

Investor Meeting on Financial Results for FY2021

June 17, 2022
“Capital” (Page67) was revised.

May 20, 2022

- ◆ This is Takakura of Sumitomo Mitsui Trust Holdings, Inc.
- ◆ Thank you for viewing our presentation for Financial Results for FY2021.
- ◆ First, I would like to explain the key points of our financial results and forecast. After that, I would like to talk about our strategy and initiatives to enhance corporate value through sustainable growth.
- ◆ Please turn to page 4.

Key messages

FY2021 financial results, FY2022 forecast

FY21 financial results

- ✓ Recorded highest net business profit since integration. In addition to strong client related fee business, favorable market conditions also contributed
- ✓ Net income was broadly in line with forecasts, after making provision for various risks

FY22 forecast

- ✓ Expected ¥190.0bn (target for the final year of the Medium-Term Management Plan) of Net income and ¥200 (increased by ¥30) of Dividend per common share

Enhancing corporate value through sustainable growth

Profit growth

- ✓ Pursue virtuous circulation of funds, assets and capital and market creation through initiatives for tackling social issues
- ✓ Strive for further growth through alliances and DX

Capital utilization

- ✓ CET1 ratio(finalized Basel 3) maintained around 10%, the goal of capital efficiency
- ✓ Repurchase shares flexibly, in addition to promoting investment in financial and non-financial capital for future growth
- ✓ Reduction of strategic shareholdings progressed ahead of plan

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① Financial results for FY2021 and Forecast for FY2022

Financial results for FY2021, Forecast for FY2022

- Net business profit increased significantly YoY (highest profit since integration). Robust client related fee business earnings was the main driver, and favorable market conditions also contributed as a tailwind.
- Net income increased by ¥26.8bn YoY. Progress in mitigation of earnings volatility risk from hedging transactions. Increase in credit risk provision
- FY22 forecast of Net income: ¥190.0bn (target for the final year of the Medium-Term Management Plan). Dividend per common share: ¥200 (increased by ¥30)

<Major KPIs>		FY20		FY21			FY22	
	(Yen bn)	Actual	Forecast	Actual	change from FY20	change from Forecast	Plan	change from FY21
1	Net business profit before credit costs	294.7	330.0	346.0	+ 51.3	+ 16.0	310.0	(36.0)
2	Substantial gross business profit	739.2	795.0	808.1	+ 68.8	+ 13.1	800.0	(8.1)
3	Substantial G&A Expenses	(444.5)	(465.0)	(462.0)	(17.5)	+ 3.0	(490.0)	(27.9)
4	Total credit costs	(7.8)	(20.0)	(41.5)	(33.7)	(21.5)	(20.0)	+ 21.5
5	Net gains on stocks	(43.5)	(30.0)	(38.3)	+ 5.1	(8.3)	0.0	+ 38.3
6	Other net non-recurring profit, Extraordinary profit	(43.3)	(35.0)	(38.1)	+ 5.1	(3.1)	(25.0)	+ 13.1
7	Net income	142.1	170.0	169.0	+ 26.8	(1.0)	190.0	+ 20.9
8	Fee income ratio	52.9%		54.0%	+1.1%			
9	Overhead ratio	60.1%	58.5%	57.1%	(3.0%)	(1.4%)	61.3%	4.2%
10	Return on equity	5.41%		6.25%	+0.84%			
11	Common Equity Tier 1 capital ratio	12.12%		12.31%	+0.19%	(*)		

(*) Pro-forma figure of Mar. 2022 CET1 Capital Ratio on finalized Basel III reform basis is 9.9%.

<Per share information>		FY20	FY21		FY22		<Shareholders' return>		FY21	FY22
	(Yen)	Actual	Actual	change from FY20	Plan	change from FY21			Actual	Plan
12	Earnings per share (EPS)	379	451	+71	507	+55	15	Dividend payout ratio	37.7%	39.5%
13	Dividend per share (DPS)	150	170	+20	200	+30				
14	Net assets per share (BPS)		Mar. 21	Mar. 22		change from Mar. 21				
	(Yen)		7,192	7,249		+57				

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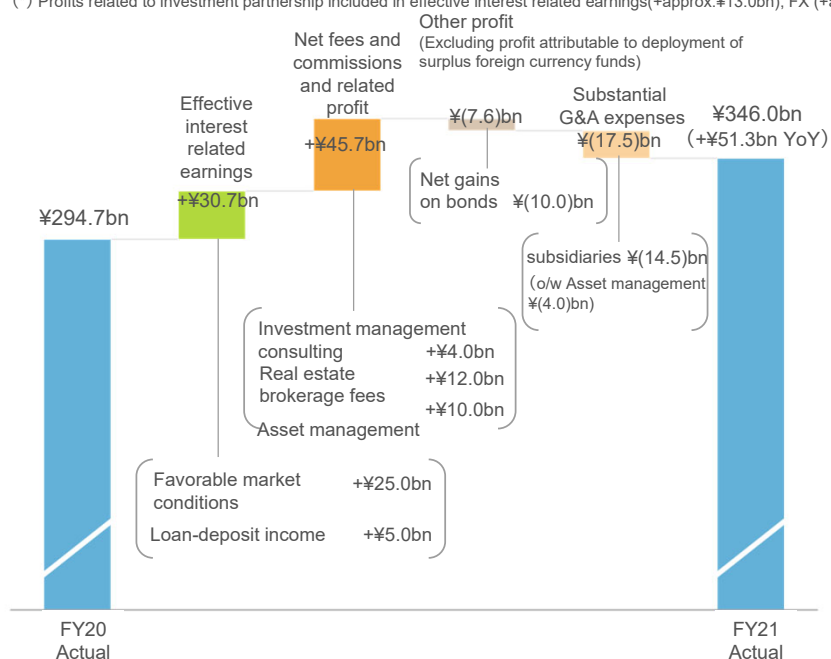
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- Net business profit before credit costs for FY2021 increased by ¥51.3 billion YoY and renewed the highest profit record since integration.
- The main factor was increase of fee income thanks to strong performances by client-oriented businesses, such as real estate or investment management consulting and asset management business, although there were ¥25.0 billion of certain non-recurring profits due to favorable market conditions.
- Net income also increased by ¥26.8 billion YoY to ¥169.0 billion, with sufficient preparation for various risks for FY 2022 and beyond.
- Our dividend is increased by ¥20 per share YoY to ¥170 per share, as announced in February this year.
- As for FY 2022, we forecast ¥190 billion of Net income, an increase of ¥21 billion YoY, and ¥200 dividend per share, an increase of ¥30 YoY. We will steadily achieve these targets in the final year of our Medium-Term Management Plan.
- I would like to explain the preparation for various risks. Please turn to page 7.

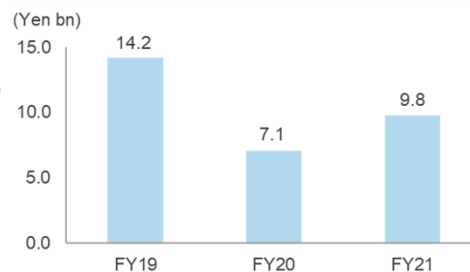
Net business profit before credit costs (FY21)

- Increased profit from businesses typical of a trust bank group, such as client related fee business and asset management business
- Recorded the highest profit since integration in real estate brokerage fees.
- Additional contribution from approx.¥25.0bn of favorable market conditions including investment partnership

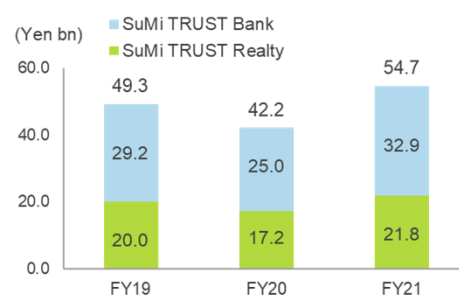
(*) Profits related to investment partnership included in effective interest related earnings(+approx.¥13.0bn), FX (+approx.¥6.0bn)



Sales fees of investment trust/ insurance

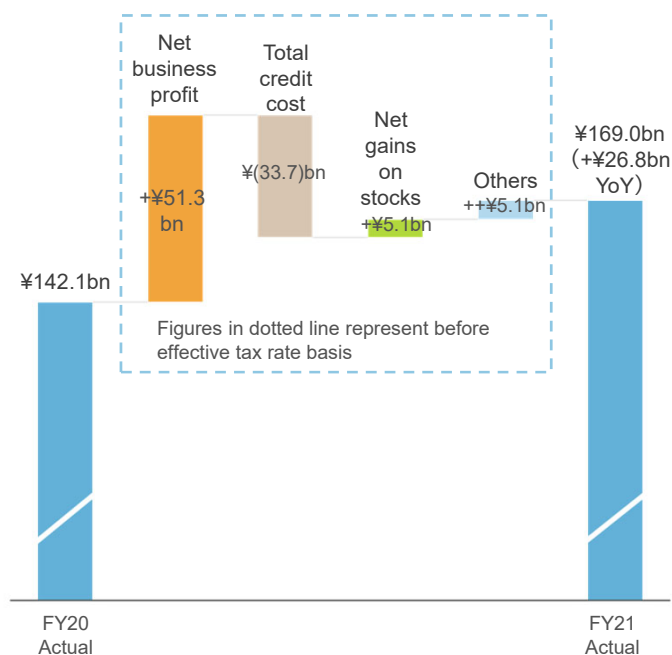


Real estate brokerage fees



Net Income (FY2021)

- Net income increased by ¥26.8bn YoY
- Decrease in margin of net business profit due to occurrence of new credit cost events resulting from deterioration in business conditions of our clients



✓ Total credit costs (FY2020: ¥(7.8bn) → FY2021: ¥(41.5bn)

YoY
(¥33.7bn)

- Occurrence of new credit cost events in our client portfolio
- Release of special loan loss provision ¥14.9bn
- Additional reserves of ¥17.5bn for uncertainties

✓ Net gains on stocks (FY2020: ¥(43.5bn) → FY2021: ¥(38.3bn)

YoY
+5.1bn

- Posted ¥87.0bn of realized gain through accelerated sale of strategic shareholdings. YoY ¥(5.0bn)
- Posted ¥(127.0bn) of realized loss from reduction of hedging positions. YoY +¥10.0bn

(*) Reduction of strategic shareholdings in FY21: ¥53.8bn (at cost)

✓ Other profit (other net non-controlling profits, extraordinary profit) FY2020: ¥(43.3bn) → FY2021: ¥(38.3bn)

Positive and negative factors in FY2021 vs FY2020

YoY
+5.1bn

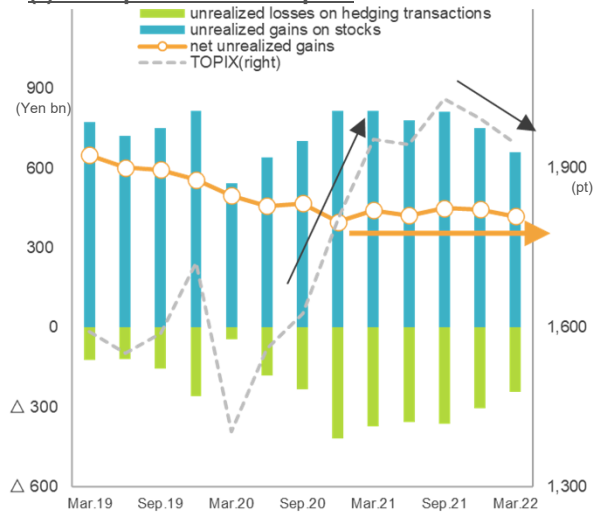
- Net profits on stock related derivatives +8.6bn
- Amortization of actuarial net differences +10.9bn
- Non-recurrence of one-time profit recognition of accumulate retirement benefit obligations: ¥(37.0bn)
- Non-recurrence of impairment of loss of software +20.0bn

Stock price fluctuation risk

- Continue restraining net stock price fluctuation risks on capital through hedging transactions
- Mitigated the risk of effect on earnings in FY22 by reducing hedging transactions with low B/E in FY21

Hedging transactions for strategic shareholdings

Controlling fluctuations in net unrealized gains (*) incorporated into capital



Net unrealized gains are declining due to reduction of strategic shareholdings
Effective in curbing the impact of stock price fluctuations on capital

(*) Actual impact on capital is the amount after tax effect accounting is applied

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Reduced the risk that hedging transactions pose to annual profit and loss

Operation in FY21

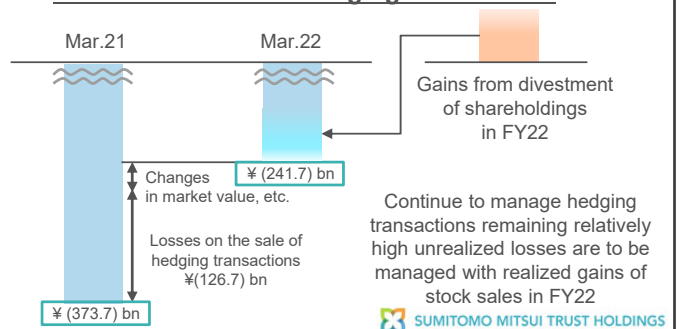
Accelerate reduction of strategic shareholdings

Reduce hedging positions with relatively high unrealized losses

(gains / losses on the sale in FY21)

Total	Strategic shareholdings	Hedging transactions
¥ (39.5) bn	¥ 87.2 bn	¥ (126.7) bn

Unrealized losses of hedging transactions



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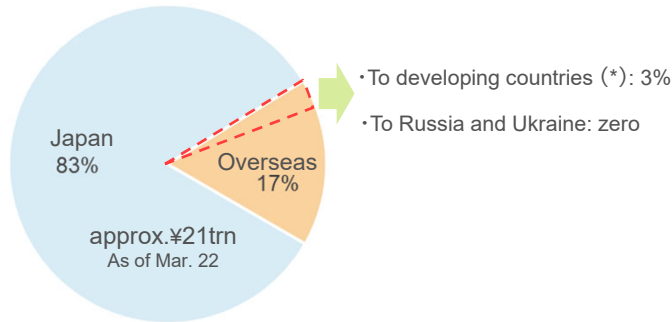
- ◆ In addition to COVID-19 pandemic, we are concerned about the impact on the world economy caused by Ukrainian-Russian crisis. We have provided stable preparations which will certainly be of great help to achieve the forecast for FY2022 considering such an uncertain environment.
- ◆ Among the risks, let me start with stock price fluctuation risk. We have utilized bear funds to protect our capital from stock price fluctuations. As shown on the chart on the left, the impacts on our capital and corporate value caused by fluctuations in net unrealized gains on stocks have been suppressed.
- ◆ When Japanese stock price rises sharply, we have concern that bear funds will pose an impact on periodic earnings in the future. However, as shown on the right side, we have implemented operations in FY2021 to improve net unrealized gains and now we are comfortable that we could mostly cope with stock price fluctuation risks in the future. We have some bear funds, which have relatively low break-even prices, but we will continue to manage them with gains from the sales of strategic shareholdings.
- ◆ Next, I would like to move to credit risk. Please turn to page 8.

Credit risk

- Exposure related to Russia and Ukraine is zero
- Increase special loan loss provision considering COVID-19 and uncertain environment of ambiguities such as inflation

Composition of credit risk for Japan and overseas

■ Composition of corporate lending



(*) Divided into developing countries and others based on IMF definition
Limited sovereign or sub sovereign risk in lending to developing countries

FY22 special loan loss provision

■ Revised profile and calculation

Before

Expansion of COVID-19 infection

This time

Expansion of COVID-19 infection

- Spike in resource prices
- Issues with supply chain

	Mar.21			Mar.22
(Yen bn)		reversal	additional	
Special loan loss provision	18.4	(14.9)	17.5	21.0

Approx. ¥41.0bn in total

(Special loan loss provision + forecast of credit cost)

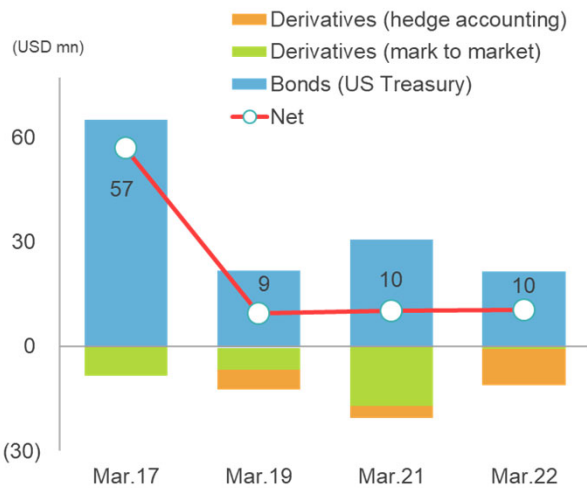
- ◆ First, we do not have any credit exposure related to Russia. As for emerging countries, SuMi TRUST bank has 3% of corporate lending exposure, which is limited to the total and relatively high credit risk profile like sovereign.
- ◆ Special loan loss provision of ¥21 billion has been set aside as of the end of March 2022. We shall expand the scope of provisions to address credit deteriorations of our clients caused by surge of energy prices or supply chain disruptions as well as COVID-19 pandemic.
- ◆ Please turn to page 9.

Interest risk and liquidity risk

- Continued restraining US interest rate risk
- Control liquidity risk by sourcing stable long-term funding with corporate bonds and highly sticky client deposits for core assets

Risk volume of USD interest (SuMi TRUST Bank)

10 Basis Point Value(*)

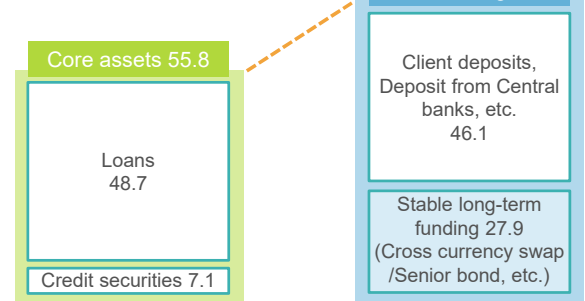


(*)Held by Global Markets (except ALM position)

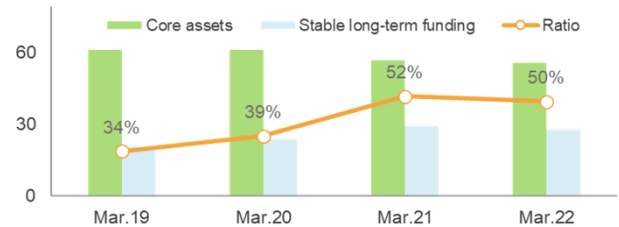
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Foreign currency balance sheet (SuMi TRUST Bank, As of Mar.2022)

(USD bn)



(USD bn)



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- ◆ About interest rate risks, as shown in the graph on the left, we have a limited amount of US Treasuries and a hedging operation, hence its net unrealized loss is very limited as of the end of March, 2022.
- ◆ Next, I would like to move on the next theme of enhancing corporate value through sustainable growth.
- ◆ Please turn to page 13.

