



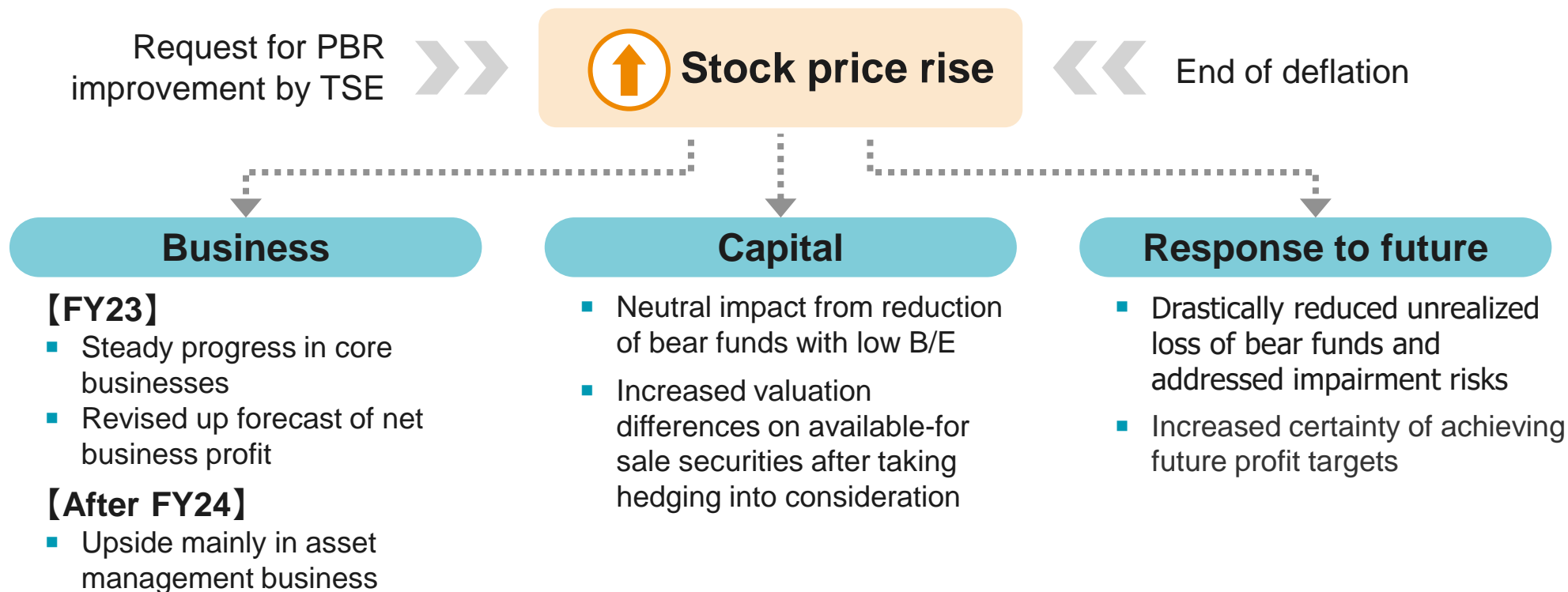
SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Revision of consolidated earnings forecast

October 30, 2023

Highlights

- 1 Steady progress in core businesses. Increased capital.**
- 2** Accelerate activities to reduce strategic shareholdings in light of structural changes in the macro environment and drastically reduced bear funds with low B/E (Impairment level raised to above Nikkei 225 of 40,000 yen)
- 3 Dividend forecast for FY23 remains unchanged** (considered business progress and capital adequacy)



Revision of consolidated earnings forecasts for FY23

- Steady progress in net business profit before credit costs. Revised full year forecast of net income downward by realizing losses from reduction of bear funds with low B/E
- Remains unchanged of dividend forecast for FY23 considering business progress and capital adequacy

(Billions of Yen)		1HFY2023 estimate	FY2023 forecasts (revised)	Change from previous ones
1	Net business profit before credit costs	166.0	330.0	10.0
2	Substantial gross business profit	428.0	860.0	10.0
3	Substantial G&A expenses	(262.0)	(530.0)	—
4	Total credit costs	(2.0)	(20.0)	—
5	Net gains on stocks	(95.0)	(160.0)	(175.0)
6	Other non-recurring profit	(17.0)	(35.0)	—
7	Ordinary profit	52.0	115.0	(165.0)
8	Net income attributable to owners of the parent	44.0	85.0	(115.0)
9	Dividend per share (common share) (Yen)	110 yen	220 yen	—

