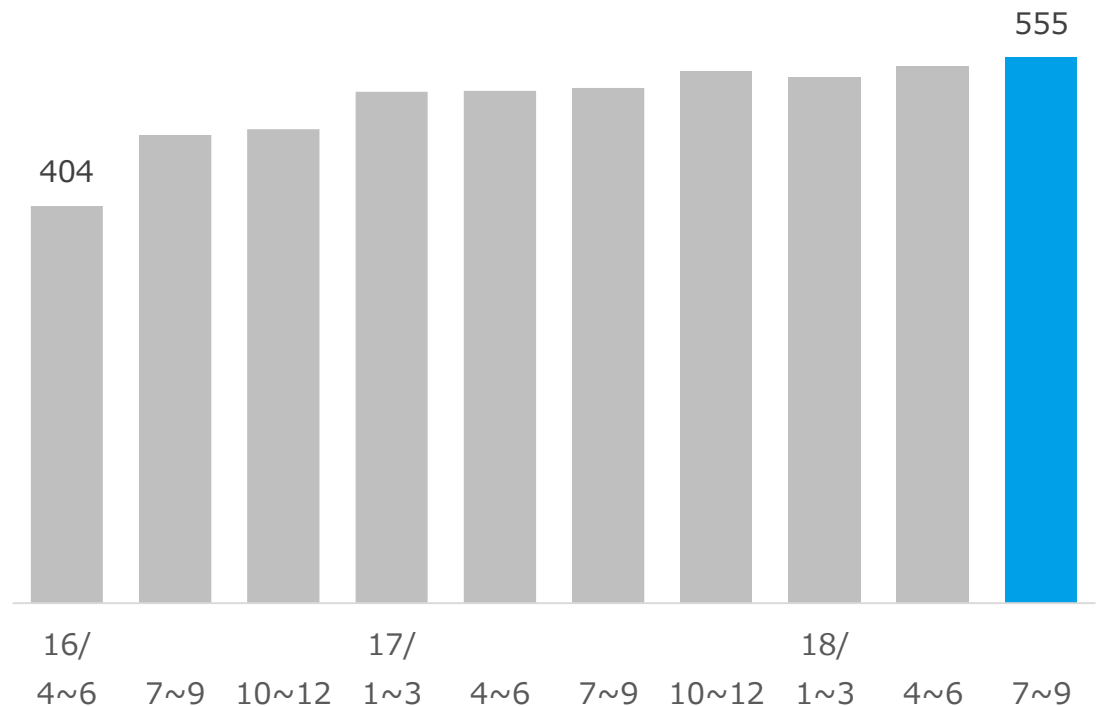
Main Indices of Korean Savings Banks (K-GAAP standards)

