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J Trust

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Key financial data

Income statement	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24	FY12/25
(JPYmn)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	Company forecast
Operating revenue	66,453	74,321	74,935	24,728	32,652	42,325	82,038	114,279	128,170	135,100
YoY	-	11.8%	0.8%	-	-	7.5%	93.8%	39.3%	12.2%	5.4%
Operating profit (loss)	606	4,759	-32,600	-5,130	-4,752	5,260	14,589	8,059	6,252	11,100
YoY	-	684.7%	-	-	-	-	177.4%	-44.8%	-22.4%	77.5%
Operating profit margin	0.9%	6.4%	-	-	-	12.4%	17.8%	7.1%	4.9%	8.2%
Pre-tax profit (loss)	-433	2,898	-31,135	-5,526	-2,978	5,899	17,205	9,772	8,368	11,900
YoY	-	-	-	-	-	-	191.7%	-43.2%	-14.4%	42.2%
Pre-tax profit margin	-	3.9%	-	-	-	13.9%	21.0%	8.6%	6.5%	8.8%
Profit (loss) attributable to owners of parent	-1,270	-731	-36,107	-3,260	-5,342	1,123	12,632	16,310	6,040	6,500
YoY	-	-	-	-	-	-	-	29.1%	-63.0%	7.6%
Profit margin	-	-	-	-	-	2.7%	15.4%	14.3%	4.7%	4.8%
Per-share data (split-adjusted; JPY)										
No. of shares outstanding ('000 shares)	112,537	112,597	115,470	115,470	115,470	115,470	126,338	147,038	137,658	-
EPS	-11.9	-7.1	-349.7	-30.8	-50.5	10.6	110.8	120.4	44.6	49.0
EPS (fully diluted)	-11.9	-7.1	-349.7	-30.8	-50.5	10.6	110.8	120.4	44.6	-
Dividend per share	12.0	12.0	7.0	1.0	-	1.0	10.0	14.0	14.0	17.0
Book value per share	1,459.9	1,401.6	984.0	944.3	865.2	903.7	1,004.6	1,104.1	1,184.5	-
Balance sheet (JPYmn)										
Cash and cash equivalents	80,666	84,723	87,150	81,913	60,593	74,648	131,960	105,740	125,327	-
Trade and other receivables	78,416	92,723	106,735	113,942	87,599	44,345	50,226	60,796	65,971	-
Marketable securities in banking business	30,459	37,159	46,599	52,805	14,176	40,471	94,740	101,881	107,705	-
Loans in the banking business	311,480	343,400	326,234	370,174	118,159	338,593	680,949	716,422	770,028	-
Operational investment securities	21,494	3,242	2,855	1,895	505	274	305	327	367	-
Other financial assets	38,066	46,300	33,416	40,893	18,451	28,554	54,018	110,314	79,790	-
Inventories	6,848	6,937	6,742	7,285	42	1,358	4,120	21,318	19,604	-
Tangible fixed assets	5,622	3,028	5,119	9,871	6,032	7,708	10,592	8,617	9,655	-
Goodwill	32,140	29,578	33,508	35,901	28,290	30,260	30,839	33,507	35,685	-
Total assets	619,865	656,961	668,377	731,384	530,462	610,631	1,115,943	1,214,714	1,270,467	-
Trade and other payables	8,110	9,811	14,613	16,137	14,888	14,657	13,856	14,041	14,306	-
Deposits by banking business	364,462	403,509	437,010	483,402	184,239	437,755	864,547	908,933	948,460	-
Liabilities directly related to assets held for sale	-	-	-	-	141,109	-	-	-	-	-
Bonds and loans payable	72,139	78,727	86,002	85,105	67,803	26,939	39,749	61,518	69,308	-
Other financial liabilities	8,182	5,272	13,383	19,911	9,425	11,837	23,895	27,727	25,642	-
Total liabilities	463,952	506,184	557,650	612,478	428,004	502,685	983,593	1,046,499	1,093,811	-
Equity attributable to owners of the parent	150,284	144,366	104,173	99,977	91,599	95,670	117,268	151,588	157,270	-
Non-controlling interests	5,628	6,409	6,554	18,928	10,858	12,275	15,081	16,626	19,385	-
Total equity	155,913	150,776	110,727	118,905	102,458	107,945	132,349	168,215	176,656	-
Total interest-bearing debt	72,139	78,727	86,002	85,105	67,803	26,939	39,749	61,518	69,308	-
Cash flow statement (JPYmn)										
Cash flows from operating activities	-12,413	4,581	18,831	-20,829	6,813	15,408	49,518	-47,079	17,124	-
Cash flows from investing activities	-4,468	-7,603	-15,190	15,431	-8,422	-10,002	-9,121	-501	-7,403	-
Cash flows from financing activities	10,612	7,798	-525	18	-8,638	-6,129	7,289	4,344	2,228	-
Financial ratios										
ROA (pre-tax profit based)	-	0.4%	-	-	-	1.0%	2.0%	0.8%	0.7%	-
ROE	-	-	-	-	-	1.2%	11.9%	12.1%	3.9%	-
Equity ratio	24.2%	22.0%	15.6%	13.7%	17.3%	15.7%	10.5%	12.5%	12.4%	-

Source: Shared Research based on company data

Notes: The company is applying the International Financial Reporting Standards (IFRS) from FY03/18.

Year-on-year rises of over 1,000% are shown by "-".

Since FY12/19 was an irregular nine-month (April–December) fiscal year, YoY growth rates are not shown.

In FY03/19 results, figures down to pre-tax profit exclude results for discontinued operations (Highlights Entertainment).

In FY12/19 results, figures down to pre-tax profit exclude results for discontinued operations (Keynote [now Gro-Bels], J Trust Card [now Nexus Card], JT Chinae Savings Bank, JT Savings Bank, and KeyHolder [including subsidiaries]). Reflects retroactive adjustments due to finalization of provisional accounting treatment for share exchange with allfuz.

In FY12/20 results, figures down to pre-tax profit exclude results for discontinued operations (Keynote [now Gro-Bels], J Trust Card [now Nexus Card], JT Chinae Savings Bank, and KeyHolder [including subsidiaries]). JT Savings Bank was classified as a continuing business in figures down to pre-tax profit due to the postponement of the share transfer. Figures for JT Capital (now A Capital) have been retroactively adjusted to be included in discontinued operations due to the completion of the share transfer in Q3 FY12/21.

Executive summary

J Trust is a financial services group operating banking and finance businesses in Asia. Since 2009, the company has expanded its business through acquisitions of domestic consumer finance and credit card companies, and in 2012 it launched a South Korean savings bank business, leveraging the expertise it had developed in Japan. In the years through 2019, it acquired a finance company and a savings bank in South Korea, a commercial bank in Indonesia, and a commercial bank in Cambodia. Operating revenue in FY12/24 stood at JPY128.2bn and operating profit was JPY6.3bn. The company's business segments divide into the Financial Business in Japan (accounting for 12.9% of consolidated operating revenue before adjustments and 43.8% of consolidated operating profit in FY12/24), Financial Business in South Korea and Mongolia (36.0%; 6.0%), Financial Business in Southeast Asia (37.1%; 9.4%), Real Estate Business (13.5%; 2.2%), Investment Business (0.0%; not presented due to operating loss), and Other Business (0.5%; not presented due to operating loss).

At its Financial Business in Japan, the company concentrated on growth of the consumer finance, credit card, credit guarantee, and servicer (receivables purchase and collection) businesses through FY03/15. From FY03/16 onward, after effectively exiting the unsecured consumer finance loans business, the company sought to expand the credit guarantee business (chiefly run by consolidated subsidiary Nihon Hoshou) targeting consumers and business operators and the servicer business (chiefly run by consolidated subsidiary Partir Servicer), and has been logging stable profit. In FY12/22 (accounting period changed in 2019), J Trust entered the securities industry by acquiring all shares of H.S. Securities Co., Ltd. (now J Trust Global Securities Co., Ltd.; hereinafter, JTG Securities) from HS Holdings Co., Ltd. (TSE Standard: 8699). It also made Nexus Card Co., Ltd., a consolidated subsidiary through a share exchange with Nexus Bank Co., Ltd.

The company's Financial Business in South Korea and Mongolia almost entirely consists of the savings bank business and servicer business in South Korea. J Trust launched a consumer finance business in South Korea in 2009. In 2012, it acquired a savings bank license in South Korea and entered the industry with the launch of JT Chinae Savings Bank, mainly providing unsecured and secured loans to individuals and business owners and business loans to companies (the bank was sold in FY12/20 as part of business restructuring). From FY03/13 to FY03/15, it grew loan balances in the savings bank business primarily through M&A. With the acquisition of JT Savings Bank in 2015 and the return of JT Chinae Savings Bank to the J Trust group in April 2022, the business was back to a two-savings bank structure. As of September 2024, total assets of the two banks combined ranked seventh in value among the savings banks in South Korea.

The company's Financial Business in Southeast Asia includes banks in Indonesia and Cambodia. In Indonesia, the company acquired Bank Mutiara in November 2014, renaming it PT Bank JTrust Indonesia Tbk. J Trust moved to bolster the bank's reserves in FY03/19 in preparation for the write-off of all non-performing loans and began implementing new lending and credit screening procedures to put the bank's loan portfolio on a firmer financial footing. Elsewhere in Southeast Asia, the company acquired a majority stake in ANZ Royal Bank (Cambodia) Ltd. in August 2019, making the Cambodian commercial bank a consolidated subsidiary and changing its name to JTrust Royal Bank. In FY12/22, PT Bank JTrust Indonesia Tbk turned to profitability for the full year.

In the Real Estate Business, the domestic real estate business is operated by J-Grand Co., Ltd. (mainly investment real estate), Gro-Bels Co., Ltd. (mainly condominiums, real estate brokerage and management, and real estate crowdfunding), and Live Rent Inc. (leasing and management). In addition, Prospect Asset Management, Inc. operates a real estate business in Hawaii in the US.

The company has worked to reorder its business portfolio since FY12/20. In FY12/22, the Financial Business in Southeast Asia turned to profitability and the Financial Business in South Korea returned to a two-savings bank structure. In March 2022, the company bolstered the Financial Business in Japan by acquiring all outstanding shares of H.S. Securities Co., Ltd. (now JTG Securities) from HS Holdings Co., Ltd. (TSE Standard: 8699) to make it a subsidiary and making Nexus Card Co., Ltd. a consolidated subsidiary. In addition, the company strengthened its Real Estate Business through business integration with Mirainovate Co., Ltd., which primarily develops and sells condominiums while also operating a renewable energy business.

Trends and outlook

In FY12/24, the company reported full-year consolidated operating revenue of JPY128.2bn (+12.2% YoY), operating profit of JPY6.3bn (-22.4% YoY), pre-tax profit of JPY8.4bn (-14.4% YoY), and profit attributable to owners of parent of JPY6.0bn (-63.0% YoY). Revenue grew as interest revenue rose due to a steady increase in loans at PT Bank JTrust Indonesia and increased real

estate sales revenue at Gro-Bels and J-Grand. Profit declined due to a dropout of the gains on negative goodwill of JPY10.1bn associated with the absorption-type merger with Mirainovate in FY12/23.

For FY12/25, the company forecasts JPY135.1bn in operating revenue (+5.4% YoY), JPY11.0bn in operating profit (+77.5% YoY), JPY11.9bn in pre-tax profit (+42.2% YoY), and JPY6.5bn in profit attributable to owners of parent (+7.6% YoY). The company projects operating revenue to grow. It assumes stable earnings in the Financial Business in Japan and anticipates loan increases and thus higher interest revenue in the banking businesses under the financial businesses in South Korea and Southeast Asia. The company also expects operating profit to increase as it anticipates stable profits in the Financial Business in South Korea and Mongolia and in the Financial Business in Southeast Asia. The total annual dividend for FY12/25 is expected to be JPY17.0 per share (no interim dividend, with a year-end dividend of JPY17.0 per share, comprising a regular dividend of JPY16.0 and a 50th fiscal year commemorative dividend of JPY1.0).

Over the medium term, the company targets operating revenue of JPY144.2bn and operating profit of JPY14.3bn in FY12/26, and JPY156.8bn and JPY17.4bn, respectively, in FY12/27. Since the financial instruments business is highly susceptible to economic conditions and market fluctuations, it is extremely difficult to make and adequately disclose accurate earnings forecasts. Therefore, the company has not incorporated the earnings of J Trust Global Securities into its forecasts for FY12/26 and FY12/27. The forecasts also exclude potential growth from capital increases in the company's Indonesian business.

Strengths and weaknesses

Strengths

1. Ability to lead business development in Asia by leveraging expertise gained in Japan and South Korea
2. Relatively high lending-deposit spread for the banking businesses in South Korea and Southeast Asia
3. Purchasing ability

Weaknesses

1. Susceptible to financial regulation
2. Performances of the two savings banks in South Korea vulnerable to temporary downswing from sharp rise in interest rates since deposits are heavily skewed toward term deposits
3. Prone to personnel shortages caused by rapid business growth
(See "Strengths and weaknesses" section for further details.)

Trends and outlook

Quarterly trends and results

Cumulative	FY12/23				FY12/24				FY12/25		FY12/25	
(JPYmn)	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	% of Est.	FY Est.
	Adjusted	Adjusted	Adjusted									
Operating revenue	26,036	53,561	84,444	114,279	31,554	65,341	96,915	128,170	30,657	60,742	45.0%	135,100
YoY	110.8%	59.0%	48.2%	39.3%	21.2%	22.0%	14.8%	12.2%	-2.8%	-7.0%		5.4%
Operating expenses	17,768	36,702	57,217	81,148	22,082	44,660	63,940	84,734	20,699	39,136		
YoY	232.6%	113.0%	92.5%	76.4%	24.3%	21.7%	11.8%	4.4%	-6.3%	-12.4%		
Operating expense ratio	68.2%	68.5%	67.8%	71.0%	70.0%	68.3%	66.0%	66.1%	67.5%	64.4%		
SG&A expenses	8,398	17,646	26,891	36,870	9,589	19,537	28,889	37,986	8,714	17,949		
YoY	63.2%	33.9%	21.3%	21.1%	14.2%	10.7%	7.4%	3.0%	-9.1%	-8.1%		
SG&A, % of operating revenue	32.3%	32.9%	31.8%	32.3%	30.4%	29.9%	29.8%	29.6%	28.4%	29.5%		
Other revenues	10,302	10,388	11,922	12,109	54	1,104	1,180	1,251	893	962		
YoY	-	2.9%	13.2%	16.1%	-99.5%	-89.4%	-90.1%	-89.7%	-	-12.9%		
Other expenses	36	62	88	310	210	216	241	447	3	31		
YoY	-61.3%	-68.7%	-86.9%	-78.3%	483.3%	248.4%	173.9%	44.2%	-98.6%	-85.6%		
Operating profit	10,135	9,538	12,170	8,059	-273	2,030	5,025	6,252	2,134	4,586	41.3%	11,100
YoY	407.5%	-27.6%	-18.6%	-44.8%	-	-78.7%	-58.7%	-22.4%	-	125.9%		77.5%
Operating profit margin	38.9%	17.8%	14.4%	7.1%	-	3.1%	5.2%	4.9%	7.0%	7.5%		8.2%
Financial revenue	452	1,493	1,795	1,516	951	2,163	1,180	2,169	199	335		
YoY	-80.4%	-49.0%	-43.6%	-43.4%	110.4%	44.9%	-34.3%	43.1%	-79.1%	-84.5%		
Financial expense	76	174	290	418	131	221	315	416	911	1,212		
YoY	-83.8%	-66.3%	-48.9%	-31.3%	72.4%	27.0%	8.6%	-0.5%	595.4%	448.4%		
Equity in earnings of affiliates	302	359	459	615	81	129	95	362	132	122		
YoY	38.5%	-3.0%	-4.0%	13.1%	-73.2%	-64.1%	-79.3%	-41.1%	63.0%	-5.4%		
Pre-tax profit	10,814	11,217	14,135	9,772	628	4,102	5,985	8,368	1,555	3,831	32.2%	11,900
YoY	167.0%	-29.7%	-21.6%	-43.2%	-94.2%	-63.4%	-57.7%	-14.4%	147.6%	-6.6%		42.2%
Pre-tax profit margin	41.5%	20.9%	16.7%	8.6%	2.0%	6.3%	6.2%	6.5%	5.1%	6.3%		8.8%
Quarterly net income from ongoing business	10,176	16,980	19,625	16,972	335	3,261	4,576	6,885	823	2,559		
YoY	171.7%	26.3%	32.6%	24.2%	-96.7%	-80.8%	-76.7%	-59.4%	145.7%	-21.5%		
Quarterly net income from discontinued operations	-128	-52	-153	-203	-65	-91	-	-	-78	-519		
YoY	-	-	-	-	-	-	-	-	-	-		
Profit attributable to owners of parent	9,910	16,817	19,125	16,310	38	2,762	4,051	6,040	411	1,390	21.4%	6,500
YoY	169.1%	28.7%	34.1%	29.1%	-99.6%	-83.6%	-78.8%	-63.0%	981.6%	-49.7%		7.6%
Profit margin	38.1%	31.4%	22.6%	14.3%	0.1%	4.2%	4.2%	4.7%	1.3%	2.3%		4.8%
Quarterly (JPYmn)	FY12/23				FY12/24				FY12/25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2		
	Adjusted	Adjusted	Adjusted									
Operating revenue	26,036	27,525	30,883	29,835	31,554	33,787	31,574	31,255	30,657	30,085		
YoY	110.8%	29.0%	32.6%	19.1%	21.2%	22.8%	2.2%	4.8%	-2.8%	-11.0%		
Operating expenses	17,768	18,934	20,515	23,931	22,082	22,578	19,280	20,794	20,699	18,437		
YoY	232.6%	59.2%	64.3%	47.0%	24.3%	19.2%	-6.0%	-13.1%	-6.3%	-18.3%		
Operating expense ratio	68.2%	68.8%	66.4%	80.2%	70.0%	66.8%	61.1%	66.5%	67.5%	61.3%		
SG&A expenses	8,398	9,248	9,245	9,979	9,589	9,948	9,352	9,097	8,714	9,235		
YoY	63.2%	15.1%	2.7%	20.7%	14.2%	7.6%	1.2%	-8.8%	-9.1%	-7.2%		
SG&A, % of operating revenue	32.3%	33.6%	29.9%	33.4%	30.4%	29.4%	29.6%	29.1%	28.4%	30.7%		
Other revenues	10,302	86	1,534	187	54	1,050	76	71	893	69		
YoY	-	-99.1%	251.8%	-	-99.5%	-	-95.0%	-62.0%	-	-93.4%		
Other expenses	36	26	26	222	210	6	25	206	3	28		
YoY	-61.3%	-75.2%	-94.5%	-70.7%	483.3%	-76.9%	-3.8%	-7.2%	-98.6%	366.7%		
Operating profit	10,135	-597	2,632	-4,111	-273	2,303	2,995	1,227	2,134	2,452		
YoY	407.5%	-	48.6%	-	-	-	13.8%	-	-	6.5%		
Operating profit margin	38.9%	-	8.5%	-	-	6.8%	9.5%	3.9%	7.0%	8.2%		
Financial revenue	452	1,041	302	-279	951	1,212	-983	989	199	136		
YoY	-80.4%	67.4%	18.9%	-	110.4%	16.4%	-	-	-79.1%	-88.8%		
Financial expense	76	98	116	128	131	90	94	101	911	301		
YoY	-83.8%	113.0%	123.1%	220.0%	72.4%	-8.2%	-19.0%	-21.1%	595.4%	234.4%		
Equity in earnings of affiliates	302	57	100	156	81	48	-34	267	132	-10		
YoY	38.5%	-62.5%	-7.4%	136.4%	-73.2%	-15.8%	-	71.2%	63.0%	-		
Pre-tax profit	10,814	403	2,918	-4,363	628	3,474	1,883	2,383	1,555	2,276		
YoY	167.0%	-96.6%	40.3%	-	-94.2%	762.0%	-35.5%	-	147.6%	-34.5%		
Pre-tax profit margin	41.5%	1.5%	9.4%	-	2.0%	10.3%	6.0%	7.6%	5.1%	7.6%		
Quarterly net income from ongoing business	10,176	6,804	2,645	-2,653	335	2,926	1,315	2,309	823	1,736		
YoY	171.7%	-29.9%	95.2%	-	-96.7%	-57.0%	-50.3%	-	145.7%	-40.7%		
Quarterly net income from discontinued operations	-128	76	-101	-50	-65	-26	91	-	-78	-441		
YoY	-	-	-	-	-	-	-	-	-	-		
Profit attributable to owners of parent	9,910	6,907	2,308	-2,815	38	2,724	1,289	1,989	411	979		
YoY	169.1%	-26.4%	93.1%	-	-99.6%	-60.6%	-44.2%	-	981.6%	-64.1%		
Profit margin	38.1%	25.1%	7.5%	-	0.1%	8.1%	4.1%	6.4%	1.3%	3.3%		

Source: Shared Research based on company data

Notes: In Q4 FY12/23, the company finalized its provisional accounting treatment of the business combination in consolidated Q4 FY12/23. Accordingly, figures for Q3 FY12/23 reflect the finalized provisional accounting treatment.

The company reclassified PT JTrust Olympindo Muti Finance in Q4 FY12/23 as discontinued operations on a consolidated basis. Therefore, the table indicates adjusted figures for operating revenue, operating profit, and pre-tax profit in Q3 FY12/23.

