



**SuMi TRUST**  
SUMITOMO MITSUI TRUST GROUP

# Summary of Financial Results for 1QFY2022

July 28, 2022

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Definitions of terms in this document

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

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

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

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

Accounting for Business combination related to Management Integration

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

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

# Overview of profits

	(Yen bn)	FY21 1Q	FY22 1Q	Change	FY22 Forecast
1	Net business profit before credit costs (*1)	71.0	96.0	25.0	310.0
2	Substantial gross business profit (*1)	184.8	215.5	30.7	800.0
3	Effective interest related earnings (*2)	74.8	74.7	(0.1)	
4	Net fees and commissions and related profit	100.1	108.4	8.3	
5	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	9.7	32.3	22.5	
6	Substantial G&A expenses (*1)	(113.8)	(119.5)	(5.7)	(490.0)
7	Total credit costs	(1.4)	(8.5)	(7.1)	(20.0)
8	Net gains on stocks	2.1	(0.1)	(2.2)	0.0
9	Other net non-recurring profit	(3.8)	1.3	5.2	
10	Ordinary profit	67.8	88.7	20.8	265.0
11	Extraordinary profit	(0.7)	(0.2)	0.4	
12	Income before income taxes	67.1	88.4	21.3	
13	Total income taxes	(16.2)	(23.7)	(7.4)	
14	Income attributable to non-controlling interests	(0.1)	(0.1)	(0.0)	
15	Net income	50.7	64.5	13.8	190.0
16	Earnings per share (EPS) (Yen)	135	172	36	
17	Number of shares issued (mn shares) (*3)	374.5	374.2	(0.2)	

(Reference)

18	Net interest income and related profit	70.6	65.5	(5.1)
19	Other profit	14.0	41.5	27.5
20	Profit attributable to deployment of surplus foreign currency funds	4.2	9.2	4.9
21	Other	9.7	32.3	22.5

- (\*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 +¥25bn. 31% of progress vs FY22 forecast of ¥310.0bn (excluding Global Markets Business:22% progress)
- (Net fees and commissions and related profit) Real estate brokerage business maintained strong performance (Other profit) Global Markets Business performed well both in client related business and investments, leading increase of net business profit
- Effective interest related earnings maintain same level YoY
- Overall G&A expenses increased YoY mainly due to personnel expenses and conjunction with substantial gross business profit increases

## Total credit costs

- Occurrence of credit cost events due to deterioration in business conditions of our clients. Posted ¥(8.5)bn of total credit cost
- Maintain special loan loss provision of approx.¥21.0bn same as Mar.2022

## Net gains on stocks

- Posted almost zero adding up ¥5.0bn of gains from divestment of strategic shareholdings and ¥(5.0)bn of realized loss from sale of bear funds

## Other net non-recurring profit

- Increased YoY, mainly due to improvement of net losses on stocks related derivatives by ¥8.8bn and losses on investment in partnership by approx. ¥(1.7bn)

## Net income

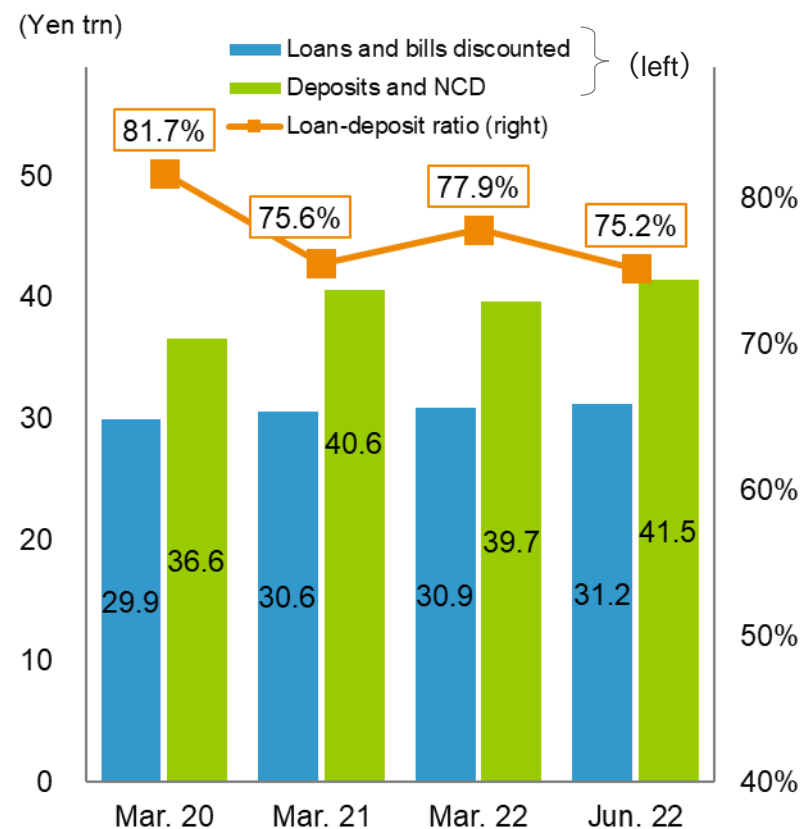
- YoY increase of ¥13.8bn associated with increase of net business profit before credit costs
- 34% of progress vs FY22 forecast of ¥190.0bn

# Overview of balance sheet

		(Yen bn)		
		Mar. 22	Jun. 22	Change
1	Assets	64,633.2	67,570.2	2,937.0
2	Cash and due from banks	18,223.3	19,558.5	1,335.1
3	Securities	7,879.2	7,900.9	21.6
4	Loans and bills discounted	30,876.5	31,379.8	503.2
5	Other assets	7,654.1	8,730.9	1,076.8
6	Liabilities	61,887.9	64,817.6	2,929.7
7	Deposits and NCD	39,818.1	41,695.6	1,877.5
8	Borrowed money from trust account	4,298.8	4,243.3	(55.4)
9	Other liabilities	17,770.9	18,878.6	1,107.6
10	Total net assets	2,745.2	2,752.5	7.2
11	Total shareholders' equity	2,517.5	2,539.0	21.5
12	Total accumulated OCI	198.0	183.8	(14.2)
13	Minority interests, etc.	29.7	29.6	(0.0)
14	Net assets per share (BPS) (Yen)	7,249	7,275	25
15	Number of shares issued (mn shares) (*)	374.5	374.2	(0.2)
(Reference)				
16	Loan-deposit ratio (SuMi TRUST Bank)	77.9%	75.2%	(2.7%)
17	NPL ratio (SuMi TRUST Bank)	0.6%	0.4%	(0.2%)

