

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
Financial Results for the Fiscal Year Ended March 31, 2021
[Japanese GAAP] (Consolidated)



May 13, 2021

Stock exchange listings:	Tokyo and Nagoya (Code: 8309)
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Date of ordinary general meeting of shareholders:	June 23, 2021
Filing date of securities report (Yukasyoken Hokokusyo) (Scheduled):	June 24, 2021
Specific trading accounts:	Established
Dividend payment date:	June 24, 2021
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 Fiscal Year Ended March 31, 2021)

(1) Operating Results

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

Fiscal Year Ended	Ordinary Income		Ordinary Profit		Net Income Attributable to Owners of the Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2021	1,380,434	(10.1)	183,155	(28.9)	142,196	(12.8)
March 31, 2020	1,535,401	4.6	257,658	0.5	163,028	(6.2)

(Note) Comprehensive Income: Fiscal year ended March 31, 2021 ¥201,137 million, (—)%

Fiscal year ended March 31, 2020 ¥(23,974) million, (—)%

Fiscal Year Ended	Net Income per Share of Common Stock	Fully Diluted Net Income per Share of Common Stock	Net Income to Net Assets Ratio	Ordinary Profit to Total Assets Ratio	Ordinary Profit to Ordinary Income Ratio
	Yen	Yen	%	%	%
March 31, 2021	379.65	379.42	5.4	0.3	13.3
March 31, 2020	434.31	434.03	6.3	0.5	16.8

(Reference) Equity in Earnings (Losses) of Affiliated Companies: Fiscal year ended March 31, 2021 ¥11,677 million

Fiscal year ended March 31, 2020 ¥9,929 million

(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
March 31, 2021	62,163,876	2,722,556	4.3	7,192.07
March 31, 2020	56,500,552	2,590,907	4.5	6,822.48

(Reference) Shareholders' Equity: As of March 31, 2021 ¥2,693,760 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.

(3) Cash Flows

Fiscal Year Ended	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at the End of the Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2021	6,553,089	(475,494)	(219,723)	16,799,146
March 31, 2020	(2,395,306)	(631,459)	(85,323)	10,960,024

2. Cash Dividends per Share of Common Stock

	Annual Cash Dividends per Share of Common Stock					Total Dividends Payment (Annual)	Payout Ratio (Consolidated)	Dividends to Net Asset Ratio (Consolidated)
	1st Quarter-End	2nd Quarter-End	3rd Quarter-End	Fiscal Year-End	Total			
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2020	—	75.00	—	75.00	150.00	56,244	34.5	2.2
March 31, 2021	—	75.00	—	75.00	150.00	56,245	39.5	2.1
Fiscal Year Ending								
March 31, 2022 (Forecast)	—	80.00	—	80.00	160.00		38.7	

3. Consolidated Earnings Forecast (for the Fiscal Year Ending March 31, 2022)

(%: Changes from the same period in 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, 2022	155,000	9.0	413.83

*Notes

(1) Changes in Significant Subsidiaries during the Fiscal Year Ended March 31, 2021: 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: | Yes |
| 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 March 31, 2021	375,291,440 shares	As of March 31, 2020	375,291,440 shares
2) Number of treasury stock:	As of March 31, 2021	745,818 shares	As of March 31, 2020	755,159 shares
3) Average number of outstanding issued shares:	For the fiscal year ended March 31, 2021	374,542,241 shares	For the fiscal year ended March 31, 2020	375,373,265 shares

(For further details, please refer to “3. (5) Notes to the Consolidated Financial Statements (Per Share of Common Stock Information)” on page 15 of Accompanying Materials.)

These consolidated financial results for the year ended March 31, 2021, are out of the scope of the year-end 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 year ended March 31, 2021, 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.

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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1. Operating Results

(1) Analysis of Consolidated Operating Results

For the fiscal year ended March 31, 2021, “Net Business Profit” increased by ¥5.6 billion from the previous fiscal year to ¥294.7 billion, due to an increase in substantial funds-related income (*) primarily due to the improvement in net income and expenses on loans and deposits in Japan, while income from fees and commissions in investment management consulting business and real estate brokerage business of group companies decreased due to the effects of limitation of operating activities due to the spread of the novel coronavirus disease.

“Ordinary Profit” decreased by ¥74.5 billion from the previous fiscal year to ¥183.1 billion. The decrease primarily reflects a decrease in net gains on stocks as a result of partial recognition of valuation gains on strategic shareholdings and valuation losses on hedging transactions.

