The following is an English translation of Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements of J Trust Co., Ltd.
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Matters for Internet Disclosure under Laws and Regulations and the Articles of Incorporation

Notes to Consolidated Financial Statements

Notes to Non-Consolidated Financial Statements

(from April 1, 2014 to March 31, 2015)

J Trust Co., Ltd.

"Notes to Consolidated Financial Statements" and "Notes to Non-Consolidated Financial Statements" are provided to our shareholders by posting the same on the Company's website (www.jt-corp.co.jp/en) pursuant to laws and regulations, and Article 15 of our Articles of Incorporation.

Notes to Consolidated Financial Statements

1. Significant Matters Regarding the Preparation of Consolidated Financial Statements

(i) Scope of consolidation

[1] Number of consolidated subsidiaries: 26

Names of major consolidated subsidiaries
Nihon Hoshou Co., Ltd.
Keynote Co., Ltd.
Partir Servicer Co., Ltd.
J Trust System Co., Ltd.
J TRUST Card Co., Ltd.
ADORES, Inc.
BREAK Co., Ltd.
Japan Care Welfare Group Co., Ltd.
Chinae Savings Bank Co., Ltd.
JT Savings Bank Co., Ltd.
Neoline Credit Co., Ltd.
KJI Consumer Finance LLC (currently TA Asset Management LLC)
HICAPITAL Co., Ltd.
JT Capital Co., Ltd.
JTRUST ASIA PTE. LTD.
PT Bank Mutiara Tbk.
10 others

During the current consolidated fiscal year, we acquired shares of Japan Care Welfare Group Co., Ltd., PT Bank Mutiara Tbk., JT Savings Bank Co., Ltd., JT Capital Co., Ltd. and another company and established J Trust Venture Capital LLC and another company. All of them were included in the scope of consolidation. As for PT Bank Mutiara Tbk. and JT Capital Co., Ltd., only balance sheets were included in the scope of consolidation.

During the previous fiscal year, we transferred shares of our consolidated subsidiary, AAD Co., Ltd. and liquidated JT Investment Co., Ltd. KC Co., Ltd., established during the current consolidated fiscal year assumed part of business of our consolidated subsidiary, KC Card Co., Ltd. (currently J TRUST Card Co., Ltd.) centered on “KC Card” brand and its subsidiary, United Partir KC and we sold shares of KC Co., Ltd. Therefore, these three companies were excluded from the scope of consolidation.

[2] Name of major unconsolidated subsidiaries
Peer Labo Co., Ltd.
2 others

Reason for exclusion from the scope of consolidation
Unconsolidated subsidiaries are all small in terms of its size, total assets, sales, net income (corresponding to our share) and retained earnings (corresponding to our share) etc. in total and do not have a significant impact on the consolidated financial statements. Therefore, they were excluded from the scope of consolidation.

(ii) Application of equity method

[1] Number of unconsolidated subsidiaries in the scope of equity method: 0

[2] Number of affiliates in the scope of equity method: 0
During the current consolidated fiscal year, our consolidated subsidiary, JTRUST ASIA PTE. LTD. acquired shares of LCD Global Investments LTD. and it was included in the scope of equity method. However, we accepted a tender offer by AF Global PTE. LTD. and sold all our holdings. Therefore, it was excluded from the scope of equity method.

[3] Three unconsolidated subsidiaries (Peer Labo Co., Ltd. and two others) and two

affiliates (Clotho Co., Ltd. and another) do not have a significant impact on net income (corresponding to our share) and retained earnings (corresponding to our share) and are not important as a whole. Therefore, they were excluded from the scope of equity method.

(iii) Accounting period of consolidated subsidiaries

Following consolidated subsidiaries have the closing date different from the consolidated closing date. Their financial statements based on the provisional settlement of accounts as of the consolidated closing date are used as the basis.

Company name	Closing date
Chinae Savings Bank Co., Ltd.	End of June
JT Savings Bank Co., Ltd.	End of June
Neoline Credit Co., Ltd.	End of September
NL Value Capital Co., Ltd.	End of November
J TRUST Card Co., Ltd.	End of December
HICAPITAL Co., Ltd.	End of December
PT Bank Mutiara Tbk.	End of December
JT Capital Co., Ltd.	End of December

During the current consolidated fiscal year, JTRUST ASIA PTE. LTD. changed its closing date to the end of March, same as the consolidated closing date. Because of that, the accounting period for the current consolidated fiscal year is 15 months, from January 1, 2014 till March 31, 2015.

Above change has been made so that the Group can implement budget formulation, performance management and settlement operation more efficiently and it also facilitates more appropriate information disclosure.

The reason of above change during the fourth quarter is that we were preparing to establish the structure to change the closing date to consolidated closing date. Since such a structure has been established at JTRUST ASIA PTE. LTD.(hereinafter, “JTA”), we judged that the change of closing date at an early stage will be beneficial to the more appropriate information disclosure.

Profit and loss for three months, from January 1, 2014 till March 31, 2014, at JTA is adjusted through the consolidated statements of income. This change resulted in a 3 million yen increase in operating revenue, a 20 million yen increase in operating losses, a 20 million yen increase in ordinary losses and a 20 million yen decrease in net income.

