

Investor Meeting on Financial Results for FY2019

May 22, 2020

- ◆ I am Tetsuo Okubo from Sumitomo Mitsui Trust Holdings.
- ◆ Coming into this year, the spread of COVID-19 is bringing significant impact on to our societies as well.
- ◆ The FY 2019 earnings have already been disclosed on May 14th, therefore, this presentation will discuss impact from COVID-19, the New Medium-Term Management Plan and our capital policy.
- ◆ Please turn to page 3.

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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

- ◆ This is a summary of what "I would like to convey". I will first discuss point 1 and 2 together, starting with how we are coping with the most recent situations, then share my thoughts on the New Medium-Term Management Plan.
- ◆ To begin, We are continuing to operate a complete line-up of businesses in response to the spread of COVID-19. We are not only making efforts to supply funding as a bank, but also bear a critical role in offering social infrastructure services under our trust related businesses. We conduct various types of work as a force behind the scenes such as: making pension benefit payments to 900K individuals, supporting more than 1,200 companies with their AGMs that will be held from April to September, and settling more than 10 trillion yen's worth of securities per day. And we are re-acknowledging the importance of our role in supporting steady operations of the society and economy, and thus are continuing solid business operations while paying close attention to preventing the spread of the virus.
- ◆ True, we are starting the New Medium-Term Management Plan under such an environment, however, the COVID-19 shock brings no impact to the direction of our strategy, or rather, it proved as an opportunity for myself to re-acknowledge that the direction was indeed right. With the COVID-19 shock, measures to address social issues such as the super-aging society, ESG aware business management of companies, and digitalization will be required in acceleration. In the New Medium-Term Management Plan, we have placed "balanced creation of both social value and economic value" as our core management philosophy. Because we are at a juncture where values in the society are diversifying and uncertainties are growing, I feel that now is a time more so than ever for us to display our genuine ability as the bearer of trust schemes. Of course, even when the spread of COVID-19 subsides, the society will be faced with a new normal that is very different from the past, thus, we will be sure to introduce measures that cater to such changes with speed.
- ◆ The 3rd point is risk resilience. Stock price and interest rate risks are already under control, and as for credit risks where the sense of caution is rising globally, please again review the risk attributions of our credit portfolio that are under tight control.
- ◆ The 4th point is our capital policy. From this fiscal year onwards, our shareholder return policy will be changed where returns with earnings will focus more on dividends and to reflect this, aim for a 40% payout ratio.
- ◆ Please go to page 7.

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

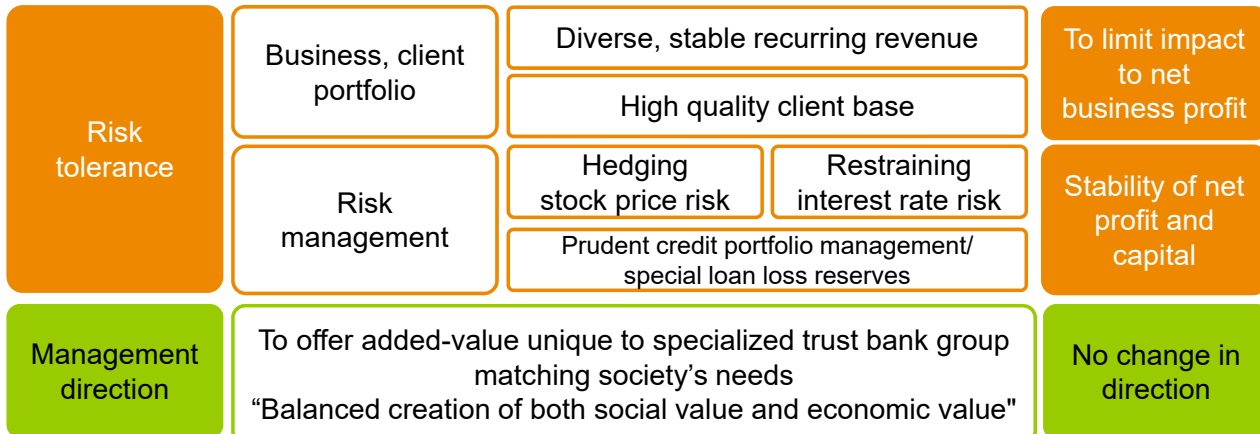
(*) Attendance rate of SuMi TRUST Bank (May 2020)

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

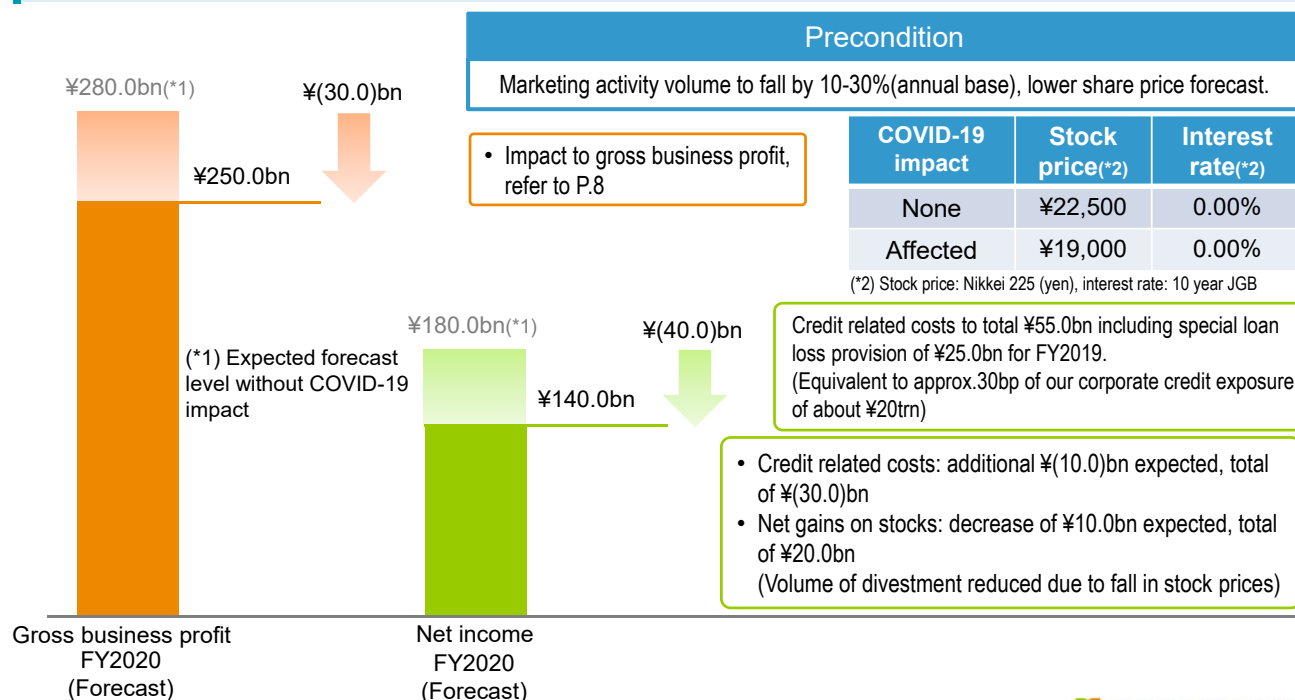
Impact to financial result	FY2020	Net business profit	¥250bn, down ¥30bn (*)
		Net income	¥140bn, down ¥40bn (*)

(*) 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"



- ◆ I will here move on to discussing the impact of the COVID-19 shock on the FY2020 financial results.
- ◆ The guidance was based on a scenario that the spread of the virus should peak-out in the 1st half, yet that its impact will reverberate throughout the fiscal year.
- ◆ As for net business profit before credit cost, we are expecting a 30 billion yen reduction due to the fall in marketing activity volume and assumed drop in stock prices.
- ◆ Net income is forecasted at a 40 billion yen decline with the increase in credit costs and decline in net gains on stocks in addition to the decline in net business profit.
- ◆ To add, should it become clear that the level of impacts from COVID-19 will diverge significantly from these projections, we will be sure to communicate such facts at a relevant timing.
- ◆ Please go to page 9.

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

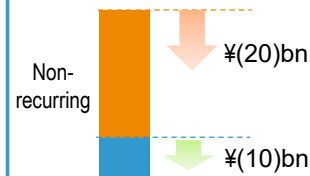
<Positive factor>
Corporate loan (short term, increase)



<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

Recurring

Stable recurring fee income to support bottom line
¥300bn to ¥320bn

<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

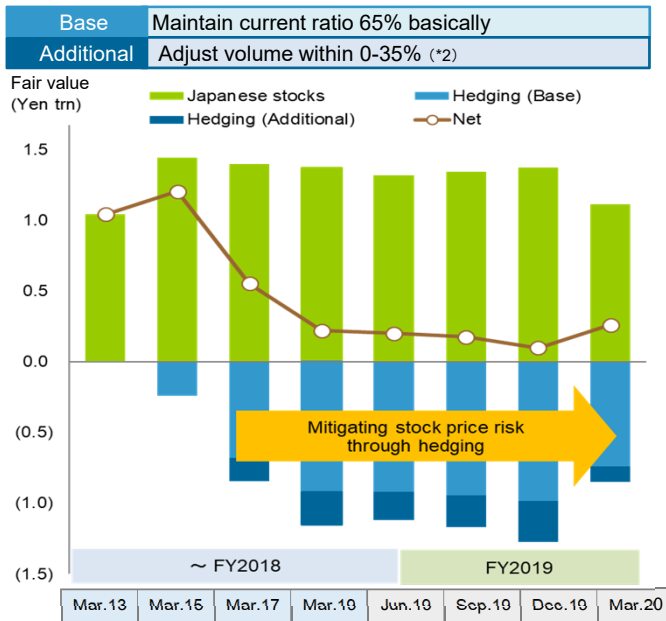
Restrained approach towards interest rate risk
✓ Neutral position not taking US interest rate risk
(Including derivatives, as of Mar. 2020)

- ◆ I will not go into details on risk resilience, however, we have been continuing a disciplined operation in each of the risk categories and we have made a comprehensive disclosure specifically for credit risk. Please have a look to see the high quality of our credit portfolio and conservative stance on loan loss provisions.
- ◆ Next, moving on to our Medium-Term Management Plan.
- ◆ Please go to page 22.

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)

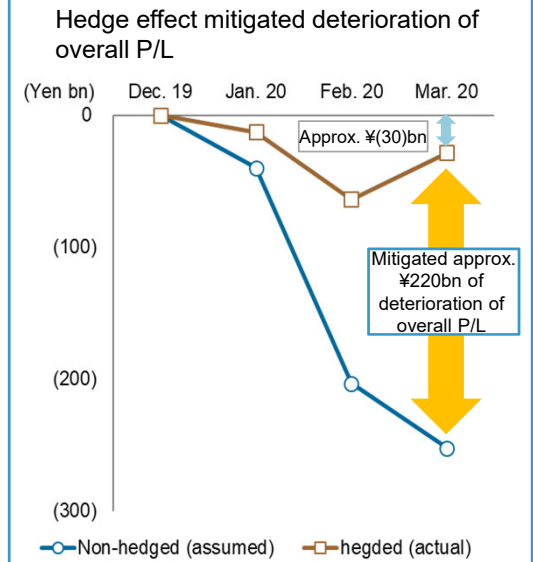


(*1) Hedge ratio against fair value of strategic shareholdings

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

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

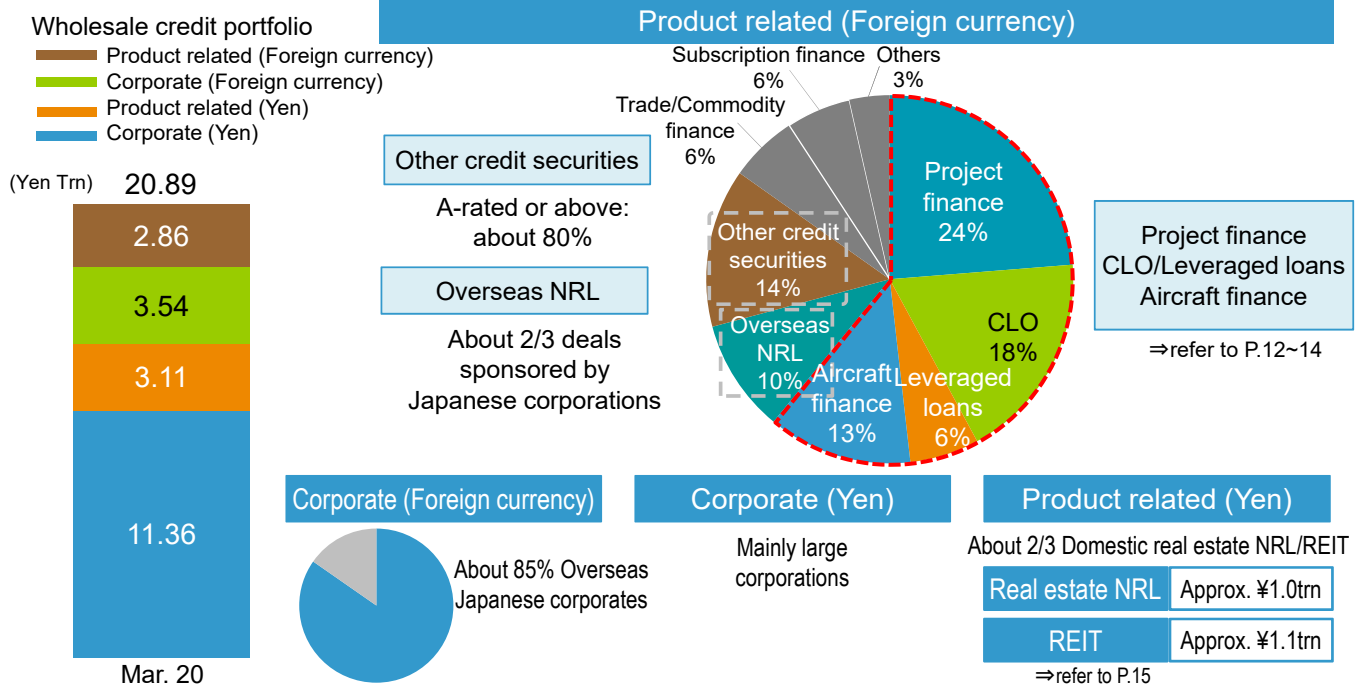
Over
all
P/L
(*3)



(*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)

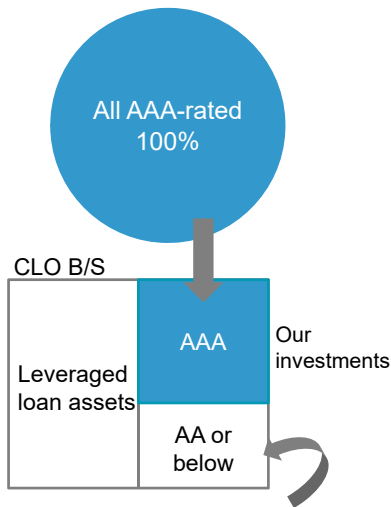
- ✓ Corporate loans portfolio mainly domestic large corporates and overseas Japanese affiliated companies
- ✓ Foreign currency product lending is mostly non-Japanese credit but diversified, credit risk conscious portfolio



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)

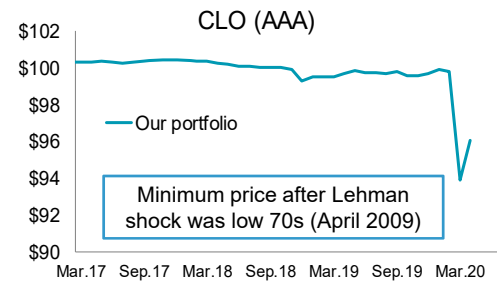
	Mar. 20	Mar. 20	
(USD M)			Chg
CLO (*1)	3,377	4,837	1,459
US	3,128	4,495	1,366
EU	249	342	93

(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)

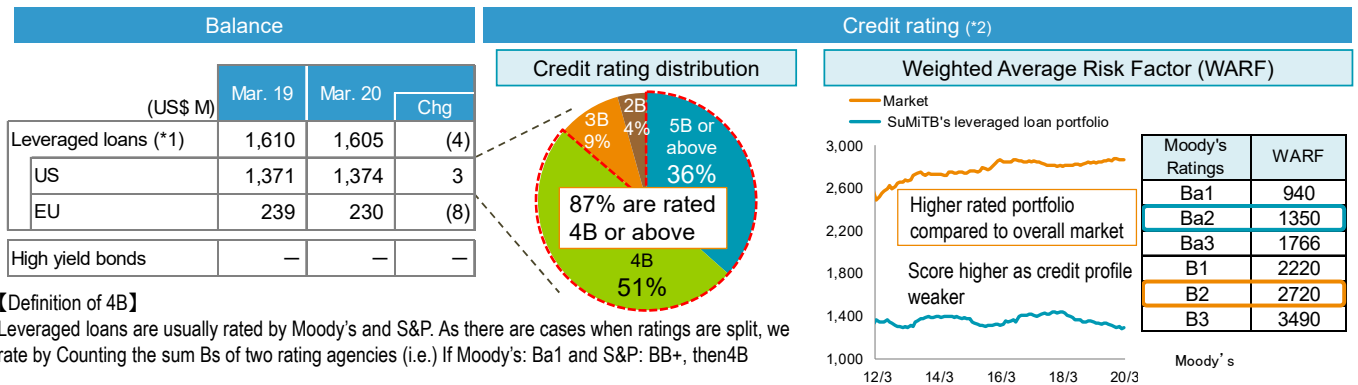


(*3) Available-for-sale securities

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

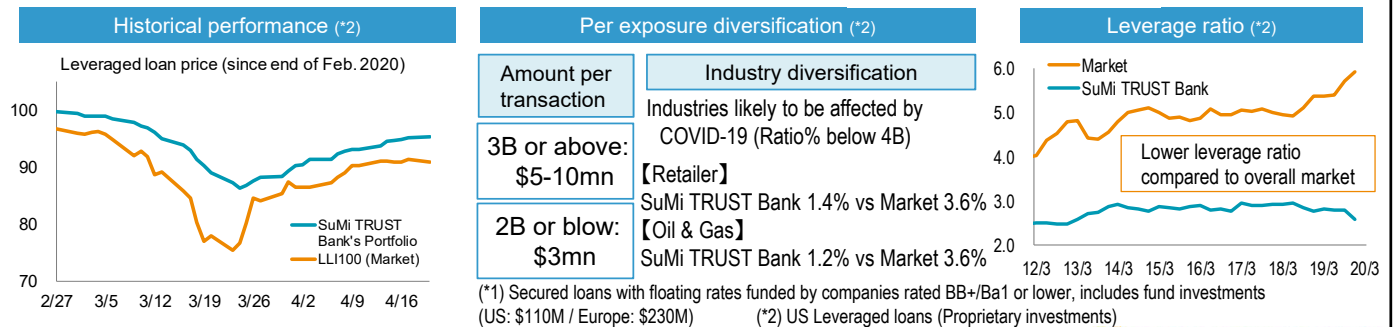
Credit risk (Leveraged loans)

