

Global Markets Business

[Message from the Officer in charge]

In the Global Markets Business, our experts who manage global financial market volatility draws on our domestic and overseas networks to provide optimal solutions that meet client needs for asset management and risk management regarding such matters as interest rate derivatives and foreign exchange related transactions.

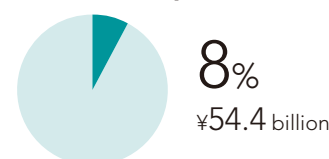


Yoshinori Momose
Executive Officer, SuMi TRUST Holdings
Officer in charge of Global Markets Business, SuMi TRUST Bank

Business Outline

Our Global Markets Business includes three functions — client service functions, which undertake marketing operations and market-making operations; market functions, which handle investment operations and financial management operations; and administrative functions. We combine these functions and operations to leverage our significant expertise and comprehensive capabilities and provide services in a timely manner.

[Percentage of Substantial Gross Business Profit*]



(* FY2017 actual)

Client Service Functions

- Marketing operations: We make use of functions within the SuMi TRUST Group to offer market-based financial products and solution services suited to client needs in a timely manner at a reasonable price. We also provide market analysis services, supporting client decision-making regarding investments and risk hedging.
- Market-making operations: Our market-making operations are intermediary services to clients for various market-based transactions, including foreign exchange-related transactions and interest rate derivatives. Through these operations, we contribute to greater market liquidity. We also work to supply high-quality, low-priced, market-based financial products by making full use of our financial technology.

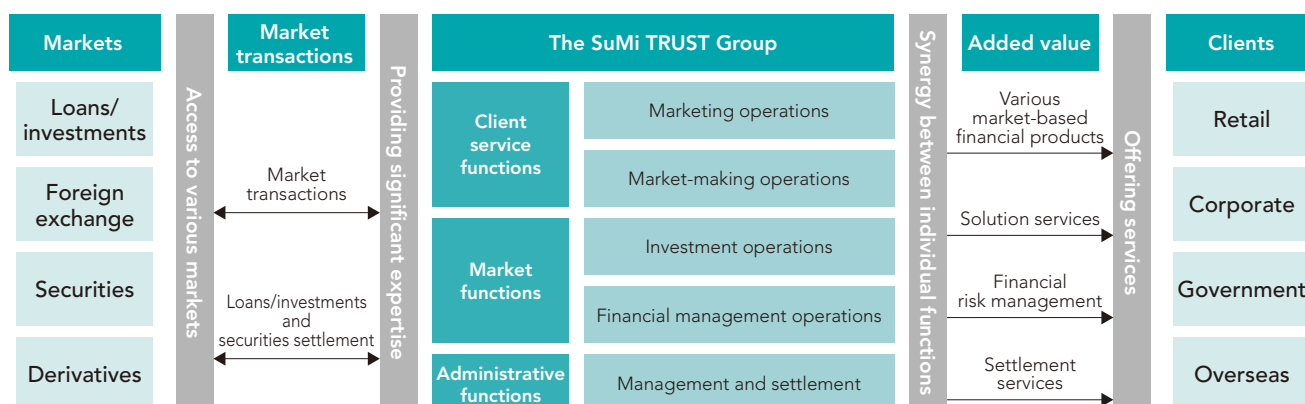
Market Functions

- Investment operations: We invest in a wide variety of financial instruments such as global bonds, foreign exchange-related products, and stocks to disperse risk while maximizing profit.
- Financial management operations: We analyze market environments, measure the market risks the SuMi TRUST Group is exposed to and plan and execute market risk control in order to secure financial stability from a group-wide perspective.

Administrative Functions

- We provide high-quality administrative services to correctly process complex and large-volume administration and settlement of market-based transactions.

