

Investor Meeting on Financial Results for 1HFY2019

November 20, 2019

- ◆ A very good morning to you all. I am Tetsuo Ohkubo from SuMi TRUST Holdings.
- ◆ Thank you very much for attending this briefing session today.

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Definitions of terms in this document

Sumitomo Mitsui Trust Holdings (Consolidated): "Consolidated " or "SuMi TRUST Holdings"

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

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

Net Income (on consolidated basis) : "Net income attributable to owners of the parent"

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

Accounting for Business combination related to Management Integration

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

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

Financial indices per share

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

As for 1HFY2019 results, Net business profit and Net income have both exceeded YoY and initial plan. Maintaining stable growth

Net interest income and related profit, Net fees and commissions and related profit both recorded effective increased profit. Non-interest income from corporate client related businesses have grown, tangible progress made in diversification of sources of profit

Retail business model going through transformation to better adapt to diverse needs of each generation in the age of “100-year life”

Maintain and fortify downside risk management for stock price, interest rate and credit risk

- ◆ Page 1 shows the four key points I would like to discuss today.
- ◆ First, a summary of earnings for the first half of fiscal 2019. We have achieved steady growth with both net business profit before credit costs and net income attributable to owners of the parent increasing year on year, exceeding our forecasts.
- ◆ Second, the details of our first-half earnings. Effective net interest income and related profit and net fees and commissions and related profit have both increased YoY.
- ◆ In addition, we sense that we have made progress on diversifying our sources of revenue with growth in non-interest income through transactions with corporate clients.
- ◆ The third key point is our retail business. As we enter an age of “100-Year Life”, an age where more people are likely to live to 100, the needs of each generation are diversifying. We intend to further develop and enhance our business model in order to address those needs more meticulously.
- ◆ And our fourth key point is how we are preparing for downside risks. We plan to strengthen our preparedness for the emergence of risks up ahead, considering the increasing uncertainty including macro environment.
- ◆ Please take a look at page 3.

Summary of results for 1HFY2019

Summary of financial results for 1HFY2019

- ✓ Net business profit and Net income have both increased YoY. Exceeded initial forecast for the FY, progress rate against full-year forecast at 53% and 59% respectively.
- ✓ Effective interest related earnings has increased YoY. Excluding the one-off impact of JTSB (asset administration trust bank) becoming a non-consolidated entity, net fees and commission and related profit have also increased YoY. Progress made in diversification of our profit base, such as increase in non-interest income from our corporate client businesses.
- ✓ Return on Shareholders' equity has also improved

<Major KPIs>

| | 1HFY18 Actual | Initial plan | 1HFY19 Actual | Change from 1HFY18 | Change from initial plan | FY19 Plan |
|--------------------------------------|------------------|-----------------|------------------|-----------------------|-----------------------------|--------------|
| (Yen bn) | | | | | | |
| 1 Net business profit | 146.9 | 140.0 | 154.1 | +7.2 | +14.1 | 290.0 |
| 2 Substantial gross business profit | 367.1 | 360.0 | 377.0 | +9.8 | +17.0 | 740.0 |
| 3 Substantial G&A expenses | (220.2) | (220.0) | (222.8) | (2.6) | (2.8) | (450.0) |
| 4 Net income | 91.5 | 85.0 | 106.0 | +14.5 | +21.0 | 180.0 |
| 5 Fee income ratio | 55.7% | | 53.4% | (2.3%) | (*) | |
| 6 Overhead ratio | 60.0% | 61.1% | 59.1% | (0.9%) | (2.0%) | 60.8% |
| 7 Return on shareholders' equity | 8.46% | | 9.32% | +0.86% | | Approx. 8% |
| 8 Common Equity Tier 1 capital ratio | 11.78% | | 12.90% | +1.12% | (*) | |

(*) 54.0% [(1.7)% YoY] After adjusting for non-consolidation of JTSB (*) Pro-forma figure of 1HFY2019 CET1 Capital Ratio on Finalized Basel III reform basis is in the upper 9% range

<Per share information>

| | 1HFY18 Actual | 1HFY19 Actual | Change | FY19 Plan | Change |
|-------------------------------|------------------|------------------|--------|--------------|--------|
| (Yen) | | | | | |
| 9 Earnings per share (EPS) | 241 | 281 | +40 | 478 | +20 |
| 10 Dividend per share (DPS) | 65 | 75 | +10 | 150 | +10 |
| | Mar. 19 | Sep. 19 | Change | | |
| (Yen) | | | | | |
| 11 Net assets per share (BPS) | 7,008 | 7,133 | +125 | | |

<Shareholders' return>

| | FY18 Actual | FY19 Plan |
|--------------------------|----------------|--------------|
| 12 Dividend payout ratio | 30.5% | 31.2% |
| 13 Total payout ratio | 35.7% | Approx. 40% |

(Reference: Shareholder Return Policy: announced on May 2017)
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.

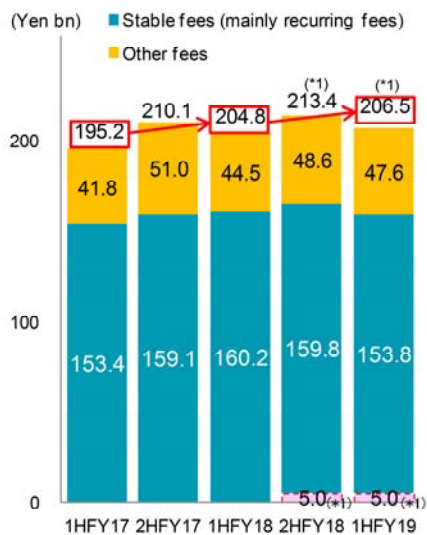
- ◆ I will not go into much detail about our results, assuming you have all reviewed the numbers, but good progress was made on net business profit and net income, with achievements of 53% and 59% versus the full year budgets respectively.
- ◆ Even though the fee income ratio has declined mainly due to the technical factor of removing JTSB from the scope of consolidation, we saw a growth in non-interest income in categories other than fees. Therefore, the overall non-interest income is growing.
- ◆ We are keeping our full-fiscal 2019 forecasts for both net business profit and net income unchanged since we expect investment trust and insurance sales to remain weak in addition to the considerable uncertainties surrounding the interest rate environment and stock prices.
- ◆ Please skip ahead to page 9.

Overall summary for 1HFY2019 (Progress on Midterm Management Plan)

- ✓ Fee businesses, loans/investments businesses and expense ratio have made solid progress in line with our Mid Term Management Plan.

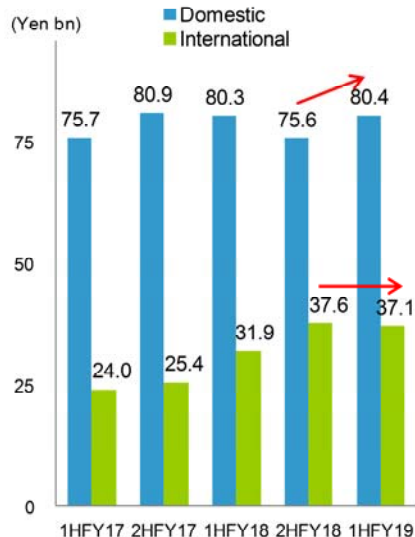
Fee business

Steady increase of fee related income



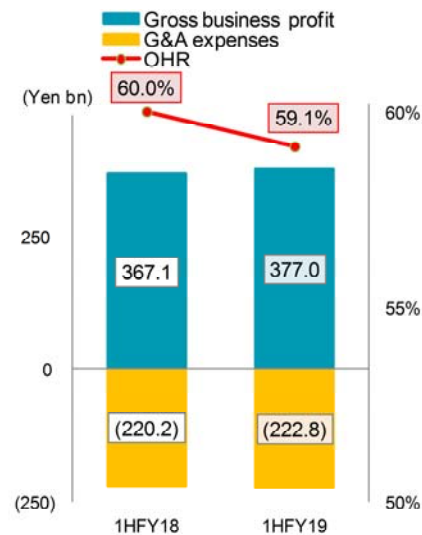
Loan/investment business

Effective interest related earnings^(*) of SuMi TRUST Bank (non-consolidated) against 2HFY18 has increased from domestic operations while international businesses remained flat



Expenses

OHR improved due to increase in gross profit surpassing increase in expenses

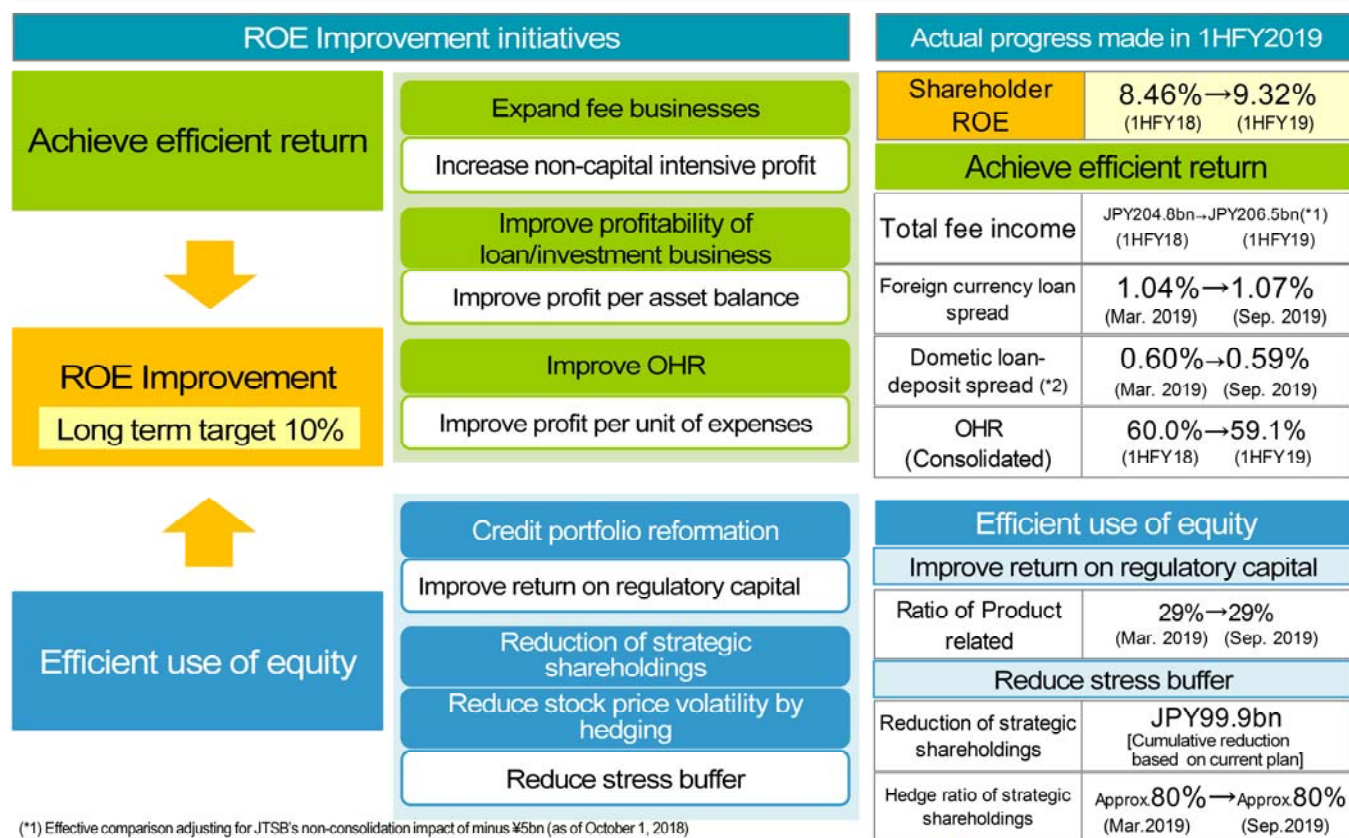


(*) For like-to-like comparison, adjustment of ¥(5)bn made to offset impact of JTSC non-consolidation

(*) 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

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Initiatives to improve ROE and actual progress made in 1HFY2019



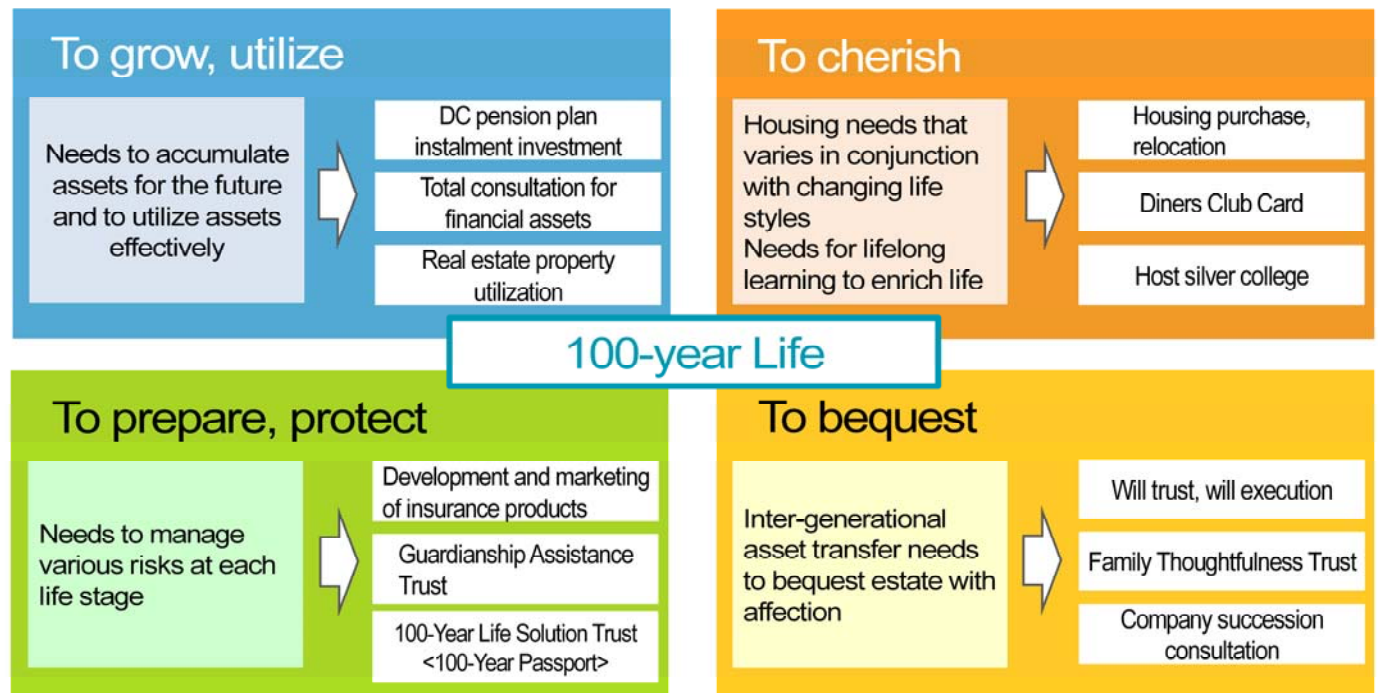
(*1) Effective comparison adjusting for JTSB's non-consolidation impact of minus ¥5bn (as of October 1, 2018)

(*2) Based on average balance for each quarter end

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Business Initiatives for 2HFY2019

- ✓ In the age of "100-year life", to offer various services suited to each generation/individual
- ✓ To achieve sustainable growth by offering solutions to society-level issues



Responding to changes in society's needs, to maintain sustainable growth by offering added-value unique to a trust bank group / Corporate clients

- ✓ Increased needs in areas where we have competitive edge such as non-financial related services
- ✓ To offer various solutions demanded by our corporate clients as their partner in management to achieve sustainable growth

Corporate governance

- Strengthen governance
- Dialogue with shareholders/investors
- Improve ROE



IR/SR consulting
Corporate Governance Survey
Real estate utilization/divestment

Work style reform

- Devise pension plan with delayed retirement in mind
- Strengthen welfare support for employees
- Support asset formation of employees



Pension plan consulting
Investment education through DC pension plan
Life plan consultation for employees

Prolonged super low interest rate

- Investment needs
- Portfolio optimization
- Expand fee businesses to complement loan/investment business



Various investment opportunities and products
Consulting for risk management and ALM
Offer specialized trust services

ESG

- Sustainability improvement
- Fusion of business and ESG activity



Environmentally friendly real estate
ESG consulting
Positive impact finance

1

Sustainable growth of fee business

Retail business in the age of “100-year life”

2

Profit improvement of Loans/investment business

3

Advance digitalization strategy

4

Expenses strategy/improvement of OHR

5

Preparation for future risk

◆ Here is a list of our 5 initiatives for the second half of fiscal 2019.

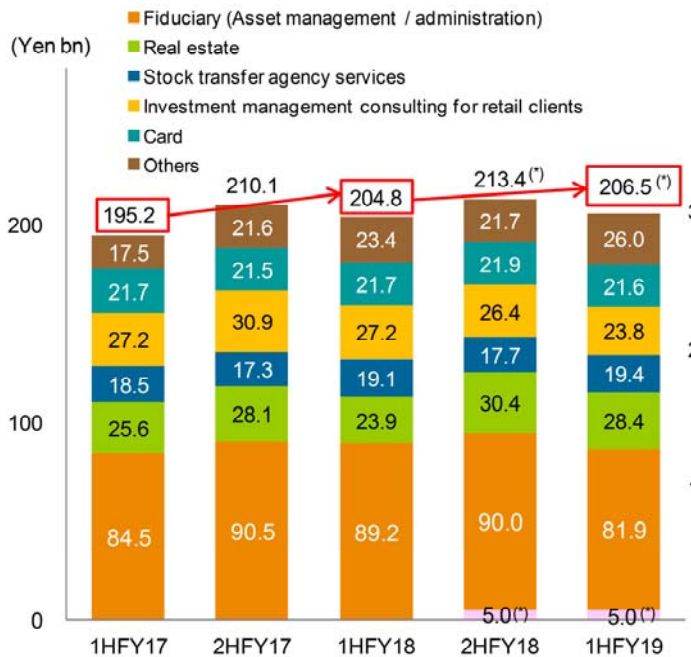
◆ I will discuss the key points to each initiative.

◆ Please take a look at page 11.

Fee business: Overview

- ✓To pursue sustainable and stable profit growth from diverse income sources
- ✓To fortify foundations of stable income such as retail real estate brokerage and increase in AUM of publicly offered investment trusts

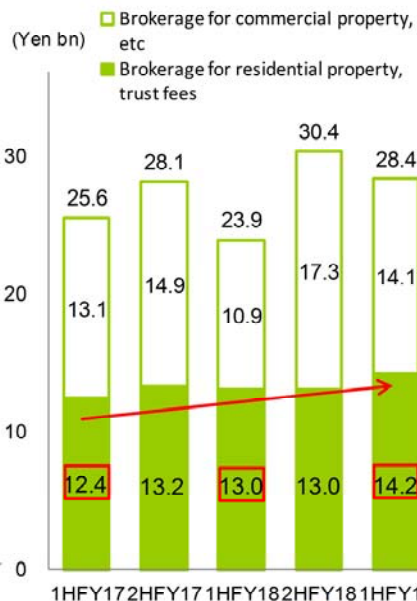
Breakdown of fee related income



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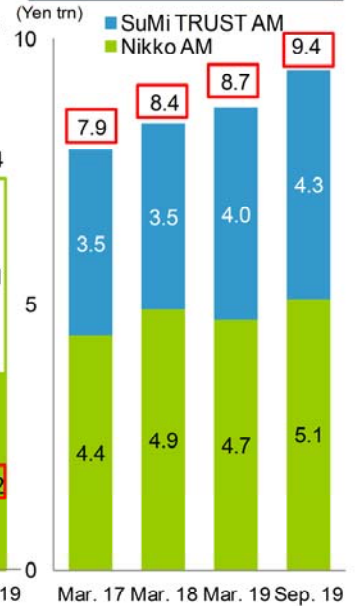
Profit base for recurring fee income has been strengthened

Real estate related fees



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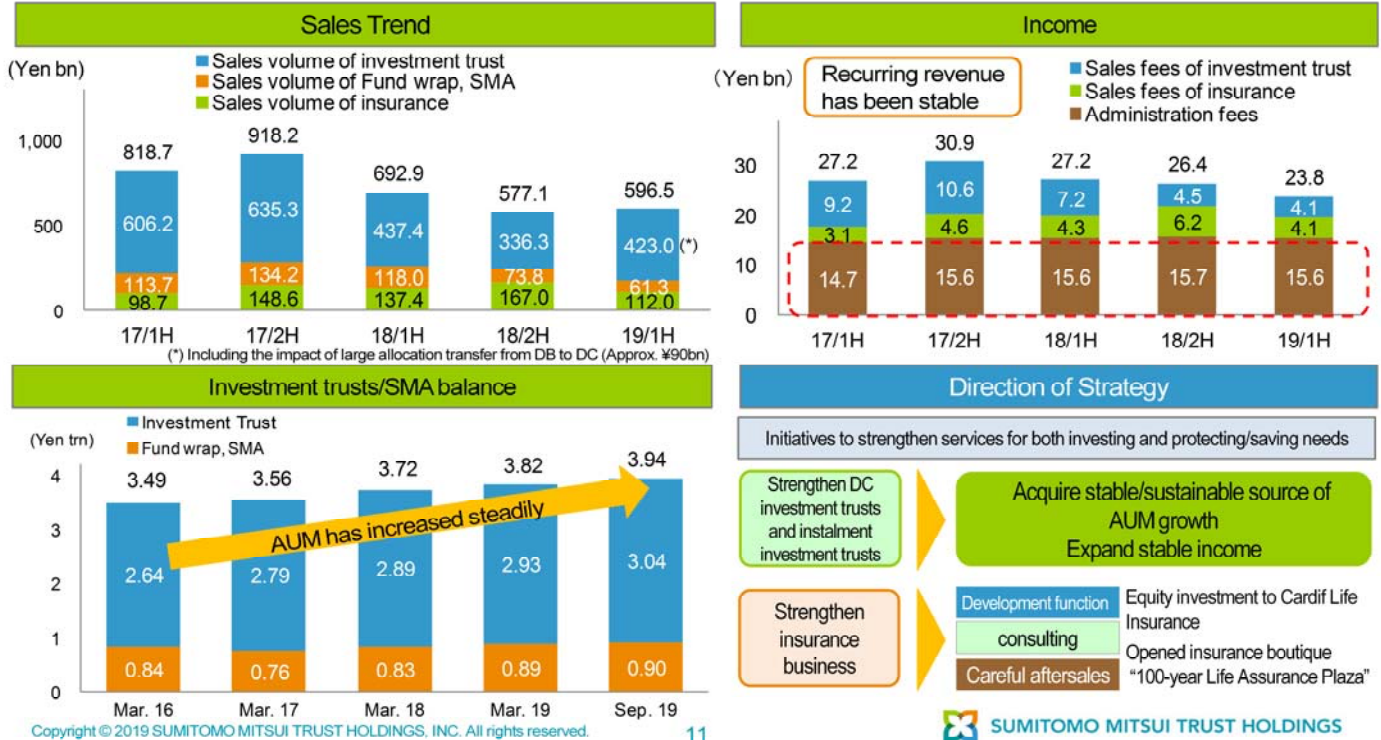
AUM of listed investment trusts (excl. ETFs)



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Fee business: Investment management consulting/Individuals

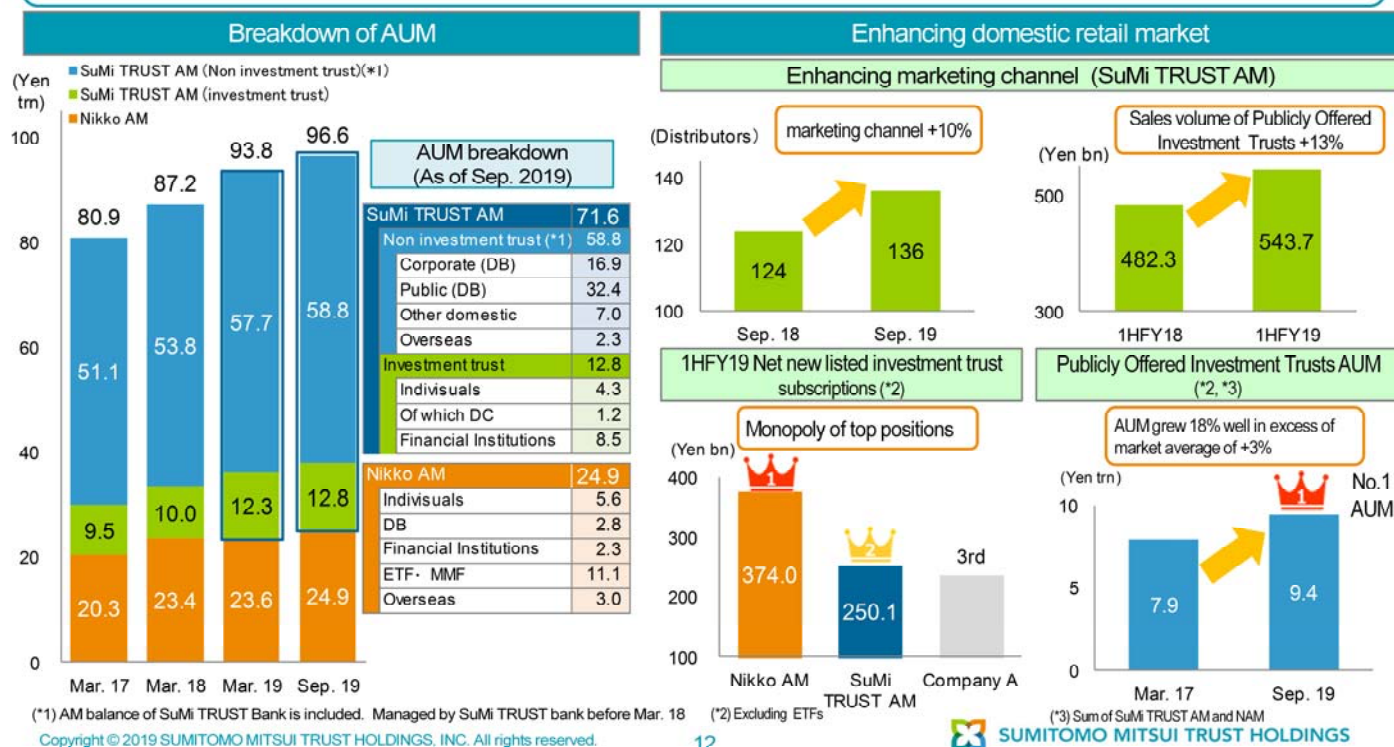
- ✓ Although sales volume decreased, AUM increased due to stable growth of medium/long term investments such as DC
- ✓ Recurring revenue has contributed to stabilization of revenue



- ◆ In investment management consulting, we have generated stable income with overall AUM increasing with contributions from DC sales despite the decline in sales of investment trusts, fund wrap products, and insurance to retail clients.
- ◆ In light of the increasingly diversifying needs of each generation, we believe that paying attention to the detailed needs of our clients when offering investment management services to individuals will be of utmost importance.
- ◆ I will discuss this later when I talk about the retail business.
- ◆ Please take a look at page 12.

