

Trust for a flourishing future



**SuMi TRUST**  
SUMITOMO MITSUI TRUST GROUP

100<sup>th</sup>  
Anniversary

# Investor Meeting on Financial Results for FY2023

May 17, 2024

# Key Messages

## Financial results for FY2023, Forecast for FY2024

- ✓ Financial results for FY2023 : Net business profit before credit costs was ¥338.6bn exceeding revised forecast (+¥10bn at the beginning of the period)
- ✓ Forecast for FY2024 : Forecast net income of ¥240.0bn. Aiming to achieve FY25 target one year earlier  
Forecast dividend increase of ¥35 including commemorative dividend

## Initiatives to enhance corporate value ① ~Earnings growth~

- ✓ Asset management and Asset administration : Expand AUF in "profitable" areas for investors, also utilizing growth investments
- ✓ Efficient B/S utilization : Creating a virtuous circulation of funds by utilizing B/S, linking both business operators and investors

## Initiatives to enhance corporate value ② ~Cost control and Capital policy~

- ✓ Cost control : Utilization of human capital and IT expenditures, and efforts to improve operational efficiency and profitability
- ✓ Capital policy : Capital utilization and RWA control for future growth

# Agenda

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- 1 Financial results for FY2023 and forecast for FY2024** ..... P. 4~
  
- 2 Initiatives to enhance corporate value** ..... P. 11~
  - Earnings growth**
  - Cost control**
  - Capital policy**
  
- Appendix** ..... P. 36~

# ① Financial results for FY2023 and forecast for FY2024

# Financial results for FY2023 / Forecast for FY2024

- Net business profit before credit costs: Achieved ¥338.6bn, exceeding revised fiscal year forecast. Strong performance in net fees and commissions and favorable stock market condition and weaker yen also made a positive contribution
- Net income: Decreased mainly due to reduction of bear funds with low B/E. Maintain dividend forecast as no impact on capital
- FY24 forecast of Net income: ¥240.0bn. Aiming to achieve FY25 target one year earlier.
- Dividend per share: ¥145 (increased by ¥35 YoY including commemorative dividend)

## <Major KPIs>

	(Yen bn)	FY22		FY23		FY24		
		Actual	Forecast	Actual	Change	change from Forecast	Plan	change from FY23
1	Net business profit before credit costs	324.6	330.0	338.6	+ 14.0	+ 8.6	340.0	+ 1.3
2	Substantial gross business profit	814.1	860.0	874.1	+ 59.9	+ 14.1	910.0	+ 35.8
3	Substantial G&A Expenses	(489.5)	(530.0)	(535.4)	(45.9)	(5.4)	(570.0)	(34.5)
4	Total credit costs	(10.4)	(20.0)	(11.8)	(1.4)	+ 8.2	(20.0)	(8.1)
5	Net gains on stocks	3.0	(160.0)	(188.5)	(191.5)	(28.5)	50.0	+ 238.5
6	Other net non-recurring profit, Extraordinary profit	(45.8)	(35.0)	(40.3)	+ 5.5	(5.3)	(40.0)	+ 0.3
7	Net income	191.0	85.0	79.1	(111.8)	(5.9)	240.0	+ 160.8
8	Fee income ratio	55.1%		54.7%	(0.4%)			
9	Overhead ratio	60.1%	61.6%	61.3%	+ 1.2%	(0.2%)	62.6%	+ 1.3%
10	Return on equity	6.93%		2.68%	(4.25%)	(*1)		
11	Common Equity Tier 1 capital ratio	10.79%		11.35%	+ 0.56%	(*2)		



100<sup>th</sup>  
Anniversary

Commemorative dividend  
¥10 per share

## <Per share information>

	(Yen)	FY22		FY23		FY24	
		Actual	Actual	Change	Plan	change from FY23	
12	Earnings per share (EPS)	258	109	(149)	330	+221	
13	Dividend per share (DPS)	105	110	+5	145	+35	
	(Yen)	Mar. 23	Mar. 24	Change			
14	Net assets per share (BPS)	3,843	4,316	+473			

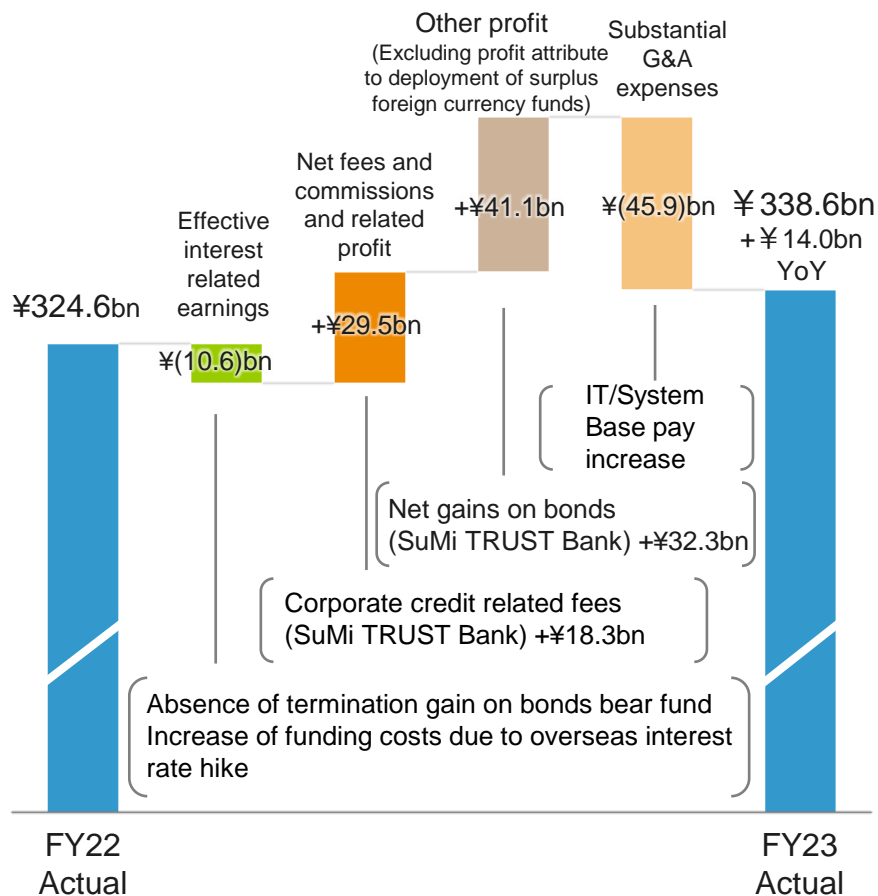
(\*1) Excluding impact of gains/losses from sales of strategic shareholdings and bear funds(#5 net gains on stocks), estimated that net income will be roughly in line with our original forecast(¥200.0bn)

(\*2) CET1 capital ratio on finalized Basel III (fully phased basis) as of Mar. 2024 is 10.2%

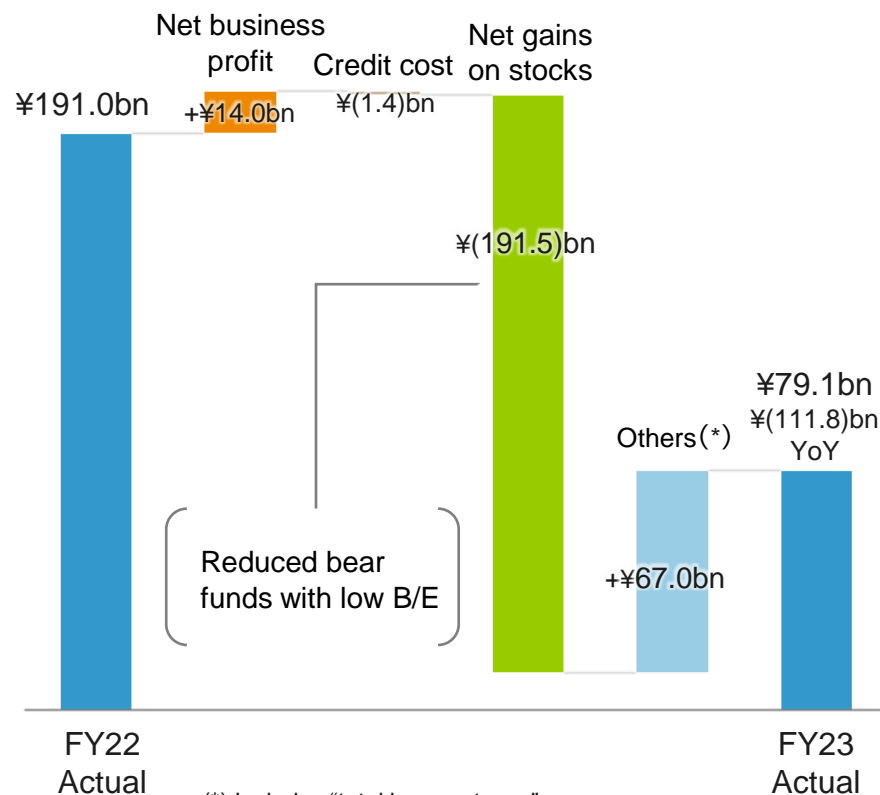
# YoY Changes (Net business profit before credit costs and Net income)

- Net business profit before credit costs: Increased ¥14.0bn YoY. Strong performance in corporate credit related fees and steady asset management and asset administration fees by favorable stock market condition and weaker yen exceeded increase of substantial G&A expenses
- Net income: Decreased by ¥(111.8)bn YoY, mainly due to decrease in net gains on stocks

## Net business profit before credit costs



## Net income

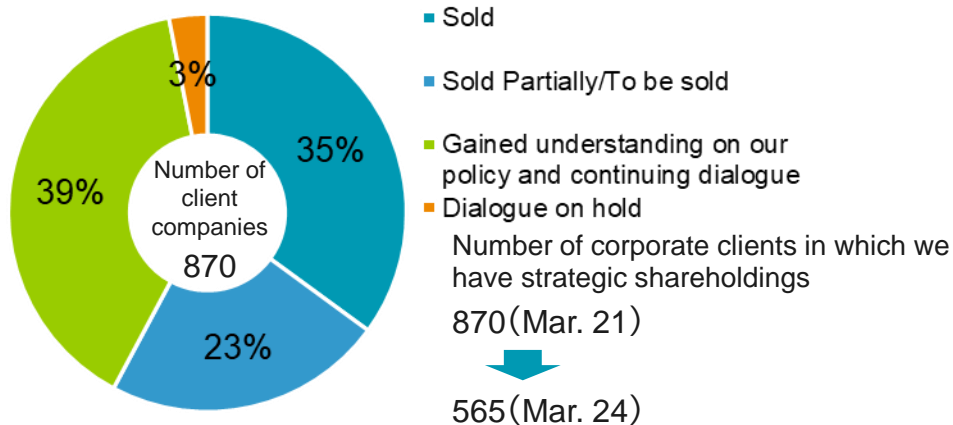


(\*) Includes "total income taxes".

# Reduction of strategic shareholdings

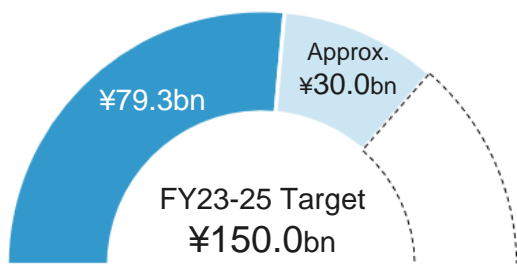
- 3 years reduction target: Cumulative total of ¥150.0bn(cost basis). Reduced ¥79.3bn(52% progress) in FY23
- Continue careful dialogue with clients based on long-term relationship of trust. The number of client companies with strategic shareholdings decreased by 35% since March 2021

## Dialogue with clients



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

- To be sold (\*1)
- Sold

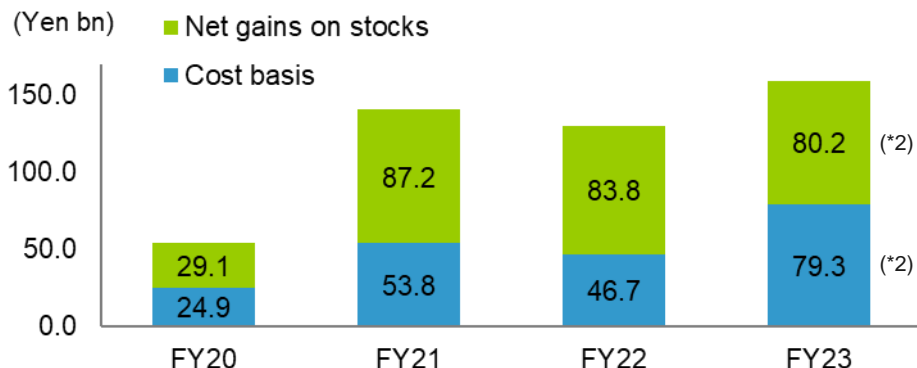


(\*1) Amount to be sold in FY24

More than 70% progress against 3 years target, including amount to be sold

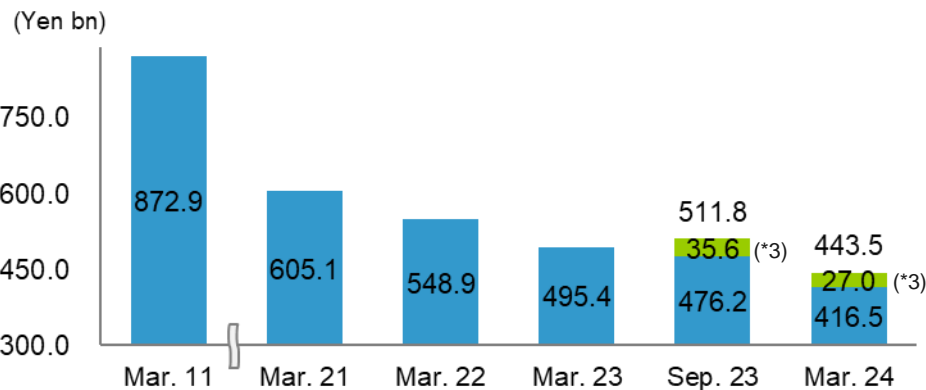
Continue persistent dialogue to achieve the target as soon as possible

## Reduction (consolidated basis)



(\*2) Excluding sold and repurchased shares in FY23/2Q (Net gains on stocks : Approx. ¥28bn)

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



(\*3) Sold and repurchased shares in FY23/2Q

# (Reference) Hedge policy of strategic shareholdings

- Accounted for losses on bear funds on FY2023. Reduced risk to future periodic profit and loss
- Posted ¥(67.0)bn of losses on bear funds on March 2024. Limited risk of impairment of bear funds at levels below TOPIX of 3,500pt

## Risk management based on business model characteristics and risk characteristics

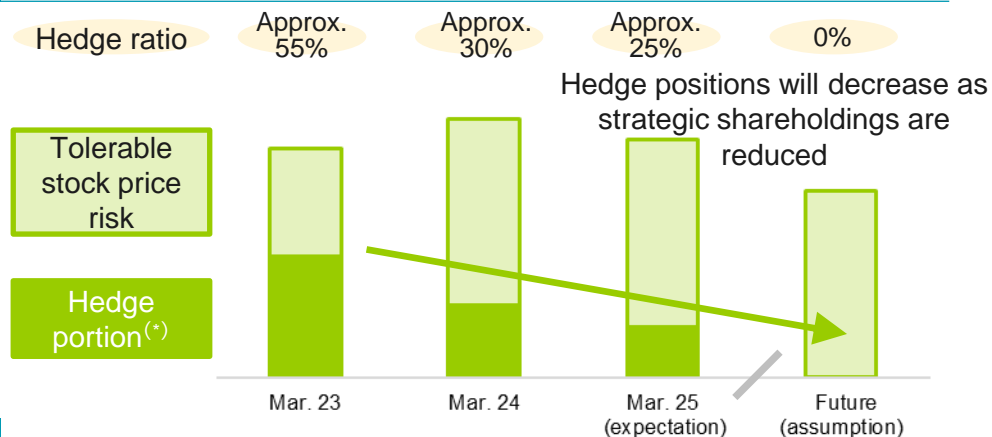
Risk Scenario	Initiatives
Price declines of strategic shareholdings ↓ Decrease in capital (Increase in capital when stock price rise)	<p><b>1</b> Reduction of strategic shareholdings</p> <ul style="list-style-type: none"> <li>Announce that the Group shall not hold any strategic shareholdings as a conventional stable shareholder on May 21</li> <li>Reduce ¥180.0bn(cost basis) in 3 years</li> <li>Accelerate reduction driven by favorable environment</li> </ul> <p><b>2</b> Hedge partial of price fluctuation risk</p> <ul style="list-style-type: none"> <li>Hedged by bear funds</li> <li>Adjust hedge ratio regarding changes in the environment</li> <li>Sophisticate hedging instruments (Introduction of TRS etc.)</li> </ul>

## Impact of Bear funds Operations in FY2023

Realized gains/losses	Unrealized gains	Hedge ratio
Realized losses of bear funds ¥(298.1)bn	Mar. 23 ¥(191.6)bn	Mar. 23 Approx. 55%
Realized gains of strategic shareholdings +¥108.5bn	Mar. 24 ¥(67.0)bn	Mar. 24 Approx. 30%

