



**SuMi TRUST**  
SUMITOMO MITSUI TRUST GROUP

# Summary of Financial Results for 3QFY2022

January 31, 2023

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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”

# Overview of profits

	(Yen bn)	FY21 1-3Q	FY22 1-3Q	Change	FY22 Forecast
1	Net business profit before credit costs (*1)	251.7	243.2	(8.5)	310.0
2	Substantial gross business profit (*1)	590.5	603.5	12.9	800.0
3	Effective interest related earnings (*2)	238.2	221.3	(16.8)	
4	Net fees and commissions and related profit	314.7	331.2	16.5	
5	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	37.6	50.9	13.2	
6	Substantial G&A expenses (*1)	(338.8)	(360.2)	(21.4)	(490.0)
7	Total credit costs	3.4	(11.5)	(14.9)	(20.0)
8	Net gains on stocks	(38.9)	(1.1)	37.8	0.0
9	Other net non-recurring profit	(22.2)	(27.3)	(5.0)	(25.0)
10	Ordinary profit	193.9	203.2	9.3	265.0
11	Extraordinary profit	(1.0)	(1.4)	(0.3)	
12	Income before income taxes	192.8	201.8	8.9	
13	Total income taxes	(50.3)	(55.4)	(5.1)	
14	Income attributable to non-controlling interests	(0.6)	(0.6)	(0.0)	
15	Net income	141.8	145.6	3.8	190.0
16	Earnings per share (EPS) (Yen)	378	393	14	
17	Number of shares issued (mn shares) (*3)	374.5	370.2	(4.3)	

(Reference)

18	Net interest income and related profit	225.4	134.0	(91.3)
19	Other profit	50.3	138.1	87.8
20	Profit attributable to deployment of surplus foreign currency funds	12.7	87.2	74.5
21	Other	37.6	50.9	13.2

(\*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 "Other profit"

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

## Net business profit before credit costs

- Robust 78% progress vs FY22 forecast of ¥310.0bn
- Decreased YoY ¥(8.5)bn mainly due to dearth of favorable market conditions
- (Effective interest related earnings) Decreased YoY ¥(16.8)bn mainly due to absence of favorable market conditions and increase of funding costs due to rise in overseas interest rates. Continue to improve in loan-deposit balance
- (Net fees and commissions and related profit) YoY increase of ¥16.5bn Real estate brokerage fees propelled increase in fee income. Corporate credit related fees also continuously 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 ¥(11.5)bn of total credit costs.
- Negligible release of special loan loss provision
- Maintain special loan loss provision of over ¥20.0bn

## Net gains on stocks

- Posted ¥(1.1)bn net loss from approx.¥32.0bn of gains from divestment of strategic shareholdings and ¥(31.0)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 ¥5.7bn, losses on investment in partnership increased by approx. ¥(4.2)bn and amortization of actuarial net differences increased by ¥(1.9)bn

## Net income

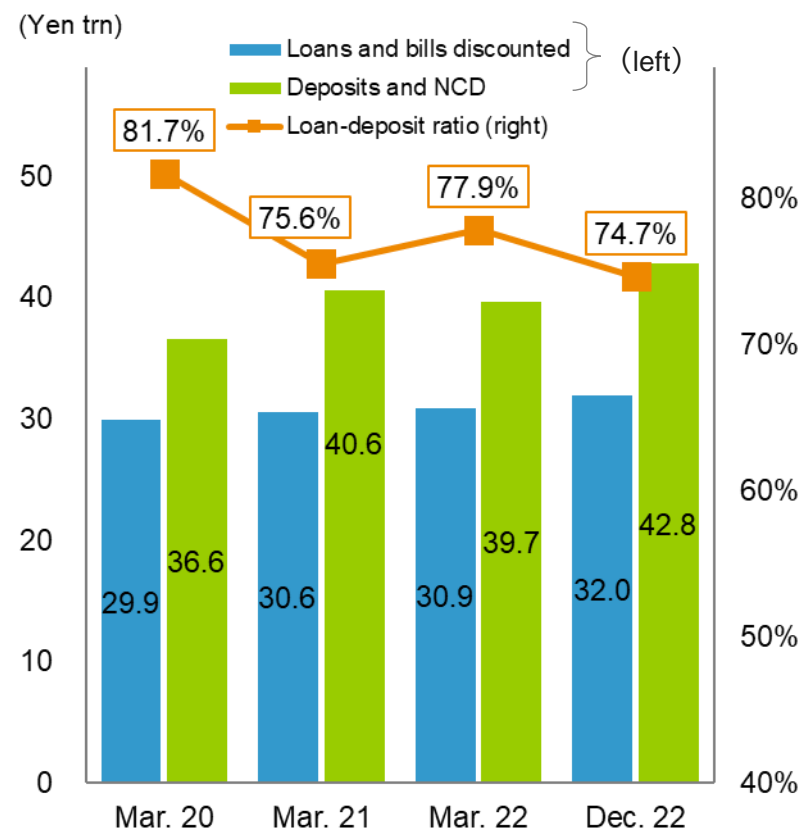
- 77% progress vs FY22 forecast of ¥190.0bn
- YoY increase of ¥3.8bn mainly due to improvement of net gains on stocks which exceeded increase of credit costs

# Overview of balance sheet

		(Yen bn)		
		Mar. 22	Dec. 22	Change
1	Assets	64,633.2	68,155.7	3,522.4
2	Cash and due from banks	18,223.3	20,011.5	1,788.2
3	Securities	7,879.2	7,103.3	(775.9)
4	Loans and bills discounted	30,876.5	32,007.3	1,130.8
5	Other assets	7,654.1	9,033.5	1,379.3
6	Liabilities	61,887.9	65,398.9	3,511.0
7	Deposits and NCD	39,818.1	43,103.5	3,285.4
8	Borrowed money from trust account	4,298.8	4,251.0	(47.7)
9	Other liabilities	17,770.9	18,044.3	273.3
10	Total net assets	2,745.2	2,756.7	11.4
11	Total shareholders' equity	2,517.5	2,561.4	43.9
12	Total accumulated OCI	198.0	165.0	(33.0)
13	Minority interests, etc.	29.7	30.2	0.5
14	Net assets per share (BPS) (Yen)	7,249	7,425	175
15	Number of shares issued (mn shares) (*)	374.5	367.1	(7.3)
(Reference)				
16	Loan-deposit ratio (SuMi TRUST Bank)	77.9%	74.7%	(3.2%)
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

