




Notice of the 42nd Ordinary General Meeting of Shareholders

Date and Time	June 27, 2018 (Wednesday) at 10:00 a.m. (Reception for attendees begins at 9:00 a.m.)	Contents
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Matters for Resolution	Proposal: Election of fifteen (15) Directors	

	Expiry date for exercise voting rights by mail or via the Internet, etc. No later than June 26, 2018 (Tuesday) at 6:00 p.m. For details, please see Pages 3 and 4.
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Securities Code: 8508

June 8, 2018

To Shareholders

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

Notice of the 42nd 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 42nd 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 in writing or by electromagnetic method (via the Internet, etc.). In that event, after examining the contents of Reference Document for the Ordinary General Meeting of Shareholders attached herein, please follow the instructions in “How to exercise your voting rights” on page 3 and exercise your voting rights no later than 6:00 pm on June 26, 2018 (Tuesday).

1. Date and Time	June 27, 2018 (Wednesday) at 10:00 a.m. (Reception for attendees begins at 9:00 a.m.)
2. Venue	“Nadao Hall,” Shin-Kasumigaseki Bldg. LB Floor, 3-3-2 Kasumigaseki, Chiyoda-ku, Tokyo
3. Agenda	Matters for Reporting: <ol style="list-style-type: none">1. The 42nd Business Year (from April 1, 2017 to March 31, 2018)<ul style="list-style-type: none">• Business Report• Consolidated Financial Statements• Findings from the Audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board2. The 42nd Business Year (from April 1, 2017 to March 31, 2018)<ul style="list-style-type: none">• Non-Consolidated Financial Statements Matters for Resolution: Proposal Election of fifteen (15) Directors

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 (<https://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 Equity 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 Equity," "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 (<https://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 27, 2018 (Wednesday) at 10:00 a.m. (Reception for attendees begins at 9:00 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 26, 2018 (Tuesday).



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

Please visit the Voting Rights Exercise Site (<https://evote.tr.mufg.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 26, 2018 (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 (<https://evote.tr.mufg.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 26, 2018. 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 (<https://evote.tr.mufg.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 Fifteen (15) Directors

The terms of office for thirteen (13) Directors will expire upon conclusion of this Ordinary General Meeting of Shareholders. The Company would like to add two (2) Directors to further reinforce the Company's management structure. In this regard, we propose an election for the fifteen (15) Directors (consisting of thirteen (13) reappointed Directors and two (2) newly appointed Directors).


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 Department	RE
5	Toru Myochin	Managing Director Executive Officer in charge of holding business, group management and information technology system and Planning Department	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 Human Resources & General Affairs Department	RE
10	Ryuichi Atsuta	Director Executive Officer General Manager of Finance Department	RE
11	Takehito Yamanaka	Executive Officer in charge of Public Relations & Investor Relations Division of Corporate Planning Department	NE
12	Norio Igarashi	Outside Director	RE OU IN
13	Ryuji Mizuta	Outside Director	RE OU IN
14	Masanori Kaneko	Outside Director	RE OU IN
15	Masami Ishizaka		NE OU IN

Translation for your reference purpose only

- 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.

Translation for your reference purpose only

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
1	Nobuyoshi Fujisawa (Jan. 17, 1970)  Attended 14 out of 14 Board of Directors' meetings held during the period (attendance rate: 100%)	Aug. 2007 Representative Director & Chairman, Kazaka Servicer Co., Ltd. (currently Partir Servicer Co., Ltd.) June 2008 Representative Director & Chairman, J Trust Co., Ltd. Director, Mass Work Co., Ltd. (currently Keynote Co., Ltd.) June 2010 Director, J Trust Co., Ltd. Director, ADORES, Inc. (currently KeyHolder, Inc.) Oct. 2010 Director & Supreme Advisor, J Trust Co., Ltd. May 2011 Representative Director & Chairman, ADORES, Inc. (currently KeyHolder, Inc.) June 2011 President & CEO, J Trust Co., Ltd. Oct. 2013 Managing Director & CEO, JTRUST ASIA PTE. LTD. (incumbent) Jan. 2014 Chairman, Chinae Savings Bank Co., Ltd. (currently JT Chinae Savings Bank Co., Ltd.) May 2014 Chairman, ADORES, Inc. (currently KeyHolder, Inc.) Sept. 2014 Executive Director, LCD Global Investments LTD. (currently AF Global Limited.) Mar. 2015 Director & Chairman, JT Capital Co., Ltd. (incumbent) June 2015 President Commissioner, PT JTRUST INVESTMENTS INDONESIA Director, ADORES, Inc. (currently KeyHolder, Inc.) (incumbent) Representative Director, President & CEO, J Trust Co., Ltd. (incumbent) Mar. 2017 Outside Director, DIGITAL DESIGN Co., Ltd. (currently SAMURAI&J PARTNERS Co., Ltd.)	17,509,372
<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 Representative Director, President & CEO of the Company that led J Trust Group (hereinafter, "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>			

Translation for your reference purpose only

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) RE Attended 14 out of 14 Board of Directors' meetings held during the period (attendance rate: 100%)	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
Reasons for nomination as a candidate for Director: 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. The Company proposes again that Mr. Chiba be elected as Director in the hope that he will lead the overall management of the Group.			

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 13 out of 14 Board of Directors' meetings held during the period (attendance rate: 92.9%)</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> <p>Mar. 2018 Director, JTRUST ASIA PTE. LTD. (incumbent)</p>	5,800
<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>			

Translation for your reference purpose only

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 14 out of 14 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 Department, J Trust Co., Ltd. (incumbent) Commissioner, PT Bank JTrust 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 14 out of 14 Board of Directors' meetings held during the period (attendance rate: 100%)</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.</p> <p>June 2017 President & Representative Director, ADORES, Inc. (currently KeyHolder, Inc.) (incumbent) Managing Director, Executive Officer, Head of Internal Control & Audit Office, in charge of holding business, group management and information technology system, J Trust Co., Ltd.</p> <p>Sept.2017 Managing Director, Executive Officer in charge of holding business, group management, information technology system and Planning Department, J Trust Co., Ltd. (incumbent)</p> <p>Dec. 2017 President & Representative Director, ADORES, Inc.</p> <p>Apr. 2018 President and Representative Director, KeyProduction, Inc. (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>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
6	<p>Taiji Hitachi (Nov. 28, 1976)</p> <p>RE</p> <p>Attended 14 out of 14 Board of Directors' meetings held during the period (attendance rate: 100%)</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 14 out of 14 Board of Directors' meetings held during the period (attendance rate: 100%)</p>	<p>Apr. 1979 Joined The Sanwa Bank, Ltd. (currently MUFG Bank, 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.</p> <p>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 13 out of 14 Board of Directors' meetings held during the period (attendance rate: 92.9%)</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. 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>	14,000
<p>Reasons for nomination as a candidate for Director: Mr. Yukihiro Nishikawa, as an officer in charge of Legal Division, has abundant experience and advanced knowledge in the Company's business operations. 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>			