During the current consolidated fiscal year, we acquired shares of PT Bank Mutiara Tbk. and JT Capital Co., Ltd. and included them in the scope of consolidation. For the current consolidated fiscal year, only their balance sheets were included in the scope of consolidation.

As for PT Bank Mutiara Tbk., financial statements based on fiscal closing date of December 31 are used and we made necessary adjustment for important transactions from January 1 till March 31.

Closing date of other consolidated subsidiaries is same as the consolidated closing date.

(iv) Matters regarding accounting standards

[1] Valuation standards and methods for significant assets

A. Securities

Bonds held to maturity: Amortized cost method (interest method)

Other securities

- Securities with market price:

Market value method based on the market price on the consolidated closing date (valuation differences are directly charged to the shareholders' equity and cost of securities sold is computed using the moving average method.)

- Securities without market price:

Cost method by moving average method

B. Derivatives: Market value method

C. Inventories

Merchandise and finished goods (real estate for sale) and work in process: Cost method by specific identification method (computed by writing down the book value, based on the decline in profitability)

[2] Depreciation method for significant depreciable assets

A. Property, plant and equipment (excluding leased assets): Mainly by declining balance method

B. Intangible assets (excluding leased assets): Straight-line method

Software for internal use is depreciated over a useful life of five years.

C. Long-term prepaid expenses: Straight-line method

D. Leased assets: Declining balance method for tangible leased assets using its lease period as its depreciation period

Straight-line method for intangible leased assets using its lease period as its depreciation period

Regarding non-ownership-transfer finance lease transactions which started on or before March 31, 2008, accounting processing based on the method pertaining to usual lease transactions is adopted.

[3] Accounting standards for significant allowance

Allowance for doubtful accounts	To prepare for loss on doubtful accounts, allowance for doubtful accounts is recorded taking following factors into consideration; the historical loan loss ratio for general receivable; and collectability of each receivable for specific receivable potentially falling into doubtful accounts.
Provision for loss on interest repayment	To prepare for interest refund claims from borrowers, etc., concerning payments that exceeded the maximum interest under the Interest Rate Restriction Act, the loss projected at the end of the current consolidated fiscal year is recorded.
Provision for loss on business liquidation	To prepare for the expenses related to the business reorganizations, the expenses estimated at the end of the current consolidated fiscal year is recorded.
Provision for loss on guarantees	To prepare for loss due to the fulfillment of obligations in relation to credit guarantee services with partnered financial institutions, the loss projected at the end of the current

	consolidated fiscal year is recorded.
Provision for loss on litigation	To prepare for loss on litigation, the loss estimated at the end of the current consolidated fiscal year is recorded.

[4] Accounting standards for significant revenue and expenses

Customer fees	Credit card revenue: Mainly based on declining balance method Under declining balance method, interest is calculated by multiplying a prescribed rate by principal balance and recorded as operating revenue (installment payment paying for commission) after the due date.
Merchant fees	Merchant fees are recorded in a lump sum as operating revenue (installment payment paying for commission) at the fulfillment of reimbursement payment agreements with merchants.
Accounting standards for revenue and costs related to collection of purchased receivables	At the Company and its subsidiaries in financial business, difference between principal amount and acquisition cost is recorded as operating revenue (other financial revenue). Depreciation cost method is adopted for receivable whose future cash flows can be estimated, while operating revenue is recorded based on the recovered amount for receivable whose future cash flows are difficult to estimate. At subsidiaries that provide receivable collection services, the recovered amount is recorded as operating revenue (collection from purchased receivables). Regarding costs, depreciation cost method is adopted for receivable whose future cash flows can be estimated. Regarding receivable whose future cash flows are difficult to estimate, total recovered amount is recorded as operating expenses (cost of purchased receivables) until such amount reaches the acquisition cost.

[5] Conversion standard for significant foreign currency-denominated assets or liabilities from foreign currency to Japanese currency

Foreign currency-denominated monetary claims and liabilities are converted into Japanese currency using an exchange rate as of the consolidated closing date. Differences arising from currency conversion are processed as profit or loss. Assets and liabilities of overseas subsidiaries are converted into Japanese currency using an exchange rate as of the consolidated closing date. Revenues and expenses are converted into Japanese currency using an average exchange rate. Differences arising from currency conversion are included in foreign currency translation adjustment and minority interests under net assets.

[6] Significant hedge accounting

Hedge accounting method	With regard to interest rate swap, an exceptional processing is adopted since it meets requirements for the exceptional processing.
Instrument and hedged item	Hedge accounting is adopted for following instrument and item. Instrument: Interest rate swap Item: Loans payable
Policy on hedge	In order to reduce interests on loans payable and to improve financial revenue, risk of future interest rate change is hedged. Subsidiaries conducted such transaction. Prior to the transaction, an approval at the subsidiary's Board of Directors' meeting had been obtained with respect to terms of contract and maximum amount of notional principal.
Method to evaluate efficacy of hedge	Significant terms regarding instrument and hedged items are the same and the transaction is deemed to offset the risk of interest rate change. Therefore, the evaluation on the efficacy of hedge is omitted.

[7] Amortization method and period for goodwill

Goodwill is amortized over the period during which investment is effective within 20 years from the posted date, using the straight-line amortization method.

[8] Other significant matters which constitute the basis for preparation of the consolidated financial statements

A. Accounting for retirement benefits

To provide for the retirement benefits, defined benefit liability is recorded by subtracting the pension assets from the retirement benefit obligations based on the projection at the end of the current consolidated fiscal year.

