

The following is an English translation of the Notice of the 41st 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.



Notice of the 41st Ordinary General Meeting of Shareholders

Date and Time	June 28, 2017 (Wednesday) at 10:00 a.m.	Contents	
		▪ Notice of the 41st Ordinary General Meeting of Shareholders	1
		▪ Reference Document for the Ordinary General Meeting of Shareholders	5
Venue	“Nadao Hall,” Shin-Kasumigaseki Bldg. LB Floor, 3-3-2 Kasumigaseki, Chiyoda-ku, Tokyo	(Attached Documents)	
		▪ Business Report	19
		▪ Consolidated Financial Statements	46
		▪ Non-Consolidated Financial Statements	48
		▪ Auditor’s Report	50
Matters for Resolution	Proposal 1: Election of thirteen (13) Directors Proposal 2: Election of one (1) Audit & Supervisory Board Member	For Reference	54



Expiry date for exercise voting rights by mail or via the Internet, etc.

No later than June 27, 2017 (Tuesday) at 6:00 p.m.

For details, please see Page 3 and 4.

Securities Code: 8508

June 9, 2017

To Shareholders

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

Notice of the 41st Ordinary General Meeting of Shareholders

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

Please be advised that you are cordially invited to attend the 41st Ordinary General Meeting of Shareholders of J Trust Co., Ltd. (“the Company”), which will be held as described below.

If you are unable to attend in person, you may exercise your voting rights as a shareholder by mailing the enclosed Voting Right Exercise Form or via the Internet, etc. In that event, please examine the contents of Reference Document for the Ordinary General Meeting of Shareholders attached herein before exercising your voting rights.

1. Date and Time	June 28, 2017 (Wednesday) at 10:00 a.m.
2. Venue	“Nadao Hall,” Shin-Kasumigaseki Bldg. LB Floor, 3-3-2 Kasumigaseki, Chiyoda-ku, Tokyo
3. Agenda	<p>Matters for Reporting:</p> <ol style="list-style-type: none">The 41st Business Year (from April 1, 2016 to March 31, 2017)<ul style="list-style-type: none">Business reportConsolidated Financial StatementsFindings from the Audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory BoardThe 41st Business Year (from April 1, 2016 to March 31, 2017)<ul style="list-style-type: none">Non-Consolidated Financial Statements <p>Matters for Resolution:</p> <p>Proposal 1 – Election of thirteen (13) Directors</p> <p>Proposal 2 – Election of one (1) Audit & Supervisory Board Member</p>

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

Of the Company's documents which should be provided at the Ordinary General Meeting of Shareholders, those listed below are not included in this Notice of the Convocation because they are made available on the Company's website (<http://www.jt-corp.co.jp/en>) pursuant to 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) Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements
- (iii) Non-Consolidated Statement of Changes in Net Assets and Notes to Non-Consolidated Financial Statements

Any items to be represented as "The Company's System and Policy to Implement Appropriate and Efficient Operations," "Consolidated Statement of Changes in Net Assets," "Notes to Consolidated Financial Statements," "Non-Consolidated Statement of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements," as well as the documents attached to this Notice of the Ordinary General Meeting of Shareholders, are also included in the business report and the consolidated or non-consolidated financial statements that the Audit & Supervisory Board Members audited in preparing the Audit & Supervisory Board's report and the Accounting Auditor did in preparing the Accounting Auditor's report.


Notes

- ✓ When you attend the Ordinary General Meeting of Shareholders in person, please submit the enclosed Voting Right Exercise Form at the reception counter. You are also kindly requested to bring this Notice of the Ordinary General Meeting of Shareholders as meeting materials.
- ✓ 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 Company's website (<http://www.jt-corp.co.jp/en>).

How to exercise your voting rights

It is highly recommended to exercise your voting rights at the General Shareholders' Meeting as one of the important rights of shareholders.


You may exercise your voting rights in the following three ways:



[Exercise your voting rights at the General Shareholders' Meeting]
Please bring the enclosed voting form and submit it at the reception desk. You are also kindly requested to bring this Notice as meeting materials.


Date June 28, 2017 (Wednesday) at 10:00 a.m.

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




[Exercise your voting rights by mail]
Please mark your vote for or against each proposal on the enclosed Voting Right Exercise Form after examining the contents of Reference Document for the Ordinary General Meeting of Shareholders attached herein and send it to us (no stamp required).

Expiry date The form needs to be delivered to us by 6:00 p.m., June 27, 2017 (Tuesday).



[Exercise your voting rights via the Internet, etc.]
Please visit the Voting Rights Exercise Site (<http://www.evotep.jp/>) of the Company using a PC, smartphone or feature phone, enter the "login ID" and "initial password" indicated on the Voting Right Exercise Form, and follow the guidance on the screen to vote for or against each proposal.

Expiry date The entry needs to be completed by 6:00 p.m., June 27, 2017 (Tuesday).

For details, please see "Procedures Required for Exercising Voting Rights via the Internet, etc." on page 4. 

Voting via the Electronic Voting Rights Exercise Platform

Institutional investors may exercise their voting rights electromagnetically via the Electronic Voting Rights Exercise Platform operated by ICJ, Inc.

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

If you exercise your voting right via the Internet, etc., please confirm the items below in advance.

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 using a PC, smartphone or feature phone. (Please be notified, however, that the online voting function is suspended between the hours of 2:00 a.m. and 5:00 a.m. every day.)
 - (2) Shareholders using a PC or smartphone may not exercise their voting rights, if the device uses a firewall, anti-virus software, etc., communicates via proxy servers or works without the TLS encryption when connecting to the Internet.
 - (3) For security reasons, some feature phones have no access to the Voting Right Exercise Site, if the model cannot make TLS encryption communication or transmit phone data.
 - (4) The voting via the Internet, etc. will be available until 6:00 p.m., Tuesday, June 27 (Tuesday), 2017. You are kindly requested to vote online at the earliest possible time. 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) Please access the Voting Rights Exercise Site (<http://www.evotep.jp/>) of the Company, log in with the "login ID" 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 protect against any illegal access by a third party other than a shareholder ("identity theft") or 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 the voting rights exercised more than once
 - (1) In the case of duplicate votes using Voting Right Exercise Form (by mail) and the Internet, etc., the voting via the Internet, etc. will prevail.
 - (2) If you exercise your voting rights twice or more via the Internet, etc., the latest voting will be counted. The same applies to multiple votes from a PC, smart phone or feature phone.
4. Charges incurred to access the Voting Rights Exercise Site
Please be aware that shareholders shall pay charges for accessing the Voting Rights Exercise Site (including Internet connection fees). Feature phone users may also have to bear packet communication fees and other expenses requested by your mobile phone carrier.

Inquiries about the System, etc.

Toll-free call at **0120-173-027** (9 a.m. to 9 p.m.)

Stock Transfer Agency Department (Help Desk),
Mitsubishi UFJ Trust and Banking Corporation

REFERENCE DOCUMENT FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

Proposal 1: Election of Thirteen (13) Directors

The terms of office for twelve (12) Directors will expire upon conclusion of this Ordinary General Meeting of Shareholders. The Company would like to add one (1) Director to further reinforce the Company's management structure. In this regard, we propose an election for the thirteen (13) Directors (consisting of twelve (12) reappointed Directors and one (1) newly appointed Director). The profile of each candidate for Directors is shown below.

No.	Name	Position and/or Responsibilities	Status
1	Nobuyoshi Fujisawa	Representative Director President & Chief Executive Officer	RE
2	Nobuiku Chiba	Representative Director Senior Managing Executive Officer in charge of financial business in South Korea and Public Relations & Investor Relations Division	RE
3	Nobiru Adachi	Senior Managing Director Executive Officer in charge of promotion of global banking business and overseas legal affairs	RE
4	Shigeyoshi Asano	Managing Director Executive Officer in charge of business in Southeast Asia and Planning Division	RE
5	Toru Myochin	Managing Director Executive Officer in charge of holding business, group management and information technology system	RE
6	Taiji Hitachi	Director Executive Officer General Manager of General Accounting Department	RE
7	Makoto Kurokawa	Director Executive Officer General Manager of Corporate Planning Department and Special Appointive Officer	RE
8	Yukihiro Nishikawa	Director Executive Officer General Manager of Corporate Planning Department and in charge of Legal Division	RE
9	Yoshihide Iimori	Director Executive Officer General Manager of Corporate Management Department	RE
10	Ryuichi Atsuta	Executive Officer General Manager of Finance Department	NE
11	Norio Igarashi	Outside Director	RE OU IN
12	Ryuji Mizuta	Outside Director	RE OU IN
13	Masanori Kaneko	Outside Director	RE OU IN


RE Candidates for reappointed director

NE Candidates for new director

OU Candidates for outside director

IN Independent Director as stipulated in the regulations of the Tokyo Stock Exchange, etc.