Translation for your reference purpose only

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 14 out of 14 Board of Directors' meetings held during the period (attendance rate: 100%)</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.</p> <p>Nov. 2017 Director, Executive Officer, General Manager of Human Resources & General Affairs 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 Human Resources & General Affairs Department, has abundant experience and advanced knowledge in the Company's business operations. 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	<p>Ryuichi Atsuta (Jan. 1, 1964)</p> <p>RE</p> <p>Attended 10 out of 10 Board of Directors' meetings held during the period (attendance rate: 100% after his appointment in June 2017)</p>	<p>Apr. 1987 Joined The Industrial Bank of Japan, Limited. (currently Mizuho Financial Group, Inc.)</p> <p>Jan. 1991 FX trader, International Treasury Department, The Industrial Bank of Japan, Limited (currently Mizuho Financial Group, Inc.)</p> <p>Mar. 1996 Chief Trader, The Industrial Bank of Japan, Limited (currently Mizuho Financial Group, Inc.) New York Branch</p> <p>Apr. 2001 Joined Bank of America N.A., Tokyo Branch</p> <p>Mar. 2003 Managing Director, Head of FX and Treasury, Bank of America N.A., Tokyo Branch</p> <p>June 2010 Joined The Hongkong and Shanghai Banking Corporation Limited</p> <p>Mar. 2012 Managing Director, Head of Trading, The Hongkong and Shanghai Banking Corporation Limited</p> <p>Sept. 2015 Executive Officer, Corporate Planning Department in charge of new business, J Trust Co., Ltd.</p> <p>Apr. 2016 Executive Officer, General Manager of Finance Department, J Trust Co., Ltd.</p> <p>Dec. 2016 Executive Officer, General Manager of Finance Department, J Trust Co., Ltd.</p> <p>Apr. 2017 Director, Highlights Entertainment Co., Ltd. (incumbent)</p> <p>June 2017 Director, Executive Officer, General Manager of Finance Department, J Trust Co., Ltd. (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Ryuichi Atsuta, as an officer in charge of Finance Department, has abundant experience and advanced knowledge in the Company's business operations.</p> <p>The Company proposes again that Mr. Atsuta 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
11	Takehito Yamanaka (Feb. 10, 1964) NE	Apr. 1987 Joined New Japan Securities (currently Mizuho Securities Co., Ltd.) Nov. 1996 Associate Director, SBC Warburg (currently UBS Securities Japan Co., Ltd.) May 1998 Director, Salomon Smith Barney (currently Citigroup Global Markets Japan Inc.) Mar. 1999 Director, Nikko Salomon Smith Barney (currently Citigroup Global Markets Japan Inc.) Jan. 2001 Vice President, Goldman Sachs Japan May 2007 Business Unit Leader of Japan Financial Team, Goldman Sachs Japan Mar. 2010 Senior Analyst, MF Global FXA Sept. 2011 Director of Equity Research, Credit Suisse Japan Apr. 2018 Executive Officer in charge of Public Relations & Investor Relations Division of Corporate Planning Department, J Trust Co., Ltd. (incumbent)	0
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Takehito Yamanaka has abundant experience and advanced knowledge gained through his career in the financial industry. He has been executing his duties as Executive Officer in charge of Public Relations & Investor Relations Division of the Company appropriately.</p> <p>The Company proposes that Mr. Yamanaka 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
12	<p>Norio Igarashi (Aug. 30, 1940)</p> <p>RE OU IN</p> <p>Attended 14 out of 14 Board of Directors' meetings held during the period (attendance rate: 100%)</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 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 four 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>Ryuji Mizuta (Jan. 7, 1952)</p> <p>RE OU IN</p> <p>Attended 14 out of 14 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</p> <p>June 2014 Outside Director, J Trust Co., Ltd. (incumbent)</p> <p>July 2017 Advisor, OHBA 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 four 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
14	<p>Masanori Kaneko (May 22, 1955)</p> <p>RE OU IN</p> <p>Attended 14 out of 14 Board of Directors' meetings held during the period (attendance rate: 100%)</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.</p> <p>Oct. 2015 Chairman & CEO, Saikyo Souken, Inc.</p> <p>June 2017 Audit & Supervisory Board Member, SAIKYO LEASING CORPORATION (incumbent) Audit & Supervisory Board Member, Hoken Eye Saikyo K.K. (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Outside Director: Mr. Masanori Kaneko has abundant experience and extensive knowledge as an executive of THE SAIKYO BANK, LTD. The Company proposes again that Mr. Kaneko be elected as Outside Director in the hope that he will provide valuable guidance and instruction for the management of the Company. Mr. Kaneko 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>			

Translation for your reference purpose only

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
15	Masami Ishizaka (Dec. 5, 1939)   	<p>Apr. 1963 Joined the Ministry of Finance</p> <p>June 1982 Director of the Research Division, Budget Bureau</p> <p>Nov. 1982 Executive Secretary to the Minister, the Ministry of Finance</p> <p>June 1985 Director of the First Fund Planning and Operation Division, Financial Bureau</p> <p>June 1986 Director of the Research and Planning Division, Minister's Secretariat and Deputy Director-General of the Institute of Fiscal and Monetary Policy</p> <p>Nov. 1987 Director of the Management and Co-ordination Division, Minister's Secretariat</p> <p>June 1988 Regional Commissioner, Nagoya Regional Taxation Bureaus</p> <p>June 1989 Deputy Director-General, Tax Bureau</p> <p>July 1992 Secretary-General of the Executive Bureau, Securities and Exchange Surveillance Commission</p> <p>June 1993 Director-General, Financial Bureau</p> <p>July 1994 Director-General, Planning and Co-ordination Bureau, Environment Agency</p> <p>July 1995 Administrative Vice Minister, Environment Agency</p> <p>July 1996 Vice Chairman, Automobile Insurance Rating Organization of Japan (currently General Insurance Rating Organization of Japan)</p> <p>July 1998 Executive Vice President, Japan National Oil Corporation (currently Japan Oil, Gas and Metals National Corporation)</p> <p>July 2004 Vice Chairman, The General Insurance Association of Japan</p> <p>May 2005 Outside Director, Aeon Co., Ltd.</p> <p>Sept. 2007 Chairman, Okura Zaimu Kyokai</p> <p>June 2008 Outside Corporate Auditor, Mizuho Financial Group, Inc.</p> <p>June 2013 Outside Corporate Auditor, Mizuho Bank, Ltd.</p> <p>Aug. 2016 Advisor, Okura Zaimu Kyokai (incumbent)</p> <p>July 2017 Advisor, J Trust Co., Ltd. (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Mr. Masami Ishizaka held prominent positions such as Director-General of Financial Bureau at the Ministry of Finance and Administrative Vice Minister at the Environment Agency and has been engaged in corporate management as Outside Director and Outside Corporate Auditor of listed companies since retiring from public office. He has abundant experience and extensive knowledge.</p> <p>The Company proposes that Mr. Ishizaka be elected as Outside Director in the hope that he will provide valuable guidance and instruction for the management of the Company.</p>			

Notes:

1. No specific interest 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 each of Messrs. Norio Igarashi, Ryuji Mizuta and Masanori Kaneko 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 agreements with them. If the election of Mr. Masami Ishizaka is approved, the Company plans to enter into the same limited liability agreement with him.

- (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. Furthermore, Mr. Masami Ishizaka satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company plans to submit notification concerning his appointment as an independent officer if his election is approved.

(Attached Documents)

BUSINESS REPORT

(For the period from April 1, 2017 to March 31, 2018)

1. Situation Surrounding the Corporate Group

(1) Business developments and results

The Group adopted International Financial Reporting Standards (hereinafter, "IFRS") from the current fiscal year ended March 31, 2018. Figures for the fiscal year ended March 31, 2017, previously disclosed under Japanese GAAP, are reclassified and presented under IFRS for comparative analysis.

During the current fiscal year, the Group sold all shares in ADORES, Inc., (hereinafter "ADORES") that operated the following businesses: (i) general entertainment; (ii) real estate; and (iii) foreign currency exchange as other business, and excluded ADORES from the scope of consolidation.

IFRS requires the business transferred in the current fiscal year to be classified as discontinued operations. Accordingly, "Operating revenue" and "Operating profit" appear in the Company's financial statements for two fiscal years ended March 31, 2017 and March 31, 2018 present the amounts from continuing operations, excluding discontinued operations.

During the current fiscal year ended March 31, 2018, the world economy continued to recover moderately with increased profit opportunities led by the strong U.S. and Chinese economies. The prospects of the global economy, however, remain uncertain mainly due to concerns over Brexit in Europe, unsteady policy management in the U.S. and geopolitical risks in East Asia despite North Korea's shift toward conciliatory stance with the 2018 Winter Olympics. Meanwhile, the Japanese economy continued to recover moderately as exhibited in improvements in corporate revenue, employment and income owing to the successful implementation of the government measures to restore the economy. In Asia, the South Korean economy stayed on a solid growth path backed by booming exports and capital investments in the semiconductor industry and a jump in construction investments with housing investment and Olympics-related infrastructure projects as driving forces. Meanwhile, the Indonesian economy maintained its benign path of gradual growth driven by: (i) rapid growth in government consumption and fixed capital investments including capital/construction investment; and (ii) continued upturn in personal consumption and private-sector investment propelled by government spending and monetary easing.

In this economic environment, we consider it inevitable to transform our business in anticipation of changes in the global and Japanese economies. We have been expanding business in Asia, which is expected to continue growing economically at a fast pace, and seeking business development by maximizing the synergy of our group network to realize stronger management bases and sustainable growth. During the current fiscal year ended March 31, 2018, we continued to work toward the improvement of corporate value and reinforcement of operational bases proactively at home and abroad to achieve sustainable profit expansion centering on core banking service.