If the pension assets exceed retirement benefit obligations, the excess is recorded as assets.

As for actuarial losses (gains), the accrued amount divided by a certain year not exceeding the average remaining service years of employees using the straight-line method is recorded as expenses starting from the following consolidated fiscal year.

Unrecognized actuarial losses (gains) are recorded as remeasurements of defined benefit plans in the accumulated comprehensive income under the net assets after taking the tax effect into account.

Some of overseas subsidiaries adopt simplified method in calculating defined benefit obligations and retirement benefit expenses.

B. Accounting for consumption taxes

Consumption taxes are accounted for using the tax exclusion method. However, non-deductible consumption taxes related to non-current assets are recorded as "Other" under investments and other assets and amortized over 5 years using the straight-line method.

(v) Matters regarding changes in presentation method

All investment securities held by our consolidated subsidiary, JTRUST ASIA PTE. LTD. were included in “Investment securities” (8,918 million yen at the end of previous fiscal year) under “Investments and other assets” in the previous consolidated fiscal year. We came to the conclusion that the significance of JTA’s investment business will increase in the future and enforced JTA’s structure by having a director permanently stationed at JTA for effective contemplation of investment deals. We judged that it is necessary for financial statements to reflect JTA’s transactions more appropriately and decided to record JTA’s investment securities as “Operational investment securities” separately under “Current assets” from the current consolidated fiscal year.

2. Notes to Consolidated Balance Sheet

(1) The amount less than 1 million yen is rounded down.

(2) Pledged assets

Assets pledged as collateral

(Unit: Millions of yen)

Deposits	1,761
Commercial notes	12
Accounts receivable - operating loans	4,730
Advances paid - installment	1,137
Purchased receivables	4,051
Merchandise and finished goods	1,993
Work in process	182
Buildings and structures	1,422
Land	1,816
Other (Intangible assets)	555
Other (Investments and other assets)	1,471
Total	19,136

Debts corresponding to the above

Short-term loans payable	3,326
Current portion of long-term loans payable	4,220
Long-term loans payable	7,782
Total	15,329

Assets pledged as collateral are also used as collateral for guarantee obligations in relation to credit guarantee services.
In addition to the above, overseas consolidated subsidiaries had deposits of 18,487 million yen as payment reserve assets, etc. based on regulations of each jurisdiction.

(3) Accumulated depreciation on property, plant and equipment 26,582 million yen

(4) Guarantee obligations

Subject of guarantee	Guaranteed amount	Type of guarantee
39,183 cases (business entities and consumers)	36,289 million yen	Borrowings from financial institutions and others

Note: The Group recorded provision for loss on guarantees in the amount of 422 million yen for the total guarantee obligations of 36,712 million yen.
In addition to the above, 7,014 million yen of guarantee obligation existed in relation to banking business of an Indonesian commercial bank, PT Bank Mutiara Tbk.

(5) Provision incurred from business combination

Provision incurred from business combination of 927 million yen is included in “Other” under non-current liabilities. The provision was incurred due to the acquisition of shares of an Indonesian commercial bank, PT Bank Mutiara Tbk., as of November 20, 2014. It consists of contingent liabilities in relation to lawsuits, etc. expected as at the date of the acquisition.

(6) Market value of the securities borrowed under a loan agreement is 476 million yen.

3. Notes to Consolidated Statement of Income

(1) The amount less than 1 million yen is rounded down.

(2) Impairment loss

For the consolidated fiscal year under review, the Group recorded impairment loss for the following asset groups.

Location	Use	Type of assets
Fujisawa-shi, Kanagawa-ken and others	Business assets	Building fixtures, etc.
Fujisawa-shi, Kanagawa-ken and others	Business assets	Amusement machine
Shimogyo-ku, Kyoto-shi and others	Business assets	Buildings fixtures, etc.

The Group classifies its assets as business assets, assets for lease, and idle assets. With regard to stores and offices classified as business assets which will be closed down, the book value is recorded at zero, and the reduction of 80 million yen was recorded as extraordinary losses. The breakdown comprises 29 million yen for buildings and structures, 48 million yen for amusement machine, and 1 million yen for furniture and fixtures.

In addition, as the recoverable value of goodwill fell below the book value, their book value was reduced to a recoverable value, and the reduction of 702 million yen was recorded as extraordinary losses.

4. Notes to Consolidated Statement of Changes in Net Assets

(1) Class and number of issued shares as at the end of the consolidated fiscal year under review

118,589,354 common shares

(2) Matters pertaining to dividends

(i) Dividend payments

Resolution	Class	Total dividend (millions of yen)	Dividend per share (yen)	Reference date	Effective date
The Board of Directors' meeting (May 14, 2014)	Common share	589	5	March 31, 2014	June 27, 2014
The Board of Directors' meeting (November 13, 2014)	Common share	590	5	September 30, 2014	December 5, 2014

(ii) Of dividends for which the reference date belongs to the fiscal year under review, the effective date belongs to the following fiscal year.

