



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Investor Meeting on Financial Results for FY2015

Following pages have been revised
Page 14, 26, 41, 42, and 44 (May 20, 2016)

May 18, 2016

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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”

Former Chuo Mitsui Trust and Banking : CMTB, Former Chuo Mitsui Asset Trust and Banking : CMAB, Former Sumitomo Trust and Banking : STB

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

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

Highlights of FY2015

Consolidated financial results

Exceeded forecast, decrease in net interest income at non-consolidated level was offset by increase in fee revenues at group companies

Below forecast, though net business profit before credit costs and net gains on stocks increased, credit costs increased due to additional loan loss reserves

Net business profit before credit costs

Results
[vs.FY2015 forecast]

¥318.3bn [+¥3.3bn]

Net income attributable to owners of the parent

¥166.9bn [¥(8.0)bn]

Strategic business areas

Sales of investment trust fell substantially, but it was offset by increased sales of insurance and increase of balance, mainly in Wrap Selection, and revenue increase was maintained

Total AUM decreased primarily due to fall in market value

Anticipation of continuous price rise led to sellers adopting a wait-and-see stance, causing real estate brokerage transactions to stagnate, brokerage fee income ended the year unchanged from previous year

Investment trust and insurance related business revenue (Non-consolidated)

Results
[change from FY2014]

¥67.6bn [+¥0.7bn]

AUM
(Group companies total)

¥76.6tr [¥(3.4)tr]

Revenue from real estate business (Non-consolidated)

¥27.6bn [¥(0.4)bn]

Fundamental earning power

Loan portfolio increased centered on overseas credit, but net interest income fell mainly due to fall in interest rates and increase in foreign currency funding cost

Net interest income (Non-consolidated)

Results
[change from FY2014]

¥212.1bn
[¥(12.3)bn]

Financial soundness

Improvement of 0.79% YoY. Due to steady accumulation of retained earnings and reduction of credit risk assets including contribution of hedging of strategic-shareholdings

Common Equity Tier 1 capital ratio

Results
[change from Mar. 2015]

11.68% [+0.79%]
Fully-loaded basis (Pro forma)

Financial results of FY2015

Financial results FY2015 : Non-consolidated

- ▶ Net business profit before credit costs: UP ¥3.4bn YoY to ¥249.1bn. Interest income decreased due to factors such as increased foreign currency funding cost, but general and administrative expenses decreased mainly in non-personnel expenses excluding taxes
- ▶ Net income: UP 12.6bn YoY to ¥143.1bn. Increase in credit cost due to non-recurrence of net profit from credit cost recovery recorded in FY2014 and increase in loan loss provisions were offset by net gains on stocks and non-recurrence of extraordinary loss recorded in FY2014

| | (Billions of Yen) | FY2014 | FY2015 | Change |
|--|-------------------|---------|---------|--------|
| Net business profit before credit costs | 1 | 245.7 | 249.1 | 3.4 |
| Gross business profit | 2 | 494.2 | 485.3 | (8.8) |
| Net interest income and related profit | 3 | 233.4 | 223.9 | (9.4) |
| Net fees and commissions and related profit | 4 | 201.0 | 199.9 | (1.1) |
| Net trading profit | 5 | 32.4 | 15.5 | (16.8) |
| Net other operating profit | 6 | 27.2 | 45.9 | 18.6 |
| Net gains on foreign exchange transactions | 7 | (0.4) | 16.5 | 16.9 |
| Net gains on bonds | 8 | 63.4 | 51.7 | (11.6) |
| Net gains from derivatives other than for trading or hedging | 9 | (36.7) | (22.8) | 13.9 |
| General and administrative expenses | 10 | (248.5) | (236.1) | 12.3 |
| Total credit costs | 11 | 18.1 | (14.1) | (32.2) |
| Other non-recurring profit | 12 | (33.7) | (16.1) | 17.6 |
| Net gains on stocks | 13 | 2.0 | 18.7 | 16.6 |
| Amortization of net actuarial losses | 14 | (17.5) | (14.9) | 2.5 |
| Net gains on stock related derivatives | 15 | (3.2) | (3.5) | (0.2) |
| Ordinary profit | 16 | 230.0 | 218.8 | (11.1) |
| Extraordinary profit | 17 | (60.0) | (3.6) | 56.3 |
| IT system integration costs | 18 | (55.8) | --- | 55.8 |
| Income before income taxes | 19 | 169.9 | 215.1 | 45.2 |
| Total income taxes | 20 | (39.4) | (72.0) | (32.6) |
| Net income | 21 | 130.5 | 143.1 | 12.6 |

< Major factors [change from FY2014] >

- Net interest income and related profit <3>: ¥(9.4)bn
 Net interest income ¥(12.3)bn [¥224.4bn → ¥212.1bn]
 Loan-deposit income +¥2.4bn [¥183.7bn → ¥186.1bn]
 Income from securities +¥2.2bn [¥86.5bn → ¥88.7bn]
 Income/expense related to swaps ¥(8.9)bn [¥(7.2)bn → ¥(16.2)bn]
- Net fees and commissions and related profit <4>: ¥(1.1)bn
 Investment trust / Insurance related profit +¥0.7bn [¥66.9bn → ¥67.6bn]
 Real estate brokerage fees ¥(0.8)bn [¥21.9bn → ¥21.1bn]
- Net gains on bonds <8>: ¥(11.6)bn
 • Domestic bonds +¥2.0bn [¥1.6bn → ¥3.6bn]
 • Foreign bonds ¥(13.7)bn [¥61.7bn → ¥48.0bn]
- Extraordinary profit <17>: +¥56.3bn
 • Non-recurrence of Banking IT system integration cost: +¥55.8bn
- Total income taxes <20>: ¥(32.6)bn
 • Non-recurrence of positive effect from change in example categories for tax effect accounting: Approx. ¥(13.0)bn
 • Loss on reversal of deferred tax assets triggered by the reduction of Japanese corporate income tax rate: ¥(2.8)bn

Contribution of major group companies

- ▶ Contribution to net business profit before credit costs: UP ¥1.6bn YoY to ¥64.9bn
UP: Nikko Asset Management, Sumitomo Mitsui Trust Asset Management, Sumitomo Mitsui Trust Realty
- ▶ Contribution to net income attributable to owners of the parent: DOWN ¥18.8bn YoY to ¥18.8bn, due primarily to one-off increase in allowances at Sumitomo Mitsui Trust Club as the company became a subsidiary in Dec. 2015 and SuMi TRUST Group's more stringent asset assessment policies were applied

| | Net business profit before credit costs | | | Net income attributable to owners of the parent | | | Goodwill as of Mar. 2016 | |
|--|---|--------|--------|---|--------|--------|--------------------------|---------------------|
| | FY2014 | FY2015 | Change | FY2014 | FY2015 | Change | Amortization amount | Outstanding balance |
| (Billions of yen) | | | | | | | | |
| Consolidation difference | 71.0 | 69.1 | (1.9) | 29.1 | 23.7 | (5.3) | (9.9) | 105.3 |
| Effect of purchase accounting method | (0.1) | (0.3) | (0.1) | 6.9 | 25.0 | 18.0 | --- | --- |
| Contribution (before consolidated adjustments) (*1) | 63.3 | 64.9 | 1.6 | 37.6 | 18.8 | (18.8) | (9.9) | 105.3 |
| Sumitomo Mitsui Trust Asset Management | 4.7 | 6.5 | 1.7 | 3.0 | 4.3 | 1.3 | --- | --- |
| Nikko Asset Management (Consolidated) | 9.0 | 11.2 | 2.2 | 2.5 | 4.5 | 1.9 | (*2) (5.0) | (*2) 43.1 |
| Sumitomo Mitsui Trust Realty | 2.5 | 4.0 | 1.4 | 1.5 | 2.7 | 1.1 | --- | --- |
| Sumitomo Mitsui Trust Panasonic Finance (Consolidated) | 10.5 | 11.2 | 0.7 | 5.6 | 4.6 | (0.9) | --- | --- |
| Sumitomo Mitsui Trust Loan & Finance | 8.6 | 8.9 | 0.3 | 10.5 | 5.8 | (4.7) | (3.8) | 34.3 |
| SBI Sumishin Net Bank (Consolidated) | 7.6 | 6.0 | (1.5) | 4.9 | 4.2 | (0.7) | --- | --- |
| Sumitomo Mitsui Trust Guarantee (Consolidated) | 11.4 | 11.3 | (0.1) | 6.8 | 7.1 | 0.2 | --- | --- |

(*1) Contribution of group companies (before consolidated adjustments) is a substantive amount which excludes consolidation adjustments that do not relate directly to the group companies' business results. (Non-consolidated profit/loss of the holding company, elimination of dividend, amortization of goodwill, etc.)

(*2) Including 1.0 billion yen of amortization cost and 0.7 billion yen of outstanding balance from affiliated companies

(Reference) Contribution of Sumitomo Mitsui Trust Club

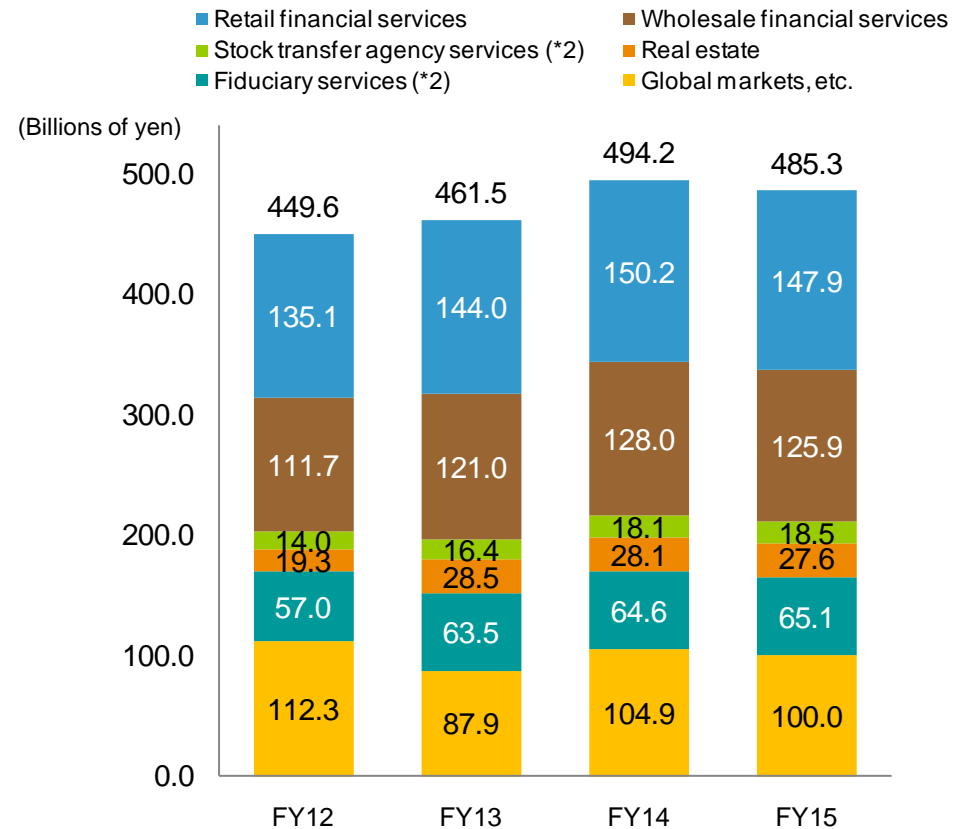
| | | | | | | | | |
|----------------------------|-----|-------|-------|-----|--------|--------|-------|------|
| Sumitomo Mitsui Trust Club | --- | (2.6) | (2.6) | --- | (15.9) | (15.9) | (0.5) | 23.3 |
|----------------------------|-----|-------|-------|-----|--------|--------|-------|------|

Profit by business segment: Non-consolidated

- ▶ Retail financial services: DOWN ¥2.2bn YoY, due primarily to increase in costs related to deposit, and income from investment trust/insurance related businesses remained flat
- ▶ Wholesale financial services: DOWN ¥2.1bn YoY, due primarily to decrease in interest income caused by fall in domestic and global interest rates and increase in foreign currency funding cost
- ▶ Global markets profit maintained previous year's high level as profit from client transactions increased steadily and profit from bond investment was in good form

| (Billions of yen) | Gross business profit (Non-consolidated) | | |
|--------------------------------|---|--------------|--------------|
| | FY2014 | FY2015 | Change |
| Retail financial services | 150.2 | 147.9 | (2.2) |
| Wholesale financial services | 128.0 | 125.9 | (2.1) |
| Stock transfer agency services | 18.1 | 18.5 | 0.4 |
| Gross business profit | 28.4 | 28.8 | 0.4 |
| Fees paid for outsourcing | (10.3) | (10.3) | 0.0 |
| Real estate | 28.1 | 27.6 | (0.4) |
| Fiduciary services | 64.6 | 65.1 | 0.4 |
| Gross business profit | 93.1 | 93.5 | 0.3 |
| Fees paid for outsourcing | (28.4) | (28.3) | 0.0 |
| Global markets | 97.0 | 97.5 | 0.4 |
| Others (*1) | 7.9 | 2.5 | (5.3) |
| Total | 494.2 | 485.3 | (8.8) |

(*1) Figures for "Others" include costs of capital funding, dividends of shares for strategic-shareholdings, general and administrative expenses of headquarters, etc.



(*2) After deducting fees paid for outsourcing in Stock transfer agency services and Fiduciary services

Net interest income: Non-consolidated

- ▶ Net interest income: DOWN ¥12.3bn YoY to ¥212.1bn. Though both domestic and international loan balance increased, domestic loan-deposit income shrank due to fall in interest rates and foreign currency funding cost increased
- ▶ Domestic loan-deposit spread for 2HFY2015 fell slightly by 2bp from 1HFY2015 as fall in loan yield exceeded fall in deposit yield

| | FY2015 | | | | | |
|--|-----------------|--------------------|-------|--------------------|----------------|--------------------|
| | Average balance | Change from FY2014 | Yield | Change from FY2014 | Income/Expense | Change from FY2014 |
| (Average balance: Trillions of yen) (Income/Expense: Billions of yen) | | | | | | |
| Net interest income | | | | | 212.1 | (12.3) |
| Domestic business | | | 0.48% | (0.05%) | 151.1 | (5.2) |
| Interest-earning assets | 31.00 | 1.89 | 0.72% | (0.09%) | 225.6 | (11.1) |
| Loans and bills discounted | 18.69 | 0.39 | 0.84% | (0.09%) | 158.6 | (12.2) |
| Securities | 3.12 | (0.00) | 1.59% | 0.10% | 49.9 | 3.0 |
| Interest-bearing liabilities | 30.56 | 1.91 | 0.24% | (0.04%) | (74.5) | 5.8 |
| Deposits | 21.15 | 0.21 | 0.20% | (0.05%) | (43.6) | 8.8 |
| International business | | | 0.49% | (0.15%) | 60.9 | (7.0) |
| Interest-earning assets | 11.95 | 1.45 | 1.18% | (0.06%) | 142.1 | 11.7 |
| Loans and bills discounted | 6.99 | 0.86 | 1.29% | (0.01%) | 90.7 | 10.6 |
| Securities | 2.01 | 0.18 | 1.93% | (0.23%) | 38.8 | (0.8) |
| Interest-bearing liabilities | 11.73 | 1.38 | 0.69% | 0.09% | (81.1) | (18.7) |
| Deposits | 3.77 | 0.60 | 0.52% | 0.06% | (19.6) | (4.8) |
| Loan-deposit spread / income | | | 0.72% | (0.03%) | 186.1 | 2.4 |
| Domestic business | | | 0.64% | (0.04%) | 114.9 | (3.4) |
| <Reference> Net interest income and related profit | | | | | 223.9 | (9.4) |
| Trust fees from principal guaranteed trust a/c | | | | | 11.8 | 2.8 |

< Major factors [change from FY2014] >

(1) Securities : +¥2.2bn [¥86.5bn → ¥88.7bn]

JGB: ¥(1.0)bn [¥4.9bn → ¥3.8bn]

Stocks: +¥3.9bn [¥23.9bn → ¥27.9bn]

Foreign securities: ¥(0.8)bn [¥39.6bn → ¥38.8bn]

Others: +¥1.0bn [¥13.5bn → ¥14.6bn]

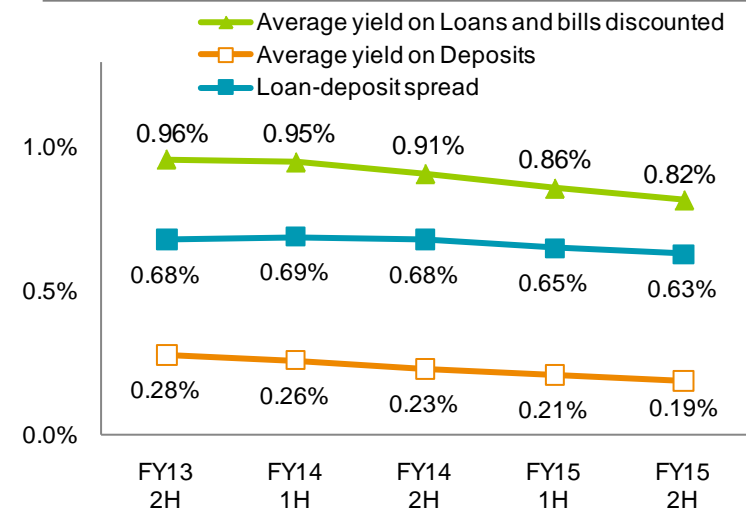
Investment trust related profit: ¥(0.7)bn [¥4.7bn → ¥3.9bn]

(2) Swaps : ¥(8.9)bn [¥(7.2)bn → ¥(16.2)bn]

Domestic business ¥(1.4)bn [¥7.5bn → ¥6.1bn]

International business ¥(7.5)bn [¥(14.8)bn → ¥(22.3)bn]

Domestic loan-deposit spread



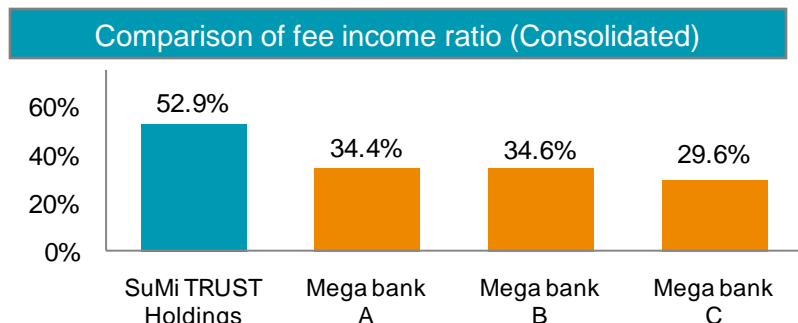
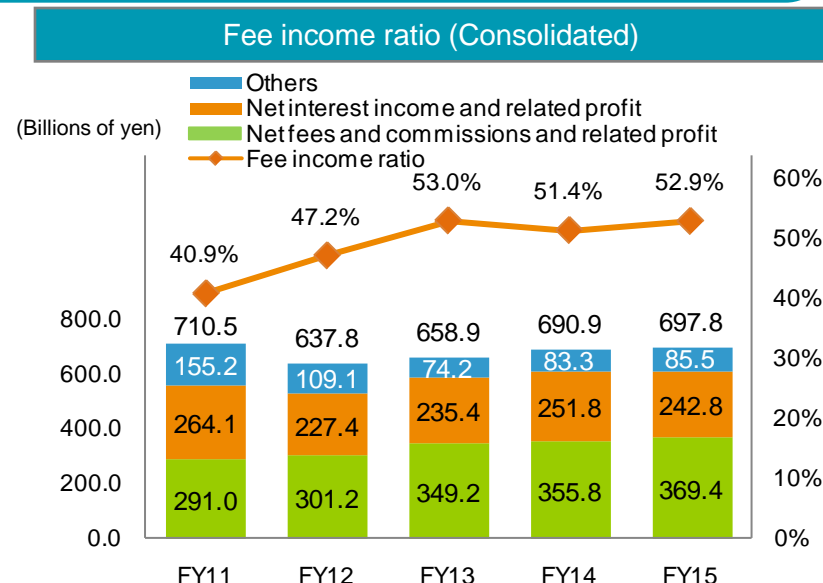
Net fees and commissions and related profit

