

Q2 FY12/2020

Earnings Presentation Materials

< August 2020 >



- 1. Summary of Consolidated Results in Q2 FY12/2020**
- 2. Results by Segment**
- 3. Impact on financial results due to the spread of new coronavirus infection**
- 4. Our future vision**



- 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 100 million.
- Figures for YOY comparisons in this document use the total from the six month period between April and September 2019 up to second quarter FY12/2019.
- Segment revenue shows operating revenue from external customers.
- Information regarding forecasts listed in this document is estimated based on the knowledge, opinions and judgement or projection 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 or its subsidiaries.
- Regarding the business forecast, the revised business performance is displayed based on the "Notice Concerning Revision of Business Forecast" announced on August 12, 2020.
- 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.

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

1 SGD=82.31 JPY

1 KRW=0.093 JPY

1 IDR=0.0083 JPY

1 USD=107.42 JPY

1 MNT=0.0426 JPY

- Closing rates as of June 30th, 2020 are as follows for other than financial forecasts:

1 SGD=77.31 JPY

1 KRW=0.090 JPY

1 IDR=0.0076 JPY

1 USD=107.74 JPY

1 MNT=0.0382 JPY

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

1. Summary of Consolidated Results for Q2 FY12/2020

J Trust Co., Ltd.

Managing Director, Executive Officer,
General Manager of Finance Department

ATSUTA Ryuichi

Financial Business in Japan

Continuing from the first quarter, strong performance in both guarantee and collection of receivables

Financial Business in South Korea and Mongolia

**Soundly and steadily improving asset content
Secure stable profit**

Financial Business in Southeast Asia

Shifted to "Cautious attitude" due to the spread of new coronavirus infection

- Revenue and profit increased year-over-year. Booked profit attributable to owners of parent.

Consolidated Results (YOY)

	2Q FY12/2019 (2019/4/1~2019/9/30)	2Q FY12/2020 (2020/1/1~2020/6/30)	Difference	FY12/2020 Forecasts (Revised)
Operating revenue	36.3 billion JPY	36.8 billion JPY	0.5 billion JPY	78.5 billion JPY
Operating profit	1.0 billion JPY	0.6 billion JPY	-0.4 billion JPY	1.7 billion JPY
Profit (or loss) before tax	0.4 billion JPY	0.5 billion JPY	0.1 billion JPY	1.4 billion JPY
Profit (or loss) attributable to owners of parent	-0.2 billion JPY	0.4 billion JPY	0.6 billion JPY	-1.5 billion JPY

- Consolidated operating revenue increased year-over-year.

Operating Revenue by Segment (YOY)

	2Q FY12/2019 (2019/4/1~2019/9/30)	2Q FY12/2020 (2020/1/1~2020/6/30)	Difference	FY12/2020 Forecasts (Revised)
Financial Business in Japan	4.9 billion JPY	4.7 billion JPY	-0.2 billion JPY	8.3 billion JPY
Financial Business in South Korea and Mongolia	18.9 billion JPY	18.2 billion JPY	-0.7 billion JPY	38.8 billion JPY
Financial Business in Southeast Asia	5.8 billion JPY	7.9 billion JPY	2.1 billion JPY	21.6 billion JPY
Investment Business	0.4 billion JPY	0.4 billion JPY	0.0 billion JPY	0.9 billion JPY
General Entertainment Business	3.2 billion JPY	2.9 billion JPY	-0.3 billion JPY	7.2 billion JPY
Real Estate Business	2.3 billion JPY	1.6億円 billion JPY	-0.7 billion JPY	-
Other Business	0.4 billion JPY	0.8 billion JPY	0.4 billion JPY	1.7 billion JPY
Consolidated operating revenue	36.3 billion JPY	36.8 billion JPY	0.5 billion JPY	78.5 billion JPY

➤ Consolidated operating profit increased year-over-year

Operating profit by segment (YOY)

	2Q FY12/2019 (2019/4/1~2019/9/30)	2Q FY12/2020 (2020/1/1~2020/6/30)	Difference	FY12/2020 Forecasts (Revised)
Financial Business in Japan	2.2 billion JPY	2.2 billion JPY	-0.0 billion JPY	2.9 billion JPY
Financial Business in South Korea and Mongolia	4.2 billion JPY	3.7 billion JPY	-0.5 billion JPY	5.8 billion JPY
Financial Business in Southeast Asia	-0.9 billion JPY	-2.8 billion JPY	-1.9 billion JPY	-3.4 billion JPY
Investment Business	-1.0 billion JPY	-0.8 billion JPY	0.2 billion JPY	-1.8 billion JPY
General Entertainment Business	0.0 billion JPY	-0.4 billion JPY	-0.4 billion JPY	0.9 billion JPY
Real Estate Business	0.1 billion JPY	0.0 billion JPY	-0.1 billion JPY	-
Other business	-1.0 billion JPY	-0.2 billion JPY	-0.1 billion JPY	-0.0 billion JPY
Consolidated operating profit	1.0 billion JPY	0.6 billion JPY	-0.4 billion JPY	1.7 billion JPY

Operating profit is the figure after consolidation adjustments.

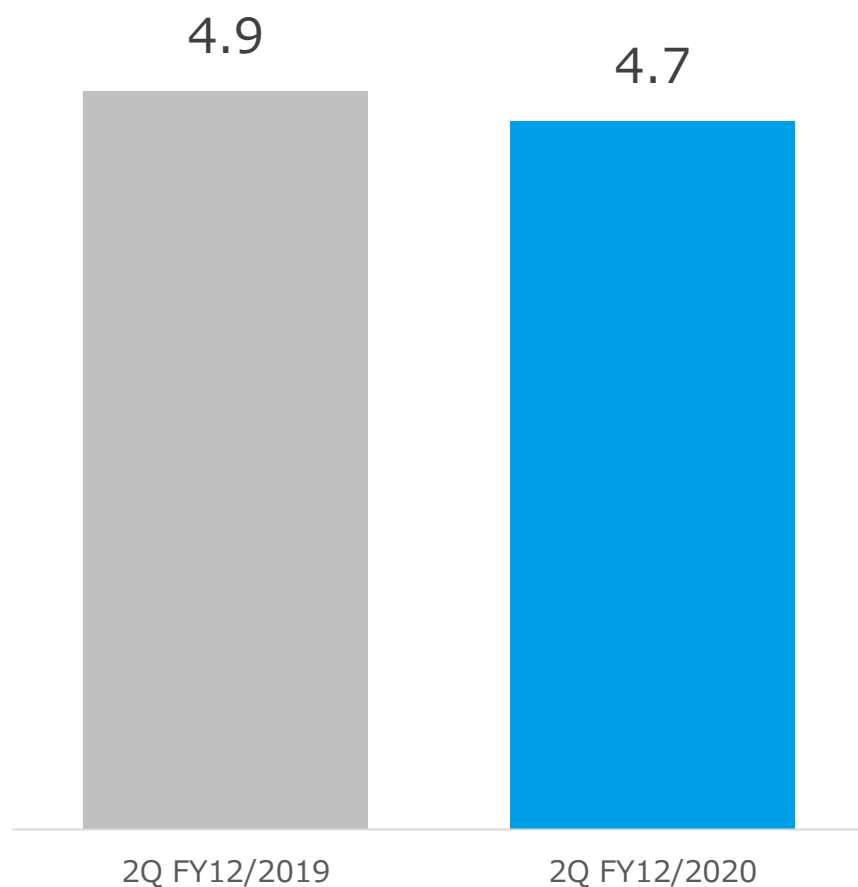
2. Results by Segment

2 – 1. Financial Business in Japan

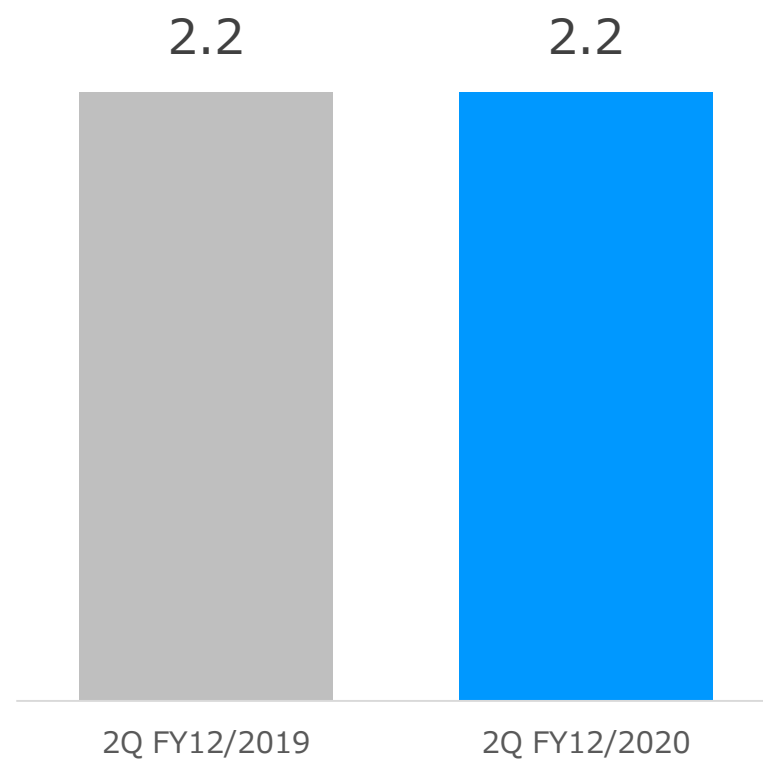
- Operating revenue decreased year-over-year, however we secured the same level of profit as previous year due to strong performance of receivables collection business.

