



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for 1QFY2023

July 28, 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”

Financial Results for 1QFY23

- ✓ ¥72.1 bn of Net business profit before credit costs, 23% of progress against full year forecast of ¥320bn
- ✓ 18% of progress in Net income. Realizing losses of ¥(31.5)bn from reduction of bear funds(*) with low B/E in line with rise in Japanese stock price above expectation, while accelerating reduction of strategic shareholdings

(*) Holding as a hedging measure, against the risk of stock price fluctuations associated with strategic shareholdings

Impact of stock price rise on corporate value

(see page 4 and 5)

- ✓ Stock price rise is positive for earnings, especially in asset management business through AUM increase. Moreover, positive impact on capital due to increased unrealized gains on strategic shareholdings(unhedged portion)
- ✓ Realized losses from reduction of bear funds had negative impact on P/L, while valuation differences on available-for-sale securities (B/S) improved, resulting in neutral impact on corporate value

Impact of stock price rise on our corporate value

- Stock price rise positively impacts our corporate value including various businesses and capital impact
- Sale of bear funds realizes losses in Net gains on stocks(P/L), while has a neutral impact on corporate value(B/S)

Impact of stock price rise on business performance and capital

Net business profit before credit cost (P/L)

Contribution to AUM increase due to growth of market value
Positive impact on mainly asset management business

(sensitivity(estimate): Nikkei stock average +¥1,000
→ Net business profit before credit costs approx. +¥1.5bn/y (*))

Capital (B/S)

Increased valuation gains on strategic shareholdings more than unrealized losses on bear funds

(sensitivity(estimate): Nikkei stock average +10%
→ CET1ratio approx. +7bp)

Positive impact on corporate value due to stock price rise



Impact of realization of unrealized losses on bear funds on corporate value

Realization of losses on bear funds

Realized losses from sale of bear funds

Net gains on stocks (P/L)

offset

Valuation differences on available-for-sale securities (B/S)

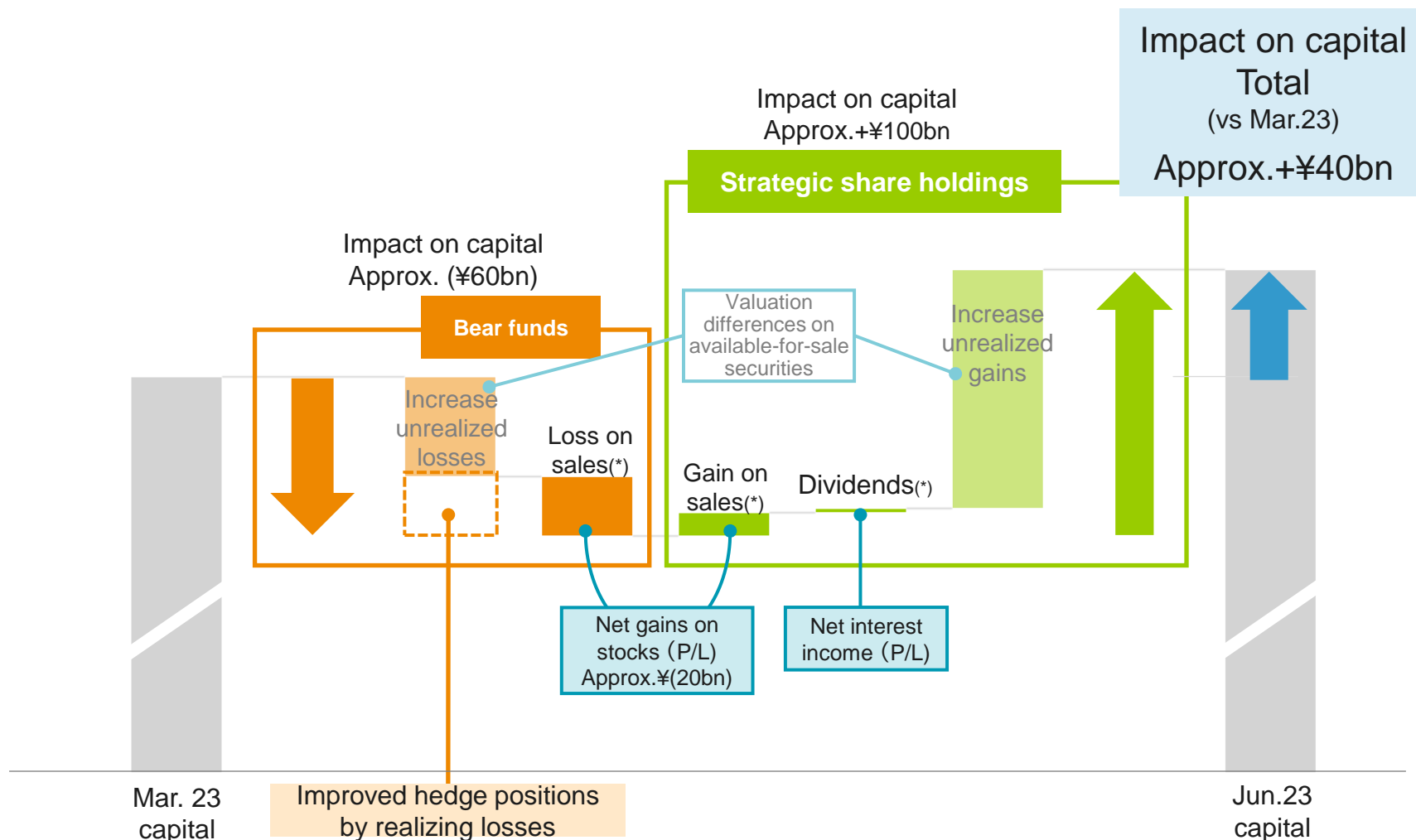
Improved hedge positions by sale of bear funds with low B/E

Neutral impact on corporate value due to realized losses



(Ref) Impact of stock price rise on capital related to strategic shareholdings and bear funds

Impact on capital based on actual 1QFY23(image)



* After considering tax effect

Overview of profits

(Yen bn)		FY22 1Q	FY23 1Q	Change	FY23 Forecast
1	Net business profit before credit costs (*1)	96.0	72.1	(23.9)	320.0
2	Substantial gross business profit (*1)	215.5	200.6	(14.9)	850.0
3	Effective interest related earnings (*2)	74.7	64.3	(10.3)	
4	Net fees and commissions and related profit	108.4	107.1	(1.3)	
5	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	32.3	29.1	(3.2)	
6	Substantial G&A expenses (*1)	(119.5)	(128.4)	(8.9)	(530.0)
7	Total credit costs	(8.5)	(0.9)	7.6	(20.0)
8	Net gains on stocks	(0.1)	(18.6)	(18.5)	15.0
9	Other net non-recurring profit	1.3	(9.4)	(10.8)	(35.0)
10	Ordinary profit	88.7	43.0	(45.6)	280.0
11	Extraordinary profit	(0.2)	4.1	4.4	
12	Income before income taxes	88.4	47.2	(41.2)	
13	Total income taxes	(23.7)	(10.3)	13.3	
14	Income attributable to non-controlling interests	(0.1)	(0.1)	0.0	
15	Net income	64.5	36.7	(27.8)	200.0
16	Earnings per share (EPS) (Yen)	172	101	(71)	
17	Number of shares issued (mn shares) (*3)	374.2	363.1	(11.1)	

(Reference)

18	Net interest income and related profit	65.5	(1.8)	(67.3)
19	Other profit	41.5	95.3	53.7
20	Profit attributable to deployment of surplus foreign currency funds	9.2	66.2	57.0
21	Other	32.3	29.1	(3.2)

(*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

- ¥72.1bn vs FY23 forecast of ¥320.0bn (23% progress)
- Decreased YoY ¥(23.9)bn mainly due to rise in overseas interest rates and decrease in real estate business and global market business that performed well in FY22, which is considered in the forecast for FY23. In-line progress against full year forecast for FY23
- (#3 Effective interest related earnings) Decreased YoY ¥(10.3)bn mainly due to increase of funding costs caused by rise in overseas interest rates, while continuously improving in loan-deposit income
- (#4 Net fees and commissions and related profit) Decreased ¥(1.3)bn mainly due to dearth of real estate brokerage fees. Stock price rise contributed mainly to asset management business. Corporate credit related fees maintain good performance
- Substantial G&A expenses increased mainly due to investments in human capital and expenses linked with gross business profit increases

