

The following is an English translation of the Notice of the 40th Ordinary General Meeting of Shareholders of J Trust Co., Ltd.

The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy.

Securities Code: 8508

June 13, 2016

To Shareholders

Nobuyoshi Fujisawa
President & CEO
J Trust Co., Ltd.
1-7-12 Toranomon, Minato-ku,
Tokyo, Japan

NOTICE OF THE 40TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We express our deep appreciation to each of you for your continuous support to us.

Please be advised that you are cordially invited to attend the 40th Ordinary General Meeting of Shareholders of J Trust Co., Ltd (“the Company”). The meeting will be held as described below.

If you are unable to attend the Meeting in person, you may exercise your voting rights as a Shareholder by either of the following methods. In that event, please examine the contents of the reference documents attached herein before exercising your voting rights.

[Exercise your voting rights by mail]

Please mark your vote for or against each proposal on the enclosed Voting Right Exercise Form and return the form by 6:00 p.m., Tuesday, June 28, 2016.

[Exercise your voting rights via the Internet, etc.]

If you wish to exercise your voting rights via the Internet, please use the login ID and initial password indicated on the Voting Right Exercise Form to log into the Voting Rights Exercise Site designated by the Company (<http://www.evotep.jp/>). Once you are logged in, follow the guidance on the screen to vote for or against each proposal. Before exercising your voting rights via the Internet, please see page 3 “Procedures Required for Exercising Voting Rights via the Internet, etc.”

1. Date and Time June 29, 2016 (Wednesday) at 10:00 a.m.

2. Venue “Nadao Hall,” Shin-Kasumigaseki Bldg. LB Floor,
3-3-2 Kasumigaseki, Chiyoda-ku, Tokyo

3. Agenda:

Matters for Reporting:

1. The 40th Business Year (from April 1, 2015 to March 31, 2016) Business Report, Consolidated Financial Statements, and Results on the Audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The 40th Business Year (from April 1, 2015 to March 31, 2016) Report on Non-Consolidated Financial Statements

Matters for Resolution:

Proposal 1 Partial Amendments to Articles of Incorporation
Proposal 2 Election of Twelve (12) Directors
Proposal 3 Election of Two (2) Audit & Supervisory Board Members

Proposal 4

Election of Accounting Auditor

4. Decisions Regarding the Convocation of the Ordinary General Meeting of Shareholders

Out of the documents which should be provided for this Notice of the Convocation, the documents listed below are not included because they are made available at the Company's website (<http://www.jt-corp.co.jp/en>) pursuant to the applicable laws, regulations and Article 15 of the Articles of Incorporation of the Company.

- (i) The Company's system and policy to implement appropriate and efficient operations
- (ii) Notes to Consolidated Financial Statements of the Company
- (iii) Notes to Non-Consolidated Financial Statements of the Company

Accordingly, in addition to the attached documents to this Notice of the Ordinary General Meeting of Shareholders, above documents are also included in the consolidated financial statements and non-consolidated financial statements audited by the Audit & Supervisory Board Members in preparing the Audit & Supervisory Board's report and also by the Accounting Auditor in preparing the accounting auditor's report.

* When you attend the meeting in person, please submit the enclosed Voting Right Exercise Form at the reception counter. In addition, you are also kindly requested to bring this Notice as meeting materials when you attend.

* If exercising your voting rights by proxy, you can appoint any one of other shareholders with voting rights of the Company. Please note that such shareholder or your proxy is required to present a document evidencing his/her appointment as proxy at the reception counter.

* Any revisions in Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements and Reference Document for the Ordinary General Meeting of Shareholders will be disclosed on the website of the Company. (<http://www.jt-corp.co.jp/en>)

Procedures Required for Exercising Voting Rights via the Internet, etc.

If you exercise your voting right via the Internet, etc., please do so by confirming the following. If you attend the meeting in person, you should not exercise your voting rights via the Internet, etc.

1. Voting Right Exercise Site (<http://www.evotep.jp/>)

- (1) You can only exercise your voting rights via the Internet, etc. by logging into the Voting Rights Exercise Site designated by the Company. You can log into the website using a PC, smartphone, or mobile phone (i-mode, EZweb, or Yahoo! Mobile)*. Note, however, that the online voting function is suspended between the hours of 2:00 a.m. and 5:00 a.m. every day).
*“i-mode,” “EZweb” and “Yahoo! mobile” are the trademark or registered trademark of NTT Docomo, Inc., KDDI Corporation, and Yahoo! Inc. in the US, respectively.
- (2) When a connected PC or smartphone is protected by firewalls, etc., uses anti-virus software, or communicates via proxy servers or without TLS encryption, it may be impracticable for shareholders to exercise voting rights with the PC or smartphone in some Internet usage environments.
- (3) To exercise voting rights using a mobile phone, please use the services provided by i-mode, EZweb, or Yahoo! Mobile. To ensure communication security, the use of mobile phones of some types or classes is restricted if they cannot make TLS encryption communication or transmit mobile phone data.
- (4) The deadline for the exercise of voting rights via the Internet, etc. is 6:00 p.m., Tuesday, June 28, 2016. You are kindly requested to vote on line as early as possible. Should you have any questions or inquiries on the exercise of voting rights via the Internet, etc., please contact the Help Desk.

2. Procedures Required for Exercising Voting Rights via the Internet, etc.

- (1) To exercise your voting rights via the Voting Rights Exercise Site (<http://www.evotep.jp/>), please log in using the code and initial password indicated on the Voting Right Exercise Form and follow the guidance on the screen to vote for or against each proposal.
- (2) To avoid any false access by a third party other than a shareholder (“identity theft”) or prevent any tampering of exercised voting rights, shareholders who use the Internet are kindly requested to change their initial passwords on the Voting Rights Exercise Site.
- (3) Every time a general meeting of shareholders is convened, the Company will provide a new “login ID” and “initial password.”

3. Handling of Voting Rights Exercised Two or More Times

- (1) If you exercise your voting rights twice or more, both by Voting Right Exercise Form (by mail) and via the Internet, etc., only the votes cast via the Internet, etc. will be counted.
- (2) If you exercise your voting rights more than once via the Internet, etc., only the last vote cast will be counted. If you exercise your voting rights more than once via a PC, smart phone, or mobile phone, only the last vote cast will be valid.

4. Charges incurred to Access the Voting Rights Exercise Site

Please be aware that you must pay all charges incurred to access the Voting Rights Exercise Site (including Internet connection charges). When you use a mobile phone, etc., you may have to bear expenses incurred for packet communication charges or other charges applied by your mobile phone carrier.

Inquiries about the System, etc.

0120-173-027 (toll-free, 9 a.m. to 9 p.m.): Stock Transfer Agency Department (Help Desk), Mitsubishi UFJ Trust and Banking Corporation.

Translation for your reference purpose only

The Electronic Voting Rights Exercise Platform

To exercise voting rights at this Ordinary General Meeting of Shareholders, institutional investors can use the electronic voting rights exercise platform operated by ICJ, Inc.

Attached document

BUSINESS REPORT

(For the period from April 1, 2015 to March 31, 2016)

1. Situation Surrounding the Corporate Group

(1) Business Developments and Results

In the current consolidated fiscal year, the US economy showed a sign of recovery and the European economy was expected to see a modest rebound. The future outlook of the world economy, however, remained uncertain mainly due to a clear slowdown in the Chinese economy and concern about a downturn in the economy of emerging countries. In Japan, the performance of some companies and the employment condition have improved under the economic and monetary policy adopted by the Japanese government and the Bank of Japan, but we need to keep paying attention to the current trend because there still remains the impact of yen depreciation, decrease in real wages, prolonged stagnation of consumer confidence due to increased consumption tax, and concern on business results of some companies. Meanwhile, the growth potential of emerging regions including Southeast Asian countries appears promising from a medium- and long-term point of view. In particular, Indonesia is likely to continue growing economically, backed by further consumer spending, financial expenditure and monetary easing.

In this economic environment, we consider that it is inevitable to transform our business ahead of changes in global and Japanese economy. We drew up a medium-term business plan covering FY2016 till FY2018 under the group vision of “aiming to provide unique financial services not constrained by existing paradigms.” We are expanding businesses in Asia, whose economy is expected to continue growing at high pace, and seeking to maximize synergies generated by our network of Group companies with the aim of further enhancing our operational base and achieving sustainable growth.

In the current consolidated fiscal year, we proactively strived for improving the corporate value and reinforcing our operational base in and out of Japan so as to shift from a rapid business expansion led by M&As to a sustainable profit increase mainly from our banking business.

(i) Business development in Southeast Asia

In Indonesia, the J Trust Group puts a priority on the revitalization of PT Bank Mutiara Tbk. (a commercial bank acquired in November 2014) whose trade name was changed to PT Bank JTrust Indonesia Tbk. (hereinafter, “Bank J Trust Indonesia”) in June 2015. To this end, we transferred non-performing loans (hereinafter, “NPLs”) to PT JTRUST INVESTMENTS INDONESIA (hereinafter, “JTII”) in October 2015. This transfer enabled JTII to focus on NPL collection and expand profit through an increase in collection amount by utilizing various methods including speedy sale of real estate (collateral for receivable) and business rehabilitation. It also allowed Bank J Trust Indonesia to improve financial health with reduced NPL ratio and establish a fundamental profit-making structure based on its primary banking business. In addition, Bank J Trust Indonesia renewed the management team including a newly hired director with a proven track record in the local banking business.

In Singapore, we acquired 6.43% of the outstanding common shares of Group Lease PCL (listed on the Stock Exchange of Thailand; hereinafter, “GL”) in December 2015 by exercising the right attached to its convertible bond underwritten by JTRUST ASIA PTE.

LTD. (hereinafter, "JTA") in May 2015. This was followed by an announcement of a plan to set up a new joint venture company. We will work together with GL to expand leasing and consumer financing businesses in Southeast Asia including Indonesia, with an eye to the provision of finance by Bank J Trust Indonesia, joint operation of hire-purchase financing business in Indonesia which is expected to achieve sustainable growth, and business tie-up that allows the J Trust Group to develop operations in Southeast Asia.

(ii) Business development in South Korea

J Trust Group became a comprehensive financial group which provides savings bank business, purchase and collection of receivables, and leasing and installment financing business through the acquisition of shares of JT Savings Bank Co., Ltd. (hereinafter, "JT Savings Bank") in January 2015 and JT Capital Co., Ltd. (hereinafter, "JT Capital") in March 2015. We have thus developed an operational base to offer financial service in South Korea. As part of this move, we sold Neoline Credit Co., Ltd. and HICAPITAL Co., Ltd. in October 2015 after confirming that business efficiency was achieved through the intensive management of their normal claims by our savings banks and NPLs by TA Asset Management Co., Ltd. (hereinafter, "TA Asset Management"). They are no longer our consolidated subsidiaries. In addition, we have successfully increased operating assets with steady growth of new loans. This achievement resulted from changing the trade name of Chinae Savings Bank Co., Ltd. to JT Chinae Savings Bank Co., Ltd. (hereinafter, "JT Chinae Savings Bank") in July 2015 to enhance the brand value and taking effective marketing strategies to cope with various advertising regulations in South Korea.

(iii) Domestic business development

To create a new business using Bitcoin, in May 2015, the Group underwrote 26.46% of common shares which BTCBox Co., Ltd., an operator of Bitcoin exchange, issued through the third party allotment of shares (BTCBox Co., Ltd. is now excluded from the scope of equity method, with part of the acquired shares transferred in the third quarter of the current consolidated fiscal year), and then established JTRUST BITCOIN PTE. LTD. (currently JTRUST FINTECH PTE. LTD.), a consolidated subsidiary of JTA, in July 2015. This was followed by the establishment of J Trust Marketing Co., Ltd. (currently, J Trust Fintech Co., Ltd.) in November 2015. With regard to FinTech business, we currently operate a web portal on FinTech-related information. While recognizing the current government's approach toward legislation on the Bitcoin business, we are now striving to develop FinTech systems and applications for early opening of a Bitcoin exchange house and, going forward, will create new business using Bitcoin to improve our corporate value.

In addition, we implemented business restructuring. In September 2015, we transferred a part of the unsecured loan business (consumer finance business) of Nihon Hoshou Co., Ltd. (hereinafter, "Nihon Hoshou") to CREDIA Co., Ltd. through a corporate split. Consequently, we withdrew from the unsecured loan business (consumer finance business), and established the business structure focusing on credit guarantee for property related loans.

(iv) Capital Policy

We conducted share buyback of 6,250,000 shares to return profits to shareholders through improvements in capital efficiency and ensure flexible implementations of capital policy in response to changes in business environments. In December 2015, for the purpose of returning profits to shareholders through reduction in the total number of outstanding shares, we cancelled all the treasury shares acquired during the period.

Operating revenue in the current consolidated fiscal year was 75,478 million yen (up 19.3% year on year). Interest on loans declined because installment payment paying for commission decreased after the transfer of “KC Card” brand in January 2015 and, in South Korea, TA Asset Management, Neoline Credit Co., Ltd. and HICAPITAL Co., Ltd. (collectively called “Affiliated Financial Companies”) transferred their loan businesses to JT Chinae Savings Bank. Meanwhile, new loans expanded steadily due to the assumption of the loan business of the Affiliated Financial Companies and aggressive marketing activities. Also, JT Savings Bank and Bank J Trust Indonesia, which were acquired in the previous consolidated fiscal year, contributed to the growth in banking business revenue. In addition, other operating revenue increased because JTA recorded unrealized profit and capital gain on GL’s convertible bond.

