



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Investor Meeting on Financial Results for FY2019

May 22, 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”

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

Executive Summary

- In the Medium-Term Management Plan, we have defined "balanced creation of both social value and economic value" as our core management principle and aim to create a firm footing for sustainable and stable growth
- For the near-term, in response to COVID-19 shock, to offer banking and full lineup of trust related social infrastructure services to support society and the economy
- Mitigation of stock price and interest rate risk
- Credit portfolio exposure is predominantly highly rated domestic individuals and corporates
- High resilience to credit risk including special loan loss provisions posted in FY2019
- As a means of returning shareholder's profits commensurate with earnings, we shall place emphasis on dividends, targeting consolidated dividend payout ratio of 40% in or around FY2022
- Share repurchases to be tactically considered and implemented while considering the balance between capital utilization for medium to long-term profit growth and the effect of repurchases in improving capital efficiency

Impact of COVID-19 and our Countermeasures

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/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

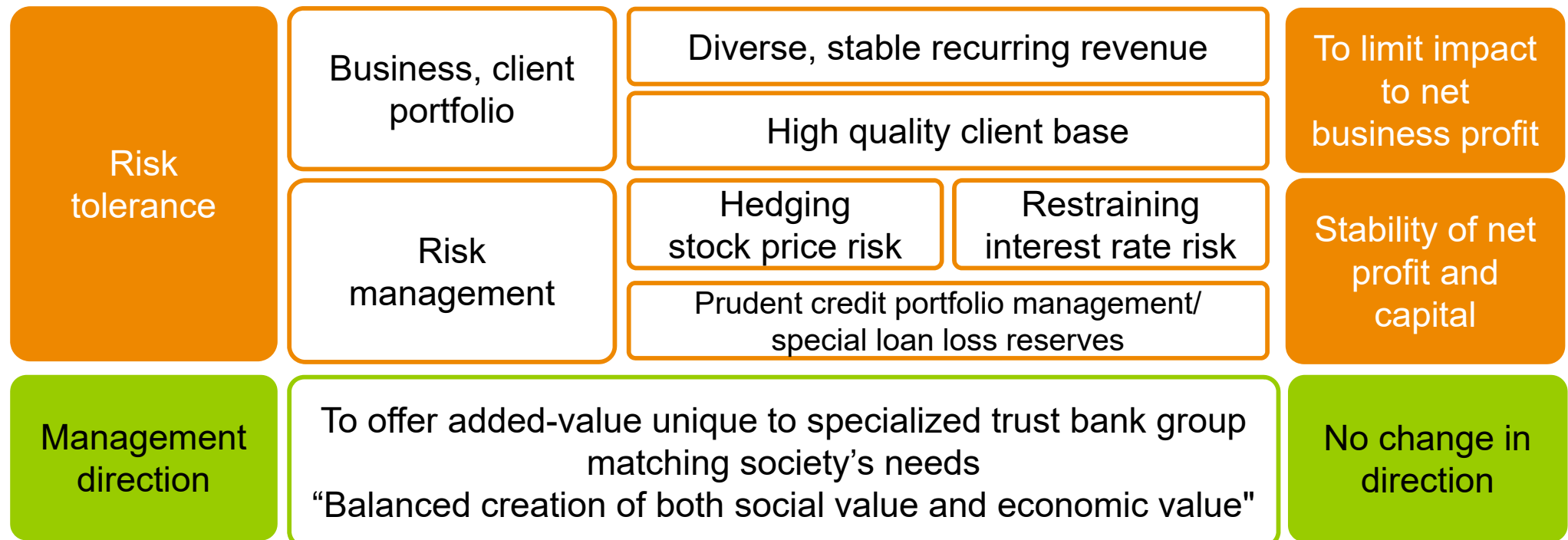
(*) Attendance rate of SuMi TRUST Bank (May 2020)

Impact of COVID-19 Shock and Direction of Management

- ✓ Main scenario assumes pandemic to peak-out in 1H of FY2020, but impact to remain throughout FY2020
- ✓ FY2020 financial results affected due to restrictions on marketing and increased credit related costs, etc.
- ✓ To mitigate impact through stable recurring income and appropriate risk management
- ✓ Direction of management including new Medium-Term Management Plan remains unchanged

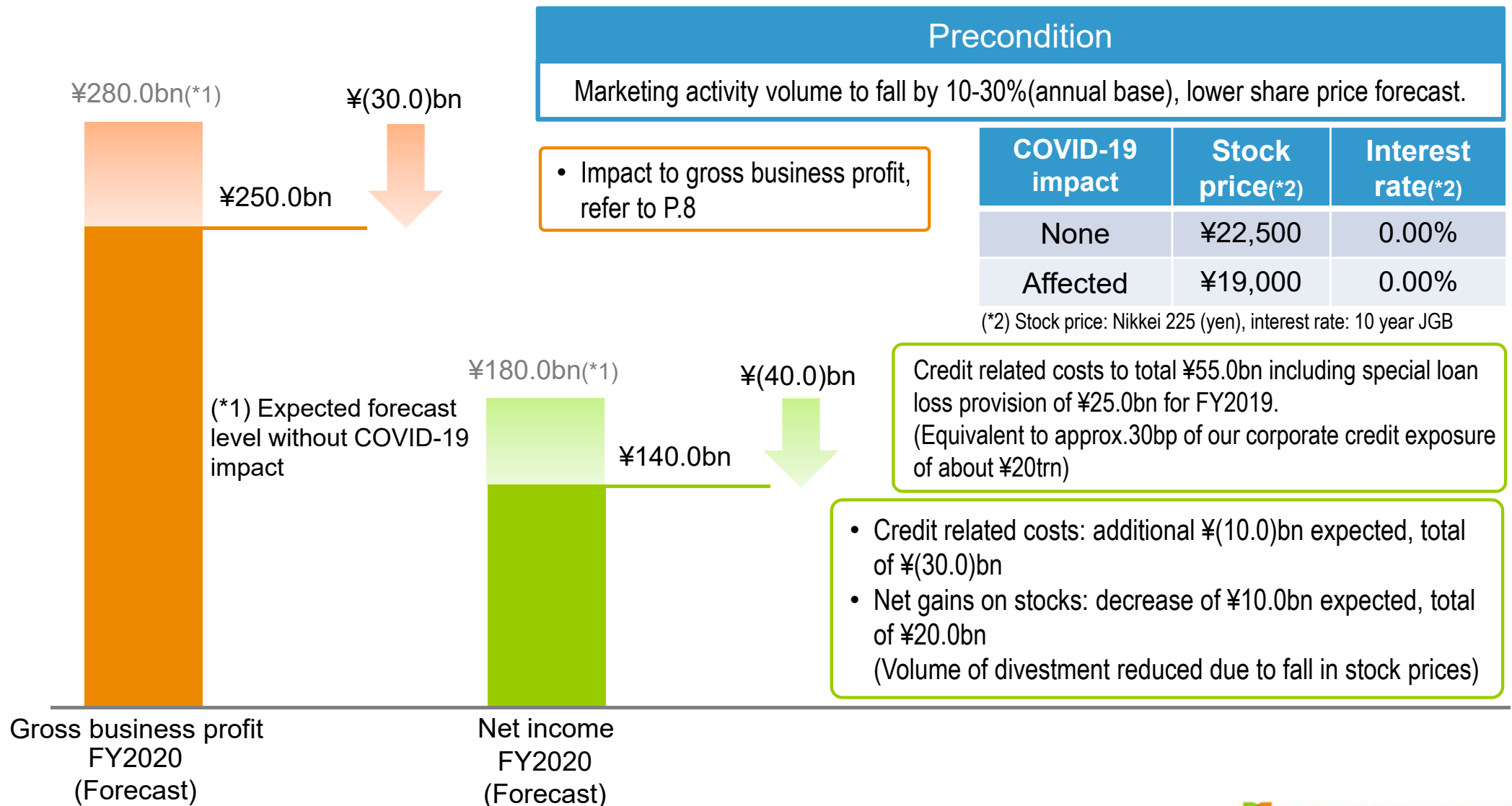
Impact to financial result	FY2020	Net business profit	¥250bn, down ¥30bn (*)
		Net income	¥140bn, down ¥40bn (*)

(*) In comparison to COVID-19 impact excluded



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”



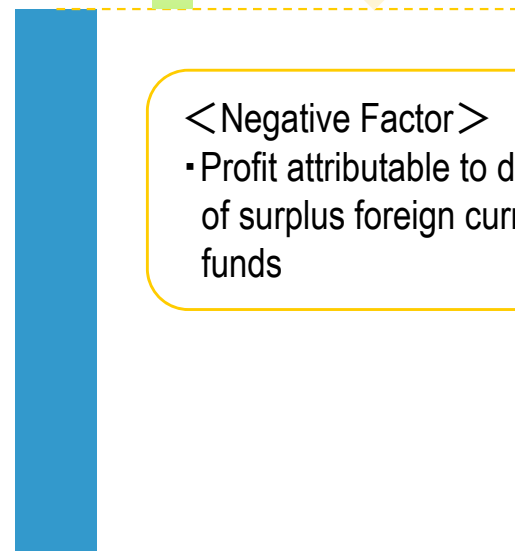
Impact of COVID-19 (Impact on FY2020 gross business profit)

- ✓ 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 recurring income to support bottom line

Impact to effective interest related earnings

<Positive factor>

Corporate loan (short term, increase)

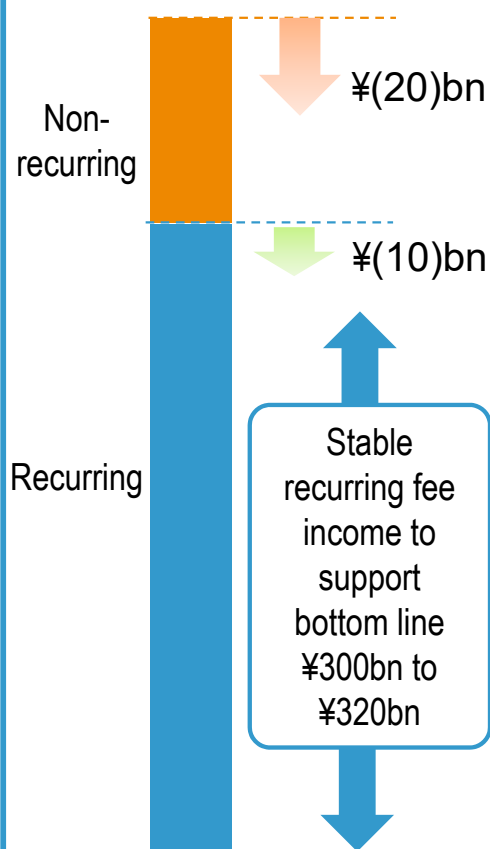


<Negative Factor>

- 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>

- Decrease in administration fees on investment trusts, managed accounts, insurance
- AUM decrease in Fiduciary, AM businesses (Lower expected share price)

Expected level without
impact of COVID-19

Risk management (summary)

Stock price risk

- Strategic shareholdings
- 75% of market value hedged (Mar. 2020)
(base 65%, additional (risk adjustment) 10%)
- ✓ Stability of capital maintained by base hedge
- ✓ Profit opportunity from additional (risk adjustment) portion

Liquidity risk

- Core foreign currency B/S size is around ¥6trn
- ✓ Surplus core funding against core assets
- ✓ To steadily expand and diversify long-term stable funding sources

Risk resilience

Credit risk

- Credit portfolio is of high quality and diversified
 - ✓ 1/3 is high quality mortgage loan
 - ✓ For corporates, around 80% is Japanese (*)
Non-Japanese (*) centered on diversified product lending
 - ✓ Special loan loss Provision of ¥25bn made in FY2019
- (*) based on final exposure

Interest rate risk

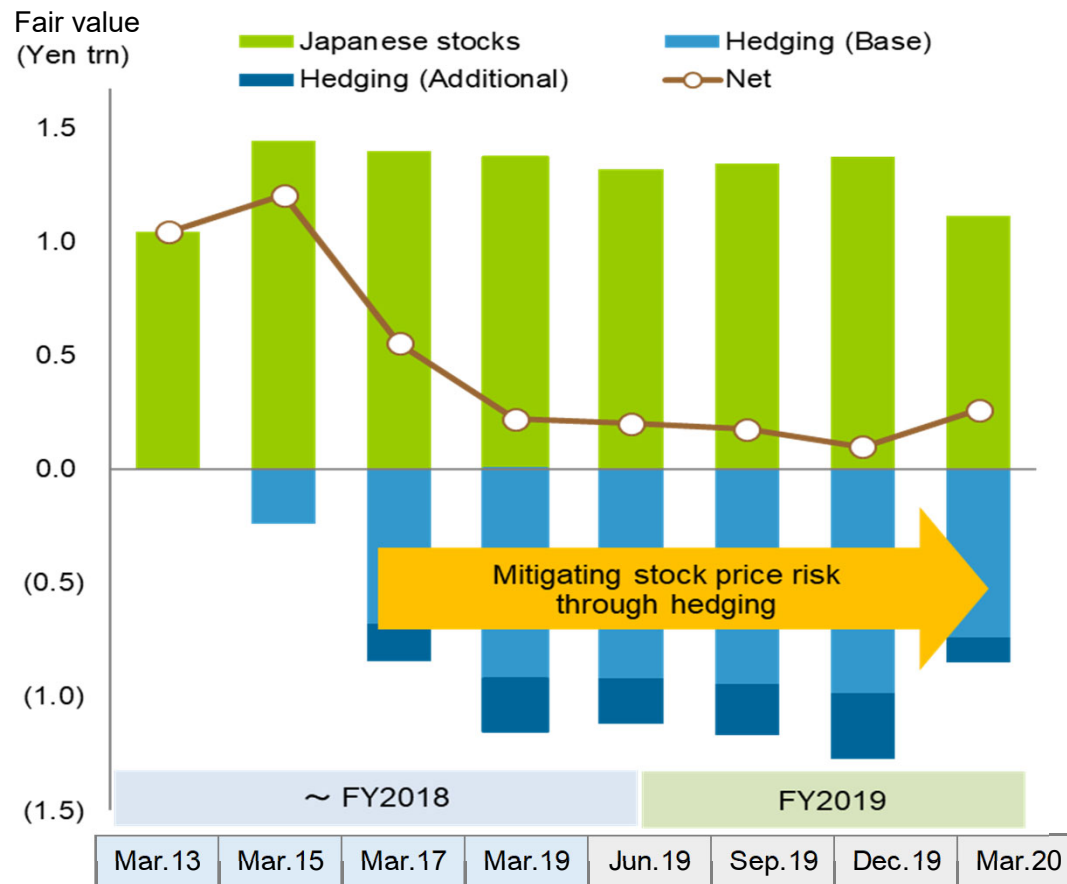
- Restrained approach towards interest rate risk
- ✓ Neutral position not taking US interest rate risk
(Including derivatives, as of Mar. 2020)

Stock price risk

✓ Share price decline risk hedged to mitigate impact to our capital. 75% hedged as of Mar 2020

Hedge positions against strategic shareholdings (*1)

Base	Maintain current ratio 65% basically
Additional	Adjust volume within 0-35% (*2)

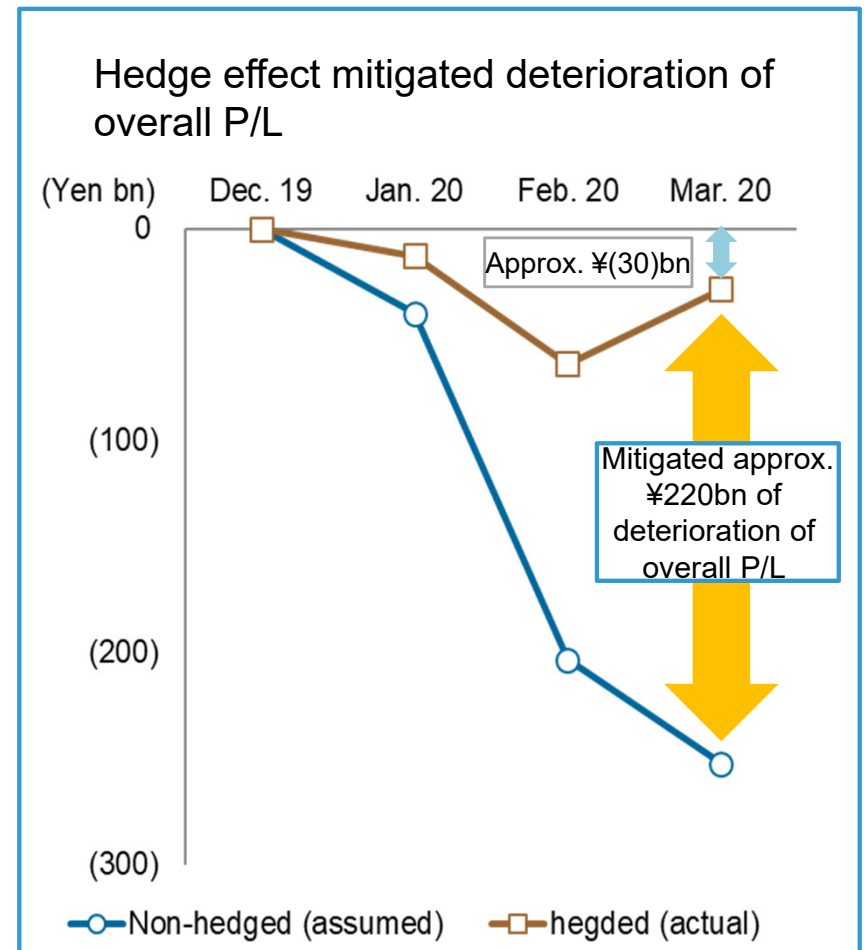


(*1) Hedge ratio against fair value of strategic shareholdings

(*2) Contrarian to stock prices (Hedge ratio to rise if stock prices rise)

Impact of share price decline (Dec. 2019 to Mar. 2020)

Over
all
P/L
(*3)



(*3) Sum of change of unrealized gain/loss and realized gain/loss from Dec.2019
Above calculation includes: With hedge: Strategic shareholdings and investment trust for hedging purpose. Without hedge: strategic shareholdings only

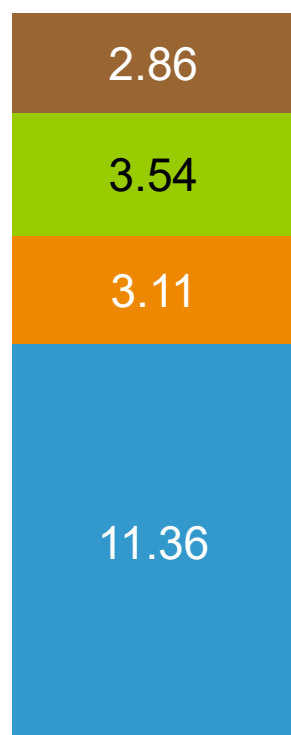
Credit risk (Overview of Corporate lending/investment)

- ✓ Corporate loans portfolio mainly domestic large corporates and overseas Japanese affiliated companies
- ✓ Foreign currency product lending is mostly non-Japanese credit but diversified, credit risk conscious portfolio

Wholesale credit portfolio

- Product related (Foreign currency)
- Corporate (Foreign currency)
- Product related (Yen)
- Corporate (Yen)

(Yen Trn) 20.89



Mar. 20

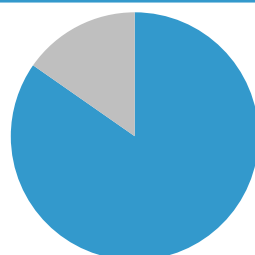
Other credit securities

A-rated or above:
about 80%

Overseas NRL

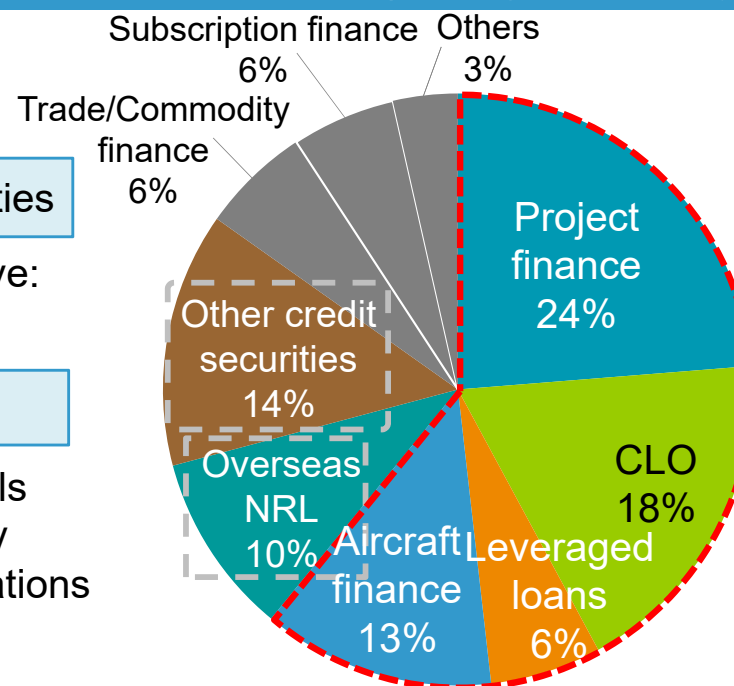
About 2/3 deals
sponsored by
Japanese corporations

Corporate (Foreign currency)



About 85% Overseas
Japanese corporates

Product related (Foreign currency)



Project finance
CLO/Leveraged loans
Aircraft finance

⇒refer to P.12~14

Corporate (Yen)

Mainly large
corporations

Product related (Yen)

About 2/3 Domestic real estate NRL/REIT

Real estate NRL Approx. ¥1.0trn

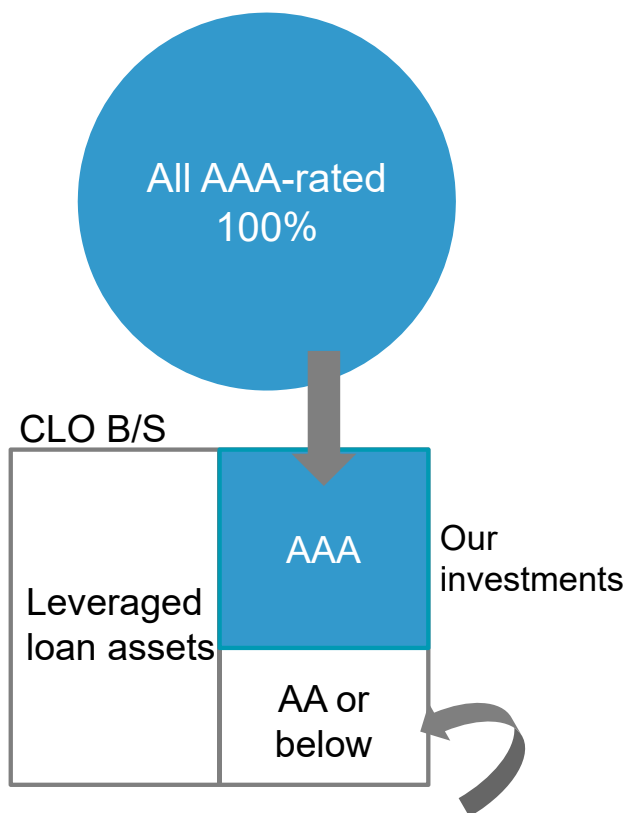
REIT Approx. ¥1.1trn

⇒refer to P.15

Credit risk (CLO)

- ✓ All holdings rated AAA, price fall has been limited in comparison to Lehman shock

Credit rating distribution



Junior tranches provide mid 30% to mid 40% subordination to secure AAA tranche

Balance

(By region)

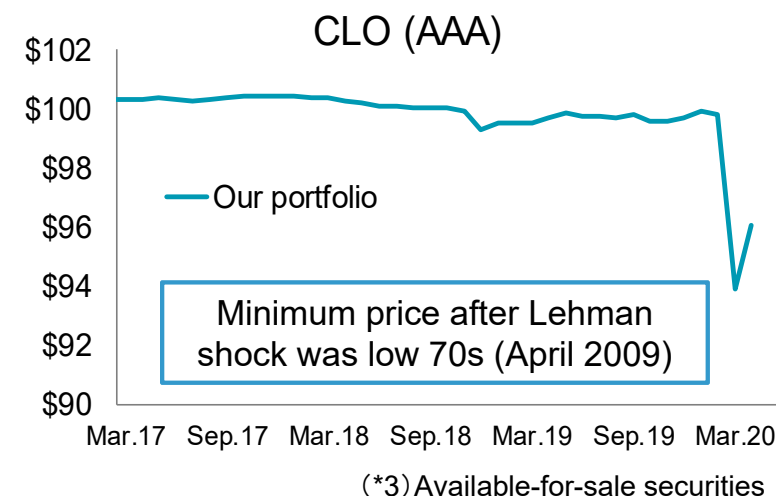
	Mar. 20	Mar. 20	
(USD M)			Chg
CLO (*1)	3,377	4,837	1,459
US	3,128	4,495	1,366
EU	249	342	93

(By type)

	Mar. 20	Unrealized gains/losses
(USD M)		
CLO (*2)	4,578	(287)
Available-for-sale	3,599	(215)
Held-to-maturity	978	(71)

(*1) Includes Loan-type (*2) Securities only

Historical performance (*3)



Held-to-maturity portion has been funded with matching 5-year CCS
US\$ liquidity risk mitigation measures taken (refer to P.17)

Credit risk (Leveraged loans)

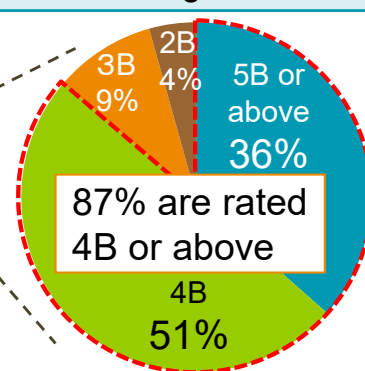
- ✓ Most of leveraged loans are 4B or better, relatively high-quality portfolio
- ✓ Exposure per borrower also diversified. Risk conscious investment style

Balance			
(US\$ M)	Mar. 19	Mar. 20	Chg
Leveraged loans (*1)	1,610	1,605	(4)
US	1,371	1,374	3
EU	239	230	(8)
High yield bonds	—	—	—

【Definition of 4B】

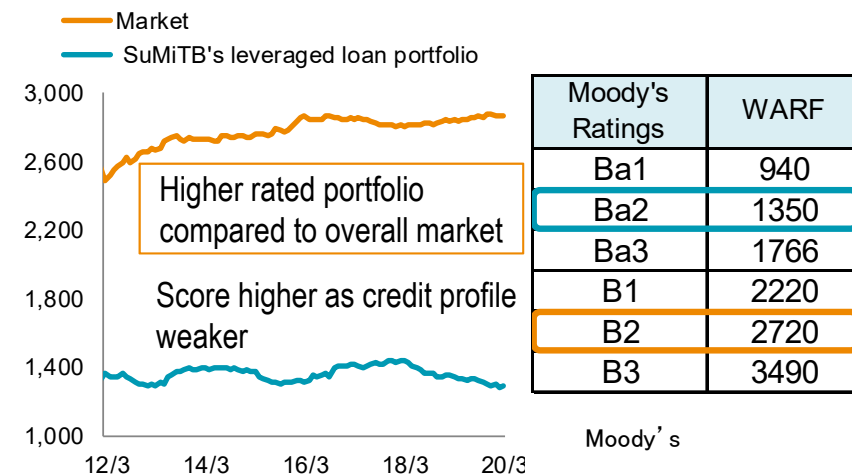
Leveraged loans are usually rated by Moody's and S&P. As there are cases when ratings are split, we rate by Counting the sum Bs of two rating agencies (i.e.) If Moody's: Ba1 and S&P: BB+, then 4B

Credit rating distribution



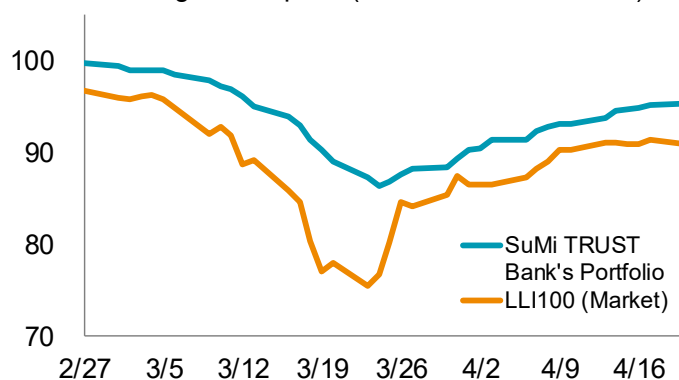
Credit rating (*2)

Weighted Average Risk Factor (WARF)



Historical performance (*2)

Leveraged loan price (since end of Feb. 2020)



Per exposure diversification (*2)

Amount per transaction

3B or above:
\$5-10mn

2B or below:
\$3mn

Industry diversification

Industries likely to be affected by COVID-19 (Ratio% below 4B)

【Retailer】

SuMi TRUST Bank 1.4% vs Market 3.6%

【Oil & Gas】

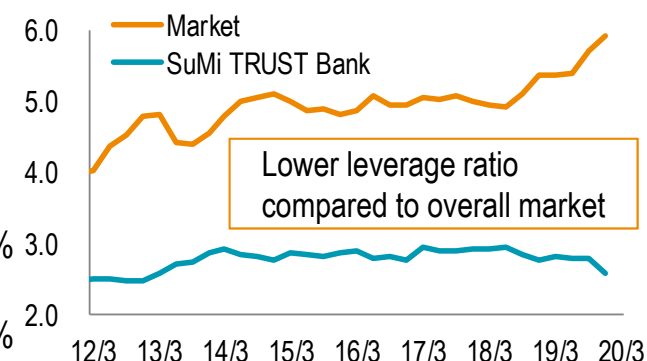
SuMi TRUST Bank 1.2% vs Market 3.6%

(*1) Secured loans with floating rates funded by companies rated BB+/Ba1 or lower, includes fund investments

(US: \$110M / Europe: \$230M)

(*2) US Leveraged loans (Proprietary investments)

Leverage ratio (*2)



Credit risk (Aircraft Finance / Overseas Project Finance)

✓ Selective transactions prioritizing safety and diversity

Aircraft Finance

Selective transactions for high quality lessee / lessor with new aircraft that is highly liquid

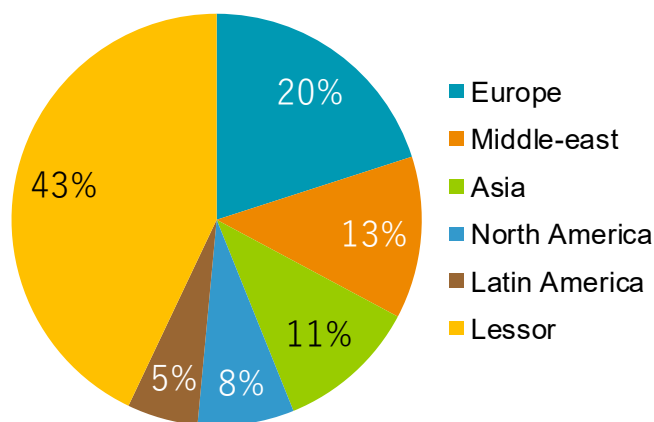
Mar. 20 Balance

US\$3,789M

Ratio of total corporate portfolio

Approx. 2%

Diversification of aircraft portfolio



Exposure exceeds US\$100M for only 3 airlines

Large exposure to Europe/ME/Asia, mainly flag carriers

LCC ratio

Approx. 9%

Overseas(foreign currency) Project Finance

Prioritize ECA guarantee, stable CF from long-term sales contract with high quality off-takers

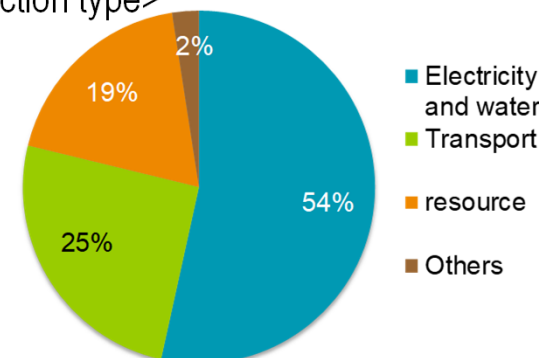
Mar. 20 Balance

US\$6,250M

Ratio of total corporate portfolio

Approx. 3%

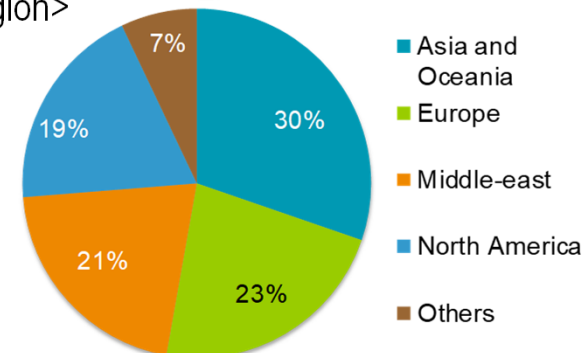
<Transaction type>



Public, infrastructure based transactions

Limited number of deals with market price risk (Below 5% of Overseas PF)

<By region>



Approx. 25% ECA covered

Credit risk (Domestic real estate NRL / REIT)

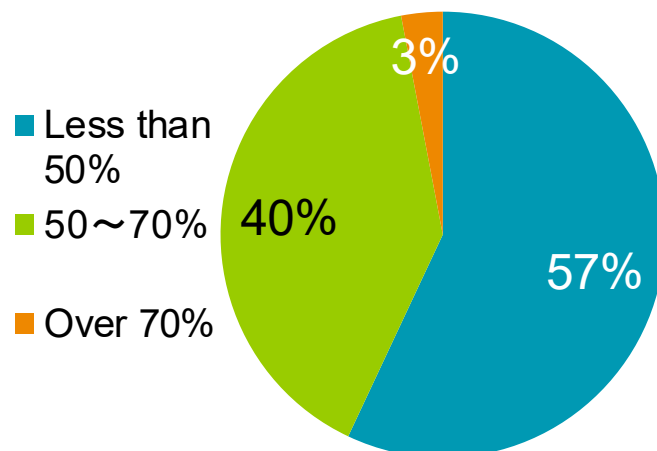
✓ Maintaining conservative portfolio management focusing on Low LTV

Outstanding loans to Domestic real estate NRL

(Yen bn)	Mar. 2019	Mar. 2020	Change
Real estate-related loans	2,133.5	2,110.4	(23.1)
Real estate NRL (*1)	1,129.3	1,023.2	(106.1)
REIT	1,004.1	1,087.2	83.0

(*1) Including bond-type

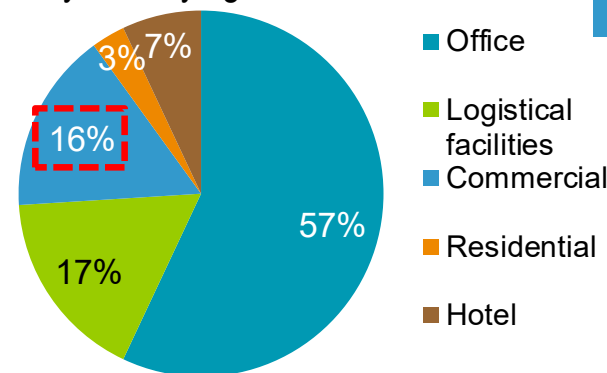
LTV (External appraisal base) of Real estate NRL (*2)



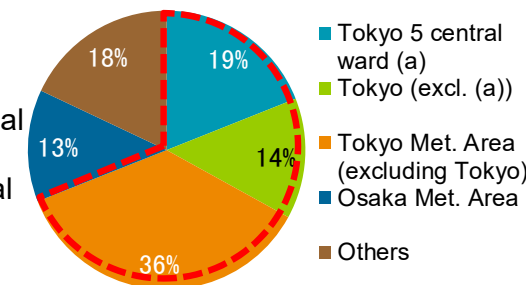
(*2) As of Mar. 20

Underlying assets of Real estate NRL (*2)