Unit : Billions of Yen

Operating Revenue



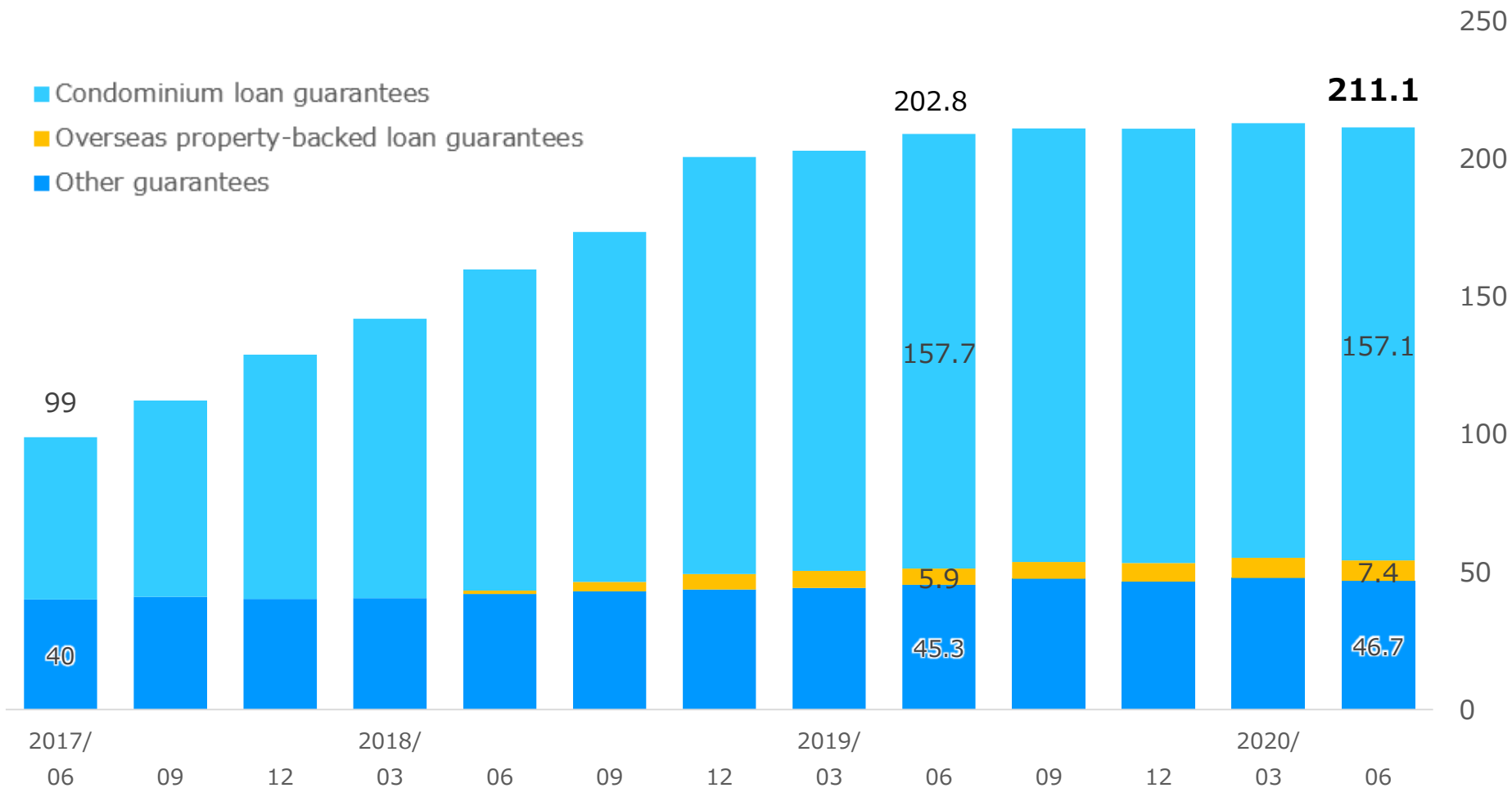
Operating Profit



- Balance of guarantee remained at record high level, continuing from the previous quarter

Unit : Billions of Yen

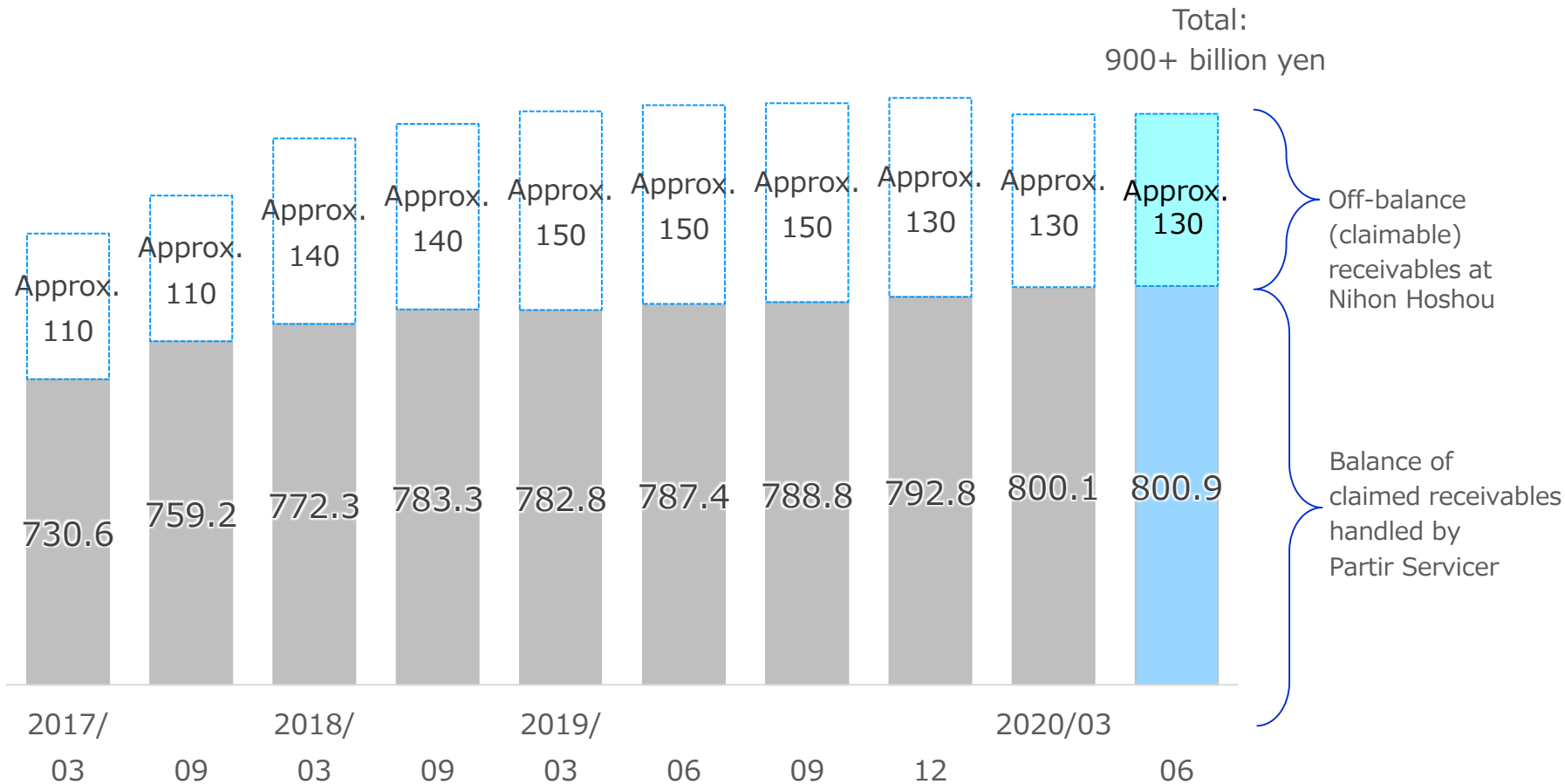
Outstanding Balance of Guarantees



- Collection performance is favorable.
- We will continue to promote the purchase of retail receivables in the future.

Unit: Billions of yen

Balance of claimed receivables in servicer business



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

2. Results by Segment

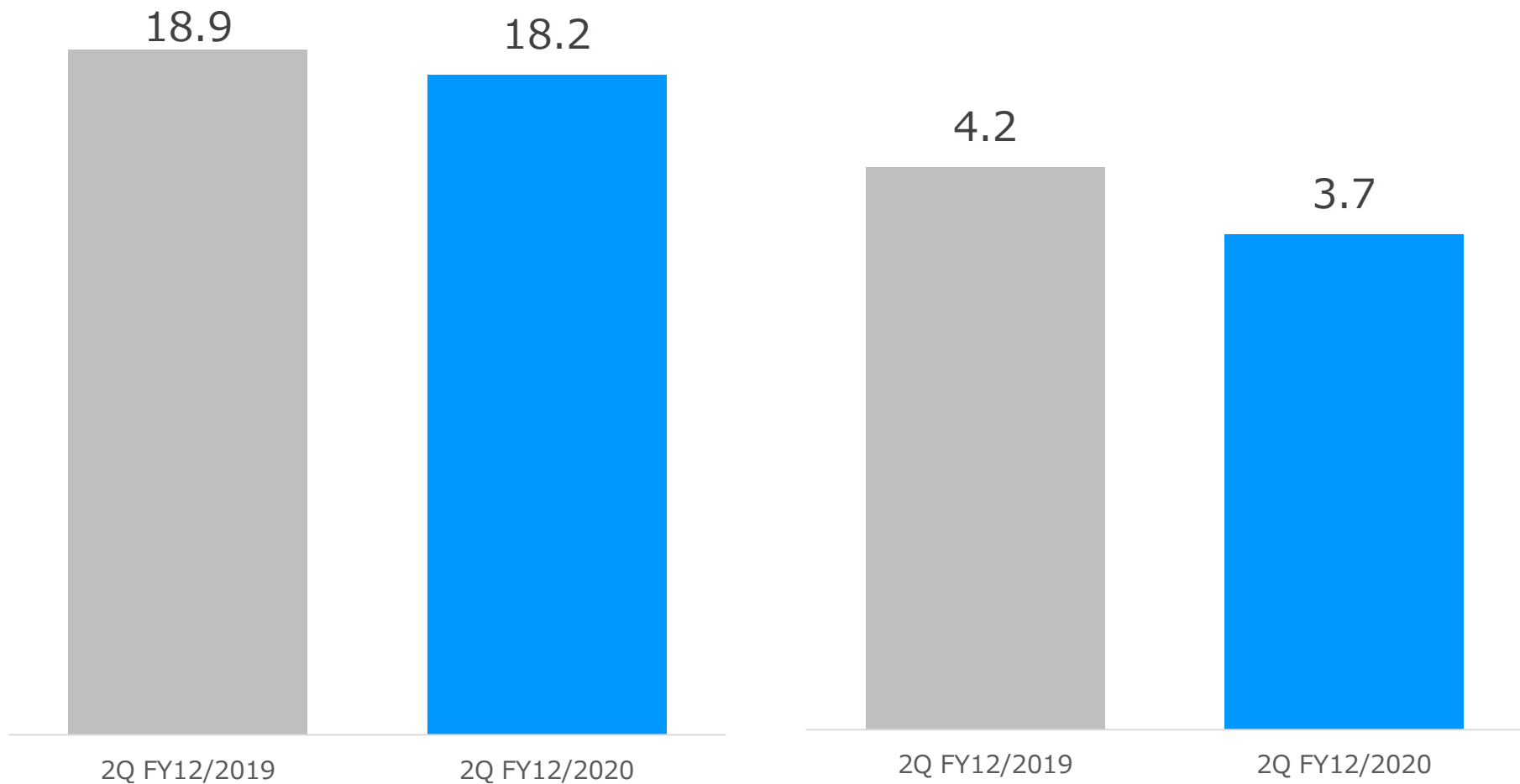
2 – 2. Financial Business in South Korea and Mongolia

- As a result of proper portfolio management, the effect of coronal damage was minimized.

