



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for 3QFY2020

January 28, 2021

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including changes in managerial circumstances. Please refer to the most recent relevant materials including financial results (“Kessan Tanshin”)(including attached explanatory materials), the securities report and other presentations disclosed by Sumitomo Mitsui Trust Holdings and its group companies, for further information that could significantly influence its financial position and operating results as well as investment decisions by investors. Information regarding companies and other entities outside the group in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed. This presentation does not constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any securities.

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”

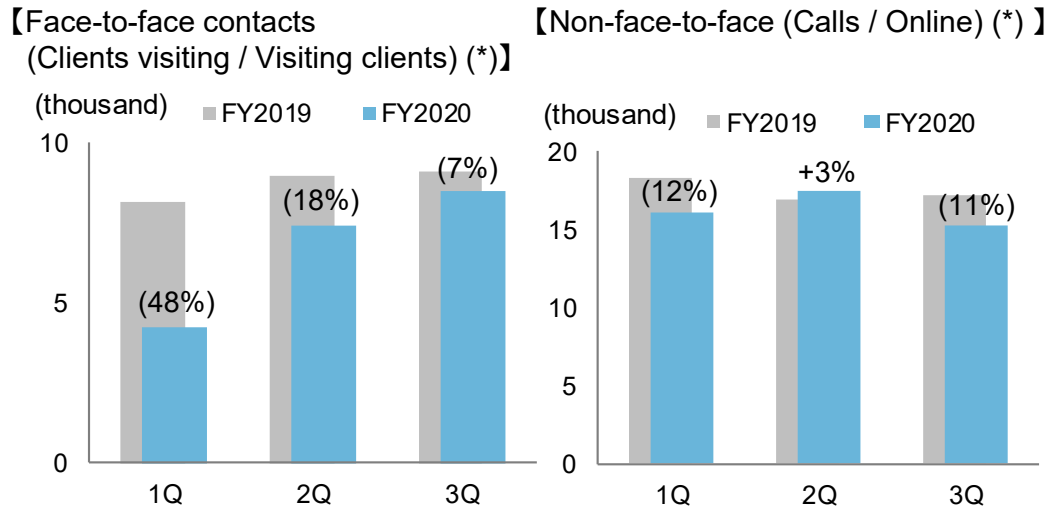
Accounting for Business combination related to Management Integration

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

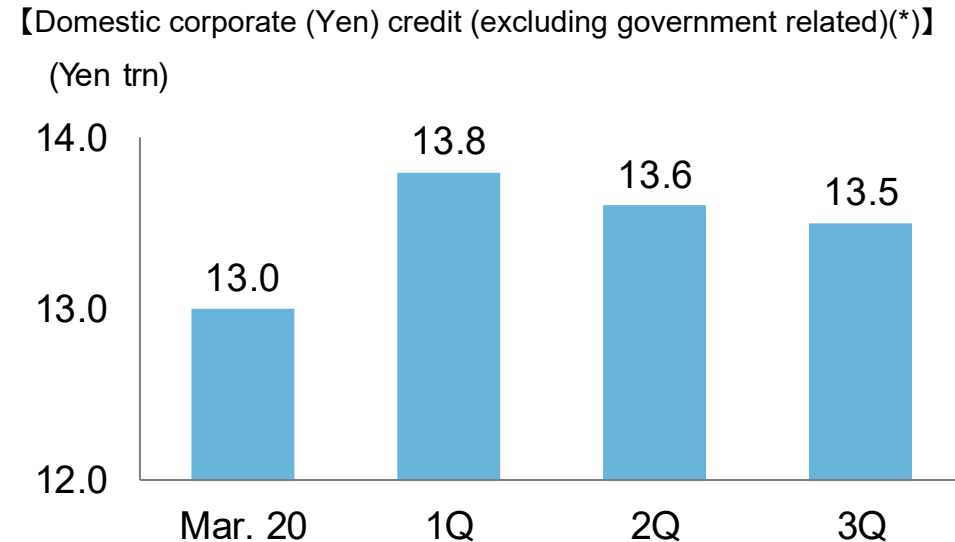
Impact of COVID-19 on business environment

Contacts with individual clients complemented by non-face-to-face contacts



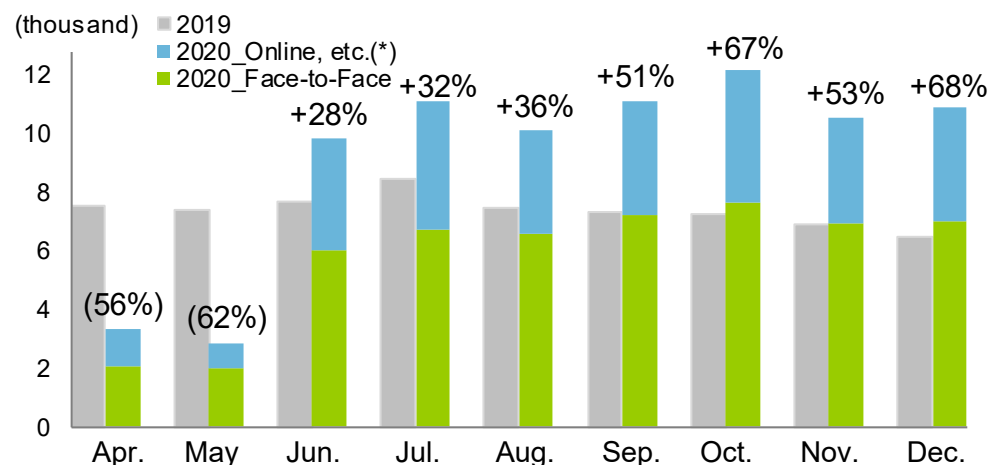
(*) Daily average. Compared to the same period of previous year

Peak out of COVID-19 related credit



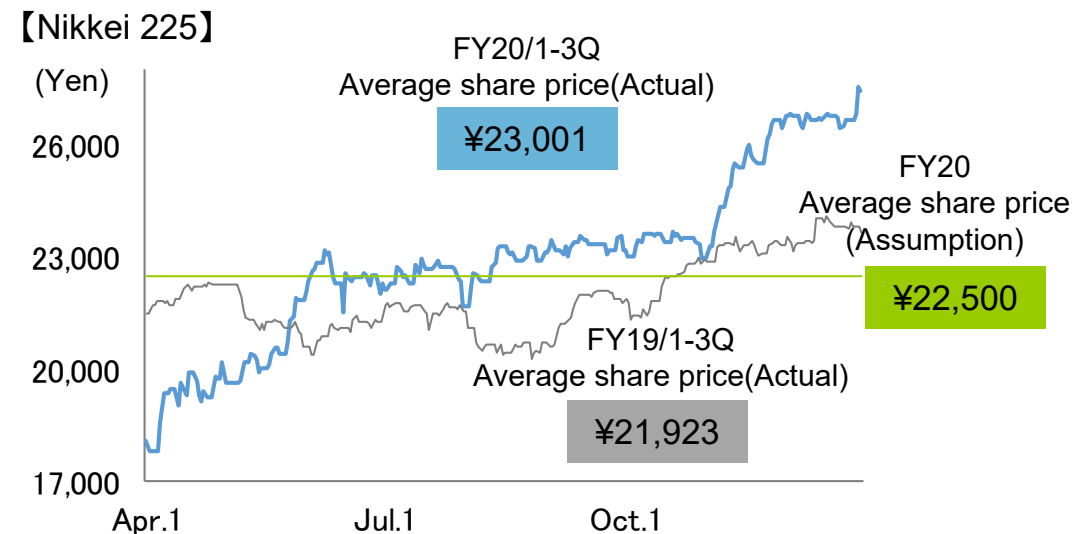
(*) Quarterly figures are average of month-end balance included in each quarter

Use of online, etc. established in corporate real estate business



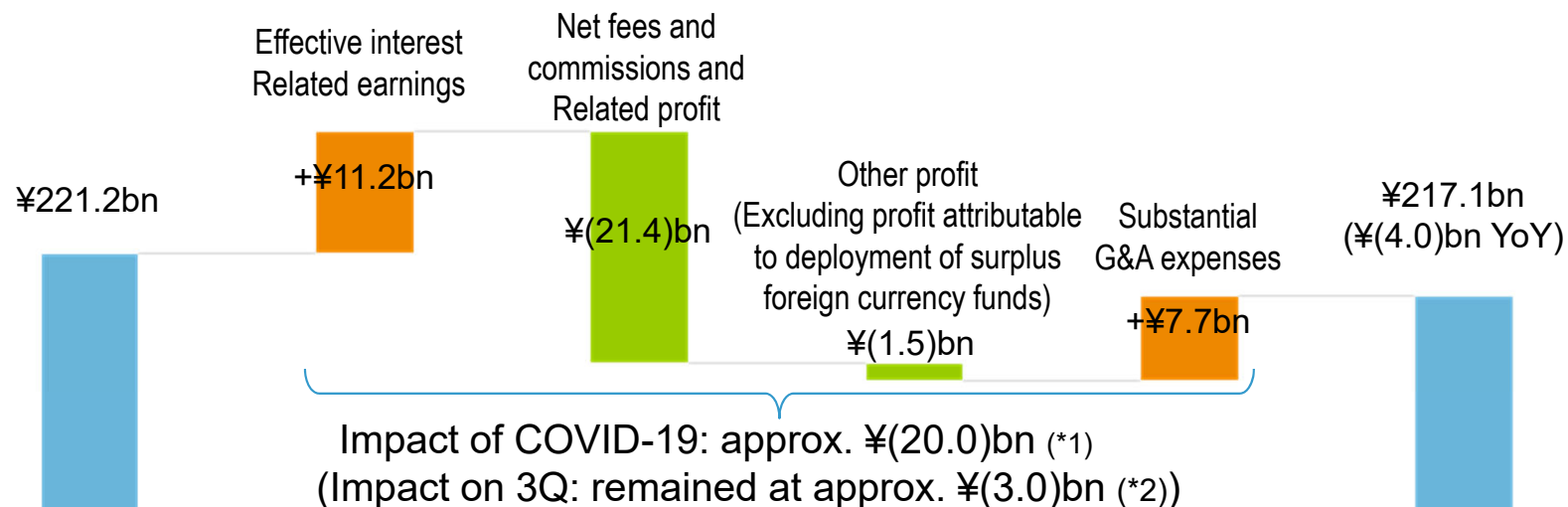
(*) Compared to same month of previous year
Online etc. include ZOOM, tele-conferences and others