Net gains on stocks

- Posted ¥12.6bn of gains by reducing strategic shareholdings in 1Q with better progress unusually
- Posted ¥(31.5) of realized losses from sale of bear funds with low B/E in response to higher stock price rise than expected in Japanese market

Net income

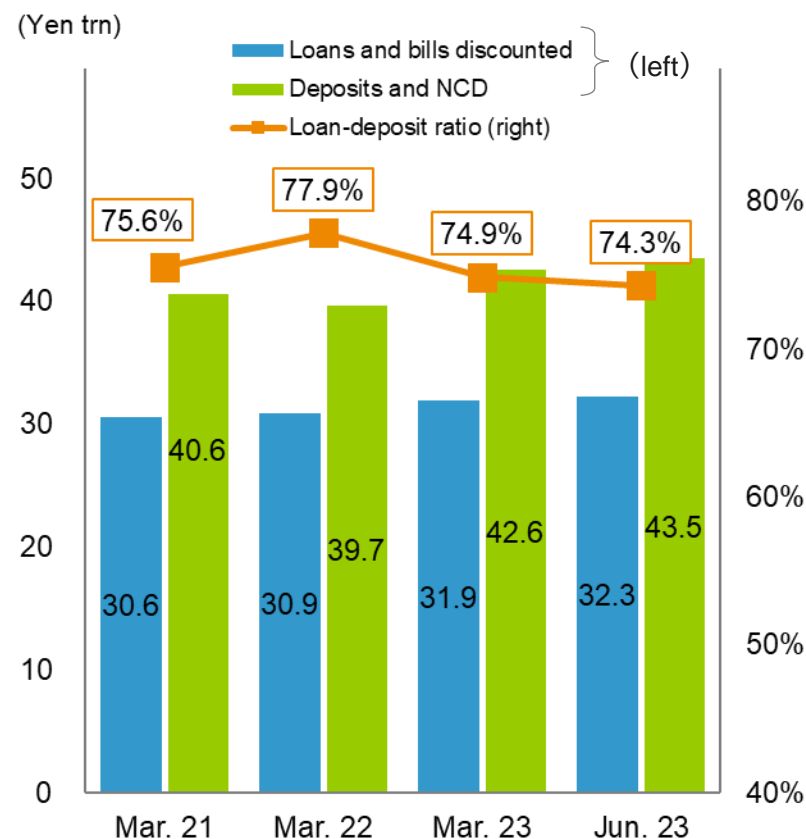
- ¥36.7bn vs FY23 forecast of ¥200.0bn (18% progress)
- ¥49.6bn of net income exclude net gains on stocks (after tax approx. ¥(13.0)bn), roughly proceeding as expected (25% progress)

Overview of balance sheet

		(Yen bn)		
		Mar. 23	Jun. 23	Change
1	Assets	69,022.7	71,254.2	2,231.5
2	Cash and due from banks	21,602.4	22,169.5	567.1
3	Securities	6,933.0	7,544.5	611.4
4	Loans and bills discounted	31,810.9	32,290.7	479.8
5	Other assets	8,676.2	9,249.4	573.1
6	Liabilities	66,200.1	68,374.3	2,174.2
7	Deposits and NCD	42,848.2	43,695.7	847.4
8	Borrowed money from trust account	4,332.4	5,115.4	782.9
9	Other liabilities	19,019.4	19,563.2	543.8
10	Total net assets	2,822.5	2,879.9	57.3
11	Total shareholders' equity	2,587.8	2,583.8	(3.9)
12	Total accumulated OCI	204.2	265.7	61.5
13	Minority interests, etc.	30.4	30.3	(0.1)
14	Net assets per share (BPS) (Yen)	7,686	7,847	161
15	Number of shares issued (mn shares) (*)	363.2	363.1	(0.1)
(Reference)				
16	Loan-deposit ratio (SuMi TRUST Bank)	74.9%	74.3%	(0.6%)
17	NPL ratio (SuMi TRUST Bank)	0.4%	0.3%	(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

		FY22	FY23	
		1Q	1Q	Change
		(Yen bn)		
1	Net business profit before credit costs (*1)	96.0	72.1	(23.9)
2	SuMi TRUST Bank (*2)	83.2	86.9	3.6
3	SuMi TRUST AM	2.3	1.3	(0.9)
4	Nikko AM (*3)	3.8	2.6	(1.2)
5	SuMi TRUST Realty	1.4	2.0	0.5
6	SuMi TRUST Panasonic Finance (*3)	2.1	2.3	0.1
7	SuMi TRUST Loan & Finance	2.7	2.8	0.1
8	Sumitomo Mitsui Trust Bank (U.S.A.)	0.4	2.3	1.8
9	Sumitomo Mitsui Trust (Hong Kong)	1.2	1.6	0.3
10	SuMi TRUST Guarantee (*3)	2.9	2.8	(0.1)
11	SuMi TRUST Club	0.9	0.5	(0.4)
12	UBS SuMi TRUST Wealth Management	1.4	1.2	(0.1)
13	Net income (*1)	64.5	36.7	(27.8)
14	SuMi TRUST Bank (*2)	59.1	59.5	0.3
15	SuMi TRUST AM	1.6	0.9	(0.6)
16	Nikko AM (*3)	6.1	5.8	(0.3)
17	SuMi TRUST Realty	1.0	1.3	0.3
18	SuMi TRUST Panasonic Finance (*3)	1.4	1.3	(0.1)
19	SuMi TRUST Loan & Finance	1.8	1.9	0.0
20	Sumitomo Mitsui Trust Bank (U.S.A.)	0.3	1.8	1.4
21	Sumitomo Mitsui Trust (Hong Kong)	1.0	1.3	0.2
22	SuMi TRUST Guarantee (*3)	2.2	2.0	(0.2)
23	SuMi TRUST Club	0.5	0.1	(0.3)
24	UBS SuMi TRUST Wealth Management	1.0	1.0	0.0

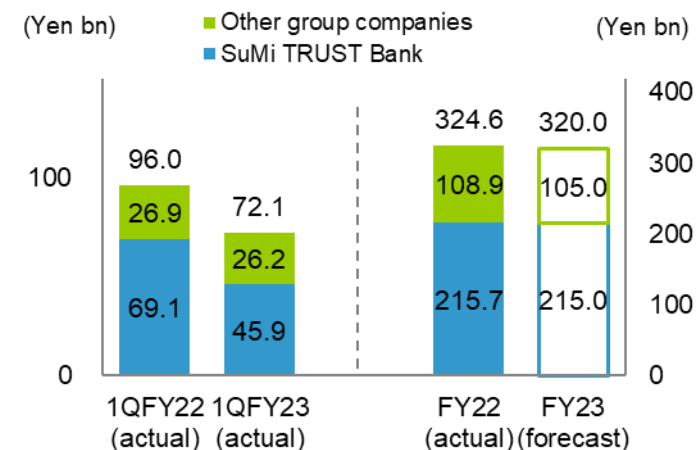
(*1) Figures on the table above are contribution of group companies, which are substantive amount excluding consolidation adjustment that do not relate directly to the group companies' business results.

(*2) Including dividend from group companies (FY22/1Q:¥14.1bn, FY23/1Q:¥41.0bn, YoY change: +¥26.8bn)

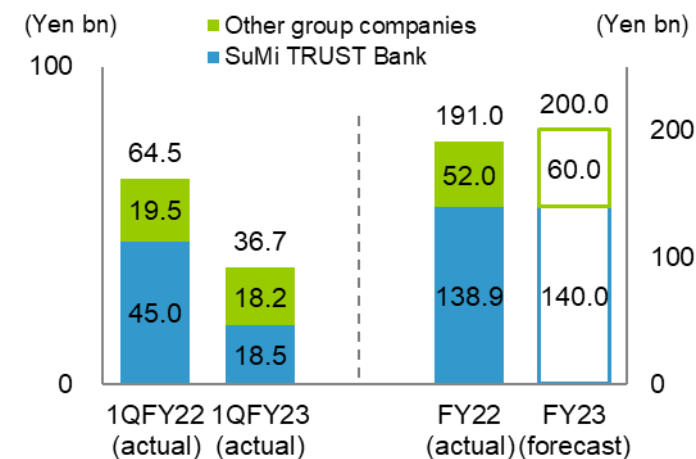
(*3) Consolidated basis

(*4) On the right bar chart, SuMi TRUST Bank figures do not include dividends from subsidiaries(see *2 and P17 in details)

Breakdown of Net business profit before credit costs (*4)



Breakdown of Net income (*4)



