



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for 1HFY2020

November 12, 2020

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Definitions of terms in this document

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

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

Net income (on consolidated basis) : “Net income attributable to owners of the parent”

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

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

Summary of financial results for 1HFY2020

- ✓ Effective interest related earnings and expenses improved despite decrease in non-recurring fee due to restriction on marketing activities caused by COVID-19 in 1HFY2020. Although Net business profit and Net income decreased YoY, progress rate against initial plan stood at 56% and 57% respectively
- ✓ Total credit costs restrained to ¥2bn due to partial reversal of special loan loss provisions related to COVID-19
- ✓ Considering 1HFY2020 progress, full year forecast of Net business profit is revised upward by ¥10bn. Net income is unchanged

<Major KPIs>

(Yen bn)		1HFY19 Actual	1HFY20 Actual	change from 1HFY19	FY20 Plan	change from FY19	change from initial plan
1	Net business profit before credit costs	154.1	141.0	(13.0)	260.0	(29.0)	+10.0
2	Substantial gross business profit	377.0	358.7	(18.2)	710.0	(32.6)	±0.0
3	SuMi TRUST Bank	236.5	224.9	(11.5)	430.0	(16.5)	+10.0
4	Other group companies	140.5	133.8	(6.6)	280.0	(16.1)	(10.0)
5	Substantial G&A Expenses	(222.8)	(217.6)	+5.1	(450.0)	+3.6	+10.0
6	Net income	106.0	80.0	(25.9)	140.0	(23.0)	±0.0
7	Fee income ratio	53.4%	49.9%	(3.5%)			
8	Overhead ratio	59.1%	60.6%	+1.5%	63.4%	+2.3%	(1.6%)
9	Return on equity	7.96%	6.19%	(1.77%)			
10	Common Equity Tier 1 capital ratio	12.90%	12.42%	(0.48%) (*)			

(*) Pro-forma figure of Sep. 2020 CET1 Capital Ratio on Finalized Basel III reform basis is 9.6%.

<Per share information>

(Yen)		1HFY19 Actual	1HFY20 Actual	change from 1HFY19	FY20 Plan	change from initial plan
11	Earnings per share (EPS)	281	213	(68)	373	±0
12	Dividend per share (DPS)	75	75	±0	150	±0

(Yen)		Mar. 20	Sep. 20	change from Mar. 20
13	Net assets per share (BPS)	6,822	6,948	+125

<Shareholders' return>

	FY19 Actual	FY20 Plan
14	Dividend payout ratio	34.5%
15	Total payout ratio	44.3% (*2) DPS 150Yen

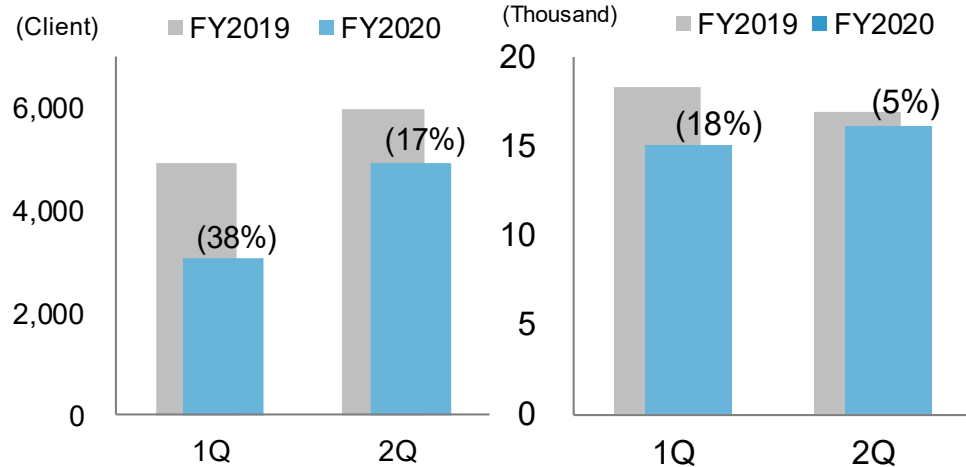
(Reference: Shareholder Return Policy announced on May 2020)
Aim to raise a consolidated dividend payout ratio to around 40% in or around FY2022

Refer to P. 19

Impact of COVID-19 on business environment

Number of clients visiting branches decreased.
Online consultation fully in progress from 2HFY2020

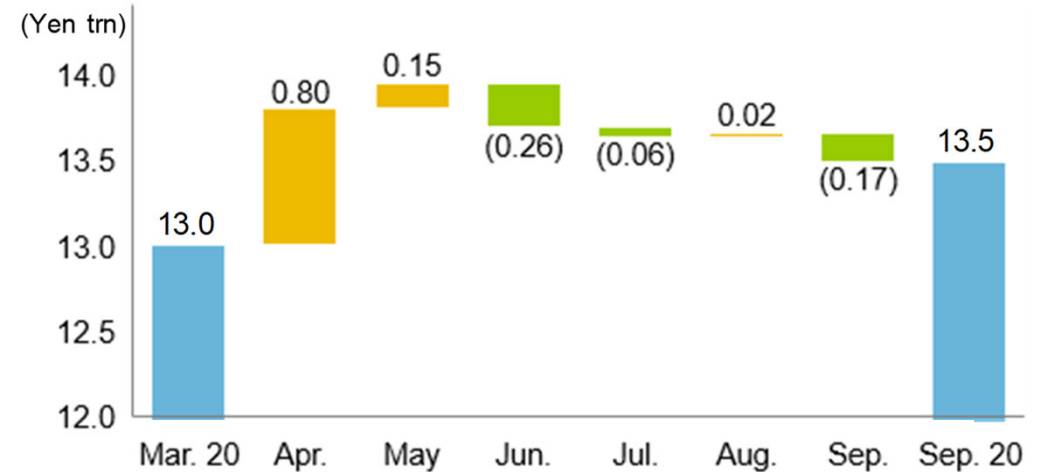
【No. of individual clients visiting】 【No. of consultations over the phone】



(*) Daily average. Compared to same period of previous year.

