



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for 1HFY2022

November 11, 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

Financial results for 1HFY2022, Forecast for FY2022

- Net business profit and Net income both exceeded forecast. Progress against original full year forecast was also solid, at 54% and 55%
- Net business profit and Net income both declined YoY. Mainly due to the dearth of favorable market conditions that prevailed in the previous fiscal year, which was included in the forecast for FY22.
- Full-year forecast for FY22 remain unchanged in consideration of the current uncertain business environment.

<Major KPIs>

(Yen bn)		1HFY21 Actual	Forecast	1HFY22 Actual	change from FY21	change from Forecast	FY22 Plan	change from FY21
1	Net business profit before credit costs	174.4	145.0	168.2	(6.2)	+ 23.2	310.0	(36.0)
2	Substantial gross business profit	400.7	385.0	408.5	+ 7.7	+ 23.5	800.0	(8.1)
3	Substantial G&A Expenses	(226.2)	(240.0)	(240.2)	(13.9)	(0.2)	(490.0)	(27.9)
4	Total credit costs	5.1	(10.0)	(8.8)	(14.0)	+ 1.2	(20.0)	+ 21.5
5	Net gains on stocks	(18.0)	0.0	(2.5)	+ 15.5	(2.5)	0.0	+ 38.3
6	Other net non-recurring profit, Extraordinary profit	(10.1)	(12.0)	(12.3)	(2.1)	(0.3)	(25.0)	+ 13.1
7	Net income	111.0	90.0	104.0	(6.9)	+ 14.0	190.0	+ 20.9
8	Fee income ratio	50.7%		53.2%	+2.5%			
9	Overhead ratio	56.4%	62.3%	58.8%	+2.4%	(3.5%)	61.3%	2.5%
10	Return on equity	8.11%		7.63%	(0.48%)			
11	Common Equity Tier 1 capital ratio	12.65%		11.11%	(1.54%)	(*)		

(*) Pro-forma figure of Sep. 22 CET1 Capital Ratio on finalized Basel III reform basis is 9.3%.

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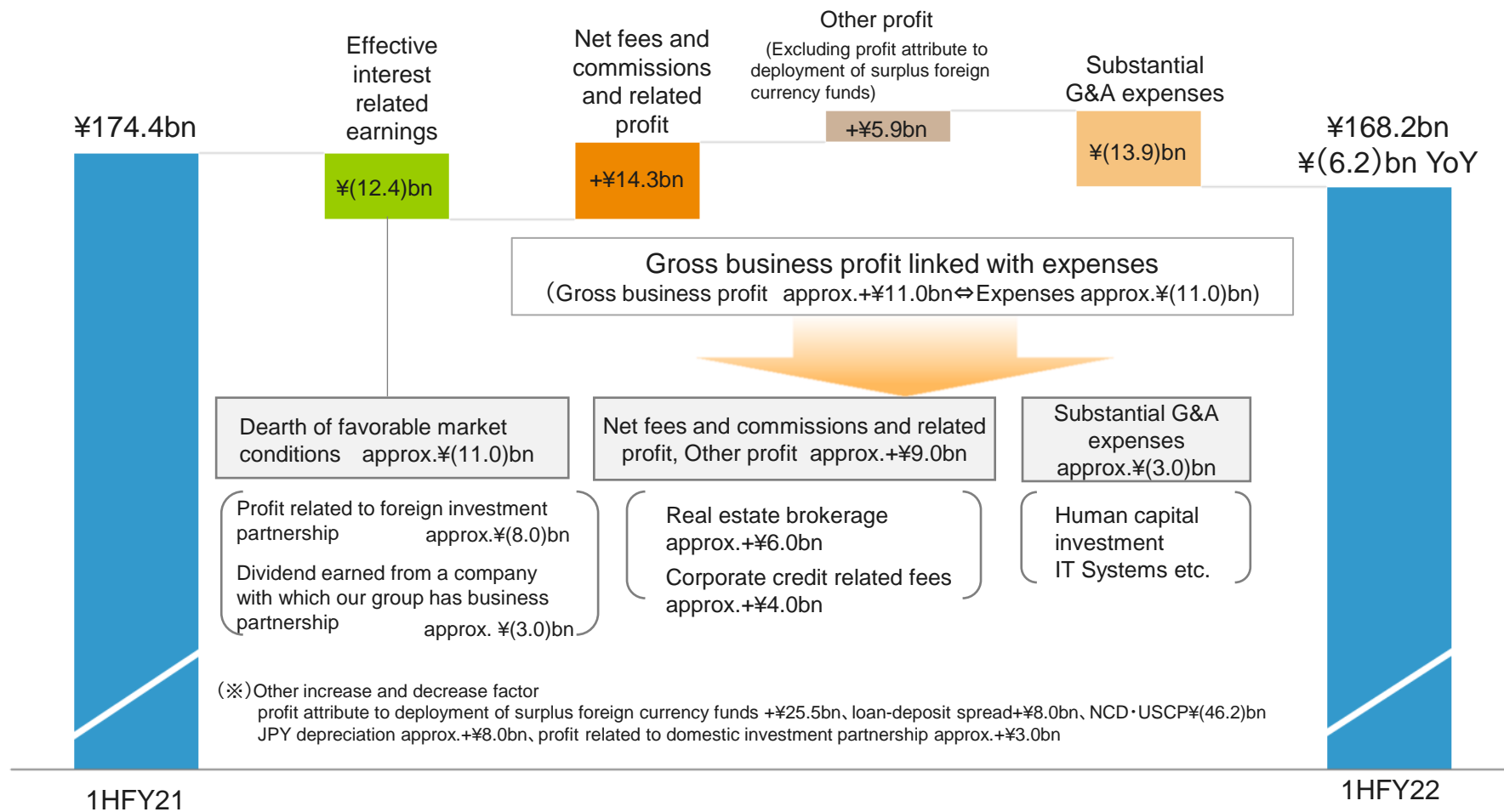
(Yen)		1HFY21 Actual	1HFY22 Actual	Change	FY22 Plan	change from FY21
12	Earnings per share (EPS)	296	279	(16)	514	+62
13	Dividend per share (DPS)	80	100	+20	200	+30
(Yen)		Mar. 22	Sep. 22	Change		
14	Net assets per share (BPS)	7,249	7,406	+157		

<Shareholders' return>

	FY22 Plan
15 Dividend payout ratio	38.7%

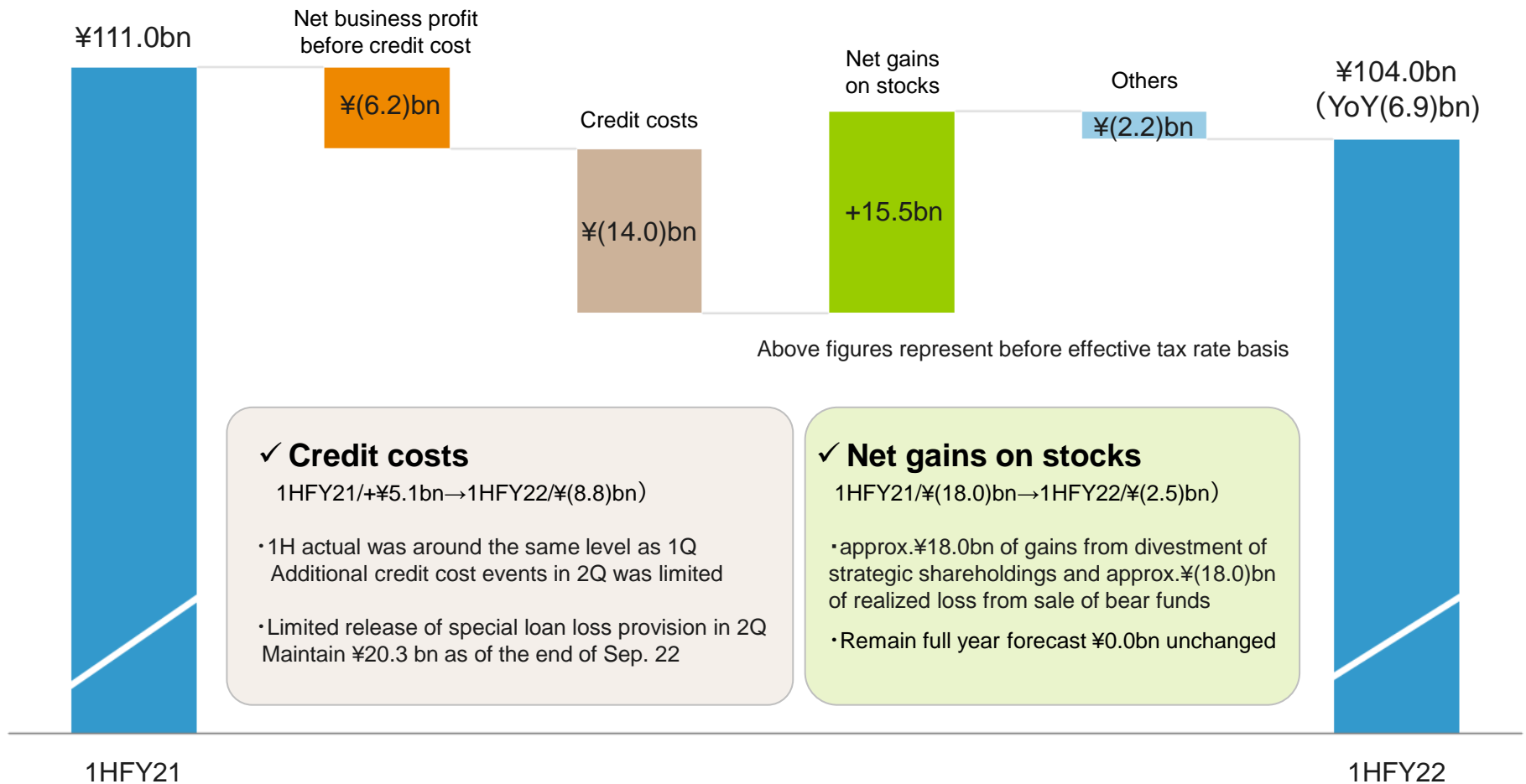
Net business profit before credit costs

- Effective interest related earnings declined, mainly due to the dearth of favorable market conditions that prevailed in the previous fiscal year
- Net fees and commissions increased. Real estate brokerage business continued to perform well and corporate credit related fees also contributed
- Substantial G&A expenses increased. Due to investments in human capital and IT systems in addition to expenses linked with gross business profit increases