Results by segment (cumulative)

By segment (cumulative)	FY12/23	FY12/24	FY12/25	FY12/25
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(JPYmn)	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	% of Est.	FY Est.
	Adjusted	Adjusted	Adjusted									
Operating revenue	26,036	53,561	84,444	114,279	31,554	65,341	96,915	128,170	30,657	60,742	45.0%	135,100
YoY	110.8%	59.0%	48.2%	39.3%	21.2%	22.0%	14.8%	12.2%	-2.8%	-7.0%		5.4%
Operating revenue before consolidation adjustments	26,159	53,884	84,886	114,848	31,677	65,581	97,269	128,670	30,831	60,742		-
Financial Business in Japan	3,053	6,820	10,246	14,120	3,768	8,033	11,983	16,618	4,244	9,003	49.8%	18,081
YoY	41.5%	30.9%	22.1%	19.9%	23.4%	17.8%	17.0%	17.7%	12.6%	12.1%		8.8%
% of total	11.7%	12.7%	12.1%	12.3%	11.9%	12.2%	12.3%	12.9%	13.8%	14.8%		
Financial Business in South Korea and Mongolia	11,261	22,882	35,674	47,520	11,939	23,396	34,554	46,299	11,052	21,864	47.7%	45,882
YoY	166.8%	48.1%	31.6%	23.6%	6.0%	2.2%	-3.1%	-2.6%	-7.4%	-6.5%		-0.9%
% of total	43.0%	42.5%	42.0%	41.4%	37.7%	35.7%	35.5%	36.0%	35.8%	36.0%		
Financial Business in Southeast Asia	8,241	17,486	27,514	38,414	11,227	23,193	35,580	47,740	12,062	23,280	45.4%	51,318
YoY	42.7%	39.8%	34.0%	33.8%	36.2%	32.6%	29.3%	24.3%	7.4%	0.4%		7.5%
% of total	31.5%	32.5%	32.4%	33.4%	35.4%	35.4%	36.6%	37.1%	39.1%	38.3%		
Real Estate Business	3,375	6,300	10,908	14,039	4,592	10,641	14,686	17,396	3,264	6,543	33.5%	19,518
YoY	-	-	-	376.5%	36.1%	68.9%	34.6%	23.9%	-28.9%	-38.5%		12.2%
% of total	12.9%	11.7%	12.9%	12.2%	14.5%	16.2%	15.1%	13.5%	10.6%	10.8%		
Investment Business	92	104	120	155	3	4	5	11	49	96	46.4%	207
YoY	22.7%	-35.8%	-42.6%	-31.4%	-96.7%	-96.2%	-95.8%	-92.9%	-	-		-
% of total	0.4%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%		
Other	136	289	421	599	147	300	460	603	157	283	41.4%	684
YoY	-4.2%	10.7%	6.6%	14.1%	8.1%	3.8%	9.3%	0.7%	6.8%	-5.7%		13.4%
% of total	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%		
Adjustments	-123	-324	-442	-569	-123	-240	-354	-500	-174	-		-590
Operating profit	10,135	9,538	12,170	8,059	-273	2,030	5,025	6,252	2,134	4,586	41.3%	11,100
YoY	407.5%	-27.6%	-18.6%	-44.8%	-	-78.7%	-58.7%	-22.4%	-	125.9%		77.5%
Operating profit margin	38.9%	17.7%	14.4%	7.1%	-	3.1%	5.2%	4.9%	7.0%	7.5%		8.2%
Operating profit before consolidation adjustments	10,933	10,963	12,568	8,985	250	3,199	6,492	8,068	2,553	5,553		
Financial Business in Japan	879	2,271	3,469	4,656	1,463	3,353	4,947	7,040	1,726	3,545	47.5%	7,459
YoY	-25.7%	8.3%	5.0%	18.4%	66.4%	47.6%	42.6%	51.2%	18.0%	5.7%		6.0%
% of total	8.0%	20.7%	27.6%	51.8%	585.2%	104.8%	76.2%	87.3%	67.6%	63.8%		
Segment profit margin	28.8%	33.3%	33.9%	33.0%	38.8%	41.7%	41.3%	42.4%	40.7%	39.4%		41.3%
Financial Business in South Korea and Mongolia	-578	-1,196	-1,852	-3,334	-1,286	-1,302	-72	964	-375	507	28.6%	1,771
YoY	-	-	-	-	-	-	-	-	-	-		83.7%
% of total	-	-	-	-	-	-	-	11.9%	-	9.1%		
Segment profit margin	-	-	-	-	-	-	-	2.1%	-	2.3%		3.9%
Financial Business in Southeast Asia	775	767	1,475	-1,019	1,026	1,410	2,310	1,509	896	1,563	51.7%	3,021
YoY	52.6%	222.3%	99.9%	-	32.4%	83.8%	56.6%	-	-12.7%	10.9%		100.2%
% of total	7.1%	7.0%	11.7%	-	410.4%	44.1%	35.6%	18.7%	35.1%	28.1%		
Segment profit margin	9.4%	4.4%	5.4%	-	9.1%	6.0%	6.5%	3.2%	7.4%	-		5.9%
Real Estate Business	10,056	10,093	10,881	10,810	-34	354	651	361	-65	-6	-	946
YoY	-	-	-	-	-	-96.5%	-94.0%	-96.7%	-	-		162.0%
% of total	92.0%	92.1%	86.6%	120.3%	-	11.1%	10.0%	4.5%	-	-		
Segment profit margin	298.0%	160.2%	99.8%	77.0%	-	3.3%	4.4%	2.1%	-	-		4.8%
Investment Business	-204	-960	-1,583	-2,072	-916	-611	-1,221	-1,595	353	-39	-	-49
YoY	-	-	-	-	-	-	-	-	-	-		-
% of total	-	-	-	-	-	-	-	-	13.8%	-		-
Segment profit margin	-	-	-	-	-	-	-	-	720.4%	-		-
Other	3	-11	-22	-55	-2	-5	-122	-211	18	-15	-	-220
YoY	-70.0%	-	-	-	-	-	-	-	-	-		-
% of total	0.0%	-	-	-	-	-	-	-	0.7%	-		-
Segment profit margin	2.2%	-	-	-	-	-	-	-	11.5%	-		-
Adjustments	91	117	1,629	1,712	132	282	435	598	171	348	-	-1,828
Cons.	11,024	11,080	14,197	10,697	382	3,481	6,927	8,666	2,724	5,901		
Company-wide expenses	-888	-1,542	-2,027	-2,638	-655	-1,450	-1,902	-2,414	-590	-1,314		

Results by segment (accounting period)

By segment (accounting)	FY12/23				FY12/24				FY12/25	
	Adjusted	Adjusted	Adjusted							
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Operating revenue	26,036	27,525	30,883	29,835	31,554	33,787	31,574	31,255	30,657	30,085
YoY	110.8%	29.0%	32.6%	19.1%	21.2%	22.8%	2.2%	4.8%	-2.8%	-11.0%
Operating revenue before consolidation adjustments	26,159	27,725	31,002	29,962	31,677	33,904	31,688	31,401	30,831	29,911
Financial Business in Japan	3,053	3,767	3,426	3,874	3,768	4,265	3,950	4,635	4,244	4,759
YoY	41.5%	23.4%	7.7%	14.5%	23.4%	13.2%	15.3%	19.6%	12.6%	11.6%
% of total	11.7%	13.6%	11.1%	12.9%	11.9%	12.6%	12.5%	14.8%	13.8%	15.9%
Financial Business in South Korea and Mongolia	11,261	11,621	12,792	11,846	11,939	11,457	11,158	11,745	11,052	10,812
YoY	166.8%	3.5%	9.7%	4.4%	6.0%	-1.4%	-12.8%	-0.9%	-7.4%	-5.6%
% of total	43.0%	41.9%	41.3%	39.5%	37.7%	33.8%	35.2%	37.4%	35.8%	36.1%
Financial Business in Southeast Asia	8,241	9,245	10,028	10,900	11,227	11,966	12,387	12,160	12,062	11,218
YoY	42.7%	37.4%	25.1%	33.0%	36.2%	29.4%	23.5%	11.6%	7.4%	-6.3%
% of total	31.5%	33.3%	32.3%	36.4%	35.4%	35.3%	39.1%	38.7%	39.1%	37.5%
Real Estate Business	3,375	2,925	4,608	3,131	4,592	6,049	4,045	2,710	3,264	3,279
YoY	-	852.8%	-	51.5%	36.1%	106.8%	-12.2%	-13.4%	-28.9%	-45.8%
% of total	12.9%	10.6%	14.9%	10.4%	14.5%	17.8%	12.8%	8.6%	10.6%	11.0%
Investment Business	92	12	16	35	3	1	1	6	49	47
YoY	22.7%	-86.2%	-66.0%	105.9%	-96.7%	-91.7%	-93.8%	-82.9%	-	-
% of total	0.4%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
Other	136	153	132	178	147	153	160	143	157	126
YoY	-4.2%	28.6%	-1.5%	36.9%	8.1%	0.0%	21.2%	-19.7%	6.8%	-17.6%
% of total	0.5%	0.6%	0.4%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%
Adjustments	-123	-201	-118	-127	-123	-117	-114	-146	-174	174
Operating profit	10,135	-597	2,632	-4,111	-273	2,303	2,995	1,227	2,134	2,452
YoY	407.5%	-	48.6%	-	-	-	13.8%	-	-	6.5%
Operating profit margin	38.9%	-	8.5%	-	-	6.8%	9.5%	3.9%	7.0%	8.2%
Operating profit before consolidation adjustments	10,933	30	1,605	-3,583	250	2,949	3,293	1,576	2,553	3,000
Operating profit after subtracting profit from negative goodwill	22	-597	2,632	-4,111	-273	2,303	2,995	1,227	2,134	2,452
Financial Business in Japan	879	1,392	1,198	1,187	1,463	1,890	1,594	2,093	1,726	1,819
YoY	-25.7%	52.3%	-0.7%	89.0%	66.4%	35.8%	33.1%	76.3%	18.0%	-3.8%

% of total	8.0%	-	74.6%	-	585.2%	64.1%	48.4%	132.8%	67.6%	60.6%									
Segment profit margin				28.8%	37.0%	35.0%	30.6%	38.8%	44.3%	40.4%	45.2%	40.7%	38.2%						
Financial Business in South Korea and Mongolia				-578	-618	-456	-1,682	-1,286	-16	1,230	1,036	-375	882						
YoY				-	-	-	-	-	-	-	-	-	-						
% of total				-	-	-	-	-	-	37.4%	65.7%	-	29.4%						
Segment profit margin				-	-	-	-	-	-	11.0%	8.8%	-	8.2%						
Financial Business in Southeast Asia				775	-8	708	-2,494	1,026	384	900	-801	896	667						
YoY				52.6%	-	41.6%	-	32.4%	-	27.1%	-	-12.7%	73.7%						
% of total				7.1%	-	44.1%	-	410.4%	13.0%	27.3%	-	35.1%	22.2%						
Segment profit margin				9.4%	-	7.1%	-	9.1%	3.2%	7.3%	-	7.4%	5.9%						
Real Estate Business				10,056	37	788	-71	-34	388	297	-290	-65	59						
YoY				-	-	-	-	-	948.6%	-62.3%	-	-	-84.8%						
% of total				92.0%	123.3%	49.1%	-	-	13.2%	9.0%	-	-	2.0%						
Segment profit margin				298.0%	1.3%	17.1%	-	-	6.4%	7.3%	-	-	1.8%						
Investment Business				-204	-756	-623	-489	-916	305	-610	-374	353	-392						
YoY				-	-	-	-	-	-	-	-	-	-						
% of total				-	-	-	-	-	10.3%	-	-	13.8%	-						
Segment profit margin				-	-	-	-	-	-	-	-	720.4%	-						
Other				3	-14	-11	-33	-2	-3	-117	-89	18	-33						
YoY				-70.0%	-	-	-	-	-	-	-	-	-						
% of total				0.0%	-	-	-	-	-	-	-	0.7%	-						
Segment profit margin				2.2%	-	-	-	-	-	-	-	11.5%	-						
Adjustments				91	26	1,512	83	132	150	153	163	171	177						
Cons.				11,024	56	3,117	-3,500	382	3,099	3,446	1,739	2,724	3,177						
Company-wide expenses				-888	-654	-485	-611	-655	-795	-452	-512	-590	-724						

Source: Shared Research based on company data

1H FY12/25 results

Overview

- Operating revenue: JPY60.7bn (-7.0% YoY; progressed 45.0% toward the full-year company forecast)
- Operating profit: JPY4.6bn (+125.9% YoY; 41.3%)
- Profit attributable to owners of parent: JPY1.4bn (-49.7% YoY; 21.4%)

Key takeaways from the latest earnings report:

- ▶ Operating revenue declined JPY4.6bn YoY (-7.0%) to JPY60.7bn. The breakdown of this change includes a JPY970mn increase in the Financial Business in Japan, a JPY87mn increase in the Financial Business in Southeast Asia, offset by a JPY1.5bn decrease in the Financial Business in South Korea and Mongolia, and a JPY4.1bn decrease in the Real Estate Business, among others.

Positive factors included higher recovery proceeds from purchased receivables at PT JTrust Investments Indonesia (JTII), increased interest income at PT Bank JTrust Indonesia from more efficient use of funds held for liquidity management, and higher trading gains at J Trust Global (JTG) Securities due to robust equity markets. Negative factors included a decline in interest income (in yen terms) in the Financial Businesses in South Korea and Southeast Asia despite growth in loan balances in local currencies, as foreign exchange movements reduced yen-converted results. Additionally, at PT Bank JTrust Indonesia, proactive sales of corporate bonds with unrealized gains for more efficient capital use reduced the average bond balance and corresponding interest income. In the Real Estate Business, sales revenue from properties held for sale also decreased.

As a result of these factors, operating revenue fell YoY.

- ▶ Operating profit grew by JPY2.6bn YoY to JPY4.6bn (+125.9% YoY). The breakdown of the YoY growth includes increases of JPY192mn in the Financial Business in Japan, JPY1.8bn in the Financial Business in South Korea and Mongolia, JPY153mn in the Financial Business in Southeast Asia Business, and JPY572mn in the Investment Business, offsetting decreases of JPY360mn in the Real Estate Business and JPY10mn in Other Business.

Positive factors for profit growth included a reduction in cost of sales for real estate held for sale in the Real Estate Business, a decline in deposit interest expenses in yen terms supported by forex effects and lower funding rates—despite growth in deposits in local currency terms—in the Financial Business in South Korea, the completion of intangible asset amortization at JTrust Royal Bank (JTRB), and the recognition of JPY753mn in income from compensation for damage at J Trust Asia, recorded under other revenues.

- ▶ Profit attributable to owners of parent was JPY1.4bn (-49.7% YoY). Due mainly to a stronger yen resulting in foreign exchange losses from the revaluation of foreign currency-denominated assets and liabilities, profit declined overall.

Topics

Businesses in Japan

- On May 14, 2025, the company resolved to repurchase its own shares to achieve appropriate shareholder value through enhanced profit returns and improved capital efficiency. The company actively engaged in ESG (environmental, social, and governance) initiatives and worked to enhance information disclosure. As a result, in June 2025, it was selected for the first time as a constituent of the FTSE Blossom Japan Sector Relative Index, a leading stock index for ESG investment.
- J Trust Global Securities jointly developed with Smartplus Ltd. a discretionary investment management service for individual investors—WEALTH GROWTH—which is the first in Japan to focus on US individual stocks and launched the service in February 2025.
- Nihon Hoshou signed a basic agreement in May 2025 with Clear Co., Ltd., operator of the men's hair removal salon Men's Clear and the aesthetic salon STLASSE, to launch the beauty industry's first *advance payment guarantee* service linked to customer contracts.
- Gro-Bels' recognition and credibility increased owing to its listing on the Tokyo Stock Exchange's Tokyo Pro Market in June 2024. Gro-Bels benefited from recruitment of quality talent and business growth. However, to enable greater freedom and speed in management decision-making, the company applied for delisting in June 2025.

Overseas businesses

- In Indonesia, PT Bank JTrust Indonesia (BJI) signed a business alliance agreement with The Ehime Bank, Ltd., becoming the fourth Japanese bank to form such an agreement. The alliance supports the bank's clients in entering the Indonesian market and business matching activities.
- In Singapore, J Trust Asia recovered part of the claims finalized through litigation during 1H FY12/25 by seizing bank deposits in Cyprus and other jurisdictions.

More details will be described after an interview with the company.

Company forecast for FY12/25 and medium-term outlook

Quantitative targets

Company FY12/24 forecast

(JPYmn)	FY12/21	FY12/22	FY12/23	FY12/24	FY12/25
	Act.	Act.	Act.	Act.	Company forecast
Operating revenue	42,325	82,038	114,279	128,170	135,100
YoY	-	93.8%	39.3%	12.2%	5.4%
Financial Business in Japan	9,781	11,774	14,120	16,618	18,081
Financial Business in South Korea and Mongolia	14,806	38,451	47,520	46,299	45,882
Financial Business in Southeast Asia	16,797	28,719	38,414	47,740	51,318
Investment Business	642	226	155	11	207
Real Estate Business	0	2,946	14,039	17,396	19,518
Other Business	878	525	599	603	684
Adjustments	-581	-605	-569	-500	-
Operating profit	5,260	14,589	8,059	6,252	11,100
YoY	-	177.4%	-44.8%	-22.4%	77.5%
Financial Business in Japan	4,588	3,931	4,656	7,040	7,459
Financial Business in South Korea and Mongolia	3,208	14,437	-3,334	964	1,771
Financial Business in Southeast Asia	-6,372	248	-1,019	1,509	3,021
Investment Business	5,445	-2,205	-2,072	-1,595	-49
Real Estate Business	0	94	10,810	361	946
Other Business	430	108	-55	-211	-220
Adjustments	60	255	1,712	598	-
Company-wide expenses	-2,101	-2,281	-2,638	-2,414	-
Pre-tax profit	5,899	17,205	9,772	8,368	11,900
YoY	-	191.7%	-43.2%	-14.4%	42.2%
Pre-tax profit margin	13.9%	21.0%	8.6%	6.5%	8.8%
profit attributable to owners of parent	1,123	12,632	16,310	6,040	6,500
YoY	-	-	29.1%	-63.0%	7.6%
Profit margin	2.7%	15.4%	14.3%	4.7%	4.8%

Source: Shared Research based on company data and interviews

In FY12/25, J Trust forecasts JPY135.1bn in operating revenue (+5.4% YoY), JPY11.1bn in operating profit (+77.5% YoY), JPY11.9bn in pre-tax profit (+42.2% YoY), and JPY6.5bn in profit attributable to owners of parent (+7.6% YoY).

The company projects revenue to increase for several reasons. Thanks to business acquisitions to date, it has further bolstered its earnings base. The company assumes stable earnings in the Financial Business in Japan and anticipates loan increases and thus higher interest revenue in the banking businesses under the financial businesses in South Korea and Southeast Asia.

Operating profit is forecast to increase 77.5% YoY to JPY11.1bn. In the Financial Business in South Korea and Mongolia and the Financial Business in Southeast Asia, the company does not anticipate extreme earnings deterioration as funding rates have declined. In addition, it has increased the allowance for loan losses (loss evaluation allowance) in advance to prepare for potential NPLs should the operating environment worsen. Thus, the company expects to secure stable profits. The company also expects profit attributable to owners of the parent to reach JPY6.5bn (+7.6% YoY), reflecting the anticipated increase in corporate income tax expenses backed by a strong earnings outlook.

The company's cumulative operating profit targets for FY12/25 are as follows: JPY1.3bn in Q1; JPY3.7bn in Q2; JPY6.9bn in Q3; and JPY11.1bn in Q4.

For FY12/25, J Trust plans to increase its payout ratio to enhance shareholder returns, with an annual dividend forecast of JPY16.0 per share (no interim dividend). In addition, as the company marks its 50th fiscal year in 2025, it plans to pay a commemorative dividend of JPY1.0 per share. As a result, the total annual dividend for FY12/25 is expected to be JPY17.0 per share (no interim dividend, with a year-end dividend of JPY17.0, comprising a JPY16.0 regular dividend and a JPY1.0 commemorative dividend).

The company's earnings forecast is based on the exchange rate assumptions: USD1 = JPY158.18, SGD1 = JPY116.51, KRW1 = JPY0.1076, IDR1 = JPY0.0098, and MNT1 = JPY0.0457.

Financial Business in Japan

The company forecasts operating revenue of JPY18.1bn (+8.8% YoY) and operating profit of JPY7.5bn (+5.9% YoY). In the credit guarantee business, the company aims to further grow apartment loans by expanding its service areas, increasing the number of designated contractors, handling brokerage transactions, and capturing refinancing demand. For securities-backed loans, the company will leverage group synergies to develop guarantee products through customer referrals. The credit guarantee balance is projected to expand to JPY271.4bn by end-December 2025 (versus JPY254.5bn in FY12/24), driven by continued strong performance in guarantees for apartment loans, overseas real estate-backed loans, and securities-backed loans. At Nexus Card, the company expects the balance of installment-sales accounts receivable to increase to JPY23.5bn (JPY19.8bn) as a major new merchant will be affiliated around spring 2025.

In the receivables collection business, many of the receivables the J Trust group purchases are card shopping receivables, mainly from major credit card companies with increasing revenue. The company intends to expand this business by leveraging its strong collection ability to ensure a stable and continuous supply of receivables.

In the securities business, JTG Securities aims to become a leading provider of retail bond services by strengthening its foreign bond offering and enhancing its services, including through a business partnership with 5Value Asset. In addition to wealth management advisory services such as asset management and business succession planning, JTG Securities will partner with external professionals to offer non-financial services, including educational support for clients' children, information on advanced medical services, and exclusive event experiences. Furthermore, it will establish a comprehensive framework to support venture businesses from discovery through IPO assistance, post-listing capital policy, and asset protection and business succession planning for entrepreneurs after their companies go public. The company projects a balance of assets under custody of JPY500.0bn (JPY409.2bn in FY12/24).

Financial Business in South Korea and Mongolia

The company forecasts operating revenue of JPY45.9bn (-0.9% YoY) and operating profit of JPY1.8bn (+83.7% YoY). In South Korea, the base interest rate was lowered to 3.0% in November 2024, and saving banks' funding costs have already reflected some of the certain impact of this rate cut. As a result, even if the base interest rate becomes lower, the reduction in funding costs will remain limited. J Trust continues to face a challenging business environment. Throughout South Korea, since the COVID-19 pandemic, there has been a growing trend of delinquent loans and an increase in personal rehabilitation and credit recovery. Furthermore, the regulations for the supervision of savings banks have been revised to strengthen financial

soundness management, and a phased implementation of the provision of additional allowance for doubtful accounts (loan-loss reserves) for borrowers with multiple debts is planned. J Trust is implementing measures to ensure profitability, including strengthening the collection of short-term delinquent loans to reduce the provision of allowance for doubtful accounts (loan-loss reserves), generating reversals of allowance for doubtful accounts through refinancing of large non-performing loans (NPLs), benefiting from lower funding costs, and maximizing profit generation through the strategic sale and write-off of NPLs.

In Q1 FY2025 (January–March 2025), the company expects to post a temporary loss due to accounting adjustments at the beginning of the fiscal year but plans to expand profit from the second half of the year. Its quarterly operating profit/loss forecasts for 2025 call for a loss of JPY700mn in Q1, a loss of JPY400mn in Q2, a profit of JPY400mn in Q3, and a profit of JPY1.7bn in Q4. Loan balances at JT Chinae Savings Bank and JT Savings Bank had been declining but bottomed out in 2024 and are projected to increase in 2025.

Financial Business in Southeast Asia

The company forecasts operating revenue of JPY51.3bn (+7.5% YoY) and operating profit of JPY3.0bn (+100.1% YoY). For PT Bank JTrust Indonesia, the company has identified several key issues to address, including proactively boosting the loan balance, reducing write-off expenses by lowering the NPL ratio, bringing down the funding interest rate, and raising the current ratio. As part of its marketing initiatives, the bank is promoting new deposit account openings through various deposit programs and special incentive events, while strengthening business partnerships with major property developers to boost housing sales, aiming for further revenue growth. The company has signed business partnership agreements with three regional banks in Japan to introduce their corporate clients—those already operating in Indonesia or planning to expand there—to PT Bank JTrust Indonesia. Indonesia is entering a demographic bonus period that is expected to last more than 40 years, and the capital city relocation is planned. By leveraging each other's management resources, the company intends to enhance the corporate value of businesses expanding overseas, thereby contributing to Indonesia's economic development. For PT Bank JTrust Indonesia, the company is considering capital increases involving investors outside the J Trust group and has stated it plans to extend new loans in conjunction with the timing of the capital injection. The bank intends to focus its lending on top-tier, highly creditworthy companies.

In the receivables collection business, the company aims to secure revenue by increasing new receivable purchases while stepping up its efforts, including strengthened activities to collect hard-to-recover receivables.

JTrust Royal Bank (JTRB) is working to improve productivity, strengthen its digital business, and provide speedier service. It will continue to target affluent customers as its main base and seek to differentiate itself from other banks through lending and investment proposals that take advantage of the strong relations between its account managers and customers. The bank will also focus on digitalization efforts and product development that meet the needs of affluent customers. Since October 2024, JTRB has been actively working to increase the usage rate of its VISA credit cards, which now feature an installment payment option, and to strengthen fee-based income by expanding life insurance sales. The bank plans to increase the loan balance in 2025 and also focuses on collecting non-performing loans and containing new NPLs to drive further revenue growth.

