



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Investor Meeting on Financial Results for 1HFY2018

November 21, 2018

Table of Contents

1. Summary of results for 1HFY2018 / Outlook for FY2018
2. Business Initiatives for 2HFY2018
3. Financial / Capital Policy
4. Financial Results for 1HFY2018
5. Forecast for FY2018
6. Management Base

Definitions of terms in this document

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

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

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

Accounting for Business combination related to Management Integration

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

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

Financial indices per share

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

Summary of results for 1HFY2018 / Outlook for FY2018



Executive summary of 1HFY2018

- ✓ Steady progress of sustainable growth envisioned in Midterm Management Plan
- ✓ Net business profit and net income exceeded both YoY and initial plan figures

- ✓ Substantial progress in ROE improvement through increase in profitability and efficient utilization of capital

- ✓ Continuous enhancement of preparation for interest rate, credit and stock price downside risk

- ✓ Strengthen shareholder return by increasing year-end dividend based on our plan for the year
- ✓ To aim for total payout ratio of 40% for FY2019

Overall summary of financial results for 1HFY2018

- ▶ Both Net business profit and Net income increased YoY, and exceeded progress envisaged in initial plan (Progress rate of 52% and 55%)
- ▶ Though there are slight deviations amongst business segments, Net business profit increased as revenue both from loan/investment and fee businesses increased. In addition, due to reversal of losses resulting from improvement of borrower credit-classification, Net income increased even after execution of certain measures to mitigate financial risk.
- ▶ As for full year forecast, Net business profit to be maintained as per initial plan, but Net income to be increased by ¥10bn to ¥175bn, taking current business environment into consideration. In line with our shareholder return policy, ordinary share dividend to be increased by 10 yen per share to 140 yen.

<Major KPIs>		1HFY17	1HFY18		FY18			FY19
	(Yen bn)	Actual	Initial plan	Actual	Change from 1HFY17	Change from initial plan	Plan	Medium term plan
1	Net business profit	126.6	130.0	146.9	+20.2	+16.9	280.0	300.0
2	Substantial gross business profit	341.2	345.0	367.1	+25.9	+22.1	720.0	730.0
3	Substantial G&A expenses	(214.5)	(215.0)	(220.2)	(5.6)	(5.2)	(440.0)	(430.0)
4	Net income	75.4	80.0	91.5	+16.0	+11.5	175.0	180.0
5	Fee income ratio	57.2%		55.7%	(1.5%)			55-60%
6	Overhead ratio	62.9%	62.3%	60.0%	(2.9%)	(2.3%)	61.1%	55-60%
7	Return on shareholders' equity	7.32%		8.46%	+1.14%		Approx. 8%	Approx. 8%
8	Common Equity Tier 1 capital ratio	11.47% (*)		11.78%	+0.31%			Approx. 10%

(*) Pro-forma figures based on regulatory definition to be applied as of Mar.2019

<Per share information>		1HFY17	1HFY18	FY18		<Shareholders' return>		FY17	FY18	
	(Yen)	Actual	Actual	Change	Plan	Change		Actual	Plan	
9	Earnings per share (EPS)	197	241	+43	461	+57	12	Dividend payout ratio	32.1%	30.3%
10	Dividend per share (DPS)	65	65	-	140	+10	13	Total payout ratio	37.4%	
		Sep. 17	Sep. 18	Change						
11	Net assets per share (BPS)	6,645	7,014	+369						

(Reference: Shareholder Return Policy)

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

(Reference: Shareholder Return Policy)

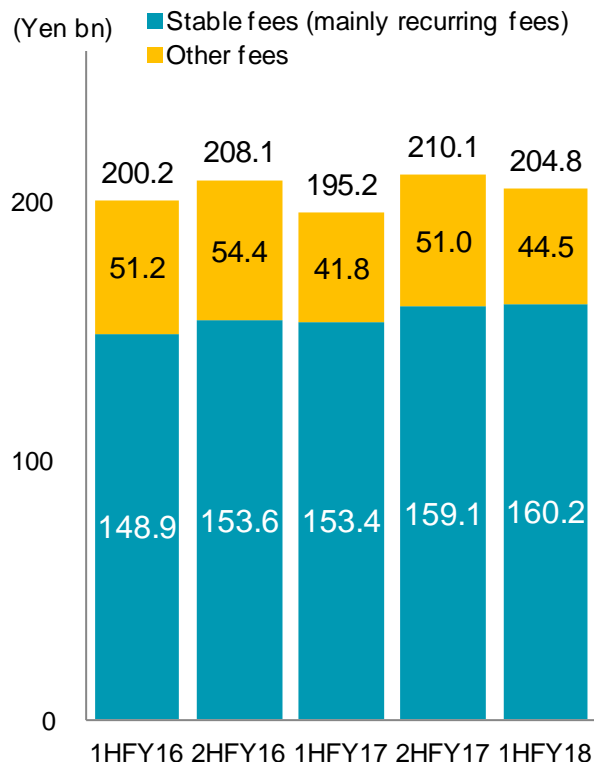
While maintaining a consolidated dividend payout ratio of around 30%, we shall aim to gradually raise the total payout ratio to around 40% to enhance shareholder returns over the medium term.

Overall summary of 1HFY2018 (Progress on Midterm Management Plan)

- ▶ Midterm Management Plan envisaged strengthening of fee businesses, enhancement of loan/investment business profitability and improvement of overhead expenses ratio to achieve sustainable and stable growth.
- ▶ During 1HFY18, we have made tangible progress in areas such as stabilization of fee income stream and improvement of profitability in loan/investment business mainly due to funding cost management, but we have also recognized issues that need to be tackled to make further progress in these areas from 2HFY18 onward.

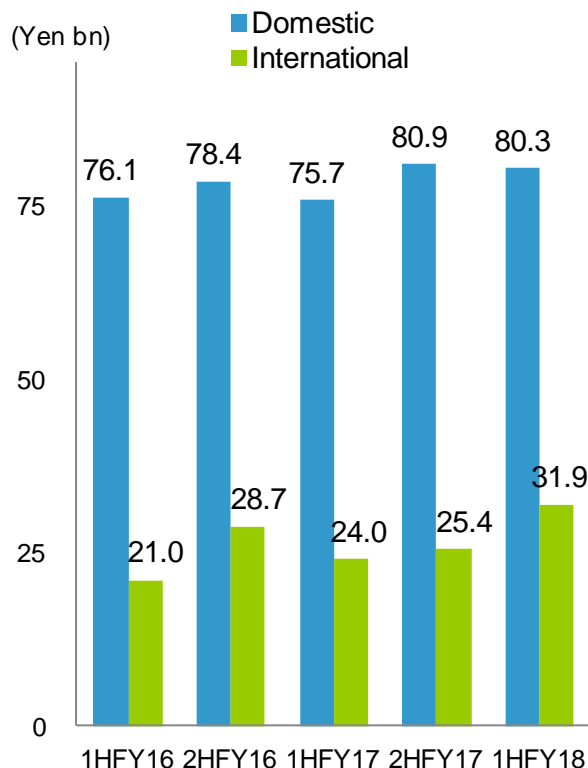
Fee business

Stable income has increased but requires further growth in overall volume



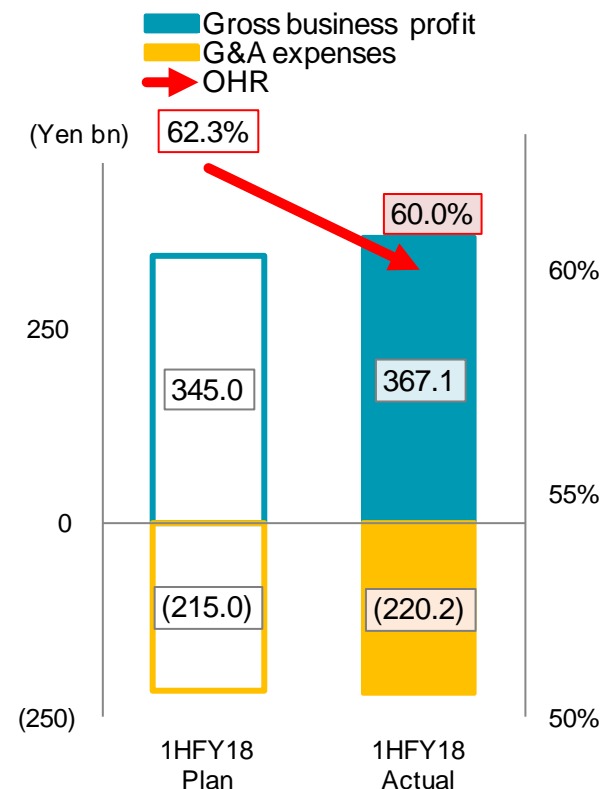
Loan/investment business

Effective interest related earnings (*) have been increasing in both domestic and international businesses



Expenses

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



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

Initiatives to improve ROE and actual progress made in 1HFY2018

ROE Improvement initiatives

Achieve efficient return



ROE Improvement

Long term target 10%



Efficient use of equity

Expand fee businesses

Increase non-capital intensive profit

Improve profitability of
loan/investment business

Improve profit per asset balance

Improve OHR

Improve profit per unit of expenses

Credit portfolio reformation

Improve return on regulatory capital

Reduction of strategic
shareholdings

Reduce stock price volatility by
hedging

Reduce stress buffer

Actual progress made in 1HFY2018

Shareholder
ROE

7.32%→8.46%
(1HFY17) (1HFY18)

Achieve efficient return

Stable fee
income

JPY153.4bn→JPY160.2bn
(1HFY17) (1HFY18)

Foreign currency loan
spread

0.97%→1.00%
(Mar. 2018) (Sep. 2018)

Domestic loan-
deposit spread (*)

0.59%→0.60%
(Mar. 2018) (Sep. 2018)

OHR
(Consolidated)

62.9%→60.0%
(1HFY17) (1HFY18)

Efficient use of equity

Improve return on regulatory capital

Ratio of Product
related

29%
(Sep. 2018)

Reduce stress buffer

Reduction of strategic
shareholdings

JPY16.9bn
[1HFY18]

Hedge ratio of strategic
shareholdings

Approx.70%→85%
[Mar.2018] [Sep.2018]

(*) Based on average balance for each quarter end

Business Initiatives for 2HFY2018



1 Expand fee businesses

Stabilization of profit and expansion of fee income by increasing loan/investment balances and expanding business base

2 Improve profitability of loan/investment business

Efforts to enhance profitability from realignment of credit portfolio and reduction of funding cost

3 Accelerate digitalization strategy

Steady improvement of productivity
Efforts to create added value through services unique to a trust bank

4 Expenses strategy / Improvement of OHR

Pursuit of OHR improvement through reduction/efficiency improvement of expenses and increase of gross profit

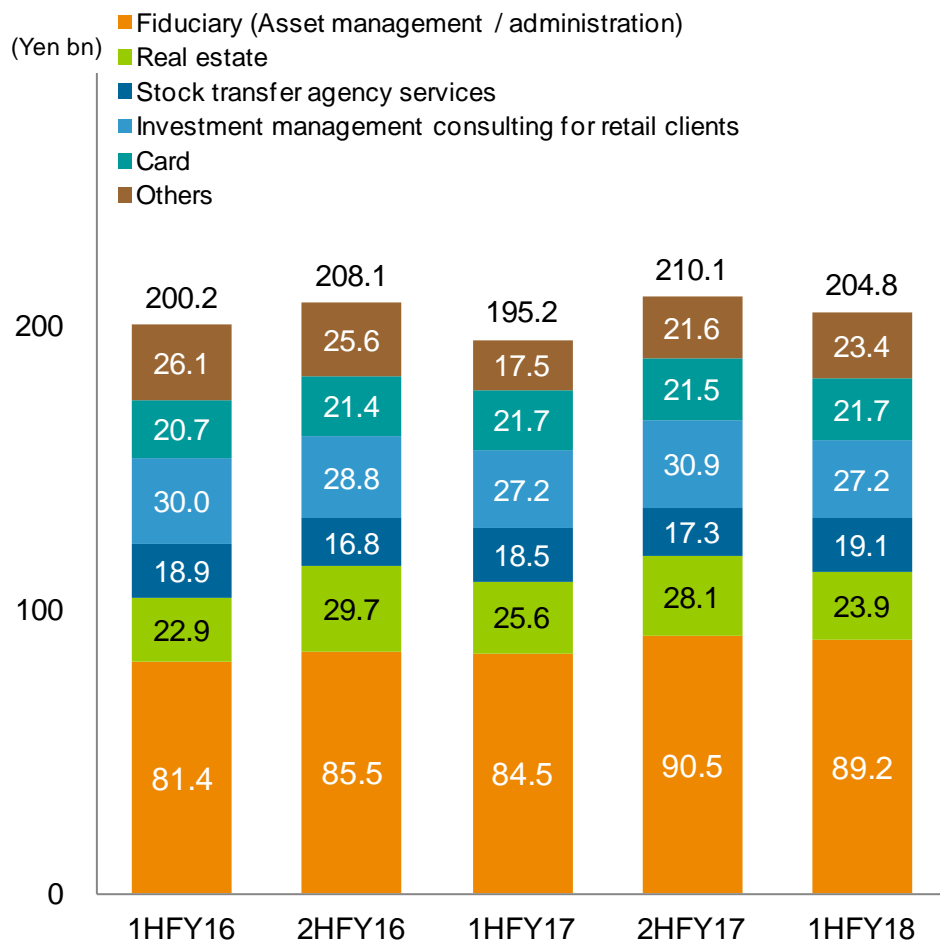
5 Preparation for risk

Robust preparation for interest rate, credit and stock price downside risk

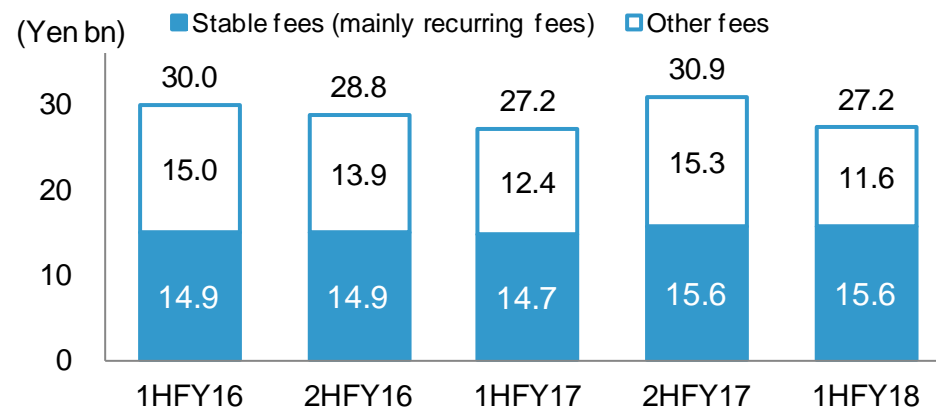
Fee business: Status of fee business

- ✓ Profit growth in fee businesses unique to a trust bank such as asset management/administration and stock transfer agency businesses
- ✓ Profit from asset management consulting and real estate have become more stable but recognized need to raise profit levels

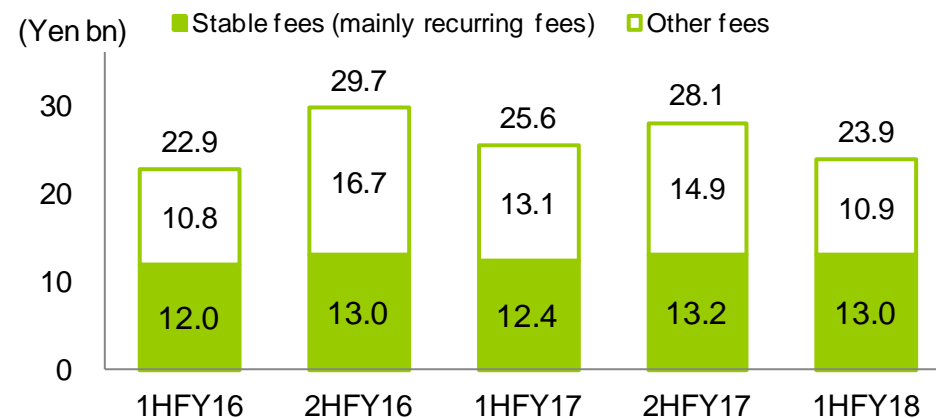
Breakdown of fee related income



Asset management consulting



Real Estate



Fee business: Asset management (Consultation marketing/Corporate pensions)

- ✓ To establish a robust pension business platform through consulting that encompasses pension plan, asset management and administration
- ✓ To promote proactive asset formation of individuals and expansion of DC platform through pension plan consulting and investment education

Sponsor (Institutional Investor)

To establish a robust DB/DC integrated pension business platform through pension plan and asset management consulting

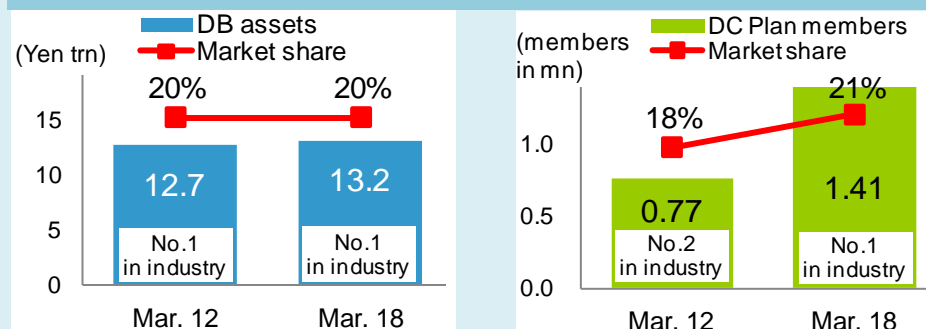
Unchanged strength

- ✓ Comprehensive consulting covering plan, AM and administration
- ✓ Open platform (third party products available) to offer solutions that are suited to clients' needs

Current developments

Overhaul of pension policy in the age of 100-year life, to support sophistication of asset management that takes pension finances and market environment into account

Robust business base



Employee (Individual investor)

To support asset formation of individuals by utilizing knowhow accumulated through institutional client businesses

Unchanged strength

- ✓ Investment education utilizing knowhow acquired through asset management consulting
- ✓ High quality plan member support (call centers etc.)

Current developments

To elevate investment education into life-plan seminars, to support asset formation and management through coordination of face-to-face and indirect channels

Investment trust selection rate of DC Plan members

Avg. of SuMi TRUST Bank administered (*1)	58%
Of which mandated after FY12	69%
Market (*2)	46%

Selection rate of DC Matching

Avg. of SuMi TRUST Bank administered (*1)	40%
Of which mandated after FY12	73%
Market (*2)	27%

(*1) SuMi TRUST Bank mandated pension plan, as of Mar. 2018 (*2) Industry Source: "Statistics on DC pension plans", as of Mar. 2017

Fee business: Consultation marketing/Individuals

- ✓ Strengthen initiatives to increase AUM of investment trusts and SMAs in a stable and sustainable manner
- ✓ To expand transactions with various age groups by offering instalment investment products and level premium insurance policies suited to their life-stage

Direction of strategy

Increase stable income

Strengthen DC investment trust, instalment investment products

▶ To capture new sources of stable client AUM inflow

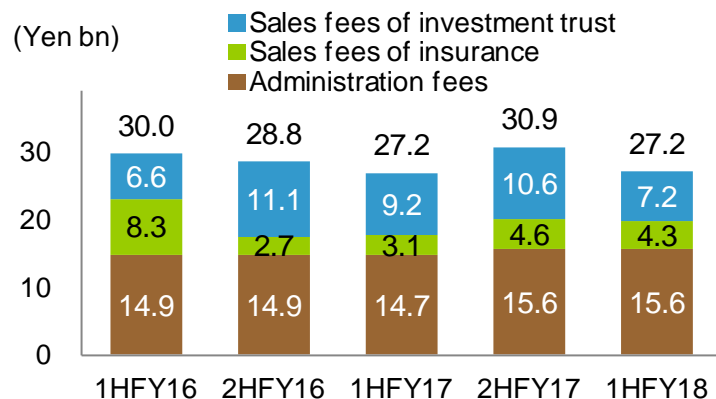
Strengthen core product offering

▶ Stable AUM growth

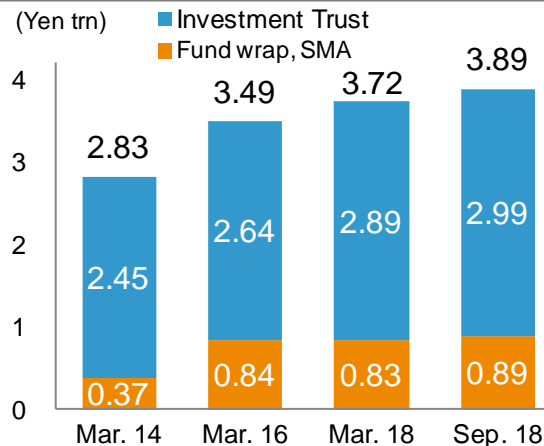
Expand marketing of level premium insurance products

▶ To capture constant inflow of insurance premium

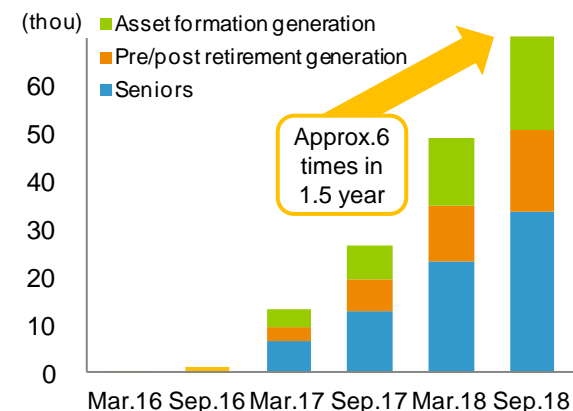
Income



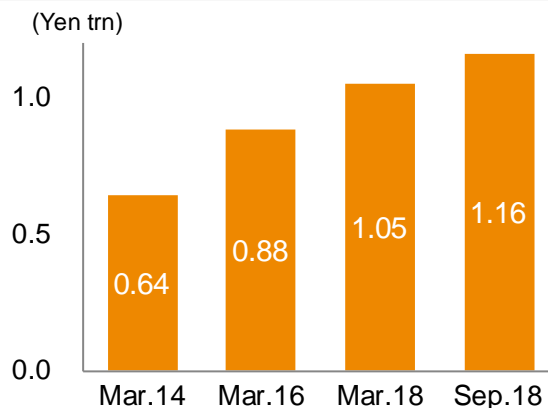
Investment trusts/SMA



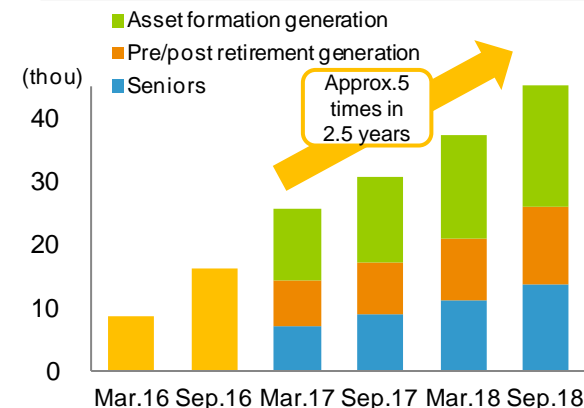
Instalment investment plans



DC pension Investment trusts



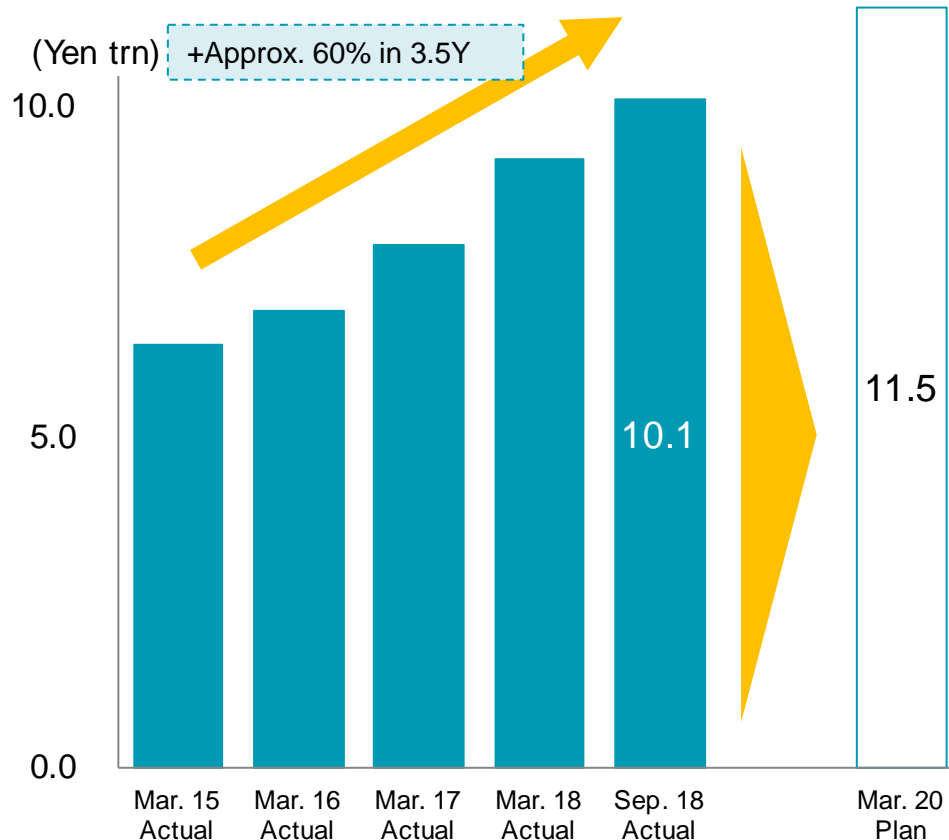
Level premium insurance policies



Fee business: Asset management (Consultation marketing/Corporations)

- ✓ As a gatekeeper with investment experience in various asset categories, to support the overall investment process of corporate clients such as financial institutions
- ✓ Steady increase of AUM due to difficulties experienced by financial institution clients caused by prolonged low interest rate environment

Corporate asset management AUM(*)

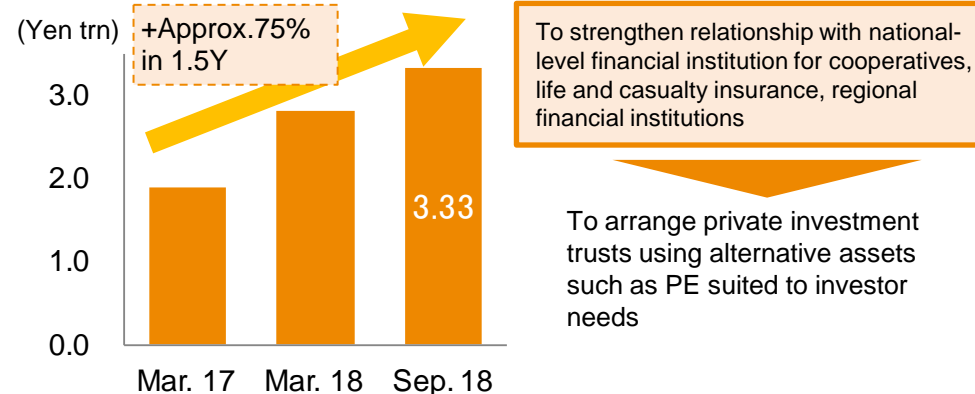


(*) Private investment trusts, alternative funds, loan assets, joint money trusts, structured products, etc.