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



【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 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

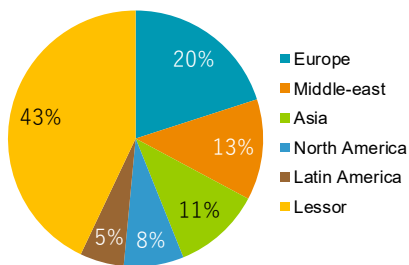
Mar. 20 Balance

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

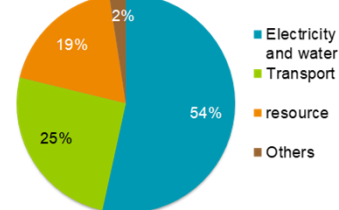
Mar. 20 Balance

US\$6,250M

Ratio of total corporate portfolio

Approx. 3%

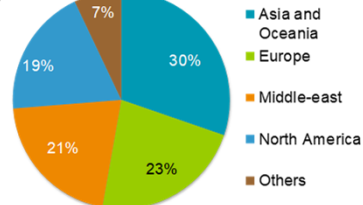
<Transaction type>



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)

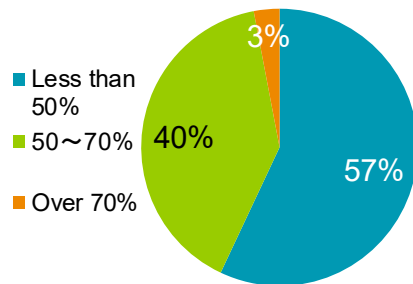
✓ Maintaining conservative portfolio management focusing on Low LTV

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

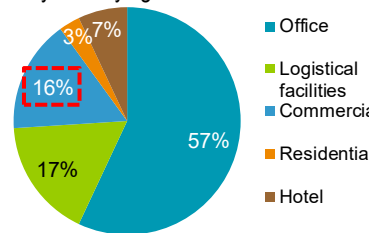
LTV (External appraisal base) of Real estate NRL (*2)



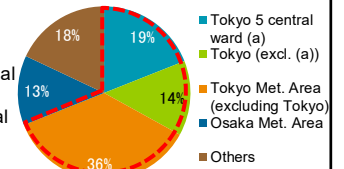
(*2) As of Mar. 20

Underlying assets of Real estate NRL (*2)

<by underlying assets>

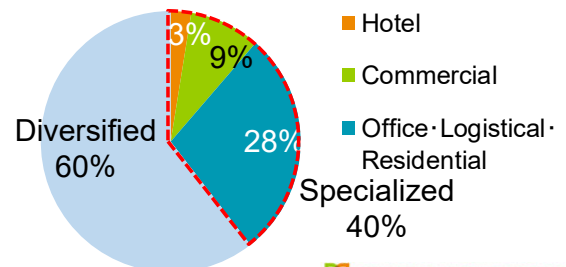


Area distribution of Commercial

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

Mainly Tokyo Met. Area

Underlying assets of REIT (*2)



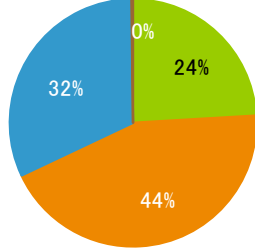
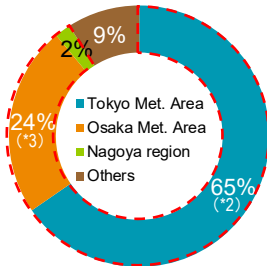
Credit Risk (Personal loans)

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

Mortgage loans (*1)

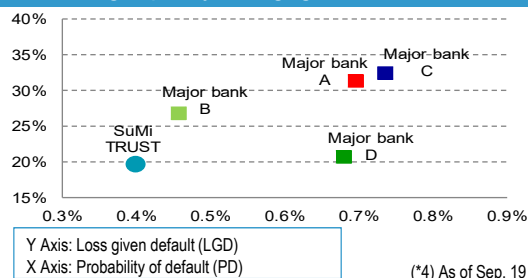
Portfolio focused on metropolitan areas

Distribution by work place



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

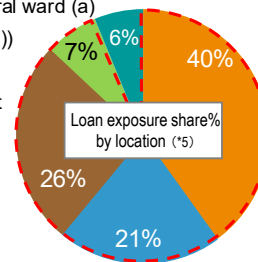
High quality mortgage borrowers (*1,*4)



(*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

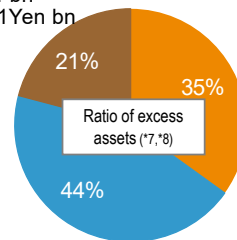


High quality properties in metropolitan areas

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

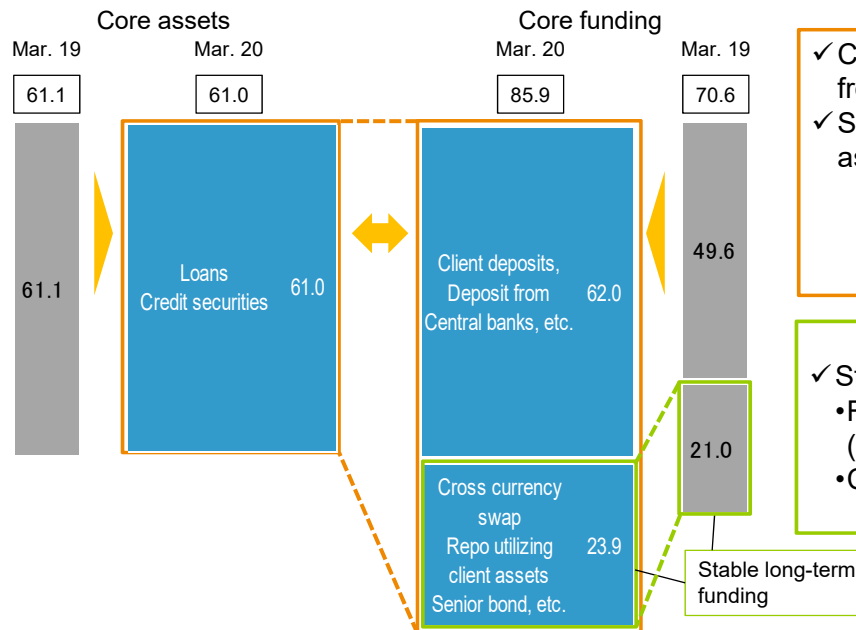
(*7) In-house reporting basis, 3-year total

(*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)

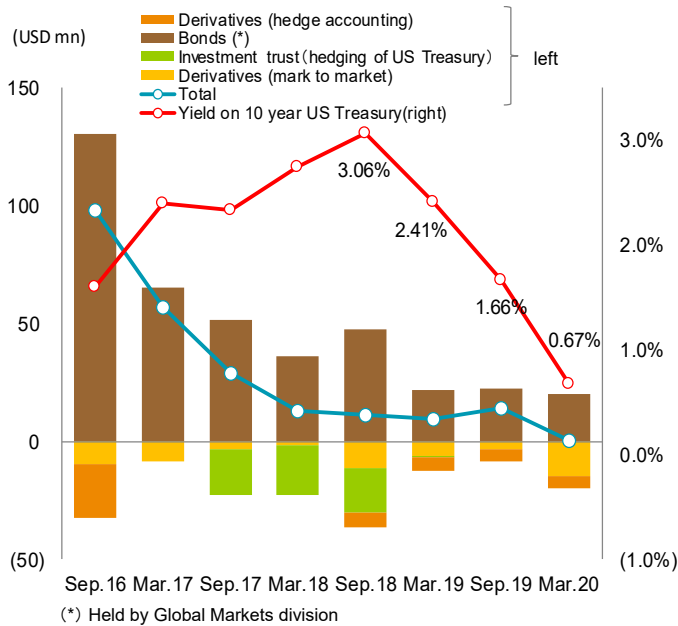
- ✓ Stable long-term funding expanded
 - Repo utilizing client assets (+US\$1.5bn from Mar.2019)
 - CCS (+US\$3.5bn from Mar.2019)

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

Interest rate risk

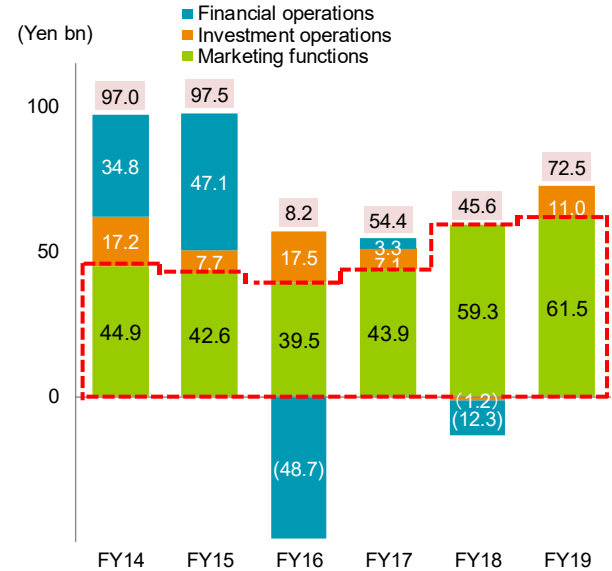
- ✓ Restrained management of US interest rate risk exposure.
- ✓ Global Markets' profitability strengthened from client facing services

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 FY18	Change from initial plan	FY20 Plan	Change from FY19
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>

	FY19 Actual	FY20 Plan
12	Dividend payout ratio	34.5%
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

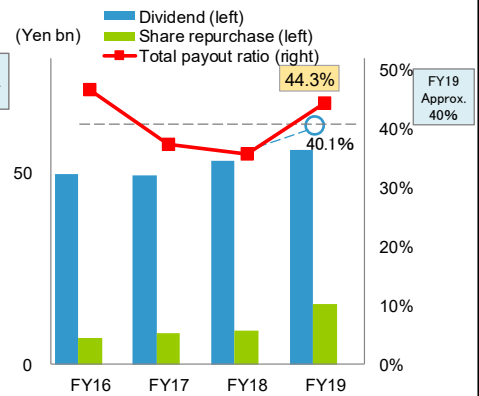
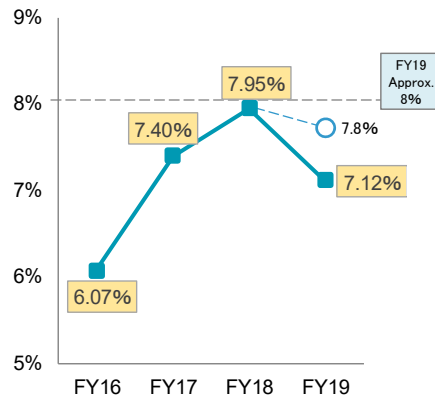
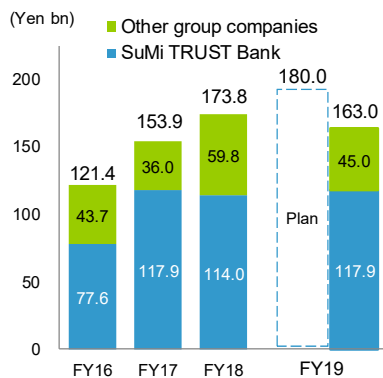
Shareholder ROE 7.1%

FY2019(plan) Approx. 8%

Shareholder return

Total payout ratio 44%

FY2019(plan) Approx. 40%



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

- ◆ Let me first start by reviewing on the achievements of previous medium-term management plan. Apart from the impact of special loan loss provisions for COVID -19 that was posted in FY2019, net income, shareholder ROE, and total shareholder return were all able to achieve the target or close to target levels.
- ◆ Please see page 23.

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

Fee businesses

Fee related business income contributed to stable earnings

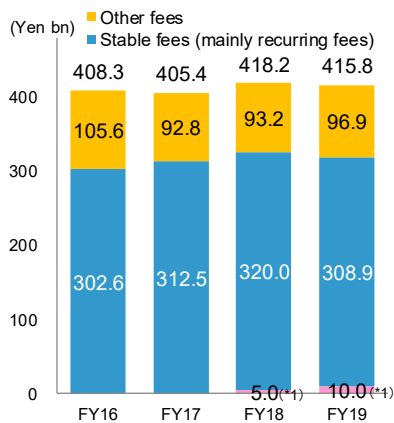
Stable Fee ratio

FY2016

74.1%

FY2019

76.7%



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

Loan/investment business

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

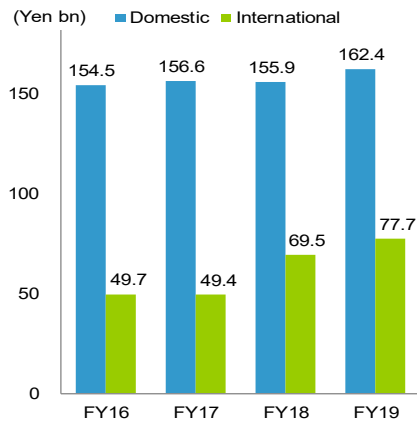
Foreign currency loan spread

Mar. 2017

0.94%

Mar. 2020

1.10%



(*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

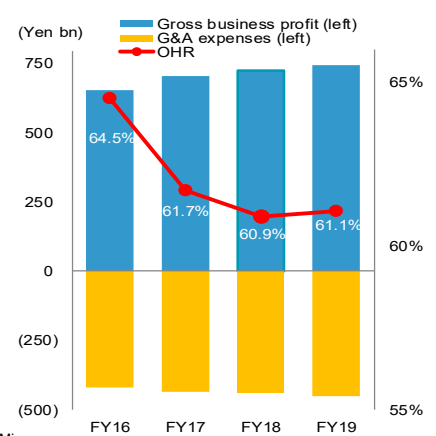
OHR

FY2016

64.5%

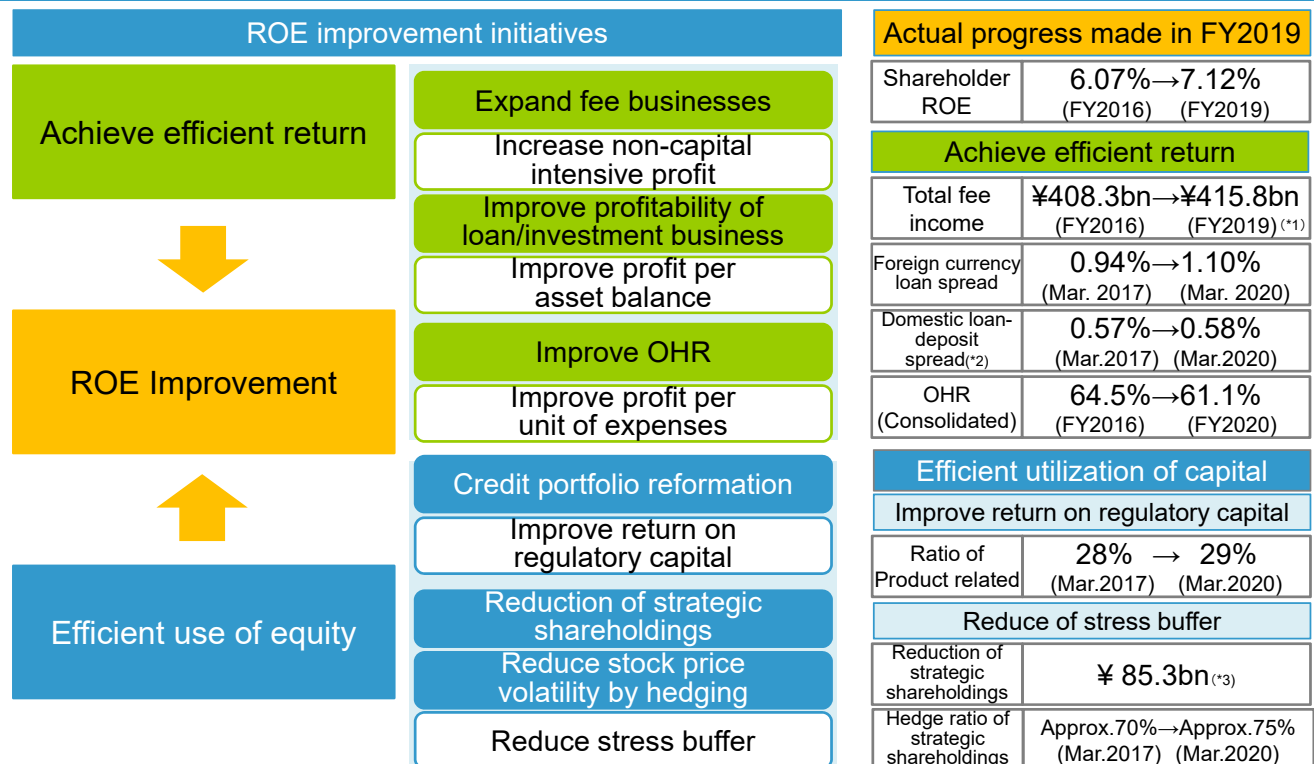
FY2019

61.1%



- ◆ Strengthening fee businesses, improving profitability of loan/investment business, and pursuing expense efficiency that were major items in the previous Medium-Term Management Plan will continue to be included in the New Medium-Term Management Plan.
- ◆ Please go to page 26.