Real Estate Business

The company forecasts operating revenue of JPY19.5bn (+12.2% YoY) and operating profit of JPY946mn (+161.8% YoY). The company is steadily building a track record as a comprehensive real estate company handling land, detached homes, condominiums, income-generating properties, and crowdfunding. It also focuses on increasing brand recognition to expand its business scale. To ensure stable earnings, the company is closely monitoring the Bank of Japan's interest rate policy and conducting more in-depth market research to assess market trends and changes accurately. In addition, Gro-Bels' credibility will increase owing to its listing on the Tokyo Pro Market in the consolidated FY12/24. The company anticipates Gro-Bels, as a listed entity, will cultivate new business partners and attract quality talent, and end-users' confidence and purchasing decisions will be facilitated. The company also expects to recognize a gain of JPY120mn on the property sale deferred from FY12/24.

J-Grand is forecast to generate JPY11.4bn (up from JPY9.3bn in FY12/24). In developing rental residences with private short-term lodging (*minpaku*) facilities, the first project, J-ARC Shinjuku, is scheduled to be completed on March 1, 2025. To expand the subsidiary Live Rent's leasing and management business through the digital transformation of the real estate business, the company plans to implement an app for property owners in January 2025. In a new business field, the company expects to fully launch its rent guarantee business in March 2025.

Investment Business

The company forecasts operating revenue of JPY207mn (JPY11mn in FY12/24) and an operating loss of JPY49mn (versus operating loss of JPY1.6bn in FY12/24). The company continues to collect receivables from Group Lease PCL, as it did in FY12/24. In January 2025, it recovered EUR3,729,608 (about JPY607,926,104, based on an exchange rate of EUR1 = JPY163) through the asset seizure, following a final decision by the Singapore court. The company will continue to strengthen its collection efforts, while minimizing related costs such as legal fees and other expenses related to the recovery. Since it has already provisioned for the full amount of receivables from Group Lease PCL, any recovered funds will be recognized as profit as they are collected.

Medium-term outlook

Earnings target

- Operating revenue is projected to reach JPY144.2bn in FY12/26 and JPY156.8bn in FY12/27.
- Operating profit is estimated at JPY14.3bn in FY12/26 and JPY17.4bn in FY12/27.
- Pre-tax profit is projected to be JPY15.2bn in FY12/26 and JPY18.2bn in FY12/27.
- Profit attributable to owners of parent is projected to be JPY9.5bn in FY12/26 and JPY11.4bn in FY12/27.

Since the performance of the financial instruments business is highly susceptible to economic conditions and market fluctuations, it is extremely difficult to make and adequately disclose accurate earnings forecasts. Therefore, the company has not incorporated the earnings of J Trust Global (JTG) Securities into its forecasts for FY12/26 and FY12/27. The forecast also excludes potential growth from capital increases in the company's Indonesian business.

- ▶ The company stated it anticipates upside factors to boost its earnings from JTG Securities' growth and an accelerated increase in the balance of assets through capital reinforcement for the Indonesian business.
- ▶ The increase in profit attributable to owners of parent (after deducting non-controlling interests) is projected to be smaller than that in operating profit due to the impact of the Financial Business in Southeast Asia, one of the company's key growth drivers. Nevertheless, the company plans to achieve a CAGR of about 22% for profit.

Business portfolio plan

While steadily expanding the domestic credit guarantee and servicer (receivables purchase and collection) businesses as stable growth drivers, the company plans to significantly grow its securities and credit card (installment) businesses in Japan as well as overseas businesses.

J Trust's business portfolio plan

Business	Position	By segment	Sub-segment
Stable growth business	Businesses with an established, solid earnings base that continue to grow steadily in size and profitability	Financial Business in Japan	Credit guarantee business Servicer (receivables purchase and collection) business Credit card (installment) business
		Other Businesses	Real Estate Business
Growth-potential businesses	Businesses operating in high-growth or underpenetrated markets with the potential to drive the company's future growth	Financial Business in Japan	Securities business
		Financial Business in Southeast Asia	Banking business in Indonesia Banking business in Cambodia
Restructuring businesses	Businesses that are currently facing challenges due to temporary factors but are expected to return to profitability once those issues are resolved	Financial Business in South Korea and Mongolia	Businesses in South Korea

Source: Shared Research based on company materials

The company seeks stable earnings in Japan. It also pursues renewed growth following the completion of business restructuring in South Korea and significant expansion mainly through the growth of its two banks in Indonesia and Cambodia in Southeast Asia.

Group's operating profit projections

Segment	Assumption	FY12/24	FY12/25	FY12/26	FY12/27	Expected growth for all segments' projections
Financial Business in Japan	Stable growth in the credit guarantee and servicer (receivables collection) businesses	JPY7.0bn	JPY7.4bn	JPY6.7bn	JPY7.5bn	+JPY0.5bn
Financial Business in South Korea and Mongolia	Earnings recovery through business restructuring in South Korea and reversal of provisions	JPY0.9bn	JPY1.7bn	JPY5.0bn	JPY5.5bn	+JPY4.6bn
Financial Business in Southeast Asia	Continued growth of banking operations in Indonesia and Cambodia driven by economic expansion	JPY1.5bn	JPY3.0bn	JPY3.8bn	JPY5.3bn	+JPY3.8bn
Real Estate Business	Steady business expansion	JPY0.3bn	JPY0.9bn	JPY1.0bn	JPY1.1bn	+JPY0.8bn
Investment and Other Businesses	Legal expenses falling away; minimal recoveries expected	-JPY1.5bn	-JPY0.2bn	-JPY0.4bn	-JPY0.4bn	+JPY1.1bn
Consolidated operating profit		JPY6.2bn	JPY11.1bn	JPY14.3bn	JPY17.4bn	+JPY11.2bn

Source: Shared Research based on company data

Note: The consolidated earnings forecasts for FY12/26 and FY12/27 do not include projections for the securities business.

- Financial Business in Japan: Focused on stable operations in credit guarantee and servicer (receivables collection) services. In the credit card (installments) business, the company expects revenue to grow, driven by an increase in installment receivables through affiliated merchants' expansion. In the securities business, the company sees significant upside potential from expanding assets under custody. JTG Securities aims to grow assets under custody from JPY409.2bn as of December 2024 to JPY1.0tn by 2029. While this is not reflected in the earnings forecasts for

FY12/26 and beyond, the company estimates achieving the JPY1.0tn target could generate an operating profit of about JPY3.0–3.5bn.

- Financial Business in South Korea and Mongolia: Loan balances at the two savings banks in South Korea bottomed out in FY12/24 and are expected to increase from 2025 onward, supported by capital accumulation from the return to profitability. At both banks, lending-deposit spreads are improving and non-performing loans remain at low levels and are fully collateralized, even after the provisioning of allowance. For 2025 and beyond, the company expects growth to be driven mainly by an increase in revenue from higher loan balances. In 2026, profit is projected to improve significantly due to lower expenses related to doubtful receivables and higher interest income on loans.
- Financial Business in Southeast Asia: At PT Bank JTrust Indonesia (BJI), while loan balances are increasing stably, further growth in lending will require capital reinforcement due to capital adequacy requirements. While the lending-deposit spread remains stable, the company is concerned about rising funding costs. J Trust Royal Bank is shifting its policy from controlling its outstanding loans to gradually increasing the loan book. The bank intends to prevent non-performing loans by strengthening collection and monitoring, including through collateral property auctions and legal procedures. The bank has improved its lending-deposit spread as the average interest rate on loans rose. Although the NPL ratio has increased due to a downturn in the real estate market, the company says it has already provisioned against most of the doubtful loans. From 2025 onward, the company expects higher revenue and profit driven by growth in the loan balance. While the forecast does not factor in possible capital increases in Indonesia, such capital reinforcement could provide upside potential when realized. Suppose the company has injected JPY3.0bn in capital. In that case, PT Bank JTrust Indonesia's operating profit is expected to rise from JPY1.8bn to JPY4.1bn in the final year of the forecast period.
- Real Estate Business: The company expects stable growth in the Real Estate business, driven by an increase in the number of properties sold.
- Investment Business: In January 2024, the Singapore court issued a final judgment in favor of J Trust Asia and ordered Group Lease PCL to pay about USD124mn (roughly JPY18.2bn) plus interest. For FY12/25, the company plans to record JPY608mn recovered as operating profit in Q1. While it expects to realize further profit as the collection of receivables progresses, the company has not incorporated it in the forecast due to the uncertain timing.

Shareholder returns

Throughout this three-year plan, the company intends to maintain and gradually increase stable dividend payments in line with its business growth, with a target payout ratio of 30% or higher and a progressive dividend policy. In addition, should surplus funds arise, the company plans to return value to shareholders through share buybacks and other appropriate measures.

Recent updates

J Trust selected for inclusion in FTSE Blossom Japan Sector Relative Index for first time 2025-07-18

J Trust Co., Ltd. has announced that it has been selected for the first time as a constituent of the FTSE Blossom Japan Sector Relative Index, a leading ESG (environmental, social, and governance) index for Japanese equities provided by FTSE Russell, a wholly owned subsidiary of the London Stock Exchange Group.

(Click [here](#) for the company's press release.)

The FTSE Blossom Japan Sector Relative Index is constructed by global index provider FTSE Russell and is designed to reflect the performance of Japanese companies that demonstrate strong ESG practices relative to others in their sector. The index is sector-neutral, ensuring balanced representation across industries. This index is widely used as a key benchmark for ESG investing, including by the Government Pension Investment Fund (GPIF) of Japan, which has adopted it for its ESG-focused passive investment strategies. As such, the index serves as an important reference point for investment decision-making by a broad range of institutional investors.

J Trust Group views sustainability as an essential element of its business philosophy. The company believes that its commitment to acting swiftly and sincerely, and continuously taking on new challenges—based on the corporate philosophy, “For our customers, for our shareholders, and for ourselves, we will always respond swiftly and sincerely, continue to take on challenges, and create the future of the world together with all of you”—contributes both to the group's long-term growth and the realization of a sustainable society. The company emphasizes maintaining strong relationships with stakeholders, including customers, shareholders, employees, business partners, and local communities, and incorporates consideration of these stakeholders into its decision-making processes. J Trust also engages in environmentally conscious practices and proactively participates in social contribution activities, fulfilling its responsibilities as a corporate citizen and working to build trust with both customers and the communities it serves.

J Trust announces resolution to repurchase own shares 2025-05-14

J Trust Co., Ltd. has announced that its Board of Directors has resolved to repurchase its own shares.

The company plans to repurchase up to 4,000,000 shares (representing 3.00% of total shares outstanding, excluding treasury stock), with a maximum total acquisition cost of JPY1.5bn. The repurchase period is scheduled to run from May 15, 2025, to December 30, 2025.

Business description

Company Overview

J Trust got its start in business finance and is now the holding company for a group of companies involved in banking and finance businesses in Asia. It operates the following segments: Financial Business in Japan (credit guarantees and receivables collection); Financial Business in South Korea and Mongolia (savings banking and receivables collection), Financial Business in Southeast Asia (banking and receivables collection), Investment Business (mainly through J Trust Asia), and Other businesses. In addition, J-Grand and Gro-Bels engage in real estate operations.

J Trust grew its business from 2009 onward with acquisitions of consumer finance and credit card companies in Japan. In 2012, it launched a savings bank business in South Korea using expertise acquired in Japan. In the years through 2015, it acquired finance companies and savings banks in South Korea and a commercial bank in Indonesia. In 2019, the company acquired a commercial bank in Cambodia, and in March 2022, it acquired J Trust Global Securities (hereinafter, JTG Securities), which has investment banking operations. In February 2023, it implemented business integration with Mirainovate Co., Ltd., which operates a real estate business.

J Trust has the following segment and business classifications, which serve as the basis for information disclosure: Financial Business in Japan, Financial Business in South Korea and Mongolia, Financial Business in Southeast Asia, Real Estate, Investment, and Other. The company's primary businesses are the three financial businesses: Financial Business in Japan, Financial Business in South Korea and Mongolia, and Financial Business in Southeast Asia.

Business structure and operating companies

Business segment		Business	Operating entity
Financial Business in Japan			
	Credit guarantee	Primarily credit guarantees for business loans to SMEs and small business owners by banks and credit unions, consumer loans, and condo loans	Nihon Hoshou
	Receivables collection	Collection of loan receivables purchased from financial institutions and non-bank lenders	Partir Servicer, Nihon Hoshou
	Credit /credit sales	Sales and management of credit cards and intermediation of installment sales and credit purchase	Nexus Card, MIRAI
	Securities	Securities-related business such as intermediary for consignment of trading of securities and derivative instruments, underwriting and selling of securities, handling of public offering and selling of securities, private placements of securities, etc.	J Trust Global Securities
	Other financial services	Lending	Nihon Hoshou
Financial Business in South Korea and Mongolia			
	Savings bank business	Deposits, loans and other banking business	JT Chinae Savings Bank, JT Savings Bank
	Receivables collection	Collection of loan receivables for financial institutions, non-banks, etc.	TA Asset Management
	Finance	Lending	J Trust Credit NBFJ
Financial Business in Southeast Asia			
	Banking	Deposits, loans and other banking business	PT JTrust Indonesia Tbk., J Trust Royal Bank Plc.
	Receivables collection	Collection of loan receivables	PT JTrust Investments Indonesia, PT Turnaround Asset Indonesia
Real Estate Business		Development and subdivision of real estate properties and whole-building sales; design and construction of detached houses; real estate leasing; and property management services	J-Grand, Gro-Bels, Live Rent
Investment Business		Investment in Japan and overseas	J Trust Asia Pte. Ltd.
Other		Systems business offering computer operations/ management, outsourced software development, and operational guidance	J Sync

Source: Shared Research based on company materials

Performance by segment

	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
(JPYmn)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Operating revenue	66,453	74,321	74,935	24,728	39,387	42,325	82,038	114,279	128,170
YoY	-	11.8%	0.8%	-	59.3%	7.5%	93.8%	39.3%	12.2%
Financial Business in Japan	9,814	9,129	10,701	7,366	10,041	9,781	11,774	14,120	16,618
YoY	-	-7.0%	17.2%	-	36.3%	-2.6%	20.4%	19.9%	17.7%
% of total operating revenue	14.6%	12.2%	14.1%	29.4%	25.1%	22.8%	14.2%	12.3%	12.9%
Financial Business in South Korea and Mongolia	29,182	35,857	39,682	6,756	12,390	14,806	38,451	47,520	46,299
YoY	-	22.9%	10.7%	-	83.4%	19.5%	159.7%	23.6%	-2.6%
% of total operating revenue	43.4%	47.7%	52.4%	26.9%	31.0%	34.5%	46.5%	41.4%	36.0%
Financial Business in Southeast Asia	14,325	13,578	13,025	9,673	15,953	16,797	28,719	38,414	47,740
YoY	-	-5.2%	-4.1%	-	64.9%	5.3%	71.0%	33.8%	24.3%
% of total operating revenue	21.3%	18.1%	17.2%	38.6%	39.9%	39.1%	34.8%	33.4%	37.1%
Real Estate Business	6,278	6,968	6,441	-	-	-	2,946	14,039	17,396
YoY	-	11.0%	-7.6%	-	-	-	-	376.5%	23.9%
% of total operating revenue	9.3%	9.3%	8.5%	-	-	-	3.6%	12.2%	13.5%
Investment Business	2,853	7,576	1,214	815	953	642	226	155	11
YoY	-	165.5%	-84.0%	-	16.9%	-32.6%	-64.8%	-31.4%	-92.9%
% of total operating revenue	4.2%	10.1%	1.6%	3.2%	2.4%	1.5%	0.3%	0.1%	0.0%
Other	2,771	2,024	3,227	478	608	878	525	599	603
YoY	-	-27.0%	59.4%	-	27.2%	44.4%	-40.2%	14.1%	0.7%
% of total operating revenue	4.1%	2.7%	4.3%	1.9%	1.5%	2.0%	0.6%	0.5%	0.5%
Adjustments	-846	-812	-857	-363	-561	-581	-605	-569	-500
Operating profit and loss	606	4,759	-32,600	-5,130	-2,403	5,260	14,589	8,059	6,252
YoY	-	685.3%	-	-	-	-	177.4%	-44.8%	-22.4%
Financial Business in Japan	5,582	4,167	4,251	3,082	4,860	4,588	3,931	4,656	7,040
YoY	-	-25.3%	2.0%	-	57.7%	-5.6%	-14.3%	18.4%	51.2%
% of total operating revenue	134.8%	58.4%	-	-	-	62.8%	23.9%	31.1%	43.8%
Financial Business in South Korea and Mongolia	3,197	3,555	4,880	2,160	2,018	3,208	14,437	-3,334	964
YoY	-	11.2%	37.3%	-	-6.6%	59.0%	350.0%	-	-
% of total operating revenue	77.2%	49.9%	-	-	-	43.9%	87.9%	-	6.0%
Financial Business in Southeast Asia	-3,980	1,545	-17,712	-4,667	-5,541	-6,372	248	-1,019	1,509
YoY	-	-	-	-	-	-	-	-	-
% of total operating revenue	-	21.7%	-	-	-	-	1.5%	-	9.4%
Real Estate Business	480	659	91	-	-	-	94	10,810	361
YoY	-	37.3%	-86.2%	-	-	-	-	-	-96.7%
% of total operating revenue	11.6%	9.2%	-	-	-	-	0.6%	72.2%	2.2%
Investment Business	-198	-2,852	-20,568	-1,768	-1,651	5,445	-2,205	-2,072	-1,595
YoY	-	-	-	-	-	-	-	-	-
% of total operating revenue	-	-	-	-	-	74.6%	-	-	-
Other	-82	57	39	-407	-310	430	108	-55	-211
YoY	-	-	-31.6%	-	-	-	-74.9%	-	-
% of total operating revenue	-	0.8%	-	-	-	5.9%	0.7%	-	-
Adjustments	32	-6	-235	614	496	60	255	1,712	598
Company-wide expenses	-3,566	-2,366	-3,331	-4,143	-2,275	-2,101	-2,281	-2,638	-2,414

Source: Shared Research based on company data

Note: Since FY12/19 was an irregular nine-month (April–December) fiscal year, YoY growth rates are not shown.

Note: In FY12/20, the Real Estate and General Entertainment segments were classified as discontinued operations, so FY12/19 figures have been adjusted to exclude these.

Financial Business in Japan (12.9% share of operating revenue)

The Financial Business in Japan mainly comprises the credit guarantee and servicer businesses, and its key subsidiaries are Nihon Hoshou and Partir Servicer. The former conducts the credit guarantee business and the receivables collection business, while the latter engages in receivables collection. In FY12/22, JTG Securities and Nexus Card joined the group; JTG Securities in the securities business and Nexus Card in the credit and consumer credit business. Nihon Hoshou seeks to make a transition from its traditional operation centered on credit guarantees for condominium loans. It plans to expand the guarantee balance by widening its offerings to include guarantees for Nexus Card's installment receivables, guarantees for the securities-backed loans at JTG Securities, and guarantees for housing sales to the affluent—a business run by J-Grand in the Real Estate Business segment.

- ▶ In terms of synergies among domestic businesses, the company aims to create customer value by collaborating in the fields that contribute to the mutual expansion of each business. Examples include: (1) When a customer purchases real estate, Nihon Hoshou provides guarantees for investment loans, facilitating financing; (2) Under a guarantee from Nihon Hoshou, customers obtain securities-backed loans and use the funds for asset management in the securities business; (3) The guarantee business covers installment receivables in the credit card (installments) business, reducing collection risk for affiliated merchants. In addition, when receivables become non-performing, they are sold to Partir Servicer or the like, enabling monetization through the servicer (receivables collection) business.

Nihon Hoshou earnings

	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
(JPYmn)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Operating revenue	8,852	7,987	9,264	6,815	8,823	7,652	6,242	6,290	6,314
YoY	-	-9.8%	16.0%	-26.4%	29.5%	-13.3%	-18.4%	0.8%	0.4%
Revenue from loan guarantees	1,935	1,738	2,166	1,993	2,666	2,502	2,355	2,778	3,266
YoY	-	-10.2%	24.6%	-8.0%	33.8%	-6.2%	-5.9%	18.0%	17.6%
% of total	21.9%	21.8%	23.4%	29.2%	30.2%	32.7%	37.7%	44.2%	51.7%
Interest income (loans, credit cards, etc.)	1,141	5,195	5,240	3,310	4,051	3,427	3,202	2,269	1,919
YoY	-	355.3%	0.9%	-36.8%	22.4%	-15.4%	-6.6%	-29.1%	-15.4%
% of total	12.9%	65.0%	56.6%	48.6%	45.9%	44.8%	51.3%	36.1%	30.4%
Gains on the book value adjustments	1,617	290	1,294	1,292	1,591	1,489	415	886	749
YoY	-	-82.1%	346.2%	-0.2%	23.1%	-6.4%	-72.1%	113.5%	-15.5%
% of total	18.3%	3.6%	14.0%	19.0%	18.0%	19.5%	6.6%	14.1%	11.9%
Gain on bad debts recovered	3,245	40	42	29	34	34	35	53	40
YoY	-	-98.8%	5.0%	-31.0%	17.2%	0.0%	2.9%	51.4%	-24.5%
% of total	36.7%	0.5%	0.5%	0.4%	0.4%	0.4%	0.6%	0.8%	0.6%
Commissions received		408	416	127	114	98	165	273	319
YoY	-	-	2.0%	-69.5%	-10.2%	-14.0%	68.4%	65.5%	16.8%
% of total	-	5.1%	4.5%	1.9%	1.3%	1.3%	2.6%	4.3%	5.1%
Operating profit	5,969	4,296	4,186	4,037	4,450	3,909	3,100	4,178	4,111
YoY	-	-28.0%	-2.6%	-3.6%	10.2%	-12.2%	-20.7%	34.8%	-1.6%

Source: Shared Research based on company data

Credit guarantee business

In the credit guarantee business, when a borrower is unable to or has difficulties repaying a loan, the guarantee company pays the bank on behalf of the borrower. When a borrower is unable to pay off a loan, Nihon Hoshou pays off the loan to the loan provider, and that loan amount becomes a cost to Nihon Hoshou.

The company carries on this business through its consolidated subsidiary Nihon Hoshou. Nihon Hoshou had tie-ups with the following financial institutions in the credit guarantee business: Ehime Bank, Kagawa Bank, Kawasaki Shinkin Bank, Saikyo Bank, Shonan Shinkin Bank, Tokyo Star Bank, SBJ Bank, and Towa Bank. Its partner companies included: Odakyu Real Estate Co., Ltd., the Keikyu Group, Intellex Co., Ltd., Samurai Asset Finance Co., Ltd., Commosus, Inc., Cool Inc., Zaizen Group K.K., E.W.G Co., Ltd., One Drop Investment. Co., Ltd., Pressance Realta K.K., and Lifefield Holdings Co., Ltd.