Profit by business segment

		FY22/1Q Net business profit before credit costs (*1)	Substantial gross business profit (*1)		FY23/1Q Net business profit before credit costs(*1)		FY23 Plan Net business profit before credit costs(*1)
(Yen bn)			Change	Change			
1	Total	96.0	200.6	(14.9)	72.1	(23.9)	320.0
2	Retail Business	10.4	51.3	1.7	9.6	(0.7)	33.0
3	SuMi TRUST Bank	4.4	33.7	1.4	4.5	0.0	15.0
4	Other group companies	5.9	17.6	0.3	5.1	(0.7)	18.0
5	Corporate Business	33.3	61.0	5.6	35.7	2.4	139.0
6	SuMi TRUST Bank	26.3	40.1	3.2	28.3	1.9	112.0
7	Other group companies	7.0	20.9	2.4	7.4	0.4	27.0
8	Investor Services Business	15.2	32.9	0.7	14.6	(0.5)	61.0
9	SuMi TRUST Bank	12.7	18.5	(2.2)	9.8	(2.9)	45.0
10	Other group companies	2.5	14.4	3.0	4.8	2.3	16.0
11	Real Estate Business	9.1	11.5	(4.0)	4.7	(4.4)	40.0
12	SuMi TRUST Bank	7.6	5.2	(4.8)	2.6	(5.0)	32.0
13	Other group companies	1.4	6.3	0.8	2.0	0.5	8.0
14	Global Markets Business	36.4	20.6	(19.1)	16.3	(20.1)	44.0
15	Asset Management Business (*2)	6.2	20.8	(0.6)	4.1	(2.1)	21.0

(*1) Substantial gross business profit and net business profit include a part of non-recurring profit (net gains on stocks, net gains on stocks related derivatives and others) and adjust at total

(*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)		FY22 1Q	FY23 1Q	Change
1	Net business profit before credit costs	83.2	86.9	3.6
2	Gross business profit	147.2	155.8	8.6
3	Effective interest related earnings	78.1	94.3	16.1
4	Net interest income and related profit	68.9	28.0	(40.8)
5	Profit attributable to deployment of surplus foreign currency funds	9.2	66.2	57.0
6	Net fees and commissions and related profit	45.9	41.6	(4.2)
7	Net trading profit	11.9	8.1	(3.7)
8	Net gains on foreign exchange transactions			
	Net trading profit	(19.5)	(7.2)	12.2
	Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)	31.4	15.3	(16.0)
9	Net gains on bonds	(11.8)	(0.2)	11.5
10	Net gains from derivatives	23.1	12.3	(10.7)
11	General and administrative expenses	(63.9)	(68.9)	(5.0)
12	Total credit costs	(8.7)	(0.5)	8.2
13	Other non-recurring profit	1.8	(23.5)	(25.4)
14	o/w Net gains on stocks	0.3	(19.5)	(19.8)
15	Amortization of net actuarial losses	(0.9)	(1.1)	(0.2)
16	Ordinary profit	76.3	62.7	(13.5)
17	Extraordinary profit	(0.1)	2.0	2.2
18	Income before income taxes	76.1	64.8	(11.2)
19	Total income taxes	(16.9)	(5.3)	11.5
20	Net income	59.1	59.5	0.3

	FY22 1Q	FY23 1Q	Change	
22	Gross business profit	147.2	155.8	8.6
23	Net interest income and related profit	68.9	28.0	(40.8)
24	Net fees and commissions and related profit	45.9	41.6	(4.2)
25	Net trading profit	(19.5)	(7.2)	12.2
26	Net other operating profit	51.8	93.3	41.5
27	o/w Net gains on foreign exchange transactions	40.6	81.6	41.0
28	Profit attributable to deployment of surplus foreign currency funds	9.2	66.2	57.0
29	other	31.4	15.3	(16.0)
30	Net gains on bonds	(11.8)	(0.2)	11.5
31	Net gains from derivatives	23.1	12.3	(10.7)
32	Net fees and commissions and related profit	45.9	41.6	(4.2)
33	o/w Investment management consulting	9.9	9.3	(0.6)
34	Asset management/administration	16.0	16.6	0.6
35	Real estate brokerage	8.5	3.5	(5.0)
36	Stock transfer agency services	8.5	8.5	(0.0)
37	Inheritance related services	0.7	0.8	0.0
38	Corporate credit related	5.1	7.1	1.9
39	Net gains on bonds	(11.8)	(0.2)	11.5
40	Domestic bonds	(6.5)	0.5	7.0
41	Foreign bonds	(5.3)	(0.7)	4.5

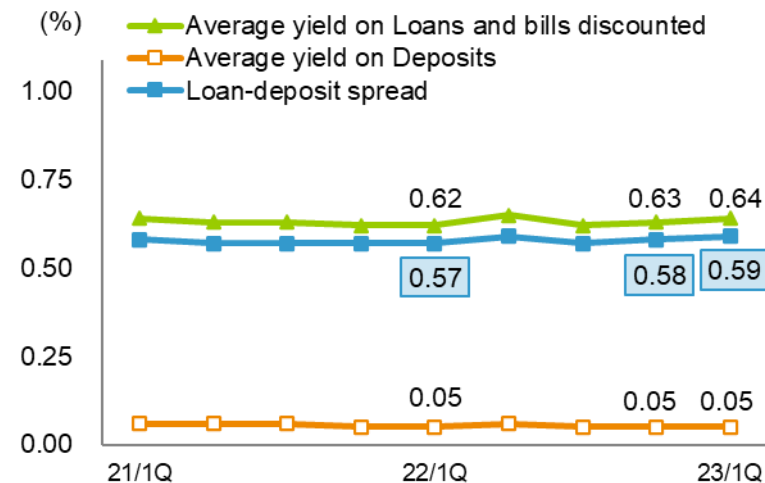
(*) Including dividend from subsidiaries (FY22/1Q:¥14.1bn, FY23/1Q:¥41.0bn, YoY change: +¥26.8bn)

Net interest income (SuMi TRUST Bank)

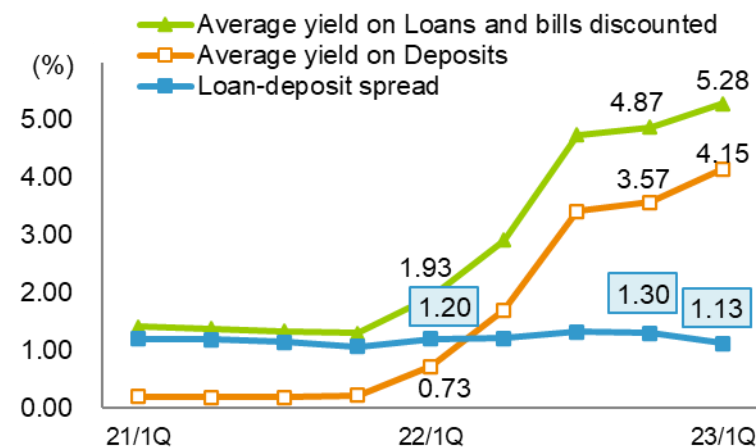
	FY23/1Q					
	Average Balance	Change from FY22/1Q	Average Yield	Change from FY22/1Q	Income/Expenses	Change from FY22/1Q
(Average balance: Yen trn) (Income/Expenses: Yen bn)						
1 Net interest income					22.8	(41.1)
2 Domestic business			0.58%	0.22%	68.5	26.0
3 Interest-earning assets	47.57	1.30	0.70%	0.21%	83.4	26.1
4 o/w Loans and bills discounted	24.92	0.38	0.64%	0.02%	39.8	1.2
5 Securities	3.78	(1.40)	4.43%	3.13%	41.7	24.8
6 Interest-bearing liabilities	46.87	1.23	0.12%	(0.01%)	(14.9)	(0.1)
7 o/w Deposits	28.65	1.30	0.05%	0.00%	(3.8)	0.0
8 Borrowings from trust a/c	4.38	0.19	0.47%	0.01%	(5.1)	(0.2)
9 Swaps	---	---	---	---	(2.5)	(0.1)
10 International business			(1.10%)	(1.65%)	(45.6)	(67.1)
11 Interest-earning assets	17.00	1.23	4.09%	2.58%	173.2	113.6
12 o/w Loans and bills discounted	7.40	0.72	5.28%	3.35%	97.2	65.0
13 Due from banks	2.65	(0.09)	4.55%	3.70%	30.1	24.2
14 Securities	3.14	0.53	4.72%	1.74%	36.9	17.5
15 Interest-bearing liabilities	16.96	1.04	5.19%	4.23%	(218.9)	(180.8)
16 o/w Deposits	6.66	0.18	4.15%	3.42%	(68.8)	(56.9)
17 NCD / USCP	6.90	0.67	4.74%	3.93%	(81.5)	(68.8)
18 Repo	1.02	(0.43)	5.21%	4.44%	(13.2)	(10.4)
19 Expenses on swaps	---	---	---	---	(33.8)	(27.8)
20 (+) Trust fees from principal guaranteed trust a/c					5.1	0.2
21 (+) Profit attributable to deployment of surplus foreign currency funds					66.2	57.0
22 Effective interest related earnings					94.3	16.1
23 Loan-deposit spread / income in domestic business			0.59%	0.02%	35.9	1.3
24 Loan-deposit spread / income in international business			1.13%	(0.07%)	28.4	8.0

