

# Overview of FY3/2015 performance

May 13, 2015

**Sumitomo Mitsui Financial Group, Inc.**

# FY3/2015 summary

- SMFG's net income was JPY 753.6 bn, mainly due to a good performance of International Banking Unit and Treasury Unit and low level of Total credit cost
- Showed steady results as the first year of the medium-term management plan
- Strengthening shareholder returns by increasing annual dividend by JPY 20 per share year-on-year

## Financial targets and progress of the medium-term management plan

		FY3/14	FY3/15	FY3/17 Targets
Growth	Growth rate of Consolidated gross profit	-	<b>+2.8%</b>	around +15%* <sup>1</sup>
	Consolidated ROE	13.8%	<b>11.2%</b>	around 10%
Profitability	Consolidated net income RORA	1.4%	<b>1.1%</b>	around 1%
	Consolidated overhead ratio	54.2%	<b>55.7%</b>	in the mid 50%
Soundness	Common Equity Tier 1 Capital Ratio* <sup>2</sup>	10.3%	<b>12.0%</b>	around 10%

## Per share information (SMFG consolidated)

(JPY)	FY3/15 results	YOY change	Change from Nov. targets	FY3/16 targets
<b>Net income</b>	551.18	(60.27)	+39.21	555.86
<b>Dividend</b>	140	+20	+10	150

	Mar. 31, 2015	Change from Mar. 31, 2014
<b>Net assets</b>	6,598.87	+1,275.00

## Credit ratings (SMBC)

Moody's	S&P	Fitch	R&I	JCR
A1/P-1	A+/A-1	A-/F1	AA-/a-1+	AA/J-1+

\*1 FY3/17 targeted consolidated gross profit increase in comparison with FY3/14 figure

\*2 Basel III fully-loaded basis. Based on the definition as of March 31, 2019

# FY3/2015 financial results and FY3/2016 earnings targets

## Income statement

		(JPY bn)	FY3/15	YOY change	1H	FY3/16 targets
SMFG consolidated	Consolidated gross profit	USD 24.8 bn <sup>*1</sup>	2,980.4	+82.2		
	Variance <sup>*2</sup>		1,346.1	+6.1		
	General and administrative expenses		(1,659.3)	(89.4)		
	Consolidated net business profit		1,310.5	(28.1)		
	Total credit cost		(7.8)	(56.9)		
	Ordinary profit	USD 11.0 bn <sup>*1</sup>	1,321.2	(111.2)	620	1,240
	Variance <sup>*2</sup>		365.2	(114.7)	230	500
	Net income <sup>*3</sup>	USD 6.3 bn <sup>*1</sup>	753.6	(81.7)	380	760
Variance <sup>*2</sup>		110.6	(119.4)	100	250	
SMBC non-consolidated	Gross banking profit	USD 13.6 bn <sup>*1</sup>	1,634.3	+76.1	800	1,580
	Expenses <sup>*4</sup>		(791.2)	(45.5)	(410)	(820)
	Banking profit <sup>*5</sup>	USD 7.0 bn <sup>*1</sup>	843.1	+30.6	390	760
	Total credit cost		80.1	(43.8)	5	0
	Gains (losses) on stocks		52.6	(53.8)		
	Other non-recurring gains (losses)		(19.8)	+70.4		
	Ordinary profit	USD 8.0 bn <sup>*1</sup>	956.0	+3.5	390	740
	Net income	USD 5.4 bn <sup>*1</sup>	643.0	+37.7	280	510

## Contribution of subsidiaries to SMFG's Gross profit

	(JPY bn)	FY3/15	YOY change
SMBC Nikko Securities		331	+1
Sumitomo Mitsui Finance and Leasing		136	+8
Sumitomo Mitsui Card		194	+7
SMBC Consumer Finance		215	+33
SMBC Friend Securities		50	(8)
Cedyna		165	(4)

## Contribution of subsidiaries to SMFG's Net income

	(JPY bn)	FY3/15	YOY change
SMBC Nikko Securities		65	+0
Sumitomo Mitsui Finance and Leasing		28	+3
Sumitomo Mitsui Card		17	+1
SMBC Consumer Finance		11	(18)
SMBC Friend Securities		7	(3)
Cedyna		(3)	(23)

\*1 Translated into USD at period-end exchange rate of USD 1 = JPY 120.15 \*2 SMFG consolidated figures minus SMBC non-consolidated figures

\*3 The presentation of Net income is revised from the fiscal year beginning on Apr. 1, 2015 in accordance with the Revision of Accounting Standard for Business Combinations (ASBJ Statement No. 21, revised on Sep. 13, 2013) and related rules

\*4 Excludes non-recurring losses \*5 Before provision for general reserve for possible loan losses

# Breakdown of gross profit

## SMFG's consolidated gross profit

(JPY bn)	FY3/14	FY3/15	YOY Change
<b>SMFG's consolidated gross profit*1</b>	2,898.2	2,980.4	+82.2
<b>Net interest income</b>	1,484.2	1,505.2	+21.0
of which:			
<b>SMBC</b>	1,064.9	1,121.4	+56.5
<b>SMBC Consumer Finance</b>	124.0	149.0	+25.0
<b>Trust fees</b>	2.5	2.9	+0.4
<b>Net fees and commissions</b>	984.6	996.7	+12.1
of which:			
<b>SMBC</b>	357.4	350.0	(7.4)
<b>Sumitomo Mitsui Card</b>	170.0	178.0	+8.0
<b>SMBC Nikko Securities</b>	189.0	173.0	(16.0)
<b>Cedyna</b>	119.0	116.0	(3.0)
<b>Net trading income</b>	211.9	195.1	(16.8)
of which:			
<b>SMBC</b>	36.8	12.8	(24.0)
<b>SMBC Nikko Securities</b>	134.0	152.0	+17.0
<b>Net other operating income</b>	215.1	280.5	+65.4
of which:			
<b>SMBC</b>	97.2	148.2	+51.0
<b>Sumitomo Mitsui Finance and Leasing</b>	98.0	115.0	+17.0

## Average loan balance and spread\*2

(JPY tn, %)	Balance		Spread	
	FY3/15	YOY change*8	FY3/15	YOY change*8
<b>Domestic loans*3</b>	47.7	+0.3	0.92	(0.05)
of which				
<b>Large corporations*4</b>	13.3	+0.1	0.61	(0.03)
<b>Mid-sized corporations &amp; SMEs*5</b>	16.1	+0.3	0.90	(0.10)
<b>Individuals</b>	14.6	(0.3)	1.39	(0.02)
<b>IBU's interest earning assets*6,7 (USD bn, %)</b>	214.4	+26.2	1.21	+0.03

