



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for 1QFY2018

July 27, 2018

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Definitions of terms in this document

Sumitomo Mitsui Trust Holdings (Consolidated): “Consolidated “ or “SuMi TRUST Holdings”

Sumitomo Mitsui Trust Bank (Non-consolidated): “Non-consolidated “ or “SuMi TRUST Bank”

Figures before FY2011 in Non-consolidated : CMTB (Non-consolidated) + CMAB (Non-consolidated) + STB (Non-consolidated)

Net income (on consolidated basis) : “Net income attributable to owners of the parent”

NPL (Non performing loans): “Problem assets based on the Financial Reconstruction Act”

Accounting for Business combination related to Management Integration

Purchase accounting method : Accounting method for business combination related to management integration

Results of applying purchase accounting method : Amount of effect from purchase accounting method

Financial indices per share

Indices regarding financial information per share such as “Net asset per 1 share,” “Dividends per 1 share,” are presented assuming that the consolidation of shares (one (1) share for every ten (10) shares) enacted on October 1, 2016, took place at the beginning of fiscal year ended March 31, 2016, for consistency purposes.

Overview of profits

| | (Yen bn) | FY17 1Q | FY18 1Q | Change | FY18 Forecast |
|----|--|------------|------------|--------|------------------|
| 1 | Net business profit before credit costs (*1) | 60.4 | 64.2 | 3.7 | 280.0 |
| 2 | Substantial gross business profit (*1) | 166.7 | 173.6 | 6.8 | 715.0 |
| 3 | Net interest income and related profit | 48.4 | 43.5 | (4.9) | |
| 4 | Net fees and commissions and related profit | 94.9 | 98.0 | 3.1 | |
| 5 | Other profit | 23.3 | 32.0 | 8.6 | |
| 6 | Substantial G&A expenses (*1) | (106.2) | (109.3) | (3.0) | (435.0) |
| 7 | Total credit costs | 2.1 | (1.2) | (3.4) | (20.0) |
| 8 | Net gains on stocks | 4.5 | 6.5 | 2.0 | |
| 9 | Other net non-recurring profit | (5.7) | (2.9) | 2.7 | |
| 10 | Ordinary profit | 61.4 | 66.6 | 5.1 | 255.0 |
| 11 | Extraordinary profit | (0.0) | (0.2) | (0.1) | |
| 12 | Income before income taxes | 61.3 | 66.3 | 5.0 | |
| 13 | Total income taxes | (17.6) | (19.2) | (1.6) | |
| 14 | Income attributable to non-controlling interests | (3.6) | (2.6) | 0.9 | |
| 15 | Net income | 40.1 | 44.4 | 4.3 | 165.0 |
| 16 | Earnings per share (EPS) (Yen) | 104 | 117 | 12 | |
| 17 | Number of shares issued (mn shares) (*2) | 382.5 | 379.8 | (2.6) | |

(*1) "Net business profit before credit costs", "Substantial gross business profit" and "Substantial G&A expenses" are based on managerial accounting, taking gross income and expenses from affiliates into consideration.

(*2) Average number of common shares outstanding (excluding treasury stocks) during the period.

Net business profit before credit costs

- Domestic loan-deposit margin improved, and effective interest related earnings including profit attributable to deployment of surplus foreign currency funds increased (UP approx.¥6.0bn YoY, (*3))
- Net fees and commissions and related profit increased, primarily due to steady progress in investment trust and insurance sales and asset management/administration businesses, while real estate related fees decreased
- Progress rate of 23% against full-year forecast is in line with initial plan

Total credit costs

- Despite credit cost recorded due to deterioration of certain borrower, limited instance of new problem loans overall

Net gains on stocks

- Progress made in reduction of strategic shareholdings (reduction of ¥4.3bn, profit of ¥6.5bn from disposal)

Net income

- Increase of ¥4.3bn YoY
- Steady result at progress rate of 27% against full-year forecast of ¥165.0bn

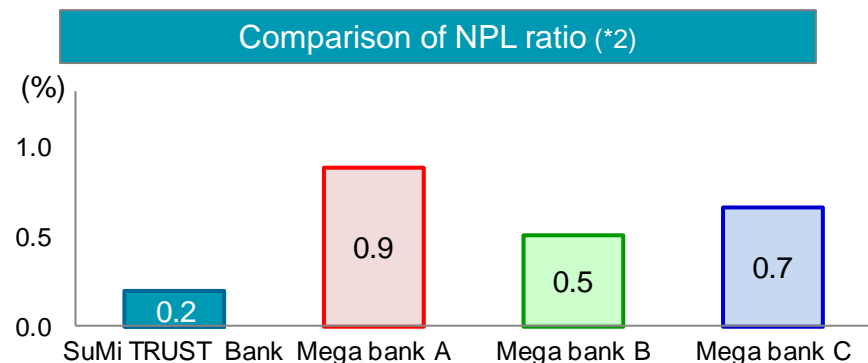
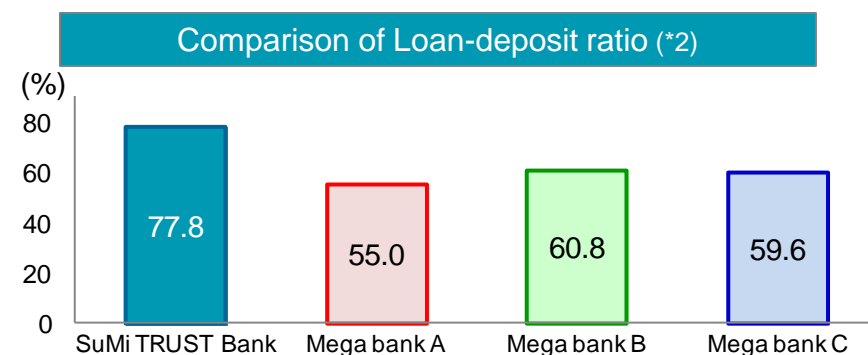
(*3) Please refer to P6, for net interest income of SuMi TRUST Bank, which constitutes most of interest related earnings

Overview of balance sheet

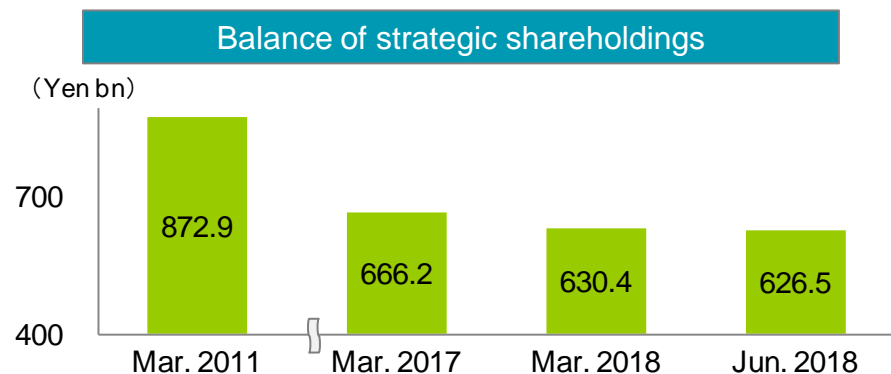
| | | Mar. 2018 | Jun. 2018 | Change |
|----|--|-----------|-----------|-----------|
| | | (Yen bn) | | |
| 1 | Assets | 68,356.7 | 67,345.5 | (1,011.2) |
| 2 | Cash and due from banks | 28,841.3 | 27,499.3 | (1,342.0) |
| 3 | Securities | 5,537.6 | 6,125.5 | 587.9 |
| 4 | Loans and bills discounted | 28,190.5 | 28,101.3 | (89.2) |
| 5 | Other assets | 5,787.2 | 5,619.2 | (167.9) |
| 6 | Liabilities | 65,484.4 | 64,474.6 | (1,009.8) |
| 7 | Deposits and NCD | 43,915.1 | 42,397.2 | (1,517.9) |
| 8 | Borrowed money from trust account | 11,070.7 | 11,073.9 | 3.2 |
| 9 | Other liabilities | 10,498.5 | 11,003.3 | 504.7 |
| 10 | Total net assets | 2,872.3 | 2,870.9 | (1.4) |
| 11 | Total shareholders' equity | 2,127.8 | 2,138.5 | 10.7 |
| 12 | Total accumulated OCI | 496.8 | 482.4 | (14.4) |
| 13 | Minority interests, etc. | 247.6 | 249.9 | 2.2 |
| 14 | Net assets per share (BPS) (Yen) | 6,897 | 6,922 | 25 |
| 15 | Number of shares issued (mn shares) (*1) | 380.5 | 378.5 | (1.9) |

| (Reference) | | Mar. 2018 | Jun. 2018 | Change |
|-------------|--------------------------------------|-----------|-----------|--------|
| 16 | Loan-deposit ratio (SuMi TRUST Bank) | 78.2% | 77.8% | (0.4%) |
| 17 | NPL ratio (SuMi TRUST Bank) | 0.2% | 0.2% | (0.0%) |

