



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Investor Meeting on Financial Results for 1HFY2015

(Page 9) "Comparison of fee income ratio (Consolidated)"
was revised on February 24, 2016

November 18, 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 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

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

Highlights of 1HFY2015

Consolidated financial results

Exceeded forecast, primarily driven by growth of fee related income and prudent management of expenses

Net business profit before credit costs

Results
[vs. 1HFY2015 forecast]

¥156.7bn
[+¥6.7bn]

Exceeded forecast due primarily to increase of net business profit before credit costs and prudently managed credit costs

Net income attributable to owners of the parent

¥86.0bn
[+¥6.0bn]

Strategic business areas

Fund wrap, SMA and insurance sales increased, but sales of investment trusts fell due to volatile market conditions and total sales fell YoY

Investment trust and insurance sales (Non-consolidated)

Results

¥1,007.7bn
[¥(51.5)bn from 1HFY2014]

Total AUM decreased due to fall in market value

AUM (Group companies total)

¥76.1tr
[¥(3.9)tr from Mar. 2015]

Exceeded same level of revenue YoY due to favorable market environment, even though supply of top tier properties in prime locations decreased

Revenue from real estate business (Non-consolidated)

¥13.1bn
[¥+1.6bn from 1HFY2014]

Fundamental Earning power

Increase in overseas credit improved loan-deposit margin, and income from securities investment increased

Net interest income (Non-consolidated)

Results
[change from 1HFY2014]

¥111.1bn
[+¥1.0bn]

Financial soundness

Slight decrease as steady increase of retained earnings could not offset the decrease in market value of securities and the increase in risk assets

Common Equity Tier 1 capital ratio

Results
[change from Mar. 2015]

10.57% [(0.32%)]
Fully-loaded basis (Pro forma)

Financial results of 1HFY2015

Financial results 1HFY2015 : Consolidated

- ▶ Net business profit before credit costs: UP ¥9.7bn YoY to ¥156.7bn due primarily to growth of net fees and commissions and related profit
- ▶ Net income attributable to owners of the parent: UP ¥2.2bn YoY to ¥86.0bn, due to non-recurrence of net profit from credit cost recovery, decline of net gains on stocks, and non-recurrence of costs of management integration posted as extraordinary loss (Non-consolidated) in 1HFY2014

	(Billions of yen)	1HFY2014	1HFY2015	Change
Net business profit before credit costs	1	147.0	156.7	9.7
(Contribution of group companies before consolidated adjustments)	2	31.1	35.4	4.3
Gross business profit	3	334.1	338.5	4.4
Net interest income and related profit	4	124.5	124.1	(0.4)
Net fees and commissions and related profit	5	171.5	177.2	5.7
Net other operating profit	6	22.9	28.6	5.7
General and administrative expenses	7	(198.9)	(195.1)	3.8
Net non-recurring profit, etc.	8	17.1	(6.1)	(23.3)
Ordinary profit	9	152.3	137.2	(15.0)
Extraordinary profit	10	(46.7)	(0.1)	46.6
Income before income taxes	11	105.5	137.1	31.5
Total income taxes	12	(15.2)	(44.4)	(29.2)
Net income attributable to owners of the parent	13	83.7	86.0	2.2
Total credit costs	14	14.5	0.0	(14.5)
Net gains on stocks	15	10.9	(1.5)	(12.4)
Return on shareholders' equity	16	8.99%	9.09%	0.10%
Dividend per common share (Yen)	17	5.50	6.50	1.00
Net assets per common shares (BPS) (Yen)	18	541.56	624.82	83.26

< Components of Net business profit before credit costs(*) >

- (1) Non-consolidated: ¥120.8bn
- (2) Group companies: ¥35.4bn
- (3) Effect of purchase accounting method: ¥0.0bn
- (*) Adjustments, such as elimination of dividends from subsidiaries, were added to sum of (1), (2) and (3)

< Major factors [change from 1HFY2014] >

- (1) Net business profit before credit costs <1>: +¥9.7bn
 Non-consolidated: +¥9.2bn [¥111.5bn → ¥120.8bn]
 Group companies: +¥4.3bn [¥31.1bn → ¥35.4bn]
 Effect of purchase accounting method: ¥(1.2)bn
 [¥1.2bn → ¥0.0bn]
- (2) Contribution of group companies before consolidation adjustments <2>: +¥4.3bn
 - Nikko Asset Management: +¥2.6bn
 - Sumitomo Mitsui Trust Asset Management: +¥1.1bn
 - Sumitomo Mitsui Trust Realty: +¥1.3bn
 - SBI Sumishin Net Bank: +¥0.4bn

Financial results 1HFY2015 : Non-consolidated

- ▶ Net business profit before credit costs: UP ¥9.2bn YoY to ¥120.8bn
Net fees and commissions and related profit improved due to increase in fee income from marketing of investment trusts and insurance products and prudent management of expenses
- ▶ Net income: UP ¥0.7bn YoY to ¥69.0bn, due to non-recurrence of net profit from credit cost recovery, decline of net gains on stocks, and non-recurrence of costs of banking IT system integration in 1HFY2014

(Billions of Yen)	1HFY2014	1HFY2015	Change	
Net business profit before credit costs	1	111.5	120.8	9.2
Gross business profit	2	236.3	239.7	3.3
Net interest income and related profit	3	115.0	115.6	0.6
Net fees and commissions and related profit	4	95.5	98.7	3.2
Net trading profit	5	15.0	8.4	(6.6)
Net other operating profit	6	10.7	16.8	6.1
Net gains on foreign exchange transactions	7	0.8	5.0	4.1
Net gains on bonds	8	20.5	13.5	(7.0)
Net gains from derivatives other than for trading or hedging	9	(11.3)	(2.0)	9.3
General and administrative expenses	10	(124.8)	(118.8)	5.9
Total credit costs	11	13.1	(0.1)	(13.2)
Other non-recurring profit	12	(6.6)	(19.0)	(12.3)
Net gains on stocks	13	11.3	(1.4)	(12.8)
Amortization of net actuarial losses	14	(8.7)	(7.4)	1.2
Net gains on stock related derivatives	15	(1.3)	(2.3)	(1.0)
Ordinary profit	16	117.9	101.6	(16.3)
Extraordinary profit	17	(46.8)	(0.6)	46.1
IT system integration costs	18	(46.6)	---	46.6
Income before income taxes	19	71.1	100.9	29.8
Total income taxes	20	(2.8)	(31.9)	(29.0)
Net income	21	68.3	69.0	0.7

< Major factors [change from 1HFY2014] >

(1) Net interest income and related profit <3>: +¥0.6bn

Net interest income +¥1.0bn [¥110.0bn → ¥111.1bn]
 Loan-deposit income +¥3.9bn [¥88.8bn → ¥92.8bn]
 Income from securities +¥2.4bn [¥42.8bn → ¥45.2bn]
 Income/expense related to swaps ¥(4.8)bn [¥(2.5)bn → ¥(7.3)bn]

(2) Net fees and commissions and related profit <4>: +¥3.2bn

Investment trust / Insurance related profit +¥2.7bn
 [¥31.0bn → ¥33.7bn]
 Real estate brokerage fees +¥1.3bn
 [¥8.5bn → ¥9.9bn]

(3) Net gains on bonds <8>: ¥(7.0)bn

• Domestic bonds +¥1.4bn [¥0.5bn → ¥1.9bn]
 • Foreign bonds ¥(8.4)bn [¥20.0bn → ¥11.5bn]

(4) Extraordinary profit <17>: +¥46.1bn

• Non-recurrence of Banking IT system integration costs: +¥46.6bn

(5) Total income taxes <20>: ¥(29.0)bn

• Non-recurrence of positive effect from change in example categories for tax effect accounting: Approx. ¥(13.0)bn

Contribution of major group companies

- ▶ Contribution to net business profit before credit costs: UP ¥4.3bn YoY to ¥35.4bn
UP: Nikko Asset Management, Sumitomo Mitsui Trust Realty, Sumitomo Mitsui Trust Asset Management
- ▶ Contribution to net income attributable to owners of the parent: UP ¥0.8bn YoY to ¥21.5bn
UP: Increase in asset management fees at Nikko Asset Management and Sumitomo Mitsui Trust Asset Management, Sumitomo Mitsui Trust Realty recovered from fall in demand due to temporary surge caused by an increase in consumption tax

	Net business profit before credit costs			Net income attributable to owners of the parent			Goodwill as of Sep. 2015	
	1HFY2014	1HFY2015	Change	1HFY2014	1HFY2015	Change	Amortization amount	Outstanding balance
(Billions of yen)								
Consolidation difference	35.4	35.9	0.4	15.4	16.9	1.5	(4.4)	81.9
Effect of purchase accounting method	1.2	0.0	(1.2)	3.1	5.5	2.4	---	---
Contribution (before consolidated adjustments) (*1)	31.1	35.4	4.3	20.6	21.5	0.8	(4.4)	81.9
Sumitomo Mitsui Trust Asset Management	2.0	3.2	1.1	1.3	2.1	0.8	---	---
Nikko Asset Management (Consolidated)	3.8	6.5	2.6	1.7	3.0	1.3	(*2) (2.5)	(*2) 45.6
Sumitomo Mitsui Trust Realty	0.3	1.7	1.3	0.2	1.3	1.0	---	---
Sumitomo Mitsui Trust Panasonic Finance (Consolidated)	5.3	4.9	(0.4)	3.5	2.9	(0.6)	-	-
Sumitomo Mitsui Trust Loan & Finance	4.3	4.4	0.1	4.0	2.8	(1.1)	(1.9)	36.3
SBI Sumishin Net Bank (Consolidated)	3.7	4.2	0.4	2.5	2.7	0.2	---	---
Sumitomo Mitsui Trust Guarantee (Consolidated)	5.7	5.7	(0.0)	3.7	3.8	0.0	---	---

(*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.)

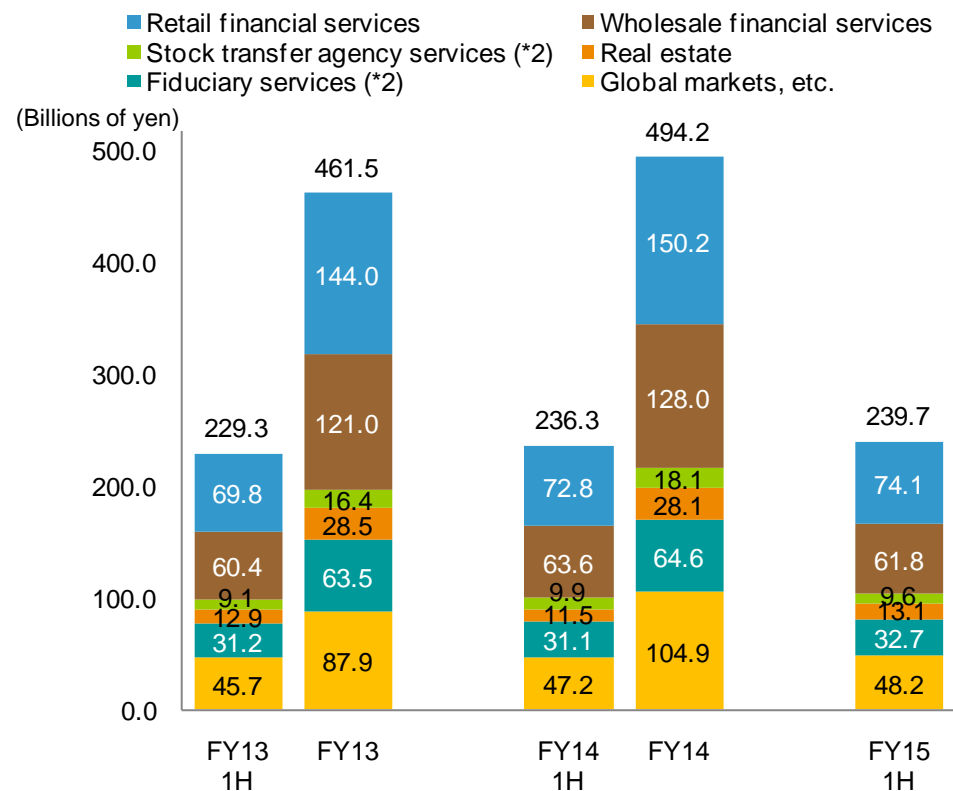
(*2) Including 0.5 billion yen of amortization amount and 1.2 billion yen of outstanding balance from affiliated companies

Profit by business segment: Non-consolidated

- ▶ Gross business profit: UP ¥3.3bn YoY, to ¥239.7bn
Global markets profit leveled off, supplemented by increase in Retail, Real estate and Fiduciary services
- ▶ Retail financial services: UP ¥1.2bn YoY, due primarily to increase in administration fees through accumulation of fund wrap and SMA balance
- ▶ Real estate: UP ¥1.6bn YoY, stable growth of market led to increased fees
- ▶ Fiduciary Services: UP ¥1.6bn YoY, due to increase in investment trust assets under custody

(Billions of yen)	Gross business profit (Non-consolidated)		
	1HFY2014	1HFY2015	Change
Retail financial services	72.8	74.1	1.2
Wholesale financial services	63.6	61.8	(1.8)
Stock transfer agency services	9.9	9.6	(0.3)
Gross business profit	15.4	15.0	(0.4)
Fees paid for outsourcing	(5.4)	(5.4)	0.0
Real estate	11.5	13.1	1.6
Fiduciary services	31.1	32.7	1.6
Gross business profit	45.5	47.2	1.6
Fees paid for outsourcing	(14.4)	(14.4)	(0.0)
Global markets	49.3	44.9	(4.4)
Others (*1)	(2.1)	3.2	5.4
Total	236.3	239.7	3.3

(*1) Figures for "Others" include costs of capital funding, dividends of shares for cross shareholdings, general and administrative expenses of headquarters, etc.



(*2) After deducting fees paid for outsourcing in Stock transfer agency services and Fiduciary services

Net interest income: Non-consolidated

▶ Net interest income: UP ¥1.0bn YoY to ¥111.1bn

Overall loan-deposit income improved due primarily to growth of loans in international business, interest income from securities also improved, offsetting the losses from swaps

▶ Domestic loan-deposit margin fell by 3bp from 2HFY2014 as fall in loan yield slightly exceeded fall in deposit yield

	1HFY2015					
	Average balance	Change from 1HFY2014	Yield	Change from 1HFY2014	Income/Expense	Change from 1HFY2014
(Average balance: Trillions of yen) (Income/Expense: Billions of yen)						
Net interest income					111.1	1.0
Domestic business			0.52%	(0.01%)	78.7	1.2
Interest-earning assets	30.12	1.30	0.76%	(0.06%)	115.3	(3.8)
Loans and bills discounted	18.43	0.16	0.86%	(0.09%)	80.0	(7.2)
Securities	2.94	(0.29)	1.78%	0.44%	26.3	4.4
Interest-bearing liabilities	29.56	1.21	0.24%	(0.05%)	(36.5)	5.0
Deposits	21.15	0.08	0.21%	(0.05%)	(22.6)	5.0
International business			0.53%	(0.13%)	32.4	(0.1)
Interest-earning assets	12.11	2.40	1.13%	(0.13%)	68.7	7.0
Loans and bills discounted	7.00	1.49	1.25%	(0.05%)	43.9	7.8
Securities	1.93	0.03	1.95%	(0.23%)	18.8	(1.9)
Interest-bearing liabilities	11.89	2.24	0.60%	0.00%	(36.3)	(7.2)
Deposits	3.73	0.90	0.45%	(0.02%)	(8.4)	(1.8)
Loan-deposit margin / income			0.73%	(0.02%)	92.8	3.9
Domestic business			0.65%	(0.04%)	57.4	(2.1)
<Reference> Net interest income and related profit					115.6	0.6
Trust fees from principal guaranteed trust a/c					4.4	(0.4)

< Major factors [change from 1HFY2014] >

(1) Securities : +¥2.4bn [¥42.8bn → ¥45.2bn]

JGB: ¥(0.6)bn [¥2.7bn → ¥2.0bn]

Stocks: +¥2.5bn [¥11.8bn → ¥14.4bn]

Foreign securities: ¥(1.9)bn [¥20.8bn → ¥18.8bn]

Others: +¥3.3bn [¥4.9bn → ¥8.2bn]

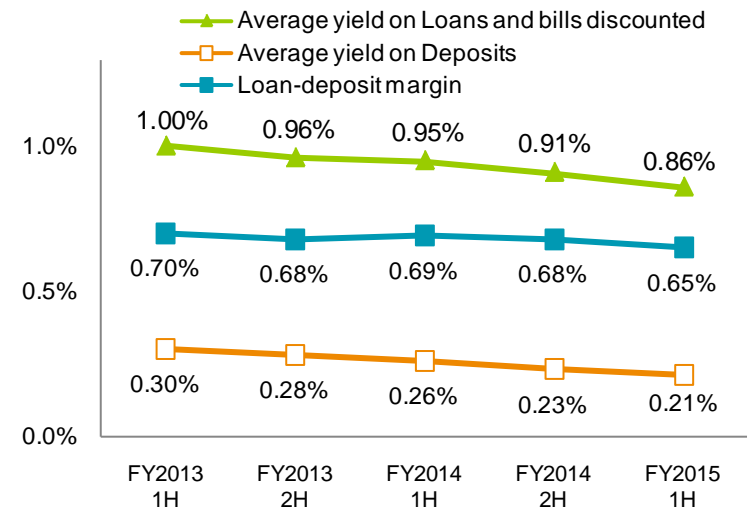
Investment trust related profit: +¥1.5bn [¥2.3bn → ¥3.9bn]

(2) Swaps : ¥(4.8)bn [¥(2.5)bn → ¥(7.3)bn]

Domestic business ¥(0.9)bn [¥4.2bn → ¥3.3bn]

International business ¥(3.8)bn [¥(6.8)bn → ¥(10.6)bn]