Unit: Billions of yen

Operating Revenue

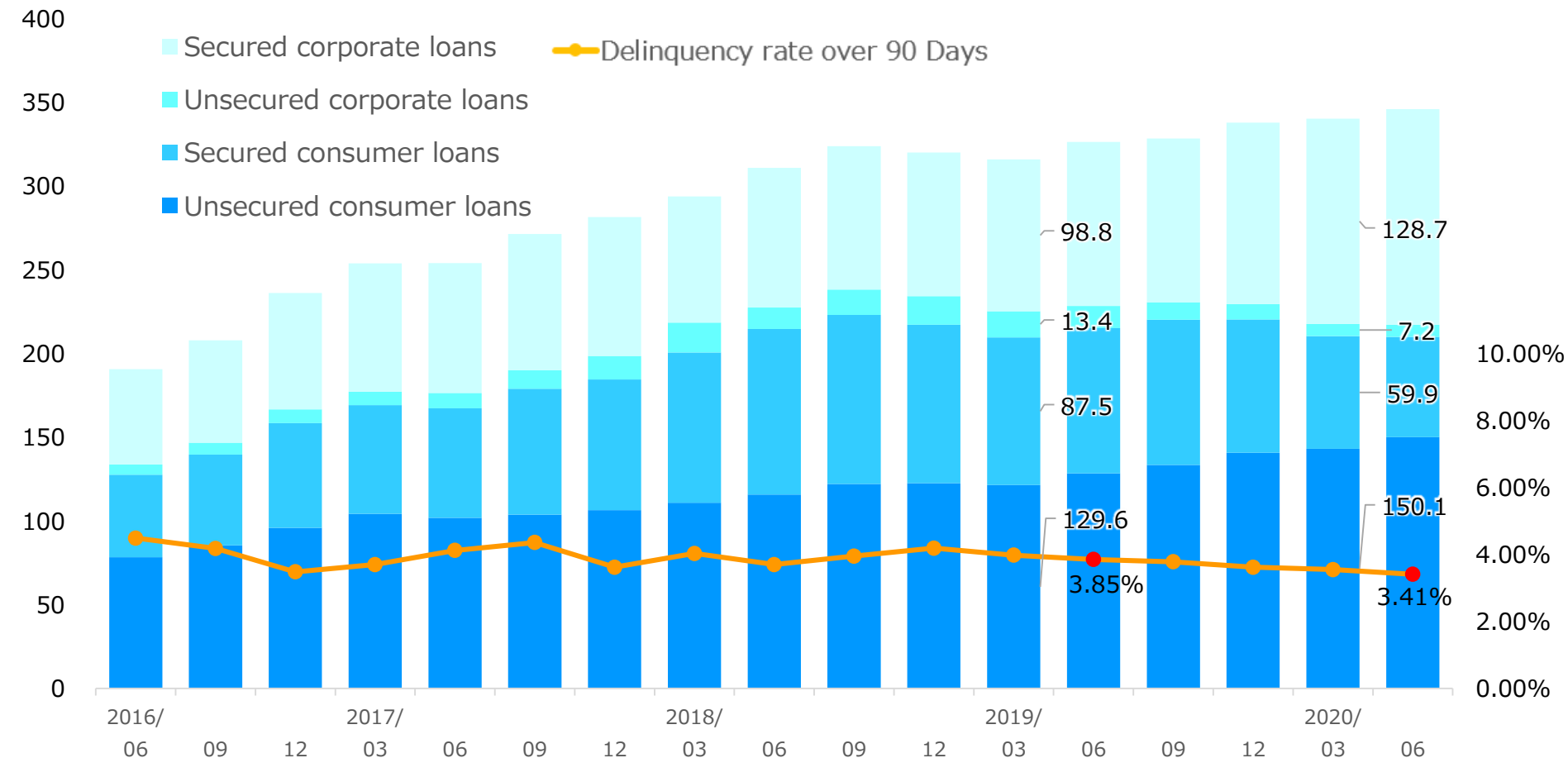
Operating Profit



➤ Delinquency rate over 90 days further declined from March 2020 for loan assets of Financial Business in South Korea.

Loan portfolio (bar graph) and Delinquency rate over 90 days at three companies (line graph)

Unit: Billions of yen



2. Results by Segment

2 – 3. Financial Business in Southeast Asia

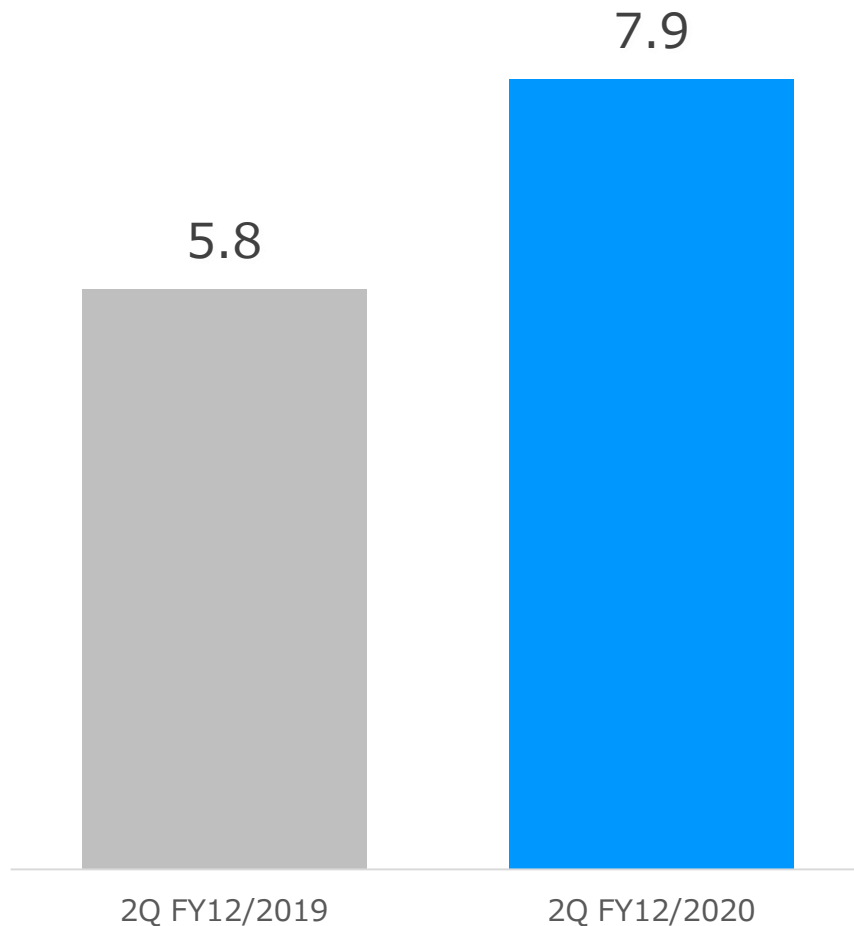
Company names have been abbreviated in the following pages:

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

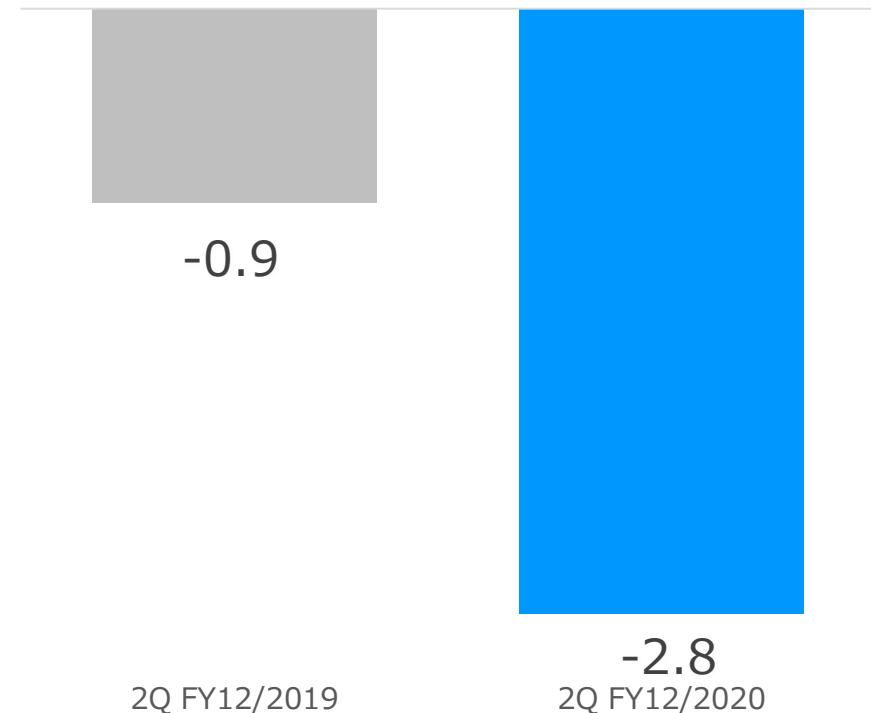
- Operating revenue increased as a result of JTRB joining JT group.

Unit: Billions of yen

Operating Revenue



Operating Profit

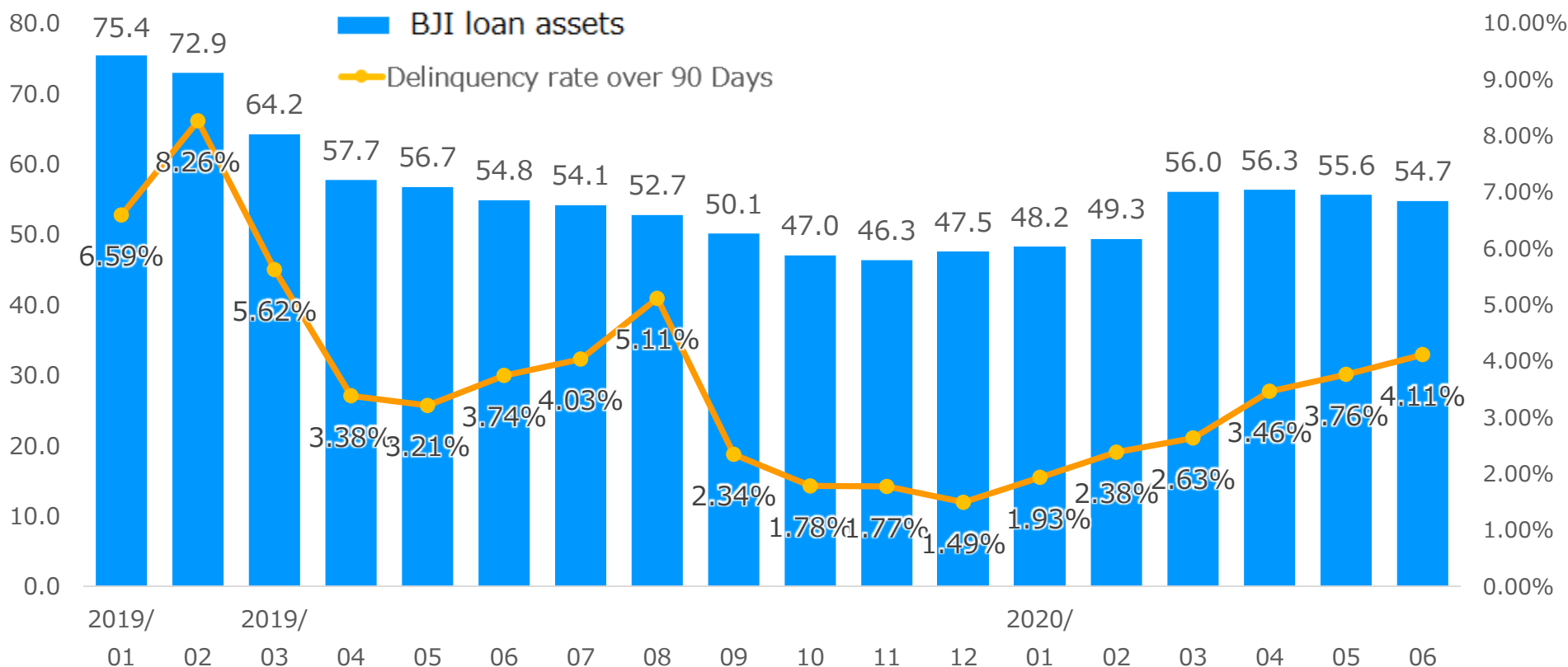


- Loan balance, which had been increasing, is temporarily suppressed due to the spread of new coronavirus infection.