(*1) Number of common shares issued (excluding treasury stocks) as of the date above



(*2) SuMi TRUST Bank: as of Jun. 2018 Other major banks: as of Mar. 2018

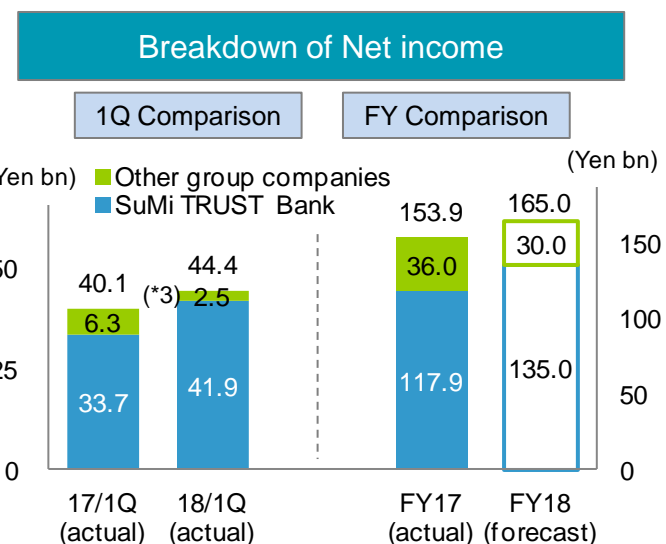
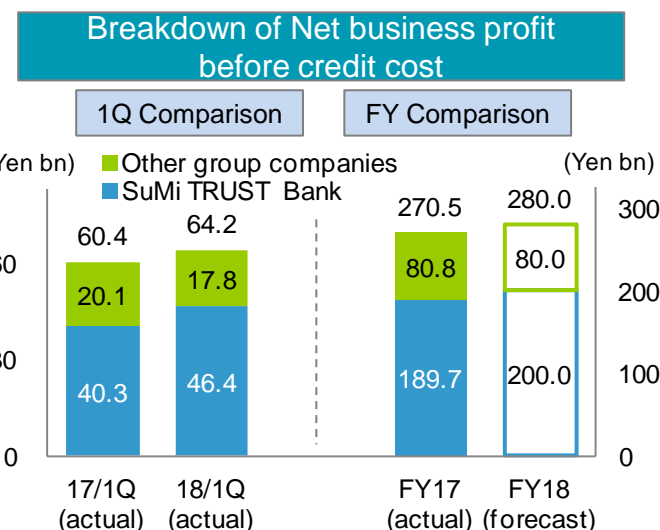


Profit by group company

| | | (Yen bn) | FY17 1Q | FY18 1Q | Change |
|----|--|----------|------------|------------|--------|
| 1 | Net business profit before credit costs (*1) | | 60.4 | 64.2 | 3.7 |
| 2 | o/w SuMi TRUST Bank | | 40.3 | 46.4 | 6.0 |
| 3 | SuMi TRUST AM | | 1.4 | 1.1 | (0.2) |
| 4 | Nikko AM (*2) | | 2.2 | 3.7 | 1.5 |
| 5 | SuMi TRUST Realty | | 1.3 | 1.5 | 0.1 |
| 6 | SuMi TRUST Panasonic Finance (*2) | | 3.4 | 2.7 | (0.6) |
| 7 | SuMi TRUST Loan & Finance | | 2.4 | 2.6 | 0.2 |
| 8 | SBI Sumishin Net Bank (*2) | | 1.5 | 1.9 | 0.4 |
| 9 | SuMi TRUST Guarantee (*2) | | 2.9 | 2.9 | (0.0) |
| 10 | SuMi TRUST Club | | 1.7 | 0.2 | (1.4) |
| 11 | Effect of purchase accounting method | | (0.6) | (0.6) | (0.0) |
| 12 | Net income (*1) | | 40.1 | 44.4 | 4.3 |
| 13 | o/w SuMi TRUST Bank | | 33.7 | 41.9 | 8.1 |
| 14 | SuMi TRUST AM | | 0.9 | 0.7 | (0.2) |
| 15 | Nikko AM (*2) | | 1.2 | 2.3 | 1.1 |
| 16 | SuMi TRUST Realty | | 0.9 | 1.0 | 0.1 |
| 17 | SuMi TRUST Panasonic Finance (*2) | | 1.8 | 0.6 | (1.2) |
| 18 | SuMi TRUST Loan & Finance | | 1.7 | 1.7 | 0.0 |
| 19 | SBI Sumishin Net Bank (*2) | | 1.0 | 1.3 | 0.3 |
| 20 | SuMi TRUST Guarantee (*2) | | 2.1 | 2.4 | 0.3 |
| 21 | SuMi TRUST Club | | 0.6 | (0.4) | (1.1) |
| 22 | Effect of purchase accounting method | | 0.0 | 0.2 | 0.1 |

(*1) Figures on the table above are contribution of group companies, which are substantive amount excluding consolidation adjustment that do not relate directly to the group companies' business results, and dividend from group companies aimed to improve capital efficiency

(*2) Consolidated basis



(*3) Goodwill related to an affiliated company (approx. 2bn yen) was fully amortized in 18/1Q, taking into account of financial insignificance of the amount

