



**SuMi TRUST**  
SUMITOMO MITSUI TRUST GROUP

# Investor Meeting on Financial Results for 1HFY2022

November 18, 2022

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## 1HFY2022 Financial results, FY2022 forecast

- ✓ Net business profit before credit costs and Net income both exceeded forecast. Progress against original full year forecast was also solid, at 54% and 55%
- ✓ Considering highly volatile and uncertain environment, we have left net income forecast (¥190.0bn) for the current fiscal year unchanged

## Initiatives for enhancing corporate value

- ✓ Accelerate profit growth with high capital efficiency centered on trust-related businesses
- ✓ Promote a virtuous circulation of funds, assets and capital by active investment in strategic areas with growth potential possible, and create and expand new markets
- ✓ Grow with clients and society by enriching human capital as a starting point for value creation

# **(1) Financial results for 1HFY2022 and Forecast for FY2022**

# Financial results for 1HFY2022, Forecast for FY2022

- Net business profit and Net income both exceeded forecast. Progress against full year forecast was also solid, at 54% and 55%
- Net business profit and Net income both declined YoY. Mainly due to the dearth of favorable market conditions that prevailed in the previous fiscal year, which was included in the forecast for FY22.
- Full-year forecast for FY22 remain unchanged in consideration of the current uncertain business environment.

## <Major KPIs>

(Yen bn)		1HFY21 Actual	Forecast	1HFY22 Actual	change from FY21	change from Forecast	FY22 Plan	change from FY21
1	Net business profit before credit costs	174.4	145.0	168.2	(6.2)	+ 23.2	310.0	(36.0)
2	Substantial gross business profit	400.7	385.0	408.5	+ 7.7	+ 23.5	800.0	(8.1)
3	Substantial G&A Expenses	(226.2)	(240.0)	(240.2)	(13.9)	(0.2)	(490.0)	(27.9)
4	Total credit costs	5.1	(10.0)	(8.8)	(14.0)	+ 1.2	(20.0)	+ 21.5
5	Net gains on stocks	(18.0)	0.0	(2.5)	+ 15.5	(2.5)	0.0	+ 38.3
6	Other net non-recurring profit, Extraordinary profit	(10.1)	(12.0)	(12.3)	(2.1)	(0.3)	(25.0)	+ 13.1
7	Net income	111.0	90.0	104.0	(6.9)	+ 14.0	190.0	+ 20.9
8	Fee income ratio	50.7%		53.2%	+2.5%			
9	Overhead ratio	56.4%	62.3%	58.8%	+2.4%	(3.5%)	61.3%	2.5%
10	Return on equity	8.11%		7.63%	(0.48%)			
11	Common Equity Tier 1 capital ratio	12.65%		11.11%	(1.54%)	(*)		

(\*) Pro-forma figure of Sep. 22 CET1 Capital Ratio on finalized Basel III reform basis is 9.3%.

## <Per share information>

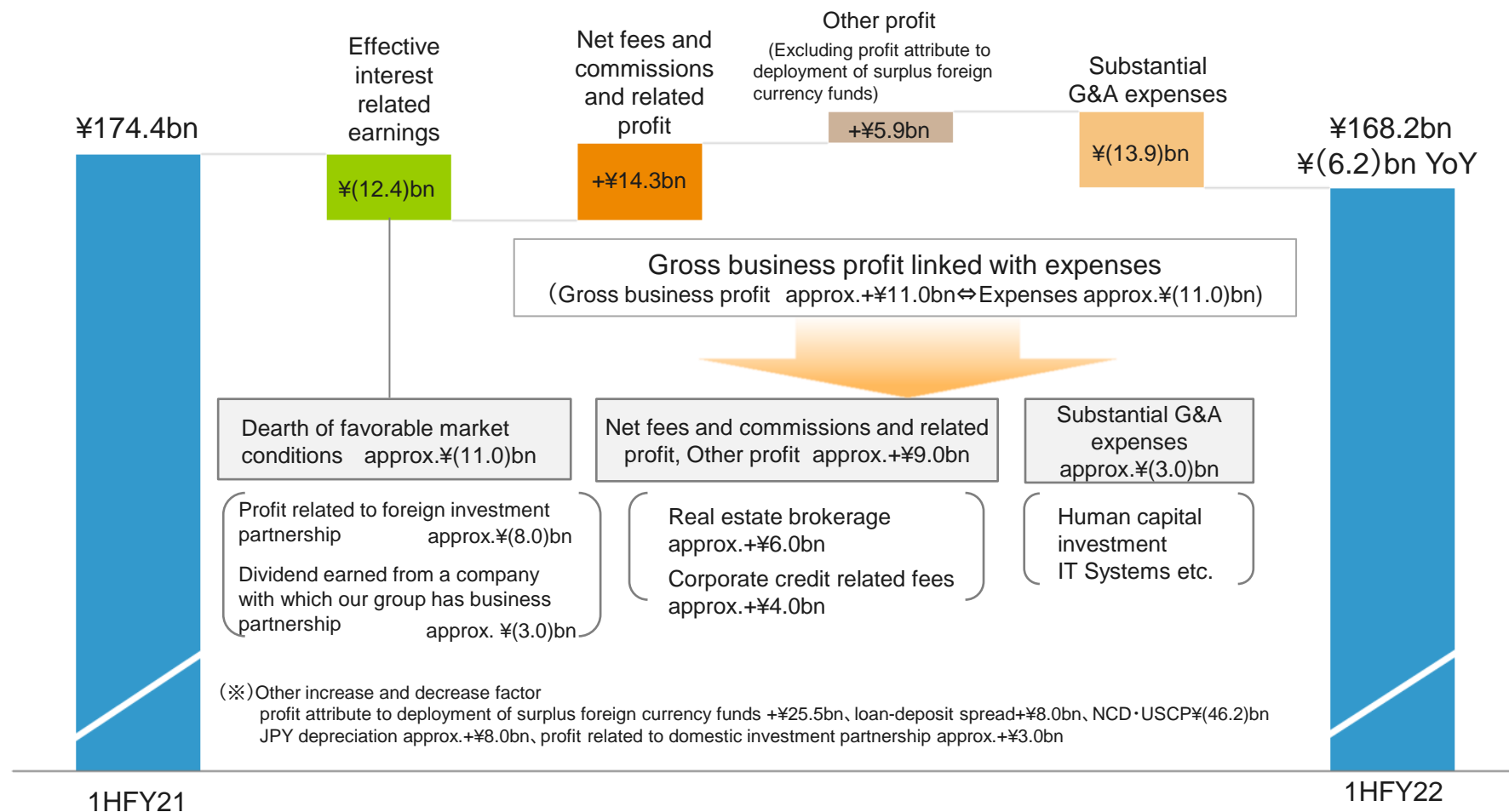
(Yen)		1HFY21 Actual	1HFY22 Actual	Change	FY22 Plan	change from FY21
12	Earnings per share (EPS)	296	279	(16)	514	+62
13	Dividend per share (DPS)	80	100	+20	200	+30
(Yen)		Mar. 22	Sep. 22	Change		
14	Net assets per share (BPS)	7,249	7,406	+157		

## <Shareholders' return>

	FY22 Plan
15 Dividend payout ratio	38.7%

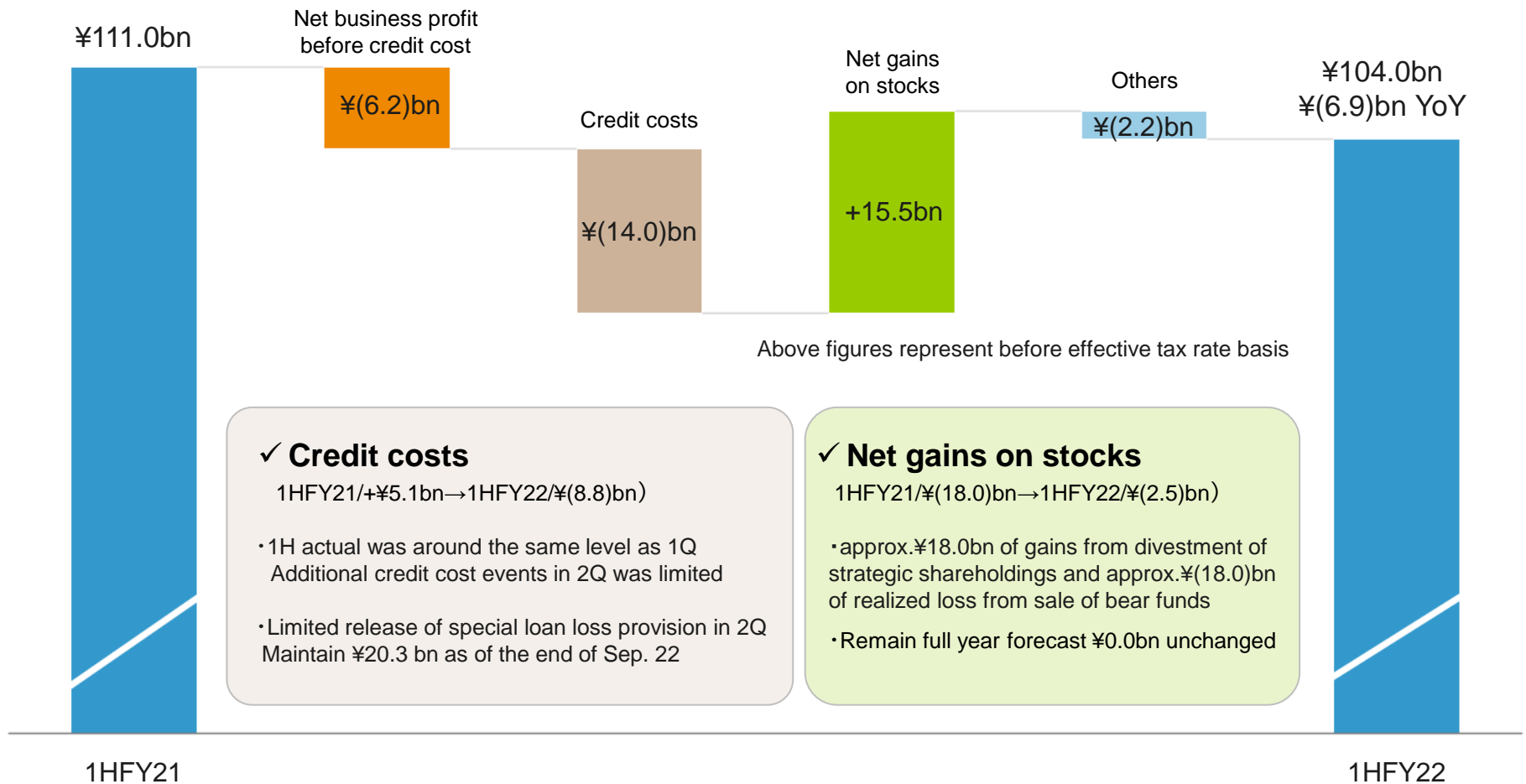
# Net business profit before credit costs

- Effective interest related earnings declined, mainly due to the dearth of favorable market conditions that prevailed in the previous fiscal year
- Net fees and commissions increased. Real estate brokerage business continued to perform well and corporate credit related fees also contributed
- Substantial G&A expenses increased. Due to investments in human capital and IT systems in addition to expenses linked with gross business profit increases



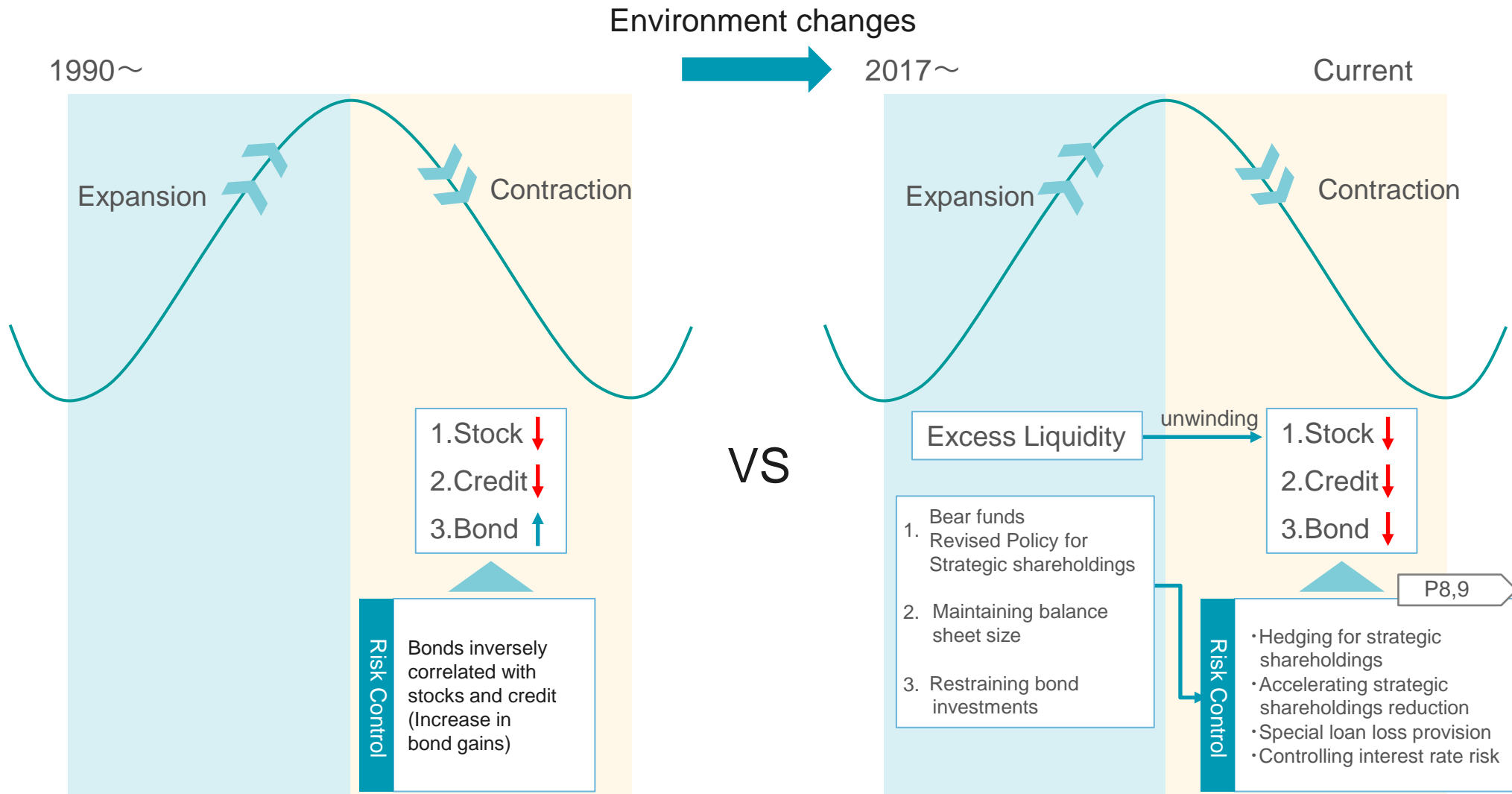
# Net Income

- 55% progress against the full year forecast of ¥190.0 bn. Decrease of ¥6.9 bn YoY, mainly due to lower net business profit
- Credit costs increased ¥(14.0) bn YoY, while net gains on stocks increased by ¥15.5 bn YoY due to the elimination of loss in 1HFY21



# Readiness for various risks (Adapting to the changing environment)

- Shift of risk control strategy and operation since FY2017 allows us to adapt to the changing environment

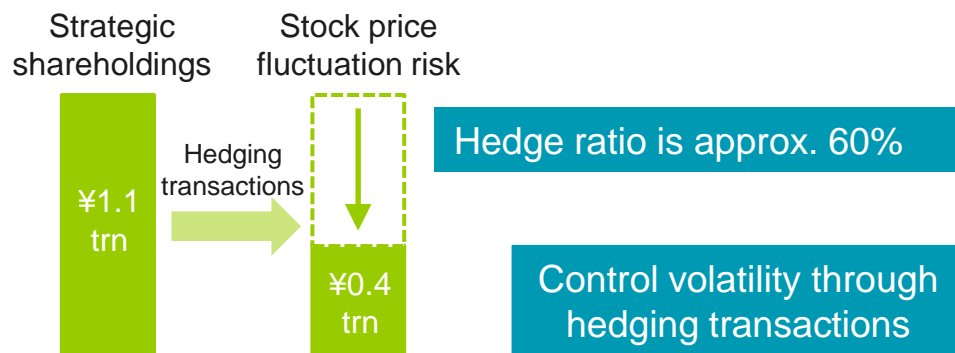




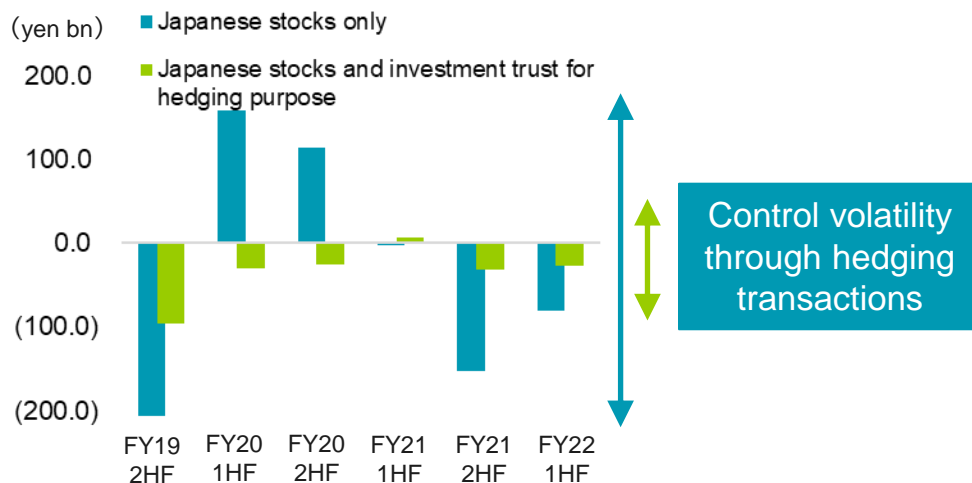
# Stock price fluctuation risk / Credit risk

## Stock price fluctuation risk

### Managing stock price fluctuation risk from strategic shareholdings by utilizing bear funds

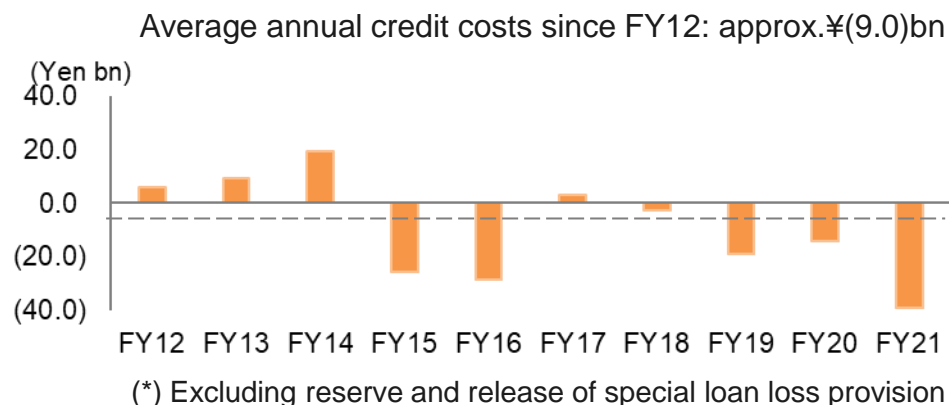


### Changes of unrealized gains/losses from stocks (semi-annual base)

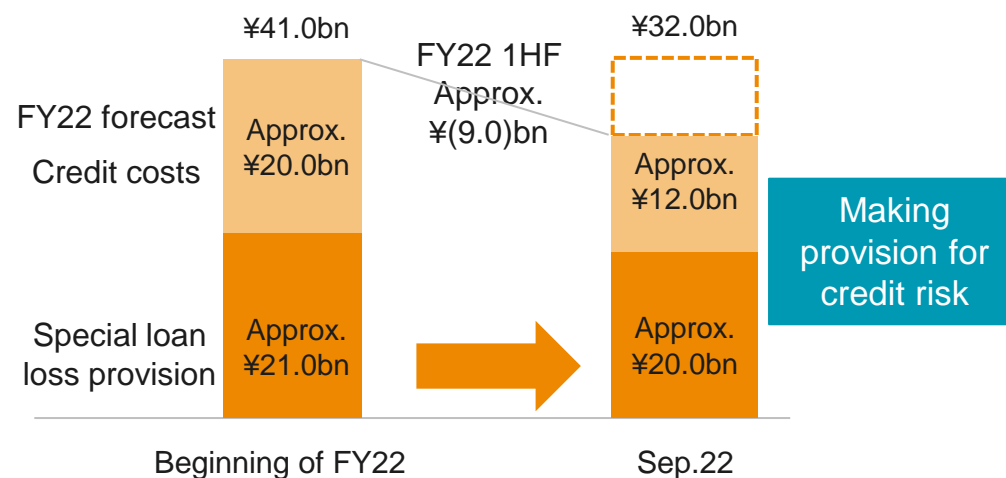


## Credit risk

### Credit costs



### Total of forecast credit costs and special loan loss provision

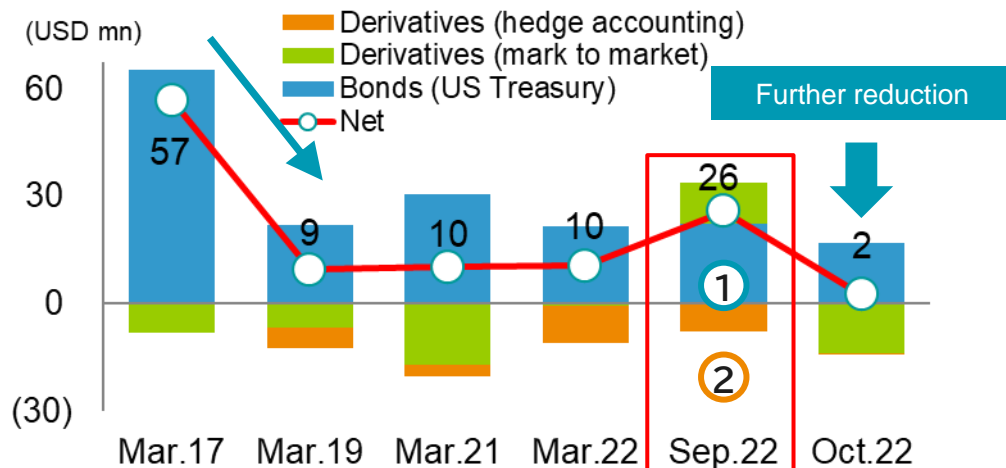


# Interest risk / Foreign currency liquidity risk

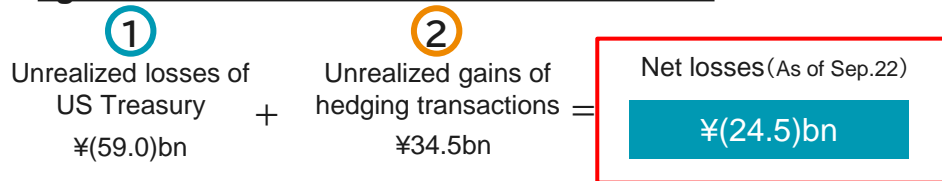
## Interest risk

### 10 Basis Point Value(\*1)

Drastically reduced after 2017



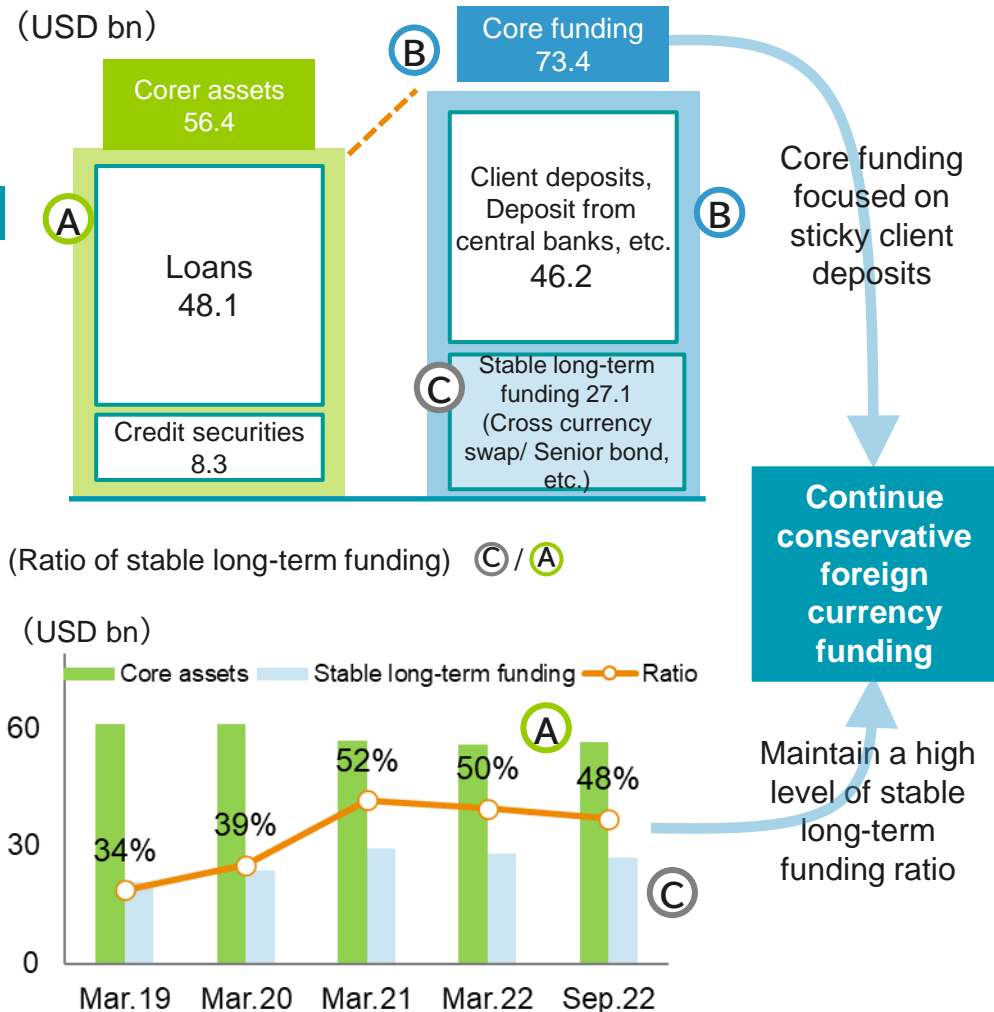
**Unrealized gains of approx. 60% on hedging transactions against unrealized losses on U.S. Treasuries**



(\*1) Change in unrealized gains/losses when US interest rates decrease by 0.1% (Sumitomo Mitsui Trust Bank, Limited)  
Debt securities and derivatives held by Global Markets (excluding ALM purposes)