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



(*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

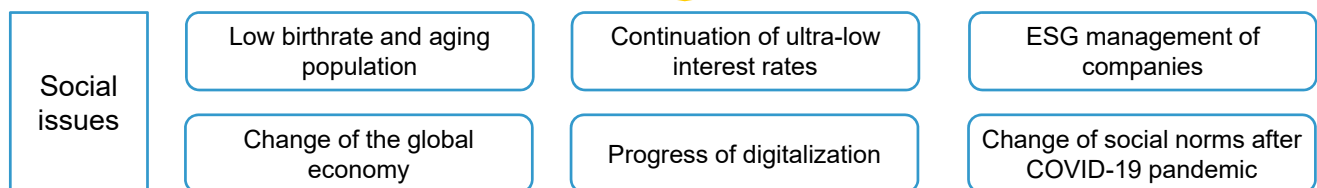
Medium-Term Management Plan

『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



To contribute to the sustainable development of society

- ◆ I will now move on to discussing the New Medium-Term Management Plan that started this April.
- ◆ As mentioned before, “balanced creation of both social value and economic value” has been placed as our core management philosophy.
- ◆ The core philosophy underlying the Medium-Term Management Plan is comprised of acknowledging our reason for being along our purpose as a specialized trust bank group, leveraging the power of trust and offering value added services in solving social issues to realize both the development of a sustainable society and the sustainable and stable growth of our group.
- ◆ Please see page 27.

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



- ◆ This is the positioning of the Medium-Term Management Plan.
- ◆ I will explain the profitability plan in light of the COVID-19 later, yet by positioning the 3 years as a period for building a solid foundation for offering value-added products and services to the society, we hope to link this to a sustainable and stable future growth.
- ◆ As described here, the social issues that we will proactively engage in are : For individuals: "Asset formation, asset administration suitable for ageing society", For corporations: "Addressing both financial and non-financial issues to be taken up to support growth", and for investors: "Diverse investment opportunities" and "Develop investment chains".
- ◆ Specific initiatives on these themes will be explained later.
- ◆ Please see page 28.

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

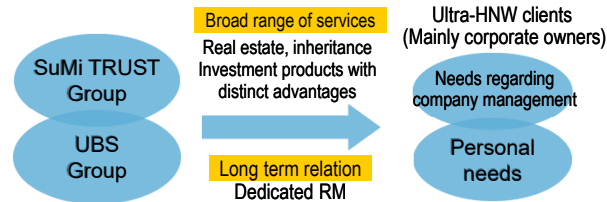
- ◆ Here describes the framework of our initiatives that mainly consist of three pillars that are: "Strengthen our business portfolio", "Capital strategy", "Sophistication of our business quality"
- ◆ In terms of "strengthen our business portfolio", the important points are to: "Strengthen our business foundations" such as client base in our existing business areas, Engage in "establishing new areas of growth" by crossing and merging the different businesses and functions, and Strategically allocate expenses and resources in a dynamic manner and make suitable adjustments.
- ◆ We have, to date, been working on crossing and merging the different businesses in attempts to make developments in new areas, but as on page 29, we hope to create new opportunities for growth by placing Private banking, Asset formation advisory, Innovation corporate promotion, Investor solution as key focus areas.
- ◆ Please go to page 30.

Initiatives to strengthen our business portfolio

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

Private banking

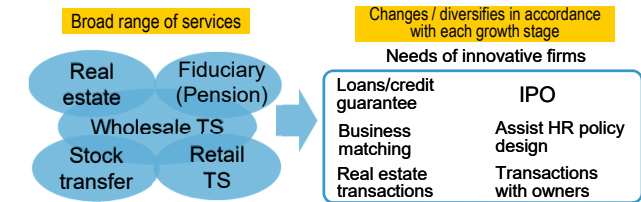
To develop long-term relationship with clients by offering total wealth management services through partnership with UBS Group



Increase Ultra-HNW client base and AUM through asset management and administration assistance

Innovative corporate promotion

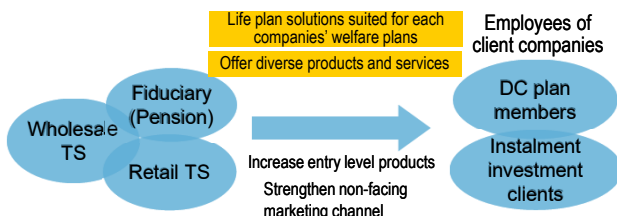
To grasp changes in needs unique to rapidly growing innovative firms to assist their growth by offering a broad range of services



Increase client base through assisting growth of future large corporations

Asset formation advisory, Work place

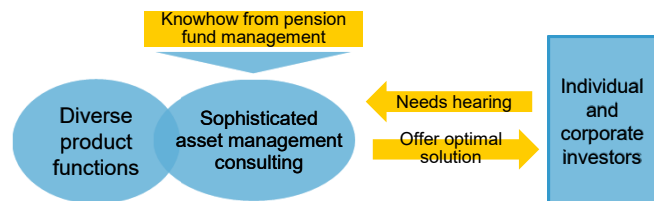
To assist asset formation through offering of diverse products and services based upon life plan needs



Increase asset formation generation client base and AUM through asset management assistance

Investor solution

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



AUM growth through development of investment chain

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%)

- ◆ I will now move to explaining the KPIs.
- ◆ The levels set for the final year of our Medium-Term Management Plan are based on the assumption that impacts from COVID-19 would have been wiped away, and will aim for a net business profit of 290 billion yen and net income of 190 billion yen.
- ◆ We do not expect a significant drop in OHR since we will be working on strengthening our fee businesses.
- ◆ Regarding ROE, based on the fact that unrealized gains and losses on stocks are under control from stock hedging, the standard has been changed to capital ROE which is increasingly more common.
- ◆ Please note that ROE numbers will decline by about 1% due to technical factors from this change in the new standard applied.
- ◆ Please see page 31.

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.

- ◆ This shows KPIs for expanding our client base.
- ◆ We believe that whether we are being considered a "Best Partner" in the eyes of our clients can be measured by how deep and broad the businesses we have from these clients.
- ◆ The New Medium-Term Management Plan defines clients that are at a stage before as "Pre-Best Partner" and apply this KPI to strengthen the foundation that leads to sustainable and stable future growth.
- ◆ I will explain the initiatives we are taking for social issues by clients categories, namely individuals, corporations, and investors as mentioned before from the next page.
- ◆ Please go to page 33.

(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

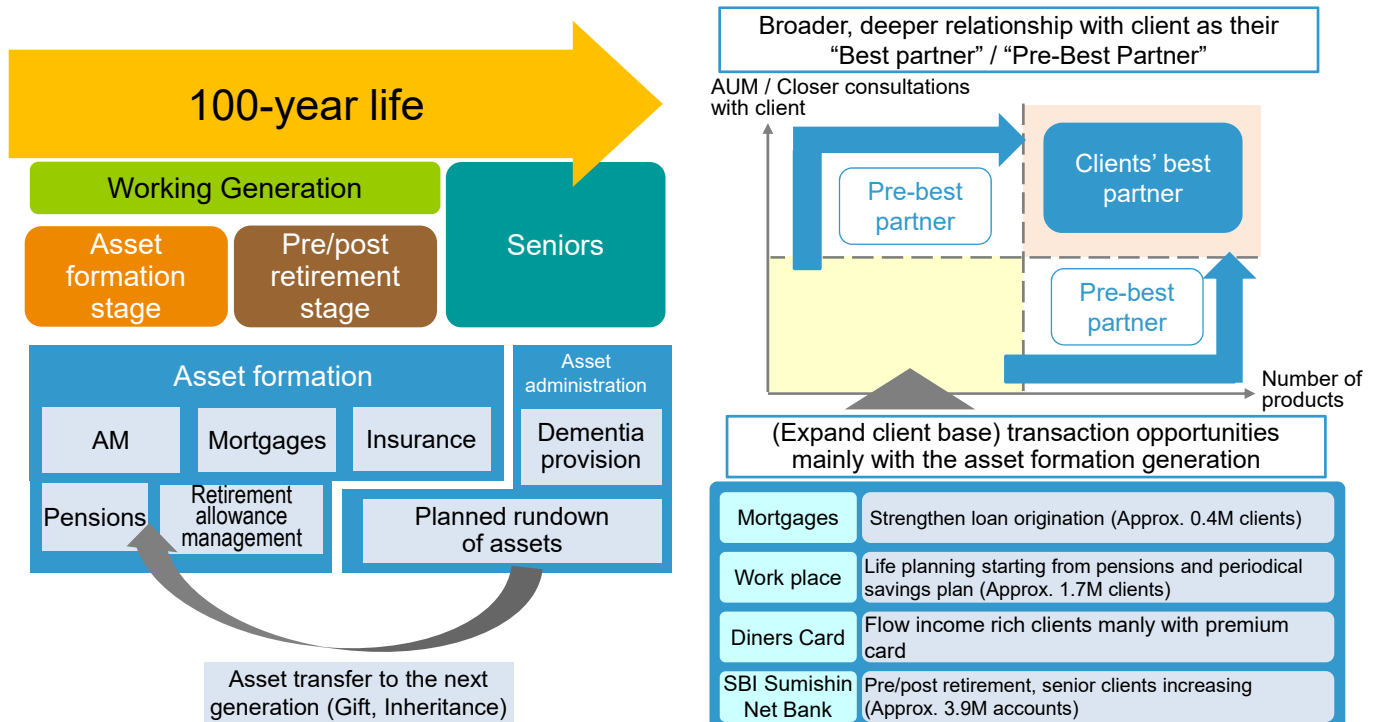
(*2) Combined total of Wholesale total solution services and Wholesale asset management

(*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"

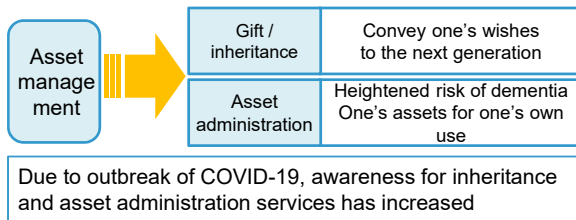


- ◆ As to Retail business, we will strengthen asset administration services for the seniors and asset formation services for working generations.
- ◆ Please see page 34.

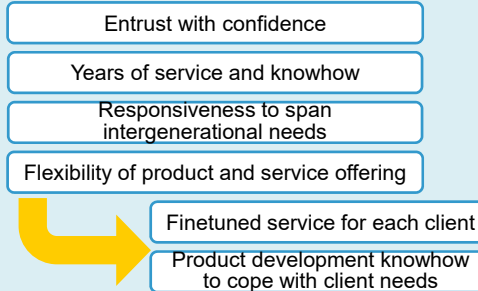
Retail Business: Business initiatives for the market for seniors (1)

- ✓ 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

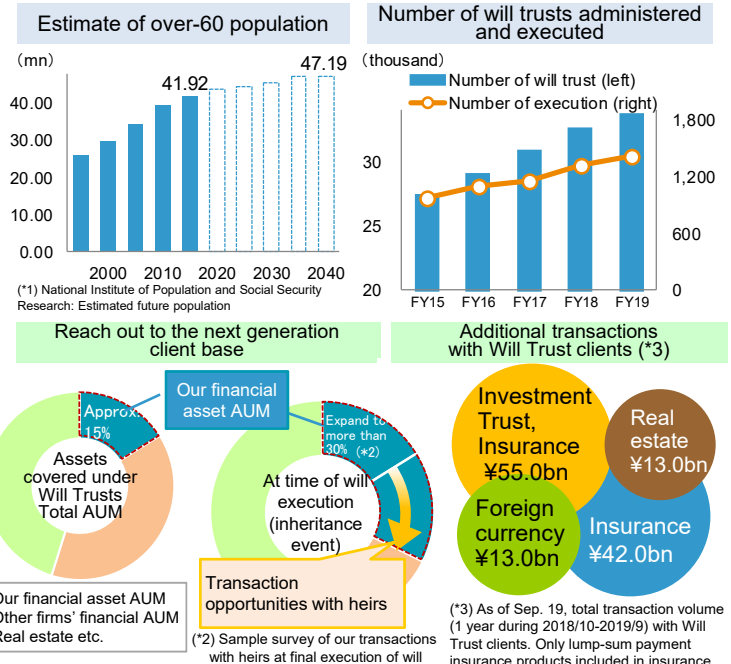


The power of trusts (safety and peace of mind)



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

Expanding needs for gifts/inheritance

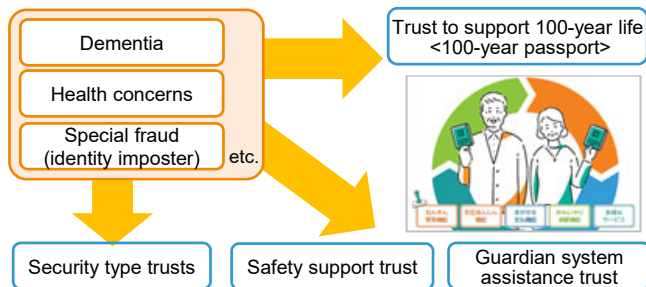


- ◆ I will here discuss our initiatives for the seniors.
- ◆ With the wavering of the vague assumption that they will continue to live in health eternally due to the COVID 19 outbreak, we are seeing an increase in inquires on inheritance and asset administration.
- ◆ “Safety and peace of mind” will be an even more important theme for life planning post the COVID-19 shock. Therefore, we believe that opportunities to fully demonstrate “the power of trusts” will only increase further.
- ◆ These businesses can be expected to become a foundation for supporting a sustainable growth even from Japan’s demographics point of view.
- ◆ Please see page 35.

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



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



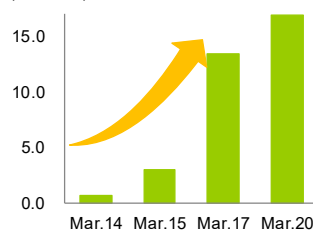
Anshin (peace of mind)
Support NPO
(established Nov. 2018)

Assumes post mortem
non-financial services



Number of asset administration
type products (*)

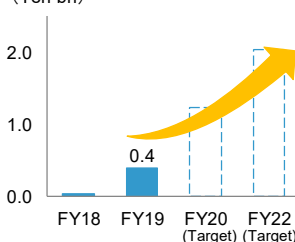
(thousand)



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

Revenue from asset
administration type products (*)

(Yen bn)



Based on clients' ending note



Funeral

Notification of
death

Digital estate

Burial

Pet foster
home

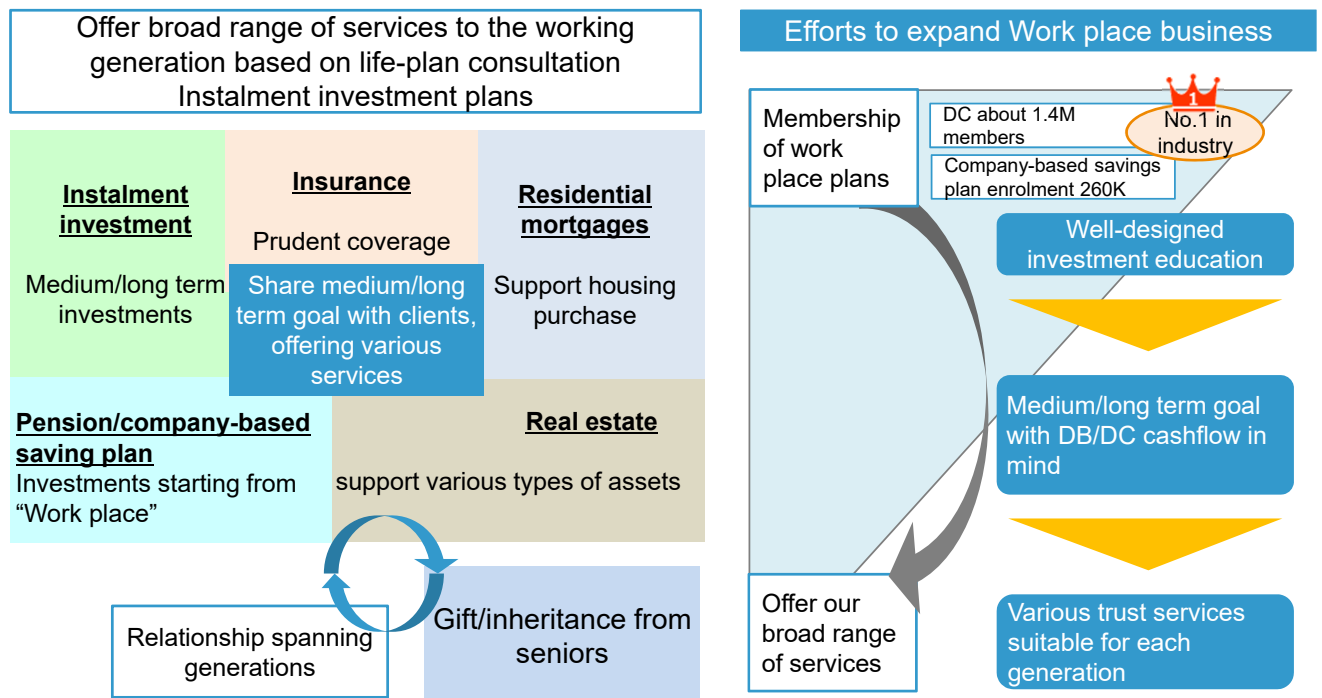
Disposal of
household items

etc.

- ◆ Dementia risk is especially gaining much attention recently.
- ◆ We are developing various services leveraging trust schemes and are seeing a stable growth in the number of clients signing up for these services.
- ◆ As on the right, we are starting to offer support outside the boundary of finance schemes such as establishing an NPO for offering administrative work after a client passes away.
- ◆ Please go to page 36.