<by underlying assets>



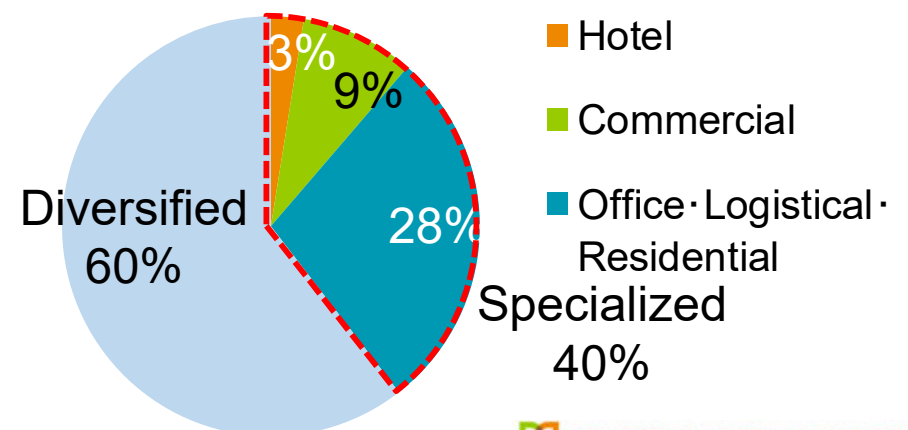
Area distribution of Commercial



(Operating-type 90%
Development-type 10% (Mainly logistics))

Mainly Tokyo Met. Area

Underlying assets of REIT (*2)



Hotel
Commercial
Office·Logistical·Residential
Specialized

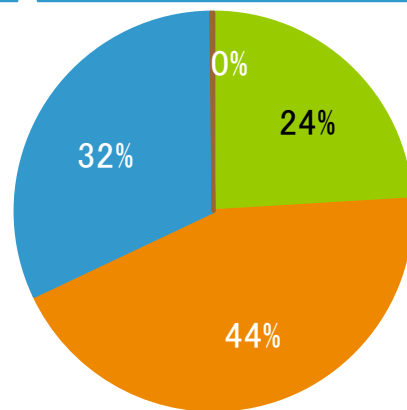
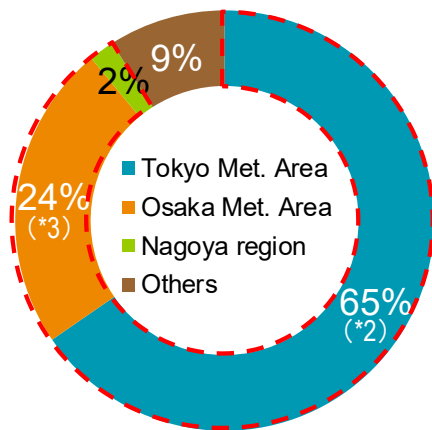
Credit Risk (Personal loans)

- ✓ High quality client base (PD/LGD Lower than peers). Personal business loans have always been managed conservatively

Mortgage loans (*1)

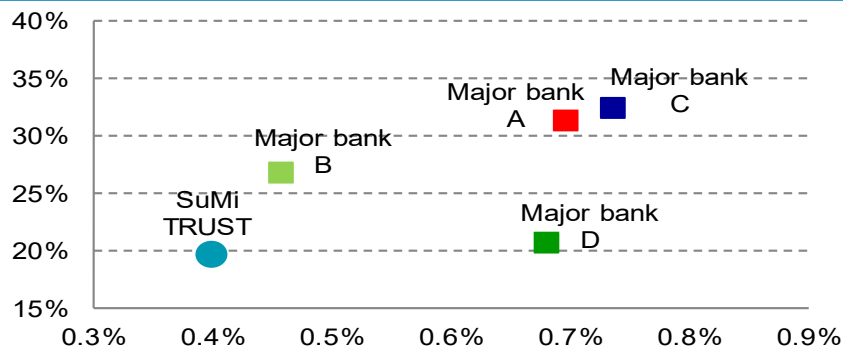
Portfolio focused on metropolitan areas

Distribution by work place



(*1) SuMi TRUST Bank (*2) Tokyo 44% (*3) Osaka 17%

High quality mortgage borrowers (*1,*4)

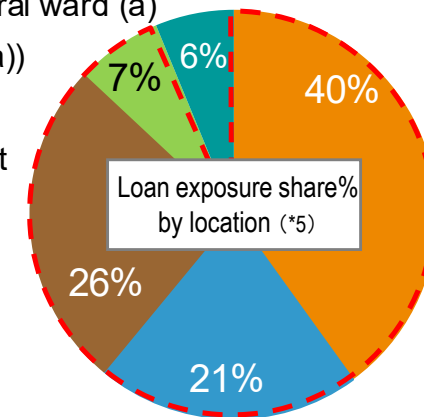


Y Axis: Loss given default (LGD)
X Axis: Probability of default (PD)

(*4) As of Sep. 19

Business loans (*5) (¥594.3bn as of Mar. 20, Approx. 6% of loans to individuals)

■ Tokyo 23 central ward (a)
 ■ Tokyo (excl. (a))
 ■ Osaka
 ■ Nagoya district
 ■ Others



High quality properties in metropolitan areas

3 largest metropolitan areas 94%

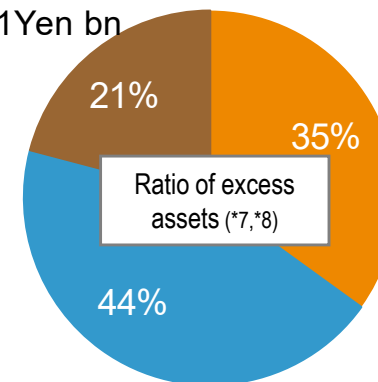
With 10mins walk from station about 80%

Occupancy around 90% (*6)

(*5) Balance base

(*6) 1/3 of properties selected per annum, on-site visit to check occupancy

■ over 0.3Yen bn
 ■ 0.1~0.3Yen bn
 ■ less than 0.1Yen bn



80% of clients have excess assets of > ¥100mn

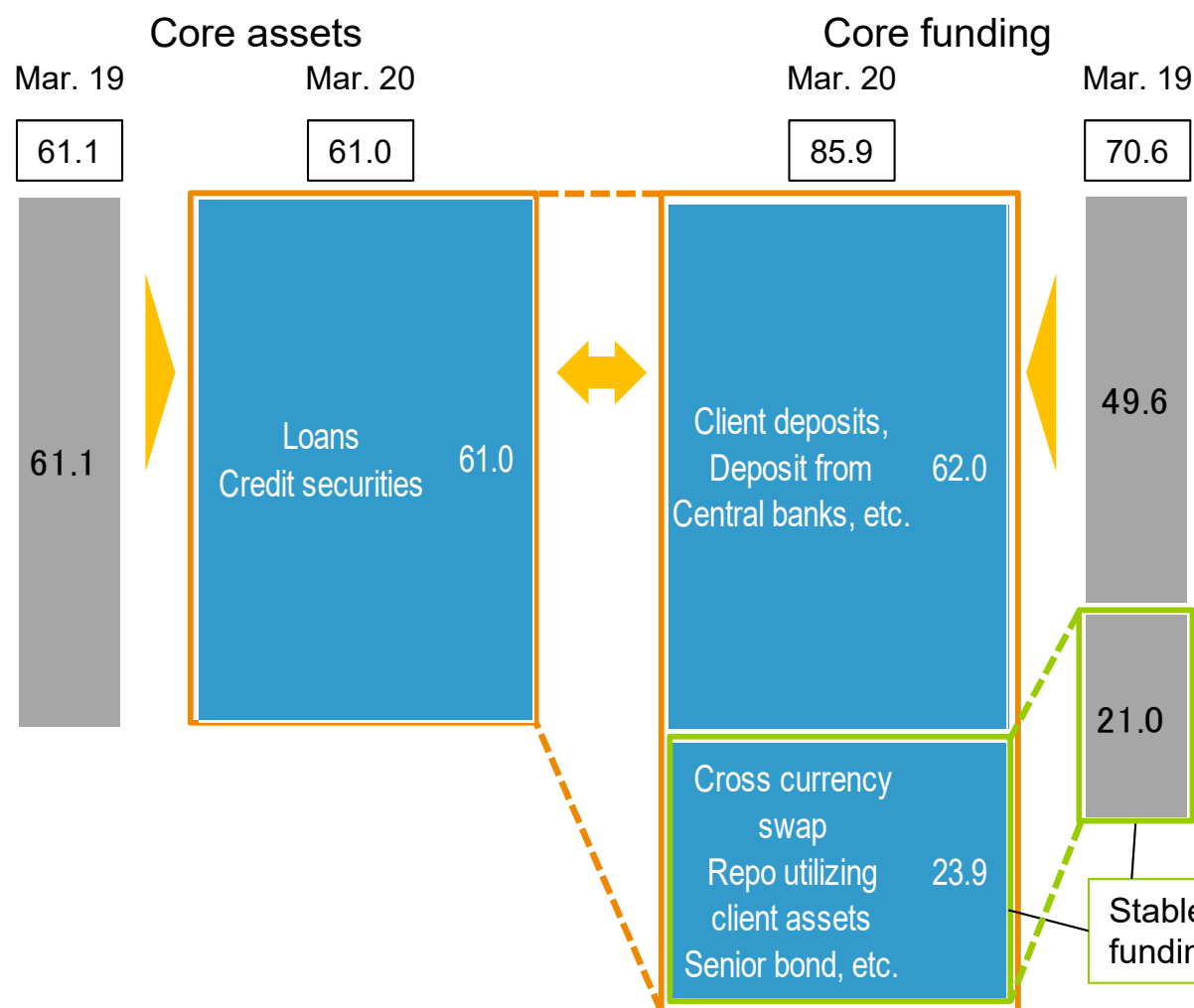
(*7) In-house reporting basis, 3-year total

(*8) Client excess assets calculated by deducting total debt from total client assets (including valuation of business loan property)

Liquidity risk (Foreign currency funding)

- ✓ Enhanced stable funding for core foreign currency B/S. Maintained core asset size, surplus core funding against core assets

Foreign currency B/S (US\$ bn) (*)



- ✓ Core asset size remained the same from Mar.2019
- ✓ Surplus core funding against core assets

$$\frac{\text{core funding}}{\text{core assets}} = 140.9\%$$

(115.5% as of Mar.2019)

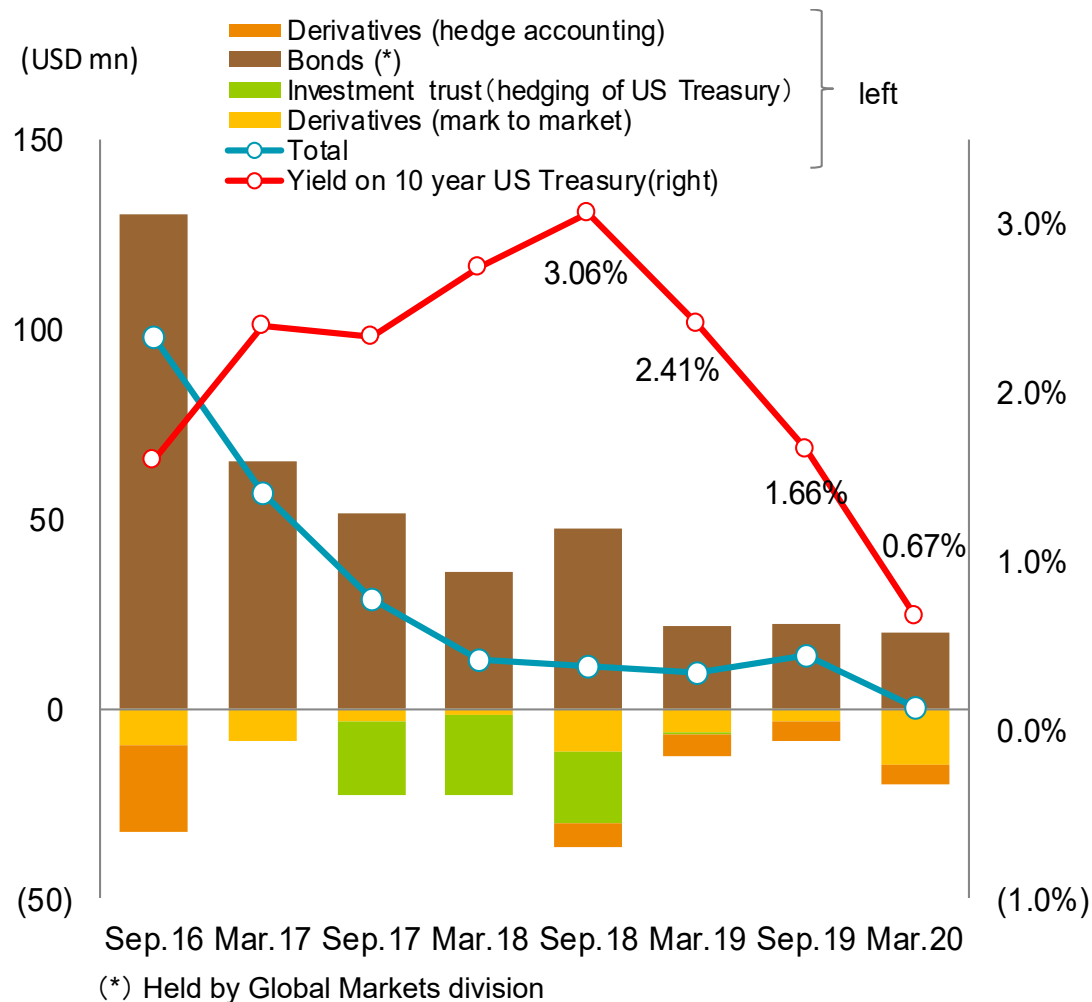
- ✓ Stable long-term funding expanded
 - Repo utilizing client assets (+US\$1.5bn from Mar.2019)
 - CCS (+US\$3.5bn from Mar.2019)

(*) Core assets and funding of foreign currency B/S of SuMi TRUST Bank

Interest rate risk

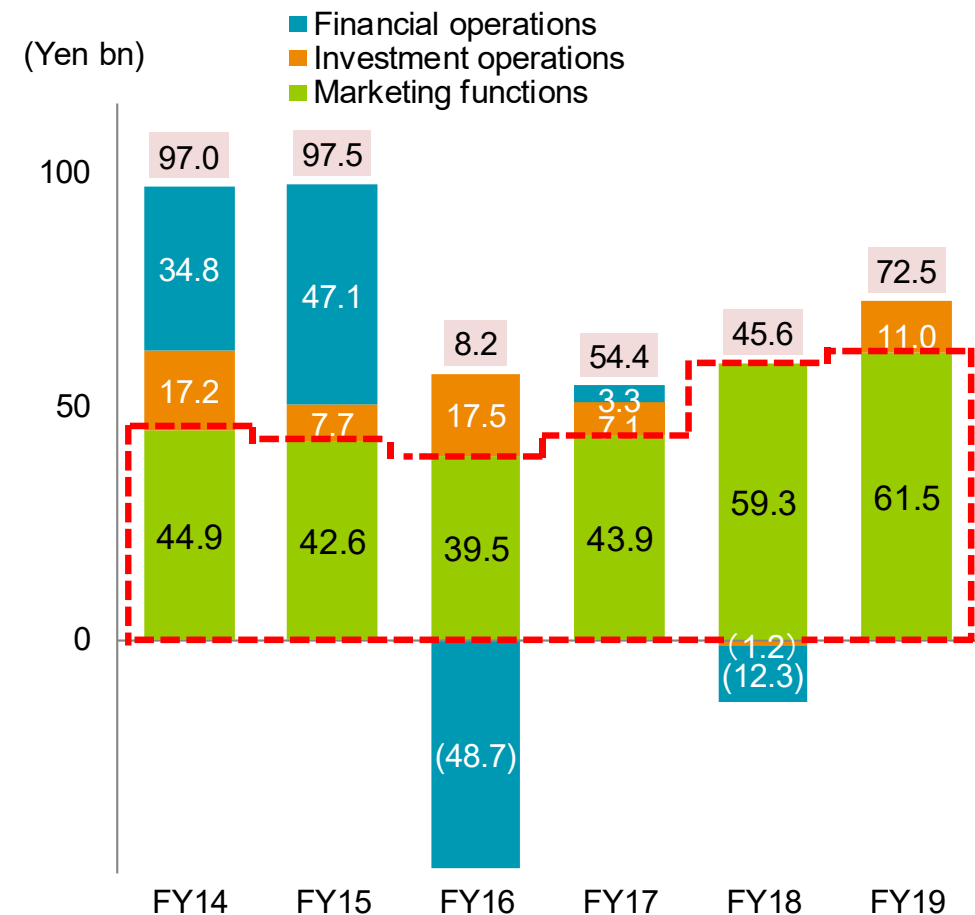
- ✓ Restrained management of US interest rate risk exposure.
- ✓ Global Markets' profitability strengthened from client facing services

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



Global Markets business profit

To strengthen stable, client-facing services



Medium-Term Management Plan (FY2020 to FY2022)

Review of Previous Medium-Term Management Plan

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 Actual	Initial plan	FY19 Actual	Change from FY 18	Change from initial plan	FY20 Plan	Change from FY 19
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 Actual	FY19 Plan	FY19 Actual	Change
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>

<Shareholders' return>		FY19 Actual	FY20 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.

Review of previous Medium-Term Management Plan (summary 1)

- ✓ Net income and shareholder ROE fell short of FY2019 plan, but excluding the impact of special loan loss provisions of approximately ¥25bn (¥17bn after tax) due to COVID-19, target was mostly achieved
- ✓ To continuously strengthen shareholder return

Net income

¥163.0bn

FY2019(plan) ¥180bn

Shareholder ROE

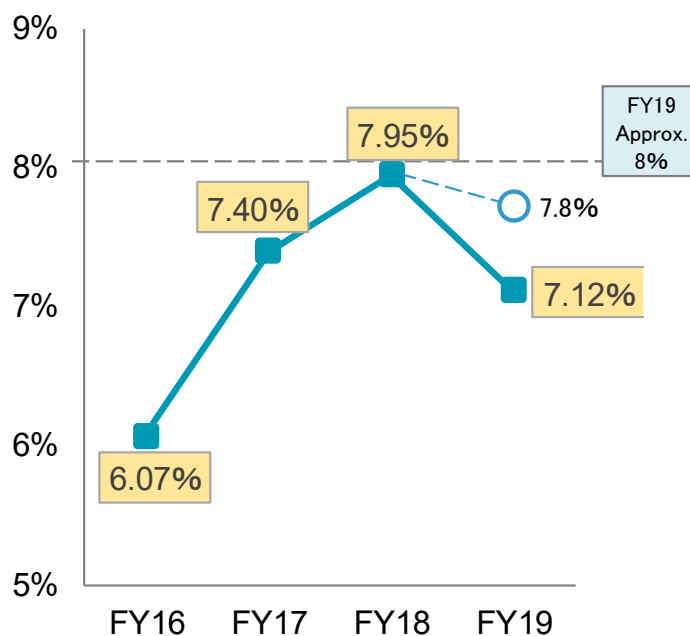
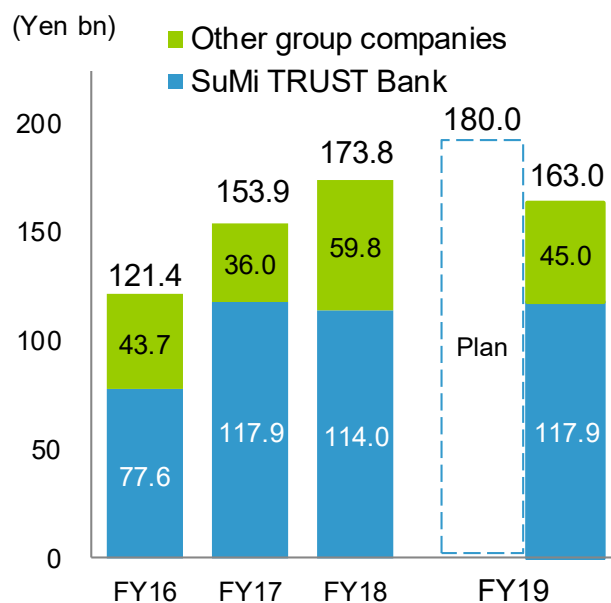
Shareholder ROE 7.1%

FY2019(plan) Approx. 8%

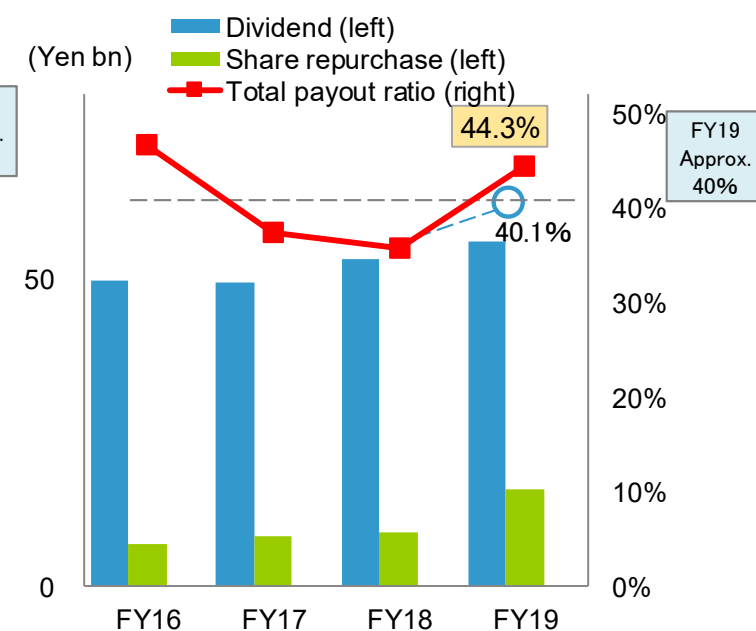
Shareholder return

Total payout ratio 44%

FY2019(plan) Approx. 40%



(*) ○ Before posting of ¥25.0bn Special loan loss provision

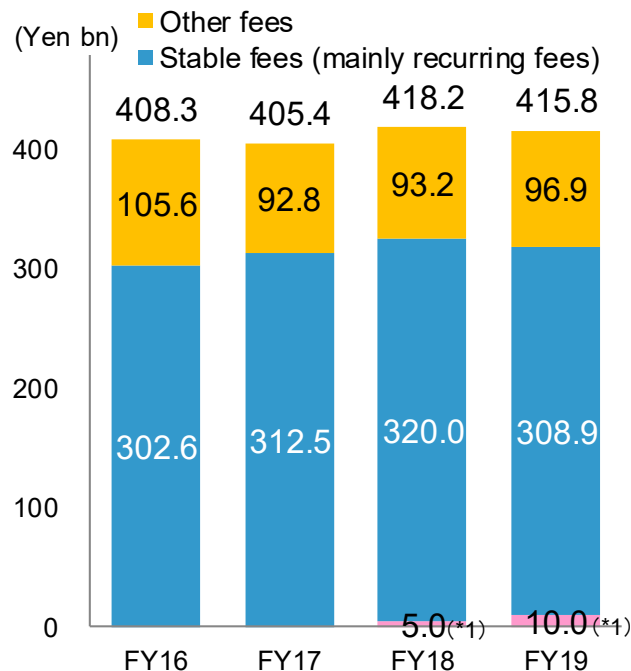


Review of previous Medium-Term Management Plan (summary 2)

Fee businesses

Fee related business income contributed to stable earnings

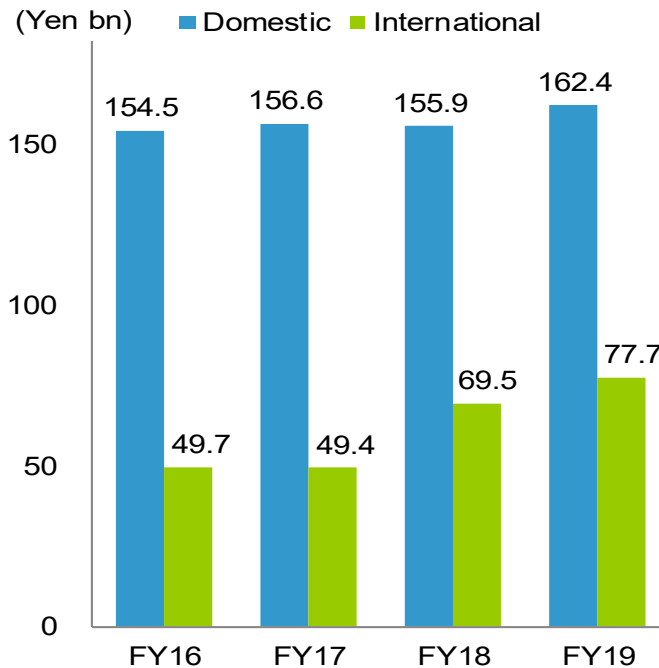
Stable Fee ratio



Loan/investment business

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

Foreign currency loan spread

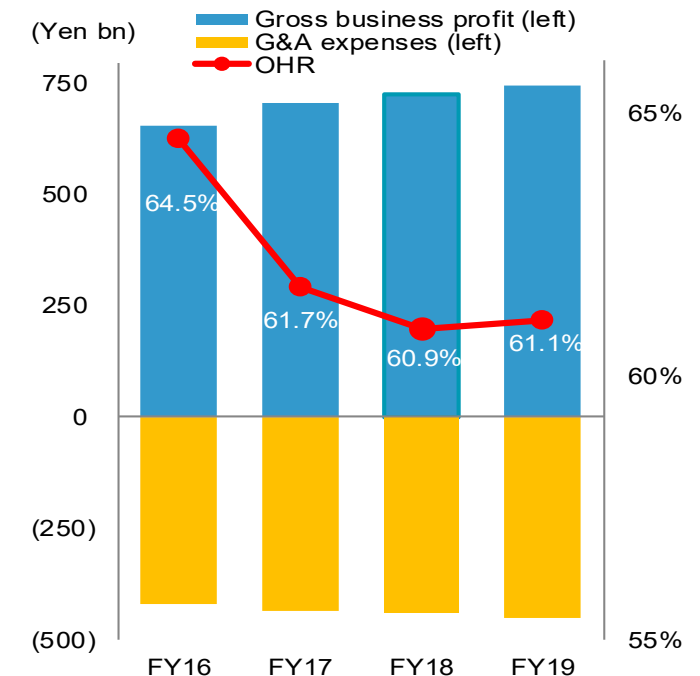


(*2) Includes adjustments to Net interest income and related profit in SuMi TRUST Bank, such as adding profit attributable to deployment of surplus foreign currency funds (refer to P.88, item 28)

Expenses

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

OHR



Initiatives to improve ROE and results during previous Medium-Term Management Plan period

ROE improvement initiatives

Achieve efficient return



ROE Improvement



Efficient use of equity

Expand fee businesses

Increase non-capital
intensive profit

Improve profitability of
loan/investment business

Improve profit per
asset balance

Improve OHR

Improve profit per
unit of expenses

Credit portfolio reformation

Improve return on
regulatory capital

Reduction of strategic
shareholdings

Reduce stock price
volatility by hedging

Reduce stress buffer

Actual progress made in FY2019

Shareholder ROE	6.07%→7.12% (FY2016) (FY2019)
--------------------	----------------------------------

Achieve efficient return

Total fee income	¥408.3bn→¥415.8bn (FY2016) (FY2019) (*1)
Foreign currency loan spread	0.94%→1.10% (Mar. 2017) (Mar. 2020)
Domestic loan- deposit spread(*2)	0.57%→0.58% (Mar.2017) (Mar.2020)
OHR (Consolidated)	64.5%→61.1% (FY2016) (FY2020)

Efficient utilization of capital

Improve return on regulatory capital

Ratio of Product related	28% → 29% (Mar.2017) (Mar.2020)
-----------------------------	------------------------------------

Reduce of stress buffer

Reduction of strategic shareholdings	¥ 85.3bn (*3)
Hedge ratio of strategic shareholdings	Approx.70%→Approx.75% (Mar.2017) (Mar.2020)

(*1) Effective comparison adjusting for JTSB's non-consolidation impact of minus ¥10bn (as of October 1, 2018) (*2) Based on average balance for each quarter end

(*3) Cumulative reduction during previous Medium-Term Management Plan period. Cumulative reduction based on current plan (from FY16 to FY20): ¥117.6bn

New Medium-Term Management Plan

Medium-Term Management Plan

『Balanced creation of both social value and economic value 』

~Acknowledge that our purpose as a specialized trust bank group is to contribute to the development of a sustainable society, and also aim to sustain our growth. ~

<Purpose>

Creating new value with the power of trust and let prosperous future for clients and society bloom

Social issues

Low birthrate and aging
population

Continuation of ultra-low
interest rates

ESG management of
companies

Change of the global
economy

Progress of digitalization

Change of social norms after
COVID-19 pandemic

To contribute to the sustainable development of society

Positioning of Medium-Term Management Plan (Expand foundations to realize sustainable and steady growth)



Medium-Term Management Plan Agenda

✓ Our endeavor towards achieving "balanced creation of both social value and economic value"

Strengthen our business portfolio (Strengthen foundations for sustainable and stable growth)

Strengthen our business foundations

Commitment towards solving clients' problems
Expansion of client base

Establish new areas of growth

Innovation through crossing and merging of different business domains
Strengthen our solution offering capability suited to current social issues

Strategic resource mix

Expenses control/reduction, pursue efficiency through utilization of capital
Optimal allocation of management resources

Capital strategy (Balance sheet, efficient use of capital)

Improve efficiency of our balance sheet

Aim to balance capital sufficiency and efficiency

Strengthen shareholder distribution through dividends

Sophistication of our business quality

(Our ability to create new businesses and improve existing businesses)

Service quality to maximize client value

Strengthen group governance

Prudent risk management

HR strategies to nurture staff capable of creating added value

(Ref) Concept to strengthen our business portfolio

Strengthen our business foundations

Existing 6 business segments

Retail TS

Wholesale TS

Stock transfer Agency

Fiduciary

Real estate

Global Markets

Establish new areas of growth

Areas to seek growth through crossing and merging of business domains

Private banking

Asset formation advisory, Work place

Innovative corporate promotion

Investor solution

Strategic resource mix

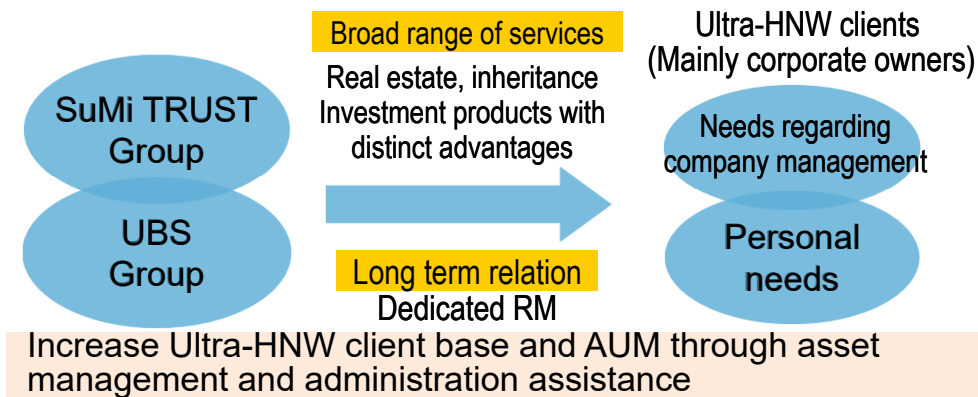
Dynamic shift of resources to growth areas

Initiatives to strengthen our business portfolio

- ✓ To establish foundations in new areas of growth through crossing and merger of functionalities and divisions

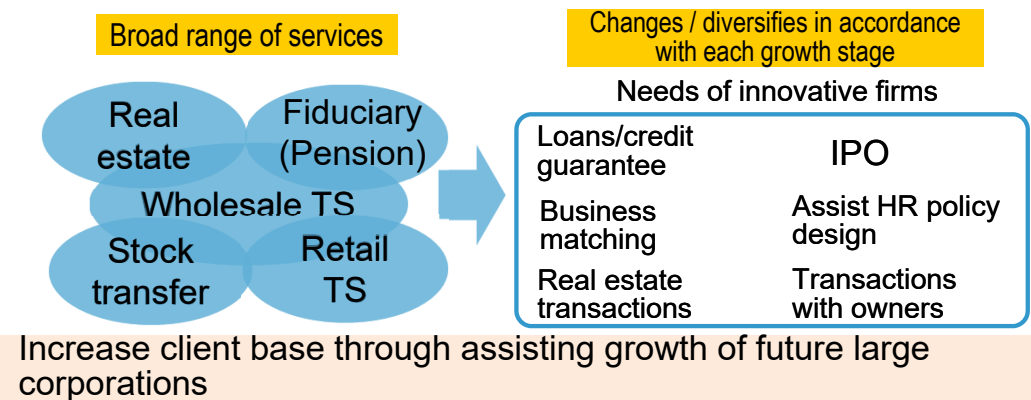
Private banking

To develop long-term relationship with clients by offering total wealth management services through partnership with UBS Group



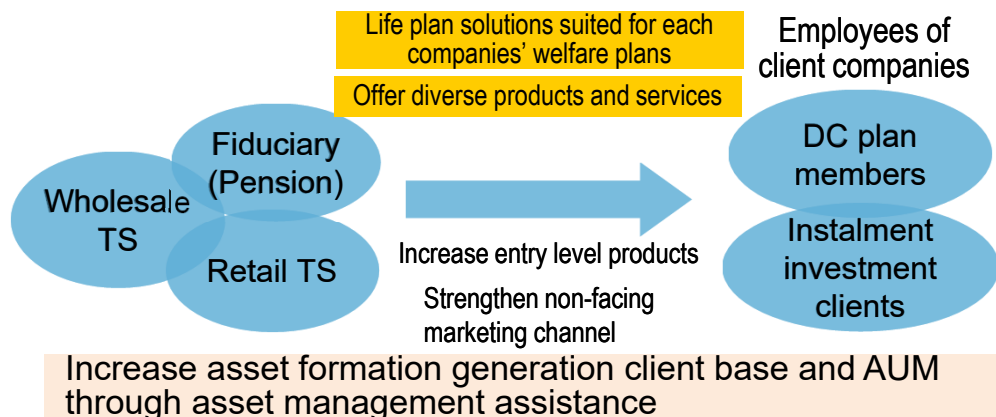
Innovative corporate promotion

To grasp changes in needs unique to rapidly growing innovative firms to assist their growth by offering a broad range of services



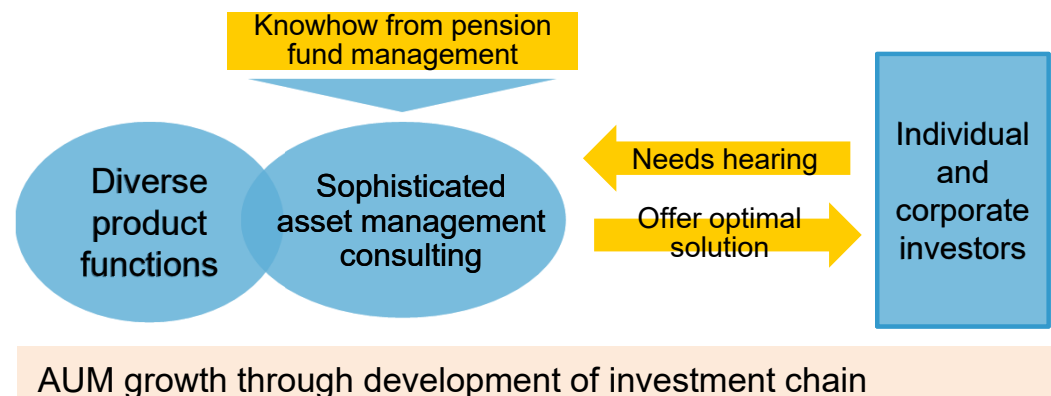
Asset formation advisory, Work place

To assist asset formation through offering of diverse products and services based upon life plan needs



Investor solution

To offer optimal asset management solution by leveraging knowhow accumulated through institutional pension management and our diverse product lineup



KPI (Financial target)

	FY19 (Actual)	FY20 (Forecast)	FY22 (Target)	(For reference) Medium/Long-term Target	
Net business profit	¥289.0bn	¥250.0bn	¥290.0bn		
Net income	¥163.0bn	¥140.0bn	¥190.0bn		
OHR (Overhead ratio)	61.1%	Mid-60% range	Lower 60% range	Upper 50% range	Promote efficiency by enhancing fee business though OHR decline may be limited
Fee income ratio	54.6%	Mid-50% range	Upper 50% range	Maintain above 60%	Increase stable fee income
Common Equity Tier 1 capital ratio (*1)	9.7%	Upper 9% range	Mid-10% range	Maintain stable 10% range	Maintain prudent level of capital
Return on equity (*2)	6.25%	Mid-5% range	Around 7%	Around 9%	Changed from Shareholder ROE Aim for self-sustaining improvement of ROE
Dividend payout ratio	34.5%	40.2%	Around 40%		
[Assumptions of the market]	Mar. 20	Mar. 21	Mar. 23		
10 year JGB	0.02%	0.00%	0.00%		
Nikkei 225	18,917 yen	19,000 yen	23,500 yen		
USD/JPY	108.7 yen	109 yen	109 yen		

(*1) Pro-forma figure on Finalized Basel III reform basis

(*2) Changed from "Shareholder ROE".