Credit guarantee balance

	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
(JPYmn)				(9mths)					
Total credit guarantee balance	85,975	141,881	202,810	210,824	209,819	204,278	209,587	223,048	243,588
YoY	61.1%	65.0%	42.9%	-	-	-2.6%	2.6%	6.4%	9.2%
Unsecured	14,829	16,168	18,019	15,808	12,325	8,562	6,732	2,463	2,198
YoY	-3.6%	9.0%	11.4%	-	-	-30.5%	-21.4%	-63.4%	-10.8%
% of total	17.2%	11.4%	8.9%	7.5%	5.9%	4.2%	3.2%	1.1%	0.9%
Secured	71,146	125,712	184,791	195,015	197,493	195,716	202,855	220,585	241,389
YoY	87.3%	76.7%	47.0%	-	-	-0.9%	3.6%	8.7%	9.4%
% of total	82.8%	88.6%	91.1%	92.5%	94.1%	95.8%	96.8%	98.9%	99.1%

Source: Shared Research based on company data

Diversification of credit guarantee business

At present, guarantees for condominium loans account for the bulk of the company's outstanding credit guarantees in this segment. The interest rate on condominium loans tends to be lower than on consumer loans, and Nihon Hoshou's income is only around 1% of loan amounts. However, the loan amounts themselves are large at around JPY95–100mn per contract—compared with JPY500,000 for consumer loans—meaning the loan balance is easy to grow. Furthermore, condominium loans are secured, and write-off risks are limited.

That said, Nihon Hoshou sees the need to change its policy on condominium loans since their screening standards adopted by financial institutions are getting stricter. For this reason, it is shifting to guarantees for loans on pre-owned condominiums (guarantee balance of about JPY40.0bn) while also diversifying the product lineup to include guarantees for reverse mortgages and overseas real estate-backed loans targeting the affluent.

Through the offering by Gro-Bels of funds that incorporate Nihon Hoshou's debt guarantees, the company handles guarantees in loan crowdfunding and real estate purchase guarantees in real estate investment crowdfunding. In crowdfunding for loans, it began providing guarantees for lendings through the Cool platform operated by Cool Inc. and Cool Services Inc., which are subsidiaries of ZUU Co., Ltd. In crowdfunding for real estate investments, the company began providing guarantees through crowdfunding websites including Ooya.com operated by Gro-Bels. For real estate-backed

loans, the company teamed up with Mitsui Fudosan Realty Co., Ltd. in April 2021 and with Keihan Real Estate Co., Ltd. in December 2021 and began providing guarantees.

Servicer business

The servicer business came into being in 1999 to deal with bad debts held by financial institutions under the Act on Special Measures Concerning Claim Management and Collection Businesses. Within Financial Business in Japan, Partir Servicer is the main company involved in receivables collection. In FY12/24, Partir Servicer posted operating revenue of JPY4.0bn (+9.7% YoY), operating profit of JPY1.8bn (+13.9% YoY), and pre-tax profit of JPY1.8bn (+14.0% YoY).

The servicer business involves managing and recovering “specified monetary claims” either on behalf of a financial institution or other organization, or transferred from one. Specified monetary claims are those based on guarantee contracts or loan receivables, leasing and credit receivables owed to a financial institution and those belonging to an entity in the midst of legal bankruptcy proceedings. Servicers buy non-performing loans (NPLs) from financial institutions at a discount to fully claimable amounts. The purchased debts are accounted for at book value as purchased receivables under current assets.

Money recovered from debtors is the company’s revenue and accounted for as collection of purchased receivables, loan interest income, and gains on the book value adjustments of purchased receivables in the income statement. Operating expenses in this business are recorded as receivable purchase costs, because they refer to the price required to acquire the receivables (the amortized cost method is used for receivables with which it is possible to estimate future cash flows).

Partir Servicer’s strengths lie in its ability to collect debts owed by individuals. Further, the company says that its ability to analyze collection gives it a competitive advantage when bidding. Partir Servicer said that it has been able to blend the expertise gained by its past acquisitions of a variety of companies which enables it to have a high collection rate.

Gains from recovering written-off NPLs

In Japanese accounting standards, gains from recovering written-off NPLs reflect revenue from collection of NPLs—purchased receivables assumed by Nihon Hoshou from defunct Takefuji—that have already been written off the balance sheet. Written-off NPLs have no book value, so recovery implies zero-cost profits. Through use of its proprietary expertise, the company is making progress in recoveries. Under current IFRS standards, the book value is calculated based on estimated cash flows and recorded as purchased receivables in the statement of financial position, and revenue is recorded as interest revenue.

Securities business

In February 2022, J Trust acquired all outstanding shares of H.S. Securities Co., Ltd. (now JTG Securities) from HS Holdings Co., Ltd. (TSE Standard: 8699) and made it a subsidiary.

JTG Securities is a comprehensive securities company handling a wide variety of Japanese and foreign equities, bonds, and investment trusts; it also has an investment banking division. It is particularly strong in sales of foreign currency-denominated bonds and foreign equity, and is one of the lead manager candidates listed by the Tokyo Stock Exchange. In addition, it is certified as J-Adviser for the Tokyo Pro Market. In January 2025, the company obtained the F-Adviser qualification, which entitles it to conduct listing examinations and related activities for the Fukuoka Pro Market (FPM), a market for professional investors operated by the Fukuoka Stock Exchange.

J Trust intends to take full advantage of JTG Securities’ functions and customer bases. By developing synergies between the securities arm and the group’s credit guarantee business in Japan that collaborates with regional financial institutions, as well as its financial businesses overseas, the company intends to offer new services and diversify its product lineup. Further, J Trust hopes to enter the private bank domain that can accurately capture startup needs—an area that has not been adequately captured in Japan thus far.

JTG Securities aims to expand its scheme of partnering with regional financial institutions on securities-backed loans, while accumulating a guarantee balance through a structure guaranteed by Nihon Hoshou. It is also focusing on providing services to affluent customers, aiming to increase the balance of assets under custody from JPY409.2bn at end-FY12/24 to JPY1.0tn in five years.

- ▶ The securities-backed loans offered by JTG Securities have competitive interest rates compared to medium- and large-sized securities firms, and the balance is on the rise, the company said.

- ▶ As of March 2025, 81% of JTG Securities' sales staff held the Primary PB certification, a private banker (PB) qualification established by the Securities Analysts Association (SAAJ).

JTG Securities is also expanding its services. In August 2024, it began offering an asset-based fee structure (for IFAs). The company has nine IFA partners (as of June 30, 2024), and new partnerships have contributed to an increase in assets under custody.

J Trust Global Securities jointly developed with Smartplus Ltd. a discretionary investment management service for individual investors—WEALTH GROWTH—which is the first in Japan to focus on US individual stocks and launched the service in February 2025.

JTG Securities earnings

	FY03/19	FY03/20	FY03/21	FY03/22	FY12/22	FY12/23	FY12/24
(JPYmn)							
Operating revenue	3,338	3,321	3,746	3,479	2,276	3,382	4,492
Commissions		1,233	1,322	1,251	789	1,281	1,508
Brokerage commissions		810	1,037	832	551	846	888
Other commissions and fees		423	285	419	238	435	620
Trading profit (loss)		1,531	1,894	1,793	1,213	1,610	2,394
Stock		530	1,096	931	499	702	928
Bond		1,001	798	862	714	907	1,466
Financial revenue			529	434	274	491	590
Net operating revenue		3,180	3,628	3,429	2,232	3,307	4,418
Recurring profit (loss)	148	195	583	500	-95	-27	521
Profit (loss)		24	363	401	-199	134	375

Source: Shared Research based on company data

Credit and consumer credit business

In 2020, J Trust sold its shareholdings in J Trust Card (now Nexus Card) to Nexus Bank Co., Ltd. However, in March 2022, the former J Trust Card (now Nexus Card) became J Trust's consolidated subsidiary again following a share exchange between the company and Nexus Bank. In FY12/24, Nexus Card posted operating revenue of JPY2.3bn, operating profit of JPY521mn, and profit of JPY508mn.

Nexus Card operates an installment credit business through affiliated merchants including Men's Clear, the largest operator of men's beauty and hair removal salons in Japan. Nihon Hoshou can guarantee the installment-sales accounts receivables of Nexus Card, and thereby boost its guarantee balance.

Financial Business in South Korea and Mongolia (36.0% share of operating revenue)

Providers of consumer loans in South Korea

Three groups provide consumer loans in South Korea. The first tier comprises banks; the second tier is non-bank deposit taking institutions, specialist credit companies and others; the third tier is money lending organizations. Savings banks fall under the second tier.

	Tier	Broad classification	Detailed classification
Regulated sector	Tier 1	Banks	General banks (city banks, regional banks, foreign banks) Specialist banks (farm co-ops, fisheries co-ops Korea Development Bank etc.)
	Tier 2	Non-bank deposit taking institutions	Savings banks
			Credit co-ops (co-ops, Saemaul finance firms)
		Specialist credit companies	General finance companies
			Capital companies
			Credit card companies
Unregulated sector	Tier 3	Money lending organizations	Insurance companies
			Securities companies
			Money lending companies

Source: Shared Research based on company data

Note: Regulated financial institutions are those under the direct control and supervision of, and licensed by, South Korean regulators.

Note: The above are not legal classifications criteria but are conventions used in the South Korean society.

Stricter restrictions on lending have been applied to banks in the first tier. The interest rate ceiling was lowered from 49.0% to 44.0% in July 2010, to 39.0% in June 2011, and to 34.9% in April 2014. It was lowered again to 27.9% in March 2016, to 24.0% in February 2018, and to 20.0% in July 2021.

The company has been involved in the consumer finance business in Japan since the late 2000s amidst tightening regulations such as the reduction of maximum interest rates and the introduction of limits on total volume. This experience has allowed it to flexibly adopt countermeasures against the trend of tighter regulations on personal loans in South Korea.

Savings banks

Savings banks are small financial institutions serving SMEs and providing home loans in various regions.

Savings banks' business operations

Key business areas	Main products and services
Deposits	Ordinary deposits, savings deposits, free deposits
	Periodic deposits (time deposits, accommodation drafts)
	Installment deposits: trust deposits (free installment deposits, periodic installment deposits)
Lending	Personal loans, loans secured by real estate and chattels, low-interest government guaranteed financial products aimed at people on low incomes
	Development of products suited to regions' and customers' characteristics, stimulating relationship banking
Ancillary businesses	Domestic exchange (settlement of payables and receivables for domestic financial institutions and funds transfers)
	Sale of insurance products
	Installment finance (savings banks that meet certain conditions (period of at least two years, maintaining BIS capital ratio of at least 10%) may operate installment finance businesses) (JT Savings Bank meets the criteria)
	Savings banks may operate a number of businesses in addition to the above, and the scope is expanding

Source: Shared Research based on company data

There are major differences in how money lenders and savings banks raise funds. Shared Research thinks that the savings banks have a competitive edge in this respect. Money lenders in South Korea are restricted in raising funds from banks and other regulated financial institutions. They are allowed to make private placements of bonds, but public bond issuances need approval from the Financial Supervisory Service. According to J Trust, savings banks can accumulate low-cost deposits, while making loans at similar interest rates to the money lenders.

Performance for Financial Business in South Korea and Mongolia and its main subsidiaries

	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
(JPYmn)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Operating revenue	29,182	35,857	39,682	6,756	12,390	14,806	38,451	47,520	46,299
Savings banks	24,043	28,840	31,851	22,932	11,803	14,293	37,340	45,517	44,376
JT Chinae Savings Bank	18,928	21,064	21,695	14,932	-	-	19,832	26,324	24,528
JT Savings Bank	5,115	7,776	10,156	8,000	11,803	14,293	17,508	19,193	19,848
TA Asset Management	1,879	1,519	1,993	2,385	1,144	391	154	779	644
Segment profit	3,197	3,555	4,880	2,160	2,018	3,208	14,437	-3,334	964
Savings banks	3,468	3,158	4,112	5,511	2,921	3,704	4,598	-3,686	810
JT Chinae Savings Bank	2,846	1,592	2,459	3,577	-	-	948	-3,903	774
JT Savings Bank	622	1,566	1,653	1,934	2,921	3,704	3,650	217	36
TA Asset Management	1,349	482	887	1,770	242	-664	-501	101	-166
Loans in the banking business	236,873	266,996	277,940	284,258	131,723	166,315	414,626	392,443	383,745

Source: Shared Research based on company materials

Note: JT Chinae Savings Bank was added to the company's scope of consolidation in April 2022, making 9-months' contribution to consolidated FY12/22 results.

JT Savings Bank and JT Chinae Savings Bank

J Trust's financial business in South Korea was previously made up of three businesses: the savings bank business (JT Chinae Savings Bank and JT Savings Bank), the capital business which is part of the specialty finance industry (JT Capital), and the receivables collection business (TA Asset Management). In FY12/20, as a part of restructuring, the company sold J Trust Card (now Nexus Card, parent of JT Chinae Savings Bank) to SAMURAI & J PARTNERS (now Nexus Bank), signed a basic agreement to transfer JT Savings Bank to VI Financial Investment Corporation (South Korea), and completed the transfer of JT Capital shares in August 2021.

However, the share transfer was cancelled for JT Savings Bank (November 2021), as the deadline for concluding a share purchase agreement with the transferee passed without the parties reaching agreement on terms. In January 2022, the company decided to conduct a share exchange with Nexus Bank Co., Ltd. JT Chinae Savings Bank became a consolidated subsidiary of the company in April 2022, returning the company to a two-savings bank structure. Total assets of the two banks combined ranks seventh in size among the 79 savings banks in South Korea.

JT Savings Bank earnings

	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
(JPYmn)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Loans in the banking business	68,191	91,523	98,579	109,743	131,723	166,315	181,394	187,570	178,552
YoY	-	34.2%	7.7%	-	20.0%	26.3%	9.1%	3.4%	-4.8%
Deposits by banking business	71,509	98,640	108,283	119,159	138,034	165,937	202,411	196,490	180,493
YoY	-	37.9%	9.8%	-	15.8%	20.2%	22.0%	-2.9%	-8.1%
Total assets		111,157	122,091	208,925	155,245	186,991	229,504	226,404	208,026
YoY		-	9.8%	-	-25.7%	20.4%	22.7%	-1.4%	-8.1%
Operating revenue	5,115	7,776	10,156	8,000	11,803	14,293	17,508	19,193	19,848
Interest income (loans, credit cards, etc.)	-	7,257	9,153	7,187	10,721	12,344	14,871	17,411	17,737
YoY	-	52.0%	30.6%	-	47.5%	21.1%	22.5%	9.6%	3.4%
Operating revenue/ loans	7.5%	9.7%	10.7%	7.7%	9.8%	9.6%	10.1%	10.4%	10.8%
Operating expenses	2,762	3,895	5,950	4,084	6,042	7,781	10,983	16,015	16,806
Deposit interests	1,253	1,888	2,673	1,957	2,602	2,868	4,801	9,309	7,553
Deposit interests/ Deposit balance	1.8%	2.2%	2.6%	1.7%	2.0%	1.9%	2.6%	4.7%	4.0%
Credit costs	1,259	1,630	2,681	1,771	2,881	4,232	5,168	5,419	7,183
Reserve ratio	-	2.0%	2.8%	1.7%	2.4%	2.8%	3.0%	2.9%	3.9%
Other	250	377	596	356	559	681	1,014	1,287	2,070
SG&A expenses	1,740	2,328	2,557	2,001	2,847	2,828	2,891	2,985	2,950
YoY	-	33.8%	9.8%	-	42.3%	-0.7%	2.2%	3.3%	-1.2%
SG&A ratio	34.0%	29.9%	25.2%	25.0%	24.1%	19.8%	16.5%	15.6%	14.9%
Personnel expenses	691	1,102	1,474		1,674	1,686	1,777	1,786	1,824
Other expenses	1,049	1,226	1,083	2,001	1,173	1,142	1,114	1,199	1,126
Operating profit (loss)	622	1,566	1,653	1,934	2,921	3,704	3,650	217	36
YoY	-	151.8%	5.6%	-	51.0%	26.8%	-1.5%	-94.1%	-83.4%
Operating profit margin	12.2%	20.1%	16.3%	24.2%	24.7%	25.9%	20.8%	1.1%	0.2%

Source: Shared Research based on company data

JT Chinae Savings Bank earnings

	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
(JPYmn)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Loans in the banking business	173,994	175,445	179,298	174,515			237,604	208,376	207,555
YoY	-	0.8%	2.2%	-			-	-12.3%	-0.4%
Deposits by banking business	179,160	185,511	205,766	184,557			268,672	233,958	219,183
YoY	-	3.5%	10.9%	-			-	-12.9%	-6.3%
Total assets		208,988	228,300	208,925			303,390	267,157	251,541
YoY		-	9.2%	-			-	-11.9%	-5.8%
Operating revenue	18,928	21,064	21,695	14,932			19,832	26,324	24,528
Interest income (loans, credit cards, etc.)	-	20,103	19,853	13,316			17,504	22,859	20,869
YoY	-	11.3%	3.0%	-			-	32.7%	-6.8%
Operating revenue/ Loan balance	10.9%	12.1%	11.2%	7.5%			7.4%	11.0%	10.1%
Operating expenses	9,667	13,351	13,328	7,676			14,373	25,014	18,841
Deposit interests	3,501	4,139	5,166	3,671			5,338	12,057	9,155
Deposit interests/ Deposit balance	2.0%	2.3%	2.6%	1.9%			2.0%	5.2%	4.2%
Credit costs	5,211	6,510	6,124	3,015			6,734	10,079	6,059
Reserve ratio	-	3.7%	3.5%	1.7%			2.8%	4.8%	2.9%
Other	955	2,702	2,038	990			2,301	2,878	3,627
SG&A expenses	6,428	6,123	5,939	3,680			4,520	5,229	4,911
YoY	-	-4.7%	-3.0%	-			-	15.7%	-6.1%
SG&A ratio	34.0%	29.1%	27.4%	24.6%			22.8%	19.9%	20.0%
Operating profit (loss)	2,846	1,592	2,459	3,577			948	-3,903	774
YoY	-	-44.1%	54.5%	-			-	-	-
Operating profit margin	15.0%	7.6%	11.3%	24.0%			4.8%	-	3.2%

Source: Shared Research based on company data

TA Asset Management

Establishment of loan servicing business

J Trust purchased South Korean consumer finance company Neoline Credit in 2011, and in March 2014 it bought South Korean loan companies KJI Consumer Finance LLC (now TA Asset Management Co., Ltd.) and HICAPITAL Co., Ltd. In August 2014, J Trust transferred its loan businesses operated by KJI, HICAPITAL, and Neoline Credit to JT Chinae Savings Bank. After the business transfer, KJI, HICAPITAL, and Neoline Credit began operating as TA Asset Management, with the organization specializing in purchasing and recovering NPLs.

TA Asset Management earnings

TA Asset Management's operating revenue comes from interest on loans, gains on the book value adjustments of purchased receivables, gains on recovering written-off NPLs, and other operating revenue. TA Asset Management's main revenue source was interest on loans, which is generated when the company recovers purchased NPLs, and gains on the book value adjustments. In FY12/24, TA Asset Management posted operating revenue of JPY644mn and an operating loss of JPY166mn.

Financial Business in Southeast Asia (37.1% share of operating revenue)

In Indonesia, J Trust mainly operates PT Bank JTrust Indonesia Tbk. (the former PT Bank Mutiara Tbk.; BJI), a commercial bank; PT JTrust Investments Indonesia (JTII), which is involved in collections of NPLs; and PT Turnaround Asset Indonesia (TAID). In August 2019, the company purchased 55% of the shares of ANZ Royal Bank (Cambodia) Ltd. and made it a consolidated subsidiary from August 2019. The company changed its name to JTrust Royal Bank Plc. (JTRB).

Indonesian business environment

Indonesia is an attractive market with a population of 280mn. The GDP growth rate has averaged around 5% over the past decade. The country is experiencing a “demographic bonus” period—with a growing population driving economic growth—which is expected to continue until around 2040.

PT Bank JTrust Indonesia (BJI)

Bank Mutiara (now PT Bank JTrust Indonesia) became a subsidiary in November 2014

In November 2014, the company acquired 99.0% of shares in Bank Mutiara Tbk. (now PT Bank JTrust Indonesia Tbk.), an Indonesian commercial bank, and consolidated it as a subsidiary. Indonesian law dictates that foreign entities may only hold up to 40% of ownership in a commercial bank, but as a special case, J Trust has been allowed to hold up to a 100% share in PT Bank JTrust Indonesia, as the bank had been rescued by the Indonesia Deposit Insurance Corporation.

At the time of the acquisition, PT Bank JTrust Indonesia was an Indonesian commercial bank with a branch network of over 60 branches spread across Indonesia and with total assets of about JPY120bn (as of March 31, 2014). In November 2008, Bank Mutiara, former PT Bank Century Tbk, came under the control of the Indonesia Deposit Insurance Corporation (Lembaga Penjamin Simpanan [LPS]). Bank Mutiara restructured its operations under LPS’ supervision, and LPS began the public bidding process for the sale of all shares in Bank Mutiara in March 2014.

PT Bank JTrust Indonesia’s primary revenue source comes from interest on loans. PT Bank JTrust Indonesia worked to reform its management structure from FY03/16. Under a new management team, it aimed to increase the loan balance in a stable way by reducing low-interest and large-lot corporate loans of about JPY1.0bn, focusing on loans for consumers and loans acquired from collaborating with Fintech companies such as P2P lenders, and expanding business alliances with multi-finance companies. However, in FY03/19, the company reshuffled the management and changed its management policy following an increase in NPLs. PT Bank J Trust Indonesia managed to turn a profit in FY12/22.

- ▶ The company notes that while loan balances are increasing stably, further growth in lending will require capital enhancement due to capital adequacy regulations.

The main line items under operating expenses are the deposit interest, bad debt expenses, and SG&A expenses. PT Bank JTrust Indonesia’s deposits were held mostly by large deposit accounts holders, making the cost of funds relatively high. However, the company is working to decrease the average deposit interest rate by increasing the CASA ratio (ratio of current account and savings account deposits as a percentage of overall deposits).

PT Bank JTrust Indonesia earnings

	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
(JPYmn)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Loans in the banking business	89,630	90,791	63,577	47,520	51,504	80,500	163,960	216,042	256,403
YoY	-	1.3%	-30.0%	-25.3%	8.4%	56.3%	103.7%	31.8%	18.7%
Deposits by banking business	114,081	119,588	123,677	115,752	105,669	149,614	251,739	324,034	354,991
YoY	-	4.8%	3.4%	-6.4%	-8.7%	41.6%	68.3%	28.7%	9.6%
Operating revenue	13,573	13,818	11,779	6,710	8,593	8,007	16,045	23,696	30,240
YoY	-	1.8%	-14.8%	-43.0%	28.1%	-6.8%	100.4%	47.7%	27.6%
Operating revenue/ Loan balance	-	11.4%	11.7%	7.9%	11.4%	9.8%	12.4%	7.9%	6.4%
Operating expenses	11,871	8,685	11,472	3,897	10,028	8,374	9,961	16,150	22,279
Deposit interests	8,080	8,053	7,893	5,613	7,321	6,670	9,389	15,966	21,354
Deposit interests/ Deposit balance	-	6.9%	6.5%	4.7%	6.6%	5.2%	4.7%	5.5%	6.3%
Credit costs	2,286	-686	1,530	-3,559	486	1,076	28	-603	-56
Reserve ratio	-	-	2.0%	-	1.0%	1.6%	0.0%	-0.3%	0.0%
Other operating expenses	1,505	1,318	2,049	1,843	2,221	628	544	787	981
SG&A expenses	4,244	4,905	5,332	4,685	3,826	4,156	4,829	6,429	6,741
YoY	-	15.6%	8.7%	-12.1%	-18.3%	8.6%	16.2%	33.1%	4.9%
SG&A ratio	31.3%	35.5%	45.3%	69.8%	44.5%	51.9%	30.1%	27.1%	22.3%
Personnel expenses	1,906	2,158	2,288	1,451	1,922	2,076	2,532	3,095	3,462
Other expenses	2,338	2,747	3,044	3,234	1,904	2,080	2,297	3,334	3,279
Operating profit (loss)	-4,149	1,106	-5,901	-276	-5,030	-3,852	1,357	1,202	1,329
YoY	-	-	-	-	-	-	-	-	10.6%
Operating profit margin	-	8.0%	-	-	-	-	8.5%	5.1%	4.4%

Source: Shared Research based on company materials

PT JTrust Investments Indonesia (JTII)

In June 2015, the company established PT JTrust Investments Indonesia (JTII). In October 2015, it purchased NPLs from PT Bank JTrust Indonesia, and dedicated itself to managing and collecting the receivables. The aim of setting up and launching operations at JTII was to get first-mover advantage with an eye on future market growth in a country where there was a dearth of specialist receivables collection companies.