Domestic loan-deposit margin



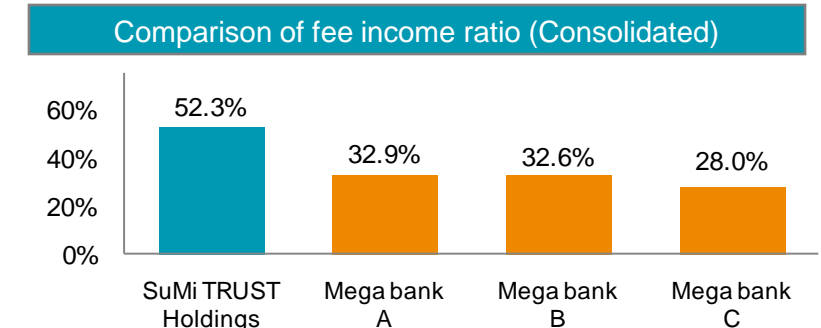
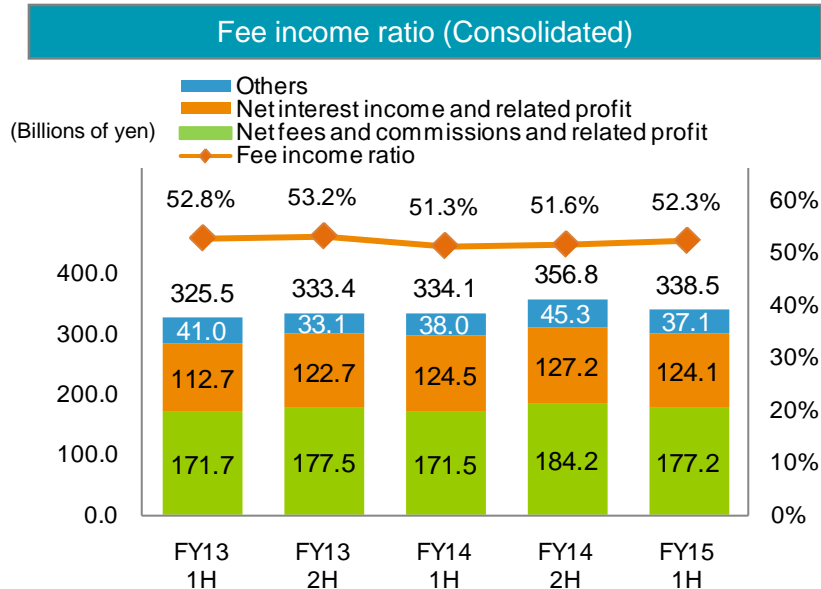
Net fees and commissions and related profit

- ▶ Net fees and commissions and related profit (Non-consolidated): UP ¥3.2bn YoY to ¥98.7bn
Increase of administration fees from investment trust and insurance contributed to growth, also real estate brokerage fees increased
- ▶ Fee income to gross business profit ratio (Consolidated): UP 1.0 percentage point YoY to 52.3%
Fee income from asset management subsidiaries in fiduciary services contributed to growth

	Non-consolidated		Consolidated (*1)	
	1HFY2015	Change from 1HFY2014	1HFY2015	Change from 1HFY2014
(Billions of yen)				
Net fees and commissions and related profit	98.7	3.2	177.2	5.7
(Net fees and commissions)	54.2	3.2	130.0	5.6
(Other trust fees)	44.4	0.0	47.2	0.0
Investment trust and Insurance Sales	33.7	2.7	33.7	2.7
Fiduciary services	32.7	1.6	88.3	6.5
Profit	47.2	1.6	93.3	6.4
Fees paid for outsourcing	(14.4)	(0.0)	(5.0)	0.0
Stock transfer agency services	9.6	(0.3)	16.2	(0.6)
Profit	15.0	(0.4)	16.2	(0.6)
Fees paid for outsourcing	(5.4)	0.0	-	-
Real estate	13.0	1.5	21.5	2.7
Others (Loan arrangement fees, etc.)	9.5	(2.2)	17.3	(5.6)
Fee income ratio (*2)	41.1%	0.7%	52.3%	1.0%

(*1) Figures are after eliminations of intra-group transactions

(*2) Net fees and commissions and related profit / Gross business profit



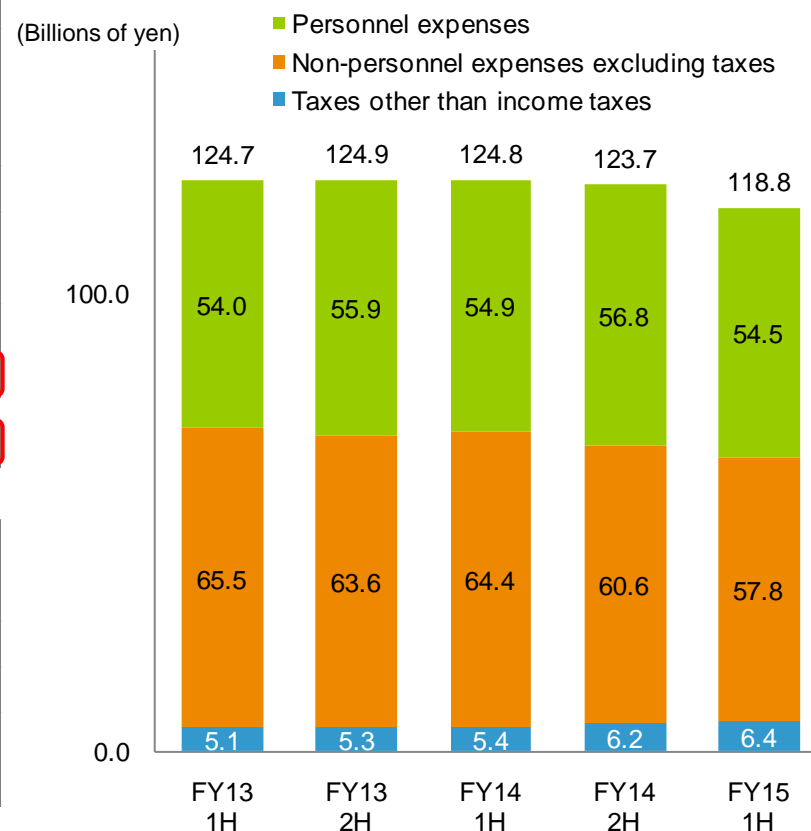
General and administrative expenses

- ▶ General and administrative expenses (Non-consolidated): DOWN ¥5.9bn YoY to ¥(118.8)bn
Fall in deposit insurance premium and decrease of IT system related costs were the main reasons for this decrease
- ▶ Overhead ratio (Non-consolidated): DOWN 3.2 percentage points to 49.6% YoY
Lowest level since management integration

(Billions of yen)	Non-consolidated		
	1HFY2014	1HFY2015	Change
Personnel expenses	(54.9)	(54.5)	0.3
Salaries etc.	(50.8)	(51.2)	(0.4)
Retirement benefit expenses	4.1	5.0	0.9
Others	(8.2)	(8.4)	(0.1)
Non-personnel expenses excluding taxes	(64.4)	(57.8)	6.6
IT system related costs	(18.2)	(16.5)	1.6
Others	(46.2)	(41.2)	4.9
Taxes other than income taxes	(5.4)	(6.4)	(1.0)
General and administrative expenses (a)	(124.8)	(118.8)	5.9
Overhead ratio ((a) / gross business profit)	52.8%	49.6%	(3.2%)

(Billions of yen)	(Reference) Consolidated		
	1HFY2014	1HFY2015	Change
Personnel expenses	(92.1)	(92.7)	(0.6)
Non-personnel expenses excluding taxes	(100.2)	(94.6)	5.5
Taxes other than income taxes	(6.5)	(7.6)	(1.0)
General and administrative expenses	(198.9)	(195.1)	3.8

General and administrative expenses (Non-consolidated)



Total credit costs and problem assets

- ▶ Total credit costs (Consolidated): No change from previous year
Migration to better rating categories offset credit costs from individual cases
- ▶ NPL ratio (Non-consolidated): DOWN 0.2 percentage points from Mar. 2015 to 0.4% due to decrease of doubtful and substandard loans
- ▶ Coverage ratio to problem assets was 93.1%, a very prudent level

< Total credit costs > (Billions of yen)	FY2014			1HFY2015	Major factors (1HFY2015)
		1H	2H		
Total credit costs (Non-Consolidated)	18.1	13.1	5.0	(0.1)	Downgraded debtors: Approx. (6.0) Upgraded debtors: Approx. +5.0 Decrease in loan balance, etc. (Including recoveries): Approx. +1.0
General allowance for loan losses	11.4	2.9	8.4	1.9	
Specific allowance for loan losses	5.8	9.6	(3.7)	(0.2)	
Recoveries of written-off claims	1.2	0.6	0.5	0.5	
Losses on sales of claims, written-off	(0.4)	(0.1)	(0.2)	(2.3)	
Total credit costs (Group companies)	1.2	1.4	(0.2)	0.1	
Total	19.3	14.5	4.7	0.0	

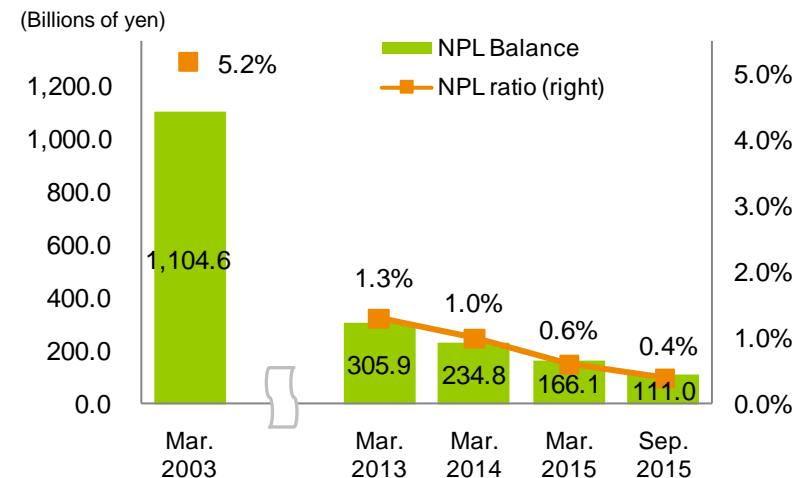
< Problem assets based on the Financial Reconstruction Act (Non-consolidated) >

(Billions of yen)	Sep. 2015	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 2015
Problem assets based on the Financial Reconstruction Act	111.0	93.1%	70.9%	(55.1)
Ratio to total loan balance	0.4%	---	---	(0.2%)
Bankrupt and practically bankrupt	29.2	100.0%	100.0%	18.8
Doubtful	44.9	96.2%	66.9%	(36.8)
Substandard	36.8	83.9%	25.1%	(37.1)
Other special mention debtors	400.9	---	---	19.0
Ordinary assets	26,448.3	---	---	542.0
Total balance	26,960.1	---	---	506.0

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

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

Balance and ratio to total balance of NPLs



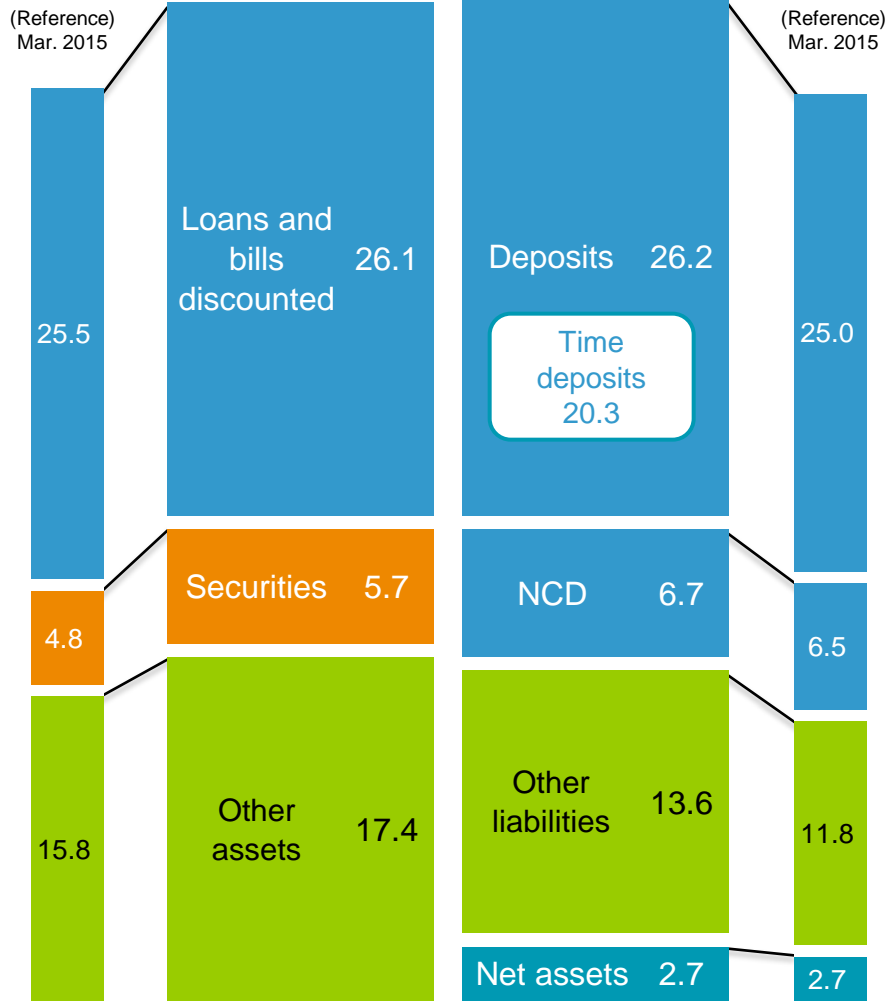
Balance sheet

For details, please refer to P7 of Data Book

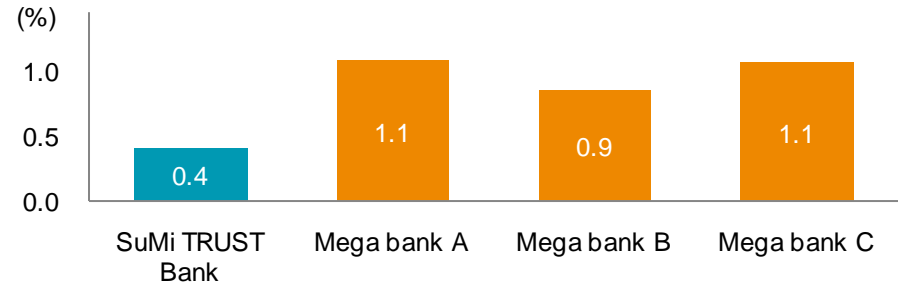
Balance Sheet (Consolidated) (Sep. 2015)

(Trillions of yen)

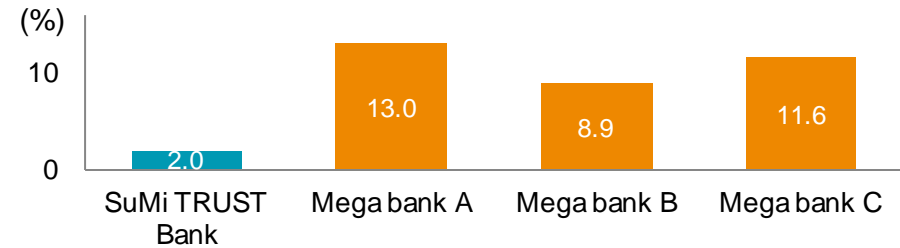
Total assets : 49.4 trillion yen



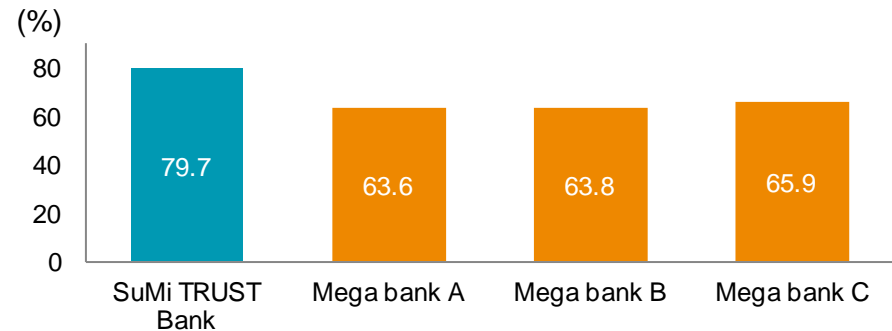
Comparison of NPL ratio (Non-consolidated) (Sep. 2015)



Comparison of JGB holding ratio (Non-consolidated, as of Sep. 2015)



Comparison of loan-deposit ratio (Non-consolidated, as of Sep. 2015)



[Source] Disclosure documents

Securities portfolio and interest rate risk

- ▶ Cost of available-for-sale securities (Consolidated): UP ¥1,064.1bn from Mar. 2015 to ¥4,575.6bn due primarily to increase in "Others" through purchase of US Treasuries
- ▶ Unrealized gains of available-for-sale securities (Consolidated): DOWN ¥61.4bn from Mar. 2015 to ¥692.8bn due to fall in Japanese stocks, partially offset by hedge transactions for cross-shareholdings
- ▶ Risk of cross-shareholdings is planned to be reduced, utilizing hedge transactions as well

<Securities with fair value (Consolidated)>

(Billions of yen)	Costs		Unrealized gains/losses	
	Sep. 2015	Change from Mar. 2015	Sep. 2015	Change from Mar. 2015
Available-for-sale securities	4,575.6	1,064.1	692.8	(61.4)
Japanese stocks	708.8	0.5	650.2	(85.3)
Japanese bonds	1,418.6	4.5	3.3	(1.3)
Others	2,448.1	1,059.1	39.2	25.2
Held-to-maturity debt securities	435.5	59.4	36.4	(4.5)

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

(Billions of yen)	10BPV (*5)		Duration (years) (*5)	
	Sep. 2015	Change from Mar. 2015	Sep. 2015	Change from Mar. 2015
JPY	2.5	(0.6)	2.7	(0.5)
Others	13.5	10.8	10.7	5.5

(*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

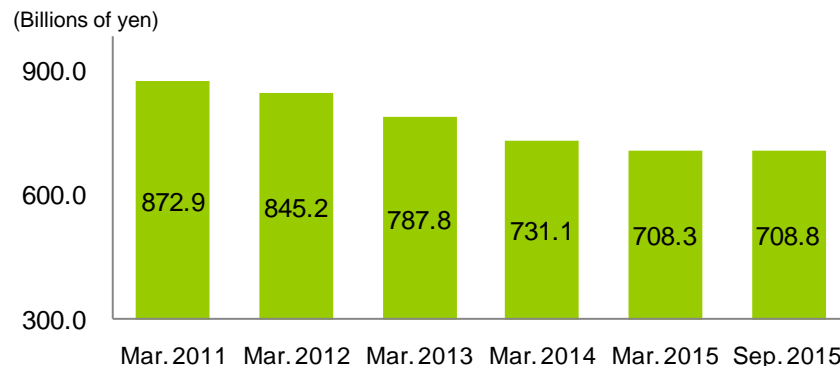
<Available-for-sale securities with fair value (Non-consolidated)>

Available-for-sale securities	4,316.4	1,018.6	718.9	(59.4)
Japanese stocks	676.9	0.3	679.3	(84.7)
Japanese bonds	1,300.0	11.5	3.3	(1.3)
Government bonds	714.3	16.2	0.5	(1.6)
Others	2,339.4	1,006.7	36.2	26.6
Domestic investment (*1)	185.6	21.9	1.4	(0.3)
International investment (*1)	1,629.4	740.1	1.9	(14.1)
US Treasury	1,165.7	829.4	1.4	(4.3)
Others (Investment trust, etc.) (*2)	524.3	244.5	32.8	41.1
for hedging of cross-shareholdings	425.7	247.8	32.0	46.6

(*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"

Balance of cross-shareholdings (Consolidated) (*6)



(Billions of yen)	FY2014		FY2015
	1H	2H	1H
Reduction amount of cross shareholdings	8.8	18.4	5.3