- Drastically reduced bear funds with low B/E  
→ Limited risk of impairment of bear funds at levels below TOPIX of 3,500pt
- Significant increase in unrealized gains. Increased certainty of achieving future profit targets
- Lower hedge ratio in light of structural changes in the macro environment

## Hedge policy of strategic shareholdings



## Impact on forecasts for FY2024





# KPIs for FY2024

## Profitability and Growth

**Net business profit**

**¥340bn**

(FY25 target ¥355bn)

**Net income**

**¥240bn**

(FY25 target ¥240bn)

## Business model Profitability and Efficiency

**AUF<sup>(\*1)</sup>**

**¥600trn**

(FY25 target ¥600trn)

**ROE**

**Approx. 8%**

(FY25 target approx. 8%)

## Shareholder Returns Capital adequacy

**Dividend payout ratio<sup>(\*2)</sup>**

**Approx. 43.5%**

(Dividend policy : 40% or above)

**CET1 ratio<sup>(\*3)</sup>**

**around 10%**

(FY25 target 9.5%- around 10%)

**Earnings growth based on AUF expansion**  
**Aim to achieve FY25 profit and ROE targets<sup>(\*4)</sup> one year earlier**

(\*1) Assets Under Fiduciary

(\*2) Including commemorative dividend impact +3%. More than 40% of ordinary dividend alone

(\*3) Finalized Basel III (fully phased basis)

(\*4) Market environment assumption in FY24: Nikkei225 ¥39,000 or above, USD/JPY ¥140

# Forecasts for FY2024 and Potential upside images in the future

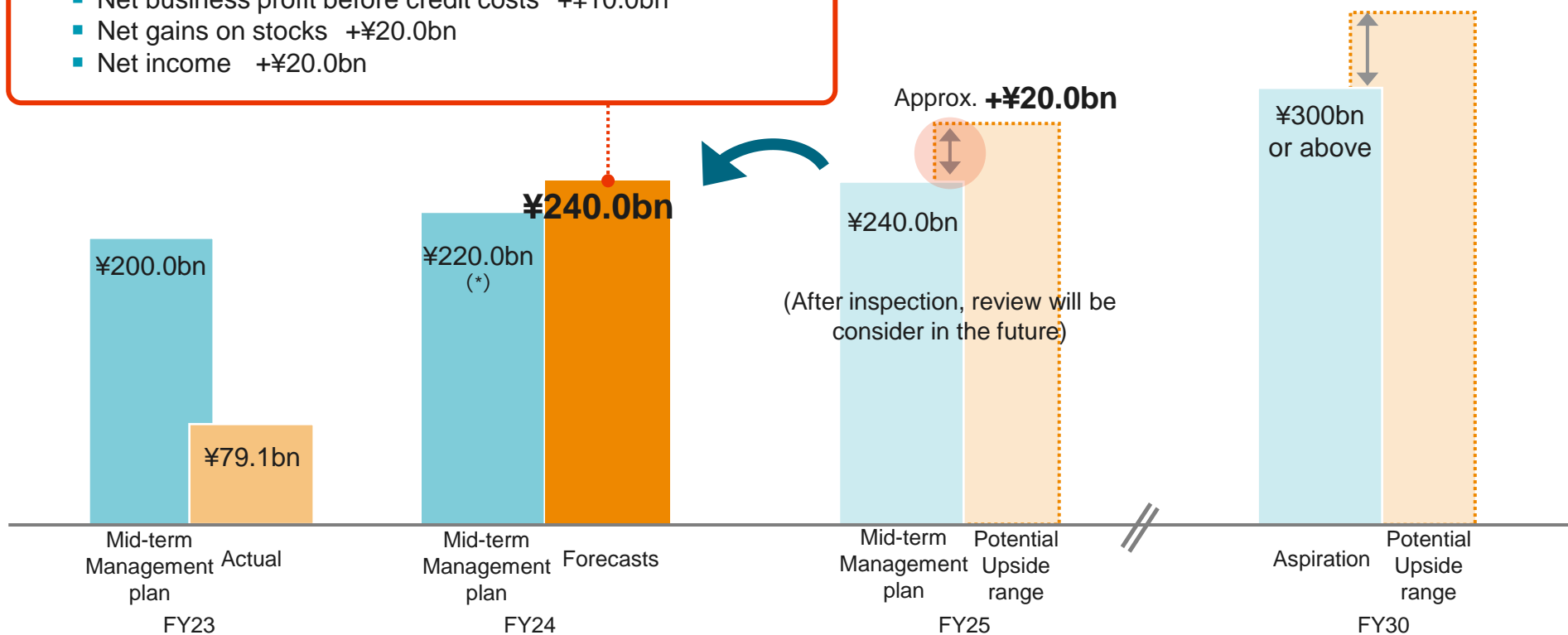
## Actual results and Forecasts of Net Income

Steady progress in business strategy. Challenge to achieve ROE of 10% as early as possible, given a new tailwind for increase in investment

### Aiming to achieve FY25 target one year earlier

Major review compared to the FY24 initial plan(\*)

- Net business profit before credit costs +¥10.0bn
- Net gains on stocks +¥20.0bn
- Net income +¥20.0bn

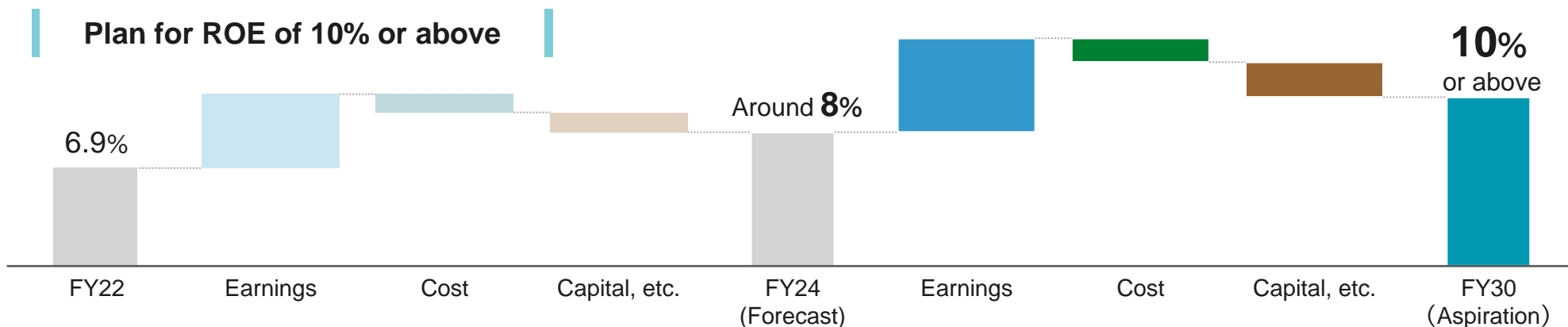
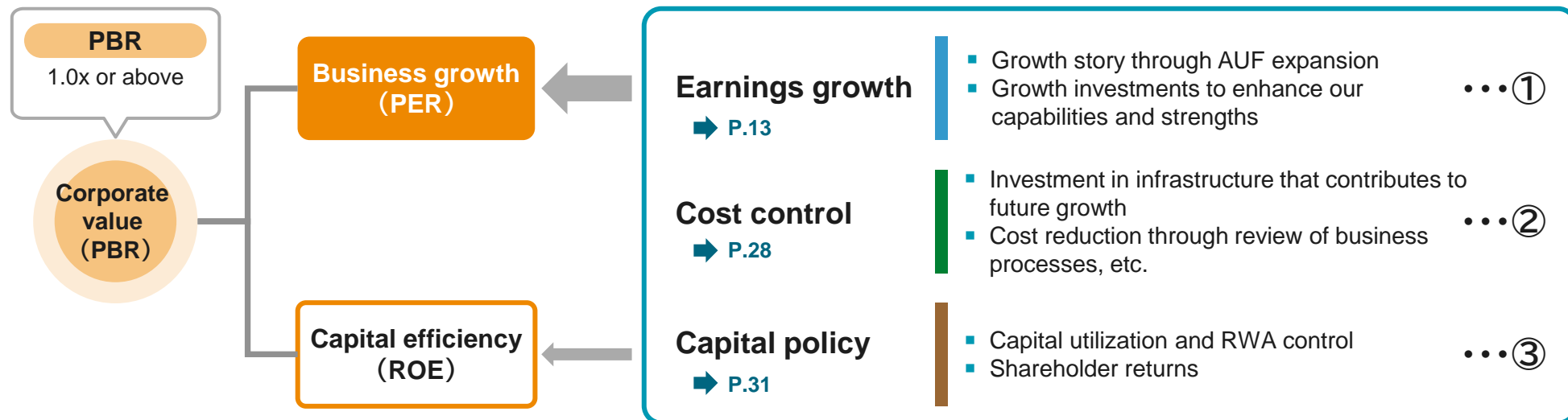


(\*) Previously undisclosed at the time of release of the Mid-Term Management Plan in May, 2023

## ② Initiatives to enhance corporate value

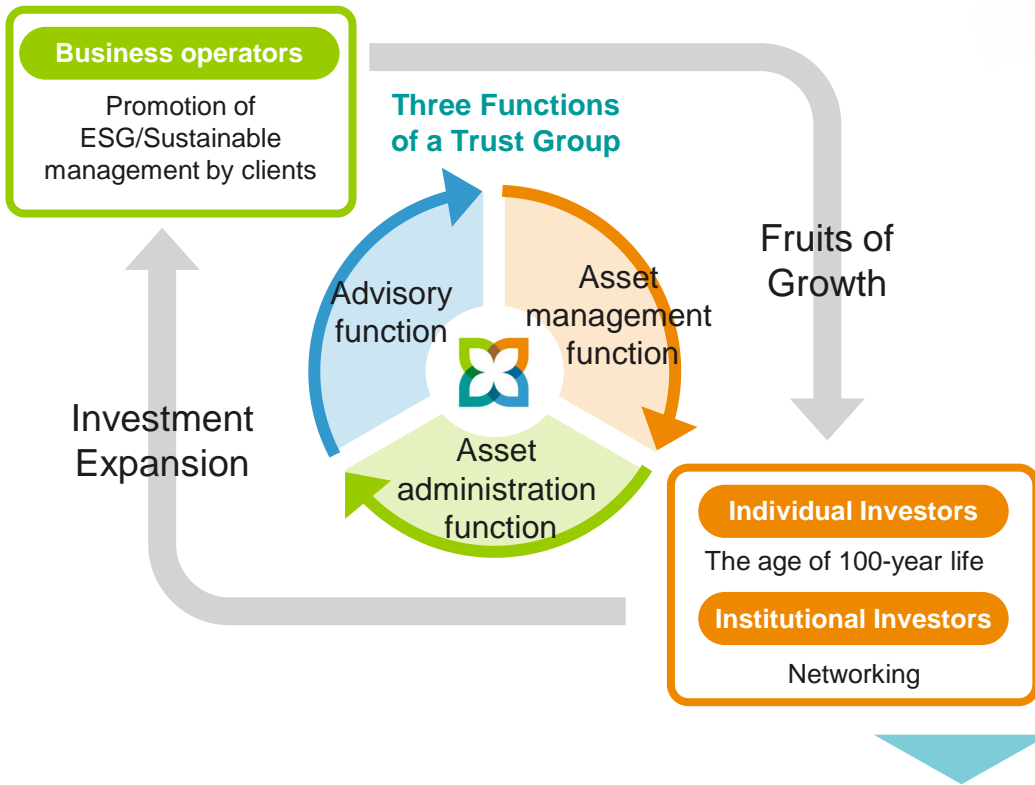
# Initiatives to enhance corporate value

- Achieve sustainable earnings growth centered on AUF expansion. Challenge to achieve ROE of 10% or above as early as possible
- Aggressively make investments that will bear fruit in the future, including the utilization of expenses to develop business infrastructures to support earnings growth and the utilization of capital in strategic business areas






### Accelerating a virtuous circulation of funds, assets and capital

Creating and accelerating a virtuous circulation of funds, assets and capital by performing the functions of a trust from the perspectives of both “business operators” and “investors”

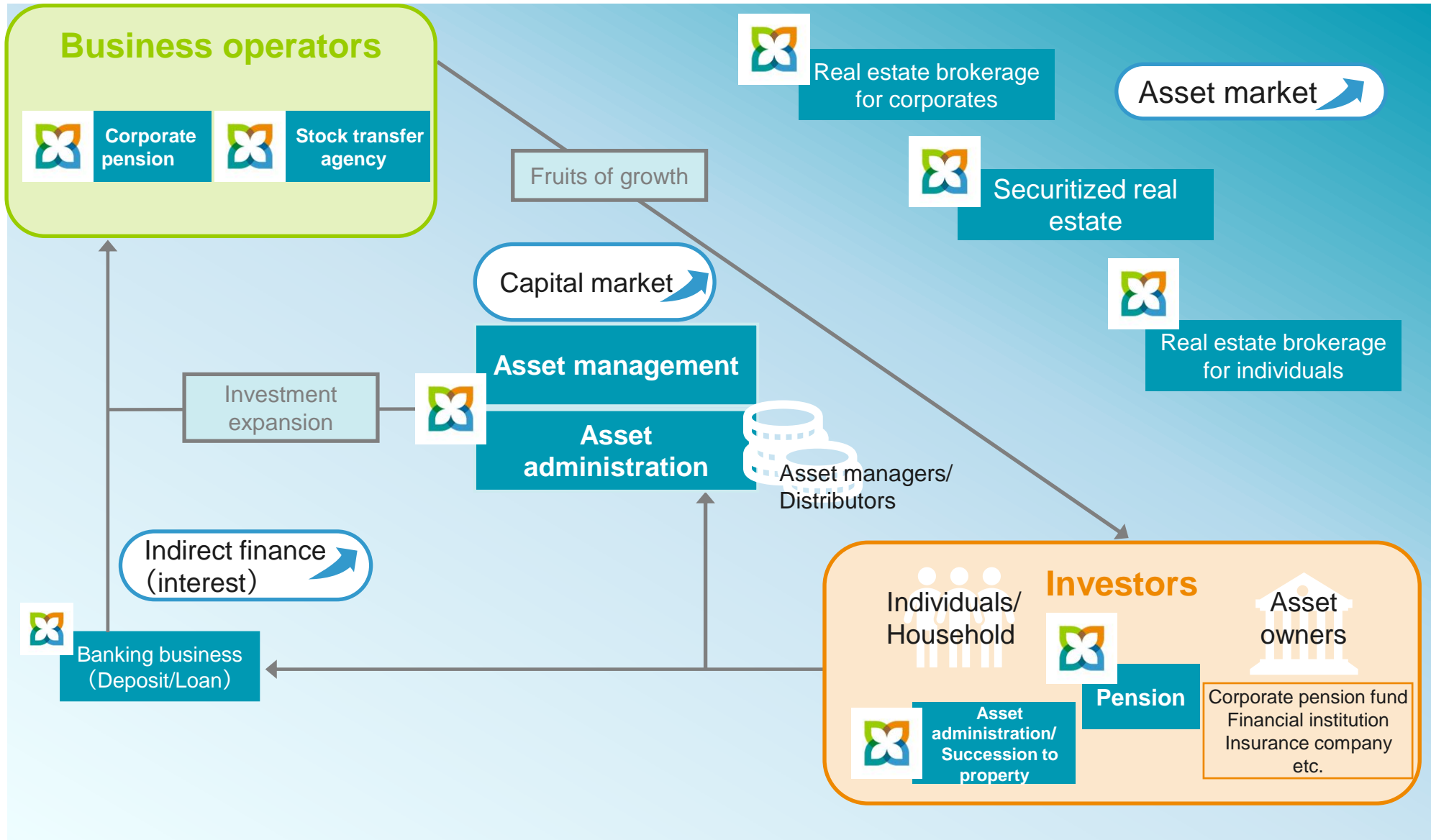


### Initiatives to strengthen each function

No sustainable growth without growth investments that bears fruit in the future

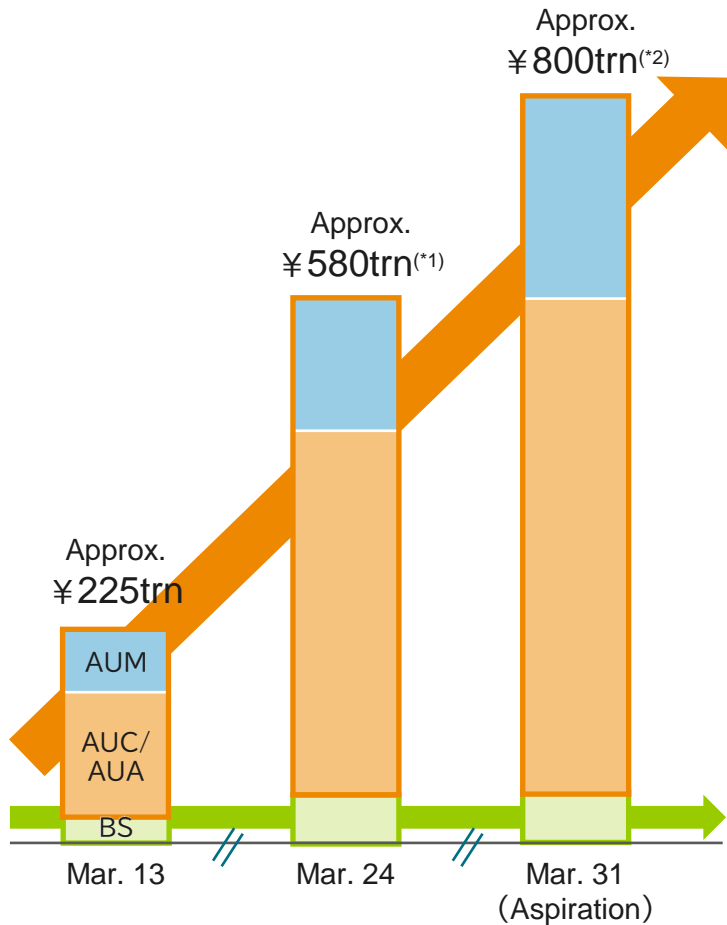
- 
  - Further refinement of the strengths and features of Trust
- 
  - Open platform × Diversified products
  - Improvement of asset management, product, and sales capabilities within and outside our Group
  - Establishment of Strategic Investment Facility for Asset Management (Up to ¥500bn to be invested by FY30)
- 
  - Challenging new areas such as private assets and digital assets, in addition to traditional assets
  - Expansion of BPO services for outside our Group, including to emerging asset managers