The company has significantly increased the number of debt management and collection staff in an effort to capture profit opportunities by combining its expertise in debt management and collection cultivated in Japan and Korea. The company is also currently purchasing NPLs from companies other than BJI.

PT Turnaround Asset Indonesia (TAID)

TAID was established as a subsidiary of TAA, which is well known in Korea, targeting Korean financial institutions. It launched in March 2021. Currently, TAID purchases receivables from Korean financial institutions and is entrusted with the collection of such receivables. Moving forward, the company plans to have JTII purchase real estate-secured loans based on its accumulated know-how, and TAID purchase unsecured loans based on its expertise in Korea. It will target small receivables from individuals in order to utilize the expertise in collecting unsecured receivables from individuals that the company has cultivated in Korea and Japan.

JTrust Royal Bank (JTRB)

In May 2018, the company decided to acquire 55.0% of total common shares issued by ANZ Royal Bank (Cambodia) Ltd. and completed the acquisition in August 2019. The bank became the company's consolidated and specified subsidiary and changed its name to JTrust Royal Bank Plc. (JTRB) (Results consolidated from August 2019.)

Following its consolidation, J Trust planned to expand JTRB's business strategy to encompass the middle class market, which has a larger market size and higher growth potential.

Reference: JTrust Royal Bank's earnings

	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
(JPYmn)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Loans in the banking business	-	-	-	52,646	69,041	102,116	128,728	138,824	158,747
YoY	-	-	-	-	31.1%	47.9%	26.1%	7.8%	14.4%
Deposits by banking business	-	-	-	64,386	84,085	122,904	142,838	157,089	195,714
YoY	-	-	-	-	30.6%	46.2%	16.2%	10.0%	24.6%
Operating revenue	-	-	-	1,733	5,259	7,693	11,739	13,872	15,860
YoY	-	-	-	-	203.5%	46.3%	52.6%	18.2%	14.3%
Operating revenue/ loans	-	-	-	-	8.6%	9.0%	10.2%	10.4%	10.7%
Operating expenses	-	-	-	262	1,462	2,707	4,907	6,724	7,941
Deposit interests	-	-	-	129	1,051	2,530	3,965	6,456	7,751
Deposit interests/ Deposit balance	-	-	-	-	1.4%	2.4%	3.0%	4.3%	4.4%
Credit costs	-	-	-	82	261	-9	909	208	179
Reserve ratio	-	-	-	-	0.4%	0.0%	0.8%	0.2%	0.1%
Other operating expenses	-	-	-	51	150	186	33	60	11
SG&A expenses	-	-	-	1,165	3,034	3,562	4,777	5,311	5,427
YoY	-	-	-	-	160.4%	17.4%	34.1%	11.2%	2.2%
SG&A ratio	-	-	-	67.2%	57.7%	46.3%	40.7%	38.3%	34.2%
Personnel expenses	-	-	-	644	1,506	1,762	2,388	2,625	2,934
Other expenses	-	-	-	521	1,528	1,800	2,389	2,686	2,493
Operating profit (loss)	-	-	-	299	759	1,365	2,041	1,830	2,480
YoY	-	-	-	-	153.8%	79.8%	49.5%	-10.3%	35.5%
Operating profit margin	-	-	-	17.3%	14.4%	17.7%	17.4%	13.2%	15.6%

Source: Shared Research based on company data

The above data are before consolidation adjustments.

Real Estate Business (13.5% share of operating revenue)

Effective Q1 FY12/23, the company has placed some operations that had been included in the Other Business segment into a new Real Estate business. The domestic real estate business is operated by J-Grand Co., Ltd. (mainly investment real estate), Gro-Bels Co., Ltd. (mainly condominiums, real estate brokerage and management, and real estate crowdfunding), Live Rent Inc. (leasing and management), and GRAND GUARANTEE (rent guarantee business).

J Trust completed the business integration with Mirainovate (Real Estate and Renewable Energy Business; revenue of JPY7.3bn in FY03/22) and made Gro-Bels a subsidiary in February 2023, and made Live Rent a subsidiary in May 2023.

In FY12/24, J-Grand posted revenue of JPY9.3bn (+45.8% YoY), operating profit of JPY461mn (+55.7% YoY), and net profit of JPY344mn (+99.5% YoY). Gro-Bels reported FY12/24 revenue of JPY7.0bn (+0.7% YoY), operating profit of JPY6mn (versus JPY390mn in FY12/23), and net loss of JPY72mn.

In June 2024, Gro-Bels listed its shares on the Tokyo Pro Market established by the Tokyo Stock Exchange. The company said it will increase the name recognition, brand awareness, and credibility of Gro-Bels, as well as enhance its ability to raise investment capital for future growth in its real estate development and real estate solutions businesses as a comprehensive real estate company. In Gro-Bels' new condominium development business, it carefully selects and acquires land near stations in highly convenient areas, mainly in Tokyo and three surrounding prefectures (Kanagawa, Saitama, and Chiba). It primarily focuses on supplying compact condominiums with 1LDK and 2LDK layouts, targeting families in markets less actively pursued by major real estate companies.

In March 2025, J-Grand entered the rent guarantee business with the establishment of GRAND GUARANTEE Co., Ltd., leveraging expertise gained through its rental property management operations. The company expects steady demand from within the group's managed rental portfolio. It also strengthened its organizational capabilities by expanding service offerings for property owners. In April 2025, GRAND GUARANTEE concluded a business alliance agreement with Credit Saison Co., Ltd. and began providing rent guarantee services to tenants and property management companies.

In March 2025, J-Grand completed construction of J-ARC Shinjuku/ *Minpaku-Resi*, a residential property that incorporates private short-term lodging (*minpaku*), marking the company's entry into the short-term rental business.

Other Business (share of operating revenue: 0.5%)

The Other Business segment, which is not a reportable segment, mainly includes the systems business. In the systems business, J Sync Co., Ltd. (formerly Robot System) develops systems and engages in computer operation/management for the J Trust group.

Market and value chain

Japan (credit guarantee and servicer businesses)

Credit guarantee business

In Japan, companies operating credit guarantee businesses include credit guarantee associations and private credit guarantee companies that provide services for companies, and mortgage guarantee companies, rent guarantee companies, and credit card and consumer loan guarantee companies (including some credit card and consumer finance companies) that provide services for individuals. In addition, banks, credit unions, and other financial institutions provide guarantee services for their own customers.

According to the Japan Federation of Credit Guarantee Corporations, the balance of guaranteed liabilities in FY03/24 was about JPY36tn. Prior to the COVID-19 outbreak, the balance was roughly JPY20tn and declining, but the number of loans with guarantees increased during the pandemic. Shared Research believes it would be difficult to calculate a specific market share for J Trust's credit guarantee business within its specific business domain (mainly real estate-related loans), given the wide range of entities involved in the guarantee business, from public institutions to private companies, and the fact that the scope of guarantees is spread across a variety of financial services.

Servicer business

In Japan, receivables collection companies are often established with investment from major companies because they must comply with requirements of the Act on Special Measures Concerning Claim Management and Collection Business (including minimum capital stock of JPY500mn, strict non-involvement with organized crime groups, and at least one lawyer among the company's directors). For this reason, many are affiliated with public institutions (including as subsidiaries of the Resolution and Collection Corporation or credit guarantee corporations), financial institutions (including as subsidiaries of banks or credit card, consumer credit, or leasing companies), or other general businesses (including as subsidiaries of consulting or real estate firms). Shared Research believes that, as with the credit guarantee business, it would be difficult to calculate the company's market share, although in this case because most of the players are unlisted.

South Korea Banking Industry

Total assets (KRW10mn)	Mar. 2019	Dec. 2019	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023
Domestic banks	249,029,949	260,031,642	287,998,384	317,271,454	344,780,001	354,695,728
JT Chinae Savings Bank	232,959	220,851	-	-	287,573	241,771
JT Savings Bank	124,583	141,223	163,073	192,180	217,540	204,890

Source: Shared Research based on data from South Korea's Financial Supervisory Service and J Trust

Against a backdrop of economic growth and industrial development in South Korea, along with global expansion of the South Korean banking industry, total assets of the South Korean banking industry expanded from KRW1,696tn in 2011 to KRW3,547tn in 2023. The share of J Trust's two group companies in South Korea (JT Chinae Savings Bank and JT Savings Bank) in the combined total assets of licensed banking companies in South Korea has remained stable at about 0.1–0.2%.

Indonesia Banking Industry

Total assets (IDR1.0bn)	Mar. 2019	Dec. 2019	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023	Dec. 2024
Commercial banks	8,130,604	8,562,974	9,177,894	10,112,304	11,113,321	11,765,838	12,460,955
Regional financial institutions	137,362	149,872	155,075	168,443	182,302	194,984	204,676
PT Bank JTrust Indonesia	17,628	16,415	15,212	20,209	32,525	38,229	39366.7

Source: Shared Research based on data from the Indonesia Financial Services Authority and J Trust

Against a backdrop of Indonesia's economic and population growth, urbanization, the spread of digital technologies, government regulatory reforms, the promotion of financial inclusion (initiatives to expand access to financial services to unbanked and rural populations), and an improved investment climate and inflows of capital from abroad, total assets of the Indonesian banking industry grew from IDR3,708tn in 2011 to IDR11,960tn in 2023, maintaining a high growth rate for an extended period of time. The share of the company's subsidiary in Indonesia (PT Bank JTrust Indonesia) in the combined total

assets of licensed banking companies in Indonesia is about 0.3%. This share is gradually increasing as the company increases its lending to large local companies and conglomerates.

Cambodia Banking Industry

Total assets (KHR1mn)	Dec. 2018	Dec. 2019	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023
Commercial banks	137,318,729	176,832,480	204,635,852	242,134,871	270,007,502	314,299,798
J Trust Royal Bank	3,813,622	3,336,363	4,252,401	5,409,606	5,543,576	5,655,331

Source: Shared Research based on data from the National Bank of Cambodia and J Trust

Against a backdrop of Cambodia's economic and population growth, urbanization, increasing investment directly from China and other countries, promotion of financial inclusion, improvement in the regulatory environment, and development of fintech such as mobile banking and electronic payments, total assets of the Cambodian banking industry expanded from KHR25.9tn in 2010 to KHR314.3tn in 2023, maintaining a high growth rate for an extended period of time. The share of the company's subsidiary in Cambodia (J Trust Royal Bank) in the combined total assets of licensed banking companies in Cambodia is stable at roughly 2%.

Strengths and weaknesses

Strengths

Ability to lead business development in Asia by leveraging expertise gained in Japan and South Korea

J Trust has experience in acquiring and operating consumer finance businesses in Japan, also dealing with associated regulatory issues, and has passed on the expertise obtained through this experience to its financial businesses in South Korea, Indonesia, Cambodia. As a result, J Trust's savings bank business in South Korea now has a significant foothold, ranking seventh in size (JT Chinae Savings Bank and JT Savings Bank combined) within the country's savings bank industry. Similarly to the changes observed in the business environment for consumer lending in Japan in the 2000s, maximum interest rates were lowered in South Korea as well. Here, J Trust utilized its experience in consumer lending in Japan, and was able to employ a proactive business strategy offering low-interest products to quality customers ahead of its competitors. The company also leveraged the strong reputation of TA Asset Management (servicer business in South Korea) in managing and recovering receivables, and has already launched a similar business in Indonesia (TAID) in anticipation of growing servicer market in the country. The Financial Business in Southeast Asia turned to profitability in FY12/22, and the company expects BJI in Indonesia to drive its earnings going forward. J Trust has found success in applying the expertise on lending, collection, and other operations it honed in Japan to the fast-growing Southeast Asian business, which is one of its strengths.

Relatively high lending-deposit spread for the banking businesses in South Korea and Southeast Asia

The Japanese banking industry faces difficulties in the mainstay loan and deposit businesses, as its lending-deposit spread is less than 1% under Bank of Japan's low interest rate policy. In contrast, the lending-deposit spreads were 2.35% at PT Bank JTrust Indonesia (BJI) and 4.71% at J Trust Royal Bank (JTRB) in FY12/24, and 8.26% at JT Chinae Savings Bank and 7.55% at JT Savings Bank as of March 2025. The rate of market growth of the banking industries in countries like Indonesia and Cambodia is relatively high compared to Japan. As such, over the long term, J Trust can expect relatively high profit growth in the operation of banking businesses in Southeast Asia.

Purchasing ability

The company excels in buying undervalued businesses and receivables. The company uses its proprietary knowledge and business models to collect efficiently. These qualities bear fruit in how the company recovers written-off receivables of Takefuji Corp (defunct). In addition, the company voluntarily adopted IFRS from Q1 FY03/18. This means it will no longer have to apply straight-line amortization of goodwill required under Japanese accounting standards for future large-scale M&A deals. With the move to IFRS, the company believes there is little chance for existing goodwill particularly in the Indonesian business to negatively impact consolidated earnings for the group. J Trust has used acquisitions to cultivate new business areas ahead of its competitors. Success on this front is largely attributable to the market analysis and execution capabilities of

the company's management team. Examples of such moves include entry into the South Korean savings banks business in 2012, financing through a rights offering in 2013, acquisition of Indonesian commercial bank (Bank Mutiara) in 2014, and acquisition of a commercial bank in Cambodia in 2019.

Weaknesses

Susceptible to financial regulation

The company's main businesses, its Financial Business in Japan, its Financial Business in South Korea and Mongolia, and its Financial Business in Southeast Asia, are all regulated businesses. Specifically, its Financial Business in Japan is regulated under the Moneylending Business Act and the Servicer Act, its Financial Business in South Korea and Mongolia is regulated under the Mutual Savings Bank Act, and its Southeast Asia business is regulated by capital adequacy requirements as well as other various regulations. As a result, changes in the regulatory environment can lead to fluctuations in the company's earnings. Until FY03/14, the domestic unsecured loan business was impacted by an amendment to the Moneylending Business Act, etc., and the company said it was difficult to expect growth in this business, and had effectively exited it. The Financial Business in South Korea carries the risk of facing further reduction of maximum interest rates and the tightening of financial regulations such as those concerning limits on total volume of household loans. The growth rate of loans outstanding in the Financial Business in South Korea—the segment that has underpinned the company's performance—is undeniably headed for a slowdown.

Performances of the two savings banks in South Korea are vulnerable to temporary downturn from sharp rise in interest rates as deposits are heavily skewed toward term deposits

The deposits secured by JT Chinae Savings Bank and JT Savings Bank in the Financial Business in South Korea and Mongolia are mainly one-year (fixed-rate) term deposits. Interest rates on deposits can be revised after one year based on market interest rates; interest rates on loans can also be raised. However, a sharp rise in market interest rates can temporarily raise the funding costs of deposits. In fact, earnings of the company's two savings banks in South Korea were squeezed by the rise in market interest rates seen in Q4 FY12/22. Banking businesses need to put in place a flexible ALM control system by diversifying their deposit acquisition structures in consideration of the maturities of their loan receivables.

Prone to personnel shortages caused by rapid business growth

The company may face problems arising from personnel shortages when undertaking due diligence related to acquisitions or conducting post-acquisition operations. The company employed a large number of accounting staffs in preparation of the IFRS adoption, and it is also bringing on M&A personnel and reinforcing its human resources through new hires in fields such as internal control and auditing. Despite these efforts, however, personnel shortages remain a weakness for the company.

Key group companies

J Trust has set up a holdings structure where each group company operates under J Trust. Among the group companies, JT Chinae Savings Bank and Nihon Hoshou in particular provide significant earnings contributions.

Company name	Main business	Ownership of voting rights/ ratio of voting rights held (%)
Partir Servicer Co., Ltd.	Financial Business in Japan	99.90
Nihon Hoshou Co., Ltd.	Financial Business in Japan	100.00
J Trust Asia Pte. Ltd.	Investment Business	100.00
TA Asset Management Co., Ltd.	Financial Business in South Korea and Mongolia	100.00
PT Bank JTrust Indonesia Tbk	Financial Business in Southeast Asia	94.76
JT Savings Bank Co., Ltd.	Financial Business in South Korea and Mongolia	100.00
PT JTRUST INVESTMENTS INDONESIA	Financial Business in Southeast Asia	99.90
J Trust Credit NBFJ	Financial Business in South Korea and Mongolia	100.00
J Trust Royal Bank Plc.	Financial Business in Southeast Asia	55.00
PT TURNAROUND ASSET INDONESIA	Financial Business in Southeast Asia	100.00
J-Grand Co., Ltd.	Real Estate Business	100.00
J Sync Co., Ltd.	Other Business	100.00
J Trust Global Securities Co., Ltd.	Financial Business in Japan	99.90
Nexus Card Co., Ltd.	Financial Business in Japan	99.96
JT Chinae Savings Bank co., Ltd	Financial Business in South Korea and Mongolia	100.00
Gro-Bels Co., Ltd.	Real Estate Business	99.90
Live Rent Inc.	Real Estate Business	100.00
MIRAI Inc.	Financial Business in Japan	100.00

Source: Shared Research based on company data

Equity method affiliates include KeyHolder, Inc. (TSE Standard: 4712, 30.81% of voting rights held).

Historical performance

Q1 FY12/25 results

Overview

- Operating revenue: JPY30.7bn (-2.8% YoY; progressed 22.7% toward the full-year company forecast)
- Operating profit: JPY2.1bn (a loss of JPY273mn in Q1 FY12/24; 19.2%)
- Profit attributable to owners of parent: JPY411mn (profit of JPY38mn in Q1 FY12/24; 6.3%)

Key takeaways from the latest earnings report:

- ▶ Operating revenue declined JPY897mn YoY (-2.8%) to JPY30.7bn. The breakdown of this change includes a JPY476mn increase in the Financial Business in Japan, a JPY835mn increase in the Financial Business in Southeast Asia, offset by a JPY887mn decrease in the Financial Business in South Korea and Mongolia, and a JPY1.3bn decrease in the Real Estate Business, among others. As in FY12/24, revenue was supported by several positive factors, including a steady increase in interest income from loan balance growth in the Southeast Asian banking business, higher recovery proceeds from purchased receivables at JTII, and an increase in interest income at PT Bank JTrust Indonesia, driven by more efficient use of funds held for liquidity management. On the other hand, revenue declined due to a decrease in interest revenue at PT Bank JTrust Indonesia, resulting from the proactive sale of corporate bonds with unrealized gains as part of capital efficiency efforts. Additionally, sales revenue from properties held for sale declined in the Real Estate Business.
- ▶ Operating profit grew by JPY2.4bn YoY to JPY2.1bn (compared with an operating loss of JPY273mn in Q1 FY12/24). The breakdown of the YoY growth includes increases of JPY263mn in the Financial Business in Japan, JPY911mn in the Financial Business in South Korea and Mongolia, JPY1.3bn in the Investment Business, and JPY20mn in Other Business, offsetting decreases of JPY130mn in the Financial Business in Southeast Asia and JPY31mn in the Real Estate Business. The

- ▶ profit growth was partly driven by a reduction in cost of sales for real estate held for sale in the Real Estate Business, as well as the recognition of JPY753mn in income from compensation for damage (recorded under other revenues) at J Trust Asia. Operating profit in Q1 FY12/25 (January–March 2025) exceeded the company's forecast by approximately JPY800mn. However, management noted that the strong performance in Q1 may have been somewhat exceptional, and considering the outlook for Q2 and beyond, the company believes progress remains generally in line with its full-year forecast.
- ▶ Profit attributable to owners of parent was JPY411mn (JPY38mn in Q1 FY12/24). The increase came despite foreign exchange losses stemming from the revaluation of foreign currency-denominated assets and liabilities due to a stronger yen. In Q1 FY12/25, profit attributable to owners of parent exceeded the company's forecast by approximately JPY100mn.

By business

Financial Business in Japan

Operating revenue totaled JPY4.2bn (+12.6% YoY, representing 23.5% progress toward the company's full-year forecast). Operating profit was JPY1.7bn (+18.0% YoY, equivalent to 23.1% of the full-year target).

Operating revenue increased due to a rise in gains on book value adjustments based on the effective interest method at Partir Servicer, reflecting steady growth in receivables collection. In addition, Nexus Card recorded higher installment advance fees driven by an increase in transaction volume. Even though costs rose due to a higher allowance for doubtful accounts in the credit and consumer credit business—following a bankruptcy filing by a credit customer—and increased commission expenses related to IFA support services in the securities business, profit still grew. This was supported by solid performance in the guarantee and receivables collection businesses. Operating profit in Q1 FY12/25 exceeded the company's Q1 target by approximately JPY200mn.

At end-Q1 FY12/25, the outstanding balance of Nihon Hoshou's credit guarantees stood at JPY257.4bn. Guarantees for apartment loans, overseas real estate-backed loans, and securities-backed loans performed well, and the balance is steadily increasing toward the company's full-year target. The balance of claimed receivables at Partir Servicer reached JPY1.0tn. While collections progressed steadily, the company also continued purchasing receivables, resulting in a slight net increase in the balance. The company expects operating profit to continue growing as it maintains a focus on collection operations. The balance of installment-sales accounts receivable at Nexus Card and related entities totaled JPY18.8bn, a slight decrease. The company noted that this decline was in line with its forecast, reflecting the winding down of transactions at the Clear group and seasonal factors. The balance of customer assets under custody at JTG Securities reached JPY413.3bn. Despite heightened market volatility, assets under custody continued to grow.

Strategy for FY12/25

- In the receivables collection business, the company aims to generate revenue from the collection of purchased receivables, focusing on large assets such as corporate loans extended by banks and credit card shopping receivables from major card companies.
- In the securities business, the company will actively promote its *private banking services*, which provide high value-added offerings including wealth management—a core growth area—as well as non-financial services.
- To support earnings growth, the company also plans to pursue business alliances to expand the bond business and enhance its product and service lineup targeting high-net-worth individuals.

Financial Business in South Korea and Mongolia

Operating revenue totaled JPY11.1bn (-7.4% YoY), representing 24.1% progress toward the company's full-year forecast. The company posted an operating loss of JPY375mn, an improvement from a loss of JPY1.29bn in Q1 FY12/24.

Revenue declined due to several offsetting factors. At JT Chinae Savings Bank, growth in average loan balances led to an increase in interest income from loans. However, overall interest income declined due to a reduction in holdings of marketable securities, while valuation gains on securities also decreased, reflecting lower share prices. At JT Savings Bank, dividend income from equity holdings increased. On the other hand, the operating loss narrowed due to a decline in deposit interest expenses, supported by both a reduction in deposit balances and lower funding rates. Additional positive factors included a recovery in the sale prices of non-performing loans, which reduced related losses, and a YoY decrease in

provisions for doubtful accounts. These provisions had been elevated in the prior year in response to an increase in non-performing loans. Operating profit in Q1 FY12/25 came in approximately JPY400mn above the company's initial forecast.