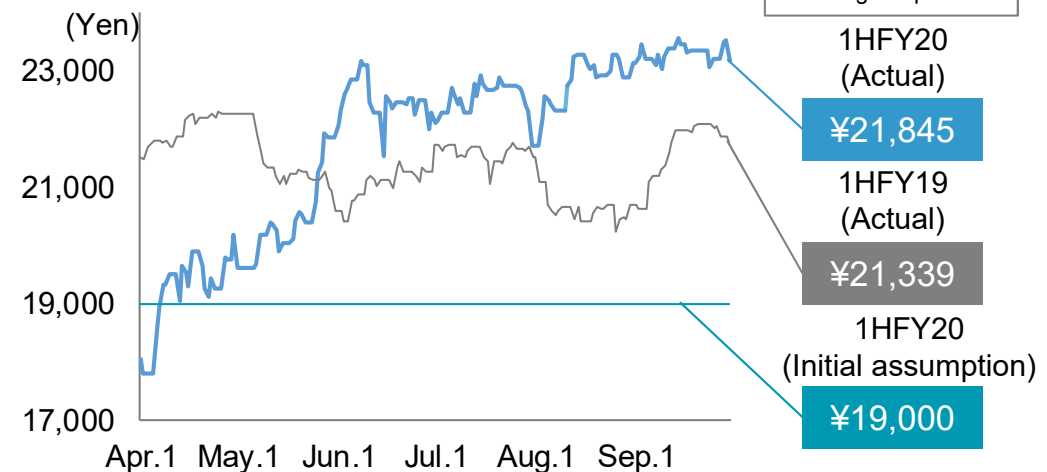
Peak out of COVID-19 related credit

【Domestic corporate (Yen) credit (excluding government related)】

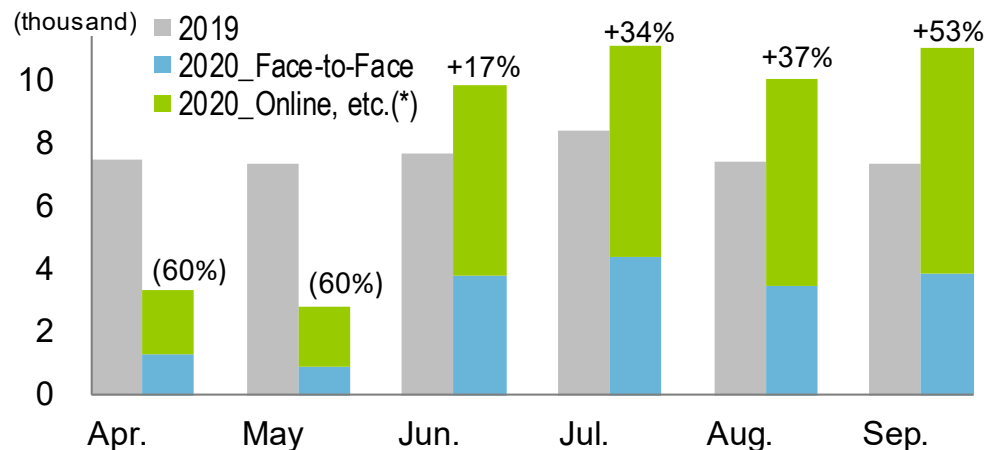


Share price level exceeded initial assumption

【Nikkei 225】



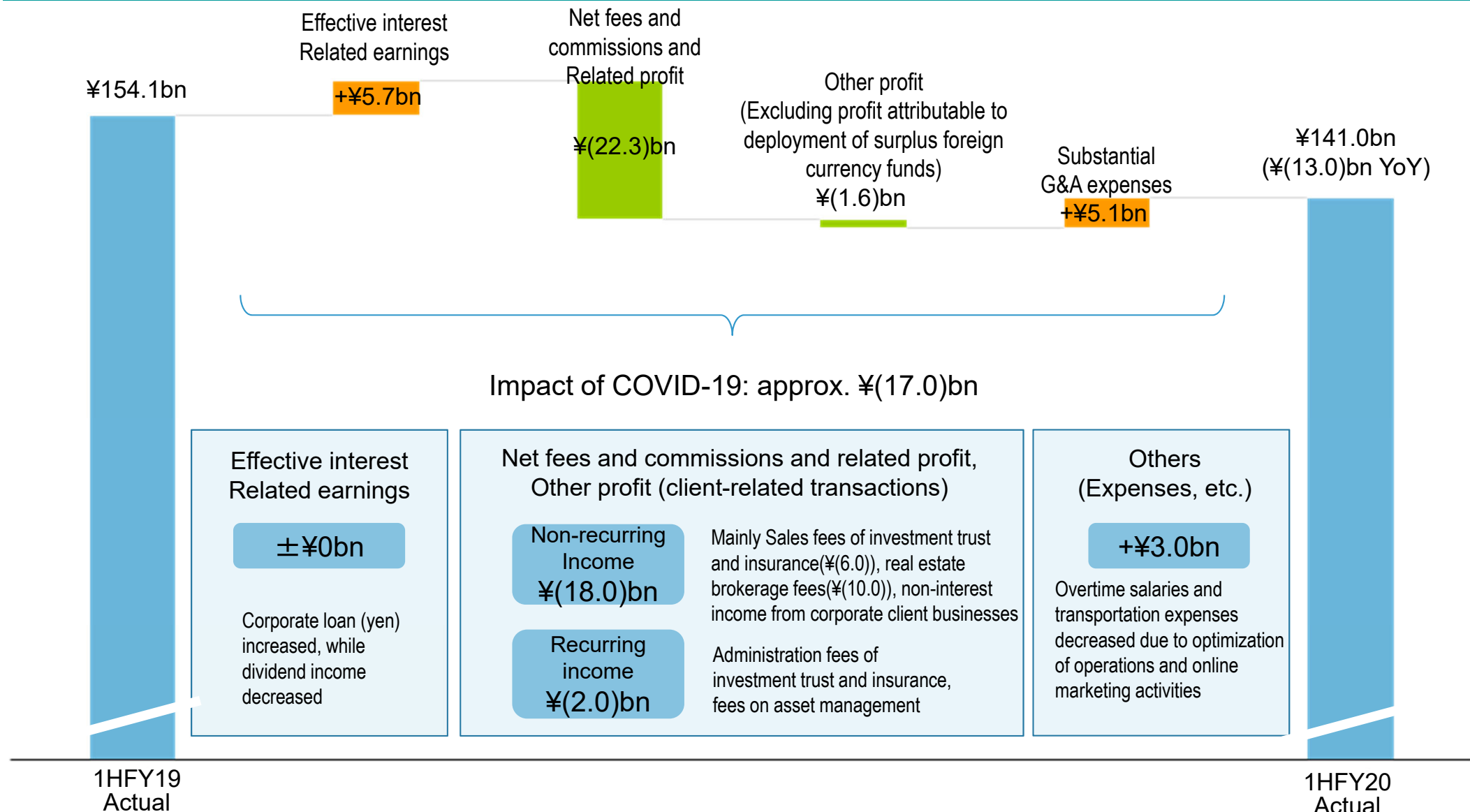
Corporate real estate business client contacts increased with use of online etc.



(*) Compared to same month/same period of previous year
Online etc. include ZOOM, tele-conferences and others

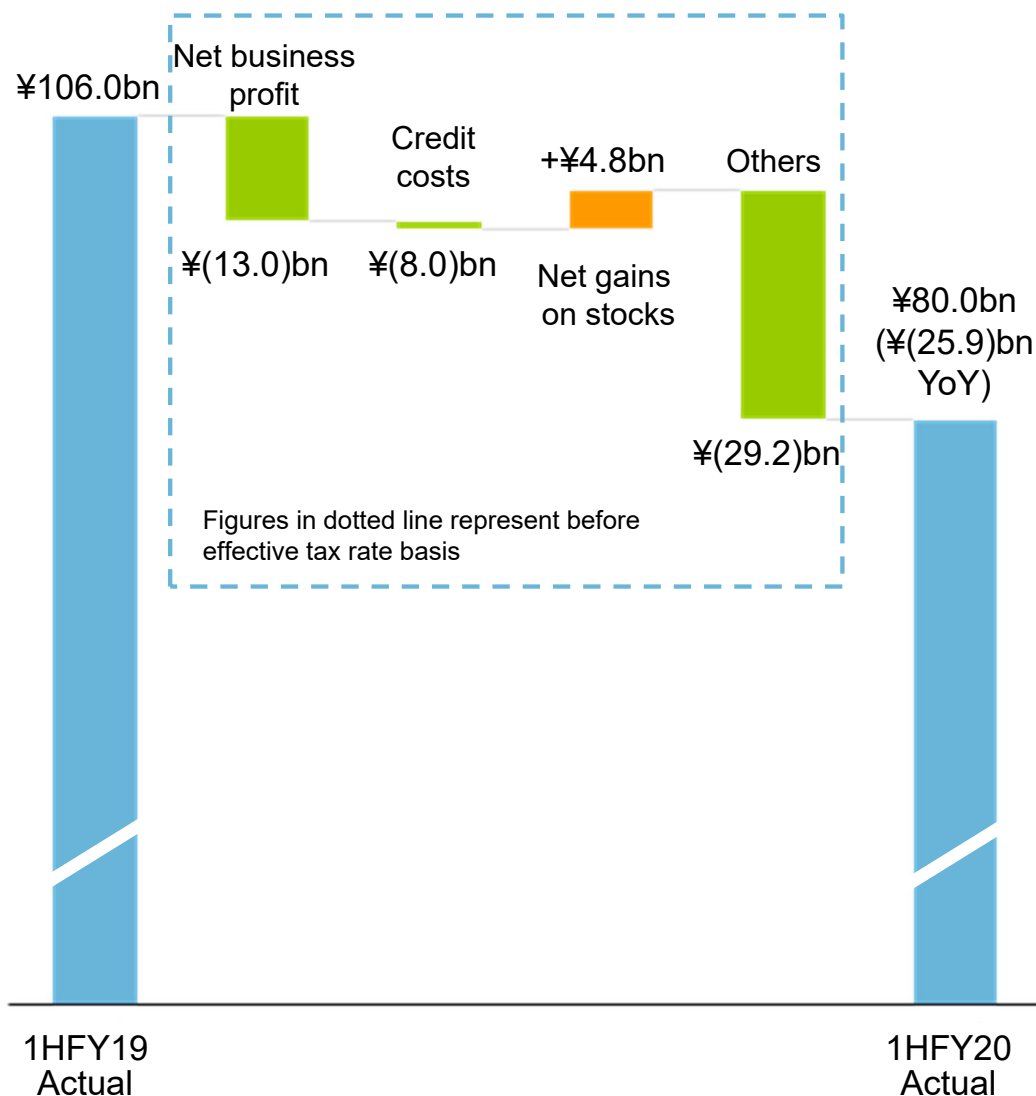
Net business profit

- ✓ Net business profit decreased mainly in non-recurring income such as sales fees of investment trust and real estate brokerage fees due to restrictions on marketing activities, while effective interest related earnings and expenses improved.



Net income

- ✓ Net income decreased mainly due to deterioration of losses on stock related derivatives, while efforts were made to increase net gains on stocks



Major factors of change

✓ Total credit cost

**¥(0.8)bn
YoY**

- 1HFY2020 credit costs restrained to ¥(2.0)bn due to reversal of approx. ¥8.0bn against special loan loss provisions of approx. ¥25.0bn posted previous year

✓ Net gains on stocks

**+¥4.8bn
YoY**

- Reduction of strategic shareholdings progressed in 2Q (*1)

✓ Others (Other net non-recurring profit, Extraordinary profit)

**¥(29.2)bn
YoY**

- Net losses on stock related derivatives (¥(12.6)bn YoY (*2))
- Posted system costs related to regulatory compliance ahead of schedule (¥(4.5)bn YoY), etc.

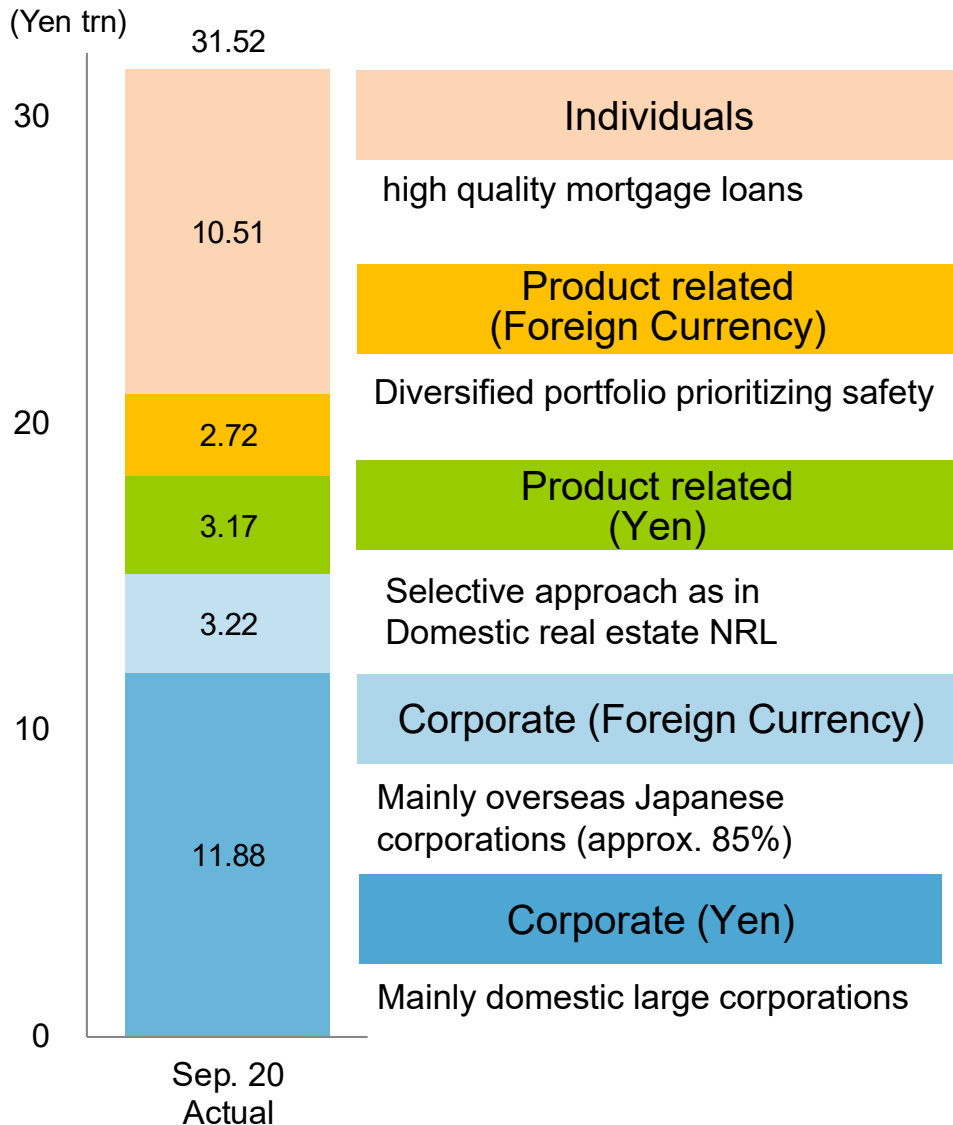
(*1) Reduction in 1HFY2020
¥(8.0)bn (Cost base), **Net gain on sales: Approx. 11.0bn**