“Net Income Attributable to Owners of the Parent” decreased by ¥20.8 billion from the previous fiscal year to ¥142.1 billion as a result of recording impairments of software and other assets with an eye on the new normal as extraordinary losses, while the full amount of past service costs for retirement benefits was charged to profit or loss in the fiscal year they occur as extraordinary income.

(*) Substantial funds-related income refers to funds-related income plus surplus funds in foreign currency included in foreign exchange gains or losses.

(Reference)

	(Billions of Yen)		
	Fiscal Year Ended	Changes from the Fiscal Year Ended	Fiscal Year Ended
	March 31, 2021	March 31, 2020	March 31, 2020
Substantial Gross Business Profit	739.2	(3.3)	742.6
General and Administrative Expenses	(444.5)	9.0	(453.6)
Net Business Profit	294.7	5.6	289.0
Ordinary Profit	183.1	(74.5)	257.6
Net Income Attributable to Owners of the Parent	142.1	(20.8)	163.0
Total Credit Costs	(7.8)	36.0	(43.8)
Net Gains on Stocks	(43.5)	(83.6)	40.1

(2) Analysis of Consolidated Financial Position

As of March 31, 2021, “Total Assets” increased by ¥5,663.3 billion to ¥62,163.8 billion and “Total Net Assets” increased by ¥131.6 billion to ¥2,722.5 billion from the end of the previous fiscal year.

In particular, “Cash and Due from Banks” increased by ¥5,347.5 billion to ¥18,488.7 billion, “Loans and Bills Discounted” increased by ¥803.5 billion to ¥30,506.9 billion, “Securities” increased by ¥545.8 billion to ¥6,983.4 billion, and “Deposits” increased by ¥2,778.7 billion to ¥33,467.6 billion, compared with those as of the end of the previous fiscal year.

(3) Analysis of Consolidated Cash Flows

“Net Cash Provided by Operating Activities” totaled ¥6,553.0 billion, a year-on-year increase of ¥8,948.3 billion, and “Net Cash Used in Investing Activities” totaled ¥475.4 billion, a year-on-year decrease of ¥155.9 billion, and “Net Cash Used in Financing Activities” totaled ¥219.7 billion, a year-on-year increase of ¥134.4 billion. “Cash and Cash Equivalents at the End of the Year” totaled ¥16,799.1 billion.

(4) Earnings Forecasts

The consolidated earnings forecast for the fiscal year ending March 31, 2022, is as follows: “Net Business Profit” of ¥280.0 billion, a year-on-year decrease of ¥14.7 billion, and “Net Income Attributable to Owners of the Parent” of ¥155.0 billion, a year-on-year increase of ¥12.8 billion.

The total cash dividends for the fiscal year ending March 31, 2022, are projected as ¥160 per share of common stock, a year-on-year increase of ¥10, based on the consolidated earnings forecast for the fiscal year ending March 31, 2022.

2. Basic Views of Selecting Accounting Standards

SuMi TRUST Holdings and its consolidated subsidiaries adopt generally accepted accounting principles in Japan to facilitate financial statement comparability with other companies. As for the introduction of International Financial Reporting Standards (IFRS), we consider business development and operations of the SuMi TRUST Group as well as the internal and external changes, and the decision to adopt IFRS will be dealt with in an appropriate manner.

3. Consolidated Financial Statements and Notes to the Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
Assets:		
Cash and Due from Banks	13,141,192	18,488,763
Call Loans and Bills Bought	71,236	8,766
Receivables under Resale Agreements	1,220,761	160,268
Receivables under Securities Borrowing Transactions	740,658	727,689
Monetary Claims Bought	999,705	892,309
Trading Assets	507,646	433,766
Money Held in Trust	7,230	12,223
Securities	6,437,599	6,983,483
Loans and Bills Discounted	29,703,375	30,506,968
Foreign Exchanges	36,952	25,396
Lease Receivables and Investment Assets	673,880	695,172
Other Assets	2,124,043	2,260,399
Tangible Fixed Assets:	213,547	228,180
Buildings	73,926	73,966
Land	114,713	130,586
Lease Assets	5,178	5,061
Construction in Progress	370	108
Other	19,358	18,458
Intangible Fixed Assets:	129,455	112,303
Software	79,211	69,946
Goodwill	45,087	37,292
Lease Assets	0	—
Other	5,156	5,065
Assets for Retirement Benefits	87,096	231,165
Deferred Tax Assets	14,564	14,459
Customers' Liabilities for Acceptances and Guarantees	518,811	511,782
Allowance for Loan Losses	(127,205)	(129,223)
Total Assets	56,500,552	62,163,876

