



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

(Explanatory material for)
Revision of Full Year Forecast for
FY2021 and
Share repurchase

February 24, 2022

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Definitions of terms in this document

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

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

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

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

Accounting for Business combination related to Management Integration

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

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

Key messages

Upward revision of earnings and dividend forecasts

- ✓ Net business profit was revised upward to ¥330 billion (+¥20 billion from the forecast announced in Nov.) due to strong performance of client related businesses
- ✓ Following the revision of Net business profit, Net income forecast was also revised upward to ¥170 billion (+¥15 billion)

Share repurchase

- ✓ We have an acceptable level of capital adequacy and enter the phase of capital utilization. We decided repurchase of own shares to improve capital efficiency. All repurchased shares will be cancelled
- ✓ Investments contributing to sustainable enhancement of management foundation will be done in a well-balanced manner for creating both social value and economic value, taking into consideration the maximization of value for various stakeholders

Reinforcement of investment in human capital

- ✓ Investment in employees (human capital) which is an essential source of value creation is reinforced
- ✓ Incentive plans, which enable employees to create value in the same direction as shareholders, investors, and other stakeholders, are considered

Upward revision of earnings and dividend forecasts

- Net business profit was revised upward by +¥20 billion from the forecast announced in November, 2021 (+¥50 billion from the initial FY2021 forecast) due to strong performance of client related businesses
Following the revision of Net business profit, Net income was also revised upward by ¥15 billion
- Forecast of Net gains on stocks has been unchanged as ¥30 billion, taking into account risk of hedging transactions on earnings of this fiscal year due to volatility of stock price, estimated impact from expected operation for soundness of hedging transactions, potential impact of the listing of SBI Sumishin Net Bank, etc.
- In line with the shareholder return policy, dividend per share will be 170 yen (+¥10 yen from the forecast in November), with 37.5% of consolidated dividend payout ratio for FY2021

(Yen bn)		1H	2H	FY21	Change	Change from
		Actual	Forecast	Forecast	from	Revised plan
					FY20	released in Nov.
1	Net business profit before credit costs	174.4	155.5	330.0	35.2	20.0
2	(SuMi TRUST Bank)	130.9	99.0	230.0	23.4	15.0
3	Substantial gross business profit	400.7	394.2	795.0	55.7	20.0
4	SuMi TRUST Bank	253.9	226.0	480.0	28.0	15.0
5	Other group companies	146.8	168.1	315.0	27.6	5.0
6	Substantial G&A Expenses	△ 226.2	△ 238.7	△ 465.0	△ 20.4	-
7	SuMi TRUST Bank	△ 122.9	△ 127.0	△ 250.0	△ 4.5	-
8	Other group companies	△ 103.2	△ 111.7	△ 215.0	△ 15.8	-
9	Total credit costs	5.1	△ 25.1	△ 20.0	△ 12.1	-
10	Net gains on stocks	△ 18.0	△ 11.9	△ 30.0	13.5	-
11	Other non-recurring profit	△ 9.4	△ 25.5	△ 35.0	25.2	-
12	Ordinary profit	152.0	92.9	245.0	61.8	20.0
13	SuMi TRUST Bank	115.4	49.5	165.0	50.9	15.0
14	Net Income	111.0	58.9	170.0	27.8	15.0
15	SuMi TRUST Bank	87.5	27.4	115.0	19.0	10.0
16	Dividend per common share(Yen)	80	90	170	+20	+10
17	Consolidated dividend pay out ratio	---	---	37.5%	△2.0%	△1.2%