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

## Loan – deposit ratio(SuMi TRUST Bank)



# Profit by group company

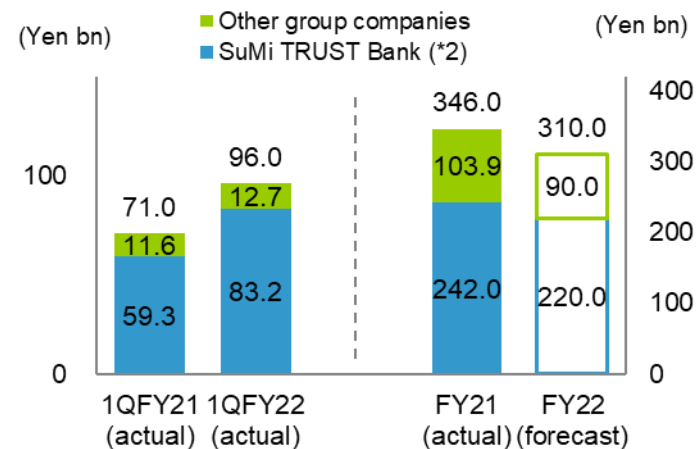
		FY21 1Q	FY22 1Q	Change
		(Yen bn)		
1	Net business profit before credit costs (*1)	71.0	96.0	25.0
2	SuMi TRUST Bank (*2)	59.3	83.2	23.8
3	SuMi TRUST AM	2.4	2.3	(0.0)
4	Nikko AM (*3)	5.9	3.8	(2.0)
5	SuMi TRUST Realty	1.3	1.4	0.0
6	SuMi TRUST Panasonic Finance (*3)	2.2	2.1	(0.0)
7	SuMi TRUST Loan & Finance	2.6	2.7	0.0
8	SBI Sumishin Net Bank (*3)	2.7	3.6	0.9
9	SuMi TRUST Guarantee (*3)	2.9	2.9	0.0
10	SuMi TRUST Club	0.4	0.9	0.5
11	Net income (*1)	50.7	64.5	13.8
12	SuMi TRUST Bank	47.3	59.1	11.7
13	SuMi TRUST AM	1.6	1.6	(0.0)
14	Nikko AM (*3)	4.5	6.1	1.5
15	SuMi TRUST Realty	0.9	1.0	0.0
16	SuMi TRUST Panasonic Finance (*3)	1.1	1.4	0.2
17	SuMi TRUST Loan & Finance	1.6	1.8	0.2
18	SBI Sumishin Net Bank (*3)	2.5	2.4	(0.1)
19	SuMi TRUST Guarantee (*3)	2.0	2.2	0.2
20	SuMi TRUST Club	0.2	0.5	0.3

(\*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.

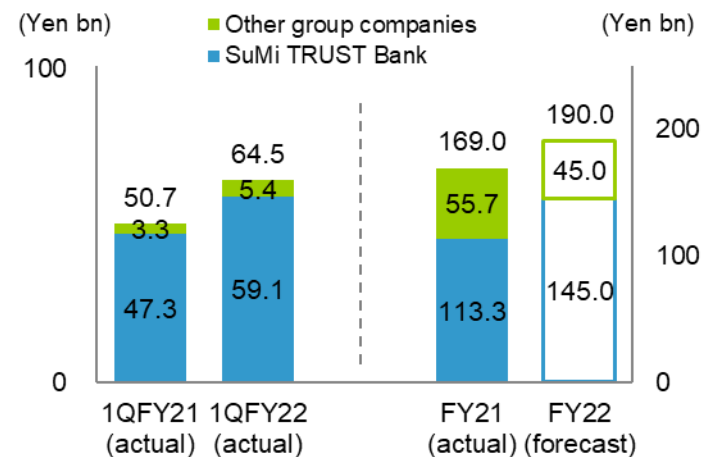
(\*2) Including dividend from group companies (FY21/1Q:¥13.5bn, FY22/1Q:¥14.1bn, YoY change: ¥ 0.5bn)

(\*3) Consolidated basis

## Breakdown of Net business profit before credit costs



## Breakdown of Net income



# Profit by business segment

		FY21/1Q Net business profit before credit costs	Substantial gross business profit		Substantial G&A expenses	FY22/1Q Net business profit before credit costs		FY22 Plan Net business profit before credit costs
(Yen bn)			Change	Change		Change		
1	Total	71.0	215.5	30.7	(119.5)	96.0	25.0	310.0
2	Retail Business	8.2	49.6	2.7	(39.2)	10.4	2.2	34.0
3	SuMi TRUST Bank	4.2	32.2	(1.1)	(27.8)	4.4	0.2	16.0
4	Other group companies	3.9	17.3	3.8	(11.4)	5.9	1.9	18.0
5	Corporate Business	29.1	55.4	4.8	(22.0)	33.3	4.1	126.0
6	SuMi TRUST Bank	23.1	36.9	3.8	(10.5)	26.3	3.2	101.0
7	Other group companies	6.0	18.4	0.9	(11.4)	7.0	0.9	25.0
8	Investor Services Business	17.5	32.1	(1.5)	(16.8)	15.2	(2.2)	51.0
9	SuMi TRUST Bank	15.1	20.7	(2.6)	(8.0)	12.7	(2.4)	43.0
10	Other group companies	2.3	11.3	1.0	(8.8)	2.5	0.2	8.0
11	Real Estate Business	3.6	15.6	5.6	(6.4)	9.1	5.5	35.0
12	SuMi TRUST Bank	2.2	10.1	5.4	(2.4)	7.6	5.4	29.0
13	Other group companies	1.4	5.4	0.2	(4.0)	1.4	0.0	6.0
14	Global Markets Business (*1)	3.2	39.7	32.9	(3.3)	36.4	33.1	48.0
15	Asset Management Business (*2)	8.4	21.5	(2.8)	(15.2)	6.2	(2.1)	30.0

(\*1) Substantial gross business profit and net business profit include equity related profit which is posted as "net gains on stocks" FY21/1Q:¥1.8bn, FY22/1Q:¥0.0bn, YoY change: ¥(1.8)bn and net gains/losses on stock related derivatives which is posted as "other non-recurring profit" (FY21/1Q: ¥(3.4)bn, FY22/1Q: ¥5.4bn, YoY change: ¥8.9bn)

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

# Overview of profit (SuMi TRUST Bank)

(Yen bn)		FY21	FY22	Change
		1Q	1Q	
1	Net business profit before credit costs	59.3	83.2	23.8
2	Gross business profit	120.3	147.2	26.8
3	Effective interest related earnings	78.6	78.1	(0.5)
4	Net interest income and related profit	74.4	68.9	(5.5)
5	Profit attributable to deployment of surplus foreign currency funds	4.2	9.2	4.9
6	Net fees and commissions and related profit	39.4	45.9	6.5
7	Net trading profit	3.7	11.9	8.1
8	Net gains on foreign exchange transactions	23.3	(19.5)	(42.8)
9	Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)	(19.5)	31.4	50.9
10	Net gains on bonds	3.2	(11.8)	(15.0)
11	Net gains from derivatives	(4.4)	23.1	27.5
12	General and administrative expenses	(60.9)	(63.9)	(2.9)
13	Total credit costs	(1.1)	(8.7)	(7.6)
14	Other non-recurring profit	(0.0)	1.8	1.8
15	o/w Net gains on stocks	1.2	0.3	(0.9)
16	Amortization of net actuarial losses	(0.2)	(1.1)	(0.8)
17	Ordinary profit	58.2	76.3	18.0
18	Extraordinary profit	(0.7)	(0.1)	0.5
19	Income before income taxes	57.4	76.1	18.6
20	Total income taxes	(10.1)	(16.9)	(6.8)
21	Net income	47.3	59.1	11.7

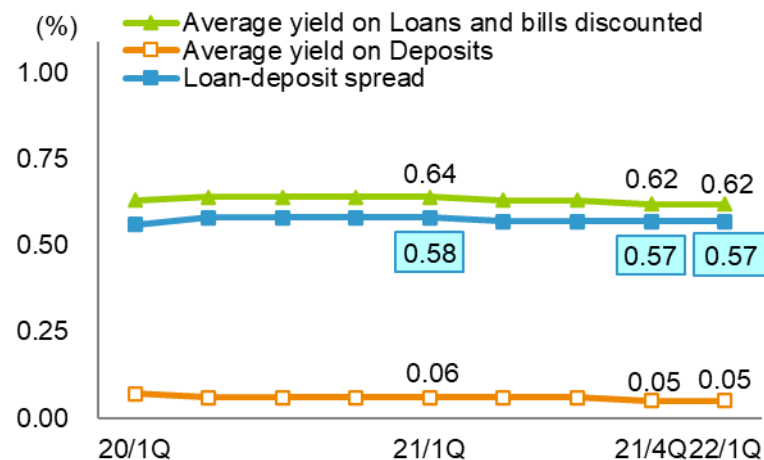
		FY21	FY22	Change
		1Q	1Q	
22	Gross business profit	120.3	147.2	26.8
23	Net interest income and related profit	74.4	68.9	(5.5)
24	Net fees and commissions and related profit	39.4	45.9	6.5
25	Net trading profit	23.3	(19.5)	(42.8)
26	Net other operating profit	(16.8)	51.8	68.7
27	o/w Net gains on foreign exchange transactions	(15.3)	40.6	55.9
28	Profit attributable to deployment of surplus foreign currency funds	4.2	9.2	4.9
29	other	(19.5)	31.4	50.9
30	Net gains on bonds	3.2	(11.8)	(15.0)
31	Net gains from derivatives	(4.4)	23.1	27.5
32	Net fees and commissions and related profit	39.4	45.9	6.5
33	o/w Investment management consulting	10.1	9.9	(0.1)
34	Asset management/administration (*)	15.4	16.0	0.5
35	Real estate brokerage	3.1	8.5	5.3
36	Stock transfer agency services	8.5	8.5	(0.0)
37	Inheritance related services	0.8	0.7	(0.0)
38	Corporate credit related (*)	4.1	5.1	1.0
39	Net gains on bonds	3.2	(11.8)	(15.0)
40	Domestic bonds	1.0	(6.5)	(7.5)
41	Foreign bonds	2.1	(5.3)	(7.4)