Expand AUF through acceleration of the virtuous circulation of funds, assets, and capital



### AUF

Indicator of the scale of our initiatives to contribute to solving social issues and creating and expanding markets



(\*) Include approx. ¥20trn of increase due to redefine

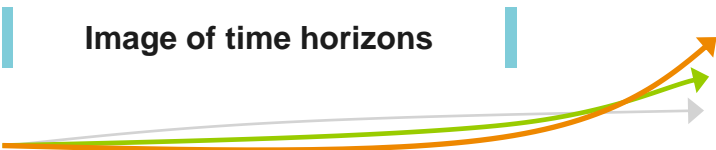
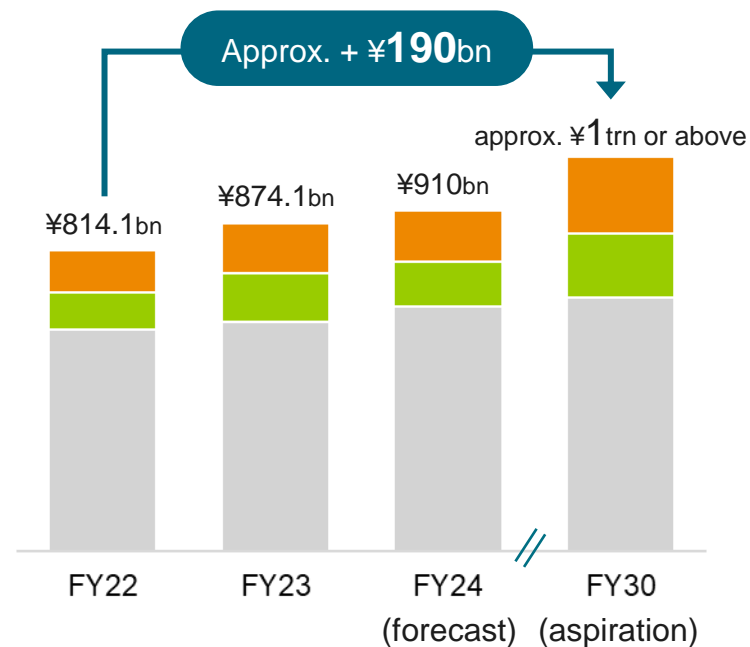
(\*\*) "Aspiration" was already announced

## Improve profitability without significantly expanding B/S. Expand AUM and AUC in areas that bring profits to investors



- Earnings growth through asset management business strategies that also make use of growth investments and efficient B/S utilization in consideration of distribution to investors
- Pursue strategies with different time horizons in parallel, utilizing the characteristics of our diverse business base. Aim for sustainable and unique growth

## Growth of earnings (gross business profit)



## Major strategies and increase in balances compared to FY22

### AUM·AUC

### Asset Management Business Strategy

- Asset management business
  - Private assets
  - For domestic investors
  - For overseas investors
- Asset administration business

**Challenge profitable areas**

**approx. + ¥100bn**

### B/S

### Efficient B/S utilization

- Product related lending
- Equity investments
- Financing for start-ups

**B/S utilization in consideration of distribution to investors**

**approx. + ¥90bn**



- Growth strategy centered on private assets and domestic retail<sup>(\*1)</sup>. Driving our Group's growth by increasing gross business profit by a total of ¥100bn
- Expand business with domestic and overseas asset management companies with unique strengths by effectively utilizing growth investments

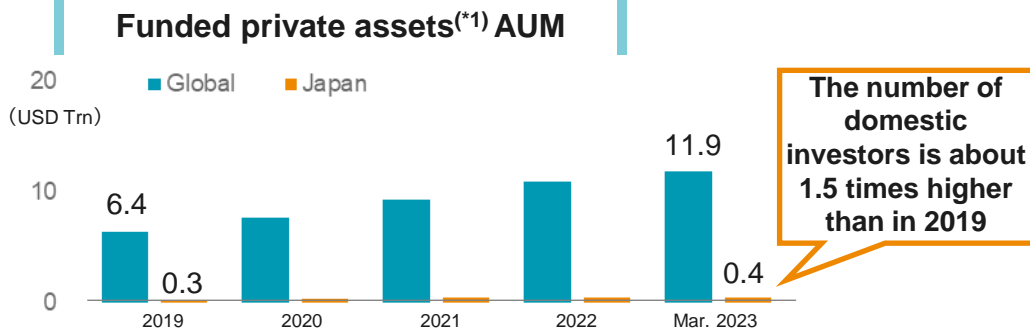
Main Initiatives		Increase in gross business profit <sup>*2</sup>	AUF	FY22	FY23	FY30
1	<b>Private Assets</b>	approx. <b>+ ¥30bn</b> (approx. + ¥3bn in FY23)	<b>Private Asset AUM</b>	approx. <b>¥5.4trn</b>	approx. <b>¥6.8trn</b>	approx. <b>¥24trn</b>
	<ul style="list-style-type: none"> <li>■ Establishment of in-house function</li> <li>■ Expansion of product offerings for individual investors</li> </ul>					
2	<b>Business for domestic Investors</b>	approx. <b>+ ¥35bn</b> (approx. + ¥8bn in FY23)	<b>AUM entrusted by domestic investors</b>	approx. <b>¥90trn</b>	approx. <b>¥99trn</b>	approx. <b>¥105trn</b>
	<ul style="list-style-type: none"> <li>■ Strengthen domestic retail business</li> </ul>					
3	<b>Business for overseas Investors</b>	approx. <b>+ ¥15bn</b> (approx. + ¥0.6bn in FY23)	<b>AUM entrusted by overseas investors</b>	approx. <b>¥5trn</b>	approx. <b>¥8trn</b>	approx. <b>¥18trn</b>
	<ul style="list-style-type: none"> <li>■ Develop and collaborate internally and externally with AM companies with new strategies</li> </ul>					
4	<b>Asset Administration Business</b>	approx. <b>+ ¥20bn</b> (approx. + ¥13bn in FY23)	<b>AUC<sup>(*3)</sup></b>	approx. <b>¥253trn</b>	approx. <b>¥300trn</b>	approx. <b>¥460trn</b>
	<ul style="list-style-type: none"> <li>■ Asset service</li> <li>■ BPO service</li> </ul>					

(\*1) Business for domestic individual investors (\*2) Increase in gross business profit from FY22 to FY30

(\*3) Includes AUC in custody and administration services as well as balances covered by BPO and reporting services (including internal use)

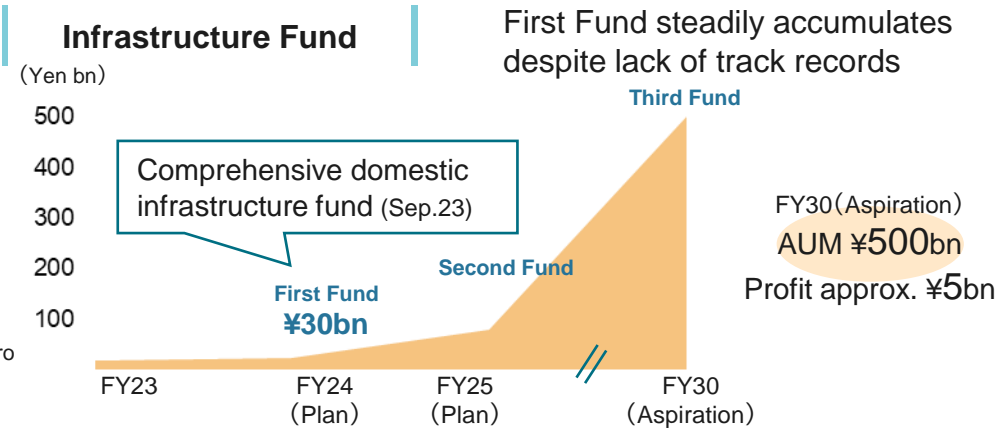
- Increased interest in private assets among domestic investors; challenge to expand AUM and establish in-house functions to improve profitability
- Plan to launch new trust products for individual investors to fund projects that contribute to solving social issues

### Expanding private assets market

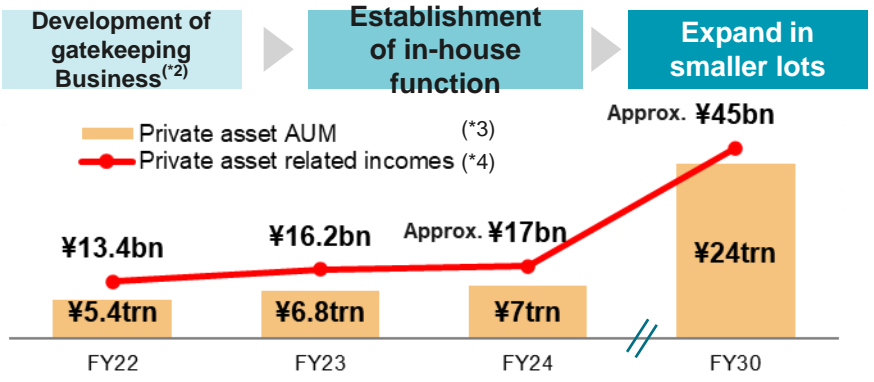


(\*1) Only AUM(asset management companies and funds) that can find from public data (Source)Preqin Pro

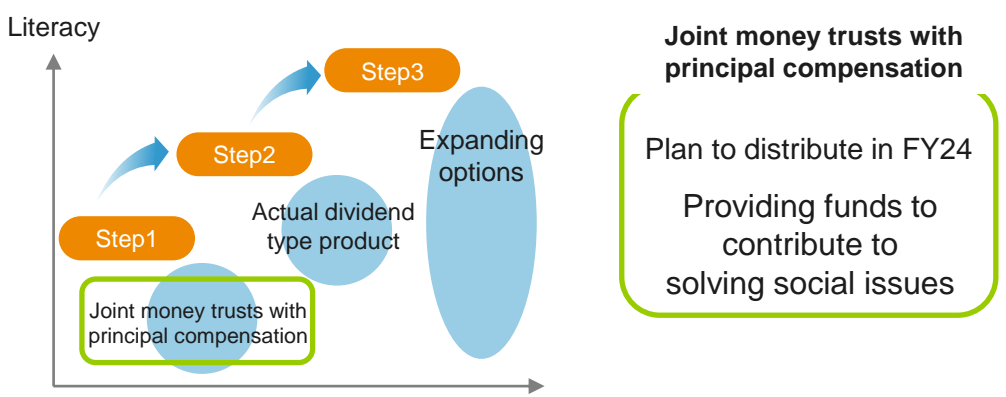
### Specific Initiatives



### Private asset AUM and related income



### Democratization of private assets



(\*2) Considering reorganization and integration within our group for further sophistication of GKP business

(\*3) Assets include private equities, corporate debt, real estate, infrastructure and natural resource investments, etc. (Excluding investment from our account)

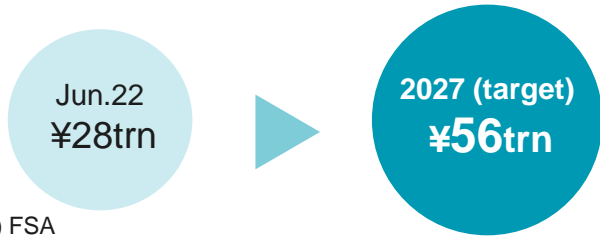
(\*4) Gross business profit related to private asset AUM

- New NISA expands domestic public investment trust market. Profit growth driven by AUM expansion for domestic individual investors
- Provide investment opportunities suited to investor attributes and risk tolerance through two-way communication with distributors

### Domestic public investment trust market

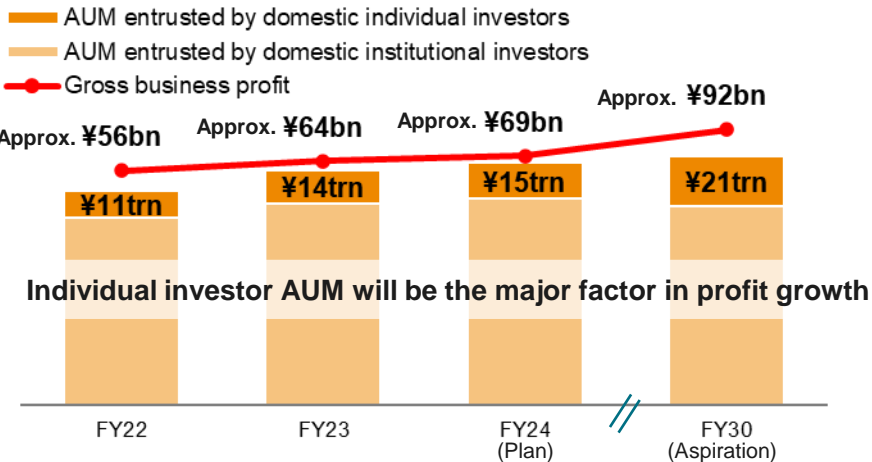
#### 【Investment amount through NISA<sup>(\*)</sup>】

Expand the utilization of investment support system among individuals



(\*1) (Source) FSA

### AUM for domestic investors and income<sup>(\*)</sup>



(\*2) Sum of balance at SMTAM and Nikko AM (excluding ETFs)

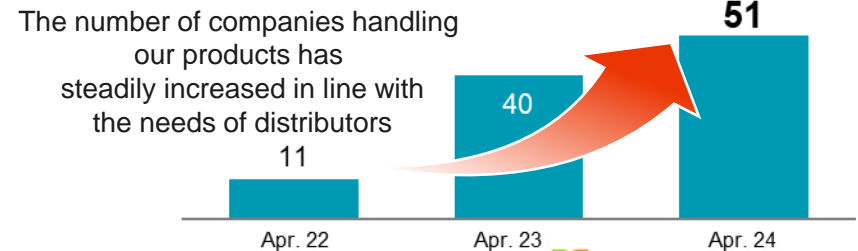
### Specific Initiatives See P.48, 49 for SuMi TRUST Bank initiatives



**【Seminars for distributors】** More than **5,000** times per year  
 (SMTAM·Actual results for FY23)

### Understanding the potential needs of investors and providing them with the most suitable investment products

#### (Reference) Number of distributors handling SMTAM Balanced Fund-type products

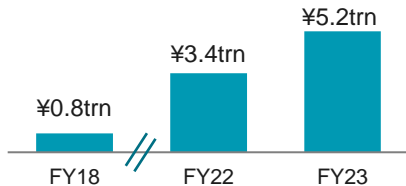


- Our Group is one of the largest asset managers in Japan in terms of AUM entrusted by overseas investors. Strengths of our Group's global investment and distribution network
- Utilize growth investments to foster and collaborate internally and externally with asset managers with new strategies. Aim to dramatically increase AUM and profits

### Our asset management company's status

#### SuMiTAM

Entrusted from overseas investors for more than 10 years  
Steady increase in current AUM



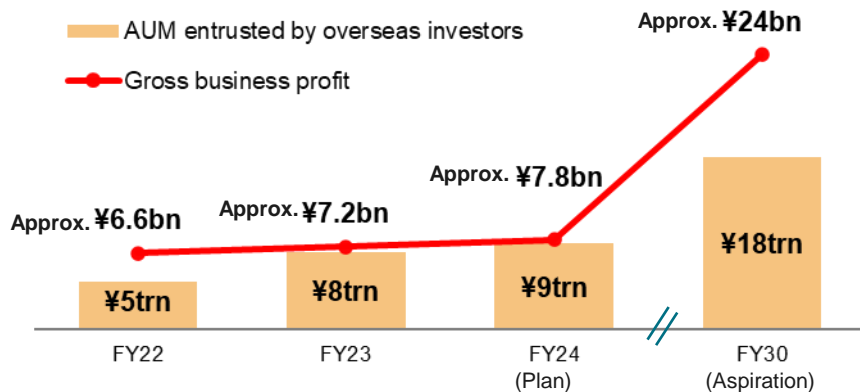
#### Nikko AM<sup>(\*)</sup>

Global asset management company based in Japan

- Global employees  
**30** nationalities
- Global locations  
**11** countries/regions

(\*1) As of the end of Dec. 23

### AUM for overseas investors and income<sup>(\*)</sup>



(\*2) Sum of balance at TAM and Nikko AM

### Specific Initiatives

#### 1 Collaboration with external partners



##### Unique edge areas

- Unique research-based quantitative investment focused on realizing investment returns and environmental results