As for operating income/loss, we reported an operating loss of 4,144 million yen (operating loss of 5,217 million yen during the same period of the previous fiscal year). In selling, general and administrative expenses, bad debts expense declined because provision of allowance for doubtful accounts decreased from the previous consolidated fiscal year, during which JT Chinae Savings Bank recorded temporary losses on sales of receivables as part of the NPL disposal and further provision of allowance for doubtful accounts, and provision for loss on interest repayment was reduced due to a decline in interest repayment claim related liabilities corresponding to the transfer of the “KC Card” brand and the partial transfer of Nihon Hoshou’s unsecured loan business through a corporate split. However, other expenses expanded mainly because personnel expenses became larger due to the increased number of employees for business expansion of the Group and amortization of goodwill increased after the acquisition of Bank J Trust Indonesia.

For ordinary income/loss, we recorded ordinary loss of 4,678 million yen (ordinary loss of 2,385 million yen during the same period of the previous fiscal year) because of foreign exchange loss. Meanwhile, loss attributable to owners of parent stood at 5,712 million yen (profit attributable to owners of parent of 10,143 million yen during the same period of the previous fiscal year) due to impairment losses on suspension of elderly care business and closing of ADORES’ stores and the absence of gain on bargain purchase, which was posted as extraordinary income in the previous consolidated fiscal year in response to the acquisition of JT Savings Bank and JT Capital.

Segment performance is detailed below.

Reportable segments are reclassified from the current consolidated fiscal year. Year-on-year comparisons use reclassified figures accordingly.

(i) Domestic financial business
(Credit guarantee services)

Credit guarantee services are handled by Nihon Hoshou. Under our medium-term business plan, its priority is to focus on real estate related credit guarantee business. We currently provide guarantee for syndicated rental housing loans including “Flat 35” in partnership with a major housing developer, Flat 35 loan agencies and others. Our new guarantee structure centering on Flat 35 boosts credit guarantee balance steadily. Although the transfer of “KC Card” brand reduced the number of partnered financial institutions by six, we have partnership with five regional financial institutions as of the end of March 2016.

As a result, the balance of credit guarantees was 53,354 million yen (up 45.3% year on year) as of the end of the current consolidated fiscal year. The breakdown was 15,376

million yen in credit guarantees on unsecured loans (up 10.7%) and 37,978 million yen in credit guarantees on secured loans (up 66.4%) with an increase in guarantees for rental housing loans.

(Collection of accounts receivable)

Collection of accounts receivable in Japan is mainly handled by Nihon Hoshou and Partir Servicer Co., Ltd. (hereinafter, "Partir Servicer"). Under our medium-term business plan, we aim to expand the receivable collection business. Since the number of domestic servicers is decreasing, we will pursue profits as a remaining player through M&As on the strength of our superior collection capability. We will also reinforce collection of corporate loans receivable and start business rehabilitation services.

As a result, the balance of purchased receivables was 3,353 million yen (down 14.2% year on year) as of the end of the current consolidated fiscal year, reflecting a steady progress on collection.

(Credit and consumer credit services)

Credit and consumer credit services are mainly handled by J TRUST Card Co., Ltd. The loan balance declined as the Company ceased to provide new unsecured loans other than cash advance services and exited from the consumer credit service business. We, however, strive to increase the outstanding balances of receivables and earnings by focusing on installment sales including credit card purchase transactions.

As a result, the balance of advances paid – installment, including long-term operating loans receivable, was 2,454 million yen (up 72.6% year on year) as of the end of the current consolidated fiscal year. The breakdown was 2,449 million yen in advances paid – installment (up 75.6%) and 5 million yen in long-term operating loans receivable (down 81.4%).

(Other financial services)

Other financial services in Japan are mainly handled by Nihon Hoshou. Under our medium-term business plan, Nihon Hoshou shifted its focus onto the real estate related credit guarantee business after executing a structural reform including large-scale early retirement programs and a reorganization including partial transfer of the unsecured loan business through a corporate split. To this end, Nihon Hoshou withdrew from the unsecured consumer finance business in Japan, separated liabilities involving risk of interest repayment claims and mitigated contingent liabilities risk.

As a result, the loan balance including long-term operating loans (for business) was 4,280 million yen (down 1.9%) as of the end of the current consolidated fiscal year. The breakdown was 1,428 million yen in commercial notes (down 39.4%), 2,755 million yen in accounts receivable – operating loans (up 44.6%) due to an increase in property secured loans and 96 million yen in long-term operating loans (down 5.0%). Meanwhile, the loan balance including long-term operating loans (for consumers) dropped to 2,765 million yen (down 53.8%). The breakdown was 2,546 million yen in accounts receivable – operating loans (down 51.2%) and 218 million yen in long-term operating loans (down 71.3%).

In summary, operating revenue in domestic financial business was 11,037 million yen (down 41.3%). Segment income was 3,799 million yen (up 105.1%) as a result of Nihon Hoshou's cost reduction measures including early retirement programs and a decrease in provision for loss on interest repayment.

(ii) Financial business in South Korea
(Savings bank business and capital business)

JT Chinae Savings Bank and JT Savings Bank conduct savings bank business. JT Capital provides installment financing and leasing services. We have already established an operational base as a comprehensive financial group through M&As executed in prior fiscal years. Going forward, we will expand profit through the organic collaboration of each business and proactively increase the balance of receivables. Under the medium-term business plan, we will improve profitability by increasing high-quality consumer loans and ensure stable loan portfolio by focusing on loans for large corporations, secured loans and government-backed loans. For loans by banking business, the balance increased significantly due to JT Chinae Savings Bank's assumption of loan business from Affiliated Financial Companies in August 2014, acquisition of JT Savings Bank in January 2015 and steady rises in the number and amount of new loan contracts. Meanwhile, accounts receivable – operating loans decreased as a result of the transfer of loan business to JT Chinae Savings Bank from Affiliated Financial Companies, but increased due to the acquisition of JT Capital in March 2015.

As a result, the loan balance increased steadily as of the end of the current consolidated fiscal year. However, because of the weaker won, loans by banking business were 150,255 million yen (up 1.0% year on year). Accounts receivable – operating loans including long-term operating loans receivable were 45,966 million yen (down 23.0%) The breakdown was 44,203 million yen (down 24.0%) in accounts receivable – operating loans and 1,763 million yen (up 16.5%) in long-term operating loans.

(Receivable collection business)

TA Asset Management is engaged in purchase and collection of NPLs. Under the medium-term business plan, we have accumulated the balance of receivables on the strength of our superior collection capability and high-level legal compliance.

As a result, the balance of purchased receivables was 2,651 million yen (down 44.1% year on year) as of the end of the current consolidated fiscal year, reflecting collections by sale of receivables along with ordinary collections.

In summary, operating revenue in financial business in South Korea was 25,480 million yen (up 35.5%). Segment income was 260 million yen (segment loss of 6,296 million yen during the same period of the previous fiscal year) because costs for collection and write-off of loans receivables increased due to the amortization of negative goodwill, which was recorded in the previous fiscal year as a valuation difference on such loans receivables.

(iii) Financial business in Southeast Asia
(Banking Business)

Bank J Trust Indonesia conducts banking business in Indonesia. Under our medium-term business plan, we focus on the rehabilitation of the bank which used to be supervised by Indonesia Deposit Insurance Corporation over a long time. Bank J Trust Indonesia transferred its NPLs to JTII to reduce Bank J Trust Indonesia's NPL ratio and improve its financial health. Going forward, we will particularly make a shift to the management structure with seasoned knowledge of the local banking business, aiming to expand revenue through such measures as quantitative increase and qualitative improvements in operating assets with the expansion of loan balance for small and medium-sized enterprises and consumers, a decrease in inefficient loans executed under the control of Indonesia Deposit Insurance Corporation, a decrease in funding cost and an increase in commission income by using our overseas network.

As a result, the balance of loans by banking business grew steadily to 80,277 million yen (up 6.0% year on year) as of the end of the current consolidated fiscal year.

(Collection of Accounts Receivable)

JTII conducts collection of accounts receivable business in Indonesia. Bank J Trust Indonesia transferred its NPL to JTII in October 2015. We aim to increase revenue by NPL collection with various measures including prompt disposal of collateralized assets and business rehabilitation.

As a result, the balance of purchased receivables was 3,936 million as of the end of the current consolidated fiscal year.

In summary, operating revenue of financial business in Southeast Asia was 12,292 million yen and segment loss was 7,898 million yen (segment loss of 157 million yen during the same period of the previous fiscal year) mainly due to the amortization of goodwill corresponding to the acquisition of Bank J Trust Indonesia and an increase in provision of allowance for doubtful accounts.

(iv) General entertainment business

BREAK Co., Ltd. (hereinafter, "BREAK") produces and sells toys for amusement machines. ADORES operates amusement facilities. Highlights Entertainment Co., Ltd. (hereinafter, "Highlights Entertainment") develops, produces and sells computer systems for peripheral equipment of Japanese pinball/slot machines. Under our medium-term business plan, ADORES proactively conducts collaborative events featuring characters of popular anime at existing stores. Going forward, we will expand the type of operation through development of own content in addition to content business using existing facilities. In Highlights Entertainment, we aim to establish group-wide general entertainment business by utilizing ADORES' own content in development of Japanese slot machines and other measures.

As a result, operating revenue in general entertainment business was 16,559 million yen (up 3.7% year on year). Segment loss was 475 million yen (segment income of 385 million yen during the same period of the previous fiscal year) mainly because Highlights Entertainment recorded research and development costs.

(v) Real estate business

Keynote Co., Ltd. (hereinafter, "Keynote") mainly handles sales and brokerage of

ready-built residential housing and ADORES conducts real estate asset business. Under our medium-term business plan, we will take advantage of our business operations in Southeast Asia, supported by our ability to plan and design housing and commercial facilities of Japanese quality handled by Keynote. In addition, with our operational base in Southeast Asia, we aim to increase profit opportunities with a view to operating overseas real estate business. We have expanded marketing areas and increased property sales in existing areas supported by a gradual recovery of the housing starts including condominiums.

As a result, operating revenue in real estate business was 6,224 million yen (up 6.9% year on year) and segment income was 500 million yen (up 24.3%).

(vi) Investment business

JTA conducts investment business and provides management support for investees mainly in Singapore. JTA underwrote convertible bond of Group Lease PCL, listed on the Stock Exchange of Thailand in May 2015 and acquired 6.43% of GL's shares by exercising conversion rights attaching to the convertible bond. JTA formed a strategic partnership with GL and plans to develop business to maximize synergy generated from the establishment of network while expanding its business in fast-growing Southeast Asia.

As a result, operating revenue in investment business was 2,828 million yen (up 167.1% year on year) and segment income was 2,562 million yen (up 309.8% year on year).

(vii) Other business

J Trust System Co., Ltd. handles system development, operation and management of computers. Keynote constructs commercial facilities. Japan Care Welfare Group Co., Ltd., which conducts elderly care business, was excluded from the scope of consolidation due to its sale in August 2015.

As a result, operating revenue in other business was 1,857 million yen (down 49.5% year on year) and segment loss was 193 million yen (segment income of 45 million yen during the same period of the previous fiscal year).

(2) Status of capital investment

Capital investments made by the Group during the consolidated fiscal year under review totaled 3,111 million yen, consisting of 115 million yen, 363 million yen and 402 million yen in domestic financial business, financial business in South Korea and financial business in Southeast Asia, respectively, 1,429 million yen in general entertainment business, 704 million yen in real estate business, 32 million yen in investment business, 34 million yen in other business, and 29 million yen in overall Group (common).

(3) Status of fundraising

The balance of fundraising at the end of the consolidated fiscal year under review was 324,226 million yen, consisting of 1,381 million yen from notes discounted, 2,229 million yen from bonds payable, 49,497 million yen from loans payable, and 271,117 million yen from deposits by banking business.

(4) Operating results and financial position of the Group

Category	37 th Business Year (from April 1, 2012 to March 31, 2013)	38 th Business Year (from April 1, 2013 to March 31, 2014)	39 th Business Year (from April 1, 2014 to March 31, 2015)	40 th Business Year (Consolidated fiscal year under review) (from April 1, 2015 to March 31, 2016)
Operating revenue (million yen)	55,683	61,926	63,281	75,478
Ordinary income (loss) (million yen)	13,704	13,351	(2,385)	(4,678)
Profit (loss) attributable to owners of parent (million yen)	13,309	11,145	10,143	(5,712)
Net income (loss) per share (yen)	214.44	109.66	85.92	(49.65)
Total assets (million yen)	218,706	334,736	540,718	508,659
Net assets (million yen)	70,895	184,230	194,865	168,656
Net assets per share (yen)	1,013.89	1,502.54	1,591.09	1,455.90

Notes:

- The Company conducted a 2-for-1 split of its common shares during the 37th business year. The net income (loss) per share and net assets per share stated above were calculated as if the stock split were conducted at the beginning of the 37th business year.
- In the 38th business year, total assets and net assets increased due to the exercise of subscription rights to shares granted by a rights offering (non-commitment type/gratis allotment of listed subscription rights to shares), effective May 31, 2013.
- In the 39th business year, the Company proactively carried out M&A transactions and organizational restructuring in South Korea and South East Asia and the Company made JT Savings Bank Co., Ltd., JT Capital Co., Ltd., and PT Bank Mutiara Tbk (currently PT Bank JTrust Indonesia Tbk.), etc. consolidated subsidiaries. Due to this, the Company's total assets increased.
- Effective from the current business year, the Company has changed the titles of line items of "Net income or loss" to "Profit or loss attributable to owners of parent" in accordance with Accounting Standards for Business Combination (ASBJ Statement No. 21 *Accounting Standard for Business Combinations* September 13, 2013).