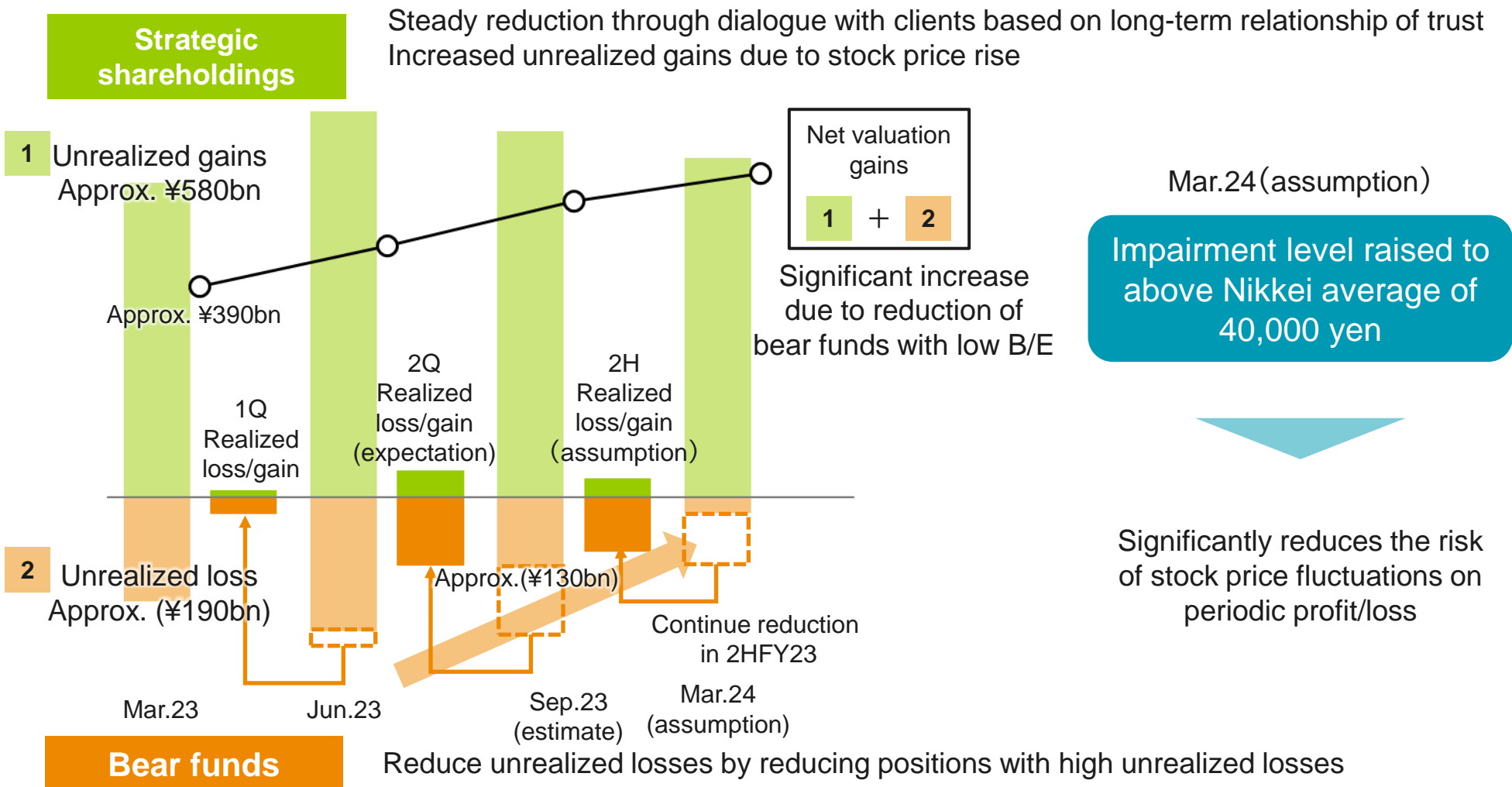
Key points of revision of consolidated earnings

- 1 Steady progress driven by macro environment
- 2 Reduce bear funds with low B/E
Accelerate activities to reduce strategic shareholdings
- 3 Downwardly revised mainly due to above 2
Increased certainty of achieving future profit targets
- 4 Remain unchanged of dividend forecast considering business progress and capital adequacy

(*) Market environment assumption (2HFY23) : Nikkei 225:¥ 32,000, USD/JPY ¥145

Reduction of bear funds with low B/E

- Accounting for losses on bear funds with high unrealized losses. Reduced risk to future periodic profit and loss
- Wipe out the risk of impairment of bear funds at levels below Nikkei 225 of 40,000 yen by the end of FY23



(Ref.)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 225 +¥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 225 +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)