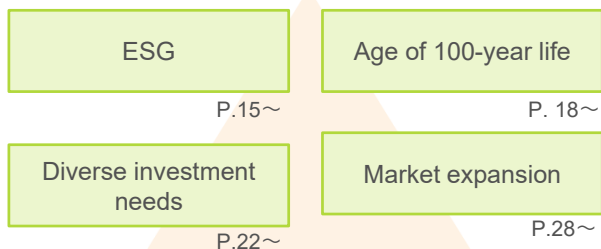
② Enhancing corporate value through sustainable growth

Enhancing corporate value through sustainable growth

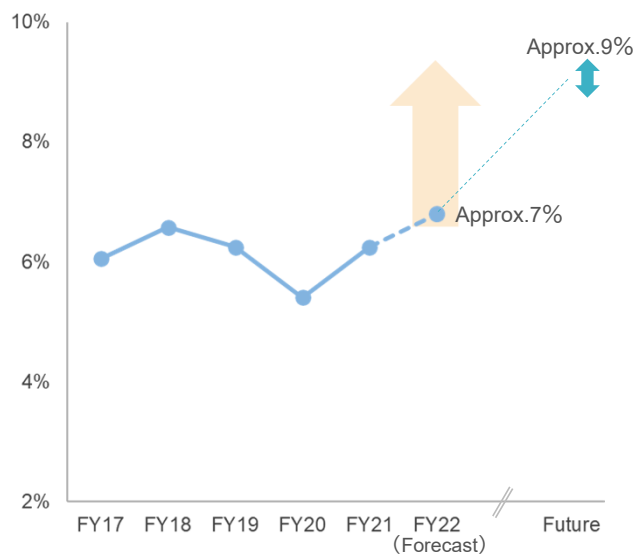
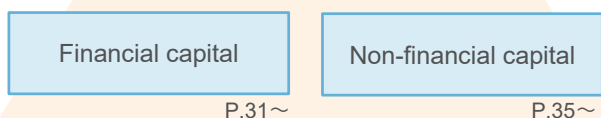
- Aiming for achievement of ROE 9%, mid to long term target, through striving for social issues and efficient capital use

ROE improvement

< Profit growth >



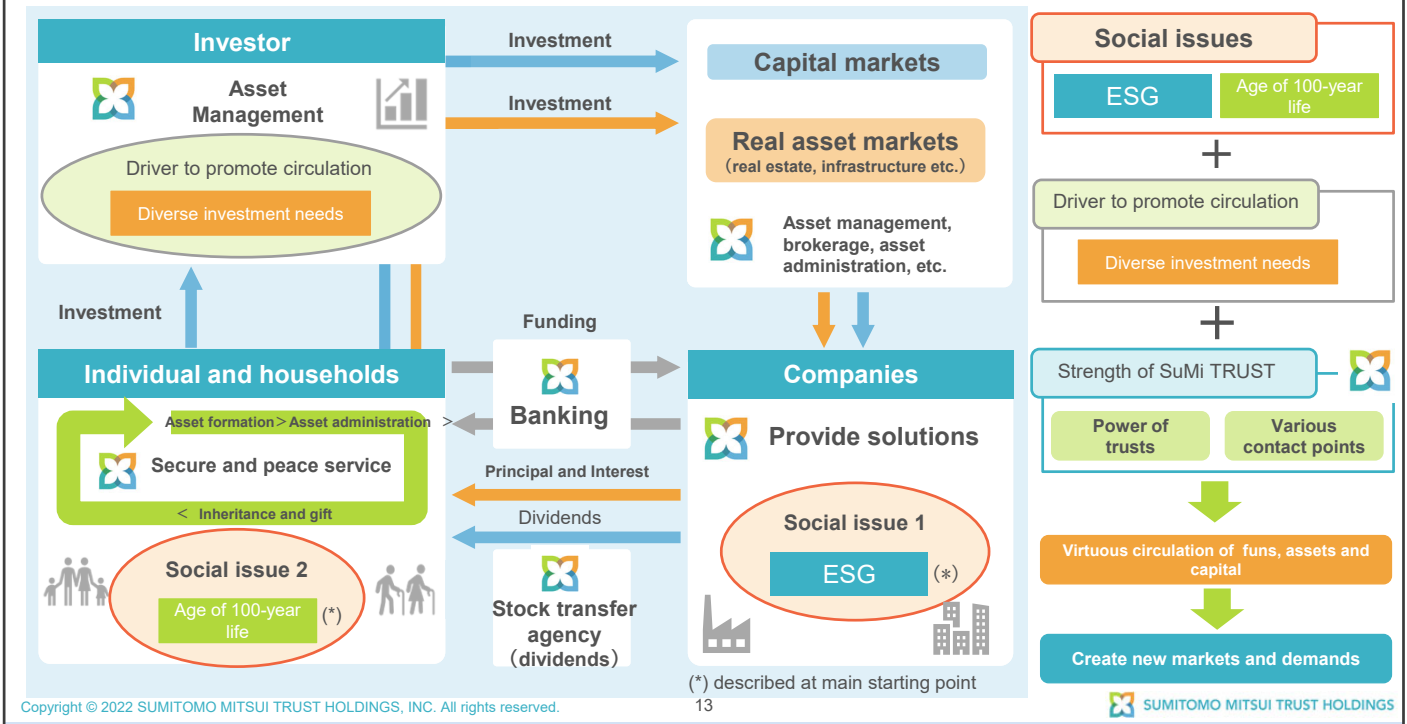
< Capital utilization >



1. Profit growth

Key points of growth ① ~virtuous circulation of funds, assets and capital~

- Tackle social issues such as ESG and age of 100-year life. Utilize diverse investment needs as a driver to promote circulation
- Promote virtuous circulation of funds, assets and capital by utilizing various contact points in our group businesses. Strive to create new markets and demands

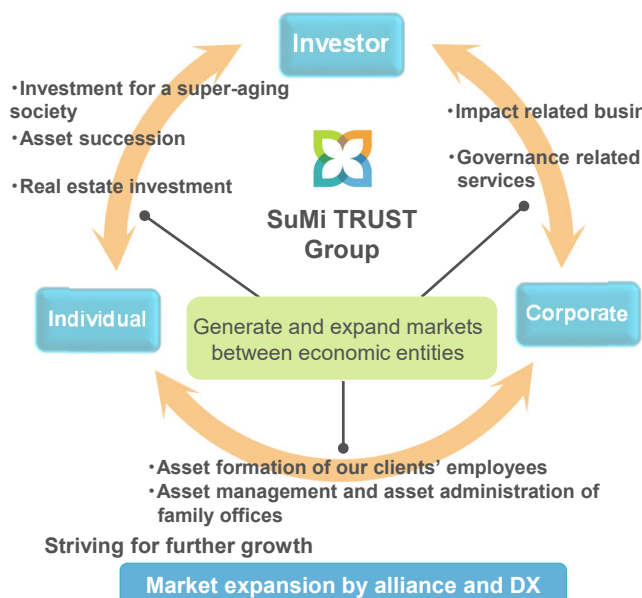


- ◆ First, I would like to explain two important points for realizing our profit growth.
- ◆ The first point is a virtuous circulation of funds, assets and capital.
- ◆ We have various contact points with economic entities such as investors, corporates and individuals. We have also been engaged in a variety of businesses, including asset management, asset administration, real estate brokerage and diverse consulting services. Such diversity of contact points is a great strength for the SuMi TRUST Group.
- ◆ I believe that we can secure more profit opportunities if funds, assets and capital flow more smoothly among economic entities and/or markets, as it would result in increased economic activity with our contact points in our businesses, such as asset management or asset administration. We can also take advantage of our unique strength, which is high percentage of stable fee related businesses, in a virtuous circulation as a trust banking group.
- ◆ As our key initiatives to create a virtuous circulation of funds, assets and capital, we are focusing on social issues such as ESG and the age of 100-year life. We will sufficiently circulate the funds which are required to address issues related to decarbonization or super-aging society, by utilizing our diverse contact points and the power of trusts, and we will aim for sustainable growth together with our clients and society.
- ◆ Please turn to page 14.

Key points of growth ② ~market creation and expansion~

- Possibility of creating and expanding new markets connecting each economic entity by promoting circulation
- Strive to expand market and our further growth through alliances and DX

■ Market created from circulation between economic entities



■ Areas where market creation and expansion can be expected

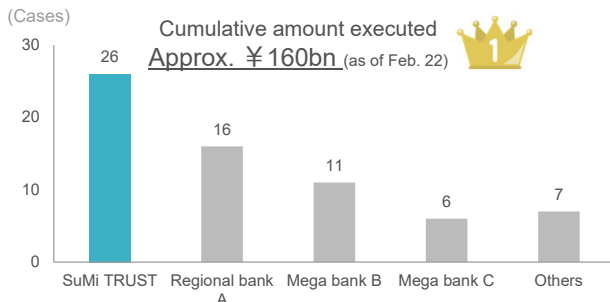
ESG	Impact evaluation	P15
	Impact equity investment	P16
	Services related to corporate governance	P17
Age of 100-year life	Asset administration, Asset succession	P18-19
	Wealth management/Real estate	P20
	Asset formation of corporate employees	P21
Diverse Investment needs	Investment in alternative asset	P23
	Real estate	P24
	Asset administration business	P25
Market Expansion	Alliance	P28
	DX	P29

- ◆ The second point is market creation and expansion.
- ◆ Creations of new market can be occurred among economic entities such as investors, individuals and corporates.
- ◆ Looking back on the history of trust business, we created new financial markets including loan trusts or pension trusts by tackling social issues with the power of trusts and achieved enormous circulation of funds among economic entities.
- ◆ Looking forward into the future, we will welcome an environment where we can expect enormous business opportunities in the initiatives of decarbonization arena, for example, in which more than ¥10,000 trillion of investment will be required in the world over the next 30 years.
- ◆ We will also aim for the further expansion of markets through alliances with regional financial institutions or the utilization of innovative digital technologies.
- ◆ From here, I would like to explain our each initiative. Please turn to page 15.

- Expand businesses related to positive impact as with impact evaluation services as the core of added value
- Develop human capital that create new businesses while engages impact evaluation services or practical implementation of superior

Business with impact evaluation footprint

Number of deals by Financial Institution



Impact Evaluation

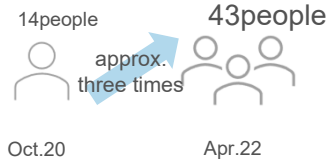
- Evaluate positive/ negative impact created by corporate clients
- Provision of functions to external parties, as well as investment or loan financing based on impact evaluation



Increase
fee income

ESG related business promotion organization

Number of employee engaged in
ESG related businesses



TBF team (Scientific knowledge × Finance・Trust)

Recruited researchers in
cutting-edge technology

7 people → 10people
(as of Nov.21) → (as of Apr.22)

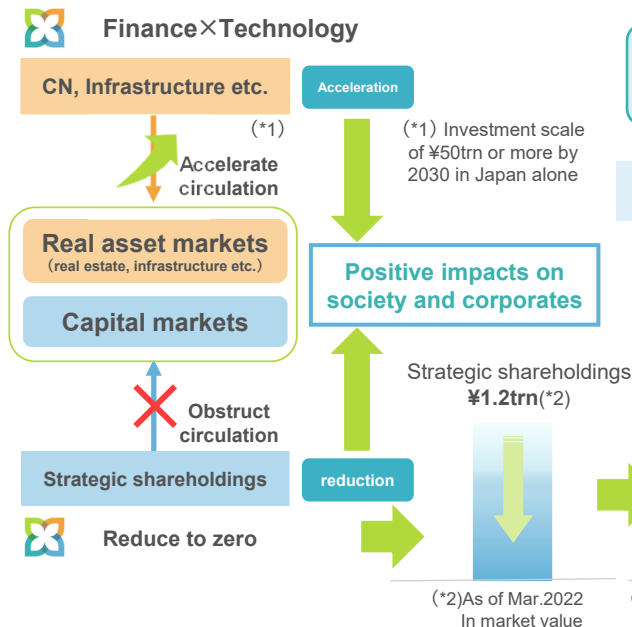
Environmental Management
All solid Li-air battery
Hydrogen Fuel cell
Mechanical engineering,
Metallurgy
Power grid system,
Telecommunications

Life science/ Finance
Environment, fuel
Inorganic materials and
processes
Organic material, Sanitization
Agricultural engineering /
Cultivation technologies

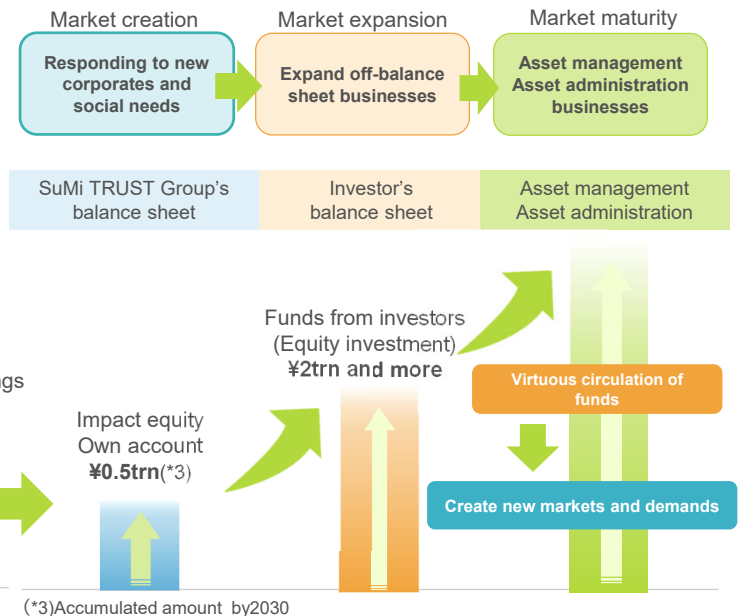
- ◆ I would like to explain our initiatives regarding impact evaluation.
- ◆ We have focused in financial services that create positive impact to achieve sustainable society together with our corporate clients through dialogue utilizing our impact evaluation services.
- ◆ We expect the effect of fund circulation that exceeds the actual loan amount as its impact will not only to affect clients themselves, but disseminate to the companies in their supply chain.
- ◆ Dialogues with corporate clients and investors often require us to possess expertise in ESG or latest technology.
- ◆ We established the Technology Based Finance Team in April last year. Currently, its staff count has been increased to 10 members as of April 1, 2022. We will continue to increase the number of specialists who will lead our ESG business.
- ◆ Please turn to page 16.

- Utilize capital acquired through reduction of strategic shareholdings in full-scale investment in impact equity which contributes to solving the issues facing society and corporations
- Create new markets and demands by leveraging our equity investment to attract additional funds from investors

Positive impacts on social and corporate issues



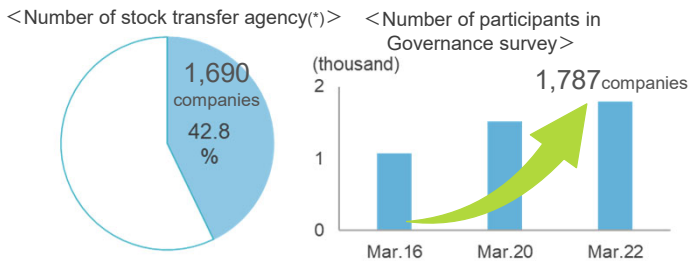
Strives for creation of new markets and demands



- ◆ We launched impact equity investment framework in November 2021, which is one of our new initiatives to reallocate the capital released from the sale of strategic shareholdings. It has been only six months, but I feel confident about the direction of the initiative as the number of inquiries from clients has been increasing.
- ◆ We can expect a greater investment opportunity if the business in which we invest grow in the future, even the amount of investment is small at the beginning. We aim to create a greater fund flow in the market by gathering the funds from investors who endorses our initiative.
- ◆ Please turn to page 17.

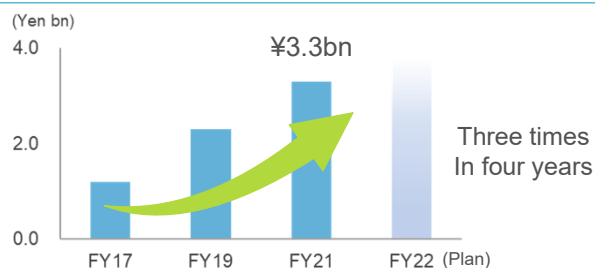
- Create high value-added services such as governance surveys. Support clients' examination of corporate governance.
- Facilitate dialogues with investors and enhance governance consulting menu and increase revenue

Create added value by leveraging client base



(*) As of Mar.22. Combined total of SuMi TRUST Bank, Tokyo securities Transfer Agent, and Japan Securities Agents (only listed corporate clients)

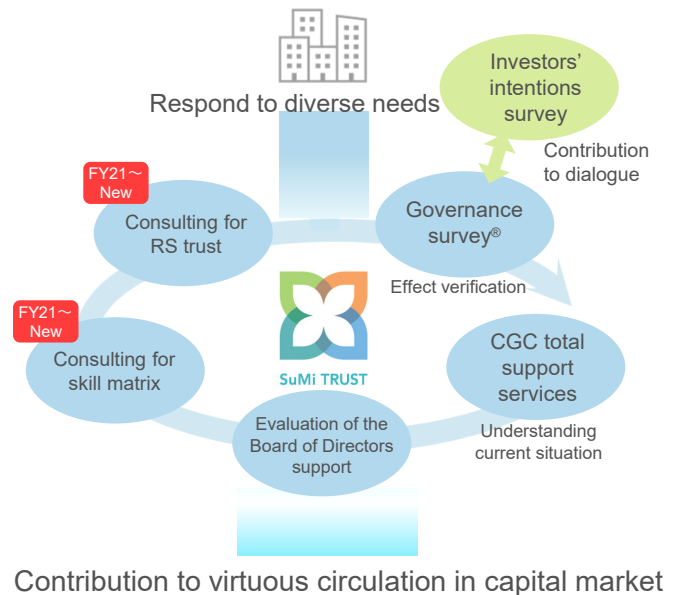
Revenue from governance consulting services



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Enhance governance consulting menu



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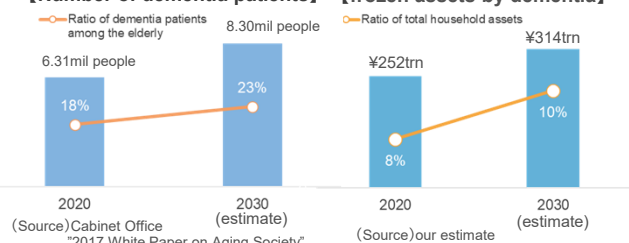
- ◆ I would like to talk about our governance consulting services business for corporate clients.
- ◆ We hold the top position in stock transfer agency services business in Japan and have maintained a long-term relationship of trust with top management and staffs in General Affairs Dept. of corporate clients.
- ◆ We will enhance our consulting services to improve the corporate value of the clients and develop the virtuous circulation of capital market by promoting our efforts of dialog between the market through various services including investors' intentions survey.
- ◆ Please turn to page 18.

- Increased dementia and frozen assets become social issues due to longevity
- Offer security and peace of mind with trust bank services. Contribute to long-term asset management preparation for longevity

Social issues of super aging society

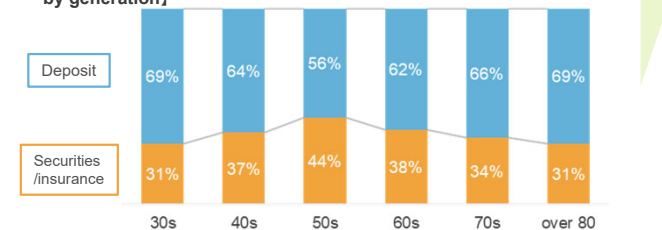
Dementia freezes assets

[Number of dementia patients] [frozen assets by dementia]

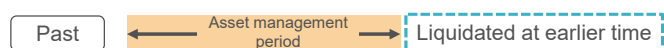


Deposits tend to increase after the 60s

[Composition ratio of balance of financial assets of head of household by generation]



Offer security and peace of mind with trust bank services



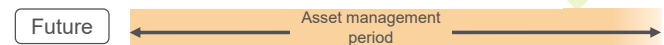
Asset administration products(*)

FY21~ New
100 year passport plus
Cancellations can be made by the person authorized to handle procedures on behalf of clients

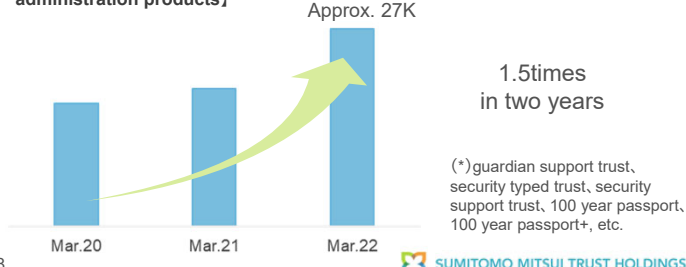
"secure/peace"

Vague anxiety regarding the future

eliminate anxiety



[Number of handled cases for asset administration products]



- ◆ In the age of 100-year life, retail clients face various anxieties about financial issues due to longevity.
- ◆ The increase in frozen assets due to dementia and vague anxiety regarding the future preventing individuals from investing their funds, and the increase in funds held by the over-60s age-group languishing as cash and deposits are social issues in Japan.
- ◆ Circulation of funds in Japan must commence from the mobilization of ¥3,000 trillion assets held by the individual and household sector, especially ¥2,000 trillion of financial assets.
- ◆ To ensure that retail clients can safely and peacefully protect their assets and may properly engage investments to prepare the longevity, we will provide support to clients by leveraging our creative and flexible product design capabilities.
- ◆ Next, I would like to explain about asset succession. Please turn to page 19.