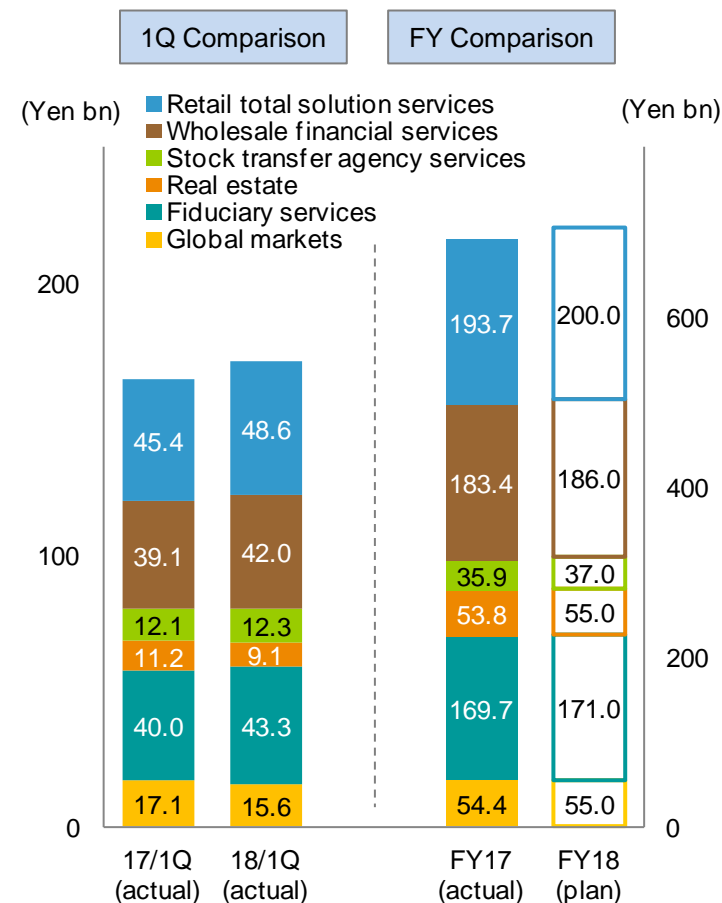
Profit by business segment

| (Yen bn) | | FY17 1Q | FY18 1Q | Change | FY18 Plan |
|----------|---|------------|------------|--------|--------------|
| 1 | Net business profit before credit costs | 60.4 | 64.2 | 3.7 | 280.0 |
| 2 | Substantial gross business profit (*1) | 166.7 | 173.6 | 6.8 | 715.0 |
| 3 | Retail total solution services | 45.4 | 48.6 | 3.1 | 200.0 |
| 4 | SuMi TRUST Bank | 29.8 | 33.7 | 3.8 | 137.0 |
| 5 | Other group companies | 15.5 | 14.8 | (0.6) | 63.0 |
| 6 | Wholesale financial services (*2) | 39.1 | 42.0 | 2.8 | 186.0 |
| 7 | SuMi TRUST Bank | 25.4 | 28.4 | 2.9 | 130.0 |
| 8 | Other group companies | 13.6 | 13.5 | (0.1) | 56.0 |
| 9 | Stock transfer agency services | 12.1 | 12.3 | 0.1 | 37.0 |
| 10 | SuMi TRUST Bank | 7.3 | 7.6 | 0.3 | 21.0 |
| 11 | Other group companies | 4.8 | 4.6 | (0.1) | 16.0 |
| 12 | Real estate | 11.2 | 9.1 | (2.0) | 55.0 |
| 13 | SuMi TRUST Bank | 6.1 | 3.8 | (2.2) | 33.0 |
| 14 | Other group companies | 5.0 | 5.2 | 0.1 | 22.0 |
| 15 | Fiduciary services | 40.0 | 43.3 | 3.3 | 171.0 |
| 16 | SuMi TRUST Bank | 15.0 | 15.2 | 0.2 | 63.0 |
| 17 | Other group companies | 25.0 | 28.1 | 3.0 | 108.0 |
| 18 | Global markets | 17.1 | 15.6 | (1.5) | 55.0 |
| 19 | Substantial G&A Expenses | (106.2) | (109.3) | (3.0) | (435.0) |
| 20 | SuMi TRUST Bank | (58.5) | (57.6) | 0.8 | (240.0) |
| 21 | Other group companies | (47.7) | (51.6) | (3.8) | (195.0) |

(*1) Dividend from group companies aimed to improve capital efficiency not included in profit for each business segments

(*2) Combined total of Wholesale total solution services and Wholesale asset management

Breakdown by business segment



Overview of profit (SuMi TRUST Bank)

| (Yen bn) | | FY17 1Q | FY18 1Q | Change | Substantial ^(*) |
|----------|--|------------|------------|--------|----------------------------|
| 1 | Net business profit before credit costs | 40.3 | 76.5 | 36.2 | 6.0 |
| 2 | Gross business profit | 98.8 | 134.2 | 35.4 | 5.2 |
| 3 | Net interest income and related profit | 42.0 | 67.6 | 25.5 | (4.5) |
| 4 | Net fees and commissions and related profit | 41.4 | 42.2 | 0.8 | 0.8 |
| 5 | Net trading profit | 0.2 | 2.4 | 2.1 | 2.1 |
| 6 | Net other operating profit | 15.0 | 21.9 | 6.8 | 6.8 |
| 7 | o/w Net gains on foreign exchange transactions | 6.3 | 20.3 | 14.0 | 14.0 |
| 8 | Net gains on bonds | 6.3 | 1.7 | (4.6) | (4.6) |
| 9 | Net gains from derivatives ^(*) | 2.4 | (0.1) | (2.5) | (2.5) |
| 10 | General and administrative expenses | (58.5) | (57.6) | 0.8 | 0.8 |
| 11 | Total credit costs | 2.1 | 1.0 | (1.1) | (1.1) |
| 12 | Other non-recurring profit | 2.7 | 9.4 | 6.6 | 6.6 |
| 13 | o/w Net gains on stocks | 5.4 | 5.7 | 0.3 | 0.3 |
| 14 | Amortization of net actuarial losses | (4.0) | (0.8) | 3.2 | 3.2 |
| 15 | Ordinary profit | 45.3 | 87.0 | 41.7 | 11.5 |
| 16 | Extraordinary profit | (0.0) | (0.1) | (0.1) | (0.1) |
| 17 | Income before income taxes | 45.2 | 86.8 | 41.5 | 11.4 |
| 18 | Total income taxes | (11.4) | (14.7) | (3.2) | (3.2) |
| 19 | Net income | 33.7 | 72.0 | 38.2 | 8.1 |

| | FY17 1Q | F18 1Q | Change | |
|----|---|-----------|--------|-------|
| 20 | Net interest income and related profit | 42.0 | 67.6 | 25.5 |
| 21 | Net interest income | 39.2 | 62.8 | 23.6 |
| 22 | Domestic business | 32.3 | 63.3 | 30.9 |
| 23 | o/w Dividend from group companies aimed to improve capital efficiency | - | 30.1 | 30.1 |
| 24 | International business | 6.9 | (0.4) | (7.3) |
| 25 | Trust fees ^(*) | 2.8 | 4.7 | 1.9 |
| 26 | o/w Profit attributable to deployment of surplus foreign currency funds | 4.5 | 15.7 | 11.1 |
| 27 | (Ref.) Effective interest related earnings ^(*) | 46.6 | 53.2 | 6.5 |
| 28 | Net fees and commissions and related profit | 41.4 | 42.2 | 0.8 |
| 29 | o/w Investment management consulting | 12.1 | 13.8 | 1.7 |
| 30 | Asset management/administration | 15.0 | 15.2 | 0.2 |
| 31 | Real estate brokerage | 4.7 | 2.5 | (2.1) |
| 32 | Stock transfer agency services | 7.3 | 7.6 | 0.3 |
| 33 | Inheritance related services | 0.9 | 0.7 | (0.2) |
| 34 | Wholesale credit related | 4.7 | 4.6 | (0.0) |
| 35 | Net gains on bonds | 6.3 | 1.7 | (4.6) |
| 36 | Domestic bonds | 0.0 | 0.1 | 0.0 |
| 37 | Foreign bonds | 6.3 | 1.5 | (4.7) |

(*) Excluding dividend from group companies aimed to improve capital efficiency.

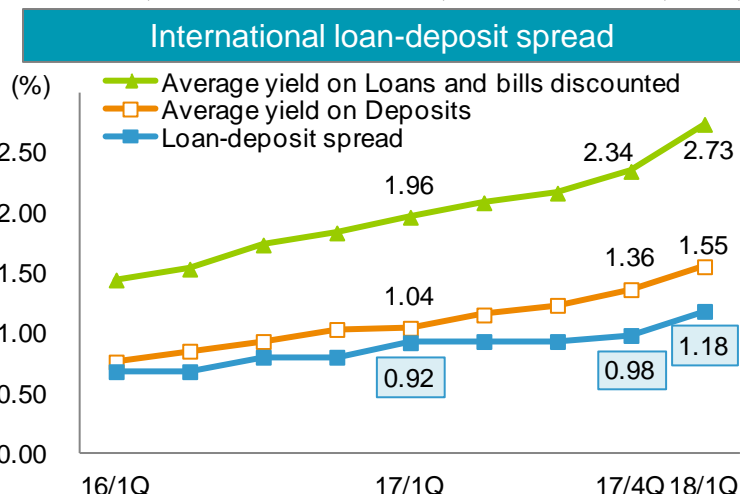
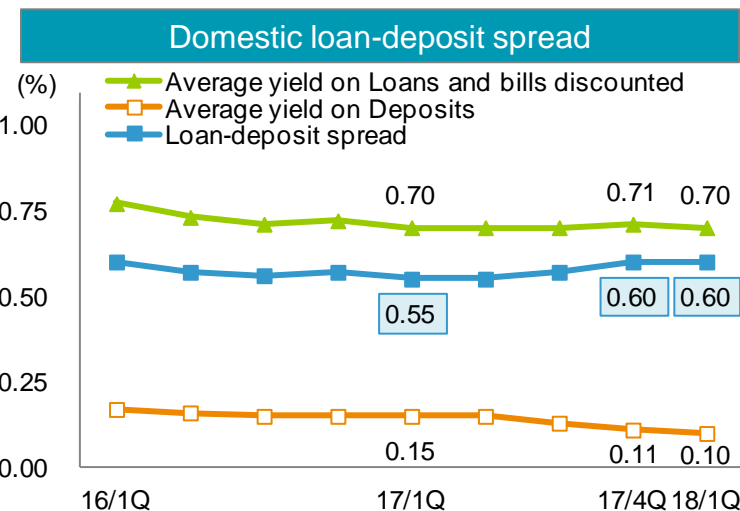
(*) Net gains from derivatives other than for trading or hedging