Resolution	Class	Total dividend (millions of yen)	Source of funds	Dividend per share (yen)	Reference date	Effective date
The Board of Directors' meeting (May 14, 2015)	Common share	590	Retained earnings	5	March 31, 2015	June 29, 2015

(3) Class and number of shares underlying subscription rights to shares at the end of the consolidated fiscal year under review (excluding subscription rights to shares of which the exercise period has not yet commenced):
360,040 common shares

5. Notes to Financial Products

(1) Matters regarding financial products

In addition to comprehensive financial business which includes loans, credit card, banking, purchase of accounts receivable, and credit guarantee operations, the Group undertakes real estate business and amusement business. In order to conduct these businesses, funds are procured by obtaining loans from banks in consideration of the market conditions and the balance of short-term and long-term financing, and by providing savings accounts and time deposits to individuals and business customers in South Korea and Indonesia where the Group conducts banking business.

Financial assets owned by the Group are mainly commercial notes, accounts receivable - operating loans and advances paid-installment payable by small and medium-sized enterprises, business owners and individuals. In the banking business, the Group's financial assets are loans extended to small and medium-sized enterprises, business owners and individuals in South Korea and Indonesia. In accordance with various rules regarding credit risk, we try to minimize such risk. With regard to purchase of accounts receivable, such receivable is purchased at discount from business corporations and financial institutions. To comprehend the appropriate value and reduce risk, the Group obtains the material on current price calculation from a third party valuation agency and uses it as a reference in determining the purchase price. In credit guarantee service, the Group has guarantee obligations mainly in relation to loans extended by Japanese financial institutions as well as subrogation receivable arising from fulfillment of guarantee obligation. The Group aims to reduce risk during the screening process by complying with various rules related to credit risk. Securities are mostly composed of public and corporate bonds which are held for asset management purposes in relation to the banking business. Operational investment securities are stocks held for investment purpose. Investment securities are mostly stocks held for business promotion purpose. The Group reviews market price of public and corporate bonds, and listed stocks on a quarterly basis.

Financial liabilities are used for operational purposes. In South Korea and Indonesia where the Group operates financial institutions and banking business, the Group raises fund by providing savings accounts and time deposits to individuals and business customers.

With regard to derivative transactions, the Company has a policy to maintain a guarded stance and will not conduct any speculative transactions.

(2) Matters regarding market value of financial products and others

The following are the balance on consolidated balance sheet, market value and difference between them as of March 31, 2015. Unlisted stocks, the market value of which is extremely difficult to determine, are excluded from the table below. In addition, accounts with little significance for the consolidated balance sheet amount are omitted.

(Unit: millions of yen)

	Balance on consolidated balance sheet	Market value	Difference
(1) Cash and deposits	141,742	141,742	-
(2) Commercial notes	2,355		
Allowance for doubtful accounts (*)	(14)		
	2,341	2,341	-
(3) Accounts receivable - operating loans	65,315		
Allowance for doubtful accounts (*)	(4,483)		
	60,832	60,832	-
(4) Loans by banking business	224,401		
Allowance for doubtful accounts (*)	(15,540)		
	208,860	212,014	3,153
(5) Advances paid - installment	1,395		
Allowance for doubtful accounts (*)	(1)		
	1,393	1,393	-
(6) Purchased receivables	8,647		
Allowance for doubtful accounts (*)	(28)		
	8,618	8,618	-
(7) Subrogation receivable	1,124		
Allowance for doubtful accounts (*)	(248)		
	875	875	-
(8) Securities	17,874	17,967	92
(9) Operational investment securities	6,595	6,595	-
(10) Investment securities	3,066	3,066	-
(11) Long-term operating loans receivable	2,405		
Allowance for doubtful accounts (*)	(1,999)		
	405	405	-
Total	452,606	455,853	3,246

(Unit: millions of yen)

	Balance on consolidated balance sheet	Market value	Difference
(1) Notes discounted	2,226	2,226	-
(2) Current portion of bonds	130	130	-
(3) Short-term loans payable	7,862	7,862	-
(4) Current portion of long-term loans payable	5,987	5,987	-
(5) Deposits by banking business	287,452	288,212	760
(6) Bonds payable	2,241	2,234	(6)
(7) Long-term loans payable	11,009	10,930	(78)
Total liabilities	316,910	317,585	674

(Unit: Millions of yen)

	Guarantee balance	Market value	Difference
Guarantee obligations			
(1) Guarantee obligations (*)	43,727		
Provision for loss on guarantees (*)	(422)		
	43,304	43,304	-
Total guarantee obligations	43,304	43,304	-

(*) Above balance is after deduction of general and individual allowance for doubtful accounts corresponding to commercial notes, accounts receivable-operating loans, loans by banking business, advances paid - installment, purchased receivables, subrogation receivable and long-term operating loans receivable.
Above balance is after deduction of provision for loss on guarantees corresponding to guarantee obligations.
Guarantee obligations include guarantee obligation of 7,014 million yen in relation to banking business.

Note: Matters relating to the calculation method of market value of financial products and guarantee obligations

Assets

(1) Cash and deposits
Since these are settled within one (1) year, its market value is almost equivalent to book value. Therefore, the book value is used as its market value.

(2) Commercial notes
Since these are mainly settled within one (1) year, the book value on the consolidated closing date minus the current projected bad debts is used as its market value.

(3) Accounts receivable-operating loans; and (4) Loans by banking business
They are recorded at their present value based on the projected future cash flows discounted using yield of government bond with corresponding maturity.

