



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for FY2018

May 15, 2019

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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.

Summary of results for FY2018

- ▶ Net business profit exceeded forecast and increased from FY17; measures taken to realize US Treasury related loss of ¥12bn at year end. Net income increased YoY; steps were taken to mitigate future financial burden such as recognizing impairment loss of goodwill of subsidiaries
- ▶ Total fee income ratio maintained high level on par with last year. OHR decreased due to increase of gross profit. Shareholder ROE increased to 7.95%
- ▶ Both Net business profit and Net income for FY19, the final FY of the current Midterm plan, to be increased YoY. In line with our shareholder return policy, ordinary share dividend to be increased by 10 yen per share to 150 yen, and total payout ratio to be raised to approx. 40% due to repurchase of own shares

<Major KPIs>

	(Yen bn)	FY17	Plan	FY18	Change from FY17	Against Plan	FY19	Change from FY18	FY19
		Actual		Acutal			Plan		Medium term plan
1	Net business profit before credit costs	270.5	280.0	282.2	11.6	2.2	290.0	7.7	300.0
2	Gross business profit before credit costs	705.7	720.0	722.6	16.9	2.6	740.0	17.3	730.0
3	Substantial G&A expenses	(435.1)	(440.0)	(440.4)	(5.2)	(0.4)	(450.0)	(9.5)	(430.0)
4	Net income	153.9	175.0	173.8	19.9	(1.1)	180.0	6.1	180.0
5	Fee income ratio	57.4%		57.1%	(0.3%)				55-60%
6	Overhead ratio	61.7%	61.1%	60.9%	(0.8%)	(0.2%)	60.8%	(0.1%)	55-60%
7	Return on shareholders' equity	7.40%		7.95%	+ 0.55%		Approx. 8%		Approx. 8%
8	Common Equity Tier 1 capital ratio	11.33%		12.18%	+ 0.85% (*2)				Approx. 10% (*1)

(*1) Finalized Basel III reforms basis (*2) Pro-forma figures on Finalized Basel III reforms basis at low 9% range

<Per share information>

	(Yen)	FY17	FY18	Change from FY17	FY19	Change from FY18
		Actual	Actual		Forecast	
9	Earnings per share (EPS)	403	458	+ 54	475	+ 16
10	Dividend per share (DPS)	130	140	+ 10	150	+ 10

	(Yen)	Mar. 18	Mar. 19	Change
11	Net assets per share (BPS)	6,897	7,008	+ 111

<Shareholder returns>

	FY18	FY19	
	Actual	Forecast	
12	Dividend payout	30.5%	31.5%
13	Total payout ratio	35.7%	Approx. 40%

(Reference: Shareholder Return Policy)

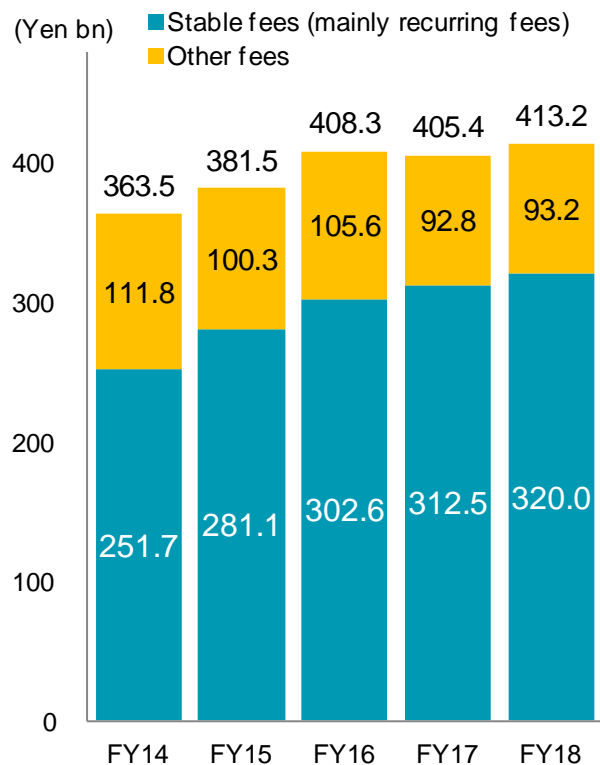
While maintaining a consolidated dividend payout ratio of around 30%, we shall aim to gradually raise the total payout ratio to around 40% to enhance shareholder returns over the medium term.

Overall summary of FY2018 (Progress on Midterm Management Plan)

► Both fee business and loans/investment business progressed in line with our Medium Term Plan

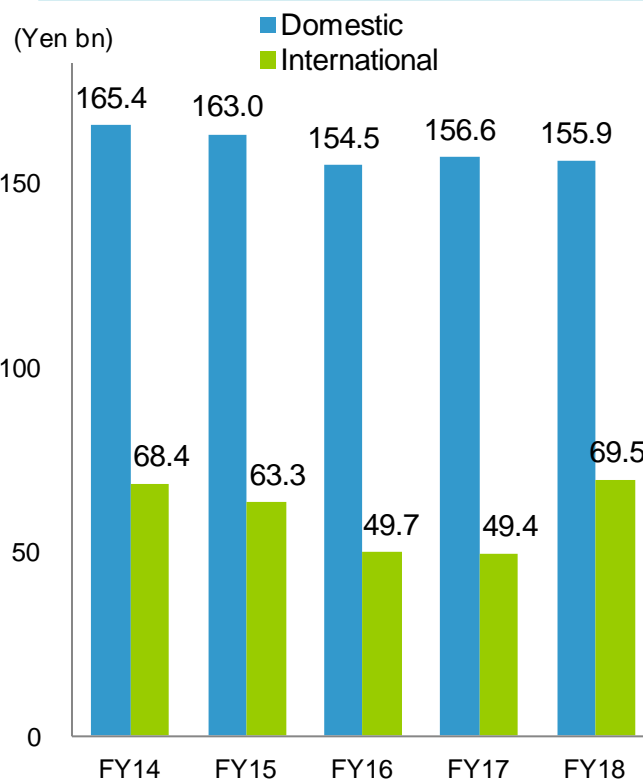
Fee business

Total fee income increased, recurring fee revenue also expanded



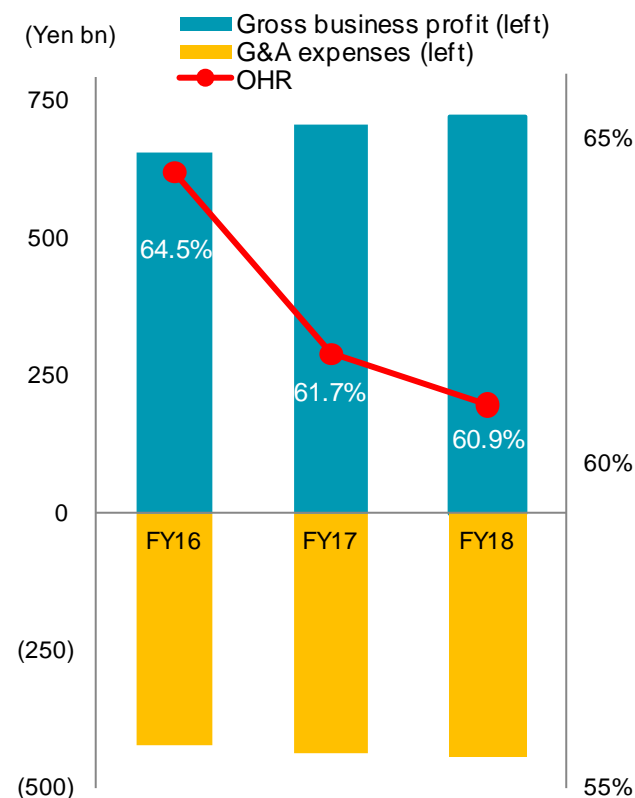
Loan/investment business

SuMi TRUST Bank's non-consolidated effective interest related earnings from its loan/investments business increased primarily due to improvement of international businesses' loan-deposit income



Expenses

Expenses have increased, but due to higher growth of gross business profit, OHR has improved



(*) Includes adjustments to Net interest income and related profit in SuMi TRUST Bank, such as adding profit attributable to deployment of surplus foreign currency funds. Please refer to P.7 line 22.