(i) Domestic business development

In May 2017, Nihon Hoshou Co., Ltd. (hereinafter, "Nihon Hoshou") concluded a new credit guarantee contract with The Taisho Bank, Ltd. Additionally, Nihon Hoshou started guarantee for a new collaborative loan product provided by The Saikyo Bank, Ltd, called Overseas Real Estate Secured Loans in December 2017 and has reinforced efforts to expand geographical areas to provide guarantee services. Moreover, aiming to spur regional economies, Nihon Hoshou has newly partnered with real estate and railway companies, as well as a regional financial institution since March 2018. With these tie-ups, we strive to develop new products and services.

Meanwhile, KeyHolder, Inc. (hereinafter, "KeyHolder")(*) shifted to a holding company structure on October 1, 2017 to pursue organizational restructuring in a timely manner through proactive M&A and optimal allocation of management resources within KeyHolder Group (**). In March 2018, Key Holder sold all shares in ADORES, Inc. (hereinafter, "ADORES"), (***) which played a key role in its general entertainment business, to WIDE LEISURE while KeyHolder resolved to initiate live entertainment business and television program production business to contribute to performance and value of the KeyHolder Group going forward.

*Previously known as ADORES, Inc. Corporate name change date: October 1, 2017.

**KeyHolder and its subsidiaries are collectively called "KeyHolder Group."

***Previously known as ADORES Company Split Preparation, Inc. Corporate name change date: October 1, 2017.

(ii) Business development in South Korea

In Savings bank business, South Korean financial authorities have introduced regulations on household loan balances. This results in sluggish growth in the number, amount of new disbursement and balances of loans by banking business. As a measure of minimizing its impact on the revenue front, we have reshuffled loan portfolios to focus increasingly on prime customers and business loans with renewed screening criteria. We will develop a variety of measures including start of credit guarantee for transferred loan receivables and new guarantee models to explore new revenue sources in addition to interest on loans.

In receivable collection business, South Korean regulators have applied tougher guidelines for savings banks and capital companies on provisions of allowance for doubtful accounts. The move is expected to spur NPL (non-performing loan) sales in the market to secure profits and help our business expansion through receivable purchases.

(iii) Business development in Southeast Asia

In Indonesia, PT Bank JTrust Indonesia Tbk. (hereinafter, "Bank JTrust Indonesia") has put priority on reinforcing its revenue base by: (i) reducing the average deposit interest rate through improving CASA ratio (ratio of current account and savings account against total deposit balance) on the deposit side; and (ii) increasing the average lending rates in an effort to beef up net interest income through reshuffling its loan portfolio by reducing large-sized (around 1 billion yen) low-interest corporate loans, and increasing medium loans of 100 to 500 million yen on the lending side. In January 2018, Bank JTrust Indonesia concluded a collaboration agreement with Shikoku Bank, Ltd. to proactively assist Japanese companies enter the Indonesian market through provision of information, business matching support and various financial services.

In Investment business, JTRUST ASIA PTE. LTD. (hereinafter, "JTA"), based in Singapore, invests in warrants and shares of Group Lease PCL (incorporated in the Kingdom of Thailand; listed on the Stock Exchange of Thailand; hereinafter, "GL"), the digital finance firm in the ASEAN market, as a part of its investment. JTA also takes a 20% stake in PT Group Lease Finance Indonesia (hereinafter, "GLFI"), a multi-finance company established by GL in Indonesia.

Between June 2016 and March 2017, JTA subscribed for GL's convertible debentures amounting to 180 million U.S. dollars pursuant to two Investment Agreements. JTA cancelled the Investment Agreements and demanded GL to return its investment following the announcement made by the Securities and Exchange Commission of Thailand (SEC) on October 16, 2017 that SEC had filed a criminal complaint against Mr. Mitsuji Konoshita (hereinafter, "Mr. Konoshita"), the previous Chief Executive Officer of GL, with the Department of Special Investigation (DSI) of the Ministry of Justice of Thailand, for committing fraud, misappropriating the company's assets and falsifying accounting records by executing concealed transactions through several associated companies abroad to

exaggerate the company's operating results.

Notwithstanding these, GL responded that it is of the view that JTA could not cancel the Investment Agreements or demand GL to repay its investment. JTA pursues the following actions in Thailand: (i) JTA filed a civil complaint to demand for the return of investment amounts and to claim compensation for damages caused by the cancellation of the Investment Agreements (including the shares after conversion) against Mr. Konoshita, GL and its relevant directors; (ii) JTA filed a business reorganization petition against GL but the court dismissed the petition for the business reorganization of GL; recently, JTA has submitted an appeal to the Court's dismissal order and (iii) JTA filed a criminal complaint against GL, Mr. Konoshita and relevant persons. Separately, in Singapore: (i) JTA filed a civil complaint in the tort of unlawful means conspiracy and claimed damages against Mr. Konoshita, Group Lease Holdings Pte Ltd (the subsidiary of GL incorporated in Singapore; hereinafter, "GLH") and other entities; and (ii) JTA filed an appeal against the court decision setting aside the freezing order that JTA had previously obtained against GLH, Mr. Konoshita and another entity incorporated in Singapore. In the British Virgin Islands and the Republic of Cyprus, JTA obtained worldwide freezing orders against Mr. Konoshita and related entity (entities), which currently remain in effect, respectively.

(iv) Other

The Group adopted IFRS from the fiscal year ended March 31, 2018 with the aim of enhancing operational transparency by accelerating management's decision-making and the international comparability of financial information under the unified group-wide accounting method, and raising the convenience of stakeholders.

As a result, operating revenue for the fiscal year ended March 31, 2018 was 76,266 million yen (up 14.8% year on year) This is due to steady financial businesses in Japan and South Korea as well as the recording of revenue from a change in the classification of receivables resulting from the cancellation of convertible debenture of GL. Meanwhile, operating profit was 2,355 million yen (up 288.3%) mainly due to a rise in operating revenue, despite the recording of impairment loss on GL shares and valuation loss on the derivative component of convertible debentures. Loss attributable to owners of parent was 731 million yen (loss attributable to owners of parent of 1,270 million yen in the previous fiscal year) because of the recording of foreign exchange losses.

Segment performance is shown below.

The balance of trade receivables in the report shows before deducting provision of allowances for doubtful accounts.

(i) Domestic Financial Business

(Credit guarantee services)

Credit guarantee services are handled by Nihon Hoshou. Nihon Hoshou's focus is on credit guarantee for real estate related loans. It began offering credit guarantees for Real Estate-Backed Card Loan (Reverse Mortgage Type) and Overseas Real Estate Secured Loan in addition to a syndicated Flat 35 rental housing loan in partnership with a major housing developer, Flat 35 loan agencies and others, boosting credit guarantee balances briskly. The number of partner regional financial institutions increased to seven as of the end of March 2018 and it aims to further expand guarantee services and tie-up loan products.

As a result, the balance of credit guarantee was 141,881 million yen (up 65.0% year on year) at the end of the current fiscal year. The breakdown was 16,168 million yen in credit guarantees on unsecured loan (up 9.0%) and 125,712 million yen in credit guarantees on secured loan (up 76.7%) due to an increase in guarantees for rental housing loan.

(Collection of accounts receivable)

Collection of accounts receivable in Japan is mainly handled by Nihon Hoshou and Partir Servicer Co., Ltd. Amid the shrinking number of domestic servicers, we will pursue profits as a remaining player through M&A of other servicers on the strength of our superior collection capability. Also, we will reinforce collection of corporate loans receivables and provide corporate revitalization services.

As a result, the balance of purchased receivables was 13,000 million yen (up 9.8% year on year) at the end of the current fiscal year.

(Credit and consumer credit services)

Credit and consumer credit services are handled by J TRUST Card Co., Ltd. In fact, we no longer handle unsecured loan anew except cash advances. On the other hand, we strive to secure an adequate level of earnings by focusing on third-party sales credit business including installment sales and credit card shopping. The balance of advances paid – installment declined impacted by the recent drop in business volume and increases in collection amounts. As a result, the balance of advances paid – installment was 2,274 million yen (down 16.8% year on year) at the end of the current fiscal year.

(Other financial services)

Other financial services in Japan are mainly handled by Nihon Hoshou. The loan balance has declined consistently with a shift of our attention to real estate related credit guarantee services.

As a result, the loan balance at the end of the current fiscal year was 820 million yen (down 11.7% year on year) in commercial notes and 2,514 million yen (down 23.2%) in accounts receivable – operating loans.

In summary, operating revenue in domestic financial business decreased to 9,129 million yen (down 7.0% year on year) due to the recording of book value adjustment losses in purchased receivables, and segment profit was 4,167 million yen (down 25.3%), which was partly compensated by sound growth in interest on loans and guarantee commission.