## Reference : SMBC's gross banking profit of marketing units

(JPY bn)	FY3/14	FY3/15	YOY Change*8
<b>Loan syndication</b>	38.8	42.0	+3.2
<b>Structured finance</b>	25.3	22.1	(3.2)
<b>Asset finance*9</b>	15.6	15.3	(0.3)
<b>Sales of derivatives products</b>	20.4	25.0	+4.6
<b>Income related to domestic corporate business</b>	100.1	104.4	+4.3
of which:			
<b>Investment trusts</b>	44.9	36.7	(8.2)
<b>Pension-type insurance</b>	7.7	12.7	+5.0
<b>Single premium type permanent life insurance</b>	8.3	8.4	+0.1
<b>Level premium insurance</b>	8.4	7.4	(1.0)
<b>Income related to domestic consumer business</b>	69.3	65.2	(4.1)
of which:			
<b>Money remittance, electronic banking</b>	91.9	92.2	+0.3
<b>Foreign exchange</b>	53.3	51.9	(1.1)
<b>Domestic Non-interest income</b>	319.2	313.3	(5.4)
of which:			
<b>IBU's loan related income</b>	63.0	65.5	(2.3)
<b>IBU's Non-interest income</b>	121.4	117.5	(4.1)
<b>Non-interest income</b>	440.6	430.8	(9.5)
of which:			
<b>Income on domestic loans</b>	446.6	426.5	(19.9)
<b>Income on domestic yen deposits</b>	120.8	120.9	+0.1
<b>IBU's interest related income</b>	174.6	227.8	+24.9
<b>Interest income</b>	819.3	856.7	+2.5
<b>SMBC's gross banking profit of Marketing units*10</b>	1,259.9	1,287.5	(7.0)

\*1 In round numbers excl. SMBC 2 Managerial accounting basis \*3 SMBC non-consolidated \*4 Global Corporate Banking Division \*5 Sum of Corporate Banking Division and Small and Medium Enterprise Banking Division \*6 Sum of SMBC, SMBC Europe and SMBC (China) \*7 Sum of loans, trade bills, and securities

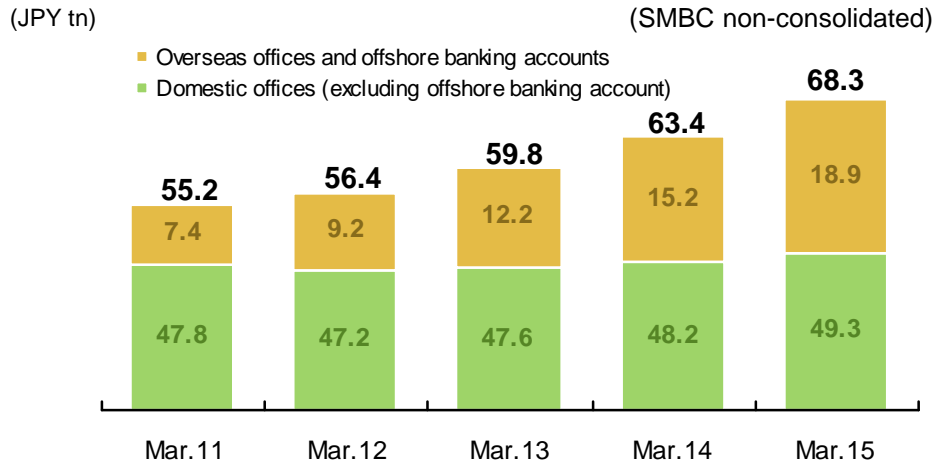
\*8 After adjustments for interest rates and exchange rates, etc. \*9 Profit from real estate finance, securitization of monetary claims, etc.

\*10 Managerial accounting basis. Revised managerial accounting rules in Apr. 2014, following the revision of our domestic business structure.

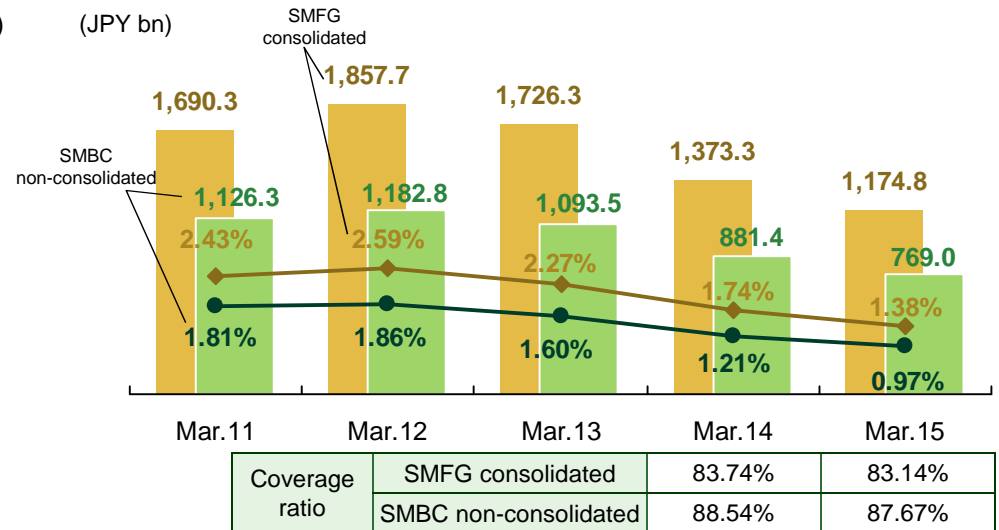
Figures for FY3/14 are recalculated based on the new rules