(\*) Change the scope of aggregation due to the reorganization of business on April 1, 2022, recalculating the figures for FY21 recalculated based on the new scope

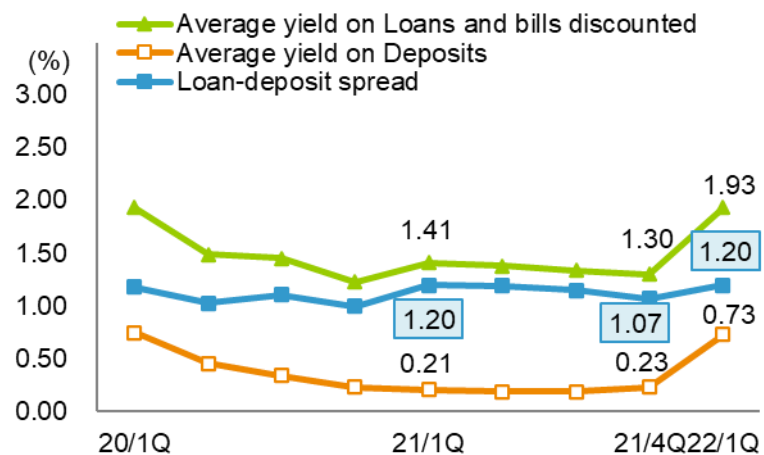
# Net interest income (SuMi TRUST Bank)

	FY22/1Q					
	Average Balance	Change from FY21/1Q	Average Yield	Change from FY21/1Q	Income/Expenses	Change from FY21/1Q
1 Net interest income	(Average balance: Yen trn) (Income/Expenses: Yen bn)				64.0	(5.7)
2 Domestic business			0.36%	(0.03%)	42.5	(1.5)
3 Interest-earning assets	46.27	0.82	0.49%	(0.01%)	57.3	0.0
4 o/w Loans and bills discounted	24.53	(0.11)	0.62%	(0.02%)	38.5	(1.0)
5 Securities	5.18	0.81	1.30%	(0.19%)	16.8	0.6
6 Interest-bearing liabilities	45.64	0.98	0.13%	0.02%	(14.8)	(1.5)
7 o/w Deposits	27.35	(0.17)	0.05%	(0.01%)	(3.8)	0.4
8 Borrowings from trust a/c	4.19	0.17	0.46%	0.00%	(4.8)	(0.2)
9 Swaps	---	---	---	---	(2.4)	(2.2)
10 International business			0.55%	(0.19%)	21.4	(4.2)
11 Interest-earning assets	15.76	1.70	1.51%	0.41%	59.5	20.9
12 o/w Loans and bills discounted	6.67	0.83	1.93%	0.52%	32.2	11.6
13 Due from banks	2.74	0.89	0.85%	0.66%	5.8	4.9
14 Securities	2.61	0.37	2.98%	0.13%	19.4	3.4
15 Interest-bearing liabilities	15.91	1.88	0.96%	0.60%	(38.1)	(25.2)
16 o/w Deposits	6.48	1.41	0.73%	0.52%	(11.8)	(9.0)
17 NCD / USCP	6.23	(0.04)	0.81%	0.67%	(12.6)	(10.3)
18 Repo	1.45	(0.10)	0.77%	0.68%	(2.7)	(2.4)
19 Expenses on swaps	---	---	---	---	(6.0)	(0.4)
20 (+) Trust fees from principal guaranteed trust a/c					4.8	0.2
21 (+) Profit attributable to deployment of surplus foreign currency funds					9.2	4.9
22 Effective interest related earnings					78.1	(0.5)
23 Loan-deposit spread / income in domestic business			0.57%	(0.01%)	34.6	(0.5)
24 Loan-deposit spread / income in international business			1.20%	0.00%	20.3	2.5

## Domestic loan-deposit spread (quarterly)



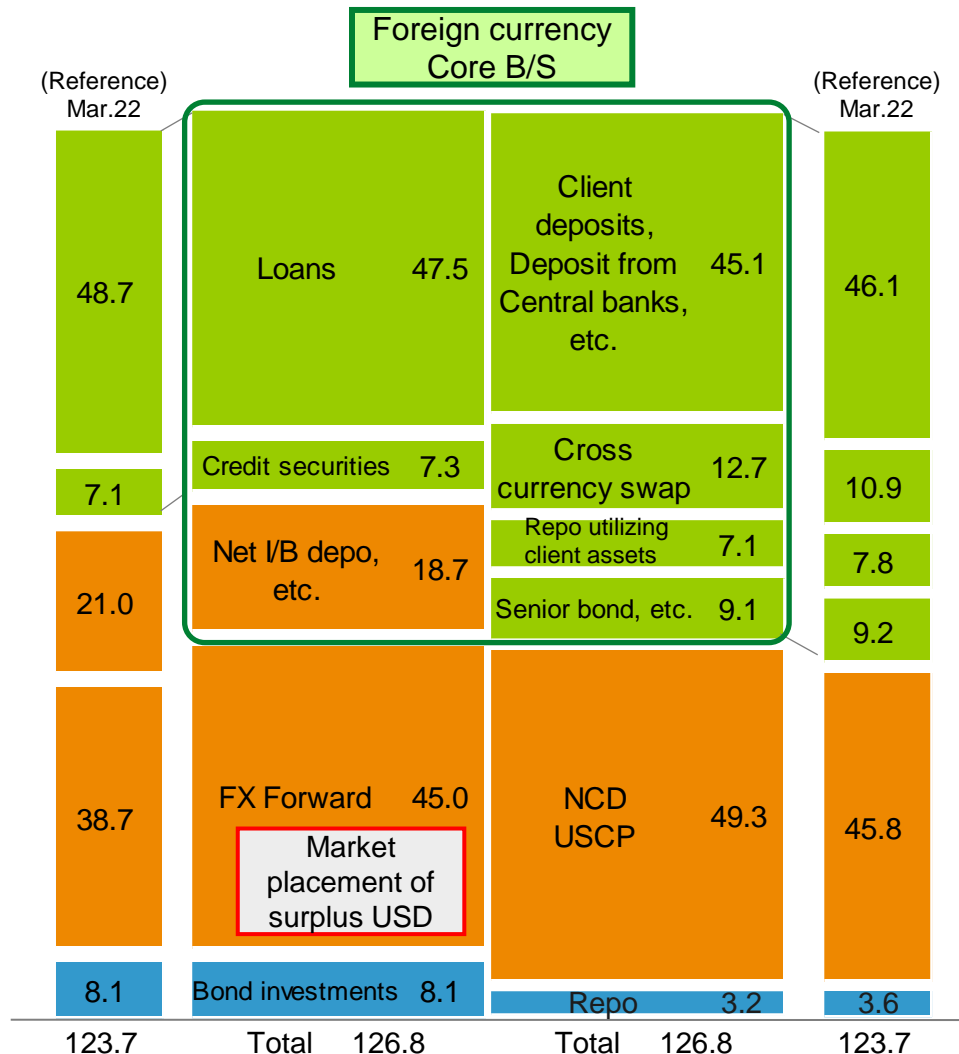
## International loan-deposit spread (quarterly)