(5) Key issues to be addressed

- Basic policy of the management of the Company
The Company defines the corporate philosophy as the vision that "For our customers, shareholders and ourselves, we make continuous effort to respond quickly to changing environment and challenge ourselves diligently to create better future of the world".
- Targeted management indicators
Under the Group vision of "Aim to be a provider of unique financial services not constrained by existing paradigms," the Group formulated a medium term business plan, starting with the fiscal year ended March 31, 2016.

Specific management objectives are as follows:

- Three-year target: 142.1 billion yen in annual operating revenue, 21.7 billion yen in annual operating income and ROE of 10.0%;
- Income from banking business which is expected to expand continuously in fast-growing Asia will play a major role;
- Seek to invest 50 to 100 billion yen in three years in investment deals with IRR at 15% and higher in growth market; and
- Position maximization of shareholder value as one of the most important task for management and implement share buyback flexibly when stock price is deemed undervalued.

1. Medium-to-long-term management strategies and key issues to be addressed

(Financial business in Southeast Asia)

We endeavor to lower NPL ratio and improve financial health towards the rehabilitation of Bank J Trust Indonesia. The bank, which had been long supervised by the Indonesia Deposit Insurance Corporation for rehabilitation purpose, had no chance of taking a proactive approach to increase loans and deposits. This led to the insufficient volume of loans and deposits per branch, only half the competitor average. In addition, the heavy dependence on large-lot customers kept the average deposit rate higher than the level of competitors. Going forward, we intend to provide comprehensive financial services such as various loans (including automobile loan and mortgage loan), card services and foreign exchange related services targeting small and medium-sized enterprises and salaried workers because their presence is rapidly growing in Indonesia along with the expansion of economy. Also, we will actively invest in IT infrastructure, which includes the renewal of core banking systems to offer comprehensive financial services flexibly and promptly as well as the launch of online/mobile banking for corporate and individual customers and branchless banking services to broaden the customer base with diversified distribution channels and enhanced convenience. At the same time, we will tackle the issue of revitalizing Bank J Trust Indonesia by increasing the loan balance through wholesale financial services to multi-finance companies (mainly auto lease companies) and direct leasing to individual customers in collaboration with multi-finance companies and by accumulating deposits from and loans to overseas customers through high value-added financial services, capitalizing on the Group's network.

(Financial business in South Korea)

In South Korea, we have 4 financial subsidiaries, namely JT Chinae Savings Bank, JT Savings Bank, JT Capital and TA Asset Management. The infrastructure is now ready for development of comprehensive financial services. We will expand business there so as to achieve a synergy effect through the organic growth of each business entity: JT Chinae Savings Bank will raise low-cost funds mainly through bank deposits and also increasingly offer corporate loan; JT Savings Bank will focus on mortgage loan and consumer loan; JT Capital will increase the balance of mortgage loan and lease asset, with an interest rate ranging between 6 and 20%, targeting customers with good credit history; and TA Asset Management will accumulate loans receivable on the back of our superior collection capability and high-level legal compliance. As a financial group in South Korea, we will further increase the balance by raising convenience through a dedicated app with the first-ever automatic remittance function and enhancing the brand through marketing activities to create the "customer-oriented and trustworthy" images.

(Domestic financial business)

In March 2015, Nihon Hoshou implemented an early retirement program, aiming for a lean management structure to ensure stable profits in the medium and long term. Going forward, we will develop business centering on credit guarantee services for rental housing loans and property-based loan and also focus on property-based loan. For the Servicer business, we will develop operations with a high pricing strategy backed by the Group's strong collection capability in the shrinking market.

(Domestic non-financial business)

In the General Entertainment business, ADORES proactively holds events at existing stores such as collaborative events featuring popular animation characters. Going forward, we will expand the type of operation through development of own content in addition to the content business using existing facilities. Meanwhile, Highlights Entertainment develops, produces and sells computer systems for peripheral equipment of Japanese pinball/slot machines. We will build a group-wide structure for general entertainment business, such as the use of ADORES' own content, in development of Japanese pinball/slot machines.

In the real estate business, we will expand profit opportunities with a view to launching overseas operations using the Group's operating base in Southeast Asia, based on Keynote's capability to plan and build residential houses and commercial facilities of Japanese quality

(6) Status of major subsidiaries (as of March 31, 2016)

Name of subsidiary	Capital stock or investments in capital	Shareholding ratio	Principal business
Nihon Hoshou Co., Ltd.	95 million yen	100%	Credit guarantee; financial services
Partir Servicer Co., Ltd.	500 million yen	(100%)	Management and collection of accounts receivables
J TRUST Card Co., Ltd.	90 million yen	100%	Credit card; consumer credit
ADORES, Inc.	4,405 million yen	42.91%	Amusement; real estate
BREAK Co., Ltd.	75 million yen	(42.91%)	Amusement
Keynote Co., Ltd.	30 million yen	(42.91%)	Real estate
J TRUST System Co., Ltd.	80 million yen	100%	Operation of computer and system development
Highlights Entertainment Co., Ltd.	10 million yen	(100%)	Development, production and sales of Japanese pinball/slot machines
JT Chinae Savings Bank Co., Ltd.	KRW 68,900 million	(100%)	Savings bank
JT Savings Bank Co., Ltd.	KRW 99,984 million	100%	Savings bank
TA Asset Management Co., Ltd.	KRW 8,750 million	100%	Purchase, management and collection of receivables
JT Capital Co., Ltd.	KRW 108,000 million	100%	Financial services
PT Bank JTrust Indonesia Tbk.	IDR 11,223,154 million	98.997% (1.00%)	Banking
PT JTRUST INVESTMENTS INDONESIA	IDR 55,653 million	6.28% (92.79%)	Purchase, management and collection of receivables
JTRUST ASIA PTE. LTD.	SGD 200 million	100%	Investment

Notes:

- Figures in parentheses indicate an indirect shareholding ratio.
- The number of consolidated subsidiaries is 22, including the major subsidiaries above.
- There are no subsidiaries which meet the criteria for specific wholly owned subsidiaries.
- On April 1, 2015, the Company transferred all of the shares of CREDIA Co., Ltd., which ceased to be a consolidated subsidiary of the Company.
- On June 18, 2015, JTRUST ASIA PTE LTD., a consolidated subsidiary of the Company, established PT JTRUST INVESTMENTS INDONESIA, which the Company included in its consolidated subsidiaries.
- On June 23, 2015, the trade name of PT Bank Mutiara Tbk. was changed to PT Bank JTrust Indonesia Tbk.
- On July 1, 2015, the Company effected an absorption-type merger where AI Electronics Ltd. became a surviving company while Highlights Entertainment Co., Ltd. became an extinguished company.
- On July 6, 2015, the trade name of Chinae Savings Bank Co., Ltd. was changed to JT Chinae

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Savings Bank Co., Ltd.

9. On August 11, 2015, ADORES, Inc., a consolidated subsidiary of the Company, transferred all of the shares of Japan Care Welfare Group Co., Ltd., which ceased to be a consolidated subsidiary of the Company.
10. On October 15, 2015, the Company transferred all of the shares of Neoline Credit Co., Ltd. and HICAPITAL Co., Ltd., which ceased to be consolidated subsidiaries of the Company.
11. On February 24, 2016, the trade name of KJI Consumer Finance LLC was changed to TA Asset Management Co., Ltd.

(7) Principal business (as of March 31, 2016)

Segment	Main business
Domestic financial business	Credit guarantee
	Purchase, management and collection of receivables
	Credit card and consumer credit
	Other financial services
Financial business in South Korea	Savings bank business
	Purchase, management and collection of receivables
	Capital business
Financial business in Southeast Asia	Banking business
	Purchase, management and collection of receivables
General entertainment business	Operation of amusement facilities, sales of amusement machine toys
	Development, manufacturing and sales of computer system, etc. related to peripheral equipment of amusement machinery
Real estate business	Buying and selling of real estate, renovation of existing homes, brokerage of real estate
Investment business	Investments in and outside Japan
Other business	System development, computer operation and management
	Commercial facility construction business including design and construction of commercial facilities

(8) Main offices (as of March 31, 2016)

(J Trust Co., Ltd.)

Headquarters	1-7-12 Toranomom, Minato-ku, Tokyo
Osaka Branch	2-8-8 Higashinodamachi, Miyakojima-ku, Osaka-shi

(Major subsidiaries)

Nihon Hoshou Co., Ltd.	Minato-ku, Tokyo
Partir Servicer Co., Ltd.	Minato-ku, Tokyo
J TRUST Card Co., Ltd.	Miyazaki-shi, Miyazaki
ADORES, Inc.	Minato-ku, Tokyo
BREAK Co., Ltd.	Minato-ku, Tokyo
Keynote Co., Ltd.	Meguro-ku, Tokyo
J Trust System Co., Ltd.	Minato-ku, Tokyo
Highlights Entertainment Co., Ltd.	Chiyoda-ku, Tokyo
JT Chinae Savings Bank Co., Ltd.	Seoul Special City, South Korea
JT Savings Bank Co., Ltd.	Seongnam City, Gyeonggi-do, South Korea
TA Asset Management Co., Ltd.	Seoul Special City, South Korea
JT Capital Co., Ltd.	Seoul Special City, South Korea
PT Bank Jtrust Indonesia Tbk.	Jakarta, Republic of Indonesia
PT JTRUST INVESTMENTS INDONESIA	Jakarta, Republic of Indonesia
JTRUST ASIA PTE. LTD.	Republic of Singapore

(9) Status of employees (as of March 31, 2016)

Category	Number of employees	
Domestic financial business	274	(22)
Financial business in South Korea	1,043	(120)
Financial business in Southeast Asia	1,408	(17)
General entertainment business	309	(631)
Real estate business	42	(2)
Investment business	4	(0)
Other business	61	(66)
Corporate (common)	85	(1)
Total	3,226	(859)

Notes:

1. The number of employees represents the number of persons employed regularly within the Group (i.e., excluding those seconded from the Group to outside the Group and including those seconded from outside the Group to the Group), and the average number of temporary employees (part-time workers and workers from staffing firms) is shown in parentheses.
2. The number of employees decreased by 760 as the Company sold some consolidated subsidiaries and offered opportunities for voluntary retirement.
3. The number of employees stated in corporate (common) represents the number of persons belonging to administrative departments.

(10) Major lenders (as of March 31, 2016)

Lender	Balance of loans payable
The Osaka Kosei Shinkin Bank	5,581 million yen
The Tokyo Star Bank, Limited	3,870 million yen
The Sawayaka Shinkin Bank	2,199 million yen
Kinki Sangyo Credit Union	1,974 million yen
Seikyo Credit Union	1,322 million yen

(11) Other significant matters regarding the current status of the Group

- (i) The Company and its consolidated subsidiary, JTRUST ASIA PTE. LTD. resolved at the Board of Directors' meeting held on May 13, 2016 that JTRUST ASIA PTE. LTD. would conclude a convertible bonds subscription agreement with condition precedent with Group Lease PCL, a company listed on the First Section of Thai Stock Exchange.

It is summarized as follows:

- 1) Name of counterparty to the agreement: Group Lease PCL
- 2) Timing of conclusion of agreement: May 31, 2016 (expected)
- 3) Overview of convertible bonds

Issuer	Group Lease PCL
Issuance price	14,300 million yen (130,000,000 USD; 1 USD=110 JPY)*
Issuance value	Same as the above
Interest rate	5%
Redemption period	5 years
Conversion price	125.20 yen per share (40 THB per share, 1 THB=3.13 JPY) *
Number of shares after full conversion	213,150,000 shares
Shareholding ratio after full conversion	12.99%

*The issuance price and conversion price are determined using the exchange rate available on April 28, 2016.

- (ii) The Company resolved at the Board of Directors' meeting held on May 13, 2016 to effect the subscription of the capital increase of JTRUST ASIA PTE. LTD., a consolidated subsidiary of the Company.