Lending-deposit spreads at both savings banks continued to improve in Q1 FY12/25. JT Chinae Savings Bank posted a spread of 8.26% (vs. 8.10% at end-FY12/24), while JT Savings Bank posted 7.55% (vs. 7.35%). South Korea's policy rate was lowered to 2.75% on February 25, contributing to a decline in deposit interest rates. Compared with end-FY12/24, the loan balance at JT Chinae Savings Bank increased to JPY225.2bn. The net non-performing loan (NPL) ratio after deducting loan-loss provisions stood at 1.96%, indicating sufficient reserve coverage. The company stated that it will continue to prioritize credit risk management through monitoring and ongoing efforts to limit NPLs. At JT Savings Bank, the loan balance declined slightly to JPY183.4bn as the company emphasized asset quality and managed loan growth accordingly. Although the net NPL ratio was 5.92%, the company noted that the majority of these loans are secured by collateral.

- ▶ The company expects the business to return to profitability from Q2 FY12/25 (April–June 2025), supported by further improvement in lending-deposit spreads and continued efforts to control non-performing loans.

Regarding J Trust Credit NBFJ, the share transfer was completed on April 28, 2025, following approval by Mongolia's financial authorities. Beginning with the Q2 FY12/25 earnings announcement scheduled for August 8, 2025, the company plans to exclude Mongolia from this business segment and revise the segment name accordingly.

Strategy for FY12/25

In a challenging environment marked by a continued rise in delinquent loans, personal rehabilitation cases, and credit restoration filings across South Korea in the aftermath of the COVID-19 pandemic—as well as amendments to savings bank supervisory regulations requiring the phased introduction of additional provisions for loans to heavily indebted borrowers—the company aims to achieve its performance targets through the following initiatives.

1. Strengthen the collection of short-term delinquent loans to reduce the need for additional provisions for doubtful accounts
2. Maximize profitability by strategically selecting receivables for sale or write-off
3. Lower funding costs
4. Generate reversal gains on loan-loss provisions through refinancing of large non-performing loans

Financial Business in Southeast Asia

Operating revenue totaled JPY12.1bn (+7.4% YoY), representing 23.5% progress toward the company's full-year forecast. Operating profit was JPY896mn (-12.7% YoY), achieving 29.7% of the full-year forecast.

Operating revenue increased due to several factors: higher interest income on loans resulting from increased loan balances at Bank JTrust Indonesia (BJI) and JTrust Royal Bank (JTRB); growth in collection income on purchased receivables at PT JTrust Investments Indonesia (JTII); and increased interest income at BJI from more efficient management of liquid assets. However, operating profit declined, as deposit growth in the banking business led to higher deposit interest expenses, and the prior-year period included reversal gains on provisions for doubtful accounts related to the recovery of large receivables in the receivables collection business, which were not repeated in the current period. Operating profit in Q1 FY12/25 exceeded the company's initial forecast by approximately JPY700mn.

BJI's loan balance at end-Q1 stood at JPY257.0bn, an increase from end-FY12/24. While the balance had temporarily declined in December 2024 due to the write-off of non-performing loans, it has since resumed a recovery trend. Although the NPL ratio rose slightly, it remained at a low level. At the two Indonesian servicers, the balance of claimed receivables rose to JPY115.2bn, up from end-FY12/24. The company noted that funding remains stable, enabling ongoing purchases of receivables and continued growth in claimed receivables. At JTRB (Cambodia), the loan balance reached JPY160.2bn, continuing its steady increase. The net NPL ratio remained low at 0.14%, and the company stated that even if loans were to become non-performing, they would be recoverable through the liquidation of collateral. Going forward, the company plans to strengthen monitoring and recovery efforts—including collateral auctions and legal proceedings—to prevent a rise in non-performing loans.

Strategy for FY12/25 (Indonesia)

- In the banking business, the company will focus on expanding loan balances, reducing credit costs through lower NPL ratios, lowering funding costs, and improving the liquidity ratio.

- To attract new deposit accounts and enhance brand value, the company will implement a range of marketing initiatives. These include the development of deposit programs linked to environmental protection efforts, a sponsorship partnership with a professional soccer team in Indonesia, and the sale of official merchandise for the team's fan club.
- The company will actively pursue business partnerships in the housing loan segment—currently with 42 partner institutions—to support sustainable revenue generation.
- In areas such as human resources support and business matching for companies entering the Indonesian market, as well as receivables collection, the company will continue efforts to expand revenue opportunities through increased purchases of receivables and to maximize collection proceeds.

Strategy for FY12/25 (Cambodia)

Under the slogan “Now, ACE Forward,” the company is pursuing a proactive, forward-looking strategy to achieve success by leveraging agility, consistency, and excellence.

- The company will continue to differentiate itself by targeting high-net-worth individuals and offering lending and investment solutions based on strong client relationship management.
- Starting in October 2024, the company aims to increase usage of its VISA credit cards by introducing an installment payment option. It will also focus on product development tailored to the needs of affluent clients, while further enhancing digital service capabilities.
- The company plans to expand its target customer base to include the middle-income segment and will launch new products such as SME deposit accounts.

Real Estate Business

Operating revenue totaled JPY3.3bn (-28.9% YoY), representing 16.7% progress toward the company's full-year forecast. The company posted an operating loss of JPY65mn (compared with a loss of JPY34mn in Q1 FY12/24).

Operating revenue declined due to lower sales of real estate for sale across group companies. While the cost of sales for real estate decreased, the segment recorded a wider loss owing to higher SG&A expenses. Operating profit in Q1 FY12/25 fell short of the target by approximately JPY500mn, mainly due to the delayed timing of certain property sales at both J-Grand and Gro-Bels. In March 2025, J-Grand completed construction of J-ARC Shinjuku/ *Minpaku-Resi*, a residential complex combining long-term rental units with short-term stay accommodations. The number of rental units under management by subsidiary Live Rent exceeded 1,600.

Strategy for FY12/25

- As a comprehensive real estate company involved in land, detached homes, condominiums, income properties, and real estate crowdfunding, the company will focus on strengthening brand recognition for its product lines.
- To secure stable earnings, it will closely monitor market trends—particularly developments in the Bank of Japan's interest rate policy—and conduct more cautious marketing and research to avoid misreading shifts in the market environment.
- The company also aims to cultivate new business partners, recruit quality personnel, and support stronger consumer confidence to facilitate purchase decisions.

Investment Business

Operating revenue totaled JPY49mn (up from JPY3mn in Q1 FY2/24), representing 23.7% progress toward the company's full-year forecast. Operating profit was JPY353mn, compared with a loss of JPY916mn in the same period a year earlier.

Segment profit was supported by the recognition of about JPY750mn in recovered funds by J Trust Asia, following enforcement in Cyprus of a finalized court ruling related to litigation filed in Singapore. Legal and other litigation-related expenses declined but still came in above the full-year forecast. Operating profit in Q1 FY12/25 fell short of the company's initial forecast by approximately JPY200mn.

Strategy for FY12/25

The company will focus on collecting receivables from Group Lease PCL while working to reduce recovery-related costs, such as legal expenses, and enhance overall collection efforts.

Other Businesses

Operating revenue totaled JPY157mn (+6.8% YoY), representing 23.0% progress toward the company's full-year forecast. Operating profit was JPY18mn, compared with a loss of JPY2mn in Q1 FY12/24.

Topics

Businesses in Japan

- J Trust Global Securities obtained the F-Adviser qualification on January 30, 2025, for the Fukuoka PRO Market, which the Fukuoka Stock Exchange had established in December 2024. In addition, it jointly developed with Smartplus Ltd. a discretionary investment management service for individual investors—WEALTH GROWTH—which is the first in Japan to focus on US individual stocks and launched the service in February 2025.
- In March 2025, J-Grand established GRAND GUARANTEE Co., Ltd., a new subsidiary that will operate as a rent guarantee company. In April 2025, GRAND GUARANTEE entered into a business partnership agreement with Credit Saison Co., Ltd. to collaborate in the rent guarantee business.
- In May 2025, Nihon Hoshou signed a basic agreement with Clear Co., Ltd., operator of the men's hair removal salon Men's Clear and the aesthetic salon STLASSE, to introduce a no-cost-to-user guarantee service linked to salon contracts. The service is scheduled to launch in July, with the aim of providing peace of mind to customers undergoing aesthetic treatments.

Overseas businesses

- In Singapore, J Trust Asia recovered part of the claims finalized through litigation during 1Q FY12/25 by seizing bank deposits in Cyprus and other jurisdictions. In addition, the company resolved to dissolve its consolidated subsidiary PAMI in March 2025, considering operational efficiency, effective use of management resources, contribution to business expansion, and other factors.
- On April 15, 2025, the company concluded a business alliance agreement with The Ehime Bank, Ltd. to support Japanese corporate clients expanding into Indonesia.

Other

Foreign exchange losses increased under financial expenses due to currency market fluctuations. Under corporate income tax expenses, deferred tax liabilities at JT Savings Bank rose, resulting in higher tax adjustment charges.

In 1Q FY12/25, the company classified Prospect Asset Management, Inc. as a discontinued operation as part of efforts to reorganize its business portfolio.

To further enhance shareholder returns and improve capital efficiency, the company announced—alongside its earnings release—that its Board of Directors had resolved to implement a share buyback program. The company plans to repurchase up to 4,000,000 shares (representing 3.00% of total shares outstanding, excluding treasury stock), with a maximum total acquisition cost of JPY1.5bn. The repurchase period is scheduled to run from May 15, 2025, to December 30, 2025.

Full-year FY12/24 results

Overview

- Operating revenue: JPY128.2bn (+12.2% YoY; achieved 100.1% of the full-year company forecast)
- Operating profit: JPY6.3bn (-22.4% YoY; 84.5%)
- Profit attributable to owners of parent: JPY6.0bn (-63.0% YoY; 94.4%)

Key takeaways from the latest earnings report:

- ▶ Operating revenue increased by JPY13.9bn YoY to JPY128.2bn (+12.2% YoY). Factors contributing to revenue growth were increases of JPY2.5bn in the Financial Business in Japan, JPY9.3bn in the Financial Business in Southeast Asia, JPY1.2bn in the Financial Business in South Korea and Mongolia, and JPY3.4bn in the Real Estate Business. Revenue grew as interest revenue increased due to a steady increase in loans at PT Bank JTrust Indonesia, and real estate sales revenue increased at Gro-Bels and J-Grand. Operating revenue reached a record high.
- ▶ Operating profit decreased JPY1.8bn YoY to JPY6.3bn (-22.4% YoY), breaking down to a JPY10.4bn decrease in the Real Estate Business, a JPY2.4bn increase in the Financial Business in Japan, a JPY4.3bn increase in the Financial Business in South Korea and Mongolia, a JPY2.5bn increase in the Financial Business in Southeast Asia, a JPY477mn increase in the Investment Business, and a JPY156mn decrease in Other Business. The Financial Business in South Korea and Mongolia has been recovering, and the Financial Business in Japan and the two banks in the Financial Business in Southeast Asia (Indonesia and Cambodia) recorded profits steadily. Meanwhile, the company saw a dropout of the gains on negative goodwill of JPY10.1bn associated with the absorption-type merger with Mirainovate Co., Ltd. in FY12/23. Excluding the gains on negative goodwill, underlying operating profit turned around sharply from an operating loss of about JPY2.1bn in FY12/23 to JPY6.2bn in FY12/24. However, full-year operating profit fell short of the company's forecast by about JPY1.2bn due to the deferred collection of receivables in the Investment Business and postponed property sales in the Real Estate Business in Q4 (October–December 2024), as well as the provision of allowance for doubtful accounts related to delinquent loans at PT Bank JTrust Indonesia.
- ▶ Profit attributable to owners of parent decreased 63.0% YoY to JPY6.0bn. Profit declined in reaction to the reversal of deferred tax liabilities of JPY6.5bn accompanying the company's absorption-type merger with Nexus Bank in FY12/23.

By business

Financial Business in Japan

In the Financial Business in Japan, operating revenue grew 17.7% YoY to JPY16.6bn, achieving 107.4% of the company's full-year forecast. Operating profit increased 51.2% YoY to JPY7.0bn, achieving 123.0% of the forecast. The growth in operating revenue reflected higher installment advance fees at Nexus Card, stemming from an increase in installment transactions, and a rise in service revenue at J Trust Global Securities (JTG Securities), supported by favorable equity market conditions. Segment profit increased despite higher commission expenses related to IFA support services at JTG Securities, owing to a significant increase in the balance of installment advances at Nexus Card and a dropout of the increased allowance for loan losses (loss evaluation allowance) related to the consolidation of MIRAI Co., Ltd in the previous year. Operating profit exceeded the full-year forecast at Nihon Hoshou, Partir Servicer, Nexus Card, and JTG Securities and also grew YoY.

Financial Business in South Korea and Mongolia

In the Financial Business in South Korea and Mongolia, operating revenue declined 2.6% YoY to JPY46.3bn and reached 99.2% of the full-year forecast. Operating profit was JPY964mn, a turnaround from a loss of JPY3.3bn in FY12/23, achieving 115.2% of the forecast. The decline in operating revenue was due to a decrease in interest income on loans stemming from a lower loan balance and a decline in interest income on deposits resulting from a lower average balance of bank deposits in the savings banks business's banking operations. The segment returned to profitability despite an increase in losses on the sale of receivables, as deposit interest expenses declined thanks to efforts to appropriately manage deposit balances, and provisions for doubtful accounts decreased in line with the decline in loan balances.

Financial Business in Southeast Asia

In the Financial Business in Southeast Asia, operating revenue rose 24.3% YoY to JPY47.7bn, achieving 103.7% of the full-year forecast. Operating profit was JPY1.5bn, a turnaround from a loss of JPY1.0bn in FY12/23, equivalent to 87.1% of the forecast. The increase in operating revenue was due to higher interest income on loans, reflecting growth in the loan balance in the banking business. Despite a rise in interest expenses due to an increase in deposits, the segment returned to profitability owing to continued proactive marketing strategy, contained funding costs, reduced expenses, and rigorous management of non-performing loans, which resulted in a decrease in the provisions of allowance for doubtful accounts.

(loan-loss reserves). In Q4 (October–December 2024), PT Bank JTrust Indonesia booked provisions for doubtful accounts related to delinquent loans, causing operating profit to fall short of the full-year target by roughly JPY200mn. Regarding non-performing loans, the company strengthened its collection efforts and credit controls to normalize delinquent assets.

Real Estate Business

In the Real Estate Business, operating revenue increased 23.9% YoY to JPY17.4bn and reached 88.9% of the full-year forecast. Operating profit declined 96.7% YoY to JPY361mn, equivalent to 31.9% of the forecast. The increase in operating revenue was mainly due to higher real estate sales revenue at J-Grand and Gro-Bels. Segment profit declined significantly due to the absence of the JPY10.1bn gain on negative goodwill associated with the absorption-type merger of Mirainovate recorded in FY12/23. In addition, the deferred sale of certain properties affected operating profit, with the estimated impact of JPY120mn.

Investment Business

In the Investment Business, operating revenue was JPY11mn (down from JPY155mn in the previous year), achieving 183.3% of the full-year forecast. Operating loss narrowed to JPY1.6bn from a loss of JPY2.1bn in FY12/23. While recovery-related legal fees and expenses increased, the loss decreased YoY partly due to the partial recovery of receivables in Singapore based on a finalized court decision in favor of J Trust Asia. The recovery of about JPY608mn initially expected in 2024 was deferred to January 2025.

Business development in Japan and overseas

Businesses in Japan

- J Trust Global (JTG) Securities has started focusing on affluent clients as a new market target in addition to the semi-affluent segment it serves conventionally. It emphasizes recruiting and developing personnel capable of providing private banking services. As of December 26, 2024, J Trust had 71 employees holding the Primary PB certification, a private banker (PB) qualification established by the Securities Analysts Association (SAAJ). As published on SAAJ's website, the company is one of the top 10 companies with the highest number of certified holders. In June 2024, JTG Securities agreed to form a business alliance with 5Value Asset Co., Ltd. to expand its bond business. The company conducted on-demand seminars, launched a dedicated page focused on global bond information, and held investment seminars. In January 2025, the company obtained the F-Adviser qualification, which entitles it to conduct listing examinations and related activities for the Fukuoka Pro Market (FPM), a market for professional investors operated by the Fukuoka Stock Exchange.
- Gro-Bels listed its shares on the TOKYO PRO Market established by the Tokyo Stock Exchange on June 20, 2024. It will enhance Gro-Bels' name recognition, brand awareness, and credibility of Gro-Bels, as well as enhance its ability to raise investment capital for future growth in its real estate development and real estate solutions businesses as a comprehensive real estate company. In December 2024, the company decided to sell a property for sale—land and a nine-story reinforced concrete building with a flat roof in Chiyoda-ku, Tokyo. The transfer is scheduled for end-February 2025.
- Regarding the share buyback program resolved in February 2024, the company repurchased 4,728,600 treasury shares (for up to JPY2.0bn) between March 27, 2024 and November 30, 2024. It also canceled 9,380,000 treasury shares as of February 29, 2024.

Overseas businesses

- In Indonesia, PT Bank JTrust Indonesia continued to expand its business alliance on housing sales with major Japanese developers and Indonesian developers as in consolidated FY12/23. With 20 new partnership projects, the Bank has implemented 43 mortgage loan partnership projects in FY12/24. In addition, PT Bank JTrust Indonesia and PT JTrust Consulting Indonesia (JTCI) have signed a basic agreement with Badan Bank Tanah, the Indonesian Land Bank Agency, on land use, including the eco-city project in Indonesia's new capital, Nusantara. Under this agreement, JTCI will act as an advisor to Badan Bank Tanah in referring Japanese investors who are interested in investing in land managed by Badan Bank Tanah. PT Bank JTrust Indonesia will provide support to these Japanese investors.
- In Cambodia, the bank conducted campaigns to promote QR payments at affiliated stores and encourage using credit cards, which have been enhanced with an installment payment option for greater convenience. These efforts were aimed at attracting more ordinary deposits and payment funds.

- In Singapore, J Trust Asia PTE. Ltd. recovered part of its receivables of EUR5,069,281 and USD7,253 (a total of JPY855mn) by seizing bank deposits in Cyprus in May 2024. The High Court of Singapore, upon the petition of J Trust Asia, finalized its decision to commence liquidation proceedings for GLH on August 28, 2024.
- In Mongolia, the company and its subsidiary JTrust Asia PTE. Ltd. resolved to transfer all shares in J Trust Credit NBF1 to SBT Co., Ltd., subject to the Mongolian authorities' approval, and concluded a conditional share transfer agreement in October 2024.

Other

For FY12/24, the dividend payout ratio was 31.4%. Considering the company's share buyback program announced in February 2024, the total shareholder return ratio was 61%.

In November 2024, formal coverage by Mr. Seiichiro Samejima, chief analyst at Ichiyoshi Research Institute Inc., officially began.

Cumulative Q3 FY12/24 results

Overview

- Operating revenue: JPY96.9bn (+14.8% YoY; 75.7% progress rate versus the full-year company forecast)
- Operating profit: JPY5.0bn (-58.7% YoY; 67.9%)
- Profit attributable to owners of parent: JPY4.1bn (-78.8% YoY; 63.3%)

Key takeaways from the latest earnings report:

- ▶ Operating revenue finished at a record high, increasing by JPY12.5bn YoY to JPY96.9bn (+14.8% YoY). Factors contributing to revenue growth were increases of JPY1.7bn in the Financial Business in Japan, JPY8.1bn in the Financial Business in Southeast Asia, JPY1.1bn in the Financial Business in South Korea and Mongolia, and JPY3.8bn in the Real Estate Business. Revenue grew as interest revenue increased due to a steady increase in loans at PT Bank JTrust Indonesia, and real estate sales revenue increased at Gro-Bels and J-Grand. Operating revenue reached a Q3 record high.
- ▶ Operating profit decreased JPY7.1bn YoY to JPY5.0bn (-58.7% YoY), breaking down to a JPY10.2bn decrease in the Real Estate Business, a JPY1.5bn increase in the Financial Business in Japan, a JPY1.6bn increase in the Financial Business in South Korea and Mongolia, a JPY835mn increase in the Financial Business in Southeast Asia, a JPY362mn increase in the Investment Business, and a JPY100mn decrease in Other Business. The Financial Business in South Korea and Mongolia has been recovering, and the Financial Business in Japan and the two banks in the Financial Business in Southeast Asia recorded profits steadily. In addition, the company recorded profit on the recovery of receivables from Group Lease PCL pursuant to a court order. Meanwhile, the company saw a dropout of the gains on negative goodwill of JPY10.1bn associated with the absorption-type merger with Mirainovate Co., Ltd., in consolidated cumulative Q3 FY12/23.
- ▶ Profit attributable to owners of parent decreased 78.8% YoY to JPY4.1bn. Profit declined in reaction to the reversal of deferred tax liabilities of JPY6.5bn accompanying the company's absorption-type merger with Nexus Bank in cumulative Q3 FY12/23.
- ▶ Cumulative Q3 (January–September) operating profit was roughly JPY1.3bn higher than the initial projection for the period (JPY3.7bn). Excluding special accounting factors (negative goodwill and reversal of deferred tax liabilities) accompanying M&A conducted in FY12/23, operating profit increased by roughly JPY3.0bn, while profit attributable to owners of parent grew by about JPY1.5bn.
- ▶ The company reclassified PT JTrust Olympindo Multi Finance as discontinued operations on a consolidated basis in consolidated Q4 FY12/23 and adjusted the related figures for the interim period of consolidated FY12/23 accordingly. In addition, as the provisional accounting treatment of the business combination in Q1 FY12/23 was finalized in Q4 FY12/23, the company retroactively adjusted the related figures for the interim period of consolidated FY12/23.

By business

Financial Business in Japan

Operating revenue came to JPY12.0bn (+17.0% YoY; 77.4% of the company's full-year forecast) and operating profit was JPY4.9bn (+42.6% YoY; 86.5%). Revenue increased due to growth in commission revenue related to the securities and credit/consumer credit businesses. SG&A expenses grew owing to higher commission expenses, including increased commissions related to IFA support services at JTG Securities. Operating profit increased due to solid performance in receivables collection and credit guarantee business and a YoY decline in provision for doubtful accounts against the balance of installment advances.

Looking at progress toward the company forecast by segment, in the credit guarantee business, the company focused on guarantees for apartment loans, securities-backed loans, and overseas real estate-backed loans. It expects to recognize revenue from the purchase of large receivables in its receivables collection business, mainly from card shopping receivables from major credit card companies. In the securities business, the company promoted wealth management, which is a growth business, and private banking services, which are high-value-added services that include non-financial services. It said it will also strive to achieve results by forming business alliances to expand the bond business and developing a lineup of products and services targeting the affluent.

- ▶ The credit guarantee balance increased steadily due to the favorable performance of guarantees for apartment loans, overseas real estate-backed loans, and securities-backed loans. Claimed receivables balance increased slightly QoQ due to progress on purchasing receivables amid steady collections.
- ▶ Nexus Card reported YoY increases of about JPY700mn in revenue and JPY600mn in profit due to a continuous increase in the balance of installment-sales accounts receivable.
- ▶ JTG Securities posted YoY increases of about JPY700mn in revenue and JPY500mn in profit due to steady private banking and IFA business. The balance of assets under custody decreased in valuation QoQ due to market fluctuations, but the amount of funds deposited continued to increase.