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
1	<p>Nobuyoshi Fujisawa (Jan. 17, 1970)</p> <p>RE</p> <p>Attended 20 out of 22 Board of Directors' meetings held during the period (attendance rate: 90.9%)</p>	<p>Aug. 2007 Representative Director & Chairman, Kazaka Servicer Co., Ltd. (currently Partir Servicer Co., Ltd.)</p> <p>June 2008 Representative Director & Chairman, J Trust Co., Ltd. Director, Mass Work Co., Ltd. (currently Keynote Co., Ltd.)</p> <p>June 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>June 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>Sept. 2014 Executive Director, LCD Global Investments LTD. (currently AF Global Limited.)</p> <p>Mar. 2015 Director & Chairman, JT Capital Co., Ltd. (incumbent)</p> <p>June 2015 President Commissioner, PT JTRUST INVESTMENTS INDONESIA Director, ADORES, Inc. (incumbent) Representative Director, President & CEO, J Trust Co., Ltd. (incumbent)</p> <p>Mar. 2017 Director, DIGITAL DESIGN Co., Ltd. (currently SAMURAI&J PARTNERS Co., Ltd.) (incumbent)</p>	23,009,372
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Nobuyoshi Fujisawa has a wide range of experiences in various fields and abundant knowledge as a corporate manager.</p> <p>The Company proposes again that Mr. Fujisawa be elected as Director in the hope that, with his strong leadership as President & CEO of the Company that led the Group to growth as well as his proven decision-making and execution ability, he will contribute to the 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 (Feb. 21, 1973)  Attended 20 out of 22 Board of Directors' meetings held during the period (attendance rate: 90.9%)	June 2008 Vice President & Director, J Trust Co., Ltd. Mar. 2009 President & Representative Director, Station Finance Co., Ltd. (currently Nihon Hoshou Co., Ltd.) May 2009 Director, J Trust System Co., Ltd. Oct. 2009 Executive Vice President & Director, J Trust Co., Ltd. in charge of J Trust Financial Service Co., Ltd. (currently Nihon Hoshou Co., Ltd.) June 2010 President & Representative Director, J Trust Co., Ltd. Director & Chairman, J Trust Financial Service Co., Ltd. (currently Nihon Hoshou Co, Ltd.) May 2011 Director, Lopro Corporation (currently Nihon Hoshou Co., Ltd.) June 2011 Vice President & Representative Director, J Trust Co., Ltd. Aug. 2011 Representative Director & Chairman, KC Card Co., Ltd. (currently J TRUST Card Co., Ltd.) Aug. 2012 Director, Chinae Co., Ltd. (currently JT Chinae Savings Bank Co., Ltd.) (incumbent) Oct. 2012 Director, J Trust Co., Ltd. Director, KC Card Co., Ltd. (currently J TRUST Card Co., Ltd.) Jan. 2015 President & CEO, J TRUST Card Co., Ltd. Mar. 2015 Representative Director, JT Capital Co., Ltd. (incumbent) June 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. June 2016 Representative Director, Senior Managing Executive Officer in charge of financial business in South Korea and Public Relations & Investor Relations Division, J Trust Co., Ltd. (incumbent)	317,208
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Nobuiku Chiba is familiar with the Company's business operations as a whole including his task as Representative Director of the Company. He contributes significantly to the management of the Group, holding a representative position at a group company in South Korea.</p> <p>The Company proposes again that Mr. Chiba be elected as Director in the hope that he will lead the overall management of the Group.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
3	<p>Nobiru Adachi (Mar. 21, 1958)</p> <p>RE</p> <p>Attended 21 out of 22 Board of Directors' meetings held during the period (attendance rate: 95.5%)</p>	<p>Apr. 1980 Joined Ministry of Finance</p> <p>July 1986 Director, Onomichi Tax Office</p> <p>June 1997 Director, Vice Minister of Finance for International Affairs, Minister's Secretariat</p> <p>June 1999 Budget Examiner, Budget Bureau</p> <p>June 2002 Director, Research Division, International Bureau</p> <p>June 2004 Director, Policy Research Institute, Ministry of Finance</p> <p>June 2005 Director-General, Hakodate Customs</p> <p>Apr. 2006 Officer, JASDAQ Securities Exchange, Inc. (currently Tokyo Stock Exchange, Inc.)</p> <p>June 2006 Executive Officer, JASDAQ Securities Exchange, Inc. (currently Tokyo Stock 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>June 2013 Managing Director, J Trust Co., Ltd.</p> <p>June 2014 Representative Director and Senior Managing Director in charge of Corporate Management Department of J Trust Co., Ltd.</p> <p>Dec. 2014 President Commissioner, PT Bank Mutiara Tbk. (currently PT Bank J Trust Indonesia Tbk.) (incumbent)</p> <p>Jan. 2015 Director, JT Savings Bank Co., Ltd.</p> <p>June 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.</p> <p>June 2016 Senior Managing Director, Executive Officer in charge of promotion of global banking business and overseas legal affairs, J Trust Co., Ltd. (incumbent)</p>	4,300
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Nobiru Adachi is familiar with the Company's business operations as a whole including his task as Director of the Company. He contributes significantly to the management of the Group, holding a representative position at a group company in Indonesia.</p> <p>The Company proposes again that Mr. Adachi be elected as Director in the hope that he will contribute to the management from global and diverse perspectives based on his abundant experience and knowledge.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
4	<p>Shigeyoshi Asano (Mar. 4, 1970)</p> <p>RE</p> <p>Attended 22 out of 22 Board of Directors' meetings held during the period (attendance rate: 100%)</p>	<p>Apr. 1994 Joined Tokyo Gas Co., Ltd.</p> <p>Sept. 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>July 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>Sept. 2014 Executive Director, LCD Global Investments LTD. (currently AF Global Limited.)</p> <p>June 2015 Commissioner, PT JTRUST INVESTMENTS INDONESIA Director, Managing Executive Officer in charge of business in Southeast Asia and Planning Division of Corporate Planning Department, J Trust Co., Ltd.</p> <p>Apr. 2016 Commissioner, PT Group Lease Finance Indonesia (incumbent)</p> <p>June 2016 Managing Director, Executive Officer in charge of business in Southeast Asia and Planning Division, J Trust Co., Ltd. (incumbent) Commissioner, PT Bank J Trust Indonesia Tbk. (incumbent)</p> <p>Apr. 2017 President Commissioner, PT JTRUST INVESTMENTS INDONESIA (incumbent)</p>	3,500
<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 promoting M&As and investing in overseas 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 from global and diverse perspectives based on his abundant 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	<p>Toru Myochin (Apr. 27, 1965)</p> <p>RE</p> <p>Attended 20 out of 22 Board of Directors' meetings held during the period (attendance rate: 90.9%)</p>	<p>Apr. 1988 Joined the Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Financial Group Inc.)</p> <p>July 2010 Head of Institutional Business Sub-Group, Shinsei Bank, Limited</p> <p>Oct. 2010 General Manager, Corporate Banking Business Division I, Shinsei Bank, Limited</p> <p>Apr. 2012 Executive Officer, General Manager of Corporate Banking Business Division I, General Manager of Healthcare Finance Division, Shinsei Bank, Limited</p> <p>Apr. 2013 Managing Executive Officer, Executive Officer in charge of Institutional Business & General Manager, Healthcare Finance Division, Shinsei Bank, Limited</p> <p>Apr. 2015 Managing Executive Officer, Shinsei Bank, Limited</p> <p>June 2015 Advisor, J Trust Co., Ltd. Director, Managing Executive Officer in charge of domestic financial business, J Trust Co., Ltd.</p> <p>June 2016 President & Representative Director, J Trust System Co., Ltd. (incumbent) Managing Director, Executive Officer in charge of holding business, group management and information technology system, J Trust Co., Ltd. (incumbent)</p>	1,200
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Toru Myochin has long years of experience and extensive knowledge in the banking industry, providing accurate advice as an officer in charge of group management.</p> <p>The Company proposes again that Mr. Myochin be elected as Director in the hope that he will contribute significantly to the management of the Group.</p>			
6	<p>Taiji Hitachi (Nov. 28, 1976)</p> <p>RE</p> <p>Attended 17 out of 17 Board of Directors' meetings held during the period (attendance rate: 100% after his appointment in June 2016)</p>	<p>Apr. 1998 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>Apr. 2001 Registered as Certified Public Accountant</p> <p>Nov. 2008 Joined Phlox Co., Ltd. (currently CREDIA Co., Ltd.)</p> <p>Oct. 2011 General Manager of Accounting Department, J Trust Co., Ltd.</p> <p>Jan. 2012 General Manager, Accounting & Planning Department, J Trust Co., Ltd.</p> <p>June 2013 Director, General Manager of Accounting & Planning Department, J Trust Co., Ltd.</p> <p>Jan. 2015 Director, J TRUST Card Co., Ltd.</p> <p>June 2015 Executive Officer, General Manager of General Accounting Department, J Trust Co., Ltd.</p> <p>June 2016 Director, Executive Officer, General Manager of General Accounting Department, J Trust Co., Ltd. (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Taiji Hitachi, as an officer in charge of General Accounting Department, has abundant experience and advanced knowledge in the Company's business operations.</p> <p>The Company proposes again that Mr. Hitachi be elected as Director based on a decision that he is capable enough to execute his duties appropriately.</p>			


No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
7	<p>Makoto Kurokawa (Dec. 18, 1956)</p> <p>RE</p> <p>Attended 17 out of 17 Board of Directors' meetings held during the period (attendance rate: 100% after his appointment in June 2016)</p>	<p>Apr. 1979 Joined The Sanwa Bank, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>Oct. 1989 Joined Salomon Brothers Asia Limited (currently Citigroup Global Markets Japan Inc.)</p> <p>Feb. 1995 Joined Tokyo Branch of UBS Securities Japan Co., Ltd.</p> <p>Jan. 2003 Managing Director, UBS Securities Japan Co., Ltd.</p> <p>May 2004 Joined Tokyo Branch of The TD Securities Inc.</p> <p>June 2005 Joined Tokyo Branch of RBC Capital Markets (Japan) Ltd.</p> <p>Nov. 2006 Joined Tokyo Branch of WestLB Securities Pacific Ltd.</p> <p>Dec. 2009 Representative Director, BE More Communications Co., Ltd.</p> <p>June 2011 Director, BE More Communications Co., Ltd. Director in charge of financial planning of Finance Department, J Trust Co., Ltd.</p> <p>Jan. 2012 Director in charge of financial planning of Finance Department and Public Relations & Investor Relations Department, J Trust Co., Ltd.</p> <p>Aug. 2012 Deputy General Manager of Administrative Division, Media Kobo, Inc.</p> <p>Nov. 2012 Director, General Manager of Corporate Management Department, Media Kobo, Inc.</p> <p>Apr. 2013 Deputy General Manager of Finance Department, J Trust Co., Ltd.</p> <p>Dec. 2014 General Manager of General Accounting & Finance Department, J Trust Co., Ltd.</p> <p>June 2015 Executive Officer, General Manager of Finance Department, J Trust Co., Ltd.</p> <p>June 2016 Director, Executive Officer, General Manager of Finance Department, J Trust Co., Ltd.</p> <p>Dec. 2016 Director, Executive Officer, General Manager of Corporate Planning Department and Special Appointive Officer, J Trust Co., Ltd. (incumbent)</p>	700
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Makoto Kurokawa has abundant experience gained through his long career in the financial industry and extensive knowledge from global perspectives.</p> <p>The Company proposes again that Mr. Kurokawa be elected as Director based on a decision that he can contribute significantly to the management of the Group.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
8	<p>Yukihiro Nishikawa (Dec. 9, 1972)</p> <p>RE</p> <p>Attended 17 out of 17 Board of Directors' meetings held during the period (attendance rate: 100% after his appointment in June 2016)</p>	<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>June 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>June 2013 General Manager of Legal Department, J Trust Co., Ltd.</p> <p> Representative Director, NL Value Capital Co., Ltd. (incumbent)</p> <p>July 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>June 2015 Executive Officer, General Manager of Corporate Planning Department, in charge of Legal Division, J Trust Co., Ltd.</p> <p>July 2015 Director, Nihon Hoshou Co., Ltd. (incumbent)</p> <p>June 2016 Director, Executive Officer, General Manager of Corporate Planning Department and in charge of Legal Division, J Trust Co., Ltd. (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Yukihiro Nishikawa, as an officer in charge of Legal Division, has abundant experience and advanced knowledge in the Company's business operations.</p> <p>The Company proposes again that Mr. Nishikawa be elected as Director based on a decision that he is capable enough to execute his duties appropriately.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
9	<p>Yoshihide Iimori (Dec. 2, 1956)</p> <p>RE</p> <p>Attended 17 out of 17 Board of Directors' meetings held during the period (attendance rate: 100% after his appointment in June 2016)</p>	<p>Apr. 1980 Joined Kokunai Shinpan Co., Ltd. (currently J TRUST Card Co., Ltd.)</p> <p>June 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>July 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>June 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.</p> <p>June 2016 Director, 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>Mr. Yoshihide Iimori, as an officer in charge of Corporate Management Department, has abundant experience and advanced knowledge in the Company's business operations.</p> <p>The Company proposes again that Mr. Iimori be elected as Director based on a decision that he is capable enough to execute his duties appropriately.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
10	Ryuichi Atsuta (Jan. 1, 1964) NE	Apr. 1987 Joined The Industrial Bank of Japan, Limited. (currently Mizuho Financial Group, Inc.) Jan. 1991 FX trader, International Treasury Department, The Industrial Bank of Japan, Limited (currently Mizuho Financial Group, Inc.) Mar. 1996 Chief Trader, The Industrial Bank of Japan, Limited (currently Mizuho Financial Group, Inc.) New York Branch Apr. 2001 Joined Bank of America N.A., Tokyo Branch Mar. 2003 Managing Director, Head of FX and Treasury, Bank of America N.A., Tokyo Branch June 2010 Joined The Hongkong and Shanghai Banking Corporation Limited Mar. 2012 Managing Director, Head of Trading, The Hongkong and Shanghai Banking Corporation Limited Sept. 2015 Executive Officer, Corporate Planning Department in charge of new business, J Trust Co., Ltd. Apr. 2016 Executive Officer, General Manager of Finance Department, J Trust Co., Ltd. Dec. 2016 Executive Officer, General Manager of Finance Department, J Trust Co., Ltd. (incumbent) Apr. 2017 Director, Highlights Entertainment Co., Ltd. (incumbent)	0
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Ryuichi Atsuta has abundant experience gained through his career in the financial industry and extensive knowledge. He has been executing his duties as Executive Officer in charge of Finance Department of the Company appropriately.</p> <p>The Company proposes that Mr. Atsuta be elected as 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
11	<p>Norio Igarashi (Aug. 30, 1940)</p> <p>RE OU IN</p> <p>Attended 18 out of 22 Board of Directors' meetings held during the period (attendance rate: 81.8%)</p>	<p>Apr. 1966 Joined Tokyo District Public Prosecutors Office as a prosecutor</p> <p>Jan. 1991 Chief, Special Investigation Department, Tokyo District Public Prosecutors Office</p> <p>July 1993 Prosecutor, Supreme Public Prosecutors Office</p> <p>Sept. 1993 Chief Public Prosecutor, Oita District Public Prosecutors Office</p> <p>Apr. 1995 Prosecutor, Supreme Public Prosecutors Office</p> <p>Jan. 1996 Chief Public Prosecutor, Utsunomiya District Public Prosecutors Office</p> <p>June 1997 Chief Public Prosecutor, Chiba District Public Prosecutors Office</p> <p>July 1998 Chief Public Prosecutor, Yokohama District Public Prosecutors Office</p> <p>May 2000 Notary, Yaesu notary office</p> <p>May 2010 Registered with Dai-ni Tokyo Bar Association as an attorney</p> <p> Visiting attorney, Yamada Ozaki Law Office (incumbent)</p> <p>June 2014 Outside Director, J Trust Co., Ltd. (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Mr. Norio Igarashi has been engaged in corporate legal affairs as an attorney since 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. He has abundant experience and advanced expertise.</p> <p>The Company proposes again that Mr. Igarashi be elected as Outside Director in the hope that he will provide valuable guidance and instruction for the management of the Company.</p> <p>Mr. Igarashi has never been involved in corporate management, except as Outside Director. For the above reasons, however, the Company has determined that he can execute his duties as Outside Director of the Company appropriately.</p> <p>Mr. Igarashi is currently an Outside Director of the Company. His term of office as Outside Director will be three 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	<p>Ryuji Mizuta (Jan. 7, 1952)</p>  <p>Attended 22 out of 22 Board of Directors' meetings held during the period (attendance rate: 100%)</p>	<p>Apr. 1974 Joined National Police Agency</p> <p>July 1994 Chief of Miyazaki Prefectural Police</p> <p>Mar. 1996 Director of General Affairs Division, Chugoku Regional Police Bureau</p> <p>Aug. 1996 Chief of Education and Training Division, National Police Agency</p> <p>Aug. 1998 Chief of Gifu Prefectural Police</p> <p>Apr. 2000 Head of Public Security Department, Kanto Regional Police Bureau</p> <p>Aug. 2000 Director of Division 1, Public Security Intelligence Agency</p> <p>Aug. 2002 Chief of Shizuoka Prefectural Police</p> <p>Aug. 2004 Director, Japan Motorcycle Racing Organization (currently JKA)</p> <p>Mar. 2006 Director-General of Kyushu Regional Police Bureau</p> <p>June 2009 Managing Director, Japan Crime Prevention Association</p> <p>July 2012 Advisor of Sumitomo Life Insurance Company (incumbent)</p> <p>June 2014 Outside Director, J Trust Co., Ltd. (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Mr. Ryuji Mizuta has extensive insight into crisis management, etc., including elimination of antisocial forces, as well as abundant experience gained through important positions at the National Police Agency.</p> <p>The Company proposes again that Mr. Mizuta be elected as Outside Director in the hope that he will provide valuable guidance and instruction for the management of the Company.</p> <p>Mr. Mizuta has never been involved in corporate management, except as Outside Director. For the above reasons, however, the Company has determined that he can execute his duties as Outside Director appropriately.</p> <p>Mr. Mizuta is currently an Outside Director of the Company. His term of office as Outside Director will be three 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
13	<p>Masanori Kaneko (May 22, 1955)</p> <p>RE OU IN</p> <p>Attended 20 out of 22 Board of Directors' meetings held during the period (attendance rate: 90.9%)</p>	<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>June 2008 Head of Audit Department, THE SAIKYO BANK, LTD.</p> <p>Apr. 2010 Chief of Audit & Supervisory Board, THE SAIKYO BANK, LTD.</p> <p>June 2011 Full-Time Audit & Supervisory Board Member, THE SAIKYO BANK, LTD.</p> <p>June 2015 Advisor, THE SAIKYO BANK, LTD. (incumbent) Outside Director, J Trust Co., Ltd. (incumbent)</p> <p>Sept. 2015 President & CEO, Saikyo Intelligence Partners Co., Ltd. President & CEO, Saikyo Souken, Inc. Director, Hoken Eye Saikyo K.K. (incumbent)</p> <p>Oct. 2015 Chairman & CEO, Saikyo Souken, Inc.</p> <p>June 2017 Audit & Supervisory Board Member, SAIKYO LEASING CORPORATION (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Mr. Masanori Kaneko has abundant experience and extensive knowledge as an executive of The SAIKYO BANK LTD.</p> <p>The Company proposes again that Mr. Kaneko be elected as Outside Director in the hope that he will provide valuable guidance and instruction for the management of the Company.</p> <p>Mr. Kaneko is currently an Outside Director of the Company. His term of office as Outside Director will be two years 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. 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 designate them as independent officers.