The impact of the change: approx. (1%)

KPI (Client base)

		FY19 (Actual)	FY22 (Target)	Definition of KPI
Client base (Pre-Best Partner)	Individual	0.26M clients	0.29M clients	To increase the number of clients with whom we have a strong relationship, as a result of which the client chooses us as their “Best Partner” over the long term, as a precursor, to increase the number of “Pre-Best Partner” client base (*1) “Best Partner” is the clients’ perspective of our positioning.
	Corporate	590 firms	720 firms	
Responding to society after the COVID-19 shock (individual clients using non-facing channels (*2))		1.85M clients	2.38M clients	Corresponding to changes in society and methods of communication due to COVID-19 shock, improve convenience for clients and our productivity.

(*2) Clients using direct banking and LifeGuide

Client base(Pre-Best Partner)

By offering both individuals and corporations further added value created by the trust bank group, expand “type of transactions” and “depth and volume of transactions” to strengthen ties with our client base, increasing clients who would value us as their “Best Partner.”

Individual clients using non-facing channels

In addition to non-face-to-face transactions using internet banking, strive to strengthen our services as a trust bank to offer telephone banking consultation for clients who have difficulty using the internet and web-based consultation of defined contribution pension plans for asset formation generation, work place clients.

(Ref.) Earnings target for FY2022

	(¥bn)	FY19 Actual	FY22 Target	Change from FY19
1 Net business profit		289.0	290.0	0.9
2 Substantial gross business profit		742.6	765.0	22.3
3 Substantial G&A expenses		(453.6)	(475.0)	(21.3)
4 Total credit costs		(43.8)	(20.0)	23.8
5 Net gains on stocks		40.1	30.0	(10.1)
6 Other non-recurring profit		(27.6)	(30.0)	(2.3)
7 Ordinary profit		257.6	270.0	12.3
8 Net income		163.0	190.0	26.9

[Reference]

	(¥bn)	FY19 Actual	FY22 Target	Change from FY19
9 Substantial gross business profit		742.6	765.0	22.3
10 Retail total solution services (*1)		192.7	196.0	3.2
11 Wholesale financial services (*2)		206.1	208.0	1.8
12 Stock transfer agency services		37.4	39.0	1.5
13 Real estate		56.9	62.0	5.0
14 Fiduciary services (*3)		171.7	179.0	7.2
15 Global markets		72.5	66.0	(6.5)

(*1) Including business segments such as Private banking and Work place

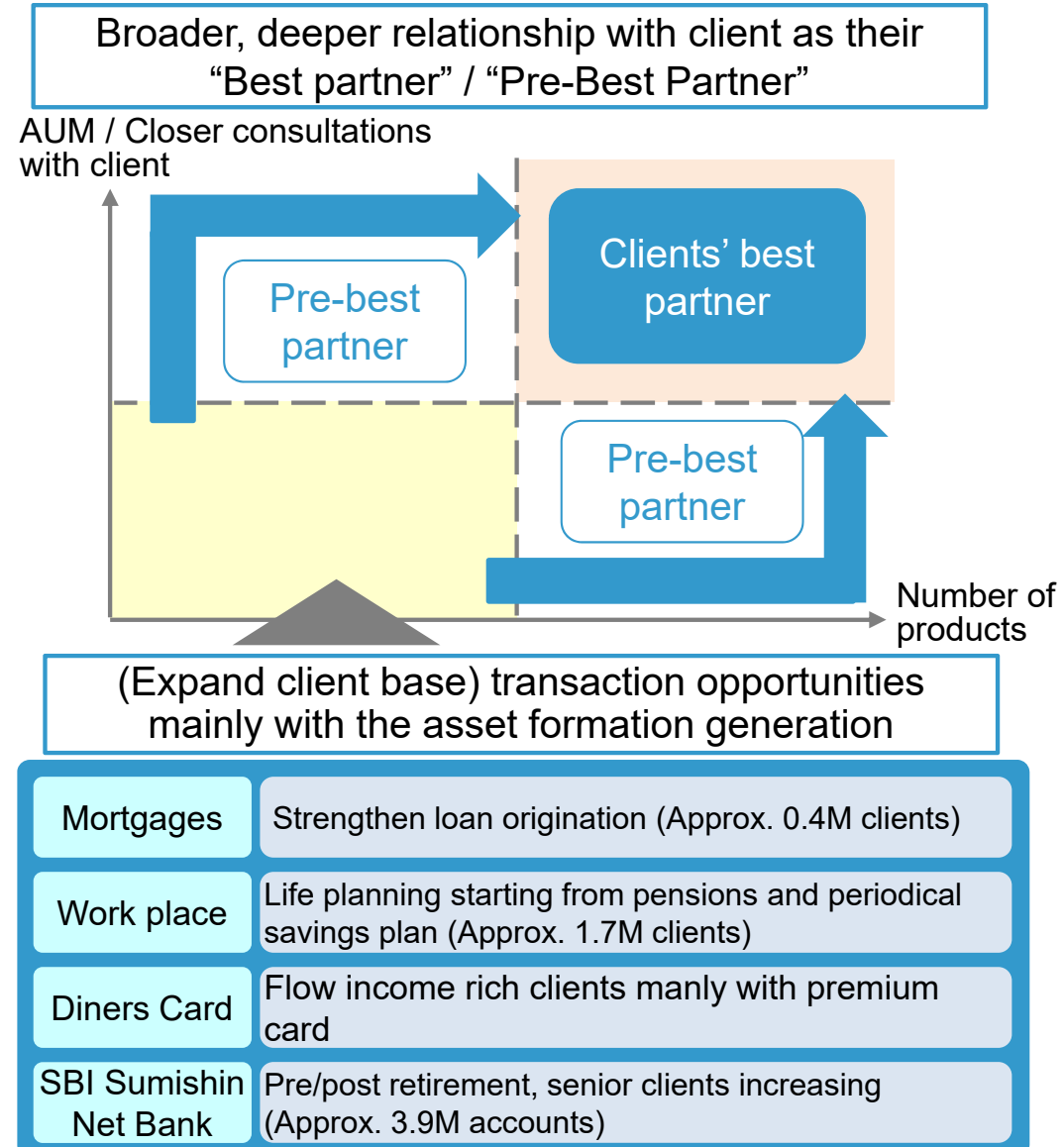
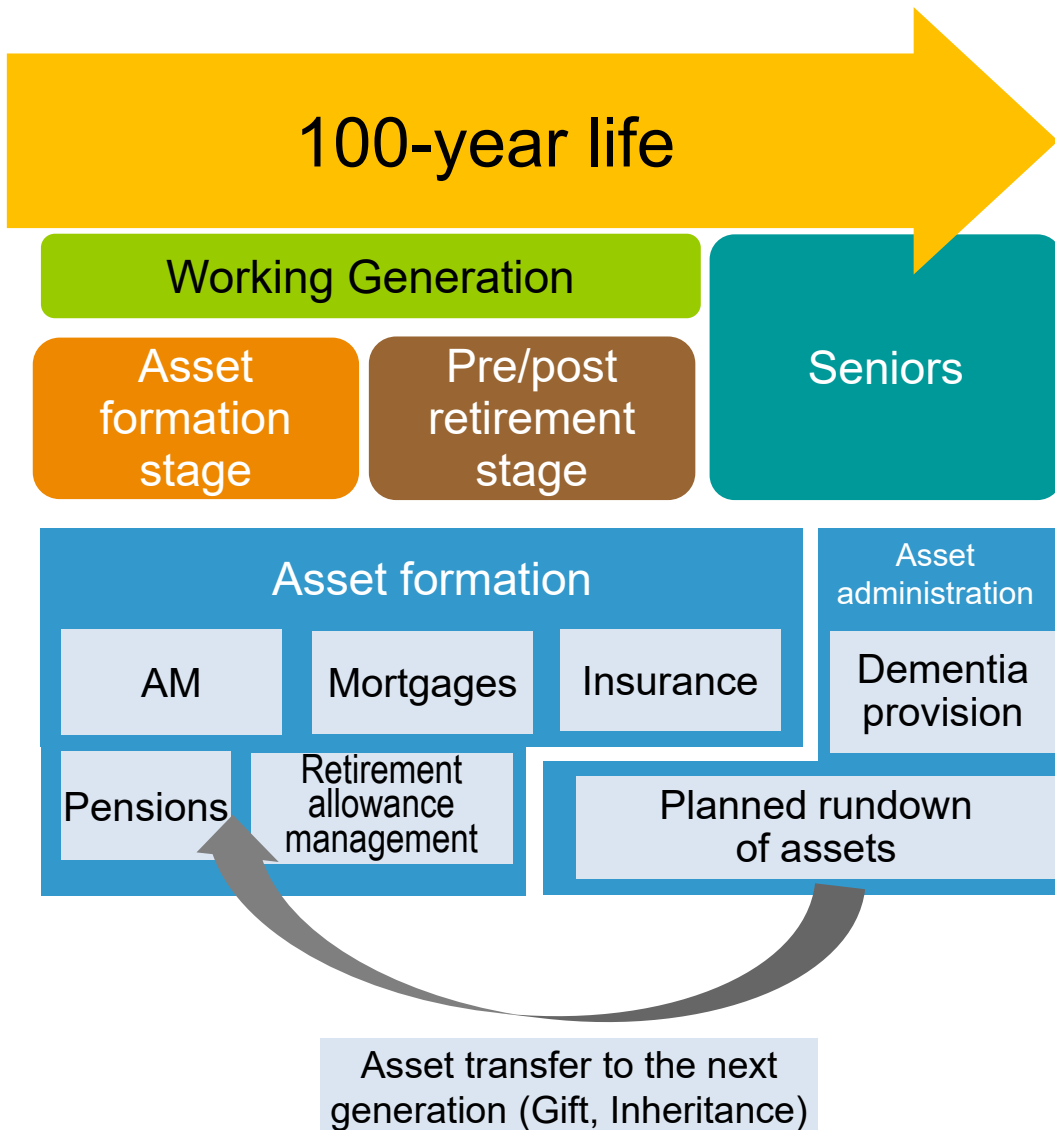
(*2) Combined total of Wholesale total solution services and Wholesale asset management

(*3) Including Asset management business

(*4) Adjustments for general and administrative expenses of headquarters, etc. made to figures of each business segments

Retail Business

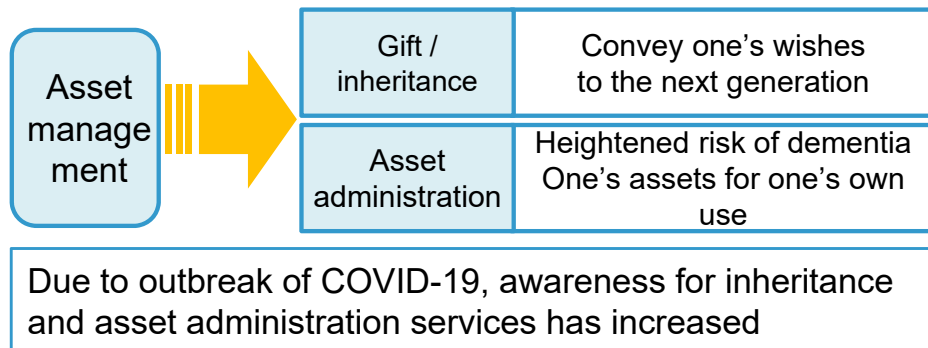
- ✓ To offer broad and comprehensive value-added solutions for clients' issues in the age of "100-year life"



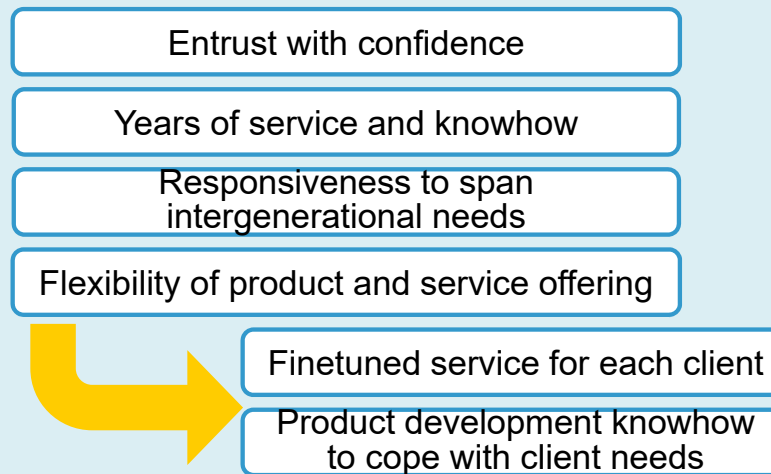
Retail Business: Business initiatives for the market for seniors (1)

- ✓ For the senior client segment, utilizing the power of trusts, support life plan that offers peace of mind and build bridges to the next generation

Needs of senior



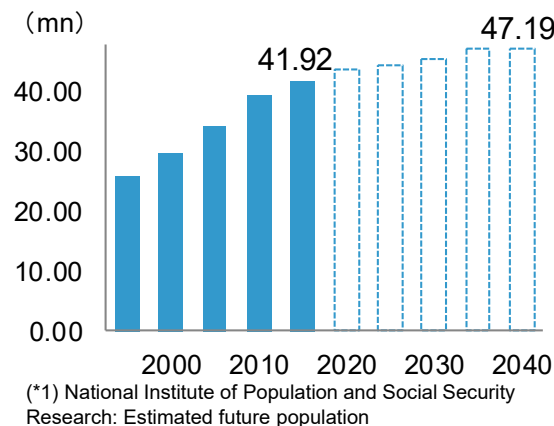
The power of trusts (safety and peace of mind)



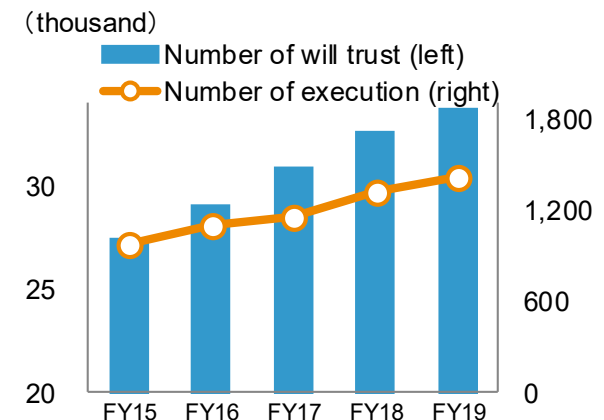
To contribute to our sustainable and stable growth beyond the Medium-Term Management Plan period

Expanding needs for gifts/inheritance

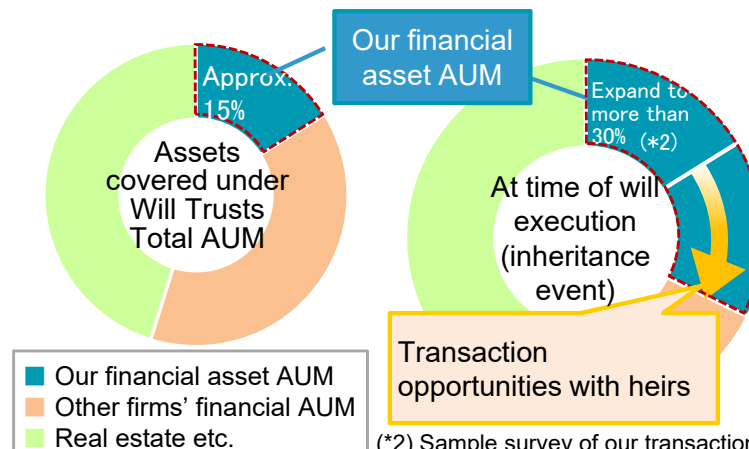
Estimate of over-60 population



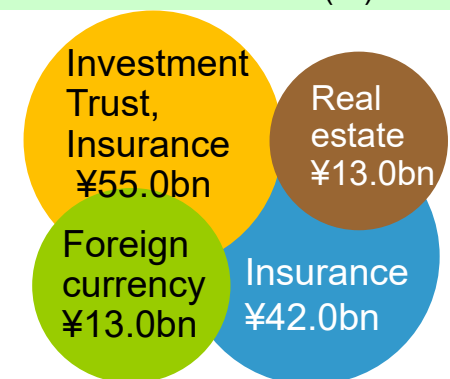
Number of will trusts administered and executed



Reach out to the next generation client base



Additional transactions with Will Trust clients (*3)

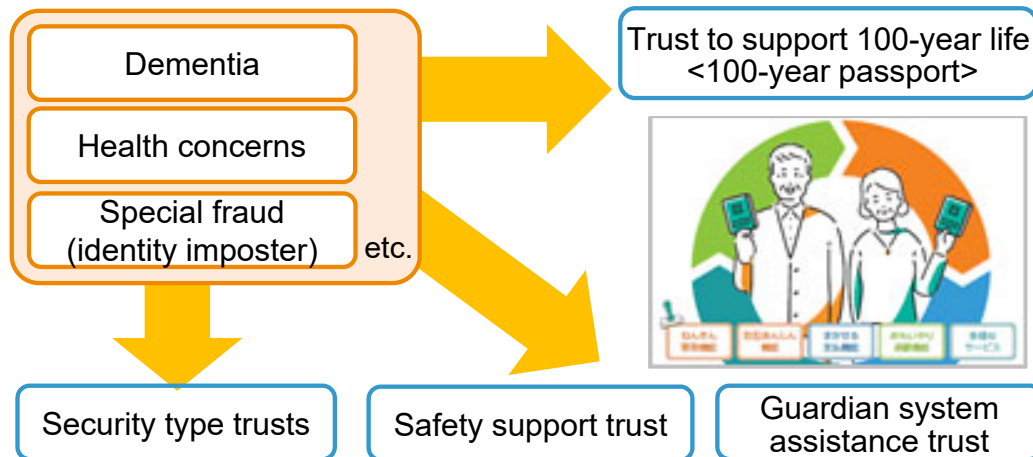


(*3) As of Sep. 19, total transaction volume (1 year during 2018/10-2019/9) with Will Trust clients. Only lump-sum payment insurance products included in insurance

Retail Business: Business initiatives for the market for seniors (2)

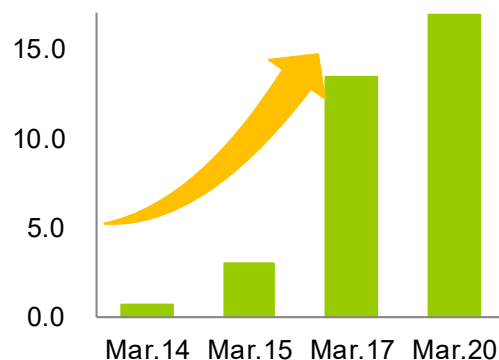
- ✓ Develop asset administration services that offers solutions to problems of super aging society such as dementia. Needs steadily expanding

Various risks and issues arising from ageing society to be tackled with the power of trusts



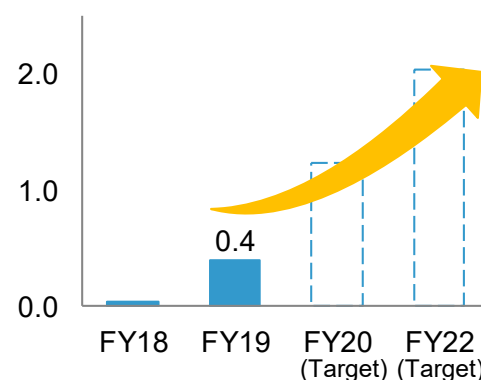
Number of asset administration type products(*)

(thousand)



Revenue from asset administration type products (*)

(Yen bn)



(*)1) Guardianship Assistance Trust, Security Type Trust, Anshin Support Trust, 100 year Passport etc.

Offer support outside the boundary of finance

To cater to the demand from senior segment, to develop services outside the boundary of finance utilizing the power of trusts

Solitary Trust (Dec.19~)

Trust



おひとりさま信託



Anshin (peace of mind)
Support NPO
(established Nov. 2018)

Assumes post mortem
non-financial services



Based on clients' ending note



Funeral

Notification of
death

Digital estate

Burial

Pet foster
home

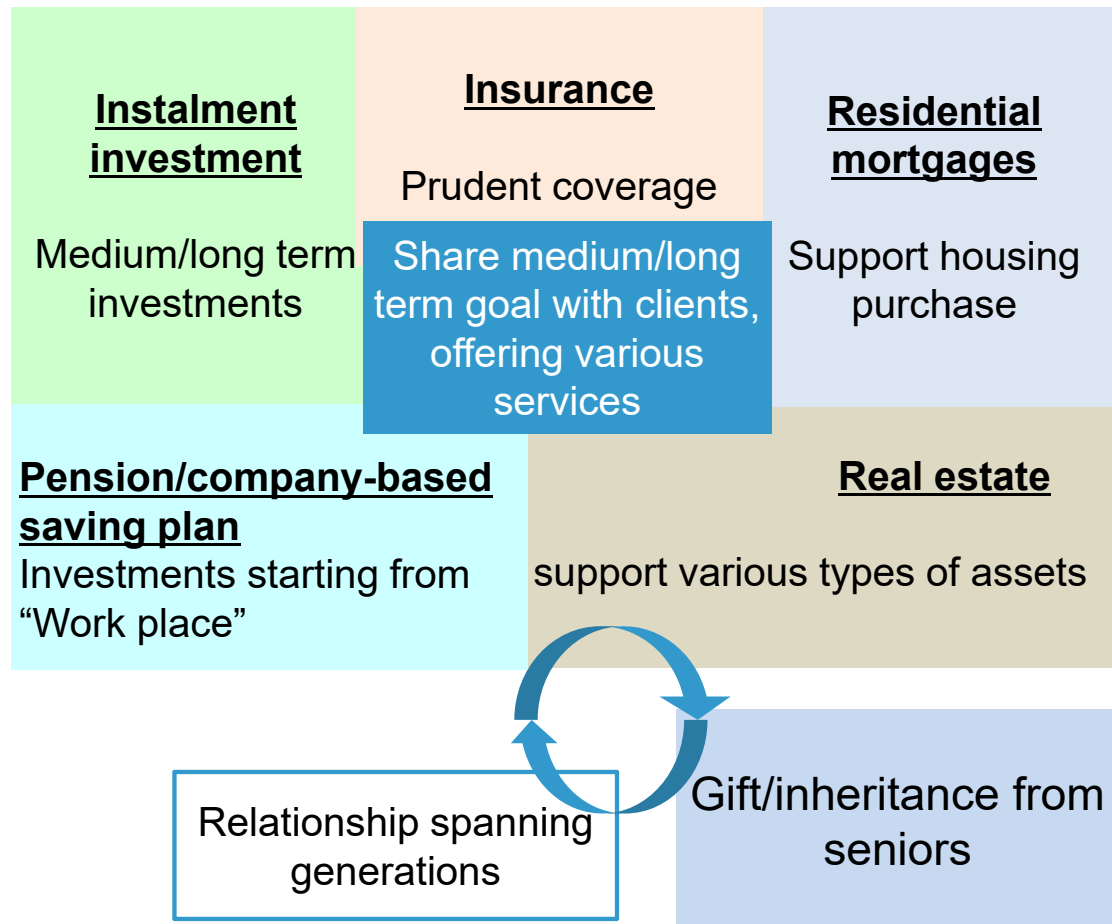
Disposal of
household items

etc.

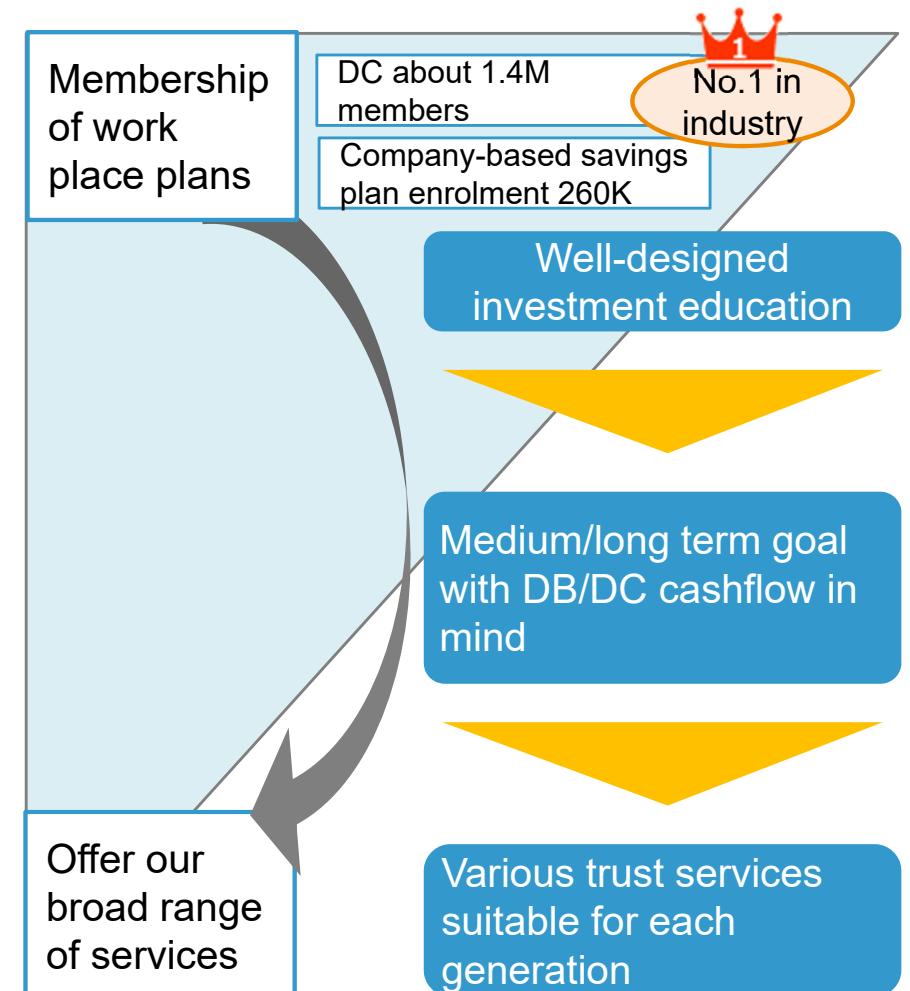
Retail Business: Initiatives for the working generation (1)

- ✓ Support wealth building of the working generation centered on the asset formation age cohort

Offer broad range of services to the working generation based on life-plan consultation
Instalment investment plans



Efforts to expand Work place business

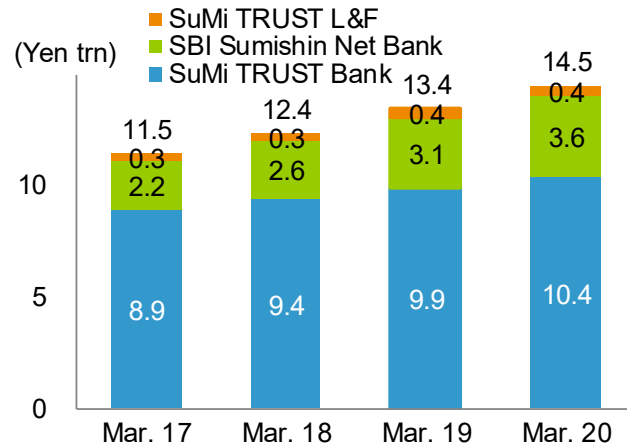


Retail Business: Initiatives for the working generation (2)

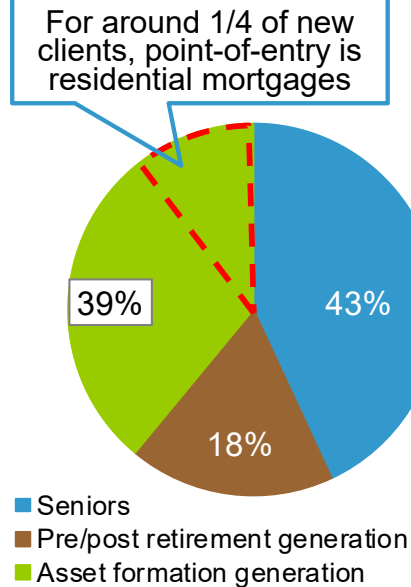
Personal loans

Efficient contact with the asset formation generation clients

Balance of loans to individuals

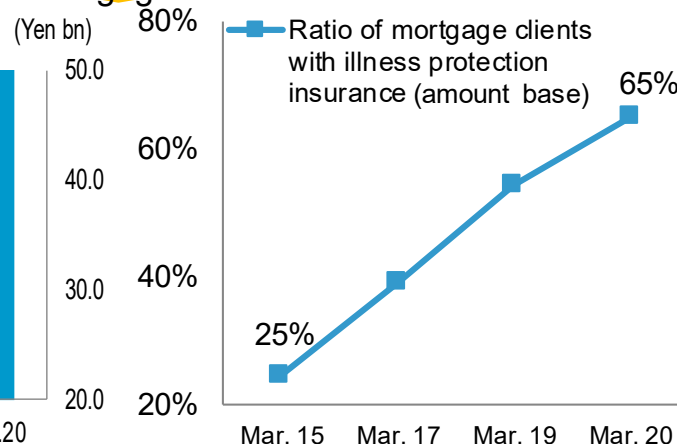
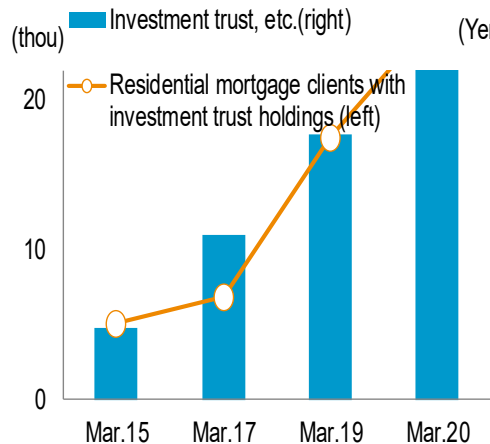


Breakdown by client profile



Continue to originate new loans, overall B/S size to be controlled going forward

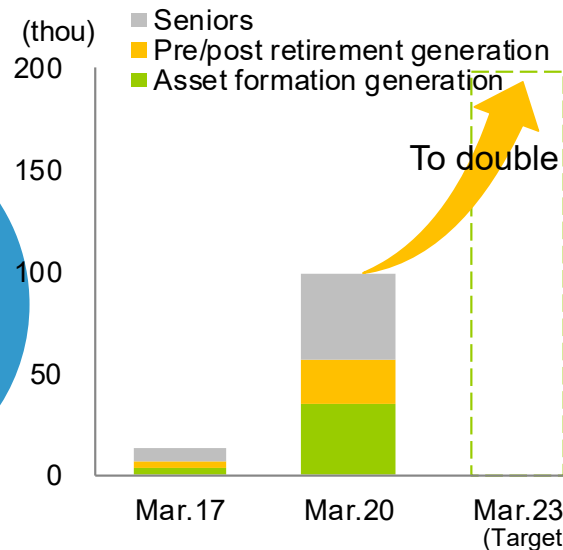
Expand other transactions with mortgage clients



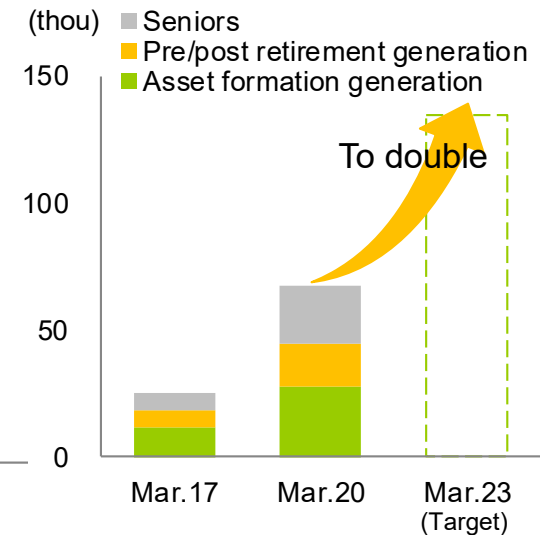
Instalment investment level premium insurance

Support savings and investments for the future

Number of instalment saving contracts



Number of level premium insurance policies



Post COVID-19 client contacts

Utilize remote access tools

COVID-19 stay-at-home directive expanding their use

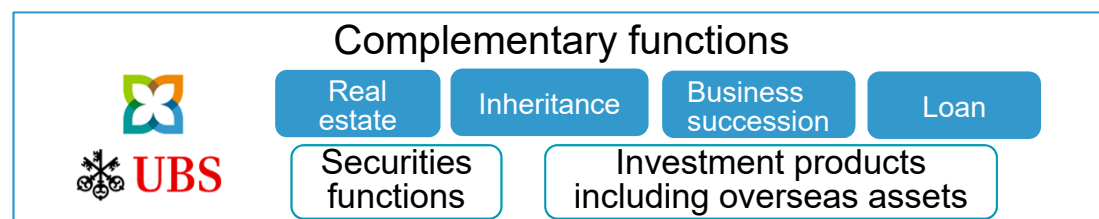


Retail Business: Wealth management business (alliance with UBS Group)

- ✓ Merger of our group's and UBS Group's strengths to create new business and expand client base

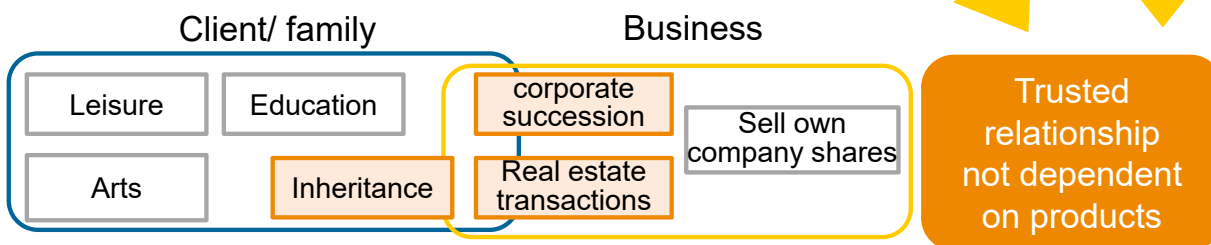
Our Group's initiatives for total wealth management services and its strengths

Broad services leveraging the strengths of both entities



Long term client relationship with their needs as starting point (Best Partner)

Client needs are varied and distinctive (Corporate Owners)



Collaboration benefits expected in real estate related areas

Schedule of collaboration

Jan.2020

Commence marketing JV operations

UBS | SuMi TRUST

(UBS SuMi TRUST Wealth Advisory, Ltd.)