Overview of profits

	(Yen bn)	FY17	FY18	Change
1	Net business profit before credit costs (*1)	270.5	282.2	11.6
2	Substantial gross business profit (*1)	705.7	722.6	16.9
3	Net interest income and related profit	208.2	169.6	(38.5)
4	Net fees and commissions and related profit	405.4	413.2	7.8
5	Other profit	92.1	139.7	47.6
6	o/w Profit attributable to deployment of surplus foreign currency funds	29.5	87.5	57.9
7	Substantial G&A expenses (*1)	(435.1)	(440.4)	(5.2)
8	Total credit costs	2.9	(2.9)	(5.9)
9	Net gains on stocks	6.3	13.7	7.3
10	Other net non-recurring profit	(47.2)	(36.5)	10.6
11	Ordinary profit	232.6	256.4	23.7
12	Extraordinary profit	6.1	(15.0)	(21.2)
13	Income before income taxes	238.8	241.3	2.5
14	Total income taxes	(73.0)	(60.5)	12.4
15	Income attributable to non-controlling interests	(11.7)	(6.8)	4.9
16	Net income	153.9	173.8	19.9
17	Return on shareholders' equity	7.40%	7.95%	0.55%
18	Dividend per share (DPS) (Yen)	130	140	10
19	Earnings per share (EPS) (Yen)	403	458	54
20	Number of shares issued (mn shares) (*2)	381.2	378.9	(2.3)

(*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

- Effective interest related earnings increased due primarily to improvement of International loan-deposit income

	(Yen bn)	FY17	FY18	Change
21	Effective interest related earnings	237.7	257.1	19.3
22	o/w International interest related earnings	49.4	69.5	20.1
23	o/w loan-deposit income (*3)	81.1	90.9	9.8

(*3) Income of Loans and bills discounted minus Expenses of Deposits (P.8)

- Net fees and commissions and related profit increased due primarily to contribution of Stock transfer agency business and asset management subsidiaries
- Realized US Treasury related unrealized loss (US Treasury approx. ¥(9)bn, Investment trust hedging of US Treasury approx. ¥(3)bn), and improved costs of US Treasuries

Total credit costs

- Total credit cost of ¥2.9bn recorded from occurrence of new problem loans due to downgraded in 2HFY18 while the reversal of losses resulting from improvement of credit-classification of certain borrowers in 1HFY18

Net gains on stocks

- Net gains on stocks of 13.7bn. Strategic shareholdings reduced further (reduction of approx. ¥29bn, gains of approx. ¥30bn on disposal) while loss recorded on close out of hedge positions utilizing investment trusts (*4) (approx. ¥(17)bn)

Other net non-recurring profit / Extraordinary profit

- Loss of approx. ¥(7)bn recorded from one-time write down of IT related expenses (Other net non-recurring loss: approx. ¥(5)bn, Extraordinary loss approx. ¥(2)bn) and loss of approx. ¥(12)bn recorded from impairment loss of goodwill of SuMi Trust Club recorded to improve Financial soundness, while positive effect of approx. ¥15bn (*5) due to from adoption of Consolidated Tax Return Filing Regime

(*4) Temporary hedge positions for improvement of costs in FY17

(*5) Impact of adoption of Consolidated Tax Return Filing Regime, SuMi Trust Holdings: +approx. ¥12bn, SuMi Trust Club: +approx. ¥3bn

Overview of balance sheet

		(Yen bn)		
		Mar. 2018	Mar. 2019	Change
1	Assets	68,356.7	57,029.1	(11,327.6)
2	Cash and due from banks	28,841.3	16,045.8	(12,795.4) (*1)
3	Securities	5,537.6	5,759.5	221.8
4	Loans and bills discounted	28,190.5	29,025.7	835.1
5	Other assets	5,787.2	6,198.0	410.7
6	Liabilities	65,484.4	54,298.7	(11,185.7)
7	Deposits and NCD	43,915.1	38,232.1	(5,682.9) (*1)
8	Borrowed money from trust account	11,070.7	5,408.0	(5,662.7) (*1)
9	Other liabilities	10,498.5	10,658.5	159.9
10	Total net assets	2,872.3	2,730.3	(141.9)
11	Total shareholders' equity	2,127.8	2,242.9	115.1
12	Total accumulated OCI	496.8	410.4	(86.3)
13	Minority interests, etc.	247.6	76.8	(170.7)
14	Net assets per share (BPS) (Yen)	6,897	7,008	111
15	Number of shares issued (mn shares) (*2)	380.5	378.5	(1.9)

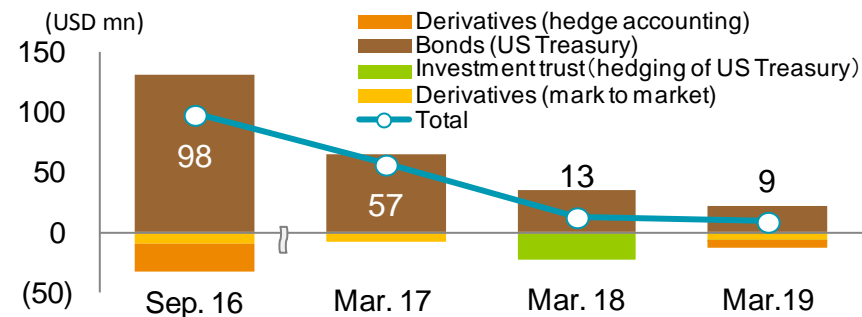
(Reference)

16	Loan-deposit ratio (SuMi TRUST Bank)	78.2%	76.8%	(1.4%)
17	NPL ratio (SuMi TRUST Bank)	0.2%	0.3%	0.1%

(*1) Decreased from Mar. 2018 due mainly to changing to affiliated company of Japan Trustee Services Bank relating to the establishment of JTC Holdings in Oct. 2018

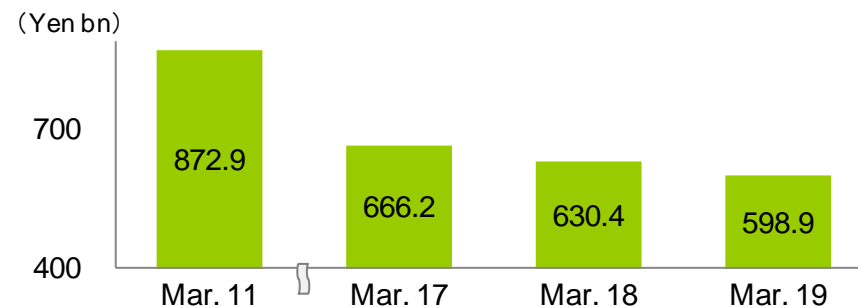
(*2) Number of common shares issued (excluding treasury stocks) as of the date above

US interest rate (10BPV) risk (Non-consolidated)

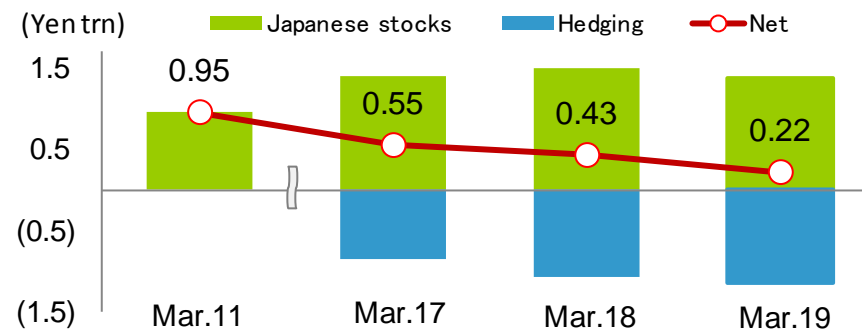


Strategic shareholdings

Balance of strategic shareholdings (Costs)



Hedge positions against strategic shareholdings (MTM)



Profit by group company

		(Yen bn)	FY17	FY18	Change
1	Net business profit before credit costs (*1)		270.5	282.2	11.6
2	o/w SuMi TRUST Bank (*2)		189.7	196.8	7.0
3	SuMi TRUST AM (*2)		5.5	8.5	3.0
4	Nikko AM (*3)		13.3	15.6	2.2
5	SuMi TRUST Realty		5.8	6.3	0.5
6	SuMi TRUST Panasonic Finance (*3)		12.8	10.2	(2.5)
7	SuMi TRUST Loan & Finance		10.2	11.7	1.4
8	SBI Sumishin Net Bank (*3)		7.9	9.1	1.1
9	SuMi TRUST Guarantee (*3)		11.9	11.6	(0.2)
10	SuMi TRUST Club		2.9	0.9	(2.0)
11	Effect of purchase accounting method		(2.7)	(2.6)	0.1
12	Net income (*1)		153.9	173.8	19.9
13	o/w SuMi TRUST Bank		117.9	114.0	(3.9)
14	SuMi TRUST AM		3.7	5.6	1.9
15	Nikko AM (*3)		7.5	9.8	2.3
16	SuMi TRUST Realty		4.1	4.3	0.1
17	SuMi TRUST Panasonic Finance (*3)		5.1	2.9	(2.1)
18	SuMi TRUST Loan & Finance		6.9	7.9	1.0
19	SBI Sumishin Net Bank (*3)		5.2	5.9	0.7
20	SuMi TRUST Guarantee (*3)		8.3	8.6	0.3
21	SuMi TRUST Club (*4)		(0.2)	1.4	1.7
22	Effect of purchase accounting method		(0.4)	(0.0)	0.4

(*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.