# Trends in key figures

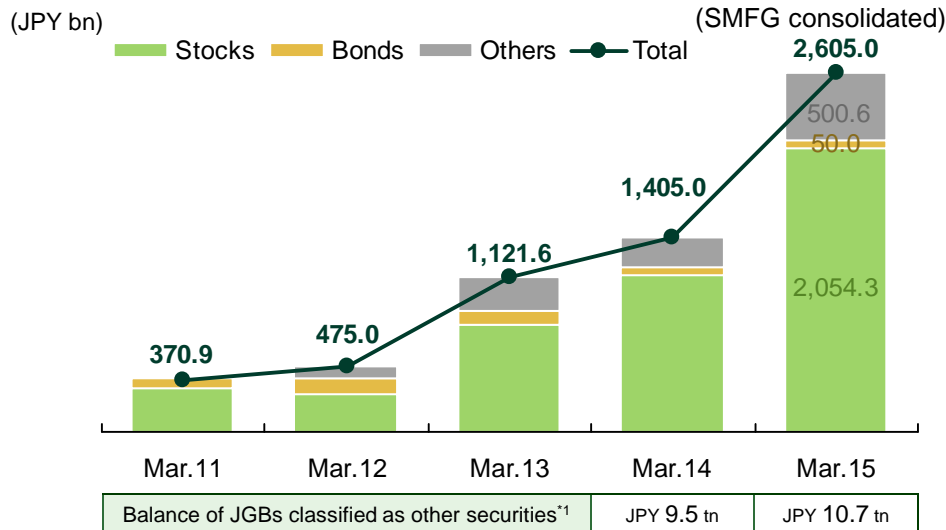
## Loan balance



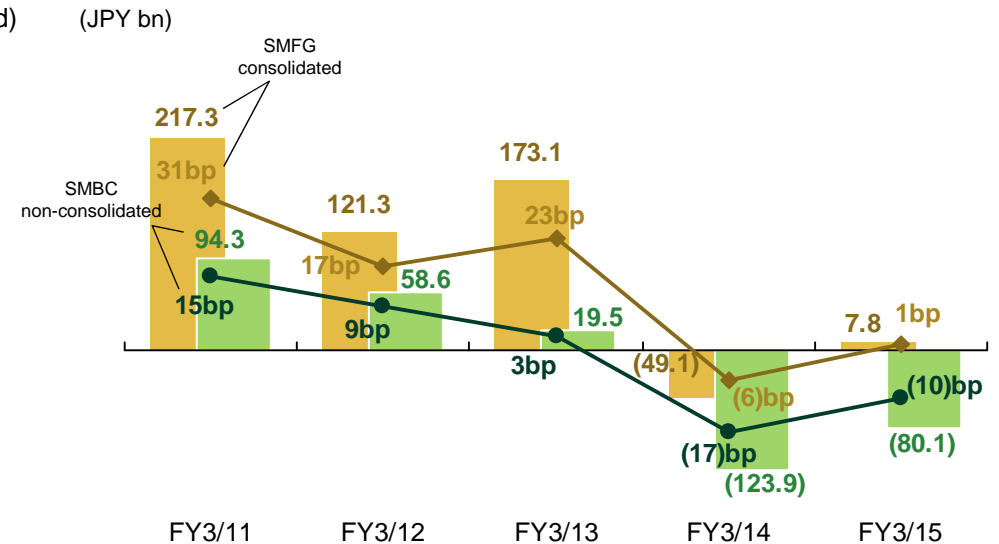
## NPLs and NPL ratio\*2



## Unrealized gains (losses) on other securities



## Total credit cost and Total credit cost ratio\*3



\*1 SMBC non-consolidated basis. Balance sheet amount

\*2 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

\*3 Total credit cost ratio = Total credit cost / Total claims

# Performance by business unit\*1

		(JPY bn)	FY3/14	FY3/15	YOY change*2
	Wholesale Banking Unit	Gross profit	717.6	729.0	+2.9
		Expenses	(285.1)	(300.6)	(10.3)
		<b>Net business profit</b>	432.5	428.4	(7.4)
	Retail Banking Unit	Gross profit	480.0	478.4	(1.5)
		Expenses	(354.1)	(373.4)	(20.6)
		<b>Net business profit</b>	125.9	105.0	(22.1)
	International Banking Unit	Gross profit	495.9	593.1	+41.0
		Expenses	(183.1)	(226.2)	(25.0)
		<b>Net business profit</b>	312.8	366.9	+16.0
	of which Marketing units	Gross profit	1,693.5	1,800.5	+42.4
		Expenses	(822.3)	(900.2)	(55.9)
		<b>Net business profit</b>	871.2	900.3	(13.5)
	of which Treasury Unit	Gross profit	339.2	374.8	+35.6
		Expenses	(25.9)	(30.7)	(2.9)
		<b>Net business profit</b>	313.3	344.1	+32.7
	of which Sumitomo Mitsui Finance and Leasing	of which Gross profit	125.9	137.0	+11.1
		of which Expenses	(54.8)	(57.9)	(3.1)
		<b>Net business profit</b>	73.0	80.5	+7.5
	of which SMBC Nikko Securities	Gross profit	339.6	350.0	+6.1
		Expenses	(235.9)	(249.5)	(10.6)
		<b>Net business profit</b>	103.7	100.5	(4.5)
of which Consumer finance / Credit card*3	Gross profit	539.9	576.1	+14.6	
	Expenses	(338.3)	(363.8)	(11.2)	
	<b>Net business profit</b>	201.6	212.3	+3.4	
Total (SMFG consolidated)	of which Gross profit	2,898.2	2,980.4	+82.2	
	of which Expenses	(1,569.9)	(1,659.3)	(89.4)	
	<b>Net business profit*4</b>	1,338.5	1,310.5	(28.1)	

\*1 Managerial accounting basis. \*2 After adjustments for changes in interest rates and exchange rates, etc.

\*3 Sum of Sumitomo Mitsui Card, Cedyne, and SMBC Consumer Finance

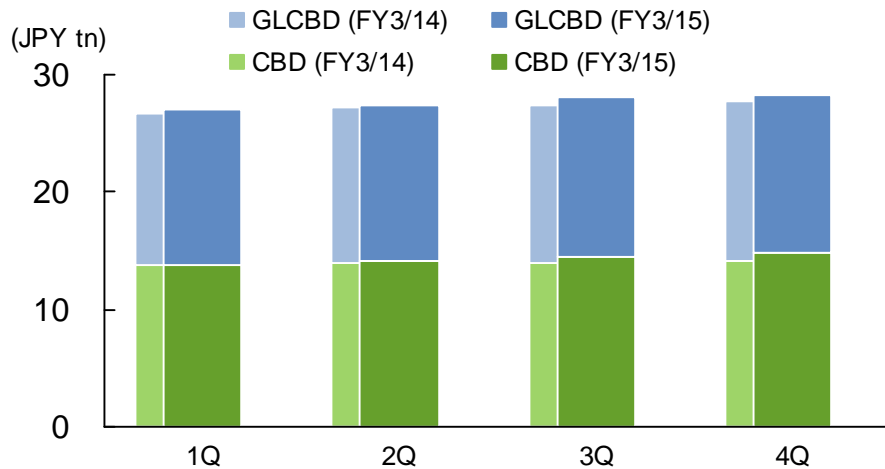
\*4 Consolidated net business profit = Consolidated gross profit - General and administrative expenses + Equity in gains (losses) of affiliates.

