



**SuMi TRUST**  
SUMITOMO MITSUI TRUST GROUP

# Daiwa Investment Conference Tokyo 2015

March 2015

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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”

Former Chuo Mitsui Trust Holdings: “CMTH”

Former Chuo Mitsui Trust and Banking : “CMTB”, Former Chuo Mitsui Asset Trust and Banking : “CMAB”, Former Sumitomo Trust and Banking : “STB”

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

## Accounting for Business combination related to Management Integration

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

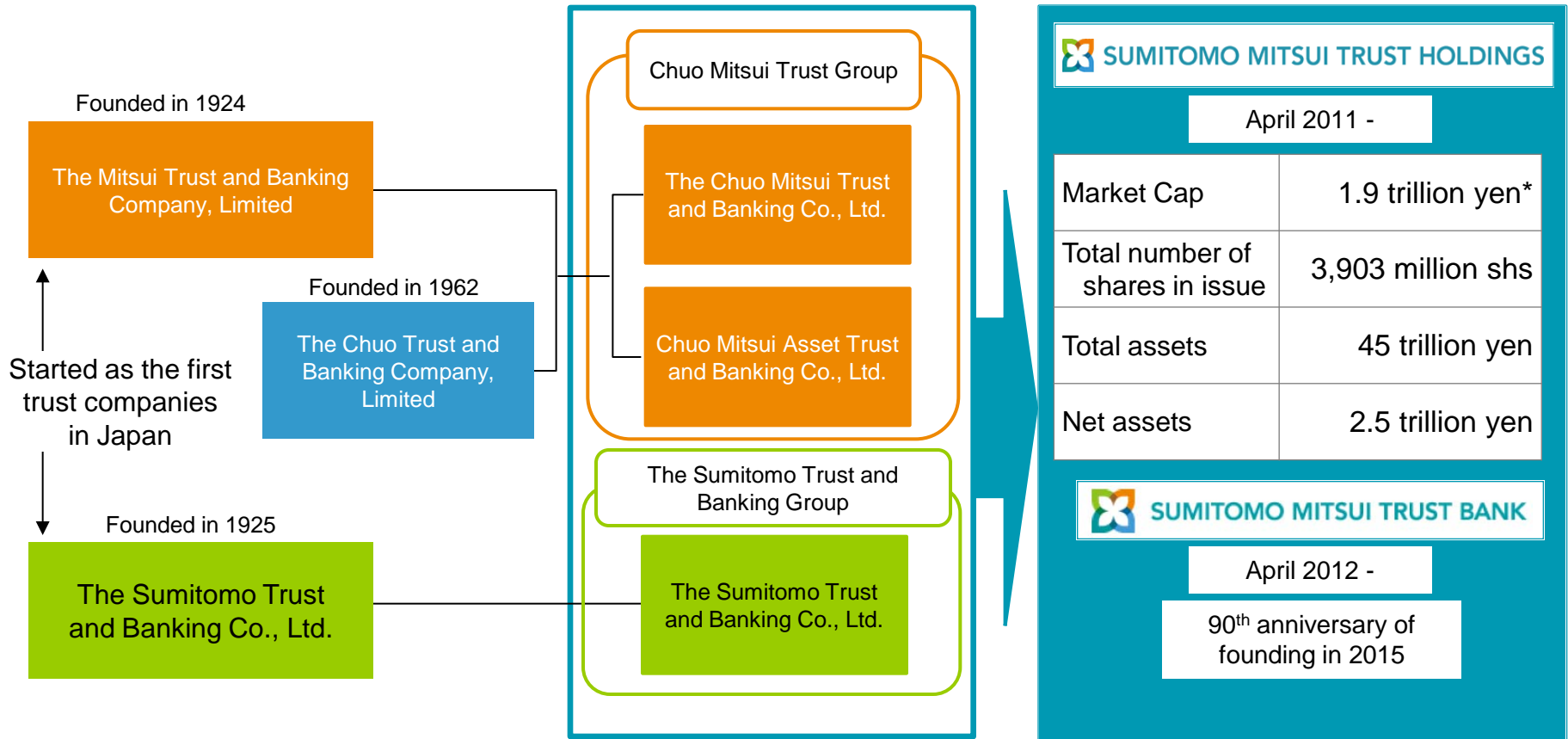
Results of applying purchase accounting method : Effect of purchase accounting method

# Outline of SuMi TRUST Group

# SuMi TRUST Group Overview - History

- ▶ Sumitomo Mitsui Trust Group (SuMi TRUST Group) was formed through the management integration of Chuo Mitsui Trust Group and Sumitomo Trust and Banking Group on Apr. 1, 2011
- ▶ Three trust bank subsidiaries were merged on Apr. 1, 2012 to be Sumitomo Mitsui Trust Bank

## History of Sumitomo Mitsui Trust Group

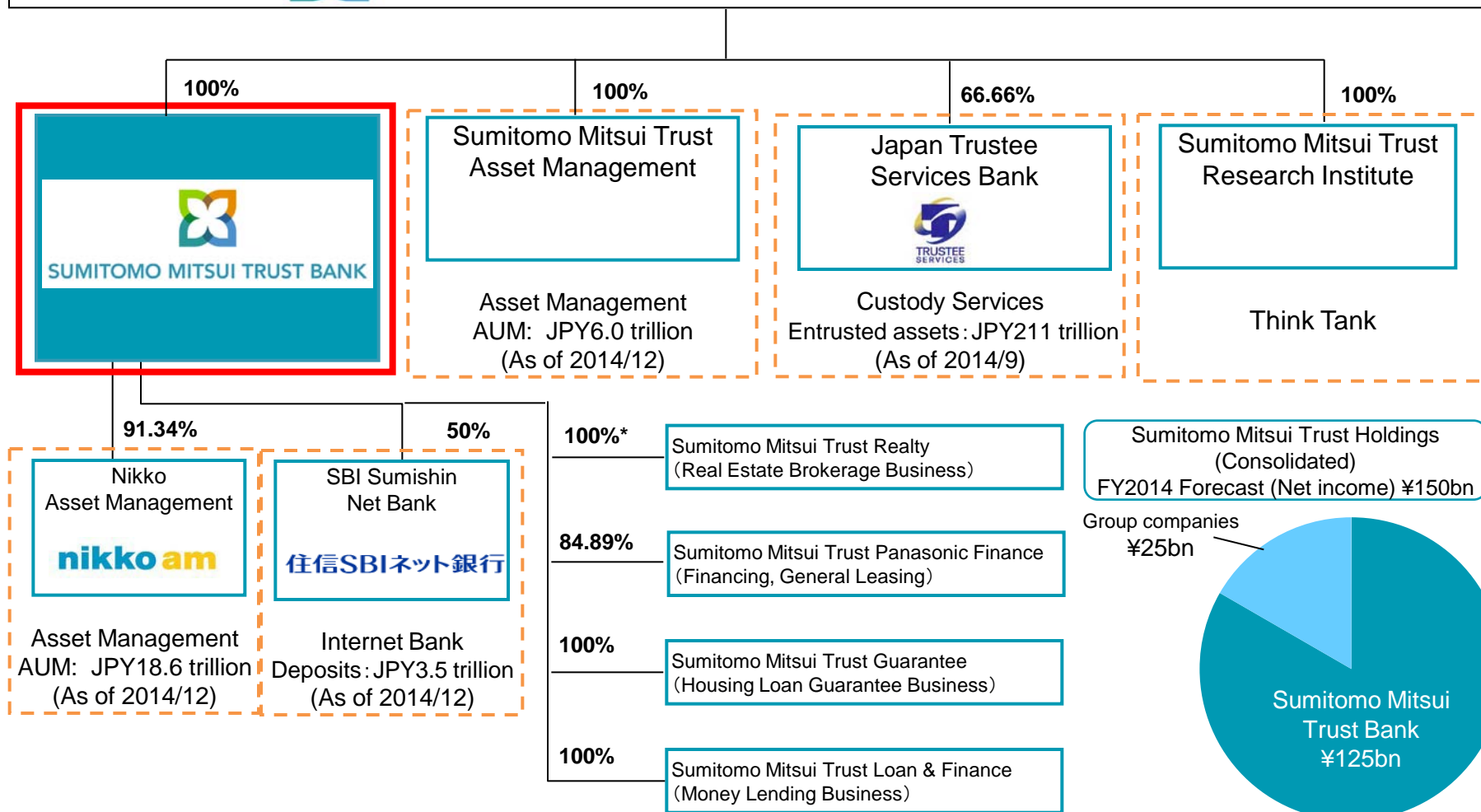


\*as of Feb. 20, 2015

# Group Structure



## SUMITOMO MITSUI TRUST HOLDINGS

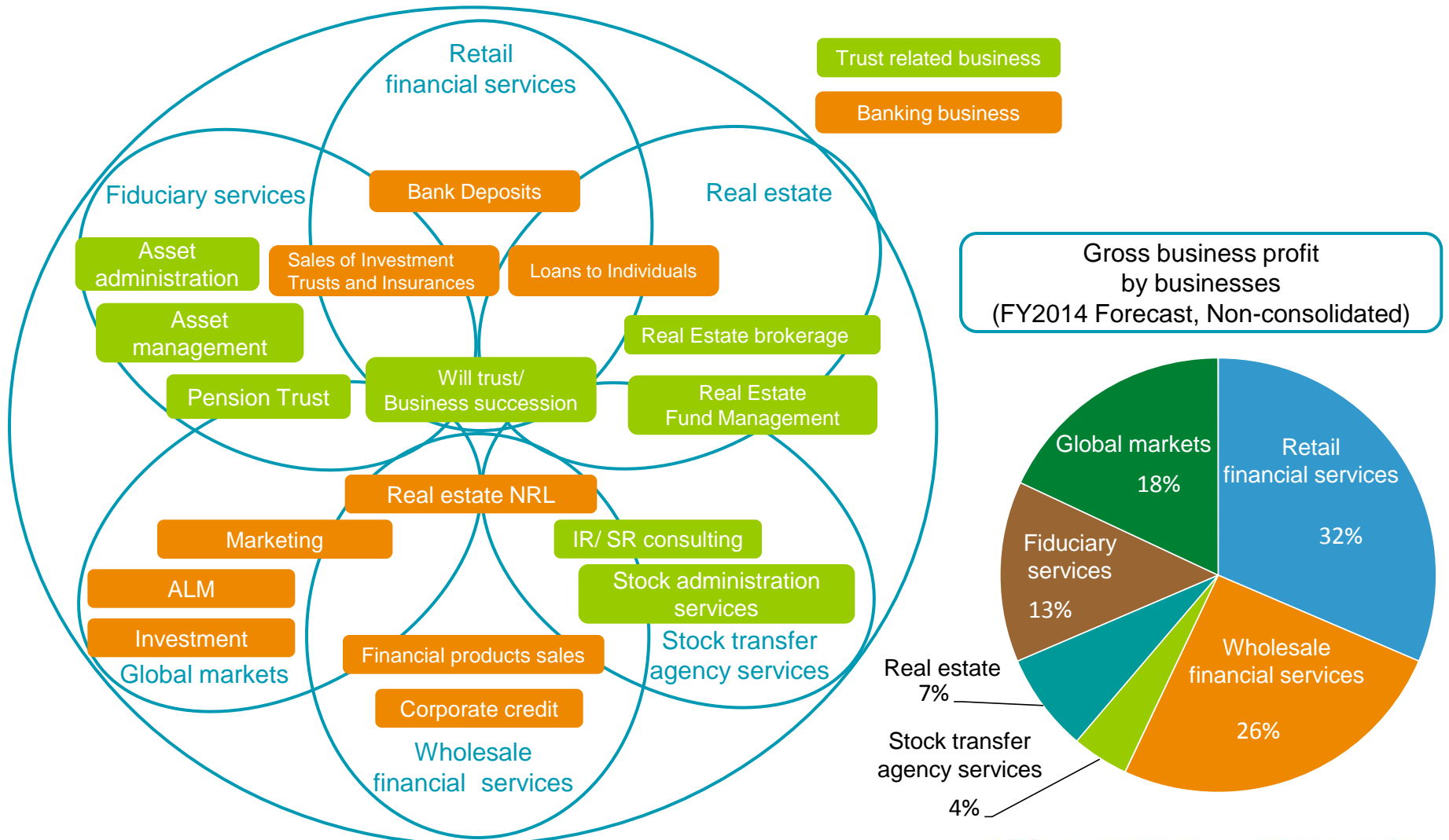


\*Ratio Held by SuMi TRUST Group



# Business Model of SuMi TRUST Group

SuMi TRUST Group provides wide range of products and services through synergizing 6 business segments



## Status of SuMi TRUST Group (as of September 2014)

Retail financial services	Sales volume of investment trust and discretionary investment*	1.5 trillion yen	Japanese banks	No. 1
	Number of will trusts	24,364	Trust banks	No. 2
	Balance of loans to individuals	7 trillion yen	Japanese banks	No. 5
Wholesale financial services	Balance of loans to corporations	17 trillion yen	Japanese banks	No. 4
	Total loan balance	24 trillion yen	Japanese banks	No. 5
Stock transfer agency services	Number of shareholders under administration (Total of the whole group)	22.6 million	Trust banks	No. 1
Real estate	Real estate business related revenue* (Total of the whole group)	46.9 billion yen	Trust banks	No. 1
	Entrusted balance of securitized real estate	10 trillion yen	Trust banks	No. 1
Fiduciary services	Assets under management	74 trillion yen	Japanese banks/ Securities companies	No. 1
	Assets under custody**	206 trillion yen	Japanese banks	No. 1
	Balance of corporate pension funds	16 trillion yen	Trust banks	No. 1
	Lead manager for corporate pension funds	1,448	Trust banks	No. 1
	Entrusted balance of investment trusts	44 trillion yen	Trust banks	No. 1