Proposal 2: Election of one (1) Audit & Supervisory Board Member

The term of office for Audit & Supervisory Board Member Mr. Masao Onishi will expire upon conclusion of this Ordinary General Meeting of Shareholders. In this regard, we propose an election for the one (1) Audit & Supervisory Board Member.

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

The profile of the candidate for Audit & Supervisory Board Member is shown below.

Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
Fumio Iguchi (Feb. 14, 1956) NE	Apr. 1978 Joined The Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)	0
	June 1999 General Manager, Equity Management Dept., The Sakura Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)	
	Apr. 2001 General Manager, Portfolio Management Dept., Sumitomo Mitsui Banking Corporation	
	Dec. 2002 General Manager, Tokyo-Chuo Corporate Business Office II, Sumitomo Mitsui Banking Corporation	
	July 2004 Senior Examiner, Business Audit Dept., Sumitomo Mitsui Banking Corporation	
	Oct. 2005 General Manager, Planning Dept., Readjustment of Facilities for Insured Persons Beneficiaries Organization	
	Aug. 2006 Senior Consultant, Financial Solution Dept., NCR Japan, Ltd. (currently Teradata Japan, Ltd.)	
	Oct. 2007 Senior Manager, Internal Audit Dept., Kokusai Asset Management Co., Ltd. (currently Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)	
	June 2008 General Manager, Compliance Dept., Kokusai Asset Management Co., Ltd. (currently Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)	
	Apr. 2012 General Manager, Disclosure Dept., Kokusai Asset Management Co., Ltd. (currently Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)	
	Nov. 2014 General Manager, Compliance Dept., Kokusai Asset Management Co., Ltd. (currently Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)	
Nov. 2015 Head of Internal Control & Audit Office, J Trust Co., Ltd. (incumbent)		
Reasons for nomination as a candidate for Audit & Supervisory Board Member: The Company proposes that Mr. Fumio Iguchi be elected as Audit & Supervisory Board Member because he is expected to oversee the Company's group-wide business operations appropriately by providing objective opinions and advice based on his long-term experience gained in the financial industry and through internal auditing, etc.		

Note: No specific conflict of interests exists between the Company and the candidate.

Attached documents

BUSINESS REPORT

(For the period from April 1, 2016 to March 31, 2017)

1. Situation Surrounding the Corporate Group

(1) Business Developments and Results

In the current fiscal year, the world economy slowed down, reflecting the clearly decelerating Chinese economy and the disruption caused by the Brexit decision. However, it showed a modest pickup in the latter half mainly supported by the recovering U.S. economy and the Chinese economy. Meanwhile, the global economy remains at risk of losing momentum in light of financial uncertainties in Europe, impacts of the U.S. monetary policy on emerging countries, a wave of conservatism worldwide and other factors, despite rising expectations for the massive expenditure of the Trump cabinet. Taking a look at economic climates in Japan, where the Bank of Japan maintains the monetary easing policy, corporate earnings and employment conditions showed a slight improvement on the back of the recovering global economy. Japan, however, still faces a slow recovery of personal spending and a downward risk, which could stem from the move of protectionism in the U.S. and European countries and the uncertain outlook for the Chinese economy. On the other hand, emerging economies in Southeast Asia enjoy high economic growth rates. Above all, Indonesia is expected to achieve a rise in personal consumption, underpinned by increasing investments under the government's deregulation policy. In addition, consumption in rural households will remain firm in light of the improved agricultural output supported by price hikes in primary commodities and higher levels of rainfall. With the growth drivers shifting from urban to rural households, private consumption is thought to keep growing solidly.

In this environment, we consider it inevitable to transform our business model ahead of changes in global and Japanese economies. We drew up a Medium-Term Business Plan covering FY2016 till FY2018 under the group vision of "Providing unique financial services not constrained by existing paradigms." We are expanding business in Asia, where we expect their economies to grow substantially, and also seeking business development by maximizing the synergy of our group network to realize stronger operating bases and sustainable growth. In the current fiscal year, we proactively worked on improving the corporate value and reinforcing business bases in Japan and overseas, in accordance with the roadmap for the second year of our Medium-term Business Plan as we did in the first year, to seek a sustainable profit expansion centering on banking business.

(i) Business development in Southeast Asia

J Trust Group (hereinafter, "JTG") has a favorable relationship with Group Lease PCL (the Kingdom of Thailand; listed on the Stock Exchange of Thailand; hereinafter, "GL") and GL Group, as a strategic partner. JTRUST ASIA PTE. LTD. (hereinafter, "JTA") holds 6.43% of GL's outstanding common shares. Based on the partnership, we jointly set up a multi-finance company PT Group Lease Finance Indonesia (hereinafter, "GLFI"). GLFI launched operations as a hire-purchase financing company in July 2016, targeting Indonesian consumers with high growth potential. While GLFI is in charge of marketing, credit screening and collection, PT Bank JTrust Indonesia Tbk. (hereinafter, "BJI") provides financing for agricultural equipment buyers. JTG believes that this will substantially increase agriculture-related loan in the future, along with the planned expansion of product lines and sales sizes in future, and thus greatly contribute to better earnings in BJI. To support the business expansion of the partner actively, JTA subscribed for GL's convertible bond worth 130 million U.S. dollars (about 13.5 billion yen) in August 2016 and 50 million U.S. dollars (about 5.6 billion yen) in March 2017, and acquired the warrants worth 34 million baht (about 113 million yen) in March 2017. In addition, the Company sold 3.124% of the shares of BJI to GL Group in December 2016. We believe our partnership will become more solid

through deeper commitment to the business alliance with them.

JTG once signed capital and business alliance agreements with PT Bank Mayapada International Tbk. (the Republic of Indonesia; listed on the Indonesia Stock Exchange; hereinafter, "Bank Mayapada"). In April 2016, however, we dissolved the partnership and sold all the shares held by JTA mainly because: (i) the alliance with Bank Mayapada in the credit card business as one of our initial objectives virtually terminated; and (ii) making BJI our consolidated subsidiary enabled JTG to run banking business in Indonesia.

In the meantime, BJI formed ties with The Saikyo Bank, Ltd. (hereinafter, "Saikyo Bank"), which has released Indonesian rupiah-linked deposit named Indonesian Rupiah Time Deposit since July 2016.

(ii) Business development in South Korea

JTG has already established operational bases as a comprehensive financial group. Our operating assets have been growing steadily with a record-high level of the new loan disbursed per month. We have been working toward reinforcing the operational bases and efficiency of our Financial Business in South Korea as a whole by incorporating the marketing expertise of our capital company and savings banks.

