



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for 1QFY2021

July 29, 2021

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Definitions of terms in this document

Sumitomo Mitsui Trust Holdings (Consolidated): “Consolidated “ or “SuMi TRUST Holdings”

Sumitomo Mitsui Trust Bank (Non-consolidated): “Non-consolidated “ or “SuMi TRUST Bank”

Net income (on consolidated basis) : “Net income attributable to owners of the parent”

NPL (Non performing loans): “Problem assets based on the Financial Reconstruction Act”

Accounting for Business combination related to Management Integration

Purchase accounting method : Accounting method for business combination related to management integration

Results of applying purchase accounting method : Amount of effect from purchase accounting method

Overview of profits

		(Yen bn)			
		FY20 1Q	FY21 1Q	Change	FY21 Forecast
1	Net business profit before credit costs (*1)	63.1	71.0	7.8	280.0
2	Substantial gross business profit (*1)	168.9	184.8	15.8	740.0
3	Effective interest related earnings (*2)	64.4	74.8	10.4	
4	Net fees and commissions and related profit	86.3	100.1	13.7	
5	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	18.2	9.7	(8.4)	
6	Substantial G&A expenses (*1)	(105.8)	(113.8)	(7.9)	(460.0)
7	Total credit costs	(1.8)	(1.4)	0.4	(20.0)
8	Net gains on stocks	1.0	2.1	1.1	
9	Other net non-recurring profit	(21.9)	(3.8)	18.0	
10	Ordinary profit	40.3	67.8	27.5	225.0
11	Extraordinary profit	(0.2)	(0.7)	(0.4)	
12	Income before income taxes	40.0	67.1	27.0	
13	Total income taxes	(11.1)	(16.2)	(5.0)	
14	Income attributable to non-controlling interests	(0.4)	(0.1)	0.2	
15	Net income	28.5	50.7	22.2	155.0
16	Earnings per share (EPS) (Yen)	76	135	59	
17	Number of shares issued (mn shares) (*3)	374.5	374.5	0.0	

(Reference)

18	Net interest income and related profit	53.8	70.6	16.7
19	Other profit	28.7	14.0	(14.6)
20	Profit attributable to deployment of surplus foreign currency funds	10.5	4.2	(6.2)
21	Other	18.2	9.7	(8.4)

(*1) "Net business profit before credit costs", "Substantial gross business profit" and "Substantial G&A expenses" are based on managerial accounting, taking gross income and expenses from affiliates into consideration

(*2) "Effective interest related earnings" is sum of "Net interest income and related profit" and "Profit attributable to deployment of surplus foreign currency funds", included in "Net gains on foreign exchange transaction"

(*3) Average number of common shares outstanding (excluding treasury stocks) during the period

Net business profit before credit costs

- YoY increase of +¥7.8bn. Steady 25% progress vs full year forecast (increased by +¥11.5bn vs 1QFY19)
- Effective interest related earnings increased YoY by ¥10.4bn due to improvement of domestic loan-deposit income and approx. +¥7.0bn of non-recurring profits related to investment in partnership (increased by +¥16.7bn vs 1QFY19)
- Net fees and commissions and related profit increased YoY by ¥13.7bn. In addition to contribution of asset management business, investment management consulting and real estate brokerage business performed well compared to 1QFY20 when marketing activities were restricted (increased by +¥2.8bn vs 1QFY19)
- Substantial G&A expenses increased YoY mainly due to expenses linked to increase of Substantial Gross Business profit following the recovery of marketing activities

Total credit costs

- New occurrence is limited

Net gains on stocks

- Propelled strategic shareholdings reduction (approx. ¥9.0bn at cost)
- Sales gains of strategic shareholdings (approx. ¥8.0bn) was offset by realized losses of hedging transactions (approx. ¥(8.0)bn)
- Equity investment profit by Global Market Business contributed ¥2.1bn of net gains

Other net non-recurring profit

- Increased substantially YoY, mainly due to improvement of net losses on stock related derivatives (by approx. ¥5.0bn), losses on investment in partnership (by approx. ¥3.0bn) and, amortization of actuarial net differences (by approx. ¥3.0bn)

Net income

- 33% progress vs full year forecast of ¥155.0bn due to increase in net business profit before credit costs and improvement of other net non-recurring profit

Overview of balance sheet

		(Yen bn)		
		Mar. 2021	Jun. 2021	Change
1	Assets (*1)	63,368.5	62,573.3	(795.2)
2	Cash and due from banks	18,488.7	18,075.3	(413.4)
3	Securities	6,983.4	6,991.1	7.6
4	Loans and bills discounted	30,506.9	30,361.3	(145.6)
5	Other assets (*1)	7,389.3	7,145.5	(243.8)
6	Liabilities (*1)	60,646.0	59,852.3	(793.6)
7	Deposits and NCD	40,628.2	40,934.5	306.2
8	Borrowed money from trust account	4,915.2	3,940.5	(974.6)
9	Other liabilities (*1)	15,102.5	14,977.1	(125.3)
10	Total net assets	2,722.5	2,721.0	(1.5)
11	Total shareholders' equity	2,416.0	2,428.9	12.9
12	Total accumulated OCI	277.7	263.5	(14.2)
13	Minority interests, etc.	28.7	28.5	(0.2)
14	Net assets per share (BPS) (Yen)	7,192	7,188	(3)
15	Number of shares issued (mn shares) (*2)	374.5	374.5	0.0

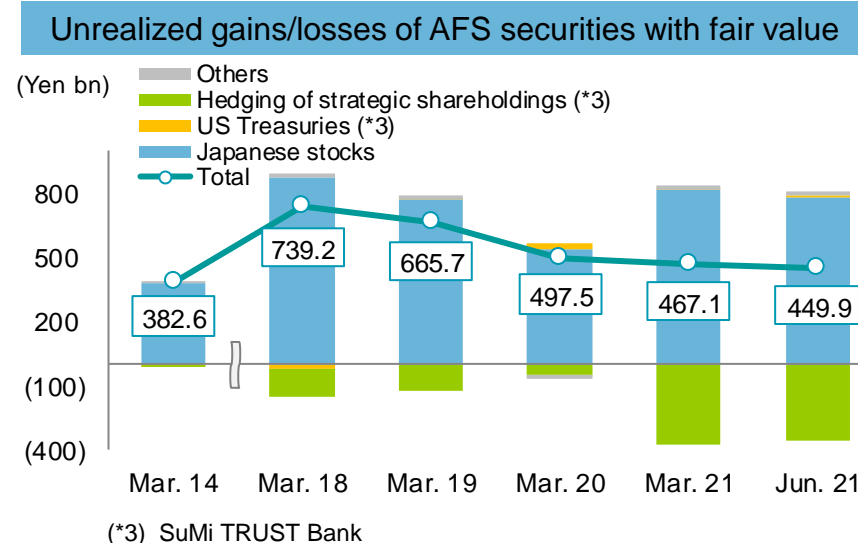
(Reference)

16	Loan-deposit ratio (SuMi TRUST Bank)	75.6%	74.6%	(1.0%)
17	NPL ratio (SuMi TRUST Bank)	0.4%	0.3%	(0.1%)

(*1) As for derivative transaction, presentation treatment has been changed from net basis to gross basis since 1QFY21 (a general treatment in the practical guidance for accounting for financial instruments)

Following the change, figures in Mar. 2021 has been updated

(*2) Number of common shares issued (excluding treasury stocks) as of the date above