Share price level exceeded assumption



Net business profit

✓ Impact of COVID-19 still remains but is becoming smaller. Sales of investment trust and real estate brokerage fees showing recovery trend



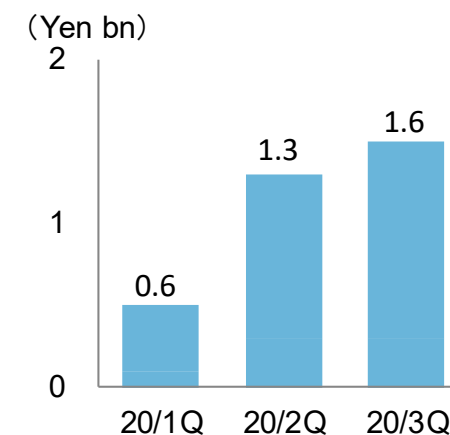
Net interest income	Net fees and commissions and related profit, Other profit (client-related transactions)	Others (Expenses, etc.)
¥(0.5)bn Corporate loan (yen) increased, while dividend income decreased	Non-recurring Income ¥(20.5)bn Mainly Sales fees of investment trust and insurance(¥(8.0)), real estate brokerage fees(¥(10.0)), non-interest income from corporate client businesses Recurring income ¥(2.5)bn Administration fees of investment trust and insurance, fees on asset management	+¥3.5bn Overtime salaries and transportation expenses decreased due to optimization of operations and online marketing activities

FY19/1-3Q Actual

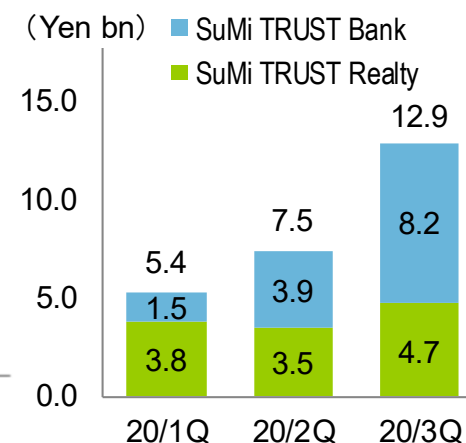
(*1) Full year estimate of impact of COVID-19 in FY20: ¥(30.0)bn
 (*2) Breakdown of impact in 3Q: Net interest income ¥(0.5)bn, non-recurring income ¥(2.5)bn, recurring income ¥(0.5)bn, others(expenses etc.) +¥0.5bn

FY20/1-3Q Actual

Sales fees of investment trust and insurance

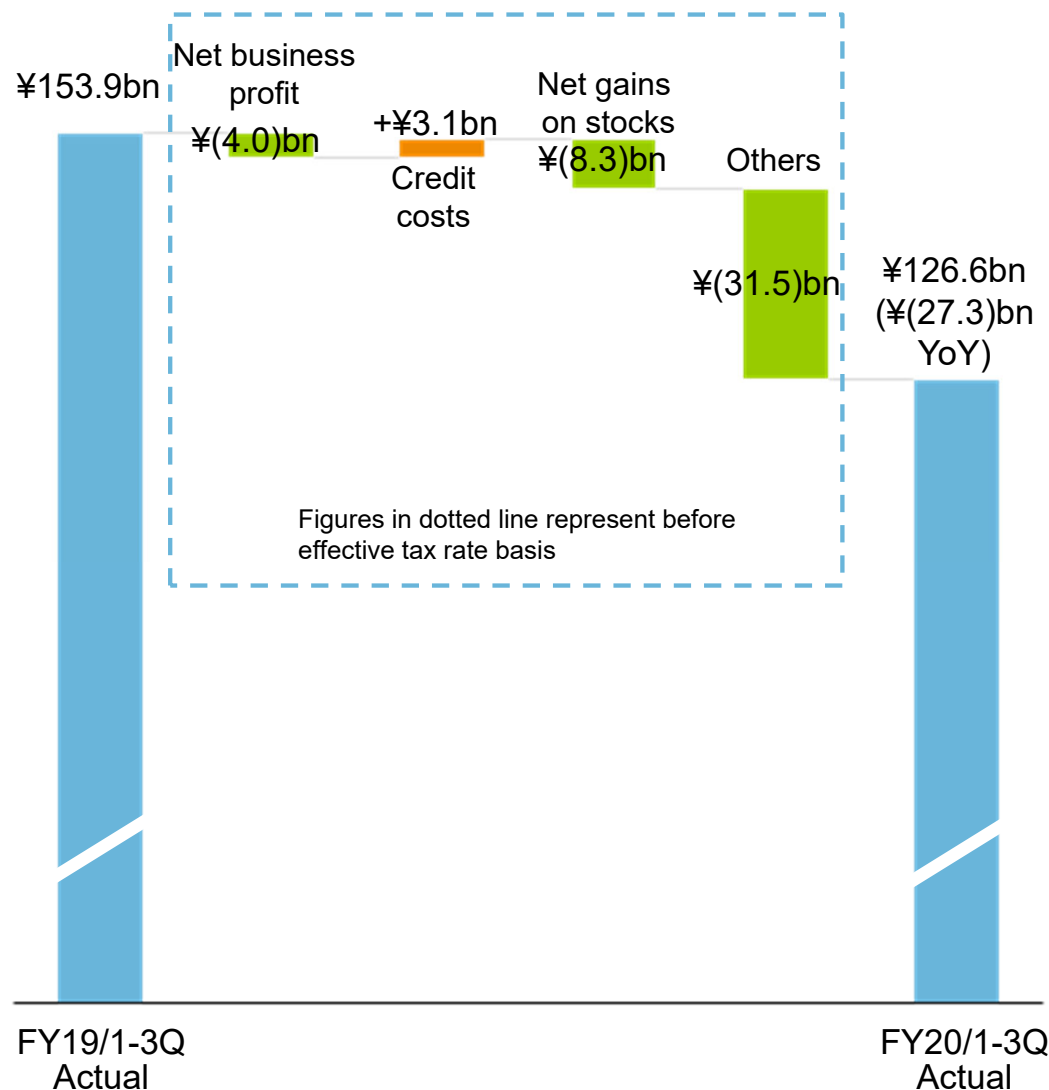


Real estate brokerage fees



Net income

- ✓ Net income decreased due to decrease of net gains on stocks and deterioration of losses on stock related derivatives



Major factors of change

✓ Total credit cost

+¥3.1bn
YoY

- FY20/1-3Q credit costs restrained to ¥(1.9)bn due to reversal of approx. ¥8.0bn against special loan loss provisions of approx. ¥25.0bn posted previous year

✓ Net gains on stocks

¥(8.3)bn
YoY

- Decreased YoY due to slowdown in pace of reduction of strategic shareholdings in 3Q (*1) (Steadily increasing agreed sales amount)

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

¥(31.5)bn
YoY

- Net losses on stock related derivatives (¥(9.4)bn YoY (*2))
- Posted system costs related to regulatory compliance ahead of schedule (¥(4.5)bn YoY), etc.

(*1) Reduction in FY20/1-3Q
¥(10.5)bn (Cost base), **Net gain on sales: Approx. 13.0bn**

(*2) Overview of profit in FY20/1-3Q
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)

Overview of profits

	(Yen bn)	FY19 1-3Q	FY20 1-3Q	Change	FY20 Forecast
1	Net business profit before credit costs (*1)	221.2	217.1	(4.0)	260.0
2	Substantial gross business profit (*1)	555.0	543.2	(11.7)	710.0
3	Effective interest related earnings (*2)	194.4	205.6	11.2	
4	Net fees and commissions and related profit	299.3	277.8	(21.4)	
5	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	61.2	59.7	(1.5)	
6	Substantial G&A expenses (*1)	(333.8)	(326.0)	7.7	(450.0)
7	Total credit costs	(5.0)	(1.9)	3.1	(20.0)
8	Net gains on stocks	19.8	11.4	(8.3)	
9	Other net non-recurring profit	(18.1)	(46.7)	(28.5)	
10	Ordinary profit	217.8	180.0	(37.8)	200.0
11	Extraordinary profit	2.2	(0.8)	(3.0)	
12	Income before income taxes	220.0	179.2	(40.8)	
13	Total income taxes	(63.8)	(51.1)	12.7	
14	Income attributable to non-controlling interests	(2.2)	(1.4)	0.7	
15	Net income	153.9	126.6	(27.3)	140.0
16	Earnings per share (EPS) (Yen)	409	338	(71)	
17	Number of shares issued (mn shares) (*3)	375.6	374.5	(1.1)	
(Reference)					
18	Net interest income and related profit	106.3	181.2	74.9	
19	Other profit	149.3	84.1	(65.2)	
20	Profit attributable to deployment of surplus foreign currency funds	88.0	24.3	(63.7)	
21	Other	61.2	59.7	(1.5)	

Net business profit before credit costs

- Amount of decrease narrowed from 1H, Net business profit decreased ¥4.0bn YoY. Progress rate of approx. 84% against FY forecast of ¥260.0bn
- Effective interest related earnings including profit attributable to deployment of surplus foreign currency funds increased ¥11.2bn YoY. Improvement of International business contributed in 3Q
- Net fees and commissions and related profit decreased ¥21.4bn YoY. 3Q Corporate real estate brokerage fee increased ¥2.5bn YoY. Investment management consulting continued to decrease but seeing recovery trend on sales
- Substantial G&A expenses decreased ¥7.7bn YoY due to impact of decreased marketing activities and reduction in line with gross business profit decrease related to fee income

Total credit costs

- Total credit costs restrained to ¥(1.9)bn, due to reversal of special loan loss provision of ¥8.0bn
New occurrence in 3Q was limited

Net gains on stocks

- Reduction of strategic shareholdings (cost base): approx. ¥10.5bn
Net gains on sales of strategic shareholdings: approx. ¥13.0bn

Net income

- High progress rate of approx. 90% vs. full-year forecast [¥140.0bn]
Full-year forecast to remain unchanged, taking into account of current status of COVID-19 pandemic, looking ahead to investment opportunities and reviewing assets etc. in new-normal, and possible realization of unrealized gains/losses on securities (*4)

(*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

(*4) Increase of unrealized gains on strategic shareholdings and increase of unrealized losses on bear-type investment trust used as hedge positions against strategic shareholdings