(ii) Financial Business in South Korea

(Savings bank business and capital business)

JT Chinae Savings Bank Co., Ltd. and JT Savings Bank Co., Ltd. conduct savings bank business. JT Capital Co., Ltd. (hereinafter, "JT Capital") provides installment financing and leasing services. Having established operational bases as a comprehensive financial group, we will expand business through organic collaboration of each business entity to realize best possible synergies within the Group. Recently, financial authorities have tightened regulations almost every year. Given such environment, two savings banks will increasingly focus on disbursing loans to prime customers with higher credit ratings through renewed screening criteria and increasing corporate loans, thereby achieving loan quality improvement through portfolio transformation. Loans by banking business increased with a growing number and the amount of new loan contracts thanks to effective sales strategies and marketing efforts. Meanwhile, accounts receivable – operating loans declined due to JT Capital's transfer of consumer credit loans receivable to abide by the regulation of consumer credit loan limits under the revised Specialized Credit Finance Business Act effective September 2016. Even under revised regulations, the balance has expanded thanks to growing business loans.

As a result, the loan balance grew favorably at the end of the current fiscal year. In savings bank business, loans by banking business were 266,996 million yen (up 11.9% year on year). In capital business, accounts receivable – operating loans at JT Capital and TA Asset Management Co., Ltd. totaled 60,971 million yen (up 31.0%), boosted by increases in secured loans (real estate, government-backed loans, etc.) and loans to large corporations.

(Collection of accounts receivable business)

TA Asset Management Co., Ltd. is engaged in purchase and collection of NPLs. It has accumulated the balance of receivables on the strength of its distinctive collection ability.

As a result, the balance of purchased receivables stood at 2,558 million yen (up 26.1% year on year) at the end of the current fiscal year.

In summary, operating revenue in Financial Business in South Korea was 35,857 million yen (up 22.9% year on year), and segment profit was 3,555 million yen (up 11.2%) at the end of the current fiscal year.

(iii) Financial Business in Southeast Asia

(Banking business)

Bank JTrust Indonesia conducts banking operations in Indonesia. With established operational bases, the bank made a shift to the structure that can generate profit based on primary banking services. During the current fiscal year, Bank JTrust Indonesia took various measures to fortify revenue bases such as an increase in loan assets, faster disposal of non-performing loans and greater emphasis on small-lot/retail loan assets. Also, the bank replaced the core banking system. The new system will allow the bank to enhance customer services/convenience, diversify internet banking services and improve its revenue structure. We will vigorously manage and collect receivables with stricter loan exposure management.

As a result, the balance of loans by banking business almost unchanged at 90,783 million yen (up 1.3% year on year) at the end of the current fiscal year. This is in line with our move to shift from large-lot loan to small-lot/retail loan for loan portfolio reshuffling. It proved successful in loan quality improvement.

(Collection of accounts receivable)

PT JTRUST INVESTMENTS INDONESIA (hereinafter, "JTII") conducts collection of accounts receivable business in Indonesia. The balance of purchased receivables assigned from Bank JTrust Indonesia in October 2015 stood at 773 million yen (down 71.0% year on year) due to favorable progress in the collection and book value adjustment losses recorded during the current fiscal year. We will increase earnings by facilitating collection through measures such as prompt disposal of collateralized assets and business rehabilitation.

As a result, operating revenue in Financial Business in Southeast Asia declined to 13,578 million yen (down 5.2% year on year) due to the following: (i) Bank JTrust Indonesia lowered deposit interest; (ii) banking business revenue went up by reshuffling loan portfolio, achieving higher net interest income; and (iii) book value adjustment losses on purchased receivables were recorded at JTII. Meanwhile, segment profit increased to 1,545 million yen (segment loss of 3,980 million yen in the previous fiscal year). Contributing factors are: (i) smaller provision of allowance for doubtful accounts resulting from stricter receivable management and collection; and (ii) a reduction in other expenses due to the absence of business structure improvement expenses, which was posted in the previous fiscal year. In summary, the segment finished in the black for the first time in full year.

(iv) General Entertainment Business

Highlights Entertainment Co., Ltd. develops, produces and sells computer systems for amusement machines and their peripheral equipment. Sales and profits of Highlights Entertainment Co., Ltd. were stagnant because it adopted a rental method in addition to the outright sales for new amusement machines, delaying the timing of revenue recognition. Meanwhile, in April 2018, KeyHolder Group set up subsidiaries, one of which is related to live entertainment business and the other is related to television production business to create a new main source of revenue following ADORES' sale. KeyHolder Group endeavors to expand its scope of business going forward.

As a result, operating revenue in general entertainment business was 1,944 million yen (down 6.2% year on year) and segment loss was 2,403 million yen (segment loss of 856

million yen in the previous fiscal year) mainly because it adopted rental sales for new amusement machines, delaying the timing of revenue recognition than the outright sale of the machines.

(v) Real Estate Business

Keynote Co., Ltd. (hereinafter, "Keynote") mainly handles real estate business and KeyHolder operates real estate asset business. The number of transactions for detached housings handled by Keynote increased along with the expansion of marketing areas. It, however, struggled to grow profit, faced by headwinds from higher land prices and construction-related personnel costs. Keynote continuously seeks business expansion by reinforcing marketing capabilities at respective branches. Meanwhile, real estate asset business enjoyed solid growth due to a steady rent income from company-owned properties. We will further expand revenue by acquiring new real estate while engaging in management and possession of income properties.

As a result, operating revenue in real estate business was 6,968 million yen (up 11.0% year on year), and segment profit was 659 million yen (up 37.3%).

(vi) Investment Business

JTA mainly conducts investment business and provides management support for investees. JTA will continue to proactively invest in projects that can generate maximum synergies in Asia, which is projected to sustain prominent growth momentum. We will sustain efforts to proactively pursue M&A by establishing a new company or acquiring an existing company to expand our operational bases.

As a result, operating revenue in investment business increased to 7,576 million yen (up 165.5% year on year), because we recorded revenue from a change in classification of receivables associated with the cancellation of convertible debentures of GL. Meanwhile, segment loss increased to 2,852 million yen (segment loss of 198 million yen in the previous fiscal year) due to the recording of impairment loss on GL shares and the valuation loss on the derivative component of cancelled GL convertible debentures.

(vii) Other business

J Trust System Co., Ltd. provides system development, operation and management of computers for the Group, and Keynote constructs commercial facilities. Keynote continues to boost sales by winning construction design orders using its key strengths. Going forward, Keynote aggressively works for winning design/construction orders for commercial facilities and highly profitable orders by further developing design and marketing skills.

As a result, operating revenue in other business was 2,024 million yen (down 27.0% year on year). It decreased from the previous fiscal year in which Keynote recorded sales for large-lot construction projects in the commercial facility construction business. Segment profit was 57 million yen (segment loss of 82 million yen in the previous fiscal year).

(2) Status of capital investment

During the current fiscal year, the Group's capital expenditures totaled 2,289 million yen.

The breakdown is as follows: 42 million yen in Domestic Financial Business, 750 million yen in Financial Business in South Korea, 409 million yen in Financial Business in Southeast Asia, 1,049 million yen in General Entertainment Business, 7 million yen in Real Estate Business, 10 million yen in Investment Business, 4 million yen in Other Business and 13 million yen in Corporate (common).

(3) Status of fundraising

The funds raised as of the end of the current fiscal year totaled 482,237 million yen, which consisted of 820 million yen in notes discounted, 32,821 million yen in bonds payable, 45,086 million yen in loans payable and 403,509 million yen in deposits by banking business.

(4) Financial position and operating results

(i) Japanese GAAP

Category	39 th Fiscal Year from Apr. 1, 2014 to Mar. 31, 2015	40 th Fiscal Year from Apr. 1, 2015 to Mar. 31, 2016	41 st Fiscal Year from Apr. 1, 2016 to Mar. 31, 2017	42 nd (current) Fiscal Year from Apr. 1, 2017 to Mar. 31, 2018
Operating revenue (million yen)	63,281	75,478	85,031	–
Profit (loss) attributable to owners of parent (million yen)	10,143	(5,712)	(9,876)	–
Profit (loss) per share (yen)	85.92	(49.65)	(92.82)	–
Net assets (million yen)	194,865	168,656	151,663	–
Total assets (million yen)	540,718	508,659	608,650	–

(ii) IFRS

Category	39 th Fiscal Year from Apr. 1, 2014 to Mar. 31, 2015	40 th Fiscal Year from Apr. 1, 2015 to Mar. 31, 2016	41 st Fiscal Year from Apr. 1, 2016 to Mar. 31, 2017	42 nd (current) Fiscal Year from Apr. 1, 2017 to Mar. 31, 2018
Operating revenue (million yen)	–	–	66,453	76,266
Loss attributable to owners of parent (million yen)	–	–	(1,270)	(731)
Basic loss per share (yen)	–	–	(11.94)	(7.11)
Total equity (million yen)	–	–	155,913	150,776
Total assets (million yen)	–	–	619,865	656,961

Note: The Company has transitioned from Japanese GAAP to IFRS from the 42nd fiscal year.