Profit by group company

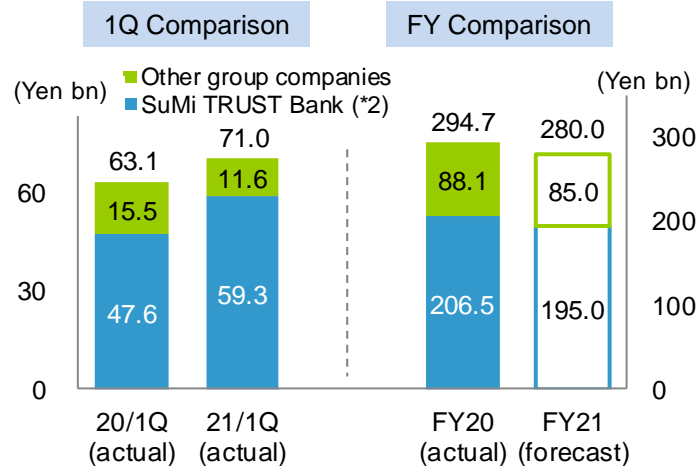
		(Yen bn)	FY20 1Q	FY21 1Q	Change
1	Net business profit before credit costs (*1)		63.1	71.0	7.8
2	o/w SuMi TRUST Bank (*2)		47.6	59.3	11.7
3	SuMi TRUST AM		2.6	2.4	(0.2)
4	Nikko AM (*3)		3.4	5.9	2.5
5	SuMi TRUST Realty		0.8	1.3	0.5
6	SuMi TRUST Panasonic Finance (*3)		2.6	2.2	(0.3)
7	SuMi TRUST Loan & Finance		2.8	2.6	(0.2)
8	SBI Sumishin Net Bank (*3)		2.4	2.7	0.2
9	SuMi TRUST Guarantee (*3)		2.9	2.9	0.0
10	SuMi TRUST Club		0.4	0.4	(0.0)
11	Effect of purchase accounting method		0.0	-	(0.0)
12	Net income (*1)		28.5	50.7	22.2
13	o/w SuMi TRUST Bank		22.8	47.3	24.5
14	SuMi TRUST AM		1.8	1.6	(0.2)
15	Nikko AM (*3)		2.1	4.5	2.4
16	SuMi TRUST Realty		0.5	0.9	0.3
17	SuMi TRUST Panasonic Finance (*3)		1.1	1.1	0.0
18	SuMi TRUST Loan & Finance		1.9	1.6	(0.3)
19	SBI Sumishin Net Bank (*3)		1.7	2.5	0.8
20	SuMi TRUST Guarantee (*3)		2.0	2.0	(0.0)
21	SuMi TRUST Club		0.4	0.2	(0.2)
22	Effect of purchase accounting method		0.1	0.7	0.6

(*1) Figures on the table above are contribution of group companies, which are substantive amount excluding consolidation adjustment that do not relate directly to the group companies' business results.

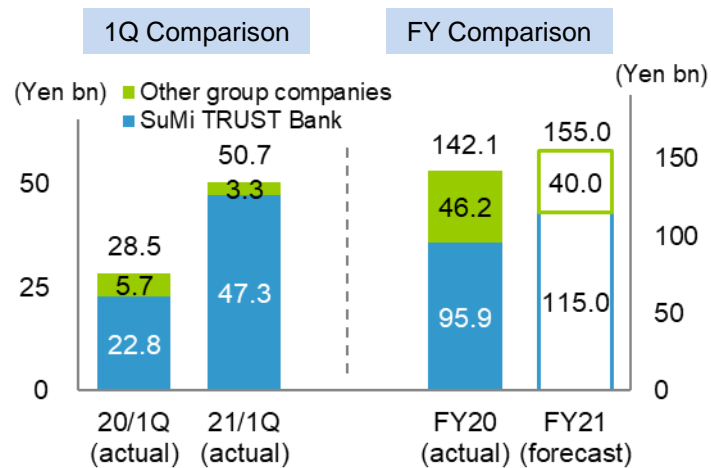
(*2) Including dividend from group companies (FY20/1Q:¥8.1bn, FY21/1Q:¥13.5bn, YoY change:¥5.4bn)

(*3) Consolidated basis

Breakdown of Net business profit before credit costs



Breakdown of Net income



Profit by business segment

		FY20/1Q Net business profit before credit costs (Yen bn)	FY20/1Q		FY21/1Q		FY21Plan Net business profit before credit costs	
			Substantial gross business profit	Change	Substantial G&A expenses	Net business profit before credit costs		Change
1	Total	63.1	184.8	15.8	(113.8)	71.0	7.8	280.0
2	Retail total solution services	2.6	46.9	5.8	(38.7)	8.2	5.5	17.0
3	SuMi TRUST Bank	(1.5)	33.4	5.1	(29.2)	4.2	5.8	2.0
4	Other group companies	4.1	13.4	0.7	(9.4)	3.9	(0.2)	15.0
5	Wholesale financial services (*1)	26.8	47.3	2.1	(18.7)	28.6	1.8	115.0
6	SuMi TRUST Bank	19.7	33.3	2.1	(11.4)	21.9	2.2	87.0
7	Other group companies	7.0	14.0	0.0	(7.3)	6.7	(0.3)	28.0
8	Stock transfer agency services	8.1	13.6	0.0	(5.6)	8.0	(0.1)	19.0
9	SuMi TRUST Bank	7.7	8.5	(0.0)	(0.9)	7.6	(0.1)	18.0
10	Other group companies	0.3	5.0	0.1	(4.6)	0.3	(0.0)	1.0
11	Real estate	1.6	9.9	2.7	(6.2)	3.6	2.0	28.0
12	SuMi TRUST Bank	0.7	4.6	1.6	(2.4)	2.2	1.5	23.0
13	Other group companies	0.9	5.2	1.1	(3.8)	1.4	0.5	5.0
14	Fiduciary services (excl. Asset Mgt. business)	8.8	23.2	1.3	(13.2)	10.0	1.1	33.0
15	SuMi TRUST Bank	7.4	14.4	1.4	(5.7)	8.7	1.2	31.0
16	Other group companies	1.3	8.7	(0.0)	(7.4)	1.2	(0.0)	2.0
17	Asset management business (*2)	6.1	24.3	5.6	(15.9)	8.4	2.3	32.0
18	Global markets (*3)	11.9	6.8	(8.5)	(3.5)	3.2	(8.6)	50.0

(*1) Combined total of Wholesale total solution services and Wholesale asset management

(*2) Sum of Asset management companies (SuMi TRUST AM (consolidated), Nikko AM (consolidated), Sky Ocean AM, JP AM)

(*3) Substantial gross business profit and net business profit include equity related profit which is posted as "net gains on stocks" (FY20/1Q: -, FY21/1Q: ¥1.8bn, YoY change: ¥1.8bn) and net gains/losses on stock related derivatives which is posted as "other non-recurring profit" (FY20/1Q: ¥(4.5)bn, FY21/1Q: ¥(3.4)bn, YoY change: ¥1.1bn)

Overview of profit (SuMi TRUST Bank)

(Yen bn)		FY20	FY21	Change
		1Q	1Q	
1	Net business profit before credit costs	47.6	59.3	11.7
2	Gross business profit (*)	106.4	120.3	13.9
3	Effective interest related earnings	62.5	78.6	16.0
4	Net interest income and related profit	52.0	74.4	22.3
5	Profit attributable to deployment of surplus foreign currency funds	10.5	4.2	(6.2)
6	Net fees and commissions and related profit	33.6	39.4	5.7
7	Net trading profit	1.1	3.7	2.6
8	Net gains on foreign exchange transactions	9.2	23.3	14.1
9	Net trading profit	9.2	23.3	14.1
9	Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)	(8.0)	(19.5)	(11.5)
10	Net gains on bonds	8.2	3.2	(5.0)
11	Net gains from derivatives	0.9	(4.4)	(5.3)
12	General and administrative expenses	(58.7)	(60.9)	(2.1)
13	Total credit costs	(1.7)	(1.1)	0.6
14	Other non-recurring profit	(17.7)	(0.0)	17.7
15	o/w Net gains on stocks	0.2	1.2	0.9
16	Amortization of net actuarial losses	(3.0)	(0.2)	2.7
17	Ordinary profit	28.1	58.2	30.0
18	Extraordinary profit	(0.2)	(0.7)	(0.4)
19	Income before income taxes	27.8	57.4	29.6
20	Total income taxes	(5.0)	(10.1)	(5.0)
21	Net income	22.8	47.3	24.5

