

Corporate information

1 Financial review

Terms with an asterisk are explained in “Glossary” on page 115.

In fiscal 2022, as a result of strong performance of the customer fee business, including real estate brokerage and corporate credit-related, net business profit before credit costs and net income attributable to owners of the parent achieved 105% and 101% of the full-year forecast respectively, exceeding the forecast.

Net business profit before credit costs decreased 21.4 billion yen from the previous fiscal year to 324.6 billion yen. This was mainly due to a decrease in effective interest

related earnings, as a result of the absence of favorable market conditions that had been assumed at the beginning of the current period, and a growth in substantial G&A expenses caused by increases in human capital investment and expenses linked with gross business profit. Net income attributable to owners of parent increased 21.9 billion yen year-on-year to 191.0 billion yen due to limited recording of new total credit costs and loss on sale of bear funds compared with the previous fiscal year.

■ Overview of the Financial Results in FY2022

<Consolidated> SuMi TRUST Holdings (Consolidated)				
Billions of Yen (unless specified otherwise)				
	FY2021 (A)	FY2022 (B)	Change (B) – (A)	Rate of change
Net Business Profit*	346.0	324.6	(21.4)	(6.2)%
Ordinary Profit	229.7	285.8	56.1	24.4%
Net Income Attributable to Owners of the Parent	169.0	191.0	21.9	13.0%
Total Credit Costs*	(41.5)	(10.4)	31.1	(74.8)%
Return on equity*	6.25%	6.93%	0.68%	-
Net Income per Common Shares (EPS) (Yen)	451	517	65	14.6%
Net Assets per Common Shares (BPS) (Yen)	7,249.71	7,686.52	436	6.0%

* $\frac{\text{Net Income Attributable to Owners of the Parent}}{(\text{FY-start total equity (equity)} + \text{FY-end total equity (equity)}) / 2} \times 100$

<Non-consolidated> SuMi TRUST Bank (Non-consolidated)				
Billions of Yen (unless specified otherwise)				
	FY2021 (A)	FY2022 (B)	Change (B) – (A)	Rate of change
Net Business Profit*	242.0	245.9	3.8	1.6%
Net Interest Income and Related Profit*	275.2	133.4	(141.8)	(51.5)%
Net Fees and Commissions and Related Profit*	180.8	193.2	12.4	6.9%
Net Trading Profit	13.4	10.4	(3.0)	(22.5)%
Net Other Operating Profit	21.1	171.0	149.9	709.6%
General and Administrative Expenses	(248.5)	(262.2)	(13.7)	5.5%
Total Credit Costs*	(42.4)	(12.4)	29.9	(70.7)%
Net Non-recurring Profit, etc.	(48.8)	(8.8)	39.9	(81.8)%
Ordinary Profit	150.8	224.5	73.7	48.9%
Extraordinary Profit	(1.6)	(0.3)	1.3	(81.5)%
Net Income	113.3	169.1	55.7	49.2%

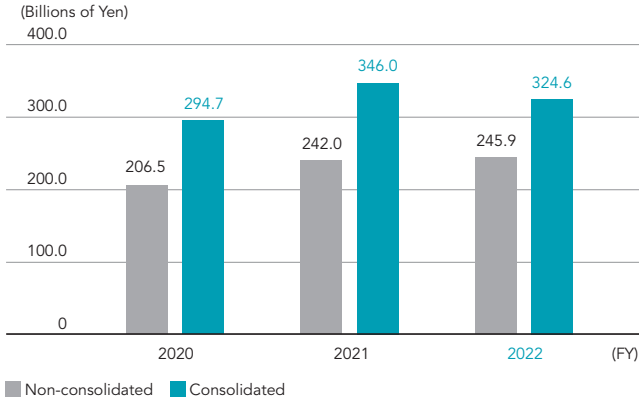
(Note) Amounts less than 100 million yen are rounded down.

<Dividends>

	FY2021 (A)	FY2022 (B)	Change (B) – (A)
Dividend per Share on Common Share (Yen)	170.00	210.00	+40.00