Average interest rate of loans and deposits



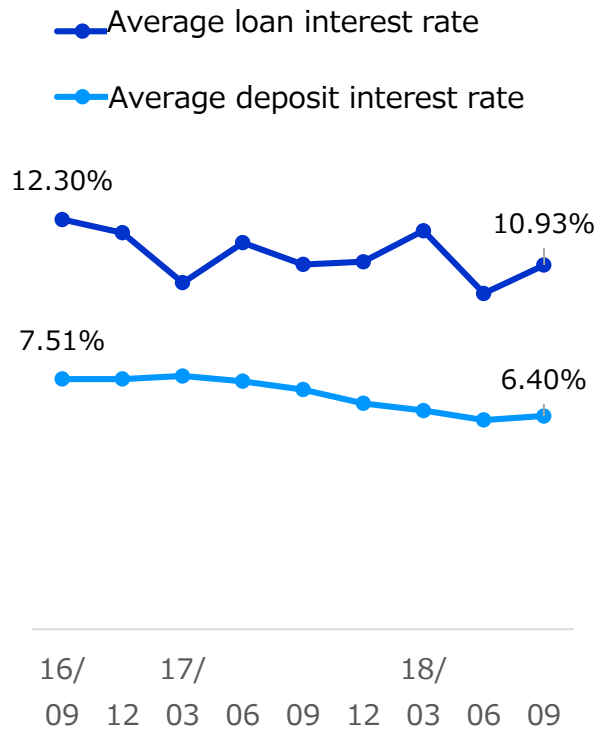
Net interest income

Unit: 100 million KRW



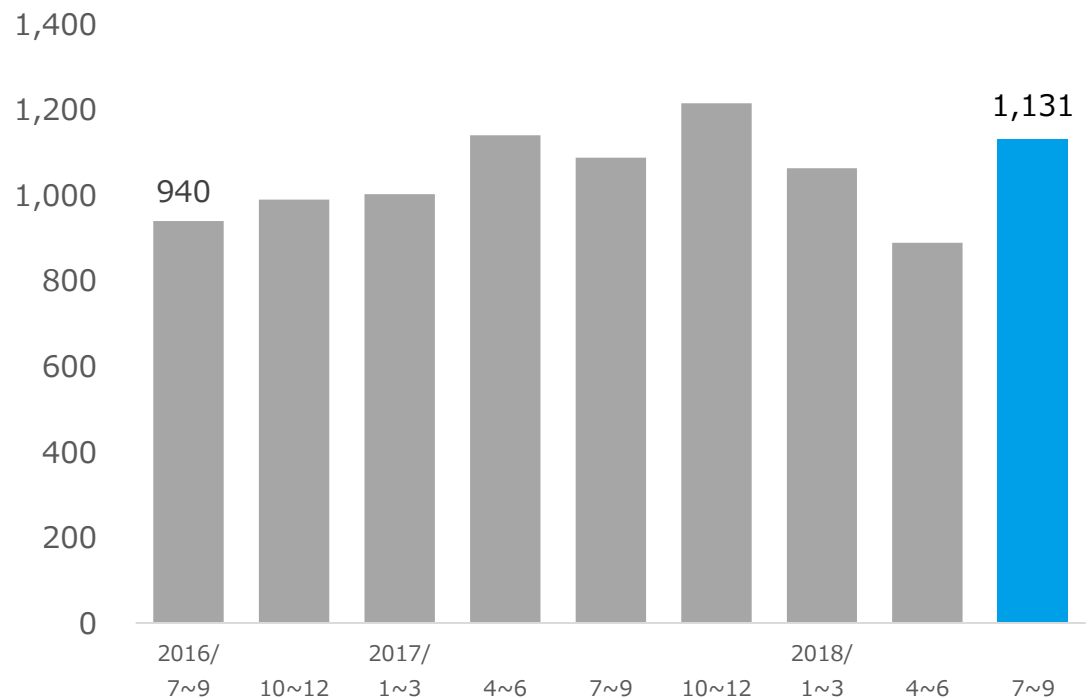
Main Indices of J Trust Bank

Average interest rates of