(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) Management policy

Under the Group vision “Aim to be a provider of unique financial services not constrained by existing paradigms,” we provide comprehensive financial services centered on our core businesses of banking and collection of accounts receivable, which are resilient to the effects of economic fluctuation. Despite the effects of regulations especially in South Korea, with resilient income models, we can respond flexibly to such regulatory changes in each country. We strive to secure profits mainly from the contribution of the banking sector, where we anticipate sustained business expansion. In Southeast Asia, a region of continuing economic growth, we aim to establish a dominant position in retail finance through taking a proactive stance toward M&A, mainly in banking and finance, to obtain more deposit accounts. The Group also places compliance and governance at the core of its management, aiming to grow with local communities for mutual prosperity by providing customers with high value-added financial services.

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

Continuing on our management strategies from the previous fiscal year, we will develop credit guarantee services centering on guarantee for property-based loans, such as *Apartment Loan* and overseas property-based loans. In Japan, amid the growing number of senior households, living a stable life after retirement is becoming difficult. To help our customers cope with this social issue, we will focus on providing credit guarantee services for reverse mortgage type loans. Regarding guarantee for *Apartment Loan*, the Financial Services Agency regards the rapidly growing *Apartment Loan* problematic in terms of the risks it could cause such as vacant rooms and falling rents. To avoid such risks, we will accumulate guarantee amounts mainly for high-quality apartments handled by top-class homebuilders and located within several minutes' walks from railway stations, focusing on metropolitan areas like Tokyo, Osaka, Nagoya and Fukuoka. Regarding guarantee for reverse mortgage type loans, we plan to find transactions suitable to such guarantees while engaging in activities to reinvigorate regional economies in cooperation with railway companies, real estate developers, financial institutions and others. In collection of accounts receivable, we aim to expand the business by realizing stable and continuous purchases of accounts receivable by placing higher bids for them backed by the Group's high collection ability in the shrinking market.

(Financial Business in South Korea)

In South Korea, the infrastructure has been established for deployment of comprehensive financial services. We will expand business there to maximize a synergy effect by working on developing the complementary strengths of the four subsidiaries, namely JT Chinae Savings Bank Co, Ltd., JT Savings Bank Co, Ltd., JT Capital Co, Ltd. and TA Asset Management Co, Ltd. In South Korea, financial regulations have been strengthened almost every year. In latest moves, the debt repayment period in the individual rehabilitation proceeding was shortened from five years to three years in January 2018, and the maximum legal interest rate for lending was lowered to 24.0% from 27.9% in February 2018. In the savings bank industry, the authority continues restraining the overall debt amount at households and imposing the rule to add an extra 50% to a reserve for receivables with high interest rates (at 20% or more). Moreover, the authority plans to raise the rate of allowance for doubtful accounts. In the capital business, the reserve ratio for receivables in installment financing and leasing services was raised to similar levels to those for other receivables while the authority continues the rule to add an extra 30% to a reserve for receivables with high interest rates (20% or more). In addition, the coverage for the regulation of the lending limits (the 30% rule) is scheduled to be expanded from consumer credit loan to include financing for money lenders.

Amid the strengthening of regulations, the Group's two savings banks aim to enhance the quality of receivables by reshuffling their portfolios and obtain new loans, mainly by ensuring lending is made to customers with excellent credit ratings by revising the approval criteria, and increase corporate loans. Each of the four subsidiaries will also consider and introduce measures to secure income sources, such as guarantees of transferred receivables, initiatives for new guarantee models and development of new products utilizing the strength of each. Although the business environment stays harsh, particularly because companies are going to recognize higher allowance for doubtful accounts due to a change in the criteria pursuant to the application of IFRS 9 in the current year, the subsidiaries aim to expand their assets by reducing credit cost and increasing prime assets. In the capital business, we will continue to develop and improve products in the mainstay areas of installment financing and leasing services, promote sales and proceed with alliances in guarantee services. In the *Servicer* business, the remarkable increase in household debts in South Korea in recent years have led to expansion of sales of NPLs. We therefore expect savings banks and capital firms to sell more NPL receivables to maintain the BIS capital adequacy requirements and secure profits. Identifying this to be a good opportunity for TA

Asset Management Co., Ltd., we plan to accumulate the balance of receivables backed by high levels of collection ability and compliance with laws. 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 corporate impression, using our mascot “jumpy” as brand ambassador.

(Financial Business in Southeast Asia)

The average growth rate of the overall lending balance at Indonesian banks was 8%-10% in 2017. However, banks have finished disposing of certain amounts of NPLs and switched their stance to providing loans actively. Due to this intensified competition, the growth rate is expected to rise to 12%-14% in 2018. In light of the advancements of digitization in the banking sector in 2017 and the expectations for further growth from various Fintech companies, the banks must now take proactive steps. Under the environment, PT Bank JTrust Indonesia Tbk. aims to expand the volume of loan assets, accelerate disposal of NPLs and reduce loan asset sizes for retail use to enhance its revenue base.

The Group will follow a wide range of management strategies, such as expanding loan assets by differentiating our products from other banks, speeding up the loan process and the approval process, expanding the range of products, utilizing our appeal as a Japanese brand, breaking into related markets, and establishing business centers that will serve as sales bases for the loan expansion. As for human resources, we will ensure our employees are evaluated equally based on performance and strive to place the right person in the right position, as part of our strategy to improve the performance of our sales staff. We will also work to strengthen our compliance system, among other initiatives. To improve the quality of loan assets, the Group plans to reduce the balance of inefficient large-lot corporate loans made under the former management team (loans for major corporations with a unit amount of 100.0 billion rupiah or more) and promote lending in smaller sizes or for retail use to reshuffle the lending portfolio, focusing on commercial lending (for corporations and with a unit of 25.0 billion to 100.0 billion rupiah), SME lending (for small and medium-size enterprises with a unit of up to 25.0 billion rupiah), consumer lending (for individuals) and multi-finance (for multi-finance firms, conglomerates, bank-affiliated or Japanese-affiliated firms and for consumers via multi-finance firms). Now that the replacement of the core banking system is completed, we will reinforce internet banking services for individuals. At the same time, we plan to expand loan assets through cooperation or alliances with Fintech companies and promotion of transactions in the market of Japanese SMEs that have advanced or plan to advance into Indonesia. 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. Additionally, in April 2018, we have resolved to acquire 60% of shares of PT. OLYMPINDO MULTI FINANCE, a multi-finance firm. Following the successful example of South Korea, this will enable us to firmly build a structure in Indonesia that consists of the three complementary business segments of banking, purchase & collection of receivables, and financing, establishing a structure that can respond to diverse requirements in broad areas.

We will continue deploying effective marketing strategies and reinforcing our operational bases through aggressive business development measures such as high-value added financial services using the Group's network.

Translation for your reference purpose only

(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%)	Collection of accounts receivable
J TRUST Card Co., Ltd.	90 million yen	100%	Credit card, Consumer credit
KeyHolder, Inc.	4,405 million yen	42.91%	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%	Collection of accounts receivable
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%)	Collection of accounts receivable
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 23, including the major subsidiaries above.
3. There are no subsidiaries which fall under specific wholly-owned subsidiaries.
4. On October 1, 2017, ADORES, Inc. changed its name to KeyHolder, Inc. and ADORES Company Split Preparation, Inc. to ADORES, Inc.
5. On March 26, 2018, KeyHolder, Inc., a consolidated subsidiary of the Company, transferred all the shares of ADORES Inc., 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, 2018)

Business segment	Major line of business
Domestic Financial Business	Credit guarantee
	Collection of accounts receivable
	Credit card and consumer credit
	Other financial services
Financial Business in South Korea	Savings bank business
	Collection of accounts receivable
	Capital business
Financial Business in Southeast Asia	Banking business
	Collection of accounts receivable
	Hire-purchase financing
General Entertainment Business	Development, production and sale of computer systems for amusement machines and its peripheral equipment
Real Estate Business	Property purchase and sale centering on detached housing, renovation of existing housing, real estate brokerage
	Purchase and sale of existing real estate and income properties mainly in urban areas
Investment Business	Inbound and outbound investment businesses
Other business	Commercial facility construction business including design and construction of amusement arcades, restaurants and other facilities
	Administrative operation and management of computers, IT system business including commissioned software development and provision of operational guidance

Translation for your reference purpose only

(8) Main offices (as of March 31, 2018)

(J Trust Co., Ltd.)