- ▶ Net fees and commissions and related profit (Non-consolidated): DOWN ¥1.1bn YoY to ¥199.9bn
Increase in administration fees from investment trust and insurance related business contributed to growth, but real estate brokerage fees decreased
- ▶ Net fees and commissions and related profit (Consolidated): UP ¥13.6bn YoY to ¥369.4bn due primarily to increases in profit from asset management subsidiaries
- ▶ Fee income to gross business profit ratio (Consolidated): UP 1.5 percentage point YoY to 52.9%. Maintained over 50% level due to the reason above

| | Non-consolidated | | Consolidated (*1) | |
|---|------------------|--------------------|-------------------|--------------------|
| | FY2015 | Change from FY2014 | FY2015 | Change from FY2014 |
| (Billions of yen) | | | | |
| Net fees and commissions and related profit | 199.9 | (1.1) | 369.4 | 13.6 |
| (Net fees and commissions) | 111.5 | 0.6 | 275.8 | 15.7 |
| (Other trust fees) | 88.4 | (1.8) | 93.6 | (2.0) |
| Investment trust and Insurance Sales | 67.6 | 0.7 | 67.6 | 0.7 |
| Fiduciary services | 65.1 | 0.4 | 173.9 | 4.6 |
| Profit | 93.5 | 0.3 | 183.8 | 4.4 |
| Fees paid for outsourcing | (28.3) | 0.0 | (9.8) | 0.2 |
| Stock transfer agency services | 18.5 | 0.4 | 31.2 | 0.0 |
| Profit | 28.8 | 0.4 | 31.2 | 0.0 |
| Fees paid for outsourcing | (10.3) | 0.0 | - | - |
| Real estate | 27.4 | (0.7) | 46.4 | 1.4 |
| Others (Loan arrangement fees, etc.) | 21.1 | (2.0) | 50.1 | 6.7 |
| Fee income ratio (*2) | 41.1% | 0.5% | 52.9% | 1.5% |

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

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



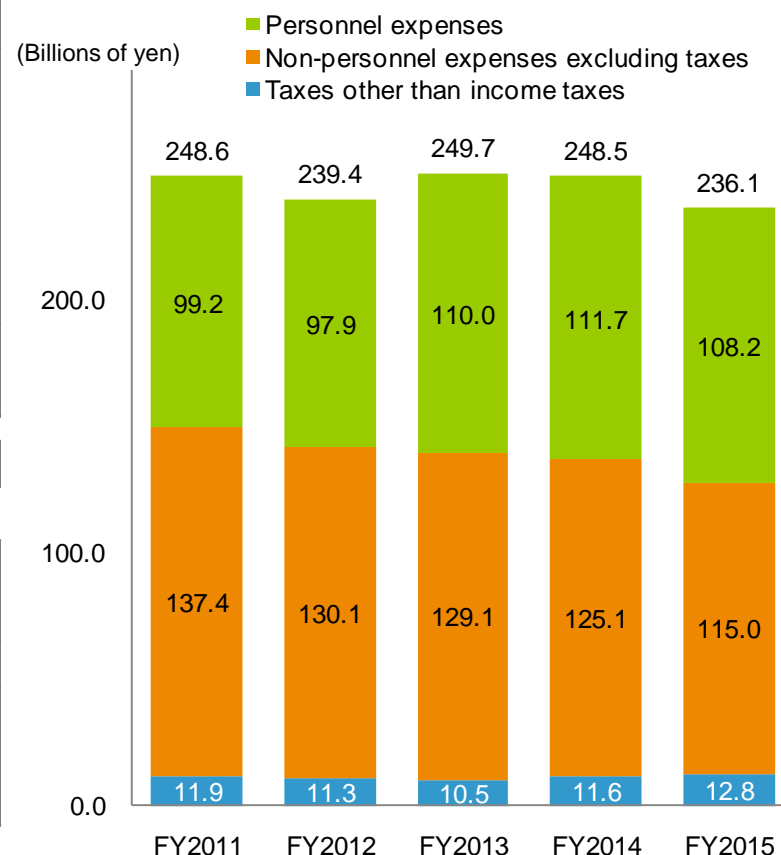
General and administrative expenses

- ▶ General and administrative expenses (Non-consolidated): DOWN ¥12.3bn YoY to ¥(236.1)bn, due primarily to fall in deposit insurance premium and decrease in “others” of non-personnel expenses excluding taxes
- ▶ Overhead ratio (Non-consolidated): DOWN 1.6 percentage points YoY to 48.7%
Lowest level since management integration

| (Billions of yen) | Non-consolidated | | |
|--|------------------|---------|--------|
| | FY2014 | FY2015 | Change |
| Personnel expenses | (111.7) | (108.2) | 3.4 |
| Salaries etc. | (103.1) | (101.4) | 1.6 |
| Retirement benefit expenses | 8.3 | 10.1 | 1.8 |
| Others | (16.9) | (17.0) | (0.0) |
| Non-personnel expenses excluding taxes | (125.1) | (115.0) | 10.1 |
| IT system related costs | (34.6) | (34.3) | 0.3 |
| Others | (90.4) | (80.6) | 9.7 |
| Taxes other than income taxes | (11.6) | (12.8) | (1.2) |
| General and administrative expenses (a) | (248.5) | (236.1) | 12.3 |
| Overhead ratio ((a) / gross business profit) | 50.3% | 48.7% | (1.6%) |

| (Billions of yen) | (Reference) Consolidated | | |
|--|--------------------------|---------|--------|
| | FY2014 | FY2015 | Change |
| Personnel expenses | (187.1) | (187.2) | (0.1) |
| Non-personnel expenses excluding taxes | (198.1) | (202.2) | (4.1) |
| Taxes other than income taxes | (13.6) | (15.4) | (1.8) |
| General and administrative expenses | (398.9) | (405.0) | (6.1) |

General and administrative expenses (Non-consolidated)



Total credit costs and problem assets

- ▶ Total credit costs (Consolidated): ¥25.9bn for FY2015. Increase in credit costs from individual cases and one-off additional reserves provided for Sumitomo Mitsui Trust Club portfolio as the company became a consolidated entity
- ▶ NPL ratio (Non-consolidated): DOWN 0.3 percentage points from Mar. 2015 to 0.3% due to decrease of doubtful and substandard loans. Coverage ratio to problem assets was 90.4%, maintaining a very prudent level

| < Total credit costs > | (Billions of yen) | FY2014 | 1H | 2H | FY2015 | Major factors (FY2015) |
|--|-------------------|--------|-------|--------|--------|---|
| Total credit costs (Non-Consolidated) | | 18.1 | (0.1) | (14.0) | (14.1) | Downgraded: Approx. (22.5) Upgraded: Approx. +6.0 Decrease in loan balance, etc. (Including recoveries): Approx. +2.5 |
| General allowance for loan losses | | 11.4 | 1.9 | (8.3) | (6.3) | |
| Specific allowance for loan losses | | 5.8 | (0.2) | (2.6) | (2.9) | |
| Recoveries of written-off claims | | 1.2 | 0.5 | 1.3 | 1.8 | |
| Losses on sales of claims, written-off | | (0.4) | (2.3) | (4.3) | (6.6) | |
| Total credit costs (Group companies) | | 1.2 | 0.1 | (11.9) | (11.7) | Sumitomo Mitsui Trust Club: Approx. (7.7) Sumitomo Mitsui Trust Panasonic Finance: Approx. (3.4) |
| Total | | 19.3 | 0.0 | (25.9) | (25.9) | |

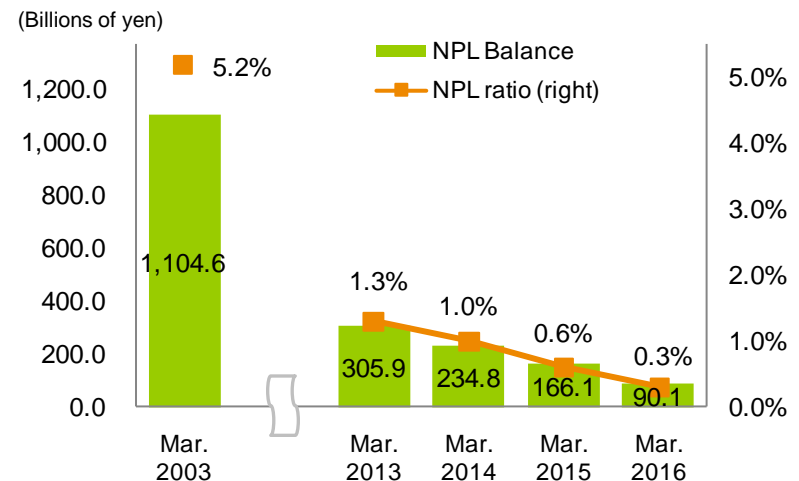
< Problem assets based on the Financial Reconstruction Act (Non-consolidated) >

| (Billions of yen) | Mar. 2016 | Coverage ratio (*1) | Allowance ratio (*2) | Change from Mar. 2015 |
|--|-----------|---------------------|----------------------|-----------------------|
| Problem assets based on the Financial Reconstruction Act | 90.1 | 90.4% | 61.5% | (76.0) |
| Ratio to total loan balance | 0.3% | --- | --- | (0.3%) |
| Bankrupt and practically bankrupt | 11.9 | 100.0% | 100.0% | 1.5 |
| Doubtful | 44.9 | 91.0% | 66.4% | (36.8) |
| Substandard | 33.2 | 86.2% | 22.5% | (40.7) |
| Other special mention debtors | 368.3 | --- | --- | (13.6) |
| Ordinary assets | 27,205.0 | --- | --- | 1,298.7 |
| Total balance | 27,663.4 | --- | --- | 1,209.2 |

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

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

Total balance and ratio of NPL



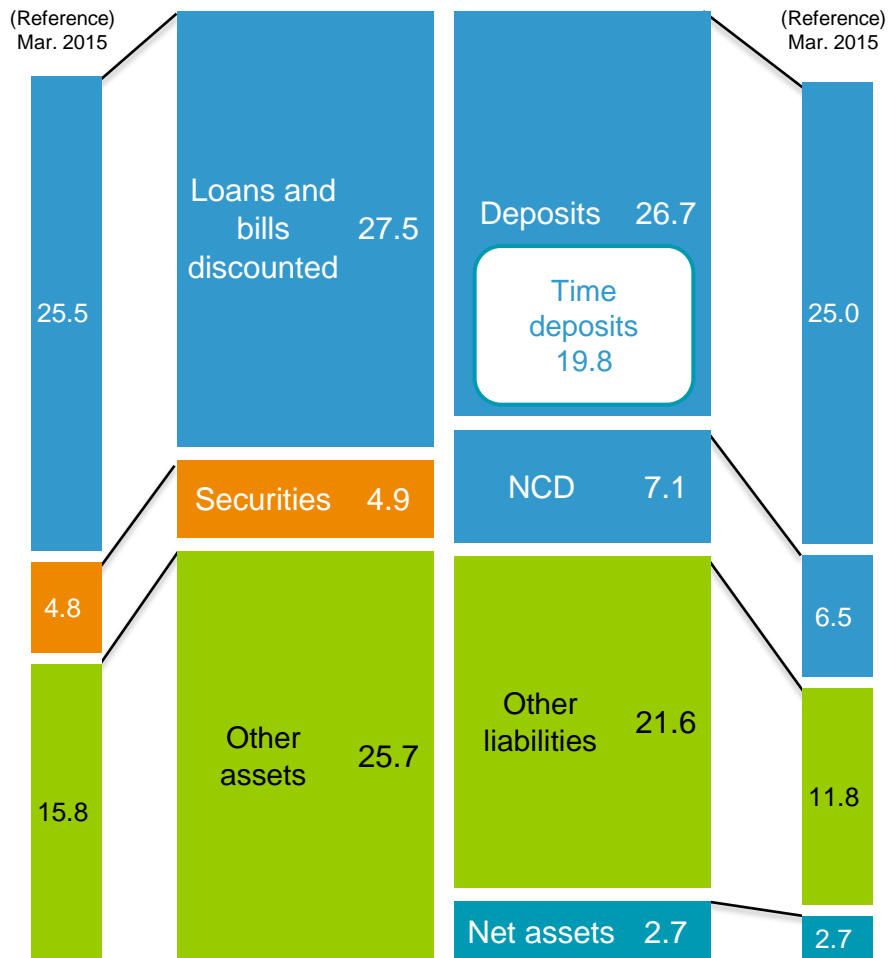
Balance sheet

For details, please refer to P7 of Data Book

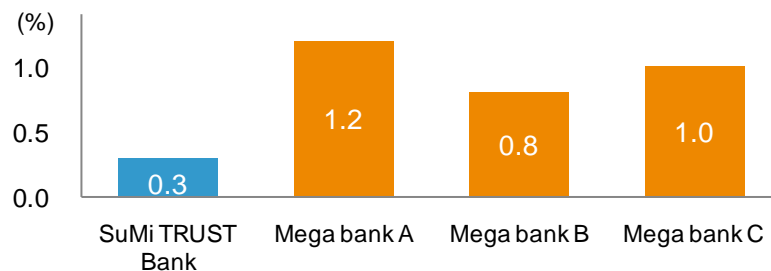
Balance Sheet (Consolidated) (Mar. 2016)

(Trillions of yen)

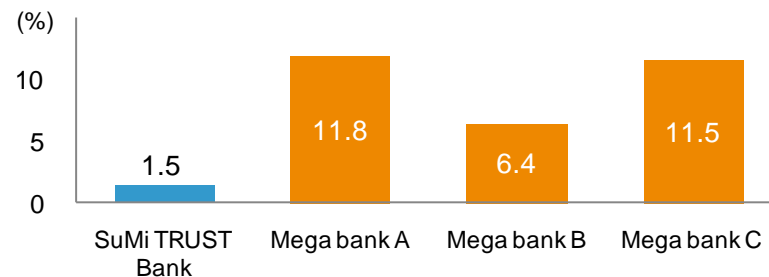
Total assets : 58.2 trillion yen



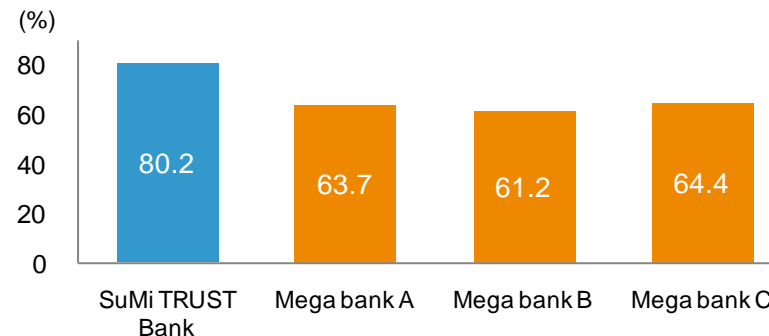
NPL ratio (Non-consolidated, as of Mar. 2016)



JGB holding ratio (Non-consolidated, as of Mar. 2016)



Loan-deposit ratio (Non-consolidated, as of Mar. 2016)



[Source] Disclosure documents

Securities portfolio and interest rate risk

- ▶ Cost of available-for-sale securities (Consolidated): UP ¥250.5bn from Mar. 2015 to ¥3,762.0bn due primarily to increase in "Others" including hedge investments for strategic shareholdings
- ▶ Unrealized gains of available-for-sale securities (Consolidated): DOWN ¥78.7bn from Mar. 2015 to ¥675.5bn due to fall in Japanese stocks, partially offset by hedging of strategic shareholdings
- ▶ Risk of strategic-shareholdings is planned to be reduced, utilizing hedge transactions as well

<Securities with fair value (Consolidated)>

| (Billions of yen) | Costs | | Unrealized gains/losses | |
|----------------------------------|-----------|-----------------------|-------------------------|-----------------------|
| | Mar. 2016 | Change from Mar. 2015 | Mar. 2016 | Change from Mar. 2015 |
| Available-for-sale securities | 3,762.0 | 250.5 | 675.5 | (78.7) |
| Japanese stocks | 694.5 | (13.7) | 605.9 | (129.6) |
| Japanese bonds | 1,304.9 | (109.2) | 1.7 | (2.9) |
| Others | 1,762.5 | 373.5 | 67.8 | 53.8 |
| Held-to-maturity debt securities | 420.5 | 44.4 | 36.9 | (4.0) |

<Available-for-sale securities with fair value (Non-consolidated)>

| | | | | |
|--|---------|---------|-------|---------|
| Available-for-sale securities | 3,685.5 | 387.7 | 696.7 | (81.6) |
| Japanese stocks | 667.1 | (9.4) | 630.9 | (133.1) |
| Japanese bonds | 1,315.5 | 27.1 | 1.1 | (3.5) |
| Government bonds | 569.8 | (128.2) | 1.2 | (0.9) |
| Others | 1,702.8 | 370.0 | 64.5 | 55.0 |
| Domestic investment (*1) | 120.2 | (43.4) | 2.3 | 0.5 |
| International investment (*1) | 956.7 | 67.4 | 7.8 | (8.2) |
| US Treasury | 503.0 | 166.7 | 6.0 | 0.2 |
| Others (Investment trust, etc.) (*2) | 625.8 | 346.0 | 54.4 | 62.7 |
| for hedging of strategic shareholdings | 530.2 | 352.2 | 52.7 | 67.2 |

(*1) "Domestic investment" and "International investment" are basically categorized by the countries where final exposure exists

(*2) "Investment trust" and investment securities uncategorizable into "Domestic investment" or "International investment"

<Held-to-maturity debt securities with fair value (Non-consolidated)>

| | | | | |
|-----------------------------------|-------|--------|------|--------|
| Held-to-maturity debt securities | 332.1 | (43.2) | 36.9 | (4.0) |
| Government bonds | 190.3 | (34.3) | 24.2 | 8.5 |
| International investment (*1, *3) | 99.7 | (22.2) | 12.1 | (12.6) |

(*3) Unamortized balance of unrealized loss on overseas asset-backed securities which were reclassified from AFS to HTM during FY2008 (Mar. 2016: (11.5)bn yen, Mar. 2015: (24.1)bn yen)

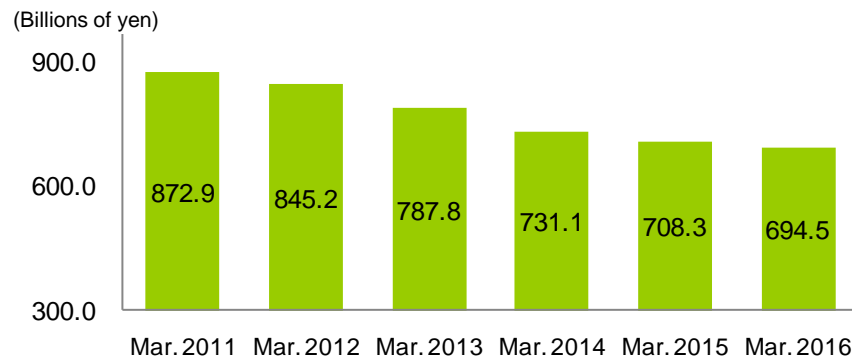
Securities portfolio of Global markets (Non-consolidated) (*4)

| (Billions of yen) | 10BPV (*5) | | Duration (years) (*5) | |
|-------------------|------------|-----------------------|-----------------------|-----------------------|
| | Mar. 2016 | Change from Mar. 2015 | Mar. 2016 | Change from Mar. 2015 |
| JPY | 2.4 | (0.7) | 3.2 | 0.0 |
| Others | 3.2 | 0.5 | 5.5 | 0.3 |

(*4) Managerial reporting basis; "Held-to-maturity debt securities" and "Available-for-sale securities" are combined

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

Balance of strategic-shareholdings (Consolidated) (*6)



| (Billions of yen) | FY2014 | | FY2015 | |
|---|--------|------|--------|------|
| | 1H | 2H | 1H | 2H |
| Reduction amount of strategic shareholdings | 8.8 | 18.4 | 5.3 | 12.3 |
| | | 27.3 | | 17.6 |

(Note) Accumulated amount of reduction from FY2011 to FY2013: ¥169.1bn

(*6) Cost of listed shares

Impact of negative interest rate policy (NIRP) (1)

- ▶ Bank of Japan (BoJ) introduced NIRP from February 2016, segregating current account balances with BoJ into 3 tiers. Policy-rate balance is charged minus 0.1%
- ▶ Consolidated basis current account balances with BoJ increased substantially (+¥8.5tr from Dec. 2015, as of Mar. 2016) as a result of funds inflow into our banking accounts from trust accounts via borrowed money from trust account, as short term money market was decimated by NIRP, reducing external investment opportunities for trust accounts
- ▶ However, no further material incremental inflow from trust accounts is expected, and due to market level pricing being levied on trust accounts, impact of this inflow on profit/loss is limited

Balance Sheet (Consolidated) (Mar. 2016)

Total assets : 58.2 trillion yen

| | |
|--|--|
| 1 Cash and due from banks 19.9 BoJ Current Deposits 16.9 +8.5 from Dec. 2015 | Deposits, NCD 33.8 |
| Loans 27.5 | |
| Securities 4.9 | 2 Borrowed money from trust account 13.6 +9.5 from Dec. 2015 |
| Other assets 5.8 | Borrowed money, Corporate bonds 4.9 Other liabilities 3.0 Net assets 2.7 |

B/S impact (of NIRP) from banking businesses (SuMi TRUST Bank)

Prudent management of loan and deposit resulted in little change in BoJ current account

B/S impact (of NIRP) from trust businesses (SuMi TRUST Bank, JTSB*)