loans and deposits



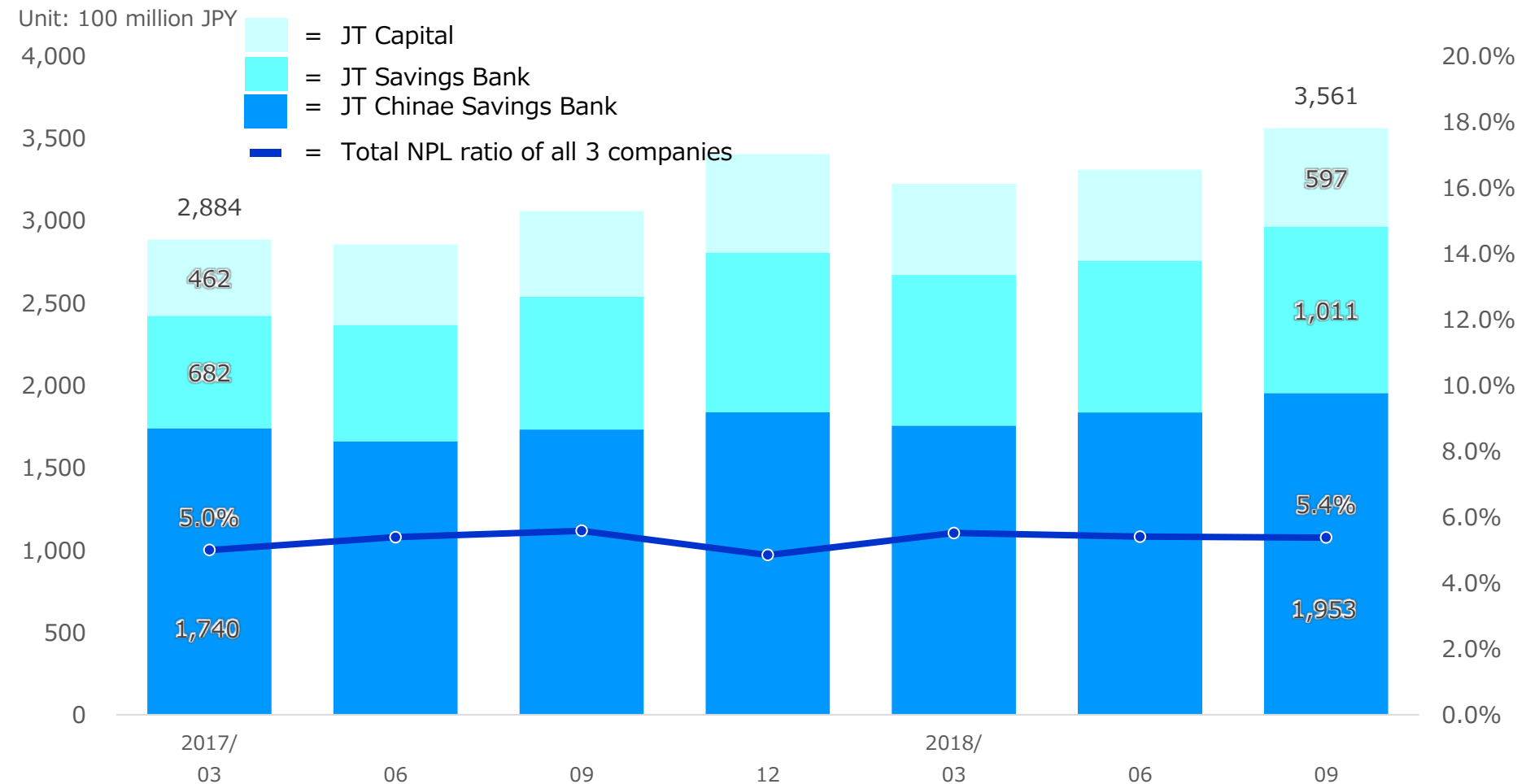
Net interest income

Unit: 100 million IDR



➤ Loan Balance and NPL Ratio of All Three Korean Companies

Loan balance and NPL ratio (IFRS standards)