(Note) Accumulated amount of reduction from FY2011 to FY2013: ¥169.1bn

(*6) Cost of listed shares

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

Held-to-maturity debt securities	347.0	(28.3)	36.4	(4.5)
Government bonds	215.5	(9.1)	15.5	(0.1)
International investment (*1, *3)	106.7	(15.2)	20.5	(4.2)

(*3) Unamortized balance of unrealized loss on overseas asset-backed securities which were reclassified from AFS to HTM during FY2008 (Sep. 2015: (20.0)bn yen, Mar. 2015: (24.1)bn yen)

Forecast for FY2015

Forecast for FY2015

- ▶ Net business profit before credit costs (Consolidated and Non-consolidated): No change
- ▶ Ordinary profit and Net income attributable to owners of the parent / Net income (Consolidated and Non-consolidated): UP ¥10.0bn respectively, reflecting improved forecast on credit costs (Non-consolidated)
- ▶ Full year dividend on common share: No change to forecast of 13.00yen per common share

< Consolidated >

(Billions of yen)	FY2015		
	1H (Actual)	Full (Forecast)	Change from FY2014
Net business profit before credit costs	156.7	315.0	(1.7)
Ordinary profit	137.2	280.0	(12.4)
Net income	86.0	175.0	15.3
Total credit costs	0.0	(10.0)	(29.3)
Dividend on common share (Yen)	6.50	13.00	1.00
Consolidated dividend payout ratio	---	28.6%	(1.0%)

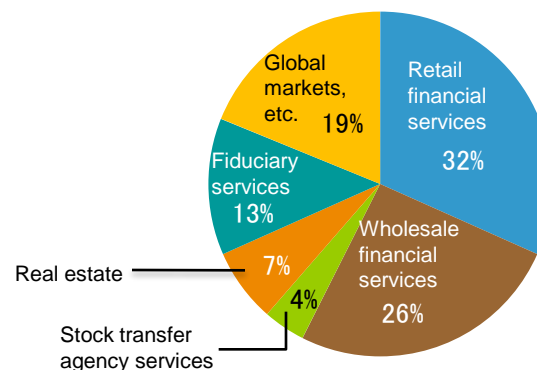
< Non-consolidated >

Net business profit before credit costs	120.8	245.0	(0.7)
Gross business profit	239.7	485.0	(9.2)
Retail financial services	74.1	155.0	4.7
Wholesale financial services	61.8	125.0	(3.0)
Stock transfer agency services	15.0	(*) 29.0	0.5
Real estate	13.1	32.0	3.8
Fiduciary services	47.2	(*) 94.0	0.8
Global markets	44.9	85.0	(12.0)
General and administrative expenses	(118.8)	(240.0)	8.5
Total credit costs	(0.1)	(10.0)	(28.1)
Other net non-recurring profit	(19.0)	(25.0)	8.7
Ordinary profit	101.6	210.0	(20.0)
Net income	69.0	140.0	9.4

(*) Fees paid for outsourcing are not deducted.

(Stock transfer agency services: (10.0)bn yen, Fiduciary services: (30.0)bn yen)

(Ref.) Breakdown of Gross business profit (Non-consolidated)



< Major factors: Change from initial forecast at beginning of FY2015 >

[Consolidated]

(1) Ordinary profit: +¥10.0bn [¥270.0bn → ¥280.0bn]

• Non-consolidated: +¥10.0bn [¥200.0bn → ¥210.0bn]

(2) Net income attributable to owners of the parent: +¥10.0bn [¥165.0bn → ¥175.0bn]

• Non-consolidated: +¥10.0bn [¥130.0bn → ¥140.0bn]

[Non-consolidated]

(3) Ordinary profit: +¥10.0bn [¥200.0bn → ¥210.0bn]

• Total credit costs: +¥10.0bn [¥(20.0)bn → ¥(10.0)bn]

• Other non-recurring profit: ±¥0.0bn [¥(25.0)bn → ¥(25.0)bn]

Net gains on stocks: +¥15.0bn

Others: ¥(15.0)bn

(4) Net income: +¥10.0bn [¥130.0bn → ¥140.0bn]

Business initiatives in 2HFY2015 and Strategic business areas

Business initiatives in 2HFY2015

1. Focus on growing fee businesses

Pursue both growth and stability by increasing transaction fees together with administration fees

- Increase administration fees through growth of investment trust and SMA balances, primarily by accumulating “Wrap Selection” balance
- Grow AUM from retail clients through sales of investment trust, Fund Wrap, SMA and DC, and increased marketing effort through alliance institutions such as regional banks
- Increase real estate brokerage fees through enhanced sourcing capabilities and value-added proposals as well as improved information sharing within the group

2. Enhancement of fundamental earning power in banking business

Increase net interest income based on assumption of continuing low interest rate environment and weak loan demand from domestic corporations

- Increase Non-Japanese and Japanese overseas credit to improve loan-deposit margin
- For domestic Japanese corporate borrowers, proactively capture solid loan opportunities despite limited demand in market
- For loans to individuals, expand loan products and revenue source, and enhance client base and access channels

3. Synergy across business segments

Expand client base, products and services through organic collaboration of know-how across business segments and group companies

- Expand client base, products/services through organic collaboration of existing 6 businesses
- Enhance sales capability through strategic human resource allocation and collaborative sales across businesses
- Expand business with high net worth clients by providing seamless and integrated products / services of banking/trust/real estate

4. Financial soundness and Capital efficiency

Prudent management of credit and market risks

- Control downside risk by maintaining a high quality credit portfolio
- Handle company-wide interest rate and equity volatility risks with appropriate ALM

Compliance with Basel III

- Reduce cross shareholdings further and mitigate volatility risk for capital
- Control risk-weighted assets and capital, prudent management of deduction items

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

- ▶ Sales volume : DOWN ¥51.5bn YoY to ¥1,007.7bn
Fund wrap, SMA and insurance sales were favorable, but investment trust sales fell due the volatile markets after August
- ▶ Fee income: UP ¥2.7bn YoY to ¥33.7bn
Sales fees of investment trusts decreased, but fees from insurance sales were strong, and fund administration fees increased due to steady growth in balance

Income (Non-consolidated)

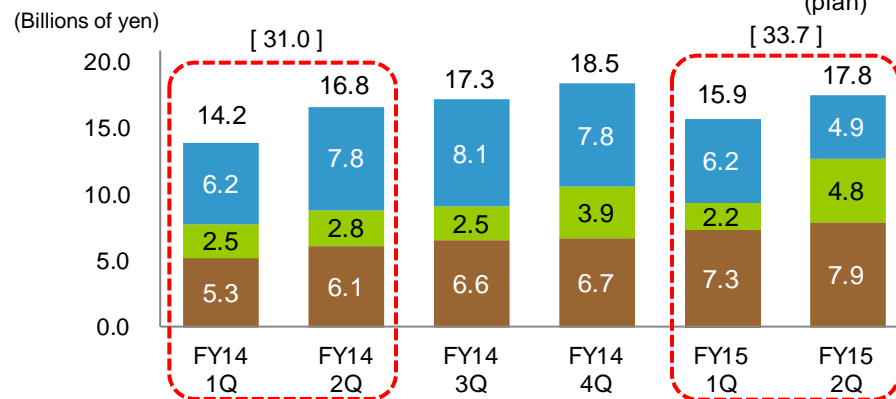
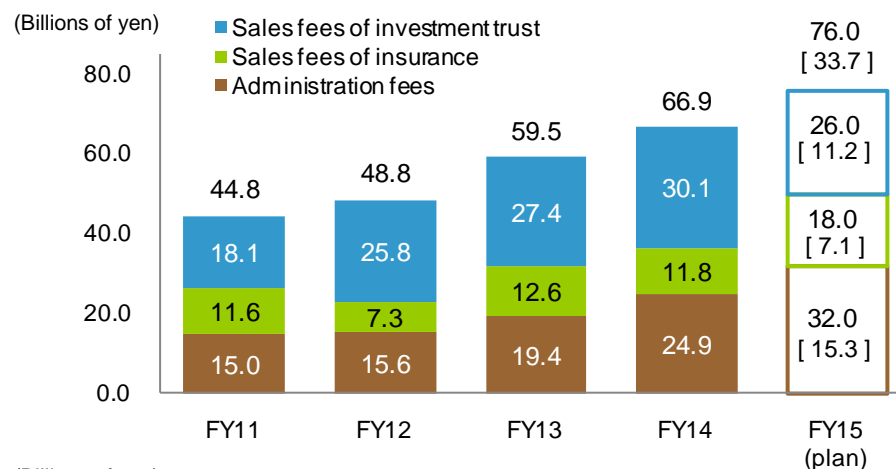
(Billions of yen)	1HFY2015	Change from 1HFY2014	FY2015 Plan
Income total	33.7	2.7	76.0
Sales fees of investment trust	11.2	(2.9)	26.0
Sales fees of insurance	7.1	1.7	18.0
Administration fees	15.3	3.8	32.0

Sales Volume/balance (Non-consolidated)

(Billions of yen)	1HFY2015	Change from 1HFY2014	FY2015 Plan
Sales volume total	1,007.7	(51.5)	2,250.0
Investment trust	619.9	(96.8)	1,800.0
Fund wrap, SMA	207.9	21.3	
Insurance	179.9	23.9	450.0

(Billions of yen)	Mar. 2015	Sep. 2015	Change
Balance total	5,837.3	5,653.1	(184.1)
Investment trust	2,814.0	2,625.4	(188.6)
Fund wrap, SMA	741.2	841.4	100.2
Insurance	2,282.0	2,186.2	(95.7)

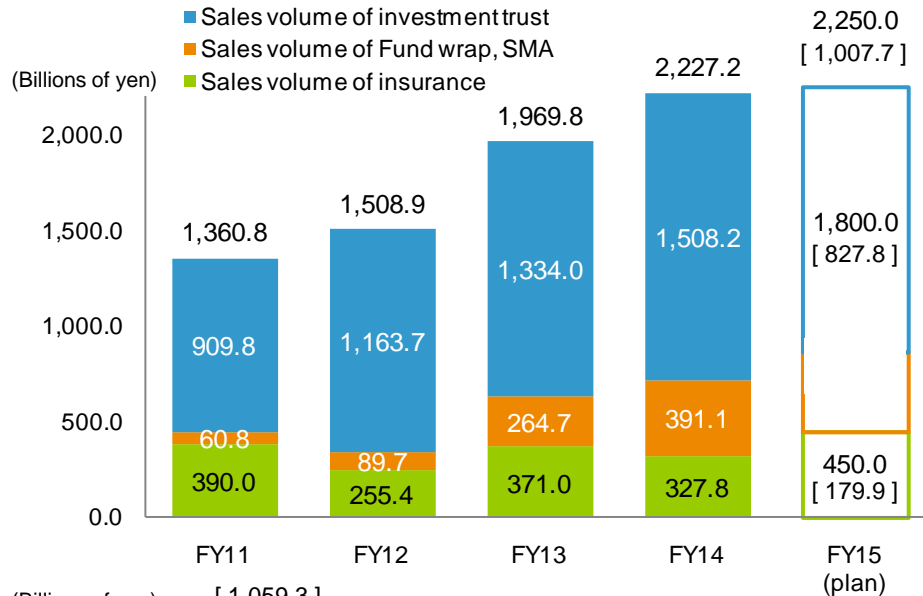
Income (Non-consolidated)



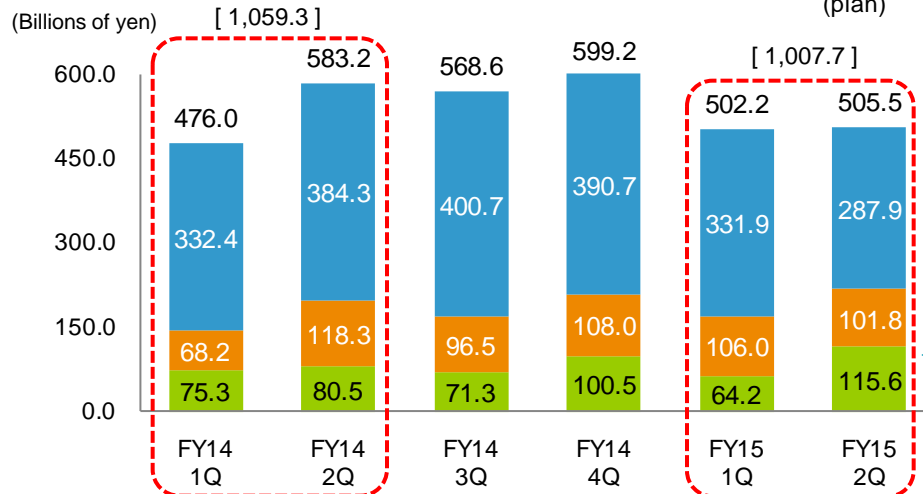
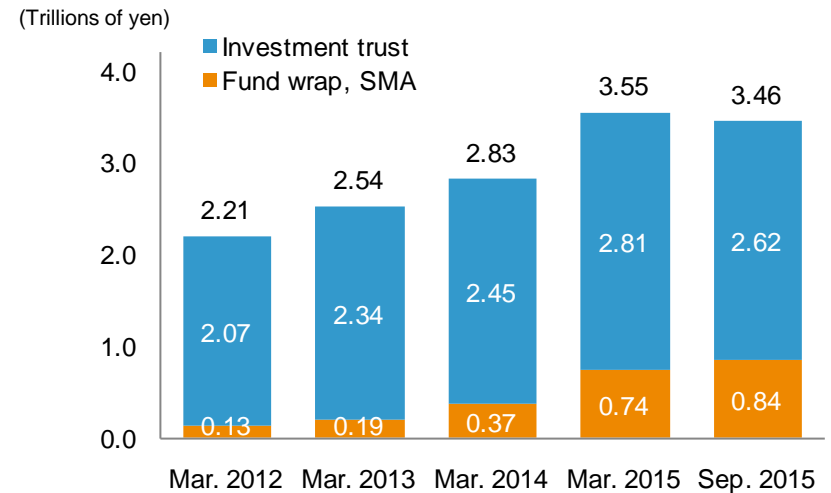
Note: Figures in "[]" are results of 1H

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

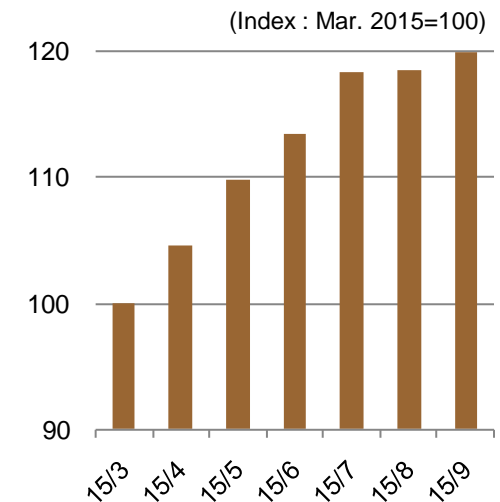
Sales volume



Balance of investment trust / Fund wrap, SMA



Balance of Wrap Selection (monthly)



15/2Q Sales

Stable sales of Fund Wrap and SMA products / Contribution from new insurance products added to Wrap Selection

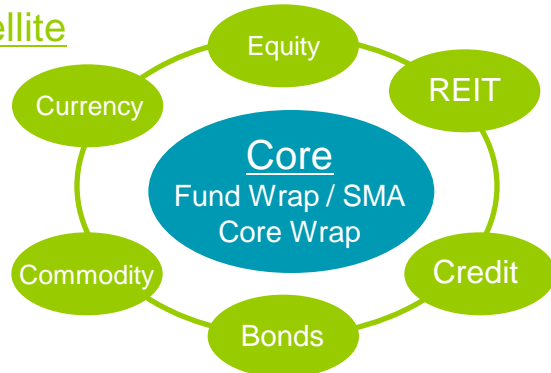
Note: Figures in "[]" are results of 1H

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

Basic strategy

“Core & Satellite” strategy

Satellite



Client acceptance of “Core” portfolio concept as a sound strategy for asset allocation

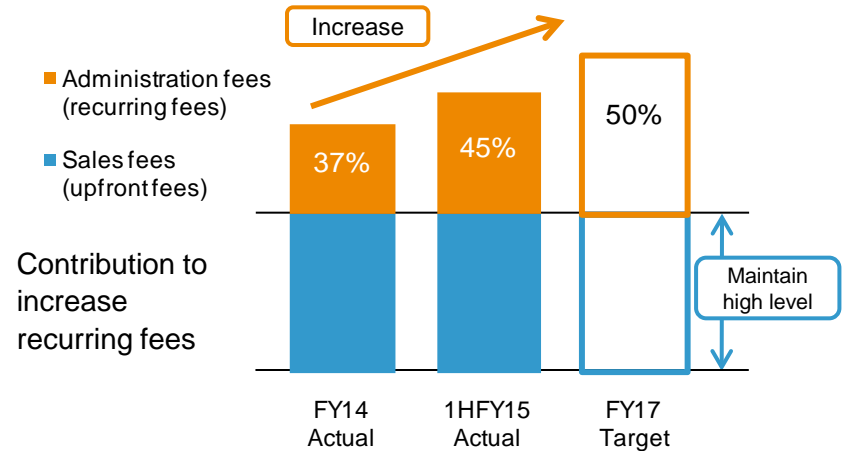
Strengthen proposals for “Satellite” investment strategies to enhance returns

Recent Satellite product introductions

June 2015	Satellite Investment Strategy Fund (Equity)
Sep. 2015	Inbound Demand Focus Japanese Equity Fund
Oct. 2015	Japan Post Stock/ Japan Post Group Stocks Fund
Oct. 2015	Japan Selected Value Equity Callable Fund

Major initiatives

Increase of stable earnings



Collaboration among business groups, product development and marketing departments to introduce new products based on client needs in a timely manner

Investment know-how for institutional clients
Swift deployment of new products



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

- ▶ Growth of balance has greatly contributed to the increase of recurring fees as a source of stable income
- ▶ Strategy to expand insurance related products based on client needs

