

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
Financial Results for the Three Months Ended June 30, 2024
[Japanese GAAP] (Consolidated)



July 30, 2024

Stock exchange listings: Tokyo and Nagoya (Code: 8309)
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Dividend payment date: —
 Specific trading accounts: Established
 Explanatory material: Prepared
 Briefing on financial results: Not scheduled

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

1. Consolidated Financial Results (for the Three Months Ended June 30, 2024)

(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	%
Three Months Ended						
June 30, 2024	669,098	22.2	91,485	112.4	66,699	81.6
June 30, 2023	547,648	38.9	43,068	(51.4)	36,736	(43.1)

(Note) Comprehensive Income: Three months ended June 30, 2024 ¥63,142 million, (35.8)%
 Three months ended June 30, 2023 ¥98,505 million, 94.1%

	Net Income per Share of Common Stock	Fully Diluted Net Income per Share of Common Stock
	Yen	Yen
Three Months Ended		
June 30, 2024	92.71	92.66
June 30, 2023	50.59	50.56

* SuMi TRUST Holdings (the "Company") executed a 2-for-1 stock split of its shares of common stock on January 1, 2024. Net income per share and fully diluted net income per share of common stock are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets Ratio
	Millions of Yen	Millions of Yen	%
As of			
June 30, 2024	77,190,518	3,157,568	4.1
March 31, 2024	75,876,905	3,137,686	4.1

(Reference) Shareholders' Equity: As of June 30, 2024 ¥3,126,263 million
 As of March 31, 2024 ¥3,106,327 million

(Note) 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.

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, 2024	—	110.00	—	55.00	—
Ending March 31, 2025	—	—	—	—	—
Ending March 31, 2025 (Forecast)	—	72.50	—	72.50	145.00

(Note 1) Revision of latest announced estimates for cash dividends per share of common stock: None

(Note 2) Breakdown of dividend for the fiscal year ending March 31, 2025: ordinary dividend ¥135; commemorative dividend ¥10.

* The Company executed a 2-for-1 stock split of its shares of common stock on January 1, 2024. The year-end dividend per share for the fiscal year ended March 31, 2024, is stated in consideration of the impact of the stock split, and the total annual dividend is stated as "—."

3. Consolidated Earnings Forecast (for the Fiscal Year Ending March 31, 2025)

(%: 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, 2025	240,000	203.0	333.81

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

*Notes

- (1) Significant Changes in the Scope of Consolidation during the Three Months Ended June 30, 2024: None
- (2) Specific Accounting Treatments for the Preparation of the Quarterly Consolidated Financial Statements: Yes
(For further details, please refer to “3. Notes to the Quarterly Consolidated Financial Statements” on page 7 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: | None |
| 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):

2) Number of treasury stock:

3) Average number of outstanding issued shares:

As of June 30, 2024	721,355,380 shares	As of March 31, 2024	728,051,680 shares
As of June 30, 2024	2,548,848 shares	As of March 31, 2024	8,456,388 shares
For the three months ended June 30, 2024	719,455,495 shares	For the three months ended June 30, 2023	726,201,926 shares

*The Company executed a 2-for-1 stock split of its shares of common stock on January 1, 2024. The average number of outstanding issued shares is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Review procedures performed by certified public accountants or an audit firm for the attached quarterly consolidated financial statements: None

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 three months ended June 30, 2024, are based on information currently available to, and certain reasonable assumptions made by, 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.

[Accompanying Materials]

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1. Operating Results for the Three Months Ended June 30, 2024

(1) Analysis of Consolidated Operating Results

For the three months ended June 30, 2024, “Net Business Profit” increased by ¥16.5 billion from the same period of the previous fiscal year to ¥88.7 billion because of an increase in fees and commissions income and partnership investment income from the Investor Services Business, in addition to favorable trends of credit-related fees and commissions income from the Wholesale Business as well.

“Ordinary Profit” increased by ¥48.4 billion from the same period of the previous fiscal year to ¥91.4 billion, mainly because of an amelioration in “Net Gains on Stocks” due to the accelerating activities to reduce strategic shareholdings and the improvement effect of holding price of Japan Equity bear investment trusts (*) which were executed previous fiscal year.

As a result, “Net Income Attributable to Owners of the Parent” increased by ¥29.9 billion from the same period of the previous fiscal year to ¥66.6 billion.

(*) Held for the purpose of hedging against the risk of stock price fluctuations in strategic shareholdings.

(Reference)

(Billions of Yen)

	Three Months Ended June 30, 2024	Changes from the Three Months Ended June 30, 2023	Three Months Ended June 30, 2023
Substantial Gross Business Profit (Note)	228.2	27.6	200.6
General and Administrative Expenses (Note)	(139.5)	(11.0)	(128.4)
Net Business Profit (Note)	88.7	16.5	72.1
Ordinary Profit	91.4	48.4	43.0
Net Income Attributable to Owners of the Parent	66.6	29.9	36.7
Total Credit Costs	(2.5)	(1.6)	(0.9)
Net Gains on Stocks	12.8	31.4	(18.6)

(Note) Financial figures generated on the basis of internal management considering gains or losses of equity-method affiliated companies.