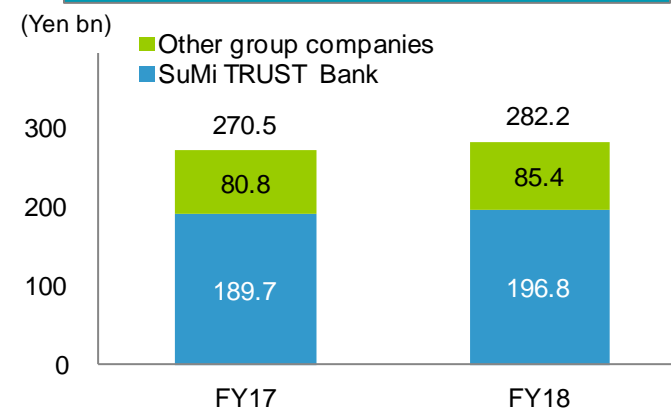
(*2) FY18 figures include the impact of reorganization of asset management functions.

SuMi TRUST Bank approx. ¥(4)bn, SuMi TRUST AM approx. ¥4bn

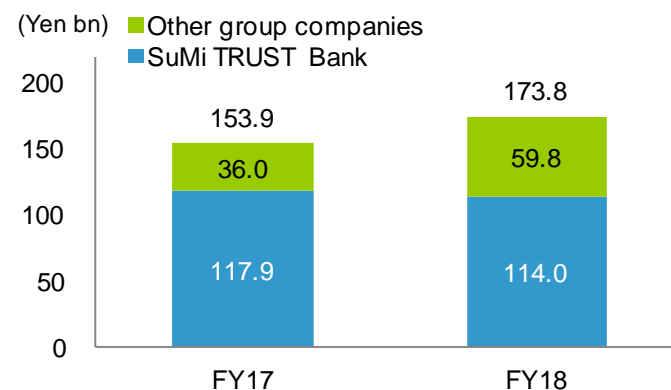
(*3) Consolidated basis

(*4) FY18 figures include the impact of adoption of Consolidated Tax Return Filing Regime (Approx. ¥ 3bn).

Breakdown of Net business profit before credit cost



Breakdown of Net income



Profit by business segment

(Yen bn)		FY17 Net business profit before credit costs	Substantial		Substantial G&A expenses	FY18	
			gross business profit (*1)	Change from FY17		Net business profit before credit costs	Change from FY17
1	Net business profit before credit costs	270.5	722.6	16.9	(440.4)	282.2	11.6
2	Retail total solution services	27.0	199.8	6.1	(168.9)	30.9	3.9
3	SuMi TRUST Bank	11.1	138.0	5.1	(122.6)	15.3	4.2
4	Other group companies	15.8	61.8	0.9	(46.2)	15.6	(0.2)
5	Wholesale financial services (*2)	116.6	193.8	10.4	(70.4)	123.4	6.7
6	SuMi TRUST Bank	89.1	137.2	8.6	(41.9)	95.3	6.1
7	Other group companies	27.4	56.6	1.8	(28.4)	28.1	0.6
8	Stock transfer agency services	17.4	37.0	1.0	(18.6)	18.4	0.9
9	SuMi TRUST Bank	16.7	21.4	1.3	(3.7)	17.7	1.0
10	Other group companies	0.7	15.5	(0.2)	(14.8)	0.6	(0.1)
11	Real estate	29.8	54.3	0.5	(24.2)	30.1	0.3
12	SuMi TRUST Bank	23.1	32.4	0.2	(9.3)	23.1	(0.0)
13	Other group companies	6.6	21.9	0.2	(14.9)	7.0	0.3
14	Fiduciary services (*3)	59.1	172.1	2.4	(109.1)	63.0	3.8
15	SuMi TRUST Bank	35.9	57.4	(5.2)	(24.2)	33.2	(2.7)
16	Other group companies	23.2	114.7	7.7	(84.8)	29.8	6.6
17	Global markets	39.3	45.6	(8.7)	(15.3)	30.3	(9.0)

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

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

(*3) The impact of reorganization of asset management functions in FY18

Substantial gross business profit: SuMi TRUST Bank approx. ¥(6)bn, Other group companies: approx. ¥6bn

Substantial G&A expenses: SuMi TRUST Bank approx. ¥(2)bn, Other group companies + approx. ¥2bn

Overview of profit (SuMi TRUST Bank)

	(Yen bn)			
	FY17	FY18	Change	Substantial (*1)
1 Net business profit before credit costs	189.7	231.4	41.7	7.0
2 Gross business profit	426.8	467.3	40.4	5.8
3 Net interest income and related profit	176.5	172.7	(3.8)	(38.5)
4 Net fees and commissions and related profit (*2)	190.2	186.3	(3.9)	(3.9)
5 Net trading profit	10.4	27.9	17.5	17.5
6 Net other operating profit	49.5	80.3	30.7	30.7
7 o/w Net gains on foreign exchange transactions	45.3	95.1	49.8	49.8
8 o/w Profit attributable to deployment of surplus foreign	29.5	87.5	57.9	57.9
9 Net gains on bonds	(5.7)	(3.8)	1.9	1.9
10 Net gains from derivatives	9.4	(11.3)	(20.7)	(20.7)
11 General and administrative expenses (*2)	(237.0)	(235.8)	1.2	1.2
12 Total credit costs	7.0	1.9	(5.0)	(5.0)
13 Other non-recurring profit	(23.8)	(24.3)	(0.5)	(0.5)
14 o/w Net gains on stocks	5.9	(12.0)	(18.0)	(18.0)
15 (Losses on devaluation of shares of consolidated subsidiaries)	-	(24.3)	(24.3)	(24.3)
16 Amortization of net actuarial losses	(16.3)	(3.3)	12.9	12.9
17 Ordinary profit	172.9	209.0	36.1	1.4
18 Extraordinary profit	(8.3)	(4.2)	4.0	4.0
19 Income before income taxes	164.6	204.8	40.1	5.5
20 Total income taxes	(46.6)	(56.1)	(9.4)	(9.4)
21 Net income	117.9	148.6	30.6	(3.9)

(*1) Excluding dividend from group companies of ¥34.6bn aimed to improve capital efficiency

(*2) FY18 includes the impact of reorganization of asset management functions.

(Net fees and commissions and related profit: approx. ¥(6) bn,

General and administrative expenses: approx. ¥(2) bn)

	FY17	FY18	Change
22 Effective interest related earnings (*3)	206.1	225.5	19.4
23 Domestic business	156.6	155.9	(0.7)
24 Net interest income and related profit	156.6	190.6	33.9
25 Dividend from group companies aimed to improve capital efficiency	-	(34.6)	(34.6)
26 International business	49.4	69.5	20.1
27 Net interest income and related profit	19.8	(17.9)	(37.8)
28 Income in domestic business (*4)	81.1	90.9	9.8
29 Profit attributable to deployment of surplus foreign currency funds (*5)	29.5	87.5	57.9

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

(*4) Income from Loans and bills discounted minus Expenses from Deposits

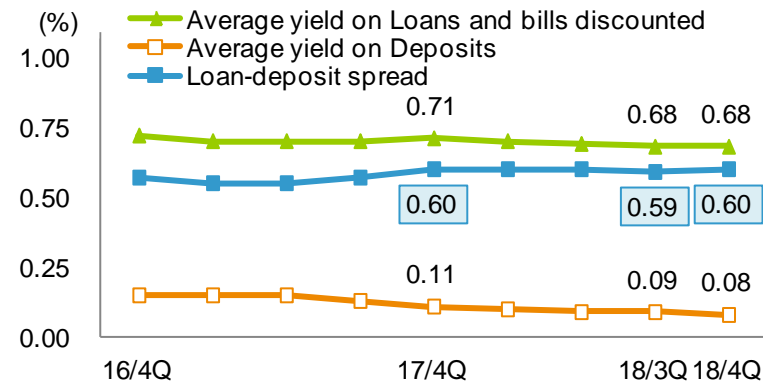
(*5) FY2018 actual considered procurement const is Approx. ¥8bn
(Change form FY17 is Approx. ¥2bn) on managerial base