Overview of balance sheet

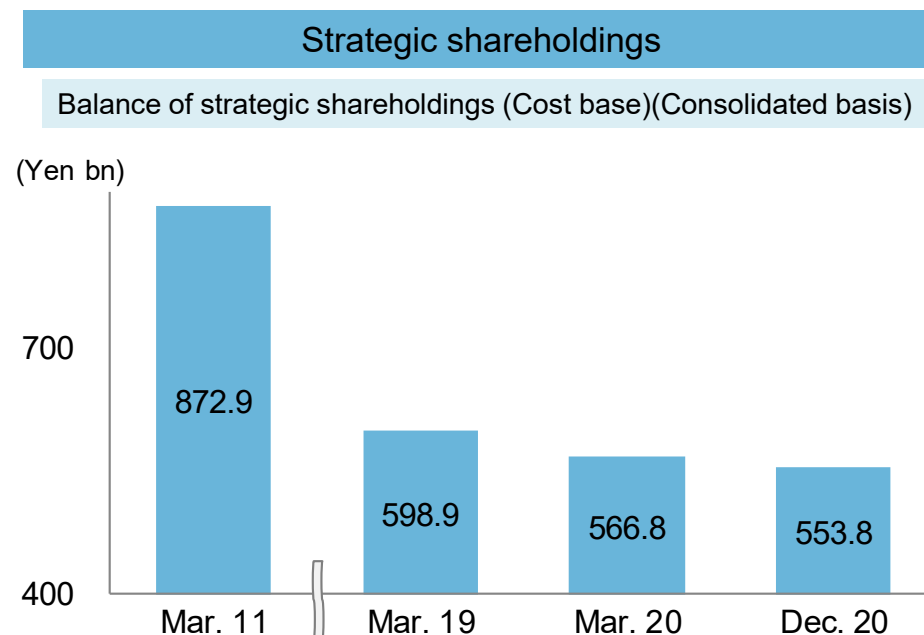
		(Yen bn)		
		Mar. 20	Dec. 20	Change
1	Assets	56,500.5	60,698.0	4,197.5
2	Cash and due from banks	13,141.1	16,946.0	3,804.8
3	Securities	6,437.5	6,806.7	369.1
4	Loans and bills discounted	29,703.3	30,092.5	389.2
5	Other assets	7,218.3	6,852.7	(365.6)
6	Liabilities	53,909.6	58,083.0	4,173.3
7	Deposits and NCD	36,549.2	41,092.7	4,543.5
8	Borrowed money from trust account	4,750.2	3,849.2	(901.0)
9	Other liabilities	12,610.1	13,141.0	530.9
10	Total net assets	2,590.9	2,615.0	24.1
11	Total shareholders' equity	2,334.3	2,404.4	70.0
12	Total accumulated OCI	220.8	174.7	(46.1)
13	Minority interests, etc.	35.6	35.8	0.2

14	Net assets per share (BPS) (Yen)	6,822	6,886	63
15	Number of shares issued (mn shares) (*)	374.5	374.5	0.0

(Reference)

16	Loan-deposit ratio (SuMi TRUST Bank)	81.7%	73.4%	(8.3%)
17	NPL ratio (SuMi TRUST Bank)	0.3%	0.4%	0.1%

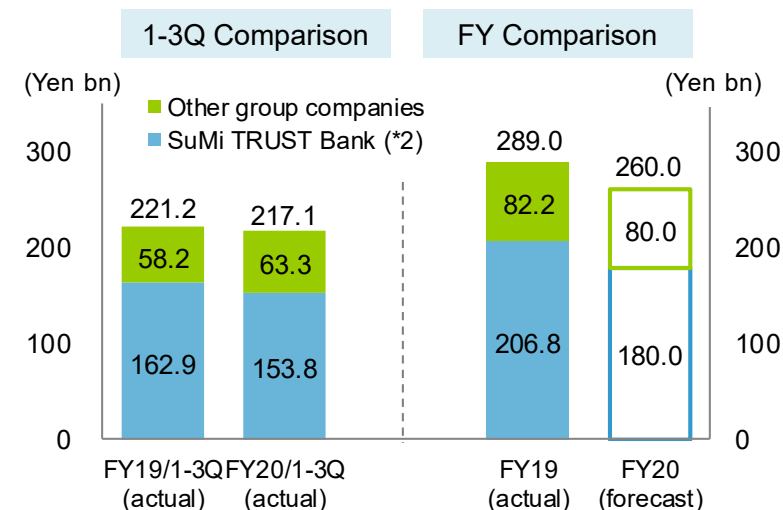
(*) Number of common shares issued (excluding treasury stocks) as of the date above



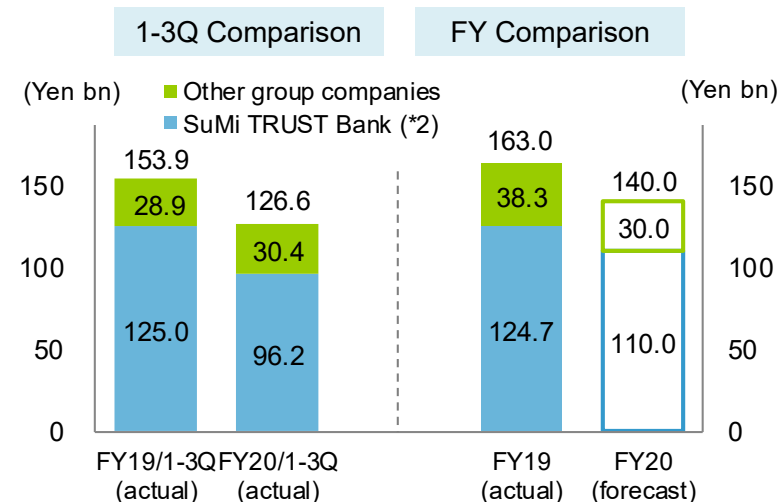
Profit by group company

		(Yen bn)	FY19 1-3Q	FY20 1-3Q	Change
1	Net business profit before credit costs (*1)		221.2	217.1	(4.0)
2	o/w SuMi TRUST Bank (*2)		162.9	153.8	(9.1)
3	SuMi TRUST AM		9.6	7.6	(1.9)
4	Nikko AM (*3)		11.4	12.5	1.1
5	SuMi TRUST Realty		4.8	2.3	(2.4)
6	SuMi TRUST Panasonic Finance (*3)		7.5	7.5	(0.0)
7	SuMi TRUST Loan & Finance		9.1	8.4	(0.7)
8	SBI Sumishin Net Bank (*3)		6.5	7.7	1.1
9	SuMi TRUST Guarantee (*3)		8.6	8.6	(0.0)
10	SuMi TRUST Club		1.5	2.9	1.3
11	Effect of purchase accounting method		(2.0)	0.3	2.4
12	Net income (*1)		153.9	126.6	(27.3)
13	o/w SuMi TRUST Bank (*2)		125.0	96.2	(28.8)
14	SuMi TRUST AM		7.0	5.2	(1.7)
15	Nikko AM (*3)		7.0	7.9	0.9
16	SuMi TRUST Realty		3.2	1.5	(1.7)
17	SuMi TRUST Panasonic Finance (*3)		2.9	3.5	0.6
18	SuMi TRUST Loan & Finance		6.1	5.8	(0.3)
19	SBI Sumishin Net Bank (*3)		4.1	4.9	0.7
20	SuMi TRUST Guarantee (*3)		5.8	5.9	0.1
21	SuMi TRUST Club		0.2	2.0	1.7
22	Effect of purchase accounting method		2.8	(1.1)	(4.0)

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 FY20, dividend from group companies aimed to improve capital efficiency is included (no adjustment) (Same for P.10 and P.11) (*3) Consolidated basis

Profit by business segment

		FY19 1-3Q Net business profit before credit costs	FY20			FY20 1-3Q Net business profit before credit costs	Change
(Yen bn)			Substantial gross business profit	Change	Substantial G&A expenses		
1	Total	221.2	543.2	(11.7)	(326.0)	217.1	(4.0)
2	Retail total solution services	17.4	128.9	(15.0)	(118.6)	10.3	(7.0)
3	SuMi TRUST Bank	4.7	87.8	(8.8)	(91.9)	(4.1)	(8.8)
4	Other group companies	12.6	41.1	(6.2)	(26.7)	14.4	1.8
5	Wholesale financial services (*2)	96.5	148.0	(2.8)	(55.9)	92.1	(4.3)
6	SuMi TRUST Bank	75.2	105.7	(2.5)	(34.6)	71.1	(4.0)
7	Other group companies	21.2	42.3	(0.3)	(21.3)	20.9	(0.3)
8	Stock transfer agency services	15.5	32.1	2.0	(15.0)	17.1	1.5
9	SuMi TRUST Bank	14.8	19.1	1.4	(2.7)	16.3	1.4
10	Other group companies	0.7	13.0	0.5	(12.2)	0.8	0.0
11	Real estate	21.6	31.3	(8.4)	(17.7)	13.6	(7.9)
12	SuMi TRUST Bank	16.4	18.2	(5.3)	(7.2)	10.9	(5.5)
13	Other group companies	5.1	13.1	(3.0)	(10.4)	2.7	(2.4)
14	Fiduciary services (excl. Asset Mgt. business)	26.7	63.9	(2.7)	(40.2)	23.6	(3.1)
15	SuMi TRUST Bank	22.1	38.7	0.2	(17.7)	20.9	(1.1)
16	Other group companies	4.6	25.1	(3.0)	(22.5)	2.6	(1.9)
17	Asset management business (*3)	21.2	61.5	2.1	(41.1)	20.4	(0.7)
18	Global markets (*4)	48.9	55.8	(4.0)	(11.4)	44.4	(4.5)

(*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"

(FY19/1-3Q: ¥(2.1)bn, FY20/1-3Q: ¥(6.3)bn, YoY change: ¥(4.1)bn)

Overview of profit (SuMi TRUST Bank)