\*Actual results of FY2013 \*\*Total trust assets of the group companies

Amounts above are approximate figure

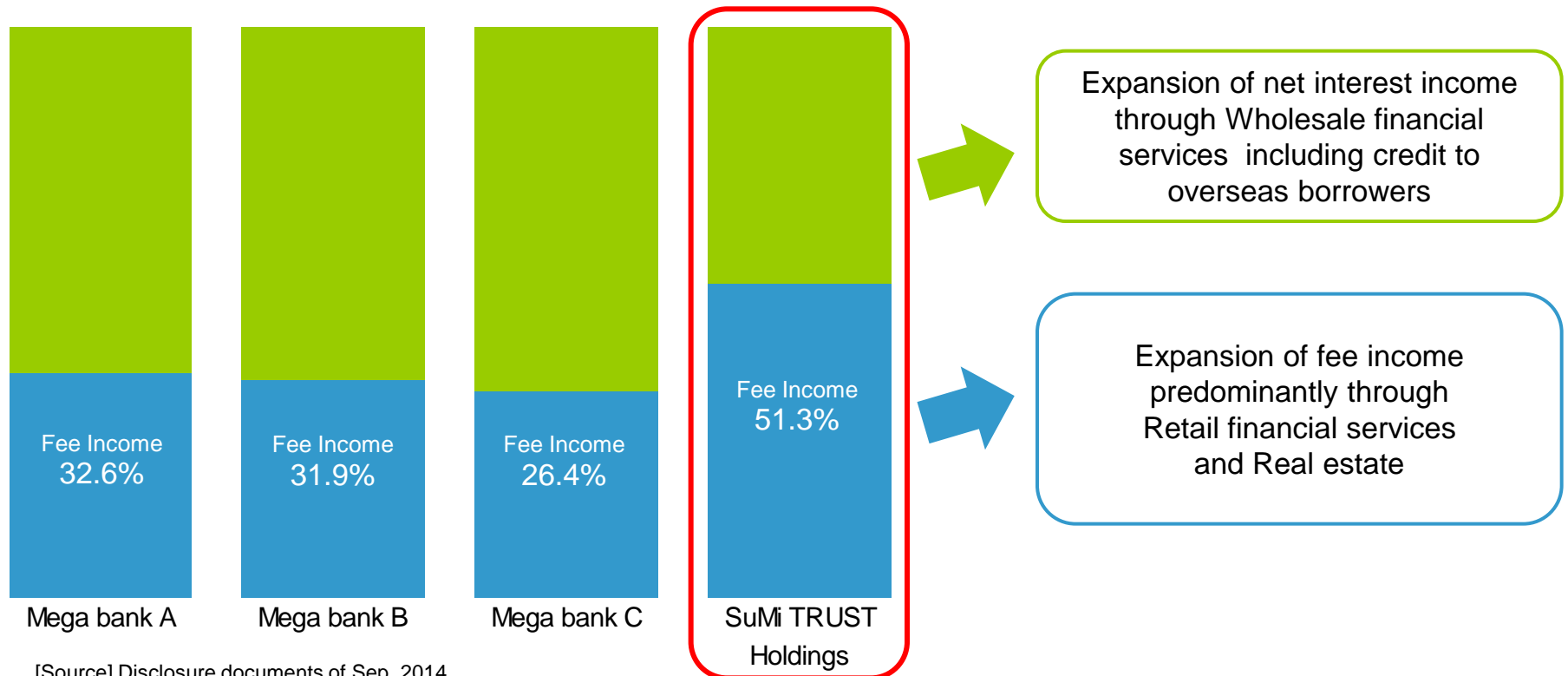
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# Outline of Midterm Management Plan (May 2014)



# Overview of midterm business strategy

- ▶ Further enhancement of the strength of unique business model as a dedicated trust bank group with high fee income to gross business profit ratio
- ▶ Pursuit of maximization of revenue through the expansion of both banking and fee income



[Source] Disclosure documents of Sep. 2014

# Midterm revenue and financial targets

<Consolidated>	FY2013	FY2014	FY2016		CAGR
	Actual	Forecast	Target	Change from FY2013	
(Billions of yen)					
Net business profit before credit costs	285.8	295.0	355.0	69.1	7.4%
Total credit costs	9.1	5.0	(40.0)	(49.1)	
Net income	137.6	150.0	180.0	42.3	9.3%
Fee income to gross business profit	53%		50% or above		
Return on shareholders' equity	7.8%		8.5~9.0%	Long-term target	Approx. 10%

## <Non-consolidated>

Net business profit before credit costs	211.8	225.0	270.0	58.1	8.4%
Gross business profit	461.5	475.0	510.0	48.4	3.3%
Retail financial services	144.0	150.0	165.0	20.9	4.6%
Wholesale financial services	121.0	122.0	130.0	8.9	2.4%
Stock transfer agency services	29.4	30.0	(*) 30.0	0.5	0.6%
Real estate	28.5	35.0	45.0	16.4	16.3%
Fiduciary services	91.3	92.0	(*) 93.0	1.6	0.5%
Global markets	85.0	85.0	90.0	4.9	1.8%
General and administrative expenses	(249.7)	(250.0)	(240.0)	9.7	(1.3%)
Total credit costs	7.6	5.0	(35.0)	(42.6)	
Net income	116.0	125.0	145.0	28.9	7.7%
Overhead Ratio (OHR)	54.1%		45~50%		

(\*)Before deducting fees paid for outsourcing (Stock transfer agency services: (10.0)bn yen, Fiduciary services: (28.0)bn yen).

# Financial results of 3QFY2014

# Highlights of 3QFY2014

## Consolidated financial results

Exceeded forecast due primarily to growth of fees related to investment trust and insurance sales and increase of overseas credit and market related profit

Net business profit before credit costs

Results  
[ vs FY2014 forecast ]

¥232.8bn [78%]

Grew steadily due to increase in net business profit before credit costs, improvement of credit costs and net gains on stocks, absorbing IT system integration costs

Net income

¥126.5bn [84%]

## Strategic business areas

Recorded historical high sales volume, over 1.6 trillion yen  
Balance of "Wrap Selection" exceeded 1 trillion yen in December, 2014

Investment trust and insurance sales  
(Non-consolidated)

Results of 3QFY2014

¥1,627.9bn  
[+¥174.6bn vs 3QFY2013]

Increased steadily due to cash-inflow and market appreciation

AUM  
(Group companies total)

¥74.9tr  
[ +¥4.2tr vs Mar. 2014 ]

Decelerated revenue growth due partly to holding off of transactions with expectation of future price rise

Revenue from real estate business  
(Non-consolidated)

¥17.6bn  
[ ¥(1.2)bn vs 3QFY2013 ]

## Fundamental Earning power

Contributed by steady increase in overseas credit  
Showed signs of bottoming-out in domestic loan-deposit margin

Net interest income  
(Non-consolidated)

¥164.5bn  
[ +¥15.0bn vs 3QFY2013 ]

## Financial soundness

Improved continuously due to steady increase in retained earnings and unrealized gain on securities

Common Equity Tier 1 capital ratio

8.72% [ +0.28% vs Mar. 2014 ]  
Pro forma (Fully-loaded basis)

# Financial results 3QFY2014 : Consolidated

	(Billions of yen)	3QFY2013	3QFY2014			FY2014 Full Forecast
		cumulative total	1H	cumulative total	Change from 3QFY2013	
<b>Net business profit before credit costs</b>	1	213.0	147.0	<b>232.8</b>	<b>19.8</b>	295.0
(Contribution of group companies before consolidated adjustments)	2	45.9	31.1	46.9	0.9	
Gross business profit	3	492.1	334.1	512.4	20.2	275.0
Net interest income and related profit	4	169.5	124.5	<b>185.7</b>	<b>16.2</b>	
Net fees and commissions and related profit	5	252.4	171.5	<b>257.0</b>	<b>4.5</b>	
Net other operating profit	6	49.3	22.9	43.0	(6.3)	
General and administrative expenses	7	(295.4)	(198.9)	(297.0)	(1.6)	
Net non-recurring profit, etc.	8	(3.4)	17.1	17.2	20.6	
Ordinary profit	9	193.3	152.3	232.5	39.2	150.0
Extraordinary profit	10	(1.9)	(46.7)	(57.0)	(55.1)	
Income before income taxes	11	191.3	105.5	175.4	(15.9)	5.0
Total income taxes	12	(68.4)	(15.2)	(39.4)	29.0	
<b>Net income</b>	13	109.1	83.7	<b>126.5</b>	<b>17.3</b>	
Total credit costs	14	10.9	14.5	20.7	9.8	21.2
Net gains on stocks	15	(11.7)	10.9	9.5		
Net assets per common shares (BPS) (Yen)	16	511.27	541.56	568.45	57.18	

## Net business profit before credit costs

UP ¥19.8bn YoY to ¥232.8bn due primarily to growth of net interest income and related profit of SuMi TRUST Bank

## Net income

UP ¥17.3bn YoY to ¥126.5bn due to recovery of net non-recurring profit including reversal of credit costs, and positive effect from change in tax accounting status, while costs of banking IT system integration were posted as extraordinary loss in SuMi TRUST Bank

# Financial results 3QFY2014 : Non-consolidated

(Billions of Yen)		3QFY2013	3QFY2014			FY2014 Full Forecast
		cumulative total	1H	cumulative total	Change from 3QFY2013	
1	Net business profit before credit costs	158.6	111.5	179.7	21.1	225.0
2	Gross business profit	345.5	236.3	365.6	20.1	475.0
3	Net interest income and related profit	155.4	115.0	171.5	16.1	
4	Net fees and commissions and related profit	138.8	95.5	142.3	3.5	
5	Net trading profit	20.8	15.0	26.5	5.7	
6	Net other operating profit	30.4	10.7	25.1	(5.2)	
7	Net gains on foreign exchange transactions	(6.5)	0.8	(0.2)	6.3	
8	Net gains on bonds	11.9	20.5	49.3	37.3	
9	Net gains from derivatives other than for trading or hedging	24.6	(11.3)	(24.5)	(49.2)	
10	General and administrative expenses	(186.8)	(124.8)	(185.8)	0.9	(250.0)
11	Total credit costs	9.0	13.1	18.8	9.8	5.0
12	Other non-recurring profit	(22.4)	(6.6)	(12.2)	10.2	(20.0)
13	Net gains on stocks	(7.3)	11.3	15.1	22.5	
14	Amortization of net actuarial losses	(13.7)	(8.7)	(13.1)	0.5	
15	Ordinary profit	145.1	117.9	186.3	41.1	210.0
16	Extraordinary profit	(2.0)	(46.8)	(57.2)	(55.1)	
17	IT system integration costs	-	(46.6)	(55.3)	(55.3)	
18	Income before income taxes	143.1	71.1	129.1	(14.0)	
19	Total income taxes	(51.2)	(2.8)	(21.8)	29.4	
20	Net income	91.8	68.3	107.3	15.4	125.0

## Net business profit before credit costs

UP ¥21.1bn YoY to ¥179.7bn  
Net interest income and related profit improved by recovery in loan-deposit income due primarily to growth of overseas loans

## Net income

UP ¥15.4bn YoY to ¥107.3bn  
Reversal of credit costs, net gains on stocks and positive effect from change in tax accounting status contributed, while costs of banking IT system integration were posted

# Contribution of major group companies

- ▶ Contribution to net business profit before credit costs: UP ¥0.9bn YoY to ¥46.9bn
  - ▶ Contribution to net income: UP ¥0.6bn YoY to ¥30.4bn
- UP: Sumitomo Mitsui Trust Asset Management and SBI Sumishin Net Bank  
 DOWN: Nikko Asset Management and Sumitomo Mitsui Trust Realty

	Net business profit before credit costs			Net income			Goodwill as of Dec.2014	
	3QFY2013 cumulative total	3QFY2014 cumulative total	Change	3QFY2013 cumulative total	3QFY2014 cumulative total	Change	Amortization amount	Outstanding balance
(Billions of yen)								
Consolidation difference	54.3	53.1	(1.2)	17.3	19.2	1.8	(6.9)	90.7
Effect of purchase accounting method	0.5	1.0	0.4	4.6	4.6	(0.0)	---	---
Contribution (before consolidated adjustments) (*1)	45.9	46.9	0.9	29.7	30.4	0.6	(6.9)	90.7
Sumitomo Mitsui Trust Asset Management	2.1	3.3	1.1	1.3	2.1	0.7	---	---
Nikko Asset Management (Consolidated)	8.4	6.5	(1.9)	3.9	2.6	(1.3)	(*2) (3.7)	(*2) 49.6
Sumitomo Mitsui Trust Realty	2.7	1.6	(1.1)	1.6	1.0	(0.6)	---	---
Sumitomo Mitsui Trust Panasonic Finance (Consolidated)	7.8	7.7	(0.1)	5.1	5.0	(0.0)	(0.1)	0.0
Sumitomo Mitsui Trust Loan & Finance	5.9	6.4	0.5	6.3	6.5	0.2	(2.9)	39.2
SBI Sumishin Net Bank (Consolidated)	4.1	5.2	1.1	2.4	3.5	1.1	---	---
Sumitomo Mitsui Trust Guarantee (Consolidated)	8.3	8.5	0.2	4.8	5.5	0.6	---	---

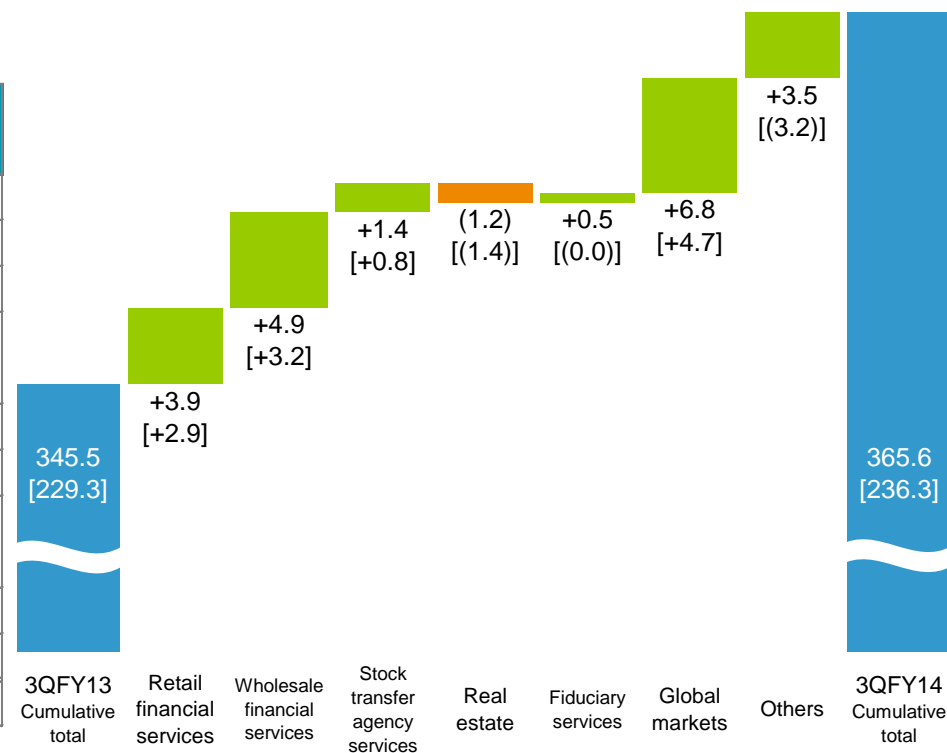
(\*1) Contribution of group companies (before consolidated adjustments) is a substantive amount which excludes consolidation adjustments that do not relate directly to the group companies' business results. (Non-consolidated profit/loss of the holding company, elimination of dividend, amortization of goodwill, etc.)