SMFG changed the definition of "Consolidated net business profit" from FY3/15. The figures for FY3/14 were recalculated based on the new rules

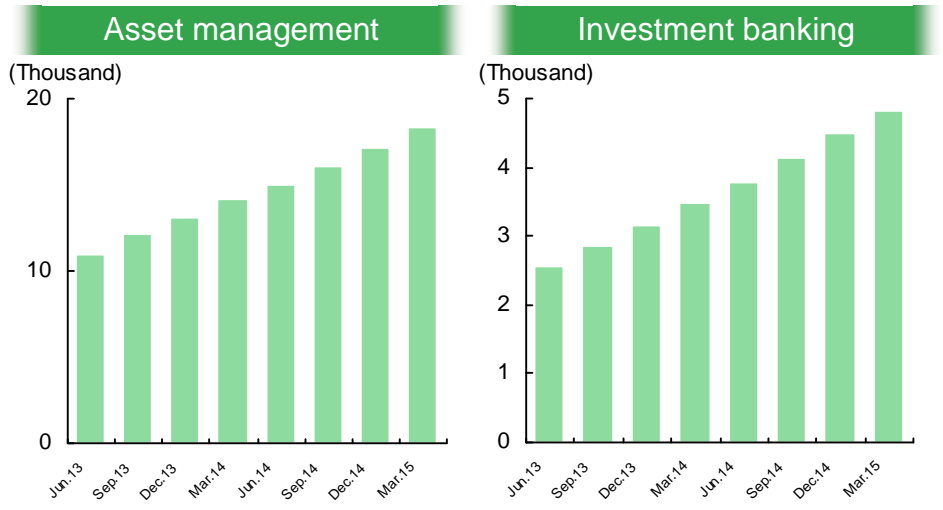
# Wholesale business

## Loan balance of Wholesale Banking Unit\*1, 2, 3

(SMBC non-consolidated)

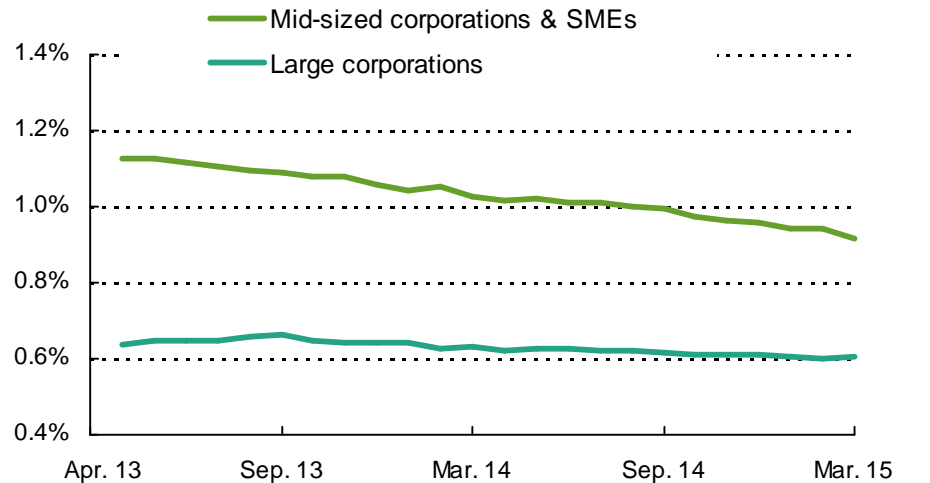


## Bank-securities collaboration (accumulated no. of cases via referral / intermediary services from SMBC to SMBC Nikko)



## Domestic corporate loan spread\*1, 4

(SMBC non-consolidated)



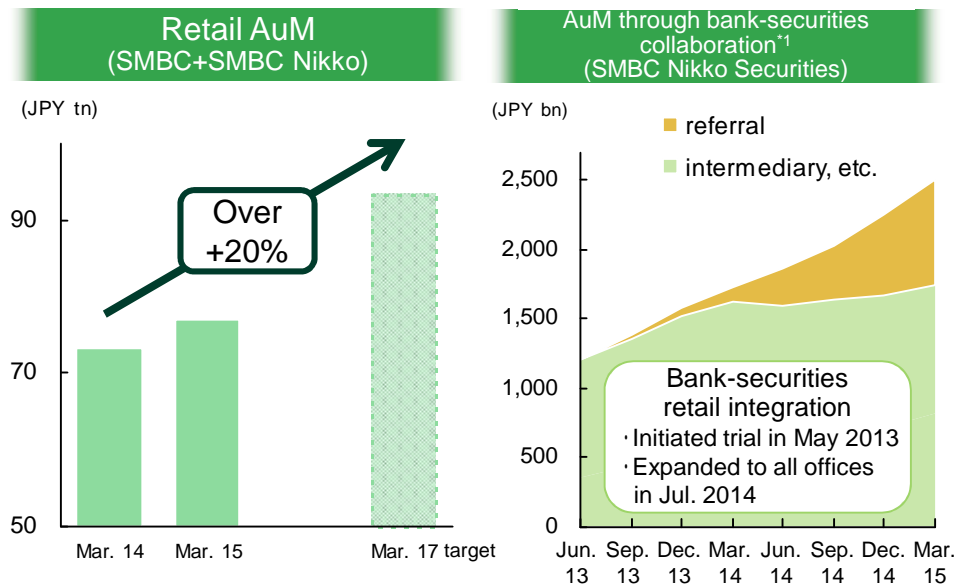
## League tables (SMBC Nikko Securities, Apr. 2014 -Mar. 2015)

	Rank	FY3/14 results	Mkt share	YOY change
<b>Global equity &amp; equity-related (book runner, underwriting amount)*5</b>	#2	#3	17.0%	+3.1%
<b>JPY denominated bonds (lead manager, underwriting amount)*6</b>	#5	#5	15.6%	+0.7%
<b>Financial advisor (M&amp;A, No. of deals)*7</b>	#3	#3	2.8%	(0.2)%

\*1 Managerial accounting basis. We revised managerial accounting rules since Apr. 2014, following revision of domestic business structure. Figures for FY3/14 were recalculated based on the new rules \*2 Quarterly average \*3 GLCBD stands for the Global Corporate Banking Division and CBD stands for the Corporate Banking Division \*4 Monthly average loan spread of existing loans \*5 Source: SMBC Nikko, based on data from Thomson Reuters. Japanese corporate related only \*6 Source: SMBC Nikko, based on data from Thomson Reuters. Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds \*7 Source: Thomson Reuters. Japanese corporate related only. Excludes real estate deals

