



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for FY2022

May 12, 2023

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including changes in managerial circumstances. Please refer to the most recent relevant materials including financial results (“Kessan Tanshin”)(including attached explanatory materials), the securities report and other presentations disclosed by Sumitomo Mitsui Trust Holdings and its group companies, for further information that could significantly influence its financial position and operating results as well as investment decisions by investors. Information regarding companies and other entities outside the group in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed. This presentation does not constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any securities.

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”

Financial results for FY2022 / Forecast for FY2023

- Net business profit and Net income exceed forecast. Achieved 105%, 101%
- Dividend per share : ¥210 (increased by ¥40), Consolidated dividend payout ratio : 40.2%
- FY23 forecast of Net income : ¥200.0bn (increased by ¥8.9bn YoY). Dividend per share: ¥220 (increased by ¥10)

<Major KPIs>

		(Yen bn)		FY21 Actual	Forecast	FY22 Actual	change from FY21	change from Forecast	FY23 Plan	change from FY22
1	Net business profit before credit costs			346.0	310.0	324.6	(21.4)	+ 14.6	320.0	(4.6)
2	Substantial gross business profit			808.1	800.0	814.1	+ 5.9	+ 14.1	850.0	+ 35.8
3	Substantial G&A Expenses			(462.0)	(490.0)	(489.5)	(27.4)	+ 0.5	(530.0)	(40.4)
4	Total credit costs			(41.5)	(20.0)	(10.4)	+ 31.1	+ 9.6	(20.0)	(9.5)
5	Net gains on stocks			(38.3)	0.0	3.0	+ 41.4	+ 3.0	15.0	+ 11.9
6	Other net non-recurring profit, Extraordinary profit			(38.1)	(25.0)	(45.8)	(7.6)	(20.8)	(35.0)	+ 10.7
7	Net income			169.0	190.0	191.0	+ 21.9	+ 1.0	200.0	+ 8.9
8	Fee income ratio			54.0%		55.1%	+ 1.1%			
9	Overhead ratio			57.1%	61.3%	60.1%	+ 3.0%	(1.2%)	62.4%	+ 2.3%
10	Return on equity			6.25%		6.93%	+ 0.68%			
11	Common Equity Tier 1 capital ratio			12.31%		10.79%	(1.52%)	(*)		

(*) Pro-forma figure of Mar.23 CET1 Capital Ratio on finalized Basel III reform basis is 9.5%.

<Per share information>

		(Yen)		FY21 Actual	FY22 Actual	change from FY21
12	Earnings per share (EPS)			451	517	+ 66
13	Dividend per share (DPS)			170	210	+40
				Mar. 22	Mar. 23	change from Mar. 22
14	Net assets per share (BPS)			7,249	7,686	+436

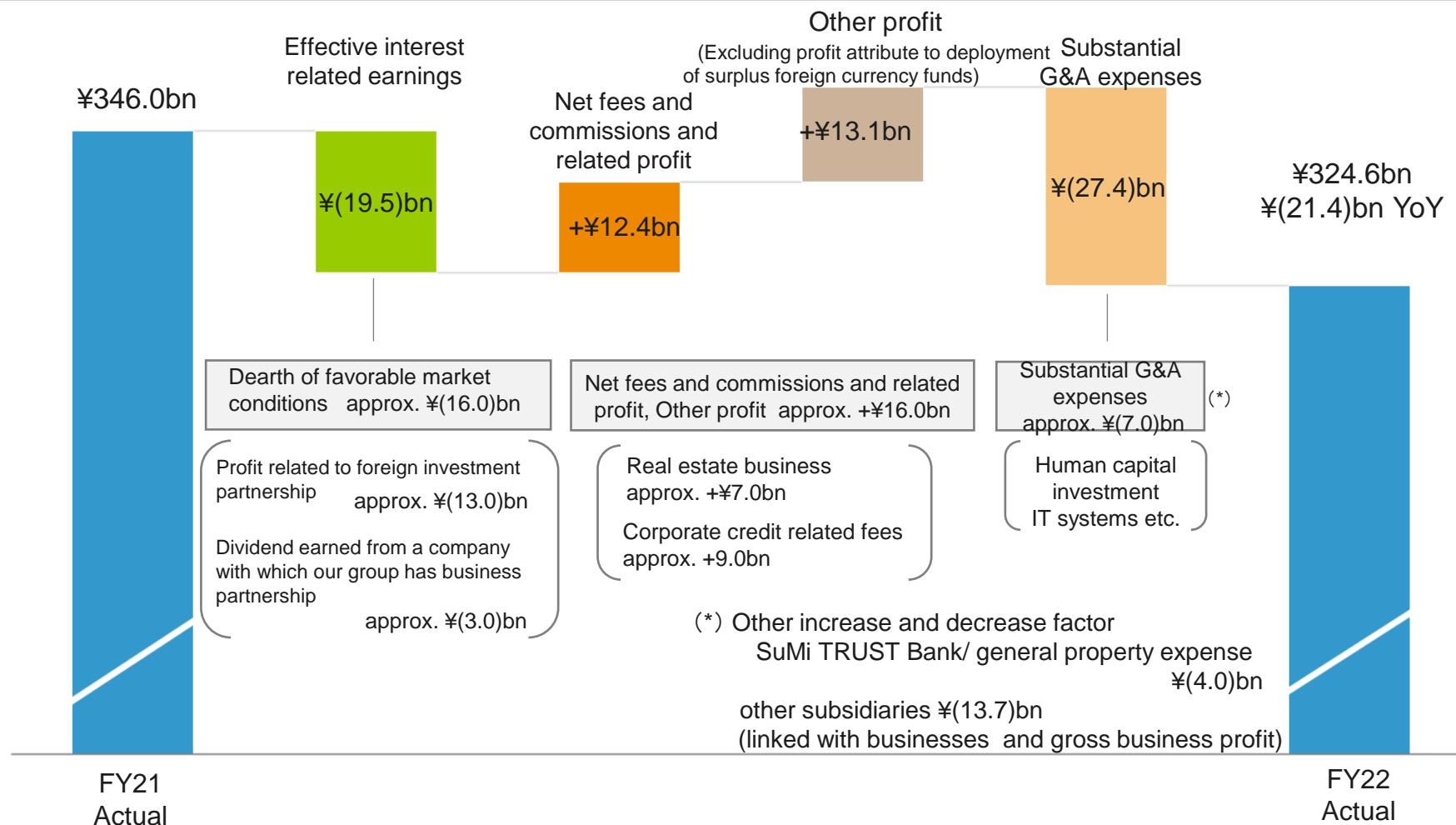
FY23 Plan	change from FY22
541	+24
220	+10

<Shareholders' return>

	FY22 Actual	FY23 Plan
15 Dividend payout ratio	40.2%	40.0%

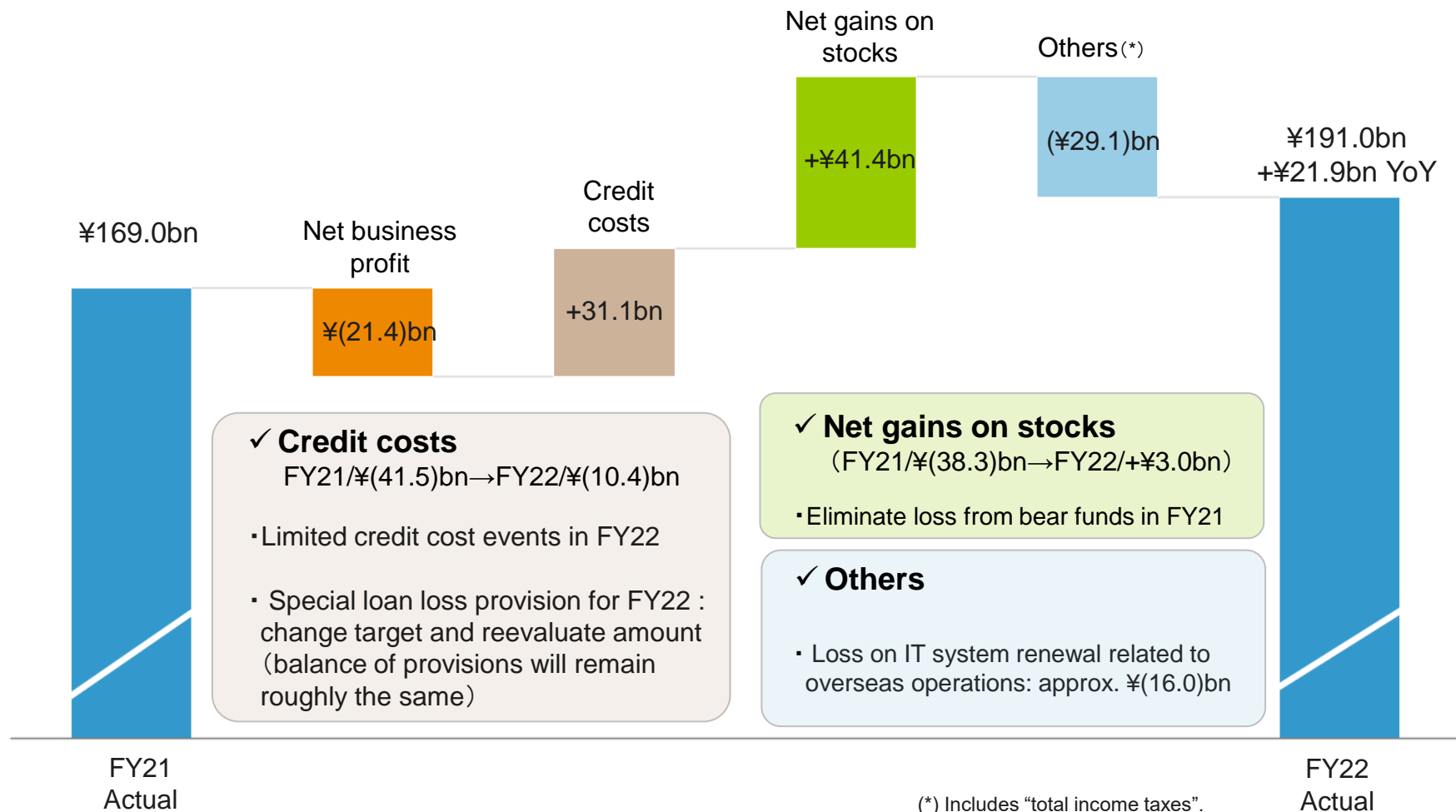
Net business profit before credit cost (FY2022)

- Effective interest-related earnings declined, mainly due to dearth of favorable market conditions that prevailed in the previous fiscal year
- Net fees and commissions increased. Real estate 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 (FY2022)

- Achieved ¥191.0bn exceeding forecast of ¥190.0bn. Increase of ¥21.9bn YoY
- Improvements in credit costs and net gains on stocks offset decrease in net business profit and extraordinary loss



Overview of profits

	(Yen bn)	FY21	FY22	Change
1	Net business profit before credit costs (*1)	346.0	324.6	(21.4)
2	Substantial gross business profit (*1)	808.1	814.1	5.9
3	Effective interest related earnings (*2)	320.2	300.6	(19.5)
4	Net fees and commissions and related profit	436.9	449.3	12.4
5	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	51.0	64.1	13.1
6	Substantial G&A expenses (*1)	(462.0)	(489.5)	(27.4)
7	Total credit costs	(41.5)	(10.4)	31.1
8	Net gains on stocks	(38.3)	3.0	41.4
9	Other net non-recurring profit	(36.4)	(31.4)	5.0
10	Ordinary profit	229.7	285.8	56.1
11	Extraordinary profit	(1.7)	(14.4)	(12.7)
12	Income before income taxes	227.9	271.3	43.3
13	Total income taxes	(57.7)	(79.3)	(21.5)
14	Income attributable to non-controlling interests	(1.1)	(1.0)	0.1
15	Net income	169.0	191.0	21.9
16	Earnings per share (EPS) (Yen)	451	517	65
17	Number of shares issued (mn shares) (*3)	374.5	369.3	(5.2)

(Reference)

18	Net interest income and related profit	304.8	148.1	(156.7)
19	Other profit	66.3	216.6	150.3
20	Profit attributable to deployment of surplus foreign currency funds	15.3	152.5	137.1
21	Other	51.0	64.1	13.1

(*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

- Achieved ¥324.6bn of 105% vs FY22 forecast of ¥310.0bn
- Decreased YoY ¥(21.4)bn mainly due to dearth of favorable market conditions
- (#3 Effective interest related earnings) Decreased YoY ¥(19.5)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 income
- (#4 Net fees and commissions and related profit) YoY increase of ¥12.4bn Real estate brokerage fees propelled increase in fee income. Corporate credit related fees also contributed but asset management fees decreased
- Substantial G&A expenses increased mainly due to investments in human capital and expenses linked with gross business profit increases

Total credit costs

- Posted ¥(10.4)bn of total credit costs.
- Changed target of special loan loss provision(SuMi TRUST Bank) and reevaluate its amount and balance of provisions will remain roughly the same

Net gains on stocks

- Achieved two-year target(¥100.6bn at cost) and steady progress in strategic shareholdings reduction
- Posted ¥84.0bn of gains from divestment of strategic shareholdings and ¥(79.0)bn of realized loss from sale of bear funds