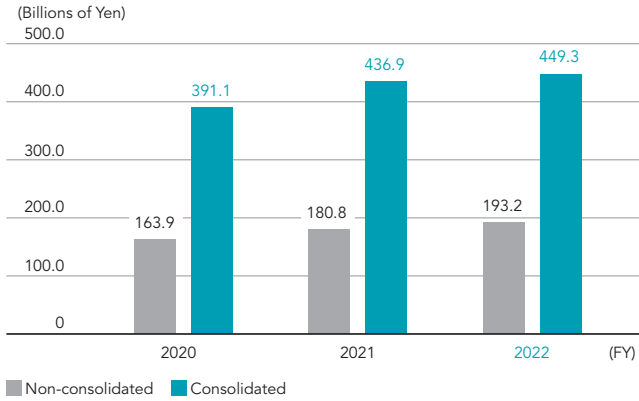
2 Status of profit and loss

■ Net Business Profit*



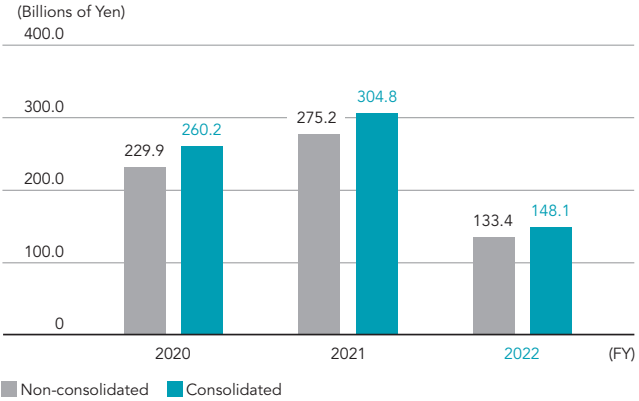
Net business profit before credit costs (consolidated) decreased 21.4 billion yen year-on-year to 324.6 billion yen. There was a lack of favorable market conditions that were seen in the previous fiscal year and higher substantial G&A expenses due to increases in human capital investment and expenses linked with gross business profit in the current period. However, the decline in profit was lower than expected at the beginning of the current period as a result of strong client-related business such as real estate brokerage and corporate credit-related.

■ Net Fees and Commissions and Related Profit*



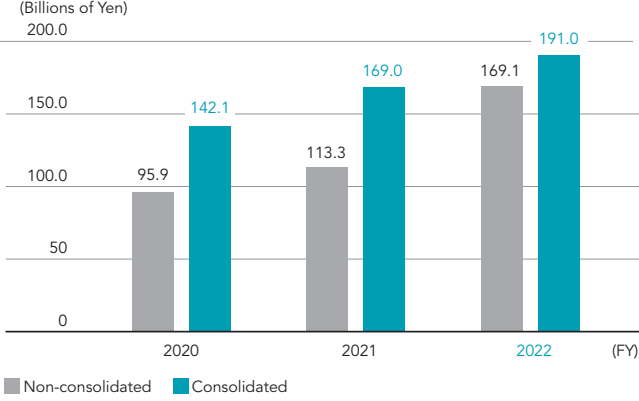
Profits in the asset management business decreased mainly due to the decline of market value of the balance of assets under management in response to the market conditions. But net fees and commissions and related profit (consolidated) increased 12.4 billion yen year-on-year to 449.3 billion yen as a result of strong performance in the client fee business, such as real estate brokerage and corporate credit-related.

■ Net Interest Income and Related Profit*



Effective net interest income and related profit (consolidated), including profit attributable to deployment of foreign currency surplus funds, which is included in net other operating profit, decreased 19.5 billion yen year-on-year to 300.6 billion yen. The main reason for the decline in profit was the absence of approximately 16.0 billion yen from the positive impact of favorable market conditions seen in the previous fiscal year, which had been assumed at the beginning of the current period.

■ Net Income Attributable to Owners of the Parent



Net income attributable to owners of parent (consolidated) increased 21.9 billion yen year on year to 191.0 billion yen. This was mainly due to limited recording of new credit costs and loss on hedging transactions, compared with the previous fiscal year. For the net non-recurring profit line and below, we strived to prepare for future risks by re-evaluating special loan loss provision, reducing the risk that bear funds pose to annual profit and loss associated with the expansion of unrealized losses and recording losses due to system upgrades related to overseas operations.

Glossary

Net Business Profit

Substantial profit of a bank’s core businesses, calculated by eliminating the effects of non-recurring factors, such as total credit costs and net gains on stock from ordinary profit.

Total Credit Costs

Costs incurred in posting allowances for losses on loans and writing off loans.

Net Interest Income and Related Profit

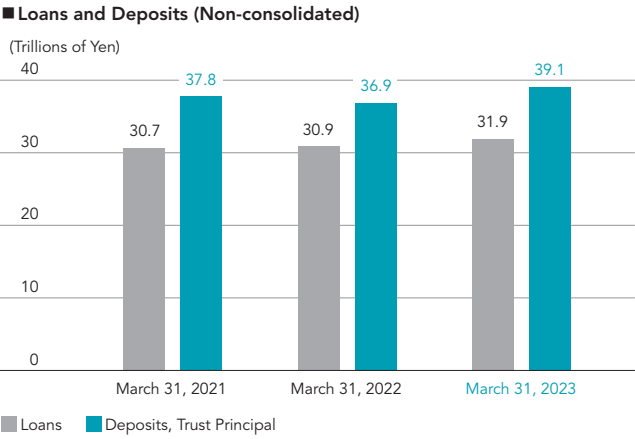
Net revenues after subtracting interest paid on deposits, etc., from revenues on loans and securities investment.