(\*2) Including 0.7 billion yen of amortization amount and 2.1 billion yen of outstanding balance from affiliated companies

# Profit by business: Non-consolidated

- ▶ Gross business profit: UP ¥20.1bn YoY to ¥365.6bn  
Global markets increased profit and the other businesses except for Real estate showed steady growth
- ▶ Retail financial services: UP ¥3.9bn YoY due primarily to growth in investment trust and insurance related profit
- ▶ Stock transfer agency services: UP ¥1.4bn YoY due to reduction in fees paid for outsourcing
- ▶ Real estate: DOWN ¥1.2bn YoY due partly to holding off of some transactions

(Billions of yen)	Gross business profit (Non-consolidated)				FY2014 Full Forecast
	3QFY2013 cumulative total	1H	3QFY2014 cumulative total	Change from 3QFY2013	
Retail financial services	106.4	72.8	110.4	3.9	150.0
Wholesale financial services	84.6	63.6	89.6	4.9	122.0
Stock transfer agency services	14.1	9.9	15.5	1.4	20.0
Gross business profit	24.1	15.4	23.7	(0.4)	30.0
Fees paid for outsourcing	(9.9)	(5.4)	(8.1)	1.8	(10.0)
Real estate	18.8	11.5	17.6	(1.2)	35.0
Fiduciary services	46.8	31.1	47.4	0.5	64.0
Gross business profit	67.6	45.5	68.8	1.1	92.0
Fees paid for outsourcing	(20.8)	(14.4)	(21.3)	(0.5)	(28.0)
Global markets	77.2	49.3	84.1	6.8	85.0
Others	(2.7)	(2.1)	0.7	3.5	(1.0)
<b>Total</b>	<b>345.5</b>	<b>236.3</b>	<b>365.6</b>	<b>20.1</b>	<b>475.0</b>



Note : Figures for "Others" include costs of capital funding, dividends of shares for cross shareholdings, general and administrative expenses of headquarters, etc.

Note: Figures in [ ] are results of 1H.



# Net interest income: Non-consolidated

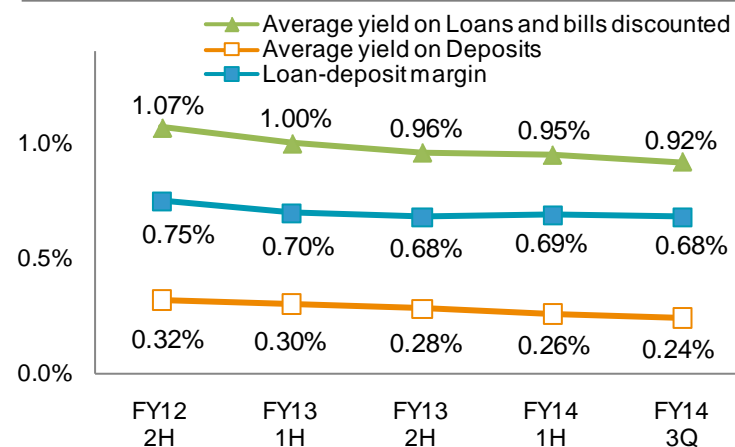
## Net interest income

UP ¥15.0bn YoY to ¥164.5bn  
The loan-deposit income continuously improved due primarily to growth of loans and bills discounted in international business

## Domestic loan-deposit margin

Stayed almost flat from 1HFY2014 despite decline in loan margin as deposit margin declined

## Domestic loan-deposit margin

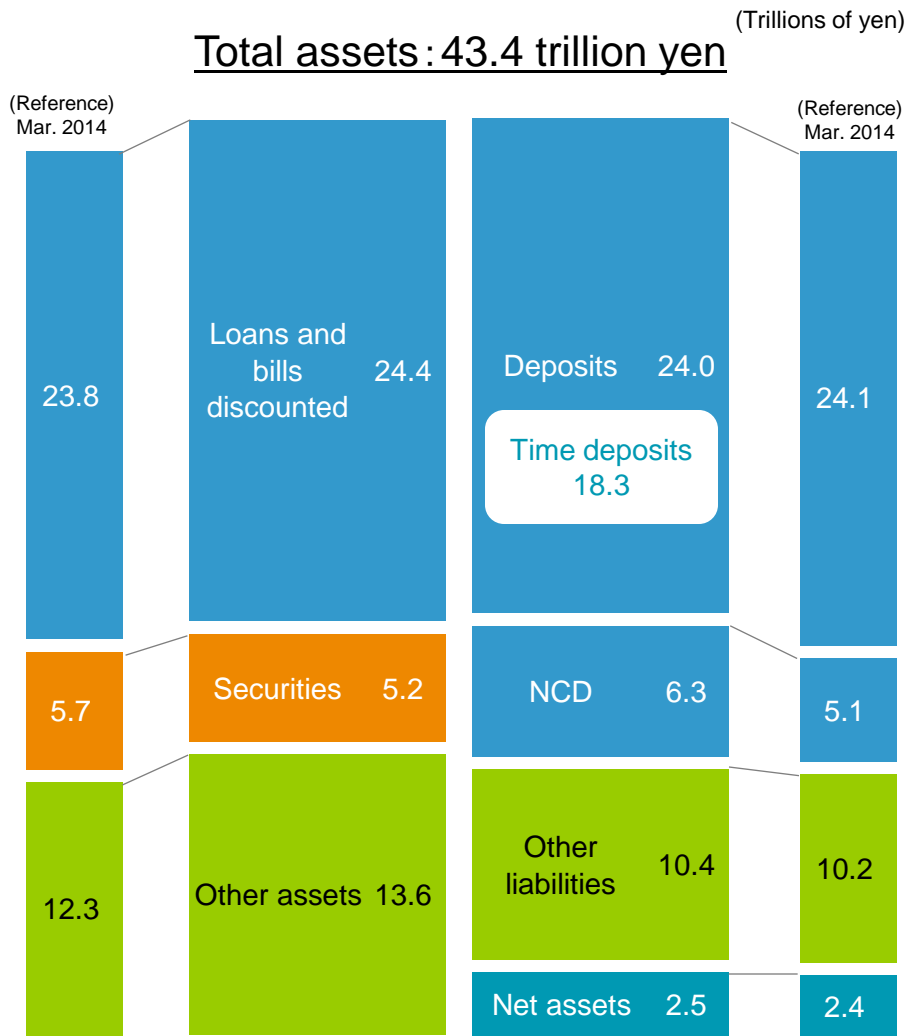


	3QFY2014 (cumulative total)					
	Average balance	Change from 3QFY2013	Yield	Change from 3QFY2013	Income/Expense	Change from 3QFY2013
(Average balance: Trillions of yen) (Income/Expense: Billions of yen)						
<b>Net interest income</b>					<b>164.5</b>	<b>15.0</b>
Domestic business			0.51%	(0.08%)	112.0	(11.5)
Interest-earning assets	29.01	1.23	0.79%	(0.13%)	173.1	(20.6)
Loans and bills discounted	18.27	(0.04)	0.94%	(0.05%)	130.0	(7.4)
Securities	3.18	(0.89)	1.20%	(0.17%)	28.8	(13.5)
Interest-bearing liabilities	28.53	1.02	<b>0.28%</b>	<b>(0.05%)</b>	(61.1)	9.1
Deposits	20.95	(0.18)	0.25%	(0.05%)	(40.3)	7.9
International business			0.66%	0.27%	52.5	26.6
Interest-earning assets	10.42	2.03	1.25%	0.07%	98.7	23.9
Loans and bills discounted	<b>5.99</b>	<b>1.67</b>	1.32%	0.05%	59.6	17.9
Securities	1.93	0.21	2.14%	0.04%	31.3	4.0
Interest-bearing liabilities	10.28	2.10	0.59%	(0.20%)	(46.2)	2.6
Deposits	3.08	0.96	0.47%	0.05%	(10.9)	(4.0)
Loan-deposit margin / income			0.75%	0.01%	<b>138.4</b>	<b>14.3</b>
Domestic business			0.69%	0.00%	89.7	0.4
<Reference> Net interest income and related profit					171.5	16.1
Trust fees from principal guaranteed trust a/c					6.9	1.0

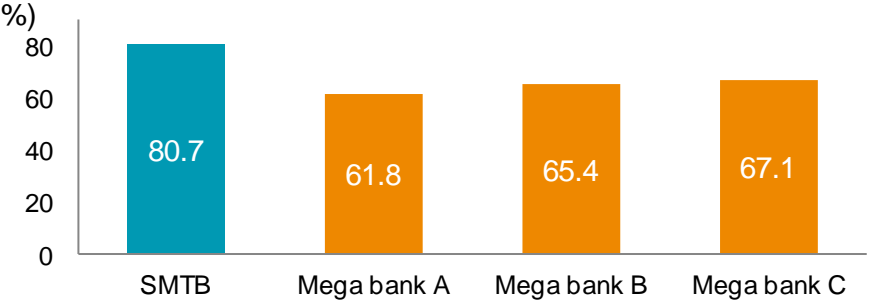
# Balance sheet

## Balance Sheet (Consolidated, as of Sep. 2014)

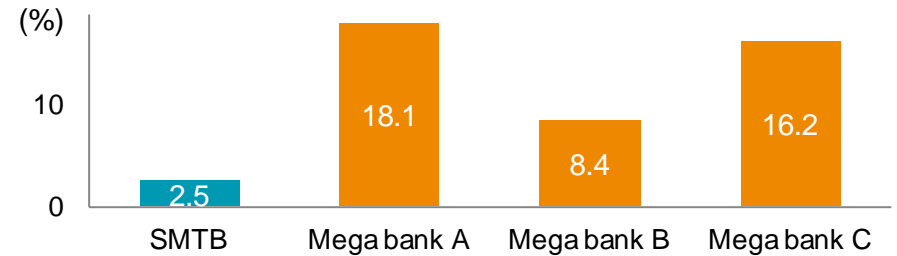
**Total assets : 43.4 trillion yen**



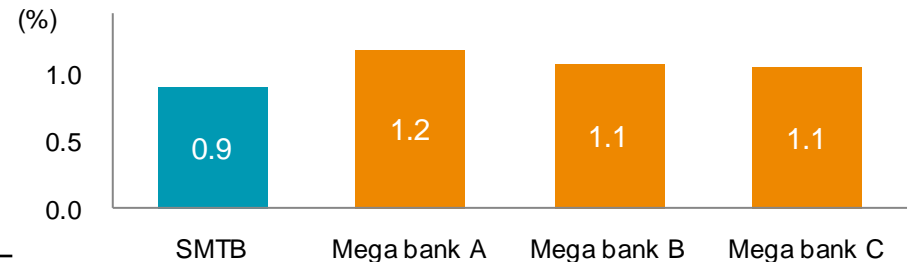
## Comparison of loan-deposit ratio (Non-consolidated, as of Sep. 2014)



## Comparison of JGB holding ratio (Non-consolidated, as of Sep. 2014)



## Comparison of NPL ratio (Non-consolidated, as of Sep. 2014)



[Source] Disclosure documents

# Securities portfolio and interest rate risk

- ▶ Cost of available-for-sale securities (Consolidated): DOWN ¥769.0bn from Mar. 2014 to ¥4,130.3bn due to decrease mostly in US Treasuries in “Others” in addition to decrease mostly in Treasury Discount Bills in “Japanese bonds”
- ▶ Unrealized gains of available-for-sale securities (Consolidated): UP ¥248.3bn from Mar. 2014 to ¥631.0bn due to improvement of Japanese stocks

## <Securities with fair value (Consolidated)>

(Billions of yen)	Costs		Unrealized gains/losses	
	Dec. 2014	Change from Mar. 2014	Dec. 2014	Change from Mar. 2014
Available-for-sale securities	4,130.3	(769.0)	631.0	248.3
Japanese stocks	722.5	(8.6)	609.0	232.6
Japanese bonds	1,574.6	(455.8)	7.0	3.0
Others	1,833.1	(304.5)	14.9	12.6
Held-to-maturity debt securities	406.5	(34.6)	46.4	3.8

## Securities portfolio of Global markets (Non-consolidated) (\*4)

(Billions of yen)	10BPV (*5)		Duration (years) (*5)	
	Dec. 2014	Change from Mar. 2014	Dec. 2014	Change from Mar. 2014
JPY	3.5	0.2	3.2	1.2
Others	5.8	(2.4)	5.8	(0.6)

(\*4) Managerial reporting basis; "Held-to-maturity debt securities" and "Available-for-sale securities" are combined

(\*5) In the calculation of 10BPV and duration, investment balance hedged by derivative transactions, etc. were excluded