(5) Advances paid – installment
Since their projected bad debts are calculated based on the present value of the projected future cash flows or the amount expected to be recovered, etc., from the collateral and guarantee, the book value on the consolidated closing date minus the current projected bad debts is used as its market value.

(6) Purchased receivables

These were purchased within one (1) year from the consolidated financial closing date at a proper price with reference to the material on current price calculation from a third party valuation agency in determining the purchase price. Therefore, its book value is used as the basis for its market value. However, with regard to some of purchased receivables, its projected bad debts is calculated based on the present value of the projected future cash flows or the amount expected to be recovered, etc., from the collateral. Therefore, the book value on the consolidated closing date minus the current projected bad debts is used as its market value.

(7) Subrogation receivable

Since its projected bad debts is calculated based on the present value of the projected future cash flows or the amount expected to be recovered, etc., from the collateral and guarantee, the book value on the consolidated closing date minus the current projected bad debts is used as its market value.

(8) Securities; (9) Operational investment securities; and (10) Investment securities

Price on exchanges is used for stocks, price on exchanges or price provided by financial institutions is used for bonds, and price reasonably calculated is used for other securities.

(11) Long-term operating loans receivable

Since its projected bad debts are calculated based on the present value of the projected future cash flows or the amount expected to be recovered, etc., from the collateral and guarantee, the book value on the consolidated closing date minus the current projected bad debts is used as its market value.

<u>Liabilities</u>

(1) Notes discounted

Since these are settled within one (1) year, its market value is almost equivalent to book value. Therefore, its book value is used as its market value.

(2) Current portion of bonds; (3) Short-term loans payable; and (4) Current portion of long-term loans payable

Since these are settled within one (1) year, its market value is almost equivalent to its book value. Therefore its book value is used as its market value.

(5) Deposits by banking business

Of deposits by banking business, the amount of demand deposits payable on the consolidated closing date (book value) is used as its market value. In addition, the market value of time deposits, etc. is measured for each product at their present value by discounting future cash flows using the interest rate for new deposits.

(6) Bonds payable

The market value of bonds is calculated by discounting the sum of principal and interest using the interest rate which takes its remaining term to maturity and credit risk into consideration.

(7) Long-term loans payable

The book value is used as the market value for variable rate loans since it reflects market interest rate within a short period of time and the credit condition of the Company and its consolidated subsidiaries has not changed significantly from the time of loan origination. The market value of fixed rate loans is calculated by discounting the future cash flows using an interest rate based on an appropriate index such as the yield of government bonds.

<u>Guarantee obligations</u>

(1) Guarantee obligations

Since its estimated loss is calculated for each category based on type of guarantee obligations, internal ratings, term and other criteria, the guaranteed balance on the consolidated closing date minus the current estimated loss is used as its market value.

6. Notes to Per Share Information

(1) Net assets per share	1,591.09 yen
(2) Net income per share	85.92 yen

7. Notes to Business Combination

(1) At the Board of Director's meeting of each company held on June 25, 2014, the Company and KC Card Co., Ltd. (hereinafter, "KC Card"), a consolidated subsidiary of the Company, resolved to establish a subsidiary of KC Card (hereinafter, "Concerned Company") to assume a part of KC Card's business which is mainly operated under "KC Card" brand effective January 5, 2015 through absorption-type corporate split, and transfer all shares of Concerned Company to Yahoo Japan Corporation and SoftBank Payment Service Corp. on January 5, 2015.

(i) Overview of the divestiture

1. Description of divested businesses
Credit card, credit card loan, credit guarantee, installment loan business, etc.

2. Legal form of the divestiture
Business transfer by means of sale of shares

3. Date of the divestiture
January 5, 2015

4. Name of the counterparty
Yahoo Japan Corporation and SoftBank Payment Service Corp.

5. Main reasons for the divestiture
Main reasons for the divestiture are: competition in the business area is expected to intensify; the transferee values "KC Card" brand highly; the Company can continue its credit card business mainly under NUCS brand; and the Company can raise approximately 40.4 billion yen from the transaction and reinvest the fund, along with the fund raised through rights offering in July 2013, to reinforce the existing businesses and start up new businesses in order to optimize the Group's business portfolio, as well as to improve investment return and corporate value.

(ii) Overview of the accounting treatment of the transaction

1. Gain on transfer of business
Gain on transfer of business 848 million yen

2. Appropriate book values of assets and liabilities related to the transferred business and their breakdown

Current assets	43,006 million yen
Non-current assets	7,950 million yen
Total assets	50,957 million yen
Current liabilities	6,249 million yen
Non-current liabilities	9,917 million yen
Total liabilities	16,167 million yen

3. Accounting treatment
Gain on sales of subsidiary's shares, which is calculated as the difference between the book value of KC Card and others on a consolidation basis and its sales value, is included in the gain on transfer of business.

4. Estimated amounts of profit and loss of the transferred business recognized in the consolidated statement of income for the current consolidated fiscal year

Operating revenue	6,313 million yen
Operating loss	641 million yen

(2) At the Board of Director's meeting held on August 18, 2014, the Company passed a resolution to acquire 99% shares of an Indonesian commercial bank, PT Bank Mutiara Tbk., acquired its shares and made it a subsidiary of the Company, effective November 20, 2014.