30 Net fees and commissions and related profit	190.2	186.3	(3.9)
31 Excluding impact of reorganization	190.2	192.6	2.3
32 o/w Investment management consulting	58.1	53.7	(4.4)
33 Asset management/administration	62.7	57.4	(*)2(5.2)
34 Excluding impact of reorganization	62.7	63.7	1.0
35 Real estate brokerage	26.1	26.5	0.3
36 Stock transfer agency services	20.1	21.4	1.3
37 Inheritance related services	4.6	4.2	(0.4)
38 Wholesale credit related	34.4	31.7	(2.7)
39 Net gains on bonds	(5.7)	(3.8)	1.9
40 Domestic bonds	0.0	0.6	0.5
41 Foreign bonds	(5.8)	(4.5)	1.3

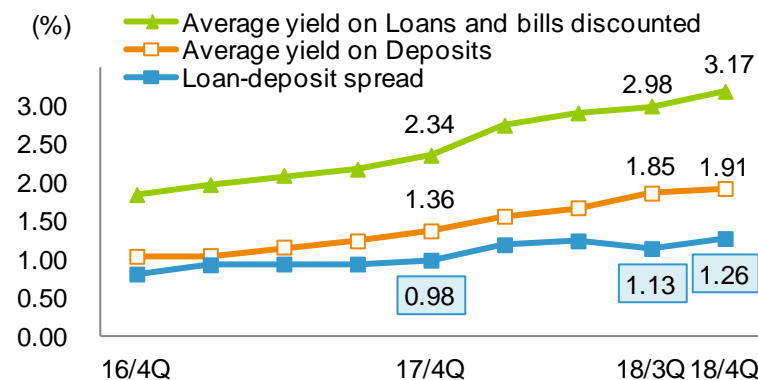
Net interest income (SuMi TRUST Bank)

	FY18					
	Average Balance	Change from FY17	Average Yield	Change from FY17	Income/Expenses	Change from FY17
(Average balance: Yen trn) (Income/Expenses: Yen bn)						
1 Net interest income					153.8	(9.5)
2 Domestic business			0.45%	0.05%	171.7	28.3
3 Interest-earning assets	38.47	2.79	0.60%	0.03%	232.1	27.7
4 o/w Loans and bills discounted	21.76	0.66	0.69%	(0.01%)	150.3	1.1
5 Securities	3.50	0.29	2.16%	0.71%	(*)75.8	29.2
6 Income on swaps	---	---	---	---	0.1	(2.5)
7 Interest-bearing liabilities	37.84	2.73	0.15%	(0.02%)	(60.4)	0.5
8 o/w Deposits	24.19	1.07	0.09%	(0.05%)	(22.7)	9.7
9 Borrowings from trust a/c	3.80	1.12	0.49%	0.00%	(18.8)	(5.7)
10 International business			(0.16%)	(0.31%)	(17.9)	(37.8)
11 Interest-earning assets	13.87	1.91	2.09%	0.35%	291.0	82.6
12 o/w Loans and bills discounted	6.54	(0.14)	2.94%	0.82%	192.9	50.6
13 Due from banks	2.30	0.15	1.49%	0.53%	34.3	13.7
14 Securities	2.38	0.50	2.35%	0.22%	56.0	15.9
15 Interest-bearing liabilities	13.70	1.90	2.25%	0.66%	(308.9)	(120.4)
16 o/w Deposits	5.83	0.74	1.74%	0.54%	(102.0)	(40.8)
17 NCD / USCP	5.04	0.99	2.06%	0.91%	(104.1)	(57.5)
18 Repo	1.74	0.38	2.18%	0.96%	(38.2)	(21.6)
19 Expenses on swaps	---	---	---	---	(36.3)	(0.4)
20 (+) Trust fees from principal guaranteed trust a/c					18.8	5.6
21 (+) Profit attributable to deployment of surplus foreign currency funds					87.5	57.9
22 (-) Dividend from group companies aimed to improve capital efficiency					34.6	34.6
23 Effective interest related earnings					225.5	19.4
24 Loan-deposit spread / income in domestic business			0.60%	0.04%	127.5	10.8
25 Loan-deposit spread / income in international business			1.20%	0.28%	90.9	9.8

Domestic loan-deposit spread



International loan-deposit spread



(*) Breakdown of securities income/expenses in domestic business

	FY17	FY18	Change
Securities	46.5	75.8	29.2
Dividend from group companies to improve their capital efficiency	-	34.6	34.6
Sales gain/loss of investment trust (hedging of US Treasury)	3.2	(3.2)	(6.4)
Other income/expenses	43.2	44.3	1.1

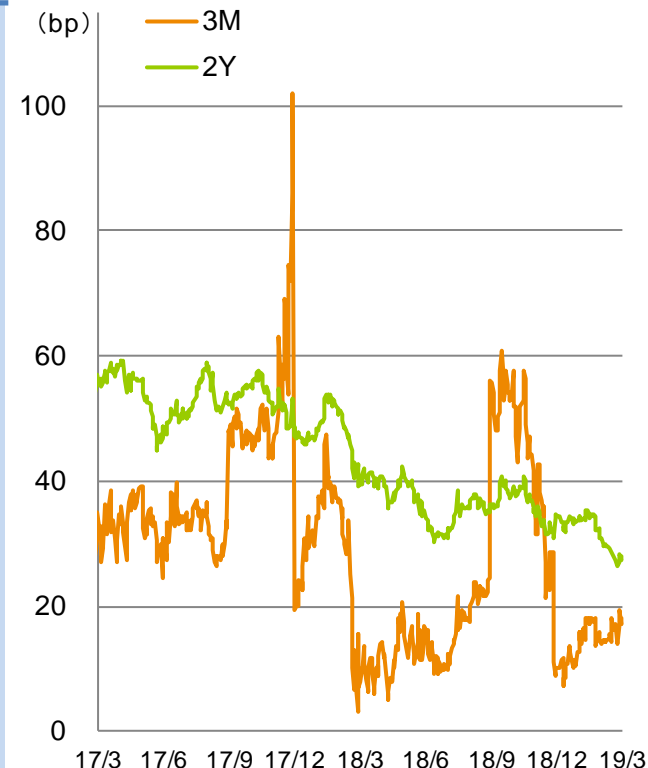
Status of foreign currency balance sheet (SuMi TRUST Bank)

- ▶ Funding through CCS has been reduced in Foreign currency core B/S while taking liquidity risk and funding cost into account
- ▶ Short term funds sourced through NCD/USCP markets are categorized as contingent funding buffer, and the funds are utilized as short-term funds in the inter-bank or foreign exchange market.

Foreign currency B/S (as of Mar. 2019) (USD bn)

Basis swap spread (CCS) (USD/JPY)

	(Reference) Mar. 2018	Foreign currency Core B/S		(Reference) Mar. 2018		
Net interest income and related profit	55.9	Loans	55.6	48.7	Net interest income and related profit	
	3.9	Credit securities	5.5	12.7		
	15.2	Net I/B depo, etc.	14.7	5.2		
				4.5		
Net other operating profit <small>Profit attributable to deployment of surplus foreign currency funds</small>	36.9	Market deployment of surplus foreign currency		42.9		
		FX Forward	36.7		NCD USCP	45.1
Net interest income*	10.2	Bond investments	10.5	8.2		
		Repo	7.3			
	122.4	Total	123.1	Total	123.1	122.4



(*) Bond sales gain/loss is booked as Net gains on bonds in Net other operating profit

