



J TRUST

FY12/2019

Earnings Presentation Materials

**February 2020
J Trust Co., Ltd.**

Web version



I. Consolidated Results in FY12/2019

1. Summary of Consolidated Results

2. Results by Segment

3. Results Forecast for FY12/2020

II. Future Growth Strategy

Disclaimer

- In conjunction with the change in the accounting period, the current period consists of nine months from April 2019 to December 2019.
- Figures for YOY comparisons in this document use the total from the nine month period between April and December 2018.
- J Trust has classified the results of Highlights Entertainment, which it sold in FY03/2019, as discontinued operations and has similarly classified “operating revenue”, “operating profit” and “profit before tax” as such in year-on-year (“YOY”) comparisons.
- As a principle, the units listed on each page have been rounded down to the nearest unit of display. In addition, differences listed next to the charts and graphs illustrating YOY comparisons are calculated using the display unit of 0.1 billion.
- Segment revenue shows operating revenue from external customers.
- 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 and contains underlying risks and uncertainties. Therefore, please understand that actual results and the forecast described here are subject to change greatly depending upon various factors such as the business environment.
- This document is intended to provide information about J Trust and is not intended to solicit investments in securities issued by the company.
- This English-translated document was prepared solely for the convenience of English-speaking investors. If any discrepancies exist between this translation and the original Japanese document, the Japanese version always prevails. J Trust shall not be liable for any damages or losses of profit arising from this translation.

1. Summary of Consolidated Results in FY12/2019

**Senior Managing Director, Executive
Officer and Finance Department
General Manager
Ryuichi Atsuta**

➤ Summary of Consolidated Results

Financial Business in Japan

Booked profit largely according to plan through diversification of guarantee products and stable revenue from good-quality guarantee assets

Financial Business in South Korea and Mongolia

Results exceeded the initial forecast due to a decrease in provisions against doubtful accounts and gains booked from the sale of receivables

Financial Business in Southeast Asia

Segment losses were reduced through the acquisition of shares in ANZ Royal Bank

➤ Revenue and profit increased year-on-year.

Consolidated Results (YOY)

	3Q FY03/2019 (2018/4/1~2018/12/31)	FY12/2019 (2019/4/1~2019/12/31)	Difference	FY03/2019 (For reference)
Operating revenue[※]	55.1 billion JPY	58.1 billion JPY	+3.0 billion JPY	74.9 billion JPY
Operating profit[※]	-29.7 billion JPY	0.2 billion JPY	+29.9 billion JPY	-32.6 billion JPY
Profit (or loss) before tax[※]	-28.6 billion JPY	-0.3 billion JPY	+28.3 billion JPY	-31.1 billion JPY
Profit (or loss) attributable to owners of parent	-32.7 billion JPY	-3.2 billion JPY	+29.5 billion JPY	-36.1 billion JPY

※ Operating revenue, operating profit, and profit (or loss) before tax do not contain results from discontinued business.

➤ Operating revenue increased year-on-year.

Operating Revenue by Segment (YOY)

	Q3 FY03/2019 (2018/4/1~2018/12/31)	FY12/2019 (2019/4/1~2019/12/31)	Difference	FY03/2019 (For reference)
Financial Business in Japan	7.3 billion JPY	7.6 billion JPY	+0.3 billion JPY	10.5 billion JPY
Financial Business in South Korea and Mongolia	30.1 billion JPY	29.5 billion JPY	-0.6 billion JPY	39.5 billion JPY
Financial Business in Southeast Asia	9.4 billion JPY	9.6 billion JPY	+0.2 billion JPY	13.0 billion JPY
Investment Business	0.7 billion JPY	0.7 billion JPY	-0.0 billion JPY	1.0 billion JPY
Non-Financial Business (Entertainment, Real Estate)	5.0 billion JPY	9.5 billion JPY	+4.5 billion JPY	7.9 billion JPY
Other business	2.4 billion JPY	0.8 billion JPY	-1.6 billion JPY	2.8 billion JPY
Consolidated operating revenue	55.1 billion JPY	58.1 billion JPY	+3.0 billion JPY	74.9 billion JPY

Amounts shown do not include amounts resulting from discontinued operations.

➤ Operating profit improved greatly, allowing us to secure a surplus.

Operating profit by segment (YOY)

	Q3 FY03/2019 (2018/4/1~2018/12/31)	FY12/2019 (2019/4/1~2019/12/31)	Difference	FY03/2019 (For reference)
Financial Business in Japan	3.2 billion JPY	3.0 billion JPY	-0.2 billion JPY	4.2 billion JPY
Financial Business in South Korea and Mongolia	4.0 billion JPY	7.5 billion JPY	+3.5 billion JPY	4.8 billion JPY
Financial Business in Southeast Asia	-14.3 billion JPY	-4.6 billion JPY	+9.8 billion JPY	-17.7 billion JPY
Investment Business	-20.0 billion JPY	-1.7 billion JPY	+18.3 billion JPY	-20.5 billion JPY
Non-Financial Business (Entertainment, Real Estate)	0.0 billion JPY	0.6 billion JPY	+0.6 billion JPY	0.0 billion JPY
Other business	-0.0 billion JPY	-0.4 billion JPY	-0.4 billion JPY	0.0 billion JPY
Company-wide expenses, etc.	-2.6 billion JPY	-4.0 billion JPY	-1.4 billion JPY	-3.5 billion JPY
Consolidated operating profit	-29.7 billion JPY	0.2 6billion JPY	+29.9 billion JPY	-32.6 billion JPY

Amounts shown do not include amounts resulting from discontinued operations

➤ Results Forecast and Rate of Progress by Segment

Operating Revenue and Operating Profit by Segment

		FY12/2019 Initial Results Forecast ※4/1~12/31 (9 mos.)	FY12/2019 Results ※4/1~12/31 (9 mos.)	Percent Achieved
Financial Business in Japan	Operating revenue	6.9 billion JPY	7.6 billion JPY	110%
	Operating profit	2.9 billion JPY	3.0 billion JPY	103%
Financial Business in South Korea and Mongolia	Operating revenue	28.9 billion JPY	29.5 billion JPY	102%
	Operating profit	3.3 billion JPY	7.5 billion JPY	227%
Financial Business in Southeast Asia	Operating revenue	12.9 billion JPY	9.6 billion JPY	74%
	Operating profit	-1.7 billion JPY	-4.6 billion JPY	-
Investment Business	Operating revenue	1.0 billion JPY	0.7 billion JPY	70%
	Operating profit	-0.6 billion JPY	-1.7 billion JPY	-
Non-Financial Business	Operating revenue	13.3 billion JPY	9.5 billion JPY	71%
	Operating profit	0.4 billion JPY	0.6 billion JPY	150%
Company-wide expenses/ Consolidated adjustments, etc.	Operating revenue	1.3 billion JPY	0.8 billion JPY	-
	Operating profit	-4.3 billion JPY	-4.5 billion JPY	-
Consolidated Total	Operating revenue	64.3 billion JPY	58.1 billion JPY	90%
	Operating profit	0.06 billion JPY	0.2 billion JPY	333%

2. Results by Segment

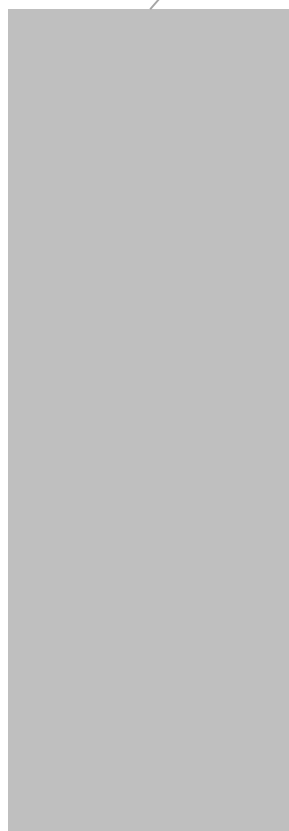
2 – 1. Financial Business in Japan

- Operating revenue increased due to an increase in guarantee commission received.
- Although operating profit decreased slightly year-on-year, we achieved our target value of 2.9 billion yen.