Net Fees and Commissions and Related Profit

Net profit of the sales fees of investment trusts, real estate brokerage fees, and trust fees for assets under management, etc.

3 Financial status

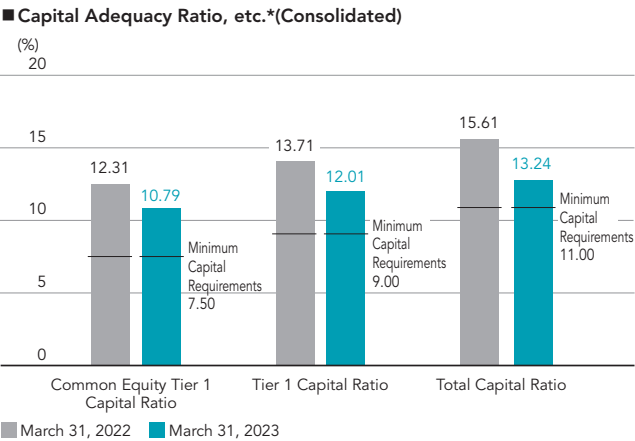
Terms with an asterisk are explained in the “Glossary” below.



Both loans and deposits increased from the end of the previous fiscal year

Loans grew 1.0 trillion yen year-on-year to 31.9 trillion yen, mainly due to an increase in loan balance to corporations. Deposits were up 2.2 trillion yen to 39.1 trillion yen, primarily because of an increase in deposits from corporate clients.

Deposits include the principal guaranteed trust account (loan trusts and jointly operated money trusts), but exclude negotiable certificates of deposit.



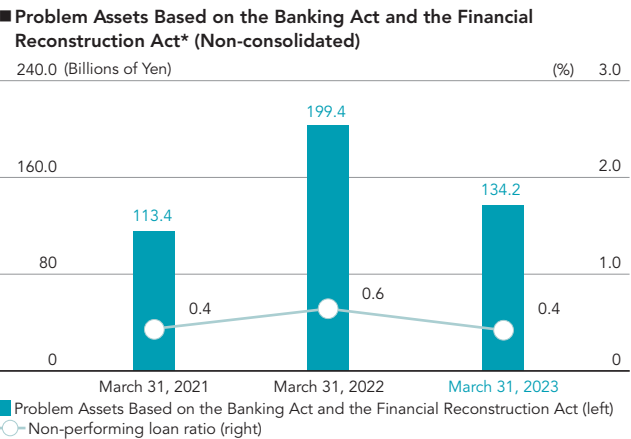
Coverage levels remain well above regulatory standards

Common Equity Tier 1 capital ratio decreased 1.52 percentage points from the end of the previous fiscal year to 10.79%. The fall was due to increase in investment which contributes to our group's growth and solutions to social issues, and an increase in foreign- currency-denominated loan (yen equivalent amount) due to JPY depreciation. Total capital ratio decreased 2.37 percentage points from the end of the previous fiscal year to 13.24%. Common Equity Tier 1 capital ratio as well as the total capital ratio remain well above the corresponding regulatory required levels of 7.50% and 11.00%, respectively.

Basel III:

Basel III is a new capital regulatory standard that was announced by the Basel Committee on Banking Supervision in December 2010. Basel III, intended to enhance the soundness of internationally active banks, was adopted in Japan from the end of March 2013 in a phased manner.

Basel III newly defines “Common Equity Tier 1,” which is comprised of capital components that can be used to cover unexpected losses and do not need to be repaid, such as common equity and retained earnings, and requires that the ratio of those capital components to risk-weighted assets, such as investments and loans, (“Common Equity Tier 1 ratio”) must be kept higher than a prescribed level.



Non-Performing Loan Ratio remains low at 0.4%

The balance of Non-performing loans based on Banking Act and Reconstruction Act decreased 65.2 billion yen from the end of the previous fiscal year to 134.2 billion yen. The non-performing loan ratio fell 0.2 percentage points to 0.4%, remaining at a low level. As for the ratio of problem assets covered by collateral and the allowance for loan losses, the ratio was 74% for doubtful loans and 48% for substandard loans, both of which are deemed sufficiently high.