Total credit costs and problem assets

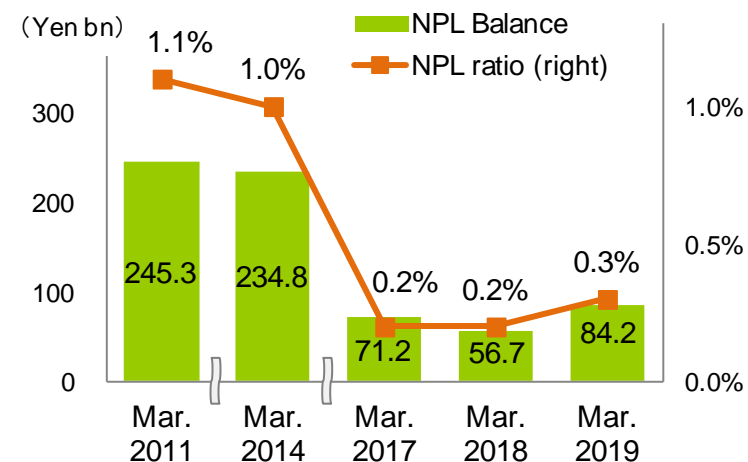
[Total credit costs]		FY17		FY18		Major factors (FY18)
(Yen bn)		1H	2H			
1	SuMi TRUST Bank	7.0	16.3	(14.4)	1.9	Downgraded: Approx. (18.0) Upgraded: Approx. 21.0 Change in loan balance, etc. (including recoveries): Approx. (1.0)
2	General allowance for loan losses	10.6	17.3	2.7	20.1	
3	Specific allowance for loan losses	(2.8)	(0.6)	(17.2)	(17.8)	
4	Recoveries of written-off claims	0.8	0.7	0.4	1.1	
5	Losses on sales of claims, written-off	(1.6)	(1.0)	(0.4)	(1.4)	
6	Other group companies, etc.	(4.0)	(3.0)	(1.8)	(4.9)	SuMi TRUST Panasonic Finance (3.2)
7	Total	2.9	13.3	(16.3)	(2.9)	

[NPL (SuMi TRUST Bank)]		Mar. 2019	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 2018
(Yen bn)					
8	NPL	84.2	86.9%	70.7%	27.5
9	NPL ratio (ratio to Total loan balance)	0.3%	---	---	0.1%
10	Bankrupt and practically bankrupt	10.5	100.0%	100.0%	(1.5)
11	Doubtful	55.2	87.0%	76.6%	28.2
12	Substandard	18.5	79.1%	10.5%	0.8
13	Other special mention debtors	415.3	---	---	(133.2)
14	Ordinary assets	29,441.8	---	---	1,228.5
15	Total loan balance	29,941.3	---	---	1,122.8

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

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

Total Balance and ratio of NPL



Securities portfolio

[Securities with fair value]	Costs		Unrealized gains/losses (*1)	
	(Yen bn) Mar. 2019	Change from Mar. 2018	Mar. 2019	Change from Mar. 2018
1 Available-for-sale securities	4,558.4	196.3	665.7	(73.5)
2 Japanese stocks	598.9	(31.5)	772.6	(103.5)
3 Japanese bonds	887.4	71.5	3.1	0.8
4 Others	3,072.1	156.3	(110.1)	29.1
5 Held-to-maturity debt securities	262.4	(2.5)	21.7	(0.1)

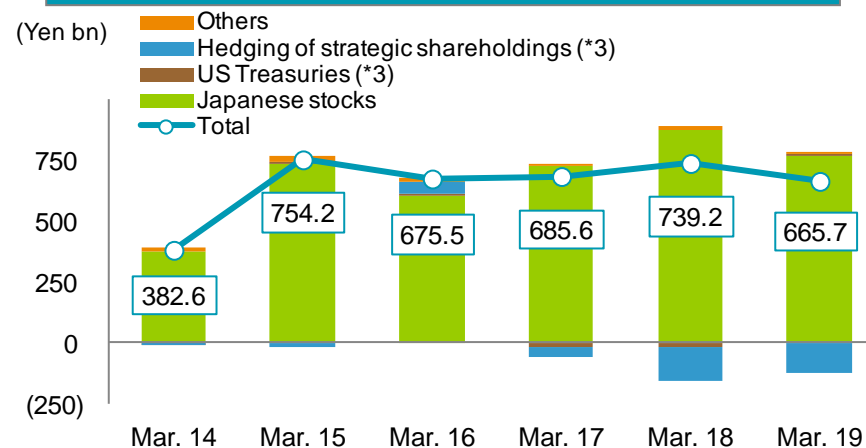
[Securities with fair value (SuMi TRUST Bank)]				
6 Available-for-sale securities	4,532.2	170.8	681.3	(72.6)
7 Japanese stocks	574.0	(32.3)	795.2	(102.0)
8 Japanese bonds	952.7	65.0	2.0	1.0
9 o/w Government bonds	301.2	59.9	0.3	0.1
10 Others	3,005.4	138.2	(115.8)	28.3
11 Domestic investment	75.5	(6.6)	1.8	0.0
12 International investment	1,369.8	115.7	4.3	21.2
13 o/w US Treasury	434.3	(61.7)	5.1	23.8
14 Others (Investment trust, etc.)	1,560.0	29.1	(122.0)	7.0
15 o/w for hedging of strategic shareholdings (*2)	1,426.1	79.4	(123.2)	11.1

(*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 JPY 1,162.3bn, Unrealized gains/losses JPY (118.2)bn

16 Held-to-maturity debt securities	197.5	3.9	21.6	(0.1)
17 o/w Government bonds	118.7	(0.3)	20.6	0.7
18 International investment	37.6	1.9	0.4	(1.0)

Unrealized gains/losses of AFS securities with fair value



(*3) SuMi TRUST Bank

Reduction of strategic shareholdings (*4)

(Yen bn)	FY17		FY18		FY18
	1H	2H	1H	2H	
19 Reduction amount	13.3	35.2	16.9	11.7	28.7

(Ref.) Cumulative reduction since merger (from FY11 to FY18): ¥310.3bn

Cumulative reduction based on current plan (from FY16 to FY20): ¥96.2bn

(*4) Purchase cost of listed shares

Securities portfolio of Global markets (*5)

(Yen bn)	10BPV (*6)		Duration (years) (*6)	
	Mar. 2019	Change from Mar. 2018	Mar. 2019	Change from Mar. 2018
20 JPY	2.2	(0.3)	4.5	(2.3)
21 Others	2.2	(0.7)	3.5	(0.5)

(*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

Capital

- ▶ CET Tier 1 ratio increased 0.85 points from March 2018 to 12.18% due to accretion of net income attributable to owner of the parent and reduction of risk weighted asset.
- ▶ Leverage ratio and liquidity coverage ratio both maintained levels in excess of regulatory requirements

<Capital and total risk-weighted assets>

	(Yen bn)	Mar. 2018	Mar. 2019	Change
		Actual	Preliminary	
1 Total capital ratio		16.31%	16.77%	0.46%
2 Tier 1 capital ratio		13.74%	14.18%	0.44%
3 Common Equity Tier 1 capital ratio		11.33%	12.18%	0.85%
4 Total capital		3,348.1	3,320.1	(28.0)
5 Tier 1 capital		2,821.4	2,806.5	(14.9)
6 Common Equity Tier 1 capital		2,325.8	2,412.1	86.2 (1)
7 Instruments and reserves		2,602.7	2,626.1	23.3
8 Accumulated other comprehensive income (*1)		496.8	410.4	(86.3)
9 Regulatory adjustments		(276.9)	(214.0)	62.8
10 Additional Tier 1 capital		495.5	394.4	(101.1)
11 Tier 2 capital		526.7	513.6	(13.1)
12 Total risk-weighted assets		20,522.9	19,790.1	(732.8)
13 Credit risk		18,352.1	17,725.1	(626.9) (2)
14 Market risk		1,163.8	1,104.0	(59.8)
15 Operational risk		1,006.8	960.8	(46.0)

(*1) Valuation differences on Available-for-Sale Securities(Mar. 2019): ¥467.4bn

< Major factors of change in capital >

(1) Common Equity Tier 1 capital: +¥86.2bn

- Net income +¥173.8bn
- Dividend/share repurchase ¥(62.0)bn
- Unrealized gains/losses of AFS ¥(49.2)bn

< Major factors affecting risk assets >

(2) Credit risk: Approx ¥(0.6)trn

- Close out of temporary hedging position and adjustment of hedge volume against strategic shareholdings
- Corporate credit increased (Corporate and product related)

<Other ratios required in prudential regulations>

	(Yen bn)	Mar. 2019	Chng. from
		Preliminary	Mar. 2018
16 Leverage ratio		4.67%	0.69%
17 Tier 1 capital		2,806.5	(14.9)
18 Total exposure		60,009.2	(10,798.6)
19 Liquidity coverage ratio (*2)		149.3%	6.1%
20 Total high-quality liquid assets		15,232.8	(12,017.1)
21 Net cash outflows		10,199.4	(8,816.7)

