

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
Financial Results for the Six Months Ended September 30, 2021
[Japanese GAAP] (Consolidated)



November 11, 2021

Stock exchange listings: Tokyo and Nagoya (Code: 8309)
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Filing date of quarterly securities report
 (Shihanki Hokokusyo) (Scheduled): November 26, 2021
 Specific trading accounts: Established
 Dividend payment date: December 2, 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 Six Months Ended September 30, 2021)

(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, 2021 | 696,828 | 11.0 | 152,096 | 34.1 | 111,029 | 38.6 |
| September 30, 2020 | 627,833 | (16.3) | 113,435 | (24.9) | 80,091 | (24.5) |

(Note) Comprehensive Income: Six months ended September 30, 2021 ¥108,203 million, 41.2%

Six months ended September 30, 2020 ¥76,611 million, 18.7%

| Six Months Ended | Net Income per Share of Common Stock | Fully Diluted Net Income per Share of Common Stock |
|--------------------|--------------------------------------|--|
| | Yen | Yen |
| September 30, 2021 | 296.43 | 296.25 |
| September 30, 2020 | 213.84 | 213.70 |

(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, 2021 | 63,334,654 | 2,792,634 | 4.4 | 7,378.57 |
| March 31, 2021 | 63,368,573 | 2,722,556 | 4.3 | 7,192.07 |

(Reference) Shareholders' Equity: As of September 30, 2021 ¥2,763,813 million

As of March 31, 2021 ¥2,693,760 million

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

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.

(Note 2) As mentioned in “(Changes in Presentation),” the Company has changed the presentation of assets and liabilities for derivative transactions, and reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.

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, 2021 | — | 75.00 | — | 75.00 | 150.00 |
| Ending March 31, 2022 | — | 80.00 | — | 80.00 | 160.00 |
| Ending March 31, 2022 (Forecast) | — | — | — | 80.00 | 160.00 |

(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, 2022)

(%: 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, 2022 | 155,000 | 9.0 | 413.80 |

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

*Notes

(1) Changes in Significant Subsidiaries during the Six Months Ended September 30, 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: | Yes |
| 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, 2021 | 375,291,440 shares | As of March 31, 2021 | 375,291,440 shares |
| 2) Number of treasury stock: | As of September 30, 2021 | 718,557 shares | As of March 31, 2021 | 745,818 shares |
| 3) Average number of outstanding issued shares: | For the six months ended September 30, 2021 | 374,551,682 shares | For the six months ended September 30, 2020 | 374,539,273 shares |

These consolidated financial results for the six months ended September 30, 2021 (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, 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.

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, 2021.

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, 2021 | As of September 30, 2021 |
|---|-------------------------|-----------------------------|
| Assets: | | |
| Cash and Due from Banks | 18,488,763 | 18,907,222 |
| Call Loans and Bills Bought | 8,766 | 6,000 |
| Receivables under Resale Agreements | 160,268 | 156,180 |
| Receivables under Securities Borrowing Transactions | 727,689 | 684,652 |
| Monetary Claims Bought | 892,309 | 762,179 |
| Trading Assets | 962,849 | 850,204 |
| Money Held in Trust | 12,223 | 17,331 |
| Securities | 6,983,483 | 7,064,541 |
| Loans and Bills Discounted | 30,506,968 | 30,569,851 |
| Foreign Exchanges | 25,396 | 32,246 |
| Lease Receivables and Investment Assets | 695,172 | 692,678 |
| Other Assets | 2,936,013 | 2,597,749 |
| Tangible Fixed Assets | 228,180 | 225,120 |
| Intangible Fixed Assets | 112,303 | 117,834 |
| Assets for Retirement Benefits | 231,165 | 240,068 |
| Deferred Tax Assets | 14,459 | 15,299 |
| Customers' Liabilities for Acceptances and Guarantees | 511,782 | 513,140 |
| Allowance for Loan Losses | (129,223) | (117,647) |
| Total Assets | 63,368,573 | 63,334,654 |
| Liabilities: | | |
| Deposits | 33,467,678 | 33,078,438 |
| Negotiable Certificates of Deposit | 7,160,594 | 8,139,000 |
| Call Money and Bills Sold | 60,675 | 56,924 |
| Payables under Repurchase Agreements | 1,628,440 | 1,520,979 |
| Trading Liabilities | 850,660 | 762,783 |
| Borrowed Money | 5,782,602 | 6,057,246 |
| Foreign Exchanges | 577 | 1,226 |
| Short-Term Bonds Payable | 2,545,049 | 2,486,962 |
| Bonds Payable | 1,545,605 | 1,862,748 |
| Borrowed Money from Trust Account | 4,915,208 | 4,173,870 |
| Other Liabilities | 2,035,474 | 1,743,527 |
| Provision for Bonuses | 18,460 | 14,520 |
| Provision for Directors' Bonuses | 219 | 2 |
| Provision for Stocks Payment | 532 | 588 |
| Liabilities for Retirement Benefits | 13,752 | 14,077 |
| Provision for Reward Points Program | 18,945 | 19,535 |
| Provision for Reimbursement of Deposits | 4,138 | 3,825 |
| Provision for Contingent Losses | 1,633 | 1,597 |
| Deferred Tax Liabilities | 81,594 | 88,634 |
| Deferred Tax Liabilities for Land Revaluation | 2,388 | 2,388 |
| Acceptances and Guarantees | 511,782 | 513,140 |
| Total Liabilities | 60,646,016 | 60,542,020 |