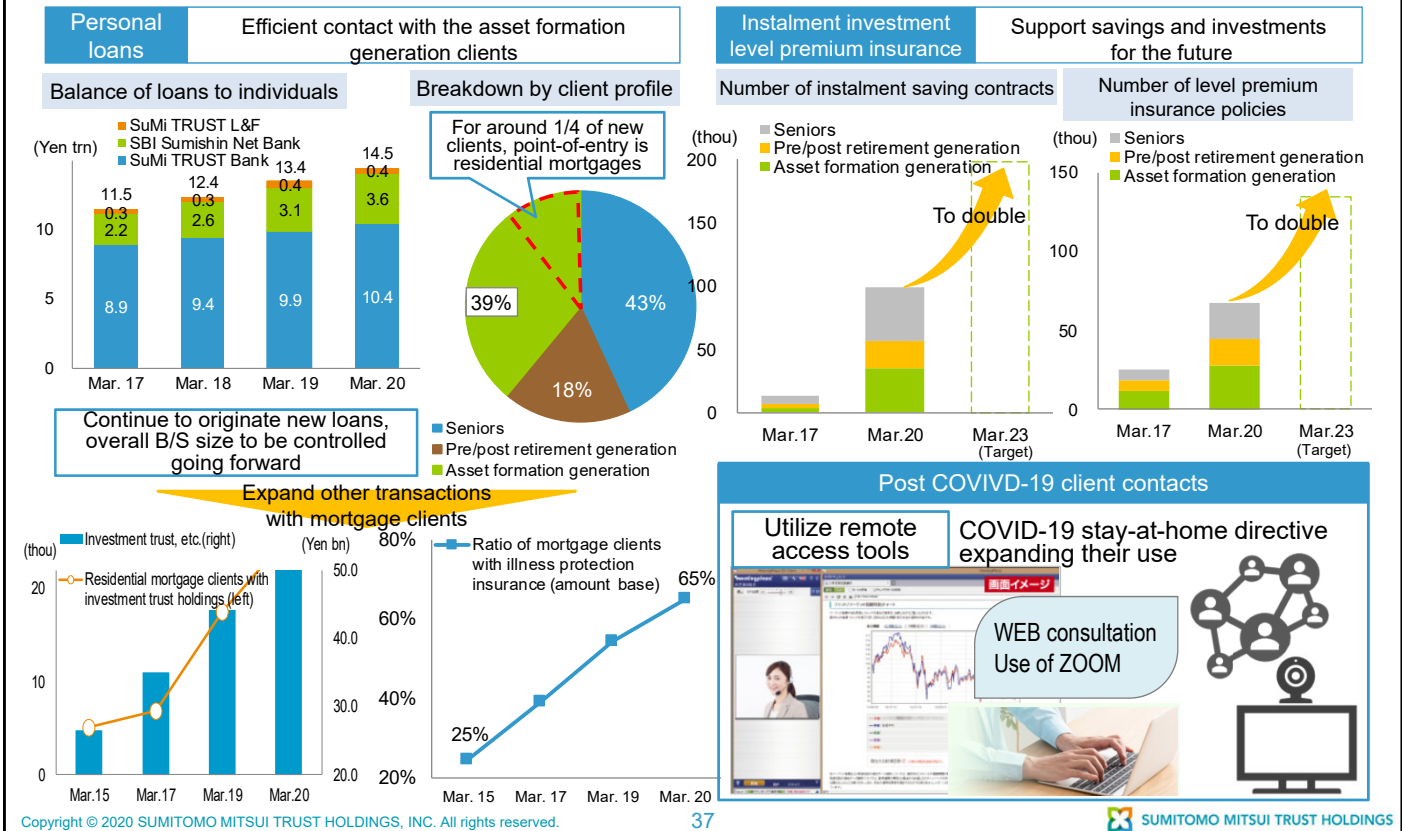
Retail Business: Initiatives for the working generation (1)

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



- ◆ As on the right, for working generations, we will strengthen our "Workplace business" that can offer added value through the merging of pension management know how, our corporate client base, and the various trust scheme services available from the retail business.
- ◆ To be more specific, we are thinking of expanding the breadth of how we can accommodate the varying life plan inquiries by setting medium term goals by client based on their individual cashflow levels post retirement.
- ◆ Please go to page 37.

Retail Business: Initiatives for the working generation (2)



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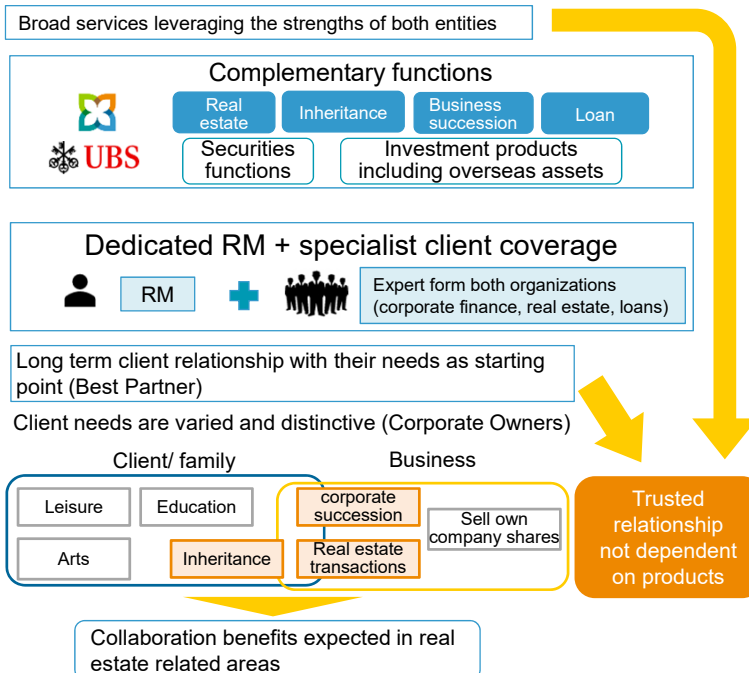
SUMITOMO MITSUI TRUST HOLDINGS

- ◆ As to contacts with clients, we have been to date steadily increasing the volume of consulting for working generations by out-of-hours marketing and being open on holidays, but communication methods will significantly change post the COVID-19 shock.
- ◆ We believe opportunities to make a trust bank that was not a familiar presence for those generations in the past, easier to use by proactively using remote tools and others.
- ◆ Please turn to page 38.

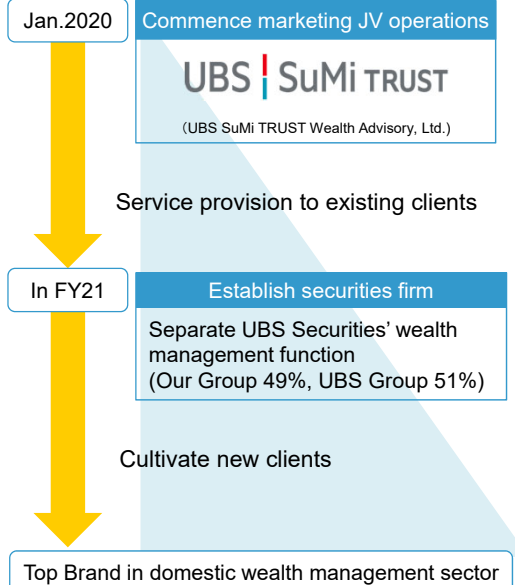
Retail Business: Wealth management business (alliance with UBS Group)

- ✓ 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



Schedule of collaboration



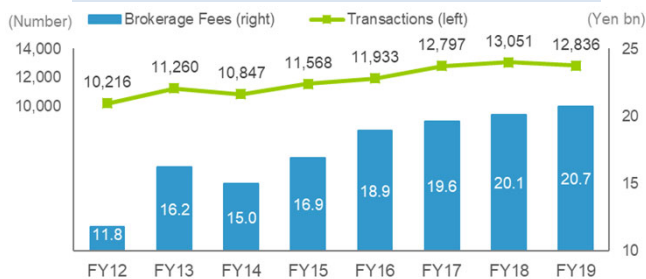
- ◆ The private banking business with UBS that has already started will be going into a stage of full-fledged operations as one of the new businesses generated through the “merging” approach.
- ◆ Now, being a Best Partner under a long-term perspective is of primary importance for us, therefore, I myself am, whenever possible, reminding that it must never become a business that chases near-sighted revenue by simply selling more products.
- ◆ For reference, since real estate was not available in the UBS service line up in the past, the number of inquiries is increasing and can be expected to show positive effects of the alliance relatively soon.
- ◆ Page 39 please.

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

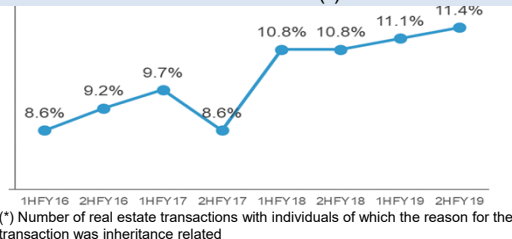
Stable growth of profit from accumulation of transactions

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(*)



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



UBS

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

- ◆ We have been achieving stable growth in real estate brokerage for individuals, but in addition to the just mentioned alliance with UBS, solid growth in needs can be expected in areas such as inheritance, thus we are considering expanding the number of Sumitomo Mitsui Trust Realty branches.
- ◆ Please go to page 40.

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

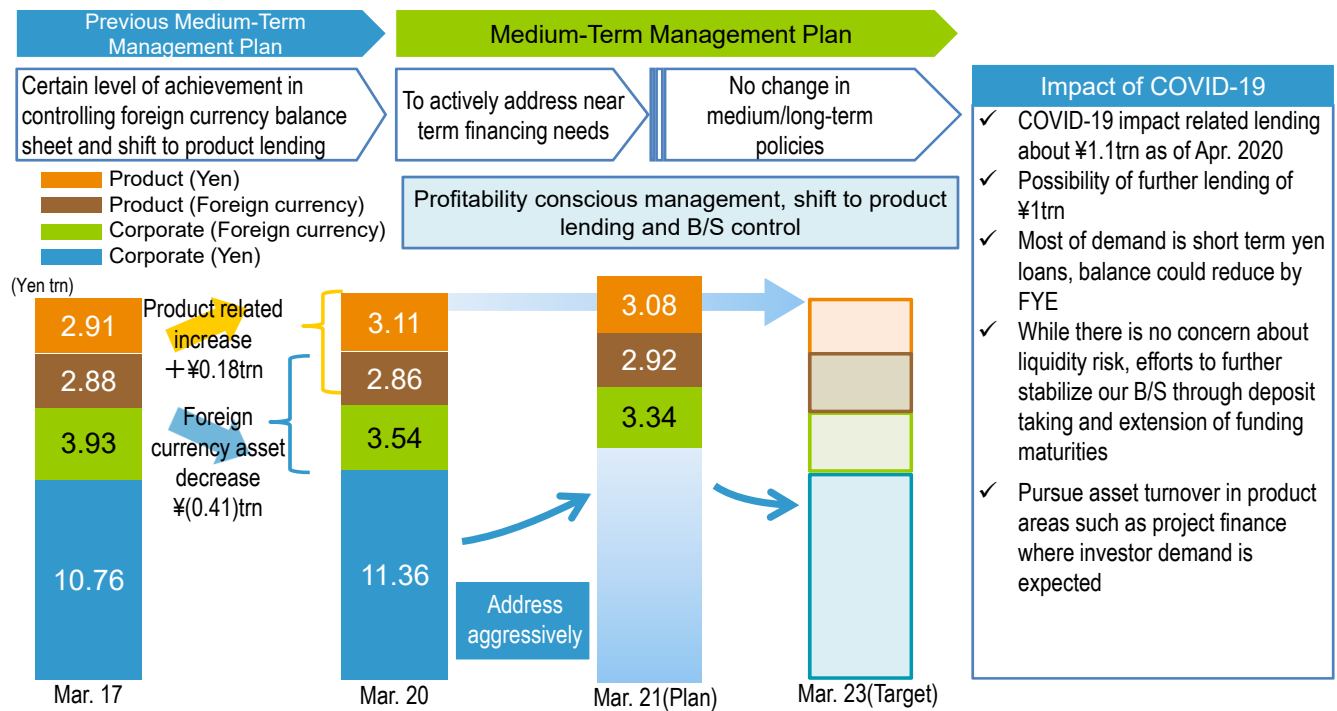
Cooperatives,
mutual savings
bank

Corporates

- ◆ Corporate clients are challenged with both financial and non-financial issues.
- ◆ SuMi TRUST aims to be their Best Partner by providing solutions to both types of issues and especially to the non-financial areas through added value services uniquely offered by a trust bank group.
- ◆ Please go to page 41.

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

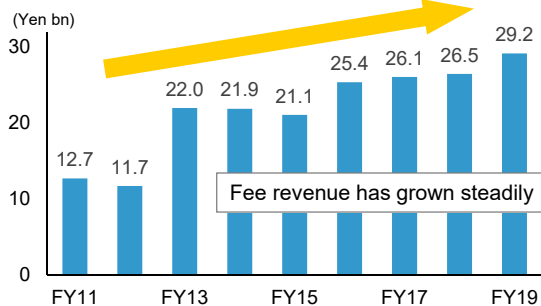


- ◆ Please first see our credit portfolio for corporates.
- ◆ The direction of New Medium-Term Management Plan not to expand our balance sheet, and to improve profitability remains unchanged.
- ◆ However, we have most recently been getting many inquiries from our clients for borrowings as reserve provisions for the COVID-19 shock and we will continue to proactively accommodate such requests. However, we believe there will be many other areas where we can be of support moving forward.
- ◆ Please go to page 42.

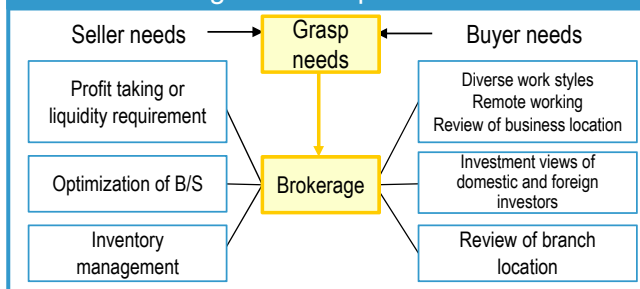
Corporate business : Real estate brokerage

- ✓ 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

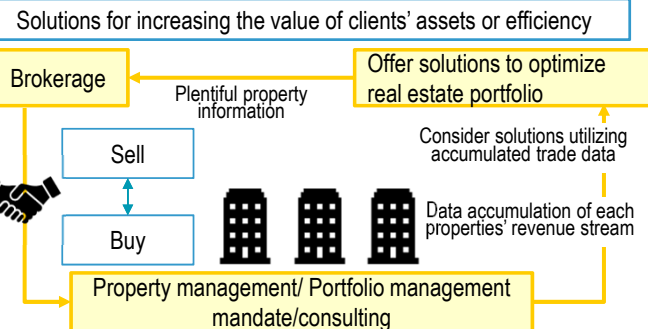
Corporate real estate brokerage fee revenue



Brokerage function post COVID-19

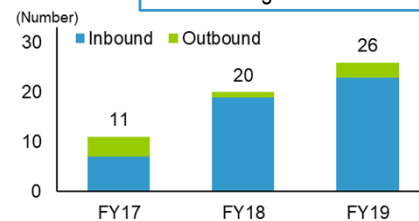


To expand business foundations



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

- ◆ Real estate is an area where we expect increasing inquiries to come in from here and on.
- ◆ Immediate needs such as selling assets for securing funds for addressing COVID-19 related matters or reconsidering office space with the deployment and expansion of remote working are some areas assumed.
- ◆ On the other hand, with the low interest rate environment continuing, real estate investment needs for income gains are still observed. As such, we think the COVID-19 shock will likely bring business opportunities and not just present downside situations.
- ◆ Please see page 43.

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

6 firms

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

1 firm

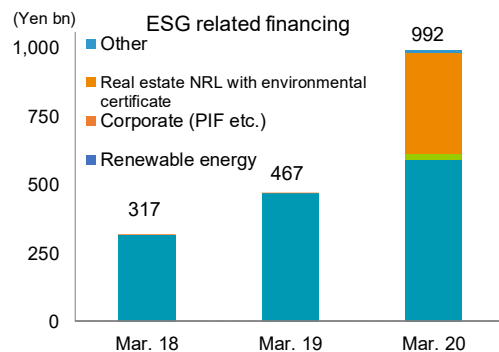
FY18

FY19

FY20 (plan)

(*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

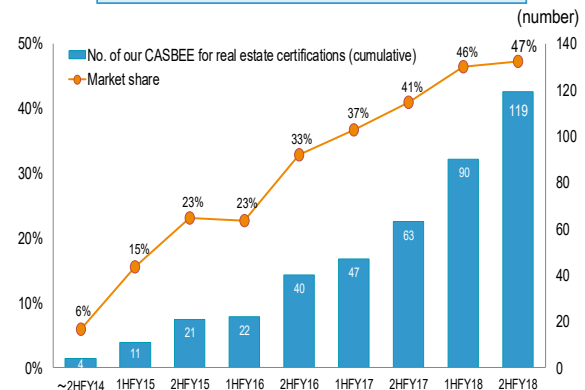


Construction consulting towards improvement of environmental footprint

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

- ◆ Measures for addressing sustainability is a challenge that all companies alike must take on.
- ◆ SuMi Trust has engaged in the world's first Positive impact financing (PIF) with unspecified use of funds.
- ◆ We have already signed 6 of these PIFs and are currently getting many more applications.
- ◆ PIFs provide an opportunity to consider the various challenges they are facing including their supply chains, therefore, it is leading to various consulting opportunities rather than just staying limited to providing funding.
- ◆ Please go to page 44.