(Yen bn)		FY19 1-3Q	FY20 1-3Q	Change
1	Net business profit before credit costs	162.9	153.8	(9.1)
2	Gross business profit	343.3	334.9	(8.3)
3	Effective interest related earnings	178.8	185.1	6.3
4	Net interest income and related profit	90.7	160.8	70.0
5	Profit attributable to deployment of surplus foreign currency funds	88.0	24.3	(63.7)
6	Net fees and commissions and related profit	126.6	112.4	(14.1)
7	Net trading profit	35.5	19.2	(16.3)
8	Net gains on foreign exchange transactions	47.2	10.2	(36.9)
9	Net trading profit (Excluding Profit attributable to deployment of surplus foreign currency funds)	(11.6)	9.0	20.6
10	Net gains on bonds	18.0	13.4	(4.6)
11	Net gains from derivatives	(15.8)	6.5	22.3
12	General and administrative expenses	(180.3)	(181.1)	(0.7)
13	Total credit costs	(1.9)	(1.3)	0.6
14	Other non-recurring profit	7.0	(20.9)	(28.0)
15	o/w Net gains on stocks	16.3	13.1	(3.1)
16	Amortization of net actuarial losses	(4.2)	(9.1)	(4.9)
17	Ordinary profit	168.0	131.5	(36.5)
18	Extraordinary profit	2.2	(0.8)	(3.0)
19	Income before income taxes	170.3	130.7	(39.5)
20	Total income taxes	(45.3)	(34.5)	10.7
21	Net income	125.0	96.2	(28.8)

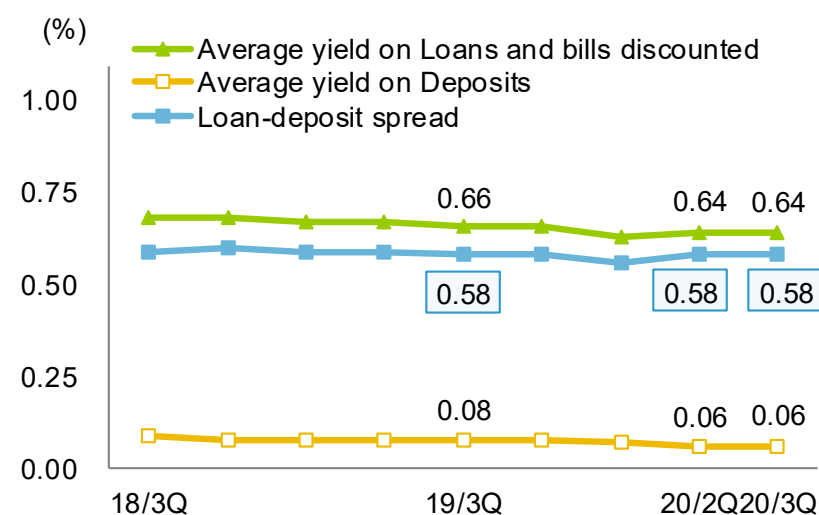
	FY19 1-3Q	FY20 1-3Q	Change	
22	Gross business profit	343.3	334.9	(8.3)
23	Net interest income and related profit	90.7	160.8	70.0
24	Net fees and commissions and related profit	126.6	112.4	(14.1)
25	Net trading profit	47.2	10.2	(36.9)
26	Net other operating profit	78.7	51.4	(27.2)
27	o/w Net gains on foreign exchange transactions	76.4	33.4	(43.0)
28	Profit attributable to deployment of surplus foreign currency funds	88.0	24.3	(63.7)
29	other	(11.6)	9.0	20.6
30	Net gains on bonds	18.0	13.4	(4.6)
31	Net gains from derivatives	(15.8)	6.5	22.3
32	Net fees and commissions and related profit	126.6	112.4	(14.1)
33	o/w Investment management consulting	34.7	25.0	(9.6)
34	Asset management/administration	38.4	38.7	0.2
35	Real estate brokerage	19.1	13.7	(5.3)
36	Stock transfer agency services	17.6	19.1	1.4
37	Inheritance related services	3.0	2.6	(0.3)
38	Wholesale credit related	20.8	22.5	1.6
39	Net gains on bonds	18.0	13.4	(4.6)
40	Domestic bonds	0.6	0.0	(0.5)
41	Foreign bonds	17.4	13.4	(4.0)

(*) Other profit within net business profit before credit costs in FY19/1-3Q and FY20/1-3Q is ¥0.0bn and ¥(1.8)bn respectively.

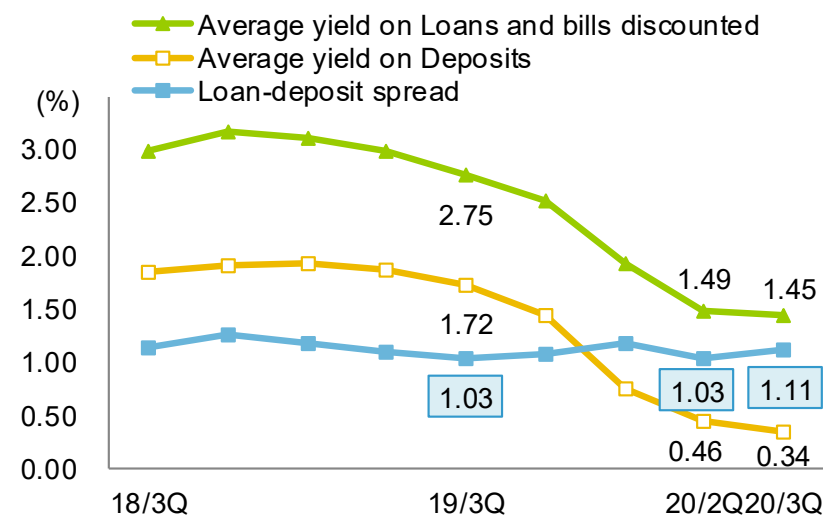
Net interest income (SuMi TRUST Bank)

	FY20/1-3Q					
	Average Balance	Change from FY19/1-3Q	Average Yield	Change from FY19/1-3Q	Income/Expenses	Change from FY19/1-3Q
1 Net interest income					147.7	68.6
2 Domestic business			0.34%	(0.03%)	108.6	(1.0)
3 Interest-earning assets	42.82	3.87	0.46%	(0.05%)	150.0	(2.0)
4 o/w Loans and bills discounted	24.28	1.64	0.64%	(0.02%)	117.5	3.7
5 Securities	4.09	0.70	0.91%	(0.41%)	28.0	(5.5)
6 Interest-bearing liabilities	42.44	4.10	0.12%	(0.02%)	(41.4)	1.0
7 o/w Deposits	26.90	2.23	0.06%	(0.02%)	(14.0)	1.6
8 Borrowings from trust a/c	3.62	0.45	0.48%	(0.01%)	(13.1)	(1.4)
9 Swaps	---	---	---	---	(0.8)	0.0
10 International business			0.38%	0.68%	39.1	69.6
11 Interest-earning assets	13.11	(1.07)	1.07%	(0.93%)	106.6	(107.3)
12 o/w Loans and bills discounted	6.00	(0.43)	1.63%	(1.31%)	73.9	(68.3)
13 Due from banks	1.86	(0.15)	0.20%	(1.33%)	2.9	(20.4)
14 Securities	2.18	(0.20)	1.64%	(0.65%)	27.0	(14.3)
15 Interest-bearing liabilities	12.94	(1.16)	0.69%	(1.61%)	(67.5)	177.0
16 o/w Deposits	5.57	(0.33)	0.51%	(1.32%)	(21.5)	59.9
17 NCD / USCP	4.90	(0.89)	0.45%	(1.60%)	(16.6)	72.6
18 Repo	1.47	(0.15)	0.26%	(1.99%)	(2.9)	24.7
19 Expenses on swaps	---	---	---	---	(20.6)	12.0
20 (+) Trust fees from principal guaranteed trust a/c					13.1	1.4
21 (+) Profit attributable to deployment of surplus foreign currency funds					24.3	(63.7)
22 Effective interest related earnings					185.1	6.3
23 Loan-deposit spread / income in domestic business			0.58%	(0.00%)	103.4	5.3
24 Loan-deposit spread / income in international business			1.12%	0.01%	52.3	(8.4)