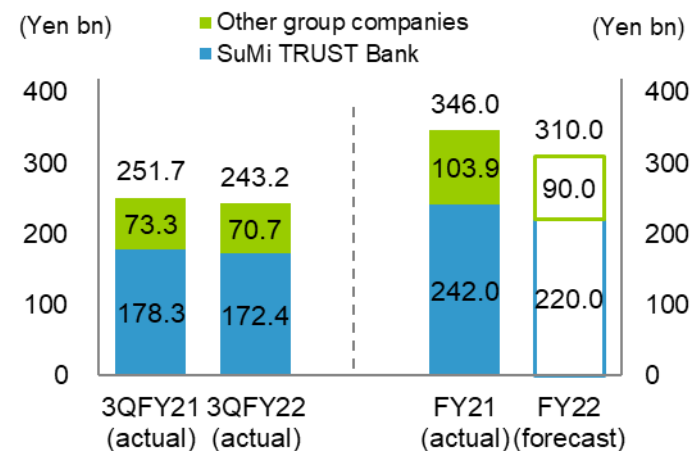
		FY21	FY22	Change
		1-3Q	1-3Q	
		(Yen bn)		
1	Net business profit before credit costs (*1)	251.7	243.2	(8.5)
2	SuMi TRUST Bank (*2)	178.3	172.4	(5.8)
3	SuMi TRUST AM	7.4	6.5	(0.8)
4	Nikko AM (*3)	23.2	10.9	(12.2)
5	SuMi TRUST Realty	5.1	5.4	0.3
6	SuMi TRUST Panasonic Finance (*3)	7.0	6.6	(0.4)
7	SuMi TRUST Loan & Finance	8.0	8.3	0.3
8	SBI Sumishin Net Bank (*3)	8.3	11.2	2.9
9	SuMi TRUST Guarantee (*3)	8.7	8.7	0.0
10	SuMi TRUST Club	2.9	3.5	0.6
11	UBS SuMi TRUST Wealth Management	0.2	2.4	2.1
12	Net income (*1)	141.8	145.6	3.8
13	SuMi TRUST Bank	100.5	109.1	8.5
14	SuMi TRUST AM	5.1	4.5	(0.5)
15	Nikko AM (*3)	17.4	10.6	(6.7)
16	SuMi TRUST Realty	3.6	3.8	0.2
17	SuMi TRUST Panasonic Finance (*3)	3.6	4.1	0.5
18	SuMi TRUST Loan & Finance	5.5	5.8	0.3
19	SBI Sumishin Net Bank (*3)	6.5	7.2	0.7
20	SuMi TRUST Guarantee (*3)	6.1	6.4	0.3
21	SuMi TRUST Club	1.8	2.0	0.2
22	UBS SuMi TRUST Wealth Management	0.1	1.7	1.6

(\*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.

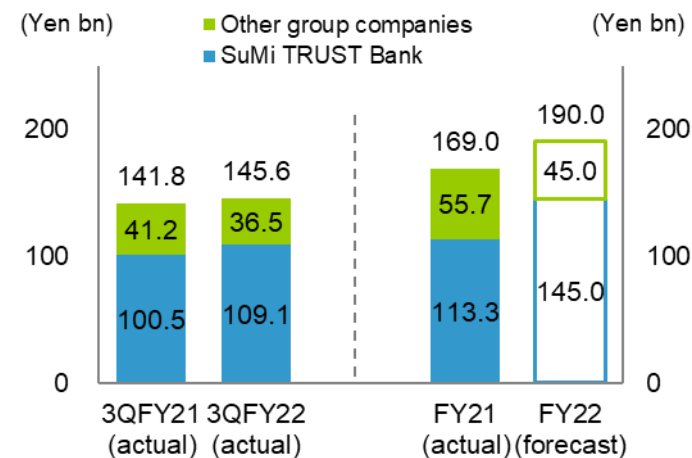
(\*2) Including dividend from group companies (1-3QFY21:¥13.6bn, 1-3QFY22:¥15.0bn, YoY change: +¥1.3bn)

(\*3) Consolidated basis

## Breakdown of Net business profit before credit costs



## Breakdown of Net income



# Profit by business segment

		FY21 1-3Q Net business profit before credit costs	Substantial gross business profit		Substantial G&A expenses	FY22 1-3Q Net business profit before credit costs		FY22 Plan Net business profit before credit costs
(Yen bn)			Change	Change				
1	Total	251.7	603.5	12.9	(360.2)	243.2	(8.5)	310.0
2	Retail Business	25.4	150.6	8.7	(118.9)	31.7	6.2	34.0
3	SuMi TRUST Bank	11.1	98.7	0.0	(83.7)	14.9	3.7	16.0
4	Other group companies	14.2	51.9	8.7	(35.1)	16.7	2.4	18.0
5	Corporate Business	92.5	171.0	15.5	(64.6)	106.3	13.8	126.0
6	SuMi TRUST Bank	72.8	115.6	12.1	(31.5)	84.1	11.2	101.0
7	Other group companies	19.6	55.4	3.3	(33.1)	22.2	2.5	25.0
8	Investor Services Business	54.5	95.2	(8.4)	(51.8)	43.3	(11.1)	51.0
9	SuMi TRUST Bank	46.8	56.9	(14.7)	(24.3)	32.6	(14.2)	43.0
10	Other group companies	7.6	38.2	6.3	(27.5)	10.7	3.0	8.0
11	Real Estate Business	20.9	48.9	8.9	(20.0)	28.9	7.9	35.0
12	SuMi TRUST Bank	15.4	30.4	7.7	(7.4)	22.9	7.5	29.0
13	Other group companies	5.5	18.5	1.2	(12.5)	5.9	0.4	6.0
14	Global Markets Business (*1)	26.6	51.3	13.2	(11.0)	40.3	13.7	48.0
15	Asset Management Business (*2)	30.8	64.0	(12.7)	(46.2)	17.7	(13.0)	30.0

(\*1) Substantial gross business profit and net business profit include equity related profit which is posted as "net gains on stocks" 1-3QFY21:¥1.7bn, 1-3QFY22:¥-bn, YoY change: ¥(1.7)bn and net gains/losses on stock related derivatives which is posted as "other non-recurring profit" (1-3QFY21: ¥(5.2)bn, 1-3QFY22: ¥0.7bn, YoY change: +¥6.0bn)

(\*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 1-3Q	FY22 1-3Q	Change
1	Net business profit before credit costs	178.3	172.4	(5.8)
2	Gross business profit	361.3	365.7	4.4
3	Effective interest related earnings	219.2	202.2	(17.0)
4	Net interest income and related profit	206.4	114.9	(91.5)
5	Profit attributable to deployment of surplus foreign currency funds	12.7	87.2	74.5
6	Net fees and commissions and related profit	127.1	140.5	13.4
7	Net trading profit	12.6	42.2	29.6
8	Net gains on foreign exchange transactions	38.8	10.2	(28.6)
9	Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)	(26.2)	32.0	58.3
10	Net gains on bonds	10.8	(27.7)	(38.6)
11	Net gains from derivatives	(6.6)	9.2	15.9
12	General and administrative expenses	(182.9)	(193.2)	(10.3)
13	Total credit costs	5.0	(11.4)	(16.4)
14	Other non-recurring profit	(50.8)	(14.0)	36.7
15	o/w Net gains on stocks	(39.4)	1.6	41.1
16	Amortization of net actuarial losses	(0.8)	(2.8)	(1.9)
17	Ordinary profit	132.5	147.0	14.4
18	Extraordinary profit	(1.1)	(1.2)	(0.1)
19	Income before income taxes	131.4	145.7	14.2
20	Total income taxes	(30.8)	(36.5)	(5.6)
21	Net income	100.5	109.1	8.6