Net Income

- 55% progress against the full year forecast of ¥190.0 bn. Decrease of ¥6.9 bn YoY, mainly due to lower net business profit
- Credit costs increased ¥(14.0) bn YoY, while net gains on stocks increased by ¥15.5 bn YoY due to the elimination of loss in 1HFY21



Overview of profits

	(Yen bn)	1HFY21	1HFY22	Change	FY22 Forecast
1	Net business profit before credit costs (*1)	174.4	168.2	(6.2)	310.0
2	Substantial gross business profit (*1)	400.7	408.5	7.7	800.0
3	Effective interest related earnings (*2)	163.8	151.3	(12.4)	
4	Net fees and commissions and related profit	203.2	217.5	14.3	
5	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	33.7	39.6	5.9	
6	Substantial G&A expenses (*1)	(226.2)	(240.2)	(13.9)	(490.0)
7	Total credit costs	5.1	(8.8)	(14.0)	(20.0)
8	Net gains on stocks	(18.0)	(2.5)	15.5	0.0
9	Other net non-recurring profit	(9.4)	(11.7)	(2.2)	(25.0)
10	Ordinary profit	152.0	145.1	(6.9)	265.0
11	Extraordinary profit	(0.6)	(0.6)	0.0	
12	Income before income taxes	151.4	144.4	(6.9)	
13	Total income taxes	(39.9)	(39.9)	0.0	
14	Income attributable to non-controlling interests	(0.4)	(0.5)	(0.1)	
15	Net income	111.0	104.0	(6.9)	190.0
16	Earnings per share (EPS) (Yen)	296	279	(16)	
17	Number of shares issued (mn shares) (*3)	374.5	371.7	(2.7)	

(Reference)

18	Net interest income and related profit	155.6	117.5	(38.0)
19	Other profit	41.9	73.4	31.5
20	Profit attributable to deployment of surplus foreign currency funds	8.1	33.7	25.5
21	Other	33.7	39.6	5.9

(*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

- Robust 54% progress vs FY22 forecast of ¥310.0bn
- Decreased YoY ¥(6.2)bn mainly due to dearth of favorable market conditions
- (Effective interest related earnings) Decreased YoY ¥(12.4)bn mainly due to absence of favorable market conditions and increase of funding costs due to rise in overseas interest rates
- (Net fees and commissions and related profit) YoY increase of ¥14.3bn Real estate brokerage fees propelled increase in fee income. Corporate credit related fees and asset administration fees also contributed but asset management fees decreased
- Substantial G&A expenses increased YoY mainly due to personnel expenses and expenses linked with gross business profit increases

Total credit costs

- Posted ¥(8.8)bn of total credit costs. Additional credit cost in 2Q was limited
- Negligible release of special loan loss provision
- Maintain special loan loss provision of over ¥20.0bn

Net gains on stocks

- Posted ¥(2.5)bn net loss from approx.¥18.0bn of gains from divestment of strategic shareholdings and ¥(18.0)bn of realized loss from sale of bear funds and impairment loss of listed stocks

Other net non-recurring profit

- YoY net losses on stocks related derivatives improved by ¥3.8bn, losses on investment in partnership increased by approx. ¥(3.3)bn and amortization of actuarial net differences increased by ¥(1.3)bn

Net income

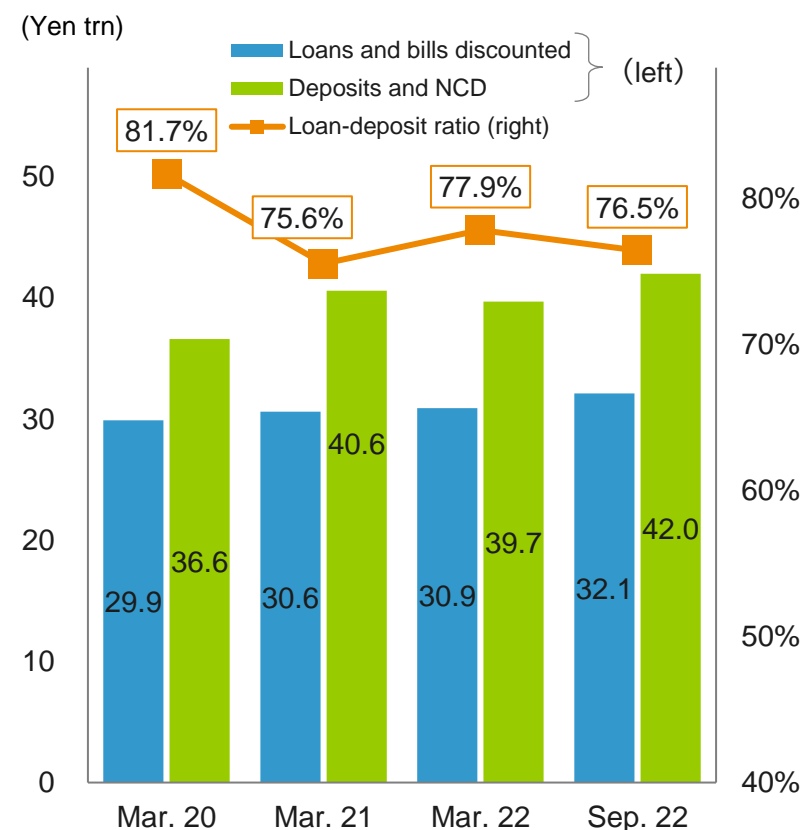
- 55% progress vs FY22 forecast of ¥190.0bn
- YoY decrease of ¥(6.9)bn mainly due to decrease of net business profit before credit costs

Overview of balance sheet

(Yen bn)		Mar. 22	Sep. 22	Change
1	Assets	64,633.2	68,838.0	4,204.7
2	Cash and due from banks	18,223.3	19,677.8	1,454.4
3	Securities	7,879.2	7,226.9	(652.2)
4	Loans and bills discounted	30,876.5	32,281.5	1,405.0
5	Other assets	7,654.1	9,651.6	1,997.5
6	Liabilities	61,887.9	66,086.0	4,198.1
7	Deposits and NCD	39,818.1	42,273.3	2,455.2
8	Borrowed money from trust account	4,298.8	4,357.6	58.8
9	Other liabilities	17,770.9	19,455.0	1,684.0
10	Total net assets	2,745.2	2,751.9	6.6
11	Total shareholders' equity	2,517.5	2,557.9	40.4
12	Total accumulated OCI	198.0	163.9	(34.0)
13	Minority interests, etc.	29.7	30.0	0.2
14	Net assets per share (BPS) (Yen)	7,249	7,321	71
15	Number of shares issued (mn shares) (*)	374.5	371.7	(2.7)
(Reference)				
16	Loan-deposit ratio (SuMi TRUST Bank)	77.9%	76.5%	(1.4%)
17	NPL ratio (SuMi TRUST Bank)	0.6%	0.5%	(0.1%)

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

Loan – deposit ratio (SuMi TRUST Bank)



Profit by group company

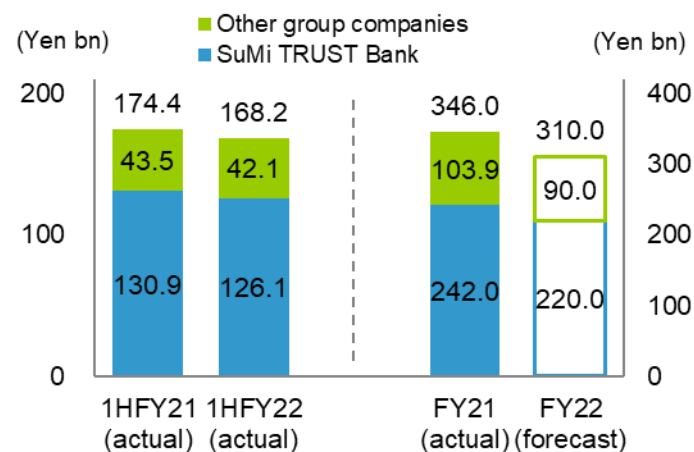
	(Yen bn)	1H FY21	1H FY22	Change
1 Net business profit before credit costs (*1)		174.4	168.2	(6.2)
2 SuMi TRUST Bank (*2)		130.9	126.1	(4.8)
3 SuMi TRUST AM		5.4	4.8	(0.5)
4 Nikko AM (*3)		17.0	8.2	(8.7)
5 SuMi TRUST Realty		2.8	3.1	0.2
6 SuMi TRUST Panasonic Finance (*3)		4.7	4.6	(0.0)
7 SuMi TRUST Loan & Finance		5.3	5.4	0.1
8 SBI Sumishin Net Bank (*3)		5.0	7.2	2.2
9 SuMi TRUST Guarantee (*3)		5.8	5.8	0.0
10 SuMi TRUST Club		1.3	2.1	0.8
11 UBS SuMi TRUST Wealth Management		-	2.1	2.1
12 Net income (*1)		111.0	104.0	(6.9)
13 SuMi TRUST Bank		87.5	82.4	(5.1)
14 SuMi TRUST AM		3.7	3.3	(0.3)
15 Nikko AM (*3)		12.8	9.0	(3.8)
16 SuMi TRUST Realty		1.9	2.2	0.2
17 SuMi TRUST Panasonic Finance (*3)		2.2	3.2	0.9
18 SuMi TRUST Loan & Finance		3.6	3.8	0.1
19 SBI Sumishin Net Bank (*3)		4.2	4.7	0.5
20 SuMi TRUST Guarantee (*3)		4.0	4.3	0.3
21 SuMi TRUST Club		0.9	1.3	0.3
22 UBS SuMi TRUST Wealth Management		-	1.5	1.5

(*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.

