



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for FY2019

May 14, 2020

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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”

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”

Summary of financial results for FY2019

- ✓ Net business profit increased YoY by ¥6.7bn and mostly achieved initial forecast due to increase of effective interest related earnings, growth of non-interest revenue from corporate clients and favorable market related profit.
- ✓ Net income decreased by ¥10.8bn YoY due to impairment of goodwill related to a subsidiary and other measures implemented to alleviate future risk and cost, and posting of a special loan loss provision of ¥25.0bn to take into account the impact of Covid-19 outbreak. Achieved 90.6% against initial plan.

<Major KPIs>

	(Yen bn)	FY18	FY19		Change from FY18	Change from initial plan	FY20	Change from FY19
		Actual	Initial plan	Actual			Plan	
1	Net business profit	282.2	290.0	289.0	+6.7	(1.0)	250.0	(39.0)
2	Substantial gross business profit	722.6	740.0	742.6	+19.9	+2.6	710.0	(32.6)
3	Substantial G&A expenses	(440.4)	(450.0)	(453.6)	(13.2)	(3.6)	(460.0)	(6.4)
4	Net income	173.8	180.0	163.0	(10.8)	(17.0)	140.0	(23.0)
5	Fee income ratio	57.1%		54.6%	(2.5%)			
6	Overhead ratio	60.9%	60.8%	61.1%	+0.2%	+0.3%	65.0%	+3.9%
7	Return on shareholders' equity	7.95%		7.12%	(0.83%)			
8	Common Equity Tier 1 capital ratio	12.18%		12.62%	+0.44% (*1)			

(*1) Pro-forma figure of FY2019 CET1 Capital Ratio on Finalized Basel III reform basis is 9.7%

<Per share information>

	(Yen)	FY18	FY19		Change
		Actual	Plan	Actual	
9	Earnings per share (EPS)	458	478	434	(24)
10	Dividend per share (DPS)	140	150	150	+10

	(Yen)	Mar. 19	Mar. 20	
				Change
11	Net assets per share (BPS)	7,008	6,822	(186)

<Shareholders' return>

	FY19	FY20	
	Actual	Plan	
12	Dividend payout ratio	34.5%	40.2% (*2)
13	Total payout ratio	44.3%	(*2)DPS 150Yen

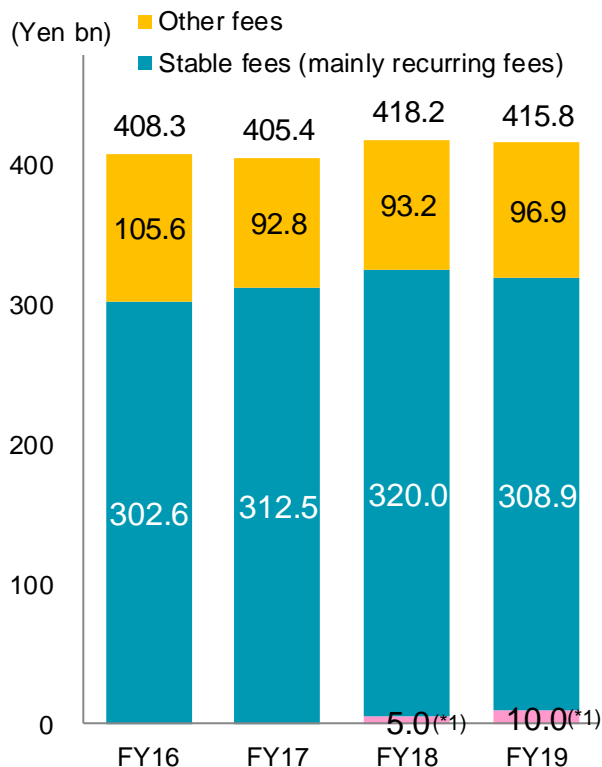
(Reference: Shareholder Return Policy announced on May 2020)
 <Previous> Aim to gradually raise the total payout ratio to around 40%
 <From FY2020> Aim to raise a consolidated dividend payout ratio to around 40% in or around FY2022.

Overall summary for FY2019 (Achievement on Medium Term Management Plan)

- ✓ Targets set for fee related business, loan/investment business and G&A expenses in the previous Medium Term Management Plan were achieved to a certain extent.

Fee business

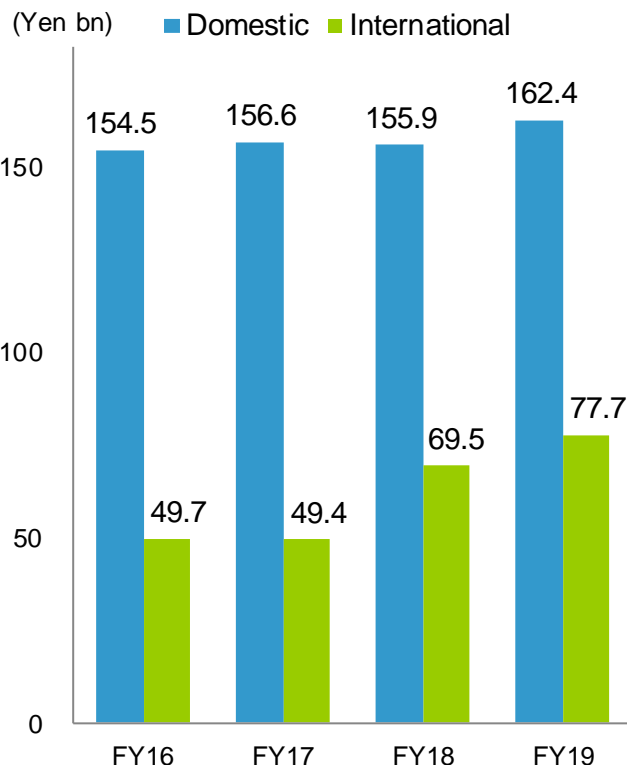
Fee related businesses contributed as stable source of profit



(*1) For like-to-like comparison, adjustments made to offset impact of JTSB non-consolidation in each FY

Loan/investment business

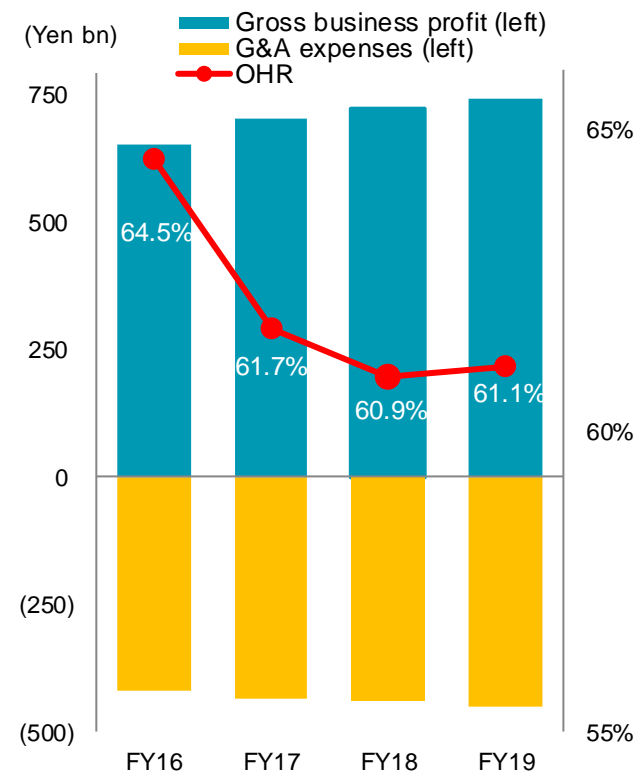
Effective interest related earnings (*2) of SuMi TRUST Bank (non-consolidated) improved for both domestic and international businesses



(*2) Includes adjustments to Net interest income and related profit in SuMi TRUST Bank, such as adding profit attributable to deployment of surplus foreign currency funds (please refer to P9, item28)

Expenses

OHR improved due to increase in gross profit surpassing increase in expenses, but change from the previous year was flat



Overview of profits

	(Yen bn)	FY18	FY19	Change
1	Net business profit before credit costs (*1)	282.2	289.0	6.7
2	Substantial gross business profit (*1)	722.6	742.6	19.9
3	Effective interest related earnings (*2)	257.1	271.3	14.2
4	Net interest income and related profit	169.6	158.6	(10.9)
5	Profit attributable to deployment of surplus foreign currency funds	87.5	112.7	25.2
6	Net fees and commissions and related profit	413.2	405.8	(7.3)
7	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	52.2	65.3	13.1
8	Substantial G&A expenses (*1)	(440.4)	(453.6)	(13.2)
9	Total credit costs	(2.9)	(43.8)	(40.8)
10	Net gains on stocks	13.7	40.1	26.4
11	Other net non-recurring profit	(36.5)	(27.6)	8.8
12	Ordinary profit	256.4	257.6	1.2
13	Extraordinary profit	(15.0)	(16.9)	(1.8)
14	Income before income taxes	241.3	240.7	(0.6)
15	Total income taxes	(60.5)	(75.6)	(15.0)
16	Income attributable to non-controlling interests	(6.8)	(2.0)	4.7
17	Net income	173.8	163.0	(10.8)
18	Return on shareholders' equity	7.95%	7.12%	(0.83%)
19	Dividend per share (DPS) (Yen)	140	150	10
20	Earnings per share (EPS) (Yen)	458	434	(24)
21	Number of shares issued (mn shares) (*3)	378.9	375.3	(3.5)

(*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.