(*) Including dividend from subsidiaries (FY22/1Q:¥14.1bn, FY23/1Q:¥41.0bn, YoY change: +¥26.8bn)

Domestic loan-deposit spread (quarterly)

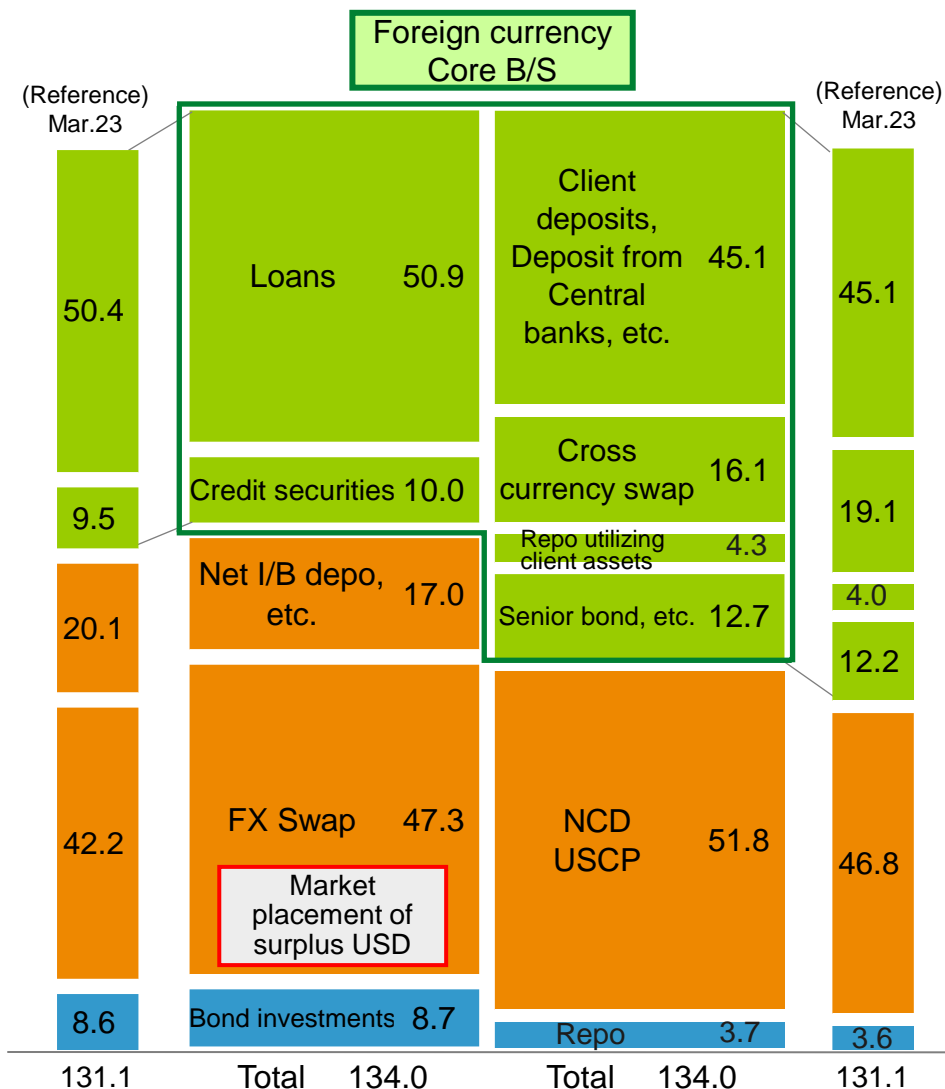


International loan-deposit spread (quarterly)



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

Foreign currency B/S (as of June 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.

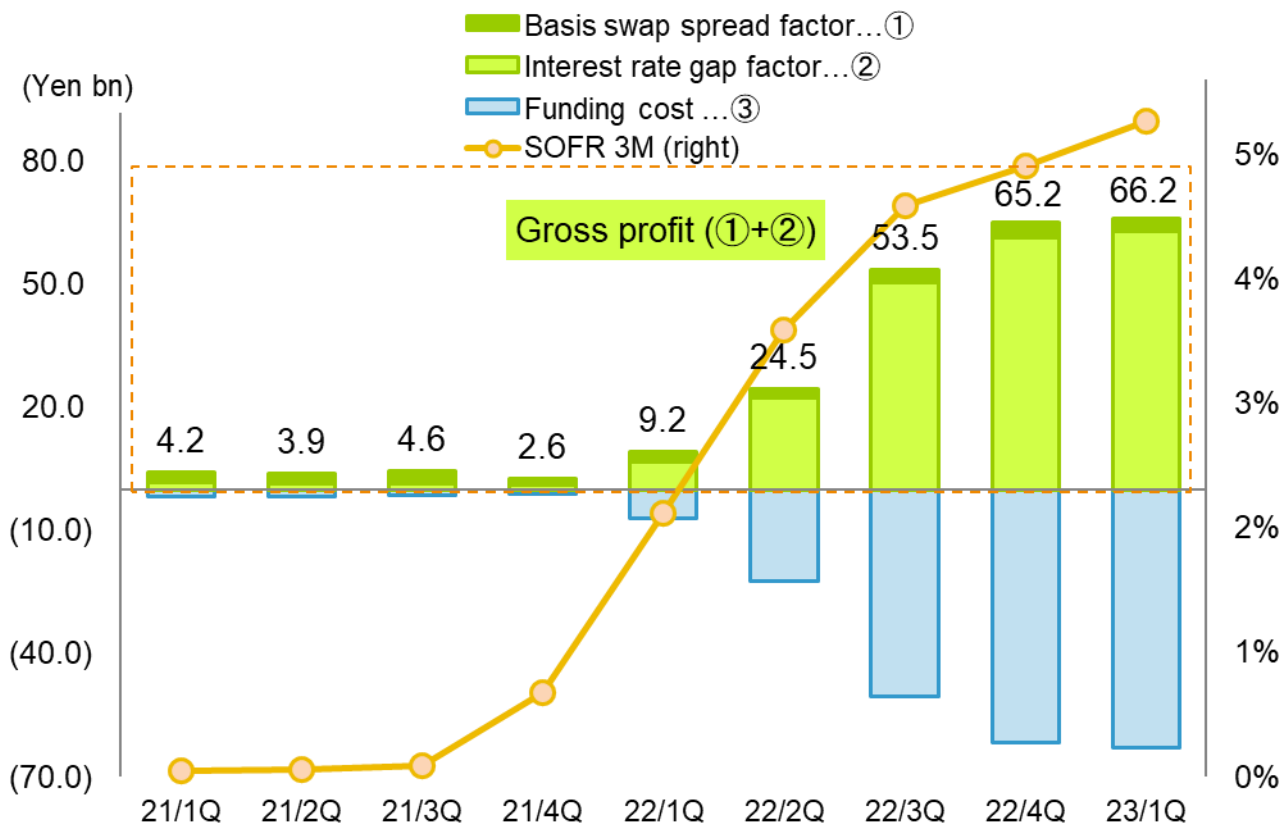
Basis swap spread (*) (USD/JPY)