## Foreign currency liquidity risk

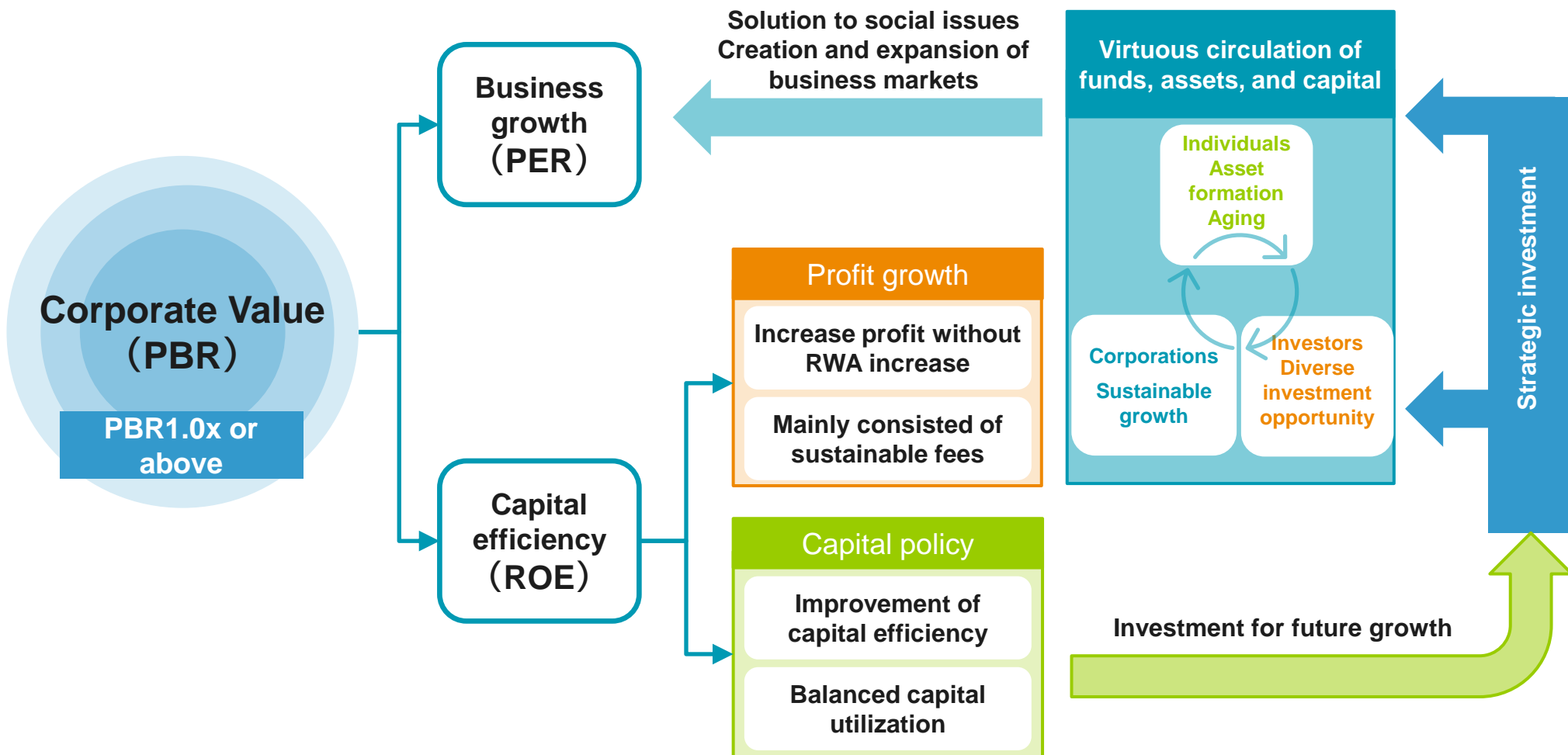
### Foreign currency balance sheet (SuMi TRUST Bank, As of Sep.2022)



## **(2) Initiatives for enhancing corporate value**

# Initiatives for enhancing corporate value ~overview~

- Aim for profit growth in domains with high capital efficiency around trust related businesses, such as asset management and asset administration businesses
- Actively invest in strategic areas with growth potential. Create and expand new business markets through tackling social issues

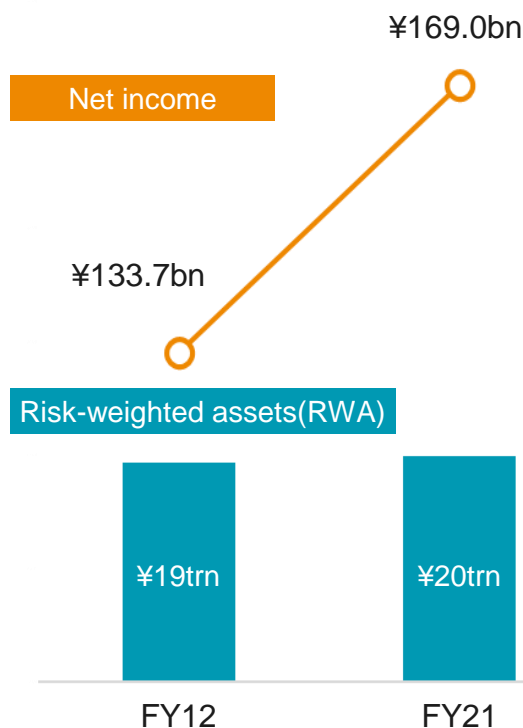


# 10-year review ~high-quality earnings growth~

- Our business model has achieved profit growth without RWA increase. Doubled AUM/AUC over the decade
- Stable fee income mainly from asset management and asset administration businesses has been a driver for profit growth

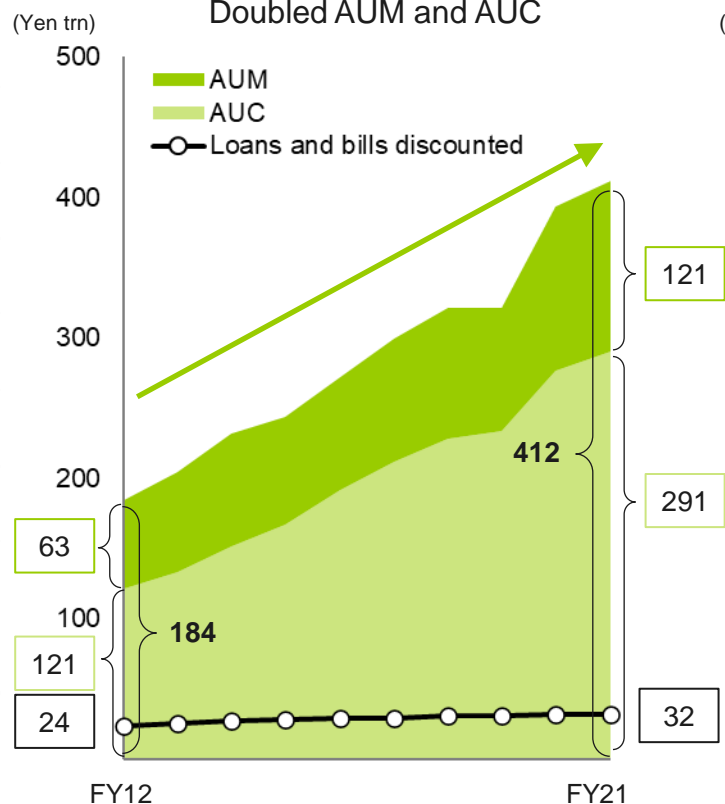
## RWA and net income

Achieved profit growth without RWA increase



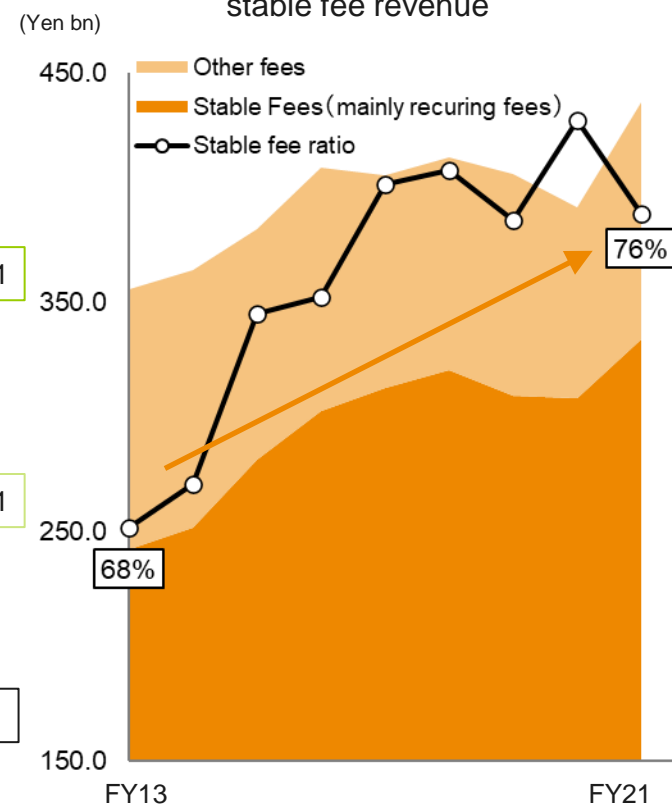
## Loan outstanding and AUM/AUC

Loan outstanding balance almost unchanged  
Doubled AUM and AUC



## Fee income

Increase in fee income mainly from stable fee revenue



# 10-year review ~Business for investor clients and asset administration~

- Use of own B/S to create business opportunities for investor clients. Increased revenues by utilizing the know-how gained from proprietary investment for investor clients business
- (NAM) Improved added value by continuous investment in human capital and business network. Doubled AUM over the decade

## Business for Investor clients in private asset domain

Develop business for Investor clients  
by leveraging own B/S

B/S  
+¥0.09trn

own  
B/S

Approx.  
¥40bn

Approx.  
¥130bn

FY16

FY17

FY18

FY19

FY20

FY21

• Share know-how gained from  
proprietary investment

• Provide investment opportunities  
and services

• Significantly  
increased AUM

Private asset AUM

Private asset  
related income

4x

¥10.3bn

¥4.1trn

AUM  
+¥3.4trn

¥2.3bn  
¥0.7trn

FY16

FY17

FY18

FY19

FY20

FY21

## Nikko Asset Management

Invest in human capital and business network  
Enhance client support



R&I Customer Satisfaction Award(\*1)

Top Excellence Award  
(consecutive 4 years)

AUM (\*2)

Net business profit  
before credit costs

4x

¥30.7bn

¥31trn

AUM  
+¥17trn

¥7.9bn  
¥14trn

FY12

FY13

FY14

FY15

FY16

FY17

FY18

FY19

FY20

FY21

(\*1) Source: R&I investment trust satisfaction survey(2022)

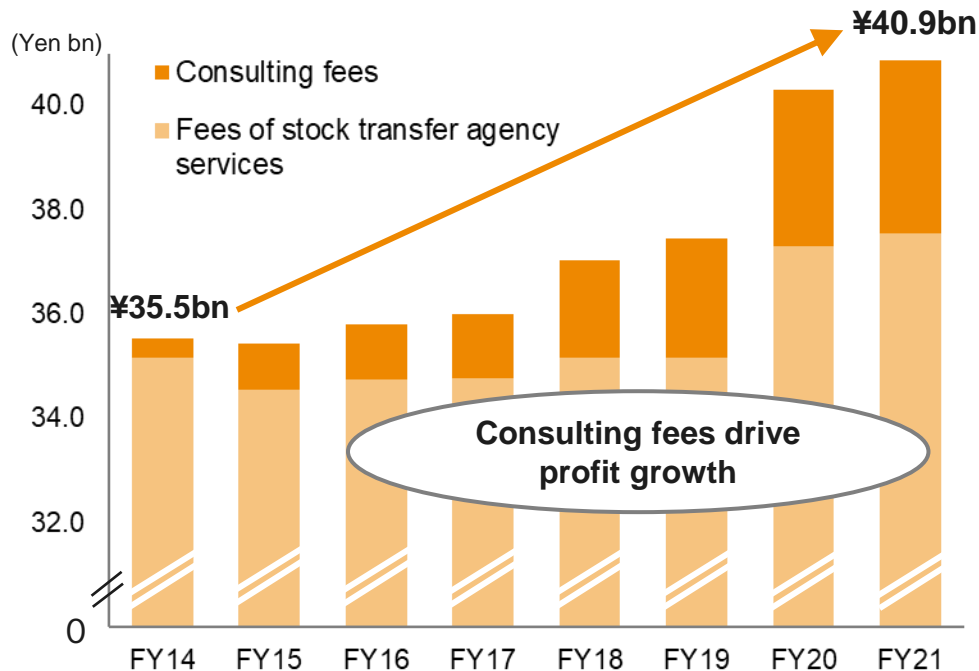
(\*2) AUM: calculated average of the beginning and end of fiscal year

# 10-year review ~Stock transfer agency business~

- Captured the challenges regarding sophistication of corporate governance. Invested in human capital such as specialist consultants
- Increased consulting fee income due to high value-added services. Stabilized profit base by enhancing customer satisfaction

## Stock transfer business /business profit

Support for sophistication of corporate governance in Japanese corporations



Consulting fees drive profit growth

(\*) SuMi TRUST Bank

Provide services utilizing human capital and business base

Biggest survey in domestic corporate governance

2017

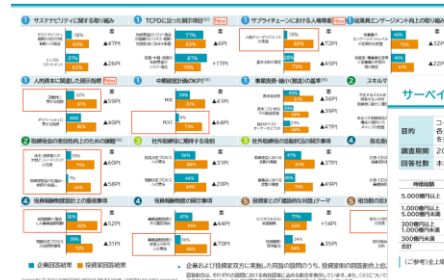
1,074 companies

1.8 times in five years

2022

1,879 companies

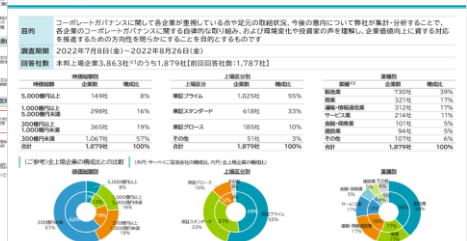
企業・投資家の認識ギャップ(サマリー)



Governance Survey® Feedback materials

Listed companies (As of Sep. 2022)  
Prime Market/ 1,831  
Standard Market/ 1,448

サーベイ概要

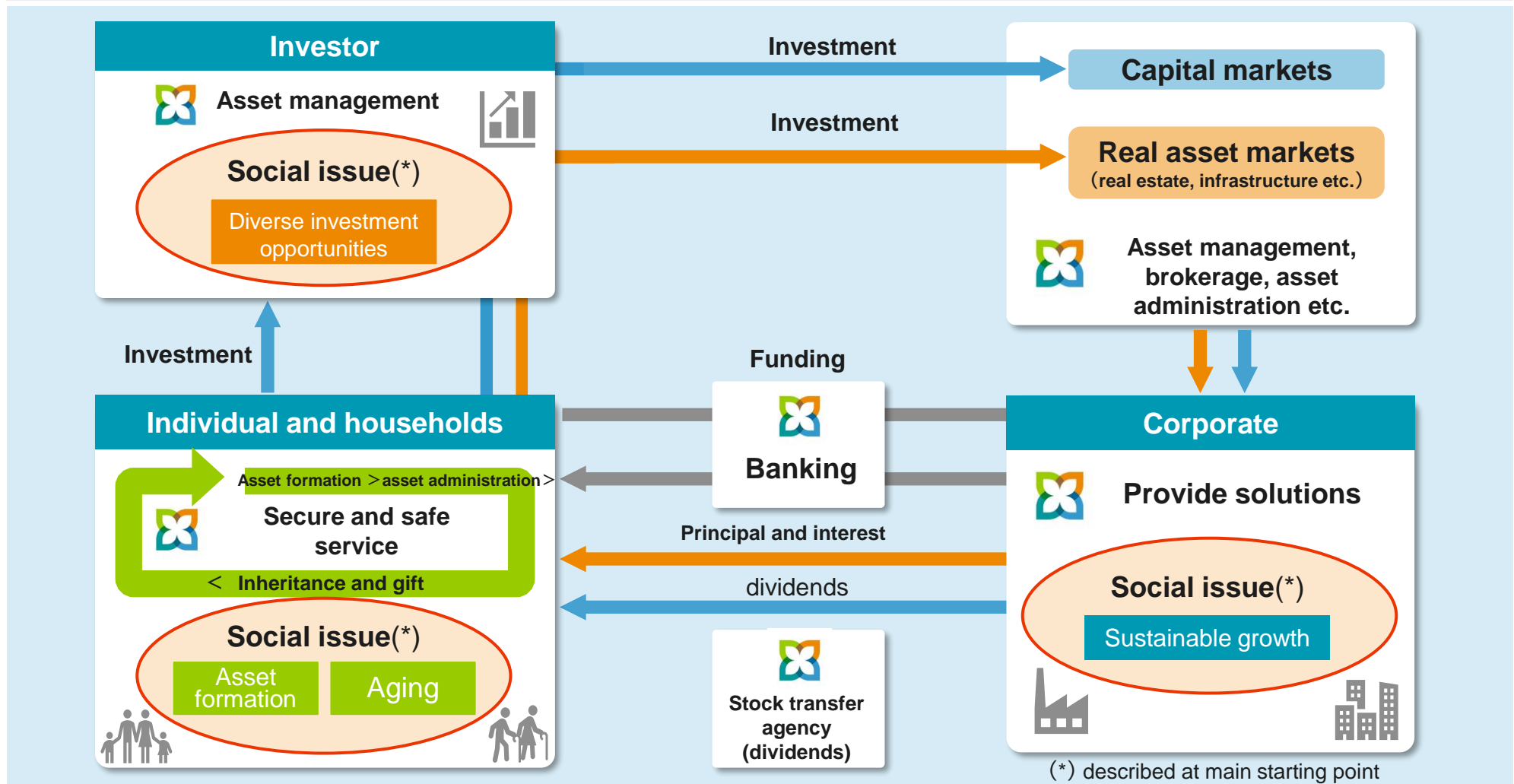


## ◆ Profit growth



# Virtuous circulation of funds, assets and capital, and creation and expansion of markets

- Promote virtuous circulation of funds, assets and capital leveraging our strengths of diverse contacts. Create and expand new markets
- Provide value-added solutions centered on trust businesses for respective social issues faced by individuals, corporates and investors

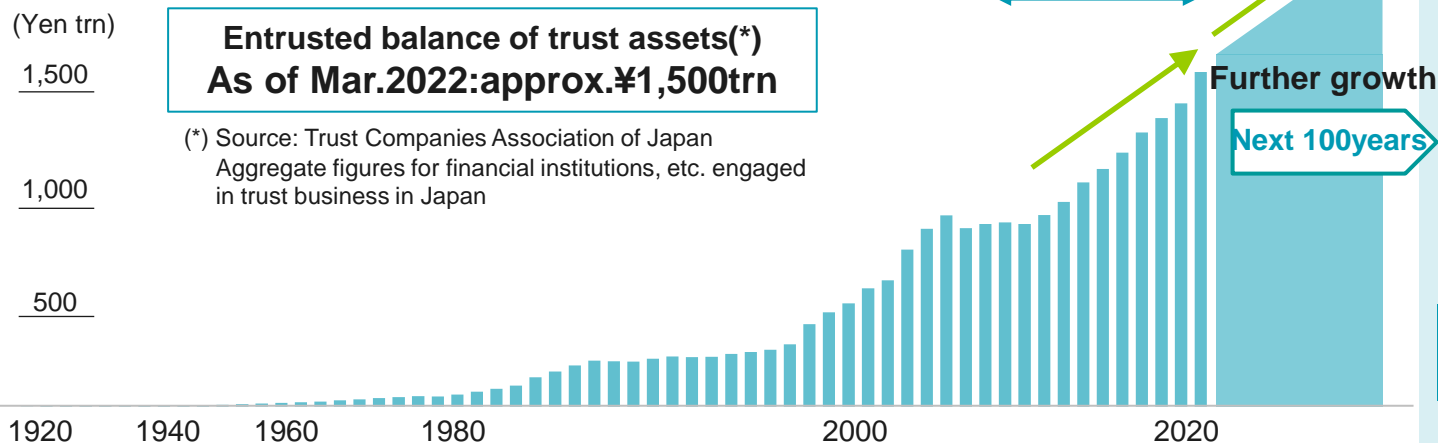


(\*) described at main starting point

# Growth in tandem with the development of trusts

- Doubled entrusted balance of trust assets over the decade. Aim for further growth against a backdrop of growing social needs
- Proliferation of companies offering trust services . Provide functions and services as a financial group with trust at its core to grow and flourish together

## History of trust asset growth over the past 100years



## Driver for further growth

Asset formation

Aging

Age of 100-year life

Sustained growth

Diverse investment opportunities

ESG management  
Startup company

Diverse investment needs in domestic and overseas

## Increase in companies offering trust services

2022

85 companies

Trust bank 11 companies

Regional financial institutions 45 companies

Trust company 29 companies

Grow together as a partner



Trust delegated bank: 44 banks  
Branch handled with Inheritance : approx. 2,000 branches

Only financial group with trust at its core in Japan



**SuMi TRUST**

As of Oct.20, 2022  
(Source: Trust Companies Association of Japan Website)

# Initiatives for Individual clients ~Social Issues~

- Individuals hold ¥3,000trn assets in Japan. Aim to promote a circulation of funds with a creation of Savings-to-Investment flow
- Increasing anxiety regarding the future in super-aging society. Enormous amount of individual assets is needed to be bestowed to the next generation in a safe and secure manner

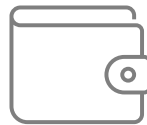
## Challenges to circulate individual assets

Unoccupied house  
Inheritance



Real Estate

Stagnation of funds in  
cash and deposits



Cash  
and  
Deposits

Individual assets

Approx. ¥3,000trn<sup>(\*1)</sup>

Investment trust, Stock, Insurance, etc.

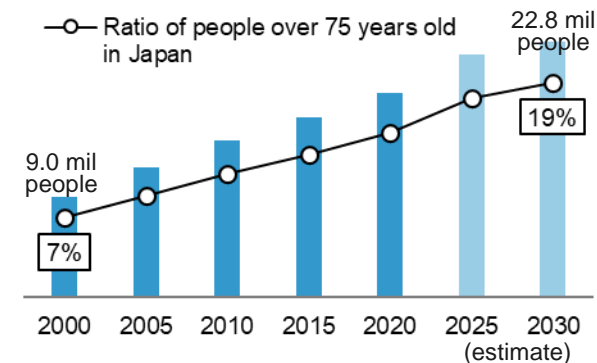


Diversified investment needs based on  
the life plans of each generation

(\*1) Source: Bank of Japan, Flow of Funds Statistics  
Cabinet Office, National Accounts

## Increase anxiety in super-aging society

### Population over 75 years old<sup>(\*2)</sup>

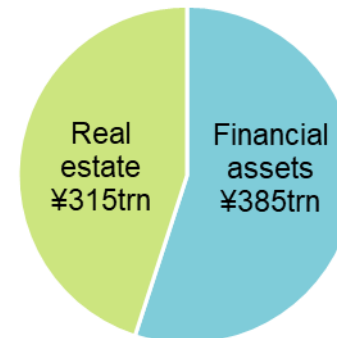


1 in 5 people  
are over 75 years old  
In 2030

Vague anxiety  
regarding the future

(\*2) Source: National Institute of Population and Social Security Research

### Inheritance transfer assets by 2030<sup>(\*3)</sup>



Inheritance transfer assets  
Total: ¥700 trillion in 10  
years

Prolonged life

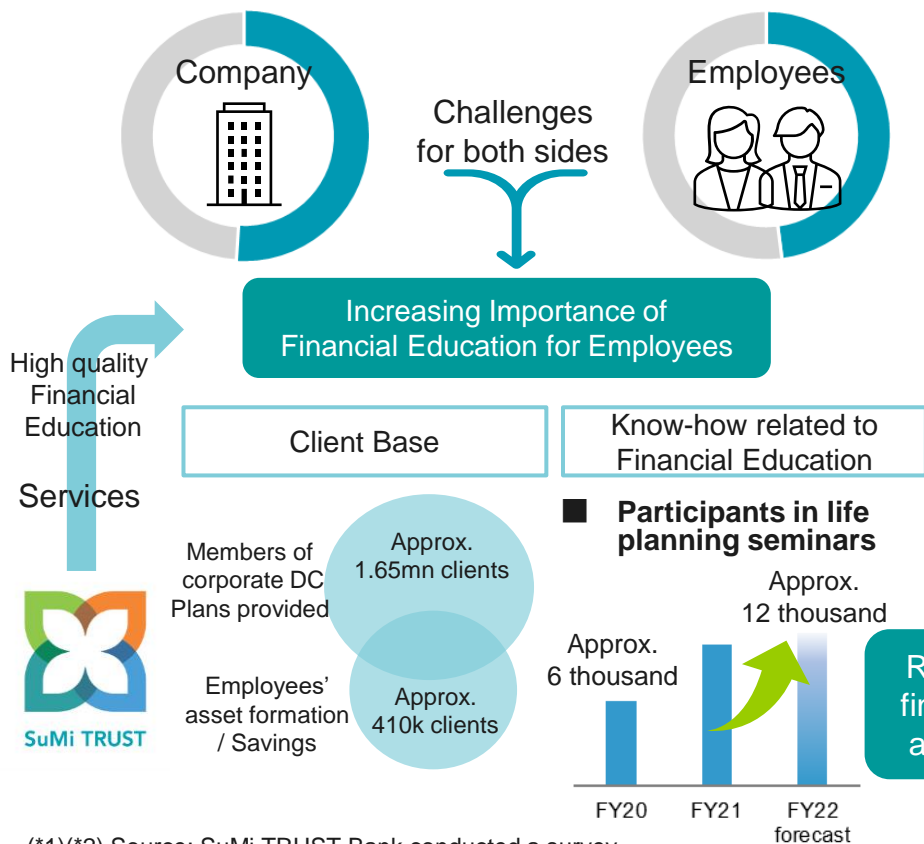
(\*3) from 2020 to 2030 (our estimate)

# Initiatives for Individual clients ~Asset Formation/Work place business~

- Providing high quality financial education, products and services to solve the challenges faced by both companies and their employees.
- Seamlessly connect apps ,developed with system investments, and consulting services to improve customer experiences

## Initiatives for Work place business

1 in 2 companies recognize the challenges of employee asset formation (\*1)      1 in 2 employees is concerned about their retirement funds (\*2)



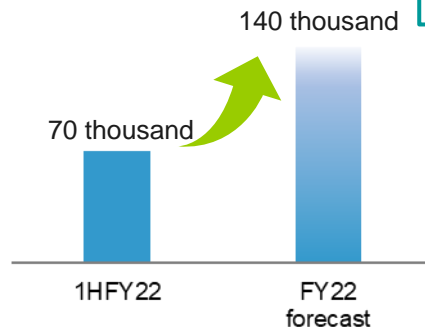
(\*1)(\*2) Source: SuMi TRUST Bank conducted a survey

## Improve CX and increase transactions through the app

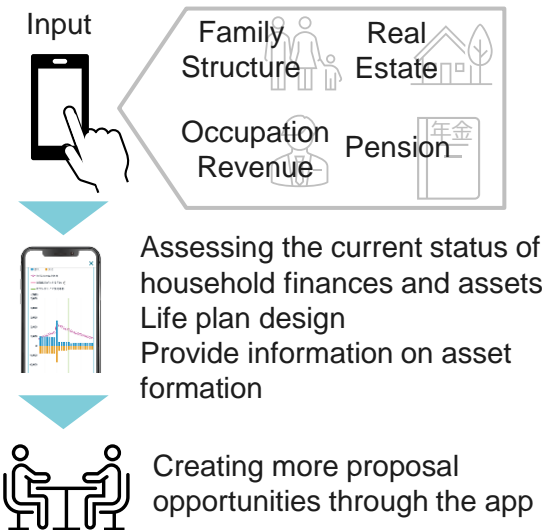


**GOOD DESIGN AWARD 2022年度受賞**

■ **Number of Smart Life Designer members (cumulative)**



### Features of the app



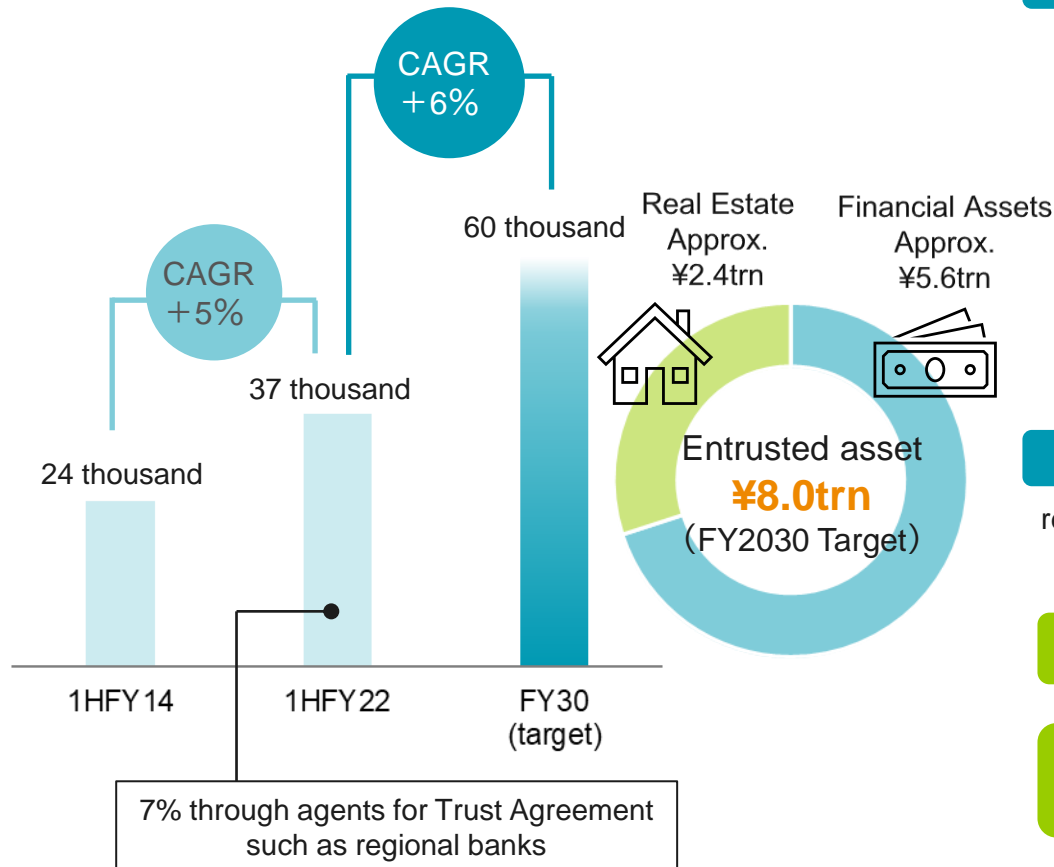
**Aiming to gain more than 100 thousands members this fiscal year**