Other net non-recurring profit, extraordinary profit

- YoY net losses on stocks related derivatives improved by ¥5.7bn, losses on investment in partnership increased by ¥(4.9)bn and amortization of actuarial net differences increased by ¥(2.6)bn
- Posted approx. ¥(16.0)bn of extraordinary loss due to IT system renewal related to overseas operations (SuMi TRUST Bank)

Net income

- Achieved ¥191.0bn vs FY22 forecast of ¥190.0bn, the highest record since integration

Overview of balance sheet

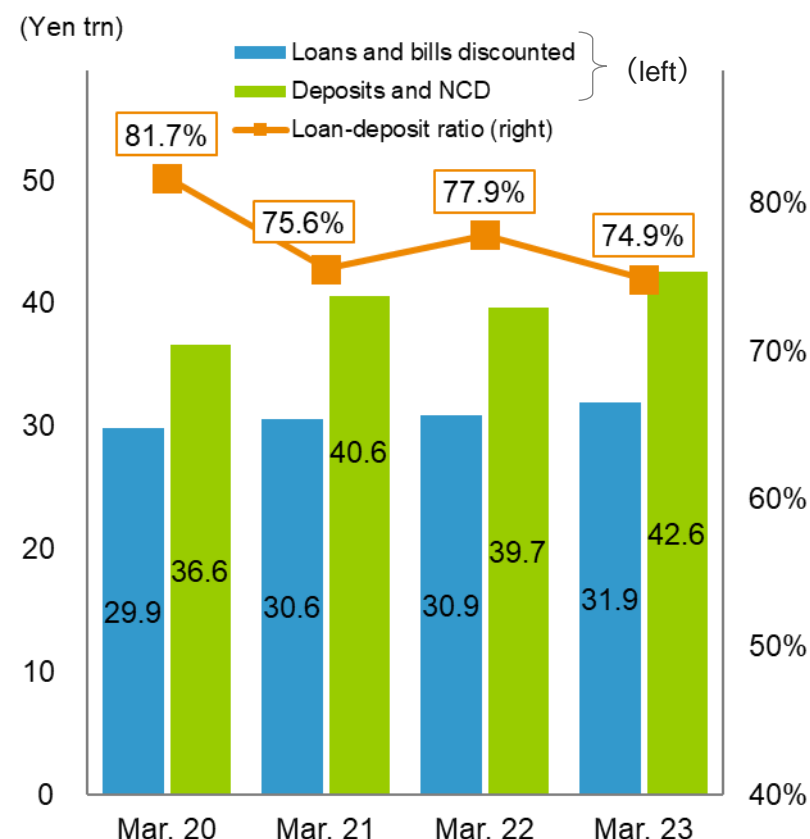
(Yen bn)		Mar. 22	Mar. 23	Change
1	Assets	64,633.2	69,022.7	4,389.5
2	Cash and due from banks	18,223.3	21,602.4	3,379.1
3	Securities	7,879.2	6,933.0	(946.1)
4	Loans and bills discounted	30,876.5	31,810.9	934.4
5	Other assets	7,654.1	8,676.2	1,022.1
6	Liabilities	61,887.9	66,200.1	4,312.2
7	Deposits and NCD	39,818.1	42,848.2	3,030.1
8	Borrowed money from trust account	4,298.8	4,332.4	33.6
9	Other liabilities	17,770.9	19,019.4	1,248.4
10	Total net assets	2,745.2	2,822.5	77.2
11	Total shareholders' equity	2,517.5	2,587.8	70.2
12	Total accumulated OCI	198.0	204.2	6.2
13	Minority interests, etc.	29.7	30.4	0.7
14	Net assets per share (BPS) (Yen)	7,249	7,686	436
15	Number of shares issued (mn shares) (*)	374.5	363.2	(11.3)

(Reference)

16	Loan-deposit ratio (SuMi TRUST Bank)	77.9%	74.9%	(3.0%)
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

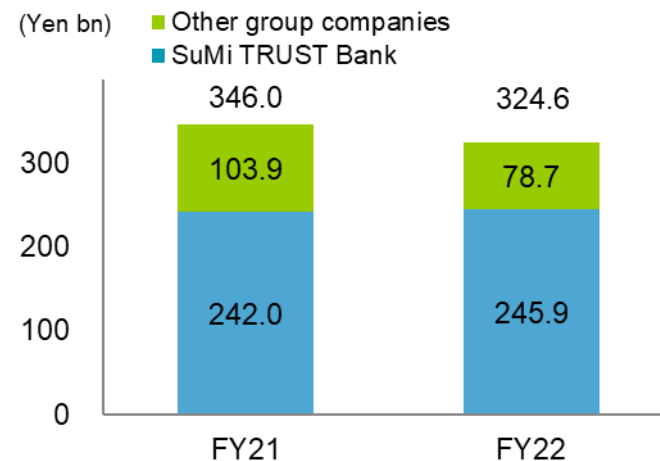
(Yen bn)		FY21	FY22	Change
1	Net business profit before credit costs (*1)	346.0	324.6	(21.4)
2	SuMi TRUST Bank (*2)	242.0	245.9	3.8
3	SuMi TRUST AM	9.4	7.9	(1.5)
4	Nikko AM (*3)	30.7	13.9	(16.8)
5	SuMi TRUST Realty	6.8	7.3	0.5
6	SuMi TRUST Panasonic Finance (*3)	9.5	8.6	(0.8)
7	SuMi TRUST Loan & Finance	10.7	10.9	0.2
8	SuMi TRUST Guarantee (*3)	11.6	11.6	0.0
9	SuMi TRUST Club	1.5	3.7	2.1
10	UBS SuMi TRUST Wealth Management	0.7	2.5	1.7
11	Net income (*1)	169.0	191.0	21.9
12	SuMi TRUST Bank	113.3	169.1	55.7
13	SuMi TRUST AM	6.4	5.4	(1.0)
14	Nikko AM (*3)	18.5	12.7	(5.8)
15	SuMi TRUST Realty	4.7	5.2	0.4
16	SuMi TRUST Panasonic Finance (*3)	6.2	5.8	(0.4)
17	SuMi TRUST Loan & Finance	7.4	7.6	0.2
18	SuMi TRUST Guarantee (*3)	8.0	8.5	0.5
19	SuMi TRUST Club	1.5	1.6	0.0
20	UBS SuMi TRUST Wealth Management	0.5	1.8	1.3

(*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.

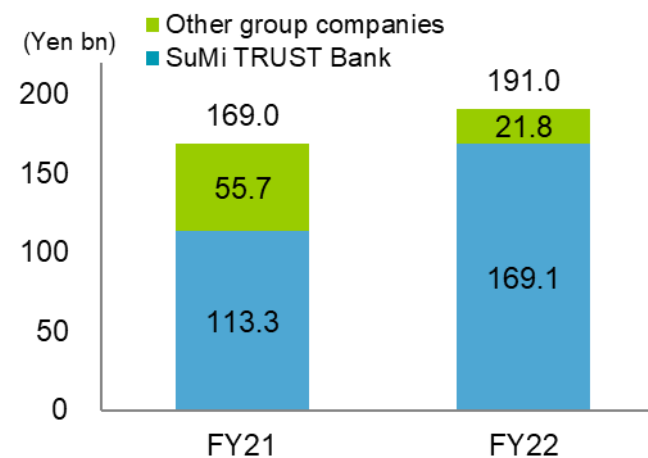
(*2) Including dividend from group companies (FY21:¥14.1bn, FY22:¥30.1bn, YoY change: +¥16.0bn)

(*3) Consolidated basis

Breakdown of Net business profit before credit costs



Breakdown of Net income



Profit by business segment

		FY21 Net business profit before credit costs (Yen bn)	FY21		Substantial G&A expenses	FY22	
			Substantial gross business profit	Change		Net business profit before credit costs	Change
1	Total	346.0	814.1	5.9	(489.5)	324.6	(21.4)
2	Retail Business	32.2	202.8	12.0	(161.3)	41.5	9.2
3	SuMi TRUST Bank	13.7	134.1	2.7	(112.7)	21.3	7.6
4	Other group companies	18.5	68.7	9.2	(48.6)	20.1	1.6
5	Corporate Business	127.4	229.3	17.3	(88.5)	140.8	13.3
6	SuMi TRUST Bank	99.2	153.5	12.9	(42.4)	111.1	11.9
7	Other group companies	28.2	75.7	4.3	(46.1)	29.6	1.3
8	Investor Services Business	70.7	127.3	(10.4)	(69.6)	57.7	(13.0)
9	SuMi TRUST Bank	59.4	76.0	(16.9)	(32.9)	43.1	(16.3)
10	Other group companies	11.2	51.3	6.4	(36.7)	14.5	3.2
11	Real Estate Business	36.9	69.7	6.9	(27.6)	42.1	5.2
12	SuMi TRUST Bank	29.3	44.1	4.8	(10.2)	33.9	4.5
13	Other group companies	7.5	25.5	2.0	(17.4)	8.1	0.6
14	Global Markets Business (*1)	36.5	69.3	17.0	(15.1)	54.1	17.5
15	Asset Management Business (*2)	40.5	84.7	(17.2)	(62.4)	22.2	(18.2)

(*1) Substantial gross business profit and net business profit include equity related profit which is posted as "net gains on stocks" FY21: +¥1.8bn, FY22: ¥-bn, YoY change: ¥(1.8)bn and net gains/losses on stock related derivatives which is posted as "other non-recurring profit" (FY21: ¥(4.4)bn, FY22: +¥2.3bn, YoY change: +¥6.7bn)

(*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
1	Net business profit before credit costs	242.0	245.9	3.8
2	Gross business profit	490.6	508.1	17.5
3	Effective interest related earnings	290.5	285.9	(4.6)
4	Net interest income and related profit	275.2	133.4	(141.8)
5	Profit attributable to deployment of surplus foreign currency funds	15.3	152.5	137.1
6	Net fees and commissions and related profit	180.8	193.2	12.4
7	Net trading profit	20.3	57.1	36.8
8	Net gains on foreign exchange transactions	13.4	10.4	(3.0)
9	Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)	6.8	46.7	39.8
10	Net gains on bonds	(17.8)	(26.0)	(8.1)
11	Net gains from derivatives	19.0	1.0	(18.0)
12	General and administrative expenses	(248.5)	(262.2)	(13.7)
13	Total credit costs	(42.4)	(12.4)	29.9
14	Other non-recurring profit	(48.8)	(8.8)	39.9
15	o/w Net gains on stocks	(37.3)	5.9	43.3
16	Amortization of net actuarial losses	(1.1)	(3.8)	(2.6)
17	Ordinary profit	150.8	224.5	73.7
18	Extraordinary profit	(1.6)	(0.3)	1.3
19	Income before income taxes	149.1	224.2	75.1
20	Total income taxes	(35.7)	(55.1)	(19.3)
21	Net income	113.3	169.1	55.7

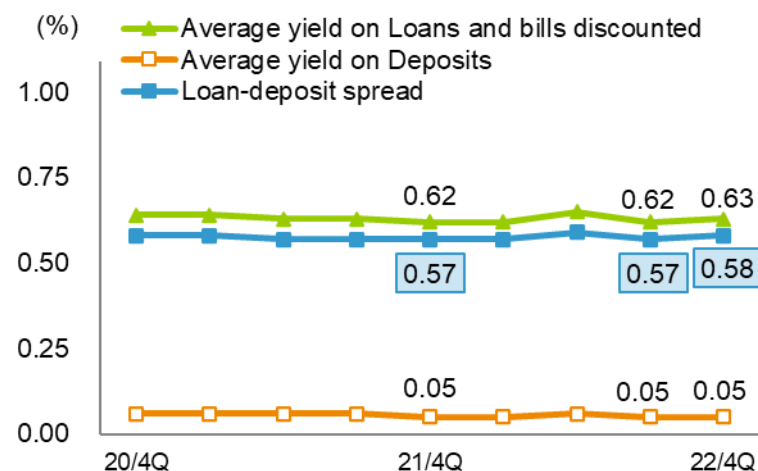
		FY21	FY22	Change
22	Gross business profit	490.6	508.1	17.5
23	Net interest income and related profit	275.2	133.4	(141.8)
24	Net fees and commissions and related profit	180.8	193.2	12.4
25	Net trading profit	13.4	10.4	(3.0)
26	Net other operating profit	21.1	171.0	149.9
27	o/w Net gains on foreign exchange transactions	22.2	199.2	177.0
28	Profit attributable to deployment of surplus foreign currency funds	15.3	152.5	137.1
29	other	6.8	46.7	39.8
30	Net gains on bonds	(17.8)	(26.0)	(8.1)
31	Net gains from derivatives	19.0	1.0	(18.0)
32	Net fees and commissions and related profit	180.8	193.2	12.4
33	o/w Investment management consulting	40.4	41.3	0.9
34	Asset management/administration (*)	66.8	67.1	0.2
35	Real estate brokerage	32.9	37.4	4.5
36	Stock transfer agency services	23.8	24.4	0.6
37	Inheritance related services	4.2	4.4	0.1
38	Corporate credit related (*)	25.8	34.7	8.9
39	Net gains on bonds	(17.8)	(26.0)	(8.1)
40	Domestic bonds	(0.2)	(5.6)	(5.4)
41	Foreign bonds	(17.6)	(20.3)	(2.7)