(i) Name of acquired company and description of its business, legal form of the business combination, name of company after the combination and overview of business combination including objective of the transaction

1. Name of acquired company and description of its business
Name of acquired company PT Bank Mutiara Tbk.

Description of its business Banking business

2. Legal form of the business combination
   Share acquisition
3. Name of company after the combination
   PT Bank Mutiara Tbk.
4. Overview of business combination including objective of the transaction
   By benefiting from know-how of consumer finance business accumulated in Japanese operations, the Group aims to provide comprehensive financial services including various loans, card services, foreign exchange related services, etc. mainly for SMEs and salaried workers whose presence is growing rapidly in Indonesia.

(ii) Acquisition cost of the acquired company 43,243 million yen
(iii) Amount of goodwill arising from the acquisition 37,017 million yen
(iv) Method and period of amortization Since the acquisition price allocation hasn't been completed, the amount of goodwill is tentative and the amortization period has yet to be determined.

(3) At the Board of Director's meeting held on June 16, 2014, the Company passed a resolution regarding the acquisition of all shares of Standard Chartered Savings Bank Korea Co., Ltd., acquired all of its shares and made it a subsidiary of the Company, effective January 19, 2015.

(i) Name of acquired company and description of its business, legal form of the business combination, name of company after the combination and overview of business combination including objective of the transaction

1. Name of acquired company and description of its business
   Name of acquired company Standard Chartered Savings Bank Korea Co., Ltd.
   Description of its business Savings bank business
2. Legal form of the business combination
   Share acquisition
3. Name of company after the combination
   JT Savings Bank Co., Ltd.
4. Overview of business combination including objective of the transaction
   By expanding our business area enough to cover about 70% of the entire Korean market through this acquisition, the Group aims to increase balance of loan and deposits, boost the effect of advertising and promotion, and acquire competent employees through improvement in the Group's name value.

(ii) Acquisition cost of the acquired company 5,688 million yen
(iii) Gain on bargain purchase 5,107 million yen

(4) At the Board of Director's meeting held on June 16, 2014, the Company passed a resolution regarding the acquisition of all shares of Standard Chartered Capital (Korea) Co., Ltd., acquired all of its shares and made it a subsidiary of the Company, effective March 30, 2015.

(i) Name of acquired company and description of its business, legal form of the business combination, name of company after the combination and overview of business combination including objective of the transaction

1. Name of acquired company and description of its business
   Name of acquired company Standard Chartered Capital (Korea) Co., Ltd.
   Description of its business Leasing and other financial services
2. Legal form of the business combination
   Share acquisition

3. Name of company after the combination
   JT Capital Co., Ltd.
4. Overview of business combination including objective of the transaction
   In addition to our existing savings bank and receivable collection businesses in South Korea, the Group aims to improve its infrastructure development through the acquisition in order to provide comprehensive financial services and create synergies.

(ii) Acquisition cost of the acquired company	10,547 million yen
(iii) Gain on bargain purchase	8,423 million yen

8. Important subsequent events

At the Board of Directors' meeting on May 14, 2015, the Company passed a resolution in relation to matters concerning acquisition of its own shares pursuant to Article 156, applied with a replacement of terms pursuant to the provisions of the Article 165, Paragraph 3 of the Companies Act.

The outline is as follows:

(i) Reason for acquisition of own shares

The Company will acquire its own shares to return profit to shareholders through the improvement in its capital efficiency and to enable the flexible implementation of capital policy in response to the change in the operating environment.

(ii) Details of resolution adopted by Board of Directors regarding acquisition of own shares

1. Class of shares	Common shares
2. Total number of shares that can be acquired	Up to 6,250,000 shares
3. Share acquisition period	From May 26, 2015 to March 31, 2016
4. Total share acquisition amount	Up to 7,500 million yen
5. Acquisition method	Auction market of the Tokyo Stock Exchange

Notes to Non-Consolidated Financial Statements

1. Matters regarding significant accounting standards

(i) Valuation standards and methods for assets

A. Securities

● Subsidiaries' shares	Cost method by moving average method
● Other securities Securities without market price:	 Cost method by moving average method

(ii) Depreciation method for property, plant and equipment

A. Property, plant and equipment: Declining balance method

B. Intangible assets: Straight-line method

Software for internal use is depreciated over a useful life of five years.

C. Long-term prepaid expenses: Straight-line method

(iii) Accounting standards for allowance

Allowance for doubtful accounts	To prepare for loss on doubtful accounts, allowance for doubtful accounts is recorded taking following factors into consideration; the historical loan loss ratio for general receivable; and collectability of each receivable for specific receivable potentially falling into doubtful accounts.

(iv) Other significant matters which constitute the basis for preparation of the non-consolidated financial statements

A. Amortization method and period for goodwill

Goodwill is amortized over the period during which investment is effective, 5 years, using the straight-line method.

B. Accounting for consumption taxes

Consumption taxes are accounted for using the tax exclusion method. However, non-deductible consumption taxes related to non-current assets are recorded as "Other" under investments and other assets and amortized over 5 years using the straight-line method.

2. Notes to Non-Consolidated Balance Sheet

(1) The amount less than 1 million yen is rounded down.