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

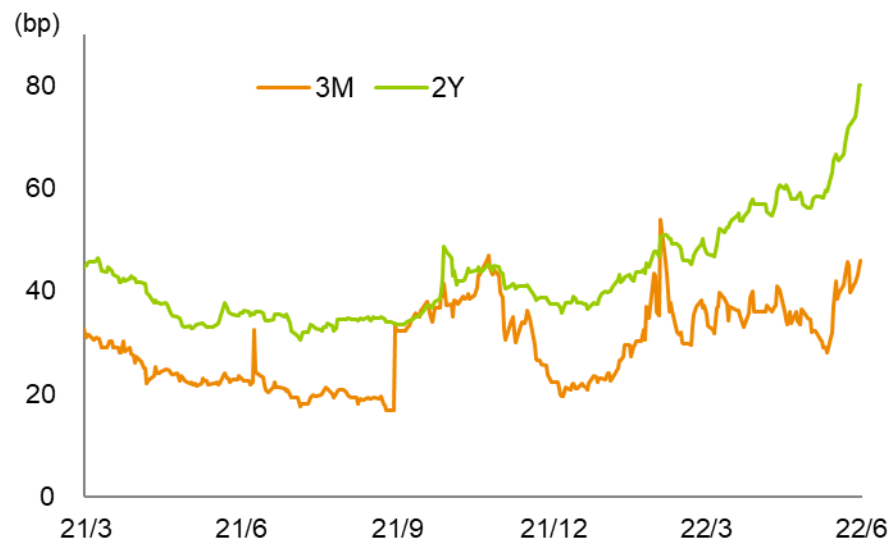
## Foreign currency B/S (as of June 2022) (USD bn)



## 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.

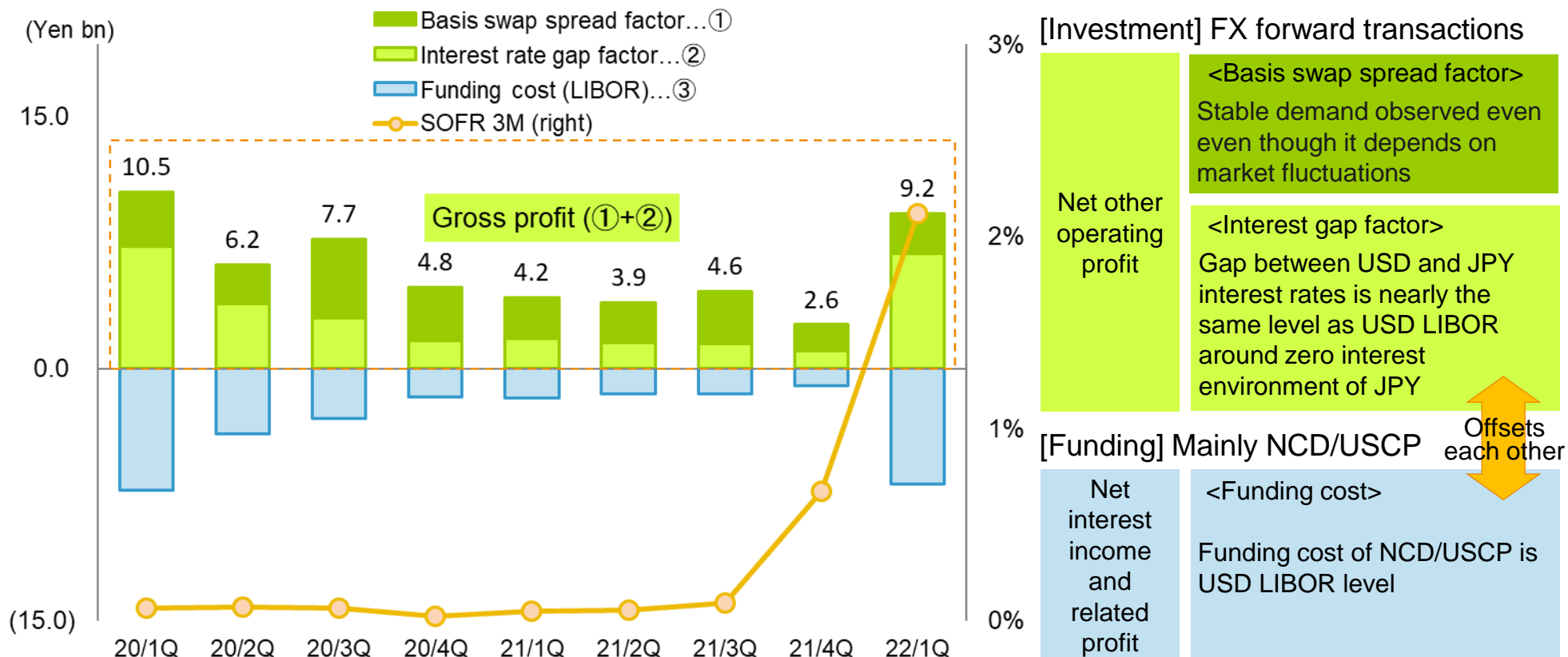
## Basis swap spread (\*) (USD/JPY)



(\*) Basis swap spread with SOFR and TONA as the indexes

# 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 increased due to rising US short-term interest rate. Net profit increased YoY reflecting basis swap spread factor



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

# Total credit costs and Non-Performing Loans (NPLs) based on Banking Act and Reconstruction Act

[Total credit costs]

		FY21 1Q	FY22 1Q	Major factors (FY22/1Q)
1	SuMi TRUST Bank	(1.1)	(8.7)	
2	General allowance for loan losses	(0.1)	3.0	Downgraded: Approx. ¥(12.0)bn Upgraded: Approx. +¥0.5bn Decrease in loan balance, etc. (including recoveries): Approx. +¥3.0bn Small release of special loan loss provision
3	Specific allowance for loan losses	0.3	(11.8)	
4	Recoveries of written-off claims	0.3	0.1	
5	Losses on sales of claims, written-off	(1.6)	(0.0)	
6	Other group companies, etc.	(0.3)	0.1	SuMi TRUST Panasonic Finance +¥0.1bn
7	Total	(1.4)	(8.5)	

As of June 2022, special loan loss provision of approx. ¥21.0bn

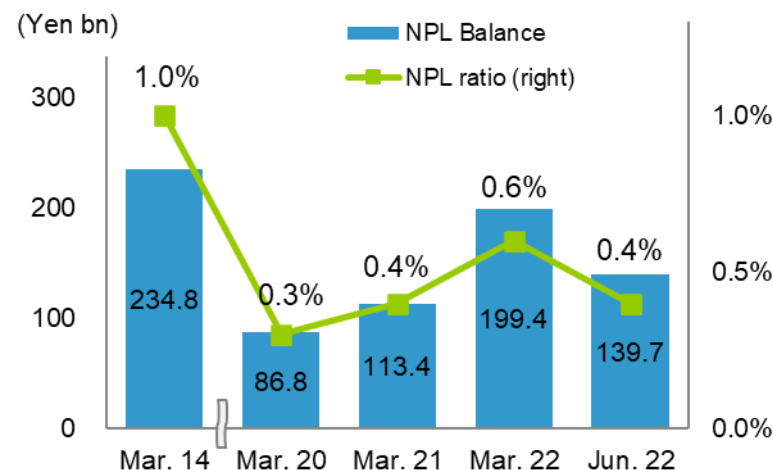
[Non-performing loans (NPLs) based on Banking Act and Reconstruction Act]