(*) Trust fees from principal guaranteed trust a/c

(*) Net interest income and related profit - Dividend from group companies to aimed to improve capital efficiency + Profit attributable to deployment of surplus foreign currency funds

Net interest income (SuMi TRUST Bank)

| | FY18/1Q | | | | | |
|--|-----------------|-------------------|---------------|-------------------|-----------------|-------------------|
| | Average Balance | Change from 17/1Q | Average Yield | Change from 17/1Q | Income/Expenses | Change from 17/1Q |
| (Average balance: Yen trn) (Income/Expenses: Yen bn) | | | | | | |
| 1 Net interest income | | | | | 62.8 | 23.6 |
| 2 Domestic business | | | (*)0.67% | 0.29% | 63.3 | 30.9 |
| 3 Interest-earning assets | 37.62 | 3.59 | (*)0.83% | 0.27% | 78.6 | 30.7 |
| 4 o/w Loans and bills discounted | 21.39 | 0.46 | 0.70% | (0.00%) | 37.4 | 0.6 |
| 5 Securities | 3.43 | 0.33 | (*)4.62% | 3.50% | 39.5 | 30.9 |
| 6 Income on swaps | --- | --- | --- | --- | 0.2 | (0.6) |
| 7 Interest-bearing liabilities | 36.85 | 3.53 | 0.16% | (0.02%) | (15.3) | 0.1 |
| 8 o/w Deposits | 23.25 | 0.15 | 0.10% | (0.05%) | (6.2) | 2.7 |
| 9 Borrowings from trust a/c | 3.86 | 1.59 | 0.49% | 0.01% | (4.7) | (2.0) |
| 10 International business | | | (0.04%) | (0.28%) | (0.4) | (7.3) |
| 11 Interest-earning assets | 13.11 | 1.61 | 2.03% | 0.34% | 66.4 | 17.8 |
| 12 o/w Loans and bills discounted | 6.48 | (0.51) | 2.73% | 0.77% | 44.1 | 9.9 |
| 13 Due from banks | 2.39 | 0.36 | 1.30% | 0.45% | 7.8 | 3.4 |
| 14 Securities | 2.08 | 0.41 | 2.32% | 0.20% | 12.1 | 3.2 |
| 15 Interest-bearing liabilities | 12.93 | 1.41 | 2.07% | 0.62% | (66.9) | (25.1) |
| 16 o/w Deposits | 5.64 | 0.89 | 1.55% | 0.51% | (21.8) | (9.4) |
| 17 NCD / USCP | 4.60 | 0.35 | 1.82% | 0.81% | (20.8) | (10.1) |
| 18 Repo | 1.49 | 0.39 | 1.81% | 0.84% | (6.7) | (4.0) |
| 19 Expenses on swaps | --- | --- | --- | --- | (8.9) | 0.2 |
| 20 (+) Trust fees from principal guaranteed trust a/c | | | | | 4.7 | 1.9 |
| 21 (+) Profit attributable to deployment of surplus foreign currency funds | | | | | 15.7 | 11.1 |
| 22 (-) Dividend from group companies aimed to improve capital efficiency | | | | | 30.1 | 30.1 |
| 23 Effective interest related earnings | | | | | 53.2 | 6.5 |
| 24 (Ref.) Loan-deposit spread / income in domestic business | | | 0.60% | 0.05% | 31.2 | 3.4 |

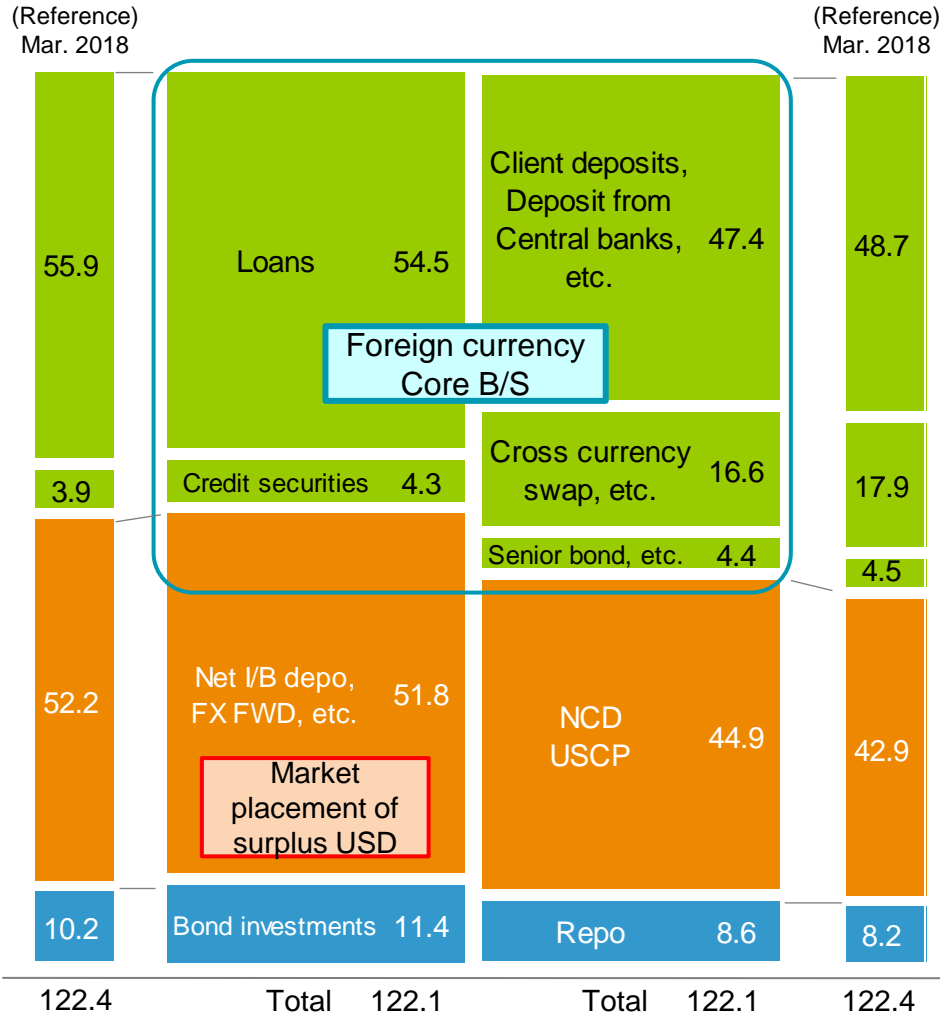


(*) Average Yield excluding dividend from group companies aimed to improve capital efficiency

| Domestic business | Average Yield | Change from 17/1Q |
|-----------------------------|---------------|-------------------|
| o/w Interest-earning assets | 0.35% | (0.03%) |
| o/w Securities | 1.10% | (0.02%) |

(Reference) Status of foreign currency balance sheet (SuMi TRUST Bank)

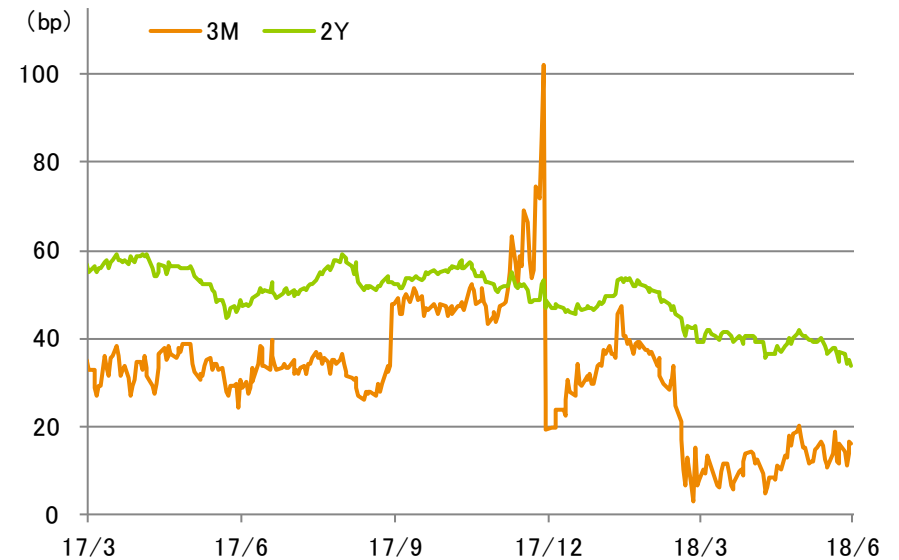
Foreign currency B/S (as of Jun. 2018) (USD bn)



Foreign currency ALM management

- ◆ Loans and credit securities constituting core foreign currency denominated assets, are funded by “sticky” client deposits and central bank deposits as well as “long term” yen swaps and senior bonds issuance.
- ◆ Short term funds sourced through NCD/USCP markets are categorized as contingent funding buffer for foreign currency B/S, and the funds are utilized in the inter-bank or foreign exchange market.