Profit by business segment

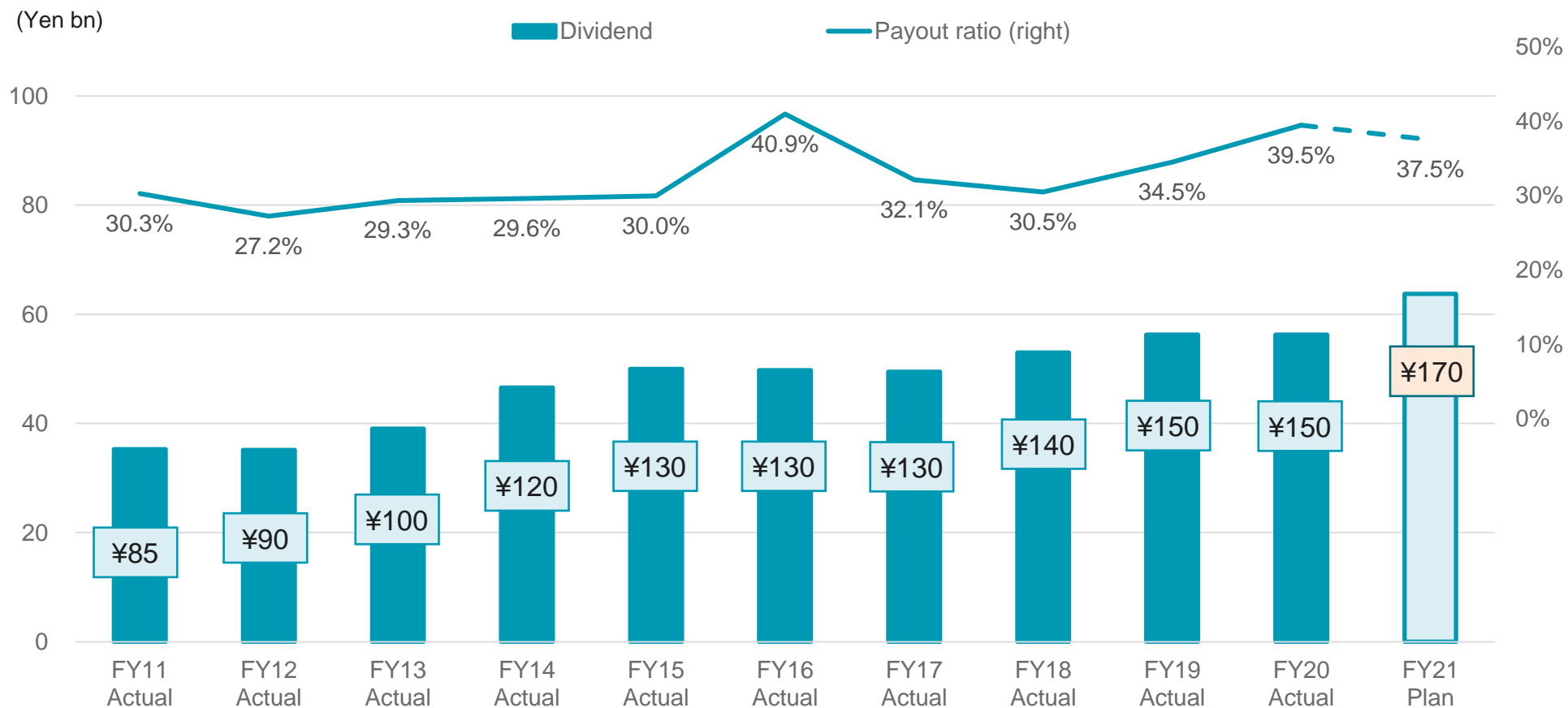
		(Yen bn)	FY20 Actual			FY21 Plan	Change from FY20	Change from revised plan released in Nov
				1HFY21 Actual	2HFY21 Plan			
1	Total		294.7	174.4	155.5	330.0	35.2	20.0
2	Retail total solution services		15.5	16.6	13.3	30.0	14.4	40.0
3	SuMi TRUST Bank		△ 1.2	8.0	5.9	14.0	15.2	30.0
4	Other group companies		16.7	8.6	7.3	16.0	△ 0.7	1.0
5	Wholesale financial services(*1)		132.1	64.6	66.3	131.0	△ 1.1	8.0
6	SuMi TRUST Bank		102.3	50.6	52.3	103.0	0.6	8.0
7	Other group companies		29.7	14.0	13.9	28.0	△ 1.7	0.0
8	Stock transfer agency services		20.8	11.3	9.6	21.0	0.1	2.0
9	SuMi TRUST Bank		19.7	10.7	8.2	19.0	△ 0.7	1.0
10	Other group companies		1.1	0.5	1.4	2.0	0.8	1.0
11	Real estate		25.5	10.9	21.0	32.0	6.4	4.0
12	SuMi TRUST Bank		21.3	7.7	18.2	26.0	4.6	3.0
13	Other group companies		4.2	3.1	2.8	6.0	1.7	1.0
14	Fiduciary services (excl. Asset Mgt business)		34.7	20.4	20.5	41.0	6.2	3.0
15	SuMi TRUST Bank		30.9	17.5	18.4	36.0	5.0	2.0
16	Other group companies		3.8	2.8	2.1	5.0	1.1	1.0
17	Asset management business(*2)		29.8	22.5	17.4	40.0	10.1	0.0
18	Global markets		54.4	27.5	9.4	37.0	△ 17.4	△ 13.0