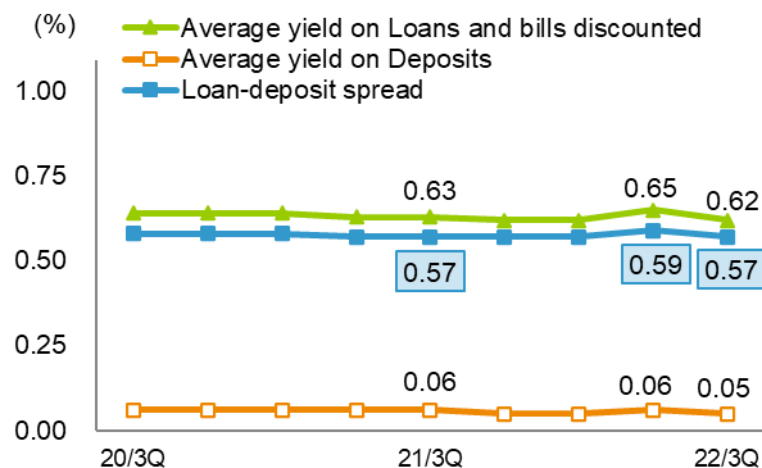
	FY21 1-3Q	FY22 1-3Q	Change	
22	Gross business profit	361.3	365.7	4.4
23	Net interest income and related profit	206.4	114.9	(91.5)
24	Net fees and commissions and related profit	127.1	140.5	13.4
25	Net trading profit	38.8	10.2	(28.6)
26	Net other operating profit	(11.1)	100.0	111.2
27	o/w Net gains on foreign exchange transactions	(13.4)	119.3	132.8
28	Profit attributable to deployment of surplus foreign currency funds	12.7	87.2	74.5
29	other	(26.2)	32.0	58.3
30	Net gains on bonds	10.8	(27.7)	(38.6)
31	Net gains from derivatives	(6.6)	9.2	15.9
32	Net fees and commissions and related profit	127.1	140.5	13.4
33	o/w Investment management consulting	30.4	31.0	0.5
34	Asset management/administration (*)	48.9	49.3	0.4
35	Real estate brokerage	18.1	25.5	7.4
36	Stock transfer agency services	19.9	19.9	(0.0)
37	Inheritance related services	3.0	3.0	(0.0)
38	Corporate credit related (*)	16.6	23.8	7.1
39	Net gains on bonds	10.8	(27.7)	(38.6)
40	Domestic bonds	1.2	(6.9)	(8.1)
41	Foreign bonds	9.6	(20.8)	(30.4)

(\*) Change the scope of aggregation due to the reorganization of business on April 1, 2022, recalculating the figures for 1-3QFY21 recalculated based on the new scope

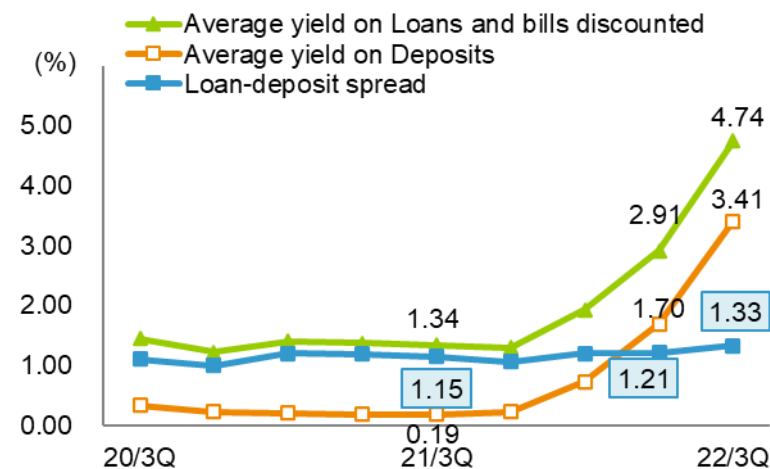
# Net interest income (SuMi TRUST Bank)

	FY22/1-3Q					
	Average Balance	Change from 1-3QFY21	Average Yield	Change from 1-3QFY21	Income/Expenses	Change from 1-3QFY21
(Average balance: Yen trn) (Income/Expenses: Yen bn)						
1 Net interest income					99.7	(92.3)
2 Domestic business			0.34%	0.01%	122.2	6.3
3 Interest-earning assets	46.39	0.54	0.47%	0.02%	167.3	9.6
4 o/w Loans and bills discounted	24.74	0.12	0.63%	(0.01%)	118.9	0.2
5 Securities	4.50	0.15	1.27%	0.23%	43.2	8.8
6 Interest-bearing liabilities	45.75	0.56	0.13%	0.01%	(45.1)	(3.2)
7 o/w Deposits	27.59	0.16	0.05%	(0.01%)	(11.7)	0.8
8 Borrowings from trust a/c	4.29	0.21	0.46%	0.00%	(15.1)	(0.8)
9 Swaps	---	---	---	---	(7.2)	(4.9)
10 International business			(0.21%)	(0.88%)	(22.4)	(98.7)
11 Interest-earning assets	16.43	1.49	2.22%	1.23%	275.5	163.1
12 o/w Loans and bills discounted	6.69	0.73	3.15%	1.77%	159.1	97.1
13 Due from banks	2.68	0.79	2.13%	1.92%	43.2	40.2
14 Securities	2.83	0.31	2.68%	0.37%	57.3	13.5
15 Interest-bearing liabilities	16.25	1.26	2.43%	2.11%	(298.0)	(261.8)
16 o/w Deposits	6.50	1.04	1.90%	1.70%	(93.5)	(85.2)
17 NCD / USCP	6.52	(0.12)	2.40%	2.28%	(118.1)	(111.7)
18 Repo	1.32	(0.27)	2.07%	1.99%	(20.6)	(19.6)
19 Expenses on swaps	---	---	---	---	(40.9)	(26.6)
20 (+) Trust fees from principal guaranteed trust a/c					15.1	0.8
21 (+) Profit attributable to deployment of surplus foreign currency funds					87.2	74.5
22 Effective interest related earnings					202.2	(17.0)
23 Loan-deposit spread / income in domestic business			0.58%	0.00%	107.1	1.1
24 Loan-deposit spread / income in international business			1.25%	0.07%	65.6	11.8

## Domestic loan-deposit spread (quarterly)



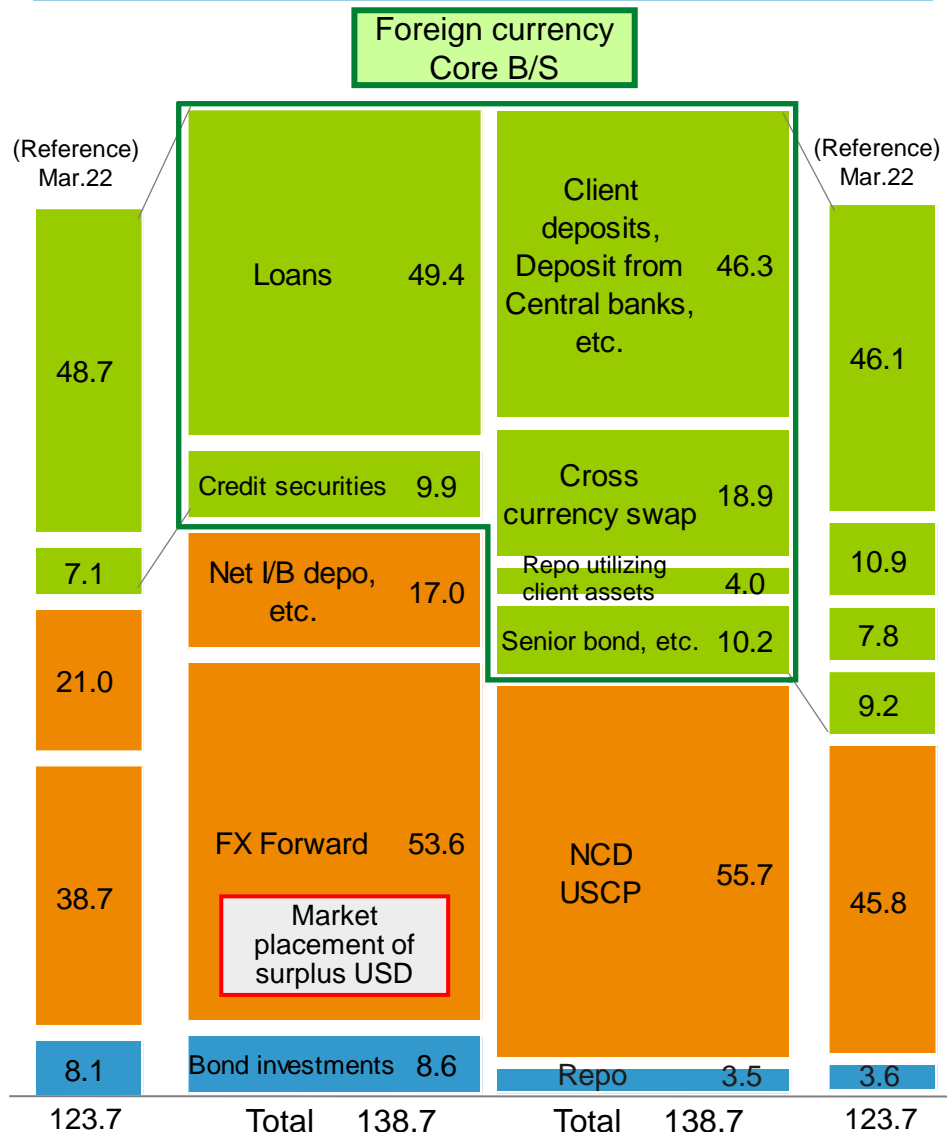
## International loan-deposit spread (quarterly)