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

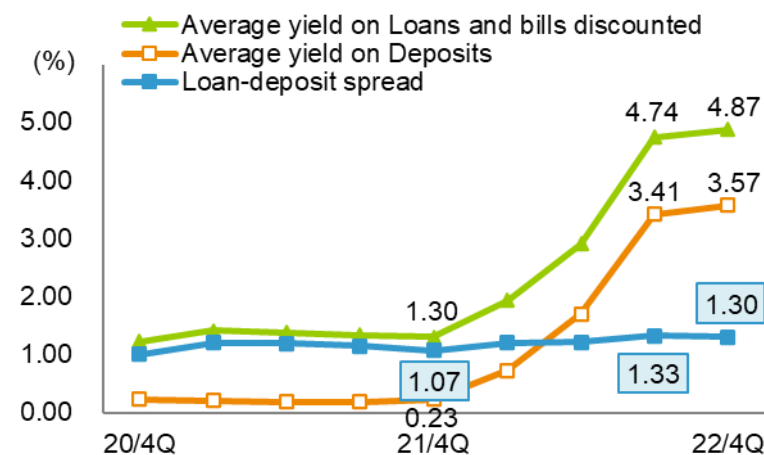
Net interest income (SuMi TRUST Bank)

		FY22					
(Average balance: Yen trn) (Income/Expenses: Yen bn)		Average Balance	Change from FY21	Average Yield	Change from FY21	Income/ Expenses	Change from FY21
1	Net interest income					113.2	(142.8)
2	Domestic business			0.40%	0.06%	188.3	29.7
3	Interest-earning assets	46.50	0.62	0.53%	0.07%	248.0	33.1
4	o/w Loans and bills discounted	24.85	0.24	0.63%	(0.00%)	158.1	1.2
5	Securities	4.33	(0.13)	1.91%	0.76%	83.2	31.5
6	Interest-bearing liabilities	45.88	0.68	0.13%	0.01%	(59.7)	(3.4)
7	o/w Deposits	27.71	0.33	0.05%	(0.01%)	(15.6)	0.9
8	Borrowings from trust a/c	4.29	0.20	0.46%	0.00%	(20.1)	(1.0)
9	Swaps	---	---	---	---	(9.4)	(5.4)
10	International business			(0.48%)	(1.12%)	(75.0)	(172.5)
11	Interest-earning assets	16.58	1.26	2.53%	1.57%	420.4	272.0
12	o/w Loans and bills discounted	6.79	0.59	3.59%	2.24%	244.4	160.0
13	Due from banks	2.65	0.58	2.58%	2.33%	68.4	63.2
14	Securities	2.89	0.29	2.87%	0.78%	83.3	28.8
15	Interest-bearing liabilities	16.44	0.91	3.01%	2.69%	(495.5)	(444.6)
16	o/w Deposits	6.58	0.85	2.33%	2.12%	(153.7)	(141.5)
17	NCD / USCP	6.67	(0.16)	2.91%	2.78%	(194.4)	(185.0)
18	Repo	1.24	(0.36)	2.58%	2.48%	(32.2)	(30.6)
19	Expenses on swaps	---	---	---	---	(75.5)	(57.0)
20	(+) Trust fees from principal guaranteed trust a/c					20.1	1.0
21	(+) Profit attributable to deployment of surplus foreign currency funds					152.5	137.1
22	Effective interest related earnings					285.9	(4.6)
23	Loan-deposit spread / income in domestic business			0.58%	0.01%	142.4	2.2
24	Loan-deposit spread / income in international business			1.26%	0.12%	90.7	18.5

Domestic loan-deposit spread (quarterly)

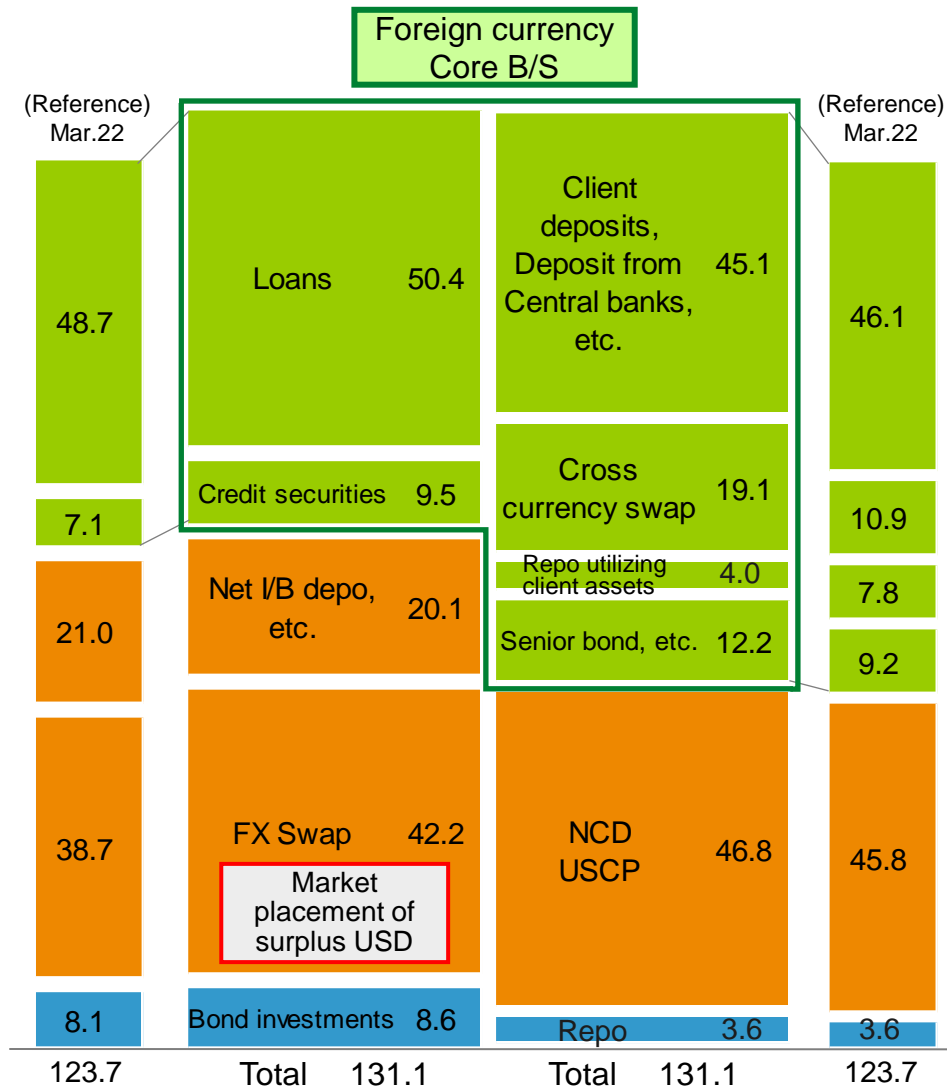


International loan-deposit spread (quarterly)



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

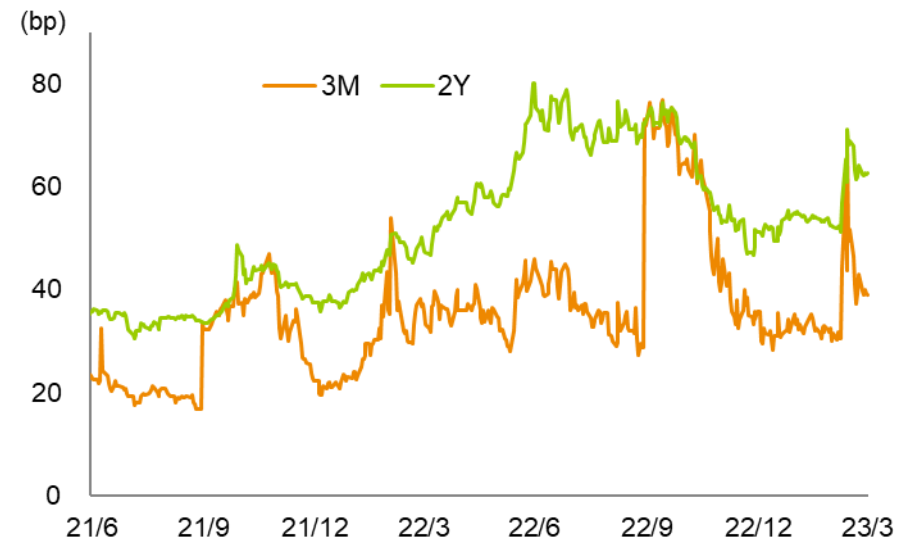
Foreign currency B/S (as of Mar. 23) (USD bn)



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 interbank or foreign exchange market.

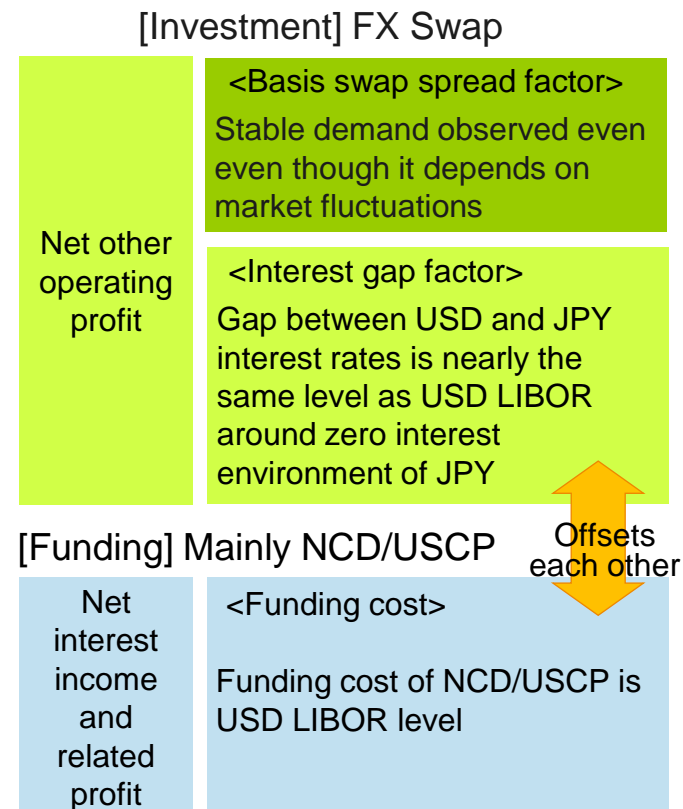
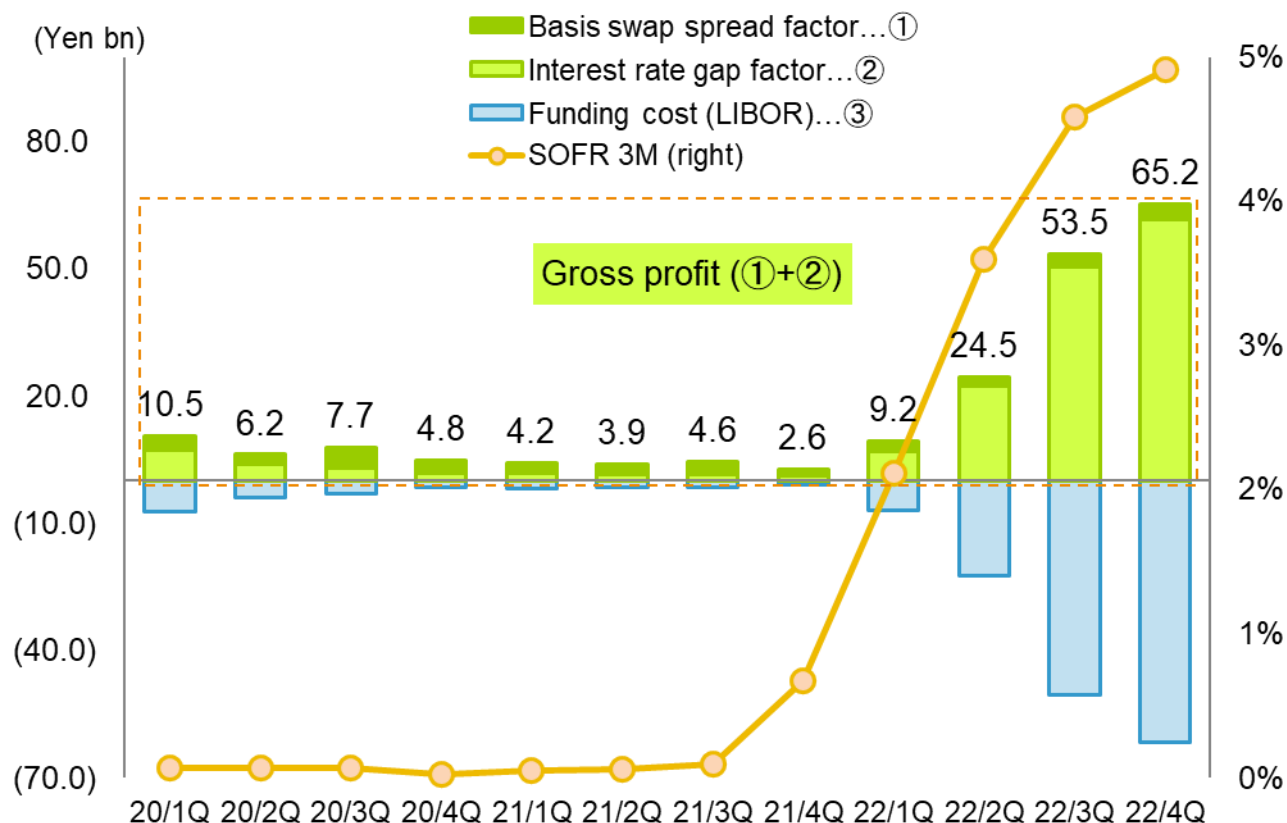
Basis swap spread (*) (USD/JPY)