(*2) Average figures in 4QFY18. "Change from Mar. 2018" represents the comparison to figure for 4QFY2017 calculated in the same manner

Total exposure (Leverage ratio), Total high-quality liquid assets and Net cash outflows (Liquidity coverage ratio) decreased substantially due mainly to deconsolidation of JTBS in Oct. 2018

Forecast for FY2019

- ▶ Net business profit and net income attributable to owner of the parent both expected to exceed FY18 results
- ▶ Dividend on ordinary share to be increased by 10 yen per share to 150 yen. Total payout ratio to be approx. 40%, in line with our medium term plan due to repurchase of own shares (up to 5 million shares or 16 billion yen)

	(Yen bn)	FY18 Actual	1H	FY19 Forecast	Change from FY18	
						Substantial (*)
1	Net business profit before credit costs	282.2	140.0	290.0	7.7	7.7
2	SuMi TRUST Bank	231.4	100.0	210.0	(21.4)	(*) 6.5
3	Substantial gross business profit	722.6	360.0	740.0	17.3	17.3
4	SuMi TRUST Bank	467.3	220.0	450.0	(17.3)	(*) 10.6
5	Other group companies	255.3	140.0	290.0	34.6	(*) 6.8
6	Substantial G&A Expenses	(440.4)	(220.0)	(450.0)	(9.5)	(9.5)
7	SuMi TRUST Bank	(235.8)	(120.0)	(240.0)	(4.1)	(4.1)
8	Other group companies	(204.5)	(100.0)	(210.0)	(5.4)	(5.4)
9	Total credit costs	(2.9)	(10.0)	(20.0)	(17.0)	(17.0)
10	Net gains on stocks	13.7	15.0	30.0	16.2	16.2
11	Other non-recurring profit	(36.5)	(15.0)	(30.0)	6.5	6.5
12	Ordinary profit	256.4	130.0	270.0	13.5	13.5
13	o/w SuMi TRUST Bank	209.0	105.0	210.0	0.9	(*) 28.9
14	Net income	173.8	85.0	180.0	6.1	6.1
15	o/w SuMi TRUST Bank	148.6	75.0	150.0	1.3	(*) 29.3
16	Dividend per common share (Yen)	140	75	150	+10	
17	Consolidated dividend payout ratio	30.5%	---	31.5%	1.0%	
18	Total payout ratio	35.7%	---	Approx.40%	Approx.4%	

【Assumptions】

- Net business profit before credit costs: +¥7.7bn YoY
 - Profit by business segment is shown on P.14
 - Increase of substantial G&A expenses forecasted to prior investment to reduce future expenses.
- Total credit costs: forecast ¥(20.0)bn
 - Estimated to be around 10bp of total corporate credit portfolio of ¥20trn
- Net gains on stocks: forecast ¥30.0bn
 - Assumes reduction of strategic shareholdings in accordance with current plan

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

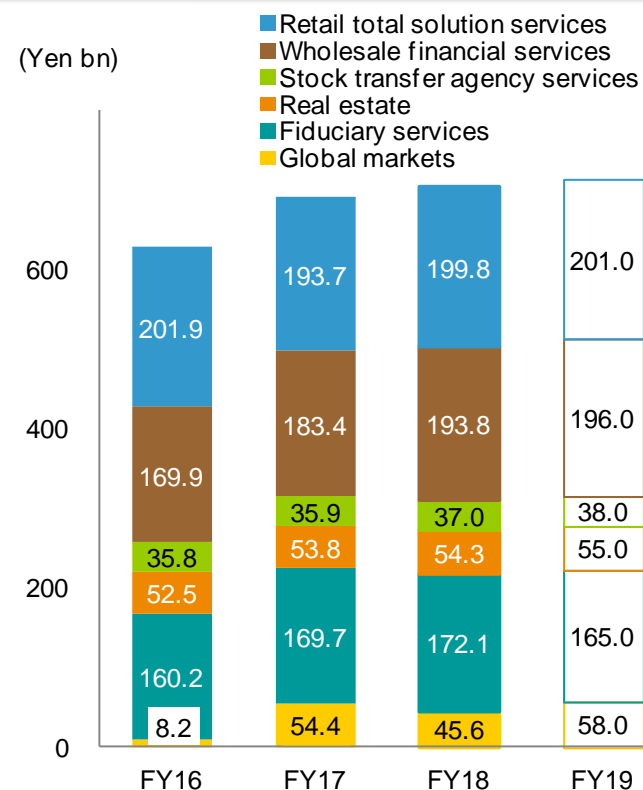
FY2018 (actual): ¥34.6bn, FY2019 (plan): approx. ¥7bn

Profit by business segment

(Yen bn)		FY18 Actual	FY19 1H Forecast	FY19 Forecast	Change from FY18
1	Net business profit before credit costs	282.2	140.0	290.0	7.7
2	Net business profit (*1)	722.6	360.0	740.0	17.3
3	Retail total solution services	199.8	99.0	201.0	1.1
4	SuMi TRUST Bank	138.0	68.0	138.0	0.0
5	Other group companies	61.8	31.0	63.0	1.1
6	Wholesale financial services (*2)	193.8	95.0	196.0	2.1
7	SuMi TRUST Bank	137.2	68.0	138.0	0.7
8	Other group companies	56.6	27.0	58.0	1.3
9	Stock transfer agency services	37.0	19.0	38.0	0.9
10	SuMi TRUST Bank	21.4	11.0	22.0	0.5
11	Other group companies	15.5	8.0	16.0	0.4
12	Real estate	54.3	25.0	55.0	0.6
13	SuMi TRUST Bank	32.4	14.0	33.0	0.5
14	Other group companies	21.9	11.0	22.0	0.0
15	Fiduciary services	172.1	82.0	165.0	(*3) (7.1)
16	SuMi TRUST Bank	57.4	25.0	50.0	(7.4)
17	Other group companies	114.7	57.0	115.0	0.2
18	Global markets	45.6	29.0	58.0	12.3
19	Substantial G&A expenses	(440.4)	(220.0)	(450.0)	(9.5)
20	SuMi TRUST Bank	(235.8)	(120.0)	(240.0)	(4.1)
21	Other group companies	(204.5)	(100.0)	(210.0)	(5.4)
22	Ordinary profit	256.4	130.0	270.0	13.5
23	Net income	173.8	85.0	180.0	6.1

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

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



(*3) Decreased from FY18 due mainly to changing to affiliated company of Japan Trustee Services Bank relating to the establishment of JTC Holdings in Oct. 2018. The below table explains the impact between SuMi Trust Bank and Other group companies.

(Yen bn)	Net business profit	Substantial G&A expenses
SuMi TRUST Bank	(6.0)	2.0
Other group companies	1.0	3.0
SuMi TRUST AM	6.0	(2.0)
JTSB	(5.0)	5.0

Fee business: Investment management consulting

- ▶ Total sales decreased ¥466.8bn YoY to ¥1.27tr due primarily to the decrease of investment trust sales resulting from volatile market environment
- ▶ Profit decreased ¥4.4bn YoY to ¥53.7bn as fees from insurance sales and administrative fees as marketing agent increased YoY, but fees from investment trust sales decreased

Income for distributor of investment products

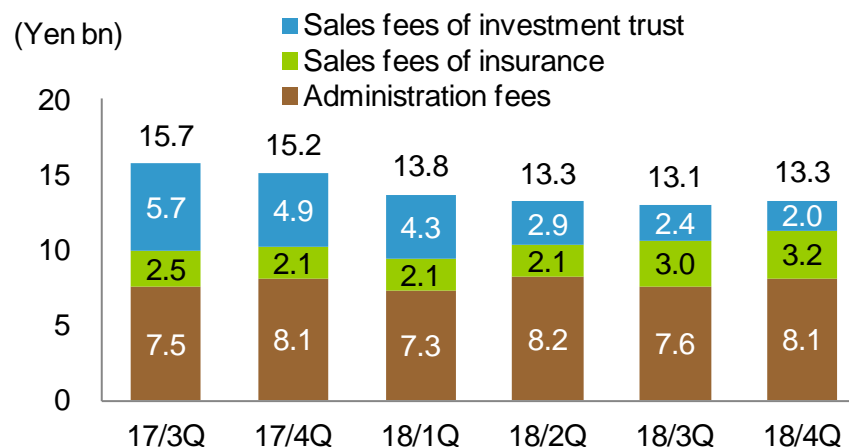
(Yen bn)		FY17	FY18	Change
1	Income total	58.1	53.7	(4.4)
2	Sales fees of investment trust	19.9	11.7	(8.2)
3	Sales fees of insurance	7.8	10.5	2.7
4	Administration fees	30.3	31.3	1.0