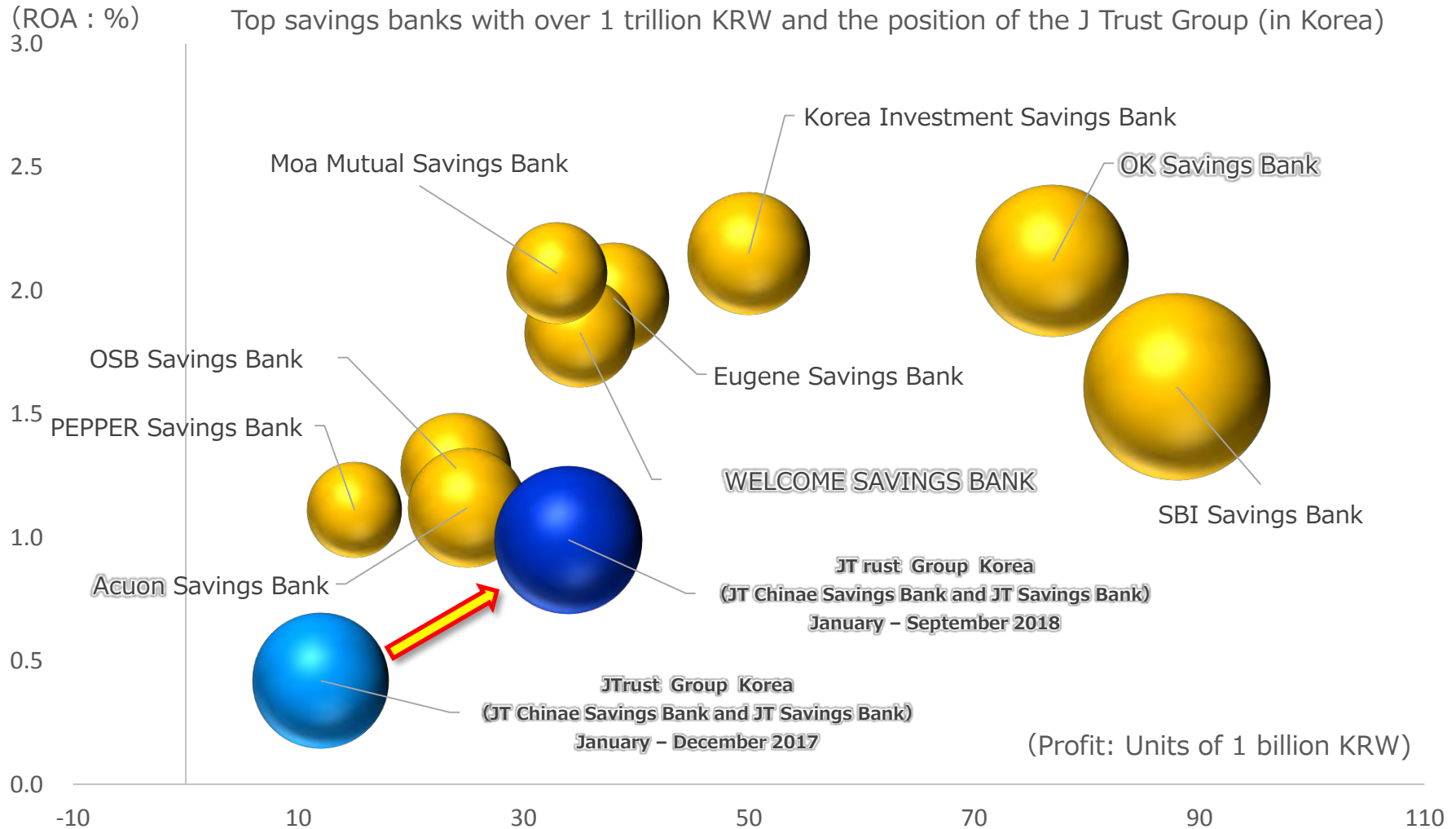


NPL ratio = Percentage of total loans which have been delinquent for 30 days or more

➤ Savings Banks in Korea by Asset Size (As of December 31st, 2017)

※ J Trust Group Korea
data taken from January to September 2018

Top savings banks with over 1 trillion KRW and the position of the J Trust Group (in Korea)