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

Profit structure of market deployment of surplus foreign currency

- Profit from FX swap 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 slightly increased YoY



(*) 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 (FY22)
(Yen bn)			1H	2H		
1	SuMi TRUST Bank	(42.4)	(8.9)	(3.4)	(12.4)	Downgraded: Approx. ¥(17.0)bn Upgraded: Approx. +¥2.0bn Changes in loan balance, etc. (including recoveries of written-offs): Approx. +¥3.0bn
2	General allowance for loan losses	13.4	4.3	(3.3)	0.9	
3	Specific allowance for loan losses	(53.0)	(12.6)	7.1	(5.4)	
4	Recoveries of written-off claims	1.0	0.4	0.2	0.6	
5	Losses on sales of claims, written-off	(3.8)	(1.0)	(7.5)	(8.5)	
6	Other group companies, etc.	0.8	0.0	1.9	1.9	SuMi TRUST Panasonic Finance +¥1.9bn As of March 2023, special loan loss provision of approx. ¥20.0bn
7	Total	(41.5)	(8.8)	(1.5)	(10.4)	

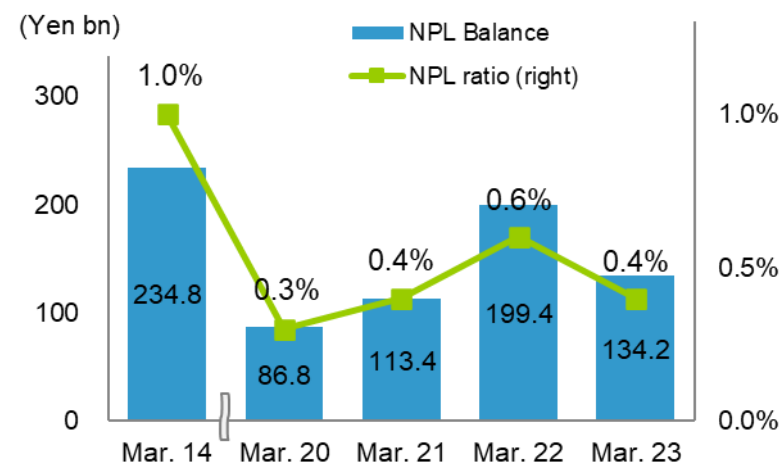
[Non-performing loans (NPLs) based on Banking Act and Reconstruction Act]

		Mar. 22	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 22
(Yen bn)					
8	Total	134.2	68.4%	51.9%	(65.2)
9	NPL ratio	0.4%	---	---	(0.2%)
10	Bankrupt and Practically Bankrupt	8.5	100.0%	100.0%	(8.2)
11	Doubtful	86.2	74.4%	62.6%	(31.6)
12	Substandard	39.5	48.4%	22.3%	(25.4)
13	Loans past due 3 months or more	-	---	---	-
14	Restructured loans	39.5	---	---	(25.4)
15	Assets to borrowers requiring caution(excluding Substandard)	296.4	---	---	(13.6)
16	Assets to normal borrowers	32,092.1	---	---	1,160.3
17	Grand total	32,522.7	---	---	1,081.5

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

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

Total Balance and ratio of NPL



Securities portfolio

[Securities with fair value]

	(Yen bn)	Costs		Unrealized gains/losses	
		Mar. 23	Change from Mar. 22	Mar. 23	Change from Mar. 22
1 Available-for-sale securities		5,675.3	(1,172.2)	372.6	(29.0)
2 Japanese stocks		495.4	(53.4)	577.2	(83.2)
3 Japanese bonds		2,178.5	(1,306.4)	(0.3)	13.0
4 Others		3,001.3	187.5	(204.1)	41.1
5 Held-to-maturity debt securities		299.2	61.2	9.9	(3.1)

[Securities with fair value (SuMi TRUST Bank)]

6 Available-for-sale securities		5,522.5	(1,169.7)	386.2	(30.3)
7 Japanese stocks		471.6	(50.7)	598.3	(86.0)
8 Japanese bonds		2,178.5	(1,306.4)	(0.3)	13.0
9 o/w Government bonds		1,433.5	(1,303.1)	(1.5)	13.1
10 Others		2,872.3	187.3	(211.7)	42.7
11 Domestic investment		107.8	19.2	1.8	(0.3)
12 International investment		1,766.2	211.2	(30.0)	(11.1)
13 o/w US Treasury(*1)		650.5	128.3	(17.2)	(1.6)
14 Others (Investment trust, etc.)		998.1	(43.1)	(183.5)	54.1
15 o/w for hedging of strategic shareholdings (*2)		626.3	(213.5)	(191.6)	50.0

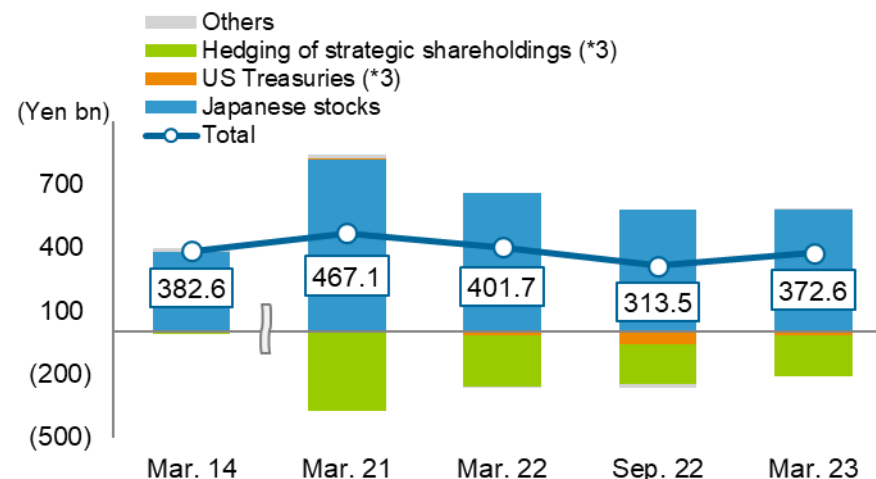
(*1) Unrealized losses of US Treasury after adjusting PL from hedging transactions is ¥(19.1)bn

(*2) Of which hedging effect under capital regulation is recognized: Costs ¥527.5bn,
Unrealized gains/losses ¥(145.8)bn

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

16 Held-to-maturity debt securities		299.1	61.2	9.9	(3.1)
17 o/w Government bonds		117.2	(0.3)	10.7	(2.3)
18 International investment		127.5	67.5	(1.1)	(0.7)

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)	
		Mar. 23	Change from Mar. 22	Mar. 23	Change from Mar. 22
19 JPY		5.3	(1.8)	3.0	0.6
20 Others (*6)		1.0	(0.6)	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

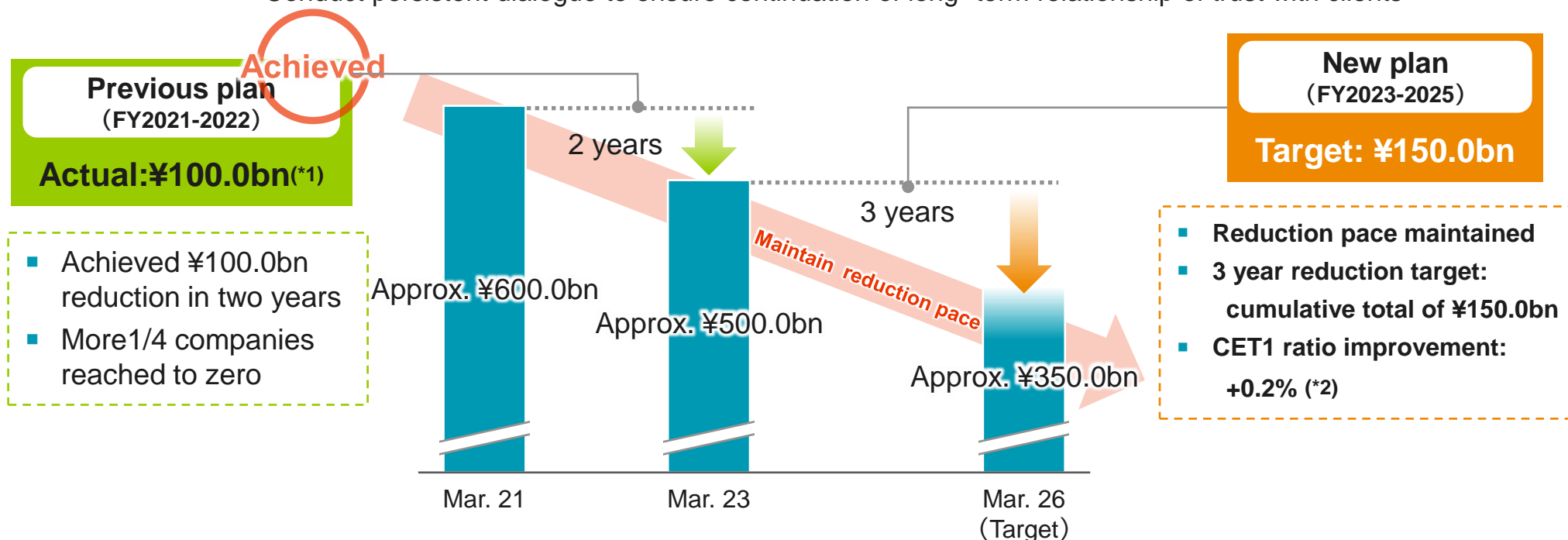
Initiatives to reduce strategic shareholdings

Announcement of reduction of strategic shareholdings to zero (May, 2021)

We shall not hold any “strategic shareholding as a conventional stable shareholder.”

Cost basis balance of strategic shareholdings

Conduct persistent dialogue to ensure continuation of long- term relationship of trust with clients



Proxy voting

- Exercised voting rights according to voting rights guidelines for strategic shareholdings at SuMi TRUST bank since Jun. 2022
- Emphasize pre-engagement activities that lead to enhance corporate value for investors

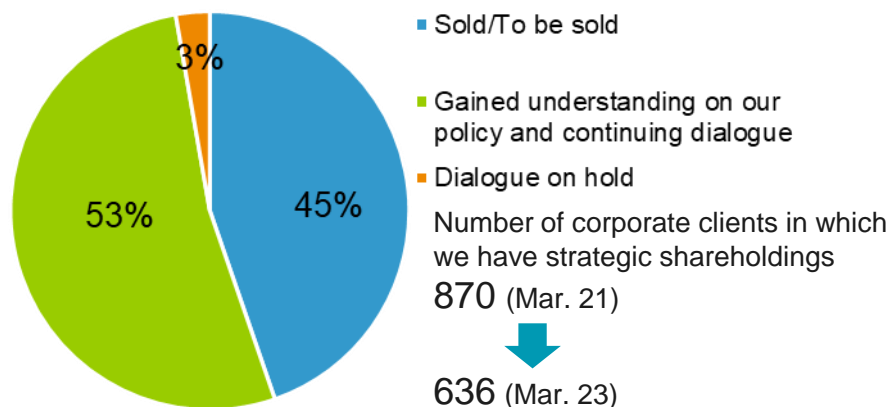
*1: Achieved ¥100.6bn reduction exclude sold and repurchased shares in FY20/4Q

*2: Estimate based on actual results as of the end of Mar. 23 (finalized Basel III basis), incorporating a reduction in RWA equivalent to the reduction target (¥150 bn) for the new plan period.