Basis swap spread (CCS) (USD/JPY)



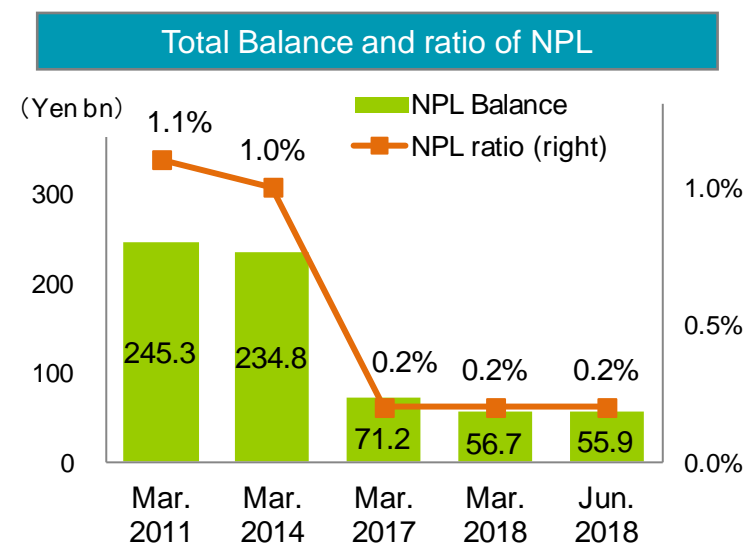
Total credit costs and problem assets

| [Total credit costs] | | FY17 | FY18 | Major factors (1QFY18) |
|----------------------|--|-------|-------|---|
| (Yen bn) | | 1Q | 1Q | |
| 1 | SuMi TRUST Bank | 2.1 | 1.0 | Downgraded: Approx. (1.0) Upgraded: Approx. +0.5 Decrease in loan balance, etc. (including recoveries): Approx. +1.5 |
| 2 | General allowance for loan losses | 2.6 | 1.4 | |
| 3 | Specific allowance for loan losses | 0.1 | (0.0) | |
| 4 | Recoveries of written-off claims | 0.2 | 0.5 | |
| 5 | Losses on sales of claims, written-off | (0.9) | (0.9) | |
| 6 | Other group companies, etc. | (0.0) | (2.2) | SuMi TRUST Panasonic Finance (1.4) |
| 7 | Total | 2.1 | (1.2) | |

| [NPL (SuMi TRUST Bank)] | | Jun. 2018 | Coverage ratio (*1) | Allowance ratio (*2) | Change from Mar. 2018 |
|-------------------------|---|-----------|---------------------|----------------------|-----------------------|
| (Yen bn) | | | | | |
| 8 | NPL | 55.9 | 95.8% | 78.8% | (0.8) |
| 9 | NPL ratio (ratio to Total loan balance) | 0.2% | --- | --- | (0.0%) |
| 10 | Bankrupt and practically bankrupt | 12.1 | 100.0% | 100.0% | 0.1 |
| 11 | Doubtful | 26.4 | 92.7% | 74.6% | (0.6) |
| 12 | Substandard | 17.4 | 97.5% | 32.6% | (0.2) |
| 13 | Other special mention debtors | 529.4 | --- | --- | (19.0) |
| 14 | Ordinary assets | 28,094.8 | --- | --- | (118.5) |
| 15 | Total loan balance | 28,680.2 | --- | --- | (138.3) |

(*1) (Collateral value + allowance for loan losses) / Loan balance

(*2) Allowance for loan losses / (Loan balance - Collateral value after considering haircuts)



Securities portfolio

| [Securities with fair value] | Costs | | Unrealized gains/losses (*1) | |
|------------------------------------|----------|-----------|------------------------------|-----------|
| | (Yen bn) | Jun. 2018 | Change from Mar. 2018 | Jun. 2018 |
| 1 Available-for-sale securities | 4,951.8 | 589.6 | 723.1 | (16.1) |
| 2 Japanese stocks | 626.5 | (3.9) | 903.0 | 26.8 |
| 3 Japanese bonds | 1,022.7 | 206.8 | 2.4 | 0.1 |
| 4 Others | 3,302.5 | 386.7 | (182.3) | (43.1) |
| 5 Held-to-maturity debt securities | 261.2 | (3.7) | 21.2 | (0.6) |

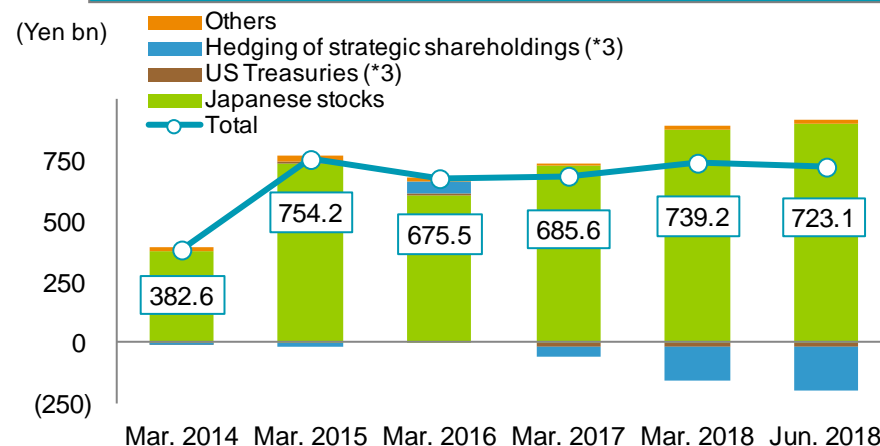
| [Securities with fair value (SuMi TRUST Bank)] | | | | |
|--|-----------|-----------------------|-----------|-----------------------|
| | Jun. 2018 | Change from Mar. 2018 | Jun. 2018 | Change from Mar. 2018 |
| 6 Available-for-sale securities | 4,918.1 | 556.7 | 738.7 | (15.2) |
| 7 Japanese stocks | 601.6 | (4.7) | 925.1 | 27.8 |
| 8 Japanese bonds | 1,065.6 | 177.8 | 1.1 | 0.2 |
| 9 o/w Government bonds | 430.8 | 189.5 | 0.2 | 0.0 |
| 10 Others | 3,250.8 | 383.6 | (187.5) | (43.3) |
| 11 Domestic investment | 82.7 | 0.5 | 1.7 | (0.0) |
| 12 International investment | 1,628.8 | 374.7 | (18.9) | (2.1) |
| 13 o/w US Treasury | 744.8 | 248.7 | (18.9) | (0.1) |
| 14 Others (Investment trust, etc.) | 1,539.2 | 8.2 | (170.2) | (41.1) |
| 15 o/w for hedging of strategic shareholdings (*2) | 1,346.6 | - | (176.0) | (41.7) |

(*1) From FY18, figures for "Japanese stocks" are determined based on quoted market price as of balance sheet date, which was previously based on average quoted market price over the month preceding balance sheet date

(*2) Of which hedging effect under capital regulation is recognized: Costs JPY882.1bn, Unrealized gains/losses JPY(143.1)bn

| | | | | |
|-------------------------------------|-------|-------|------|-------|
| 16 Held-to-maturity debt securities | 191.4 | (2.1) | 21.1 | (0.6) |
| 17 o/w Government bonds | 119.0 | (0.0) | 19.6 | (0.2) |
| 18 International investment | 34.1 | (1.5) | 0.8 | (0.5) |

Unrealized gains/losses of AFS securities with fair value



(*3) SuMi TRUST Bank

Reduction of strategic shareholdings (*4)

| (Yen bn) | FY17 | | FY18 | |
|---------------------|------|------|------|-----|
| | 1H | 2H | 1Q | |
| 19 Reduction amount | 13.3 | 21.9 | 35.2 | 4.3 |