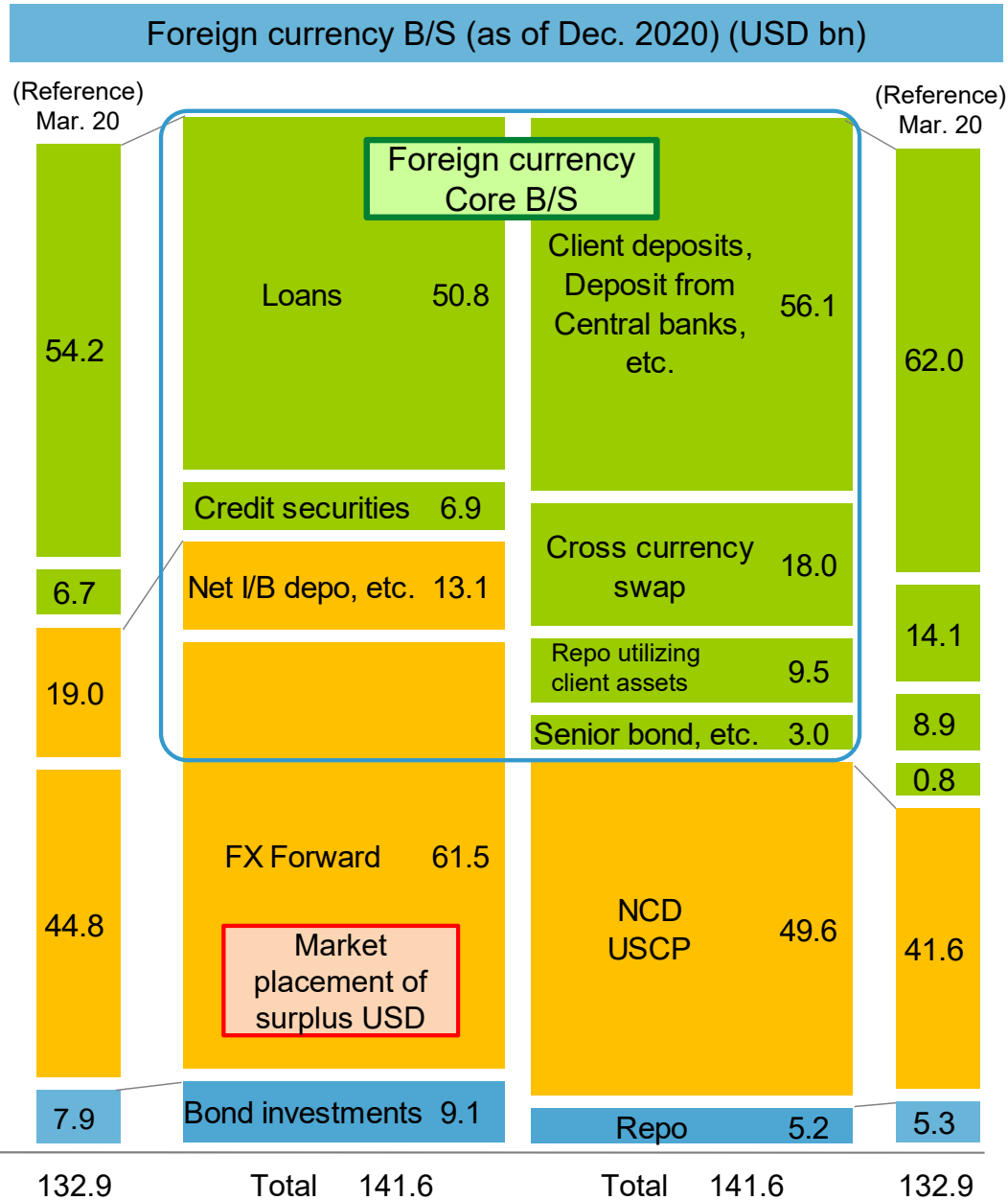
Domestic loan-deposit spread



International loan-deposit spread



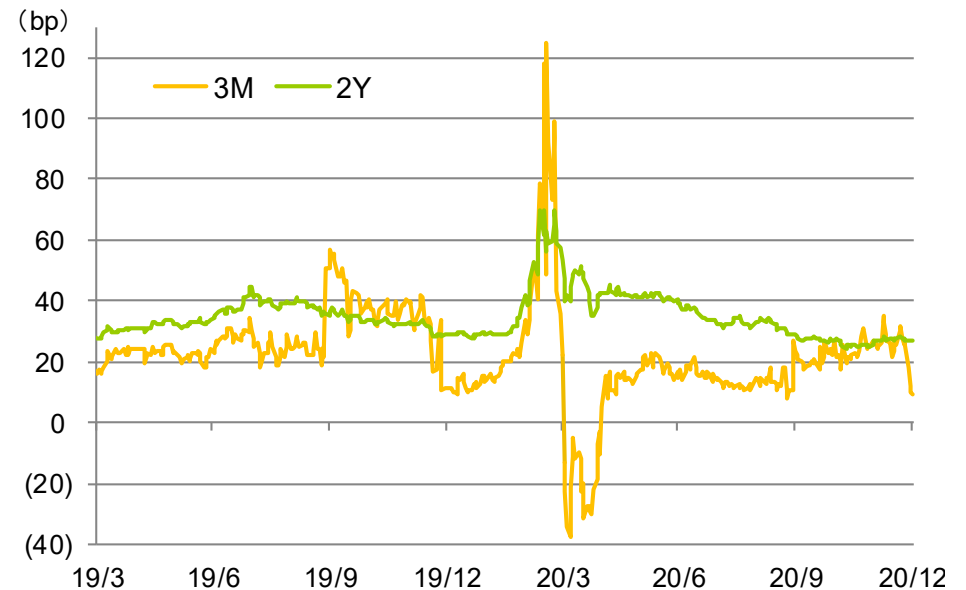
(Reference) Status of foreign currency balance sheet (SuMi TRUST Bank)



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 from FY20/2Q

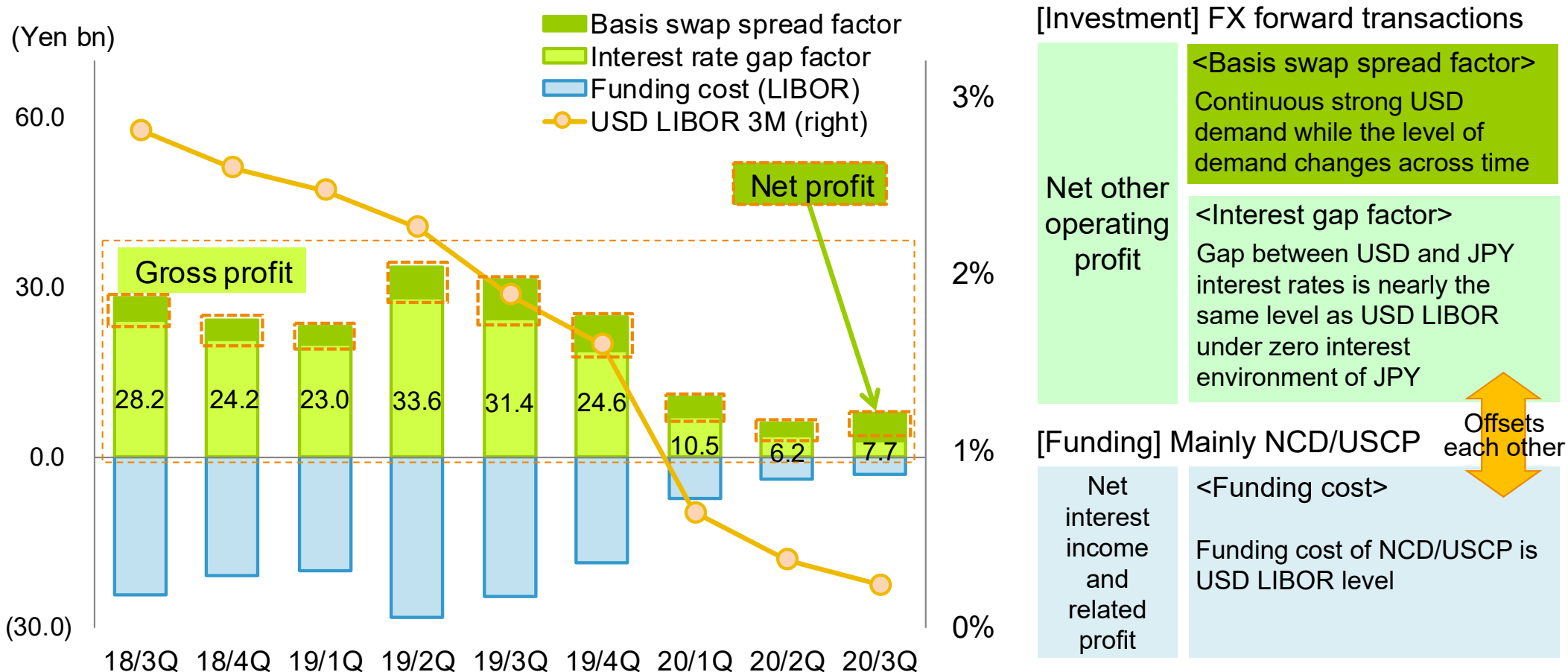
Basis swap spread (CCS) (USD/JPY)



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 and net profit decreased due to basis swap spread factor 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

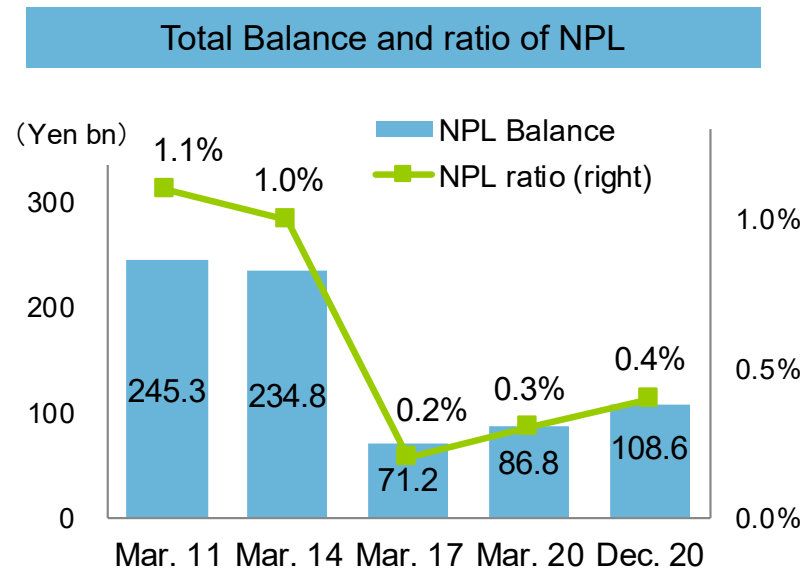
Total credit costs and problem assets

[Total credit costs]		FY19		FY20	Major factors (1-3QFY20)
(Yen bn)			1H	1-3Q	
1	SuMi TRUST Bank	(34.7)	(1.5)	(1.3)	
2	General allowance for loan losses	(33.5)	7.5	7.3	} Reversal of special loan provision of approx.8.0 Sum of new occurrence, etc. approx. (9.0)
3	Specific allowance for loan losses	0.1	(6.8)	(6.3)	
4	Recoveries of written-off claims	0.6	0.1	0.2	
5	Losses on sales of claims, written-off	(1.9)	(2.4)	(2.5)	
6	Other group companies, etc.	(9.0)	(0.5)	(0.6)	SuMi TRUST Panasonic Finance (0.3) Small reversal out of 6.0 special loan loss provision in FY20/1-3Q
7	Total	(43.8)	(2.0)	(1.9)	

[NPL (SuMi TRUST Bank)]		Dec. 20	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 20
(Yen bn)					
8	NPL	108.6	76.6%	48.7%	21.8
9	NPL ratio (ratio to Total loan balance)	0.4%	---	---	0.1%
10	Bankrupt and practically bankrupt	21.3	100.0%	100.0%	11.7
11	Doubtful	43.0	91.7%	83.1%	3.8
12	Substandard	44.4	50.6%	11.4%	6.3
13	Other special mention debtors	461.4	---	---	36.8
14	Ordinary assets	30,132.6	---	---	187.1
15	Total loan balance	30,702.7	---	---	245.7

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

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



Securities portfolio

[Securities with fair value]		Costs		Unrealized gains/losses	
		Dec. 20	Change from Mar. 20	Dec. 20	Change from Mar. 20
(Yen bn)					
1	Available-for-sale securities	5,744.4	433.3	422.4	(75.1)
2	Japanese stocks	553.8	(12.9)	815.1	271.3
3	Japanese bonds	2,227.3	213.2	1.4	(0.4)
4	Others	2,963.1	233.1	(394.0)	(346.0)
5	Held-to-maturity debt securities	323.5	(6.4)	17.4	7.0

[Securities with fair value (SuMi TRUST Bank)]