# Initiatives for Individual clients ~Inheritance/Wills~

- Increase the further needs of wills in the coming great inheritance era
- Strengthen our initiatives before and after inheritance and increase revenue in real estate business area or other

## Growth of wills needs

■ Number of entrusted cases(Cumulative)



## Increase revenues through transactions with entrusted

### Before inheritance

Ancillary transactions(\*) from entrusted

FY 21  
Approx.  
¥5.0bn

FY 30(Target)  
Approx.  
¥9.5bn

(\*) Real estate brokerage, mortgage loans, investment management, etc

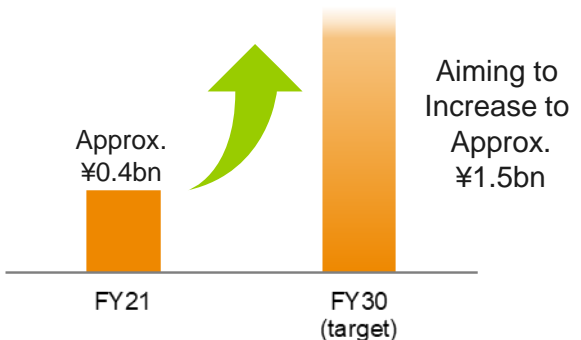
### After inheritance

real estate transactions with  
Inheritor clients  
(FY21 actual)

360 deals

Average deal size  
Approx. JPY 50mn

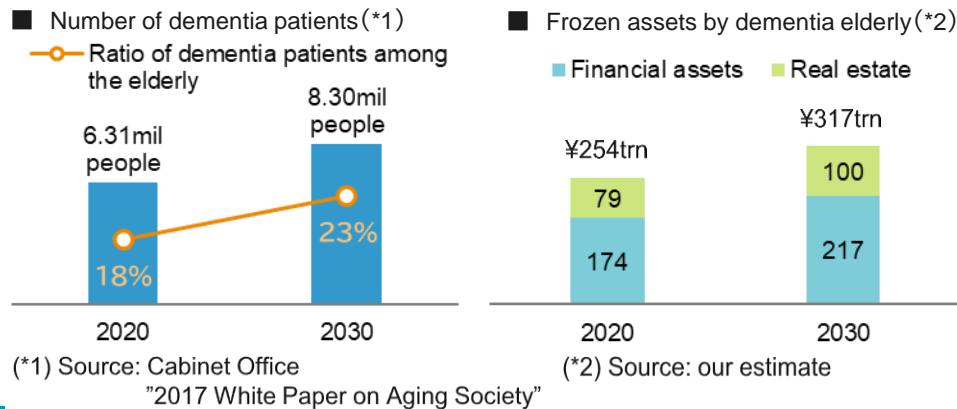
### ■ Real estate brokerage fees



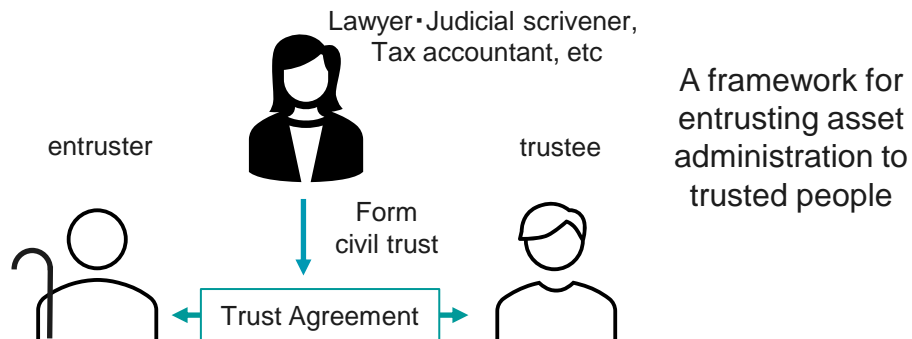
# Initiatives for Individual clients ~Assets administration/Civil trust~

- As a method to manage individual assets in a safe and secure manner, a need for civil trust has been growing
- Provide financial support in civil trust to resolve their vague anxiety and contribute to the market growth

## Increase needs to manage assets in a safe and secure manner

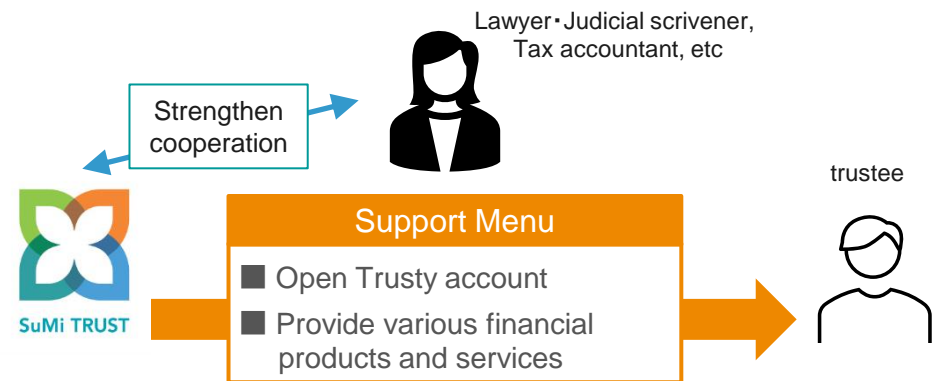


## Civil trust(\*3)

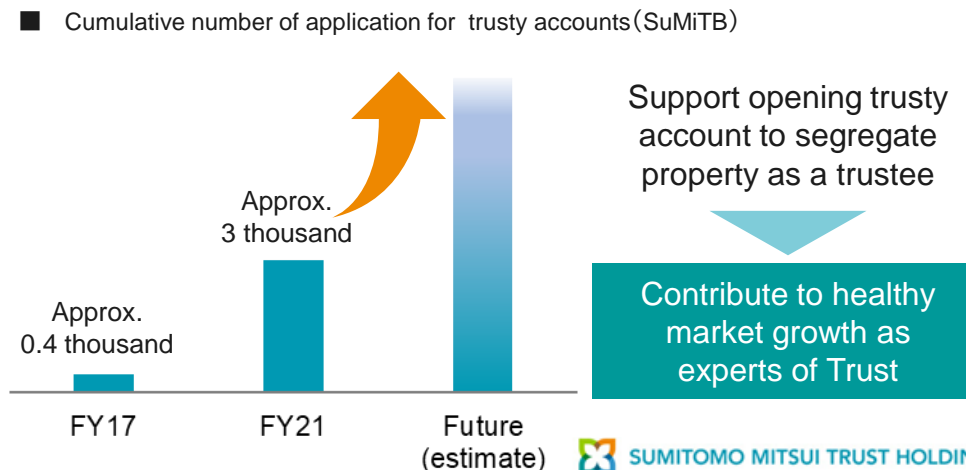


(\*3) The entruster transfers assets to a trusted trustee, such as a family member, for the benefit of beneficiaries. The trustee manages and disposes of the assets.

## Provide financial support in civil trust and resolve vague anxiety



## Contribute to healthy market growth



# Initiatives for corporate clients

- Contribute to sustained growth of the Japanese economy and corporations by accelerating virtuous circulation of funds, assets and capital and achieving carbon neutrality
- Develop the Japanese economy and expand our businesses by supporting innovative start-up companies

## Initiatives for carbon neutrality

Until 2030 (estimated amount of investment related to carbon neutrality)

Japan

Cumulative ¥150trn<sup>(\*1)</sup>

investment related to carbon neutrality<sup>(\*2)</sup>

Approx. ¥17trn/year

Power decarbonization/ fuel switching

¥5trn



Decarbonization of manufacturing process, etc.

¥2trn



End use

¥4trn



Infrastructure

¥4trn



R&D, etc.

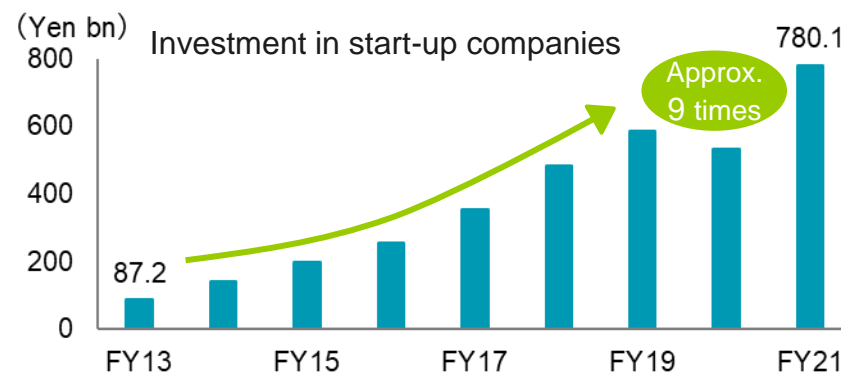
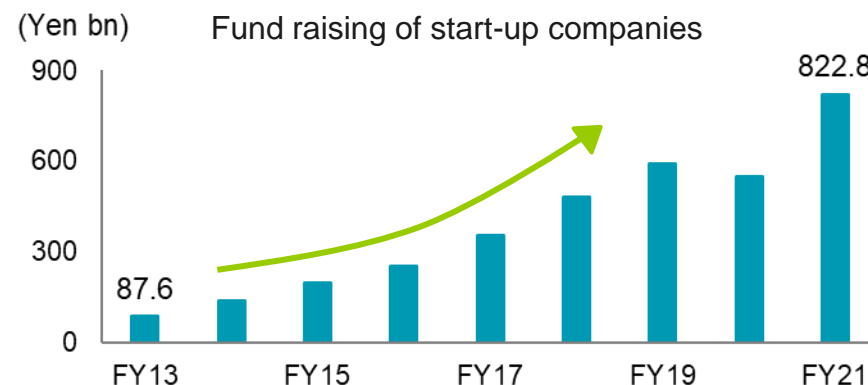
¥2trn

(<sup>\*1</sup>) ¥20trn: GX transition bond issuance (JGB), ¥130trn: investment from private sector

(<sup>\*2</sup>) Source: excerpt. From "Clean energy interim strategy" (Ministry of the Environment)

## Support for start-up companies

First year of creation start-up companies in 2022



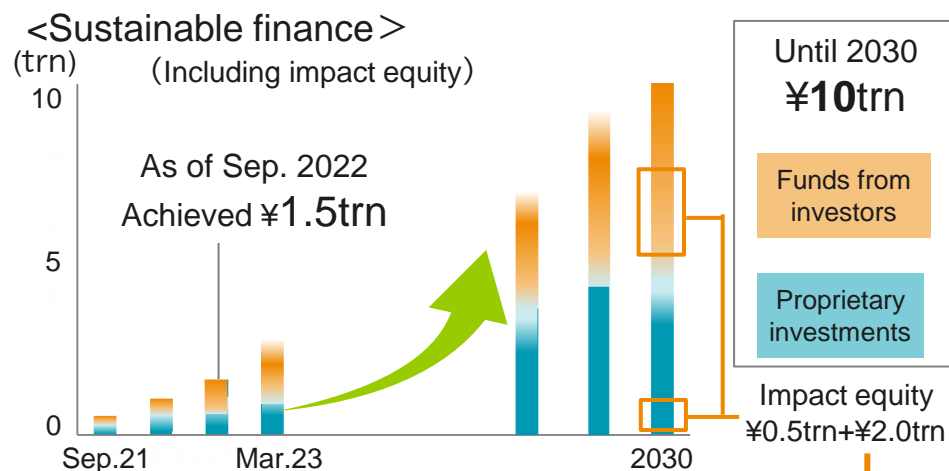
(Source) INITIAL 「JAPAN STARTUP FINANCE」



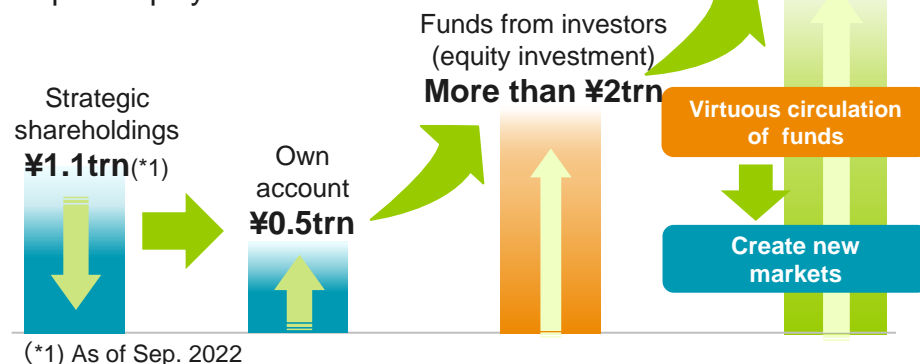
# Initiatives for corporate clients

- Accelerate momentum towards carbon neutrality. Sustainable finance: cumulative ¥1.5trn due to increased funding needs from corporate clients
- Contribute to virtuous circulation of funds, assets and capital by leveraging own B/S and funds from investors

## Unique B/S utilization (B/S + funds from investors)



### <Impact equity>



## Example : Impact equity

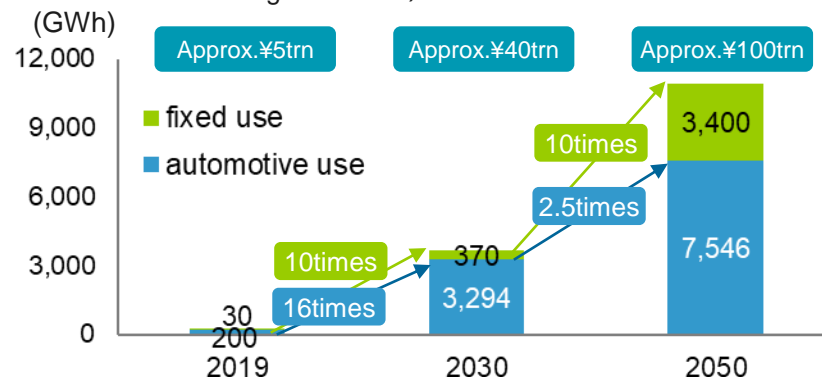
### EV Motors Japan

Manufacture of the only domestic commercial EVs

- ✓ Strength in battery control technology
- ✓ Technology that enables collaboration with others



( Global Market for Storage Batteries )



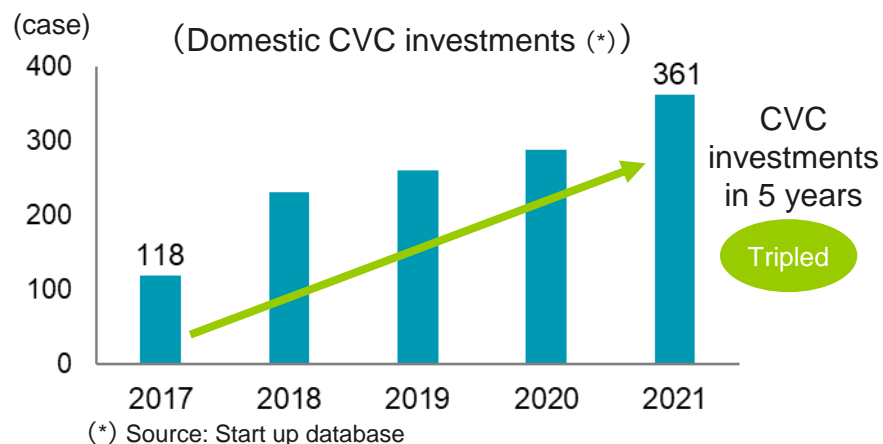
Source : Ministry of Economy, Trade and Industry Strategy of storage batteries



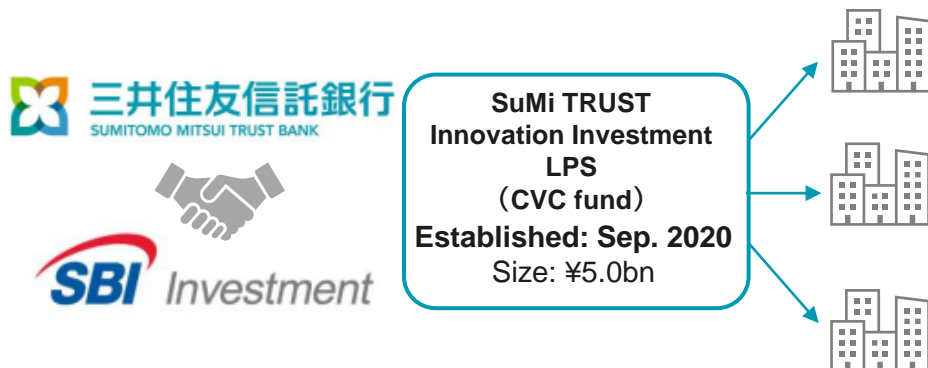
# Initiatives for corporate clients ~support for innovative start-up companies

- Domestic CVC investments tripled in 5 years. Aiming to create new businesses through investment in start-up companies
- Support start-up companies through SuMi TRUST Innovation Investment LPS. Expand businesses with both corporations and owners

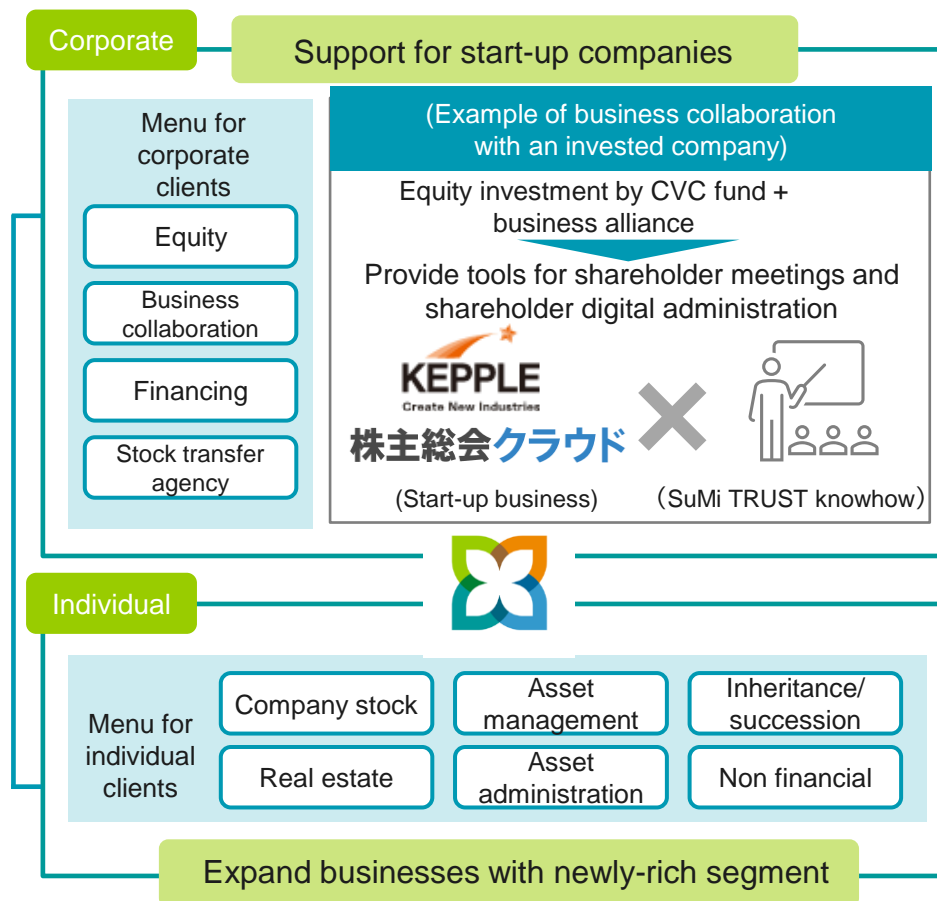
## Growth opportunity in innovation sectors



## SuMi TRUST Innovation Investment LPS



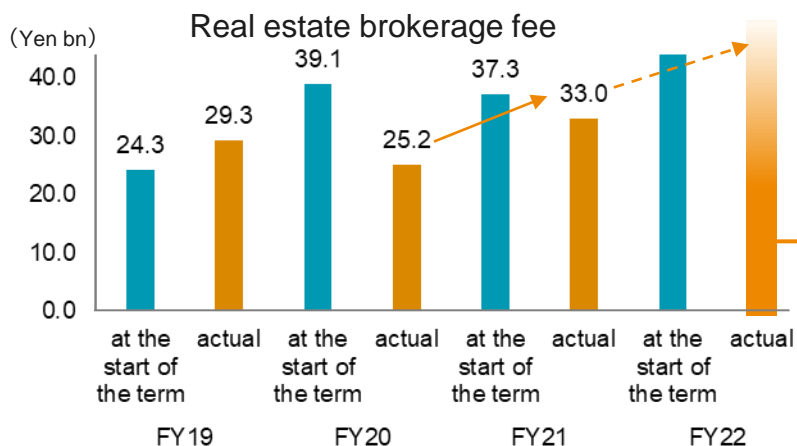
## Example



# Initiatives for corporate clients ~initiatives for real estate

- Favorable performance of real estate brokerage business has continued. Promote virtuous circulation utilizing diverse real estate functions
- Contribute to asset value increase for our clients by expansion of solutions in line with growing sustainability-related needs

## Real estate brokerage business



Diverse functions  
Provide wide range of solutions

Closed several large-scale transactions in 1HFY22

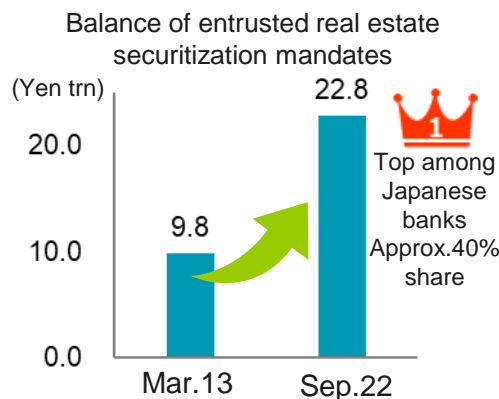
### Example of large-scale brokerage transactions through asset administration support

Propose investment participation to clients planning large-scale development projects for their headquarters. Provide a wide range of support over the years leading up to the investment, including information on the basics of real estate investment and the latest trends. Brokerage services at the time of investment.



( Photo is for illustrative purposes only. )

## Entrusted real estate securitization



### Decarbonized entrusted property

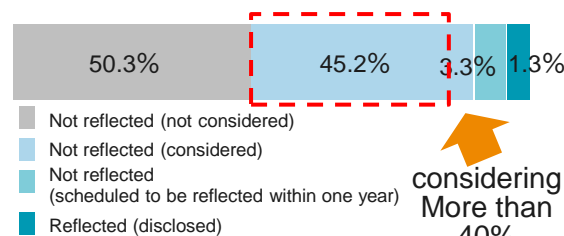
Non-fossil certificate purchase service



Provide added value to beneficiaries and entrusted property

## Environmentally friendly property

Do you value environmental real estate? (From ESG Real Estate survey)(\*)

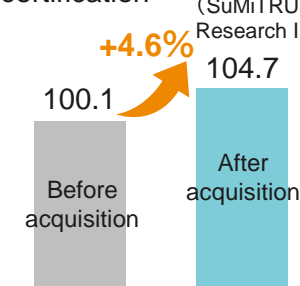


considering  
More than  
40%

(\*) conducted by SuMiTB

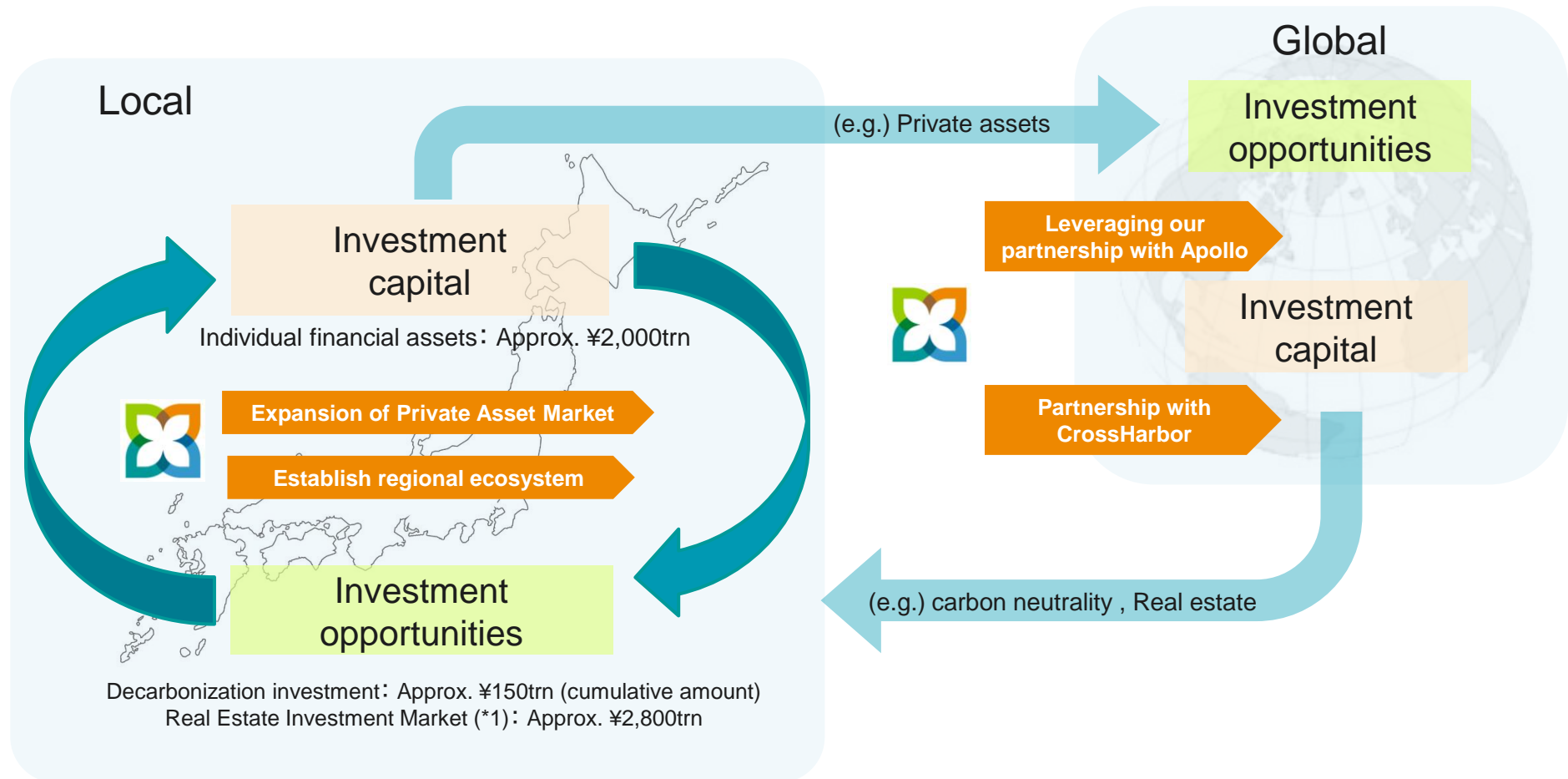
Respondent: Asset Management company, financial institutions, insurance (including leasing company), real estate, constructors, and others

Increase in rents due to acquisition of environmental certification (SuMiTRUST Research Institute)



## Initiatives for Investor Clients - Creation of Diverse range of investment opportunities -

- SuMi TRUST Group acting as an intermediary, connect domestic and foreign investment funds with investment opportunities
- By leveraging our global network, promote further virtuous circulation of domestic funds, assets, and capital

