




Notice of the 43rd Ordinary General Meeting of Shareholders

Date and Time	June 26, 2019 (Wednesday) at 10:00 a.m. (Reception for attendees begins at 9:00 a.m.)	Contents
		<ul style="list-style-type: none">■ Notice of the 43rd Ordinary General Meeting of Shareholders 1■ Reference Document for the Ordinary General Meeting of Shareholders 7
Venue	"Nadao Hall", Shin-Kasumigaseki Bldg. LB Floor, 3-3-2 Kasumigaseki, Chiyoda-ku, Tokyo	(Attached Documents)
		<ul style="list-style-type: none">■ Business Report 25■ Consolidated Financial Statements 50■ Non-Consolidated Financial Statements 52■ Auditor's Report 54
Matters for Resolution	Proposal 1: Partial Amendments to the Articles of Incorporation Proposal 2: Election of Twelve (12) Directors Proposal 3: Election of One (1) Audit & Supervisory Board Member	
 Expiry date for exercise voting rights by mail or via the Internet, etc. No later than June 25, 2019 (Tuesday) at 6:00 p.m. For details, please see pages 4 to 6.		Notice to discontinue a custom to provide a small gift Please note that no gift will be provided for attendees at the Ordinary General Meeting of Shareholders as we discontinue the previous custom. Thank you very much for your understanding.

Securities Code: 8508

June 11, 2019

To Shareholders

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

Notice of the 43rd 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 43rd 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). 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 4 and exercise your voting rights no later than 6:00 p.m. on June 25, 2019 (Tuesday).

1. Date and Time	June 26, 2019 (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	<div>Matters for Reporting:<ol style="list-style-type: none">The 43rd Business Year (from April 1, 2018 to March 31, 2019)<ul style="list-style-type: none">Business ReportConsolidated Financial StatementsFindings from the Audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory BoardThe 43rd Business Year (from April 1, 2018 to March 31, 2019)<ul style="list-style-type: none">Non-Consolidated Financial Statements</div> <div>Matters for Resolution:<table><tr><td>Proposal 1</td><td>Partial Amendments to the Articles of Incorporation</td></tr><tr><td>Proposal 2</td><td>Election of Twelve (12) Directors</td></tr><tr><td>Proposal 3</td><td>Election of One (1) Audit & Supervisory Board Member</td></tr></table></div>	Proposal 1	Partial Amendments to the Articles of Incorporation	Proposal 2	Election of Twelve (12) Directors	Proposal 3	Election of One (1) Audit & Supervisory Board Member
Proposal 1	Partial Amendments to the Articles of Incorporation						
Proposal 2	Election of Twelve (12) Directors						
Proposal 3	Election of One (1) Audit & Supervisory Board Member						

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 Equity 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 Equity", and "Notes to Non-Consolidated Financial Statements", and 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 Rights 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 a 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 26, 2019 (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 Rights 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 25, 2019 (Tuesday).



[Exercise your voting rights via the Internet]

Please visit the Voting Rights Exercise Site (<https://evote.tr.mufig.jp/>) of the Company using a PC, smartphone or feature phone, enter the "login ID" and "initial password" indicated on the Voting Rights 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 25, 2019 (Tuesday).

For details, please see "Procedures Required for Exercising Voting Rights via the Internet" on pages 5 and 6.

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

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

1. Voting Rights Exercise Site (<https://evote.tr.mufig.jp/>)
 - (1) You can only exercise your voting rights via the Internet 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 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 the security purpose, you cannot exercise your voting rights via feature phones that cannot provide TLS encrypted communication and transmission of feature phone information.
 - (4) The voting via the Internet will be available until 6:00 p.m., Tuesday, June 25, 2019. 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 Help Desk.
2. Procedures required for exercising voting rights via the Internet
 - (1) Using a PC or feature phone
 - Please access the Voting Rights Exercise Site (<https://evote.tr.mufig.jp/>) of the Company, log in with the “login ID” and “initial password” indicated on the Voting Rights Exercise Form, and follow the guidance on the screen to vote for or against each proposal.
 - 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.
 - Every time a general meeting of shareholders is convened, the Company will provide a new “login ID” and “initial password”.
 - (2) Using a smartphone
 - You can exercise your voting rights via a smartphone by scanning the “QR code for login” indicated on the Voting Rights Exercise Form and automatically logging in the Voting Rights Exercise Site.
(You have no need to enter the “login ID” and “initial password”).
 - For the security purpose, you can log in the Voting Rights Exercise Site using the QR code only once. For the second time and later, you need to enter the “login ID” and “initial password” even after scanning the QR code.
 - Some smartphones cannot make a login using the QR code. If the login through the QR code is not possible, please exercise your voting rights by using the method above: 2. (1) Using a PC or feature phone.

* QR code is a trademark of DENSO WAVE INCORPORATED.
3. Handling of the voting rights exercised more than once
 - (1) In the case of duplicate votes by mailing Voting Rights Exercise Form and using the Internet, the voting via the Internet will prevail.
 - (2) If you exercise your voting rights twice or more via the Internet, 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). Please also note that shareholders shall pay fees for

Translation for your reference purpose only

using feature phones and others, such as packet communication fees, in exercising their voting rights via feature phones.

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: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

The Company's business year was a year from April 1 to March 31 of the following year. However, for the promotion of globally integrated business operations and transparency of management through timely and proper disclosures of management information, the Company has decided to change its business year to a year from January 1 to December 31. In accordance with this, the Company plans to make necessary amendments to Articles 12, 39 and 41 of the current Articles of Incorporation.

Further, due to this change of the business year, the 44th fiscal year is the nine months from April 1, 2019 to December 31, 2019. Therefore, the Company will establish supplementary provisions.

2. Details of the amendments

Details of the amendments are as follows:

(Amendments are underlined)

Current	Proposed Amendments
<p>CHAPTER II SHARES</p> <p>Article 12. (Record Date) The Company shall deem the shareholders whose voting rights have been entered or recorded in the final shareholder registry on the <u>March</u> 31 of each year as the shareholders who are entitled to exercise their rights at the Ordinary General Meeting of Shareholders for the relevant business year.</p> <p>CHAPTER VII ACCOUNTING</p> <p>Article 39. (Business Year) The business year of the Company shall be the one-year period from <u>April</u> 1 of each year through <u>March</u> 31 of <u>the following year</u>.</p> <p>Article 41. (Record Date for Dividends from Surplus) 1. The record date for the year-end dividend of the Company shall be <u>March</u> 31 of each year. 2. The record date for the interim dividend of the Company shall be <u>September</u> 30 of each year. 3. In addition to the record dates set out in the two preceding paragraphs, the Company may determine record dates for dividends from surplus.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>CHAPTER II SHARES</p> <p>Article 12. (Record Date) The Company shall deem the shareholders whose voting rights have been entered or recorded in the final shareholder registry on the <u>December</u> 31 of each year as the shareholders who are entitled to exercise their rights at the Ordinary General Meeting of Shareholders for the relevant business year.</p> <p>CHAPTER VII ACCOUNTING</p> <p>Article 39. (Business Year) The business year of the Company shall be the one-year period from <u>January</u> 1 through <u>December</u> 31 of <u>each year</u>.</p> <p>Article 41. (Record Date for Dividends from Surplus) 1. The record date for the year-end dividend of the Company shall be <u>December</u> 31 of each year. 2. The record date for the interim dividend of the Company shall be <u>June</u> 30 of each year. 3. In addition to the record dates set out in the two preceding paragraphs, the Company may determine record dates for dividends from surplus.</p> <p><u>Supplementary Provisions</u> <u>(Transitional Measures for Change in Business Year)</u> <u>Article 1. Notwithstanding the provisions of Article 39 (Business Year), the 44th business year of the Company shall be the nine-month period from April 1, 2019 through December 31, 2019.</u></p> <p><u>(Transitional Measures on Record Date for Change in Business Year)</u> <u>Article 2. Notwithstanding the provisions of Article 41 (Record Date for Dividends from Surplus), the record date for the interim dividend for the 44th business year of the Company shall be September 30.</u></p> <p><u>(Validity of Supplementary Provisions)</u> <u>Article 3. Supplementary Provisions (Article 1 through Article 3) shall be deleted after the end of the 44th business year of the Company.</u></p>

Proposal 2: Election of Twelve (12) Directors

The terms of office for fourteen (14) Directors will expire upon conclusion of this Ordinary General Meeting of Shareholders. In this regard, we propose an election for the twelve (12) Directors (consisting of eleven (11) reappointed Directors and one (1) newly appointed Director).

The profile of each candidate for Directors is shown below.