(2) Pledged assets

Assets pledged as collateral

Deposits	620 million yen
Shares of subsidiaries and associates	2,939 million yen
Total	3,559 million yen

Debts corresponding to the above

Short-term loans payable	370 million yen
Current portion of long-term loans payable	1,128 million yen
Long-term loans payable	3,094 million yen
Total	4,592 million yen

Assets pledged as collateral are also used as collateral for borrowings by subsidiaries.

(3) Accumulated depreciation on property, plant and equipment 107 million yen

(4) Guarantee obligations

(i) Guarantee obligations related to operating activities

Subject of guarantee	Guaranteed amount	Type of guarantee
37,775 cases (business entities and consumers)	36,438 million yen	Borrowings from financial institutions and others

Notes: The Company acts as a joint guarantor for guarantee obligations of subsidiaries.
The above includes joint and several guarantees due to concomitant assumption of obligations.

(ii) Guarantees related to subsidiaries and associates

Subject of guarantee	Guaranteed amount	Type of guarantee
Nihon Hoshou Co., Ltd.	3,277 million yen	Borrowings from financial institutions and others
J TRUST Card Co., Ltd.	1,104 million yen	Borrowings from financial institutions

(5) Monetary claims receivable from and payable to subsidiaries and associates (excluding those stated separately in financial statements)

Short-term monetary claims receivable from subsidiaries and associates	198 million yen
Long-term monetary claims receivable from subsidiaries and associates	87 million yen
Short-term monetary claims payable to subsidiaries and associates	19,915 million yen
Long-term monetary claims payable to subsidiaries and associates	162 million yen

3. Notes to Non-Consolidated Statement of Income

(1) The amount less than 1 million yen is rounded down.

(2) Volume of transactions with subsidiaries and associates

Volume of operating transactions with subsidiaries and associates	
Operating revenue	4,124 million yen
Operating expenses	249 million yen
Volume of non-operating transactions	5 million yen

4. Notes to Non-Consolidated Statement of Changes in Net Assets

Class and number of treasury shares as at the end of the current fiscal year

409 thousand common shares

5. Notes to Tax Effect Accounting (Unit: millions of yen)

Breakdown of major factors that caused deferred tax assets and liabilities

Deferred tax assets	
Shares of subsidiaries	2,190
Retained loss	1,580
Other	162
Subtotal - deferred tax assets	3,932
Valuation allowance	(3,932)
Total deferred tax assets	-
Deferred tax liabilities	
Valuation difference on assets acquired by merger	(38)
Total deferred tax liabilities	(38)
Net deferred tax liabilities	(38)

6. Notes to Non-current Assets Used under Lease Contracts

Finance lease transactions for which ownership is not transferred to the lessee, and for which the lease period started on or before March 31, 2008

(1) Amounts corresponding to the acquisition cost, accumulated depreciation, and balance of leased assets at the end of period (unit: millions of yen)

	Acquisition cost	Accumulated depreciation	Balance at the end of period
Furniture and fixtures	14	13	0

(2) Amount corresponding to the future lease payments outstanding at the end of the fiscal year

Due within one year	0
Due over one year	-
Total	0

(3) Lease expenses, amount equivalent to depreciation and amount equivalent to interest expenses

Lease expenses	2
Depreciation expenses	2
Interest expenses	0

(4) Calculation method for amount equivalent to depreciation

Straight-line method with lease term as service life and residual value as zero is used.

(5) Calculation method for amount equivalent to interest expenses

The difference between the total lease payment and the amount equivalent to the acquisition cost of the leased asset is assumed as the amount equivalent to interest payment, and the interest method is used for its allocation to each term.

7. Notes to Transaction with Related Parties
Subsidiaries, associates and others

Type	Company name / Location	Capital stock or investments in capital (millions of yen)	Business	Ratio of voting rights (Owned) (%)	Relationship with the related parties	Transaction details	Transaction amount (millions of yen)	Item	Balance at the end of period (millions of yen)
Subsidiary	Nihon Hoshou Co., Ltd. / Miyakojima-ku, Osaka-shi	95	Finance	Direct 100	Concurrent holding of positions by executives of the Company; Credit guarantee	Credit guarantee for borrowings (note 1)	39,454	-	-
Subsidiary	J TRUST Card Co., Ltd. / Miyazaki-shi, Miyazaki	3,055	Finance	Direct 99.7	Concurrent holding of positions by executives of the Company; Borrowing of funds; Credit guarantee	Borrowing of funds (note 2)	15,000	Short term loans payable	15,000
						Payment of interest	-	Accrued expense	7
						Interest expense	7		
						Credit guarantee for borrowings (note 1)	1,104	-	-
Subsidiary	CREDIA Co., Ltd. / Suruga-ku, Shizuoka-shi	100	Finance	Direct 100	Borrowing of funds	Borrowing of funds (note 2)	-	Current portion of long-term loans payable	4,900
						Payment of interest	136	Accrued expense	0
						Interest expense	136		
Subsidiary	JTRUST ASIA PTE. LTD. / Singapore	16,315	Investment	Direct 100	Concurrent holding of positions by executives of the Company	Underwriting of capital increase	6,392	-	-
Subsidiary	PT Bank Mutiara Tbk. / Indonesia	104,834	Banking	Direct 99.0	Concurrent holding of positions by executives of the Company	Underwriting of capital increase	5,640	-	-
Subsidiary	Neoline Credit Co., Ltd. / Seoul Special City	980	Finance	Direct 100	Lending of funds	Lending of funds (note 3)	3,587	Short-term loans receivable from subsidiaries and associates	3,587
						Receipt of interest	70	Accrued income	3
						Interest income	24		
Subsidiary	KJI Consumer Finance LLC / Seoul Special City	833	Finance	Direct 100	Lending of funds	Lending of funds (note 3)	3,584	Short-term loans receivable from subsidiaries and associates	3,584
						Receipt of interest	-	Accrued income	2
						Interest income	2		
Subsidiary	HICAPITAL Co., Ltd. / Seoul Special City	1,556	Finance	Direct 100	Lending of funds	Lending of funds (note 3)	3,582	Short-term loans receivable from subsidiaries and associates	3,582
						Receipt of interest	-	Accrued income	2
						Interest income	2		
Subsidiary	JT Capital Co., Ltd. / Seoul Special City	11,739	Finance	Direct 100	Concurrent holding of positions by executives of the Company; Lending of funds	Lending of funds (note 3)	3,579	Short-term loans receivable from subsidiaries and associates	3,579
						Receipt of interest	-	Accrued income	0
						Interest income	0		