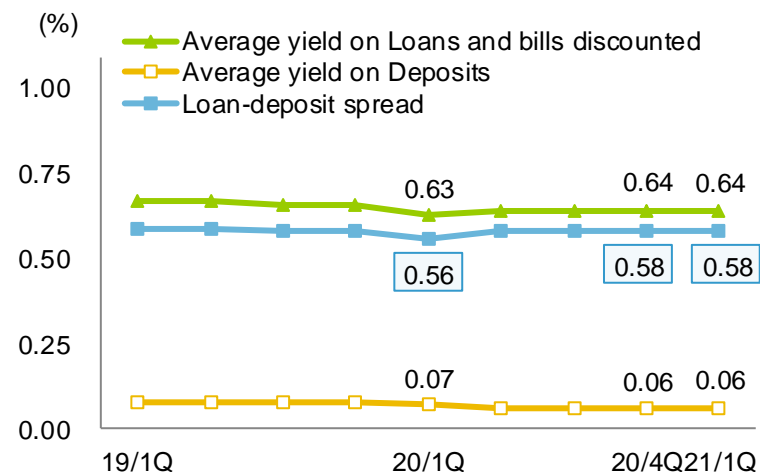
		FY20	FY21	Change
		1Q	1Q	
22	Gross business profit	106.4	120.3	13.9
23	Net interest income and related profit	52.0	74.4	22.3
24	Net fees and commissions and related profit	33.6	39.4	5.7
25	Net trading profit	9.2	23.3	14.1
26	Net other operating profit	11.4	(16.8)	(28.3)
27	o/w Net gains on foreign exchange transactions	2.4	(15.3)	(17.8)
28	Profit attributable to deployment of surplus foreign currency funds	10.5	4.2	(6.2)
29	other	(8.0)	(19.5)	(11.5)
30	Net gains on bonds	8.2	3.2	(5.0)
31	Net gains from derivatives	0.9	(4.4)	(5.3)
32	Net fees and commissions and related profit	33.6	39.4	5.7
33	o/w Investment management consulting	7.2	10.1	2.8
34	Asset management/administration	13.0	14.4	1.4
35	Real estate brokerage	1.5	3.1	1.5
36	Stock transfer agency services	8.6	8.5	(0.0)
37	Inheritance related services	0.5	0.8	0.2
38	Wholesale credit related	6.3	5.1	(1.1)
39	Net gains on bonds	8.2	3.2	(5.0)
40	Domestic bonds	(0.0)	1.0	1.1
41	Foreign bonds	8.3	2.1	(6.1)

(*) Other profit within net business profit before credit costs in FY20/1Q and FY21/1Q is ¥(0.1)bn and ¥(0.3)bn, respectively.

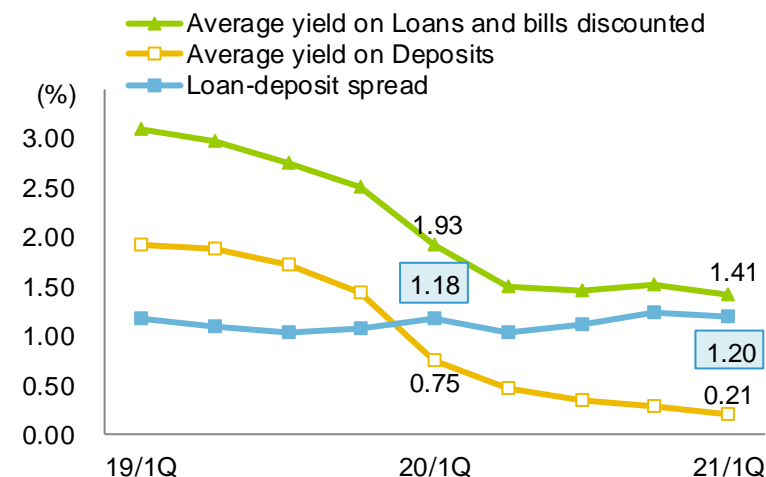
Net interest income (SuMi TRUST Bank)

	FY21/1Q					
	Average Balance	Change from FY20/1Q	Average Yield	Change from FY20/1Q	Income/Expenses	Change from FY20/1Q
(Average balance: Yen trn) (Income/Expenses: Yen bn)						
1 Net interest income					69.7	22.0
2 Domestic business			0.39%	0.03%	44.0	7.8
3 Interest-earning assets	45.45	5.67	0.50%	0.00%	57.2	6.9
4 o/w Loans and bills discounted	24.65	0.29	0.64%	0.01%	39.5	0.8
5 Securities	4.36	0.34	1.49%	0.49%	16.2	6.1
6 Interest-bearing liabilities	44.65	5.34	0.11%	(0.03%)	(13.2)	0.8
7 o/w Deposits	27.53	2.62	0.06%	(0.01%)	(4.2)	0.4
8 Borrowings from trust a/c	4.01	0.50	0.46%	(0.02%)	(4.6)	(0.3)
9 Swaps	---	---	---	---	(0.2)	0.3
10 International business			0.74%	0.40%	25.6	14.1
11 Interest-earning assets	14.05	0.85	1.10%	(0.20%)	38.5	(4.2)
12 o/w Loans and bills discounted	5.84	(0.47)	1.41%	(0.52%)	20.5	(9.9)
13 Due from banks	1.85	(0.29)	0.19%	(0.03%)	0.9	(0.2)
14 Securities	2.24	0.02	2.85%	0.98%	15.9	5.5
15 Interest-bearing liabilities	14.03	1.07	0.36%	(0.60%)	(12.8)	18.4
16 o/w Deposits	5.06	(0.25)	0.21%	(0.54%)	(2.7)	7.1
17 NCD / USCP	6.28	1.83	0.14%	(0.71%)	(2.3)	7.1
18 Repo	1.55	0.03	0.09%	(0.31%)	(0.3)	1.1
19 Expenses on swaps	---	---	---	---	(5.6)	1.7
20 (+) Trust fees from principal guaranteed trust a/c					4.6	0.3
21 (+) Profit attributable to deployment of surplus foreign currency funds					4.2	(6.2)
22 Effective interest related earnings					78.6	16.0
23 Loan-deposit spread / income in domestic business			0.58%	0.02%	35.2	1.3
24 Loan-deposit spread / income in international business			1.20%	0.02%	17.7	(2.7)