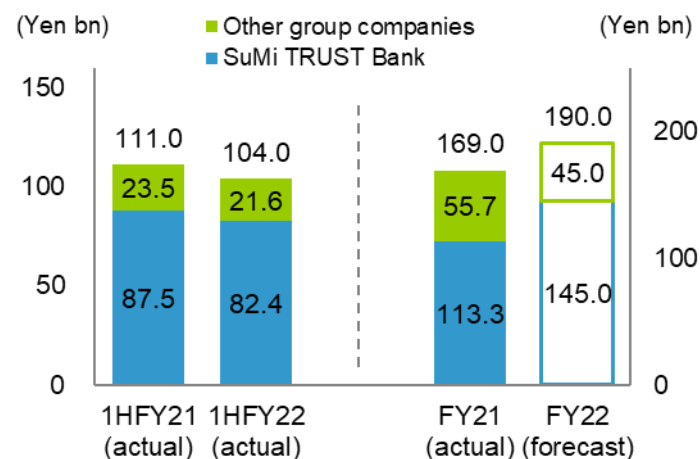
(*2) Including dividend from group companies (1H FY21: ¥13.5bn, 1H FY22: ¥14.2bn, YoY change: ¥ 0.6bn)

(*3) Consolidated basis

Breakdown of Net business profit before credit costs



Breakdown of Net income



Profit by business segment

(Yen bn)		1HFY21 Net business profit before credit costs	Substantial gross business profit	Change	Substantial G&A expenses	1HFY22 Net business profit before credit costs	Change	FY22 Plan Net business profit before credit costs
1	Total	174.4	408.5	7.7	(240.2)	168.2	(6.2)	310.0
2	Retail Business	16.6	100.2	6.3	(78.6)	21.6	4.9	34.0
3	SuMi TRUST Bank	8.0	65.8	(0.8)	(55.7)	10.1	2.1	16.0
4	Other group companies	8.6	34.4	7.1	(22.9)	11.4	2.8	18.0
5	Corporate Business	60.0	110.9	8.8	(43.3)	67.5	7.5	126.0
6	SuMi TRUST Bank	47.3	74.2	6.2	(21.2)	53.0	5.6	101.0
7	Other group companies	12.6	36.6	2.5	(22.1)	14.5	1.8	25.0
8	Investor Services Business	36.4	63.8	(5.0)	(34.3)	29.5	(6.9)	51.0
9	SuMi TRUST Bank	31.6	39.4	(8.6)	(16.0)	23.3	(8.2)	43.0
10	Other group companies	4.8	24.4	3.6	(18.3)	6.1	1.3	8.0
11	Real Estate Business	10.9	30.1	6.4	(13.2)	16.8	5.9	35.0
12	SuMi TRUST Bank	7.7	18.2	5.5	(4.9)	13.2	5.5	29.0
13	Other group companies	3.1	11.9	0.9	(8.3)	3.5	0.3	6.0
14	Global Markets Business (*1)	27.5	40.9	5.9	(7.2)	33.7	6.2	48.0
15	Asset Management Business (*2)	22.5	43.9	(9.1)	(30.6)	13.2	(9.3)	30.0

(*1) Substantial gross business profit and net business profit include equity related profit which is posted as "net gains on stocks" 1HFY21:¥2.0bn, 1HFY22:¥-bn, YoY change: ¥(2.0)bn and net gains/losses on stock related derivatives which is posted as "other non-recurring profit" (1HFY21: ¥(0.0)bn, 1HFY22: ¥3.7bn, YoY change: ¥3.8bn)

(*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)	1HFY21	1HFY22	Change
1	Net business profit before credit costs	130.9	126.1	(4.8)
2	Gross business profit	253.9	254.9	0.9
3	Effective interest related earnings	154.2	143.9	(10.3)
4	Net interest income and related profit	146.1	110.1	(35.9)
5	Profit attributable to deployment of surplus foreign currency funds	8.1	33.7	25.5
6	Net fees and commissions and related profit	80.7	90.8	10.1
7	Net trading profit	11.8	18.5	6.7
8	Net gains on foreign exchange transactions			
	Net trading profit	38.1	(31.7)	(69.8)
9	Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)	(26.3)	50.2	76.5
10	Net gains on bonds	8.1	(25.8)	(34.0)
11	Net gains from derivatives	0.3	28.0	27.7
12	General and administrative expenses	(122.9)	(128.7)	(5.7)
13	Total credit costs	6.0	(8.9)	(15.0)
14	Other non-recurring profit	(21.6)	(7.3)	14.2
15	o/w Net gains on stocks	(18.5)	(0.5)	18.0
16	Amortization of net actuarial losses	(0.5)	(1.9)	(1.3)
17	Ordinary profit	115.4	109.8	(5.5)
18	Extraordinary profit	(0.7)	(0.5)	0.1
19	Income before income taxes	114.7	109.3	(5.3)
20	Total income taxes	(27.2)	(26.9)	0.2
21	Net income	87.5	82.4	(5.1)

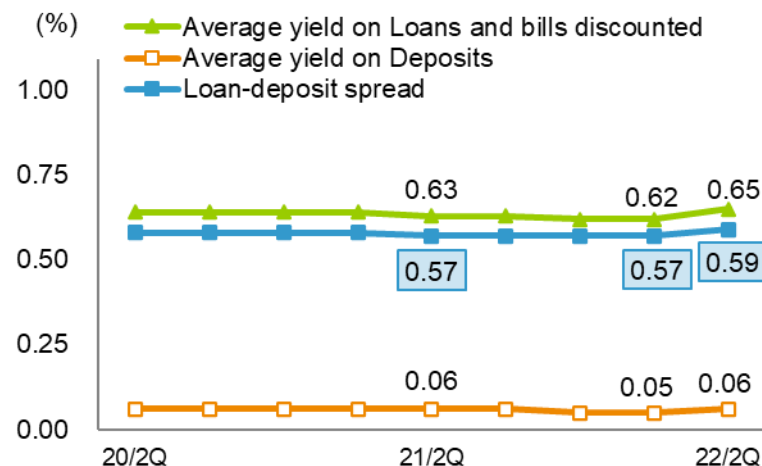
		1HFY21	1HFY22	Change
22	Gross business profit	253.9	254.9	0.9
23	Net interest income and related profit	146.1	110.1	(35.9)
24	Net fees and commissions and related profit	80.7	90.8	10.1
25	Net trading profit	38.1	(31.7)	(69.8)
26	Net other operating profit	(11.0)	85.5	96.6
27	o/w Net gains on foreign exchange transactions	(18.1)	84.0	102.1
28	Profit attributable to deployment of surplus foreign currency funds	8.1	33.7	25.5
29	other	(26.3)	50.2	76.5
30	Net gains on bonds	8.1	(25.8)	(34.0)
31	Net gains from derivatives	0.3	28.0	27.7
32	Net fees and commissions and related profit	80.7	90.8	10.1
33	o/w Investment management consulting	20.6	20.6	0.0
34	Asset management/administration (*)	32.7	33.3	0.5
35	Real estate brokerage	9.5	15.0	5.4
36	Stock transfer agency services	12.7	12.7	0.0
37	Inheritance related services	1.9	1.9	(0.0)
38	Corporate credit related (*)	10.5	14.3	3.8
39	Net gains on bonds	8.1	(25.8)	(34.0)
40	Domestic bonds	1.1	(6.9)	(8.0)
41	Foreign bonds	7.0	(18.9)	(25.9)

(*) Change the scope of aggregation due to the reorganization of business on April 1, 2022, recalculating the figures for 1HFY21 recalculated based on the new scope

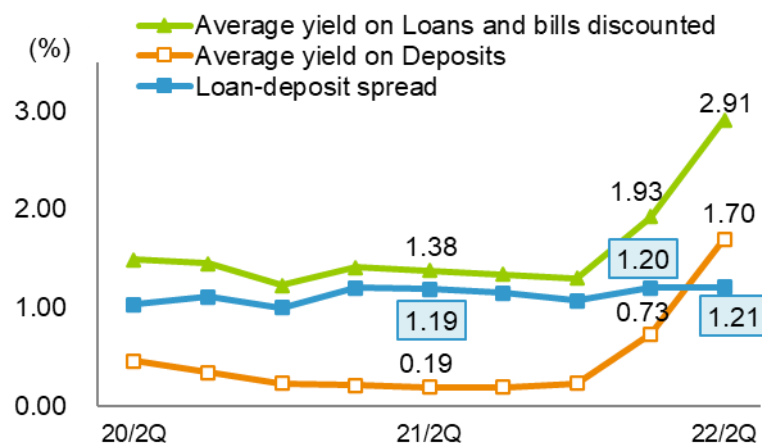
Net interest income (SuMi TRUST Bank)

		1HFY22					
(Average balance: Yen trn) (Income/Expenses: Yen bn)		Average Balance	Change from 1HFY21	Average Yield	Change from 1HFY21	Income/ Expenses	Change from 1HFY21
1	Net interest income					100.1	(36.4)
2	Domestic business			0.37%	0.01%	87.6	2.7
3	Interest-earning assets	46.35	0.66	0.50%	0.02%	118.1	6.0
4	o/w Loans and bills discounted	24.62	(0.01)	0.64%	0.00%	79.3	0.1
5	Securities	4.87	0.51	1.43%	0.07%	35.0	5.2
6	Interest-bearing liabilities	45.70	0.71	0.13%	0.01%	(30.5)	(3.3)
7	o/w Deposits	27.45	(0.04)	0.05%	(0.01%)	(8.0)	0.4
8	Borrowings from trust a/c	4.26	0.21	0.46%	0.00%	(9.9)	(0.5)
9	Swaps	---	---	---	---	(5.0)	(4.1)
10	International business			0.17%	(0.54%)	12.5	(39.1)
11	Interest-earning assets	16.66	2.12	1.74%	0.70%	145.5	69.4
12	o/w Loans and bills discounted	6.94	1.09	2.44%	1.05%	85.1	44.0
13	Due from banks	2.84	1.03	1.39%	1.18%	19.8	17.9
14	Securities	2.80	0.37	2.34%	(0.18%)	32.9	2.1
15	Interest-bearing liabilities	16.84	2.33	1.57%	1.24%	(132.9)	(108.5)
16	o/w Deposits	6.77	1.47	1.23%	1.03%	(42.0)	(36.6)
17	NCD / USCP	6.79	0.36	1.48%	1.35%	(50.4)	(46.2)
18	Repo	1.45	(0.17)	1.44%	1.36%	(10.5)	(9.8)
19	Expenses on swaps	---	---	---	---	(16.7)	(6.4)
20	(+) Trust fees from principal guaranteed trust a/c					10.0	0.5
21	(+) Profit attributable to deployment of surplus foreign currency funds					33.7	25.5
22	Effective interest related earnings					143.9	(10.3)
23	Loan-deposit spread / income in domestic business			0.59%	0.01%	71.3	0.5
24	Loan-deposit spread / income in international business			1.21%	0.02%	43.0	7.4

Domestic loan-deposit spread (quarterly)