(Continued)

(Millions of Yen)

| | As of March 31, 2021 | As of September 30, 2021 |
|--|-------------------------|-----------------------------|
| Net Assets: | | |
| Capital Stock | 261,608 | 261,608 |
| Capital Surplus | 576,114 | 576,114 |
| Retained Earnings | 1,581,096 | 1,654,367 |
| Treasury Stock | (2,815) | (2,721) |
| Total Shareholders' Equity | 2,416,003 | 2,489,368 |
| Valuation Differences on Available-for-Sale Securities | 329,429 | 326,859 |
| Deferred Gains (Losses) on Hedges | (44,926) | (47,675) |
| Revaluation Reserve for Land | (6,739) | (6,739) |
| Foreign Currency Translation Adjustments | 4,000 | 5,867 |
| Adjustments for Retirement Benefits | (4,007) | (3,867) |
| Total Accumulated Other Comprehensive Income | 277,756 | 274,445 |
| Subscription Rights to Shares | 1,024 | 1,017 |
| Non-Controlling Interests | 27,772 | 27,802 |
| Total Net Assets | 2,722,556 | 2,792,634 |
| Total Liabilities and Net Assets | 63,368,573 | 63,334,654 |

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, 2020 | September 30, 2021 |
| Ordinary Income: | 627,833 | 696,828 |
| Trust Fees | 50,272 | 53,675 |
| Interest Income: | 184,022 | 189,717 |
| Interest on Loans and Discounts | 140,867 | 129,793 |
| Interest and Dividends on Securities | 33,838 | 51,980 |
| Fees and Commissions | 178,320 | 212,523 |
| Trading Income | 17,562 | 38,200 |
| Other Ordinary Income | 172,288 | 151,888 |
| Other Income | 25,367 | 50,822 |
| Ordinary Expenses: | 514,398 | 544,732 |
| Interest Expenses: | 80,624 | 52,077 |
| Interest on Deposits | 27,062 | 14,592 |
| Fees and Commissions Payments | 55,761 | 66,712 |
| Trading Expenses | — | 92 |
| Other Ordinary Expenses | 135,075 | 152,085 |
| General and Administrative Expenses | 211,125 | 215,972 |
| Other Expenses | 31,810 | 57,791 |
| Ordinary Profit | 113,435 | 152,096 |
| Extraordinary Income: | 8 | 445 |
| Gains on Disposal of Fixed Assets | 8 | 445 |
| Extraordinary Losses: | 505 | 1,094 |
| Losses on Disposal of Fixed Assets | 341 | 362 |
| Impairment Losses | 164 | 732 |
| Income before Income Taxes | 112,938 | 151,447 |
| Income Taxes: | 31,850 | 39,982 |
| Current | 29,457 | 29,750 |
| Deferred | 2,392 | 10,232 |
| Net Income | 81,087 | 111,464 |
| Net Income Attributable to Non-Controlling Interests | 996 | 434 |
| Net Income Attributable to Owners of the Parent | 80,091 | 111,029 |

Interim Consolidated Statements of Comprehensive Income

(Millions of Yen)

| | For the Six Months Ended | |
|--|--------------------------|--------------------|
| | September 30, 2020 | September 30, 2021 |
| Net Income | 81,087 | 111,464 |
| Other Comprehensive Income (Loss): | (4,476) | (3,260) |
| Valuation Differences on Available-for-Sale Securities | (6,100) | (2,549) |
| Deferred Gains (Losses) on Hedges | (1,606) | (2,874) |
| Foreign Currency Translation Adjustments | (308) | 452 |
| Adjustments for Retirement Benefits | 4,027 | 135 |
| Attributable to Equity-Method Affiliated Companies | (487) | 1,575 |
| Comprehensive Income: | 76,611 | 108,203 |
| (Breakdown) | | |
| Comprehensive Income Attributable to Owners of the Parent | 75,632 | 107,719 |
| Comprehensive Income Attributable to Non-Controlling Interests | 978 | 484 |

3. Interim Consolidated Statements of Changes in Net Assets 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 |
| Purchase of Shares of Consolidated Subsidiaries | | (432) | | | (432) |
| 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 |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | | (432) |
| 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 |

