

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
Financial Results for the Six Months Ended September 30, 2020
[Japanese GAAP] (Consolidated)



November 12, 2020

Stock exchange listings: Tokyo and Nagoya (Code: 8309)
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Filing date of quarterly securities report (Shihanki Hokokusyo) (Scheduled): November 27, 2020
 Specific trading accounts: Established
 Dividend payment date: December 2, 2020
 Explanatory material: Prepared
 Briefing on financial results: Scheduled (for institutional investors and analysts)

(Amounts less than one million yen are rounded down.)

1. Consolidated Financial Results (for the Six Months Ended September 30, 2020)

(1) Operating Results

(%: Changes from the same period in the previous fiscal year)

Six Months Ended	Ordinary Income		Ordinary Profit		Net Income Attributable to Owners of the Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
September 30, 2020	627,833	(16.3)	113,435	(24.9)	80,091	(24.5)
September 30, 2019	750,328	3.3	151,102	7.7	106,039	15.9

(Note) Comprehensive Income: Six months ended September 30, 2020 ¥76,611 million, 18.7%

Six months ended September 30, 2019 ¥64,535 million, (8.4)%

Six Months Ended	Net Income per Share of Common Stock	Fully Diluted Net Income per Share of Common Stock
	Yen	Yen
September 30, 2020	213.84	213.70
September 30, 2019	281.86	281.68

(2) Financial Position

As of	Total Assets	Net Assets	Net Assets to Total Assets Ratio	Net Assets per Share of Common Stock
	Millions of Yen	Millions of Yen	%	Yen
September 30, 2020	59,843,624	2,637,847	4.3	6,948.10
March 31, 2020	56,500,552	2,590,907	4.5	6,822.48

(Reference) Shareholders' Equity: As of September 30, 2020 ¥2,602,378 million

As of March 31, 2020 ¥2,555,266 million

(Note 1) Net Assets to Total Assets Ratio = (Net Assets - Subscription Rights to Shares - Non-Controlling Interests) / Total Assets

(Note 2) The above Net Assets to Total Assets Ratio is different from the capital adequacy ratio prescribed in the notification of the Financial Services Agency with respect to the capital adequacy ratio.

2. Cash Dividends per Share of Common Stock

Fiscal Year	Annual Cash Dividends per Share of Common Stock				
	1st Quarter-End	2nd Quarter-End	3rd Quarter-End	Fiscal Year-End	Total
Ended March 31, 2020	—	75.00	—	75.00	150.00
Ending March 31, 2021	—	75.00	—	75.00	150.00
Ending March 31, 2021 (Forecast)	—	75.00	—	75.00	150.00

(Note) Revision of latest announced estimates for cash dividends per share of common stock: None

3. Consolidated Earnings Forecast (for the Fiscal Year Ending March 31, 2021)

(%: Changes from the previous fiscal year)

Fiscal Year Ending	Net Income Attributable to Owners of the Parent		Net Income per Share of Common Stock
	Millions of Yen	%	Yen
March 31, 2021	140,000	(14.1)	373.79

(Note) Revision of latest announced forecast of consolidated earnings: None

*Notes

(1) Changes in Significant Subsidiaries during the Six Months Ended September 30, 2020: None

(Changes in “specified subsidiaries” resulted in changes in the scope of consolidation)

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of Shares Issued (Common Stock)

1) Number of shares issued (including treasury stock):

As of September 30, 2020	375,291,440 shares	As of March 31, 2020	375,291,440 shares
As of September 30, 2020	746,100 shares	As of March 31, 2020	755,159 shares
For the six months ended September 30, 2020	374,539,273 shares	For the six months ended September 30, 2019	376,209,611 shares

2) Number of treasury stock:

3) Average number of outstanding issued shares:

These consolidated financial results for the six months ended September 30, 2020 (the interim consolidated financial results), are out of the scope of the interim audit procedures to be performed by certified public accountants or an audit firm.

Explanation Concerning the Appropriate Use of the Forecasts for Results of Operations and Other Special Matters

The forecasts for results of operations presented in the consolidated financial results for the six months ended September 30, 2020, are based on information currently available to, and certain reasonable assumptions made by, SuMi TRUST Holdings. Moreover, SuMi TRUST Holdings does not guarantee the achievement of these forecasts, and actual results may differ significantly from the forecasts due to various factors. Please refer to the most recent relevant materials, including securities report, annual report, and other presentations, disclosed by SuMi TRUST Holdings and its group companies, for further information that could significantly influence SuMi TRUST Holdings’ financial position and operating results, as well as investment decisions by investors.

As a specified business entity (a company engaged in the specified businesses set forth in Article 17-15(2) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.), SuMi TRUST Holdings has prepared the interim consolidated financial statements for the six months ended September 30, 2020.