In FY2023, acquired approx. **¥0.3trn** AUM from institutional investors, including overseas investors



##### Unique edge areas

- Private Market Investment Strategies  
Discussions are continuing as of May 24  
Consultation ongoing

#### 2 Product development with a view to overseas investor development (Internal EMP)

##### Incubation seed

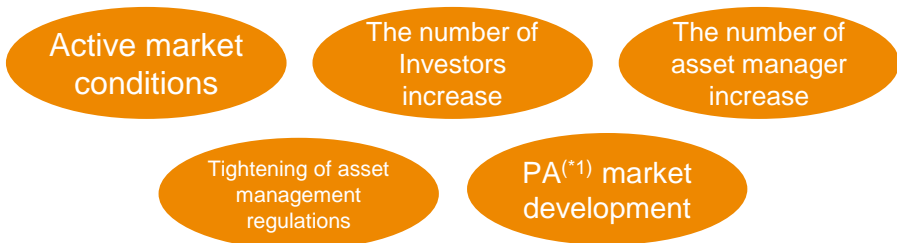
- Strengthen product development capabilities
- Track record accumulation

Seeded 22 funds in the past 5 years  
Distributed the products to investors

- In addition to sophisticated services for traditional assets, our Group will take on the challenge of entering new areas such as private assets and digital assets
- Supporting the development of asset management business by providing BPO services (middle and back office functions) to emerging asset managers in combination with the asset management function

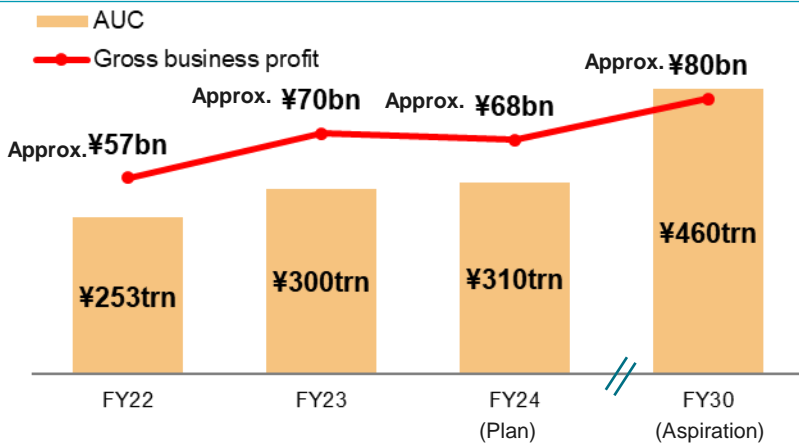
### Environment surrounding the Asset Administration Business

Macro environment and customer needs are both positive



(\*1) Private assets

### AUC and income

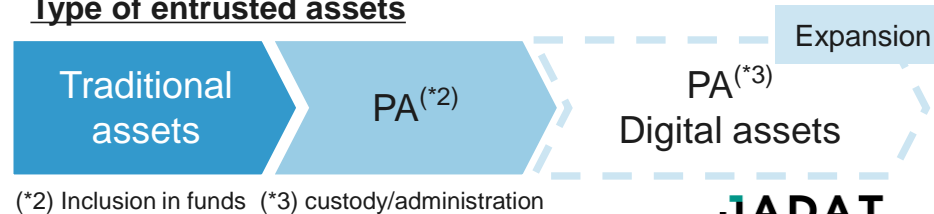


### Initiative Policy

#### 1 Expansion of entrusted asset types

- Strengthening of private asset-embedded funds under management in response to the needs of investors and managers
- Expansion into private asset custody/administration and digital areas

#### Type of entrusted assets



Scheduled to begin in 2Q FY24

#### 2 Expansion of BPO service clients (asset managers and investors)


- Accelerating provision of BPO services, driven by the concept of an Asset Management Nation
- Support EMP by providing asset management and asset administration functions for our Group

#### Clients to provide BPO service



- Improved profitability without significantly expanding B/S. Continued shift to product related lending with focusing on future distribution
- Build new long-term relationship of trust with business partners through impact equity investments and start-up lending


Main Initiatives		Increase in gross business profit <sup>(*)</sup>	AUF	FY22	FY23	FY30
1	<b>Product related lending</b> <ul style="list-style-type: none"> <li>Shift to highly profitable product related lending</li> <li>Sourcing based on investor needs</li> </ul>	approx. <b>+ ¥30bn</b> (approx. + ¥30bn in FY23)	<div style="border: 2px solid #90EE90; padding: 5px; display: inline-block;"> <b>Product related lending</b> </div>	approx. ¥7trn	approx. ¥8trn	approx. ¥10trn
	2	<b>Equity investments</b> <ul style="list-style-type: none"> <li>Impact equity investments</li> </ul>	approx. <b>+ ¥60bn</b> (approx. + ¥7bn in FY23)	<div style="border: 2px solid #90EE90; padding: 5px; display: inline-block;"> <b>Impact equity investments</b> </div>	approx. ¥50bn	approx. ¥90bn
3		<b>Start-up lending</b> <ul style="list-style-type: none"> <li>Set loan facility of ¥50bn (cumulative, by FY25)</li> </ul> <div style="background-color: #0070C0; color: white; padding: 2px 10px; border-radius: 10px; display: inline-block; margin-top: 5px;">                         New business area                     </div>	—	<div style="border: 2px solid #90EE90; padding: 5px; display: inline-block;"> <b>Start-up Lending</b> </div>	—	approx. ¥10bn



**Focus on improving capital efficiency without significantly expanding B/S**



**Financially support society and our clients in creating the future**



**Strengthening efforts in areas that benefit investors**

(\*)1 Increase in gross business profit from FY22 to FY30

- Continue to shift to product related lending, which contributes significantly to our earnings and is beneficial to investors
- Providing investment opportunities to domestic and overseas investors. Achieve capital-efficient earnings growth by generating fees and restrained use of B/S

## Shift from corporate lending to product related lending

## Origination & Distribution

【Product related lending ratio】

Product related lending

approx. 30%

approx. 40%

Corporate lending

Mar. 24

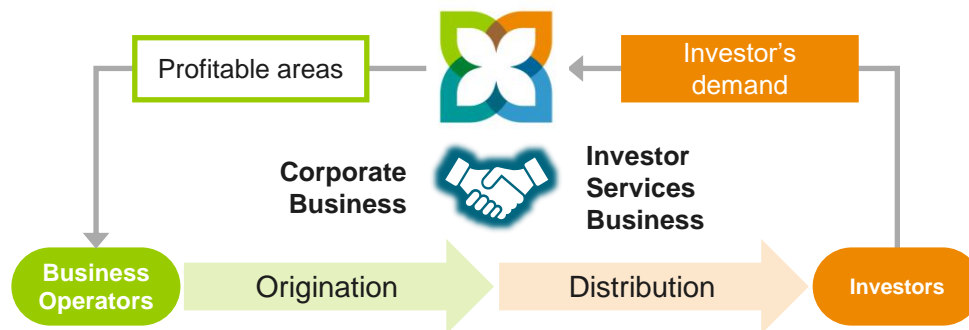
Mar. 31  
(Aspiration)

**Loan spread<sup>(\*)</sup>**

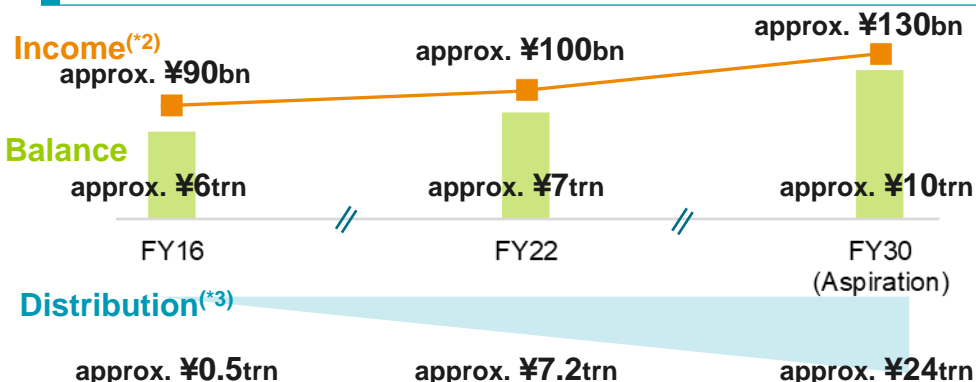
- Product related lending 1.90%
- Corporate lending total 0.87%

Shift to product related lending that benefits investors

(\*) Management accounting base Including credit-related fees



## Product related lending balance/income and distribution amount



- Increase financing for decarbonization
- Collaboration with top overseas players to enhance knowledge of new asset classes such as Private assets

- Identifying investor needs in light of changes in the environment
- Strengthen distribution at overseas locations

Provide investment opportunities that meet potential investors' needs

(\*) Net of funding costs for foreign currency

(\*) Cumulative total of SuMi TRUST Bank's distribution amount for institutional investors from FY16



- ¥500bn in impact equity investments to solve social issues such as decarbonization by FY2030
- Attracting investor funds by utilizing our Group's B/S, and achieving a virtuous circulation of funds, assets, and capital

## Estimated amount of decarbonization-related investments



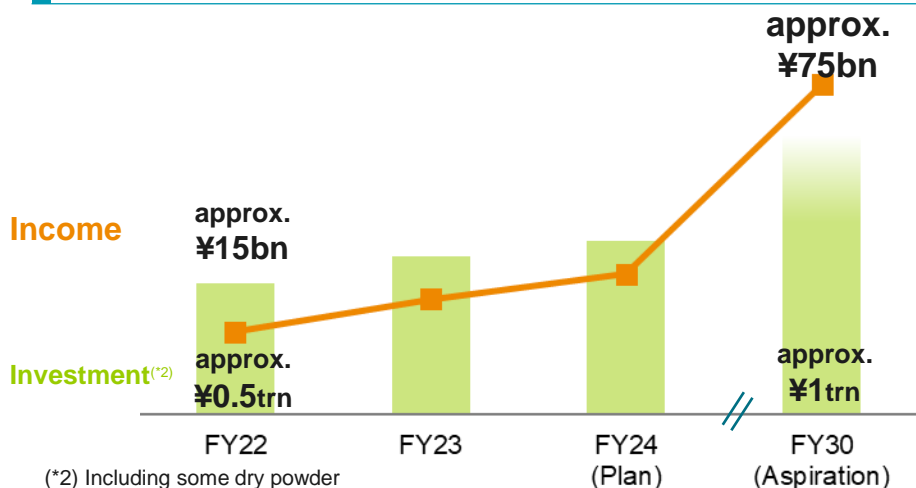
- Power source decarbonization/fuel switching
- Decarbonization of manufacturing processes, etc.
- End-use
- Infrastructure development
- R&D



**Significant amount of funding is needed to realize a carbon-neutral society**

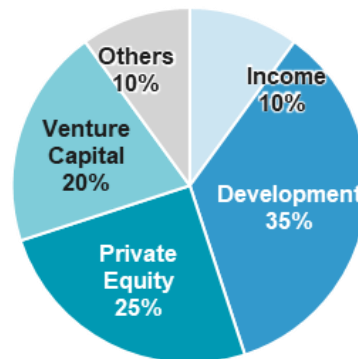
(\*1) (Source) "Interim Clean Energy Strategy," Ministry of the Environment

## Equity Investment and income



## Impact equity investment

Portfolio image in FY30



**Portfolio return target**  
**IRR of more than 10%**  
(per year)

### Initiative (Venture Capital)

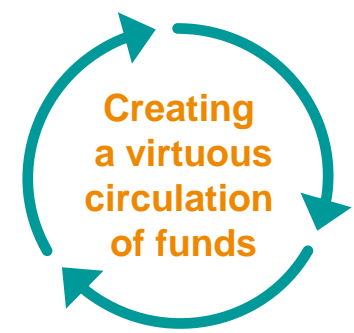
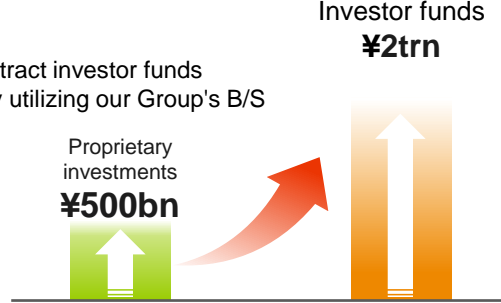
#### MCi Carbon Pty Ltd

- IRR of 25% or above (Mar. 24)
- Developed and provided materials for carbon negative concrete
  - ➔ Contribute to the decarbonization of the steel and cement industry and various other industries

Investor funds  
**¥2trn**

Attract investor funds by utilizing our Group's B/S

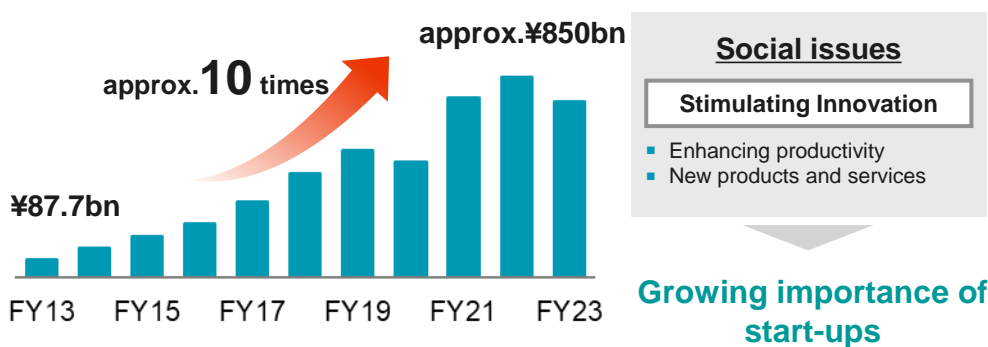
Proprietary investments  
**¥500bn**





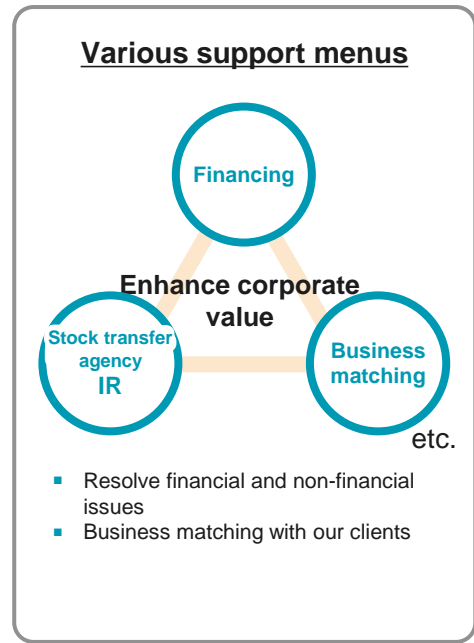
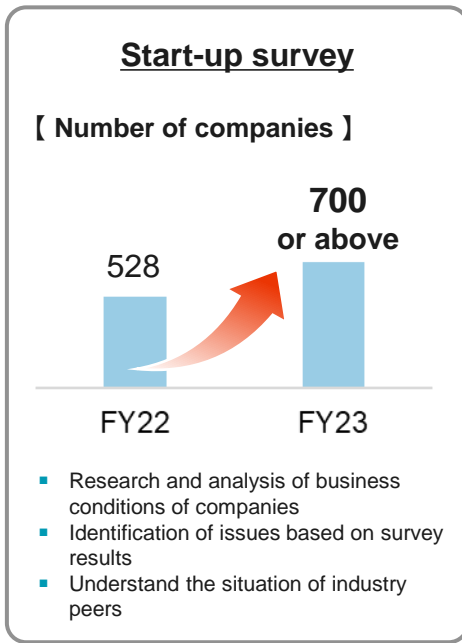
- Expanding funding market for domestic start-ups that create innovations needed to solve social issues
- Contribute to increasing corporate value by addressing a wide range of issues faced by start-ups

## Domestic start-up finance market



(Source) INITIAL "JAPAN STARTUP FINANCE"  
Ministry of Economy, Trade and Industry "Accelerating Solutions to Social Issues and Economic Growth through the Power of Startups"

## Supporting the growth of start-up corporate values



## Our initiatives related start-up finance

**Lending to later-stage companies**

**By FY2025 accumulated ¥50bn(plan)**

**Attracting investor funds**

**Crossover Fund**

**Initiative (Lending to later-stage companies)**



Established in May 2017

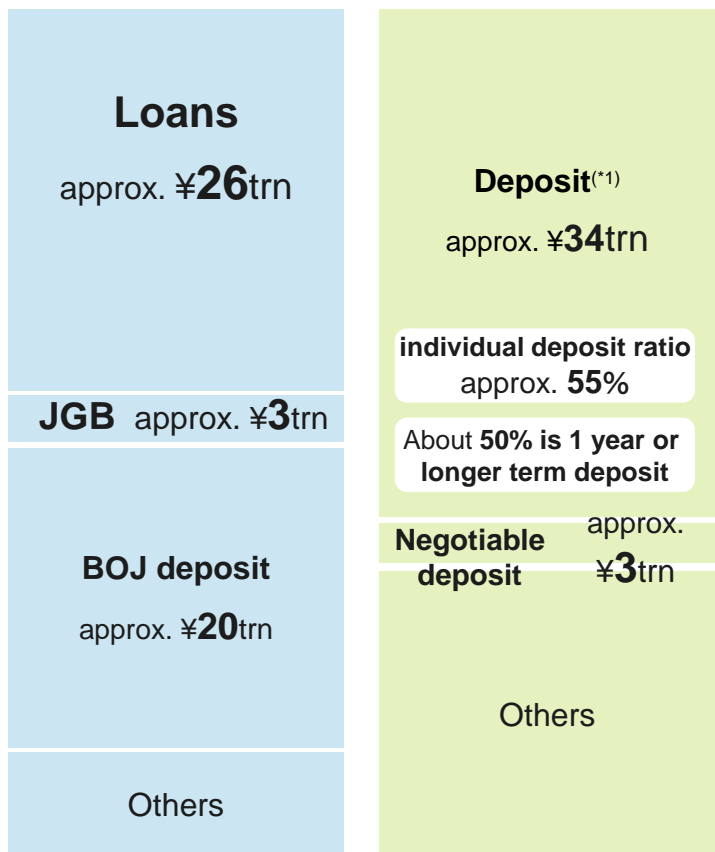
[Business Overview]  
Provides a symptom search engine and platform