Short term surplus funds of trust accounts were diverted from short term money market, which ceased to function as a result of NIRP, to banking accounts, causing a sudden surge in current account deposits with BoJ. This rapid shift has settled down, and no further significant inflows are expected

* JTSB: Japan Trustee Services Bank

| | SuMi TRUST Bank | | JTSB | |
|--|-----------------|-----------------------|-----------|-----------------------|
| | Mar. 2016 | Change from Dec. 2015 | Mar. 2016 | Change from Dec. 2015 |
| (Trillions of yen) | | | | |
| 1 Amount of BoJ current deposits | 11.4 | 5.0 | 5.4 | 3.5 |
| Basic balance (+0.1%) | 6.0 | | 1.6 | |
| Macro add-on balance (±0%) | 1.4 | | 0.0 | |
| Policy-rate balance (- 0.1%) | 3.9 | | 3.8 | |
| Main inflow channel | | | | |
| 2 Borrowed money from trust account | 7.0 | 5.2 | 6.6 | 4.3 |

PL impact of NIRP from trust businesses

Due to NIRP exemption for MRFs ruled by BoJ, as well as client acceptance of market level pricing levied on trust account balances, profit/loss impact of NIRP from trust account is limited

| | |
|---|---|
| Investment trusts (MRF) | No impact on profit/loss (Part of Macro Add-on balance) |
| Investment trust (non MRF) | Neutral on profit/loss (Market level pricing levied) |
| Pension trusts, etc. | |
| Jointly managed money trusts (Principal guaranteed) (*) | Marginal impact on profit/loss |

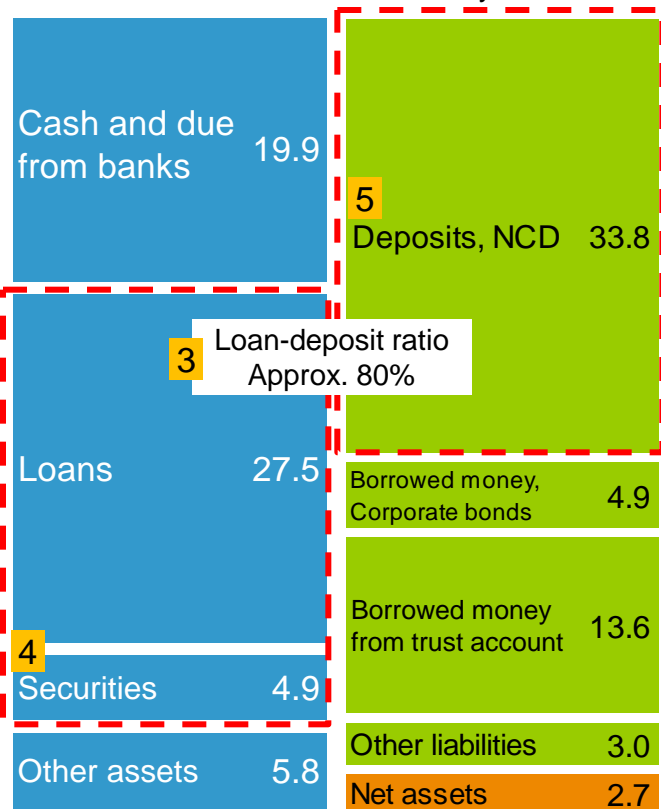
(*) Property formation benefit trusts, Tuition fund endowment trust, etc.

Impact of negative interest rate policy (NIRP) (2)

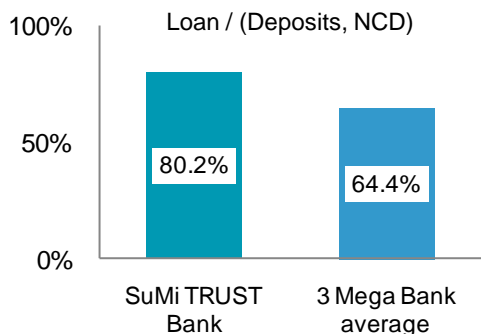
- ▶ Since introduction of Bank of Japan's NIRP, yen interest rate yield curve has flattened and fallen
- ▶ Negative impact to net interest income such as fall in loan and securities yield cannot be avoided
However, we have relative flexibility to adjust to mitigate impact with our high fee income ratio (=lower reliance on interest income), and capability to control deposit funding cost

Balance Sheet (Consolidated) (Mar. 2016)

Total assets: 58.2 trillion yen

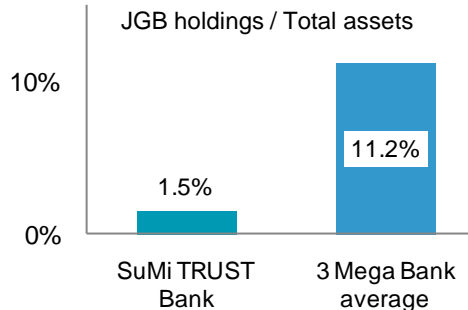


3 Loan-deposit ratio (Non-consolidated)

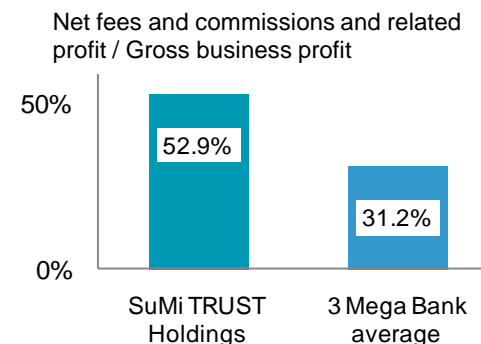


Relatively benign cash investment pressure provides room for ALM management

4 JGB holdings ratio (Non-consolidated)

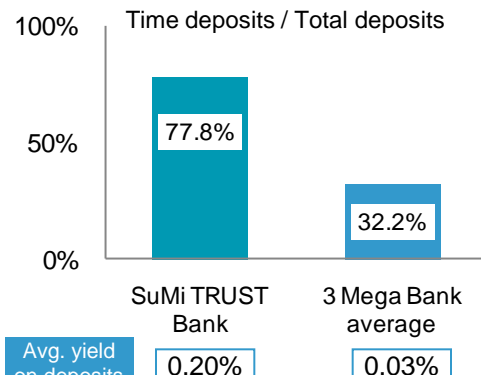


Fee income ratio (Consolidated)



Relatively higher fee income ratio

5 Time deposit ratio (Non-consolidated)



Avg. yield on deposits

0.20%

0.03%

More headroom to lower deposit rate yield

Note: All ratios: SuMi TRUST 2016/3 (or FY2015) actual, 3 Mega Bank Average is calculated using 2015/9 (or 1HFY2015) actual data, 3 Mega Banks includes banking entity subsidiaries in calculation. Time deposit ratio is based on avg. figures during the period.

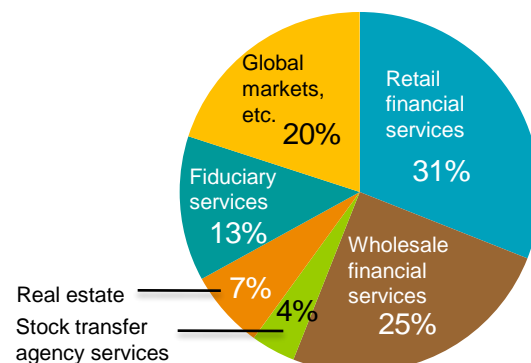
Forecast for FY2016

Forecast for FY2016

- ▶ Net business profit before credit costs (Consolidated): DOWN ¥18.3bn to ¥300.0bn. Forecast takes account of decrease in Global markets profit to normalized level and negative impact to net interest income caused by BOJ's NIRP
- ▶ Net income attributable to owners of the parent (Consolidated): UP ¥3.0bn to ¥170.0bn. Forecast takes account of decrease in net business profit before credit costs to be offset by non-recurrence of one-off costs posted in FY2015 at subsidiaries
- ▶ Full year dividend on common share: ¥13.0 per share, in accordance with Policy on shareholder return, aiming to maintain consolidated dividend payout ratio of approximately 30%

| < Consolidated > | FY2015 Full (Actual) | FY2016 | | |
|---|----------------------------|--------|--------------------|--------|
| | | 1H | Full (Forecast) | Change |
| (Billions of yen) | | | | |
| Net business profit before credit costs | 318.3 | 145.0 | 300.0 | (18.3) |
| Ordinary profit | 278.0 | 120.0 | 255.0 | (23.0) |
| Net income attributable to owners of the parent | 166.9 | 80.0 | 170.0 | 3.0 |
| Total credit costs | (25.9) | (15.0) | (30.0) | (4.0) |
| Dividend on common share (Yen) | 13.00 | 6.50 | 13.00 | ±0.00 |
| Consolidated dividend payout ratio | 30.0% | --- | 29.4% | (0.6%) |

(Ref.) Breakdown of Gross business profit (Non-consolidated)



| < Non-consolidated > | | | | |
|---|---------|---------|----------|------------|
| Net business profit before credit costs | 249.1 | 110.0 | 225.0 | (24.1) |
| Gross business profit | 485.3 | 228.0 | 461.0 | (24.3) |
| Retail financial services | 147.9 | 72.0 | 144.0 | (3.9) (1) |
| Wholesale financial services | 125.9 | 58.0 | 117.0 | (8.9) (2) |
| Stock transfer agency services | 28.8 | 16.0 | (*) 30.0 | 1.1 |
| Real estate | 27.3 | 13.0 | 30.0 | 2.6 |
| Fiduciary services | 93.5 | 44.0 | (*) 90.0 | (3.5) (3) |
| Global markets | 97.5 | 42.0 | 85.0 | (12.5) |
| General and administrative expenses | (236.1) | (118.0) | (236.0) | 0.1 |
| Total credit costs | (14.1) | (15.0) | (25.0) | (10.8) (4) |
| Other net non-recurring profit | (16.1) | (10.0) | (15.0) | 1.1 (5) |
| Ordinary profit | 218.8 | 85.0 | 185.0 | (33.8) |
| Net income | 143.1 | 65.0 | 135.0 | (8.1) |

- (1) Retail financial services: ¥(3.9)bn from FY2015
• Increase in costs related to deposits
- (2) Wholesale financial services: ¥(8.9)bn from FY2015
• Loan portfolio increase is planned, but increase in foreign currency funding cost is expected
- (3) Fiduciary services: ¥(3.5)bn from FY2015
• Dissolution of company employees' pension plan (DB add-on tier, Kosei-nenkin-kikin) to impact profitability
- (4) Total credit costs: Forecast ¥(25.0)bn for FY2016
• Estimated at 10bp on total credit portfolio (non-consolidated) of ¥27tr
- (5) Other net non-recurring profit ¥(15.0)bn for FY2016
• Net gains on stock +¥20bn planned

Note: The forecast of annual dividend per common share (yen) for FY2016 would be 130 yen on assumption that the planned consolidation of shares on the basis of one share for every 10 shares on Oct. 1, 2016 is executed at the beginning of FY2016.

(*) Fees paid for outsourcing are not deducted.

(Stock transfer agency services: (10.0)bn yen, Fiduciary services: (30.0)bn yen)

Forecast for FY2016 ~Comparison with mid-term management plan (announced in May, 2015)

- ▶ Business environment is facing discontinuous, unpredictable changes such as NIRP, sudden surge in market volatility and unprecedented pace in escalation of competition
- ▶ In this environment, the management has decided that strategic planning needs to be flexible and adaptable. The group revisited the current mid-term management plan, and decided to adopt a “rolling format” planning where a one-year management plan is devised every year in tandem with a 3-year vision

< 1 > Comparison of forecast for FY2016 and planned figure in mid-term management plan for FY2016

< Consolidated >

| (Billions of yen) | FY2013 (Final year of previous mid-term management plan) | FY2015 (Actual) | FY2016 (Forecast) | FY2016 (mid-term mgmt plan basis) |
|---|---|--------------------|----------------------|---|
| Net business profit before credit costs | 285.8 | 318.3 | 300.0 | 355.0 |
| Total credit costs | 9.1 | (25.9) | (30.0) | (40.0) |
| Net income attributable to owners of the parent | 137.6 | 166.9 | 170.0 | 180.0 |

< Non-consolidated >

| | | | | |
|---|---------|---------|---------|---------|
| Net business profit before credit costs | 211.8 | 249.1 | 225.0 | 270.0 |
| Gross business profit | 461.5 | 485.3 | 461.0 | 510.0 |
| General and administrative expenses | (249.7) | (236.1) | (236.0) | (240.0) |
| Total credit costs | 7.6 | (14.1) | (25.0) | (35.0) |
| Net income | 116.0 | 143.1 | 135.0 | 145.0 |

< Major KPI >

| | | | | | | |
|------------------------------|---------------------------------------|---------|------------|------------|------------|------------|
| Retail financial services | Wrap Selection | Balance | ¥0.48tr | ¥1.58tr | ¥2.00tr | ¥1.00tr |
| | Residential mortgage loan | Balance | ¥6.8tr | ¥7.4tr | ¥7.8tr | ¥8.4tr |
| Wholesale financial services | Credit to overseas Japanese borrowers | Balance | ¥2.7tr | ¥3.1tr | ¥3.0tr | ¥3.2tr |
| | Credit to non-Japanese borrowers | Balance | ¥2.5tr | ¥3.8tr | ¥4.5tr | ¥4.1tr |
| Real estate | Real estate brokerage fees | Revenue | ¥38.0bn | ¥38.0bn | ¥41.5bn | ¥55.0bn |
| Fiduciary services | AUM entrusted from overseas investors | Balance | ¥0.6tr | ¥1.0tr | ¥1.3tr | ¥1.6tr |
| | Global custody | Balance | USD270.0bn | USD273.9bn | USD285.0bn | USD300.0bn |

< Assumption >

| | | | | | | |
|-----------------------------|-------------|-----|--------|--------|---------------|--------|
| (Average during the period) | 3M Tibor | % | 0.23 | 0.16 | 0.10 | 0.25 |
| | 10 year JGB | % | 0.69 | 0.29 | (0.01) | 1.15 |
| | Nikkei 225 | Yen | 14,441 | 18,844 | 15,000-17,000 | 16,000 |

(Reference) Vision for FY2018

< 2 > Vision for FY2018

< Challenge and innovation

~ Growth through change and differentiation and Restructuring of defense ~>
 Fee income to be increased in all businesses
 Reform and differentiate our banking businesses

< Strategic keywords >

- ✓ Middle market / small and retail
- ✓ Globalization
- ✓ Leveraging asset management competency

< Consolidated >

| (Billions of yen) | FY2016 | FY2018 | Change from FY2016 |
|---|----------|------------|--------------------|
| | Forecast | Trajectory | |
| Net business profit before credit costs | 300.0 | 330.0 | 30.0 |
| Total credit costs | (30.0) | (40.0) | (10.0) |
| Net income attributable to owners of the parent | 170.0 | 180.0 | 10.0 |

| | | |
|---|---------|---------|
| Fee income to gross business profit ratio | Mid-50% | Mid-50% |
| Return on shareholders' equity | Mid-8% | Over 8% |

< Non-consolidated >

| | | | |
|---|---------|---------|--------|
| Net business profit before credit costs | 225.0 | 240.0 | 15.0 |
| Gross business profit | 461.0 | 475.0 | 14.0 |
| General and administrative expenses | (236.0) | (235.0) | 1.0 |
| Total credit costs | (25.0) | (35.0) | (10.0) |
| Net income | 135.0 | 140.0 | 5.0 |

| | | |
|----------------------|-----|-----|
| Overhead Ratio (OHR) | 51% | 49% |
|----------------------|-----|-----|

< Assumptions of the market >

| | |
|------------------|---------------|
| 3M Tibor | 0.10% |
| 5 year Swap rate | (0.12%) |
| 10 year JGB | (0.01%) |
| Nikkei 225 (Yen) | 15,000-17,000 |
| USD/JPY | 115.0 |

< Growth image >

| | | FY2015 | FY2018 |
|---|---------|---------|------------|
| | | Actual | Trajectory |
| "Wrap Selection" | Balance | ¥1.5tr | ¥2.8tr |
| Mortgage loan | Balance | ¥7.4tr | ¥8.6tr |
| Credit to non-Japanese borrowers | Balance | ¥3.8tr | ¥5.2tr |
| Credit to mid-sized corporations | Balance | ¥1.0tr | ¥1.3tr |
| Real estate brokerage fee (Group basis) | Revenue | ¥38.0bn | ¥46.5bn |
| Entrusted investment trust | Balance | ¥62tr | ¥70tr |
| Asset management for overseas investors | Balance | ¥1.0tr | ¥1.6tr |

Business initiatives in FY2016 and strategic business areas

Business initiatives in FY2016

Focus on growing fee businesses - Increase fee income in all business -

- <Comprehensive consulting for individual clients>
 - ✓ Value added consulting to individual clients by combining investment trust, insurance and inheritance/gift related services
- <Expansion of retail asset management>
 - ✓ In addition to our existing clients base, expand to DC and alliance financial institutions' clients
- <Comprehensive real estate services>
 - ✓ Utilize our service know-how for institutional/professional clients to our medium and small sized clients
- <Develop and provide fund management products using our banking capability>
 - ✓ Efficient transaction sourcing via alliance with overseas institutions, and full utilization of our expertise in banking and asset management for monitoring



Enhancement of fundamental earning power in banking business - Stabilize profitability through reformation -

- <Construct a credit portfolio with efficient risk/return profile>
 - ✓ Pursue balance between profitability and quality
- <Expand asset classes and structures>
 - ✓ (Overseas) High grade non-Japanese bilateral, asset finance, leasing business
 - ✓ (Domestic) Middle market clients, residential mortgages, property secured business loans
- <Foreign currency funding sophistication>
 - ✓ Refine funding strategies and diversify funding methods

Create value through collaboration among businesses and group companies - Organic link among businesses and group companies of SuMi TRUST to expand areas of growth -

- <Utilize know-how for institutional investors>
 - ✓ Introduce core and satellite portfolio development idea to retail market
 - ✓ Fully utilize our banking, trust, real estate as well as asset management subsidiaries function to develop and offer value added products to our clients
- <Utilize know-how for core and large clients to a broader client base>
 - ✓ Offer products and services to middle and small markets

Financial soundness and Capital efficiency

- <Prudent management of credit and market risks>
 - ✓ Control downside risk by maintaining a high quality credit portfolio
 - ✓ Accurate ALM management under negative interest rate environment

- <Compliance with Basel III>
 - ✓ Reduce strategic shareholdings further and utilize hedging to mitigate volatility risk for capital
 - ✓ Control risk-weighted assets and capital, prudent management of deduction items

Focus on growing fee businesses : (1) Investment trust and insurance sales

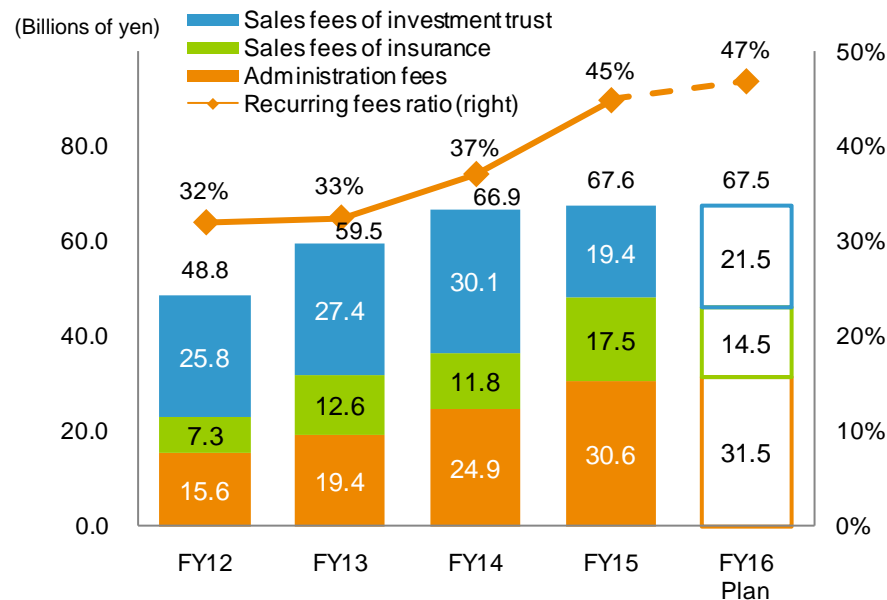
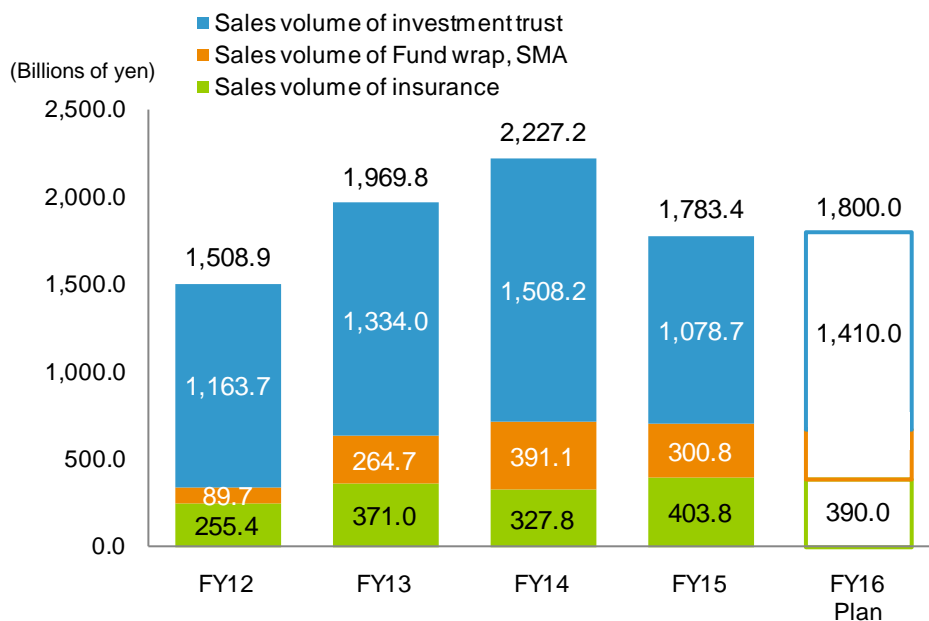
- ▶ Sales of investment trusts fell substantially due to volatile market conditions, and total sales volume was 80% of previous year
- ▶ Earnings maintained last year's level due to increased administration fees from a larger balance and increased sales of insurance. Recurring fee ratio (administration fees/total income) rose to 45%