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

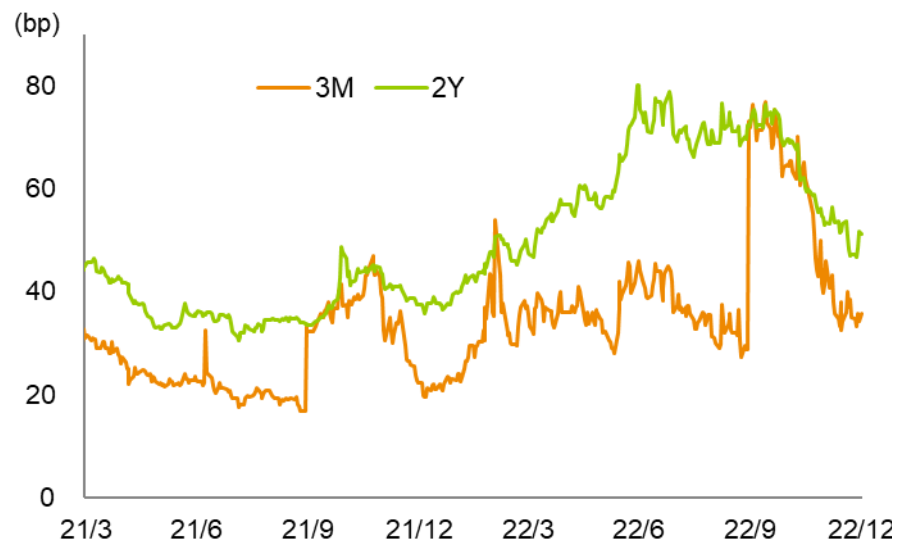
## Foreign currency B/S (as of Dec. 22) (USD bn)



## 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.

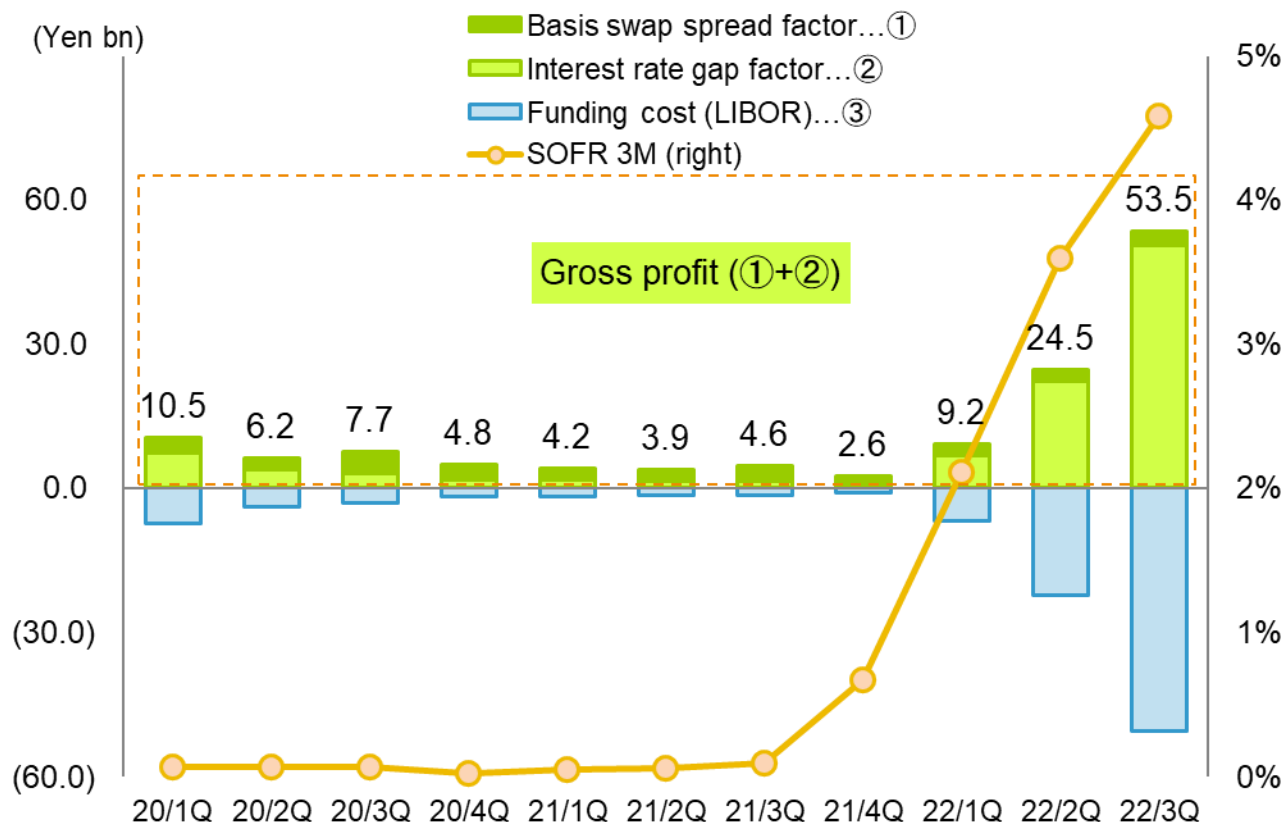
## Basis swap spread (\*) (USD/JPY)



(\*) 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	<p>&lt;Basis swap spread factor&gt;</p> <p>Stable demand observed even even though it depends on market fluctuations</p>
	<p>&lt;Interest gap factor&gt;</p> <p>Gap between USD and JPY interest rates is nearly the same level as USD LIBOR around zero interest environment of JPY</p>

## [Funding] Mainly NCD/USCP

Net interest income and related profit	<p>&lt;Funding cost&gt;</p> <p>Funding cost of NCD/USCP is USD LIBOR level</p>
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↑ Offsets each other

(\*) 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	FY22		Major factors (1-3QFY22)
(Yen bn)			1H	1-3Q	
1	SuMi TRUST Bank	(42.4)	(8.9)	(11.4)	Downgraded: Approx. ¥(18.0)bn Upgraded: Approx. +¥2.0bn Changes in loan balance, etc. (including recoveries of written-offs): Approx. +¥6.0bn Negligible release of special loan loss provision
2	General allowance for loan losses	13.4	4.3	4.5	
3	Specific allowance for loan losses	(53.0)	(12.6)	(15.3)	
4	Recoveries of written-off claims	1.0	0.4	0.5	
5	Losses on sales of claims, written-off	(3.8)	(1.0)	(1.1)	
6	Other group companies, etc.	0.8	0.0	(0.1)	SuMi TRUST Panasonic Finance ¥0.1bn Negligible release of special loan loss provision
7	Total	(41.5)	(8.8)	(11.5)	