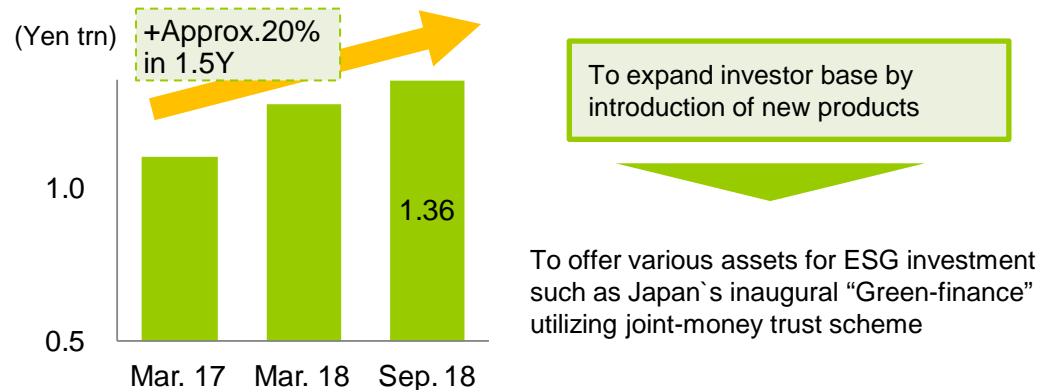
Copyright © 2018 SUMITOMO MITSUI TRUST HOLDINGS, INC. All rights reserved.

To offer products/services suited to investment needs of a diverse client base

Balance of private investment trusts/alternative assets for financial institutions



Joint money trusts etc.



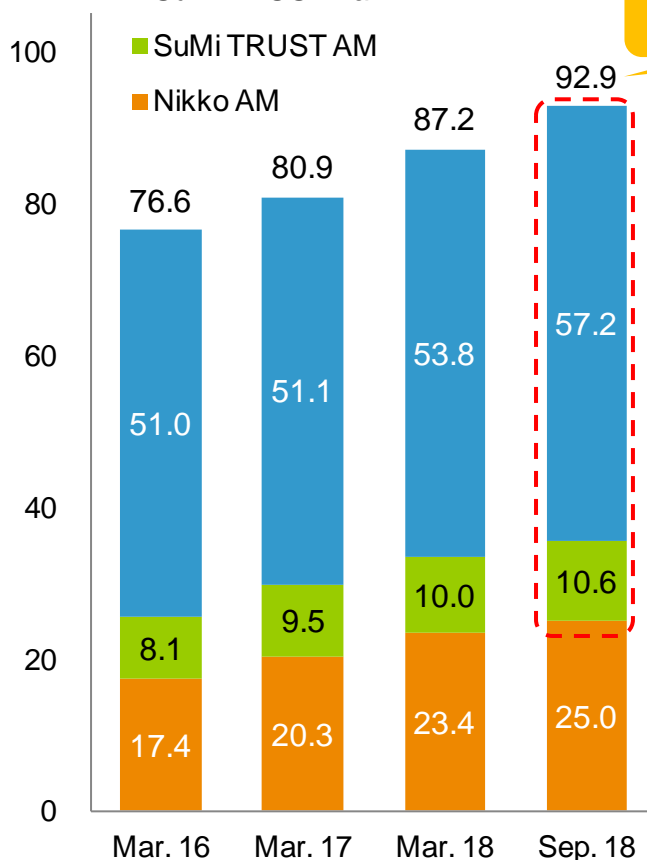
SUMITOMO MITSUI TRUST HOLDINGS

Fee business: Asset management (Investment management)

- ✓ To develop our asset management business under our multi-boutique strategy emphasizing the strength of each AM company.
- ✓ Merged the AM functions of SuMi TRUST AM and SuMi TRUST Bank in October 2018 with aim to enhance the group's asset management and new product development capabilities

Asset Under Management (AUM)

(Yen trn) ■ SuMi TRUST Bank
■ SuMi TRUST AM
■ Nikko AM



Merged to SuMi TRUST AM
AUM: ¥67.9trn
(Sum of two companies)

AUM breakdown
(Yen trn, as of Sep. 2018)

SuMi TRUST Bank	57.2
Corporate (DB)	13.3
Public (DB)	33.7
Other domestic	7.9
Overseas	2.2

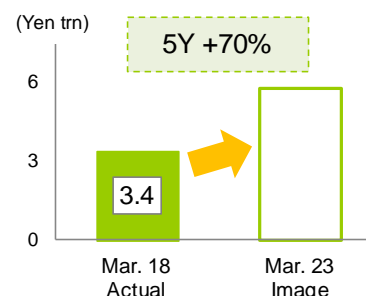
SuMi TRUST AM	10.6
Individuals	3.8
Of which DC	1.1
Financial Institutions	6.7

Nikko AM	25.0
Individuals	5.6
DB	3.0
Financial Institutions	2.5
ETF/MMF	10.7
Overseas	3.1

Growth strategy of SuMi TRUST AM

To become "a nationally recognized brand for medium/long term asset management" and enlarge its footprint in the domestic retail market, while expanding its presence amongst domestic institutional investors and overseas markets

Growth in the domestic retail market



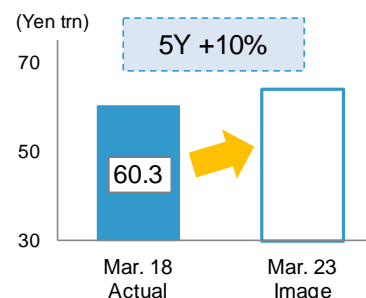
Retail

Marketing through non-group sales agents

DC

Concentrate on core-balance and passive funds, maintain #1 share in DC investment trust balances

Growth in the institutional investor market



DB/Financial institutions

Offer customized solution products catering to each client's needs

Overseas

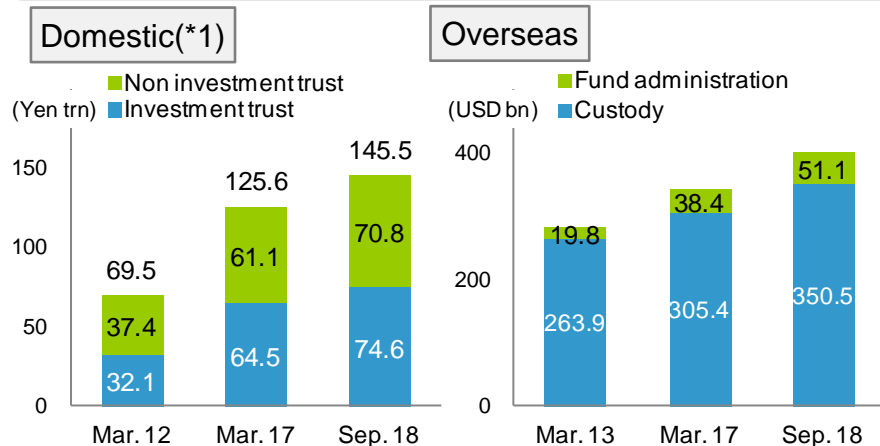
Expand business with SWF and PB marketing companies with emphasis on passive and active Japanese equity funds



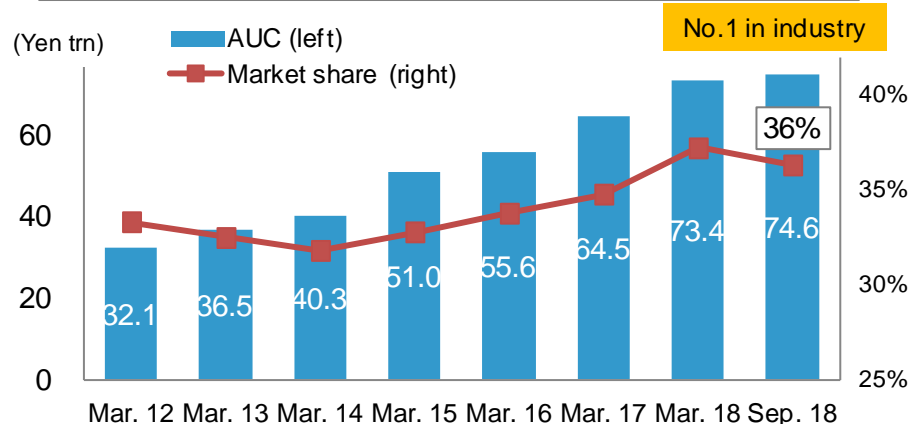
Fee business: Asset management (Administration)

- ✓ To respond to needs for sophistication of asset administration and outsourcing
- ✓ To strengthen competitiveness, pursue rationalization through economies of scale and enhance services offered

Group's AUC



Balance of investment trust under custody (*1)



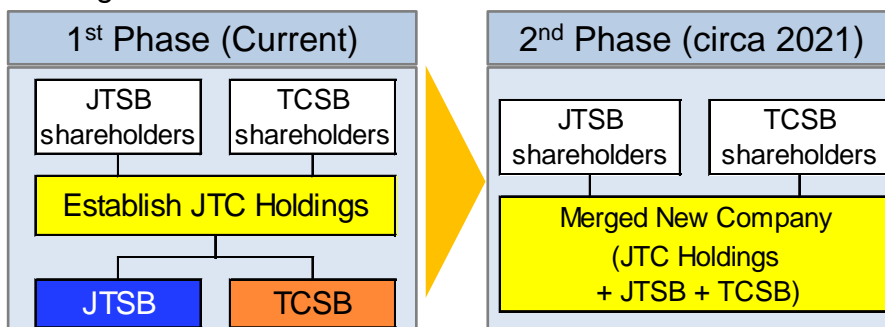
(*1) SuMi TRUST Bank

Copyright © 2018 SUMITOMO MITSUI TRUST HOLDINGS, INC. All rights reserved.

Pursue economies of scale

- ◆ Achieve merger of our core asset administration business firm, JTSB with TCSB (*2) in Oct. 2018
- ◆ Leveraging its economies of scale, seek operational streamlining and enhanced services

<Merger structure>



<Company profile> (*3)

JTC Holdings		JTSB	TCSB
<Shareholders> SuMi TRUST 33.3% Mizuho FG 27.0% Resona 16.7% Life insurers 23.0%		¥309trn ¥276trn ¥33trn	AUC Trust assets Trustee services ¥384trn ¥141trn ¥243trn

(*2) JTSB: Japan Trustee Services Bank, TCSB: Trust & Custody Services Bank

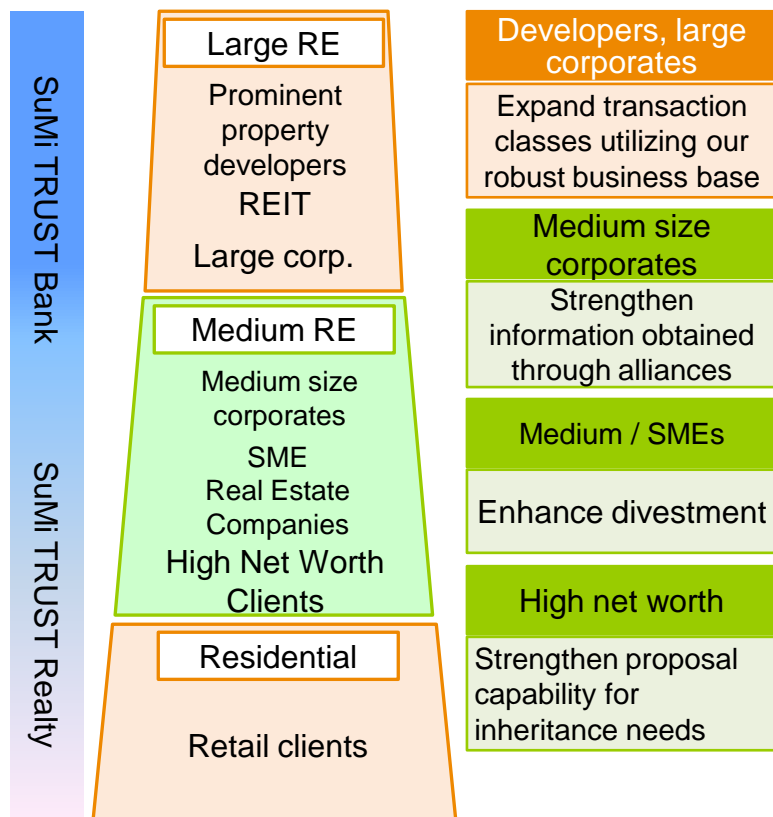
(*3) As of Dec. 2017

Fee business: Real estate

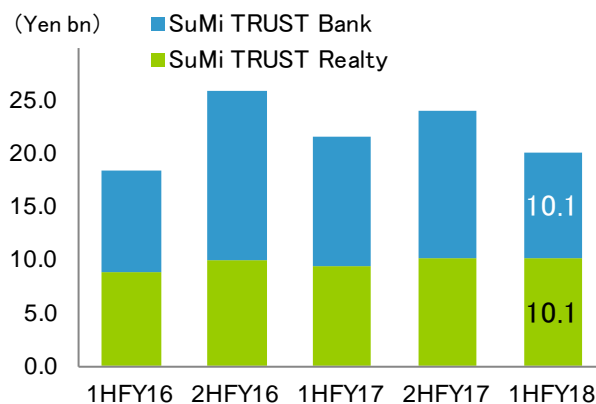
- ✓ Market seems to have hit ceiling, volume of high value transactions is tapering
- ✓ Efforts to enhance contact and grasp needs of SME companies and high net worth individuals, areas where property demand prospects are promising

Direction of strategy

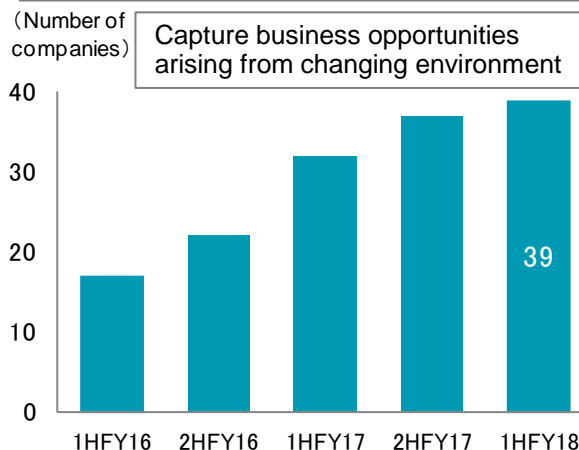
In addition to current business areas (high value and residential properties), to strengthen mid-value property transactions where transaction volume is expected to increase



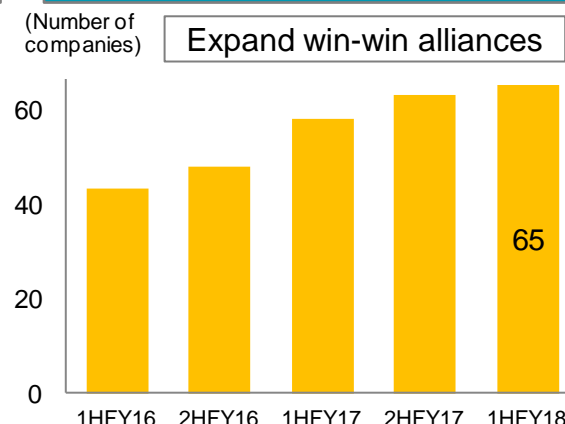
Real estate brokerage fees



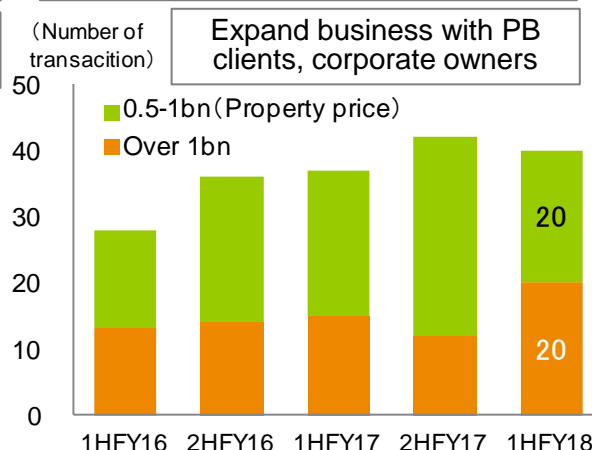
Expand transactions with mid-size real estate companies



Expand alliances with financial institutions



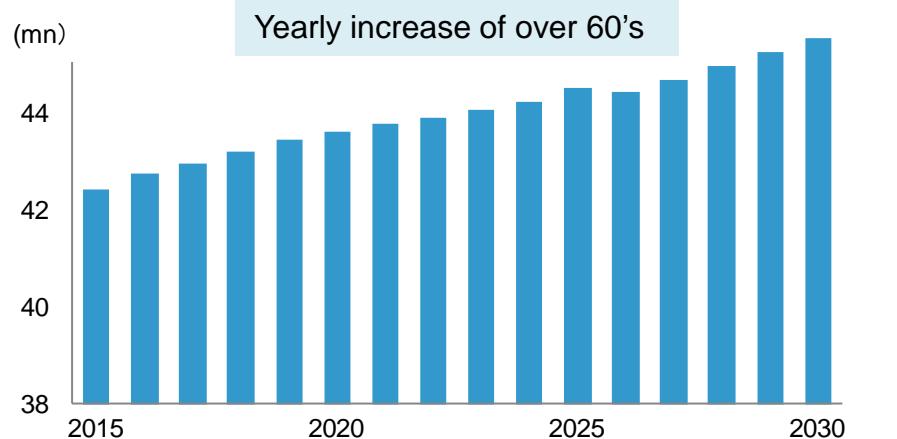
Expand transactions with high net worth clients



Fee business: Will / Inheritance

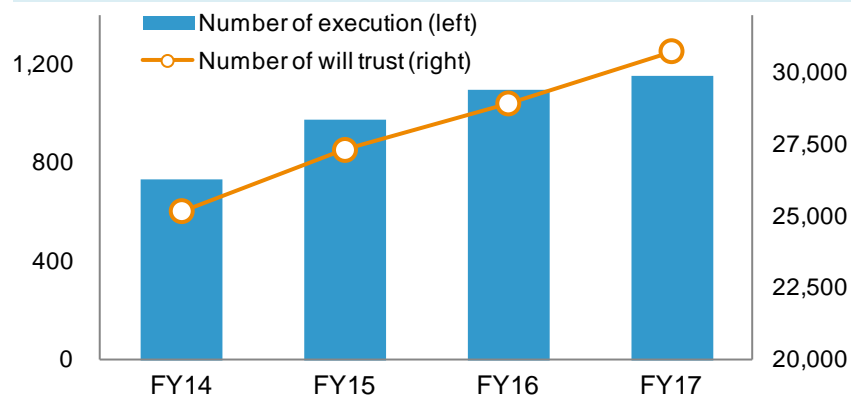
- ✓ Will trusts have business opportunity both before and after occurrence of inheritance event
- ✓ To encourage transfer of assets to the next generation as a unique business of a trust bank

Social and economic conditions

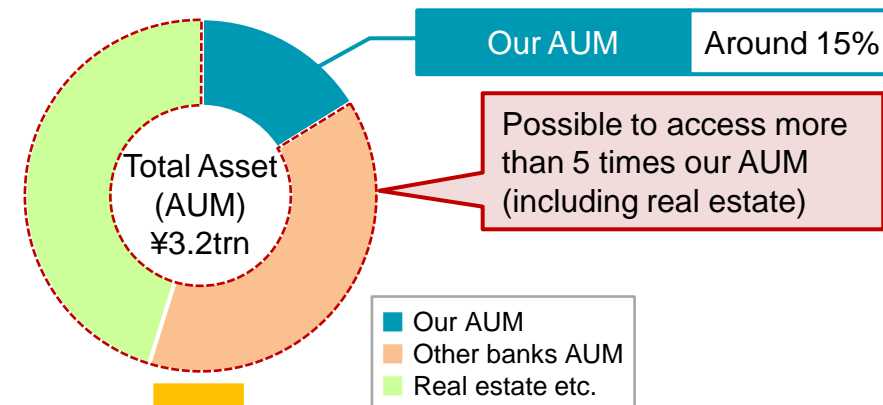


(Source) National Institute of Population and Social Security

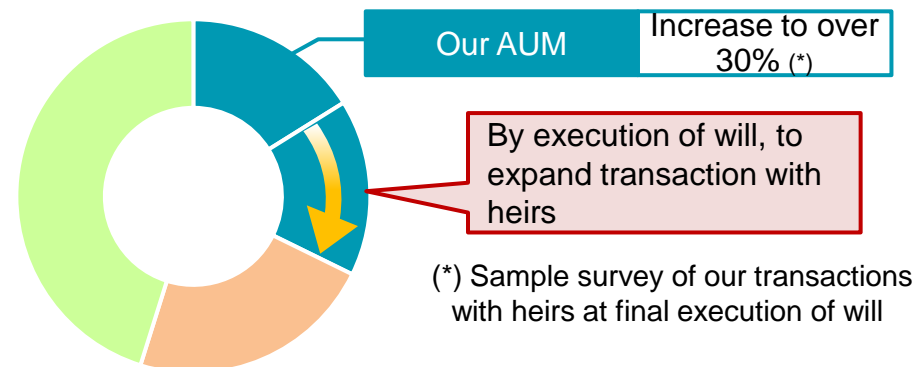
Execution of Will Trust increasing in proportion to number of wills under custody