Service provision to existing clients

In FY21

Establish securities firm

Separate UBS Securities' wealth management function
(Our Group 49%, UBS Group 51%)

Cultivate new clients

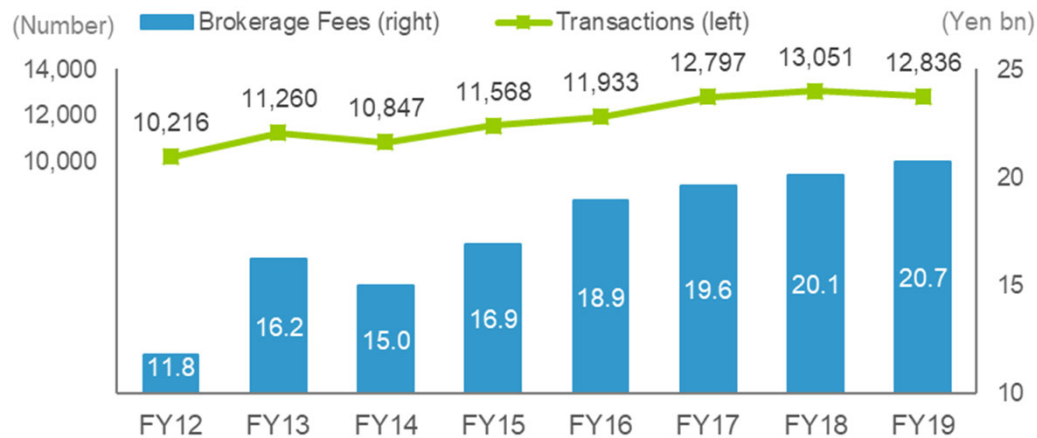
Top Brand in domestic wealth management sector

Real estate (Retail real estate brokerage)

- ✓ Steady increase of profit base through increase of inheritance related transactions, increase in branches and alliance with UBS Group

Stable growth of profit from accumulation of transactions

Transaction of brokerage deals SuMi TRUST Realty



Inheritance related transactions to increase due to super ageing of society

Shares of selling transactions resulting from inheritance in all transactions(*)



(*) Number of real estate transactions with individuals of which the reason for the transaction was inheritance related

Expectation of profit growth due to branch network expansion

Transition of SuMi TRUST Realty branch numbers and brokerage revenue (FY2012-FY2019)

Though branch number growth is moderate, brokerage profit increasing due to enhancing solution capability

	Number of branches	Brokerage revenue
SuMi TRUST Realty (Residential housing brokerage rank No.5)	Increased 4% (69branches →72branches)	Increased 68% (¥12.3bn→¥20.7bn)
Company A	Increased 62%	Increased 72%



Branch network expansion planned to bolster revenue

Increase from private banking areas

Alliance with UBS Group in private banking



To cater to real estate needs of existing UBS clients and corporate owners

Corporate business

- ✓ To offer solutions to diverse needs of corporate and financial institutional clients caused by changes in social and economic environment

Corporates

Confronting both financial and non-financial issues

Financial
issues

Finance,
asset management,
securitization

Increased
importance of
non-financial
issues

Non-
financial
issues

Strengthen
governance

Diverse work
styles

Strengthen sustainability

Financial institutions

Headwind against current business model continues

Business model
reformation

Strengthen fee
business

Ultra-low interest
rate environment

Asset management
administration

Broader, deeper relationship with client as their
“Best Partner” / “Pre-Best Partner”

AUM/Deep dive into
management issues

Pre-Best
Partner

Clients' Best
Partner

Pre-Best
Partner

Expand transaction categories

Expand client base

Corporates

Large corporations medium sized
corporations

Knowhow and function utilized

Governance

IPO

HR/Pensions

General affairs

Sustainability

Innovative companies

Diverse asset
management
products

Rapid growth, need
to tackle financial
and non-financial
issues

Financial Institutions

Major financial institutions

Regional financial institutions

Extend Knowhow and function

Portfolio management

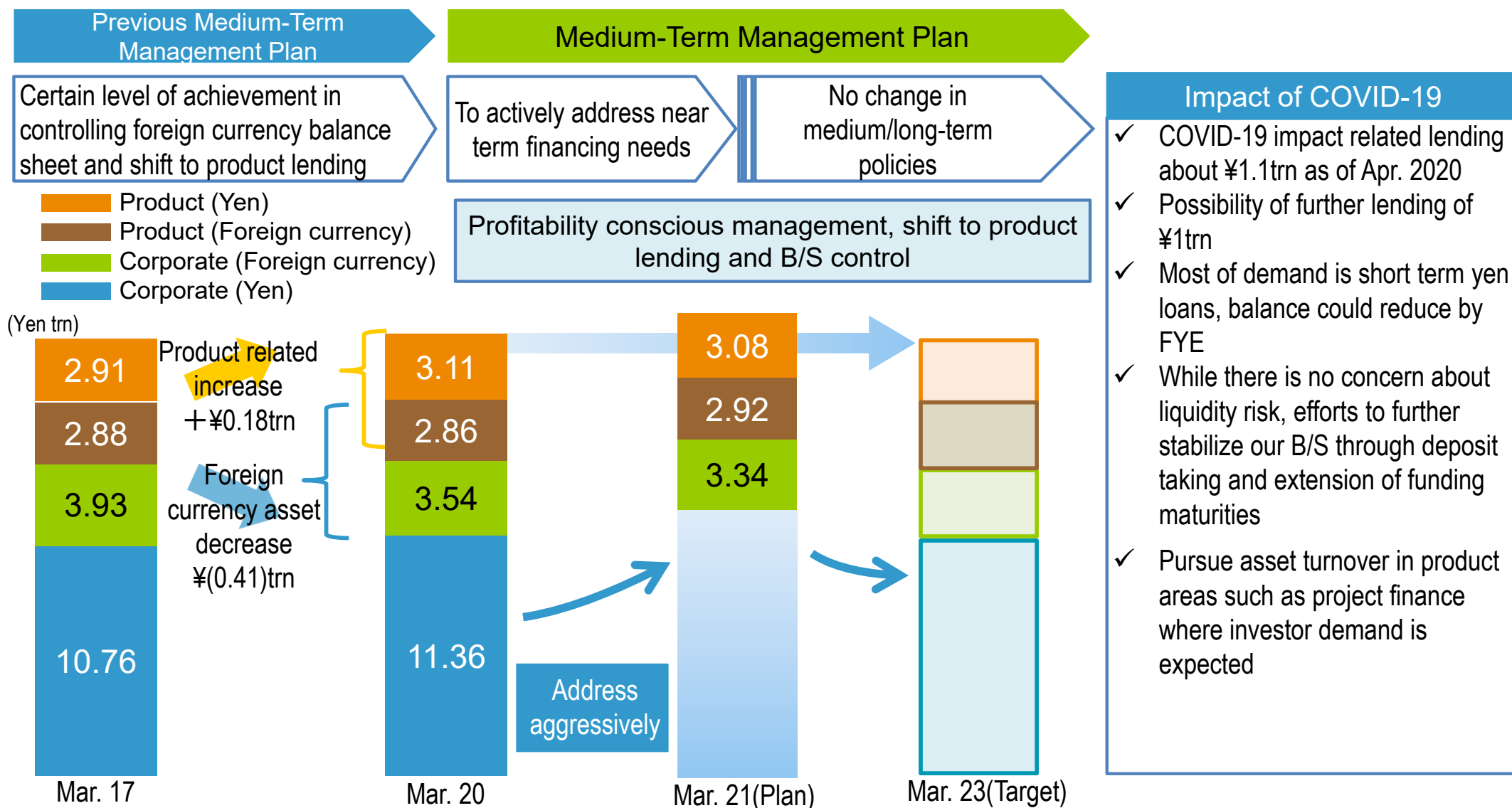
Small principal
Investment product

Cooperatives,
mutual savings
bank

Corporates

Corporate business: Credit portfolio plan

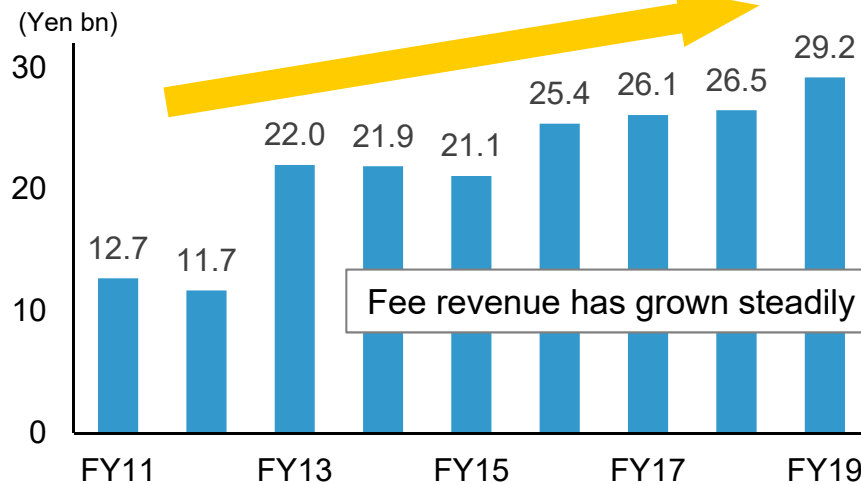
- ✓ To actively address near term financing needs from COVID-19 shock
- ✓ To maintain profitability conscious management. Balance sheet control also to be implemented



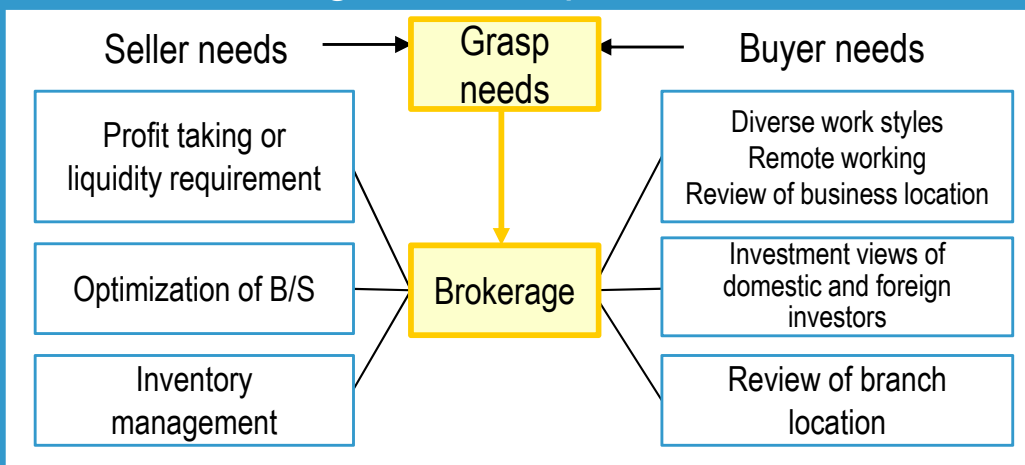
Corporate business : Real estate brokerage

- ✓ To enable sustainable and stable growth, endeavor to expand business foundations and client base
- ✓ Regarding COVID-19 shock, grasp needs of both sellers and buyers to create market liquidity

Corporate real estate brokerage fee revenue

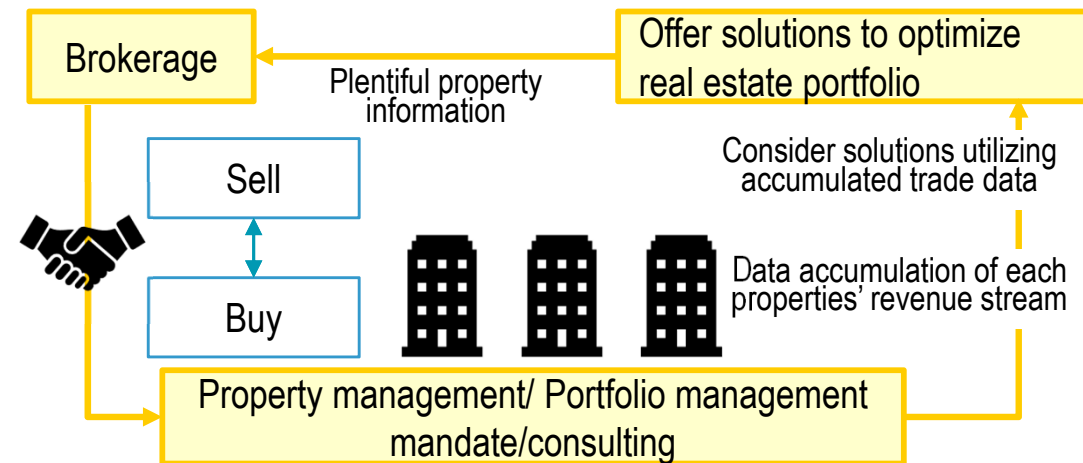


Brokerage function post COVID-19



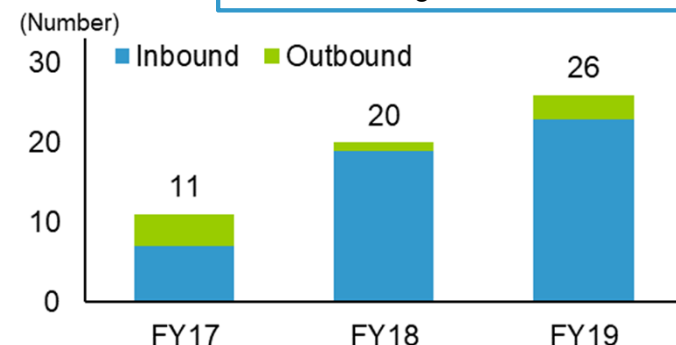
To expand business foundations

Solutions for increasing the value of clients' assets or efficiency



To expand client base

To strengthen cross border transactions



- ✓ Expand client base through utilization of overseas institutional investor channels
- ✓ Strengthen access to top management of overseas investors

Corporate business : Clients' initiatives to strengthen sustainability

✓ To support clients' sustainability from both financial and non-financial aspects

Support through financing

Positive impact finance (PIF) (⇒refer to P.62)

Finance arrangement in which corporate SDG achievement is used as evaluation criteria

Secure opportunities to present solutions by sharing issues of client companies

of PIF transactions

World's inaugural

6firms

1 firm

FY18

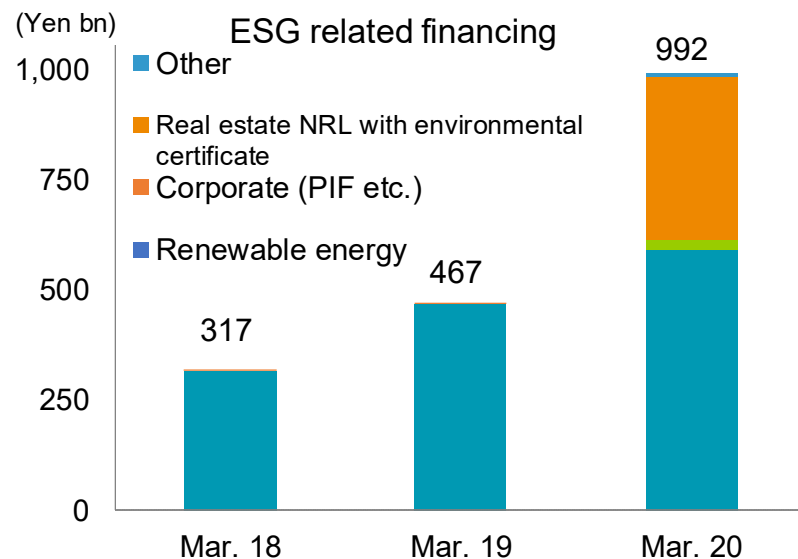
FY19

FY20 (plan)

To contribute to increase in enterprise value of client companies through assistance of ESG activities

(*1) as PIF that does not limit the use of funds

Status of ESG related financings



Support through real estate consulting

Evaluation/certification of property environmental specification

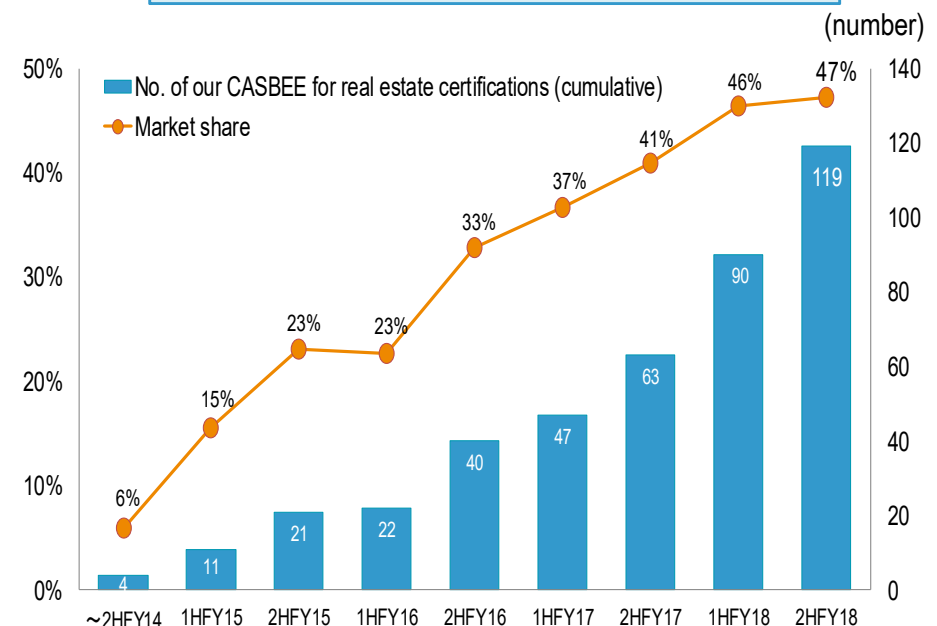


Construction consulting towards improvement of environmental footprint

Promote consulting for clients to attain environmentally friendly certification

(⇒refer to P.63)

- ✓ To enhance value of clients' real estate
- ✓ To assist clients to achieve SDG goals



(*2) CASBEE: System for evaluating environmental performance of buildings developed and promoted in Japan under the guidance of the Ministry of Land, Infrastructure, Transport and Tourism

Corporate business : Initiatives to strengthen clients' corporate governance

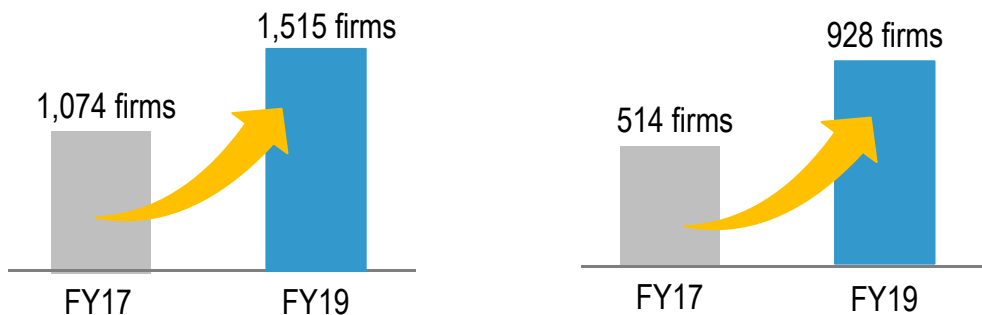
- ✓ To offer sophisticated solutions to management issues regarding corporate governance improvement and dialogue with investors

Initiatives to strengthen corporate governance

Survey utilizing our industry leading client base

Number of governance survey participants

Director compensation survey participants



Consultation utilizing survey results

Consultation regarding board of directors' meeting institutional design

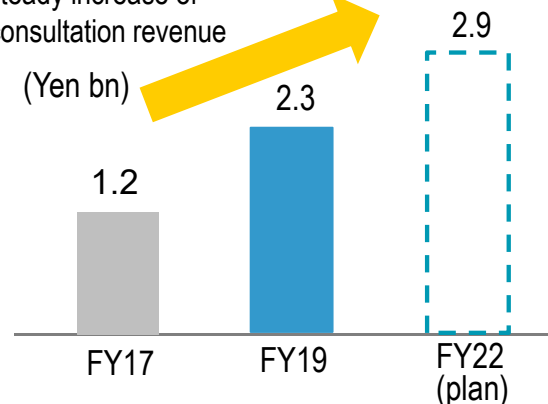
Assistance in evaluation of board of directors' meeting effectiveness

Employee remuneration consulting

Stock based compensation consulting

Consulting related revenue

steady increase of
consultation revenue
(Yen bn)



Initiatives to strengthen IR/SR

J-Eurus IR

100% subsidiary
since Mar. 2020

Renowned global knowhow with long
term record of supporting investor
dialogue and governance

Comprehensive assistance for
AGM, shareholder voting and
takeover defense measures

Meticulous, value-added
consultation capabilities in support
to evaluate effectiveness of board
of directors

Possibility of expanded solutions due to COVID-19

Current situation

- ✓ Concentrate on operational assistance of AGM
- ✓ Number of smartphone voting approved 257 to 424 firms

Hosting of AGM

Solution needs arising from shift
to electronic AGM

Dialogue with
investors

Solution needs regarding non-
financial agenda and dialogue

Opportunity to
offer new
added-value

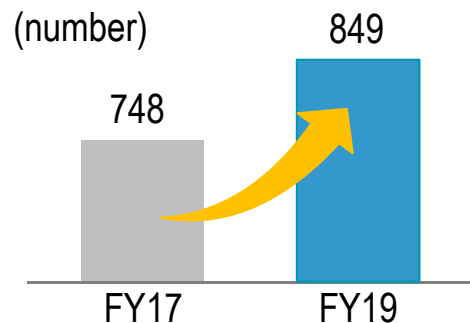
Corporate business: Collaboration to strengthen fee business of financial institutions

- ✓ To offer trust related services to broad base of clients through collaboration with regional financial institutions
- ✓ To support business model reformation of financial institutions

To strengthen strategies related to 100-year life

By fully utilizing the power of trusts, to offer added-value to senior clients of regional financial institutions

Inheritance related transactions



Commenced providing back office functions for inheritance related administration

Offer broader product range and services centered on asset administration related products

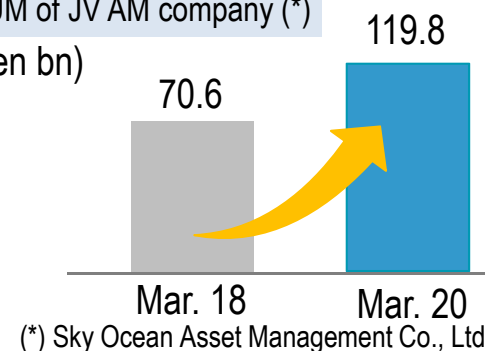
Annual gift trust

Will substitution trust

Support asset management businesses

AUM of jointly-established AM company steadily increasing Full-scale support for "client-oriented business operation"

AUM of JV AM company (*)
(Yen bn)



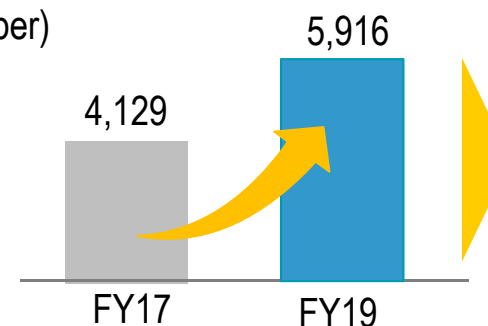
M&I Mutual Fund and Insurance
Research Institute

Support human resource development and FD refinement for financial product sales

Offer real estate solutions

Information sharing with regional financial institutions showing results

of acquired real estate transaction information
(number)



Further collaboration

Group study at regional financial institutions

Networking through staff exchange

Investor related business

- ✓ Development of investment chain by providing various investment opportunities and solving investors' problems

Changes in investors' needs

Asset Management

Development and offering of diverse investment products
Respectable investment return

Needs for investment products with distinct characteristics

Asset administration

Stable and quick processing of high volume, repetitive paperwork

BPO (*) needs for increasingly complex administrative functions

Consulting solutions

Corporate pension system design, operation and administration

Increased consulting needs for a wide range of investors

Solutions to offer

Create diverse investment opportunities by broadening product lineup

Strengthen product development centered on private assets

Improve product lineup by utilizing domestic and overseas offices and marketing channels

Balance both pursuit of economies of scale and response to individual needs

Improve efficiency through integration of specialized asset custodian banks

Offer solutions for managing complex investment product administration

Offer solutions to new needs and investor class

Offer investment proposals for professionals to a wide range of investors

Support long-term investment for asset formation generations

(⇒refer to P.50)

(*) Business Process Outsourcing

Investor related business : asset management (1)

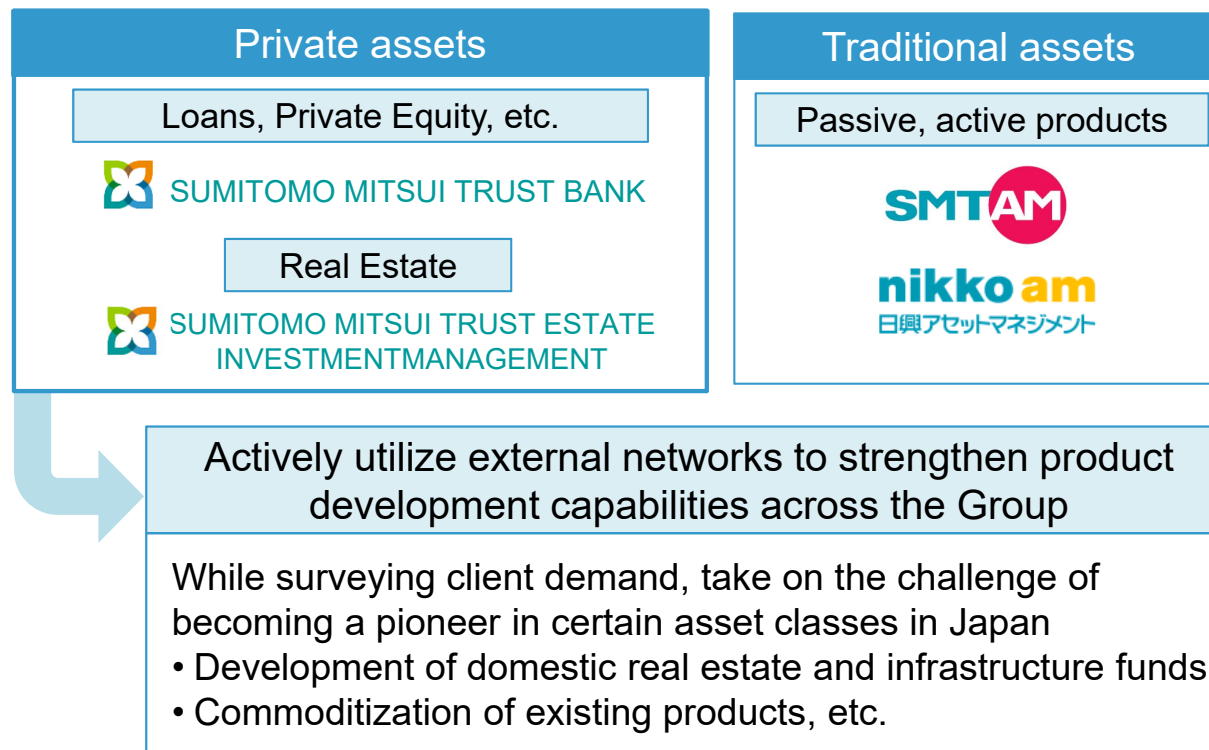
- ✓ Strengthen development and offering of various asset management products for financial institutions and non-profit corporations

Enhance development abilities of private asset-type products

Needs of investors such as pension funds, financial institutions and non-profit corporations have expanded beyond traditional asset-type products

- ▶ Strengthen development and offering of private asset-type products

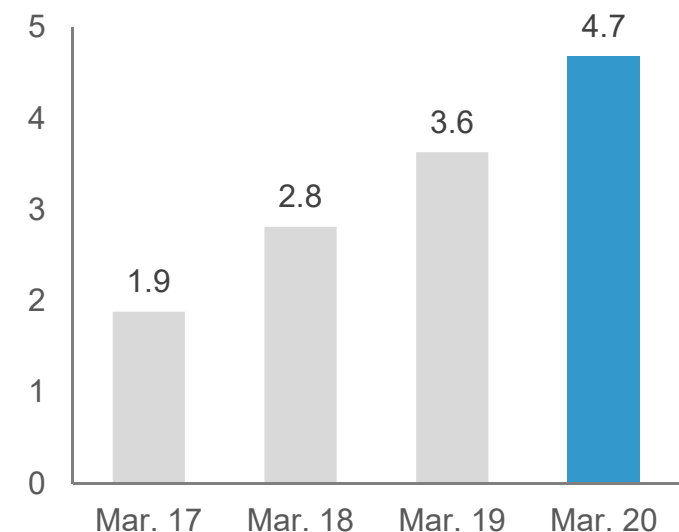
(Reference) Major asset management product functions of the Group



Corporate clients' AUM

Private investment trust and alternative product AUM for financial institutions

(Yen trn)



Investor related business : asset management (2)

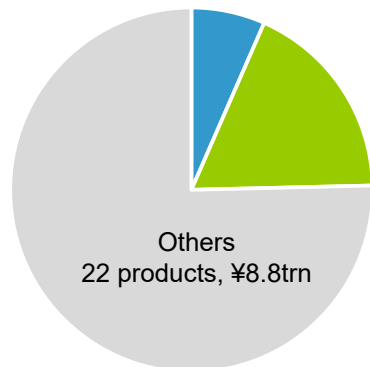
- ✓ Offer a wide range of attractive products that leverage the strengths of each AM company through a multi-boutique strategy

Domestic public investment trusts for retail clients



Area to aim for growth by utilizing each sales channel and products' competitive edge

Public investment trusts
(Top 30 products, as of Mar.20)



SuMi TAM
2 products,
¥0.7trn

NAM
6 products,
¥2.1trn

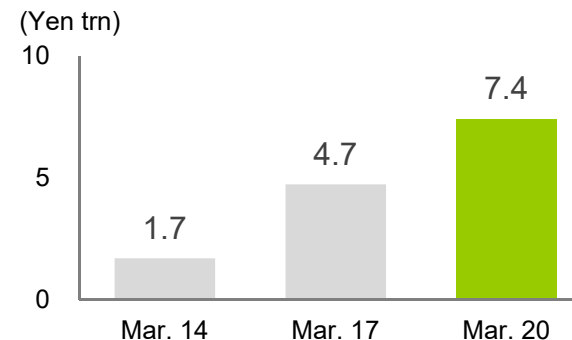
8 of the top 30 products are
from both AM companies
(24% of outstanding balance)

Develop ETFs in overseas markets



Expand in the domestic market
and accumulate know-how

AUM of domestic ETF



Expand in areas in which we
can leverage the strengths of
overseas networks

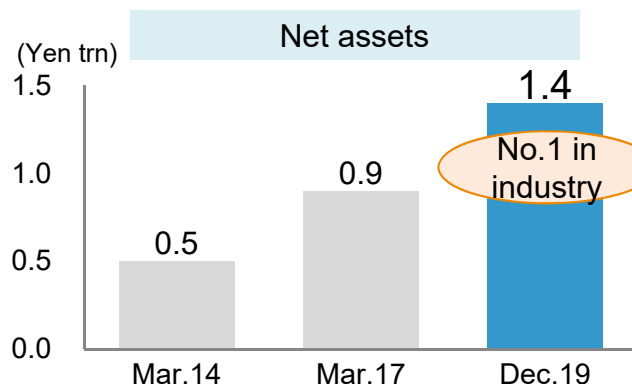
Singapore

Hong Kong

UK

Develop and market ideal ETF
products that matches market
demand in each country

DC plan investment trusts



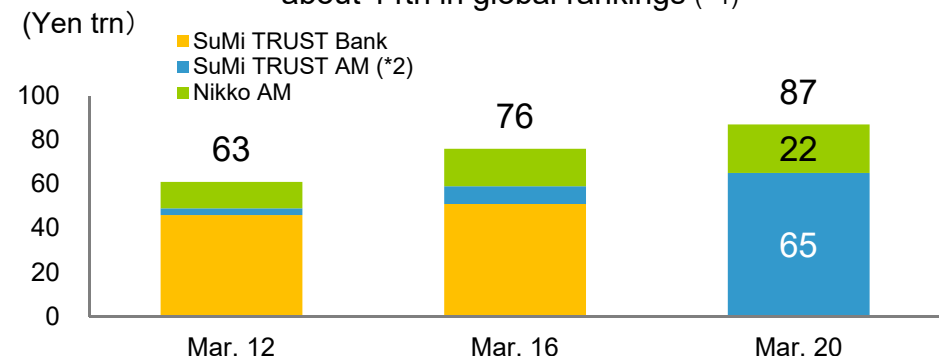
No.1 in
industry

Propose new products,
accelerate sales of existing
products, and enhance
information provision

Further increase AUM

Transition of the Group's AUM

Combined AUM of the two AM companies rose to
about 14th in global rankings (* 1)



(*1) Source: INVESTMENT&PENSIONS EUROPE2019 (as of Dec. 19)

(*2) AM balance of SuMi TRUST Bank partially included

Investor related Business : Asset Administration

✓ To offer optimal solutions for both types of diversified client asset administration needs

Investment products that fit with
large-volume and repetitive paperwork

Services to be provided by
a specialized custodian bank

Scheduled to complete integration of Japan Custodian Bank in
July 2020

Both high quality and low cost to be achieved
by pursuing economies of scale

Stability

Speed

Low cost

Diversification

Complex and highly bespoke
investment products

High value-added services to be
provided by JABIS ^{(*)2}

^{(*)2} Japan Asset Business Information Services: Outsourcing service of securities admin. processing

Challenges facing the asset management industry

- Diverse and complicated investment products
- Increased reporting workload due to tightening regulations
- Profitability dented due to increased fixed costs

Achieve BPO by offering our
knowhow and infrastructure

High quality

Flexible
support

Volume-
based fees

(Reference) Integration scheme of specialized custodian banks
【Pre-merger】

 SUMITOMO MITSUI TRUST HOLDINGS

(33.3%, Top shareholder)

JTC Holdings

JTC Holdings

(100%)



Japan Trustee Services Bank

(100%)



Trust & Custody Services Bank

TCSB

【Post-merger】

 SUMITOMO MITSUI TRUST HOLDINGS

(33.3%, Top shareholder)



Custody Bank of Japan

(*)1 ownership

(Reference) JABIS schematics

AM company (Client) business

To specialize in competitive areas by BPO

AM front
office

Middle
office

Back
office

Reporting

Business support
(provide data, etc.)