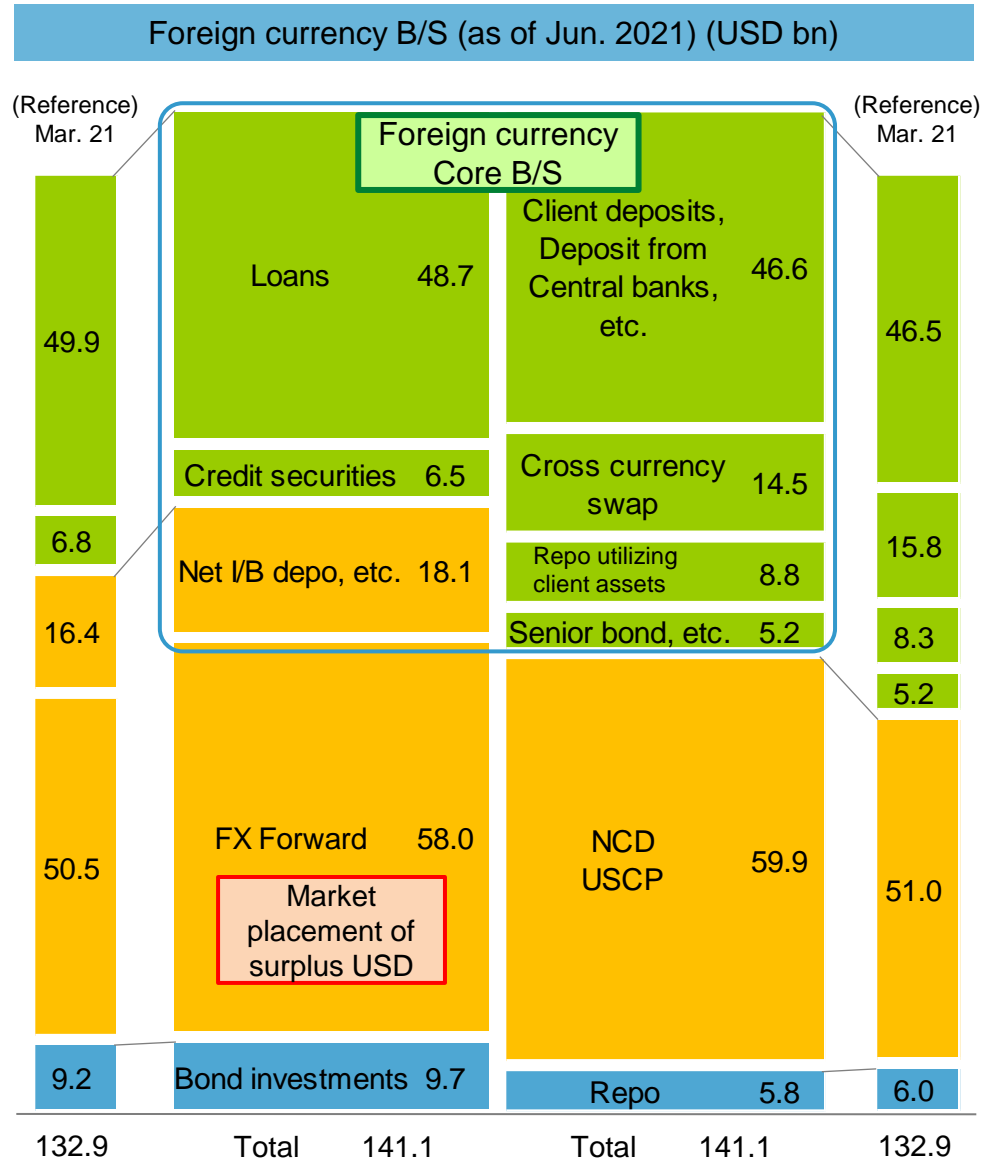
Domestic loan-deposit spread (quarterly)



International loan-deposit spread (quarterly)



(Reference) Status of foreign currency balance sheet (SuMi TRUST Bank)



Foreign currency ALM management

- ◆ Loans and credit investment securities constitute foreign currency core B/S assets, which are funded utilizing stable sources such as “sticky” client deposits, deposits from central banks, long-term yen CCS, client asset repos and senior bonds.
- ◆ Short term funds sourced through NCD/USCP markets are categorized as contingent funding buffer, and the funds are utilized as short-term funds in the inter-bank or foreign exchange market.

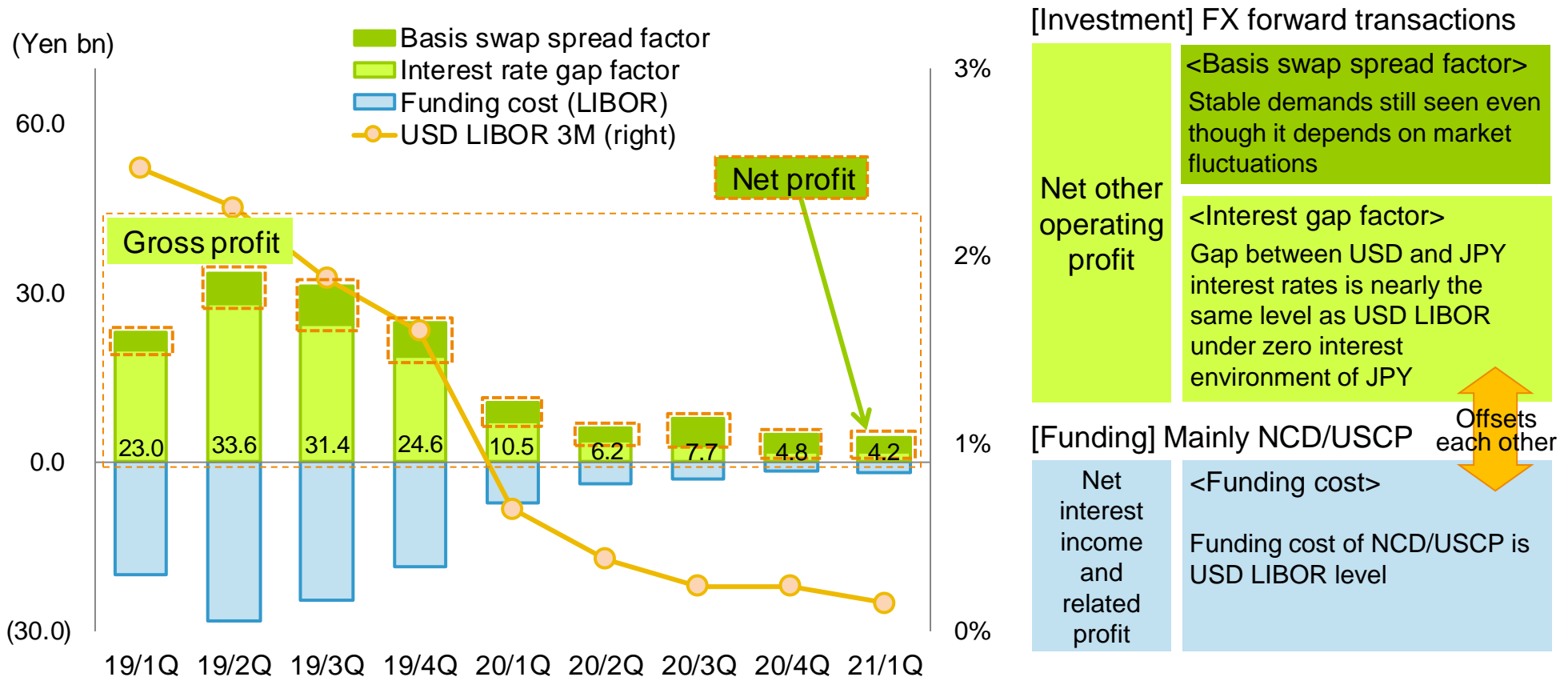
Basis swap spread (CCS) (USD/JPY)



Profit structure of market deployment of surplus foreign currency

- ✓ Profit from FX forward transactions (Investment) consists of basis swap spread factor and interest rate gap factor (gap between USD and JPY interest rates), but interest rate gap is offset by cost of USD funding
- ✓ Gross funding costs and investment profits decreased due to decline in USD LIBOR and net profit decreased due to basis swap spread factor YoY

Profit of market deployment of surplus foreign currency



(*) The above contents are simplified to promote understanding the structure of the operations, although actual profitability of market placement of surplus foreign currency changes depending on market environment. Figures show gross profits as sum of basis swap spread factor and interest gap factor.