No.	Name	Position and/or Responsibilities	Status
1	Nobuyoshi Fujisawa	Representative Director President & Chief Executive Officer	RE
2	Nobuiku Chiba	Representative Senior Managing Director, Executive Officer in charge of financial business in Indonesia and non-banking business in Southeast Asia	RE
3	Nobiru Adachi	Senior Managing Director Executive Officer in charge of promotion of global banking business and overseas legal affairs	RE
4	Ryuichi Atsuta	Director Executive Officer General Manager of Finance Department	RE
5	Taiji Hitachi	Director Executive Officer General Manager of General Accounting Department	RE
6	Yukihiro Nishikawa	Director Executive Officer, General Manager of Corporate Planning Department and in charge of Legal Division	RE
7	Yoshihide Imori	Director Executive Officer General Manager of General Affairs Department	RE
8	Fumio Iguchi	Full-Time Audit & Supervisory Board Member	NE
9	Norio Igarashi	Outside Director	RE OU IN
10	Ryuji Mizuta	Outside Director	RE OU IN
11	Masanori Kaneko	Outside Director	RE OU IN
12	Masami Ishizaka	Outside Director	RE OU IN


RE Candidates for reappointed Director

NE Candidates for new Director

OU Candidates for Outside Director

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

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
1	<p>Nobuyoshi Fujisawa (Jan. 17, 1970)</p> <p>RE</p> <p>Attended 21 out of 21 Board of Directors' meetings held during the period (attendance rate: 100%)</p>	<p>Aug. 2007 Representative Director & Chairman, Kazaka Servicer Co., Ltd. (currently Partir Servicer Co., Ltd.)</p> <p>June 2008 Representative Director & Chairman, J Trust Co., Ltd. Director, Mass Work Co., Ltd. (currently Keynote Co., Ltd.)</p> <p>June 2010 Director, J Trust Co., Ltd. Director, ADORES, Inc. (currently KeyHolder, Inc.)</p> <p>Oct. 2010 Director & Supreme Advisor, J Trust Co., Ltd.</p> <p>May 2011 Representative Director & Chairman, ADORES, Inc. (currently KeyHolder, Inc.)</p> <p>June 2011 President & CEO, J Trust Co., Ltd.</p> <p>Oct. 2013 Managing Director & CEO, JTRUST ASIA PTE. LTD. (incumbent)</p> <p>Jan. 2014 Chairman, Chinae Savings Bank Co., Ltd. (currently JT Chinae Savings Bank Co., Ltd.)</p> <p>May 2014 Chairman, ADORES, Inc. (currently KeyHolder, Inc.)</p> <p>Sept. 2014 Executive Director, LCD Global Investments LTD. (currently AF Global Limited.)</p> <p>Mar. 2015 Director & Chairman, JT Capital Co., Ltd. (incumbent)</p> <p>June 2015 President Commissioner, PT JTRUST INVESTMENTS INDONESIA Director, ADORES, Inc. (currently KeyHolder, Inc.) (incumbent) Representative Director, President & CEO, J Trust Co., Ltd. (incumbent)</p> <p>Mar. 2017 Outside Director, DIGITAL DESIGN Co., Ltd. (currently SAMURAI&J PARTNERS Co., Ltd.)</p>	14,907,272
<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. 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>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
2	<p>Nobuiku Chiba (Feb. 21, 1973)</p> <p></p> <p>Attended 21 out of 21 Board of Directors' meetings held during the period (attendance rate: 100%)</p>	<p>June 2008 Vice President & Director, J Trust Co., Ltd.</p> <p>Mar. 2009 President & Representative Director, Station Finance Co., Ltd. (currently Nihon Hoshou Co., Ltd.)</p> <p>May 2009 Director, J Trust System Co., Ltd.</p> <p>Oct. 2009 Executive Vice President & Director, J Trust Co., Ltd. in charge of J Trust Financial Service Co., Ltd. (currently Nihon Hoshou Co., Ltd.)</p> <p>June 2010 President & Representative Director, J Trust Co., Ltd. Director & Chairman, J Trust Financial Service Co., Ltd. (currently Nihon Hoshou Co., Ltd.)</p> <p>May 2011 Director, Lopro Corporation (currently Nihon Hoshou Co., Ltd.)</p> <p>June 2011 Vice President & Representative Director, J Trust Co., Ltd.</p> <p>Aug. 2011 Representative Director & Chairman, KC Card Co., Ltd. (currently J TRUST Card Co., Ltd.)</p> <p>Aug. 2012 Director, Chinae Co., Ltd. (currently JT Chinae Savings Bank Co., Ltd.)</p> <p>Oct. 2012 Director, J Trust Co., Ltd. Director, KC Card Co., Ltd. (currently J TRUST Card Co., Ltd.)</p> <p>Jan. 2015 President & CEO, J TRUST Card Co., Ltd.</p> <p>Mar. 2015 Representative Director, JT Capital Co., Ltd.</p> <p>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.</p> <p>June 2016 Representative Senior Managing Director, Executive Officer in charge of financial business in South Korea and Public Relations & Investor Relations Division, J Trust Co., Ltd.</p> <p>June 2018 Representative Senior Managing Director, Executive Officer in charge of financial business in South Korea and non-banking business in Southeast Asia, J Trust Co., Ltd. Commissioner, PT JTRUST INVESTMENTS INDONESIA</p> <p>Sept. 2018 President Commissioner, PT JTRUST INVESTMENTS INDONESIA (incumbent) Commissioner, PT Bank JTrust Indonesia Tbk. (incumbent)</p> <p>Oct. 2018 President Commissioner, PT OLYMPINDO MULTI FINANCE (currently PT JTRUST OLYMPINDO MULTI FINANCE) (incumbent)</p> <p>Mar. 2019 Representative Senior Managing Director, Executive Officer in charge of financial business in Indonesia and non-banking business in Southeast Asia, J Trust Co., Ltd. (incumbent)</p>	467,208