AUM of Will Trusts



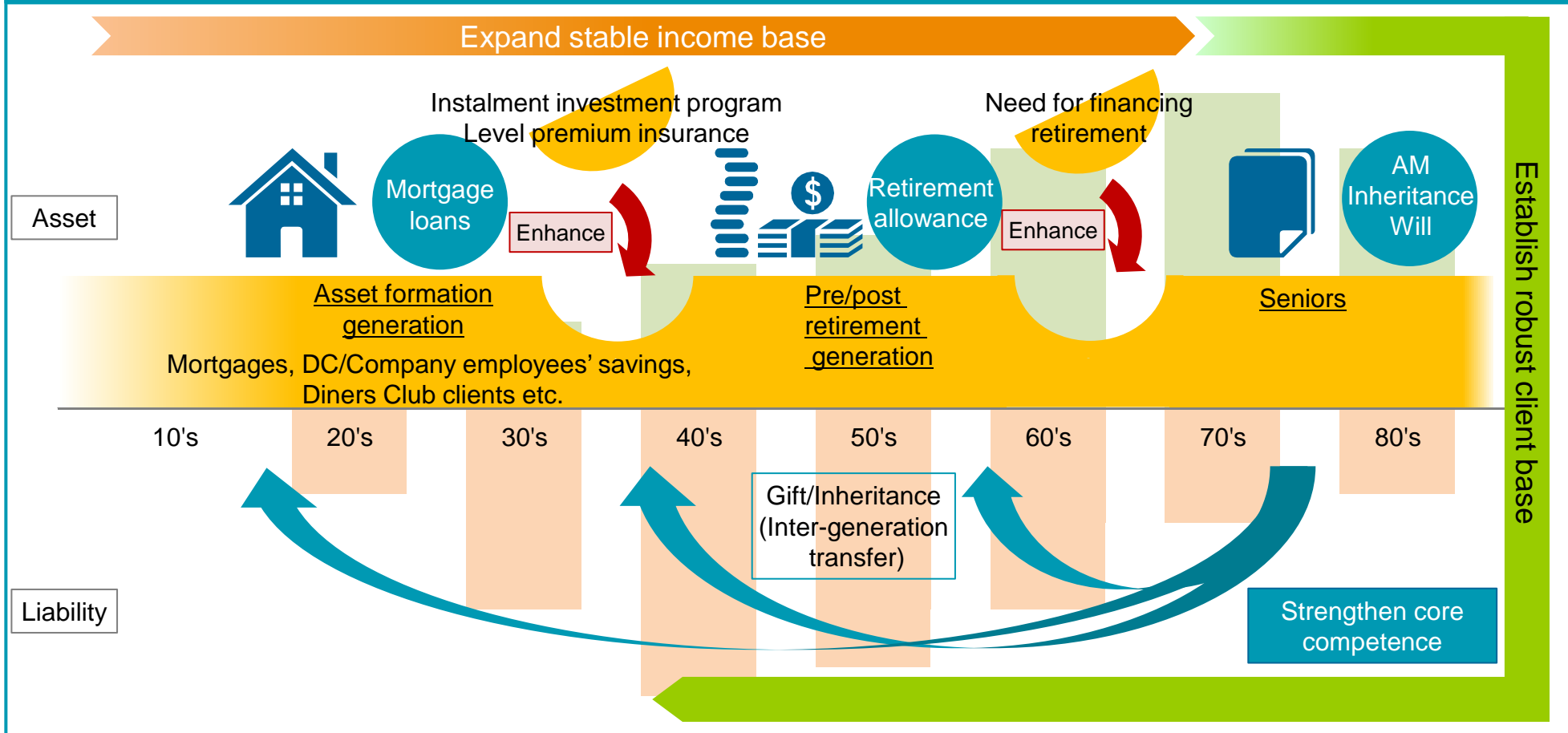
At timing of will execution



(Ref.) Fee Business (Obtain client base and promote generational cycle)

- ✓ Client base: Expand client base centering on Seniors and Pre/post retirement generation to asset formation generation
- ✓ Inter-generation transfer: Utilizing inheritance related products as a point-of-entry, promote inter-generational shift of our client base to achieve sustainable growth

Total solution marketing model for retail clients

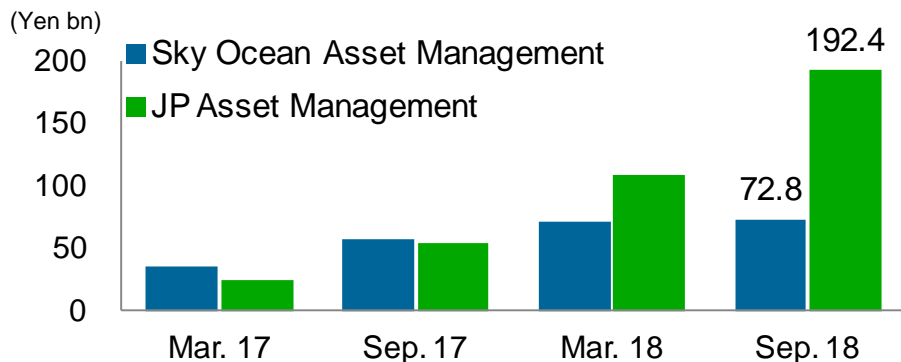


(Ref.) Business strategy: Alliances with regional financial institutions

- ✓ To offer comprehensive support to regional financial institutions' business needs and profit diversification requirements by offering our expertise in areas such as asset management, administration, real estate, global markets and inheritance.

【Asset management/administration】 AUM of JV AM companies

Offer joint operation of AM company, marketing knowhow



【Real estate】

Real estate solution transactions

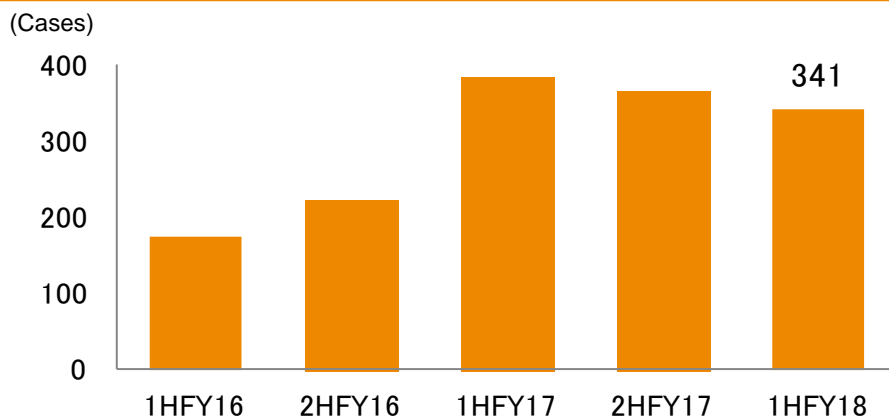
Offer solutions for real estate investment management and divestment



【Inheritance】

Inheritance related transactions (through agents)

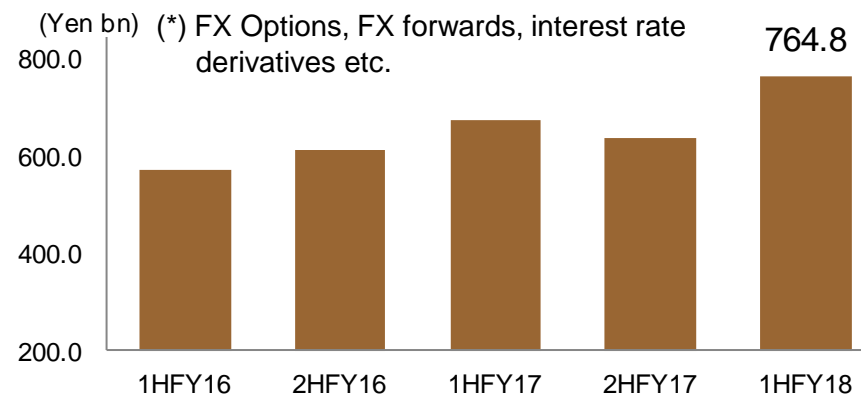
Offer services related to will trust and asset transfer



【Global markets】

Transaction (*) with financial institutions

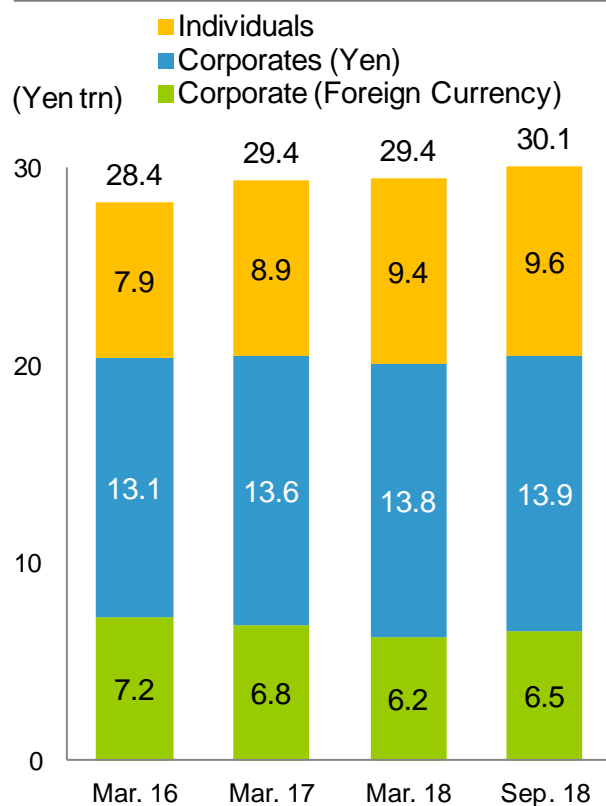
Support hedging needs for interest and FX risk



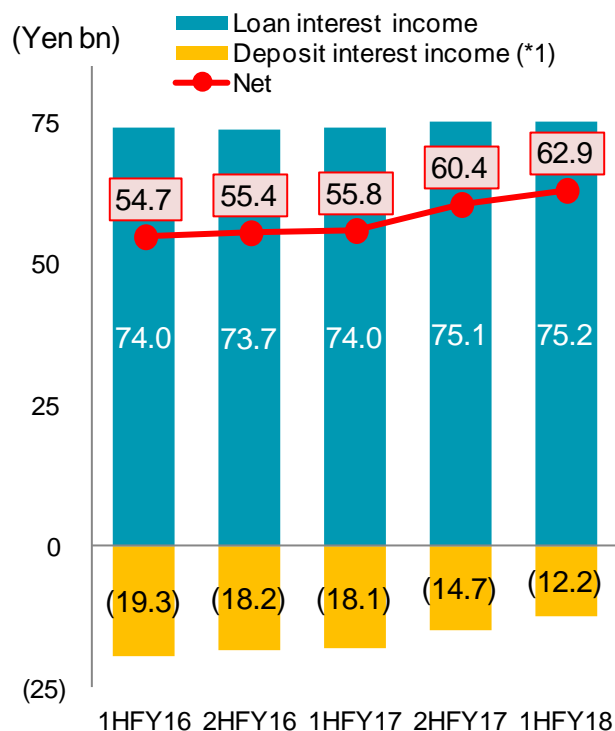
Loan/investment business: Credit portfolio (SuMi TRUST Bank)

- ✓ Loans to individuals increasing steadily centered on residential mortgages, loans to corporate has remained stable but efforts ongoing to switch to more profitable assets
- ✓ Endeavors to control funding cost for both yen and foreign currency, domestic loan-deposit margin has improved

Credit portfolio balance

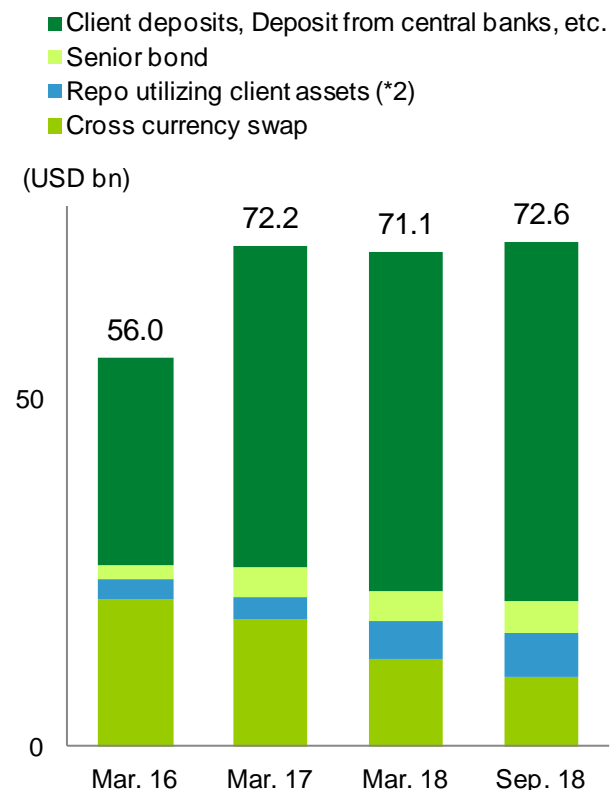


Income from domestic loan-deposit business



(*1) Deposit interest income includes interest from NCD

Foreign currency core B/S

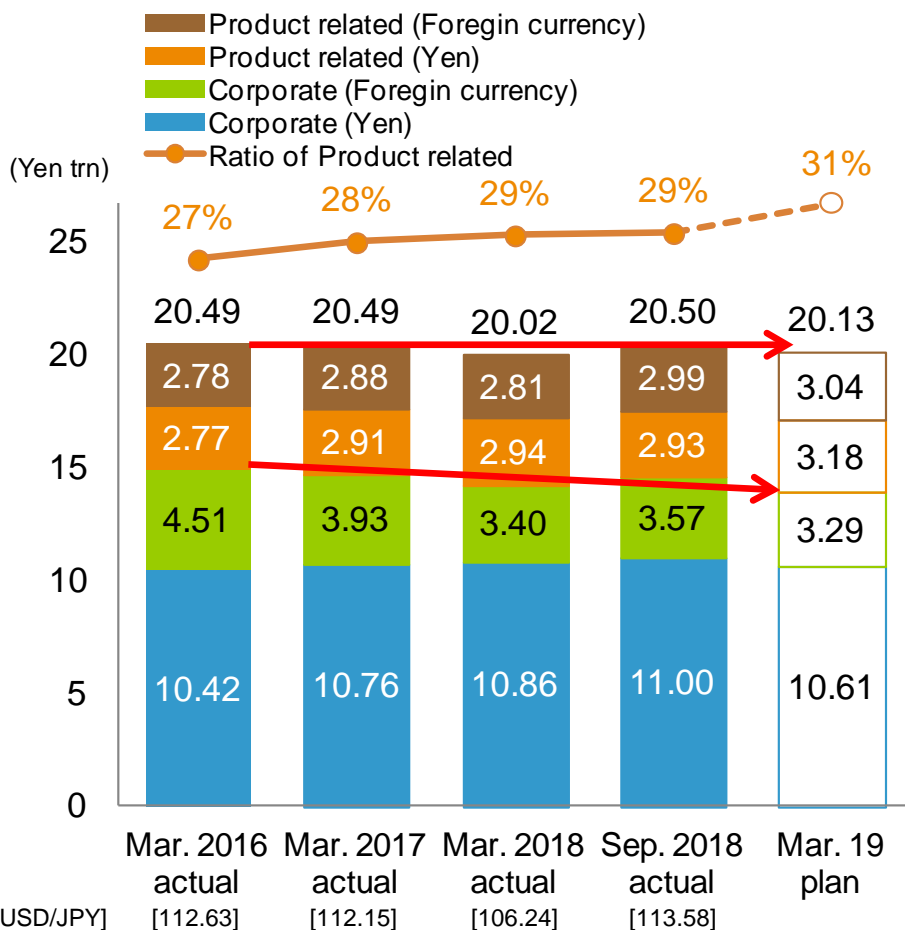


(*2) Repo funding utilizing custody client assets, which was previously included in "Cross currency swaps, etc."

Loan/investment business: Corporate lending/investment (SuMi TRUST Bank)

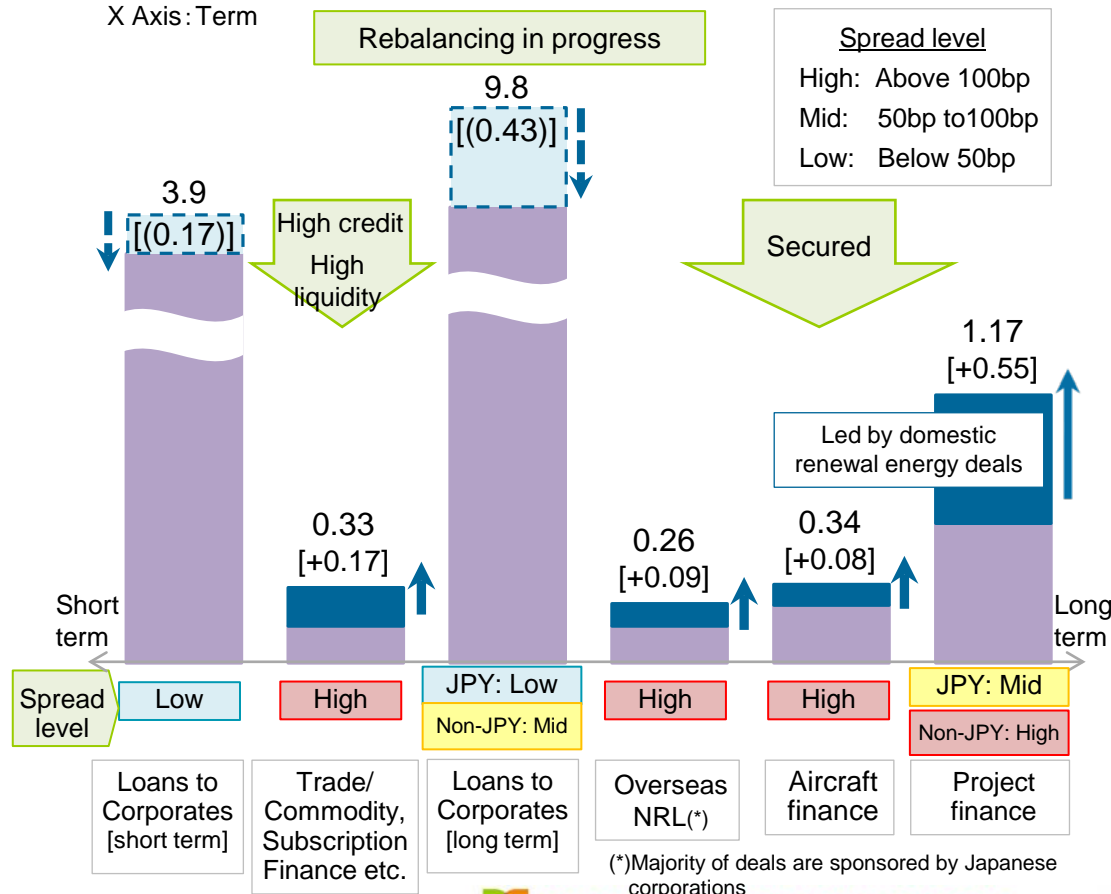
- ✓ Credit portfolio reformation is ongoing through reduction of low profitability assets and margin improvement of foreign currency exposures. The direction of the portfolio realignment unchanged even under Basel III finalization
- ✓ Product related assets where we are placing emphasis, deals selected from a profitability and safety (recovery rate, term) standpoint

Corporate credit portfolio plan



Further shift from corporate to product related assets

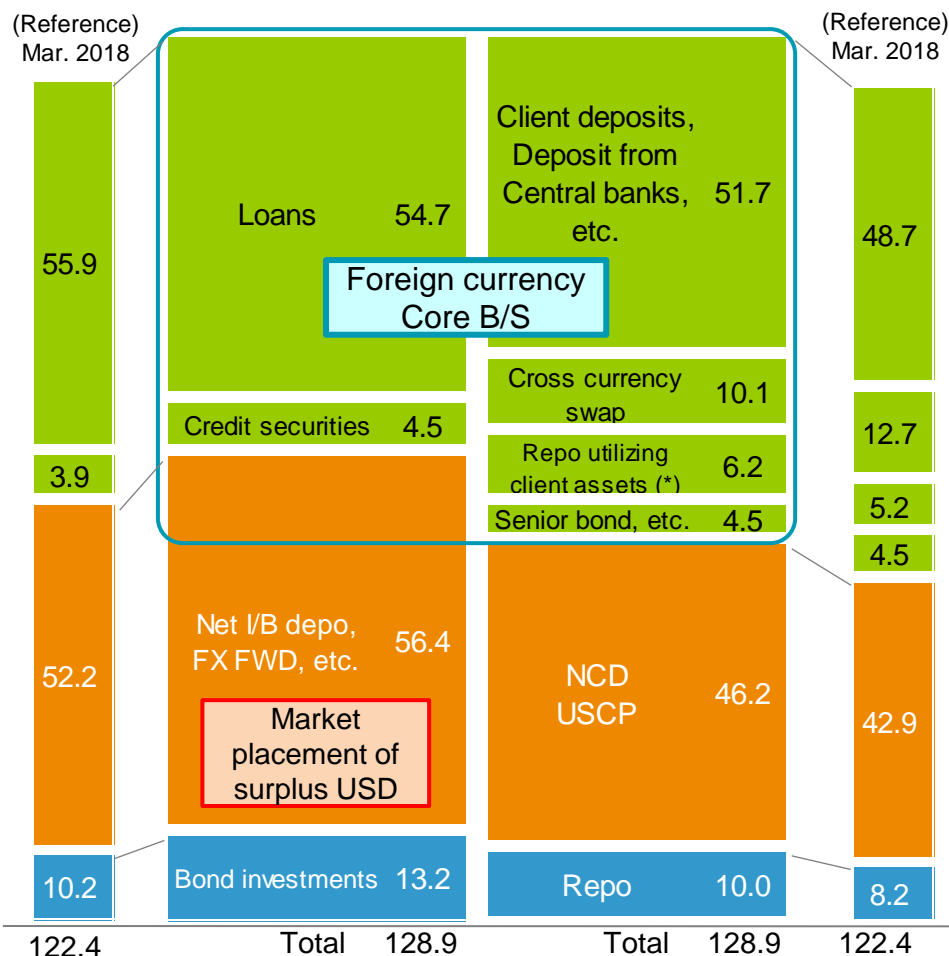
Y Axis: Balance as of Sep.2018 (Yen trn, change from Mar.2016 in brackets)
X Axis: Term



Loan/investment business: Status of foreign currency b/s (SuMi TRUST Bank)

- ✓ Regarding foreign currency core B/S, reduced funding through CCS while cognizant of liquidity risk and funding cost
- ✓ Short term funding through NCD and USCP categorized as funding buffer and deployed as short-term funds in the interbank and forex markets

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



Basis swap spread (CCS) (USD/JPY)

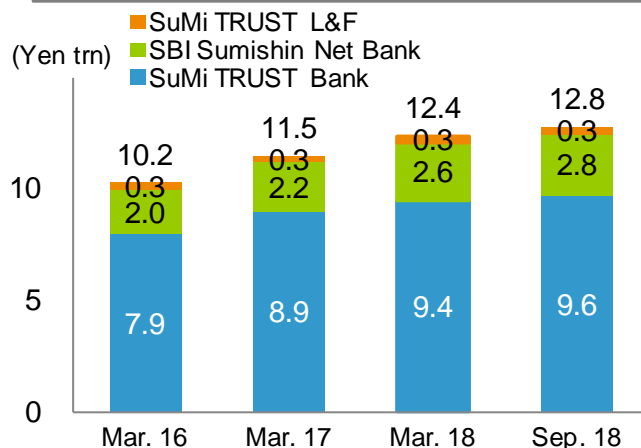


(*) Repo funding utilizing custody client assets, which was previously included in "Cross currency swaps, etc."