As of December 2022,  
special loan loss provision of  
approx.¥20.2bn

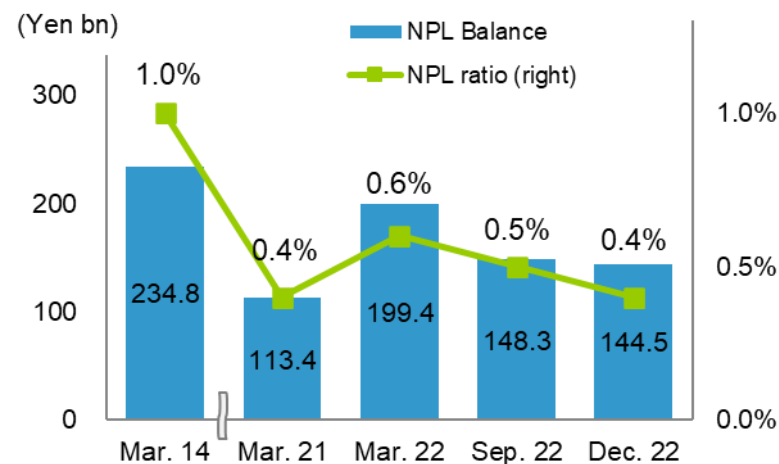
### [Non-performing loans (NPLs) based on Banking Act and Reconstruction Act]

		Dec. 22	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 22
(Yen bn)					
8	Total	144.5	70.0%	54.9%	(54.9)
9	NPL ratio	0.4%	---	---	(0.2%)
10	Bankrupt and Practically Bankrupt	8.8	100.0%	100.0%	(7.9)
11	Doubtful	108.4	69.3%	58.3%	(9.4)
12	Substandard	27.3	62.9%	23.4%	(37.7)
13	Loans past due 3 months or more	-	---	---	-
14	Restructured loans	27.3	---	---	(37.7)
15	Assets to borrowers requiring caution(excluding Substandard)	298.7	---	---	(11.3)
16	Assets to normal borrowers	32,297.3	---	---	1,365.4
17	Grand total	32,740.4	---	---	1,299.2

(\*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	
		Dec. 22	Change from Mar. 22	Dec. 22	Change from Mar. 22
1 Available-for-sale securities	5,884.2	(963.4)	331.7	(69.9)	
2 Japanese stocks	523.6	(25.2)	553.8	(106.5)	
3 Japanese bonds	2,170.4	(1,314.5)	(9.0)	4.3	
4 Others	3,190.2	376.4	(213.0)	32.1	
5 Held-to-maturity debt securities	293.6	55.6	8.4	(4.6)	

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

6 Available-for-sale securities	5,732.6	(959.7)	345.7	(70.7)
7 Japanese stocks	499.7	(22.6)	574.8	(109.5)
8 Japanese bonds	2,170.4	(1,314.5)	(9.0)	4.3
9 o/w Government bonds	1,430.9	(1,305.7)	(8.2)	6.3
10 Others	3,062.4	377.4	(220.0)	34.4
11 Domestic investment	98.4	9.7	2.2	0.0
12 International investment	1,819.9	264.9	(45.5)	(26.6)
13 o/w US Treasury(*1)	622.1	99.9	(26.7)	(11.1)
14 Others (Investment trust, etc.)	1,144.0	102.7	(176.6)	61.0
15 o/w for hedging of strategic shareholdings (*2)	753.2	(86.7)	(191.8)	49.8

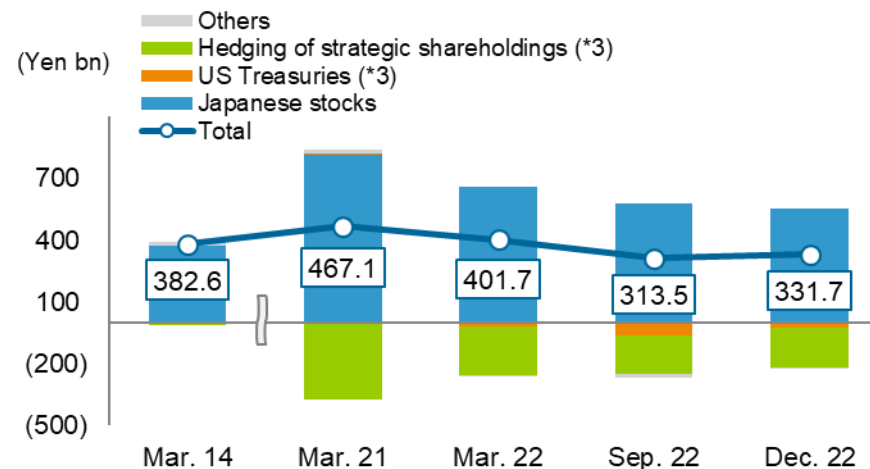
(\*1) Unrealized losses of US Treasury after adjusting PL from hedging transactions is ¥(19.0)bn

(\*2) Of which hedging effect under capital regulation is recognized: Costs ¥638.4bn, Unrealized gains/losses ¥(151.7)bn

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

16 Held-to-maturity debt securities	293.5	55.6	8.4	(4.6)
17 o/w Government bonds	117.3	(0.2)	9.5	(3.6)
18 International investment	120.2	60.2	(1.5)	(1.1)

## 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)	
	Dec. 22	Change from Mar. 22	Dec. 22	Change from Mar. 22
19 JPY	5.2	(2.0)	3.0	0.6
20 Others (*6)	1.0	(0.7)	1.4	(1.5)

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

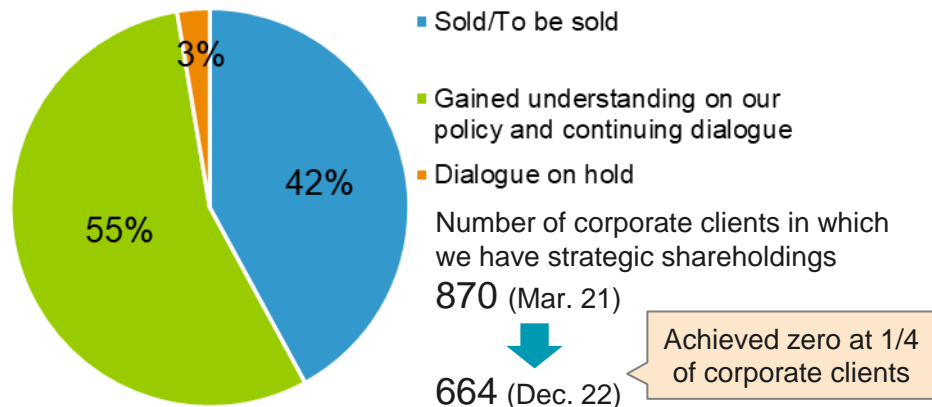
(\*5) In the calculation of 10BPV and duration, investment balance hedging transactions were excluded