(Continued)

(Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities:		
Deposits	30,688,920	33,467,678
Negotiable Certificates of Deposit	5,860,292	7,160,594
Call Money and Bills Sold	142,974	60,675
Payables under Repurchase Agreements	1,558,919	1,628,440
Trading Liabilities	371,950	321,576
Borrowed Money	5,856,384	5,782,602
Foreign Exchanges	3,213	577
Short-Term Bonds Payable	1,707,097	2,545,049
Bonds Payable	1,125,731	1,545,605
Borrowed Money from Trust Account	4,750,289	4,915,208
Other Liabilities	1,215,433	1,359,860
Provision for Bonuses	18,619	18,460
Provision for Directors' Bonuses	172	219
Provision for Stocks Payment	279	532
Liabilities for Retirement Benefits	14,044	13,752
Provision for Reward Points Program	16,889	18,945
Provision for Reimbursement of Deposits	4,867	4,138
Provision for Contingent Losses	1,440	1,633
Deferred Tax Liabilities	50,875	81,594
Deferred Tax Liabilities for Land Revaluation	2,439	2,388
Acceptances and Guarantees	518,811	511,782
Total Liabilities	53,909,645	59,441,319
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	580,595	576,114
Retained Earnings	1,495,029	1,581,096
Treasury Stock	(2,855)	(2,815)
Total Shareholders' Equity	2,334,377	2,416,003
Valuation Differences on Available-for-Sale Securities	351,459	329,429
Deferred Gains (Losses) on Hedges	(56,765)	(44,926)
Revaluation Reserve for Land	(6,623)	(6,739)
Foreign Currency Translation Adjustments	1,332	4,000
Adjustments for Retirement Benefits	(68,513)	(4,007)
Total Accumulated Other Comprehensive Income	220,889	277,756
Subscription Rights to Shares	1,057	1,024
Non-Controlling Interests	34,583	27,772
Total Net Assets	2,590,907	2,722,556
Total Liabilities and Net Assets	56,500,552	62,163,876

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2020	March 31, 2021
Ordinary Income:	1,535,401	1,380,434
Trust Fees	99,816	102,883
Interest Income:	489,366	363,749
Interest on Loans and Discounts	346,886	271,246
Interest and Dividends on Securities	94,005	75,898
Interest on Call Loans and Bills Bought	1,431	550
Interest on Receivables under Resale Agreements	571	20
Interest on Receivables under Securities Borrowing Transactions	0	0
Interest on Deposits with Banks	36,831	11,038
Other Interest Income	9,640	4,994
Fees and Commissions	401,723	390,877
Trading Income	102,189	76
Other Ordinary Income	349,778	402,394
Other Income:	92,525	120,453
Recoveries of Written-Off Claims	1,149	809
Other	91,376	119,644
Ordinary Expenses:	1,277,742	1,197,279
Interest Expenses:	361,890	137,471
Interest on Deposits	125,997	45,221
Interest on Negotiable Certificates of Deposit	81,014	14,198
Interest on Call Money and Bills Sold	1,264	371
Interest on Payables under Repurchase Agreements	31,712	3,576
Interest on Payables under Securities Lending Transactions	2,302	—
Interest on Borrowings	13,238	6,911
Interest on Short-Term Bonds	29,049	5,763
Interest on Bonds	16,147	12,858
Other Interest Expenses	61,163	48,570
Fees and Commissions Payments	109,666	118,031
Trading Expenses	—	33,300
Other Ordinary Expenses	280,488	290,350
General and Administrative Expenses	433,455	431,422
Other Expenses	92,241	186,702
Provision of Allowance for Loan Losses	39,972	3,277
Other	52,269	183,424
Ordinary Profit	257,658	183,155

(Continued)

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2020	March 31, 2021
Extraordinary Income:	3,154	37,731
Gains on Disposal of Fixed Assets	3,154	151
Other	—	37,580
Extraordinary Losses:	20,091	20,884
Losses on Disposal of Fixed Assets	731	710
Impairment Losses	19,360	20,173
Income before Income Taxes	240,721	200,003
Income Taxes:	75,627	56,064
Current	69,585	50,991
Deferred	6,042	5,073
Net Income	165,094	143,938
Net Income Attributable to Non-Controlling Interests	2,065	1,742
Net Income Attributable to Owners of the Parent	163,028	142,196