Unit: Billions of yen

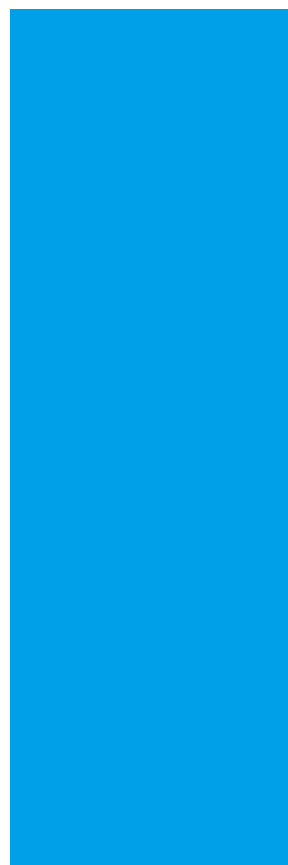
Operating Revenue

7.3



3Q FY03/2019

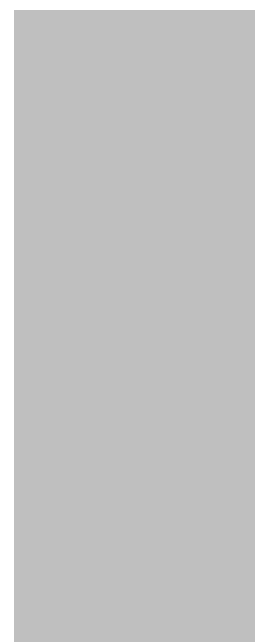
7.6



FY12/2019

Operating Profit

3.2



3Q FY03/2019

3



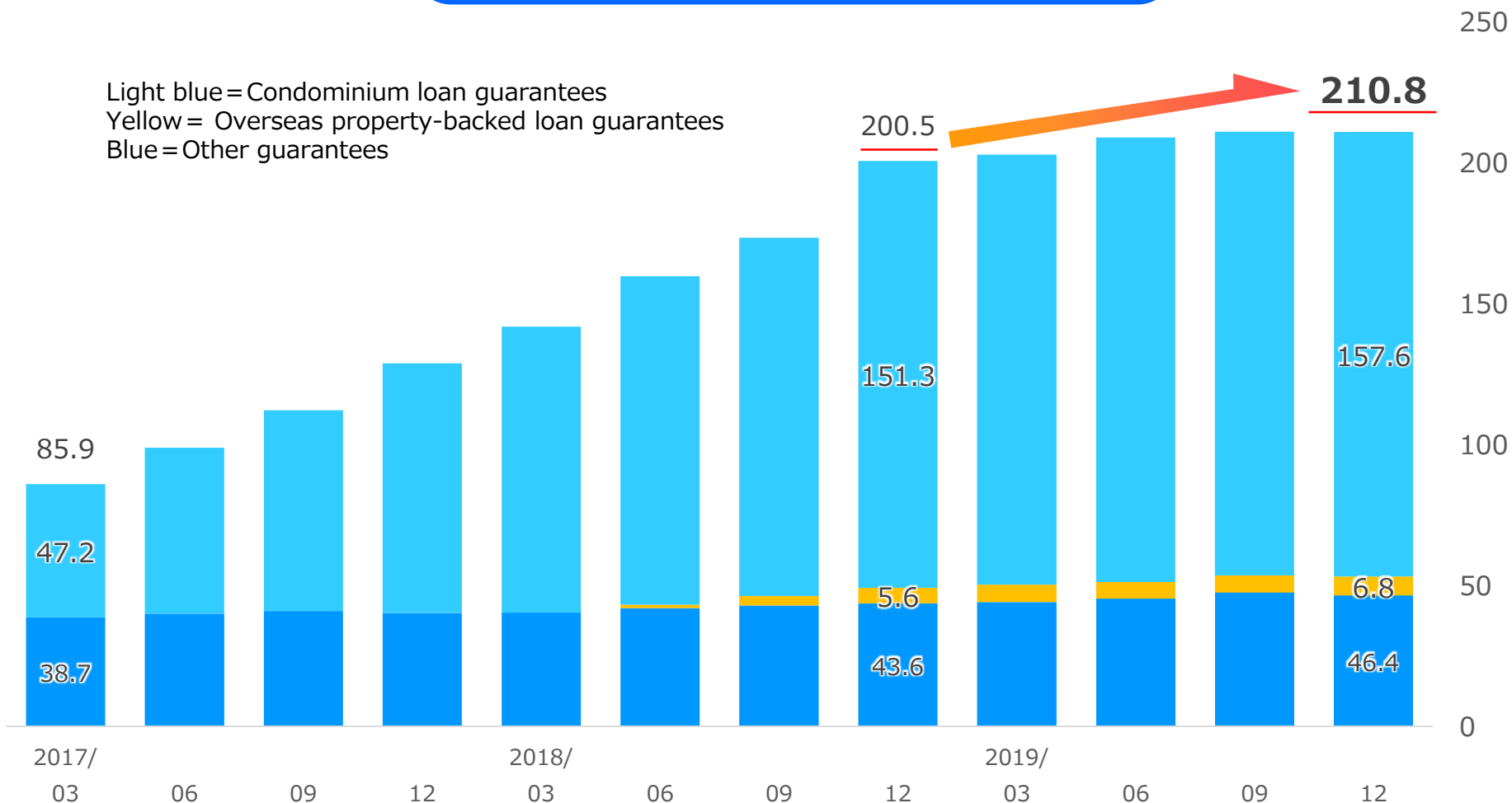
FY12/2019

- We will transition from condominium loan guarantees to new guarantee products such as guarantees on crowdfunding products or overseas property-backed loans.

Outstanding Balance of Guarantees

Unit: Billions of yen

Light blue = Condominium loan guarantees
Yellow = Overseas property-backed loan guarantees
Blue = Other guarantees



➤ We will expand new guarantee products and increase the guarantee balance

- ✓ All crowdfunding products backed by Nihon Hoshou's guarantees achieved their target amounts within 24 hours.
- ✓ The three products which we announced in January all reached the full solicited amounts within one hour.

Crowdfunding products backed by Nihon Hoshou guarantees



SAMURAI
少額から投資できる 投資型クラウドファンディング

目標利回り 5~10%
最低投資額 1万円~

日本保証 保証付き SAFさくらビジネスローンファンド1号

運用中	目標利回り (税引前)	運用期間	募集上限金額	目標募集金額
SAF日本保証不動産ローンファンド2号	4%	11.5ヶ月	5,000万円	100万円
日本保証 × SAMURAI証券	4%	22.9ヶ月	2,300万円	100万円
日本保証 × SAMURAI証券	5%	11.5ヶ月	1,300万円	100万円



SAMURAI FUND
リニューアル記念ファンド2号

目標利回り 100%

募集状況
残り100%

募集上限金額 ¥200,000,000
目標募集金額 ¥100,000,000



SAMURAI FUND
リニューアル記念ファンド

目標利回り 100%

募集状況
残り100%

募集上限金額 ¥150,000,000
目標募集金額 ¥150,000,000



SAMURAI FUND
リニューアル記念ファンド

目標利回り 100%

募集状況
残り100%

募集上限金額 ¥100,000,000
目標募集金額 ¥100,000,000

Guarantees on overseas property-backed loans



投資の舞台は 西海岸
CALIFORNIA



東京スター銀行の
「ハワイ不動産担保ローン」
100%保証



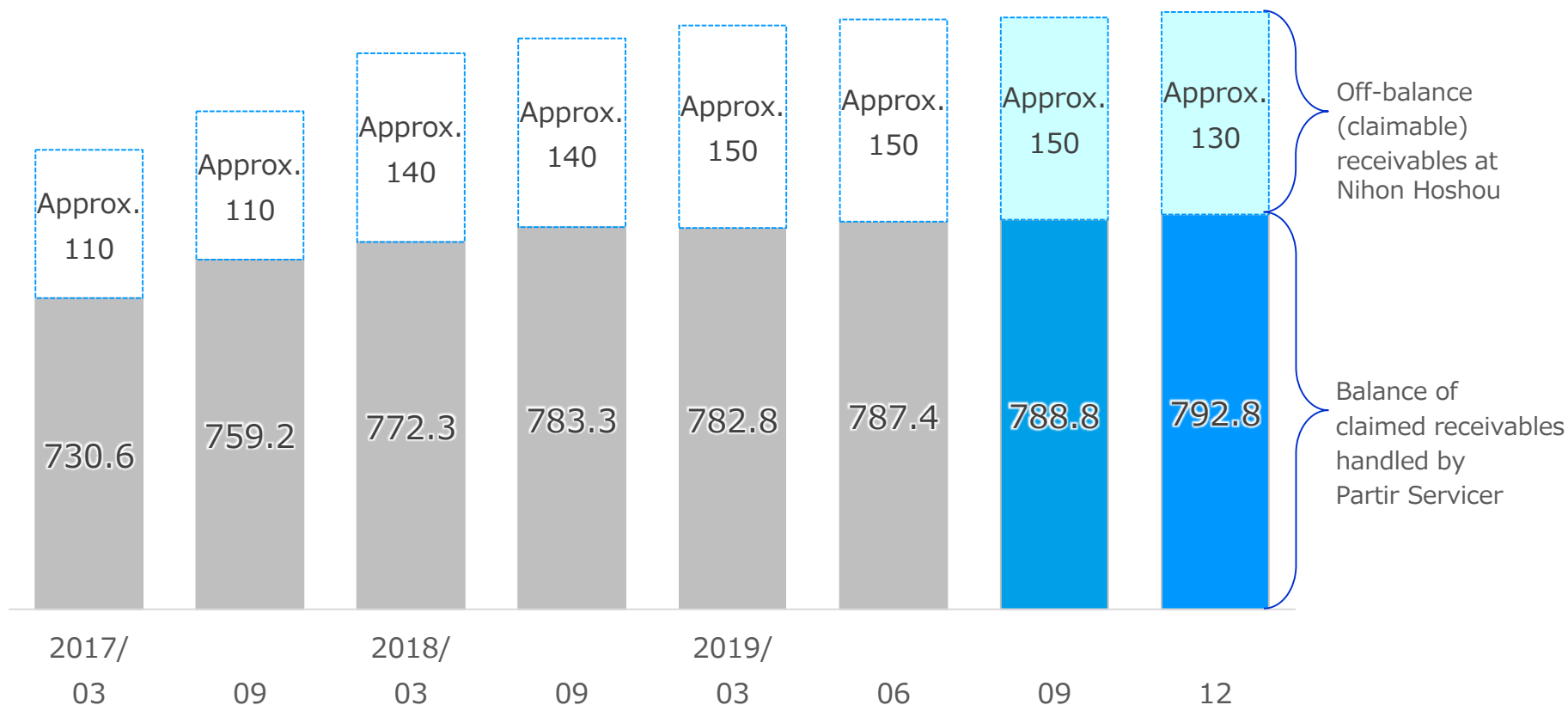
投資の舞台は、海外へ。

- Conducted a periodic reevaluation of off-balance receivables
- Purchases of receivables went well; we continued to have over 900 billion yen in claimed receivables

Unit: Billions of yen

Balance of claimed receivables in servicer business

Total:
900+ billion yen



Balance includes both purchased and entrusted receivables.
Balance includes some on-balance receivables.