Sales Volume (Non-consolidated)

| (Billions of yen) | FY2015 | Change from FY2014 | FY2016 Plan |
|--------------------|---------|--------------------|-------------|
| Sales volume total | 1,783.4 | (443.7) | 1,800.0 |
| Investment trust | 1,078.7 | (429.5) | 1,410.0 |
| Fund wrap, SMA | 300.8 | (90.2) | |
| Insurance | 403.8 | 76.0 | 390.0 |

Income (Non-consolidated)

| (Billions of yen) | FY2015 | Change from FY2014 | FY2016 Plan |
|--------------------------------|--------|--------------------|-------------|
| Income total | 67.6 | 0.7 | 67.5 |
| Sales fees of investment trust | 19.4 | (10.7) | 21.5 |
| Sales fees of insurance | 17.5 | 5.7 | 14.5 |
| Administration fees | 30.6 | 5.6 | 31.5 |



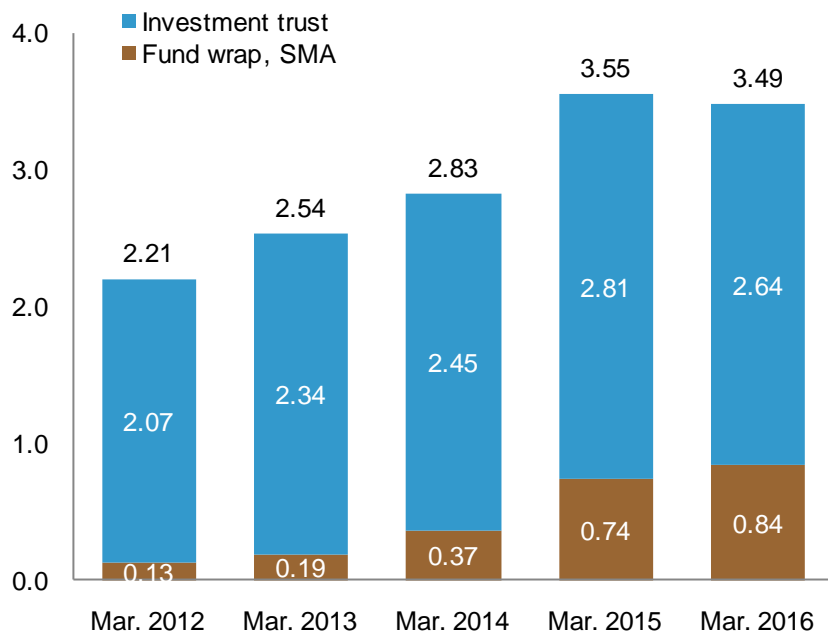
Focus on growing fee businesses : (1) Investment trust and insurance sales

Sales Volume/balance (Non-consolidated)

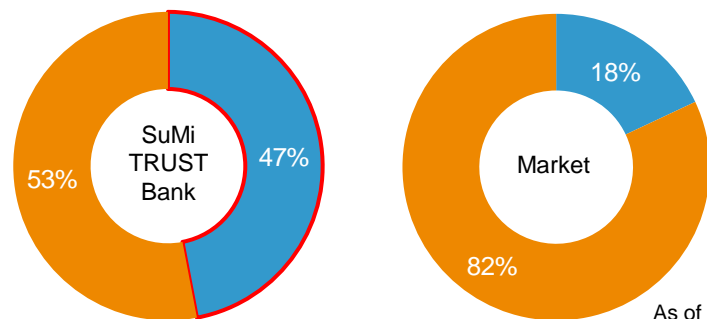
| (Billions of yen) | Mar. 2015 | Mar. 2016 | Change |
|-------------------|-----------|-----------|---------|
| Balance total | 5,837.3 | 5,803.8 | (33.5) |
| Investment trust | 2,814.0 | 2,649.7 | (164.3) |
| Fund wrap, SMA | 741.2 | 848.3 | 107.1 |
| Insurance | 2,282.0 | 2,305.7 | 23.7 |

Balance of investment trust / Fund wrap, SMA

(Trillions of yen)



Balance of investment trust / discretionary investment by product type

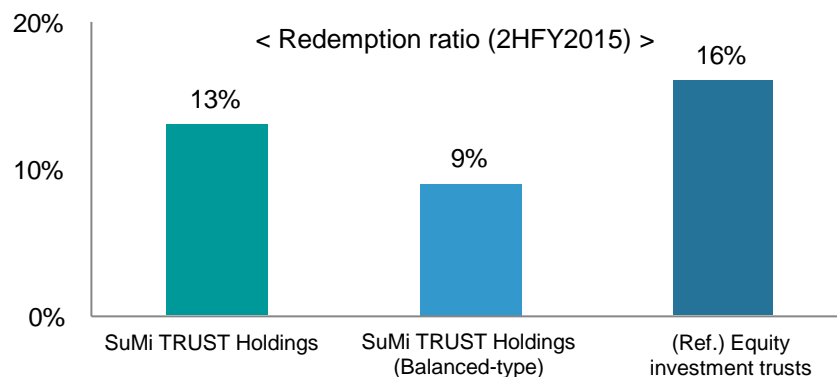


As of Dec. 2015

■ Balanced-type (including wrap products) ■ Stocks, REIT, bonds, etc.

[Source] The investment Trusts Association, Japan, Japan Investment Advisers Association, SuMi TRUST
 Note: Market defined as equity investment trusts (publicly offered) and discretionary investment under a wrap account. Data collated by SuMi TRUST

Higher ratio of Balanced-typed products (including wrap products),
 resulting in lower redemption ratio
 ⇒ Stable recurring fee income

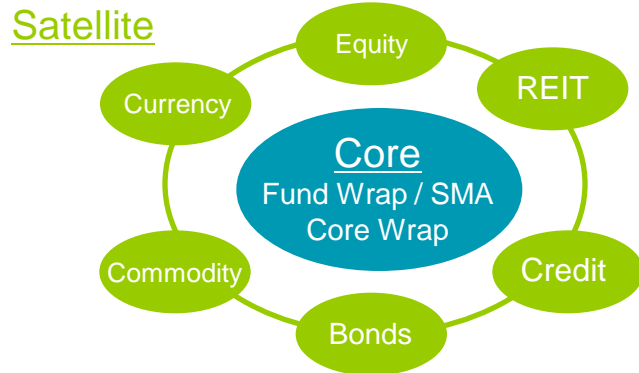


[Source] The investment Trusts Association, Japan, SuMi TRUST
 Note: Redemption ratio= redeemed amount during the term / term average balance
 Equity investment trusts, data collated by SuMi TRUST

Focus on growing fee businesses : (1) Investment trust and insurance sales

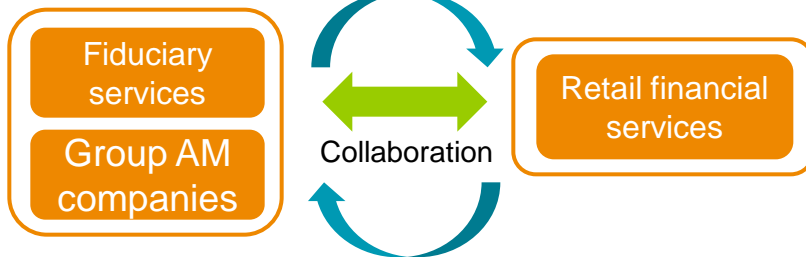
Basic strategy

"Core & Satellite" strategy



Collaboration among business groups, product development and marketing departments to introduce new products based on client needs in a timely manner

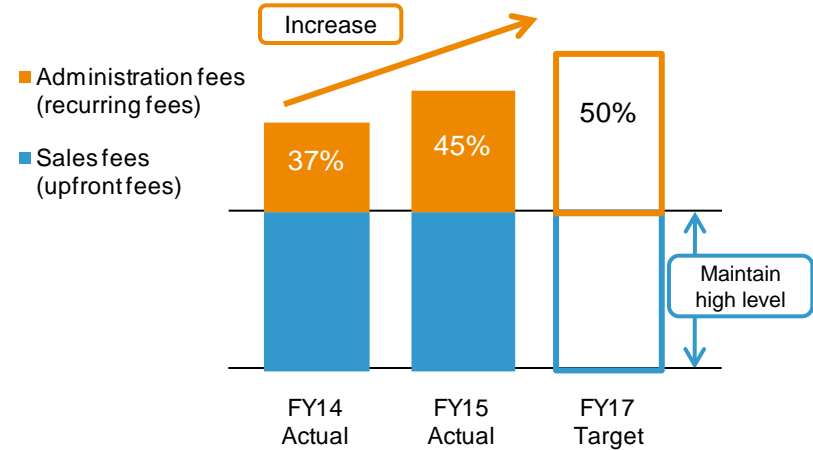
Investment know-how for institutional clients
Swift deployment of new products



Feedback of (potential) client needs

Major initiatives

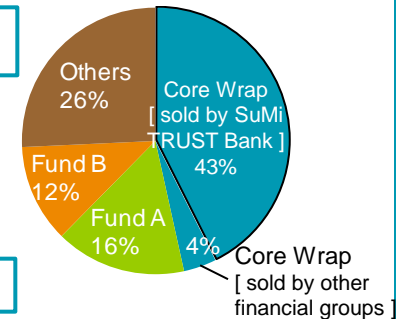
Increase of stable earnings



Lead market in proposing Core Portfolio for clients

"Core Wrap": core portfolio's flagship investment trust
Among investment trust products with a "wrap" fund name, our "Core Wrap" sold by SuMi TRUST Bank holds a 43% market share on a market value basis. (As of January 2016)

Source: Morningstar data collated by SuMi TRUST



Further strengthening of satellite products

Sep. 2015

Inbound Demand Focus Japanese Equity Fund

Mar. 2016

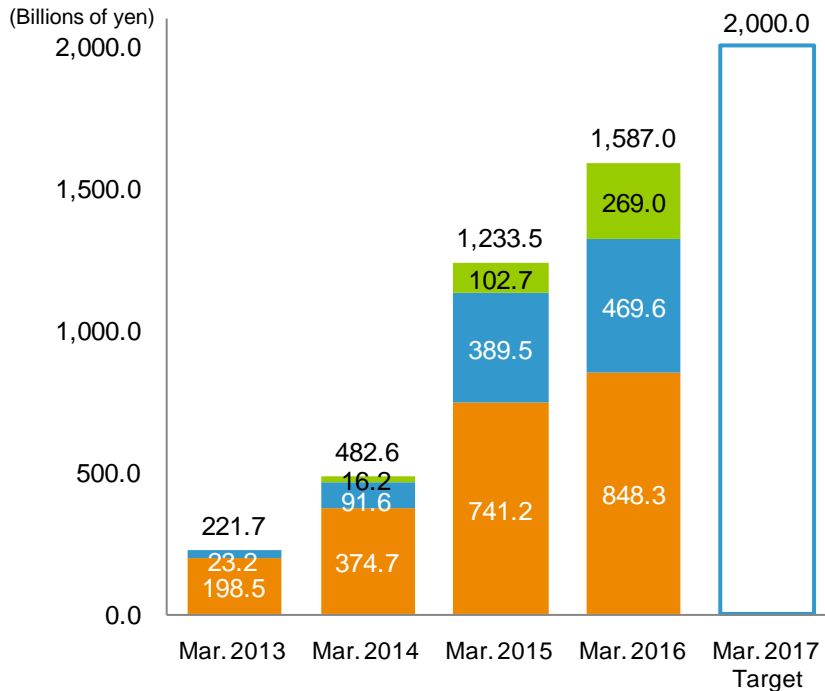
Global Robotics Equity Fund

Apr. 2016

US Municipal Bond Fund

Focus on growing fee businesses : (1) Investment trust and insurance sales

Balance of “Wrap Selection”



“Wrap Selection”

Insurance

Wrap Life, Wrap Partner, Wrap Gift
(New type of foreign currency variable annuity) [¥1 mm or above]

Investment trust

Core Wrap, Sate Wrap
[¥10,000 or above]

Discretionary investment

Fund Wrap
[¥5 mm or above]

SMA
[¥30 mm or above]

Comprehensive consulting including insurance

Market Environment

Unpredictable market conditions

Client requirement to both “preserving” assets while increasing net worth with “stable” investment returns

Provide “value added” insurance related products and services

Investment expertise

Insurance products with “wrap investment function” to utilize our expertise on achieving stable investment returns

Expand insurance products lineup with wrap investment

Inheritance/Gift related product development

Combine level premium insurance and Annual gift support trust

Maximize clients’ eligible tax deductions on gifts

Consulting expertise

Consulting that matches the client’s profile (risk taking capacity, needs)

Strengthen sourcing and expand client base

Focus on growing fee businesses : (2) Fiduciary services

- ▶ AUM: SuMi TRUST Asset Management's AUM grew substantially due to increase in private investment trusts under management, group as a whole fell by ¥3.4 trillion to ¥76.6 trillion due to fall in market value and dissolution of company employees' pension funds (DB add-on tier, Kosei-nenkin-kikin)
- ▶ Manage decrease of AUM/profit from mature public/private pension plans, while capturing growth in domestic retail and overseas markets to expand asset management, custody and administration businesses

Assets under management (AUM)

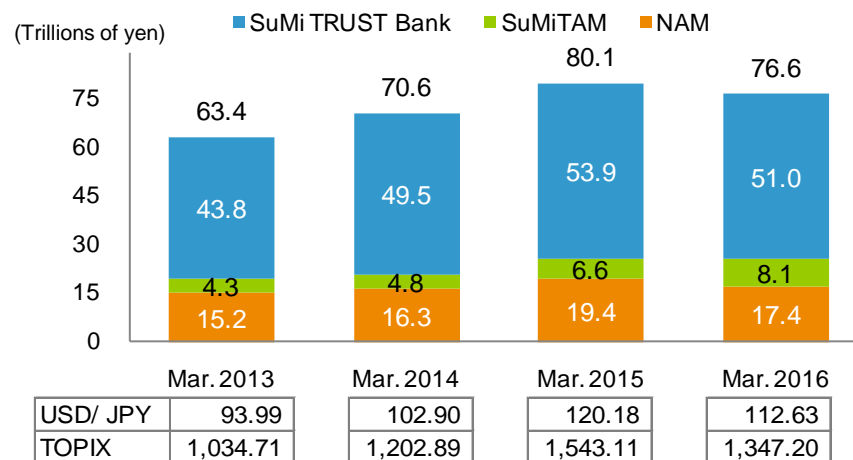
| (Trillions of yen) | Mar. 2015 | Mar. 2016 | Change |
|--|-----------|-----------|--------|
| Assets under management (AUM) | 80.1 | 76.6 | (3.4) |
| SuMi TRUST Bank | 53.9 | 51.0 | (2.9) |
| Corporate pension trust | 17.4 | 15.9 | (1.5) |
| Public pension trust | 14.3 | 10.4 | (3.8) |
| Discretionary investment | 22.1 | 24.6 | 2.4 |
| Subsidiaries | 26.1 | 25.5 | (0.5) |
| Sumitomo Mitsui Trust Asset Management | 6.6 | 8.1 | 1.5 |
| Nikko Asset Management | 19.4 | 17.4 | (2.0) |

Income

| (Billions of yen) | FY2015 | Change from FY2014 |
|---|--------|--------------------|
| SuMi TRUST Bank | 65.1 | 0.4 |
| Gross business profit | 93.5 | 0.3 |
| Fees paid out for outsourcing | (28.3) | 0.0 |
| Group companies (Net business profit) (*1) | 19.4 | 3.9 |
| Sumitomo Mitsui Trust Asset Management | 6.5 | 1.7 |
| Nikko Asset Management | 11.2 | 2.2 |

(*1) Contribution to consolidated

Assets under management (AUM) by company



Assets under custody (AUC)

| (Trillions of yen) | Mar. 2015 | Mar. 2016 | Change |
|--------------------------------|-----------|-----------|--------|
| Domestic entrusted assets (*2) | 223 | 236 | 12 |

| (Billions of USD) | Mar. 2015 | Mar. 2016 | Change |
|----------------------------|-----------|-----------|--------|
| Global custody assets (*3) | 262.1 | 273.9 | 11.8 |
| Fund administration | 22.0 | 26.0 | 3.9 |

(*2) Total trust assets of the group companies

(*3) Combined figures of Sumitomo Mitsui Trust Bank (U.S.A.) and Sumitomo Mitsui Trust (UK)

Focus on growing fee businesses : (2) Fiduciary services (Corporate pension)

- ▶ DC market is expanding steadily, however, DB market is experiencing decrease in AUM due to dissolution of company employees' pension funds (DB add-on tier, Kosei-nenkin-kikin)
- ▶ Leveraging on our strength as a one-stop service provider capable of solving clients' needs, we plan to expand our core DB/DC services, improving profitability to enhance our group profit and adapt to changing mid/long term landscape of corporate pension market

Enhancement of DB and DC business

Defined benefit pension (DB) business

No.1 AUM among trust banks in Japan

Pension plan designing

Consulting capability for asset management

Product sales

Utilize DB know-how to expand DC business

Defined contribution pension (DC) business

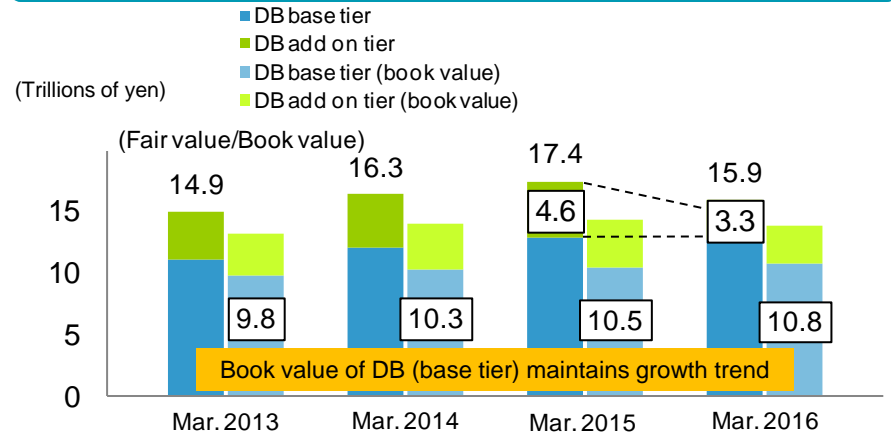
Number of subscribers: Top class in market

Pension plan designing

Investment education

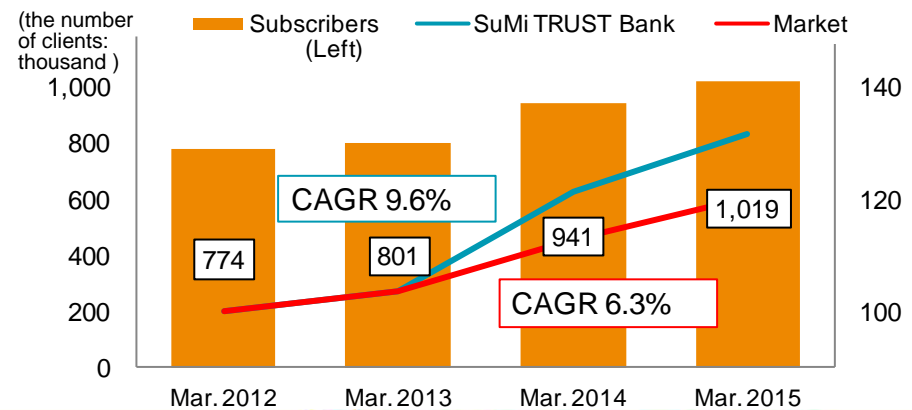
Product sales

Entrusted amount of corporate pension trust (SuMi TRUST Bank)