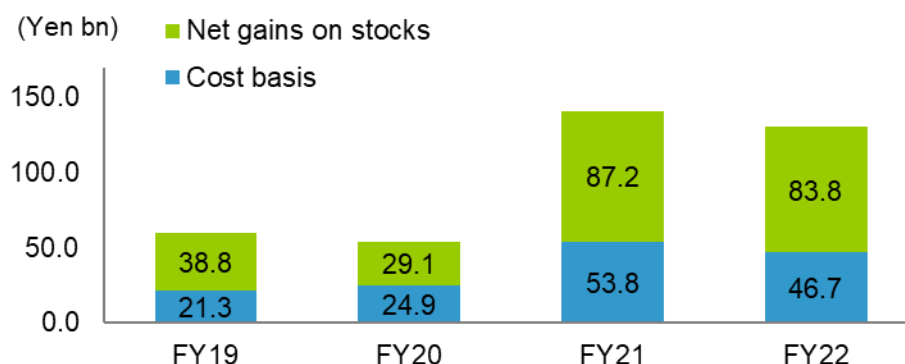
Reduction of strategic shareholdings

- Achieved target (FY21-22) of 100 billion yen reduction over 2 years
- Good start to fiscal year with approx. ¥18bn (at cost) agreed to be sold during FY23, already exceeding FY22 progress at the beginning of the fiscal year

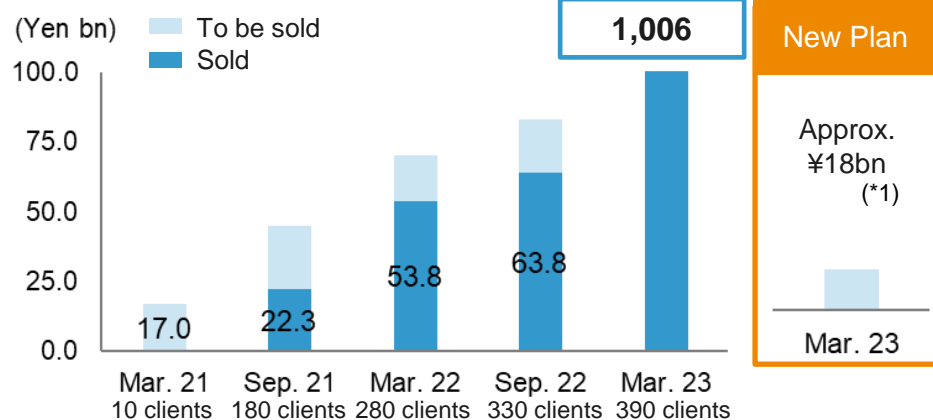
Dialogue with clients



Reduction (consolidated basis)

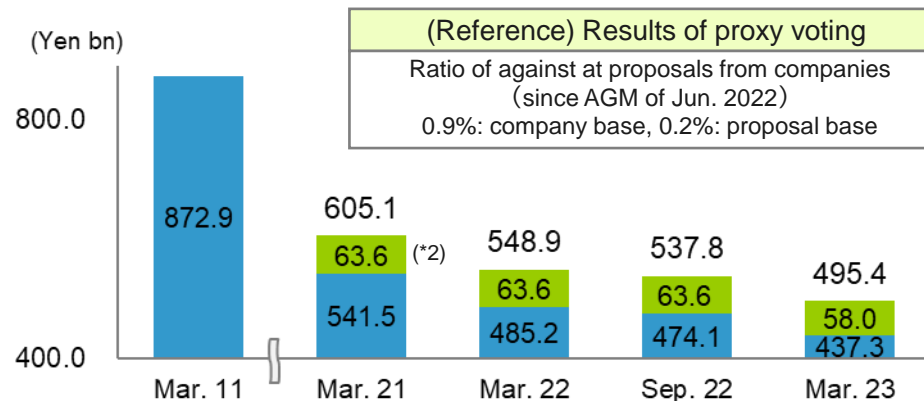


Amount sold/ to be sold (cost basis) (consolidated basis)



(*1) To be sold during FY23 of the new plan (FY23-FY25)

Cost basis balance of strategic shareholdings(consolidated basis)



(*2) Sold and repurchased shares in FY20/4Q

Capital

- Common Equity Tier 1 ratio:10.79%. Down 1.52 ppt from Mar. 2022 due to increase in RWA.
- Pro-forma CET1 capital ratio on finalized Basel III:9.5% also down 0.4 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	Mar. 23	Change
1 Total capital ratio		15.61%	13.24%	(2.37%)
2 Tier 1 capital ratio		13.71%	12.01%	(1.70%)
3 Common Equity Tier 1 capital ratio		12.31%	10.79%	(1.52%)
4 Total capital		3,144.4	3,081.2	(63.1)
5 Tier 1 capital		2,761.5	2,793.5	31.9
6 Common Equity Tier 1 capital		2,480.1	2,509.7	29.6
7 Instruments and reserves		2,682.8	2,752.9	70.1
8 Accumulated other comprehensive income (*1)		198.0	204.2	6.2
9 Regulatory adjustments		(202.6)	(243.2)	(40.5)
10 Additional Tier 1 capital		281.3	283.7	2.3
11 Tier 2 capital		382.9	287.7	(95.1)
12 Total risk-weighted assets		20,135.3	23,256.8	3,121.5
13 Credit risk		17,921.0	20,411.9	2,490.9
14 Market risk		1,268.5	1,838.2	569.6
15 Operational risk		945.7	1,006.7	61.0

(*1) Valuation differences on Available-for-Sale Securities (Mar. 2023): ¥258.2bn
(Change from Mar. 2022: ¥(19.3)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 4QFY2022. "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: +¥29.6bn

- Net income: +¥191.0bn
- Valuation differences on AFS (considering valuation differences on hedging items): ¥(37.8)bn
- Dividend: ¥(76.8)bn
- Repurchase of own shares: ¥(48.9)bn

[Risk-weighted assets]

(2) Credit risk: +¥2,490.9bn

- Increase in investment which contributes to our group's growth and solutions to social issues :approx. +¥1,500.0bn
- Increase in foreign currency-denominated loan due to JPY depreciation :approx. +¥400.0bn

(3) Market risk: +¥569.6bn

- Increase due to higher market volatility

<Other ratios required in prudential regulations (consolidated)>

	(Yen bn)	Mar. 23	Change from Mar. 22
16 Leverage ratio (*2)		5.36%	0.04%
17 Including current account with the Bank of Japan		3.95%	(0.17%)
18 Tier 1 capital		2,793.5	31.9
19 Total exposure (*2)		52,117.3	240.3
20 Including current account with the Bank of Japan		70,661.9	3,700.7
21 Liquidity coverage ratio (*3)		138.3%	(22.5%)
22 Total high-quality liquid assets		19,451.5	1,722.3
23 Net cash outflows		14,058.9	3,040.1

Forecast for FY2023

- Net business profit: ¥ 320.0bn decreased by ¥(4.6)bn YoY due to dearth of favorable market conditions (mainly impact of foreign exchange) in FY22 and uncertain market condition
- Net income: ¥200.0bn increased by ¥8.9bn YoY
- Dividend per share : ¥220 increased by ¥10 YoY, consolidated dividend payout ratio of 40.0% in accordance with our new shareholder return policy(*)

	(Yen bn)	FY22 Actual	FY23 Forecast	Change from FY22	
1	Net business profit before credit costs	324.6	320.0	(4.6)	(1)
2	SuMi TRUST Bank	245.9	259.0	13.0	
3	Substantial gross business profit	814.1	850.0	35.8	
4	SuMi TRUST Bank	508.1	544.0	35.8	
5	Other group companies	305.9	306.0	0.0	
6	Substantial G&A Expenses	(489.5)	(530.0)	(40.4)	
7	SuMi TRUST Bank	(262.2)	(285.0)	(22.7)	
8	Other group companies	(227.2)	(245.0)	(17.7)	
9	Total credit costs	(10.4)	(20.0)	(9.5)	(2)
10	Net gains on stocks	3.0	15.0	11.9	(3)
11	Other non-recurring profit	(31.4)	(35.0)	(3.5)	
12	Ordinary profit	285.8	280.0	(5.8)	
13	Net income	191.0	200.0	8.9	
14	SuMi TRUST Bank	169.1	184.0	14.8	
15	Dividend per common share (Yen)	210	220	+10	
16	Consolidated dividend payout ratio	40.2%	40.0%	(0.2%)	

(*) Shareholder return policy [announced on May12, 2023]

- ✓ Dividend per share will be progressive, while aiming to increase the dividend per share through profit growth. The dividend payout ratio will be determined at 40% or above.
- ✓ Share repurchase will be implemented flexibly on the premise of securing sufficient capital, while balancing the use of capital for medium-to-long term profit growth and the effects of better capital efficiency

【Assumptions】

(1) Net business profit: ¥(4.6)bn YoY

- Substantial gross business profit is expected to be unchanged excluding the impact of JPY depreciation of FY22. Forecast is planed on the exchange rate of ¥130(assumed).
- Substantial G&A Expenses is expected to increase due to prior investment for IT systems, human capital, etc.

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

- Total credit costs of ¥(20.0)bn is assumed based on past results, while no specific client is considered
- Substantial balance of allowance for losses is ¥(40.0)bn including special loan loss provision ¥(20.0)bn at the beginning of FY23

(3) Net gains on stocks: forecast ¥15.0bn

- Net gains on stocks is expected for certain amount due to gains from divestment of strategic shareholdings which is partially offset by recognition of unrealized losses on hedging transactions

Fee business: Investment management consulting

- Total income posted ¥41.3bn due to increased sales fees of insurance while decreased sales fees of investment trust
- Total balance increased by ¥72.4bn YoY to ¥7,379.1bn due to increase of cash flow in Fund wrap and SMA while market value declined

Income from marketing of investment products

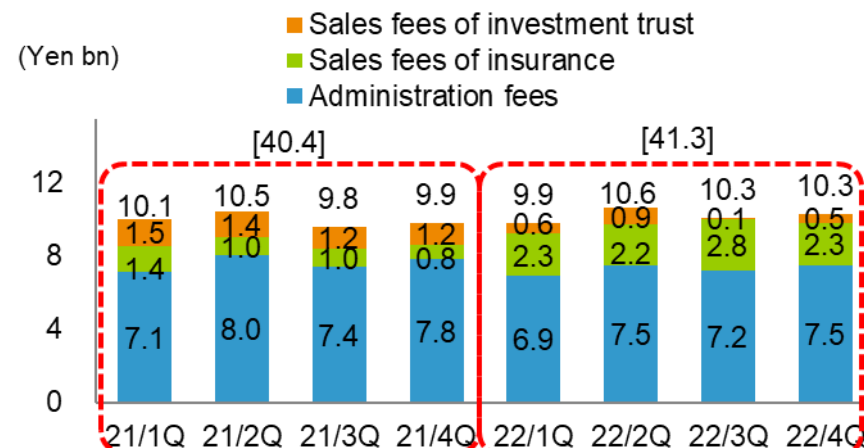
	(Yen bn)	FY21	FY22	Change
1 Income total		40.4	41.3	0.9
2 Sales fees of investment trust		5.5	2.2	(3.2)
3 Sales fees of insurance		4.3	9.7	5.4
4 Administration fees		30.5	29.3	(1.2)

Sales volume / balance

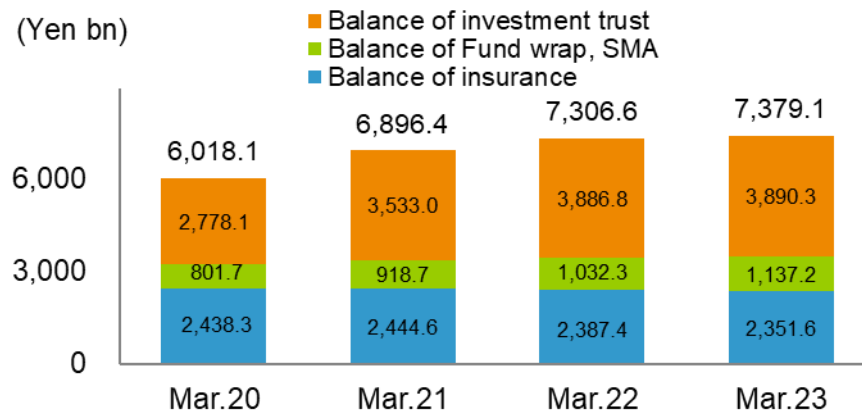
	(Yen bn)	FY21	FY22	Change
5 Sales volume total		1,153.6	1,234.8	81.2
6 Investment trust		837.7	664.8	(172.8)
7 Fund wrap, SMA		167.8	212.3	44.5
8 Insurance		148.0	357.6	209.5

	(Yen bn)	Mar. 22	Mar. 23	Change
9 Balance total		7,306.6	7,379.1	72.4
10 Investment trust		3,886.8	3,890.3	3.4
11 Fund wrap, SMA		1,032.3	1,137.2	104.8
12 Insurance		2,387.4	2,351.6	(35.8)

Income from marketing (quarterly)



Balance



Fee business: Real estate

- Corporate real estate brokerage (SuMi TRUST Bank): Increased by ¥4.5bn YoY to ¥37.4bn due to closing large transactions
- Retail real estate brokerage (SuMi TRUST Realty): Maintained good performance and the result exceeded FY21
- Continuously recorded the highest income in the real estate segment (consolidated basis)

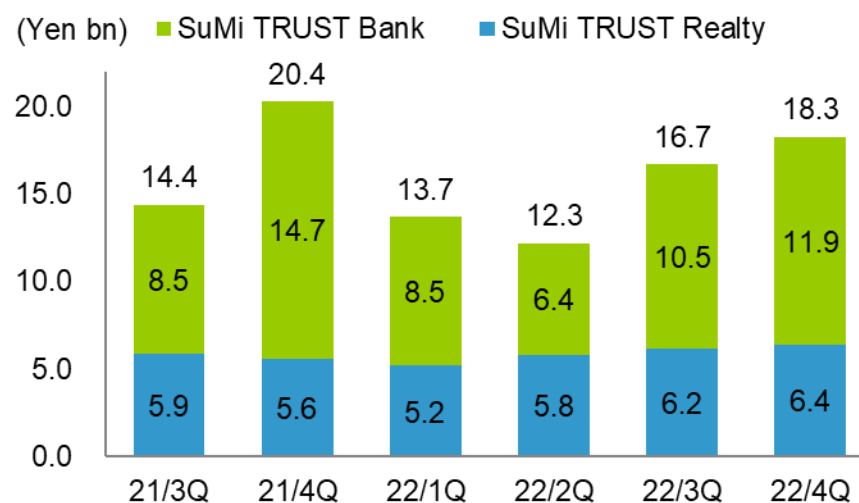
Income (group base)

(Yen bn)		FY21	FY22	Change
1	Real estate brokerage fees	54.7	61.2	6.4
2	SuMi TRUST Bank	32.9	37.4	4.5
3	SuMi TRUST Realty	21.8	23.7	1.8
4	Real estate trust fees, etc.	6.3	6.6	0.2
5	Net other real estate profit	1.6	1.8	0.1
6	SuMi TRUST Bank	-	(0.0)	(0.0)
7	Other Group companies	1.6	1.8	0.1
8	Total	62.7	69.7	6.9
9	o/w SuMi TRUST Bank	39.2	44.1	4.8