	<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Nobuiku Chiba is familiar with the Company's business operations as a whole including his task as Representative Director of the Company. He contributes significantly to the management of the Group, holding a representative position at a group company in Indonesia. The Company proposes again that Mr. Chiba be elected as Director in the hope that he will lead the overall management of the Group.</p>
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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 19 out of 21 Board of Directors' meetings held during the period (attendance rate: 90.5%)</p>	<p>Apr. 1980 Joined Ministry of Finance</p> <p>July 1986 Director, Onomichi Tax Office</p> <p>June 1997 Director, Vice Minister of Finance for International Affairs, Minister's Secretariat</p> <p>June 1999 Budget Examiner, Budget Bureau</p> <p>June 2002 Director, Research Division, International Bureau</p> <p>June 2004 Director, Policy Research Institute, Ministry of Finance</p> <p>June 2005 Director-General, Hakodate Customs</p> <p>Apr. 2006 Officer, J Nasdaq Securities Exchange, Inc. (currently Tokyo Stock Exchange, Inc.)</p> <p>June 2006 Executive Officer, J Nasdaq 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 JTrust 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>	56,800
<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. The Company proposes again that Mr. Adachi be elected as Director in the hope that he will contribute to the management from global and diverse perspectives based on his abundant experience and knowledge.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
4	<p>Ryuichi Atsuta (Jan. 1, 1964)</p> <p>RE</p> <p>Attended 21 out of 21 Board of Directors' meetings held during the period (attendance rate: 100%)</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 Hong Kong and Shanghai Banking Corporation Limited</p> <p>Mar. 2012 Managing Director, Head of Trading, The Hong Kong 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.</p> <p>June 2017 Director, Executive Officer, General Manager of Finance Department, J Trust Co., Ltd. (incumbent)</p>	22,000
<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. 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
5	<p>Taiji Hitachi (Nov. 28, 1976)</p> <p>RE</p> <p>Attended 21 out of 21 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>	1,000
<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. 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
6	<p>Yukihiro Nishikawa (Dec. 9, 1972)</p> <p>RE</p> <p>Attended 21 out of 21 Board of Directors' meetings held during the period (attendance rate: 100%)</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.)</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.</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> <p>July 2018 Director, Capital Continent Investment NBFi (currently J TRUST CREDIT NBFi) (incumbent)</p>	14,000
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Yukihiro Nishikawa, as an officer in charge of Legal Division, has abundant experience and advanced knowledge in the Company's business operations. The Company proposes again that Mr. Nishikawa be elected as Director based on a decision that he is capable enough to execute his duties appropriately.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
7	<p>Yoshihide limori (Dec. 2, 1956)</p> <p>RE</p> <p>Attended 20 out of 21 Board of Directors' meetings held during the period (attendance rate: 95.2%)</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.</p> <p>June 2018 Director, Nihon Hoshou Co., Ltd. (incumbent) Audit & Supervisory Board Member, Highlights Entertainment Co., Ltd.</p> <p>Oct. 2018 President & Representative Director, Keynote Co., Ltd. (incumbent)</p> <p>Dec. 2018 Director, Executive Officer, General Manager of General Affairs Department, J Trust Co., Ltd. (incumbent)</p>	26,000
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Yoshihide limori, as an officer in charge of General Affairs Department, has abundant experience and advanced knowledge in the Company's business operations. The Company proposes again that Mr. limori 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
8	<p>Fumio Iguchi (Feb. 14, 1956)</p> <p>NE</p> <p>Attended 21 out of 21 Board of Directors' meetings held during the period (attendance rate: 100%)</p>	<p>Apr. 1978 Joined The Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)</p> <p>June 1999 General Manager, Equity Management Dept., The Sakura Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)</p> <p>Apr. 2001 General Manager, Portfolio Management Dept., Sumitomo Mitsui Banking Corporation</p> <p>Dec. 2002 General Manager, Tokyo-Chuo Corporate Business Office II, Sumitomo Mitsui Banking Corporation</p> <p>July 2004 Senior Examiner, Business Audit Dept., Sumitomo Mitsui Banking Corporation</p> <p>Oct. 2005 General Manager, Planning Dept., Readjustment of Facilities for Insured Persons Beneficiaries Organization</p> <p>Aug. 2006 Senior Consultant, Financial Solution Dept., NCR Japan, Ltd. (currently Teradata Japan, Ltd.)</p> <p>Oct. 2007 Senior Manager, Internal Audit Dept., Kokusai Asset Management Co., Ltd. (currently Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)</p> <p>June 2008 General Manager, Compliance Dept., Kokusai Asset Management Co., Ltd. (currently Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)</p> <p>Apr. 2012 General Manager, Disclosure Dept., Kokusai Asset Management Co., Ltd. (currently Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)</p> <p>Nov. 2014 General Manager, Compliance Dept., Kokusai Asset Management Co., Ltd. (currently Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)</p> <p>Nov. 2015 Head of Internal Control & Audit Office, J Trust Co., Ltd.</p> <p>June 2017 Audit & Supervisory Board Member, J TRUST Card Co., Ltd. (incumbent) Full-Time Audit & Supervisory Board Member, J Trust Co., Ltd. (incumbent)</p>	0
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Fumio Iguchi has extensive knowledge on operations of financial institutions, etc. and internal auditing, etc. gained through his long-term experience. As Full-Time Audit & Supervisory Board Member of the Company since June 2017, he has been contributing to the improvement of the Company's corporate value by proactively providing opinions and suggestions, etc. The Company proposes that Mr. Iguchi be elected as Director based on a decision that he is qualified for the position in light of his past record.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
9	<p>Norio Igarashi (Aug. 30, 1940)</p> <p>RE OU IN</p> <p>Attended 18 out of 21 Board of Directors' meetings held during the period (attendance rate: 85.7%)</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>	20,000
<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. 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 five 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
10	<p>Ryuji Mizuta (Jan. 7, 1952)</p> <p>RE OU IN</p> <p>Attended 20 out of 21 Board of Directors' meetings held during the period (attendance rate: 95.2%)</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. 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 five years at the conclusion of this Ordinary General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of Company's shares held
11	<p>Masanori Kaneko (May 22, 1955)</p> <p>RE OU IN</p> <p>Attended 20 out of 21 Board of Directors' meetings held during the period (attendance rate: 95.2%)</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>	5,000
<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 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
12	<p>Masami Ishizaka (Dec. 5, 1939)</p> <p>RE OU IN</p> <p>Attended 15 out of 15 Board of Directors' meetings held during the period (attendance rate: 100% after his appointment in June 2018)</p>	<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 (currently Ministry of the Environment)</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.</p> <p>June 2018 Outside Director, 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. The Company proposes again 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. Mr. Ishizaka is currently an Outside Director of the Company. His term of office as Outside Director will be one year at the conclusion of this Ordinary General Meeting of Shareholders.</p>			

Notes:


1. No specific 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 the Companies Act, concluded a liability limitation agreement with each of Messrs. Norio Igarashi, Ryuji Mizuta, Masanori Kaneko, and Masami Ishizaka 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.
- (2) The Company appointed Messrs. Norio Igarashi, Ryuji Mizuta, Masanori Kaneko, and Masami Ishizaka as independent officers as stated in the regulations of the Tokyo Stock Exchange, Inc. and notified the exchange to that effect. If their reappointments are approved, the Company will continue to designate them as independent officers.

Proposal 3: Election of One (1) Audit & Supervisory Board Member

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

For this proposal, the Company has already gained the approval of the Audit & Supervisory Board. The profile of the candidate for Audit & Supervisory Board Member is shown below.

Name (Date of birth)	Brief personal profile, position and significant concurrent positions		Number of Company's shares held
<p>Takaaki Kojima (Feb. 19, 1947)</p>  <p>Attended 20 out of 21 Board of Directors' meetings held during the period (attendance rate: 95.2%)</p> <p>Attended 13 out of 14 Audit & Supervisory Board meetings held during the period (attendance rate: 92.9%)</p>	Apr. 1971	Joined Ministry of Foreign Affairs	30,000
	July 1984	Chief Budget Examiner in charge of postal affairs, Budget Bureau, Ministry of Finance	
	July 1987	Director, International Convention Division, Treaties Bureau, Ministry of Foreign Affairs	
	July 1989	Counsellor, Embassy of Japan in China	
	July 1992	Counsellor, Embassy of Japan in the UK	
	Jan. 1995	Minister, Embassy of Japan in the UK	
	Apr. 1995	Deputy Director General, Minister's Secretariat and Consular Affairs Department, Ministry of Foreign Affairs	
	July 1997	Deputy Secretary General, Japan Fair Trade Commission	
	July 1999	Consul General of Japan in Sao Paulo, Brazil	
	July 2001	Minister, Embassy of Japan in the United States of America	
	Apr. 2002	Director-General, Intelligence and Analysis Bureau, Ministry of Foreign Affairs	
	July 2004	Ambassador Extraordinary and Plenipotentiary of Japan to Republic of Singapore	
	Sept. 2007	Ambassador Extraordinary and Plenipotentiary of Japan to Australia	
	July 2010	Ambassador in charge of International Counter-Terrorism Cooperation, Ministry of Foreign Affairs	
	Oct. 2011	Visiting Senior Research Fellow, Institute of South East Asian Studies, Singapore	
	Apr. 2013	Advisor, Libera Corporation (incumbent)	
	Apr. 2015	Adjunct Professor, National University of Singapore (incumbent)	
	June 2015	Outside Audit & Supervisory Board Member, J Trust Co., Ltd. (incumbent)	

Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member:

Mr. Takaaki Kojima has never been involved in corporate management. However, he has extensive insight into the international situation, economy, culture, and other matters fostered during his duties at the Ministry of Foreign Affairs and extensive experience as he assumed important posts, including Ambassador Extraordinary and Plenipotentiary of Japan. The Company proposes again that Mr. Kojima be elected as Outside Audit & Supervisory Board Member based on a decision that he can supervise the management of the overall Group companies appropriately as he provides opinions and proposals from an objective standpoint.

Mr. Kojima is currently an Outside Audit & Supervisory Board Member of the Company. His term of office as Audit & Supervisory Board Member will be four years at the conclusion of this Ordinary General Meeting of Shareholders.

Notes:

1. No specific interest exists between the Company and the candidate.
2. The Company has, in accordance with Article 427, Paragraph 1 of the Companies Act, concluded a liability limitation agreement with Mr. Takaaki Kojima to limit his liability for damages as specified

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in Article 423, Paragraph 1 of the same act. His relevant liabilities for damages under the agreement shall be limited to the minimum liability amount as stipulated by laws and regulations. If his reappointment is approved, the Company will maintain the agreement with him.

(Attached Documents)

BUSINESS REPORT

(For the period from April 1, 2018 to March 31, 2019)

1. Situation Surrounding the Corporate Group

(1) Business development and results

During the current fiscal year ended March 31, 2019, the world economy showed a gradual recovery led by the strong expansion of the U.S. economy. The prospects of the global economy, however, remained uncertain mainly due to the prolonged U.S.-China trade conflict, economic deceleration in China, Brexit issues, and sharp currency fluctuations in emerging economies. 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. The developments of the U.S.-China trade tensions, however, are viewed as a matter of concern. As for Asia, in South Korea, substantive progress in inter-Korean relations is yet to be seen. Moreover, Seoul faces economic and employment issues including high consumer prices and high unemployment rates despite its solid economic growth supported by strong exports. Meanwhile, the Indonesian economy has been on an expansionary path, with support from strong domestic demand on the back of moderate levels of commodity prices and the government subsidies spending to aid low-income earners, which boosted consumption in home appliances, transportation, and communications.