# Retail business / Financial results of SMBC Nikko Securities

## Bank-securities collaboration

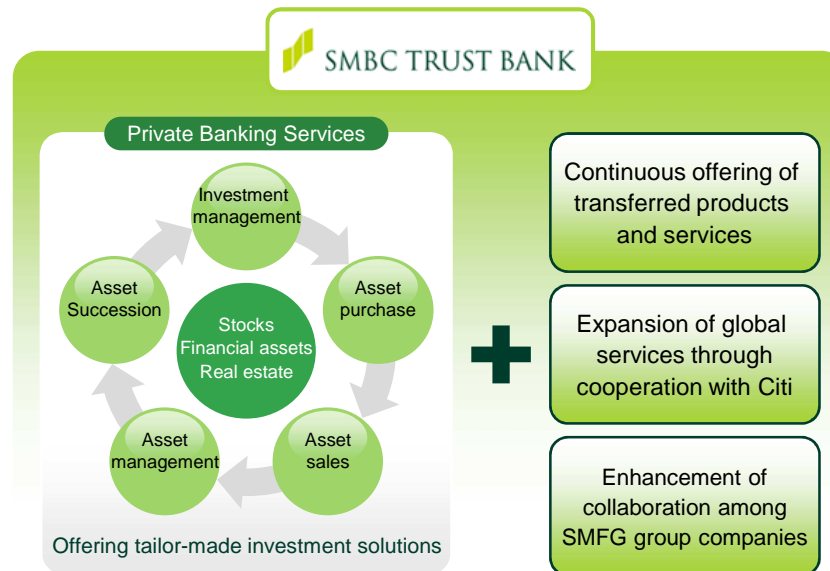


## Financial results (SMBC Nikko Securities, consolidated)

(JPY bn)	FY3/14	FY3/15	YOY change
<b>Net operating revenue</b>	327.9	329.2	+1.3
<b>SG&amp;A expenses</b>	(227.8)	(235.2)	(7.4)
<b>Ordinary income</b>	102.1	96.2	(5.9)
<b>Net income</b>	64.6	64.7	+0.1

## Acquisition of Citibank Japan's retail banking business

- SMBC Trust Bank will undertake the acquisition of the retail banking business of Citibank Japan on Nov. 1, 2015, subject to necessary regulatory approvals
  - Total deposits: JPY 2,440 bn<sup>\*2</sup>, Number of branches: 32<sup>\*3</sup>, Number of customers: approx. 740,000<sup>\*2</sup>
- The new bank that SMBC Trust Bank envisions
  - Aims to become a bank that is highly unique compared with other Japanese banks
  - Strives to grow into the core trust bank within the SMFG group by improving its profitability through cost reductions, by the shared use of system infrastructure with SMBC, etc.

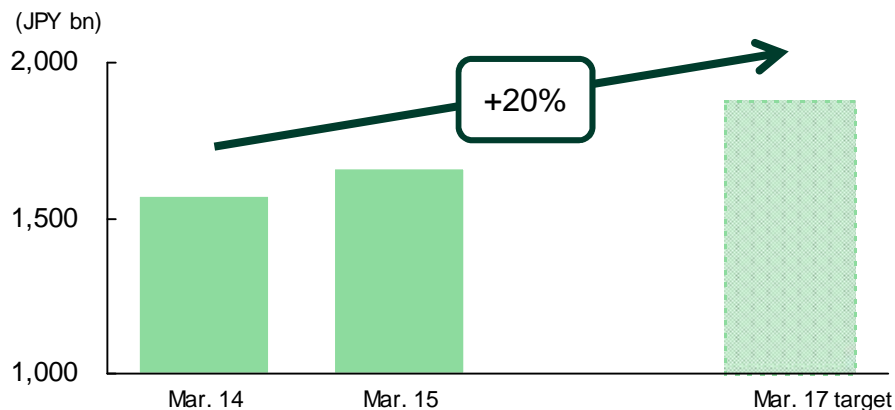


- Solid progress towards acquisition
  - Various preferential fee schemes such as for Citibank Japan customers using SMBC ATMs and for SMBC customers wiring money to Citibank Japan were implemented in Apr. 2015



# Consumer finance

## Balance of unsecured card loans (SMBC + SMBC Consumer Finance)

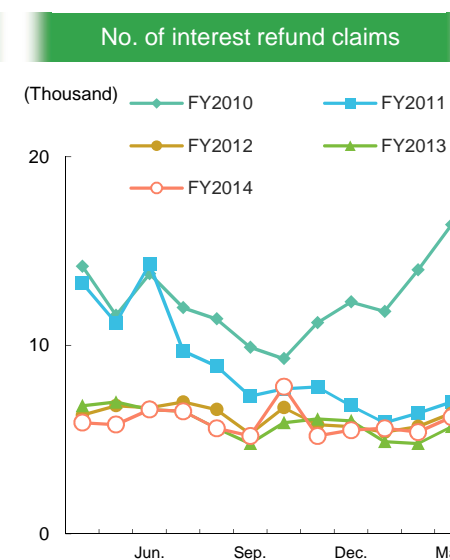
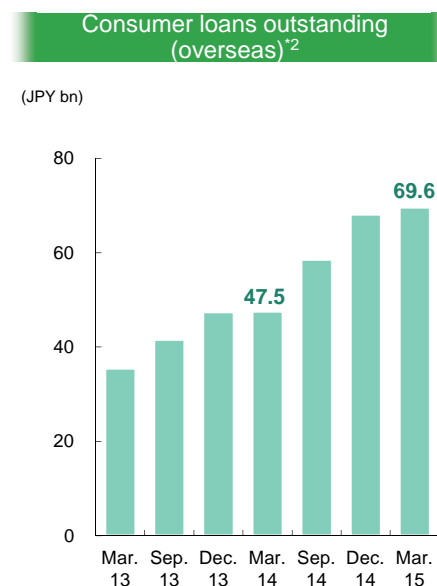
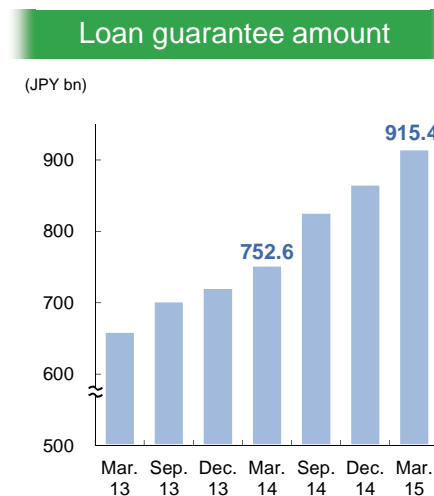
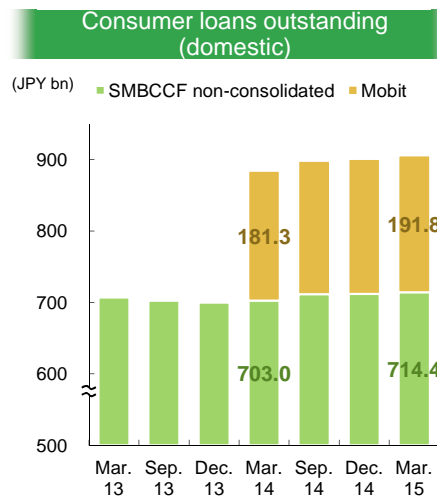