Glossary

• **Problem Assets Based on the Banking Act and the Financial Reconstruction Act**

Assets for which disclosure is required by the Banking Act and the Financial Reconstruction Act, and which are classified as follows. These are generally used in referring to “non-performing loans.”

Bankrupt and Practically Bankrupt

Assets to debtors who are legally bankrupt (due to bankruptcy, corporate reorganization or rehabilitation proceedings, etc.), or virtually bankrupt.

Doubtful

Assets to debtors who are not legally bankrupt, but whose financial conditions and business results have deteriorated, with a high likelihood that the lender will not be able to collect the principal or receive interest in accordance with the contract.

Substandard

Assets more than three months past due and assets whose terms have been modified to support debtors through such means as interest reductions or exemptions.

• **Capital Adequacy Ratio, etc.**

Basel III defines the composition of capital in three steps: Common Equity Tier 1 capital, Tier 1 capital and total capital. The ratios obtained by dividing them by risk-weighted assets refer to Common Equity Tier 1 ratio, Tier 1 ratio and total capital ratio, respectively.

Common Equity Tier 1 Capital

Common Equity Tier 1 capital is composed of core capital, consisting primarily of the capital stock, capital surplus and retained earnings.

Tier 1 Capital

Tier 1 capital is composed of Common Equity Tier 1 plus Additional Tier 1 capital, which includes preferred shares, etc.

Total Capital

Total capital is the total amount of capital, composed of Tier 1 capital and Tier 2 capital, which includes debt capital such as subordinated debt and subordinated loans.

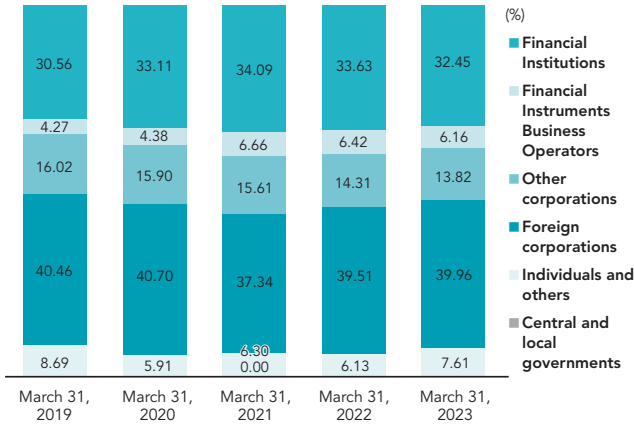
4 Corporate Information (as of June 30, 2023)

Registered Trade Name: Sumitomo Mitsui Trust Holdings, Inc.
Headquarters Location: 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Date of Establishment: February 1, 2002 (Change of trade name: April 1, 2011)
Main Business: With trust banking at its core, Sumitomo Mitsui Trust Holdings, Inc. will focus on the management of business operations, as the holding company of the Sumitomo Mitsui Trust Group, and sets the following (1)–(8) as its key functions:
(1) Supervising management strategies
(2) Supervising financial management
(3) Supervising human resource management
(4) Supervising general affairs management
(5) Supervising business process management
(6) Supervising risk management
(7) Supervising compliance management
(8) Managing internal auditing

Capital: 261,608,725,000 yen
Total number of issued shares: 364,025 thousand shares of common stock (the number of shares is rounded down to the nearest 1,000)
Stock Exchange Listings: Tokyo and Nagoya stock exchanges
Tokyo (Prime Market), Nagoya (Premier Market)
Securities Code: 8309

5 Composition of shareholders (common shares) (as of March 31, 2023)

■ **Composition of shareholders (common shares) (as of March 31, 2023)**



Shareholder type	Number of Shareholders	Number of Shares Held (units of shares)	Component ratio (%)
Financial Institutions	169	1,191,104	32.45
Securities Companies	55	225,970	6.16
Other Domestic Corporations	1,716	507,424	13.82
Foreign Investors	887	1,466,789	39.96
Individuals and Others	46,483	279,385	7.61
Government and Local Public Organizations	-	-	-
Total	49,310	3,670,672	100.00

Shares constituting less than one unit	-	1,105,240 shares	-
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*1 Number of shares per unit: 100 shares
*2 Treasury Stock (4,232,973 shares) is included 42,329 units in "Individuals and Others" and 73 shares in "Shares constituting less than one unit".
*3 The component ratio is rounded off to two decimal places.