Financial Business in South Korea and Mongolia

Operating revenue was JPY34.6bn (-3.1% YoY; 74.0% of the company's full-year forecast) and operating loss was JPY72mn (versus operating loss of JPY1.7bn in cumulative Q3 FY12/23). A decline in new loans due to the economic downturn led to a decrease in interest income in the savings bank business, resulting in lower revenue YoY. Operating expenses increased due to the economic downturn that has lingered after the COVID-19 pandemic and loss on the sale of receivables due to non-performing loans. Meanwhile, interest expenses on deposits in the savings bank business decreased due to efforts to maintain an appropriate balance of deposits. Operating profit increased due to the decrease in interest expenses on deposits in the savings bank business, despite an increase in loss on the sale of receivables due to the economic downturn and non-performing loans.

- ▶ Q3 (July–September) operating profit (JPY1.2bn) was above plan (JPY1.0bn), and the company says it expects to achieve its full-year target (JPY837mn).

Looking at progress toward the forecast by segment, while some decline in profitability is anticipated due to regulatory authorities' continued tightening of provisioning requirements, the company will strive to reduce expenses, adjust deposit interest rates to lower funding costs, and maximize lending interest rates. It will also manage its lending operations based on profitability considerations, taking into account the delinquency rate, and expand the deposit-lending spread. In addition, the company will strive to achieve performance targets by implementing the following measures.

- By focusing on short-term delinquent receivables collection, it expects to reduce the provision of allowance for doubtful accounts (loan-loss reserves).
- It aims to maximize profits by screening receivables and executing their sale and write-off.
- It will increase the proportion of new household credit loan originations and outstanding balances to boost interest revenue.
- It expects to see a gain on reversal of allowance for doubtful accounts (loan-loss reserves) due to refinancing of large NPLs.

- ▶ The deposit-lending spread for the South Korean savings banks was 7.86% at JT Chinae Savings Bank (7.17% at end-FY12/23) and 7.30% at JT Savings Bank (6.59%). JT Chinae Savings Bank continued to strategically control its loan balance. Its NPL ratio, net of allowance for doubtful accounts, remained low at 2.61%. JT Savings Bank also controlled its loan balance, with an emphasis on improving loan quality. Its net NPL ratio is 7.64%, but the majority of NPLs are already secured by collateral. On October 16, 2024, the company announced the transfer of all shares in J Trust Credit NBF (Mongolia).

Financial Business in Southeast Asia

Operating revenue came to JPY35.6bn (+29.3% YoY; 77.3% of the company's full-year forecast) and operating profit was JPY2.3bn (+56.6% YoY; 133.4%). Revenue grew on an increase in interest revenue accompanying an increase in loan assets, a rise in new lending interest rates, an increase in the average balance of securities held, and increased deposit interest revenue due to a rise in base interest rates. Operating expenses grew due to an increase in interest expenses on deposits in the banking business, due mainly to an increase in such deposits. The increase in interest expenses due to growth in deposits in the banking business had a negative impact on operating profit, but an increase in interest revenue with the accumulation of quality loans had a positive impact on operating profit.

Looking at progress toward the company forecast by segment in Indonesia, in the banking business, the company focuses on actively increasing the loan balance, reducing bad debt expenses by lowering the NPL ratio, reducing the funding rate, and increasing the current ratio. Regarding the marketing plan for FY2024, it will continue striving to acquire new deposit accounts and improve the brand by promoting its mascot character, participating in various events, utilizing generative AI, entering a brand ambassador agreement with idol group JKT48 and selling products in collaboration with the group, entering an affiliation agreement with the Japanese pro golfer Aihi Takano, and entering a partnership agreement with the Indonesian pro soccer team "Persija" and selling products to members of the official fan club. With home loans as well, the company looks to capture sustainable revenue by actively pursuing business partnerships. In the receivables collection business, it will continue seeking to expand earnings opportunities by purchasing more receivables while maximizing the amount of money collected.

- ▶ PT Bank JTrust Indonesia's operating revenue and operating profit increased YoY by roughly JPY5.4bn and JPY1.0bn, respectively. The loan balance increased steadily, and the NPL ratio remained low due to a reduction in NPL amount achieved by controlling and collecting on NPLs. As a result of enhanced risk management under the new management put in place in January 2020, the NPL ratio of loans accumulated under the new management was low at 0.45% as of September 2024 (some 97% of all loans were conducted under the new management).
- ▶ Claimed receivables balance of the two Indonesian servicers increased significantly as a result of progress with receivables purchasing. PT Turn Around Asset Indonesia achieved profitability in its third and a half year of operation, and is expected to increase its profits during FY12/24.

Looking at progress toward the company forecast in Cambodia, the company is working to improve productivity, strengthen its digital business, and provide speedier service. It will continue to target affluent customers as its main base and seek to differentiate itself from other banks through lending and investment proposals that take advantage of the strong relations between its account managers and customers. The company will also focus on digitalization efforts and product development that meet the needs of affluent customers. In addition, it will expand its target to middle-income customers and release new products (including SME deposit accounts).

- ▶ JTrust Royal Bank (Cambodia, "JTRB") reported YoY increases in operating revenue and operating profit of about JPY1.9bn and JPY600mn, respectively, due to higher lending interest rates and a weaker yen. JTRB continued to strategically control its loan balance to improve the quality of its loan portfolio. It also worked to reduce its NPL ratio by strengthening collection and monitoring, including through collateral property auctions and legal procedures.

Real Estate Business

Operating revenue was JPY14.7bn (+34.6% YoY; 75.1% of the company's full-year forecast) and operating profit was JPY651mn (-94.0% YoY; 57.5%). Revenue grew with an increase in real estate sales revenue accompanying growth in the number of real estate transactions and the inclusion of Live Rent in the scope of consolidation. Operating expenses also increased due to the growth in the number of real estate transactions and the inclusion of Live Rent. Operating profit declined due to an increase in the number of real estate transactions at J-Grand and the higher cost of real estate sales.

resulting from the consolidation of Live Rent, coupled with the absence of gains on negative goodwill generated from the absorption-type of merger with Mirainovate in FY12/23.

Looking at progress toward its forecast by segment, the company is focusing on brand recognition as an all-around real estate company handling land, detached homes, condominiums, income-generating properties, and crowdfunding. It is essential to achieve the targets for the land and housing business as well as the solutions business to meet overall goals. The company will continuously share progress and take appropriate measures to manage the lead times from property acquisition and settlement to sale, as managing these lead times remains a challenge.

- ▶ J-Grand's revenue rose 58% YoY to JPY6.8bn. The J-ARC series (new reinforced concrete condominiums) accounted for about 55% of revenue. Sales of the J-Maison series (new wood-frame apartments) resumed in the autumn.

Investment Business

Operating revenue came to JPY5mn (-95.8% YoY, 83.3% of the company's full-year forecast) and operating loss was JPY1.2bn (versus operating loss of JPY1.6bn in cumulative Q3 FY12/23). Operating loss narrowed YoY with the collection of receivables from Group Lease PCL pursuant to a court order, offsetting an increase in legal expenses related to the case.

- ▶ The judgment was finalized in January 2024, and the company subsequently collected about JPY855mn in May 2024, recorded as operating profit (allowance for doubtful accounts was recorded against the entire amount of the receivables, to be booked as operating profit if recovered). The company says it expects to reduce litigation costs as collection progresses.

Looking at progress toward the company forecast by segment, the company will focus on the collection of receivables from Group Lease PCL, strengthening collection while controlling court costs and other collection costs.

Other Business

Operating revenue was JPY460mn (+9.3% YoY; 68.0% of the company's full-year forecast) and operating loss was JPY122mn (versus operating loss of JPY22mn in cumulative Q3 FY12/23).

Topics

Businesses in Japan

- J Trust Global (JTG) Securities has started focusing on affluent clients as a new market target in addition to the semi-affluent segment it serves conventionally. It emphasizes recruiting and developing personnel capable of providing private banking services. In June 2024, JTG Securities agreed to form a business alliance with 5Value Asset Co., Ltd. to expand its bond business. The company conducted on-demand seminars, launched a dedicated page focused on global bond information, and held investment seminars.
- Gro-Bels listed its shares on the Tokyo Pro Market established by the Tokyo Stock Exchange on June 20, 2024. It will enhance Gro-Bels' name recognition, brand awareness, and credibility of Gro-Bels, as well as enhance its ability to raise investment capital for future growth in its real estate development and real estate solutions businesses as a comprehensive real estate company.
- Regarding the share buyback program resolved in February 2024, the company repurchased 4,217,100 treasury shares (on a contract basis) as of end-consolidated Q3 FY12/24.

Overseas businesses

- In Indonesia, PT Bank JTrust Indonesia continued to expand its business alliance on housing sales with major Japanese developers and Indonesian developers as in consolidated FY12/23. With nine new partnership projects, the Bank has implemented 39 mortgage loan partnership projects in Q3 FY12/24. In addition, PT Bank JTrust Indonesia and PT JTrust Consulting Indonesia (JTIC) have signed a basic agreement with Badan Bank Tanah, the Indonesian Land Bank Agency, on land use, including the eco-city project in Indonesia's new capital, "Nusantara." Under this agreement, JTIC will act as an advisor to Badan Bank Tanah in referring Japanese investors who are interested in investing in land managed by Badan Bank Tanah. PT Bank JTrust Indonesia will provide support to these Japanese investors.
- In Cambodia, the bank launched dedicated accounts for small businesses, such as QR code payment-receiving accounts, and issued checkbooks, with a focus on acquiring new customers.

- In Singapore, J Trust Asia PTE. Ltd. recovered part of its receivables of EUR5,069,281 and USD7,253 (a total of JPY855mn) by seizing bank deposits in Cyprus in May 2024. The High Court of Singapore, upon the petition of J Trust Asia, finalized its decision to commence liquidation proceedings for GLH on August 28, 2024.

1H FY12/24 results

Overview

- Operating revenue: JPY65.4bn (+22.2% YoY; 51.1% progress rate versus the full-year company forecast)
- Operating profit: JPY2.1bn (-78.4% YoY; 27.8%)
- Profit attributable to owners of parent: JPY2.8bn (-83.6% YoY; 43.2%)

Key takeaways from the latest earnings report:

- ▶ Operating revenue finished at a record high, increasing by JPY11.9bn YoY to JPY65.4bn (+22.2% YoY). Factors contributing to revenue growth were increases of JPY1.2bn in the Financial Business in Japan, JPY5.7bn in the Financial Business in Southeast Asia, JPY612mn in the Financial Business in South Korea and Mongolia, and JPY4.3bn in the Real Estate Business. Revenue grew as interest income increased due to a steady increase in loans at PT Bank JTrust Indonesia, and real estate sales revenue increased at Gro-Bels and J-Grand. For the interim period, operating revenue reached a record high.
- ▶ Operating profit decreased JPY7.5n YoY to JPY2.1bn (-78.4% YoY), breaking down to a JPY9.8bn decrease in the Real Estate Business, a JPY1.1bn increase in the Financial Business in Japan, a JPY60mn decrease in the Financial Business in South Korea and Mongolia, a JPY643mn increase in the Financial Business in Southeast Asia, a JPY349mn increase in the Investment Business, and a JPY6mn increase in Other Business. The Financial Business in Japan and the two banks in the Financial Business in Southeast Asia recorded profits steadily. In addition, the company recorded profit on the recovery of receivables from Group Lease PCL pursuant to a court order. Meanwhile, the company saw a dropout of the gains on negative goodwill of JPY10.1bn associated with the absorption-type merger of Mirainovate Co., Ltd. in the interim period of FY12/23.
Operating profit excluding gains on negative goodwill climbed JPY2.6bn YoY. The company also said that operating profit was JPY800mn above its forecast, and that it is progressing smoothly toward achieving its full-year plan.
- ▶ Profit attributable to owners of parent decreased 83.6% to JPY2.8bn. The company recorded forex gains due to the revaluation of assets and liabilities denominated in foreign currencies resulting from a weaker yen. Meanwhile, profit declined in reaction to the reversal of deferred tax liabilities of JPY6.5bn accompanying the company's absorption-type merger with Nexus Bank in the interim period of consolidated FY12/23.
Excluding the gain on negative goodwill and the reversal of deferred tax liabilities, profit attributable to owners of parent rose by JPY2.5bn.
- ▶ The company reclassified PT JTrust Olympindo Multi Finance as discontinued operations on a consolidated basis in Q4 FY12/23 and adjusted the related figures for the interim period of consolidated FY12/23 accordingly. In addition, as the provisional accounting treatment of the business combination in Q1 FY12/23 was finalized in Q4 FY12/23, the company retroactively adjusted the related figures for the interim period of FY12/23.

By business

Financial Business in Japan

Operating revenue was JPY8.0bn (+17.8% YoY; 51.9% progress against the full-year company forecast), and operating profit was JPY3.4bn (+47.6% YoY; 58.6%). Operating revenue increased due to growth in commission income related to the securities and credit/consumer credit businesses. Operating profit increased mainly due to solid performance in the receivables collection and guarantee businesses and a reduction in the provision of allowance for doubtful accounts (loan-loss reserves) for purchased receivables. Operating profit from the Financial Business in Japan was higher than planned.

- ▶ As for future strategies, the company expects to recognize revenue from the purchase of large receivables in its receivables collection business, mainly from corporate loan receivables from bank lending and card shopping receivables from major credit card companies. In the securities business, the company will promote wealth management,

- ▶ which is a growth business, and private banking services, which are high-value-added services that include non-financial services. It will also strive to achieve results by forming business alliances to expand the bond business and developing a lineup of products and services targeting the affluent.

Financial Business in South Korea and Mongolia

Operating revenue was JPY23.5bn (+2.7% YoY; 50.3% progress against the full-year company forecast), with an operating loss of JPY1.3bn. Operating revenue increased mainly due to a rise in interest income on higher interest rates on new loans and gains on sales of securities, despite a drop in loans in the savings bank business. Operating loss remained in deficit. While interest expenses decreased, there was an increase in the provision of allowance for doubtful accounts (loan-loss reserves) due to the economic downturn and deterioration of loan quality. At the same time, interest expenses fell as a result of declining deposits in the savings bank business and the persistently high base rate. However, the deficit narrowed compared to Q1.

- ▶ Regarding future strategies, while some decline in profitability is anticipated due to regulatory authorities' continued tightening of provisioning requirements, the company will strive to reduce expenses, adjust deposit interest rates to lower funding costs, and maximize lending interest rates. It will also manage its lending operations based on profitability considerations, taking into account the delinquency rate, with the aim of expanding the deposit-lending spread. In addition, the company will implement the following measures:
 - By focusing on short-term delinquent receivables collection, expect to reduce the provision of allowance for doubtful accounts (loan-loss reserves).
 - Maximize profits by screening receivables and executing their sale and write-off.
 - Increase the proportion of new household credit loan originations and outstanding balances to boost interest revenue.
 - Expect to see a gain on reversal of allowance for doubtful accounts (loan-loss reserves) due to refinancing of large NPLs.

Financial Business in Southeast Asia

Operating revenue was JPY23.2bn (+32.6% YoY; 50.4% progress against the full-year company forecast), and operating profit was JPY1.4bn (+83.8% YoY; 81.4%). Operating revenue increased due to a rise in interest revenue driven by loan growth and higher lending interest rates on new loans in the banking business, as well as an increase in securities holdings and higher interest income on deposits as a result of rising base rates. In the banking business, although the company established a system for flexible adjustments to lending rates in anticipation of rising funding costs, operating profit declined due to factors such as an increase in interest expenses resulting from higher deposit levels and a rise in the base rate. On the other hand, operating profit increased as a result of higher interest income from an increase in high-quality loans, as well as a reduction in the provision of allowance for doubtful accounts (loan-loss reserves) due to efforts to lower credit risk by revising the screening system.

Operating profit in the Financial Business in Southeast Asia was significantly above plan. However, the company stated that the provision for doubtful accounts in the servicing business was partially postponed to 2H, and that progress was slightly ahead of expectations, excluding this impact.

- ▶ Regarding future strategies, the key priorities in the Indonesian banking business will be proactively boosting the loan balance, reducing write-off expenses by lowering the NPL ratio, bringing down funding costs, and raising the current ratio. The company will actively develop business alliances for mortgage loans (32 locations at end-July), aiming to record sustainable profits. In the receivables collection business, the company will continue to expand revenue opportunities by increasing the volume of receivables purchased and maximizing the amount of money collected.
- ▶ Under the slogan "Faster Forward As One" in Cambodia, the company will work to improve productivity, strengthen the digital field, and provide services more speedily. The company will also focus on digitalization efforts and product development that meet the needs of affluent customers. It also will expand its target to middle-income groups and release new products (e.g., SME deposit accounts).

Real Estate Business

Operating revenue was JPY10.6bn (+68.9% YoY; 54.4% progress against the full-year company forecast), and operating profit was JPY334mn (-96.7% YoY; 29.5%). Real estate sales revenue grew due to increased real estate transactions at J-Grand and the consolidation of Live Rent. Operating profit declined due to increased real estate sales costs stemming from the higher

transaction volume at J Grand and the consolidation of Live Rent, as well as the absence of gains on negative goodwill recorded in the previous fiscal year following the absorption-type merger with Mirainovate. Operating profit in the Real Estate Business progressed slightly below plan.

- ▶ Regarding future strategies, it is essential to achieve the targets for the land and housing business as well as the solutions business for meeting overall goals. The company will continuously share progress and take appropriate measures to manage the lead times from property acquisition and settlement to sale, as managing these lead times remains a challenge.

Investment Business

Operating revenue was JPY4mn (-95.6% YoY; 76.3% progress against the full-year company forecast), with an operating loss of JPY611mn. The operating loss narrowed as litigation costs related to Group Lease PCL increased, while the company recorded recovered funds from the judgment of the lawsuit.

- ▶ With regard to future strategies, the company will focus on collecting receivables from Group Lease PCL and strengthening collection efforts, while also minimizing related costs such as legal fees and other recovery-related expenses.

Others

Operating revenue was JPY300mn (+3.6% YoY; 44.4% progress against the full-year company forecast), with an operating loss of JPY5mn.

Other

Other revenue fell by 91.4% YoY to JPY887mn due to the absence of gains on negative goodwill associated with the acquisition of Mirainovate through an absorption-type merger in FY12/23.

Financial revenue grew 46.2% to JPY1.9bn, reflecting foreign exchange gains due to fluctuations in exchange rates and gains on the sale of investment securities held.

Income tax expenses and others resulted in a profit of JPY5.8bn in FY12/23 due to the reversal of deferred tax liabilities related to the absorption-type merger with Nexus Bank. However, in FY12/24, it amounted to an expense of JPY861mn.

Topics

Businesses in Japan

- J Trust resolved matters related to repurchasing its shares at the Board of Directors meeting held on February 13, 2024. In conjunction with the Q2 results announcement, the company has decided to expand the share repurchase program (raising the total number of shares to 6,000,000 shares, for a 4.36% share ratio).
- In January 2024, to enhance its services, JTG Securities launched new services, the “stock consultation service” and the “investment consultation service,” which are available free of charge to customers who have an account with the company. In June of the same year, JTG Securities agreed to form a business alliance with 5Value Asset Co., Ltd. to expand its bond business. Then, in August of the same year, JTG Securities began handling four FT Vest US Equity Buffer ETFs, and it also began offering an asset-based fee structure (for independent financial advisers [IFAs]). The total amount of assets under custody by JTG Securities totaled JPY398.9bn as of June 30, 2024. Of this amount, assets under custody in the IFA business, which began full-scale operations in July 2023, amounted to JPY30.3bn at end-June 2024 (JPY13.5bn at end-FY12/23), contributing to the growth of assets under custody.
- Gro-Bels was listed on the Tokyo Pro Market of the Tokyo Stock Exchange on June 20, 2024. The company said it will increase the name recognition, brand awareness, and credibility of Gro-Bels, as well as enhance its ability to raise investment capital for future growth in its real estate development and real estate solutions businesses as a comprehensive real estate company.

Overseas businesses

- To expand its business alliance on housing sales with major Japanese developers and Indonesian developers, PT Bank JTrust Indonesia implemented 32 mortgage loan partnership projects as of end-July 2024. The company also signed a business partnership agreement with Kagawa Bank. PT Bank JTrust Indonesia and PT JTrust Consulting Indonesia (JTCI) have signed a basic agreement with Badan Bank Tanah, the Indonesian Land Bank Agency, on land use, including the eco-city project in Indonesia's new capital, Nusantara. Under this agreement, JTCI will exclusively act as an advisor to Badan Bank Tanah in referring Japanese investors who are interested in investing in land managed by Badan Bank Tanah. PT Bank JTrust Indonesia will provide support to these Japanese investors.
- In Cambodia, the bank launched dedicated accounts for small businesses, such as QR code payment-receiving accounts, and issued checkbooks, with a focus on acquiring new customers.
- On January 11, 2024, The Court of Appeal of Singapore dismissed the application for leave to appeal filed by Group Lease Holdings Pte. Ltd. (GLH), Mr. Mitsuji Konoshita and four others, thereby upholding the trial court's decision in favor of J Trust Asia. In Cyprus, the Company executed a levy of execution on bank deposit accounts actually owned by Mr. Mitsuji Konoshita and on bank deposit accounts of companies actually owned by him, seizing and recovering EUR 5,069,281 and USD 7,253 (a total of JPY855 million). On March 4, 2024, the High Court of Singapore, upon the petition of J Trust Asia, finalized its decision to commence liquidation proceedings for GLH and appointed a liquidator for GLH.

Income statement

Income statement (JPYmn)	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Operating revenue	66,453	74,321	74,935	24,728	32,652	42,325	82,038	114,279	128,170
YoY	-	11.8%	0.8%	-	-	7.5%	93.8%	39.3%	12.2%
Operating expenses	38,116	47,451	78,253	16,054	17,653	23,017	45,999	81,148	84,734
SG&A expenses	26,431	26,870	28,488	18,926	19,643	21,560	30,447	36,870	37,986
SG&A, % of operating revenue	39.8%	36.2%	38.0%	76.5%	60.2%	50.9%	37.1%	32.3%	29.6%
Other revenues	1,254	2,239	366	5,215	602	8,731	10,428	12,109	1,251
Other expenses	2,552	222	1,159	93	709	1,218	1,431	310	447
Operating profit	606	4,759	-32,600	-5,130	-4,752	5,260	14,589	8,059	6,252
YoY	-	685.3%	-785.0%	-	-	-	177.4%	-44.8%	-22.4%
Operating profit margin	0.9%	6.4%	-	-	-	12.4%	17.8%	7.1%	4.9%
Financial revenue	282	47	1,612	76	2,052	3,020	2,679	1,516	2,169
Financial expense	1,320	1,895	110	472	278	2,728	608	418	416
Equity in earnings of affiliates	-	-	-	-	-	347	544	615	362
Equity in earnings of associates	-2	-12	-36	-	-	-	-	-	-
Pre-tax profit (loss)	-433	2,898	-31,135	-5,526	-2,978	5,899	17,205	9,772	8,368
YoY	-	-	-	-	-	-	191.7%	-43.2%	-14.4%
Pre-tax profit margin	-	3.9%	-	-	-	13.9%	21.0%	8.6%	6.5%
Income tax expenses	1,136	1,012	2,753	1,275	7,145	2,311	3,538	-7,199	1,483
Profit from continued operations	-1,570	1,885	-33,888	-6,802	-10,123	3,587	13,666	16,972	6,885
Profit from discontinued operations	504	-	-	3,047	4,108	-2,646	-243	-203	0
Profit (loss)	-1,065	-731	-36,676	-3,754	-6,014	941	13,422	16,769	6,885
YoY	-	-	-	-	-	-	-	24.9%	-58.9%
Profit (loss) attributable to owners of parent	-1,270	-731	-36,107	-3,260	-5,342	1,123	12,632	16,310	6,040
YoY	-	-	-	-	-	-	-	29.1%	-63.0%
Net margin	-	-	-	-	-	2.7%	15.4%	14.3%	4.7%

Source: Shared Research based on company data

FY03/09–FY03/14

Operating revenue increased from JPY4.9bn in FY03/09 to JPY61.9bn in FY03/14 and operating profit grew from JPY240mn to JPY13.7bn over the same period.