Fee business: Asset management (SuMi TRUST AM / Nikko AM)

- ✓ Steady growth of AUM through expansion of marketing channels in the domestic retail market
- ✓ Regarding publicly offered investment trusts, achieved No.1 market share in AUM for the first time due to favorable funds inflow

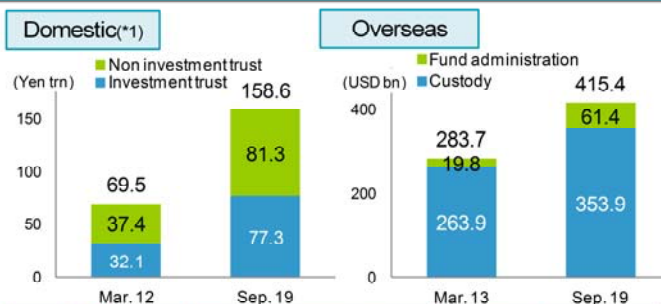


- ◆ Moving on to our asset management business.
- ◆ AUM for the Group's two asset management companies now stands at ¥96 trillion.
- ◆ Due in part to Nikko Asset management's timely introduction of thematic funds and successful measures in growing Sumitomo Mitsui Trust Asset Management's distributor base, our two asset management firms were ranked first and second in the industry in terms of net subscriptions for publicly offered investment trusts in the first half. And AUM in publicly offered investment trusts for both companies combined at the end of September was the highest in the industry for the first time.
- ◆ Please skip ahead one page to page 14.

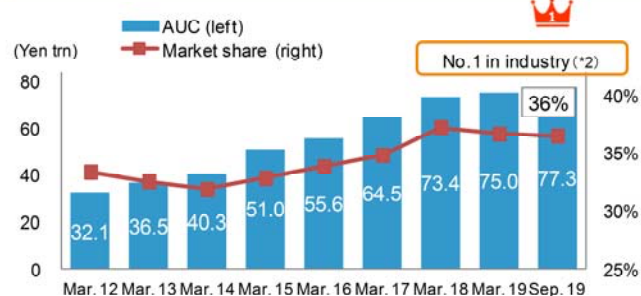
Fee business: Asset administration (JTC Holdings, Overseas Subsidiaries)

- ✓ To pursue further efficiency and service enhancement leveraging our economies of scale through management integration
- ✓ To cater to our clients' diverse needs through expansion of product lineup and refinement of our business infrastructure

Group's AUC



Balance of investment trust under custody (*1)



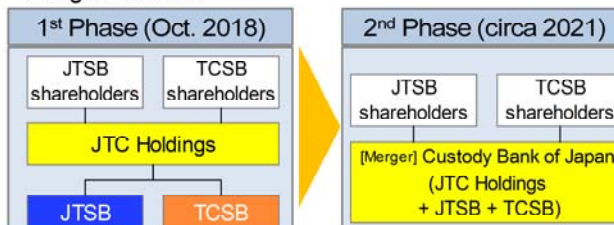
(*1) Trust a/c of SuMi TRUST Bank
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Pursue economies of scale

- ◆ Achieved management integration of our principal asset administration subsidiaries, JTSB and TCSB(*3) (October 2018)
- ◆ Targeting 2021, plan to merge JTC Holdings and both subsidiaries. Pursue efficiency and service sophistication through economies of scale

<Merger structure>



<Company profile> (*4)

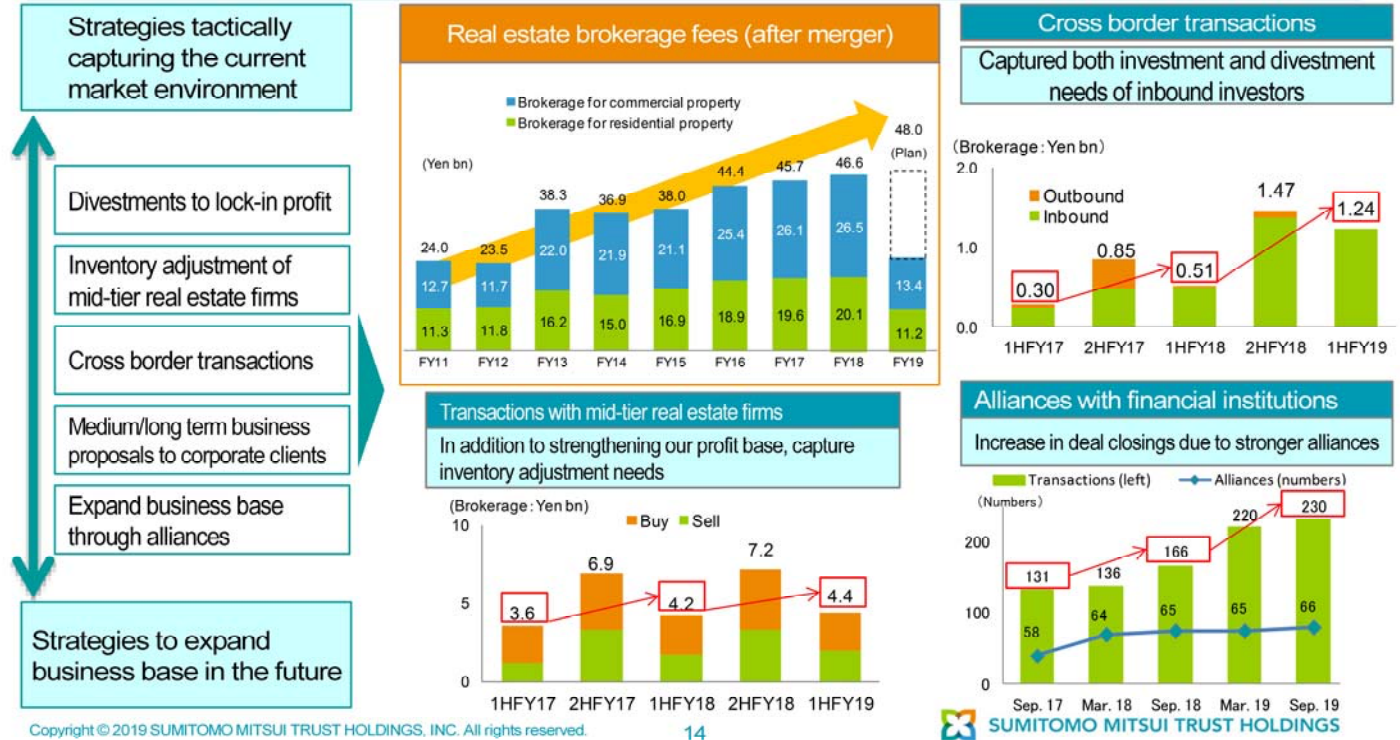
| JTC Holdings | | | |
|----------------|-------|---------|--------------------------|
| <Shareholders> | | | |
| SuM TRUST | 33.3% | JTSB | |
| Mizuho FG | 27.0% | | |
| Resona | 16.7% | | |
| Life insurers | 23.0% | | |
| | | JTSB | TCSB |
| | | ¥324trn | AUC ¥382trn |
| | | ¥291trn | Trust assets ¥143trn |
| | | ¥32trn | Trustee services ¥239trn |

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

(*4) As of Mar. 2019

Fee business: Real estate (Commercial properties)

- ✓ By correctly understanding needs based on market environment, accumulated profits and transactions. Posted record profits for 1H
- ✓ Tangible progress in strengthening foundations for future profit growth

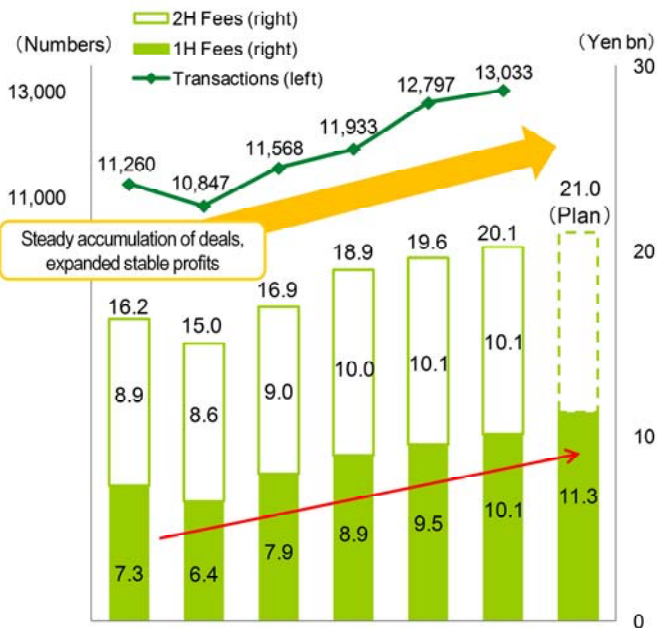


- ◆ Next on our real estate business.
- ◆ First-half profits in the real estate brokerage business for both corporate and individual client transactions achieved the highest track record since management integration.
- ◆ Regarding commercial properties, while large property transactions contributed considerably, we boosted earnings by accurately identifying the timing and needs of clients in transactions such as those with mid-sized real estate companies, cross-border deals, as well as deals to support companies in streamlining their balance sheets.
- ◆ Our information platform is also expanding through successful efforts in strengthening alliances with regional financial institutions.
- ◆ I am sensing sure results starting to materialize in various areas including the retail business space from measures where have sown the seeds and have been developing to date. Details are available on the next page.
- ◆ Please take a look at page 15.

Fee business: Real estate [Residential properties / Environmentally friendly properties]

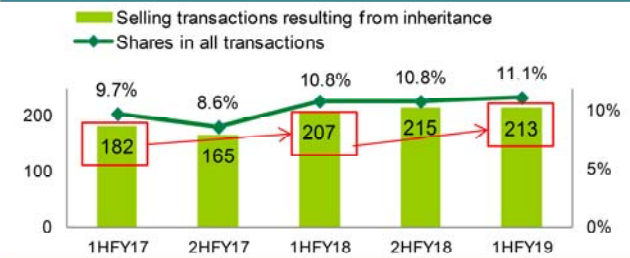
- ✓ SuMi TRUST Realty's brokerage fee income posted record profit for 1HFY2019. Foundations has been strengthened such as inheritance related deals
- ✓ Leading the industry in the field of environmentally friendly property

Brokerage deals of SuMi TRUST Realty



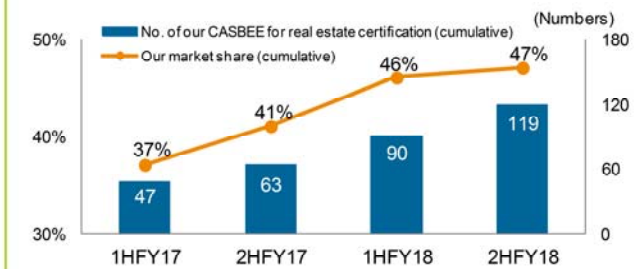
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Increase in divestment transactions due to inheritance events



Environmentally Friendly Property Consulting

✓CASBEE (*) Application Consultation Share around 50%



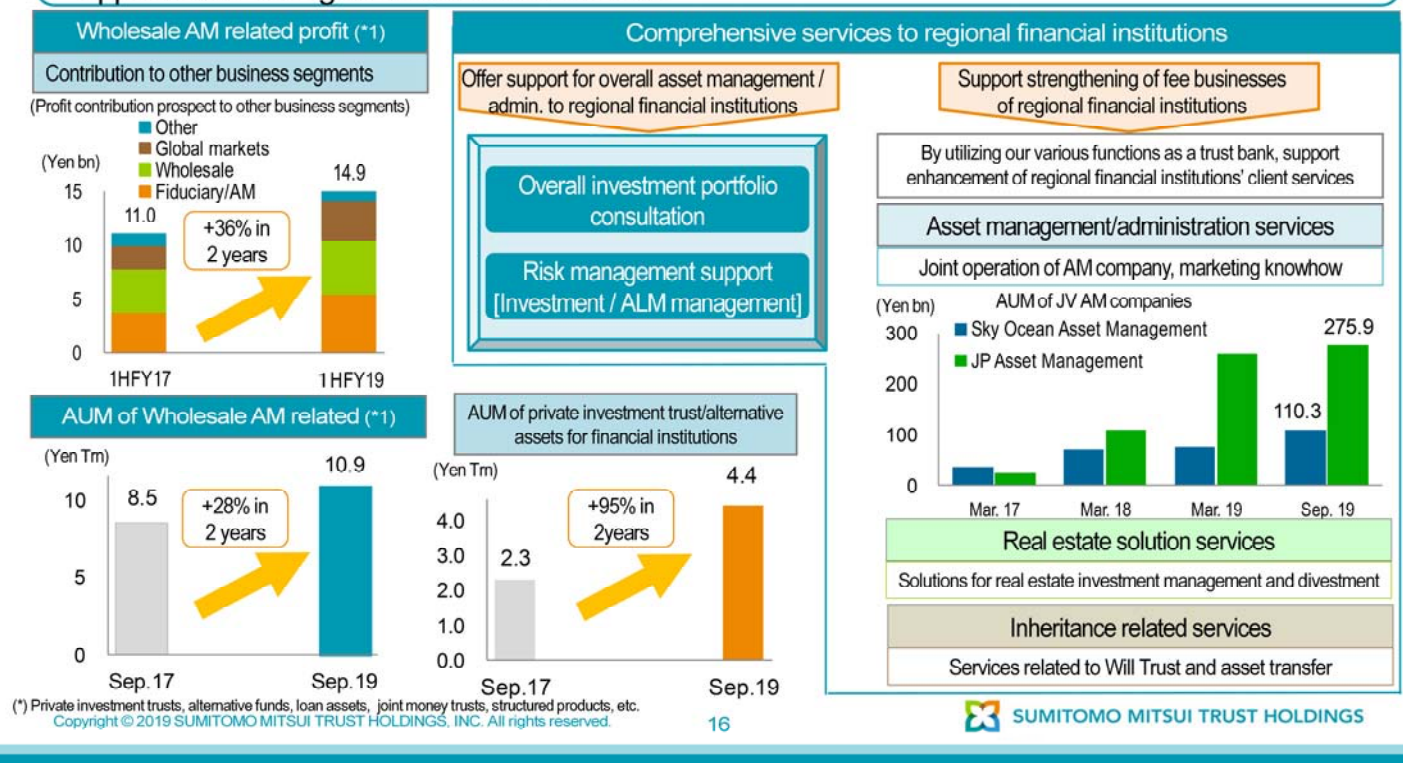
(*) CASBEE: System to evaluate a building's environmental performance led by Ministry of Land, Infrastructure

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- ◆ As illustrated in the bottom right graph, we are also stepping up our efforts in real estate with a focus on sustainability.
- ◆ We offer consulting to clients on property environmental performance certification and are leading the industry with a cumulative market share of 50% in the number of certification application support cases that lead to government subsidy payments.
- ◆ In addition to helping enhance the value of company-owned properties, more and more transactions that begin with consulting are leading to real estate brokerage through reviews of new asset structures.
- ◆ Please take a look at page 16.

Fee business: Wholesale Asset Management

- ✓ Contribution to profit of other divisions as catalyst to create opportunity for diverse product and service offerings
- ✓ To offer comprehensive services such as portfolio consultation and introduction of fee business opportunities to regional financial institutions

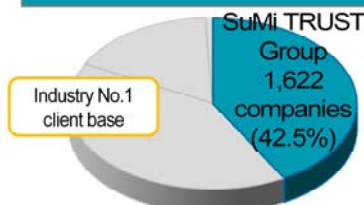


- ◆ Turning now to our wholesale asset management business.
- ◆ AUM for financial and non-profit organizations has increased by 28% in the last two years, while gross profit in related businesses of providing services and products has grown by 36%.
- ◆ With regard to the nature of this business with our regional financial institution clients, offerings of comprehensive services are increasing as compared to previous deal-by-deal offerings.
- ◆ More specifically, based on the stronger relationship developed through providing overall portfolio consulting and risk management support, we pursue other opportunities to work together. One example of further deepening the win-win relationship will be where we leverage our expertise in supporting regional financial institutions to enter trust businesses.
- ◆ Please take a look at page 17.

Fee business: Solutions for corporate clients [Stock transfer agency services]

- ✓ Corporate clients' needs have expanded into solutions for management issues other than financial services
- ✓ In stock transfer agency services, consulting related revenue has increased by offering solutions for governance improvement, leveraging our industry-leading client base

No. of listed companies under management (Sep. 19)

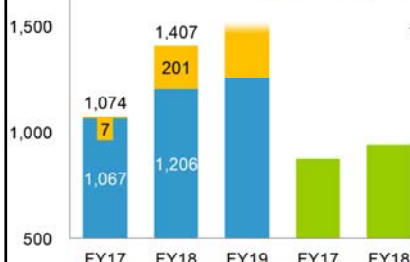


Our extensive client-base
+
Data from the most extensive survey of companies

Governance survey

Japan's biggest survey with FY18 participating firms: 1,407 (roughly 40% of all listed companies)

(Number of participating companies) ■ Others ■ Our client companies

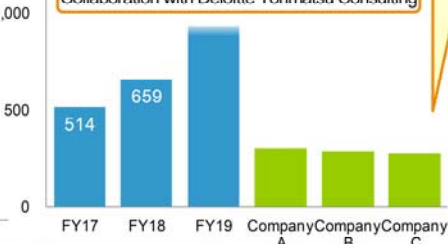


Executive compensation survey

Japan's biggest survey with FY2018 participating firms: 659 (executive compensation data for more than 10,000 people)

(Number of participating companies)

Collaboration with Deloitte Tohmatsu Consulting



Consulting-related revenue (gross operating profit)

Growing into source of earnings in light of new corporate needs arising from environmental changes



Support to strengthening governance from various angles

Solution for one issue as stepping stone to offer further solutions to continuously support clients from many angles

Governance survey

Board of Directors' Meeting effectiveness assessment support services

Consultation for transition to company with three committees

Executive compensation survey

Consultation for director remuneration

Stock delivery trust

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* The above data based on public data and our survey

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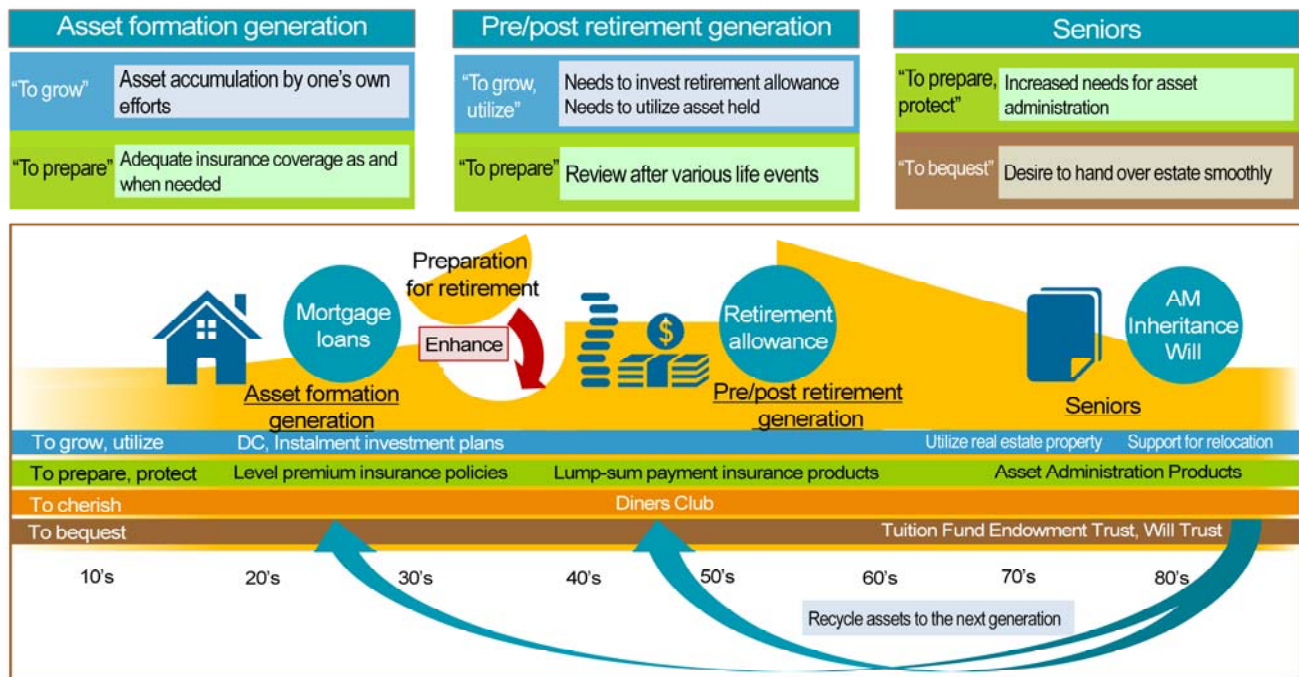
- ◆ Moving on to our stock transfer agency services business.
- ◆ This business is expanding into areas of higher added value from its traditional domain of administrative services.
- ◆ For example, we leverage our largest-in-the-industry client base to conduct Japan's biggest corporate governance and executive remuneration surveys, and provide information with high added value.
- ◆ In our feedback to the participating companies, we highlight the companies' corporate governance issues and propose solutions. These activities are also helping generate revenue from consulting.
- ◆ Please take a look at page 19.

(Fee business)
Retail business in the age of “100-year life”

Retail business : Business model finely tuned to cater to each generations' needs

Redefine each generations' needs in the age of "100-year life" and reflect them in our business model

Transform and sophisticate our business model prior to implementation of our new Midterm Management Plan to accurately grasp the diverse needs of each generation in the age of "100-year life"



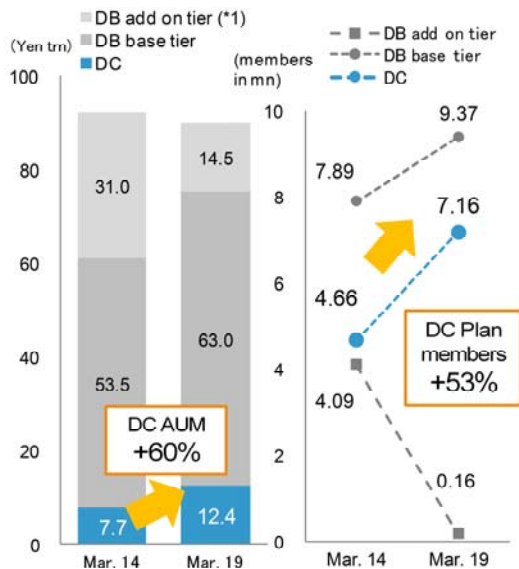
- ◆ I will from here, touch upon the evolution and enhancement of our retail business model.
- ◆ In the age of "100-Year Life" where people live for 100 years, we believe the needs of each generation will only diversify further as people embrace different lifestyles.
- ◆ For example), some senior clients may place importance on passing their assets to their children or grandchildren, while others that are alone, or just husband and wife may have needs such as being fully prepared to have enough for his or her future.
- ◆ Therefore, we are working to thoroughly capture and understand the varying needs of each generation and each client to offer in-depth solutions that pay attention to details by fully utilizing the capabilities true only to a trust bank group.
- ◆ Considering that the society is constantly changing, we hope to push ahead with the necessary measures without waiting to incorporate them into our next medium-term business plan.
- ◆ Please take a look at page 20.

Retail business: Services tailored for the asset accumulation generation (1) [DC]

- ✓ Support steady asset formation through DC plans. Both plan members and market share steadily increasing
- ✓ Multi-dimensional services offered for DC plans such as asset management and administration

Support asset accumulation through DC plans

Expanding DC pension market (past 5 years)



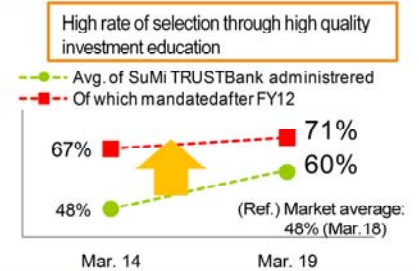
(*1) Include Pension Fund Association

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DC plan members of SuMi TRUST Bank administered



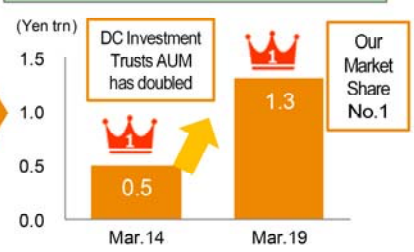
Investment trust selection rate of DC plan



Various services related to DC plan

| | |
|-----------------------|--|
| DC Plan Management | SuMi TRUST Bank |
| | •DC plan design, administration |
| | •Investment education |
| Investment Management | AM subsidiaries (SuMi TRUST AM / Nikko AM) |
| | •Offer diverse investment products |
| Asset Administration | Asset custodian bank (JTSB) |
| | •Administration of trust assets |

AUM of DC plan investment trusts (*2)



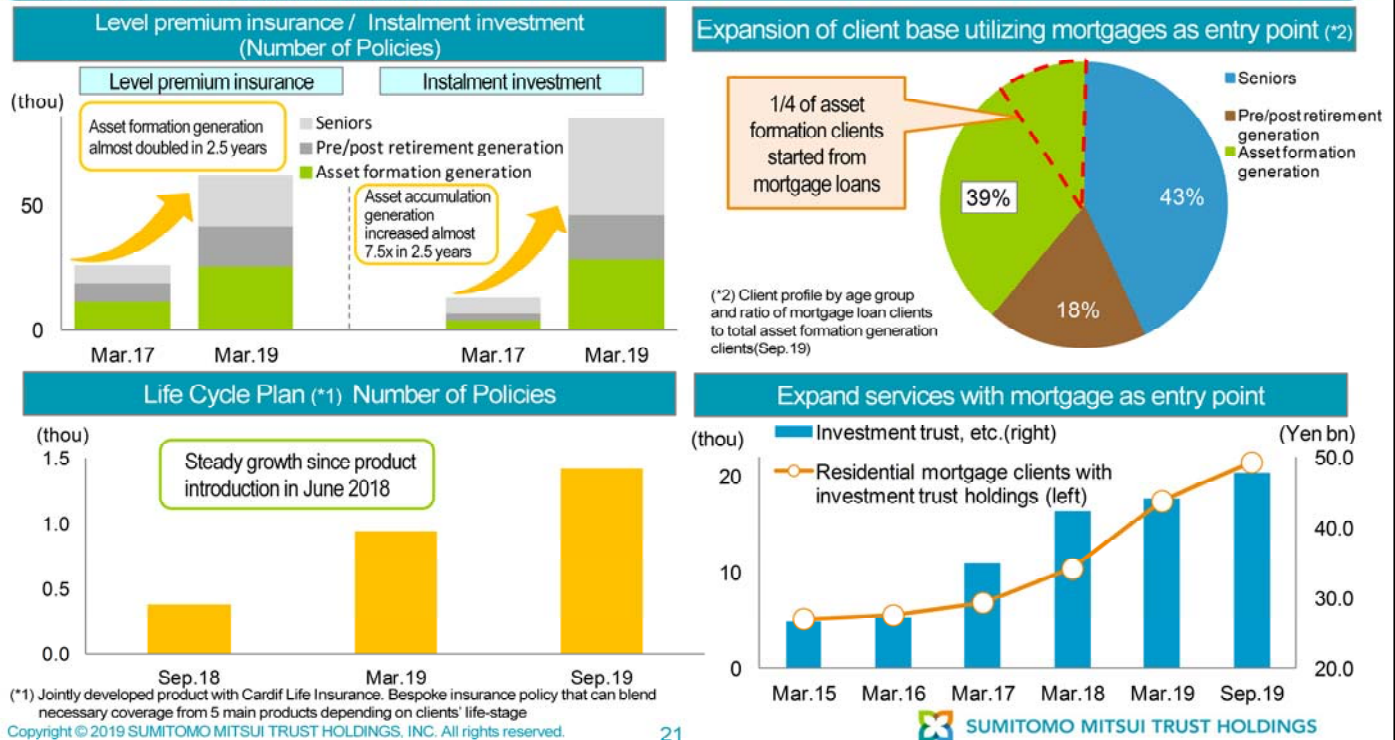
(*2) Sum of SuMi TRUST AM and Nikko AM

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- ◆ There is a growing need for people in the asset building phase of their lives, mainly aged 30's and 40's to solidly accumulate their assets for the future from an early stage.
- ◆ We, SuMi TRUST plan to first address this need by drawing on our longstanding strengths in designing and managing pension schemes to further expand DC plans that enable stable and continuous asset building.
- ◆ The DC market is steadily growing and we lead the way with a market share of 21% based on our 1.48 million DC plan participants.
- ◆ We are known for providing quality investment education to the DC participants and as shown on the top right graph, 71% of their funds is invested in investment trusts.
- ◆ Accordingly, total AUM in DC investment trusts across our Group's two asset management companies is the highest in the industry at some ¥1.3 trillion and we expect this to continue growing in step with the DC market growth.
- ◆ Please take a look at page 21.