Conditions of transactions and policy regarding determination of conditions of transaction, etc.

Notes: 1. They act as guarantor for the borrowings from financial institutions and guarantee obligations related to credit guarantee services.
Guarantee commission rate is determined rationally in consideration of the situation regarding subrogation receivable etc.

2. The interest rate on the borrowing is reasonably determined based on market interest rates.
3. The interest rate on the lending is reasonably determined based on market interest rates.

8. Notes to Per Share Information

(1) Net assets per share	980.59 yen
(2) Net income per share	42.27 yen

9. Notes to Business Combination

(1) At the Board of Director's meeting held on August 18, 2014, the Company passed a resolution regarding acquisition of shares of an Indonesian commercial bank, PT Bank Mutiara Tbk., acquired 99% shares and made it a subsidiary of the Company, effective November 20, 2014.

Name of acquired company and description of its business, legal form of the business combination, name of company after the combination and overview of business combination including objective of the transaction

1. Name of acquired company and description of its business
   Name of acquired company PT Bank Mutiara Tbk.
   Description of its business Banking business
2. Legal form of the business combination
   Share acquisition
3. Name of company after the combination
   PT Bank Mutiara Tbk.
4. Overview of business combination including objective of the transaction
   By benefiting from know-how of consumer finance business accumulated in Japanese operations, the Group aims to provide comprehensive financial services including various loans, card services, foreign exchange related services, etc. mainly for SMEs and salaried workers whose presence is growing rapidly in Indonesia.

(2) At the Board of Director's meeting held on June 16, 2014, the Company passed a resolution regarding acquisition of all shares of Standard Chartered Savings Bank Korea Co ., Ltd., acquired all shares and made it a subsidiary of the Company, effective January 19, 2015.

Name of acquired company and description of its business, legal form of the business combination, name of company after the combination and overview of business combination including objective of the transaction

1. Name of acquired company and description of its business
   Name of acquired company Standard Chartered Savings Bank Korea Co., Ltd.
   Description of its business Savings bank business
2. Legal form of the business combination
   Share acquisition
3. Name of company after the combination
   JT Savings Bank Co., Ltd.
4. Overview of business combination including objective of the transaction
   By expanding our business area enough to cover about 70% of the entire Korean market through this acquisition, the Group aims to increase the balance of loan and deposits, boost the effect of advertising and promotion, and acquire competent employees through improvement in the Group's name value.

(3) At the Board of Director's meeting held on June 16, 2014, the Company passed a resolution regarding the acquisition of all shares of Standard Chartered Capital (Korea) Co., Ltd., acquired all of its shares and made it a subsidiary of the Company, effective March 30, 2015.

Name of acquired company and description of its business, legal form of the business combination, name of company after the combination and overview of business combination including objective of the transaction

1. Name of acquired company and description of its business
   Name of acquired company Standard Chartered Capital (Korea) Co., Ltd.
   Description of its business Leasing and other financial services
2. Legal form of the business combination
   Share acquisition
3. Name of company after the combination
   JT Capital Co., Ltd.
4. Overview of business combination including objective of the transaction
   In addition to our existing savings bank and receivable collection businesses in South Korea, the Group aims to improve its infrastructure development through the acquisition in order to provide comprehensive financial services and create synergies.

10. Important subsequent events

At the Board of Directors' meeting on May 14, 2015, the Company passed a resolution in relation to matters concerning acquisition of its own shares pursuant to Article 156, applied with a replacement of terms pursuant to the provisions of the Article 165, Paragraph 3 of the Companies Act.

The outline is as follows:

(i) Reason for acquisition of own shares

The Company will acquire its own shares to return profit to shareholders through the improvement in its capital efficiency and to enable the flexible implementation of capital policy in response to the change in the operating environment.

(ii) Details of resolution adopted by Board of Directors regarding acquisition of own shares

1. Class of shares	Common shares
2. Total number of shares that can be acquired	Up to 6,250,000 shares
3. Share acquisition period	From May 26, 2015 to March 31, 2016
4. Total share acquisition amount	Up to 7,500 million yen
5. Acquisition method	Auction market of the Tokyo Stock Exchange