- Increased in will trusts in the coming great inheritance era. Demonstrate trust bank group's consulting expertise for diverse assets such as financial, real estate and other assets
- Expand ancillary businesses and transactions with next generation

Great inheritance era

Retail asset: ¥3,000trn(*1)
(Financial asset: ¥2,000trn Real estate: ¥1,000trn)

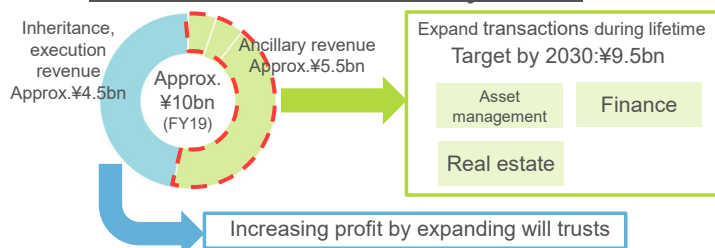


Transferred asset from inheritance: ¥700trn(*2)

(*1) As of Sep.21
(*2) From 2020~ to 2030 (estimated by SuMi TRUST)

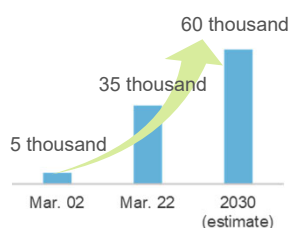
Increase profit from inheritance and ancillary businesses

■ Inheritance/ execution + ancillary revenue

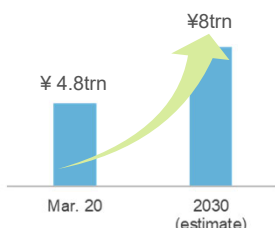


Increase will trusts

【Number of keep wills】

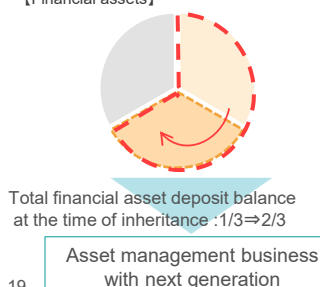


【Total assets of clients we keep wills】



Expand transactions with next generation

【Financial assets】



【Real estate】

Real estate brokerage after will execution and heritance arrangement

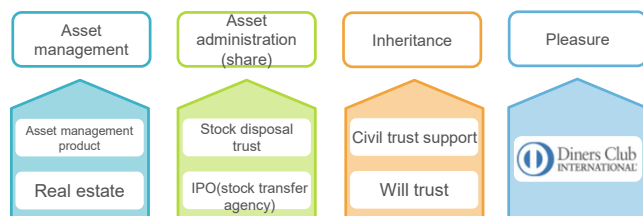
	FY19	FY30 (Target)
Contract ratio	7%	10%
Brokerage fee	¥0.25bn	¥1.5bn

- ◆ In Japan, ¥700 trillion of assets will be inherited within 10 years. We are now entering the age called as “the great inheritance era.” We expect the number of will contracts under our custody will dramatically increase in the future.
- ◆ As shown in the lower right corner on the slide, we have been able to expand our business with the next generation of clients after the execution of the will.
- ◆ In real estate business, in particular, as we can expect further growth of the business as the competitive edge of a trust bank group, we aim to grow its profitability by increasing the number of transactions and its contract-closing rate.
- ◆ Please turn to page 20.

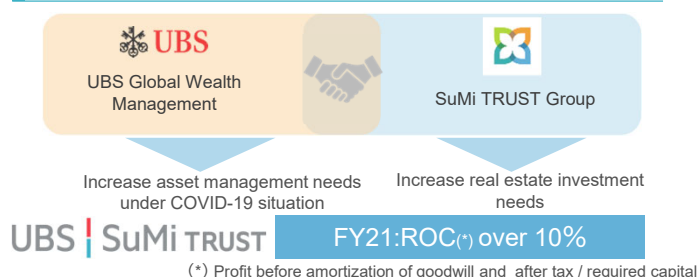
- Provide a variety of trust bank group's services to meet high net-worth clients' asset management, asset administration and inheritance needs
- Needs for investment in real estate and other assets are expanding in light of inflation risks, etc.

Needs from high net-worth clients

■ Make full use of trust bank group functions



Collaboration with UBS

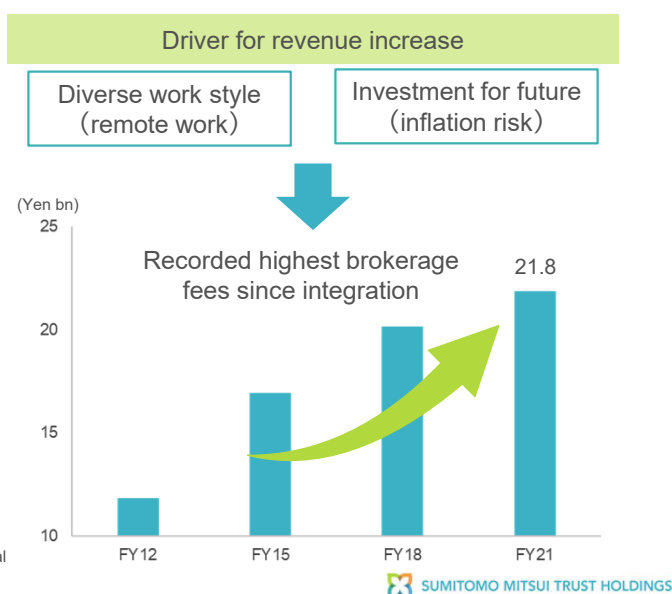


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Real estate (retail client)

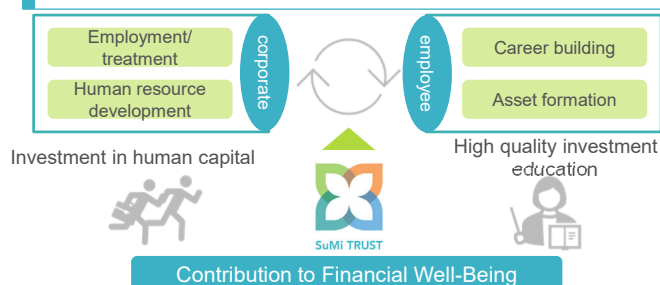
■ Real estate brokerage fees (SuMi TRUST Realty)



- ◆ In our high-net-worth business area, we will respond to a variety of needs of clients through the full utilization of our Group functions, led by SuMi TRUST Bank.
- ◆ As shown in the right side on the slide, our retail real estate business has been performing well. The diversification of work styles caused by the spread of COVID-19 pandemic and concerns over inflation are expected to be a catalyst for increase in individuals' investment needs in both residential and investment real estate. We continue to expect the further profit growth in this business area.
- ◆ Please turn to page 21.

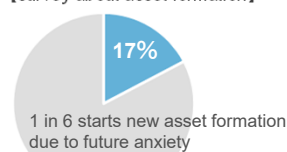
- Connecting the human capital investment needs of companies with the asset formation needs of their employees
- Support asset formation and asset optimization through comprehensive life planning consultation and advanced investment education

Respond to challenges faced by corporate and employee



Increase anxiety about future

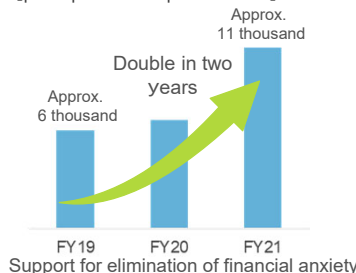
[survey about asset formation]



(Source)

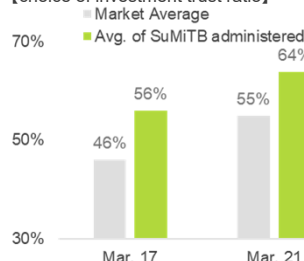
Number: 7,490 people
Timing: Mar.21
Percentage of respondents who started asset-building behavior with COVID-19

[participants in life plan seminar]

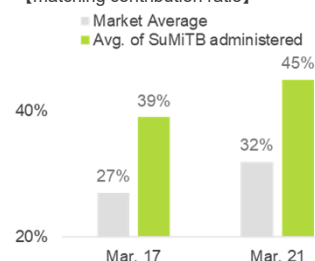
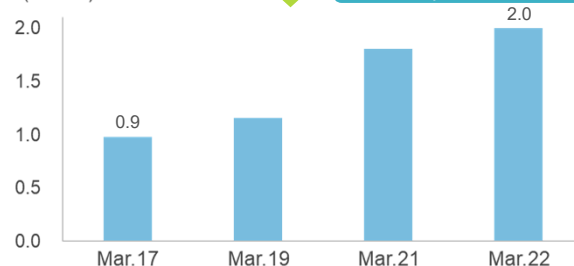


Choice of investment trust rate and others of DC subscriber

[choice of investment trust ratio]



[matching contribution ratio]

[amount of DC investment trust]
(Yen trn)

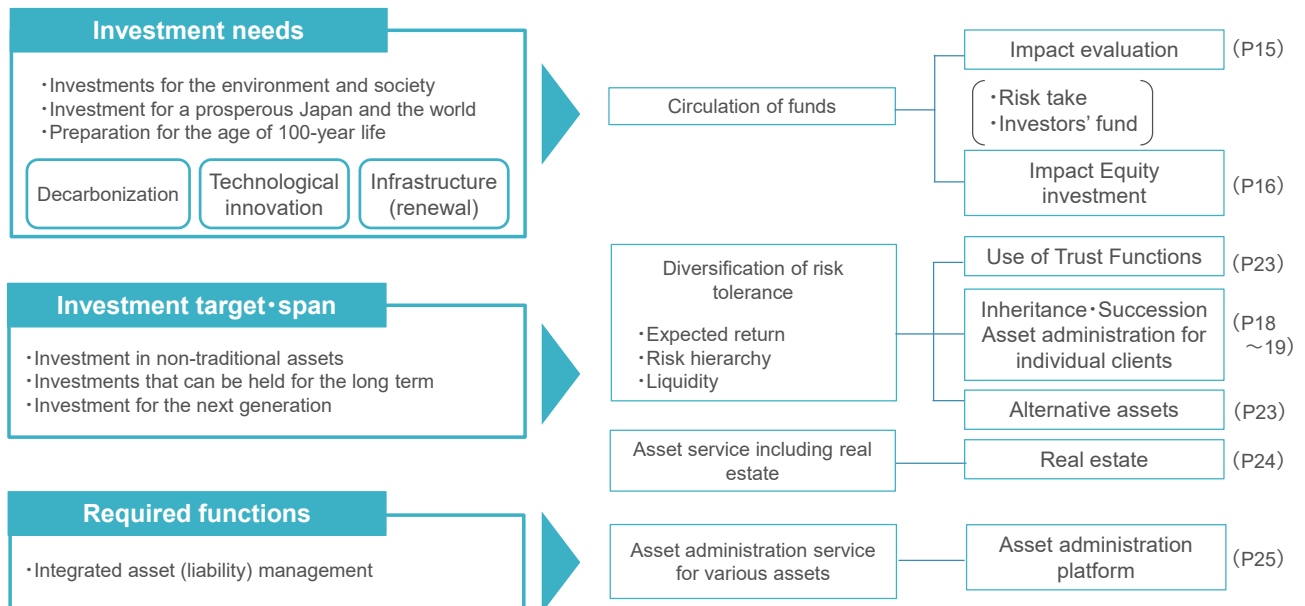
(*) amount of DC investment trust sold by SuMiTB via DC plans

- ◆ I would like to explain our workplace business regarding the supports for asset formation of employees working for our corporate clients.
- ◆ In addition to the enhancement of services for the baby boomer generation, we also focus on the asset formation generation to support them to tackle the future financial anxieties at an earlier timing.
- ◆ As a solution to improve investment literacy, we have provided services such as high-quality investment education by applying the know-how and human resources we have cultivated through our pension asset management business.
- ◆ We will contribute to improve their financial well-being together with employees of our corporate clients by creating steady and long-term fund flow of investment from savings.
- ◆ Please turn to page 22.

- The social issues of ESG and age of 100-year life create diverse investment opportunities
- Investment needs in alternative assets and related service opportunities are expected to be expanding

Due to ESG and age of 100-year life + Inflation

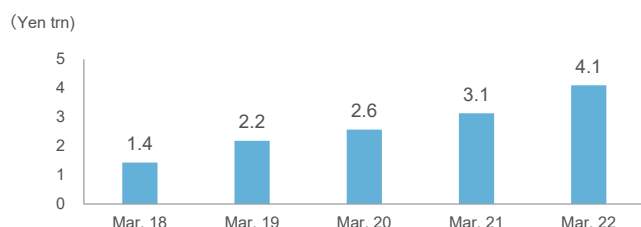
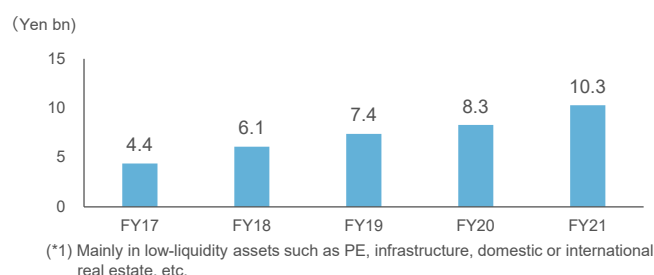
Value we offer



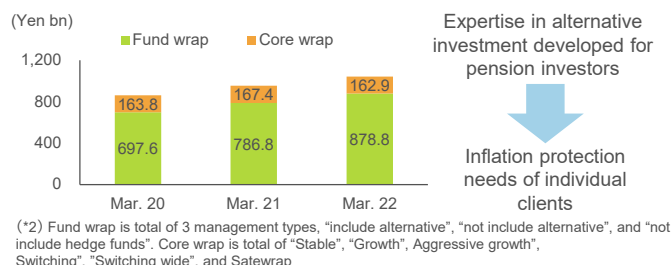
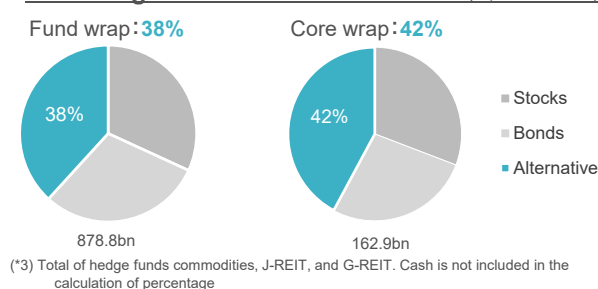
- ◆ Next, I would like to explain our initiatives for various investment-related needs as a driver to promote the circulation of funds.
- ◆ We assume that investment needs in areas other than traditional assets, namely real estate or alternative assets, is expected to expand due to not only certain social issues including ESG or the age of 100-year of life, but also from increase of inflation risk.
- ◆ With the diversification of investment products and methods, the number of clients who face challenges in managing their investment assets has also increased.
- ◆ Please turn to page 23.

- Growth of expanding private asset investment by corporate clients. Long-term performance using our own balance sheet is also valued by the market and investors
- Providing opportunities to individual clients to invest in alternative assets through fund wrap and core wrap products

Investment opportunities for corporate clients

■ Private asset^(*)AUM■ Private asset^(*) related income

Investment opportunities for individual clients

■ Fund wrap and Core wrap^(*) (discretionary investment) balances■ Percentage of alternative investment^(*) (as of Mar. 22)

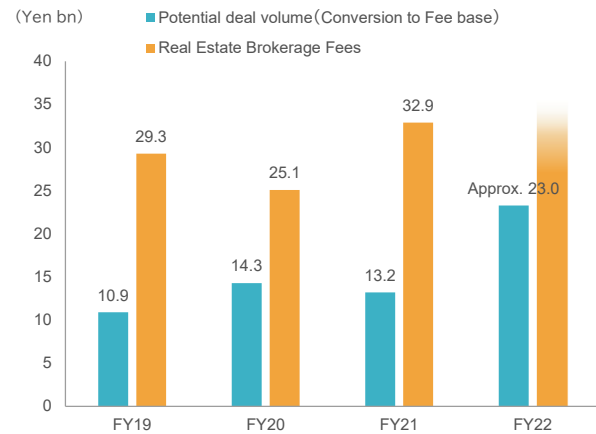
- ◆ AUM of private assets exceeded ¥4 trillion as of the end of March 2022 and it has grown by about ¥1 trillion in one year mainly due to additional funds from institutional investors such as pension funds or financial institutions.
- ◆ The market has appreciated the long-term solid performance of our well-diversified private equity investment, which is the driver of our private asset business, and the inflow of funds from investors has increased.
- ◆ We have provided alternative assets to retail clients by including in discretionary investment management products and the assets contribute relatively stable performance under a volatile market situation.
- ◆ Next, I would like to move to real estate. Please turn to page 24.

- Investor's appetite in real estate assets remains strong while companies are reassessing their real estate assets in the wake of Covid-19
- Potential deal pipeline for FY22 has been accumulated well as steadily as FY21

■ Current transaction needs



■ Real estate brokerage business fees(corporate)



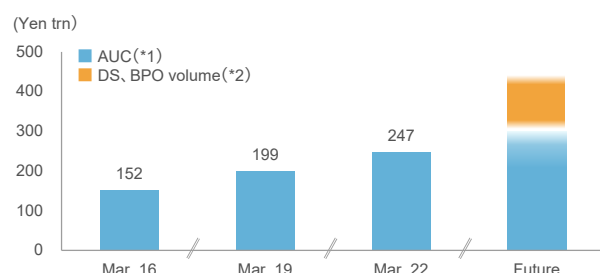
Highest profit since integration in FY21

Steady accumulation of potential deals for FY22

- ◆ COVID-19 pandemic has led to a review of real estate property portfolio by companies and an increase in demand for industrial assets like logistics due to the increase of e-commerce demand. As a result, the commercial real estate brokerage business has been performing well.
- ◆ As demand for real estate investment is expected to expand in the future in response to price increases, we will aim for the consecutive update the highest profit record in FY2022.
- ◆ Please turn to page 25.

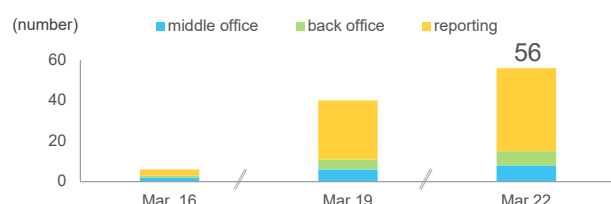
- Steadily growth of expanding AUC. Providing value-added services such as data analysis to meet the various investment needs of investors
- Expanding real estate trust balance as well as various services for trust beneficiaries

■ SuMi TRUST Group's AUC



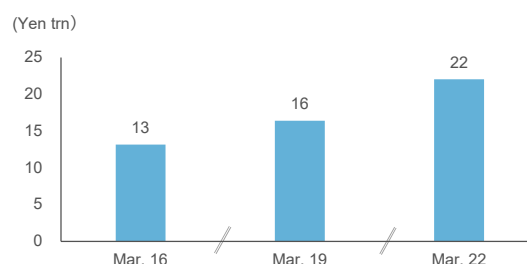
Expand DS and BPO businesses based on JABIS
(Japan Asset Information Services *3)

[Status of service contracts of JABIS]



(*1) Overseas AUC is converted at each FY-end rate (*2) DS:Data Service, BPO:Business Process Outsourcing
(*3) Out-sourcing service for securities administration

■ Real estate trust balance



Expanded services for trust beneficiaries

Real estate
aggregation services
(Support for electricity rate
optimization etc.)

CASBEE certification
support consulting

Visualization of real estate
related information
(Building a real estate data base
exclusively for clients)

Development of new services
for achieving carbon neutrality
of entrusted real estate

- ◆ The balance of assets under custody has steadily expanded to ¥247 trillion as of the end of March 2022.
- ◆ For further profit growth, new added value and profitability improvement by optimizing the efficiency of existing businesses are required.
- ◆ I would like to touch upon our real estate securitization business shown in the right side. We will strive to create new value chains in the real estate business industry, such as developing a new solution to support carbon neutrality of our entrusted securitized real estate.
- ◆ Please turn to page 28.

