

Revision of consolidated earnings forecast

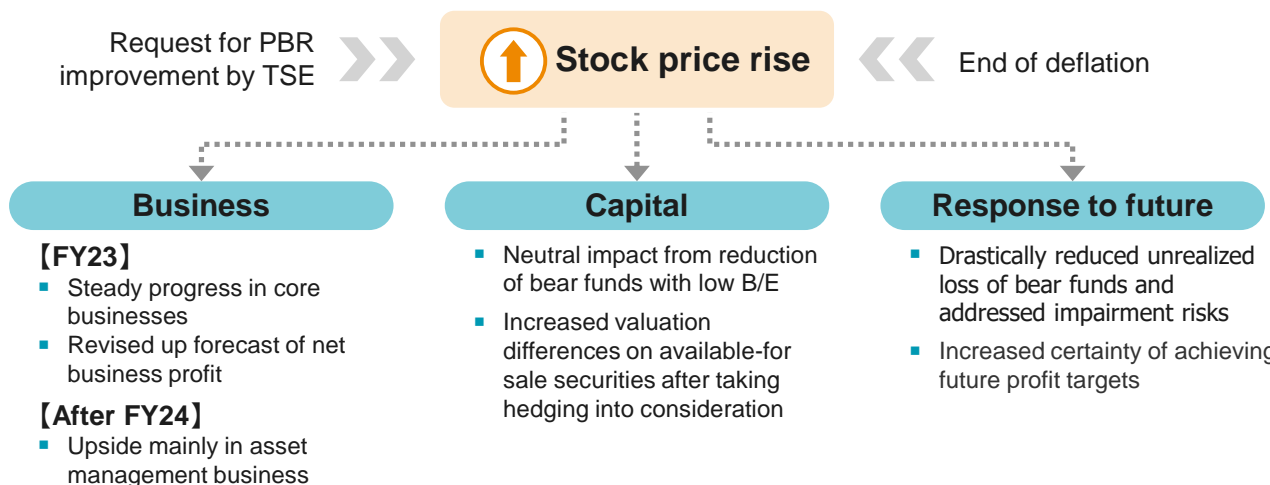
October 30, 2023

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)



- ◆ There are three points I would like to make today.
- ◆ First, the core business is robust. Capital is also increasing steadily.
- ◆ Segment results will be disclosed at the time of the 1H results announcement on November 14. In addition to the continued strong performance of corporate-credit related fees in the 2Q, the strong stock market and weaker yen also made a positive contribution.
- ◆ We expect the solid performance to continue in the 2H of the fiscal year, and revised upward the full year forecast for Net business profit by 10 billion yen.
- ◆ The second point is the circumstances that led to the revision of our earnings forecast.
- ◆ With structural changes in the macro economy, including higher prices, wage increases, interest rate hikes and the rise in stock prices, the long-standing deflationary trend is finally coming to an end.
- ◆ In light of this change, we accelerate our initiatives to reduce the 150 billion yen of strategic shareholdings over three years as stated in the current Medium-Term Management Plan and decided to reduce and change our position in bear funds to drastically reduce the funds with low B/E.
- ◆ There is an accounting impact from the realization of losses on bear funds, but the impact on capital is neutral.
- ◆ We believe that the steps taken in this fiscal year will largely ease concerns about significant fluctuations in future periodic earnings.
- ◆ We hope you understand that we have improved our certainty of achieving Net income of 240 billion yen in FY25.
- ◆ For bear funds, the lowest impairment level shall be the Nikkei 225 at 40,000 yen, due to the reduction of bear funds with low B/E.
- ◆ The third point is about dividends.
- ◆ Based on the absence of any negative impact on capital or corporate value, as well as the solid progress of business, we maintained the full year dividend forecast of 220 yen per share.
- ◆ Please refer to page 3 for a list of specific figures in the revised forecast and key points I just mentioned.
- ◆ Finally, I would like to touch upon the recent progress in the reduction of strategic shareholdings.
- ◆ Please see page 7.