## <Available-for-sale securities with fair value (Non-consolidated)>

Available-for-sale securities	3,838.6	(905.6)	656.0	247.9
Japanese stocks	690.4	(7.8)	638.2	231.6
Japanese bonds	1,400.9	(513.3)	6.9	3.0
Government bonds	758.8	(529.2)	3.5	3.3
Others	1,747.2	(384.4)	10.8	13.2
Domestic investment (*1)	149.6	(171.7)	0.9	0.2
International investment (*1)	1,324.1	(290.4)	20.2	17.8
US Treasury	556.8	(457.3)	5.3	9.5
Others (Investment trust, etc.) (*2)	273.4	77.8	(10.2)	(4.8)

(\*1) "Domestic investment" and "International investment" are basically categorized by the countries where final exposure exists

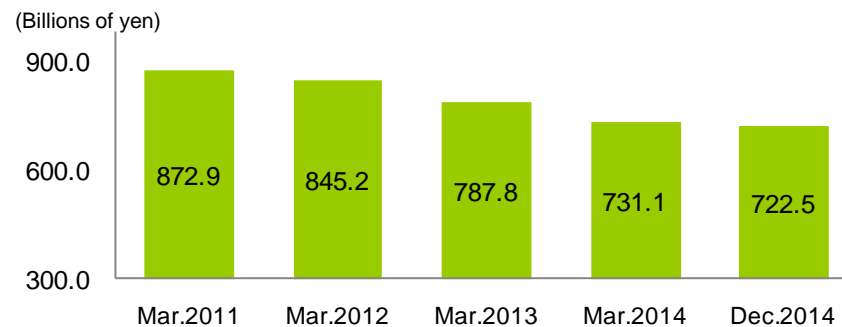
(\*2) "Investment trust" and investment securities uncategorizable into "Domestic investment" or "International investment"

## <Held-to-maturity debt securities with fair value (Non-consolidated)>

Held-to-maturity debt securities	405.9	(33.5)	46.4	3.8
Government bonds	229.8	(15.2)	17.6	6.5
International investment (*1, 3)	150.1	(12.5)	28.2	(2.5)

(\*3) Unamortized balance of unrealized loss on overseas asset-backed securities which were reclassified from AFS to HTM during FY2008 (Dec. 2014: (28.0)bn yen, Mar. 2014: (31.8)bn yen)

## Balance of cross shareholdings (Consolidated) (\*6)



(Billions of yen)	FY2011	FY2012	FY2013	3QFY2014 cumulative total
Reduction amount of cross shareholdings	55.7	55.6	57.7	11.1

(\*6) The above mentioned figures of "cost of shareholdings" are those of listed shares. The figure of Mar. 2011 is combined total of CMTH (Consolidated) and STB (Consolidated).

# Strategic business areas

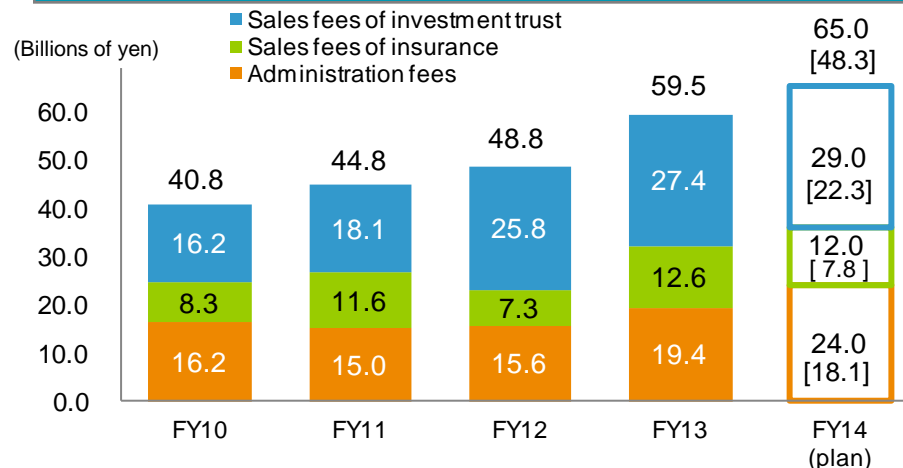
# Focus on growing fee businesses : (1) Investment trust and insurance sales

- ▶ Sales volume of investment trust and insurance products: UP ¥174.6bn YoY to ¥1,627.9bn  
Fund wrap, SMA sales kept high sales volume in addition to the increase in investment trust sales in 3QFY2014
- ▶ Fee income: UP ¥4.6bn YoY to ¥48.3bn  
Sales fees of investment trust increased in addition to the increase in administration fees due to steady growth in balance

## Income (Non-consolidated)

(Billions of yen)	3QFY2014			FY2014 Plan
	1H	cumulative total	Change from 3QFY2013	
Income total	31.0	48.3	4.6	65.0
Sales fees of investment trust	14.1	22.3	1.9	29.0
Sales fees of insurance	5.3	7.8	(1.0)	12.0
Administration fees	11.4	18.1	3.7	24.0

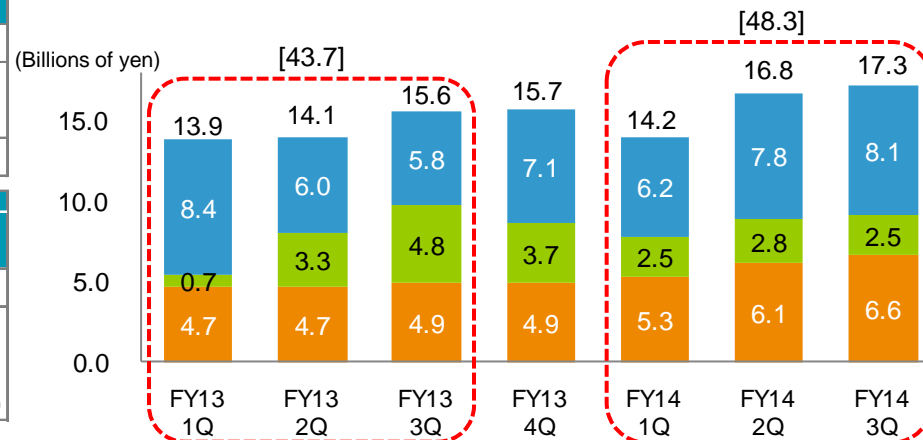
## Income (Non-consolidated)



## Sales volume/balance (Non-consolidated)

(Billions of yen)	3QFY2014			FY2014 Plan
	1H	cumulative total	Change from 3QFY2013	
Sales volume total	1,059.3	1,627.9	174.6	2,100.0
Investment trust	716.8	1,117.5	129.0	1,770.0
Fund wrap, SMA	186.5	283.1	86.0	
Insurance	155.9	227.3	(40.4)	330.0

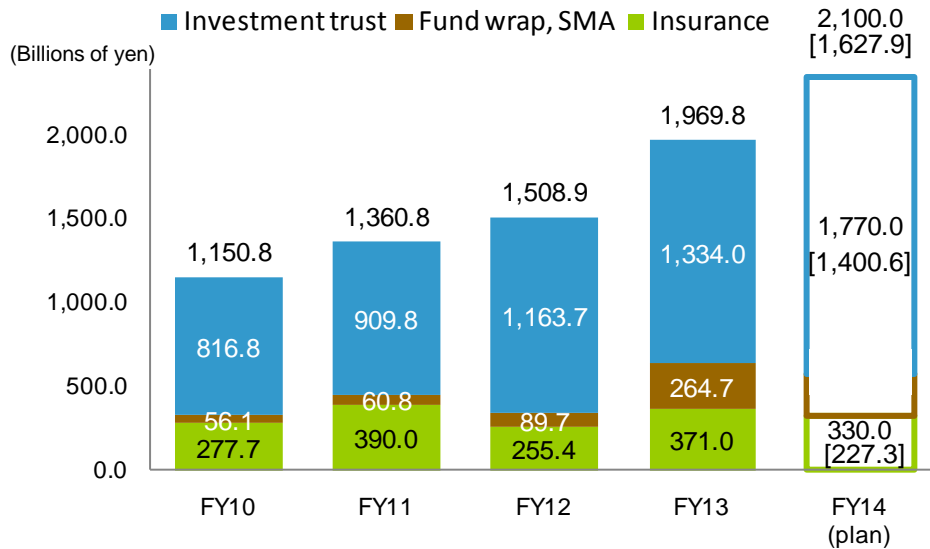
(Billions of yen)	FY2014			Change from Mar. 2014
	Mar. 2014	Sep. 2014	Dec. 2014	
Balance total	5,271.5	5,609.6	5,795.9	524.3
Investment trust	2,455.4	2,652.5	2,790.1	334.6
Fund wrap, SMA	374.7	558.5	652.8	278.0
Insurance	2,441.3	2,398.6	2,352.9	(88.3)



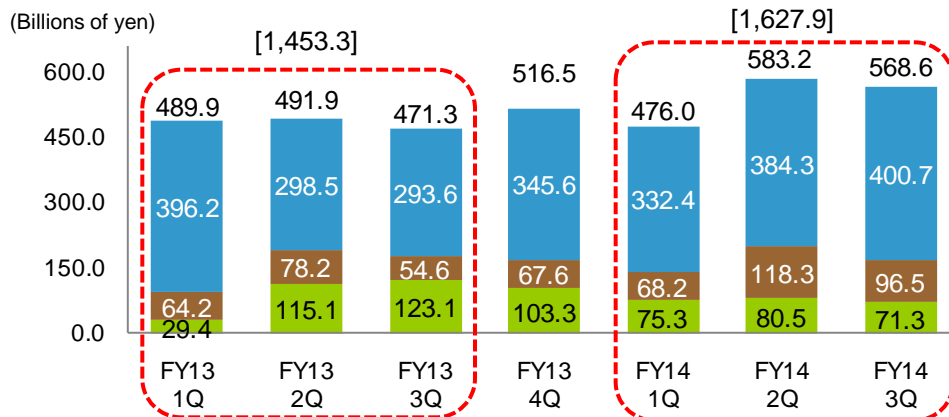
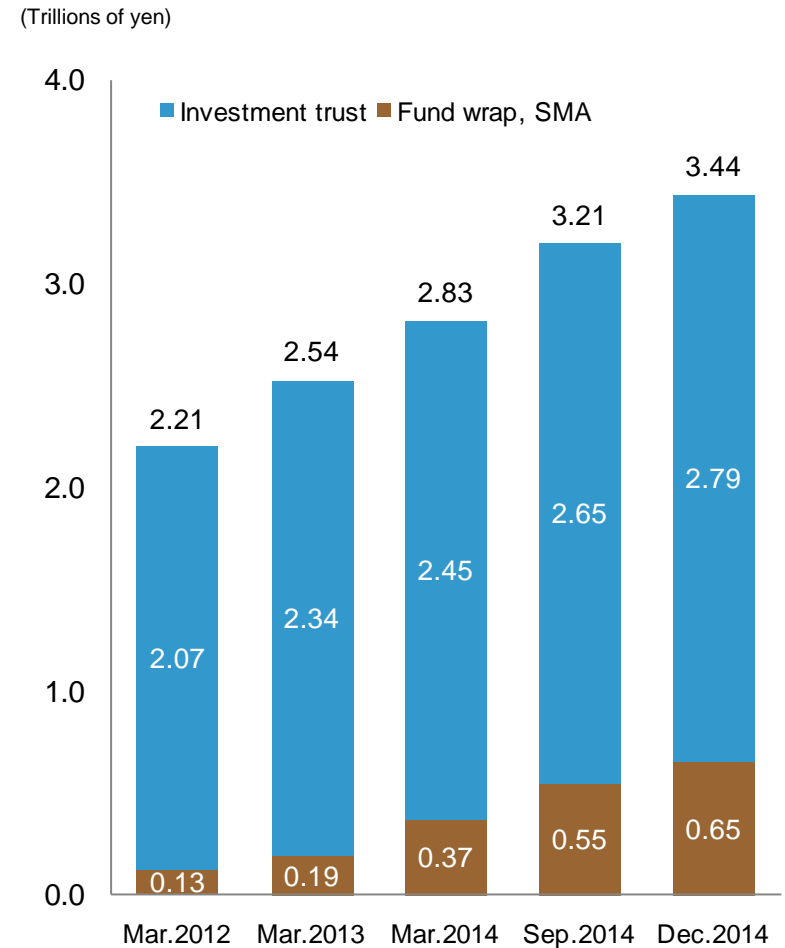
Note: Figures in "[ ]" are results of 3Q

# Focus on growing fee businesses : (1) Investment trust and insurance sales

Sales volume



Balance of investment trust / Fund wrap, SMA



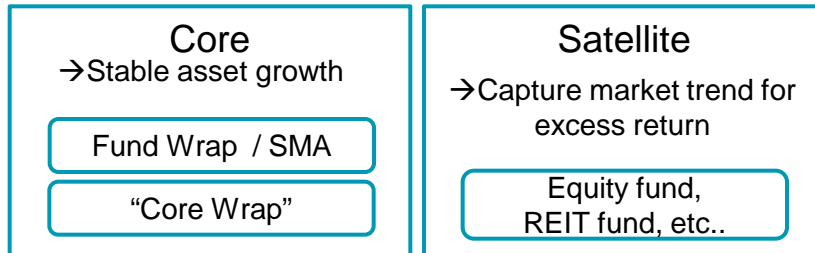
Note: Figures in "[ ]" are results of 3Q

# Focus on growing fee businesses : (1) Investment trust and insurance sales

- ▶ Keep “Core & Satellite” strategy with high quality of consulting capability
- ▶ Increase stable earnings and expand client base continuously

## Basic strategy

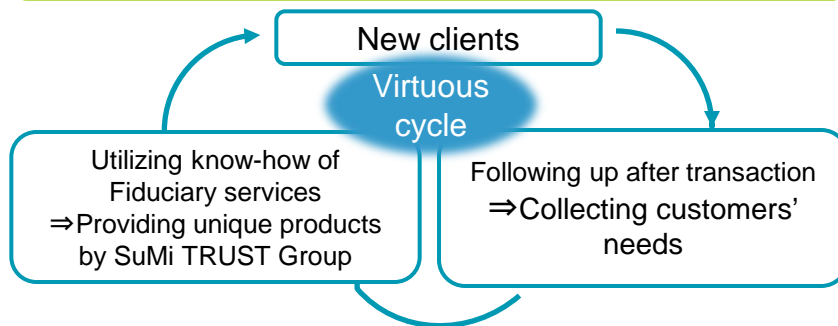
### “Core & Satellite” strategy



### Human Resource strategy

- Strategic personnel allocation after banking IT system integration
- Continuous enhancement of professional consulting capability, primarily for managers of investment consulting