(Reference) Initiatives of Asset management subsidiaries ~Global network~

- Develop businesses globally in areas where each subsidiary can take advantage of their special characteristics and functions
- Contribute to a virtuous circulation of capital by expanding the number of market participants and diversifying investment products

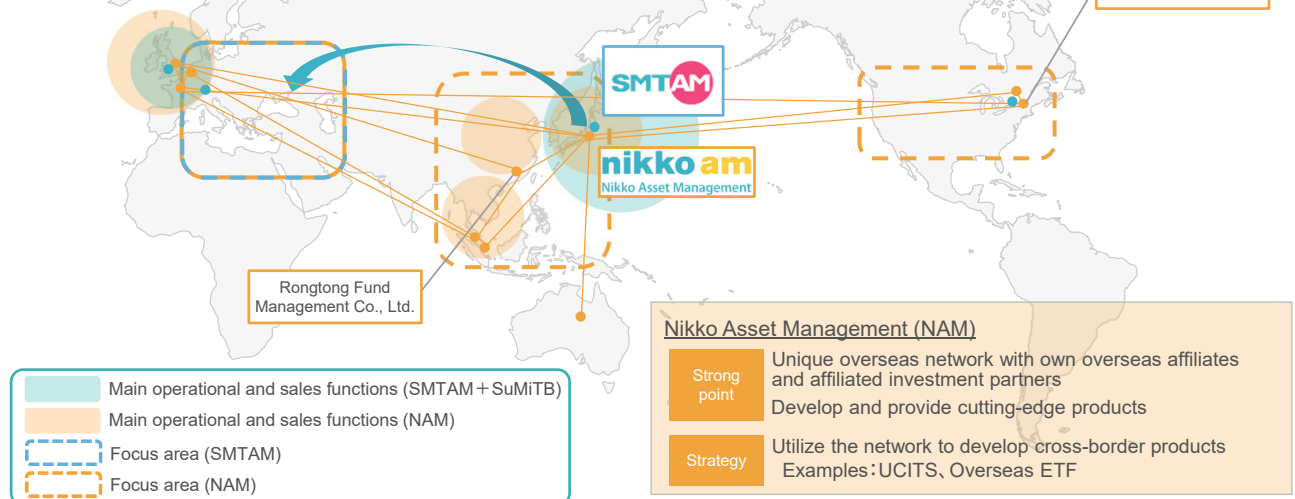
Sumitomo Mitsui Trust Asset Management (SMTAM)

Strong point

Large-scale and medium-to long-term operations in Japan
Operational skill to meet investors' high demands

Strategy

Expand overseas market with high potential for increasing AUM
Ride the trend toward passive management and expand global passive products

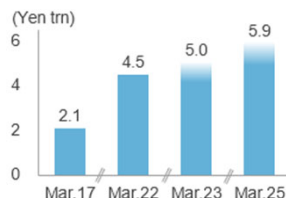


(Reference) Initiatives of Asset management subsidiaries ~Business development utilizing the characteristics of the companies~

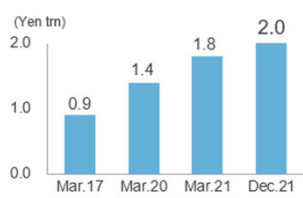
- SMTAM: Steadily building up AUM by leveraging strengths such as business scale and quality. Focus on global expansion going forward
- NAM: Expand asset management business through its global network and advanced product offerings

SMTAM: Achievement in Japan and expanding overseas AUM

【Change in long seller fund(*1)】



【Change in DC investment trusts】



(*)Source: "Nenkin Jouhou"

Meticulous investor relations and high-quality asset management cultivated in domestic market

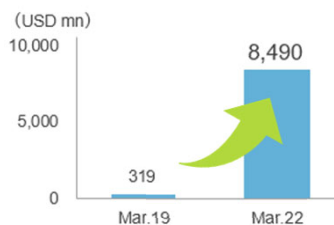
【Overseas AUM】



(*1) Funds out of publicly offered investment trusts that are assumed to be for core investments that exceed life of 5 or more years

NAM: Business development utilizing its network

【Change in UCITS funds】

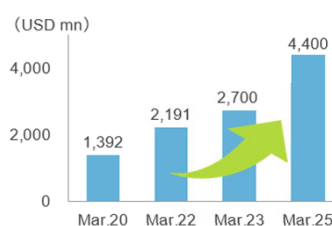


Enabling investment in the EU from various locations around the world

Utilize advanced ARK advisory fund

Attract more investor funds

【Balance and targets of listed ETFs in overseas markets(*2)】



Widely acclaimed as a cutting-edge and creative product

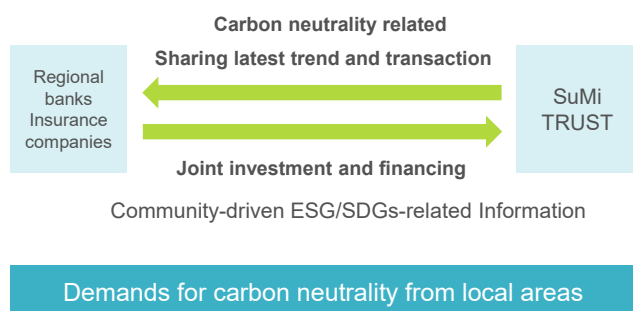
Expanded cross-border sales, including listing of Chinese ETF on the Singapore market

(*2) Mainly Hong Kong and Singapore market

- Offer business opportunities to investors created by tackling social issues through alliances with regional financial institutions
- Strive to promote further circulation and expand markets

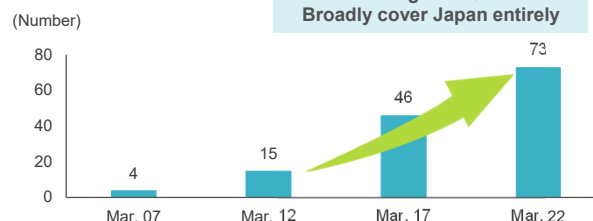
■ ESG Regional Finance and Decarbonization study group

Participants	Regional banks, Insurance companies, etc. 80 companies
Theme	ESG regional finance, Decarbonization, Sustainable management
Purpose	Strengthen cooperation among participating institutions through sharing information on the latest trends, and resolute activities for solving issues

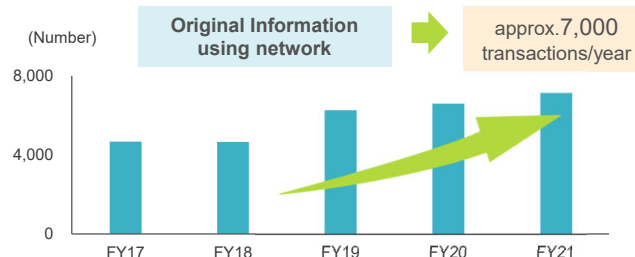


■ information on real estate brokerage from regional banks

[Number of partners(*)]



[Number of information from partners]



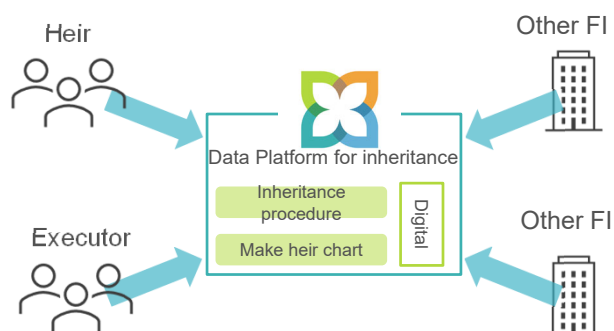
(*) Includes non-financial partners

- ◆ We will take on the further challenge of expanding accessible market by utilizing digital technologies and alliances with regional financial institutions.
- ◆ Networks for decarbonization and real estate are described on this slide as examples. We will create funds circulation that starts from the revitalization of regional economies.
- ◆ Please turn to page 29.

- Strive to create and expand new markets in various situations by utilizing DX

Platform(Inheritance)

Lead the market as a platformer in advanced area of trust bank



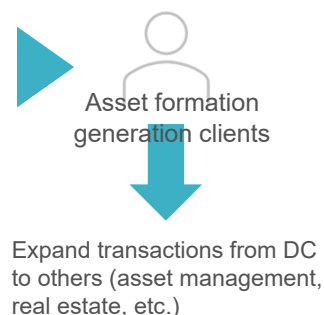
Reduce burden on individuals and financial institutions due to inheritance

⇒ Offer more advanced inheritance services by utilizing released management resources

Smart Life Designer



Provide information on asset formation comprehensively



SuMiTB NEOBANK(tentative name)



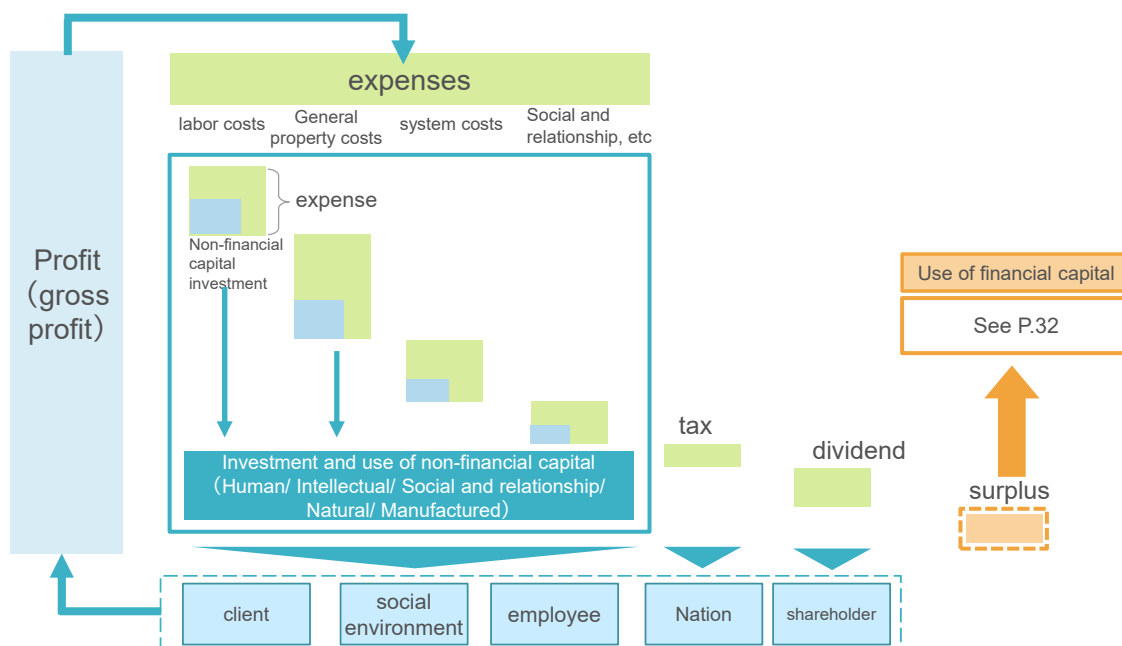
Provide banking services more conveniently via NEOBANK

- ◆ You can see our original application to support client's asset formation released this April on the right side of the page.
- ◆ Its services contain cashflow simulation customized by future life events or updates of useful information related to individual's asset formation. We will utilize this tool to expand our business with retail clients.
- ◆ Next, I would like to move to capital utilization. Please turn to page 31.

2. Capital utilization

Financial capital ~Capital utilization~

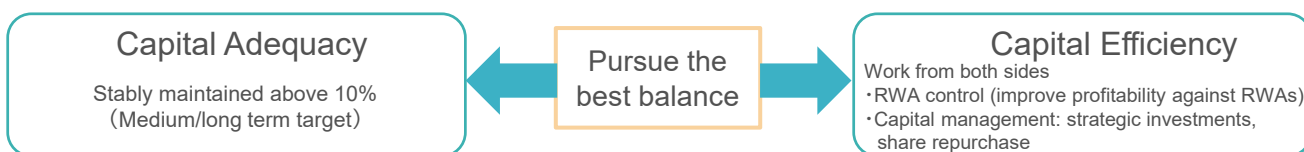
- Promote investment in non-financial capital to achieve sustainable growth
- Utilize financial capital with the intention of improving capital efficiency in the medium term



- ◆ You can see an image describing the flow of investments in financial and non-financial capital for sustained growth on page 31.
- ◆ Non-financial capital, such as human capital and social and relationship capital, will steadily and irreversibly accumulate as our corporate value. We will continue to make long-term and sustained investments in this capital.
- ◆ Please turn to page 32.

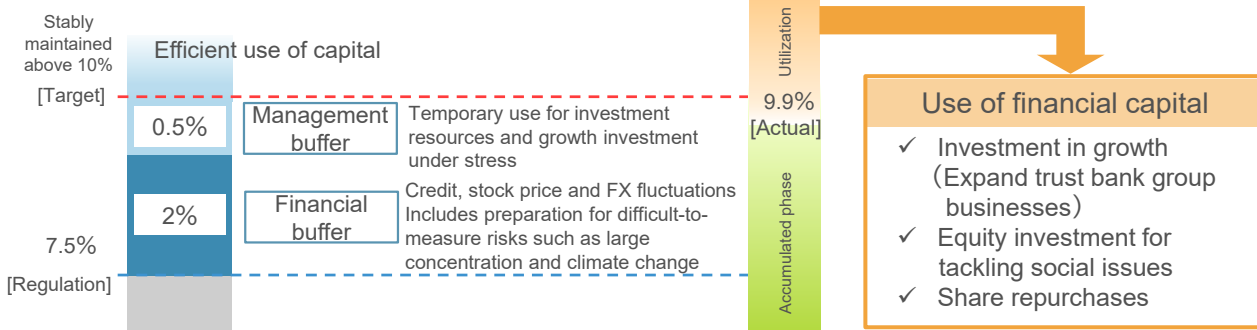
Financial capital ~Capital policy~

- Despite the impact of depreciation of JPY, CET1 ratio(finalized Basel3) remained at around 10%, which sufficiently clears the target range of capital adequacy
- In addition to investment contributing to solving social issues and our future growth, we consider share repurchase in balanced manner



Dividends Positioned as recurring distribution of profits. Aiming for sustainable dividend increase in line with profit growth

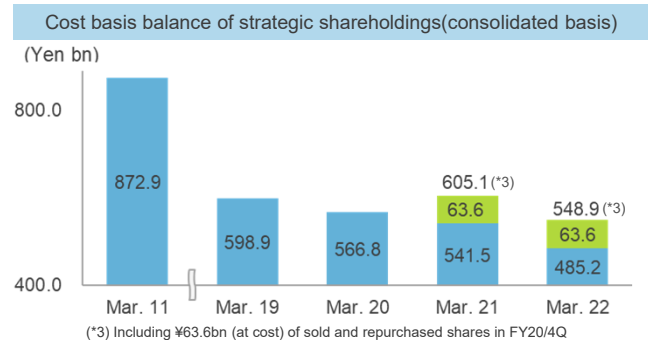
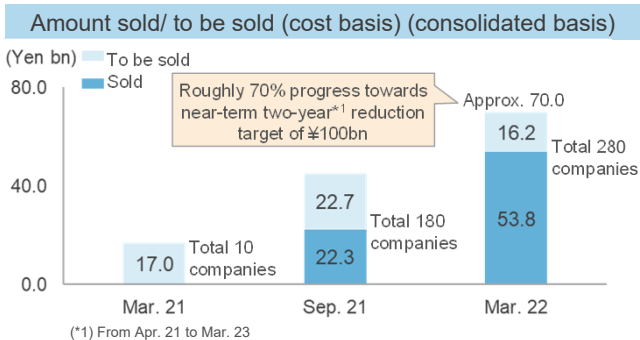
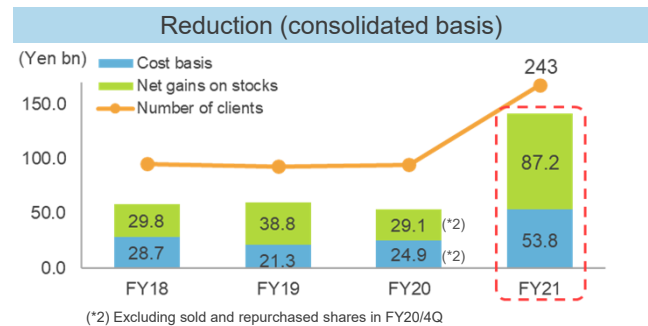
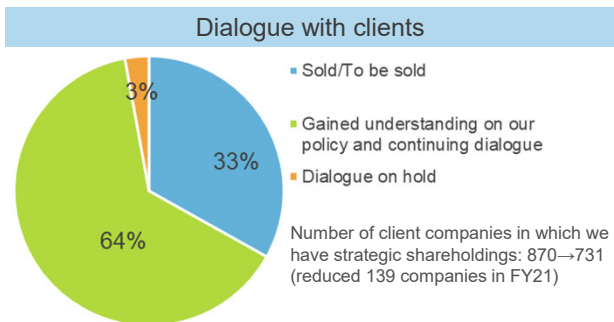
■ CET1 ratio under finalized Basel 3



- ◆ Despite the impact of the rapid depreciation of the yen, the CET1 ratio (finalized Basel 3) has already reached to around 10%, which sufficiently clears the target range of capital adequacy. We continue to recognize that we have entered a capital investment phase.
- ◆ We will actively engage investments for our sustainable growth which can expand our business or help to solve social issues, such as impact equity investment.
- ◆ We will continue to flexibly consider share repurchase as an option for medium-term capital efficiency improvements in a balanced manner.
- ◆ Next, I would like to explain the progress of our initiative to reduce strategic stockholdings. Please turn to page 33.

Reduction of strategic shareholdings

- Steady progress in dialogue with clients, based on our new policy regarding reduction of strategic shareholdings
- Reduced ¥53.8bn(at cost) in FY21. Amount sold/ to be sold reached 70% of the two-year target



- ◆ In FY2021, we reduced our holdings by ¥53.8 billion at cost basis. Including the amount which investees has already agreed to the sale, the total was approximately ¥70.0 billion as of the end of March, 2022.
- ◆ It means the progress is approximately 70% against the two-year target (¥100.0 billion). At this timing, there is no impact on business transactions or relationship with our corporate clients whose stocks have been sold or agreed to be sold.
- ◆ Please turn to page 34.

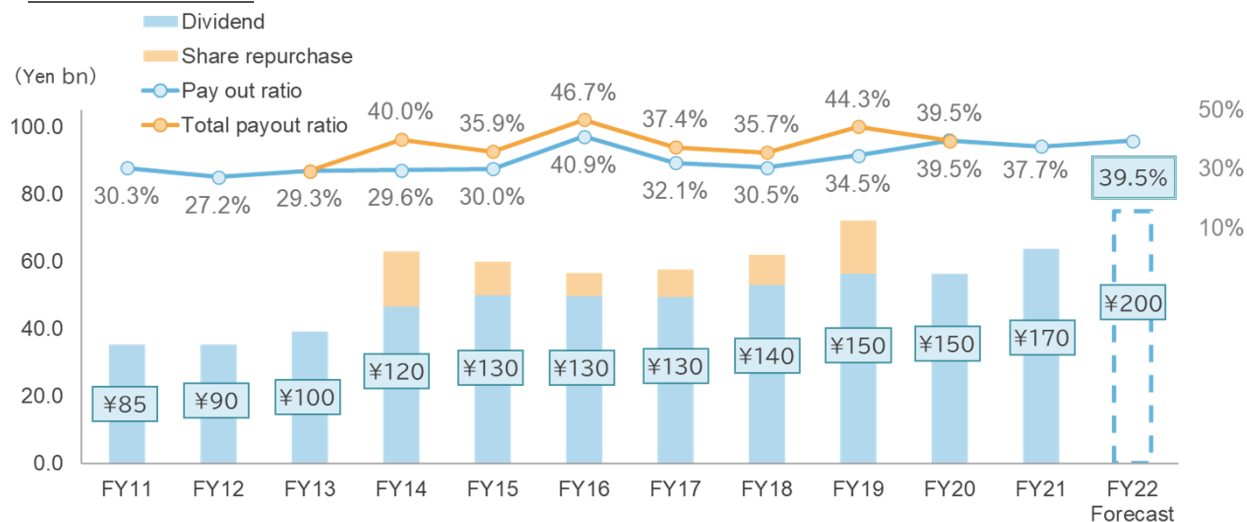
Shareholder return policy

- Maintain our shareholder return policy with consolidated dividend payout target ratio of 40%. Dividend per share doubled in the past 10 years
- Forecast ¥30 increase in dividends to ¥200 in FY22

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 consider share repurchase flexibly based on the balance with investment in profit growth opportunities from our medium- to long term perspective, and the effect of the repurchase on capital efficiency improvement, subject to securing adequate capital level

■ Shareholder return



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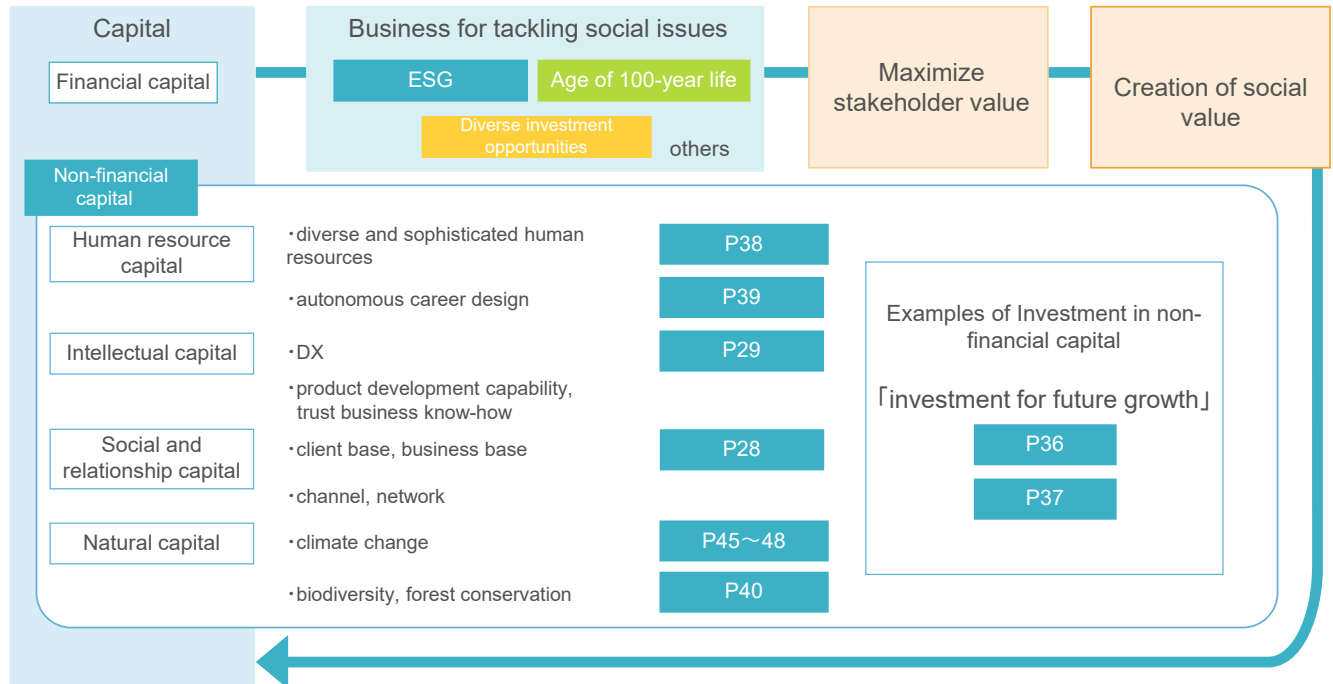
34

SUMITOMO MITSUI TRUST HOLDINGS

- ◆ Dividends per share have doubled in the past 10 years, from ¥85 per share in FY2011 to ¥170 per share in FY2021.
- ◆ We forecast additional ¥30 increase in dividends to ¥200 per share in FY2022.
- ◆ Next, I would like to explain our investments in non-financial capital. Please turn to page 35.