2. Results by Segment

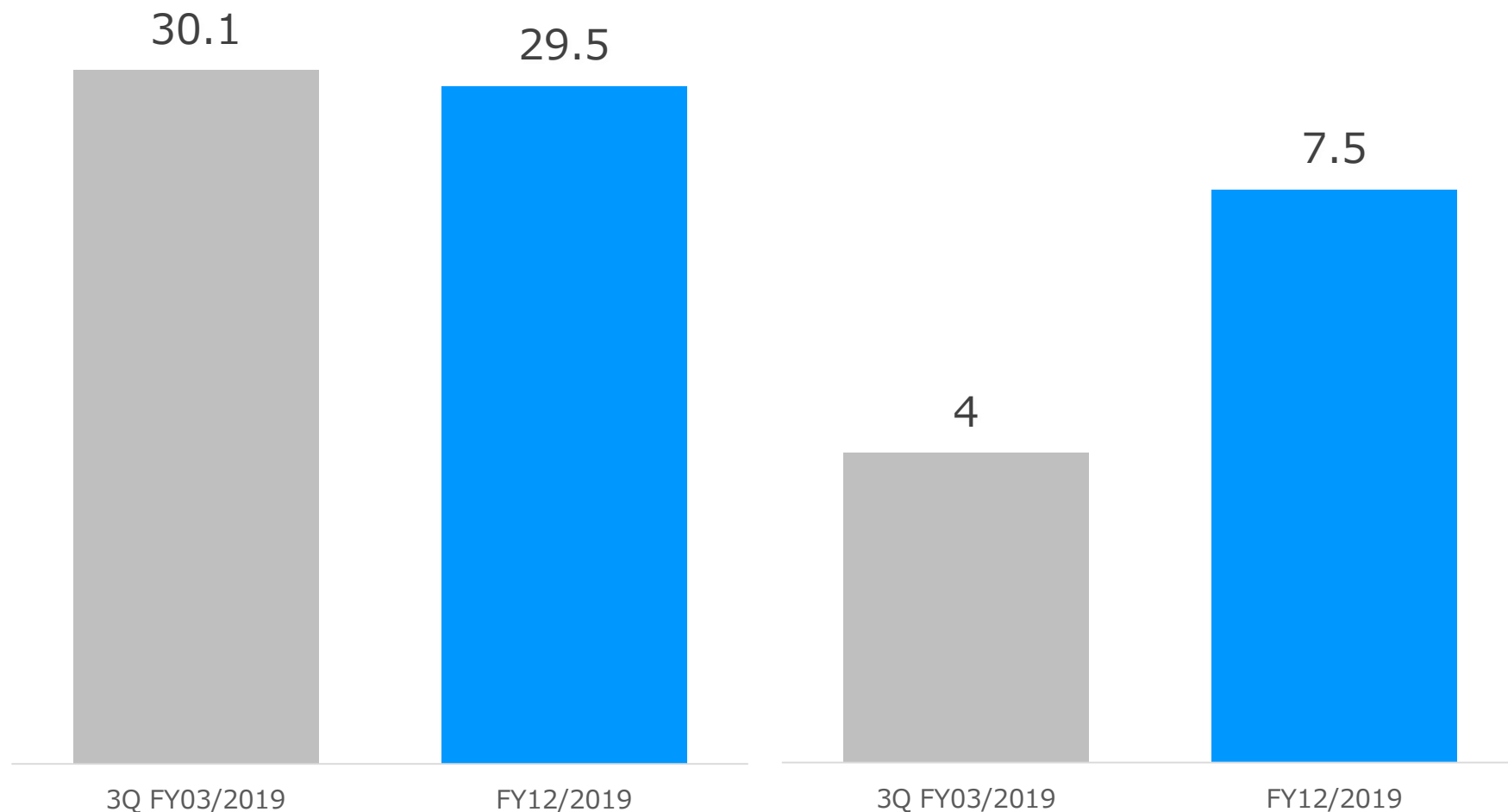
2 – 2. Financial Business in South Korea and Mongolia

- Operating revenue decreased due to a decline in average loan interest rates
- Decreases in expenses related to bad debts and gains from the sale of NPLs contributed to a significant increase of operating profit

Unit: Billions of yen

Operating Revenue

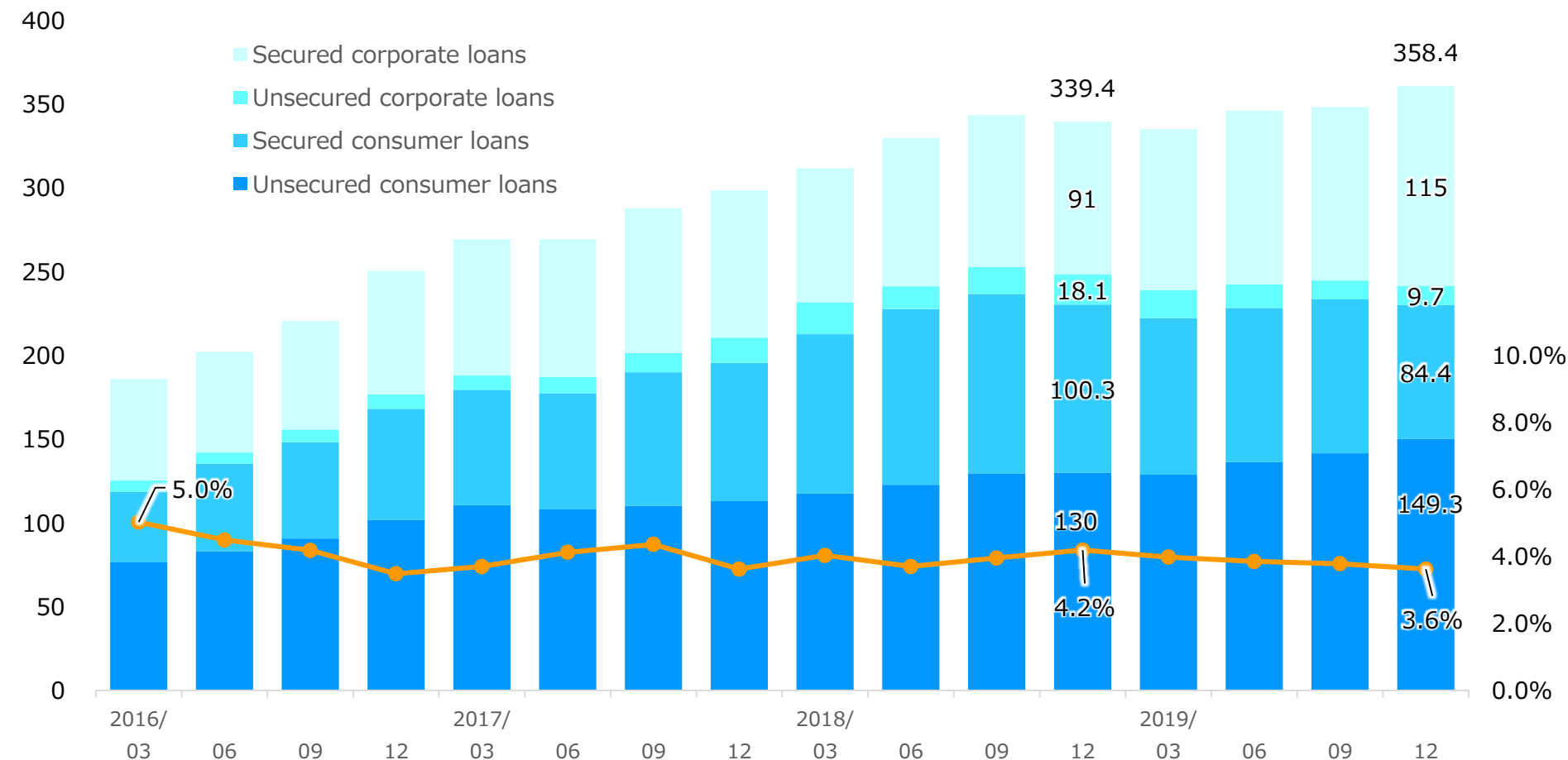
Operating Profit



- Loans delinquent over 90 days remained at a low level.
- We worked toward accumulating stable assets while focusing on asset “quality”.