Headquarters	1-7-12 Toranomom, Minato-ku, Tokyo
Osaka Branch	4-1-1 Nishinakajima, Yodogawa-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
KeyHolder, Inc.	Minato-ku, Tokyo
Keynote Co., Ltd.	Minato-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-si, 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, 2018)

Business segment	Number of employees	
Domestic Financial Business	240	(23)
Financial Business in South Korea	1,011	(75)
Financial Business in Southeast Asia	979	(16)
General Entertainment Business	100	(6)
Real Estate Business	53	(3)
Investment Business	6	(-)
Other business	55	(4)
Corporate (common)	65	(1)
Total	2,509	(128)

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 numbers of full-time employees and temporary employees decreased 242 and 622, respectively, due to the sale of a consolidated subsidiary and others.
3. Corporate (common) indicates the number of employees belonging to administrative functions.

(10) Major lenders (as of March 31, 2018)

Lender	Balance of loans payable
Osaka Co-sei Shinkin Bank	6,154 million yen
THE SAIKYO BANK LTD.	4,000 million yen
The Tokyo Star Bank, Limited	1,975 million yen
Kinki Sangyo Credit Union	1,908 million yen
Seikyo Credit Union	1,698 million yen

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

Lawsuits

(i) A lawsuit (hereinafter, “the Lawsuit”) was filed against the Company’s subsidiary, J TRUST ASIA PTE. LTD. (hereinafter, “J TRUST ASIA”). The details are as follows.

The Company also has confirmed that, in addition to JTRUST ASIA, the following parties are named as defendants in the Lawsuit. The Company, its group companies and the Individual Defendants named as defendants in the Lawsuit other than JTRUST ASIA are of the view that no judgment to be rendered by the Mauritian court will be valid against those companies nor individuals, as, in the first place, no duly performed service has been effected on such defendants in their located jurisdictions.

“Bank JTrust Indonesia”	PT Bank JTrust Indonesia Tbk.
“JTII”	PT JTRUST INVESTMENTS INDONESIA
“Individual Defendants”	Several executive officers of the Company and its subsidiaries (JTRUST ASIA, Bank JTrust Indonesia and JTII)
“LPS”	Lembaga Penjamin Simpanan (Indonesia Deposit Insurance Corporation) and several of its executive officers (including former executive officers)
“Saab Parties”	Saab Financial (Bermuda) Ltd., alleged Bermuda company (in liquidation), Federal Bank of Lebanon Sal, alleged Lebanon company, and several individuals, alleged owners and executive officers of these companies
“FBME Parties”	FBME Ltd., alleged Cayman Island company and its alleged subsidiary FBME Card Services Ltd.

1) Filing Date of the Lawsuit

September 22, 2017 (The Supreme Court of Mauritius (Commercial Division))

2) Names and addresses of the plaintiffs and the name of their representative

(a) Name: (i) First Global Funds Limited PCC

(ii) Weston International Asset Recovery Company Limited

(iii) Weston Capital Advisors, Inc.

(iv) Weston International Asset Recovery Corporation, Inc.

(v) Weston International Capital Limited

(b) Address: For plaintiffs (i); (ii); (iv) and (v): Ebene, Republic of Mauritius

For (iii): While the plaint states that its address is in Ebene, Republic of Mauritius, according to our legal counsel, its registration in the Republic of Mauritius could not be confirmed. Only its registration in Delaware, USA, has been confirmed.

(c) Name of representative: Unknown

3) Overview of the Lawsuit and amount of claims

(a) Details of the Lawsuit

We received from local legal counsel an explanation that while the details of the plaintiffs’ claims are highly uncertain, their claims are summarized as follows.

Claim 1	The plaintiffs allege that JTRUST ASIA, JTII, the Individual Defendants and LPS conspired to obstruct the payment allegedly due to the plaintiffs under the 2015 Mauritian Judgment*. The plaintiffs request that these defendants be enjoined, jointly and in solido, to the 2015 Mauritian Judgment and the Mareva Injunction subsequently issued by the Mauritius court, in relation to the same judgment.
Claim 2	The plaintiffs allege that all the defendants conspired to commit money laundering etc., with the intention to defraud the plaintiffs, which caused damages to the plaintiffs, as the creditors of the Saab Parties. The plaintiffs are therefore claiming damages against all the defendants.

Claim 3	The plaintiffs allege that LPS defrauded the plaintiffs to obstruct the acquisition of Bank JTrust Indonesia by the plaintiffs. The plaintiffs are claiming damages against the Company, JTRUST ASIA, Bank JTrust Indonesia, JTII, the Individual Defendants and LPS.
Claim 4	The plaintiffs allege that they have incurred significant costs in trying to recover the 2015 Mauritian Judgment and have lost investment opportunities. The plaintiffs are claiming compensation for damages against the Company, Bank JTrust Indonesia, JTII, the Individual Defendants and LPS.
Claim 5	The plaintiffs allege that the arbitration proceedings between Bank JTrust Indonesia and the Saab and FBME Parties were fraudulent and the settlement subsequently paid by Bank JTrust Indonesia to the Saab and FBME Parties is illicit. The plaintiffs are claiming damages from all defendants for being defrauded out of this settlement.
Claim 6	The plaintiffs are claiming for Global Mareva Injunctions against all the defendants.

Note: A court of the Republic of Mauritius allegedly handed down a judgment against the Company and Bank JTrust Indonesia to pay approximately USD 110 million (approx. JPY11.9 billion) in total.

(b) Claimed amount

Claim 1	Claim 2	Claim 3	Claim 4	Claim 5
USD128,608,000 (Approx. JPY13.9 billion)	USD128,000,000 (Approx. JPY13.9 billion)	USD94,027,000 (Approx. JPY10.2 billion)	USD50,000,000 (Approx. JPY5.4 billion)	USD8,000,000 (Approx. JPY800 million)
Claim 6				
Up to the amount of USD400,000,000 (Approx. JPY43.5 billion) against the Company, JTRUST ASIA, Bank JTrust Indonesia, JTII, the Individual Defendants and LPS				
Up to the amount of USD150,000,000 (Approx. JPY16.3 billion) against FBME Parties and Saab Parties				

* Converted at the rate as of January 31, 2018 (USD 1 = JPY 108.79).

* While it is not clear, the plaint includes statements to the effect that the plaintiffs are claiming interests, costs, or an unspecified amount of compensation, in addition to the amount above for each claim.

(ii) A lawsuit (hereinafter, "the Lawsuit") was filed against the Company's subsidiary, J TRUST ASIA PTE. LTD. (hereinafter, "J TRUST ASIA"). The details are as follows.

The Company also has confirmed that, in addition to J TRUST ASIA, several executive officers of the Company's group companies and one related entity of one of those officers, are named as defendants (hereinafter, "Individual Defendants") in the Lawsuit.

1) Filing Date of the Lawsuit

March 28, 2018 (The Supreme Court of Mauritius [Commercial Division])

2) Names and addresses of the plaintiffs and the name of their representative

- (a) Name: (i) First Global Funds Limited PCC
(ii) Weston International Asset Recovery Company Limited
(iii) Weston Capital Advisors, Inc.
(iv) Weston International Asset Recovery Corporation, Inc.
(v) Weston International Capital Limited

(b) Address: For plaintiffs (i); (ii); (iv) and (v): Ebene, Republic of Mauritius
For (iii): New York 10017, USA

(c) Name of representative: Unknown

3) Overview of the Lawsuit and amount of claims

(a) Details of the Lawsuit

Although the allegations in the plaint are vague and not substantiated, the local legal counsel explained that the outline of the plaintiffs' claims is as follows: there is a claim for damages against JTRUST ASIA and the Individual Defendants on the grounds that, while JTRUST ASIA and the Individual Defendants were fully aware of the 2015 Mauritius Judgment (Note), the subsequent Mareva injunction and the contempt order subsequently issued by the Mauritian court, they conspired with the Company and PT Bank JTrust Indonesia Tbk. and breached these decisions. In addition, the local legal counsel explained that a claim has also been made for global Mareva injunction against JTRUST ASIA and the Individual Defendants.

Note: A court of the Republic of Mauritius allegedly handed down a judgment against the Company and PT Bank JTrust Indonesia Tbk. to pay USD 110 million (approx. JPY11.6 billion) in total.