(iii) Business development in Japan

JTG has focused on real estate related guarantee as a key initiative for the credit guarantee service, seeking to increase the guarantee balance centering on guarantees for rental property mortgage loan. In June 2016, we added a new product to guarantee low-interest mortgage loan offered by The Tokyo Star Bank. In July 2016, we started guarantee for the rental property mortgage loan of Kagawa Bank under the guarantee business alliance formed in the previous month. In July 2016, we also launched guarantee for the property secured loan and property secured card loan offered by Saikyo Bank. Then, in March 2017, we launched guarantee on "Real Estate-Backed Card Loan (Reverse Mortgage Type)" in tie up with the said bank.

For General Entertainment Business, in December 2016, ADORES, Inc. (hereinafter, "ADORE") joined hands with GREE, Inc. and opened "VR* PARK TOKYO" in Shibuya as a new form of virtual reality-themed facility. Meanwhile, Highlights Entertainment Inc. (hereinafter, "Highlights Entertainment") released its first-ever amusement machine nationwide in January 2017.

* VR refers to virtual reality, which allows a person experiencing a computer-created virtual space or image to feel as if he/she were in the real world. The technology is considered widely applicable to healthcare, education, etc. and highly compatible with the entertainment field, especially game, video and theme park.

(iv) Capital Policy

We conducted a share buyback in August 2016 to improve shareholder returns through the enhancement of capital efficiency and to execute capital policies flexibly in response to changing operating environments. Meanwhile, we resolved to offer shareholder benefits to mark the 40th anniversary of the company's foundation in line with our policy of the appropriate distribution of returns to shareholders. Each eligible shareholder in possession of at least 300 shares (three share units) as of the record date receives a Rakuten Point Gift Code worth 5,000 points. We will seek a well-balanced allocation of capital to maximize shareholder value.

Operating revenue in the current fiscal year was 85,031 million yen (up 12.7% year on year) due to the following: (i) We eliminated the 3-month timing difference in account closing for two subsidiaries in Indonesia, namely BJI and PT JTRUST INVESTMENTS INDONESIA (hereinafter, "JTII"), to grasp the group's consolidated performance more appropriately in preparation for adopting IFRS. As a result, FY2017 reflects their 15-month results. This means operating revenue for another three months is added; (ii) Banking business revenue

grew with a rise in new loan balances at the Group's savings banks in South Korea; and (iii) Other operating revenue increased because JTA posted gain on sales of shares of Bank Mayapada and Keynote Co., Ltd. (hereinafter, "Keynote") enjoyed a steady growth in large-lot construction orders in its commercial facility construction business.

Meanwhile, we recorded operating loss of 5,769 million yen (operating loss of 4,114 million yen in the previous fiscal year) and ordinary loss of 6,747 million yen (ordinary loss of 4,678 million yen in the previous fiscal year). While operating revenue rose, JTA posted unrealized loss on the portion of subscription rights to shares of GL's convertible bonds as operating expenses. Also, selling, general and administrative expenses expanded primarily because provision of allowance for doubtful accounts surged in BJI where loan assets were reclassified for better financial health as part of restructuring measures.

Loss attributable to owners of parent stood at 9,876 million yen (loss attributable to owners of parent of 5,712 million yen in the previous fiscal year) mainly due to BJI's business structure improvement expenses including restructuring cost as part of restructuring measures.

Segment performance is detailed below.

(i) Domestic Financial Business

(Credit guarantee services)

Credit guarantee services are handled by Nihon Hoshou Co., Ltd. (hereinafter, "Nihon Hoshou"). Under our Medium-Term Business Plan, we put a priority on real estate related credit guarantee business. We currently provide guarantee for syndicated rental property mortgage loan including "Flat 35" in partnership with a major housing developer, Flat 35 loan agencies and others. The credit guarantee balance grew steadily with new guarantee service for Real Estate-Backed Card Loan (Reverse Mortgage Type). The number of partner regional financial institutions reached six as of the end of April 2017. We aim to find more partners to provide guarantee for tie-up loan products.

As a result, the balance of credit guarantee as of the end of the current fiscal year was 85,975 million yen (up 61.1% year on year). The breakdown was 14,829 million yen in credit guarantees on unsecured loan (down 3.6%) and 71,146 million yen in credit guarantees on secured loan (up 87.3%) with an increase in guarantees for rental property mortgage loan.

(Collection of accounts receivable)

Collection of accounts receivable in Japan is mainly handled by Nihon Hoshou and Partir Servicer Co., Ltd. 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. Also, we will reinforce collection of corporate loans receivable and provide corporate revitalization services.

As a result, the balance of purchased receivables as of the end of the current fiscal year was 7,387 million yen (up 120.3% year on year), reflecting successful purchases of NPLs (Non-Performing Loans).

(Credit and consumer credit services)

Credit and consumer credit services are mainly handled by J TRUST Card Co., Ltd. We have practically withdrawn from consumer loan business, no longer handling new unsecured loan except cash advances. On the other hand, we are seeking an adequate level of earnings while increasing the balance of advances paid – installment by focusing on third-party credit services for individual commodity and installment loans for credit card purchases.

As a result, the balance of advances paid – installment, including long-term operating loans receivable, was 2,732 million yen (up 11.3% year on year) as of the end of the current fiscal year. The breakdown was 2,726 million yen in advances paid – installment (up

11.3%) and 5 million yen in long-term operating loans receivable (up 3.8%).

(Other financial services)

Other financial services 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. Meanwhile, Nihon Hoshou has withdrawn from the unsecured consumer finance business in Japan, separating liabilities involving risk of interest repayment claims and mitigating contingent liability risk.

As a result, the loan balance including long-term operating loans (for business) was 3,233 million yen (down 24.5% year on year) as of the end of the current fiscal year. The breakdown was 928 million yen in commercial notes (down 35.0%), 2,280 million yen in accounts receivable – operating loans (down 17.2%) and 23 million yen in long-term operating loans receivable (down 75.4%). Meanwhile, the loan balance including long-term operating loans receivable (for consumers) substantially declined to 1,740 million yen (down 37.0%) as a result of exiting the market. The breakdown was 1,600 million yen in accounts receivable – operating loans (down 37.2%) and 140 million yen in long-term operating loans (down 35.7%).

In summary, operating revenue in Domestic Financial Business was 11,048 million yen (up 0.1% year on year). Segment income was 4,636 million yen (up 22.0%) because Nihon Hoshou slashed bad debts expenses upon withdrawal from the unsecured consumer finance business in Japan and cut costs through business restructuring measures including early retirement programs.

(ii) Financial Business in South Korea

(Savings bank business and capital business)

JT Chinae Savings Bank Co., Ltd. (hereinafter, “JT Chinae Savings Bank”) and JT Savings Bank Co., Ltd. (hereinafter, “JT Savings Bank”) conduct savings bank business. JT Capital Co., Ltd. (hereinafter, “JT Capital”) provides installment financing and leasing services. With an established operational base as a comprehensive financial group, we will aggressively boost operating assets for better earnings by linking each business organically. Under the Medium-Term Business Plan, we are working to improve profitability by increasing high-quality consumer loan and ensure stable loan portfolio by focusing on loan for large corporations, secured loan, government-backed loan, etc. Loans by banking business increased with the steadily growing number and amount of new loan contracts backed by effective sales and marketing strategies. Meanwhile, accounts receivable – operating loans were on the downward trend mainly because JT Capital transferred consumer credit loans receivable to a group saving bank to observe the consumer loan limits stipulated in the revised Specialized Credit Finance Business Act effective September 2016. However, they have improved recently due to successful marketing strategies.

As a result, the loan balance increased steadily as of the end of the current fiscal year. In savings bank business, loans by banking business were 236,873 million yen (up 57.6% year on year). Meanwhile, accounts receivable – operating loans including long-term operating loans receivable were 46,626 million yen (up 1.4%) in capital business. The breakdown was 45,217 million yen (up 2.3%) in accounts receivable – operating loans, and 1,408 million yen (down 20.1%) in long-term operating loans receivable.

(Receivable collection business)

TA Asset Management Co., Ltd. (hereinafter, “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.

As a result, the balance of purchased receivables decreased to 2,090 million yen (down 21.1% year on year) as of the end of the current fiscal year due to regular collection and

the sale of receivables whose value was surging.

In summary, operating revenue in Financial Business in South Korea was 29,144 million yen (up 14.4% year on year). Segment income was 1,633 million yen (up 527.8%).

(iii) Financial Business in Southeast Asia

(Banking Business)

BJI 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 period. To this end, we revamped the management structure. Also, we make every effort to improve the financial health and reinforce the earnings base by increasing the volume and quality of the balance of operating assets with an expansion of the loan balance for small and medium-sized enterprises and consumers, reducing the remaining loans executed under the control of the Indonesia Deposit Insurance Corporation, lowering funding costs and increasing fee income through the utilization of our overseas network.

As a result, the balance of loans by banking business grew steadily to 90,123 million yen (up 12.3% year on year) as of the end of the current fiscal year.

(Collection of Accounts Receivable)

PT JTRUST INVESTMENTS INDONESIA (hereinafter, "JTII") conducts collection of accounts receivable business in Indonesia. The balance of purchased receivables from BJI in October 2015 stood at 2,668 million yen (down 32.2% year on year) as of the end of the current fiscal year. We will increase earnings by facilitating collection with various measures including prompt disposal of collateralized assets and business rehabilitation.

Meanwhile, we previously incorporated results of two subsidiaries in Indonesia (BJI and JTII) with a 3-month delay in account closing. However, we eliminated the gap to grasp the Group's consolidated performance more appropriately in preparation for adopting IFRS. Accordingly, FY2017 reflects their performance for 15 months.

In summary, operating revenue in Financial Business in Southeast Asia was 17,791 million yen (up 44.7% year on year). The increase reflects additional operating revenue for 3 months upon elimination of timing difference in account closing of BJI and JTII. Segment loss was 8,642 million yen (segment loss of 7,898 million yen in the previous fiscal year) mainly due to: (i) addition of 3-month operating expenses due to eliminating the delay in account closing in Financial Business in Southeast Asia; and (ii) massive provision of allowance for doubtful accounts in BJI which reclassified loan assets for better financial health as part of restructuring measures.

(iv) General Entertainment Business

ADORES mainly operates general entertainment facilities. Highlights Entertainment develops, manufactures and sells computer systems, etc. for amusement machines and their peripheral equipment. ADORES worked toward boosting sales mainly by winning new customer segments through: (i) "50th Anniversary Project" to enhance the brand perception; (ii) launch of "Calla Lily", a brand-new women's concept store specializing in photo sticker booths on September 18, 2016 in Shibuya, an area supplying cutting-edge information to the youth; and (iii) "VR PARK TOKYO", a VR-dedicated entertainment facility launched on the 4th floor of existing "ADORES Shibuya" on December 16, 2016. Overall sales were weak, however, due to: (i) closing of some stores and declining operation of crane games; and (ii) sluggish performance in other game genres. Meanwhile, Highlights Entertainment continued subdued results overall in the current fiscal year, affected by the industry-wide postponed replacement of peripheral equipment for amusement machines, though it started operating a new amusement machine on January 10, 2017.

Meanwhile, former group subsidiaries BREAK Co., Ltd. and BREAK ASIA LIMITED, which manufacture/sell toys for amusement machines, were excluded from the scope of consolidation due to the share transfer executed on March 31, 2017.

As a result, operating revenue in General Entertainment Business was weak at 15,397 million yen (down 7.0% year on year), affected by the lower-than-expected number of customers and the closing of some stores. Segment loss was 219 million yen (Segment loss of 475 million yen in the previous fiscal year).

(v) Real Estate Business

Keynote primarily handles sales of ready-built residential housing. ADORES conducts real estate asset business. For ready-built residential housing sales, we sought better earnings on the back of the recovering ready-built residential housing market through: (i) enhanced sales capabilities by creating our own brand; (ii) receiving more orders with the expansion of marketing areas including the opening of Senri Chuo Sales Branch on October 20, 2016; and (iii) steady delivery of residential housing.

