

October 30, 2023

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.  
(Securities Code: 8309 TSE, NSE)

### **Revision of Consolidated Earnings Forecasts for the Fiscal Year 2023**

Sumitomo Mitsui Trust Holdings, Inc. hereby announces that its consolidated earnings forecasts for the full fiscal year ending March 31, 2024 (“fiscal year 2023”), which was announced on May 12, 2023, are revised as follows:

1. Revision of consolidated earnings forecasts

(1) Outline of the revision

	(Billions of Yen)	(Yen)
	Net income attributable to owners of the parent for FY2023	Earnings per share
(A) Previous forecasts (announced on May 12, 2023)	200.0	550.81
(B) Revised forecasts	85.0	234.08
(C) Change (B)-(A)	(115.0)	(316.73)
(D) Rate of Change (%) ((C/A)×100)	(57.5%)	(57.5%)
(Reference) Actual result of previous fiscal year	191.0	517.15

(2) Reason for the revision

SuMi TRUST Group has been continuing to reduce strategic shareholdings through dialogue with our clients in line with our policy of, in principle, not holding any shares as a conventional stable shareholder. Considering that this reduction takes a reasonable time, we are hedging our exposure with Japanese equity bear type mutual funds (“bear funds”) in order to curb the impact of stock price fluctuations on capital.

In the current economic environment surrounding our Group, we recognize that structural changes, such as corporate governance reform of Japanese corporates with an awareness of the capital cost, are progressing, and that we are on track to the end of deflation, which has lasted for 30 years since the burst of the bubble economy, through higher prices, wage increases, interest rate hikes, and the rise in stock prices.

This environmental change is a new tailwind for our corporate value enhancement and the circulation of funds in the markets. We are accelerating our initiatives to reduce the 150 billion yen (cost basis) of strategic shareholdings over three years as stated in the Medium-Term Management Plan, and we are in the process of reducing and changing our positions in bear funds.

As stock prices rise, net valuation gains on strategic shareholdings that are hedged and bear funds as hedging positions expand and capital increases. On the other hand, the potential risk of incurring impairment losses on financial statements due to increased valuation losses on bear funds will also rise because, for accounting purposes, strategic shareholdings and bear funds are valued individually.

In response to these future risk factors, we expect to post a large amount of loss on the sale of bear funds throughout fiscal year 2023, and have therefore revised our consolidated earnings forecasts as shown in the table above.

Since net business profit, which represents the performance of our Group’s core business, has remained steady, we revised the full year forecast upward by 10 billion yen (330 billion yen).

The previously announced dividend forecast for fiscal year 2023 remains unchanged, as there are no concerns about capital adequacy because the loss on the sale of bear funds is a transfer from unrealized loss to realized loss, in addition to the solid performance of the core business.

<Reference 1> Dividend forecast for fiscal year 2023

(Yen)			
	Dividend per share on common share		
	Interim	Year-end	Annual total
Forecast	110	110	220
(Reference) Actual result of previous fiscal year	100	110	210

<Reference 2> Outline of earnings forecasts for fiscal year 2023

	(Billions of Yen)	A	B	C	D
		1H FY2023 estimate	FY2023 forecasts (revised)	Previous ones (Released in May)	Change (B-C)
1	Net business profit before credit costs	166.0	330.0	320.0	10.0
2	Substantial gross business profit	428.0	860.0	850.0	10.0
3	Substantial G&A expenses	(262.0)	(530.0)	(530.0)	-
4	Total credit costs	(2.0)	(20.0)	(20.0)	-
5	Net gains on stocks	(95.0)	(160.0)	15.0	(175.0)
6	Other non-recurring profit	(17.0)	(35.0)	(35.0)	-
7	Ordinary profit	52.0	115.0	280.0	(165.0)
8	Net income attributable to owners of the parent*	44.0	85.0	200.0	(115.0)
9	Dividend per share (common share) (Yen)	110	220	220	-
10	Dividend payout ratio	---	94.1%	40.0%	54.1%

\* We estimate that net income attributable to owners of the parent will be generally in line with the previous forecast (200 billion yen), excluding the impact of gains and losses from the sale of strategic shareholdings and the sale of bear funds (line 5), which is the main reason for the revision of the forecast.

End

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**Regarding forward-looking statements contained in this release:**

This release 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 but not limited to changes in managerial circumstances. Please refer to the most recent relevant materials, including securities report, annual report, and other presentations disclosed by SuMi TRUST Holdings and its group companies, for further information that could significantly influence SuMi TRUST Holdings' financial position and operating results, as well as investment decisions by investors.