

# Corporate Information

## Financial Review

Terms with an asterisk are explained in "Glossary" on page 238.

In the consolidated financial results for FY2021, net business profit surged by ¥51.3 billion year on year to a record high since the management integration. The rise was mainly due to an increase in net fees and commissions and related profit from both the client related business and the asset management business, which was spurred by strong market conditions, coupled with an increase in effective net interest income and related profit in SuMi TRUST Bank.

Despite the increase in credit costs due to deteriorating business conditions of some clients and revaluation of special loan loss provision, the net non-recurring profit line and below increased by ¥26.8 billion year on year to ¥169.0 billion after taking steps to reduce the risk that hedging transactions pose to annual profit and loss. In the second year of the three-year Medium-Term Management Plan launched in FY2020, the plan progressed as envisaged.

### ■ Overview of the Financial Results in FY2021

#### <Consolidated> SuMi TRUST Holdings (Consolidated)

Billions of Yen (Unless specified otherwise)

	FY2020 (A)	FY2021 (B)	Change (B)–(A)	Rate of change
Net Business Profit*	294.7	346.0	51.3	17.4%
Ordinary Profit	183.1	229.7	46.5	25.4%
Net Income Attributable to Owners of the Parent	142.1	169.0	26.8	18.9%
Total Credit Costs*	(7.8)	(41.5)	(33.7)	432.5%
Return on shareholders' equity*	5.41%	6.25%	0.84%	—
Net Income per Common Shares (EPS) (Yen)	379	451	71	18.9%
Net Assets per Common Shares (BPS) (Yen)	7,192.07	7,249.71	57	0.8%

\* [Net Income Attributable to Owners of the Parent / (FY-start total shareholders' equity (equity) + FY-end total shareholders' equity (equity)) / 2] × 100

#### <Non-consolidated> SuMi TRUST Bank (Non-consolidated)

Billions of Yen (Unless specified otherwise)

	FY2020 (A)	FY2021 (B)	Change (B)–(A)	Rate of change
Net Business Profit*	206.5	242.0	35.5	17.2%
Net Interest Income and Related Profit*	229.9	275.2	45.3	19.7%
Net Fees and Commissions and Related Profit*	163.9	180.8	16.8	10.3%
Net Trading Profit	(33.2)	13.4	46.6	—
Net Other Operating Profit	91.3	21.1	(70.1)	(76.9)%
General and Administrative Expenses	(245.4)	(248.5)	(3.1)	1.3%
Total Credit Costs*	(6.3)	(42.4)	(36.1)	572.8%
Net Non-recurring Profit, etc.	(86.2)	(48.8)	37.3	(43.3)%
Ordinary Profit	114.0	150.8	36.8	32.3%
Extraordinary Profit	15.6	(1.6)	(17.3)	—
Net Income	95.9	113.3	17.4	18.1%

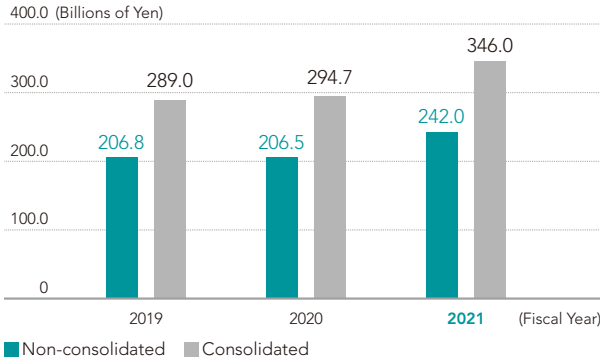
(Note) Amounts less than ¥100 million are rounded down.