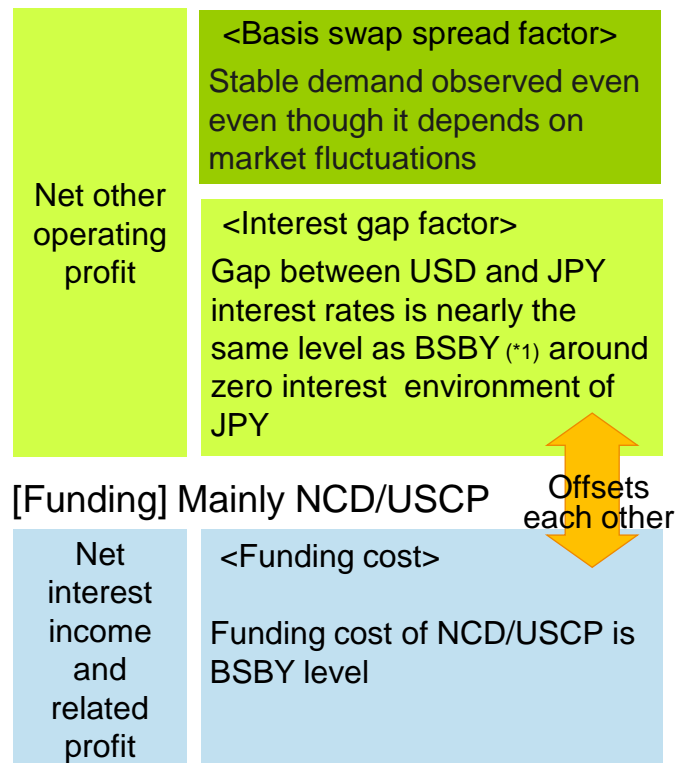
(*) Basis swap spread with SOFR and TONA as the indexes

Profit structure of market deployment of surplus foreign currency

- Profit from FX swap consists of basis swap spread and interest rate gap. Interest rate gap is offset by USD funding costs
- Increased gross funding costs and investment profits due to rising US short-term interest rate. Net profit slightly increased YoY



[Investment] FX Swap



(*1) Bloomberg Short-term Bank Yield Index

(*2) 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. Funding costs are estimated by Libor until FY22/4Q and by BSBY from FY23/1Q.

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

[Total credit costs]		FY22	FY23	Major factors (FY23/1Q)
(Yen bn)		1Q	1Q	
1	SuMi TRUST Bank	(8.7)	(0.5)	
2	General allowance for loan losses	3.0	(1.9)	Downgraded: Approx. ¥(5.0)bn Upgraded: Approx. ¥0.1bn Decrease in loan balance, etc. (including recoveries): Approx. +¥4.5bn
3	Specific allowance for loan losses	(11.8)	5.5	
4	Recoveries of written-off claims	0.1	0.1	
5	Losses on sales of claims, written-off	(0.0)	(4.2)	
6	Other group companies, etc.	0.1	(0.3)	SuMi TRUST Panasonic Finance ¥(0.3)bn
7	Total	(8.5)	(0.9)	

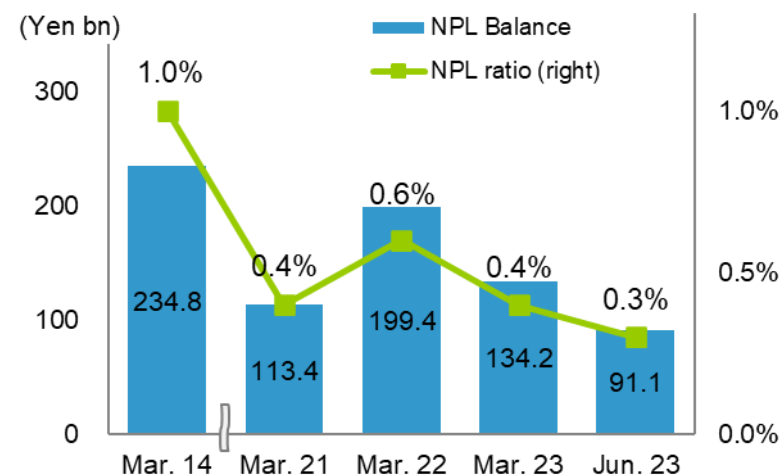
As of Jun. 23 special loan loss provision of approx. ¥23.0bn

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

		Jun. 23	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 23
(Yen bn)					
8	Total	91.1	69.9%	38.3%	(43.1)
9	NPL ratio	0.3%	---	---	(0.1%)
10	Bankrupt and Practically Bankrupt	8.6	100.0%	100.0%	0.1
11	Doubtful	44.7	86.5%	65.7%	(41.5)
12	Substandard	37.8	43.6%	9.1%	(1.7)
13	Loans past due 3 months or more	-	---	---	-
14	Restructured loans	37.8	---	---	(1.7)
15	Assets to borrowers requiring caution(excluding Substandard)	372.4	---	---	76.0
16	Assets to normal borrowers	32,536.2	---	---	444.1
17	Grand total	32,999.7	-	-	477.0

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

Total Balance and ratio of NPL



Securities portfolio

[Consolidated] (*1)		Costs		Unrealized gains/losses	
		(Yen bn)	Jun. 23	Change from Mar. 23	Jun. 23
1	Available-for-sale securities	6,117.8	442.4	447.3	74.6
2	Japanese stocks	487.0	(8.3)	706.4	129.2
3	Japanese bonds	2,523.7	345.1	2.1	2.5
4	Others	3,107.0	105.7	(261.2)	(57.0)
5	Held-to-maturity debt securities	312.8	13.6	10.1	0.1

[SuMi TRUST Bank (Available-for-sale securities)] (*1)

6	Available-for-sale securities	5,979.7	457.1	458.8	72.6
7	Japanese stocks	462.5	(9.1)	728.1	129.7
8	Japanese bonds	2,523.7	345.1	2.1	2.5
9	o/w Government bonds	1,754.6	321.0	0.2	1.7
10	Others	2,993.4	121.1	(271.4)	(59.6)
11	Domestic investment	110.0	2.1	1.6	(0.1)
12	International investment	1,952.5	186.2	(44.4)	(14.4)
13	o/w US Treasury (*2)	730.9	80.4	(31.0)	(13.8)
14	Others (Investment trust, etc.)	930.9	(67.2)	(228.6)	(45.1)
15	o/w for hedging of strategic shareholdings (*3)	607.8	(18.5)	(245.3)	(53.6)

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

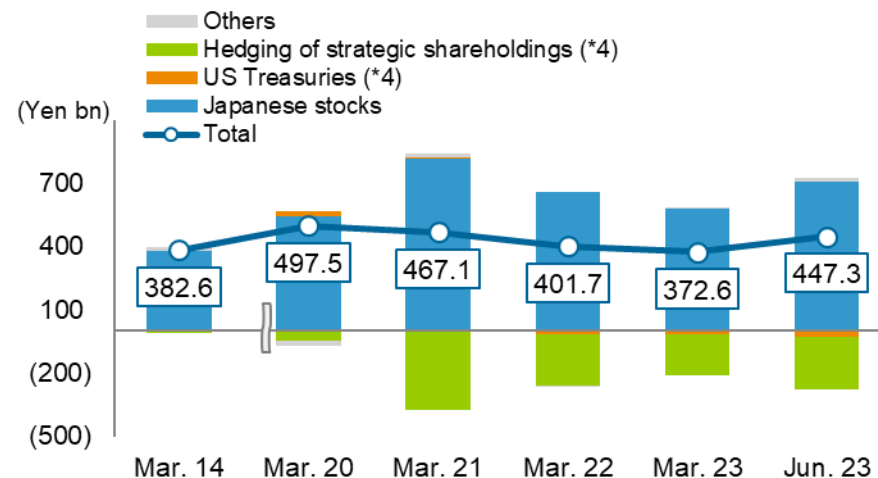
16	Held-to-maturity debt securities	312.7	13.6	10.1	0.1
17	o/w Government bonds	117.1	(0.0)	10.7	(0.0)
18	International investment	142.7	15.2	(0.9)	0.2

(*1) Not include stocks with no market price and investment partnership and others

(*2) Unrealized losses on US Treasury after adjusting PL from hedging transactions is ¥(24.3)bn

(*3) Of which hedging effect under capital regulation is recognized: Costs ¥521.9bn,
Unrealized gains/losses ¥(198.0)bn

Unrealized gains/losses of AFS securities with fair value



(*4) SuMi TRUST Bank

Securities portfolio of Global markets (*5)

(Yen bn)		10BPV (*6)		Duration (years) (*6)	
		Jun. 23	Change from Mar. 23	Jun. 23	Change from Mar. 23
19	JPY	6.7	1.4	3.2	0.1
20	Others (*7)	2.6	1.6	3.2	1.8