Assets under management / administration

(Yen bn)		Mar. 22	Mar. 23	Change
10	Securitized real estate	22,023.8	24,182.3	2,158.4
11	Assets under custody from J-REITs	17,508.0	17,023.4	(484.5)
12	Assets under management	624.5	658.4	33.9
13	Private placement funds	340.2	367.9	27.6
14	J-REITs	284.3	290.5	6.2

Real estate brokerage fees (quarterly)



Fee business: Asset management/administration

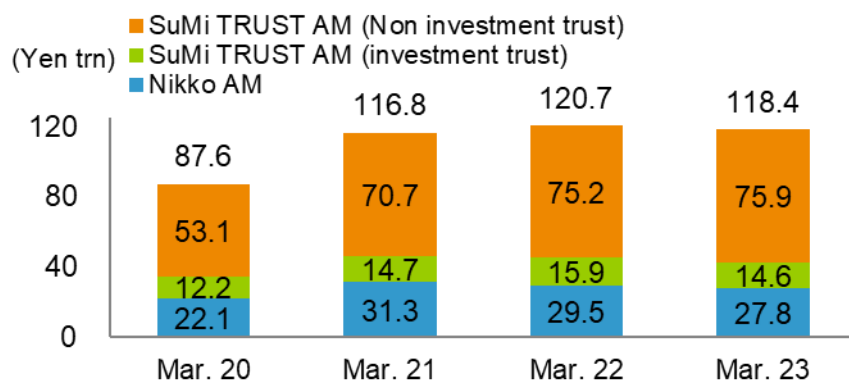
- AUM decreased by ¥(2.2)trn to approx. ¥118trn from Mar. 22 mainly due to net outflow from cancellations of investment trust and decline of market value
- AUC decreased in domestic investment trust and overseas business, mainly due to decline of market value

Assets under management (AUM)

	(Yen trn)	Mar. 22	Mar. 23	Change
1 Assets under management (*1)		120.7	118.4	(2.2)
2 SuMi TRUST AM		91.2	90.6	(0.6)
3 Investment trust		15.9	14.6	(1.3)
4 Non investment trust (*2)		75.2	75.9	0.6
5 Corporate pension trust		14.8	14.3	(0.4)
6 Public pension trust		12.9	13.0	0.1
7 Discretionary investment		47.5	48.5	1.0
8 Nikko AM		29.5	27.8	(1.6)

(*1) Categorized by entity actually managing asset

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



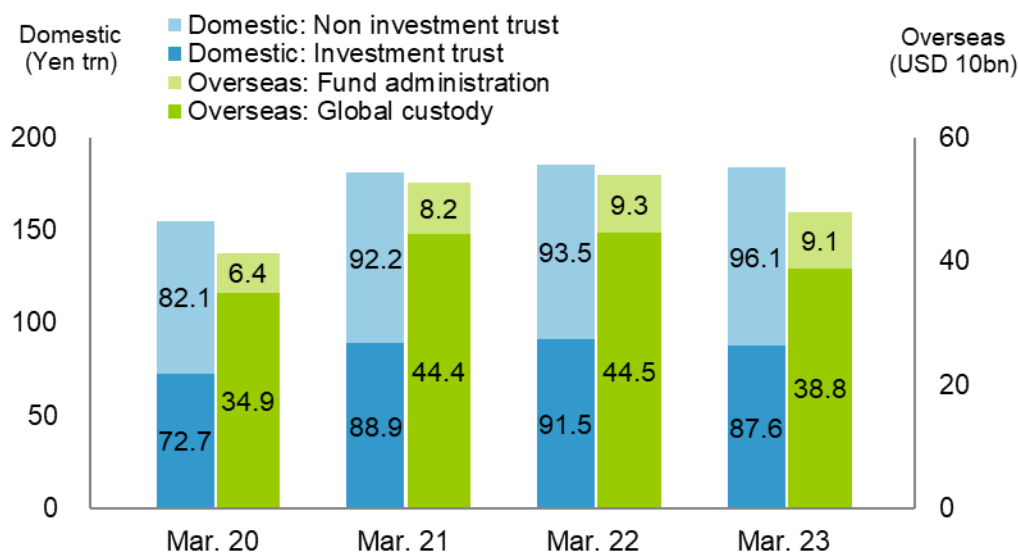
USD/JPY	108.69	110.65	122.38	133.54
TOPIX	1,403.04	1,954.00	1,946.40	2,003.50

Assets under custody/administration (AUC)

	(Yen trn)	Mar. 22	Mar. 23	Change
[Domestic]				
9 Investment trust (*3)		91.5	87.6	(3.8)
10 Non investment trust (*3)		93.5	96.1	2.5
[Overseas]	(USD 10bn)			
11 Global custody (*4)		44.5	38.8	(5.6)
12 Fund administration		9.3	9.1	(0.2)

(*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 amount of new loans and outstanding from Mar. 22
- Corporate: Continue to shift from corporate to product lending. (Corporate Yen) Increased mainly due to sustainable financing demands

Individual clients

		FY21	FY22	Change
(Yen bn)				
1	Annual amount of new loans to individuals	1,275.7	907.5	(368.2)
2	Mortgage loans	1,175.0	796.6	(378.3)

		Mar. 22	Mar. 23	Change
(Yen bn)				
3	Outstanding of individual loans	11,251.6	11,094.4	(157.2)
4	Mortgage loans	10,543.7	10,461.5	(82.2)

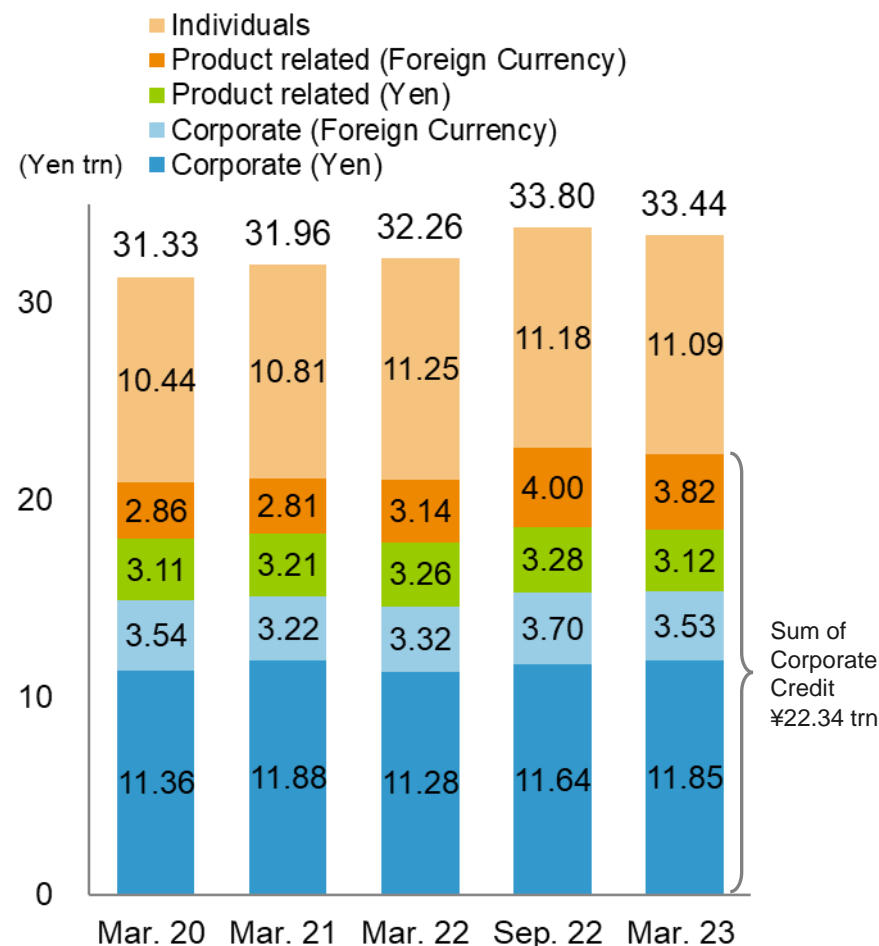
Corporate clients

		Mar. 22	Mar. 23	Change (*2)
(Yen bn)				
5	Corporate lending(Yen)	11,283.2	11,859.6	576.4
6	Corporate lending(Foreign Currency)	3,322.4	3,533.6	211.1
7	Product related (Yen)	3,260.9	3,128.7	(132.1)
8	Product related (Foreign Currency)	3,144.8	3,824.9	680.1
9	Total balance of credit for corporates(*1)	21,011.4	22,347.0	1,335.6
10	Product related	6,405.7	6,953.7	548.0

(*1) Balance of equity investment(excluding strategic shareholdings) is ¥470.3bn on Mar.23

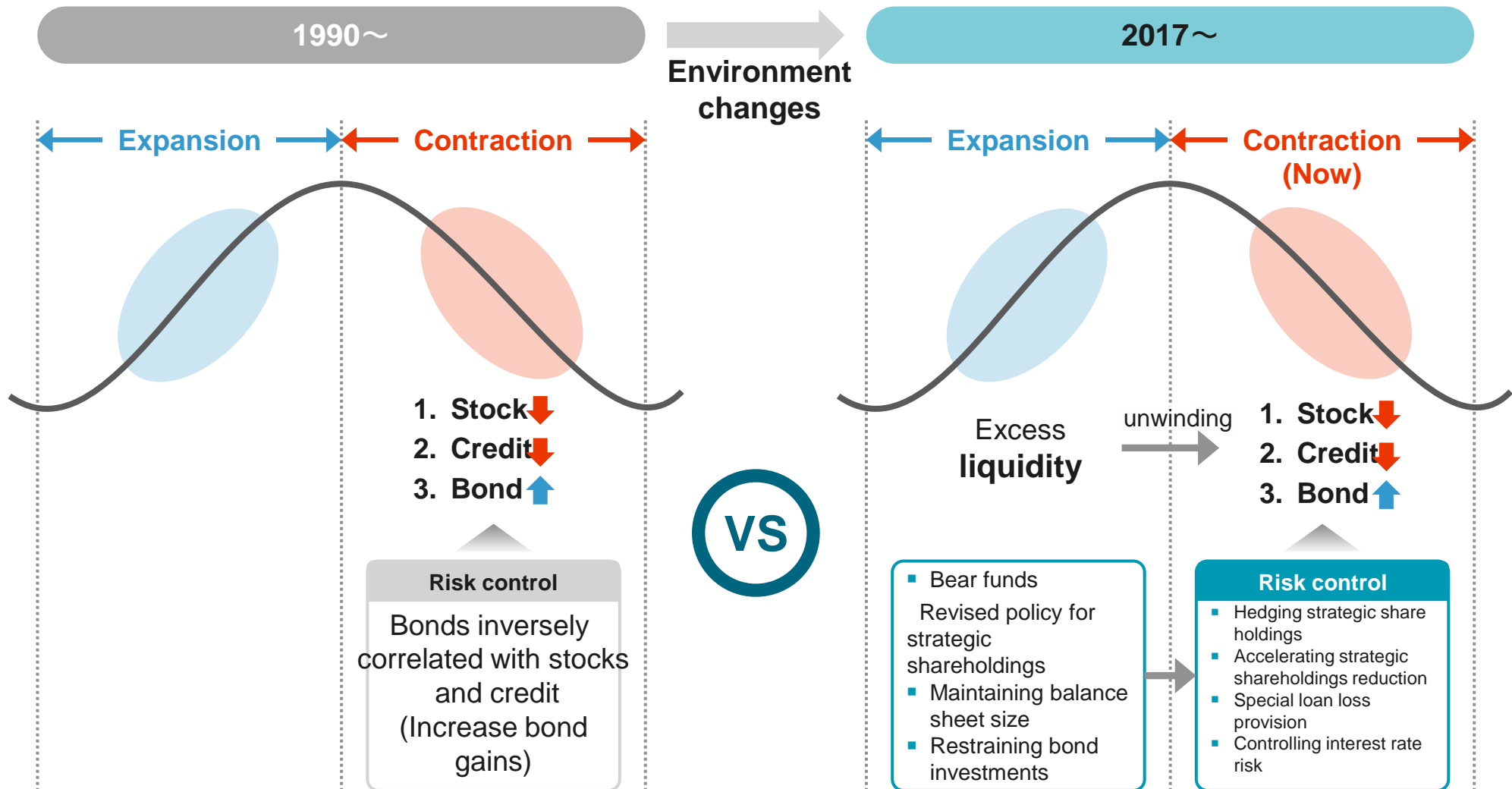
(*2) Impact of foreign exchange: Corporate lending(Foreign Currency) approx. ¥260.0bn,
Product related (Foreign Currency) approx. ¥265.0bn

Credit portfolio balance



Readiness for various risks (Adapting to the changing environment)

- Shift of risk control strategy and operation since FY17 allows us to adapt to the changing environment