Revision of consolidated earnings forecasts for FY23

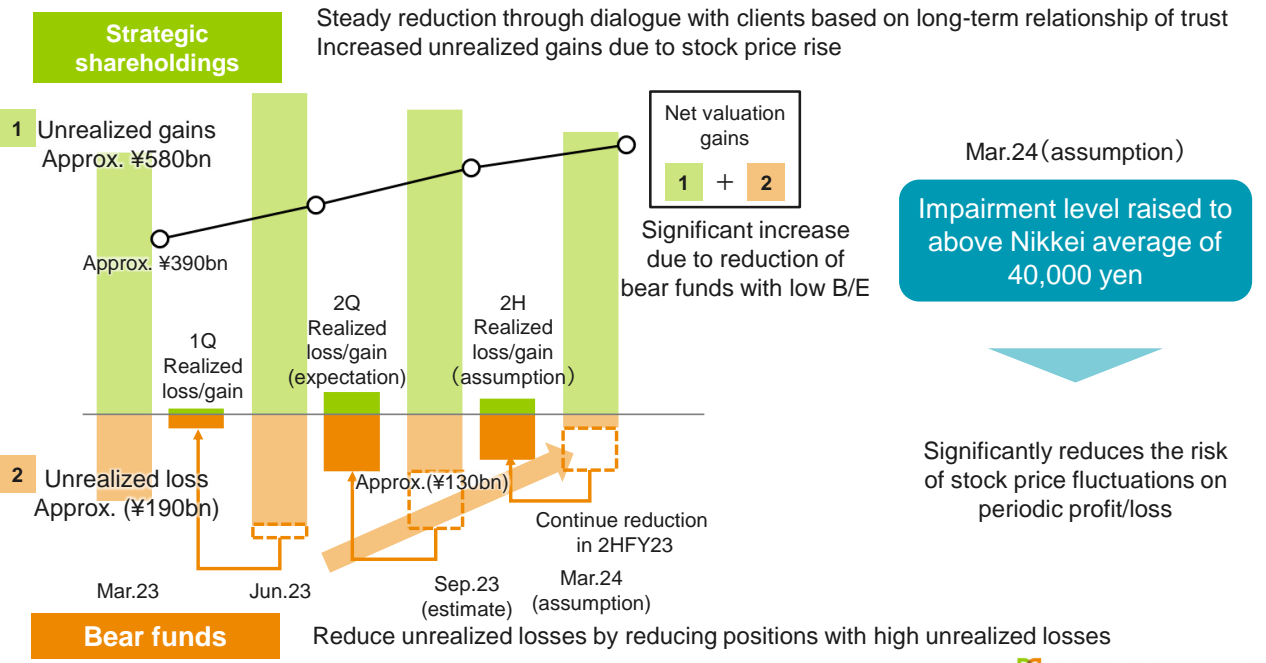
- Steady progress in net business profit before credit costs. Revised full year forecast of net income downward by realizing losses from reduction of bear funds with low B/E
- Remains unchanged of dividend forecast for FY23 considering business progress and capital adequacy

| (Billions of Yen) | | 1HFY2023 estimate | | FY2023 forecasts (revised) | | Change from previous ones | | Key points of revision of consolidated earnings | |
|-------------------|--|----------------------|---------|----------------------------------|---------|------------------------------|--|--|--|
| 1 | Net business profit before credit costs | 1 | 166.0 | 330.0 | 10.0 | 1 | Steady progress driven by macro environment | | |
| 2 | Substantial gross business profit | | 428.0 | 860.0 | 10.0 | | | | |
| 3 | Substantial G&A expenses | | (262.0) | (530.0) | — | 2 | Reduce bear funds with low B/E Accelerate activities to reduce strategic shareholdings | | |
| 4 | Total credit costs | | (2.0) | (20.0) | — | | | | |
| 5 | Net gains on stocks | 2 | (95.0) | (160.0) | (175.0) | 3 | Downwardly revised mainly due to above 2 Increased certainty of achieving future profit targets | | |
| 6 | Other non-recurring profit | | (17.0) | (35.0) | — | | | | |
| 7 | Ordinary profit | | 52.0 | 115.0 | (165.0) | 4 | Remain unchanged of dividend forecast considering business progress and capital adequacy | | |
| 8 | Net income attributable to owners of the parent | 3 | 44.0 | 85.0 | (115.0) | | | | |
| 9 | Dividend per share (common share) (Yen) | 4 | 110 yen | 220 yen | — | | | | |

(*) Market environment assumption (2H FY23) : 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



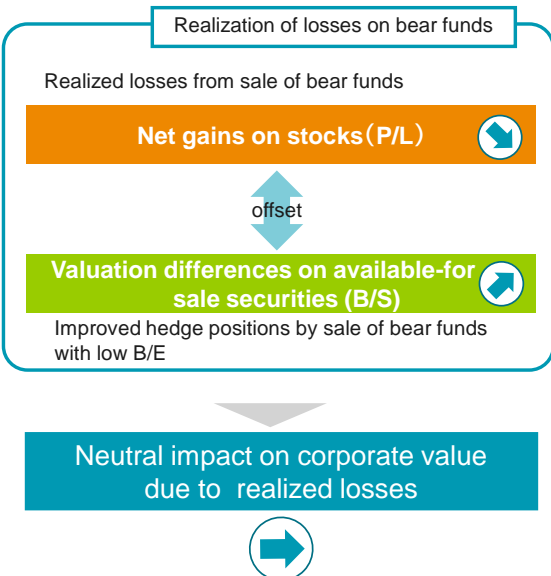
(Ref.)Impact of stock price rise on our corporate value