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2020	March 31, 2021
Net Income	165,094	143,938
Other Comprehensive Income (Loss):	(189,068)	57,199
Valuation Differences on Available-for-Sale Securities	(116,924)	(20,301)
Deferred Gains (Losses) on Hedges	(18,946)	9,944
Foreign Currency Translation Adjustments	(2,387)	1,982
Adjustments for Retirement Benefits	(49,287)	64,492
Attributable to Equity-Method Affiliated Companies	(1,523)	1,080
Comprehensive Income:	(23,974)	201,137
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	(25,635)	199,178
Comprehensive Income Attributable to Non-Controlling Interests	1,660	1,958

(3) Consolidated Statements of Changes in Net Assets
For the Fiscal Year Ended March 31, 2020

(Millions of Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Year	261,608	645,003	1,387,592	(51,222)	2,242,982
Changes during the Year					
Cash Dividends			(56,517)		(56,517)
Net Income Attributable to Owners of the Parent			163,028		163,028
Purchase of Treasury Stock				(17,494)	(17,494)
Disposal of Treasury Stock		(354)		1,835	1,481
Retirement of Treasury Stock		(64,024)		64,024	—
Purchase of Shares of Consolidated Subsidiaries		(29)			(29)
Reversal of Revaluation Reserve for Land			925		925
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(64,408)	107,437	48,366	91,395
Balance at the End of the Year	261,608	580,595	1,495,029	(2,855)	2,334,377

	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 Year	467,448	(36,764)	(5,698)	4,702	(19,209)	410,478	1,062	75,832	2,730,356
Changes during the Year									
Cash Dividends									(56,517)
Net Income Attributable to Owners of the Parent									163,028
Purchase of Treasury Stock									(17,494)
Disposal of Treasury Stock									1,481
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(29)
Reversal of Revaluation Reserve for Land									925
Net Changes of Items Other Than Shareholders' Equity	(115,989)	(20,001)	(925)	(3,369)	(49,303)	(189,589)	(5)	(41,249)	(230,843)
Total Changes during the Year	(115,989)	(20,001)	(925)	(3,369)	(49,303)	(189,589)	(5)	(41,249)	(139,448)
Balance at the End of the Year	351,459	(56,765)	(6,623)	1,332	(68,513)	220,889	1,057	34,583	2,590,907

For the Fiscal Year Ended March 31, 2021

(Millions of Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Year	261,608	580,595	1,495,029	(2,855)	2,334,377
Changes during the Year					
Cash Dividends			(56,244)		(56,244)
Net Income Attributable to Owners of the Parent			142,196		142,196
Purchase of Treasury Stock				(19)	(19)
Disposal of Treasury Stock		(2)		60	57
Retirement of Treasury Stock					—
Purchase of Shares of Consolidated Subsidiaries		(4,478)			(4,478)
Reversal of Revaluation Reserve for Land			115		115
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(4,480)	86,067	40	81,626
Balance at the End of the Year	261,608	576,114	1,581,096	(2,815)	2,416,003

	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 Year	351,459	(56,765)	(6,623)	1,332	(68,513)	220,889	1,057	34,583	2,590,907
Changes during the Year									
Cash Dividends									(56,244)
Net Income Attributable to Owners of the Parent									142,196
Purchase of Treasury Stock									(19)
Disposal of Treasury Stock									57
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(4,478)
Reversal of Revaluation Reserve for Land									115
Net Changes of Items Other Than Shareholders' Equity	(22,030)	11,839	(115)	2,667	64,506	56,866	(33)	(6,811)	50,022
Total Changes during the Year	(22,030)	11,839	(115)	2,667	64,506	56,866	(33)	(6,811)	131,649
Balance at the End of the Year	329,429	(44,926)	(6,739)	4,000	(4,007)	277,756	1,024	27,772	2,722,556