Total credit costs and problem assets

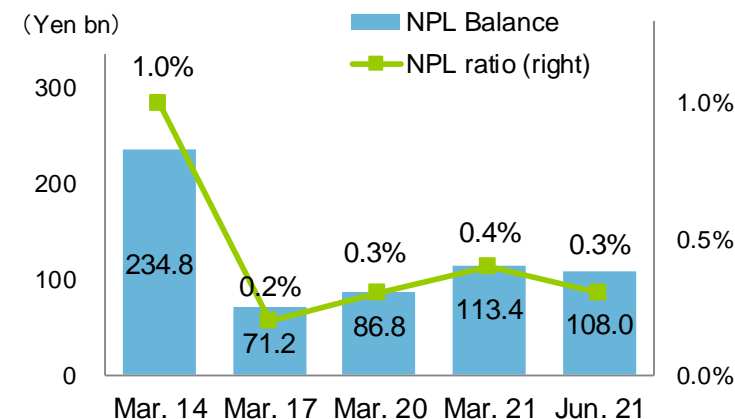
[Total credit costs]		FY20 1Q	FY21 1Q	Major factors (FY21/1Q)
	(Yen bn)			
1	SuMi TRUST Bank	(1.7)	(1.1)	
2	General allowance for loan losses	7.1	(0.1)	} Reversal of special loan provision approx. 1.0 Sum of new occurrence, etc approx. (1.0)
3	Specific allowance for loan losses	(7.0)	0.3	
4	Recoveries of written-off claims	0.0	0.3	
5	Losses on sales of claims, written-off	(1.8)	(1.6)	
6	Other group companies, etc.	(0.1)	(0.3)	
7	Total	(1.8)	(1.4)	

[NPL (SuMi TRUST Bank)]		Jun. 2021	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 2021
	(Yen bn)				
8	NPL	108.0	75.3%	44.0%	(5.4)
9	NPL ratio (ratio to Total loan balance)	0.3%	---	---	(0.1%)
10	Bankrupt and practically bankrupt	21.3	100.0%	100.0%	(0.2)
11	Doubtful	39.1	94.7%	87.1%	(5.4)
12	Substandard	47.6	48.3%	11.0%	0.2
13	Other special mention debtors	520.1	---	---	16.2
14	Ordinary assets	30,431.3	---	---	(138.9)
15	Total loan balance	31,059.5	---	---	(128.2)

(*1) (Collateral value + allowance for loan losses) / Loan balance

(*2) Allowance for loan losses / (Loan balance - Collateral value after considering haircuts)

Total Balance and ratio of NPL



Securities portfolio

[Securities with fair value]		Costs		Unrealized gains/losses	
		(Yen bn)	Jun. 2021	Change from Mar. 21	Jun. 2021
1	Available-for-sale securities	5,937.2	16.7	449.9	(17.2)
2	Japanese stocks	596.1	(9.0)	779.1	(37.0)
3	Japanese bonds	2,414.4	72.6	0.2	(0.5)
4	Others	2,926.6	(46.8)	(329.3)	20.3
5	Held-to-maturity debt securities	326.1	(2.0)	16.4	0.0

[Securities with fair value (SuMi TRUST Bank)]

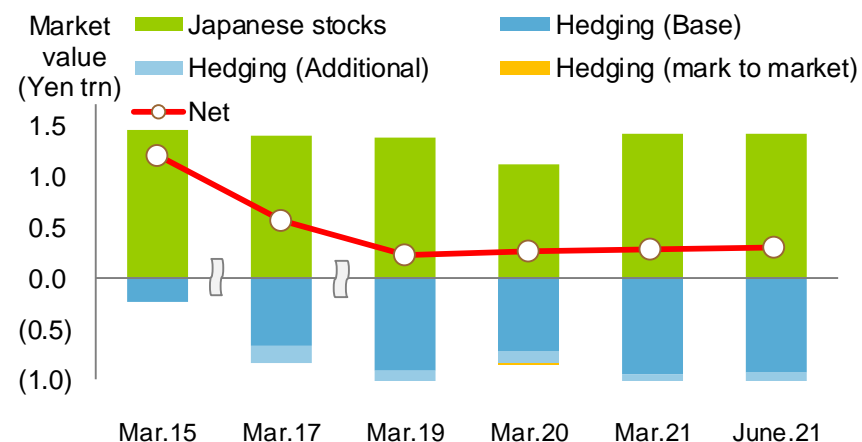
6	Available-for-sale securities	5,751.2	19.8	467.5	(18.7)
7	Japanese stocks	565.5	(9.9)	807.2	(36.0)
8	Japanese bonds	2,414.4	72.6	0.2	(0.5)
9	o/w Government bonds	1,705.8	61.5	(2.9)	(1.1)
10	Others	2,771.2	(42.8)	(340.0)	17.7
11	Domestic investment	80.5	9.3	2.2	(0.1)
12	International investment	1,405.4	(70.8)	9.5	0.8
13	o/w US Treasury	613.9	(48.3)	8.2	1.5
14	Others (Investment trust, etc.)	1,285.2	18.6	(351.8)	17.0
15	o/w for hedging of strategic shareholdings (*1)	1,157.2	(17.6)	(356.2)	17.4

(*1) Of which hedging effect under capital regulation is recognized: Costs ¥933.8bn, Unrealized gains/losses ¥(290.6)bn

[Held-to-maturity debt securities with fair value (SuMi TRUST Bank)]

16	Held-to-maturity debt securities	326.1	(2.0)	16.4	0.0
17	o/w Government bonds	117.8	(0.0)	15.8	0.1
18	International investment	134.3	0.0	0.0	(0.0)

Hedge positions against strategic shareholdings



(*2) As of Jun.2021, Hedge ratio against fair value of strategic shareholdings has been maintained at approx.80%

Securities portfolio of Global markets (*3)

(Yen bn)		10BPV (*4)		Duration (years) (*4)	
		Jun. 21	Change from Mar. 21	Jun. 21	Change from Mar. 21
20	JPY	6.7	0.4	3.3	0.0
21	Others	1.9	(1.4)	2.6	(1.7)

(*3) Managerial reporting basis; "HTM debt securities" and "AFS securities" are combined
 (*4) In the calculation of 10BPV and duration, investment balance hedged by derivatives transactions, etc. were excluded

Reduction of strategic shareholdings

- ✓ Made dialogue with all clients whose share we own, based on our new policy regarding strategic shareholdings
- ✓ Reduced ¥8.7bn at cost. Better progress compared with 1Q in past several years

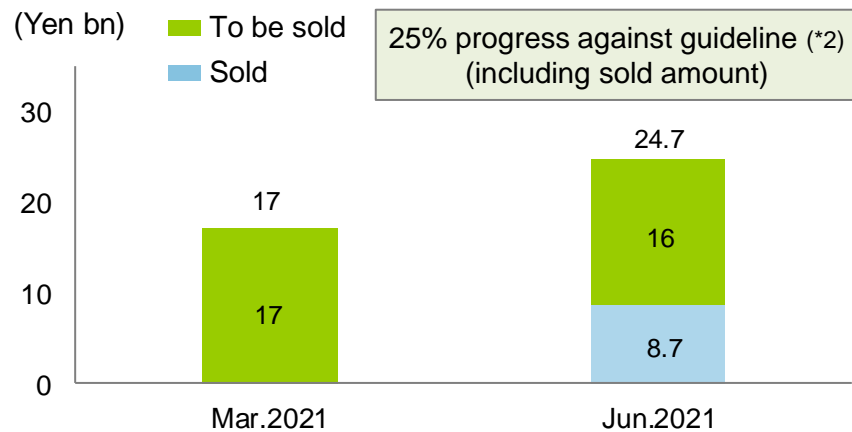
Dialogue with clients



Completed first communication with all clients (approx.870 listed companies) regarding our new policy on strategic shareholdings (*1) by early June

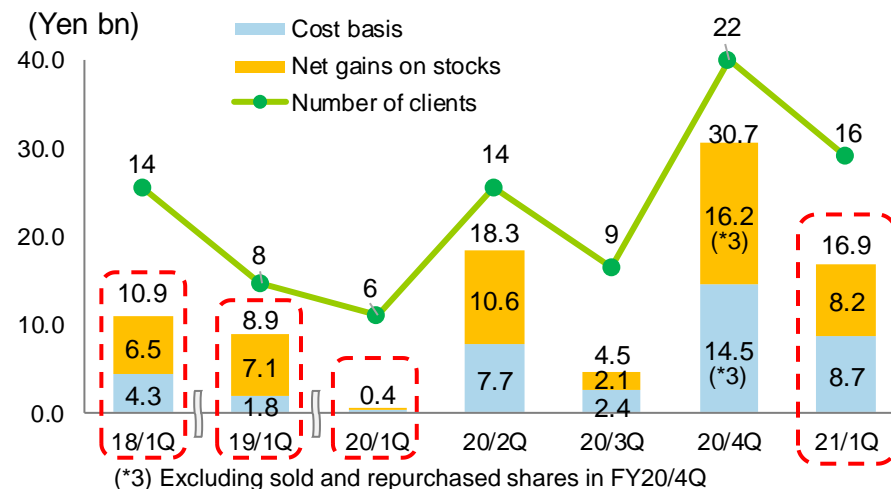
(*1) Announced on May 13th

Amount sold/ to be sold (cost basis) (consolidated basis)