Corporate business : Initiatives to strengthen clients' corporate governance

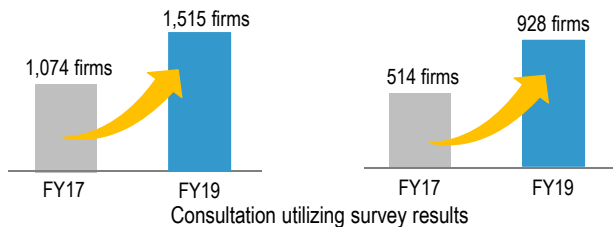
- ✓ To offer sophisticated solutions to management issues regarding corporate governance improvement and dialogue with investors

Initiatives to strengthen corporate governance

Survey utilizing our industry leading client base

Number of governance survey participants

Director compensation survey participants



Consultation regarding board of directors' meeting institutional design

Assistance in evaluation of board of directors' meeting effectiveness

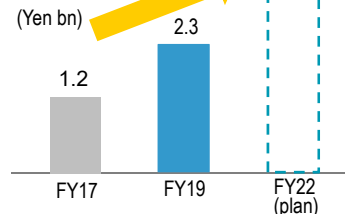
Employee remuneration consulting

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

- ◆ Enhancing corporate governance and dialogue with investors are also important factors for companies to address.
- ◆ In addition to reinforcing our consulting services through the governance survey launched in FY 2017, by bringing onboard "J-Eurus-IR" that has track record in IR/SR consulting as our group company in March of this year, we are further enhancing our consulting capabilities for measures against activist shareholders.
- ◆ Moreover, since there are signs of change noted in how AGMs will be conducted due to the COVID-19 shock as well as dialogues with investors in light of the shifts in social value, opportunities for offering consulting services will only increase.
- ◆ Please see page 46.

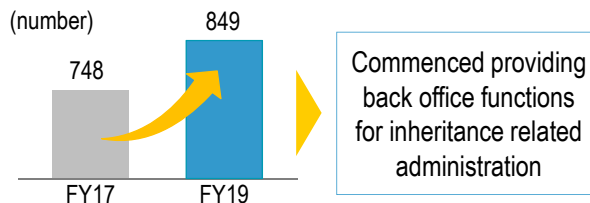
Corporate business: Collaboration to strengthen fee business of financial institutions

- ✓ 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



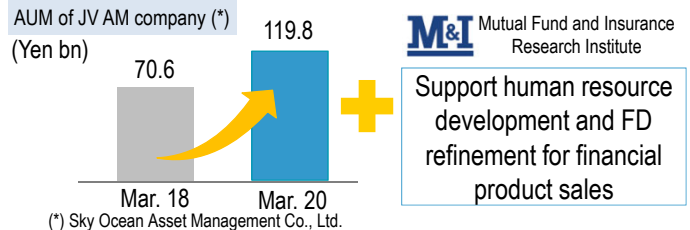
Offer broader product range and services centered on asset administration related products

Annual gift trust

Will substitution trust

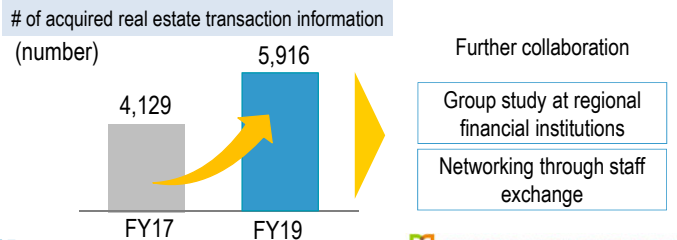
Support asset management businesses

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



Offer real estate solutions

Information sharing with regional financial institutions showing results



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

- ◆ The focal points for business for investors are provision of a wide breadth of investment opportunities and offering added value in each level of the investment chain.
- ◆ Please go to page 47.

Investor related business : asset management (1)

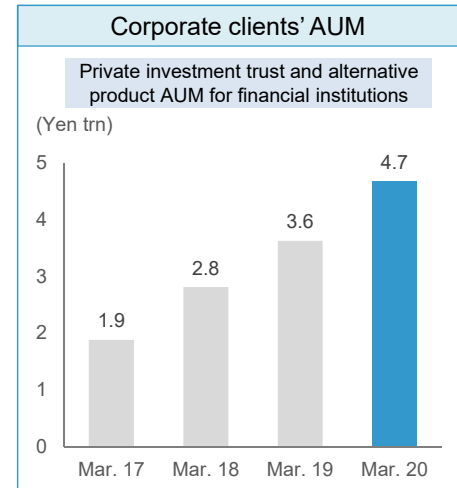
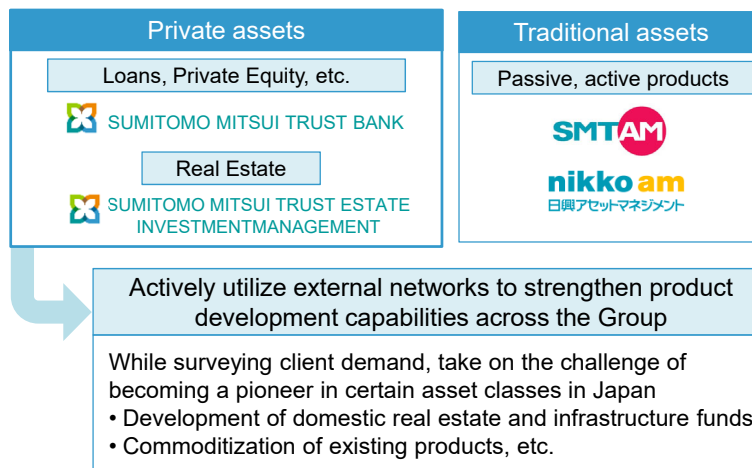
- ✓ Strengthen development and offering of various asset management products for financial institutions and non-profit corporations

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



- ◆ A diversity of investment opportunities are expected to be sought further in the asset management area with the continuing ultra-low interest rate environment including the US with this COVID-19 shock.
- ◆ We will enhance our private asset offerings by using our asset management know hows across a wide variety of assets such as real estate which is our forte, credit and private equity in addition to traditional assets.
- ◆ Please see page 50.

Investor related business : asset management (2)

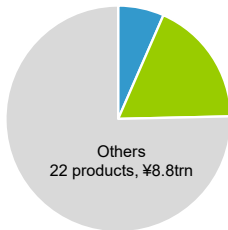
- ✓ Offer a wide range of attractive products that leverage the strengths of each AM company through a multi-boutique strategy

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)

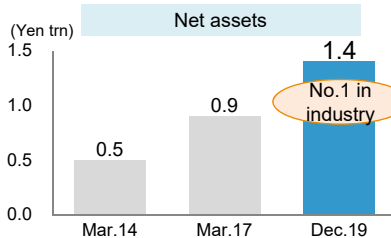


SuMi TAM
2 products,
¥0.7trn

NAM
6 products,
¥2.1trn

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

DC plan investment trusts



No.1 in
industry

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

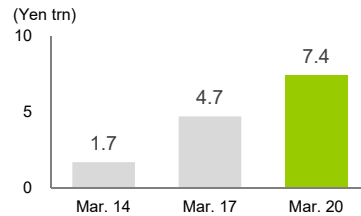
Further increase AUM

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

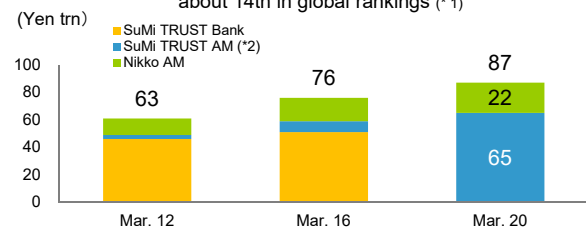
Hong Kong

UK

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

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

Diversification

Complex and highly bespoke
investment productsServices to be provided by
a specialized custodian bankHigh value-added services to be
provided by JABIS ^{(*)2}Scheduled to complete integration of Japan Custodian Bank in
July 2020^{(*)2} Japan Asset Business Information Services: Outsourcing service of securities admin. processingBoth high quality and low cost to be achieved
by pursuing economies of scale

Stability

Speed

Low cost

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
supportVolume-
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

【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
officeMiddle
officeBack
office

Reporting

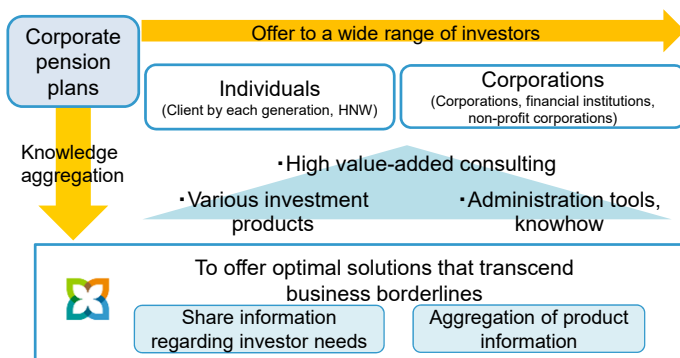
Business support
(provide data, etc.)Business
outsourcingSUMITOMO MITSUI
TRUST BANK

SUMITOMO MITSUI TRUST HOLDINGS

Investor related business : consulting, providing solutions (1)

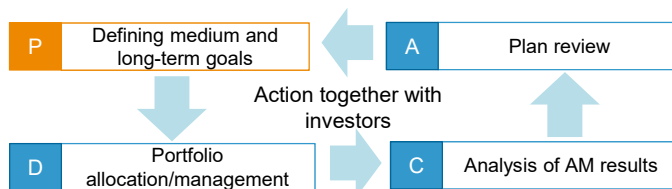
- ✓ To offer consultations to a wide range of investors with refined consulting skills nurtured through pension fund management

Utilize consultation for pension management

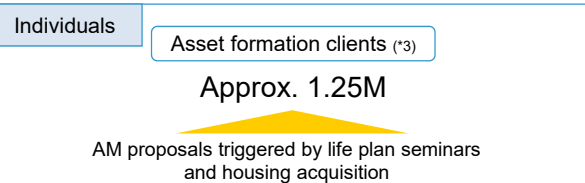
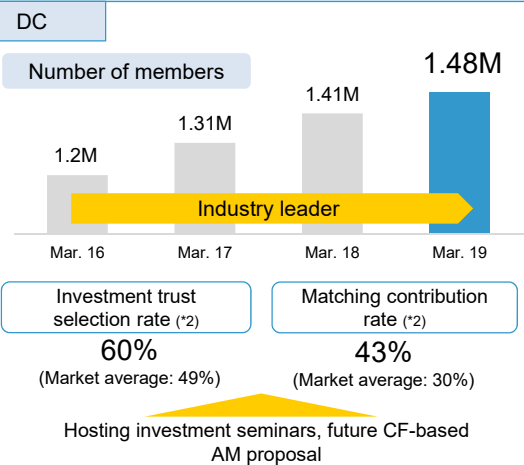


Consultation featuring a goal-based approach ^(*)

^(*) 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

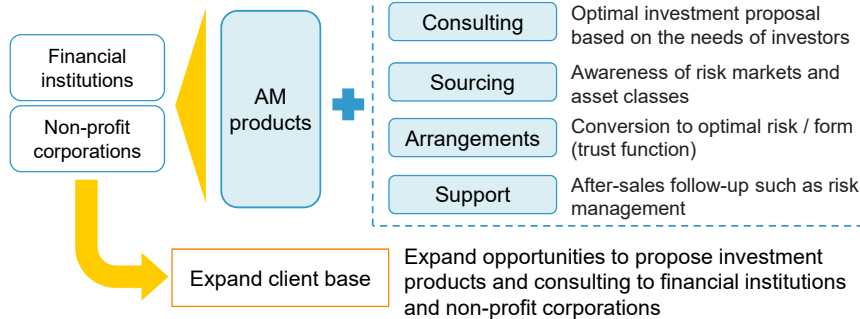
- ◆ In order to give rise to investing culture, steady efforts to widely instill the process of setting clear goals, building portfolios based on those goals and reviewing accordingly must be made.
- ◆ SuMi TRUST will offer know hows and services that were built through our experiences in the pension business to consulting services for a wide breadth of investors.
- ◆ Investment education for DC members and asset formation advice based on future cashflows will be specific areas of focus.
- ◆ Please see page 51.

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

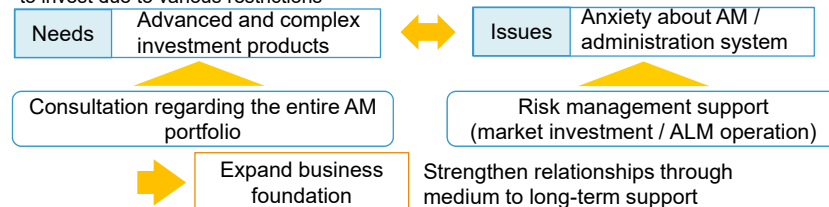
To offer solutions that are not limited to investment products

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

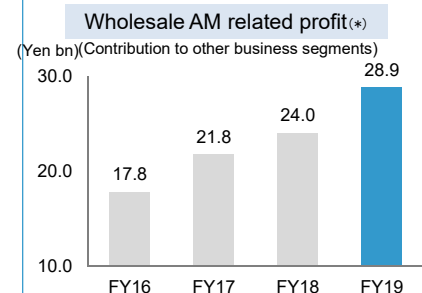
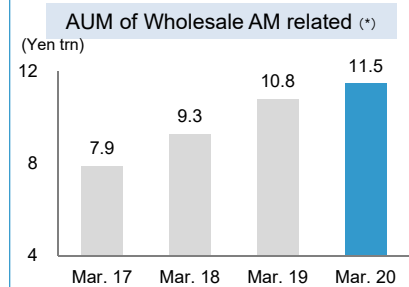


Various initiatives to fulfill AM needs

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

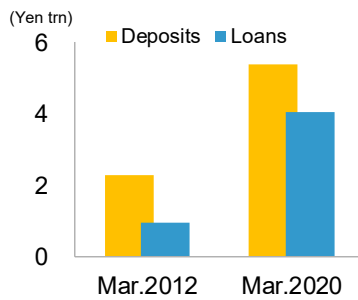
- ◆ With ultra-low interest rates continuing, asset management businesses for financial institutions are steadily growing.
- ◆ We will grow areas of service offerings to these financial institutions to also include risk management and portfolio-based management as well as grow the client base of non-profit corporations.
- ◆ Please go to page 54.

Group Company Management

SBI Sumishin Net Bank

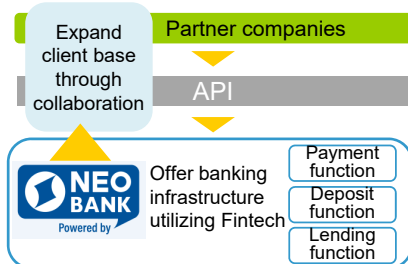
- ✓ Increasing opportunities for SuMi TRUST Bank to provide consulting services due to the age shift of clients

Business performance

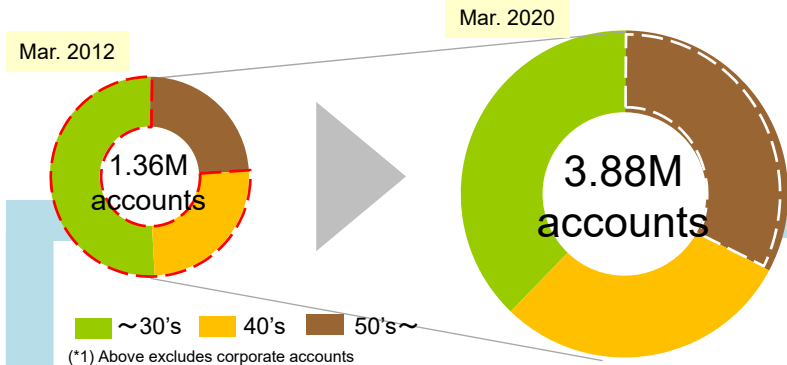


Business expanded stably

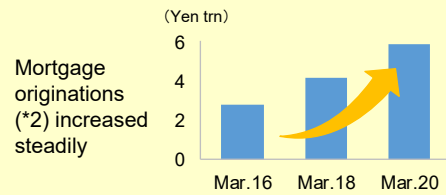
NEOBANK® Initiatives



SBI Sumishin Net Bank client base



Shifting from the younger generation, whose main target is mortgages, to the generation requiring consulting for post-retirement and old age.



(*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 tm)

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

[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

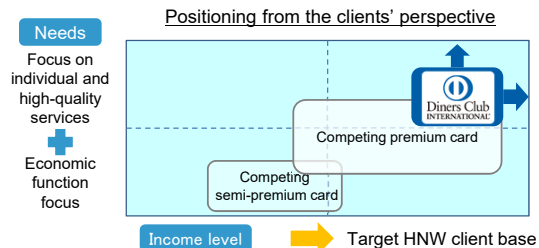


Also, slowdown of high-end consumption due to COVID-19 outbreak taken into account

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



Implement initiatives to improve the added value of premium cards

Strengthen concierge services

Expand membership base by client affiliate introduction

Strengthen ancillary services

Synergies with the Group's wealth management business

Mutual offering of high value-added services centered on business owners



UBS | SuMi TRUST

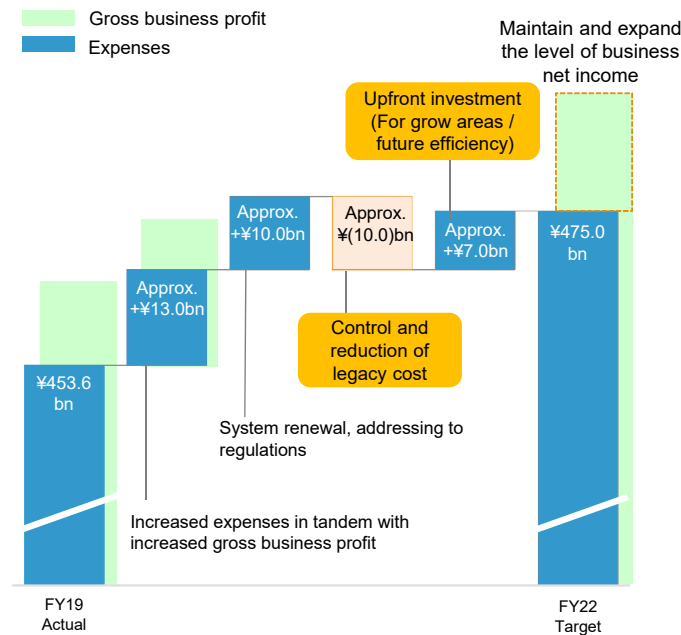
- ◆ I will now move on to discussing Sumitomo Mitsui Trust Club.
- ◆ In continuance to FY 2018, goodwill was impaired in FY 2019 as well. However, this was taking implemented to alleviate in advance, assuming that bigger-ticket consumptions from here and on will be stagnant due to the COVID-19 shock.
- ◆ We have also posted system losses, which have been a major constraints, so that significant fiscal concerns have now been gone going forward.
- ◆ The strategy moving forward will not be growing scale but enhancing businesses focusing on high income clients such as business owners specifically. And including the alliance with UBS, we will work to enhance service offerings that clients will feel are only available with Diners Club.
- ◆ Please see page 56.