In this economic environment, the Group considers 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, 2019, 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) Business development in Japan

Nihon Hoshou Co., Ltd. ("Nihon Hoshou") concluded new guarantee tie-up agreements with SHINHAN BANK JAPAN ("SBJ") in April 2018 and the Shonan Shinkin Bank in July 2018. Nihon Hoshou has steadily expanded the area in which it guarantees overseas mortgage loans, a collaborative product with THE SAIKYO BANK, LTD. launched in December 2017. In November 2018, Nihon Hoshou signed a business agreement with List International Realty Co., Ltd. to provide highly convenient service in the financial and real estate businesses to customers considering investments in overseas properties. In March 2019, Nihon Hoshou started offering guarantees for SBJ's overseas real estate backed loans.

Meanwhile, KeyHolder, Inc. ("KeyHolder") began live entertainment and TV program production services by establishing KeyStudio Inc. ("KS") and KeyProduction, Inc. ("KP"), respectively to substitute for the divested amusement facilities operation in General Entertainment Business. Moreover, in February 2019, KeyHolder resolved to acquire allfuz, inc., a provider of advertising planning, talent casting service, and digital content services through a simplified share exchange. In March 2019, SKE, Inc. ("SKE"), a subsidiary of KeyHolder, took over businesses on a Japanese pop idol group, SKE 48 and started its operations. KeyHolder signed a share acquisition agreement with FOOLENLARGE, Inc., a TV program production company.

In October 2018, the Group transferred shares and receivables from Highlights Entertainment Co., Ltd. ("HE") with the objective of centralizing its business.

(ii) Overseas business development

As part of the Group's growth strategies, we proactively pursue M&A activities centering on banking and financial services with a major focus on the business expansion in Southeast Asia. We believe we can leverage, in particular, retail finance expertise developed in Japan and South Korea to help grow target countries' financial businesses. The following (i) to (iii) are major updates on our M&A activities in the current fiscal year.

- 1) In October 2018, JTRUST ASIA PTE. LTD. ("JTA") completed the acquisition of shares of PT OLYMPINDO MULTI FINANCE, currently known as PT JTRUST OLYMPINDO MULTI FINANCE, ("JTO") from its owner and his family. JTA subscribed new shares allocated by JTO and acquired 60% of the outstanding shares.
- 2) In May 2018, JTA acquired all shares in Capital Continent Investment NBF1, currently known as J TRUST CREDIT NBF1, ("JTM"), a Mongolian finance firm, from JAPAN POCKET Co., Ltd. In addition, in December 2018, JTM signed a business agreement related to funding for automobile loan businesses and used automobile marketers in Mongolia with BE FORWARD Co., LTD.
- 3) In May 2018, J Trust Co., Ltd. ("the Company") resolved to acquire 55% of outstanding shares in ANZ Royal Bank (Cambodia) Ltd., a Cambodian commercial bank, from ANZ Funds Pty Ltd., and signed a share transfer agreement.

As of March 31, 2019, the currently ongoing lawsuits pursued by JTA against Group Lease PCL ("GL"), related entities and Mr. Mitsuji Konoshita, ("Mr. Konoshita"), ex-CEO of GL, are: a civil complaint to demand for the return of investment amounts and to claim compensation for damages caused, such as by fraudulent transactions and other lawsuits including the business reorganization petition against GL in Thailand; a civil claim in the Singapore High Court for the tort of unlawful means conspiracy against Group Lease Holdings Pte Ltd. (the subsidiary of GL incorporated in Singapore), Mr. Konoshita and other entities; and lawsuits against Mr. Konoshita and his related entities in the British Virgin Islands and the Republic of Cyprus. The BVI Court also ordered the appointment of receivers to related entities (collectively, "the Decisions"). Mr. Konoshita and related entities filed appeals against the Decisions of the BVI Court ("the Appeals") in the Court of Appeal of the Eastern Caribbean Supreme Court ("the Court of Appeal"). However, the Court of Appeal dismissed those Appeals, respectively on December 18, 2018.

As a result, operating revenue for the fiscal year ended March 31, 2019 was 74,935 million yen (up 0.8% year on year). Meanwhile, operating loss was 32,600 million yen (operating profit of 4,759 million yen during the same period of the previous fiscal year). Major factors were as follows: (i) large allowance was provided at Bank JTrust Indonesia to clean up the pre-acquisition legacy and new Non-Performing Loans (NPLs); and (ii) we booked allowance for JTA's total claims against GL, a case pending in court. Loss attributable to owners of parent was 36,107 million yen (loss attributable to owners of parent of 731 million yen during the same period of the previous fiscal year) due to the losses recorded on transfers of shares and receivables from HE.

The Group sold all of its shares in ADORES, Inc. in the fourth quarter of the previous fiscal year. During the current fiscal year, the Group divested shares and receivables from HE. IFRS 5 outlines that discontinued operations are a component of an entity that either has been disposed of, or is classified as held for sale and represents a separate major line of business. As a result, we classify the above-mentioned business as discontinued operations. Operating revenue and operating profit in comparative periods accordingly reflect the results of continuing operations excluding those of discontinued operations.

Segment performance is shown below.

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

(i) Financial Business in Japan

Credit guarantee services are mainly provided by Nihon Hoshou. Receivables collection in Japan is mainly handled by Nihon Hoshou and Partir Servicer Co., Ltd., while credit and consumer credit services are handled by J TRUST Card Co., Ltd. and other financial services are provided by Nihon Hoshou.

The balance of credit guarantee was 202,810 million yen (up 42.9% year on year). The breakdown was 18,019 million yen in credit guarantees on unsecured loan (up 11.4%) and 184,791 million yen in credit guarantees on secured loan (up 47.0%) with increases in guarantees for condominium loans and overseas real estate backed loans. While each of the following items increased: commercial notes to 2,168 million yen (up 164.5%) due to large discounts; the balance of purchased receivables to 14,562 million yen (up 12.0%); and advances paid – installment increased to 2,650 million yen (up 16.6%); and accounts receivable – operating loans declined to 2,099 million yen (down 16.5%).

Operating revenue was 10,701 million yen (up 17.2% year on year) due to a steady increase in interest revenue in receivables collection business. Segment profit was 4,251 million yen (up 2.0%).

(ii) Financial Business in South Korea and Mongolia

In South Korea, JT Chinae Savings Bank Co., Ltd. and JT Savings Bank Co., Ltd. conduct savings bank business, JT Capital Co., Ltd. provides installment financing and leasing services and TA Asset Management Co., Ltd. is engaged in purchase and collection of Non-Performing Loans (NPLs). In Mongolia, JTM provides financial services.

Amid continued government efforts to cap total lending volumes, loans for banking business increased to 277,940 million yen (up 4.1% year on year) mainly due to an increase in medium interest rate (less than 20.0%) loans, which are exempt from the regulatory restrictions under certain conditions. The balance of purchased receivables increased to 3,165 million yen (up 23.7% year on year). Meanwhile, accounts receivable – operating loans decreased to 60,001 million yen (down 1.6%) due to the progress in receivables collection and NPL sales despite JTM's contribution after consolidation.

Operating revenue was 39,662 million yen (up 10.6% year on year) due to a steady increase in interest revenue in savings bank business. Segment profit was 4,880 million yen (up 37.3%).

(iii) Financial Business in Southeast Asia

Bank JTrust Indonesia conducts banking operations in Indonesia. PT JTRUST INVESTMENTS INDONESIA ("JTII") is engaged in receivables collection and JTO offers financing for automobile and agricultural equipment.

Loans for banking business were 66,969 million yen (down 26.2% year on year) due to large allowance was provided at Bank JTrust Indonesia to eliminate the pre-acquisition legacy and new NPLs. The balance of purchased receivables was 14,422 million yen (773 million yen during the same period of the previous fiscal year). Accounts receivable – operating loans were 5,991 million yen (zero during the same period of the previous fiscal year) due to JTO's consolidation.

Operating revenue was 13,025 million yen (down 4.1% year on year) mainly due to lower interest revenue with a decline in loans for banking business at Bank JTrust Indonesia. Segment loss was 17,712 million yen (segment profit of 1,545 million yen during the same period of the previous fiscal year). The loss was mainly attributable to large allowance for NPLs provided at Bank JTrust Indonesia.

(iv) General Entertainment Business

KS mainly conducts live entertainment business, KP handles TV program production business, and SKE runs talent agencies. Since the three entities started operations from the current fiscal year, they incurred high start-up costs including operating expenses, selling, general and administrative expenses.