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2020	March 31, 2021
Cash Flows from Operating Activities:		
Income before Income Taxes	240,721	200,003
Depreciation and Amortization	35,242	34,552
Impairment Losses	19,360	20,173
Amortization of Goodwill	9,422	7,875
Equity in Losses (Earnings) of Affiliated Companies	(9,929)	(11,677)
Increase (Decrease) in Allowance for Loan Losses	27,435	2,018
Increase (Decrease) in Provision for Bonuses	1,031	(159)
Increase (Decrease) in Provision for Directors' Bonuses	(171)	47
Increase (Decrease) in Provision for Stocks Payment	279	252
Decrease (Increase) in Assets for Retirement Benefits	53,840	(132,340)
Increase (Decrease) in Liabilities for Retirement Benefits	(150)	(441)
Increase (Decrease) in Provision for Reward Points Program	(1,393)	2,056
Increase (Decrease) in Provision for Reimbursement of Deposits	(383)	(728)
Increase (Decrease) in Provision for Contingent Losses	(2,025)	193
Interest Income	(489,366)	(363,749)
Interest Expenses	361,890	137,471
Loss (Gain) Related to Securities	(75,071)	50,309
Loss (Gain) on Money Held in Trust	1,030	(3,071)
Foreign Exchange Losses (Gains)	45,979	(56,942)
Loss (Gain) on Disposal of Fixed Assets	(2,423)	558
Net Decrease (Increase) in Trading Assets	(52,668)	73,880
Net Increase (Decrease) in Trading Liabilities	113,178	(50,373)
Net Decrease (Increase) in Loans and Bills Discounted	(680,583)	(803,592)
Net Increase (Decrease) in Deposit	(1,214,652)	2,778,758
Net Increase (Decrease) in Negotiable Certificates of Deposit	(468,330)	1,300,302
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	1,832,583	(73,782)
Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan)	(215,071)	491,550
Net Decrease (Increase) in Call Loans	(1,000,163)	1,230,261
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	19,153	12,968
Net Increase (Decrease) in Call Money	25,908	(12,776)
Net Increase (Decrease) in Payables under Securities Lending Transactions	(104,767)	—
Net Decrease (Increase) in Foreign Exchange-Assets	(16)	11,556
Net Increase (Decrease) in Foreign Exchange-Liabilities	2,755	(2,636)
Net Decrease (Increase) in Lease Receivables and Investment Assets	(20,432)	(21,292)
Net Increase (Decrease) in Short-Term Bonds Payable	234,311	837,951
Increase (Decrease) in Straight Bonds-Issuance and Redemption	(282,466)	570,236
Net Increase (Decrease) in Borrowed Money from Trust Account	(657,720)	164,918
Proceeds from Fund Management	512,084	383,204
Payments for Finance	(376,605)	(162,409)
Other, Net	(215,869)	(25,174)
Subtotal	(2,334,053)	6,589,955
Income Taxes (Paid) Refunded	(61,252)	(36,865)
Net Cash Provided by (Used in) Operating Activities	(2,395,306)	6,553,089

(Continued)

	Fiscal Year Ended	
	March 31, 2020	March 31, 2021
Cash Flows from Investing Activities:		
Purchase of Securities	(6,064,069)	(7,135,053)
Proceeds from Sales of Securities	3,748,916	3,071,193
Proceeds from Redemption of Securities	1,732,611	3,651,551
Increase in Money Held in Trust	(6,900)	(2,000)
Purchase of Tangible Fixed Assets	(16,756)	(27,800)
Proceeds from Sales of Tangible Fixed Assets	7,380	751
Purchase of Intangible Fixed Assets	(31,497)	(34,086)
Purchase of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation	(1,089)	—
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(54)	(49)
Net Cash Provided by (Used in) Investing Activities	(631,459)	(475,494)
Cash Flows from Financing Activities:		
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	39,785	39,784
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(10,000)	(190,000)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	(71)	(12,655)
Repayments to Non-Controlling Interests	(41,000)	—
Cash Dividends Paid	(56,511)	(56,241)
Cash Dividends Paid to Non-Controlling Interests	(1,512)	(593)
Purchase of Treasury Stock	(17,494)	(19)
Proceeds from Sales of Treasury Stock	1,481	1
Net Cash Provided by (Used in) Financing Activities	(85,323)	(219,723)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(7,654)	(18,749)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,119,743)	5,839,121
Cash and Cash Equivalents at the Beginning of the Year	14,079,768	10,960,024
Cash and Cash Equivalents at the End of the Year	10,960,024	16,799,146

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumptions)

There is no applicable information.