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

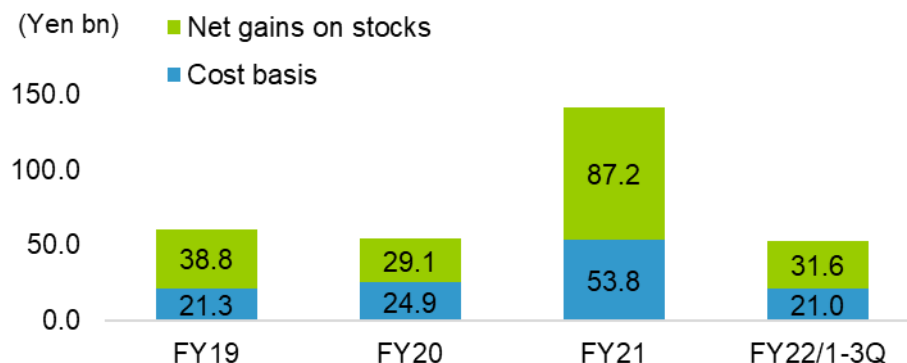
# Reduction of strategic shareholdings

- Continue dialogue with clients, based on our policy regarding reduction of strategic shareholdings
- Reduced Approx. ¥11.0bn (at cost) in 3QFY22.
- Accumulated total sold and to be sold reached 95% of the two-year target

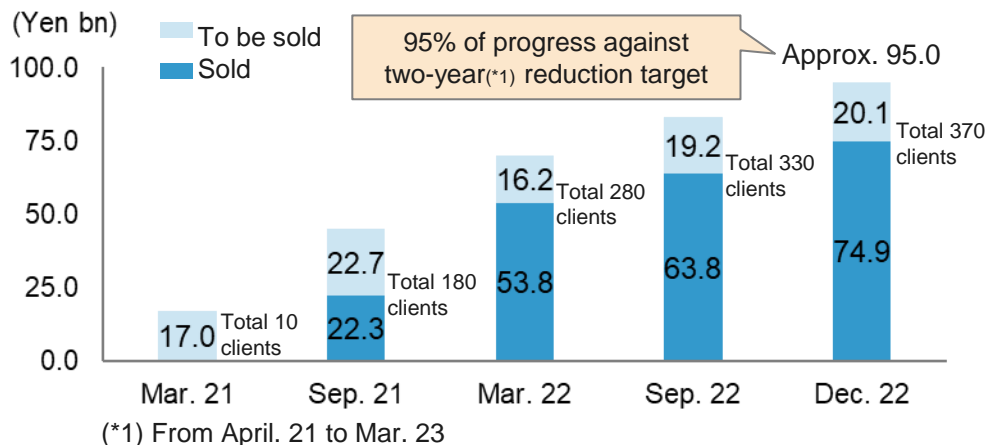
## Dialogue with clients



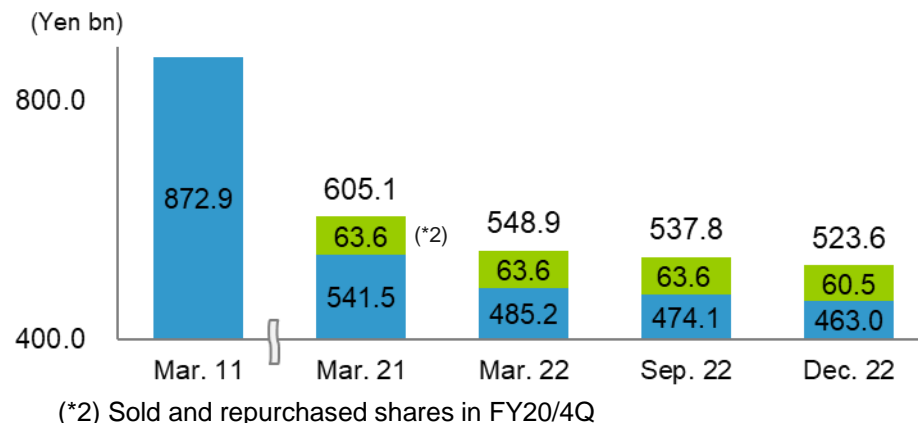
## Reduction (consolidated basis)



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



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



# Forecast for FY2022 (Reshown, disclosed in Nov. 2022)

- 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

		FY21	1H	FY22	Change	
(Yen bn)		Actual	Actual	Forecast	from	
					FY21	
1	Net business profit before credit costs	346.0	168.2	310.0	(36.0)	(1)
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	(2)
10	Net gains on stocks	(38.3)	(2.5)	0.0	38.3	(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 ¥31.0bn due to increased sales fees of insurance while decreased sales fees of investment trust
- Total sales volume increased by ¥29.9bn YoY to ¥923.6bn due to increase of insurance, Fund wrap and SMA

## Income from marketing of investment products

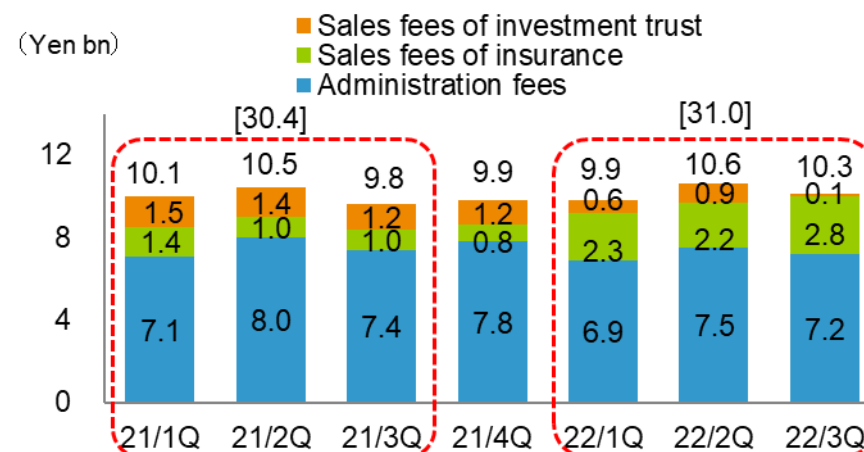
	(Yen bn)	FY21	FY22	Change	FY22 Initial Plan
		1-3Q	1-3Q		
1	Income total	30.4	31.0	0.5	40.0
2	Sales fees of investment trust	4.3	1.7	(2.5)	5.5
3	Sales fees of insurance	3.4	7.4	3.9	4.0
4	Administration fees	22.6	21.7	(0.9)	30.5

## Sales volume / balance

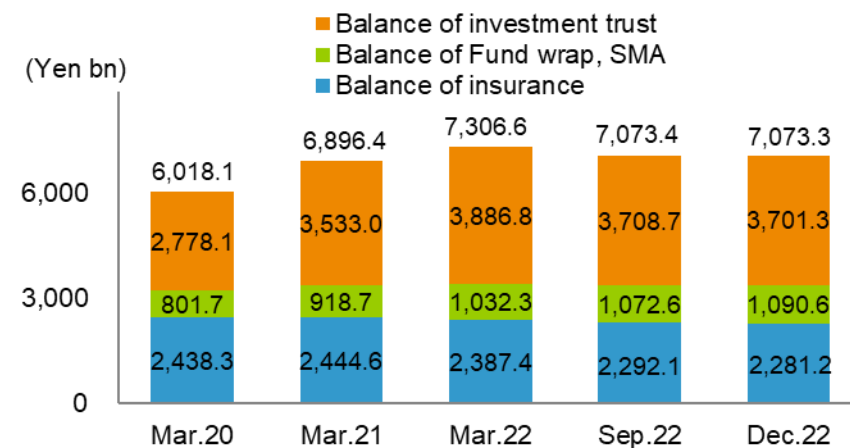
	(Yen bn)	FY21	FY22	Change	FY22 Initial Plan
		1-3Q	1-3Q		
5	Sales volume total	893.7	923.6	29.9	1,110.0
6	Investment trust	645.1	509.1	(135.9)	810.0
7	Fund wrap, SMA	130.0	167.3	37.3	150.0
8	Insurance	118.5	247.2	128.6	150.0