Sales volume / balance

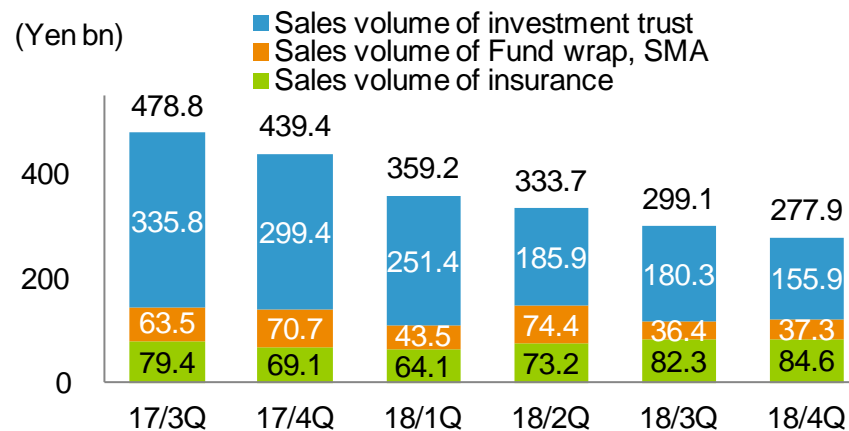
(Yen bn)		FY17	FY18	Change
5	Sales volume total	1,736.9	1,270.1	(466.8)
6	Investment trust	1,241.5	773.8	(467.7)
7	Fund wrap, SMA	248.0	191.8	(56.2)
8	Insurance	247.3	304.4	57.0

(Yen bn)		Mar. 2018	Mar. 2019	Change
9	Balance total	6,158.9	6,376.3	217.4
10	Investment trust	2,891.5	2,930.5	39.0
11	Fund wrap, SMA	830.9	891.9	60.9
12	Insurance	2,436.3	2,553.8	117.5
13	Wrap Selection	1,669.4	1,774.5	105.1

Income for distributor (quarterly)



Sales volume (quarterly)



Fee business: Asset management/administration (Fiduciary services)

- ▶ AUM increased by ¥6.5tr YoY to ¥93.8tr due to increase of cash inflow
- ▶ AUC increased for each asset category in both domestic and overseas from March 2018

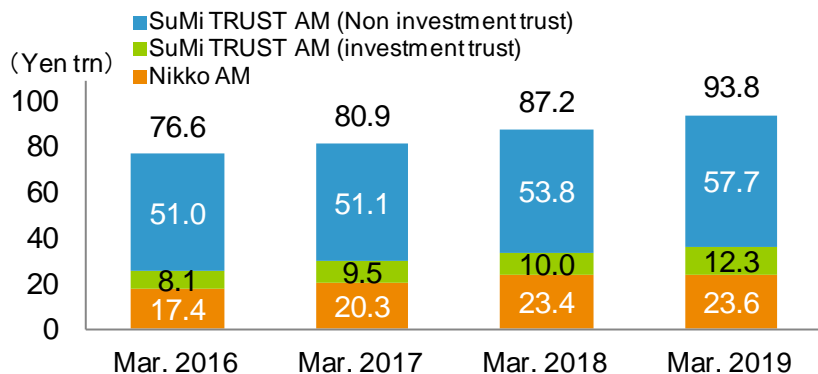
Assets under management (AUM)

		Mar. 2018	Mar. 2019	Change
	(Yen trn)			
1	Assets under management (*1)	87.2	93.8	6.5
2	SuMi TRUST AM	63.8	70.1	6.2
3	Investment trust	10.0	12.3	2.2
4	Non investment trust (*2)	53.8	57.7	3.9
5	Corporate pension trust	13.6	13.7	0.1
6	Public pension trust	11.8	11.1	(0.7)
7	Discretionary investment	28.2	32.8	4.5
8	Nikko AM	23.4	23.6	0.2

(*1) Categorized by entity actually managing asset after the merger of AUM functions in Oct. 2018

(*2) Managed by SuMi TRUST Bank until the end of Sep. 2018

Include AUM managed by SuMi TRUST Bank partially after Oct. 2018



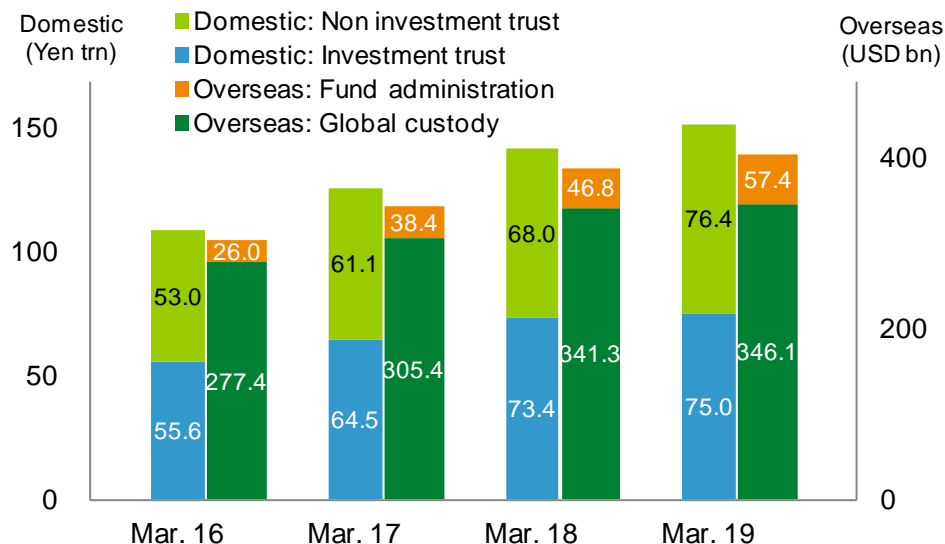
USD/JPY	112.63	112.15	106.24	110.95
TOPIX	1,347.20	1,512.60	1,716.30	1,591.64

Assets under custody/administration

		Mar. 2018	Mar. 2019	Change
	(Yen trn)			
9	Investment trust (*3)	73.4	75.0	1.6
10	Non investment trust (*3)	68.0	76.4	8.4
	(USD bn)			
11	Global custody (*4)	341.3	346.1	4.7
12	Fund administration	46.8	57.4	10.5

(*3) Entrusted balance of SuMi TRUST Bank

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



Fee business: Real estate

- ▶ Real estate brokerage for corporate clients (SuMi TRUST Bank) increased by ¥0.3bn YoY to ¥26.5bn due to stable deal flow of small and medium sized transactions and also contribution from large size transactions
- ▶ Real estate brokerage fees from retail clients (SuMi TRUST Realty) increased by ¥ 0.4bn YoY to ¥20.1bn due to steady demand

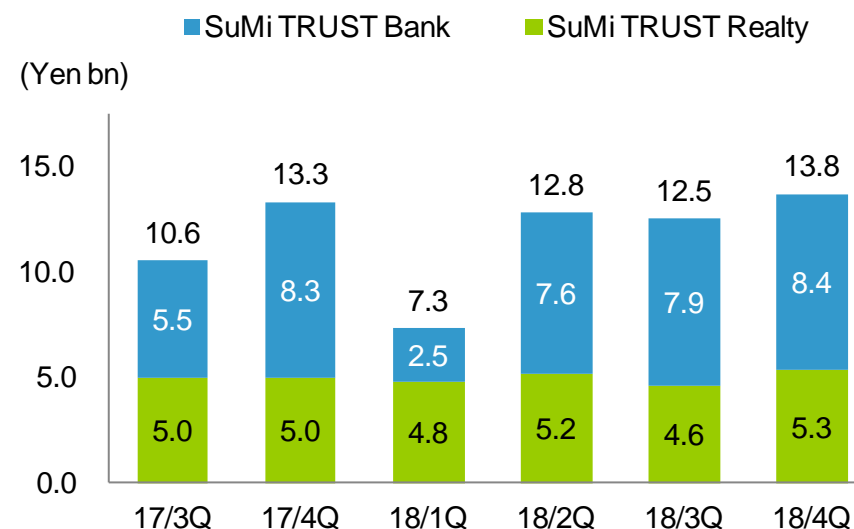
Income

	(Yen bn)	FY17	FY18	Change
1 Real estate brokerage fees		45.7	46.6	0.8
2 SuMi TRUST Bank		26.1	26.5	0.3
3 SuMi TRUST Realty		19.6	20.1	0.4
4 Real estate trust fees, etc.		6.0	5.8	(0.1)
5 Net other real estate profit		1.9	1.8	(0.1)
6 SuMi TRUST Bank		(0.0)	-	0.0
7 Group companies		2.0	1.8	(0.2)
8 Total		53.8	54.3	0.5
9 o/w SuMi TRUST Bank		32.1	32.4	0.2