Outstanding loan balance at BJI (Bar graph) and delinquency rate over 90 days (Line graph)



Unit: Billions of yen



※ Figures are calculated in local currency and multiplied using June end 2020 rate.

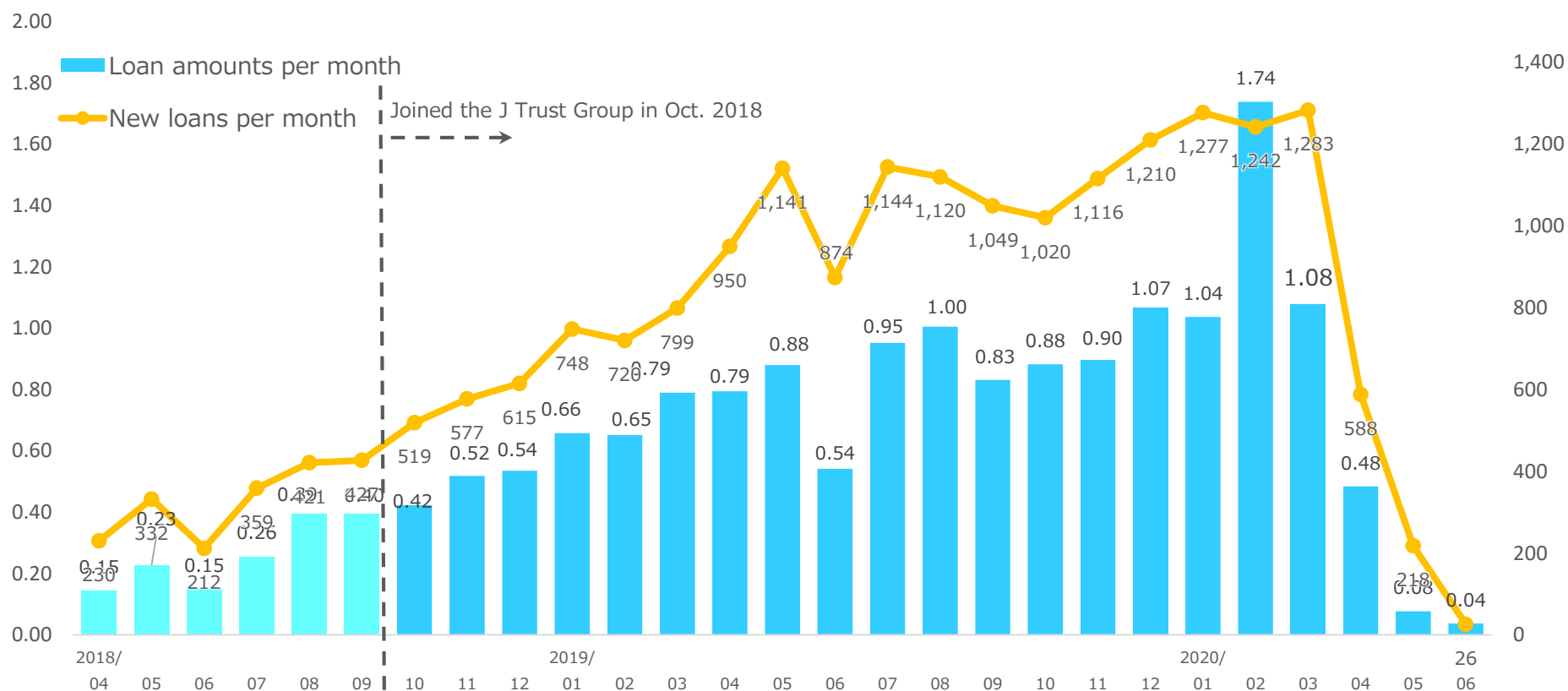
- Considering the changing market under the spread of new coronavirus infection, new lending other than agricultural loan is suspended.

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

Unit: Billions of yen



Unit: Number of loans

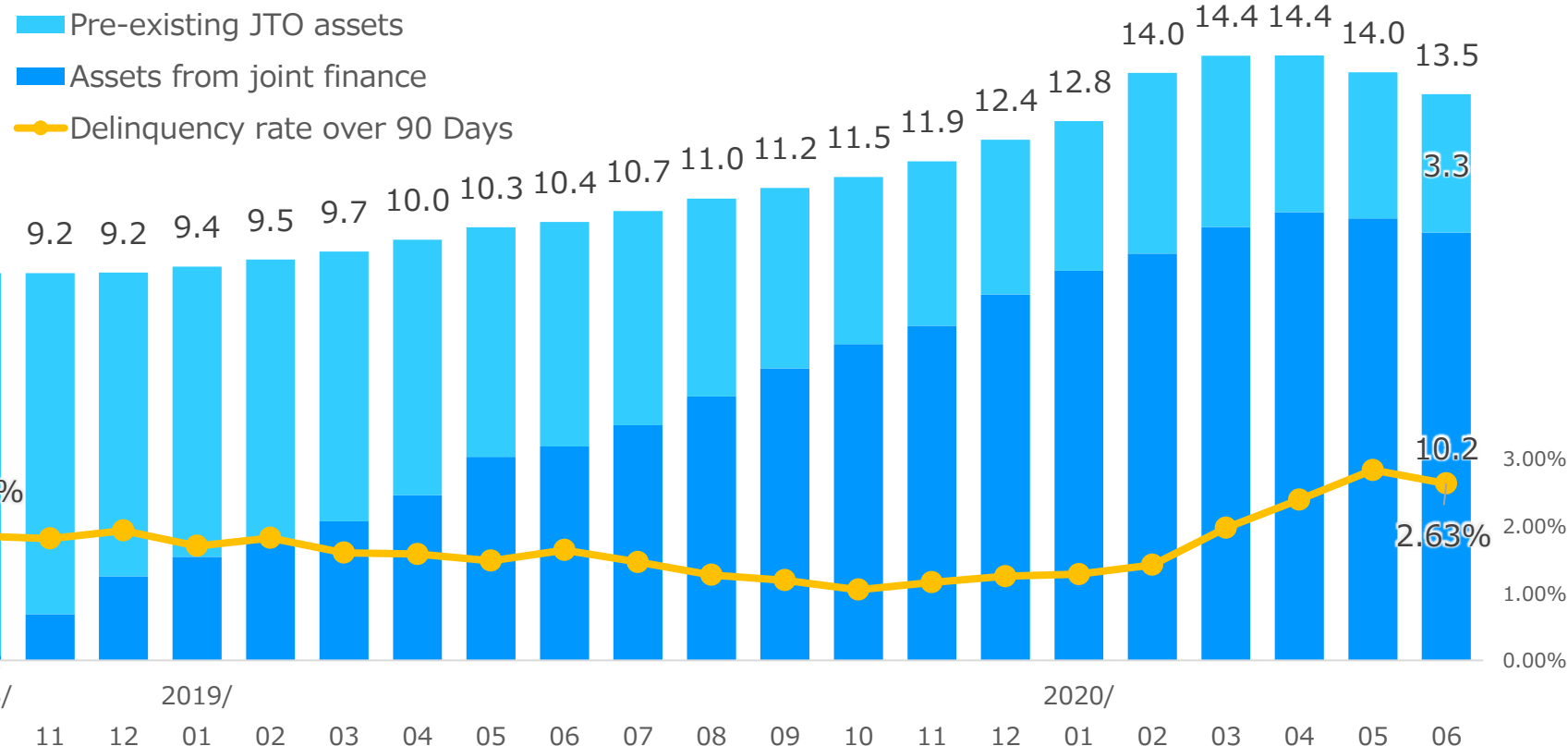


※Figures are calculated in local currency and multiplied using June end 2020 rate.

- The NPL ratio is increased in this quarter due to application of debt restructuring under government policy in response to the spread of new coronavirus infection.

Assets at JTO (Bar graph) and Delinquency rate Over 90 Days (Line graph)

Unit: Billions of yen



※Figures are calculated in local currency and multiplied using June end 2020 rate.

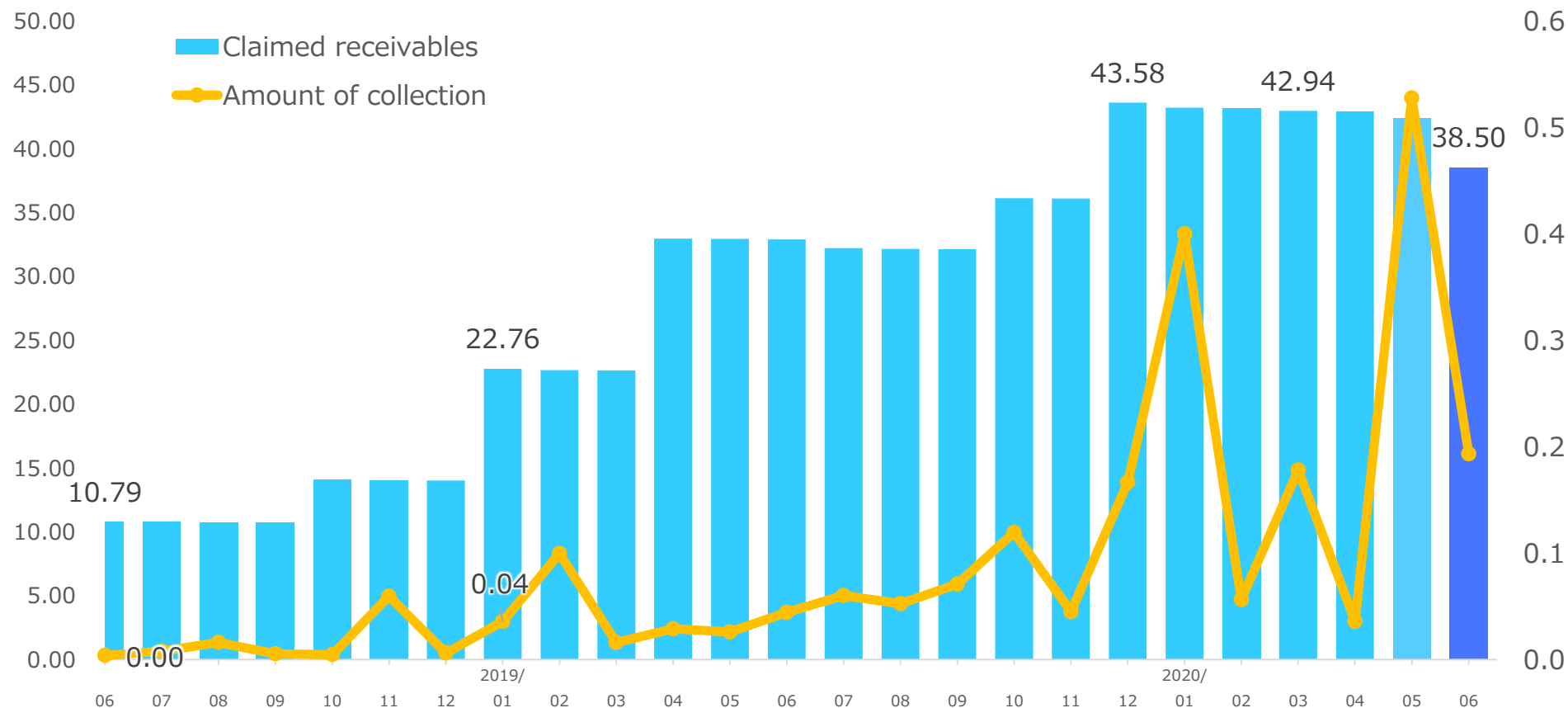
- We will actively collect purchased receivables.
- Amount of collection remained strong due to strengthened legal procedures even during the lockdown period from April to June.