Non-financial capital ~Investment in non-financial capital~

- Accelerate investment in non-financial capital such as human resources and digitalization to achieve future growth
- Continuous enhancement of non-financial capital from long term and sustainable investment in the foundation of our group strength



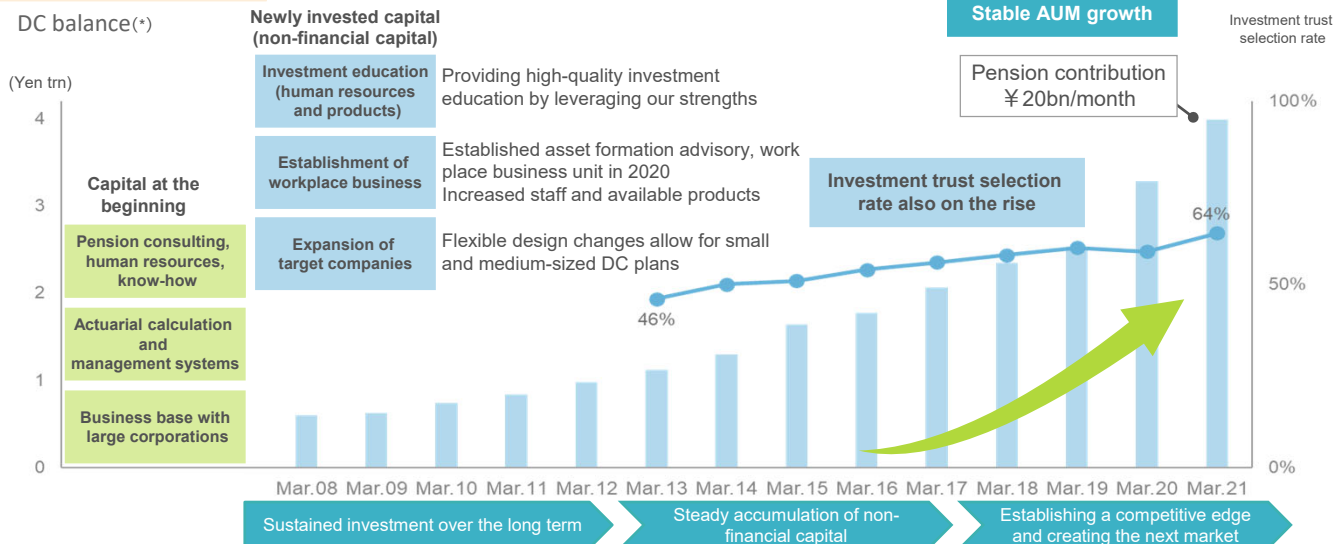
- ◆ Investing in non-financial capital, such as human resources, product development capabilities or business networks, is one of the most important initiatives for us in striving for corporate growth with a capital-light business model.
- ◆ In pages 36 and 37, we would like to introduce an example of building a network for DC pension plans with regional financial institutions in which we acquired new businesses and profit base by investing in non-financial capital.
- ◆ I would like to emphasize that there are some common features in these businesses; 1) we invested in human capital and social and relationship capital over a long period of time, 2) Challenged to create new markets and demands and 3) we possessed a solid business foundation in the business domain from the outset.
- ◆ Sustainable and irreversible improvement of the value is a characteristic of non-financial capital. We believe the characteristic would be a great help especially in the services in which dialogues with clients are the source of add values. We will aim to increase such business cases in the future as well.
- ◆ Please turn to page 38.

Non-financial capital ~Successful investment :Defined contribution pension plan~

- Invest in non-financial capital over the long-term with an eye on overcoming asset formation challenges faced by Japanese citizens
- Also provide high-quality investment education and create virtuous circulation of funds

Social and clients' challenges

Vague concerns about pension benefits in a society with a declining birthrate (decrease in workers) and aging population



(*) DC balance for which SuMi TRUST Bank is entrusted with the operation and administration
 Figures before 2011 are the sum of Chuo Mitsui Trust Holdings, Inc. and The Sumitomo Trust and Banking Co., Ltd.

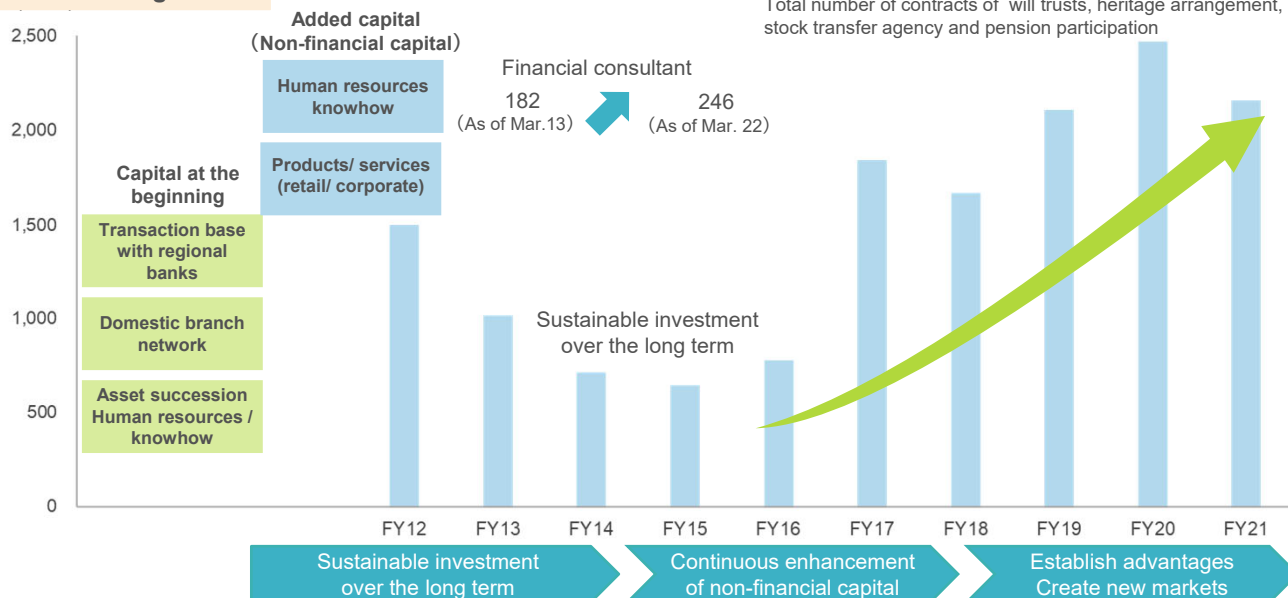
Non-financial capital Successful investment ~network with regional banks~

- Build framework for providing trust bank group's expertise and sophisticated services with diverse stakeholders
- Expand collaboration areas from asset succession and real estate to carbon neutrality

Social and clients' challenges

Withering local economy, continuous low interest environment

Total number of contracts of will trusts, heritage arrangement, stock transfer agency and pension participation

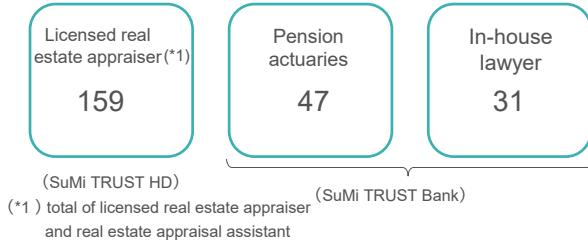


Non-financial capital ~Investment in human capital①~

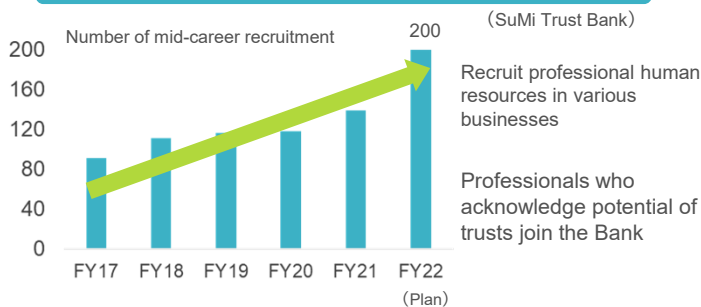
- Increase investment in human capital and enhance human resources typical of a trust bank group

Enhance specialist portfolio in response to diverse needs

Outstanding specialists portfolio (As of Apr. 22)



Increase number of mid-career recruitment



Increase investment in human capital

(SuMi Trust Bank)

Investment of ave. 4.5% (compare to annual income) per one employee (FY22)

Base-increment
1.5%

Promotion /
income raise

Each menu①~③

Menu① stock incentive plan

Pursue mid to long term growth on the same page

Stock compensation (RS trust)(*2) /
Expansion of employee stock ownership plan

(*2) considering framework that combines advantages of stock swap trust and restricted stock

Menu② Expansion certification as expertized employees

Enhance treatment of expertized employees

Enhance treatment of employees with expertise in all age groups(*3)

(*3) Target for certification as expertized employees were limited to a certain age or elder

Menu③ Re-skilling

Enhance investment in human resource development
(details in next page)

- ◆ I would like to explain the investments in human capital.
- ◆ As shown on the right side, SuMi TRUST Bank plans to invest in human capital equivalent to 4.5% of its average annual salary in FY2022, including 1.5% of base salary increase in light of recent price increases.
- ◆ The details of the investment other than salary increase are stock incentive plans to share the visions with shareholders and investors, expansion of specialist human resources and human resource development for the future growth.
- ◆ Please turn to page 39.

Non-financial capital ~Investment in human capital②~

- Provide opportunities for employees to plan and select their career building and skill development

Reskilling (provide opportunity to learn)

Acquire essential IT / digital skills for employees and companies



Support for acquiring creative knowledge and skills for future

Financial education

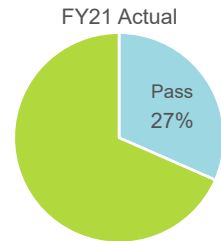
ESG/SDGs

Provide advanced investment education know-how cultivated in the pension and workplace business to our employees

Job posting system

(SuMi TRUST Bank)

Employees can select the jobs and departments they wish to engage in and challenge the selection process



Data of applicants

- ✓ Number: 359 people
- ✓ Ave. age: 30.8 years old

Support for younger employees to plan their career autonomously

In-house side job system

(SuMi TRUST Bank)

Started operation in Oct.21 as part of job posting system

- Engage in other department's job as a in-house side job
- Expect for broad skill development and innovation promotion

<Voice from participants>

It was good opportunity to oversee original jobs from the different point of view based on side job experience

I challenged desired job compatible with child care, overcoming work place restriction

SUMITOMO MITSUI TRUST HOLDINGS

- ◆ We will accelerate investment in initiatives that support employees to acquire necessary skills, knowledge and career development for their autonomous growth.
- ◆ Especially, enhancing IT and digital skills is an urgent task for all employees so we will encourage them to take active learning courses such as web-based curriculum.
- ◆ Please turn to page 40.

Non-financial capital ~Nature capital~

- Initiatives for ESD project aimed at environmental education for children leading the next generation
- Foster rich forests that absorb CO2 through forestry trusts. Contribute to solving social issues

Biodiversity

ESD Project(*)~Raising people with understanding of the value of nature

Provide classes to students and teachers nationwide
Ideas about "environment and ecosystem and the meanings of conservation" "strives for local issues through SDGs action"



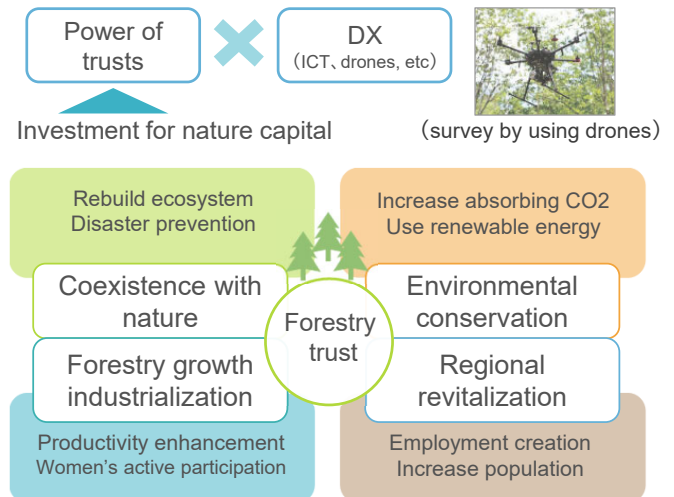
Video site (Japanese only)



(*)Education for sustainable development. Started since 2012

Forestry trust

Contribute to carbon neutrality by protecting rich forests absorbing CO2



- ◆ On the right side of the page, you can find examples of forestry trusts as an investment in natural capital.
- ◆ I am sure that protecting forests which Japan should be proud as a resource is a very meaningful effort to address issues such as the absorption of carbon dioxide, biodiversity, and natural disaster risk reduction.
- ◆ It is also an urgent task in Japan to improve an absorption power by logging or tree planting in aged forests. We will contribute to the revitalization of forestry resources in Japan by utilizing the power of trusts while cooperating with highly specialized business partners and utilizing digital technology.
- ◆ It's been one year since I was appointed as the president. I have felt some changes which suggest our sustainable growth.
- ◆ First, I can find that the change of our group's profit structure has been clearly formulated as a result of the efforts after the integration.

(Next page)

Appendix

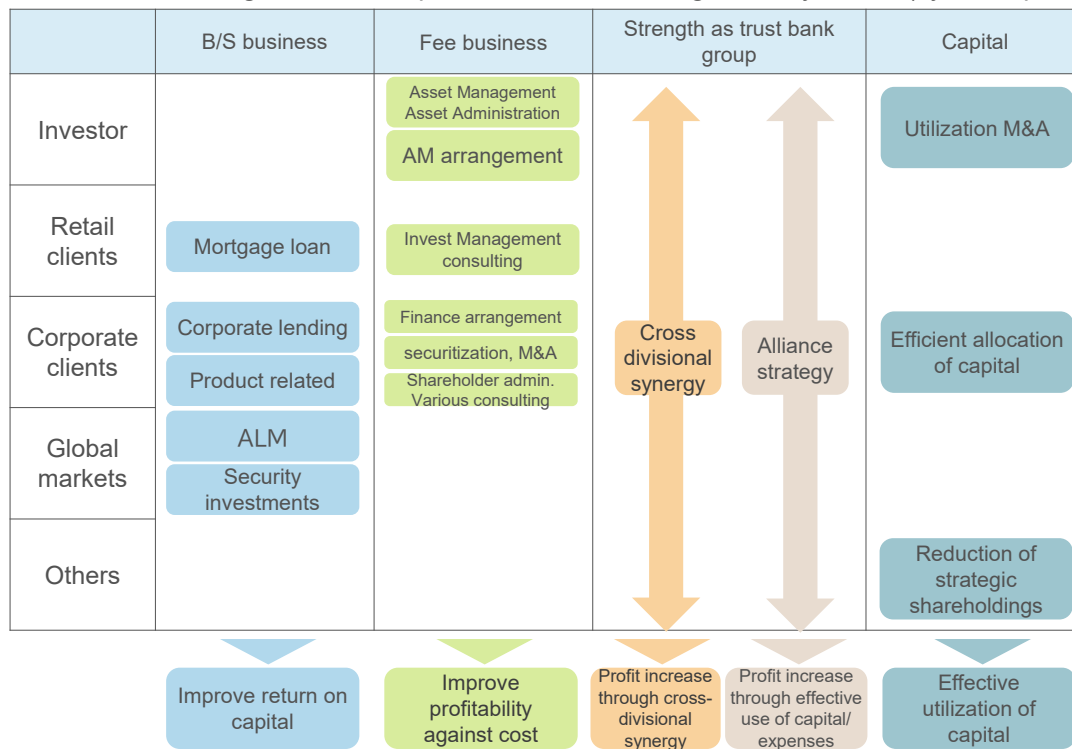
- ◆ Looking back 10 years ago, we hedged the stock price fluctuation risk by bond investment and significantly depended the profit on the Global Market Business in the group. After that, our earning power has been steadily improving as we changed the hedging instruments and have strengthened the fee-related business foundations. We will aim to achieve the historical high record of net income this fiscal year without net gains on stocks.
- ◆ Second, I have felt that our new policy regarding the strategic shareholdings announced in May last year has accelerated the changes. Our corporate clients give importance to ESG related issues such as carbon neutralization or sophisticating sustainable management and corporate governance. We will try to establish the trust relationships in a new era with clients through tackling their management issues together.
- ◆ As I touched upon before, we will actively invest in non-financial capital including human resources which appropriately address rapidly changing needs of clients and society and in digital technologies for our further growth in the future.
- ◆ That's all for my presentation today. I will lead our sustainable growth and thank you for your continued support.

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Climate change P.45~
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Medium- Term Management Plan(Ref.) P.51~

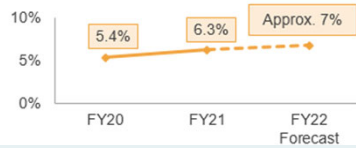
ROE by segments

Based on the business reorganization in April 22, disclose in 4 segments by clients (by value provider)

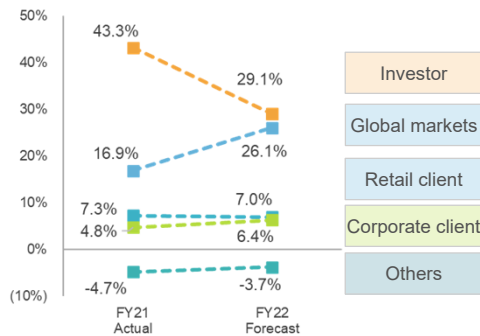


Towards improvement of group ROE

ROE



ROE by business segments (*)



(*)

- Profit in Global markets business and Real estate business is divided into Investor, Retail client or Corporate client, respectively
- In the case of accounting for pension related business included in Investor to Corporate client. Corporate client : FY21 actual 6.0%, FY22 plan 7.6%
- Investor includes Asst management business
- Others includes headquarters expense, profit/loss and RWA of strategic shareholdings and hedging transactions

Focal points for improvement of segmental ROE

	Denominator E	Numerator R
Retail client	<ul style="list-style-type: none"> • Mortgage loan • RWA control by securitization 	<div>Strive for fee businesses according to each theme (age of 100-year life, ESG, diverse investment related needs)</div>
Corporate client	<ul style="list-style-type: none"> • RWA control of lending and impact equity investment 	
Investor	<ul style="list-style-type: none"> • Mainly fee businesses • Less RWA use 	
Global markets	<ul style="list-style-type: none"> • Control of global markets RWA 	
Others	<ul style="list-style-type: none"> • Reduction of strategic shareholdings 	

Issues to disclose ROE on regulatory base
(for future multifaceted disclosure)

- ✓ Retail mortgage loan is effective lending from financial capital aspect (low default ratio due to mainly wealthy clients)
- ✓ Allocation of revenues from investor businesses to corporate client business according to contribution

Climate change ~Carbon Neutral Commitment~

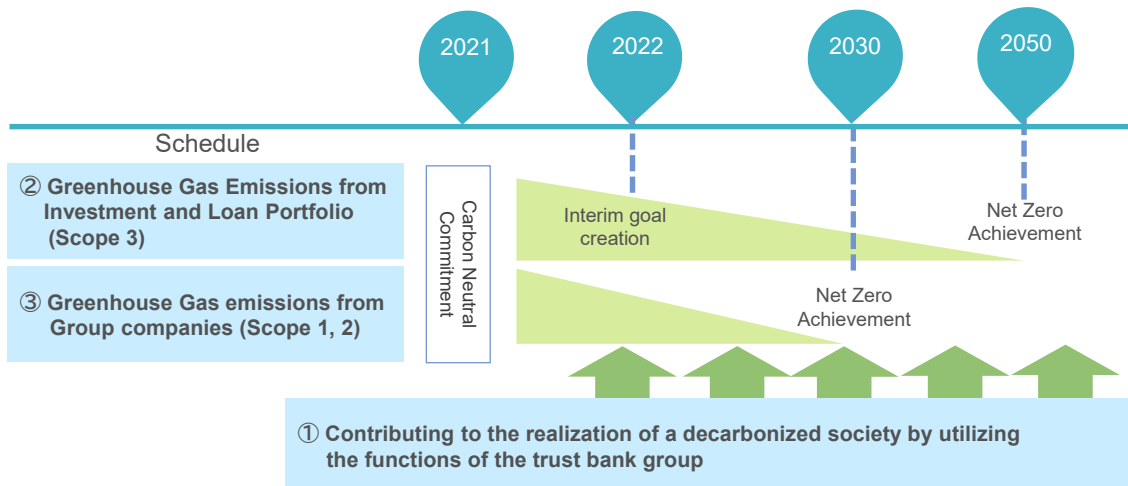
Carbon Neutral Commitment

- (1) Contribute to achieving carbon neutrality in society by leveraging the trust banking group's wide-range and flexible functions
- (2) Target net-zero GHG emissions in investment and loan portfolios by 2050
To achieve net-zero emissions by 2050, a milestone target for 2030 will be formulated in FY2022 in line with the framework of the NZBA (*)
- (3) Achieve net-zero GHG emissions in the SuMi TRUST Group by 2030