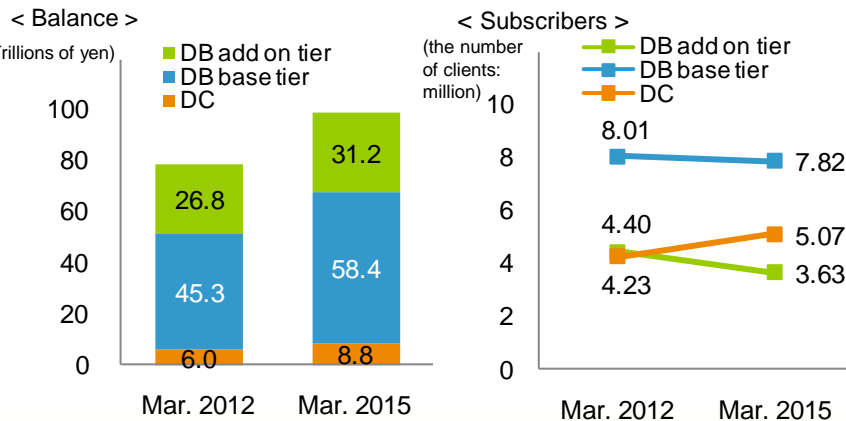


(*) DB base tier includes National pension plan (add-on tier) and non-qualified plans

Subscribers of DC pension plans (Index : Mar. 2012=100)



Balance / Subscribers of Corporate Pension (Market)



Focus on growing fee businesses : (2) Fiduciary services

- ▶ Promote retail asset management business by providing investment and consulting know-how acquired from institutional client business
- ▶ By following trend of retail clients' shift "from saving to investing," increase AUM, AUC and profitability of the group. In addition to SuMi TRUST Bank retail clients, expand target to DC pension plan members and clients of financial institutions in alliance

SuMi TRUST Bank
Retail client base

◆ Provide investment and consulting know-how acquired from institutional client business

SuMi TRUST Bank
DC client base

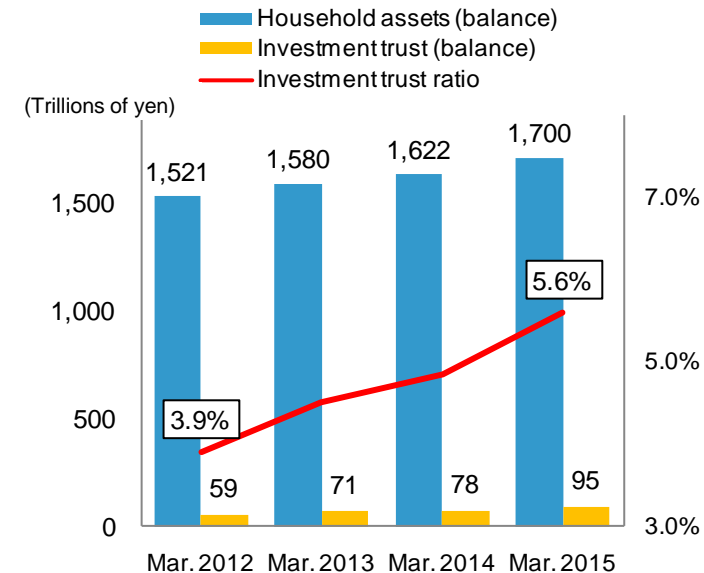
◆ Investor education to assist DC plan members (DC investment trusts and Investment trusts designed for specific company plan members)

Financial institutions
in alliance
Retail client base

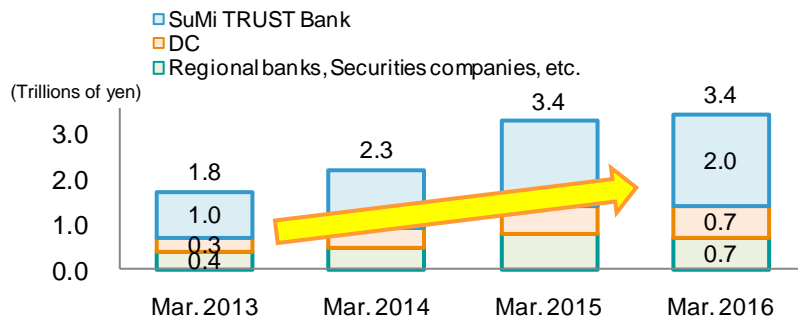
◆ SuMi TRUST Bank's alliance with other financial institutions (Investment services through Bank of Yokohama, Japan Post Bank, etc.)

Expand AUM and AUC of SuMi TRUST Group

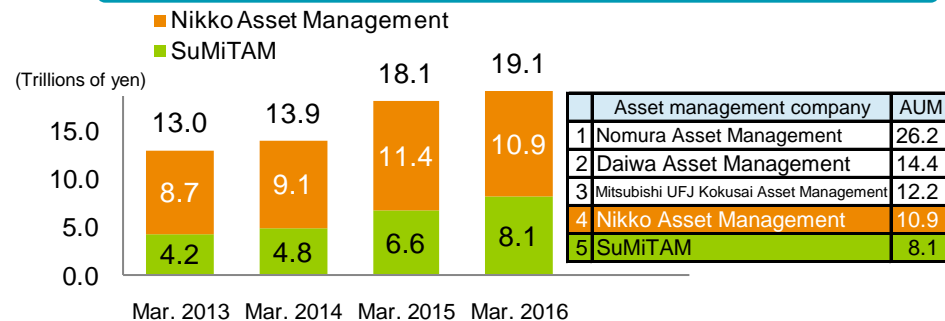
Investment trust holdings as % of household assets



Balance of publicly-offered investment trust (SuMiTAM)



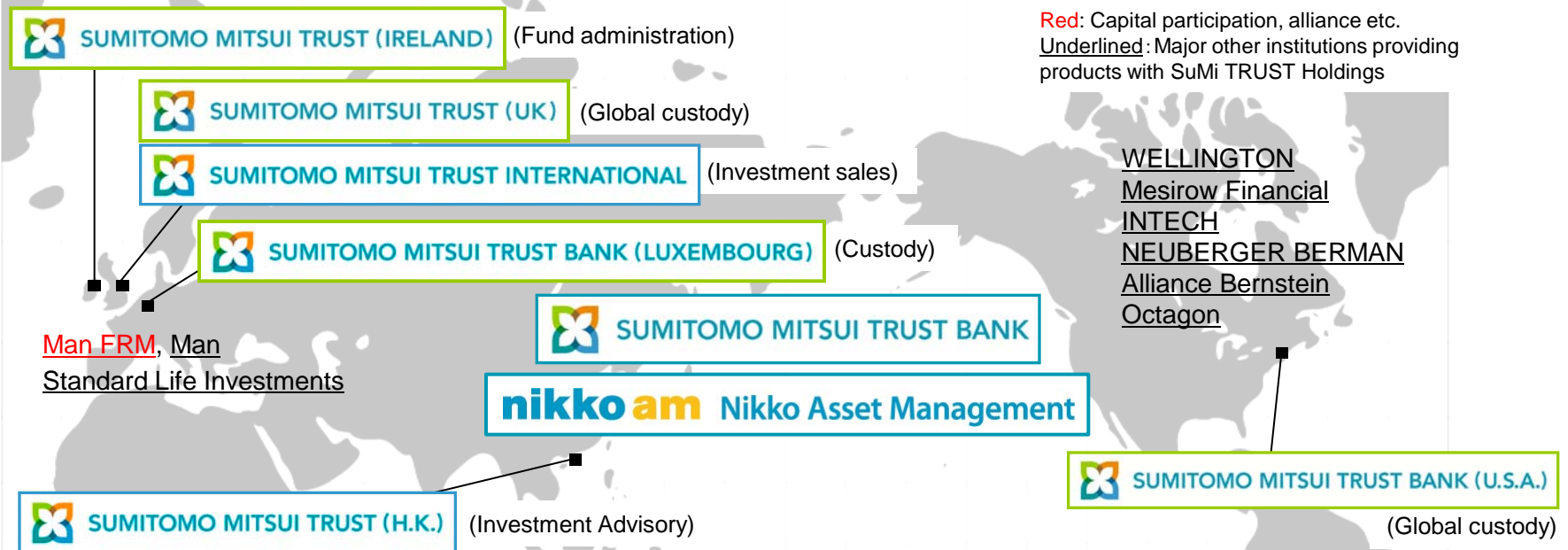
AUM of investment trust in Japan



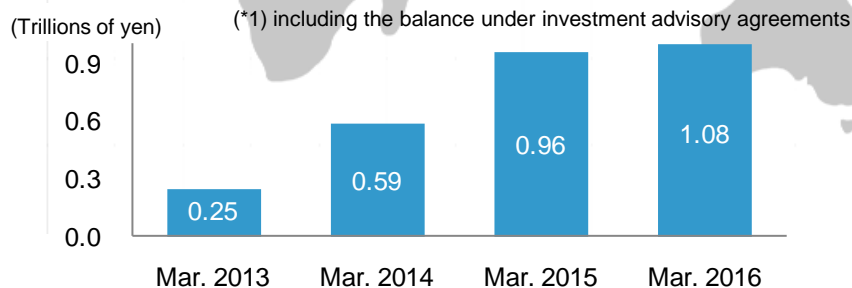
Focus on growing fee businesses : (2) Fiduciary services

▶ Expand client base and accelerate globalization of Fiduciary services such as asset management, custody and administration entrusted from overseas investors, by enhancing product development and distribution capability of our group network and collaboration with other financial institutions

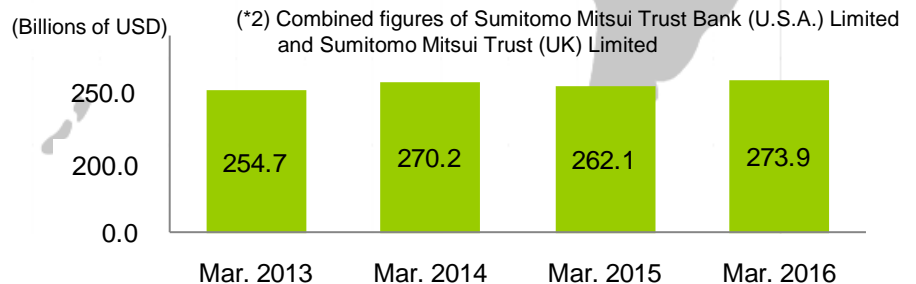
Expansion of Fiduciary services in global market



AUM entrusted from overseas investors (SuMi TRUST Bank) (*1)



Assets in global custody (*2)



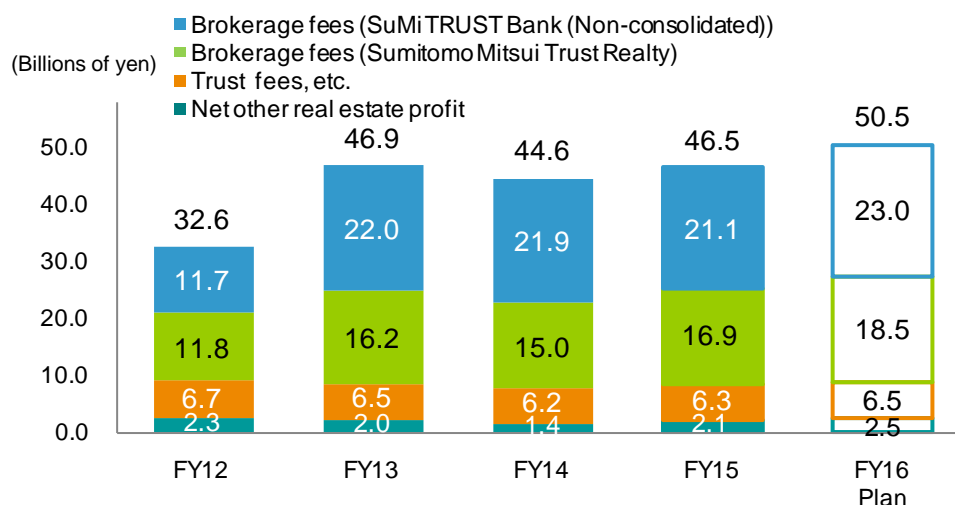
Focus on growing fee businesses : (3) Real estate

- ▶ Anticipation of continuous price rise led to sellers adopting a wait-and-see stance, real estate brokerage fees from corporate clients (SuMi TRUST Bank) declined slightly, but real estate brokerage fees from retail clients (Sumitomo Mitsui Trust Realty) grew steadily, allowing group earnings to be in line with the previous year
- ▶ Combined with revenue increase from property asset management, the group overall profit grew by ¥1.8bn from the previous year to ¥46.5bn

Income (Group basis)

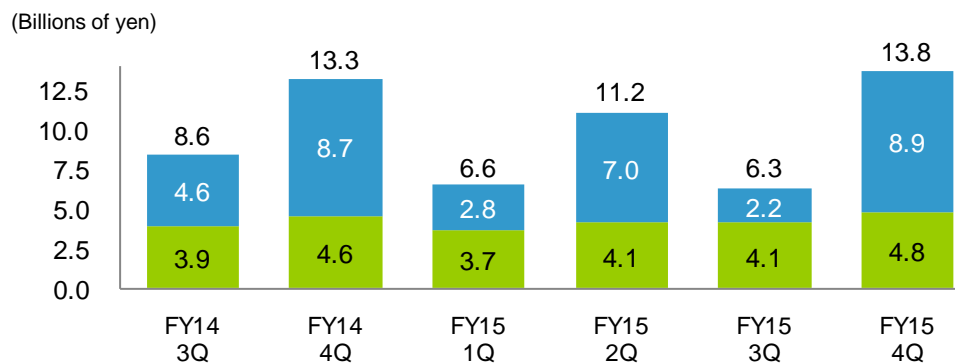
| (Billions of yen) | FY2015 | | FY2016 Plan |
|------------------------------|--------|---------------------|-------------|
| | | Change from FY 2014 | |
| Real estate brokerage fees | 38.0 | 1.1 | 41.5 |
| SuMi TRUST Bank | 21.1 | (0.8) | 23.0 |
| Sumitomo Mitsui Trust Realty | 16.9 | 1.9 | 18.5 |
| Real estate trust fees, etc. | 6.3 | 0.0 | 6.5 |
| Net other real estate profit | 2.1 | 0.6 | 2.5 |
| SuMi TRUST Bank | 0.2 | 0.3 | 0.5 |
| Group companies | 1.8 | 0.3 | 2.0 |
| Total | 46.5 | 1.8 | 50.5 |
| SuMi TRUST Bank | 27.6 | (0.4) | 30.0 |

Income



Assets under management / administration

| (Billions of yen) | Mar. 2016 | | Change from Mar. 2015 |
|-----------------------------------|-----------|---------|-----------------------|
| | | | |
| Securitized real estate | 13,148.6 | 1,243.5 | |
| Assets under custody from J-REITs | 10,645.2 | 1,851.4 | |
| Assets under management | 839.6 | (1.6) | |
| Private placement funds | 436.5 | (11.3) | |
| J-REITs | 403.0 | 9.6 | |



Focus on growing fee businesses : (3) Real estate - Commercial properties -

Operating environment

- ▶ Vacancy rates falling and rent levels are still rising in central business districts
- ▶ Demand from J-REITs and property funds is still strong
- ▶ Property divestment by corporations are decreasing as their financial performance improve. This decrease together with continuing price rise is causing transaction numbers to fall

Initiatives for FY2016

Strengthen marketing to med-sized corporations

<Establish comprehensive marketing model>

Provide an integrated marketing service combining real estate brokerage, leasing arrangement and property management to source new deals

<Establish new specialist unit>

New department to cover mid-sized corporations to be spun-off, to strengthen marketing effort to these clients

Efficient deal development

<Cross-departmental information sharing>

Cross-departmental organization to manage information by property type, to achieve efficient client matching by matrix mapping to client segment

Strengthen marketing to overseas clients

< Strive to become a partner institution for Japanese real estate investment>

Offer total solution package including brokerage, asset management, custody and consulting

Real estate services unique to SuMi TRUST

Sales and Brokerage

Brokerage,
Leasing arrangement,
Consulting,
Securitization structuring

Financing

Non recourse loans,
Financing for REITs,
Property secured business loans

Comprehensive solution provider for all clients' needs regarding real estate

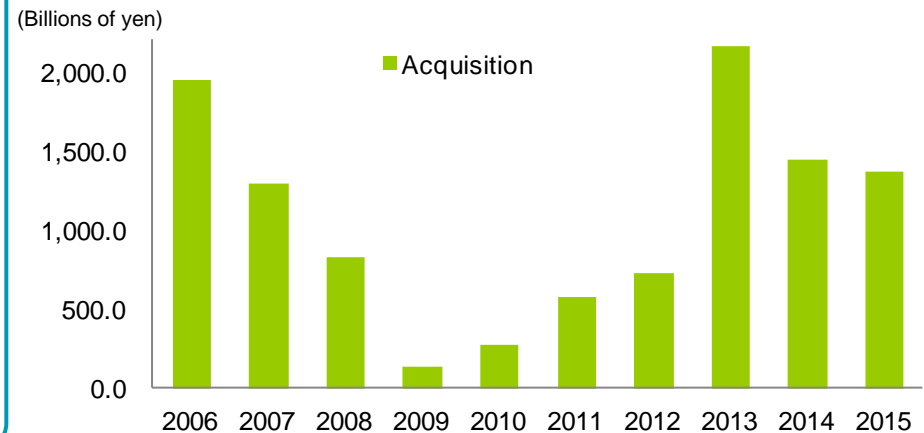
Administration / Research

Securitization trust,
REIT property management,
Appraisal,
Real estate market analysis

Investment management

Private property fund management,
Listed REIT management,
Investment advisory
Global real estate

Property acquisitions by J-REITs



[Source] The Association for Real Estate Securitization (ARES)

Focus on growing fee businesses : (3) Real estate - Residential properties -

Operating environment

- ▶ Demand for secondhand properties is firm
- ▶ Real estate transactions for inheritance tax management are still popular
- ▶ Demand from overseas high net worth investors is brisk

Initiatives for FY2016

Strengthen marketing capability

Expand high value property transactions

Merge brokerage and consulting head office functions in Tokyo and Kinki-region respectively, to facilitate information sharing to source high value / business property transactions

Enhance collaboration

Co-work and share information with our private banking department and real estate departments to enhance sourcing and closing of large transactions

Strengthen collaboration with partners

Marketing effort through partners

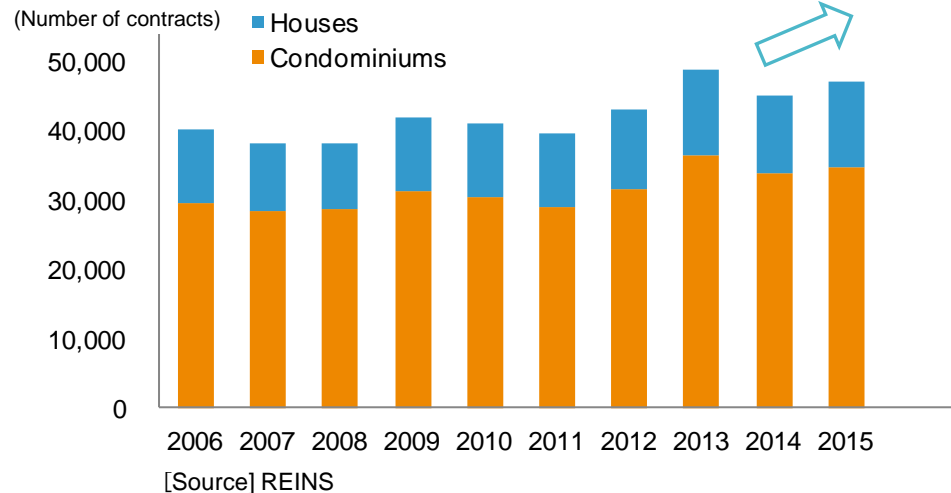
Co-work closely with developers and housing builders, forge new alliances to cultivate new business

