

Top Interview

Providing total solutions that are “unique to a trust bank group” and “distinctive strengths of the SuMi TRUST Group”

We at the SuMi TRUST Group seek to win an even greater level of trust from our clients and to further enhance our corporate value.

Question

Can you give us an update on the Midterm Management Plan?

During FY2014, the first year of the Midterm Management Plan “Challenge and Creation Three-year Plan” that was launched in light of the changes in the economic and financial environment in Japan and overseas, we made efforts to strengthen the fee-related business, which is not easily affected by the environment, and to expand the loan-related business. In addition, we developed businesses in new areas through stronger coordination across business sections and the SuMi TRUST Group. Those efforts are now paying off in the form of steady results.

For example, in the fee-related business we enhanced our consulting-based sales approach where we put the emphasis on “long-term, diversified and stable” investment management services focused on discretionary investment management products (wrap accounts) for individual clients. We worked on business succession proposals for clients such as business owners and asset

administration companies. For clients such as financial institutions, we offered consulting on asset management needs and developed new management products.

In the loan-related business, we enhanced the lineup of housing loan services for individual clients with new products such as the “At-home Refinancing” service. For corporate clients, we expanded loans to local subsidiaries of Japanese companies in overseas markets where demand for funding is strong. We also developed businesses with non-Japanese companies and increased loans to them through cooperation with overseas financial institutions.

Furthermore, we endeavored to strengthen our ability to provide total solutions by collaborating across business sections and the SuMi TRUST Group. In addition, we worked to cooperate with overseas financial institutions in order to expand the products and services we are able to offer to meet the increasingly diversified needs of clients.



Initiatives and Results of the First Year of “Challenge and Creation Three-year Plan”

Initiatives	Results
Strengthening the fee-related business	<p>For individual clients: Enhancement of a consulting-based sales approach with an emphasis on “long-term, diversified and stable” investment management</p> <p>For business owners, asset administration companies: Business succession proposals, etc.</p> <p>For financial institutions, etc.: Consulting on asset management needs, development of new management products</p>
Expanding the loan-related business	<p>For individual clients: Enhancement of new products such as the “At-home Refinancing” service</p> <p>For corporate clients: Expansion of loans to Japanese companies overseas, development of business with and expansion of loans to non-Japanese companies overseas</p>
Strengthening coordination across business sections and the SuMi TRUST Group	Enhancement of products and services, strengthening abilities to provide total solutions

Question

Please tell us about your major initiatives for the next term.

Major Initiatives for the Second Year of the Midterm Management Plan

Initiative 1	Initiative 2	Initiative 3
Strengthening earning power of existing businesses and establishing SuMi TRUST Group's distinctive business model	Achieving both a strategic allocation of management resources and management efficiency by promotion of streamlining	Enhancing the financial base and refining the stance on risk management and compliance

Since FY2015, the second year of the Midterm Management Plan, we have been working on the following three initiatives with a view to achieving even greater results.

The first initiative is to strengthen the earning power of existing businesses and to establish SuMi TRUST Group's distinctive business model. We will strengthen sales capabilities in terms of both quality and quantity through close coordination across business sections and the SuMi TRUST Group in existing businesses, while striving to improve the quality of products and services.

The second initiative is to achieve both a strategic allocation of management resources and management efficiency by promotion of streamlining. We will pursue an allocation of human resources to strategic areas to enable us to provide new, value-added services. Furthermore, considering the temporary increase in expenses due to the impact of integration costs, we will accelerate the demonstration of cost synergies from streamlining branches, etc., while at the same time strengthening efforts to increase operational efficiency and reduce costs throughout the SuMi TRUST Group.

The third initiative is to enhance the financial base and refine the stance on risk management and compliance. Amid an uncertain market environment, we will further reinforce our financial base by making efforts to appropriately control credit risk and market risk in response to stricter international financial regulations, while working to enhance risk management and compliance on a global basis.

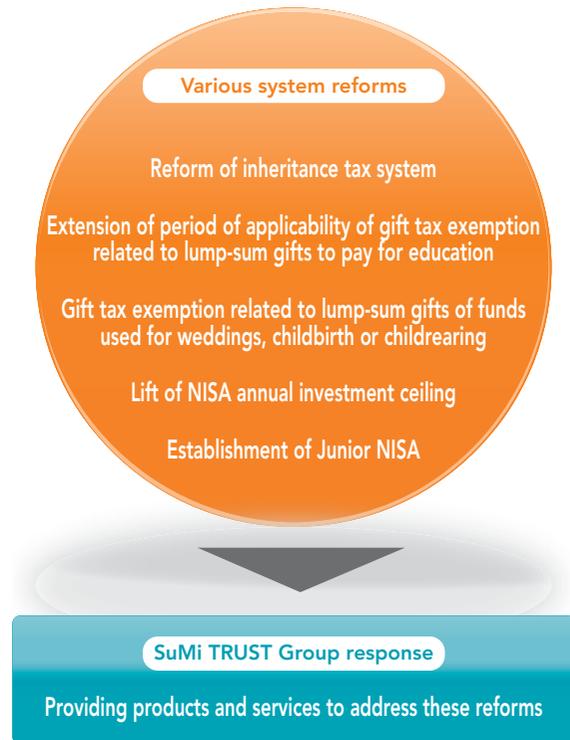


Question

Please explain the strategies to deal with reforms of the tax system, including inheritance tax.