Net business profit before credit costs

- Effective interest related earnings including profit attributable to deployment of surplus foreign currency funds increased ¥14.2bn YoY, domestic loan-deposit income also improved

	(Yen bn)	FY18	FY19	Change
22	Net interest income and related profit	169.6	158.6	(10.9)
23	Other profit	139.7	178.1	38.3
24	Profit attributable to deployment of surplus foreign currency funds	87.5	112.7	25.2
25	Other	52.2	65.3	13.1

- Net fees and commissions and related profit effectively decreased by ¥2.0bn YoY [excluding impact from non-consolidation of JTSB of ¥(5.0)bn], mainly due to fall of investment management consulting related fees.
- Other profits increased due to non-interest income from corporate client businesses
- Substantial G&A expenses increased mainly due to increased IT related cost

Total credit costs

- Special loan loss provision of ¥25bn booked to prepare for economic deterioration from Covid-19 outbreak. In addition, ¥43.8bn credit cost posted as additional provisions due to deterioration of debtor classification of certain borrowers

Net gains on stocks

- Divestment of strategic shareholdings (cost base) ¥21.3bn, realized profit of ¥39.0bn
- Impairment loss of ¥11.0bn on holdings of listed shares caused by market decline after February 2020, offset by ¥12.0bn profit from divestment of hedging investment trusts

Other extraordinary items and corporate taxes total

- Software development cost is recognized as other non-recurring loss
- Write down of SuMi TRUST Club related goodwill of 9.0bn as well as software cost of ¥9.0bn recognized as extraordinary losses

Overview of balance sheet

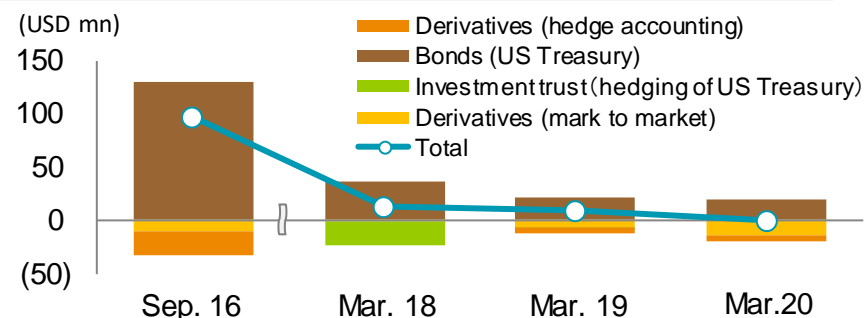
		(Yen bn)		
		Mar. 2019	Mar. 2020	Change
1	Assets	57,029.1	56,500.5	(528.5)
2	Cash and due from banks	16,045.8	13,141.1	(2,904.6)
3	Securities	5,759.5	6,437.5	678.0
4	Loans and bills discounted	29,025.7	29,703.3	677.6
5	Other assets	6,198.0	7,218.3	1,020.3
6	Liabilities	54,298.7	53,909.6	(389.1)
7	Deposits and NCD	38,232.1	36,549.2	(1,682.9)
8	Borrowed money from trust account	5,408.0	4,750.2	(657.7)
9	Other liabilities	10,658.5	12,610.1	1,951.5
10	Total net assets	2,730.3	2,590.9	(139.4)
11	Total shareholders' equity	2,242.9	2,334.3	91.3
12	Total accumulated OCI	410.4	220.8	(189.5)
13	Minority interests, etc.	76.8	35.6	(41.2)
14	Net assets per share (BPS) (Yen)	7,008	6,822	(186)
15	Number of shares issued (mn shares) (*1)	378.5	374.5	(4.0)

(Reference)

16	Loan-deposit ratio (SuMi TRUST Bank)	76.8%	81.7%	4.9%
17	NPL ratio (SuMi TRUST Bank)	0.3%	0.3%	0.0%

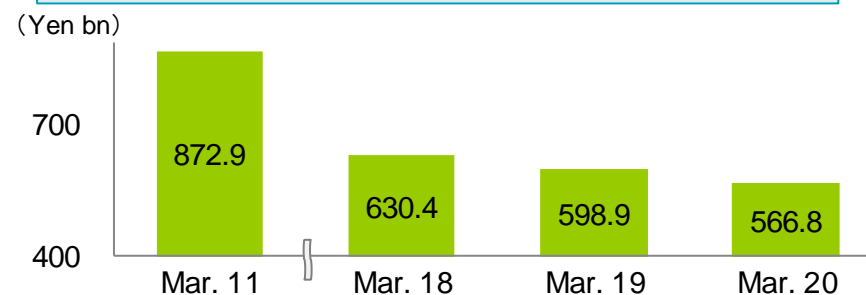
(*1) Number of common shares issued (excluding treasury stocks) as of the date above

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

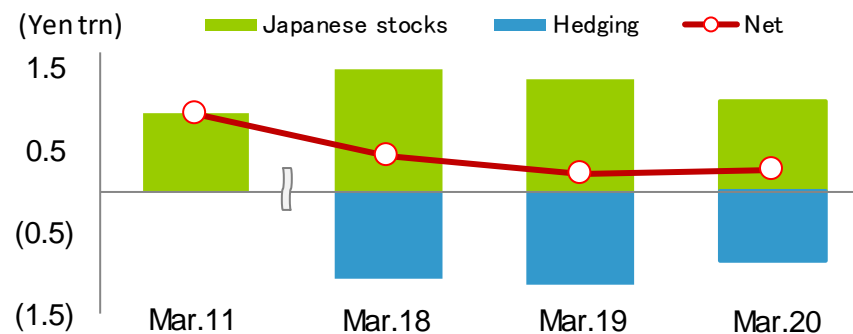


Strategic shareholdings

Balance of strategic shareholdings (Cost base)



Hedge positions against strategic shareholdings (*)



(*) Fair value base

Profit by group company

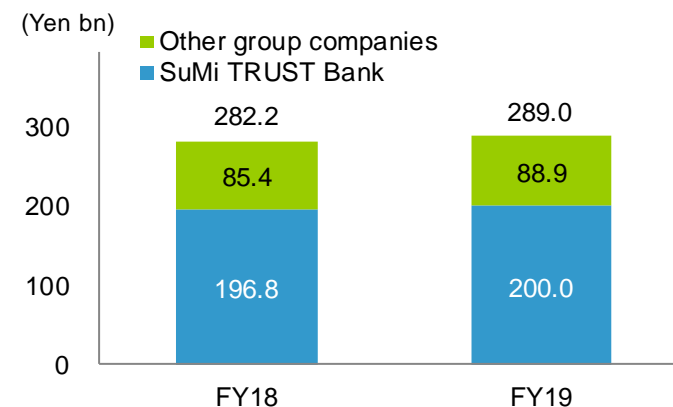
		(Yen bn)		
		FY18	FY19	Change
1	Net business profit before credit costs (*1)	282.2	289.0	6.7
2	o/w SuMi TRUST Bank	196.8	200.0	(*2) 3.2
3	SuMi TRUST AM	8.5	14.4	(*2) 5.9
4	Nikko AM (*3)	15.6	14.8	(0.8)
5	SuMi TRUST Realty	6.3	5.9	(0.3)
6	SuMi TRUST Panasonic Finance (*3)	10.2	9.9	(0.3)
7	SuMi TRUST Loan & Finance	11.7	12.1	0.4
8	SBI Sumishin Net Bank (*3)	9.1	9.7	0.6
9	SuMi TRUST Guarantee (*3)	11.6	11.5	(0.1)
10	SuMi TRUST Club	0.9	0.6	(0.2)
11	Effect of purchase accounting method	(2.6)	(2.7)	(0.1)
12	Net income (*1)	173.8	163.0	(10.8)
13	o/w SuMi TRUST Bank	114.0	117.9	(*2) 3.9
14	SuMi TRUST AM	5.6	9.1	(*2) 3.4
15	Nikko AM (*3)	9.8	8.7	(1.0)
16	SuMi TRUST Realty	4.3	4.0	(0.2)
17	SuMi TRUST Panasonic Finance (*3)	2.9	0.3	(2.6)
18	SuMi TRUST Loan & Finance	7.9	8.2	0.2
19	SBI Sumishin Net Bank (*3)	5.9	6.2	0.2
20	SuMi TRUST Guarantee (*3)	8.6	7.8	(0.8)
21	SuMi TRUST Club	1.4	(10.8)	(12.3)
22	Effect of purchase accounting method	(0.0)	3.8	3.9