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

Unit: Billions of yen



Unit: Billions of yen



※Figures are calculated in local currency and multiplied using June end 2020 rate

- As coronavirus infection is spreading in Cambodia, new lending is being suppressed to carefully evaluate the impact.

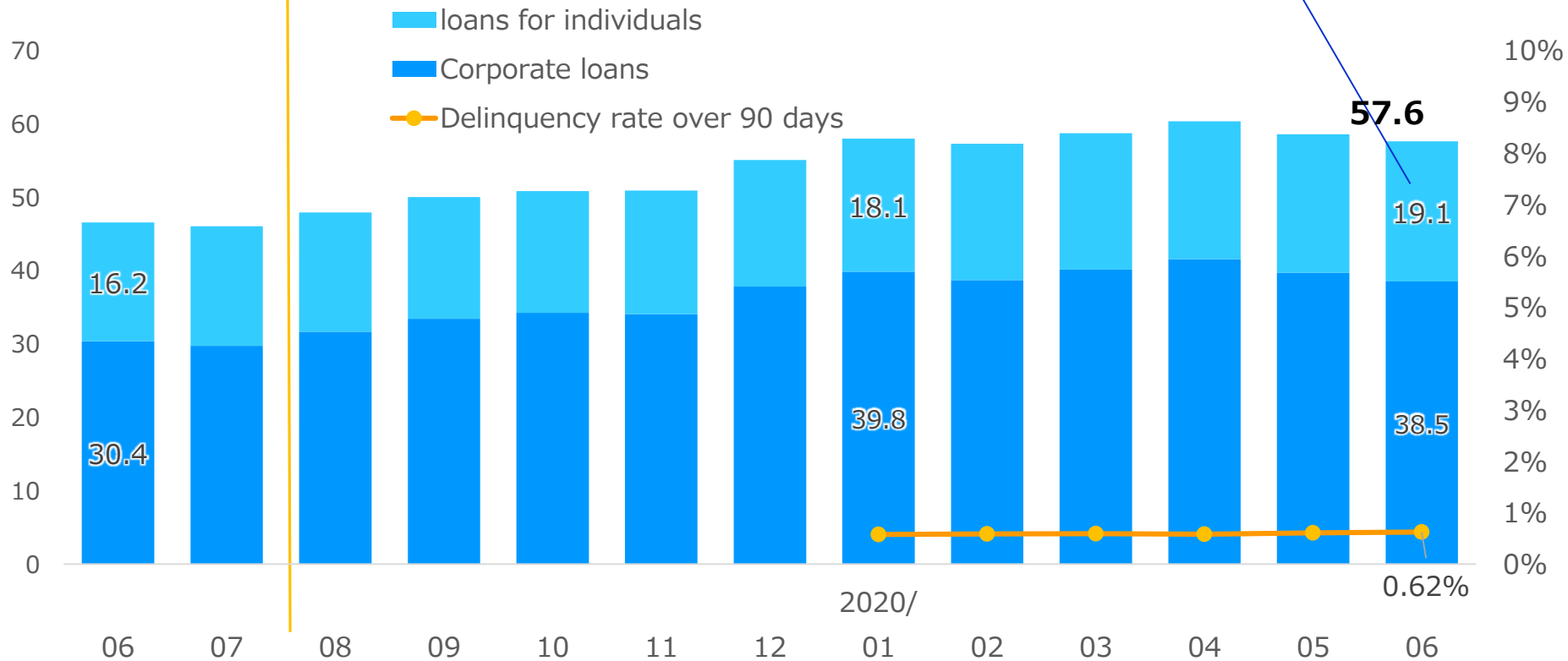
Outstanding loan balance at JTRB



Unit: Billions of yen

◀ JTRB joined J Trust Group on August 2019

NPL ratio at June end is **0.62%**



※ Figures are calculated in local currency (USD) and multiplied using June end 2020 rate.

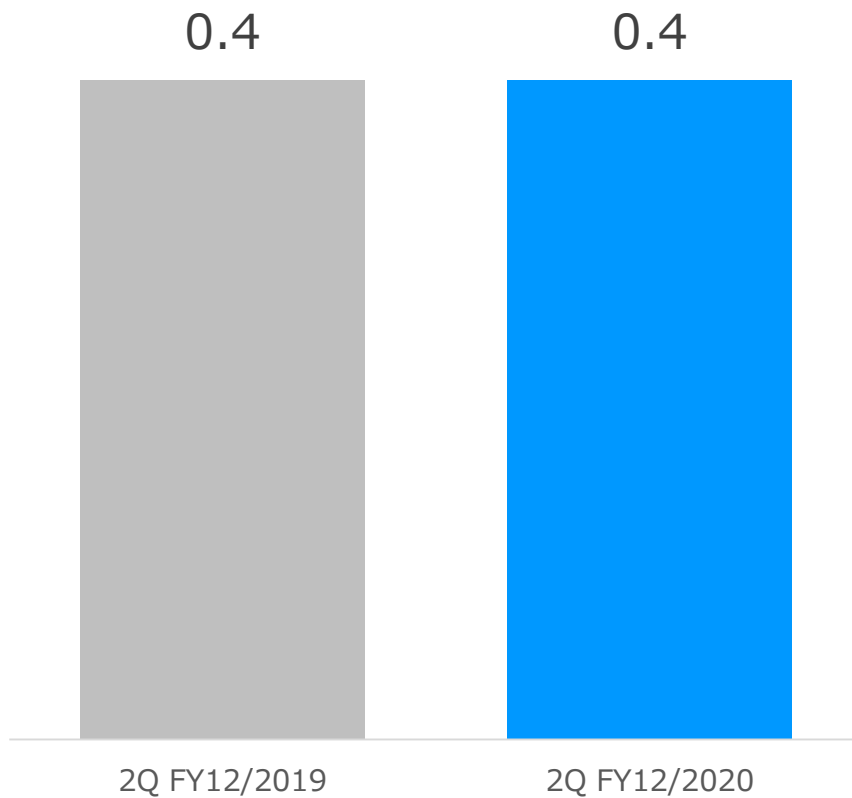
2. Results by Segment

2 – 4. Investment Business

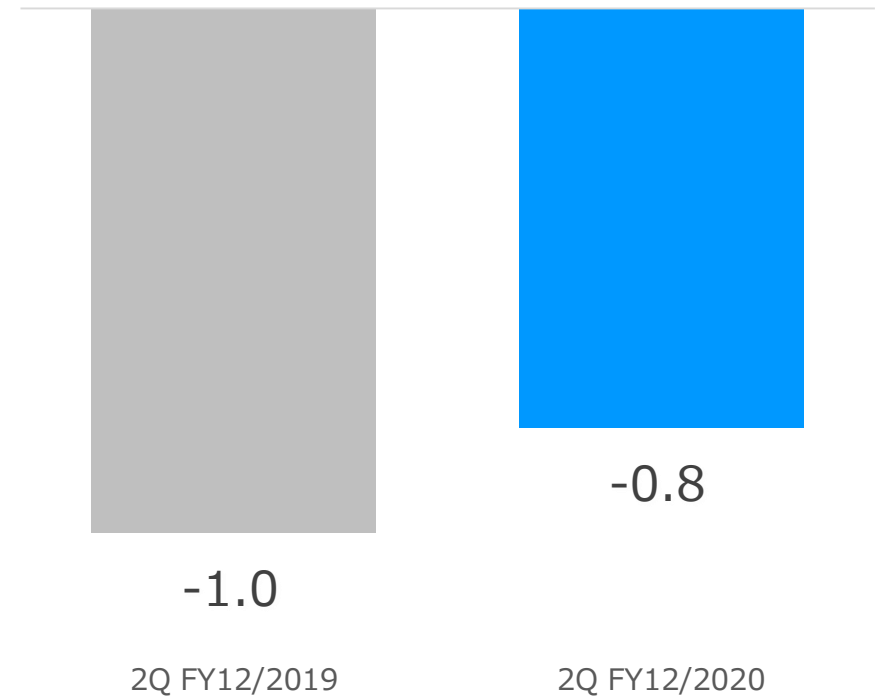
- Due to decrease in litigation costs, operating loss decreased year-over-year.