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

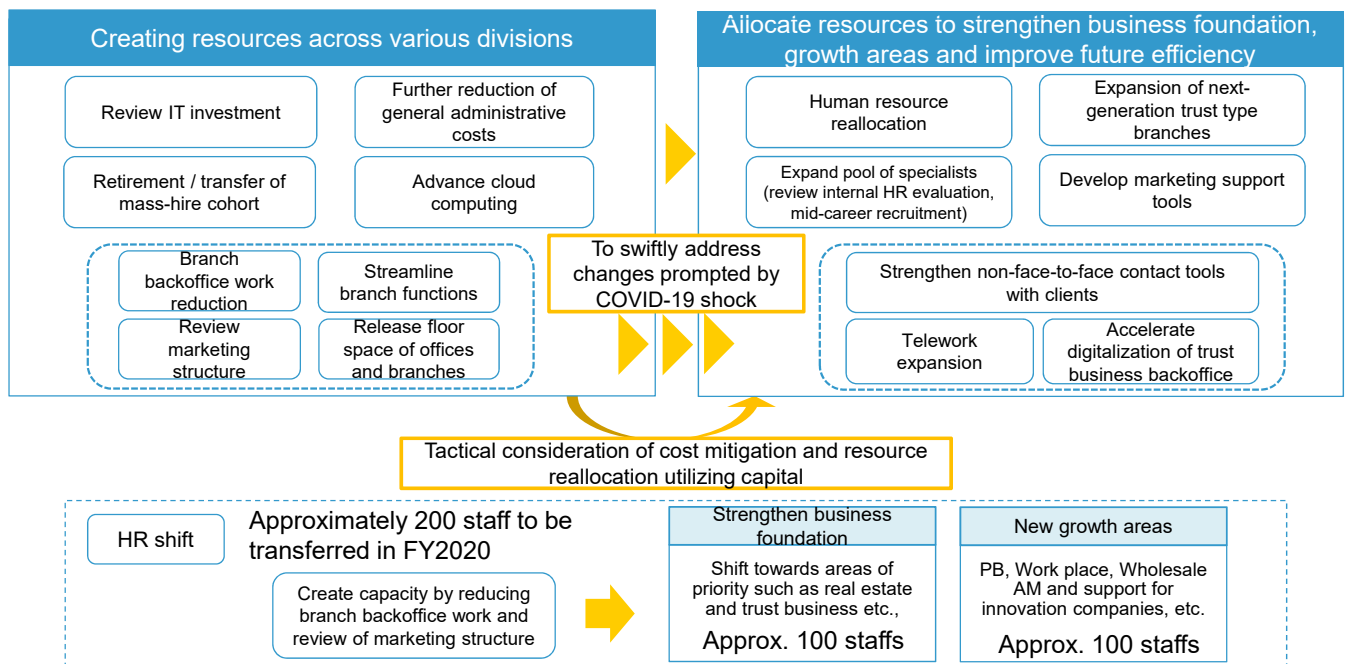
General Administration Costs →

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

- ◆ This describes the breakdown of expense during the New Medium-Term Plan period.
- ◆ Expenses are expected to increase by 20 billion yen, but of which 13 billion yen is linked to increase in gross business profit.
- ◆ Other general increase in expenses will be absorbed by legacy cost reductions. Therefore, substantial expense increase will be about 7 billion yen for upfront investments.
- ◆ Please turn to page 57.

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



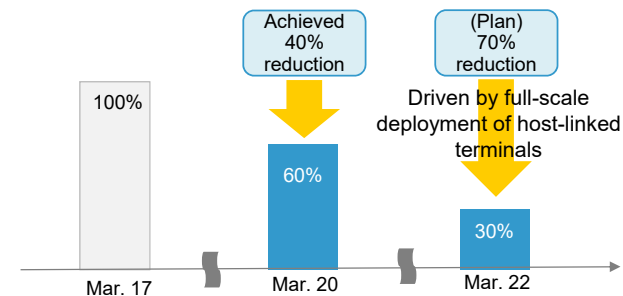
- ◆ With a presupposition that the world will not return to what it was pre COVID 19, how we allocate resources strategically will be extremely important.
- ◆ For example, while we narrow down some functions within branches depending on their geographical location, enhancing non-face to face contact points post the COVID-19 shock, boldly shifting human resources into areas that have promising growth potential, and seeking efficiency and optimization of resource and capital including reallocation of expense and capital are areas for consideration.
- ◆ Please see page 59.

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)

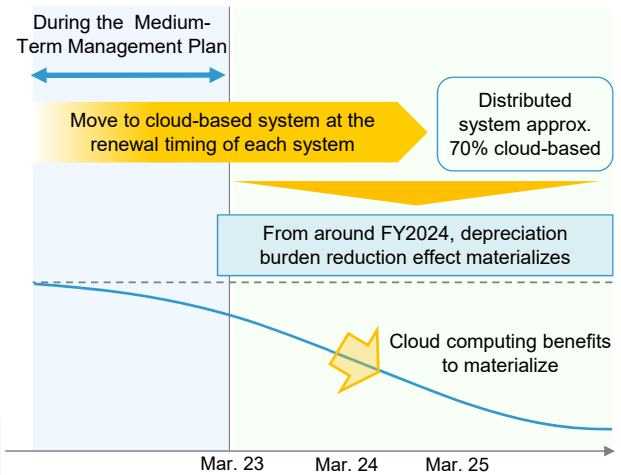
(*) Change from FY2019

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

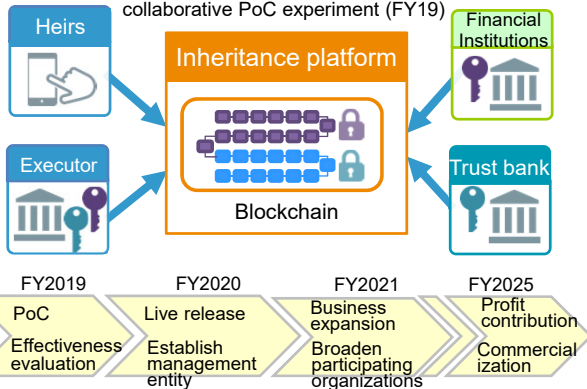
Improve client experience by utilizing AI

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

- ◆ Digital strategies must also be addressed by accounting for how businesses ought to look post the COVID-19 shock.
- ◆ SuMi TRUST Holdings will proactively take on initiatives in areas that require voluminous administrative work such as inheritance related matters.
- ◆ Yet, changes coming from the COVID-19 shock can also be expected. Here is one example. Trust schemes go through numerous administrative processes, and they are basically addressed in a way per the clients' wishes. Therefore, this means that rationalizing the process can only happen upon gaining the clients' understanding.
- ◆ There are still occasions where FAX is used for communication. However, if we can gain clients understanding on the move to digitalization with this COVID-19 shock as a trigger, streamlining the administrative process to a large extent may be possible.
- ◆ Page 61 please.

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	Number of times held	Number of participants
	42 branches	65 times	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



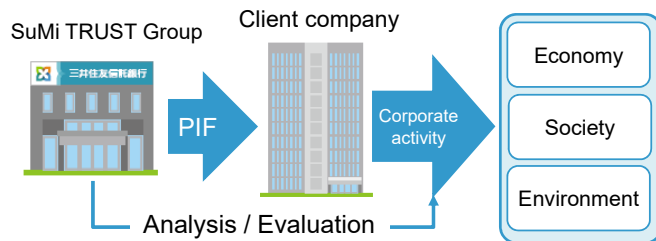
As part of the COLTEM project led by Kyoto Prefectural University of Medicine, problems caused by dementia for financial institutions were categorized and we participated in the publication of a book in which doctors, lawyers and other specialists reviewed multifaceted countermeasures.

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

- ◆ P.61 to 66 introduces SuMi TRUST Holdings' sustainability initiatives.
- ◆ Sustainability has a strong affinity with our businesses as a specialized trust bank group to begin with, yet with our recent claim to place "balanced creation of both social value and economic value" as our core of management philosophy, we will further evolve our initiatives.
- ◆ Please go to P.71.

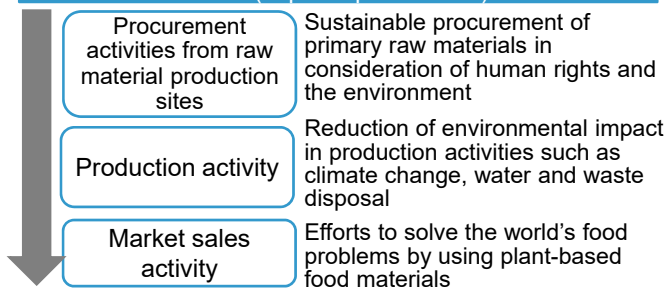
Initiatives for sustainability through business (Positive Impact Finance)

✓ 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)



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)

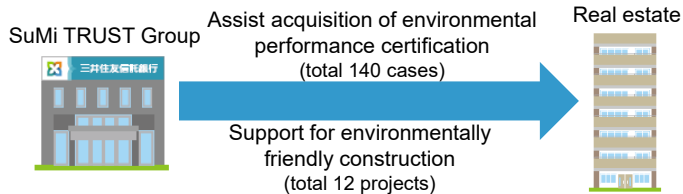
Won the 5th "Sustainable Finance Awards"
(Organized by the Research Institute for Environmental Finance (RIEF))
Excellence Award

- 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



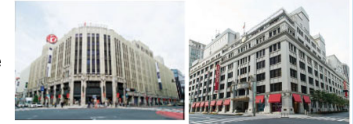
Daikin Industries' Technology & Innovation Center

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



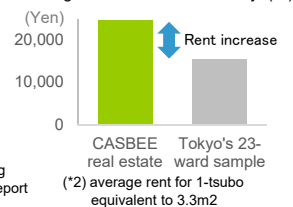
(*1) CASBEE = System to evaluate a building's environmental performance led by Ministry of Land, Infrastructure

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

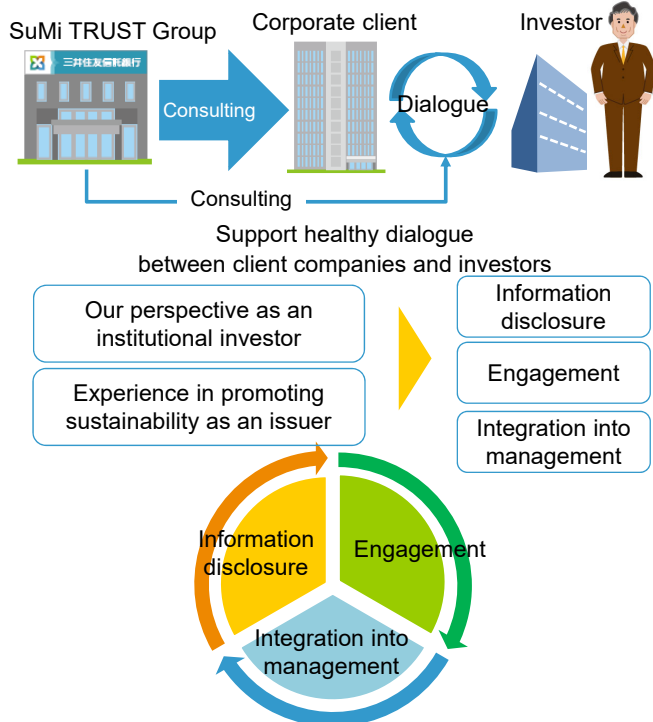
Source: Inhouse report based on Japan Sustainable Building Association "Smart Wellness Office Research Committee Report (2014)

Average rent of 23 wards of Tokyo(*2)



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

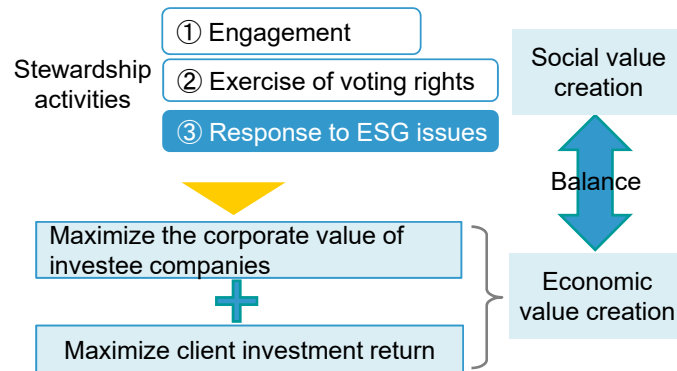
Governance support program

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))

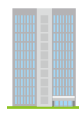
✓ ESG initiatives through stewardship activities



Nikko Asset Management ESG activities

Creating Shared Value = Activities based on CSV

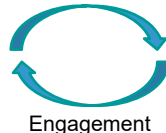
Creating value for both society and companies by aligning the direction of solutions to social issues and the direction of corporate profits



Financial standing

Market competitiveness

ESG initiatives

Scoring /
stock selection
nikko am
日興アセットマネジメント

Engagement

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.



Amami-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

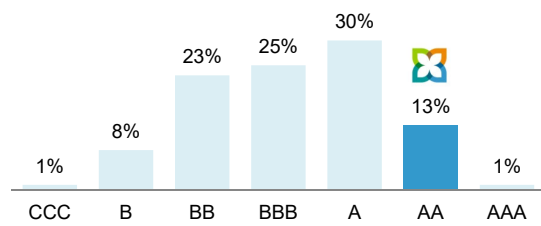
Top class rating for ESG among Japanese banks

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

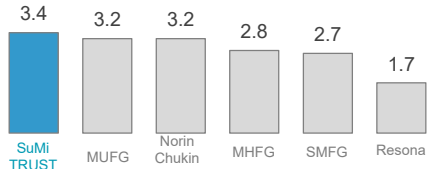
Score 3.4

NPO Fair Finance Guide Rating

**No.1 among
Japanese Banks**



2020



Selected ESG indices



2017 Constituent
MSCI ESG
Leaders Indexes



2017 Constituent
MSCI Japan ESG
Select Leaders Index



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

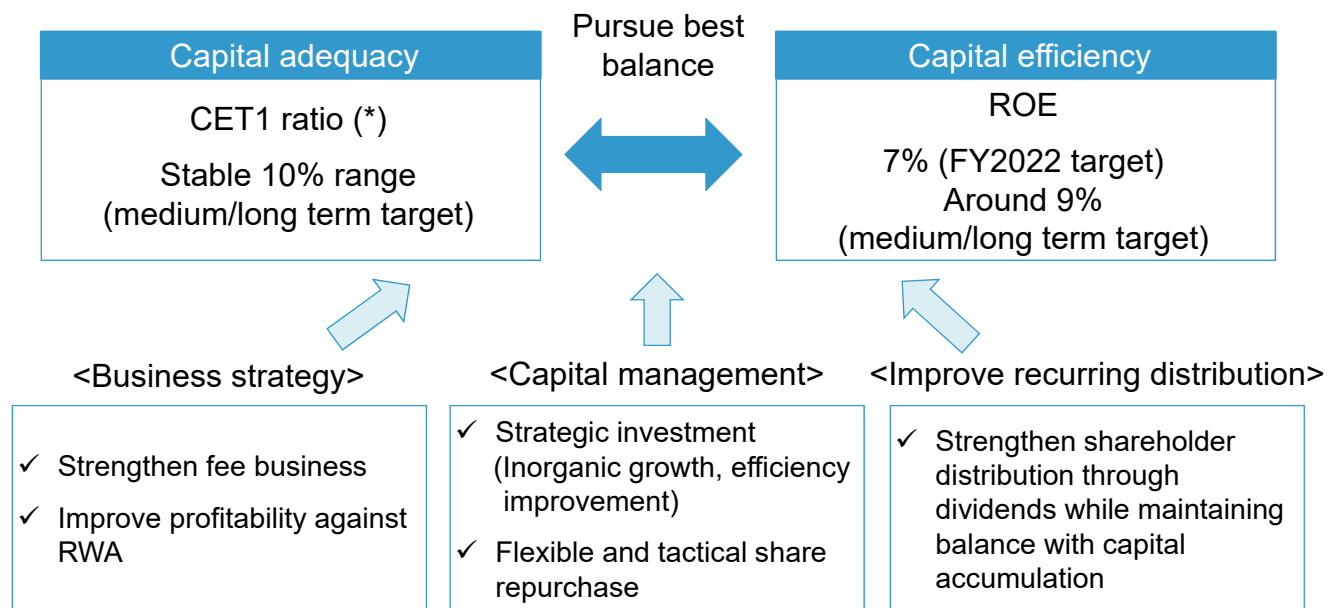


Principles for Financial
Action for 21st Century

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)

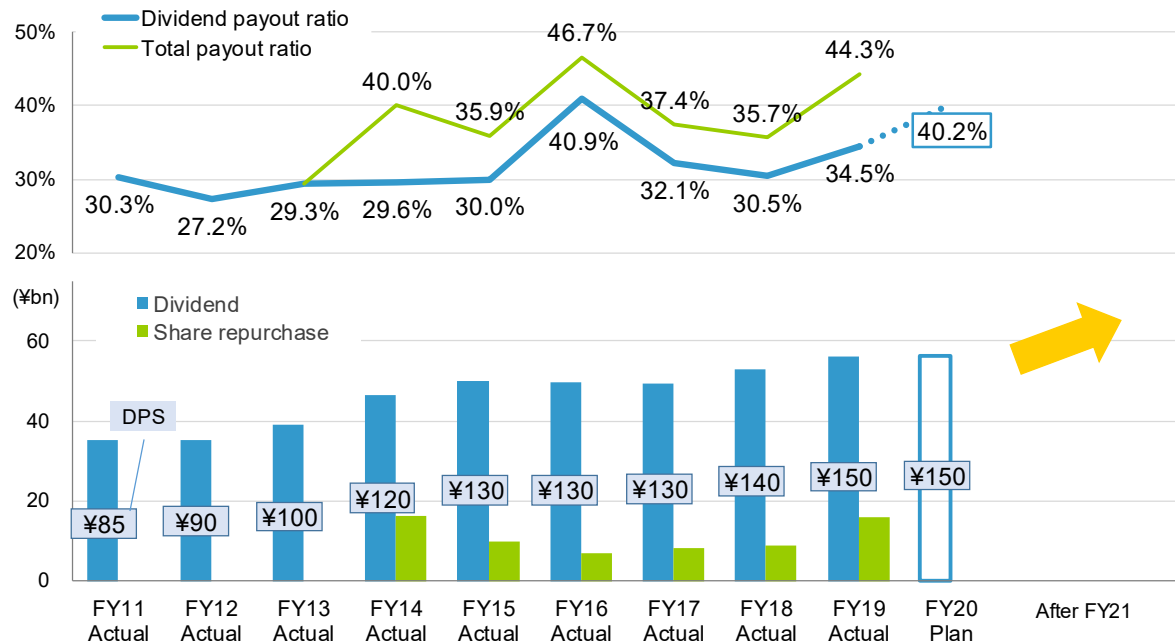
(*1) Ratio of repurchase amount against net income after tax for the FY

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

- ◆ Lastly, I will discuss our capital policy.
- ◆ We achieved the target of 40% total payout ratio in the previous Medium-Term Management Plan.
- ◆ In revising our shareholder return policy this time, we emphasized dividends in shareholder distribution. We aim to raise the consolidated dividend payout ratio to 40% in or around FY 2022. The expected payout ratio for this fiscal year is 40% due to impact of the COVID-19 shock, but this is a temporary effect and the shareholder return policy target is aimed at in or around FY 2022.
- ◆ Needless to say, our direction to enhance shareholder return in line with our business model of aiming for a sustainable and stable growth will remain unchanged. Share repurchases during the Medium-Term Management Plan will be tactically implemented by considering capital efficiency
- ◆ Furthermore, since it is extremely important to discern the level of impact from the COVID-19 shock, we do not have any concrete plans on share repurchases within this fiscal year, but if I were to say a word on our stock price, I personally feel that the current stock price does not reflect enough the advantages of our business model that aims for a sustainable and stable growth, and the achievements we have made through the various initiatives addressed in the previous Medium-Term Management Plan.
- ◆ We expect to steadily execute our Medium-Term Management Plan and also solidly communicate the advantages of SuMi TRUST Holdings' business model.
- ◆ That is all for the briefing session.
- ◆ Thank you very much for your attention.