- Involved in both debt and equity financing
- Funding transactions lead to a variety of transactions

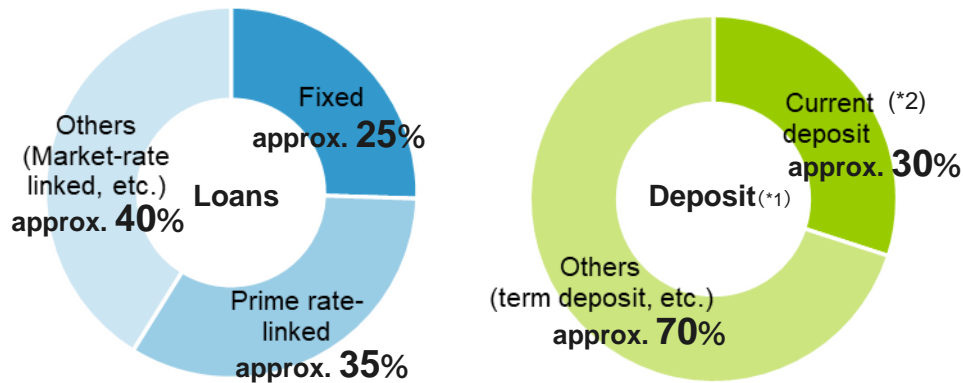
**In addition to financing support, we contribute to enhancing corporate value by providing a wide range of services**

- Stable funding structure mainly based on term deposits from individual clients
- Increased net interest income when interest rates hike. Could be further increase in income from increased investments in securities, depending on market conditions

JPY denominated balance sheet (as of Mar. 24)



Loans and Deposits (as of Mar. 24)



Impact of interest rate hike (estimate)

	BOJ policy change in Mar. 24 (FY24 impact over FY23)	Additional interest rate hike scenario (FY25 impact over FY24)
impact (net business profit)	+ approx. <b>¥15bn</b> or above	+ approx. <b>¥35bn</b> /year or above
breakdown/premise	<ul style="list-style-type: none"> <li>Client deposit related + approx. ¥10bn</li> <li>Individual + approx. ¥6bn</li> <li>Corporate + approx. ¥4bn</li> <li>ALM related + approx. ¥5bn or above</li> </ul>	<ul style="list-style-type: none"> <li>Premise: Policy rate increases from 10bp to 50bp in FY25</li> <li>Mainly client deposit impacts</li> </ul>

(Ref.) Effect of shifting a part of BOJ deposit to securities investment **+ ¥5bn** (¥1trn invested at 0.5%)

(\*1) Managerial reporting basis; Deposits and trust principal, exclude negotiable deposit  
 (\*2) Current deposits include liquid deposits, separate deposits, non-resident yen deposits, etc.

# (Reference) Efforts in Existing Businesses

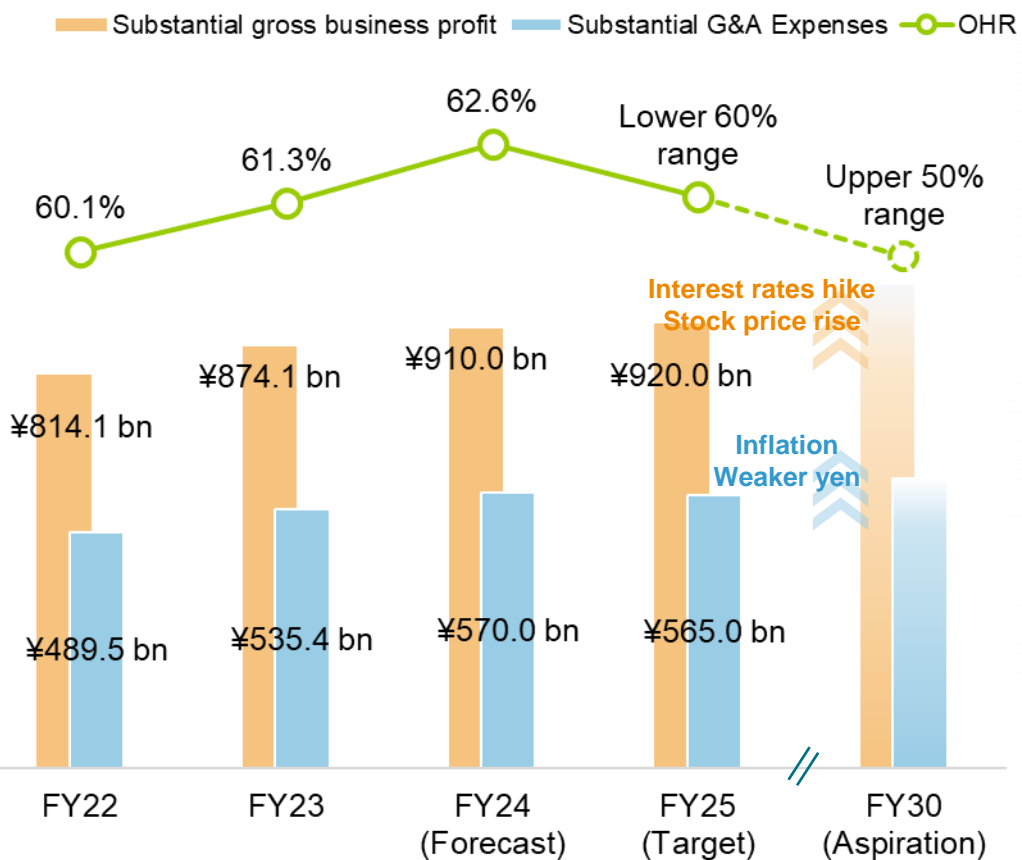
## Earnings growth

- Wealth Management Business aims for steady growth in asset management and deposit-related earnings amid a changing macro environment
- Real Estate Business aims to increase earnings in FY24 by focusing on real estate brokerage for corporate clients, which struggled in FY23

Business segment	Size of gross business profit	FY22	➡	FY23	➡	FY24	References
1 Wealth Management Business		¥202.8bn		¥213.0bn		¥220.0bn	P.39 P.48-49
2 Corporate Business		¥229.3bn		¥265.3bn		¥264.0bn	P.39 P.50
	Includes income from product related lending, equity investments						
3 Investor Services Business		¥127.3bn		¥143.9bn		¥151.0bn	P.40
	Includes income from private assets, asset administration, equity investments						
4 Real Estate Business		¥69.7bn		¥65.7bn		¥70.5bn	P.41
	Includes income from equity investments						
5 Global Markets Business		¥69.3bn		¥65.9bn		¥76.0bn	P.26 P.41

- Expenses are increasing in line with profit growth; OHR level aim to be reduced to the upper 50% range in FY30
- Invest in infrastructure that will contribute to future growth while reducing costs and optimizing prices

### Changes in expenses / OHR



### Major Initiatives

#### 1 Investment in infrastructure that contributes to future growth



##### Human capital

Improve productivity



##### IT-DX

Business operations that do not rely on manpower



#### 2 Cost reduction



Business travel and entertainment expenses  
Utilize web meetings



(20%)<sup>(\*1)</sup>



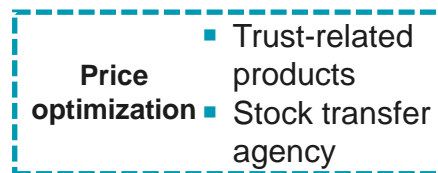
Review of business processes  
Promoting paperless



(30%)<sup>(\*2)</sup>

#### Price optimization

Increased value-added, inflation, yen depreciation



Profitability



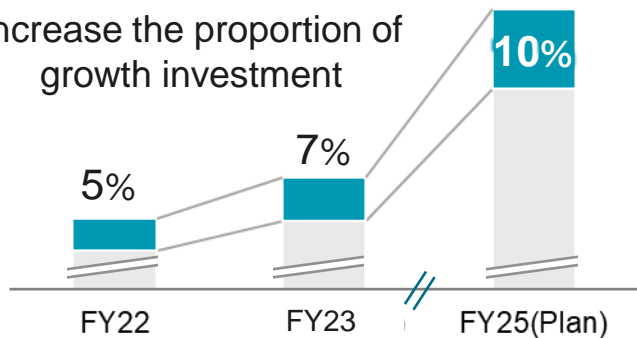
(\*1) FY24 plan compared to FY23 (SuMi TRUST Bank)

(\*2) Aim to reduce paper consumption by 30% in FY25 compared to FY23 at headquarters and other divisions (SuMi TRUST Bank)

- Implement system investments that contribute to future growth, doubling the share of growth investments in FY25 compared to FY22
- In existing areas, aim to improve productivity and profitability for sustainable business expansion

**IT investment**

【Plan for IT investment】  
Increase the proportion of growth investment



**Growth investment**  
Investments that lead to future earnings

Maintenance costs for existing systems, etc.

**Initiatives for improving productivity**



- IT infrastructure**
- One portable terminal per person
  - In principle, eliminate paper in internal business processes by the end of FY25

- Real estate**
- Shared knowledge of veteran's knowledge and know-how by utilizing AI
  - Improved accessibility to our know-how to bring younger employees into the workforce faster

**Example Portal of Shareholders' Meeting®**

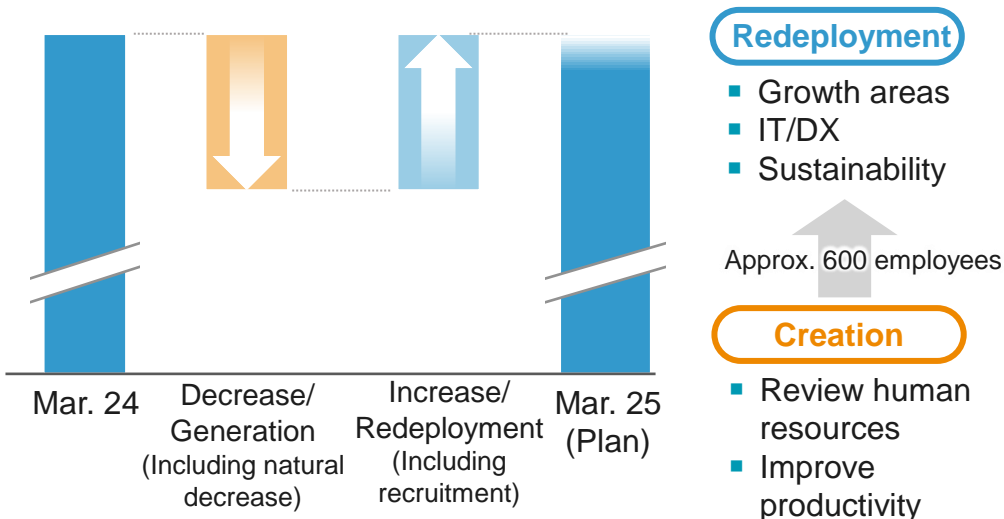
From viewing the notice of convocation to exercising voting rights, all possible with a smartphone

**DXing the shareholder's meeting process**

- Shift personnel to asset management business which support future earnings growth or IT/digital areas etc.
- Expand support related to employee training and autonomous career development

### Personnel allocation plan (FY2024)

- Shift personnel to growth areas by generation/redeployment and increase in recruitment of specialized professionals etc.



**Focus** Strengthen cross-business segment function

- HNW business (Wealth Management Business x Real Estate Business)
- Regional revitalization (Investor Services Business x Corporate Business)

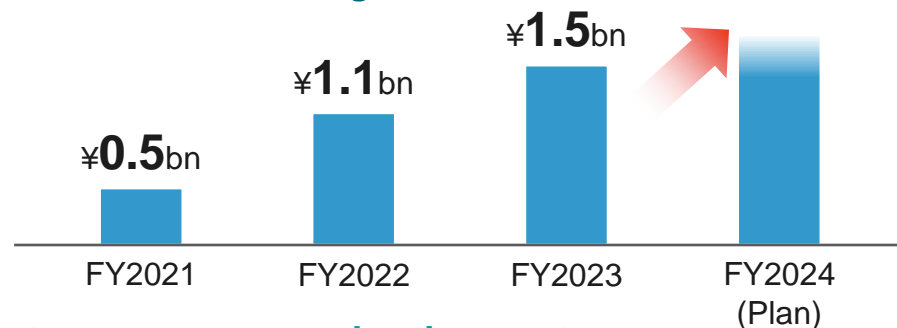
**Focus** Exchange of personnel within our Group

- Asset management business (SuMi TRUST Bank x SMTAM / Nikko AM)

### Training and development of human resources

- Increase required costs for reskilling, IT skills acquisition, etc. significantly

#### Investment in training



### Autonomous career development

- Support system based on employees' career aspirations and working environment

**Example** Expand support for early return from childcare leave

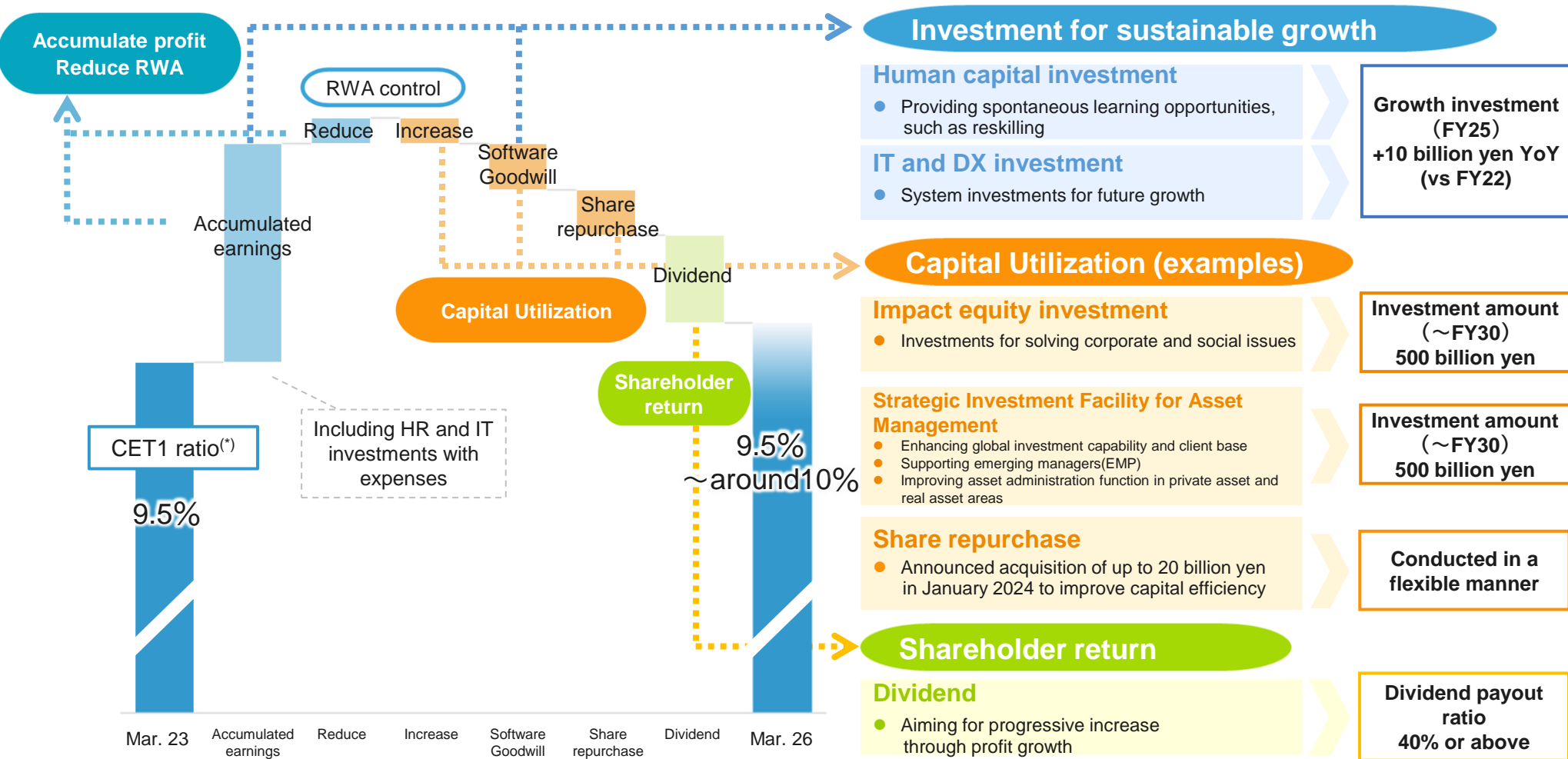
Employees with children less than 1 year old