Business
outsourcing



SUMITOMO MITSUI
TRUST BANK

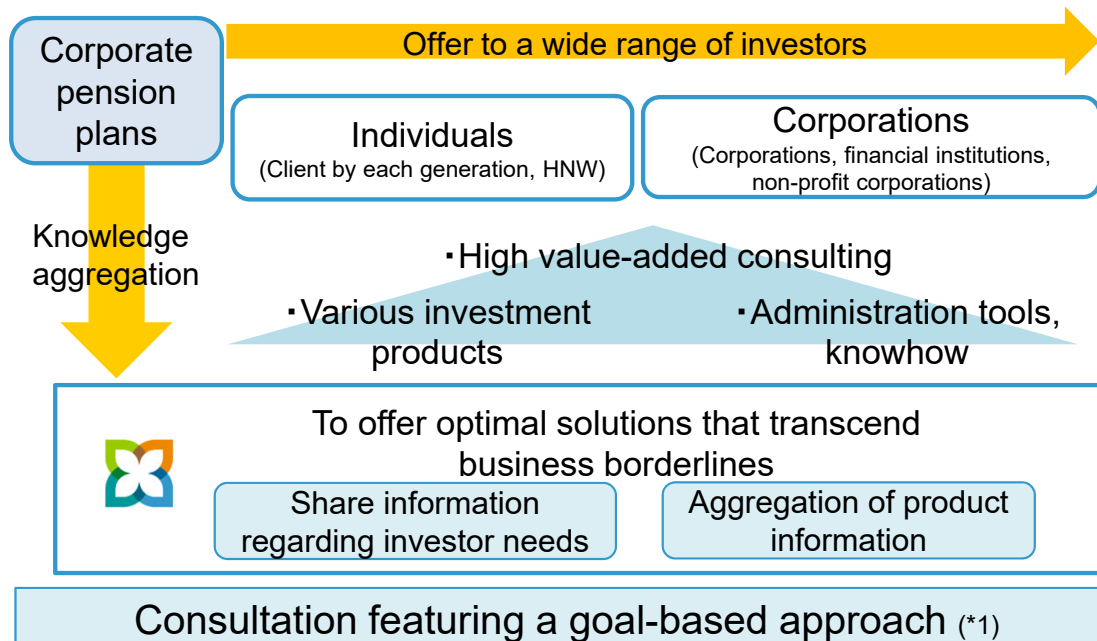


SUMITOMO MITSUI TRUST HOLDINGS

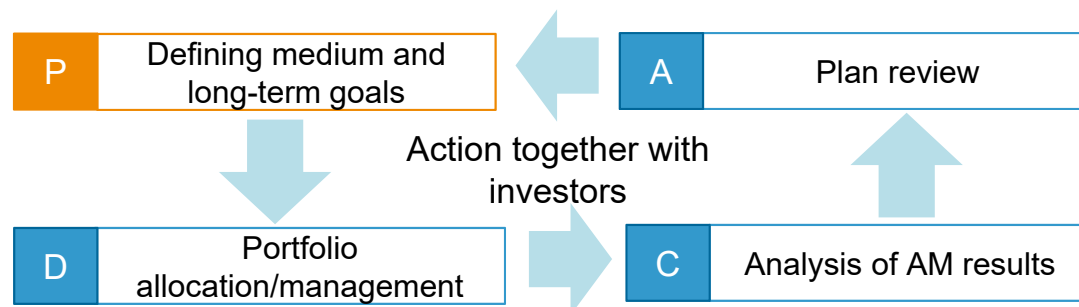
Investor related business : consulting, providing solutions (1)

- ✓ To offer consultations to a wide range of investors with refined consulting skills nurtured through pension fund management

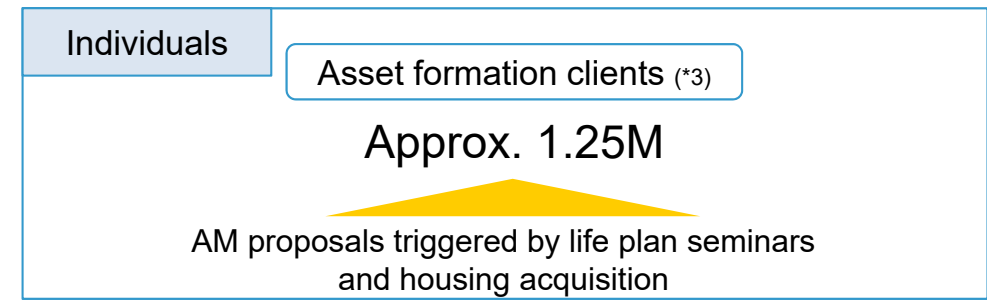
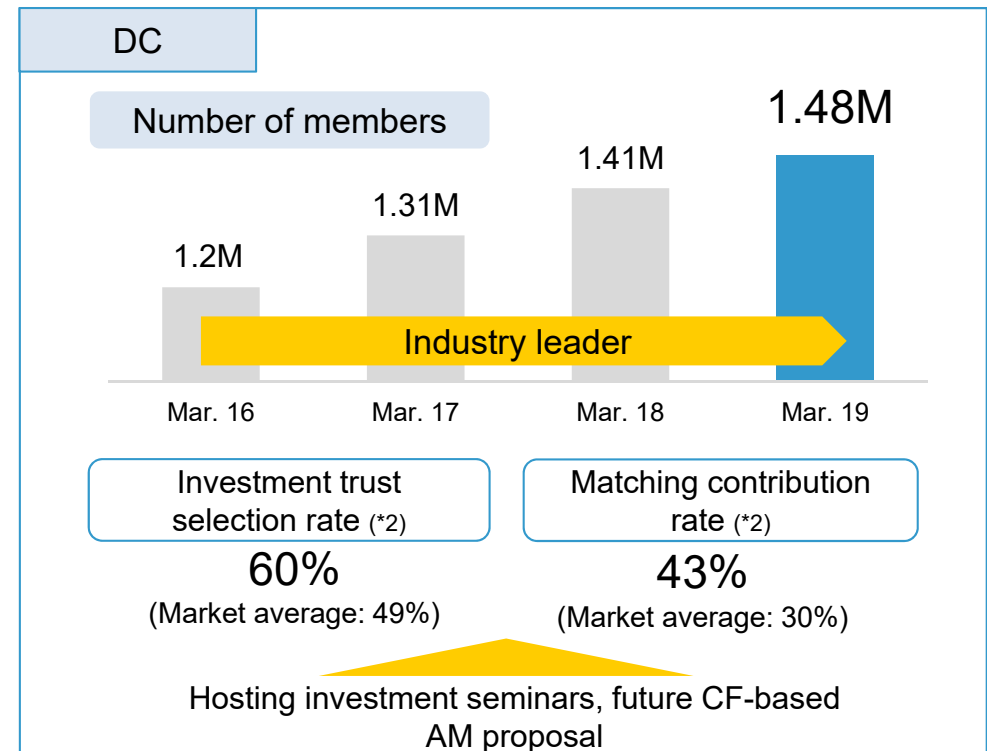
Utilize consultation for pension management



(*1) Long-term investment proposal and continuous support based on projected future assets required and cash flow



Offer to a wide range of investors



(*2) As of Mar.19

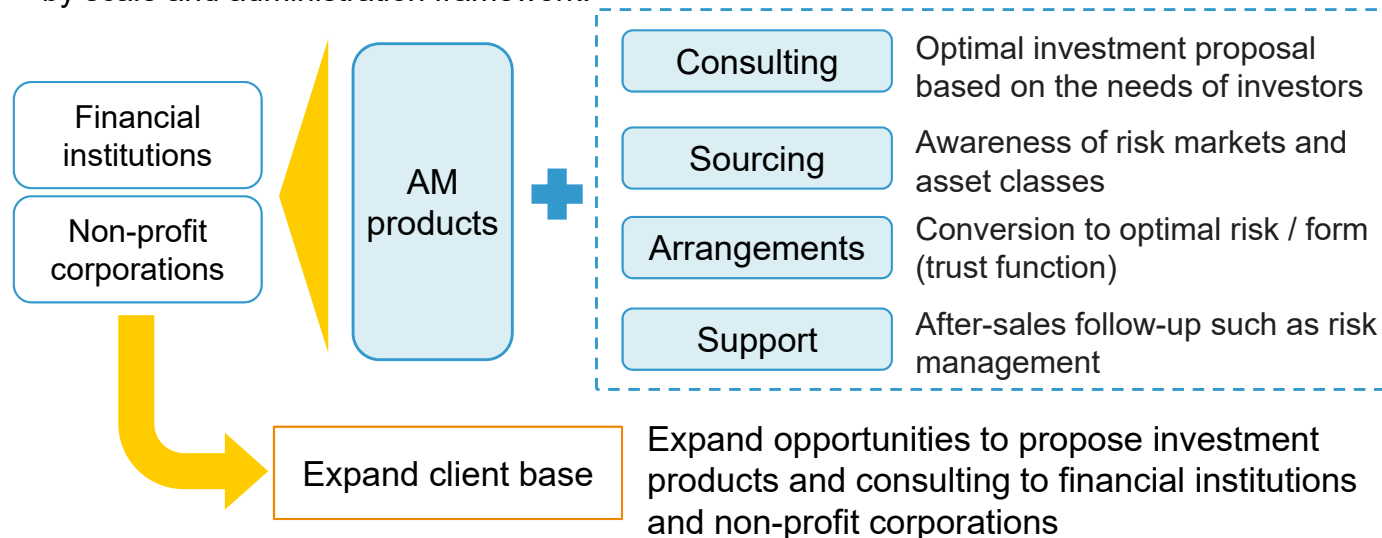
(*3) As of Mar.20

Investor related business : consulting, providing solutions (2)

- ✓ AM needs of corporations increased due to continued extremely low interest rate environment. To offer comprehensive services including risk management

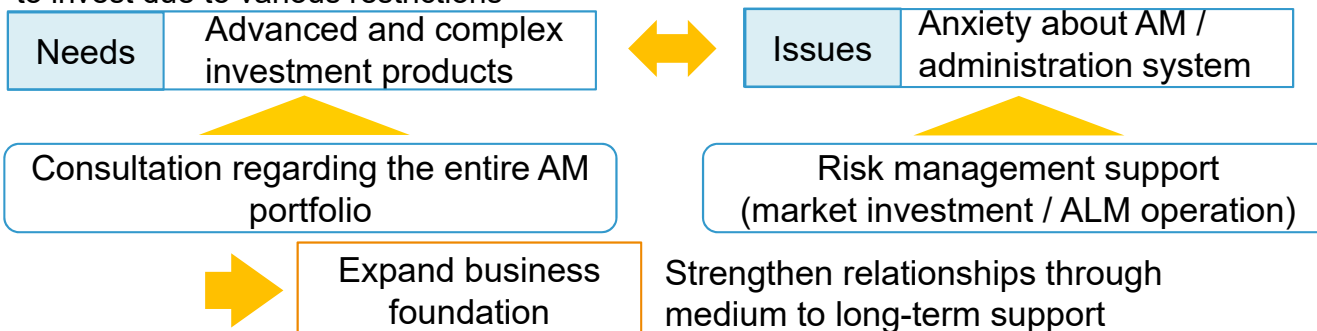
To offer solutions that are not limited to investment products

The needs of corporate investors vary widely not only by attributes but also by scale and administration framework.

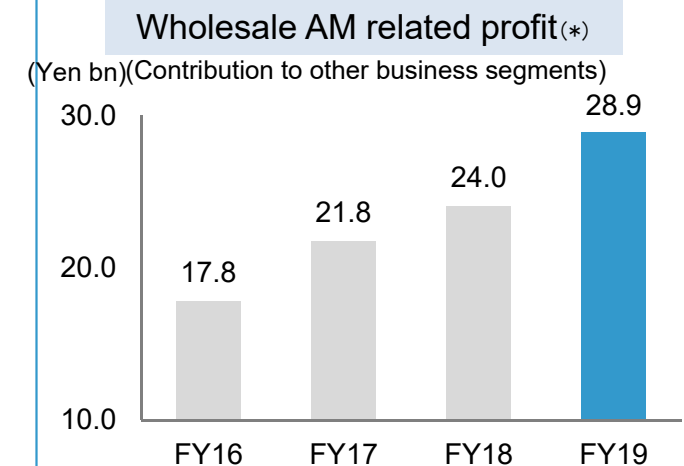
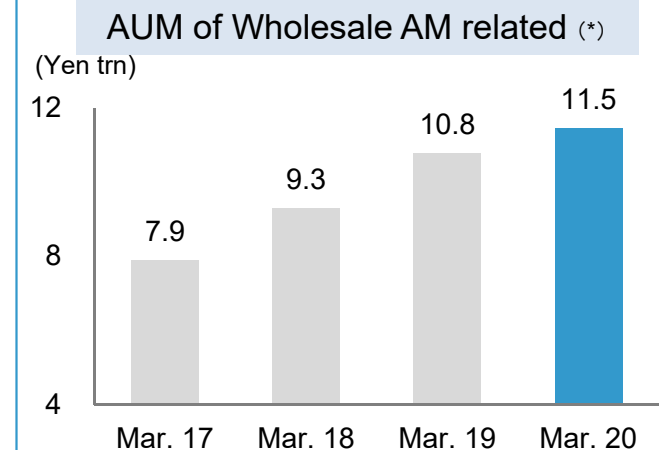


Various initiatives to fulfill AM needs

Although there is need for investment products, many investors are unable to invest due to various restrictions



Corporate clients AUM/profitability



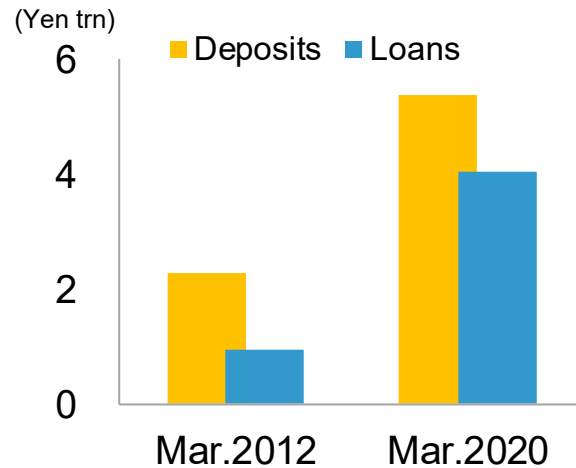
(*) Private investment trusts / alternative funds, loans, joint money trusts, structured products, etc. Contribution to other divisions

Group Company Management

SBI Sumishin Net Bank

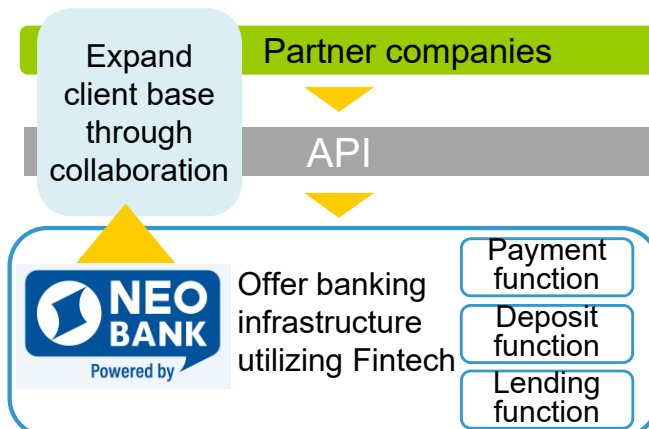
- ✓ Increasing opportunities for SuMi TRUST Bank to provide consulting services due to the age shift of clients

Business performance

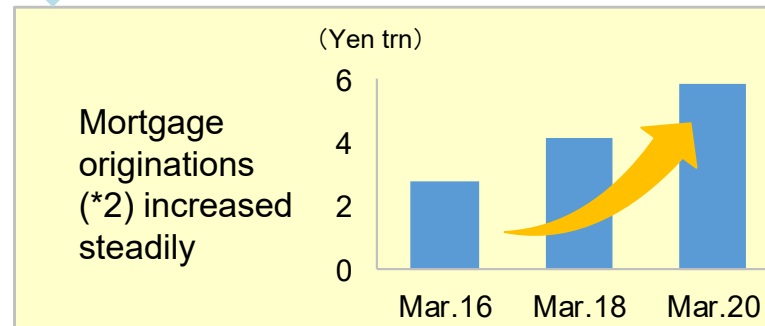
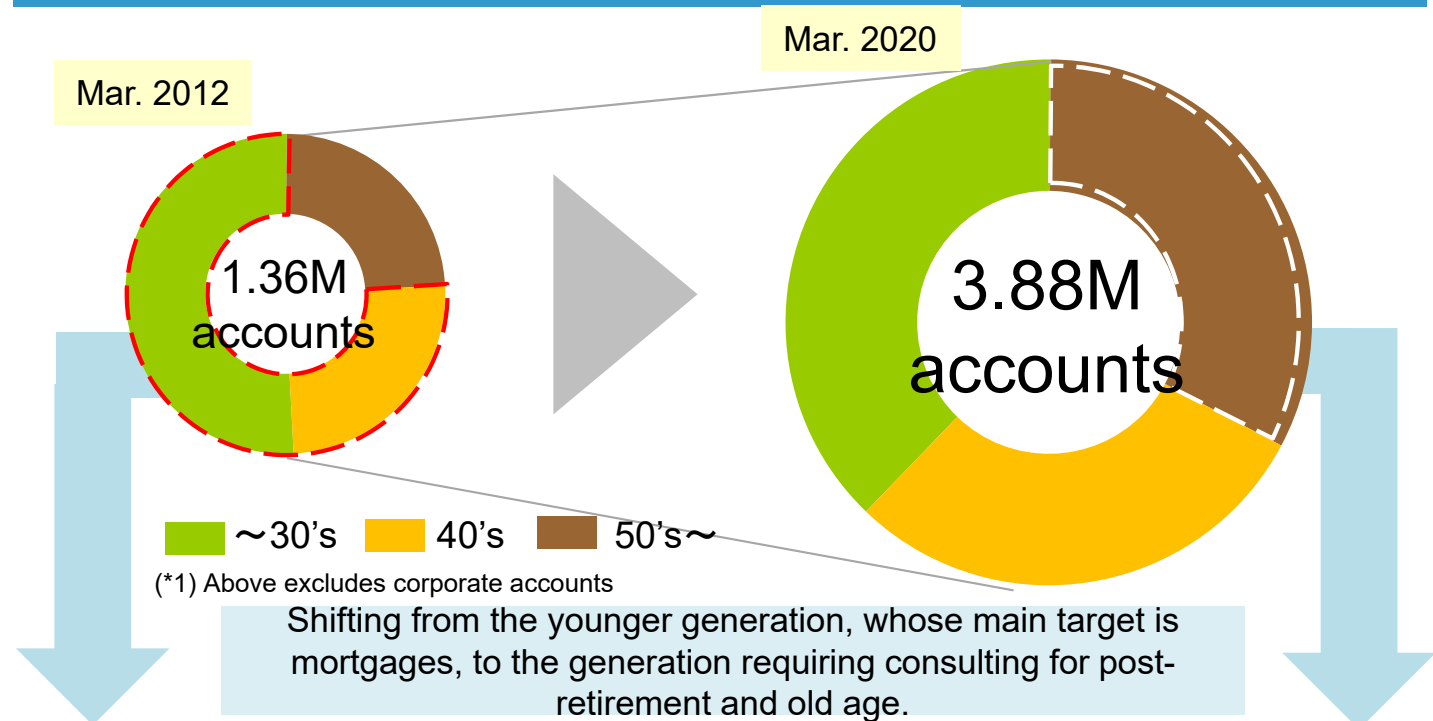


Business expanded stably

NEOBANK® Initiatives



SBI Sumishin Net Bank client base



(*2) Sum of loans originated by SBI Sumishin Net Bank, originated as marketing affiliates, originated by other marketing affiliates including Flat 35

Increased opportunities for providing consulting services for retirement allowances and inheritance at SuMi TRUST Bank

Sumitomo Mitsui Trust Club

- ✓ Revise business plan in light of the deterioration of the business environment due to COVID-19 shock
- ✓ Going forward, emphasis on added-value as a “Club” through issuance of premium cards

About financial results for FY2019

[Fixed assets related to Sumitomo Mitsui Trust Club]
(Yen trn)

Consolidated SuMi TRUST Club	Goodwill	6.4	Impairment loss	6.4
	Intangibles	2.6		2.6
	Fixed assets (Software)	13.6		8.6
			Collectable amount	4.9
				approx. ¥(18)bn

[Background of loss recognition]

IT investment that greatly exceeded plan at the time of acquisition has been a major constraint on marketing activities

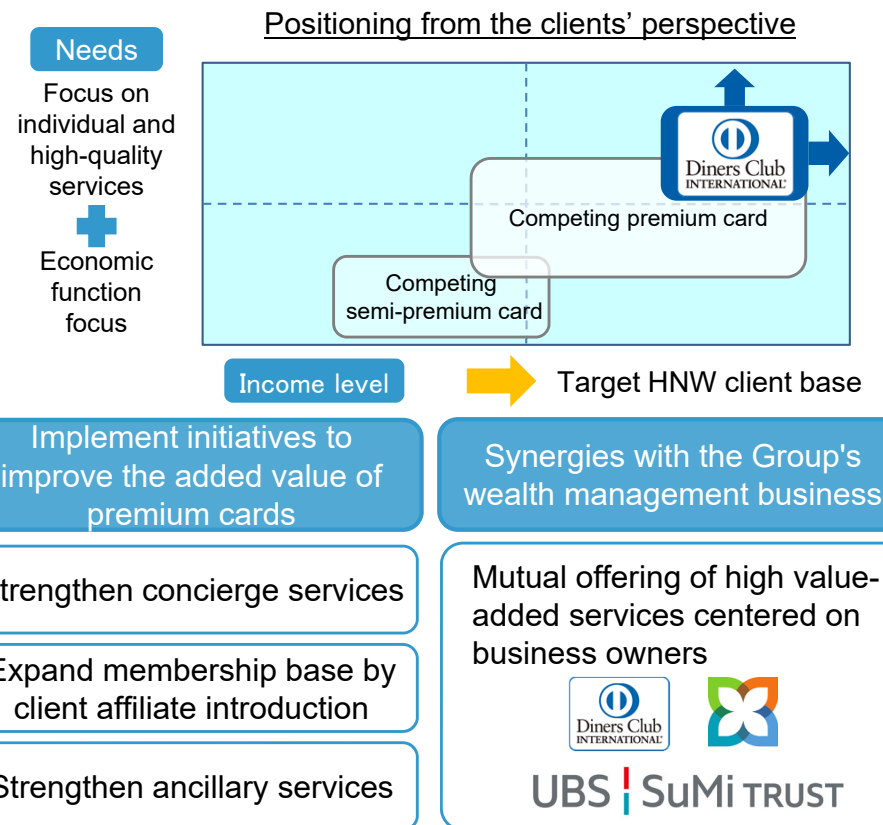
Revised plan in FY2019

Also, slowdown of high-end consumption due to COVID-19 outbreak taken into account

Additional revision in FY2020

Direction of future strategy

Focus on expanding membership by clarifying the position as a Diners "Club" and strengthen premium services for high-income members

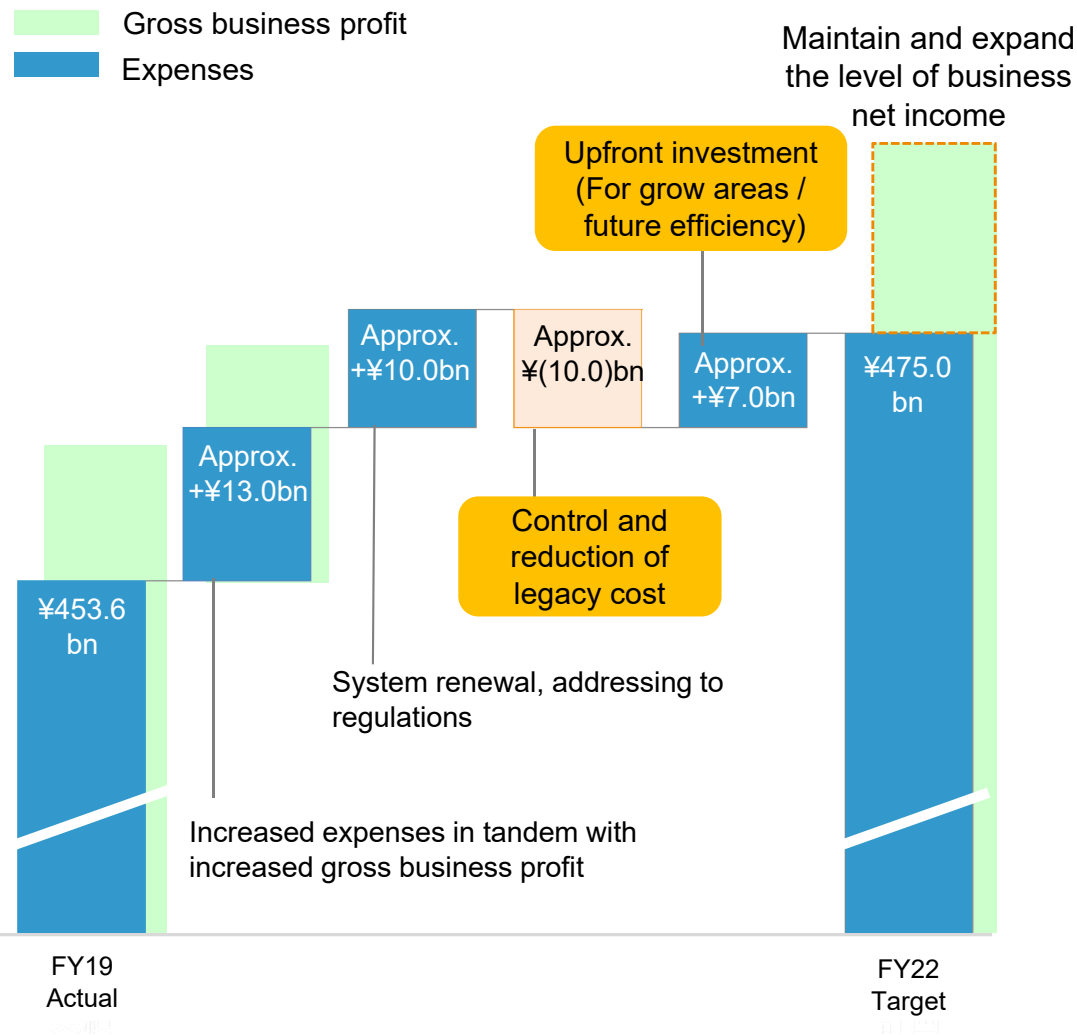


Strategic Resource Mix

Expenses strategy

- ✓ Control costs and strengthen streamlining. Preceding investment in areas where the Group's strengths can be demonstrated

Expense strategy during the new Medium-Term Management Plan



Personnel expenses →

While extension of retirement age is under consideration, gradual decrease due to the transfer and retirement of the mass-hire cohort

IT related costs →

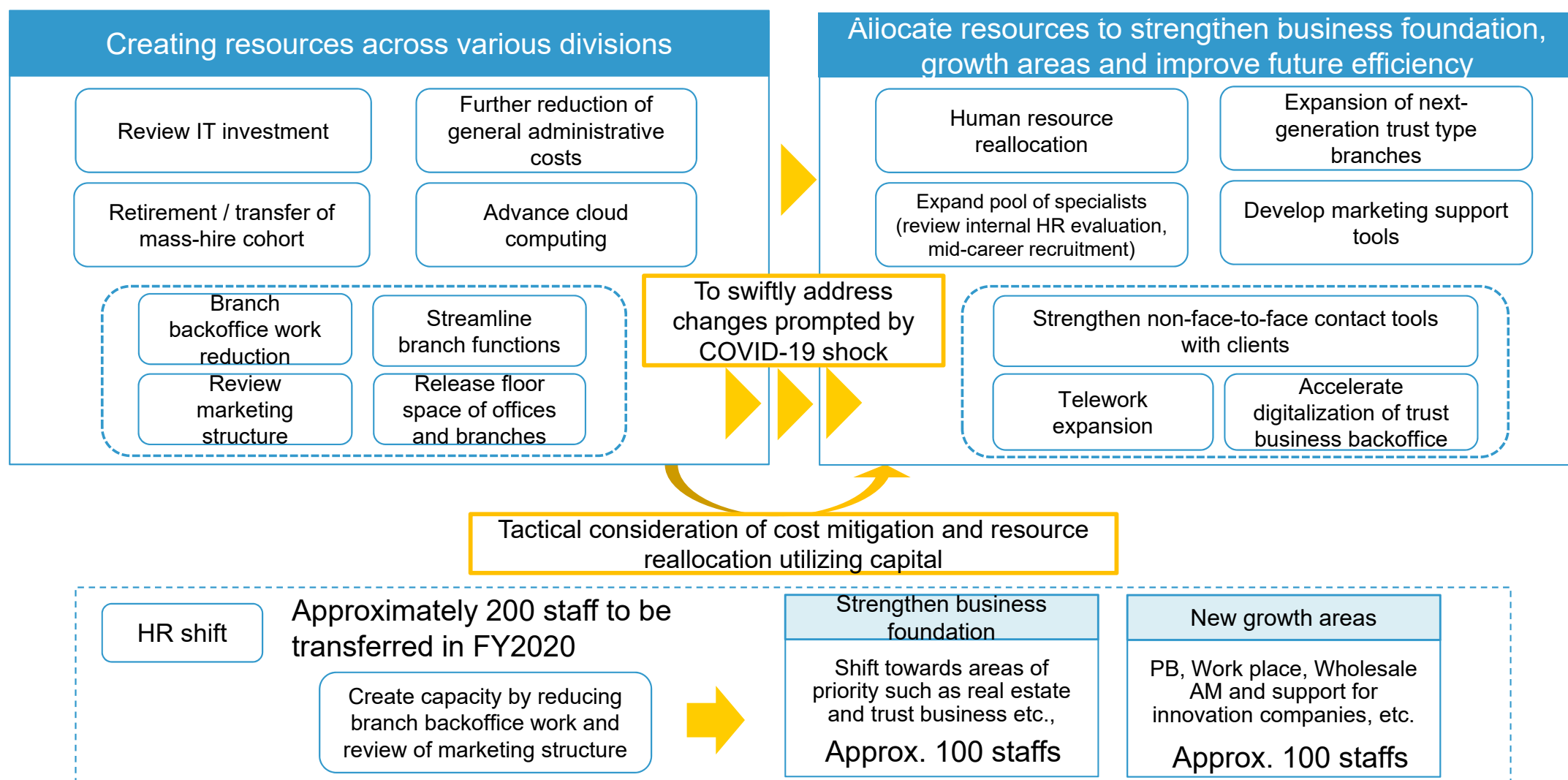
Prioritize IT related upfront and renewal investment
Mitigate future burden by expanding cloud computing

General Administration Costs →

Increase in gross profit-linked expenses. Pursue legacy cost reductions such as releasing floors of branches and office buildings. Consider further cutback measures

Endeavors to reform cost structure and reallocate resources

- ✓ In addition to individual cost reduction measures, to consider reduction and resource reallocation by utilization of capital to improve efficiency
- ✓ Consider resource shift in light of social, business and client interaction after COVID-19 shock

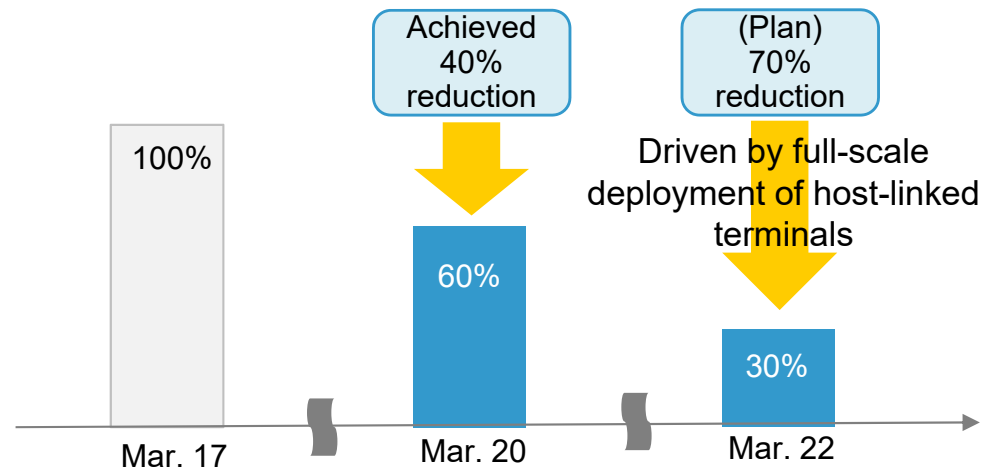


Branch strategy, benefits of shift to cloud computing

Branch strategy

Review branch operation

Branch backoffice work reduction



Function streamlining

Optimal function installed for each branch's local market

Reinforce branch network

Consolidation of operations / backoffice work and optimal staff deployment between adjacent branches

Deploy human resources to priority areas



Return excess floor space (expanded to 1.5 times the original plan)

Forecast around ¥2bn (*) contribution to net business profit
(increase in gross profit +¥0.8bn, reduce costs ¥(1.2)bn)

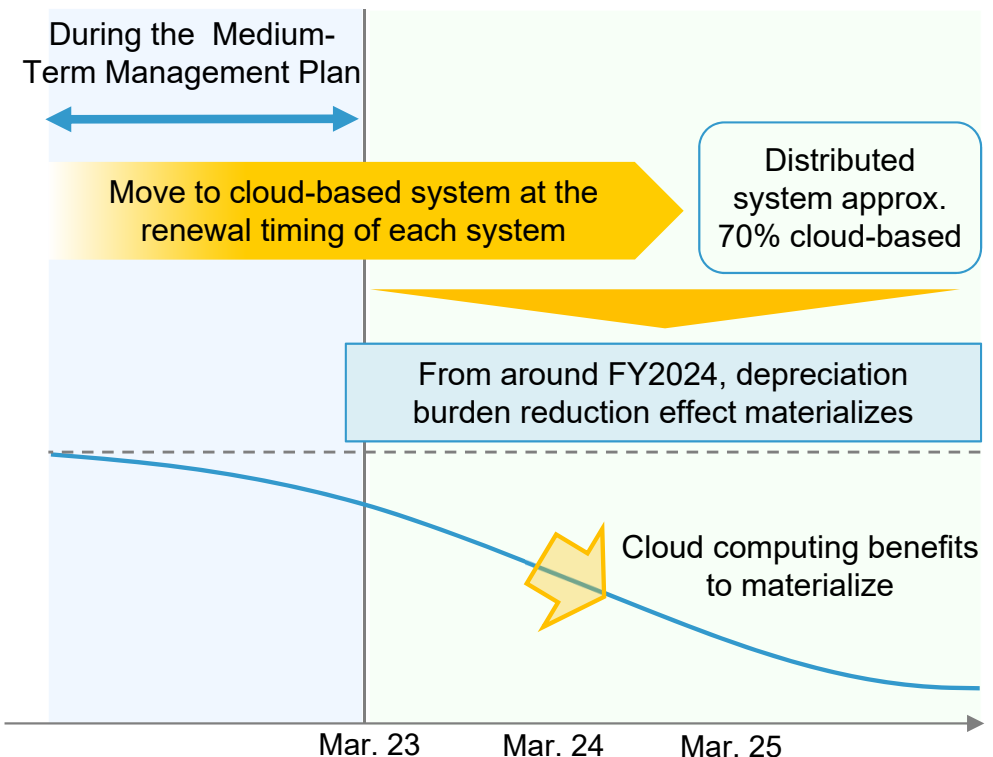
(*) Change from FY2019

Active expansion of cloud computing

Approximately 70% of distributed systems to become cloud based by FY2025

▶ Reduce future IT depreciation cost burden

(For reference) IT depreciation burden reduction effect



Digital strategy: to accelerate digitalization

- ✓ Improve efficiency by developing platform business in areas where SuMi TRUST Bank has competitive edge
- ✓ Acceleration of digitalization possible due to changes in society and business after COVID-19 shock

Operational efficiency, added-value improvement

RPA

OCR

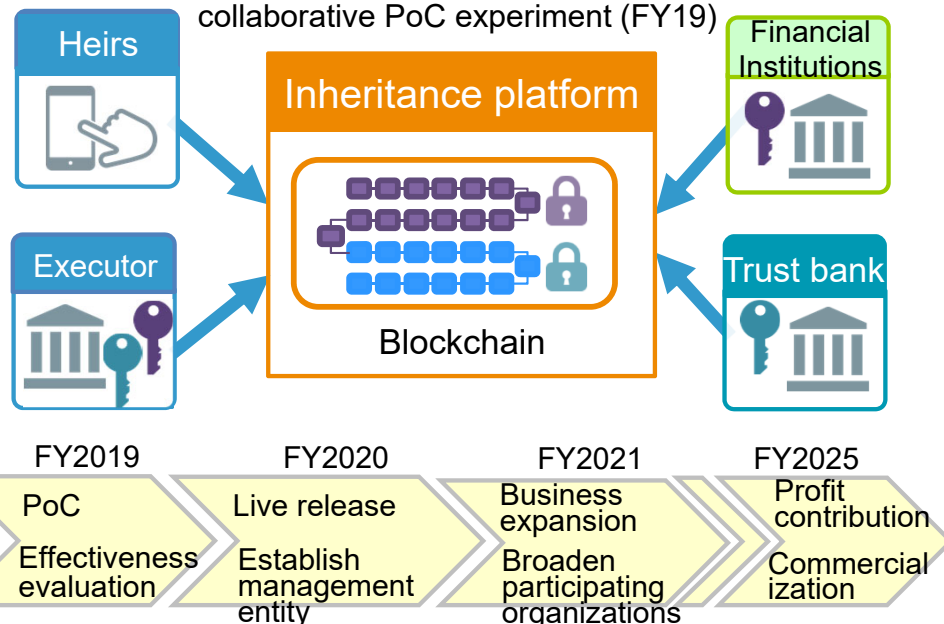
Improve client experience by utilizing AI

Platform business

Inheritance

Real estate

14 companies participating in
collaborative PoC experiment (FY19)



Possibility of digitalization possible due to changes in society and business after COVID-19 shock

Consider rationalization and optimization through digitalization, taking changes in client preferences into account

Expansion of non-
face-to-face
marketing

Strengthen non-face-to-face marketing
tools (Web consulting, etc.)