Loan portfolio (bar graph) and balance of loans delinquent over 90 days at three companies (line graph)

Unit: Billions of yen

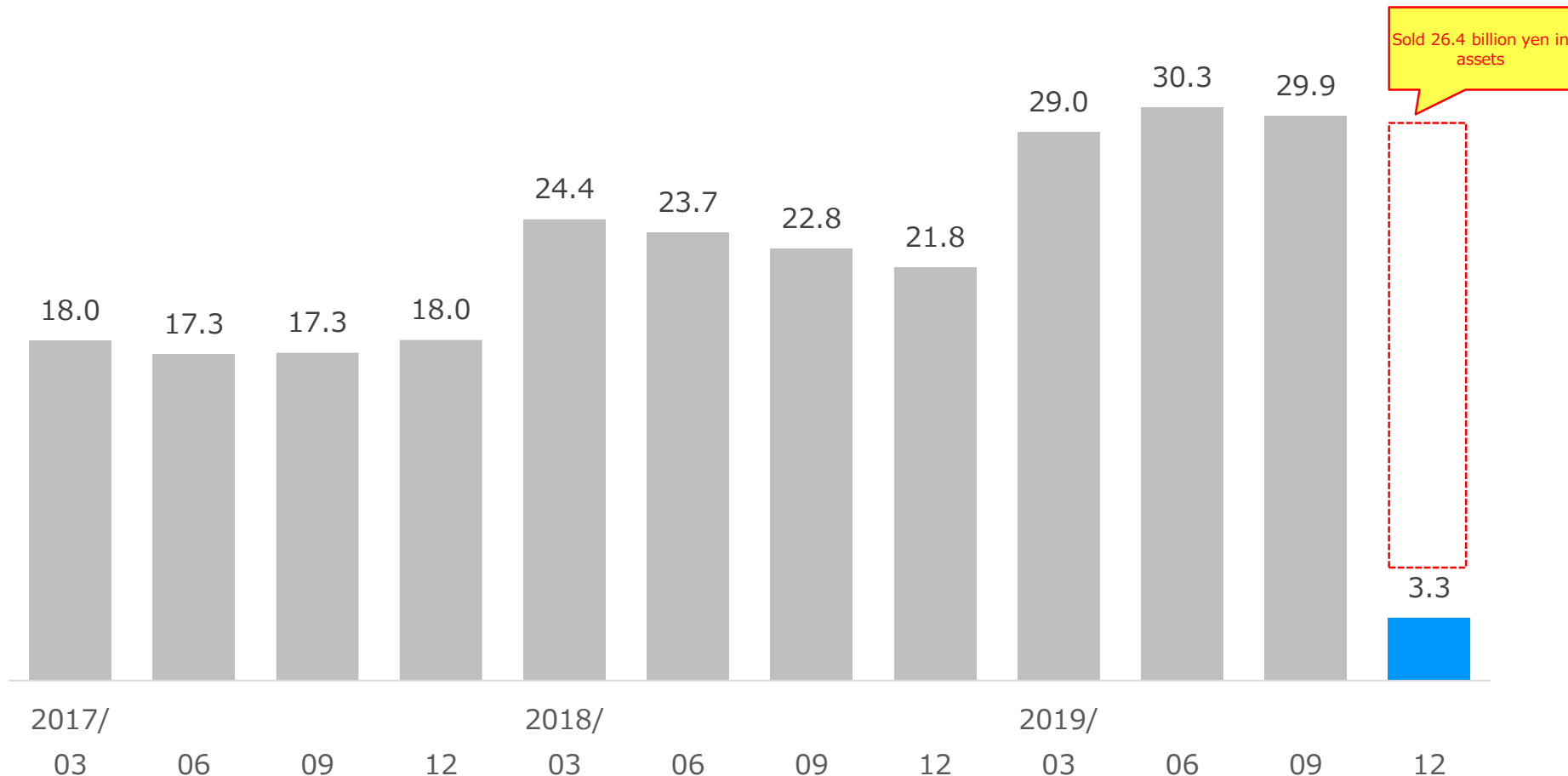


Combined total of JT Chinae Savings, Bank JT Savings Bank and JT Capital
 Figures are displayed in local currency and multiplied by the following rate:
 Reference rate : 1 KRW=0.0946 JPY (Closing rate as of December 31st, 2019)

- Against the backdrop of a market surge, the company sold off 280 billion KRW (approximately 26.4 billion JPY)'s worth of assets.
- TA Asset booked a full-year operating profit of 19.2 billion KRW (approximately 1.8 billion JPY)

Unit: Billions of yen

Balance of claimed receivables at TA Asset Management



Figures are displayed in local currency and multiplied by the following rate:
Reference rate: 1 KRW = 0.0946 JPY (Closing rate on December 31st, 2019)

2. Results by Segment

2 – 3. Financial Business in Southeast Asia

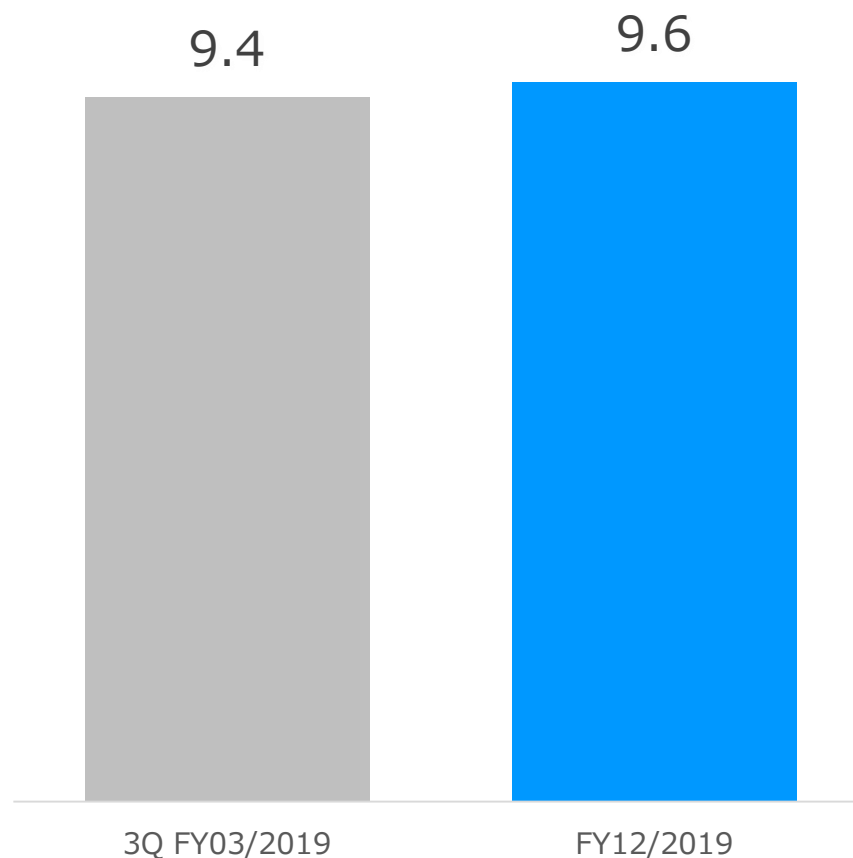
Company names have been abbreviated in the following pages:

- JTrust Bank Indonesia (BJI)
- JTRUST OLYMPINDO MULTI FINANCE (JTO)
- JTRUST INVESTMENTS INDONESIA (JTII)
- J Trust Royal Bank (JTRB)

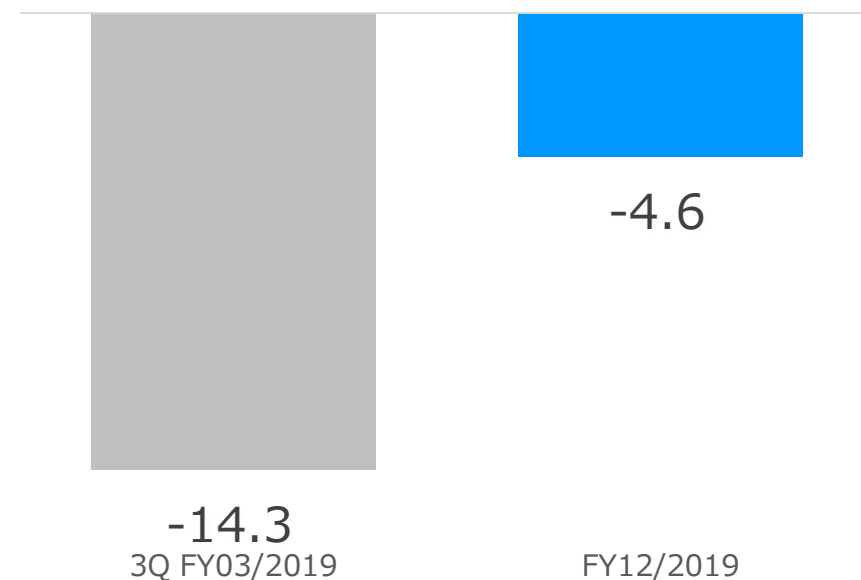
- Starting in the current fiscal year, Indonesia and Cambodia have been tallied together under Financial Business in Southeast Asia
- Following the acquisition of shares in ANZ Royal Bank, both revenue and profit improved year-on-year

Unit: Billions of yen

Operating Revenue



Operating Profit



- Starting in Q2, the Indonesian and Cambodian business segments have been tallied together.

