

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
Financial Results for the Fiscal Year Ended March 31, 2023
[Japanese GAAP] (Consolidated)



May 12, 2023

Stock exchange listings:	Tokyo and Nagoya (Code: 8309)
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Date of ordinary general meeting of shareholders:	June 23, 2023
Filing date of securities report (Yukasyoken Hokokusyo) (Scheduled):	June 26, 2023
Specific trading accounts:	Established
Dividend payment date:	June 26, 2023
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, 2023)

(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, 2023	1,819,060	29.8	285,840	24.4	191,000	12.9
March 31, 2022	1,401,091	1.5	229,704	25.4	169,078	18.9

(Note) Comprehensive Income: Fiscal year ended March 31, 2023 ¥198,519 million, (118.4)%

Fiscal year ended March 31, 2022 ¥90,859 million, (-54.8)%

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, 2023	517.15	516.84	6.9	0.4	15.7
March 31, 2022	451.40	451.13	6.3	0.4	16.4

(Reference) Equity in Earnings (Losses) of Affiliated Companies: Fiscal year ended March 31, 2023 ¥18,102 million

Fiscal year ended March 31, 2022 ¥15,531 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, 2023	69,022,746	2,822,574	4.0	7,686.52
March 31, 2022	64,633,220	2,745,288	4.2	7,249.71

(Reference) Shareholders' Equity: As of March 31, 2023 ¥2,792,083 million

As of March 31, 2022 ¥2,715,556 million

(Note) Net Assets to Total Assets Ratio = (Net Assets – Subscription Rights to Shares – Non-Controlling Interests) divided by 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.

(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, 2023	2,616,213	960,275	(217,509)	19,172,638
March 31, 2022	(120,263)	(879,205)	(125,079)	15,733,650

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, 2022	—	80.00	—	90.00	170.00	63,744	37.7	2.4
March 31, 2023	—	100.00	—	110.00	210.00	76,819	40.6	2.8
Fiscal Year Ending								
March 31, 2024 (Forecast)	—	110.00	—	110.00	220.00		40.0	

3. Consolidated Earnings Forecast (for the Fiscal Year Ending March 31, 2024)

(%: 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, 2024	200,000	4.7	541.51

*Notes

(1) Changes in Significant Subsidiaries during the Fiscal Year Ended March 31, 2023: 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 March 31, 2023	368,172,440 shares	As of March 31, 2022	375,291,440 shares
2) Number of treasury stock:	As of March 31, 2023	4,928,473 shares	As of March 31, 2022	716,750 shares
3) Average number of outstanding issued shares:	For the fiscal year ended March 31, 2023	369,334,543 shares	For the fiscal year ended March 31, 2022	374,562,607 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, 2023, 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, 2023, are based on information currently available to, and certain reasonable assumptions made by, SuMi TRUST Holdings (the “Company”). Moreover, the Company 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 the Company and its group companies, for further information that could significantly influence the Company’s 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 the Company’s 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, 2023, “Net Business Profit” decreased by ¥21.4 billion from the previous fiscal year to ¥324.6 billion because of a decrease in substantial funds-related income(*) primarily due to the overseas market-based higher interest rates, and an increase in “General and Administrative Expenses”, while income from fees and commissions in the real estate brokerage business and the corporate credit business increased steadily.

“Ordinary profit” increased by ¥56.1 billion from the previous year to ¥285.8 billion, mainly due to improvements in “Net Gains on Stocks” and a decrease in “Total Credit Costs”.

“Net Income Attributable to Owners of the Parent” increased by ¥21.9 billion from the previous fiscal year to ¥191.0 billion, partly due to the extraordinary losses recorded by SuMi TRUST Bank, Limited, in connection with system renewal related to overseas business.

(*) 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, 2023	March 31, 2022	March 31, 2022
Substantial Gross Business Profit	814.1	5.9	808.1
General and Administrative Expenses	(489.5)	(27.4)	(462.0)
Net Business Profit	324.6	(21.4)	346.0
Ordinary Profit	285.8	56.1	229.7
Net Income Attributable to Owners of the Parent	191.0	21.9	169.0
Total Credit Costs	(10.4)	31.1	(41.5)
Net Gains on Stocks	3.0	41.4	(38.3)

(2) Analysis of Consolidated Financial Position

As of March 31, 2023, “Total Assets” increased by ¥4,389.5 billion to ¥69,022.7 billion and “Total Net Assets” increased by ¥77.2 billion to ¥2,822.5 billion from the end of the previous fiscal year.