It is summarized as follows:

- 1) Reason for capital increase
JTRUST ASIA PTE. LTD. plans to subscribe convertible bonds issued by Group Lease PCL, a company listed on the First Section Thai Stock Exchange.
- 2) Overview of consolidated subsidiary subject to capital increase

Name	JTRUST ASIA PTE. LTD.
Location	Republic of Singapore
Name of representative	Nobuyoshi Fujisawa
Amount of common stock	16,315 million yen (as of March 31, 2016) (200 million Singapore dollars)
Shareholding ratio	Fully owned by the Company
Description of business	Investment business, management support of investees

3) Overview of capital increase

Value of capital increase	14,131 million yen (178 million Singapore dollars; 1SGD=79.28JPY) *
Amount of common stock after capital increase	30,447 million yen (378 million Singapore dollars)
Payment date	To be decided

*The amount of capital increase was determined using the exchange rate as of May 13, 2016

2. Matters regarding the shares of the Company (as of March 31, 2016)

- (1) Number of authorized shares 240,000,000
 (2) Number of outstanding shares 112,447,154
 (3) Number of shareholders 15,189
 (4) Major shareholders (top 10 shareholders)

Name of shareholder	Number of shares owned	Shareholding ratio
Nobuyoshi Fujisawa	23,009,372	20.54%
Taiyo Fund, L.P.	9,455,300	8.44%
BOTTOMS UP Co., Ltd.	7,439,000	6.64%
FUJISAWA PTE. LTD.	6,954,372	6.21%
TAIYO HANEI FUND, L.P.	4,012,300	3.58%
STATE STREET BANK AND TRUST COMPANY 505019	3,769,900	3.36%
Japan Trustee Services Bank, Ltd. (trust account)	3,667,700	3.27%
THE SAIKYO BANK, LTD.	2,890,000	2.58%
CBNY-ORBIS SICAV	2,869,974	2.56%
The Resolution and Collection Corporation	2,170,900	1.94%

Notes:

- Shareholding ratio is calculated excluding the number of treasury shares (409,748 shares).
- FUJISAWA PTE. LTD. is wholly owned by Mr. Nobuyoshi Fujisawa, President & CEO of the Company. BOTTOMS UP Co., Ltd. is wholly owned jointly by Mr. Fujisawa and FUJISAWA PTE. LTD.
- On June 22, 2015, the Report of Possession of Large Volume (Change Report pertaining to the Report of Possession of Large Volume of shares of the Company) was filed with Kanto Local Finance Bureau by JPMorgan Asset Management (Japan) Limited and its joint holders. Though the report states that the company and its joint holders hold 5,787,726 shares (shareholding ratio of 4.88%) as of June 15, 2015, the Company did not include them in the major shareholders above as the Company could not confirm the number of shares owned by them as of the end of the consolidated fiscal year under review.
- On March 7, 2016, the Report of Possession of Large Volume (Change Report pertaining to the Report of Possession of Large Volume of shares of the Company) was filed with Kanto Local Finance Bureau by Taiyo Fund Management Co. LLC and its joint holders. Though the report states that the company and its joint holders hold 18,905,000 shares (shareholding ratio of 16.81%) as of February 15, 2016, the Company did not include them in the major shareholders above as the Company could not confirm the number of shares owned by them as of the end of the consolidated fiscal year under review.

(5) Other significant matters regarding the shares of the Company

- (1) The total number of outstanding shares increased by 107,800 shares due to the exercise of the subscription rights to shares (stock options).
- (2) According to the resolution at the Board of Directors' meeting held on May 14, 2015, the Company acquired the treasury shares as follows.

Class and number of shares acquired	Common Shares; 6,250,000 shares
Total share acquisition amount	6,264 million yen
Share acquisition period	From August 18, 2015 to November 16, 2015

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- (3) According to the resolution at the Board of Directors' meeting held on December 17, 2015, the Company retired the treasury shares as follows.

Class and number of shares retired	Common shares; 6,250,000 shares
Total value of disposal	6,156 million yen
Retirement date	December 29, 2015

The total number of outstanding shares decreased by 6,250,000 shares due to the retirement of the treasury shares.

3. Matters regarding subscription rights to shares of the Company, etc.

(1) Status of subscription rights to shares, etc. at the end of each business year

	J Trust 1st subscription rights to shares (stock option) issued on November 27, 2009	J Trust 2nd subscription rights to shares (stock option) issued on November 29, 2010	J Trust 3rd subscription rights to shares (stock option) issued on August 31, 2011	J Trust 5th subscription rights to shares (stock option) issued on August 31, 2013	J Trust 6th subscription rights to shares (stock option) issued on September 30, 2015
Number of subscription rights to shares	4 units	200 units	840 units	1,450 units	8,640 units
Class and number of shares underlying subscription rights to shares	8,000 common shares (2,000 shares per subscription rights to shares)	40,000 common shares (200 shares per subscription rights to shares)	168,000 common shares (200 shares per subscription rights to shares)	145,000 common shares (100 shares per subscription rights to shares)	864,000 common shares (100 shares per subscription rights to shares)
Issuance value	Gratis	Gratis	Gratis	Gratis	Paid (1,600 yen per unit)
Exercise price	172,000 yen per unit	22,000 yen per unit	26,800 yen per unit	200,700 yen per unit	95,400 yen per unit
Exercise period	from December 1, 2011 to July 31, 2016	from December 1, 2012 to July 31, 2017	from September 1, 2013 to July 31, 2018	from September 1, 2015 to August 31, 2020	from July 1, 2017 to September 30, 2021
Conditions for exercise	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2	Notes 1, 2 & 6

	J Trust N-6th subscription rights to shares (Stock option) issued on April 30, 2012	J Trust N-7th subscription rights to shares (Stock option) issued on April 30, 2012	J Trust N-8th subscription rights to shares (Stock option) issued on April 30, 2012	J Trust N-9th subscription rights to shares (Stock option) issued on April 30, 2012	J Trust N-10th subscription rights to shares (Stock option) issued on April 30, 2012
Number of subscription rights to shares	140 units	170 units	1,970 units	3,300 units	3,250 units
Class and number of shares underlying subscription rights to shares	560 common shares (4 shares per subscription rights to shares)	680 common shares (4 shares per subscription rights to shares)	7,880 common shares (4 shares per subscription rights to shares)	13,200 common shares (4 shares per subscription rights to shares)	13,000 common shares (4 shares per subscription rights to shares)
Issuance value	Gratis	Gratis	Gratis	Gratis	Gratis
Exercise price	512 yen per unit	1,392 yen per unit	1,552 yen per unit	3,016 yen per unit	1,092 yen per unit
Exercise period	from April 30, 2012 to March 10, 2019	from April 30, 2012 to April 28, 2019	from April 30, 2012 to December 15, 2019	from December 15, 2012 to December 14, 2020	from December 14, 2013 to December 13, 2021
Conditions for exercise	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2

Notes:

- The acquisition of subscription rights to shares (stock options) by transfer shall require an approval by a resolution at the Board of Directors' Meeting of the Company.
- In the case that an owner of subscription rights to shares (stock options) waives the offered subscription rights to shares (stock options), he/she shall not be able to exercise such offered subscription rights to shares (stock options).
- As a result of a share exchange with Next Japan Holdings Co., Ltd. effective April 30, 2012, the Company took over the subscription rights to shares (stock options) issued by Next Japan Holdings Co., Ltd. in the form of J Trust N-6th, N-7th, N-8th, N-9th and N-10th subscription rights to shares (stock options).
- As a result of a stock split dated June 1, 2012, whereby each share was divided into 2 shares, the Company adjusted the exercise price of subscription rights to shares (stock options) issued before the date when their effect took place.
- Upon issuance of new shares resulting from the exercise of subscription rights to shares (rights offering, non-commitment/gratis allotment of listed subscription rights) with the exercise period between July 5, 2013 and July 30, 2013, the Company set August 12, 2013 as the reference date and adjusted the exercise price of subscription rights to shares (stock options) issued on or before the reference date.
- Vesting conditions for J Trust 6th subscription rights to shares (stock options) issued on September 30, 2015 are as follows.
A subscriber for subscription rights to new shares may exercise his/her subscription rights to the shares in proportion to the applicable ratio to new shares allotted to the subscriber, as specified below, only when operating income for the period from the fiscal year ending March 31, 2017 to the fiscal year ending March 31, 2018 meets one of the conditions specified below.
 - Operating income for the fiscal year ending March 31, 2017 exceeds 15,100 million yen:
20% of the total number of the subscription rights to new shares allotted to each subscriber;
 - Operating income for the fiscal year ending March 31, 2018 exceeds 21,700 million yen:
80% of the total number of the subscription rights to new shares allotted to the subscriber;
Note, however, that even when the conditions in (2) above are met, the subscription rights are not exercisable if operating income for the fiscal year ending March 31, 2017 is below 7,500 million yen.

(2) Subscription rights to shares held by Directors of the Company at the end of the business year under review

	Name of subscription rights to shares	Number of units	Number of holders
Directors (excluding outside directors)	J Trust 5th subscription rights to shares (stock option)	610	2
	J Trust 6th subscription rights to shares (stock option)	4,680	5
Outside directors	J Trust 6th subscription rights to shares (stock option)	500	2

(3) Status of subscription rights to shares delivered during the business year under review

The subscription rights to shares delivered during the business year under review are as described in the J Trust 6th subscription rights to shares (stock option) in (1) above.

Status of delivery of subscription rights to shares to directors and employees of the Company and employees of subsidiaries

	Number of units	Number of holders
Executives of the Company	5,180	7
Employees of the Company (excluding those concurrently holding the position of executives of the Company)	1,730	24
Executives and employees of subsidiaries of the Company (excluding those concurrently holding positions as executives or employees of the Company)	1,730	14

4. Matters regarding executives

(1) Directors and Audit & Supervisory Board Members at the end of the business year under review

Name	Position	Assignment and significant concurrent positions
Nobuyoshi Fujisawa	Representative Director President & CEO	Chief Executive Officer Director of ADORES, Inc. Managing Director & CEO of JTRUST ASIA PTE. LTD. Director of JT Capital Co., Ltd. President Commissioner of PT JTRUST INVESTMENTS INDONESIA
Nobuiku Chiba	Representative Director	Senior Managing Executive Officer In charge of financial business in South Korea and Public Relations & Investor Relations Division of Corporate Planning Department Director of JT Chinae Savings Bank Co., Ltd. Representative Director of JT Capital Co., Ltd.
Nobiru Adachi	Director	Senior Managing Executive Officer In charge of banking business in Indonesia and promotion of global banking business President Commissioner of PT Bank JTrust Indonesia Tbk.
Shigeyoshi Asano	Director	Managing Executive Officer In charge of business in Southeast Asia and Planning Division of Corporate Planning Department Director of JTRUST ASIA PTE. LTD. Commissioner of PT JTRUST INVESTMENTS INDONESIA Director of JTRUST FINTECH PTE. LTD.
Toru Myochin	Director	Managing Executive Officer In charge of domestic financial business
Norio Igarashi	Director	Visiting Attorney of Yamada Ozaki Law Office
Ryuji Mizuta	Director	Advisor of Sumitomo Life Insurance Company
Masanori Kaneko	Director	Advisor of THE SAIKYO BANK LTD. Director, Hoken Eye Saikyo K.K.
Masao Onishi	Full-Time Audit & Supervisory Board Member	Audit & Supervisory Board Member of NUCS Co., Ltd. Audit & Supervisory Board Member of J TRUST Card Co., Ltd.
Hideki Yamane	Full-Time Audit & Supervisory Board Member	Audit & Supervisory Board Member of Partir Servicer Co., Ltd.
Masato Inoue	Audit & Supervisory Board Member	Representative of Inoue Office
Takaaki Kojima	Audit & Supervisory Board Member	Advisor of Libera Corporation Adjunct Professor of National University of Singapore

Notes:

1. Three Directors, Messrs. Norio Igarashi, Ryuji Mizuta and Masanori Kaneko are Outside Directors.

The Company designated Messrs. Norio Igarashi, Ryuji Mizuta and Masanori Kaneko as independent officers as provided in the regulations of the Tokyo Stock Exchange, Inc. and notified the exchange to that effect.

2. Audit & Supervisory Board Members, Messrs. Hideki Yamane and Takaaki Kojima are Outside Audit & Supervisory Board Members.
3. Full-Time Audit & Supervisory Board Member, Mr. Hideki Yamane, has long years of experience in financial institutions and significant insight into finance and accounting.
4. Director, Mr. Shigeyoshi Asano, was appointed to Commissioner of PT Group Lease Finance Indonesia on April 14, 2016.
5. The Company has adopted the executive officer system. Executive officers as of March 31, 2016 excluding those concurrently holding the position of director, are as follows:

Name	Position	Assignment
Taiji Hitachi	Executive Officer	General Manager of General Accounting Department
Makoto Kurokawa	Executive Officer	General Manager of Finance Department
Yukihiro Nishikawa	Executive Officer	General Manager of Corporate Planning Department, in charge of Legal Division
Yoshihide Imori	Executive Officer	General Manager of Corporate Management Department
Ryuichi Atsuta	Executive Officer	Corporate Planning Department in charge of new business

6. Changes in position and assignment of executive officers excluding those concurrently holding the position of director after the end of the current business year under review are as follows.

Name	Status of position and assignment		Transfer date
	After change	Before change	
Ryuichi Atsuta	Executive Officer, General Manager of Finance Department	Executive Officer, Corporate Planning Department in charge of new business	April 14, 2016

(2) Changes in position and assignment of Directors during the business year under review

Name	New position and assignment	Old position and assignment	Transfer date
Nobuiku Chiba	Representative Director Senior Managing Executive Officer In charge of financial business in South Korea and Public Relations & Investor Relations Division of Corporate Planning Department	Director	June 26, 2015
Nobiru Adachi	Representative Director Senior Managing Executive Officer, in charge of banking business in Indonesia and promotion of global banking business	Representative Director and Senior Managing Director in charge of Corporate Management Department	June 26, 2015
	Director, Senior Managing Executive Officer, in charge of banking business in Indonesia and promotion of global banking business	Representative Director and Senior Managing Executive Officer in charge of banking business in Indonesia and promotion of global banking business	October 15, 2015
Shigeyoshi Asano	Director, Managing Executive Officer (new) In charge of business in Southeast Asia and Planning Division of Corporate Planning Department	-	June 26, 2015

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Toru Myochin	Director, Managing Executive Officer (new) In charge of domestic financial business	-	June 26, 2015
Masanori Kaneko	Outside Director (new)	-	June 26, 2015
Makoto Miyoshi	Resigned	Director in charge of Corporate Strategy Department and Public Relations & Investor Relations Department	June 26, 2015
Taiji Hitachi	Resigned	Director and General Manager of General Accounting & Finance Department	June 26, 2015
Kazuharu Anno	Resigned	Outside Director	June 26, 2015

(3) Changes in position and assignment of Directors and Audit & Supervisory Board Members on or after April 1, 2016

Not applicable.