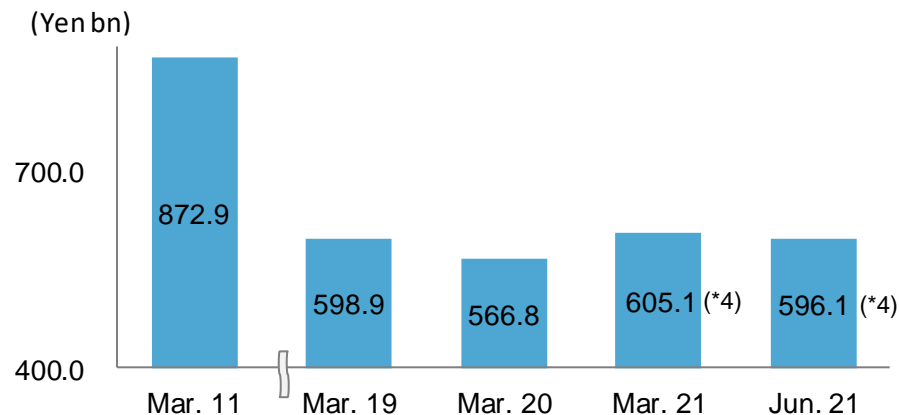


(*2) From Apr. 21 to Mar. 23

Reduction (consolidated basis)



Cost basis balance of strategic shareholdings (consolidated basis)



(*4) Including ¥63.6bn (at cost) of sold and repurchased shares in FY20/4Q

(Ref.) Forecast for FY2021

- ✓ Net business profit: ¥280.0bn, assuming gradual recovery of fee related businesses, almost the same as FY20 excluding temporary positive factors
- ✓ Net income: ¥155.0bn, assuming credit costs increase and non-recurrence of losses on net gains on stocks in FY20
- ✓ Dividend per common share: ¥160, increase by ¥10 YoY, equivalent to consolidated payout ratio of 38.7%, in accordance with shareholder return policy (*)

(Yen bn)		FY20 Actual	1H Forecast	2H Forecast	FY21 Forecast	Change from FY20	
1	Net business profit before credit costs	294.7	130.0	150.0	280.0	(14.7)	(1)
2	o/w SuMi TRUST Bank	206.5	95.0	100.0	195.0	(11.5)	
3	Substantial gross business profit	739.2	360.0	380.0	740.0	0.7	
4	SuMi TRUST Bank	451.9	215.0	225.0	440.0	(11.9)	
5	Other group companies	287.3	145.0	155.0	300.0	12.6	
6	Substantial G&A Expenses	(444.5)	(230.0)	(230.0)	(460.0)	(15.4)	
7	SuMi TRUST Bank	(245.4)	(120.0)	(125.0)	(245.0)	0.4	
8	Other group companies	(199.1)	(110.0)	(105.0)	(215.0)	(15.8)	
9	Total credit costs	(7.8)	(10.0)	(10.0)	(20.0)	(12.1)	(2)
10	Net gains on stocks	(43.5)	0.0	0.0	0.0	43.5	(3)
11	Other non-recurring profit	(60.2)	(13.0)	(22.0)	(35.0)	25.2	(4)
12	Ordinary profit	183.1	107.0	118.0	225.0	41.8	
13	o/w SuMi TRUST Bank	114.0	80.0	80.0	160.0	45.9	
14	Net income	142.1	75.0	80.0	155.0	12.8	
15	o/w SuMi TRUST Bank	95.9	55.0	60.0	115.0	19.0	
16	Dividend per common share (Yen)	150	80	80	160	+10	
17	Consolidated dividend payout ratio	39.5%	---	---	38.7%	(0.8%)	

(*) Shareholder return policy

- ✓ As a means of returning shareholder's profits commensurate with earnings, aim to raise consolidated dividend payout ratio to around 40% in or around FY22.
- ✓ May repurchase its own shares flexibly by considering the balance with investment in profit growth opportunities for its mid- to long-term perspective, and the effect of the repurchase on the improvement of capital efficiency, given securing adequate capital level

【Assumptions】

- Net business profit: ¥(14.7)bn YoY**
 - Mainly due to expected decrease in gross business profit of SuMi TRUST Bank.
 - Net business profit of other group companies and G&A expenses to slightly decrease on a net basis
- Total credit costs: forecast ¥(20.0)bn**
 - Substantial provisioning of ¥(38.0)bn taking into account special loan loss provision ¥18.0bn as of Mar. 21
- Net gains on stocks: forecast ¥0.0bn**
 - Gains on sales of strategic shareholding expected to be utilized to fully offset by recognition of unrealized losses on hedging transactions
- Other non-recurring profit: ¥(35.0)bn**
 - Improvement YoY is mainly due to write-off of actuarial differences.

Fee business: Investment management consulting

- ✓ Total Sales volume increased by ¥141.8bn YoY to ¥289.8 due to improvement of investment appetite of clients following good market conditions
- ✓ Total income increased by ¥2.8bn YoY to ¥10.1bn due to increased sales volume and improvement of market value

Income from marketing of investment products

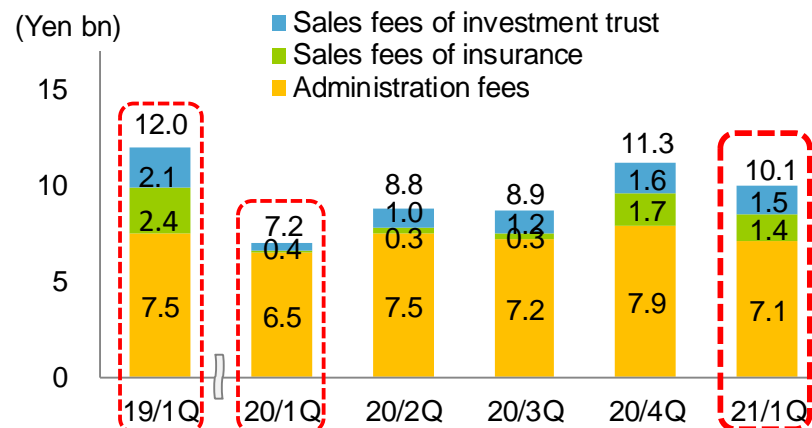
(Yen bn)		FY20	FY21	Change
		1Q	1Q	
1	Income total	7.2	10.1	2.8
2	Sales fees of investment trust	0.4	1.5	1.0
3	Sales fees of insurance	0.1	1.4	1.2
4	Administration fees	6.5	7.1	0.5