(*)Net Zero Banking Alliance: Banking industry alliance established by UNEPFI with a net zero target for greenhouse gas emissions in the investment and loan portfolio by 2050



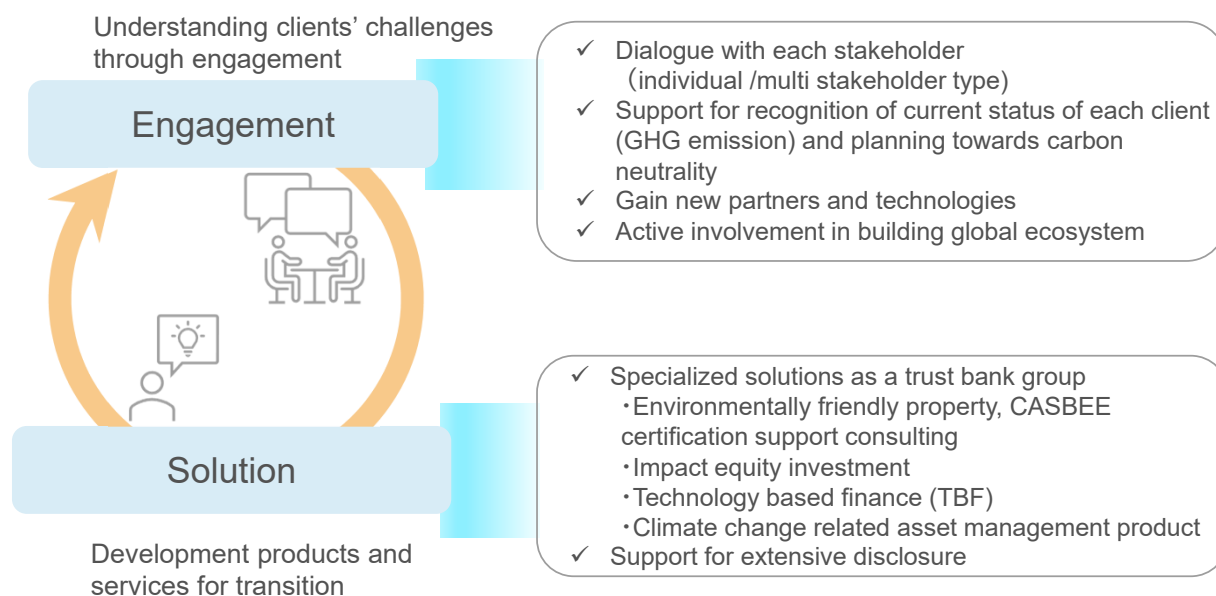
TCFD 2021/2022 Report(*)



(*) https://www.smth.jp/-/media/th/sustainability/report/2021/tcfid_all.pdf

Climate change ~our group initiatives for carbon neutrality~

- Emphasis on engagement toward the carbon neutrality for clients and society. Commit to offer and develop products and services for steady transition as a group. Contribute to creation of virtuous circulation of funds, assets and capital



Climate change ~our initiatives for carbon neutrality~

- Promoting initiatives in line with the timeline of the Carbon Neutral Commitment
- Steady progress in each area of the initiatives for net-zero emission. Acceleration of certain disclosures and initiatives are planned

Initiatives in Asset management and Asset administration (NZAMI(*1))

■ Sumitomo Mitsui Trust Asset Management (SMTAM)

Disclosure of interim targets	Target assets are 50% of AUM of approx. ¥85 trn(*2). Reduce its carbon footprint (GHG emission per unit) by 50% compared to 2019
Participation in operations	Appointed as the Asian representative member of the advisory group consisting of 6 companies of 6 signatory institutions in Mar. 2022 Participate in the overall operation of NZAMI

■ Nikko Asset Management

Disclosure of interim targets	To be announced by Oct. 2022
-------------------------------	------------------------------

■ Engagement activities(CA100+)

- Implementation of collaborative engagement
- Appointed as a steering committee member as a representative of Asia (SMTAM)

(*1) Net Zero Asset Managers initiative: International initiative, launched in December 2020, for asset managers aiming to achieve net zero GHG emissions from their investee companies by 2050

(*2) as of June 2021



Initiatives in investments and loans (NZBA)

■ Disclosure of interim targets for reducing GHG emission

Develop and disclose 2030 interim targets for several of nine sectors designated by NZBA, sequentially after Dec. 2022

■ Finance support for the net-zero emission

Sustainable finance ¥10trn (*2)
(+¥5trn compared to the previous target)

(*2) Includes Impact equity of ¥2.5trn

SuMi TRUST Group's own initiatives

■ Electricity use at domestic sites (*3)

- Approx. 60% based on electricity usage to be net-zero
- Plan to achieve net-zero by the end of FY2022

(*3) SuMi TRUST Bank

■ Sales vehicles for domestic bases

- Accelerating the shift to EVs while reducing the number of gasoline vehicles in the fleet

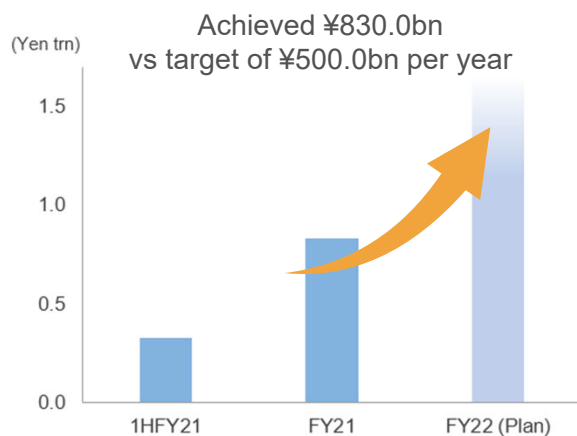


Climate change ~Sustainable finance~

- Increased long- term target for sustainable finance considering current finance demands towards carbon neutrality

Initiatives for sustainable finance

Cumulative balance of sustainable finance



Long- term target for sustainable finance

Revised long- term target twofold from previous goal considering current finance demands and actual results

	Before	Revised
Long- term target	¥5trn	¥10trn ^(*)

(*) Cumulative balance of loans and equities in 2021-2030
Sustainable finance:¥7.5trn + Impact equity investment:¥2.5trn

Examples of sustainable finance:

Positive impact finance, Renewable energy finance,
Financing for green buildings, Sustainability linked loan, etc.

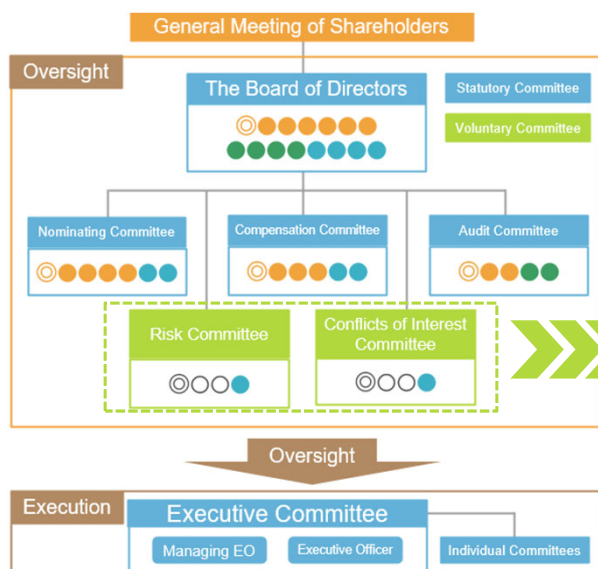


Governance ~Oversight structure~

Oversight structure

- Company with Three Committees
- The Board of Directors' meeting and other committees to be chaired by External Directors

◎ : External (Director Chairman) ● : External (Directors) ⊙ : External (Experts, Chairman)
 ○ : External (Experts) ● : Internal・Non-executive ● : Internal・Executive



Composition of Board of Directors (As of Apr. 1, 2022)



Breakdown of 15 directors: 13 men, 2 women

External directors : 47%

External directors
(7 directors)

Internal directors
(8 directors)

Non-executive directors : 73%

Non-executive directors
(11 directors)

Executive directors
(4 directors)

Voluntary Committees function organically

Proactively address key strategic issues and exercise oversight function, in addition to discussing reports from the executive side

<Typical items for discussion in FY21>

Risk Committee

Economic security
(Russia-Ukraine situation)

Conflicts of Interest Committee

Establishment of the system
prior to the reorganization of
the business in FY22

<Point> Both committees are chaired by outside experts

Diversified human resources portfolio

■ Build human resources portfolio with diversity as a foundation of our strength

Active participation of women in decision-making

(SuMi TRUST Bank)

Renewed KPIs of female employees' career development by working backwards from future goals
(SuMi Trust Bank)



(*2) Roles managing a certain number of people

Executive support

Participants	Future female candidates for senior management and general managers :40 Expected 160 in total over three years		
Term	1 year		
Program	①mentoring ②challenging jobs ③study program, self-enlightenment(eMBA, etc)	Face	Strive
		Study	

Diverse career background

(SuMi TRUST Bank)



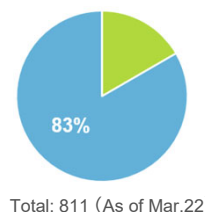
Approx. 20% of managers joined SuMiTB in the middle of their career

Increase diversity of human capital

Active participation of global employees

(SuMi TRUST Bank)

Breakdown of employees in overseas locations



Total: 811 (As of Mar.22)

Approx.80% of employees hired in overseas locations

Majority is engaged in management

Medium-Term Management Plan (Ref.)

- The 3 years positioned as a period for expanding the business foundation for materializing the next leap into a sustainable / stable growth

The role our Group should play and what we aim for

<Purpose>

Creating new value with the power of trusts and let prosperous future for our clients and society bloom

Themes to be addressed proactively as social challenges

Individual clients



Asset administration suited for Japan's aging society and asset formation of individuals

Corporate clients



Sustainable growth of the Japanese economy and corporations (addressing both financial and non-financial issues)

Investor clients



Diverse range of investment opportunities and development of the investment Chain

To contribute to the sustainable development of society

Three basic strategies for “balanced creation of both social value and economic value”

(1) Strengthening our business portfolio

Strengthen the foundation for a sustainable / stable growth

Strengthen the business foundation

Establish new growth areas

Strategic resource mix

(2) Capital strategy

Efficient use of the balance sheet and capital

Improve balance sheet efficiency

Balanced capital adequacy and efficiency

Strengthen shareholder return through dividends

(3) Sophistication of business quality

Power to support business creation / reinforcement

Service quality that maximizes client value

Strengthen group governance

Prudent risk management

Nurture human resources capable of creating added value

Financial target (KPI)

	FY21 (Actual)	FY22 (Target)	(For reference) Medium/Long-term Target	
Net business profit	¥346.0bn	¥310.0bn		
Net income	¥169.0bn	¥190.0bn		
OHR (Overhead ratio)	57.1%	Lower 60% range	Upper 50% range	Promote efficiency despite limited OHR decline based on enhancing fee business
Fee income ratio	54.0%	Mid-range b/w 50-60%	Maintain above 60%	Increase stable fee revenue
Common Equity Tier 1 ratio (*)	9.9%	Lower 10% range	Maintain stable 10% range	Maintain prudent level of capital
Return on equity	6.25%	Around 7%	Around 9%	Aim for self-sustaining improvement of ROE
Dividend payout ratio	37.7%	About 40%		

(*) Pro-forma figure on Finalized Basel III reform basis

KPI (Client base)

		FY19 (Actual)	FY20 (Actual)	FY22 (Target)	Definition of KPI
Client base (Pre-Best Partner)	Individual	0.26M clients	0.28M clients	0.29M clients	To increase the number of clients with whom we have a strong relationship, as a result of which the client chooses us as their "Best Partner"(*1) over the long term, as a precursor, to increase the number of "Pre-Best Partner" client base
	Corporate (*2)	550 firms	643 firms	690 firms	

(*1) "Best Partner" is the clients' perspective of our positioning

(*2) Determined benchmarking against FY end. Figures were updated due to definition change.

Client base(Pre-Best Partner)

By offering both individuals and corporations further added value created by the trust banking group, expand "type of transactions" and "depth and volume of transactions" to strengthen ties with our client base, increasing clients who would value us as their "Best Partner."

(Ref) Summary of Financial Results for FY2021

Overview of profits

	(Yen bn)	FY20	FY21	Change
1 Net business profit before credit costs (*1)		294.7	346.0	51.3
2 Substantial gross business profit (*1)		739.2	808.1	68.8
3 Effective interest related earnings (*2)		289.4	320.2	30.7
4 Net fees and commissions and related profit		391.1	436.9	45.7
5 Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)		58.6	51.0	(7.6)
6 Substantial G&A expenses (*1)		(444.5)	(462.0)	(17.5)
7 Total credit costs		(7.8)	(41.5)	(33.7)
8 Net gains on stocks		(43.5)	(38.3)	5.1
9 Other net non-recurring profit		(60.2)	(36.4)	23.7
10 Ordinary profit		183.1	229.7	46.5
11 Extraordinary profit		16.8	(1.7)	(18.5)
12 Income before income taxes		200.0	227.9	27.9
13 Total income taxes		(56.0)	(57.7)	(1.6)
14 Income attributable to non-controlling interests		(1.7)	(1.1)	0.5
15 Net income		142.1	169.0	26.8
16 Earnings per share (EPS) (Yen)		379	451	71
17 Number of shares issued (mn shares) (*3)		374.5	374.5	0.0

(Reference)

18 Net interest income and related profit		260.2	304.8	44.5
19 Other profit		87.8	66.3	(21.4)
20 Profit attributable to deployment of surplus foreign currency funds		29.1	15.3	(13.8)
21 Other		58.6	51.0	(7.6)

- (*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 +¥51.3bn. Achieved 105% of full year forecast
- Effective interest related earnings increased YoY by ¥30.7bn due to the effect of favorable market conditions (investment partnership+¥13.0bn, etc.) and improvement of domestic/ international loan-deposit income
- Net fees and commissions and related profit increased YoY by ¥45.7bn. Real estate brokerage business and investment management consulting maintained strong performance through FY21. Asset management business performed well due to favorable market conditions
- Overall G&A expenses increased in proportion with conjunction with substantial gross business profit increases

Total credit costs

- Occurrence of credit cost events due to deterioration in business conditions of our clients. Release of special loan loss provision of approx.¥15.0bn, but total credit cost of (¥41.5bn) was recognized due to additional special loan loss provision of approx.¥17.5bn to for future uncertainty in FY22

Net gains on stocks

- Steady progress in strategic shareholdings reduction(at cost: ¥53.8bn)
- Posted ¥126.7bn of realized loss from accelerated sale of hedging positions, while realizing ¥87.2bn gain from divestment of shareholdings. Posted ¥38.3bn losses in total

Other net non-recurring profit

- Increased YoY, mainly due to improvement of net losses on stocks related derivatives by ¥8.6bn and amortization of actuarial net differences by ¥10.9bn

Extraordinary profit

- Decrease one-time profit in FY20, accumulated retirement benefit obligations (approx. ¥37.0bn) and impairment losses on software (approx. ¥20.0bn)

Net income

- YoY increase of +¥26.8bn.
- Mostly achieved ¥170.0bn of full year forecast

Overview of balance sheet

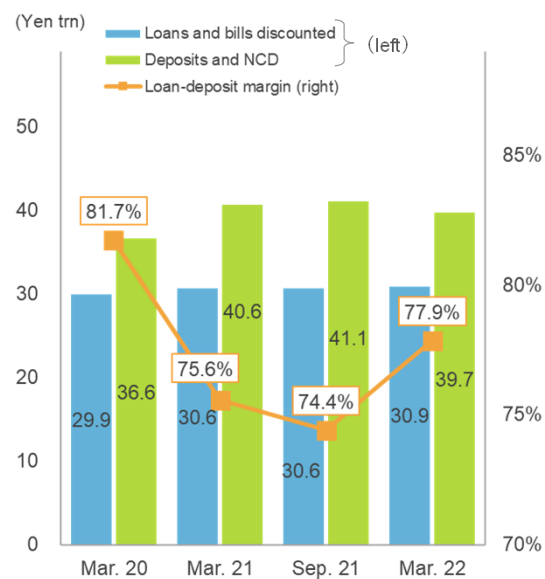
	(Yen bn)	Mar. 21	Mar. 22	Change
1 Assets (*1)		63,368.5	64,633.2	1,264.6
2 Cash and due from banks		18,488.7	18,223.3	(265.3)
3 Securities		6,983.4	7,879.2	895.7
4 Loans and bills discounted		30,506.9	30,876.5	369.5
5 Other assets (*1)		7,389.3	7,654.1	264.7
6 Liabilities (*1)		60,646.0	61,887.9	1,241.9
7 Deposits and NCD		40,628.2	39,818.1	(810.1)
8 Borrowed money from trust account		4,915.2	4,298.8	(616.3)
9 Other liabilities (*1)		15,102.5	17,770.9	2,668.4
10 Total net assets		2,722.5	2,745.2	22.7
11 Total shareholders' equity		2,416.0	2,517.5	101.5
12 Total accumulated OCI		277.7	198.0	(79.7)
13 Minority interests, etc.		28.7	29.7	0.9
14 Net assets per share (BPS) (Yen)		7,192	7,249	57
15 Number of shares issued (mn shares) (*2)		374.5	374.5	0.0
(Reference)				
16 Loan-deposit ratio (SuMi TRUST Bank)		75.6%	77.9%	2.3%
17 NPL ratio (SuMi TRUST Bank)		0.4%	0.6%	0.2%

(*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

Unrealized gains/losses of AFS securities with fair value



Profit by group company

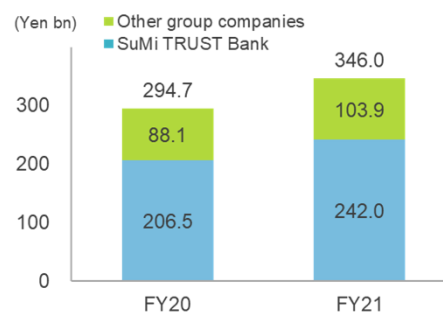
	(Yen bn)	FY20	FY21	Change
1 Net business profit before credit costs (*1)		294.7	346.0	51.3
2 SuMi TRUST Bank (*2)		206.5	242.0	35.5
3 SuMi TRUST AM		10.2	9.4	(0.7)
4 Nikko AM (*3)		19.3	30.7	11.4
5 SuMi TRUST Realty		3.6	6.8	3.2
6 SuMi TRUST Panasonic Finance (*3)		10.5	9.5	(0.9)
7 SuMi TRUST Loan & Finance		11.1	10.7	(0.4)
8 SBI Sumishin Net Bank (*3)		10.5	11.5	0.9
9 SuMi TRUST Guarantee (*3)		11.4	11.6	0.1
10 SuMi TRUST Club		1.8	1.5	(0.2)
11 UBS SuMi TRUST Wealth Management		-	0.7	0.7
12 Effect of purchase accounting method		0.3	-	(0.3)
13 Net income (*1)		142.1	169.0	26.8
14 SuMi TRUST Bank		95.9	113.3	17.4
15 SuMi TRUST AM		6.9	6.4	(0.5)
16 Nikko AM (*3)		12.3	18.5	6.2
17 SuMi TRUST Realty		2.3	4.7	2.4
18 SuMi TRUST Panasonic Finance (*3)		4.7	6.2	1.5
19 SuMi TRUST Loan & Finance		7.6	7.4	(0.2)
20 SBI Sumishin Net Bank (*3)		6.9	8.5	1.5
21 SuMi TRUST Guarantee (*3)		7.8	8.0	0.1
22 SuMi TRUST Club		0.8	1.5	0.7
23 UBS SuMi TRUST Wealth Management		-	0.5	0.5
24 Effect of purchase accounting method		1.0	(1.5)	(2.6)

(*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.