(Ref.) Cumulative reduction since merger (from FY11 to FY17): ¥281.6bn

Cumulative reduction based on current plan (from FY16 to FY20): ¥67.4bn

(*4) Purchase cost of listed shares

Securities portfolio of Global markets (*5)

| (Yen bn) | 10BPV (*6) | | Duration (years) (*6) | |
|-----------|------------|-----------------------|-----------------------|-----------------------|
| | Jun. 2018 | Change from Mar. 2018 | Jun. 2018 | Change from Mar. 2018 |
| 20 JPY | 3.7 | 1.0 | 6.0 | (0.8) |
| 21 Others | 2.2 | (0.6) | 3.4 | (0.6) |

(*5) Managerial reporting basis; "HTM debt securities" and "AFS securities" are combined

(*6) In the calculation of 10BPV and duration, investment balance hedged by derivatives transactions, etc. were excluded

(Reference) Forecast for FY2018

- ▶ Net business profit before credit costs and Net income both expected to exceed FY17 results
- ▶ Dividend on ordinary share forecast to be 130 yen per share, in line with the policy of consolidated dividend payout ratio of 30%

| | (Yen bn) | FY17 Actual | 1H | FY18 Forecast | Change from FY17 | | |
|----|---|----------------|---------|------------------|------------------|-----------------|-----|
| | | | | | | Substantial (*) | |
| 1 | Net business profit before credit costs | 270.5 | 130.0 | 280.0 | 9.4 | 9.4 | (1) |
| 2 | SuMi TRUST Bank | 189.7 | 125.0 | 235.0 | 45.2 | (*) 10.2 | |
| 3 | Substantial gross business profit | 705.7 | 345.0 | 715.0 | 9.2 | 9.2 | |
| 4 | SuMi TRUST Bank | 426.8 | 245.0 | 475.0 | 48.1 | (*) 13.1 | |
| 5 | Other group companies | 278.8 | 100.0 | 240.0 | (38.8) | (*) (3.8) | |
| 6 | Substantial G&A Expenses | (435.1) | (215.0) | (435.0) | 0.1 | 0.1 | |
| 7 | SuMi TRUST Bank | (237.0) | (120.0) | (240.0) | (2.9) | (2.9) | |
| 8 | Other group companies | (198.0) | (95.0) | (195.0) | 3.0 | 3.0 | |
| 9 | Total credit costs | 2.9 | (10.0) | (20.0) | (22.9) | (22.9) | (2) |
| 10 | SuMi TRUST Bank | 7.0 | (10.0) | (20.0) | (27.0) | (27.0) | |
| 11 | Other group companies | (4.0) | 0.0 | 0.0 | 4.0 | 4.0 | |
| 12 | Net gains on stocks | 6.3 | 15.0 | 30.0 | 23.6 | 23.6 | (3) |
| 13 | Other non-recurring profit | (47.2) | (10.0) | (35.0) | 12.2 | 12.2 | (4) |
| 14 | Ordinary profit | 232.6 | 125.0 | 255.0 | 22.3 | 22.3 | |
| 15 | o/w SuMi TRUST Bank | 172.9 | 130.0 | 230.0 | 57.0 | (*) 22.0 | |
| 16 | Net income | 153.9 | 80.0 | 165.0 | 11.0 | 11.0 | |
| 17 | o/w SuMi TRUST Bank | 117.9 | 100.0 | 170.0 | 52.0 | (*) 17.0 | |
| 18 | Dividend per common share (Yen) | 130 | 65 | 130 | ±0 | | |
| 19 | Consolidated dividend payout ratio | 32.1% | --- | 30.0% | (2.1%) | | |

(*) Excluding dividend from group companies, which are planned to be paid in FY18 to improve capital efficiency.

【Assumptions】

- (1) Net business profit before credit costs: +¥9.4bn YoY
 • Substantial gross business profit assumes increase, whereas substantial G&A expenses forecasted to remain in line with previous year
- (2) Total credit costs: forecast ¥(20.0)bn
 • Estimated to be around 7bp of total credit portfolio of ¥30trn
- (3) Net gains on stocks: forecast ¥30.0bn
 • Assumes reduction of strategic shareholdings in accordance with current plan
- (4) Other non-recurring profit: forecast ¥(35.0)bn
 • Non-recurrence of one-time depreciation related to IT system in FY17

Fee business: Investment management consulting for retail clients

- ▶ Sales of investment trust decreased, but total sales volume increased ¥10.7bn to ¥359.2bn due to recovery in sales of insurance
- ▶ Income increased ¥1.7bn YoY, primarily due to increased sales volume of insurance

Income for distributor of investment products

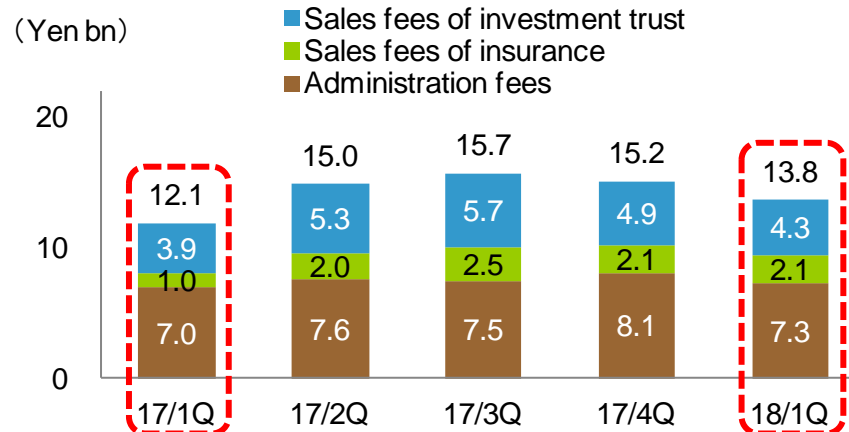
| | | FY17 | FY18 | Change |
|----------|--------------------------------|------|------|--------|
| (Yen bn) | | 1Q | 1Q | |
| 1 | Income total | 12.1 | 13.8 | 1.7 |
| 2 | Sales fees of investment trust | 3.9 | 4.3 | 0.3 |
| 3 | Sales fees of insurance | 1.0 | 2.1 | 1.0 |
| 4 | Administration fees | 7.0 | 7.3 | 0.3 |

Sales volume / balance

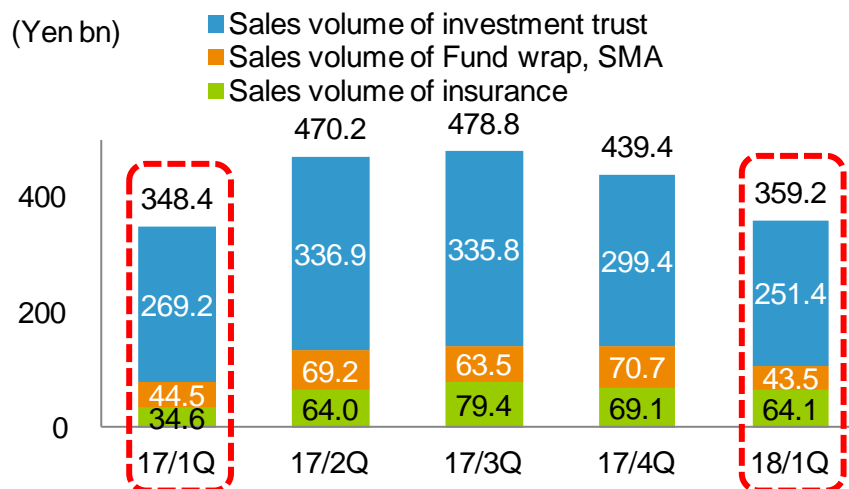
| | | FY17 | FY18 | Change |
|----------|--------------------|-------|-------|--------|
| (Yen bn) | | 1Q | 1Q | |
| 5 | Sales volume total | 348.4 | 359.2 | 10.7 |
| 6 | Investment trust | 269.2 | 251.4 | (17.7) |
| 7 | Fund wrap, SMA | 44.5 | 43.5 | (0.9) |
| 8 | Insurance | 34.6 | 64.1 | 29.5 |

| | | Mar. 2018 | Jun. 2018 | Change |
|----------|------------------|-----------|-----------|--------|
| (Yen bn) | | | | |
| 9 | Balance total | 6,158.9 | 6,242.0 | 83.1 |
| 10 | Investment trust | 2,891.5 | 2,932.1 | 40.5 |
| 11 | Fund wrap, SMA | 830.9 | 840.8 | 9.8 |
| 12 | Insurance | 2,436.3 | 2,469.1 | 32.7 |
| 13 | Wrap Selection | 1,669.4 | 1,708.9 | 39.5 |