(b) Claimed amount

USD280,000,000 (approx. JPY29.7 billion) as the amount claimed as damages, and up to the amount of USD300,000,000 (approx. JPY31.8 billion) as the scope of the Mareva injunction.

* Converted at the rate as of March 31, 2018 (USD1 = JPY106.24).

* The plaint includes statements to the effect that the plaintiffs are claiming interests and costs, in addition to the amount above.

(12) Basic capital policies

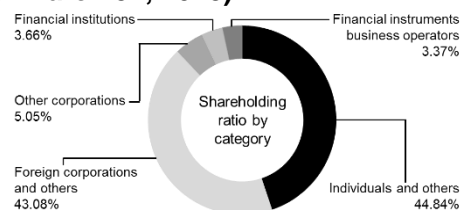
JTG will seek the well-balanced allocation of capital to maximize shareholder value. To be specific, in light of the outlook for operating environments, business results and financial standing, it will implement (i) investments for the growth of M&As, etc.; (ii) share buyback; and (iii) appropriate capital 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, 2018)

- (1) Number of authorized shares: 240,000,000
 (2) Number of outstanding shares: 112,596,710
 (3) Number of shareholders: 15,855
 (4) Major shareholders (top 10 shareholders)



Name of shareholder	Number of shares owned	Shareholding ratio
FUJISAWA PTE. LTD	21,197,872	20.58%
Nobuyoshi Fujisawa	17,509,372	17.00%
TAIYO HANEI FUND, L.P.	5,131,000	4.98%
STATE STREET BANK AND TRUST COMPANY 505019	4,609,200	4.48%
GOLDMAN SACHS INTERNATIONAL	3,820,490	3.71%
SAIKYO LEASING CORPORATION	2,890,000	2.81%
Japan Trustee Services Bank, Ltd. (trust account 9)	2,211,500	2.15%
TAIYO FUND, L.P.	2,054,800	1.99%
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY - PB	2,000,000	1.94%
Japan Trustee Services Bank, Ltd. (trust account)	1,233,000	1.20%

Notes:

- Shareholding ratio is calculated after deducting the number of treasury shares (9,598,396 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 April 6, 2018, 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 15,602,400 shares (shareholding ratio of 13.86%) as of March 30, 2018. 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

The total number of outstanding shares increased by 59,740 shares due to the exercise of the subscription rights to shares (stock options).

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 3rd Subscription Rights (stock option) issued on Aug. 31, 2011	J Trust 5th Subscription Rights (stock option) issued on Aug. 31, 2013	J Trust 7th Subscription Rights (stock option) issued on Sept. 30, 2016	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
Number of Subscription Rights	322 units	1,450 units	28,200 units	40 units	90 units
Class and number of shares underlying Subscription Rights	64,400 common shares (200 shares per Subscription Right)	145,000 common shares (100 shares per Subscription Right)	2,820,000 common shares (100 shares per Subscription Right)	160 common shares (4 shares per Subscription Right)	360 common shares (4 shares per Subscription Right)
Issuance value	Gratis	Gratis	Paid (100 yen per unit)	Gratis	Gratis
Exercise price	26,800 yen per unit	200,700 yen per unit	78,900 yen per unit	512 yen per unit	1,392 yen per unit
Exercise period	from Sept. 1, 2013 to July 31, 2018	from Sept. 1, 2015 to Aug. 31, 2020	from Oct. 1, 2016 to Sept. 30, 2021	from Apr. 30, 2012 to Mar. 10, 2019	from Apr. 30, 2012 to Apr. 28, 2019
Conditions for exercise	Notes 1 & 2	Notes 1 & 2	Notes 1, 2 & 6	Notes 1 & 2	Notes 1 & 2

	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	830 units	1,200 units	650 units
Class and number of shares underlying Subscription Rights	3,320 common shares (4 shares per Subscription Right)	4,800 common shares (4 shares per Subscription Right)	2,600 common shares (4 shares per Subscription Right)
Issuance value	Gratis	Gratis	Gratis
Exercise price	1,552 yen per unit	3,016 yen per unit	1,092 yen per unit
Exercise period	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:

- 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 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 5th Subscription Rights (stock option)	820	3
	J Trust 7th Subscription Rights (stock option)	24,879	7
Outside Directors	J Trust 7th Subscription Rights (stock option)	250	2
Audit & Supervisory Board Members	J Trust 7th Subscription Rights (stock option)	350	2

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

Not applicable.

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, KeyHolder, Inc. • Managing Director & CEO, JTRUST ASIA PTE. LTD. • Director & Chairman, JT Capital Co., Ltd. • Outside Director, SAMURAI&J PARTNERS 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 • Director, JTRUST ASIA PTE. LTD. • 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 Department • Director, JTRUST ASIA PTE. LTD. • Commissioner, PT Bank J Trust Indonesia Tbk. • President 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, information technology system and Planning Department • President & Representative Director, KeyHolder, Inc. • 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 Human Resources & General Affairs Department • President & CEO, J TRUST Card Co., Ltd.
Ryuichi Atsuta	<ul style="list-style-type: none"> • Director, Executive Officer, General Manager of Finance Department • Director, Highlights Entertainment 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, OHBA CO., LTD.

Name	Position, assignment and significant concurrent positions
Masanori Kaneko	<ul style="list-style-type: none"> • Director • Advisor, THE SAIKYO BANK LTD. • Audit & Supervisory Board Member, SAIKYO LEASING CORPORATION • Audit & Supervisory Board Member, Hoken Eye Saikyo K.K.
Hideki Yamane	<ul style="list-style-type: none"> • Full-Time Audit & Supervisory Board Member • Audit & Supervisory Board Member, Partir Servicer Co., Ltd.
Fumio Iguchi	<ul style="list-style-type: none"> • Full-Time Audit & Supervisory Board Member • Audit & Supervisory Board Member, J TRUST Card 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. 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. Mr. Hideki Yamane, Audit & Supervisory Board Member, has long years of experience in financial institutions and significant insight into finance and accounting.
3. Mr. Toru Myochin, Managing Director, assumed the office of President and Representative Director of KeyProduction, Inc. on April 18, 2018.
4. Mr. Nobuyoshi Fujisawa, Representative Director, President & CEO, resigned as an outside Director of SAMURAI&J PARTNERS Co., Ltd. on April 25, 2018.
5. The Company adopts the executive officer system. The table below shows executive officers excluding those concurrently serving as director as of March 31, 2018.

Name	Position	Assignment
Teruhiko Miwa	Executive Officer	Corporate Planning Department in charge of business in Indonesia

6. The table below shows changes in position and assignment of executive officers after the end of the current business year excluding those concurrently serving as director.

Name	Position and assignment		Date of transfer
	New	Old	
Takehito Yamanaka	Executive Officer in charge of Public Relations & Investor Relations Division of Corporate Planning Department (new)	-	Apr. 12, 2018

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(2) Changes in position and assignment of Directors and Audit & Supervisory Board Members during the current business year

Name	Position and assignment		Date of transfer
	New	Old	
Toru Myochin	Managing Director, Executive Officer, Head of Internal Control & Audit Office, in charge of holding business, group management and information technology system	Managing Director, Executive Officer in charge of holding business, group management and information technology system	June 28, 2017
	Managing Director, Executive Officer, in charge of holding business, group management, information technology system and Planning Department	Managing Director, Executive Officer, Head of Internal Control & Audit Office, in charge of holding business, group management and information technology system	Sept. 19, 2017
Ryuichi Atsuta	Director, Executive Officer, General Manager of Finance Department (new)	–	June 28, 2017
Yoshihide Imori	Director, Executive Officer, General Manager of Human Resources & General Affairs Department	Director, Executive Officer, General Manager of Corporate Management Department	Nov. 1, 2017
Fumio Iguchi	Full-Time Audit & Supervisory Board Member (new)	–	June 28, 2017
Masao Onishi	Resigned	Full-Time Audit & Supervisory Board Member	June 28, 2017

(3) Changes in position and assignment of Directors and Audit & Supervisory Board Members on or after April 1, 2018

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	13	251 million yen	251 million yen	–	–	–
Outside Directors	3	18 million yen	18 million yen	–	–	–
Audit & Supervisory Board Members	5	37 million yen	37 million yen	–	–	–
Outside Audit & Supervisory Board Members	2	19 million yen	19 million yen	–	–	–
Total	18	289 million yen	289 million yen	–	–	–
Outside executives	5	37 million yen	37 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.
3. The five (5) Audit & Supervisory Board Members above includes one (1) Audit & Supervisory Board Member who resigned at the Ordinary General Meeting of Shareholders held on June 28, 2017.