A briefing on financial results will be held for institutional investors and analysts. The contents of the meeting, such as explanations about financial results, will be posted on SuMi TRUST Holdings’ website, together with the explanatory material to be used on the day.

[Accompanying Materials]

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Interim Consolidated Financial Statements and Notes to the Consolidated Financial Statements

1. Interim Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2020	As of September 30, 2020
Assets:		
Cash and Due from Banks	13,141,192	17,498,102
Call Loans and Bills Bought	71,236	21,818
Receivables under Resale Agreements	1,220,761	145,010
Receivables under Securities Borrowing Transactions	740,658	779,616
Monetary Claims Bought	999,705	760,573
Trading Assets	507,646	462,094
Money Held in Trust	7,230	9,438
Securities	6,437,599	6,739,324
Loans and Bills Discounted	29,703,375	30,140,335
Foreign Exchanges	36,952	46,173
Lease Receivables and Investment Assets	673,880	666,424
Other Assets	2,124,043	1,726,180
Tangible Fixed Assets	213,547	212,718
Intangible Fixed Assets	129,455	127,622
Assets for Retirement Benefits	87,096	98,613
Deferred Tax Assets	14,564	13,705
Customers' Liabilities for Acceptances and Guarantees	518,811	520,768
Allowance for Loan Losses	(127,205)	(124,896)
Total Assets	56,500,552	59,843,624
Liabilities:		
Deposits	30,688,920	34,071,925
Negotiable Certificates of Deposit	5,860,292	6,970,204
Call Money and Bills Sold	142,974	24,348
Payables under Repurchase Agreements	1,558,919	1,379,058
Trading Liabilities	371,950	325,463
Borrowed Money	5,856,384	5,551,590
Foreign Exchanges	3,213	1,866
Short-Term Bonds Payable	1,707,097	2,532,452
Bonds Payable	1,125,731	1,277,082
Borrowed Money from Trust Account	4,750,289	3,517,414
Other Liabilities	1,215,433	926,421
Provision for Bonuses	18,619	14,305
Provision for Directors' Bonuses	172	27
Provision for Stocks Payment	279	386
Liabilities for Retirement Benefits	14,044	14,146
Provision for Reward Points Program	16,889	16,707
Provision for Reimbursement of Deposits	4,867	4,415
Provision for Contingent Losses	1,440	1,455
Deferred Tax Liabilities	50,875	53,295
Deferred Tax Liabilities for Land Revaluation	2,439	2,439
Acceptances and Guarantees	518,811	520,768
Total Liabilities	53,909,645	57,205,777

(Continued)

(Millions of Yen)

	As of March 31, 2020	As of September 30, 2020
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	580,595	580,160
Retained Earnings	1,495,029	1,546,998
Treasury Stock	(2,855)	(2,820)
Total Shareholders' Equity	2,334,377	2,385,947
Valuation Differences on Available-for-Sale Securities	351,459	345,021
Deferred Gains (Losses) on Hedges	(56,765)	(57,826)
Revaluation Reserve for Land	(6,623)	(6,623)
Foreign Currency Translation Adjustments	1,332	334
Adjustments for Retirement Benefits	(68,513)	(64,475)
Total Accumulated Other Comprehensive Income	220,889	216,430
Subscription Rights to Shares	1,057	1,041
Non-Controlling Interests	34,583	34,427
Total Net Assets	2,590,907	2,637,847
Total Liabilities and Net Assets	56,500,552	59,843,624

2. Interim Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
 Interim Consolidated Statements of Income

(Millions of Yen)

	For the Six Months Ended	
	September 30, 2019	September 30, 2020
Ordinary Income:	750,328	627,833
Trust Fees	49,094	50,272
Interest Income:	252,739	184,022
Interest on Loans and Discounts	179,960	140,867
Interest and Dividends on Securities	45,631	33,838
Fees and Commissions	200,855	178,320
Trading Income	42,831	17,562
Other Ordinary Income	182,836	172,288
Other Income	21,970	25,367
Ordinary Expenses:	599,225	514,398
Interest Expenses:	193,906	80,624
Interest on Deposits	65,698	27,062
Fees and Commissions Payments	54,171	55,761
Trading Expenses	110	—
Other Ordinary Expenses	127,239	135,075
General and Administrative Expenses	213,110	211,125
Other Expenses	10,686	31,810
Ordinary Profit	151,102	113,435
Extraordinary Income:	644	8
Gains on Disposal of Fixed Assets	644	8
Extraordinary Losses:	482	505
Losses on Disposal of Fixed Assets	357	341
Impairment Losses	124	164
Income before Income Taxes	151,264	112,938
Income Taxes:	43,427	31,850
Current	26,630	29,457
Deferred	16,796	2,392
Net Income	107,837	81,087
Net Income Attributable to Non-Controlling Interests	1,797	996
Net Income Attributable to Owners of the Parent	106,039	80,091