		Jun. 22	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 22
8	Total	139.7	80.1%	53.0%	(59.7)
9	NPL ratio	0.4%	---	---	(0.2%)
10	Bankrupt and Practically Bankrupt	41.0	100.0%	100.0%	24.3
11	Doubtful	59.0	81.9%	69.1%	(58.8)
12	Substandard	39.7	57.0%	17.7%	(25.2)
13	Loans past due 3 months or more	-	---	---	-
14	Restructured loans	39.7	---	---	(25.2)
15	Assets to borrowers requiring caution(excluding Substandard)	316.5	---	---	6.5
16	Assets to normal borrowers	31,441.2	---	---	509.3
17	Grand total	31,897.4	---	---	456.2

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

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

## Total Balance and ratio of NPL



# Securities portfolio

## [Securities with fair value]

	(Yen bn)	Costs		Unrealized gains/losses	
		Jun. 22	Change from Mar. 22	Jun. 22	Change from Mar. 22
1 Available-for-sale securities	6,921.9	74.2	357.8	(43.8)	
2 Japanese stocks	544.6	(4.2)	600.2	(60.2)	
3 Japanese bonds	3,312.7	(172.2)	(13.3)	0.1	
4 Others	3,064.5	250.7	(229.0)	16.2	
5 Held-to-maturity debt securities	242.8	4.9	10.9	(2.1)	

## [Securities with fair value (SuMi TRUST Bank)]

6 Available-for-sale securities	6,771.9	79.5	373.1	(43.3)
7 Japanese stocks	518.5	(3.8)	623.9	(60.4)
8 Japanese bonds	3,312.7	(172.2)	(13.3)	0.1
9 o/w Government bonds	2,529.7	(206.8)	(14.9)	(0.3)
10 Others	2,940.5	255.6	(237.4)	16.9
11 Domestic investment	91.1	2.5	2.1	0.0
12 International investment	1,728.1	173.1	(51.7)	(32.8)
13 o/w US Treasury(*1)	634.7	112.5	(34.1)	(18.5)
14 Others (Investment trust, etc.)	1,121.2	79.9	(187.8)	49.8
15 o/w for hedging of strategic shareholdings (*2)	826.7	(13.2)	(204.8)	36.8

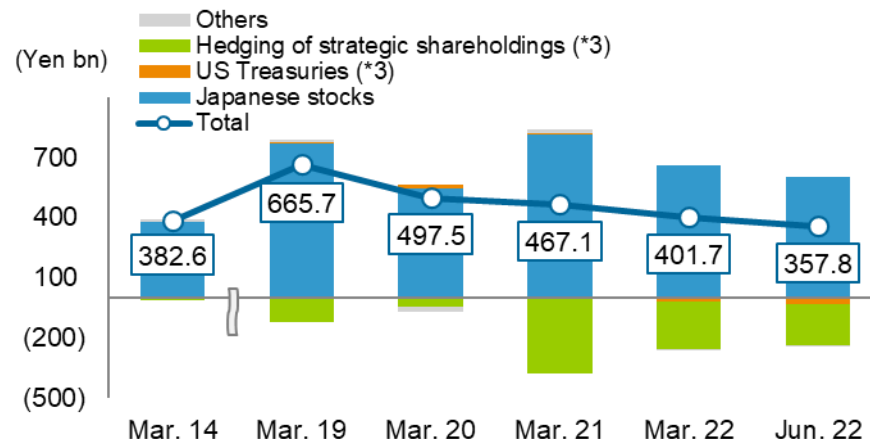
(\*1) Unrealized losses of US Treasury after adjusting PL from hedged derivatives transactions is ¥(9.7)bn

(\*2) Of which hedging effect under capital regulation is recognized: Costs ¥708.3bn,  
Unrealized gains/losses ¥(167.2)bn

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

16 Held-to-maturity debt securities	242.8	4.9	10.9	(2.1)
17 o/w Government bonds	117.4	(0.0)	12.1	(0.9)
18 International investment	66.4	6.5	(1.6)	(1.2)

## Unrealized gains/losses of AFS securities with fair value



(\*3) SuMi TRUST Bank

## Securities portfolio of Global markets (\*4)

	(Yen bn)	10BPV (*5)		Duration (years) (*5)	
		Jun. 22	Change from Mar. 22	Jun. 22	Change from Mar. 22
19 JPY	7.5	0.3	2.6	0.2	
20 Others (*6)	2.2	0.5	3.1	0.2	

(\*4) Managerial reporting basis; "HTM debt securities" and "AFS securities" are combined

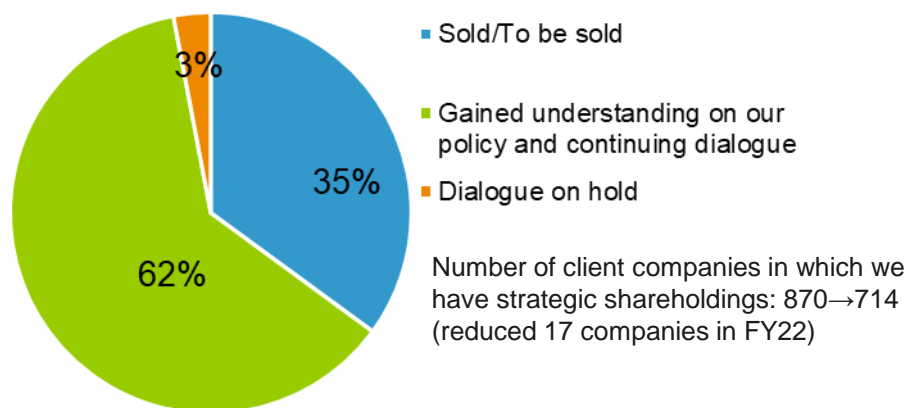
(\*5) In the calculation of 10BPV and duration, investment balance hedged by derivatives transactions, etc. were excluded

(\*6) total of securities denominated in USD, EUR and GBP

# Reduction of strategic shareholdings

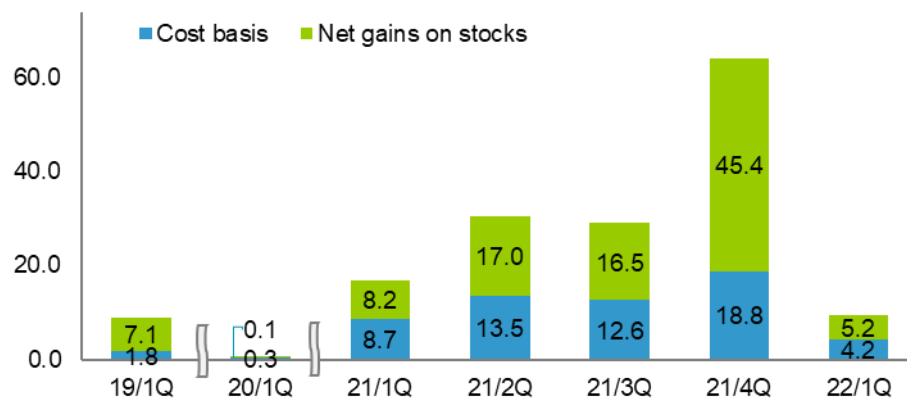
- Continue dialogue with clients, based on our new policy regarding reduction of strategic shareholdings
- Reduced ¥4.2bn(at cost) in FY22/1Q. Amount sold/ to be sold reached 75% of the two-year target