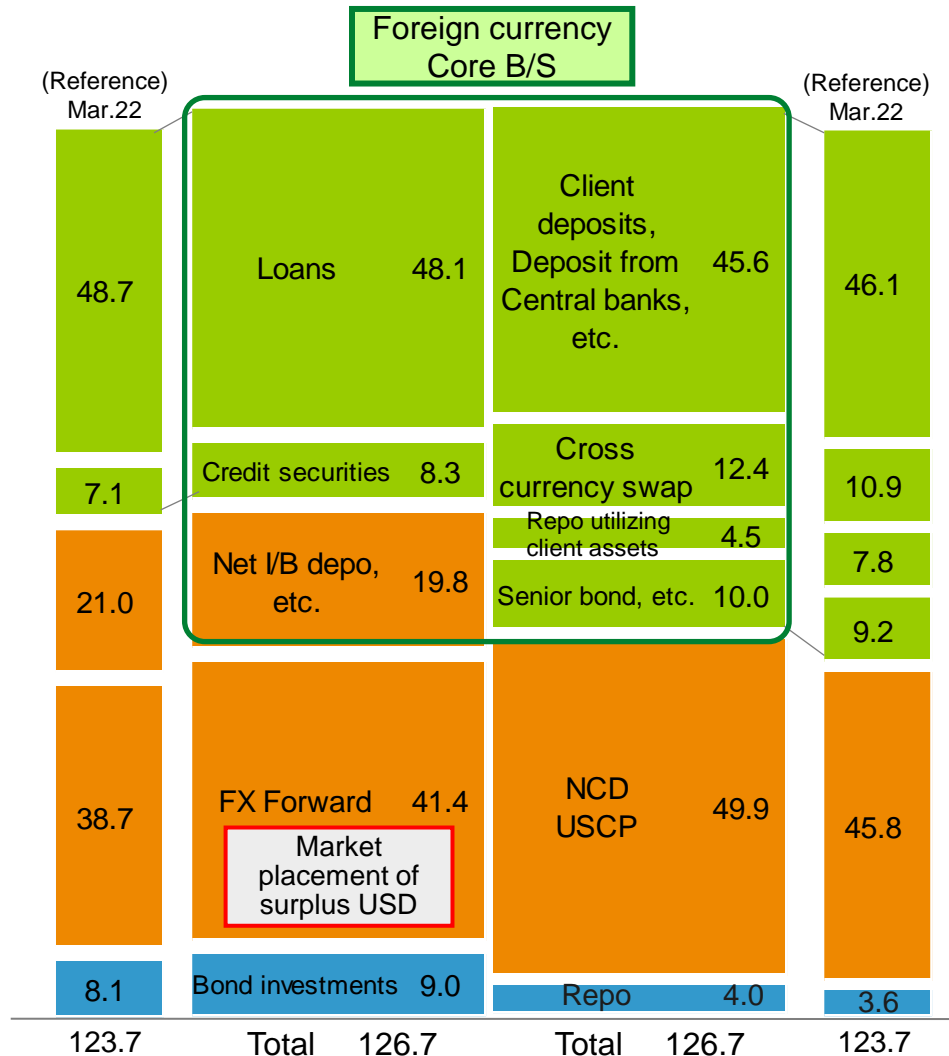


International loan-deposit spread (quarterly)



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

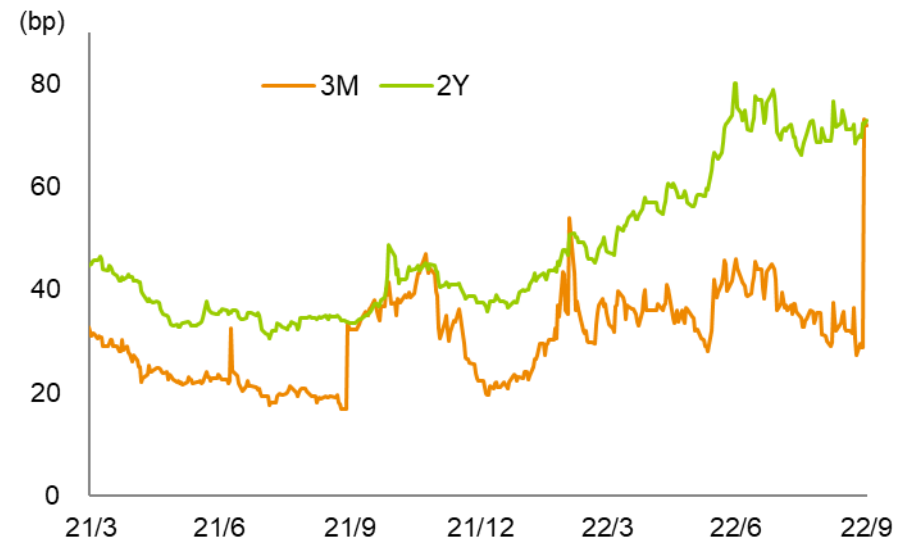
Foreign currency B/S (as of Sep. 22) (USD bn)



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.

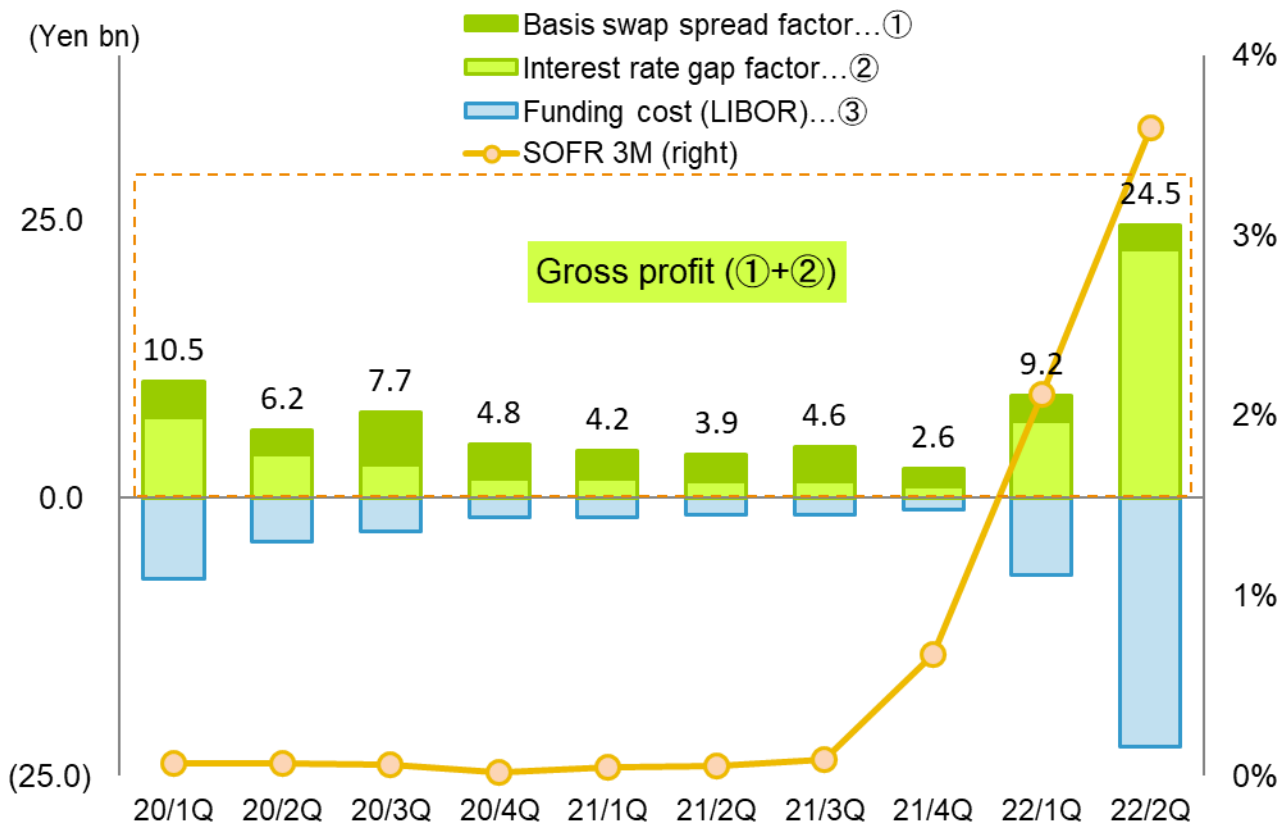
Basis swap spread (*) (USD/JPY)



(*) 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 remained unchanged YoY



[Investment] FX forward transactions

Net other operating profit	<Basis swap spread factor> Stable demand observed even even though it depends on market fluctuations
	<Interest gap factor> Gap between USD and JPY interest rates is nearly the same level as USD LIBOR around zero interest environment of JPY

[Funding] Mainly NCD/USCP

Net interest income and related profit	<Funding cost> Funding cost of NCD/USCP is USD LIBOR level
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(*) 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. The components of Gross profit as of 22/1Q were amended.

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

[Total credit costs]

	(Yen bn)	1HFY21	1HFY22	Major factors (1HFY22)
1 SuMi TRUST Bank		6.0	(8.9)	
2 General allowance for loan losses		6.2	4.3	Downgraded: Approx. ¥(15.0)bn Upgraded: Approx. +¥1.0bn Changes in loan balance, etc. (including profit of collection): Approx. +¥5.0bn Negligible release of special loan loss provision
3 Specific allowance for loan losses		1.5	(12.6)	
4 Recoveries of written-off claims		0.6	0.4	
5 Losses on sales of claims, written-off		(2.3)	(1.0)	
6 Other group companies, etc.		(0.9)	0.0	SuMi TRUST Panasonic Finance ¥0.0bn Negligible release of special loan loss provision
7 Total		5.1	(8.8)	

As of September 2022, special loan loss provision of approx. ¥20.3bn

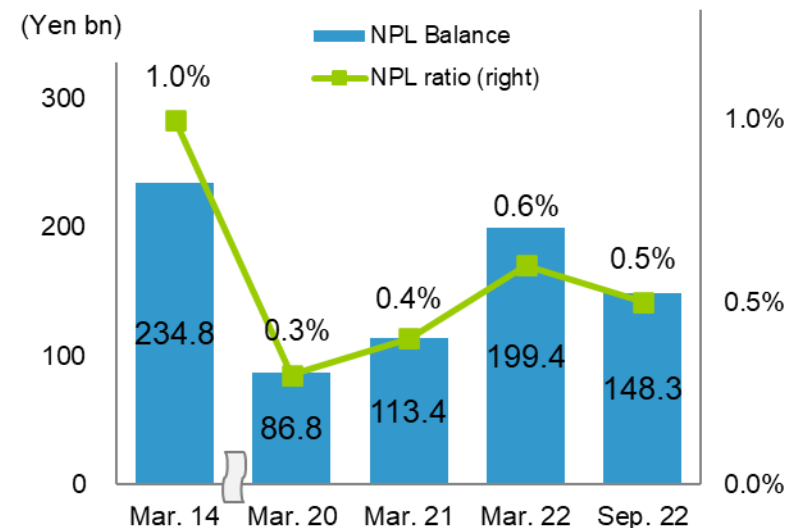
[Non-performing loans (NPLs) based on Banking Act and Reconstruction Act]