#### <Dividends>

	FY2020 (A)	FY2021 (B)	Change (B)–(A)
Dividend per Share on Common Share (Yen)	150.00	170.00	+20.00

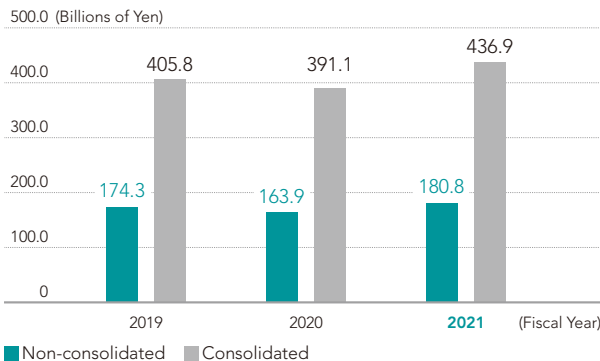
## Status of Profit and Loss

### Net Business Profit\*



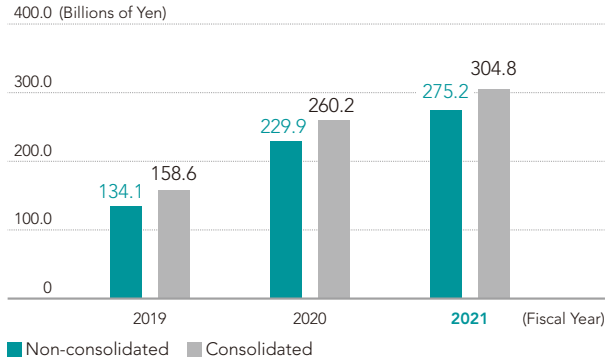
Fee-related businesses unique to the trust bank group grew. In addition, effective interest related earnings increased, with market conditions pushing up the profit, bringing the consolidated net business profit to ¥346.0 billion, which is an increase of ¥51.3 billion from the previous fiscal year and the highest profit since the management integration.

### Net Fees and Commissions and Related Profit\*



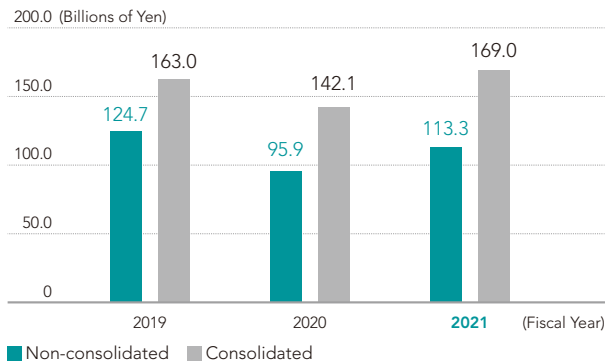
Amid the easing of pandemic related restrictions on business activities, the client related business, such as real estate brokerage services and investment management consulting services, performed well, as did the asset management business spurred by strong market conditions. As a result, net fees and commissions and related profit increased by ¥45.7 billion from the previous fiscal year to ¥436.9 billion.

### Net Interest Income and Related Profit\*



Net interest income and related profit increased by ¥44.5 billion compared to the previous fiscal year. Effective interest related earnings increased by ¥30.7 billion, including profit attributable to deployment of foreign currency surplus funds, which is included in net other operating profit. The contribution factors include the effect of favorable market conditions amounting to ¥25.0 billion (investment partnerships + approx. ¥13.0 billion), as well as the improvement of loan-deposit income in domestic and international business.

### Net Income Attributable to Owners of the Parent



Although credit costs increased due to deteriorating business conditions of some clients and revaluation of special loan loss provision, net income attributable to owners of the parent increased by ¥26.8 billion from the previous fiscal year to ¥169.0 billion, mainly due to the increase in net business profit. For the net non-recurring profit line and below, we recorded realized losses on bear funds that exceeded gains on sales due to steady progress in reducing strategic shareholdings, as steps to reduce the risk that bear funds pose to annual profit and loss associated with the expansion of unrealized losses.

#### Glossary

##### Net Business Profit

Substantial profit of a bank's core businesses, calculated by eliminating the effects of non-recurring factors, such as total credit costs and net gains on stock from ordinary profit.

##### Total Credit Costs

Costs incurred in posting allowances for losses on loans and writing off loans.

##### Net Interest Income and Related Profit

Net revenues after subtracting interest paid on deposits, etc., from revenues on loans and securities investment.

##### Net Fees and Commissions and Related Profit

Net profit of the sales fees of investment trusts, real estate brokerage fees, and trust fees for assets under management, etc.