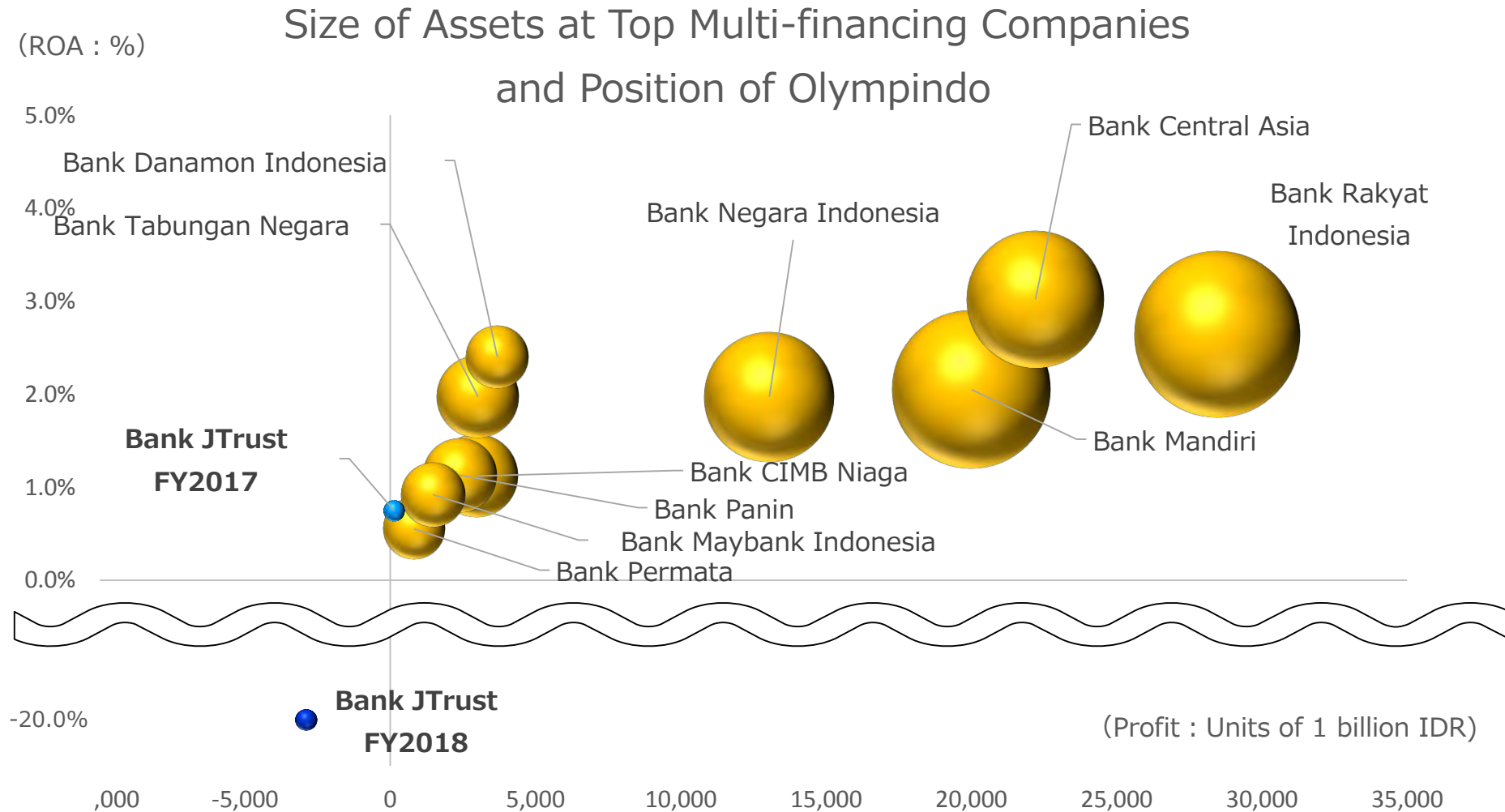


➤ Profit/ROA/Size of Assets at Top Korean Savings Banks (As of December 31st, 2017)

No.	Company name	Net profit	ROA	Total Assets (Unit: 1 million KRW)
1	SBI 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 Investment 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

➤ Size of Assets at Indonesian Commercial Banks (As of December 31st, 2017)