	(Yen bn)	Sep. 22	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 22
8 Total		148.3	70.7%	53.8%	(51.1)
9 NPL ratio		0.5%	---	---	(0.1%)
10 Bankrupt and Practically Bankrupt		19.1	100.0%	100.0%	2.4
11 Doubtful		97.5	67.2%	57.6%	(20.3)
12 Substandard		31.7	63.7%	22.1%	(33.2)
13 Loans past due 3 months or more		2.7	---	---	2.7
14 Restructured loans		29.1	---	---	(35.9)
15 Assets to borrowers requiring caution(excluding Substandard)		319.3	---	---	9.3
16 Assets to normal borrowers		32,316.6	---	---	1,384.8
17 Grand total		32,784.2	---	---	1,343.0

(*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	
		Sep. 22	Change from Mar. 22	Sep. 22	Change from Mar. 22
1 Available-for-sale securities		6,190.0	(657.5)	313.5	(88.1)
2 Japanese stocks		537.8	(11.0)	579.9	(80.4)
3 Japanese bonds		2,353.8	(1,131.1)	(17.1)	(3.7)
4 Others		3,298.3	484.6	(249.2)	(3.9)
5 Held-to-maturity debt securities		252.0	14.1	9.8	(3.2)

[Securities with fair value (SuMi TRUST Bank)]

6 Available-for-sale securities		6,033.5	(658.8)	328.6	(87.8)
7 Japanese stocks		513.3	(9.0)	602.1	(82.2)
8 Japanese bonds		2,353.8	(1,131.1)	(17.1)	(3.7)
9 o/w Government bonds		1,593.7	(1,142.9)	(18.5)	(3.9)
10 Others		3,166.3	481.3	(256.3)	(1.8)
11 Domestic investment		102.2	13.6	2.4	0.2
12 International investment		1,974.2	419.2	(84.8)	(66.0)
13 o/w US Treasury(*1)		706.4	184.2	(59.0)	(43.4)
14 Others (Investment trust, etc.)		1,089.7	48.4	(173.8)	63.8
15 o/w for hedging of strategic shareholdings (*2)		793.1	(46.8)	(187.7)	53.9

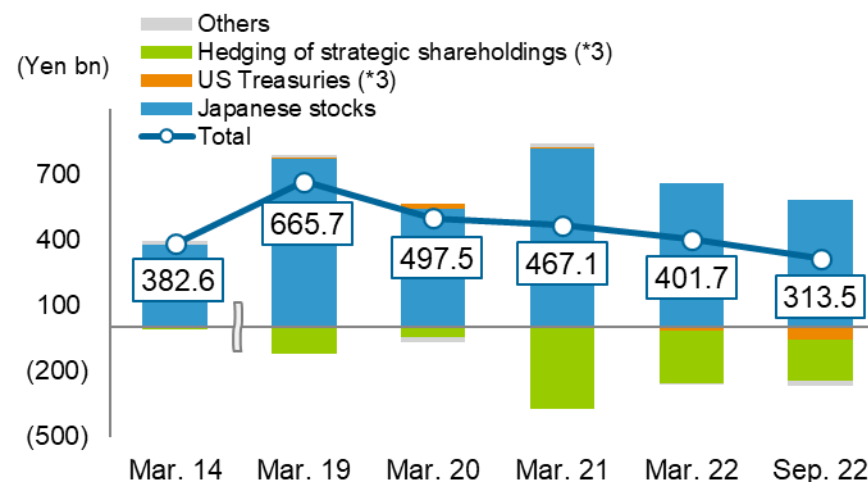
(*1) Unrealized losses of US Treasury after adjusting PL from hedged derivatives transactions is ¥(24.5)bn

(*2) Of which hedging effect under capital regulation is recognized: Costs ¥674.7bn,
Unrealized gains/losses ¥(150.3)bn

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

16 Held-to-maturity debt securities		252.0	14.1	9.8	(3.2)
17 o/w Government bonds		117.4	(0.1)	11.6	(1.4)
18 International investment		77.3	17.3	(2.2)	(1.7)

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)	
		Sep. 22	Change from Mar. 22	Sep. 22	Change from Mar. 22
19 JPY		6.3	(0.8)	3.2	0.9
20 Others (*6)		2.7	1.0	3.4	0.5

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

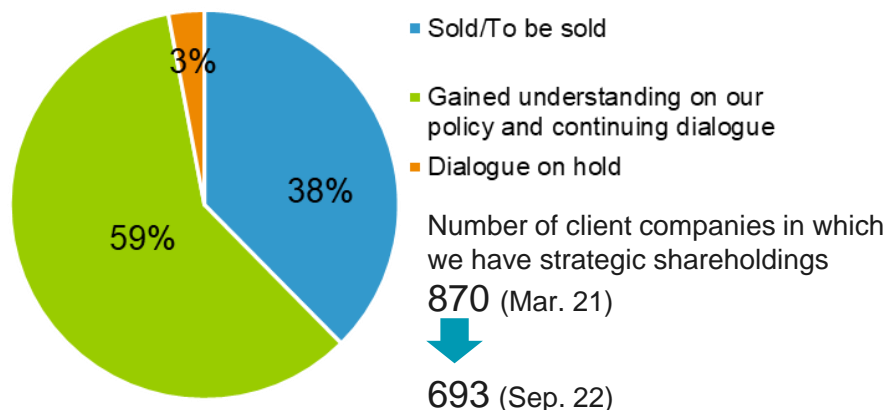
(*5) In the calculation of 10BPV and duration, investment balance hedged by derivatives transactions, etc. were excluded

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

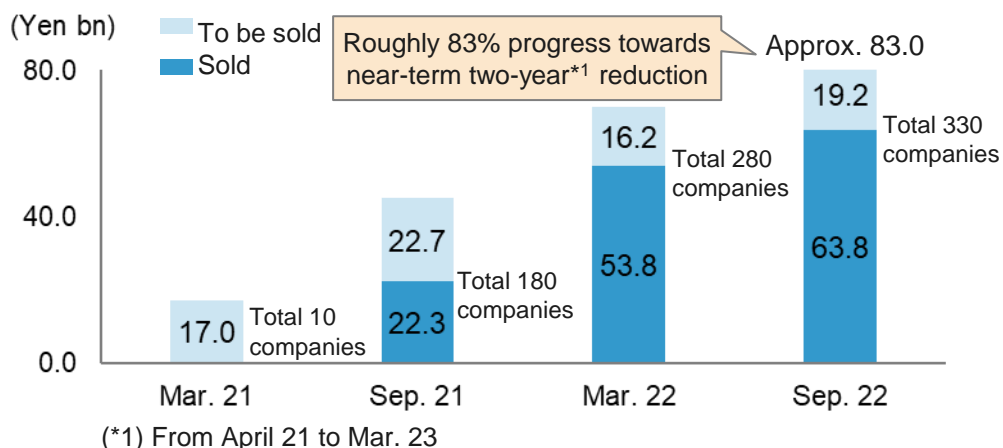
Reduction of strategic shareholdings

- Continue dialogue with clients, based on our policy regarding reduction of strategic shareholdings
- Reduced ¥9.9bn (at cost) in 1HFY22. Accumulated total sold and to be sold reached 83% of the two-year target

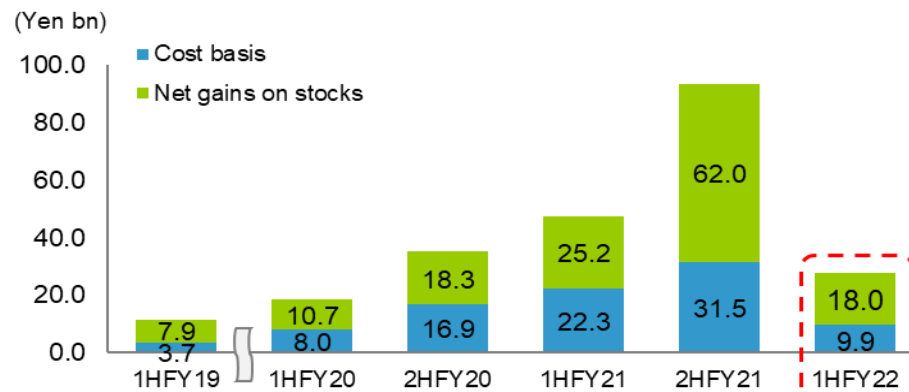
Dialogue with clients



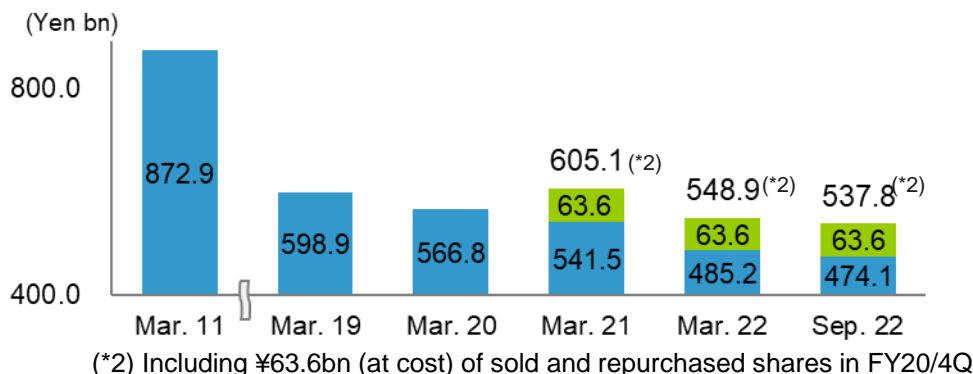
Amount sold/ to be sold (cost basis) (consolidated basis)



Reduction (consolidated basis)



Cost basis balance of strategic shareholdings(consolidated basis)



Results of proxy voting

Exercised voting rights according to disclosed voting rights guidelines for strategic shareholdings since Jun. 2022
Ratio of against at proposals from companies (0.9%: company base), (0.2%: proposal base)

Capital

- Common Equity Tier 1 ratio:11.11%. Down 1.20 ppt from Mar. 2022 due to increase in RWA, mainly due to increase in foreign currency-denominated loan as a result of JPY depreciation, etc. Pro-forma CET1 capital ratio on finalized Basel III:9.3% also down 0.6 ppt
- Both leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