(2) Analysis of Consolidated Financial Position

As of June 30, 2024, “Total Assets” increased by ¥1,313.6 billion to ¥77,190.5 billion and “Total Net Assets” increased by ¥19.8 billion to ¥3,157.5 billion from the end of the previous fiscal year.

In particular, “Cash and Due from Banks” increased by ¥30.5 billion to ¥22,862.1 billion, “Loans and Bills Discounted” decreased by ¥175.1 billion to ¥33,245.7 billion, “Securities” decreased by ¥64.5 billion to ¥9,874.3 billion, and “Deposits” increased by ¥398.6 billion to ¥37,816.9 billion compared with those as of the end of the previous fiscal year.

2. Quarterly Consolidated Financial Statements and Notes to the Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2024	As of June 30, 2024
Assets:		
Cash and Due from Banks	22,831,653	22,862,198
Call Loans and Bills Bought	25,000	25,000
Receivables under Resale Agreements	111,600	1,413
Receivables under Securities Borrowing Transactions	532,200	556,376
Monetary Claims Bought	1,144,441	974,086
Trading Assets	2,015,752	2,599,458
Money Held in Trust	22,596	30,744
Securities	9,938,913	9,874,384
Loans and Bills Discounted	33,420,919	33,245,773
Foreign Exchanges	45,394	52,192
Lease Receivables and Investment Assets	718,968	716,157
Other Assets	3,869,240	5,028,528
Tangible Fixed Assets	226,714	225,190
Intangible Fixed Assets	149,172	160,247
Assets for Retirement Benefits	338,723	343,372
Deferred Tax Assets	7,929	7,863
Customers' Liabilities for Acceptances and Guarantees	595,482	607,777
Allowance for Loan Losses	(117,798)	(120,246)
Total Assets	75,876,905	77,190,518
Liabilities:		
Deposits	37,418,280	37,816,916
Negotiable Certificates of Deposit	9,220,997	9,227,741
Call Money and Bills Sold	360,394	161,515
Payables under Repurchase Agreements	2,700,532	2,302,624
Trading Liabilities	1,767,322	2,153,393
Borrowed Money	7,302,158	7,627,628
Foreign Exchanges	281	4,809
Short-Term Bonds Payable	2,906,725	3,186,221
Bonds Payable	2,787,367	2,895,016
Borrowed Money from Trust Account	4,327,798	3,923,050
Other Liabilities	3,084,555	3,877,755
Provision for Bonuses	20,875	6,520
Provision for Directors' Bonuses	422	103
Provision for Stocks Payment	1,274	1,575
Liabilities for Retirement Benefits	13,965	14,072
Provision for Reward Points Program	22,255	22,528
Provision for Reimbursement of Deposits	2,573	2,573
Provision for Contingent Losses	1,639	1,617
Deferred Tax Liabilities	201,934	197,124
Deferred Tax Liabilities for Land Revaluation	2,381	2,381
Acceptances and Guarantees	595,482	607,777
Total Liabilities	72,739,219	74,032,949

(Continued)

(Millions of Yen)

	As of March 31, 2024	As of June 30, 2024
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	526,318	506,639
Retained Earnings	1,802,086	1,829,145
Treasury Stock	(23,635)	(7,093)
Total Shareholders' Equity	2,566,378	2,590,300
Valuation Differences on Available-for-Sale Securities	477,680	454,120
Deferred Gains (Losses) on Hedges	(11,599)	(3,378)
Revaluation Reserve for Land	(6,782)	(6,782)
Foreign Currency Translation Adjustments	39,346	51,179
Adjustments for Retirement Benefits	41,304	40,824
Total Accumulated Other Comprehensive Income	539,948	535,962
Subscription Rights to Shares	855	819
Non-Controlling Interests	30,503	30,486
Total Net Assets	3,137,686	3,157,568
Total Liabilities and Net Assets	75,876,905	77,190,518

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
Quarterly Consolidated Statements of Income
For the Three Months Ended June 30

(Millions of Yen)