As a result, operating revenue in Real Estate Business was 6,775 million yen (up 8.8% year on year), supported by good sales performance reflecting our competitive advantage in the existing marketing areas as well as the growing number of transactions resulting from an expansion of sales bases. Segment income was 536 million yen (up 7.2%).

(vi) Investment Business

JTA conducts investment business and provides management support for investees primarily. In the current fiscal year, JTA contributed substantially to operating revenue with gain on sales of shares of Bank Mayapada. In addition, JTA has been developing business with its strategic partner GL, in which JTA holds a 6.43% share in fast-growing Southeast Asia, to maximize synergy from the establishment of network while expanding business.

As a result, operating revenue in Investment Business was 2,905 million yen (up 2.7% year on year) mainly because other operating revenue increased as a result of selling shares of Bank Mayapada at JTA. Meanwhile, segment loss was 175 million yen (segment income of 2,562 million yen in the previous year) because unrealized loss on the component of the subscription rights to shares of GL's convertible bonds was recorded as other operating expenses.

(vii) Other business

J Trust System Co., Ltd. develops systems and operates/manages computers for JTG. Keynote constructs commercial facilities. Meanwhile, ADORES has commenced foreign exchange service. It opened an in-store foreign exchange store "ADORES EXCHANGE Akihabara" on December 14, 2016 inside the existing amusement facility located in an area popular with foreign tourists as a measure to lure more travelers.

As a result, operating revenue in Other Business was 2,816 million yen (up 51.6% year on year) because Keynote performed well in its commercial facility construction business. Segment loss was 73 million yen (segment loss of 193 million yen in the previous fiscal year).

(2) Status of capital investment

During the current fiscal year, the Group's capital expenditures totaled 3,044 million yen.

The breakdown is as follows: 108 million yen in Domestic Financial Business, 417 million yen in Financial Business in South Korea, 249 million yen in Financial Business in Southeast Asia, 1,619 million yen in General Entertainment Business, 564 million yen in Real Estate Business, 1 million yen in Investment Business, 51 million yen in Other Business and 32 million yen in Corporate (common).

(3) Status of fundraising

The funds raised as of the end of the current fiscal year totaled 420,705 million yen, which consisted of 916 million yen in notes discounted, 2,484 million yen in bonds payable, 52,885 million yen in loans payable and 364,419 million yen in deposits by banking business.

(4) Financial position and operating results

Category	38 th Business Year from Apr. 1, 2013 to Mar. 31, 2014	39 th Business Year from Apr. 1, 2014 to Mar. 31, 2015	40 th Business Year from Apr. 1, 2015 to Mar. 31, 2016	41 st (current) Business Year from Apr. 1, 2016 to Mar. 31, 2017
Operating revenue (million yen)	61,926	63,281	75,478	85,031
Ordinary profit (loss)(million yen)	13,351	(2,385)	(4,678)	(6,747)
Profit (loss) attributable to owners of parent (million yen)	11,145	10,143	(5,712)	(9,876)
Profit (loss) per share (yen)	109.66	85.92	(49.65)	(92.82)
Total assets (million yen)	334,736	540,718	508,659	608,650
Net assets (million yen)	184,230	194,865	168,656	151,663
Net assets per share (yen)	1,502.54	1,591.09	1,455.90	1,415.91
ROE	9.25%	5.55%	-	-

Notes:

1. In the 39th business year, total assets increased. This is because the Company made JT Savings Bank, JT Capital, PT Bank Mutiara Tbk. (currently, BJI), etc. consolidated subsidiaries, following a series of proactive M&As and organizational restructuring in South Korea and Southeast Asia.
2. ROE is not shown in the 40th and 41st business years due to the loss attributable to owners of parent.

(5) Key issues to be addressed

(i) Basic management policy of the Company

The Company has the following corporate philosophy: "For our customers, shareholders and ourselves, we make continuous effort to respond quickly to changing environment and challenge ourselves diligently to create better future for the world."

(ii) Target management indices

Under the Group vision "Aim to be a provider of unique financial services not constrained by existing paradigms," we formulated a Medium-Term Business Plan starting from the fiscal year ended March 31, 2016.

Specific management objectives are as follows:

- 1) Achieve operating revenue of 142.1 billion yen, operating profit of 21.7 billion yen and ROE of 10.0% in three years;
- 2) Earn profits mainly from banking business whose sustainable expansion is promising in fast-growing Asian economies;
- 3) Seek investments of 50 to 100 billion yen in growing markets with an IRR of 15% or more in three years; and
- 4) Maximize shareholder value as a key management task, and buy back shares flexibly when the share price is deemed undervalued.

(iii) Medium-to-long-term management strategies and key issues to be addressed

(Financial Business in Southeast Asia)

In the previous fiscal year, we worked on business restructuring to revive BJI, which had been long supervised by the Indonesia Deposit Insurance Corporation for rehabilitation

purpose. Our efforts for better financial health, such as substantial provision of allowance for doubtful accounts upon reclassifying loan assets, headcount reduction and consolidation of overlapped branches, were completed successfully, leading to reinforced operational bases eventually.

With regard to fund-raising, average deposit interest rates are higher than the levels of competitors. To overcome such weakness, we will seek to improve CASA ratio (ratio of current account and savings account against total deposit balance) and NIM (Net Interest Margin) by raising the proportion of lower-interest rate deposits. To take in deposits at lower rates, we will invest actively in IT infrastructure such as Internet banking and branchless banking intended for individual customers.

On the financing front, we will restructure the loan portfolio to improve net interest income by: (i) reducing large-lot, low-interest corporate loan of about 1 billion yen; (ii) increasing high-interest loan (medium loan) of 100 million to 500 million yen; and (iii) accumulating new loan assets steadily; in particular, focusing on medium loans by allocating more sales reps. Meanwhile, our financing to the customers of GL's subsidiary GLFI, in which JTA has a 20% stake, grows steadily. Going forward, with GL as a strategic partner, we will build successful business models in Indonesia. By acquiring deposit-taking financial institutions, in particular banks, in countries where GL has already tapped or intends to do so, JTG will offer financing to borrowers obtained through GL's marketing. This scheme will enable us to grow each other.

For the management of bad debts risk, we will monitor the credit standing of borrowers more rigorously and, in closer collaboration with PT JTRUST INVESTMENTS INDONESIA, collect receivables proactively. We will continue developing effective marketing strategies and reinforcing our operational bases through aggressive business development measures such as high-value added financial services using JTG's network.

(Financial Business in South Korea)

In South Korea, we have 4 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 maximize a synergy effect by developing each entity organically.

The two savings banks strive to increase the loan balance through receivables purchase and new loan granting with a focus on quality assets. In the savings bank industry, an increase in the balance of consumer finance is limited subject to the financial authority's instruction. In addition, the authority is about to change the criteria for allowance for doubtful accounts. This will require industry players to increase allowance for doubtful accounts. Despite these tough environments, we will seek to expand earnings by achieving an optimal balance between the loan volume and the allowance for doubtful accounts.

The capital industry will need to meet requirements for the consumer credit loan ratio under the Specialized Credit Finance Business Act revised in September 2016 as well as the criteria change in allowance for doubtful accounts as applied in the savings bank industry. In these environments, JT Capital will continue to increase the balance of mortgage loan and lease receivables at interest rates ranging between 6 and 20%, targeting customers with good credit ratings.

TA Asset Management will accumulate loans receivable on the back of our superior collection capability.

As a financial group in South Korea, we will further increase the balance by enhancing the brand value through marketing activities to create friendly and trustworthy images using brand ambassadors.

(Domestic Financial Business)

We will develop credit guarantee services centering on guarantee for *Apartment Loan* and property-based loan, as in the previous fiscal year, and also focus on property-based loan. In Japan, amid the growing number of senior households, living a stable life after

retirement is becoming difficult. To cope with this social issue, we will focus on credit guarantee services for reverse mortgage type loans.

For collection of accounts receivable, 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 General Entertainment Business, ADORES proactively holds events at existing stores such as collaborative events featuring popular animation characters. Going forward, we will expand business operations through development of own content in addition to the content business using existing facilities. Furthermore, our alliance with GREE Inc. formed in December 2016 enabled us to start content services based on the VR technology, which has been attracting public attention. We will continue to win new customer segments for better sales. Meanwhile, Highlights Entertainment develops, produces and sells amusement machines. We will seek better earnings by maximizing the sales volume of amusement machines and strengthening sales of peripheral equipment.

In Real Estate Business, Keynote will expand profit opportunities by increasing the number of ready-built houses, reducing costs through the higher ratio of in-house construction and receiving more orders for commercial facility construction.

(6) Status of the parent company and major subsidiaries

(i) Status of the parent company

Not applicable.

(ii) Status of major subsidiaries

Name of subsidiary	Capital stock or investments in capital	Shareholding ratio	Major line of business
Nihon Hoshou Co., Ltd.	95 million yen	100%	Credit guarantee, Financial service
Partir Servicer Co., Ltd.	500 million yen	(100%)	Purchase, management and collection of receivables
J TRUST Card Co., Ltd.	90 million yen	100%	Credit card, Consumer credit
ADORES, Inc.	4,405 million yen	42.91%	General entertainment, Real estate
Keynote Co., Ltd.	30 million yen	(42.91%)	Real estate
J Trust System Co., Ltd.	80 million yen	100%	Computer operations and system development
Highlights Entertainment Co., Ltd.	10 million yen	(100%)	Development, production and sales of amusement machines
JT Chinae Savings Bank Co., Ltd.	KRW 71,700 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 service
PT Bank JTrust Indonesia Tbk.	IDR 12,223,154 million	96.19% (1.00%)	Banking
PT JTRUST INVESTMENTS INDONESIA	IDR 61,213 million	14.79% (84.36%)	Management and collection of receivables
JTRUST ASIA PTE. LTD.	SGD 375 million	100%	Investment

Notes:

1. Figures in parentheses indicate an indirect shareholding ratio.
2. The number of consolidated subsidiaries is 22, including the major subsidiaries above.
3. There are no subsidiaries which fall under specific wholly-owned subsidiaries.
4. On March 31, 2017, ADORES, a consolidated subsidiary of the Company, transferred all the shares of BREAK Co., Ltd., which was accordingly excluded from consolidated subsidiaries of the Company.

(iii) Status of major affiliates

Name of affiliate	Capital stock or investments in capital	Shareholding ratio	Major line of business
PT Group Lease Finance Indonesia	IDR 100,000 million	(20.00%)	Hire-purchase financing

Notes:

1. Figures in parentheses indicate an indirect shareholding ratio.
2. The above major affiliate is an entity accounted for using equity method.

(7) Major business (as of March 31, 2017)

Business segment	Major line of 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
	Management and collection of receivables
	Hire-purchase financing
General Entertainment Business	Operation of general entertainment facilities
	Development, manufacturing and sales of amusement machines and their peripheral computer systems, etc.
Real Estate Business	Purchase, sale and brokerage of real estate, Renovation of existing homes
Investment Business	Investments at home and abroad
Other business	System development, Computer operation and management
	Commercial facility construction business including design and building work

(8) Main offices (as of March 31, 2017)

(J Trust Co., Ltd.)

Headquarters	1-7-12 Toranomom, Minato-ku, Tokyo
Osaka Branch	4-1-1 Nishinakajima, Yodogawa-ku, Osaka-shi

Note: Osaka Branch was relocated on January 30, 2017 from the following address:
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
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, 2017)

Business segment	Number of employees	
Domestic Financial Business	256	(20)
Financial Business in South Korea	1,031	(119)
Financial Business in Southeast Asia	977	(19)
General Entertainment Business	282	(581)
Real Estate Business	42	(1)
Investment Business	6	(-)
Other business	62	(8)
Corporate (common)	95	(2)
Total	2,751	(750)

Notes:

1. The number of employees represents full-time employees of the Group (excluding those seconded to non-Group entities but including staff from non-Group entities). Figures in parentheses show the annual average number of temporary employees (part-timers and workers from staffing firms).
2. The number of employees decreased by 475, with voluntary retirement programs executed by some consolidated subsidiaries of the Company.
3. Corporate (common) indicates the number of employees belonging to administrative functions.