Retail business: Services tailored for the asset formation generation (2)

- ✓ Expansion of medium/long-term transactions such as instalment investment products and level premium insurance policies
- ✓ Expansion of our client base through mortgages as point-of-entry and extension into investment management transactions such as investment trusts

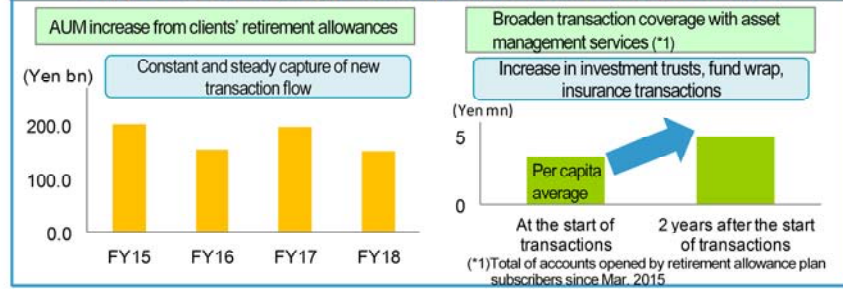


- ◆ Alongside DC pensions, we also actively support mid-long term asset building with products like instalment type investment trusts and level premium insurance products.
- ◆ We are the No.1 industry leader in value for mortgage loans executed, which serves as an important contact point with quality clients in the asset building stage of their lives. And as illustrated in the bottom-right, this is leading to additional businesses with them such as sales of savings type investment trusts or opening of NISA accounts.
- ◆ Please take a look at page 22.

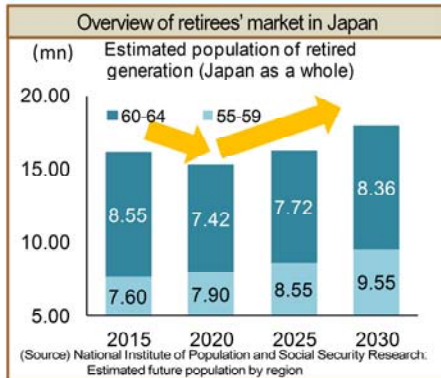
Retail business: Services tailored for pre/post retirement generation

- ✓ Strong results demonstrated in market for retirees where our consultation capability as a trust bank can be maximized
- ✓ Transaction opportunities arise when key decision maker overseeing several generations reach pre/post retirement age

Support asset management of pre/post retirement generation



Additional transaction opportunities from pre/post retirement clients

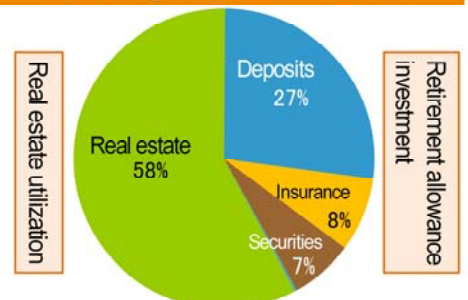


stable and high value transaction flow due to Real estate brokerage needs from relocation etc.

Real estate brokerage Transactions handled: Approx. ¥6bn (*2)

(*2) Total real estate brokerage transaction amount with clients utilizing retirement allowance plan (1 year between 2018/10/1 to 2019/9/30)

Wide range of assets covered

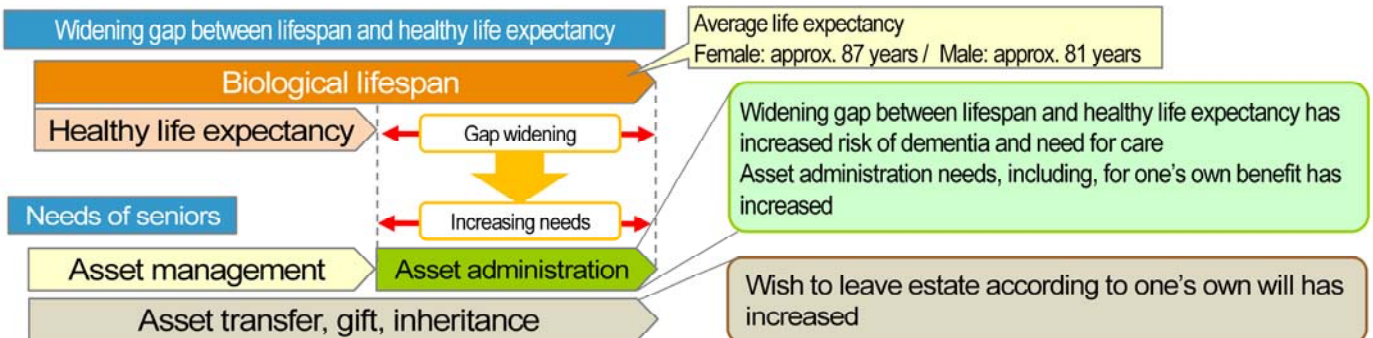


(*3) Source: National consumption survey / Household assets (net assets) Ministry of Internal Affairs: Asset breakdown of over 60s households

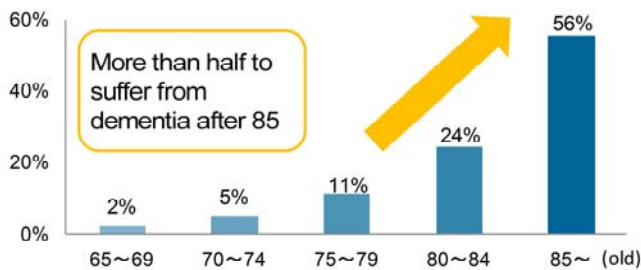
- ◆ People approaching retirement or recently retired, mainly in the age of 50's and 60's, are not only thinking about managing their own assets for the future, but are also the generation that are key decision-makers for issues surrounding their parents or children.
- ◆ We believe this is exactly the generation where SuMi TRUST's comprehensive consulting capabilities that capture the client needs crossing over one generation to the next can show its worth.
- ◆ As illustrated in the top left graph, AUM for managing clients' retirement money is growing steadily. Investment product sales is also showing a rising trend through consulting services we offer after they entrust the retirement money with us.
- ◆ We will continue to meet client needs through our total solution based offerings such as providing inter-generational solutions that include inheritances from parents or the transfer of assets to children as well as consulting on non-financial assets such as real estate.
- ◆ Please skip ahead one page to page 24.

Retail business: Services tailored for the senior generation (1)

- ✓ Preparation and savings to cope with longevity becoming more important
- ✓ Optimal recommendation from highly sophisticated consultation and utilization of trust to handle asset administration and inheritance needs



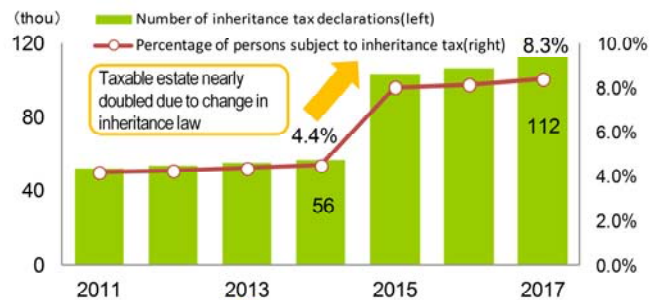
Probability of dementia (by age group)



Source: Research of population estimate of old people with dementia
Min of HW subsidized research project 2014

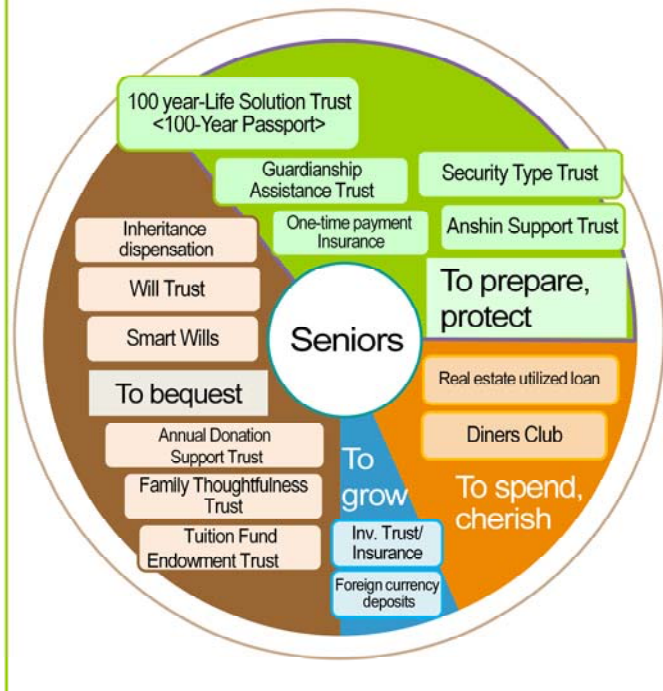
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Broadening of estate duty taxable individuals

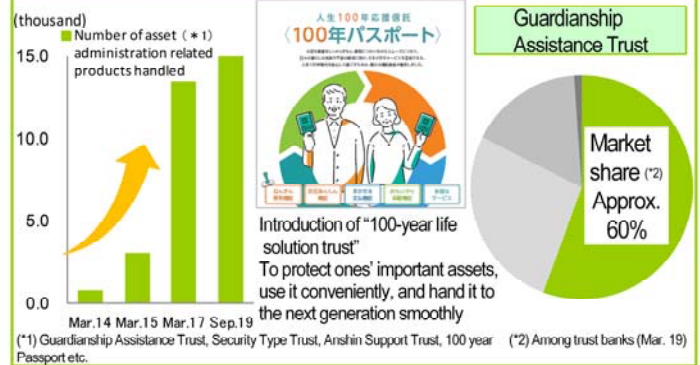


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Products and services suitable for increasingly diverse lifestyles and needs of seniors



Track record of asset administration related products



Policies to improve communication with senior clients

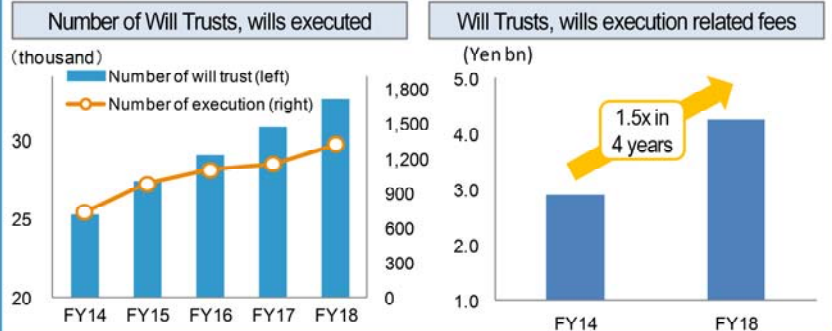
| | |
|---|--|
| Gerontology qualification <ul style="list-style-type: none"> ✓ All branch general managers to take qualification exam ✓ Expand to senior manager level | <p>Virtual experience of seniors' field of view to improve communication by understanding their physical constraints</p> |
| Dementia supporter <ul style="list-style-type: none"> ✓ All retail branch staff to obtain qualification | |

- ◆ Since the senior aged generation is faced with heightening risks of dementia and nursing care, asset management will be key for them to “safe guard, have easy access for use, and pass on smoothly their valuable assets to the next generation”.
- ◆ We aim to respond to such diverse needs of seniors with various products that are unique to SuMi TRUST and offer new and fine-tuned services up ahead.
- ◆ Asset management products related businesses are growing steadily and we specifically pride a dominant market share in the Guardianship Assistance Trusts area.
- ◆ Furthermore, we have always endeavored to provide intimate and helpful consulting to seniors. An example of this is encouraging all employees at our retail branch offices to be certified as a “Dementia Supporter” to better support our senior clients.
- ◆ Please take a look at page 25.

Retail business: Services tailored for the senior generation (3) [Asset inheritance services]

- ✓ Support smooth transfer of assets to the next generation, catering to the increasing wish to bequest
- ✓ Business opportunities to expand transaction base before and after inheritance event

Inheritance related business (increased profit from growing needs)



Scope of business

Various transactions with Will Trust clients (*2)



(*2) As of Mar. 19, total transaction volume (1 year during 2018/4-2019/3) with Will Trust clients
Only lump-sum payment insurance products included in insurance

Enhanced marketability of Will Trusts

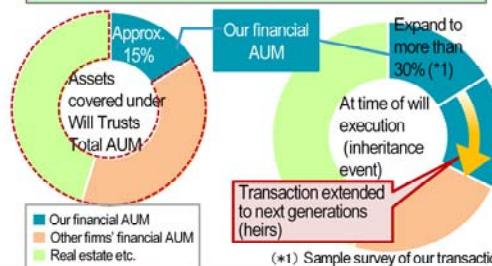
Smart Wills

- ✓ Limit assets and scope of will
- ✓ Quick and low cost

WEB Wills

- ✓ Easy will drafting on the web
- ✓ First step to draft formal will and receive consultation

Expand to next generation's transaction base



- ◆ These are our asset succession services centering on inheritance.
- ◆ The number of Will Trust accounts and executions are steadily increasing, which in turn is leading to additional businesses originating from inheritance matters.
- ◆ As shown in the bottom-left, we are responding to this growing demand by increasing our variety of will products and making them more accessible.
- ◆ Please take a look at page 26.

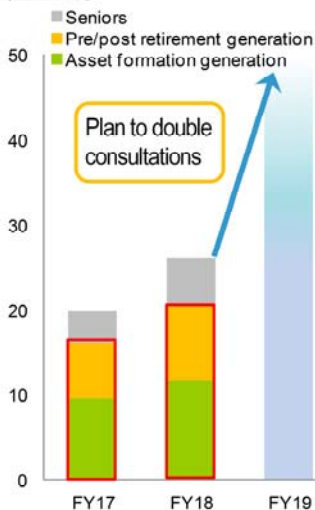
Retail business: Strengthen face-to-face consultation unique to a trust bank

- ✓ Expand holiday, out of hours marketing to capture working generations' consulting needs
- ✓ Strengthen insurance workshop functionality, enhance consulting staff competency

Initiatives to expand client contact

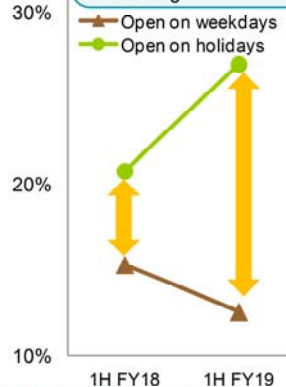
Expand and optimize contact through holiday and out-of-hours marketing

Face-to-face consultation during weekend / holidays
(thousand)



Investment products signing rate

- ✓ Clients visiting on holidays/weekends have clear goals in mind, leading to better signing rate
- ✓ Gap with weekdays widening



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Efforts to enhance functionality

Insurance consulting

"100-year Life Assurance Plaza"
(Insurance consultation shop) inaugural shop opened (Shinjuku, Tokyo)



Daily evenings (till 20:30)
Open on weekends and holidays

New consultation channel for face-to-face consultation with working generation

Space for active consultation with experienced staff



(photo) Mitsui HQ Building (Designated historical heritage site) Nihonbashi Business Dept. and consultation space

Specialist staff who can consult multi-generational financial issues

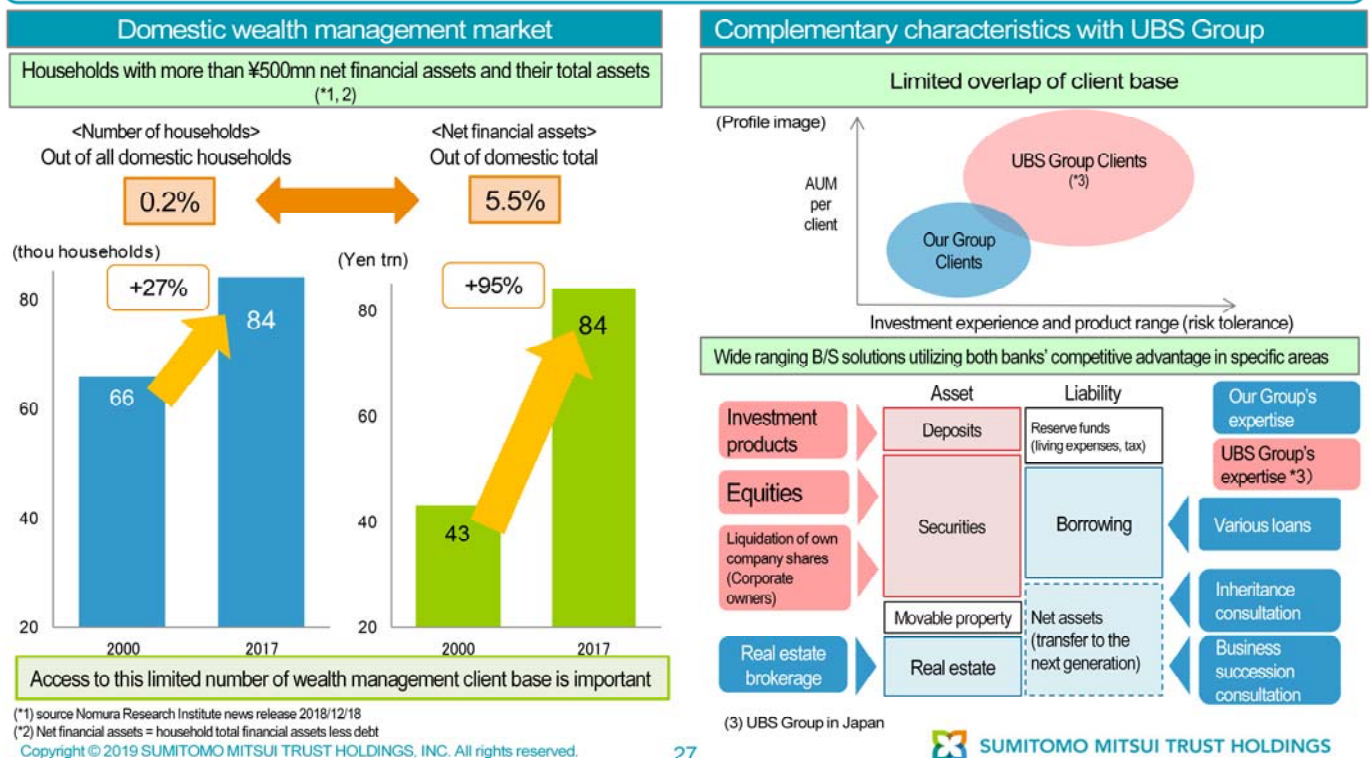
Financial consultants
252 (as of Sep. 19)
Plan to increase headcounts

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- ◆ In efforts to respond meticulously to the varying needs of all client categories, we are enhancing our face-to-face consulting capabilities not only for the senior clientele, but also for clients that are or soon to be retired as well as the generation still in the work force that include those in the asset building stage of their lives.
- ◆ For instance, it is difficult for the generations still in the work force to visit our branches on weekdays, the majority of clients that visit our branches over the weekend or on public holidays often have a clear idea of what they want and therefore the contract conclusion rate for investment management products tend to be high.
- ◆ For this reason, from the second half onwards, we are planning to nearly double our weekend and public holiday operating hours of our branches, with the goal of also doubling the number of times we interact with clients.
- ◆ Please take a look at page 27.

Retail business: Total wealth management [Alliance with UBS Group] (1)

- ✓ Expanding wealth management market. Access to high quality high-net-worth (HNW) clients is key
- ✓ Mutually complementary client base and functionality with UBS Group

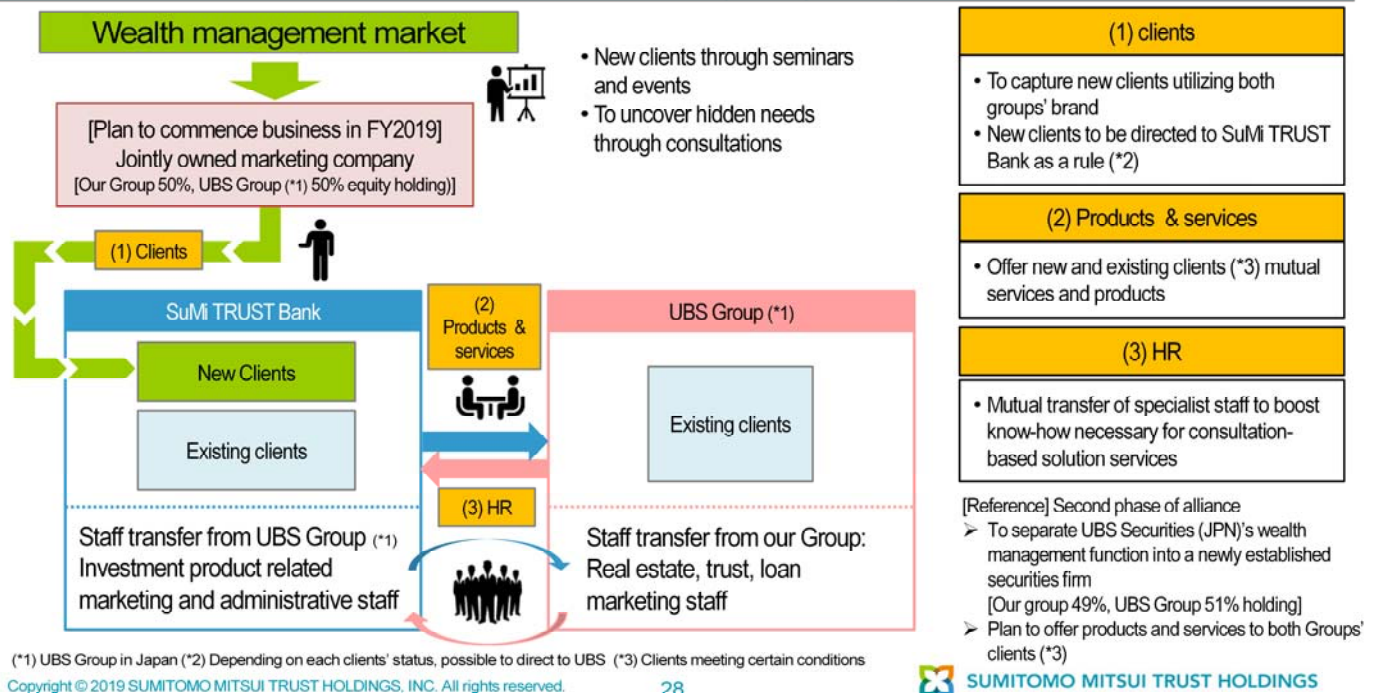


- ◆ In addition to meeting the needs of each generation, we will strengthen our initiatives for the ultra high net worth clientele, an area we have thus far failed to properly exploit, through our alliance with the UBS Group.
- ◆ Assets of the affluent with net financial assets of ¥500 million and over account for 5.5% of the total assets in Japan but are only 0.2% of the total number of households.
- ◆ Accordingly, how we get the access to this market and increase the number of wealth management clients from this limited pool will be critical to developing this area of business.
- ◆ There is not much overlap between SuMi TRUST Group and the UBS Group's client base in terms of client asset size and degree of the clients' risk tolerance. Further, the areas of service offering expertise are also different.
- ◆ We believe alliance between the two groups will enable us to provide a wide array of products and services to even more wealth management clients and will also boost our presence in this market.
- ◆ As illustrated on page 28, the first stage of this alliance will involve the start of sales activities this fiscal year through a marketing joint venture company. Under the alliance scheme, new clients will, in principle, be referred to the SuMi TRUST Group and then services of both groups will be offered.

Retail business: Total wealth management [Alliance with UBS Group] (2)

- ✓ As first step of alliance with UBS group, to establish joint marketing company
- ✓ Aim to capture new client base in wealth management market and offer mutual services

Outline of alliance (First phase)

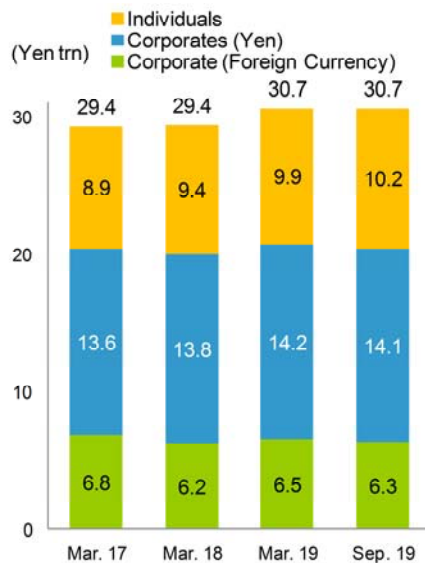


◆ Please take a look at page 29.

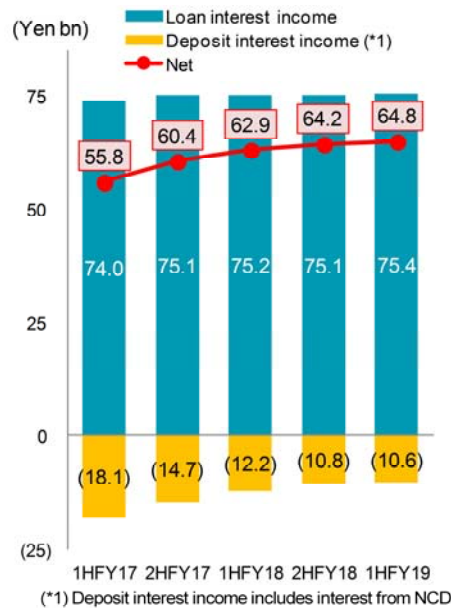
Loan/investment business: Credit portfolio (SuMi TRUST Bank)

- ✓ Retail loans expanding centered on mortgages. Corporate loans managed with restraint improving profitability and efficiency
- ✓ Domestic loan-deposit margin continues to improve, foreign currency managed with stability in mind while holding cost down

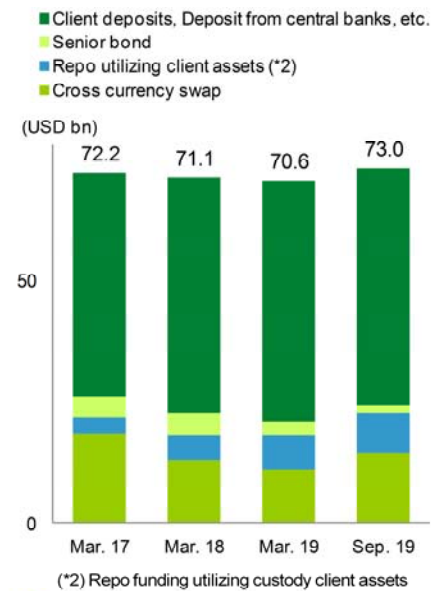
Credit portfolio balance



Domestic loan-deposit income



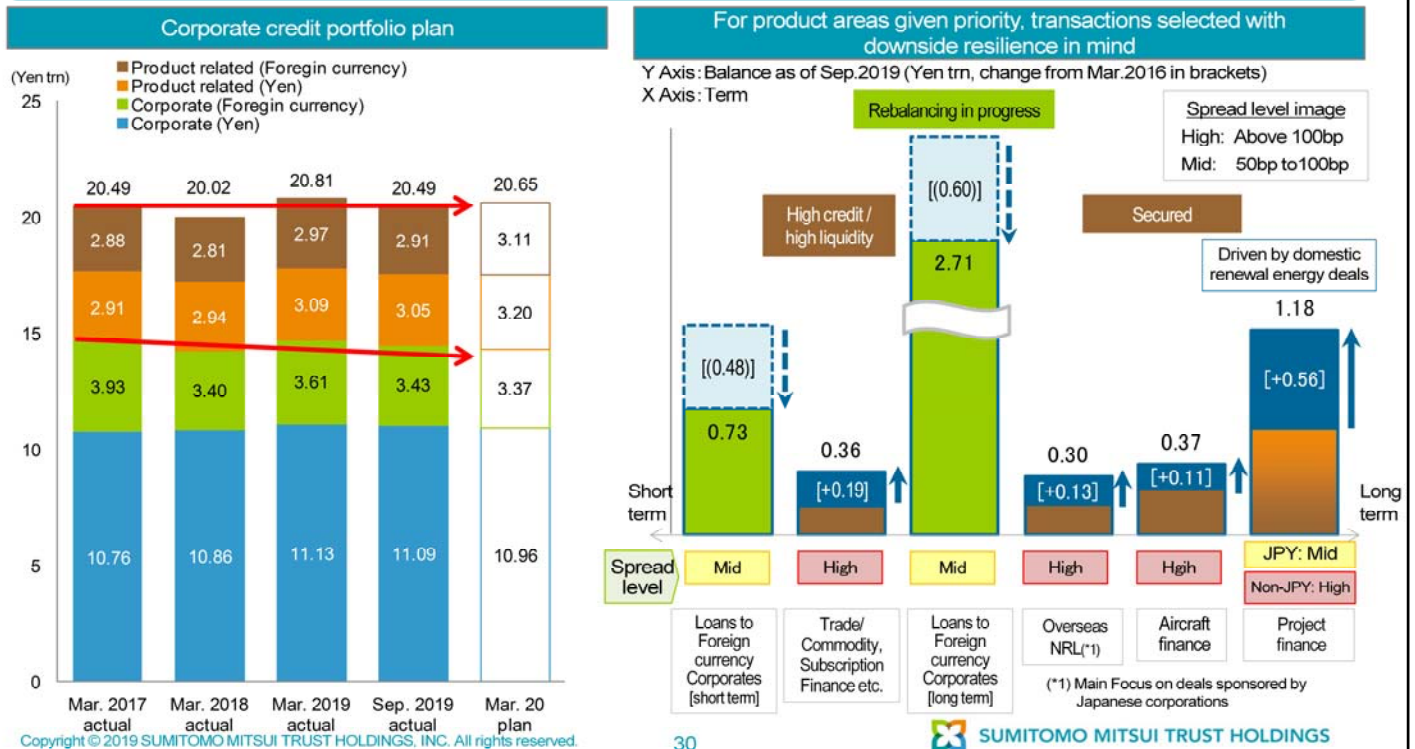
Foreign currency core B/S



- ◆ I would now like to turn to our credit business.
- ◆ While we maintain the balance of our credit portfolio at around ¥30 trillion, we will continue to implement measures to enhance its profitability and efficiency.
- ◆ Please take a look at page 30.