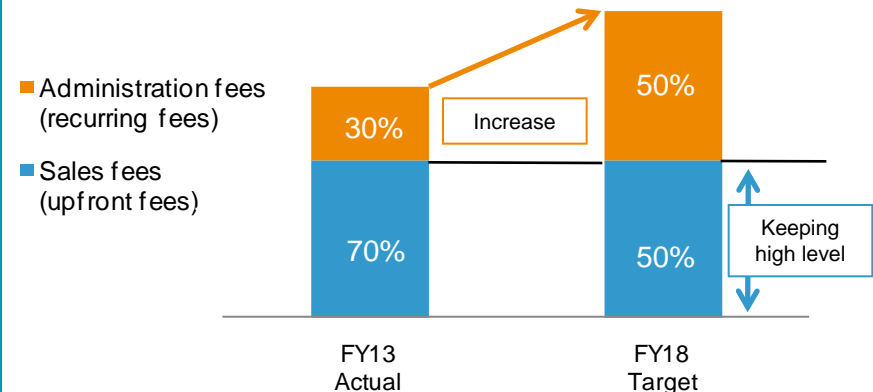
### Product strategy



## Major initiatives

### Increase of stable earnings

Increase recurring fees, while keeping high level of upfront fees  
 ⇒Accelerate accumulation of “Wrap Selection” balance



### Expansion of customer base

Acquisition of new clients with various products

Working age	Retirees	Seniors
Mortgage loans / Products for employees of corporate clients	Term deposit for retirement payout	Will trust / Tuition fund endowment trust

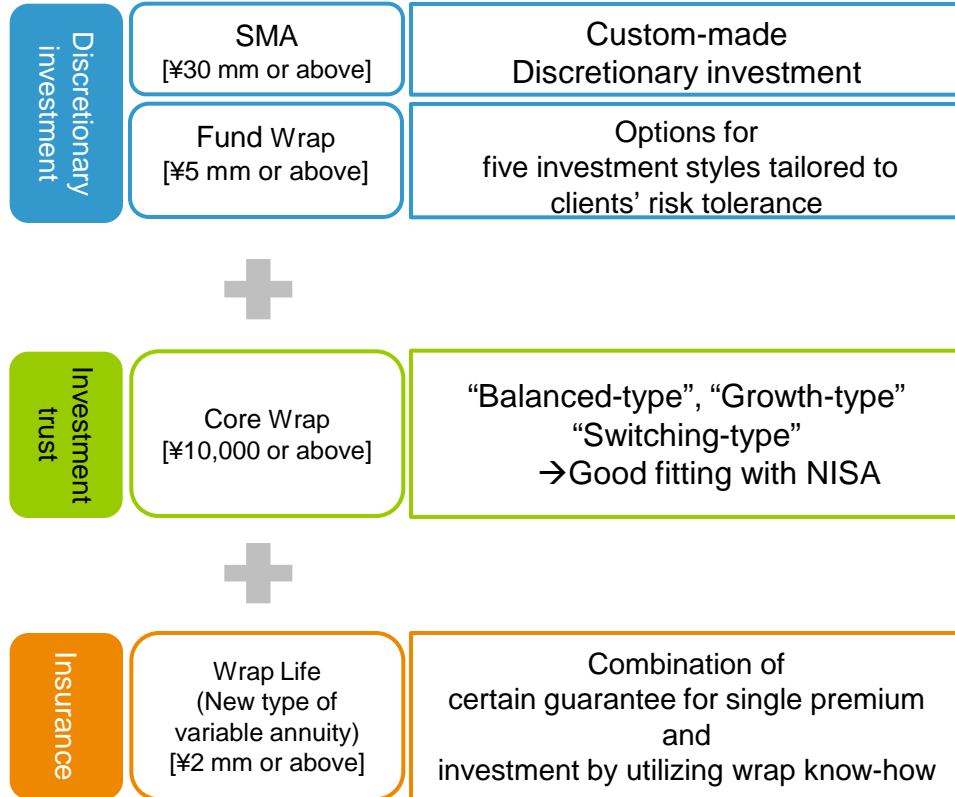
Product line-ups for investment

“Wrap Selection” “NISA Selection” Installment premium insurance

# Focus on growing fee businesses : (1) Investment trust and insurance sales

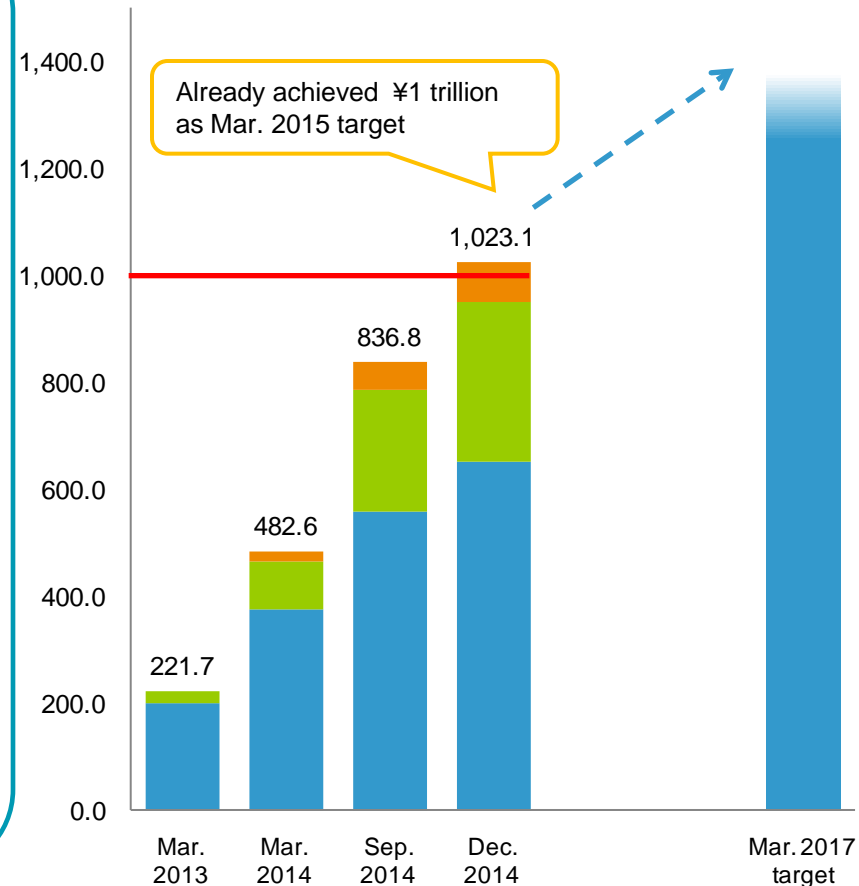
- ▶ Balance of “Wrap Selection” has already exceeded ¥1 trillion  
Pursuit of further accumulation toward new target
- ▶ Contributed to increase recurring fees as stable earnings

## “Wrap Selection”



## < Balance of “Wrap Selection” >

(Billions of yen)





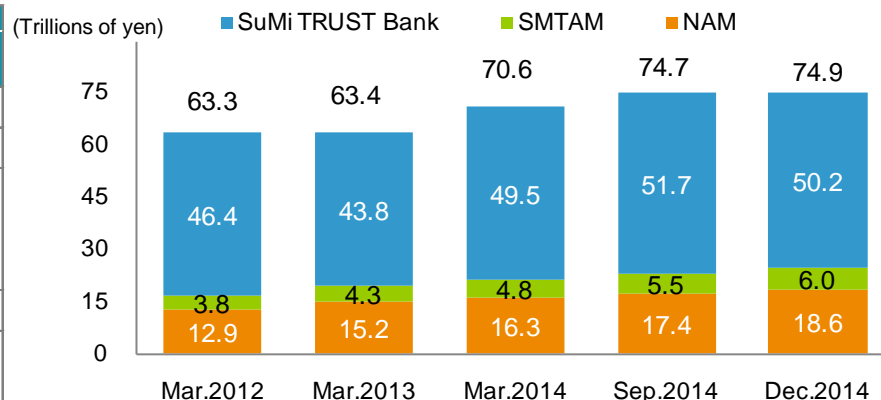
## Focus on growing fee businesses : (2) Fiduciary services

- ▶ Assets under management (AUM): UP ¥4.2tr from Mar. 2014 due to increase in fair value and net cash-inflow in subsidiaries
- ▶ Domestic entrusted assets increased due to increase in entrusted investment trust

### Assets under management (AUM)

(Trillions of yen)	Mar.2014	Sep.2014	Dec.2014	Change from Mar. 2014
Assets under management (AUM)	70.6	74.7	74.9	4.2
SuMi TRUST Bank	49.5	51.7	50.2	0.7
Corporate pension trust	16.3	16.4	16.9	0.5
Public pension trust	11.1	12.1	12.9	1.8
Discretionary investment	21.9	23.1	20.3	(1.6)
Subsidiaries	21.1	23.0	24.6	3.4
Sumitomo Mitsui Trust Asset Management	4.8	5.5	6.0	1.1
Nikko Asset Management	16.3	17.4	18.6	2.3

### Assets under management (AUM) by company



USD/ JPY	82.15	93.99	102.90	109.45	120.56
TOPIX	854.35	1,034.71	1,202.89	1,326.29	1,407.51

### Income

(Billions of yen)	3QFY2014		Change from 3QFY2013	FY2014 Plan
	1H	cumulative total		
SuMi TRUST Bank	31.1	47.4	0.5	64.0
Gross business profit	45.5	68.8	1.1	92.0
Fees paid out for outsourcing	(14.4)	(21.3)	(0.5)	(28.0)
Group companies (Net business profit) (*1)	7.0	11.3	(0.4)	
Sumitomo Mitsui Trust Asset Management	2.0	3.3	1.1	
Nikko Asset Management	3.8	6.5	(1.9)	

(\*1) Contribution to consolidated

### Assets under custody (AUC)

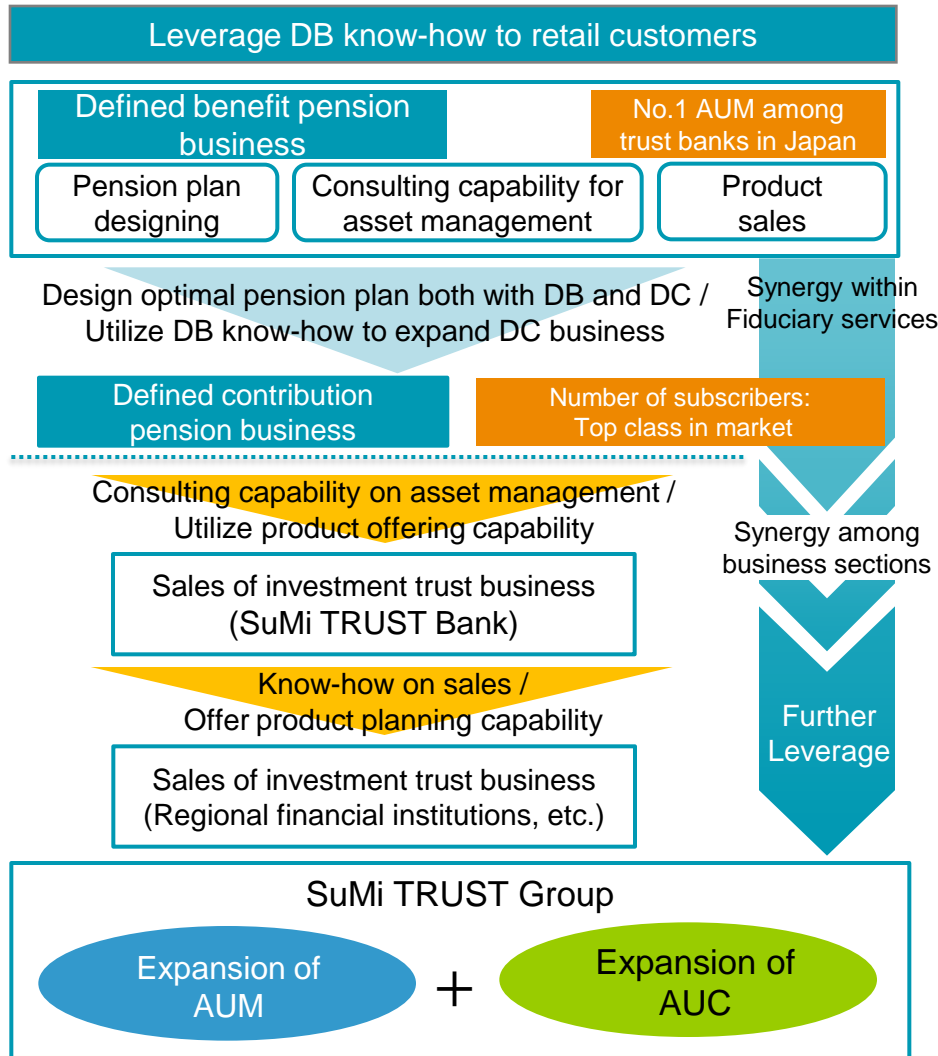
(Trillions of yen)	Mar.2014	Sep.2014	Dec.2014	Change from Mar. 2014
Domestic entrusted assets (*2)	197	206	214	16
(Billions of USD)				
Global custody assets (*3)	270.2	270.9	262.0	(8.1)
Fund administration	21.6	21.2	21.4	(0.1)