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

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

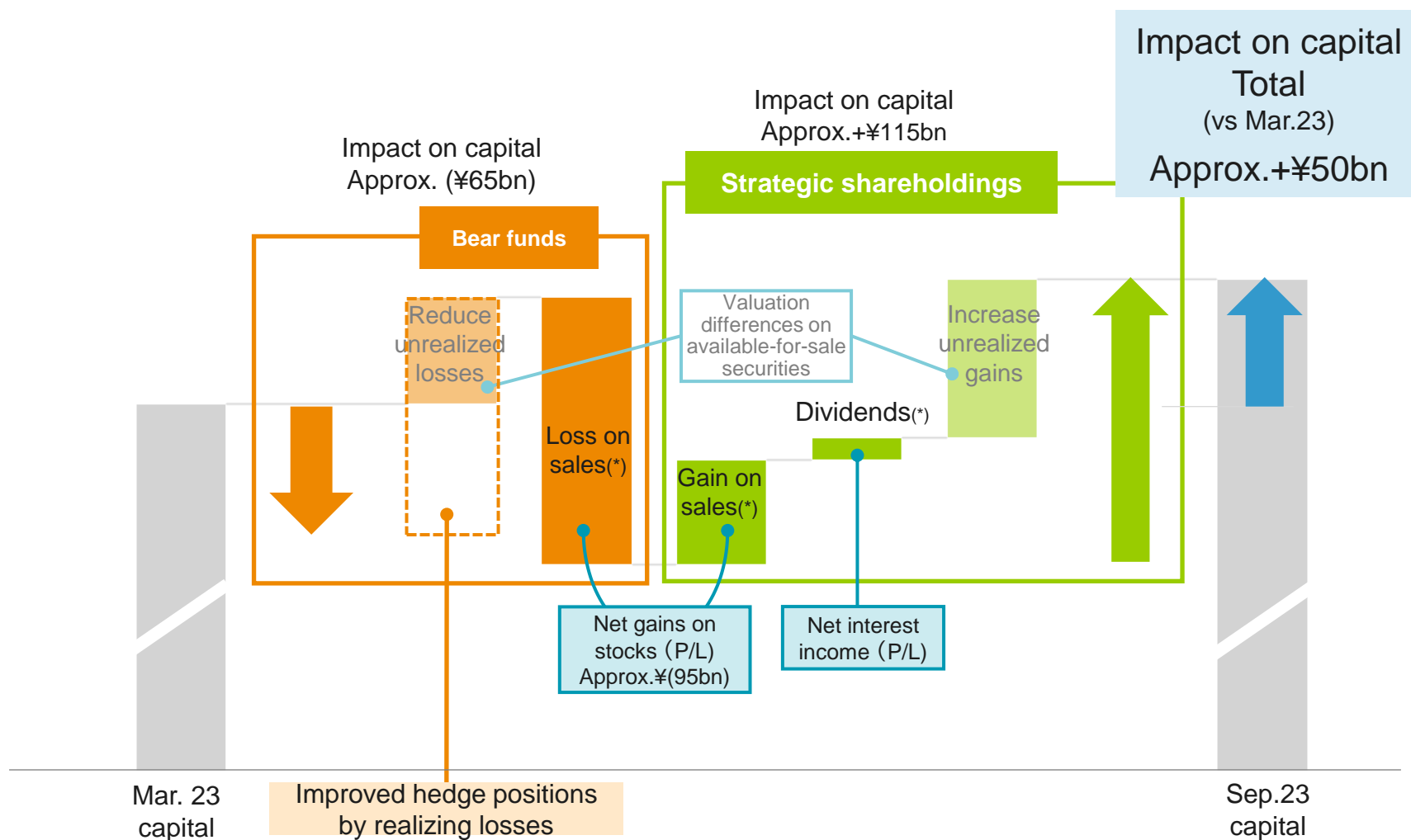
Neutral impact on corporate value due to realized losses



(*) Estimated assumption in case of +¥1,000 YoY of Nikkei 225 throughout the fiscal year

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

Impact on capital based on actual 1HFY23(image)