(10) Major lenders (as of March 31, 2017)

Lender	Balance of loans payable
The Osaka Kosei Shinkin Bank	5,809 million yen
THE SAIKYO BANK LTD.	4,000 million yen
The Tokyo Star Bank, Limited	3,269 million yen
Kinki Sangyo Credit Union	2,080 million yen
Seikyo Credit Union	1,999 million yen

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

At the Board of Directors' meeting held on April 20, 2017, ADORES, a consolidated subsidiary of the Company, resolved to establish ADORES Company Split Preparation, Inc. (hereinafter, "the Preparation Company") wholly-owned by ADORES effective October 1, 2017 in line with a shift to the holding company structure by way of a company split. ADORES subsequently resolved, at the Board of Directors' meeting held on May 9, 2017, that it will conclude an absorption-type company split agreement (hereinafter, "the Split Agreement") with the Preparation Company. The execution of the split is subject to approval of relevant agendas at the Ordinary General Meeting of Shareholders of ADORES scheduled for June 27, 2017 and, if necessary, permission from relevant public sector offices.

The details are summarized below.

(i) Reason for the company split

Based on the idea that ADORES Group entities should concentrate on their individual business activities with clear roles and responsibility, the split aims to facilitate business realignment flexibly through aggressive M&As and optimize the allocation of management resources across the Group.

(ii) Method of the split

It is an absorption-type company split (corporate divestiture) in which ADORES is the splitting company and the Preparation Company is the successor company.

(iii) Timeline of the split

Date of resolution at the Board of Directors' meeting for establishing the Preparation Company:	April 20, 2017
Date of establishing the Preparation Company:	April 21, 2017
Date of resolution at the Board of Directors' meeting for approving the Split Agreement:	May 9, 2017
Date of concluding the Split Agreement:	May 9, 2017
Date of Ordinary General Meeting of Shareholders for approving the Split Agreement:	June 27, 2017 (plan)
Effective date of the split:	October 1, 2017 (plan)

(iv) Overview of the splitting company

1) Splitting Company (as of the end of March 2017)

Company name:	ADORES, Inc.*
Address:	1-7-12 Toranomom, Minato-ku, Tokyo
Representative:	Seiji Uehara, President and Representative Director
Net assets:	9,033 million yen
Total assets:	15,849 million yen
Capital:	4,405 million yen
Number of employees:	227
Line of business:	General entertainment, Real estate (real estate asset department) Store subleasing Others (foreign currency exchange)

2) Successor (as of the date of establishment: April 21, 2017)

Company name:	ADORES Company Split Preparation, Inc.*
Address:	1-7-12 Toranomom, Minato-ku, Tokyo
Representative:	Manabu Ishi, President and Representative Director
Net assets:	20 million yen
Total assets:	20 million yen
Capital:	20 million yen
Number of employees:	0
Line of business:	Not engaged in any business before the split

* The trade names are to be changed after the split becomes effective.

(v) Details of business to be split

The Preparation Company will succeed all the businesses of ADORES excluding the following: (a) real estate (real estate asset department); (b) store subleasing; and (c) administrative function.

(vi) Operating results of the business department to be split (FY2017)

	Splitting business (actual) (a)	Splitting company (non-consolidated) (b)	Ratio (a/b)
Sales	12,003 million yen	12,186 million yen	98.5%

(vii) Assets and liabilities to be split (as of February 28, 2017)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	2,718 million yen	Current liabilities	1,160 million yen
Non-current assets	7,124 million yen	Non-current liabilities	4,494 million yen
Total	9,843 million yen	Total	5,654 million yen

Note: The above figures are calculated based on the balance sheet as of February 28, 2017. The actual amount is determined after adjustments with changes that may occur till the effective date of the split.

(12) Basic capital policies

JTG will seek the well-balanced allocation of capital to maximize shareholder value. To be specific, in light of the outlook for operating environments, business results and financial standing, it will implement (i) investments for the growth of M&As, etc.; (ii) share buyback; and (iii) appropriate capital allocation to dividend payments.

With regard to the above (i), we set the target IRR at 15% or higher. For the above (ii), we will buy back own shares flexibly and aggressively when the share price is considered low and attractive as investment targets.

Meanwhile, we will strive to return surplus funds in a positive manner as stated in the above (iii). When profit levels become stable, we will set specific targets for a payout ratio, etc.

2. Matters regarding the shares of the Company (as of March 31, 2017)

- (1) Number of authorized shares: 240,000,000
 (2) Number of outstanding shares: 112,536,970
 (3) Number of shareholders: 19,541
 (4) Major shareholders (top 10 shareholders)

Name of shareholder	Number of shares owned	Shareholding ratio
Nobuyoshi Fujisawa	23,009,372	22.35%
FUJISAWA PTE. LTD	15,697,872	15.25%
TAIYO HANEI FUND, L.P.	4,517,900	4.39%
STATE STREET BANK AND TRUST COMPANY 505019	4,352,100	4.23%
Japan Trustee Services Bank, Ltd. (trust account)	2,901,200	2.82%
SAIKYO LEASING Corporation	2,890,000	2.81%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE- AC)	2,410,790	2.34%
TAIYO FUND, L.P.	1,917,700	1.86%
Japan Trustee Services Bank, Ltd. (trust account 9)	1,804,200	1.75%
CBNY – ORBIS SICAV	1,539,915	1.50%

Notes:

- Shareholding ratio is calculated after deducting the number of treasury shares (9,598,184 shares).
- FUJISAWA PTE. LTD. is wholly owned by Mr. Nobuyoshi Fujisawa, President & CEO of the Company. Meanwhile, JAPAN POCKET Co., Ltd., which is wholly and beneficially owned by Mr. Nobuyoshi Fujisawa, holds 1,135,300 shares (1.10%) of common shares of the Company.
- On December 21, 2016, Taiyo Fund Management Company LLC. and its joint holders submitted the Report of Possession of Large Volume (Change Report) to the Kanto Local Finance Bureau. According to the report, they held 13,326,200 shares (shareholding ratio of 11.84%) as of December 14, 2016. However, they are not included in the above list of major shareholders because the Company could not confirm the number of shares owned by them as of the end of the current consolidated business year.

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

- (i) The total number of outstanding shares increased by 89,816 shares due to the exercise of the subscription rights to shares (stock options).
- (ii) According to the resolution at the Board of Directors' meeting held on August 12, 2016, the Company acquired the treasury shares as follows:

Class and number of shares acquired	Common Shares: 6,000,000 shares
Total share acquisition value	4,926 million yen
Date of acquisition	August 15, 2016
Method of acquisition	Through the ToSTNeT-3 trading system of the Tokyo Stock Exchange

- (iii) According to the resolution at the Board of Directors' meeting held on August 15, 2016, the Company acquired the treasury shares as follows:

Class and number of shares acquired	Common shares: 3,188,300 shares
Total share acquisition value	2,352 million yen
Date of acquisition	August 16, 2016
Method of acquisition	Through the ToSTNeT-3 trading system of the Tokyo Stock Exchange

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

(1) Status of subscription rights to shares (hereinafter, "Subscription Rights"), etc. at the end of the current business year

	J Trust 2nd Subscription Rights (stock option) issued on Nov. 29, 2010	J Trust 3rd Subscription Rights (stock option) issued on Aug. 31, 2011	J Trust 5th Subscription Rights (stock option) issued on Aug. 31, 2013	J Trust 6th Subscription Rights (stock option) issued on Sept. 30, 2015	J Trust 7th Subscription Rights (stock option) issued on Sept. 30, 2016
Number of Subscription Rights	105 units	532 units	1,450 units	8,640 units	28,200 units
Class and number of shares underlying Subscription Rights	21,000 common shares (200 shares per Subscription Rights)	106,400 common shares (200 shares per Subscription Rights)	145,000 common shares (100 shares per Subscription Rights)	864,000 common shares (100 shares per Subscription Rights)	2,820,000 common shares (100 shares per Subscription Rights)
Issuance value	Gratis	Gratis	Gratis	Paid (1,600 yen per unit)	Paid (100 yen per unit)
Exercise price	22,000 yen per unit	26,800 yen per unit	200,700 yen per unit	95,400 yen per unit	78,900 yen per unit
Exercise period	from Dec. 1, 2012 to July 31, 2017	from Sept. 1, 2013 to July 31, 2018	from Sept. 1, 2015 to Aug. 31, 2020	from July 1, 2017 to Sept. 30, 2021	from Oct. 1, 2016 to Sept. 30, 2021
Conditions for exercise	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2	Notes 1, 2 & 6	Notes 1, 2 & 7

	J Trust N-6th Subscription Rights (stock option) issued on Apr. 30, 2012	J Trust N-7th Subscription Rights (stock option) issued on Apr. 30, 2012	J Trust N-8th Subscription Rights (stock option) issued on Apr. 30, 2012	J Trust N-9th Subscription Rights (stock option) issued on Apr. 30, 2012	J Trust N-10th Subscription Rights (stock option) issued on Apr. 30, 2012
Number of Subscription Rights	80 units	170 units	1,745 units	1,950 units	1,700 units
Class & number of shares underlying Subscription Rights	320 common shares (4 shares per Subscription Rights)	680 common shares (4 shares per Subscription Rights)	6,980 common shares (4 shares per Subscription Rights)	7,800 common shares (4 shares per Subscription Rights)	6,800 common shares (4 shares per Subscription Rights)
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 Apr. 30, 2012 to Mar. 10, 2019	from Apr. 30, 2012 to Apr. 28, 2019	from Apr. 30, 2012 to Dec. 15, 2019	from Dec. 15, 2012 to Dec. 14, 2020	from Dec. 14, 2013 to Dec. 13, 2021
Conditions for exercise	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2

Notes

1. Any acquisition of Subscription Rights (stock options) by transfer shall require an approval by the Board of Directors' meeting of the Company.
2. In a case where a rights holder waives his/her Subscription Rights (stock options), he/she may not exercise such Subscription Rights (stock options).

3. Following the share exchange with Next Japan Holdings Co., Ltd. effective April 30, 2012, the Company took over the Subscription Rights (stock options) issued by the said company in the form of J Trust N-6th, N-7th, N-8th, N-9th and N-10th Subscription Rights (stock options).
4. Following the 2-for-1 share split of common shares effective June 1, 2012, whereby each share was divided into 2 shares, the Company adjusted the exercise price of Subscription Rights (stock options) issued on or before the effective date.
5. Upon issuance of new shares resulting from the exercise of Subscription Rights (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 (stock options) issued on or before the reference date.
6. Main vesting conditions for J Trust 6th Subscription Rights (stock option) issued on September 30, 2015 are described below.

The vesting conditions were changed in accordance with the resolution made at the Board of Directors' meeting of the Company on June 29, 2016.

A rights holder may exercise a specific portion of his/her Subscription Rights as stated below, only when operating profit for the fiscal year ended March 31, 2017 and/or ending March 31, 2018 meets the following conditions:

 - (i) Operating profit for the fiscal year ended March 31, 2017 exceeds 11,266 million yen under J-GAAP (or 15,100 million yen under IFRS, if the Company adopts IFRS at the time of judgment), rights holders may exercise 20% of the total number of Subscription Rights allotted to them.
 - (ii) Operating profit for the fiscal year ending March 31, 2018 exceeds 18,772 million yen under J-GAAP (or 21,700 million yen under IFRS, if the Company adopts IFRS at the time of judgment), rights holders may exercise 80% of the total number of Subscription Rights allotted to them. Should operating profit for the fiscal year ended March 31, 2017 fall below 3,240 million yen under J-GAAP (or 7,500 million yen under IFRS, if the Company adopts IFRS at the time of judgment), however, rights holders cannot exercise such rights.
7. Main vesting conditions for J Trust 7th Subscription Rights (stock option) issued on September 30, 2016 are described below.
 - (i) If the closing price of common shares of the Company on the Tokyo Stock Exchange falls below 50% of the exercise price during the time frame between the allotment date and the end of the exercise period, rights holders shall exercise all the remaining portion of Subscription Rights at the exercise price within 1 month from the following business day.
 - (ii) If the closing price of common shares of the Company on the Tokyo Stock Exchange exceeds 200% of the exercise price for five consecutive business days during the time frame between the allotment date and the end of the exercise period, rights holders can exercise their Subscription Rights from the following business day.