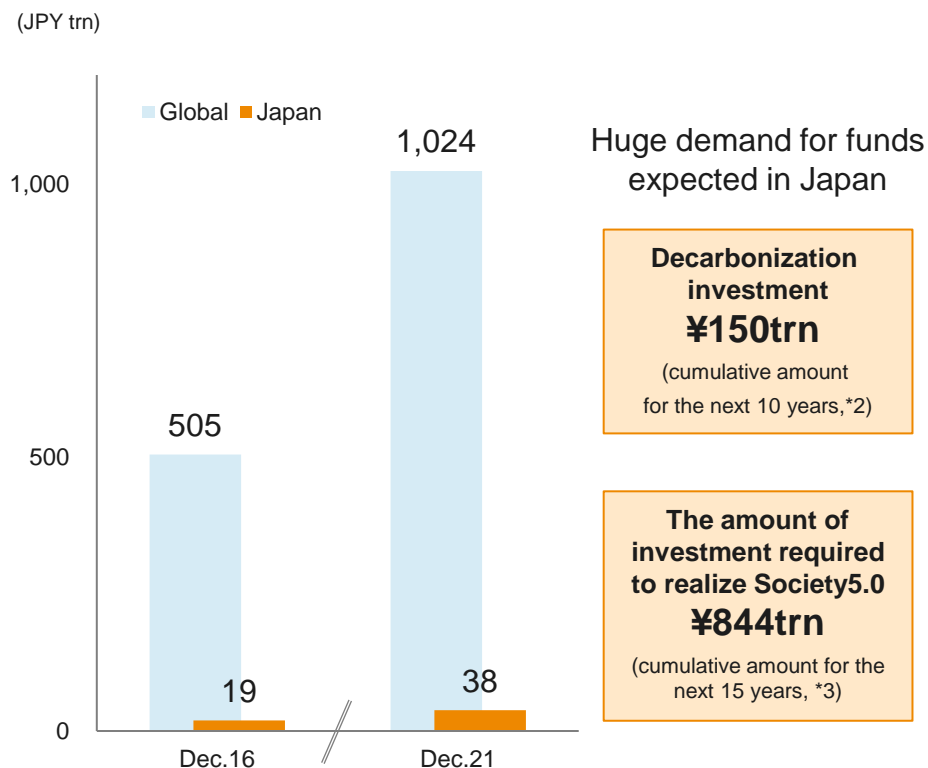


(\*) Source: Ministry of Land, Infrastructure, Transport and Tourism

# Initiatives for Investor Clients - Initiatives to expand the domestic private asset market (1)

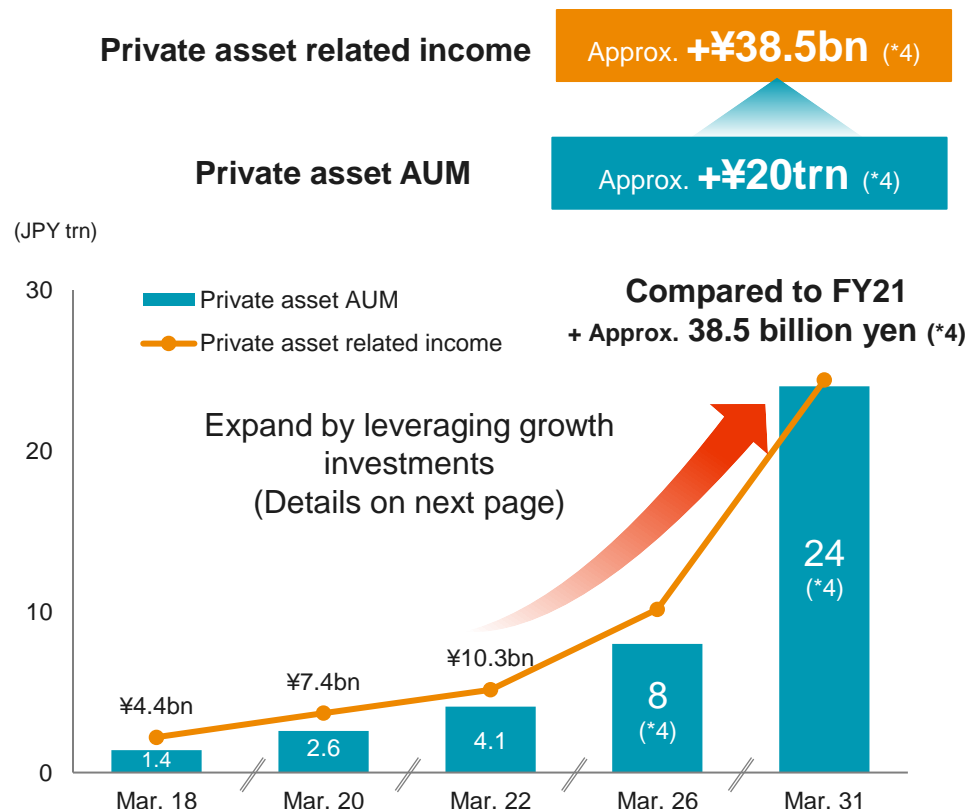
- Although the domestic private asset market is in its infancy, it is expected to grow due to enormous corporate demand for capital.
- Aim to expand the market and achieve our own growth by solving the problems of private asset management through our intermediary services

## Trends in the domestic private asset market (\*1)



(\*1) Source: Preqin Pro (\*2) Source: Ministry of Economy, Trade and Industry  
(\*3) Source: Japan Business Federation, The University of Tokyo, GPIF

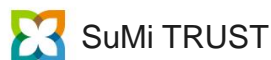
## Growth potential of our private asset business



(\*4) Simulated figures as of Aug. 22

## Initiatives for Investor Clients - Initiatives to expand the domestic private asset market (2)

- The private asset business is an area where the Group can leverage its long track record and strengths in a wide range of businesses
- Accelerate market expansion through the combination of effective use of capital such as alliance with Apollo, same-boat Investment, etc.



### Private assets

Real estate, Private equity,  
Loans, etc.

Asset Management business  
Asset Administration business

Real estate  
brokerage

Private  
Equity

Real estate  
custody

Renewable  
energy

Infrastructure

Real estate  
securitization

SMA for individuals

securitization  
of receivables

Utilization of own account  
(Same-boat investment, etc.)

Investor  
clients

Public  
institutions  
Pension  
funds

Insurance  
companies

Financial institutions  
(domestic and overseas)

Retail  
investors

### Accelerate the Group's initiatives through the global strategic partnership

- Creation of domestic and international investment and financing opportunities
- Investment education and joint product development in Japan
- Provide various real estate functions of the Group  
(real estate brokerage, real estate asset management, real estate financing, etc.)

### (Ref.) Group's investor client base

Securities  
Investment  
Trust

Approx. ¥85trn  
Market share 32%(\*1)

Major  
cooperative  
Insurers

Approx. ¥15trn  
Market share 29%(\*2)

Defined  
benefit  
pension  
plan

Approx. ¥14trn  
Market share 20%(\*3)

Workplace  
business  
clients

Approx. 230K (\*4)

(\*1) As of Sep. 22. Source: The Investment Trusts Association "Total Net Assets-Structure of Investment Trusts" (\*2) As of Mar. 22. Compiled from investment reports, etc. of each cooperative insurer

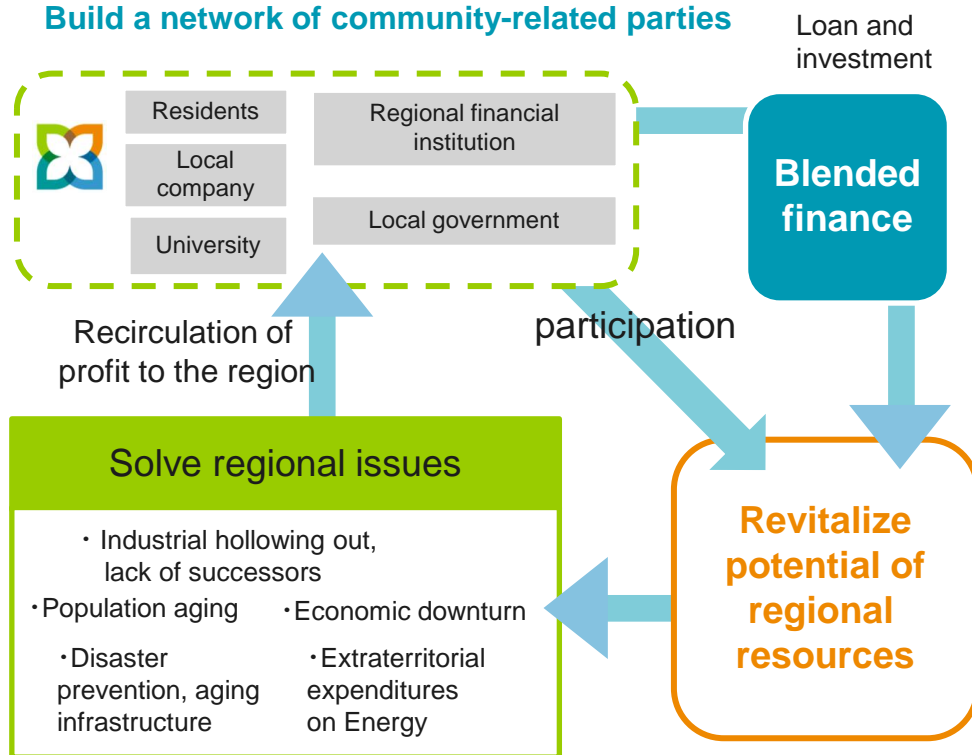
(\*3) As of Mar. 22. Source: Trust Companies Association of Japan "Overview of corporate pension plan (Defined Benefit Type) entrusted" (\*4) As of Sep. 22

# Initiatives for Investor Clients – establishment of regional ecosystem –

- Build a regional network as a nodal point. Aim to solve regional issues through local production for local consumption
- Expand our network with regional banks, which are the cornerstone of our regional network. Build win-win relationships by complementing their functions

## Establishment of regional ecosystem

### Build a network of community-related parties



**SuMi TRUST to become a nodal point to solve local issues through "local production for local consumption"**

## Expansion of network with regional banks

Number of regional banks with business relationship

(as of Mar. 12)  
**71 banks**



(as of Mar. 22)  
**97 banks**

Coverage increased from 67% to 98%

### Initiatives through the Comprehensive Collaborative Agreement with Akita Bank



Various functions provided by Akita Bank Group

**Akita Bank is the center of local business**

Akita Bank's clients



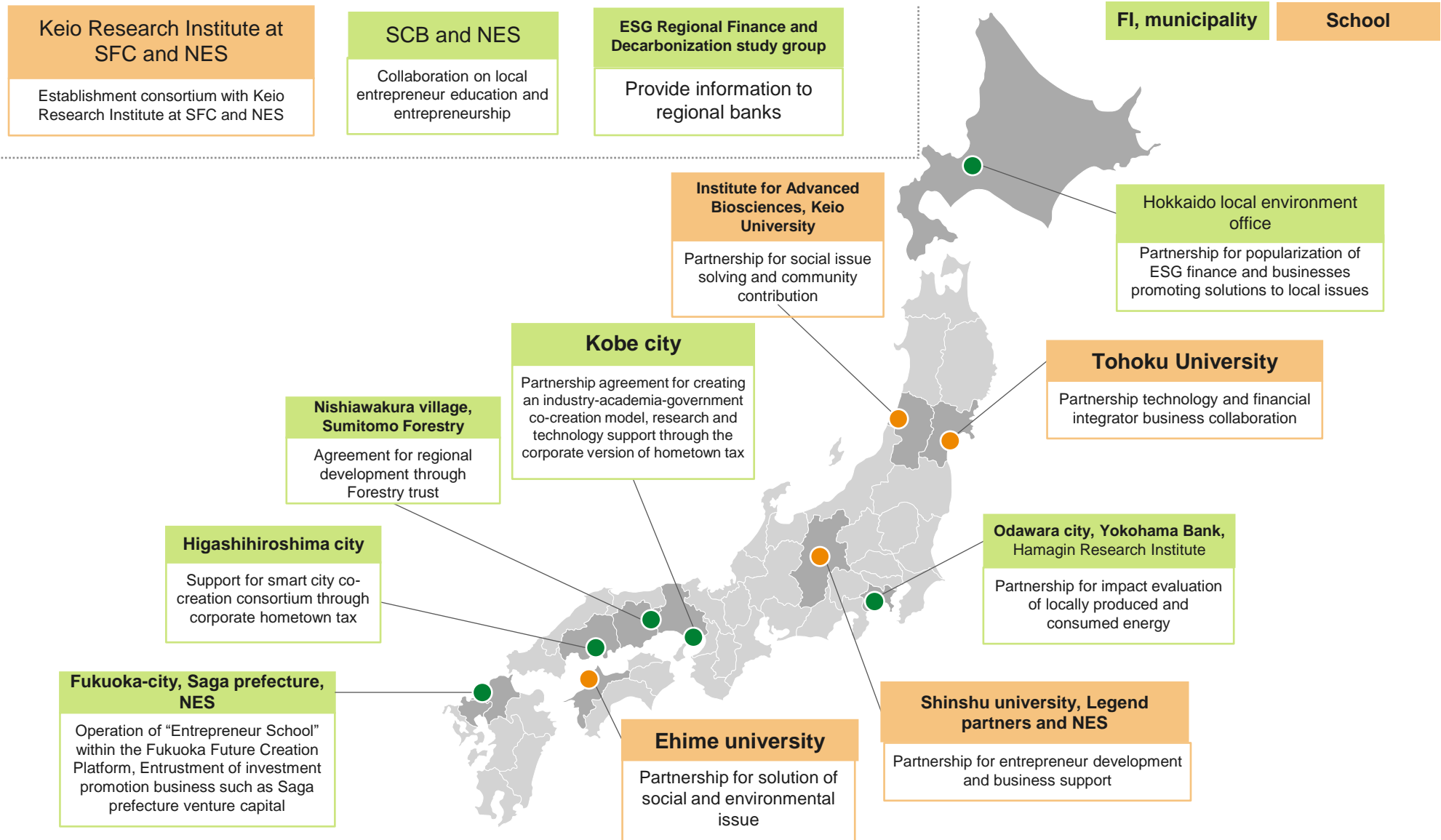
Trust Functions  
Knowledge of financial services for the elderly  
Nationwide network of branches

supports businesses by providing functionality

Inheritance, asset administration, and Real estate brokerage, etc.

**Relationship of "cooperation, not competition"**

# (Reference) Initiatives to establish regional ecosystem

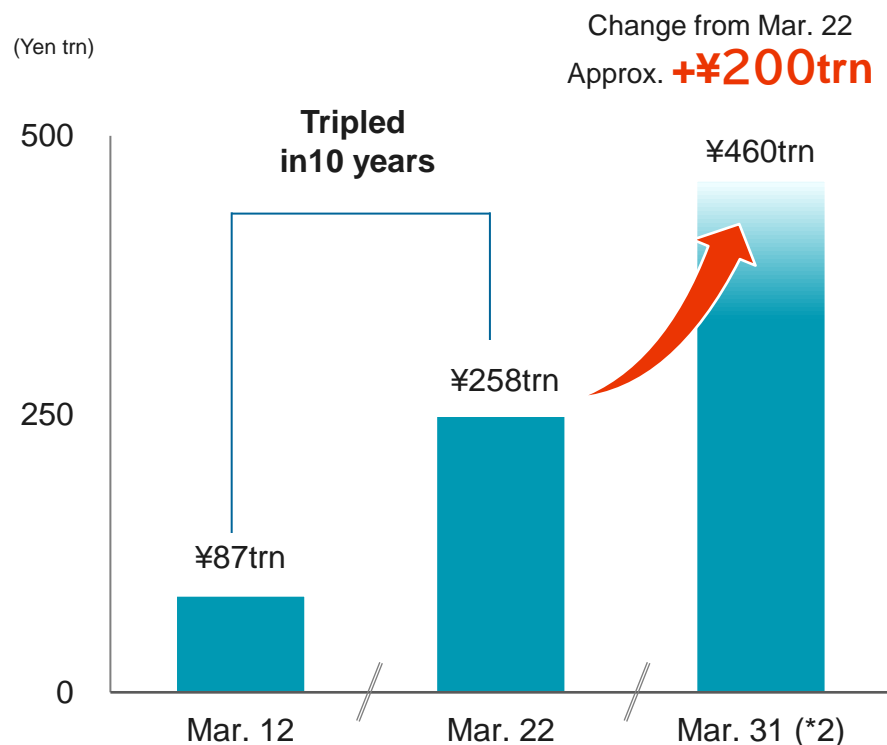




# Initiatives for Investor Clients - Initiatives in the Asset administration Business -

- AUC has grown approximately 3 times over the past 10 years by capturing the expansion of the domestic investment market. Aim for further AUC expansion towards FY30
- Strengthen and diversify our revenue base by expanding the range of assets and upgrading services to meet investor needs

## AUC<sup>(\*)</sup>



(\*1) Including assets covered by Business Process Outsourcing(BPO) and data service business, in addition to assets under custody and administration, etc.

(\*2) Simulated figures as of Aug. 22

## Growth through expansion of assets and service areas

Responding to investor needs, aim to acquire a new revenue base

### Asset service

Strengthen our ability to offer private asset investment schemes utilizing various trusts

### BPO service

Provision of BPO related to private asset investment

### Data service

Providing a platform for investors  
Sophisticated reporting using DX

## Initiatives for digital custody services

# JADAT

Japan Digital Asset Trust Preparatory Company, Inc

bitbank × SUMITOMO MITSUI TRUST HOLDINGS

Preparations are underway for the start of operations in FY2023

### Administrative safety

Cutting-edge and high level administration skills

Know-how through trust asset administration business that we have developed over many years

### Various digital asset products

Custody service for major cryptographic asset (digital asset)

(Future) Investment in digital assets from various investment vehicles

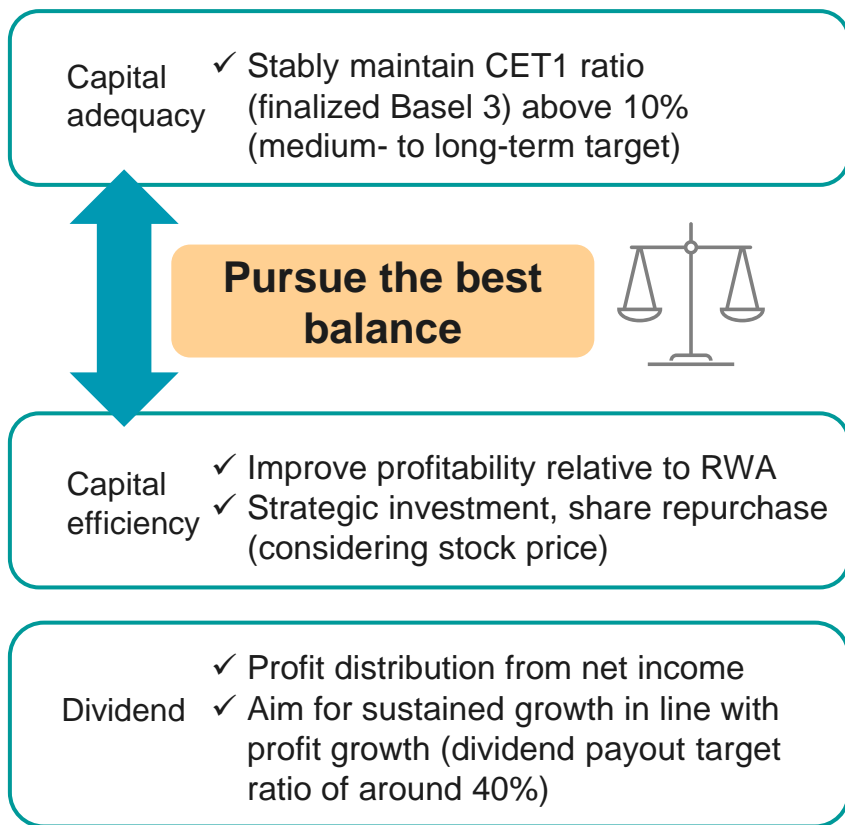


## ◆ Capital policy

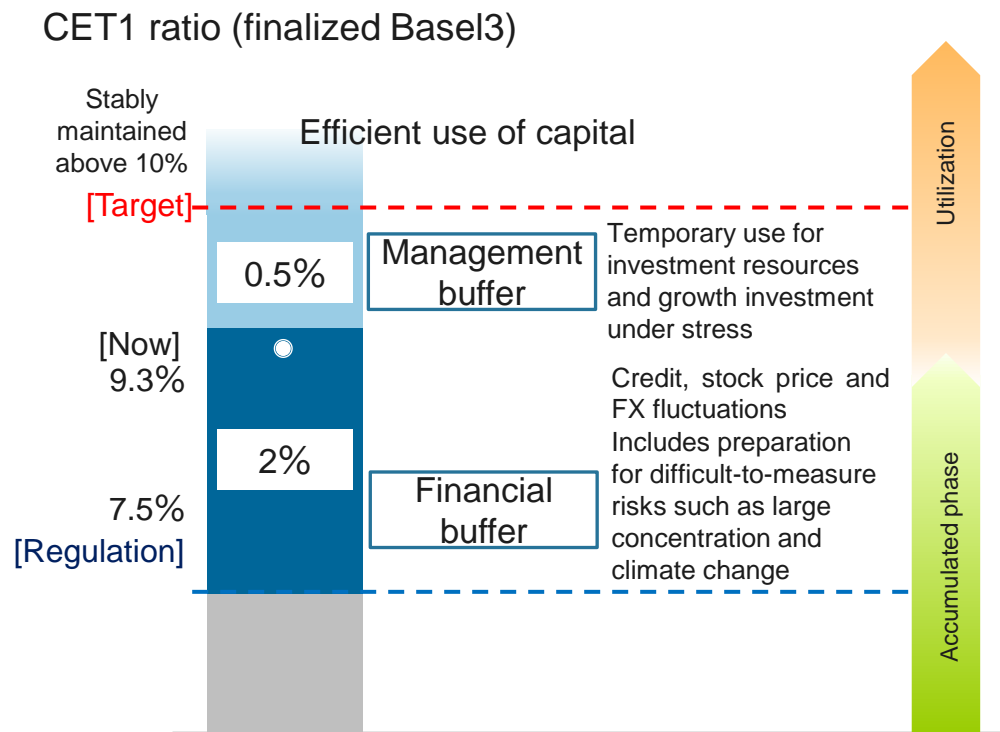
# Capital policy

- Pursue the best balance between capital adequacy and efficiency. Aim for sustainable dividend growth in line with profit growth.
- Strategic investments necessary for future growth to be made over the medium-term, and share repurchase to be considered in a flexible manner.

## Capital policy



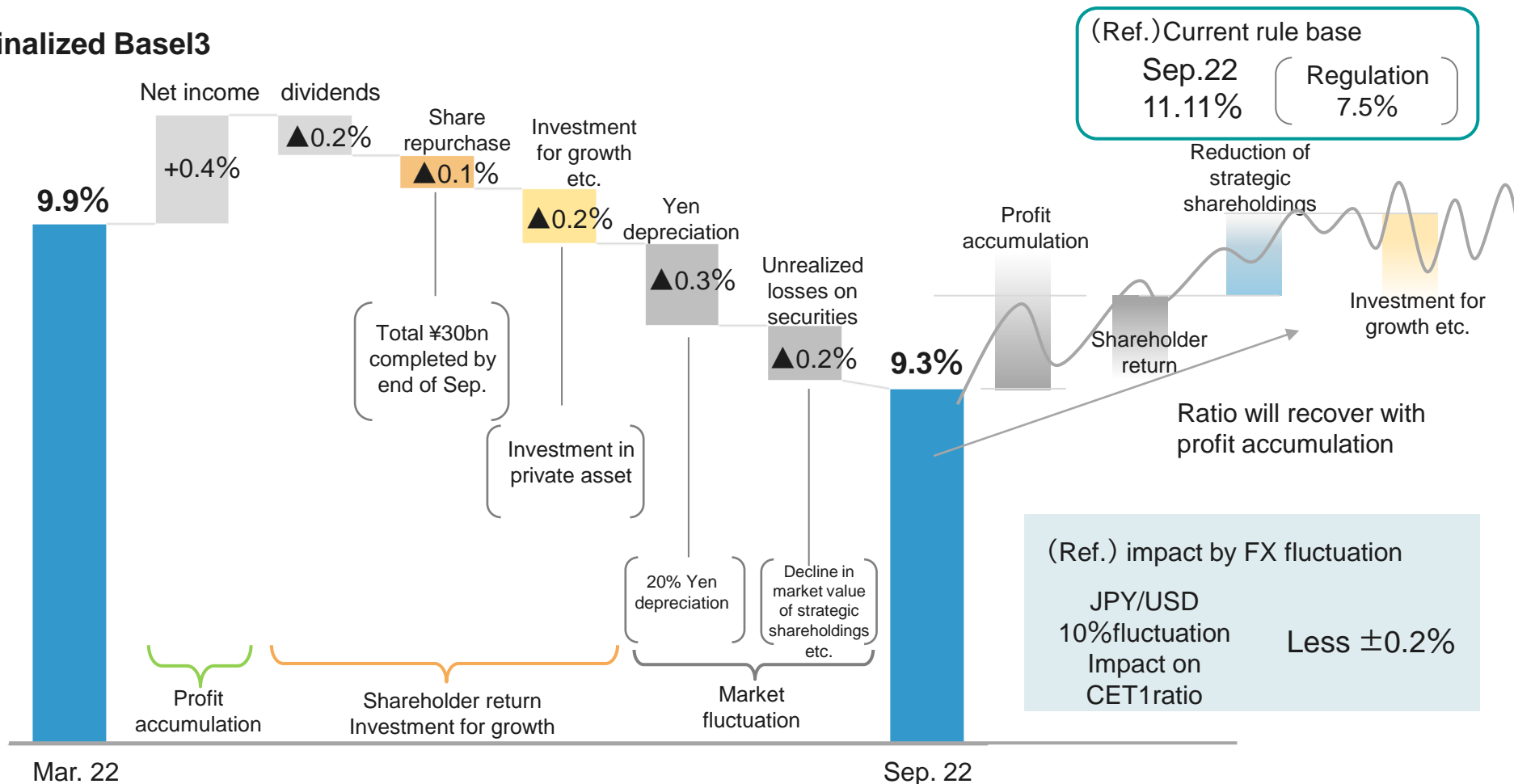
## Capital management



# Financial capital ~ Breakdown of increase/decrease in 1HFY22 ~

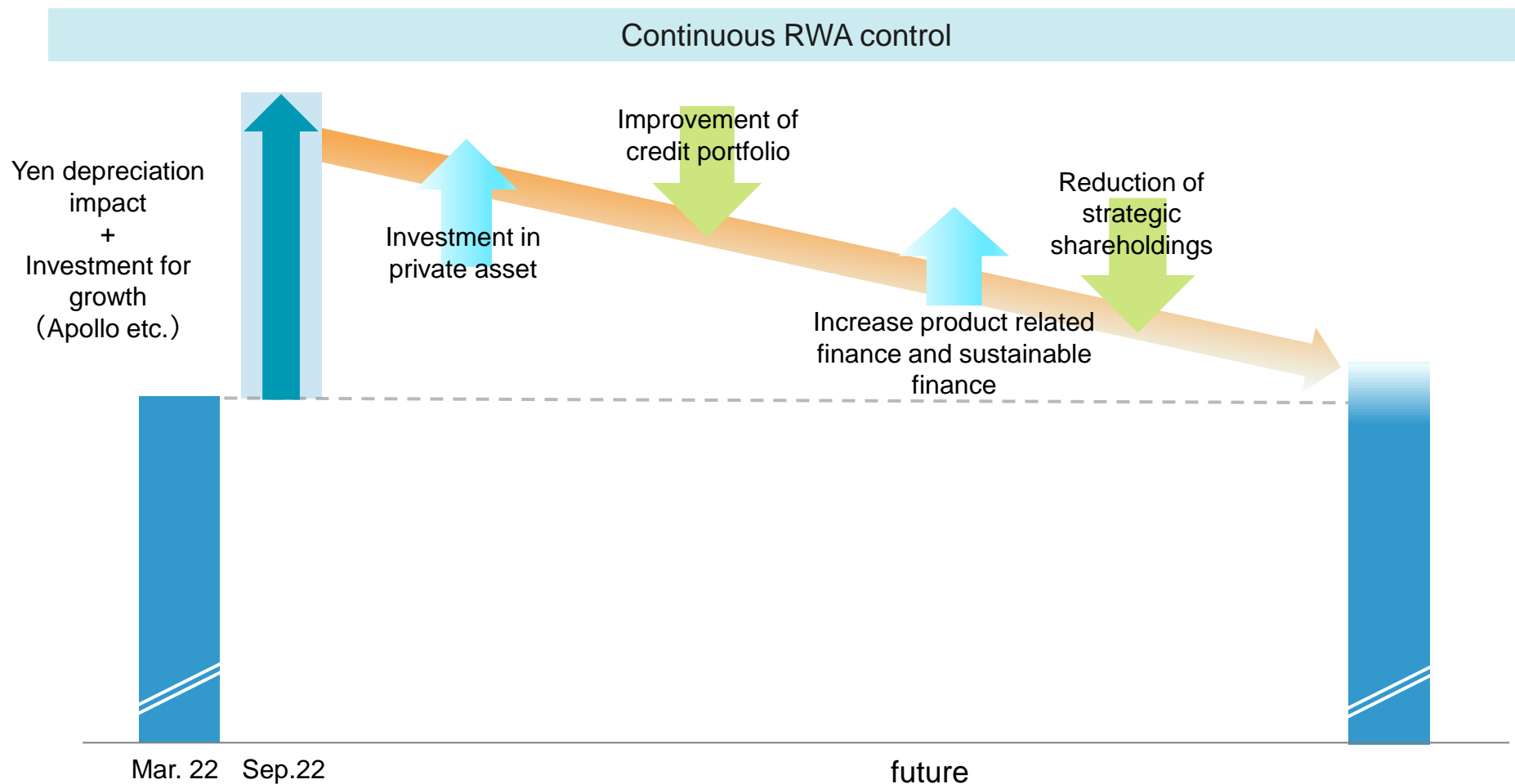
- CET1 ratio: 9.3%. Down 0.6ppt from Mar. 2022.
- CET1 ratio decreased due to investment for growth and yen depreciation, but expected to recover mainly due to future profit accumulation

## Finalized Basel3



# RWA control

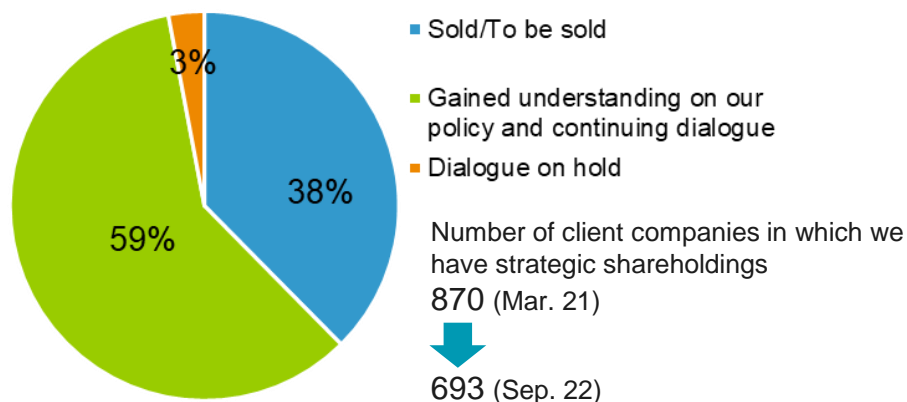
- Continue RWA management initiatives such as credit portfolio rebalancing with profitability improvement in mind and reduction of strategic shareholdings etc.