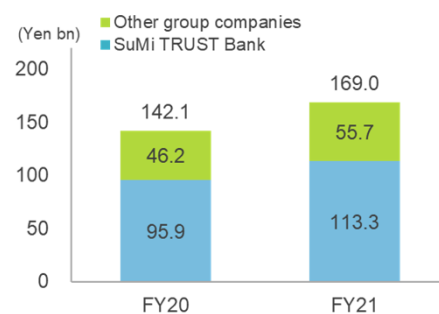
(*2) Including dividend from group companies (FY20:¥8.5bn, FY21 ¥14.1bn, YoY change: ¥5.6bn)

(*3) Consolidated basis

Breakdown of Net business profit before credit cost



Breakdown of Net income



Profit by business segment

		FY20 Net business profit before credit costs	FY20			FY21	
			Substantial gross business profit	Change	Substantial G&A expenses	Net business profit before credit costs	Change
(Yen bn)							
1	Total	294.7	808.1	68.8	(462.0)	346.0	51.3
2	Retail total solution services	15.5	190.8	13.2	(158.6)	32.2	16.6
3	SuMi TRUST Bank	(1.2)	131.3	8.5	(117.6)	13.7	14.9
4	Other group companies	16.7	59.5	4.6	(41.0)	18.5	1.7
5	Wholesale financial services (*1)	132.1	212.5	4.7	(77.6)	134.9	2.8
6	SuMi TRUST Bank	102.3	150.0	1.1	(47.1)	102.8	0.4
7	Other group companies	29.7	62.5	3.6	(30.4)	32.1	2.3
8	Stock transfer agency services	20.8	40.8	0.5	(19.8)	21.0	0.1
9	SuMi TRUST Bank	19.7	23.8	0.2	(4.0)	19.7	0.0
10	Other group companies	1.1	17.0	0.2	(15.7)	1.2	0.1
11	Real estate	25.5	62.7	12.9	(25.8)	36.9	11.3
12	SuMi TRUST Bank	21.3	39.2	8.0	(9.9)	29.3	7.9
13	Other group companies	4.2	23.5	4.8	(15.9)	7.5	3.3
14	Fiduciary services (excl. Asset Mgt. business)	34.7	96.5	7.7	(54.2)	42.2	7.5
15	SuMi TRUST Bank	30.9	59.8	4.9	(23.7)	36.0	5.1
16	Other group companies	3.8	36.7	2.7	(30.5)	6.1	2.3
17	Asset management business (*2)	29.8	101.9	15.0	(61.4)	40.5	10.7
18	Global markets (*3)	54.4	52.3	(17.4)	(15.7)	36.5	(17.8)

(*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: ¥0.8bn, FY21: ¥1.8bn,

YoY change: ¥1.0bn) and net gains/losses on stock related derivatives which is posted as "other non-recurring profit" (FY20: ¥(6.1)bn, FY21: ¥(4.4)bn, YoY change: ¥1.7bn)

Overview of profit (SuMi TRUST Bank)

	(Yen bn)	FY20	FY21	Change
1 Net business profit before credit costs		206.5	242.0	35.5
2 Gross business profit		451.9	490.6	38.6
3 Effective interest related earnings		259.1	290.5	31.4
4 Net interest income and related profit		229.9	275.2	45.3
5 Profit attributable to deployment of surplus foreign currency funds		29.1	15.3	(13.8)
6 Net fees and commissions and related profit		163.9	180.8	16.8
7 Net trading profit		16.7	20.3	3.5
8 Net gains on foreign exchange transactions		(33.2)	13.4	46.6
9 Net trading profit		(33.2)	13.4	46.6
10 Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)		49.9	6.8	(43.1)
11 Net gains on bonds		(7.8)	(17.8)	(9.9)
12 Net gains from derivatives		22.4	19.0	(3.3)
13 General and administrative expenses		(245.4)	(248.5)	(3.1)
14 Total credit costs		(6.3)	(42.4)	(36.1)
15 Other non-recurring profit		(86.2)	(48.8)	37.3
16 o/w Net gains on stocks		(44.2)	(37.3)	6.8
17 Amortization of net actuarial losses		(12.1)	(1.1)	10.9
18 Ordinary profit		114.0	150.8	36.8
19 Extraordinary profit		15.6	(1.6)	(17.3)
20 Income before income taxes		129.6	149.1	19.4
21 Total income taxes		(33.7)	(35.7)	(2.0)
22 Net income		95.9	113.3	17.4

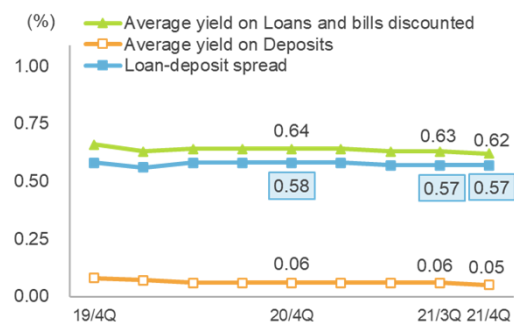
	FY20	FY21	Change
22 Gross business profit	451.9	490.6	38.6
23 Net interest income and related profit	229.9	275.2	45.3
24 Net fees and commissions and related profit	163.9	180.8	16.8
25 Net trading profit	(33.2)	13.4	46.6
26 Net other operating profit (*)	91.3	21.1	(70.1)
27 o/w Net gains on foreign exchange transactions	79.1	22.2	(56.9)
28 Profit attributable to deployment of surplus foreign currency funds	29.1	15.3	(13.8)
29 other	49.9	6.8	(43.1)
30 Net gains on bonds	(7.8)	(17.8)	(9.9)
31 Net gains from derivatives	22.4	19.0	(3.3)
32 Net fees and commissions and related profit	163.9	180.8	16.8
33 o/w Investment management consulting	36.4	40.4	4.0
34 Asset management/administration	54.8	59.8	4.9
35 Real estate brokerage	25.0	32.9	7.8
36 Stock transfer agency services	23.5	23.8	0.2
37 Inheritance related services	3.9	4.2	0.3
38 Wholesale credit related	34.1	32.8	(1.2)
39 Net gains on bonds	(7.8)	(17.8)	(9.9)
40 Domestic bonds	(1.3)	(0.2)	1.1
41 Foreign bonds	(6.5)	(17.6)	(11.0)

(*) Other profit within net business profit before credit costs in FY20 and FY21 is ¥(2.3)bn and ¥(2.3)bn, respectively.

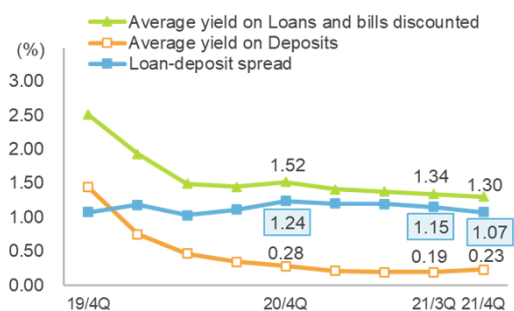
Net interest income (SuMi TRUST Bank)

	(Average balance: Yen trn) (Income/Expenses: Yen bn)	FY21					
		Average Balance	Change from FY20	Average Yield	Change from FY20	Income/ Expenses	Change from FY20
1	Net interest income					256.0	43.9
2	Domestic business			0.34%	(0.02%)	158.5	3.9
3	Interest-earning assets	45.88	2.64	0.46%	(0.02%)	214.9	6.5
4	o/w Loans and bills discounted	24.60	0.24	0.63%	(0.01%)	156.8	(0.0)
5	Securities	4.47	0.32	1.15%	0.06%	51.6	6.1
6	Interest-bearing liabilities	45.20	2.39	0.12%	0.00%	(56.3)	(2.6)
7	o/w Deposits	27.38	0.32	0.06%	(0.00%)	(16.6)	1.5
8	Borrowings from trust a/c	4.09	0.38	0.46%	(0.01%)	(19.0)	(1.3)
9	Swaps	---	---	---	---	(4.0)	(3.3)
10	International business			0.64%	0.21%	97.5	39.9
11	Interest-earning assets	15.32	1.77	0.96%	(0.07%)	148.4	8.8
12	o/w Loans and bills discounted	6.20	0.01	1.35%	(0.17%)	84.3	(10.1)
13	Due from banks	2.06	0.11	0.25%	0.06%	5.1	1.3
14	Securities	2.60	0.29	2.09%	0.46%	54.4	16.6
15	Interest-bearing liabilities	15.52	1.92	0.32%	(0.28%)	(50.9)	31.0
16	o/w Deposits	5.72	(0.11)	0.21%	(0.22%)	(12.1)	13.3
17	NCD / USCP	6.83	1.57	0.13%	(0.23%)	(9.3)	9.7
18	Repo	1.61	0.07	0.10%	(0.13%)	(1.6)	1.9
19	Expenses on swaps	---	---	---	---	(18.4)	8.4
20	(+) Trust fees from principal guaranteed trust a/c					19.1	1.4
21	(+) Profit attributable to deployment of surplus foreign currency funds					15.3	(13.8)
22	Effective interest related earnings					290.5	31.4
23	Loan-deposit spread / income in domestic business			0.57%	(0.01%)	140.2	1.5
24	Loan-deposit spread / income in international business			1.14%	0.05%	72.1	3.2

Domestic loan-deposit spread (quarterly)

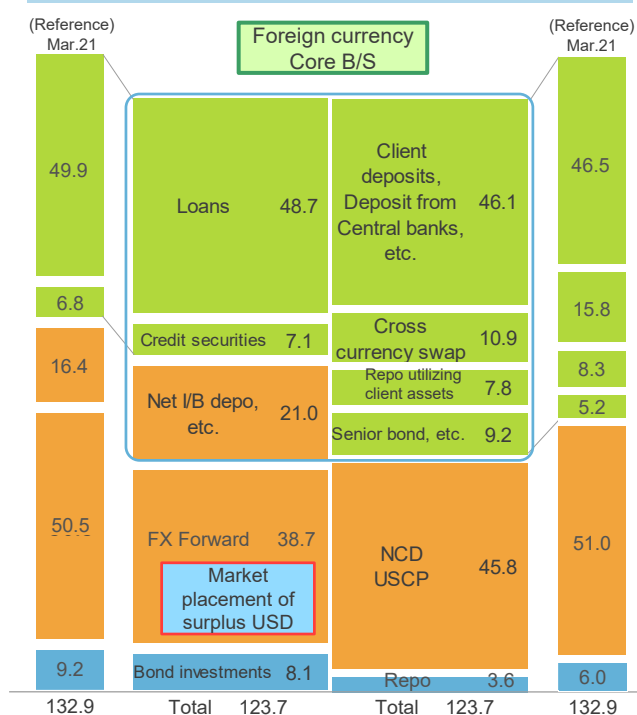


International loan-deposit spread (quarterly)



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

Foreign currency B/S (as of Mar. 2022) (USD bn)



Foreign currency ALM management

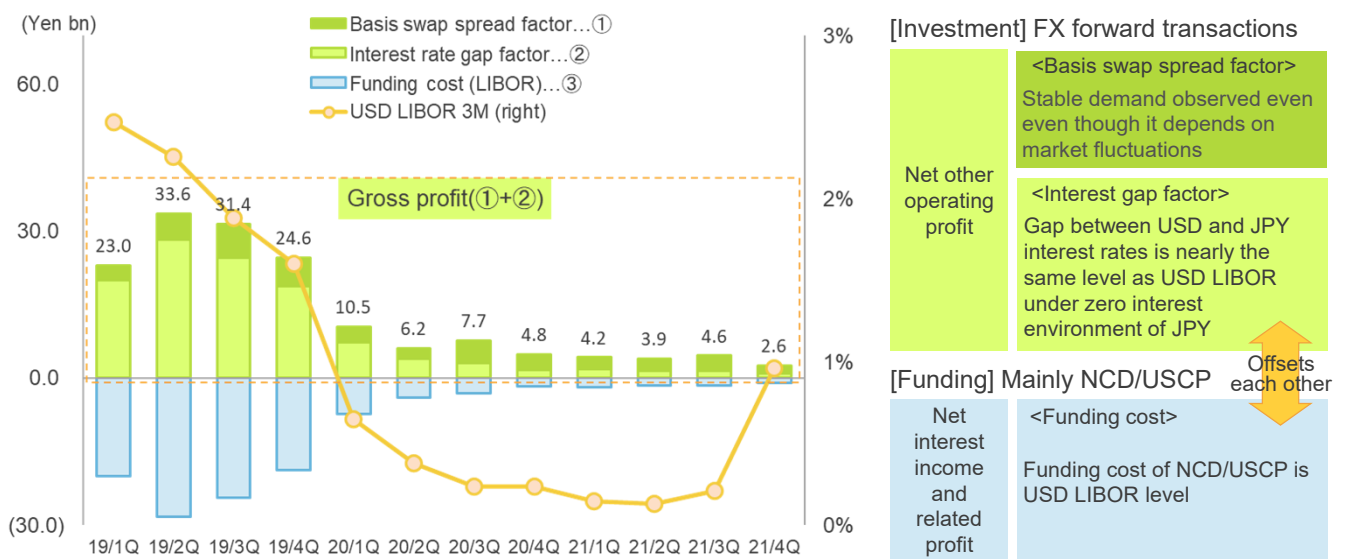
- ◆ Loans and credit investment securities constitute foreign currency core B/S assets, which are funded utilizing stable sources such as “sticky” client deposits, deposits from central banks, long-term yen CCS, client asset repos and senior bonds.
- ◆ Short term funds sourced through NCD/USCP markets 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 (r) (USD/JPY)



Profit structure of market deployment of surplus foreign currency

- Profit from FX forward transactions(investment) consists of basis swap spread and interest rate gap factor. Interest rate gap is offset by USD funding costs
- Gross funding costs and investment profits decreased due to lowering of US interest rate, reflecting YoY decrease in Net profit



(*) 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.

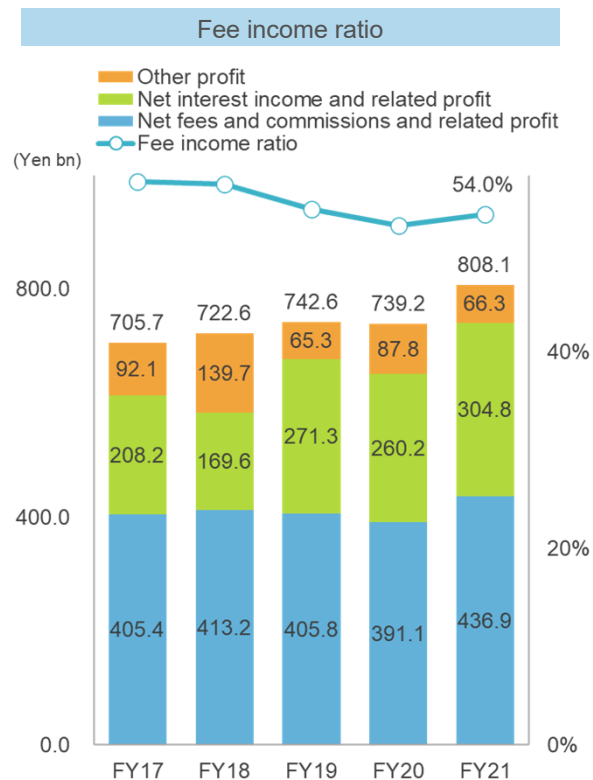
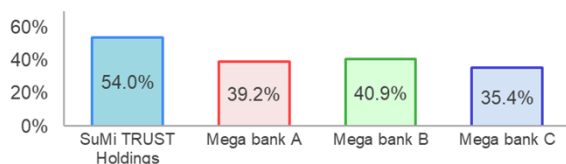
Net fees and commissions and related profit

	(Yen bn)	SuMi TRUST Bank		SuMi TRUST Group (*1)	
		FY21	Change from FY20	FY21	Change from FY20
1 Net fees and commissions and related profit		180.8	16.8	436.9	45.7
2 Investment trust and insurance sales		40.4	4.0	40.4	4.0
3 Card		-	-	36.9	1.7
4 Asset management / administration		59.8	4.9	193.0	16.8
5 Profit		99.1	6.4	213.1	18.4
6 Fees paid out for outsourcing		(39.3)	(1.5)	(20.1)	(1.5)
7 Stock transfer agency services		23.8	0.2	40.8	0.5
8 Profit		34.6	0.6	40.8	0.5
9 Fees paid out for outsourcing		(10.8)	(0.3)	-	-
10 Real estate		39.2	8.0	62.7	12.9
11 Others (Loan arrangement fees, etc.)		17.4	(0.4)	62.9	9.6
12 Fee income ratio (*2)		36.8%	(0.7%)	54.0%	1.1%

(*1) Figures are after eliminations of intra-group transactions

(*2) Net fees and commissions and related profit / Gross business profit

Comparison of fee income ratio between major banks

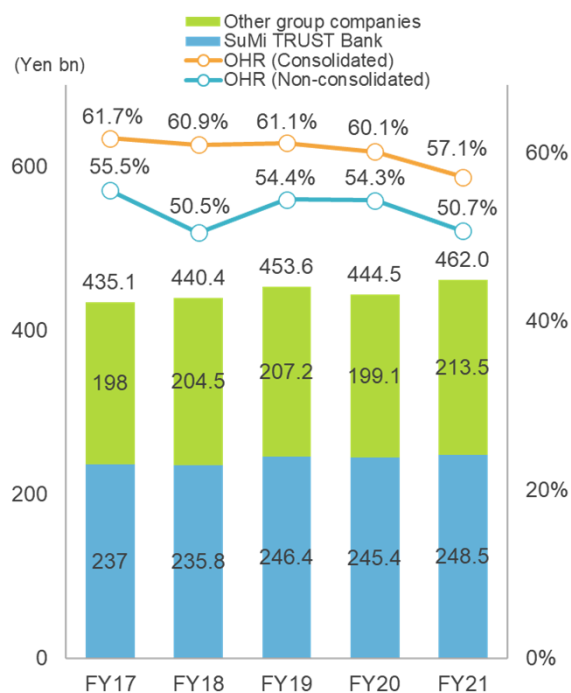


Expenses

[SuMi TRUST Group]		(Yen bn)	FY20	FY21	Change
1	Personnel expenses		(200.1)	(211.4)	(11.3)
2	Non-personnel expenses excluding taxes		(225.7)	(234.8)	(9.1)
3	Taxes other than income taxes		(18.7)	(15.7)	2.9
4	Substantial G&A expenses		(444.5)	(462.0)	(17.5)
5	Overhead ratio		60.1%	57.1%	(3.0%)

[SuMi TRUST Bank]		(Yen bn)	FY20	FY21	Change
6	Personnel expenses		(107.3)	(112.1)	(4.7)
7	Salaries etc.		(100.5)	(104.4)	(3.8)
8	Retirement benefit expenses		11.0	10.9	(0.1)
9	Others		(17.8)	(18.6)	(0.7)
10	Non-personnel expenses excluding taxes		(125.1)	(126.6)	(1.4)
11	IT system related costs		(47.2)	(43.9)	3.3
12	Others		(77.9)	(82.7)	(4.7)
13	Taxes other than income taxes		(12.9)	(9.7)	3.1
14	G&A expenses		(245.4)	(248.5)	(3.1)
15	Overhead ratio		54.3%	50.7%	(3.6%)

Breakdown of G&A expenses



Total credit costs and problem assets

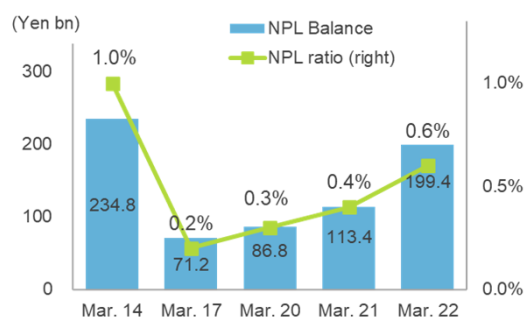
[Total credit costs]		FY20		FY21		Major factors (FY21)
(Yen bn)			1H	2H		
1	SuMi TRUST Bank	(6.3)	6.0	(48.5)	(42.4)	Occurrence of credit cost events due to deterioration in business conditions of our clients. Release of special loan loss provision of approx.¥14.0bn Additional special loan loss provision of approx.¥16.5bn for future uncertainty Release special loan loss provision of approx.¥15.0bn As of March 2022, special loan loss provision of approx.¥21.0bn
2	General allowance for loan losses	4.7	6.2	7.2	13.4	
3	Specific allowance for loan losses	(7.8)	1.5	(54.5)	(53.0)	
4	Recoveries of written-off claims	0.3	0.6	0.3	1.0	
5	Losses on sales of claims, written-off	(3.5)	(2.3)	(1.5)	(3.8)	
6	Other group companies, etc.	(1.5)	(0.9)	1.8	0.8	SuMi TRUST Panasonic Finance +¥0.7bn
7	Total	(7.8)	5.1	(46.6)	(41.5)	

[NPL (SuMi TRUST Bank)]		Mar. 22	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 21
(Yen bn)					
8	NPL	199.4	66.3%	52.7%	86.0
9	NPL ratio (ratio to Total loan balance)	0.6%	---	---	0.2%
10	Bankrupt and practically bankrupt	16.7	100.0%	100.0%	(4.8)
11	Doubtful	117.8	77.6%	71.7%	73.3
12	Substandard	64.9	37.0%	10.3%	17.5
13	Other special mention debtors	310.0	---	---	(194.0)
14	Ordinary assets	30,931.8	---	---	361.5
15	Total loan balance	31,441.2	---	---	253.5