(*1) Combined total of Wholesale total solution services and Wholesale asset management

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

(Reference) Shareholder returns

- Aim to raise the consolidated dividend payout ratio to around 40% in FY2022 as a means of returning shareholder's profits commensurate with earnings



Share repurchase and cancellation

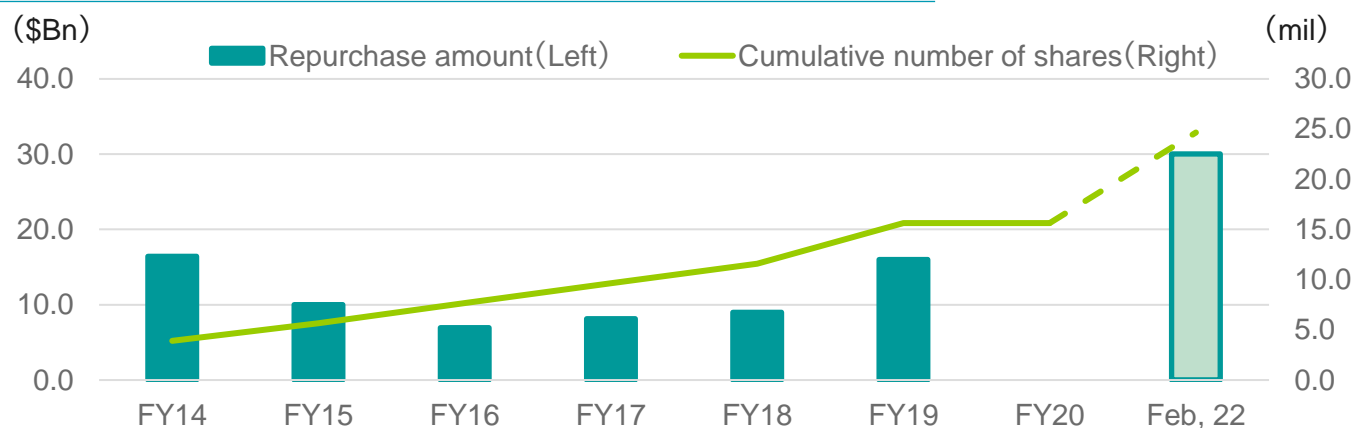
- Have an acceptable level capital adequacy and entering the phase of capital utilization
- Repurchase own shares to improve capital efficiency

Overview of share repurchase

Type	Common stock
Total number	9,000 thousand (maximum) Ratio to the total number of issued shares (excluding the existing repurchased shares) : 2.40%
Total amount	¥30 billion (maximum)
Repurchase period	From February 25, 2022 to August 31, 2022

All shares repurchased during the period will be cancelled on September 20, 2022

Track record of share repurchase



Investments contributing to sustainable enhancement of financial and non-financial management foundation will be done in a well-balanced manner for creating both social value and economic value, taking into consideration the maximization of value for various stakeholder

Reinforce investment in human capital

- Reinforce investment in human capital as an essential source of value creation
- Consider incentive plans that enable employees to create value in the same direction as shareholders, investors, and other stakeholders