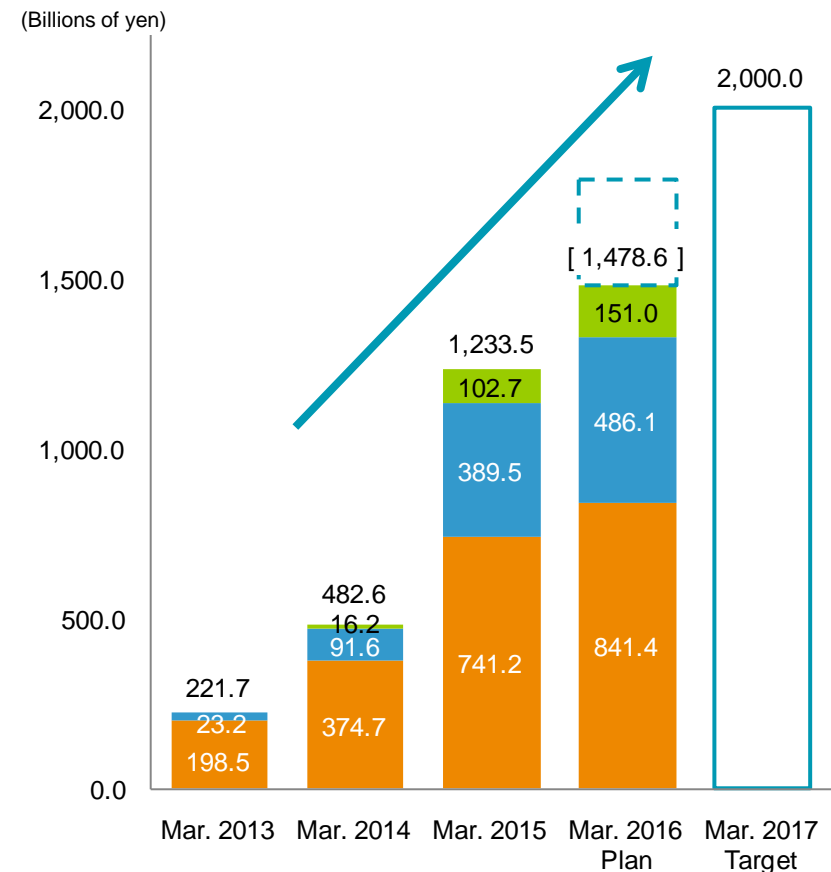
“Wrap Selection”

Insurance	Wrap Life Wrap Partner Wrap Gift (New type of variable annuity) [¥2 mm/¥1 mm or above]	Combination of certain guarantee for lump-sum premium payment insurance product and investment by utilizing wrap know-how
	Core Wrap [¥10,000 or above]	“Balanced-type”, “Growth-type” “Switching-type” → Ideal for NISA
Investment trust	Sate Wrap <Equity fund type> [¥10,000 or above]	Satellite product utilizing wrap know-how Pursue higher return with managed risk
	SMA [¥30 mm or above]	Custom-made Discretionary investment
Discretionary investment	Fund Wrap [¥5 mm or above]	Options for five investment styles tailored to clients' risk tolerance

Expansion of product line up

Sate Wrap (15/6), Wrap Partner (15/8), Wrap Gift (15/10)

< Balance of “Wrap Selection” >



Note: Figure in “[]” is result of September 2015

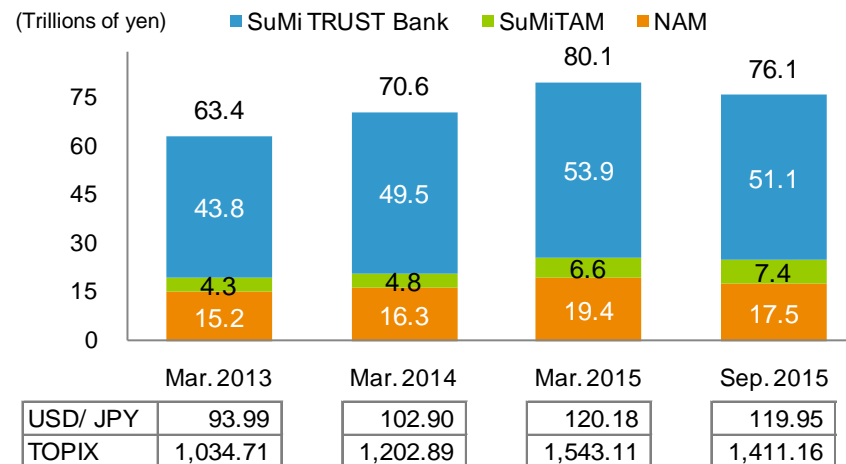
Focus on growing fee businesses : (2) Fiduciary services

- ▶ Assets under management (AUM): DOWN ¥3.9tr YoY to ¥76.1tr from Mar. 2015 due to decrease in market value, but Sumitomo Mitsui Trust Asset Management's entrusted assets increased steadily
- ▶ Assets under custody (AUC): UP ¥11tr YoY to ¥235tr from Mar. 2015 due to increase in investment trust assets

Assets under management (AUM)

(Trillions of yen)	Mar. 2015	Sep. 2015	Change
Assets under management (AUM)	80.1	76.1	(3.9)
SuMi TRUST Bank	53.9	51.1	(2.7)
Corporate pension trust	17.4	16.2	(1.1)
Public pension trust	14.3	13.2	(1.0)
Discretionary investment	22.1	21.6	(0.5)
Subsidiaries	26.1	24.9	(1.1)
Sumitomo Mitsui Trust Asset Management	6.6	7.4	0.7
Nikko Asset Management	19.4	17.5	(1.9)

Assets under management (AUM) by company



Income

(Billions of yen)	1HFY2015	Change from 1HFY2014	FY2015 Plan
SuMi TRUST Bank	32.7	1.6	64.0
Gross business profit	47.2	1.6	94.0
Fees paid out for outsourcing	(14.4)	(0.0)	(30.0)
Group companies (Net business profit) (*1)	10.9	3.9	
Sumitomo Mitsui Trust Asset Management	3.2	1.1	
Nikko Asset Management	6.5	2.6	

(*1) Contribution to consolidated

Assets under custody (AUC)

(Trillions of yen)	Mar. 2015	Sep. 2015	Change
Domestic entrusted assets (*2)	223	235	11

(Billions of USD)	Mar. 2015	Sep. 2015	Change
Global custody assets (*3)	262.1	259.2	(2.8)
Fund administration	22.0	22.5	0.5

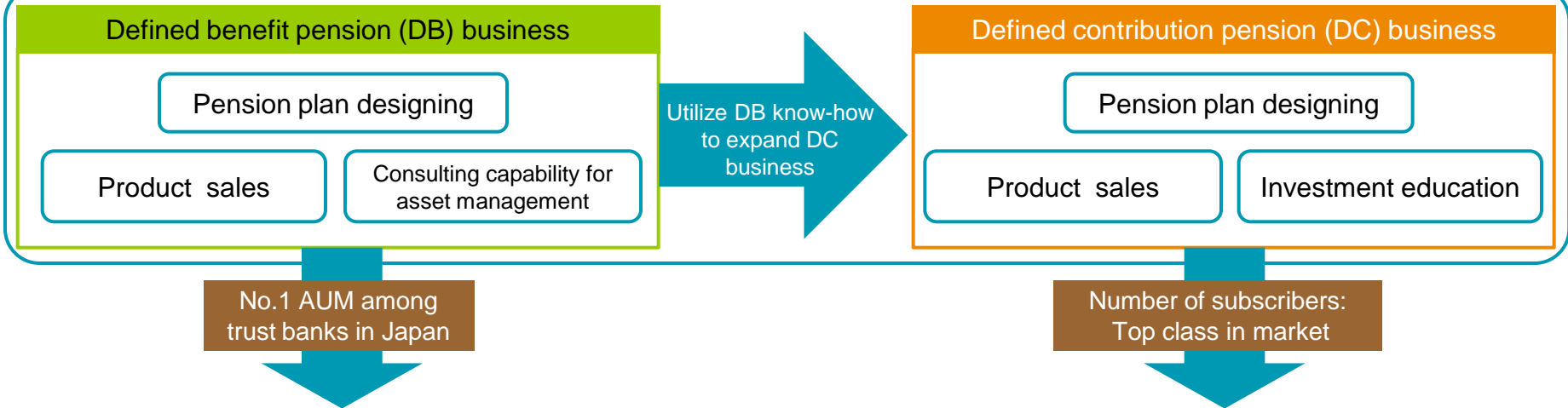
(*2) Total trust assets of the group companies

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

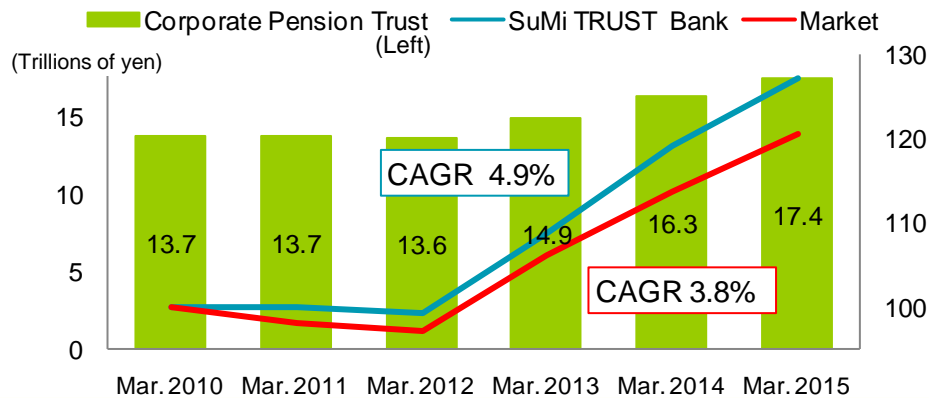
Focus on growing fee businesses : (2) Fiduciary services

- ▶ Maintain No.1 status in DB business field
- ▶ Utilizing know-how accumulated in DB business to establish strong market position in steadily growing DC market

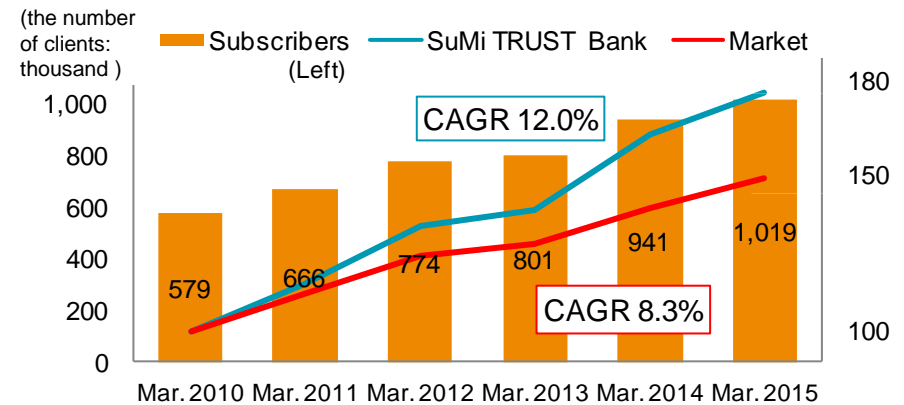
Providing One-stop services in DB / DC business (pension plan administrator / custodian)



Corporate Pension Trust (Index : Mar. 2010=100)



Subscribers of DC pension plans (Index : Mar. 2010=100)



Focus on growing fee businesses : (2) Fiduciary services

- ▶ Assist wealth management of retail client base by providing investment and consulting know-how acquired from institutional client business
- ▶ Target our client base and DC client base and also expand the services to clients of alliance financial institutions

SuMi TRUST Bank
Retail client base

- ◆ Provide investment and consulting know-how acquired from institutional client business (Wrap Selection, Core & Satellite investment ideas)

SuMi TRUST Bank
DC client base

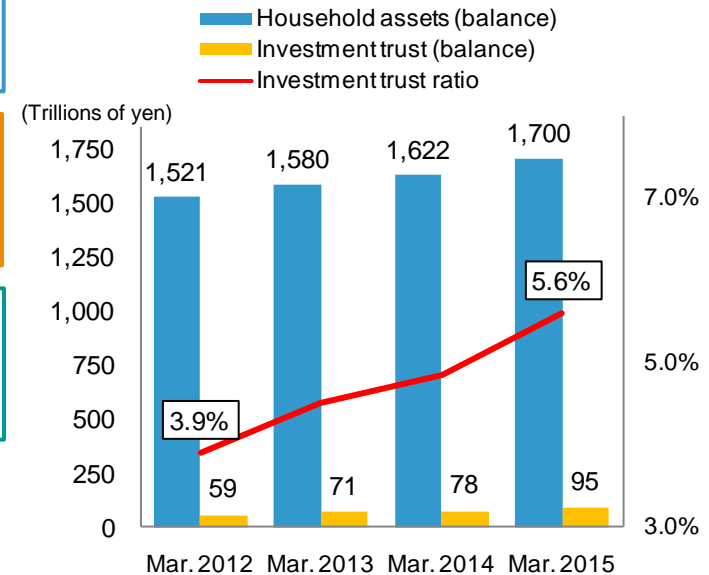
- ◆ Expand client base by providing one-stop DB/DC services
- ◆ Investor education to assist DC plan members (DC investment trusts and Investment trusts designed for specific company plan members)

Financial institutions
in alliance
Retail client base

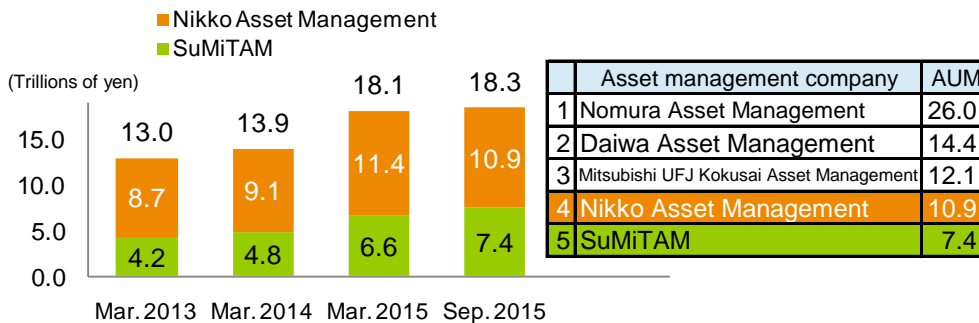
- ◆ SuMi TRUST Bank's alliance with other financial institutions (Investment services through Bank of Yokohama, Japan Post Bank, etc.)
- ◆ Utilize Nikko AM's marketing channel of more than 200 firms

Expand AUM and AUC of SuMi TRUST Group

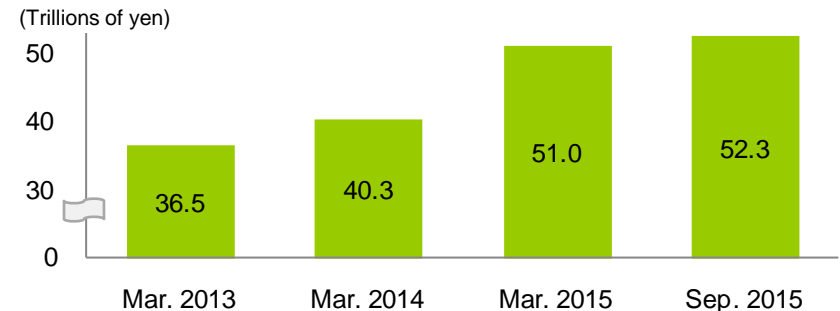
Investment trust holdings as % of household assets



AUM of investment trust in Japan



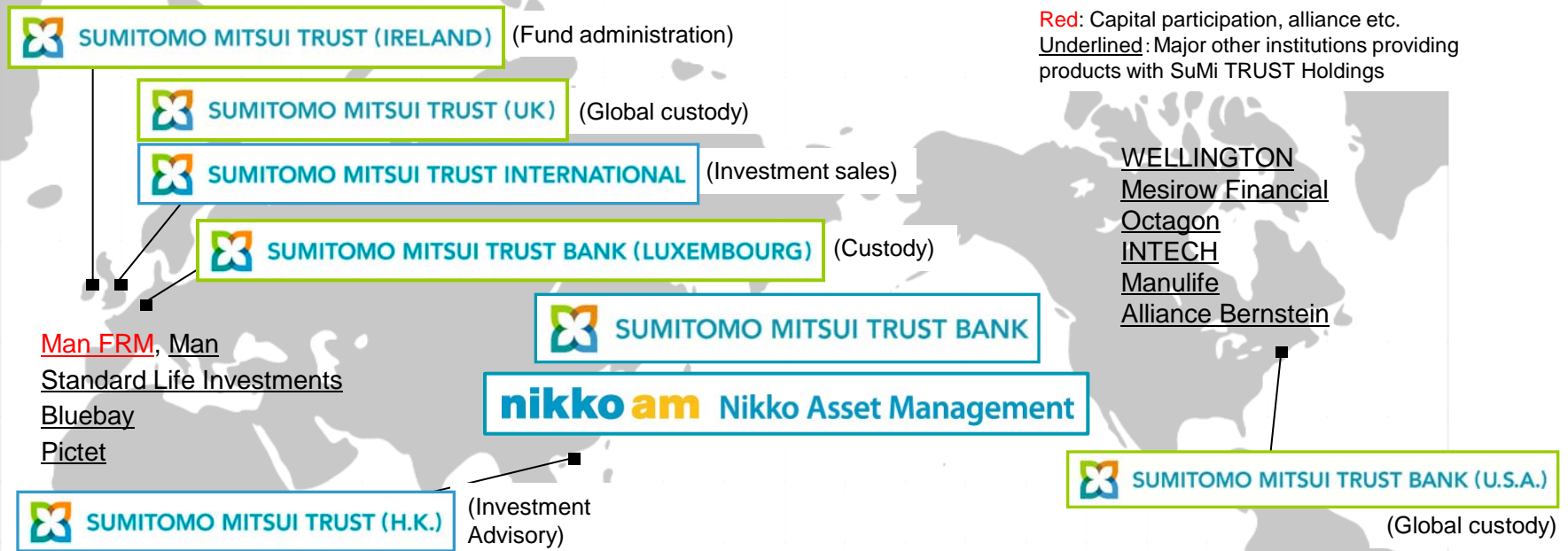
Entrusted assets from investment trust (SuMi TRUST Bank)



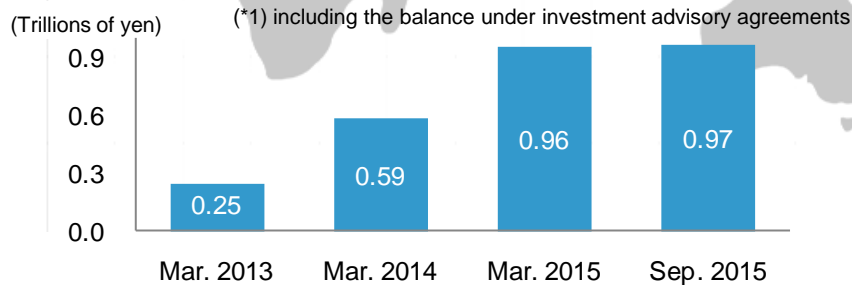
Focus on growing fee businesses : (2) Fiduciary services

▶ Expand client base and accelerate globalization of Fiduciary services such as asset management, custody and administration entrusted from overseas investors, by enhancing product development and distribution capability of our group network and collaboration with other financial institutions