(\*2) Total trust assets of the group companies

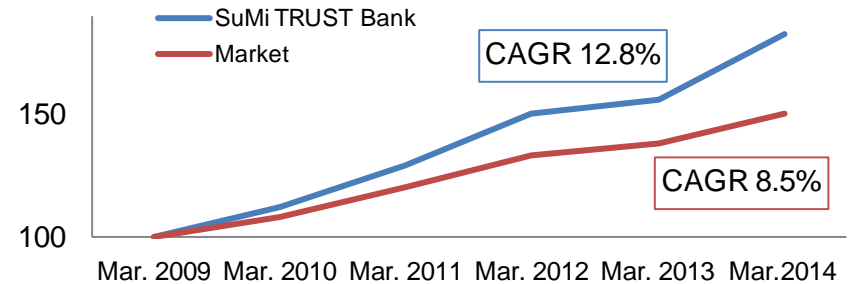
(\*3) Combined figures of Sumitomo Mitsui Trust Bank (U.S.A.) and Sumitomo Mitsui Trust (UK)

# Focus on growing fee businesses : (2) Fiduciary services

- ▶ Leverage know-how of products and services developed for institutional investors to retail customers
- ▶ Expand assets under management through collaboration with other financial institutions

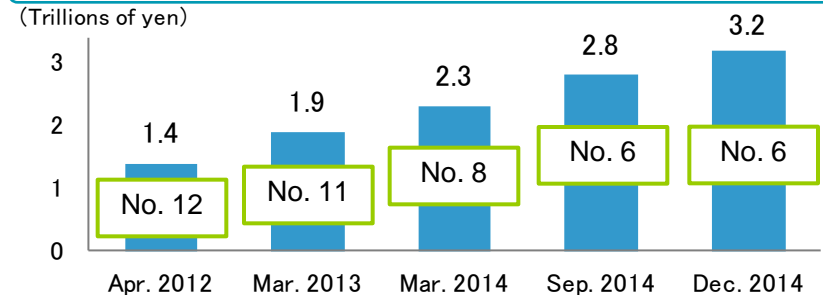


Subscribers of DC pension plans (Index : Mar.2009=100\*)

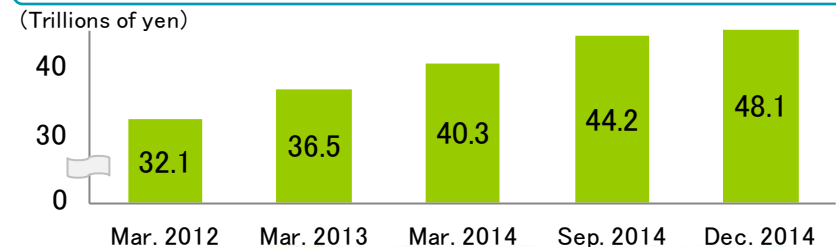


Mar. 2009 Mar. 2010 Mar. 2011 Mar. 2012 Mar. 2013 Mar. 2014  
 (\*) The figures of SuMi TRUST Bank is calculated based on the number of subscribers of DC pension plans operated and managed by SuMi TRUST Bank

AUM of publicly-offered equity investment trust in Japan (SMTAM)



Entrusted assets from investment trust (Non-consolidated)



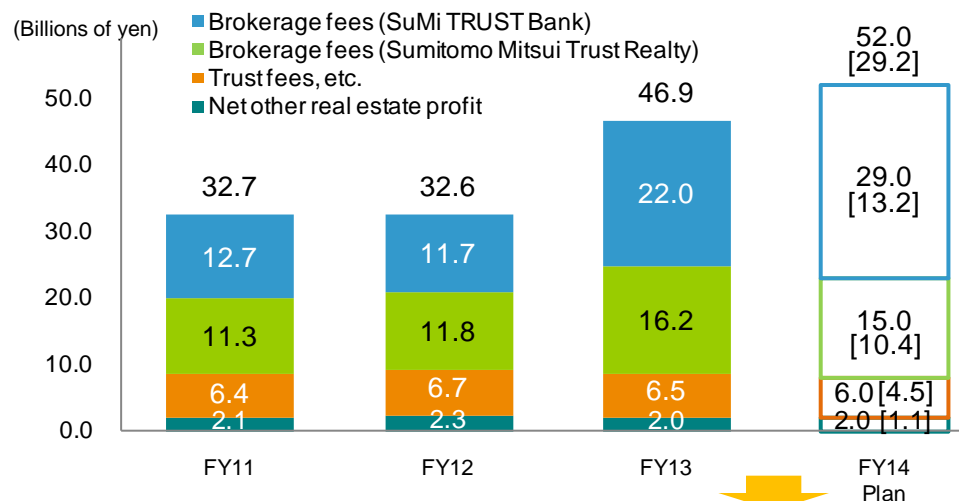
## Focus on growing fee businesses : (3) Real estate

- ▶ Real estate brokerage fees of SuMi TRUST Bank (commercial properties): DOWN ¥1.1bn YoY due partly to holding off of transactions with expectation of future price rise
- ▶ Real estate brokerage fees of Sumitomo Mitsui Trust Realty (residential properties) showed steady strength 3Q kept uptrend over the same period after down in 1Q following last-minute surge before consumption tax hike in 4QFY2013

### Income (Group basis)

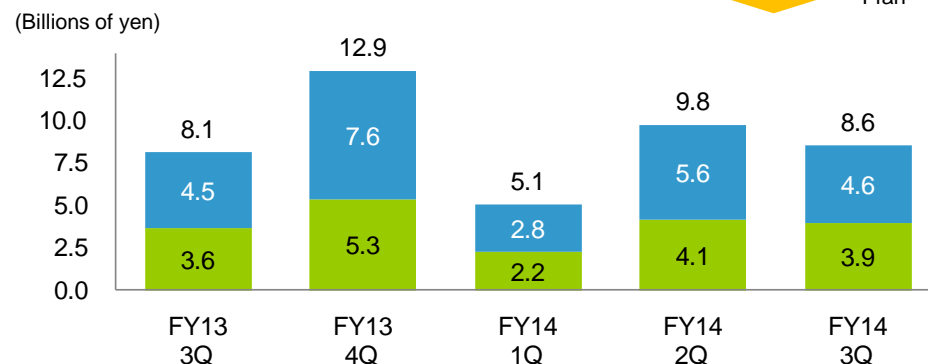
(Billions of yen)	3QFY2014 cumulative total		Change from 3QFY2013	FY2014 Plan
	1H			
Real estate brokerage fees	14.9	23.6	(1.7)	44.0
SuMi TRUST Bank	8.5	13.2	(1.1)	29.0
Sumitomo Mitsui Trust Realty	6.4	10.4	(0.5)	15.0
Real estate trust fees, etc.	3.0	4.5	(0.2)	6.0
Net other real estate profit	0.7	1.1	(0.1)	2.0
SuMi TRUST Bank	(0.0)	(0.0)	0.1	-
Group companies	0.8	1.2	(0.3)	2.0
<b>Total</b>	<b>18.8</b>	<b>29.2</b>	<b>(2.1)</b>	<b>52.0</b>
SuMi TRUST Bank	11.5	17.6	(1.2)	35.0

### Real estate brokerage fees



### Assets under management / administration

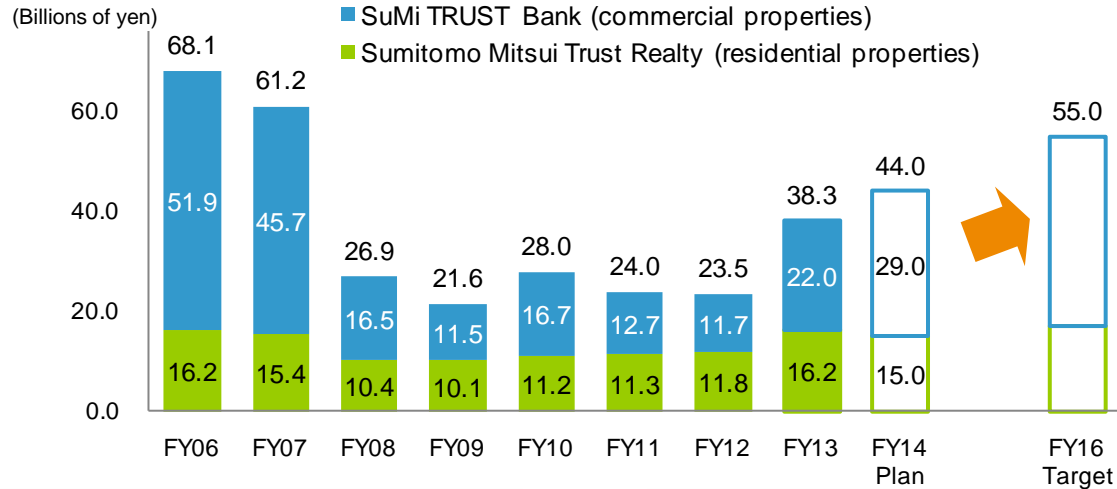
(Billions of yen)	Mar.2014	Sep.2014	Dec.2014	Change from Mar.2014
	Securitized real estate	10,236.6	10,882.2	11,335.5
Assets under custody from J-REITs	7,911.5	8,361.9	8,582.9	671.3
Assets under management	733.7	807.4	814.4	80.7
Private placement funds	336.9	423.2	429.4	92.5
J-REITs	396.8	384.2	384.9	(11.8)



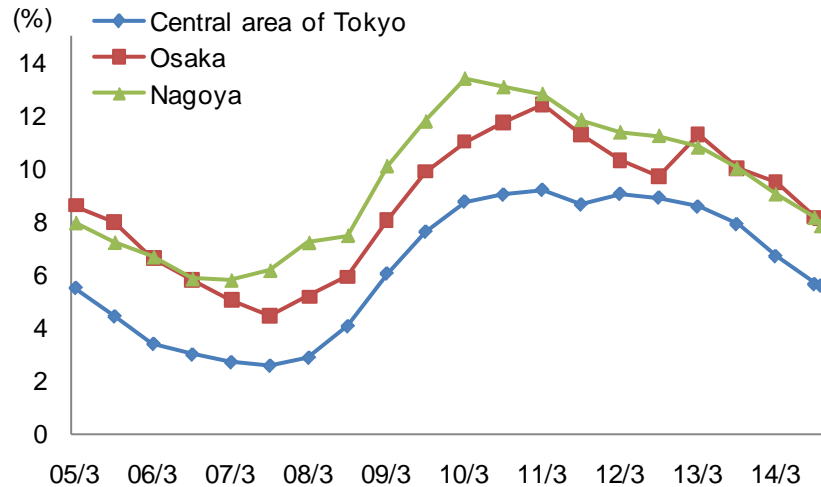
Note: Figures in "[ ]" are results of 3Q

# Focus on growing fee businesses : (3) Real estate

## Real estate brokerage fees

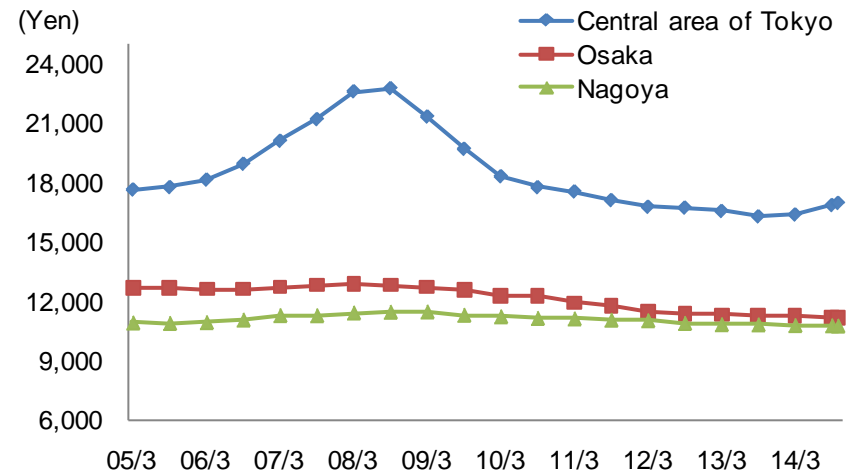


## Average Vacancy Rates (Office market)



[Source] Miki Shoji

## Average Rent (Office market)

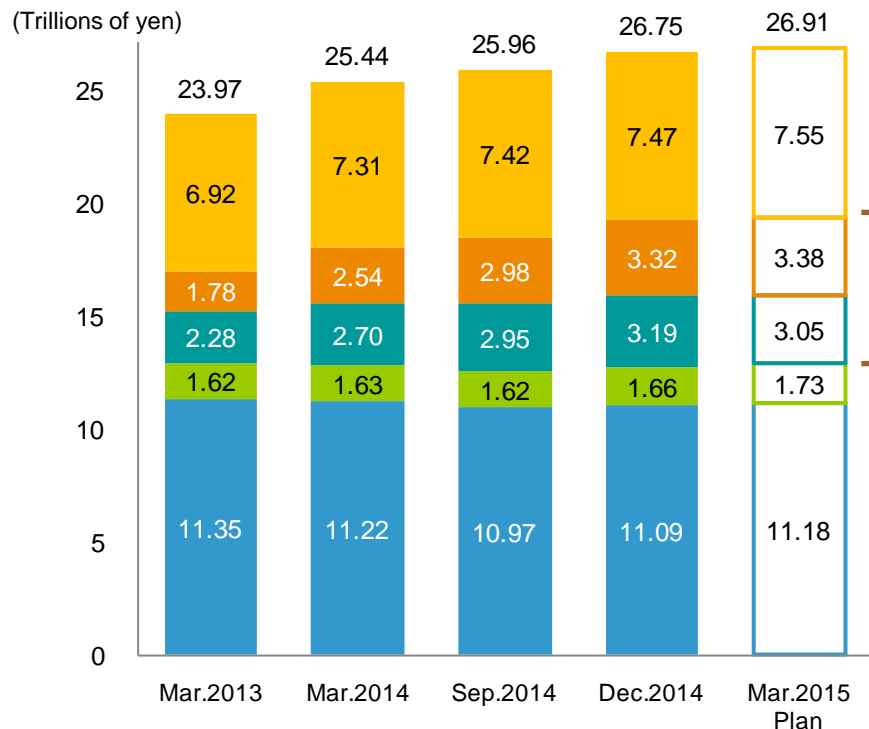


[Source] Miki Shoji

# Enhancement of fundamental earning power: Credit portfolio

## Credit portfolio

- Loans to individuals
- Overseas Japanese borrowers
- Large corporations, etc.
- Non-Japanese borrowers
- Real estate NRL, etc.