## Dialogue with clients

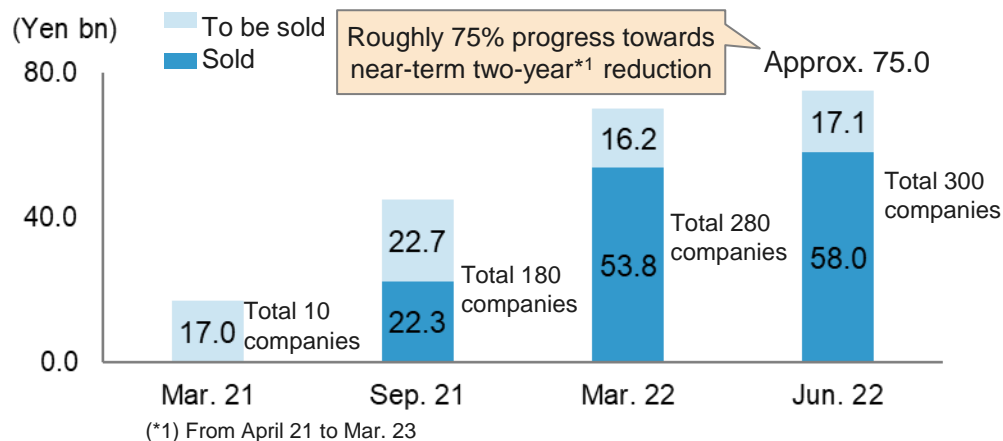


## Reduction (consolidated basis)

(Yen bn)

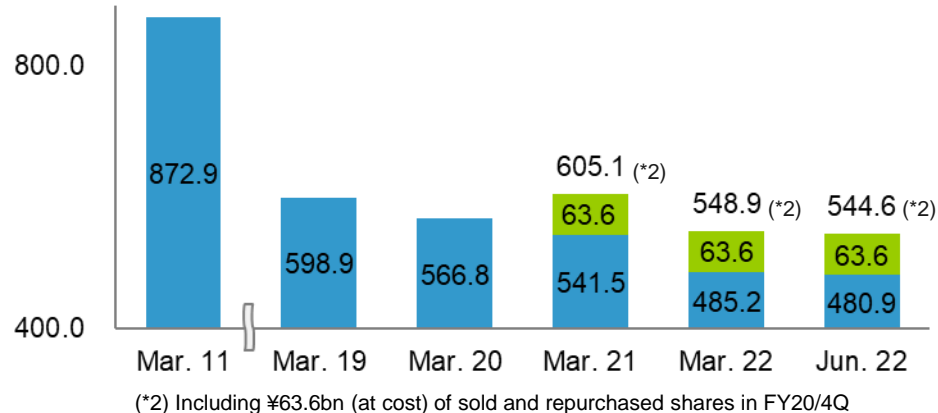


## Amount sold/ to be sold (cost basis) (consolidated basis)



## Cost basis balance of strategic shareholdings(consolidated basis)

(Yen bn)



# Extension of Repurchase period

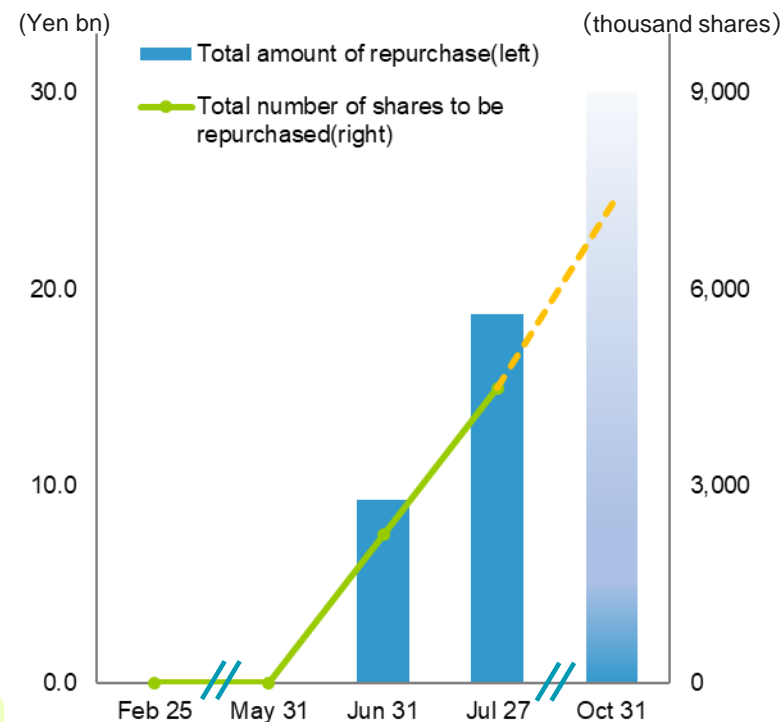
- Extend repurchase period from the end of August, 2022 to the end of October, 2022 to complete share repurchase

## Summary of change of share repurchase

Class of shares to be repurchased	Common stock of SuMi TRUST Holdings	
Total number of shares to be repurchased	Up to 9,000,000 shares Percentage to the total number of shares in issue (excluding treasury stock) 2.40 %	
Total amount of repurchase	Up to JPY 30,000,000,000	
Repurchase period	Before change (Announced in February)	This time
	From February 25, 2022 to August 31, 2022	From February 25, 2022 to October 31, 2022

All repurchased shares will be cancelled on November 18, 2022

## Progress of share repurchase



June 1, 2022

Entered into a discretionary transaction agreement regarding share repurchase

## (Reference) 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

		FY21 Actual	1H		FY22 Forecast	Change from FY21	
			Forecast	Forecast			
(Yen bn)							
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

# Fee business: Investment management consulting

- Total income posted ¥9.9bn due to increased sales fees of insurance and reduced sales fees of investment trust
- Total sales volume increased by ¥28.1bn YoY to ¥318.0bn due to increase of insurance, Fund wrap and SMA

## Income from marketing of investment products

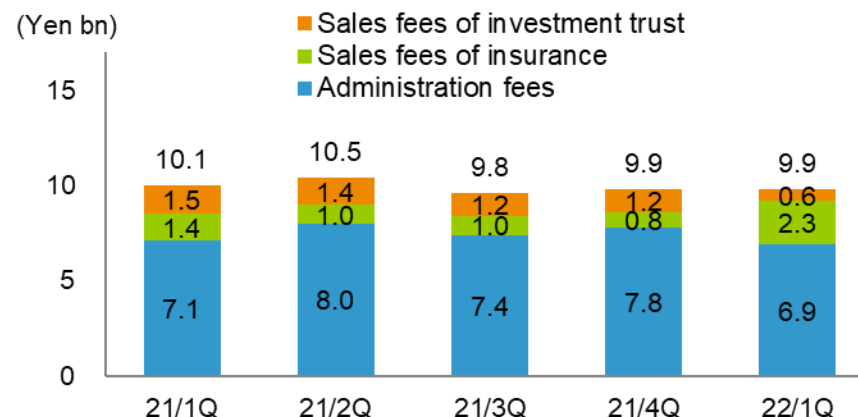
(Yen bn)		FY21 1Q	FY22 1Q	Change
1	Income total	10.1	9.9	(0.1)
2	Sales fees of investment trust	1.5	0.6	(0.9)
3	Sales fees of insurance	1.4	2.3	0.9
4	Administration fees	7.1	6.9	(0.1)

## Sales volume / balance

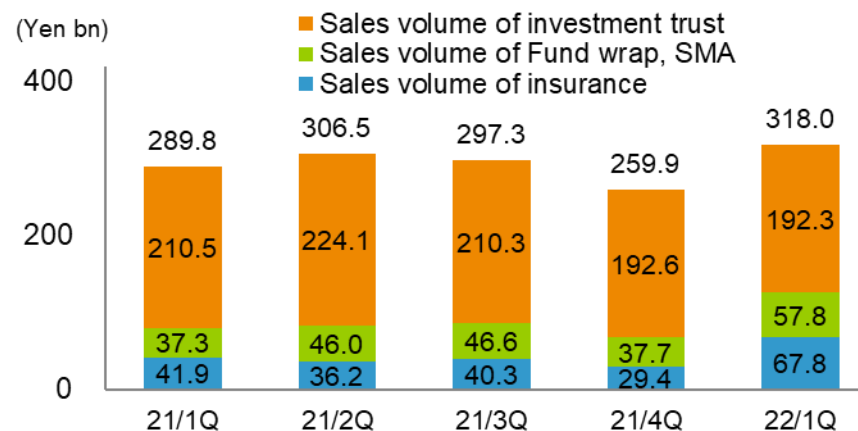
(Yen bn)		FY21 1Q	FY22 1Q	Change
5	Sales volume total	289.8	318.0	28.1
6	Investment trust	210.5	192.3	(18.2)
7	Fund wrap, SMA	37.3	57.8	20.5
8	Insurance	41.9	67.8	25.8