Operating revenue was 1,520 million yen (zero during the same period of the previous fiscal year) and segment loss was 15 million yen (zero during the same period of the previous fiscal year).

Meanwhile, the Group divested HE, which developed, manufactured, and sold computer systems for amusement machines and their peripheral equipment on October 1, 2018. As a result, HE was classified as discontinued operations and was excluded from the scope of consolidation.

(v) Real Estate Business

Real Estate business is mainly handled by Keynote Co., Ltd. ("Keynote") and real estate asset business is handled by KeyHolder.

Operating revenue was 6,441 million yen (down 7.6% year on year). It declined mainly because of lower rental income associated with the disposal of properties. Segment profit was 91 million yen (down 86.1%) due to increased cost of sales as well as higher selling, general and administrative expenses incurred to expand the business.

(vi) Investment Business

JTA mainly conducts investment business and provides management support for investees.

Operating revenue decreased to 1,214 million yen (down 84.0% year on year) compared to the previous fiscal year in which we recorded other operating revenue due to a change in the classification of receivables resulting from the avoidance of GL's convertible debentures. Meanwhile, segment loss expanded to 20,568 million yen (segment loss of 2,852 million yen during the same period of the previous fiscal year). The loss increased because we recorded allowance for JTA's total claims against GL, a case pending in court.

(vii) Other Business

J Trust System Co., Ltd. mainly provides computer system development, operation and management of computers for the Group, and Keynote constructs commercial facilities.

Due to favorable gains in new orders in Keynote's commercial facility construction business, operating revenue was 3,227 million yen (up 59.5% year on year). Segment profit was 39 million yen (down 31.0% year on year).

(2) Status of capital investment

During the current fiscal year, the Group's capital expenditures totaled 9,784 million yen.

The breakdown is as follows: 129 million yen in Financial Business in Japan, 872 million yen in Financial Business in South Korea and Mongolia, 4,501 million yen in Financial Business in Southeast Asia, 2,717 million yen in General Entertainment Business, 8 million yen in Real Estate Business, 18 million yen in Investment Business, 1,224 million yen in Other Business, and 312 million yen in Corporate (common).

(3) Status of fundraising

The funds raised as of the end of the current fiscal year totaled 523,013 million yen, which consisted of 1,130 million yen in notes discounted, 30,436 million yen in bonds payable, 54,435 million yen in loans payable, and 437,010 million yen in deposits by banking business.

(4) Financial position and operating results

(i) Japanese GAAP

Category	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 Fiscal Year from Apr. 1, 2017 to Mar. 31, 2018	43 rd (current) Fiscal Year from Apr. 1, 2018 to Mar. 31, 2019
Operating revenue (million yen)	75,478	85,031	—	—
Loss attributable to owners of parent (million yen)	(5,712)	(9,876)	—	—
Loss per share (yen)	(49.65)	(92.82)	—	—
Net assets (million yen)	168,656	151,663	—	—
Total assets (million yen)	508,659	608,650	—	—

(ii) IFRS

Category	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 Fiscal Year from Apr. 1, 2017 to Mar. 31, 2018	43 rd (current) Fiscal Year from Apr. 1, 2018 to Mar. 31, 2019
Operating revenue (million yen)	—	66,453	74,321	74,935
Loss attributable to owners of parent (million yen)	—	(1,270)	(731)	(36,107)
Basic loss per share (yen)	—	(11.94)	(7.11)	(349.70)
Total equity (million yen)	—	155,913	150,776	110,727
Total assets (million yen)	—	619,865	656,961	668,377

Notes:

1. The Company has transitioned from Japanese GAAP to IFRS from the 42nd fiscal year.
2. The Company classified Highlights Entertainment Co., Ltd. as a discontinued operation from the current fiscal year. Accordingly, operating revenue for the 42nd fiscal year is restated as an amount after reclassification.

(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 environments and challenge ourselves diligently to create a 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 fluctuations. 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
(Financial Business in Japan)

In the credit guarantee business, on top of stable fee-based revenue from the current business, we will break a new path for growth in guaranteeing overseas real estate-backed loans and reverse mortgage loans. Regarding guarantees for condominium loans, which were our major focus during the current fiscal year, new guarantees decreased dramatically due to a change in the attitude to lending among financial institutions spurred by problems that occurred in the real estate industry, such as subleasing incidents, and no future increase in the size of guarantees is currently expected. However, for loan guarantees already implemented, the main investors and investment purposes comprise investments in condominiums by office worker investors who are concerned about locations and investment yields. Inevitably, many properties for investment are newly built condominiums within walking distance of train stations, located mostly in metropolitan areas like Tokyo, Osaka, Nagoya, and Fukuoka, and the occupancy rate is high at 98%. To date there has been no performance of guarantees or delinquency. Meanwhile, there are no new contracts, but the size of guarantees for condominium loans accumulated to 152,563 million yen as of the end of March 2019, and in future, we expect guarantee commission revenues to continue being reported steadily. Guarantees for overseas property-based loans involve guaranteeing yen-based loans made by banks to purchasers of properties primarily in the US state of Hawaii. There are currently two banks providing guarantees for these loans, THE SAIKYO BANK, LTD. and SBJ, but many of those receiving loans are high-net-worth clients, so it is likely that in future the number of other financial institutions showing interest in these loans will increase. Credit guarantees for real estate backed loans (reverse mortgage type) are attracting attention as one solution to the current social issue of difficulty in living a stable life after retirement, as the number of senior households grows. The Group will therefore continue finding transactions suitable for such guarantees while engaging in activities to reinvigorate regional economies in cooperation with railway-related real estate developers, regional financial institutions, and others.

In collection of accounts receivable, the overall market is shrinking, but the market in the installment credit and leasing sector is continuing to grow, and we believe that if cashless payment continues to advance in future, the number of accounts receivable appearing on the market will also increase further. As the business model of companies such as the Internet marketplace companies that issue credit cards does not involve trying to collect their own accounts receivable, the Group will seek to increase its assets by buying up such accounts receivable. Going forward, the Group will continue to expand the business, achieving stable and continuous purchases of accounts receivable by placing higher bids for them backed by the Group's high collection ability.

(Financial Business in South Korea and Mongolia)

In South Korea, financial regulations have been strengthened almost every year. In the latest move, the debt repayment period in the individual regeneration loans 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. As the current president has publicly pledged to lower the maximum legal interest rate to 20%, the rate could potentially be reduced further during his term in office. In the savings bank industry, efforts to cap total lending volumes for consumer credit loans are expected to be continued during the fiscal year ending December 31, 2019. However, the restrictions have been relaxed in some aspects; for example, medium interest rate loans have been exempted from the cap on total lending volumes (conditions for exemption in 2019 are that the average interest rate of the loans is 16%, and none exceed 19.5%). 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 has maintained the rule of adding 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) was expanded from consumer credit loans to include financing for moneylenders.

Amid the strengthening of regulations, as a financial group in South Korea, the four entities aim for moderate growth in asset volume to optimize risks and returns and will expand revenue by seeking quantitative expansion and qualitative enhancement of operating assets. To that end, we will seek qualitative enhancement of consumer credit loan customers by being the first company to focus on medium interest rate loans and employ thorough analysis of customer attributes to set targets and to reinforce our methods for maintaining stable relationships with target customers (retention marketing). In addition, we will cut the time and costs required for consumer credit loan screening by introducing a Fintech-based credit screening system, and will continually update screening criteria. We will also commit to the fundamentals of screening, emphasizing the need for funds and the liquidity of the collateral. Furthermore, we will strive to reinforce our system for collection of accounts receivable. In addition to quantitative expansion including increases in personnel and training, we will make each individual employee aware of proactive methods for collecting accounts receivable, such as prior monitoring and legal action.

In collection of accounts receivable, the sluggishness in South Korea's economy means there is a greater likelihood of a dramatic increase in NPLs. We identify this downturn in the market environment as being, if anything, a good opportunity for TA Asset Management Co., Ltd., and we plan to accumulate the balance of receivables backed by high levels of collection ability and compliance with laws.

(Financial Business in Southeast Asia)

The exchange rate for Indonesian rupiah has stabilized of late and the prospect is that Indonesia's central bank will undertake monetary easing measures to expand liquidity. Consequently, the growth rate of the overall lending balance at Indonesian banks in 2019 is expected to be equal to or greater than the growth rate in 2018 (which was 10% to 12%). In light of the advancements of digitization in the banking sector and the expectations for further growth from Fintech companies, the banks must now take proactive steps. Under this environment, PT Bank JTrust Indonesia Tbk. (hereinafter, Bank JTrust Indonesia) will go back to the basics of banking business management, aiming at taking measures such as securing liquidity, cutting costs, and strengthening compliance and risk management to enhance its revenue base.