Unit: Billions of yen

Operating Revenue



Operating Profit



2. Results by Segment

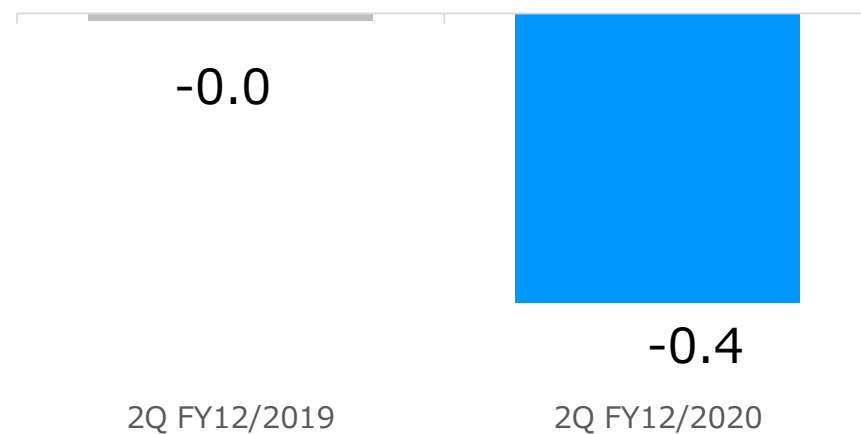
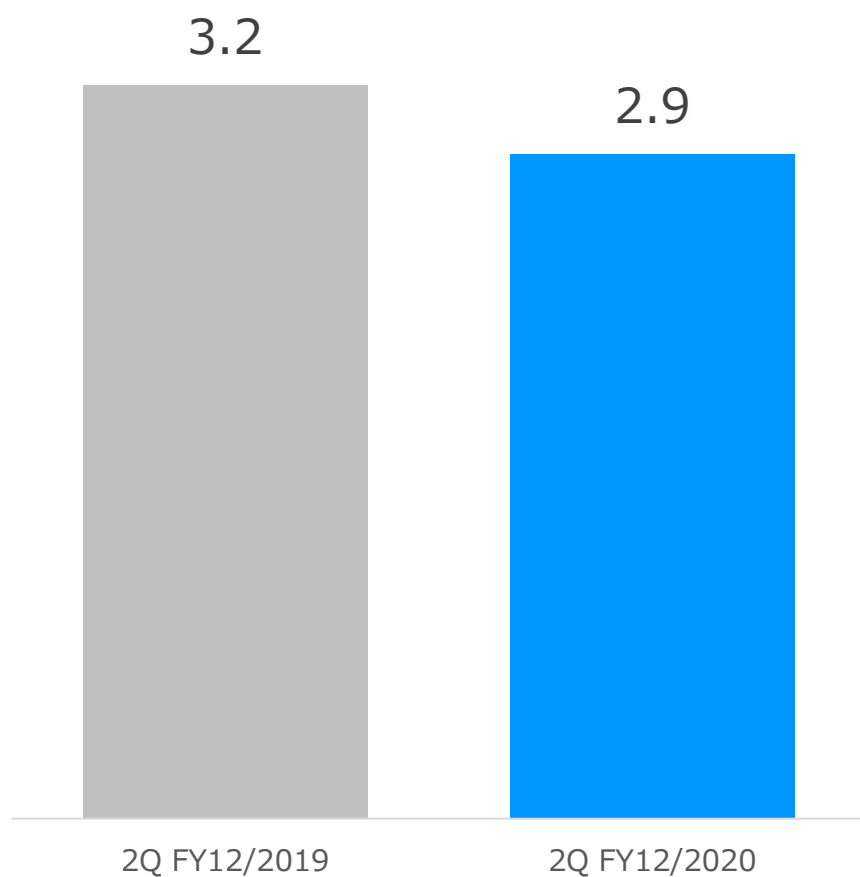
2 – 5. General Entertainment/Real Estate Business

- Operating revenue and profit decreased due to the effect of spreading new coronavirus infection.

Unit: Billions of yen

Operating Revenue

Operating Profit



➤ Regarding the transfer of Real Estate Business

✓ Transfer of Real Estate Business to the outside was decided

- ① Considering the growth potential of the real estate business within the KeyHolder group, which is focusing on entertainment-related businesses as its core business portfolio.
- ② Considering the efficient allocation of future management resources, transfer is also an option.
- ③ Business areas where Keynote operates, and assets Keynote possesses in Tokyo metropolitan and Kinki area can be attractive to the outside.

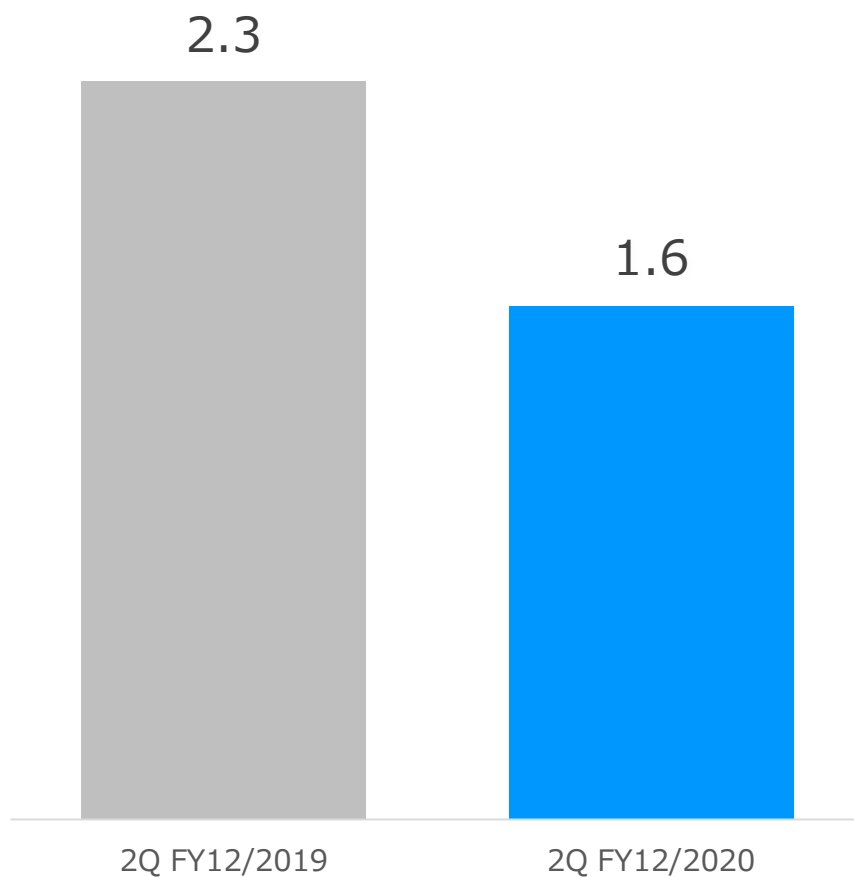


We judged it is best to transfer the Real Estate Business to an outside company that can exert synergy effect for our group and Keynote.

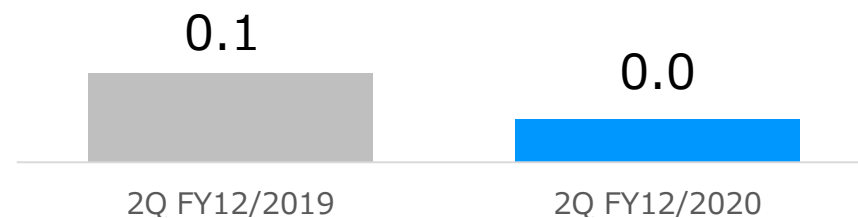
- Operating revenue and profit decreased due to decrease in sales and delivery of detached single homes. (classified as a discontinued operation)

Unit: Billions of yen

Operating Revenue



Operating Profit



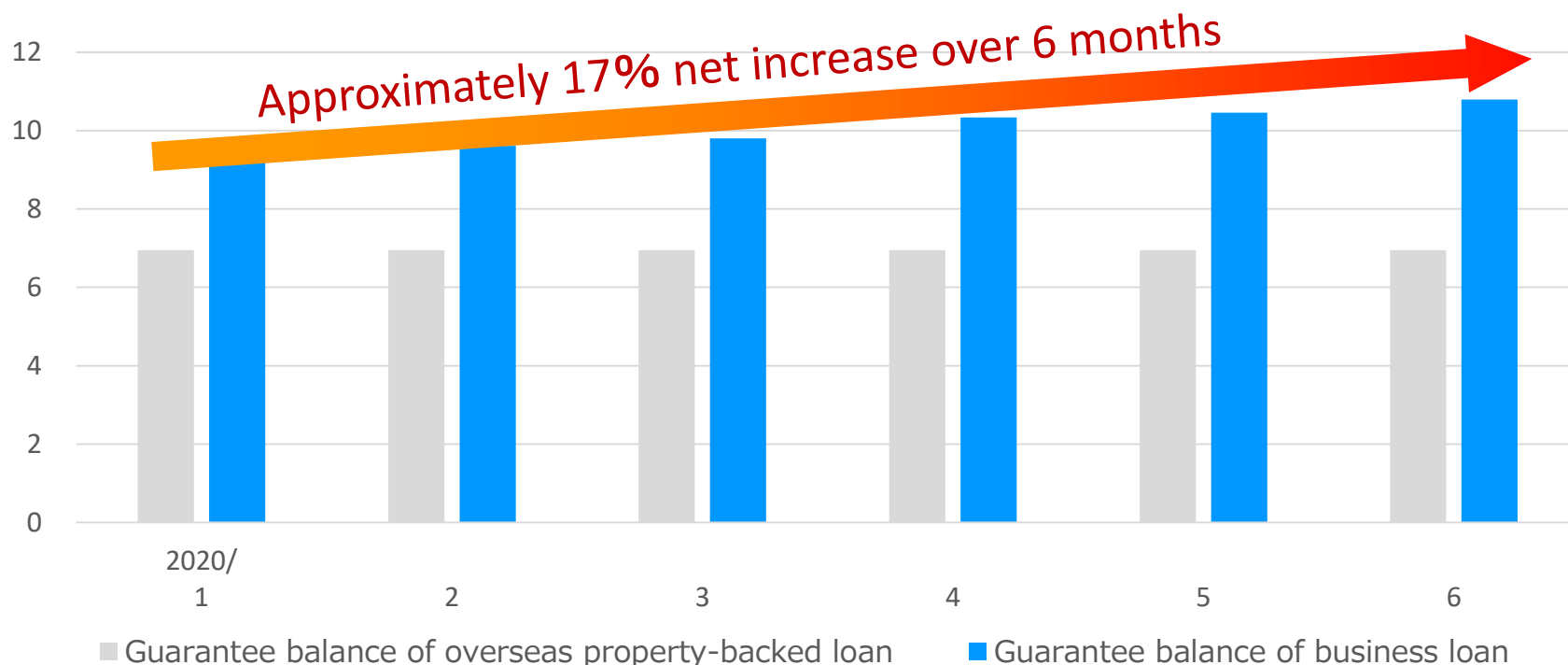
3. Impact on financial results due to the spread of new coronavirus infection

➤ Changes in guarantee balance by product occurred.

- ✓ New overseas property-backed loans decreased in Financial Business in Japan.
- ✓ On the other hand, the balance of property-backed loans for corporation increased due to the demand of fund under the spread of coronavirus infection.

Balance of 「SME supporting loan」 at Nihon Hoshou

Unit: Billions of yen



- Business is skillfully managed due to solid portfolio management without large credit losses.

- ✓ In financial business in South Korea, the impact of Corona was minimized as a result of consciously controlling portfolio of industries that are prone to ups and downs by economic trends, and small-lot diversification of loans.

Loan balance by industry types for 2 Savings bank in South Korea

Industry types	Loan balance (billion JPY)	%
Individual	151.6	53.69%
Construction	19.7	7.00%
Financial and insurance industry	28.0	9.93%
Wholesaler and retailer	5.7	2.02%
Real estate and rental	41.0	14.52%
Business facility management and business support services	1.4	0.52%
Accommodation and restaurant	2.0	0.73%
Art, Sports, and leisure-related	1.3	0.46%
Transportation industry	5.2	1.85%
Manufacturing industry	21.5	7.62%
Associations and related organizations, maintenance, other personal services	1.4	0.51%
Other	3.2	1.15%
Total	282.3	100%

Loan to so-called
「Corona affected
industries」 is
about **3%** of total
loan

※ Figures are calculated in local currency and multiplied using June end 2020 rate.