(*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

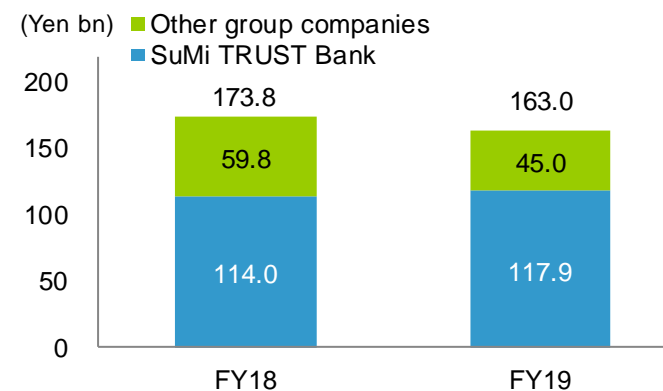
(*2) Change includes the impact of reorganization (as of Oct. 1, 2018) (please refer to P.8)

(*3) Consolidated basis

Breakdown of Net business profit



Breakdown of Net income



Profit by business segment

	(Yen bn)	FY18 Net business profit before credit costs	FY18		FY19		
			Substantial gross business profit	Change	Substantial G&A expenses	Net business profit before credit costs	Change
1 Total		282.2	742.6	19.9	(453.6)	289.0	6.7
2 Retail total solution services		30.9	192.7	(7.1)	(169.8)	22.8	(8.0)
3 SuMi TRUST Bank		15.3	130.4	(7.5)	(123.1)	7.3	(7.9)
4 Other group companies		15.6	62.2	0.4	(46.7)	15.5	(0.0)
5 Wholesale financial services (*2)		123.4	206.1	12.2	(73.6)	132.5	9.0
6 SuMi TRUST Bank		95.3	147.0	9.8	(44.2)	102.8	7.5
7 Other group companies		28.1	59.0	2.4	(29.4)	29.6	1.5
8 Stock transfer agency services		18.4	37.4	0.4	(18.9)	18.4	0.0
9 SuMi TRUST Bank		17.7	21.3	(0.0)	(3.7)	17.6	(0.0)
10 Other group companies		0.6	16.0	0.4	(15.2)	0.8	0.1
11 Real estate		30.1	56.9	2.5	(24.5)	32.4	2.2
12 SuMi TRUST Bank		23.1	35.4	3.0	(9.5)	25.8	2.7
13 Other group companies		7.0	21.4	(0.5)	(14.9)	6.5	(0.5)
14 Fiduciary services		63.0	171.7	(*3) (0.3)	(105.9)	65.8	(*3) 2.8
15 SuMi TRUST Bank		33.2	52.3	(5.0)	(22.0)	30.2	(2.9)
16 Other group companies		29.8	119.4	4.7	(83.8)	35.5	5.7
17 o/w Asset management business (*4)		24.2	81.9	10.0	(52.3)	29.5	5.2
18 Global markets		30.3	72.5	26.9	(15.0)	57.5	27.1

(*1) 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)

[Effect of reorganization etc.]	Substantial gross business profit	Substantial G&A expenses	Net business profit before credit costs
(Yen bn)			
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・JTBS	(5.0)	5.0	-

Overview of profit (SuMi TRUST Bank)

	(Yen bn)			Excluding dividend from group companies (*1)						Excluding dividend from group companies (*1)		
		FY18	FY19	FY18	FY19	Change		FY18	FY19	Change		
1	Net business profit before credit costs	231.4	206.8	196.8	200.0	3.2	22	Gross business profit	432.6	446.5	13.8	
2	Gross business profit	467.3	453.2	432.6	446.5	13.8	23	Net interest income and related profit	138.0	127.4	(10.6)	
3	Effective interest related earnings	260.2	246.8	225.5	240.1	14.6	24	Net fees and commissions and related profit	186.3	174.3	(12.0)	
4	Net interest income and related profit	172.7	134.1	138.0	127.4	(10.6)	25	Net trading profit	27.9	102.1	74.2	
5	Profit attributable to deployment of surplus foreign currency funds	87.5	112.7	87.5	112.7	25.2	26	Net other operating profit	80.3	42.5	(37.7)	
6	Net fees and commissions and related profit (*2)	186.3	174.3	186.3	174.3	(12.0)	27	o/w Net gains on foreign exchange transactions	95.1	48.6	(46.5)	
7	Net trading profit	35.5	38.0	35.5	38.0	2.4	28	Profit attributable to deployment of surplus foreign currency funds	87.5	112.7	25.2	
8	Net gains on foreign exchange transactions	35.5	38.0	35.5	38.0	2.4	29	other	7.6	(64.1)	(71.7)	
9	Net trading profit (*3)	27.9	102.1	27.9	102.1	74.2	30	Net gains on bonds	(3.8)	33.9	37.8	
10	Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)	7.6	(64.1)	7.6	(64.1)	(71.7)	31	Net gains from derivatives	(11.3)	(40.0)	(28.7)	
11	Net gains on bonds	(3.8)	33.9	(3.8)	33.9	37.8	32	Net fees and commissions and related profit	186.3	174.3	(12.0)	
12	Net gains from derivatives	(11.3)	(40.0)	(11.3)	(40.0)	(28.7)	33	Excluding impact of reorganization of asset management functions	192.6	186.6	(6.0)	
13	General and administrative expenses (*2)	(235.8)	(246.4)	(235.8)	(246.4)	(10.5)	34	o/w Investment management consulting	53.7	46.0	(7.6)	
14	Total credit costs	1.9	(34.7)	1.9	(34.7)	(36.7)	35	Asset management/administration	57.4	52.3	(5.0)	
15	Other non-recurring profit	(24.3)	4.4	(24.3)	4.4	28.7	36	Excluding impact of reorganization of asset management functions	63.7	64.6	0.9	
16	o/w Net gains on stocks	(12.0)	16.6	(12.0)	16.6	28.7	37	Real estate brokerage	26.5	29.2	2.7	
17	Amortization of net actuarial losses	(3.3)	(5.6)	(3.3)	(5.6)	(2.2)	38	Stock transfer agency services	21.4	21.3	(0.0)	
18	Ordinary profit	209.0	176.4	174.4	169.7	(4.7)	39	Inheritance related services	4.2	4.2	0.0	
19	Extraordinary profit	(4.2)	1.0	(4.2)	1.0	5.3	40	Wholesale credit related	31.7	31.4	(0.2)	
20	Income before income taxes	204.8	177.5	170.1	170.8	0.6	41	Net gains on bonds	(3.8)	33.9	37.8	
21	Total income taxes	(56.1)	(52.8)	(56.1)	(52.8)	3.3	42	Domestic bonds	0.6	(0.3)	(1.0)	
	Net income	148.6	124.7	114.0	117.9	3.9	43	Foreign bonds	(4.5)	34.3	38.8	

(*1) Excluding dividend of FY18: ¥34.6bn, FY19: ¥6.7bn, from group companies aimed to improve capital efficiency, affecting 1, 2, 3, 4, 17, 19, 21, 22, 23

(*2) Change Includes the impact of reorganization of asset management functions on Oct. 1, 2018

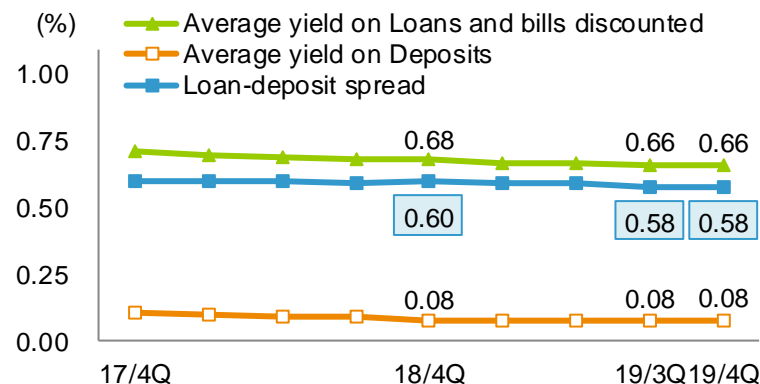
[Net fees and commissions and related profit: approx. ¥6bn, General and administrative expenses: approx. ¥2bn]

(*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.