(4) Remuneration of Directors and Audit & Supervisory Board Members

Category	Number (persons)	Total amount of remuneration
Directors	11	146 million yen
(Outside Directors)	(4)	(15 million yen)
Audit & Supervisory Board Members	5	31 million yen
(Outside Audit & Supervisory Board Members)	(3)	(18 million yen)
Total	16	178 million yen

Notes:

1. Amount of remuneration of directors does not include remuneration as employees (with regard to directors who concurrently serve as employees).
2. The amount of remuneration includes the expenses (4 directors; 14 million yen) for the allotment of subscription rights to shares as stock option which is recorded for the business year under review.
3. The amount of remuneration of 11 directors and 5 audit & supervisory board members includes remuneration of three directors (including one outside director) and one outside audit & supervisory board member who ended tenure upon the completion of the Ordinary General Meeting of Shareholders on June 26, 2015.
4. The above remuneration does not include any remunerations of directors and audit & supervisory board members paid by subsidiaries, etc. of the Company.

(5) Matters regarding outside executives

(i) Significant concurrent position of outside executives for other entities

Category	Name	Significant concurrent positions
Director	Norio Igarashi	Visiting attorney of Yamada Ozaki Law Office
Director	Ryuji Mizuta	Advisor of Sumitomo Life Insurance Company
Director	Masanori Kaneko	Advisor of The SAIKYO BANK LTD. Director of Hoken Eye Saikyo K.K.
Audit & Supervisory Board Member	Hideki Yamane	Audit & Supervisory Board Member of Partir Servicer Co., Ltd.

Audit & Supervisory Board Member	Takaaki Kojima	Advisor of Libera Corporation Adjunct Professor of National University of Singapore
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Notes:

1. Partir Servicer Co., Ltd. is a subsidiary of the Company.
2. The Company has capital and loan guarantee business relationship with The SAIKYO BANK LTD. as the bank holds 2,890 thousand common shares of the Company.
3. The Company has no special relationship with other corporations where they have material concurrent positions except for items 1 and 2 above.

(ii) Main activities during the business year under review

Category	Name	Main activities
Director	Norio Igarashi	Mr. Norio Igarashi attended 20 out of 22 Board of Directors' meetings (attendance rate: 90.9%). He expressed opinions and offered suggestions based on his abundant knowledge and experience as an attorney.
Director	Ryuji Mizuta	Mr. Ryuji Mizuta attended 22 out of 22 Board of Directors' meetings (attendance rate: 100%). He expressed opinions and offered suggestions based on his abundant knowledge and work experience at National Police Agency.
Director	Masanori Kaneko	Mr. Masanori Kaneko attended 16 out of 16 Board of Directors' meetings (attendance rate: 100%). He expressed opinions and offered suggestions based on his abundant knowledge and experience as an executive at financial institutions.
Audit & Supervisory Board Member	Hideki Yamane	Mr. Hideki Yamane attended 22 out of 22 Board of Directors' meetings (attendance rate: 100%) and 15 out of 15 Audit & Supervisory Board meetings (attendance rate: 100%). He expressed opinions and offered suggestions based on his abundant knowledge and experience as an executive at financial institutions.
Audit & Supervisory Board Member	Takaaki Kojima	Mr. Takaaki Kojima attended 15 out of 16 Board of Directors' meetings (attendance rate: 93.8%) and 9 out of 11 Audit & Supervisory Board meetings (attendance rate: 81.8%). He expressed opinions and offered suggestions based on his abundant knowledge and experience as he assumed significant positions in the Ministry of Foreign Affairs and was appointed to ambassador extraordinary and plenipotentiary of various countries.

Note: Descriptions concerning Director, Mr. Masanori Kaneko and Audit & Supervisory Board Member, Mr. Takaaki Kojima relate to their activities since their appointments on June 26, 2015.

(iii) Overview of agreement for limitation of liability

Under Article 427, Paragraph 1 of Companies Act, the Company has concluded agreements to limit liability for damages of each Outside Director and Outside Audit & Supervisory Board Member, Mr. Takaaki Kojima specified in Article 423, Paragraph 1 of Companies Act. Their relevant liabilities for damages under the agreement shall be limited to the minimum liability amount as stipulated by laws and regulations.

5. Matters regarding Accounting Auditor

(1) Name of Accounting Auditor

Hibiki Audit Corporation

(2) Remuneration etc. for Accounting Auditor

Category	Amount paid
(i) Amount of remuneration, etc., to be paid by the Company to the Accounting Auditor pertaining to the business year under review	114 million yen
(ii) Sum of money and other financial profits to be paid by the Company and its subsidiaries to the Accounting Auditor	130 million yen

Notes:

1. The audit agreement entered into by the Accounting Auditor and the Company does not distinguish the amount derived from the audit under Companies Act and the one derived from the audit under the Financial Instruments and Exchange Act, and the two amounts cannot be substantially distinguished from each other. Therefore, the amount of remuneration, etc., to be paid by the Company to the Accounting Auditors pertaining to the business year under review indicates the total of these two.
2. The Audit & Supervisory Board of the Company verified whether the contents of audit plan of the accounting auditor, status of performance of accounting audit duties and calculation basis of the estimate of remuneration were appropriate and agreed to the amount of remunerations for the accounting auditor.
3. ADORES, Inc., a domestic subsidiary of the Company, has been audited by Koa Audit Corporation.
4. Some of the overseas subsidiaries of the Company are audited by firms other than the Accounting Auditor of the Company.

(3) Details of non-audit services

The Company does not entrust any services other than the services (non-audit services) as defined in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(4) Policy for determining the dismissal or non-reappointment of Accounting Auditor

If the Audit & Supervisory Board judges it necessary, for example, in case of any event that may interfere with the execution of duties by the Accounting Auditor, the Audit & Supervisory Board shall request the Board of Directors to submit a proposal for the dismissal or non-reappointment of the Accounting Auditor as an agenda to the General Meeting of Shareholders.

If there are grounds for dismissal under the provisions of Article 340, Paragraph 1 of Companies Act, the Audit & Supervisory Board of the Company shall dismiss the Accounting Auditor, subject to approval by all Audit & Supervisory Board Members. In this case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report such dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders after the dismissal.

6. Policy for deciding the dividends of surplus and other related matters

The Company identifies the return of profits to shareholders as one of the most important corporate management tasks. In addition, the Company's Articles of Incorporation stipulate that the decision of dividends, etc. of surplus shall be resolved by the Board of Directors with the aim of realizing flexible capital and dividend policies in accordance with the provisions of Article 459, Paragraph 1 of Companies Act.

The year-end dividend for the business year under review was decided to be 7 yen per share as 2 yen was added to 5 yen ordinary dividend per share to commemorate the 40th anniversary of the Company. The payment date will be June 30, 2016. Accordingly, the annual dividend will be 12 yen per share, including the interim dividend.

Note: As for fractions less than the respective units in this Business Report, the amounts are rounded down.

CONSOLIDATED BALANCE SHEET (as of March 31, 2016)

(Millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	448,131	Current liabilities	311,642
Cash and deposits	108,682	Notes discounted	1,381
Commercial notes	1,428	Current portion of bonds	60
Accounts receivable - operating loans	49,505	Short-term loans payable	14,317
Loans by banking business	230,532	Current portion of long-term loans payable	13,391
Advances paid - installment	2,449	Income taxes payable	769
Purchased receivables	9,940	Deposits by banking business	271,117
Subrogation receivable	1,462	Other	10,604
Securities	25,287		
Operational investment securities	13,057		
Merchandise and finished goods	2,445		
Work in process	1,604		
Deferred tax assets	1,106		
Other	17,439		
Allowance for doubtful accounts	(16,809)		
Non-current assets	60,527	Non-current liabilities	28,360
Property, plant and equipment	7,510	Bonds payable	2,169
Buildings and structures	3,304	Long-term loans payable	21,788
Amusement machine	981	Provision for loss on guarantees	424
Land	2,050	Net defined benefit liability	579
Other	1,174	Provision for loss on litigation	1,192
		Other	2,205
Intangible assets	39,356	Total liabilities	340,002
Goodwill	34,536	Net assets	
Other	4,820	Shareholders' equity	166,560
		Capital stock	53,616
Investments and other assets	13,660	Capital surplus	52,572
Investment securities	970	Retained earnings	60,777
Long-term operating loans receivable	2,083	Treasury shares	(406)
Deferred tax assets	1,445	Accumulated other comprehensive income	(3,445)
Other	12,045	Valuation difference on available-for-sale securities	136
Allowance for doubtful accounts	(2,884)	Foreign currency translation adjustment	(3,469)
		Remeasurements of defined benefit plans	(112)
		Subscription rights to shares	167
		Non-controlling interests	5,373
		Total net assets	168,656
Total assets	508,659	Total liabilities and net assets	508,659

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CONSOLIDATED STATEMENT OF INCOME

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

Item	Amount	
Operating revenue		
Discount revenue	122	
Interest on loans	3,475	
Collection from purchased receivable	3,466	
Installment payment paying for commission	229	
Commission fee	511	
Sales on real estate business	6,217	
Interest on deposits	152	
Other financial revenue	840	
Sales on general entertainment business	16,557	
Banking business revenue	31,716	
Other operating revenue	12,189	75,478
Operating expenses		
Discount on notes payable expense	48	
Interest on loans	1,020	
Cost of purchased receivable	1,060	
Cost of sales - real estate	5,183	
Cost of sales on general entertainment business	13,829	
Banking business expenses	16,217	
Other operating expenses	1,597	38,957
Operating gross profit		36,521
Selling, general and administrative expenses		40,635
Operating loss		4,114
Non-operating income		
Interest income	2	
Dividend income	13	
House rent income	65	
Gain on investment of securities	147	
Compensation income	107	
Miscellaneous income	316	652
Non-operating expenses		
Interest expenses	156	
Depreciation	10	
Foreign exchange losses	871	
Share of loss of entities accounted for using equity method	101	
Miscellaneous loss	75	1,216
Ordinary loss		4,678
Extraordinary income		
Gain on sales of non-current assets	277	
Gain on sales of shares of subsidiaries and associates	601	
Gain on reversal of foreign currency translation adjustment	830	
Other	43	1,753
Extraordinary losses		
Loss on sales of non-current assets	57	
Loss on abandonment of non-current assets	22	
Impairment loss	1,711	
Loss on sales of shares of subsidiaries and associates	285	
Provision for loss on litigation	420	
Other	179	2,676
Loss before income taxes		5,602
Income taxes - current	1,513	
Income taxes - deferred	(307)	1,206
Net loss		6,808
Loss attributable to non-controlling interests		1,095
Loss attributable to owners of parent		5,712

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	53,604	52,945	73,709	(197)	180,062
Changes of items during the period					
Issuance of new shares	12	12			24
Dividends of surplus			(1,164)		(1,164)
Profit attributable to owners of parent			(5,712)		(5,712)
Purchase of treasury shares				(6,264)	(6,264)
Disposal of treasury shares		0		0	0
Retirement of treasury shares		(0)	(6,055)	6,055	-
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(385)			(385)
Net changes of items other than shareholders' equity					
Total changes of items during the period	12	(373)	(12,931)	(208)	(13,501)
Balance at end of current period	53,616	52,572	60,777	(406)	166,560

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	(42)	8,005	9	7,972	167	6,663	194,865
Changes of items during the period							
Issuance of new shares							24
Dividends of surplus							(1,164)
Profit attributable to owners of parent							(5,712)
Purchase of treasury shares							(6,264)
Disposal of treasury shares							0
Retirement of treasury shares							-
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(385)
Net changes of items other than shareholders' equity	179	(11,475)	(121)	(11,417)	0	(1,290)	(12,707)
Total changes of items during the period	179	(11,475)	(121)	(11,417)	0	(1,290)	(26,208)
Balance at end of current period	136	(3,469)	(112)	(3,445)	167	5,373	168,656

NON-CONSOLIDATED BALANCE SHEET (as of March 31, 2016)

(Millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	42,454	Current liabilities	5,650
Cash and deposits	40,498	Short-term loans payable	3,000
Short-term loans receivable from subsidiaries and associates	566	Current portion of long-term loans payable	2,238
Other	1,389	Accounts payable - other	183
		Income taxes payable	212
		Other	16
Non-current assets	108,412	Non-current liabilities	5,244
Property, plant and equipment	30	Bonds payable	200
Buildings	7	Long-term loans payable	4,871
Land	19	Deferred tax liabilities	36
Other	3	Guarantee deposits received	135
		Other	0
Intangible assets	342	Total liabilities	10,894
Goodwill	316	Net assets	
Other	26	Shareholders' equity	139,804
Investments and other assets	108,039	Capital stock	53,616
Investment securities	4	Capital surplus	52,957
Shares of subsidiaries and associates	96,388	Legal capital surplus	52,957
Investments in capital of subsidiaries and associates	11,292	Retained earnings	33,636
Other	366	Other retained earnings	33,636
Allowance for doubtful accounts	(13)	Retained earnings brought forward	33,636
		Treasury shares	(406)
		Subscription rights to shares	167
		Total net assets	139,972
Total assets	150,866	Total liabilities and net assets	150,866