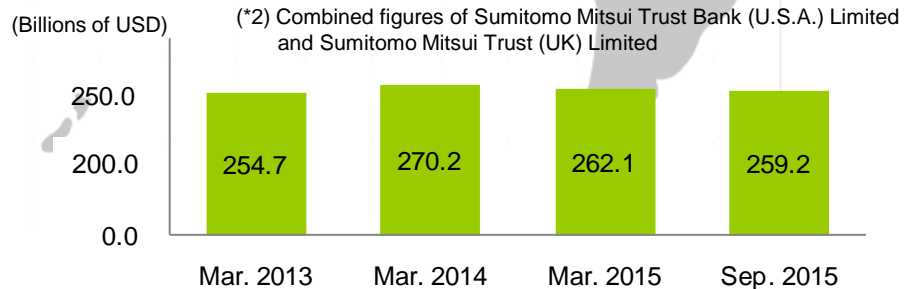
Expansion of Fiduciary services in global market



AUM entrusted from overseas investors (SuMi TRUST Bank) (*1)



Assets in global custody (*2)



Focus on growing fee businesses : (3) Real estate

- ▶ Real estate brokerage fees of SuMi TRUST Bank (commercial properties): Increased ¥1.3bn YoY due to steady increase in transaction volume
- ▶ Real estate brokerage fees of Sumitomo Mitsui Trust Realty (residential properties): Increased ¥1.4bn YoY due to continuing healthy demand

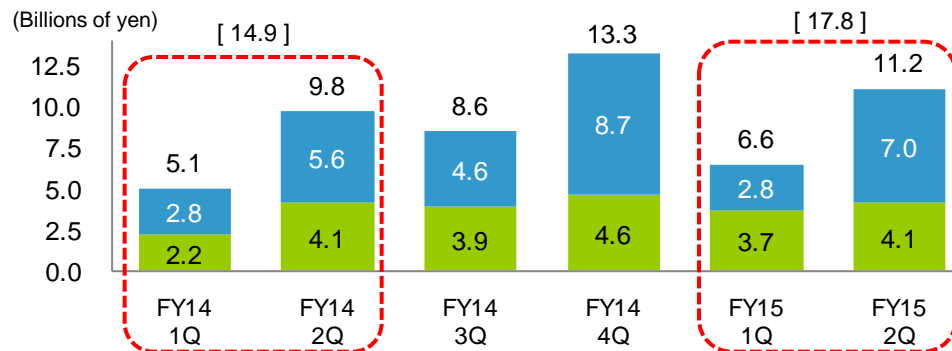
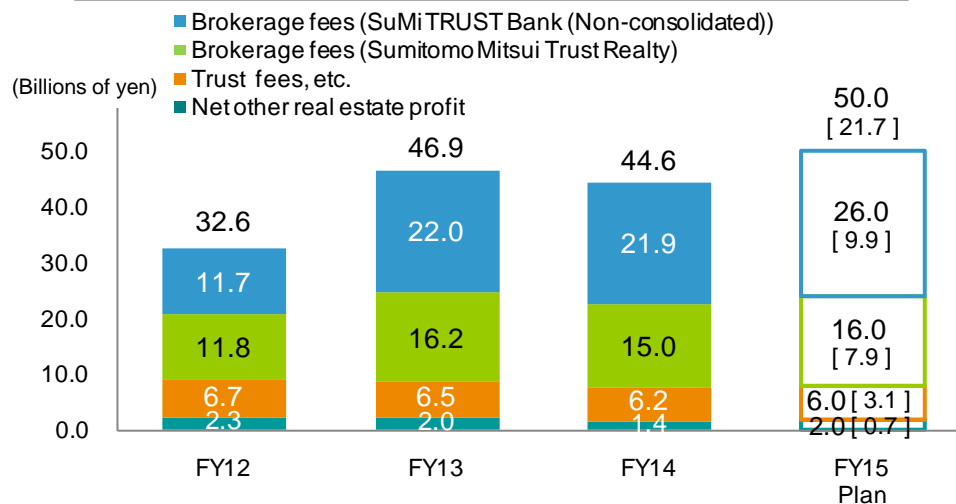
Income (Group basis)

(Billions of yen)	1HFY2015	Change from 1HFY2014	FY2015 Plan
Real estate brokerage fees	17.8	2.8	42.0
SuMi TRUST Bank	9.9	1.3	26.0
Sumitomo Mitsui Trust Realty	7.9	1.4	16.0
Real estate trust fees, etc.	3.1	0.0	6.0
Net other real estate profit	0.7	(0.0)	2.0
SuMi TRUST Bank	0.1	0.2	-
Group companies	0.6	(0.2)	2.0
Total	21.7	2.8	50.0
SuMi TRUST Bank	13.1	1.6	32.0

Assets under management / administration

(Billions of yen)	Sep. 2015	Change from Mar. 2015
Securitized real estate	12,433.3	528.3
Assets under custody from J-REITs	9,468.2	674.5
Assets under management	785.6	(55.6)
Private placement funds	384.2	(63.6)
J-REITs	401.3	7.9

Real estate brokerage fees



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

Focus on growing fee businesses : (3) Real estate - Commercial properties -

Operating environment

- ▶ Purchase of properties by J-REITs approaching record levels and demand from overseas investors is still strong
- ▶ Vacancy rates falling and rent levels are rising in central business districts
- ▶ Property divestment by corporations are decreasing as their financial performance improve. Decrease in sales of properties, mainly in city centers

Initiatives for 2HFY2015

Expand information volume and client base coverage

Existing Clients	Strengthen marketing towards large corporates to discover their needs
New Clients	Strengthen approach to SMEs

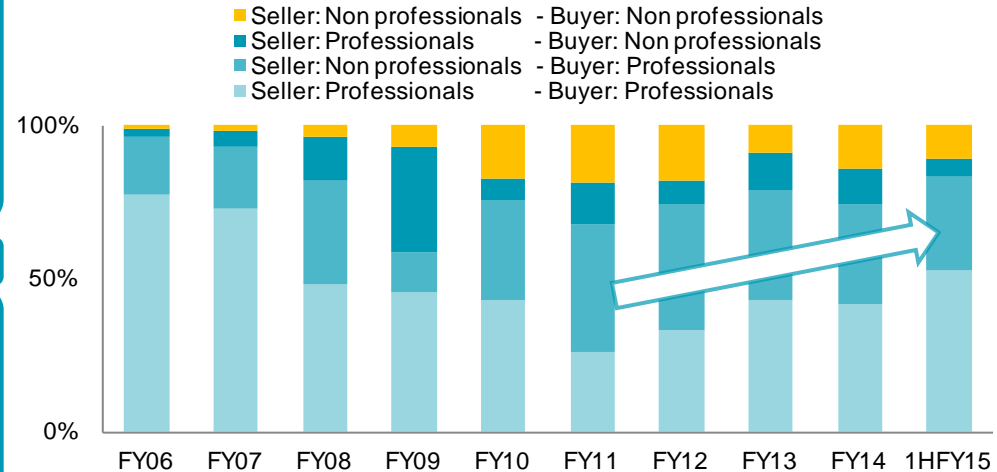
Enhancement of capability for execution

HR Allocation	Flexible HR/organizational management in line with condition of market
New Opportunities	Collaboration between Tokyo/Osaka/Nagoya offices to source new transactions
Value Added	Provide value-added services such as construction consulting, tenant introduction

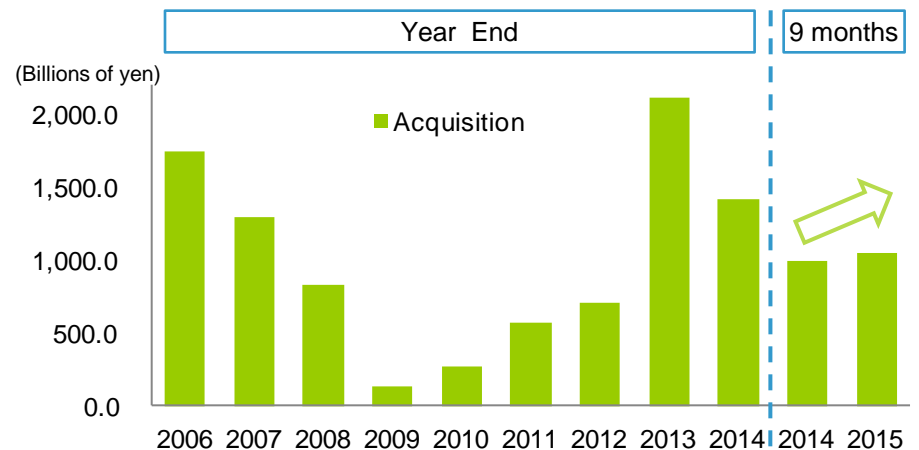
Marketing for overseas investors

Inbound Investment	Offer total solution package including brokerage, asset management, custody and consulting
Overseas Investment	Support overseas Japanese corporations utilizing our alliance partners

Brokerage transactions of SuMi TRUST Bank with property amount of ¥1.0bn and above (by contractor)



Property acquisitions by J-REITs



[Source] The Association for Real Estate Securitization (ARES)

Focus on growing fee businesses : (3) Real estate - Residential properties -

Operating environment

- ▶ Demand for secondhand properties is firm
- ▶ Real estate transactions for inheritance tax management are still popular
- ▶ Demand from overseas high net worth investors is brisk

Initiatives for 2HFY2015

To strengthen marketing functions

New Office/ Branches	Open new branches and relocate existing branches
	Reorganization of corporate client coverage
Co-work with SuMi TRUST Bank	Obtain quality transactions from retail client base
	Collaboration with SuMi TRUST Bank's Real estate business to source larger transactions
HR Allocation	Increase manpower to favorable markets

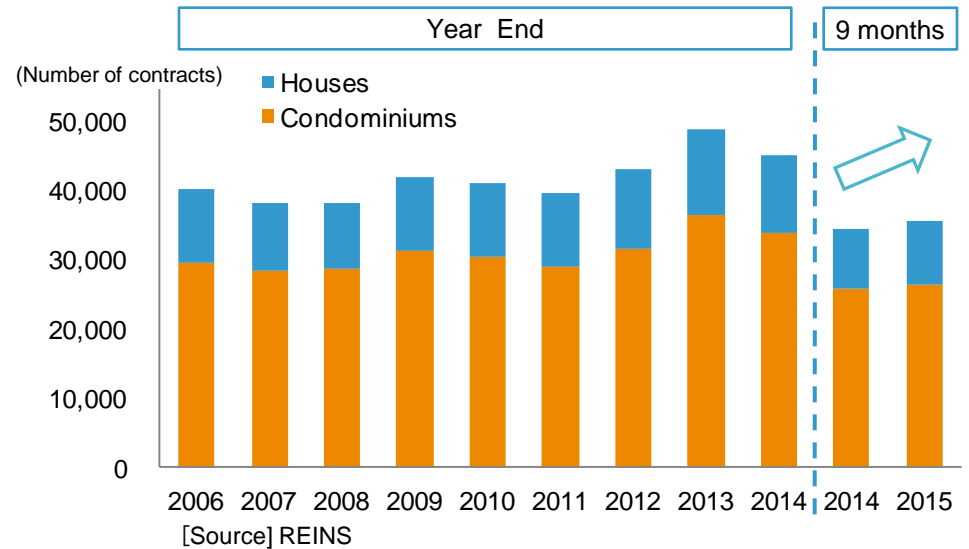
Collaboration with partners

Partnership	Co-work with developers and housing builders
New Partnerships	Cultivate new business alliances

Marketing for overseas investors

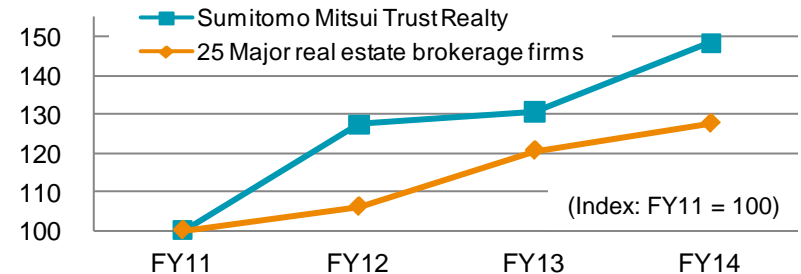
Overseas Investors	Investment seminars in major Asian cities
	Efficient sourcing from overseas financial institution partners

Secondary market in metropolitan area



Market position in secondary market

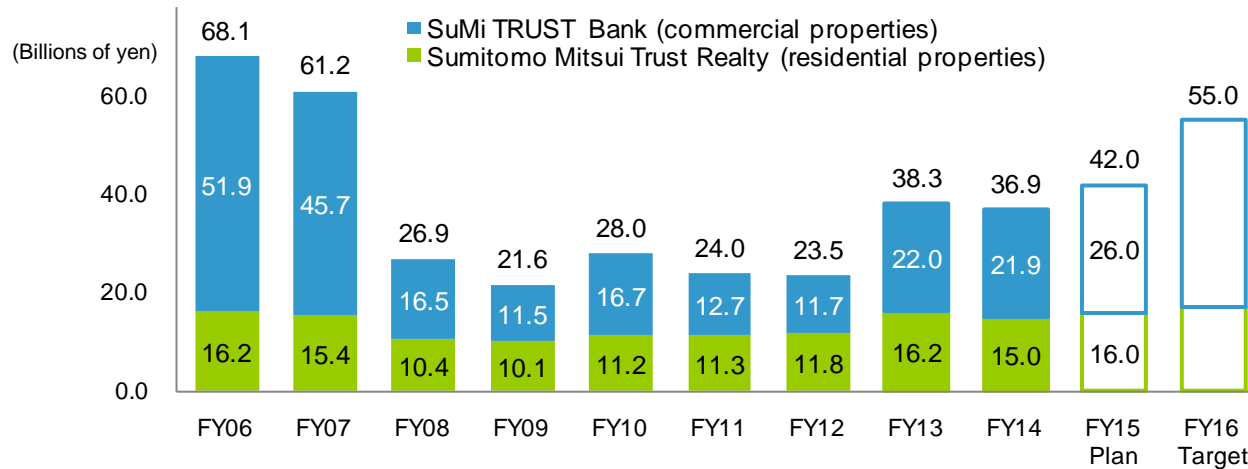
- ▶ Transaction volume is growing faster than the market, has expanded by 50% since the merger
- ▶ Market share for 2014 has increased to around 6%



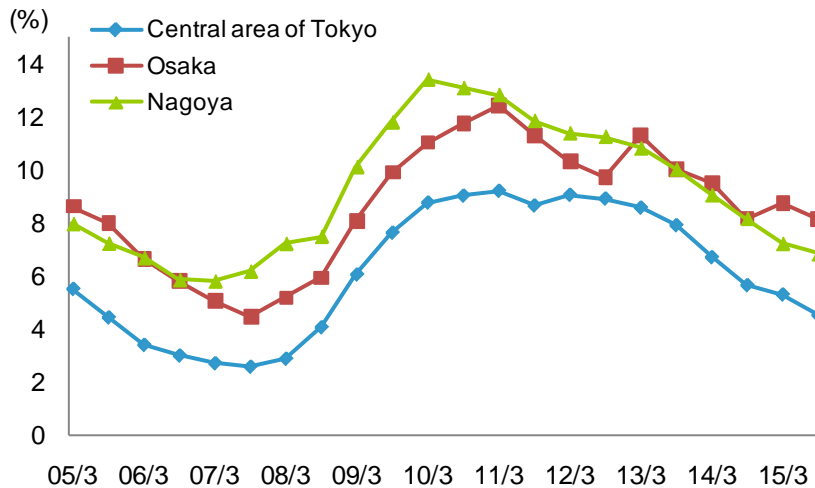
[Source] Data from The Real Estate Transaction Promotion Center

Focus on growing fee businesses : (3) Real estate

Real estate brokerage fees

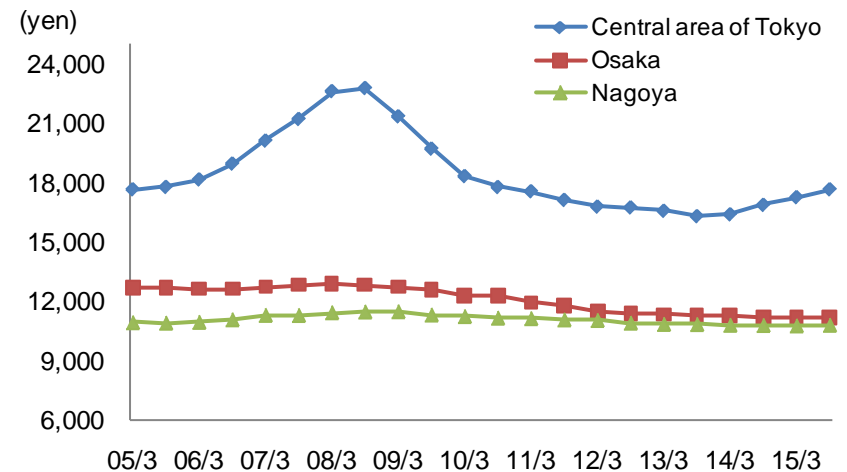


Average Vacancy Rates (Office market)



[Source] Miki Shoji

Average Rent (Office market)



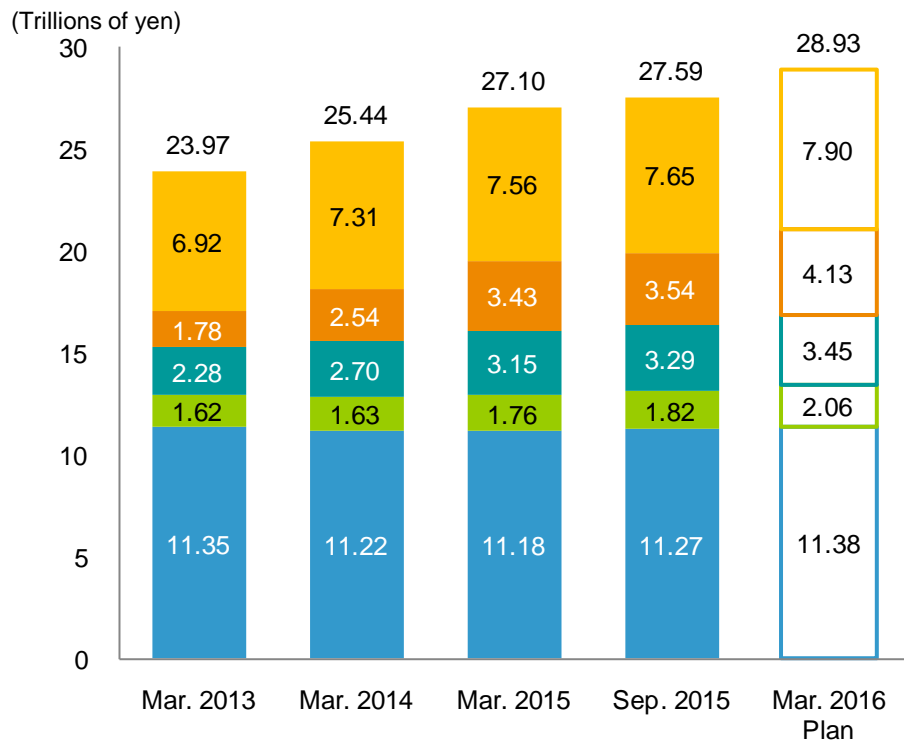
[Source] Miki Shoji

Enhancement of fundamental earning power: Credit portfolio

- ▶ Balance of credit portfolio: UP ¥0.49tr from Mar. 2015 to ¥27.59tr due primarily to increase in overseas credit
- ▶ Focus on overseas credit and loans to individuals expecting steady cash demands as well as fields where we have expertise

Credit portfolio

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



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

Loans to individuals

- ▶ Increase loans by offering competitive loan rates available through efficient sales structure and low credit costs, in addition to expansion of loan products

Non-Japanese borrowers

- ▶ Be vigilant about slowdown of Chinese economy, increase loans with risk profile of the area/ term in mind
- ▶ Expand types of transactions
- ▶ Utilize expertise cultivated in domestic market
- ▶ Expand sourcing with/ through major foreign banks

Overseas Japanese borrowers

- ▶ Extend credit to trading companies, finance subsidiaries of manufacturers
- ▶ Project finances and shipping finances
- ▶ Enhance client base by office expansion in Asia
- ▶ Utilize functions of DBSI/BIDV/Reliance

Real estate NRL, etc.