	For the Three Months Ended	
	June 30, 2023	June 30, 2024
Ordinary Income:	547,648	669,098
Trust Fees	27,480	28,979
Interest Income:	222,504	288,929
Interest on Loans and Discounts	143,830	176,174
Interest and Dividends on Securities	38,161	68,197
Fees and Commissions	105,934	119,631
Trading Income	229	38,874
Other Ordinary Income	154,763	166,120
Other Income	36,735	26,563
Ordinary Expenses:	504,579	577,612
Interest Expenses:	232,837	324,544
Interest on Deposits	73,896	92,740
Fees and Commissions Payments	30,977	34,154
Trading Expenses	7,481	3,913
Other Ordinary Expenses	57,343	71,738
General and Administrative Expenses	122,237	130,245
Other Expenses	53,703	13,015
Ordinary Profit	43,068	91,485
Extraordinary Income:	4,688	889
Gains on Disposal of Fixed Assets	0	889
Other Extraordinary Income	4,688	—
Extraordinary Losses:	497	430
Losses on Disposal of Fixed Assets	89	121
Impairment Losses	407	309
Income before Income Taxes	47,259	91,944
Income Taxes:	10,345	24,898
Current	6,730	22,963
Deferred	3,615	1,934
Net Income	36,913	67,046
Net Income Attributable to Non-Controlling Interests	177	346
Net Income Attributable to Owners of the Parent	36,736	66,699

Quarterly Consolidated Statements of Comprehensive Income
For the Three Months Ended June 30

(Millions of Yen)

	For the Three Months Ended	
	June 30, 2023	June 30, 2024
Net Income	36,913	67,046
Other Comprehensive Income (Loss):	61,591	(3,903)
Valuation Differences on Available-for-Sale Securities	54,746	(21,224)
Deferred Gains (Losses) on Hedges	(1,576)	7,380
Foreign Currency Translation Adjustments	5,459	8,523
Adjustments for Retirement Benefits	834	(479)
Attributable to Equity-Method Affiliated Companies	2,127	1,896
Comprehensive Income:	98,505	63,142
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	98,245	62,713
Comprehensive Income Attributable to Non-Controlling Interests	259	429

(3) Notes to the Quarterly 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 three-month period pertains, and multiplying income before income taxes for the three-month period by the estimated effective tax rate.

(Additional Information)

With regard to the fair value adjustment method in the calculation of the fair values of derivative transactions, based on the fact that a certain period of time has passed since its introduction and the results of the verification of the reasonably calculated fair values, the Company reviewed the previous inputs used for the adjustments of credit risks and changed the method to the one using inputs that are more appropriate for the substance of each of the Company's portfolios from the six months ended September 30, 2023. As a result of the change, compared with the previous method, Trading Assets increased by ¥1,894 million, Other Assets increased by ¥397 million, Trading Liabilities decreased by ¥720 million, and Other Liabilities decreased by ¥1,400 million as of June 30, 2024. Ordinary Profit and Income before Income Taxes increased by ¥4,413 million during the three months ended June 30, 2024.

(Notes on 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

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 basis for the preparation of the quarterly 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 the Company 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 are 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 Sumitomo Mitsui Trust Bank, Limited (“SuMi TRUST Bank”) and allocated to each segment.

3. Profit or Loss and Fixed Assets by Reportable Segment

For the Three months ended June 30, 2023

(Millions of Yen)

	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Asset Management Business	Others	Total
Substantial Gross Business Profit	51,396	61,088	32,943	11,598	20,663	20,854	2,058	200,603
General and Administrative Expenses	(41,733)	(25,301)	(18,252)	(6,861)	(4,358)	(16,739)	(15,251)	(128,498)
Net Business Profit	9,662	35,787	14,691	4,736	16,305	4,115	(13,192)	72,105
Fixed Assets	77,292	36,476	23,775	9,301	29,129	—	182,181	358,156

(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” includes 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 the related expenses are allocated to each segment based on a reasonable allocation method.

For the Three months ended June 30, 2024

(Millions of Yen)

	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Asset Management Business	Others	Total
Substantial Gross Business Profit	55,739	73,089	43,616	12,701	9,178	25,354	8,545	228,223
General and Administrative Expenses	(44,579)	(27,958)	(21,069)	(7,494)	(4,873)	(18,336)	(15,210)	(139,521)
Net Business Profit	11,160	45,130	22,547	5,207	4,304	7,017	(6,665)	88,701
Fixed Assets	82,137	38,297	25,680	9,286	38,124	—	191,911	385,437

(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" includes 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 the 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
For the Three months ended June 30, 2023

(Millions of Yen)

	Amounts
Net Business Profit	72,105
Other Income	36,735
Other Expenses	(53,703)
Other Adjustments	(12,069)
Ordinary Profit	43,068

For the Three months ended June 30, 2024

(Millions of Yen)

	Amounts
Net Business Profit	88,701
Other Income	26,563
Other Expenses	(13,015)
Other Adjustments	(10,763)
Ordinary Profit	91,485

(Notes on Statements of Cash Flows)

Statements of Cash Flows for three months ended June 30, 2024, are not prepared.

Depreciation and Amortization (including Depreciation and Amortization of Intangible Assets, excluding Goodwill) and Amortization of Goodwill for the three months ended June 30, 2024, are as follows:

(Millions of Yen)

	For the Three Months Ended	
	June 30, 2023	June 30, 2024
Depreciation and Amortization	8,802	10,320
Amortization of Goodwill	1,976	1,684