Sales volume / balance

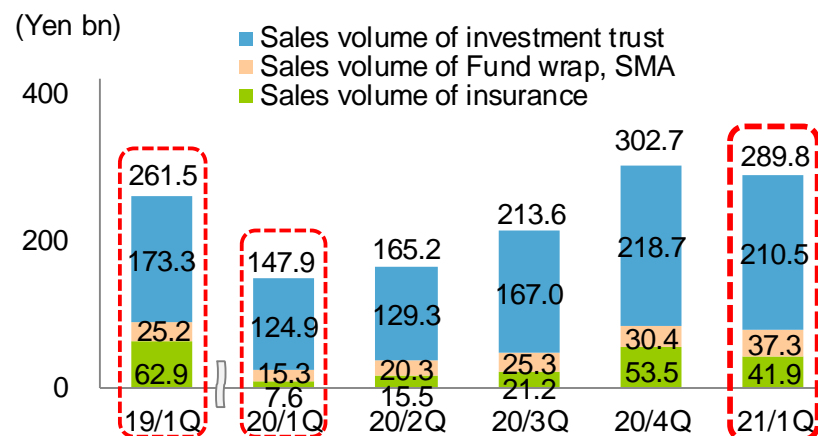
(Yen bn)		FY20	FY21	Change
		1Q	1Q	
5	Sales volume total	147.9	289.8	141.8
6	Investment trust	124.9	210.5	85.6
7	Fund wrap, SMA	15.3	37.3	21.9
8	Insurance	7.6	41.9	34.3

(Yen bn)		Mar. 2021	Jun. 2021	Change
9	Balance total	6,896.4	7,035.2	
10	Investment trust	3,533.0	3,677.8	144.8
11	Fund wrap, SMA	918.7	946.1	27.3
12	Insurance	2,444.6	2,411.2	(33.4)
13	Wrap Selection	1,843.2	1,859.2	16.0

Income from marketing (quarterly)



Sales volume (quarterly)



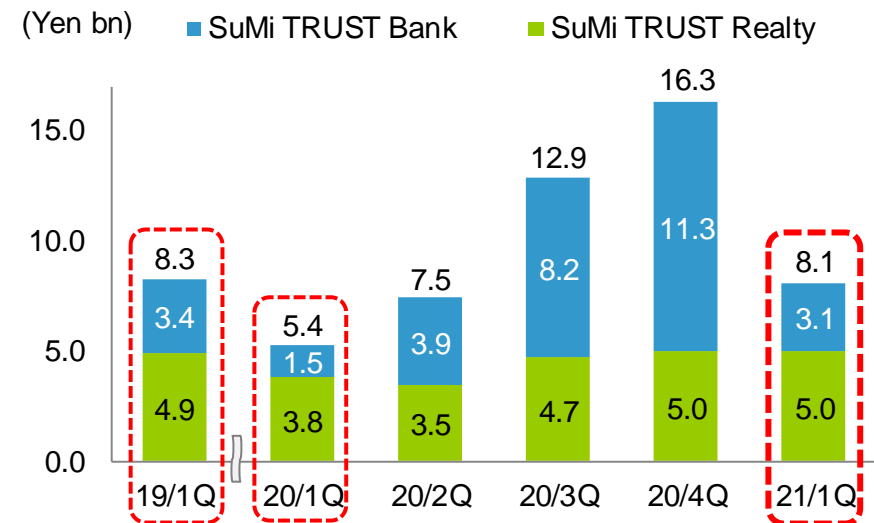
Fee business: Real estate

- ✓ Brokerage fees from corporate clients (SuMi TRUST Bank): Increased by ¥1.5bn YoY to ¥3.1bn due to steady transaction stream from potential demand captured in previous fiscal year
- ✓ Brokerage fees from retail clients (SuMi TRUST Realty) : Increased by ¥1.1bn YoY to ¥5.0bn, keeping good performance from later half of last fiscal year

Income (group base)

(Yen bn)		FY20 1Q	FY21 1Q	Change
1	Real estate brokerage fees	5.4	8.1	2.7
2	SuMi TRUST Bank	1.5	3.1	1.5
3	SuMi TRUST Realty	3.8	5.0	1.1
4	Real estate trust fees, etc.	1.4	1.4	0.0
5	Net other real estate profit	0.2	0.2	0.0
6	SuMi TRUST Bank	—	—	—
7	Group companies	0.2	0.2	0.0
8	Total	7.1	9.9	2.7
9	o/w SuMi TRUST Bank	3.0	4.6	1.6

Real estate brokerage fees (quarterly)



Assets under management / administration

(Yen bn)		Mar. 2021	Jun. 2021	Change
10	Securitized real estate	20,047.4	20,277.7	230.2
11	Assets under custody from J-REITs	16,785.3	16,974.5	189.2
12	Assets under management	613.1	632.2	19.1
13	Private placement funds	341.5	360.6	19.1
14	J-REITs	271.6	271.6	-

Fee business: Asset management/administration (Fiduciary services/Asset Management)

- ✓ AUM increased by ¥3trn to approx.¥120trn from March 2021 due to improvement of market value and cash inflow
- ✓ AUC increased for each asset category in both domestic and overseas from March 2021

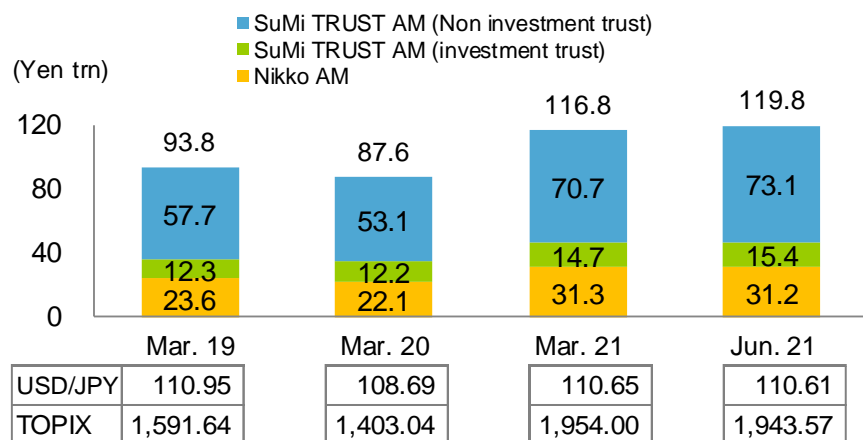
Assets under management (AUM)

(Yen trn)		Mar. 2021	Jun. 2021	Change
1	Assets under management (*1)	116.8	119.8	3.0
2	SuMi TRUST AM	85.5	88.6	3.0
3	Investment trust	14.7	15.4	0.6
4	Non investment trust (*2)	70.7	73.1	2.4
5	Corporate pension trust	14.6	14.8	0.1
6	Public pension trust	12.9	12.7	(0.1)
7	Discretionary investment	43.2	45.6	2.4
8	Nikko AM(*3)	31.3	31.2	(0.1)

(*1) Categorized by entity actually managing asset

(*2) Partially include AUM managed by SuMi TRUST Bank

(*3) Change includes the impact of business reorganization in which a subsidiary in unconsolidated : ¥(1.1)bn



Assets under custody/administration (AUC)

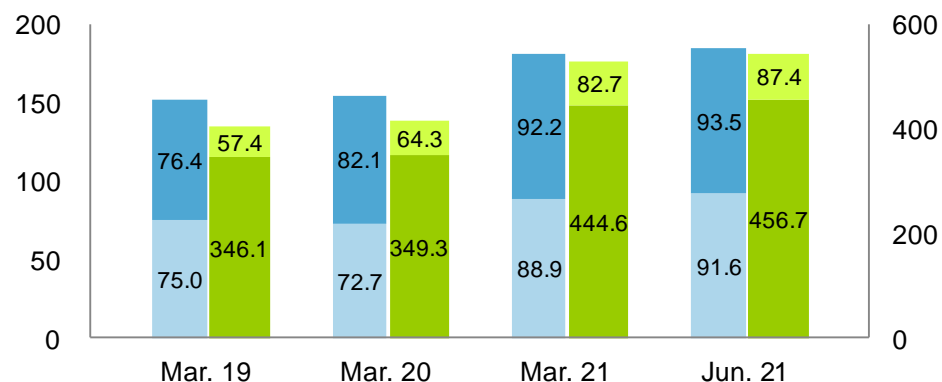
(Yen trn)		Mar. 2021	Jun. 2021	Change
9	[Domestic] Investment trust (*4)	88.9	91.6	2.7
10	[Domestic] Non investment trust (*4)	92.2	93.5	1.2
(USD bn)				
11	[Overseas] Global custody (*5)	444.6	456.7	12.1
12	[Overseas] Fund administration	82.7	87.4	4.6

(*4) Entrusted balance of SuMi TRUST Bank

(*5) Combined figures of SuMi TRUST Bank, SuMi TRUST Bank(U.S.A) and SuMi TRUST Bank(Lux.)