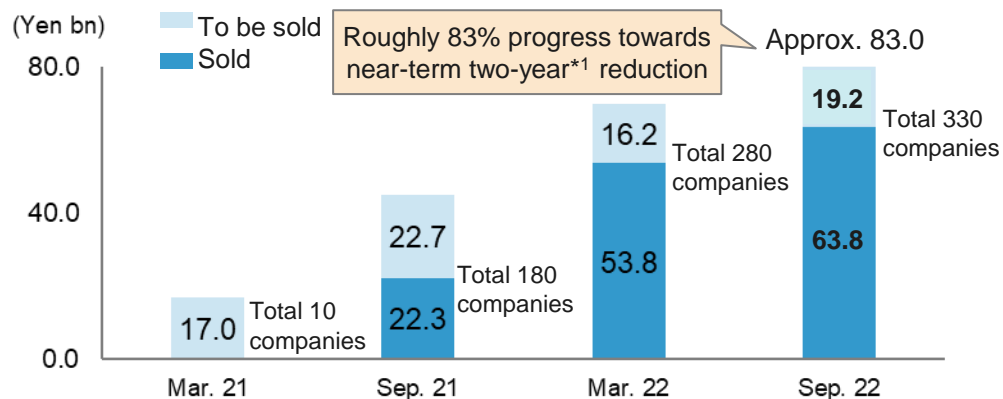
# Reduction of strategic shareholdings

- Continue dialogue with clients, based on our new policy regarding reduction of strategic shareholdings
- Reduced ¥9.9bn(at cost) in 1HFY22. Amount sold/ to be sold reached 83% of the two-year target

## Dialogue with clients

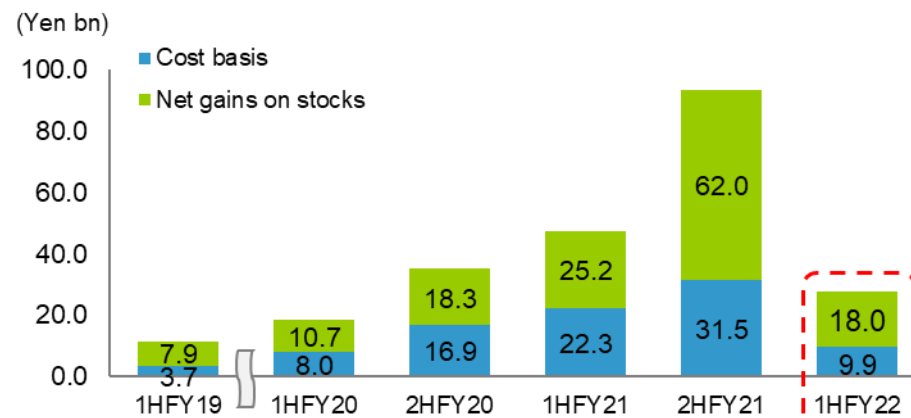


## Amount sold/ to be sold (cost basis) (consolidated basis)

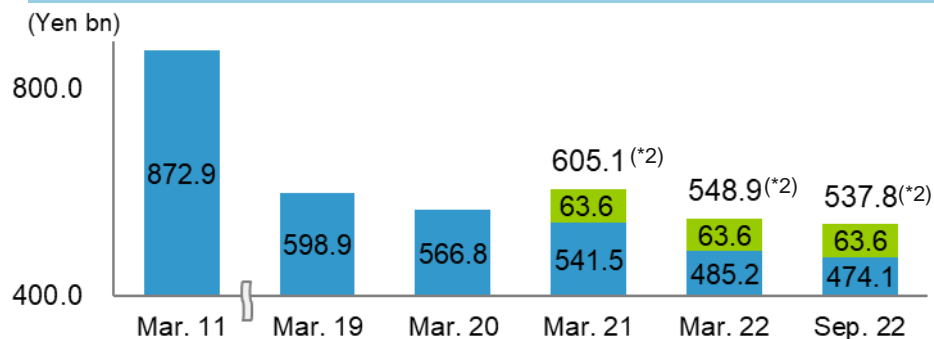


(\*1) From April 21 to Mar. 23

## Reduction (consolidated basis)



## Cost basis balance of strategic shareholdings(consolidated basis)



(\*2) Including ¥63.6bn (at cost) of sold and repurchased shares in FY20/4Q

Results of proxy voting

Exercised voting rights according to disclosed voting rights guidelines for strategic shareholdings since Jun. 2022  
Ratio of against at proposals from companies (0.9%: company base), (0.2%: proposal base)

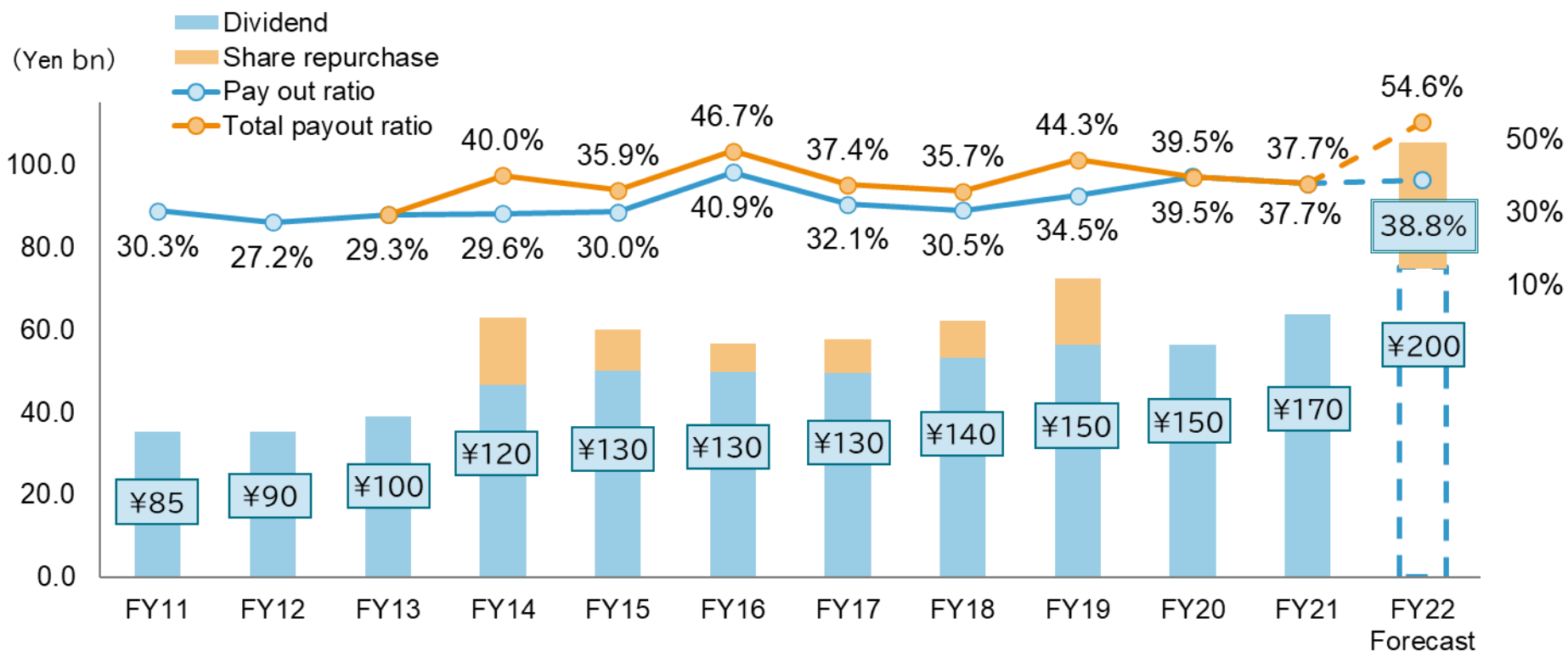
# Shareholder return policy

- Our shareholder return policy with consolidated dividend payout target ratio is around 40% in FY22
- Dividend per common share forecast ¥200, increase by ¥30 YOY in FY22

## Shareholder return policy

- As a means of returning shareholder's profits commensurate with earnings, aim to raise consolidated dividend payout ratio to around 40% in or around FY22.
- May consider share repurchase flexibly based on the balance with investment in profit growth opportunities from our medium- to long term perspective, and the effect of the repurchase on capital efficiency improvement, subject to securing adequate capital level

## ■ Shareholder return



## ◆ Human capital

# Investment in human capital

- Increased incentives for employees to stock ownership plan and introduced a new stock compensation plan for all employees as an investment in human capital
- Support employees' asset formation for "FINANCIAL WELL-BEING" by providing advanced investment education cultivated over the years

## Employees' FINANCIAL WELL-BEING

- Support employees' asset formation by providing financial educational program
- Promote FINANCIAL WELL-BEING of clients and society

Provide high-quality investment education know-how cultivated in the pension and workplace business

To Employees

### Each employee's "FINANCIAL WELL-BEING"

Individual has prepared the money and assets they may need for contingencies and for the future, allowing them to have peace of mind.

To Society

### Client and social "FINANCIAL WELL-BEING"

Individual client

Corporate client

Family  
(parents, kids)

Friends

## Stock incentive plan

Voluntary  
reserve  
(employees'  
expenses)

### Stock ownership plans

Increase incentives  
(8% → 20%)

+

For all  
employees  
(company's  
expense)

### RS Trust

Deliver restricted stock to all employees  
→ equivalent to ¥30,000 per year

Change in investment attitude  
(stock ownership plans)

¥0.53bn

+¥0.81bn (x2.5)

¥1.34bn

20s ~ 30s

Increase  
x2.6

Change in  
enrollment  
rate

Over 40s

Increase  
x1.2

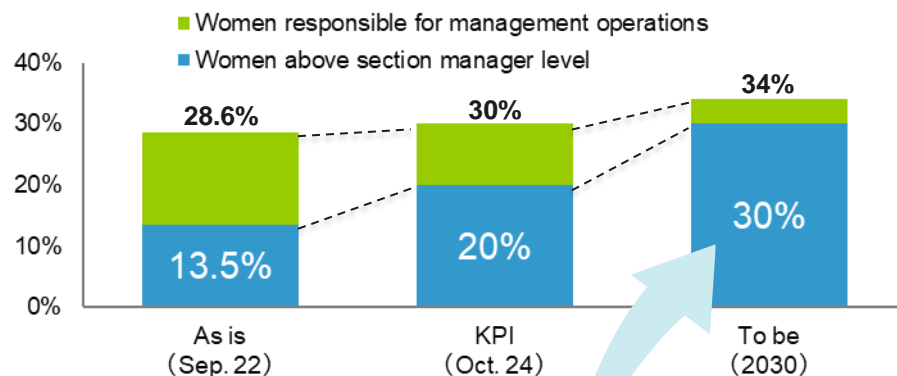


# Investment in human capital

- Human capital is enhanced by leveraging diversity and creativity as added value to the organization from culture in which diverse personnel can flourish

## Active participation of women in decision-making (SuMi TRUST Bank)

### Endorse “Here we go 2030 30%” project



(\*) Roles managing a certain number of people

### Executive support

All executive officers directly support career development for one year

Company's seriousness motivated me.

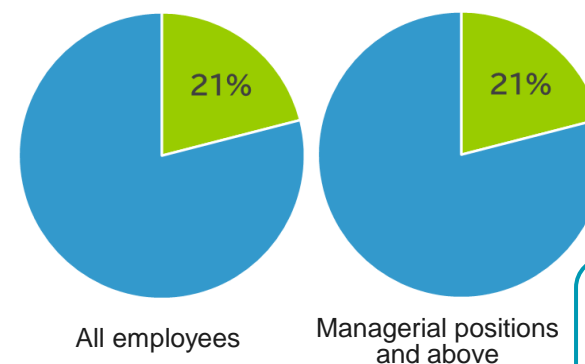
I've become more aware of the height of my vision

### Interactive awareness

Reaffirm women's potential and challenges in work life balance

## Diverse career background (SuMi TRUST Bank)

■ Mid-career employ ■ New-grad hire



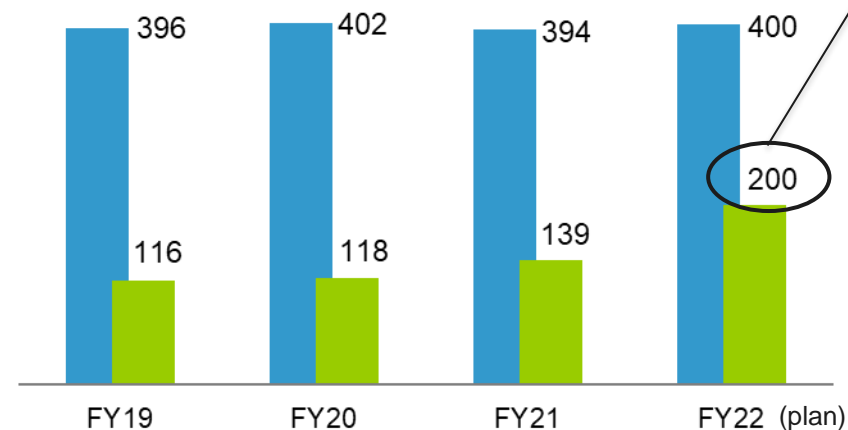
Approx. 20% of managers joined SuMiTB in the middle of their career

Increase diversity of human capital



Diverse expertise

(new graduate and mid-career employees)



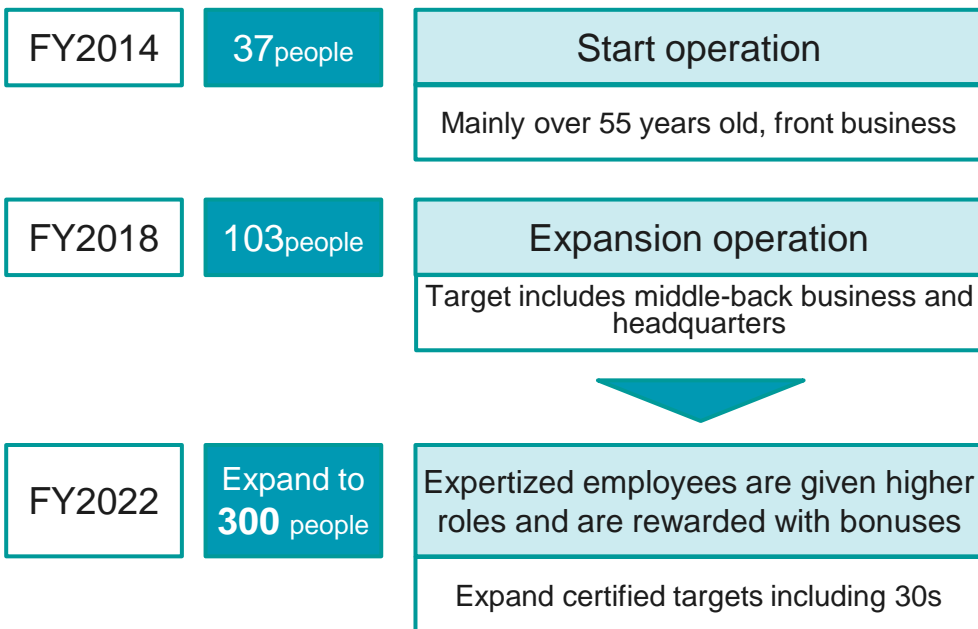
# Investment in human capital

- Expand the scope of certification and enhance compensation programs for expertized employees in all ages
- Provide a variety of reskilling opportunities to improve the digital skills of all employees

## Expanding operation for expertized employees



Expanding operation for expertized employees



## Reskilling (digital training programs)

Provide training programs based on the skill set required for DX

800 people participate depending on the level

All employees can participate

course	level	
DX boot camp	intermediate	
RPA	basic	intermediate
Cloud	basic	intermediate
Data science	basic	intermediate

udemy business

Provide learning pass for necessary skills  
Support employees' study



Expand contents and levels sequentially

Active user: 3,400 people

Gained necessary skills : 20%

## **(3) Foundation for our corporate value**

# ◆ Sustainability

# Climate change ~our group initiatives for carbon neutrality~

- Establish Roadmap based on the Carbon Neutral Commitment. Disclosed progress report at the end of October

	FY2020	FY2021	FY2022	...	FY2030	FY2040	FY2050
<b>Net zero GHG Emissions in inv. &amp; loan portfolio(NZBA)</b>							Net Zero
<b>Electricity(g-CO2eq/kWh)</b>	249		Disclose Intermediate Target	»	138~173	See P. 54	
<b>Oil/Gas</b>			Set by Mar. 31, 2023				
<b>Other Highly Carbon Intensive Sectors(*1)</b>			Successively set by Sep. 2024				
<b>Net zero GHG Emissions in investment portfolio (NZAMI)</b>							Net Zero
<b>SuMi Trust Asset Management</b>			Disclose Intermediate Target	»	Halve emission intensity for 50% of managed assets from 2019	See P. 55	
<b>Nikko Asset Management</b>			Set Intermediate Target	»	Halve emission intensity for 43% of managed assets from 2019		
<b>Total amount of cumulative sustainable financing(*2)</b>	0.83trillion yen			»	Total 10 trillion yen	See P. 23	
<b>Loan balance for coal-burning power plants</b>							
<b>Loan for projects</b>		142.7 billion yen		»	Halve from Mar. 2020	Zero	
<b>Corporate loans (new/expansion)</b>		20.1 billion yen		»		Zero	
<b>Net Zero GHG Emissions of SuMi TRUST Group</b>			Completed shift to electricity from renewable sources in domestic branch offices of the trust bank	»	Zero		

(\*1) 9 sectors: agriculture, aluminum, cement, coal, commercial/residential real estate, steel, oil/gas, power generation, transportation

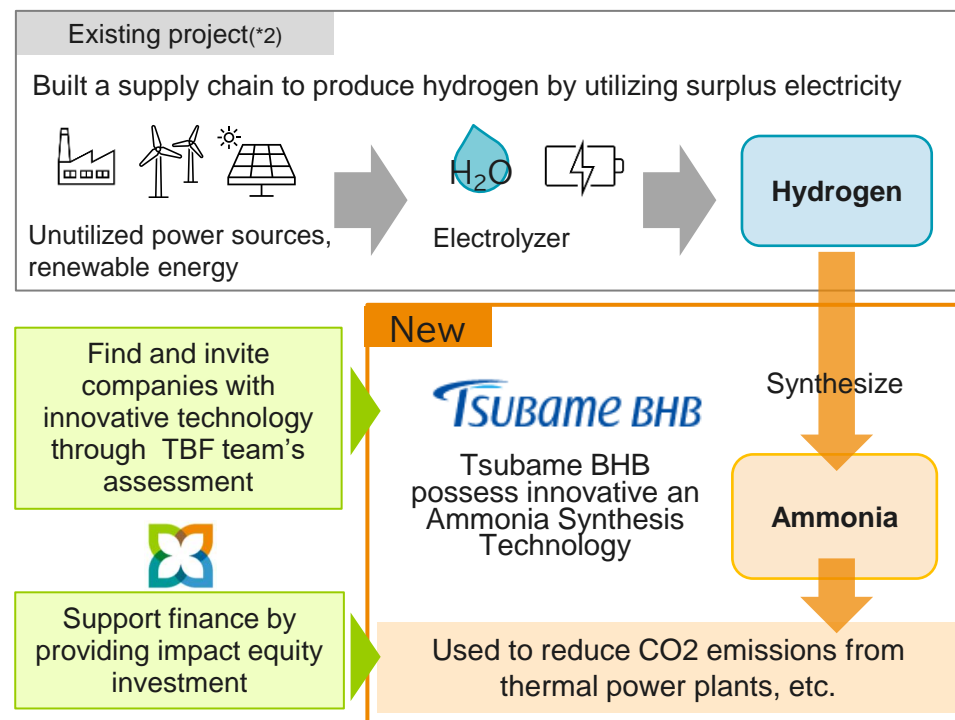
(\*2) General term for financial services to businesses and clients which contribute to solving environmental/social issues based on international standards such as the Green Bond Principle and the Social Bond Principle.

# TBF Initiatives / Providing financial literacy education

- Realize sustainable society through initiatives to integrate "technology," "finance" and "policy" by TBF team
- With the lowering of the age of adulthood, offer proactive financial literacy education for the younger generation. Reaffirmed high demand from the educational field

## Initiatives of TBF(\*1) (Specific Case: Tsubame BHB)

**Invite companies with innovative technology to make effective use of hydrogen generated from existing project. Aim for further expansion of hydrogen supply chain.**



(\*1) TBF: Technology based Finance

(\*2) Distributed hydrogen production business Concept to be developed by SuMiTB and business partners

## Providing financial literacy education

**Actively develop financial literacy education for the next generation, particularly high school students**



Past 1 year results (~Nov. 22)

Scheduled for the end of FY2022

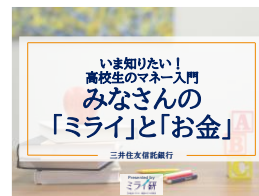
**19 schools**  
**2,170 students**  
Conducted in 13 prefectures

Accelerate and expand

**32 schools**  
newly scheduled to  
conduct in 5 prefectures

Proposals to schools through our branches  
Appropriate themes and content are selected according to the needs of the school and the age of the students.

(Image of material)



Case Study:  
Kansai University Dai-ichi Senior High School

Implemented in September 2022  
Theme: Cultivating a perspective on long-term asset formation



Approximately 400 high school sophomores participated.

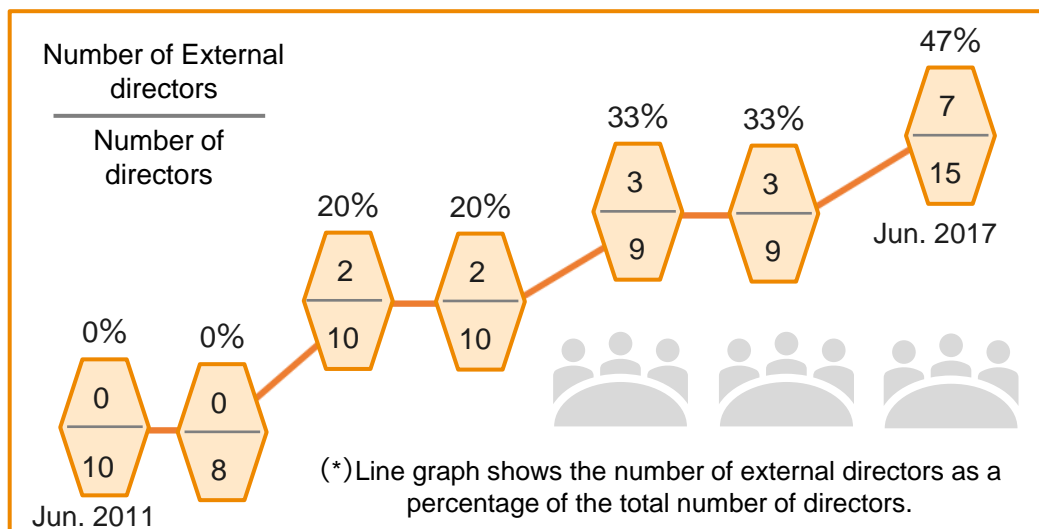
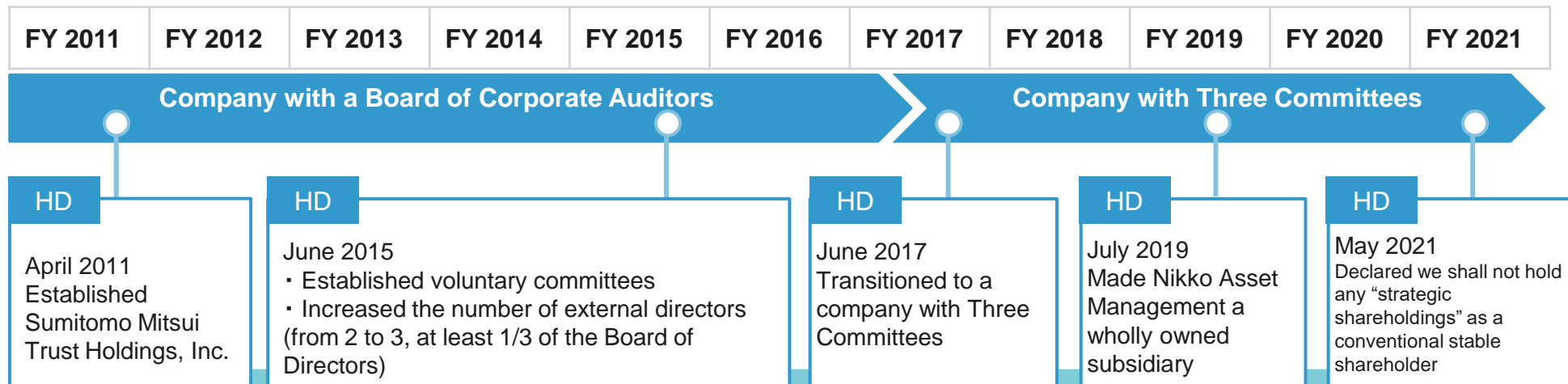
**High demand from the educational field**

(\*3) Special organization to increase awareness about financial literacy in the age of 100-year life

## ◆ Corporate governance

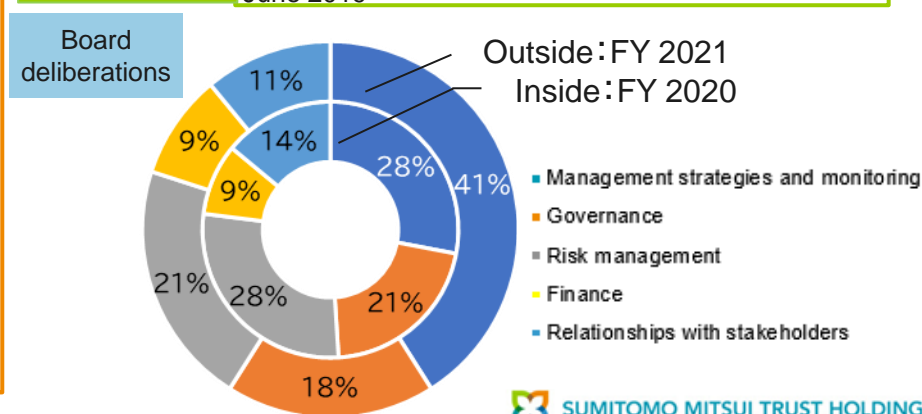
# 10 year review -Changes in the structure of Corporate Governance-

- Since management integration, we have modified the structure of corporate governance to further enhance the effectiveness of the Board of Directors.
- Board deliberations are conducted flexibly on appropriate themes in response to changes in the internal and external environment.