(*2) Overview of profit in 1HFY2020
Hedging of stock price risk: Approx. **¥(5.0)bn**
(Transferred to AFS securities (bear-type investment trust) in 2Q)
Global Markets Business (Investments): Approx. ¥(6.0)bn
(Reduced risk amount in 2Q)

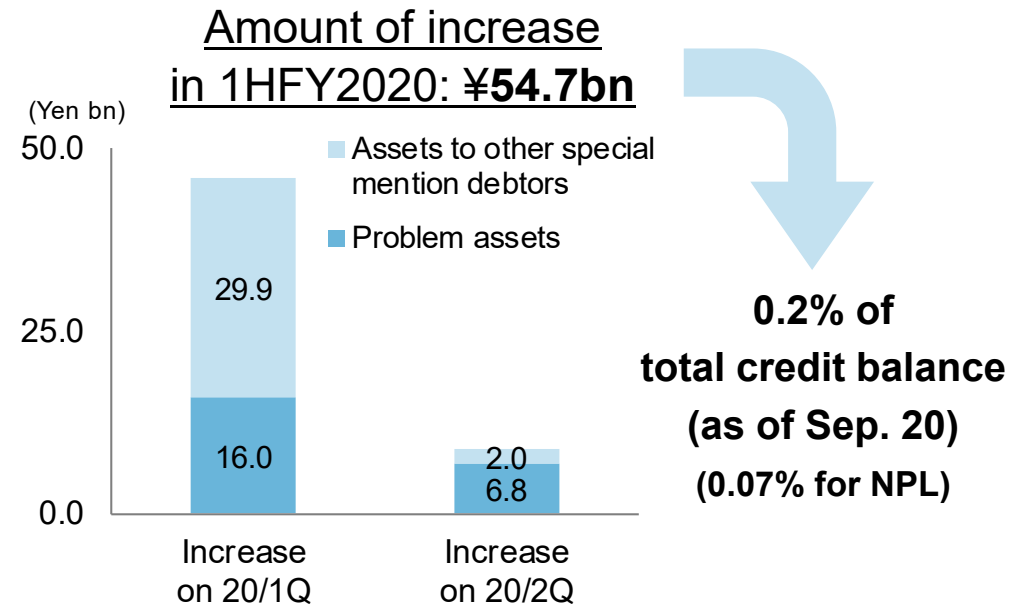
Credit risk

✓ Maintained high quality credit portfolio. Sufficient provisions made for credit costs

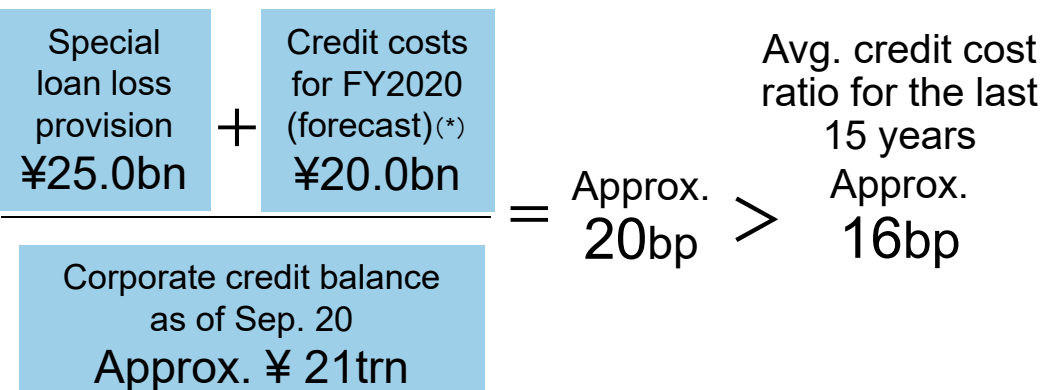
Summary of credit portfolio



Assets below special mention debtors (change from Mar. 2020)



Provisions for credit costs (FY2020)



(*) Revised figures after revision of FY2020 forecast in Nov. (Reference) Initial plan in May: ¥ 30bn

Overview of profits

		(Yen bn)			FY20 Forecast
		1HFY19	1HFY20	Change	
1	Net business profit before credit costs (*1)	154.1	141.0	(13.0)	260.0
2	Substantial gross business profit (*1)	377.0	358.7	(18.2)	710.0
3	Effective interest related earnings (*2)	130.9	136.6	5.7	
4	Net fees and commissions and related profit	201.5	179.1	(22.3)	
5	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	44.5	42.9	(1.6)	
6	Substantial G&A expenses (*1)	(222.8)	(217.6)	5.1	(450.0)
7	Total credit costs	(1.2)	(2.0)	(0.8)	(20.0)
8	Net gains on stocks	5.9	10.8	4.8	
9	Other net non-recurring profit	(7.7)	(36.4)	(28.6)	
10	Ordinary profit	151.1	113.4	(37.6)	200.0
11	Extraordinary profit	0.1	(0.4)	(0.6)	
12	Income before income taxes	151.2	112.9	(38.3)	
13	Total income taxes	(43.4)	(31.8)	11.5	
14	Income attributable to non-controlling interests	(1.7)	(0.9)	0.8	
15	Net income	106.0	80.0	(25.9)	140.0
16	Earnings per share (EPS) (Yen)	281	213	(68)	
17	Number of shares issued (mn shares) (*3)	376.2	374.5	(1.6)	
(Reference)					
18	Net interest income and related profit	74.2	119.9	45.7	
19	Other profit	101.2	59.6	(41.6)	
20	Profit attributable to deployment of surplus foreign currency funds	56.6	16.6	(40.0)	
21	Other	44.5	42.9	(1.6)	

Net business profit before credit costs

- Net business profit decreased ¥13.0bn YoY. Gross business profit decreased mainly due to impact of COVID-19 in non-recurring income. Substantial G&A expense improved.
- Effective interest related earnings including profit attributable to deployment of surplus foreign currency funds increased ¥5.7bn YoY. Net interest income (Domestic business) improved.
- Net fees and commissions and related profit decreased. Despite gradual recovery of marketing activities, delayed contracts in investment management consulting and real estate brokerage due to COVID-19 caused decrease. On the other hand, decrease of recurring income as in asset management / administration business was limited
- Substantial G&A expenses decreased ¥5.1bn YoY due to impact of decreased marketing activities and reduction in line with gross business profit decrease related to fee income.

Total credit costs

- Despite new occurrence of approx. ¥(10.0), total credit costs restrained to ¥(2.0)bn due to reversal of special loan loss provision of ¥8.0bn

Net gains on stocks

- Reduction of strategic shareholdings (cost base): approx. ¥8.0bn
Net gains on sales of strategic shareholdings: approx. ¥11.0bn

Other extraordinary items and corporate taxes total

- Net losses on stock-related derivatives (to hedge stock price risk) ¥(11.5)bn, amortization of net actuarial losses/prior service costs ¥(5.8)bn, system costs related to regulatory compliance ahead of schedule ¥(4.5)bn, losses on investment in partnership (fluctuation of PE fund valuations) ¥(2.4)bn, etc.

(*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 "Prof it 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.

Overview of balance sheet

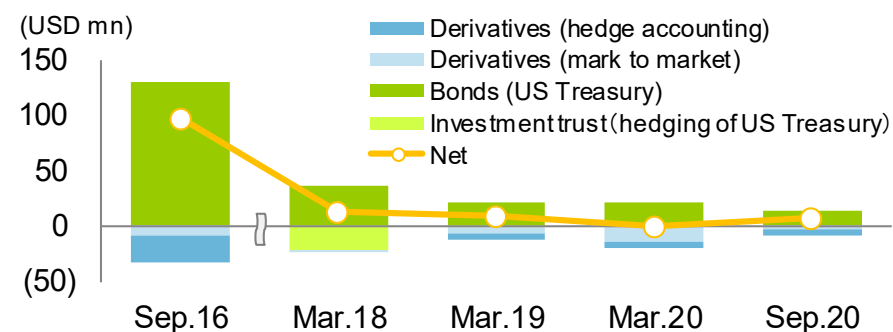
		(Yen bn)		
		Mar. 20	Sep. 20	Change
1	Assets	56,500.5	59,843.6	3,343.0
2	Cash and due from banks	13,141.1	17,498.1	4,356.9
3	Securities	6,437.5	6,739.3	301.7
4	Loans and bills discounted	29,703.3	30,140.3	436.9
5	Other assets	7,218.3	5,465.8	(1,752.5)
6	Liabilities	53,909.6	57,205.7	3,296.1
7	Deposits and NCD	36,549.2	41,042.1	4,492.9
8	Borrowed money from trust account	4,750.2	3,517.4	(1,232.8)
9	Other liabilities	12,610.1	12,646.2	36.0
10	Total net assets	2,590.9	2,637.8	46.9
11	Total shareholders' equity	2,334.3	2,385.9	51.5
12	Total accumulated OCI	220.8	216.4	(4.4)
13	Minority interests, etc.	35.6	35.4	(0.1)
14	Net assets per share (BPS) (Yen)	6,822	6,948	125
15	Number of shares issued (mn shares) (*)	374.5	374.5	0.0

(Reference)

16	Loan-deposit ratio (SuMi TRUST Bank)	81.7%	73.6%	(8.1%)
17	NPL ratio (SuMi TRUST Bank)	0.3%	0.4%	0.1%

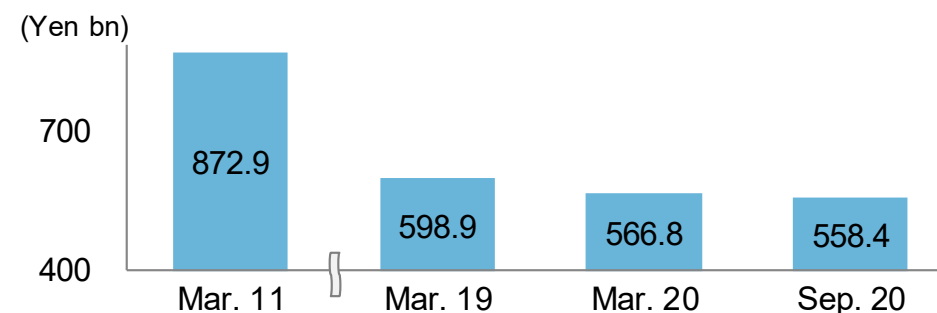
(*) Number of common shares issued (excluding treasury stocks) as of the date above