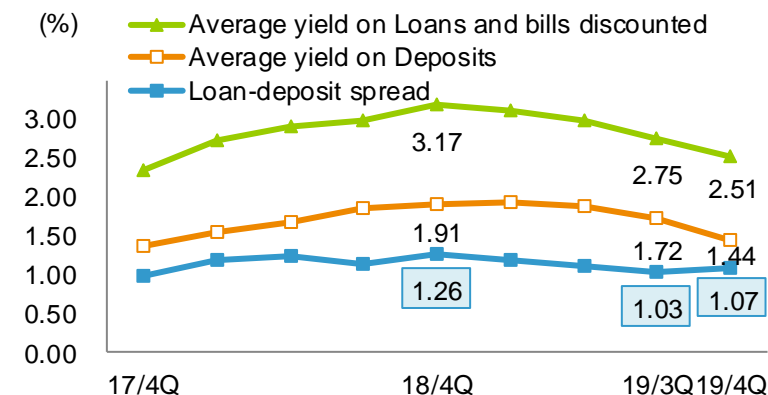
Net interest income (SuMi TRUST Bank)

	FY19					
	Average Balance	Change from FY18	Average Yield	Change from FY18	Income/Expenses	Change from FY18
1 Net interest income					118.1	(35.6)
2 Domestic business			0.39%	(0.06%)	153.1	(18.6)
3 Interest-earning assets	38.89	0.41	0.53%	(0.07%)	209.9	(22.1)
4 o/w Loans and bills discounted	22.79	1.02	0.66%	(0.03%)	151.9	1.6
5 Securities	3.41	(0.08)	1.51%	(0.65%)	(*) 51.6	(24.1)
6 Income on swaps	---	---	---	---	-	(0.1)
7 Interest-bearing liabilities	38.29	0.45	0.14%	(0.01%)	(56.8)	3.5
8 o/w Deposits	24.51	0.31	0.08%	(0.01%)	(20.8)	1.9
9 Borrowings from trust a/c	3.23	(0.56)	0.49%	(0.00%)	(15.9)	2.9
10 Swaps	---	---	---	---	(1.1)	(1.1)
11 International business			(0.29%)	(0.13%)	(34.9)	(17.0)
12 Interest-earning assets	13.92	0.05	1.91%	(0.18%)	267.2	(23.7)
13 o/w Loans and bills discounted	6.31	(0.23)	2.84%	(0.10%)	179.3	(13.6)
14 Due from banks	1.94	(0.35)	1.44%	(0.05%)	28.1	(6.2)
15 Securities	2.36	(0.02)	2.23%	(0.12%)	52.6	(3.4)
16 Interest-bearing liabilities	13.72	0.01	2.20%	(0.05%)	(302.2)	6.6
17 o/w Deposits	5.80	(0.03)	1.74%	(0.00%)	(101.1)	0.8
18 NCD / USCP	5.54	0.49	1.97%	(0.09%)	(109.6)	(5.4)
19 Repo	1.62	(0.12)	2.09%	(0.09%)	(34.0)	4.2
20 Expenses on swaps	---	---	---	---	(41.2)	(4.9)
21 (+) Trust fees from principal guaranteed trust a/c					16.0	(2.8)
22 (+) Profit attributable to deployment of surplus foreign currency funds					112.7	25.2
23 (-) Dividend from group companies aimed to improve capital efficiency					6.7	(27.9)
24 Effective interest related earnings					240.1	14.6
25 Loan-deposit spread / income in domestic business			0.58%	(0.02%)	131.1	3.5
26 Loan-deposit spread / income in international business			1.10%	(0.10%)	78.2	(12.7)

Domestic loan-deposit spread



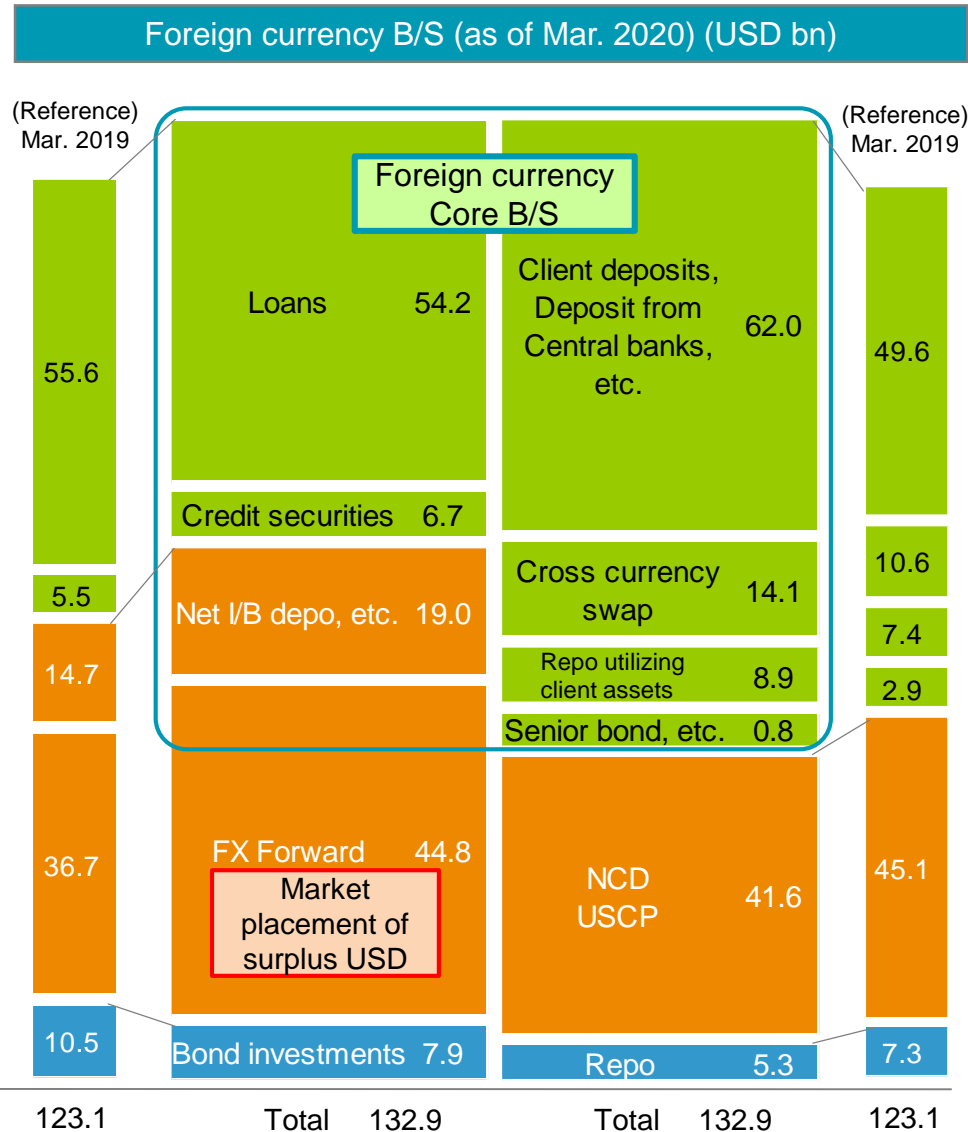
International loan-deposit spread



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

	FY18	FY19	Change
Securities	75.8	51.6	(24.1)
Dividend from group companies to improve their capital efficiency	34.6	6.7	(27.9)
Sales gain/loss of investment trust	(2.2)	0.7	3.0
Other income/expenses	44.3	44.2	0.7

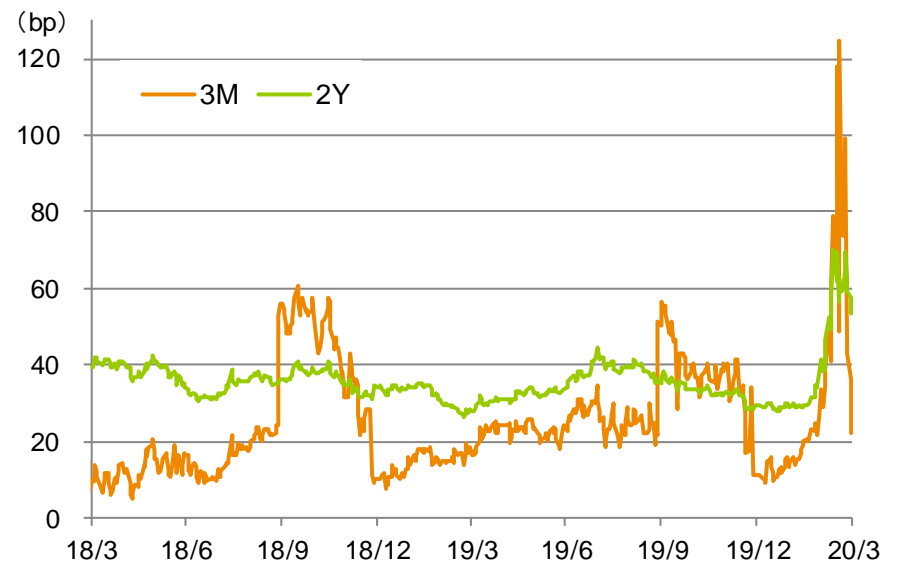
(Reference) Status of foreign currency balance sheet (SuMi TRUST Bank)



Foreign currency ALM management

- ◆ Loans and credit investment securities constitute foreign currency core B/S assets, which are funded utilizing stable sources such as “sticky” client deposits, deposits from central banks, long-term yen CCS, client asset repos and senior bonds. Compared to Mar 2019, stable funding from client deposits, central bank deposits, CCS and client asset repos increased
- ◆ Short term funds sourced through NCD/USCP markets are categorized as contingent funding buffer, and the funds are utilized as short-term funds in the inter-bank or foreign exchange market. Due to change in market environment, both funding and placement activities have been reduced

Basis swap spread (CCS) (USD/JPY)