Interim Consolidated Statements of Comprehensive Income

(Millions of Yen)

	For the Six Months Ended	
	September 30, 2019	September 30, 2020
Net Income	107,837	81,087
Other Comprehensive Income (Loss):	(43,301)	(4,476)
Valuation Differences on Available-for-Sale Securities	(30,198)	(6,100)
Deferred Gains (Losses) on Hedges	(11,177)	(1,606)
Foreign Currency Translation Adjustments	(1,835)	(308)
Adjustments for Retirement Benefits	716	4,027
Attributable to Equity-Method Affiliated Companies	(807)	(487)
Comprehensive Income:	64,535	76,611
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	62,849	75,632
Comprehensive Income Attributable to Non-Controlling Interests	1,686	978

3. Interim Consolidated Statements of Changes in Net Assets
For the Six Months Ended September 30, 2019

(Millions of Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Period	261,608	645,003	1,387,592	(51,222)	2,242,982
Changes during the Period					
Cash Dividends			(28,394)		(28,394)
Net Income Attributable to Owners of the Parent			106,039		106,039
Purchase of Treasury Stock				(17,479)	(17,479)
Disposal of Treasury Stock		(354)		1,827	1,472
Retirement of Treasury Stock		(64,024)		64,024	—
Purchase of Shares of Consolidated Subsidiaries		(29)			(29)
Reversal of Revaluation Reserve for Land			889		889
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(64,408)	78,534	48,371	62,498
Balance at the End of the Period	261,608	580,595	1,466,126	(2,850)	2,305,480

	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	467,448	(36,764)	(5,698)	4,702	(19,209)	410,478	1,062	75,832	2,730,356
Changes during the Period									
Cash Dividends									(28,394)
Net Income Attributable to Owners of the Parent									106,039
Purchase of Treasury Stock									(17,479)
Disposal of Treasury Stock									1,472
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(29)
Reversal of Revaluation Reserve for Land									889
Net Changes of Items Other Than Shareholders' Equity	(28,701)	(11,888)	(889)	(3,322)	721	(44,079)	(2)	(41,051)	(85,133)
Total Changes during the Period	(28,701)	(11,888)	(889)	(3,322)	721	(44,079)	(2)	(41,051)	(22,635)
Balance at the End of the Period	438,747	(48,652)	(6,587)	1,380	(18,488)	366,399	1,060	34,781	2,707,721

For the Six Months Ended September 30, 2020

(Millions of Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Period	261,608	580,595	1,495,029	(2,855)	2,334,377
Changes during the Period					
Cash Dividends			(28,122)		(28,122)
Net Income Attributable to Owners of the Parent			80,091		80,091
Purchase of Treasury Stock				(6)	(6)
Disposal of Treasury Stock		(1)		42	40
Retirement of Treasury Stock					—
Purchase of Shares of Consolidated Subsidiaries		(432)			(432)
Reversal of Revaluation Reserve for Land					—
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(434)	51,968	35	51,569
Balance at the End of the Period	261,608	580,160	1,546,998	(2,820)	2,385,947

	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	351,459	(56,765)	(6,623)	1,332	(68,513)	220,889	1,057	34,583	2,590,907
Changes during the Period									
Cash Dividends									(28,122)
Net Income Attributable to Owners of the Parent									80,091
Purchase of Treasury Stock									(6)
Disposal of Treasury Stock									40
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(432)
Reversal of Revaluation Reserve for Land									—
Net Changes of Items Other Than Shareholders' Equity	(6,438)	(1,060)	—	(997)	4,038	(4,458)	(16)	(155)	(4,630)
Total Changes during the Period	(6,438)	(1,060)	—	(997)	4,038	(4,458)	(16)	(155)	46,939
Balance at the End of the Period	345,021	(57,826)	(6,623)	334	(64,475)	216,430	1,041	34,427	2,637,847

4. Notes to the Interim Consolidated Financial Statements

(Notes on Going-Concern Assumptions)

There is no applicable information.

(Additional Information)

For the fiscal year ended March 31, 2020, some of the consolidated subsidiaries made necessary modifications to the historical loan-loss ratios concerning the impact of the spread of COVID-19 on the borrowers.

In particular, some of the consolidated subsidiaries identified industries and products (“the Industries and Others”) that may be affected by downturn of business performance due to the spread of COVID-19, and recorded additional allowance for loan losses for estimated credit losses in the future assuming that internal ratings of certain credits of the Industries and Others will be downgraded to some extent.

There is no significant change in such assumption for the six-month period ended September 30, 2020.