Loan/investment business: Personal loans

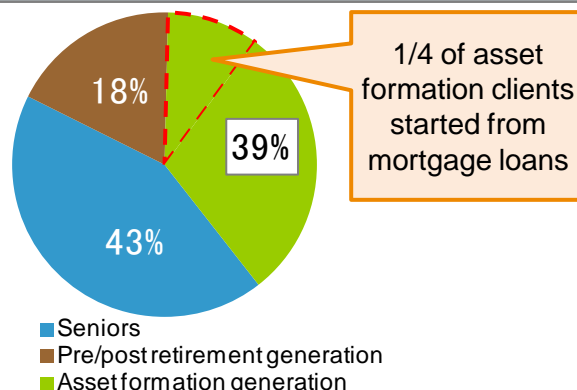
- ✓ Efficient marketing to increase high quality mortgage loans
- ✓ Expand transactions with asset formation generation with mortgage loan as a point of entry

Balance of loans to individuals



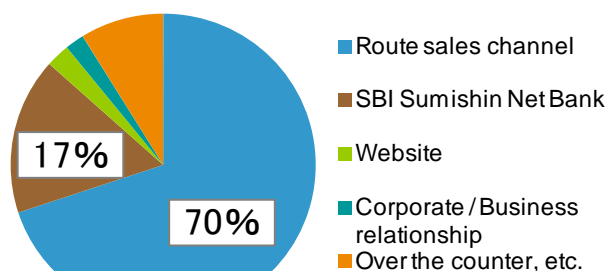
Expansion of client base with mortgage loans as point of entry

Client profile by age group (Sep.2018)



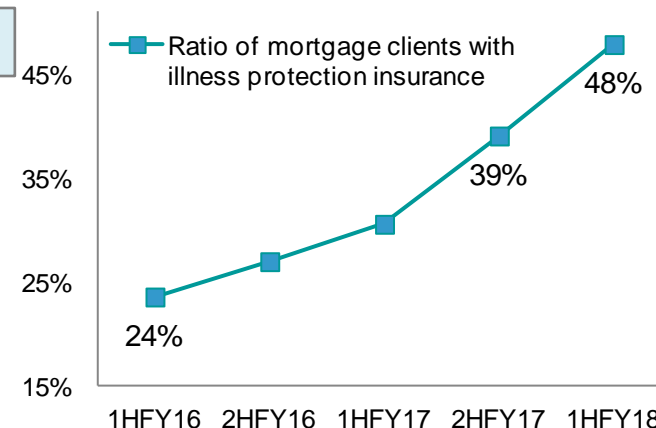
Efficient marketing channels (Mortgages)

Breakdown of sourcing channels for new transactions(*1)

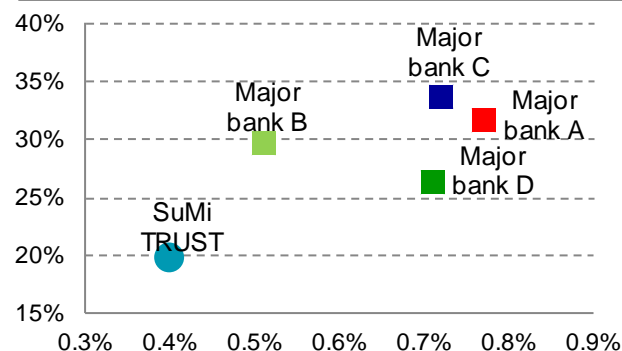


(*1) 1HFY18 results

Expand services with mortgage as entry point



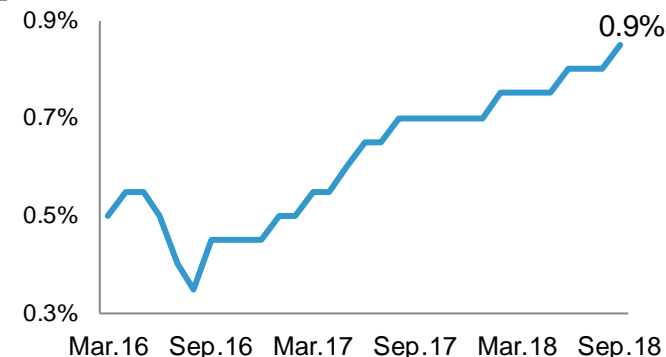
High quality mortgage borrowers (*2)



Y Axis : Loss given default (LGD)
X Axis : Probability of default (PD)

(*2) As of Mar. 18

Most favorable interest rate for fixed mortgages (10 yrs) (*3)



Mar.16 Sep.16 Mar.17 Sep.17 Mar.18 Sep.18

(*3) Relay Plan Flex mortgage loan offered by SuMi TRUST subject to certain conditions and credit approval

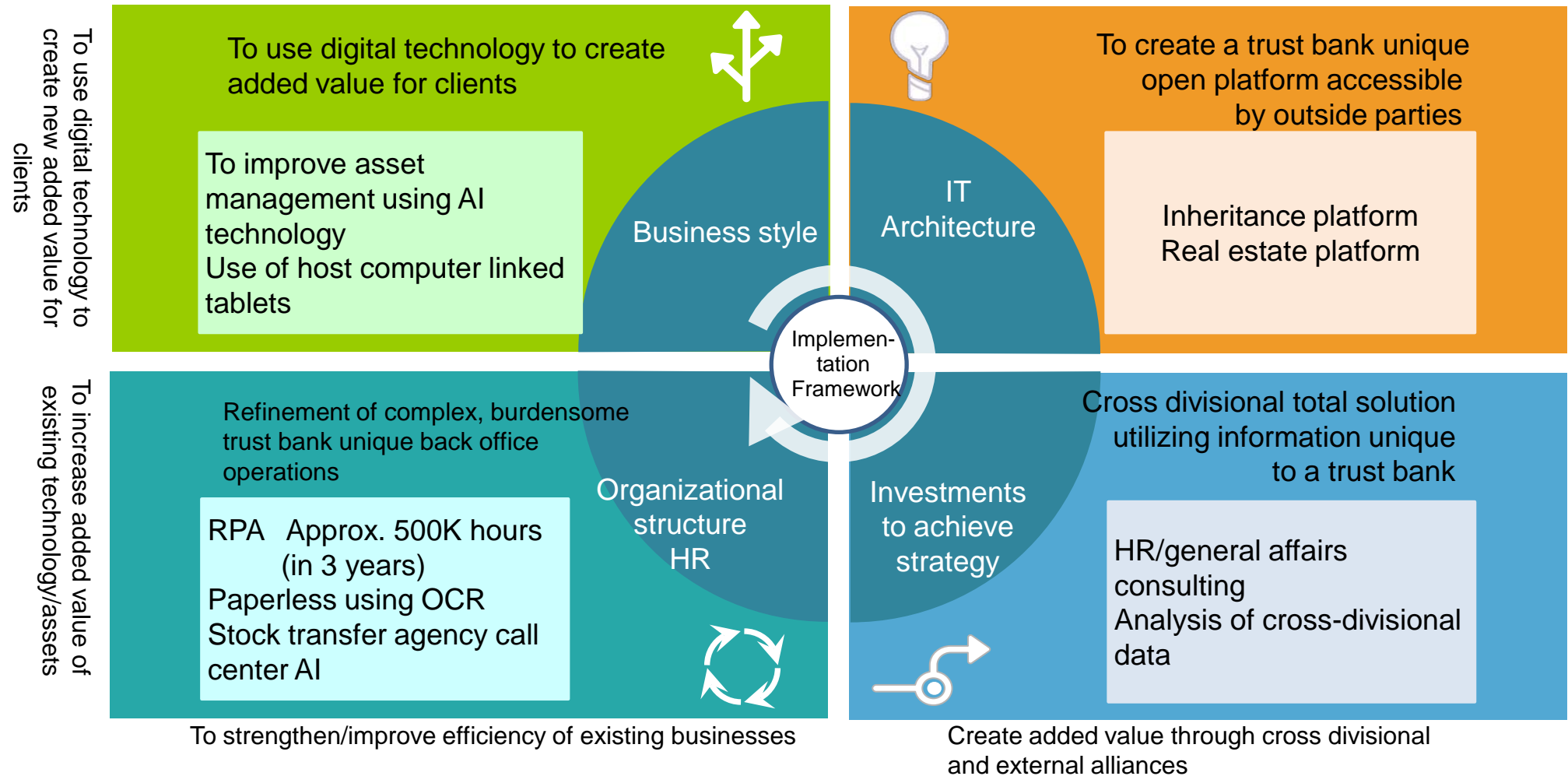
(Reference) Impact of Basel III finalization

- ✓ Finalization of Basel III rules will lead to risk-weight increase of corporate credits but decrease for product related exposures. Direction of credit portfolio realignment unchanged
- ✓ To aim for profitability enhancement from an overall transactional viewpoint with transaction aims and merits in mind

	Credit transaction aims and objectives	Transaction inclination		
Loans to corporates	Aim to expand overall transactional relationship, offering as part of a total solution package	maintain exposure control, considering overall profitability	(Ref.) Risk weight(*) changes envisaged by finalization of Basel III	
	Aim to derive profitability from high margin credit transactions such as product exposures, including client driven loans	Selection based on risk-return profile	Loans to corporates	+10% [40%→50%]
	Aim to expand asset management business such as “same-boat” joint investment leveraging our knowhow	Goal is to expand this business	Product related loans	(10)% [100%→90%]
Retail (Residential mortgages)	Aim to derive profit from loans and add-on insurance policies, and also expand our client base of the asset formation generation	Time for total exposure management with overall profitability in mind	Residential mortgages	+15% [10%→25%]
			(*) Portfolio as of Mar 2018, RW assuming capital floor (72.5%) under standardized approach	

Digitalization strategy: Overall picture

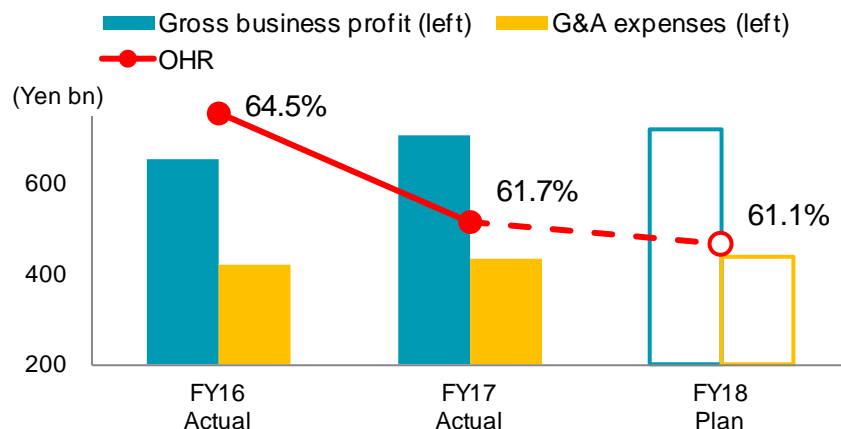
- ✓Tangible progress made in raising productivity and cost structure reform of existing businesses
- ✓To create added value by evolution into offering total solution models unique to a trust bank



Expenses strategy / OHR Improvement

- ✓ Pursue OHR improvement through reduction/rationalization of expenses in conjunction with increase of gross profit
- ✓ To accelerate initiatives to improve OHR from the viewpoint of raising ROE

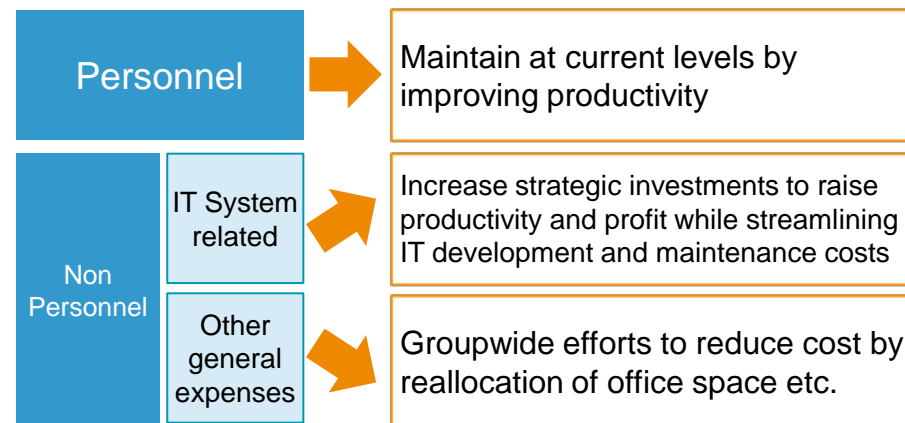
OHR



(Ref.) Net business profit / OHR by business segment

	1HFY17 (Yen bn)	Gross business profit	G&A Expenses	OHR	1HFY18	Change
Net business profit	126.6	367.1	(220.2)	60%	146.9	20.2
Retail total solution services	12.3	99.5	(83.4)	84%	16.0	3.7
Wholesale financial services	54.8	95.0	(35.0)	37%	59.9	5.1
Stock transfer agency services	9.1	19.4	(9.5)	49%	9.9	0.7
Real estate	13.6	23.9	(12.0)	50%	11.8	(1.7)
Fiduciary services	26.8	88.8	(56.4)	64%	32.3	5.5
Global markets	19.5	29.2	(7.6)	26%	21.6	2.0
Others	(9.7)	10.9	(16.0)	146%	(5.0)	4.7

Direction of expense spending

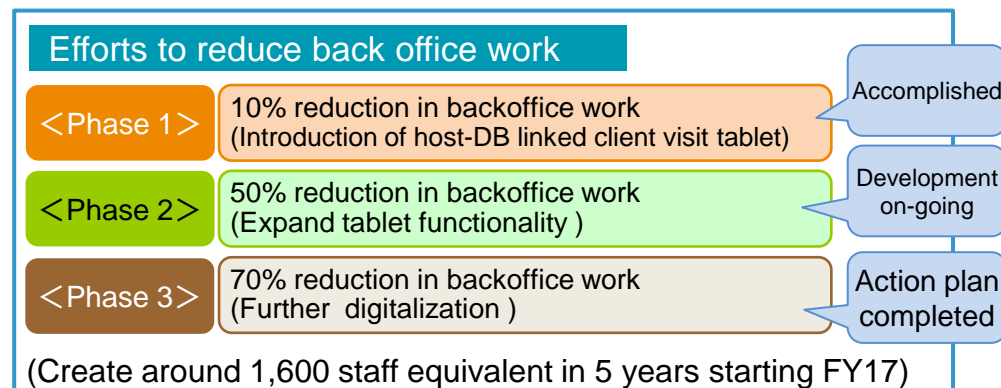
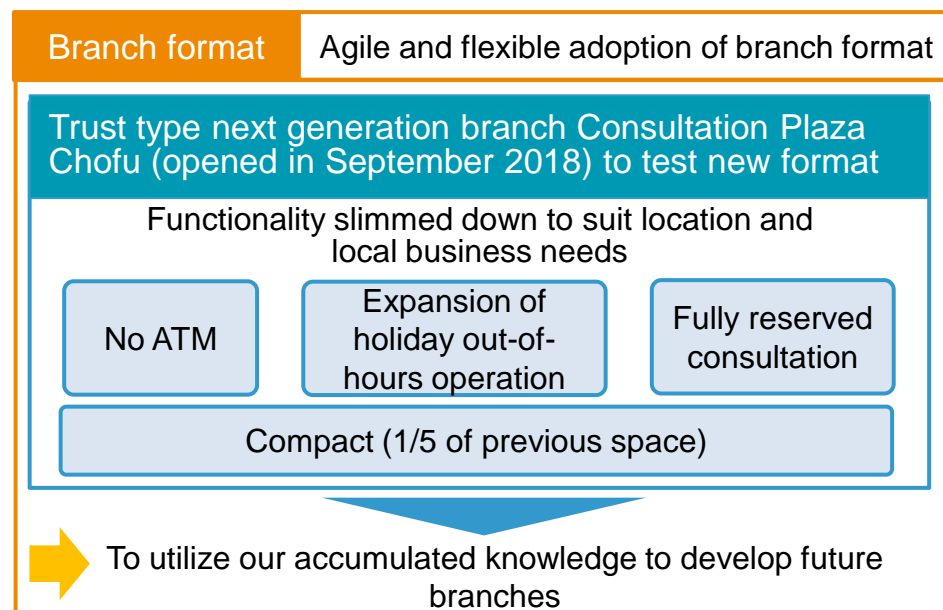
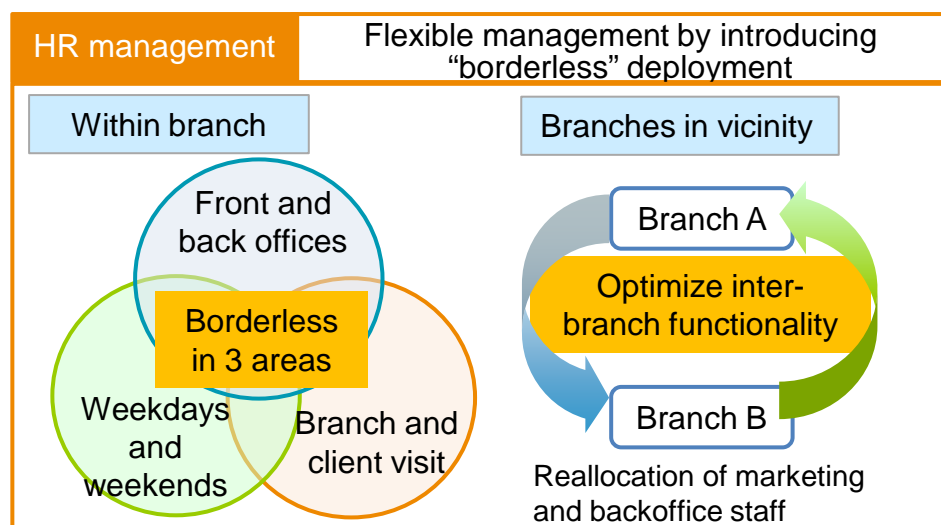
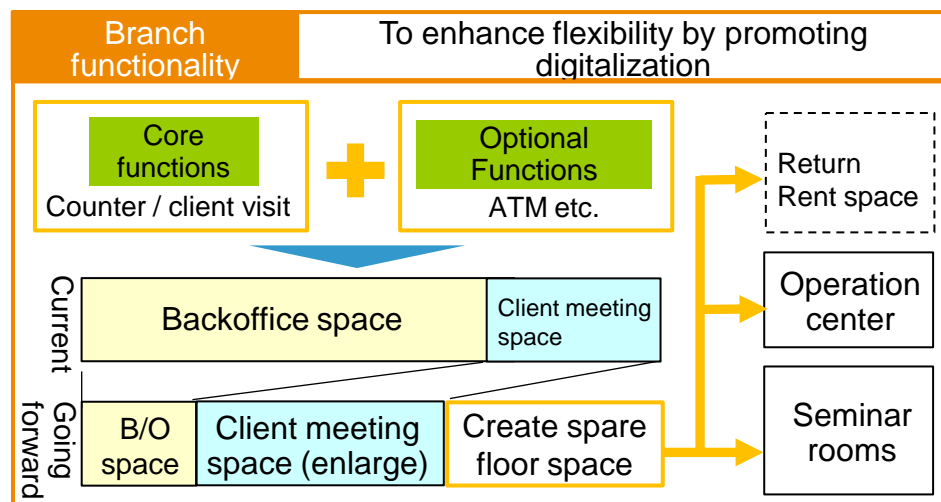


Initiatives to improve OHR

Retail Total Solutions	Reduce backoffice work, efficient use of branches
Stock transfer Agency	Efficiency through utilization of technology such as AI
Fiduciary (AM)	Increase competitiveness through concentration of resources
Fiduciary (Administration)	Pursue economies of scale through merger of custodian (JTSB)

Branch strategy / Improvement of efficiency

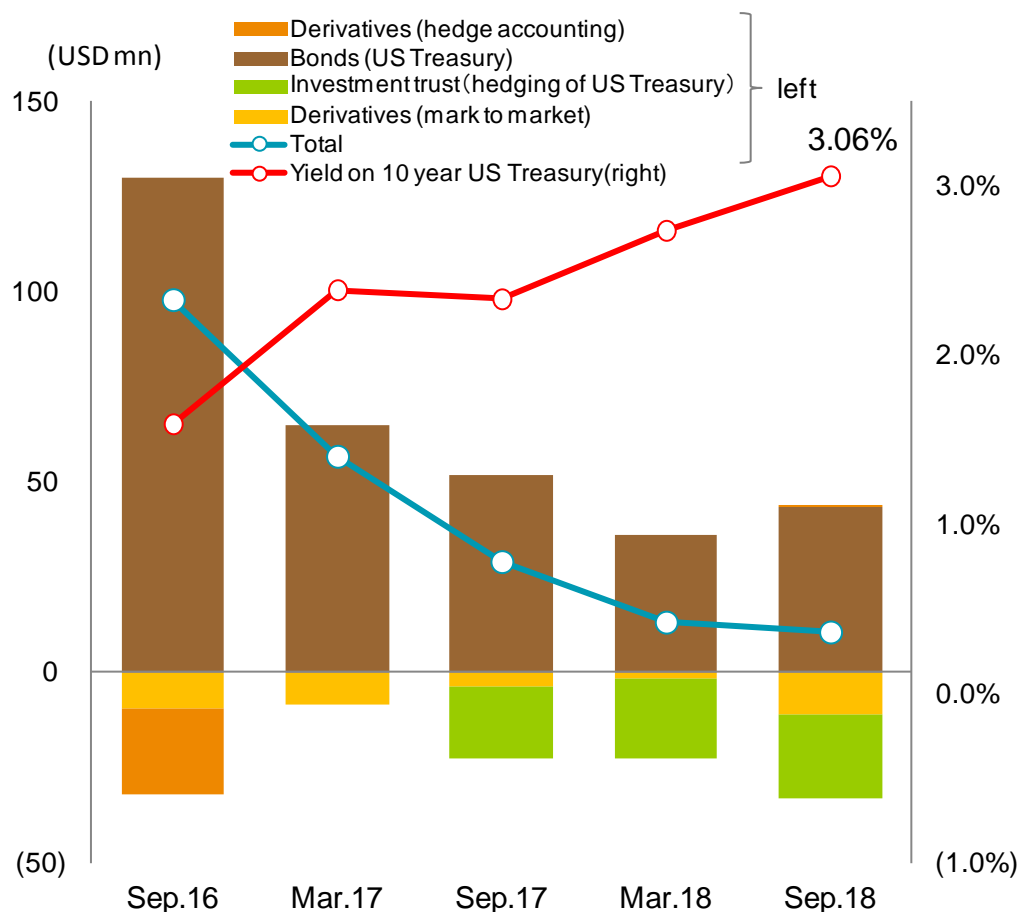
- ✓ Integration of overlapping branches completed.
- ✓ To pursue topline growth by increasing client contact through nimble branch operation strategy (functionality, HR allocation, new branch opening)



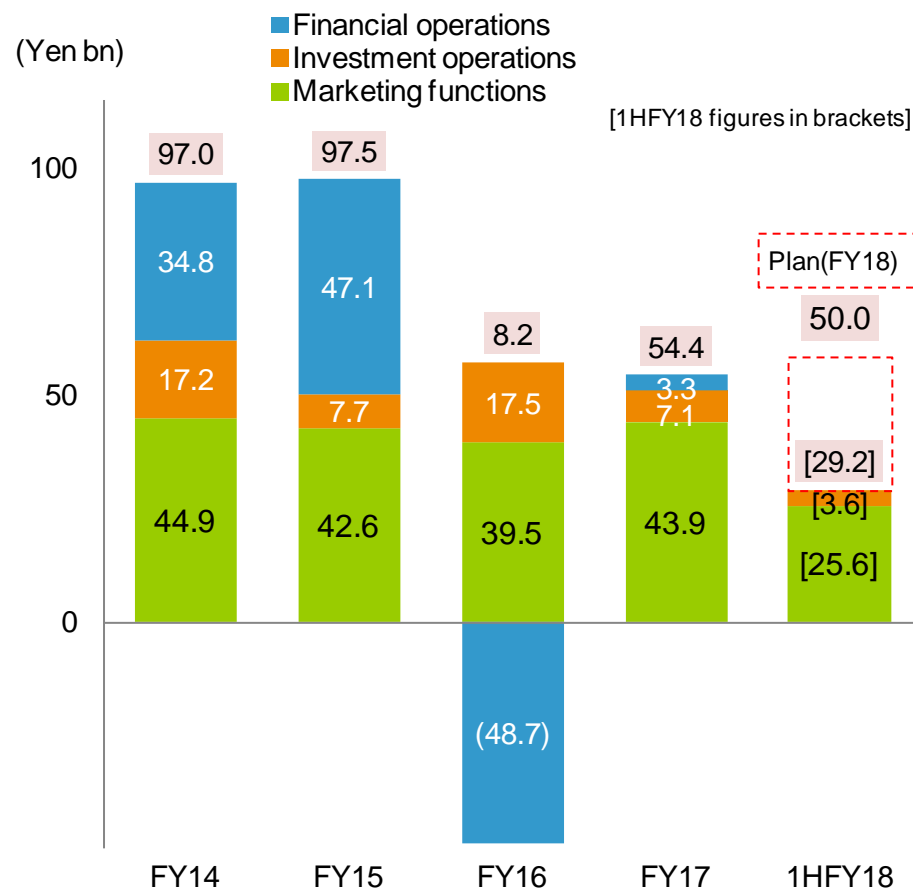
Preparation for risk (interest rate)