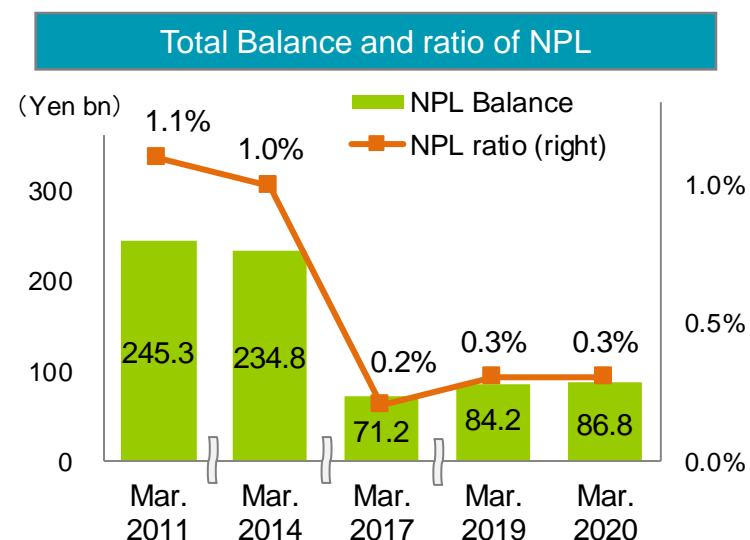
Total credit costs and problem assets

[Total credit costs]		FY18		FY19		Major factors (FY19)
(Yen bn)			1H	2H		
1	SuMi TRUST Bank	1.9	0.3	(35.0)	(34.7)	Downgraded: Approx. (19.0) Upgraded: Approx. +5.0 Special loan loss provision (General allowance for loan losses): Approx. (19.0)
2	General allowance for loan losses	20.1	(2.8)	(30.7)	(33.5)	
3	Specific allowance for loan losses	(17.8)	3.1	(3.0)	0.1	
4	Recoveries of written-off claims	1.1	0.1	0.4	0.6	
5	Losses on sales of claims, written-off	(1.4)	(0.1)	(1.7)	(1.9)	
6	Other group companies, etc.	(4.9)	(1.5)	(7.5)	(9.0)	SuMi TRUST Panasonic Finance (7.9) o/w Special loan loss provision: Approx. (6.0)
7	Total	(2.9)	(1.2)	(42.6)	(43.8)	

[NPL (SuMi TRUST Bank)]		Mar. 2020	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 2019
(Yen bn)					
8	NPL	86.8	71.8%	43.8%	2.6
9	NPL ratio (ratio to Total loan balance)	0.3%	---	---	0.0%
10	Bankrupt and practically bankrupt	9.5	100.0%	100.0%	(1.0)
11	Doubtful	39.2	94.4%	85.9%	(16.0)
12	Substandard	38.1	41.5%	12.1%	19.6
13	Other special mention debtors	424.6	---	---	9.3
14	Ordinary assets	29,945.6	---	---	503.8
15	Total loan balance	30,457.0	---	---	515.7

(*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	
		Mar. 2020	Change from Mar. 2019	Mar. 2020	Change from Mar. 2019
1 Available-for-sale securities	5,311.0	752.5	497.5	(168.1)	
2 Japanese stocks	566.8	(32.1)	543.8	(228.8)	
3 Japanese bonds	2,014.1	1,126.7	1.8	(1.3)	
4 Others	2,730.0	(342.0)	(48.0)	62.0	
5 Held-to-maturity debt securities	330.0	67.6	10.3	(11.3)	

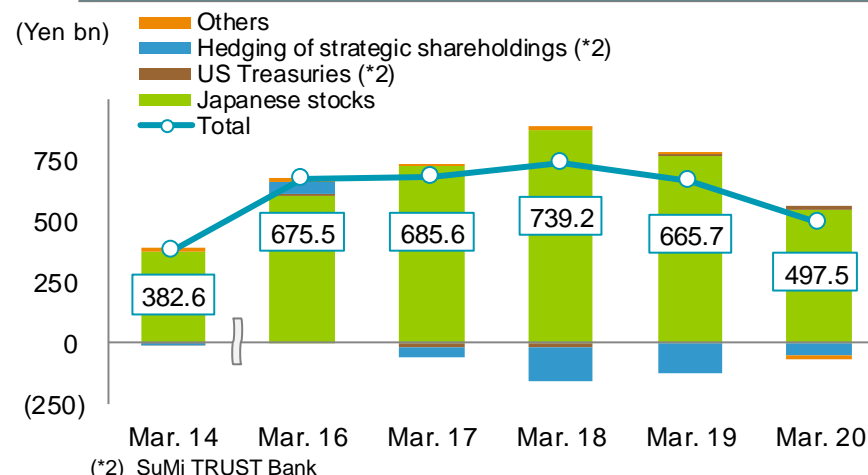
[Securities with fair value (SuMi TRUST Bank)]

6 Available-for-sale securities	5,262.1	729.8	520.0	(161.3)
7 Japanese stocks	537.1	(36.8)	570.9	(224.2)
8 Japanese bonds	2,073.0	1,120.3	0.6	(1.3)
9 o/w Government bonds	1,362.6	1,061.3	(0.0)	(0.4)
10 Others	2,651.8	(353.6)	(51.5)	64.2
11 Domestic investment	62.6	(12.8)	1.4	(0.4)
12 International investment	1,278.6	(91.2)	(0.9)	(5.2)
13 o/w US Treasury	349.4	(84.8)	22.9	17.7
14 Others (Investment trust, etc.)	1,310.5	(249.5)	(52.0)	69.9
15 o/w for hedging of strategic shareholdings (*1)	1,194.9	(231.2)	(46.4)	76.8

(*1) Of which hedging effect under capital regulation is recognized: Costs JPY1,053.3bn, Unrealized gains/losses JPY(50.2)bn

16 Held-to-maturity debt securities	271.3	73.7	10.2	(11.3)
17 o/w Government bonds	118.3	(0.3)	17.8	(2.7)
18 International investment	111.2	73.5	(8.0)	(8.4)

Unrealized gains/losses of AFS securities with fair value



Reduction of strategic shareholdings (*3)

	(Yen bn)	FY18		FY19	
		1H	2H	1H	2H
19 Reduction amount	16.9	28.7	3.7	17.6	21.3

(Ref.) Cumulative reduction since merger(from FY11 to FY19): ¥331.7bn

Cumulative reduction based on current plan(from FY16 to FY20): ¥117.6bn

(*3) Purchase cost of listed shares

Securities portfolio of Global markets (*4)

	(Yen bn)	10BPV (*5)		Duration (years) (*5)	
		Mar. 2020	Change from Mar. 2019	Mar. 2020	Change from Mar. 2019
20 JPY	3.6	1.4	2.2	(2.2)	
21 Others	2.2	0.0	4.1	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 0.44 percentage points from Mar. 2019 to 12.62% due to increase in risk-weighted assets
- ✓ CET1 capital : Remained at the same level due primarily to increase in retained earnings contributed to accumulation of common equity while accumulated other comprehensive income decreased due to fall of stock price
- ✓ Pro-forma CET1 capital ratio on Finalized Basel III is 9.7%
- ✓ Leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets>			
(Yen bn)			
	Mar. 2019	Mar. 2020	
	Actual	Preliminary	Change
1 Total capital ratio	16.77%	17.23%	0.46%
2 Tier 1 capital ratio	14.18%	14.47%	0.29%
3 Common Equity Tier 1 capital ratio	12.18%	12.62%	0.44%
4 Total capital	3,320.1	3,283.1	(37.0)
5 Tier 1 capital	2,806.5	2,758.1	(48.3)
6 Common Equity Tier 1 capital	2,412.1	2,404.8	(7.2) (1)
7 Instruments and reserves	2,626.1	2,528.2	(97.9)
8 Accumulated other comprehensive income (*1)	410.4	220.8	(189.5)
9 Regulatory adjustments	(214.0)	(123.3)	90.6
10 Additional Tier 1 capital	394.4	353.3	(41.0)
11 Tier 2 capital	513.6	524.9	11.3
12 Total risk-weighted assets	19,790.1	19,053.9	(736.1)
13 Credit risk	17,725.1	16,778.2	(946.9) (2)
14 Market risk	1,104.0	1,334.5	230.4 (3)
15 Operational risk	960.8	941.2	(19.6)

(*1) Valuation differences on Available-for-Sale Securities(Mar. 2020): ¥351.4bn

< Major factors of change in capital >

(1) Common Equity Tier 1 capital: ¥(7.2) bn

- Net income +¥163.0bn
- Dividend/share repurchase ¥(72.2)bn
- Unrealized gains/losses of AFS ¥(115.9)bn

< Major factors affecting risk assets >

(2) Credit risk: ¥(946.9)bn

- Decrease due to sophistication of calculation methodology for certain asset classes

(3) Market risk: +¥230.4bn

- Increase due to expansion of foreign exchange positions for hedging

<Other ratios required in prudential regulations>

(Yen bn)		
	Mar. 2020	Chang. from
	Preliminary	Mar. 2019
16 Leverage ratio	4.64%	(0.03%)
17 Tier 1 capital	2,758.1	(48.3)
18 Total exposure	59,325.3	(683.8)
19 Liquidity coverage ratio (*2)	129.2%	1.8%
20 Total high-quality liquid assets	14,412.3	(819.2)
21 Net cash outflows (*3)	11,150.1	(801.0)