- 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



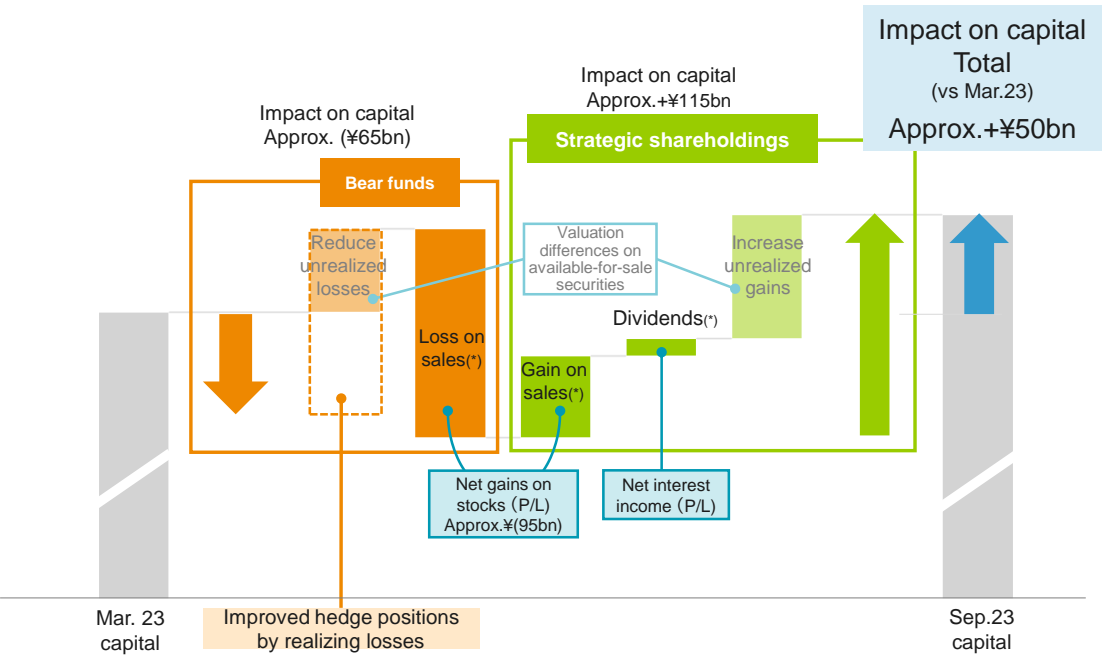
Impact of realization of unrealized losses on bear funds on corporate value



(*) Estimated assumption in case of +¥1,000 YoY of Nikkei 225 throughout the fiscal year
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(Ref)Impact of stock price rise on capital related to strategic shareholdings and bear funds

Impact on capital based on actual 1HFY23(image)



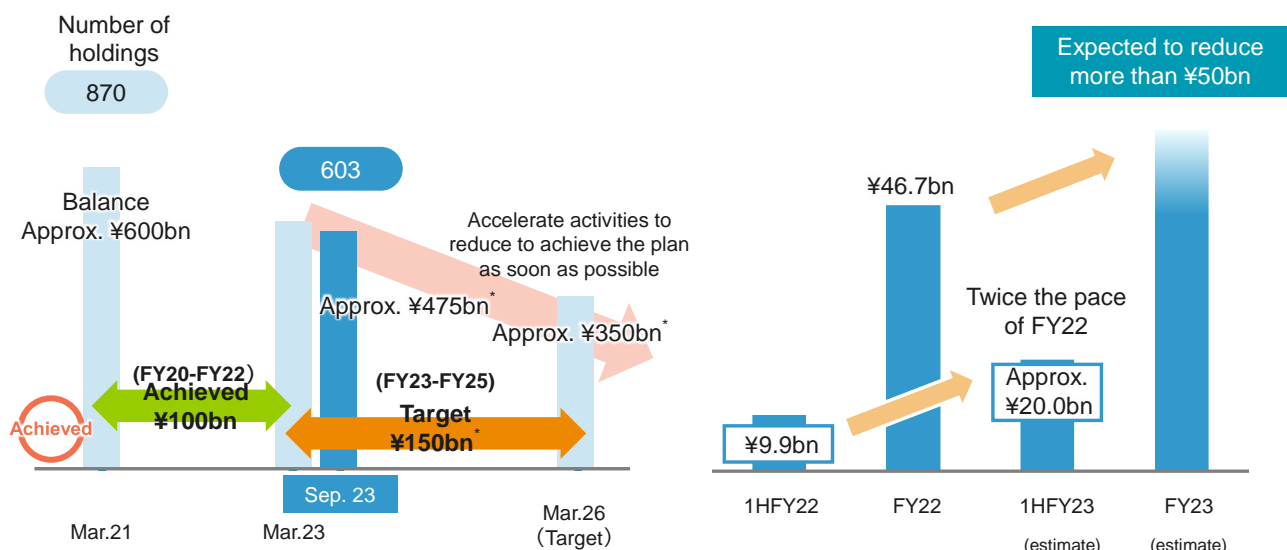
(*) After considering tax effect

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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- ◆ We will disclose detailed data and figures on November 14 when the financial results are announced. The number of companies with zero holdings as of the end of September now exceeds 30% of the total.
- ◆ We will continue to engage in careful and polite dialogue based on a long-term relationship of trust with our corporate clients.
- ◆ We have set a three-year target of 150 billion yen in reductions, and we expect to accelerate the execution of the plan and to progress in the 1H of the year to more than double that of the previous fiscal year, and a reduction of more than 50 billion yen for the full year.
- ◆ That is all from me, thank you.

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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"