For the Six Months Ended September 30, 2021

(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 | 576,114 | 1,581,096 | (2,815) | 2,416,003 |
| Cumulative Effects of Changes in Accounting Policies | | | (9,636) | | (9,636) |
| Restated Balance | 261,608 | 576,114 | 1,571,460 | (2,815) | 2,406,367 |
| Changes during the Period | | | | | |
| Cash Dividends | | | (28,122) | | (28,122) |
| Net Income Attributable to Owners of the Parent | | | 111,029 | | 111,029 |
| Purchase of Treasury Stock | | | | (9) | (9) |
| Disposal of Treasury Stock | | (0) | | 103 | 103 |
| Purchase of Shares of Consolidated Subsidiaries | | | | | — |
| Net Changes of Items Other Than Shareholders' Equity | | | | | |
| Total Changes during the Period | — | (0) | 82,907 | 94 | 83,001 |
| Balance at the End of the Period | 261,608 | 576,114 | 1,654,367 | (2,721) | 2,489,368 |

| | 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 | 329,429 | (44,926) | (6,739) | 4,000 | (4,007) | 277,756 | 1,024 | 27,772 | 2,722,556 |
| Cumulative Effects of Changes in Accounting Policies | | | | | | | | (0) | (9,636) |
| Restated Balance | 329,429 | (44,926) | (6,739) | 4,000 | (4,007) | 277,756 | 1,024 | 27,772 | 2,712,920 |
| Changes during the Period | | | | | | | | | |
| Cash Dividends | | | | | | | | | (28,122) |
| Net Income Attributable to Owners of the Parent | | | | | | | | | 111,029 |
| Purchase of Treasury Stock | | | | | | | | | (9) |
| Disposal of Treasury Stock | | | | | | | | | 103 |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | | — |
| Net Changes of Items Other Than Shareholders' Equity | (2,569) | (2,748) | — | 1,867 | 140 | (3,310) | (6) | 30 | (3,287) |
| Total Changes during the Period | (2,569) | (2,748) | — | 1,867 | 140 | (3,310) | (6) | 30 | 79,714 |
| Balance at the End of the Period | 326,859 | (47,675) | (6,739) | 5,867 | (3,867) | 274,445 | 1,017 | 27,802 | 2,792,634 |

4. Notes to the Interim Consolidated Financial Statements

(Notes on Going-Concern Assumptions)

There is no applicable information.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The Company has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No.29, March 31, 2020, “the standard for revenue recognition”) from the beginning of the six-month period ended September 30, 2021. Once control of a promised good or service is transferred to the customer, the Company recognizes revenue at the amount that the Company expects to receive in exchange for the good or service.

Application of the standard for revenue recognition is in accordance with the transitional treatments specified in the proviso in Paragraph 84 of the standard for revenue recognition. The cumulative effect of applying the new accounting policy retrospectively prior to the current six-month period is added to or deducted from retained earnings as of the beginning of the six-month period ended September 30, 2021, and the new accounting policy is applied to the balance at the beginning of the six-month period.

The effects of this change in the accounting policy on the interim consolidated financial statements are immaterial.

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019, “the standard for fair value measurement”) from the beginning of the six-month period ended September 30, 2021. In accordance with Paragraph 8 of the standard for fair value measurement, the fair value adjustment method for the calculation of the fair value of derivative transactions has been revised to a method that maximizes the use of observable inputs estimated from derivatives traded in the market. Such revision is a result of the application of the standard for fair value measurement, and the cumulative effect of applying the new accounting policy retrospectively prior to the current six-month period is reflected as retained earnings as of the beginning of the six-month period ended September 30, 2021, in accordance with the transitional measures specified in Paragraph 20 of the standard for fair value measurement.

As a result, trading assets decreased by ¥7,127 million, other assets decreased by ¥8,105 million, deferred tax assets increased by ¥3,948 million, trading liabilities decreased by ¥1,061 million, other liabilities decreased by ¥1,277 million, retained earnings decreased by ¥8,945 million, and net assets per share of common stock decreased by ¥23.88 as of the beginning of the six-month period ended September 30, 2021.

(Changes in Presentation)

(Presentation of financial assets and liabilities for derivative transactions based on fair value)

Previously, derivative transactions included in “Trading Assets,” “Trading Liabilities,” “Other Assets,” and “Other Liabilities” were presented on a net basis for transactions that met the requirements under the practical guidance for accounting for financial instruments. However, for the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on a general rule from the six-month period ended September 30, 2021. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.

As a result, “Trading Assets” of ¥433,766 million, “Other Assets” of ¥2,260,399 million, “Trading Liabilities” of ¥321,576 million, and “Other Liabilities” of ¥1,359,860 million, presented in the consolidated balance sheet for the fiscal year ended March 31, 2021, changed to ¥962,849 million, ¥2,936,013 million, ¥850,660 million, and ¥2,035,474 million, respectively.