Attract overseas investors

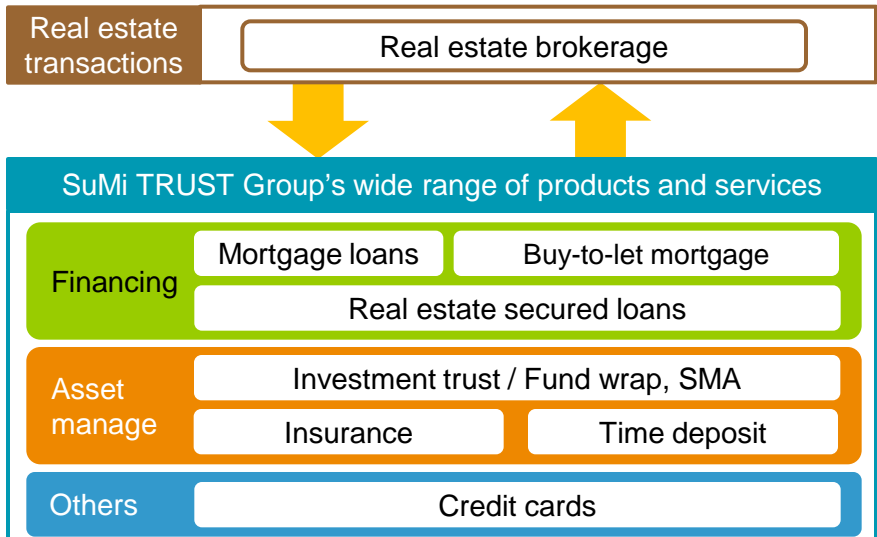
Strengthen marketing to overseas investors

Clients introduction from alliance institutions to increase transaction opportunities
Steadily capture Japanese real estate investment needs

Secondary market in metropolitan area

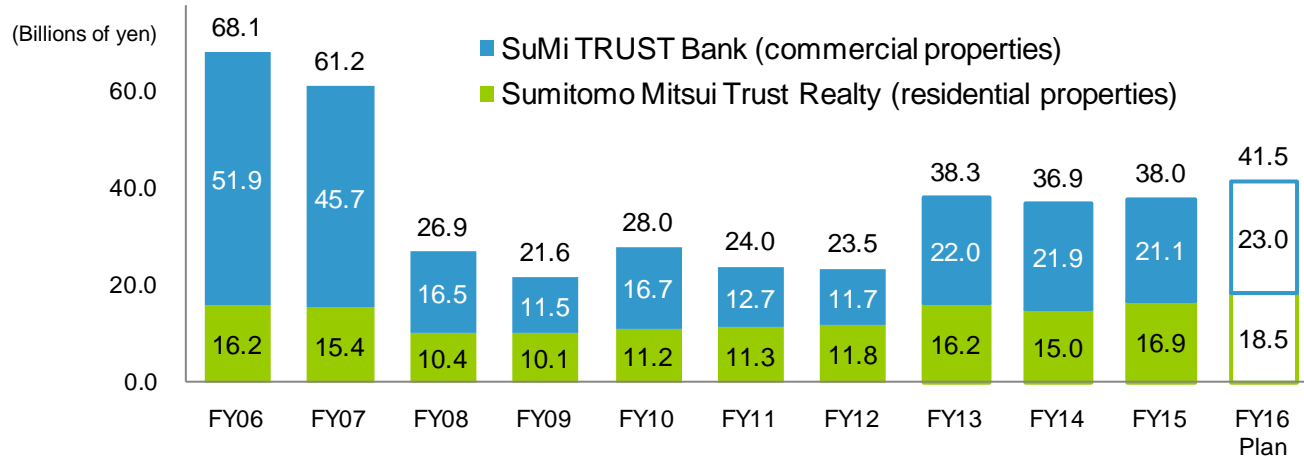


Cross selling using real estate transaction as a starting point

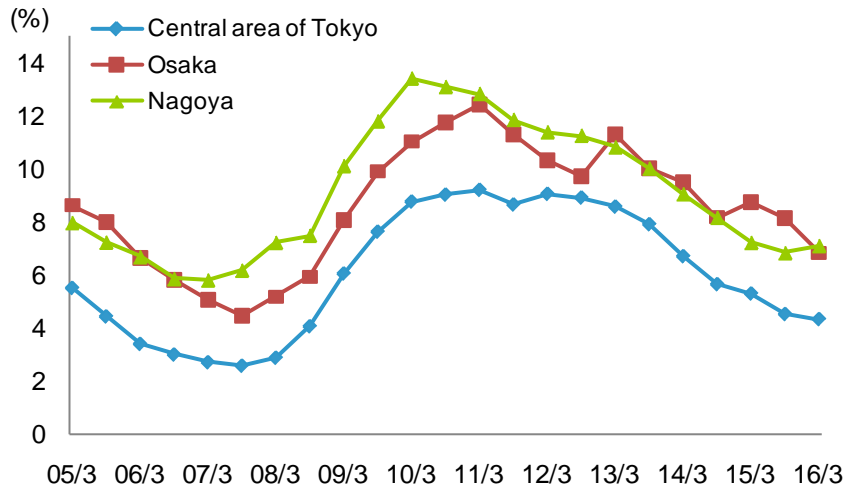


Focus on growing fee businesses : (3) Real estate

Real estate brokerage fees

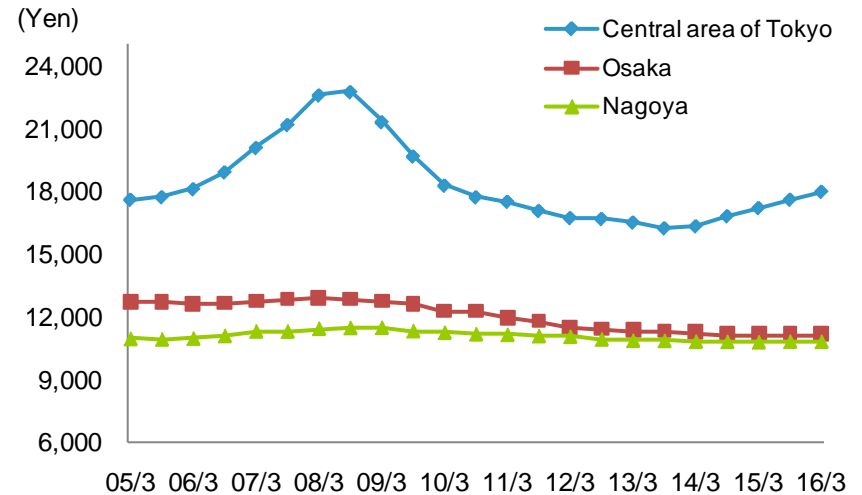


Average Vacancy Rates (Office market)



[Source] Miki Shoji

Average Rent (Office market)



[Source] Miki Shoji

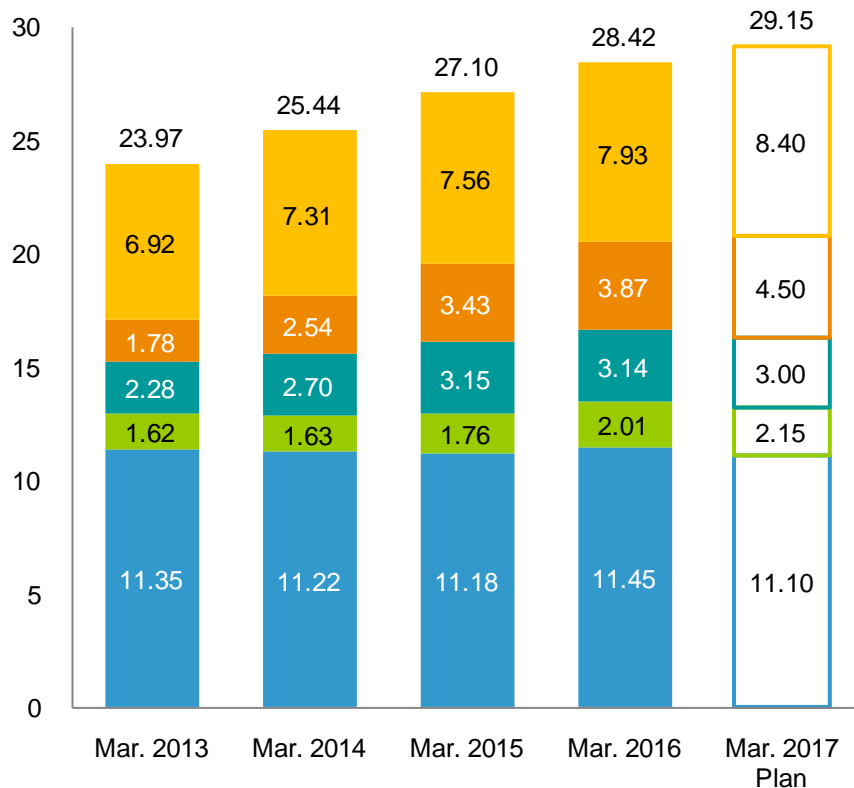
Enhancement of fundamental earning power: Credit portfolio

- ▶ Balance of credit portfolio: UP ¥1.32tr from Mar. 2015 to ¥28.42tr due primarily to increase in credit to non-Japanese borrowers and loans to individuals
- ▶ Focus on overseas credit and loans to individuals expecting steady cash demands as well as fields where we have expertise
- ▶ To enhance portfolio profitability, strengthen transaction sourcing and portfolio rebalancing

Credit portfolio

- Loans to individuals
- Overseas Japanese borrowers
- Large corporations, etc.
- Non-Japanese borrowers
- Real estate NRL, etc.

(Trillions of yen)



Note: Overseas real estate NRL, etc. is included in non-Japanese borrowers

Loans to individuals

- ▶ Increase loans by offering competitive loan rates available through efficient sales structure and low credit costs, in addition to expansion of loan products

Non-Japanese borrowers

- ▶ Be vigilant about slowdown of Chinese economy, increase loans with risk profile of the area/ term in mind
- ▶ Expand types of transactions
- ▶ Utilize expertise cultivated in domestic market
- ▶ Expand sourcing with/ through major foreign banks

Overseas Japanese borrowers

- ▶ Project finances and shipping finances
- ▶ Enhance client base by office expansion in Asia
- ▶ Utilize functions of DBSI/BIDV/Reliance

Real estate NRL, etc.

- ▶ Selectively increase transactions with foreign entities/funds who are gaining presence in Japan
- ▶ Expand REIT transactions under a favorable REIT market

Large corporations, etc.

- ▶ Borrowing demand of domestic corporations are still slow
- ▶ Steadily capture loan demand in M&A transactions etc.

Enhancement of fundamental earning power: Overseas credit

Current market condition

- ▶ Due to uncertain world economic outlook, credit spread of high grade/low risk assets have been tightening
- ▶ Increase of foreign currency funding cost due to rise in US interest rates
- ▶ Serious difficulty in asset deployment due to continued financial easing



Bank's strategy

- ▶ Continue portfolio rebalancing toward higher yielding assets such as asset finance and non-Japanese credit
- ▶ Credit risk management through emphasis on improved security measures and liquidity
- ▶ Enhance sourcing capability with investors' needs in mind, convert some part of assets into investment products

Balance of credit to non-Japanese / overseas Japanese borrowers

| (Billions of yen) | Mar. 2015 | Mar. 2016 | | Mar. 2017 Plan |
|-----------------------------|-----------|-----------|--------|-------------------|
| | | | Change | |
| Non-Japanese borrowers | 3,436.3 | 3,877.8 | 441.5 | 4,500.0 |
| Loans | 2,924.7 | 3,461.4 | 536.6 | |
| Overseas Japanese borrowers | 3,151.5 | 3,146.1 | (5.3) | 3,000.0 |
| Loans | 2,979.6 | 3,035.7 | 56.1 | |
| Total | 6,587.8 | 7,024.0 | 436.1 | 7,500.0 |
| Loans | 5,904.3 | 6,497.1 | 592.7 | |
| USD/JPY | 120.18 | 112.63 | (7.55) | |

Note: In addition to the above, there are acceptance and guarantee, etc.
Mar. 2016: ¥20.2bn [¥(14.8)bn from Mar. 2015]

Mar.2016
Actual

Overseas credit: 7.0tr yen

[Non-Japanese: 3.8tr yen, Overseas Japanese: 3.1tr yen]

- + Expand asset finance product category
- + Expand bilateral credit to non-Japanese borrowers
- + Strengthen product related financing for overseas Japanese credit
- Sell down to outside investors
- Maturities, repayments

Mar. 2017
Plan

Overseas credit: 7.5tr yen

[Non-Japanese: 4.5tr yen, Overseas Japanese: 3.0tr yen]

Replace credit portfolio toward more profitable assets and increase balance by ¥500bn to improve profitability of credit portfolio

Initiatives to strengthen and rebalance our portfolio

Further strengthen our sourcing capability utilizing relationship with major OECD banks, functions and networks of prominent local financial institutions under alliance

Joint investment in
Ship, Aircraft finance

Overseas real estate
NRL

Expansion of overseas
non-bank business

Solution for both our bank's rebalancing and clients' needs for investment assets
→ To create investment assets

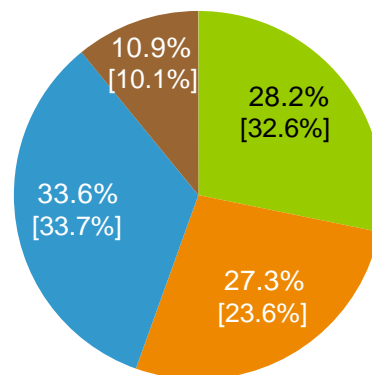
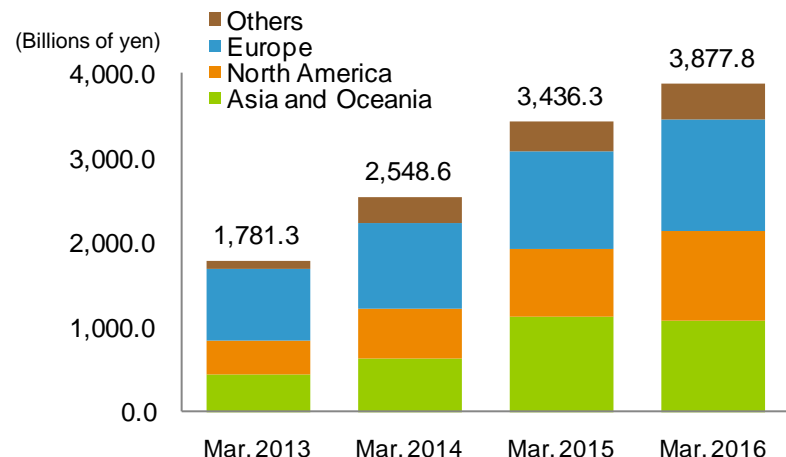
Asset quality of Non-Japanese borrowers

Balance and Breakdown by location (*)

<Balance>

<Location (As of Mar. 2016)>

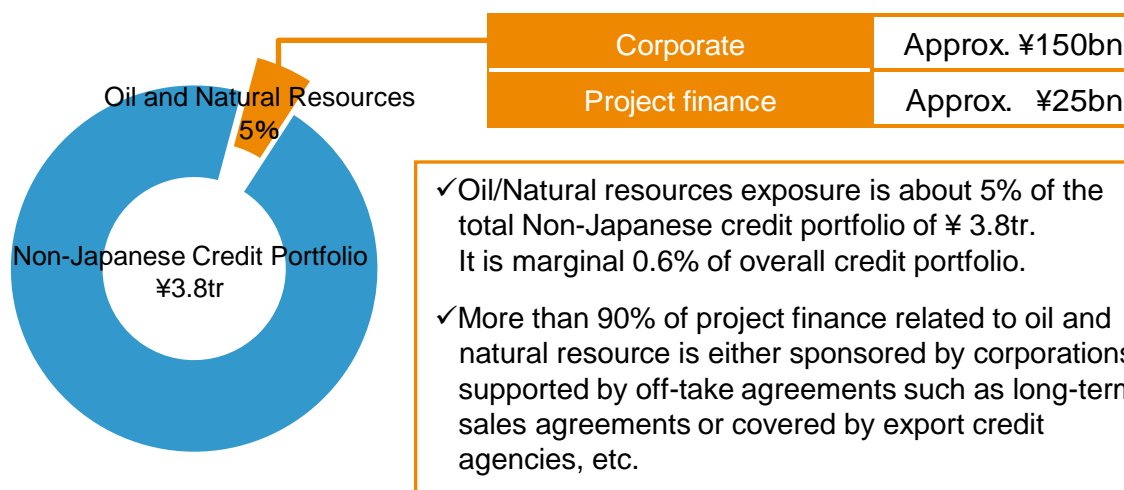
(Billions of yen)



*Figures “[]” are as of Mar. 2015

| (Billions of yen) | | |
|-------------------|-----------------|-------|
| Asia-Oceania | Korea | 188.8 |
| | China | 163.5 |
| | Hong Kong | 160.3 |
| | Australia | 155.9 |
| | Singapore | 111.3 |
| North America | U.S.A. | 993.6 |
| Europe | United Kingdom | 474.0 |
| | France | 280.4 |
| | Switzerland | 163.3 |
| | The Netherlands | 135.5 |
| | Germany | 127.0 |

Exposure to Oil and Natural Resources



Exposure to Russia and GIIPS (*)

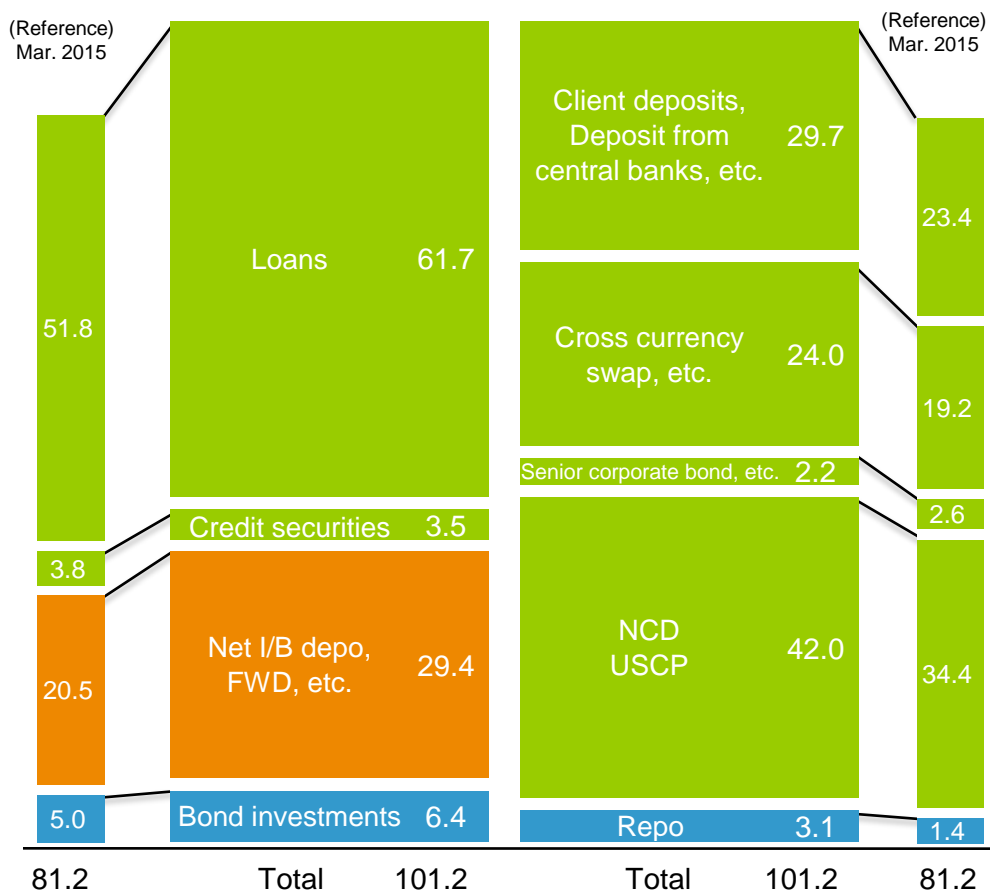
| | |
|----------|----------------|
| Russia | None |
| Greece | None |
| Ireland | Approx. ¥5.2bn |
| Italy | Approx. ¥6.7bn |
| Portugal | None |
| Spain | Approx. ¥6.4bn |

*By location of the final exposure

Enhancement of fundamental earning power: Foreign currency liquidity

- ▶ Stable and cost efficient foreign currency funding structure in place through funding from cross currency swaps (“CCS”) and low cost funding from central banks, USCP, NCD, etc
- ▶ Net position in inter-bank transactions has more than USD30.0bn of excess cash for investment resulting from surplus in short term funding

Foreign currency B/S (as of Mar. 2016) (Billions of USD)



- Secure stable funding structure by CCS and issuance of corporate bonds, etc
- Increase client deposits from corporations, retail clients and central banks
- Increase funding from asset management companies
- Utilize low cost funding such as NCD, USCP, etc



Expand foreign currency balance sheet primarily through mid-long term stable funding by diversifying counterparties and utilizing diversified funding methods while maintaining balance between liquidity risk and funding cost

<New funding method to diversify funding source>

- A covered bond program was established in October 2015. Inaugural USD covered bond (5years, USD500Mil) was issued in November 2015