Loan/investment business: Corporate lending/investment (1)(SuMi TRUST Bank)

- ✓ Uphold strategy to control overall foreign currency B/S size and shift to product-based lending
- ✓ Revisit asset allocation to create a robust portfolio that has downside resilience by prioritizing safety (term, security) in deal selection



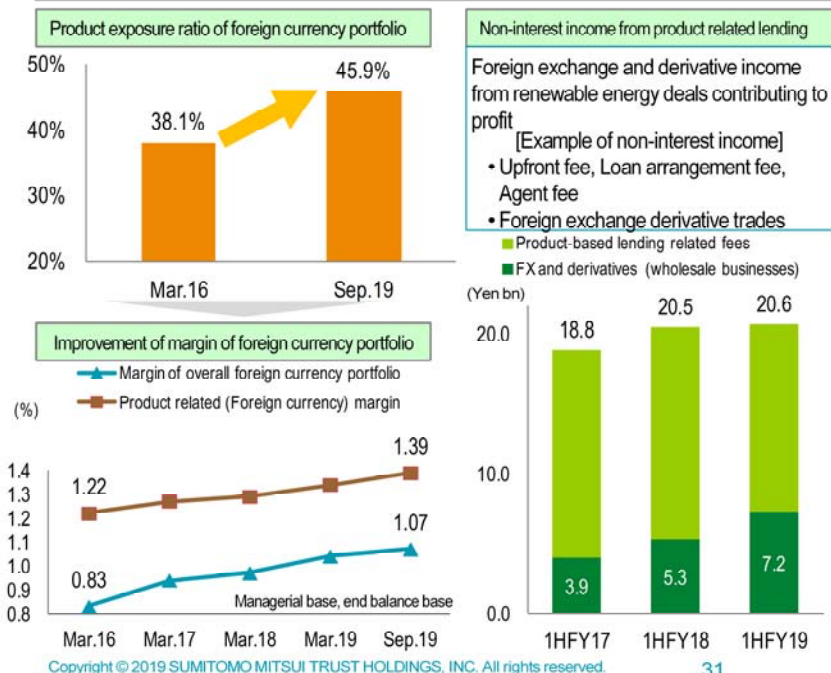
- ◆ Although we are continuing to shift our corporate client loans toward product related loans, we are being selective, placing importance on safety, focusing mainly on loans with higher liquidity or those that are collateralized.

- ◆ Please take a look at page 31.

Loan/investment business: Corporate lending/investment (2)(SuMi TRUST Bank)

- ✓ Corporate lending portfolio to shift to product-based lending, improving spread margins and also increasing non-interest income
- ✓ Pioneering efforts in financings that contribute to ESG and SDGs

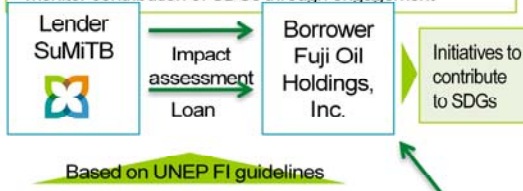
Enhanced profitability through realignment to product related lending



Expanding ESG/SDGs related finance

"World's first" Positive impact finance

- World's inaugural positive impact finance to a corporation that does not limit the use of funds
- Assess impact of borrower's activity on environment, society and the economy
- Monitor contribution of SDGs through engagement



ESG/SDGs assistance loan facility

2H FY19 total ¥50bn facility established

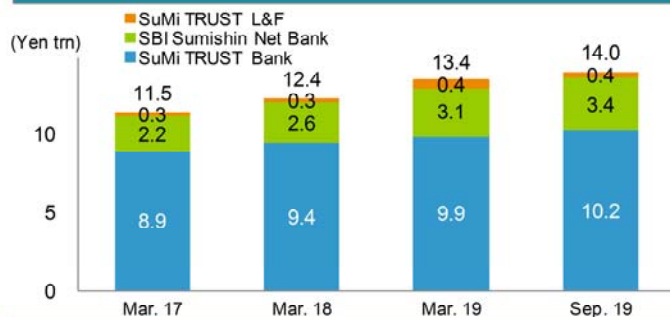
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- ◆ This product shift is steadily contributing to our earnings growth.
- ◆ As observed in the bottom-left graph, the overall spread for our foreign currency-denominated portfolio improved by 24 basis points in three and a half years owing to improved spreads in product related loans and improved profitability on corporate loans.
- ◆ Plus, by strengthening our product related loans, we are now seeing an increase in businesses other than interest income such as advisory and arrangement services, foreign currency, and derivatives.
- ◆ Please take a look at page 34.

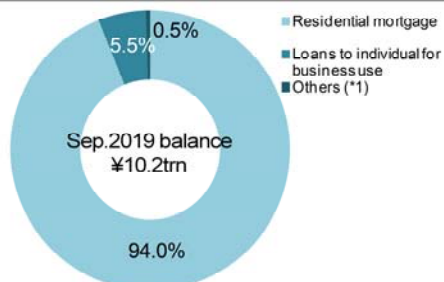
Loan/investment business: Personal loans

✓Efficient marketing to increase high quality mortgage loans

Balance of loans to individuals



Breakdown of Personal loans (Non-consolidated)

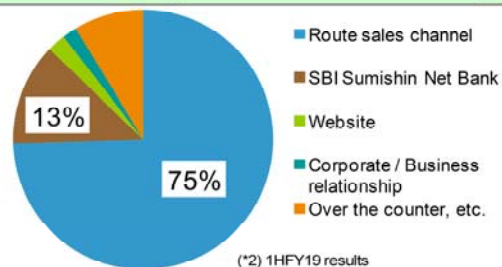


(*1) Consumer loans, overdrafts, etc.

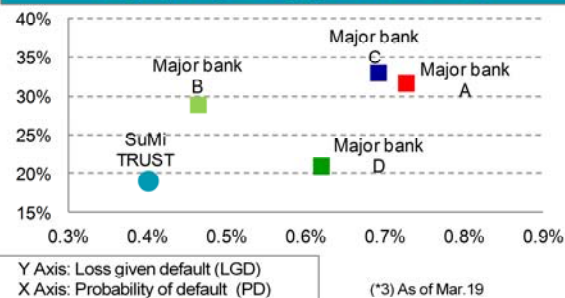
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Efficient marketing channels (Mortgages)

Breakdown of sourcing channels for new transactions(*2)



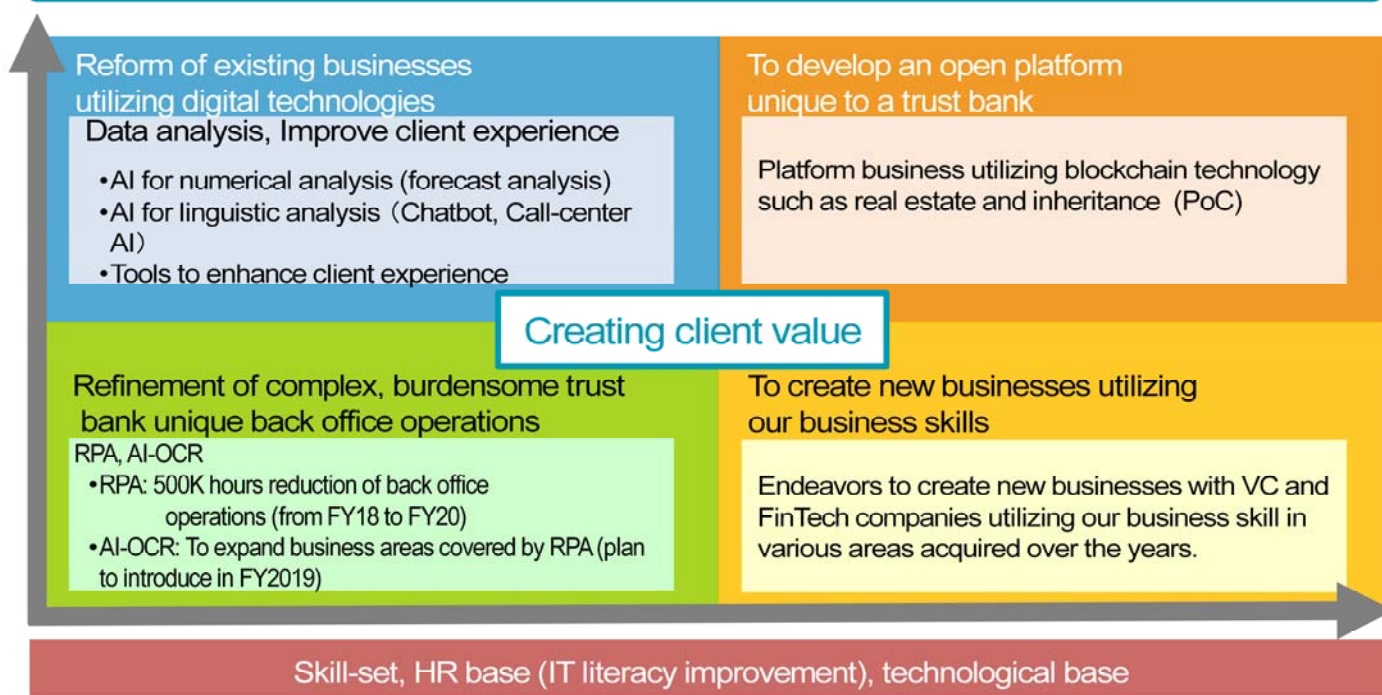
High quality mortgage borrowers (*3)



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Digitalization strategy

- ✓ Cost reduction of existing businesses by utilization of digital technology, steady improvement of productivity
- ✓ To promote creation of added-value as a trust bank group

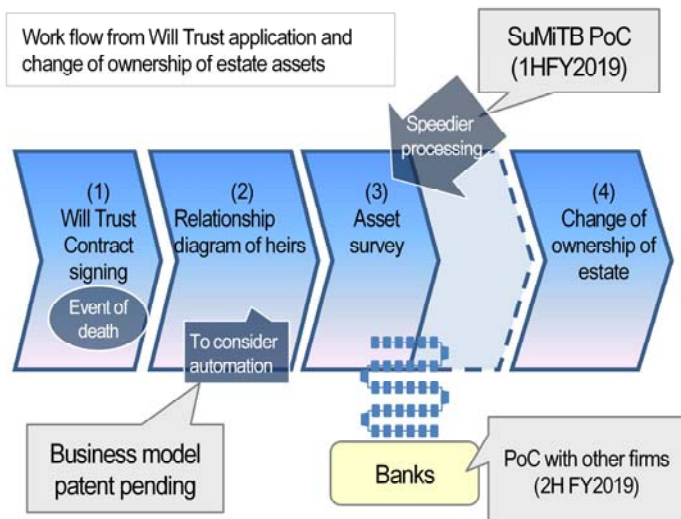


Digitalization strategy: examples

- ✓ To promote platform business in areas unique to a trust bank
- ✓ Progress in inheritance and real estate business PoC utilizing blockchain technology

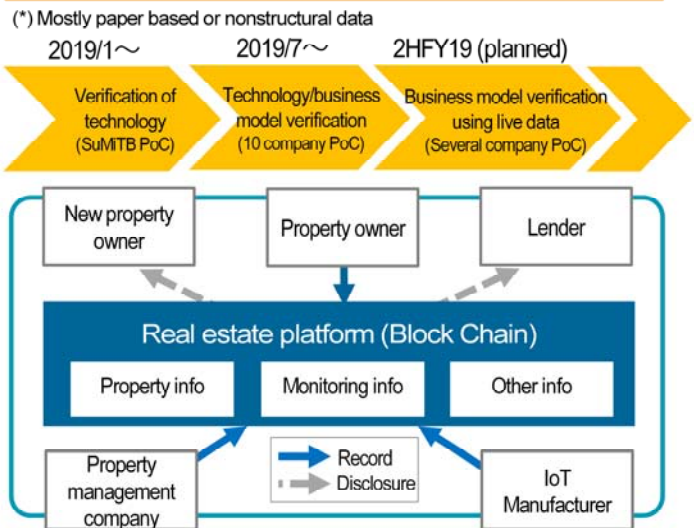
Inheritance platform (PoC in progress)

- To speed up and rationalize complex paperwork that consumes time through digitalization
- To assure transparency of documents through blockchain



Real estate platform (PoC in progress)

- To centralize real estate information through digitalization
- To expand business by vitalizing the market and providing a deal friendly environment



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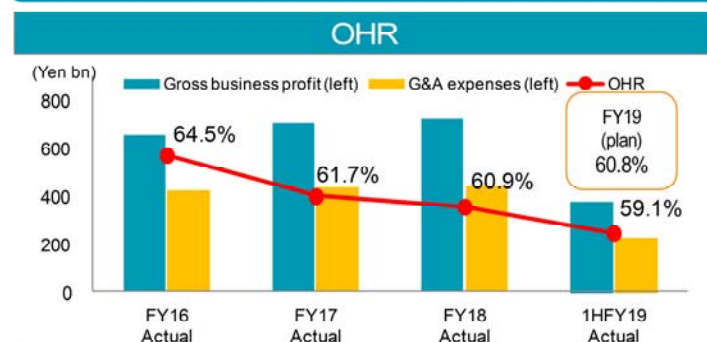
34

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- ◆ Here, I would like share some specific examples of our digital strategy.
- ◆ We are currently conducting a PoC test of platform businesses in domains such as inheritance and real estate where information is highly specific.
- ◆ Our goal is to create new information-driven businesses rather than simply streamlining or replacing any of our existing businesses.
- ◆ Please take a look at page 35.

Expenses strategy / OHR Improvement: Overview

- ✓ Steady measures to reduce expenses and improve gross margin to pursue initiatives to reduce OHR
- ✓ Move IT systems to the cloud to target future cost reduction and efficiency



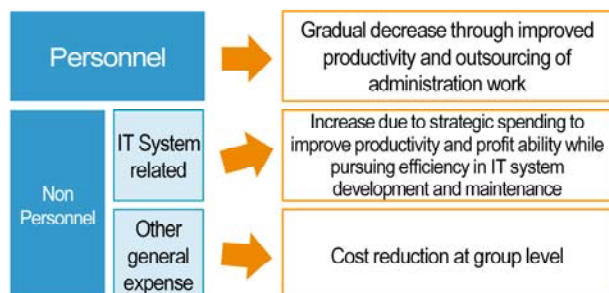
(Ref.) Net business profit/OHR by business segment

| | 1HFY18 | | | | 1HFY19 | |
|--------------------------------|---------------------|------|-----------------------|--------------|---------------------|------|
| | Net Business Profit | OHR | Gross business profit | G&A Expenses | Net Business Profit | OHR |
| (Yen bn) | | | | | | |
| Total | 146.9 | 60% | 377.0 | (222.8) | 154.1 | 59% |
| Retail total solution services | 16.0 | 84% | 97.5 | (84.6) | 12.8 | 87% |
| Wholesale financial services | 59.9 | 37% | 100.7 | (36.3) | 64.3 | 36% |
| Stock transfer agency services | 9.9 | 49% | 19.5 | (9.8) | 9.7 | 50% |
| Real estate | 11.8 | 50% | 28.4 | (12.4) | 16.0 | 44% |
| Fiduciary services | 32.3 | 64% | 83.7 | (51.6) | 32.1 | 62% |
| Global markets | 21.6 | 26% | 41.7 | (7.3) | 34.4 | 18% |
| Others | (5.0) | 146% | 5.3 | (20.7) | (15.4) | 391% |

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Direction of expenses spending



Cost reduction at group level

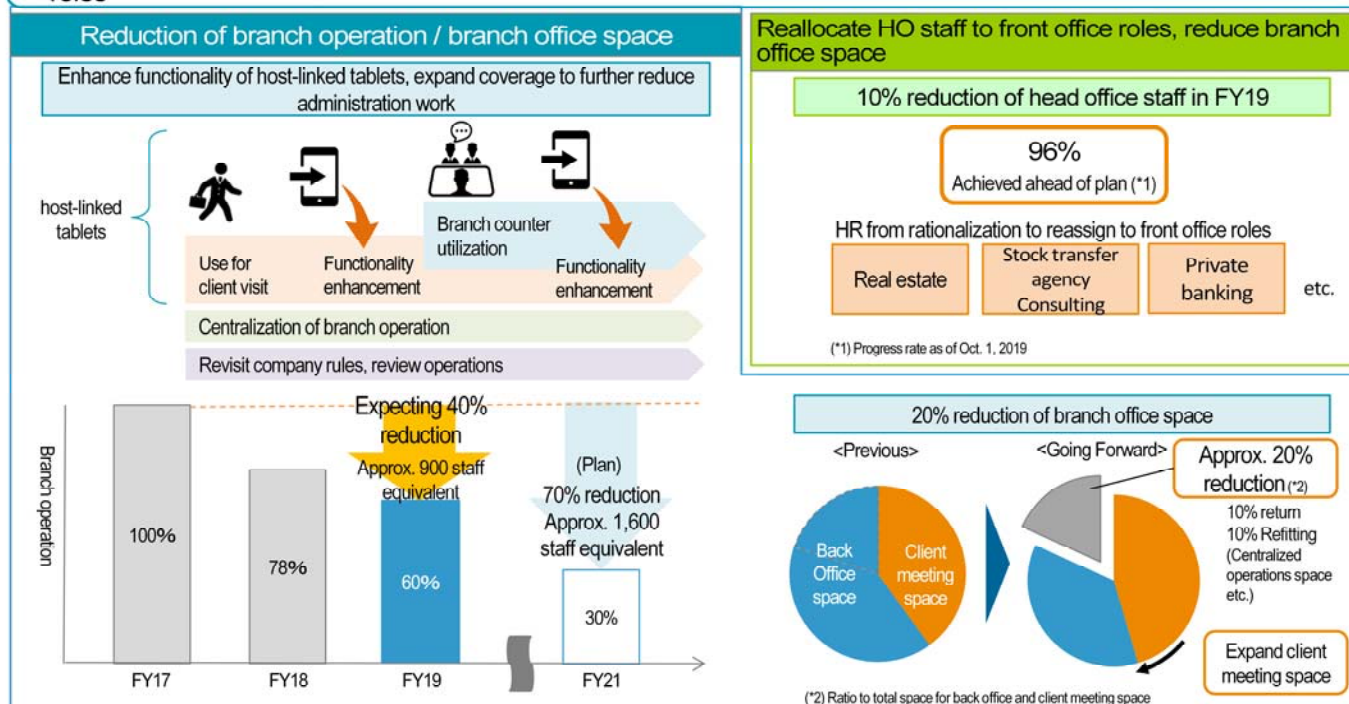
| | |
|----------------------------------|---|
| Retail Total Solutions | Reduction of administrative work / improve efficiency of branches |
| Stock Transfer Agency | Pursue efficiency and rationalization through utilization of new technology such as RPA, AI |
| Fiduciary (Asset management) | Back office outsourcing and expansion of inhouse asset management to raise efficiency |
| Fiduciary (Asset administration) | Pursue economies of scale by management integration of custodian subsidiary (JTSB) |

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- ◆ Now a look at our OHR.
- ◆ OHR is improving owing to an increase in gross profit.
- ◆ That said, we have plans to increase our strategic investment in cloud and other systems. Therefore, expenses will naturally increase even during the next medium-term plan.
- ◆ Accordingly, we plan to raise the level of control on personnel and non-personnel costs.
- ◆ Please take a look at page 36.

Expenses strategy / OHR Improvement: Promoting efficiency

- ✓ Promote further reduction of branch office space through expanded use of host-linked tablets and concentration of administration work
- ✓ Optimize resources through reduction / refitting of branch office space and reallocating HO staff to marketing roles



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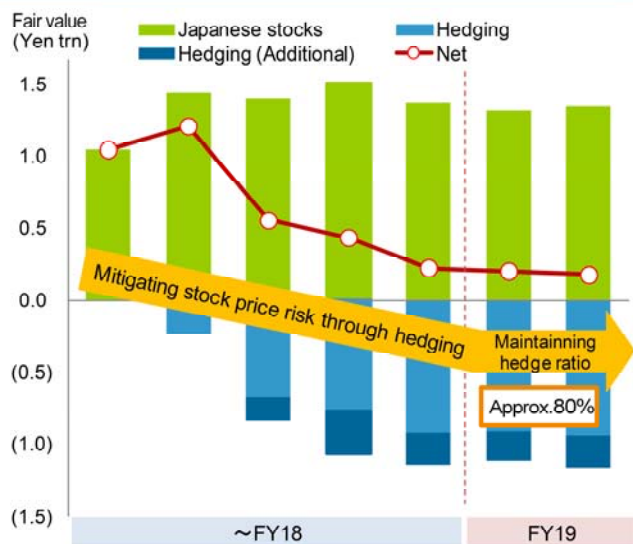
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- ◆ Now I would like to discuss our current initiatives regarding efficiency.
- ◆ As of October, we achieved ahead of schedule, 96% of our target to reduce head office staff by 10% this fiscal year.
- ◆ We also expect to reduce branch administrative work by 40% this fiscal year, and further extend the reduction to 70% by fiscal 2021.
- ◆ Please take a look at page 37.

Preparation for risk: Stock price

- ✓ Hedging operation in place to reduce mark-to-market volatility of strategic shareholdings
- ✓ While additional reduction of strategic shareholdings is becoming time consuming, endeavor to reduce further by persistent negotiation

| Hedge positions against strategic shareholdings | |
|---|---|
| Base | Maintain current ratio of 65% basically |
| Additional | Adjust volume within 0-35% (contrarian to stock prices) |

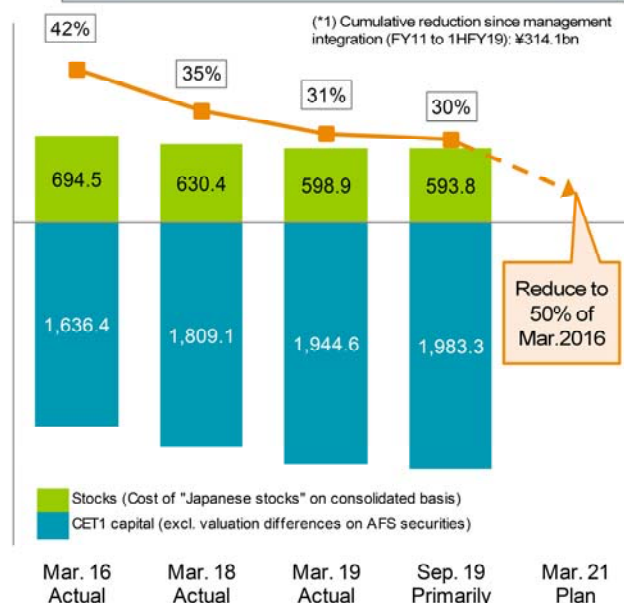


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Plan to reduce strategic shareholdings [FY16-FY20]

Cumulative reduction based on current plan: ¥99.9bn (*1)

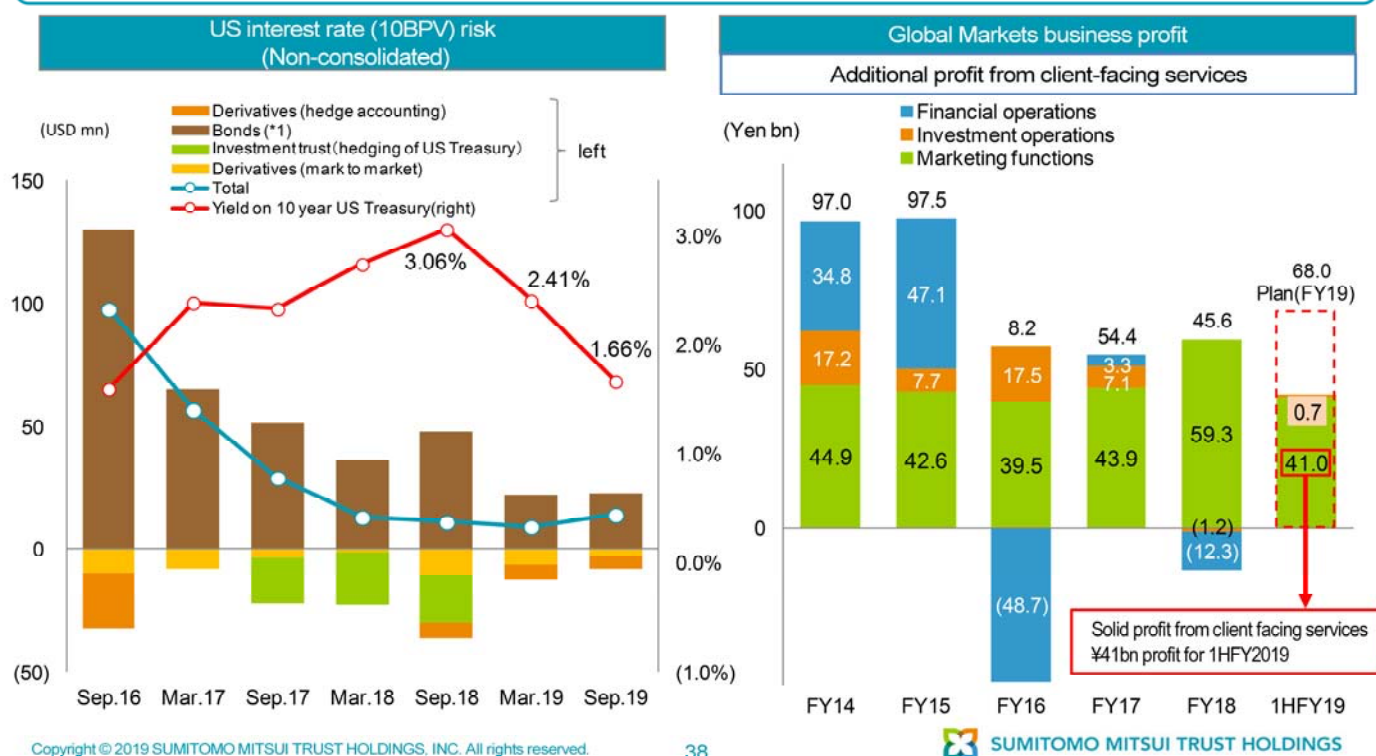


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- ◆ Now a few words about preparing for risks.
- ◆ Firstly, we maintain a hedge ratio of around 80% for strategic shareholdings.
- ◆ Progress on reducing strategic shareholdings saw delays in the first half.
- ◆ Negotiations on reducing these shareholdings are taking more time than before, mainly due to discussions and preparations regarding capital policies and shareholder structures taking place on our client company side. Still, we will continue to tenaciously engage in dialogue with the clients and even more solidly make efforts going forward.
- ◆ Please take a look at page 38.