Summary by Country

FY12/2019 Total	Indonesia (Total of 3 companies)	Cambodia	Transactions between segments, other (Goodwill, etc.)	Total for Financial Business in Southeast Asia
	BJI JTO JTII	JTRB		
Operating revenue	8.4 billion JPY	1.7 billion JPY	-0.5 billion JPY	9.6 billion JPY
Operating profit	-7.4 billion JPY	0.3 billion JPY	2.5 billion JPY	-4.6 billion JPY

Indonesia

- By the end of December 2019, we had completed the first stage of overhauling BJI's business foundation
- Accumulated quality assets and promoted swift collections on NPLs at JTII

Cambodia

- As a result of reevaluating JTRB's net worth in Q3, J Trust booked 3.3 billion yen in gains from bargain purchases
- Operating profit came to 0.3 billion yen due to initial fees such as fees related to the transfer of the bank's IT system

(Indonesia)

- In FY12/2019, we focused on rebuilding BJI's business foundation.
- In January 2020, BJI resumed share trading on the Indonesia Stock Exchange (IDX)

Personnel/Structural Reorganization

Organized risk management system and strengthened our screening division

- ➡ • Dispatched Japanese management to compliance and screening divisions
- Dispatched talented individuals who had been involved in rebuilding savings banks in South Korea to Indonesia

Improvements to IT

Developed a mobile banking app and began service in August 2019

- ➡ • We anticipate reductions to COF through effective customer solicitation and accumulation of normal deposits

Accumulation of good-quality assets

In addition to asset accumulation focused on JTO, we will further

- ➡ invest in loans or bonds with Japanese/ state-run/conglomerate companies and major banks

Maintenance of system for receivables collections

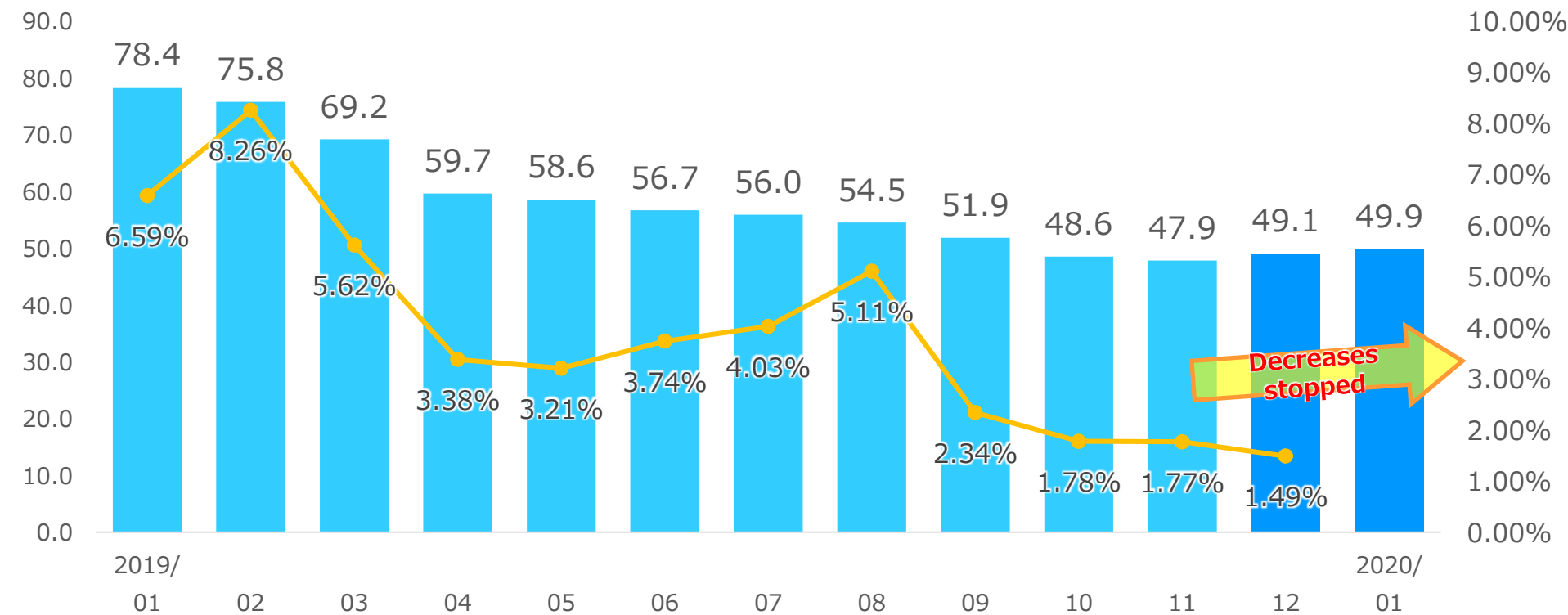
- ➡ Combining the asset management and collection expertise cultivated in Japan and South Korea and focusing it in JTII
- Increasing the number of receivables management and collections specialists (from 39 at end-March 2019 to 75 in end-December 2019)

(BJI)

- Processing of NPLs was successful; ratio of loans delinquent over 90 days decreased
- Asset decrease has stopped; from now on, we will work on accumulating good-quality assets

Outstanding loan balance at BJI (Bar graph) and ratio of loans delinquent over 90 days (Line graph)

Unit: Billions of yen

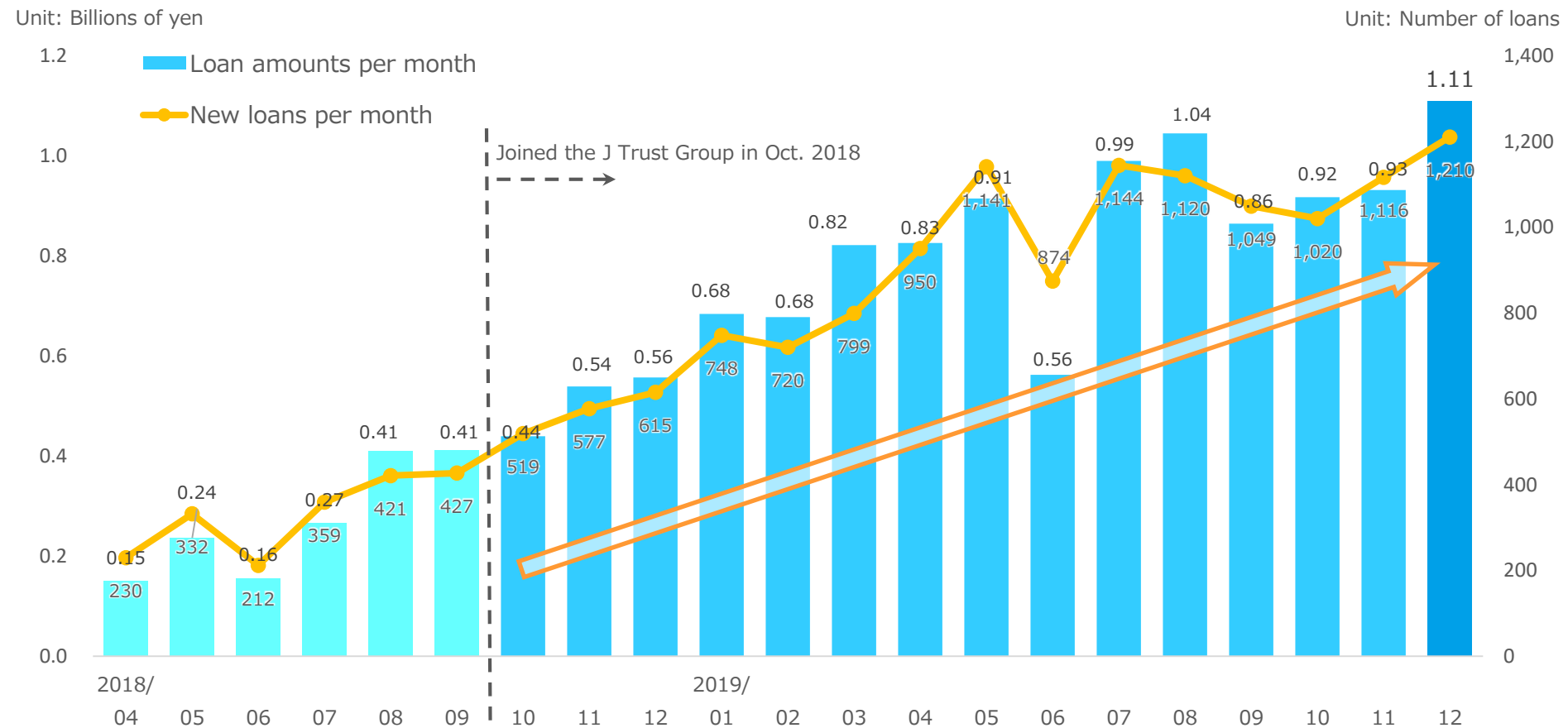


※ Figures are calculated in local currency and multiplied using the following rate:
Reference rate: 1 IDR=0.0079 JPY (Closing rate as of December 31st, 2019)

(JTO)

- The number of business partners steadily increased, as did the amount of new loans per month

