

■ Initiatives to Facilitate Financing ■

• Dealing with Facilitation of Financing

Sumitomo Mitsui Trust Group (the "Group") considers the facilitation of financing to small and medium-sized enterprises (SMEs) and individuals seeking housing loans as one of its most important social missions.

Sumitomo Mitsui Trust Bank took steps to further enhance its financial intermediary function and established a basic policy on the facilitation of financing. This was to ensure prompt and appropriate responses to requests from SMEs and housing loan clients for various consultations, restructuring of loan repayment conditions, etc.

The bank facilitates financing operations through a system at branch offices to provide prompt and appropriate responses to clients' consultations about, or requests for, the restructuring of loan repayment conditions and other matters and a system at the head office to fully grasp the branch office support activities. The bank also responds to clients' requests for consultation and complaints through a telephone number as well as at branch offices.

The Act concerning Temporary Measures to Facilitate Financing for SMEs, etc. expired on March 31, 2013. Even so, the Group will continue providing appropriate and proactive financial intermediary services to facilitate the business activities of SMEs and to help housing loan clients enjoy a stable lifestyle. Also, when there are consultations about, or requests for, the restructuring of loan repayment conditions, etc. from clients who have been directly or indirectly affected by the Great East Japan Earthquake, the Group endeavors to respond in a flexible and appropriate manner, taking into account each client's circumstances.

• Status of Initiatives to Improve SME Business Operations and to Revitalize Regions

(1) Policy on Management Support Measures for SMEs

SMTB assists SMEs with efforts to improve and revitalize their business operations by considering their conditions and providing business consultations, management guidance and support for formulating business reconstruction strategies, and other support services.

(2) Framework of Management Support for SMEs

In order to carry out management support for SMEs, SMTB has established "Financing Facilitation Promotion Offices" in the Wholesale Business Planning Department and in the Personal Loan Business Promotion Department, to prepare a framework to deal appropriately and satisfactorily with various consultations and requests from clients.

In terms of specific measures related to management support for SMEs, branch offices and the head office are engaged in efforts such as support for formulating business reconstruction plans tailored to individual circumstances, and assistance aimed at making progress with business reconstruction plans, taking into account the industry conditions and the business dealings of individual SMEs. Furthermore, SMTB prepares to support clients in overseas expansion and business succession as well as in electronically recorded monetary claims.

1) Initiatives related to support for overseas expansion

SMTB opened its Hong Kong Branch in August 2013 as part of the five-branch system that also includes New York, London, Singapore, and Shanghai. These branches offer financial services such as loans, deposits, foreign exchange, and derivatives to Japanese client companies who are expanding overseas. Furthermore, SMTB has established a bank subsidiary in Thailand and plans to commence offering financial services during fiscal year 2015 mainly to Japanese client companies operating in Thailand.

In addition to developing our own offices, we are making efforts to address the growing need for financial services denominated in local currencies through partnerships with leading banks in Asian countries. To this end we established DBSI - SuMi TRUST Japanese Business Services. It operates within PT Bank DBS Indonesia, which is a local subsidiary of DBS Bank Ltd., a major bank based in Singapore. This effort is to enhance services for Japanese client companies expanding into Indonesia. Moreover, in December 2013, SMTB also joined in a partnership with Bank for Investment and Development of Vietnam to enhance its financial services geared toward Japanese companies expanding into Vietnam.

2) Initiatives related to support for business succession

In April 2013, SMTB consolidated branch support functions for services in inheritance, asset inheritance, and business succession in its Private Banking Department. We offer fine-tuned proposals and prompt information to meet the diverse asset inheritance and business succession needs of both our corporate and individual clients. In collaboration with an affiliate, Sumitomo Mitsui Trust Wealth Partners Co., Ltd., we provide tailor-made services for the needs of our business-owner and property-owner clients.

In addition, we have assigned a total of 193 financial consultants (as of September 30, 2014) to branches nationwide as an easily accessible channel for our business-owner clients to consult about inheritance and business succession concerns and challenges. Our financial consultants draw on the expertise they have accumulated through a rich, wide-ranging set of experiences to consult with customers from the dual perspectives of "inheritance/asset inheritance and business succession" and "asset management and asset administration."

Furthermore, we cooperate with our tax accountant corporate partner to hold seminars for business owners on the inheritance and business succession tax system and business succession measures that make use of trusts. These events serve as opportunities to make SMTB's consulting function more broadly known among people who have never had dealings with a trust bank.

3) Initiatives related to "Densai"

(electronically recorded monetary claims)

In order to facilitate fundraising for SMEs, SMTB has offered "Densai Services" since February 2012. The service is based on the Zengin Electronic Monetary Claims Recording Network, in which financial institutions nationwide are members. We also provide "Densai Lump-sum factoring services."

(3) Status of Management Support Initiatives for SMEs and of Regional Revitalization Initiatives

SMTB has branches throughout the country. Although it is not engaged in initiatives for the revitalization of specific regions, it carries out initiatives focused on support to improve the business operations of clients at each branch according to their individual circumstances and business dealings.

Examples of Specific Initiatives

- Referred a client who was considering M&A activities to a potential seller of businesses, and as a result, they reached an agreement, which contributed to the client's business expansion.
- Carried out sales mediation services (land surveying) for clients, and contributed to their expanding sales.