- ▶ Selectively increase transactions with foreign entities/funds who are gaining presence in Japan
- ▶ Expand REIT transactions under a favorable REIT market

Large corporations, etc.

- ▶ Borrowing demand of domestic corporations are still slow
- ▶ Steadily capture loan demand in M&A transactions etc.

Enhancement of fundamental earning power: Overseas credit

Balance of credit to non-Japanese / overseas Japanese borrowers

(Billions of yen)	Mar. 2015	Sep. 2015		FY2015 Plan
			Change	
Non-Japanese borrowers	3,436.3	3,548.0	111.7	+700.0
Loans	2,924.7	3,147.3	222.5	
Overseas Japanese borrowers	3,151.5	3,299.6	148.1	+300.0
Loans	2,979.6	3,128.0	148.4	
Total	6,587.8	6,847.6	259.8	+1,000.0
Loans	5,904.3	6,275.4	371.0	
USD/JPY	120.18	119.95	(0.23)	

Note: In addition to the above, there are acceptance and guarantee, etc.
Sep. 2015: ¥22.1bn [¥(13.0)bn from Mar. 2015]

Strategies by asset categories (Non-Japanese)

Corporates

Selective loans with regional characteristics in mind

Asset backed finance

- <Real estate non-recourse loans, etc.>
 - Expand portfolio in Europe and enter US market
- <Aircraft finance>
 - Expand direct deal sourcing from prominent airlines and leasing companies
- <Shipping Finance>
 - Expand sourcing capability using own know-how and further collaboration with Credit Agricole

Project Finance

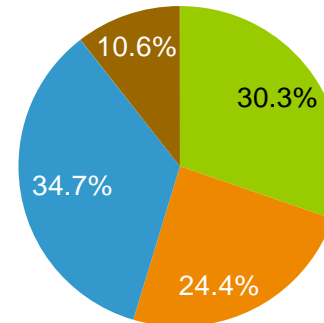
- Cautious expansion with selective sponsors, ECAs and off takers
- Active collaboration with foreign bank partners on infrastructure deals

Structured Finance

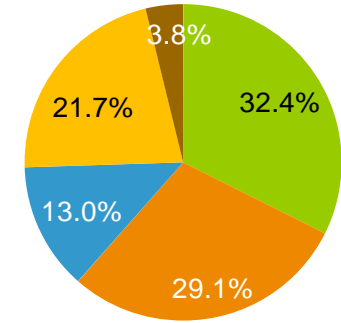
- Mainly invest in high grade US CLO/ABS/RMBS
- Investment grade bonds with attention to liquidity

Overseas borrowers by location

Non-Japanese borrowers
(By location of final exposure)



Japanese borrowers
(By borrower's location)



Legend for both charts:
 ■ Asia and Oceania ■ North America ■ Europe
 ■ Latin America ■ Others

Developments in Asia - Opening of Sumitomo Mitsui Trust Bank (Thai) Public Company Limited

Opened on 28th October, 2015

(Fourth Japanese bank licensed to deal in Thai Baht)

<Japanese Corporate Transactions>

- ▶ Aim to build high quality portfolio centered on strong demand from manufacturers and trading companies

<Non-Japanese Corporates>

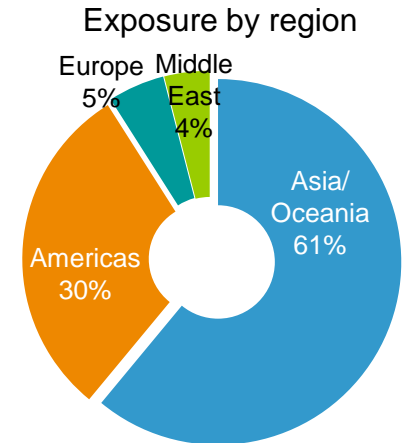
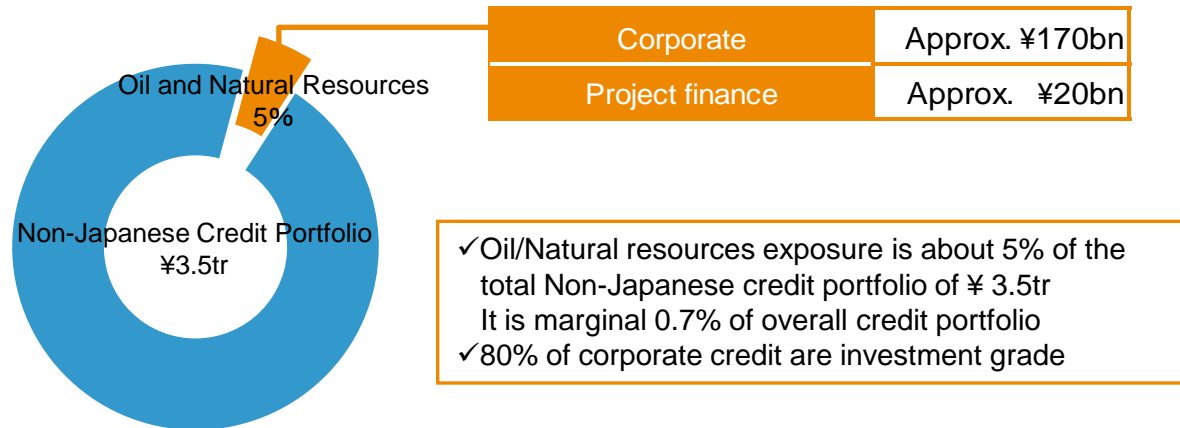
- ▶ Target highly rated local firms, multi-nationals and partners of Japanese companies

Plan to build a portfolio of around ¥300bn in 5 years

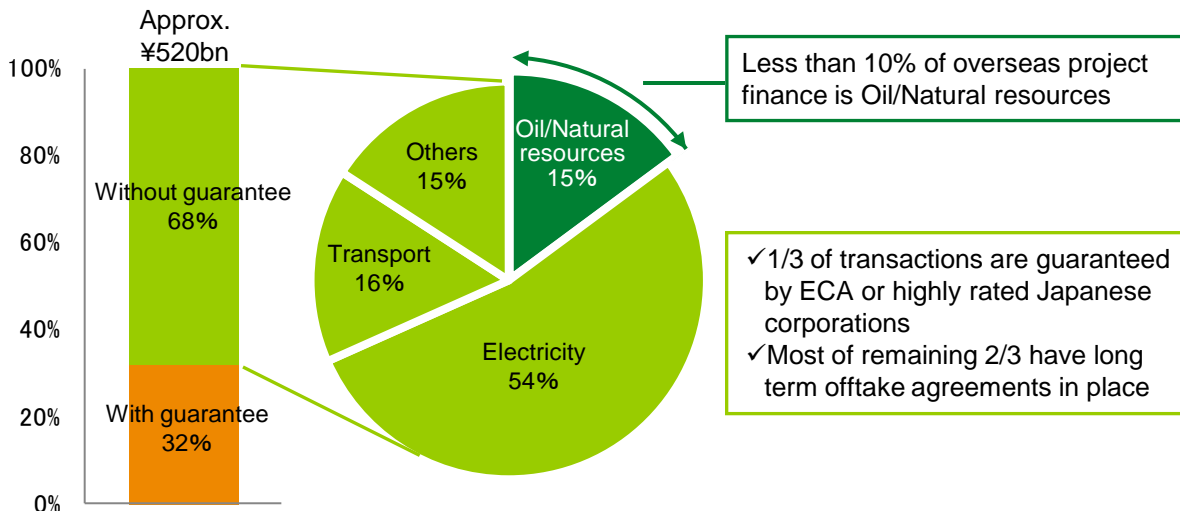
Future plans to utilize know-how acquired in Japanese market to commence asset securitization business, and other businesses worthy of a trust bank such as asset management and real estate related businesses

Enhancement of fundamental earning power: Overseas asset quality

Exposure to Oil and Natural Resources Industries (Non-Japanese Borrowers)



Overseas Project Finance Exposure



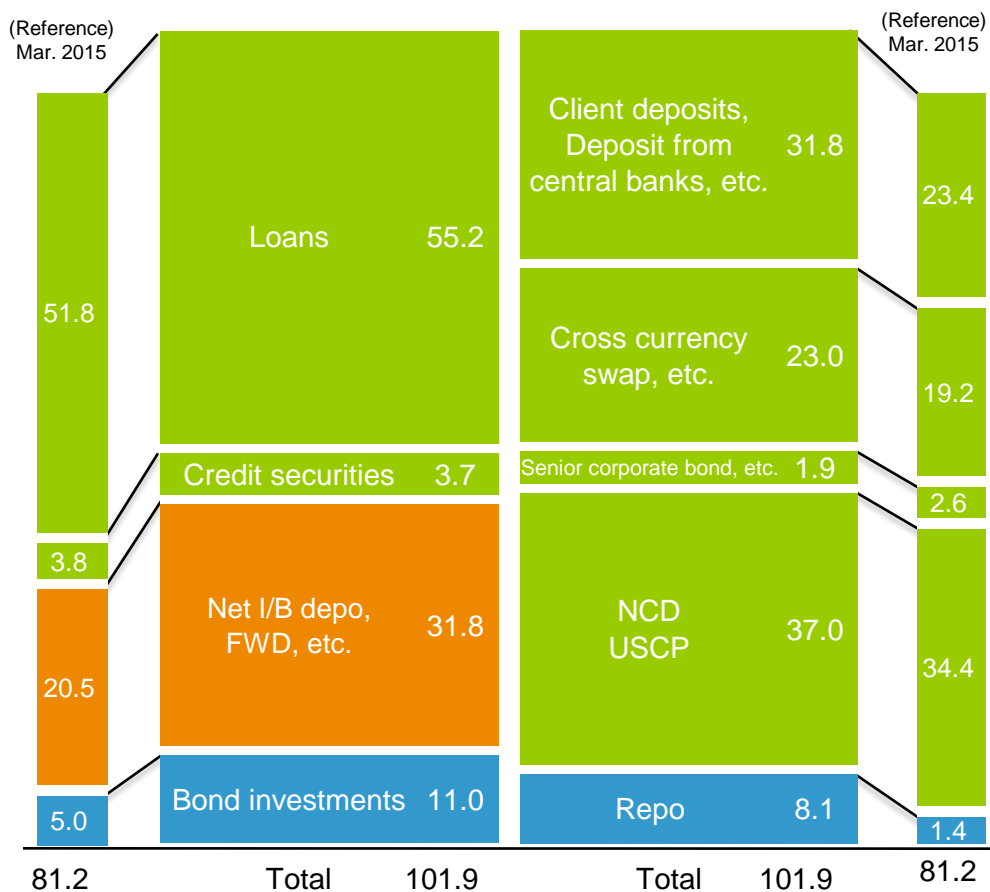
Exposure to Russia and GIIPS

Russia	None
Greece	None
Ireland	None
Italy	Approx. ¥7.0bn
Portugal	None
Spain	Approx. ¥7.0bn

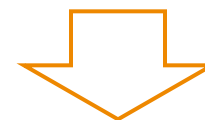
Enhancement of fundamental earning power: Foreign currency liquidity

- ▶ Stable and cost efficient foreign currency funding structure in place through funding from cross currency swaps (“CCS”) and low cost funding from central banks, USCP, NCD, etc
- ▶ Net position in inter-bank transactions has more than USD30.0bn of excess cash for investment resulting from surplus in short term funding

Foreign currency B/S (as of Sep. 2015) (Billions of USD)



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



Expand foreign currency balance sheet primarily through mid-long term stable funding by diversifying counterparties and utilizing diversified funding methods while maintaining balance between liquidity risk and funding cost

<New funding method to diversify funding source>

- A covered bond program was established in October 2015. Inaugural USD covered bond (5years, USD500Mil) was issued in November 2015

Enhancement of fundamental earning power: Loans to individuals

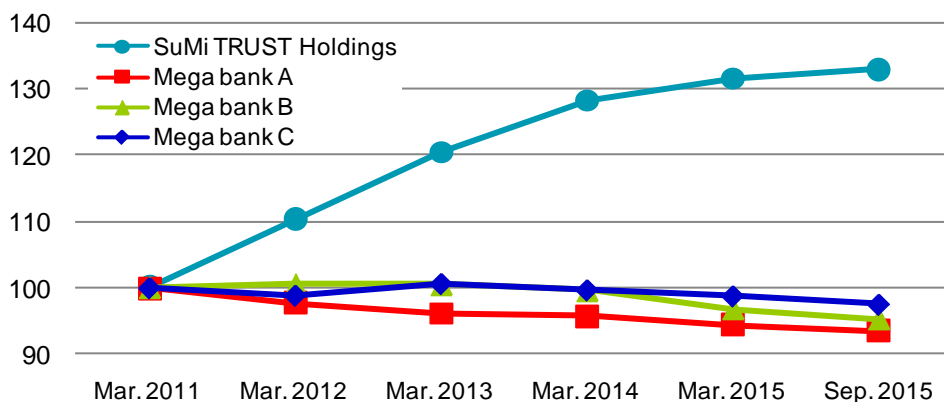
- ▶ New loans advanced to individuals (Non-consolidated): UP ¥ 44.3bn YoY to ¥453.3bn
Steady increase at SuMi TRUST Bank, SBI Sumishin Net Bank's loan program as agent also contributed to growth
- ▶ Balance of loans to individuals (Non-consolidated): UP ¥86.5bn YoY to ¥7,650.7bn maintaining increasing trajectory

Advanced amount and balance (Non-consolidated)

(Billions of yen)	1HFY2014	1HFY2015	Change	FY2015 Plan
	Advanced amount of loans to individuals	408.9	453.3	44.3
Residential mortgage loans	356.8	408.4	51.5	1,000.0

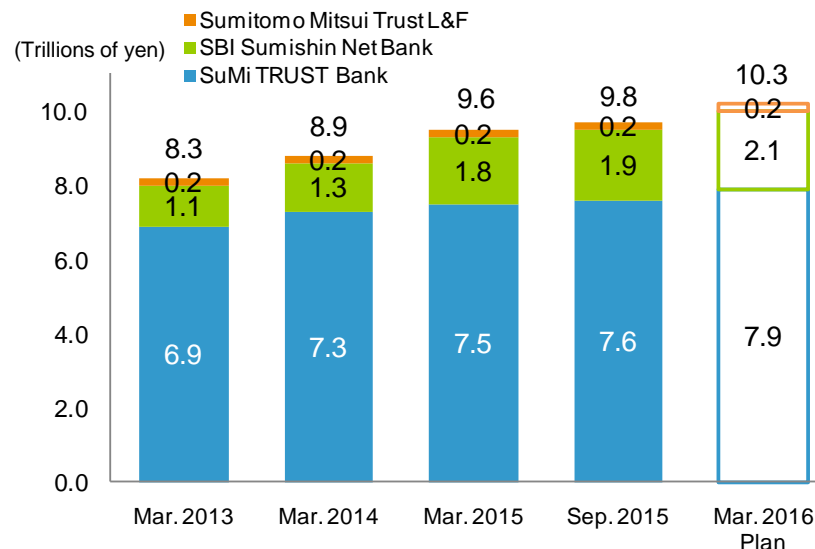
(Billions of yen)	Mar. 2015	Sep. 2015	Change	Mar. 2016 Plan
	Balance of loans to individuals	7,564.2	7,650.7	86.5
Residential mortgage loans	7,076.2	7,153.8	77.6	7,400.0

Balance of residential mortgage loans (Non-consolidated) (Index : Mar. 2011=100)



[Source] Disclosure documents

Balance of loans to individuals



Sumitomo Mitsui Trust L&F

Targets different client profile from SuMi TRUST Bank, offering residential mortgages and property secured loans

SBI Sumishin Net Bank

Provides convenient loan products nationwide as an internet based lender

SuMi TRUST Bank

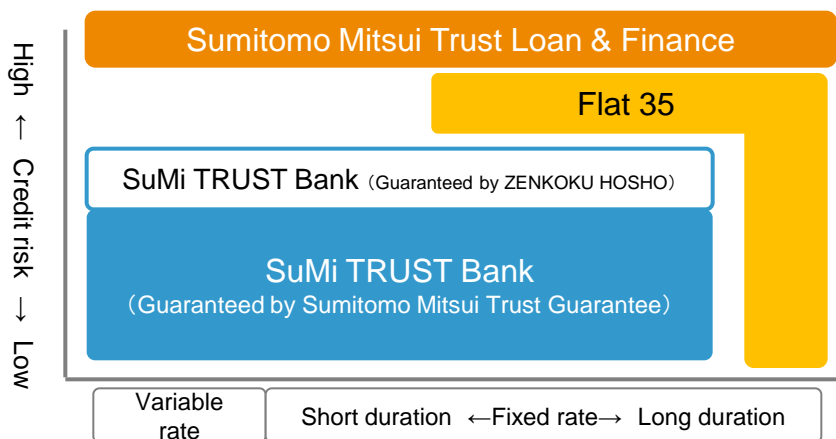
Provides residential mortgages to clients in major cities utilizing introduction from real estate agents

Enhancement of fundamental earning power: Loans to individuals

- ▶ Maintain strategy to acquire quality clients through efficient marketing structure and to offer competitive loan rate by keeping credit costs low
- ▶ Cross-sell other financial products to improve profitability, raise efficiency through improved back office workflow to enhance overall competitiveness