Number of new loans (Right axis) and Loan Amounts (Left axis) at JTO

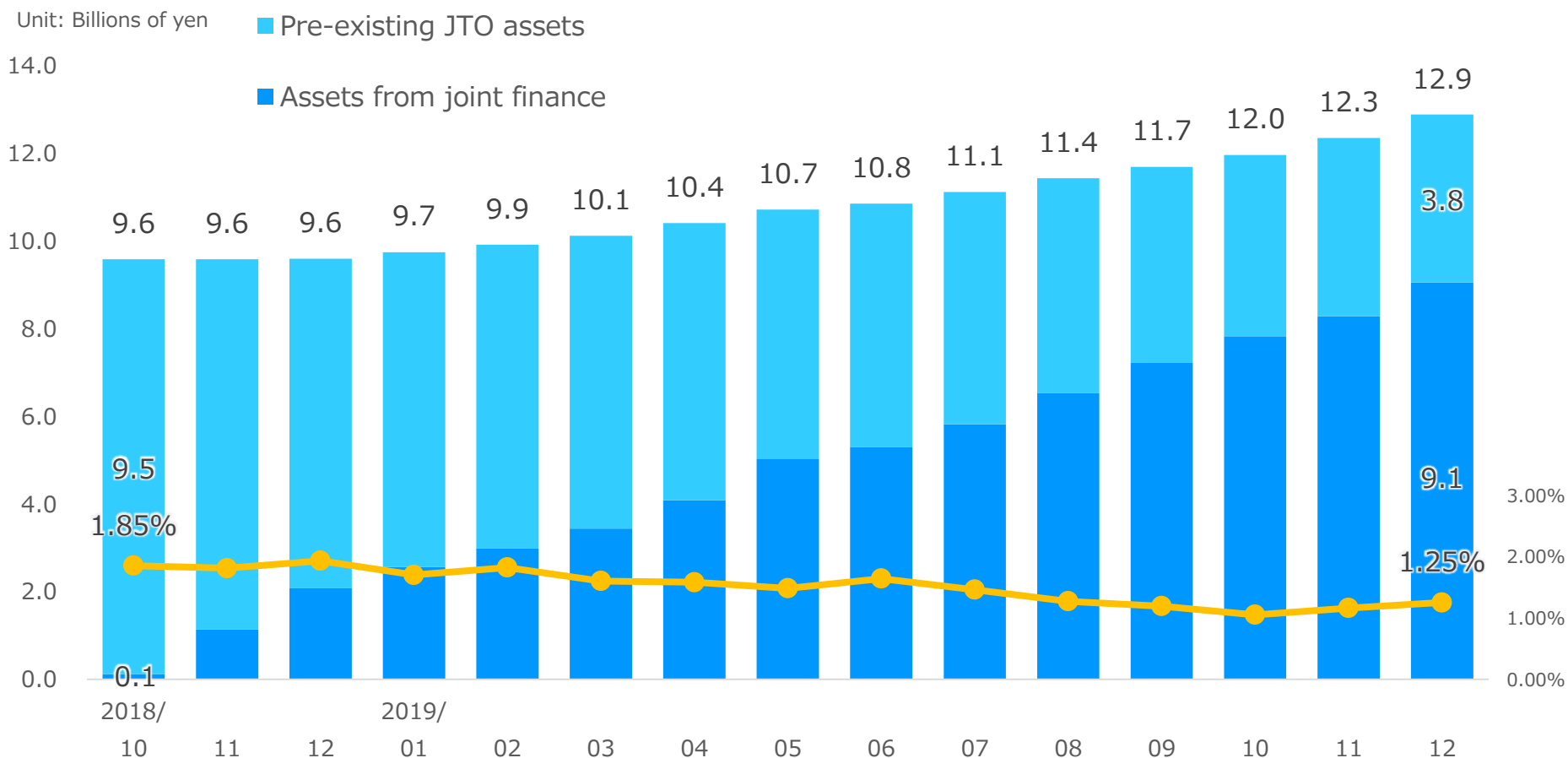


※ Figures are calculated in local currency and multiplied using the following rate:
Reference rate: 1 IDR=0.0079 JPY (Closing rate as of December 31st, 2019)

(JTO)

- We maximized our joint finance scheme and increased assets.
- The NPL ratio declined even further as a result of stricter asset management

Assets at JTO (Bar graph) and Percentage of Loans Delinquent Over 90 Days (Line graph)

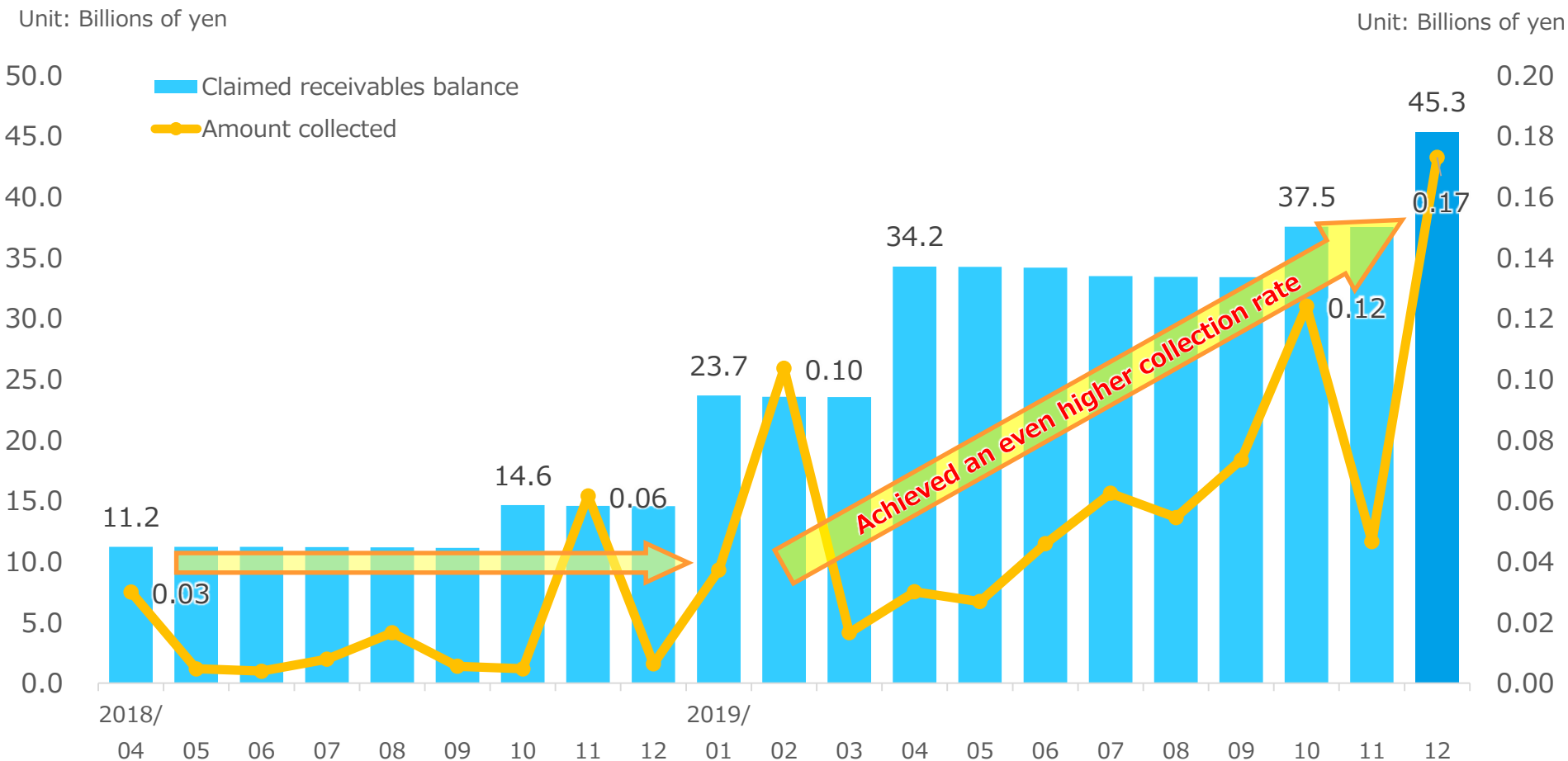


※ Figures calculated in local currency and multiplied by the following rate:
Reference rate: 1 IDR=0.0079 JPY (Closing rate as of December 31st, 2019)

(JTII)

➤ We will continue to collect on assets purchased from BJI

Balance of claimed receivables (Bar graph: Left axis) and Actual amount of collections (Line graph : Right axis) at JTII