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

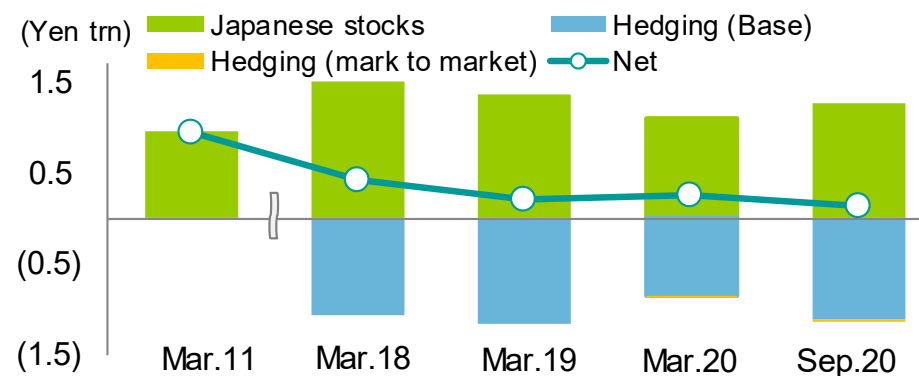


Strategic shareholdings

Balance of strategic shareholdings (Cost base)(Consolidated basis)



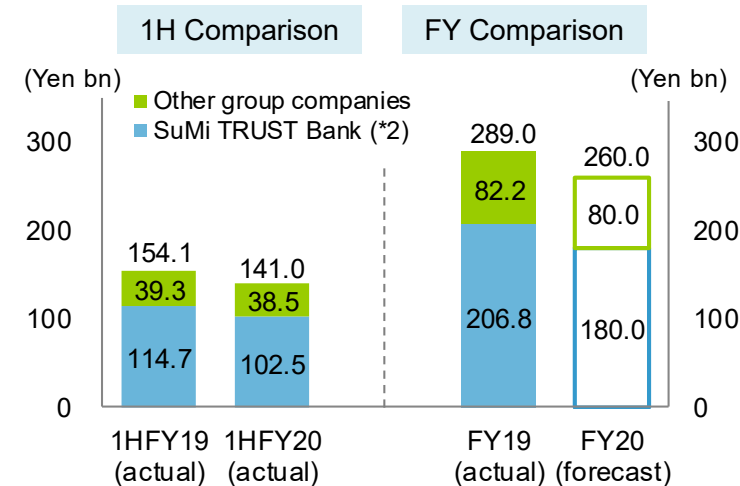
Hedge positions against strategic shareholdings (Fair value)



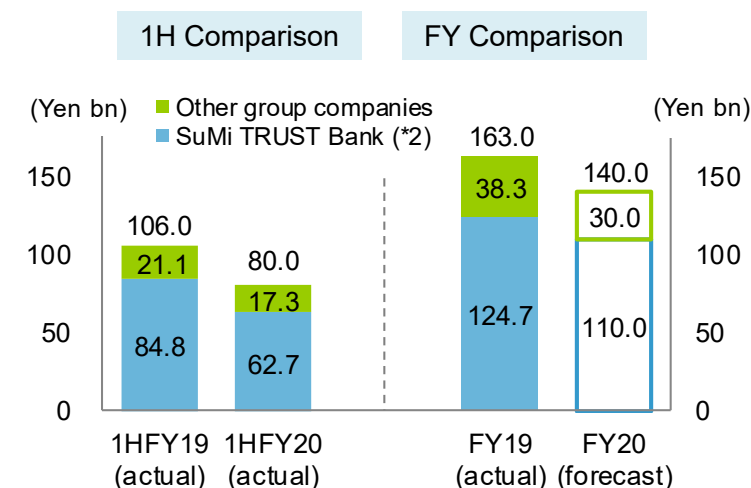
Profit by group company

		(Yen bn)		
		1HFY19	1HFY20	Change
1	Net business profit before credit costs (*1)	154.1	141.0	(13.0)
2	o/w SuMi TRUST Bank (*2)	114.7	102.5	(12.2)
3	SuMi TRUST AM	7.0	5.6	(1.3)
4	Nikko AM (*3)	7.7	8.1	0.4
5	SuMi TRUST Realty	4.0	0.9	(3.0)
6	SuMi TRUST Panasonic Finance (*3)	5.0	4.9	(0.0)
7	SuMi TRUST Loan & Finance	6.0	5.6	(0.3)
8	SBI Sumishin Net Bank (*3)	4.4	5.0	0.6
9	SuMi TRUST Guarantee (*3)	5.8	5.7	(0.0)
10	SuMi TRUST Club	1.4	1.3	(0.1)
11	Effect of purchase accounting method	(1.3)	0.3	1.7
12	Net income (*1)	106.0	80.0	(25.9)
13	o/w SuMi TRUST Bank (*2)	84.8	62.7	(22.1)
14	SuMi TRUST AM	4.9	3.8	(1.1)
15	Nikko AM (*3)	4.7	5.1	0.3
16	SuMi TRUST Realty	2.7	0.6	(2.0)
17	SuMi TRUST Panasonic Finance (*3)	2.2	2.3	0.0
18	SuMi TRUST Loan & Finance	4.0	3.8	(0.1)
19	SBI Sumishin Net Bank (*3)	2.8	3.3	0.4
20	SuMi TRUST Guarantee (*3)	3.8	3.9	0.0
21	SuMi TRUST Club	0.5	1.0	0.5
22	Effect of purchase accounting method	2.9	(0.7)	(3.6)

Breakdown of Net business profit before credit costs



Breakdown of Net income



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

(*2) Since FY2020, dividend from group companies aimed to improve capital efficiency is included (no adjustment) (Same for P12 and P13) (*3) Consolidated basis

Profit by business segment

		1HFY19 Net business profit before credit costs	1HFY20		1HFY20 Net business profit before credit costs	Change	
(Yen bn)			Substantial gross business profit	Change			Substantial G&A expenses
1	Total	154.1	358.7	(18.2)	(217.6)	141.0	(13.0)
2	Retail total solution services	12.8	85.2	(12.3)	(79.1)	6.1	(6.7)
3	SuMi TRUST Bank	4.1	58.6	(7.6)	(61.4)	(2.7)	(6.9)
4	Other group companies	8.7	26.5	(4.6)	(17.6)	8.9	0.1
5	Wholesale financial services (*2)	64.3	96.5	(4.1)	(37.1)	59.4	(4.9)
6	SuMi TRUST Bank	50.4	68.7	(3.8)	(23.1)	45.6	(4.8)
7	Other group companies	13.9	27.7	(0.2)	(13.9)	13.8	(0.0)
8	Stock transfer agency services	9.7	21.4	1.9	(10.1)	11.3	1.6
9	SuMi TRUST Bank	9.3	12.6	1.5	(1.8)	10.8	1.5
10	Other group companies	0.4	8.7	0.3	(8.2)	0.4	0.0
11	Real estate	16.0	16.6	(11.8)	(11.7)	4.8	(11.1)
12	SuMi TRUST Bank	11.7	8.4	(8.0)	(4.8)	3.6	(8.1)
13	Other group companies	4.3	8.1	(3.7)	(6.8)	1.2	(3.0)
14	Fiduciary services (excl. Asset Mgt. business)	17.3	42.9	(0.9)	(27.1)	15.8	(1.4)
15	SuMi TRUST Bank	14.2	26.1	0.8	(11.9)	14.2	(0.0)
16	Other group companies	3.0	16.8	(1.8)	(15.1)	1.6	(1.3)
17	Asset management business (*3)	14.8	40.0	0.2	(26.2)	13.8	(0.9)
18	Global markets (*4)	34.4	36.0	(5.6)	(7.5)	28.5	(5.8)

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

(*4) Substantial gross business profit and net business profit include net gains/losses on stock related derivatives which is posted as "other non-recurring profit"

(1HFY2019: ¥1.0bn, 1HFY2020: ¥(6.3)bn, YoY change: ¥(7.3)bn)

Overview of profit (SuMi TRUST Bank)

(Yen bn)		1HFY19	1HFY20	Change
1	Net business profit before credit costs	114.7	102.5	(12.2)
2	Gross business profit	236.5	224.9	(11.5)
3	Effective interest related earnings	121.5	125.6	4.1
4	Net interest income and related profit	64.8	108.9	44.1
5	Profit attributable to deployment of surplus foreign currency funds	56.6	16.6	(40.0)
6	Net fees and commissions and related profit	86.6	72.0	(14.5)
7	Net trading profit	26.8	10.1	(16.6)
8	Net gains on foreign exchange transactions	42.7	17.5	(25.1)
9	Net trading profit (Excluding Profit attributable to deployment of surplus foreign currency funds)	(15.9)	(7.4)	8.4
10	Net gains on bonds	19.5	13.5	(5.9)
11	Net gains from derivatives	(18.0)	4.3	22.3
12	General and administrative expenses	(121.7)	(122.4)	(0.6)
13	Total credit costs	0.3	(1.5)	(1.8)
14	Other non-recurring profit	(0.1)	(16.6)	(16.5)
15	o/w Net gains on stocks	2.2	11.7	9.4
16	Amortization of net actuarial losses	(2.8)	(6.1)	(3.2)
17	Ordinary profit	114.9	84.2	(30.6)
18	Extraordinary profit	0.1	(0.5)	(0.6)
19	Income before income taxes	115.1	83.7	(31.3)
20	Total income taxes	(30.2)	(21.0)	9.2
21	Net income	84.8	62.7	(22.1)

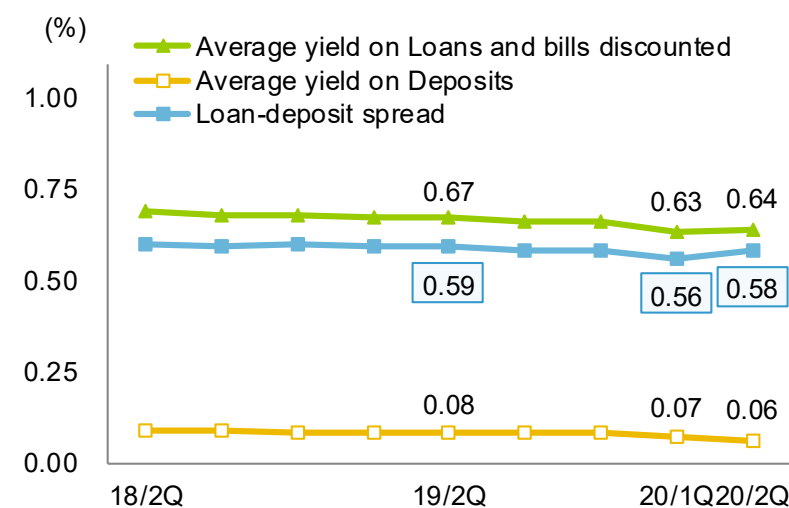
	1HFY19	1HFY20	Change	
22	Gross business profit	236.5	224.9	(11.5)
23	Net interest income and related profit	64.8	108.9	44.1
24	Net fees and commissions and related profit	86.6	72.0	(14.5)
25	Net trading profit	42.7	17.5	(25.1)
26	Net other operating profit	42.3	26.3	(15.9)
27	o/w Net gains on foreign exchange transactions	40.7	9.2	(31.5)
28	Profit attributable to deployment of surplus foreign currency funds	56.6	16.6	(40.0)
29	other	(15.9)	(7.4)	8.4
30	Net gains on bonds	19.5	13.5	(5.9)
31	Net gains from derivatives	(18.0)	4.3	22.3
32	Net fees and commissions and related profit	86.6	72.0	(14.5)
33	o/w Investment management consulting	23.8	16.0	(7.7)
34	Asset management/administration	25.3	26.1	0.8
35	Real estate brokerage	13.4	5.5	(7.9)
36	Stock transfer agency services	11.1	12.6	1.5
37	Inheritance related services	2.2	1.5	(0.6)
38	Wholesale credit related	14.3	15.3	0.9
39	Net gains on bonds	19.5	13.5	(5.9)
40	Domestic bonds	1.5	(0.0)	(1.5)
41	Foreign bonds	17.9	13.5	(4.4)

(*) Other profit within net business profit before credit costs in 1HY19 and 1HY20 is 0.0 and ¥(0.7)bn respectively.