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

	(Yen bn)	Mar. 22	Sep. 22	Change
1 Total capital ratio		15.61%	13.86%	(1.75%)
2 Tier 1 capital ratio		13.71%	12.38%	(1.33%)
3 Common Equity Tier 1 capital ratio		12.31%	11.11%	(1.20%)
4 Total capital		3,144.4	3,091.4	(52.9)
5 Tier 1 capital		2,761.5	2,760.2	(1.2)
6 Common Equity Tier 1 capital		2,480.1	2,478.7	(1.4)
7 Instruments and reserves		2,682.8	2,686.1	3.2
8 Accumulated other comprehensive income (*1)		198.0	163.9	(34.0)
9 Regulatory adjustments		(202.6)	(207.3)	(4.7)
10 Additional Tier 1 capital		281.3	281.5	0.1
11 Tier 2 capital		382.9	331.2	(51.7)
12 Total risk-weighted assets		20,135.3	22,293.0	2,157.6
13 Credit risk		17,921.0	20,029.0	2,108.0
14 Market risk		1,268.5	1,306.2	37.6
15 Operational risk		945.7	957.7	12.0

(*1) Valuation differences on Available-for-Sale Securities (Sep. 2022): ¥215.1bn
(Change from Mar. 2022: ¥(62.4)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 2QFY2022. "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: ¥(1.4)bn

- Net income: +¥104.0bn
- Valuation differences on AFS (considering valuation differences on hedging items): ¥(44.2)bn
- Dividend: ¥(36.7)bn • Repurchase of own shares: ¥(29.9)bn

[Risk-weighted assets]

(2) Credit risk: +¥2,108.0bn

- Increase in foreign currency-denominated loan due to JPY depreciation :approx. +¥900bn
- Increase in investment in alternative asset :approx. +¥1,100bn

<Other ratios required in prudential regulations (consolidated)>

	(Yen bn)	Sep. 22	Change from Mar. 22
16 Leverage ratio (*2)		5.13%	(0.19%)
17 Including current account with the Bank of Japan		3.93%	(0.19%)
18 Tier 1 capital		2,760.2	(1.2)
19 Total exposure (*2)		53,780.6	1,903.6
20 Including current account with the Bank of Japan		70,059.7	3,098.5
21 Liquidity coverage ratio (*3)		149.5%	(23.9%)
22 Total high-quality liquid assets		19,092.7	(110.6)
23 Net cash outflows		12,770.5	1,701.4

(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 38.7% in accordance with our shareholder return policy

	(Yen bn)	FY21 Actual	1H Actual	FY22 Forecast	Change from FY21
1	Net business profit before credit costs	346.0	168.2	310.0	(36.0)
2	SuMi TRUST Bank	242.0	126.1	220.0	(22.0)
3	Substantial gross business profit	808.1	408.5	800.0	(8.1)
4	SuMi TRUST Bank	490.6	254.9	475.0	(15.6)
5	Other group companies	317.5	153.6	325.0	7.4
6	Substantial G&A Expenses	(462.0)	(240.2)	(490.0)	(27.9)
7	SuMi TRUST Bank	(248.5)	(128.7)	(255.0)	(6.4)
8	Other group companies	(213.5)	(111.5)	(235.0)	(21.4)
9	Total credit costs	(41.5)	(8.8)	(20.0)	21.5
10	Net gains on stocks	(38.3)	(2.5)	0.0	38.3
11	Other non-recurring profit	(36.4)	(11.7)	(25.0)	11.4
12	Ordinary profit	229.7	145.1	265.0	35.2
13	SuMi TRUST Bank	150.8	109.8	195.0	44.1
14	Net income	169.0	104.0	190.0	20.9
15	SuMi TRUST Bank	113.3	82.4	145.0	31.6
16	Dividend per common share (Yen)	170	100	200	+30
17	Consolidated dividend payout ratio	37.7%	---	38.7%	+1.0%

(*) 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 ¥20.6bn due to increased sales fees of insurance while decreased sales fees of investment trust
- Total sales volume increased by ¥11.8bn YoY to ¥608.2bn due to increase of insurance, Fund wrap and SMA

Income from marketing of investment products

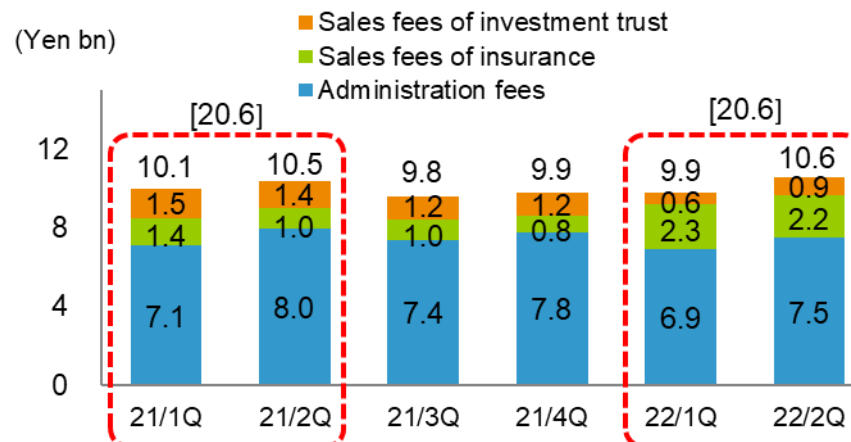
	(Yen bn)	1HFY21	1HFY22	Change
1 Income total		20.6	20.6	0.0
2 Sales fees of investment trust		3.0	1.5	(1.4)
3 Sales fees of insurance		2.4	4.5	2.1
4 Administration fees		15.2	14.5	(0.6)

Sales volume / balance

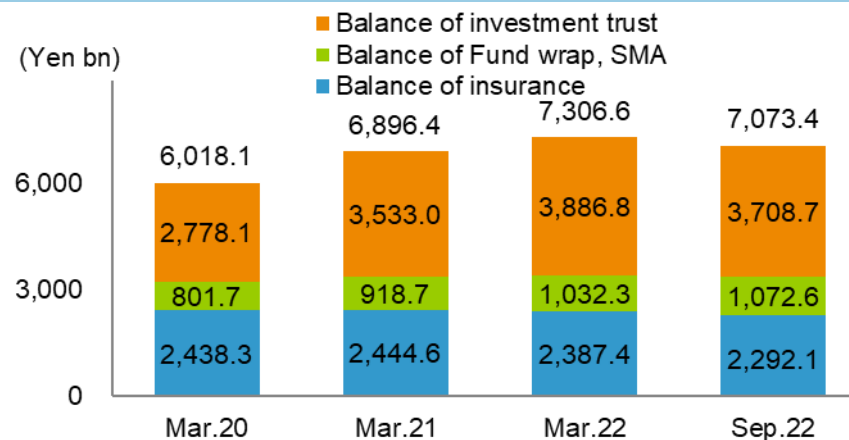
	(Yen bn)	1HFY21	1HFY22	Change
5 Sales volume total		596.3	608.2	11.8
6 Investment trust		434.7	357.8	(76.8)
7 Fund wrap, SMA		83.4	117.3	33.9
8 Insurance		78.2	133.0	54.8

	(Yen bn)	Mar. 22	Sep. 22	Change
9 Balance total		7,306.6	7,073.4	(233.1)
10 Investment trust		3,886.8	3,708.7	(178.0)
11 Fund wrap, SMA		1,032.3	1,072.6	40.2
12 Insurance		2,387.4	2,292.1	(95.3)

Income from marketing (quarterly)



Balance



Fee business: Real estate

- Corporate real estate brokerage (SuMi TRUST Bank): Increased by ¥5.4bn YoY to ¥15.0bn due to closing large transactions
- Retail real estate brokerage(SuMi TRUST Realty): Ensured high levels at the same level as 1HFY21 due to maintaining strong performance of business

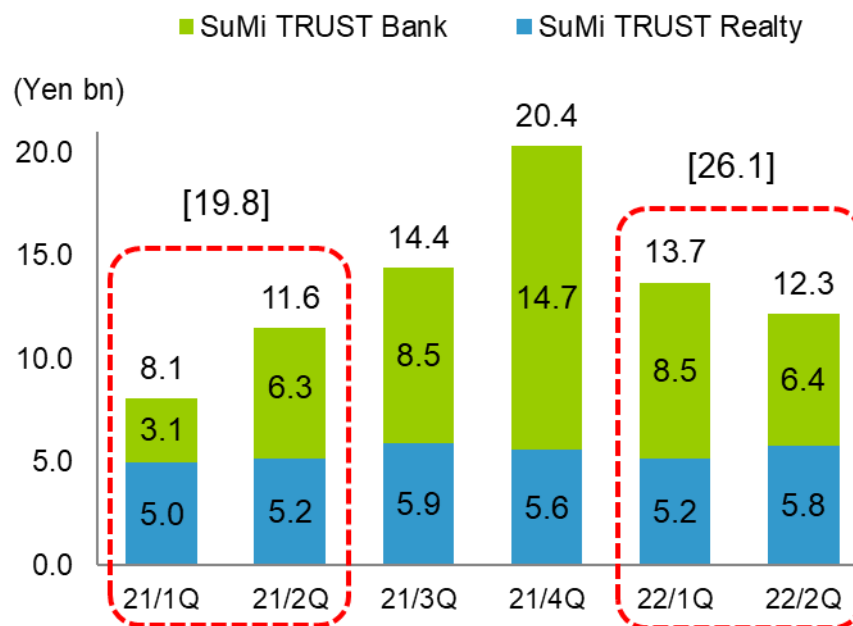
Income (group base)

	(Yen bn)	1HFY21	1HFY22	Change
1 Real estate brokerage fees		19.8	26.1	6.2
2 SuMi TRUST Bank		9.5	15.0	5.4
3 SuMi TRUST Realty		10.2	11.0	0.8
4 Real estate trust fees, etc.		3.0	3.1	0.1
5 Net other real estate profit		0.7	0.8	0.1
6 SuMi TRUST Bank		-	(0.0)	(0.0)
7 Group companies		0.7	0.8	0.1
8 Total		23.6	30.1	6.4
9 o/w SuMi TRUST Bank		12.6	18.2	5.5

Assets under management / administration

	(Yen bn)	Mar. 22	Sep. 22	Change
10 Securitized real estate		22,023.8	22,761.1	737.2
11 Assets under custody from J-REITs		17,508.0	16,743.0	(764.9)
12 Assets under management		624.5	613.7	(10.7)
13 Private placement funds		340.2	323.2	(17.0)
14 J-REITs		284.3	290.5	6.2