(*2) Average figures in 4QFY19. "Change from Mar. 2019" represents the comparison to figure for 4QFY2019 calculated in the same manner

(*3) As for actual figure of Mar. 2019, Month-end data used for some items instead of daily data to calculate figures

Fee business: Investment management consulting

- ✓ Total sales decreased by ¥14.6bn YoY to ¥1,255.4bn, mainly due to decrease in insurance sales
- ✓ Income decreased by ¥7.6bn YoY, though administrative fees increased, sales fees from both investment trust and insurance decreased

Income for distributor of investment products

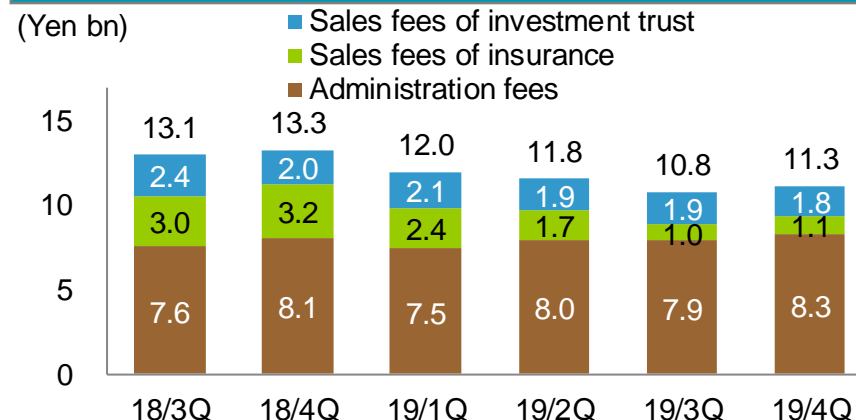
	FY18	FY19	Change
(Yen bn)			
1 Income total	53.7	46.0	(7.6)
2 Sales fees of investment trust	11.7	7.9	(3.8)
3 Sales fees of insurance	10.5	6.3	(4.2)
4 Administration fees	31.3	31.8	0.5

Sales volume / balance

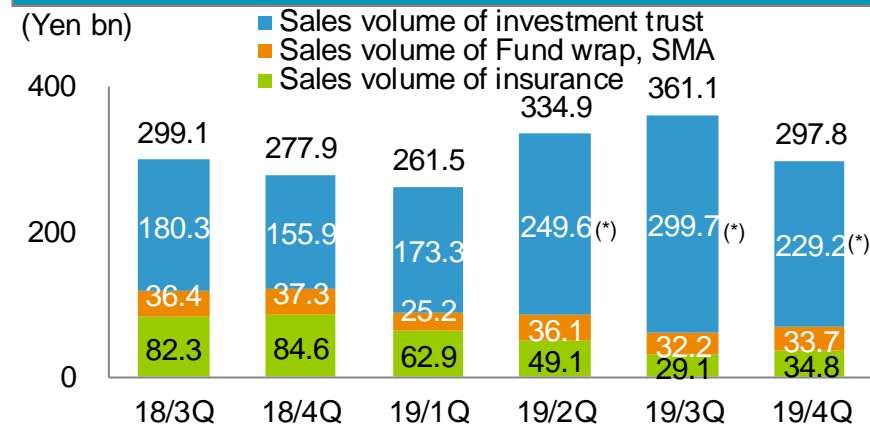
	FY18	FY19	Change
(Yen bn)			
5 Sales volume total	1,270.1	1,255.4	(14.6)
6 Investment trust	773.8	(*) 952.0	178.2
7 Fund wrap, SMA	191.8	127.4	(64.4)
8 Insurance	304.4	176.0	(128.4)

	Mar. 2019	Mar. 2020	Change
(Yen bn)			
9 Balance total	6,376.3	6,018.1	(358.1)
10 Investment trust	2,930.5	2,778.1	(152.4)
11 Fund wrap, SMA	891.9	801.7	(90.2)
12 Insurance	2,553.8	2,438.3	(115.5)
13 Wrap Selection	1,774.5	1,635.0	(139.5)

Income for distributor (quarterly)



Sales volume (quarterly)



(*) Including the impact of large allocation transfer from DB to DC
 (19/2Q: Approx. ¥90bn, 19/3Q: Approx. ¥140bn)
 Increase in investment trust sales in 19/4Q contributed by increase via the Internet

Fee business: Asset management/administration (Fiduciary services)

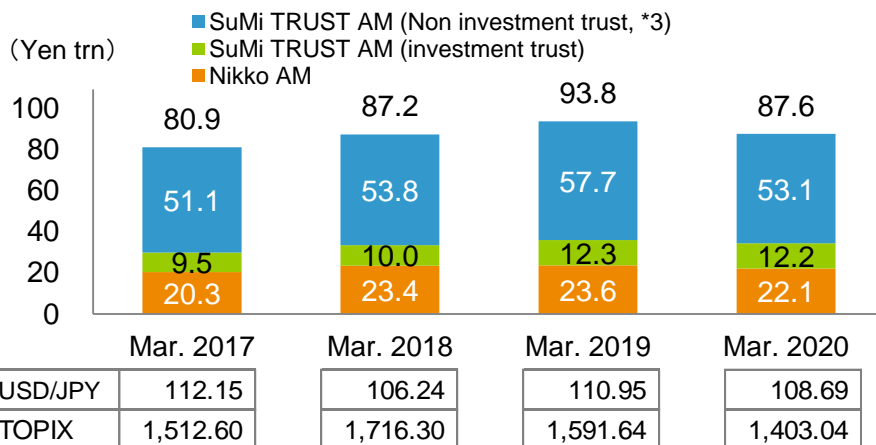
- ✓ AUM decreased by ¥6.1trn to ¥87.6trn from Mar. 2019 due mainly to fall in market value in 4QFY2019
- ✓ AUC for domestic investment trusts fell due to fall in market value, while AUC showed steady increase overall due to increase of new contracts

Assets under management (AUM)

(Yen trn)		Mar. 2019	Mar. 2020	Change
1	Assets under management (*1)	93.8	87.6	(6.1)
2	SuMi TRUST AM	70.1	65.4	(4.6)
3	Investment trust	12.3	12.2	(0.0)
4	Non investment trust (*2)	57.7	53.1	(4.5)
5	Corporate pension trust	13.7	13.1	(0.5)
6	Public pension trust	11.1	9.7	(1.4)
7	Discretionary investment	32.8	30.2	(2.5)
8	Nikko AM	23.6	22.1	(1.5)

(*1) Categorized by entity actually managing asset

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



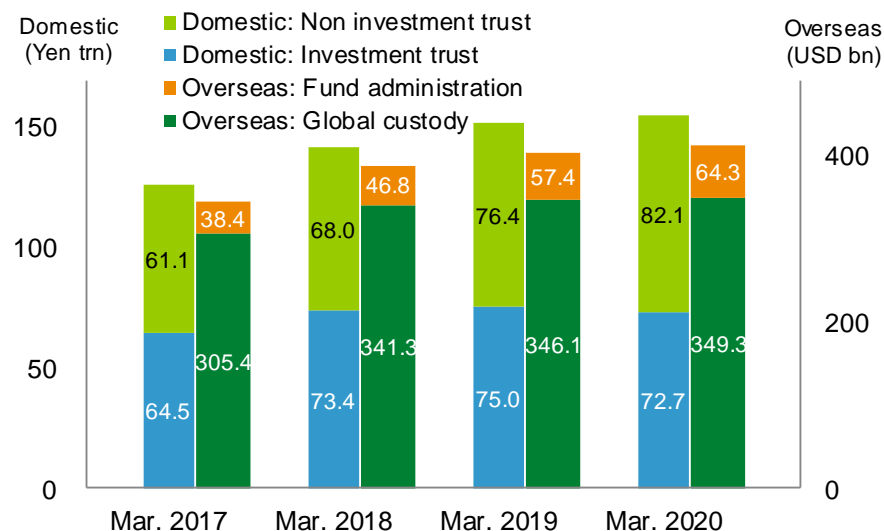
(*3) Managed by SuMi TRUST Bank until the end of Mar. 2018

Assets under custody/administration

(Yen trn)		Mar. 2019	Mar. 2020	Change
9	[Domestic] Investment trust (*4)	75.0	72.7	(2.2)
10	Non investment trust (*4)	76.4	82.1	5.6
[Overseas] (USD bn)				
11	Global custody (*5)	346.1	349.3	3.1
12	Fund administration	57.4	64.3	6.8

(*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.)