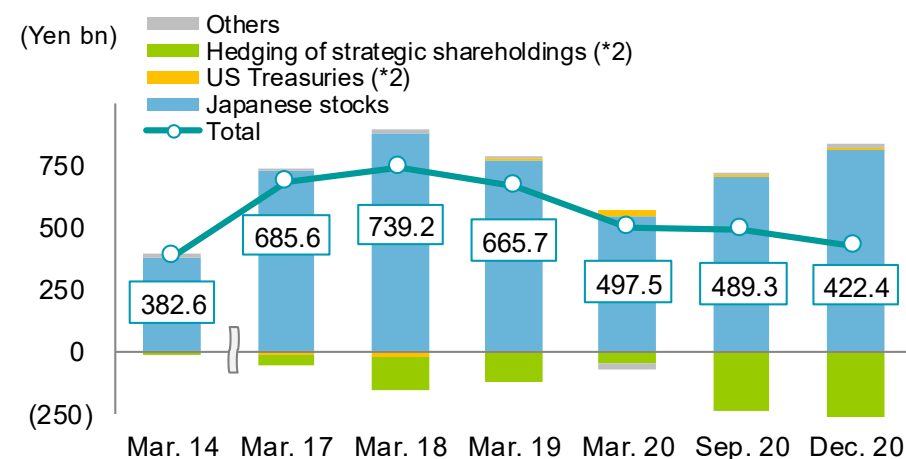
6	Available-for-sale securities	5,686.5	424.4	440.2	(79.8)
7	Japanese stocks	526.7	(10.4)	840.3	269.4
8	Japanese bonds	2,281.5	208.5	1.5	0.8
9	o/w Government bonds	1,512.4	149.8	(1.5)	(1.4)
10	Others	2,878.1	226.3	(401.6)	(350.0)
11	Domestic investment	68.5	5.9	2.5	1.0
12	International investment	1,404.4	125.7	10.2	11.1
13	o/w US Treasury	525.8	176.3	8.2	(14.6)
14	Others (Investment trust, etc.)	1,405.2	94.6	(414.3)	(362.3)
15	o/w for hedging of strategic shareholdings (*1)	1,315.7	120.8	(417.6)	(371.2)

(*1) Of which hedging effect under capital regulation is recognized: Costs ¥1,001.1bn,
Unrealized gains/losses ¥(345.5)bn

[Held-to-maturity debt securities with fair value (SuMi TRUST Bank)]

16	Held-to-maturity debt securities	269.7	(1.5)	17.2	7.0
17	o/w Government bonds	118.0	(0.2)	16.8	(0.9)
18	International investment	118.0	6.7	0.0	8.0

Unrealized gains/losses of AFS securities with fair value



(*2) SuMi TRUST Bank

Reduction of strategic shareholdings (*3)

(Yen bn)	FY19		FY20	
	1H	2H	1H	1-3Q
19 Reduction amount	3.7	17.6	21.3	8.0

(Ref.) Cumulative reduction since merger(from FY11 to FY20/3Q): ¥342.2bn
Cumulative reduction based on current plan(from FY16 to FY20): ¥128.0bn
(*3) Purchase cost of listed shares

Securities portfolio of Global markets (*4)

(Yen bn)	10BPV (*5)		Duration (years) (*5)	
	Dec. 20	Change from Mar. 20	Dec. 20	Change from Mar. 20
20 JPY	4.8	1.1	2.7	0.4
21 Others	2.7	0.5	4.1	(0.0)

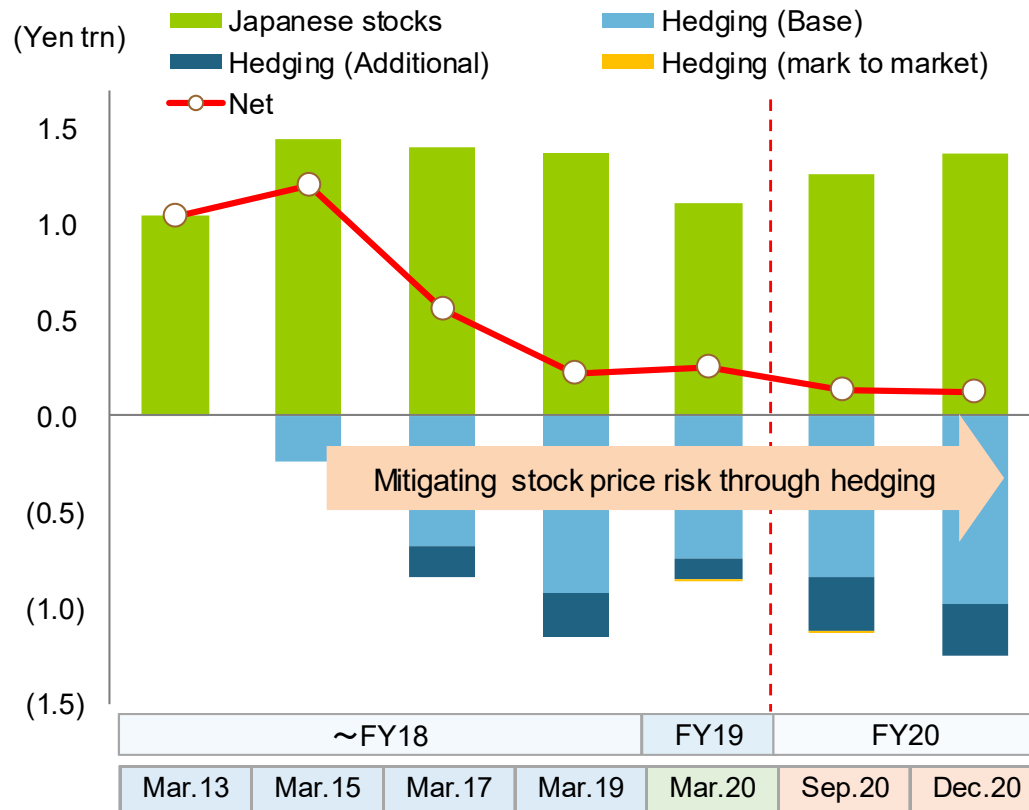
(*4) Managerial reporting basis; "HTM debt securities" and "AFS securities" are combined
(*5) In the calculation of 10BPV and duration, investment balance hedged by derivatives transactions, etc. were excluded

Stock price risk, Interest rate risk

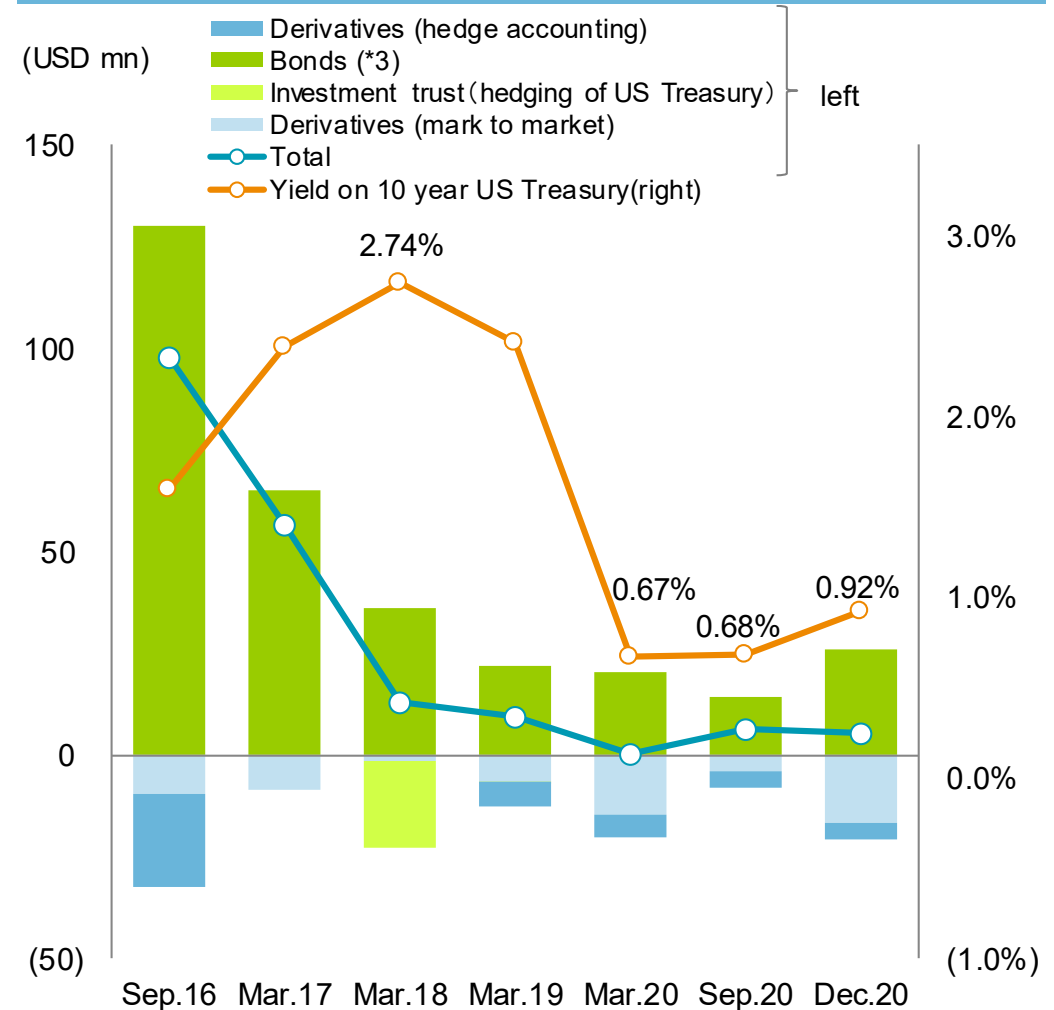
- ✓ Share price fluctuation risk of strategic shareholdings restrained by hedge positions, with hedging ratio at the end of Dec. 2020: about 90%
- ✓ Continued restrained approach towards US interest rate risks

Hedge positions against strategic shareholdings (*1)

Base	Maintain current ratio 65% basically
Additional	Adjust volume in consideration of share price (*2)



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



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

(*2) Contrarian to stock prices (Hedge ratio to rise if stock prices rise). Range of hedge ratio reviewed from previous 0-35% to 0-20% in Jan. 21

(*3) Held by Global Markets

Forecast for FY2020(Disclosed in Nov. 2020)