**TAM** Transitioned to a company with an Audit Committee in October 2018

**SuMiTB・NAM** Transitioned to a company with an Audit Committee in June 2019



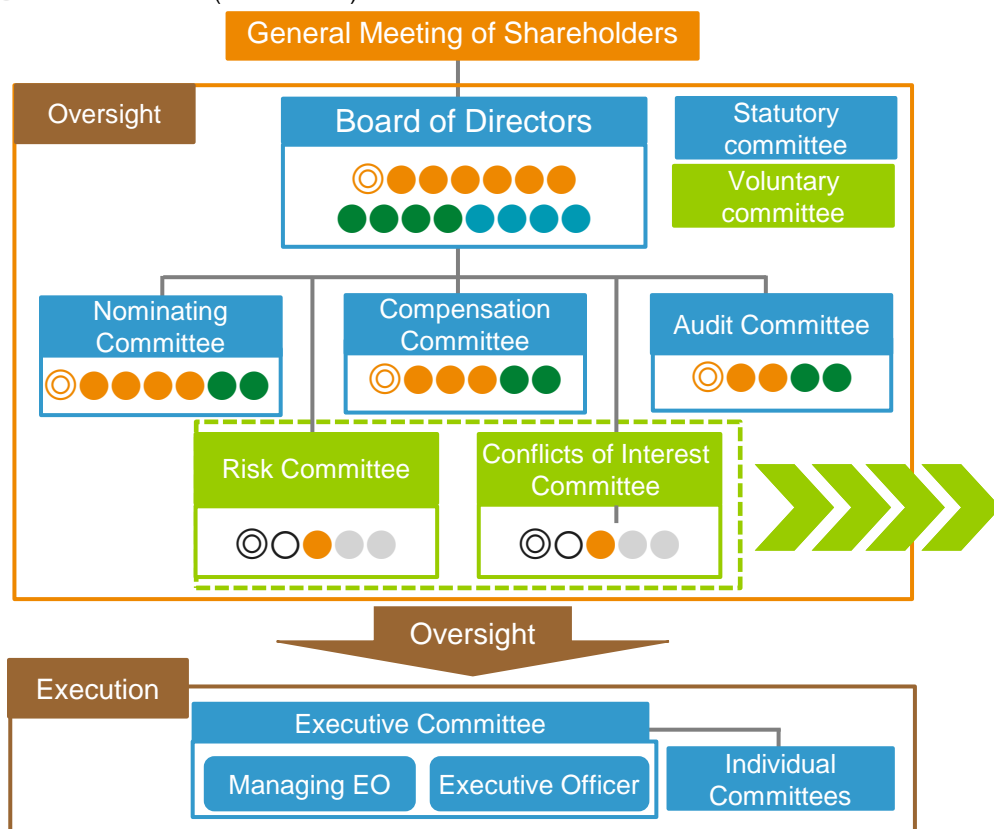


# Governance ~Oversight structure~

## Oversight structure

- Company with Three Committees
- The Board of Directors' meeting and other committees to be chaired by External Directors

◎: External (Director Chairman)    ●: External (Directors)    ◎: External (Experts, Chairman)  
 ○: External (Experts)    ●: Internal・Non-executive    ●: Internal・Executive  
 ●: Executive officer (non-director)



## Composition of Board of Directors (As of Nov. 1, 2022)



Breakdown of 15 directors: 13 men, 2 women

External directors: 47%



Non-executive directors: 73%



Initiatives at the voluntary committees  
 (Both committees are chaired by **outside experts**)

Examples of deliberations at the Conflict of Interest Committee (1H/2022)

**Theme: Managing Conflicts of Interest in light of the establishment of Investor Services Business."**

Advocate necessity of organizing business structures for our group's focus area in response to rapid growth in the quantity and quality of its business in the future

**Proactive communication with the execution side**

**Improve the effectiveness of the Board of Directors**

# Building an Effective Board of Directors – “Area of Expertise” & Performance-linked compensation-

## Additional disclosure of “Area of Expertise of External Directors”

- Additional disclosure of breakdown of “Creativity Expertise” of seven external directors

	External directors						
	Isao Matsushita	Shinichi Saito	Hiroko Kawamoto	Mitsuhiro Aso	Nobuaki Katoh	Masanori Yanagi	Kaoru Kashima
Corporate management	●	●	●		●	●	●
Finance, Accounting	●	●					●
Legal affairs, risk management, and compliance		●	●	●			●
Creativity(*1)	●	●	●	●	●	●	●
Trust, Investment		●				●	
Internationality(*2)	●	●		●	●		
Sustainability	●	●	●	●	●	●	●
Environment(*3)	●	●			●	●	
Social(*4)	●			●	●		
Empowerment of women, D&I			●				●

breakdown

- (\*1) Including digital technology/IT. “Digital/IT” discussions were conducted based on opinions from external experts in the IT Committee, which is on the execution side.  
 (\*2) Including experience of working overseas, academic activities in cooperation with overseas universities, and studying at universities and graduate schools  
 (\*3) Including ESG investment/environmental rating finance and supply chain management  
 (\*4) Including human rights and supply chain management

## Indicators (KPIs) for performance-linked compensation

- Revised evaluation system to better reflect medium- to long-term contributions and ESG-related contributions

### New performance assessment system for stock-based remuneration (Applied on July, 2022)

Indicators (KPIs) for performance-linked compensation		Assessment weighting	
Linked to near-term earnings	(1) Consolidated net business profit	33.3%	22.2%
	(2) Consolidated net profit attributable to owners of the parent		11.1%
Linked to medium-term financial metrics	(3) Consolidated shareholders' equity and ROE	33.3%	11.1%
	(4) Consolidated CET1 ratio (common equity tier 1 capital ratio)		11.1%
	(5) Consolidated overhead ratio (OHR)		11.1%
Linked to ESG	(6) ESG overall assessment (categories: climate change, FD & CS activities, employee engagement, D&I (empowerment of women, etc.), ESG assessment organizations)(*5)	33.3%	

NEW 1

NEW 2

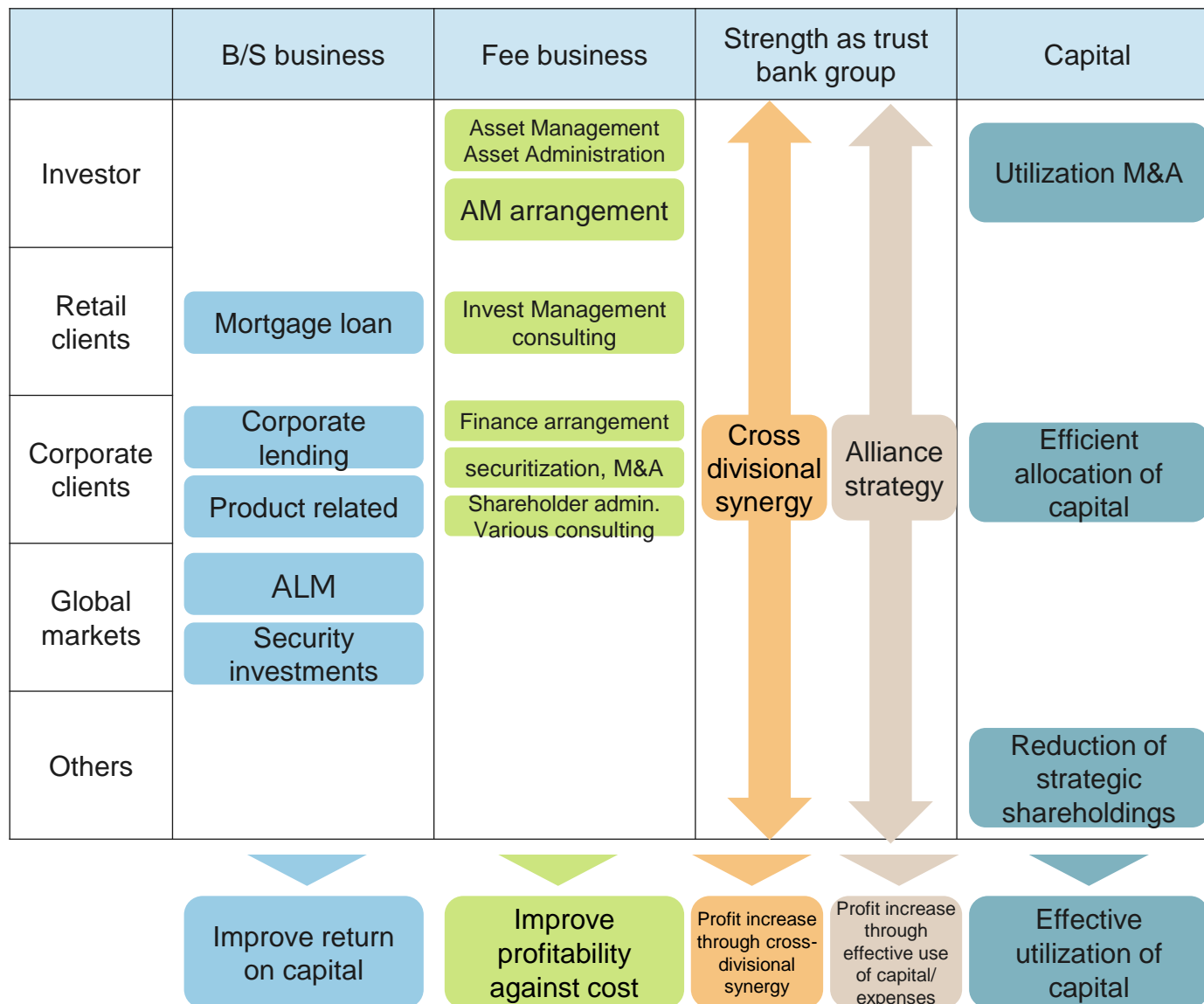
(\*5) MSCI, FTSE, and Sustainalytics

< Main changes >

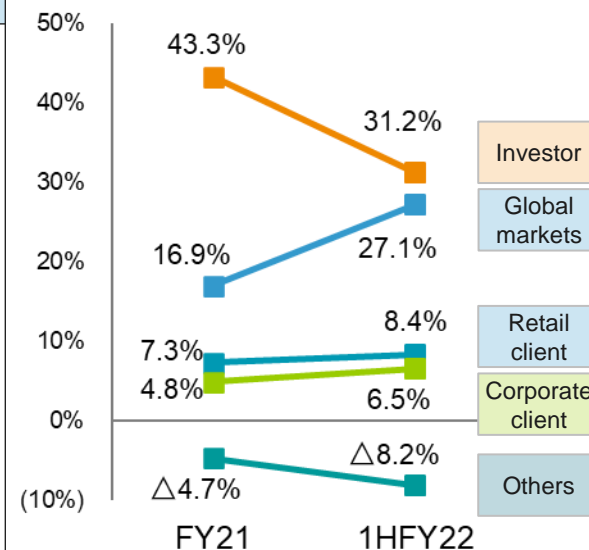
Please see to [Annual report P95](#) for more information.

## ◆ Appendix

# Segment ROE



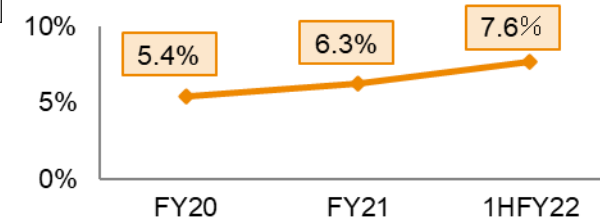
ROE by business segments(\*)



(\*)

- Profit in Global markets business and Real estate business is divided into Investor, Retail client or Corporate client, respectively
- In the case of accounting for pension related business included in Investor to Corporate client. Corporate client : FY21 6.0%, 1HFY22 7.7%
- Investor includes Asst management business
- Others includes headquarters expense, profit/loss and RWA of strategic shareholdings and hedging transactions

ROE



# Medium-Term Management Plan (Ref.)

- The 3 years positioned as a period for expanding the business foundation for materializing the next leap into a sustainable / stable growth

## The role our Group should play and what we aim for

### <Purpose>

Creating new value with the power of trusts and let prosperous future for our clients and society bloom

### Themes to be addressed proactively as social challenges

#### Individual clients



Asset administration suited for Japan's aging society and asset formation of individuals

#### Corporate clients



Sustainable growth of the Japanese economy and corporations (addressing both financial and non-financial issues)

#### Investor clients



Diverse range of investment opportunities and development of the investment Chain

To contribute to the sustainable development of society

## Three basic strategies for “balanced creation of both social value and economic value”

### (1) Strengthening our business portfolio

Strengthen the foundation for a sustainable / stable growth

Strengthen the business foundation

Establish new growth areas

Strategic resource mix

### (2) Capital strategy

Efficient use of the balance sheet and capital

Improve balance sheet efficiency

Balanced capital adequacy and efficiency

Strengthen shareholder return through dividends

### (3) Sophistication of business quality

Power to support business creation / reinforcement

Service quality that maximizes client value

Strengthen group governance

Prudent risk management

Nurture human resources capable of creating added value

# Financial target (KPI)

	FY21 (Actual)	FY22 (Target)	(For reference) Medium/Long-term Target	
Net business profit	¥346.0bn	¥310.0bn		
Net income	¥169.0bn	¥190.0bn		
OHR (Overhead ratio)	57.1%	Lower 60% range	Upper 50% range	Promote efficiency despite limited OHR decline based on enhancing fee business
Fee income ratio	54.0%	Mid-range b/w 50-60%	Maintain above 60%	Increase stable fee revenue
Common Equity Tier 1 ratio (*)	9.9%	Lower 10% range	Maintain stable 10% range	Maintain prudent level of capital
Return on equity	6.25%	Around 7%	Around 9%	Aim for self-sustaining improvement of ROE
Dividend payout ratio	37.7%	Around 40%		

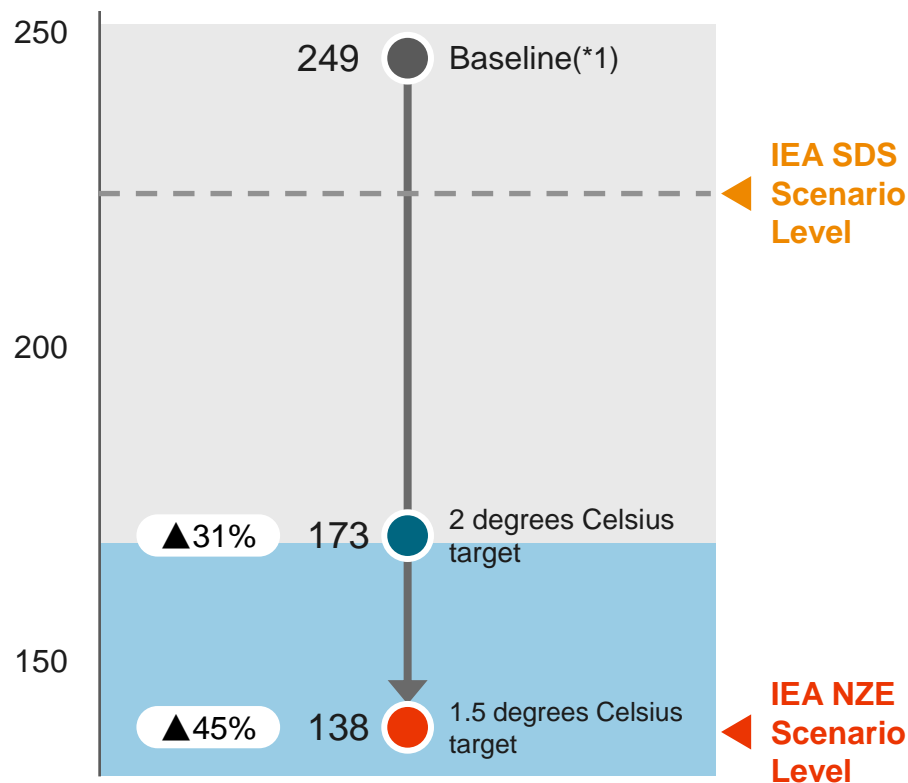
(\*) Pro-forma figure on Finalized Basel III reform basis

# Climate change -our group initiatives for NZBA-

- Disclosed Intermediate Target of “Electricity” sector in the area of investments and loans
- Achieve 2 degrees Celsius target and promote efforts with the goal of achieving the 1.5 degrees Celsius target

## Intermediate Target for 2030

g-CO<sub>2</sub>eq/kWh (The value with % is a target reduction ratio from the baseline.)



## Concept for Setting Target for 2030

Well below 2 degrees Celsius level (“2 degrees Celsius target”)

- In principle, refer to the IEA SDS scenario(\*2)
- Level well below the IEA SDS scenario in 2030 (229g-CO<sub>2</sub>eq/kWh)

1.5 degrees Celsius target

- Achieve a level well below the IEA SDS scenario mentioned above, and furthermore support clients in transition through engagements and aim to achieve the level (138g-CO<sub>2</sub>eq/kWh) which fits the IEA NZE scenario

## Major Premise for Calculating GHG Emissions Intensity

Target Scope

- Scope 1 of power generating business which generates the majority of emissions

Target Investment and Loan

- Financing, acceptance and guarantee, corporate bonds and strategic shareholdings(including unused pledged lending)
- This calculation covers 93% of the target investments and loans

Calculation Method

$$\sum \left( \text{Emission intensity of each client/Project} \times \frac{\text{Balance of investments and loans to each client/Project}}{\text{Balance of investments and loans to target sector}} \right)$$

(\*1) “Baseline” means GHG emissions or the emission intensity at the start of working toward the target

(\*2) Please refer to the baseline emission intensity, as for the domains of investments and loans whose emissions are already well below the IEA SDS scenario

# Climate change -our group initiatives for NZAMI-

- Set Intermediate Target of Nikko Asset Management in Nov. 2022

## Sumitomo Mitsui TRUST Asset Management

## Nikko Asset Management

### Characteristics

Entrusted with large scale passive/active strategies by public mutual aid/corporate pensions. **Expanding the most large-scale engagements in climate change in Asia**

Strong in unique equities strategies and ETFs in Japan, Asia and other countries around the world. Focuses on **incorporation of decarbonizing related factors into decision processes for investments**

### Intermediate targets for 2030

Targeting 50% of about ¥85 trillion of assets managed(\*1), and aims to halve their carbon footprints compared to 2019 (May, 2022)

Targeting 43% of about ¥31 trillion of assets managed(\*2) **NEW** and aims to halve their carbon footprints compared to 2019 (Nov, 2022)

### Efforts after joining NZAMI

#### Acting as a core member of NZAMI

- Joined the advisory group consisting of 6 companies of the member organizations of NZAMI (Mar. 2022)
- Plans to actively make proposals for creating an international framework on behalf of Japan and other Asian countries

#### Selection of key engagement targets

- Through close inspection of climate related targets of its investee companies, selects key engagement targets with which Nikko Asset Management performs continuous dialogues
- Also introduced a new climate change-related standard into its voting rights exercise standards (Apr. 2022)

### Strength in engagement and investment management method

#### Leading Climate Action100+(\*3) activities

- Responsible for co-engagements with Asian companies (lead manager)
- Sole member of a steering committee among Japanese asset managers

#### Strengthened analysis of responses to climate change of its investee companies

- Added categories to evaluate climate change-related business opportunities/risks to the framework to assess attractiveness of investment
- Utilizes it not only for investment decisions/engagements but for development of managed financial products responding to environment/climate change

(\*1) As of Jun. 30, 2021

(\*2) As of Dec. 31, 2021

(\*3) One of the international initiatives by asset owners and managers around the world. It requires governance to companies with a large amount of GHG emissions and implements co-engagements



# Summary of Financial Results for 1HFY2022

# Overview of profits

	(Yen bn)	1HFY21	1HFY22	Change	FY22 Forecast
1	Net business profit before credit costs (*1)	174.4	168.2	(6.2)	310.0
2	Substantial gross business profit (*1)	400.7	408.5	7.7	800.0
3	Effective interest related earnings (*2)	163.8	151.3	(12.4)	
4	Net fees and commissions and related profit	203.2	217.5	14.3	
5	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	33.7	39.6	5.9	
6	Substantial G&A expenses (*1)	(226.2)	(240.2)	(13.9)	(490.0)
7	Total credit costs	5.1	(8.8)	(14.0)	(20.0)
8	Net gains on stocks	(18.0)	(2.5)	15.5	0.0
9	Other net non-recurring profit	(9.4)	(11.7)	(2.2)	(25.0)
10	Ordinary profit	152.0	145.1	(6.9)	265.0
11	Extraordinary profit	(0.6)	(0.6)	0.0	
12	Income before income taxes	151.4	144.4	(6.9)	
13	Total income taxes	(39.9)	(39.9)	0.0	
14	Income attributable to non-controlling interests	(0.4)	(0.5)	(0.1)	
15	Net income	111.0	104.0	(6.9)	190.0
16	Earnings per share (EPS) (Yen)	296	279	(16)	
17	Number of shares issued (mn shares) (*3)	374.5	371.7	(2.7)	

(Reference)

18	Net interest income and related profit	155.6	117.5	(38.0)
19	Other profit	41.9	73.4	31.5
20	Profit attributable to deployment of surplus foreign currency funds	8.1	33.7	25.5
21	Other	33.7	39.6	5.9

- (\*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 "Net gains on foreign exchange transaction"
- (\*3) Average number of common shares outstanding (excluding treasury stocks) during the period

## Net business profit before credit costs

- Robust 54% progress vs FY22 forecast of ¥310.0bn
- Decreased YoY ¥(6.2)bn mainly due to dearth of favorable market conditions
- (Effective interest related earnings) Decreased YoY ¥(12.4)bn mainly due to absence of favorable market conditions and increase of funding costs due to rise in overseas interest rates
- (Net fees and commissions and related profit) YoY increase of ¥14.3bn Real estate brokerage fees propelled increase in fee income. Corporate credit related fees and asset administration fees also contributed but asset management fees decreased
- Substantial G&A expenses increased YoY mainly due to personnel expenses and expenses linked with gross business profit increases

## Total credit costs

- Posted ¥(8.8)bn of total credit costs. Additional credit cost in 2Q was limited
- Negligible release of special loan loss provision
- Maintain special loan loss provision of over ¥20.0bn

## Net gains on stocks

- Posted ¥(2.5)bn net loss from approx.¥18.0bn of gains from divestment of strategic shareholdings and ¥(18.0)bn of realized loss from sale of bear funds and impairment loss of listed stocks

## Other net non-recurring profit

- YoY net losses on stocks related derivatives improved by ¥3.8bn, losses on investment in partnership increased by approx. ¥(3.3)bn and amortization of actuarial net differences increased by ¥(1.3)bn

## Net income

- 55% progress vs FY22 forecast of ¥190.0bn
- YoY decrease of ¥(6.9)bn mainly due to decrease of net business profit before credit costs

# Overview of balance sheet

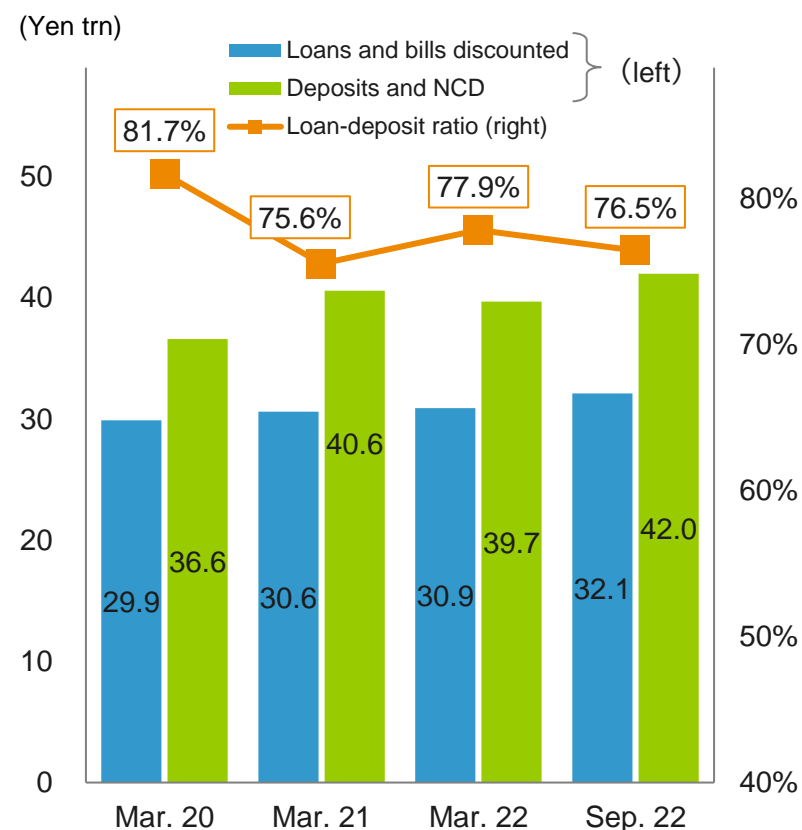
(Yen bn)		Mar. 22	Sep. 22	Change
1	Assets	64,633.2	68,838.0	4,204.7
2	Cash and due from banks	18,223.3	19,677.8	1,454.4
3	Securities	7,879.2	7,226.9	(652.2)
4	Loans and bills discounted	30,876.5	32,281.5	1,405.0
5	Other assets	7,654.1	9,651.6	1,997.5
6	Liabilities	61,887.9	66,086.0	4,198.1
7	Deposits and NCD	39,818.1	42,273.3	2,455.2
8	Borrowed money from trust account	4,298.8	4,357.6	58.8
9	Other liabilities	17,770.9	19,455.0	1,684.0
10	Total net assets	2,745.2	2,751.9	6.6
11	Total shareholders' equity	2,517.5	2,557.9	40.4
12	Total accumulated OCI	198.0	163.9	(34.0)
13	Minority interests, etc.	29.7	30.0	0.2
14	Net assets per share (BPS) (Yen)	7,249	7,321	71
15	Number of shares issued (mn shares) (*)	374.5	371.7	(2.7)

(Reference)			
16	Loan-deposit ratio (SuMi TRUST Bank)	77.9%	76.5% (1.4%)
17	NPL ratio (SuMi TRUST Bank)	0.6%	0.5% (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

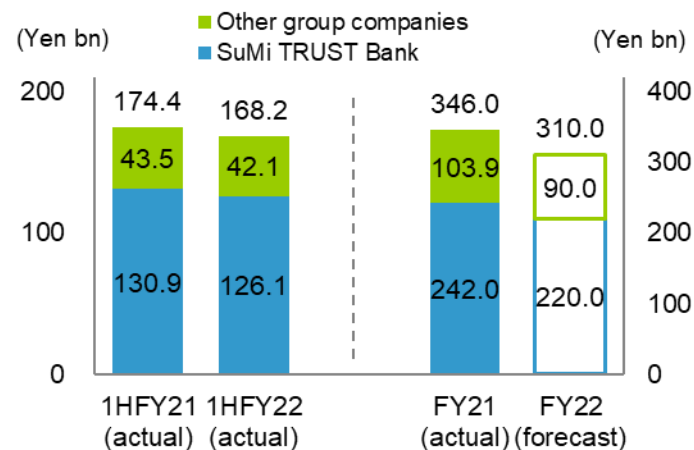
	(Yen bn)	1HFY21	1HFY22	Change
1 Net business profit before credit costs (*1)		174.4	168.2	(6.2)
2 SuMi TRUST Bank (*2)		130.9	126.1	(4.8)
3 SuMi TRUST AM		5.4	4.8	(0.5)
4 Nikko AM (*3)		17.0	8.2	(8.7)
5 SuMi TRUST Realty		2.8	3.1	0.2
6 SuMi TRUST Panasonic Finance (*3)		4.7	4.6	(0.0)
7 SuMi TRUST Loan & Finance		5.3	5.4	0.1
8 SBI Sumishin Net Bank (*3)		5.0	7.2	2.2
9 SuMi TRUST Guarantee (*3)		5.8	5.8	0.0
10 SuMi TRUST Club		1.3	2.1	0.8
11 UBS SuMi TRUST Wealth Management		-	2.1	2.1
12 Net income (*1)		111.0	104.0	(6.9)
13 SuMi TRUST Bank		87.5	82.4	(5.1)
14 SuMi TRUST AM		3.7	3.3	(0.3)
15 Nikko AM (*3)		12.8	9.0	(3.8)
16 SuMi TRUST Realty		1.9	2.2	0.2
17 SuMi TRUST Panasonic Finance (*3)		2.2	3.2	0.9
18 SuMi TRUST Loan & Finance		3.6	3.8	0.1
19 SBI Sumishin Net Bank (*3)		4.2	4.7	0.5
20 SuMi TRUST Guarantee (*3)		4.0	4.3	0.3
21 SuMi TRUST Club		0.9	1.3	0.3
22 UBS SuMi TRUST Wealth Management		-	1.5	1.5

(\*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.