(*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]

	(Yen bn)	Costs		Unrealized gains/losses	
		Mar. 22	Change from Mar. 21	Mar. 22	Change from Mar. 21
1 Available-for-sale securities		6,847.6	927.1	401.7	(65.4)
2 Japanese stocks		548.9	(56.2)	660.4	(155.7)
3 Japanese bonds		3,484.9	1,143.2	(13.4)	(14.1)
4 Others		2,813.7	(159.8)	(245.2)	104.4
5 Held-to-maturity debt securities		237.9	(90.2)	13.1	(3.2)

[Securities with fair value (SuMi TRUST Bank)]

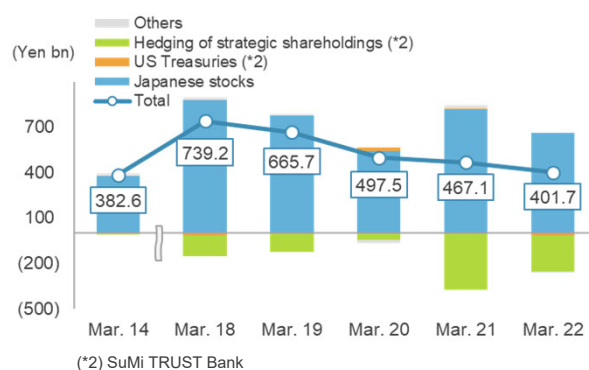
6 Available-for-sale securities		6,692.3	960.9	416.5	(69.7)
7 Japanese stocks		522.4	(53.1)	684.4	(158.8)
8 Japanese bonds		3,484.9	1,143.2	(13.4)	(14.1)
9 o/w Government bonds		2,736.6	1,092.3	(14.6)	(12.8)
10 Others		2,684.9	(129.0)	(254.4)	103.2
11 Domestic investment		88.6	17.4	2.1	(0.3)
12 International investment		1,554.9	78.7	(18.8)	(27.6)
13 o/w US Treasury		522.2	(140.0)	(15.6)	(22.3)
14 Others (Investment trust, etc.)		1,041.3	(225.2)	(237.7)	131.1
15 o/w for hedging of strategic shareholdings (*1)		839.9	(335.0)	(241.7)	132.0

(*1) Of which hedging effect under capital regulation is recognized: Costs ¥721.5bn,
Unrealized gains/losses ¥(200.4)bn

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

16 Held-to-maturity debt securities		237.9	(90.2)	13.1	(3.2)
17 o/w Government bonds		117.5	(0.3)	13.1	(2.5)
18 International investment		59.9	(74.4)	(0.4)	(0.5)

Unrealized gains/losses of AFS securities with fair value



Securities portfolio of Global markets(*3)

	(Yen bn)	10BPV (*4)		Duration (years) (*4)	
		Mar. 22	Change from Mar. 21	Mar. 22	Change from Mar. 21
19 JPY		7.1	0.9	2.3	(0.8)
20 Others (*5)		1.6	(1.6)	2.9	(1.4)

(*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

(*5) total of securities denominated in USD, EUR and GBP

Capital

- Common Equity Tier 1 ratio: 12.31%. Up 0.19 ppt from Mar. 2021 due to decrease in exposure to stock index futures, etc., in global market. Pro-forma CET1 capital ratio on finalized Basel III: 9.9% also up 0.5ppt
- Both leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets (consolidated)>

	Mar. 21	Mar. 22	Change
(Yen bn)			
1 Total capital ratio	15.76%	15.61%	(0.15%)
2 Tier 1 capital ratio	13.51%	13.71%	0.20%
3 Common Equity Tier 1 capital ratio	12.12%	12.31%	0.19%
4 Total capital	3,190.9	3,144.4	(46.5)
5 Tier 1 capital	2,736.7	2,761.5	24.8
6 Common Equity Tier 1 capital	2,455.1	2,480.1	25.0
7 Instruments and reserves	2,666.6	2,682.8	16.1
8 Accumulated other comprehensive income (*1)	277.7	198.0	(79.7)
9 Regulatory adjustments	(211.5)	(202.6)	8.8
10 Additional Tier 1 capital	281.5	281.3	(0.2)
11 Tier 2 capital	454.2	382.9	(71.3)
12 Total risk-weighted assets	20,243.3	20,135.3	(108.0)
13 Credit risk	17,843.7	17,921.0	77.3
14 Market risk	1,427.2	1,268.5	(158.7)
15 Operational risk	972.3	945.7	(26.6)

(*1) Valuation differences on Available-for-Sale Securities (Mar. 2022): ¥277.6bn
(Change from Mar. 2021: ¥(51.8)bn)

(*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 4QFY2021. "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: +¥25.0bn

• Net income: +¥169.0bn • Unrealized gains/losses of AFS: ¥(51.8)bn

• Dividend: ¥(63.7)bn • Intangible assets (goodwill, software): ¥(32.6)bn

[Risk-weighted assets]

(2) Credit risk: +¥77.3bn

• Decrease in exposure to stock index futures, etc., in global market
: approx. ¥(350.0)bn

• Increase in foreign currency credit (equivalent yen) due to depreciation of JPY
: approx. +¥210.0bn

<Major factors of change in finalized Basel III>

• Reflection of clarified rule for capital floor

(contributed 0.15ppt up for CET1 ratio)

• Decrease in risk-weighted assets of strategic shareholdings (divestment, declining of market value) (contributed 0.15ppt up for CET1 ratio)

<Other ratios required in prudential regulations (consolidated)>

	Mar. 22	Change from Mar. 21
(Yen bn)		
16 Leverage ratio (*2)	5.32%	(0.21%)
17 Including current account with the Bank of Japan	4.12%	(0.04%)
18 Tier 1 capital	2,761.5	24.8
19 Total exposure (*2)	51,876.9	2,435.6
20 Including current account with the Bank of Japan	66,961.2	1,288.4
21 Liquidity coverage ratio (*3)	160.8%	7.1%
22 Total high-quality liquid assets	17,729.2	403.2
23 Net cash outflows	11,018.7	(253.6)

Forecast for FY2022

- Net business profit: ¥ 310.0bn decreased by (¥36.0bn) YoY due to absence of favorable market conditions in FY2021 and consideration of future uncertainty
- Net income: ¥190.0bn increased by ¥20.9bn YoY. Aim to achieve target of the Medium- Term Management Plan
- Dividend per common share : ¥200 increased by ¥30 YoY, equivalent to consolidated payout ratio of 39.5% in accordance with our shareholder return policy

	(Yen bn)	FY21 Actual	1H Forecast	2H Forecast	FY22 Forecast	Change from FY21
1	Net business profit before credit costs	346.0	145.0	165.0	310.0	(36.0) (1)
2	SuMi TRUST Bank	242.0	105.0	115.0	220.0	(22.0)
3	Substantial gross business profit	808.1	385.0	415.0	800.0	(8.1)
4	SuMi TRUST Bank	490.6	230.0	245.0	475.0	(15.6)
5	Other group companies	317.5	155.0	170.0	325.0	7.4
6	Substantial G&A Expenses	(462.0)	(240.0)	(250.0)	(490.0)	(27.9)
7	SuMi TRUST Bank	(248.5)	(125.0)	(130.0)	(255.0)	(6.4)
8	Other group companies	(213.5)	(115.0)	(120.0)	(235.0)	(21.4)
9	Total credit costs	(41.5)	(10.0)	(10.0)	(20.0)	21.5 (2)
10	Net gains on stocks	(38.3)	0.0	0.0	0.0	38.3 (3)
11	Other non-recurring profit	(36.4)	(12.0)	(13.0)	(25.0)	11.4
12	Ordinary profit	229.7	123.0	142.0	265.0	35.2
13	SuMi TRUST Bank	150.8	92.5	102.5	195.0	44.1
14	Net income	169.0	90.0	100.0	190.0	20.9
15	SuMi TRUST Bank	113.3	70.0	75.0	145.0	31.6
16	Dividend per common share (Yen)	170	100	100	200	+30
17	Consolidated dividend payout ratio	37.7%	---	---	39.5%	(1.8%)

(*) 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】

(1) Net business profit: ¥(36.0)bn YoY

- Substantial gross business profit is expected to decrease mainly due to absence of favorable market conditions. (excluding this factor, substantial profit increase)
- Substantial G&A Expenses is expected to increase in proportion with conjunction with substantial gross business profit increases and investment for DX, human capital and other items

(2) Total credit costs: forecast ¥(20.0)bn

- Substantial balance of allowance for losses is ¥(41.0)bn including special loan loss provision ¥(21.0)bn as of Mar.22

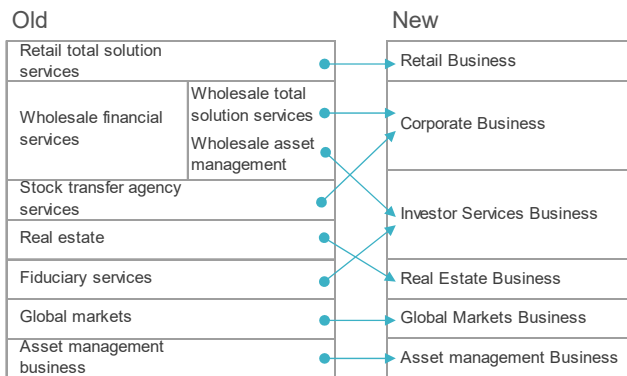
(3) Net gains on stocks: forecast ¥0.0bn

- Expected gains from divestment of strategic shareholdings is fully offset by recognition of unrealized losses on hedging transactions

Forecast for FY2022 (by business segment)

Reorganization of the businesses

- ✓ Implementation on April 1, 2022
- ✓ SuMi TRUST Bank will newly establish Retail Business, Corporate Business and Investor Services Business to develop a value creation process that meets the needs of each economic entity, responding to various changes in the domestic and global environment surrounding us.



Net business profit before credit cost

(Yen bn)		FY21 Actual	FY22 Forecast	Change
1	Total	346.0	310.0	(36.0)
2	Retail Business	32.2	34.0	1.7
3	SuMi TRUST Bank	13.7	16.0	2.2
4	Other group companies	18.5	18.0	(0.5)
5	Wholesale Business	126.4	126.0	(0.4)
6	SuMi TRUST Bank	98.2	101.0	2.7
7	Other group companies	28.2	25.0	(3.2)
8	Investor Services Business	71.6	51.0	(20.6)
9	SuMi TRUST Bank	60.3	43.0	(17.3)
10	Other group companies	11.2	8.0	(3.2)
11	Real Estate Business	36.9	35.0	(1.9)
12	SuMi TRUST Bank	29.3	29.0	(0.3)
13	Other group companies	7.5	6.0	(1.5)
14	Global Markets Business	36.5	48.0	11.4
15	Asset management business(*1)	40.5	30.0	(10.5)

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

Fee business: Investment management consulting

- Total Income increased by ¥4.0bn YoY to ¥40.4bn due to increased sales volume and rising market value
- Total Sales volume increased by ¥324.0bn YoY to ¥1,153.6bn due to the progress of generation-specific consulting

Income from marketing of investment products

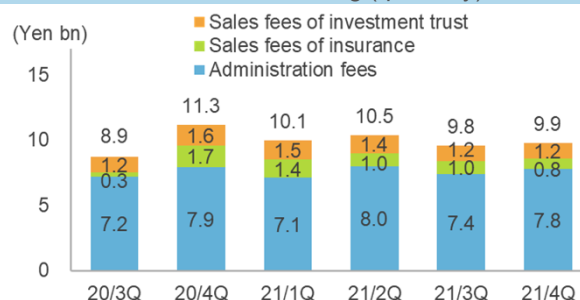
	(Yen bn)	FY20	FY21	Change	FY22 Plan
1 Income total		36.4	40.4	4.0	40.0
2 Sales fees of investment trust		4.4	5.5	1.0	5.5
3 Sales fees of insurance		2.6	4.3	1.7	4.0
4 Administration fees		29.3	30.5	1.2	30.5

Sales volume / balance

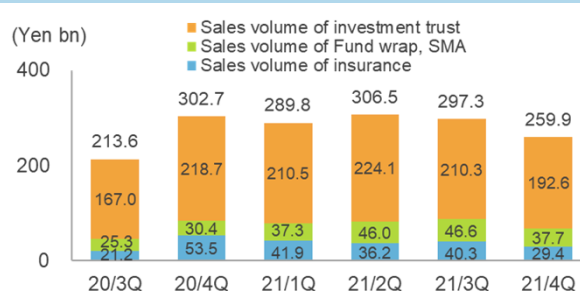
	(Yen bn)	FY20	FY21	Change	FY22 Plan
5 Sales volume total		829.6	1,153.6	324.0	1,110.0
6 Investment trust		640.0	837.7	197.6	810.0
7 Fund wrap, SMA		91.5	167.8	76.2	150.0
8 Insurance		98.0	148.0	50.0	150.0

	(Yen bn)	Mar. 21	Mar. 22	Change	Mar. 23 Plan
9 Balance total		6,896.4	7,306.6	410.1	7,410.0
10 Investment trust		3,533.0	3,886.8	353.7	4,040.0
11 Fund wrap, SMA		918.7	1,032.3	113.6	1,080.0
12 Insurance		2,444.6	2,387.4	(57.2)	2,290.0
13 Wrap Selection		1,843.2	1,642.1	(201.0)	

Income from marketing (quarterly)



Sales volume (quarterly)



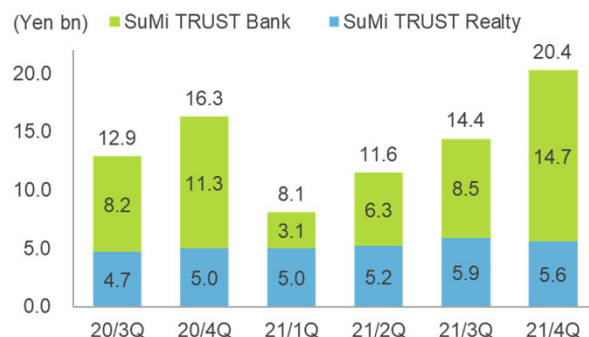
Fee business: Real estate

- Real estate brokerage fee increased by ¥12.4bn YoY to ¥54.7bn, the highest record since integration
- The business maintained strong performance with both corporate and individual clients due to sufficient deal pipeline closing

Income (group base)

	FY20	FY21	Change	FY22 Plan
(Yen bn)				
1 Real estate brokerage fees	42.2	54.7	12.4	53.0
2 SuMi TRUST Bank	25.0	32.9	7.8	33.0
3 SuMi TRUST Realty	17.2	21.8	4.6	20.0
4 Real estate trust fees, etc.	6.1	6.3	0.2	6.0
5 Net other real estate profit	1.4	1.6	0.1	1.5
6 SuMi TRUST Bank	-	-	-	-
7 Group companies	1.4	1.6	0.1	1.5
8 Total	49.8	62.7	12.9	60.5
9 o/w SuMi TRUST Bank	31.1	39.2	8.0	39.0

Real estate brokerage fees (quarterly)



Assets under management / administration

	Mar. 21	Mar. 22	Change
(Yen bn)			
10 Securitized real estate	20,047.4	22,023.8	1,976.4
11 Assets under custody from J-REITs	16,785.3	17,508.0	722.6
12 Assets under management	613.1	624.5	11.4
13 Private placement funds	341.5	340.2	(1.2)
14 J-REITs	271.6	284.3	12.6

Fee business: Asset management/administration

- AUM increased by ¥3.9trn to approx. ¥121trn from March 2021 mainly due to further growth of market value and cash inflow
- AUC increased for each asset category in both domestic and overseas operations from March 2021

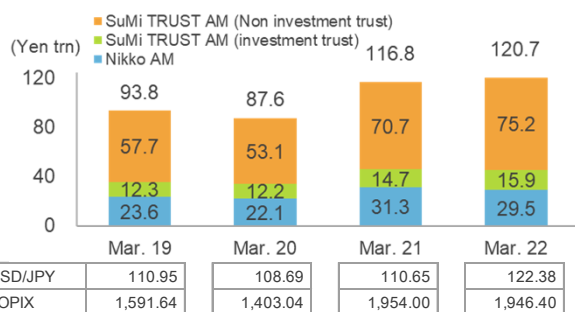
Assets under management (AUM)

	(Yen trn)	Mar. 21	Mar. 22	Change
1 Assets under management (*1)		116.8	120.7	3.9
2 SuMi TRUST AM		85.5	91.2	5.7
3 Investment trust		14.7	15.9	1.1
4 Non investment trust (*2)		70.7	75.2	4.5
5 Corporate pension trust		14.6	14.8	0.2
6 Public pension trust		12.9	12.9	0.0
7 Discretionary investment		43.2	47.5	4.2
8 Nikko AM (*3)		31.3	29.5	(1.7)

(*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)trn

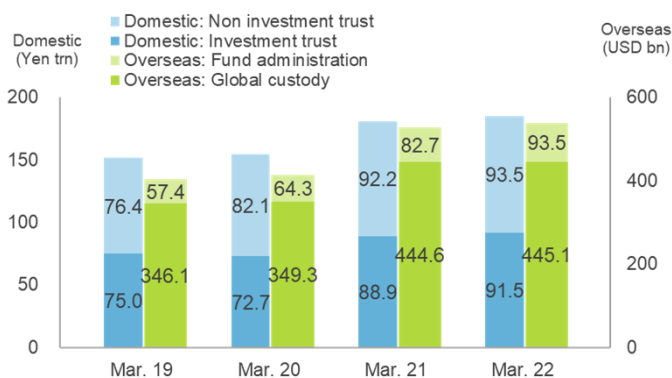


Assets under custody/administration (AUC)

	(Yen trn)	Mar. 21	Mar. 22	Change
9 [Domestic] Investment trust (*4)		88.9	91.5	2.5
10 [Domestic] Non investment trust (*4)		92.2	93.5	1.2
11 [Overseas] Global custody (*5)		444.6	445.1	0.5
12 [Overseas] Fund administration		82.7	93.5	10.7

(*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.)



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

- Individual: New loan amount increased compared to FY20 when marketing activities were restricted by COVID-19
- Corporate: (Corporate Yen) COVID-19 related financing needs settled down. (Foreign currency) Reduced on local currency-denominated basis.

Individual clients

	FY20	FY21	Change	FY22 Plan
(Yen bn)				
1 Annual amount of individuals	1,227.7	1,275.7	48.0	1,100.0
2 Mortgage loans	1,125.5	1,175.0	49.4	1,000.0

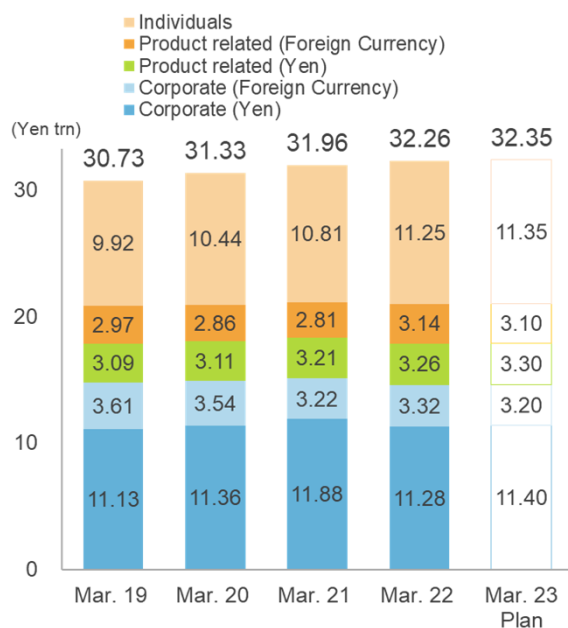
	Mar. 21	Mar. 22	Change	Mar. 23 Plan
(Yen bn)				
3 Outstanding of individual loans	10,819.6	11,251.6	432.0	11,350.0
4 Mortgage loans	10,141.8	10,543.7	401.9	10,650.0

Corporate clients

	Mar. 21	Mar. 22	Change (*)	Mar. 23 Plan
(Yen bn)				
5 Corporate lending (Yen)	11,885.4	11,283.2	(602.2)	11,400.0
6 Corporate lending (Foreign Currency)	3,225.4	3,322.4	97.0	3,200.0
7 Product related (Yen)	3,217.5	3,260.9	43.4	3,300.0
8 Product related (Foreign Currency)	2,812.7	3,144.8	332.0	3,100.0
9 Total balance of credit for corporates	21,141.1	21,011.4	(129.6)	21,000.0
10 Product related	6,030.2	6,405.7	375.5	6,400.0

(*) Impact of foreign exchange: Corporate (Foreign Currency) approx. ¥310.0bn,
Product related (Foreign Currency) approx. ¥280.0bn

Credit portfolio balance



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