- ✓ 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	FY20 3QAcual
(Yen bn)			1H Actual	2H Plan			
1	Net business profit before credit costs	289.0	141.0	118.9	260.0	(29.0)	217.1
2	Retail total solution services	22.8	6.1	3.8	10.0	(12.8)	10.3
3	SuMi TRUST Bank	7.3	(2.7)	(3.2)	(6.0)	(13.3)	(4.1)
4	Other group companies	15.5	8.9	7.0	16.0	0.4	14.4
5	Wholesale financial services (*1)	132.5	59.4	55.5	115.0	(17.5)	92.1
6	SuMi TRUST Bank	102.8	45.6	42.3	88.0	(14.8)	71.1
7	Other group companies	29.6	13.8	13.1	27.0	(2.6)	20.9
8	Stock transfer agency services	18.4	11.3	7.6	19.0	0.5	17.1
9	SuMi TRUST Bank	17.6	10.8	7.1	18.0	0.3	16.3
10	Other group companies	0.8	0.4	0.5	1.0	0.1	0.8
11	Real estate	32.4	4.8	15.1	20.0	(12.4)	13.6
12	SuMi TRUST Bank	25.8	3.6	12.3	16.0	(9.8)	10.9
13	Other group companies	6.5	1.2	2.7	4.0	(2.5)	2.7
14	Fiduciary services	36.3	15.8	15.1	31.0	(5.3)	23.6
15	SuMi TRUST Bank	30.2	14.2	14.7	29.0	(1.2)	20.9
16	Other group companies	6.0	1.6	0.3	2.0	(4.0)	2.6
17	Asset management business (*2)	29.5	13.8	13.1	27.0	(2.5)	20.4
18	Global markets	57.5	28.5	21.4	50.0	(7.5)	44.4

(*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 YoY due to restriction on marketing activities caused by COVID-19, but currently seeing recovery trend. Total balance increased due to rise in market value
- ✓ Revenues decreased ¥9.6bn YoY, mainly due to decrease in sales fees

Income from marketing of investment products

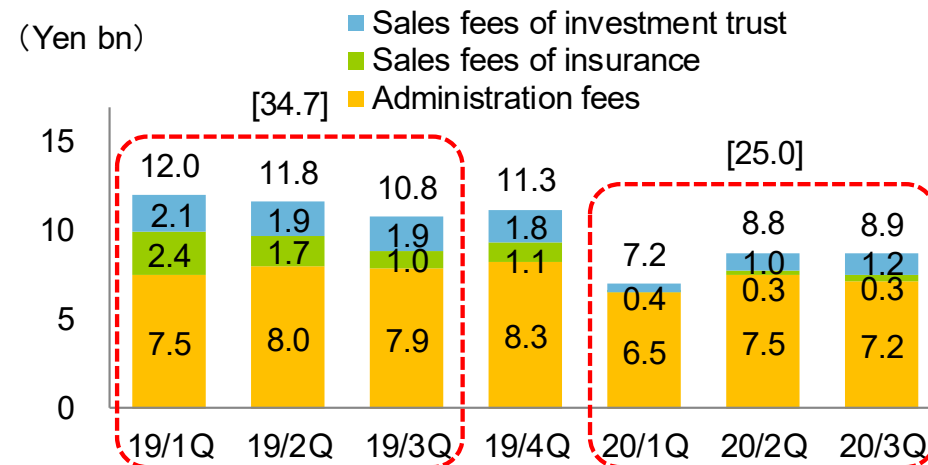
	(Yen bn)	FY19	FY20	Change	FY20 Plan
		1-3Q	1-3Q		
1 Income total		34.7	25.0	(9.6)	34.0
2 Sales fees of investment trust		6.0	2.8	(3.2)	3.5
3 Sales fees of insurance		5.1	0.9	(4.2)	1.5
4 Administration fees		23.5	21.3	(2.1)	29.0

Sales volume / balance

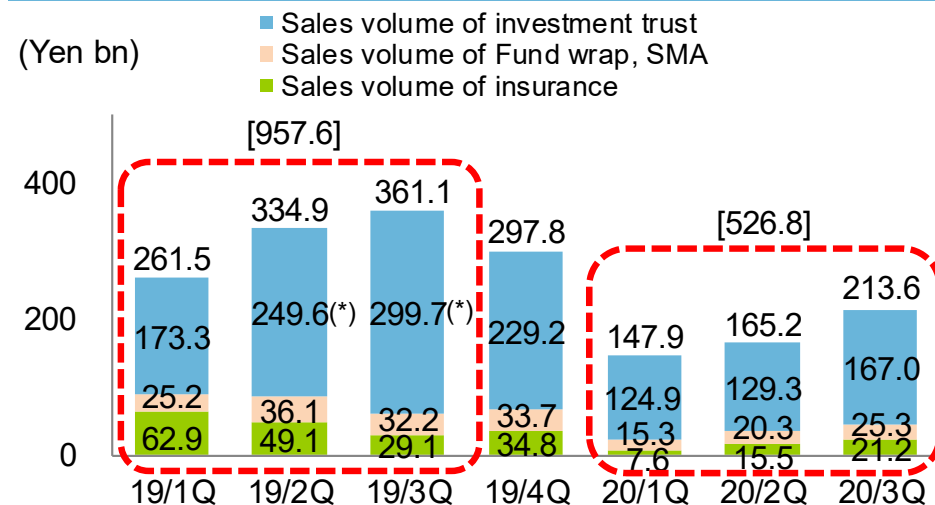
	(Yen bn)	FY19	FY20	Change	FY20 Plan
		1-3Q	1-3Q		
5 Sales volume total		957.6	526.8	(430.7)	700.0
6 Investment trust		722.8	421.3	(301.4)	535.0
7 Fund wrap, SMA		93.6	61.0	(32.5)	95.0
8 Insurance		141.1	44.4	(96.7)	70.0

	(Yen bn)	Mar. 20	Dec. 20	Change	Mar. 21 Plan
9 Balance total		6,018.1	6,664.6	646.4	6,410.0
10 Investment trust		2,778.1	3,316.2	538.1	3,150.0
11 Fund wrap, SMA		801.7	898.6	96.8	890.0
12 Insurance		2,438.3	2,449.7	11.3	2,370.0
13 Wrap Selection		1,635.0	1,822.1	187.1	1,760.0

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)

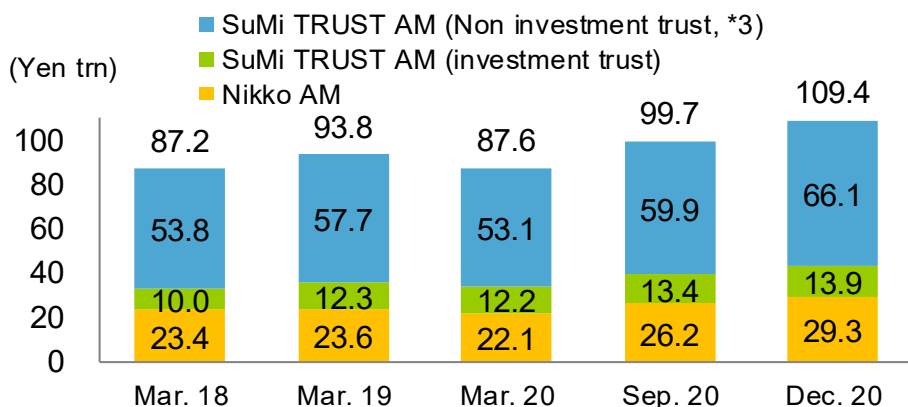
- ✓ AUM increased by ¥21.8trn to ¥109.4trn from March 2020 due to recovery of market value and cash inflow
- ✓ AUC increased for each asset category mainly due to recovery of market value

Assets under management (AUM)

		Mar. 20	Dec. 20	Change
(Yen trn)				
1	Assets under management (*1)	87.6	109.4	21.8
2	SuMi TRUST AM	65.4	80.1	14.6
3	Investment trust	12.2	13.9	1.7
4	Non investment trust (*2)	53.1	66.1	12.9
5	Corporate pension trust	13.1	14.2	1.0
6	Public pension trust	9.7	12.1	2.4
7	Discretionary investment	30.2	39.7	9.4
8	Nikko AM	22.1	29.3	7.2

(*1) Categorized by entity actually managing asset

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



USD/JPY	106.24	110.95	108.69	105.81	103.50
TOPIX	1,716.30	1,591.64	1,403.04	1,625.49	1,804.68

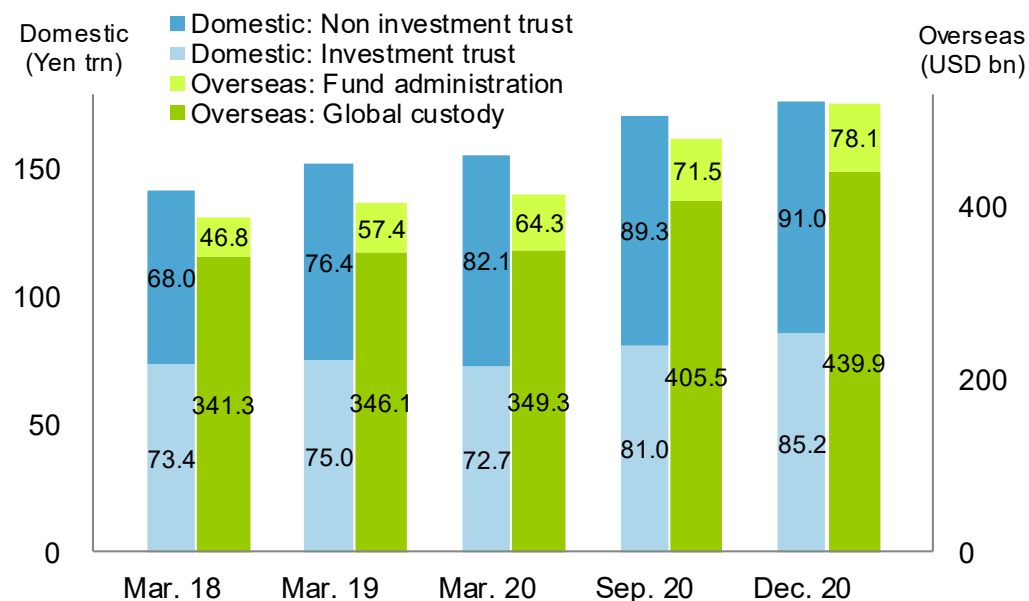
(*3) Managed by SuMi TRUST Bank until the end of Mar. 18

Assets under custody/administration (AUC)

		Mar. 20	Dec. 20	Change
[Domestic] (Yen trn)				
9	Investment trust (*4)	72.7	85.2	12.4
10	Non investment trust (*4)	82.1	91.0	8.9
[Overseas] (USD bn)				
11	Global custody (*5)	349.3	439.9	90.6
12	Fund administration	64.3	78.1	13.8

(*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.)