(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 OHBA CO., LTD.
Director	Masanori Kaneko	Advisor of The SAIKYO BANK LTD. Audit & Supervisory Board Member of SAIKYO LEASING CORPORATION Audit & Supervisory Board Member 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.

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3. SAIKYO LEASING CORPORATION has a capital relationship with the Company that SAIKYO LEASING CORPORATION holds 2,890 thousand shares of common shares of the Company.
4. The Company has no special relationship with corporations, etc. where outside executives hold significant concurrent positions, excluding those stated in the 1, 2 and 3 above.

(ii) Main activities in the current business year

Position	Name	Main activities
Director	Norio Igarashi	<ul style="list-style-type: none"> • Attended 14 out of 14 Board of Directors' meetings (attendance rate: 100%). • Provides practical advice and suggestions from an expert's perspective as an attorney.
Director	Ryuji Mizuta	<ul style="list-style-type: none"> • Attended 14 out of 14 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 14 out of 14 Board of Directors' meetings (attendance rate: 100%). • 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 14 out of 14 Board of Directors' meetings (attendance rate: 100%). • Attended 14 out of 14 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 14 out of 14 Board of Directors' meetings (attendance rate: 100%). • Attended 14 out of 14 Audit & Supervisory Board meetings (attendance rate: 100%). • 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 three 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.

(6) Summary of results of the evaluation of the effectiveness of the Board of Directors

To further improve the effectiveness of the Board of Directors, the Company administers an anonymous questionnaire to all Directors including Outside Directors, in which the Director evaluates the effectiveness of the Board of Directors based on the Director's own self-evaluation. As a result, it was determined that the Board of Directors is appropriately

performing its role and functioning effectively. Since the Group consists of companies of diverse business types, gaining understanding from outside executives will be taken into consideration when operating business. Furthermore, at the end of each term, the President & CEO implements director evaluation by employees in order to obtain broad input and evaluate the effectiveness of the Board of Directors as a whole. Based on the results of the evaluation, matters recognized as issues will be focused on, and we will work toward improving the effectiveness of the Board of Directors and the management system.

5. Matters regarding Accounting Auditor

(1) Name of Accounting Auditor

YUSEI Audit & Co.

(Note) YUSEI Audit & Co. is scheduled to merge with Grant Thornton Taiyo LLC on July 2, 2018, with Grant Thornton Taiyo LLC surviving the merger as accounting auditor.

(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	200 million yen
(ii) Sum of money and other financial profits to be paid by the Company and its subsidiaries to the Accounting Auditor	261 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

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scheduled for June 28, 2018. 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 STATEMENT OF FINANCIAL POSITION (as of March 31, 2018)

(Millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Assets		Liabilities	
Cash and cash equivalents	84,723	Trade and other payables	9,811
Trade and other receivables	92,723	Deposits by banking business	403,509
Marketable securities for banking business	37,159	Bonds and borrowings	78,727
Loans by banking business	343,400	Other financial liabilities	5,272
Operational investment securities	3,242	Income taxes payable	629
Marketable securities	208	Provisions	353
Other financial assets	46,300	Deferred tax liabilities	850
Investments accounted for using the equity method	144	Other liabilities	7,029
Inventories	6,937	Total liabilities	506,184
Assets held for sale	1,807	Equity	
Property, plant and equipment	3,028	Share capital	53,638
Investment Property	610	Capital surplus	52,713
Goodwill	29,578	Treasury shares	(7,685)
Intangible assets	3,087	Retained earnings	47,555
Deferred tax assets	1,502	Other components of equity	(1,854)
Other assets	2,505	Total equity attributable to owners of parent	144,366
		Non-controlling interests	6,409
		Total equity	150,776
Total assets	656,961	Total liabilities and equity	656,961

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS (from April 1, 2017 to March 31, 2018)

(Millions of yen)

Item	Amount
Continuing operations	
Operating revenue	76,266
Operating expenses	50,224
Selling, general and administrative expenses	25,493
Other income	2,258
Other expenses	451
Operating profit	2,355
Finance income	47
Finance costs	1,974
Share of profit (loss) of investments accounted for using the equity method	(12)
Profit before income taxes	416
Income taxes	1,015
Profit (loss) from continuing operations	(598)
Discontinued operations	
Profit from discontinued operations	676
Profit	77
Profit (loss) attributable to:	
Owners of parent	(731)
Non-controlling interests	809
Profit	77

NON-CONSOLIDATED BALANCE SHEET (as of March 31, 2018)

(Millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	18,060	Current liabilities	5,722
Cash and deposits	15,131	Short-term loans payable	1,125
Short-term loans receivable from subsidiaries and associates	3,460	Current portion of long-term loans payable	4,364
Other	660	Accounts payable - other	129
Allowance for doubtful accounts	(1,190)	Income taxes payable	55
		Other	48
Non-current assets	126,363	Non-current liabilities	10,973
Property, plant and equipment	27	Bonds payable	200
Buildings	7	Long-term loans payable	9,849
Land	19	Deferred tax liabilities	760
Other	0	Guarantee deposits received	162
		Other	0
Intangible assets	68		
Software	64	Total liabilities	16,696
Other	4		
		Net assets	
Investments and other assets	126,266	Shareholders' equity	127,595
Investment securities	79	Capital stock	53,638
Shares of subsidiaries and associates	114,543	Capital surplus	52,979
		Legal capital surplus	52,979
Investments in capital of subsidiaries and associates	11,292	Retained earnings	28,663
Other	359	Other retained earnings	28,663
Provision of allowance for doubtful accounts	(8)	Retained earnings brought forward	28,663
		Treasury shares	(7,685)
		Valuation and translation adjustments	0
		Valuation difference on available-for-sale securities	0
		Subscription rights to shares	132
		Total net assets	127,728
Total assets	144,424	Total liabilities and net assets	144,424

NON-CONSOLIDATED STATEMENT OF INCOME (from April 1, 2017 to March 31, 2018)

(Millions of yen)

Item	Amount	
Operating revenue		
Interest income	78	
Dividend income	2,805	
Interest on deposits	22	
Other operating revenue	145	3,052
Operating expenses		
Interest on loans	357	
Other operating expenses	0	358
Operating gross profit		2,693
Selling, general and administrative expenses		1,818
Operating profit		875
Non-operating income		
Dividend income	3	
Miscellaneous income	11	15
Non-operating expenses		
Foreign exchange losses	125	
Loss on investments in partnership	32	
Miscellaneous loss	0	158
Ordinary profit		732
Extraordinary income		
Gain on sales of non-current assets	0	
Gain on sales of shares of subsidiaries and associates	1	
Gain on reversal of subscription rights to shares	17	20
Extraordinary losses		
Loss on abandonment of non-current assets	0	
Loss on valuation of shares of subsidiaries and associates	2,180	
Provision for doubtful accounts	1,190	
Other	0	3,371
Loss before income taxes		2,619
Income taxes - current	49	
Income taxes - deferred	706	756
Loss		3,375

Accounting Auditor's Report on Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 21, 2018

J Trust Co., Ltd.
The Board of Directors

YUSEI Audit & Co.

Designated Partner, Managing Member	Certified Public Accountant	Ryouichi Komatsu	(Seal)
Designated Partner, Managing Member	Certified Public Accountant	Hiroshi Tsurumi	(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 Statement of Financial Position, Consolidated Statement of Profit or Loss Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements of J Trust Co., Ltd. ("the Company") for the fiscal year from April 1, 2017 to March 31, 2018.

Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards. 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.

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, which were prepared with omissions of part of the disclosure items required by International Financial Reporting Standards as prescribed in the second sentence of Paragraph 1 of Article 120 of the Ordinance on Accounting of Companies, 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.

Conflict of Interest

There is no conflict of interest requiring mention as per the Certified Public Accountants 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 21, 2018

J Trust Co., Ltd.
The Board of Directors

YUSEI Audit & Co.

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

Designated Partner, Certified Public
Managing Member Accountant Hiroshi Tsurumi (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 42nd business year from April 1, 2017 to March 31, 2018.

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 Accountants 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 42nd business year from April 1, 2017 to March 31, 2018, 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 Statement of Financial Position, Consolidated Statement of Profit or Loss Consolidated Statement of Changes in Equity 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 22, 2018

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

Full-Time Outside Audit & Supervisory Board Member Hideki Yamane (Seal)

Full-Time Audit & Supervisory Board Member Fumio Iguchi (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