In terms of management strategies, during the current fiscal year, we increased the allowance for NPLs to a large amount to perform a one-time complete elimination of NPLs, including pre-acquisition negative legacy. Going forward, we plan to expand new loans primarily through joint finance with PT JTRUST OLYMPINDO MULTI FINANCE (hereinafter, "JTO"). To control the occurrence of NPLs and reduce financing costs, we will take steps to speed up the loan and screening processes, expand the range of products, utilize our appeal as a Japanese brand, and break into related markets. At the same time, we will take steps to consider a system for early detection of signs that loans are becoming NPLs as well as ideas for dealing with NPLs early. With regard to management of liquidity, although we have been using surplus funds to repay interbank borrowing as the loan balance has been decreasing continuously, the liquidity index is performing well due to the inclusion of A-rated corporate bonds in managed assets, and we will continue endeavoring to increase CASA (the current ratio). With regard to cost cutting, we launched a project to reduce general and administrative expenses and we will also aim to achieve a balance between income and expenditure by reducing personnel, closing unprofitable branches, and cutting advertising expenses. In terms of banking indices too, because of our elimination of NPLs during the current fiscal year we expect to be able to continue making the grade with regard to our capital adequacy ratio and NPL ratio. As for human resources, we are ensuring our employees are evaluated equally based on performance and striving to place the right person in the right position, as part of our strategy to improve the performance of our sales staff. We are also working to strengthen our compliance system, among other initiatives. In

addition, we have reshuffled our corporate officers and are now working under a new structure. 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 as well as by developing the new loan product for individuals announced in January 2019 that was created jointly by the Hiroshima Bank, Ltd., Sawayaka Club Co., Ltd., and Bank JTrust Indonesia, among other initiatives.

Large NPLs held by Bank JTrust Indonesia were transferred to JTII during the current fiscal year. We estimate future cash flows of purchased receivables based on our collection results. Thus, higher revenue is driven by our NPL collection capabilities exceeding the estimated future cash flows.

Meanwhile, acquisitions of JTO's shares have helped lay the foundation for the three-tiered business models comprising banking, servicer and financing in Indonesia, which can respond to various customer requirements as in the successful case of South Korea. We will reinforce the operational bases with effective marketing strategies and value-added financial services utilizing the Group's extensive network.

(General Entertainment Business)

During the current fiscal year, KeyHolder, Inc. (hereinafter, "KeyHolder", the entire group is collectively called "KeyHolder Group") established KeyStudio, Inc., which provides live entertainment services, and KeyProduction, Inc., which provides TV program production services. In addition, SKE, Inc., also a newly established company, took over business for a Japanese pop idol group SKE 48 and started its operations. Meanwhile, KeyHolder resolved to acquire allfuz, inc., (hereinafter, "allfuz"), a provider of advertising planning, talent casting service, and digital content services, and signed a share acquisition agreement with FOOLENLARGE, Inc., a TV program production company. Going forward, we will continue our efforts to grow revenue and increase corporate value by establishing a profitable structure through synergies generated from expanding operations such as advertising agency services, casting assistance, and app development, which are strengths of allfuz, to group companies, consolidation of resources and proactive marketing strategies taking advantage of each group company's strong area as well as producing new IP content and others.

(iv) Strengthening ESG (Environment, Social and Governance) initiatives

We address the issue of local environments by pursuing a diverse range of initiatives to preserve the Earth's environment through our business activities and social contribution activities.

With regard to social welfare, we provide support to establish normalization for people with disabilities as well as continuous support for vulnerable members of society such as single mothers, orphans, homeless people, and old people living alone.

Our efforts for local communities involve contributing to local revitalization and the cultivation of young people by supporting cultural exchange with local communities and sporting activities.

We will address the issue of governance by striving to establish corporate governance and compliance structures and by reinforcing efforts with regard to our management structure and legal compliance.

The Group aims to be trusted as an enterprise for coexisting with society by putting its corporate philosophy into practice and committing to good corporate governance in order to deal in good faith with all stakeholders and pursue well-balanced business activities.

(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	99.90%	Credit card, Consumer credit
KeyHolder, Inc.	4,405 million yen	42.91%	Holding, Real estate
Keynote Co., Ltd.	30 million yen	(42.91%)	Real estate
KeyStudio, Inc.	100 million yen	(42.91%)	Live entertainment
KeyProduction, Inc.	100 million yen	(42.91%)	Production of television programs.
FA Project, Inc.	9 million yen	(42.91%)	Planning, development and production of entertainment content
SKE, Inc.	100 million yen	(42.91%)	Management of show business production
J Trust System Co., Ltd.	80 million yen	100%	Computer operations and system development
JT Chinae Savings Bank Co., Ltd.	KRW 71,700 million	(99.90%)	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%	Leasing and installment sales
J TRUST CREDIT NBFi	MNT 2,500 million	(100%)	Financial service
PT Bank JTrust Indonesia Tbk.	IDR 12,223,148 million	96.19% (1.00%)	Banking
PT JTRUST INVESTMENTS INDONESIA	IDR 61,213 million	14.79% (84.36%)	Collection of accounts receivable
PT JTRUST OLYMPINDO MULTI FINANCE	IDR 207,338 million	(60.00%)	Multi finance
JTRUST ASIA PTE. LTD.	SGD 410 million	90.38% (9.62%)	Investment

Notes:

1. Figures in parentheses indicate an indirect shareholding ratio.
2. The number of consolidated subsidiaries is 30, including the major subsidiaries above.
3. There are no subsidiaries, which fall under specific wholly owned subsidiaries.
4. On October 1, 2018, NL Value Capital Co., Ltd., a consolidated subsidiary of the Company, transferred all the shares of Highlights Entertainment Co., Ltd., which was accordingly excluded from consolidated subsidiaries of the Company.
5. As of October 4, 2018, JTRUST ASIA PTE. LTD., the Company's subsidiary, acquired 60% of shares in PT OLYMPINDO MULTI FINANCE to make it a consolidated subsidiary and changed its name to PT JTRUST OLYMPINDO MULTI FINANCE.

(7) Major business (as of March 31, 2019)

Business segment	Major line of business
Financial Business in Japan	Credit guarantee
	Collection of accounts receivable
	Credit card and consumer credit
	Other financial services
Financial Business in South Korea and Mongolia	Savings bank business
	Collection of accounts receivable
	Capital business
	Financial service
Financial Business in Southeast Asia	Banking business
	Collection of accounts receivable
	Multi finance
General Entertainment Business	Live entertainment
	Production of television programs.
	Planning, development and production of entertainment content
	Management of show business production
Real Estate Business	Property purchase and sale centering on detached housing, renovation of existing housing, and 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

(8) Main offices (as of March 31, 2019)

(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
KeyStudio, Inc.	Minato-ku, Tokyo
KeyProdution, Inc.	Minato-ku, Tokyo
FA Project, Inc.	Minato-ku, Tokyo
SKE, Inc.	Minato-ku, Tokyo
J Trust System Co., Ltd.	Minato-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
J TRUST CREDIT NBF	Ulaanbaatar, Mongolia
PT Bank JTrust Indonesia Tbk.	Jakarta, Republic of Indonesia
PT JTRUST INVESTMENTS INDONESIA	Jakarta, Republic of Indonesia
PT JTRUST OLYMPINDO MULTI FINANCE	Jakarta, Republic of Indonesia
JTRUST ASIA PTE. LTD.	Republic of Singapore

(9) Status of employees (as of March 31, 2019)

Business segment	Number of employees	
Financial Business in Japan	229	(17)
Financial Business in South Korea and Mongolia	986	(61)
Financial Business in Southeast Asia	1,868	(20)
General Entertainment Business	62	(5)
Real Estate Business	54	(3)
Investment Business	5	(-)
Other business	57	(3)
Corporate (common)	63	(3)
Total	3,324	(112)

Notes:

1. The number of employees represents full-time employees of the Group (excluding those seconded to non-Group entities but including staff from non-Group entities). Figures in parentheses show the annual average number of temporary employees (part-timers and workers from staffing firms).
2. The number of employees increased by 815, due to the increase in the number of consolidated subsidiaries and others.
3. Corporate (common) indicates the number of employees belonging to administrative functions.