¥50k per month for housekeeping and meal delivery service etc., after early return

**Support for early return**

# (Repost) Capital allocation image (CET1 ratio)

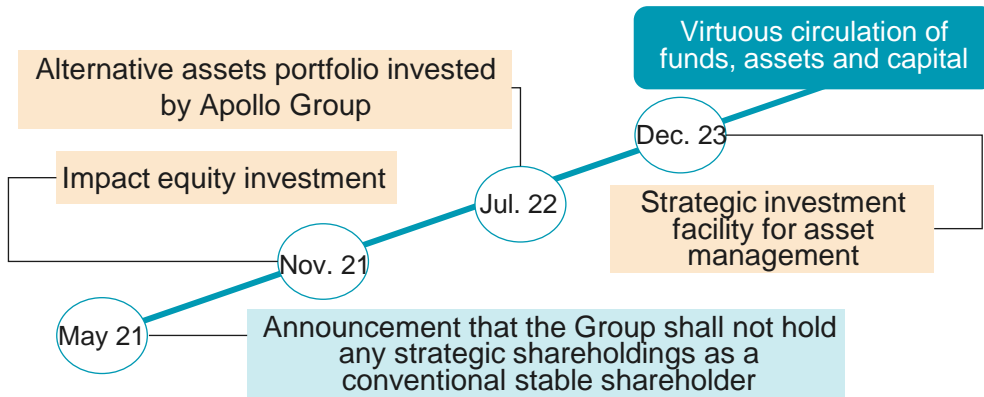
- Use of capital for growth investment and share repurchase, in addition to shareholder return through dividend and risk asset control
- CET1 ratio(\*) is expected to be 9.5% ~ around 10.0% at the end of FY2025



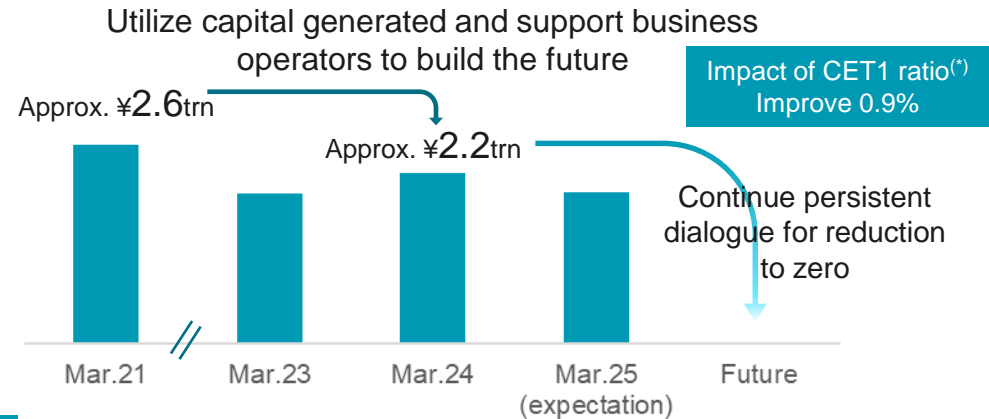
(\*) Basel III finalization fully phased basis

- Steadily created capital by reducing strategic shareholdings. Contributing to the realization of a virtuous circulation of funds, assets, and capital
- Focus on improving profitability and distributing to investors without significantly expanding B/S

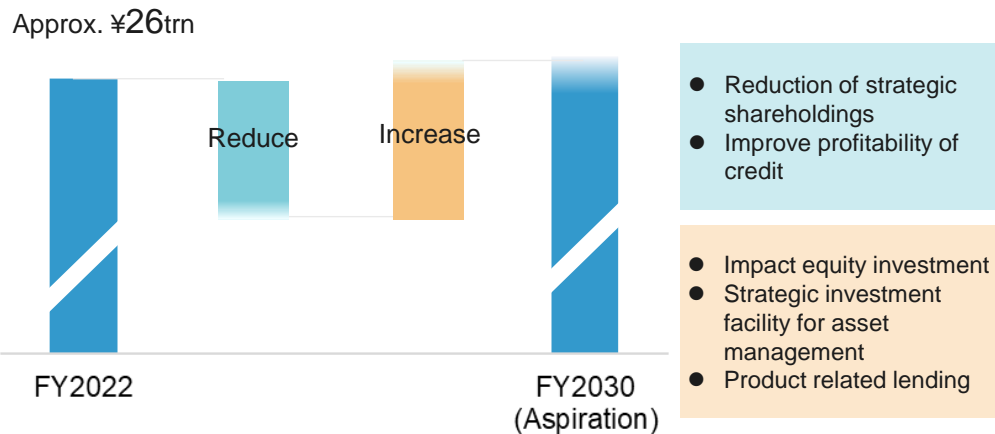
### Virtuous circulation of funds, assets and capital



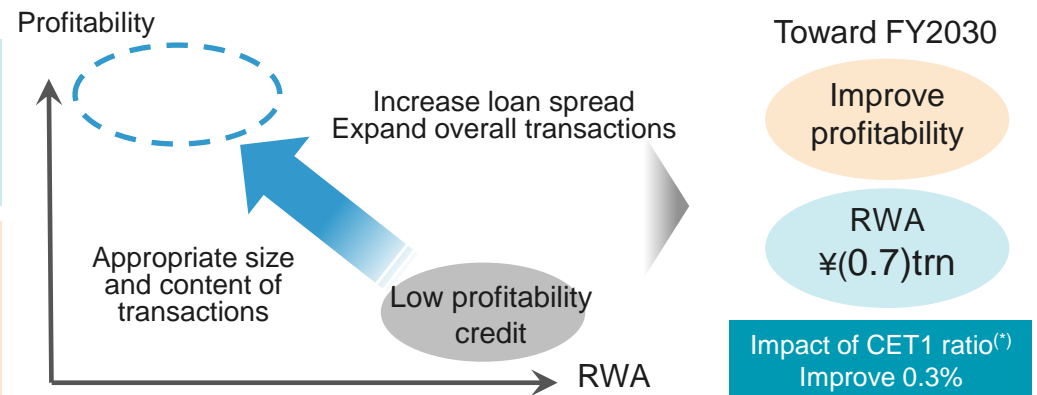
### Reduction of strategic shareholdings



### Direction of RWA



### Improve profitability of assets

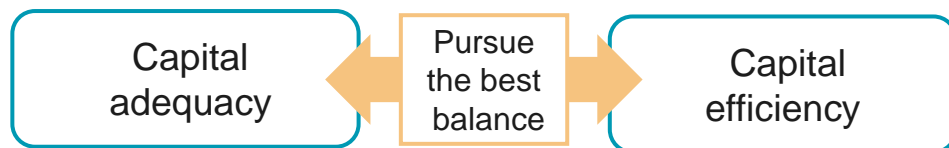


(\*) Estimate based on actual results as of the end of Mar. 24 (finalized Basel III fully phased basis), incorporating a reduction in RWA



- Target for CET1 ratio<sup>(\*)</sup> remains unchanged at “stably maintain 10% or above”. As of Mar. 24: 10.2%
- Aggressive capital utilization for future sustainable growth, while taking into account capital adequacy

### Capital policy



**Basic policy**

【 Target of CET1 ratio<sup>(\*)</sup>】

**Stably maintain  
10% or above**

Regulation : 7.5%  
Financial buffer : 2.0%  
Management buffer : 0.5%

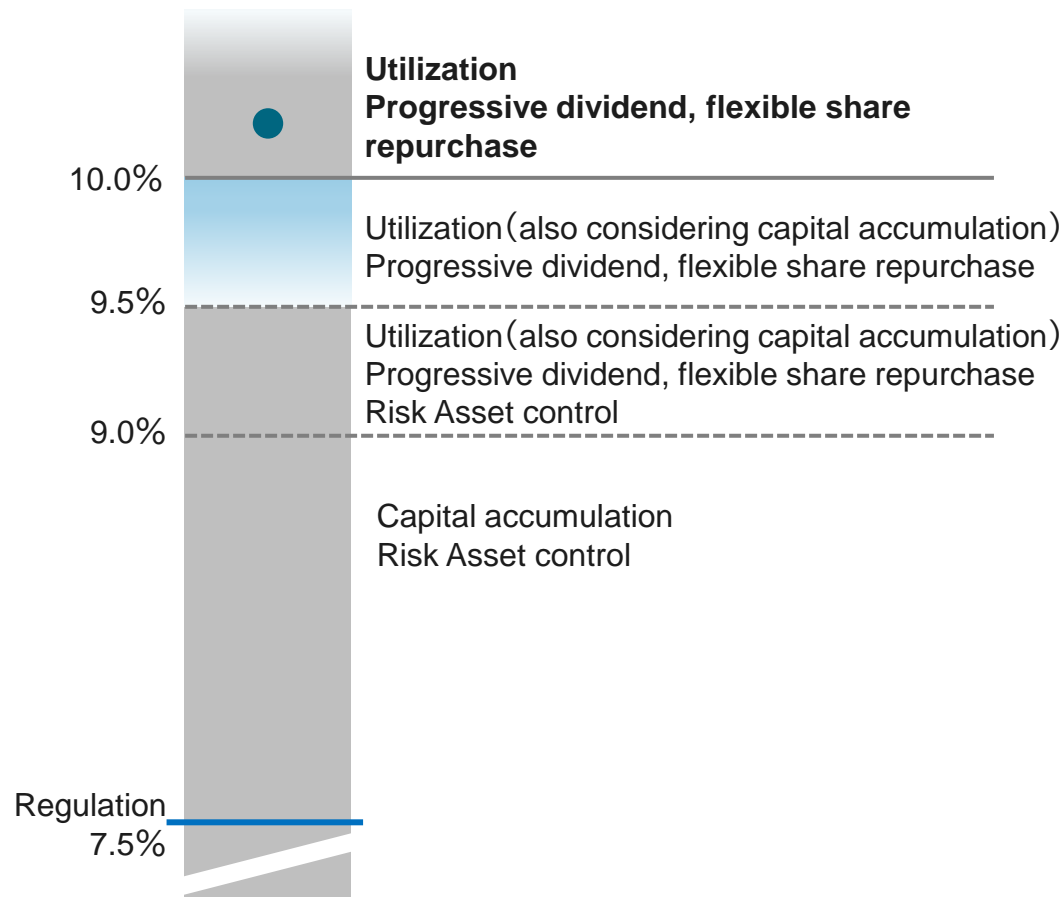
**Financial capital utilization**

- ✓ Growth investment (expand trust group's businesses)
- ✓ Investment for solving social issue
- ✓ Share repurchase

(Ref.) impact on CET1 ratio of each indicator (as of Mar.24)

		(10)%	+10%
Stock Price	Nikkei225	(15)bp	+14bp
FX	JPY/USD	+25bp	(23)bp

### Capital management<sup>(\*)</sup> (balance between adequacy and efficiency)



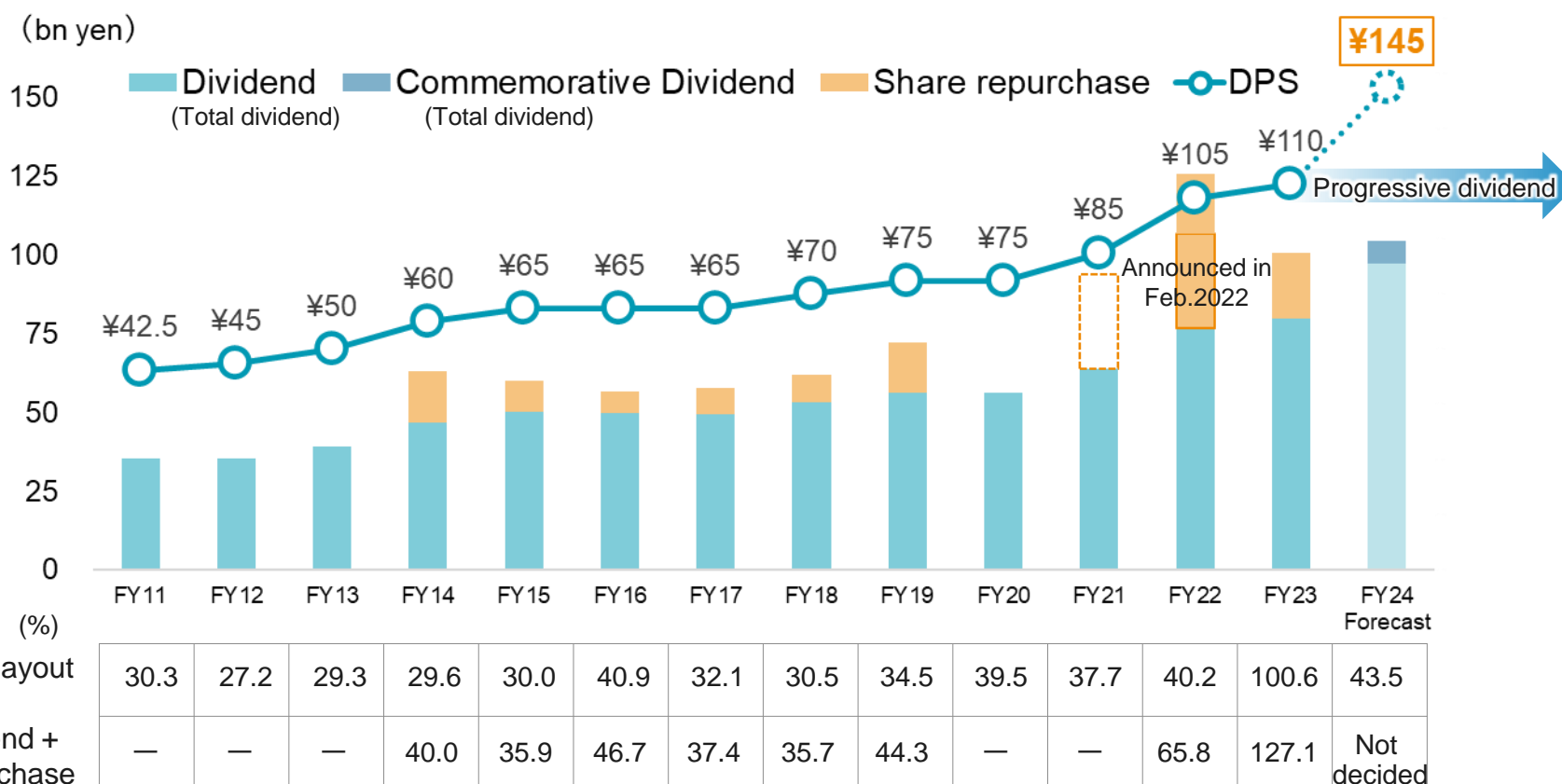
(\*) CET1 ratio : Finalized Basel III. Includes valuation difference on AFS.