In particular, “Cash and Due from Banks” increased by ¥3,379.1 billion to ¥21,602.4 billion, “Loans and Bills Discounted” increased by ¥934.4 billion to ¥31,810.9 billion, “Securities” decreased by ¥946.1 billion to ¥6,933.0 billion, and “Deposits” increased by ¥2,157.1 billion to ¥35,387.2 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 ¥2,616.2 billion, a year-on-year increase of ¥2,736.4 billion;

“Net Cash Provided by Investing Activities” totaled ¥960.2 billion, a year-on-year increase of ¥1,839.4 billion;

and “Net Cash Used in Financing Activities” totaled ¥217.5 billion, a year-on-year increase of ¥92.4 billion.

“Cash and Cash Equivalents at the End of the Year” totaled ¥19,172.6 billion.

(4) Basic Policy Related to Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2023

As a measure of returning profits to shareholders based on the performance level, the Company has set a policy to aim to raise the consolidated dividend payout ratio to approximately 40% by the fiscal year ended March 31, 2023. Based on the above policy, the Company plans to pay the year-end dividend of ¥110 per share of common shares for the fiscal year ended March 31, 2023, increased by ¥10 compared to the latest forecast of ¥100.

As a result, the annual dividend, including the interim dividend of ¥100 per share paid in December 2022, will be ¥210 per share.

The Company has long positioned the stable return of profits to shareholders, as well as the enlargement of the shareholder return, as an important management policy, and has worked on enhancing our shareholder returns. We have recently decided to change our shareholder return policy to further clarify our stance of pursuing stable dividend growth through sustainable improvement of our profit.

Details of the change in the shareholder return policy are as follows:

Before	As a measure of returning profits to shareholders based on the performance level, we shall aim to raise the consolidated dividend payout ratio to approximately 40% by the fiscal year ended March 31, 2023. We shall also repurchase our own shares flexibly in consideration of the balance of the use of capital for medium- to long-term profit growth and the effect of the repurchase on the improvement of capital efficiency, given that sufficient capital is secured.
After	While maintaining dividends per share progressive, we shall aim to increase dividends per share through profit growth. The dividend payout ratio shall be determined at 40% or above. We shall repurchase our own shares flexibly in consideration of the balance of the use of capital for medium- to long-term profit growth and the effect of the repurchase on the improvement of capital efficiency, given that sufficient capital is secured.

(5) Earnings Forecasts

The consolidated earnings forecast for the fiscal year ending March 31, 2024, is as follows: “Net Business Profit” of ¥320.0 billion, a year-on-year decrease of ¥4.6 billion, and “Net Income Attributable to Owners of the Parent” of ¥200.0 billion, a year-on-year increase of ¥8.9 billion.

The total cash dividends for the fiscal year ending March 31, 2024, are projected as ¥220 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, 2024.

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, 2022	As of March 31, 2023
Assets:		
Cash and Due from Banks	18,223,364	21,602,473
Call Loans and Bills Bought	5,000	24,006
Receivables under Resale Agreements	150,741	110,003
Receivables under Securities Borrowing Transactions	652,534	436,093
Monetary Claims Bought	854,093	970,058
Trading Assets	967,565	1,514,603
Money Held in Trust	16,308	16,136
Securities	7,879,235	6,933,067
Loans and Bills Discounted	30,876,507	31,810,926
Foreign Exchanges	29,494	47,445
Lease Receivables and Investment Assets	688,141	688,933
Other Assets	3,354,333	3,839,561
Tangible Fixed Assets:	224,535	222,588
Buildings	72,726	71,015
Land	130,367	129,849
Lease Assets	4,798	4,665
Construction in Progress	110	525
Other	16,532	16,532
Intangible Fixed Assets:	125,667	130,969
Software	91,133	104,247
Goodwill	29,510	21,726
Other	5,024	4,995
Assets for Retirement Benefits	192,223	232,625
Deferred Tax Assets	15,613	10,729
Customers' Liabilities for Acceptances and Guarantees	541,228	562,523
Allowance for Loan Losses	(163,369)	(129,998)
Total Assets	64,633,220	69,022,746

(Continued)