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

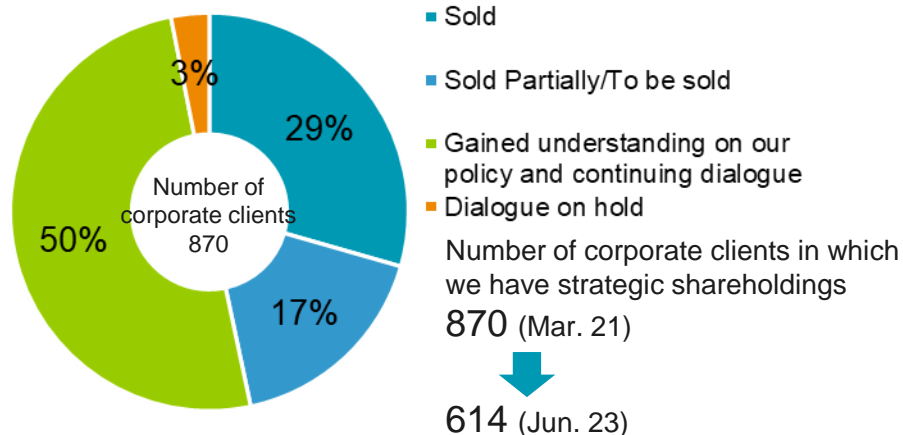
(*6) In the calculation of 10BPV and duration, investment balance hedging transactions were excluded

(*7) Total of securities denominated in USD, EUR and GBP

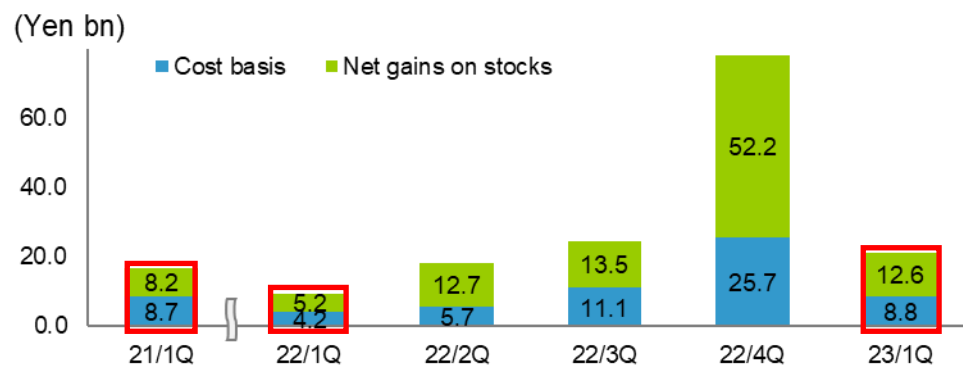
Reduction of strategic shareholdings

- Continuing dialogue with corporate clients based on our policy regarding reduction of strategic shareholdings
- Amount sold /to be sold in FY23 is approx. ¥23bn(at cost), exceeding the amount at the same timing in FY22

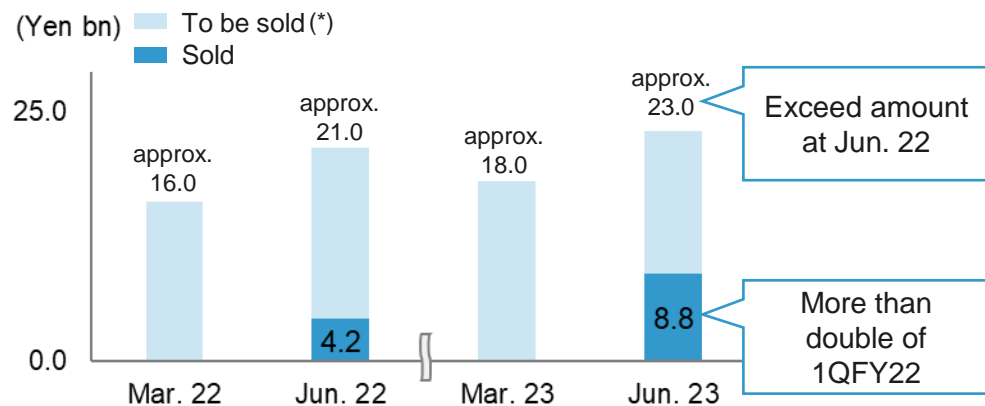
Dialogue with clients



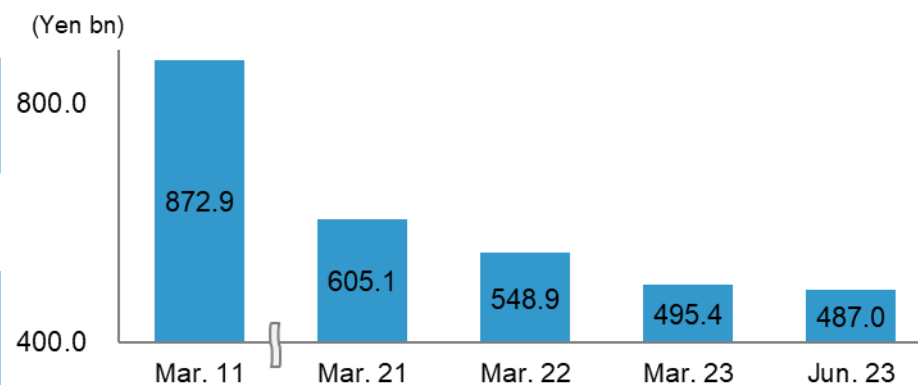
Reduction (consolidated basis)



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



Cost basis balance of strategic shareholdings(consolidated basis)



(*) Amount to be sold in the relevant fiscal year

(Reference) 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)
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)
10	Net gains on stocks	3.0	15.0	11.9
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%)

- (*) SuMi TRUST Bank includes dividends from subsidiaries (FY22(actual) :¥30.1bn, FY23(forecast) : approx.¥44.0bn)
Other group companies includes offset elimination of transaction between group companies related above dividends (FY22(actual):¥(30.1bn), FY23(forecast): approx. ¥(44.0bn))

(*) 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

(Reference) Plan and Target by business segment

		FY22 Net business profit before credit costs	Substantial gross business profit		FY23 Plan Net business profit before credit costs	Change from FY22
(Yen bn)				Change from FY22		
1	Total	324.6	850.0	35.8	320.0	(4.6)
2	Retail Business	41.5	207.0	4.1	33.0	(8.5)
3	SuMi TRUST Bank	21.3	137.0	2.8	15.0	(6.3)
4	Other group companies	20.1	70.0	1.2	18.0	(2.1)
5	Corporate Business	140.8	239.0	9.6	139.0	(1.8)
6	SuMi TRUST Bank	111.1	159.0	5.4	112.0	0.8
7	Other group companies	29.6	80.0	4.2	27.0	(2.6)
8	Investor Services Business	57.7	139.0	11.6	61.0	3.2
9	SuMi TRUST Bank	43.1	82.0	5.9	45.0	1.8
10	Other group companies	14.5	57.0	5.6	16.0	1.4
11	Real Estate Business	42.1	69.0	(0.7)	40.0	(2.1)
12	SuMi TRUST Bank	33.9	43.0	(1.1)	32.0	(1.9)
13	Other group companies	8.1	26.0	0.4	8.0	(0.1)
14	Global Markets Business	54.1	63.0	(6.3)	44.0	(10.1)
15	Asset Management Business (*)	22.2	84.0	(0.7)	21.0	(1.2)

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

Fee business: Investment management consulting

- Total income posted ¥9.3bn, same level as 1QFY22. Administration fees increased in line with market value growth, while sales fees of investment trust and insurance decreased
- Total balance increased by ¥523.7bn YoY to ¥7,902.8bn mainly due to growth of market value

Income from marketing of investment products

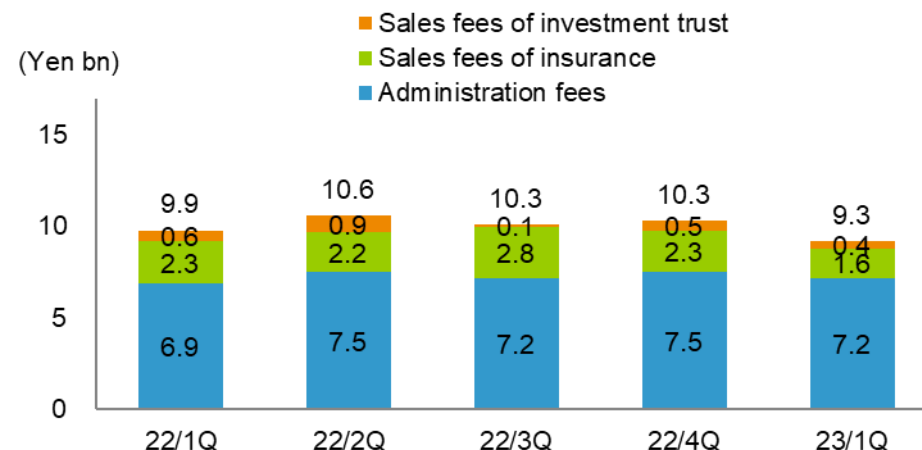
(Yen bn)		FY22	FY23	Change
		1Q	1Q	
1	Income total	9.9	9.3	(0.6)
2	Sales fees of investment trust	0.6	0.4	(0.1)
3	Sales fees of insurance	2.3	1.6	(0.6)
4	Administration fees	6.9	7.2	0.2