The number of people subject to tax expanded significantly with the inheritance tax reform that took effect from January 1, 2015. At the same time, a system of measures that can be used to smooth the succession process was established with the extension of the period of applicability (to March 31, 2019) of the gift tax exemption related to lump-sum gifts to pay for education, and the creation of a gift tax exemption for lump-sum gifts to children or grandchildren of funds used for weddings, childbirth or child-rearing (with a tax exemption limit of ¥10 million). Furthermore, starting in 2016, in the financial and securities tax system, the Junior NISA will be established, and the annual investment ceiling in current NISAs will be lifted from ¥1 million to ¥1.2 million.

Through advanced consulting capabilities that appropriately take into account these tax reforms and the needs of each and every customer, the SuMi TRUST Group will provide a wide range of comprehensive and sequential products and services corresponding to the life cycle of clients, and link these to the development of ongoing, multiple business relationships.



Question

Please explain SuMi TRUST Group's response to the Corporate Governance Code established in May 2015.

The Tokyo Stock Exchange established the "Corporate Governance Code" (the "Code") for listed companies in May 2015 and started to apply it from June of the same year. The Code is aimed at strengthening corporate governance, and it summarizes the main principles governing matters to be respected by each company. Based on the Code's principles, the SuMi TRUST Group established the basic policy, which was announced in May 2015.

The SuMi TRUST Group is committed to strengthening its corporate governance by autonomously making use of the Code in line with the distinctive characteristics of the SuMi TRUST Group. We will achieve this by understanding the aims and spirit of the Code, with a view to realizing sustainable growth and medium- to long-term enhancement of corporate value.

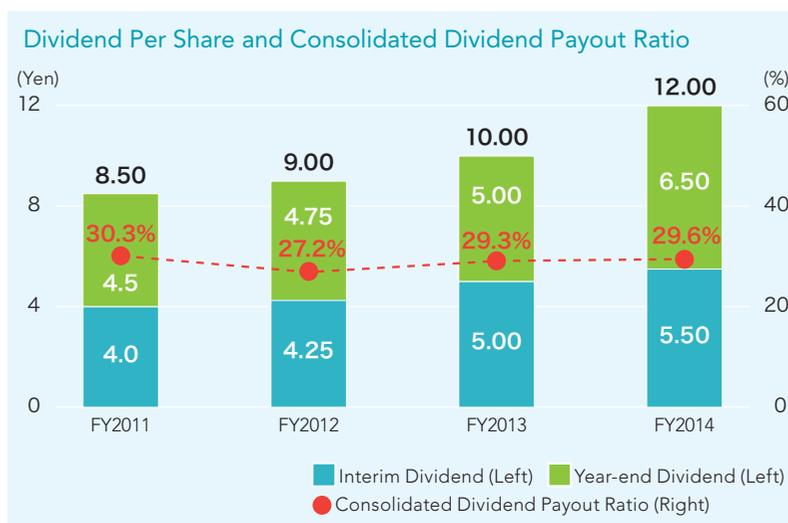
* Please also see "Initiatives for Strengthening Corporate Governance of the Sumitomo Mitsui Trust Group" on page 22, "Management Structure: Corporate Governance, Internal Control" on pages 56-58.

Question

Can you tell us about the policy on shareholder return?

Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") has long regarded the return of profits to shareholders as one of its important management policies. Our policy has been to return profits to shareholders commensurate with business results. However, as of FY2015, we will be further enhancing shareholder returns with the aim of maximizing shareholder profits in the medium to long term. Specifically, we have changed our policy as described in the following statement: "SuMi TRUST Holdings shall share its

profits with shareholders in accordance with its profit level in each fiscal year, aiming to maintain the consolidated dividend payout ratio on common shares of approximately 30%. SuMi TRUST Holdings may also repurchase its own shares by considering the balance with profit growth opportunities, and the effect of the repurchase on the improvement of capital efficiency. Through the measures above, SuMi TRUST Holdings shall aim to enhance medium-term shareholder returns."



Question

Please tell us your message for the stakeholders.

Japan's economic environment is currently taking a turn for the better, partly thanks to the effects of the government's monetary policies. Meanwhile, structural changes such as the declining birthrate and an aging society as well as globalization and convergence within the economy are steadily progressing. We recognize that the role the SuMi TRUST Group is called on to play continues to expand in accordance

with the trend toward complexity and diversification of client needs. In this context, all the SuMi TRUST Group officers and employees will devote their concerted efforts to serve the needs of clients by carefully providing the best solutions one by one, based on a customer-oriented sales stance thoroughly implemented at all group companies.

We sincerely ask for your ongoing support in this endeavor.