Shareholder returns

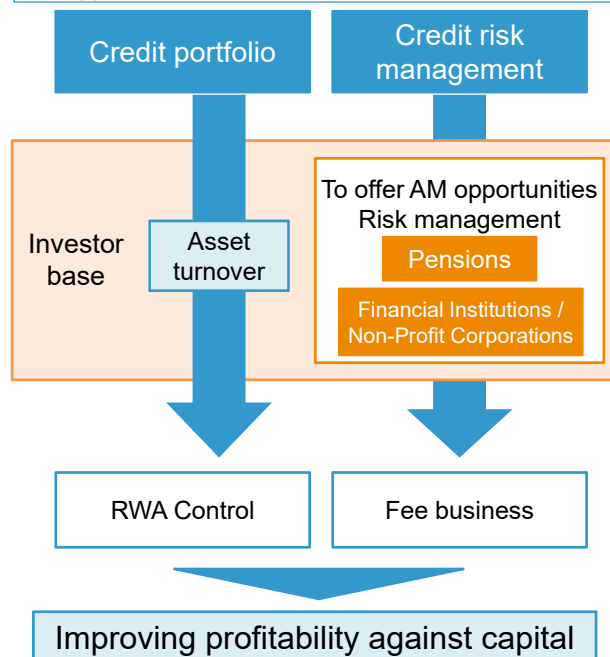
- ✓ Steady enhancement of shareholder return
- ✓ In the future, to aim for stable growth of dividend payout over the medium term through sustainable and stable growth of profit



Financial/Capital Policy: Improving balance sheet and capital efficiency

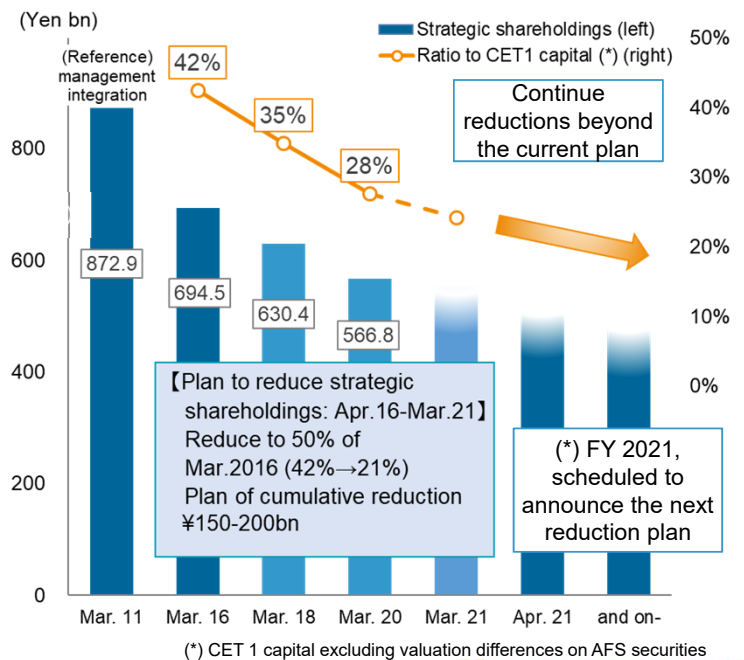
Improving capital efficiency related to credit transactions

- ✓ 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.



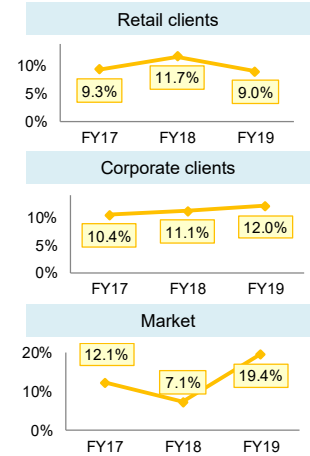
(For Reference) Efforts of each business segment to improve ROE

- ✓ 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

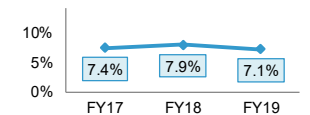
Business segment	B/S business	Fee business	Strength as Specialized trust bank		Capital
Retail TS	Residential mortgages	Investment management consulting Inheritance	Total solution services	Alliance strategies	Reformation of credit portfolio
Wholesale TS	Corporates Product related	Credit arrangements Securitization/M&A			Reduction of strategic shareholdings
Wholesale AM		Investment management consulting AM arrangements			
Stock transfer agency		Shareholder admin. Various consulting			
Real estate		Brokerage Real estate AM			Utilize M&A
Fiduciary services		Asset management Asset administration			
Global markets	Security investments ALM				
Improve return on capital to boost profitability		Improve profitability against cost	Profit increase through cross-divisional synergy	Profit increase through effective use of capital / expenses	Effective use of capital

(*)ROE by business 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)

ROE by business segments(*)



(Ref) Group shareholder ROE



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.)

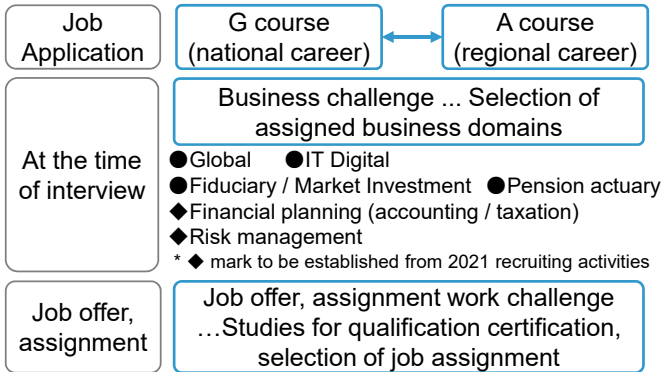
HR strategy (motivating staff to excel)

✓ 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.

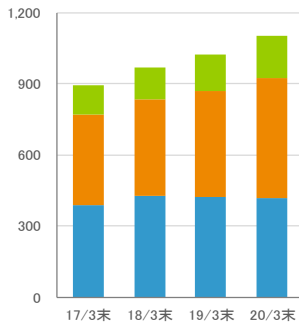
HR strategy (work environment improvement)

✓ 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)



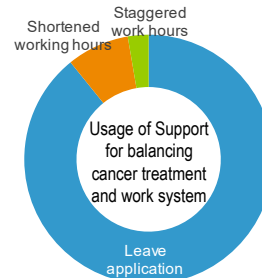
Included in "Nadeshiko Index" group of companies



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

work with Pride

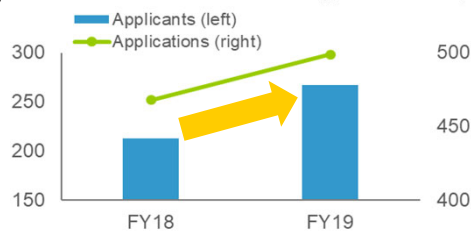


Received the highest evaluation "Gold" in the "PRIDE index" (*)

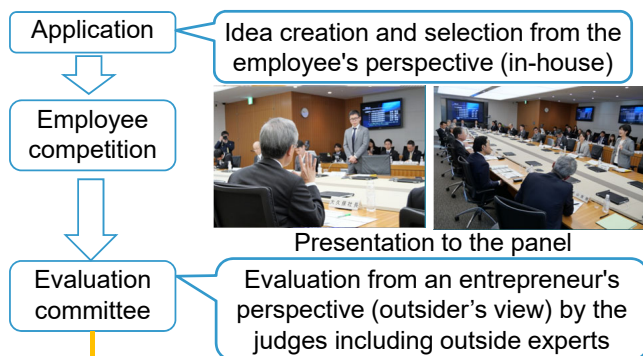
Creating the future

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

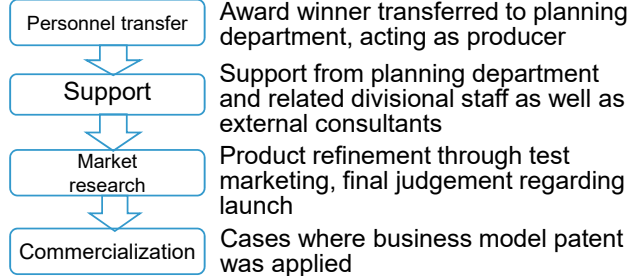
Significant increase in the number of applicants and applications



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



Commercialization of winning ideas



Fully support commercialization of award-winning projects

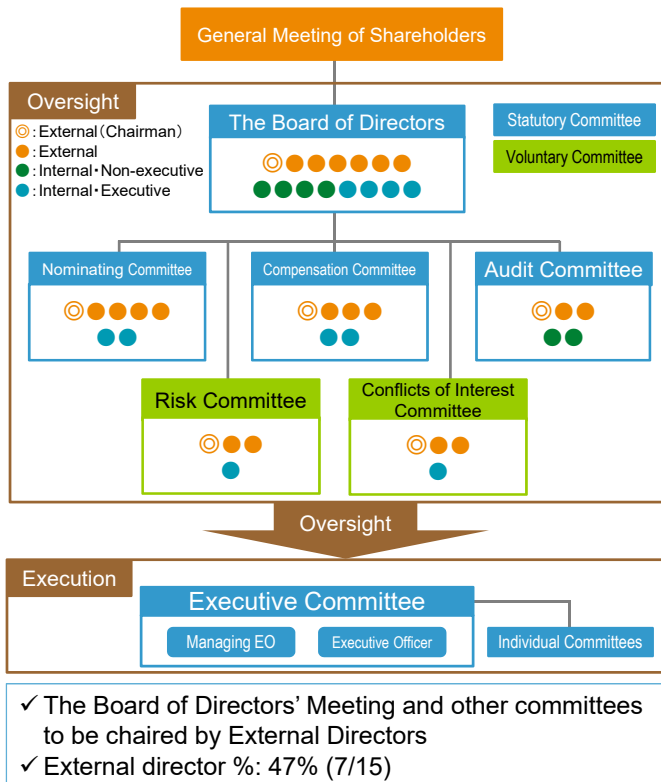
Example of commercialization of prize-winning product



「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

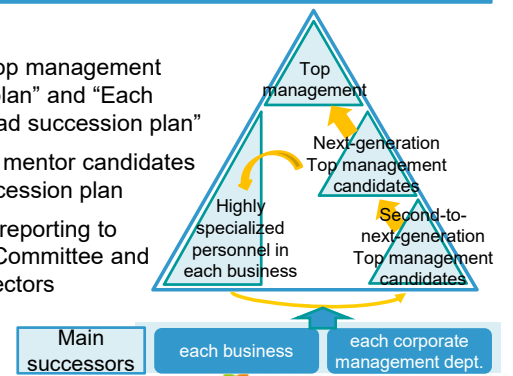
	Corporate management	Financial accounting	Law
Takeshi Suzuki	●	●	—
Mikio Araki	●	●	—
Isao Matsushita	●	●	—
Shinichi Saito	●	●	—
Takashi Yoshida	—	●	—
Hiroko Kawamoto	●	—	—
Mitsuhiro Aso	—	—	●

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	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)
✓ Continuous deliberation through back and forth discussions between the Board and the executive	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		
		Approx. 30%	Approx. 15%	Approx. 15%
Ratio (*1)	Approx. 40%	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	• Payment based on grade	• Previous year's performance • Medium/long term performance contribution • Medium/long term activity • Evaluation of competency	(Consolidated) • Net business profit • Net income	• 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 JTSB of ¥(5.0)bn], mainly due to fall of investment management consulting related fees.

• Other profits increased due to non-interest income from corporate client businesses

• Substantial G&A expenses increased mainly due to increased IT related cost

Total credit costs

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

Net gains on stocks

• Divestment of strategic shareholdings (cost base) ¥21.3bn, realized profit of ¥39.0bn

• Impairment loss of ¥11.0bn on holdings of listed shares caused by market decline after February 2020, offset by ¥12.0bn profit from divestment of hedging investment trusts

Other extraordinary items and corporate taxes total

• Software development cost is recognized as other non-recurring loss

• Write down of SuMi TRUST Club related goodwill of ¥9.0bn as well as software cost of ¥9.0bn recognized as extraordinary losses

Overview of balance sheet

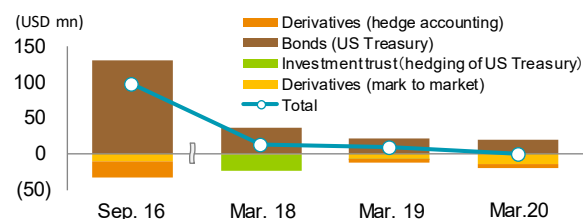
(Yen bn)		Mar. 2019	Mar. 2020	Change
1	Assets	57,029.1	56,500.5	(528.5)
2	Cash and due from banks	16,045.8	13,141.1	(2,904.6)
3	Securities	5,759.5	6,437.5	678.0
4	Loans and bills discounted	29,025.7	29,703.3	677.6
5	Other assets	6,198.0	7,218.3	1,020.3
6	Liabilities	54,298.7	53,909.6	(389.1)
7	Deposits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

(Reference)

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

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

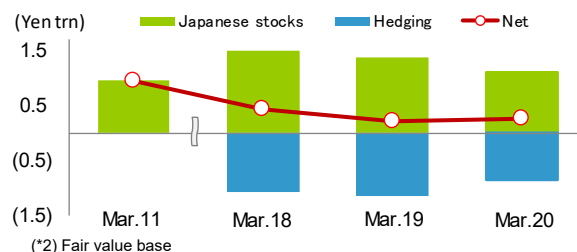
US interest rate (10BPV) risk (Non-consolidated)



Strategic shareholdings



Hedge positions against strategic shareholdings (*2)



(*2) Fair value base

Profit by group company

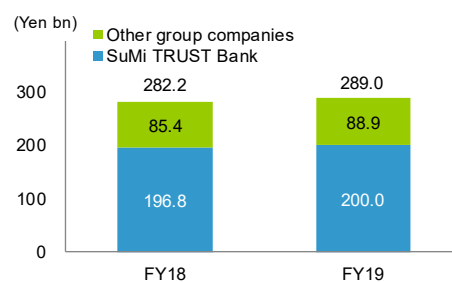
	(Yen bn)	FY18	FY19	Change
1 Net business profit before credit costs (*1)		282.2	289.0	6.7
2 o/w SuMi TRUST Bank		196.8	200.0	(*) 3.2
3 SuMi TRUST AM		8.5	14.4	(*) 5.9
4 Nikko AM (*3)		15.6	14.8	(0.8)
5 SuMi TRUST Realty		6.3	5.9	(0.3)
6 SuMi TRUST Panasonic Finance (*3)		10.2	9.9	(0.3)
7 SuMi TRUST Loan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

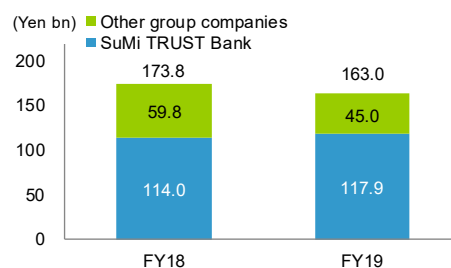
(*2) Change includes the impact of reorganization (as of Oct. 1, 2018) (refer to P.87)

(*3) Consolidated basis

Breakdown of Net business profit



Breakdown of Net income



Profit by business segment

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

(*1) Dividend from group companies aimed to improve capital efficiency are excluded from each business segment

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

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

(*4) Sum of Asset management companies (SuMi TRUST AM, Nikko AM (consolidated), Sky Ocean AM, 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-JTSB	(5.0)	5.0	-

Overview of profit (SuMi TRUST Bank)