➤ Regarding the spread of coronavirus infection in Indonesia

✓ Coronavirus infection continues to expand in Indonesia

Status of Coronavirus infection in Indonesia ※at July 30 2020

Source document : 7/30 NNA Indonesia version

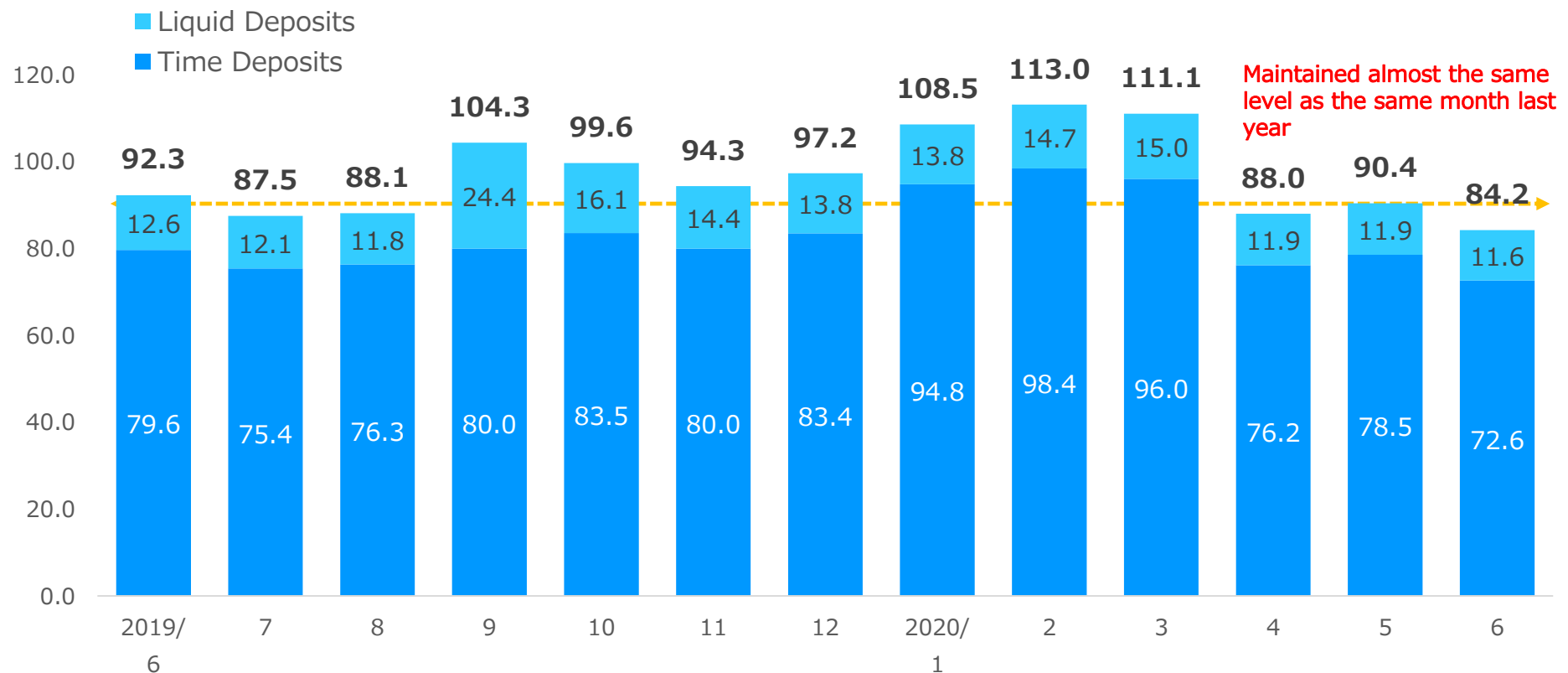
Cumulative number of infected people	Currently being treated	Number of deaths
104,432 people	37,319 people	4,975 people

- ✓ Recorded the highest number of infected people in Southeast Asian countries
- ✓ Large-scale action restriction is under effect in Jakarta metropolitan area
- ✓ Until June, offices and factories were required to be closed in principle, but they would be restarted sequentially from June
- ✓ However, facilities with high risk of infection such as schools and markets are still being closed

- Deposit balance decreases as customers' payment needs increase, however the balance was maintained by proactive sales development.

- ✓ Outflows of deposits have been one after another at banks in Indonesia as customers' payment needs increase due to the spread of coronavirus infection
- ✓ At BJI, no significant decrease in deposit balance due to proactive sales

Unit: Billions of yen



➤ Regarding earnings forecast

- ✓ Compared with Q1, sales activities were stagnant due to large-scale social activity restrictions particularly in Southeast Asia (Indonesia)
- ✓ On the other hand in South Korea, no major performance risk became apparent with the end of the spread of infection earlier than expected
- ✓ In Financial Business in Japan, the impact on profitability has not been apparent due to diversification of guarantee products and strong performance of receivables collection business



**Continue to monitor each business,
revise performance forecasts as necessary**

4. Our future vision

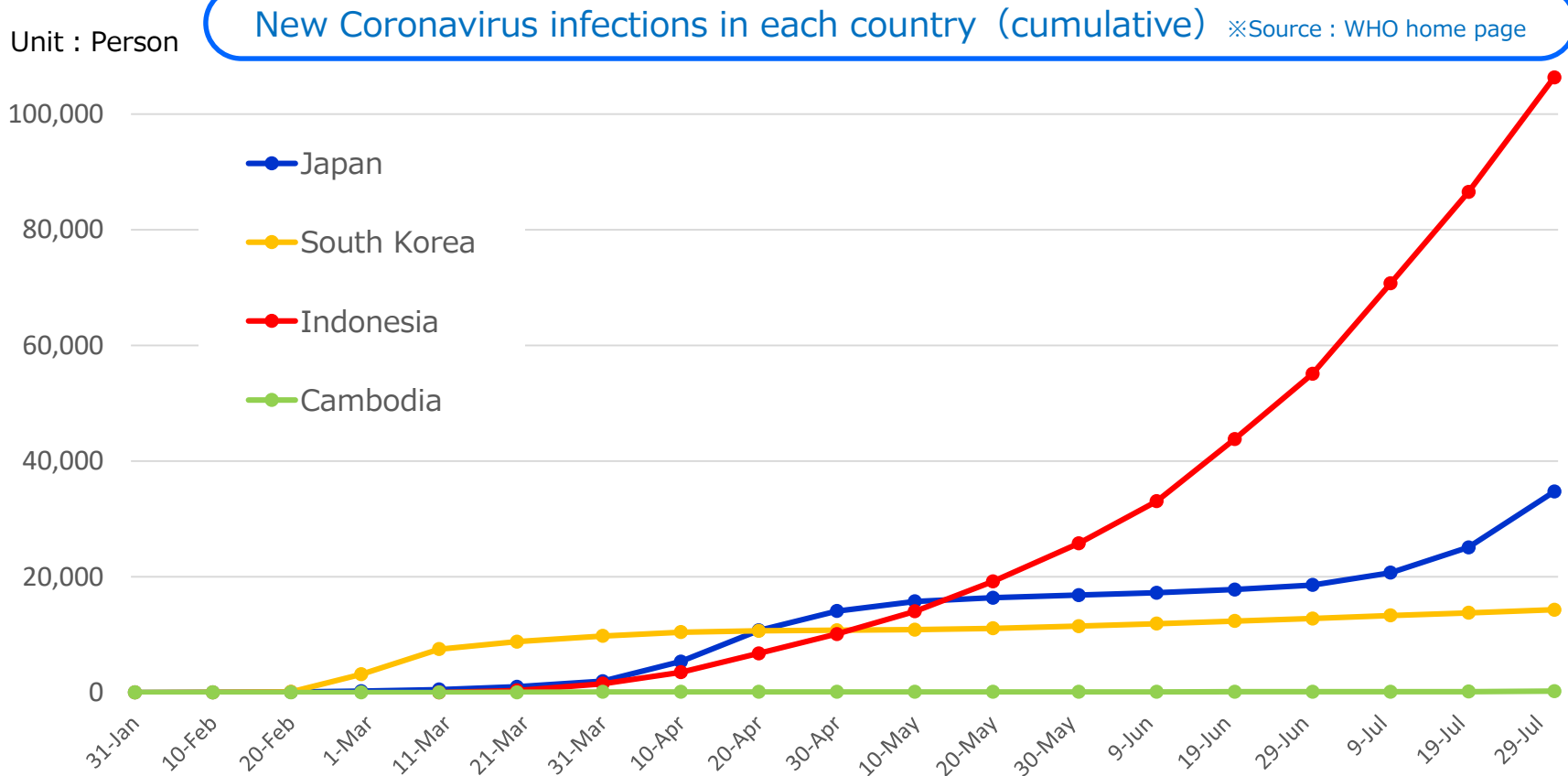
J Trust Co., Ltd.

Representative Director, President & CEO

EGUCHI Joji

Infection status of new coronavirus in each country with business locations

- ✓ The number of infected people is increasing rapidly in Indonesia
- ✓ The second wave has arrived even in Japan which was in a lull state



Financial Business in Japan

Promote top line accumulation by expanding guarantee products and strengthening purchase of receivables

Financial Business in South Korea and Mongolia

Continue to maintain the current business model, and continue to be a core business that supports consolidated business results

Financial Business in Southeast Asia

Watching the impact of the spread of coronavirus infection

Financial Business in Japan (Expansion of guarantee products)

- ✓ New guarantee business alliance in loan-type crowdfunding was formed with donation-type crowdfunding major “CAMPFIRE”
- ✓ As a first launch, “Setagaya-Ku land utilization fund” was released in July, all frames were sold out
- ✓ We will promote development of attractive new fund by utilizing the brand power of “CAMPFIRE”



Gained popularity as a “safe and secure” investment target due to guarantee by Nihon Hoshou

Financial Business in Japan (strengthen purchase of receivables)

- ✓ Partir servicer Co, Ltd. will continue to promote purchase of receivables from credit sales-affiliated major credit card company
- ✓ Favorable purchase results by utilizing network with financial institutions