Income for distributor (quarterly)



Sales volume (quarterly)

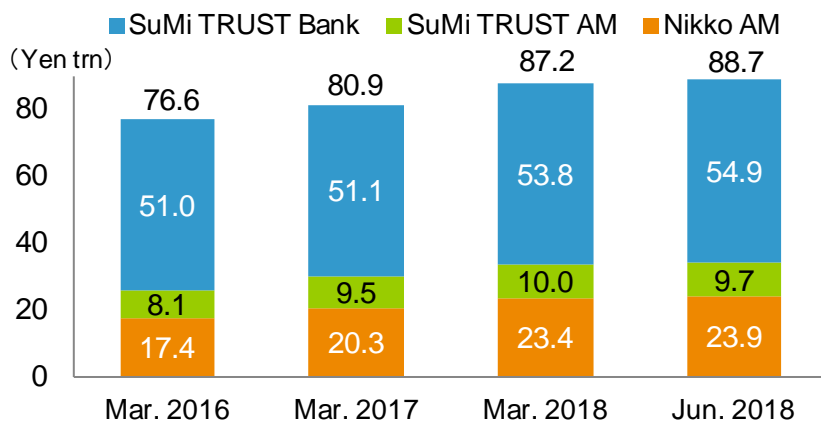


Fee business: Asset management/administration (Fiduciary services)

- ▶ AUM: Increased by ¥1.3trn from Mar. 2018 to ¥88.7trn, due to increase in market value from higher stock prices
- ▶ AUC: Increased for both domestic and overseas assets from Mar. 2018

Assets under management (AUM)

| | | Mar. 2018 | Jun. 2018 | Change |
|-----------|--------------------------|-----------|-----------|--------|
| (Yen trn) | | | | |
| 1 | Assets under management | 87.2 | 88.7 | 1.4 |
| 2 | SuMi TRUST Bank | 53.8 | 54.9 | 1.1 |
| 3 | Corporate pension trust | 13.6 | 13.4 | (0.1) |
| 4 | Public pension trust | 11.8 | 11.8 | (0.0) |
| 5 | Discretionary investment | 28.2 | 29.6 | 1.3 |
| 6 | Subsidiaries | 33.4 | 33.7 | 0.2 |
| 7 | SuMi TRUST AM | 10.0 | 9.7 | (0.2) |
| 8 | Nikko AM | 23.4 | 23.9 | 0.5 |



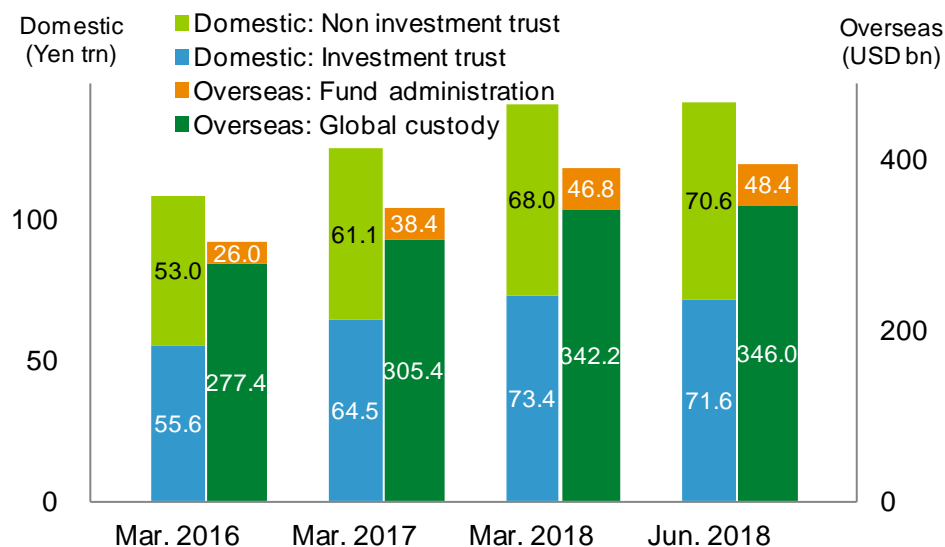
| | | | | |
|---------|----------|----------|----------|----------|
| USD/JPY | 112.63 | 112.15 | 106.24 | 110.52 |
| TOPIX | 1,347.20 | 1,512.60 | 1,716.30 | 1,730.89 |

Assets under custody/administration

| | | Mar. 2018 | Jun. 2018 | Change |
|----------------------|---------------------------|-----------|-----------|--------|
| [Domestic] (Yen trn) | | | | |
| 9 | Investment trust (*1) | 73.4 | 71.6 | (1.8) |
| 10 | Non investment trust (*1) | 68.0 | 70.6 | 2.5 |
| [Overseas] (USD bn) | | | | |
| 11 | Global custody (*2) | 342.2 | 346.0 | 3.8 |
| 12 | Fund administration | 46.8 | 48.4 | 1.6 |

(*1) Entrusted balance of SuMi TRUST Bank

(*2) Combined figures of SuMi TRUST Bank (U.S.A.), SuMi TRUST (UK) and SuMi TRUST Bank (Lux.)



Fee business: Real estate

- ▶ Real estate brokerage fees from corporate clients (SuMi TRUST Bank): ¥2.5bn, a decrease of ¥2.1bn as compared with previous years' good performance due to contribution from large-size transaction
- ▶ Real estate brokerage fees from retail clients (SuMi TRUST Realty): In line with previous year at ¥4.8bn with continuing good performance

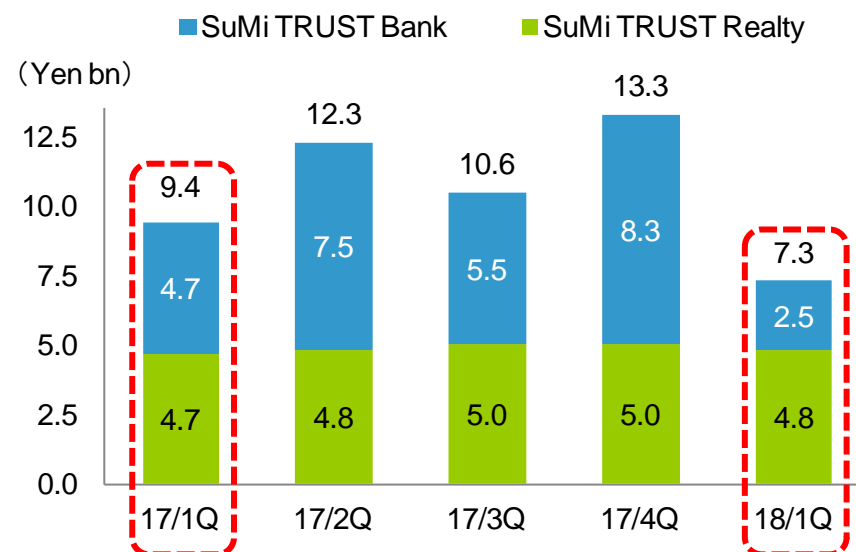
Income

| (Yen bn) | | FY17 1Q | FY18 1Q | Change |
|----------|------------------------------|------------|------------|--------|
| 1 | Real estate brokerage fees | 9.4 | 7.3 | (2.0) |
| 2 | SuMi TRUST Bank | 4.7 | 2.5 | (2.1) |
| 3 | SuMi TRUST Realty | 4.7 | 4.8 | 0.1 |
| 4 | Real estate trust fees, etc. | 1.4 | 1.3 | (0.0) |
| 5 | Net other real estate profit | 0.3 | 0.3 | (0.0) |
| 6 | SuMi TRUST Bank | - | - | - |
| 7 | Group companies | 0.3 | 0.3 | (0.0) |
| 8 | Total | 11.2 | 9.1 | (2.0) |
| 9 | o/w SuMi TRUST Bank | 6.1 | 3.8 | (2.2) |