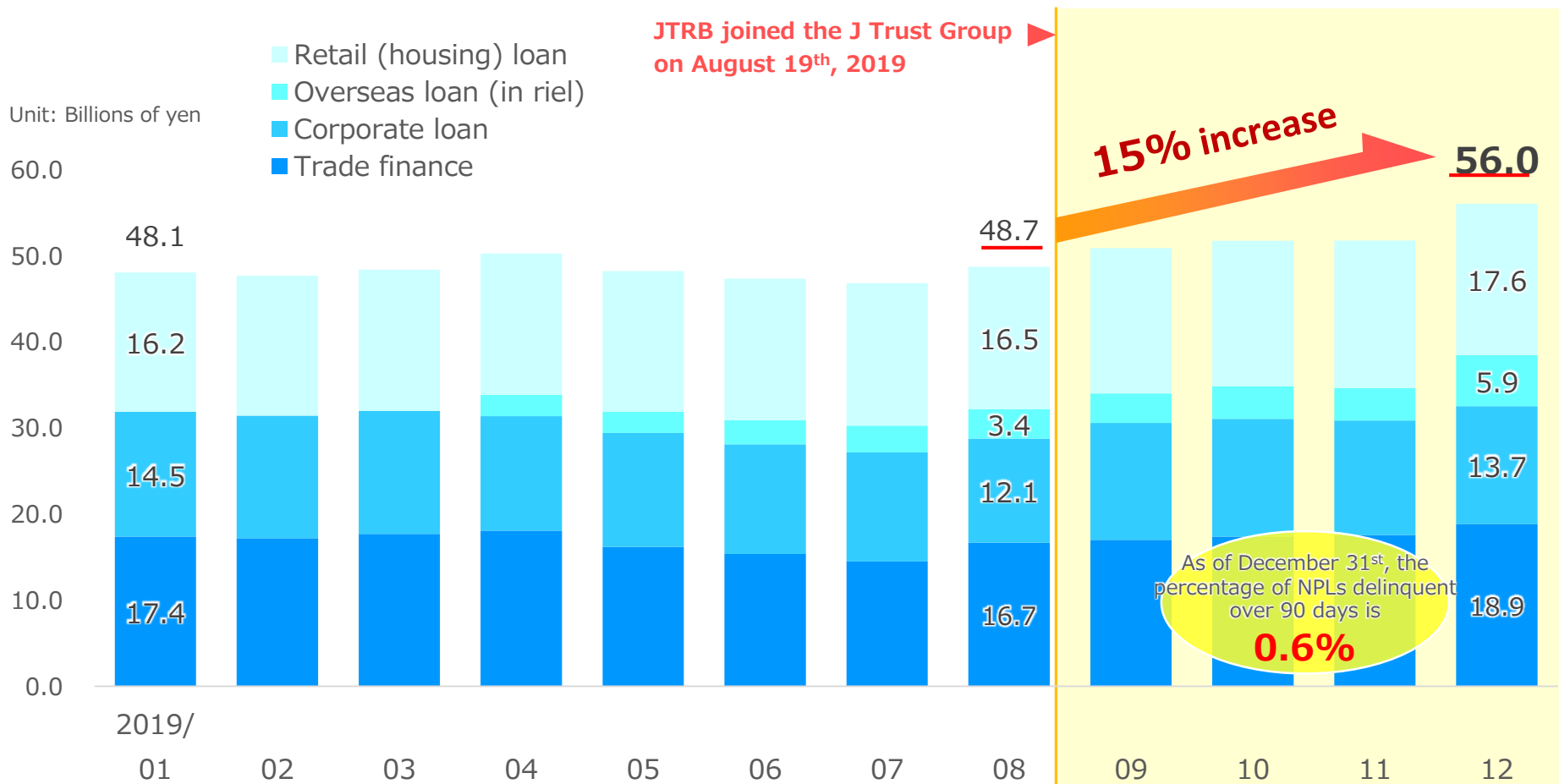


※ Figures calculated in local currency and multiplied by the following rate:
Reference rate: 1 IDR = 0.0079 JPY (Closing rate as of December 31st, 2019)

(JTRB)

- In Cambodia, where our Group has newly advanced, we actively promoted loans such as secured small-lot loans, trade finance or corporate loans and increased the outstanding loan balance

Outstanding loan balance at JTRB



※ Figures calculated in local currency and multiplied by the following rate:
 Reference rate: 1 USD = 109.56 JPY (Closing rate as of December 31st, 2019)

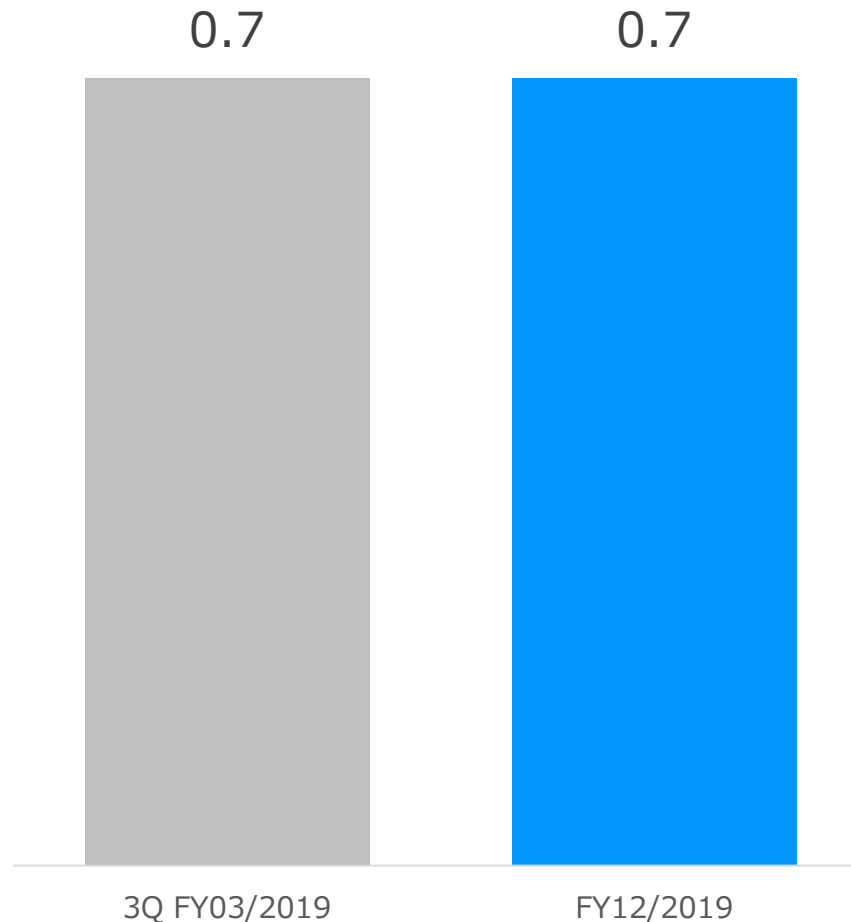
2. Results by Segment

2 – 4. Investment Business

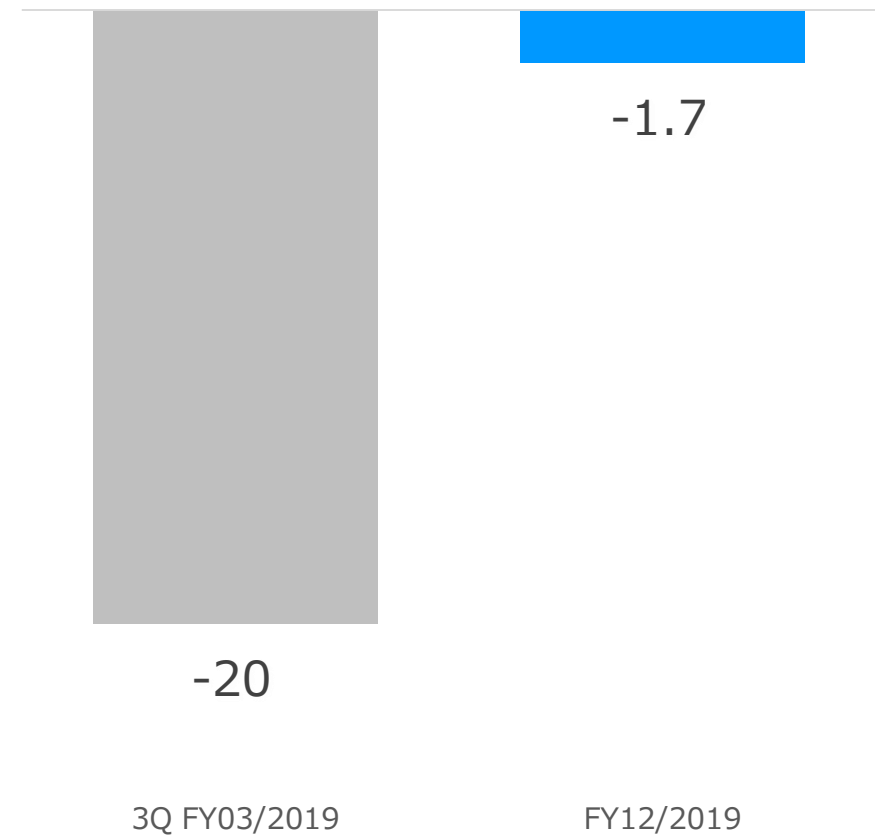
- In FY03/2019, Investment Business saw significant losses due to provisions against potential loan losses against the full amount of money lent to Group Lease.
- In FY12/2019, expenses related to litigation resulted in an operating loss.