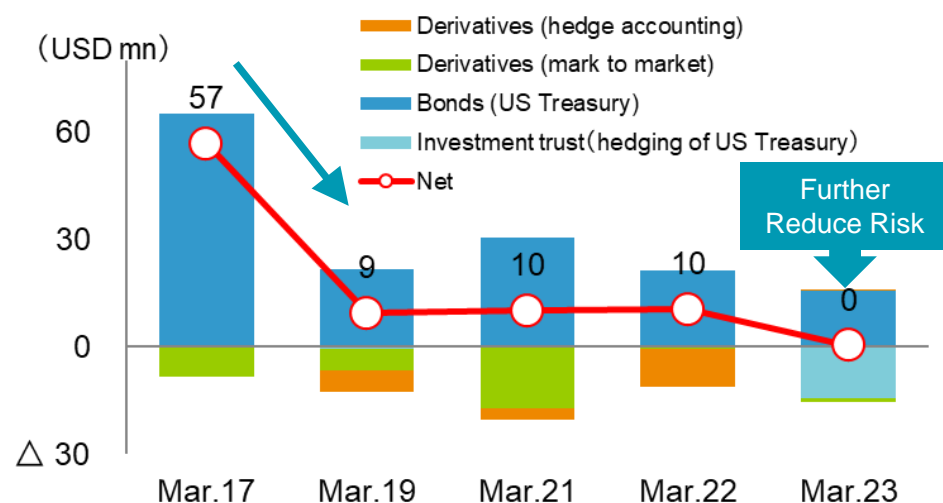


- Limited interest risk after drastically reducing UST in FY17
- Continued efforts to reduce strategic shareholdings to zero and hedging with bear funds to limit capital volatility

Interest risk

10 Basis Point Value(*1)

Drastically reduced after 2017

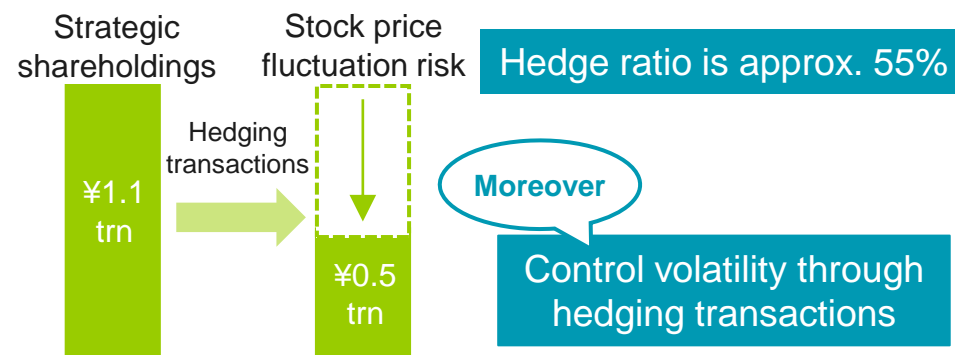


Unrealized losses of US Treasury ¥(17.2)bn + Unrealized losses of hedging transactions ¥(1.9)bn = Net losses (As of Mar.23) ¥(19.1)bn

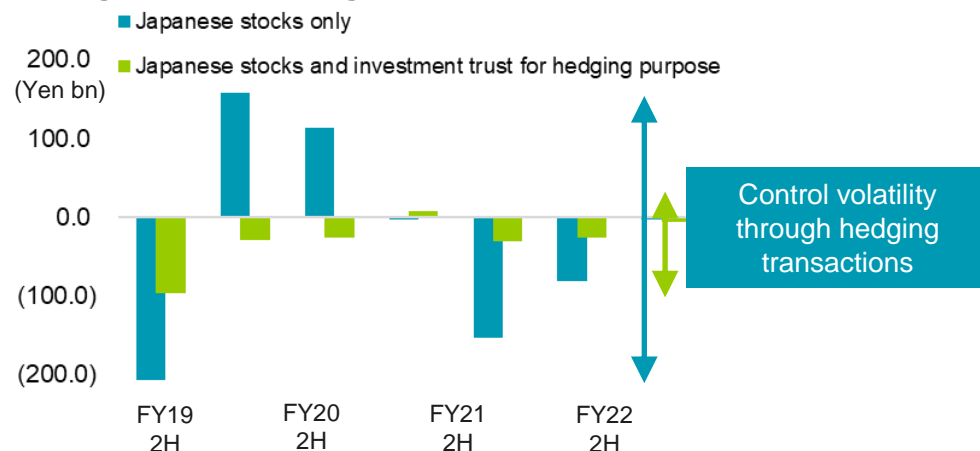
(*1) Change in unrealized gains/losses when US interest rates decrease by 0.1% Debt securities and derivatives held by Global Markets (except ALM purposes)

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)



- Approx. 60% of JPY funding from retail deposit. Long-term and stable funding structure, mainly time deposits of 1 year or longer
- At least 50% of foreign currency funding for core assets from long-term funding of 1 year or longer. Conservatively limit liquidity risk

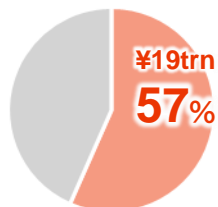
JPY liquidity risk

JPY deposits, etc. (*1)

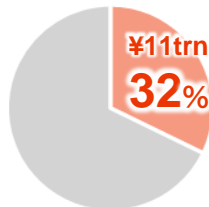
Stable funding structure centered on time deposits from individuals

Breakdown of deposits, etc. (As of Mar.23)

Individual Deposit Ratio



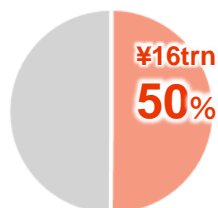
Current deposit ratio (*2)



(*1) Managerial reporting basis; Deposits and trust principal, exclude negotiable deposit

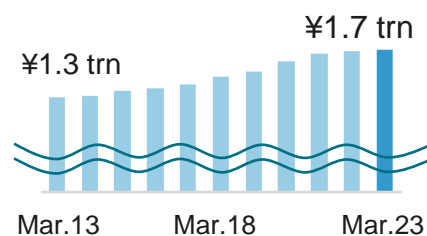
(*2) Current deposits include liquid deposits, separate deposits, non-resident yen deposits, etc.

About 50% is 1 year or longer term deposit long-term funding ratio (*3)



Term deposits for DC and asset formation savings

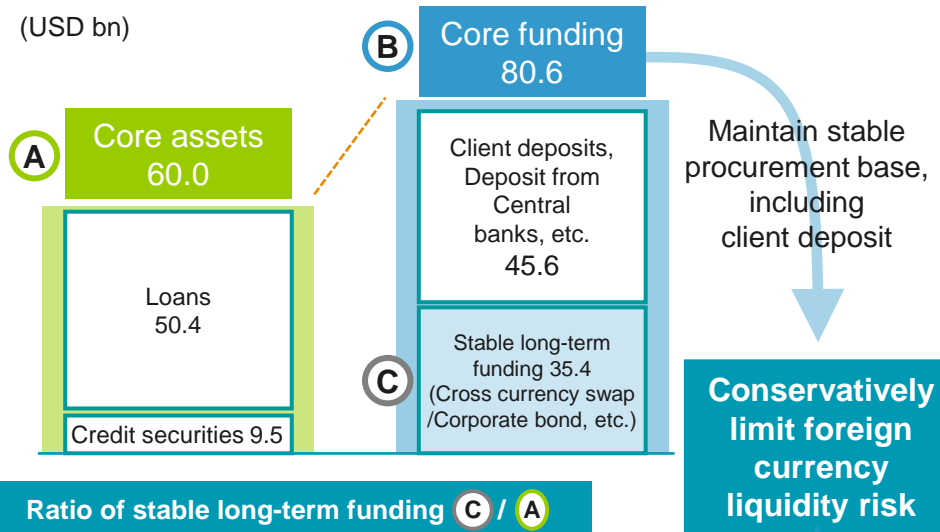
Stable and sustainable financing



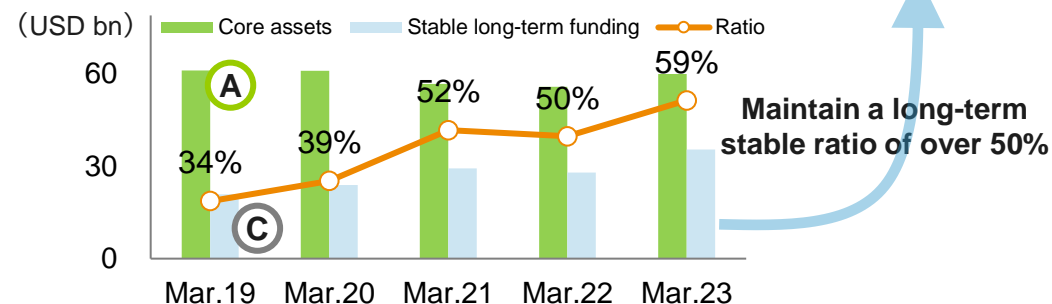
(*3) Percentage of total deposits, etc. with contract terms of 1 year or longer

Foreign currency liquidity risk

Foreign currency balance sheet (As of Mar.2023)



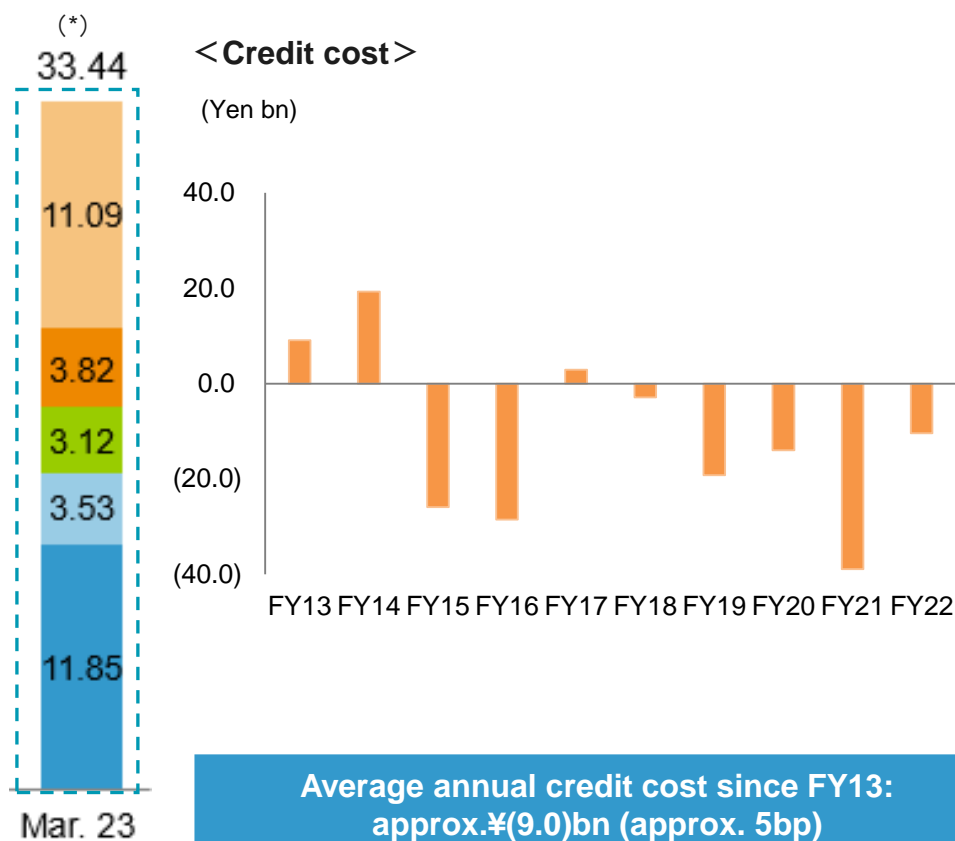
Ratio of stable long-term funding (C / A)



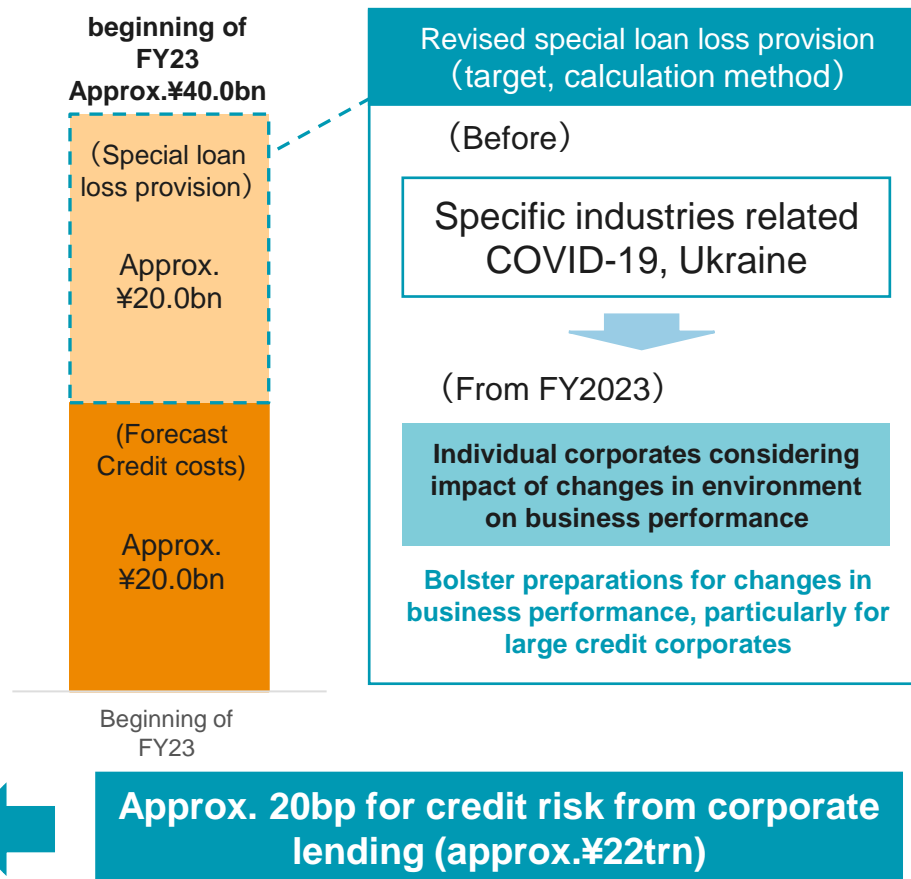
Credit risk (credit cost/ special loan loss provision)