NON-CONSOLIDATED STATEMENT OF INCOME

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

Item	Amount	
Operating revenue		
Interest income	165	
Dividend income	33,613	
Interest on deposits	14	
Other operating revenue	85	33,879
Operating expenses		
Interest on loans	612	
Other operating expenses	0	612
Operating gross profit		33,266
Selling, general and administrative expenses		2,495
Operating income		30,771
Non-operating income		
Dividend income	3	
Miscellaneous income	5	8
Non-operating expenses		
Foreign exchange losses	919	
Miscellaneous loss	9	929
Ordinary income		29,850
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	775	
Gain on reversal of subscription rights to shares	34	
Gains from paid in capital reduction by a consolidated subsidiary	1,011	1,821
Extraordinary losses		
Impairment loss	21	
Loss on sales of shares of subsidiaries and associates	171	
Loss on valuation of shares of subsidiaries and associates	98	
Other extraordinary losses	18	310
Income before income taxes		31,361
Income taxes - current	40	
Income taxes - deferred	(1)	38
Net income		31,322

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surpluses	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of current period	53,604	52,945	0	52,945	9,633	9,633	(297)	115,885
Changes of items during period								
Issuance of new shares	12	12		12				24
Dividends of surplus					(1,164)	(1,164)		(1,164)
Net income					31,322	31,322		31,322
Purchase of treasury shares							(6,264)	(6,264)
Disposal of treasury shares			0	0			0	0
Retirement of treasury shares			(0)	(0)	(6,155)	(6,155)	6,156	-
Net changes of items other than shareholders' equity								
Total changes of items during period	12	12	(0)	11	24,002	24,002	(108)	23,918
Balance at end of current period	53,616	52,957	-	52,957	33,636	33,636	(406)	139,804

	Subscription rights to shares	Total net assets
Balance at beginning of current period	167	116,052
Changes of items during period		
Issuance of new shares		24
Dividends of surplus		(1,164)
Net income		31,322
Purchase of treasury shares		(6,264)
Disposal of treasury shares		0
Retirement of treasury shares		-
Net changes of items other than shareholders' equity	0	0
Total changes of items during period	0	23,919
Balance at end of current period	167	139,972

Accounting Auditor’s Report on Consolidated Financial Statements

<u>INDEPENDENT AUDITOR’S REPORT</u>		May 27, 2016
J Trust Co., Ltd. The Board of Directors		
		Hibiki Audit Corporation
Representative Partner, Managing Member	Certified Public Accountant	Syuhei Fujimoto (Seal)
Representative Partner, Managing Member	Certified Public Accountant	Naoya Hayashi (Seal)
<p>Pursuant to Article 444, Paragraph 4 of Companies Act, we have audited the consolidated financial statements, namely, Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements of J Trust Co., Ltd. (“the Company”) for the fiscal year from April 1, 2015 to March 31, 2016.</p> <p>Management’s responsibility for the Consolidated Financial Statements Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. Its responsibility includes the development and operation of internal control system that management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or an error.</p> <p>Accounting Auditor’s Responsibility Our responsibility is to express an opinion on the consolidated financial statements based on our audit performed from an independent standpoint. We conducted our audit in accordance with the auditing standards generally accepted in Japan. Those standards require that we implement our audit plan and perform the audit based on the plan to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the Accounting Auditors’ judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or an error. In making those risk assessments, we consider internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the accounting policies used, the method of their application and the accounting estimates made by management, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p>		

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group, comprising of the Company and its consolidated subsidiaries, and the results of their operations for the fiscal year under review in conformity with the accounting principles generally accepted in Japan.

Matters for Emphasis

As described in Notes to Consolidated Financial Statements: "8. Important Subsequent Events," the Company and its consolidated subsidiary, JTRUST ASIA PTE. LTD resolved at the Board of Directors' meeting held on May 13, 2016 that JTRUST ASIA PTE. LTD. would conclude a convertible bonds subscription agreement with condition precedent with Group Lease PCL. This matter does not affect our opinion.

Conflict of Interest

There is no conflict of interest requiring mention as per the Certified Public Accountant Act between the Company, Hibiki Audit Corporation, and managing members.

End

The above represents a translation, for convenience only, of the original report issued in Japanese.

Accounting Auditor’s Report on Non-Consolidated Financial Statements

INDEPENDENT AUDITOR’S REPORT

May 27, 2016

J Trust Co., Ltd.
The Board of Directors

Hibiki Audit Corporation

Representative Partner, Managing Member	Certified Public Accountant	Syuhei Fujimoto	(Seal)
Representative Partner, Managing Member	Certified Public Accountant	Naoya Hayashi	(Seal)

Pursuant to Article 436, Paragraph 2, Item 1 of Companies Act, we have audited the non-consolidated financial statements, namely, Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Net Assets and Notes and Schedules to Non-Consolidated Financial Statements of J Trust Co., Ltd. (“the Company”) for the 40th business year from April 1, 2015 to March 31, 2016.

Management’s Responsibility for the Non-Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and its supporting schedules in accordance with accounting principles generally accepted in Japan. Its responsibility includes the development and operation of internal control system that management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements and its supporting schedules that are free of material misstatement, whether due to fraud or an error.

Auditor’s Responsibility
Our responsibility is to express an opinion on the non-consolidated financial statements and its supporting schedules based on our audit performed from an independent standpoint. We conducted our audit in accordance with the auditing standards generally accepted in Japan. Those standards require that we implement our audit plan and perform the audit based on the plan to obtain reasonable assurance about whether the non-consolidated financial statements and its supporting schedules are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and its supporting schedules. The procedures selected depend on the Accounting Auditors’ judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and its supporting schedules, whether due to fraud or an error. In making those risk assessments, we consider internal control relevant to the preparation and fair presentation of the non-consolidated financial statements and its supporting schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the accounting policies used, the method of their application and the accounting estimates made by management, as well as the overall presentation of the non-consolidated financial statements and its supporting schedules.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion
In our opinion, the non-consolidated financial statements and its supporting schedules referred to above present fairly, in all material respects, the non-consolidated financial position of the Company and results of its operations for the business year under review in conformity with the accounting principles generally accepted in Japan.

Matters for Emphasis
As described in Notes to Consolidated Financial Statements: "9. Important Subsequent Events,"

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the Company resolved at the Board of Directors' meeting held on May 13, 2016 to effect the subscription of the capital increase of JTRUST ASIA PTE. LTD., a subsidiary of the Company. This matter does not affect our opinion.

Conflict of Interest

There is no conflict of interest requiring mention as per the Certified Public Accountant Act between the Company, Hibiki Audit Corporation, and managing members.

End

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Report by Audit & Supervisory Board

AUDIT REPORT BY AUDIT & SUPERVISORY BOARD

With respect to the Directors' execution of their duties during the 40th business year from April 1, 2015 to March 31, 2016, the Audit & Supervisory Board has prepared this Audit Report after deliberation based on the audit reports prepared by each Audit & Supervisory Board Member. We hereby report as follows:

1. Method and Contents of Audit by the Audit & Supervisory Board Members and Audit & Supervisory Board

- (1) In addition to establishing auditing policies and job assignment, and receiving reports from each Audit & Supervisory Board Member on the implementation status and results of the audit, the Audit & Supervisory Board received reports from Directors, etc. and accounting auditors on the execution of their duties and requested further clarification as needed.
- (2) In compliance with the standards for audit by Audit & Supervisory Board Members established by the Audit & Supervisory Board, pursuant to the auditing policies and job assignment, each Audit & Supervisory Board Member communicated with Directors, internal audit team and other employees in order to collect information, improve the audit environment and performed audit with the following measures.
 - (i) Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings, received reports from Directors and employees, etc. on the execution of their duties, requested further clarification as needed, reviewed documents requesting electronic approval on important matters, and inspected the status of business operations and assets at the headquarters and main offices. With respect to the subsidiaries, we endeavored to facilitate a mutual understanding and exchanged information with the directors and Audit & Supervisory Board Members, etc. of subsidiaries, and received reports on their respective business from the subsidiaries as needed.
 - (ii) In compliance with auditing standard established by Audit & Supervisory Board regarding internal control system, we periodically received reports from Directors and employees, etc. requested clarification as needed and expressed opinions on points as follows; details of the resolutions by the Board of Directors concerning the development of a system to ensure that the execution of duties by Directors comply with laws, regulations and the Articles of Incorporation as described in the Business Report hereto and a system as defined in Article 100, Paragraphs 1 and 3 of the Regulations for Enforcement of Companies Act to ensure the proper operation as a corporation as well as the status of development and operation of internal system (internal control system) that has been developed based on the resolutions.
 - (iii) We monitored and reviewed whether the Accounting Auditors maintained their independent positions and conducted the audit properly, received reports from the Accounting Auditors on the performance of their duties, and requested further clarification as needed. Furthermore, we were informed by the Accounting Auditors that they were establishing a "System to ensure the appropriate execution of duties" (matters as defined in each item of Article 131 of the Company Accounting Regulations) pursuant to "Quality control standards of audit" (October 28, 2005; the Business Accounting Council), and requested their clarification as needed.

Based on the above methods, we examined the non-consolidated financial statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Net Assets and Notes and Schedules to Non-Consolidated Financial Statements) and its supporting schedules, as well as the consolidated financial statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements) related to the relevant business year.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

- (i) The business report and its supporting schedules of the Company accurately presents the financial positions of the Company in conformity with applicable laws, regulations and the Articles of Incorporation of the Company.
- (ii) No irregularity or violation of applicable laws or regulations or the Articles of Incorporation of the Company was found with respect to the execution of duties by the Directors.
- (iii) The contents of the resolutions by the Board of Directors with respect to the internal control system are appropriate. In addition, there are no matters to be pointed out regarding the descriptions included in the business report concerning the internal control system and the execution of duties by Directors.

(2) Results of Audit of Non-Consolidated Financial Statements and its Supporting Schedules

In our opinion, the methods and results of audit performed by Hibiki Audit Corporation, the accounting auditor of the Company, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results of audit performed by Hibiki Audit Corporation, the accounting auditor of the Company, are appropriate.

May 30, 2016

**Audit & Supervisory Board
J Trust Co., Ltd.**

Full-Time Audit & Supervisory Board Member	Masao Onishi	(Seal)
Full-Time Outside Audit & Supervisory Board Member	Hideki Yamane	(Seal)
Audit & Supervisory Board Member	Masato Inoue	(Seal)
Outside Audit & Supervisory Board Member	Takaaki Kojima	(Seal)

End

The above represents a translation, for convenience only, of the original report issued in Japanese.

REFERENCE DOCUMENT FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

Proposal 1: Partial Amendments to Articles of Incorporation

1. Reasons for the proposal

The Company proposes to amend the maximum number of Directors specified in Article 19 (Number of Directors) from ten to fifteen, five additional Directors, aiming to improve and reinforce management structure of the Company.

2. Contents of amendment

The amendment is as follows:

(Underline shows the amended parts)

Current Article	Proposed Amendment of Article
Chapter 4: Directors and Board of Directors	Chapter 4: Directors and Board of Directors
Article 19 Number of Directors The number of Directors of the Company shall be <u>ten (10)</u> or less.	Article 19 Number of Directors The number of Directors of the Company shall be <u>fifteen (15)</u> or less.

Proposal 2: Election of Twelve (12) Directors

The terms of office for eight (8) Directors will expire upon conclusion of this Ordinary General Meeting of Shareholders.

The Company would like to increase four (4) Directors in order to further reinforce and enhance the Company's operational base. Accordingly, provided that Proposal 1 "Partial Amendments to the Articles of Incorporation" is approved as originally proposed, we propose an election for twelve (12) Directors (consisting of eight (8) reappointed and four (4) newly appointed Directors).