- ✓ Regarding bond investments in Global Markets, with risk of US interest rate hike in mind, restrained operation continued (reduction of cash bond position, increase of hedging transactions)
- ✓ Global Markets profit earned mainly from stable, client facing business

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



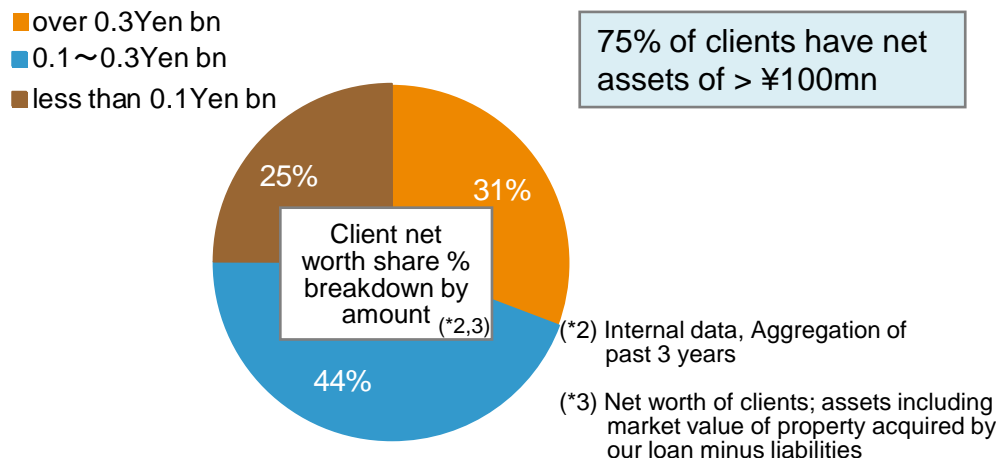
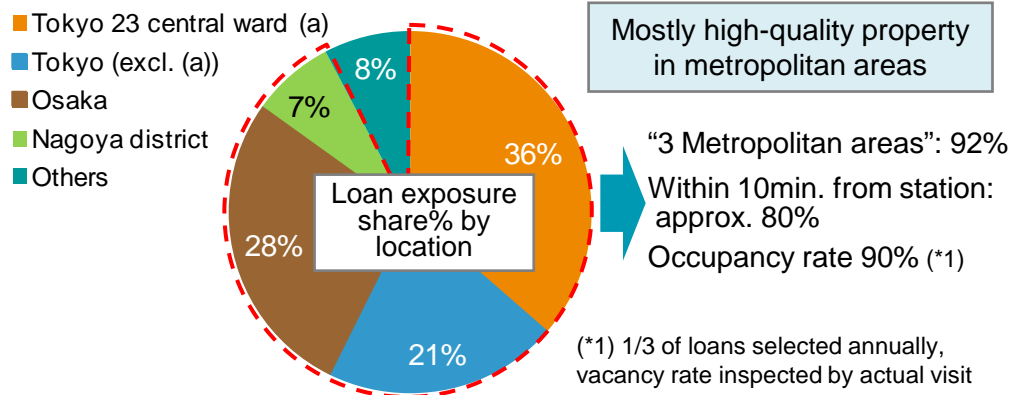
Global Markets business profit



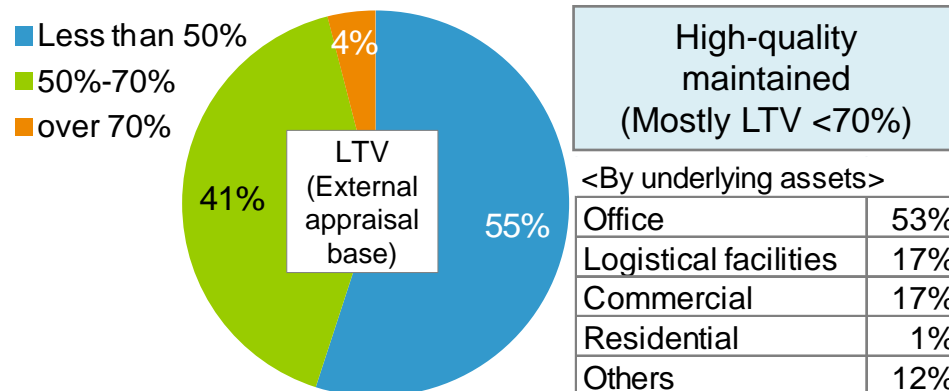
Preparation for risk (credit)

- ✓ Credit portfolio cautiously managed with diversification, term and exposure size in mind
- ✓ Downside risk is taken into consideration for each asset category, maintaining a high-quality, risk resilient portfolio

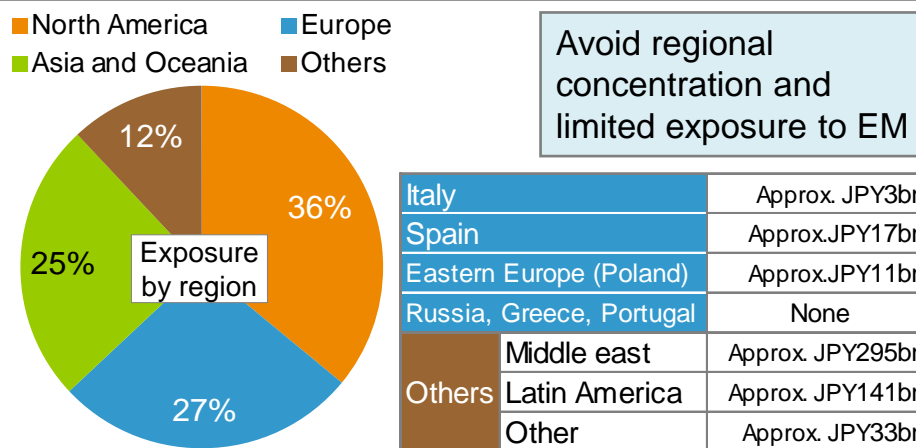
Business Loans (¥529bn as of Sep.18, 5% of loans to individuals)



Domestic real estate NRL (¥1.1trn as of Sep.18)



Non-Japanese credit (¥3.8trn as of Sep.18) (*4)



Preparation for risk: (Stock price)

- ✓ Resilience against price volatility enhanced by increasing the hedge ratio against base holdings
- ✓ Regarding strategic shareholdings, mindful of impact of Basel III finalization, to reduce exposure in accordance with plan to divest cumulative ¥200bn within the planned timeframe

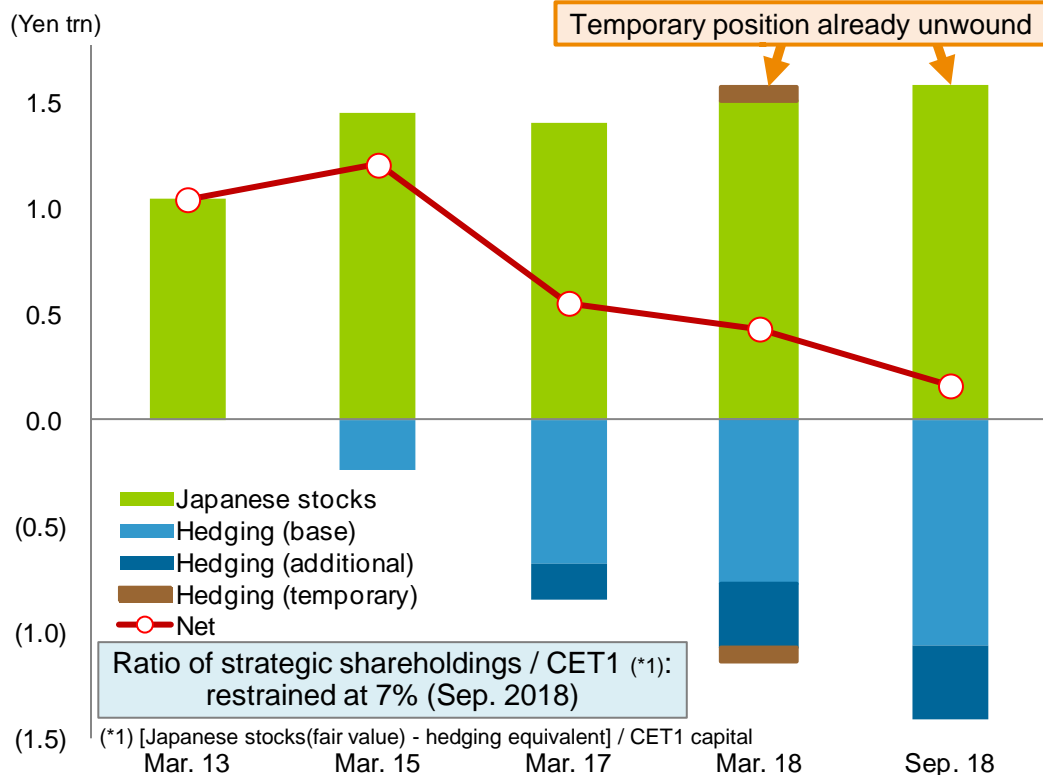
Risk mitigation of strategic shareholdings through hedging

- ✓ Stock price risk mitigation with aim to control economic value

Hedge ratio of base portion raised from 50% to 65%

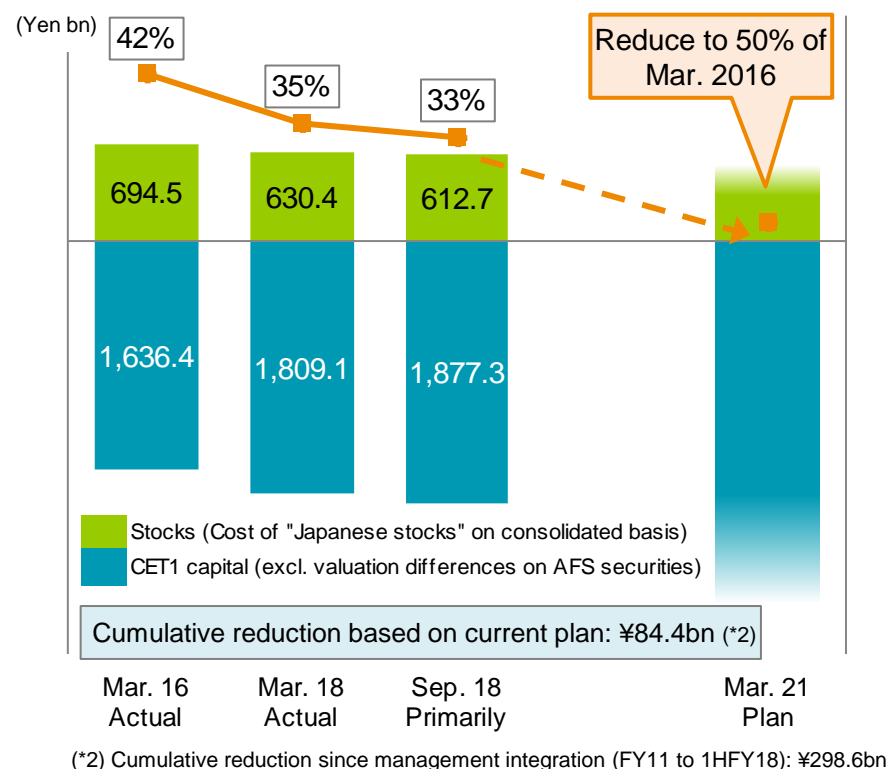
Total hedge ratio 85%

Tactical adjustment of additional hedge portion (contrarian to stock prices)



Plan to reduce strategic shareholdings [FY16-FY20]

- ✓ To reduce by 50% against CET1 capital (excl. valuation differences on AFS securities)
- ✓ Disposal of around ¥150 to 200bn on cost base



Financial / Capital Policy

Financial/Capital Policy: Self-assessment regarding our capital position and near-term capital policy

- ✓ In accordance with our Midterm Management Plan and current Shareholder Return Policy, while upholding profit growth and capital efficiency, to enhance shareholder returns over the medium term

Self-assessment														
Target for sufficiency	<ul style="list-style-type: none"> ✓ Regulatory requirement 7.5%, Financial / management buffer 2.5% (*1) ✓ To maintain certain level of comparative advantage due to long-term nature of services offered as trust business 	CET1 ratio of around 10% (Finalized Basel III reforms basis)												
Current status	<ul style="list-style-type: none"> ✓ Current regulatory requirement basis 11.7% ✓ Finalized Basel III reforms basis at low 9% range (*2) 	Capital accumulation stage to meet requirement for finalized basis												
Near-term capital policy	<ul style="list-style-type: none"> ✓ ROE improvement through steady implementation of the Midterm Management Plan (To pursue profit growth and capital-efficient business model) ✓ While accumulating capital, balanced management to pursue growth opportunities and to strengthen shareholder return commensurate with earnings 	Accumulate capital, balance profit growth, capital efficiency and shareholder return <table border="1"> <thead> <tr> <th>【KPI】(*3)</th><th>FY17 actual</th><th>FY19 Midterm plan</th></tr> </thead> <tbody> <tr> <td>Profit growth</td><td>JPY153.9bn</td><td>JPY180bn</td></tr> <tr> <td>Capital efficiency</td><td>7.4%</td><td>Approx. 8%</td></tr> <tr> <td>Shareholder return</td><td>37.4%</td><td>Approx. 40%</td></tr> </tbody> </table>	【KPI】(*3)	FY17 actual	FY19 Midterm plan	Profit growth	JPY153.9bn	JPY180bn	Capital efficiency	7.4%	Approx. 8%	Shareholder return	37.4%	Approx. 40%
【KPI】(*3)	FY17 actual	FY19 Midterm plan												
Profit growth	JPY153.9bn	JPY180bn												
Capital efficiency	7.4%	Approx. 8%												
Shareholder return	37.4%	Approx. 40%												
Our medium/long-term view	<ul style="list-style-type: none"> ✓ In the future, after capital accumulation has reached a level that is prudently sufficient, we will review our growth prospects and stock valuation and consider the appropriate capital policy/shareholder return ✓ On top of shareholder distribution commensurate with earnings, share buyback to improve capital efficiency to be considered as well 													

(*1) Required ratio of CET1 capital required against risk weighted assets (*2) CET1 ratio (As of Sep. 2018) Current regulatory requirement basis is preliminary, Finalized basis is pro forma

(*3) Profit growth: Net income, Capital efficiency: Shareholder ROE, Shareholder return: Total payout ratio

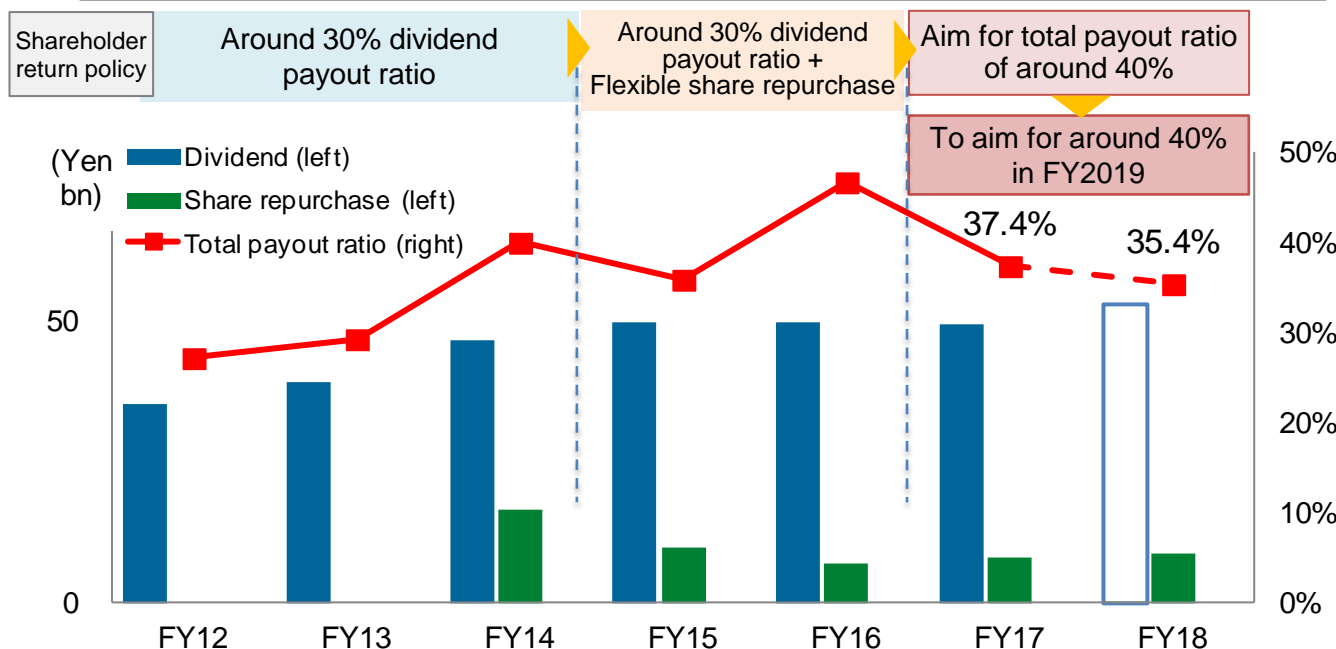
Financial and capital policies: Shareholder return policy

- ✓ By achieving dividend payout commensurate with earnings and share repurchases, we shall aim to enhance shareholder payout ratio to around 40% for FY2019 in accordance with our medium-term goal

<Shareholder Return Policy> [Announced on May 2017]

As a means of returning shareholders' profits commensurate with earnings, we will maintain a dividend payout ratio of around 30% with respect to ordinary shares, while considering share repurchases based on the balance between profit growth opportunities and improvement in capital efficiency. In the medium term, we shall aim to gradually raise the total payout ratio to around 40% to enhance shareholder returns

Shareholder return



(Ref.) Share repurchases

Repurchase timing	Repurchase Amount	Ratio against Net income (*)
FY14 (Jan-Feb.15)	JPY16.4bn	+10.4%
FY15 (Jul-Aug.15)	JPY9.9bn	+6.0%
FY16 (May 16)	JPY6.9bn	+5.7%
FY17 (Jul-Aug.17)	JPY8.1bn	+5.3%
FY18 (May-Jun.18)	JPY8.9bn	+5.1%

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

(Reference) Initiatives of each business segment to improve ROE

- ✓ ROE improvement by executing Midterm Management Plan
- ✓ Strengthen fee businesses, enhance B/S profitability through credit portfolio reformation, offer total solution services created by cross-divisional synergies, and promotion of alliances

Business segment	B/S business	Fee business	Strength as Specialized trust bank		Capital
Retail TS	Residential mortgages	Investment management consulting Inheritance	Total solution services	Alliance strategies	Reformation of credit portfolio
Wholesale TS	Corporates Product related	Credit arrangements Securitization/M&A			
Wholesale AM		Investment management consulting AM arrangements			Reduction of strategic shareholdings
Stock transfer agency		Shareholder admin. Various consulting			
Real estate		Brokerage Real estate AM			
Fiduciary services		Asset management Asset administration			Utilize M&A
Global markets	Security investments ALM				

Improve return on capital to boost profitability

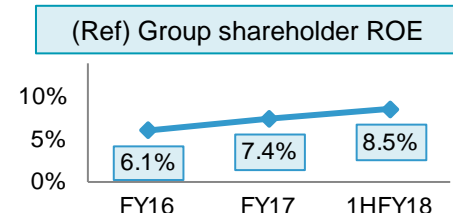
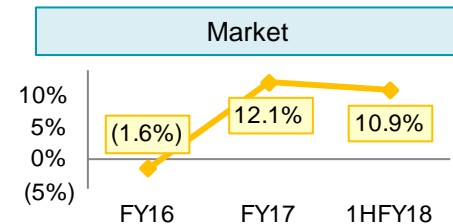
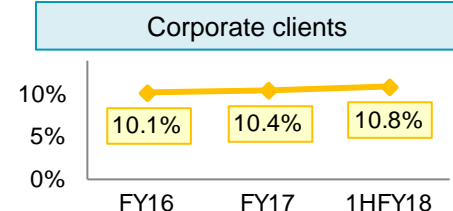
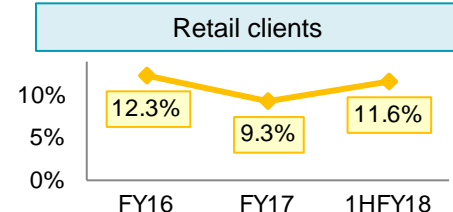
Improve profitability against cost

Profit increase through cross-divisional synergy

Profit increase through effective use of capital / expenses

Effective use of capital

ROE by business segments (*)



(*)ROE by business segment: Managerial accounting basis. Retail clients: Retail TS business and SuMi TRUST Realty. Corporate clients: Wholesale TS, Wholesale AM, Stock transfer agency, Real estate (excluding SuMi TRUST Realty) and Fiduciary businesses. Market: Global Markets. Each segment's net business profit divided by current required regulatory capital (Strategic shareholdings, P&L and capital allocated to Head Office functions such as corporate management and other departments excluded from calculation)



Accelerate future business incubation

- ✓ New business plan contest for group employees “Future Fes” had more than 200 entries
- ✓ To foster corporate culture rich in innovative spirit through challenges to create new businesses and processes

Formal Name: Future Creation Festival, all group employees can apply, applicants whose idea is accepted shall be transferred to new role and resources allocated to challenge the project

Create New Businesses and processes

- Test marketing, agile development
- In-house startup

Incentivize

- To foster group employees’ entrepreneurship through company founders’ lectures

Skill development

- Business creation workshop
- Training to develop business ideas, IT utilization

Open innovation

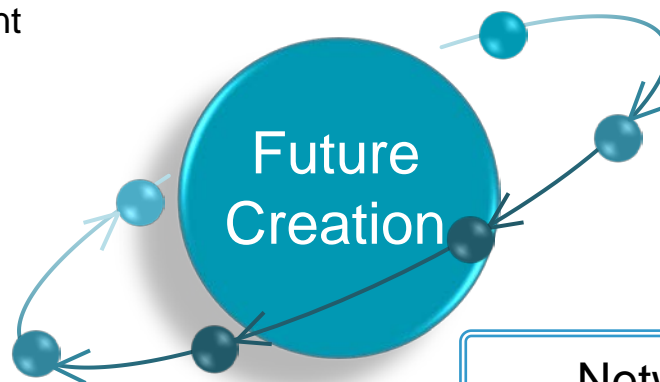
- Co-development with outside firms

Future Fes

- Business plan contest for group employees

Networking

- Workplace level discussions on future of the business
- To create various venues for communication



Future Fes Competition Evaluation Criteria

Originality	Should be original, new business, product or service
Surprise	Has potential to excite clients or society
Validity	Has worthy cause, profitability and leverages our group's strengths
Passion	Rationale, aim and motivation is explicit

Viewpoint of Ideas

Super old age society	Ending Note, reflection of personal values (elderly care, donation)
Education	Investment education, corporate succession
Real estate	Regional regeneration, real estate rejuvenation
Digitalization	AI, Data society, next generation financing

Financial Results for 1HFY2018

Overview of profits

	(Yen bn)	1HFY17	1HFY18	Change
1	Net business profit (*1)	126.6	146.9	20.2
2	Substantial gross business profit (*1)	341.2	367.1	25.9
3	Net interest income and related profit	102.7	93.2	(9.4)
4	Net fees and commissions and related profit	195.2	204.8	9.5
5	Other profit	43.2	69.0	25.8
6	Substantial G&A expenses (*1)	(214.5)	(220.2)	(5.6)
7	Total credit costs	4.6	13.3	8.7
8	Net gains on stocks	9.1	(3.7)	(12.8)
9	Other net non-recurring profit	(22.7)	(16.2)	6.5
10	Ordinary profit	117.7	140.3	22.6
11	Extraordinary profit	2.4	(3.0)	(5.4)
12	Income before income taxes	120.1	137.2	17.1
13	Total income taxes	(37.9)	(40.2)	(2.2)
14	Income attributable to non-controlling interests	(6.7)	(5.4)	1.2
15	Net income	75.4	91.5	16.0
16	Return on shareholders' equity	7.32%	8.46%	1.14%
17	Dividend per share (DPS) (Yen)	65	65	-
18	Earnings per share (EPS) (Yen)	197	241	43
19	Number of shares issued (mn shares) (*2)	381.9	379.2	(2.6)