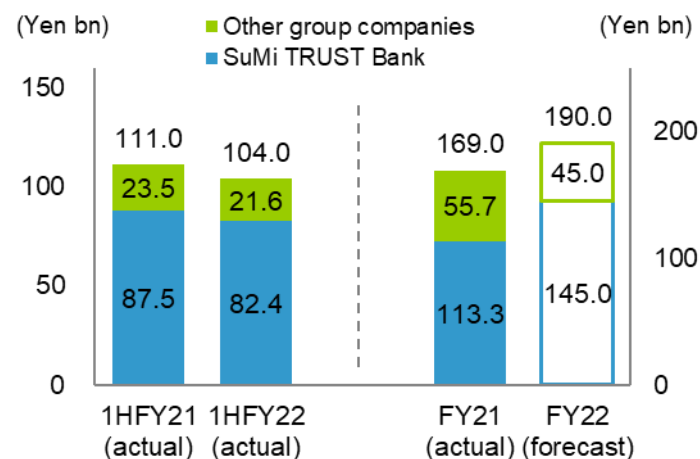
(\*2) Including dividend from group companies (1HFY21:¥13.5bn, 1HFY22:¥14.2bn, YoY change: ¥ 0.6bn)

(\*3) Consolidated basis

## Breakdown of Net business profit before credit costs



## Breakdown of Net income



# Profit by business segment

(Yen bn)		1HFY21 Net business profit before credit costs	Substantial gross business profit	Change	Substantial G&A expenses	1HFY22 Net business profit before credit costs	Change	FY22 Plan Net business profit before credit costs
1	Total	174.4	408.5	7.7	(240.2)	168.2	(6.2)	310.0
2	Retail Business	16.6	100.2	6.3	(78.6)	21.6	4.9	34.0
3	SuMi TRUST Bank	8.0	65.8	(0.8)	(55.7)	10.1	2.1	16.0
4	Other group companies	8.6	34.4	7.1	(22.9)	11.4	2.8	18.0
5	Corporate Business	60.0	110.9	8.8	(43.3)	67.5	7.5	126.0
6	SuMi TRUST Bank	47.3	74.2	6.2	(21.2)	53.0	5.6	101.0
7	Other group companies	12.6	36.6	2.5	(22.1)	14.5	1.8	25.0
8	Investor Services Business	36.4	63.8	(5.0)	(34.3)	29.5	(6.9)	51.0
9	SuMi TRUST Bank	31.6	39.4	(8.6)	(16.0)	23.3	(8.2)	43.0
10	Other group companies	4.8	24.4	3.6	(18.3)	6.1	1.3	8.0
11	Real Estate Business	10.9	30.1	6.4	(13.2)	16.8	5.9	35.0
12	SuMi TRUST Bank	7.7	18.2	5.5	(4.9)	13.2	5.5	29.0
13	Other group companies	3.1	11.9	0.9	(8.3)	3.5	0.3	6.0
14	Global Markets Business (*1)	27.5	40.9	5.9	(7.2)	33.7	6.2	48.0
15	Asset Management Business (*2)	22.5	43.9	(9.1)	(30.6)	13.2	(9.3)	30.0

(\*1) Substantial gross business profit and net business profit include equity related profit which is posted as "net gains on stocks" 1HFY21:¥2.0bn, 1HFY22:¥-bn, YoY change: ¥(2.0)bn and net gains/losses on stock related derivatives which is posted as "other non-recurring profit" (1HFY21: ¥(0.0)bn, 1HFY22: ¥3.7bn, YoY change: ¥3.8bn)

(\*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)	1HFY21	1HFY22	Change
1	Net business profit before credit costs	130.9	126.1	(4.8)
2	Gross business profit	253.9	254.9	0.9
3	Effective interest related earnings	154.2	143.9	(10.3)
4	Net interest income and related profit	146.1	110.1	(35.9)
5	Profit attributable to deployment of surplus foreign currency funds	8.1	33.7	25.5
6	Net fees and commissions and related profit	80.7	90.8	10.1
7	Net trading profit	11.8	18.5	6.7
8	Net gains on foreign exchange transactions			
	Net trading profit	38.1	(31.7)	(69.8)
9	Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)	(26.3)	50.2	76.5
10	Net gains on bonds	8.1	(25.8)	(34.0)
11	Net gains from derivatives	0.3	28.0	27.7
12	General and administrative expenses	(122.9)	(128.7)	(5.7)
13	Total credit costs	6.0	(8.9)	(15.0)
14	Other non-recurring profit	(21.6)	(7.3)	14.2
15	o/w Net gains on stocks	(18.5)	(0.5)	18.0
16	Amortization of net actuarial losses	(0.5)	(1.9)	(1.3)
17	Ordinary profit	115.4	109.8	(5.5)
18	Extraordinary profit	(0.7)	(0.5)	0.1
19	Income before income taxes	114.7	109.3	(5.3)
20	Total income taxes	(27.2)	(26.9)	0.2
21	Net income	87.5	82.4	(5.1)

		1HFY21	1HFY22	Change
22	Gross business profit	253.9	254.9	0.9
23	Net interest income and related profit	146.1	110.1	(35.9)
24	Net fees and commissions and related profit	80.7	90.8	10.1
25	Net trading profit	38.1	(31.7)	(69.8)
26	Net other operating profit	(11.0)	85.5	96.6
27	o/w Net gains on foreign exchange transactions	(18.1)	84.0	102.1
28	Profit attributable to deployment of surplus foreign currency funds	8.1	33.7	25.5
29	other	(26.3)	50.2	76.5
30	Net gains on bonds	8.1	(25.8)	(34.0)
31	Net gains from derivatives	0.3	28.0	27.7

32	Net fees and commissions and related profit	80.7	90.8	10.1
33	o/w Investment management consulting	20.6	20.6	0.0
34	Asset management/administration (*)	32.7	33.3	0.5
35	Real estate brokerage	9.5	15.0	5.4
36	Stock transfer agency services	12.7	12.7	0.0
37	Inheritance related services	1.9	1.9	(0.0)
38	Corporate credit related (*)	10.5	14.3	3.8

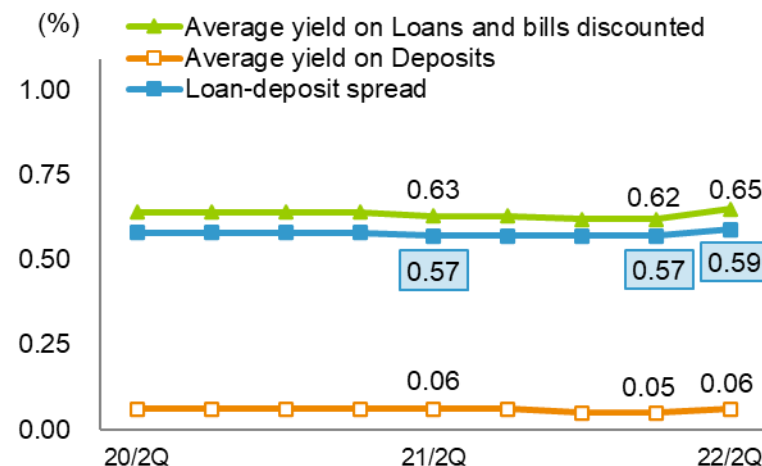
39	Net gains on bonds	8.1	(25.8)	(34.0)
40	Domestic bonds	1.1	(6.9)	(8.0)
41	Foreign bonds	7.0	(18.9)	(25.9)

(\*) Change the scope of aggregation due to the reorganization of business on April 1, 2022, recalculating the figures for 1HFY21 recalculated based on the new scope

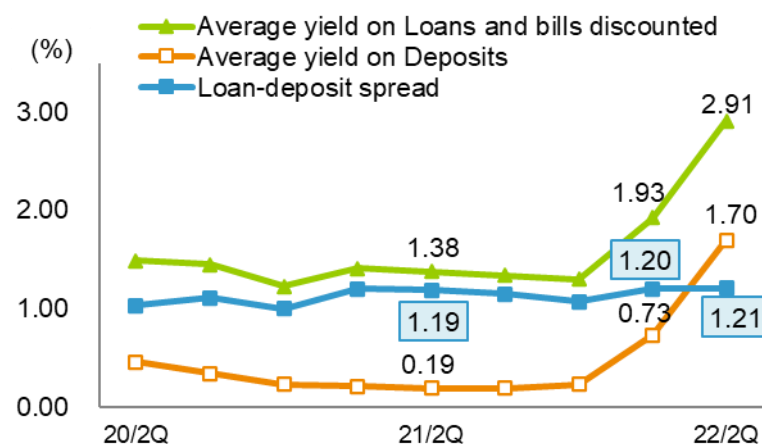
# Net interest income (SuMi TRUST Bank)

		1HFY22					
(Average balance: Yen trn) (Income/Expenses: Yen bn)		Average Balance	Change from 1HFY21	Average Yield	Change from 1HFY21	Income/Expenses	Change from 1HFY21
1	Net interest income					100.1	(36.4)
2	Domestic business			0.37%	0.01%	87.6	2.7
3	Interest-earning assets	46.35	0.66	0.50%	0.02%	118.1	6.0
4	o/w Loans and bills discounted	24.62	(0.01)	0.64%	0.00%	79.3	0.1
5	Securities	4.87	0.51	1.43%	0.07%	35.0	5.2
6	Interest-bearing liabilities	45.70	0.71	0.13%	0.01%	(30.5)	(3.3)
7	o/w Deposits	27.45	(0.04)	0.05%	(0.01%)	(8.0)	0.4
8	Borrowings from trust a/c	4.26	0.21	0.46%	0.00%	(9.9)	(0.5)
9	Swaps	---	---	---	---	(5.0)	(4.1)
10	International business			0.17%	(0.54%)	12.5	(39.1)
11	Interest-earning assets	16.66	2.12	1.74%	0.70%	145.5	69.4
12	o/w Loans and bills discounted	6.94	1.09	2.44%	1.05%	85.1	44.0
13	Due from banks	2.84	1.03	1.39%	1.18%	19.8	17.9
14	Securities	2.80	0.37	2.34%	(0.18%)	32.9	2.1
15	Interest-bearing liabilities	16.84	2.33	1.57%	1.24%	(132.9)	(108.5)
16	o/w Deposits	6.77	1.47	1.23%	1.03%	(42.0)	(36.6)
17	NCD / USCP	6.79	0.36	1.48%	1.35%	(50.4)	(46.2)
18	Repo	1.45	(0.17)	1.44%	1.36%	(10.5)	(9.8)
19	Expenses on swaps	---	---	---	---	(16.7)	(6.4)
20	(+) Trust fees from principal guaranteed trust a/c					10.0	0.5
21	(+) Profit attributable to deployment of surplus foreign currency funds					33.7	25.5
22	Effective interest related earnings					143.9	(10.3)
23	Loan-deposit spread / income in domestic business			0.59%	0.01%	71.3	0.5
24	Loan-deposit spread / income in international business			1.21%	0.02%	43.0	7.4

Domestic loan-deposit spread (quarterly)



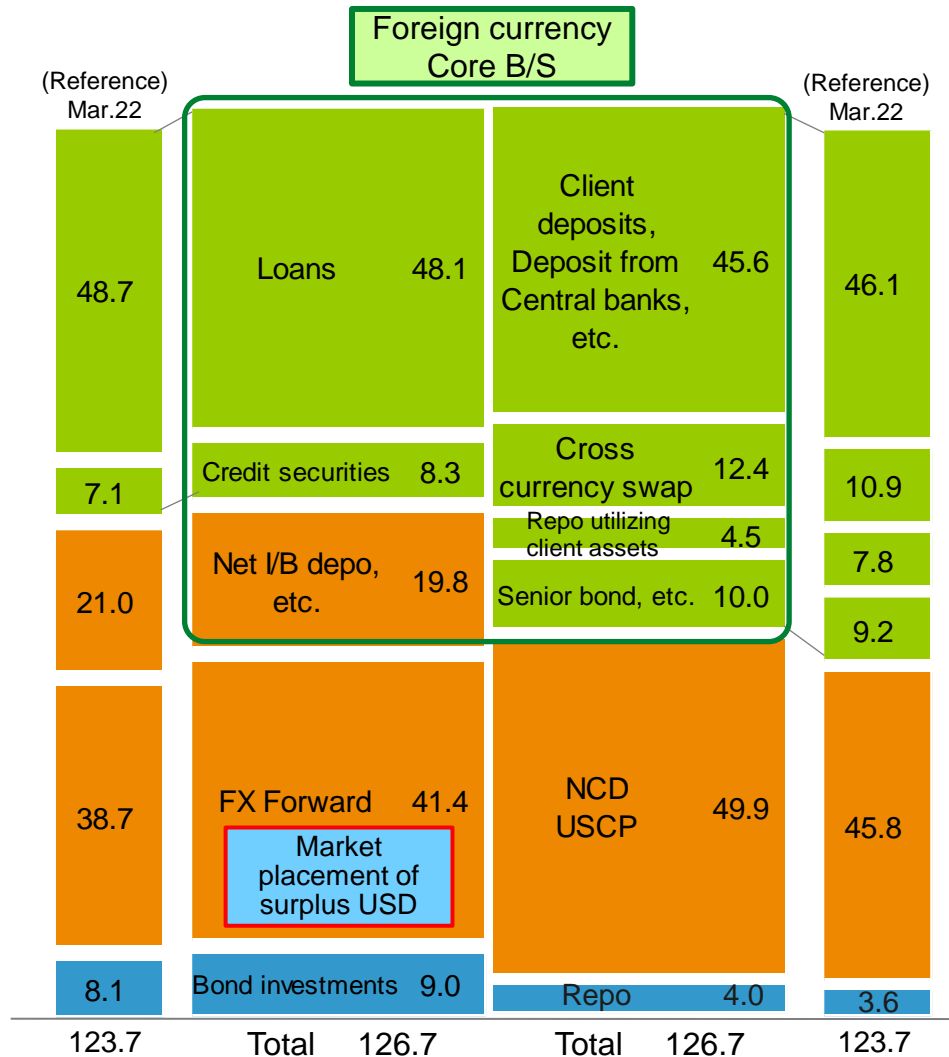
International loan-deposit spread (quarterly)





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

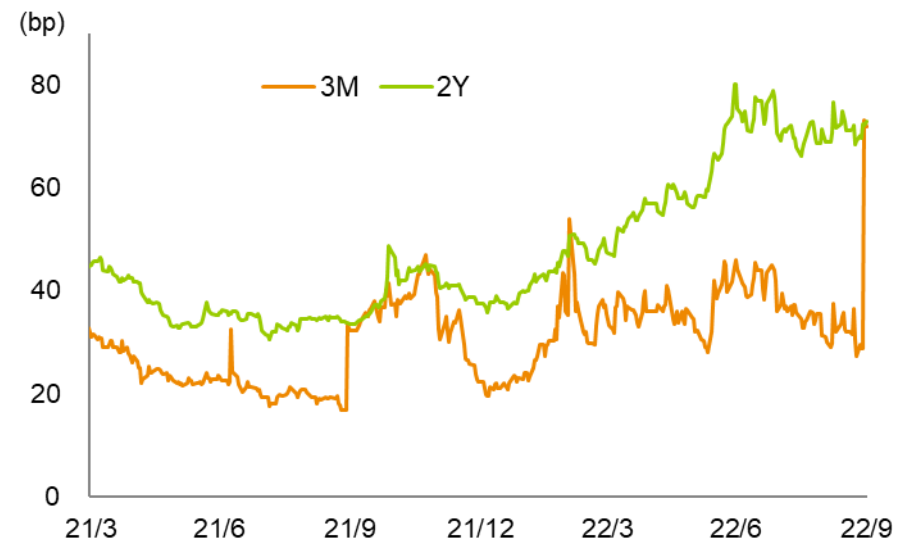
## Foreign currency B/S (as of Sep. 22) (USD bn)



## 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 inter-bank or foreign exchange market.

## Basis swap spread (\*) (USD/JPY)

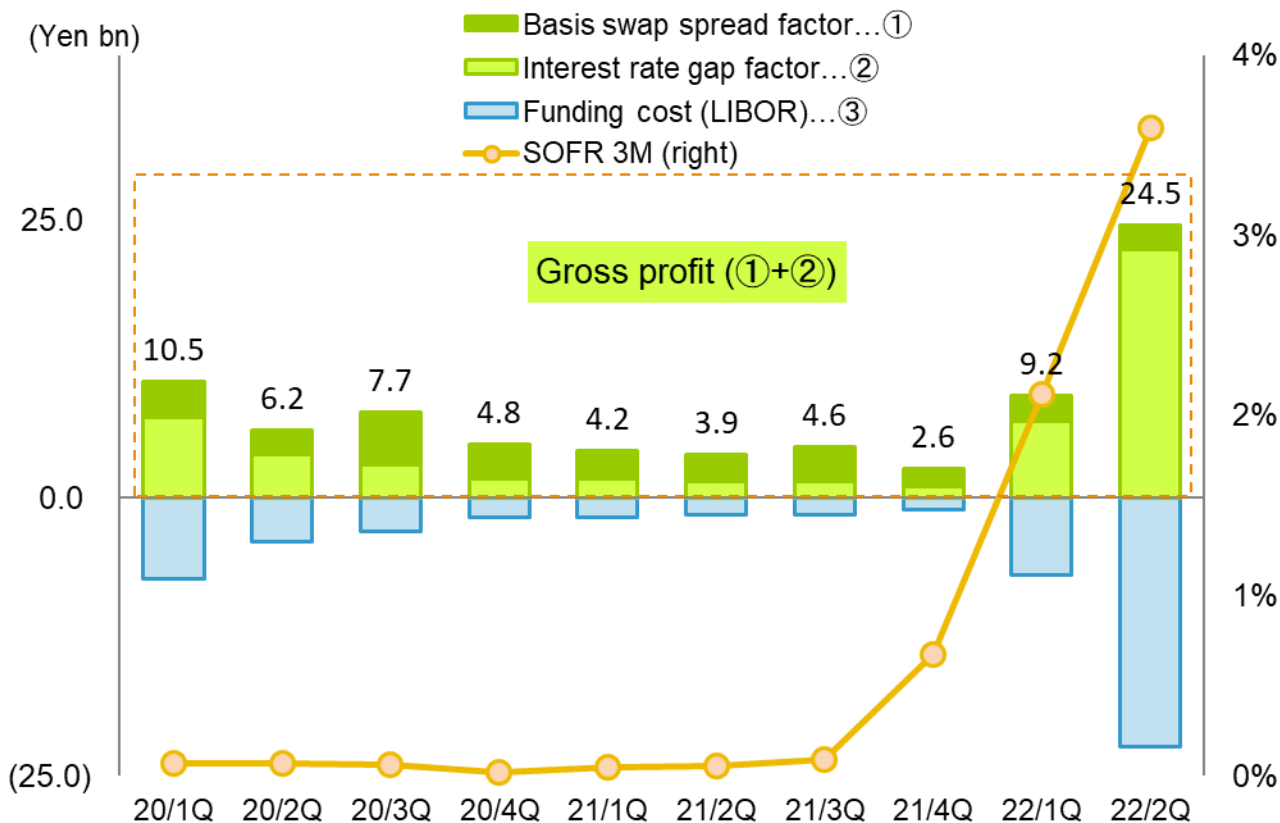


(\*) Basis swap spread with SOFR and TONA as the indexes



# Profit structure of market deployment of surplus foreign currency

- Profit from FX forward transactions(investment) consists of basis swap spread and interest rate gap factor. Interest rate gap is offset by USD funding costs
- Gross funding costs and investment profits increased due to rising US short-term interest rate. Net profit remained unchanged YoY



## [Investment] FX forward transactions

Net other operating profit	<b>&lt;Basis swap spread factor&gt;</b> Stable demand observed even even though it depends on market fluctuations
	<b>&lt;Interest gap factor&gt;</b> Gap between USD and JPY interest rates is nearly the same level as USD LIBOR around zero interest environment of JPY

## [Funding] Mainly NCD/USCP

Net interest income and related profit	<b>&lt;Funding cost&gt;</b> Funding cost of NCD/USCP is USD LIBOR level
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Offsets each other

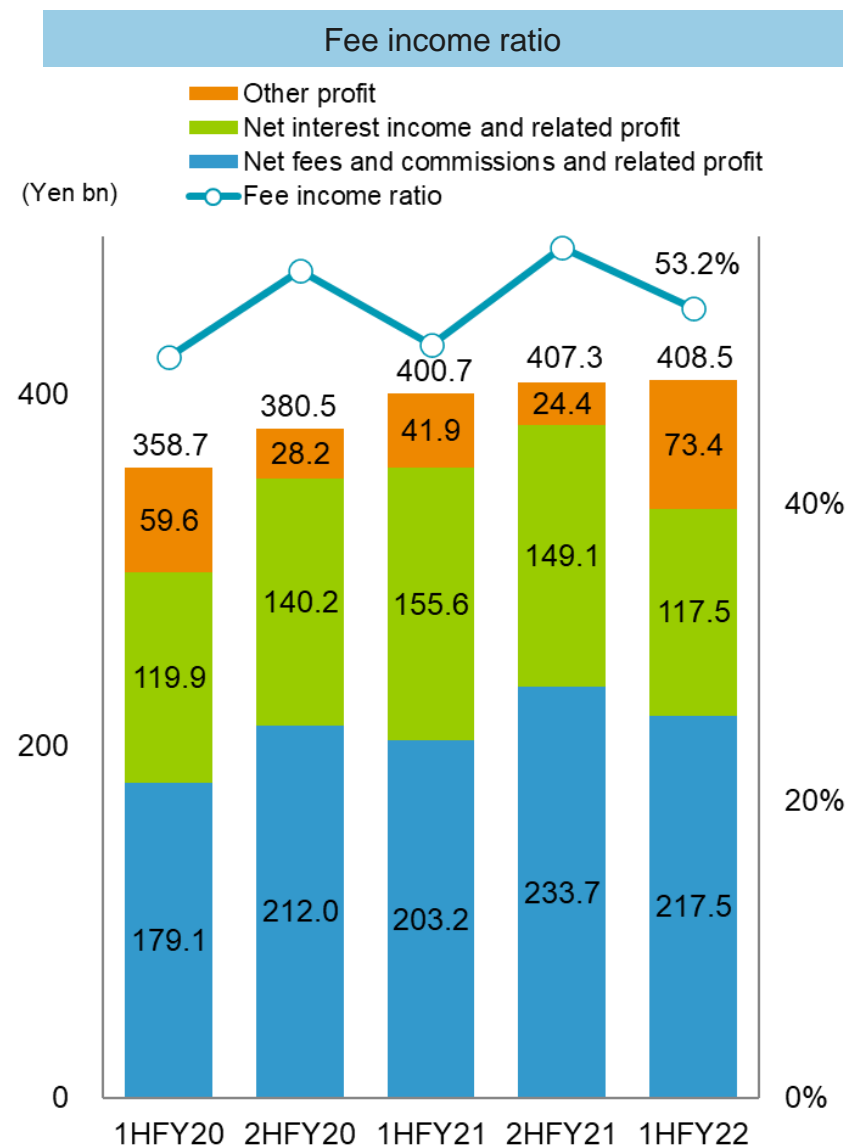
(\*) The above contents are simplified to promote understanding the structure of the operations, although actual profitability of market placement of surplus foreign currency changes depending on market environment. Figures show gross profits as sum of basis swap spread factor and interest gap factor. The components of Gross profit as of 22/1Q were amended.

# Net fees and commissions and related profit

		SuMi TRUST Bank		SuMi TRUST Group (*1)	
		1HFY22	Change from 1HFY21	1HFY22	Change from 1HFY21
(Yen bn)					
1	Net fees and commissions and related profit	90.8	10.1	217.5	14.3
2	Investment trust and insurance sales	20.6	0.0	20.6	0.0
3	Card	-	-	19.7	2.0
4	Asset management / administration	33.3	0.5	99.8	(4.0)
5	Profit	52.6	0.4	109.6	(4.0)
6	Fees paid out for outsourcing	(19.3)	0.1	(9.8)	0.0
7	Stock transfer agency services	12.7	0.0	22.1	0.7
8	Profit	19.0	0.7	22.1	0.7
9	Fees paid out for outsourcing	(6.2)	(0.6)	-	-
10	Real estate	18.2	5.5	30.1	6.4
11	Others (Loan arrangement fees, etc.)	5.8	3.9	24.9	9.0
12	Fee income ratio (*2)	35.6%	3.9%	53.2%	2.5%

(\*1) Figures are after eliminations of intra-group transactions

(\*2) Net fees and commissions and related profit / Gross business profit



# Expenses

## [SuMi TRUST Group]

(Yen bn)

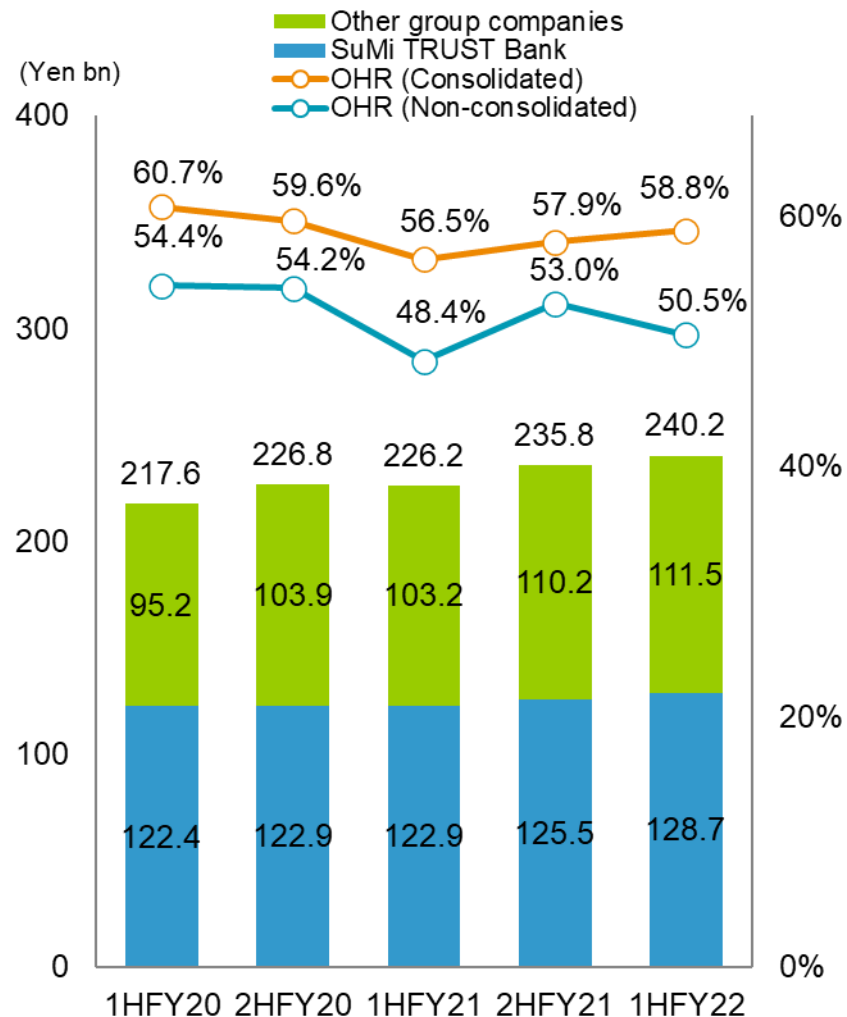
	1HFY21	1HFY22	Change
1 Personnel expenses	(104.4)	(109.9)	(5.4)
2 Non-personnel expenses excluding taxes	(114.0)	(123.0)	(8.9)
3 Taxes other than income taxes	(7.8)	(7.3)	0.4
4 Substantial G&A expenses	(226.2)	(240.2)	(13.9)
5 Overhead ratio	56.5%	58.8%	2.3%

## [SuMi TRUST Bank]

(Yen bn)

	1HFY21	1HFY22	Change
6 Personnel expenses	(55.4)	(58.6)	(3.1)
7 Salaries etc.	(51.9)	(54.5)	(2.5)
8 Retirement benefit expenses	5.4	5.3	(0.1)
9 Others	(8.9)	(9.3)	(0.4)
10 Non-personnel expenses excluding taxes	(62.7)	(65.6)	(2.9)
11 IT system related costs	(22.2)	(23.5)	(1.3)
12 Others	(40.5)	(42.1)	(1.6)
13 Taxes other than income taxes	(4.8)	(4.5)	0.3
14 G&A expenses	(122.9)	(128.7)	(5.7)
15 Overhead ratio	48.4%	50.5%	2.1%