Real estate brokerage fees (quarterly)



Fee business: Asset management/administration

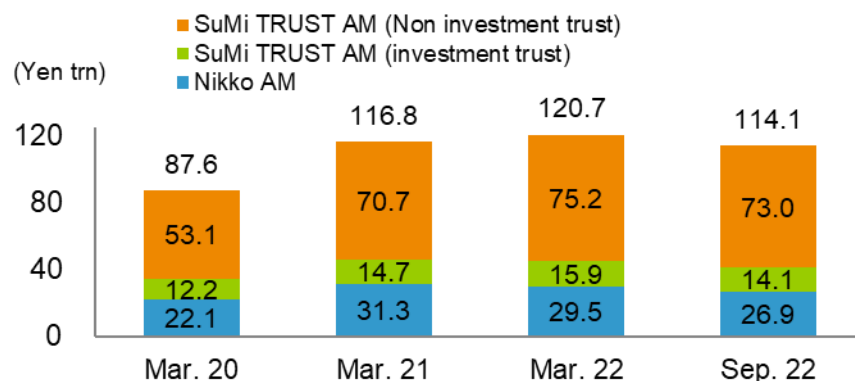
- AUM decreased by ¥(6.6)trn to approx. ¥114trn from March 2022 mainly due to decline of market value
- AUC decreased mainly due to decline of market value except for domestic non investment trust

Assets under management (AUM)

	(Yen trn)	Mar. 22	Sep. 22	Change
1 Assets under management (*1)		120.7	114.1	(6.6)
2 SuMi TRUST AM		91.2	87.1	(4.1)
3 Investment trust		15.9	14.1	(1.8)
4 Non investment trust (*2)		75.2	73.0	(2.2)
5 Corporate pension trust		14.8	13.9	(0.8)
6 Public pension trust		12.9	12.5	(0.4)
7 Discretionary investment		47.5	46.5	(0.9)
8 Nikko AM		29.5	26.9	(2.5)

(*1) Categorized by entity actually managing asset

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



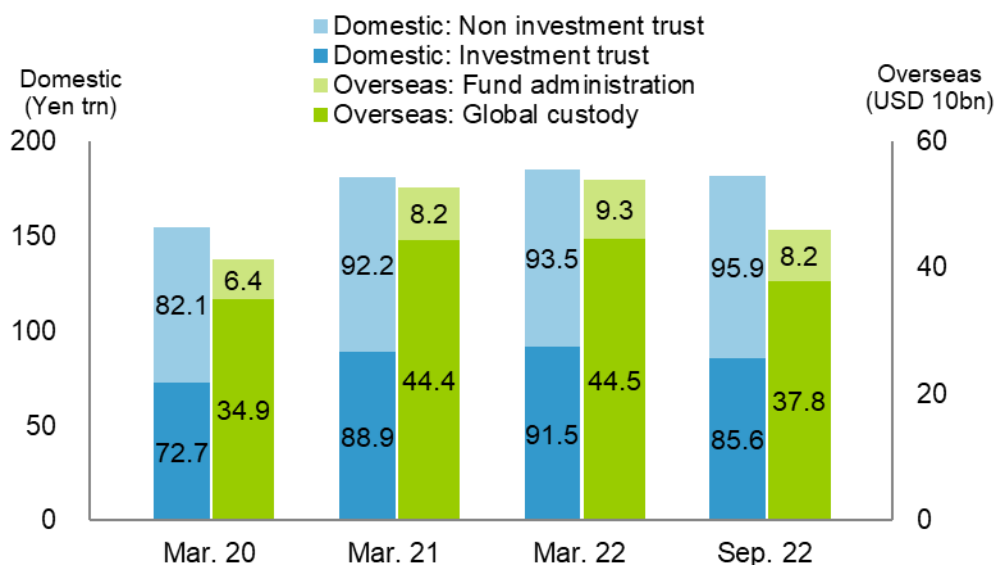
USD/JPY	108.69	110.65	122.38	144.81
TOPIX	1,403.04	1,954.00	1,946.40	1,835.94

Assets under custody/administration (AUC)

	(Yen trn)	Mar. 22	Sep. 22	Change
[Domestic]				
9 Investment trust (*3)		91.5	85.6	(5.8)
10 Non investment trust (*3)		93.5	95.9	2.4
[Overseas]	(USD 10bn)			
11 Global custody (*4)		44.5	37.8	(6.6)
12 Fund administration		9.3	8.2	(1.1)

(*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: Decreased new loan amount from Mar.2022. Outstanding also decreased slightly YoY
- Corporate: Continue to shift from corporate to product lending. Increased total outstanding mainly due to JPY depreciation

Individual clients

		1HFY21	1HFY22	Change
(Yen bn)				
1	Annual amount of new loans to individuals	631.6	444.0	(187.5)
2	Mortgage loans	589.7	395.9	(193.7)

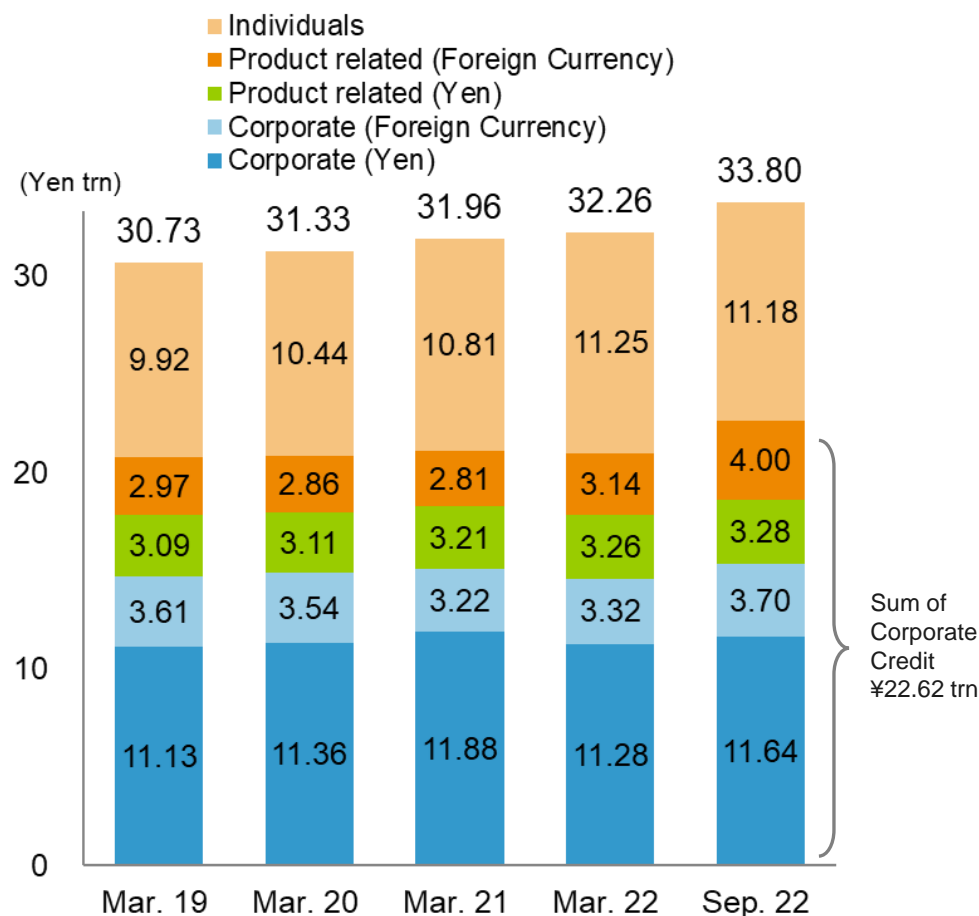
		Mar. 22	Sep. 22	Change
(Yen bn)				
3	Outstanding of individual loans	11,251.6	11,183.9	(67.7)
4	Mortgage loans	10,543.7	10,564.4	20.6

Corporate clients

		Mar. 22	Sep. 22	Change (*)
(Yen bn)				
5	Corporate lending(Yen)	11,283.2	11,642.8	359.6
6	Corporate lending(Foreign Currency)	3,322.4	3,700.4	377.9
7	Product related (Yen)	3,260.9	3,280.1	19.2
8	Product related (Foreign Currency)	3,144.8	4,001.2	856.4
9	Total balance of credit for corporates	21,011.4	22,624.7	1,613.2
10	Product related	6,405.7	7,281.4	875.6

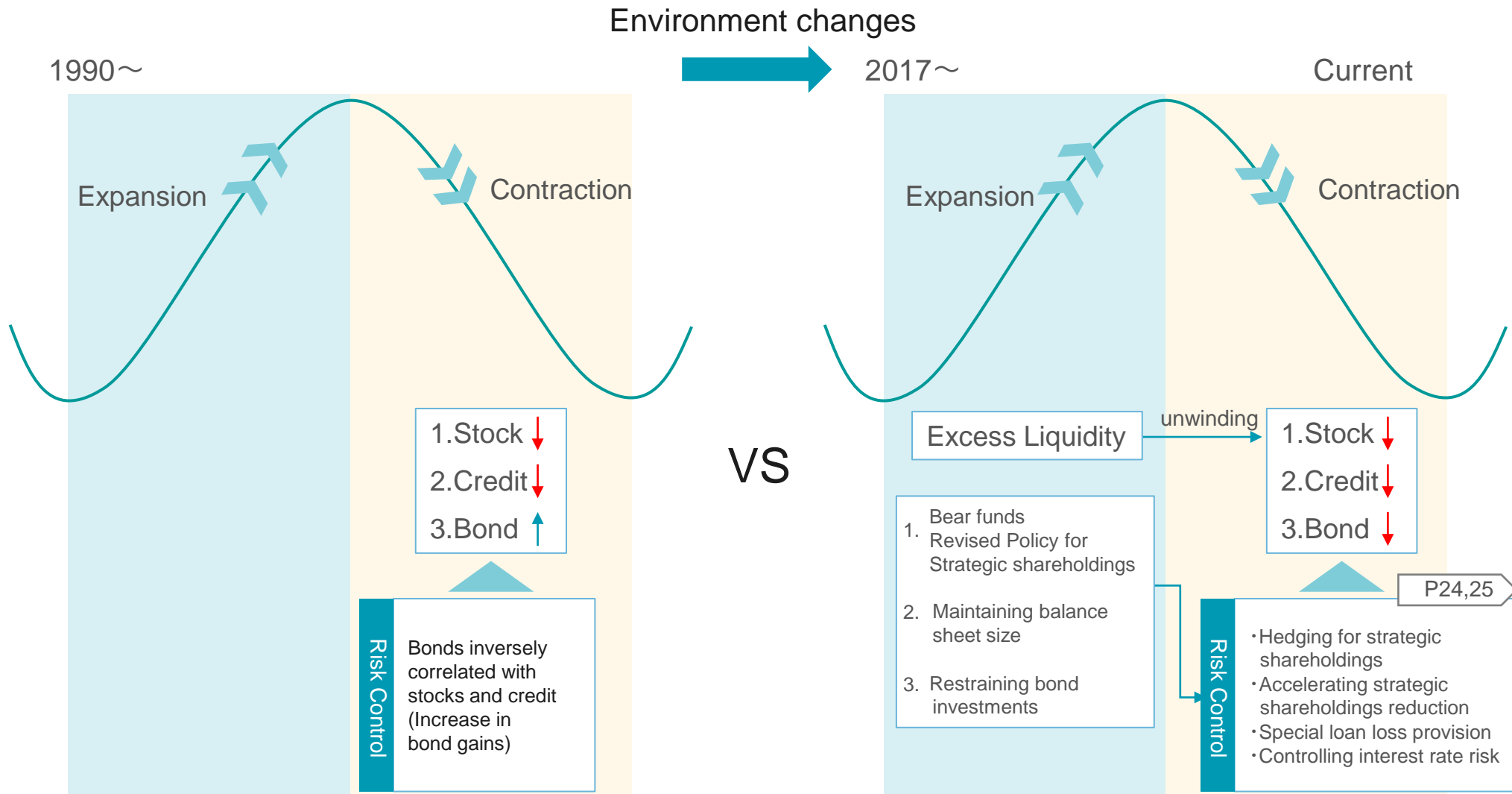
(*) Impact of foreign exchange: Corporate (Foreign Currency) approx. ¥506.6bn,
Product related (Foreign Currency) approx. ¥511.3bn