Candidates for Directors are as follows:

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
1	Nobuyoshi Fujisawa (January 17, 1970)	<p>Aug 2007 Representative Director & Chairman, Kazaka Servicer Co., Ltd. (currently Partir Servicer Co., Ltd.)</p> <p>Jun 2008 Representative Director & Chairman, J Trust Co., Ltd. Director, Mass Work Co., Ltd. (currently Keynote Co., Ltd.)</p> <p>Jun 2010 Director, J Trust Co., Ltd. Director, ADORES, Inc.</p> <p>Oct 2010 Director & Supreme Advisor, J Trust Co., Ltd.</p> <p>May 2011 Representative Director & Chairman, ADORES, Inc.</p> <p>Jun 2011 President & CEO, J Trust Co., Ltd.</p> <p>Oct 2013 Managing Director & CEO, JTRUST ASIA PTE. LTD. (incumbent)</p> <p>Jan 2014 Chairman, Chinae Savings Bank Co., Ltd. (currently JT Chinae Savings Bank Co., Ltd.)</p> <p>May 2014 Chairman, ADORES, Inc.</p> <p>Sep 2014 Executive Director, LCD Global Investments LTD.</p> <p>Mar 2015 Director & Chairman, JT Capital Co., Ltd.</p> <p>Jun 2015 President Commissioner, PT JTRUST INVESTMENTS INDONESIA (incumbent) Director, ADORES, Inc. (incumbent) Representative Director, President & CEO, J Trust Co., Ltd. (incumbent)</p> <p>Mar 2016 Director, JT Capital Co., Ltd. (incumbent)</p>	23,009,372
Reasons for nomination as a candidate for Director:			
<p>Mr. Nobuyoshi Fujisawa has a wide range of experiences in a variety of areas and extensive knowledge as a corporate manager. The Company proposes again that Mr. Fujisawa be elected as Director in the hope that he will, with his strong leadership as President & CEO of the Company that led to growth of the Group as well as his proven determination and commitment, contribute to the Company's continued growth and improvement of corporate value over the mid- to long-term.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
2	Nobuiku Chiba (February 21, 1973)	<p>Jun 2008 Vice President & Director, J Trust Co., Ltd.</p> <p>Mar 2009 President & Representative Director, Station Finance Co., Ltd. (currently Nihon Hoshou Co., Ltd.)</p> <p>May 2009 Director, J Trust System Co., Ltd.</p> <p>Oct 2009 Executive Vice President & Director, J Trust Co., Ltd. in charge of J Trust Financial Service Co., Ltd. (currently Nihon Hoshou Co., Ltd.)</p> <p>Jun 2010 President & Representative Director, J Trust Co., Ltd. Director & Chairman, J Trust Financial Service Co., Ltd. (currently Nihon Hoshou Co., Ltd.)</p> <p>May 2011 Director, Lopro Corporation (currently Nihon Hoshou Co., Ltd.)</p> <p>Jun 2011 Vice President & Representative Director, J Trust Co., Ltd. President & Representative Director, Neoline Credit Co., Ltd.</p> <p>Aug 2011 Representative Director & Chairman, KC Card Co., Ltd. (currently J TRUST Card Co., Ltd.)</p> <p>Aug 2012 Director, Chinae Co., Ltd. (currently JT Chinae Savings Bank Co., Ltd.) (incumbent)</p> <p>Oct 2012 Director, J Trust Co., Ltd. Director, KC Card Co., Ltd. (currently J TRUST Card Co., Ltd.)</p> <p>Jan 2015 President & CEO, J TRUST Card Co., Ltd.</p> <p>Mar 2015 Representative Director, JT Capital Co., Ltd. (incumbent)</p> <p>Jun 2015 Representative Director, Senior Managing Executive Officer in charge of financial business in South Korea and Public Relations & Investor Relations Division of Corporate Planning Department, J Trust Co., Ltd. (incumbent)</p>	317,208
Reasons for nomination as a candidate for Director:			
<p>Mr. Nobuiku Chiba is familiar with the Company's business operations including those for which he is responsible as a Representative Director of the Company, and contributes largely to the management of the Group, holding a representative position at a group company in South Korea. The Company has therefore determined that Mr. Chiba can lead the overall management of the Group and proposes again that Mr. Chiba be elected as Director.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
3	Nobiru Adachi (March 21, 1958)	<p>Apr 1980 Joined Ministry of Finance</p> <p>Jul 1986 Director, Onomichi Tax Office</p> <p>Jun 1997 Director, Vice Minister of Finance for International Affairs, Minister's Secretariat</p> <p>Jun 1999 Budget Examiner, Budget Bureau</p> <p>Jun 2002 Director, Research Division, International Bureau</p> <p>Jun 2004 Director, Policy Research Institute, Ministry of Finance</p> <p>Jun 2005 Director-General, Hakodate Customs</p> <p>Apr 2006 Officer, J Nasdaq Securities Exchange, Inc.</p> <p>Jun 2006 Executive Officer, J Nasdaq Securities Exchange, Inc.</p> <p>Oct 2008 Country Head for Japan, ETF Securities Ltd.</p> <p>Oct 2011 Chairman and CEO, M&A Solutions Japan Co., Ltd.</p> <p>Apr 2013 Advisor, J Trust Co., Ltd.</p> <p>Jun 2013 Managing Director, J Trust Co., Ltd.</p> <p>Jun 2014 Representative Director and Senior Managing Director in charge of Corporate Management Dept. of J Trust Co., Ltd.</p> <p>Dec 2014 President Commissioner, PT Bank Mutiara Tbk. (currently PT Bank JTrust Indonesia Tbk.) (incumbent)</p> <p>Jan 2015 Director, JT Savings Bank Co., Ltd.</p> <p>Jun 2015 Representative Director, Senior Managing Executive Officer in charge of banking business in Indonesia and promotion of global banking business, J Trust Co., Ltd.</p> <p>Oct 2015 Director, Senior Managing Executive Officer in charge of banking business in Indonesia and promotion of global banking business, J Trust Co., Ltd. (incumbent)</p>	3,100
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Nobiru Adachi is familiar with the Company's business operations including those for which he is responsible as a Director of the Company, and contributes largely to the management of the Group, holding a representative position at a group company in Indonesia. The Company has determined that Mr. Adachi can contribute to the management with his global and diverse perspectives based on extensive experience and knowledge and proposes again that Mr. Adachi be elected as Director.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
4	Shigeyoshi Asano (March 4, 1970)	<p>Apr 1994 Joined Tokyo Gas Co., Ltd.</p> <p>Sep 2004 Joined iriver Japan K.K.</p> <p>Apr 2005 Chief Operating Officer, iriver Japan K.K.</p> <p>Apr 2006 President & Chief Executive Officer, iriver Japan Co., Ltd.</p> <p>Oct 2006 President, iriver Japan Co., Ltd. (currently Aiuto Co., Ltd.)</p> <p>Jul 2009 Corporate Officer, Division Director, Business Administration Division, Wedge Holdings CO., LTD.</p> <p>Dec 2009 Director, Division Director, Business Administration Division, Wedge Holdings CO., LTD.</p> <p>Jan 2012 Joined J Trust Co., Ltd. as General Manager of President's Office</p> <p>Oct 2013 Director, JTRUST ASIA PTE. LTD. (incumbent)</p> <p>Sep 2014 Executive Director, LCD Global Investments LTD.</p> <p>Jun 2015 Commissioner, PT JTRUST INVESTMENTS INDONESIA (incumbent) Director, Managing Executive Officer in charge of business in Southeast Asia and Planning Division of Corporate Planning Department, J Trust Co., Ltd. (incumbent)</p> <p>Jul 2015 Director, JTRUST BITCOIN PTE. LTD. (currently JTRUST FINTECH PTE. LTD.) (incumbent)</p> <p>Apr 2016 Commissioner, PT Group Lease Finance Indonesia (incumbent)</p>	1,500
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Shigeyoshi Asano, being engaged in Corporate Planning Department of the Company, has contributed to the promotion of M&As and investments in foreign companies mainly in Southeast Asia. The Company proposes again that Mr. Asano be elected as Director in the hope that he will contribute to the management with his global and diverse perspectives based on extensive experience and specialized knowledge.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
5	Toru Myochin (April 27, 1965)	Apr 1988 Joined the Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Financial Group Inc.) Jul 2010 Head of Institutional Business Sub-Group, Shinsei Bank, Limited Oct 2010 General Manager, Corporate Banking Business Division I Apr 2012 Executive Officer, General Manager of Corporate Banking Business Division I, General Manager of Healthcare Finance Division Apr 2013 Managing Executive Officer, Executive Officer in charge of Institutional Business & General Manager, Healthcare Finance Division Apr 2015 Managing Executive Officer Jun 2015 Advisor, J Trust Co., Ltd. Director, Managing Executive Officer in charge of domestic financial business, J Trust Co., Ltd. (incumbent)	0
Reasons for nomination as a candidate for Director:			
Mr. Toru Myochin has long years of experience and extensive knowledge in banking industry and has largely contributed to the management of the Group by providing accurate advice from an objective perspective to the Group companies engaged in domestic financial business and other businesses. Accordingly, the Company proposes again that Mr. Myochin be elected as Director.			
* 6	Taiji Hitachi (November 28, 1976)	Apr 1998 Joined Asahi & Co. (currently KPMG AZSA LLC) Apr 2001 Registered as Certified Public Accountant Nov 2008 Joined Phlox Co., Ltd. (currently CREDIA Co., Ltd.) Oct 2011 General Manager of Accounting Department, J Trust Co., Ltd. Jan 2012 General Manager, Accounting & Planning Department, J Trust Co., Ltd. Jun 2013 Director, General Manager of Accounting & Planning Department, J Trust Co., Ltd. Mar 2014 Director, NUCS Co., Ltd. Jan 2015 Director, J TRUST Card Co., Ltd. Jun 2015 Executive Officer, General Manager of General Accounting Department, J Trust Co., Ltd. (incumbent)	0
Reasons for nomination as a candidate for Director:			
Since Mr. Taiji Hitachi has, as an Executive Officer in charge of General Accounting Department, developed abundant experiences and extensive knowledge in the Company's business operations and been appropriately executing his duties, the Company has elected him as a candidate for Director based on a decision that he is qualified for the position.			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
* 7	Makoto Kurokawa (December 18, 1956)	Apr 1979 Joined The Sanwa Bank, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Oct 1989 Joined Salomon Brothers Asia Limited (currently Citigroup Global Markets Japan Inc.) Feb 1995 Joined Tokyo Branch of UBS Securities Japan Co., Ltd. Jan 2003 Managing Director, UBS Securities Japan Co., Ltd. May 2004 Joined Tokyo Branch of The TD Securities Inc. Jun 2005 Joined Tokyo Branch of RBC Capital Markets (Japan) Ltd. Nov 2006 Joined Tokyo Branch of WestLB Securities Pacific Ltd. Dec 2009 Representative Director, BE More Communications Co., Ltd. Jun 2011 Director, BE More Communications Co., Ltd. Director in charge of financial planning of Finance Department, J Trust Co., Ltd. Jan 2012 Director in charge of financial planning of Finance Department and Public Relations & Investor Relations Department, J Trust Co., Ltd. Aug 2012 Deputy General Manager of Administrative Division, Media Kobo, Inc. Nov 2012 Director, General Manager of Corporate Management Department, Media Kobo, Inc. Apr 2013 Deputy General Manager of Finance Department, J Trust Co., Ltd. Dec 2014 General Manager of General Accounting & Finance Department, J Trust Co., Ltd. Jun 2015 Executive Officer, General Manager of Finance Department, J Trust Co., Ltd. (incumbent)	200
Reasons for nomination as a candidate for Director: Since Mr. Makoto Kurokawa has, as an Executive Officer in charge of Finance Department, developed abundant experiences and extensive knowledge in the Company's business operations and been appropriately executing his duties, the Company has elected him as a candidate for Director based on a decision that he is qualified for the position.			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
* 8	Yukihiro Nishikawa (December 9, 1972)	<p>Apr 1995 Joined CREDIA Co., Ltd.</p> <p>Oct 2008 Joined PHlox Co., Ltd. (currently CREDIA Co., Ltd.)</p> <p>May 2011 Joined J Trust Co., Ltd.</p> <p>Jun 2011 Director, General Manager of Legal Department, General Manager of Personnel Department, and in charge of General Affairs Department, J Trust Co., Ltd.</p> <p>Nov 2012 Director, General Manager of Legal Department, and in charge of General Affairs Department, J Trust Co., Ltd.</p> <p>Dec 2012 Director, General Manager of Legal Department, J Trust Co., Ltd.</p> <p>Jun 2013 General Manager of Legal Department, J Trust Co., Ltd. Representative Director, NL Value Capital Co., Ltd. (incumbent) Director, CREDIA Co., Ltd.</p> <p>Jul 2014 General Manager of Corporate Management Department, J Trust Co., Ltd.</p> <p>Oct 2014 Audit & Supervisory Board Member, AI Denshi Co., Ltd. (currently Highlights Entertainment Co., Ltd.) (incumbent)</p> <p>Jan 2015 General Manager of Corporate Management Department and General Manager of Corporate Strategy Department, J Trust Co., Ltd.</p> <p>Feb 2015 General Manager of Corporate Management Department and General Manager of Corporate Strategy Department, J Trust Co., Ltd.</p> <p>Jun 2015 Executive Officer, General Manager of Corporate Planning Department, in charge of Legal Division, J Trust Co., Ltd. (incumbent)</p> <p>Jul 2015 Director, Nihon Hoshou Co., Ltd. (incumbent)</p> <p>Nov 2015 Audit & Supervisory Board Member, J Trust Marketing Co., Ltd. (currently J Trust Fintech Co., Ltd.) (incumbent)</p> <p>Jun 2016 Audit & Supervisory Board Member, Highlights Architect Co., Ltd. (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Director:</p> <p>Since Mr. Yukihiro Nishikawa has, as an Executive Officer in charge of Legal Division, developed abundant experiences and extensive knowledge in the Company's business operations and been appropriately executing his duties, the Company has elected him as a candidate for Director based on a decision that he is qualified for the position.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
* 9	Yoshihide Iimori (December 2, 1956)	<p>Apr 1980 Joined Kokunai Shinpan Co., Ltd. (currently J TRUST Card Co., Ltd.)</p> <p>Jun 2006 Executive Officer, Rakuten KC Co., Ltd. (currently J TRUST Card Co., Ltd.)</p> <p>Aug 2011 Managing Director, KC Card Co., Ltd. (currently J TRUST Card Co., Ltd.)</p> <p>Mar 2012 Director, KC Card Co., Ltd.</p> <p>Dec 2012 Managing Director, KC Card Co., Ltd.</p> <p>Jul 2014 Director, KC Co., Ltd. (currently YJ Card Corporation)</p> <p>Jan 2015 General Manager of Compliance Division, YJ Card Corporation</p> <p>Feb 2015 General Manager of Corporate Management Department, J Trust Co., Ltd. Director, J TRUST Card Co., Ltd.</p> <p>Jun 2015 President & CEO, J TRUST Card Co., Ltd. (incumbent) Executive Officer, General Manager of Corporate Management Department, Head of Internal Control & Audit Office, J Trust Co., Ltd.</p> <p>Nov 2015 Executive Officer, General Manager of Corporate Management Department, J Trust Co., Ltd. (incumbent)</p>	6,000
<p>Reasons for nomination as a candidate for Director:</p> <p>Since Mr. Yoshihide Iimori has, as an Executive Officer in charge of Corporate Management Department, developed abundant experiences and extensive knowledge in the Company's business operations and been appropriately executing his duties, the Company has elected him as a candidate for Director based on a decision that he is qualified for the position.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
10	Norio Igarashi (August 30, 1940)	Apr 1966 Joined Tokyo District Public Prosecutors Office as a prosecutor Jan 1991 Chief, Special Investigation Department, Tokyo District Public Prosecutors Office Jul 1993 Prosecutor, Supreme Public Prosecutors Office Sep 1993 Chief Public Prosecutor, Oita District Public Prosecutors Office Apr 1995 Prosecutor, Supreme Public Prosecutors Office Jan 1996 Chief Public Prosecutor, Utsunomiya District Public Prosecutors Office Jun 1997 Chief Public Prosecutor, Chiba District Public Prosecutors Office Jul 1998 Chief Public Prosecutor, Yokohama District Public Prosecutors Office May 2000 Notary, Yaesu notary office May 2010 Registered with Dai-ni Tokyo Bar Association as an attorney Visiting attorney, Yamada Ozaki Law Office (incumbent) Jun 2014 Outside Director, J Trust Co., Ltd. (incumbent)	0
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Mr. Norio Igarashi has been involved in corporate legal affairs as an attorney after he held prominent positions such as Chief of Special Investigation Department at the Tokyo District Public Prosecutors Office and Prosecutor of Supreme Public Prosecutors Office. The Company proposes again that Mr. Igarashi be elected as a candidate for Outside Director in the hope that he will provide valuable guidance and instruction to the management of the Company, leveraging his abundant experiences and advanced expertise. Though he has never been involved in corporate management except as Outside Director, the Company determines that he is the right person to assume the duty of Outside Director of the Company for the reasons above.</p> <p>Currently, Mr. Norio Igarashi is an Outside Director of the Company and his term of office as Outside Director will be two years at the conclusion of this Ordinary General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
11	Ryuji Mizuta (January 7, 1952)	Apr 1974 Joined National Police Agency Jul 1994 Chief of Miyazaki Prefectural Police Mar 1996 Director of General Affairs Division, Chugoku Regional Police Bureau Aug 1996 Chief of Education and Training Division, National Police Agency Aug 1998 Chief of Gifu Prefectural Police Apr 2000 Head of Public Security Department, Kanto Regional Police Bureau Aug 2000 Director of Division 1, Public Security Intelligence Agency Aug 2002 Chief of Shizuoka Prefectural Police Aug 2004 Director of Japan Motorcycle Racing Organization (currently JKA) Mar 2006 Director-General of Kyushu Regional Police Bureau Jun 2009 Managing Director of Japan Crime Prevention Association Jul 2012 Advisor of Sumitomo Life Insurance Company (incumbent) Jun 2014 Outside Director of J Trust Co., Ltd (incumbent)	0
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Mr. Ryuji Mizuta has a wide range of insight and knowledge in crisis management, etc., including elimination of antisocial forces as well as wealth of experiences gained through important positions at the National Police Agency. The Company proposes again that Mr. Mizuta be elected as Outside Director in the hope that he will provide valuable guidance and instruction in these respects to the management of the Company. Though he has never been involved in corporate management except as Outside Director, the Company determines that he is the right person to assume the duty of Outside Director of the Company for the reasons above.</p> <p>Currently, Mr. Ryuji Mizuta is an Outside Director of the Company and his term of office as Outside Director will be two years at the conclusion of this Ordinary General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
12	Masanori Kaneko (May 22, 1955)	<p>Apr 1978 Joined Yamaguchi Sogo Bank, Ltd. (currently THE SAIKYO BANK, LTD.)</p> <p>Apr 1995 Manager of Welfare Division and Human Resource Development Division, Human Resource Department, THE SAIKYO BANK, LTD.</p> <p>Apr 1997 Head of Sakuragi Branch, THE SAIKYO BANK, LTD.</p> <p>Apr 2000 Head of Kuga Branch, THE SAIKYO BANK, LTD.</p> <p>Apr 2002 Chief Assistant, Secretary Group, General Affairs and Human Resource Department, THE SAIKYO BANK, LTD.</p> <p>Apr 2004 Head of Kudamatsu Branch, THE SAIKYO BANK, LTD.</p> <p>Apr 2006 Chief Assistant of Internal Control Office, THE SAIKYO BANK, LTD.</p> <p>Jun 2008 Head of Audit Department, THE SAIKYO BANK, LTD.</p> <p>Apr 2010 Chief of Audit & Supervisory Board, THE SAIKYO BANK, LTD.</p> <p>Jun 2011 Full-Time Audit & Supervisory Board Member, THE SAIKYO BANK, LTD.</p> <p>Jun 2015 Advisor (incumbent), THE SAIKYO BANK, LTD. Outside Director, J Trust Co., Ltd. (incumbent)</p> <p>Sep 2015 President & CEO, Saikyo Intelligence Partners Co., Ltd. President & CEO, Saikyo Souken, Inc.</p> <p>Oct 2015 Director, Hoken Eye Saikyo K.K. (incumbent) Chairman & CEO, Saikyo Souken, Inc.</p>	0
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Mr. Masanori Kaneko has a wide range of insight and knowledge as an executive of The SAIKYO BANK LTD. The Company proposes again that Mr. Kaneko be elected as Outside Director in the hope that he will provide valuable guidance and instructions to the management of the Company in this regard.</p> <p>Currently, Mr. Masanori Kaneko is an Outside Director of the Company and his term of office as Outside Director will be one year at the conclusion of this Ordinary General Meeting of Shareholders.</p>			