## Financial results (SMBC Consumer Finance, consolidated)

(JPY bn)	FY3/14	FY3/15	YOY change
<b>Operating income</b>	194.8	228.3	+33.5
Losses on interest repayments within Expenses*1	(38.7)	(44.8)	(6.1)
<b>Ordinary profit</b>	26.5	16.6	(9.9)
<b>Net income</b>	29.4	11.2	(18.2)

<b>Consumer loans outstanding</b>	937.6	980.3	
<b>Allowance on interest repayments</b>	152.8	127.6	
<b>Loan guarantee</b>	752.6	915.4	No. of companies with guarantee agreements: <b>189</b> (as of Mar. 2015)
for regional financial institutions, etc.	274.3	372.4	

## SMBC Consumer Finance: Financing / Loan guarantee / Overseas businesses



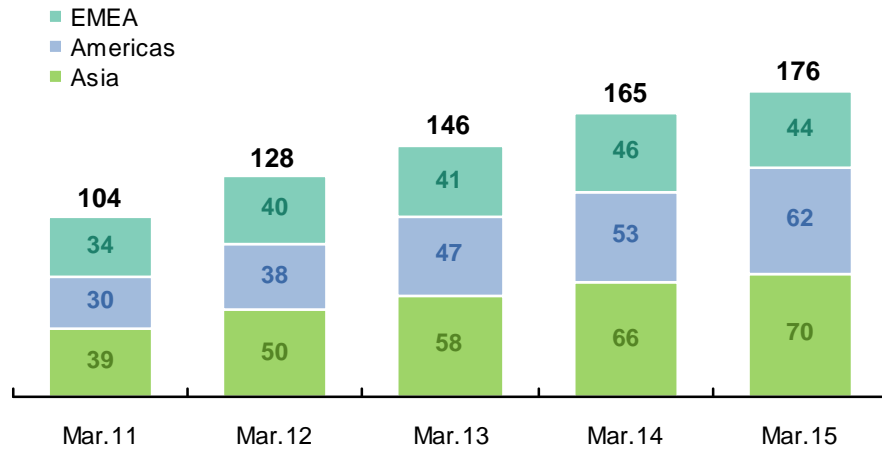
\*1 Losses on interest repayments: approx. JPY (65) bn, sum of SMBC Consumer Finance and Cedyne in FY3/15

\*2 Translated into Japanese yen at respective period-end exchange rates

# International business

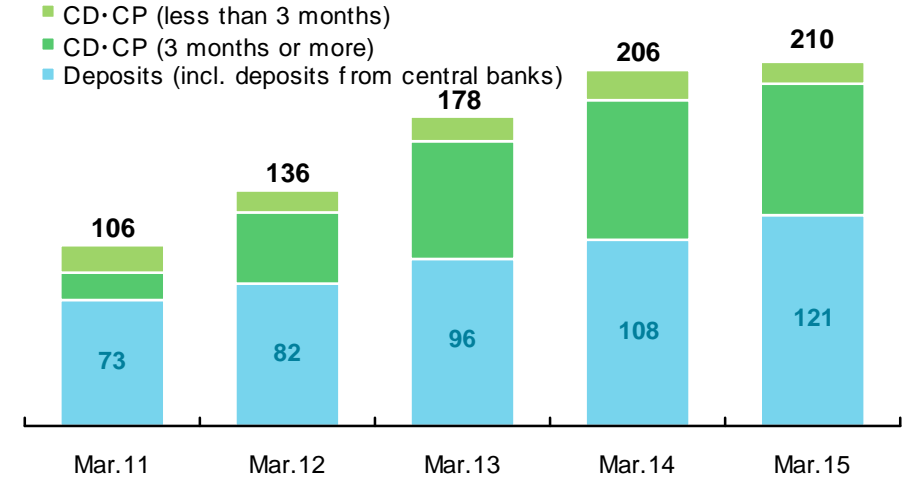
## Overseas loan balance\*1, 2

(USD bn)



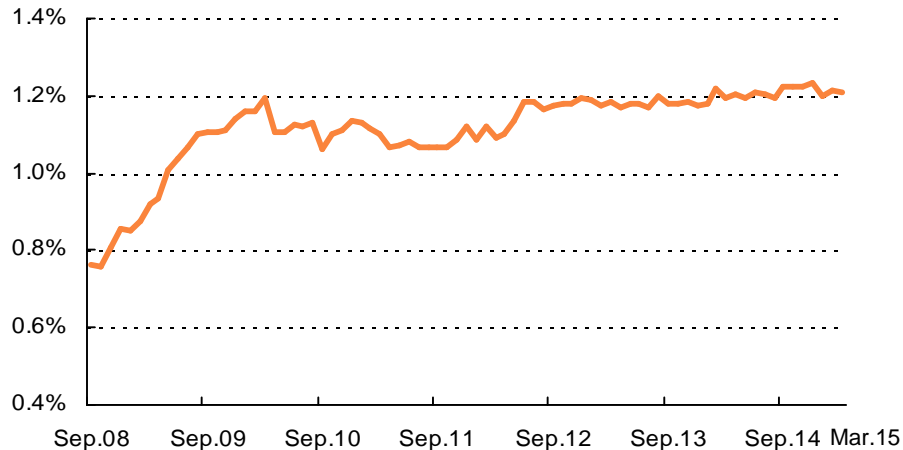
## Overseas deposit balance\*1, 2

(USD bn)



Foreign currency bonds outstanding*4 (USD bn)	Senior	19.2	25.1
	Subordinated	3.3	4.7

## Overseas loan spread\*1, 3



## Project finance / Loan syndication

- SMBC was awarded “Global Bank of the Year 2014” by Project Finance International for the 3rd time after 2008 and 2012, to become the only bank to be awarded three times