	(Yen bn)	Mar. 22	Dec. 22	Change	Mar. 23 Initial Plan
9	Balance total	7,306.6	7,073.3	(233.3)	7,410.0
10	Investment trust	3,886.8	3,701.3	(185.4)	4,040.0
11	Fund wrap, SMA	1,032.3	1,090.6	58.3	1,080.0
12	Insurance	2,387.4	2,281.2	(106.2)	2,290.0

## Income from marketing (quarterly)



## Balance



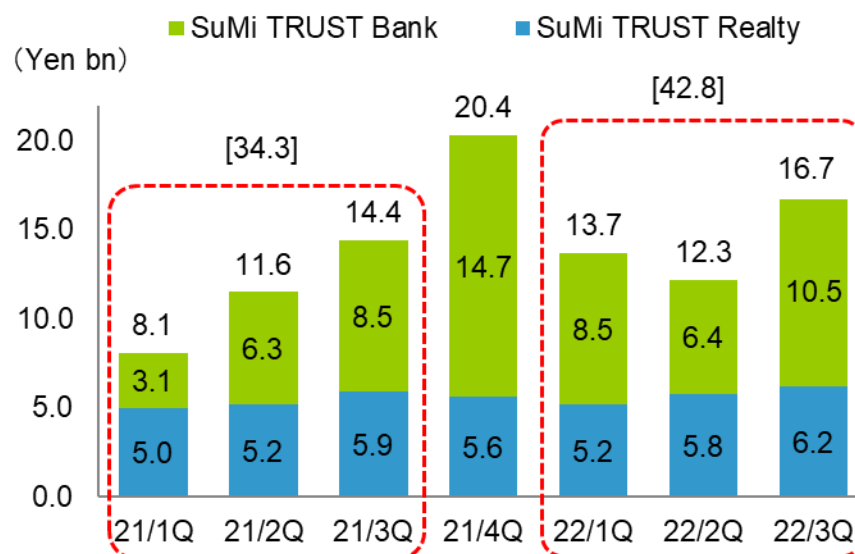
# Fee business: Real estate

- Corporate real estate brokerage (SuMi TRUST Bank): Increased by ¥7.4bn YoY to ¥25.5bn due to closing large transactions
- Retail real estate brokerage (SuMi TRUST Realty): Maintained strong performance. Increased by ¥1.1bn YoY to ¥17.3bn

## Income (group base)

(Yen bn)		FY21	FY22	Change	FY22 Initial Plan
		1-3Q	1-3Q		
1	Real estate brokerage fees	34.3	42.8	8.5	53.0
2	SuMi TRUST Bank	18.1	25.5	7.4	33.0
3	SuMi TRUST Realty	16.2	17.3	1.1	20.0
4	Real estate trust fees, etc.	4.6	4.8	0.2	6.0
5	Net other real estate profit	1.0	1.1	0.1	1.5
6	SuMi TRUST Bank	-	(0.0)	(0.0)	-
7	Group companies	1.0	1.1	0.1	1.5
8	Total	39.9	48.9	8.9	60.5
9	o/w SuMi TRUST Bank	22.7	30.4	7.7	39.0

## Real estate brokerage fees (quarterly)



## Assets under management / administration

(Yen bn)		Mar. 22	Dec. 22	Change
10	Securitized real estate	22,023.8	23,443.1	1,419.2
11	Assets under custody from J-REITs	17,508.0	16,897.3	(610.7)
12	Assets under management	624.5	598.4	(26.1)
13	Private placement funds	340.2	307.8	(32.4)
14	J-REITs	284.3	290.6	6.2



# Fee business: Asset management/administration

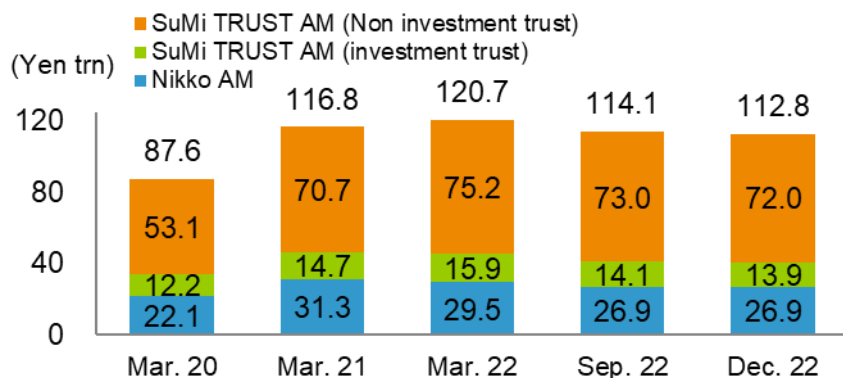
- AUM decreased by ¥(7.8)trn to approx. ¥113trn from March 2022 mainly due to decline of market value
- AUC decreased mainly due to decline of market value except for domestic non investment trust

## Assets under management (AUM)

(Yen trn)		Mar. 22	Dec. 22	Change
1	Assets under management (*1)	120.7	112.8	(7.8)
2	SuMi TRUST AM	91.2	85.9	(5.2)
3	Investment trust	15.9	13.9	(2.0)
4	Non investment trust (*2)	75.2	72.0	(3.2)
5	Corporate pension trust	14.8	13.8	(0.9)
6	Public pension trust	12.9	12.4	(0.5)
7	Discretionary investment	47.5	45.7	(1.7)
8	Nikko AM	29.5	26.9	(2.6)

(\*1) Categorized by entity actually managing asset

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



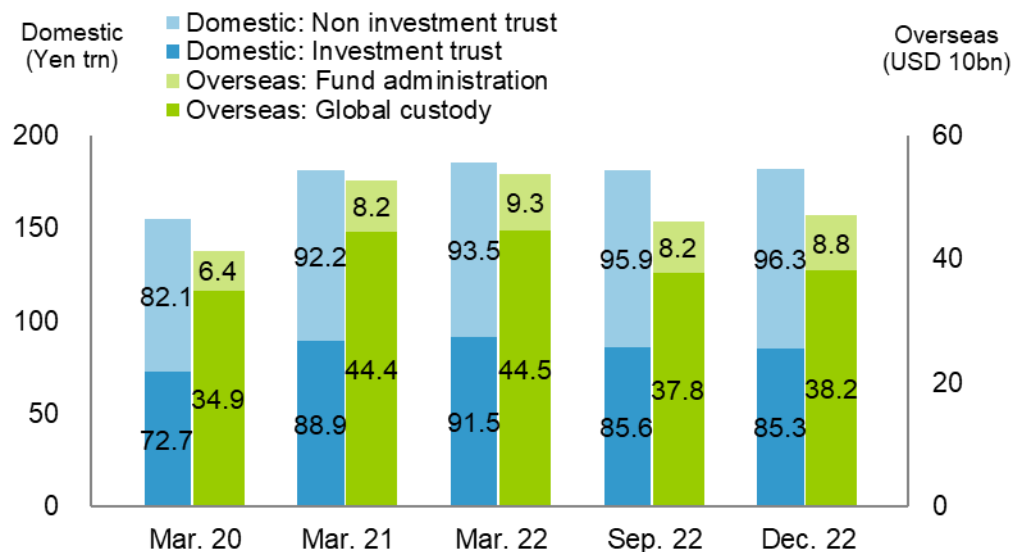
USD/JPY	108.69	110.65	122.38	144.81	132.74
TOPIX	1,403.04	1,954.00	1,946.40	1,835.94	1,891.71