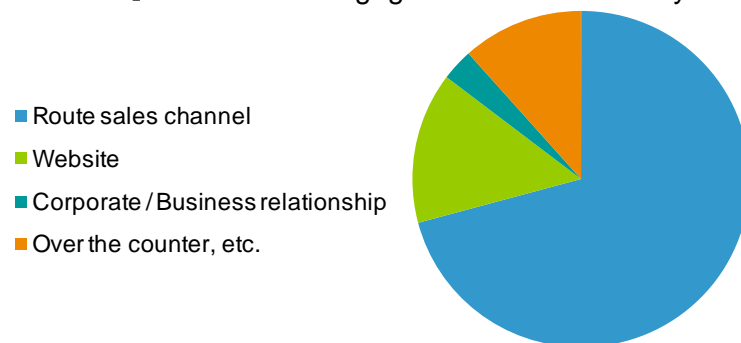
Strategy for each customer segment

Image of customer segment coverage in mortgage business



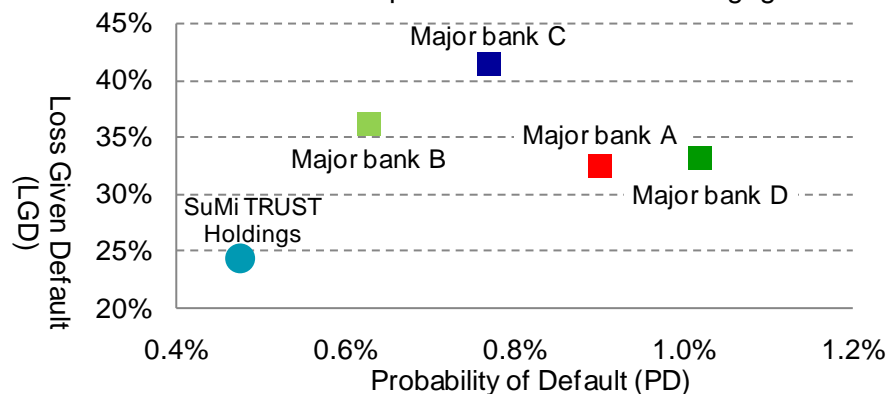
Efficient sales structure through route sales channel and website

[Residential mortgage loan transactions by channel]



Acquiring quality clients with low credit costs

[PD / LGD comparison of residential mortgage loan]



[Source] Disclosure documents of Mar. 2015

Initiatives to improve profitability and efficiency

Improve profitability from cross-selling

- ▶ Review workflow to create additional time for cross-selling
- ▶ Sales of investment products and insurance

Improve efficiency by centralizing loan management

- ▶ Reduce branch level office work by centralizing loan operations
- ▶ Additional marketing effort for residential mortgages using spare time created

SUMITOMO MITSUI TRUST CLUB

Profile of SUMITOMO MITSUI TRUST CLUB

- ▶ Expected to purchase all shares of Citi Cards Japan by December 2015
- ▶ To be rebranded as SUMITOMO MITSUI TRUST CLUB
- ▶ Exclusive rights to issue Diners Club Card in Japan

Aim of this acquisition

- ▶ To grow credit card business
- ▶ Synergy from offering mutual services
- ▶ Acquire high quality client portfolio, complementary to existing client base

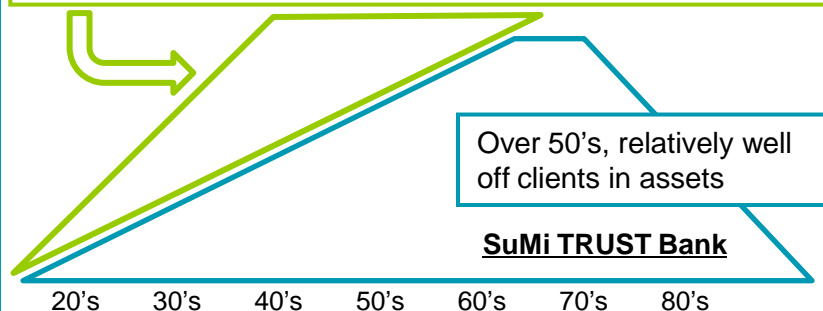
Enhance client base

SUMITOMO MITSUI TRUST CLUB

Card Membership approx. 740 thousand (as of Mar. 2015)

67% of holders are in 30s~50s age group

Many holders are professionals and company owners; affluent and high income



Complementary high quality client base

Business Strategy

To grow credit card business

- ▶ Expand affiliate channels
Expansion through addition of new channels and merchants that match client profile of Diners Club members

Realize synergy effects

Retail

- ▶ Offer new card services for the SuMi TRUST Group clients
- ▶ Introduce our services for SUMITOMO MITSUI TRUST CLUB clients (Asset management, Inheritance, Corporate succession, Real estate services etc.)

Wholesale

- ▶ Corporate services for the SuMi TRUST Group clients (Automated company expense and travel charges processing using credit card settlement network, issuance of corporate credit card)
- ▶ Business opportunities with corporate owners and new merchants of SUMITOMO MITSUI TRUST CLUB

Business opportunities with global firms in Japan

- ▶ Corporate credit card services for global firms located in Japan

Status of capital, financial and capital policies

Capital

- ▶ Common Equity Tier 1 capital ratio (Consolidated): DOWN 0.20 percentage points from Mar. 2015 to 10.08% due primarily to increase in credit risk assets
- ▶ Common Equity Tier 1 capital ratio (Consolidated, Fully-loaded basis, pro forma): DOWN 0.32 percentage points from Mar. 2015 to 10.57%

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

(Billions of yen)	Mar. 2015	Sep. 2015	Change
		Preliminary	
Total capital ratio	15.57%	15.38%	(0.19%)
Tier 1 capital ratio	11.45%	11.85%	0.40%
Common Equity Tier 1 capital ratio	10.28%	10.08%	(0.20%)
Total capital	2,938.2	3,021.0	82.7
Tier 1 capital	2,160.6	2,328.4	167.7
Common Equity Tier 1 capital	1,939.8	1,980.0	40.1 (1)
Instruments and reserves	2,070.2	2,106.3	36.0
Regulatory adjustments	(130.3)	(126.2)	4.0
Additional Tier 1 capital	220.8	348.3	127.5 (2)
Tier 2 capital	777.5	692.5	(85.0) (3)
Total risk-weighted assets	18,868.4	19,637.8	769.3
Credit risk	17,641.5	18,316.6	675.0 (4)
Market risk	380.1	440.7	60.6
Operational risk	846.7	880.4	33.6
Floor adjustment	-	-	-

<Reference> Fully-loaded basis (pro forma)

Common Equity Tier 1 capital ratio	10.89%	10.57%	(0.32%)
Common Equity Tier 1 capital	2,040.0	2,063.4	23.4
Total risk-weighted assets	18,727.1	19,513.9	786.7

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

< Major factors of change in capital >

- (1) Common Equity Tier 1 capital: +¥40.1bn
 - Net income attributable to owners of the parent: +¥86.0bn,
 - Valuation on Available-for-Sale Securities: ¥(17.7)bn
 - (2) Additional Tier 1 capital: +¥127.5bn
 - Issuance of perpetual subordinated debt: +¥120.0bn
 - (3) Tier 2 capital: ¥(85.0)bn
 - Subordinated debts: ¥(78.6)bn (Issuance +¥30.0bn, redemption, etc. ¥(108.6)bn)
- < Major factors of change in risk-weighted assets >
- (4) Credit risk: +¥0.6tr
 - Increase in loans to corporate, etc. : +¥0.3tr

(Billions of yen)	Sep. 2015 Pro forma	Ratio to RWA	Chg. frm. Mar. 2015
Common Equity Tier 1 capital (CET1)	2,063.4	10.57%	23.4
Instruments and reserves	2,379.1	12.19%	13.2
Accumulated other comprehensive income (*1)	491.9	2.52%	(37.7)
Regulatory adjustments	(315.7)	(1.61%)	10.1

(*1) Valuation differences on Available-for-Sale Securities: ¥461.1bn

< Other ratios required in prudential regulations >
(Consolidated)

(Billions of yen)	Sep. 2015	Chg. frm. Mar. 2015
Leverage ratio	4.52%	-
Tier 1 capital	2,328.4	167.7
Total exposure	51,425.1	3,644.4
Liquidity coverage ratio (*2)	165.0%	6.0%
Total high-quality liquid assets (*2)	13,203.5	1,705.1
Net cash outflows (*2)	8,043.0	769.5

(*2) Average of month end figures in 2QFY2015. "Change from Mar. 2015" represents the comparison to the figure for 1QFY2015 calculated in the same manner

Capital: Compliance with Basel III

- ▶ Steady improvement of each capital ratio by accumulating retained earnings, utilizing various finance instruments and controlling risk-weighted assets efficiently
- ▶ Mitigate fluctuation of capital through steady reduction of cross shareholdings
- ▶ Continue to evolve our managing structure to pursue optimal balance between liquidity risk and funding cost taking implementation of regulatory liquidity requirements into consideration

	Regulatory requirement	Sep. 2015	
Capital ratio	<u>7.00%</u> (*1) Mar. 2013: Implemented Mar. 2019: to be fully-loaded	10.57%(*2)	<ul style="list-style-type: none"> ▶ Tier 1 Capital increased by additional Tier 1 finance <Issuance of perpetual subordinated bond ¥120bn in Sep. 2015> Tier1 Ratio +0.63% (*3) Leverage Ratio +0.25% (*3) ▶ Considering status of our capital and market conditions, we intend to manage maturity of outstanding Tier 1 eligible instruments utilizing capital leverage as permitted under regulatory rules to make efficient use of capital
Leverage ratio	<u>3.0%</u> Mar. 2015: disclosure start Mar. 2018: to be implemented	4.52%	
Liquidity coverage ratio (LCR)	<u>Over 100%</u> Mar. 2015: implemented Mar. 2019: to be fully-loaded	165.0%	<ul style="list-style-type: none"> ▶ NSFR exceeds 100% under tentative estimate, expected to comply with the regulatory requirement, while detailed calculation method is not determined ▶ Pursue optimal balance between liquidity risk and funding cost. Improve managing structure continuously in addition to periodical monitoring framework
Net stable funding ratio (NSFR)	<u>Over 100%</u> Mar. 2018: to be implemented		

(*1) Common Equity Tier 1 ratio + Regulatory requirement of Capital conservation buffer (*2) Pro forma of Common Equity Tier 1 ratio (fully-loaded basis)

(*3) Estimated effect of finance on figures as of June 2015

Financial and capital policies

Basic approach to financial and capital policies

Aim to maximize shareholder interests through basic approach of ensuring adequate capital (in terms of both quality and quantity), enhancing sound financial foundation, and pursuing enhanced capital efficiency

Capital targets

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

Policy on reduction of cross shareholdings

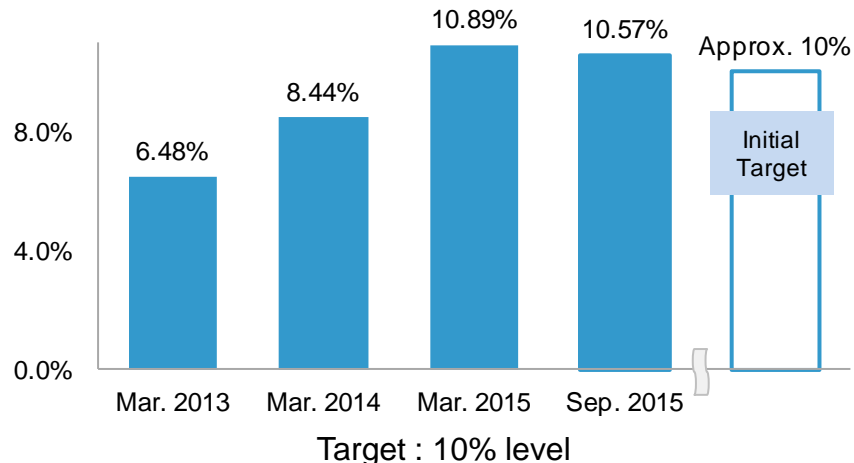
<Reduction target>
Approximately 50 to 100 billion yen in 3 years starting from FY2014
Prudent management of volatility risk of economic value through hedging operations

Policy on shareholder return

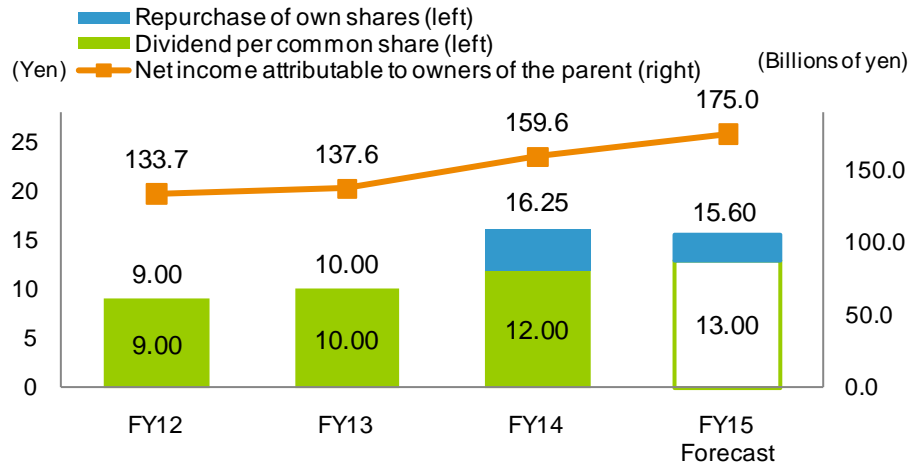
SuMi TRUST Holdings shall share its profits with shareholders in accordance with its profit level in each fiscal year, aiming to maintain the consolidated dividend payout ratio on common shares of approximately 30%. SuMi TRUST Holdings may also repurchase its own shares by considering the balance with profit growth opportunities, and the effect of the repurchase on the improvement of capital efficiency. Through the measures above, SuMi TRUST Holdings shall aim to enhance medium-term shareholder returns

Financial and capital policies: Major indicators

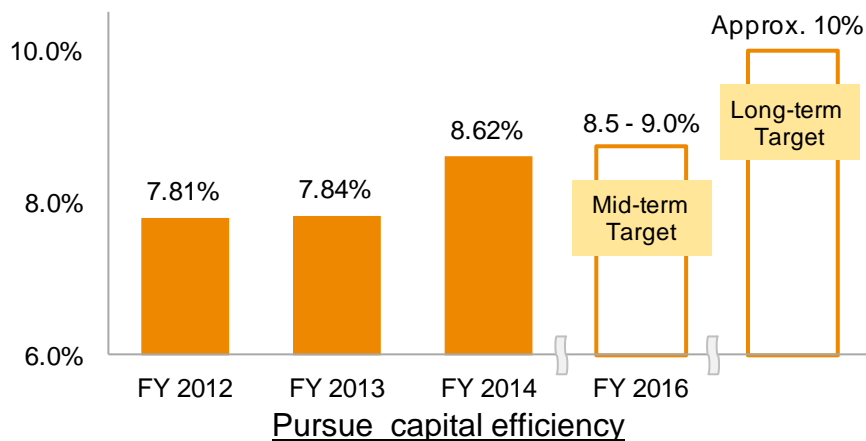
Common Equity Tier 1 capital ratio (Fully-loaded basis)



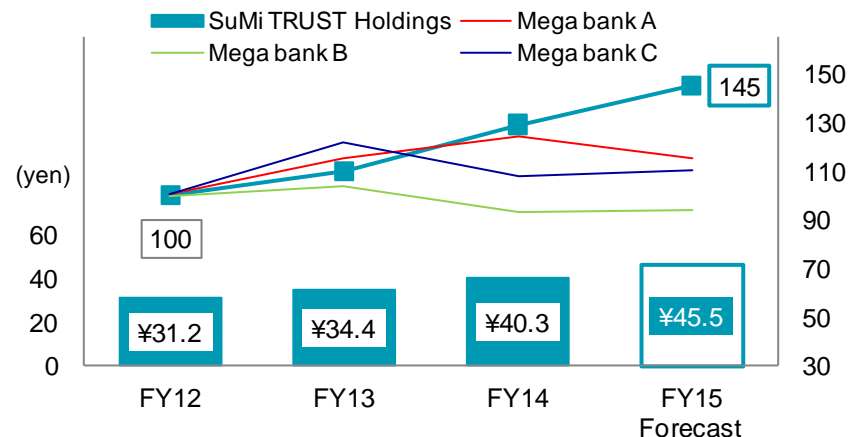
Net income attributable to owners of the parent and shareholder return per share (*1, *2)



Return on shareholders' equity



Earnings per share (EPS) (Index : FY12=100) (*3)



(*1) Exclude repurchase of own shares (¥199.5bn) due to repayment of public funds in FY2012

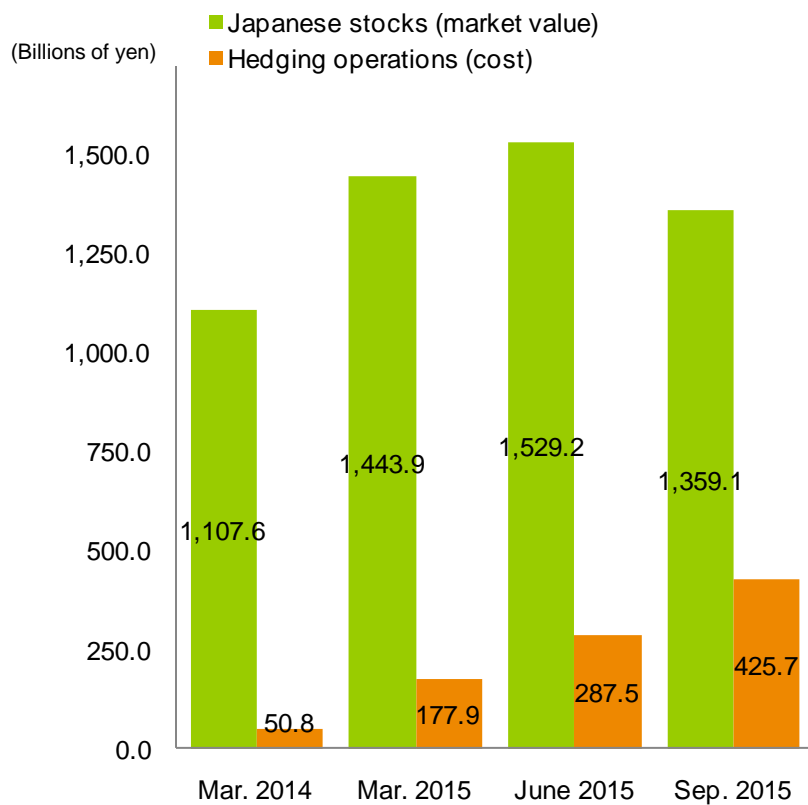
(*2) Shareholder return per share in repurchase of own shares is based on following formula:
 (Total amount of repurchase) / (total number of shares in issue (excluding treasury stock) as of fiscal year end)

(*3) Forecasts for FY15 is calculated from disclosed figures as of Nov. 13, 2015

Hedging Risk of Stock holdings

- ▶ Price volatility risk of stock holdings is economically hedged to mitigate impact on net assets
- ▶ Hedging strategy became fully operational after 2HFY2014, and the hedge was substantially increased in 1HFY2015
- ▶ Policy has been effective in reducing price volatility of unrealized gain of available-for-sale securities