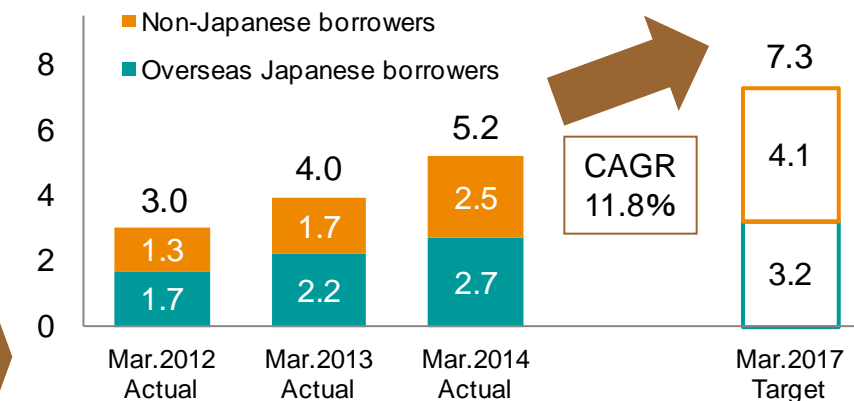


(\*1) Due to the revision of definition, "Loans to individuals" as of Dec. 2014 increased by 56.9 billion yen, while the balance of "Large corporations, etc." decreased by the same amount compared with the figures under former definition.

(\*2) Overseas real estate NRL, etc. is included in non-Japanese borrowers

## Expansion of overseas credit

(Trillions of yen)



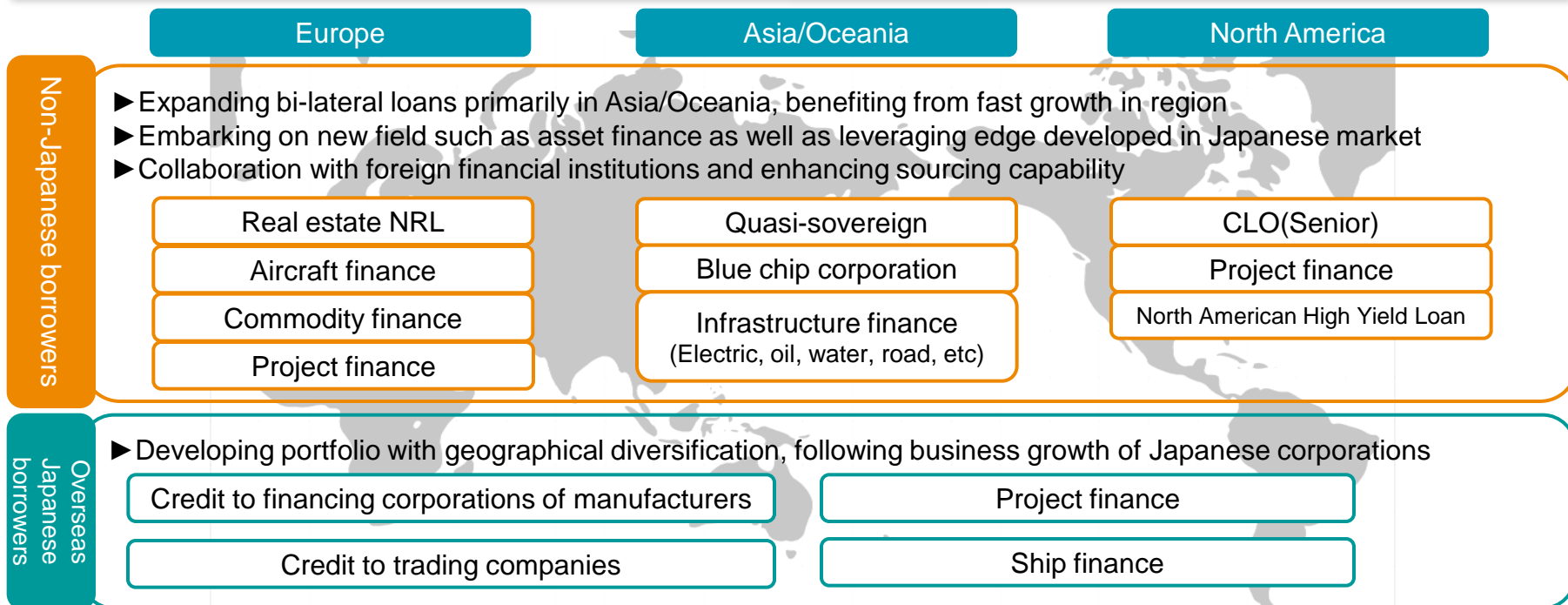
## Credit to overseas borrowers (\*3)

(Billions of yen)

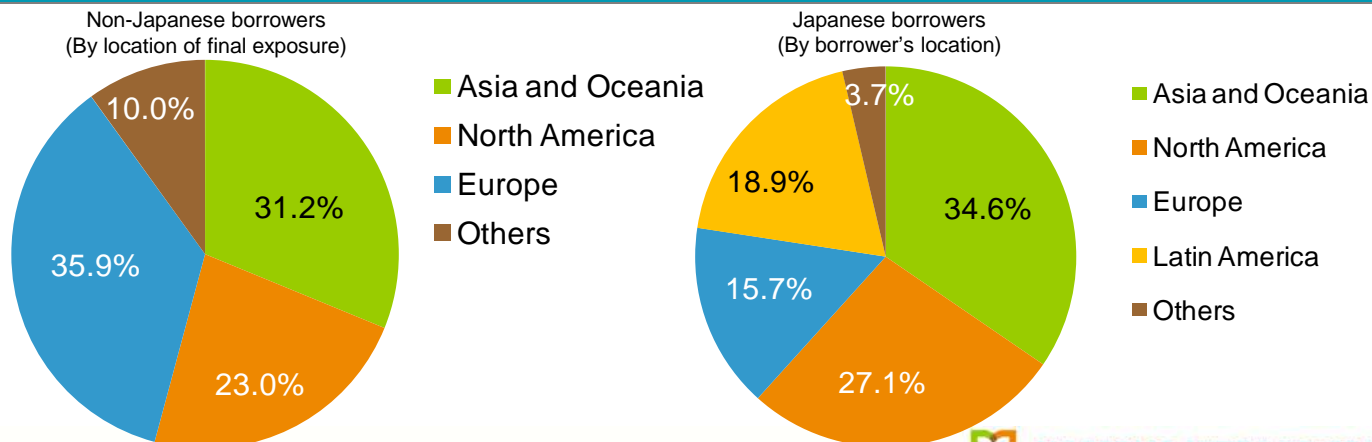
	Sep. 2014	Dec. 2014	Change
Non-Japanese borrowers (*2)	2,984.4	3,329.2	344.8
Loans	2,445.7	2,741.4	295.6
Overseas Japanese borrowers	2,954.7	3,199.2	244.4
Loans	2,791.7	3,025.4	233.7
USD/JPY	109.45	120.56	11.11

(\*3) In addition to the above, there are acceptance and guarantee, etc.  
Dec. 2014: ¥37.9bn (¥(7.4)bn from Mar. 2014)

# Enhancement of fundamental earning power: Overseas credit



Overseas borrowers by location (Dec. 2014)



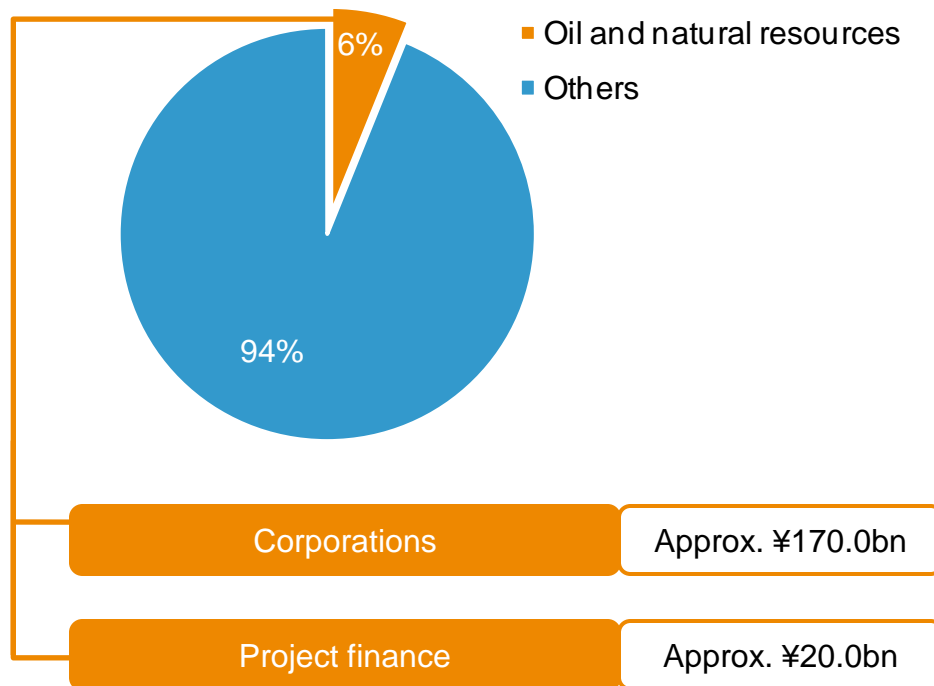
# (Reference) Exposure to oil and natural resource industries / Exposure to Russia and GIIPS: Non-consolidated

## ► Exposure as of December 2014

To oil and natural resource industries: Approx. ¥190.0bn among ¥3tr of total exposure to non-Japanese borrowers

To Russia and Greece: None

### Exposure to non-Japanese oil and natural resource industries (Non-consolidated)



- ✓ Project finance related to oil and natural resource (overseas Japanese) : approx. ¥80.0bn
- ✓ More than 90% of project finance related to oil and natural resource is either sponsored by Japanese corporations, supported by off-take agreements such as long-term sales agreements or covered by export credit agencies.

### Exposure to Russia and GIIPS

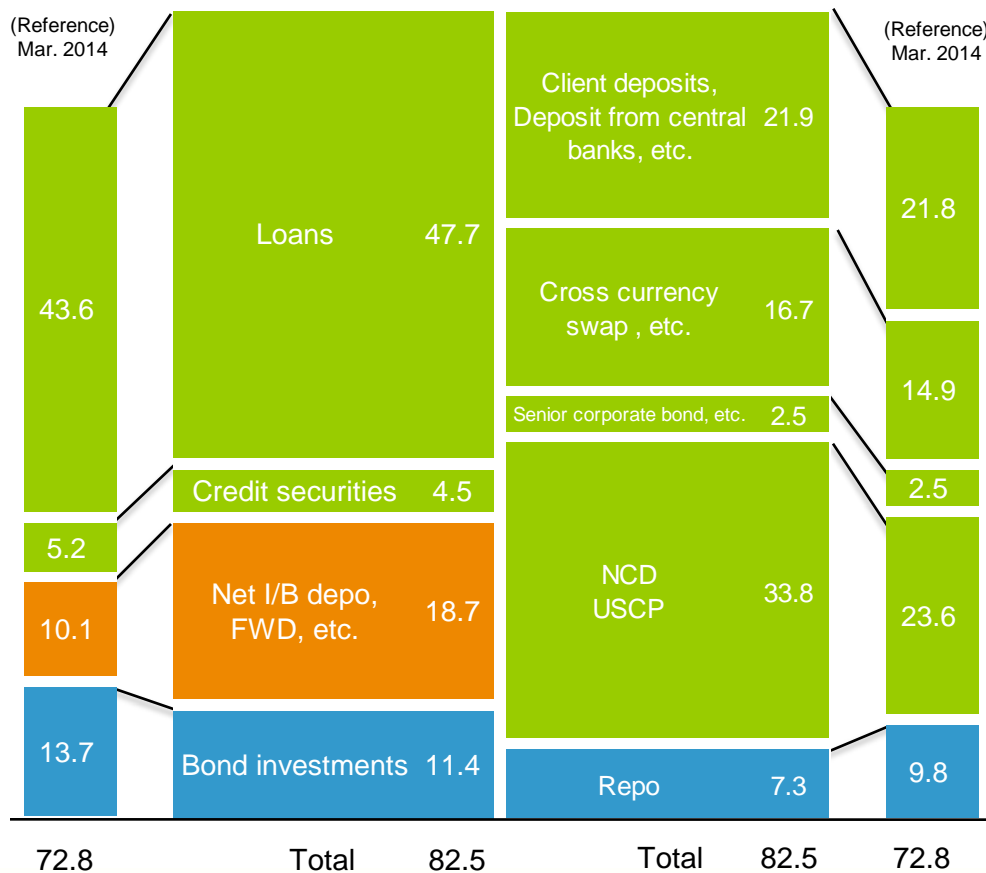
Russia	None
Greece	None
Ireland	None
Italy	None
Portugal	None
Spain	Approx. ¥6.0bn

By location of final exposure

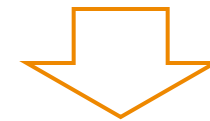
# Enhancement of fundamental earning power: Foreign currency liquidity

- ▶ Establish foreign currency funding structure with stability and cost efficiency through stable funding from cross currency swap (“CCS”) and low cost funding from central banks, USCP, NCD, etc
- ▶ Net position in inter-bank transactions has more than USD10.0bn of excess cash for investment resulting from surplus in short term funding

Foreign currency B/S (as of Sep. 2014) (Billions of USD)



- Secure stable funding structure by CCS and issuance of corporate bonds, etc
- Increase client deposits from corporations, retail customers and central banks
- Increase deposits from asset management companies
- Utilize low cost funding such as NCD, USCP, etc



Expand balance sheet in foreign currency primarily through mid-long term stable funding by diversifying counterparties and enhancing funding method as well as keeping balance between liquidity risk and funding cost