Sales volume / balance

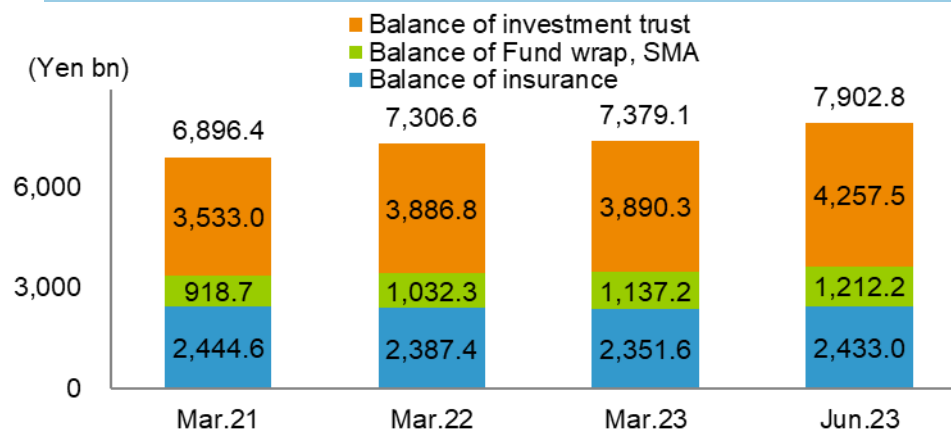
(Yen bn)		FY22	FY23	Change
		1Q	1Q	
5	Sales volume total	318.0	304.7	(13.2)
6	Investment trust	192.3	198.6	6.3
7	Fund wrap, SMA	57.8	45.1	(12.7)
8	Insurance	67.8	60.9	(6.8)

(Yen bn)		Mar. 23	Jun. 23	Change
9	Balance total	7,379.1	7,902.8	523.7
10	Investment trust	3,890.3	4,257.5	367.2
11	Fund wrap, SMA	1,137.2	1,212.2	75.0
12	Insurance	2,351.6	2,433.0	81.4

Income from marketing (quarterly)



Balance



Fee business: Real estate

- Corporate real estate brokerage (SuMi TRUST Bank): decreased by ¥5.0bn YoY to ¥3.5bn
- Retail real estate brokerage (SuMi TRUST Realty): Maintained good performance and increased by ¥0.8bn YoY to ¥6.0bn

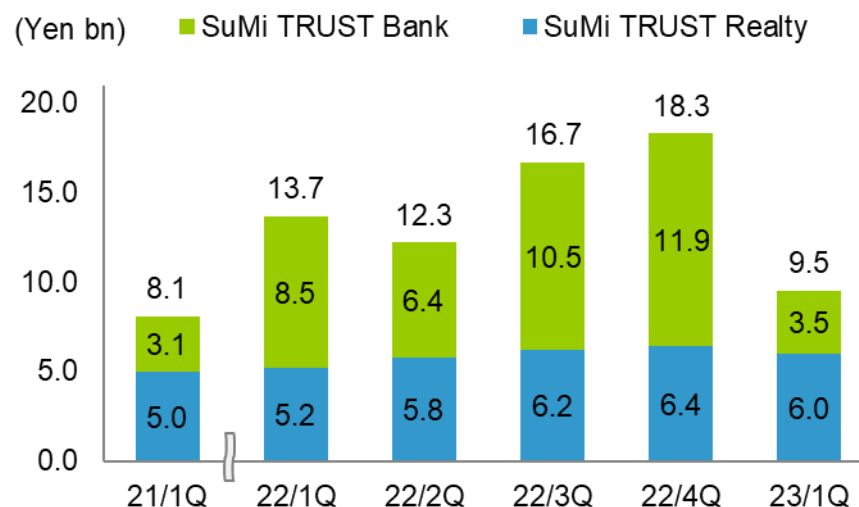
Income (group base)

(Yen bn)		FY22	FY23	Change
		1Q	1Q	
1	Real estate brokerage fees	13.7	9.5	(4.1)
2	SuMi TRUST Bank	8.5	3.5	(5.0)
3	SuMi TRUST Realty	5.2	6.0	0.8
4	Real estate trust fees, etc.	1.5	1.6	0.1
5	Net other real estate profit	0.2	0.3	0.0
6	SuMi TRUST Bank	-	0.0	0.0
7	Other Group companies	0.2	0.3	0.0
8	Total	15.5	11.5	(4.0)
9	o/w SuMi TRUST Bank	10.1	5.2	(4.8)

Assets under management / administration

(Yen bn)		Mar. 23	Jun. 23	Change
10	Securitized real estate	24,182.3	24,994.2	811.8
11	Assets under custody from J-REITs	17,023.4	17,275.3	251.8
12	Assets under management	658.4	652.5	(5.9)
13	Private placement funds	367.9	362.0	(5.9)
14	J-REITs	290.5	290.5	-

Real estate brokerage fees (quarterly)



Fee business: Asset management/administration

- AUM: Increased by ¥5.9trn to approx. ¥127trn from Mar. 23 mainly due to growth of market value
- AUC: Increased in domestic businesses and global custody mainly due to growth of market value

Assets under management (AUM)

(Yen trn)		Mar. 23	Jun. 23	Change
1	Assets under management	121.4	127.4	5.9
2	SuMi TRUST Bank (*1)	7.6	8.0	0.3
3	Private asset	5.4	5.7	0.2
4	SuMi TRUST AM	85.9	87.7	1.7
5	Nikko AM	27.8	31.6	3.8

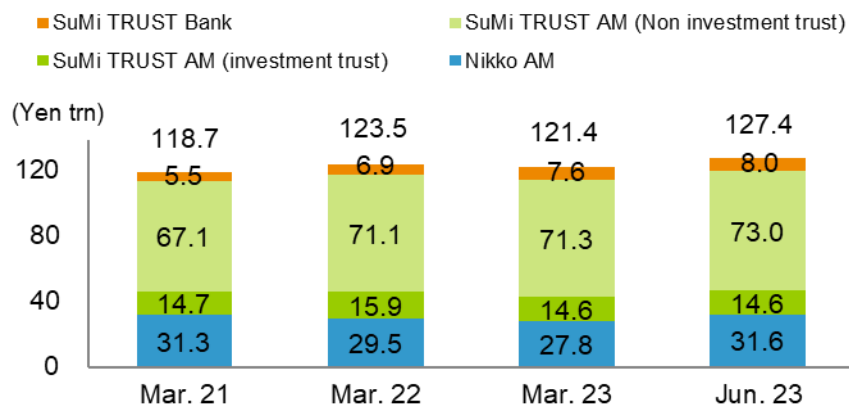
(*1) Not include duplicate amount from re-entrustment to SuMi TRUST AM and Nikko AM

Assets under custody/administration (AUC)

