

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
Financial Results for the Nine Months Ended December 31, 2021
[Japanese GAAP] (Consolidated)



January 27, 2022

Stock exchange listings: Tokyo and Nagoya (Code: 8309)
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Filing date of quarterly securities report
 (Shihanki Hokokusyo) (Scheduled): February 10, 2022
 Specific trading accounts: Established
 Dividend payment date: —
 Explanatory material: Prepared
 Briefing on financial results: Not scheduled

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

1. Consolidated Financial Results (for the Nine Months Ended December 31, 2021)

(1) Operating Results

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

	Ordinary Income		Ordinary Profit		Net Income Attributable to Owners of the Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine Months Ended						
December 31, 2021	1,006,081	9.0	193,921	7.7	141,867	12.0
December 31, 2020	922,610	(18.6)	180,024	(17.4)	126,613	(17.8)

(Note) Comprehensive Income: Nine months ended December 31, 2021 ¥134,567 million, 63.9%

Nine months ended December 31, 2020 ¥82,088 million, (4.3)%

	Net Income per Share of Common Stock	Fully Diluted Net Income per Share of Common Stock
Nine Months Ended	Yen	Yen
December 31, 2021	378.76	378.52
December 31, 2020	338.05	337.84

(2) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets Ratio
As of	Millions of Yen	Millions of Yen	%
December 31, 2021	63,770,975	2,789,000	4.3
March 31, 2021	63,368,573	2,722,556	4.3

(Reference) Shareholders' Equity: As of December 31, 2021 ¥ 2,759,867 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

	Annual Cash Dividends per Share of Common Stock				
	1st Quarter-End	2nd Quarter-End	3rd Quarter-End	Fiscal Year-End	Total
Fiscal Year	Yen	Yen	Yen	Yen	Yen
Ended March 31, 2021	—	75.00	—	75.00	150.00
Ending March 31, 2022	—	80.00	—	—	—
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 Nine Months Ended December 31, 2021: None
(Changes in “specified subsidiaries” resulted in changes in the scope of consolidation)
- (2) Specific Accounting Treatments for the Preparation of the Quarterly Consolidated Financial Statements: Yes
(For further details, please refer to “3. Notes to the Consolidated Financial Statements” on page 6 of Accompanying Materials.)
- (3) 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 |

(4) Number of Shares Issued (Common Stock)

1) Number of shares issued (including treasury stock):	As of December 31, 2021	375,291,440 shares	As of March 31, 2021	375,291,440 shares
2) Number of treasury stock:	As of December 31, 2021	717,917 shares	As of March 31, 2021	745,818 shares
3) Average number of outstanding issued shares:	For the nine months ended December 31, 2021	374,559,057 shares	For the nine months ended December 31, 2020	374,541,365 shares

These consolidated financial results for the nine months ended December 31, 2021 (the quarterly consolidated financial results), are out of the scope of the quarterly review 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 nine months ended December 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.

[Accompanying Materials]

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Consolidated Financial Statements and Notes to the Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2021	As of December 31, 2021
Assets:		
Cash and Due from Banks	18,488,763	19,013,866
Call Loans and Bills Bought	8,766	6,000
Receivables under Resale Agreements	160,268	164,645
Receivables under Securities Borrowing Transactions	727,689	636,116
Monetary Claims Bought	892,309	749,736
Trading Assets	962,849	790,006
Money Held in Trust	12,223	17,253
Securities	6,983,483	7,544,028
Loans and Bills Discounted	30,506,968	30,604,585
Foreign Exchanges	25,396	29,759
Lease Receivables and Investment Assets	695,172	686,963
Other Assets	2,936,013	2,484,214
Tangible Fixed Assets	228,180	224,078
Intangible Fixed Assets	112,303	123,963
Assets for Retirement Benefits	231,165	244,636
Deferred Tax Assets	14,459	15,046
Customers' Liabilities for Acceptances and Guarantees	511,782	554,392
Allowance for Loan Losses	(129,223)	(118,319)
Total Assets	63,368,573	63,770,975
Liabilities:		
Deposits	33,467,678	33,243,466
Negotiable Certificates of Deposit	7,160,594	7,885,500
Call Money and Bills Sold	60,675	41,973
Payables under Repurchase Agreements	1,628,440	1,526,849
Trading Liabilities	850,660	699,647
Borrowed Money	5,782,602	6,557,143
Foreign Exchanges	577	903
Short-Term Bonds Payable	2,545,049	2,649,800
Bonds Payable	1,545,605	1,927,721
Borrowed Money from Trust Account	4,915,208	4,075,205
Other Liabilities	2,035,474	1,680,900
Provision for Bonuses	18,460	10,436
Provision for Directors' Bonuses	219	3
Provision for Stocks Payment	532	656
Liabilities for Retirement Benefits	13,752	14,123
Provision for Reward Points Program	18,945	19,656
Provision for Reimbursement of Deposits	4,138	3,825
Provision for Contingent Losses	1,633	1,653
Deferred Tax Liabilities	81,594	85,724
Deferred Tax Liabilities for Land Revaluation	2,388	2,388
Acceptances and Guarantees	511,782	554,392
Total Liabilities	60,646,016	60,981,975