Assets under management / administration

	(Yen bn)	Mar. 2018	Mar. 2019	Change
10 Securitized real estate		15,320.0	16,389.1	1,069.0
11 Assets under custody from J-REITs		13,397.9	14,529.9	1,131.9
12 Assets under managemet		709.1	732.1	22.9
13 Private placement funds		438.2	463.5	25.2
14 J-REITs		270.8	268.6	(2.2)

Real estate brokerage fees (quarterly)



Loan/investment business: Credit portfolio (SuMi TRUST Bank)

- ▶ Credit portfolio balance increased by ¥1.25trn from Mar. 2018 to ¥30.73trn, due to increase of both residential mortgage and loans to corporates
- ▶ Profitability of lending taken into consideration in managing our corporate lending portfolio

Advanced amount and balance for individuals

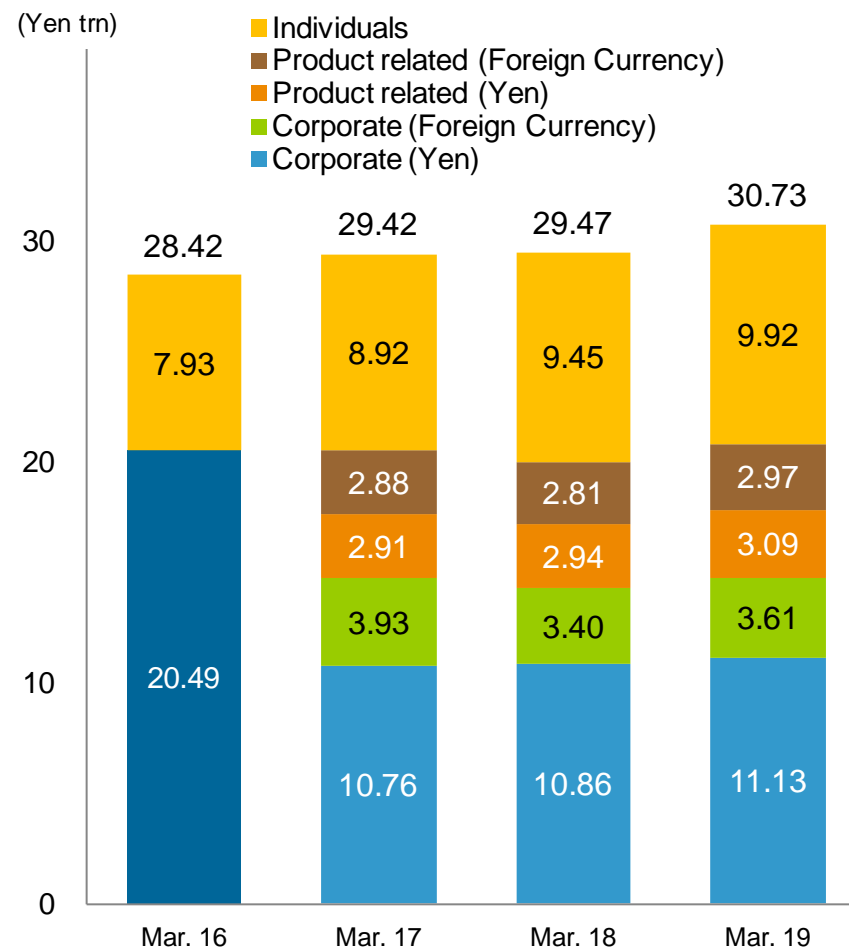
(Yen bn)		FY17	FY18	Change
1	Advanced amount of loans to individuals	1,316.8	1,317.1	0.3
2	o/w Residential mortgage loans	1,214.5	1,201.8	(12.7)

(Yen bn)		Mar. 2018	Mar. 2019	Change
3	Balance of loans to individuals	9,450.4	9,920.6	470.1
4	o/w Residential mortgage loans	8,874.7	9,314.0	439.2

Balance of credit for corporates

(Yen bn)		Mar. 2018	Mar. 2019	Change
5	Corporate (Yen)	10,866.8	11,131.1	264.3
6	Corporate (Foreign Currency)	3,401.9	3,617.2	215.3
7	Product related (Yen)	2,946.5	3,098.7	152.2
8	Product related (Foreign Currency)	2,813.5	2,971.2	157.7
9	Total balance of credit for corporates	20,029.0	20,818.5	789.5
10	o/w Product related	5,760.1	6,070.0	309.9
	USD/JPY	106.24	110.95	4.71

Credit portfolio balance



Repurchase and cancellation of own shares

- ▶ Repurchase own shares in order to improve shareholder returns as well as capital efficiency, and resolved to cancel most of treasury stock for the purpose of dispelling the concern of future dilution

Outline of the repurchase and cancellation of own shares

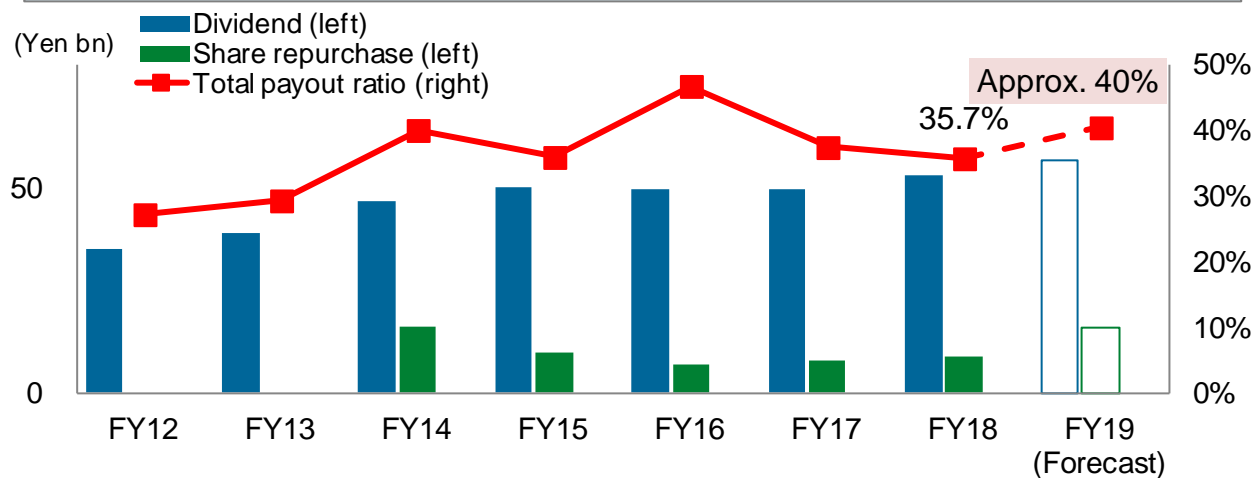
Class of shares to be repurchased	Common stock of SuMi Trust Holdings
Total number of shares to be repurchased	Up to 5,000,000 shares (Percentage to the total number of shares in issue (excluding treasury stock) 1.3%)
Total amount of repurchase	Up to JPY 16,000,000,000
Repurchase period	From May 16, 2019 to August 30, 2019

(Ref.) Status of shares in issue and treasury stock as of March 31, 2019
 Total number of shares in issue (excluding treasury stock): 378,596,918 shares
 Number of treasury stock: 11,751,722 shares



11,000,000 shares of the treasury stock and all of the repurchased shares at this time to be cancelled on Sep. 20, 2019

Shareholder return



(Ref.) Share repurchases

Repurchase timing	Repurchase Amount	Ratio against Net income
FY14 (Jan.-Feb. 15)	JPY16.4bn	+10.4%
FY15 (Jul.-Aug. 15)	JPY9.9bn	+6.0%
FY16 (May 16)	JPY6.9bn	+5.7%
FY17 (Jul.-Aug. 17)	JPY8.1bn	+5.3%
FY18 (May-Jun. 18)	JPY8.9bn	+5.2%

(*) "Ratio against net income": Repurchased amount divided by fiscal year's net income when relevant share repurchase was executed