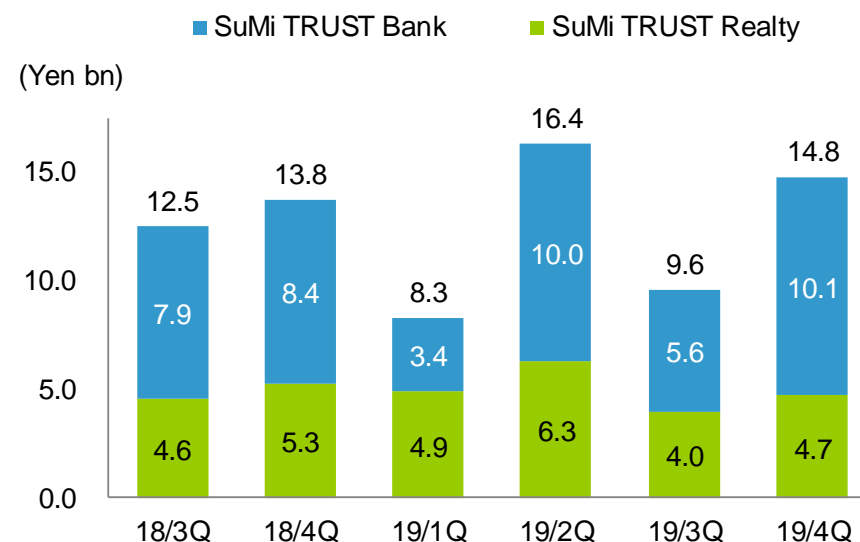
Fee business: Real estate

- ✓ Real estate brokerage fees from corporate clients (SuMi TRUST Bank) increased by ¥ 2.7bn YoY to ¥ 29.2bn due to steady flow of small and medium-sized properties.
- ✓ Real estate brokerage fees from retail clients (SuMi TRUST Realty) also grew steadily. Though the market slowed in March due to Covid-19 outbreak, fee income was about the same level as the previous year

Income

(Yen bn)		FY18		FY19	
					Change
1	Real estate brokerage fees	46.6	49.3	2.6	
2	SuMi TRUST Bank	26.5	29.2	2.7	
3	SuMi TRUST Realty	20.1	20.0	(0.0)	
4	Real estate trust fees, etc.	5.8	6.2	0.3	
5	Net other real estate profit	1.8	1.3	(0.4)	
6	SuMi TRUST Bank	-	-	-	
7	Group companies	1.8	1.3	(0.4)	
8	Total	54.3	56.9	2.5	
9	o/w SuMi TRUST Bank	32.4	35.4	3.0	

Real estate brokerage fees (quarterly)



Assets under management / administration

(Yen bn)		Mar. 2019		Mar. 2020	
					Change
10	Securitized real estate	16,389.1	18,004.0	1,614.8	
11	Assets under custody from J-REITs	14,529.9	15,835.5	1,305.6	
12	Assets under managemet	732.1	554.1	(177.9)	
13	Private placement funds	463.5	285.2	(178.3)	
14	J-REITs	268.6	268.9	0.3	

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

- ✓ Loans to individuals increased by ¥522.5bn to ¥10.44trn from Mar. 2019 by further enhancement of residential mortgage loans to increase transaction opportunities with high-quality clients
- ✓ Corporate loans increased by ¥74.7bn to ¥ 20.89trn from Mar. 2019 due to increase of short-term loans, while foreign currency loans were effectively flattish excluding impact of foreign exchange

Advanced amount and balance for individuals

		FY18	FY19	Change
		(Yen bn)		
1	Advanced amount of loans to individuals	1,317.1	1,308.8	(8.3)
2	o/w Residential mortgage loans	1,201.8	1,204.0	2.2

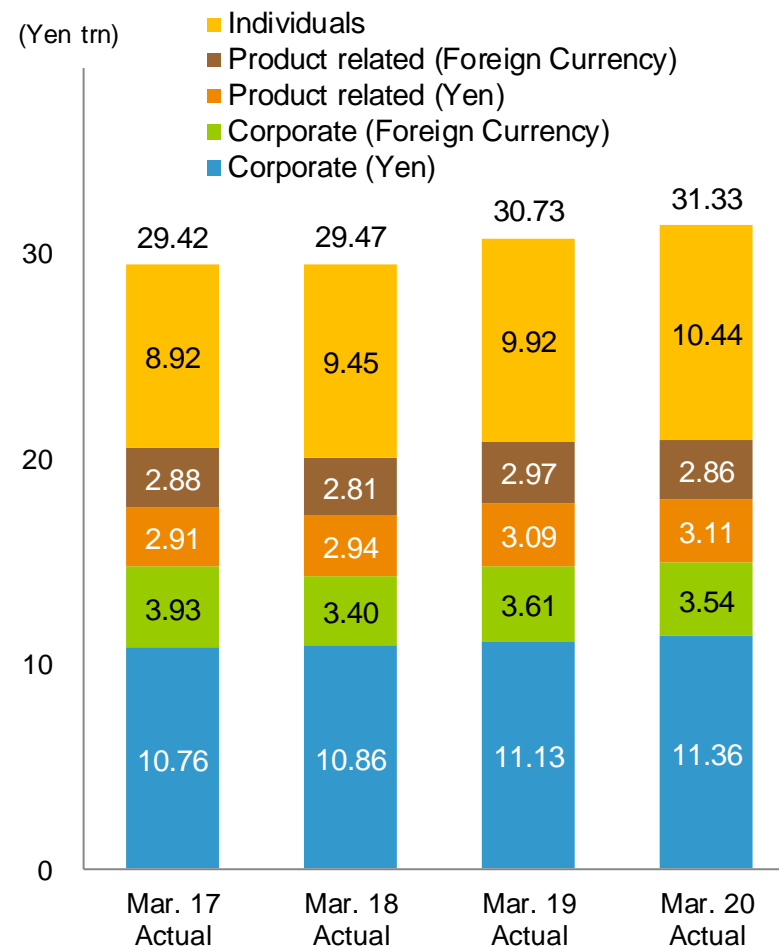
		Mar. 2019	Mar. 2020	Change
		(Yen bn)		
3	Balance of loans to individuals	9,920.6	10,443.2	522.5
4	o/w Residential mortgage loans	9,314.0	9,801.0	487.0

Balance of credit for corporates

		Mar. 2019	Mar. 2020	Change(*)
		(Yen bn)		
5	Corporate (Yen)	11,131.1	11,369.5	238.3
6	Corporate (Foreign Currency)	3,617.2	3,548.9	(68.2)
7	Product related (Yen)	3,098.7	3,112.1	13.3
8	Product related (Foreign Currency)	2,971.2	2,862.5	(108.7)
9	Total balance of credit for corporates	20,818.5	20,893.2	74.7
10	o/w Product related	6,070.0	5,974.6	(95.3)

(*) Impact of foreign exchange: Corporate (foreign currency) approx. ¥(120)bn, product related (foreign currency) approx. ¥(110)bn

Credit portfolio balance



Forecast for FY2020

- ✓ Based on the assumption that Covid-19 infection should peak-out in 1HFY2020, but its impact shall reverberate through FY2020, both net business profit and net income are expected to decrease as compared to FY2019 results
- ✓ The dividend on common share expected to be 150 yen per share, the same as FY2019. FY2020 consolidated dividend payout ratio to be approx. 40%

	(Yen bn)	FY19 Actual(*)	FY20 Forecast	Change from FY19	
1	Net business profit before credit costs	289.0	250.0	(39.0)	(1)
2	SuMi TRUST Bank	200.0	170.0	(30.0)	
3	Substantial gross business profit	742.6	710.0	(32.6)	
4	SuMi TRUST Bank	446.5	420.0	(26.5)	
5	Other group companies	296.1	290.0	(6.1)	
6	Substantial G&A Expenses	(453.6)	(460.0)	(6.3)	
7	SuMi TRUST Bank	(246.4)	(250.0)	(3.5)	
8	Other group companies	(207.2)	(210.0)	(2.7)	
9	Total credit costs	(43.8)	(30.0)	13.8	(2)
10	SuMi TRUST Bank	(34.7)	(20.0)	14.7	
11	Other group companies	(9.0)	(10.0)	(0.9)	
12	Net gains on stocks	40.1	20.0	(20.1)	(3)
13	Other non-recurring profit	(27.6)	(40.0)	(12.3)	(4)
14	Ordinary profit	257.6	200.0	(57.6)	
15	o/w SuMi TRUST Bank	169.7	155.0	(14.7)	
16	Net income	163.0	140.0	(23.0)	
17	o/w SuMi TRUST Bank	117.9	110.0	(7.9)	
18	Dividend per common share (Yen)	150	150	—	
19	Consolidated dividend payout ratio	34.5%	40.2%	+ 5.7%	

(*) Excluding dividend from group companies, which are planned to be paid to improve their capital efficiency. FY2019 (actual): ¥6.7bn, FY2020 (forecast): None

【Assumptions】

- (1) Net business profit before credit costs: ¥(39.0)bn YoY
 - Substantial gross business profit to decrease, substantial G&A expense to increase. Impact on gross business profit is shown on P.22
- (2) Total credit costs: forecast ¥(30.0)bn
 - Conservatively assuming a little less than three times than usual for FY2020 including special loan loss provision of ¥25.0bn in FY2019
- (3) Net gains on stocks: forecast ¥20.0bn
 - Assumption taking account of amount agreed with clients to sell and current market conditions
- (4) Other non-recurring profit: forecast ¥(40.0)bn
 - YoY decrease mainly due to amortization of actuarial losses