### League tables (Jan. - Dec. 2014)\*5

	Global	Asia*6	Japan
Project Finance	#2	#5	
Loan Syndication	#12	#6	#3

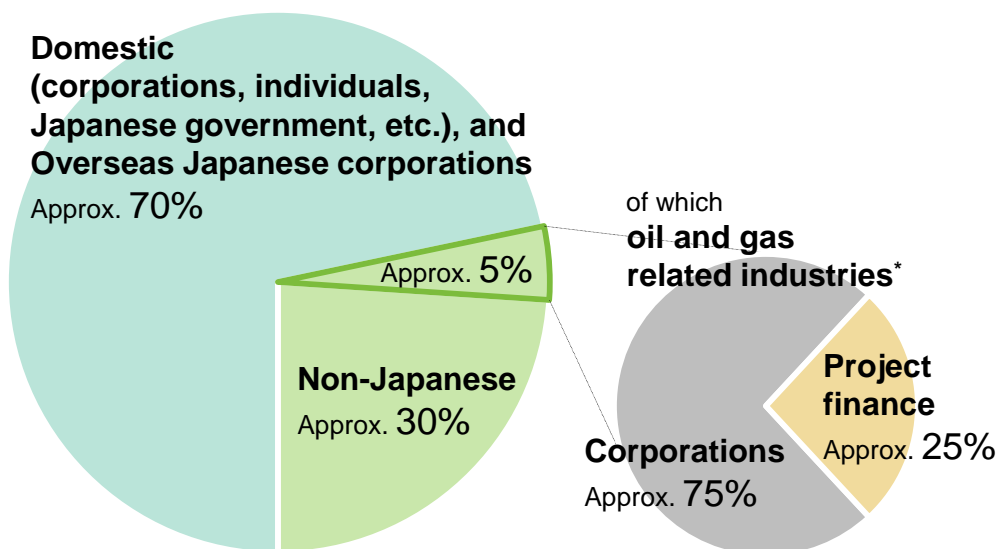
\*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China) \*2 Translated into USD at respective period-end exchange rates: As of Mar. 31, 2014 USD 1 = JPY 102.88 / EUR 0.73; as of Mar. 31, 2015 USD 1 = JPY 120.15 / EUR 0.92

\*3 Monthly average loan spread of existing loans \*4 Bonds issued by SMBC and SMFG \*5 Source: Thomson Reuters (Mandated Arrangers)

\*6 Project finance: Asia Pacific. Loan syndication: Asia (excl. Japan), all international currency syndicated and club loans

## Ref: Exposure to oil and gas related industries / Russia / Southern Europe and Middle East

### Exposure to oil and gas related industries within SMFG's consolidated exposure



- Exposure to non-Japanese oil and gas related industries is around USD 50bn. Of the aggregate USD 50bn, the exposure to companies including oil majors, which are susceptible to oil/gas price fluctuation, is less than USD 30bn.
- Within exposure to oil and gas related industries, around 90% is classified as "1-3" on our internal rating

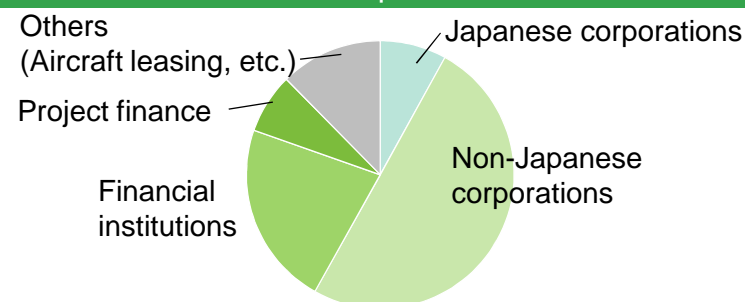
### Exposure to Russia

(USD bn)

Mar. 14	Mar. 15	Change from Mar. 31, 2014
6.2	5.1	(1.1)

Less than 1% of SMFG's total exposure

### Breakdown of exposure to Russia



### Exposure to Southern Europe and Middle East

(USD bn)	Mar. 14	Mar. 15	Majority
<b>Southern Europe</b>	5.5	4.2	-
of which Spain	2.4	2.2	Large corporations and project finance
of which Italy	2.8	1.9	
of which Portugal	0.0	0.1	
of which Greece	0.1	0.1	Aircraft Leasing
<b>Middle East</b>	12.7	14.2	-
of which Turkey	3.4	3.0	Trade finance
of which UAE	3.6	3.1	Large corporations and project finance
of which Qatar	2.1	2.7	
of which Saudi Arabia	1.7	2.8	

\* Sum of SMBC, SMBC Europe and SMBC (China)

# Capital and risk-weighted assets, SMFG consolidated

## Capital ratio (transitional basis)

(JPY bn)	Mar. 31, 2014	Mar. 31, 2015 <i>Preliminary</i>
<b>Common Equity Tier 1 capital (CET1)</b>	<b>6,550.8</b>	<b>7,476.5</b>
of which:		
Total stockholders' equity related to common stock	6,312.3	6,909.0
Accumulated other comprehensive income <sup>*1</sup>	175.6	801.5
Regulatory adjustments related to CET1 <sup>*1</sup>	(193.8)	(460.4)
<b>Tier 1 capital</b>	<b>7,514.3</b>	<b>8,528.6</b>
of which:		
Eligible Tier 1 capital instruments (grandfathered) <sup>*3</sup>	1,212.1	1,124.3
Regulatory adjustments <sup>*1, 2</sup>	(415.4)	(348.2)
<b>Tier 2 capital</b>	<b>2,047.1</b>	<b>2,437.3</b>
of which:		
Tier 2 capital instruments	-	375.0
Eligible Tier 2 capital instruments (grandfathered) <sup>*3</sup>	1,627.4	1,424.0
Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount <sup>*2</sup>	506.6	699.4
Regulatory adjustments <sup>*1, 2</sup>	(182.1)	(165.2)
<b>Total capital</b>	<b>9,561.4</b>	<b>10,965.9</b>
<b>Risk-weighted assets</b>	<b>61,623.3</b>	<b>66,136.8</b>
<b>Common Equity Tier 1 capital ratio</b>	<b>10.63%</b>	<b>11.30%</b>
<b>Tier 1 capital ratio</b>	<b>12.19%</b>	<b>12.89%</b>
<b>Total capital ratio</b>	<b>15.51%</b>	<b>16.58%</b>