Domestic (Yen trn):
 ■ Domestic: Non investment trust
 ■ Domestic: Investment trust

Overseas (USD bn):
 ■ Overseas: Fund administration
 ■ Overseas: Global custody



Loan/investment business: Credit portfolio (SuMi TRUST Bank)

- ✓ Loans to individuals: Steady progress. Advanced amount increased compared to 1QFY20 when marketing activities were restricted due to COVID-19
- ✓ Corporate credit: Corporate (Yen) decreased mainly due to repayment of short term loans for previous fiscal year end. Corporate (Foreign currency) decreased due to selective transactions considering profitability

Advanced amount and balance for individuals

		FY20		Change
		1Q	1Q	
		(Yen bn)		
1	Advanced amount of loans to individuals	247.2	312.1	64.8
2	o/w Residential mortgage loans	226.9	294.4	67.5

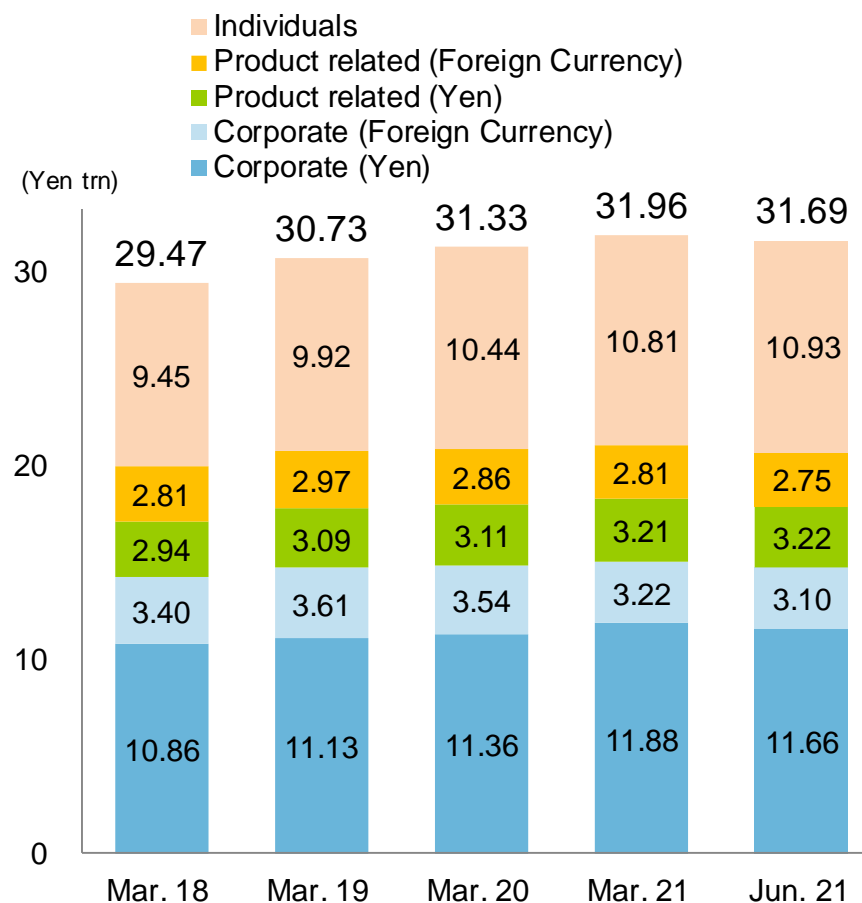
		Mar. 2021	Jun. 2021	Change
		(Yen bn)		
3	Balance of loans to individuals	10,819.6	10,934.5	114.9
4	o/w Residential mortgage loans	10,141.8	10,254.4	112.6

Balance of credit for corporates

		Mar. 2021	Jun. 2021	Change (*)
		(Yen bn)		
5	Corporate (Yen)	11,885.4	11,666.2	(219.2)
6	Corporate (Foreign Currency)	3,225.4	3,106.7	(118.7)
7	Product related (Yen)	3,217.5	3,225.4	7.9
8	Product related (Foreign Currency)	2,812.7	2,758.9	(53.8)
9	Total balance of credit for corporates	21,141.1	20,757.3	(383.8)
10	o/w Product related	6,030.2	5,984.3	(45.8)

(*) Impact of foreign exchange: Corporate (Foreign Currency) approx. ¥6.0bn, Product related (Foreign Currency) approx. ¥3.0bn

Credit portfolio balance



Capital

- ✓ Common Equity Tier 1 capital ratio: UP 0.24 percentage point from Mar. 2021 to 12.36% due to decrease in risk-weighted assets, mainly decreased in corporate credit etc.
Pro-forma CET1 capital ratio on Finalized Basel III: also UP approx. 0.2 percentage point to 9.6%
- ✓ Leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets>

		Mar. 21	Jun. 21	Change
		(Yen bn)		
1	Total capital ratio	15.76%	15.99%	0.23%
2	Tier 1 capital ratio	13.51%	13.76%	0.25%
3	Common Equity Tier 1 capital ratio	12.12%	12.36%	0.24%
4	Total capital	3,190.9	3,200.3	9.4
5	Tier 1 capital	2,736.7	2,755.4	18.7
6	Common Equity Tier 1 capital	2,455.1	2,474.2	19.0 (1)
7	Instruments and reserves	2,666.6	2,693.5	26.8
8	Accumulated other comprehensive income (*1)	277.7	263.5	(14.2)
9	Regulatory adjustments	(211.5)	(219.3)	(7.7)
10	Additional Tier 1 capital	281.5	281.2	(0.3)
11	Tier 2 capital	454.2	444.9	(9.3)
12	Total risk-weighted assets	20,243.3	20,014.5	(228.8)
13	Credit risk	17,843.7	17,322.9	(520.8) (2)
14	Market risk	1,427.2	1,719.2	291.9
15	Operational risk	972.3	972.3	-

(*1) Valuation differences on Available-for-Sale Securities (Jun. 2021): ¥314.1bn

(*2) Calculated according to the revision of Financial Services Agency Notification(effective as of June 30, 2020). For reference, figures on item 17 and 20 are calculated according to the basis applied before the revision.

(*3) Average figures in 1QFY2021. "Change from Mar. 21" represents the comparison to figure for 4QFY2020 calculated in the same manner

< Major factors of change in capital adequacy ratios >

[Capital]

- (1) Common Equity Tier 1 capital: +¥19.0bn
- Net income: +¥50.7bn
 - Unrealized gains/losses of AFS: ¥(15.3)bn

[Risk-weighted assets]

- (2) Credit risk: ¥(520.8)bn
- Decrease of corporate credit (corporate loans, commitment line etc.) : approx. ¥(310.0)bn

< Major factors of change in liquidity coverage ratio >

- (3) Net cash outflows: ¥(1,201.2)bn
- Renewal of funds matured in 20/4Q, etc.

<Other ratios required in prudential regulations>

		Jun. 21	Change from Mar. 21
		(Yen bn)	
16	Leverage ratio (*2)	5.62%	0.09%
17	Including current account with the Bank of Japan	4.26%	0.10%
18	Tier 1 capital	2,755.4	18.7
19	Total exposure (*2)	48,967.7	(473.5)
20	Including current account with the Bank of Japan	64,611.9	(1,060.7)
21	Liquidity coverage ratio (*3)	189.0%	22.5%
22	Total high-quality liquid assets	18,228.1	175.6
23	Net cash outflows	9,640.2	(1,201.2) (3)