Business Model of Global Markets Business

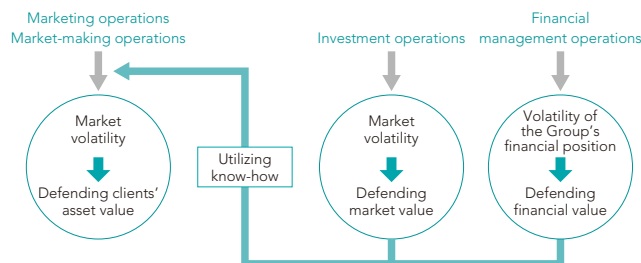


Target Business Model

Contribute to the management of market volatility for all clients, both internal and external

- The uncertainty surrounding the market is growing, due to factors including monetary policies of developed countries and economic trends in emerging countries, as well as the global political situation and geopolitical risks. Market risks also exist in clients' asset holdings and balance sheets. We will protect clients' asset value by providing solutions to appropriately manage market volatility.
- The optimal solutions we offer our clients make use of all the volatility management know-how of our group of experts, including knowledge of marketing operations and market-making operations, as well as technologies such as market risk control backed

by many years of experience in investment operations and financial management operations.



Key Measures

Expand foreign exchange and derivative transactions with financial organizations

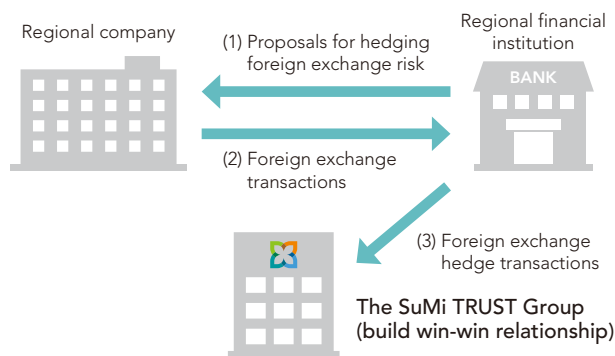
- The advance of globalization is stimulating overseas expansion, including M&As, by Japanese companies and foreign asset management by financial organizations, producing a rising need for appropriate hedging against interest rate and foreign exchange risks.
- Our specialized market volatility management functions can be used not only by the Group's clients, but also for the enrichment of client services offered by regional financial institutions through transactions with the Group, mutually expanding business opportunities.

Promote foreign currency deposits

- In Japan, which depends on foreign countries for resources and food, the price of imports soars when the yen weakens significantly, producing inflation.
- From the perspective of protecting clients' asset value (purchasing power), we propose to clients foreign currency deposits, which are advantageous when the yen is weak, as a tool to hedge their risks.

(Example) "B to B to C" in foreign exchange transactions with regional financial institutions

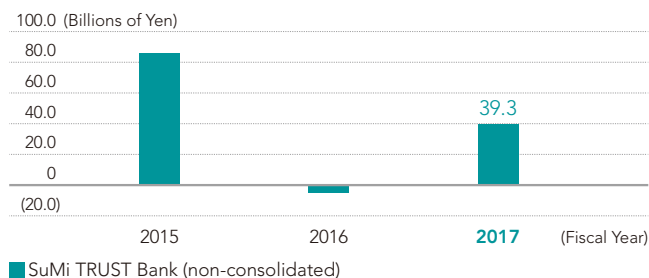
- Initiatives unique to the SuMi TRUST Group, free of corporate alliance restrictions
- Able to build win-win relationships that mutually expand business



Financial Highlights

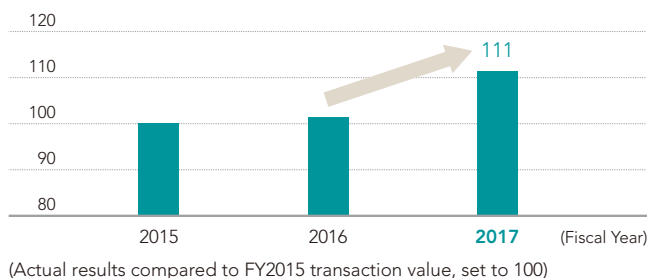
Trend of Net Business Profit before Credit Costs

In fiscal year 2016, net business profit before credit costs fell significantly due to the posting of realized losses on sales of U.S. treasuries, but in fiscal year 2017, net business profit before credit costs were ¥39.3 billion, primarily focused in client services such as marketing operations and market-making operations.



Trend of Value of Transactions with Financial Organizations

By maintaining a client-level perspective with respect to the various hedge needs of financial organizations including regional financial institutions, we steadily expanded our foreign exchange and derivative transactions with financial organizations.



Overview

Vision

Business Strategy

Management Foundation

Corporate Information