Preparation for risk: Interest rate

- ✓ Restrained management of US interest rate risk exposure
- ✓ Global Markets to strengthen stable, client-facing services

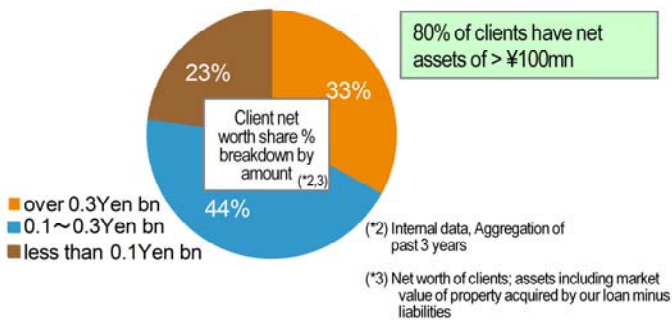
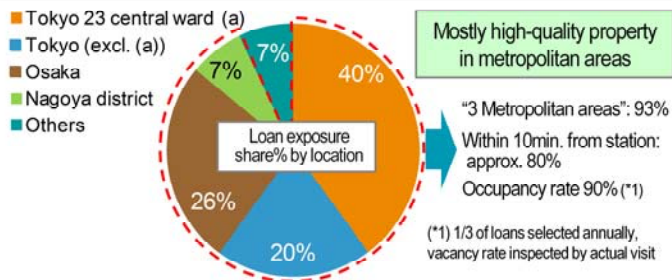


- ◆ We continue to be cautious in taking US interest rate risk.
- ◆ The majority of first-half earnings in our Global Markets Business came from client services and our transition to a business model that is more resilient to the impact of unstable market fluctuations is seeing much progress.
- ◆ Please take a look at page 40.

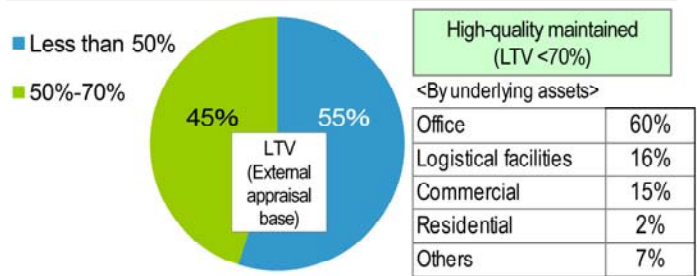
Preparation for risk: Credit (1)

- ✓ 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

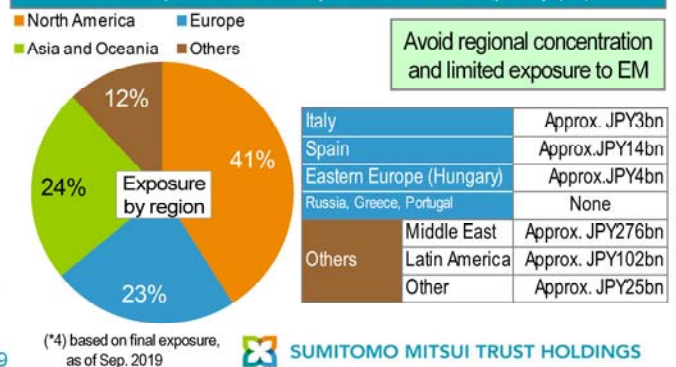
Business Loans (¥562.3bn as of Sep.19, Approx. 5% of loans to individuals)



Domestic real estate NRL (¥1.0tm as of Sep.19)

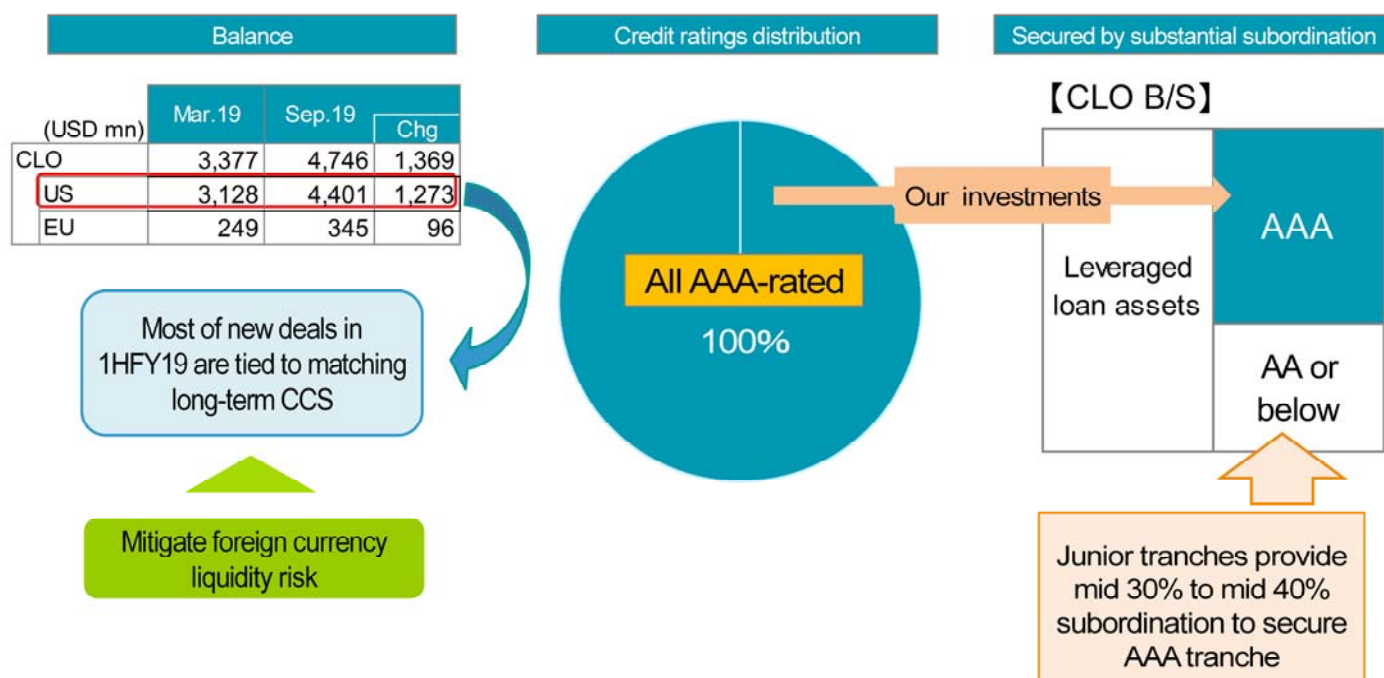


Non-Japanese credit (¥3.4tm as of Sep.19) (*4)



Preparation for risk: Credit (2) CLO

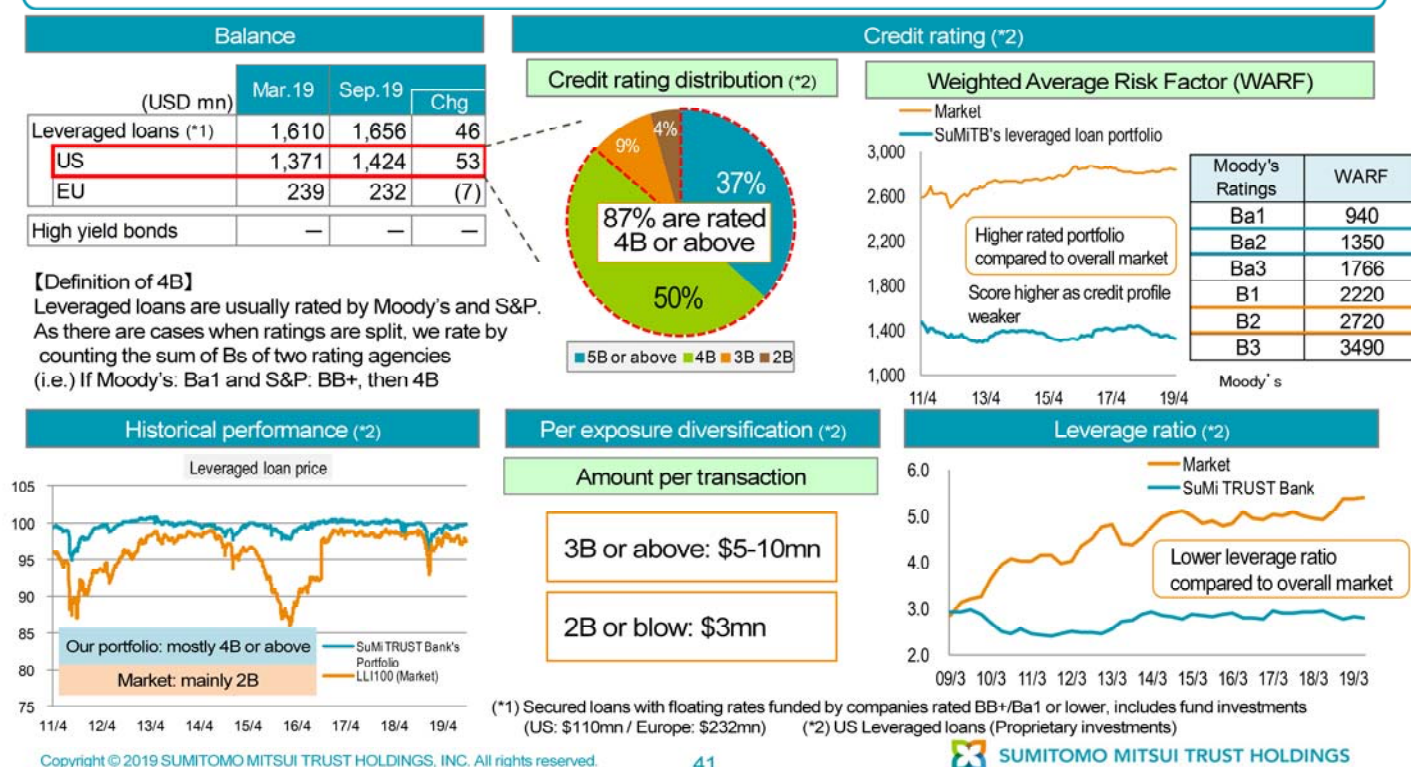
- ✓ CLO exposures of approximately \$4.7bn are predominantly US based, all rated AAA
- ✓ For new transactions in 1HFY2019, most investments are tied to long term CCS, eliminating foreign currency liquidity risk



- ◆ We took advantage of widening spreads and invested nearly ¥1.3 billion in CLOs in the first half, but we continue to maintain a cautious stance on credit ratings and subordinated cushions, and a large percentage of that first-half increase are tied to long-term funding such as five-year CCS, in an effort to eliminate foreign currency liquidity risk to the extent possible.
- ◆ We also have no plans for the time being to further significantly increase this investment balance.
- ◆ Please take a look at page 41.

Preparation for risk: Credit (3) leveraged loan

- ✓ Most of leveraged loans are 4B or better, relatively high-quality portfolio
- ✓ Exposure per borrower also diversified. Risk conscious investment style



- ◆ Our leveraged loan balance remains unchanged from March end.
- ◆ As you may observe, roughly 90% of the loans in our portfolio have a so-called rating of 4B or higher.
- ◆ Our weighted average rating factor and leverage ratio also indicate that assets in our portfolio are of higher-quality and diversified across smaller exposures compared to the market average.
- ◆ We continue to employ a conservative approach to keep risks limited even when market conditions deteriorate.
- ◆ Please take a look at page 43.

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 12.9% ✓ Finalized Basel III reforms basis at upper 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 【KPI】(*3) <table border="1"> <thead> <tr> <th></th><th>FY18 actual</th><th>FY19 plan</th></tr> </thead> <tbody> <tr> <td>Profit growth</td><td>JPY173.8bn</td><td>JPY180bn</td></tr> <tr> <td>Capital efficiency</td><td>7.9%</td><td>Approx. 8%</td></tr> <tr> <td>Shareholder return</td><td>35.7%</td><td>Approx. 40%</td></tr> </tbody> </table> | | FY18 actual | FY19 plan | Profit growth | JPY173.8bn | JPY180bn | Capital efficiency | 7.9% | Approx. 8% | Shareholder return | 35.7% | Approx. 40% |
| | FY18 actual | FY19 plan | | | | | | | | | | | | |
| Profit growth | JPY173.8bn | JPY180bn | | | | | | | | | | | | |
| Capital efficiency | 7.9% | Approx. 8% | | | | | | | | | | | | |
| Shareholder return | 35.7% | 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. 2019) 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

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 SUMITOMO MITSUI TRUST HOLDINGS

- ◆ No major changes have been made to our capital policy.
- ◆ After having carried out a share buyback in May, we expect to achieve a total payout ratio of 40% within this fiscal year.
- ◆ We intend to communicate the details of our future capital policy next May as we are currently deliberating this topic as part of the next medium-term plan development process.
- ◆ Please skip ahead to page 47.

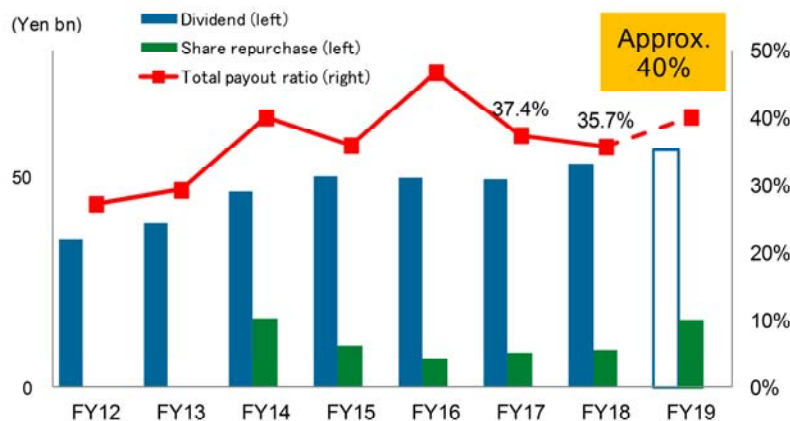
Financial/Capital Policy: Shareholder return policy

- ✓ Completed share buyback in July 2019 with aim to raise total dividend payout ratio to 40%
- ✓ Shall aim to strengthen shareholder payout ratio in the future while monitoring accretion of capital

<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 returns



(For reference) Share repurchases

| Repurchase timing | Repurchase Amount | Ratio against Net income |
|---------------------|-------------------|--------------------------|
| FY14 (Jan.-Feb. 15) | JPY16.4bn | +10.4% |
| FY15 (Jul.-Aug. 15) | JPY9.9bn | +6.0% |
| FY16 (May 16) | JPY6.9bn | +5.7% |
| FY17 (Jul.-Aug. 17) | JPY8.1bn | +5.3% |
| FY18 (May-Jun. 18) | JPY8.9bn | +5.2% |
| FY19 (May-Jul. 19) | JPY15.9bn | +8.9% |

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

(For reference) Cancellation of shares repurchased

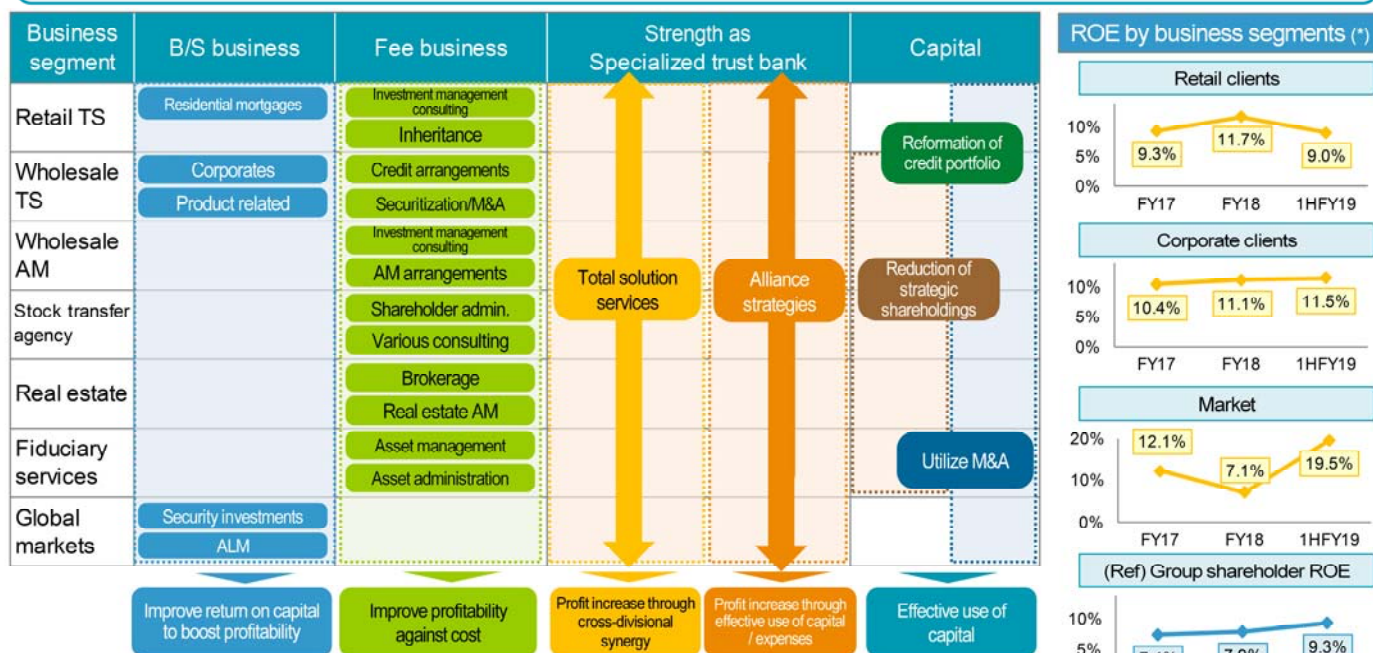
15,057,200 shares of the treasury cancelled on Sep. 20, 2019

(Ref.) Status of shares in issue and treasury stock(*) as of September 30, 2019
Total number of shares in issue (excluding treasury stock): 374,966,790 shares
Number of treasury stock: 324,650 shares

(*) Excluding shares [429,000 shares] held by Stock Delivery Trust for Directors

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



(*)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)

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ROE by business segments (*)

Retail clients



Corporate clients



Market



(Ref) Group shareholder ROE



Management Base

SuMi TRUST Group's sustainability initiatives and our business activities

- ✓ Strong affinity between trust bank group's business and its sustainability initiatives
- ✓ Contribute to the realization of a sustainable society with specific business activities

Social and economic issues as well as demands of clients are constantly changing

To offer high value-added services unique to a trust bank in line with expectations of the age
Functionality, products that contributes to society

Past products

- Loan Trusts (1952)
~Contributed to reconstruction effort after the war
- Pension Trusts (1962)
~To assist stabilization of retirement life of salaried workers

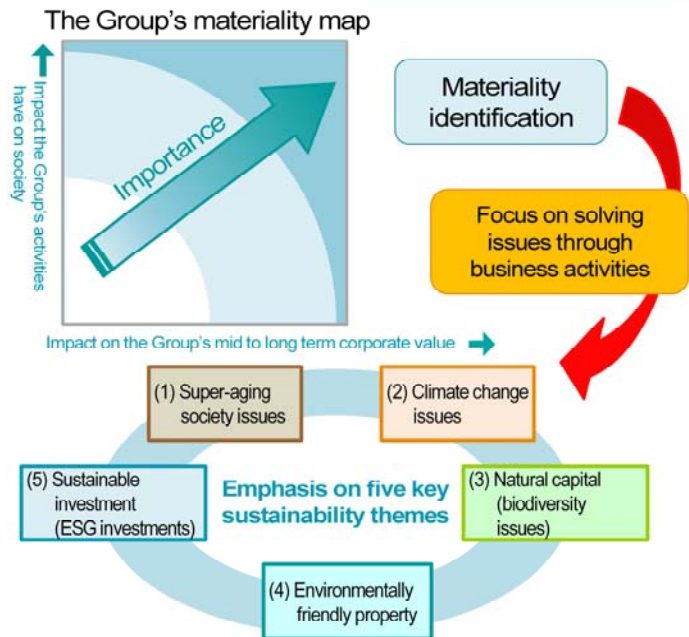
New products

- Educational gift trust, Will Trust
~secure transfer of assets to the next generation
- 100-year Passport
~Preparation for dementia
- Environmentally friendly properties
~Measures to alleviate climate change etc.

- ✓ Contribute to the realization of a sustainable society with specific business activities

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To designate materiality issues that need to be addressed, endeavor to solve those issues through business

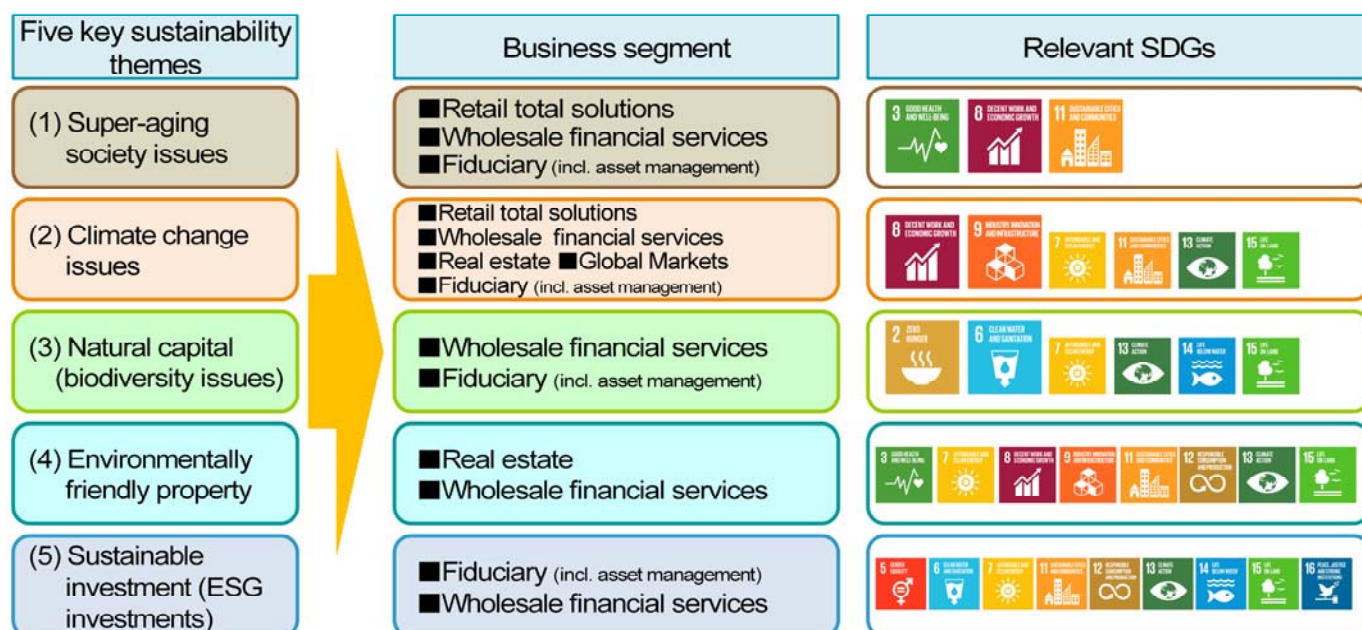


- ◆ I would now like to talk about our company's sustainability initiatives.
- ◆ Since SuMi TRUST Group has a history of having met the needs of the society with various products centered around trust businesses, I believe we strike a very strong affinity with the concept of sustainability.
- ◆ We are currently addressing sustainability with an emphasis on five key themes—the super-aging society, climate change, natural capital, environmentally friendly property, and sustainable investment.
- ◆ Please take a look at page 49.

Sustainability initiatives in our business activities

- ✓ Particularly for our initiatives on the five key sustainability themes, we make full use of our trust banking group functions to contribute to the realization of a sustainable society with specific business activities.

Our Group's business segments and sustainability initiatives



Sustainability initiatives in business activities (Key theme 1/5: Super-aging society issues)

- ✓ We provide high value-added services and products to meet the needs arising from an aging society.
- ✓ By providing a wide range of information and organizing awareness campaigns, we seek to address problems related to dementia and help patients actively participate in the society.

Providing products and services to meet various needs

Asset management for clients with dementia

- ✓ Anshin Support Trust
- ✓ Security Trust
- ✓ 100-year Life Solution Trust (100-Year Passport)



Secure asset succession for the next generation

- ✓ Annual Donation Support Trust
- ✓ Tuition Fund Endowment Trust
- ✓ Will Trust (execution course)



Broad array of information offering and awareness activities

Addressing dementia issues

- ✓ Dementia supporter training courses
- ✓ Having all branch general managers undertake a gerontology certification exam
- ✓ Digest reports for seniors



Silver College

- ✓ A place of learning for seniors to help them enjoy a reassuring and fulfilling "second life"; a total of 160 classes have been held at 62 branches nationwide
- ✓ First-rate instructors host seminars about money, health, dementia, living, etc.

Example of seminar topic:
"Making satisfactory preparations to live and die well"



Providing added value unique to the SuMi TRUST Group

- ✓ We are preparing for the approaching super-aging society and providing peace of mind with high-level consulting and high value-added products and services that leverage our unique trust banking group functionality and skills

- ◆ Here, I would like to discuss "our initiative on the super-aging society" as an example of how we approach the five key themes.
- ◆ We not only provide products in preparation for dementia among the senior generation or asset inheritance, but also organize various awareness activities. For example, we have hosted more than 160 sessions of "Silver College seminars" at our branches across the nation to raise awareness about the issues that the elderly are faced with, such as living arrangements in anticipation of nursing care.
- ◆ Please take a look at page 56.

Sustainability initiatives in business activities (Key theme 2/5: Climate change issues)

- ✓ We provide solutions utilizing trusts and capabilities of the Group to help solve climate change issues.

Supplying liquidity to project financing market for solar power generation

Issues to be solved

- ✓ Providing new opportunities to active ESG investors to invest in renewable energy projects as a measure for combatting climate change

Specific initiatives for solving the issue

- ✓ Issued beneficiary rights in self-created trusts backed by loans receivable on solar power generation projects
- ✓ Obtained green finance evaluations on the beneficiary rights from a rating agency, making it easier for ESG investors to gain access to the market



Domestic mega solar power generation facility

Micro-power generation in water supply systems

Issues to be solved

- ✓ Promoting measures to tackle global warming by limiting the use of coal-fired power generation and making effective use of natural energy sources

Specific initiatives for solving the issue

- ✓ Under a leasing system, Sumitomo Mitsui Trust Panasonic Finance borrows water facilities from local governments and installs micro water power generation systems in its pipelines
- ✓ By keeping the power provider's initial investment to zero, this scheme promotes the effective use of natural energy



Micro-power generation in water supply systems

Providing added value unique to the SuMi TRUST Group

- ✓ In addition to straightforward financing, we are helping to expand the renewable energy market by making full use of our Group capabilities, including trust and leasing functions

- ✓ We make use of trust schemes to contribute to nature conservation and regional cooperation.