(Continued)

(Millions of Yen)

	As of March 31, 2021	As of December 31, 2021
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	576,114	576,114
Retained Earnings	1,581,096	1,655,207
Treasury Stock	(2,815)	(2,719)
Total Shareholders' Equity	2,416,003	2,490,211
Valuation Differences on Available-for-Sale Securities	329,429	319,148
Deferred Gains (Losses) on Hedges	(44,926)	(47,610)
Revaluation Reserve for Land	(6,739)	(6,739)
Foreign Currency Translation Adjustments	4,000	8,655
Adjustments for Retirement Benefits	(4,007)	(3,797)
Total Accumulated Other Comprehensive Income	277,756	269,656
Subscription Rights to Shares	1,024	1,014
Non-Controlling Interests	27,772	28,118
Total Net Assets	2,722,556	2,789,000
Total Liabilities and Net Assets	63,368,573	63,770,975

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

(Millions of Yen)

	For the Nine Months Ended	
	December 31, 2020	December 31, 2021
Ordinary Income:	922,610	1,006,081
Trust Fees	75,859	82,442
Interest Income:	266,608	276,747
Interest on Loans and Discounts	206,247	195,193
Interest and Dividends on Securities	47,459	69,544
Fees and Commissions	277,424	326,517
Trading Income	10,437	38,885
Other Ordinary Income	259,272	210,066
Other Income	33,007	71,421
Ordinary Expenses:	742,585	812,159
Interest Expenses:	110,385	78,490
Interest on Deposits	36,992	21,840
Fees and Commissions Payments	85,889	101,084
Trading Expenses	192	—
Other Ordinary Expenses	192,400	205,276
General and Administrative Expenses	316,076	322,051
Other Expenses	37,640	105,256
Ordinary Profit	180,024	193,921
Extraordinary Income:	14	464
Gains on Disposal of Fixed Assets	14	464
Extraordinary Losses:	819	1,518
Losses on Disposal of Fixed Assets	476	504
Impairment Losses	343	1,014
Income before Income Taxes	179,219	192,867
Income Taxes:	51,139	50,359
Current	46,495	39,552
Deferred	4,644	10,807
Net Income	128,080	142,508
Net Income Attributable to Non-Controlling Interests	1,466	640
Net Income Attributable to Owners of the Parent	126,613	141,867

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	For the Nine Months Ended	
	December 31, 2020	December 31, 2021
Net Income	128,080	142,508
Other Comprehensive Income (Loss):	(45,992)	(7,940)
Valuation Differences on Available-for-Sale Securities	(52,783)	(9,759)
Deferred Gains (Losses) on Hedges	794	(3,074)
Foreign Currency Translation Adjustments	(246)	2,179
Adjustments for Retirement Benefits	6,041	203
Attributable to Equity-Method Affiliated Companies	200	2,510
Comprehensive Income:	82,088	134,567
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	80,594	133,767
Comprehensive Income Attributable to Non-Controlling Interests	1,493	799

3. Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumptions)

There is no applicable information.

(Notes on Significant Changes in Total Shareholders' Equity)

There is no applicable information.

(Specific Accounting Treatments for the Preparation of the Quarterly Consolidated Financial Statements)

(Income tax expenses)

Income tax expenses of certain consolidated subsidiaries are calculated by reasonably estimating the effective tax rate based on the expected income before income taxes (net of the effects of deferred taxes) for the fiscal year to which the nine-month period pertains, and multiplying income before income taxes for the nine-month period by the estimated effective tax rate.

(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 three-month period ended June 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 three-month period is added to or deducted from retained earnings as of the beginning of the nine-month period ended December 31, 2021, and the new accounting policy is applied to the balance at the beginning of the nine-month period.

The effects of this change in the accounting policy on the quarterly 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 three-month period ended June 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 three-month period is reflected as retained earnings as of the beginning of the nine-month period ended December 31, 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 nine-month period ended December 31, 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 three-month period ended June 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.