(10) Major lenders (as of March 31, 2019)

Lender	Balance of loans payable
Osaka Co-sei Shinkin Bank	7,719 million yen
THE SAIKYO BANK LTD.	4,000 million yen
Kinki Sangyo Credit Union	1,834 million yen
The Sawayaka Shinkin Bank	1,663 million yen
Seikyo Credit Union	1,271 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, JTRUST ASIA PTE. LTD. (hereinafter, "JTRUST 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 the representative: Unknown

3) Overview of the Lawsuit and amounts 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.
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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 amounts

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, JTRUST ASIA PTE. LTD. (hereinafter, "JTRUST ASIA"). The details are as follows.

The Company also has confirmed that, in addition to JTRUST 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 the representative: Unknown

3) Overview of the Lawsuit and amounts 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 Bank JTrust Indonesia 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 Bank JTrust Indonesia to pay USD 110 million (approx. JPY11.6 billion) in total.

(b) Claimed amounts

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

The Group 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&A, etc.; (ii) share buyback; and (iii) appropriate capital allocation to dividend payments.

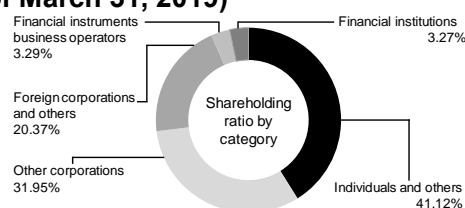
With regard to the above (i), we set the target IRR at 15% or higher. For the above (ii), we will buy back own shares flexibly and aggressively when the share price is considered low and attractive as investment targets.

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, 2019)

- (1) Number of authorized shares: 240,000,000
 (2) Number of outstanding shares: 115,469,910
 (3) Number of shareholders: 16,927
 (4) Major shareholders (top 10 shareholders)



Name of shareholder	Number of shares owned	Shareholding ratio
NLHD Kabushiki Kaisya	26,697,872	25.22%
Nobuyoshi Fujisawa	14,907,272	14.08%
TAIYO HANEI FUND, L.P.	5,100,500	4.82%
STATE STREET BANK AND TRUST COMPANY 505019	4,153,600	3.92%
TAIYO FUND, L.P.	3,806,200	3.60%
SAIKYO LEASING CORPORATION	2,890,000	2.73%
JAPAN POCKET Co., Ltd.	1,780,000	1.68%
GOLDMAN SACHS INTERNATIONAL	1,620,967	1.53%
Japan Trustee Services Bank, Ltd. (trust account 9)	1,458,500	1.38%
Japan Trustee Services Bank, Ltd. (trust account)	1,203,900	1.14%

Notes:

- Shareholding ratio is calculated after deducting the number of treasury shares (9,598,538 shares).
- NLHD Kabushiki Kaisya is wholly owned by Mr. Nobuyoshi Fujisawa, President & CEO of the Company. Mr. Fujisawa also holds 100% of voting rights of JAPAN POCKET Co., Ltd. substantially.
- On October 11, 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 16,765,400 shares (shareholding ratio of 14.88%) as of October 3, 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 2,873,200 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 5th Subscription Rights (stock option) issued on Aug. 31, 2013	J Trust N-7th Subscription Rights (stock option) issued on Apr. 30, 2012	J Trust N-8th Subscription Rights (stock option) issued on Apr. 30, 2012	J Trust N-9th Subscription Rights (stock option) issued on Apr. 30, 2012	J Trust N-10th Subscription Rights (stock option) issued on Apr. 30, 2012
Number of Subscription Rights	1,450 units	20 units	380 units	750 units	550 units
Class and number of shares underlying Subscription Rights	145,000 common shares (100 shares per Subscription Right)	80 common shares (4 shares per Subscription Right)	1,520 common shares (4 shares per Subscription Right)	3,000 common shares (4 shares per Subscription Right)	2,200 common shares (4 shares per Subscription Right)
Issuance value	Gratis	Gratis	Gratis	Gratis	Gratis
Exercise price	200,700 yen per unit	1,392 yen per unit	1,552 yen per unit	3,016 yen per unit	1,092 yen per unit
Exercise period	from Sept. 1, 2015 to Aug. 31, 2020	from Apr. 30, 2012 to Apr. 28, 2019	from Apr. 30, 2012 to Dec. 15, 2019	from Dec. 15, 2012 to Dec. 14, 2020	from Dec. 14, 2013 to Dec. 13, 2021
Conditions for exercise	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2	Notes 1 & 2

Notes:

- Any acquisition of Subscription Rights (stock options) by transfer shall require an approval by the Board of Directors' meeting of the Company.
- In cases where a rights holder waives his/her Subscription Rights (stock options), he/she may not exercise such Subscription Rights (stock options).
- 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-7th, N-8th, N-9th and N-10th Subscription Rights (stock options).
- 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.
- 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.

(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

(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.
Nobuiku Chiba	<ul style="list-style-type: none"> Representative Senior Managing Director, Executive Officer in charge of financial business in Indonesia and non-banking business in Southeast Asia Commissioner, PT Bank JTrust Indonesia Tbk. President Commissioner, PT JTRUST INVESTMENTS INDONESIA President Commissioner, PT JTRUST OLYMPINDO MULTI FINANCE
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 JTrust Indonesia Tbk.
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, J TRUST CREDIT NBFJ
Yoshihide Iimori	<ul style="list-style-type: none"> Director, Executive Officer, General Manager of General Affairs Department President & CEO, J TRUST Card Co., Ltd. President & Representative Director, Keynote Co., Ltd. Director, Nihon Hoshou Co., Ltd.
Ryuichi Atsuta	<ul style="list-style-type: none"> Director, Executive Officer, General Manager of Finance Department
Takehito Yamanaka	<ul style="list-style-type: none"> Director, Executive Officer, General Manager of Public Relations & Investor Relations Division of Corporate Planning Department
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.
Masanori Kaneko	<ul style="list-style-type: none"> Director Advisor, THE SAIKYO BANK LTD. Audit & Supervisory Board Member of SAIKYO LEASING CORPORATION Audit & Supervisory Board Member of Hoken Eye Saikyo K.K.

Name	Position, assignment and significant concurrent positions
Masami Ishizaka	<ul style="list-style-type: none"> • Director • Advisor, Okura Zaimu Kyokai
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, Masanori Kaneko, and Masami Ishizaka 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.

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

Name	Position and assignment		Date of transfer
	New	Old	
Nobuiku Chiba	Representative Senior Managing Director, Executive Officer in charge of financial business in South Korea and non-banking business in Southeast Asia	Representative Senior Managing Director, Executive Officer in charge of financial business in South Korea and Public Relations & Investor Relations Division	June 27, 2018
	Representative Senior Managing Director, Executive Officer in charge of financial business in Indonesia and non-banking business in Southeast Asia	Representative Senior Managing Director, Executive Officer in charge of financial business in South Korea and non-banking business in Southeast Asia	Mar. 29, 2019
Takehito Yamanaka	Director, Executive Officer, General Manager of Corporate Planning Department and in charge of Public Relations & Investor Relations Division (new)	—	June 27, 2018
Masami Ishizaka	Outside Director (new)	—	June 27, 2018
Shigeyoshi Asano	Resigned	Managing Director, Executive Officer in charge of business in Southeast Asia and Planning Department	Sept. 20, 2018

Translation for your reference purpose only

Name	Position and assignment		Date of transfer
	New	Old	
Yoshihide Imori	Director, Executive Officer, General Manager of General Affairs Department	Director, Executive Officer, General Manager of Human Resources & General Affairs Department	Dec. 13, 2018

(3) Changes in position and assignment of Directors and Audit & Supervisory Board Members on or after April 1, 2019

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	15	274 million yen	274 million yen	–	–	–
Outside Directors	4	28 million yen	28 million yen	–	–	–
Audit & Supervisory Board Members	4	40 million yen	40 million yen	–	–	–
Outside Audit & Supervisory Board Members	2	20 million yen	20 million yen	–	–	–
Total	19	315 million yen	315 million yen	–	–	–
Outside executives	6	48 million yen	48 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 fifteen (15) Directors above include one (1) Director who resigned on September 20, 2018.
4. In reaction to the sluggish performance, the Company reduced remuneration amounts to clarify the management responsibility as follows:
 - (i) President & CEO: Suspended monthly payment of remuneration (February 2019 to June 2019)
 - (ii) Other Directors and Executive Officers: Reduced monthly remuneration amounts by 20% (February 2019 to April 2019)

(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.
Director	Masami Ishizaka	Advisor, Okura Zaimu Kyokai

Position	Name	Significant concurrent positions
Audit & Supervisory Board Member	Hideki Yamane	Audit & Supervisory Board Member of Partir Servicer Co., Ltd.
Audit & Supervisory Board Member	Takaaki Kojima	Advisor of Libera Corporation Adjunct Professor of National University of Singapore

Notes:

1. Partir Servicer Co., Ltd. is a subsidiary of the Company.
2. The Company's relationship with THE SAIKYO BANK LTD. includes loans payable and credit guarantee for loan products.
3. SAIKYO LEASING CORPORATION has a capital relationship with the Company and 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 18 out of 21 Board of Directors' meetings (attendance rate: 85.7%). • Provides practical advice and suggestions from an expert's perspective as an attorney.
Director	Ryuji Mizuta	<ul style="list-style-type: none"> • Attended 20 out of 21 Board of Directors' meetings (attendance rate: 95.2%). • Provides practical advice and suggestions from an expert's perspective based on his work experience at National Police Agency.
Director	Masanori Kaneko	<ul style="list-style-type: none"> • Attended 20 out of 21 Board of Directors' meetings (attendance rate: 95.2%). • Provides practical advice and suggestions based on his abundant experience as an executive in financial institutions.
Director	Masami Ishizaka	<ul style="list-style-type: none"> • Attended 15 out of 15 Board of Directors' meetings (attendance rate: 100%). • Provides practical advice and suggestions from an expert's perspective based on his work experience at the Ministry of Finance and abundant experience as executive at listed companies.
Audit & Supervisory Board Member	Hideki Yamane	<ul style="list-style-type: none"> • Attended 20 out of 21 Board of Directors' meetings (attendance rate: 95.2%). • 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.