(Millions of Yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities:		
Deposits	33,230,162	35,387,287
Negotiable Certificates of Deposit	6,587,944	7,461,005
Call Money and Bills Sold	799,524	1,912,878
Payables under Repurchase Agreements	1,485,033	1,030,780
Trading Liabilities	906,686	1,472,636
Borrowed Money	7,153,498	6,039,543
Foreign Exchanges	1,275	847
Short-Term Bonds Payable	2,387,553	2,332,377
Bonds Payable	2,076,604	2,501,760
Borrowed Money from Trust Account	4,298,827	4,332,472
Other Liabilities	2,312,326	3,038,112
Provision for Bonuses	21,087	19,136
Provision for Directors' Bonuses	181	402
Provision for Stocks Payment	732	1,064
Liabilities for Retirement Benefits	13,553	13,720
Provision for Reward Points Program	19,965	21,282
Provision for Reimbursement of Deposits	3,626	3,028
Provision for Contingent Losses	1,649	1,344
Deferred Tax Liabilities	44,081	65,585
Deferred Tax Liabilities for Land Revaluation	2,388	2,381
Acceptances and Guarantees	541,228	562,523
Total Liabilities	61,887,931	66,200,172
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	576,114	546,146
Retained Earnings	1,682,519	1,803,002
Treasury Stock	(2,714)	(22,933)
Total Shareholders' Equity	2,517,528	2,587,824
Valuation Differences on Available-for-Sale Securities	277,617	258,240
Deferred Gains (Losses) on Hedges	(42,759)	(48,470)
Revaluation Reserve for Land	(6,839)	(6,855)
Foreign Currency Translation Adjustments	12,719	24,531
Adjustments for Retirement Benefits	(42,708)	(23,187)
Total Accumulated Other Comprehensive Income	198,028	204,259
Subscription Rights to Shares	1,006	945
Non-Controlling Interests	28,725	29,545
Total Net Assets	2,745,288	2,822,574
Total Liabilities and Net Assets	64,633,220	69,022,746

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

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2022	March 31, 2023
Ordinary Income:	1,401,091	1,819,060
Trust Fees	110,539	109,721
Interest Income:	375,659	660,308
Interest on Loans and Discounts	260,871	425,715
Interest and Dividends on Securities	97,683	137,748
Interest on Call Loans and Bills Bought	685	1,316
Interest on Deposits with Banks	12,239	71,752
Other Interest Income	4,179	23,775
Fees and Commissions	444,655	440,331
Trading Income	13,453	15,608
Other Ordinary Income	336,597	468,302
Other Income:	120,186	124,786
Recoveries of Written-Off Claims	1,633	1,123
Other	118,553	123,663
Ordinary Expenses:	1,171,387	1,533,219
Interest Expenses:	107,883	551,456
Interest on Deposits	29,848	171,880
Interest on Negotiable Certificates of Deposit	6,787	139,247
Interest on Call Money and Bills Sold	481	1,202
Interest on Payables under Repurchase Agreements	1,665	32,286
Interest on Borrowings	4,635	13,968
Interest on Short-Term Bonds	3,271	55,767
Interest on Bonds	16,535	29,070
Other Interest Expenses	44,658	108,032
Fees and Commissions Payments	133,161	122,839
Trading Expenses	—	5,184
Other Ordinary Expenses	291,487	272,978
General and Administrative Expenses	435,567	460,336
Other Expenses	203,286	120,423
Provision of Allowance for Loan Losses	37,688	1,547
Other	165,598	118,876
Ordinary Profit	229,704	285,840

(Continued)

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2022	March 31, 2023
Extraordinary Income:	545	4,980
Gains on Disposal of Fixed Assets	545	313
Other	—	4,667
Extraordinary Losses:	2,249	19,433
Losses on Disposal of Fixed Assets	780	1,246
Impairment Losses	1,468	18,187
Income before Income Taxes	227,999	271,387
Income Taxes:	57,763	79,357
Current	57,342	50,760
Deferred	420	28,597
Net Income	170,236	192,029
Net Income Attributable to Non-Controlling Interests	1,157	1,029
Net Income Attributable to Owners of the Parent	169,078	191,000