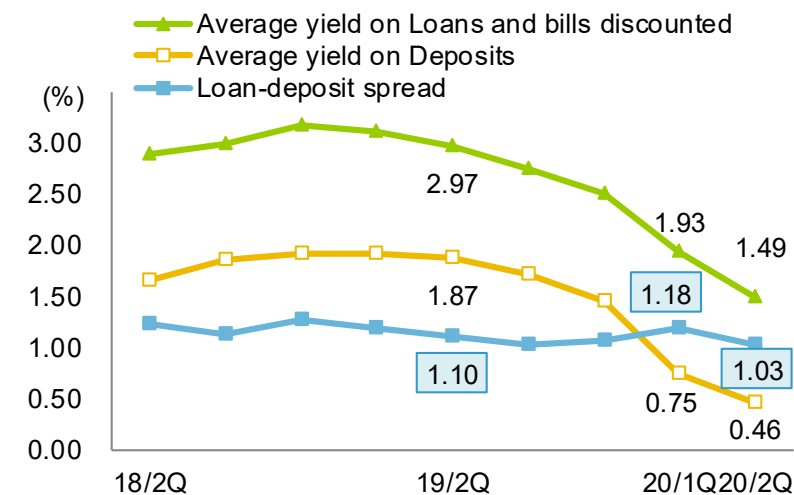
Net interest income (SuMi TRUST Bank)

		1HFY20					
(Average balance: Yen trn) (Income/Expenses: Yen bn)		Average Balance	Change from 1HFY19	Average Yield	Change from 1HFY19	Income/Expenses	Change from 1HFY19
1	Net interest income					100.2	43.2
2	Domestic business			0.37%	(0.03%)	76.9	0.4
3	Interest-earning assets	41.65	2.88	0.50%	(0.04%)	104.9	0.2
4	o/w Loans and bills discounted	24.32	1.84	0.63%	(0.04%)	77.9	2.4
5	Securities	3.95	0.59	1.20%	(0.35%)	23.9	(2.1)
6	Interest-bearing liabilities	41.33	3.14	0.13%	(0.01%)	(28.0)	0.1
7	o/w Deposits	26.34	1.53	0.07%	(0.01%)	(9.4)	0.9
8	Borrowings from trust a/c	3.58	0.40	0.48%	(0.01%)	(8.7)	(0.9)
9	Swaps	---	---	---	---	(0.8)	(0.4)
10	International business			0.34%	0.66%	23.3	42.8
11	Interest-earning assets	13.12	(0.71)	1.13%	(0.96%)	74.7	(69.8)
12	o/w Loans and bills discounted	6.16	(0.20)	1.72%	(1.32%)	53.1	(43.7)
13	Due from banks	1.97	(0.01)	0.21%	(1.43%)	2.0	(14.2)
14	Securities	2.19	(0.12)	1.61%	(0.75%)	17.7	(9.5)
15	Interest-bearing liabilities	12.91	(0.65)	0.79%	(1.62%)	(51.4)	112.7
16	o/w Deposits	5.46	(0.12)	0.60%	(1.30%)	(16.5)	36.6
17	NCD / USCP	4.86	(0.68)	0.57%	(1.60%)	(13.9)	46.4
18	Repo	1.47	(0.10)	0.31%	(2.10%)	(2.3)	16.8
19	Expenses on swaps	---	---	---	---	(14.3)	7.1
20	(+) Trust fees from principal guaranteed trust a/c					8.7	0.8
21	(+) Profit attributable to deployment of surplus foreign currency funds					16.6	(40.0)
22	Effective interest related earnings					125.6	4.1
23	Loan-deposit spread / income in domestic business			0.56%	(0.03%)	68.4	3.4
24	Loan-deposit spread / income in international business			1.12%	(0.02%)	36.6	(7.0)

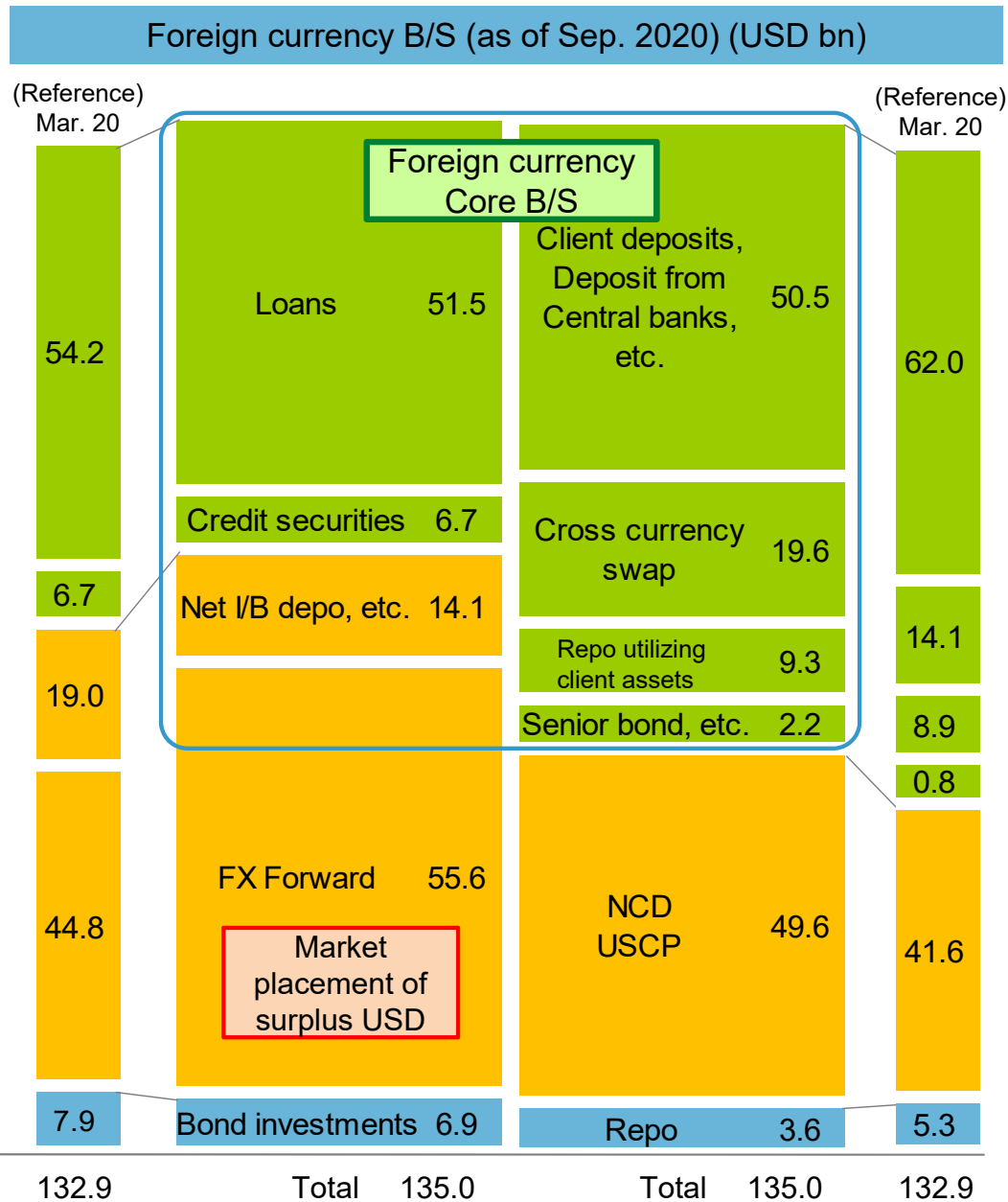
Domestic loan-deposit spread



International loan-deposit spread



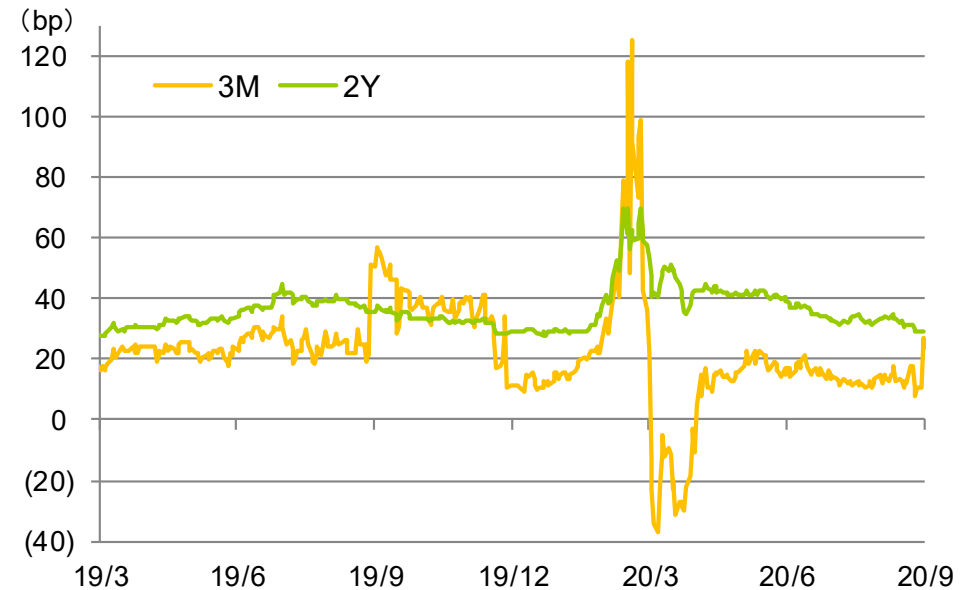
(Reference) Status of foreign currency balance sheet (SuMi TRUST Bank)



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.
- ◆ 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. Market turmoil caused by COVID-19 at beginning of 1HFY20 cooled down by liquidity supplied of central banks of each country, and back to normalized investment/funding environment by the end of Sep. 2020.