## Assets under custody/administration (AUC)

(Yen trn)		Mar. 22	Dec. 22	Change
9	[Domestic] Investment trust (*3)	91.5	85.3	(6.1)
10	[Domestic] Non investment trust (*3)	93.5	96.3	2.7
(USD 10bn)				
11	[Overseas] Global custody (*4)	44.5	38.2	(6.3)
12	[Overseas] Fund administration	9.3	8.8	(0.5)

(\*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 YoY. Outstanding also decreased slightly from March. 2022
- Corporate: Continue to shift from corporate to product lending. Increased short term corporate Yen lending

## Individual clients

(Yen bn)		FY21	FY22	Change	FY22 Initial Plan
		1-3Q	1-3Q		
1	Annual amount of new loans to individuals	944.9	657.4	(287.4)	1,100.0
2	Mortgage loans	878.0	578.1	(299.8)	1,000.0

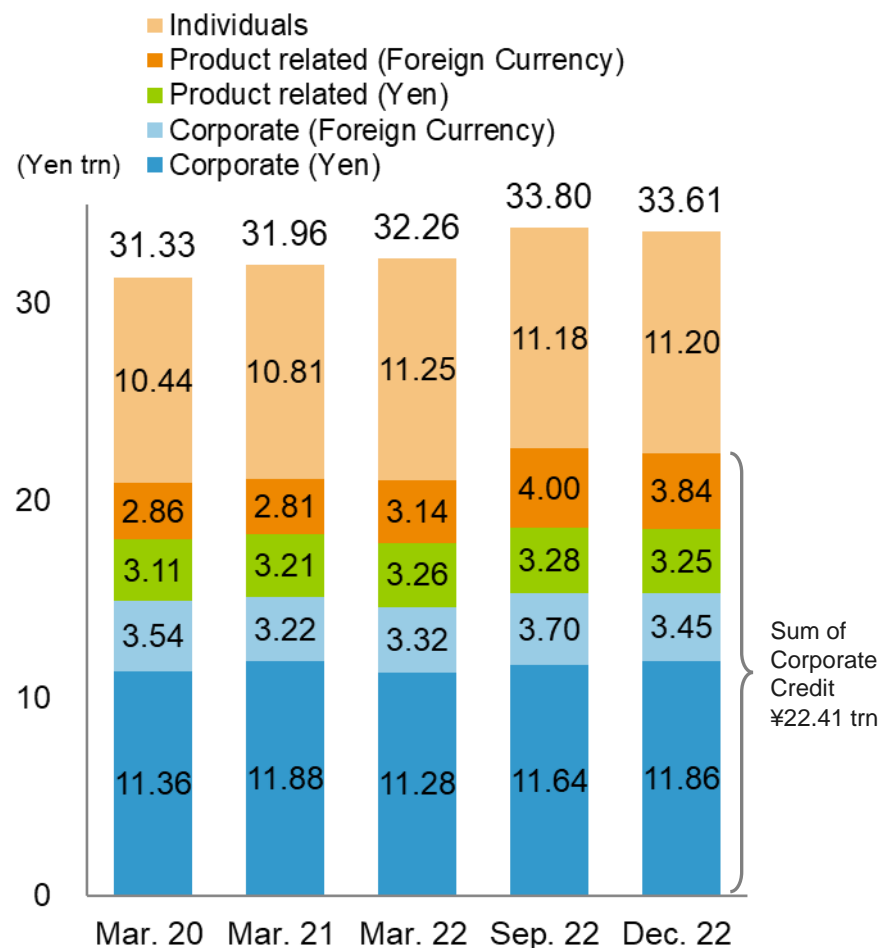
(Yen bn)		Mar. 22	Dec. 22	Change	Mar. 23 Initial Plan
3	Outstanding of individual loans	11,251.6	11,200.1	(51.5)	11,350.0
4	Mortgage loans	10,543.7	10,575.0	31.2	10,650.0

## Corporate clients

(Yen bn)		Mar. 22	Dec. 22	Change (*)	Mar. 23 Initial Plan
5	Corporate lending(Yen)	11,283.2	11,865.7	582.4	11,400.0
6	Corporate lending(Foreign Currency)	3,322.4	3,450.1	127.6	3,200.0
7	Product related (Yen)	3,260.9	3,252.6	(8.2)	3,300.0
8	Product related (Foreign Currency)	3,144.8	3,848.4	703.6	3,100.0
9	Total balance of credit for corporates	21,011.4	22,416.9	1,405.5	21,000.0
10	Product related	6,405.7	7,101.1	695.3	6,400.0

(\*) Impact of foreign exchange: Corporate (Foreign Currency) approx. ¥225.9bn,  
Product related (Foreign Currency) approx. ¥235.1bn

## Credit portfolio balance



# Capital

- Common Equity Tier 1 ratio:10.97%. Down 1.34 ppt from Mar. 2022 due to increase in RWA.
- Pro-forma CET1 capital ratio on finalized Basel III:9.4% also down 0.5 ppt. (Up 0.1 ppt from Sep. 2022)
- 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	Dec. 22	Change
1 Total capital ratio		15.61%	13.53%	(2.08%)
2 Tier 1 capital ratio		13.71%	12.21%	(1.50%)
3 Common Equity Tier 1 capital ratio		12.31%	10.97%	(1.34%)
4 Total capital		3,144.4	3,070.6	(73.8)
5 Tier 1 capital		2,761.5	2,770.8	9.3
6 Common Equity Tier 1 capital		2,480.1	2,488.8	8.6
7 Instruments and reserves		2,682.8	2,727.4	44.6
8 Accumulated other comprehensive income (*1)		198.0	165.0	(33.0)
9 Regulatory adjustments		(202.6)	(238.5)	(35.9)
10 Additional Tier 1 capital		281.3	281.9	0.6
11 Tier 2 capital		382.9	299.7	(83.1)
12 Total risk-weighted assets		20,135.3	22,684.4	2,549.0
13 Credit risk		17,921.0	19,733.5	1,812.4
14 Market risk		1,268.5	1,993.1	724.6
15 Operational risk		945.7	957.7	12.0

(\*1) Valuation differences on Available-for-Sale Securities (Dec. 2022): ¥223.3bn  
(Change from Mar. 2022: ¥(54.3)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 3QFY2022. "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: +¥8.6bn

- Net income: +¥145.6bn
- Valuation differences on AFS (considering valuation differences on hedging items): ¥(69.1)bn
- Dividend: ¥(36.7)bn
- Repurchase of own shares: ¥(29.9)bn

### [Risk-weighted assets]

#### (2) Credit risk: +¥1,812.4bn

- Increase in foreign currency-denominated loan due to JPY depreciation :approx. +¥500.0bn
- Increase in investment in alternative asset :approx. +¥1,300.0bn

#### (3) Market risk: +¥724.6bn

- Increase due to build position in preparation for JPY appreciation and market volatility

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

	(Yen bn)	Dec. 22	Change from Mar. 22
16 Leverage ratio (*2)		5.30%	(0.02%)
17 Including current account with the Bank of Japan		4.02%	(0.10%)
18 Tier 1 capital		2,770.8	9.3
19 Total exposure (*2)		52,208.4	331.5
20 Including current account with the Bank of Japan		68,898.0	1,936.8
21 Liquidity coverage ratio (*3)		148.3%	(12.5%)
22 Total high-quality liquid assets		19,347.7	1,618.4
23 Net cash outflows		13,043.1	2,024.4