Natural capital initiatives

Forestry trusts

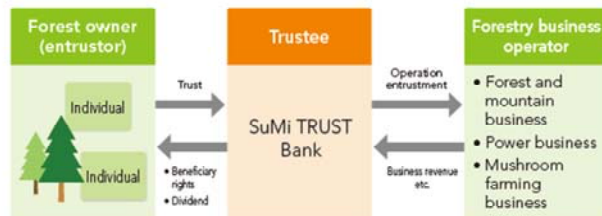
Issues to be solved

- ✓ Many of the forests that cover roughly two thirds of Japan's land have been neglected because of the decline of the forestry industry and the abandonment of privately owned forests owing to population aging and depopulation of rural areas
- ✓ The challenge of reviving the forestry industry by improving productivity and revitalizing the domestic lumber market

Specific initiatives for solving the issue

- ✓ SuMi TRUST Bank manages privately owned forests on behalf of individuals and local governments and streamlines this management by consigning operations to forestry companies
- ✓ We invested in a venture firm launched by Shinshu University to make use of its drone-based measurement technology essential for forest management

■ Overview of the forestry trust scheme



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Charitable trusts

- ✓ **Suntory Fund for Bird Conservation**
Since its establishment in 1990, this fund has supported various bird conservation activities in Japan and overseas



A pair of Blakiston's Fish Owls that have been observed for many years

- ✓ **Keidanren Nature Conservation Fund**
This fund supports various nature conservation activities by utilizing a trust scheme to supply funds



Activities supporting National Trusts

- ✓ We support the activities of National Trusts, which use donations from citizens and corporations to acquire and protect land where endangered species live or land that is of academic importance



Providing added value unique to the SuMi TRUST Group

- ✓ We utilize the functionality of trusts to contribute to nature conservation and regional revitalization by partnering with national and local governments, private forestry operators, forestry unions, universities, and local residents

- ✓ To achieve SDGs through environmentally friendly property consulting to obtain certification for environmental performance and also assistance to obtain subsidies.

Supported Isetan Mitsukoshi Holdings in obtaining CASBEE certification (S rank) for their flagship stores

Concrete measures for appropriately addressing social, environmental, and other sustainability-related issues outlined in Japan's Corporate Governance Code

Enhancing value of real estate holdings

Initiatives for achieving targets

Implementation of initiatives aimed at acquiring environmental performance certification (CASBEE) for the company's flagship stores

Creation of value as environmentally friendly properties

Three flagship stores certified as CASBEE rank (S)
(Mitsukoshi Nihombashi, Mitsukoshi Ginza, and Isetan Shinjuku)

Enhancement of economic value as environmentally friendly properties

In addition to certification, the company was able visualize each store's environmental performance issues



Support for environmentally friendly design during new construction phase

Environmental subsidy application system

Brush-up of proposed application

Interview screening

Daikin Industries' Technology & Innovation Center

- Integrated office and R&D facility combining state-of-the-art decarbonizing architecture and equipment technology.
- Selected for MLIT's leading projects program for promoting CO2 reduction in housing and buildings (now known as the leading projects program for sustainable buildings).



Sustainability initiatives in our business activities (Key theme 5/5: Sustainable Investments)

- ✓ We play a leading role in joint engagement activities with Asian and Japanese companies, many of which are large emitters of greenhouse gases

Participation in joint engagement to approach the world's 100 biggest GHG-emitting companies

Key role as joint lead manager for the same engagement initiative in the Asia-Pacific region



Future activities

We intend to assess climate change risks and opportunities with a view to realizing a society with net zero carbon emissions. As well, we will encourage companies to disclose the financial impact of climate change through constructive dialogues on enhancing corporate value

Main engagement activities in the Asia-Pacific region

| Company | Headquarters | Engagement activities |
|---------------|--------------|---|
| PTT | Thailand | • Discussion to disclose (1) plan for reducing GHG emissions to comply with Paris Agreement and (2) information based on TCFD recommendations, and (3) to incorporate climate change issues into their corporate governance |
| POSCO | South Korea | • Conduct studies on the outlook for promoting technology related investments and investment opportunities that lower GHG emissions |
| KEPCO | South Korea | • Reviewing exposure (risk of stranded assets) for coal-fired power generation and coal resources, while examining the business risks and opportunities in the electric power business. Examples include renewable energy-based power generation or smart grids |
| SK Innovation | South Korea | • Corporate commitment to business opportunities arising from decarbonization such as electric vehicle batteries |

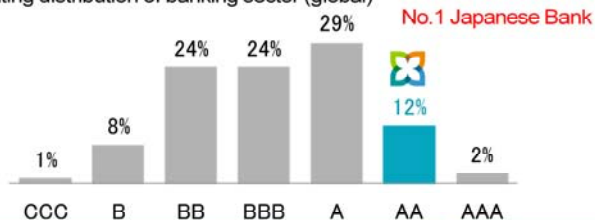
Evaluation from external parties: Our Group's status

Top class rating for ESG among Japanese banks

MSCI evaluation

Score 7.9 Rating AA

Rating distribution of banking sector (global)



PRI assessment by UN organization

Rating A+

Evaluation of PRI (principles for Responsible Investment) by UNEP FI*

Total No. 1 among Japanese banks 5 consecutive years
(SuMi TRUST AM)

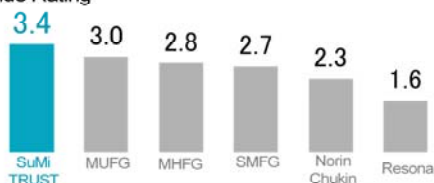


NPO evaluation

Score 3.4

NPO Fair Finance Guide Rating

No. 1 among
Japanese Banks



Selected ESG indices



MSCI

2017 Constituent
MSCI ESG
Leaders Indexes



MSCI

2017 Constituent
MSCI Japan ESG
Select Leaders Index

MSCI

2017 Constituent
MSCI SRI Indexes

Domestic/International ESG related activities



* UNEP Finance Initiatives
(UNEP FI)



The United Nations
Global Compact



Natural Capital
Finance Alliance



Equator Principles



Principles for Financial
Action for 21st Century

Initiatives regarding the recommendations of the TCFD

- ✓ In recognizing the risks financial markets face from climate change, the Financial Stability Board released the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in June 2017, calling on companies to disclose climate change-related information with more transparency.
- ✓ Our Group supports the recommendations of the TCFD and we plan to disclose information based on the recommendations going forward.

TCFD-based disclosures at SuMi TRUST Group

- ✓ Annual publication of Climate Change Report since 2013
- ✓ One of our Group companies, Nikko Asset Management, already discloses information based on the recommendations of the TCFD (as of Sep 4, 2019)



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Planned process for future initiatives

Step 1 (FY2019)

- Improve the content of our climate change report toward meeting the standards set by the TCFD (Dec 2019)
- Start disclosing quantitative information to the extent possible

Step 2 (FY2020)

- Enhance qualitative information in our integrated report
- Start conducting scenario analyses

Step 3 (by FY2022)

- Further improve our response to TCFD recommendations
- Assess financial impacts based on scenario analyses
- Reflect the results in business strategies

Future creation activity

- ✓ Support challenges to create new business/work through “Future Fes”
- ✓ Winners’ ideas are being commercialized, to realize offering of new service

“Future Fes”, a business plan contest for ideas originating from our employees

- Eligible applicants : for all group company staff
 - Broad participation from new graduates to senior employees
 - More than 30% of applicants are female
 - Group company participation increased from 8 to 11 firms
- This year’s application: 267 plans (+54 from last year)
- For prize winning ideas, external consultants deployed
⇒ Managed with plan execution in mind, to strive for commercialization



FY2018

- Intreprenuer Prize: 4 projects
- Business Model Patent Application: 1 project



Turn plan into reality

To accelerate open innovation

- Periodical workshop to debate future ideas with government institutions, other corporations
⇒ Fusion of our knowledge and other organizations’ knowledge

[Example: Joint effort with METI]

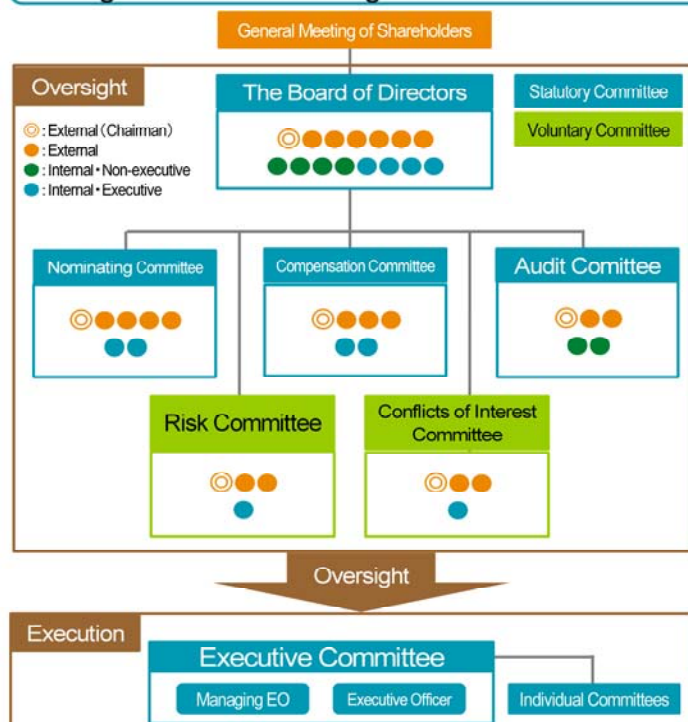
1. Insight of 10 years into the future
2. Discussions about business incubation, including the role of public/ private sectors



- ◆ And last but not least, I will introduce “Future Festival”, an employee-driven activity that plan and commercialize new business ideas that was launched last year.
- ◆ There were 267 entries this year across the entire group which was more than what we saw last year.
- ◆ We are seeing a broad range of age groups and more group companies participating in the program.
- ◆ One of the four ideas that was chosen last year, which we plan to launch in the near future, responded to “diversifying needs of each customer generation”, a theme I covered today in my presentation.
- ◆ That concludes my presentation for today.
- ◆ We hope to continue exploring our potential as a trust bank group with the aim of generating sustained, stable growth up ahead by flexibly and swiftly responding to the changing needs of both the society and our clients.
- ◆ Thank you for your attention.

Strengthen Corporate Governance (Board Meeting Management)

- ✓ The Board of Directors' Meeting and other committees to be chaired by External Directors to assure transparency
- ✓ Progress made in raising effectiveness of the Board of Directors' Meeting



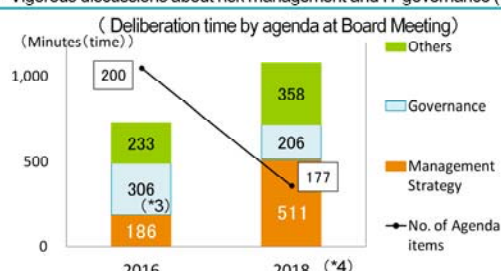
External Executives' Skill map

Abundant experience and skills including corporate top management

| | Corporate management | Financial accounting | Law |
|-----------------|----------------------|----------------------|-----|
| Takeshi Suzuki | ● | ● | — |
| Mikio Araki | ● | ● | — |
| Isao Matsushita | ● | ● | — |
| Shinichi Saito | ● | ● | — |
| Takashi Yoshida | — | ● | — |
| Hiroko Kawamoto | ● | — | — |
| Mitsuhiro Aso | — | — | ● |

Encourage active dialogue by narrowing down the agenda

- ✓ Increased deliberation time (*1) for active strategic management discussions
- ✓ Vigorous discussions about risk management and IT governance (*2)



(*1) Time allocated to Q&A, excluding agenda explanation (*2) included in "Others" in the graph
 (*3) discussions about changes to organizational structure
 (*4) 2016: 2016/6/29~2017/6/15, 2018: 2018/6/28~2019/6/19

Corporate governance (Director Remuneration)

- ✓ Director remuneration, to be decided by Remuneration Committee, linked to company and personal performance as well as management competency and talent
- ✓ Stock based compensation to be placed in "stock delivery trust". By increasing ratio tied to medium-term performance, and by paying in stock, to clarify link of director remuneration and our Groups' performance.

| | Fixed monthly remuneration | Variable remuneration | | | (Applicable from FY2019) |
|-------------------|------------------------------------|---|---|---|---|
| FY19 Ratio (*1) | Approx. 40% | Approx. 30% | Approx. 15% | Approx. 15% | Approx. 15% |
| Compensation Type | Monthly remuneration Fixed portion | Monthly remuneration Personal performance (*2) | Company performance linked bonus | Share based reward type stock option | Stock Delivery Trust for Directors |
| Payment Criteria | Payment based on grade | Previous year's performance, Medium/long term performance contribution, Medium/long term activity, Evaluation of competency | Net business profit (consolidated), Net income (consolidated) | Financial performance (single year), Stock price, Business environment, etc | In addition to major management KPIs, to add the following elements <ul style="list-style-type: none"> ■ ESG related activity and scoring from evaluation organizations ■ Activity pertaining to fiduciary duty and client satisfaction |

(*1) In case of President (same for diagram)

(*2) Range of 70% to 160% of standard compensation

Active participation of women

Support career development uninfluenced by life events

Career design workshop

- ✓ In addition to each grade-level workshop, special session to discuss life event issues for A-course (*1) staff in 6th year after employment

(*1) Employees with transfers limited within specific region



(Enhanced training curriculum for female employees)

Introduction of work area designation alteration scheme

- ✓ Possible to change work region designation in line with spouses' transfer

e-learning and seminars during maternity leave

- ✓ E-learning during maternity and childcare leave
- ✓ Extensive seminars for workplace return preparation
- ✓ Offer information exchange opportunities for staff in similar circumstances to alleviate worries about returning to work



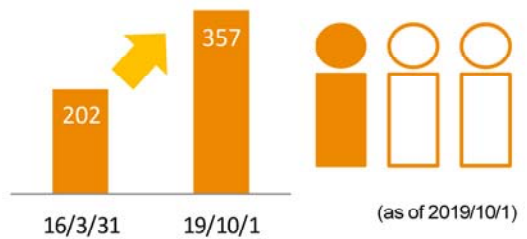
(Seminars for workplace return preparation)

Introduction of company operated nurseries

- ✓ Alliance with Nichii Gakkan, possible to use nurseries operated by the company to facilitate return to the workplace

Target to appoint more than 300 senior managers by Mar. 2020 has been achieved ahead of schedule (*2)

More than one in three female staff are managerial level (*3)



(*2) SuMi TRUST Bank employees (*3) Course employees

To deepen understanding of LGBT, actual initiatives

Policies relating to holidays etc. expanded to cover same-sex couples

In-house policies regarding marriage leave, nursing care leave etc. now almost same as hetero-sex marriages

Awareness training for new employees and compulsory semi-annual e-learning for all employees

Human resource strategy (Active creation of growth opportunities/active participation of specialists)

Create opportunities for career development (*1)

Support self-led, pro-active career development

To determine own career before joining

Work career challenge at application (*2)

- To choose desired field of work during interview and apply (selection process in place)

Job posting challenge before graduation (*2)

- To challenge to enlist in programs which allows time allocation for qualifications such as Certified Real Estate Appraiser
- To choose field of work after joining and apply (selection process in place)

To choose career path after understanding wide range of businesses of a trust bank

Divisional presentations (twice a year)

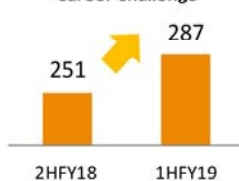
- To deepen understanding about each division, work area to enable proactive career development

To select ones' own career path and challenge

Career Challenge application (once a year)

- To apply to career challenge postings from each division
- Menus such as overseas study
- After passing selection process such as interviews, transfer to new field of work

No. of Applicants for Career Challenge



Culture that encourages challenge is being formed

Support for specialists (*1)

Fellow Program

- Highly skilled employees designated as Fellows
- Support their active front line roles over the long run, prospect to pass on expertise to the next generation
- May work until age 70 (upon self-request)

Numerous specialization opportunities in Career Challenge

Trainee for asset services

- Skill learning for asset administration 2 related departments in one year
- To train professionals of the business

Trust trainee

- To acquire specialist knowledge related to law, taxation and accounting of trust business
- To develop planning staff for overall trust business

(*1) SuMi TRUST bank's guidelines (*2) Career Challenge covers certain business areas

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Human resource

- ✓ To advance work place policies that allows diverse work styles and life-work balance

Evaluation from external parties

★2019 Bloomberg Gender-Equality Index (GEI)

★Semi-Nadeshiko index



Platinum "Kurumin"



★Gold standard for "PRIDE" Index

Top 100 for diverse workplace



(SuMi TRUST Bank:
Two straight years (2017, 2018))
(SuMi TRUST Holdings : First time)



★ "White 500"

(Two straight years)



健康経営優良法人
Health and productivity
ホワイト500

★: Award to SuMi TRUST Holdings

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Actual initiatives regarding environmental improvement

Strict application of minimum interval between workdays

- ✓ Rule implemented to require minimum rest period between end and beginning of next day's work to assure enough sleep and maintain health

100% coverage of staff's medical check up

Complete non-smoking in all locations

Introduction of telework (work from home)

- ✓ By utilizing company issued iPad Pro, possible to undertake same work at home as in the office. Support compatibility of child, nursing care and work.

Operation of satellite office

- ✓ Opened satellite office in Kawasaki-city with aim to alleviate long commuting hours for staff with childcare or nursing care duties. Plans to expand to other locations under study

Participation in "Corporate action against cancer" program

Newly established cancer treatment leave

- ✓ Introduced "Cancer treatment and work compatibility program" in April 2019
- ✓ 21 staff utilized program since introduction (as of Sep 2019)

Financial Results for 1HFY2019

Overview of profits

| | (Yen bn) | 1H FY18 | 1H FY19 | Change | FY19 Forecast |
|--|----------|---------|---------|--------|---------------|
| 1 Net business profit before credit costs (*1) | | 146.9 | 154.1 | 7.2 | 290.0 |
| 2 Substantial gross business profit (*1) | | 367.1 | 377.0 | 9.8 | 740.0 |
| 3 Effective interest related earnings (*2) | | 128.5 | 130.9 | 2.3 | |
| 4 Net interest income and related profit | | 93.2 | 74.2 | (19.0) | |
| 5 Profit attributable to deployment of surplus foreign currency funds | | 35.2 | 56.6 | 21.4 | |
| 6 Net fees and commissions and related profit | | 204.8 | 201.5 | (3.2) | |
| 7 Other profit (Excluding profit attributable to deployment of surplus foreign currency funds) | | 33.8 | 44.5 | 10.7 | |
| 8 Substantial G&A expenses (*1) | | (220.2) | (222.8) | (2.6) | (450.0) |
| 9 Total credit costs | | 13.3 | (1.2) | (14.5) | (15.0) |
| 10 Net gains on stocks | | (3.7) | 5.9 | 9.6 | 25.0 |
| 11 Other net non-recurring profit | | (16.2) | (7.7) | 8.4 | |
| 12 Ordinary profit | | 140.3 | 151.1 | 10.7 | 270.0 |
| 13 Extraordinary profit | | (3.0) | 0.1 | 3.1 | |
| 14 Income before income taxes | | 137.2 | 151.2 | 13.9 | |
| 15 Total income taxes | | (40.2) | (43.4) | (3.1) | |
| 16 Income attributable to non-controlling interests | | (5.4) | (1.7) | 3.7 | |
| 17 Net income | | 91.5 | 106.0 | 14.5 | 180.0 |
| 18 Return on shareholders' equity | | 8.46% | 9.32% | 0.86% | |
| 19 Dividend per share (DPS) (Yen) | | 65 | 75 | 10 | |
| 20 Earnings per share (EPS) (Yen) | | 241 | 281 | 40 | |
| 21 Number of shares issued (mn shares) (*3) | | 379.2 | 376.2 | (3.0) | |

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

(*2) "Effective interest related earnings" is sum of "Net interest income and related profit" and "Profit attributable to deployment of surplus foreign currency funds", included in "Net gains on foreign exchange transaction"

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

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Net business profit before credit costs

• Effective interest related earnings including profit attributable to deployment of surplus foreign currency funds increased ¥2.3bn YoY, domestic loan-deposit spread / income continued to improve

| | (Yen bn) | 1H FY18 | 1H FY19 | Change |
|--|----------|---------|---------|--------|
| 22 Net interest income and related profit | | 93.2 | 74.2 | (19.0) |
| 23 Other profit | | 69.0 | 101.2 | 32.1 |
| 24 Profit attributable to deployment of surplus foreign currency funds | | 35.2 | 56.6 | 21.4 |
| 25 Other | | 33.8 | 44.5 | 10.7 |

• Excluding the impact from non-consolidation of JTSCB [approx. ¥(5)bn], net fees and commissions and related profit effectively increased by ¥1.8bn YoY. [=¥(3.2)bn+¥5bn]. Investment management consulting decreased but real estate brokerage fee was firm

• Other profits include non-interest income from corporate client businesses such as investment product sales, foreign exchange, and derivatives contributed to increased profitability

• Progress rate of approx. 53% against full year plan [¥290bn]

Total credit costs

• Limited occurrence of new problem loans

Net gains on stocks

• Strategic shareholdings reduction of approx. ¥4bn (cost basis) with gains of approx. ¥8bn on disposal

Net income

• Progress rate of approx. 59% against full year plan [¥180.0bn]



SUMITOMO MITSUI TRUST HOLDINGS

Overview of balance sheet

| | (Yen bn) | Mar. 2019 | Sep. 2019 | Change |
|---|----------|-----------|-----------|-----------|
| 1 Assets | | 57,029.1 | 57,095.3 | 66.2 |
| 2 Cash and due from banks | | 16,045.8 | 16,150.1 | 104.2 |
| 3 Securities | | 5,759.5 | 6,156.4 | 396.9 |
| 4 Loans and bills discounted | | 29,025.7 | 29,085.1 | 59.4 |
| 5 Other assets | | 6,198.0 | 5,703.6 | (494.4) |
| 6 Liabilities | | 54,298.7 | 54,387.6 | 88.8 |
| 7 Deposits and NCD | | 38,232.1 | 37,630.3 | (601.8) |
| 8 Borrowed money from trust account | | 5,408.0 | 3,965.2 | (1,442.7) |
| 9 Other liabilities | | 10,658.5 | 12,791.9 | 2,133.4 |
| 10 Total net assets | | 2,730.3 | 2,707.7 | (22.6) |
| 11 Total shareholders' equity | | 2,242.9 | 2,305.4 | 62.4 |
| 12 Total accumulated OCI | | 410.4 | 366.3 | (44.0) |
| 13 Minority interests, etc. | | 76.8 | 35.8 | (41.0) |
| 14 Net assets per share (BPS) (Yen) | | 7,008 | 7,133 | 125 |
| 15 Number of shares issued (mn shares) (*1) | | 378.5 | 374.5 | (4.0) |

(Reference)

| | | | |
|---|-------|-------|------|
| 16 Loan-deposit ratio (SuMi TRUST Bank) | 76.8% | 77.7% | 0.9% |
| 17 NPL ratio (SuMi TRUST Bank) | 0.3% | 0.3% | 0.0% |

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

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

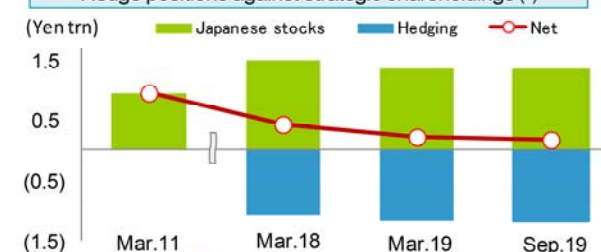


Strategic shareholdings

Balance of strategic shareholdings (Cost base)



Hedge positions against strategic shareholdings (*)



(*) Fair value base

SUMITOMO MITSUI TRUST HOLDINGS

Profit by group company

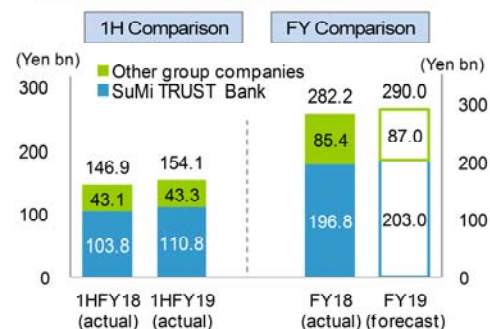
| | (Yen bn) | 1HFY18 | 1HFY19 | Change |
|--|----------|--------|--------|---------|
| 1 Net business profit before credit costs (*1) | | 146.9 | 154.1 | 7.2 |
| 2 o/w SuMi TRUST Bank | | 103.8 | 110.8 | (*) 6.9 |
| 3 SuMi TRUST AM | | 2.4 | 7.0 | (*) 4.5 |
| 4 Nikko AM (*3) | | 8.5 | 7.7 | (0.8) |
| 5 SuMi TRUST Realty | | 3.2 | 4.0 | 0.7 |
| 6 SuMi TRUST Panasonic Finance (*3) | | 5.2 | 5.0 | (0.2) |
| 7 SuMi TRUST Loan & Finance | | 5.8 | 6.0 | 0.1 |
| 8 SBI Sumishin Net Bank (*3) | | 4.0 | 4.4 | 0.4 |
| 9 SuMi TRUST Guarantee (*3) | | 5.8 | 5.8 | (0.0) |
| 10 SuMi TRUST Club | | 1.7 | 1.4 | (0.2) |
| 11 Effect of purchase accounting method | | (1.3) | (1.3) | (0.0) |
| 12 Net income (*1) | | 91.5 | 106.0 | 14.5 |
| 13 o/w SuMi TRUST Bank | | 76.0 | 80.9 | (*) 4.9 |
| 14 SuMi TRUST AM | | 1.6 | 4.9 | (*) 3.2 |
| 15 Nikko AM (*3) | | 5.7 | 4.7 | (0.9) |
| 16 SuMi TRUST Realty | | 2.2 | 2.7 | 0.5 |
| 17 SuMi TRUST Panasonic Finance (*3) | | 1.6 | 2.2 | 0.5 |
| 18 SuMi TRUST Loan & Finance | | 3.8 | 4.0 | 0.1 |
| 19 SBI Sumishin Net Bank (*3) | | 2.6 | 2.8 | 0.2 |
| 20 SuMi TRUST Guarantee (*3) | | 4.4 | 3.8 | (0.5) |
| 21 SuMi TRUST Club | | 0.3 | 0.5 | 0.1 |
| 22 Effect of purchase accounting method | | 1.9 | 2.9 | 0.9 |

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

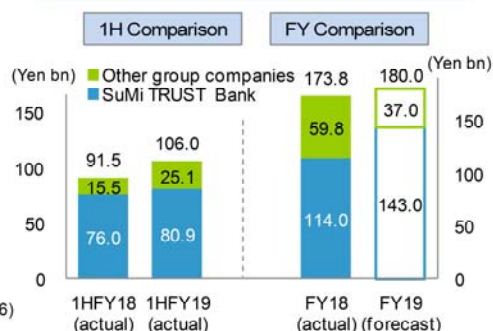
(*2) Including the impact of reorganization of asset management functions on Oct. 1, 2018 (please refer to P66)