(2) Subscription Rights held by the Company's Directors at the end of the current business year

	Name of Subscription Rights	Number of units	Number of rights holders
Directors (excluding outside directors)	J Trust 3rd Subscription Rights (stock option)	70	1
	J Trust 5th Subscription Rights (stock option)	820	3
	J Trust 6th Subscription Rights (stock option)	5,430	8
	J Trust 7th Subscription Rights (stock option)	24,879	7
Outside directors	J Trust 6th Subscription Rights (stock option)	500	2
	J Trust 7th Subscription Rights (stock option)	250	2
Audit & Supervisory Board Members	J Trust 7th Subscription Rights (stock option)	550	3

(3) Status of Subscription Rights granted during the current business year

Subscription Rights granted during the current business year are as per the J Trust 7th Subscription Rights (stock option) in (1) above.

The table below shows the status of Subscription Rights granted to Directors of the Company, Audit & Supervisory Board Members of the Company, Directors of its subsidiaries, employees of the Company and employees of its subsidiaries.

	Number of units	Number of rights holders
Directors of the Company	25,679	12
Employees of the Company (excluding those concurrently serving as director of the Company)	1,291	14
Directors and employees of subsidiaries of the Company (excluding those concurrently serving as director or employee of the Company)	1,230	16

4. Matters regarding executives

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

Name	Position, assignment and significant concurrent positions
Nobuyoshi Fujisawa	<ul style="list-style-type: none"> • Representative Director, President & CEO • Director, ADORES, Inc. • Managing Director & CEO, JTRUST ASIA PTE. LTD. • Director & Chairman, JT Capital Co., Ltd. • President Commissioner, PT JTRUST INVESTMENTS INDONESIA • Director, DIGITAL DESIGN Co., Ltd.
Nobuiku Chiba	<ul style="list-style-type: none"> • Representative Director, Senior Managing Executive Officer in charge of financial business in South Korea and Public Relations & Investor Relations Division • Director, JT Chinae Savings Bank Co., Ltd. • Representative Director, JT Capital Co., Ltd.
Nobiru Adachi	<ul style="list-style-type: none"> • Senior Managing Director, Executive Officer in charge of promotion of global banking business and overseas legal affairs • President Commissioner, PT Bank J Trust Indonesia Tbk.
Shigeyoshi Asano	<ul style="list-style-type: none"> • Managing Director, Executive Officer in charge of business in Southeast Asia and Planning Division • Director, JTRUST ASIA PTE. LTD. • Commissioner, PT Bank J Trust Indonesia Tbk. • Commissioner, PT JTRUST INVESTMENTS INDONESIA • Commissioner, PT Group Lease Finance Indonesia
Toru Myochin	<ul style="list-style-type: none"> • Managing Director, Executive Officer in charge of holding business, group management and information technology system • President & Representative Director, J Trust System Co., Ltd.
Taiji Hitachi	<ul style="list-style-type: none"> • Director, Executive Officer, General Manager of General Accounting Department
Makoto Kurokawa	<ul style="list-style-type: none"> • Director, Executive Officer, General Manager of Corporate Planning Department and Special Appointive Officer
Yukihiro Nishikawa	<ul style="list-style-type: none"> • Director, Executive Officer, General Manager of Corporate Planning Department and in charge of Legal Division • Director, Nihon Hoshou Co., Ltd. • Audit & Supervisory Board Member, Highlights Entertainment Co., Ltd.
Yoshihide Imori	<ul style="list-style-type: none"> • Director, Executive Officer, General Manager of Corporate Management Department • President & CEO, J TRUST Card Co., Ltd.
Norio Igarashi	<ul style="list-style-type: none"> • Director • Visiting Attorney, Yamada Ozaki Law Office
Ryuji Mizuta	<ul style="list-style-type: none"> • Director • Advisor, Sumitomo Life Insurance Company
Masanori Kaneko	<ul style="list-style-type: none"> • Director • Advisor, THE SAIKYO BANK LTD. • Director, Hoken Eye Saikyo K.K.
Masao Onishi	<ul style="list-style-type: none"> • Full-Time Audit & Supervisory Board Member • Audit & Supervisory Board Member, J TRUST Card Co., Ltd. • Audit & Supervisory Board Member, NUCS Co., Ltd.

Hideki Yamane	<ul style="list-style-type: none"> • Full-Time Audit & Supervisory Board Member • Audit & Supervisory Board Member, Partir Servicer Co., Ltd.
Masato Inoue	<ul style="list-style-type: none"> • Audit & Supervisory Board Member • Representative, Inoue Office
Takaaki Kojima	<ul style="list-style-type: none"> • Audit & Supervisory Board Member • Advisor, Libera Corporation • Adjunct Professor of National University of Singapore

Notes

1. Three Directors, namely 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. Messrs. Hideki Yamane and Takaaki Kojima, Audit & Supervisory Board Members, are Outside Audit & Supervisory Board Members.
3. Mr. Hideki Yamane, Audit & Supervisory Board Member, has long years of experience in financial institutions and significant insight into finance and accounting.
4. Mr. Nobuyoshi Fujisawa, President & CEO, resigned President Commissioner of PT JTRUST INVESTMENTS INDONESIA on April 27, 2017. On the same day, Mr. Shigeyoshi Asano, Managing Director, assumed President Commissioner.
5. DIGITAL DESIGN Co., Ltd., where Mr. Nobuyoshi Fujisawa, President & CEO, holds a concurrent position, changed the corporate name to SAMURAI&J PARTNERS Co., Ltd. on May 1, 2017.
6. The Company adopts the executive officer system. The table below shows executive officers excluding those concurrently serving as director as of March 31, 2017.

Name	Position	Assignment
Ryuichi Atsuta	Executive Officer	General Manager of Finance Department
Teruhiko Miwa	Executive Officer	Corporate Planning Department in charge of business in Indonesia

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

Name	Position and assignment		Date of transfer
	New	Old	
Nobuiku Chiba	Representative Director, Senior Managing Executive Officer in charge of financial business in South Korea and Public Relations & Investor Relations Division	Representative Director, Senior Managing Executive Officer in charge of financial business in South Korea and Public Relations & Investor Relations Division of Corporate Planning Department	June 29, 2016
Nobiru Adachi	Senior Managing Director, Executive Officer in charge of promotion of global banking business and overseas legal affairs	Director, Senior Managing Executive Officer in charge of banking business in Indonesia and promotion of global banking business	June 29, 2016
Shigeyoshi Asano	Managing Director, Executive Officer in charge of business in Southeast Asia and Planning Division	Director, Managing Executive Officer in charge of business in Southeast Asia and Planning Division of Corporate Planning Department	June 29, 2016
Toru Myochin	Managing Director, Executive Officer in charge of holding business, group management and information technology system	Director, Managing Executive Officer in charge of domestic financial business	June 29, 2016
Taiji Hitachi	Director, Executive Officer, General Manager of General Accounting Department (new)	-	June 29, 2016
Makoto Kurokawa	Director, Executive Officer, General Manager of Finance Department (new)	-	June 29, 2016
	Director, Executive Officer, General Manager of Corporate Planning Department and Special Appointive Officer	Director, Executive Officer, General Manager of Finance Department	Dec. 12, 2016
Yukihiro Nishikawa	Director, Executive Officer, General Manager of Corporate Planning Department and in charge of Legal Division (new)	-	June 29, 2016
Yoshihide Imori	Director, Executive Officer, General Manager of Corporate Management Department (new)	-	June 29, 2016

(3) Changes in position and assignment of Directors and Audit & Supervisory Board Members on or after April 1, 2017

Not applicable.

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

Category	Number of people	Total remuneration	Total remuneration by category			
			Basic remuneration	Stock option	Bonuses	Retirement bonus
Directors	12	216 million yen	216 million yen	-	-	-
Outside Directors	3	16 million yen	16 million yen	-	-	-
Audit & Supervisory Board Members	4	32 million yen	32 million yen	-	-	-
Outside Audit & Supervisory Board Members	2	18 million yen	18 million yen	-	-	-
Total	16	249 million yen	249 million yen	-	-	-
Outside executives	5	35 million yen	35 million yen	-	-	-

Notes:

1. The amount of remuneration of directors does not include remuneration as employees (with regard to directors who concurrently serve as employees).
2. The above figures do not include any remuneration of directors and audit & supervisory board members paid by subsidiaries, etc. of the Company.

(5) Matters regarding outside executives

(i) Significant concurrent positions at other corporations, etc.

Position	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

Notes:

1. Partir Servicer Co., Ltd. is a subsidiary of the Company.
2. The Company's relationship with The SAIKYO BANK LTD. includes loans payable and credit guarantee for loan products.
3. The Company has no special relationship with corporations, etc. where outside executives hold significant concurrent positions, excluding those stated in the above 1 and 2.

(ii) Main activities in the current business year

Position	Name	Main activities
Director	Norio Igarashi	<ul style="list-style-type: none"> • Attended 18 out of 22 Board of Directors' meetings (attendance rate: 81.8%). • Provides practical advice and suggestions from an expert's perspective as an attorney.
Director	Ryuji Mizuta	<ul style="list-style-type: none"> • Attended 22 out of 22 Board of Directors' meetings (attendance rate: 100%). • Provides practical advice and suggestions from an expert's perspective based on his work experience at National Police Agency.
Director	Masanori Kaneko	<ul style="list-style-type: none"> • Attended 20 out of 22 Board of Directors' meetings (attendance rate: 90.9%). • Provides practical advice and suggestions based on his abundant experience as an executive in financial institutions.
Audit & Supervisory Board Member	Hideki Yamane	<ul style="list-style-type: none"> • Attended 21 out of 22 Board of Directors' meetings (attendance rate: 95.5%). • Attended 15 out of 15 Audit & Supervisory Board meetings (attendance rate: 100%). • Provides practical advice and suggestions based on his abundant experience as an executive in financial institutions.
Audit & Supervisory Board Member	Takaaki Kojima	<ul style="list-style-type: none"> • Attended 21 out of 22 Board of Directors' meetings (attendance rate: 95.5%). • Attended 14 out of 15 Audit & Supervisory Board meetings (attendance rate: 93.3%). • Provides practical advice and suggestions from an expert's perspective based on his work experience in key positions (e.g. Ambassador Extraordinary and Plenipotentiary) at the Ministry of Foreign Affairs.

Note: Besides the number of the Board of Directors' meeting stated above, there were four written resolutions deemed as adopted at the Board of Directors' meeting in accordance with Article 370 of the Companies Act and Article 22 of the Articles of Incorporation of the Company.

The contents of the proposals and other important matters were discussed prior to the Board of Directors' meeting.

In cases where any question arises after such discussion, the Board of Directors shall make a suggestion to the management team at the Board of Directors' meeting.

(iii) Overview of the liability limitation agreement

Subject to Article 427, Paragraph 1 of the Companies Act, the Company has concluded the damages liability limitation agreement as specified in Article 423, Paragraph 1 of the Companies Act with all Outside Directors and Mr. Takaaki Kojima, an Outside Audit & Supervisory Board Member. Their liabilities for damages shall be limited to the minimum liability amount as stipulated by laws and regulations.