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

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

Net business profit

- Domestic loan-deposit spread improvement continued, and effective interest related earnings including profit attributable to deployment of surplus foreign currency funds also increased (+approx. ¥15bn YoY (*3))
- Net fees and commissions and related profit increased due to robust results from asset management (investment management/ administration) businesses. However, profit from investment management consulting (consultation marketing) business stayed at the same level YoY due to decrease in sales of new investment trusts, though AUM is steadily increasing
- Progress rate of 52% against full year plan is in line with initial plan

Total credit costs

- Limited occurrence of new problem loans
- Net reversal of ¥13.3bn, due to factors such as the reversal of losses resulting from improvement of credit-classification of certain borrowers

Net gains on stocks

- Strategic shareholdings reduced further (reduction of approx. ¥17bn, gains of approx. ¥14bn on disposal), while loss recorded on close out of hedge positions utilizing investment trusts (*4) (approx. ¥(17)bn)

Net income

- Increase of ¥16.0bn YoY
- Steady progress rate of 55% against full year plan of ¥165.0bn

(*3) Please refer to P39 for results of SuMi TRUST Bank, which constitutes majority of Net interest income and related profit

(*4) Temporary hedging position built up to improve average holding price in FY17

Overview of balance sheet

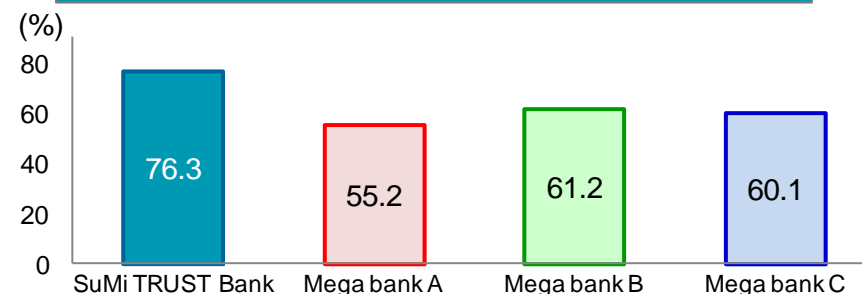
(Yen bn)		Mar. 2018	Sep. 2018	Change
1	Assets	68,356.7	70,001.2	1,644.4
2	Cash and due from banks	28,841.3	29,161.8	320.5
3	Securities	5,537.6	6,183.0	645.4
4	Loans and bills discounted	28,190.5	28,866.5	676.0
5	Other assets	5,787.2	5,789.6	2.4
6	Liabilities	65,484.4	67,248.7	1,764.2
7	Deposits and NCD	43,915.1	44,748.9	833.7
8	Borrowed money from trust account	11,070.7	11,102.9	32.2
9	Other liabilities	10,498.5	11,396.8	898.2
10	Total net assets	2,872.3	2,752.4	(119.8)
11	Total shareholders' equity	2,127.8	2,185.1	57.3
12	Total accumulated OCI	496.8	470.6	(26.2)
13	Minority interests, etc.	247.6	96.6	(151.0)
14	Net assets per share (BPS) (Yen)	6,897	7,014	117
15	Number of shares issued (mn shares) (*1)	380.5	378.5	(1.9)

(Reference)

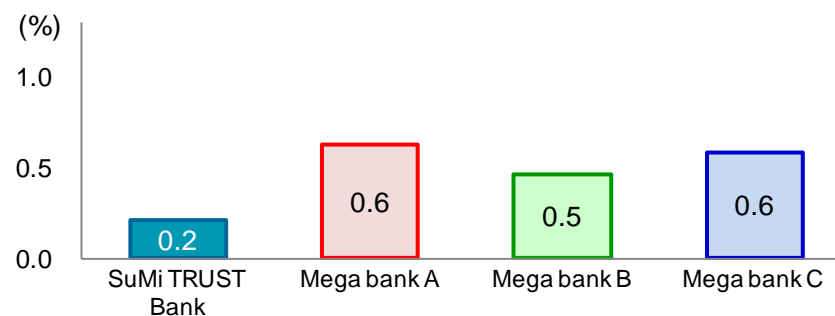
16	Loan-deposit ratio (SuMi TRUST Bank)	78.2%	76.3%	(1.9%)
17	NPL ratio (SuMi TRUST Bank)	0.2%	0.2%	0.0%

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

Comparison of Loan-deposit ratio (*2)

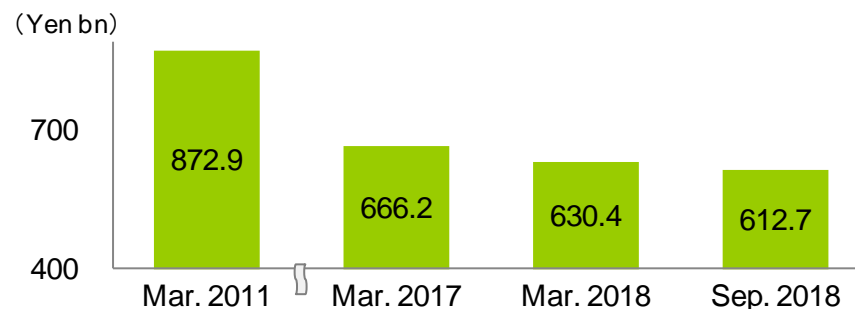


Comparison of NPL ratio (*2)



(*2) As of Sep. 2018 Other Mega banks: Sum of bank subsidiaries

Balance of strategic shareholdings (Cost base)



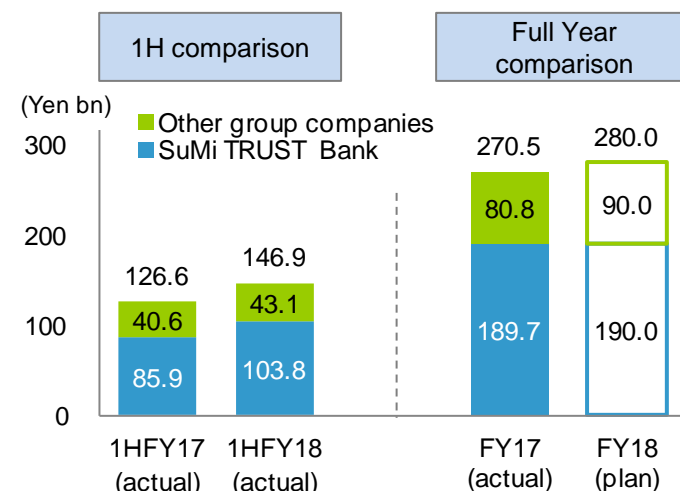
Profit by group company

	(Yen bn)	FY17 1H	FY18 1H	Change
1 Net business profit (*1)		126.6	146.9	20.2
2 o/w SuMi TRUST Bank		85.9	103.8	17.8
3 SuMi TRUST AM		2.8	2.4	(0.4)
4 Nikko AM (*2)		5.2	8.5	3.3
5 SuMi TRUST Realty		2.6	3.2	0.5
6 SuMi TRUST Panasonic Finance (*2)		6.8	5.2	(1.5)
7 SuMi TRUST Loan & Finance		5.0	5.8	0.7
8 SBI Sumishin Net Bank (*2)		3.6	4.0	0.3
9 SuMi TRUST Guarantee (*2)		5.9	5.8	(0.0)
10 SuMi TRUST Club		2.7	1.7	(1.0)
11 Effect of purchase accounting method		(1.3)	(1.3)	(0.0)
12 Net income (*1)		75.4	91.5	16.0
13 o/w SuMi TRUST Bank		59.2	76.0	16.7
14 SuMi TRUST AM		1.9	1.6	(0.3)
15 Nikko AM (*2)		2.9	5.7	2.7
16 SuMi TRUST Realty		1.8	2.2	0.3
17 SuMi TRUST Panasonic Finance (*2)		2.6	1.6	(0.9)
18 SuMi TRUST Loan & Finance		3.4	3.8	0.4
19 SBI Sumishin Net Bank (*2)		2.3	2.6	0.3
20 SuMi TRUST Guarantee (*2)		4.1	4.4	0.2
21 SuMi TRUST Club		0.9	0.3	(0.6)
22 Effect of purchase accounting method		1.0	1.9	0.8

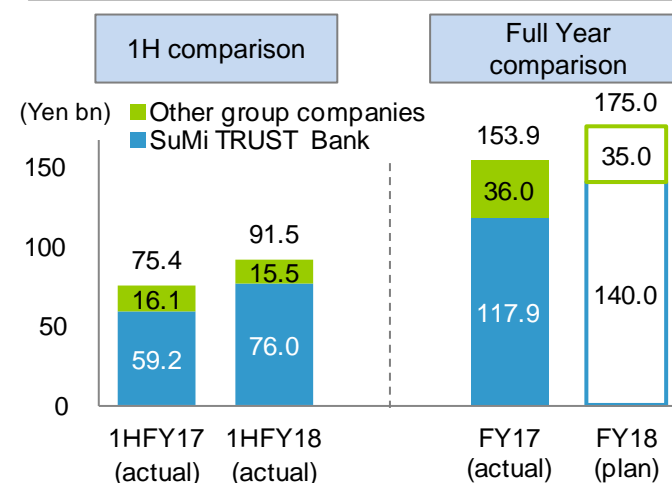
(*1) Figures on the table above are contribution of group companies, which are substantive amount excluding consolidation adjustment that do not relate directly to the group companies' business results.

(*2) Consolidated basis

Breakdown of Net business profit



Breakdown of Net income



Profit by business segment

(Reference)
Substantial gross business
profit(initial plan)

(Yen bn)

		FY17 1H Actual	Substantial gross business profit (*1)			Substantial G&A expenses	FY18 1H Actual	Change from 1HFY17	FY18 1H Plan (*1)	FY18 Plan (*1)
(Yen bn)			Change from 1HFY17	Change from initial plan						
1	Net business profit	126.6	367.1	25.9	22.1	(220.2)	146.9	20.2	345.0	715.0
2	Retail total solution services	12.3	99.5	5.3	(0.4)	(83.4)	16.0	3.7	100.0	200.0
3	SuMi TRUST Bank	2.0	68.8	5.7	0.8	(61.6)	7.2	5.1	68.0	137.0
4	Other group companies	10.2	30.7	(0.3)	(1.2)	(21.8)	8.8	(1.3)	32.0	63.0
5	Wholesale financial services (*2)	54.8	95.0	7.3	5.0	(35.0)	59.9	5.1	90.0	186.0
6	SuMi TRUST Bank	41.2	67.3	6.2	4.3	(21.2)	46.0	4.8	63.0	130.0
7	Other group companies	13.6	27.7	1.1	0.7	(13.8)	13.9	0.3	27.0	56.0
8	Stock transfer agency services	9.1	19.4	0.8	0.4	(9.5)	9.9	0.7	19.0	37.0
9	SuMi TRUST Bank	8.6	11.3	1.0	0.3	(1.8)	9.4	0.8	11.0	21.0
10	Other group companies	0.5	8.0	(0.2)	0.0	(7.6)	0.4	(0.1)	8.0	16.0
11	Real estate	13.6	23.9	(1.6)	(1.0)	(12.0)	11.8	(1.7)	25.0	55.0
12	SuMi TRUST Bank	10.6	13.0	(2.0)	(0.9)	(4.5)	8.4	(2.1)	14.0	33.0
13	Other group companies	3.0	10.9	0.3	(0.0)	(7.4)	3.4	0.3	11.0	22.0
14	Fiduciary services	26.8	88.8	7.5	6.8	(56.4)	32.3	5.5	82.0	171.0
15	SuMi TRUST Bank	16.6	31.3	1.2	2.3	(12.9)	18.3	1.7	29.0	63.0
16	Other group companies	10.1	57.5	6.2	4.5	(43.5)	13.9	3.8	53.0	108.0
17	Global markets	19.5	29.2	2.2	2.2	(7.6)	21.6	2.0	27.0	55.0

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

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

(*3) Treatment of offsetting transactions among the subsidiaries in calculation for breakdown of profit by business on a consolidated basis is partially changed

Overview of profit (SuMi TRUST Bank)

(Yen bn)		FY17 1H	FY18 1H	Change	Substantial (*1)
1	Net business profit	85.9	133.9	47.9	17.8
2	Gross business profit	204.9	252.6	47.6	17.5
3	Net interest income and related profit	88.6	107.1	18.5	(11.6)
4	Net fees and commissions and related profit	89.6	92.3	2.7	2.7
5	Net trading profit	3.9	6.7	2.8	2.8
6	Net other operating profit	22.7	46.3	23.6	23.6
7	o/w Net gains on foreign exchange transactions	17.6	44.6	27.0	27.0
8	o/w Profit attributable to deployment of surplus foreign currency funds	11.1	35.2	24.1	24.1
9	Net gains on bonds	6.9	(4.6)	(11.6)	(11.6)
10	Net gains from derivatives (*2)	(1.8)	6.3	8.2	8.2
11	General and administrative expenses	(118.9)	(118.7)	0.2	0.2
12	Total credit costs	5.3	16.3	11.0	11.0
13	Other non-recurring profit	(2.9)	(10.6)	(7.6)	(7.6)
14	o/w Net gains on stocks	9.6	(6.2)	(15.8)	(15.8)
15	Amortization of net actuarial losses	(8.1)	(1.6)	6.5	6.5
16	Ordinary profit	88.3	139.6	51.3	21.2
17	Extraordinary profit	(6.2)	(3.8)	2.4	2.4
18	Income before income taxes	82.0	135.8	53.7	23.6
19	Total income taxes	(22.8)	(29.7)	(6.8)	(6.8)
20	Net income	59.2	106.1	46.9	16.7

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

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

	FY17 1H	FY18 1H	Change
21 Effective interest related earnings (*3)	99.7	112.2	12.5
22 Domestic business	75.7	80.3	4.5
23 Net interest income and related profit	75.7	110.4	34.7
24 Dividend from group companies aimed to improve capital efficiency	-	(30.1)	(30.1)
25 International business	24.0	31.9	7.9
26 Net interest income and related profit	12.9	(3.2)	(16.1)
27 Profit attributable to deployment of surplus foreign currency funds	11.1	35.2	24.1

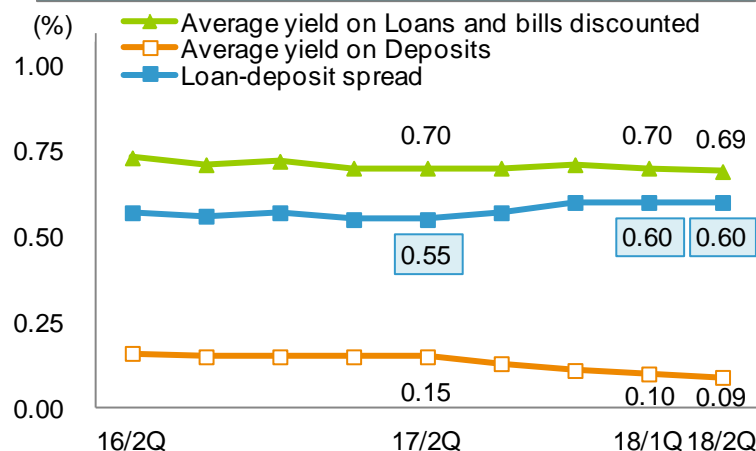
(*3) Net interest income and related profit - Dividend from group companies aimed to improve capital efficiency + Profit attributable to deployment of surplus foreign currency funds

28	Net fees and commissions and related profit	89.6	92.3	2.7
29	o/w Investment management consulting	27.2	27.2	0.0
30	Asset management/administration	30.0	31.3	1.2
31	Real estate brokerage	12.2	10.1	(2.0)
32	Stock transfer agency services	10.3	11.3	1.0
33	Inheritance related services	2.5	2.1	(0.3)
34	Wholesale credit related	16.1	16.3	0.1
35	Net gains on bonds	6.9	(4.6)	(11.6)
36	Domestic bonds	(0.1)	(0.2)	(0.0)
37	Foreign bonds	7.1	(4.4)	(11.5)

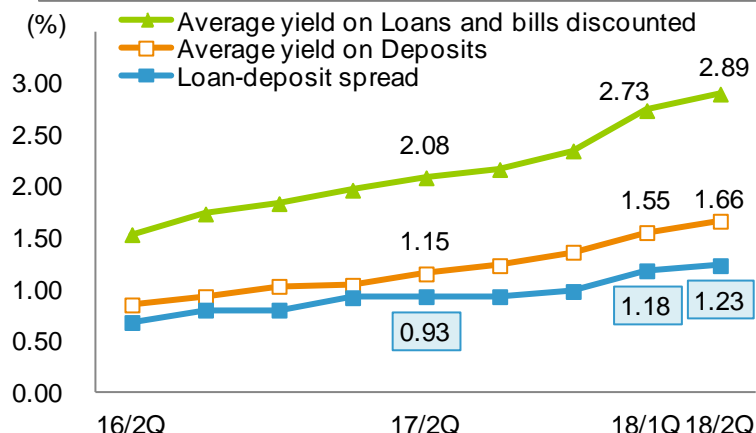
Net interest income (SuMi TRUST Bank)

		1H FY18					
(Average balance: Yen trn) (Income/Expenses: Yen bn)		Average Balance	Change from 1H FY17	Average Yield	Change from 1H FY17	Income/ Expenses	Change from 1H FY17
1	Net interest income					97.7	14.8
2	Domestic business			(*)0.53%	0.13%	101.0	31.0
3	Interest-earning assets	37.99	3.45	(*)0.69%	0.11%	131.5	30.5
4	o/w Loans and bills discounted	21.50	0.48	0.69%	(0.01%)	75.2	1.1
5	Securities	3.49	0.45	(*)3.04%	1.59%	53.3	31.0
6	Income on swaps	---	---	---	---	0.2	(1.4)
7	Interest-bearing liabilities	37.25	3.22	0.16%	(0.02%)	(30.5)	0.4
8	o/w Deposits	23.45	0.26	0.10%	(0.05%)	(12.0)	5.8
9	Borrowings from trust a/c	3.74	1.44	0.49%	0.01%	(9.3)	(3.7)
10	International business			(0.05%)	(0.26%)	(3.2)	(16.1)
11	Interest-earning assets	13.75	1.92	2.05%	0.33%	141.4	38.8
12	o/w Loans and bills discounted	6.61	(0.41)	2.81%	0.79%	93.5	22.1
13	Due from banks	2.51	0.35	1.34%	0.45%	16.9	7.3
14	Securities	2.31	0.50	2.29%	0.19%	26.7	7.6
15	Interest-bearing liabilities	13.68	1.88	2.10%	0.59%	(144.7)	(55.0)
16	o/w Deposits	5.77	0.76	1.60%	0.50%	(46.4)	(18.7)
17	NCD / USCP	5.03	0.74	1.88%	0.81%	(47.6)	(24.6)
18	Repo	1.72	0.49	1.93%	0.84%	(16.6)	(9.9)
19	Expenses on swaps	---	---	---	---	(18.3)	0.4
20	(+) Trust fees from principal guaranteed trust a/c					9.3	3.6
21	(+) Profit attributable to deployment of surplus foreign currency funds					35.2	24.1
22	(-) Dividend from group companies aimed to improve capital efficiency					30.1	30.1
23	Effective interest related earnings					112.2	12.5
24	(Ref.) Loan-deposit spread / income in domestic business			0.59%	0.04%	63.1	7.0

Domestic loan-deposit spread



International loan-deposit spread



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

Domestic business	Average Yield	0.37% (Change from 17/1H(0.03%))
o/w Interest-earning assets		0.53% (0.05%)
o/w Securities		1.32% (0.13%)

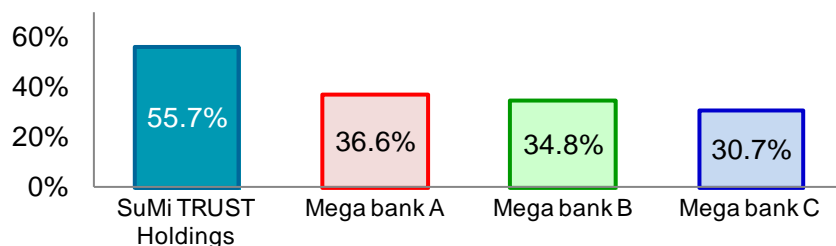
Net fees and commissions and related profit

		SuMi TRUST Bank		SuMi TRUST Group (*1)	
		FY18 1H	Change from 1HFY17	FY18 1H	Change from 1HFY17
(Yen bn)					
1	Net fees and commissions and related profit	92.3	2.7	204.8	9.5
2	Investment trust and insurance sales	27.2	0.0	27.2	0.0
3	Card	-	-	21.7	(0.0)
4	Asset management / administration	30.3	0.2	89.2	4.7
5	Profit	46.4	0.9	94.3	4.6
6	Fees paid out for outsourcing	(16.0)	(0.7)	(5.0)	0.0
7	Stock transfer agency services	11.3	1.0	19.1	0.5
8	Profit	16.4	0.8	19.1	0.5
9	Fees paid out for outsourcing	(5.1)	0.2	-	-
10	Real estate	13.0	(2.0)	23.9	(1.6)
11	Others (Loan arrangement fees, etc.)	10.4	3.4	23.4	5.8
12	Fee income ratio (*2)	(36.5%)	(7.2%)	(55.7%)	(1.5%)

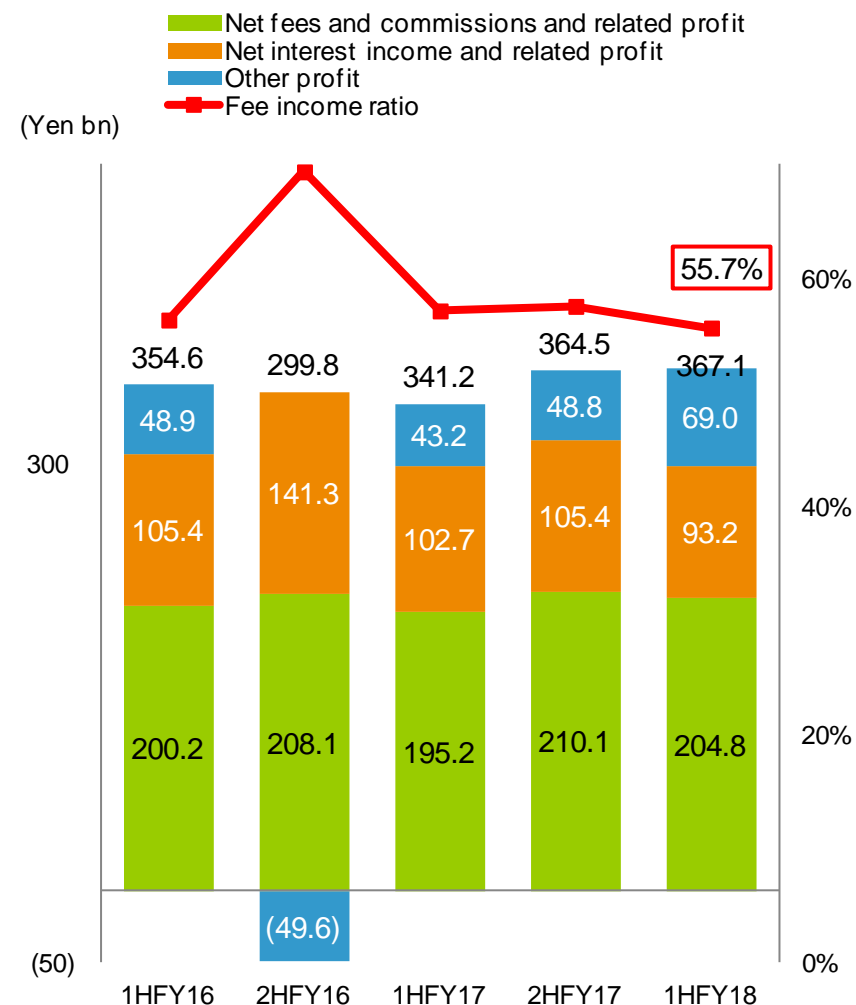
(*1) Figures are after eliminations of intra-group transactions