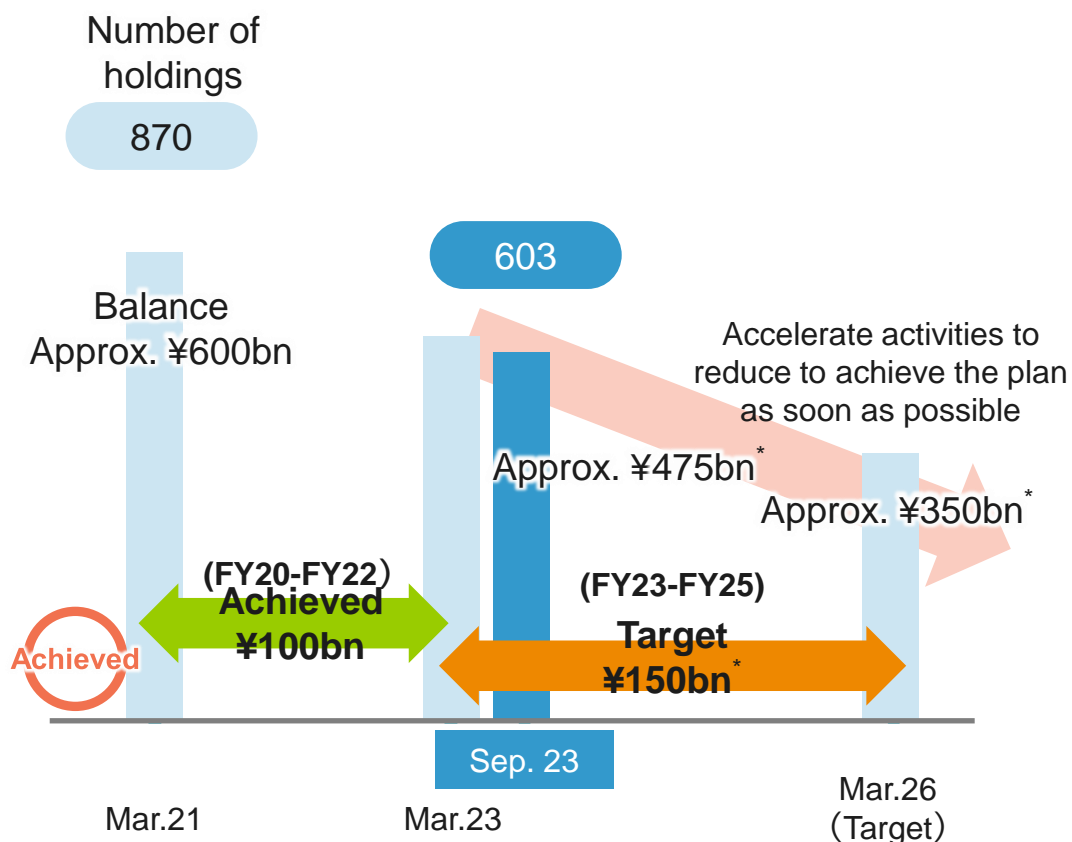
(*) After considering tax effect

Reduction of strategic shareholdings

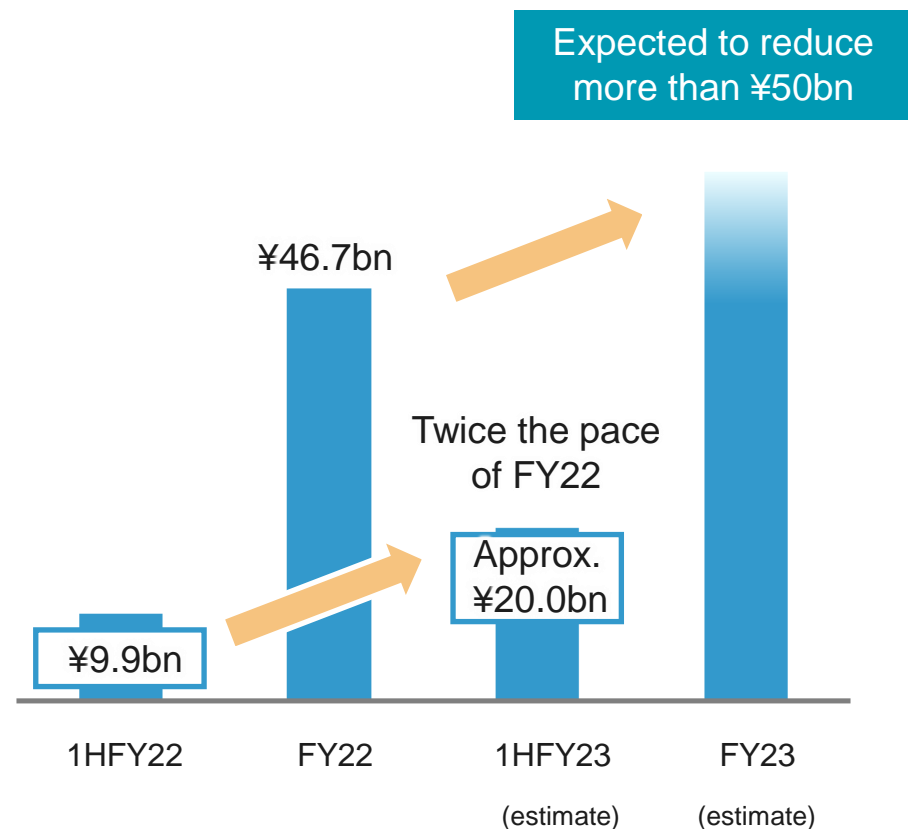
- Reduced steadily in balance and number of holdings since the announcement of reduction of strategic shareholdings to zero in May 21
- Reduction in FY23 progressed at twice the pace of FY22. Expected to reduce more than ¥50bn for the full year

Cost basis balance of strategic shareholdings and number of holdings

Achievement and expectation of reduction (cost basis)



(*) Exclude sold and repurchased shares after May 23 (approx. ¥36bn)



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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”