## Breakdown of G&A expenses



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

[Total credit costs]

(Yen bn)		1HFY21	1HFY22	Major factors (1HFY22)
1	SuMi TRUST Bank	6.0	(8.9)	
2	General allowance for loan losses	6.2	4.3	Downgraded: Approx. ¥(15.0)bn Upgraded: Approx. +¥1.0bn Changes in loan balance, etc. (including profit of collection): Approx. +¥5.0bn Negligible release of special loan loss provision
3	Specific allowance for loan losses	1.5	(12.6)	
4	Recoveries of written-off claims	0.6	0.4	
5	Losses on sales of claims, written-off	(2.3)	(1.0)	
6	Other group companies, etc.	(0.9)	0.0	SuMi TRUST Panasonic Finance ¥0.0bn Negligible release of special loan loss provision
7	Total	5.1	(8.8)	

As of September 2022, special loan loss provision of approx. ¥20.3bn

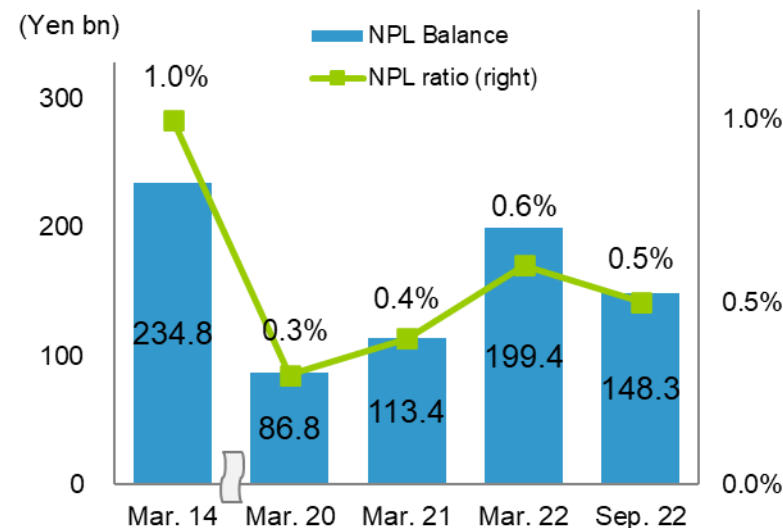
[Non-performing loans (NPLs) based on Banking Act and Reconstruction Act]

(Yen bn)		Sep. 22	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 22
8	Total	148.3	70.7%	53.8%	(51.1)
9	NPL ratio	0.5%	---	---	(0.1%)
10	Bankrupt and Practically Bankrupt	19.1	100.0%	100.0%	2.4
11	Doubtful	97.5	67.2%	57.6%	(20.3)
12	Substandard	31.7	63.7%	22.1%	(33.2)
13	Loans past due 3 months or more	2.7	---	---	2.7
14	Restructured loans	29.1	---	---	(35.9)
15	Assets to borrowers requiring caution(excluding Substandard)	319.3	---	---	9.3
16	Assets to normal borrowers	32,316.6	---	---	1,384.8
17	Grand total	32,784.2	---	---	1,343.0

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

(\*2) Allowance for loan losses / (Loan balance - Collateral value after considering haircuts)

## Total Balance and ratio of NPL



# Securities portfolio

## [Securities with fair value]

	(Yen bn)	Costs		Unrealized gains/losses	
		Sep. 22	Change from Mar. 22	Sep. 22	Change from Mar. 22
1 Available-for-sale securities		6,190.0	(657.5)	313.5	(88.1)
2 Japanese stocks		537.8	(11.0)	579.9	(80.4)
3 Japanese bonds		2,353.8	(1,131.1)	(17.1)	(3.7)
4 Others		3,298.3	484.6	(249.2)	(3.9)
5 Held-to-maturity debt securities		252.0	14.1	9.8	(3.2)

## [Securities with fair value (SuMi TRUST Bank)]

6 Available-for-sale securities		6,033.5	(658.8)	328.6	(87.8)
7 Japanese stocks		513.3	(9.0)	602.1	(82.2)
8 Japanese bonds		2,353.8	(1,131.1)	(17.1)	(3.7)
9 o/w Government bonds		1,593.7	(1,142.9)	(18.5)	(3.9)
10 Others		3,166.3	481.3	(256.3)	(1.8)
11 Domestic investment		102.2	13.6	2.4	0.2
12 International investment		1,974.2	419.2	(84.8)	(66.0)
13 o/w US Treasury(*1)		706.4	184.2	(59.0)	(43.4)
14 Others (Investment trust, etc.)		1,089.7	48.4	(173.8)	63.8
15 o/w for hedging of strategic shareholdings (*2)		793.1	(46.8)	(187.7)	53.9

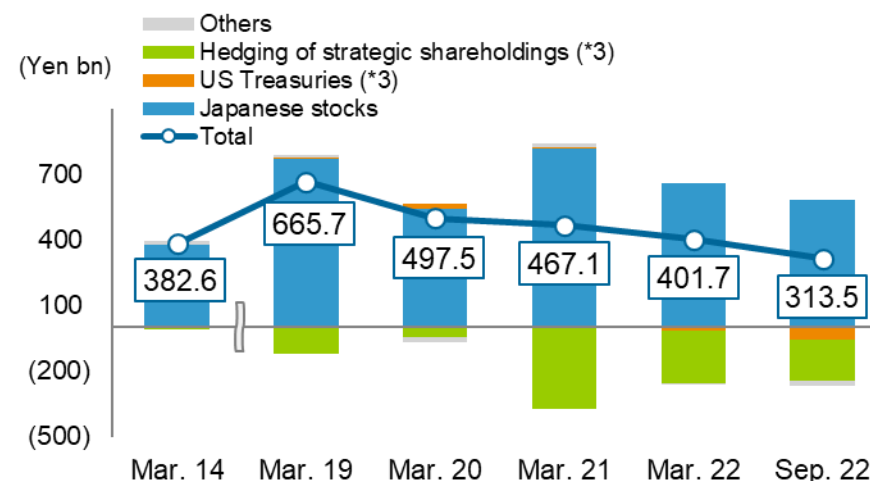
(\*1) Unrealized losses of US Treasury after adjusting PL from hedged derivatives transactions is ¥(24.5)bn

(\*2) Of which hedging effect under capital regulation is recognized: Costs ¥674.7bn,  
Unrealized gains/losses ¥(150.3)bn

## [Held-to-maturity debt securities with fair value (SuMi TRUST Bank)]

16 Held-to-maturity debt securities		252.0	14.1	9.8	(3.2)
17 o/w Government bonds		117.4	(0.1)	11.6	(1.4)
18 International investment		77.3	17.3	(2.2)	(1.7)

## Unrealized gains/losses of AFS securities with fair value



(\*3) SuMi TRUST Bank

## Securities portfolio of Global markets(\*4)

	(Yen bn)	10BPV (*5)		Duration (years) (*5)	
		Sep. 22	Change from Mar. 22	Sep. 22	Change from Mar. 22
19 JPY		6.3	(0.8)	3.2	0.9
20 Others (*6)		2.7	1.0	3.4	0.5

(\*4) Managerial reporting basis; "HTM debt securities" and "AFS securities" are combined

(\*5) In the calculation of 10BPV and duration, investment balance hedged by derivatives transactions, etc. were excluded

(\*6) total of securities denominated in USD, EUR and GBP

# Capital

- Common Equity Tier 1 ratio:11.11%. Down 1.20 ppt from Mar. 2022 due to increase in RWA, mainly due to increase in foreign currency-denominated loan as a result of JPY depreciation, etc. Pro-forma CET1 capital ratio on finalized Basel III:9.3% also down 0.6 ppt
- Both leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

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

	(Yen bn)	Mar. 22	Sep. 22	Change
1 Total capital ratio		15.61%	13.86%	(1.75%)
2 Tier 1 capital ratio		13.71%	12.38%	(1.33%)
3 Common Equity Tier 1 capital ratio		12.31%	11.11%	(1.20%)
4 Total capital		3,144.4	3,091.4	(52.9)
5 Tier 1 capital		2,761.5	2,760.2	(1.2)
6 Common Equity Tier 1 capital		2,480.1	2,478.7	(1.4)
7 Instruments and reserves		2,682.8	2,686.1	3.2
8 Accumulated other comprehensive income (*1)		198.0	163.9	(34.0)
9 Regulatory adjustments		(202.6)	(207.3)	(4.7)
10 Additional Tier 1 capital		281.3	281.5	0.1
11 Tier 2 capital		382.9	331.2	(51.7)
12 Total risk-weighted assets		20,135.3	22,293.0	2,157.6
13 Credit risk		17,921.0	20,029.0	2,108.0
14 Market risk		1,268.5	1,306.2	37.6
15 Operational risk		945.7	957.7	12.0

(\*1) Valuation differences on Available-for-Sale Securities (Sep. 2022): ¥215.1bn  
(Change from Mar. 2022: ¥(62.4)bn)

(\*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 2QFY2022. "Change from Mar. 22" represents the comparison to figure for 4QFY2021 calculated in the same manner

## <Major factors of change in capital adequacy ratios>

### [Capital]

(1) Common Equity Tier 1 capital: ¥(1.4)bn

- Net income: +¥104.0bn
- Valuation differences on AFS (considering valuation differences on hedging items): ¥(44.2)bn
- Dividend: ¥(36.7)bn • Repurchase of own shares: ¥(29.9)bn

### [Risk-weighted assets]

(2) Credit risk: +¥2,108.0bn

- Increase in foreign currency-denominated loan due to JPY depreciation :approx. +¥900bn
- Increase in investment in alternative asset :approx. +¥1,100bn

## <Other ratios required in prudential regulations (consolidated)>

	(Yen bn)	Sep. 22	Change from Mar. 22
16 Leverage ratio (*2)		5.13%	(0.19%)
17 Including current account with the Bank of Japan		3.93%	(0.19%)
18 Tier 1 capital		2,760.2	(1.2)
19 Total exposure (*2)		53,780.6	1,903.6
20 Including current account with the Bank of Japan		70,059.7	3,098.5
21 Liquidity coverage ratio (*3)		149.5%	(23.9%)
22 Total high-quality liquid assets		19,092.7	(110.6)
23 Net cash outflows		12,770.5	1,701.4

# (Reference) Forecast for FY2022

- Net business profit: ¥ 310.0bn decreased by (¥36.0bn) YoY due to absence of favorable market conditions in FY2021 and consideration of future uncertainty
- Net income: ¥190.0bn increased by ¥20.9bn YoY. Aim to achieve target of the Medium- Term Management Plan
- Dividend per common share : ¥200 increased by ¥30 YoY, equivalent to consolidated payout ratio of 38.7% in accordance with our shareholder return policy

(Yen bn)		FY21 Actual	1H Actual	FY22 Forecast	Change from FY21
1	Net business profit before credit costs	346.0	168.2	310.0	(36.0)
2	SuMi TRUST Bank	242.0	126.1	220.0	(22.0)
3	Substantial gross business profit	808.1	408.5	800.0	(8.1)
4	SuMi TRUST Bank	490.6	254.9	475.0	(15.6)
5	Other group companies	317.5	153.6	325.0	7.4
6	Substantial G&A Expenses	(462.0)	(240.2)	(490.0)	(27.9)
7	SuMi TRUST Bank	(248.5)	(128.7)	(255.0)	(6.4)
8	Other group companies	(213.5)	(111.5)	(235.0)	(21.4)
9	Total credit costs	(41.5)	(8.8)	(20.0)	21.5
10	Net gains on stocks	(38.3)	(2.5)	0.0	38.3
11	Other non-recurring profit	(36.4)	(11.7)	(25.0)	11.4
12	Ordinary profit	229.7	145.1	265.0	35.2
13	SuMi TRUST Bank	150.8	109.8	195.0	44.1
14	Net income	169.0	104.0	190.0	20.9
15	SuMi TRUST Bank	113.3	82.4	145.0	31.6
16	Dividend per common share (Yen)	170	100	200	+30
17	Consolidated dividend payout ratio	37.7%	---	38.7%	+1.0%

## (\*) Shareholder return policy

- ✓ As a means of returning shareholder's profits commensurate with earnings, aim to raise consolidated dividend payout ratio to around 40% in or around FY22.
- ✓ May repurchase its own shares flexibly by considering the balance with investment in profit growth opportunities for its mid-to long-term perspective, and the effect of the repurchase on the improvement of capital efficiency, given securing adequate capital level

## 【Assumptions】

### (1) Net business profit: ¥(36.0)bn YoY

- Substantial gross business profit is expected to decrease mainly due to absence of favorable market conditions. (excluding this factor, substantial profit increase)
- Substantial G&A Expenses is expected to increase in proportion with conjunction with substantial gross business profit increases and investment for DX, human capital and other items

### (2) Total credit costs: forecast ¥(20.0)bn

- Substantial balance of allowance for losses is ¥(41.0)bn including special loan loss provision ¥(21.0)bn as of Mar.22

### (3) Net gains on stocks: forecast ¥0.0bn

- Expected gains from divestment of strategic shareholdings is fully offset by recognition of unrealized losses on hedging transactions



# Fee business: Investment management consulting

- Total income posted ¥20.6bn due to increased sales fees of insurance while decreased sales fees of investment trust
- Total sales volume increased by ¥11.8bn YoY to ¥608.2bn due to increase of insurance, Fund wrap and SMA

## Income from marketing of investment products

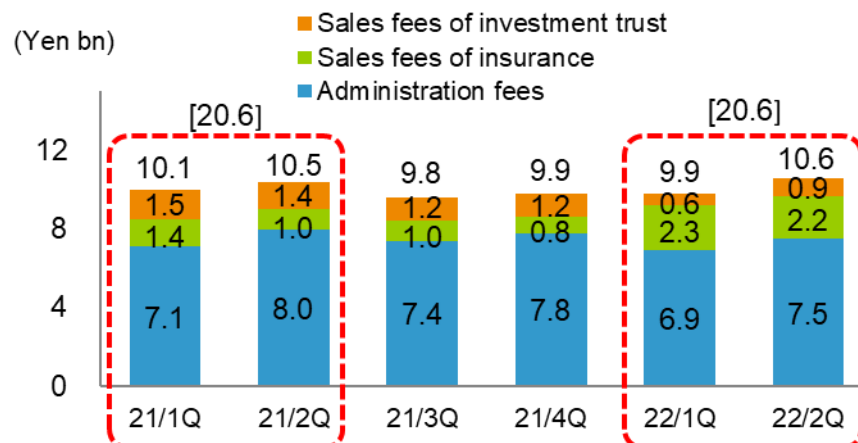
	(Yen bn)	1HFY21	1HFY22	Change	FY22 Initial Plan
1 Income total		20.6	20.6	0.0	40.0
2 Sales fees of investment trust		3.0	1.5	(1.4)	5.5
3 Sales fees of insurance		2.4	4.5	2.1	4.0
4 Administration fees		15.2	14.5	(0.6)	30.5

## Sales volume / balance

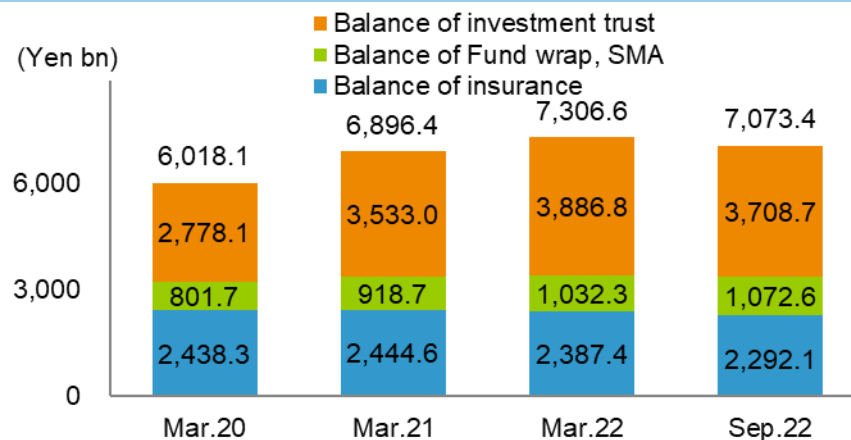
	(Yen bn)	1HFY21	1HFY22	Change	FY22 Initial Plan
5 Sales volume total		596.3	608.2	11.8	1,110.0
6 Investment trust		434.7	357.8	(76.8)	810.0
7 Fund wrap, SMA		83.4	117.3	33.9	150.0
8 Insurance		78.2	133.0	54.8	150.0

	(Yen bn)	Mar. 22	Sep. 22	Change	Mar. 23 Initial Plan
9 Balance total		7,306.6	7,073.4	(233.1)	7,410.0
10 Investment trust		3,886.8	3,708.7	(178.0)	4,040.0
11 Fund wrap, SMA		1,032.3	1,072.6	40.2	1,080.0
12 Insurance		2,387.4	2,292.1	(95.3)	2,290.0

## Income from marketing (quarterly)



## Balance





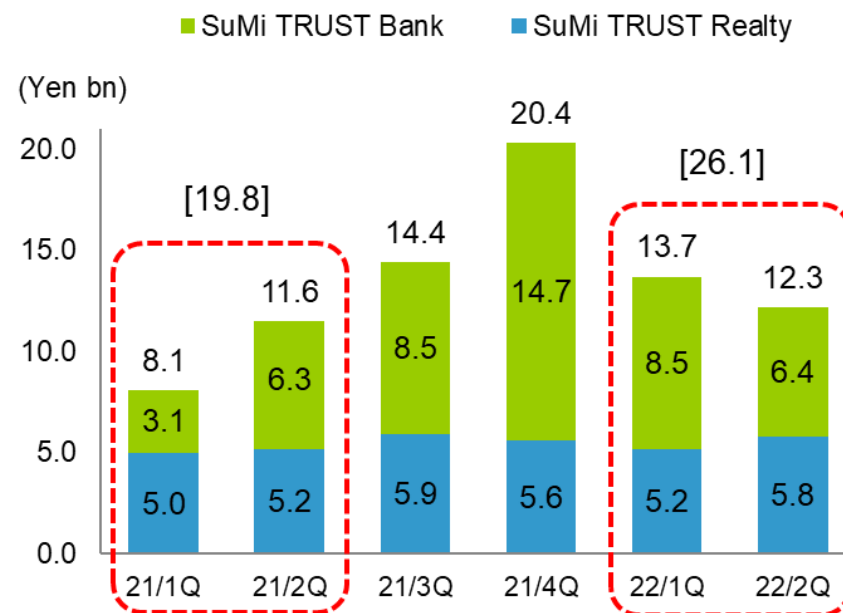
# Fee business: Real estate

- Corporate real estate brokerage (SuMi TRUST Bank): Increased by ¥5.4bn YoY to ¥15.0bn due to closing large transactions
- Retail real estate brokerage(SuMi TRUST Realty): Ensured high levels at the same level as 1HFY21 due to maintaining strong performance of business

## Income (group base)

	(Yen bn)	1HFY21	1HFY22	Change	FY22 Initial Plan
1 Real estate brokerage fees		19.8	26.1	6.2	53.0
2    SuMi TRUST Bank		9.5	15.0	5.4	33.0
3    SuMi TRUST Realty		10.2	11.0	0.8	20.0
4 Real estate trust fees, etc.		3.0	3.1	0.1	6.0
5 Net other real estate profit		0.7	0.8	0.1	1.5
6    SuMi TRUST Bank		-	(0.0)	(0.0)	-
7    Group companies		0.7	0.8	0.1	1.5
8 Total		23.6	30.1	6.4	60.5
9    o/w SuMi TRUST Bank		12.6	18.2	5.5	39.0

## Real estate brokerage fees (quarterly)



## Assets under management / administration

	(Yen bn)	Mar. 22	Sep. 22	Change
10 Securitized real estate		22,023.8	22,761.1	737.2
11 Assets under custody from J-REITs		17,508.0	16,743.0	(764.9)
12 Assets under management		624.5	613.7	(10.7)
13    Private placement funds		340.2	323.2	(17.0)
14    J-REITs		284.3	290.5	6.2

# Fee business: Asset management/administration

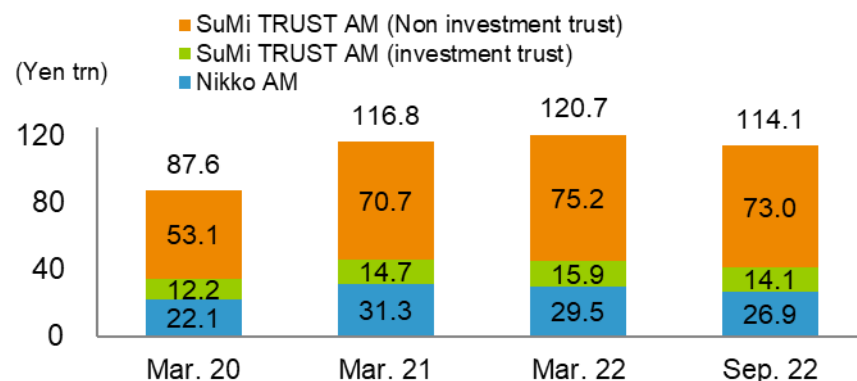
- AUM decreased by ¥(6.6)trn to approx. ¥114trn from March 2022 mainly due to decline of market value
- AUC decreased mainly due to decline of market value except for domestic non investment trust

## Assets under management (AUM)

	(Yen trn)	Mar. 22	Sep. 22	Change
1 Assets under management (*1)		120.7	114.1	(6.6)
2 SuMi TRUST AM		91.2	87.1	(4.1)
3 Investment trust		15.9	14.1	(1.8)
4 Non investment trust (*2)		75.2	73.0	(2.2)
5 Corporate pension trust		14.8	13.9	(0.8)
6 Public pension trust		12.9	12.5	(0.4)
7 Discretionary investment		47.5	46.5	(0.9)
8 Nikko AM		29.5	26.9	(2.5)

(\*1) Categorized by entity actually managing asset

(\*2) Partially include AUM managed by SuMi TRUST Bank



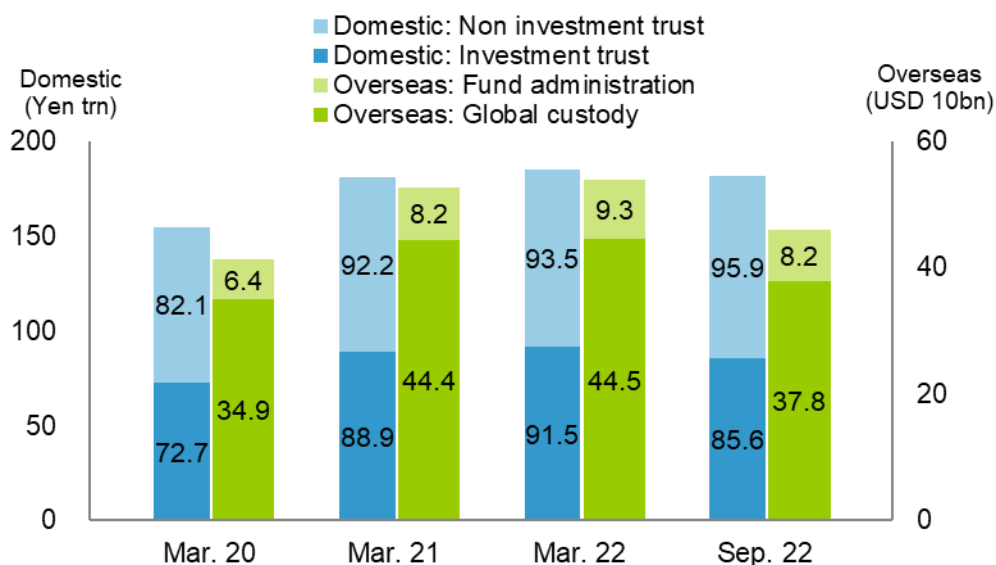
USD/JPY	108.69	110.65	122.38	144.81
TOPIX	1,403.04	1,954.00	1,946.40	1,835.94

## Assets under custody/administration (AUC)

	(Yen trn)	Mar. 22	Sep. 22	Change
[Domestic]				
9 Investment trust (*3)		91.5	85.6	(5.8)
10 Non investment trust (*3)		93.5	95.9	2.4
[Overseas] (USD 10bn)				
11 Global custody (*4)		44.5	37.8	(6.6)
12 Fund administration		9.3	8.2	(1.1)

(\*3) Entrusted balance of SuMi TRUST Bank

(\*4) Combined figures of SuMi TRUST Bank, SuMi TRUST Bank (U.S.A) and SuMi TRUST Bank (Lux.)



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

- Individual: Decreased new loan amount from Mar.2022. Outstanding also decreased slightly YoY
- Corporate: Continue to shift from corporate to product lending. Increased total outstanding mainly due to JPY depreciation

## Individual clients

		1HFY21	1HFY22	Change	FY22 Initial Plan
		(Yen bn)			
1	Annual amount of new loans to individuals	631.6	444.0	(187.5)	1,100.0
2	Mortgage loans	589.7	395.9	(193.7)	1,000.0

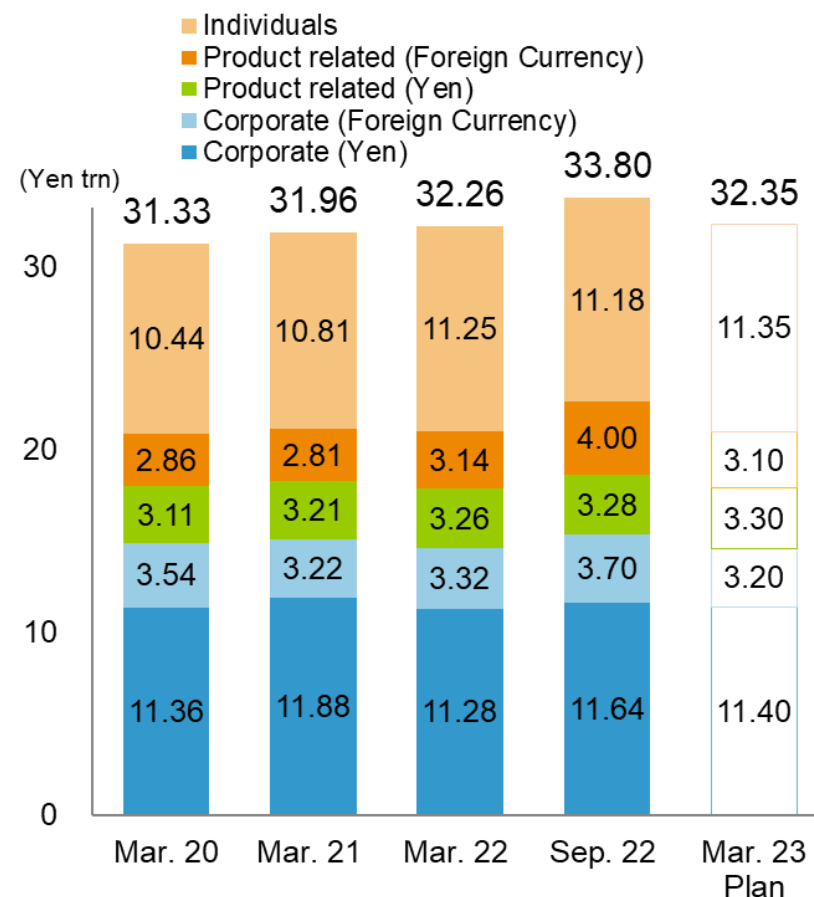
		Mar. 22	Sep. 22	Change	Mar. 23 Initial Plan
		(Yen bn)			
3	Outstanding of individual loans	11,251.6	11,183.9	(67.7)	11,350.0
4	Mortgage loans	10,543.7	10,564.4	20.6	10,650.0

## Corporate clients

		Mar. 22	Sep. 22	Change (*)	Mar. 23 Initial Plan
		(Yen bn)			
5	Corporate lending(Yen)	11,283.2	11,642.8	359.6	11,400.0
6	Corporate lending(Foreign Currency)	3,322.4	3,700.4	377.9	3,200.0
7	Product related (Yen)	3,260.9	3,280.1	19.2	3,300.0
8	Product related (Foreign Currency)	3,144.8	4,001.2	856.4	3,100.0
9	Total balance of credit for corporates	21,011.4	22,624.7	1,613.2	21,000.0
10	Product related	6,405.7	7,281.4	875.6	6,400.0

(\*) Impact of foreign exchange: Corporate (Foreign Currency) approx. ¥506.6bn,  
Product related (Foreign Currency) approx. ¥511.3bn

## Credit portfolio balance



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