Promote telework

Web seminar
promotion

Changes in AGM
hosting

Consulting for virtual AGM meeting

Accelerate digitalization of
convocation notices

Changes in
backoffice work and
reporting unique to
trust businesses

"Customize" according to client needs

Client activities
hampered with the
spread of infection
of COVID-19

Possibility of
changes in client
awareness

Possibility of digitalization and progress
in standardization
⇒ To streamline clerical work

Sustainability Initiatives

Initiatives for sustainability through business (problems of super-ageing society)

- ✓ Engage in educational activities and offer tangible support for clients to live a flourishing life in an ageing society

Silver college

- ✓ Enlightenment activities to lead a prosperous senior life
- ✓ Host seminars by lecturers including prominent experts

FY19
Actual

Hosting
branch
**42
branches**

Number of
times held
65 times

Number of
participants
**3,634
in aggregate**

Basic themes

Health, safety and
security

Housing options
for old age

How to spend
a fulfilling old age

Issues regarding
dementia



In addition to the basic theme, each branch to plan and hold a distinct theme

Super-ageing society issues such as dementia

Senior Generation Support Report

Publish a booklet that specifically covers "dementia" and "residential housing for seniors"



Learn about dementia and ageing issues

Obtain qualification for gerontology
Acquire dementia supporter
qualification (*)



Pseudo-experience such as
field-vision of elderly people

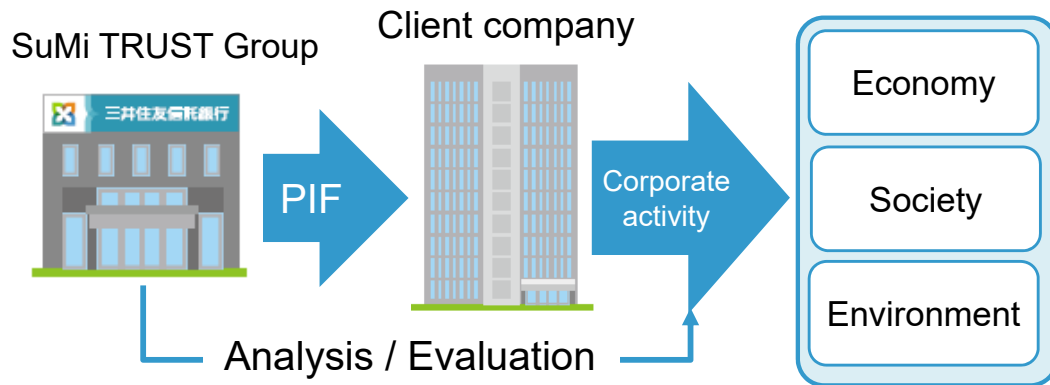


As part of the COLTEM project led by Kyoto Prefectural University of Medicine, problems caused by dementia for financial institutions were categorized and we participated in the publication of a book in which doctors, lawyers and other specialists reviewed multifaceted countermeasures.

(*) Gerontology qualification for all branch senior managers of SuMi TRUST Bank and above, and dementia supporter qualification obtained by all branch staff

Initiatives for sustainability through business (Positive Impact Finance)

✓ Assisting companies achieve a sustainable society through Positive Impact Finance (PIF)



Comprehensive analysis and evaluation of the impacts (both positive and negative) of corporate activities on the economy, society and environment
Set goals and support the client to achieve them

Transaction example with Fuji Oil Co., Ltd. group head office (impact specification)

Procurement activities from raw material production sites	Sustainable procurement of primary raw materials in consideration of human rights and the environment
Production activity	Reduction of environmental impact in production activities such as climate change, water and waste disposal
Market sales activity	Efforts to solve the world's food problems by using plant-based food materials

External evaluation of initiatives

The inaugural "ESG Finance Award" (sponsored by Ministry of the Environment)
Financing category Gold Award (Minister of the Environment Award)

- Endorsing various principles established by UNEP FI (UN Environmental Program and Financial Initiative), achieved the world's first PIF that does not limit the use of funds



Award ceremony ((left) Mr. Tetsuo Okubo, President of SuMi TRUST Holdings (right) Mr. Shinjiro Koizumi, Minister of the Environment)

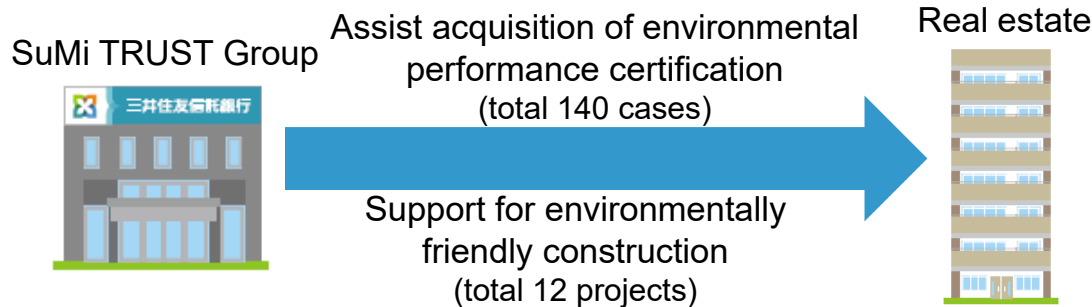
Won the 5th "Sustainable Finance Awards" (Organized by the Research Institute for Environmental Finance (RIEF))
Excellence Award

- The world's first PIF was highly evaluated, our 4th award



Initiatives for sustainability through business (environmentally friendly property)

✓ Responding to social issues by utilizing the diverse functions of trust banks



Environmental performance improvement

- Energy saving, CO2 reducing
- Renewable energy introduction
- Reuse of resources, etc.

Providing value to local communities

- Landscape improvement
- Improve local environment

Support for environmentally friendly design during new construction phase

“leading projects” program for sustainable buildings

Accepting subsidies



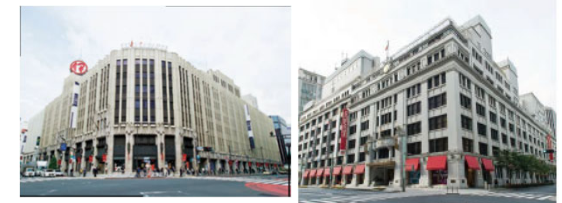
Daikin Industries' Technology & Innovation Center

Support for environmental performance certification application

CASBEE (*1)
real estate

Environmental performance evaluation of buildings

(Left) Isetan Shinjuku Main Store
(Right) Mitsukoshi Nihonbashi



CASBEE for urban development

Environmental performance evaluation of urban development

Large-scale eco-town in Totsuka Ward, Yokohama City acquired the highest rank (S rank) as CASBEE urban development for the first time in Japan



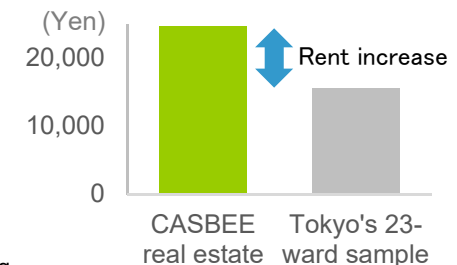
(*1) CASBEE = System to evaluate a building's environmental performance led by Ministry of Land, Infrastructure

Enhance added value by acquiring environmental performance certification

Buildings that have been certified or registered for CASBEE have higher rent levels than the average rent for the entire city

Source: Inhouse report based on Japan Sustainable Building Association "Smart Wellness Office Research Committee Report (2014)

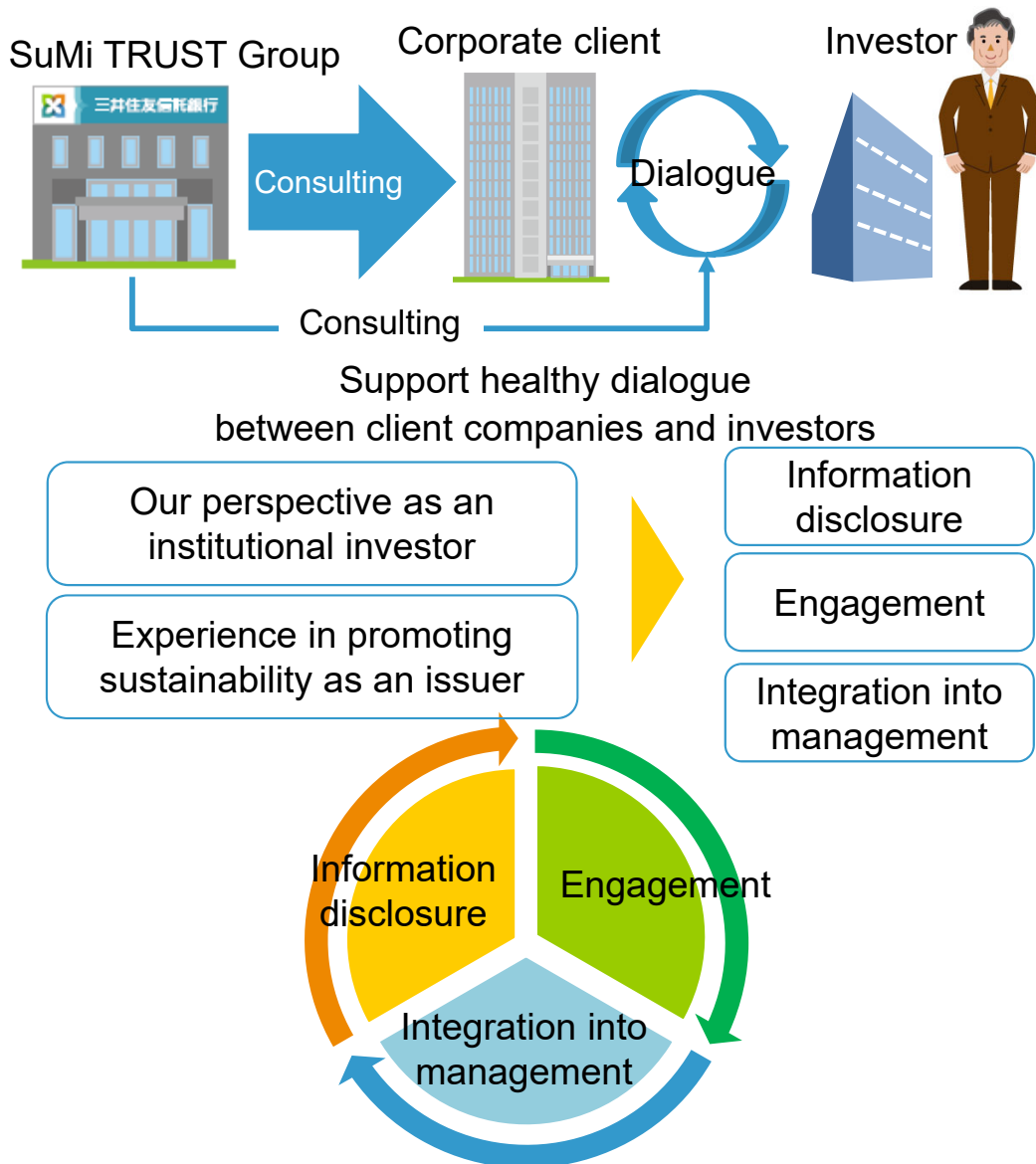
Average rent of 23 wards of Tokyo(*2)



(*2) average rent for 1-tsubo equivalent to 3.3m2

Sustainability initiatives through business (ESG total consulting)

✓ Support enhancement of ESG management of clients and their dialogue with investors



Consulting example

ESG advisory service

Support for efforts to strengthen management foundations, such as categorizing issues in ESG-related initiatives and integrating ESG themes into corporate management

Integration into management

Integrated report publication assistance service

Support for formulation of value creation process, identification of materiality, advice on overall structure of integrated report and its contents

Integration into management

Information disclosure

Major Shareholder ESG Trend Survey

Investigate trends in ESG initiatives of major shareholders, analyze their impact on issuer companies and support the establishment of a sound dialogue connection

Engagement

ESG-IR support service for overseas investors

Comprehensive support from investor targeting to interview arrangements for ESG-IR activities

Engagement

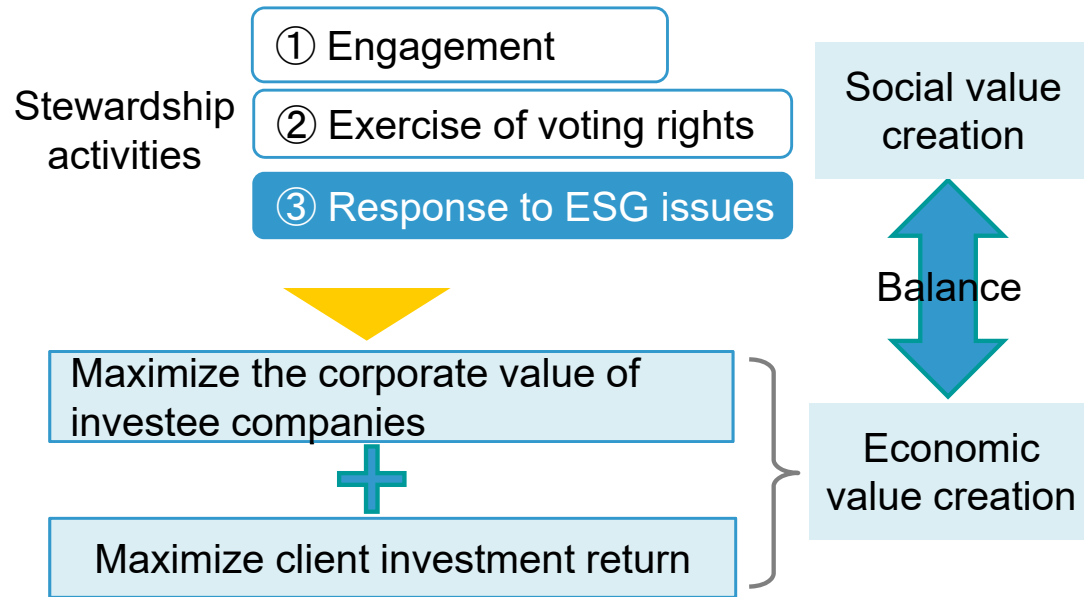
Governance support program

Supporting autonomous governance enhancement of clients by providing the latest information and opportunities for interaction to evaluate the effectiveness of the Board of Directors Meeting to improve the functions of the Board

Integration into management

Initiatives for sustainability through business (sustainability investment (ESG investment))

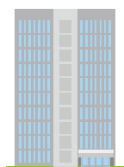
✓ ESG initiatives through stewardship activities



Nikko Asset Management ESG activities

Creating Shared Value = Activities based on CSV

Creating value for both society and companies by aligning the direction of solutions to social issues and the direction of corporate profits



Financial standing

Market competitiveness

ESG initiatives



Engagement

Scoring / stock selection

nikko am
日興アセットマネジメント

Sumitomo Mitsui Trust Asset Management ESG activity theme (typical example)

① Climate change issues

- Independent engagement with high greenhouse gas emitting industries
- Full-scale activities of Climate Action 100+



② Water resource, marine pollution problem

- Response to marine plastics
- Awareness of water resource risk and request for response improvement



③ Support for governance reform

- Increase board independence, push for diversity such as increasing the ratio of female directors
- Balance between growth investment and surplus cash return



④ Promotion of ESG information disclosure

- Promotion of information disclosure with awareness of achieving SDGs
- Strengthen involvement in "TCFD"

Collaboration with Legal & General Investment Management on ESG activities in June 2019



Commenced stewardship activities that merges top-level European institutional investor knowledge

Initiatives for sustainability through business (natural capital)

✓ Support for activities to protect biodiversity utilizing trust products

National Trust (* 1) support activities

Supporting National Trust activities in various forms such as social contribution donation trusts, will trusts.



Amamino-kurousagi (Amami Rabbit) Forest

Conservation activities for rare animals that live only in Amami Oshima and Tokunoshima Islands in Kagoshima Prefecture. Donation of purchase fund equivalent to 8,066 square meters of forest from SuMi TRUST Bank Kagoshima Branch

Tsushima Leopard Cat Forest

Protecting rare animals that live only in Tsushima Island, Nagasaki Prefecture. Establish a donation program for acquisition of trust properties through a social contribution donation trust



Northern Limit Beech Forest

Planting young beech trees in order to preserve the northern limit of the native beech forest in Kuromatsunai, Hokkaido



(* 1) Purchasing precious nature and historic buildings based on donations, to establish private nature reserve (trust site)
It is an effective method to protect natural capital

Education for Sustainable Development (ESD) Projects

Supporting the realization of a truly sustainable society by "nurturing citizens who understand the value of nature" by fostering a forward-looking mindset through environmental education for children who will lead the next generation



Nature and biodiversity in Tenjinzaki



Lessons for sustainable societies/ SDGs from Japan's forests



Lessons for community and living from Lake Biwa and the SDGs



SDGs seminar for teachers

Addressing climate change issues

- ✓ Aim to advance analysis and disclosure in accordance with TCFD recommendations and strengthen organizational risk response competency

Response to TCFD recommendations

"Initial action" (till Dec 2019)

- "Climate Change Report" updated and improved in line with TCFD standards. (Dec 2019)
- Commenced quantitative information disclosure where possible

"Trial" (1H FY2020)

- Upgrading of qualitative information in integrated report
- Commenced scenario analysis

"Transition to autonomous mode" (2HFY2020-FY2022)

- Response to TCFD recommendations refined
- Financial impact assessment based on scenario analysis
- Incorporated into business strategy

"Climate Change Report"

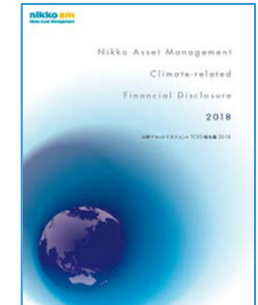


Disclosure of carbon-related asset exposure ratio at SuMi TRUST Bank, Ltd. :5.6% (as of Mar 2019. Covers the sectors "Energy" and "Utilities" (excluding some) including Electricity in the GICS (Global Industry Classification Standard))

Migration risk

Physical risk

"TCFD Report"



For Nikko Asset Management, disclosure of the status of actions taken regarding "governance", "strategy", "risk management", and "indicators and targets"

Power commenced sector analysis with high carbon-related exposure

Commenced flood risk analysis for mortgages

Sector policies related to climate change

SuMi TRUST Bank, Ltd. shall periodically review its policy regarding environmental and social considerations in financing

Principal review items in March 2020

- ✓ In principle, decline financing for new coal-fired power generation projects that are being considered for construction
- ✓ Careful consideration of various impacts on the procurement of forestry and palm oil raw materials

Our Group's status regarding ESG / Sustainability Initiatives

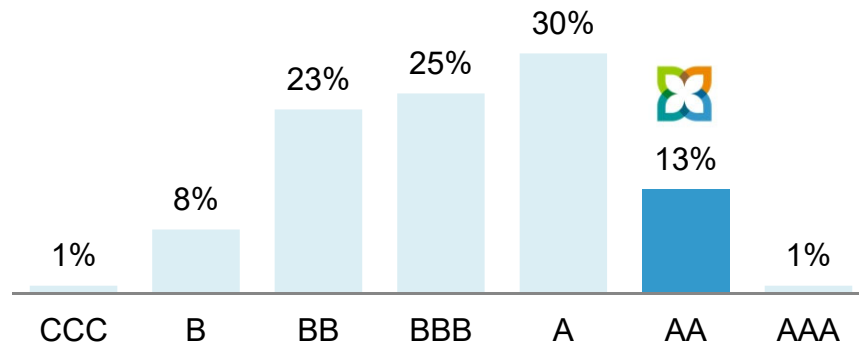
Top class rating for ESG among Japanese banks

MSCI evaluation

Rating distribution of banking sector (global)

Rating AA

No.1 Japanese Bank



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

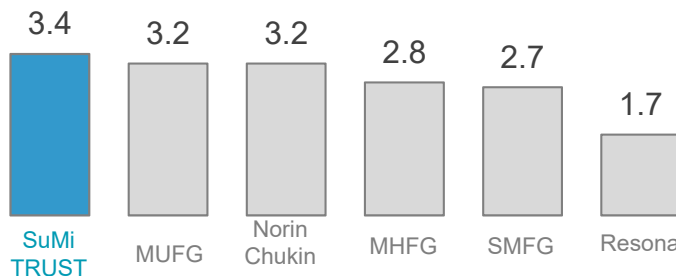
Score 3.4

NPO Fair Finance Guide Rating

No.1 among
Japanese Banks



2020



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

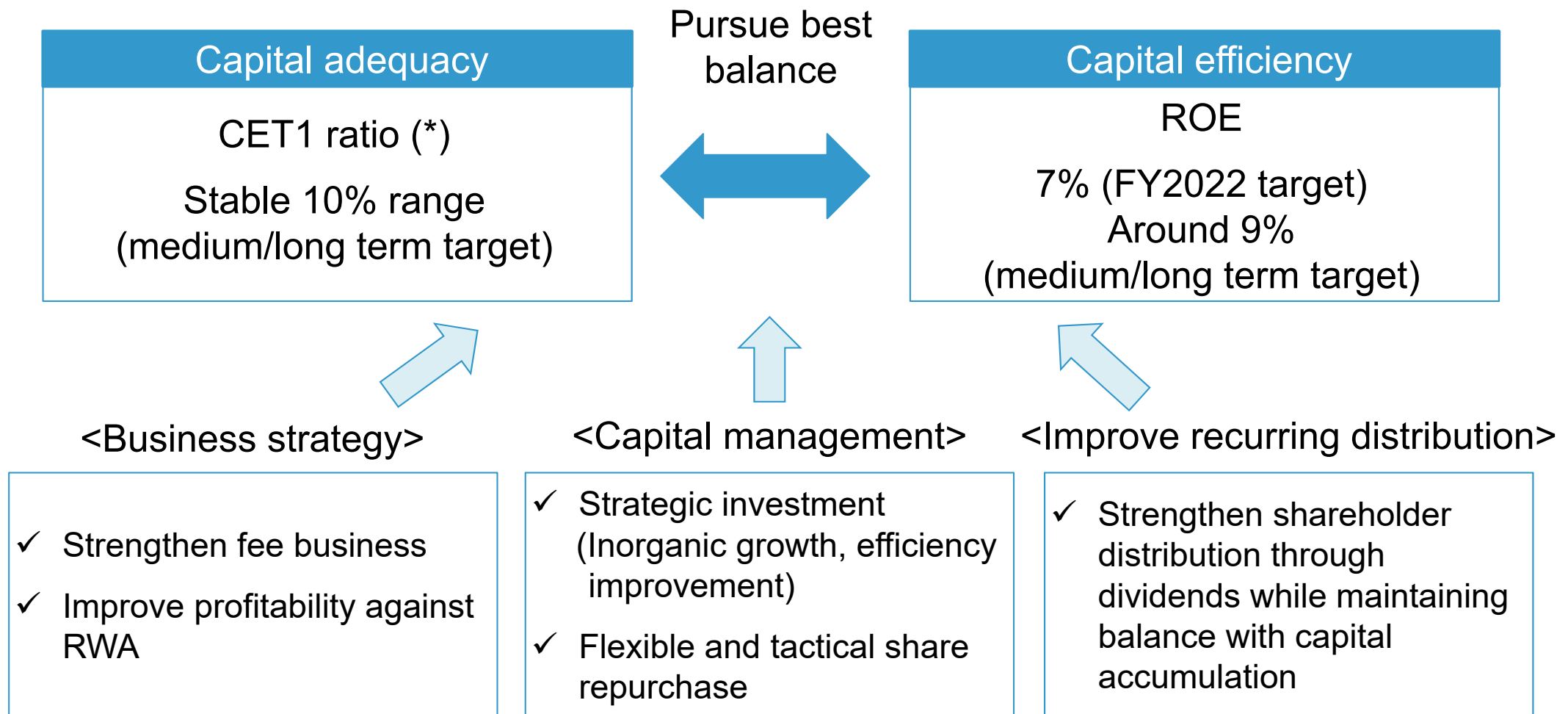


Principles for Financial
Action for 21st Century

Financial / Capital Policy

Our basic approach to capital policy

- ✓ To pursue the best balance of capital adequacy and efficiency



(*) Pro-forma figure on Finalized Basel III reform basis

Shareholder return policy

- ✓ Share dividends to be emphasized in shareholder profit distribution. Shareholder return policy to be revised, with aim to increase flexibility of capital deployment
- ✓ Due to difficulty in assessing the impact of COVID-19, share repurchase has not been forecast for FY2020

Shareholder return policy

- ✓ As a shareholder return policy commensurate with earnings, aim to raise the consolidated dividend payout ratio to around 40% in or around FY2022
- ✓ Furthermore, securing adequate capital as a precondition, we will conduct tactical share repurchases while considering the balance between capital utilization for medium to long-term profit growth and the effect of repurchases in improving capital efficiency.

《Concept same as before》

Aiming for stable growth of shareholder returns through sustainable and stable growth of profit

《Revision of shareholder return policy》

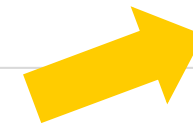
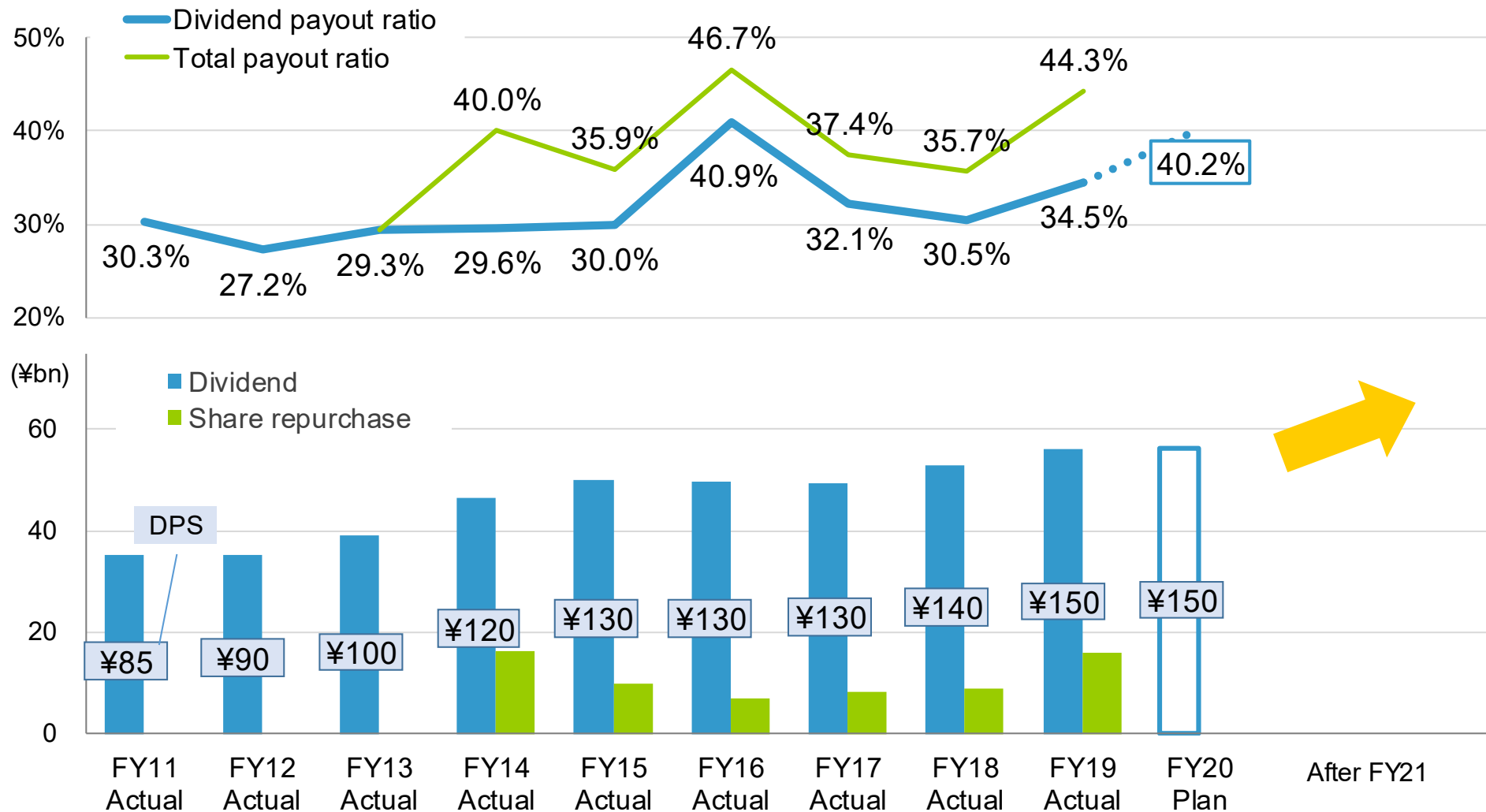
	Before revision	After revision
Dividend payout ratio	around 30%	around 40% in or around FY2022
Share repurchase	around 10% (*1)	Tactical implementation from the perspective of effective use of capital (*2)

(*1) Ratio of repurchase amount against net income after tax for the FY

(*2) Points considered for repurchase execution: 1) Adequacy of capital 2) Balance with strategic investments 3) Our share price

Shareholder returns

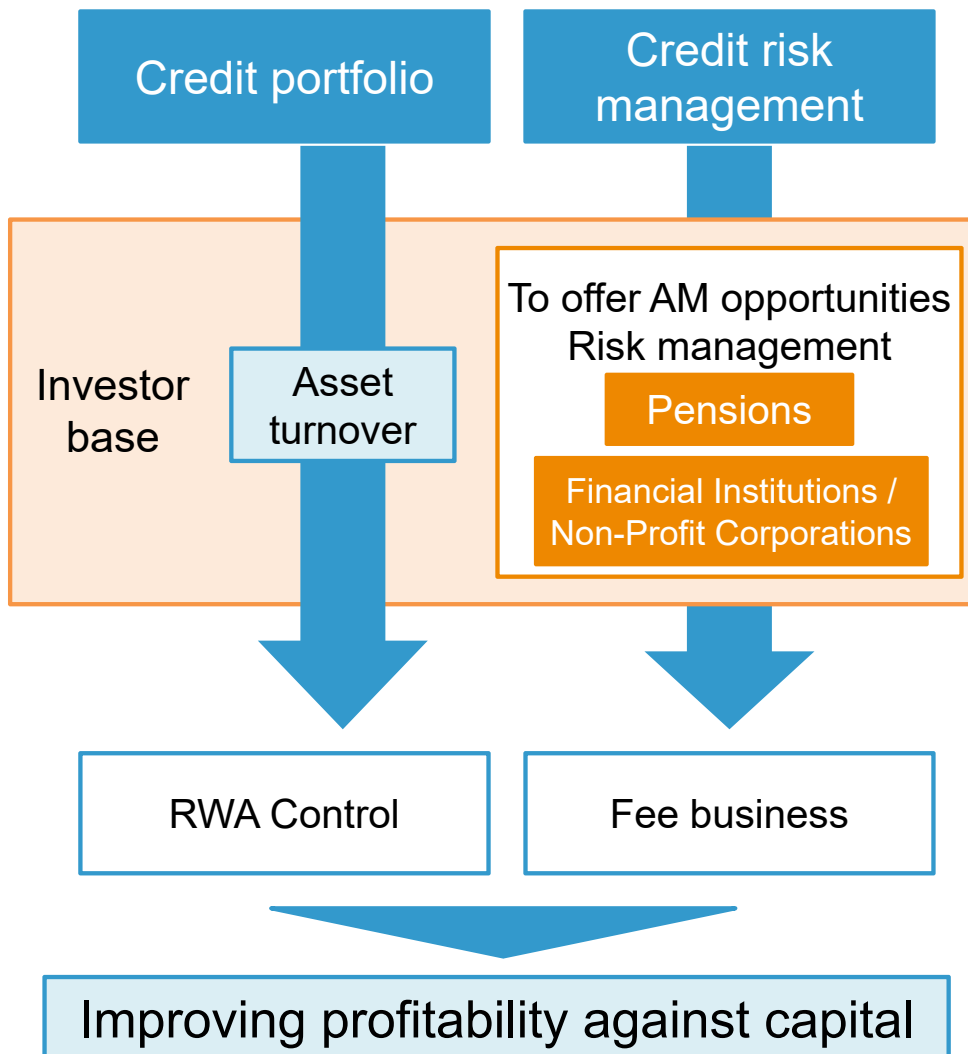
- ✓ Steady enhancement of shareholder return
- ✓ In the future, to aim for stable growth of dividend payout over the medium term through sustainable and stable growth of profit



Financial/Capital Policy: Improving balance sheet and capital efficiency

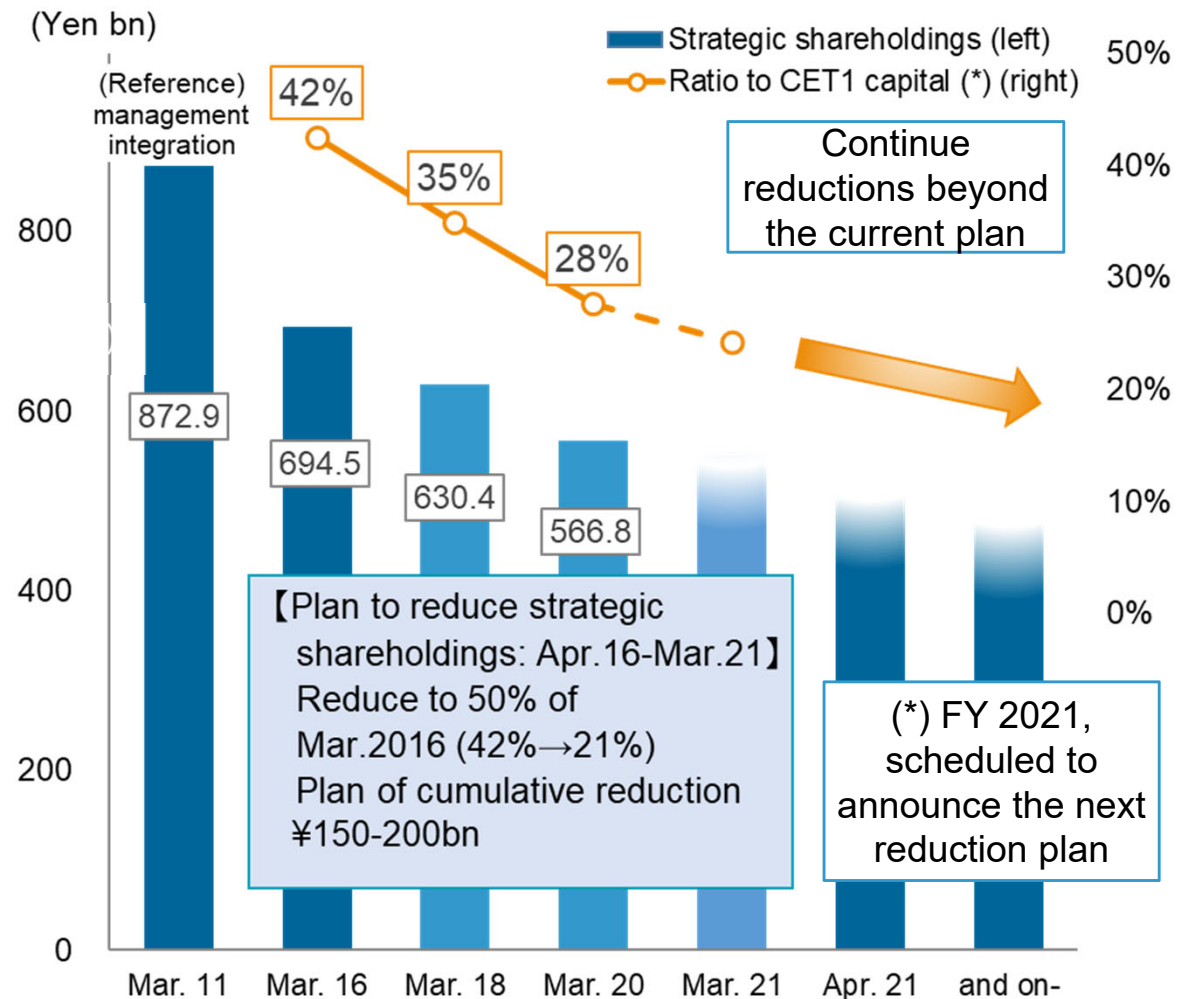
Improving capital efficiency related to credit transactions

- ✓ Improve profitability against capital by controlling RWA volume and increasing fee revenue opportunities



Reduction of strategic holdings

- ✓ Although achieving the target of the current plan is difficult due to COVID-19 shock, strive to obtain divestment agreement to continue the reduction beyond FY2021.