Assets under management / administration

| (Yen bn) | | Mar. 2018 | Jun. 2018 | Change |
|----------|-----------------------------------|-----------|-----------|--------|
| 10 | Securitized real estate | 15,320.0 | 15,566.4 | 246.3 |
| 11 | Assets under custody from J-REITs | 13,397.9 | 13,677.9 | 279.9 |
| 12 | Assets under managemet | 709.1 | 720.0 | 10.9 |
| 13 | Private placement funds | 438.2 | 449.2 | 10.9 |
| 14 | J-REITs | 270.8 | 270.8 | - |

Real estate brokerage fees (quarterly)



Loan/investment business: Credit portfolio

► Credit portfolio balance: Decreased ¥0.12trn from Mar. 2018, due primarily to repayment of short term corporate lending provided in the previous fiscal year end

Advanced amount and balance for individuals

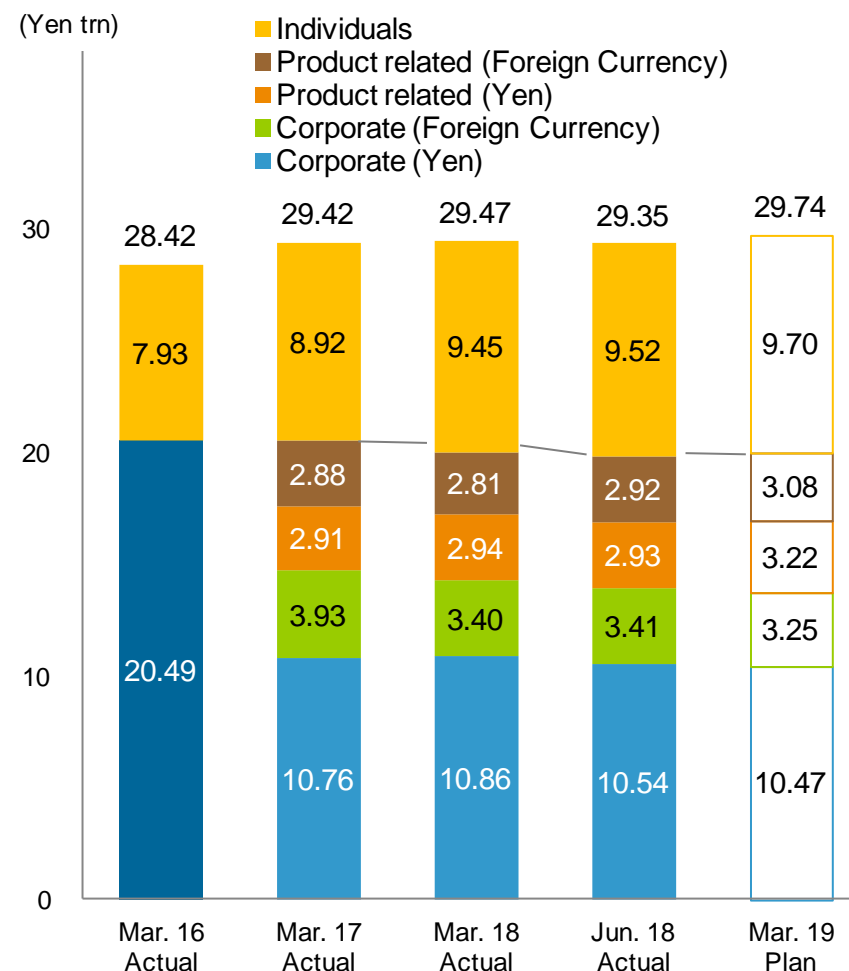
| (Yen bn) | | FY17 | FY18 | Change |
|----------|---|-------|-------|--------|
| | | 1Q | 1Q | |
| 1 | Advanced amount of loans to individuals | 290.8 | 262.3 | (28.5) |
| 2 | o/w Residential mortgage loans | 272.5 | 245.3 | (27.2) |

| (Yen bn) | | Mar. 2018 | Jun. 2018 | Change |
|----------|---------------------------------|-----------|-----------|--------|
| | | | | |
| 3 | Balance of loans to individuals | 9,450.4 | 9,523.0 | 72.5 |
| 4 | o/w Residential mortgage loans | 8,874.7 | 8,947.5 | 72.8 |

Balance of credit for corporates

| (Yen bn) | | Mar. 2018 | Jun. 2018 | Change |
|----------|--|-----------|-----------|---------|
| | | | | |
| 5 | Corporate (Yen) | 10,866.8 | 10,544.1 | (322.7) |
| 6 | Corporate (Foreign Currency) | 3,401.9 | 3,418.8 | 16.8 |
| 7 | Product related (Yen) | 2,946.5 | 2,938.6 | (7.8) |
| 8 | Product related (Foreign Currency) | 2,813.5 | 2,927.8 | 114.2 |
| 9 | Total balance of credit for corporates | 20,029.0 | 19,829.5 | (199.4) |
| 10 | o/w Product related | 5,760.1 | 5,866.5 | 106.4 |
| | USD/JPY | 106.24 | 110.52 | 4.28 |

Credit portfolio balance



Capital

- ▶ Common Equity Tier 1 capital ratio: UP 0.23 percentage points from Mar. 2018 to 11.56%, due primarily to increase in retained earnings contributed to accumulation of common equity and decrease in risk-weighted assets
- ▶ Leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets>

| (Yen bn) | | Mar. 2018 | Jun. 2018 | Change |
|----------|---|-----------|-----------|-------------|
| 1 | Total capital ratio | 16.31% | 16.78% | 0.47% |
| 2 | Tier 1 capital ratio | 13.74% | 14.00% | 0.26% |
| 3 | Common Equity Tier 1 capital ratio | 11.33% | 11.56% | 0.23% |
| 4 | Total capital | 3,348.1 | 3,411.5 | 63.4 |
| 5 | Tier 1 capital | 2,821.4 | 2,845.7 | 24.3 |
| 6 | Common Equity Tier 1 capital | 2,325.8 | 2,349.4 | 23.6 (1) |
| 7 | Instruments and reserves | 2,602.7 | 2,623.6 | 20.9 |
| 8 | Accumulated other comprehensive income (*1) | 496.8 | 482.4 | (14.4) |
| 9 | Regulatory adjustments | (276.9) | (274.2) | 2.6 |
| 10 | Additional Tier 1 capital | 495.5 | 496.2 | 0.7 |
| 11 | Tier 2 capital | 526.7 | 565.8 | 39.0 |
| 12 | Total risk-weighted assets | 20,522.9 | 20,322.7 | (200.1) |
| 13 | Credit risk | 18,352.1 | 18,074.3 | (277.7) (2) |
| 14 | Market risk | 1,163.8 | 1,241.4 | 77.6 |
| 15 | Operational risk | 1,006.8 | 1,006.8 | — |

(*1) Valuation differences on Available-for-Sale Securities (Jun. 2018): ¥504.8bn

< Major factors of change in capital >

(1) Common Equity Tier 1 capital: +¥23.6bn

- Net income: +¥44.4bn
- Repurchase of own shares: ¥(8.9)bn
- Accumulated other comprehensive income: ¥(14.4)bn

< Major factors of change in total risk-weighted assets >

(2) Credit risk: ¥(277.7)bn

- Decrease in loans to large corporations etc.

<Other ratios required in prudential regulations>

| (Yen bn) | | Jun. 2018 | Change from Mar. 2018 |
|----------|-------------------------------------|-----------|-----------------------|
| 16 | Leverage ratio | 4.08% | 0.10% |
| 17 | SuMi TRUST Bank (Consolidated) (*2) | 4.64% | 0.05% |
| 18 | Tier 1 capital | 2,845.7 | 24.3 |
| 19 | Total exposure | 69,699.3 | (1,108.4) |
| 20 | Liquidity coverage ratio (*3) | 138.6% | (4.6%) |
| 21 | SuMi TRUST Bank (Consolidated) (*2) | 185.8% | (12.6%) |
| 22 | Total high-quality liquid assets | 28,382.5 | 1,132.5 |
| 23 | Net cash outflows | 20,468.1 | 1,452.0 |

(*2) Excluding the impact of funds inflow into the banking account from trust account at JTSB

(*3) Average figures in 1QFY2018. "Change from Mar. 2018" represents the comparison to figure for 4QFY2017 calculated in the same manner