Up until FY03/13, business expansion was achieved through M&A centering on the Financial Business in Japan, with growth in operating revenue and profit driving consolidated earnings. While many peer companies were struggling financially due to the January 2006 ruling by the Supreme Court allowing borrowers to request the refund of interest payments, the December 2006 enactment of the amended Money Lending Business Act, the June 2010 lowering of the maximum interest rate under the Capital Subscription Law, and the introduction of limits on total volume, J Trust was aggressively pursuing M&A. Specifically, it acquired Station Finance (March 2009), Lopro Corporation (September 2010), KC Card (August 2011), and the consumer financial business of Takefuji Corp. (March 2012), which was undergoing corporate reorganization proceedings, and made these subsidiaries.

In October 2012, J Trust launched a savings bank business in South Korea and established JT Chinae Savings Bank. Owing to initial investment costs, the Financial Business in South Korea registered operating loss in FY03/13. However, when the Financial Business in Japan saw operating revenue and profit fall in FY03/14, the Financial Business in Korea logged growth in both operating revenue and profit. As a result, consolidated operating profit reached JPY13.7bn in the same year.

FY03/14–FY12/20

In July 2013, J Trust procured funds of JPY97.6bn through a rights offering, which it used to expand its business overseas. While continuing to expand its business in South Korea through the acquisition of savings banks, it entered the Indonesian banking business in November 2014 with the acquisition of PT Bank JTrust Indonesia.

After this time, J Trust suffered repeated losses due to provisioning for doubtful accounts in South Korea and Indonesia. Operating loss was recorded in FY03/15 due to the provisioning for doubtful accounts and the processing of NPLs in South Korea. In FY03/16, despite a swing to profit in South Korea, the operating loss continued owing to the amortization of goodwill from the acquisition of PT Bank JTrust Indonesia and increasing provisions against NPLs. Operating loss was again recorded in FY03/17 (Japanese accounting standards basis) mainly due to provisions against NPLs at PT Bank JTrust Indonesia.

In FY03/18, the Investment Business posted operating loss as a result of valuation losses, but on a consolidated basis (IFRS), the company turned an operating profit thanks to increased operating revenue at PT Bank JTrust Indonesia and a reduction in the provision for doubtful accounts. Then, in FY03/19, another operating loss of JPY32.6bn was recorded as a result of the processing of NPLs at PT Bank JTrust Indonesia and the provisions booked in the Investment Business. In the irregular nine-month fiscal year ended-December 2019, the company posted operating loss of JP5.1bn.

In FY12/20, the financial business in Southeast Asia continued to post losses. Several one-off factors impacted the loss attributable to owners of parent of JPY5.3bn. Although the company booked JPY1.9bn in valuation gains on shares of Nexus Bank, it had income tax expenses of JPY6.5bn due to the booking of deferred tax liabilities on Nexus Bank shares. In discontinued operations it booked losses totaling JPY1.4bn due to loss of control of subsidiaries J Trust Card and JT Chinae Savings Bank.

FY12/21 onward

In FY12/21, the company returned to the black after posting operating loss. The company estimates that, excluding one-time factors from its operating profit of JPY5.3bn in FY12/21, its base profit was approximately JPY1.2bn.

In FY12/22, operating revenue was 82.4bn (+94.7% YoY; YoY change versus retroactively adjusted FY12/21 result), operating profit was JPY14.4bn (173.7% YoY), pre-tax profit was JPY17.0bn (+188.1% YoY), and profit attributable to owners of parent was JPY12.6bn (over 10x YoY). Operating revenue and all profit lines reached their revised full-year targets (announced in August 2022), with operating profit marking a record high.

In FY12/23, operating revenue rose JPY32.2bn (+39.3% YoY) to a record high of JPY114.3bn. Operating profit fell JPY6.5bn (-44.8% YoY) to JPY8.1bn, the second-highest level since the transition to IFRS, behind FY12/22, when the company posted gains on negative goodwill associated with the acquisition of Nexus Bank.

Operating revenue in FY12/24 reached a record high, increasing 12.2% YoY to JPY128.2bn. Operating profit declined 22.4% YoY to JPY6.3bn. The profit decline was attributable to the absence of gains on negative goodwill of JPY10.1bn related to the merger-type acquisition of Mirainovate in FY12/23. Excluding the effect of the gains on negative goodwill, operating profit increased YoY.

Balance sheet

Balance sheet	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
(JPYmn)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Assets									
Cash and deposits	80,666	84,723	87,150	81,913	60,593	74,648	131,960	105,740	125,327
Trade and other receivables	78,416	92,723	106,735	113,942	87,599	44,345	50,226	60,796	65,971
Marketable securities in banking business	30,459	37,159	46,599	52,805	14,176	40,471	94,740	101,881	107,705
Loans in the banking business	311,480	343,400	326,234	370,174	118,159	338,593	680,949	716,422	770,028
Assets related to securities business							27,432	27,445	28,353
Operational investment securities	21,494	3,242	2,855	1,895	505	274	305	327	367
Marketable securities	144	208	1,179	721	24,354	27,139	2,566	2,209	2,559
Other financial assets	38,066	46,300	33,416	40,893	18,451	28,554	54,018	110,314	79,790
Investments accounted for by equity method	168	144	126	118	5,841	6,132	6,626	7,708	7,894
Inventories	6,848	6,937	6,742	7,285	42	1,358	4,120	21,318	19,604
Assets held for sale	4,199	1,807	2,310	1,102	156,515	679	859	684	698
Total tangible assets	5,622	3,028	5,119	9,871	6,032	7,708	10,592	8,617	9,655
Investment property	2,249	610	916	2,309	-	-	-	-	-
Goodwill	32,140	29,578	33,508	35,901	28,290	30,260	30,839	33,507	35,685
Intangible assets	3,459	3,087	3,790	7,461	4,620	4,078	12,667	11,860	9,815
Deferred tax assets	1,476	1,502	2,373	934	824	923	640	1,452	2,259
Other assets	2,971	2,505	9,317	4,053	4,454	5,463	7,396	4,427	4,750
Total assets	619,865	656,961	668,377	731,384	530,462	610,631	1,115,943	1,214,714	1,270,467
Liabilities									
Trade and other payables	8,110	9,811	14,613	16,137	14,888	14,657	13,856	14,041	14,306
Deposits by banking business	364,462	403,509	437,010	483,402	184,239	437,755	864,547	908,933	948,460
Liabilities related to securities business							25,187	24,445	25,352
Liabilities directly related to assets held for sale	-	-	-	-	141,109	-	-	-	-
Bonds and loans payable	72,139	78,727	86,002	85,105	67,803	26,939	39,749	61,518	69,308
Other financial liabilities	8,182	5,272	13,383	19,911	9,425	11,837	23,895	27,727	25,642
Income taxes payable	1,205	629	1,215	977	483	1,411	1,073	1,136	1,502
Provisions	2,128	353	1,114	1,214	724	253	614	557	614
Deferred tax liabilities	759	850	1,076	1,865	7,327	8,085	10,166	3,361	3,920
Other liabilities	6,963	7,029	3,233	3,864	2,003	1,746	4,500	4,778	4,701
Total liabilities	463,952	506,184	557,650	612,478	428,004	502,685	983,593	1,046,499	1,093,811
Capital stock	53,630	53,638	54,760	54,760	54,760	90	90	90	90
Capital surplus	52,743	52,713	53,844	54,082	54,261	99,088	103,920	115,557	108,109
Treasury stock	-7,685	-7,685	-7,685	-7,685	-7,685	-7,685	-7,690	-7,709	-2,120
Other components of equity	2,091	-1,854	-3,170	-4,219	-7,273	-4,281	-128	7,098	10,383
Retained earnings	49,504	47,555	6,424	3,040	-2,212	8,459	21,077	36,552	40,808
Equity attributable to owners of the parent	150,284	144,366	104,173	99,977	91,599	95,670	117,268	151,588	157,270
Non-controlling interests	5,628	6,409	6,554	18,928	10,858	12,275	15,081	16,626	19,385
Total equity	155,913	150,776	110,727	118,905	102,458	107,945	132,349	168,215	176,656
Total liabilities and equity	619,865	656,961	668,377	731,384	530,462	610,631	1,115,943	1,214,714	1,270,467
Total interest-bearing debt	72,139	78,727	86,002	85,105	67,803	26,939	39,749	61,518	69,308
Net debt	-8,527	-5,996	-1,148	3,192	7,210	-47,709	-92,211	-44,222	-56,019

Source: Shared Research based on company data

Statement of cash flows

Cash flow statement	FY03/17	FY03/18	FY03/19	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
(JPYmn)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Cash flows from operating activities (1)	-12,413	4,581	18,831	-20,829	6,813	15,408	49,518	-47,079	17,124
Pre-tax profit (loss)	-433	2,898	-31,135	-357	2,953	5,899	17,205	9,772	8,368
Pre-tax profit or loss from discontinued operations						-2,675	-228	-329	-
Depreciation	2,636	2,456	1,535	2,767	4,013	2,791	4,532	5,369	4,798
Change in trade and other receivables	-10,805	-11,644	497	840	20,618	-1,227	-1,268	-2,638	-4,564
Change in deposits in banking business	86,236	49,354	39,554	-13,724	25,583	89,804	136,491	-6,432	9,872
Change in loans in banking business	-87,500	-42,789	-5,395	-17,559	-48,361	-77,316	-89,032	471	-36,422
Income taxes paid	-1,922	-2,231	-2,332	-2,574	-2,333	-1,685	-2,752	-2,647	-1,968
Cash flows from investing activities (2)	-4,468	-7,603	-15,190	15,431	-8,422	-10,002	-9,121	-501	-7,403
Purchase of tangible assets and investment property	-1,843	-1,474	-1,941	-1,636	-514	-2,629	-794	-815	-2,455
Proceeds from sale of tangible assets and investment property	1,162	270	48	737	303	588	671	6,428	37
Purchase of in tangible assets	-1,537	-794	-1,983	-2,312	-634	-301	-519	-347	-578
purchase of marketable securities in banking business	-102,457	-106,170	-105,252	-74,266	-142,954	-30,051	-54,501	-177,163	-174,201
Proceeds from sale of marketable securities in banking business	73,739	97,229	95,565	67,529	142,062	15,140	17,330	117,797	91,405
Proceeds from redemption of marketable securities in banking business	24,984	984	5,869	1,331	10,355	2,403	6,836	60,873	80,207
Free cash flow (1+2)	-16,881	-3,022	3,641	-5,398	-1,609	5,406	40,397	-47,580	9,721
Cash flows from financing activities	10,612	7,798	-525	18	-8,638	-6,129	7,289	4,344	2,228
Net change in short-term loans payable	-4,635	4,112	-4,929	-770	-2,555	-3,502	-395	-1,506	2,762
Net change in current portion of bonds	14,959	5,915	-5,487	-4,251	-5,868	7,164	-	-	-
Repayment of long-term loans payable	-10,751	-18,938	-26,946	-20,349	-33,583	-30,866	-8,830	-16,863	-27,888
Proceeds from long-term loans payable	26,189	17,850	31,964	23,344	35,678	23,842	17,391	24,045	32,708
Redemption of bonds	-7,446	-6,577	-5,956	-6,371	-16,012	-9,808	-150	-210	-1,485
Proceeds from issuance of bonds	470	7,060	9,540	10,050	15,024	7,647	400	1,400	1,400
Purchase of treasury shares	-7,279	-	-	-	-	-	-5	-7	-2,003
Dividends paid	-1,401	-1,235	-1,236	-105	-105	-	-105	-1,286	-1,784

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods

Other information

History

Date	Description
Mar. 2009	Bought 100% of Station Finance (now Nihon Hoshou) from Hankyu Corp.
Sep. 2010	Bought 100% of Lopro Corporation (now Nihon Hoshou).
Aug. 2011	Bought 97.76% of KC Card (formerly Rakuten KC) from Rakuten.
Mar. 2012	Bought and transferred the consumer financial business of Takefuji Corp. (now TFK under corporate rehabilitation) to Lopro Corporation (now Nihon Hoshou) via an absorption-type split.
Apr. 2012	Company bought Next Japan Holdings through a stock swap.
June 2012	Made Adores a consolidated subsidiary.
July 2012	Bought 100% of JT Investment (formerly Neoline Holdings) from NLHD.
Oct. 2012	Obtained a South Korean savings bank business license via Chinae; launched savings bank business with the establishment of Chinae Savings Bank (now JT Chinae Savings Bank).
July 2013	Procured JPY97.6bn of funds via rights offering (non-commitment/gratis-allotment of listed conversion options).
Oct. 2013	Established JTrust Asia Pte. Ltd. in Singapore as a foothold for advancement into Southeast Asia.
Mar. 2014	Bought 100% of KJI Consumer Finance LLC and HICAPITAL CO., LTD., making them subsidiaries.
Nov. 2014	In Indonesia acquired 99.0% of Indonesian commercial bank PT Bank Mutiara Tbk.'s shares from Indonesia Deposit Insurance Corporation, making it a consolidated subsidiary.
Jan. 2015	Demerged the credit card business of KC Card, which was taken over by KC Card's Subsidiary KC (now YJ Card) with all of KC's shares sold to Yahoo Japan Corporation and SoftBank Payment Service Corp. Also, KC Card's trading name changed to J Trust Card.
Jan. 2015	In South Korea, purchased all the shares of Standard Chartered Savings Bank Korea Co., Ltd., made it a consolidated subsidiary, and changed trading name to JT Savings Bank.
Mar. 2015	In South Korea, purchased all the shares of Standard Chartered Capital (Korea) Co., Ltd., made it a consolidated subsidiary, and changed trading name to JT Capital.
June 2015	Established PT JTrust Investments Indonesia in Indonesia as a subsidiary of JTrust Asia Pte. Ltd.
Oct. 2017	Transferred the General Entertainment business, part of the Real Estate business, and Other business (money exchange services) of Adores, Inc. to Adores Company Split Preparatory Company through a company split (absorption-type split). At the same time, Adores, Inc. changed its trading name to KeyHolder, Inc., and Adores Company Split Preparatory Company changed its to Adores, Inc.
Mar. 2018	Sold all shares in Adores, Inc. to Wide Leisure, K.K., and subsequently excluded Adores from the scope of consolidation.
May 2018	Purchased all the shares of Capital Continent Investment NBFi (now, J Trust Credit NBFi), which conducts automobile loans, from Japan Pocket Co. Ltd., and entered the Mongolian market.
Oct. 2018	In Indonesia, JTrust Asia Pte. Ltd. acquired shares of PT Olympindo Multi Finance (now, PT JTrust Olympindo Multi Finance) and 60% of new shares via third-party allotment to make PT JTrust Olympindo Multi Finance a consolidated subsidiary.
Aug. 2019	Company completed share purchases of ANZ Royal Bank (Cambodia) Ltd. and made it a consolidated subsidiary.
Nov. 2020	J Trust Card Co., Ltd., and its subsidiary JT Chinae Savings Bank deconsolidated after a share exchange with Nexus Bank Co., Ltd. made J Trust Card a wholly owned subsidiary of Nexus Bank
Aug. 2021	Sold all shares in JT Capital Co., Ltd., and subsequently excluded JT Capital from the scope of consolidation.
Mar. 2022	Acquired all outstanding shares in J Trust Global Securities Co., Ltd. from HS Holdings Co., Ltd., making it a consolidated subsidiary.
Apr. 2022	Made Nexus Card, JT Chinae Savings Bank, and Samurai Technology consolidated subsidiaries through a share exchange wherein J Trust became the wholly-owning parent company.
Apr. 2022	Moved its listing to the Standard Market of the Tokyo Stock Exchange following the restructuring of market segments.
Feb. 2023	Conducted absorption-type merger with Mirainovate Co., Ltd.
Apr. 2023	Conducted absorption-type merger with Nexus Bank Co., Ltd.
Feb. 2024	Canceled 9,380,000 treasury shares.
June 2024	Gro-Bels Co., Ltd. was listed on the TOKYO PRO Market of the Tokyo Stock Exchange.

Top management

President and chief executive officer

Nobuyoshi Fujisawa

Date of birth: January 17, 1970

Aug. 2007	Representative Director & Chairman, Kazaka Servicer Co., Ltd. (now Partir Servicer Co., Ltd.)
Jun. 2008	Representative Director & Chairman, J Trust Co., Ltd.; Director, Mass Work Co., Ltd. (now Gro-Bels Co., Ltd.)
Jun. 2010	Director, J Trust Co., Ltd.; Director, Adores, Inc. (now KeyHolder, Inc.)
Oct. 2010	Director & Supreme Advisor, J Trust Co., Ltd.
May 2011	Representative Director & Chairman, Adores, Inc. (now KeyHolder, Inc.)
Jun. 2011	President & CEO, J Trust Co., Ltd.
Oct. 2013	Managing Director & CEO, J Trust Asia Pte. Ltd. (current position)
Jan. 2014	Chairman, Chinae Savings Bank Co., Ltd. (now JT Chinae Savings Bank Co., Ltd.)
May 2014	Chairman, Adores, Inc. (now KeyHolder, Inc.)
Sep. 2014	Executive Director, LCD Global Investments Ltd. (now AF Global Limited)
Mar. 2015	Director & Chairman, JT Capital Co., Ltd. (now A Capital Co., Ltd.)
Jun. 2015	Representative Director, President & CEO, J Trust Co., Ltd.; President Commissioner, PT JTrust Investments Indonesia; Director, Adores, Inc. (now KeyHolder, Inc.)
Mar. 2017	Outside Director, Digital Design Co., Ltd. (now J Trust Co., Ltd.)
Jun. 2019	Chairman, KeyHolder, Inc. (current)
Mar. 2020	Director, maneo market Inc.
Jun. 2020	Chairman and Director, J Trust Co., Ltd. Outside Director, Prospect Co., Ltd. (now J Trust Co., Ltd.); Representative Director and President, Prospect Energy Management Co., Ltd. (now J-Grand Co., Ltd.)
Jul. 2020	Representative Director, Chairman & CEO, Prospect Co., Ltd. (now J Trust Co., Ltd.)
Oct. 2020	Representative Director, President & CEO, J Trust Co., Ltd. (current); Chairman & Director, Prospect Co., Ltd. (now J Trust Co., Ltd.)
Mar. 2022	Director & Chairman, H.S. Securities Co., Ltd. (now J Trust Global Securities Co., Ltd.) (current)
May 2022	Director & Chairman, Clear Co., Ltd. (current)
June 2023	Chairman, Gro-Bels Co., Ltd.
Oct. 2023	Director of bijoux, Inc. (current)
Nov. 2024	Visiting professor, Shunan University (current)
Apr. 2025	Part-time director, FC Gifu (current)

Major shareholders

Top shareholders	Number of shares held in the company	Shareholding ratio
	('000 shares)	
NLHD Co., Ltd.	35,434	26.62%
Nobuyoshi Fujisawa	11,477	8.62%
KSD-KB	6,233	4.68%
JAPAN POCKET Co., Ltd.	3,055	2.30%
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	3,029	2.28%
S Finance Co., Ltd.	2,890	2.17%
KOREA SECURITIES DEPOSITORY-SHINHAN INVESTMENT	2,109	1.58%
Omotesando Capital Co., Ltd.	1,519	1.14%
G Cross LLC	1,480	1.11%
The Tokyo Tanishi Co., Ltd.	1,078	0.81%
SUM	68,309	51.31%

Source: Shared Research based on company data

Notes: Shareholding percentages calculated after excluding treasury shares

As of end-December 2024

Shareholder returns

Dividends

J Trust's basic policy is to pay a progressive dividend. The company plans to maintain a dividend payout ratio of 30% or higher for the three years through 2027.

For FY12/25, J Trust plans to increase its payout ratio to enhance shareholder returns, with an annual dividend of JPY16.0 per share (no interim dividend). In addition, as the company marks its 50th fiscal year in 2025, it plans to pay a commemorative dividend of JPY1.0 per share. As a result, the total annual dividend for FY12/25 is expected to be JPY17.0 per share (no interim dividend, with a year-end dividend of JPY17.0, comprising a JPY16.0 regular dividend and a JPY1.0 commemorative dividend).

Share buyback program

The company intends to flexibly repurchase its own shares in response to stock price levels and market conditions.

In February 2024, the company announced a share buyback program (a total acquisition value of JPY2.0bn, representing 4.36% of the total outstanding shares [excluding treasury shares]). At the same time, the company also announced the cancellation of treasury shares, equivalent to 6.81% of the total number of outstanding shares before cancellation (excluding

treasury shares). In May 2025, the company announced a share buyback program with an upper limit of JPY1.5bn, representing 3.00% of total outstanding shares (excluding treasury shares).

Shareholder benefits program

The company's shareholder benefits program is as follows.

- For shareholders holding 100 or more shares: Vouchers for a 20% discount on menu prices for treatment at DS Clinic, Regina Clinic, Frey-A Clinic, and Etoile Regina Clinic
- For shareholders holding 500 or more shares: The company plans to offer, by lottery, a pair of tickets to a Star Troupe performance at the Tokyo Takarazuka Theater. It is also considering adding a pair of tickets to a performance at the Takarazuka Grand Theater to the shareholder benefit program.

News and topics

Transfer of shares in specified subsidiary (J Trust Credit NBFJ) 2024-10-16

J Trust Co., Ltd. has announced that the company and its subsidiary JTrust Asia PTE. Ltd. have resolved to transfer all shares in J Trust Credit NBFJ ("JTM," JTrust Asia PTE's consolidated subsidiary and J Trust's second-tier subsidiary) to SBT Co., Ltd. ("SBT") and have concluded a conditional share transfer agreement.

J Trust has been thoroughly reviewing the value of its business portfolio and growth potential to maximize shareholder value. JTM primarily provides automotive loans in Mongolia, but its operations are limited in scale, making it challenging to create synergies with the J Trust group. After carefully considering SBT's proposal to acquire JTM, the company has decided to proceed with the share transfer. The company also says that it is assessing the potential impact of this share transfer on its consolidated earnings for FY12/24.

Profile

Company Name

J Trust Co., Ltd.

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03-4330-9100

Established

1977-03-18

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ir@jt-corp.co.jp

Head Office

**Yebisu Garden Place Tower 7F, 4-20-3, Ebisu, Shibuya-ku, Tokyo
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Listed On

Tokyo Stock Exchange, Standard Market

Exchange Listing

1998-09-08

Fiscal Year-End

Dec

About Shared Research Inc.

We offer corporate clients comprehensive report coverage, a service that allows them to better inform investors and other stakeholders by presenting a continuously updated third-party view of business fundamentals, independent of investment biases. Shared Research can be found on the web at <https://sharedresearch.jp>.

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