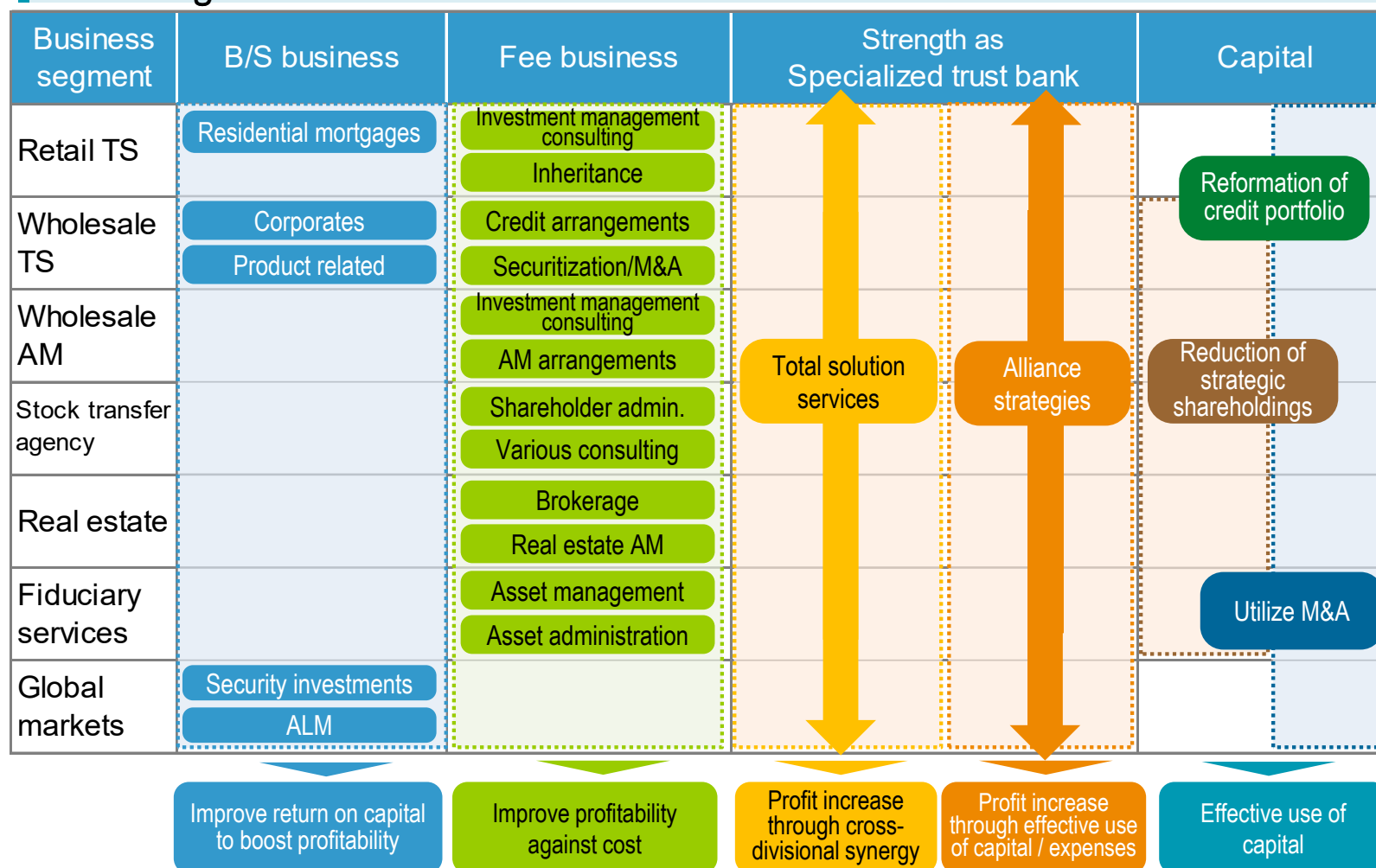


(*) FY 2021, scheduled to announce the next reduction plan

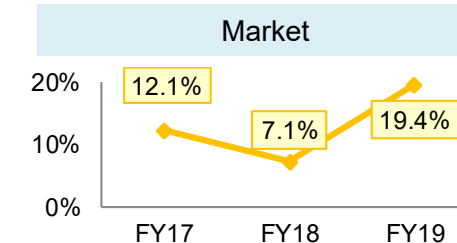
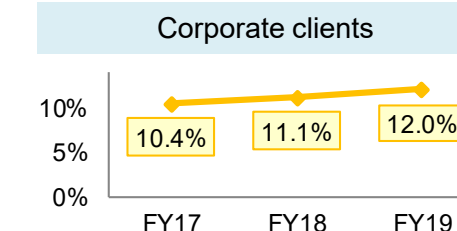
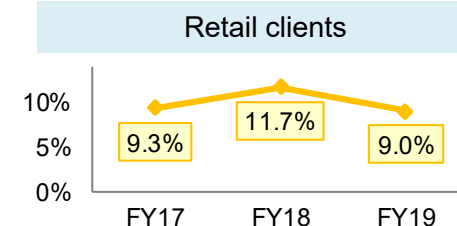
(*) CET 1 capital excluding valuation differences on AFS securities

(For Reference) Efforts of each business segment to improve ROE

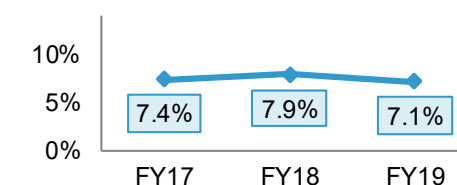
- ✓ To improve B/S profitability through strengthening fee business and credit portfolio reformation
- ✓ Creation of growth areas through crossing and merger of businesses and advance alliance strategies



ROE by business segments(*)



(Ref) Group shareholder ROE



(*)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)

FY2020 Forecasts

Forecast (Summary)

- ✓ 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.8
- (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

Management Base (Governance, HR, etc.)

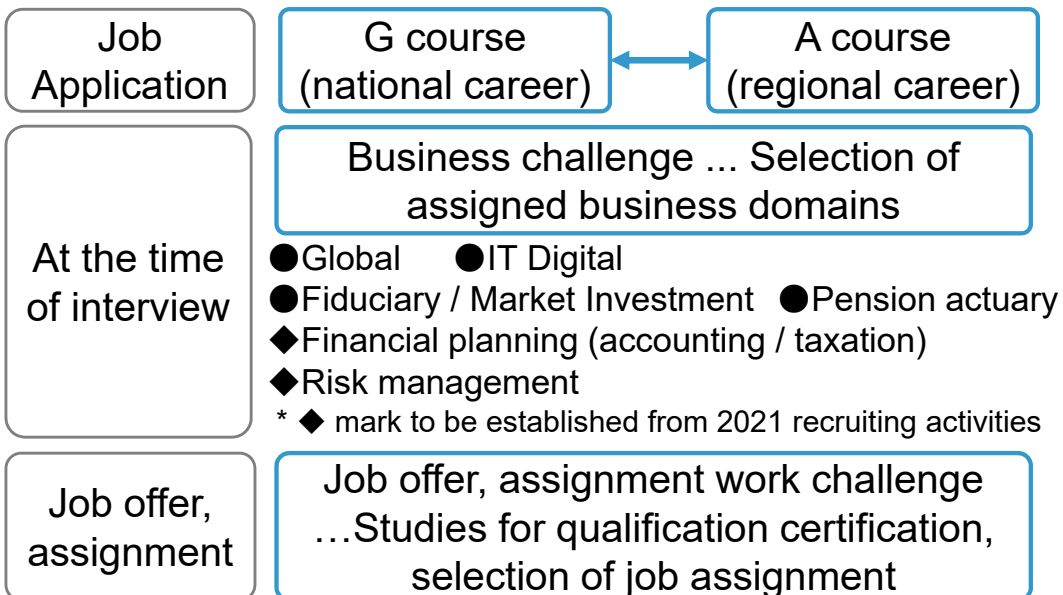
HR strategy (motivating staff to excel)

✓ Career development that emphasizes employee self-determination and building

Career selection

【Before joining】 Self-determined career selection system that rewards motivated efforts

※Possible to change course afterwards



【After joining】 Support self-led carrier development

Business Career Challenge

Number of applicants to business career challenge

595

- ✓ Apply to business divisions' job openings
- ✓ Overseas study menu etc.
- ✓ Multiple application possible
- ✓ Reapplying to the same role possible

Business briefings

Provide information necessary for career selection through business briefing sessions and information exchange sessions



Rewarding expertise

Many specialists that support total solutions

Financial consultant

249

Japan Actuary
Association Member

43

Certified Real Estate
Transaction
Specialists (qualified)

5,611

- ✓ Employees exhibiting a high degree of specialization certified as “fellows” and reflected in remuneration (eg.) financial consultants, pension actuaries, asset management, construction consultant, IT systems, risk compliance, etc.

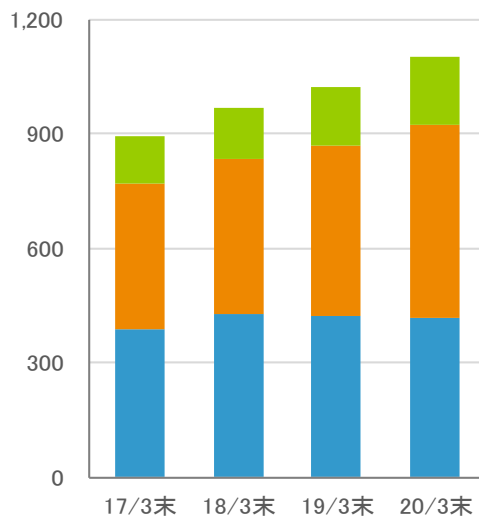
HR strategy (work environment improvement)

✓ Establishing a work environment that facilitates active female staff participation

Promote active participation of female staff

Support for balancing work and childcare

Number of staff applying for childbirth and childcare benefits



Leave application
Shortened working hours
Staggered work hours etc.

Childcare leave taken by male staff
103%

Familiarity to the benefits
Awarded "Platinum Kurumin"



Active promotion of female staff

- ✓ Our target of having more than 300 female senior managers and above by Mar. 20 attained ahead of schedule in Oct.19 (357 positions)



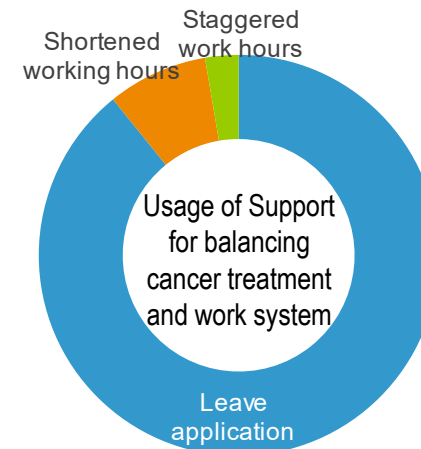
Included in "Nadeshiko Index" group of companies



Included in Bloomberg Gender-Equality Index

Support for balancing cancer treatment and work

Introduced leave and shortened work schedule for cancer treatment from April 2019



Excellent health management corporation- White 500 award

LGBT Initiatives

- ✓ Expanded the scope of leave eligibility to include same-sex partners
- ✓ Establish consultation desk
- ✓ Thorough training for all employees, including new employee training and mandatory semi-annual E-learning

(*) As Sumitomo Mitsui Trust Holdings, SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management. Nikko Asset Management won Gold independently

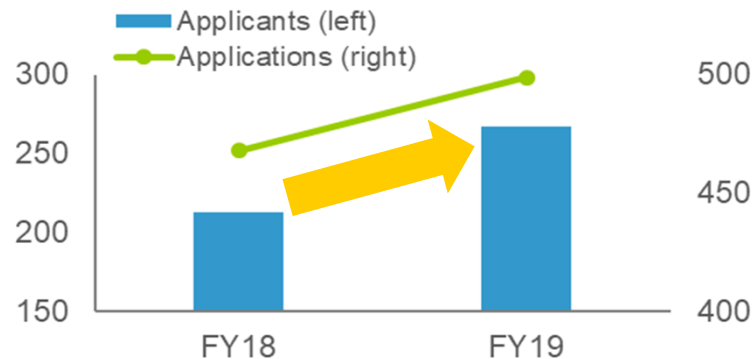


Received the highest evaluation "Gold" in the "PRIDE index" (*)

Creating the future

- ✓ To foment corporate culture in which employees proactively challenges to create “New products and businesses.”

Significant increase in the number of applicants and applications



Fusion of "in-house view" and "outsider's view"

Application

Idea creation and selection from the employee's perspective (in-house)

Employee competition



Presentation to the panel

Evaluation committee

Evaluation from an entrepreneur's perspective (outsider's view) by the judges including outside experts

Commercialization of winning ideas

Personnel transfer

Award winner transferred to planning department, acting as producer

Support

Support from planning department and related divisional staff as well as external consultants

Market research

Product refinement through test marketing, final judgement regarding launch

Commercialization

Cases where business model patent was applied

Fully support commercialization of award-winning projects

Example of commercialization of prize-winning product

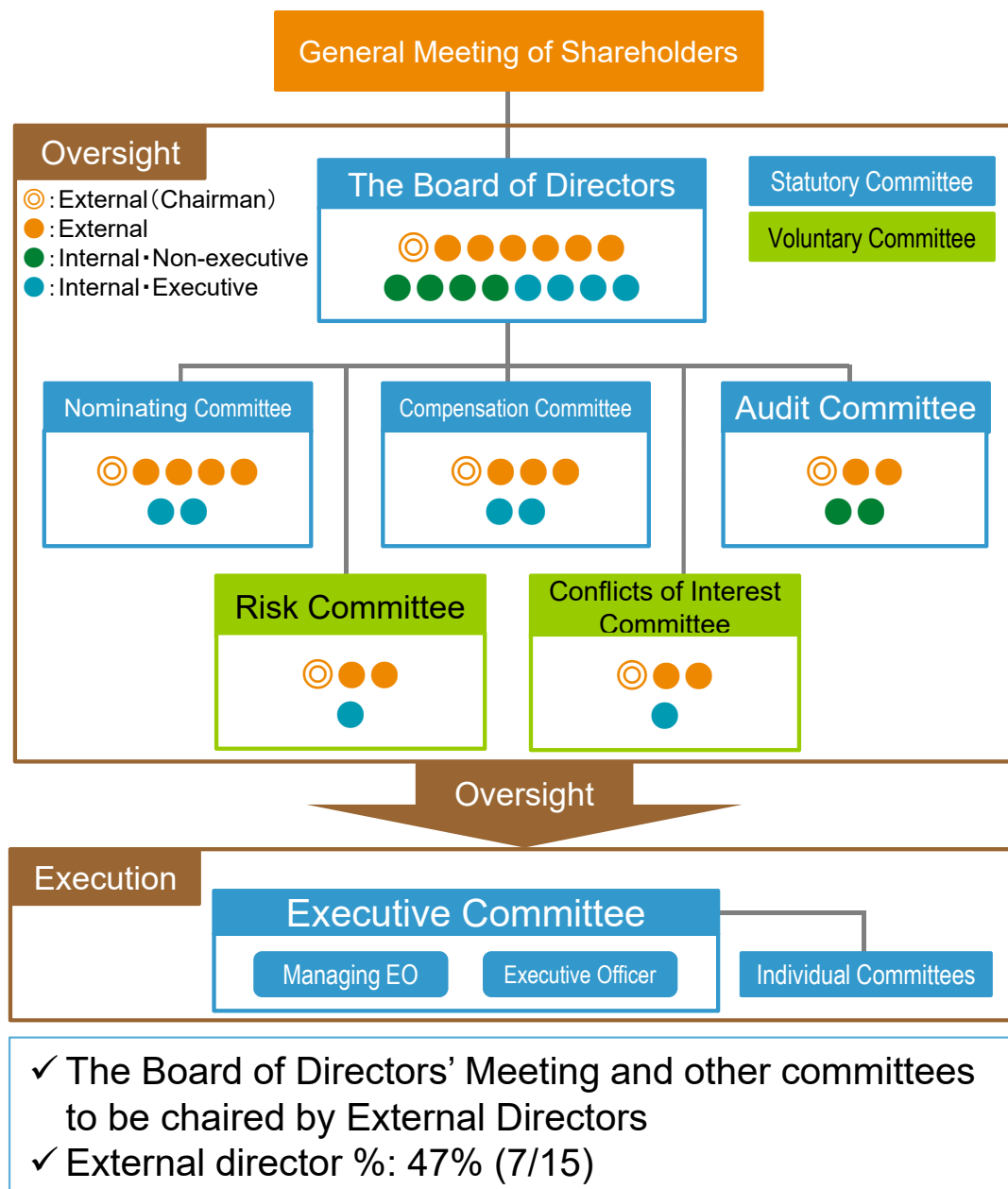


「Solitary Trust」

Ideas from branch advisory staff

Idea gained from everyday conversation with clients, “desire to help clients who have worries about being alone.”

Corporate Governance System



Appointing external directors with diversity and expertise

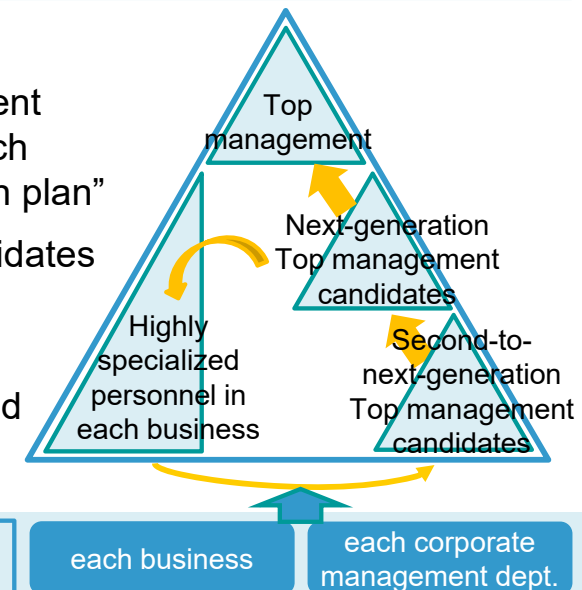
	Corporate management	Financial accounting	Law
Takeshi Suzuki	●	●	—
Mikio Araki	●	●	—
Isao Matsushita	●	●	—
Shinichi Saito	●	●	—
Takashi Yoshida	—	●	—
Hiroko Kawamoto	●	—	—
Mitsuhiro Aso	—	—	●

Succession plan

To design “Top management succession plan” and “Each divisional head succession plan”

Manage and mentor candidates for each succession plan

⇒ Periodical reporting to Nominating Committee and Board of Directors



Sophistication of governance

✓ Improving the effectiveness of governance and further sophistication

Participation in discussions of formulate Medium-Term Management Plan by the Board of Directors

- ✓ In FY2019, the Board of Directors and External Directors' Meeting focused discussions on the Medium-Term Management Plan and fully utilized the knowledge of external directors
- ✓ Continuous deliberation through back and forth discussions between the Board and the executive

Apr. 2019	Schedule for formulating the next Medium-Term Management Plan	Nov.	Status of formulation of next Medium-Term Management Plan
May	Confirmation of management philosophy	Dec.	Direction of next Medium-Term Management Plan (Overview)
Jun.	Domestic and international environment assumptions, annual deliberation schedule	Jan. 2020	Direction of next Medium-Term Management Plan (Specific issues)
Jul.	Point of focus in formulating the next Medium-Term Management Plan	Feb.	Direction of next Medium-Term Management Plan (Specific issues)
Sep.	Review materiality (1st), share discussion on Medium-Term management Plan	Mar.	Organizational changes, Formulate next Medium-Term Management Plan
Oct.	Review materiality (2nd)		

Director Compensation Framework

- ✓ Introduced share-delivery trust in addition to conventional stock-compensation type stock options from FY2019
 - ✓ In addition to company performance evaluation, "ESG activity status and evaluation agency score" and "FD and CS activity status, etc." added as Profit linked-index in the share-delivery trust remuneration formula.
- ⇒ Increase incentives that contribute to improving medium to long-term business performance and enhance corporate value

	Fixed monthly remuneration	Variable remuneration		
	Ratio (*1)	Approx. 30%	Approx. 15%	Approx. 15%
Compensation type	Monthly remuneration Fixed portion	Monthly remuneration Personal performance (*2)	Company performance linked bonus	Share-delivery trust
Payment criteria	<ul style="list-style-type: none"> Payment based on grade 	<ul style="list-style-type: none"> Previous year's performance Medium/long term performance contribution Medium/long term activity Evaluation of competency 	(Consolidated) <ul style="list-style-type: none"> Net business profit Net income 	<ul style="list-style-type: none"> Financial performance (single year) Stock price, ESG: activities and scores from evaluation bodies FD / CS: activities

(*1) In case of President (same for diagram) (*2) Range of 70% to 160% of standard compensation

Financial Results for FY2019

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 JTSC 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

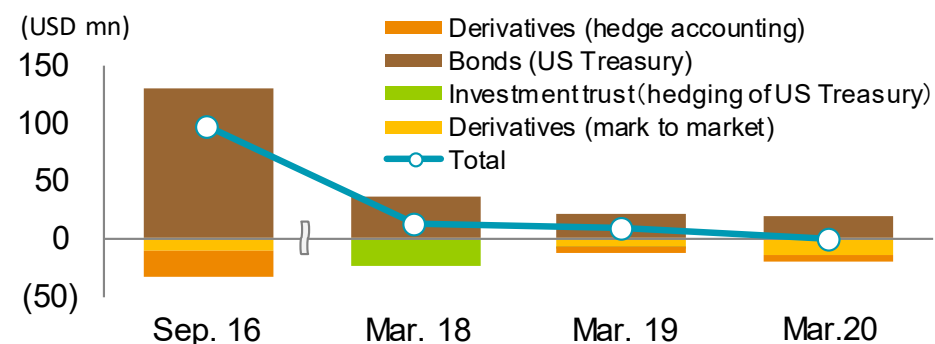
	(Yen bn)	Mar. 2019	Mar. 2020	Change
1 Assets		57,029.1	56,500.5	(528.5)
2 Cash and due from banks		16,045.8	13,141.1	(2,904.6)
3 Securities		5,759.5	6,437.5	678.0
4 Loans and bills discounted		29,025.7	29,703.3	677.6
5 Other assets		6,198.0	7,218.3	1,020.3
6 Liabilities		54,298.7	53,909.6	(389.1)
7 Deposits 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)

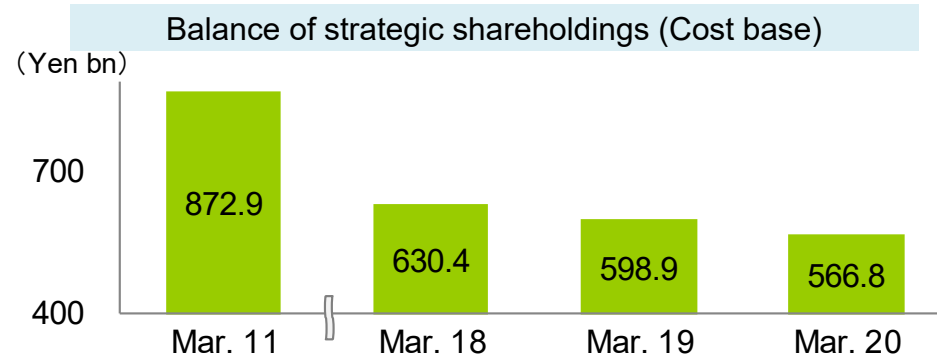
16 Loan-deposit ratio (SuMi TRUST Bank)	76.8%	81.7%	4.9%
17 NPL ratio (SuMi TRUST Bank)	0.3%	0.3%	0.0%

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

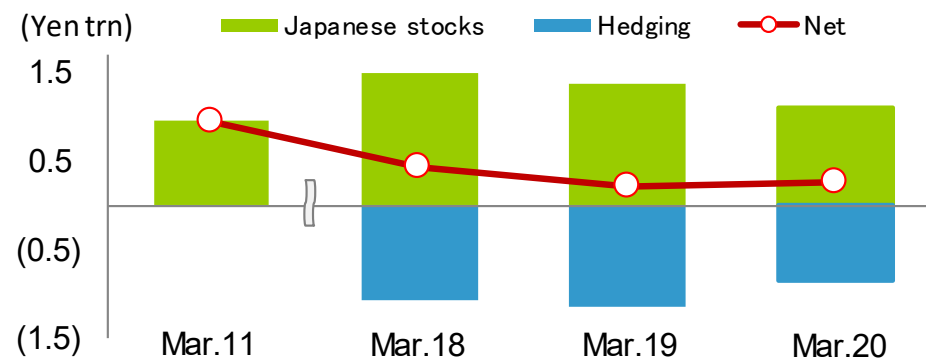
US interest rate (10BPV) risk (Non-consolidated)



Strategic shareholdings



Hedge positions against strategic shareholdings (*2)



(*2) Fair value base

Profit by group company

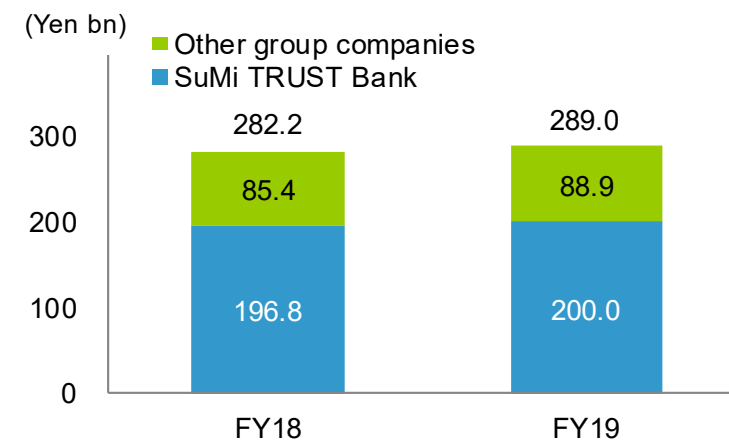
	(Yen bn)	FY18	FY19	Change
1 Net business profit before credit costs (*1)		282.2	289.0	6.7
2 o/w SuMi TRUST Bank		196.8	200.0	(*) 3.2
3 SuMi TRUST AM		8.5	14.4	(*) 5.9
4 Nikko AM (*3)		15.6	14.8	(0.8)
5 SuMi TRUST Realty		6.3	5.9	(0.3)
6 SuMi TRUST Panasonic Finance (*3)		10.2	9.9	(0.3)
7 SuMi TRUST Loan & 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	(*) 3.9
14 SuMi TRUST AM		5.6	9.1	(*) 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

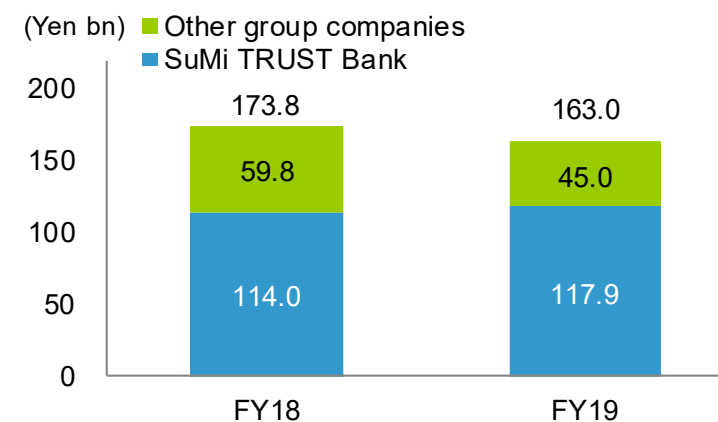
(*2) Change includes the impact of reorganization (as of Oct. 1, 2018) (refer to P.87)

(*3) Consolidated basis

Breakdown of Net business profit



Breakdown of Net income



Profit by business segment

		FY18 Net business profit before credit costs	FY19		FY19 Net business profit before credit costs	Change	
(Yen bn)			Substantial gross business profit	Change			Substantial G&A expenses
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, JPAM)

(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・JTBSB	(5.0)	5.0	-

Overview of profit (SuMi TRUST Bank)

				Excluding dividend from group companies (*1)		
(Yen bn)		FY18	FY19	FY18	FY19	Change
1	Net business profit before credit costs	231.4	206.8	196.8	200.0	3.2
2	Gross business profit	467.3	453.2	432.6	446.5	13.8
3	Effective interest related earnings	260.2	246.8	225.5	240.1	14.6
4	Net interest income and related profit	172.7	134.1	138.0	127.4	(10.6)
5	Profit attributable to deployment of surplus foreign currency funds	87.5	112.7	87.5	112.7	25.2
6	Net fees and commissions and related profit (*2)	186.3	174.3	186.3	174.3	(12.0)
7	Net trading profit	35.5	38.0	35.5	38.0	2.4
8	Net gains on foreign exchange transactions					
9	Net trading profit (*3)	27.9	102.1	27.9	102.1	74.2
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)
11	Net gains on bonds	(3.8)	33.9	(3.8)	33.9	37.8
12	Net gains from derivatives	(11.3)	(40.0)	(11.3)	(40.0)	(28.7)
13	General and administrative expenses (*2)	(235.8)	(246.4)	(235.8)	(246.4)	(10.5)
14	Total credit costs	1.9	(34.7)	1.9	(34.7)	(36.7)
15	Other non-recurring profit	(24.3)	4.4	(24.3)	4.4	28.7
16	o/w Net gains on stocks	(12.0)	16.6	(12.0)	16.6	28.7
17	Amortization of net actuarial losses	(3.3)	(5.6)	(3.3)	(5.6)	(2.2)
18	Ordinary profit	209.0	176.4	174.4	169.7	(4.7)
19	Extraordinary profit	(4.2)	1.0	(4.2)	1.0	5.3
20	Income before income taxes	204.8	177.5	170.1	170.8	0.6
21	Total income taxes	(56.1)	(52.8)	(56.1)	(52.8)	3.3
22	Net income	148.6	124.7	114.0	117.9	3.9

(*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]

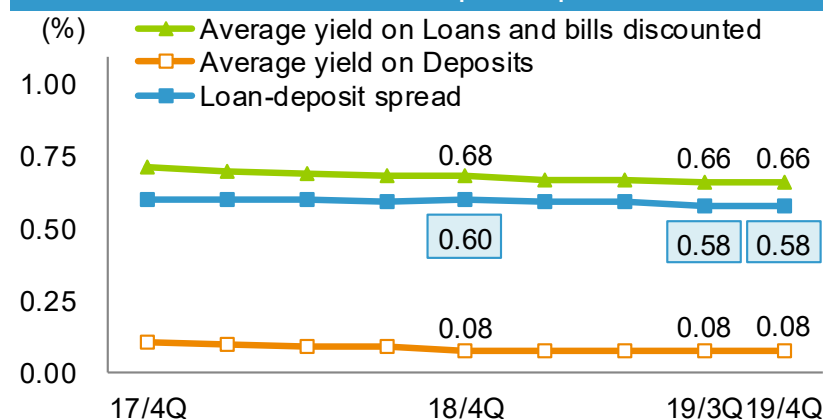
(*3) "Net trading profit" and "Net gains on foreign exchange transactions other than surplus funds deployment" have substantial fluctuation in comparison to previous year, but this is primarily due to differences in accounting treatment of original client transactions actions and their hedging operations.