5. Matters regarding Accounting Auditor

(1) Name of Accounting Auditor

YUSEI Audit & Co.

Note: The Company's agreement with Hibiki Audit Corporation (former accounting auditor) was completed as of the closing of the 40th Ordinary General Meeting of Shareholders held on June 29, 2016.

(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	260 million yen
(ii) Sum of money and other financial profits to be paid by the Company and its subsidiaries to the Accounting Auditor	310 million yen

Notes:

1. The audit agreement entered into by the Accounting Auditor and the Company does not clearly separate between the amount of auditor's remuneration, etc. for the audit under the Companies Act and that for the audit under the Financial Instruments and Exchange Act. In fact, the two amounts cannot be distinguished from each other. The total sum accordingly appears in the amount of remuneration, etc., paid to the Accounting Auditor for the current business year.
2. The Audit & Supervisory Board of the Company verified whether audit procedures including the contents of the Accounting Auditor's audit plan, performance of accounting audit duties and calculation basis for estimating the remuneration were appropriate, and gave consent to the amount of remuneration, etc. for the Accounting Auditor.
3. 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 the Accounting Auditor with any non-audit services, which are not stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act.

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

The Audit & Supervisory Board determines details of an agenda for the General Meeting of Shareholders on the dismissal or non-reappointment of the Accounting Auditor, whenever the need arises. For example, the Accounting Auditor has a problem in performing audit duties.

If the Accounting Auditor falls into any item under Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board of the Company dismisses the Accounting Auditor with the approval of all Audit & Supervisory Board Members. In this case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board reports 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

A key management task of the Company is the appropriate return of profits to shareholders. To pursue flexible capital and dividend policies, the Company's Articles of Incorporation stipulates that the decision on surplus dividends, etc. shall require a resolution at the Board of Directors' meeting in accordance with the provision of Article 459, Paragraph 1 of the Companies Act.

The year-end dividend for the current business year is set at 6 yen per share. The payment is scheduled for June 29, 2017. Combined with the interim dividend, the annual dividend will be 12 yen per share.

Note: A fraction less than respective units, if any, is rounded down in this Business Report.

CONSOLIDATED BALANCE SHEET (as of March 31, 2017)

(Millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	553,331	Current liabilities	426,093
Cash and deposits	101,172	Notes discounted	916
Commercial notes	928	Current portion of bonds	111
Accounts receivable - operating loans	49,098	Short-term loans payable	9,798
Loans by banking business	326,996	Current portion of long-term loans payable	18,733
Advances paid - installment	2,726	Income taxes payable	1,213
Purchased receivables	12,146	Deposits by banking business	364,419
Subrogation receivable	1,223	Other	30,900
Securities	30,459		
Operational investment securities	21,494	Non-current liabilities	30,893
Merchandise and finished goods	3,221	Bonds payable	2,372
Work in process	3,015	Long-term loans payable	24,353
Deferred tax assets	1,287	Provision for loss on guarantees	352
Other	23,361	Net defined benefit liability	151
Allowance for doubtful accounts	(23,801)	Provision for loss on litigation	1,138
		Other	2,525
Non-current assets	55,319	Total liabilities	456,987
Property, plant and equipment	6,474		
Buildings and structures	2,811	Net assets	
Amusement machine	901	Shareholders' equity	149,161
Land	1,541	Capital stock	53,630
Other	1,220	Capital surplus	53,716
		Retained earnings	49,499
Intangible assets	34,378	Treasury shares	(7,685)
Goodwill	29,727		
Other	4,650	Accumulated other comprehensive income	(3,409)
		Valuation difference on available-for-sale securities	1,904
Investments and other assets	14,465	Foreign currency translation adjustment	(5,343)
Investment securities	144	Remeasurements of defined benefit plans	30
Long-term operating loans receivable	1,578		
Deferred tax assets	1,143	Subscription rights to shares	168
Other	13,797	Non-controlling interests	5,742
Allowance for doubtful accounts	(2,198)		
		Total net assets	151,663
Total assets	608,650	Total liabilities and net assets	608,650

CONSOLIDATED STATEMENT OF INCOME (from April 1, 2016 to March 31, 2017)

(Millions of yen)

Item	Amount	
Operating revenue		
Discount revenue	59	
Interest on loans	4,164	
Collection from purchased receivable	3,916	
Installment payment paying for commission	350	
Commission fee	506	
Sales on real estate business	6,763	
Interest on deposits	146	
Other financial revenue	1,140	
Sales on general entertainment business	15,397	
Banking business revenue	40,339	
Other operating revenue	12,246	85,031
Operating expenses		
Discount on notes payable expense	29	
Interest on loans	1,480	
Cost of purchased receivable	1,411	
Cost of sales - real estate	5,690	
Cost of sales on general entertainment business	12,712	
Banking business expenses	17,791	
Other operating expenses	4,846	43,963
Operating gross profit		41,068
Selling, general and administrative expenses		46,837
Operating loss		5,769
Non-operating income		
Interest income	4	
Dividend income	35	
House rent income	24	
Gain on investment of securities	25	
Miscellaneous income	244	334
Non-operating expenses		
Interest expenses	158	
Depreciation	7	
Foreign exchange losses	995	
Share of loss of entities accounted for using equity method	2	
Miscellaneous loss	148	1,312
Ordinary loss		6,747
Extraordinary income		
Gain on sales of non-current assets	725	
Gain on sales of shares of subsidiaries and associates	28	
Gain on sales of investment securities	217	
Gain on bargain purchase	24	
Other	339	1,335
Extraordinary losses		
Loss on sales of non-current assets	234	
Loss on abandonment of non-current assets	56	
Impairment loss	362	
Loss on valuation of investment securities	349	
Business structure improvement expenses	1,772	
Other	171	2,948
Loss before income taxes		8,359
Income taxes - current	1,690	
Income taxes - deferred	(368)	1,321
Loss		9,681
Profit attributable to non-controlling interests		195
Loss attributable to owners of parent		9,876

NON-CONSOLIDATED BALANCE SHEET (as of March 31, 2017)

(Millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	19,065	Current liabilities	5,642
Cash and deposits	15,993	Short-term loans payable	1,789
Short-term loans receivable from subsidiaries and associates	2,150	Current portion of long-term loans payable	3,380
Other	922	Accounts payable - other	179
		Income taxes payable	241
		Other	52
Non-current assets	128,569	Non-current liabilities	9,645
Property, plant and equipment	28	Bonds payable	200
Buildings	6	Long-term loans payable	9,289
Land	19	Deferred tax liabilities	53
Other	1	Guarantee deposits received	101
		Other	0
Intangible assets	109		
Goodwill	63	Total liabilities	15,287
Other	46		
		Net assets	
Investments and other assets	128,431	Shareholders' equity	132,191
Investment securities	30	Capital stock	53,630
Shares of subsidiaries and associates	116,754	Capital surplus	52,971
Investments in capital of subsidiaries and associates	11,292	Legal capital surplus	52,971
Other	362	Retained earnings	33,274
Allowance for doubtful accounts	(8)	Other retained earnings	33,274
		Retained earnings brought forward	33,274
		Treasury shares	(7,685)
		Subscription rights to shares	156
		Total net assets	132,347
Total assets	147,635	Total liabilities and net assets	147,635

NON-CONSOLIDATED STATEMENT OF INCOME (from April 1, 2016 to March 31, 2017)

(Millions of yen)

Item	Amount	
Operating revenue		
Interest income	62	
Dividend income	6,190	
Interest on deposits	18	
Other operating revenue	105	6,377
Operating expenses		
Interest on loans	317	
Other operating expenses	0	318
Operating gross profit		6,058
Selling, general and administrative expenses		3,111
Operating profit		2,947
Non-operating income		
Dividend income	3	
Miscellaneous income	12	15
Non-operating expenses		
Foreign exchange losses	1,093	
Loss on investments in partnership	43	
Miscellaneous loss	0	1,137
Ordinary profit		1,824
Extraordinary income		
Gain on sales of investment securities	95	
Gain on reversal of subscription rights to shares	1	96
Extraordinary losses		
Loss on abandonment of non-current assets	1	
Loss on sales of shares of subsidiaries and associates	299	
Loss on valuation of shares of subsidiaries and associates	269	
Compensation expenses	100	670
Income before income taxes		1,251
Income taxes - current	195	
Income taxes - deferred	16	211
Profit		1,039

Accounting Auditor's Report on Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 19, 2017

J Trust Co., Ltd.
The Board of Directors

YUSEI Audit & Co.

Designated Partner, Managing Member	Certified Public Accountant	Yoshitaka Kato	(Seal)
Designated Partner, Managing Member	Certified Public Accountant	Ryouichi Komatsu	(Seal)
Designated Partner, Managing Member	Certified Public Accountant	Takuya Ishigami	(Seal)
Designated Partner, Managing Member	Certified Public Accountant	Satoru Oyoshi	(Seal)

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, 2016 to March 31, 2017.

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.

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 Auditor's 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.

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 "1. Significant Matters Regarding the Preparation of Consolidated Financial Statements, (6) Matters regarding changes in accounting estimates," PT Bank JTrust Indonesia Tbk., a consolidated subsidiary of the Company, changed the method for estimating allowance for doubtful accounts during the current fiscal year.

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 and either YUSEI Audit & Co. or the 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 19, 2017

J Trust Co., Ltd.
The Board of Directors

YUSEI Audit & Co.

Designated Partner, Certified Public
Managing Member Accountant Yoshitaka Kato (Seal)

Designated Partner, Certified Public
Managing Member Accountant Ryouichi Komatsu (Seal)

Designated Partner, Certified Public
Managing Member Accountant Takuya Ishigami (Seal)

Designated Partner, Certified Public
Managing Member Accountant Satoru Oyoshi (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 to Non-Consolidated Financial Statements and Supporting Schedules of J Trust Co., Ltd. ("the Company") for the 41st business year from April 1, 2016 to March 31, 2017.

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 Auditor's 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.

Conflict of Interest

There is no conflict of interest requiring mention as per the Certified Public Accountant Act between the Company and either YUSEI Audit & Co. or the managing members.

End

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

Report by Audit & Supervisory Board

AUDIT REPORT BY AUDIT & SUPERVISORY BOARD

With respect to the Directors' execution of their duties during the 41st business year from April 1, 2016 to March 31, 2017, 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 the accounting auditor 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 business report and its supporting schedule, non-consolidated financial statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Net Assets and Notes 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 YUSEI Audit & Co., 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 YUSEI Audit & Co., the accounting auditor of the Company, are appropriate.

May 23, 2017

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)

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

End

FOR REFERENCE

[J Trust to Offer Special Shareholder Benefit Celebrating the 40th Anniversary]

J Trust Co., Ltd. (hereinafter, “the Company”) marked the 40th anniversary of the foundation on March 18, 2017. To express gratitude for the continued support of our shareholders, the Company will offer them shareholder benefits to celebrate the 40th anniversary (hereinafter, “the Anniversary Benefit”).

1. Eligible shareholders

Our shareholders who were listed or recorded in the shareholder register in possession of at least 300 shares (three share units) of the Company as of the end of March 2017

2. Content of the Anniversary Benefit

Every eligible shareholder will receive a Rakuten Point Gift Code worth 5,000 points.

3. Date of shipment

The Anniversary Benefit will be sent with the Notice of Resolutions, which will be dispatched after the closing of the 41st Ordinary General Meeting of Shareholders.

What is “Rakuten Point Gift Code”?

Rakuten Point Gift Code is a 16-digit number which can be redeemed for Rakuten Super Points. You can use the earned points at the rate of “1 point = 1 yen” to shop at many Rakuten Group online stores such as “Rakuten Ichiba” (shopping mall), “Rakuten Books” (bookstore) and “Rakuten Travel” (travel booking).

End