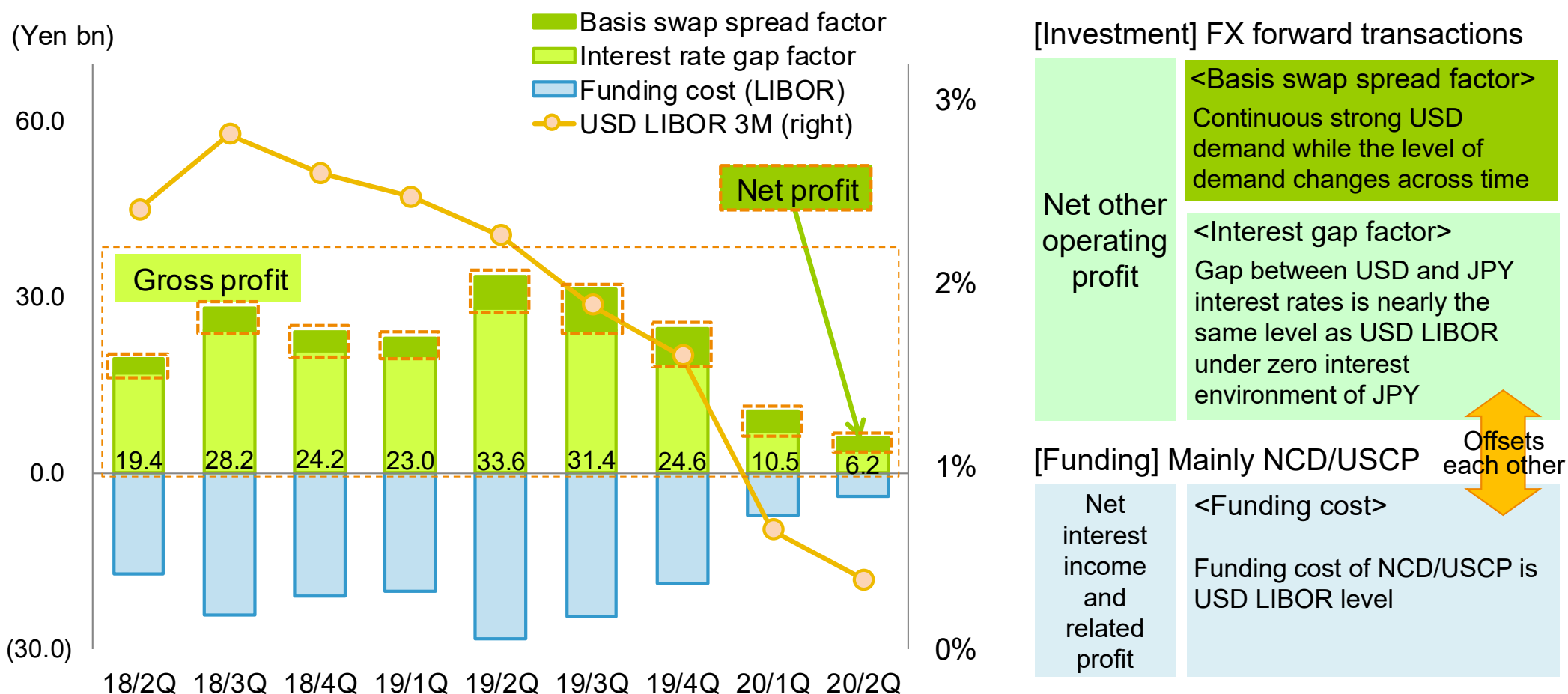
Basis swap spread (CCS) (USD/JPY)



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
- ✓ Gross funding costs and investment profits decreased due to decline in USD LIBOR, but net profit remained at same level YoY

Profit of market deployment 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

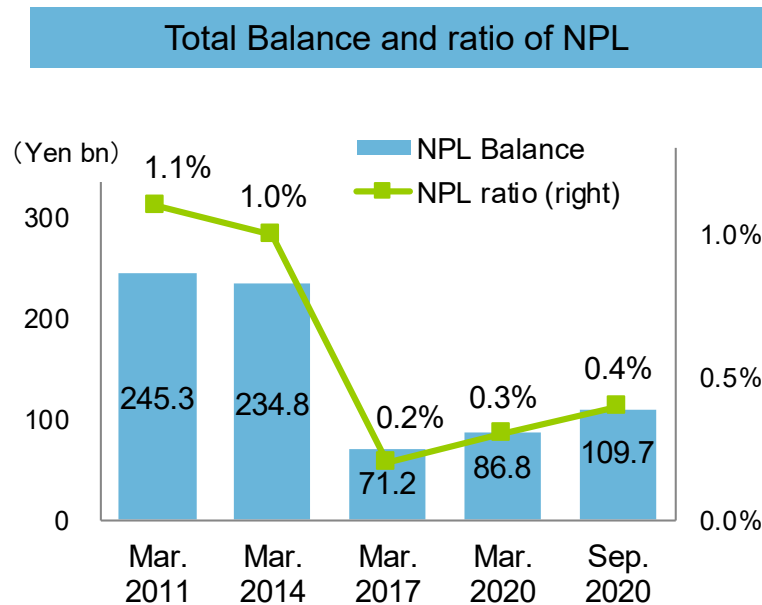
Total credit costs and problem assets

[Total credit costs]		1HFY19	1HFY20	Major factors (1HFY20)
(Yen bn)				
1	SuMi TRUST Bank	0.3	(1.5)	
2	General allowance for loan losses	(2.8)	7.5	Reversal of special loan provision of 7.5 Sum of new occurrence, etc. approx. (9.0)
3	Specific allowance for loan losses	3.1	(6.8)	
4	Recoveries of written-off claims	0.1	0.1	
5	Losses on sales of claims, written-off	(0.1)	(2.4)	
6	Other group companies, etc.	(1.5)	(0.5)	SuMi TRUST Panasonic Finance (0.2) Small reversal out of 6.0 special loan loss provision in 1HFY2020
7	Total	(1.2)	(2.0)	

[NPL (SuMi TRUST Bank)]		Sep. 20	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 20
(Yen bn)					
8	NPL	109.7	77.1%	49.5%	22.8
9	NPL ratio (ratio to Total loan balance)	0.4%	---	---	0.1%
10	Bankrupt and practically bankrupt	21.8	100.0%	100.0%	12.3
11	Doubtful	44.2	91.5%	82.9%	5.0
12	Substandard	43.6	51.0%	11.4%	5.6
13	Other special mention debtors	456.5	---	---	31.9
14	Ordinary assets	30,121.6	---	---	176.0
15	Total loan balance	30,687.8	---	---	230.8

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

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



Securities portfolio

[Securities with fair value]		Costs		Unrealized gains/losses	
		Sep. 20	Change from Mar. 20	Sep. 20	Change from Mar. 20
(Yen bn)					
1	Available-for-sale securities	5,632.5	321.5	489.3	(8.2)
2	Japanese stocks	558.4	(8.3)	702.0	158.2
3	Japanese bonds	2,338.9	324.8	2.3	0.4
4	Others	2,735.1	5.0	(215.0)	(166.9)
5	Held-to-maturity debt securities	315.4	(14.5)	17.0	6.6

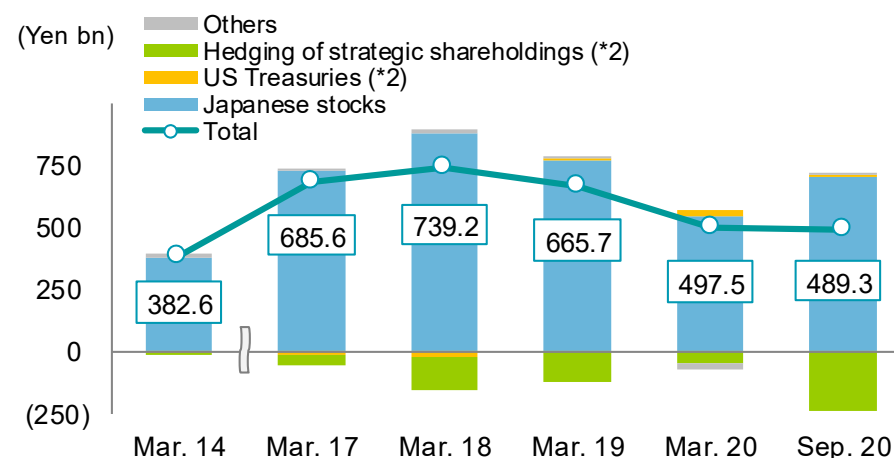
[Securities with fair value (SuMi TRUST Bank)]

6	Available-for-sale securities	5,583.6	321.5	508.3	(11.6)
7	Japanese stocks	530.5	(6.6)	728.1	157.2
8	Japanese bonds	2,394.6	321.5	1.2	0.5
9	o/w Government bonds	1,642.2	279.6	(0.4)	(0.3)
10	Others	2,658.4	6.5	(221.0)	(169.4)
11	Domestic investment	69.7	7.1	1.2	(0.1)
12	International investment	1,207.0	(71.6)	10.6	11.5
13	o/w US Treasury	354.9	5.4	11.9	(10.9)
14	Others (Investment trust, etc.)	1,381.6	71.0	(232.9)	(180.8)
15	o/w for hedging of strategic shareholdings (*1)	1,291.3	96.4	(234.3)	(187.9)

(*1) Of which hedging effect under capital regulation is recognized: Costs JPY1,001.1bn,
Unrealized gains/losses JPY(207.2)bn

16	Held-to-maturity debt securities	260.1	(11.1)	16.9	6.6
17	o/w Government bonds	118.1	(0.1)	17.2	(0.6)
18	International investment	108.0	(3.1)	(0.6)	7.3

Unrealized gains/losses of AFS securities with fair value



(*2) SuMi TRUST Bank

Reduction of strategic shareholdings (*3)

(Yen bn)	FY19		1HFY20	
	1H	2H		
19 Reduction amount	3.7	17.6	21.3	8.0

(Ref.) Cumulative reduction since merger(from FY11 to 1HFY20): ¥339.8bn

Cumulative reduction based on current plan(from FY16 to FY20): ¥125.6bn

(*3) Purchase cost of listed shares

Securities portfolio of Global markets (*4)

(Yen bn)	10BPV (*5)		Duration (years) (*5)	
	Sep. 20	Change from Mar. 20	Sep. 20	Change from Mar. 20
20 JPY	4.8	1.2	2.5	0.2
21 Others	1.3	(0.8)	2.9	(1.2)

(*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: DOWN 0.20 percentage points from Mar. 2020 to 12.42% due to increase in risk-weighted assets, mainly increased in loans to corporations related to COVID-19.
Pro-forma CET1 capital ratio on Finalized Basel III is 9.6%
- ✓ Leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets>