6 Rating Information (as of June 30, 2023)

		Long-term	Short-term
Sumitomo Mitsui Trust Holdings	JCR	AA-	-
	R&I	A+	-
Sumitomo Mitsui Trust Bank	S&P	A	A-1
	Moody's	A1	P-1
	Fitch	A-	F1
	JCR	AA-	-
	R&I	AA-	a-1+

Editorial Policy

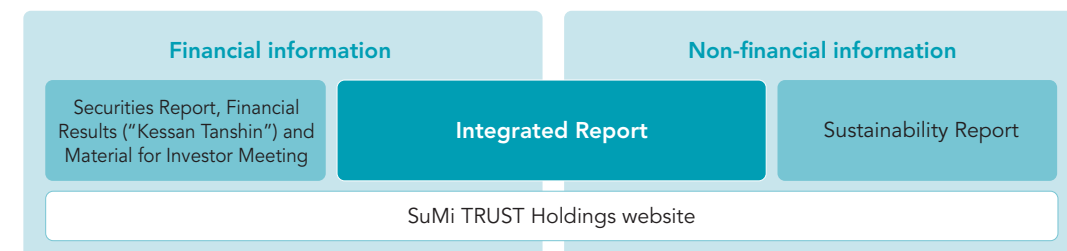
We have published this integrated report so that all stakeholders including investors can understand SuMi TRUST Group's initiatives. This report describes specific initiatives and corporate value improvements to create new value with the power of trust and let a prosperous future for our clients and society bloom, while helping to enhance well-being of our clients and society in next 100 years. In applying our editorial approach, we strive to improve and expand not just financial information but also non-financial information such as business models, human resource strategies, corporate governance and sustainability, referencing the integrated reporting framework issued by the International Integrated Reporting Council (IIRC). We also disclose information appropriately, in accordance with our disclosure policy. For more detailed financial data or ESG information, please refer to Financial Data Section, Sustainability Report, or visit our website.

Reporting Coverage

Reporting period: From April 2022 to March 2023 (partially including information on and after April 1, 2023)

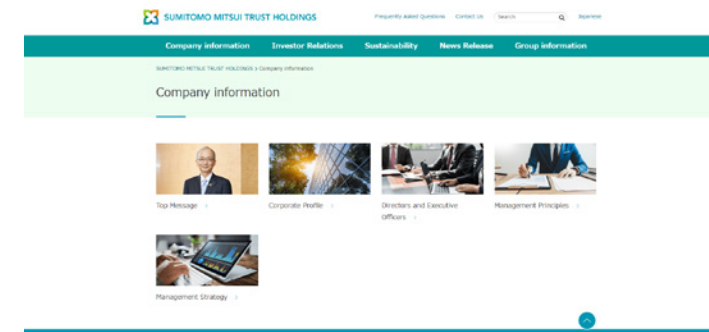
Scope of reporting: Sumitomo Mitsui Trust Group;
including Sumitomo Mitsui Trust Holdings, Inc., Sumitomo Mitsui Trust Bank, Limited, and other subsidiaries and affiliated companies

Position of the Integrated Report



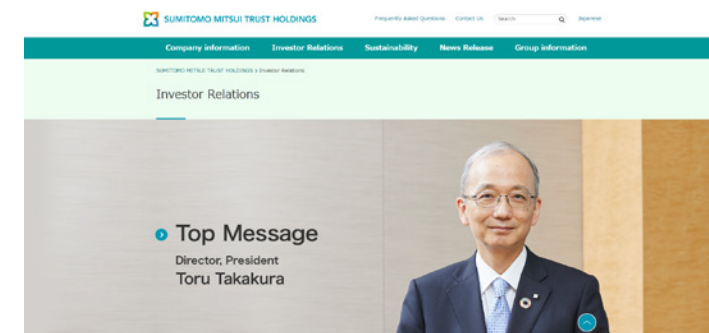
Website

Please go to our website for specifics on our Group.



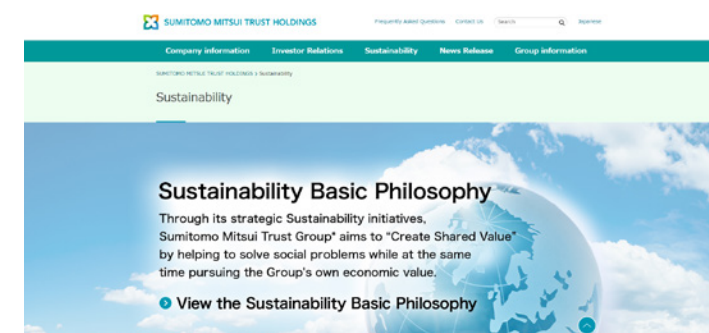
Company information

https://www.smth.jp/english/about_us



Investor Relations

<https://www.smth.jp/english/investors>



Sustainability

<https://www.smth.jp/english/sustainability>



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