Our measures to confront Covid-19

- ✓ To maintain full menu operations as social infrastructure in both banking and trust businesses. To contribute to society and economy

Basic principles

To assure employee and their families' health and safety

To sustain operations as social infrastructure

To avert spread of infection to society

Overall Operations

To sustain full menu operations as social infrastructure

- All 133 domestic branches excluding satellite offices remain opened
- Various paperwork such as clients' mortgage applications diverted to web and telephone processing to improve clients' convenience
- To reduce risk of infection, Plexiglass screens installed at branches

Banking Business

Loan related businesses given highest priority

- Loan related consultations from retail and corporate clients handled flexibly
- Interest free, non-collateralized loan consultation desk opened during Golden Week Holidays
- Smooth processing of term end operations such as issuance of certificate of loan balances

Contribution to the community

- Donation of ¥100M to Japan Red Cross
- Established "Account for donations" to support universities developing vaccine and medicine to combat COVID-19, to donate ¥10M to each university (currently 12 universities)
- 100K medical masks (N95) donated to various medical facilities

Trust Related Businesses

Operations to support the economy and social infrastructure

- (Pension) To sustain operations to ensure timely payment and reporting. About 900K pension recipients including new beneficiaries retiring from client companies in March to be processed smoothly.
- (Stock Transfer Agency) Assistance in hosting AGM (1,214 companies expected to host AGM from April to September, 2020)
- (Asset Management) To sustain investment activities to maintain capital markets liquidity.
- (Asset Administration) To ensure functioning of capital markets, continued settlement of securities and funds. (More than 10trn yen/day)
- (Real Estate) As infrastructure for the real estate investment market, maintain accounting and settlement operations for securitized trusts and J-REIT products. (market size > ¥20trn)

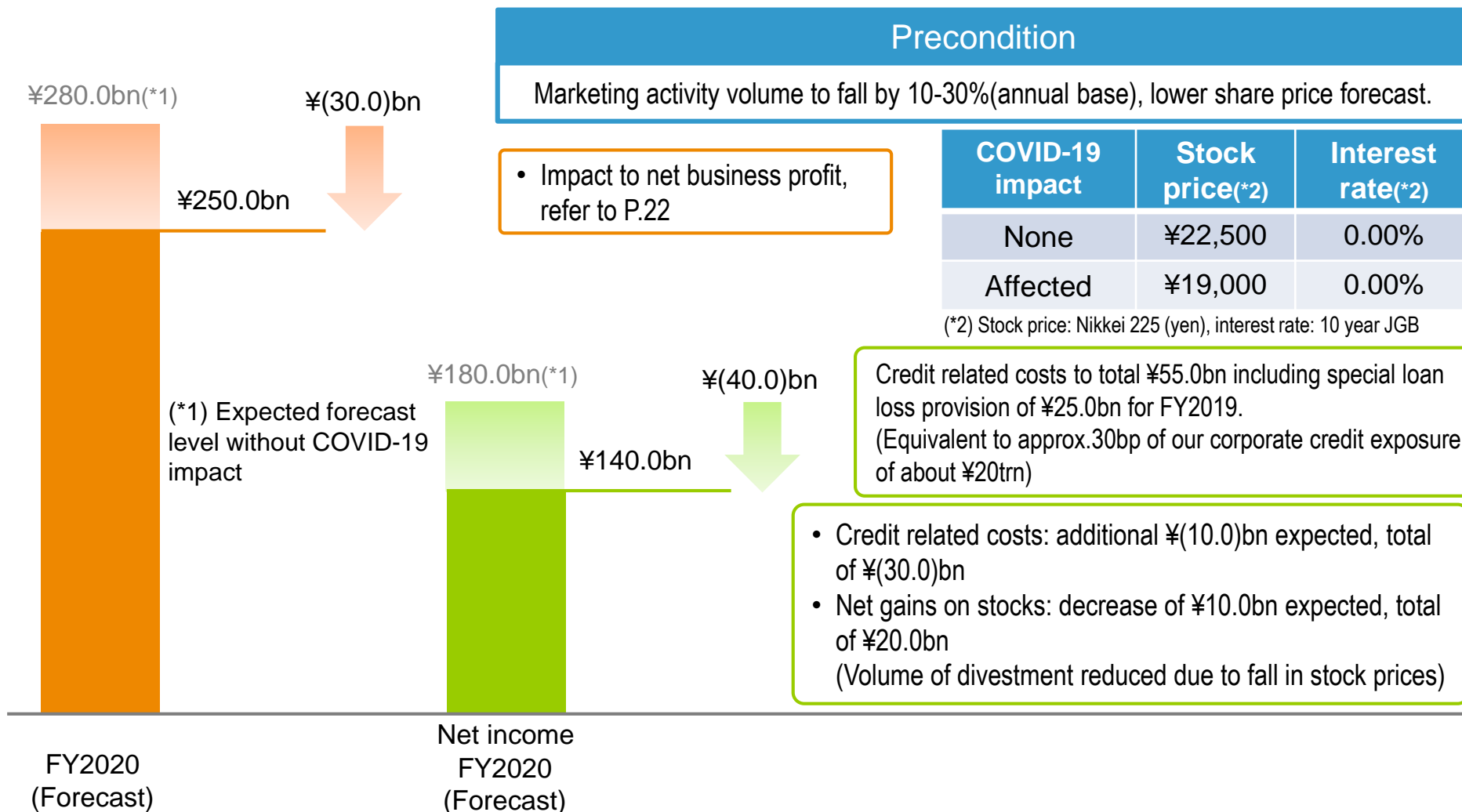
Employee safety measures

- To promote telework to reduce risk of infection (office attendance rate 45%) (*)
Active use of telework and team rotation
- Pregnant staff and staff with existing medical conditions to work from home or on standby

(*) Attendance rate of SuMi TRUST Bank (May 2020)

Impact of Covid-19 (Impact on FY2020 financial results)

✓ Impact assessed against our original medium term management plan set before Covid-19, on the assumption that “Covid-19 infection should peak-out in 1H FY2020, but its impact shall reverberate through FY2020”



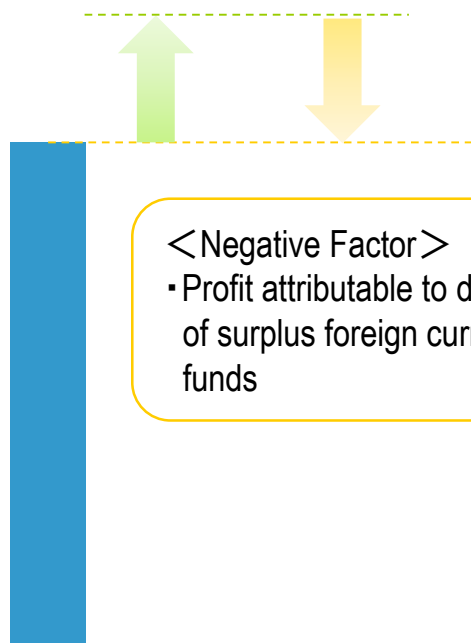
Impact of Covid-19 (Impact on FY2020 gross business profit)

- ✓ Assuming no impact on the net bases to effective interest related earnings, due to temporary hike of loan demands
- ✓ Fee related income to expect decrease from both recurring and non-recurring income, but non-recurring income to support bottom line

Impact to effective interest related earnings

<Positive factor>

Corporate loan (short term, increase)

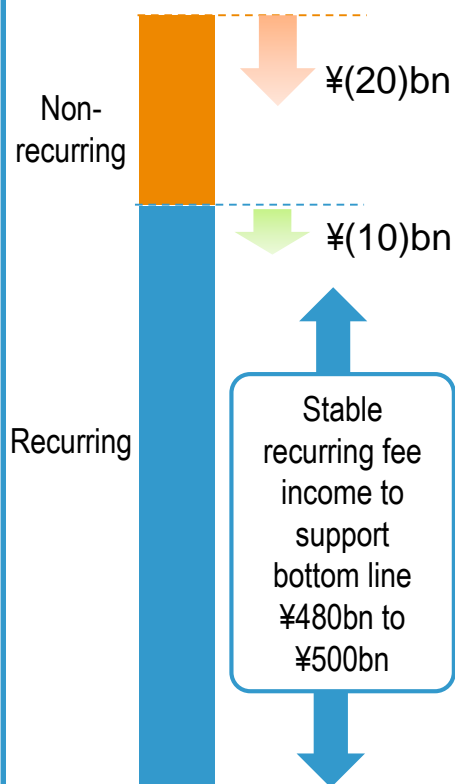


<Negative Factor>

- Profit attributable to deployment of surplus foreign currency funds

Expected level without impact of COVID-19

Impact to fee related income, other client income



<Negative Factor of Non-recurring fee income>

- Real estate brokerage decrease
- Non-interest income from clients in Wholesale / Global Markets
- Sluggish sales of investment trusts, insurance

<Negative Factor of Recurring fee income>

- Investment trusts, managed accounts, insurance
- AUM decrease in Fiduciary, AM businesses (Lower expected share price)

Expected level without impact of COVID-19