

Top Interview

We will firmly establish our presence under the brand "The Trust Bank."

We at Sumitomo Mitsui Trust Group seek to win an even greater level of trust from our clients and to further enhance our corporate value.

Question

Please brief us on the progress of the policies for the first half of fiscal year 2014.

During the first half of the year, we saw definite results from our efforts to strengthen our fee-related business, which is not easily affected by changes in the environment, and to expand the loan-related business, based on the Midterm Management Plan revised in fiscal year 2014.

For example, in the fee-related business, we worked to increase the sales balance of investment trusts and discretionary investment management products (wrap accounts) through consulting and sales with an emphasis on long-term, diversified, and stable management amid a lull in the investment trust market in the industry overall. We also concentrated on real estate brokerage for corporate and individual clients, consulting on corporate pensions in terms of both management and systems in light of the revisions to the employees' pension fund system,

and addressing the investment needs of overseas investors with regard to Japanese real estate and securities.

As for our loan-related business, in housing loan services for individuals we continued to set interest rates flexibly based on market trends. We also enhanced products and services such as renovation loans. For corporate clients, we sought to strengthen loan operations through support for overseas expansion and local business, in addition to working on proposals to help companies grow their business.

We obtained approval in May 2014 to establish an overseas subsidiary (bank) in Thailand, in line with efforts to enhance our global network centered on Asia. We are moving ahead steadily with preparations to commence operations of the subsidiary in fiscal year 2015.



Progress of Midterm Business Strategy

1st Pillar

Strengthen Existing Businesses

2nd Pillar

Expand Coordination Across Business Sections

3rd Pillar

Growth through Global Business Developments

Global Business: Approval to Establish Overseas Subsidiary (Bank) in Thailand

Preparations are going ahead to launch a banking business at our Thai subsidiary during fiscal 2015. The Group will offer the high-quality financial services it has developed as a trust bank, with a focus on Japanese companies in Thailand, the core country in the Mekong region (comprising Thailand, Cambodia, Laos, Myanmar, and Vietnam).



Question

The integration of core banking systems was completed in November 2014. Can you tell us about the effects brought about by this integration?

Schedule for Integration of Core IT Systems



Effects of IT system integration

Clients
Enhancing customer satisfaction and convenience

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Sumitomo Mitsui Trust Bank
Cost reduction, streamlining of operations



Business expansion

The switchover to the new system began with branches of the former Chuo Mitsui Trust and Banking Company, Limited in May 2014. Then, from July onward, we gradually started switching over the branches of the former Sumitomo Trust and Banking Co., Ltd. As of November 25, the changeover to the new system had been completed smoothly at all branches.

We will offer our clients even greater convenience with every branch based on a unified system. We will also step up efficiency of operations and reduce costs.



Question

Please describe your priority policies for the second half of fiscal year 2014.

In the second half of fiscal year 2014, we will work on the following three priority areas.

The first is to continue to strengthen the fee-related business and expand the loan-related business as we did in the first half. With regard to the fee-related business, we will balance earnings growth and stability by concentrating on increasing the balance of assets entrusted to our administration and management by clients, including investment trusts, discretionary investment management products, pensions, and real estate. In the loan-related business, we will work to identify demand for financing by providing a range of loans tailored to the needs of individual clients and through proposals that address the management challenges of corporate clients.

The second point is to boost coordination across business sections within the Group. As a specialized trust

banking group with integrated banking, trust, and real estate businesses, the Group combines the know-how and strengths of each of its business sections in asset management and administration services for corporate clients as well as private banking and other services mainly for business owners. Furthermore, we are extending these efforts by actively pursuing collaboration with external partners with a view to cultivating new markets.

The third is to further enhance our financial soundness and to refine our stance on compliance and risk management. We will further reinforce our financial foundation by working to appropriately control credit risk and market risk in an uncertain market environment, while steadily bolstering our responses to new international financial rules and regulations in the U.S., Europe and elsewhere in areas that impact the Group.

Priority Strategies for the Second Half of Fiscal Year 2014

1st priority area

- **Strengthening the fee-related business**
 - Increasing the balance of assets under administration and management including investment trusts, discretionary investment management products, pensions, and real estate
- **Expanding the loan-related business**
 - Providing a range of loans tailored to the needs of individual clients
 - Proposals to address management issues faced by corporate clients

2nd priority area

- Step up the combination of know-how and strengths across business sections within the Group as an integrated and specialized trust banking group of banking, trust, and real estate businesses

3rd priority area

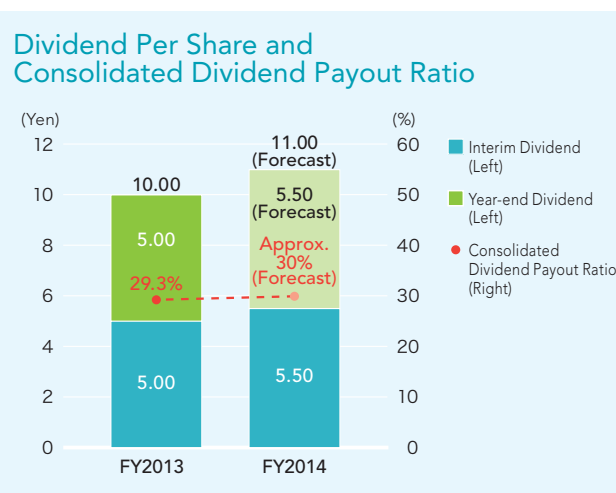
- Further enhance financial soundness
- Refine compliance and risk management stance

Question

Please explain your dividend policy.

The Group regards the return of profits to shareholders as one of its important management policies. Our basic policy is to return profits to shareholders commensurate with business results. We hope to meet the expectations of our shareholders while pursuing increased enterprise value through strategic investments that will lead to new growth.

Based on this philosophy, we aim to ensure a consolidated dividend payout ratio of approximately 30% in light of a comprehensive evaluation of factors such as the strategic investment environment in the medium term.



Question

Please give your message to stakeholders.

2014 marks the 90th anniversary of the Mitsui Trust Company, Limited's establishment as Japan's first trust company under the Trust Business Act in 1924. Having sown the seeds for Japan's trust business, we are heirs to a history of constantly leading and nurturing the industry's development. As the country's only independent specialized trust banking group, we will continue striving to create new added value in order to live up to the trust that society and our clients place in us. Executives and employees will devote their collective efforts to becoming The Trust Bank, and we sincerely ask for your ongoing support in this endeavor.