- Credit portfolio to creditworthy clients is our strength. Average credit cost is approx. ¥9.0bn for the past ten years
- Posted approx. ¥20.0bn for special loan loss provision. Bolster preparations for changes in business performance, particularly for large credit corporates

Credit cost



Special loan loss provision

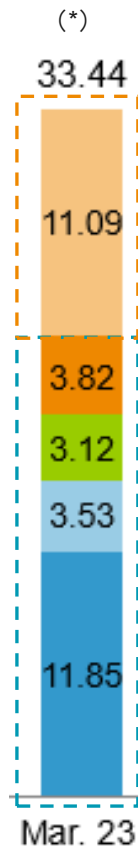


(*) Credit portfolio. See to P23 "Loan/ investment business: Credit portfolio (SuMi TRUST Bank)"

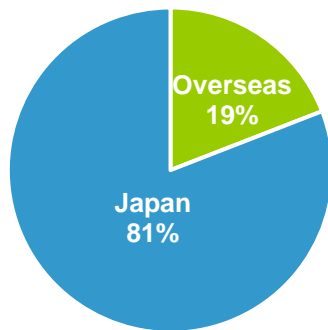
- Approx. 80% of corporate lending balance is domestic. For overseas lending, more than 90% of the exposure is to developed countries
- 94% of individual loan is mortgage loan. 180+ days delinquency rate is 0.002%

For corporate clients (¥22.34 trn)

For individual clients (¥11.09 trn)



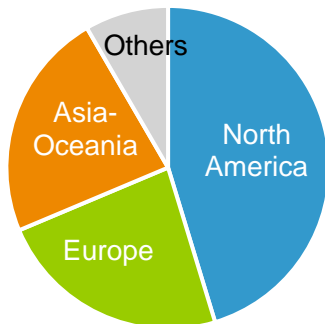
<Geographical breakdown of corporate lending>



To Japan: approx. 80%

To developing countries: 3%

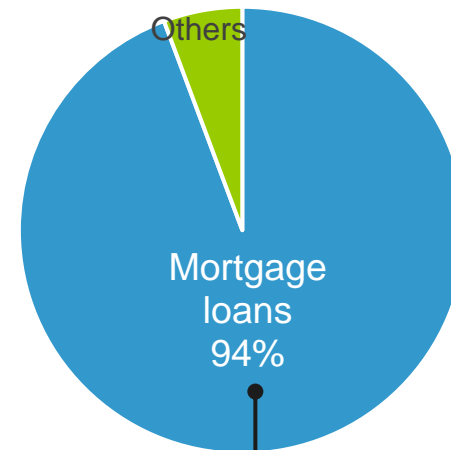
<Breakdown of overseas lending>



To Russia and Ukraine: zero

To China, Taiwan and Hong Kong: approx. 6%

94.3% of mortgage loans with high-end clients



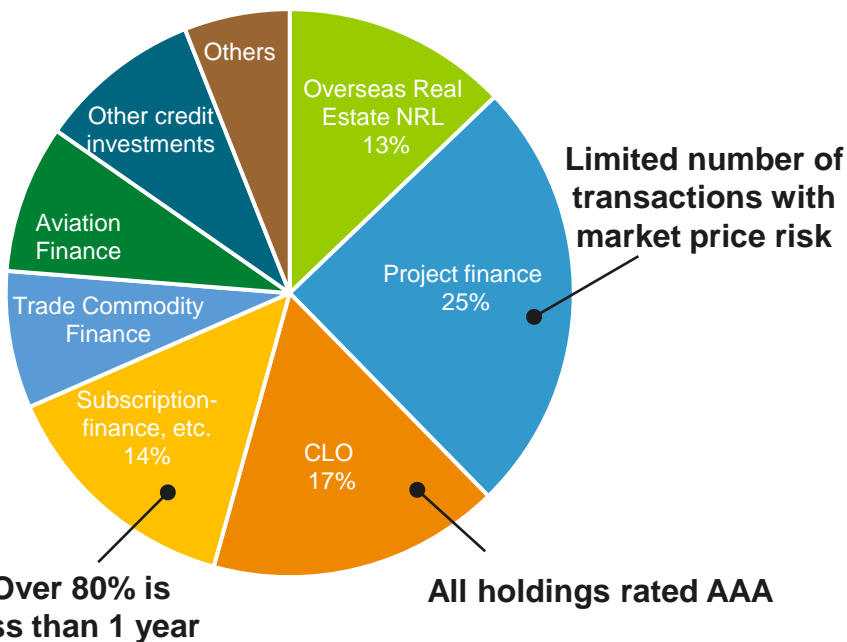
180+ days delinquency rate
0.002%

(*) Credit portfolio. See to P23 "Loan/ investment business: Credit portfolio (SuMi TRUST Bank)

- Foreign currency product credit portfolio is structured with a strong focus on diversification
- Overseas real estate NRL focus on rental residential projects in major cities. Office projects involving Japanese corporates.

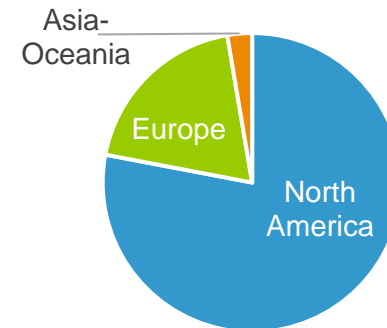
Foreign currency product lending (¥3.82trn)

Portfolio composition with a strong focus on risk diversification

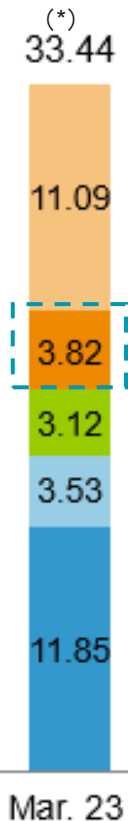
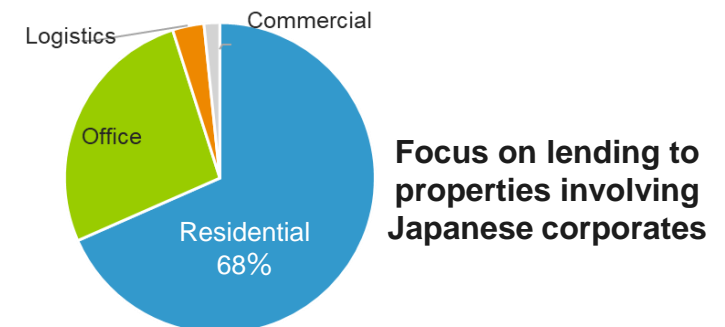


Overseas Real Estate NRL

< Breakdown by Region >



< Breakdown by Use >



(*) Credit portfolio. See to P23 "Loan/ investment business: Credit portfolio (SuMi TRUST Bank)

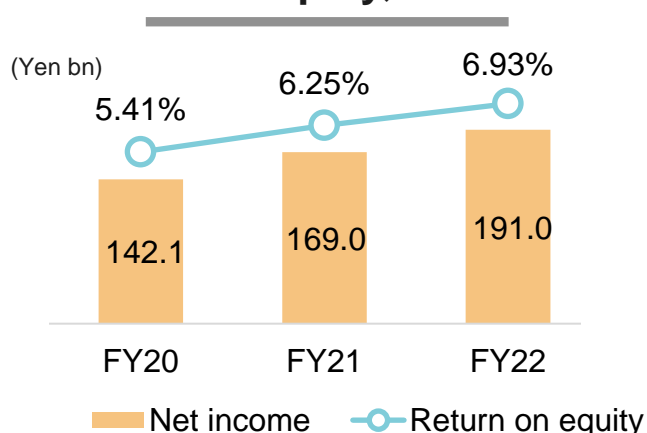
Review previous Medium- Term Management Plan ~KPI

- Achieve ROE and profit targets. Recorded highest net income of ¥191.0bn since integration
- CET1 ratio was 9.5%(*) as of Mar. 2023. Continue to invest in growth and repurchase shares considering capital buffer and timeline
- Dividend per share increased by ¥60 in three years. Achieved 40% of dividend payout ratio

(*) : Finalized Basel III

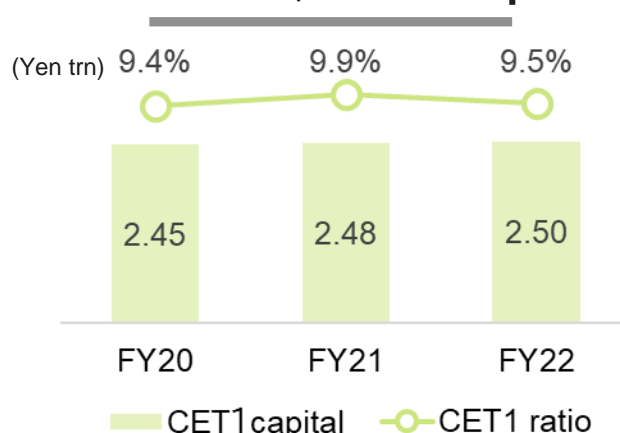
Target in 2023	KPI	Return on equity	Net business profit before credit cost	Net income	CET1 ratio*	Dividend payout ratio
	Target	Around 7%	¥310bn	¥190bn	Lower 10% range	Around 40%
	Actual	6.93%	¥324.6bn	¥191bn	9.5%	40.2%
	Assessment	○	○	○	△	○

Return on equity / Net income



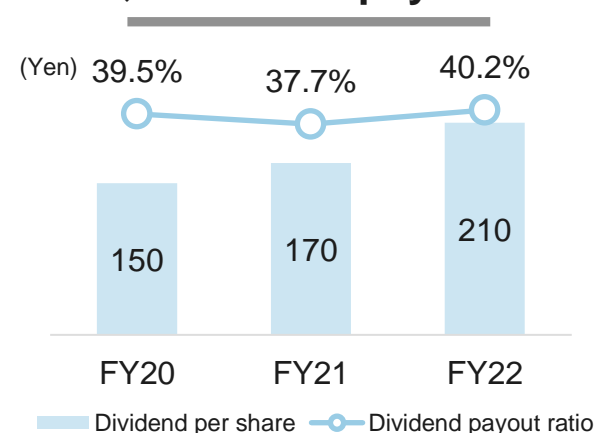
Earning power steadily improved

CET1 ratio* / CET1 capital



Capital accumulated to utilized phase

DPS / Dividend payout ratio



Increased shareholder return

Key Performance Indicators(KPI)

		FY2022 (Actual)	FY2023 (Plan)* ₁	FY2025 (Target) * ₁	By FY2030 (Aspiration)
Profitability Efficiency	Return on equity	6.9%	Lower 7% range	8% or above	10% or above
Source of investment/distribution	Substantial gross business profit	¥814.1bn	¥850.0bn	¥920.0bn	¥1trn or above
Earning power/Growth	Net business profit	¥324.6bn	¥320.0bn	¥355.0bn	¥400.0bn or above
	Net income	¥191.0bn	¥200.0bn	¥240.0bn	¥300.0bn or above
Business model	AUF(outstanding) *₂	¥480trn	¥500trn	¥600trn	¥800trn
	Fee income ratio	55%	Mid-50% range	Mid-50% range	60% or above
Cost effectiveness	OHR	60%	Lower 60% range	Lower 60% range	Upper 50% range
Capital adequacy	CET1 ratio (Finalized Basel III base)	9.5%	Mid-9% range	Around 9.5% ~10%	Stably maintained above 10%

(*₁) Market environment assumption (FY23/FY25) :10YJGB yield 0.50%/0.70%, Nikkei225 ¥28,000/¥28,000, USD/JPY ¥130/¥120 (*₂): AUF:Assets Under Fiduciary

Plan and Target by business segment

		FY22 Net business profit before credit costs	FY23 Plan Net business profit before credit costs	Change from FY22	FY25 Target Net business profit before credit costs	Change from FY22
(Yen bn)						
1	Total	324.6	320.0	(4.6)	355.0	30.3
2	Retail Business	41.5	33.0	(8.5)	33.0	(8.5)
3	SuMi TRUST Bank	21.3	15.0	(6.3)	14.0	(7.3)
4	Other group companies	20.1	18.0	(2.1)	19.0	(1.1)
5	Corporate Business	140.8	139.0	(1.8)	155.0	14.1
6	SuMi TRUST Bank	111.1	112.0	0.8	123.0	11.8
7	Other group companies	29.6	27.0	(2.6)	32.0	2.3
8	Investor Services Business	57.7	61.0	3.2	68.0	10.2
9	SuMi TRUST Bank	43.1	45.0	1.8	51.0	7.8
10	Other group companies	14.5	16.0	1.4	17.0	2.4
11	Real Estate Business	42.1	40.0	(2.1)	45.0	2.8
12	SuMi TRUST Bank	33.9	32.0	(1.9)	36.0	2.0
13	Other group companies	8.1	8.0	(0.1)	9.0	0.8
14	Global Markets Business	54.1	44.0	(10.1)	61.0	6.8
15	Asset Management Business (*1)	22.2	21.0	(1.2)	27.0	4.7

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