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

Comparison of fee income ratio between major banks



Fee income ratio



Expenses

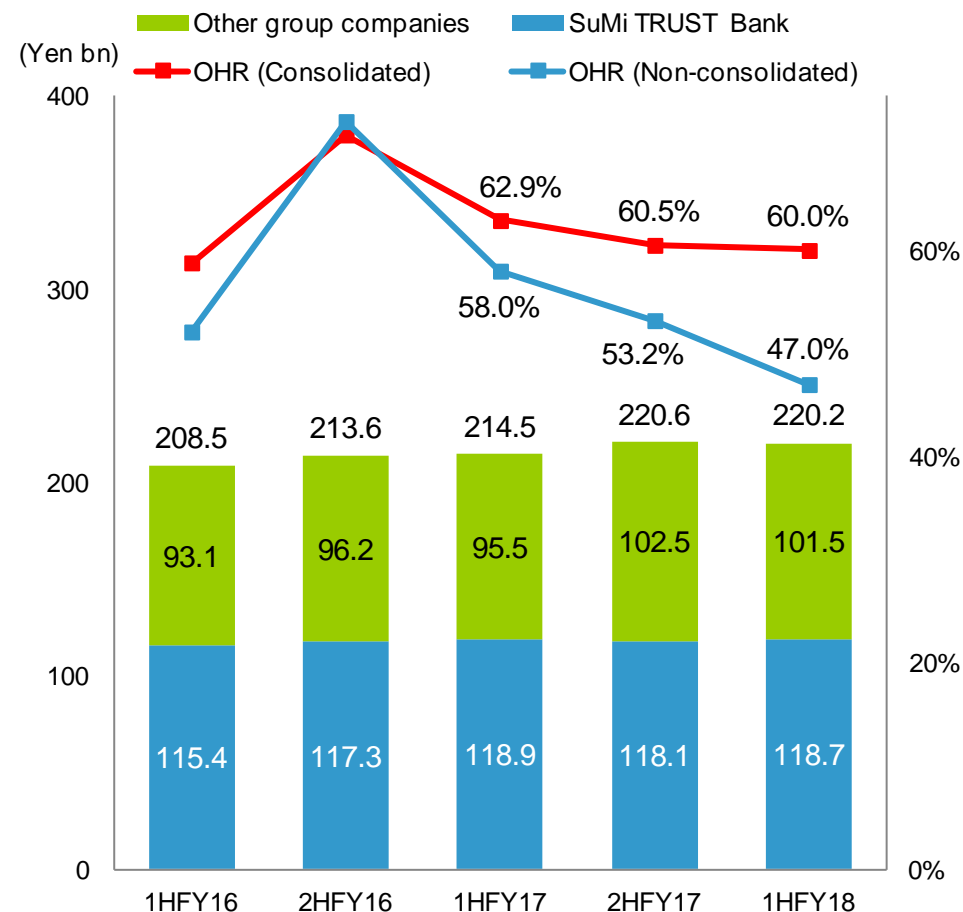
[SuMi TRUST Group]

	(Yen bn)	FY17 1H	FY18 1H	Change from 1HFY17
1 Personnel expenses		(99.7)	(100.0)	(0.2)
2 Non-personnel expenses excluding taxes		(106.3)	(111.5)	(5.1)
3 Taxes other than income taxes		(8.4)	(8.6)	(0.2)
4 Substantial G&A expenses		(214.5)	(220.2)	(5.6)
5 Overhead ratio		62.9%	60.0%	(2.9%)

[SuMi TRUST Bank]

	(Yen bn)	FY17 1H	FY18 1H	Change from 1HFY17
6 Personnel expenses		(54.8)	(54.8)	0.0
7 Salaries etc.		(51.3)	(52.0)	(0.6)
8 Retirement benefit expenses		5.0	5.7	0.7
9 Others		(8.5)	(8.5)	(0.0)
10 Non-personnel expenses excluding taxes		(57.8)	(57.7)	0.1
11 IT system related costs		(19.1)	(20.2)	(1.0)
12 Others		(38.6)	(37.5)	1.1
13 Taxes other than income taxes		(6.3)	(6.1)	0.1
14 G&A expenses		(118.9)	(118.7)	0.2
15 Overhead ratio		58.0%	47.0%	(11.0%)

Breakdown of G&A expenses



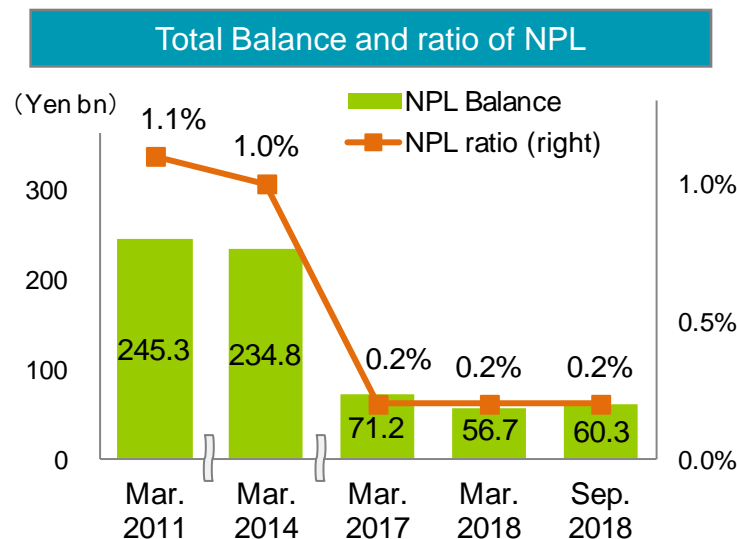
Total credit costs and problem assets

[Total credit costs]		FY17			FY18 1H	Major factors (1HFY18)
(Yen bn)			1H	2H		
1	SuMi TRUST Bank	7.0	5.3	1.7	16.3	<div> Downgraded: Approx. (2.0) Upgraded: Approx. +20.0 Change in loan balance, etc. (including recoveries): Approx.(2.0) </div>
2	General allowance for loan losses	10.6	6.1	4.5	17.3	
3	Specific allowance for loan losses	(2.8)	0.1	(2.9)	(0.6)	
4	Recoveries of written-off claims	0.8	0.2	0.5	0.7	
5	Losses on sales of claims, written-off	(1.6)	(1.2)	(0.3)	(1.0)	
6	Other group companies, etc.	(4.0)	(0.7)	(3.3)	(3.0)	SuMi TRUST Panasonic Finance (1.9)
7	Total	2.9	4.6	(1.6)	13.3	

[NPL (SuMi TRUST Bank)]		Sep. 2018	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 2018
(Yen bn)					
8	NPL	60.3	89.4%	60.4%	3.6
9	NPL ratio (ratio to Total loan balance)	0.2%	---	---	0.0%
10	Bankrupt and practically bankrupt	12.1	100.0%	100.0%	0.1
11	Doubtful	26.6	91.2%	72.8%	(0.4)
12	Substandard	21.6	81.2%	12.1%	4.0
13	Other special mention debtors	429.5	---	---	(119.0)
14	Ordinary assets	28,930.4	---	---	717.2
15	Total loan balance	29,420.2	---	---	601.8

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

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



Securities portfolio

[Securities with fair value]

(Yen bn)		Costs		Unrealized gains/losses (*1)	
		Sep. 2018	Change from Mar. 2018	Sep. 2018	Change from Mar. 2018
1	Available-for-sale securities	5,027.5	665.4	682.5	(56.7)
2	Japanese stocks	612.7	(17.7)	964.8	88.6
3	Japanese bonds	931.6	115.7	1.3	(0.9)
4	Others	3,483.1	567.3	(283.6)	(144.4)
5	Held-to-maturity debt securities	267.1	2.2	19.0	(2.8)

[Securities with fair value (SuMi TRUST Bank)]

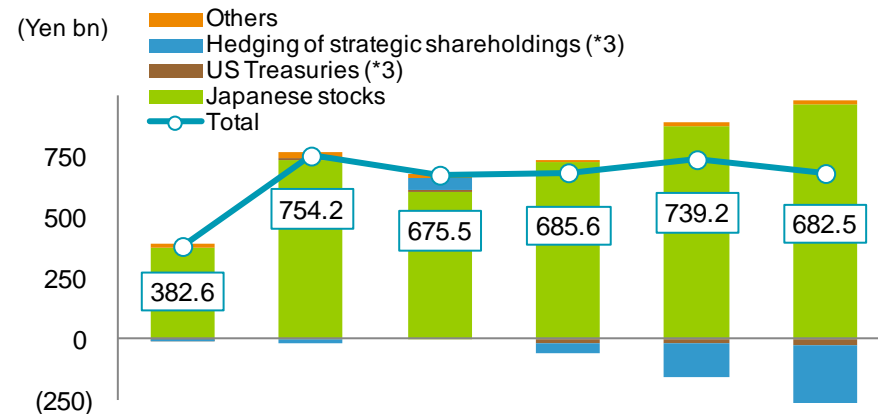
6	Available-for-sale securities	4,990.5	629.1	699.6	(54.3)
7	Japanese stocks	586.2	(20.1)	988.5	91.2
8	Japanese bonds	966.6	78.8	0.0	(0.8)
9	o/w Government bonds	318.7	77.4	(0.1)	(0.3)
10	Others	3,437.6	570.4	(288.9)	(144.7)
11	Domestic investment	82.3	0.2	1.5	(0.2)
12	International investment	1,717.9	463.9	(29.5)	(12.7)
13	o/w US Treasury	808.7	312.6	(27.4)	(8.7)
14	Others (Investment trust, etc.)	1,637.2	106.3	(260.9)	(131.8)
15	o/w for hedging of strategic shareholdings (*2)	1,430.7	84.0	(271.2)	(136.9)

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

(*2) Of which hedging effect under capital regulation is recognized: Costs JPY 1,071.0bn, Unrealized gains/losses JPY (230.2)bn

16	Held-to-maturity debt securities	199.1	5.5	18.9	(2.8)
17	o/w Government bonds	118.9	(0.1)	17.7	(2.0)
18	International investment	42.4	6.6	0.7	(0.7)

Unrealized gains/losses of AFS securities with fair value



Mar. 2014 Mar. 2015 Mar. 2016 Mar. 2017 Mar. 2018 Sep. 2018
(*3) SuMi TRUST Bank

Reduction of strategic shareholdings (*4)

(Yen bn)	FY17		FY18	
	1H	2H	1H	2H
19 Reduction amount	13.3	21.9	35.2	16.9

(Ref.) Cumulative reduction since merger (from FY11 to 1HFY18): ¥298.6bn

Planned reduction based on current plan (from FY16 to FY20): ¥84.4bn

(*4) Purchase cost of listed shares

Securities portfolio of Global markets (*5)

(Yen bn)	10BPV (*6)		Duration (years) (*6)	
	Sep. 2018	Change from Mar. 2018	Sep. 2018	Change from Mar. 2018
20 JPY	2.0	(0.5)	4.2	(2.6)
21 Others	3.4	0.4	3.3	(0.6)

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

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

Capital

- ▶ Common Equity Tier 1 capital ratio: UP 0.45 percentage points from Mar. 2018 to 11.78%, due primarily to increase in retained earnings contributed to accumulation of common equity and decrease in risk-weighted assets
- ▶ Leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets>

(Yen bn)		Mar. 2018 Actual	Sep. 2018 Preliminary	Change
1	Total capital ratio	16.31%	16.53%	0.22%
2	Tier 1 capital ratio	13.74%	13.76%	0.02%
3	Common Equity Tier 1 capital ratio	11.33%	11.78%	0.45%
4	Total capital	3,348.1	3,301.8	(46.3)
5	Tier 1 capital	2,821.4	2,748.2	(73.1)
6	Common Equity Tier 1 capital	2,325.8	2,353.8	28.0
7	Instruments and reserves	2,602.7	2,634.1	31.4
8	Accumulated other comprehensive income (*1)	496.8	470.6	(26.2)
9	Regulatory adjustments	(276.9)	(280.2)	(3.3)
10	Additional Tier 1 capital	495.5	394.3	(101.2)
11	Tier 2 capital	526.7	553.6	26.8
12	Total risk-weighted assets	20,522.9	19,971.2	(551.6)
13	Credit risk	18,352.1	17,852.2	(499.9)
14	Market risk	1,163.8	1,125.4	(38.4)
15	Operational risk	1,006.8	993.5	(13.3)

(1)

(2)

(*1) Valuation differences on Available-for-Sale Securities(Sep. 2018): ¥476.5bn

< Major factors of change in capital >

(1) Common Equity Tier 1 capital: +¥28.0bn

- Net income +¥91.5bn
- Dividend/share repurchase ¥(33.6)bn
- Other comprehensive income (cumulative) ¥(26.2)bn

< Major factors affecting risk assets >

(2) Credit risk: Approx ¥(0.5)trn

- Close out of temporary hedging position utilizing investment trust built up in FY2017
- Increase in hedging for strategic shareholdings
- Corporate credit related remained at same level
(Increase due to depreciation of yen offset by decrease due to improvement of credit-classification of large borrowers)

<Other ratios required in prudential regulations>

(Yen bn)		Sep. 2018 Preliminary	Change from Mar. 2018
16	Leverage ratio	3.79%	(0.19%)
17	SuMi TRUST Bank (Consolidated) (*2)	4.28%	(0.31%)
18	Tier 1 capital	2,748.2	(73.1)
19	Total exposure	72,436.3	1,628.5
20	Liquidity coverage ratio (*3)	121.8%	(10.1%)
21	SuMi TRUST Bank (Consolidated) (*2)	135.5%	(28.1%)
22	Total high-quality liquid assets	28,164.0	914.0
23	Net cash outflows (*4)	23,118.4	2,461.3

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

(*3) Average figures in 2QFY2018. "Change from Mar. 2018" represents the comparison to figure for 4QFY2017 calculated in the same manner

(*4) Month-end data used for some items instead of daily data to calculate figures

Fee business: Investment management consulting (SuMi TRUST Bank)

- ▶ Total sales volume of investment products reduced by ¥125.7bn YoY to ¥692.9bn due to fall in investment trust sales caused by uncertain market environment
- ▶ Income maintained at last year's levels, as increase in insurance sales and administration fees YoY offset the decrease of sales fees of investment trust

Income for distributor of investment products

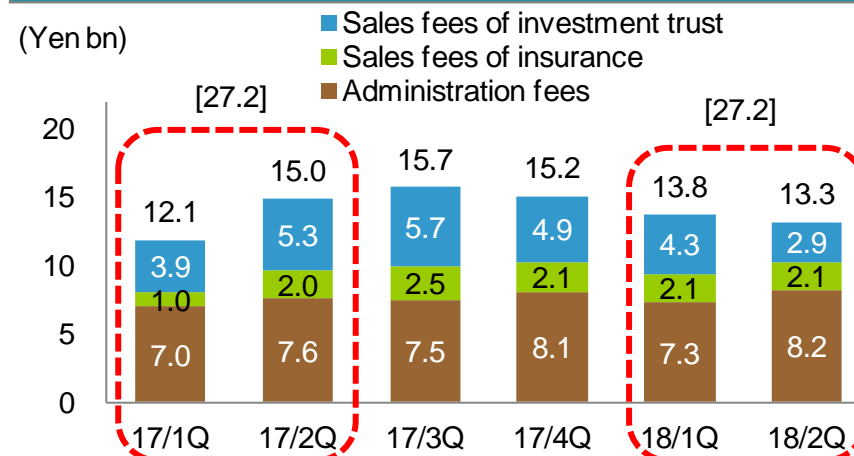
	(Yen bn)	1HFY17	1HFY18	Change	FY18 Plan
		Actual	Actual		
1 Income total		27.2	27.2	0.0	57.0
2 Sales fees of investment trust		9.2	7.2	(2.0)	15.0
3 Sales fees of insurance		3.1	4.3	1.1	10.0
4 Administration fees		14.7	15.6	0.8	32.0

Sales volume / balance

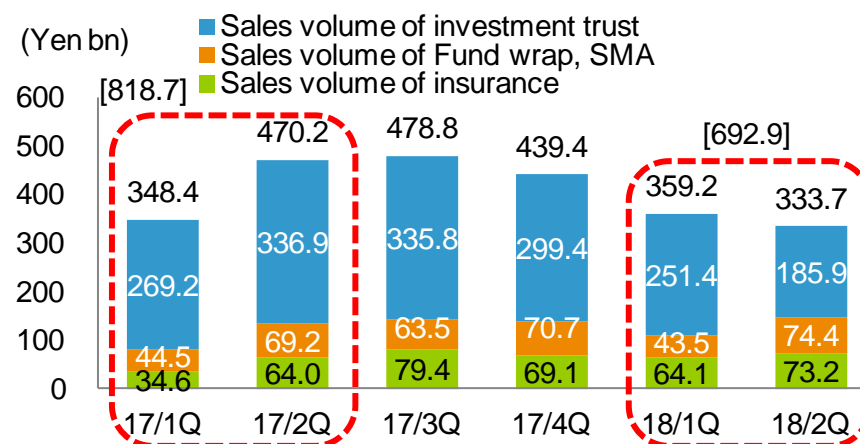
	(Yen bn)	1HFY17	1HFY18	Change	FY18 Plan
		Actual	Actual		
5 Sales volume total		818.7	692.9	(125.7)	1,520.0
6 Investment trust		606.2	437.4	(168.7)	970.0
7 Fund wrap, SMA		113.7	118.0	4.2	245.0
8 Insurance		98.7	137.4	38.7	305.0

	(Yen bn)	Mar. 18	Sep. 18	Change	Mar. 19 Plan
		Actual	Actual		
9 Balance total		6,158.9	6,424.2	265.3	6,500.0
10 Investment trust		2,891.5	2,996.9	105.3	3,020.0
11 Fund wrap, SMA		830.9	898.1	67.1	920.0
12 Insurance		2,436.3	2,529.2	92.8	2,560.0
13 Wrap Selection		1,669.4	1,803.7	134.2	1,890.0

Income for distributor (quarterly)



Sales volume (quarterly)

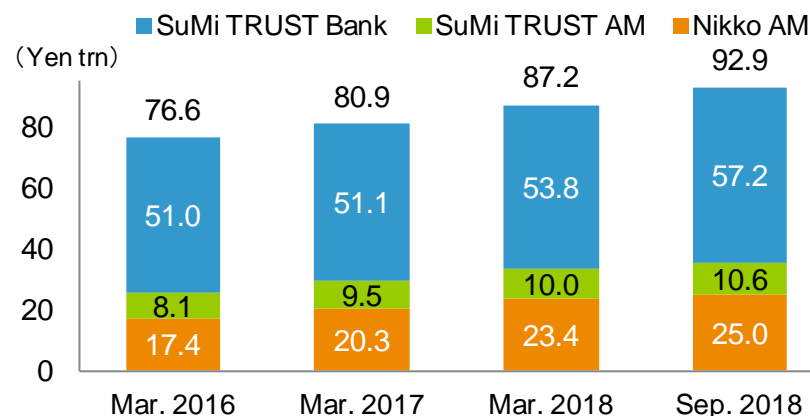


Fee business: Asset management/administration (Fiduciary services)

- ▶ AUM: Increased by ¥5.6trn from Mar. 2018 to ¥92.9trn, due to increase in market value from stock price upswing
- ▶ AUC: Increased for both domestic and overseas assets from Mar. 2018

Assets under management (AUM)

		Mar. 2018	Sep. 2018	Change
		(Yen trn)		
1	Assets under management	87.2	92.9	5.6
2	SuMi TRUST Bank	53.8	57.2	3.4
3	Corporate pension trust	13.6	13.5	(0.1)
4	Public pension trust	11.8	12.4	0.6
5	Discretionary investment	28.2	31.2	2.9
6	Subsidiaries	33.4	35.7	2.2
7	SuMi TRUST AM	10.0	10.6	0.5
8	Nikko AM	23.4	25.0	1.6



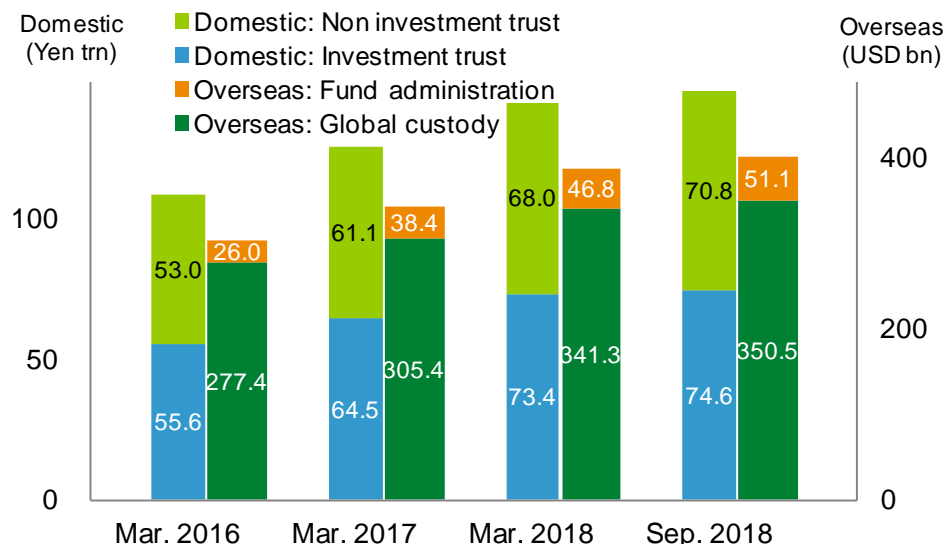
USD/JPY	112.63	112.15	106.24	113.58
TOPIX	1,347.20	1,512.60	1,716.30	1,817.25

Assets under custody/administration

		Mar. 2018	Sep. 2018	Change
		(Yen trn)		
[Domestic]				
9	Investment trust (*1)	73.4	74.6	1.2
10	Non investment trust (*1)	68.0	70.8	2.8
[Overseas]		(USD bn)		
11	Global custody (*2)	341.3	350.5	9.2
12	Fund administration	46.8	51.1	4.3

(*1) Entrusted balance of SuMi TRUST Bank

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



Fee business: Real estate

- ▶ Real estate brokerage fees from corporate clients (SuMi TRUST Bank): Decreased by ¥2.0bn to ¥10.1bn as previous year was boosted by large-size transaction
- ▶ Real estate brokerage fees from retail clients (SuMi TRUST Realty): Increased by ¥0.5bn YoY to ¥10.1bn due to robust demand

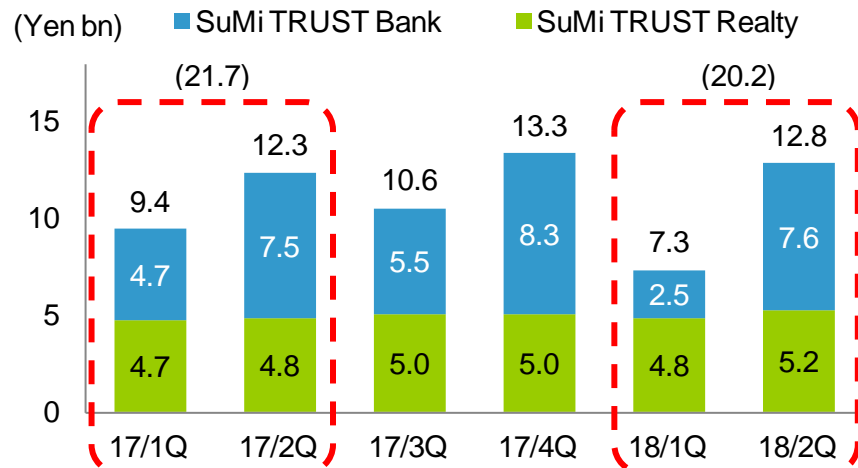
Income (Group basis)

	(Yen bn)	1HFY17 Actual	1HFY18 Actual	Change	FY18 Plan
1 Real estate brokerage fees		21.7	20.2	(1.5)	47.0
2 SuMi TRUST Bank		12.2	10.1	(2.0)	27.0
3 SuMi TRUST Realty		9.5	10.1	0.5	20.0
4 Real estate trust fees, etc.		2.9	2.9	(0.0)	6.0
5 Net other real estate profit		0.9	0.8	(0.1)	2.0
6 SuMi TRUST Bank		(0.0)	-	0.0	-
7 Group companies		0.9	0.8	(0.1)	2.0
8 Total		25.6	23.9	(1.6)	55.0
9 o/w SuMi TRUST Bank		15.1	13.0	(2.0)	33.0