### Dividend

Dividend per share will be progressive, while aiming to increase the dividend per share through profit growth. The dividend payout ratio will be determined at 40% or above

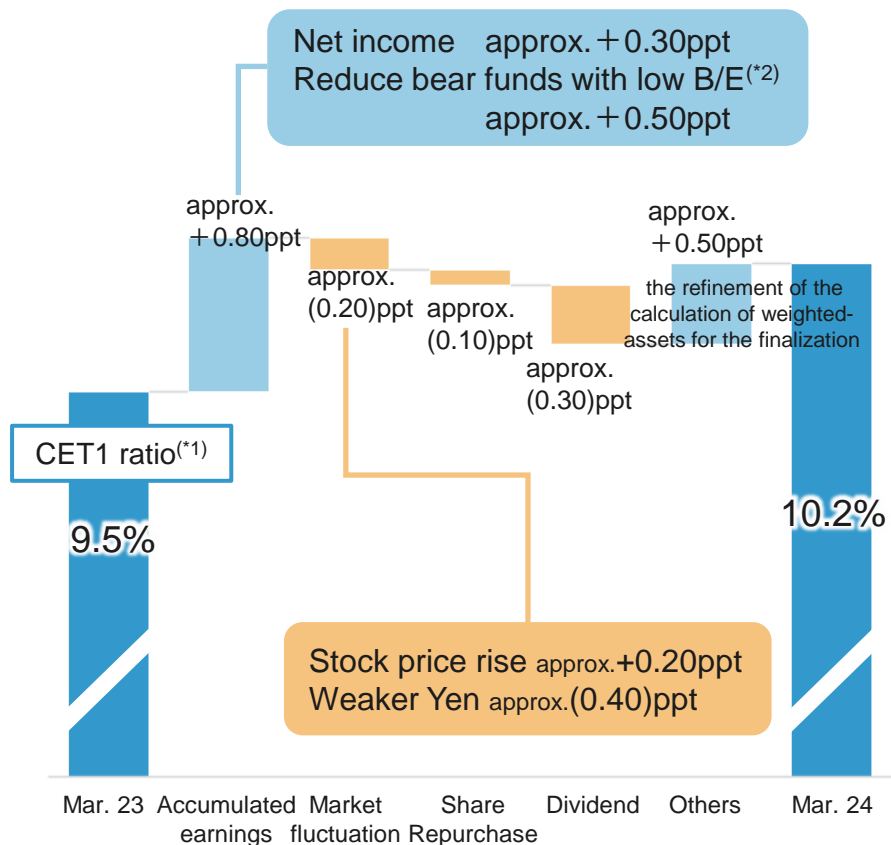
### Share repurchase

Share repurchase will be implemented flexibility on the premise of securing sufficient capital, while balancing the use of capital for medium-to long term profit growth and the effects of better capital efficiency

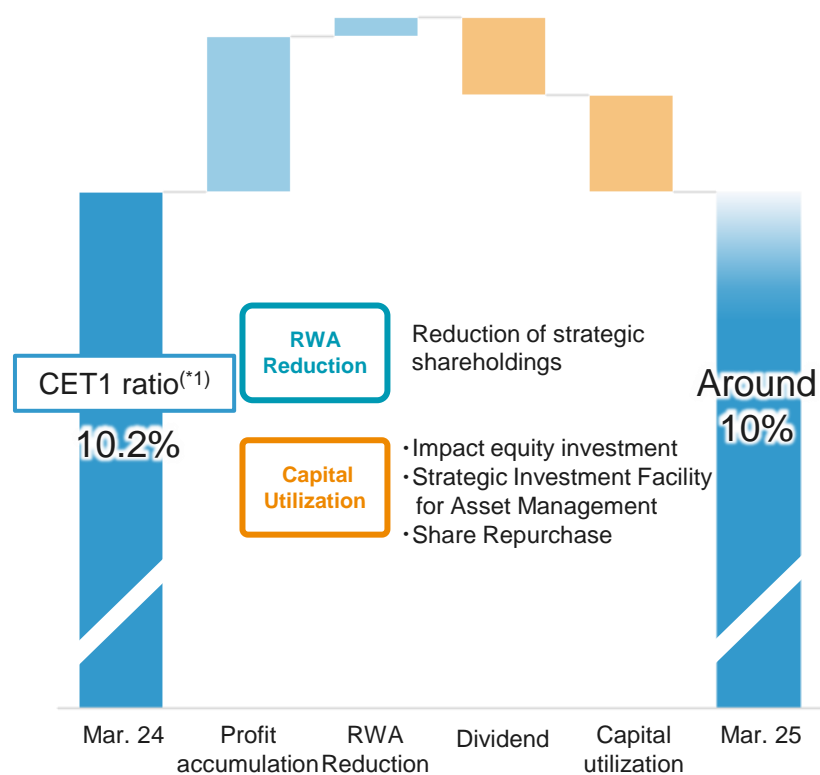


- Increased CET1 ratio in FY2023 mainly by accumulated earnings and the refinement of the calculation of risk weighted-assets for the finalization
- Utilize accumulated capital for dividends and investments that contribute to future growth, including the option of flexible share repurchase in FY24

### FY2023 (actual)



### Future plan (FY2024)



(\*1) Finalized Basel 3 (fully phased basis). Includes valuation differences on AFS.

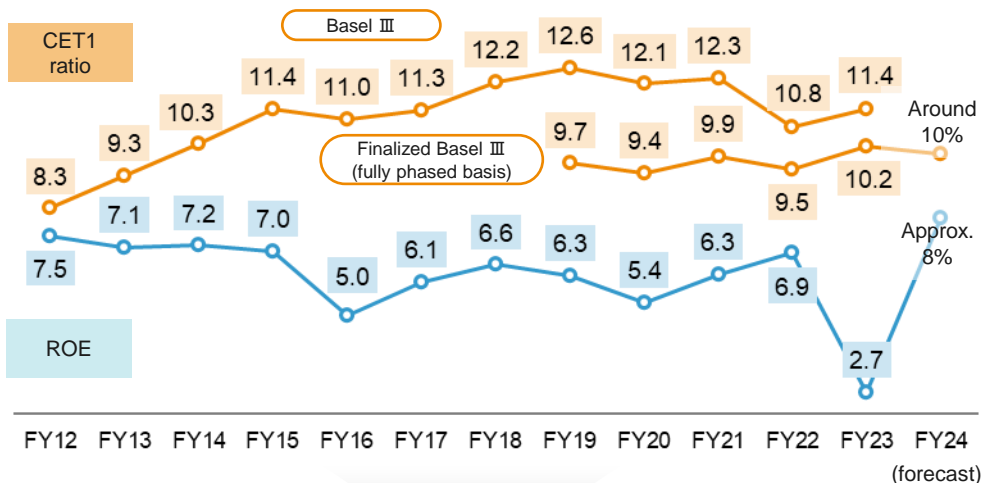
(\*2) Consider reduction of unrealized losses on bear funds

# Appendix

# Toward Early Realization of 10% ROE

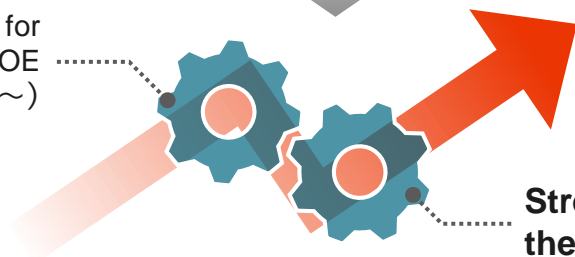
## Historical CET1 ratio and ROE (%)

- In the capital accumulation phase, capital efficiency is improved by increasing earning power relative to capital growth



Gap between our Aspiration and where we are

Initiatives for increasing ROE (P.12~)

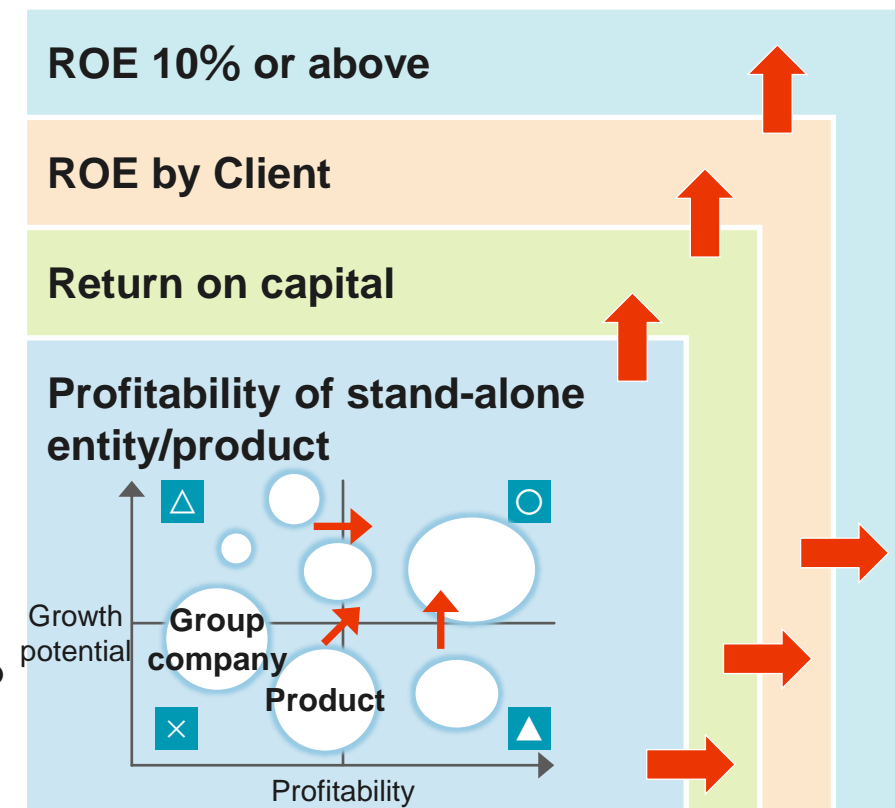


Strengthening the business portfolio

Early realization of 10% ROE requires further improvement of earning power through renewal of management resources

## Concept of Business Portfolio Analysis

- To improve effectiveness and explanatory power, the mesh is subdivided down to the entity and product level, profitability is inspected, and improvement measures are considered and implemented

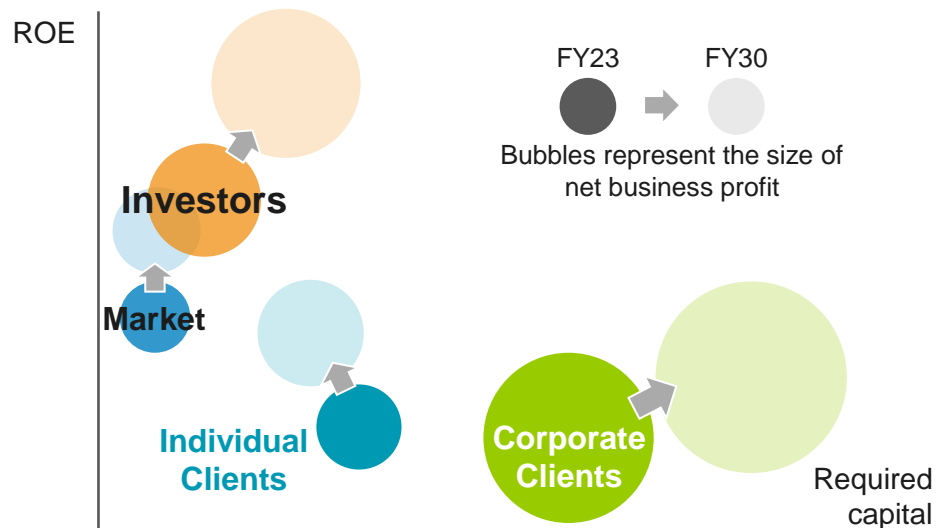


# Toward Early Realization of 10% ROE (By client/ segment)

## ROE by Client

FY23 ROE	Investors	Individual clients	Corporate Clients	Market
Compared to the previous FY	37.6%	9.6%	7.5%	19.0%
	+5.8%	(0.4%)	+0.7%	+1.3%

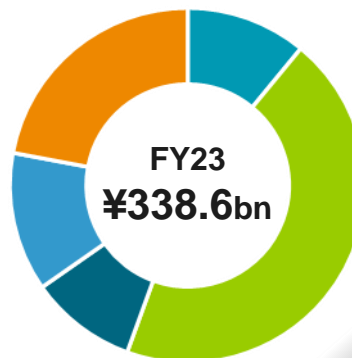
### ◆ Image of improving ROE by client



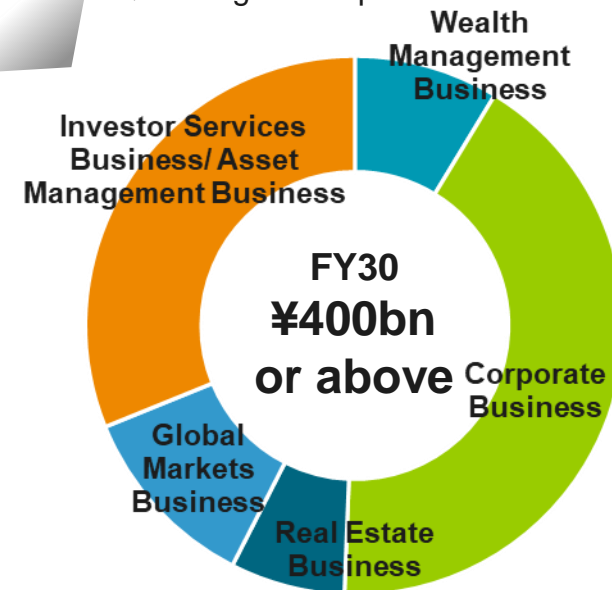
- Market business clientele revenues and real estate business revenues are recorded separately for investors, individual clients, and corporate clients
- Pension business included in investors is recorded as corporate clients, 8.6% of corporate clients FY23
- Investors include asset management business
- Other items not included in the above graph are headquarters expenses, gains/losses on policy holdings/hedged investment trusts, and RWA

**ROE is managed by client based on cross-business characteristics**

## Net business profit by Business Segment



### ◆ Image for Aspiration



**Growth driven by Investor Services Business and Asset Management business**

# Initiatives to improve profitability

## Wealth Management Business

### Areas to create resources

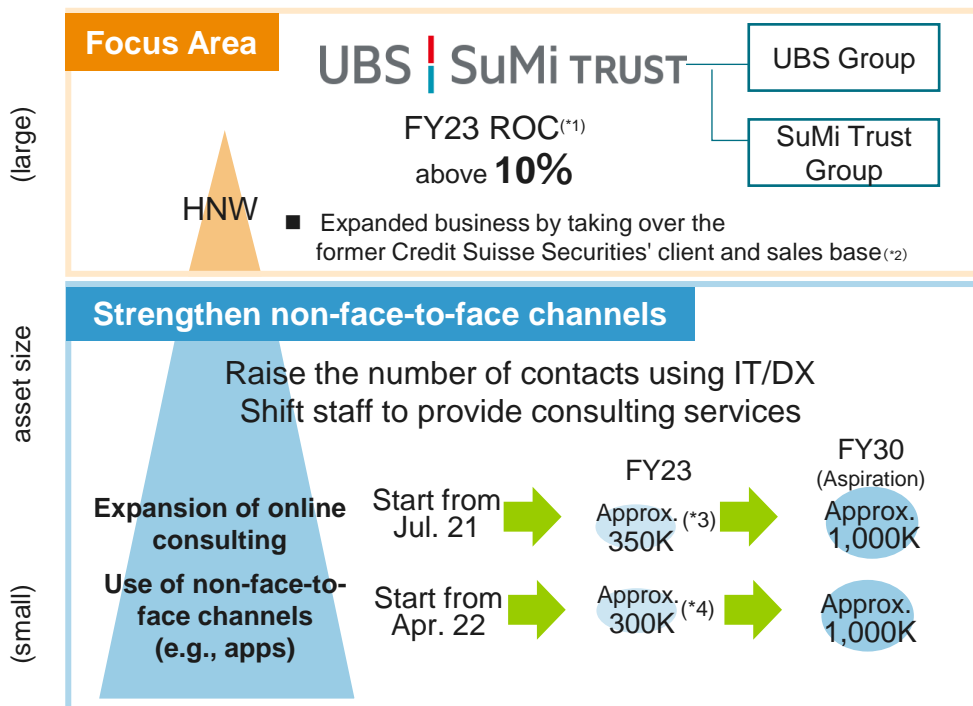
- Review branch network
- Resource generating through IT/DX utilization

### Areas to invest resources

- HNW and asset-formation clients
- Digital Marketing

#### Initiative

Strengthening client contacts through the use of IT/DX.  
Shift staff to provide consulting services to HNW clients, etc.



(\*1) See April 8, 2024 news release (\*2) After-tax income before goodwill amortization / necessary capital  
(\*3) Number of customers managed by online clients plaza (\*4) Number of Smart Life Designer downloads

## Corporate Business

### Areas to create resources

- Low profitability corporate lending, etc.
- Expand online sales

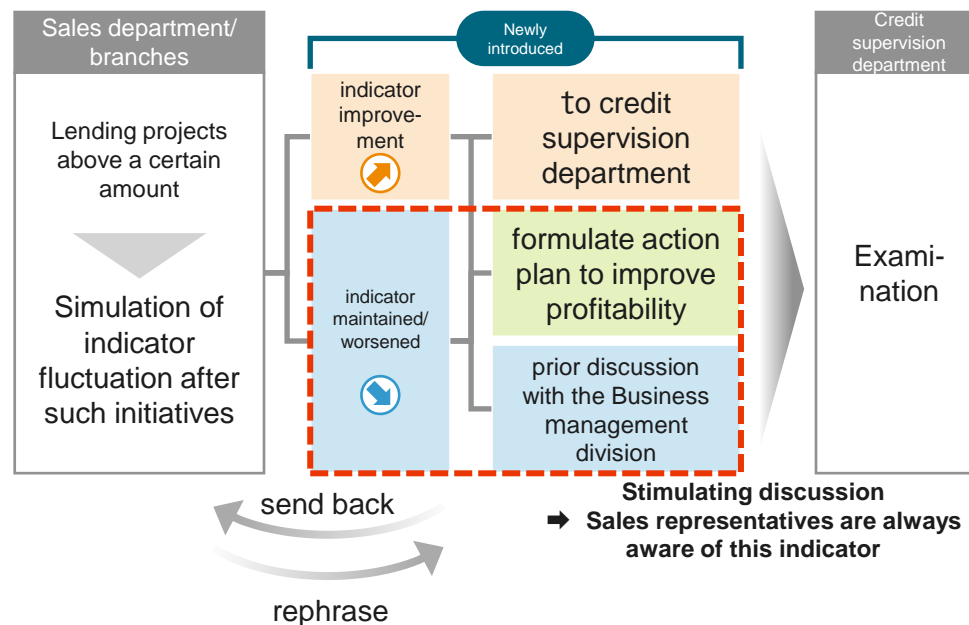
### Areas to invest resources

- High profitability product related lending
- ESG Total Solutions

#### Initiative

Introducing a new “return on capital” indicator that includes non-lending transactions into the credit review process

- In addition to the existing return on capital indicator for lending, a new indicator has been established to measure return on capital including non-lending transactions. We introduced it into our credit review process.