Credit portfolio balance



Readiness for various risks (Adapting to the changing environment)

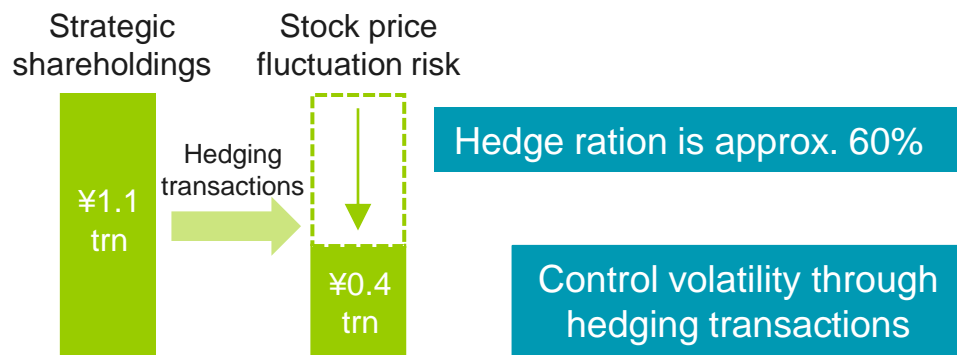
- Shift of risk control strategy and operation since FY2017 allows us to adapt to the changing environment



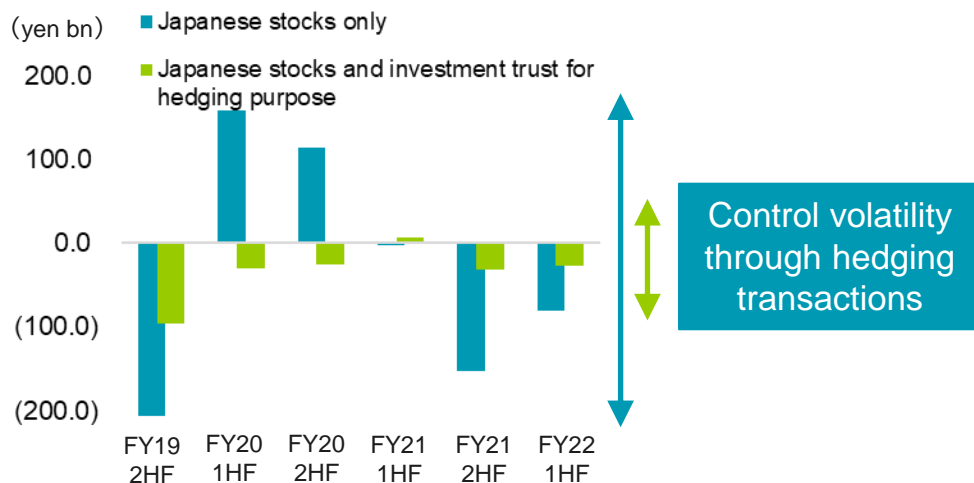
Stock price fluctuation risk / Credit risk

Stock price fluctuation risk

Managing stock price fluctuation risk from strategic shareholdings by utilizing bear funds

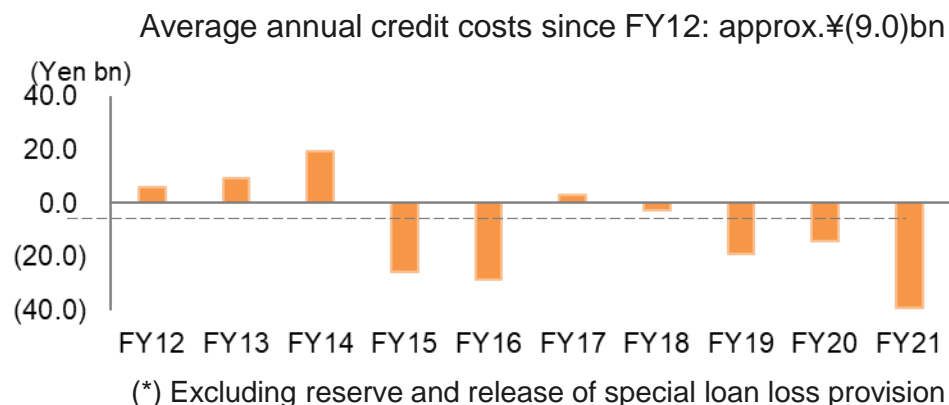


Changes of unrealized gains/losses from stocks (semi-annual base)

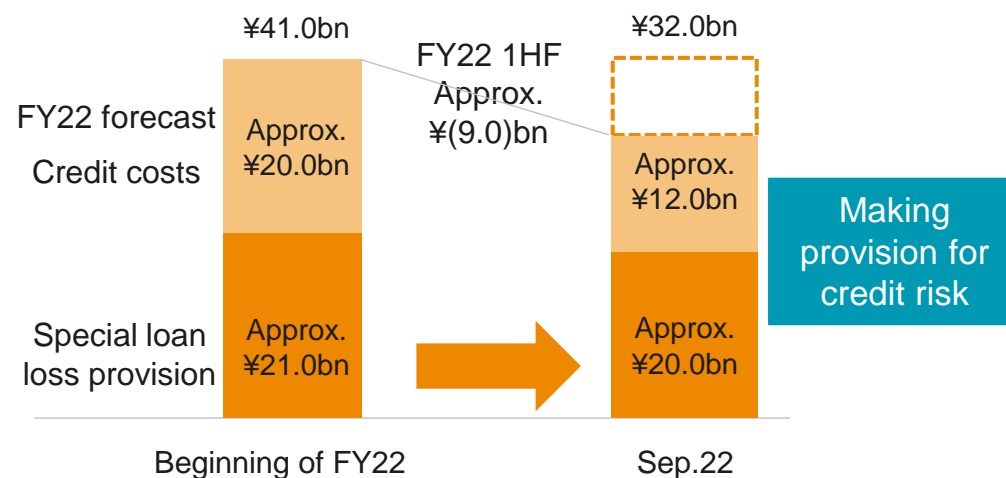


Credit risk

Credit costs



Total of forecast credit costs and special loan loss provision

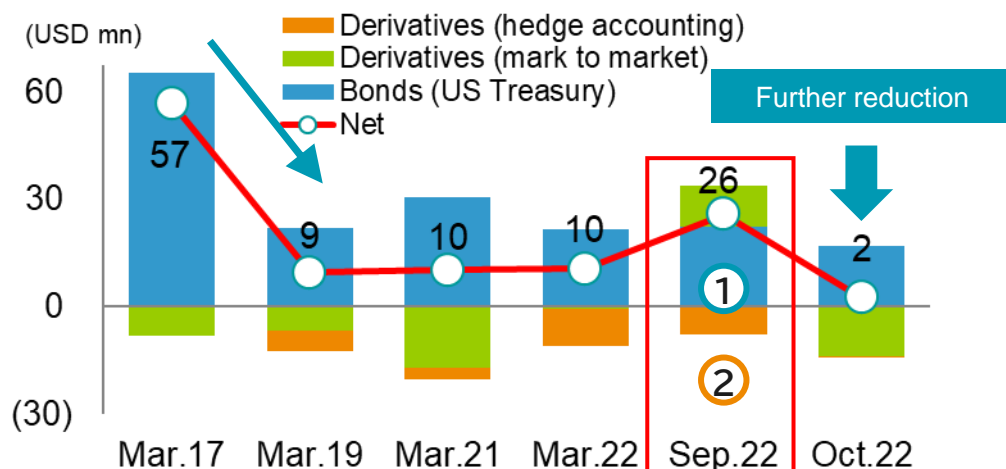


3 Interest risk, 4 Foreign currency liquidity risk

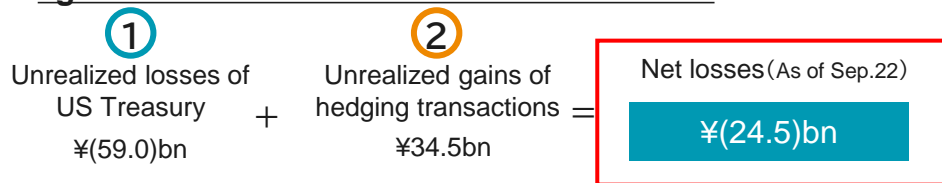
Interest risk

10 Basis Point Value(*1)

Drastically reduced after 2017



Unrealized gains of approx. 60% on hedging transactions against unrealized losses on U.S. Treasuries



(*1) Change in unrealized gains/losses when US interest rates decrease by 0.1% (Sumitomo Mitsui Trust Bank, Limited)
Debt securities and derivatives held by Global Markets (excluding ALM purposes)

Foreign currency liquidity risk

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