(Changes in Accounting Policies)

Change in Accounting Treatment of Past Service Cost

SuMi TRUST Bank, a consolidated subsidiary of SuMi TRUST Holdings, implemented the changes in relevant policies due to the partial revision of defined benefit corporate pension plans in January 2021 and put them into practice on April 1, 2021. The revision was implemented as SuMi TRUST Bank extended the retirement age and revised their remuneration system to provide more extensive treatment for their employees depending on their roles in order to create a working environment that allows employees to work vigorously as the average life expectancy and healthy life expectancy increased. Accounting procedures under the revised pension plans are in accordance with “Accounting for Transfers between Retirement Benefit Plans” (Accounting Standards Board of Japan (ASBJ) Guidance No. 1, December 16, 2016) and “Practical Solution on Accounting for Transfers between Retirement Benefit Plans” (ASBJ Practical Issues Task Force (PITF) No. 2, February 7, 2007). The past service cost, which is a decrease in the retirement benefit obligation, of ¥37,734 million was incurred as a result of the revision.

Although past service costs were previously recognized using the straight-line method, primarily over 10 years within the employees’ average remaining service period at incurrence, the full amount of past service costs is charged to profit or loss in the fiscal year they occur from the fiscal year ended March 31, 2021. This is because past service costs incurred from changes in pension plans will not affect the financial statements in the future, while accounting treatment under the previous accounting method will. In addition, the SuMi TRUST Group considers that charging the full amount of past service costs to profit or loss in the fiscal year they occur clarifies the relationship between income and expenses of the SuMi TRUST Group, including the increased personnel expenses as a result of the extension of the retirement age and the revision of the remuneration system, and more appropriately presents financial position and results of operations.

The change in the accounting method to account for past service costs is not applied retrospectively because the amount of unrecognized past service cost is insignificant as of March 31, 2020, and the unrecognized past service cost in addition to the past service cost incurred during the fiscal year ended March 31, 2021 is recognized as extraordinary income in the fiscal year ended March 31, 2021. As a result, compared to the case where the previous accounting method was applied, ordinary profit decreased by ¥859 million and income before income taxes increased by ¥36,721 million in the fiscal year ended March 31, 2021.

(Segment Information)

1. Reportable Segment Information

The SuMi TRUST Group’s reportable segments are defined as operating segments for which discrete financial information is available. The Board of Directors and the Executive Committee periodically receive reporting on the operating results and other relevant information of the reportable segments to make decisions about the allocation of management resources and to assess performance.

The main activities of the reportable segment are presented below:

Retail Total Solution Services:	Provision of services to individual customers
Wholesale Financial Services:	Provision of services to corporate customers
Stock Transfer Agency Services:	Undertaking of stock-related services on behalf of customers
Real Estate:	Provision of services related to the real estate business
Fiduciary Services:	Operation of the pension business, the asset management business, and the asset administration business
Global Markets:	Marketing operations, market-making operations, investment operations, and financial management operations

2. Method for Calculating Substantial Gross Business Profit and Net Business Profit

Segment information is prepared based on internal management reports, and the accounting policies used for the reportable segments are generally the same as those that are bases for the preparation of consolidated financial statements; however, the reportable segments are accounted for in accordance with the rules for the internal management.

“Net Business Profit” represents “Substantial Gross Business Profit,” less “Substantial G&A Expenses.” “Substantial Gross Business Profit” and “Substantial G&A Expenses” are financial figures generated on the basis of internal management reporting, and they represent “Substantial Gross Business Profit” and “Substantial G&A Expenses (excluding any non-recurring expenses)” of SuMi TRUST Holdings and its consolidated subsidiaries, reflecting gains or losses of equity-method affiliated companies (proportionate share of gains or losses, excluding any non-recurring items).

Income earned from inter-segment and cross-segment transactions is calculated by applying the criteria (market prices) specified in the rules for internal management.

“Fixed Assets” disclosed in the assets by reportable segments are the total amount of tangible fixed assets and intangible fixed assets. These assets are owned by SuMi TRUST Bank and allocated to each segment.

Profit or Loss by Reportable Segment

(Millions of Yen)

	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services		Global Markets	Others	Total
						Asset Management Business			
Substantial Gross Business Profit	177,602	207,742	40,300	49,891	175,772	86,935	69,761	18,227	739,296
General and Administrative Expenses	(162,077)	(75,620)	(19,440)	(24,309)	(111,231)	(57,121)	(15,350)	(36,558)	(444,589)
Net Business Profit	15,524	132,122	20,859	25,581	64,540	29,813	54,410	(18,331)	294,707
Fixed Assets	67,111	33,172	2,157	8,855	16,699	—	19,618	192,869	340,484

(Note 1) The figures represent “Substantial Gross Business Profit” in substitution for net sales to be presented by companies in other industries.