※ Data for J Trust Bank is from
January ~ September 2018



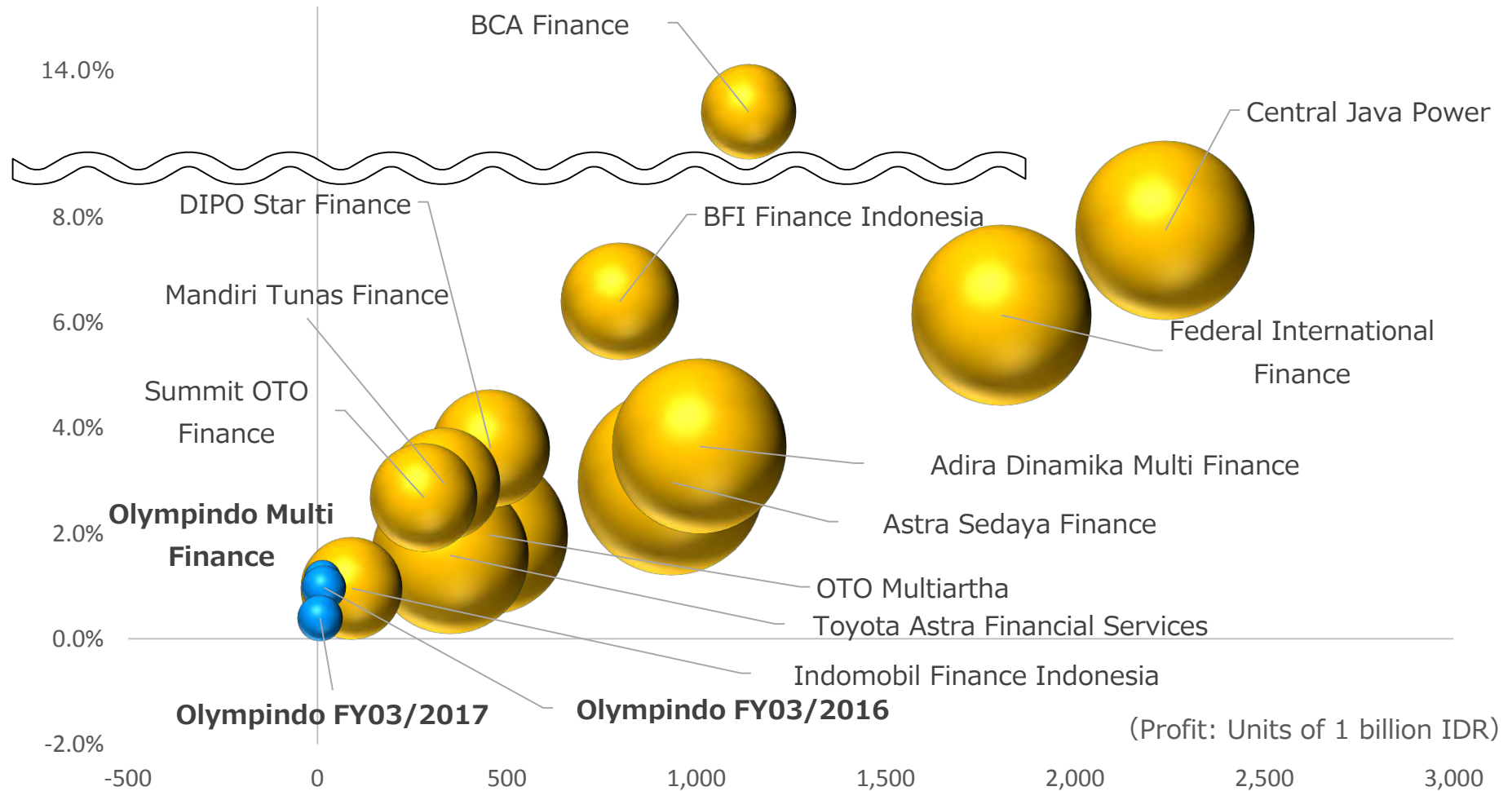
➤ Profit/ROA/Size of Assets at Top Indonesian Commercial Banks (As of December 31st, 2017)

No.	Company name	Net profit	ROA	Total Assets Unit : 1 billion IDR
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 (Panin Bank)	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

➤ Size of Assets at Indonesian Multi-financing Companies (As of December 31st, 2017)

(ROA : %)