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2022	March 31, 2023
Net Income	170,236	192,029
Other Comprehensive Income (Loss):	(79,377)	6,489
Valuation Differences on Available-for-Sale Securities	(46,938)	(17,672)
Deferred Gains (Losses) on Hedges	135	(6,753)
Foreign Currency Translation Adjustments	4,045	8,584
Adjustments for Retirement Benefits	(38,671)	19,517
Attributable to Equity-Method Affiliated Companies	2,052	2,814
Comprehensive Income:	90,859	198,519
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	89,451	197,246
Comprehensive Income Attributable to Non-Controlling Interests	1,407	1,272

(3) Consolidated Statements of Changes in Net Assets
For the Fiscal Year Ended March 31, 2022

(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	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 Year					
Cash Dividends			(58,119)		(58,119)
Net Income Attributable to Owners of the Parent			169,078		169,078
Purchase of Treasury Stock				(21)	(21)
Disposal of Treasury Stock		0		122	122
Retirement of Treasury Stock					—
Purchase of Shares of Consolidated Subsidiaries					—
Reversal of Revaluation Reserve for Land			100		100
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	0	111,059	101	111,160
Balance at the End of the Year	261,608	576,114	1,682,519	(2,714)	2,517,528

	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	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 Year									
Cash Dividends									(58,119)
Net Income Attributable to Owners of the Parent									169,078
Purchase of Treasury Stock									(21)
Disposal of Treasury Stock									122
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									—
Reversal of Revaluation Reserve for Land									100
Net Changes of Items Other Than Shareholders' Equity	(51,812)	2,166	(100)	8,719	(38,701)	(79,727)	(18)	953	(78,792)
Total Changes during the Year	(51,812)	2,166	(100)	8,719	(38,701)	(79,727)	(18)	953	32,368
Balance at the End of the Year	277,617	(42,759)	(6,839)	12,719	(42,708)	198,028	1,006	28,725	2,745,288

For the Fiscal Year Ended March 31, 2023

(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	576,114	1,682,519	(2,714)	2,517,528
Changes during the Year					
Cash Dividends			(70,533)		(70,533)
Net Income Attributable to Owners of the Parent			191,000		191,000
Purchase of Treasury Stock				(50,364)	(50,364)
Disposal of Treasury Stock		(0)		142	141
Retirement of Treasury Stock		(30,003)		30,003	—
Purchase of Shares of Consolidated Subsidiaries		36			36
Reversal of Revaluation Reserve for Land			15		15
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(29,968)	120,482	(20,218)	70,296
Balance at the End of the Year	261,608	546,146	1,803,002	(22,933)	2,587,824

	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	277,617	(42,759)	(6,839)	12,719	(42,708)	198,028	1,006	28,725	2,745,288
Changes during the Year									
Cash Dividends									(70,533)
Net Income Attributable to Owners of the Parent									191,000
Purchase of Treasury Stock									(50,364)
Disposal of Treasury Stock									141
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									36
Reversal of Revaluation Reserve for Land									15
Net Changes of Items Other Than Shareholders' Equity	(19,376)	(5,710)	(15)	11,811	19,521	6,230	(61)	819	6,989
Total Changes during the Year	(19,376)	(5,710)	(15)	11,811	19,521	6,230	(61)	819	77,285
Balance at the End of the Year	258,240	(48,470)	(6,855)	24,531	(23,187)	204,259	945	29,545	2,822,574