# Enhancement of fundamental earning power: Loans to individuals

- ▶ Advanced amount of loans to individuals: DOWN ¥176.3bn YoY to ¥610.6bn due primarily to back action after rush before consumption tax hike and rise in construction cost
- ▶ Balance of loans to individuals: UP ¥41.7bn affected by decrease in advanced amount

## Loans to individuals (Non-consolidated)

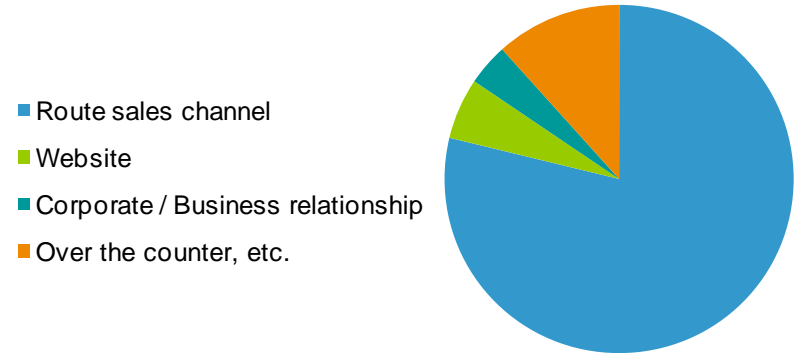
(Billions of yen)	3QFY2013	3QFY2014	Change
	Cumulative total	Cumulative total	
Advanced amount of loans to individuals	787.0	610.6	(176.3)
Residential mortgage loans	743.3	537.7	(205.5)

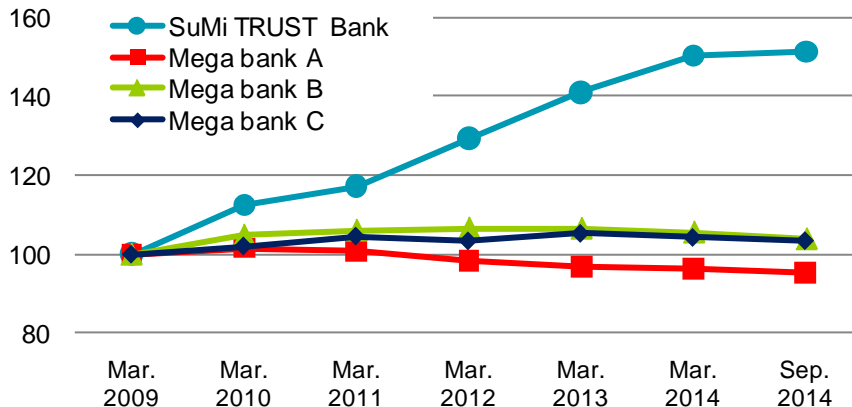
(Billions of yen)	Sep.2014	Dec.2014	Change
	Balance of loans to individuals	7,428.5	
Residential mortgage loans	6,946.1	6,992.3	46.1

## Efficient sales structure through route sales channel and website

[Residential mortgage loan transactions by channel]

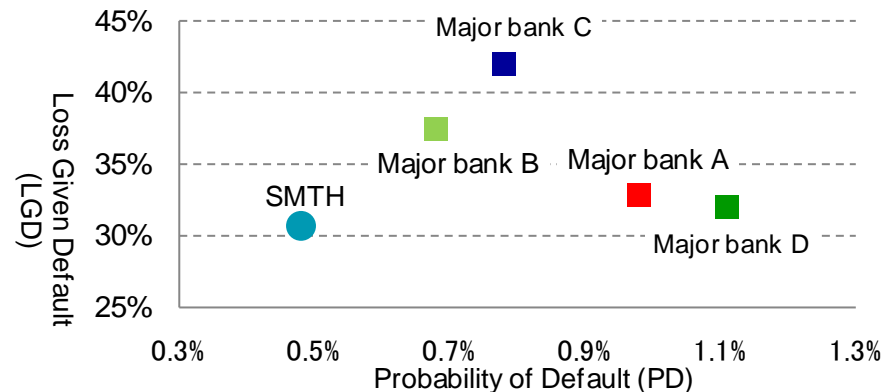


## Balance of residential mortgage loans (Non-consolidated) (Index : Mar. 2009=100)



## Acquiring quality clients with low credit costs

[PD / LGD comparison of residential mortgage loan]



[Source] Disclosure documents

# Status of capital, financial and capital policies

# Capital

- ▶ Common Equity Tier 1 capital ratio (Consolidated): DOWN 0.70 percentage points from Mar. 2014 to 8.62% due primarily to regulatory floor adjustment applied on risk-weighted assets, while capital increased steadily
- ▶ Common Equity Tier 1 capital ratio (Consolidated, Fully-loaded basis, pro forma): UP 0.28 percentage points from Mar. 2014 to 8.72%

< Capital and total risk-weighted assets >  
(International standard) (Consolidated)

(Billions of yen)	Mar. 2014 Actual	Dec. 2014 Actual	Change
Total capital ratio	14.78%	13.18%	(1.60%)
Tier 1 capital ratio	10.83%	9.43%	(1.40%)
Common Equity Tier 1 capital ratio	9.32%	8.62%	(0.70%)

Total capital	2,791.6	2,878.4	86.7
Tier 1 capital	2,045.8	2,060.9	15.1
Common Equity Tier 1 capital	1,760.1	1,883.1	122.9 (1)
Instruments and reserves	1,841.1	1,949.3	108.1
Regulatory adjustments	(80.9)	(66.1)	14.8
Additional Tier 1 capital	285.6	177.8	(107.8)
Tier 2 capital	745.8	817.4	71.6

Total risk-weighted assets	18,884.5	21,838.2	2,953.6
Credit risk	17,694.0	18,966.8	1,272.7 (2)
Market risk	369.6	442.0	72.4
Operational risk	820.8	804.6	(16.1)
Floor adjustment	-	1,624.6	1,624.6 (3)

<Reference> Fully-loaded basis (pro forma)

Common Equity Tier 1 capital ratio	8.44%	8.72%	0.28%
Common Equity Tier 1 capital	1,571.8	1,889.1	317.2 (4)
Total risk-weighted assets	18,621.5	21,642.1	3,020.5

\* Fully-loaded basis: Calculation without considering transitional arrangements concerning "Regulatory adjustments."

<Major factors of change in capital>

(1) Common Equity Tier 1 capital: +¥122.9bn

- Net income: +¥126.5bn
- Valuation on Available-for-Sale Securities: +¥34.2bn

<Major factors of change in risk-weighted assets>

(2) Credit risk: +¥1.2tr

- Increase in book value of foreign-currency-denominated loan balance due to Yen depreciation
- Expiration of transitional arrangement for risk-weighted assets on stocks, etc.

(3) Floor adjustment: +¥1.6tr

- Change in floor adjustment threshold due to introduction of Advanced Measurement Approach (AMA) for operational risk and decrease in regulatory adjustments

<Major factors of change in fully-loaded basis (pro forma)>

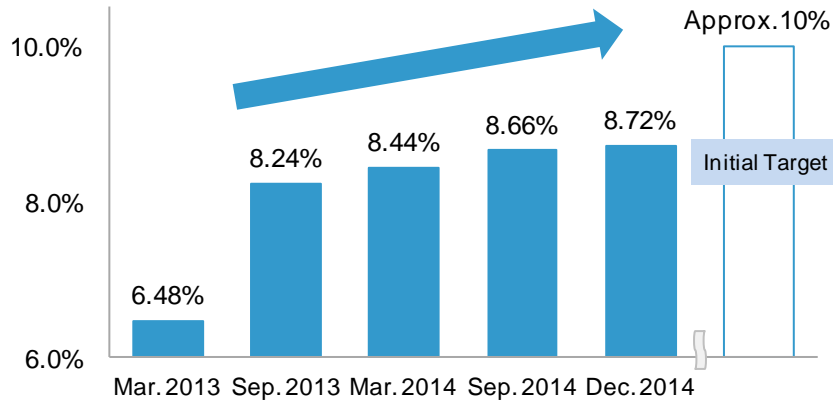
(4) Common Equity Tier 1 capital: +¥317.2bn

- Net income: +¥126.5bn
- Valuation on Available-for-Sale Securities: +¥171.1bn
- Decrease in Intangibles (regulatory adjustments): +¥34.6bn, etc.

(Billions of yen)	Dec. 2014 Pro forma	Ratio to RWA	Change from Mar. 2014
Common Equity Tier 1 capital (CET1)	1,889.1	8.72%	317.2
Instruments and reserves	2,219.8	10.25%	242.9
Directly issued and qualifying capital plus retained earnings	1,843.3	8.51%	72.4
Accumulated Other Comprehensive Income	374.7	1.73%	171.1
Regulatory adjustments	(330.7)	(1.52%)	74.2

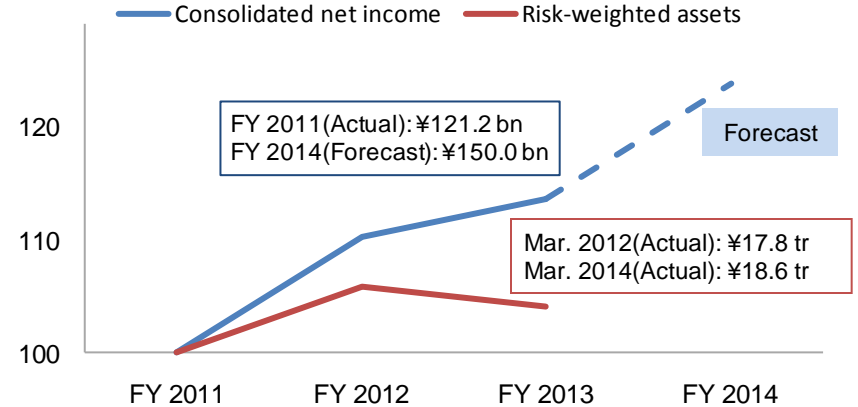
# Financial and capital policies: Major indicators

## Common Equity Tier 1 capital ratio (Fully-loaded basis)



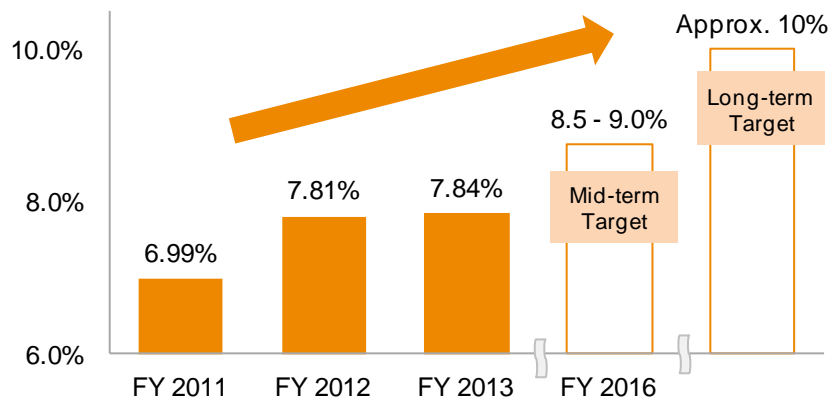
Improve CET1 ratio by accumulation of retained earnings and risk-weighted assets control

## Net income and risk-weighted assets (\*1) (\*2)



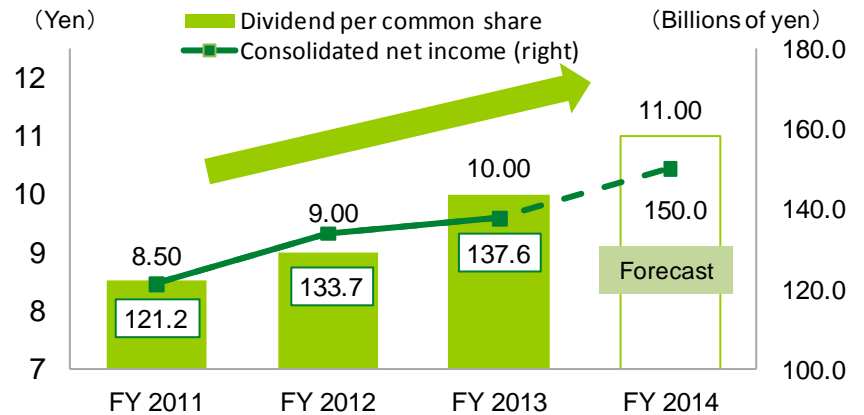
Growth of earnings exceeding expansion of risk-weighted assets

## Return on shareholders' equity (\*1)



Pursue capital efficiency

## Dividend on common share (\*1)



Expand shareholders return corresponding to earning growth

(\*1) Consolidated net income of FY2011: Excluding negative goodwill resulting from share exchange for management integration

(\*2) Index (FY2011=100)

# Financial and capital policies

## Basic approach to financial and capital policies

We aim to maximize shareholder interests through the basic approach of ensuring adequate capital (in terms of both quality and quantity), enhancing our sound financial base, and pursuing enhanced capital efficiency

## Financial targets

<Initial target>  
Common Equity Tier 1 capital ratio: approximately 10%

## Policy on reduction of cross shareholdings

<Reduction target>  
Approximately 50 to 100 billion yen in 3 years period from FY2014

## Basic policy on returns for shareholders

Our basic policy is to share profits with shareholders in accordance with profit level of each fiscal year  
Dividend policy for common shares is to target approximately 30% as consolidated dividend payout ratio

# Repurchase of own shares

▶ Repurchased own shares in order to improve shareholder return as well as capital efficiency

## Overview of repurchase

Class of shares repurchased	Common stock of SuMi TRUST Holdings
Total number of shares repurchased	39,000,000 shares Percentage to the total number of shares in issue (excluding treasury stock): 1.0 %
Total amount of repurchase	JPY 16,424,353,100
Repurchase period	From January 30, 2015 to February 6, 2015 (Completed)

### (Reference) Status of shares in issue and treasury stock as of December 31, 2014

Total number of shares in issue (excluding treasury stock) : 3,902,067,860 shares

Number of treasury stock : 1,418,548 shares

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including changes in managerial circumstances. Information regarding companies and other entities outside the group in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed. This presentation does not constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any securities.