				Excluding dividend from group companies (*1)							Excluding dividend from group companies (*1)		
(Yen bn)				FY18	FY19		FY18	FY19	Change		FY18	FY19	Change
1	Net business profit before credit costs			231.4	206.8		196.8	200.0	3.2				
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												
8	Net gains on foreign exchange transactions			35.5	38.0		35.5	38.0	2.4				
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				

(*) 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

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

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

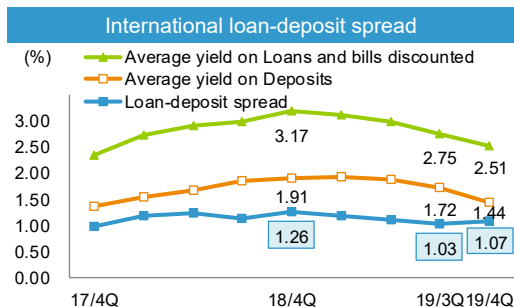
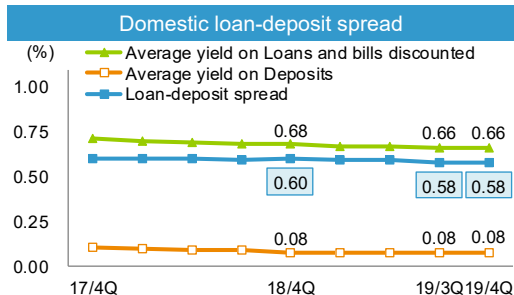
(*2) Change includes the impact of reorganization of asset management functions on Oct. 1, 2018

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

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

Net interest income (SuMi TRUST Bank)

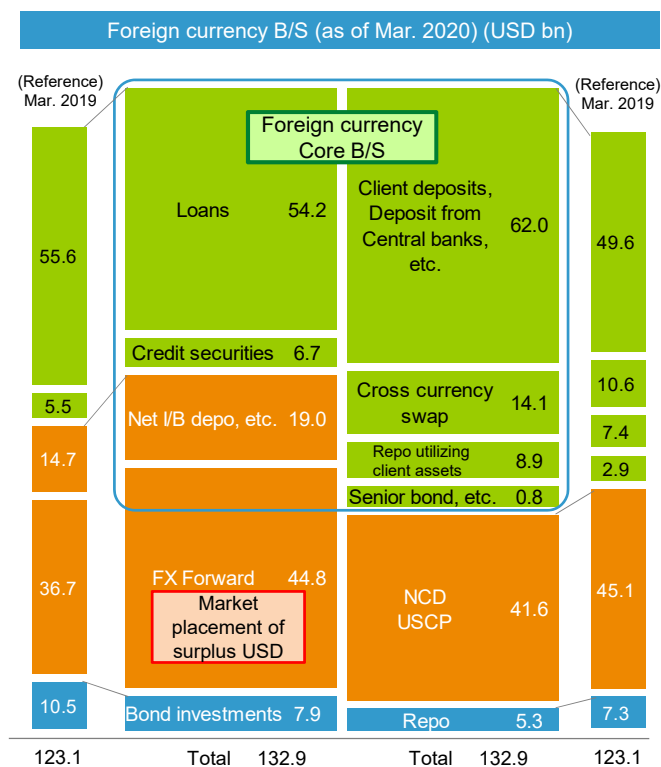
		FY19					
(Average balance: Yen trn) (Income/Expenses: Yen bn)		Average Balance	Change from FY18	Average Yield	Change from FY18	Income/ Expenses	Change from FY18
1	Net interest income					118.1	(35.6)
2	Domestic business			0.39%	(0.06%)	153.1	(18.6)
3	Interest-earning assets	38.89	0.41	0.53%	(0.07%)	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)



(*) 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

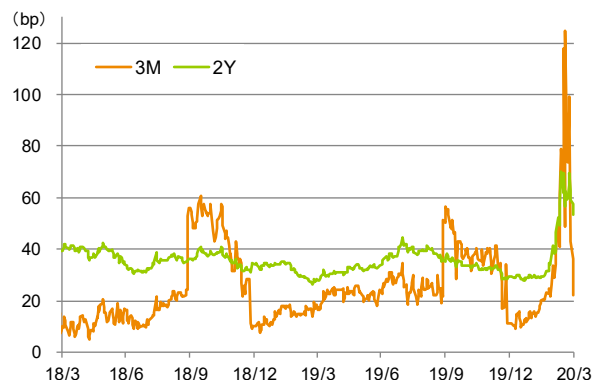
(Reference) Status of foreign currency balance sheet (SuMi TRUST Bank)



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

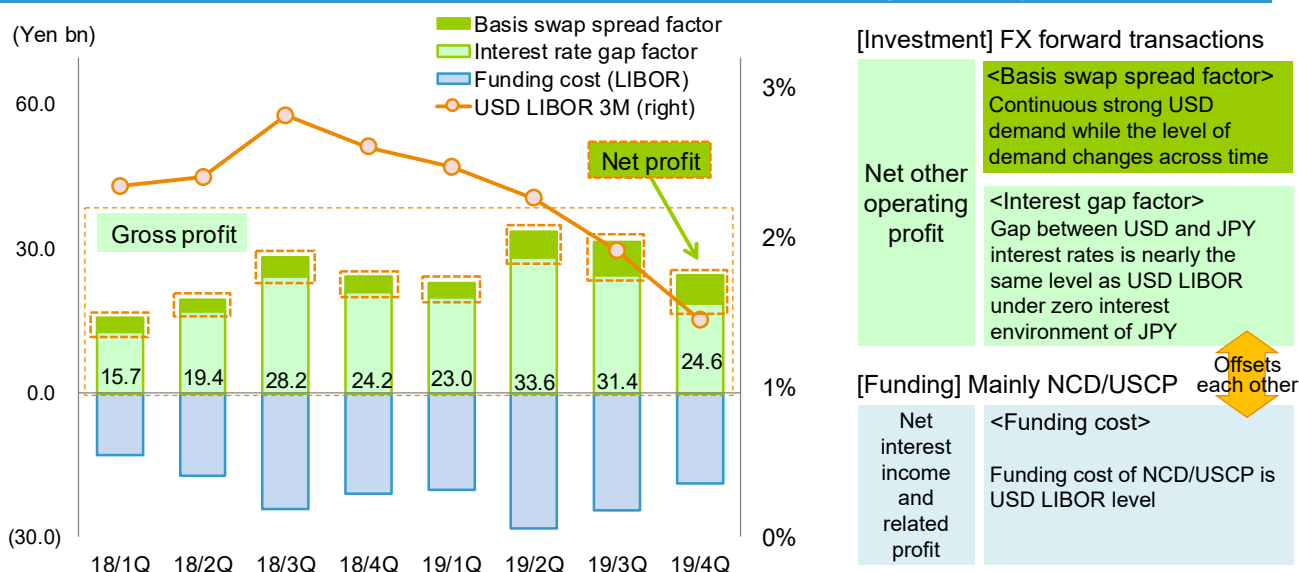
Basis swap spread (CCS) (USD/JPY)



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



(*) 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

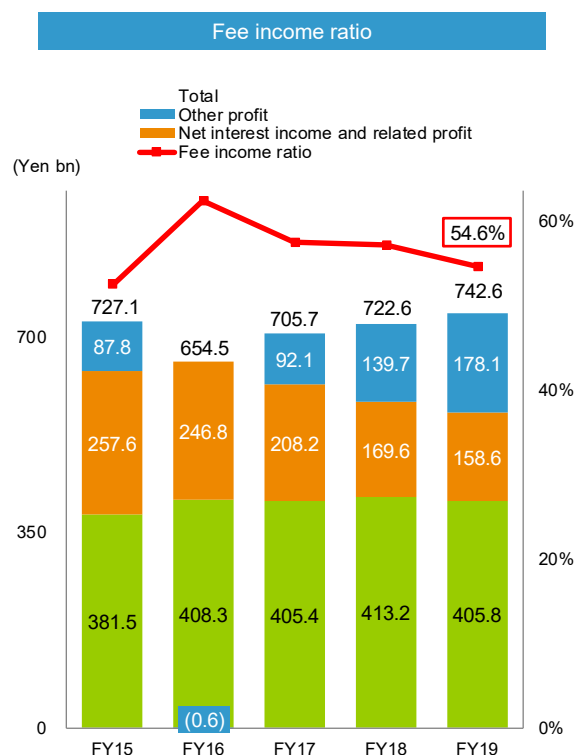
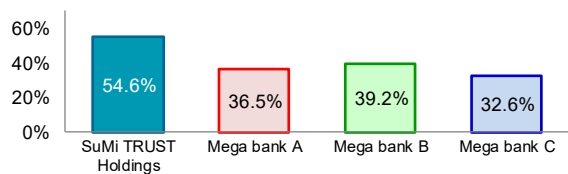
Net fees and commissions and related profit

	(Yen bn)	SuMi TRUST Bank		SuMi TRUST Group (*1)	
		FY19	Change from FY18	FY19	Change from FY18
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

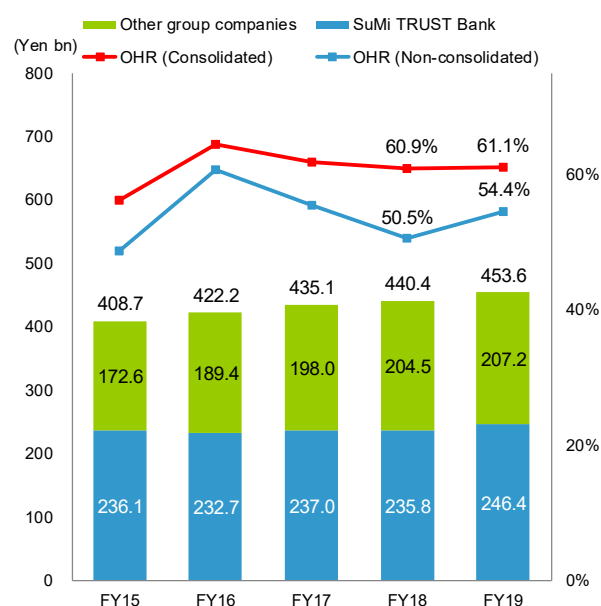


Expenses

[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



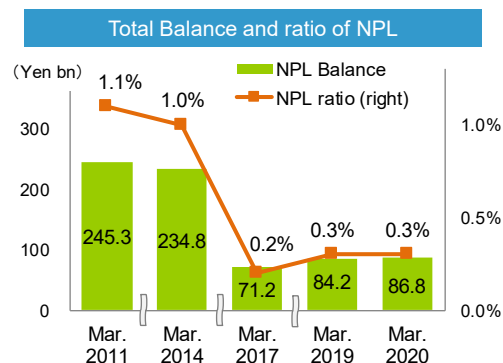
Total credit costs and problem assets

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

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

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

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



Securities portfolio

[Securities with fair value]

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

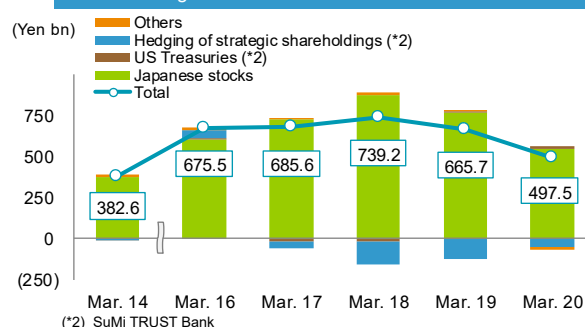
[Securities with fair value (SuMi TRUST Bank)]

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

(*1) Of which hedging effect under capital regulation is recognized: Costs JPY 1,053.3bn, 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



(*2) SuMi TRUST Bank

Reduction of strategic shareholdings (*3)

	(Yen bn)	FY18		FY19	
		1H	2H	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)

	(Yen bn)	10BPV (*5)		Duration (years) (*5)	
		Mar. 2020	Change from Mar. 2019	Mar. 2020	Change from Mar. 2019
20 JPY		3.6	1.4	2.2	(2.2)
21 Others		2.2	0.0	4.1	0.6

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

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

Capital

- ✓ Common Equity Tier 1 capital ratio: UP 0.44 percentage points from Mar. 2019 to 12.62% due to increase in risk-weighted assets
- ✓ CET1 capital : Remained at the same level due primarily to increase in retained earnings contributed to accumulation of common equity while accumulated other comprehensive income decreased due to fall of stock price
- ✓ Pro-forma CET1 capital ratio on Finalized Basel III is 9.7%
- ✓ Leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets>		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

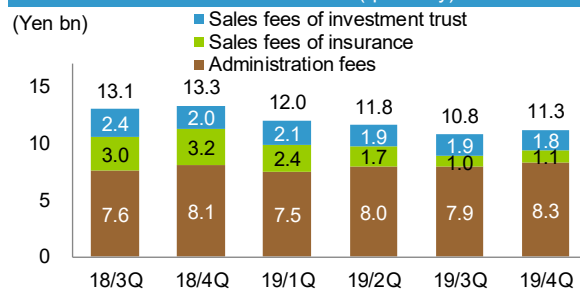
	FY18	FY19	Change
(Yen bn)			
1 Income total	53.7	46.0	(7.6)
2 Sales fees of investment trust	11.7	7.9	(3.8)
3 Sales fees of insurance	10.5	6.3	(4.2)
4 Administration fees	31.3	31.8	0.5

Sales volume / balance

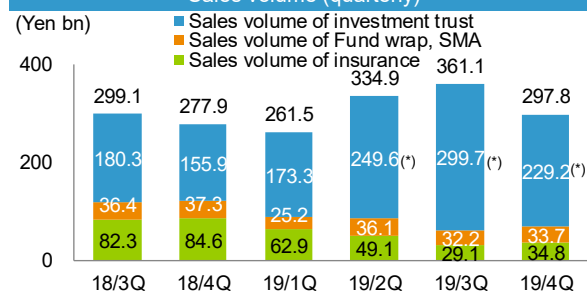
	FY18	FY19	Change
(Yen bn)			
5 Sales volume total	1,270.1	1,255.4	(14.6)
6 Investment trust	773.8	(*) 952.0	178.2
7 Fund wrap, SMA	191.8	127.4	(64.4)
8 Insurance	304.4	176.0	(128.4)

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

Income for distributor (quarterly)



Sales volume (quarterly)



(*) Including the impact of large allocation transfer from DB to DC

(19/2Q: Approx. ¥90bn, 19/3Q: Approx. ¥140bn)

Increase in investment trust sales in 19/4Q contributed by increase via the Internet

Fee business: Asset management/administration (Fiduciary services)

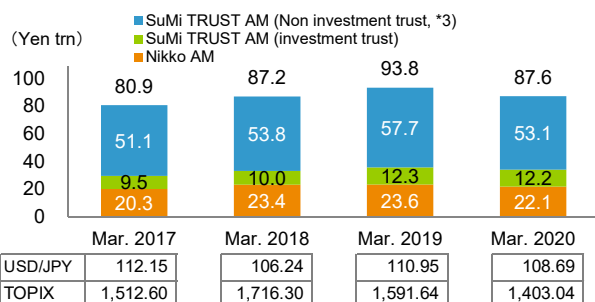
- ✓ AUM decreased by ¥6.1trn to ¥87.6trn from Mar. 2019 due mainly to fall in market value in 4QFY2019
- ✓ AUC for domestic investment trusts fell due to fall in market value, while AUC showed steady increase overall due to increase of new contracts

Assets under management (AUM)

		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



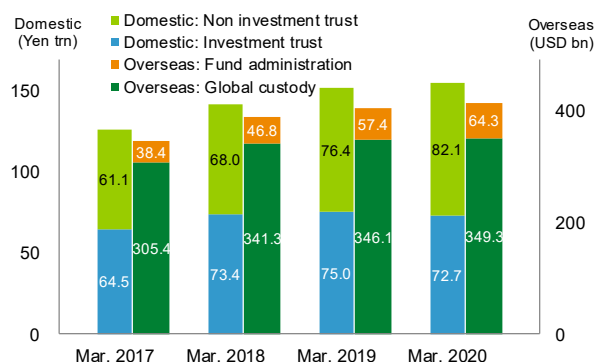
(*3) Managed by SuMi TRUST Bank until the end of Mar. 2018

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

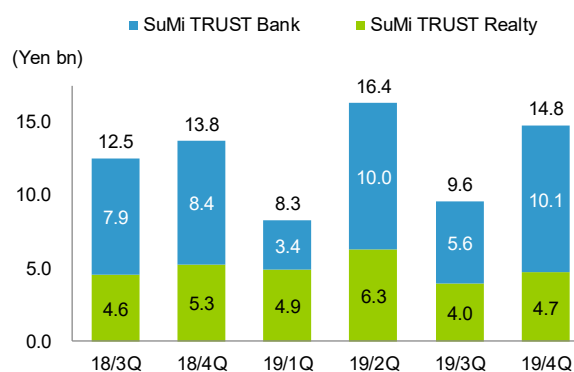
Income

		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

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 management	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

Real estate brokerage fees (quarterly)



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

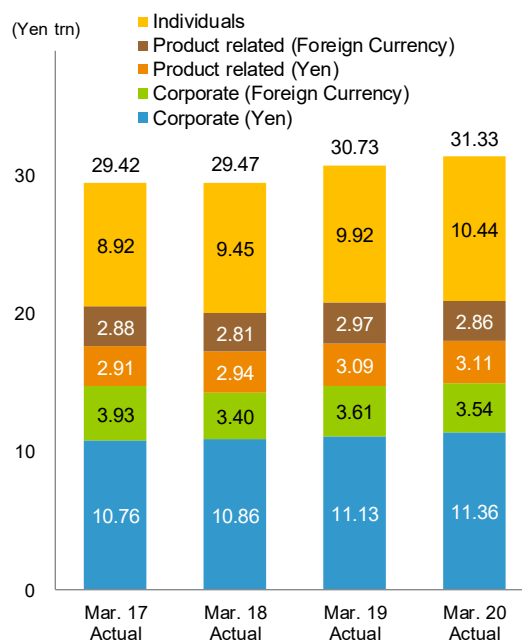
	Mar. 2019	Mar. 2020	Change
(Yen bn)			
3 Balance of loans to individuals	9,920.6	10,443.2	522.5
4 o/w Residential mortgage loans	9,314.0	9,801.0	487.0

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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