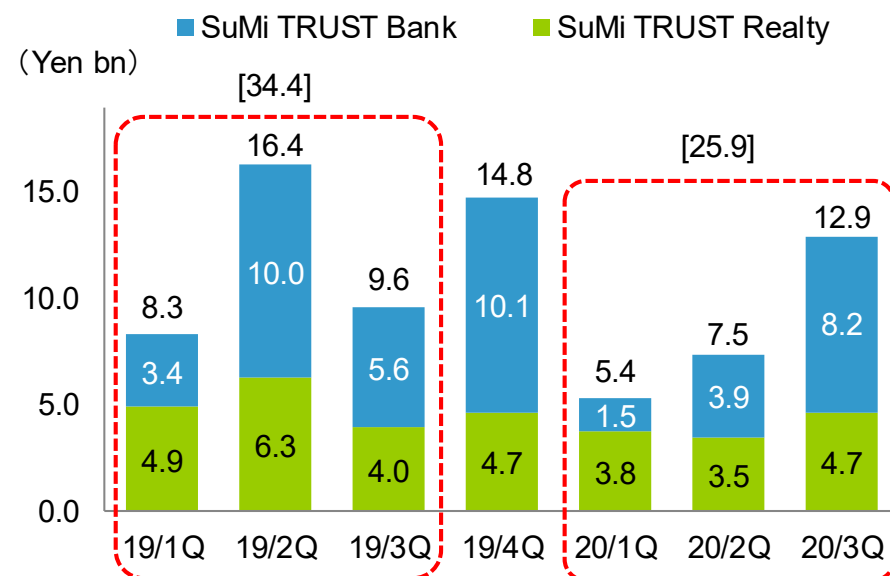
Fee business: Real estate

- ✓ Brokerage fees from corporate clients (SuMi TRUST Bank): Posted historical high for 3Q alone by increased transactions including delayed contracts from 1H, thus profit level showing a recovery trend
- ✓ Brokerage fees from retail clients (SuMi TRUST Realty): Exceeded FY19/3Q due to recovery of client contacts

Income (group base)

		FY19	FY20		FY20
(Yen bn)		1-3Q	1-3Q	Change	Plan
1	Real estate brokerage fees	34.4	25.9	(8.4)	37.0
2	SuMi TRUST Bank	19.1	13.7	(5.3)	20.0
3	SuMi TRUST Realty	15.3	12.1	(3.1)	17.0
4	Real estate trust fees, etc.	4.4	4.4	(0.0)	6.0
5	Net other real estate profit	0.9	0.9	0.0	2.0
6	SuMi TRUST Bank	—	—	—	—
7	Group companies	0.9	0.9	0.0	2.0
8	Total	39.8	31.3	(8.4)	45.0
9	o/w SuMi TRUST Bank	23.5	18.2	(5.3)	26.0

Real estate brokerage fees (quarterly)



Assets under management / administration

		Mar. 20	Dec. 20	Change
(Yen bn)				
10	Securitized real estate	18,004.0	19,384.3	1,380.2
11	Assets under custody from J-REITs	15,835.5	16,474.0	638.5
12	Assets under management	554.1	583.4	29.2
13	Private placement funds	285.2	313.9	28.7
14	J-REITs	268.9	269.5	0.5

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: Corporate (Foreign currency) decreased due to selective transactions considering profitability. Corporate (Yen) increased due to increased loan demands related to COVID-19

Advanced amount and balance for individuals

	(Yen bn)	FY19	FY20		FY20 Plan
		1-3Q	1-3Q	Change	
1	Advanced amount of loans to individuals	918.6	826.2	(92.4)	1,020.0
2	o/w Residential mortgage loans	851.4	756.2	(95.1)	980.0

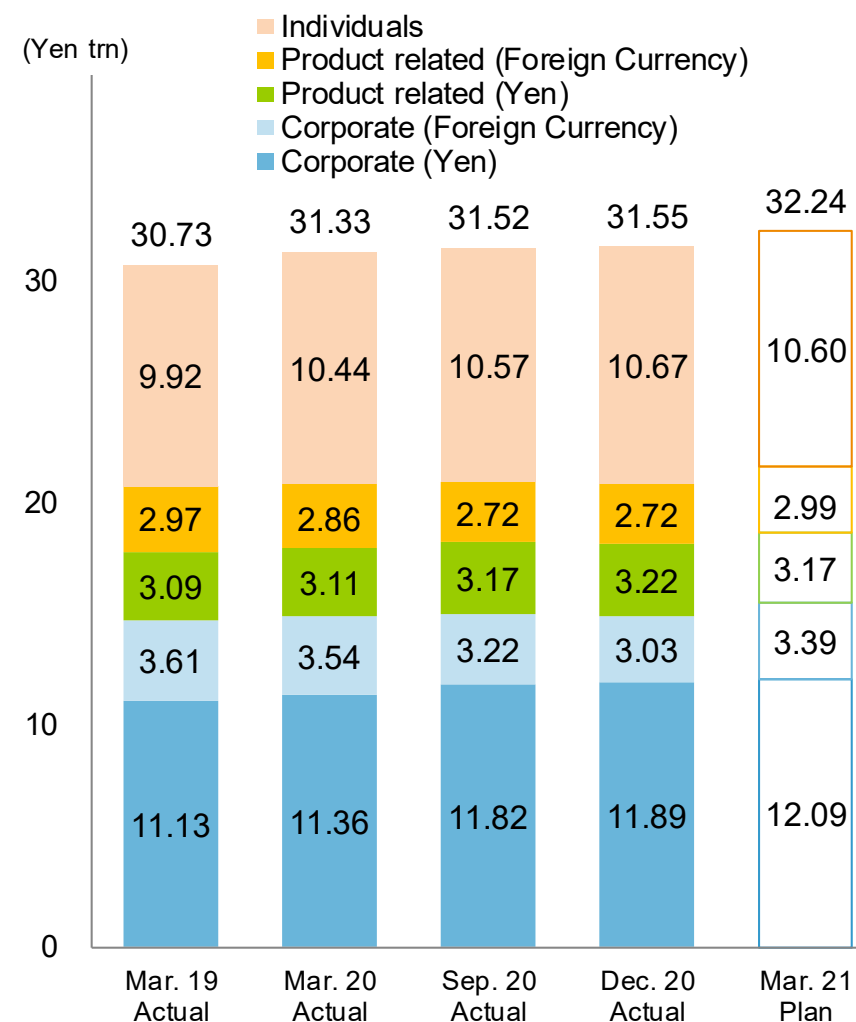
	(Yen bn)	Mar. 20	Dec. 20	Change	Mar. 21 Plan
		3	Balance of loans to individuals	10,443.2	
4	o/w Residential mortgage loans	9,801.0	10,017.9	216.8	9,950.0

Balance of credit for corporates

	(Yen bn)	Mar. 20	Dec. 20	Change (*)	Mar. 21 Plan
		5	Corporate (Yen)	11,369.5	
6	Corporate (Foreign Currency)	3,548.9	3,031.7	(517.2)	3,390.0
7	Product related (Yen)	3,112.1	3,223.4	111.3	3,170.0
8	Product related (Foreign Currency)	2,862.5	2,721.1	(141.3)	2,990.0
9	Total balance of credit for corporates	20,893.2	20,875.3	(17.9)	21,640.0
10	o/w Product related	5,974.6	5,944.6	(30.0)	6,160.0

(*) Impact of foreign exchange: Corporate (Foreign Currency) approx. ¥(85.0)bn,
Product related (Foreign Currency) approx. ¥(65.0)bn

Credit portfolio balance



Capital

- ✓ Common Equity Tier 1 capital ratio: DOWNS 0.51 percentage point from Mar. 2020 to 12.11% due to increase in risk-weighted assets, mainly increased in bear-type investment trust (additional), reflecting rise of stock price
- ✓ Pro-forma CET1 capital ratio on Finalized Basel III: DOWNS approx. 0.4 percentage point to 9.3%, mainly due to increase in market value of shareholdings
- ✓ Leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets>

		Mar. 20	Dec. 20	Change
		(Yen bn)		
1	Total capital ratio	17.23%	16.15%	(1.08%)
2	Tier 1 capital ratio	14.47%	13.51%	(0.96%)
3	Common Equity Tier 1 capital ratio	12.62%	12.11%	(0.51%)
4	Total capital	3,283.1	3,264.0	(19.0)
5	Tier 1 capital	2,758.1	2,731.9	(26.2)
6	Common Equity Tier 1 capital	2,404.8	2,449.0	44.1 (1)
7	Instruments and reserves	2,528.2	2,580.2	52.0
8	Accumulated other comprehensive income (*1)	220.8	174.7	(46.1)
9	Regulatory adjustments	(123.3)	(131.2)	(7.8)
10	Additional Tier 1 capital	353.3	282.9	(70.4)
11	Tier 2 capital	524.9	532.1	7.1
12	Total risk-weighted assets	19,053.9	20,209.7	1,155.7
13	Credit risk	16,778.2	17,620.8	842.6 (2)
14	Market risk	1,334.5	1,601.6	267.0 (3)
15	Operational risk	941.2	987.2	46.0

(*1) Valuation differences on Available-for-Sale Securities (Dec. 2020): ¥297.8bn

(*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 3QFY2020. "Change from Mar. 20" represents the comparison to figure for 4QFY2019 calculated in the same manner

< Major factors of change in capital adequacy ratios >

[Capital]

(1) Common Equity Tier 1 capital: +¥44.1bn

- Net income +¥126.6bn
- Dividend ¥(28.1)bn
- Unrealized gains/losses of AFS ¥(53.6)bn

[Risk-weighted assets]

(2) Credit risk: +¥842.6bn

- Increase of bear-type investment trust (additional) for hedge position against strategic shareholdings reflecting rise of stock price
- Temporary increase of call loans due to increase of deposits mainly in foreign currencies

(3) Market risk: +¥267.0bn

- Due to change in measurement method in line with market practice

< Major factors of change in liquidity coverage ratio >

(4) Total high-quality liquid assets: +¥3,641.1bn

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

<Other ratios required in prudential regulations>

		Dec. 20	Change from Mar. 20
		(Yen bn)	
16	Leverage ratio (*2)	5.53%	---
17	Including current account with the Bank of Japan	4.26%	(0.38%)
18	Tier 1 capital	2,731.9	(26.2)
19	Total exposure (*2)	49,395.2	---
20	Including current account with the Bank of Japan	64,059.5	4,734.2
21	Liquidity coverage ratio (*3)	186.2%	57.0%
22	Total high-quality liquid assets	18,053.5	3,641.1 (4)
23	Net cash outflows	9,695.4	(1,454.7)