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2022	March 31, 2023
Cash Flows from Operating Activities:		
Income before Income Taxes	227,999	271,387
Depreciation and Amortization	30,841	32,841
Impairment Losses	1,468	18,187
Amortization of Goodwill	7,882	8,001
Equity in Losses (Earnings) of Affiliated Companies	(15,531)	(18,102)
Increase (Decrease) in Allowance for Loan Losses	34,145	(33,371)
Increase (Decrease) in Provision for Bonuses	2,627	(1,951)
Increase (Decrease) in Provision for Directors' Bonuses	(38)	221
Increase (Decrease) in Provision for Stocks Payment	200	332
Decrease (Increase) in Assets for Retirement Benefits	39,540	(36,622)
Increase (Decrease) in Liabilities for Retirement Benefits	(338)	163
Increase (Decrease) in Provision for Reward Points Program	1,019	1,317
Increase (Decrease) in Provision for Reimbursement of Deposits	(511)	(598)
Increase (Decrease) in Provision for Contingent Losses	15	(305)
Interest Income	(375,659)	(660,308)
Interest Expenses	107,883	551,456
Loss (Gain) Related to Securities	55,500	17,340
Loss (Gain) on Money Held in Trust	257	71
Foreign Exchange Losses (Gains)	(184,288)	(158,496)
Loss (Gain) on Disposal of Fixed Assets	235	933
Net Decrease (Increase) in Trading Assets	(11,844)	(547,037)
Net Increase (Decrease) in Trading Liabilities	57,088	565,949
Net Decrease (Increase) in Loans and Bills Discounted	(369,539)	(934,418)
Net Increase (Decrease) in Deposit	(237,516)	2,157,125
Net Increase (Decrease) in Negotiable Certificates of Deposit	(572,650)	873,061
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	1,415,895	(1,113,954)
Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan)	(800,096)	59,878
Net Decrease (Increase) in Call Loans	51,543	(94,520)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	75,155	216,441
Net Increase (Decrease) in Call Money	595,441	659,101
Net Decrease (Increase) in Foreign Exchange-Assets	(4,098)	(17,951)
Net Increase (Decrease) in Foreign Exchange-Liabilities	698	(427)
Net Decrease (Increase) in Lease Receivables and Investment Assets	7,031	(791)
Net Increase (Decrease) in Short-Term Bonds Payable	(157,495)	(55,175)
Increase (Decrease) in Straight Bonds-Issuance and Redemption	552,497	521,255
Net Increase (Decrease) in Borrowed Money from Trust Account	(616,380)	33,645
Proceeds from Fund Management	377,391	624,975
Payments for Finance	(104,641)	(506,204)
Other, Net	(256,062)	259,976
Subtotal	(64,331)	2,693,425
Income Taxes (Paid) Refunded	(55,931)	(77,212)
Net Cash Provided by (Used in) Operating Activities	(120,263)	2,616,213

(Continued)

	Fiscal Year Ended	
	March 31, 2022	March 31, 2023
Cash Flows from Investing Activities:		
Purchase of Securities	(9,173,484)	(5,134,228)
Proceeds from Sales of Securities	4,226,468	1,931,779
Proceeds from Redemption of Securities	4,163,963	4,203,070
Increase in Money Held in Trust	(4,400)	—
Purchase of Tangible Fixed Assets	(8,882)	(8,658)
Proceeds from Sales of Tangible Fixed Assets	1,950	356
Purchase of Intangible Fixed Assets	(42,934)	(54,239)
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(41,987)	(1,441)
Proceeds from Sales of Shares of Affiliated Companies Accounted for Using the Equity Method	102	23,636
Net Cash Provided by (Used in) Investing Activities	(879,205)	960,275
Cash Flows from Financing Activities:		
Proceeds from Subordinated Borrowings	5,000	—
Payments of Subordinated Borrowings	(50,000)	—
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	19,898	19,888
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(41,500)	(116,100)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	—	40
Cash Dividends Paid	(58,115)	(70,518)
Cash Dividends Paid to Non-Controlling Interests	(342)	(456)
Purchase of Treasury Stock	(21)	(50,364)
Proceeds from Sales of Treasury Stock	0	1
Net Cash Provided by (Used in) Financing Activities	(125,079)	(217,509)
Effect of Exchange Rate Change on Cash and Cash Equivalents	59,053	80,007
Net Increase (Decrease) in Cash and Cash Equivalents	(1,065,495)	3,438,987
Cash and Cash Equivalents at the Beginning of the Year	16,799,146	15,733,650
Cash and Cash Equivalents at the End of the Year	15,733,650	19,172,638

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumptions)

There is no applicable information.

(Changes in Accounting Policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan (“ASBJ”) Guidance No.31, June 17, 2021, hereinafter referred to as the “Guidance for the standard for fair value measurement”) since the beginning of the current fiscal year ended March 31, 2023. In accordance with the transitional measures specified in Paragraph 27-2 of the Guidance for the standard for fair value measurement, the Company has applied the new accounting policy stipulated by the Guidance on the Standard for Fair Value Measurement prospectively. Thus, some of the investment trusts, which were previously stated at the acquisition cost on the consolidated balance sheet, are now measured at fair value based on factors, such as the net asset value.

As a result, Securities, Valuation Differences on Available-for-Sale Securities, and Deferred Tax Liabilities as of March 31, 2023, increased by ¥7,590 million, ¥5,266 million, and ¥2,324 million, respectively. The effect of this change on per share information for the current fiscal year ended March 31, 2023, is immaterial.