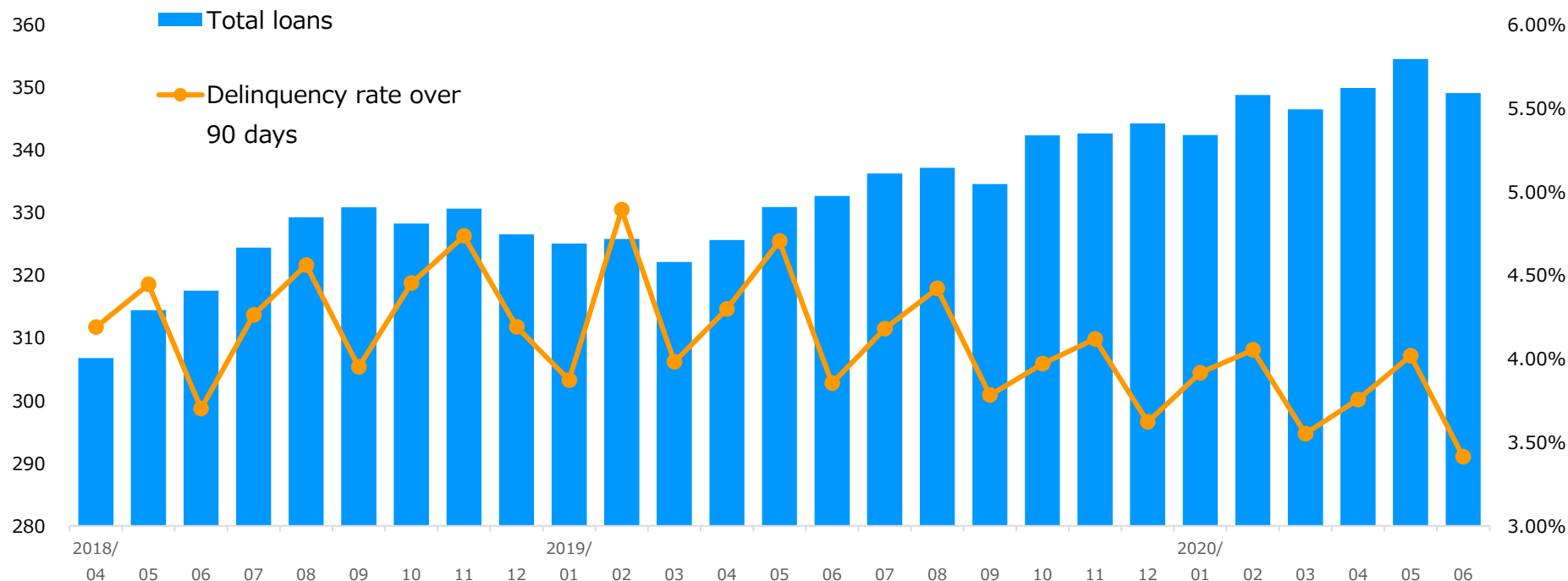
Purchase record-example for 2020

Purchase from	Balance of receivables	Time of purchase
Major credit card company-affiliated servicer	431 million JPY	February
Major servicer	2,785 million JPY	February
Major bank-affiliated credit card company	987 million JPY	March
IT-affiliated credit card company	2,390 million JPY	March
IT-affiliated credit card company	1,866 million JPY	April
Foreign financial institution	111 million JPY	April

- ✓ **Build up good quality assets in the long run**
- ✓ **Average interest rates are on decline, delinquency rate over 90 days are also on decline in the long run**

Balance of loans, delinquency rate over 90 days for 3 companies in Financial Business in South Korea

Unit: Billions of yen



※ Figures are calculated in local currency and multiplied using June end 2020 rate.

JT Chinae Savings Bank paid dividend for the first time after joining the Group (18.2 billion KRW : JPY 1.6 billion after conversion)

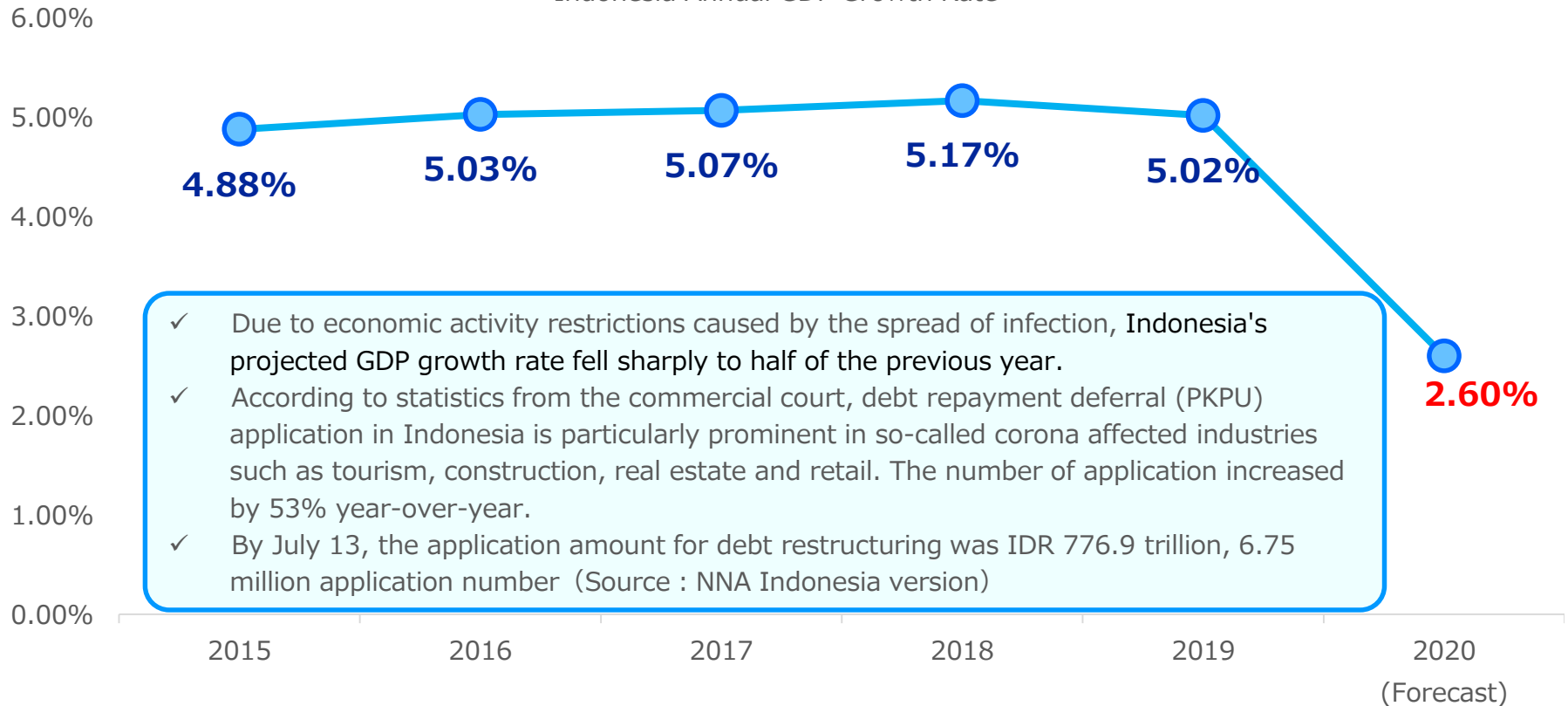


JT Group acquired Mirai Savings Bank in 2010. JT Chinae Savings Bank, which had rebuilt its management after joining the Group, made the first dividend payment.

It was an event that symbolized the revival from a poor business condition.

✓ Indonesia's projected GDP growth in 2020 plunges to 2.6%

Indonesia Annual GDP Growth Rate



JTO launched financial service for small businesses at two branches (Jakarta South branch and Depok branch) on trial basis, expansion of service is under consideration in the future



The flyer is titled 'YUK USAHA LAGI! MANFAATKAN PAKET ENERJIK DARI JTO' and 'Ajukan segera pembiayaan untuk UMKM Anda!'. It features a QR code and a photo of a woman smiling. The text describes the service as a financial facility for small businesses (UMKM) in the micro, small, and medium (MSME) sector, specifically for those engaged in trading activities like food stalls, vegetable stalls, and small businesses. It mentions that the service is available at JTO Finance branches in Jakarta and Depok. The flyer also includes the J Trust Group logo and contact information.

Kami siap membantu mewujudkan kebutuhan sektor UMKM Anda!
Syarat Mudah, Proses Cepat & Mudah Bayar Angsuran

JTO Finance menyediakan fasilitas pembiayaan di sektor UMKM (Usaha Mikro Kecil Menengah) dalam kegiatan operasionalnya seperti para pengrajin gerabah, pedagang pangan (sayur, daging dll), kios pulsa, usaha franchise dll.

Dalam perekonomian Indonesia, Usaha Mikro Kecil Menengah (UMKM) adalah kelompok usaha yang memiliki jumlah paling besar. Maka sudah menjadi keharusan bagi JTO Finance untuk melakukan penguatan kelompok UMKM yang melibatkan banyak kelompok.

SOLUSI TERBAIK PEMBIAYAAN
USAHA MIKRO KECIL MENENGAH

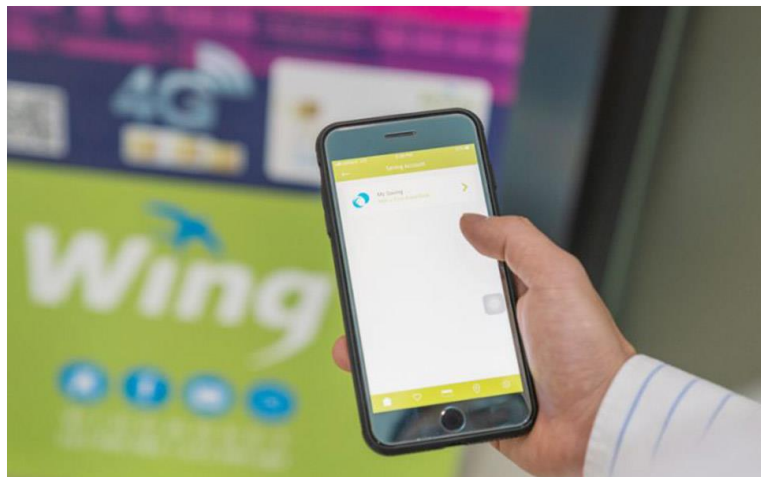
Informasi Lebih lanjut hubungi:

J TRUST GROUP

Business loan is targeting small and medium-sized stores operating in the Indonesian bazaar. The application process using the smartphone application simplifies loan application flow and realization of speedy execution of loan is possible.

- Product name : Micro Energy Packing
- Credit limit : IDR 1 million~IDR 25 million (About 70 thousand JPY~175 thousand JPY)
- Annual interest : 45%~60%
- Loan period : Maximum 1 year
- Early repayment fee : 2 % of principal

Cooperation between J Trust Royal Bank and Wing Limited (major Cambodian fund transfer company)



JTRB and Wing, a major Cambodian fund transfer company, are strengthening cooperation.

Wing has begun offering a micro savings account that allows users of Wing who do not have a bank account in Cambodia to take advantage of deposit interest rates by a simple operation of Wing's smartphone application.

This cooperation contributes to expanding the base of financial services in Cambodia, where financial infrastructure is not sufficiently developed.

**Coronal disaster causes sudden changes in economic environment,
optimization of business portfolio is under consideration**

**Due to Coronal disaster that has continued from the beginning of this
year, economic environment has suddenly changes not only within Japan
but also throughout the world**



Changes in business habits, etc. occur in line with “With Corona”



**Comprehensively judge the situation, business structure,
profitability, etc. of each country and consider optimization
of the business portfolio**