(Yen bn)		Mar. 22	Jun. 22	Change
9	Balance total	7,306.6	7,102.5	(204.0)
10	Investment trust	3,886.8	3,736.3	(150.4)
11	Fund wrap, SMA	1,032.3	1,048.9	16.5
12	Insurance	2,387.4	2,317.2	(70.2)

## Income from marketing (quarterly)



## Sales volume (quarterly)





# Fee business: Real estate

- Corporate real estate brokerage (SuMI TRUST): Increased by ¥5.3bn YoY to ¥8.5bn due to closing large transactions
- Retail real estate brokerage(SuMI TRUST Realty): Ensured high levels at the same level as 21/1Q by maintaining steady performance

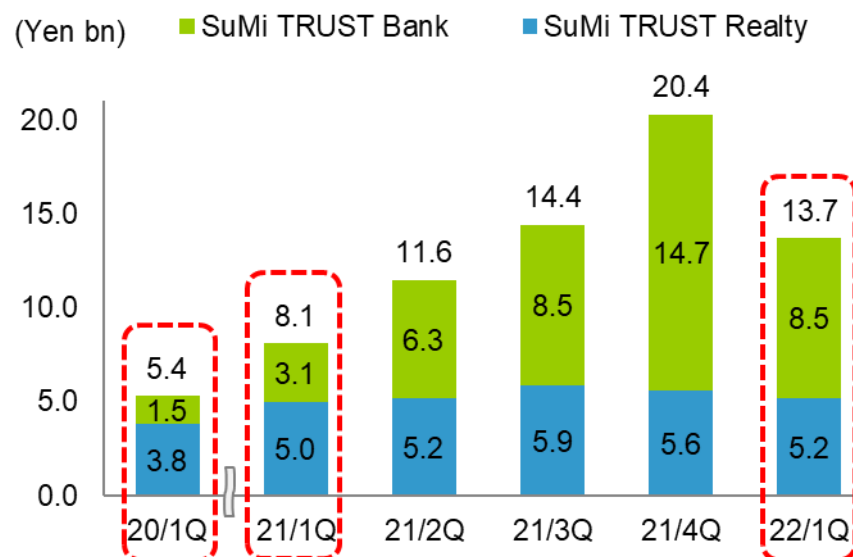
## Income (group base)

	(Yen bn)	FY21	FY22	Change
		1Q	1Q	
1 Real estate brokerage fees		8.1	13.7	5.5
2    SuMI TRUST Bank		3.1	8.5	5.3
3    SuMI TRUST Realty		5.0	5.2	0.1
4 Real estate trust fees, etc.		1.4	1.5	0.0
5 Net other real estate profit		0.2	0.2	0.0
6    SuMI TRUST Bank		-	-	-
7    Group companies		0.2	0.2	0.0
8 Total		9.9	15.5	5.6
9    o/w SuMI TRUST Bank		4.6	10.1	5.4

## Assets under management / administration

	(Yen bn)	Mar. 22	Jun. 22	Change
10 Securitized real estate		22,023.8	22,329.0	305.1
11 Assets under custody from J-REITs		17,508.0	16,731.2	(776.8)
12 Assets under management		624.5	616.6	(7.9)
13    Private placement funds		340.2	332.3	(7.9)
14    J-REITs		284.3	284.3	-

## Real estate brokerage fees (quarterly)



# Fee business: Asset management/administration

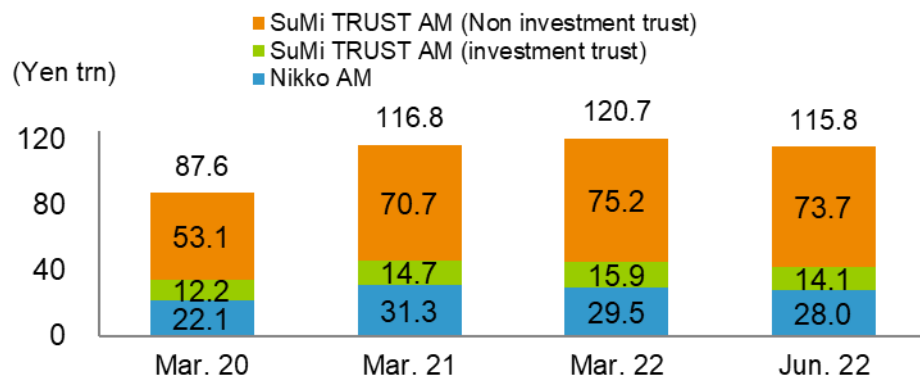
- AUM decreased by ¥4.9trn to approx. ¥116trn from March 2022 mainly due to decline of market value
- AUC decreased mainly due to decline of market value except for domestic non investment trust

## Assets under management (AUM)

(Yen trn)		Mar. 22	Jun. 22	Change
1	Assets under management (*1)	120.7	115.8	(4.9)
2	SuMi TRUST AM	91.2	87.8	(3.4)
3	Investment trust	15.9	14.1	(1.8)
4	Non investment trust (*2)	75.2	73.7	(1.5)
5	Corporate pension trust	14.8	14.1	(0.6)
6	Public pension trust	12.9	12.5	(0.3)
7	Discretionary investment	47.5	46.9	(0.5)
8	Nikko AM	29.5	28.0	(1.5)

(\*1) Categorized by entity actually managing asset

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



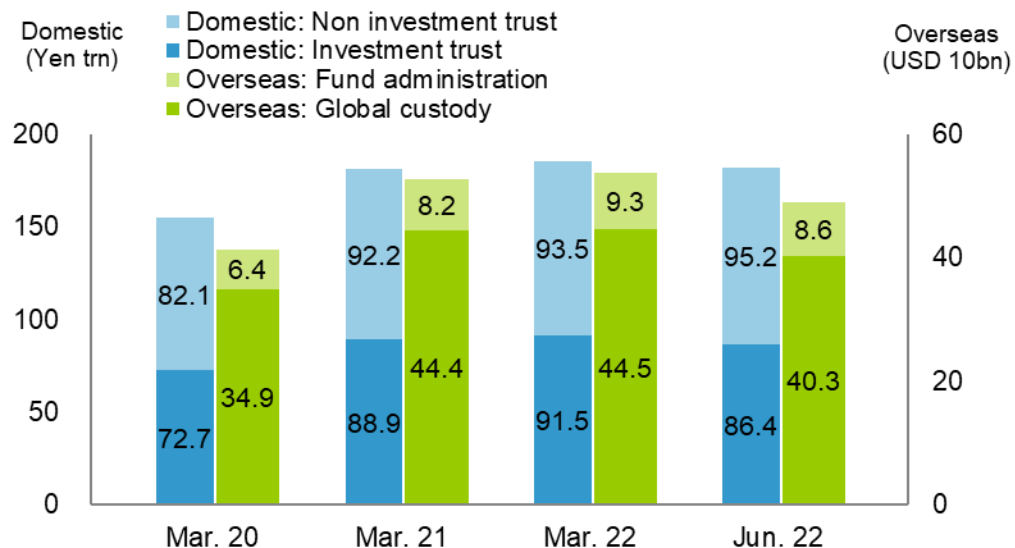
USD/JPY	108.69	110.65	122.38	136.69
TOPIX	1,403.04	1,954.00	1,946.40	1,870.82