Unit: Billions of yen

Operating Revenue



Operating Profit



2. Results by Segment

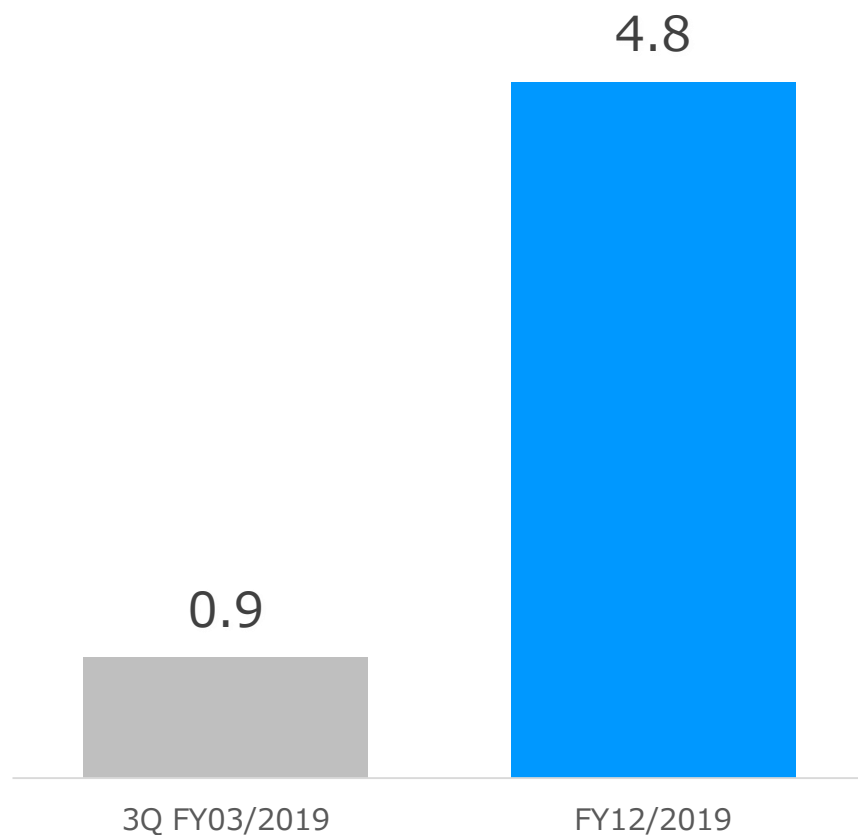
2 – 5. General Entertainment/Real Estate Business

(General Entertainment Business)

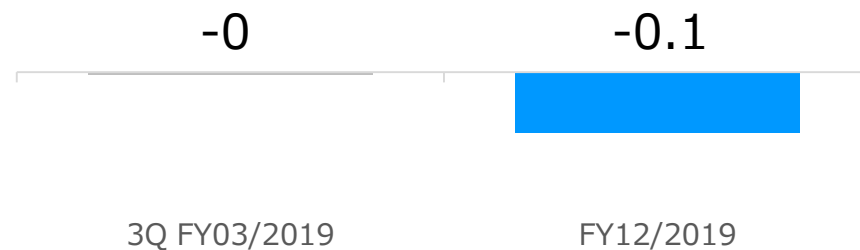
- Revenue increased as a result of business expansion through M&A

Unit: Billions of yen

Operating Revenue



Operating Profit

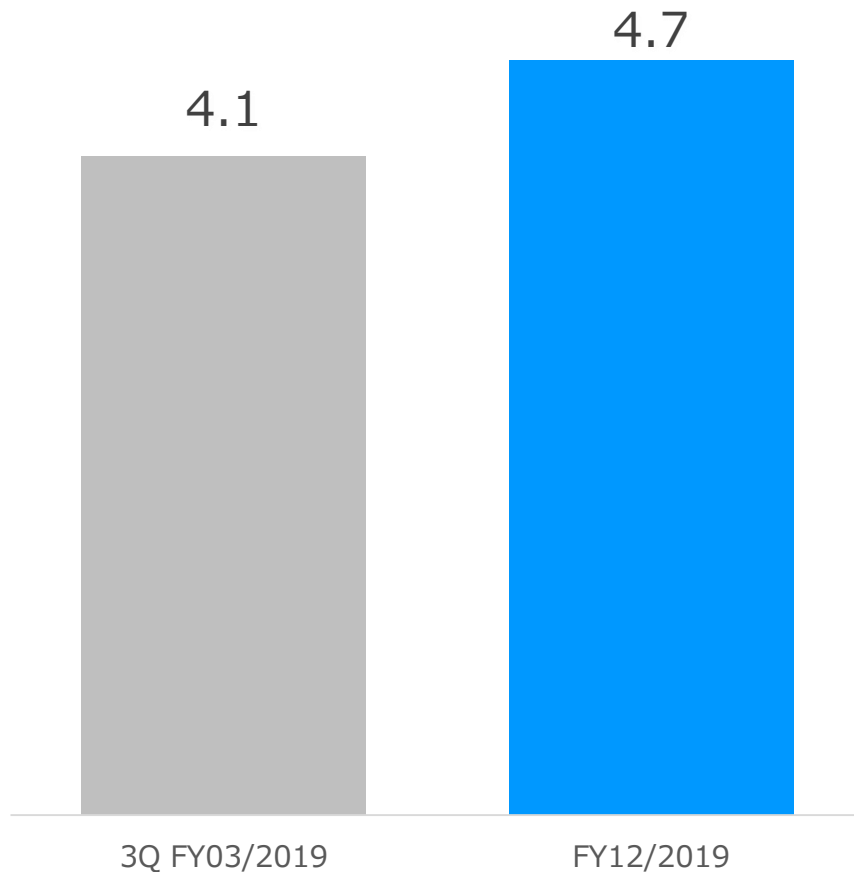


(Real Estate Business)

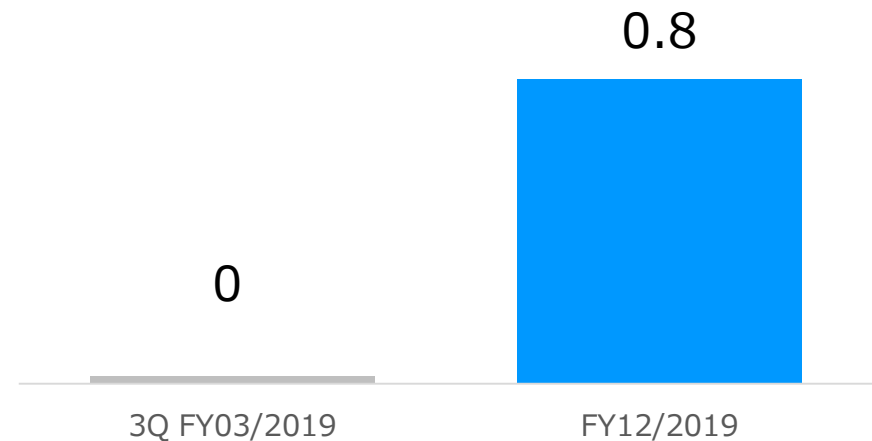
- Revenue and profit increased year-on-year due to reductions to expenses and 700 million yen booked from gains on transfer of property

Unit: Billions of yen

Operating Revenue



Operating Profit



5. FY12/2020 Results Forecast

- J Trust adopts the average exchange rates from the time when the company entered the respective country until December 31st, 2019.

1 SGD=82.31 JPY

1 IDR=0.0083 JPY

1 MNT=0.0426 JPY

1 KRW=0.093 JPY

1 USD : 107.42 JPY

Furthermore, closing rates as of December 31st, 2019 are as follows:

1 SGD=81.07 JPY

1 IDR=0.0079 JPY

1 MNT=0.0397JPY

1 KRW=0.0946 JPY

1 USD=109.56 JPY

- Figures for Investment Business do not reflect any gains or losses other than those which normally occur.

➤ We expect to accumulate a profit greater than FY12/2019

Consolidated Results (YOY)

	FY12/2019 Results 2019/4/1~2019/12/31	FY12/2020 Forecast 2020/1/1~2020/12/31	Difference
Operating Revenue	58.1 billion JPY	86.5 billion JPY	+28.4 billion JPY
Operating Profit	0.2 billion JPY	1.6 billion JPY	+1.4 billion JPY
Profit (or loss) before tax	-0.3 billion JPY	1.3 billion JPY	+1.6 billion JPY
Profit (or loss)	-3.2 billion JPY	-1.6 billion JPY	+1.6 billion JPY

➤ Results in FY12/2019 and Results Forecast for FY12/2020

Operating Revenue and Operating Profit by Segment

		FY12/2019 Results 2019/4/1~2019/12/31	FY12/2020 Forecast 2020/1/1~12/31
Financial Business in Japan	Operating Revenue	7.6 billion JPY	8.3 billion JPY
	Operating Profit	3.0 billion JPY	2.9 billion JPY
Financial Business in South Korea and Mongolia	Operating Revenue	29.5 billion JPY	38.8 billion JPY
	Operating Profit	7.5 billion JPY	5.8 billion JPY
Financial Business in Southeast Asia	Operating Revenue	9.6 billion JPY	21.6 billion JPY
	Operating Profit	-4.6 billion JPY	-3.4 billion JPY
Investment Business	Operating Revenue	0.7 billion JPY	0.9 billion JPY
	Operating Profit	-1.7 billion JPY	-1.8 billion JPY
Non-Financial Business (Entertainment and Real Estate)	Operating Revenue	9.5 billion JPY	14.4 billion JPY
	Operating Profit	0.6 billion JPY	1.0 billion JPY
Company-wide expenses/Consolidated adjustments, etc.	Operating Revenue	0.8 billion JPY	2.1 billion JPY
	Operating Profit	-4.5 billion JPY	-2.8 billion JPY
Consolidated Total	Operating Revenue	58.1 billion JPY	86.5 billion JPY
	Operating Profit	0.2 billion JPY	1.6 billion PY