(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 from each of the reportable segments to make decisions about the allocation of management resources and to assess performance.

Retail Business:	Provision of services to individual customers
Wholesale Business:	Provision of services to corporate customers
Investor Services Business:	Provision of services to investors
Real Estate Business:	Provision of services related to the real estate business
Global Markets Business:	Marketing operations, market-making operations, investment operations, and financial management operations
Asset Management Business:	Asset management service operations

Change in Reportable Segments

The SuMi TRUST Group aims to promote and lead a virtuous circle of funds, assets, and capital by various stakeholders through provision of high value-added products and services and investments to create new values. Effective as of April 1, 2022, reorganization of SuMi TRUST Bank, Limited has been implemented.

Reportable segments of the SuMi TRUST Group were previously divided into “Retail Total Solution Services Business,” “Wholesale Financial Services Business (Wholesale Total Solution Services Business and Wholesale Asset Management Business),” “Stock Transfer Agency Services Business,” “Real Estate Business,” “Fiduciary Services Business,” “Asset Management Business,” and “Global Markets Business.” Starting from the current consolidated fiscal year the SuMi TRUST Group has reclassified them into the following segments: “Retail Business (former Retail Total Solution Services Business),” “Wholesale Business (former Wholesale Total Solution Services Business and former Stock Transfer Agency Services Business),” “Investor Services Business (former Wholesale Asset Management Business and former Fiduciary Services Business),” “Real Estate Business,” “Global Markets Business,” and “Asset Management Business.”

2. Method for Calculating Substantial Gross Business Profit and Net Business Profit by Each Reportable Segment

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.

3. Profit or Loss and Fixed Assets by Reportable Segment

(Millions of Yen)

	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Asset Management Business	Others	Total
Substantial Gross Business Profit	202,874	229,393	127,382	69,745	69,310	84,724	30,731	814,162
General and Administrative Expenses	(161,366)	(88,583)	(69,678)	(27,607)	(15,148)	(62,485)	(64,651)	(489,521)
Net Business Profit	41,507	140,809	57,703	42,138	54,162	22,239	(33,919)	324,641
Fixed Assets	75,388	55,763	22,251	9,270	25,148	—	165,735	353,557

(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 non-personnel expenses.

(Note 4) “Others” include costs of capital funding, dividends for shares for cross-shareholdings, general and administrative expenses of headquarters, and elimination of internal transactions.

(Note 5) 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.

4. Reconciliation between Total Profit or Loss for Reportable Segments and Consolidated Statements of Income

(Millions of Yen)

	Amounts
Net Business Profit	324,641
Other Income	124,786
Other Expenses	(120,423)
Other Adjustments	(43,163)
Ordinary Profit	285,840

(Per Share of Common Stock Information)

		Fiscal Year Ended March 31, 2023
Net Assets per Share of Common Stock	Yen	7,686.52
Net Income per Share of Common Stock	Yen	517.15
Fully Diluted Net Income per Share of Common Stock	Yen	516.84

(Notes)

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

		As of March 31, 2023
Net Assets as Reported	Millions of Yen	2,822,574
Less:	Millions of Yen	30,490
Subscription Rights to Shares	Millions of Yen	945
Non-Controlling Interests	Millions of Yen	29,545
Net Assets Attributable to Common Shareholders	Millions of Yen	2,792,083
The Number of Shares of Common Stock Outstanding	Thousands of Shares	363,243

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, 2023
Net Income per Share of Common Stock		
Net Income Attributable to Owners of the Parent	Millions of Yen	191,000
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	191,000
Average Number of Shares of Common Stock Outstanding	Thousands of Shares	369,334
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	221
Subscription Rights to Shares	Thousands of Shares	221
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 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 969,000 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 and RS Trust (a system to deliver Restricted Stocks (“RS”) using the framework of a share delivery trust) for the employee, 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, 2023. 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, 2023. The average number of shares of treasury stock, which is excluded from the calculation of net income per share of common stock, is 529 thousand for the fiscal year ended March 31, 2023. The number of shares of treasury stock, which is also excluded from the calculation of net assets per share of common stock, is 695 thousand as of March 31, 2023.

(Significant Subsequent Events)

There is no applicable information.