## Common Equity Tier 1 capital ratio (fully-loaded<sup>\*4</sup>, pro forma)

(JPY bn)	Mar. 31, 2014	Mar. 31, 2015
Variance with CET1 on a transitional basis <sup>*5</sup>	(177.6)	441.2
of which:		
Accumulated other comprehensive income	702.4	1,202.3
of which:		
Net unrealized gains on other securities	759.6	1,074.6
of which:		
Minority interests (subject to be phased-out)	(104.8)	(70.5)
Regulatory adjustments related to CET1	(775.1)	(690.6)
<b>Common Equity Tier 1 capital</b>	<b>6,373.2</b>	<b>7,917.7</b>
<b>Risk-weighted assets</b>	<b>61,339.2</b>	<b>65,925.9</b>
<b>Common Equity Tier 1 capital ratio</b>	<b>10.3%</b>	<b>12.0%</b>
<b>Ref: Common Equity Tier 1 capital ratio (excluding net unrealized gains)</b>	<b>8.7%</b>	<b>9.0%</b>

## Preferred securities which become callable in FY3/16

Issuer / Series	Issue date	Amount outstanding	Dividend rate <sup>*6</sup>	First call date <sup>*7</sup>	Step-up
SMFG Preferred Capital JPY 2 Limited					
Series C	Dec. 2008	JPY 140 bn	4.87%	Jan. 2016	None
Series D	Jan. 2009	JPY 2 bn	4.80%	Jan. 2016	None

## Leverage ratio (transitional basis, preliminary)

- 4.45% as of Mar. 31, 2015

\*1~3 Subject to transitional arrangements. Regulatory adjustments of Tier 1 and Tier 2 include items that are either phased-in or phased-out as described in \*1 and \*2 below  
 \*1~3&5 Percentages indicate the treatment as of Mar. 31, 2014 / Mar. 31, 2015 \*1 20% / 40% of the original amounts are included  
 \*2 20% / 40% phase-out is reflected in the figures \*3 Cap is 80% / 70% \*4 Based on the Mar. 31, 2019 definition \*5 Each figure represents 80% / 60% of the original amounts that are not included due to phase-in or included due to phase-out in the calculation of CET1 on a transitional basis  
 \*6 Until the first call date. Floating rate thereafter \*7 Callable at any dividend payment date on and after the first call date, subject to prior confirmation of the FSA

# ■ Topics in FY3/2015

## Domestic business

- Reviewed client segmentation and fully revised domestic business structure in Apr. 2014, for the first time since establishment of SMBC

## Corporate business

- Promoted initiatives to support growth industries, including a healthcare REIT IPO and investing in funds for renewable energy projects
- Actively extended loans to enhance our customer base such as providing SMBC Assessment Loans and financing for capital investments by utilizing the loan support program of the BOJ
- SMBC Nikko Securities ranked 2nd in Japanese equities underwriting\*1 and 5th in JPY denominated bonds underwriting\*2

## Consumer business

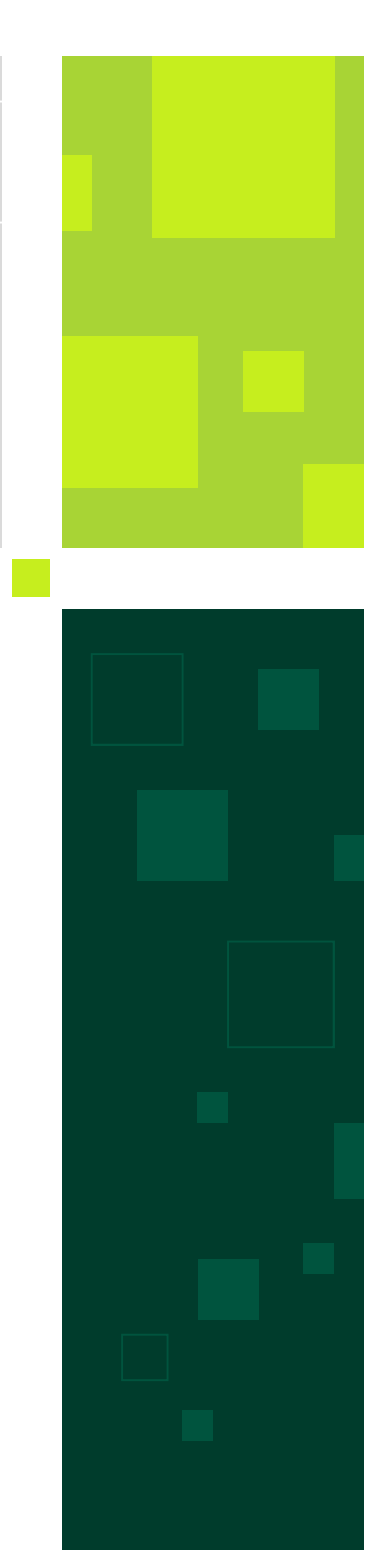

- Expanded “bank-securities integration model” to all offices in Jul. 2014. SMBC Nikko Securities has established 11 branches since Apr. 2014
- SMBC opened official accounts on Facebook and LINE. Introduced an original character and started to air a new TV commercial
- Reached an agreement that SMBC Trust Bank will acquire the retail banking business of Citibank Japan. Expected to be completed in Nov. 2015

## International business

- SMBC received approval for opening Manila Branch. Opened offices at: Yangon by SMBC\*3; Prague and Madrid by SMBC Europe; New York by Sumitomo Mitsui Finance & Leasing; Singapore by Sumitomo Mitsui Card Company; and Shanghai by SMBC Consumer Finance
- SMBC acquired shares of ACLEDA Bank (Cambodia).  
SMBC increased its investment in the Bank of East Asia (Hong Kong), making the Bank an equity method affiliate
- SMBC was awarded the “Global Bank of the Year 2014” by Project Finance International for the 3rd time after 2008 and 2012, to become the only bank to be awarded three times
- SMBC and SMBC Nikko Securities devised a new scheme to involve regional banks in overseas project financing

## Others

- As part of our effort to strengthen and improve corporate governance, SMFG established the “SMFG Corporate Governance Guideline”. SMFG and SMBC plans to increase outside directors and corporate auditors by a total of eight, consequently, outside directors will represent more than one-third of directors at SMFG. (Subject to resolution the Ordinary General Meetings of the Shareholders in Jun. 2015)



This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of our securities portfolio; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; exposure to new risks as we expand the scope of our business; and incurrence of significant credit-related costs. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements.

Please refer to our most recent disclosure documents such as our annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as our earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and our operating results, and investors’ decisions.