(Note 2) The amounts of “Substantial Gross Business Profit” include net trust fees, net interest income, net fees and commissions, net trading income, and net other ordinary income and expenses.

(Note 3) “General and Administrative Expenses” include personnel expenses and rent expenses.

(Note 4) Figures for the “Asset Management Business” are combined total of SuMi TRUST AM (consolidated), Nikko Asset Management Co., Ltd. (consolidated), and two affiliated companies accounted for using the equity method which are involved in asset management operations.

(Note 5) “Others” include costs of capital funding, dividends for shares for cross-shareholdings, general and administrative expenses of headquarters, and internal transactions to be eliminated.

(Note 6) The amount of “Fixed Assets” for each segment represents the amount of fixed assets owned by SuMi TRUST Bank. “Others” for “Fixed Assets” include shared assets not allocated to any segment, fixed assets owned by consolidated subsidiaries outside the scope of allocation of resources, and adjustments for consolidation. For fixed assets not allocated to each segment, some of related expenses are allocated to each segment based on a reasonable allocation method.

3. Total Profit or Loss for Reportable Segments

(Millions of Yen)

	Amounts
Net Business Profit	294,707
Other Income	120,453
Other Expenses	(186,702)
Other Adjustments	(45,303)
Ordinary Profit	183,155

(Per Share of Common Stock Information)

		Fiscal Year Ended March 31, 2021
Net Assets per Share of Common Stock	Yen	7,192.07
Net Income per Share of Common Stock	Yen	379.65
Fully Diluted Net Income per Share of Common Stock	Yen	379.42

(Notes)

1. Net Assets per Share of Common Stock and Basis for Calculation

		As of March 31, 2021
Net Assets as Reported	Millions of Yen	2,722,556
Less:	Millions of Yen	28,796
Subscription Rights to Shares	Millions of Yen	1,024
Non-Controlling Interests	Millions of Yen	27,772
Net Assets Attributable to Common Shareholders	Millions of Yen	2,693,760
The Number of Shares of Common Stock Outstanding	Thousands of Shares	374,545

2. Net Income per Share of Common Stock and Fully Diluted Net Income per Share of Common Stock and Basis for Calculation

		Fiscal Year Ended March 31, 2021
Net Income per Share of Common Stock		
Net Income Attributable to Owners of the Parent	Millions of Yen	142,196
Net Income Not Attributable to Common Shareholders	Millions of Yen	—
Net Income Related to Common Stock that is Attributable to Owners of the Parent	Millions of Yen	142,196
Average Number of Shares of Common Stock Outstanding	Thousands of Shares	374,542
Fully Diluted Net Income per Share of Common Stock		
Adjustments to Net Income Attributable to Owners of the Parent	Millions of Yen	—
Effect of Dilutive Securities	Thousands of Shares	235
Subscription Rights to Shares	Thousands of Shares	235
Summary of the potential shares that were excluded from calculation of fully diluted net income per share of common stock because they have no dilutive effect		SuMi TRUST Holdings: Series 1 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 20,000 shares Series 2 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 19,300 shares Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 39,300 shares Consolidated Subsidiaries Nikko Asset Management Co., Ltd. (NAM): Subscription Rights to Shares (Stock Options) NAM Common Stock 5,827,300 shares

3. In the calculation of net income per share of common stock, shares of SuMi TRUST Holdings remaining in the share delivery trust for the Directors, which have been recorded as treasury stock in shareholders' equity, are included in treasury stock. Treasury stock is excluded from the calculation of the average number of shares of common stock outstanding for the fiscal year ended March 31, 2021. In addition, in the calculation of net assets per share of common stock, such shares are included in treasury stock, which is also excluded from the number of shares of common stock outstanding as of March 31, 2021.

The average number of shares of treasury stock, which is excluded from the calculation of net income per share of common stock, is 422 thousand for the fiscal year ended March 31, 2021. The number of shares of treasury stock, which is also excluded from the calculation of net assets per share of common stock, is 424 thousand as of March 31, 2021.

(Significant Subsequent Events)

Not applicable