## Assets under custody/administration (AUC)

(Yen trn)		Mar. 22	Jun. 22	Change
[Domestic]				
9	Investment trust (*3)	91.5	86.4	(5.0)
10	Non investment trust (*3)	93.5	95.2	1.7
[Overseas] (USD 10bn)				
11	Global custody (*4)	44.5	40.3	(4.2)
12	Fund administration	9.3	8.6	(0.6)

(\*3) Entrusted balance of SuMi TRUST Bank

(\*4) 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: Keep outstanding while decrease of new mortgage loan amount
- Corporate: Continue to shift from corporate to product lending. Increased total outstanding mainly due to JPY depreciation

## Individual clients

		(Yen bn)		
		FY21 1Q	FY22 1Q	Change
1	Annual amount of individuals	312.1	227.2	(84.8)
2	Mortgage loans	294.4	204.6	(89.8)

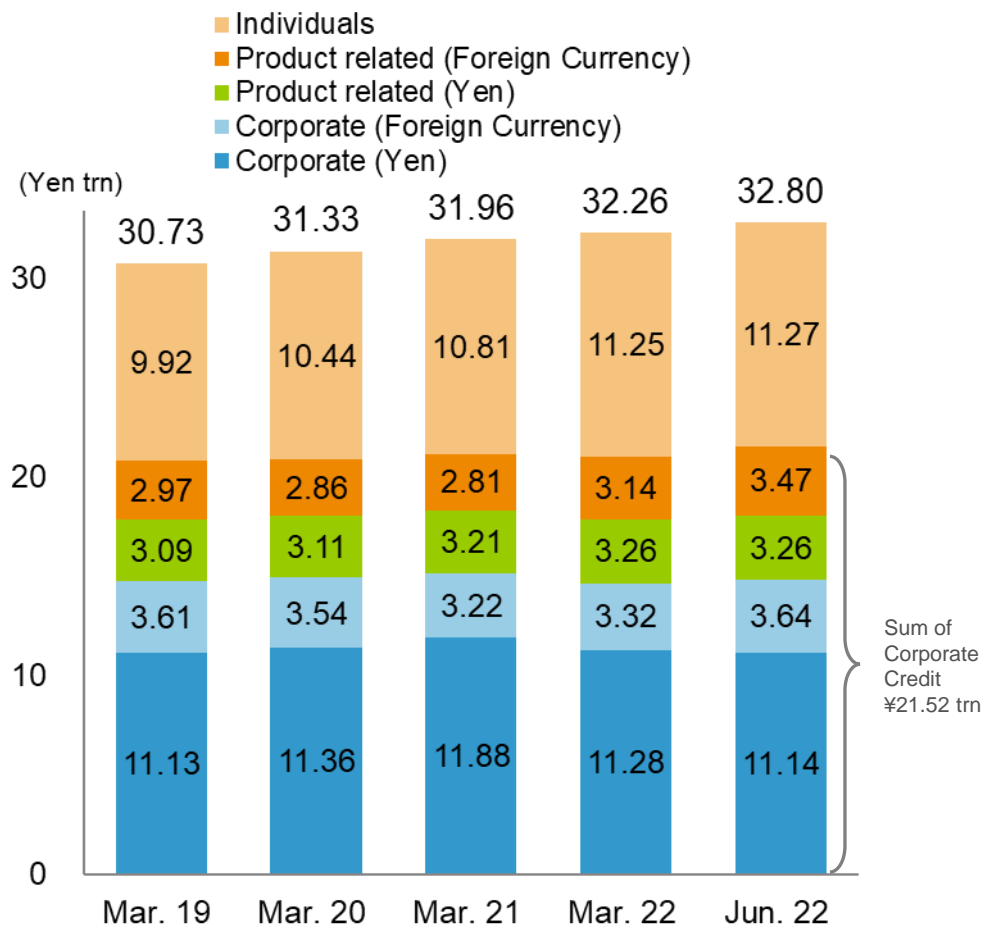
		(Yen bn)		
		Mar. 22	Jun. 22	Change
3	Outstanding of individual loans	11,251.6	11,270.6	18.9
4	Mortgage loans	10,543.7	10,561.9	18.1

## Corporate clients

		(Yen bn)		
		Mar. 22	Jun. 22	Change (*)
5	Corporate lending(Yen)	11,283.2	11,144.0	(139.2)
6	Corporate lending(Foreign Currency)	3,322.4	3,642.9	320.5
7	Product related (Yen)	3,260.9	3,269.6	8.7
8	Product related (Foreign Currency)	3,144.8	3,472.7	327.9
9	Total balance of credit for corporates	21,011.4	21,529.4	517.9
10	Product related	6,405.7	6,742.4	336.6

(\*) Impact of foreign exchange: Corporate (Foreign Currency) approx. ¥345.0bn,  
Product related (Foreign Currency) approx. ¥315.0bn

## Credit portfolio balance



# Capital

- Common Equity Tier 1 ratio:12.12%. DOWN 0.19 ppt from Mar. 2022 due to increase in RWA, mainly due to an increase in foreign currency-denominated loan as a result of weaker JPY. Pro-forma CET1 capital ratio on finalized Basel III:9.7% also down 0.2ppt(\*1)
- Both leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

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

		Mar. 22	Jun. 22	Change
		(Yen bn)		
1	Total capital ratio	15.61%	15.26%	(0.35%)
2	Tier 1 capital ratio	13.71%	13.48%	(0.23%)
3	Common Equity Tier 1 capital ratio	12.31%	12.12%	(0.19%)
4	Total capital	3,144.4	3,163.9	19.4
5	Tier 1 capital	2,761.5	2,796.2	34.7
6	Common Equity Tier 1 capital	2,480.1	2,514.5	34.4 (1)
7	Instruments and reserves	2,682.8	2,723.8	41.0
8	Accumulated other comprehensive income (*2)	198.0	183.8	(14.2)
9	Regulatory adjustments	(202.6)	(209.2)	(6.6)
10	Additional Tier 1 capital	281.3	281.6	0.3
11	Tier 2 capital	382.9	367.6	(15.2)
12	Total risk-weighted assets	20,135.3	20,732.7	597.3
13	Credit risk	17,921.0	18,400.8	479.7 (2)
14	Market risk	1,268.5	1,386.2	117.6
15	Operational risk	945.7	945.7	-

(\*2) Valuation differences on Available-for-Sale Securities (June. 2022): ¥243.5bn  
(Change from Mar. 2022: ¥(34.0)bn)

(\*3) 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.

(\*4) Average figures in 1QFY2022. "Change from Mar. 22" represents the comparison to figure for 4QFY2021 calculated in the same manner

## <Major factors of change in capital adequacy ratios>

### [Capital]

- (1) Common Equity Tier 1 capital: +¥34.4bn  
 •Net income: +¥64.6bn •Unrealized gains/losses of AFS: ¥(34.0)bn  
 •Repurchase of own shares: ¥(9.3)bn

### [Risk-weighted assets]

- (2) Credit risk: +¥479.7bn  
 •Increase in foreign currency-denominated loan due to weaker JPY  
 :approx. +¥500.0bn

(\*1) The capital impact associated with investment in alternative asset portfolio disclosed on July 7, 2022 has not been reflected as the investment has not been executed as of the end of June, 2022.

## <Other ratios required in prudential regulations (consolidated)>

		Jun. 22	Change from Mar. 22
		(Yen bn)	
16	Leverage ratio (*3)	5.28%	(0.04%)
17	Including current account with the Bank of Japan	4.03%	(0.09%)
18	Tier 1 capital	2,796.2	34.7
19	Total exposure (*3)	52,870.0	993.1
20	Including current account with the Bank of Japan	69,216.1	2,254.9
21	Liquidity coverage ratio (*4)	146.0%	(14.8%)
22	Total high-quality liquid assets	18,252.5	523.3
23	Net cash outflows	12,501.1	1,482.3