Enhancement of fundamental earning power: Loans to individuals

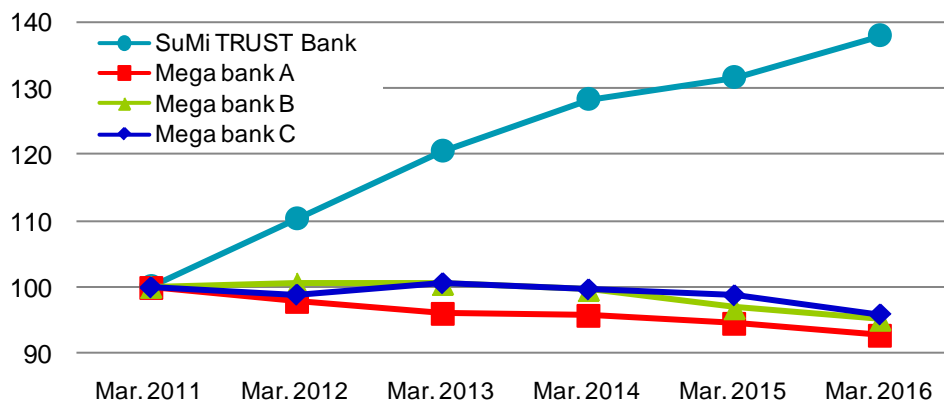
- ▶ Newly originated personal loans (non-consolidated) increased by ¥150bn YoY to ¥1,085.8bn, due to robust demand after implementation of negative interest rate policy at SuMi TRUST Bank and Sumishin SBI Net Bank, our agent bank.
- ▶ Outstanding balance of personal loans (non-consolidated) increased by ¥367.9bn YoY to ¥7,932.1bn, due to robust origination maintaining an increasing trajectory

Advanced amount and balance (Non-consolidated)

| (Billions of yen) | FY2014 | FY2015 | Change | FY2016 Plan |
|----------------------------|---|--------|--------|-------------|
| | Advanced amount of loans to individuals | 935.7 | | 1,085.8 |
| Residential mortgage loans | 832.1 | 987.4 | 155.3 | 1,070.0 |

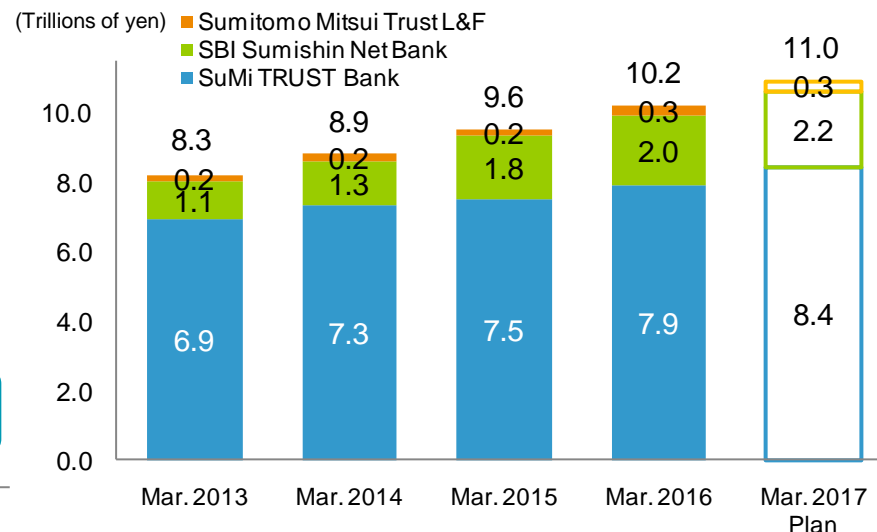
| (Billions of yen) | Mar. 2015 | Mar. 2016 | Change | Mar. 2017 Plan |
|----------------------------|---------------------------------|-----------|--------|----------------|
| | Balance of loans to individuals | 7,564.2 | | 7,932.1 |
| Residential mortgage loans | 7,076.2 | 7,422.1 | 345.9 | 7,850.0 |

Balance of residential mortgage loans (Non-consolidated) (Index : Mar. 2011=100)



[Source] Disclosure documents

Balance of loans to individuals



Sumitomo Mitsui Trust L&F

Targets different client profile from SuMi TRUST Bank, offering residential mortgages and property secured loans

SBI Sumishin Net Bank

Provides convenient loan products nationwide as an internet based lender

SuMi TRUST Bank

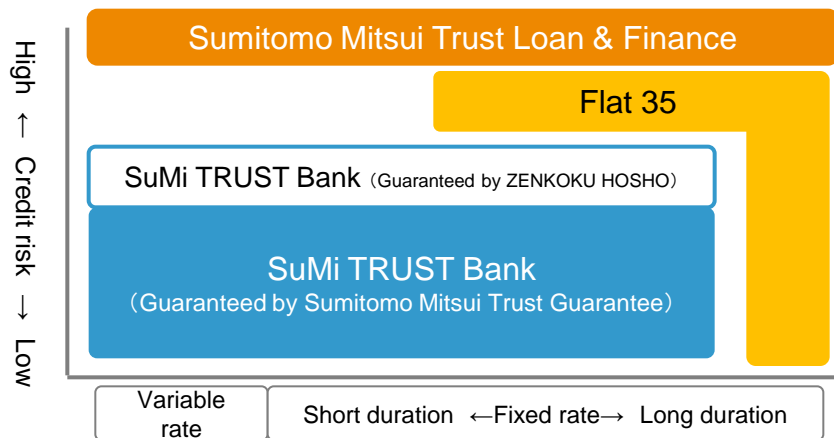
Provides residential mortgages to clients in major cities utilizing introduction from real estate agents

Enhancement of fundamental earning power: Loans to individuals

- ▶ Maintain strategy to acquire quality clients through efficient marketing structure and to offer competitive loan rate by keeping credit costs low
- ▶ Modify marketing structure to meet various mortgage requirements, cross-sell other financial products to improve profitability

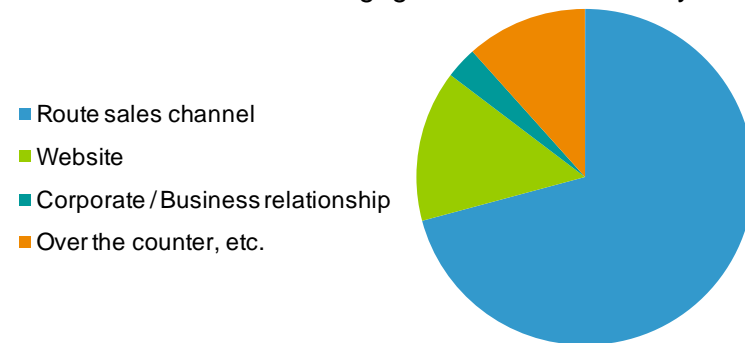
Strategy for each customer segment

Image of customer segment coverage in mortgage business



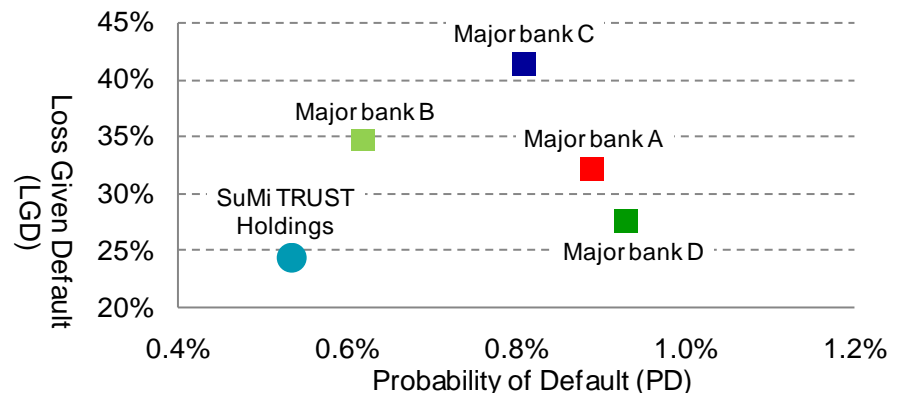
Efficient sales structure through route sales channel and website

[Residential mortgage loan transactions by channel]



Acquiring quality clients with low credit costs

[PD / LGD comparison of residential mortgage loan]



Initiatives to improve profitability and efficiency

Expand product lineup to strengthen sourcing of mortgages

- ▶ Cater to diversified financing needs such as combining mortgages for existing homes with renovation loans
- ▶ Expand products for the senior market such as reverse mortgages

Improve profitability from cross-selling

- ▶ Review workflow to create additional time for cross-selling
- ▶ Sales of investment products and insurance

[Source] Disclosure documents of Sep. 2015

Status of capital, financial and capital policies

Capital

- ▶ Common Equity Tier 1 capital ratio (Consolidated): UP 1.08 percentage points from Mar. 2015 to 11.36% driven by steady increase in capital and reduction of credit risk assets primarily due to reflection of effect of hedging strategic-shareholdings
- ▶ Common Equity Tier 1 capital ratio (Consolidated, Fully-loaded basis, pro forma): up 0.79 percentage points from Mar. 2015 to 11.68%

< Capital and total risk-weighted assets >
(International standard) (Consolidated)

| (Billions of yen) | Mar. 2015 | Mar. 2016 Preliminary | Change |
|------------------------------------|-----------|--------------------------|---------------|
| Total capital ratio | 15.57% | 16.75% | 1.18% |
| Tier 1 capital ratio | 11.45% | 13.36% | 1.91% |
| Common Equity Tier 1 capital ratio | 10.28% | 11.36% | 1.08% |
| Total capital | 2,938.2 | 3,026.7 | 88.4 |
| Tier 1 capital | 2,160.6 | 2,415.3 | 254.6 |
| Common Equity Tier 1 capital | 1,939.8 | 2,053.8 | 113.9 (1) |
| Instruments and reserves | 2,070.2 | 2,204.2 | 134.0 |
| Regulatory adjustments | (130.3) | (150.4) | (20.0) |
| Additional Tier 1 capital | 220.8 | 361.5 | 140.7 (2) |
| Tier 2 capital | 777.5 | 611.3 | (166.2) (3) |
| Total risk-weighted assets | 18,868.4 | 18,065.8 | (802.6) |
| Credit risk | 17,641.5 | 16,541.1 | (1,100.3) (4) |
| Market risk | 380.1 | 573.0 | 192.9 |
| Operational risk | 846.7 | 951.6 | 104.8 |
| Floor adjustment | - | - | - |

<Reference> Fully-loaded basis (pro forma)

| | | | |
|------------------------------------|----------|----------|---------|
| Common Equity Tier 1 capital ratio | 10.89% | 11.68% | 0.79% |
| Common Equity Tier 1 capital | 2,040.0 | 2,103.9 | 63.9 |
| Total risk-weighted assets | 18,727.1 | 18,012.7 | (714.3) |

* Fully-loaded basis: Calculation without considering transitional arrangements concerning "Regulatory adjustments."

< Major factors of change in capital >

- (1) Common Equity Tier 1 capital: +¥113.9bn
 - Net income: +¥166.9bn, Dividends and repurchase of own shares: ¥(59.9)bn
- (2) Additional Tier 1 capital: +¥140.7bn
 - Issuance of perpetual subordinated debt: +¥120.0bn
- (3) Tier 2 capital: ¥(166.2)bn
 - Subordinated debts: ¥(112.7)bn (Issuance ¥60.0bn, redemption etc. ¥(172.7)bn)

< Major factors of change in risk-weighted assets >

- (4) Credit risk: ¥(1.1)tr
 - Increase in lending to corporate, etc.: +¥0.9tr
 - Reflection of effect of hedging strategic-shareholdings: ¥(1.0)tr
 - Sophistication of calculation method for Real estate NRL: ¥(0.7)tr

| (Billions of yen) | Mar. 2016 Pro forma | Ratio to RWA | Chg. frm. Mar. 2015 |
|---|------------------------|-----------------|------------------------|
| Common Equity Tier 1 capital (CET1) | 2,103.9 | 11.68% | 63.9 |
| Instruments and reserves | 2,354.7 | 13.07% | (11.2) |
| Accumulated other comprehensive income (*1) | 410.1 | 2.27% | (119.4) |
| Regulatory adjustments | (250.7) | (1.39%) | 75.1 |

(*1) Valuation differences on Available-for-Sale Securities: ¥467.5bn

Capital: Compliance with Basel III (1)

- ▶ Prudent capital ratio achieved by accumulation of retained earnings and efficient control of risk-weighted assets
- ▶ Volatility risk to capital mitigated through steady reduction of strategic-shareholdings and hedging operations
- ▶ Leverage ratio of 4% maintained, SuMi TRUST Holdings has enough buffer to clear regulatory requirement
- ▶ Continue to evolve our managing structure to pursue optimal balance between liquidity risk and funding cost taking implementation of regulatory liquidity requirements into consideration

| | Regulatory requirement | Mar. 2016 |
|--|--|----------------------------|
| Capital ratio | <u>7.50% (*1)</u> Mar. 2013: Implemented Mar. 2019: to be fully-loaded | 11.68%(*2) |
| Leverage ratio | <u>3.0%</u> Mar. 2015: disclosure start Mar. 2018: to be implemented | 4.00% |
| Liquidity coverage ratio (LCR) | <u>Over 100%</u> Mar. 2015: implemented Mar. 2019: to be fully-loaded | 139.9% |
| Net stable funding ratio (NSFR) | <u>Over 100%</u> Mar. 2018: to be implemented | Over 100% [Pro forma] |

Leverage ratio (Consolidated)

| (Billions of yen) | Mar. 2016 Preliminary | Change from Mar. 2015 |
|---|-----------------------|-----------------------|
| Leverage ratio | 4.00% | (0.52%) |
| Tier 1 capital | 2,415.3 | 254.6 |
| Total on balance sheet assets and total leverage ratio exposure | 60,382.8 | 12,602.0 |
| On balance sheet items | 55,496.2 | 12,120.2 |
| Derivative financial instruments | 1,644.4 | 174.4 |
| Securities financing transactions (repos, etc.) | 475.1 | (4.5) |
| Other off-balance sheet exposures | 2,767.0 | 311.9 |

Due to implementation of NIRP, surplus funds of trust account was diverted to our banking account, which in turn caused current account balances with BoJ to increase, resulting in substantial increase of total exposure amount

Liquidity coverage ratio (Consolidated)

| (Billions of yen) | Mar. 2016 Preliminary | Change from Mar. 2015 |
|----------------------------------|-----------------------|-----------------------|
| Liquidity coverage ratio (*) | 139.9% | (19.1%) |
| Total high-quality liquid assets | 17,685.3 | 6,187.0 |
| Net cash outflows | 13,099.8 | 5,826.3 |

(*) Average of month end figures in 4QFY2015. "Change from Mar. 2015" represents the comparison to the figure for 1QFY2015 calculated in the same manner.

(*1) Common Equity Tier 1 ratio + Regulatory requirement of Capital conservation buffer (*2) Pro forma of Common Equity Tier 1 ratio (fully-loaded basis)

Capital: Compliance with Basel III (2)

- ▶ Relatively low regulatory hurdles as a Non G-SIB
- ▶ Strategy to comply with regulations as a D-SIB, conscious of our soundness as a trust bank
- ▶ The Basel Committee on Banking Supervision has been continuing discussions on capital regulation changes, some of which could have substantial impact on computation of capital adequacy ratios. We shall monitor progress of discussions and its developments, and strive to optimize our management of capital

Main differences between G-SIB and D-SIB

【Capital surcharge】

SIBs are required to hold additional capital

SuMi TRUST Holdings : 0.5%

G-SIBs: 1.0%~2.5% (MUFG 1.5%, SMFG・Mizuho FG 1.0%)

【TLAC】

G-SIBs are required to have TLAC, which is a buffer to absorb large unexpected losses

SuMi TRUST Holdings: Not required

G-SIBs: required to issue TLAC eligible bonds

Current status of capital adequacy calculation review such as risk asset calculation

| Main discussion points | Summary | Status |
|--|--|---|
| 【Credit Risk】 Reassessment of internal model approach | To remove or restrict the option to use the A(Advanced)-IRB and/or F(Foundation)-IRB approaches for certain exposures | March 2016 Consultative document published →To be finalized by end of 2016 |
| 【Credit Risk】 Review of standardized approach | To restrict the use of external credit ratings for certain class of exposures and determine risk weighting based on risk drivers specified for the risk category | December 2015 2nd Consultative document published →To be finalized by end of 2016 |
| 【Operational Risk】 Review of standardized approach | To streamline estimation methodology Advanced Measurement Approach (AMA) to be abolished and replaced with a simpler Standardized Measurement Approach (SMA) | March 2016 2nd Consultative document published →To be finalized by end of 2016 |
| 【Market Risk】 Fundamental overhaul of market risk framework | Revised boundary between the trading book and banking book Revised internal/standardized models approach for market risk | January 2016 Final document published →To be applied from 2019 |
| 【Overall】 Introduction of capital floors | Capital floors based on standardized approaches independent of each bank's internal rating model (Current Transitional Floor to capital floor designed as a minimum floor) | December 2014 Consultative document published →Proposal expected around end of 2016 based on standardized approaches for each risk category |

*This slide is based on publicly available information as of March 2016

Financial and capital policies

Basic approach to financial and capital policies

Aim to maximize shareholder interests through basic approach of ensuring adequate capital (in terms of both quality and quantity), enhancing sound financial foundation, and pursuing enhanced capital efficiency

Capital targets

<Initial target>
Common Equity Tier 1 capital ratio: approximately 10%

Policy on reduction of Strategic-shareholdings

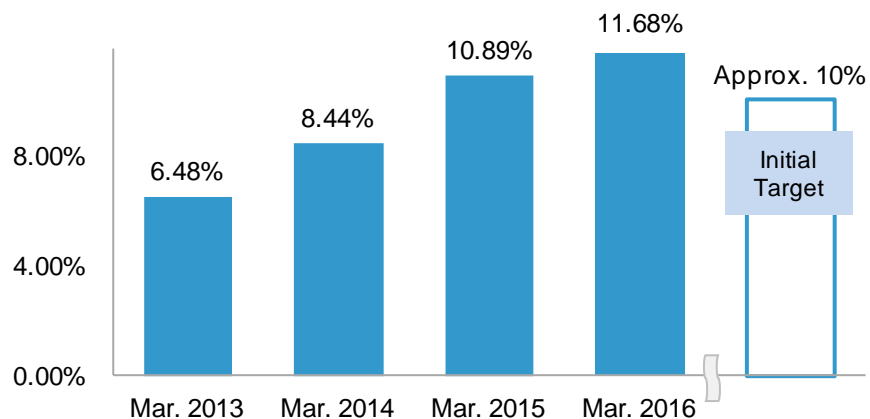
Commencing from FY2016, SuMi TRUST Holdings shall aim to be on track to reduce the ratio of strategic-shareholdings to Common Equity Tier 1 capital (excluding Valuation differences on available-for-sale securities) by 50% in approximately 5 years
Also, to prudently manage volatility risk of market value through hedging operations

Policy on shareholder return

SuMi TRUST Holdings shall share its profits with shareholders in accordance with its profit level in each fiscal year, aiming to maintain the consolidated dividend payout ratio on common shares of approximately 30%. SuMi TRUST Holdings may also repurchase its own shares by considering the balance with profit growth opportunities, and the effect of the repurchase on the improvement of capital efficiency. Through the measures above, SuMi TRUST Holdings shall aim to enhance medium-term shareholder returns

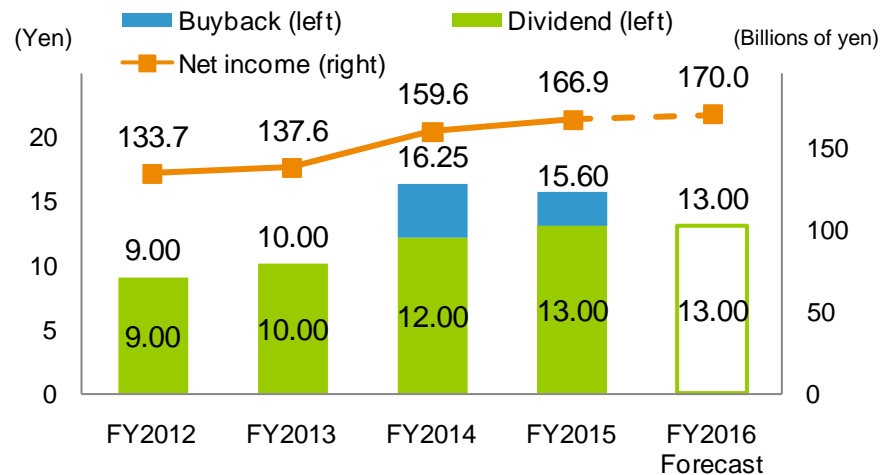
Financial and capital policies: Major indicators

Common Equity Tier 1 capital ratio (Fully-loaded basis)