Notes

1. No specific conflict of interests exists between the Company and each candidate.
2. An asterisk mark attached to the number of candidate represents a candidate newly appointed for director.
3. Messrs. Norio Igarashi, Ryuji Mizuta and Masanori Kaneko are candidates for Outside Directors.
4. Special Notes Regarding Candidates for Outside Director
 - (1) The Company has, in accordance with Article 427, Paragraph 1 of Companies Act, concluded a liability limitation agreement with Messrs. Norio Igarashi, Ryuji Mizuta and Masanori Kaneko, respectively, to limit their liability for damages as specified in Article 423, Paragraph 1 of the same act. Their relevant liabilities for damages under the agreement

- shall be limited to the minimum liability amount as stipulated by laws and regulations. If their reappointments are approved, the Company will maintain the agreement with them.
- (2) The Company appointed Messrs. Norio Igarashi, Ryuji Mizuta and Masanori Kaneko as independent officers as stated in the regulations of the Tokyo Stock Exchange, Inc. and notified the exchange to that effect. If their reappointments are approved, the Company will continue to appoint them as independent officers.

Proposal 3: Election of Two (2) Audit & Supervisory Board Members

The term of office for Audit & Supervisory Board Members, Messrs. Hideki Yamane and Masato Inoue will expire upon conclusion of this Ordinary General Meeting of Shareholders. In this regard, we propose an election for two (2) Audit & Supervisory Board Members.

For this proposal, the Company has already gained the approval of the Audit & Supervisory Board.

Candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Brief personal profile, position and significant concurrent positions	Number of Company's shares held
1	Hideki Yamane (July 11, 1952)	<p>Apr 1976 Joined Yamaguchi Sogo Bank, Ltd. (currently THE SAIKYO BANK, LTD.)</p> <p>Apr 1993 Head of Hikoshima branch, THE SAIKYO BANK, LTD.</p> <p>Apr 1996 Head of Hinode branch, THE SAIKYO BANK, LTD.</p> <p>Oct 1997 Head of Nagato branch, THE SAIKYO BANK, LTD.</p> <p>Apr 1999 Chief Assistant of Personnel Department, THE SAIKYO BANK, LTD.</p> <p>Apr 2002 Head of Kokura branch, Vice Director of Kanpuku area, THE SAIKYO BANK, LTD.</p> <p>Apr 2004 Joint Head of Hiroshima and Gion branches, Executive Manager of Hiroshima area, THE SAIKYO BANK, LTD.</p> <p>Apr 2005 Head of Shimonoseki branch, Executive Manager of Shimonoseki area, THE SAIKYO BANK, LTD.</p> <p>Oct 2006 Chief of the Auditor's Office, THE SAIKYO BANK, LTD.</p> <p>Jun 2007 Full-time Auditor, THE SAIKYO BANK, LTD.</p> <p>Jun 2011 Advisor (Compliance Control Department), THE SAIKYO BANK, LTD.</p> <p>Jun 2012 Full-Time Outside Audit & Supervisory Board Member, J Trust Co., Ltd. (incumbent)</p> <p>Jun 2013 Audit & Supervisory Board Member, Partir Servicer Co., Ltd. (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member:</p> <p>The Company has determined that Mr. Hideki Yamane, with his long years of experience in financial institutions and audit practice, could provide recommendations, views and advice from an objective perspective and carry out appropriate supervision of the management of the Group as a whole. Accordingly, the Company proposes again that Mr. Yamane be elected as Outside Audit & Supervisory Board Member.</p> <p>Though he has never been involved in corporate management except as Outside Director, the Company determines that he is the right person to assume the duty of Outside Director of the Company for the reasons above.</p> <p>Currently, Mr. Hideki Yamane is an Outside Audit & Supervisory Board Member of the Company and his term of office as Audit & Supervisory Board Member will be four years at the conclusion of this Ordinary General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Brief personal profile, position, and significant concurrent positions	Number of Company's shares held
2	Masato Inoue (August 14, 1947)	Apr 1973 Joined Nomura Securities Co., Ltd. Apr 1995 Joined Tokai International Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) Jun 1996 Director, Tokai International Securities Co., Ltd. Jan 2003 Director, Frontec Co., Ltd. Jul 2003 President & Representative Director, Tosho Computer Systems Co., Ltd. Jan 2005 Vice President, Yuasa Kenzai Kogyo Co., Ltd. Oct 2006 Representative Director & Chairman, Yuasa Kenzai Kogyo Co., Ltd. Jul 2007 Established Inoue Office (incumbent) Jan 2008 Full-time Auditor, Hitachi Housetec Inc. (currently Housetec Inc.) Jan 2009 Director & Chairman, Hitachi Housetec Inc. Jun 2011 Outside Director, Nihon Hoshou Co., Ltd. Jun 2012 Audit & Supervisory Board Member, J Trust Co., Ltd. (incumbent)	0
Reasons for nomination as a candidate for Audit & Supervisory Board Member: The Company has determined that Mr. Masato Inoue, with his extensive and advanced insight and abundant experiences gained through managerial positions that he has held over many years, could carry out supervision of the management and provide appropriate advice to the Company. Accordingly, the Company proposes again that Mr. Inoue be elected as Outside Audit & Supervisory Board Member.			

Notes:

1. No specific conflict of interests exists between the Company and each candidate.
2. Mr. Hideki Yamane is a candidate for Outside Audit & Supervisory Board Member.

Proposal 4: Election of the Accounting Auditor

The term of office of the Company's Accounting Auditor, PKF Hibiki Audit Corporation, will expire upon conclusion of this Ordinary General Meeting of Shareholders. In this regard, we propose an election for a new Accounting Auditor.

This proposal is based on the decision made by the Audit & Supervisory Board.

YUSEI Audit & Co. is selected as a candidate for Accounting Auditor because it was judged to have professional expertise, independence and appropriateness that are required for an Accounting Auditor of the Company, and have a system that ensures accounting audit be conducted appropriately and reasonably.

The candidate for Accounting Auditor is as follows:

(as of May 2016)

Name	YUSEI Audit & Co.	
Office	Main Office:	Marunouchi Trust Tower North 9F, 1-8-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
	Other offices:	Sapporo, Tohoku, Niigata, Kansai, Chugoku/Shikoku, Kyushu
Corporate history	Apr 1999	YUSEI Audit & Co. founded
	Oct 2009	Kansai Office opened
	Jan 2010	YUSEI Advisory Co., Ltd., a 100% subsidiary of YUSEI Audit & Co., founded
	Jan 2011	Kyushu Office opened
	Aug 2011	Niigata Office opened
	Oct 2011	Sapporo Office opened
	Nov 2012	Tohoku Office opened
	Jan 2015	Chugoku/Shikoku Office opened
Corporate profile	Stated capital	93 million yen
	Number of professionals	Japanese CPA: 85 Japanese CPA (associate members): 55 USCPA (including non-certificate holders): 5 System Auditor: 1 CISA (Certified Information Systems Auditor): 12
	Audit clients	274

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