Position	Name	Main activities
Audit & Supervisory Board Member	Takaaki Kojima	<ul style="list-style-type: none"> • Attended 20 out of 21 Board of Directors' meetings (attendance rate: 95.2%). • Attended 13 out of 14 Audit & Supervisory Board meetings (attendance rate: 92.9%). • 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.

Notes:

1. Activities of Mr. Masami Ishizaka, Director, since his assumption of office on and after June 27, 2018, are described.
2. Besides the number of the Board of Directors' meeting stated above, there were two written resolutions deemed as adopted at the Board of Directors' meeting in accordance with Article 370 of the Companies Act and Article 22, Paragraph 3 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

Grant Thornton Taiyo LLC

Note: YUSEI Audit & Co., which had been the Accounting Auditor, merged with Grant Thornton Taiyo LLC on July 2, 2018, with its name changed to Grant Thornton Taiyo LLC.

(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	220 million yen
(ii) Sum of money and other financial profits to be paid by the Company and its subsidiaries to the Accounting Auditor	268 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 1 yen per share, down 5 yen year on year due to the significant downturn in the business results. The payment is scheduled for June 27, 2019. Combined with the interim dividend, the annual dividend will be 7 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, 2019)

(Millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Assets		Liabilities	
Cash and cash equivalents	87,150	Trade and other payables	14,613
Trade and other receivables	106,735	Deposits for banking business	437,010
Investment securities for banking business	46,599	Bonds and borrowings	86,002
Loans for banking business	326,234	Other financial liabilities	13,383
Operational investment securities	2,855	Income taxes payable	1,215
Marketable securities	1,179	Provisions	1,114
Other financial assets	33,416	Deferred tax liabilities	1,076
Investments accounted for using equity method	126	Other liabilities	3,233
Inventories	6,742	Total liabilities	557,650
Assets held for sale	2,310	Equity	
Property, plant and equipment	5,119	Share capital	54,760
Investment property	916	Capital surplus	53,844
Goodwill	33,508	Treasury shares	(7,685)
Intangible assets	3,790	Retained earnings	6,424
Deferred tax assets	2,373	Other components of equity	(3,170)
Other assets	9,317	Total equity attributable to owners of parent	104,173
		Non-controlling interests	6,554
		Total equity	110,727
Total assets	668,377	Total liabilities and equity	668,377

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (from April 1, 2018 to March 31, 2019)

(Millions of yen)

Item	Amount
Continuing operations	
Operating revenue	74,935
Operating expenses	78,253
Selling, general and administrative expenses	28,488
Other income	366
Other expenses	1,159
Operating loss	(32,600)
Finance income	1,612
Finance costs	110
Share of loss of investments accounted for using equity method	(36)
Loss before tax	(31,135)
Income tax expense	2,753
Loss from continuing operations	(33,888)
Discontinued operations	
Loss from discontinued operations	(2,787)
Loss	(36,676)
Loss attributable to	
Owners of parent	(36,107)
Non-controlling interests	(568)
Loss	(36,676)

NON-CONSOLIDATED BALANCE SHEET (as of March 31, 2019)

(Millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	16,624	Current liabilities	7,130
Cash and deposits	11,926	Short-term borrowings	1,063
Short-term loans receivable from subsidiaries and associates	1,940	Current portion of long-term borrowings	4,808
Other	2,757	Accounts payable - other	94
		Income taxes payable	4
		Other	1,158
Non-current assets	111,034	Non-current liabilities	11,195
Property, plant and equipment	128	Bonds payable	200
Buildings	27	Long-term borrowings	10,822
Land	100	Deferred tax liabilities	21
Other	0	Guarantee deposits received	151
		Other	0
Intangible assets	54		
Software	49	Total liabilities	18,326
Other	4	Net assets	
Investments and other assets	110,852	Shareholders' equity	109,213
Investment securities	419	Share capital	54,760
Shares of subsidiaries and associates	95,671	Capital surplus	54,098
		Legal capital surplus	54,098
Investments in capital of subsidiaries and associates	11,292	Retained earnings	8,040
Long-term loans receivable from subsidiaries and associates	3,120	Other retained earnings	8,040
Other	355	Retained earnings brought forward	8,040
Allowance for doubtful accounts	(7)	Treasury shares	(7,685)
		Valuation and translation adjustments	(0)
		Valuation difference on available-for-sale securities	(0)
		Share acquisition rights	120
Total assets	127,659	Total net assets	109,333
		Total liabilities and net assets	127,659

NON-CONSOLIDATED STATEMENT OF INCOME (from April 1, 2018 to March 31, 2019)

(Millions of yen)

Item	Amount	
Operating revenue		
Interest income	118	
Dividend income	4,747	
Interest on deposits	9	
Other operating revenue	217	5,092
Operating expenses		
Interest on borrowings	393	
Other operating expenses	0	394
Operating gross profit		4,697
Selling, general and administrative expenses		2,809
Operating profit		1,888
Non-operating income		
Dividend income	3	
Foreign exchange gains	116	
Miscellaneous income	12	132
Non-operating expenses		
Loss on investments in investment partnerships	53	53
Ordinary profit		1,967
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	7	
Gain on reversal of share acquisition rights	3	10
Extraordinary losses		
Loss on abandonment of non-current assets	0	
Loss on valuation of shares of subsidiaries and associates	18,962	
Loss on liquidation of subsidiaries and associates due to transfer of shares	2,763	
Loss on liquidation of subsidiaries and associates	207	21,932
Loss before income taxes		19,955
Income taxes - current	169	
Income taxes - deferred	4	174
Loss		20,129

Accounting Auditor's Report on Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 28, 2019

J Trust Co., Ltd.
The Board of Directors

Grant Thornton Taiyo LLC

Designated Limited
Liability Partner,
Engagement Partner

Certified Public
Accountant

Ryouichi Komatsu (Seal)

Designated Limited
Liability Partner,
Engagement Partner

Certified Public
Accountant

Takeshi Iwasaki (Seal)

Designated Limited
Liability Partner,
Engagement Partner

Certified Public
Accountant

Takuya Ishigami (Seal)

Pursuant to Article 444, Paragraph 4 of the 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, 2018 to March 31, 2019.

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 Grant Thornton Taiyo LLC 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 28, 2019

J Trust Co., Ltd.
The Board of Directors

Grant Thornton Taiyo LLC			
Designated Limited Liability Partner, Engagement Partner	Certified Public Accountant	Ryouichi Komatsu	(Seal)
Designated Limited Liability Partner, Engagement Partner	Certified Public Accountant	Takeshi Iwasaki	(Seal)
Designated Limited Liability Partner, Engagement Partner	Certified Public Accountant	Takuya Ishigami	(Seal)

Pursuant to Article 436, Paragraph 2, Item 1 of the 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 Equity and Notes to Non-Consolidated Financial Statements, and Supporting Schedules of J Trust Co., Ltd. ("the Company") for the 43rd business year from April 1, 2018 to March 31, 2019.

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 Grant Thornton Taiyo LLC 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 43rd business year from April 1, 2018 to March 31, 2019, 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 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 and 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 standards 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 the 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, and non-consolidated financial statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Equity, and Notes to Non-Consolidated Financial Statements) and its supporting schedules, and 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 Grant Thornton Taiyo LLC, 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 Grant Thornton Taiyo LLC, the accounting auditor of the Company, are appropriate.

May 30, 2019

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