Size of Assets at Top Multi-financing Companies and Position of Olympindo

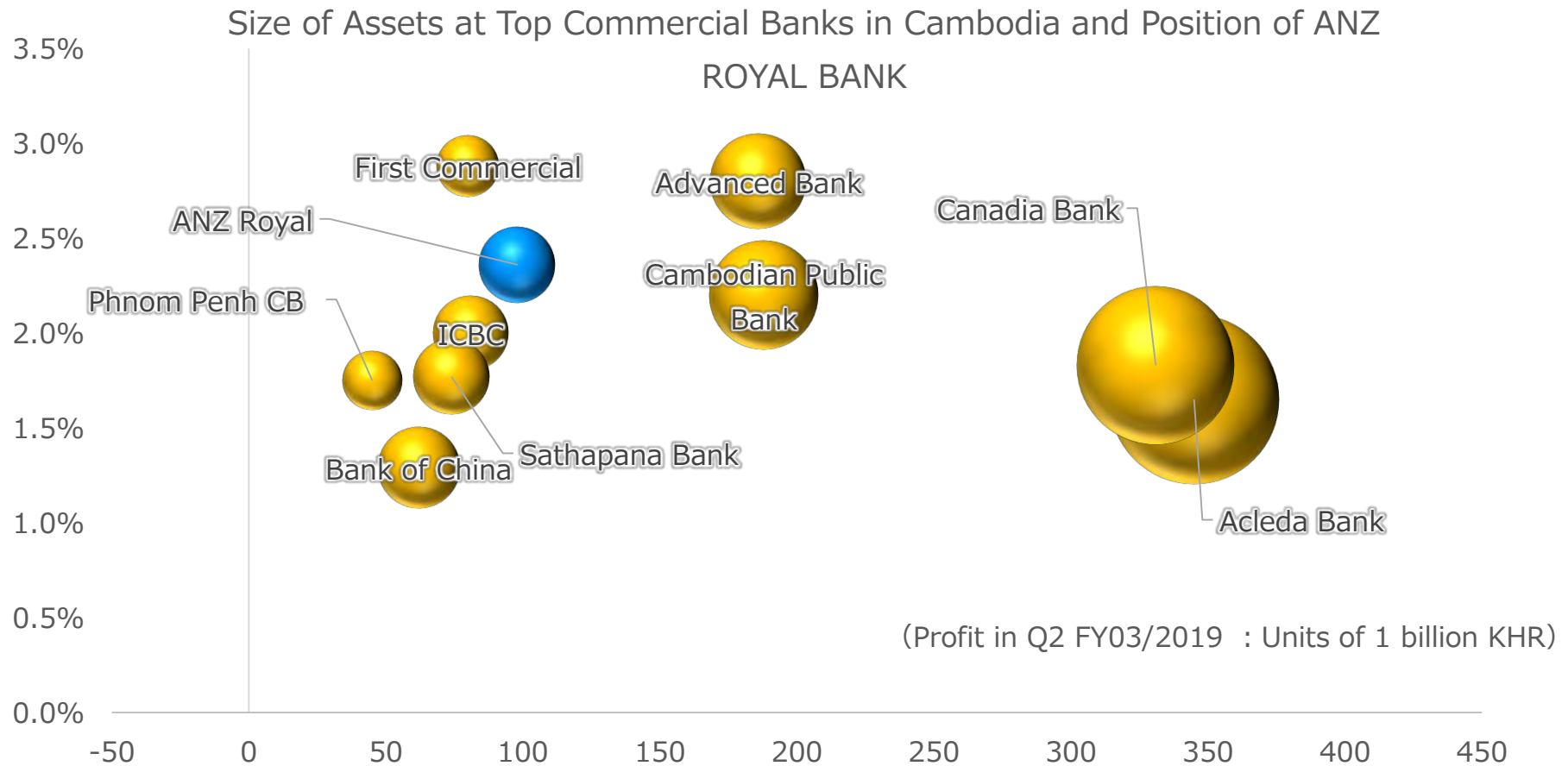


➤ Profit/ROA/Size of Assets at Top Multi-financing Companies (As of December 31st, 2017)

No.	Company name	Net profit	ROA	Total Assets Unit: 1 billion IDR
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

➤ Size of Assets at Commercial Banks in Cambodia (As of December 31st, 2017)

(ROA : %)



➤ Profit/ROA/Size of Assets at Top Commercial Banks in Cambodia (As of December 31st, 2017)

No.	Company name	Net profit	ROA	Total Assets Unit: 1 billion KHR
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