(*3) Consolidated basis

Breakdown of Net business profit before credit cost



Breakdown of Net income



Profit by business segment

| | | 1HFY18 Net business profit before credit costs | Substantial gross business profit | Change | Change from initial plan | Substantial G&A expenses | 1HFY19 Net business profit before credit costs | Change |
|----|------------------------------------|--|--|-----------|-----------------------------------|--------------------------------|--|-----------|
| | (Yen bn) | | | | | | | |
| 1 | Total | 146.9 | 377.0 | 9.8 | 17.0 | (222.8) | 154.1 | 7.2 |
| 2 | Retail total solution services | 16.0 | 97.5 | (2.0) | (1.4) | (84.6) | 12.8 | (3.1) |
| 3 | SuMi TRUST Bank | 7.2 | 66.3 | (2.5) | (1.6) | (62.1) | 4.1 | (3.0) |
| 4 | Other group companies | 8.8 | 31.2 | 0.5 | 0.2 | (22.5) | 8.7 | (0.1) |
| 5 | Wholesale financial services (*2) | 59.9 | 100.7 | 5.6 | 5.7 | (36.3) | 64.3 | 4.3 |
| 6 | SuMi TRUST Bank | 46.0 | 72.6 | 5.3 | 4.6 | (22.1) | 50.4 | 4.4 |
| 7 | Other group companies | 13.9 | 28.0 | 0.2 | 1.0 | (14.1) | 13.9 | (0.0) |
| 8 | Stock transfer agency services | 9.9 | 19.5 | 0.0 | 0.5 | (9.8) | 9.7 | (0.2) |
| 9 | SuMi TRUST Bank | 9.4 | 11.1 | (0.1) | 0.1 | (1.8) | 9.3 | (0.1) |
| 10 | Other group companies | 0.4 | 8.3 | 0.2 | 0.3 | (7.9) | 0.4 | (0.0) |
| 11 | Real estate | 11.8 | 28.4 | 4.5 | 3.4 | (12.4) | 16.0 | 4.1 |
| 12 | SuMi TRUST Bank | 8.4 | 16.5 | 3.4 | 2.5 | (4.7) | 11.7 | 3.3 |
| 13 | Other group companies | 3.4 | 11.9 | 1.0 | 0.9 | (7.6) | 4.3 | 0.8 |
| 14 | Fiduciary services | 32.3 | 83.7 | (*) (5.0) | 1.7 | (51.6) | 32.1 | (*) (0.2) |
| 15 | SuMi TRUST Bank | 18.3 | 25.3 | (5.9) | 0.3 | (11.0) | 14.2 | (4.0) |
| 16 | Other group companies | 13.9 | 58.4 | 0.9 | 1.4 | (40.5) | 17.8 | 3.8 |
| 17 | o/w Asset management business (*4) | 10.9 | 39.7 | 6.8 | --- | (24.9) | 14.8 | 3.8 |
| 18 | Global markets | 21.6 | 41.7 | 12.4 | 12.7 | (7.3) | 34.4 | 12.7 |

(*)1 In this page, dividend from group companies aimed to improve capital efficiency are excluded from each business segment

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

(*)3 Please refer to right table for the impact of reorganization of asset management functions and changing to affiliated company of Japan Trustee Services Bank relating to the establishment of JTC Holdings on Oct.1, 2018

(*)4 Sum of Asset management companies (SuMi TRUST AM, Nikko AM (consolidated), Sky Ocean AM, JP AM)

| (Yen bn) | Substantial gross business profit | Substantial G&A expenses | Net business profit before credit costs |
|-----------------------|--------------------------------------|-----------------------------|---|
| SuMi TRUST Bank | (6.0) | 2.0 | (4.0) |
| Other group companies | 1.0 | 3.0 | 4.0 |
| SuMi TRUST AM | 6.0 | (2.0) | 4.0 |
| JTC HD-JTSB | (5.0) | 5.0 | - |

Overview of profit (SuMi TRUST Bank)

| | (Yen bn) | FY18 1H | FY19 1H | Excluding dividend from group companies (*1) | | | | | Excluding dividend from group companies (*1) | | |
|----|--|------------|------------|---|------------|--------|--|--|---|------------|--------|
| | | | | FY18 1H | FY19 1H | Change | | | FY18 1H | FY19 1H | Change |
| 1 | Net business profit before credit costs | 133.9 | 114.7 | 103.8 | 110.8 | 6.9 | | | | | |
| 2 | Gross business profit | 252.6 | 236.5 | 222.5 | 232.5 | 10.0 | | | 222.5 | 232.5 | 10.0 |
| 3 | Effective interest related earnings | 142.4 | 121.5 | 112.2 | 117.6 | 5.3 | | | | | |
| 4 | Net interest income and related profit | 107.1 | 64.8 | 77.0 | 60.9 | (16.1) | | | | | |
| 5 | Profit attributable to deployment of surplus foreign currency funds | 35.2 | 56.6 | 35.2 | 56.6 | 21.4 | | | | | |
| 6 | Net fees and commissions and related profit (*2) | 92.3 | 86.6 | 92.3 | 86.6 | (5.7) | | | | | |
| 7 | Net trading profit | 16.1 | 26.8 | 16.1 | 26.8 | 10.6 | | | | | |
| 8 | Net gains on foreign exchange transactions | | | | | | | | | | |
| 9 | Net trading profit (*3) | 6.7 | 42.7 | 6.7 | 42.7 | 35.9 | | | | | |
| 10 | Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds) | 9.4 | (15.9) | 9.4 | (15.9) | (25.3) | | | | | |
| 11 | Net gains on bonds | (4.6) | 19.5 | (4.6) | 19.5 | 24.2 | | | | | |
| 12 | Net gains from derivatives | 6.3 | (18.0) | 6.3 | (18.0) | (24.3) | | | | | |
| 13 | General and administrative expenses (*2) | (118.7) | (121.7) | (118.7) | (121.7) | (3.0) | | | | | |
| 14 | Total credit costs | 16.3 | 0.3 | 16.3 | 0.3 | (16.0) | | | | | |
| 15 | Other non-recurring profit | (10.6) | (0.1) | (10.6) | (0.1) | 10.5 | | | | | |
| 16 | o/w Net gains on stocks | (6.2) | 2.2 | (6.2) | 2.2 | 8.4 | | | | | |
| 17 | Amortization of net actuarial losses | (1.6) | (2.8) | (1.6) | (2.8) | (1.1) | | | | | |
| 18 | Ordinary profit | 139.6 | 114.9 | 109.5 | 110.9 | 1.4 | | | | | |
| 19 | Extraordinary profit | (3.8) | 0.1 | (3.8) | 0.1 | 4.0 | | | | | |
| 20 | Income before income taxes | 135.8 | 115.1 | 105.7 | 111.1 | 5.4 | | | | | |
| 21 | Total income taxes | (29.7) | (30.2) | (29.7) | (30.2) | (0.5) | | | | | |
| 22 | Net income | 106.1 | 84.8 | 76.0 | 80.9 | 4.9 | | | | | |
| 23 | Gross business profit | | | | | | | | 222.5 | 232.5 | 10.0 |
| 24 | Net interest income and related profit | | | | | | | | 77.0 | 60.9 | (16.1) |
| 25 | Net fees and commissions and related profit | | | | | | | | 92.3 | 86.6 | (5.7) |
| 26 | Net trading profit | | | | | | | | 6.7 | 42.7 | 35.9 |
| 27 | Net other operating profit | | | | | | | | 46.3 | 42.3 | (4.0) |
| 28 | o/w Net gains on foreign exchange transactions | | | | | | | | 44.6 | 40.7 | (3.8) |
| 29 | Profit attributable to deployment of surplus foreign currency funds | | | | | | | | 35.2 | 56.6 | 21.4 |
| 30 | other | | | | | | | | 9.4 | (15.9) | (25.3) |
| 31 | Net gains on bonds | | | | | | | | (4.6) | 19.5 | 24.2 |
| 32 | Net gains from derivatives | | | | | | | | 6.3 | (18.0) | (24.3) |
| 33 | Net fees and commissions and related profit | | | | | | | | 92.3 | 86.6 | (5.7) |
| 34 | Excluding impact of reorganization of asset management functions | | | | | | | | 92.3 | 92.6 | 0.2 |
| 35 | o/w Investment management consulting | | | | | | | | 27.2 | 23.8 | (3.3) |
| 36 | Asset management/administration | | | | | | | | 31.3 | 25.3 | (5.9) |
| 37 | Excluding impact of reorganization of asset management functions | | | | | | | | 31.3 | 31.3 | 0.0 |
| 38 | Real estate brokerage | | | | | | | | 10.1 | 13.4 | 3.3 |
| 39 | Stock transfer agency services | | | | | | | | 11.3 | 11.1 | (0.1) |
| 40 | Inheritance related services | | | | | | | | 2.1 | 2.2 | 0.0 |
| 41 | Wholesale credit related | | | | | | | | 16.3 | 14.3 | (1.9) |
| 42 | Net gains on bonds | | | | | | | | (4.6) | 19.5 | 24.2 |
| 43 | Domestic bonds | | | | | | | | (0.2) | 1.5 | 1.7 |
| 44 | Foreign bonds | | | | | | | | (4.4) | 17.9 | 22.4 |

(*1) Excluding dividend of 1HFY18: ¥30.1bn, 1HFY19: ¥3.9bn, from group companies aimed to improve capital efficiency, affecting 1, 2, 3, 4, 17, 19, 21, 22, 23

(*2) Including the impact of reorganization of asset management functions on Oct. 1, 2018 [Net fees and commissions and related profit: approx. ¥6bn, General and administrative expenses: approx. ¥2bn]

(*3) "Net trading profit" and "Net gains on foreign exchange transactions other than surplus funds deployment" have substantial fluctuation in comparison to previous year, but this is primarily due to differences in accounting treatment of original client transactions actions and their hedging operations.

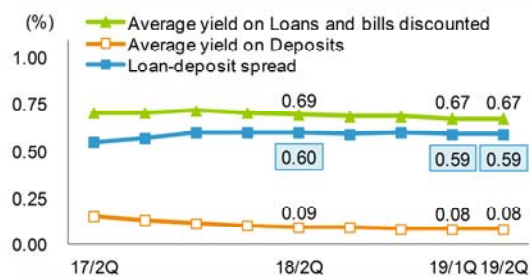
Net interest income (SuMi TRUST Bank)

| | (Average balance: Yen trn) (Income/Expenses: Yen bn) | 1HFY19 | | | | | |
|----|---|-----------------|--------------------|---------------|--------------------|-----------------|--------------------|
| | | Average Balance | Change from 1HFY18 | Average Yield | Change from 1HFY18 | Income/Expenses | Change from 1HFY18 |
| 1 | Net interest income | | | | | 57.0 | (40.7) |
| 2 | Domestic business | | | | | 76.4 | (24.5) |
| 3 | Interest-earning assets | 38.76 | 0.77 | 0.54% | (0.13%) | 104.7 | (26.8) |
| 4 | o/w Loans and bills discounted | 22.47 | 0.97 | 0.67% | (0.02%) | 75.4 | 0.2 |
| 5 | Securities | 3.36 | (0.13) | 1.55% | (1.49%)* | 26.0 | (27.2) |
| 6 | Income on swaps | --- | --- | --- | --- | - | (0.2) |
| 7 | Interest-bearing liabilities | 38.18 | 0.92 | 0.14% | (0.02%) | (28.2) | 2.3 |
| 8 | o/w Deposits | 24.80 | 1.35 | 0.08% | (0.02%) | (10.4) | 1.5 |
| 9 | Borrowings from trust a/c | 3.18 | (0.55) | 0.49% | (0.00%) | (7.8) | 1.4 |
| 10 | Swaps | --- | --- | --- | --- | (0.4) | (0.4) |
| 11 | International business | | | (0.32%) | (0.27%) | (19.4) | (16.1) |
| 12 | Interest-earning assets | 13.83 | 0.08 | 2.09% | 0.04% | 144.6 | 3.1 |
| 13 | o/w Loans and bills discounted | 6.36 | (0.24) | 3.04% | 0.23% | 96.8 | 3.3 |
| 14 | Due from banks | 1.99 | (0.52) | 1.64% | 0.30% | 16.3 | (0.6) |
| 15 | Securities | 2.31 | - | 2.36% | 0.07% | 27.3 | 0.6 |
| 16 | Interest-bearing liabilities | 13.57 | (0.10) | 2.41% | 0.31% | (164.1) | (19.3) |
| 17 | o/w Deposits | 5.59 | (0.17) | 1.90% | 0.30% | (53.1) | (6.6) |
| 18 | NCD / USCP | 5.55 | 0.52 | 2.17% | 0.29% | (60.3) | (12.6) |
| 19 | Repo | 1.58 | (0.13) | 2.41% | 0.48% | (19.1) | (2.4) |
| 20 | Expenses on swaps | --- | --- | --- | --- | (21.4) | (3.1) |
| 21 | (+) Trust fees from principal guaranteed trust a/c | | | | | 7.8 | (1.5) |
| 22 | (+) Profit attributable to deployment of surplus foreign currency funds | | | | | 56.6 | 21.4 |
| 23 | (-) Dividend from group companies aimed to improve capital efficiency | | | | | 3.9 | (26.1) |
| 24 | Effective interest related earnings | | | | | 117.6 | 5.3 |
| 25 | Loan-deposit spread / income in domestic business | | | 0.59% | (0.00%) | 65.0 | 1.8 |
| 26 | Loan-deposit spread / income in international business | | | 1.14% | (0.07%) | 43.7 | (3.2) |

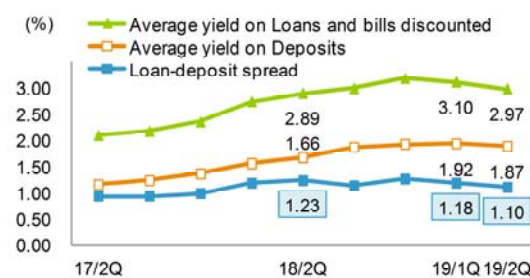
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Domestic loan-deposit spread



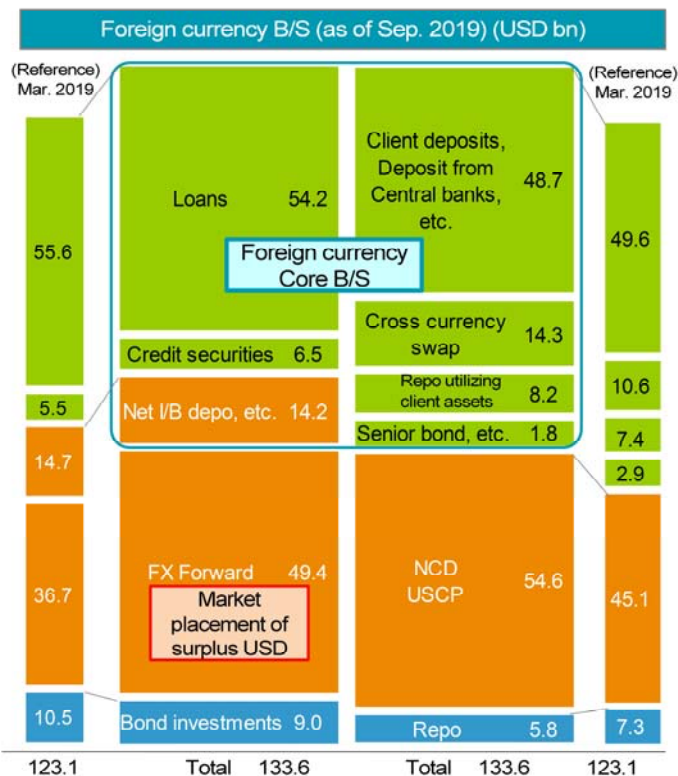
International loan-deposit spread



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

| | 1HFY18 | 1HFY19 | Change |
|---|--------|--------|--------|
| Securities | 53.3 | 26.0 | (27.2) |
| Dividend from group companies to improve their capital efficiency | 30.1 | 3.9 | (26.1) |
| Sales gain/loss of investment trust | 0.8 | (1.3) | (2.2) |
| Other income/expenses | 22.3 | 23.5 | 1.1 |

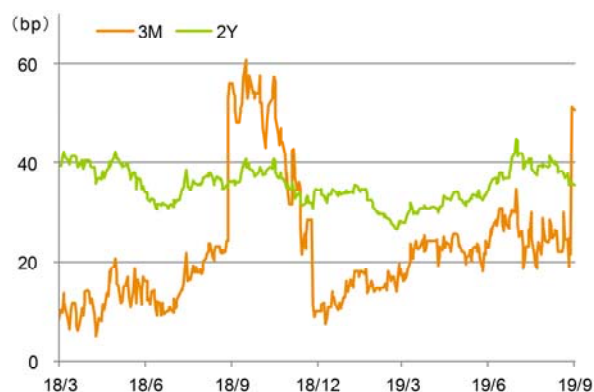
(Reference) Status of foreign currency balance sheet (SuMi TRUST Bank)



Foreign currency ALM management

- ◆ Loans and credit securities constituting core foreign currency denominated assets, are funded by "sticky" client deposits and central bank deposits as well as "long term" yen swaps and senior bonds issuance.
- ◆ Short term funds sourced through NCD/USCP markets are categorized as contingent funding buffer / surplus funds for foreign currency B/S and utilized as short-term funds after conversion into yen through forward foreign exchange contracts

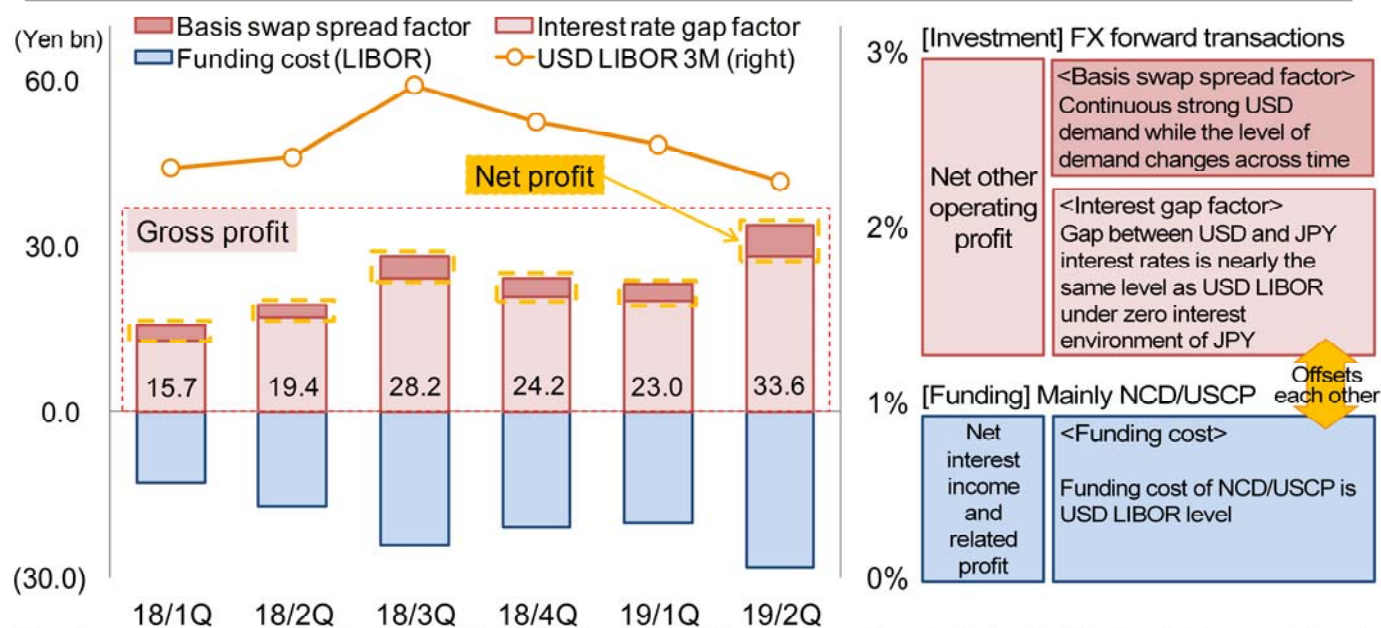
Basis swap spread (CCS) (USD/JPY)



Profit structure of market deployment of surplus foreign currency

- ✓ Profit from FX forward transactions (Investment) consists of basis swap spread factor and interest rate gap factor (gap between USD and JPY interest rates), but interest rate gap is offset by cost of USD funding
- ✓ Net profit of market placement of surplus foreign currency (net of funding cost) is nearly equal to basis swap spread multiplied by volume of market deployment

Profit structure of market placement of surplus foreign currency



* The above contents are simplified to promote understanding the structure of the operations, although actual profitability of market placement of surplus foreign currency changes depending on market environment

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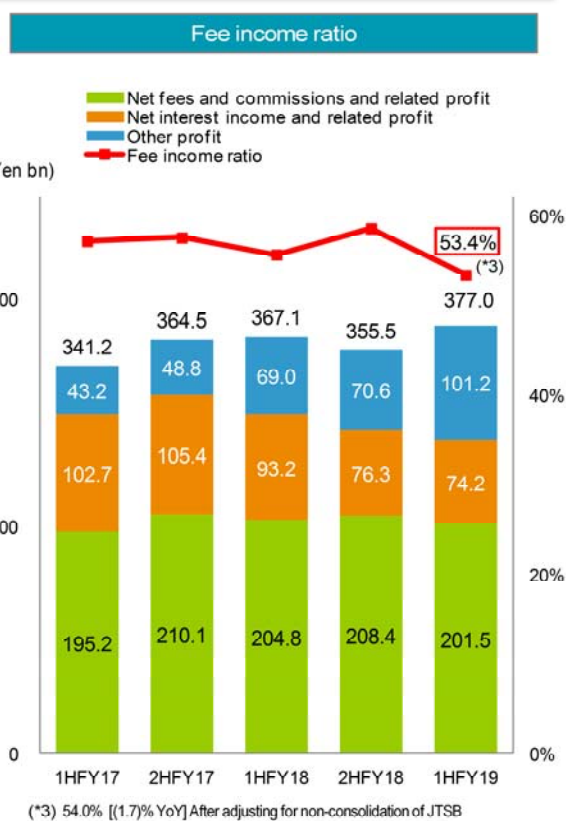
Net fees and commissions and related profit

| | (Yen bn) | SuMi TRUST Bank | | SuMi TRUST Group (*1) | |
|---|----------|-----------------|--------------------|-----------------------|--------------------|
| | | 1HFY19 | Change from 1HFY18 | 1HFY19 | Change from 1HFY18 |
| 1 Net fees and commissions and related profit | | 86.6 | (5.7) | 201.5 | (3.2) |
| 2 Investment trust and insurance sales | | 23.8 | (3.3) | 23.8 | (3.3) |
| 3 Card | | - | - | 21.6 | (0.0) |
| 4 Asset management / administration | | 25.3 | (4.9) | 81.9 | (3.1) |
| 5 Profit | | 44.5 | (1.8) | 91.7 | 1.6 |
| 6 Fees paid out for outsourcing | | (19.1) | (3.1) | (9.8) | (4.7) |
| 7 Stock transfer agency services | | 11.1 | (0.1) | 19.4 | 0.3 |
| 8 Profit | | 16.5 | - | 19.4 | 0.3 |
| 9 Fees paid out for outsourcing | | (5.3) | (0.1) | - | - |
| 10 Real estate | | 16.5 | 3.4 | 28.4 | 4.4 |
| 11 Others (Loan arrangement fees, etc.) | | 9.6 | (0.7) | 26.0 | (1.5) |
| 12 Fee income ratio (*2) (*3) | | 36.6% | (0.1%) | 53.4% | (2.3%) |

(*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

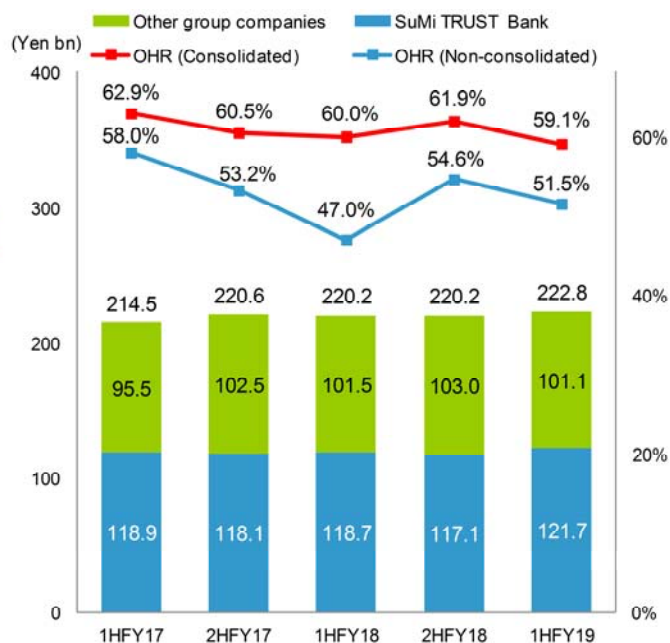


Expenses


| [SuMi TRUST Group] | | (Yen bn) | 1HFY18 | 1HFY19 | Change |
|--------------------|--|----------|---------|---------|--------|
| 1 | Personnel expenses | | (100.0) | (99.3) | 0.7 |
| 2 | Non-personnel expenses excluding taxes | | (111.5) | (114.1) | (2.6) |
| 3 | Taxes other than income taxes | | (8.6) | (9.4) | (0.7) |
| 4 | Substantial G&A expenses | | (220.2) | (222.8) | (2.6) |
| 5 | Overhead ratio | | 60.0% | 59.1% | (0.9%) |

| [SuMi TRUST Bank] | | (Yen bn) | 1HFY18 | 1HFY19 | Change |
|-------------------|--|----------|---------|---------|--------|
| 6 | Personnel expenses | | (54.8) | (53.7) | 1.0 |
| 7 | Salaries etc. | | (52.0) | (50.0) | 2.0 |
| 8 | Retirement benefit expenses | | 5.7 | 4.8 | (0.9) |
| 9 | Others | | (8.5) | (8.5) | (0.0) |
| 10 | Non-personnel expenses excluding taxes | | (57.7) | (61.4) | (3.6) |
| 11 | IT system related costs | | (20.2) | (23.4) | (3.1) |
| 12 | Others | | (37.5) | (38.0) | (0.4) |
| 13 | Taxes other than income taxes | | (6.1) | (6.5) | (0.4) |
| 14 | G&A expenses | | (118.7) | (121.7) | (3.0) |
| 15 | Overhead ratio | | 47.0% | 51.5% | (4.5%) |

Breakdown of G&A expenses



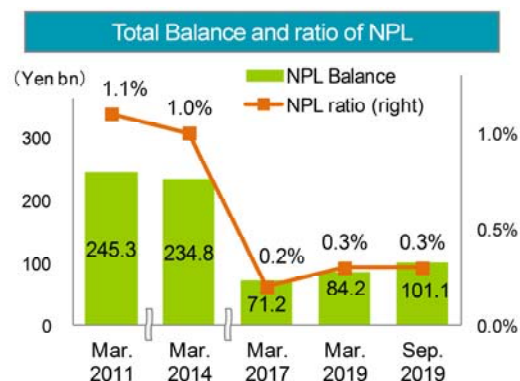
Total credit costs and problem assets

| [Total credit costs] | | 1HFY18 | 1HFY19 | Major factors (1HFY19) |
|----------------------|--|--------|--------|--|
| (Yen bn) | | | | |
| 1 | SuMi TRUST Bank | 16.3 | 0.3 | |
| 2 | General allowance for loan losses | 17.3 | (2.8) | <div>  Downgraded: Approx. (3.0) Upgraded: Approx. +3.0 </div> |
| 3 | Specific allowance for loan losses | (0.6) | 3.1 | |
| 4 | Recoveries of written-off claims | 0.7 | 0.1 | |
| 5 | Losses on sales of claims, written-off | (1.0) | (0.1) | |
| 6 | Other group companies, etc. | (3.0) | (1.5) | SuMi TRUST Panasonic Finance (0.7) |
| 7 | Total | 13.3 | (1.2) | |

| [NPL (SuMi TRUST Bank)] | | Sep. 2019 | Coverage ratio (*1) | Allowance ratio (*2) | Change from Mar. 2019 |
|-------------------------|---|-----------|---------------------|----------------------|-----------------------|
| (Yen bn) | | | | | |
| 8 | NPL | 101.1 | 86.5% | 52.5% | 16.9 |
| 9 | NPL ratio (ratio to Total loan balance) | 0.3% | --- | --- | 0.0% |
| 10 | Bankrupt and practically bankrupt | 9.6 | 100.0% | 100.0% | (0.9) |
| 11 | Doubtful | 58.7 | 96.2% | 83.6% | 3.5 |
| 12 | Substandard | 32.7 | 65.1% | 9.0% | 14.3 |
| 13 | Other special mention debtors | 350.1 | --- | --- | (65.2) |
| 14 | Ordinary assets | 29,399.3 | --- | --- | (42.5) |
| 15 | Total loan balance | 29,850.5 | --- | --- | (90.8) |