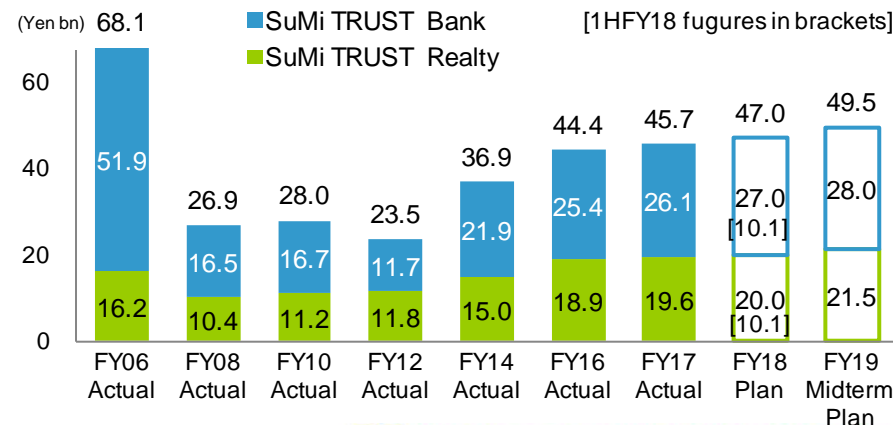
Assets under management / administration

	(Yen bn)	Mar. 18	Sep. 18	Change
10 Securitized real estate		15,320.0	15,752.3	432.2
11 Assets under custody from J-REITs		13,397.9	13,851.2	453.3
12 Assets under managemet		709.1	704.3	(4.7)
13 Private placement funds		438.2	442.1	3.8
14 J-REITs		270.8	262.1	(8.6)

Real estate brokerage fees (quarterly)



(Ref.) Historical trend



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

- ▶ Credit portfolio balance increased by ¥0.68trn from Mar. 2018 to ¥30.15trn, due to increase of both residential mortgage loans and loans to corporates
- ▶ Balance of credit to corporates increased due to short term loan increase and depreciation of Yen

Advanced amount and balance for individuals

		1HFY17	1HFY18		FY18
		Actual	Actual	Change	Plan
(Yen bn)					
1	Advanced amount of loans to individuals	617.4	574.5	(42.9)	1,165.0
2	o/w Residential mortgage loans	562.3	527.0	(35.3)	1,065.0

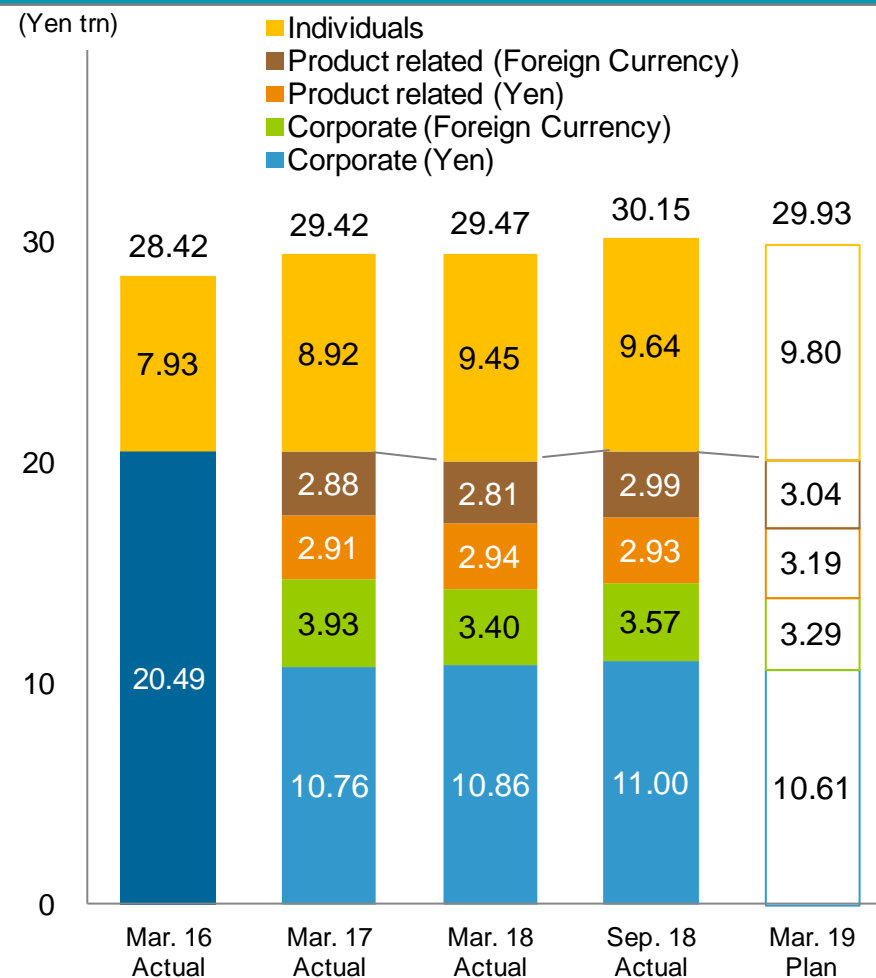
		Mar. 18	Sep. 18		Mar. 19
		Actual	Actual	Change	Plan
(Yen bn)					
3	Balance of loans to individuals	9,450.4	9,647.5	197.1	9,800.0
4	o/w Residential mortgage loans	8,874.7	9,062.1	187.3	9,200.0

Balance of credit for corporates

		Mar. 18	Sep. 18		Mar. 19
		Actual	Actual	Change	Plan
(Yen bn)					
5	Corporate (Yen)	10,866.8	11,008.9	142.0	10,610.0
6	Corporate (Foreign Currency)	3,401.9	3,576.8	174.8	3,290.0
7	Product related (Yen)	2,946.5	2,931.0	(15.5)	3,190.0
8	Product related (Foreign Currency)	2,813.5	2,991.0	177.5	3,040.0
9	Total balance of credit for corporates	20,029.0	20,507.8	478.8	20,130.0
10	o/w Product related	5,760.1	5,922.1	161.9	6,230.0

USD/JPY	106.24	113.58	7.34
---------	--------	--------	------

Credit portfolio balance



Forecast for FY2018

Forecast for FY2018

- ▶ Net business profit is unchanged from initial plan. Net income is revised upward by ¥10.0bn from initial plan, taking into consideration of 1H results
- ▶ Dividend on ordinary share forecast revised upward to be 140 yen per share, in accordance with upward revision of Net income, which is in line with the policy of consolidated dividend payout ratio of 30%

(Yen bn)		1H Actual (*)	2H Plan	FY18 Plan (*)	Change from FY17	Change from initial plan	FY18 Plan
1	Net business profit	146.9	133.0	280.0	9.4	-	280.0
2	SuMi TRUST Bank	103.8	86.1	190.0	0.2	(10.0)	225.0
3	Substantial gross business profit	367.1	352.8	720.0	14.2	5.0	720.0
4	SuMi TRUST Bank	222.5	207.4	430.0	3.1	(10.0)	465.0
5	Other group companies	144.6	145.3	290.0	11.1	15.0	255.0
6	Substantial G&A Expenses	(220.2)	(219.7)	(440.0)	(4.8)	(5.0)	(440.0)
7	SuMi TRUST Bank	(118.7)	(121.2)	(240.0)	(2.9)	-	(240.0)
8	Other group companies	(101.5)	(98.4)	(200.0)	(1.9)	(5.0)	(200.0)
9	Total credit costs	13.3	(8.3)	5.0	2.0	25.0	5.0
10	SuMi TRUST Bank	16.3	(6.3)	10.0	2.9	30.0	10.0
11	Other group companies	(3.0)	(1.9)	(5.0)	(0.9)	(5.0)	(5.0)
12	Net gains on stocks	(3.7)	18.7	15.0	8.6	(15.0)	15.0
13	Other non-recurring profit	(16.2)	(18.7)	(35.0)	12.2	-	(35.0)
14	Ordinary profit	140.3	124.6	265.0	32.3	10.0	265.0
15	o/w SuMi TRUST Bank	109.5	90.4	200.0	27.0	5.0	235.0
16	Net income	91.5	83.4	175.0	21.0	10.0	175.0
17	o/w SuMi TRUST Bank	76.0	63.9	140.0	22.0	5.0	175.0
18	Dividend per common share (Yen)	65	75	140	+10	+10	
19	Consolidated dividend payout ratio	---	---	30.3%	(1.8%)	0.3%	

(*) Excluding dividend from group companies, which are planned to be paid in FY18 to improve their capital efficiency. There is no difference between the two "FY18 Plan" on a consolidated basis. The differences only appear in "SuMi TRUST Bank" and "Other group companies" items.

【Change from initial plan】

(1) Net business profit : No change

1) Oct. 1 reorganization related changes

(Yen bn)	Substantial gross business profit	Substantial G&A expenses
SuMi TRUST Bank	(7.0)	2.0
Other group companies	2.0	3.0
SuMi TRUST AM	7.0	(2.0)
JTSB	(5.0)	5.0

2) Substantial gross business profit

Raised robust Wholesale and Fiduciary while lowered Global market due to increased market uncertainty

3) Substantial G&A expenses

Expect increase from revenue growth in Asset management/administration business

(2) Total credit costs: +¥25.0bn

- 1HFY18 difference between plan and actual [expected ¥(10.0)bn vs actual ¥13.3bn] taken into consideration

- Estimated to be around 7bps of total credit portfolio of ¥30trn in 2HFY18

(3) Net gains on stocks: ¥(15.0)bn

- 1HFY18 difference between plan and actual [expected ¥15.0bn vs actual ¥(3.7)bn] taken into consideration

- Assumes Net gains on stocks of ¥20.0bn in 2HFY18 by reduction of strategic shareholdings in accordance with current plan

(4) Net income: +¥10.0bn

- Reflecting revisions to total credit costs and net gains on stocks

(Ref.) Breakdown by business segment

(Yen bn)		FY17 Actual	1H Actual	2H Plan	FY18 Plan	Change from FY17	Change from initial plan
1	Net business profit	270.5	146.9	133.0	280.0	9.4	-
2	Substantial gross business profit(*1)	705.7	367.1	352.8	720.0	14.2	5.0
3	Retail total solution services	193.7	99.5	100.4	200.0	6.2	-
4	SuMi TRUST Bank	132.8	68.8	68.1	137.0	4.1	-
5	Other group companies	60.8	30.7	32.2	63.0	2.1	-
6	Wholesale financial services(*2)	183.4	95.0	94.9	190.0	6.5	4.0
7	SuMi TRUST Bank	128.6	67.3	66.6	134.0	5.3	4.0
8	Other group companies	54.7	27.7	28.2	56.0	1.2	-
9	Stock transfer agency services	35.9	19.4	17.5	37.0	1.0	-
10	SuMi TRUST Bank	20.1	11.3	9.6	21.0	0.8	-
11	Other group companies	15.8	8.0	7.9	16.0	0.1	-
12	Real estate	53.8	23.9	31.0	55.0	1.1	-
13	SuMi TRUST Bank	32.1	13.0	19.9	33.0	0.8	-
14	Other group companies	21.6	10.9	11.0	22.0	0.3	-
15	Fiduciary services	169.7	88.8	84.1	173.0	3.2	2.0
16	SuMi TRUST Bank	62.7	31.3	24.6	56.0	(6.7)	(7.0)
17	Other group companies	107.0	57.5	59.4	117.0	9.9	9.0
18	Global markets	54.4	29.2	20.7	50.0	(4.4)	(5.0)
19	Substantial G&A expenses	(435.1)	(220.2)	(219.7)	(440.0)	(4.8)	(5.0)
20	SuMi TRUST Bank	(237.0)	(118.7)	(121.2)	(240.0)	(2.9)	-
21	Other group companies	(198.0)	(101.5)	(98.4)	(200.0)	(1.9)	(5.0)
22	Ordinary profit	232.6	140.3	124.6	265.0	32.3	10.0
23	Net income	153.9	91.5	83.4	175.0	21.0	10.0

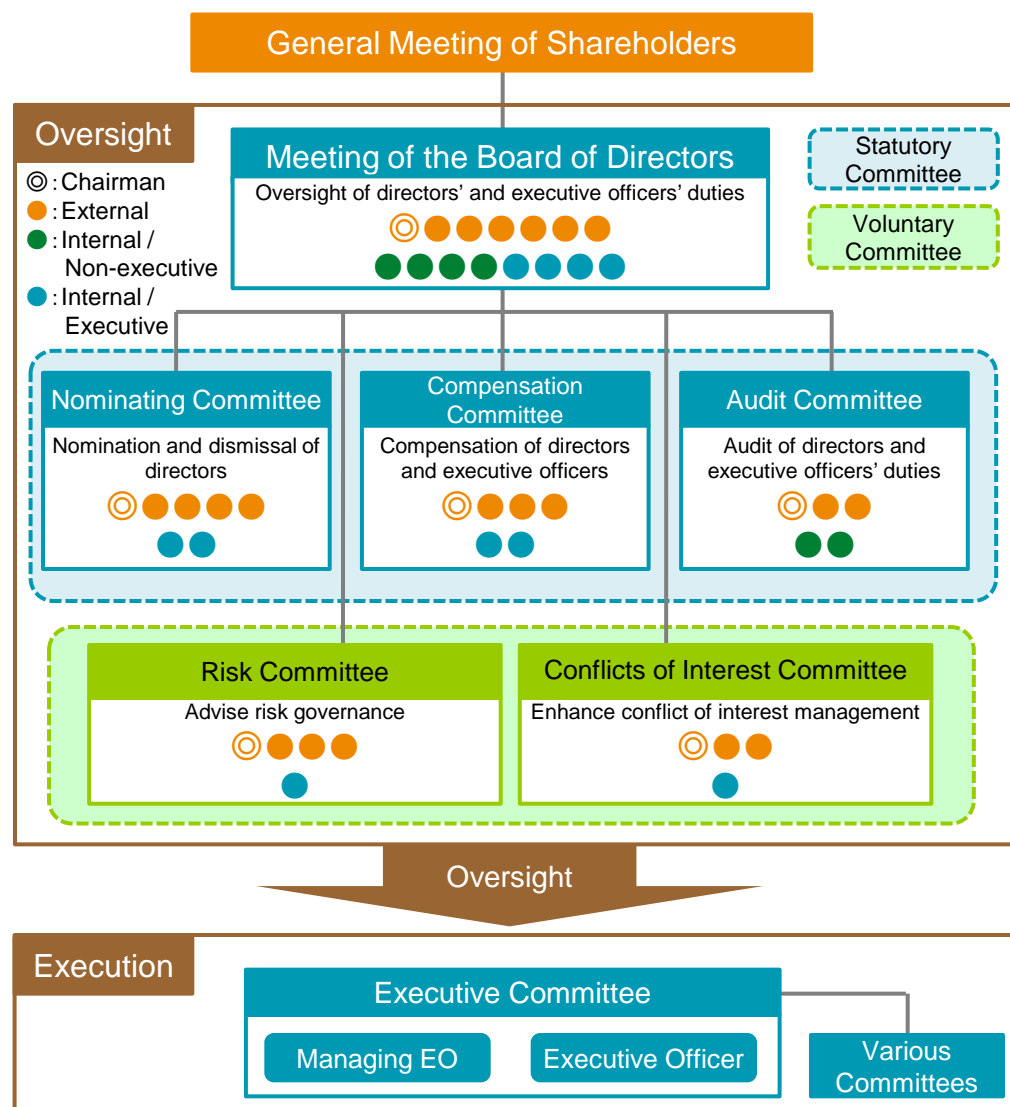
(*1) Dividend from group companies aimed to improve capital efficiency not included in profit for each business segments

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

Management Base

Corporate governance enhancements

Corporate Governance after transition to a company with three committees



Enhance effectiveness of Meeting of Board of Directors

In-depth discussions at Meeting of Board of Directors (*)

Q&A time for each Board meeting	90% up YoY
Number of remarks by directors	50% up YoY
Number of agenda items	27% down YoY

Focus on core management themes
Concentrate on discussions on important topics and medium/long-term themes

Examples of actual themes discussed (Jul.2017 to Sep.2018)

HR development (2 sessions), group governance (2 sessions)
Business model, ESG initiatives, globalization of HR Review of client feedback regarding efforts to become "Best Partner"

Examples of actual themes discussed

Involvement of external directors in devising our management plan

of Prior deliberation:8

of BoD deliberation:5

To gain insight of external directors from an early stage of the planning process

(*) Comparison between Jul. 16-Jun.17 and Jul.17-Jun.18)

Sustainability initiatives

- ✓ SuMi TRUST Group aims to build a sustainable society and enhance the enterprise value of the Group by actively promoting efforts to solve environmental and social issues related to sustainability
- ✓ To contribute to achieving SDGs goals through sustainability initiatives conducted through our business

Group's basic principles regarding our social responsibility

We pledge to assume an active role to build a sustainable society based on our sustainability guidelines

Sustainability Policy

- (1) Contribute to solving social and environmental problems through business
- (2) Serve clients with sincerity
- (3) Earn the trust of society
- (4) Address environmental issues
- (5) Respect the individual
- (6) Participate in and contribute to the community

Top class rating for ESG among Japanese banks

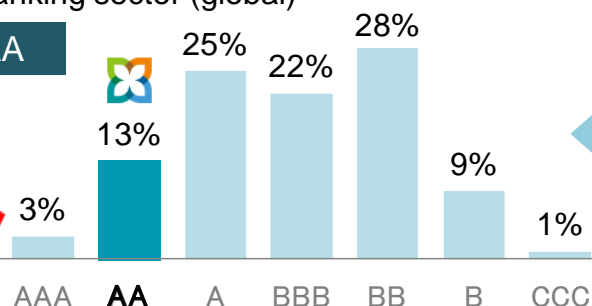
【MSCI evaluation】

Rating distribution of banking sector (global)

Score 8.4 Rating AA

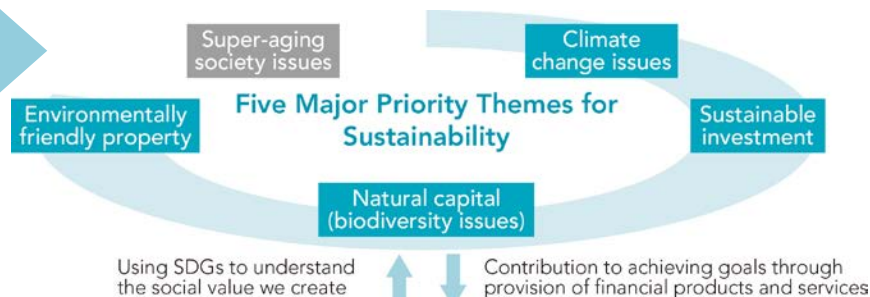
No.1 Japanese bank
(Ranked highest among Japanese financial institutions)

AAA:
Above 8.6



Focused on key issues to offer lineup of social issue solving products

SuMi TRUST Group identifies five major priority themes related to sustainability, and contributes to realize SDGs through providing unique financial products and services



SUSTAINABLE DEVELOPMENT GOALS

Sustainable development goals (SDGs), comprising 17 goals and 169 targets



Examples of social issues solving type products

ESG investments

Our endeavors as pioneer of ESG investment

- Investment performance improvement utilizing non-financial metrics evaluation tool MBIS
- Stock transfer agency consulting incorporating our knowhow of ESG/CSR implementation and investor perspective

AUM of ¥28trn is one of the largest in Japan (as of Aug.2018)

Climate Change

Renewable energy assistance program

- 2015: Established renewable energy fund
- 2016: Leasing of micro-hydro power generation units for closed water conduits
- 2018: Domestic renewable energy investment fund for institutional investors established
- 2018: Announced that SuMi TRUST Bank decided, in principle, not to engage in domestic/overseas coal-fired power generation plant project-financing



Natural Capital

Leadership in the field of natural capital

- 2010: Commenced sales of Biodiversity Fund for Supporting Companies
- 2013: Natural capital evaluation type lending with environmental rating assigned
- 2017: Forestry Trust established
- 2018: In collaboration with companies and universities, established smart forestry consortium



Environmentally Friendly Property

Leadership in creating a new market

- Consultation for environmentally friendly building construction
- CASBEE Consulting for environmentally efficient building certification
- Assistance for designing of "smart" cities and visualization of its benefits
- Commenced fund raising for Green REIT ("Green Trust")



Issues for super-aged society

Initiatives of support lives and protect assets of seniors

- Nationwide hosting of silver college for senior clients by first-class lecturers
- Marketing assistance based on clients' preferred choice of residence
- Dementia prevention in collaboration with Kyoto Prefectural University of Medicine



Community Assistance

Projects we are involved as a group

- 2004: Support for national trusts commenced
- 2012: ESD (Environmental education) project commenced
- 2013: Foster parent for ISAK summer school students
- 2018: Commenced assistance of Help Mark awareness campaign



ESG related activities



UNEP Finance Initiative
(UNEP FI)



UN Principles for
Responsible
Investment (PRI)



Equator
Principles



Natural Capital
Finance Alliance



The United Nations
Global Compact



Principles for Financial
Action for 21st Century

Tackling issues related to super-aged society

- ✓ Due to the advent of a super-aged society, wealth management services to seniors, especially for clients suffering from dementia, and client services to recommend appropriate housing according to their health and family structure, and are becoming important

3 initiatives to cope with dementia

Raising awareness of front-office staff

To train branch marketing staff to handle cases flexibly understanding the nature of the illness

Cooperation with regional assistance centers

Acknowledging the limits of individual companies' efforts, branches instructed to co-work with regional dementia care assistance centers, respecting the current policy to oversee dementia patients at the regional level

Enhance framework for wealth management of clients with dementia

To endeavor to create a suitable foundation to offer optimal wealth management proposal to clients by streamlining complex policies and product lineup



Support for Seniors
Report
~Coping with dementia

Housing ideas for seniors

Providing services suited to needs of clients

Clients needs	Our services
Do not move from current residence	<ul style="list-style-type: none">• Introduce renovation company• Reverse mortgage• Inheritance consultation for property
Move to a more comfortable housing	<ul style="list-style-type: none">• Property brokerage• Introduce housing constructor• Bridge financing• Inheritance consultation for property
Move to housing for elderly	<ul style="list-style-type: none">• Property brokerage• Bridge financing• Inheritance consultation for property



Support for Seniors
Report
~Housing ideas for seniors

Human resource policy

- ✓ In addition to promotion of policies to advance three pillars of work style reform, “diversity”, “health, productivity” and “rewarding work environment”, to foster a workplace culture where each individual could be motivated to devise their own value creative activity for their future

New initiatives to foster climate that supports 3 pillars



To foster climate that supports the three pillars

<Strategic thinking>

<Inner motivation>
(duty / passion)

Management strategy lecture from top management

Management lessons by head of departments (Employee Integrated Report)

Bi-directional dialogue between management and employees

Management Action Declaration

Future creation activity

Foster risk culture

Project management ability (Work Breakdown Structure)

Increased productivity

<HR development>

Actual results for 1HFY18

Diversity

- ▶ Appointment of female managers (Senior Manager positions 266 staff as of Apr 2018)
- ▶ Publicity of Iku-Boss Corporate Alliance membership within the group
- ▶ (Iku-Boss = male supervisors taking childcare leave)
- ▶ Implement female supervisor training model

Health, Productivity

- ▶ Stringent management of overtime work, shorter working hours
- ▶ Achieve 100% staff medical checkup
- ▶ Complete smoking ban (Smoking room closed as of Oct 2018)
- ▶ Health walk event hosted by company health insurance association

Rewarding Work Environment

- ▶ Divisional seminars to explain various trust businesses to entice challenges to new work opportunities for career development
- ▶ To provide opportunities for dialogue with the CEO and other executives to foster management mindset of employees
- ▶ To respond to low score items reported in employee awareness survey by introduction of new policies and procedures
- ▶ To revisit remuneration policies for highly specialized staff

Fostering workplace climate

- ▶ Company-wide efforts to create future business
- ▶ Utilize comprehensive employee report to foster corporate culture
- ▶ Foster a healthy culture for risk taking
- ▶ Bi-directional communication (to ensure action on management's commitment)

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. Please refer to the most recent relevant materials including financial results (“Kessan Tanshin”)(including attached explanatory materials), the securities report and other presentations disclosed by Sumitomo Mitsui Trust Holdings and its group companies, for further information that could significantly influence its financial position and operating results as well as investment decisions by investors. 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.