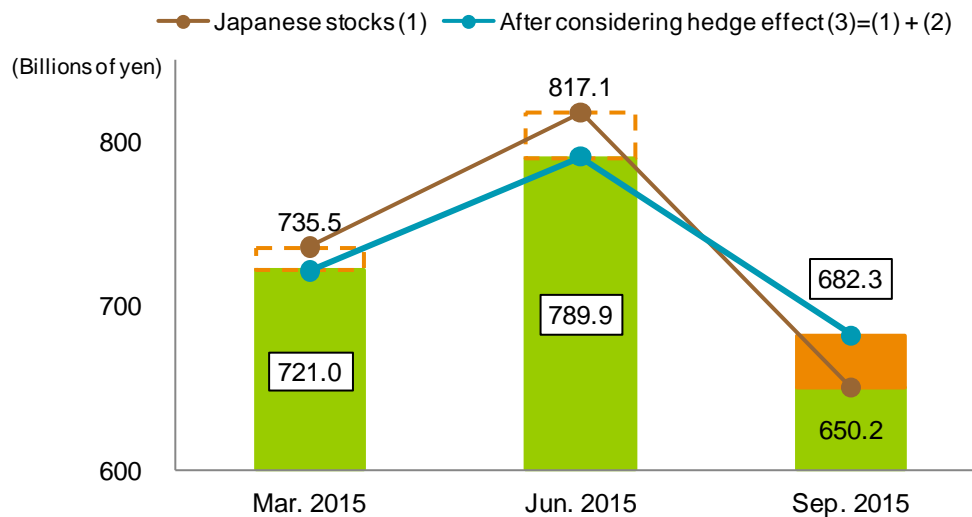
Stock volume and hedging operation (Consolidated)



Unrealized gains/losses of stocks and hedging operations (Consolidated)

		Mar. 2015	June 2015	Change from Mar. 2015	Sep. 2015	Change from June 2015
(Billions of yen)						
Japanese stocks	(1)	735.5	817.1	81.5	650.2	(166.9)
Hedging operations	(2)	(14.5)	(27.2)	(12.6)	32.0	59.3
Total	(3)	721.0	789.9	68.9	682.3	(107.5)

Hedging operation has reduced stock price volatility



Corporate governance

Initiatives for strengthening corporate governance

Shareholder rights and equal treatment of shareholders

- To allow sufficient time to consider all proposals submitted to the shareholders meeting, a notification for the meeting shall be sent three weeks in advance, and the same shall be disclosed on the web one week prior to the meeting.
- To assure convenience of foreign shareholders, the notification of the shareholders meeting shall be sent simultaneously in both in Japanese and English, details to be published on an Electronic Voting Platform.
- Regarding cross-shareholdings, the SuMi TRUST Group had established a voluntary reduction target prior to the implementation of the Corporate Governance Code
Policy regarding cross-shareholdings disclosed in the Report concerning Corporate Governance

Appropriate cooperation with stakeholders other than shareholders

- As the only Trust Bank Group in Japan, we shall endeavor to foster a corporate culture and values based on the fiduciary spirit of trust business
- The only Japanese financial institution to become a signatory to the UNEP (United Nations Environment Programme) Finance Initiative's "The Natural Capital Declaration"
- With the key themes "Responsible Investment", "Environmentally Friendly Real Estate", "Natural Capital", "Climate Change" in mind, we endeavor to solve social and environmental problems using the SuMi TRUST Group's trust functions as an instrument

Appropriate disclosure and transparency

- The SuMi TRUST Group has published its Disclosure Policy for its management and officers
- To ensure transparency and fairness in corporate decision making, Basic Policy on Corporate Governance has been stipulated and published
- Taking the substantial holdings of foreign investors into account, disclosure documents are released simultaneously in Japanese and English, in principle.

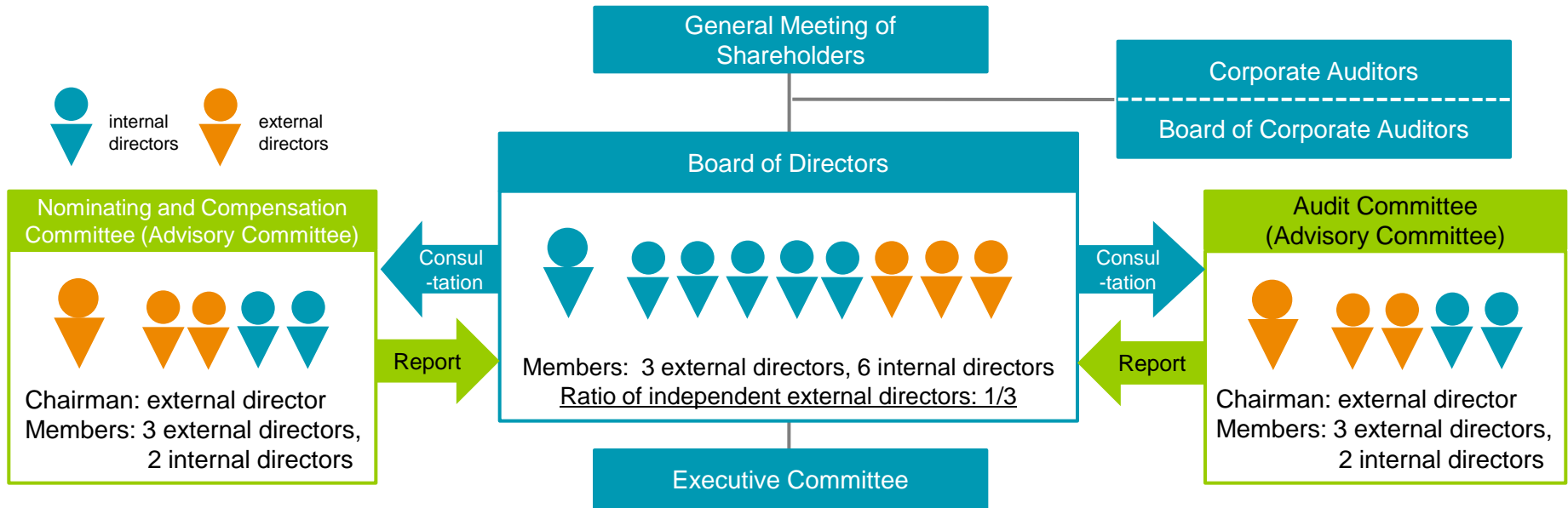
The duty of the Board of Directors

- Of the nine members of Board of Directors, three external directors to be appointed. (Ratio of external directors to be one-third)
- To strengthen oversight of the Board, an voluntary advisory committee, chaired by an external director, majority of the members to be external directors, shall be established
- To assist external directors to perform their duties, a support office for external directors has been established to explain important agenda to be decided at Board of Directors' meeting and to share important management information related to the SuMi TRUST Group.

Dialogue with our shareholders

- Establish dialogue opportunities between our CEO/Chairman, other senior management and our shareholders
- In the mid-term management plan, in addition to business initiatives and profit targets, clearly explain with quantitative targets, the SuMi TRUST Group's capital policy including shareholder compensation

(Reference) Corporate governance system of SuMi TRUST Group



Soichi Shinohara (Chairman of the Audit Committee)	Emeritus Professor at Doshisha University President of Kyoto Gakuen University
Takeshi Suzuki	Former Senior Managing Director of Toyota Motor Corporation Former Chairman (Representative Director) of Aioi Nissay Dowa Insurance Co., Ltd. External Director of AICHI CORPORATION
Mikio Araki (Chairman of the Nominating and Compensation Committee)	Former Deputy President of Development Bank of Japan Inc. President of The Japan Economic Research Institute External Director of Kintetsu Group Holdings Co., Ltd. External Auditor of Japan Freight Railway Company

Policy on Cross-shareholdings

Policy on Cross-shareholdings

The SuMi TRUST Group shall not acquire and hold the shares, etc. of its business counterparty, except in the case where it is deemed that such acquisition and holding will contribute to medium- to long-term enhancement of the corporate value of the SuMi TRUST Group, from the perspective of, among other things, establishing a stable transactional relationship over the long-term, business alliance, or facilitating or reinforcing collaborative business development with the business counterparty, in principle.

FY2011 - 2013 (Actual)

Reduced holdings by 19%, ¥169.1bn in 3 years(*1)



FY2014 - 2016 (Plan)

Reduce holdings by ¥50bn to ¥100bn in 3 years (*1)
(FY2014(actual): ¥27.3bn)

(*1) Cost basis

Verification of holding rationale

- ▶ Calculate ratio of profit derived from business counterparty (*2) to required capital (*3), and compare its performance against our target-return
- ▶ Take into consideration future benefit from business counterparty

Semi annual reporting to the Board

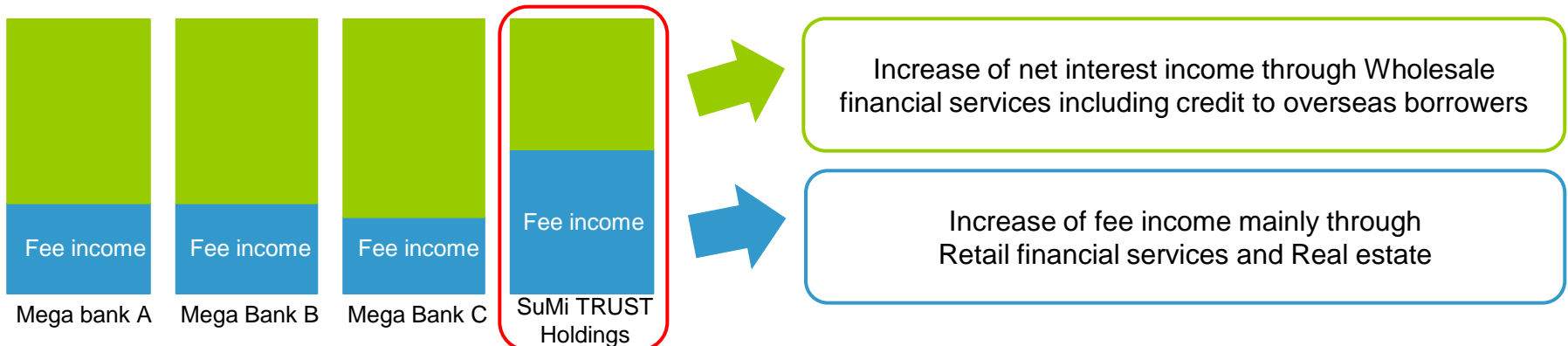
(*2) Dividends, loan interest and fees received, costs (administrative expenses, credit costs and tax, etc.) taken into consideration

(*3) Credit risk and share price volatility risk etc. taken into consideration

Progress of Midterm Management Plan

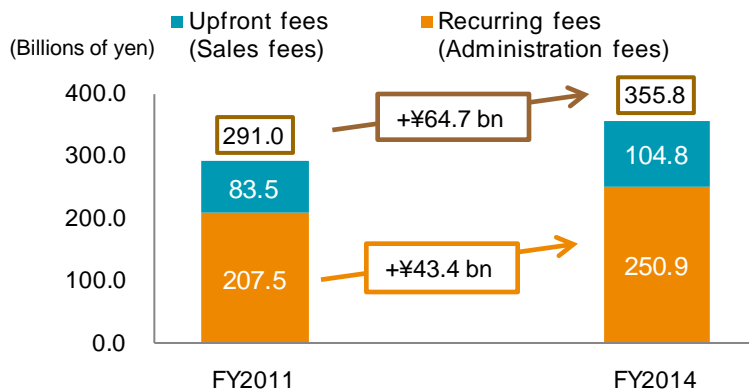
Overview of midterm business strategy

- ▶ Pursuit of revenue maximization through increase of both banking and fee based income
- ▶ Made steady progress in both areas compared with FY2011 when management integration was executed, and strategy has contributed to stable profit



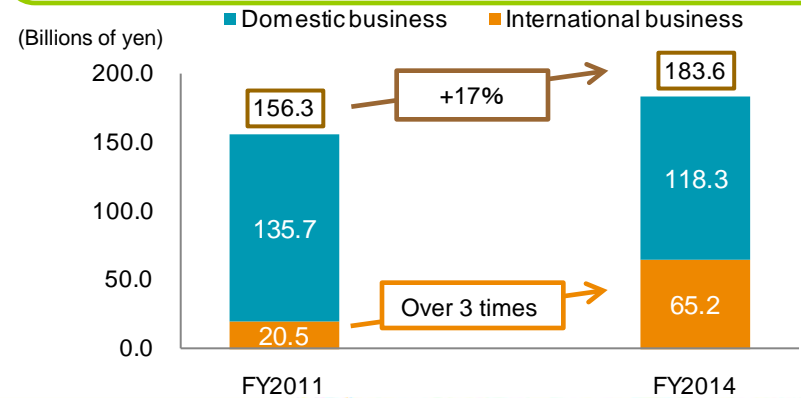
Expansion of fee income

- ▶ Fee income increased ¥64.7bn from FY2011
- ▶ Growth of recurring fees which are stable earning source exceeded that of upfront fees



Expansion of banking income (loan-deposit income)

- ▶ Driven by growth of overseas credit, increase in loan-deposit income of international business covered its decrease in domestic business, and achieved overall growth of loan margin income
- ▶ Ratio of loan margin income of domestic business to gross business profit decreased by approx. 4% to 24% from FY2011



Progress toward midterm revenue and financial targets

- ▶ Plan for FY2015 on track for both in net business profit before credit costs and net income attributable to owners of the parent
- ▶ Maintained fee income ratio in excess of 50% and steadily decreased OHR toward target

<Consolidated>	< First year of Midterm Management Plan >		< Final year of Midterm Management Plan >			CAGR		
	FY2013 Actual	FY2014 Actual	1H Actual	FY2015 Forecast	Change from FY 2014		FY2016 Target	Change from FY 2013
(Billions of yen)								
Net business profit before credit costs	285.8	316.7	156.7	315.0	(1.7)	355.0	69.1	7.4%
Net income attributable to owners of the parent	137.6	159.6	86.0	(*) 175.0	15.3	180.0	42.3	9.3%
Fee income to gross business profit ratio	53.0%	51.6%	52.3%			50% or above		Long-term target
Return on shareholders' equity	7.8%	8.6%	9.0%			8.5-9.0%		Approx. 10%
<Non-consolidated>								
Net business profit before credit costs	211.8	245.7	120.8	245.0	(0.7)	270.0	58.1	8.4%
Net income	116.0	130.5	69.0	(*) 140.0	9.4	145.0	28.9	7.7%
Overhead Ratio (OHR)	54.1%	50.3%	49.6%			45-50%		
<Assumption>	Mar. 2014 Actual	Mar. 2015 Actual				Mar. 2017 Assumption		
3M Tibor	0.21%	0.18%				0.25%		
10 year JGB	0.64%	0.40%				1.15%		
Nikkei 225 (yen)	14,827	19,206				16,000		

(*) Revised in Nov. 2015 when financial results for 1HFY2015 was released.

Progress toward midterm revenue target (details)

- ▶ Retail financial services: Steady growth due to investment trust and insurance sales
- ▶ Wholesale financial services: Higher growth than expected by increase in overseas credit and yen depreciation
- ▶ Real estate: Maintained mid-term growth trend despite tepid revenue growth in brokerage for commercial properties

<Consolidated>	< First year of Midterm Management Plan >		< First year of Midterm Management Plan >			< Final year of Midterm Management Plan >		CAGR	
	(Billions of yen)	FY2013 Actual	FY2014 Actual	1H Actual	FY2015 Forecast	Change from FY2014	FY2016 Target		Change from FY2013
Net business profit before credit cost		285.8	316.7	156.7	315.0	(1.7)	355.0	69.1	7.4%
Total credit costs		9.1	19.3	0.0	(*1) (10.0)	(29.3)	(40.0)	(49.1)	
Net income attributable to owners of the parent		137.6	159.6	86.0	(*1) 175.0	15.3	180.0	42.3	9.3%
<Non-consolidated>									
Net business profit before credit cost		211.8	245.7	120.8	245.0	(0.7)	270.0	58.1	8.4%
Gross business profit		461.5	494.2	239.7	485.0	(9.2)	510.0	48.4	3.3%
Retail financial services		144.0	150.2	74.1	155.0	4.7	165.0	20.9	4.6%
Wholesale financial services		121.0	128.0	61.8	125.0	(3.0)	130.0	8.9	2.4%
Stock transfer agency services (*2)		29.4	28.4	15.0	29.0	0.5	30.0	0.5	0.6%
Real estate		28.5	28.1	13.1	32.0	3.8	45.0	16.4	16.3%
Fiduciary services (*2)		91.3	93.1	47.2	94.0	0.8	93.0	1.6	0.5%
Global markets		85.0	97.0	41.8	85.0	(12.0)	90.0	4.9	1.8%
General and administrative expenses		(249.7)	(248.5)	(118.8)	(240.0)	8.5	(240.0)	9.7	(1.3%)
Total credit costs		7.6	18.1	(0.1)	(*1) (10.0)	(28.1)	(35.0)	(42.6)	
Net income		116.0	130.5	69.0	(*1) 140.0	9.4	145.0	28.9	7.7%

(*1) Revised in Nov. 2015 when financial results for 1HFY2015 was released.

(*2) Before deducting fees paid for outsourcing (Stock transfer agency services, Fiduciary services)

Major KPI

Growth indication

< First year of Midterm
Management Plan >

< Final year of Midterm
Management Plan >

		FY2013 Actual	FY2014 Actual	FY2016 Target
"Wrap Selection"	Balance	¥ 480.0bn	¥ 1.23tr	¥ 1.0tr
Mortgage loan	Balance	¥ 6.8tr	¥ 7.0tr	¥ 8.4tr
Credit to Overseas Japanese borrowers	Balance	¥ 2.7tr	¥ 3.1tr	¥ 3.2tr
Credit to non- Japanese borrowers	Balance	¥ 2.5tr	¥ 3.4tr	¥ 4.1tr
Real estate brokerage fee (*)	Revenue	¥ 38.0bn	¥ 36.9bn	¥ 55.0bn
Asset management for overseas investors	AUM	¥ 0.6tr	¥ 0.9tr	¥ 1.6tr
Global custody	AUC	USD 270bn	USD 260bn	USD 300bn

Review of FY2014

Exceeded target with tailwind of market expansion
Set new target, " ¥ 2tr by the end of FY2016"

Sign of improvement near end of FY, after slow start
earlier this FY due to consumption tax increase and
decrease in new construction of condominiums

Steady growth of balance by proactively increased
overseas credit as well as yen depreciation
Contributed steady growth of loan-deposit income

Revenue from commercial properties was slow due partially to
competiton despite transaction volume increase / Revenue from
residential properties returned to expected level in latter half of
FY after decrease in first half due to consumption tax increase

Continuous interest into Japanese stock by overseas
investors / Steady increase toward target achievement

Increased in original currency denominated basis (such as JPY),
despite decrease in USD basis due to USD appreciation

(*) Combined total of SuMi TRUST Bank and Sumitomo Mitsui Trust Realty

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