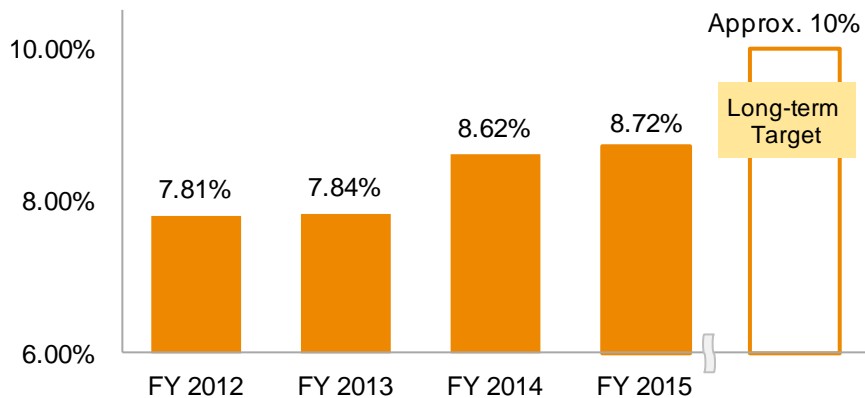


Target : 10% level

Net income attributable to owners of the parent and shareholder return per share (*1, *2)

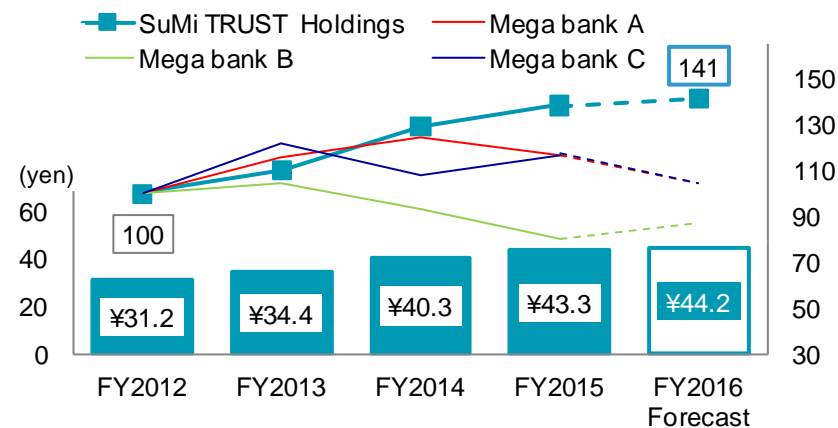


Return on shareholders' equity



Pursue capital efficiency

Earnings per share (EPS) (Index : FY12=100) (*3)



(*1) Exclude repurchase of own shares (¥199.5bn) due to repayment of public funds in FY2012

(*2) Shareholder return per share in repurchase of own shares is based on following formula:
 (Total amount of repurchase) / (total number of shares in issue (excluding treasury stock) as of fiscal year end)

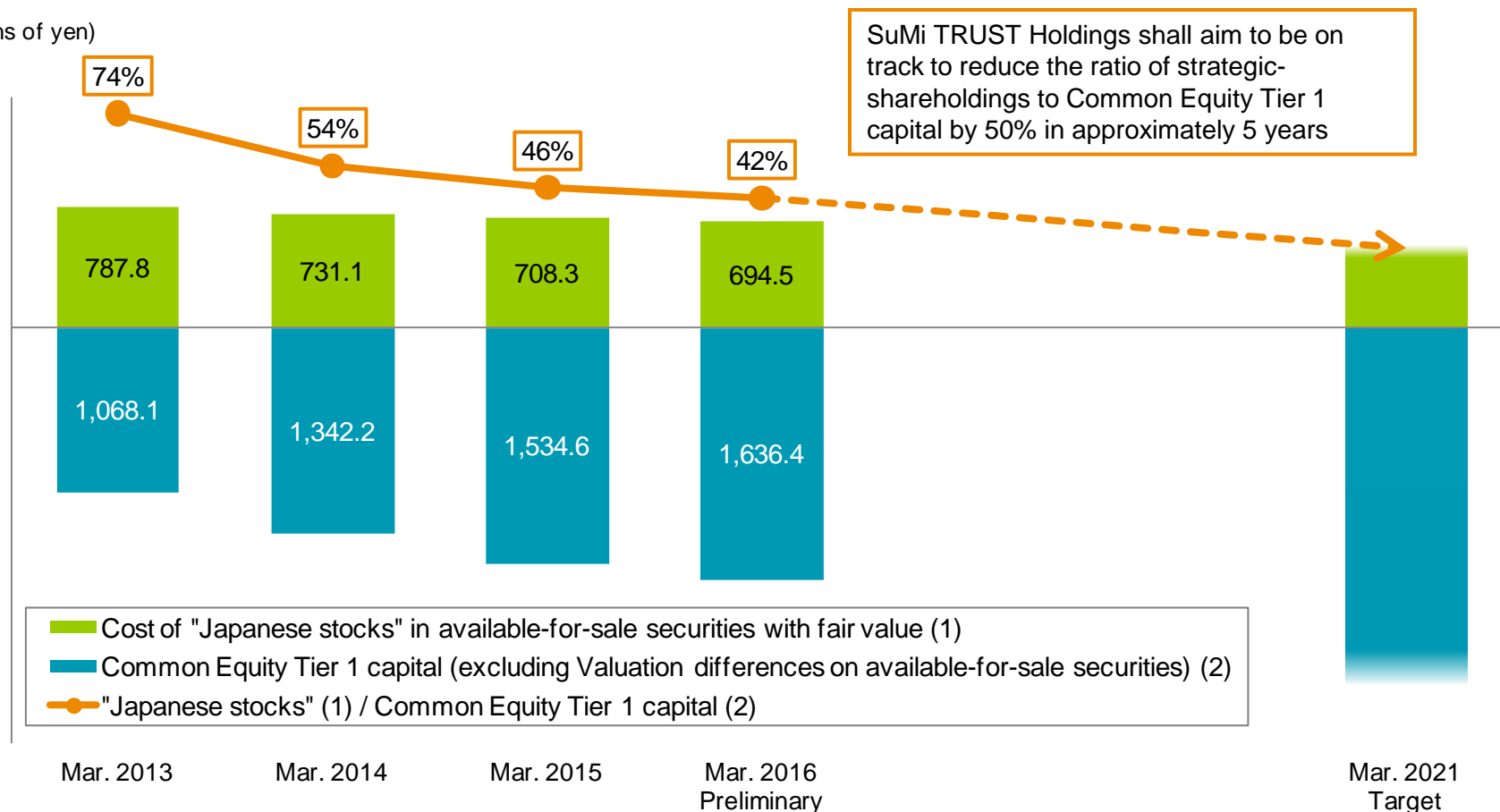
(*3) Forecasts for FY2016 is calculated from disclosed figures as of May 16, 2016

Reduction of Strategic-shareholdings

New Reduction Plan

- ▶ Regarding strategic-shareholdings, continue to reduce risk exposure swiftly, while assessing impact to the trust bank's business model of forging a long term relationship with its corporate clients
- ▶ Reduction plan from FY2016: SuMi TRUST Holdings shall aim to be on track to reduce the ratio of strategic-shareholdings to Common Equity Tier 1 capital (excl. Valuation difference on available-for-sale securities) by 50% in approx. 5 years

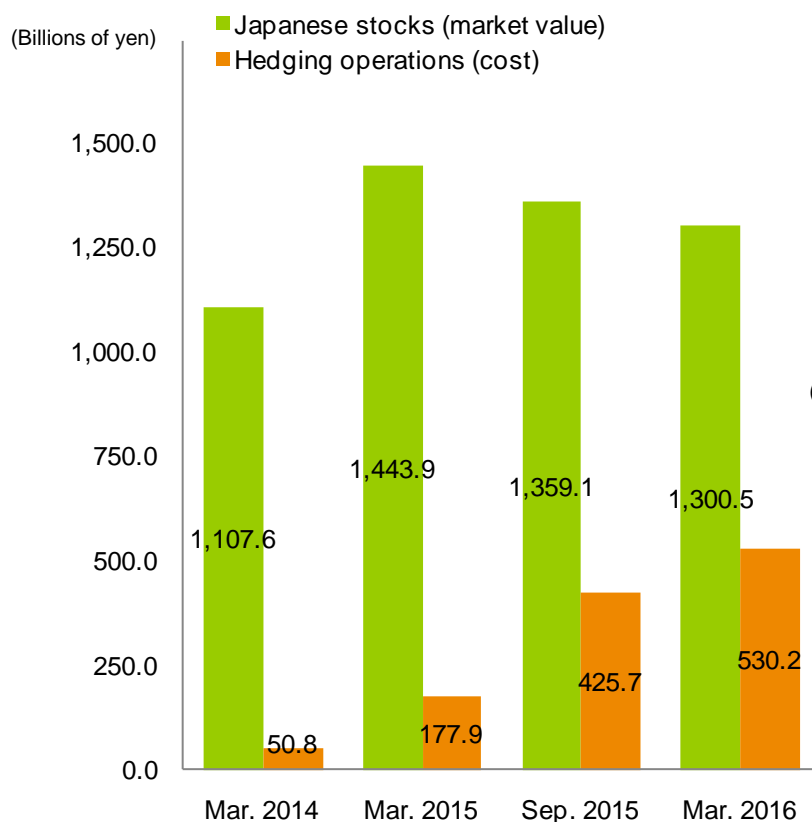
(Billions of yen)



Hedging Volatility risk of Strategic-shareholdings

- ▶ Regarding strategic-shareholdings, in addition to divestments, hedge transactions have been implemented to reduce price volatility risk of stock holdings
- ▶ Hedging strategy became fully operational after 2HFY2014, and the hedge was substantially increased throughout FY2015
- ▶ Unrealized gains of stock holdings is economically hedged, and impact on net assets is mitigated

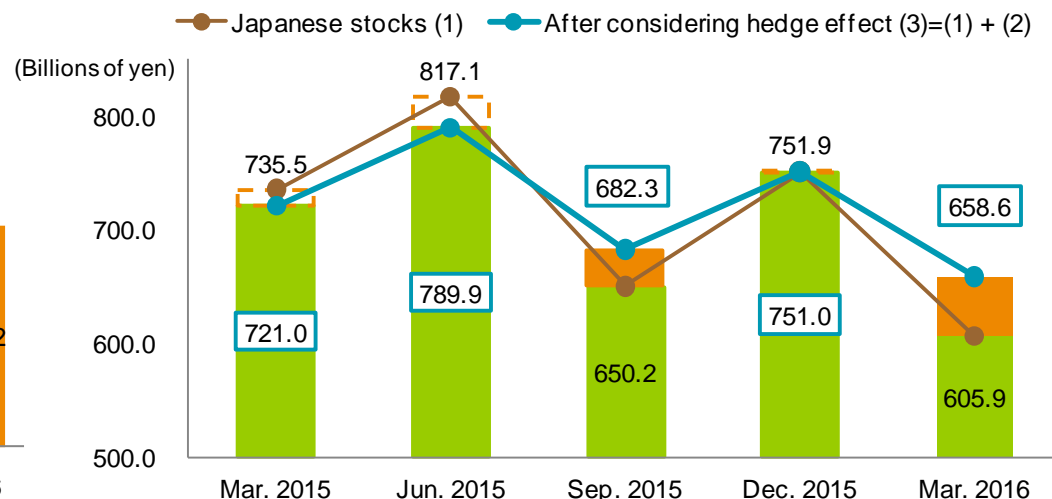
Stock volume and hedging operation (Consolidated)



Unrealized gains/losses of stocks and hedging operations (Consolidated)

| | (Billions of yen) | Mar. 2015 | Change of fair value | | | | Mar. 2016 |
|--------------------|-------------------|-----------|----------------------|---------|--------|---------|-----------|
| | | | 1Q | 2Q | 3Q | 4Q | |
| Japanese stocks | (1) | 735.5 | 81.5 | (166.9) | 101.7 | (146.0) | 605.9 |
| Hedging operations | (2) | (14.5) | (12.6) | 59.3 | (33.0) | 53.6 | 52.7 |
| Total | (3) | 721.0 | 68.9 | (107.5) | 68.6 | (92.3) | 658.6 |

Hedging operation has reduced stock price volatility



Policy on Strategic-shareholdings

Policy on Strategic-shareholdings

SuMi TRUST Group shall not acquire and hold the shares, etc. of its business counterparty, except in the case where it is deemed that such acquisition and holding will contribute to medium- to long-term enhancement of corporate value of SuMi TRUST Group, from the perspective of, among other things, establishing a stable transactional relationship over the long-term, business alliance, or facilitating or reinforcing collaborative business development with the business counterparty, in principle.

Verification of holding rationale

- ▶ Calculate ratio of profit derived from business counterparty (*1) to required capital (*2), and compare its performance against our target-return
- ▶ Take into consideration future benefit from business counterparty

Semi annual reporting to the Board

(*1) Dividends, loan interest and fees received, costs (administrative expenses, credit costs and tax, etc.) taken into consideration

(*2) Credit risk and share price volatility risk etc. taken into consideration

Repurchase of own shares

- ▶ Resolved to repurchase own shares in order to improve shareholder return as well as capital efficiency

Overview of repurchase

| | |
|--|---|
| Class of shares to be repurchased | Common stock of SuMi TRUST Holdings |
| Total number of shares to be repurchased | Up to 20,000,000 shares Percentage to the total number of shares in issue (excluding treasury stock): 0.52 % |
| Total amount of repurchase | Up to JPY 8,000,000,000 |
| Repurchase period | From May 13, 2016 to July 29, 2016 |

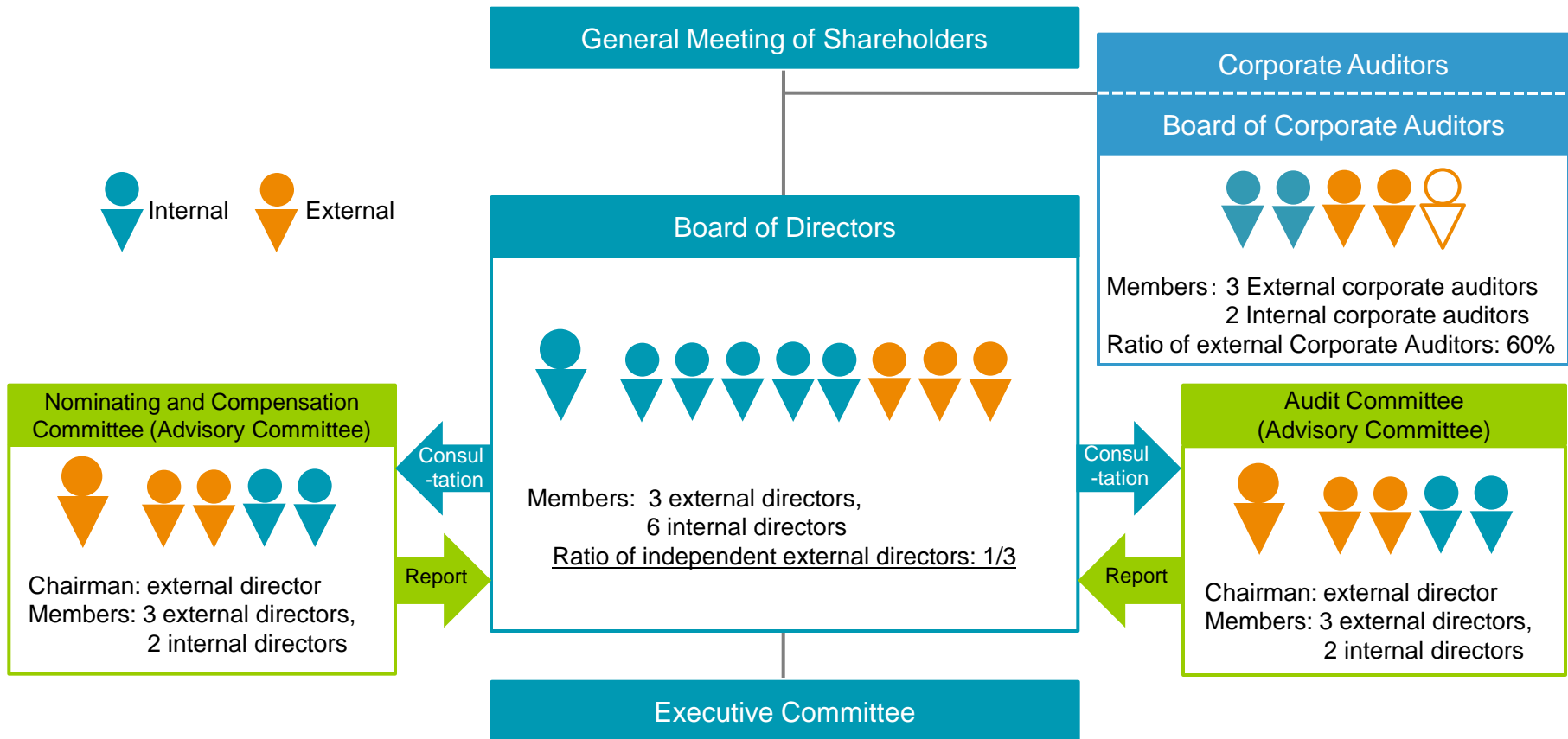
(Reference) Status of shares in issue and treasury stock as of April 30, 2016

| | |
|--|------------------------|
| Total number of shares in issue (excluding treasury stock) | : 3,845,489,208 shares |
| Number of treasury stock | : 57,997,200 shares |

(Reference) Corporate governance

Corporate governance structure of SuMi TRUST Group

- ▶ From June 2013, two external directors have been appointed, another external director was appointed in June 2015, bringing the total to three external directors. The ratio of external directors is currently 1/3
- ▶ Nominating and Compensation Committee and Audit Committee are Advisory Committees to the Board of Directors. Majority of both committee members are external directors as well as both Chairmen
- ▶ SuMi TRUST Holdings plans to appoint an additional external corporate auditor to the Board of Corporate Auditors after the general meeting of shareholders in June 2016, bringing the total to three external members. After this appointment, the ratio of external corporate auditors on the Board of Corporate Auditors to become 60%.



Note: The structure above is subject to the resolution of general meeting of shareholders to be held in June 29, 2016

Reason for selecting as external director / external corporate auditor

External director (*1)

Mr. Soichi Shinohara (Chairman of the Audit Committee)

Being and economist specializing in international economics and macroeconomics, Mr. Shinohara has abundant knowledge and superior insight into both the domestic and foreign economy. SuMi TRUST Holdings has appointed him as an external director, in order to have him utilize such knowledge and insight in our management.

- ✓ Emeritus Professor of Doshisha University
- ✓ President of Kyoto Gakuen University

Mr. Takeshi Suzuki

Mr. Suzuki has abundant experience and broad insight as a management member of listed companies. SuMi TRUST Holdings has appointed him as an external director, by deeming that he is able to provide advice regarding our overall management.

- ✓ Ex-Senior Managing Director of Toyota Motor Corporation
- ✓ Ex-Chairman (Representative Director) of Aioi Nissay Dowa Insurance Co., Ltd.
- ✓ External Director of AICHI CORPORATION

Mr. Mikio Araki

(Chairman of the Nominating and Compensation Committee)

Mr. Araki has abundant experience as a businessperson and deep insight into financial affairs. SuMi TRUST Holdings has appointed him as an external director, by deeming him able to provide advice regarding our overall management.

- ✓ Ex-Deputy President (Representative Director) of Development Bank of Japan Inc.
- ✓ President of The Japan Economic Research Institute
- ✓ External Director of Kintetsu Group Holdings Co., Ltd.
- ✓ External Corporate Auditor of Japan Freight Railway Company

External corporate auditor (*2)

Mr. Tetsuya Yoshimoto

Mr. Yoshimoto has abundant experience and high ethics as a judge and SuMi TRUST Holdings has appointed him as an external corporate auditor, by deeming him able to provide his experience regarding our audit.

- ✓ Former Chief Justice, Takamatsu High Court

Mr. Shinichi Saito

Mr. Saito has extensive experience and knowledge of financial accounting, overseas operations, finance and corporate workouts. SuMi TRUST Holdings would like him to apply such experience and knowledge to our audit as an external corporate auditor.

- ✓ CEO of Japan Industrial Solutions Co., Ltd.

Mr. Takashi Yoshida (*3)

Mr. Yoshida has extensive experience and knowledge as a certified public accountant, SuMi TRUST Holdings plan to appoint him as an external corporate auditor of us.

- ✓ Certified Public Accountant
- ✓ Corporate Auditor of Nippon Seiro Co., Ltd.
- ✓ External Director, Corporate Auditor of Cosmos Initia Co., Ltd.

- (*1) Messrs. Shinohara, Suzuki and Araki are external directors as provided for in Article 2 paragraph 15 of the Companies Act.
- (*2) Messrs. Yoshimoto and Saito are external corporate auditor as provided for in Article 2, Paragraph 16 of the Companies Act.
- (*3) The appointment of Mr. Yoshida as external corporate auditor is subject to the resolution of general meeting of shareholders to be held in June 2016. He satisfies the requirements for external auditor set forth in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.

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