				Excluding dividend from group companies (*1)		
		FY18	FY19	FY18	FY19	Change
22	Gross business profit	432.6	446.5			13.8
23	Net interest income and related profit	138.0	127.4			(10.6)
24	Net fees and commissions and related profit	186.3	174.3			(12.0)
25	Net trading profit	27.9	102.1			74.2
26	Net other operating profit	80.3	42.5			(37.7)
27	o/w Net gains on foreign exchange transactions	95.1	48.6			(46.5)
28	Profit attributable to deployment of surplus foreign currency funds	87.5	112.7			25.2
29	other	7.6	(64.1)			(71.7)
30	Net gains on bonds	(3.8)	33.9			37.8
31	Net gains from derivatives	(11.3)	(40.0)			(28.7)
32	Net fees and commissions and related profit	186.3	174.3			(12.0)
33	Excluding impact of reorganization of asset management functions	192.6	186.6			(6.0)
34	o/w Investment management consulting	53.7	46.0			(7.6)
35	Asset management/administration	57.4	52.3			(5.0)
36	Excluding impact of reorganization of asset management functions	63.7	64.6			0.9
37	Real estate brokerage	26.5	29.2			2.7
38	Stock transfer agency services	21.4	21.3			(0.0)
39	Inheritance related services	4.2	4.2			0.0
40	Wholesale credit related	31.7	31.4			(0.2)
41	Net gains on bonds	(3.8)	33.9			37.8
42	Domestic bonds	0.6	(0.3)			(1.0)
43	Foreign bonds	(4.5)	34.3			38.8

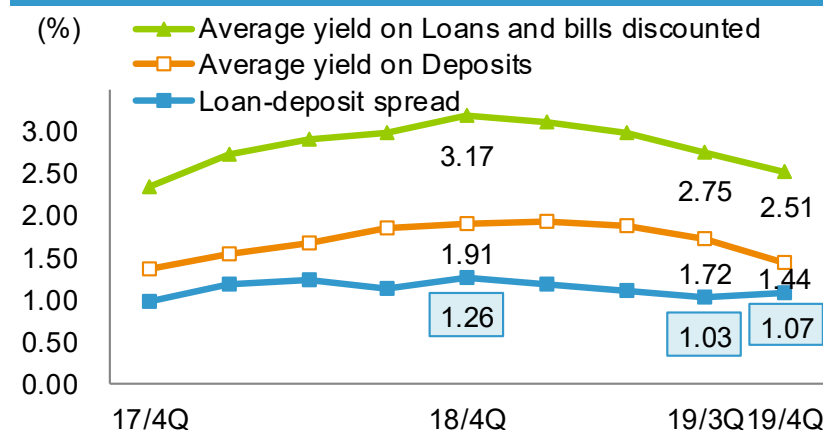
Net interest income (SuMi TRUST Bank)

		FY19					
(Average balance: Yen trn) (Income/Expenses: Yen bn)		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



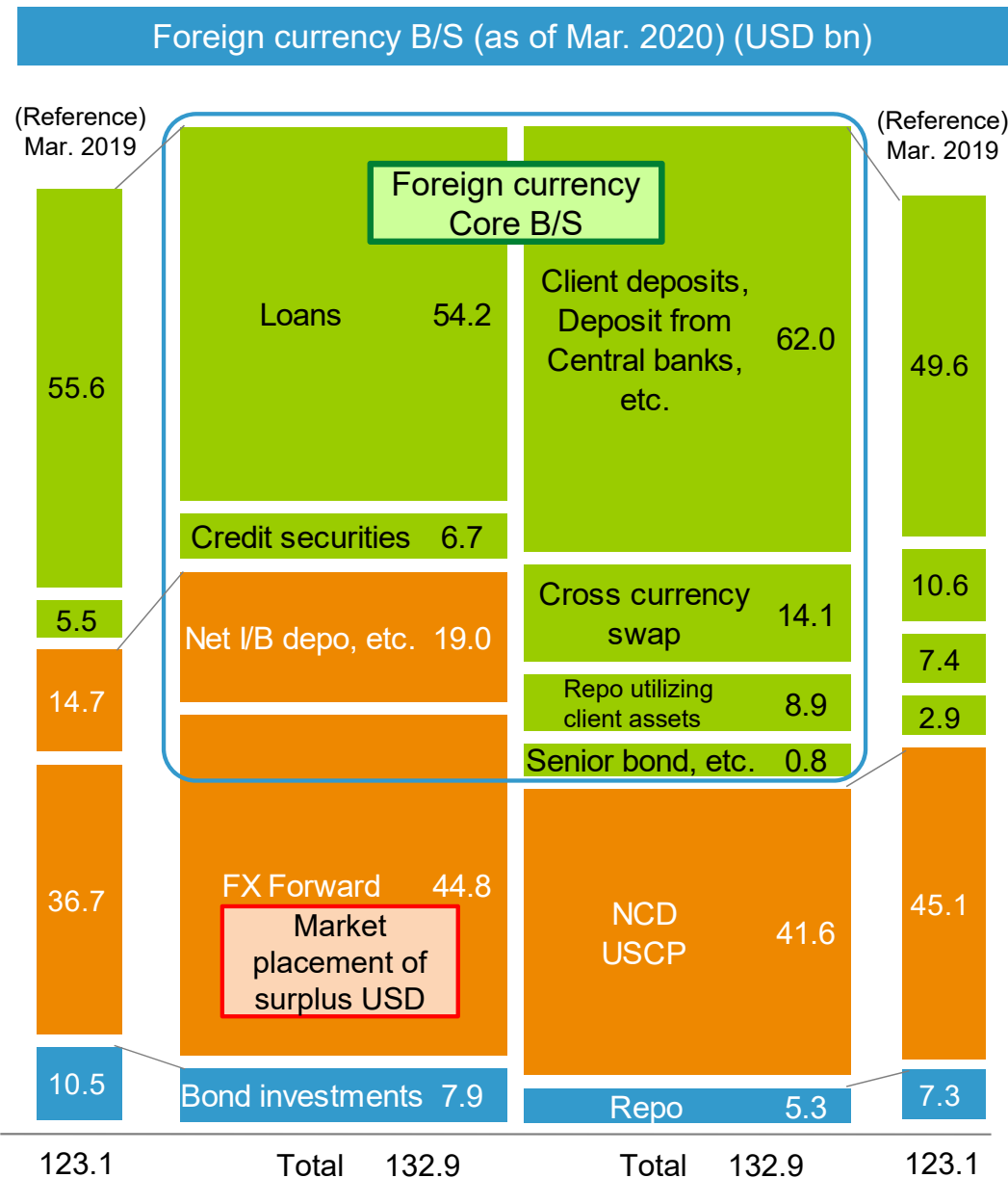
International loan-deposit spread



(*) 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

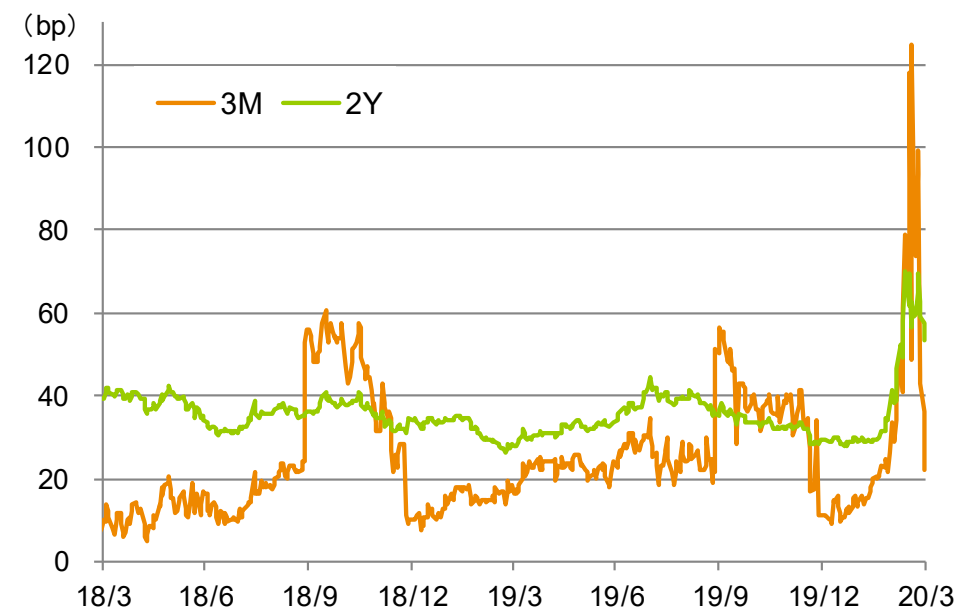
(Reference) Status of foreign currency balance sheet (SuMi TRUST Bank)



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

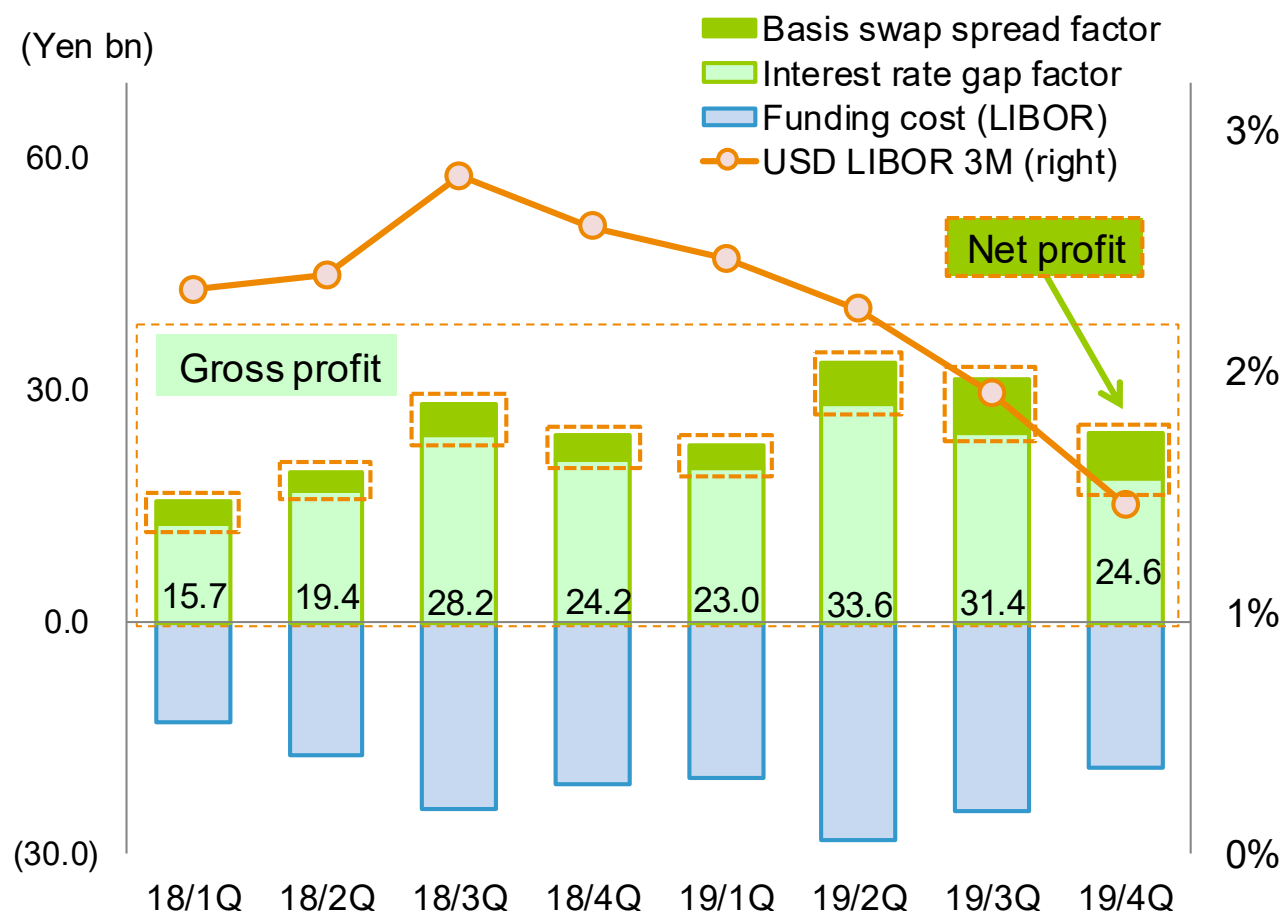
Basis swap spread (CCS) (USD/JPY)



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

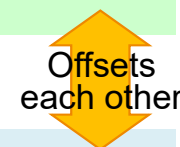


[Investment] FX forward transactions

Net other operating profit	<Basis swap spread factor> Continuous strong USD demand while the level of demand changes across time
	<Interest gap factor> Gap between USD and JPY interest rates is nearly the same level as USD LIBOR under zero interest environment of JPY

[Funding] Mainly NCD/USCP

Net interest income and related profit	<Funding cost> Funding cost of NCD/USCP is USD LIBOR level
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(*) 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

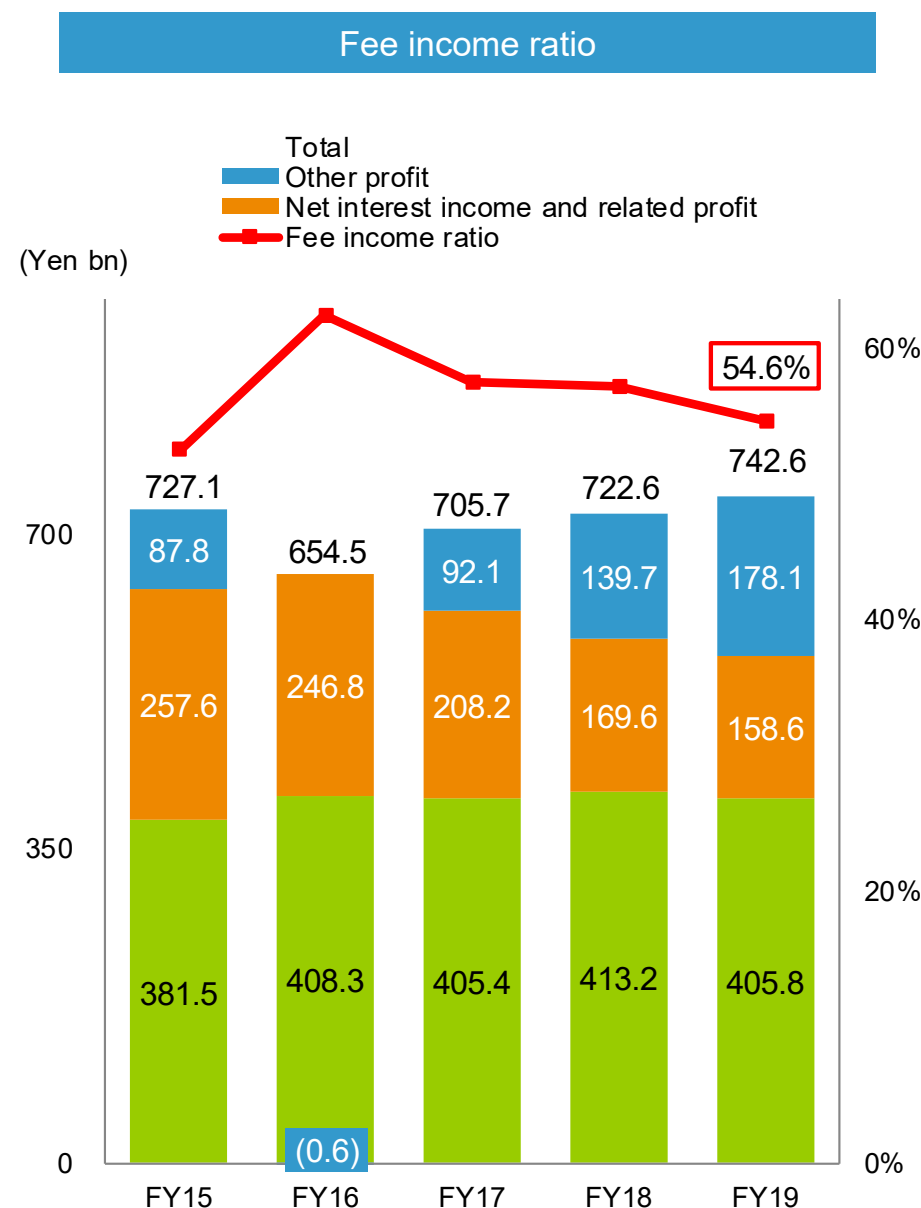
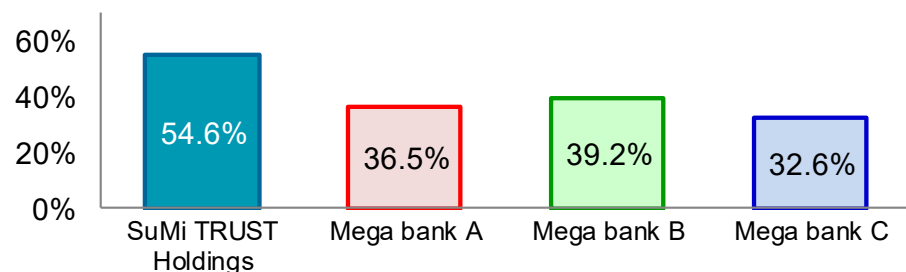
Net fees and commissions and related profit

		SuMi TRUST Bank		SuMi TRUST Group (*1)	
		FY19	Change from FY18	FY19	Change from FY18
(Yen bn)					
1	Net fees and commissions and related profit	174.3	(12.0)	405.8	(7.3)
2	Investment trust and insurance sales	46.0	(7.6)	46.0	(7.6)
3	Card	-	-	42.6	(0.9)
4	Asset management / administration	52.3	(5.0)	167.5	(11.7)
5	Profit	90.5	(1.7)	186.8	(16.3)
6	Fees paid out for outsourcing	(38.1)	(3.3)	(19.2)	4.5
7	Stock transfer agency services	21.3	(0.0)	37.3	0.4
8	Profit	31.5	0.3	37.3	0.4
9	Fees paid out for outsourcing	(10.2)	(0.4)	-	-
10	Real estate	35.4	3.0	56.9	2.5
11	Others (Loan arrangement fees, etc.)	19.0	(2.2)	55.2	10.0
12	Fee income ratio (*2)	(38.4%)	(1.4%)	(54.6%)	(2.5%)

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

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

Comparison of fee income ratio between major banks

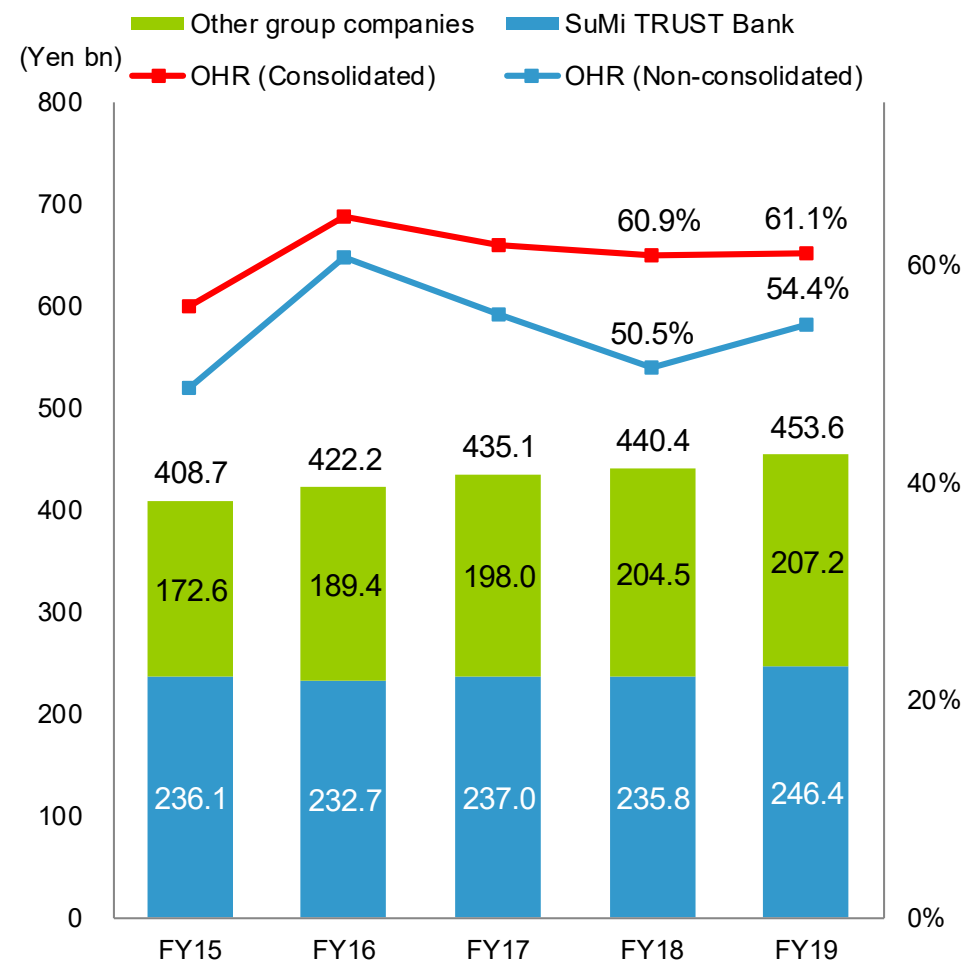


Expenses

[SuMi TRUST Group]		(Yen bn)	FY18	FY19	Change
1	Personnel expenses		(197.2)	(200.2)	(3.0)
2	Non-personnel expenses excluding taxes		(225.6)	(234.0)	(8.3)
3	Taxes other than income taxes		(17.5)	(19.3)	(1.8)
4	Substantial G&A expenses		(440.4)	(453.6)	(13.2)
5	Overhead ratio		60.9%	61.1%	+0.2%

[SuMi TRUST Bank]		(Yen bn)	FY18	FY19	Change
6	Personnel expenses		(107.2)	(108.4)	(1.1)
7	Salaries etc.		(101.4)	(100.5)	0.9
8	Retirement benefit expenses		11.5	9.6	(1.9)
9	Others		(17.3)	(17.5)	(0.1)
10	Non-personnel expenses excluding taxes		(116.1)	(124.3)	(8.1)
11	IT system related costs		(41.0)	(46.8)	(5.8)
12	Others		(75.0)	(77.4)	(2.3)
13	Taxes other than income taxes		(12.4)	(13.7)	(1.2)
14	G&A expenses		(235.8)	(246.4)	(10.5)
15	Overhead ratio		50.5%	54.4%	+3.9%

Breakdown of G&A expenses



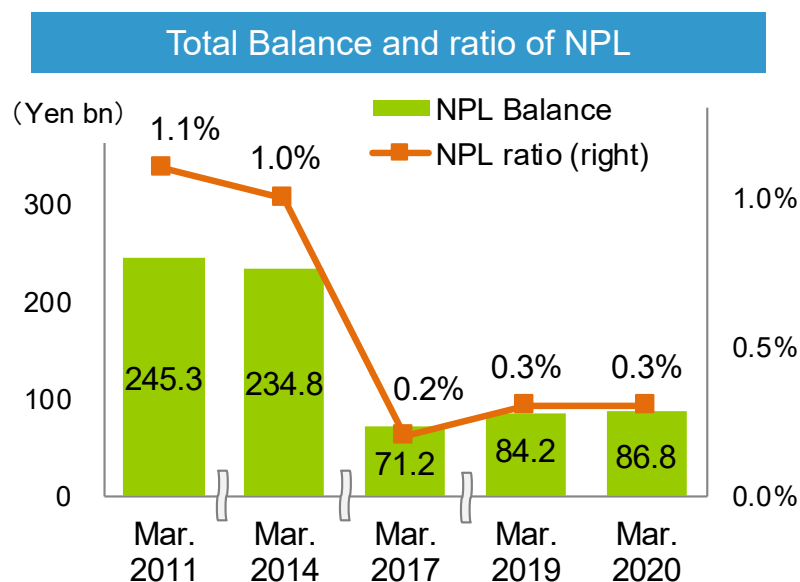
Total credit costs and problem assets

[Total credit costs]		FY18			FY19	Major factors (FY19)
	(Yen bn)		1H	2H		
1 SuMi TRUST Bank		1.9	0.3	(35.0)	(34.7)	<div> <div>Downgraded: Approx. (19.0)</div> <div>Upgraded: Approx. +5.0</div> <div>Special loan loss provision (General allowance for loan losses): Approx. (19.0)</div> </div>
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]		Costs		Unrealized gains/losses	
(Yen bn)		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)

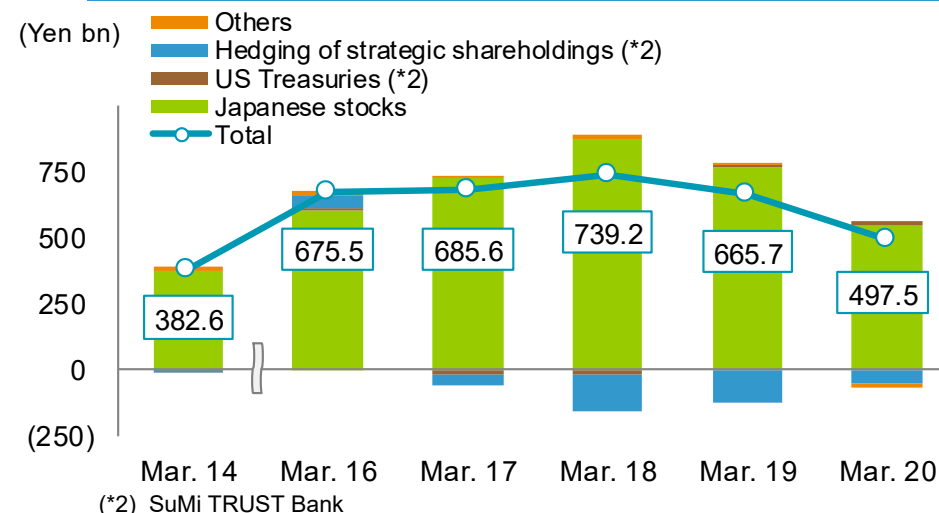
[Securities with fair value (SuMi TRUST Bank)]

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)

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

(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)

		10BPV (*5)		Duration (years) (*5)	
(Yen bn)		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>		Mar. 2019	Mar. 2020	
(Yen bn)		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)
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)
14	Market risk	1,104.0	1,334.5	230.4
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	Change 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 4QFY18 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

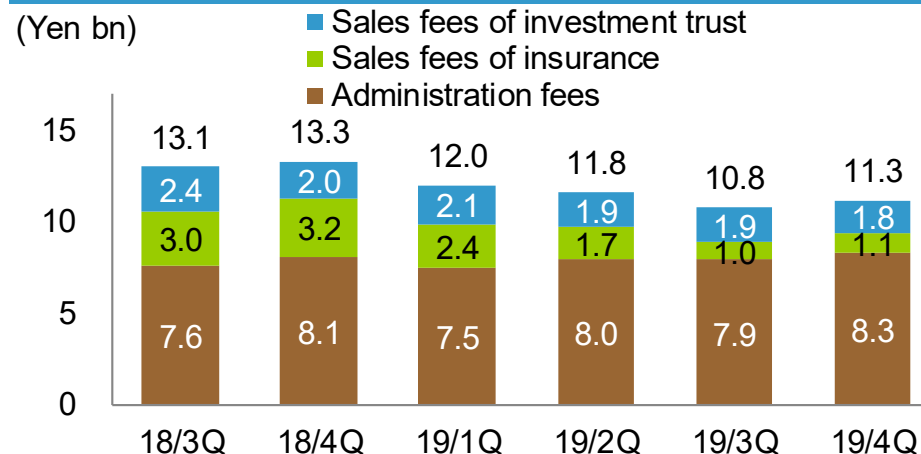
	(Yen bn)	FY18	FY19	Change
1 Income total		53.7	46.0	(7.6)
2 Sales fees of investment trust		11.7	7.9	(3.8)
3 Sales fees of insurance		10.5	6.3	(4.2)
4 Administration fees		31.3	31.8	0.5

Sales volume / balance

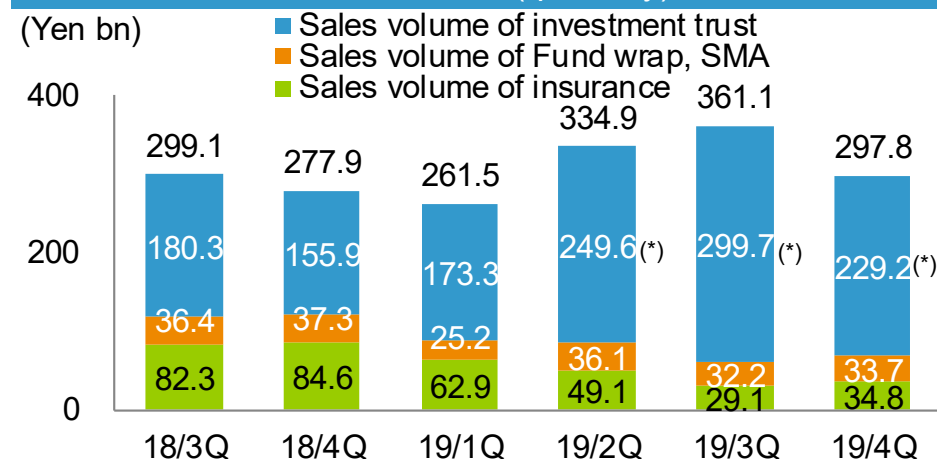
	(Yen bn)	FY18	FY19	Change
5 Sales volume total		1,270.1	1,255.4	(14.6)
6 Investment trust		773.8	(*) 952.0	178.2
7 Fund wrap, SMA		191.8	127.4	(64.4)
8 Insurance		304.4	176.0	(128.4)

	(Yen bn)	Mar. 2019	Mar. 2020	Change
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)

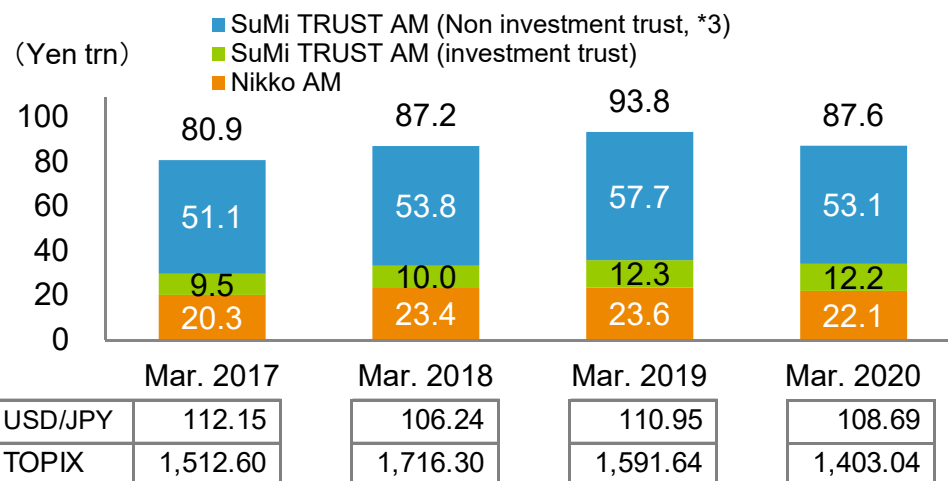
- ✓ AUM decreased by ¥6.1trn to ¥87.6trn from Mar. 2019 due mainly to fall in market value in 4QFY2019
- ✓ AUC for domestic investment trusts fell due to fall in market value, while AUC showed steady increase overall due to increase of new contracts

Assets under management (AUM)

		Mar. 2019	Mar. 2020	Change
	(Yen trn)			
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



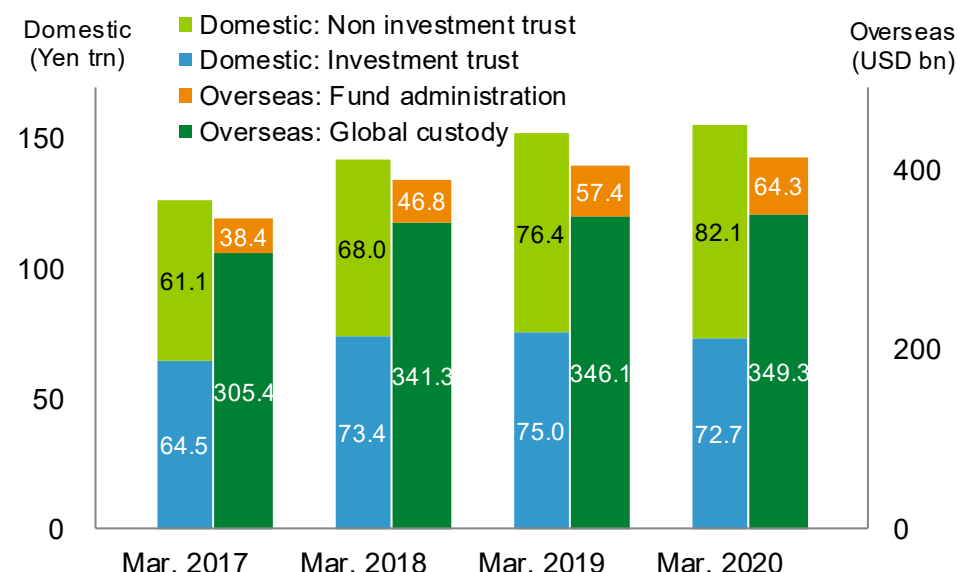
(*3) Managed by SuMi TRUST Bank until the end of Mar. 2018

Assets under custody/administration

		Mar. 2019	Mar. 2020	Change
	[Domestic] (Yen trn)			
9	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.)



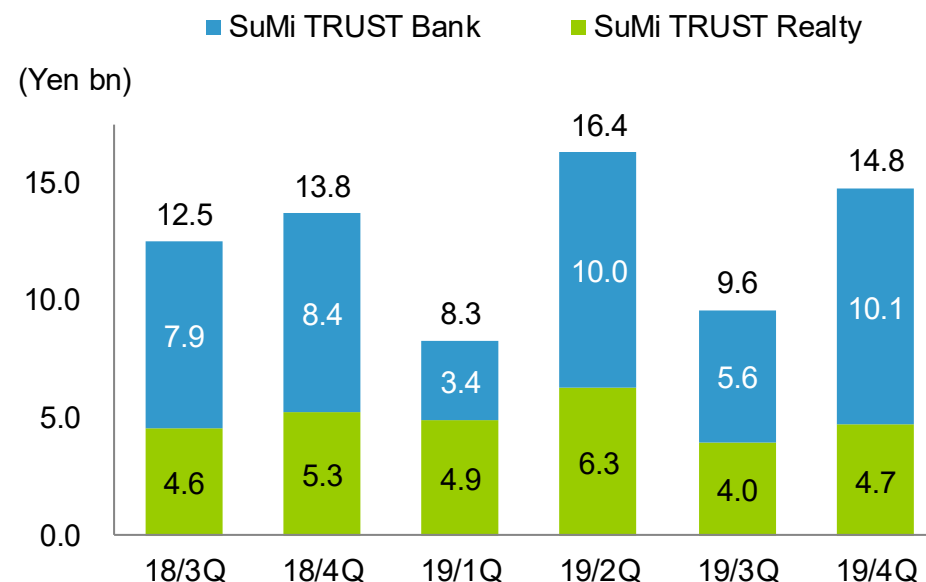
Fee business: Real estate

- ✓ 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

		FY18	FY19	Change
	(Yen bn)			
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

		Mar. 2019	Mar. 2020	Change
	(Yen bn)			
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

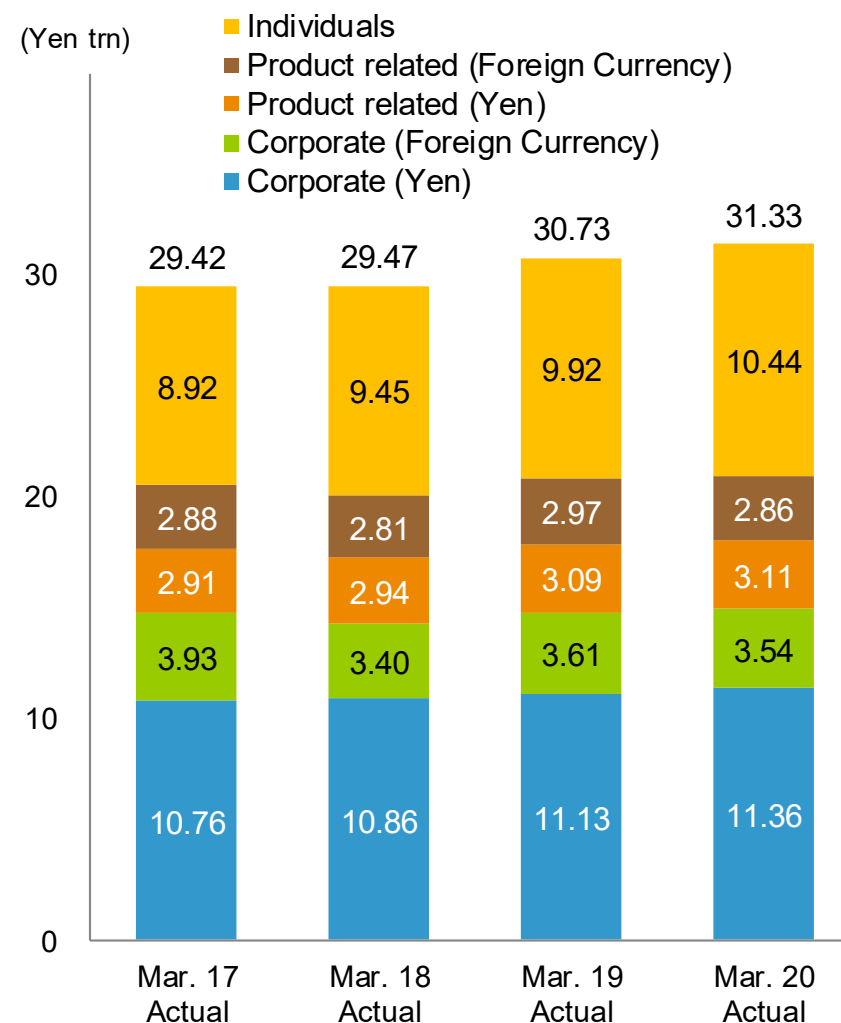
		Mar. 2019	Mar. 2020	Change
	(Yen bn)			
3	Balance of loans to individuals	9,920.6	10,443.2	522.5
4	o/w Residential mortgage loans	9,314.0	9,801.0	487.0

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



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