		Mar. 2020	Sep. 2020	Change
		(Yen bn)		
1	Total capital ratio	17.23%	16.99%	(0.24%)
2	Tier 1 capital ratio	14.47%	14.21%	(0.26%)
3	Common Equity Tier 1 capital ratio	12.62%	12.42%	(0.20%)
4	Total capital	3,283.1	3,349.2	66.1
5	Tier 1 capital	2,758.1	2,802.6	44.4
6	Common Equity Tier 1 capital	2,404.8	2,449.8	45.0
7	Instruments and reserves	2,528.2	2,575.2	47.0
8	Accumulated other comprehensive income (*1)	220.8	216.4	(4.4)
9	Regulatory adjustments	(123.3)	(125.4)	(2.0)
10	Additional Tier 1 capital	353.3	352.7	(0.5)
11	Tier 2 capital	524.9	546.6	21.6
12	Total risk-weighted assets	19,053.9	19,711.0	657.1
13	Credit risk	16,778.2	17,393.1	614.9
14	Market risk	1,334.5	1,330.7	(3.8)
15	Operational risk	941.2	987.2	46.0

(*1) Valuation differences on Available-for-Sale Securities (Sep. 2020): ¥345.0bn

< Major factors of change in capital adequacy ratios >

[Capital]

(1) Common Equity Tier 1 capital: +¥45.0bn

- Net income +¥80.0bn
- Dividend ¥(28.1)bn
- Unrealized gains/losses of AFS ¥(6.4)bn

[Risk-weighted assets]

(2) Credit risk: +¥614.9bn

- Increase due to corporate credit for mainly domestic large corporations increased

< Major factors of change in liquidity coverage ratio >

(3) Total high-quality liquid assets: +¥3,540.9bn

- Increase of current a/c with BOJ from increased corporate deposits

<Other ratios required in prudential regulations>

		Sep. 2020	Chg. from Mar. 2020
		(Yen bn)	
16	Leverage ratio (*2)	5.85%	---
17	Including current account with the Bank of Japan	4.44%	(0.20%)
18	Tier 1 capital	2,802.6	44.4
19	Total exposure (*2)	47,847.5	---
20	Including current account with the Bank of Japan	63,105.1	3,779.7
21	Liquidity coverage ratio (*3)	163.6%	34.4%
22	Total high-quality liquid assets	17,953.2	3,540.9
23	Net cash outflows	10,968.7	(181.4)

(*2) Calculated according to the revision of Financial Services Agency Notification (effective as of June 30, 2020). For reference, figures on item 17 and 20 are calculated according to the basis applied before the revision.

(*3) Average figures in 2QFY2020. "Change from Mar. 2020" represents the comparison to figure for 4QFY2019 calculated in the same manner

Forecast for FY2020

- ✓ Taking 1H results into consideration, forecasts for net business profit revised upward by ¥10.0bn, Net income remain unchanged
- ✓ Forecast for other non-recurring profit increased by ¥(20.0)bn, while forecast for total credit costs decreased

(Yen bn)		1H	2H	FY20	Change	Change	
		Actual	Forecast	Forecast	from	from	
					FY19	initial	
						plan	
1	Net business profit before credit costs	141.0	118.9	260.0	(29.0)	10.0	(1)
2	o/w SuMi TRUST Bank	102.5	77.4	180.0	(26.8)	10.0	
3	Substantial gross business profit	358.7	351.2	710.0	(32.6)	-	
4	SuMi TRUST Bank	224.9	205.0	430.0	(23.2)	10.0	
5	Other group companies	133.8	146.1	280.0	(9.4)	(10.0)	
6	Substantial G&A Expenses	(217.6)	(232.3)	(450.0)	3.6	10.0	
7	SuMi TRUST Bank	(122.4)	(127.5)	(250.0)	(3.5)	-	
8	Other group companies	(95.2)	(104.7)	(200.0)	7.2	10.0	
9	Total credit costs	(2.0)	(17.9)	(20.0)	23.8	10.0	(2)
10	Net gains on stocks	10.8	9.1	20.0	(20.1)	-	
11	Other non-recurring profit	(36.4)	(23.5)	(60.0)	(32.3)	(20.0)	(3)
12	Ordinary profit	113.4	86.5	200.0	(57.6)	-	
13	o/w SuMi TRUST Bank	84.2	65.7	150.0	(26.4)	(5.0)	
14	Net income	80.0	59.9	140.0	(23.0)	-	(4)
15	o/w SuMi TRUST Bank	62.7	47.2	110.0	(14.7)	-	
16	Dividend per common share (Yen)	75	75	150	±0	-	
17	Consolidated dividend payout ratio	---	---	40.2%	5.7%	±0%	

【Change from Initial plan】

(1) Net business profit: +¥10.0bn

① SuMi TRUST Bank (Item 4+ Item 7)

- Revised upward by reflecting upsides of each business segment in SuMi TRUST Bank

② Other group companies (Item 5+ Item 8)

- Substantial gross business profit and G&A expenses decreased, therefore net business profit in line with initial plan

(2) Total credit costs: +¥10.0bn

- Considering current environment outlook, full-year forecast revised to ¥(20.0)bn, a reduction of ¥(10.0)bn, although actual 1H results was only ¥(2.0)bn

(3) Other non-recurring profit: ¥(20.0)bn

- Revised downward by ¥(20.0)bn from initial forecast of ¥(40.0)bn to ¥(60.0)bn, due to net losses on stock-related derivatives etc., taking into consideration of 1H actual results of ¥(36.4)bn (against initial plan of ¥(20.0)bn) as well as looking ahead to investment opportunities and reviewing assets etc. in new-normal

(4) Net income: ±¥0bn

- Due to lower market visibility, Net income to maintain initial plan despite upward revision of Net business profit before credit costs

(Ref.) Breakdown by business segment

		FY19 Actual			FY20 Plan	Change from FY19
(Yen bn)			1H Actual	2H Plan		
1	Net business profit before credit costs	289.0	141.0	118.9	260.0	(29.0)
2	Retail total solution services	22.8	6.1	3.8	10.0	(12.8)
3	SuMi TRUST Bank	7.3	(2.7)	(3.2)	(6.0)	(13.3)
4	Other group companies	15.5	8.9	7.0	16.0	0.4
5	Wholesale financial services (*1)	132.5	59.4	55.5	115.0	(17.5)
6	SuMi TRUST Bank	102.8	45.6	42.3	88.0	(14.8)
7	Other group companies	29.6	13.8	13.1	27.0	(2.6)
8	Stock transfer agency services	18.4	11.3	7.6	19.0	0.5
9	SuMi TRUST Bank	17.6	10.8	7.1	18.0	0.3
10	Other group companies	0.8	0.4	0.5	1.0	0.1
11	Real estate	32.4	4.8	15.1	20.0	(12.4)
12	SuMi TRUST Bank	25.8	3.6	12.3	16.0	(9.8)
13	Other group companies	6.5	1.2	2.7	4.0	(2.5)
14	Fiduciary services	36.3	15.8	15.1	31.0	(5.3)
15	SuMi TRUST Bank	30.2	14.2	14.7	29.0	(1.2)
16	Other group companies	6.0	1.6	0.3	2.0	(4.0)
17	Asset management business (*2)	29.5	13.8	13.1	27.0	(2.5)
18	Global markets	57.5	28.5	21.4	50.0	(7.5)

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

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

Fee business: Investment management consulting

- ✓ Total sales volume decreased due to restriction on marketing activities caused by COVID-19. Total balance maintained growth trajectory
- ✓ Revenues decreased ¥7.7bn YoY, mainly due to decrease in sales fees

Income from marketing of investment products

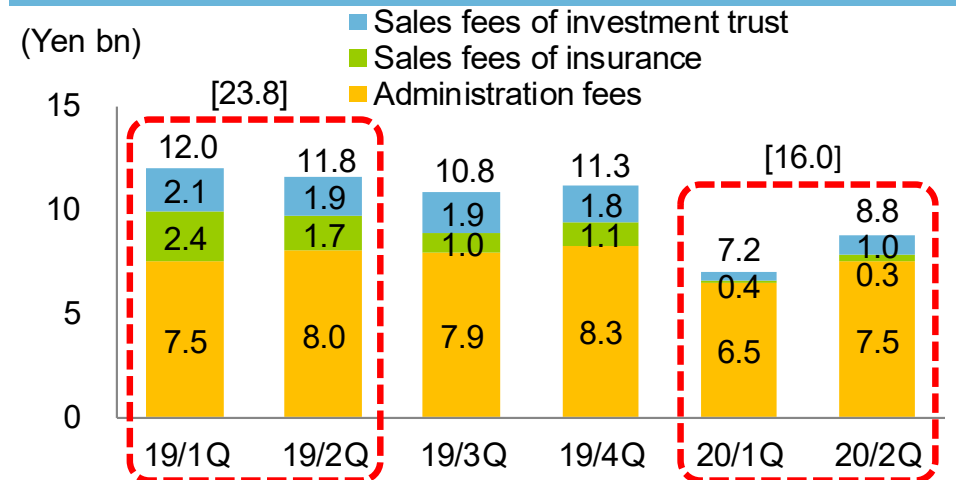
	(Yen bn)	1HFY19	1HFY20	Change
1 Income total		23.8	16.0	(7.7)
2 Sales fees of investment trust		4.1	1.5	(2.5)
3 Sales fees of insurance		4.1	0.5	(3.6)
4 Administration fees		15.6	14.0	(1.5)

Sales volume / balance

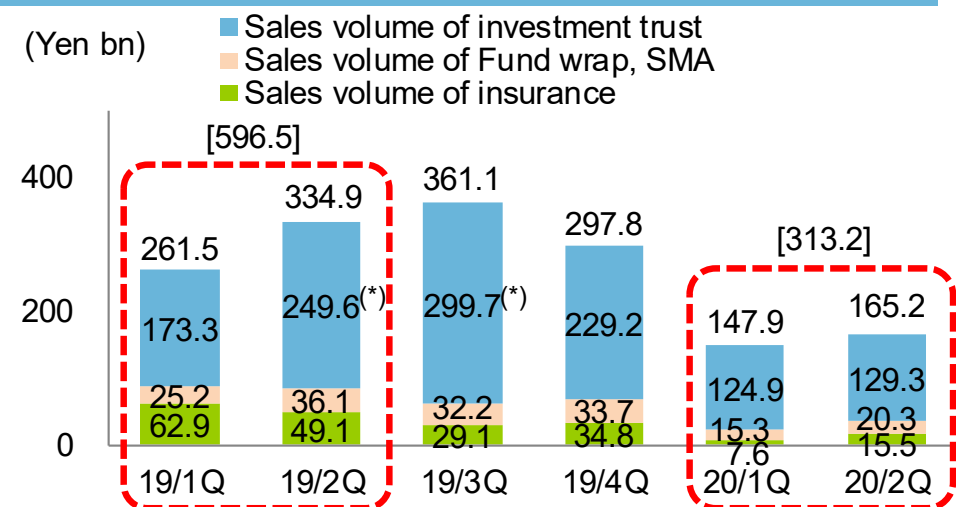
	(Yen bn)	1HFY19	1HFY20	Change
5 Sales volume total		596.5	313.2	(283.2)
6 Investment trust		423.0	254.2	(168.8)
7 Fund wrap, SMA		61.3	35.6	(25.6)
8 Insurance		112.0	23.2	(88.7)