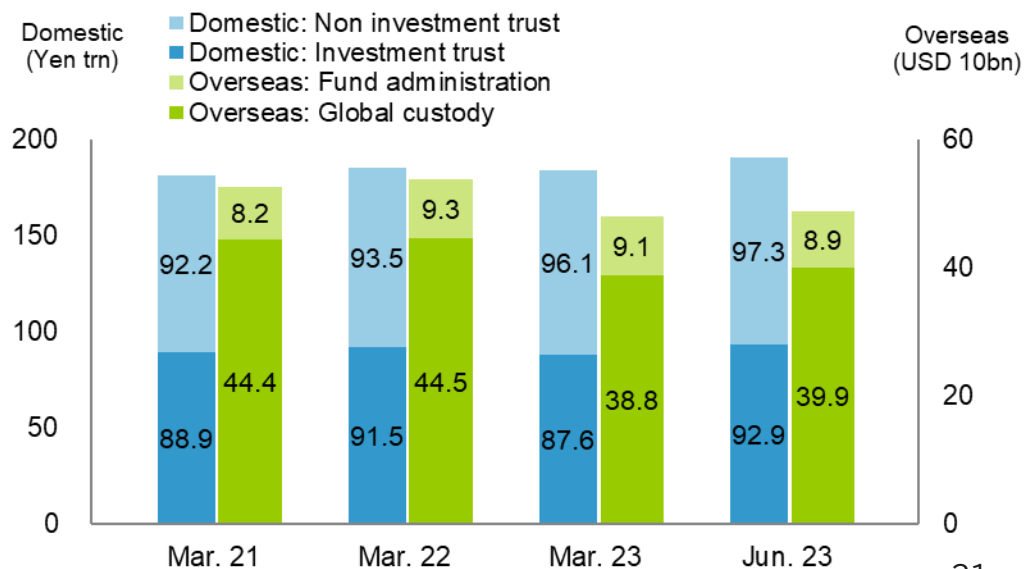
(Yen trn)		Mar. 23	Jun. 23	Change
[Domestic]				
6	Investment trust (*2)	87.6	92.9	5.2
7	Non investment trust (*2)	96.1	97.3	1.2
[Overseas] (USD 10bn)				
8	Global custody (*3)	38.8	39.9	1.0
9	Fund administration	9.1	8.9	(0.1)

(*2) Entrusted balance of SuMi TRUST Bank

(*3) Combined figures of SuMi TRUST Bank, SuMi TRUST Bank (U.S.A) and SuMi TRUST Bank (Lux.)



USD/JPY	110.65	122.38	133.54	145.00
TOPIX	1,954.00	1,946.40	2,003.50	2,288.60



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

- Individual: Decreased amount of new loans and outstanding from Mar. 23 mainly due to decrease of mortgage loans
- Corporate: Continue to shift from corporate to product lending. (Yen) Decreased both corporate and product lending

Individual clients

		FY22	FY23	Change
(Yen bn)		1Q	1Q	
1	Annual amount of new loans to individuals	227.2	190.8	(36.4)
2	Mortgage loans	204.6	173.2	(31.3)

		Mar. 23	Jun. 23	Change
(Yen bn)				
3	Outstanding of individual loans	11,094.4	11,085.8	(8.6)
4	Mortgage loans	10,461.5	10,451.8	(9.6)

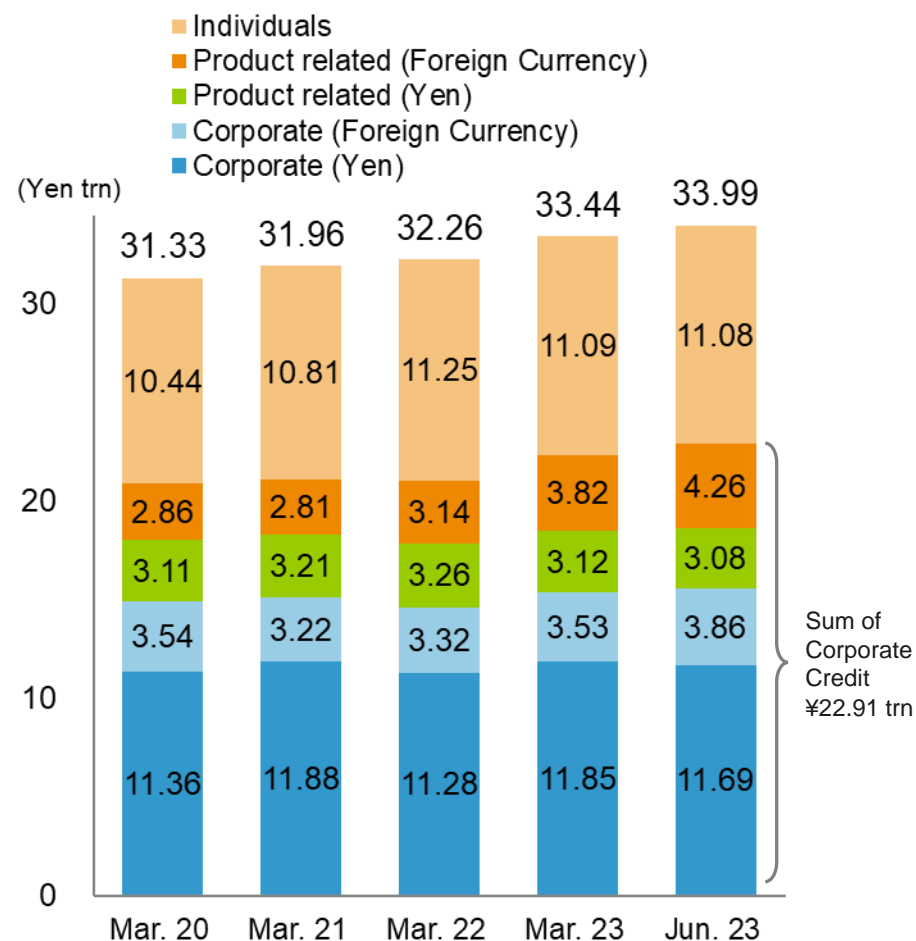
Corporate clients

		Mar. 23	Jun. 23	Change (*2)
(Yen bn)				
5	Corporate lending(Yen)	11,859.6	11,697.2	(162.4)
6	Corporate lending(Foreign Currency)	3,533.6	3,865.4	331.8
7	Product related (Yen)	3,128.7	3,083.2	(45.4)
8	Product related (Foreign Currency)	3,824.9	4,266.9	441.9
9	Total balance of credit for corporates (*1)	22,347.0	22,912.9	565.8
10	Product related	6,953.7	7,350.2	396.4

(*1)Balance of equity investment(excluding strategic shareholdings) is ¥514.5bn on Jun.23

(*2) Impact of foreign exchange: Corporate lending(Foreign Currency) approx. ¥300.0bn,
Product related (Foreign Currency) approx. ¥340.0bn

Credit portfolio balance



Capital

- Common Equity Tier 1 ratio: 10.94%. Up 0.15 ppt from Mar. 2023 due to increase in retained earnings and increase in capital associated with stock price rise
Pro-forma CET1 capital ratio on finalized Basel III: 9.6% also up 0.1 ppt from Mar. 2023
- Both leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

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

		Mar. 23	Jun. 23	Change
		(Yen bn)		
1	Total capital ratio	13.24%	13.14%	(0.10%)
2	Tier 1 capital ratio	12.01%	12.14%	0.13%
3	Common Equity Tier 1 capital ratio	10.79%	10.94%	0.15%
4	Total capital	3,081.2	3,122.8	41.5
5	Tier 1 capital	2,793.5	2,884.6	91.1
6	Common Equity Tier 1 capital	2,509.7	2,599.9	90.2
7	Instruments and reserves	2,752.9	2,850.5	97.5
8	Accumulated other comprehensive income (*1)	204.2	265.7	61.5
9	Regulatory adjustments	(243.2)	(250.5)	(7.3)
10	Additional Tier 1 capital	283.7	284.6	0.9
11	Tier 2 capital	287.7	238.2	(49.5)
12	Total risk-weighted assets	23,256.8	23,761.3	504.4
13	Credit risk	20,411.9	21,146.7	734.8
14	Market risk	1,838.2	1,607.8	(230.3)
15	Operational risk	1,006.7	1,006.7	-

(*1) Valuation differences on Available-for-Sale Securities (Jun. 2023): ¥312.7bn
(Change from Mar. 2023: +¥54.5bn)

(*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 1QFY2023. "Change from Mar. 23" represents the comparison to figure for 4QFY2022 calculated in the same manner

<Major factors of change in capital adequacy ratios>

[Capital]

(1) Common Equity Tier 1 capital: +¥90.2bn

- Net income: +¥36.7bn
- Valuation differences on AFS (considering valuation differences on hedging items): +¥56.4bn

[Risk-weighted assets]

(2) Credit risk: +¥734.8bn

- Increase in foreign currency-denominated assets due to JPY depreciation : approx. +¥600.0bn

<Other ratios required in prudential regulations (consolidated)>

		Jun. 23	Change from Mar. 23
		(Yen bn)	
16	Leverage ratio (*2)	5.30%	(0.06%)
17	Including current account with the Bank of Japan	3.92%	(0.03%)
18	Tier 1 capital	2,884.6	91.1
19	Total exposure (*2)	54,396.5	2,279.2
20	Including current account with the Bank of Japan	73,435.5	2,773.6
21	Liquidity coverage ratio (*3)	138.0%	(0.3%)
22	Total high-quality liquid assets	20,202.1	750.5
23	Net cash outflows	14,636.2	577.3