(*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 | |
|------------------------------------|----------|-----------|-----------------------|-------------------------|-----------------------|
| | | Sep. 2019 | Change from Mar. 2019 | Sep. 2019 | Change from Mar. 2019 |
| 1 Available-for-sale securities | | 4,881.9 | 323.4 | 622.4 | (43.2) |
| 2 Japanese stocks | | 593.8 | (5.0) | 750.2 | (22.4) |
| 3 Japanese bonds | | 1,147.1 | 259.7 | 3.0 | (0.1) |
| 4 Others | | 3,140.8 | 68.7 | (130.8) | (20.7) |
| 5 Held-to-maturity debt securities | | 360.0 | 97.6 | 22.7 | 0.9 |

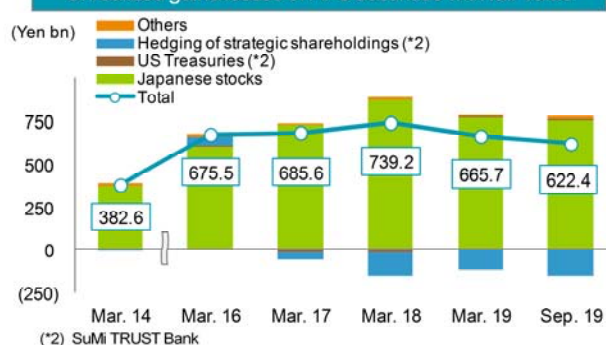
[Securities with fair value (SuMi TRUST Bank)]

| | | | | | |
|--|--|---------|--------|---------|--------|
| 6 Available-for-sale securities | | 4,852.6 | 320.4 | 642.2 | (39.0) |
| 7 Japanese stocks | | 565.2 | (8.7) | 776.5 | (18.7) |
| 8 Japanese bonds | | 1,209.1 | 256.3 | 1.8 | (0.1) |
| 9 o/w Government bonds | | 522.0 | 220.8 | 0.0 | (0.2) |
| 10 Others | | 3,078.3 | 72.8 | (136.0) | (20.2) |
| 11 Domestic investment | | 54.7 | (20.7) | 1.6 | (0.2) |
| 12 International investment | | 1,473.5 | 103.7 | 14.1 | 9.7 |
| 13 o/w US Treasury | | 477.6 | 43.3 | 10.2 | 5.1 |
| 14 Others (Investment trust, etc.) | | 1,549.9 | (10.1) | (151.7) | (29.7) |
| 15 o/w for hedging of strategic shareholdings (*1) | | 1,417.2 | (8.9) | (156.5) | (33.3) |

(*1) Of which hedging effect under capital regulation is recognized: Costs JPY 1,162.3bn, Unrealized gains/losses JPY (145.6)bn

| | | | | | |
|-------------------------------------|--|-------|-------|------|-------|
| 16 Held-to-maturity debt securities | | 298.5 | 101.0 | 22.6 | 0.9 |
| 17 o/w Government bonds | | 118.5 | (0.1) | 21.6 | 1.0 |
| 18 International investment | | 137.5 | 99.8 | 0.2 | (0.1) |

Unrealized gains/losses of AFS securities with fair value



Reduction of strategic shareholdings (*3)

| | (Yen bn) | FY 18 | | 1HFY 19 | |
|---------------------|----------|-------|------|---------|-----|
| | | 1H | 2H | | |
| 19 Reduction amount | | 16.9 | 11.7 | 28.7 | 3.7 |

(Ref.) Cumulative reduction since merger (from FY 11 to 1HFY 19): ¥314.1bn
Cumulative reduction based on current plan (from FY 16 to FY 20): ¥99.9bn
(*3) Purchase cost of listed shares

Securities portfolio of Global markets (*4)

| | (Yen bn) | 10BPV (*5) | | Duration (years) (*5) | |
|-----------|----------|------------|-----------------------|-----------------------|-----------------------|
| | | Sep. 2019 | Change from Mar. 2019 | Sep. 2019 | Change from Mar. 2019 |
| 20 JPY | | 3.2 | 1.0 | 4.3 | (0.1) |
| 21 Others | | 2.1 | (0.0) | 2.9 | (0.6) |

(*4) Managerial reporting basis: "HTM debt securities" and "AFS securities" are combined

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

Capital

- ✓ Common Equity Tier 1 capital ratio: UP 0.72 percentage points from Mar. 2019 to 12.90%, due primarily to increase in retained earnings contributed to accumulation of common equity and decrease in risk-weighted assets due to sophistication of calculation methodology for certain asset classes. Pro-forma CET1 capital ratio on Finalized Basel III reforms basis is in the upper 9% range
- ✓ Leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets>

| (Yen bn) | | Mar. 2019 | Sep. 2019 | Change |
|----------|--|-----------|-----------|---------|
| 1 | Total capital ratio | 16.77% | 17.50% | 0.73% |
| 2 | Tier 1 capital ratio | 14.18% | 14.75% | 0.57% |
| 3 | Common Equity Tier 1 capital ratio | 12.18% | 12.90% | 0.72% |
| 4 | (Finalized Basel III reforms basis) (upper 9% range) | | | |
| 5 | Total capital | 3,320.1 | 3,328.0 | 7.9 |
| 6 | Tier 1 capital | 2,806.5 | 2,805.4 | (1.0) |
| 7 | Common Equity Tier 1 capital | 2,412.1 | 2,452.5 | 40.4 |
| 8 | Instruments and reserves | 2,626.1 | 2,644.8 | 18.6 |
| 9 | Accumulated other comprehensive income (*1) | 410.4 | 366.3 | (44.0) |
| 10 | Regulatory adjustments | (214.0) | (192.2) | 21.7 |
| 11 | Additional Tier 1 capital | 394.4 | 352.9 | (41.4) |
| 12 | Tier 2 capital | 513.6 | 522.6 | 9.0 |
| 13 | Total risk-weighted assets | 19,790.1 | 19,010.2 | (779.9) |
| 14 | Credit risk | 17,725.1 | 17,070.4 | (654.7) |
| 15 | Market risk | 1,104.0 | 989.7 | (114.3) |
| 16 | Operational risk | 960.8 | 949.9 | (10.8) |

(*1) Valuation differences on Available-for-Sale Securities(Sep. 2019): ¥438.7bn

< Major factors of change in capital>

- (1) Common Equity Tier 1 capital: +¥40.4bn
- Net income +¥106bn
 - Dividend/Repurchase of own shares ¥(44.1)bn
 - Unrealized gains/losses of AFS ¥(28.7)bn

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

- (2) Credit risk: ¥(654.7)bn
- Decrease due to sophistication of calculation methodology for certain asset classes

<Other ratios required in prudential regulations>

| (Yen bn) | | Sep. 2019 | Change from Mar. 2019 |
|----------|----------------------------------|-----------|-----------------------|
| 16 | Leverage ratio | 4.66% | (0.01%) |
| 17 | Tier 1 capital | 2,805.4 | (1.0) |
| 18 | Total exposure | 60,114.6 | 105.4 |
| 19 | Liquidity coverage ratio (*2) | 134.6% | 7.2% |
| 20 | Total high-quality liquid assets | 15,446.4 | 214.8 |
| 21 | Net cash outflows (*3) | 11,469.9 | (481.2) |

(*2) Average figures in 2QFY 2019. "Change from Mar. 2019" represents the comparison to figure for 4QFY 2018 calculated in the same manner

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

Fee business: Investment management consulting

- ✓ Total sales decreased ¥96.4bn YoY to ¥596.5bn due to persistent volatile market environment
- ✓ Profit decreased ¥3.3bn YoY as fees from insurance sales and administration fees as distributor were flat, but fees from investment trust sales decreased

Income for distributor of investment products

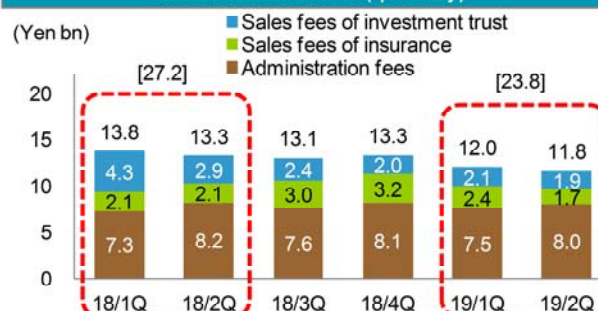
| | 1HFY18 | 1HFY19 | Change | FY19 Plan |
|----------------------------------|--------|--------|--------|-----------|
| (Yen bn) | | | | |
| 1 Income total | 27.2 | 23.8 | (3.3) | 48.0 |
| 2 Sales fees of investment trust | 7.2 | 4.1 | (3.1) | 8.0 |
| 3 Sales fees of insurance | 4.3 | 4.1 | (0.1) | 8.0 |
| 4 Administration fees | 15.6 | 15.6 | 0.0 | 32.0 |

Sales volume / balance

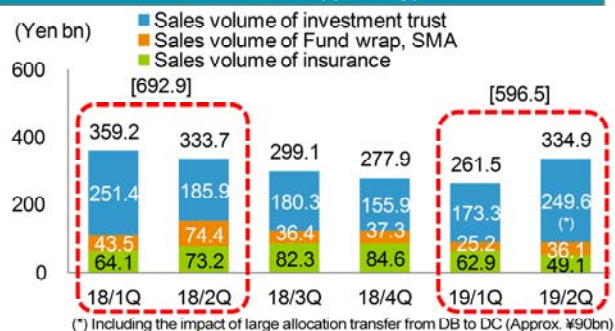
| | 1HFY18 | 1HFY19 | Change | FY19 Plan |
|----------------------|--------|--------|--------|-----------|
| (Yen bn) | | | | |
| 5 Sales volume total | 692.9 | 596.5 | (96.4) | 1,220.0 |
| 6 Investment trust | 437.4 | 423.0 | (14.3) | 800.0 |
| 7 Fund wrap, SMA | 118.0 | 61.3 | (56.6) | 130.0 |
| 8 Insurance | 137.4 | 112.0 | (25.3) | 290.0 |

| | Mar. 2019 | Sep. 2019 | Change | Mar. 2020 Plan |
|---------------------|-----------|-----------|--------|----------------|
| (Yen bn) | | | | |
| 9 Balance total | 6,376.3 | 6,488.1 | 111.7 | 6,600.0 |
| 10 Investment trust | 2,930.5 | 3,043.2 | 112.6 | 3,100.0 |
| 11 Fund wrap, SMA | 891.9 | 902.5 | 10.5 | 900.0 |
| 12 Insurance | 2,553.8 | 2,542.3 | (11.4) | 2,600.0 |
| 13 Wrap Selection | 1,774.5 | 1,811.4 | 36.8 | 1,830.0 |

Income for distributor (quarterly)



Sales volume (quarterly)



Fee business: Asset management / administration (Fiduciary services)

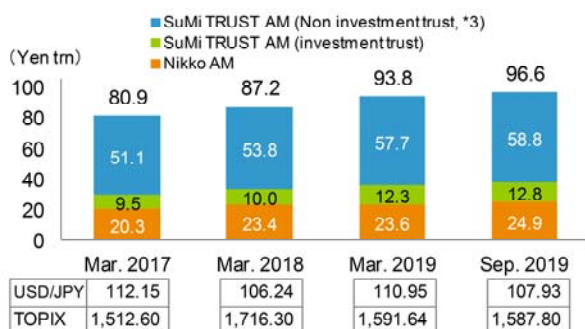
- ✓ AUM increased by ¥2.8trn to ¥96.6trn from March 2019 due mainly to cash inflow
- ✓ AUC increased for each asset category in both domestic and overseas from March 2019

Assets under management (AUM)

| | (Yen trn) | Mar. 2019 | Sep. 2019 | Change |
|--------------------------------|-----------|-----------|-----------|--------|
| 1 Assets under management (*1) | | 93.8 | 96.6 | 2.8 |
| 2 SuMi TRUST AM | | 70.1 | 71.6 | 1.5 |
| 3 Investment trust | | 12.3 | 12.8 | 0.4 |
| 4 Non investment trust (*2) | | 57.7 | 58.8 | 1.0 |
| 5 Corporate pension trust | | 13.7 | 14.0 | 0.2 |
| 6 Public pension trust | | 11.1 | 10.8 | (0.2) |
| 7 Discretionary investment | | 32.8 | 33.8 | 1.0 |
| 8 Nikko AM | | 23.6 | 24.9 | 1.2 |

(*1) Categorized by entity actually managing asset

(*2) Partially include AUM managed by SuMi TRUST Bank



(*3) Managed by SuMi TRUST Bank until the end of Mar. 2018

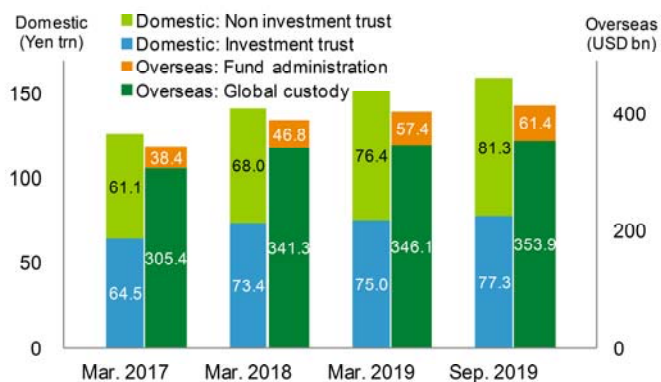
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Assets under custody/administration

| | (Yen trn) | Mar. 2019 | Sep. 2019 | Change |
|------------------------------|-----------|-----------|-----------|--------|
| [Domestic] | | | | |
| 9 Investment trust (*4) | | 75.0 | 77.3 | 2.3 |
| 10 Non investment trust (*4) | | 76.4 | 81.3 | 4.8 |
| [Overseas] | (USD bn) | | | |
| 11 Global custody (*5) | | 346.1 | 353.9 | 7.8 |
| 12 Fund administration | | 57.4 | 61.4 | 3.9 |

(*4) Entrusted balance of SuMi TRUST Bank

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



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Fee business: Real estate

- ✓ Real estate brokerage fees from corporate clients (SuMi TRUST Bank) increased by ¥3.3bn YoY to ¥13.4bn due to steady flow of new transactions.
- ✓ Real estate brokerage fees from retail clients (SuMi TRUST Realty) also recorded stable growth of ¥1.1bn YoY to ¥11.2bn

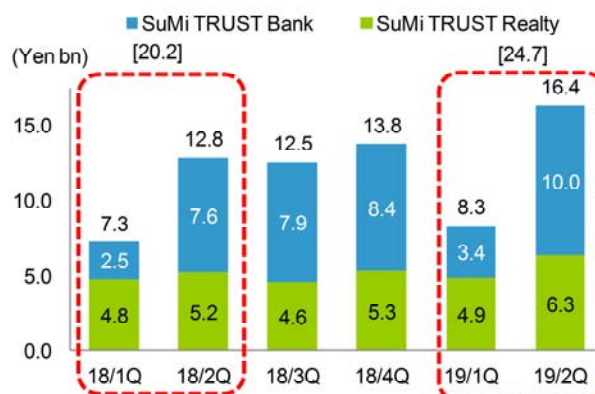
Income (group base)

| (Yen bn) | 1H FY18 | 1H FY19 | Change | FY19 Plan |
|--------------------------------|------------|------------|--------|--------------|
| 1 Real estate brokerage fees | 20.2 | 24.7 | 4.5 | 48.0 |
| 2 SuMi TRUST Bank | 10.1 | 13.4 | 3.3 | 27.0 |
| 3 SuMi TRUST Realty | 10.1 | 11.2 | 1.1 | 21.0 |
| 4 Real estate trust fees, etc. | 2.9 | 3.0 | 0.1 | 6.0 |
| 5 Net other real estate profit | 0.8 | 0.6 | (0.1) | 1.0 |
| 6 SuMi TRUST Bank | - | - | - | - |
| 7 Group companies | 0.8 | 0.6 | (0.1) | 1.0 |
| 8 Total | 23.9 | 28.4 | 4.5 | 55.0 |
| 9 o/w SuMi TRUST Bank | 13.0 | 16.5 | 3.4 | 33.0 |

Assets under management / administration

| (Yen bn) | Mar. 2019 | Sep. 2019 | Change |
|--------------------------------------|-----------|-----------|---------|
| 10 Securitized real estate | 16,389.1 | 17,148.7 | 759.5 |
| 11 Assets under custody from J-REITs | 14,529.9 | 15,126.1 | 596.2 |
| 12 Assets under management | 732.1 | 519.9 | (212.2) |
| 13 Private placement funds | 463.5 | 241.6 | (221.8) |
| 14 J-REITs | 268.6 | 278.2 | 9.6 |

Real estate brokerage fees (quarterly)



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

- ✓ Corporate lending (yen/foreign currency) decreased due to fall in short-term loans, but loans to retail clients increased, overall portfolio remained flat at ¥30.7tn
- ✓ Corporate lending placing emphasis on product related lending, loan profitability given weight in managing the portfolio

Advanced amount and balance for individuals

| (Yen bn) | 1HFY18 | 1HFY19 | Change | FY19 Plan |
|---|--------|--------|--------|-----------|
| | | | | |
| 1 Advanced amount of loans to individuals | 574.5 | 654.2 | 79.7 | 1,250.0 |
| 2 o/w Residential mortgage loans | 527.0 | 613.3 | 86.3 | 1,150.0 |

| (Yen bn) | Mar. 2019 | Sep. 2019 | Change | Mar. 2020 Plan |
|-----------------------------------|-----------|-----------|--------|----------------|
| | | | | |
| 3 Balance of loans to individuals | 9,920.6 | 10,203.4 | 282.8 | 10,300.0 |
| 4 o/w Residential mortgage loans | 9,314.0 | 9,590.0 | 275.9 | 9,650.0 |

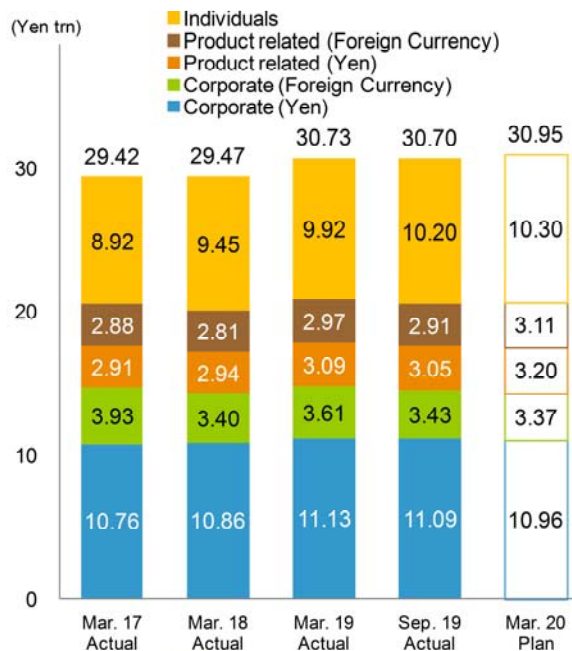
Balance of credit for corporates

| (Yen bn) | Mar. 2019 | Sep. 2019 | Change | Mar. 2020 Plan |
|--|-----------|-----------|---------|----------------|
| | | | | |
| 5 Corporate (Yen) | 11,131.1 | 11,090.5 | (40.6) | 10,960.0 |
| 6 Corporate (Foreign Currency) | 3,617.2 | 3,435.8 | (181.4) | 3,370.0 |
| 7 Product related (Yen) | 3,098.7 | 3,058.5 | (40.2) | 3,200.0 |
| 8 Product related (Foreign Currency) | 2,971.2 | 2,913.7 | (57.5) | 3,110.0 |
| 9 Total balance of credit for corporates | 20,818.5 | 20,498.5 | (319.9) | 20,650.0 |
| 10 o/w Product related | 6,070.0 | 5,972.2 | (97.8) | 6,310.0 |

(*) Impact of foreign exchange: Corporate (foreign currency) approx. ¥(120)bn,
product related (foreign currency) approx. ¥(100)bn

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Credit portfolio balance



Forecast for FY2019

Forecast for FY2019

- ✓ Taking 1H results into consideration, maintain forecast announced for Net business profit and Net income at beginning of FY, also dividend forecast remains unchanged in line with shareholder return policy.
- ✓ For other non-recurring profit, total credit costs expected to decrease but net gains on stocks also expected to fall.

| | (Yen bn) | 1H Actual (*) | 2H Plan | FY19 Forecast(*) | Change from FY18 | Change from initial plan | |
|----|---|------------------|------------|---------------------|------------------------|--------------------------------|-----|
| 1 | Net business profit before credit costs | 154.1 | 135.8 | 290.0 | 7.7 | - | (1) |
| 2 | SuMi TRUST Bank | 110.8 | 92.1 | 203.0 | 6.1 | - | |
| 3 | Substantial gross business profit | 377.0 | 362.9 | 740.0 | 17.3 | - | |
| 4 | SuMi TRUST Bank | 232.5 | 210.4 | 443.0 | 10.3 | - | |
| 5 | Other group companies | 144.4 | 152.5 | 297.0 | 41.6 | - | |
| 6 | Substantial G&A Expenses | (222.8) | (227.1) | (450.0) | (9.5) | - | |
| 7 | SuMi TRUST Bank | (121.7) | (118.2) | (240.0) | (4.1) | - | |
| 8 | Other group companies | (101.1) | (108.8) | (210.0) | (5.4) | - | |
| 9 | Total credit costs | (1.2) | (13.7) | (15.0) | (12.0) | 5.0 | (2) |
| 10 | Net gains on stocks | 5.9 | 19.0 | 25.0 | 11.2 | (5.0) | (3) |
| 11 | Other non-recurring profit | (7.7) | (22.2) | (30.0) | 6.5 | - | |
| 12 | Ordinary profit | 151.1 | 118.8 | 270.0 | 13.5 | - | |
| 13 | o/w SuMi TRUST Bank | 110.9 | 92.0 | 203.0 | 28.5 | - | |
| 14 | Net income | 106.0 | 73.9 | 180.0 | 6.1 | - | (4) |
| 15 | o/w SuMi TRUST Bank | 80.9 | 62.0 | 143.0 | 28.9 | - | |
| 16 | Dividend per common share (Yen) | 75 | 75 | 150 | +10 | - | |
| 17 | Consolidated dividend payout ratio | --- | --- | 31.2% | 0.7% | (0.3%) | |

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

FY2018 (actual): ¥34.6bn, 1HFY2019 (actual): ¥3.9bn, FY2019 (plan): approx. ¥7bn

【Change from initial plan】

(1) Net business profit before credit costs : No change

1) Net business profit before credit costs

• In line with initial projection

• Regarding its divisional breakdown, taking 1H results and short-term profitability forecast into account, reduce weighting of Retail Total Solutions and increase Global Markets (please refer to P14)

2) Total expenses

• In line with initial projection

(2) Total credit costs: +¥5.0bn

• Though 1H results were ¥(1.2)bn [vs forecast ¥(10)bn], reduce full year forecast to ¥(15)bn due to lower market visibility

(3) Net gains on stocks: ¥(5.0)bn

• Taking 1H results +¥5.9bn [vs forecast +¥15bn] and progress of strategic shareholdings divestment consent into account, revise full year forecast to +¥25bn

(4) Net income: No change

• In line with initial projection

(Ref.) Breakdown by business segment

| (Yen bn) | | FY18 Actual | 1H Actual | Change from initial plan(*3) | 2H Plan | FY19 Plan | Change from FY18 | Change from initial plan(*3) |
|----------|---------------------------------------|----------------|--------------|------------------------------------|------------|--------------|---------------------|------------------------------------|
| 1 | Net business profit | 282.2 | 154.1 | 14.1 | 135.8 | 290.0 | 7.7 | - |
| 2 | Substantial gross business profit(*1) | 722.6 | 377.0 | 17.0 | 362.9 | 740.0 | 17.3 | - |
| 3 | Retail total solution services | 199.8 | 97.5 | (1.4) | 97.4 | 195.0 | (4.8) | (6.0) |
| 4 | SuMi TRUST Bank | 138.0 | 66.3 | (1.6) | 65.6 | 132.0 | (6.0) | (6.0) |
| 5 | Other group companies | 61.8 | 31.2 | 0.2 | 31.7 | 63.0 | 1.1 | - |
| 6 | Wholesale financial services(*2) | 193.8 | 100.7 | 5.7 | 95.2 | 196.0 | 2.1 | - |
| 7 | SuMi TRUST Bank | 137.2 | 72.6 | 4.6 | 65.3 | 138.0 | 0.7 | - |
| 8 | Other group companies | 56.6 | 28.0 | 1.0 | 29.9 | 58.0 | 1.3 | - |
| 9 | Stock transfer agency services | 37.0 | 19.5 | 0.5 | 18.4 | 38.0 | 0.9 | - |
| 10 | SuMi TRUST Bank | 21.4 | 11.1 | 0.1 | 10.8 | 22.0 | 0.5 | - |
| 11 | Other group companies | 15.5 | 8.3 | 0.3 | 7.6 | 16.0 | 0.4 | - |
| 12 | Real estate | 54.3 | 28.4 | 3.4 | 26.5 | 55.0 | 0.6 | - |
| 13 | SuMi TRUST Bank | 32.4 | 16.5 | 2.5 | 16.4 | 33.0 | 0.5 | - |
| 14 | Other group companies | 21.9 | 11.9 | 0.9 | 10.0 | 22.0 | 0.0 | - |
| 15 | Fiduciary services | 172.1 | 83.7 | 1.7 | 81.2 | 165.0 | (7.1) | - |
| 16 | SuMi TRUST Bank | 57.4 | 25.3 | 0.3 | 24.6 | 50.0 | (7.4) | - |
| 17 | Other group companies | 114.7 | 58.4 | 1.4 | 56.5 | 115.0 | 0.2 | - |
| 18 | o/w Asset management business | 71.8 | 39.7 | --- | --- | --- | --- | --- |
| 19 | Global markets | 45.6 | 41.7 | 12.7 | 26.2 | 68.0 | 22.3 | 10.0 |
| 20 | Substantial G&A expenses | (440.4) | (222.8) | (2.8) | (227.1) | (450.0) | (9.5) | - |
| 21 | SuMi TRUST Bank | (235.8) | (121.7) | (1.7) | (118.2) | (240.0) | (4.1) | - |
| 22 | Other group companies | (204.5) | (101.1) | (1.1) | (108.8) | (210.0) | (5.4) | - |
| 23 | Ordinary profit | 256.4 | 151.1 | 21.1 | 118.8 | 270.0 | 13.5 | - |
| 24 | Net income | 173.8 | 106.0 | 21.0 | 73.9 | 180.0 | 6.1 | - |

(*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

(*3) Taking 1H results for HO management administration expenses unallocated to business segments into account, reduce full year forecast by ¥(4)bn

[1H forecast +¥1.0bn→actual ¥(1.1)bn, FY forecast +¥3bn→¥(1)bn]

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