	(Yen bn)	Mar. 20	Sep. 20	Change
9 Balance total		6,018.1	6,441.5	423.3
10 Investment trust		2,778.1	3,131.3	353.2
11 Fund wrap, SMA		801.7	873.8	72.1
12 Insurance		2,438.3	2,436.2	(2.0)
13 Wrap Selection		1,635.0	1,762.0	127.0

Income from marketing (quarterly)



Sales volume (quarterly)



(*) Including the impact of large allocation transfer from DB to DC (19/2Q: approx. ¥90bn, 19/3Q: approx. ¥140bn)

Fee business: Asset management/administration (Fiduciary services/Asset Management)

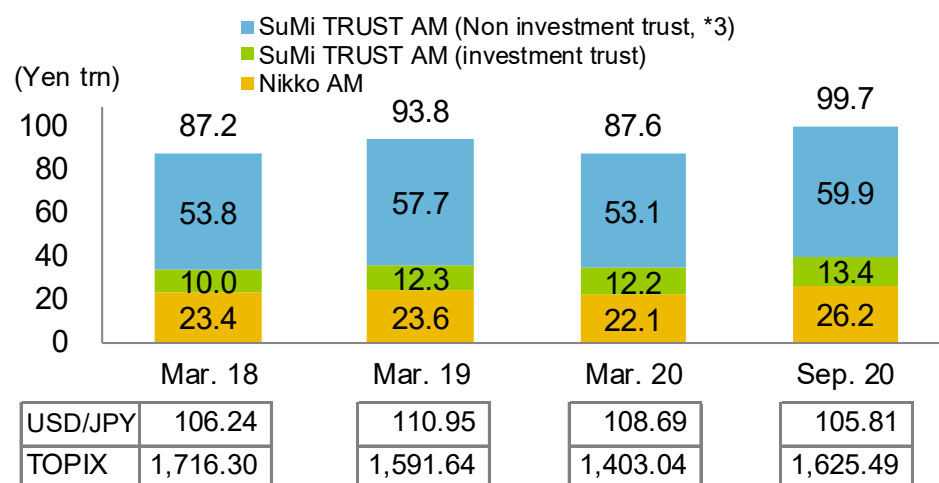
- ✓ AUM increased by ¥12.1trn to ¥99.7trn from March 2020 due to recovery of market value and cash inflow
- ✓ AUC increased for each asset category due to recovery of market value and steady cash inflow to existing funds

Assets under management (AUM)

		Mar. 20	Sep. 20	Change
(Yen trn)				
1	Assets under management (*1)	87.6	99.7	12.1
2	SuMi TRUST AM	65.4	73.4	7.9
3	Investment trust	12.2	13.4	1.1
4	Non investment trust (*2)	53.1	59.9	6.8
5	Corporate pension trust	13.1	13.8	0.6
6	Public pension trust	9.7	11.2	1.5
7	Discretionary investment	30.2	34.8	4.5
8	Nikko AM	22.1	26.2	4.1

(*1) Categorized by entity actually managing asset

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



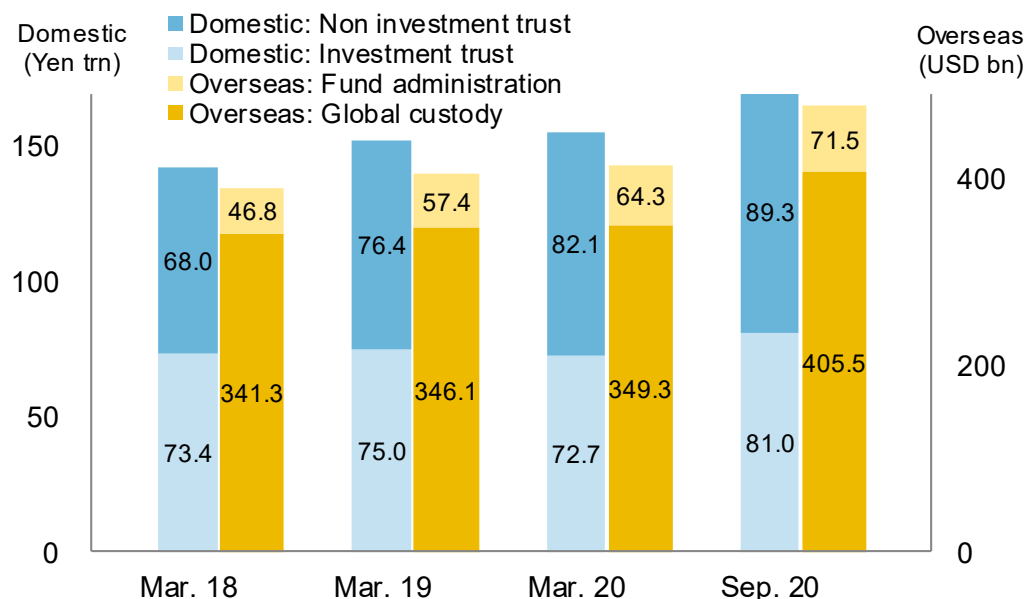
(*3) Managed by SuMi TRUST Bank until the end of Mar. 2018

Assets under custody/administration (AUC)

		Mar. 20	Sep. 20	Change
(Yen trn)				
9	[Domestic] Investment trust (*4)	72.7	81.0	8.3
10	[Domestic] Non investment trust (*4)	82.1	89.3	7.2
(USD bn)				
11	[Overseas] Global custody (*5)	349.3	405.5	56.2
12	[Overseas] Fund administration	64.3	71.5	7.2

(*4) Entrusted balance of SuMi TRUST Bank

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



Fee business: Real estate

- ✓ Brokerage fees from corporate clients (SuMi TRUST Bank): Decreased ¥7.9bn YoY, due to restriction on marketing activities caused by COVID-19 as well as due to last year's strong results
- ✓ Brokerage fees from retail clients (SuMi TRUST Realty): Decreased ¥3.8bn due to restriction on client contacts

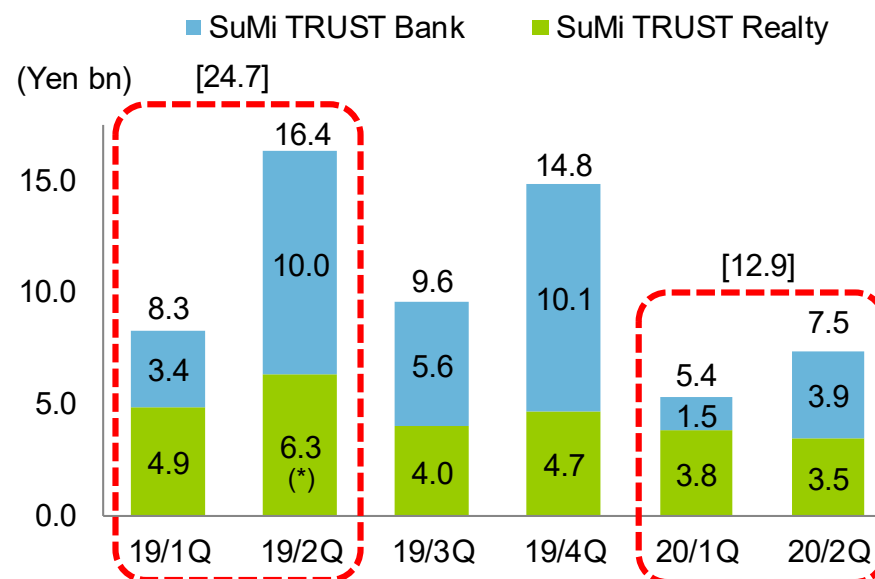
Income (group base)

	(Yen bn)	1HFY19	1HFY20	Change
1 Real estate brokerage fees		24.7	12.9	(11.7)
2 SuMi TRUST Bank		13.4	5.5	(7.9)
3 SuMi TRUST Realty		11.2	7.4	(3.8)
4 Real estate trust fees, etc.		3.0	2.9	(0.1)
5 Net other real estate profit		0.6	0.6	0.0
6 SuMi TRUST Bank		—	—	—
7 Group companies		0.6	0.6	0.0
8 Total		28.4	16.6	(11.8)
9 o/w SuMi TRUST Bank		16.5	8.4	(8.0)

Assets under management / administration

	(Yen bn)	Mar. 2020	Sep. 2020	Change
10 Securitized real estate		18,004.0	18,917.1	913.0
11 Assets under custody from J-REITs		15,835.5	16,163.1	327.5
12 Assets under management		554.1	555.2	1.0
13 Private placement funds		285.2	285.7	0.5
14 J-REITs		268.9	269.5	0.5

Real estate brokerage fees (quarterly)



(*) Affected by increased demand due to consumption tax increase

(Reference)

• Deal flow steadily increasing

• Approx. 1.9 times YoY

(May take longer time to close, as adjustment of price expectation between buyer and seller is required)

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

- ✓ Loans to individuals: Solid progress against full-year plan due to steady execution of residential mortgage loans amid COVID-19
- ✓ Corporate credit: Loan demands of domestic large corporations related to COVID-19 increased, but Corporate (Foreign Currency) decreased, overall corporate credit remained flattish

Advanced amount and balance for individuals

		1HFY19	1HFY20	Change
(Yen bn)				
1	Advanced amount of loans to individuals	654.2	520.3	(133.9)
2	o/w Residential mortgage loans	613.3	476.4	(136.9)

		Mar. 20	Sep. 20	Change
(Yen bn)				
3	Balance of loans to individuals	10,443.2	10,573.7	130.5
4	o/w Residential mortgage loans	9,801.0	9,922.4	121.3

Balance of credit for corporates

		Mar. 20	Sep. 20	Change(*)
(Yen bn)				
5	Corporate (Yen)	11,369.5	11,828.3	458.7
6	Corporate (Foreign Currency)	3,548.9	3,222.6	(326.3)
7	Product related (Yen)	3,112.1	3,175.6	63.5
8	Product related (Foreign Currency)	2,862.5	2,724.8	(137.6)
9	Total balance of credit for corporates	20,893.2	20,951.4	58.2
10	o/w Product related	5,974.6	5,900.5	(74.1)

(*) Impact of foreign exchange: Corporate (Foreign Currency) approx. ¥(50.0)bn, Product related (Foreign Currency) approx. ¥(30.0)bn

Credit portfolio balance