# Initiatives to improve profitability

## Investor Services Business

### Areas to create resources

- DXing of pension and asset management middle backs that maintain robustness

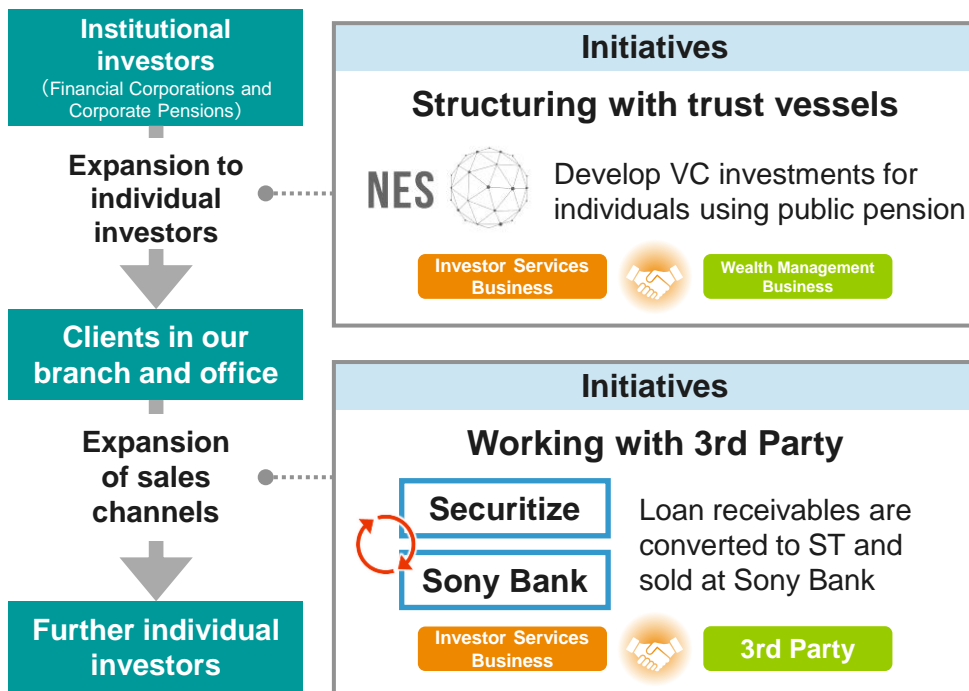
### Areas to invest resources

- Strengthening of investment management and product development capabilities
- Democratization of private assets**

Initiative

**Diversification of small-lot methods for private asset democratization**

Clients to provide private assets



## Asset Management Business

### Areas to create resources

- Product selection and concentration
- Business process reform and efficiency improvement

### Areas to invest resources

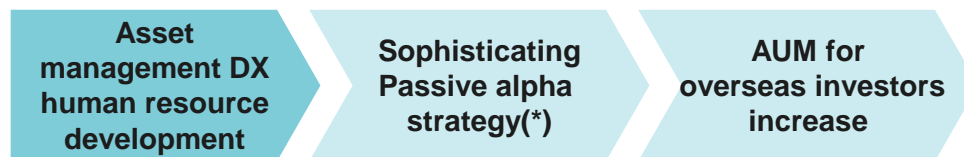
- Acquisition of human resources in core strategic areas**
- Seeded for product composition

Initiative

**Human resource development system and acquisition of human resources to promote each company's focus areas**



SUMITOMO MITSUI TRUST ASSET MANAGEMENT



(\*) SMTAM's unique strategy of using data science to outperform the index while keeping tracking error low

**nikko am**

Nikko Asset Management

- Acquisition of specialized human resources to strengthen overseas business ( **Outside Director** From April 2024)

**Seth Masters**

- Over 25 years at Alliance Bernstein
- Served as Chief Investment Officer (CIO) and other positions

**Mark Stoeckle**

- CEO at Adams Funds for nearly 10 years



# Initiatives to improve profitability

## Real Estate Business

### Areas to create resources

- DXing of brokerage and custody
- Appropriate compensation

### Areas to invest resources

- Asset management and administration business
- Support for inheritance and other asset management

#### Initiative

Expand revenue opportunities through efficient B/S utilization and force deployment

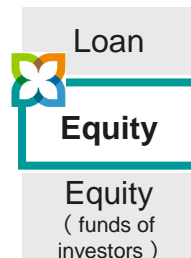
#### For Investors

Efficient B/S utilization to create transaction opportunities

Real estate for investment



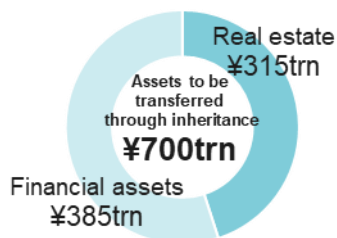
Facilitate property acquisitions



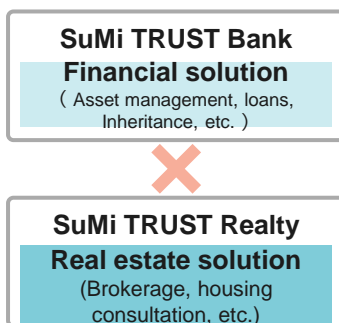
- Priming proprietary investments to attract investor funds
- Brokerage opportunities also created

#### For individuals

Captured increased transaction opportunities due to increased momentum in inheritance and other asset management activities



From 2020 to 2030 (our estimate)



[Gross business profit per employee]



FY20 FY21 FY22 FY23

## Global Markets Business

### Areas to create resources

- Improved efficiency of front office operations
- Continue RWA reduction efforts

### Areas to invest resources

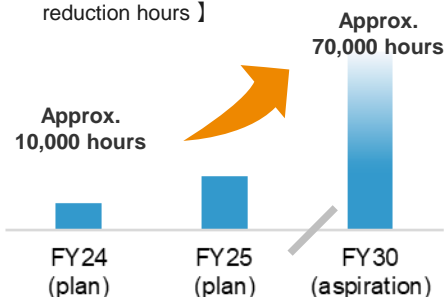
- Strengthening investment capacity (human resource recruitment)
- Client related business

#### Initiative

Focus on strengthening profitability centered on investment and business process reform through DX promotion

#### Productivity improvement initiatives (promotion of DX)

[Efficiency and business reduction hours]



#### Identification and development of investment personnel (human capital investment)

[Cumulative income from investment operations\*] (FY12-FY23)



#### Initiatives to identify and develop human resources

- Capability-based recruitment  
Appointment based on expertise and investment performance
- Utilization of know-how within the group

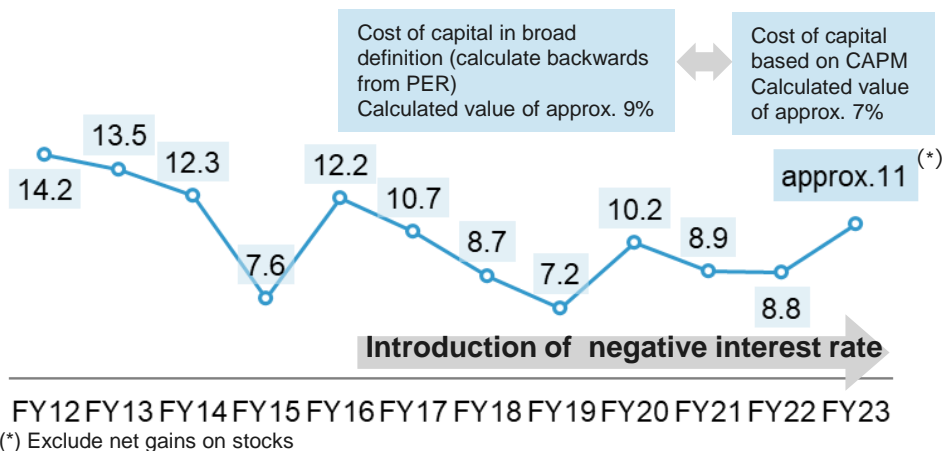
Personnel exchange with SuMiTAM

(\* ) Aggregated based on internal administrative categories

# Management conscious of capital cost and stock price

- Control earning volatility by stable profit growth with higher fee income ratio and appropriate risk control
- Continuous efforts to improve and sophisticate our disclosure by utilizing insights gained from dialogue with investor

## Historical PER



## Initiatives to lower capital cost

### Control earning volatility

#### High-quality earnings growth

- Increase fee income ratio
- Build diversified business portfolio

#### Appropriate risk control

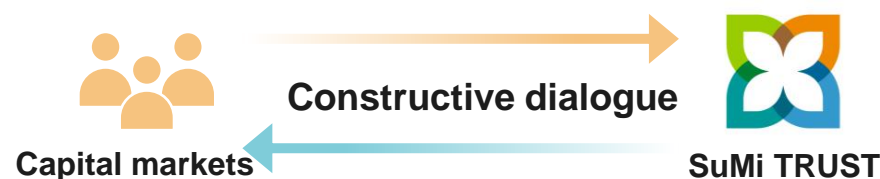
- Initiative to reduce strategic shareholdings to zero
- Improve profitability of credit portfolio

### Dialogue with capital market

#### Dialogue with various stakeholders

- Easy-to-understand information disclosure and announcement to investors
- Enhancement of engagement to corporates
- Timely information sharing to Board of Directors
- Reflection on management strategy

## Result of dialogues with shareholders/investors



	Dialogue / Request	Respond / Result
Finance	<ul style="list-style-type: none"> <li>■ Difficulty in understanding capital allocation</li> </ul>	<ul style="list-style-type: none"> <li>■ Disclose capital allocation slides from FY23</li> </ul>
ESG	<ul style="list-style-type: none"> <li>■ Request to meet with multiple external directors</li> </ul>	<ul style="list-style-type: none"> <li>■ Panel discussion with three external directors</li> <li>■ Determine discussion content through investor interviews</li> </ul>
ESG	<ul style="list-style-type: none"> <li>■ Promote more diversity</li> </ul>	<ul style="list-style-type: none"> <li>■ Newly appoint 2 females as executive officers in Apr. 2024. Total of 4 females out of 15 executive officers</li> </ul>
ESG	<ul style="list-style-type: none"> <li>■ Clarify who is responsible for what</li> </ul>	<ul style="list-style-type: none"> <li>■ Introduced Chief Officer system from Apr. 2024</li> </ul>

➔ **Continuously disclose progress by utilizing investor meetings**

## ◆ Our business model

# External environment

## Financial market

### End of deflation

[CPI] (Mar. 23, YoY)

Excluding fresh food + **2.6%**

(Source) MIC

[Average pay raise] (YoY)

over + **5%**

(Total of regular pay raise and base remuneration)

## Super-aged society

### Increasing needs of elderly clients

[Life expectancy] [healthy life expectancy]  
As of 2021 As of 2019

Male approx. **81** approx. **73**

Female approx. **87** approx. **75**

(Source) Cabinet office 『Annual Report on the Aging Society:2023』

[Distribution of financial assets by age group]

More than **60%** over the age of 60

(Source) BOJ

## Capital market

### Increased focus on the Japanese stock market

[index rate of increase] (Mar. 23, Mar. 23=100)

Japan + **38%**

US + **23%**

China (**7%**)

(Source) Bloomberg, Japan: TOPIX/  
US: S&P500/ China: SSE Composite

## Individual investors

### Mindset gradually changes with new NISA

[Individual trading trends]

Oversold by approx. **¥38trn** in the past 15 years

24/March: approx. **¥500 bn** overbought

(Source) JPX

## Real asset market

### Official land prices grew at the highest rate in 34 years

[Official land price](YoY)

Residential district + **2.0%**

Commercial district + **3.1%**

Industrial district + **4.2%**

(Source) MLIT, as of January 1, 2024

## Impact investment

### Impact investment is on the rise

[Japan Impact Investment Balance]

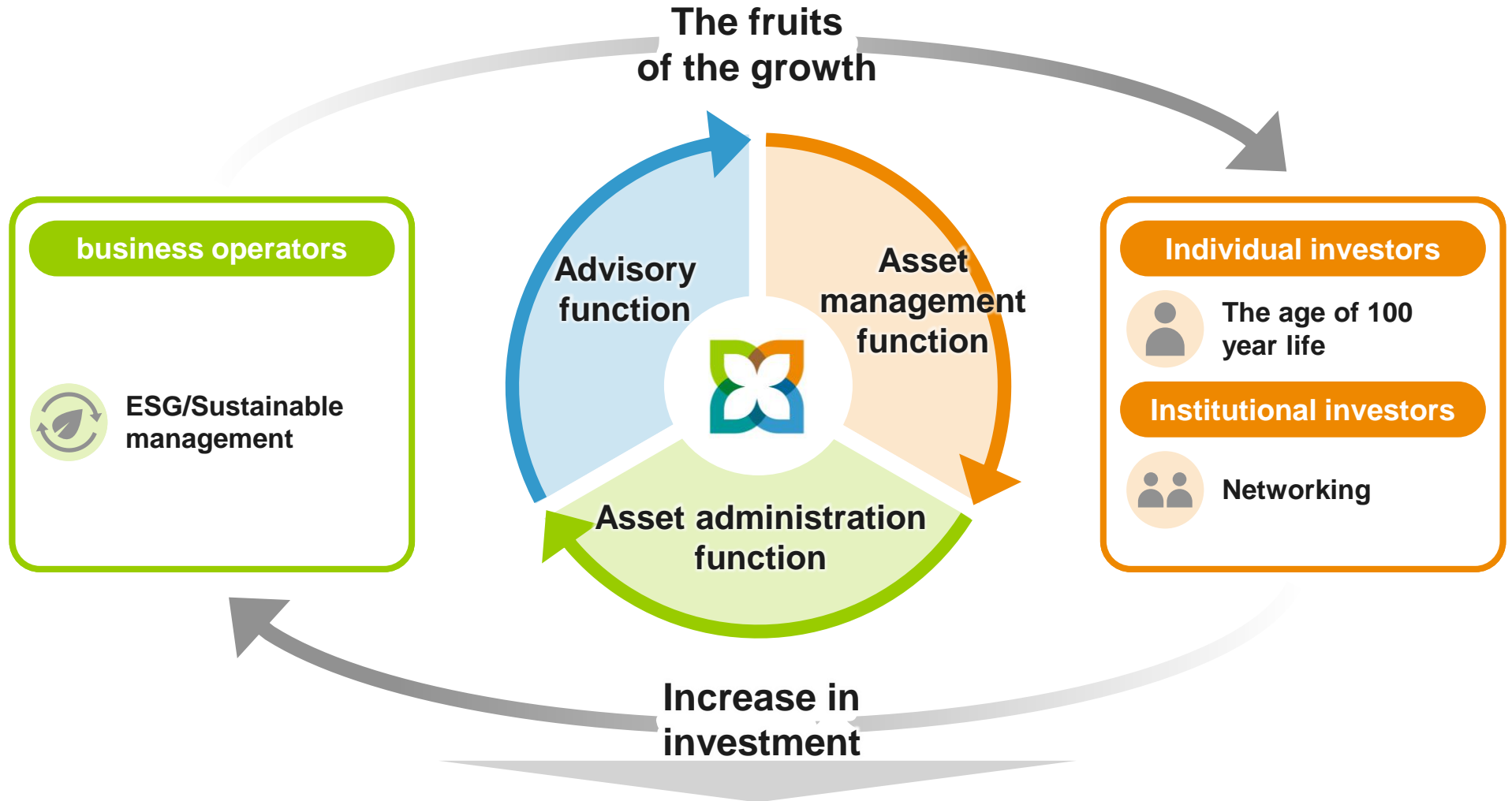
FY21 **¥1.3trn**

FY22 **¥5.8trn**

FY23 **¥11.5trn** (YoY **197%**)

(Source) GSG-NAB Japan 「The Current State and Challenges of Impact Investing in Japan」

# Our business model



**Accelerating a virtuous circulation,  
Expanding Assets Under Fiduciary(AUF)**

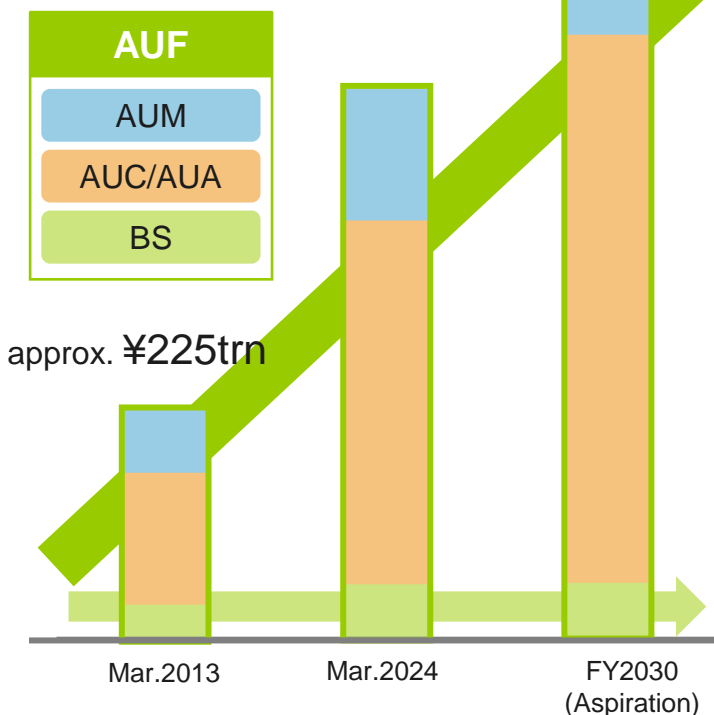
# (Reference) Assets Under Fiduciary (Breakdown of major items)

## AUF (Assets Under Fiduciary)

Indicator of the scale of our initiatives to contribute to solving social issues and creating and expanding markets

Expand **AUF** centered around asset management and asset administration approx. ¥800trn

approx. ¥580trn<sup>(\*1)</sup>  
(+¥80trn vs Mar.23)



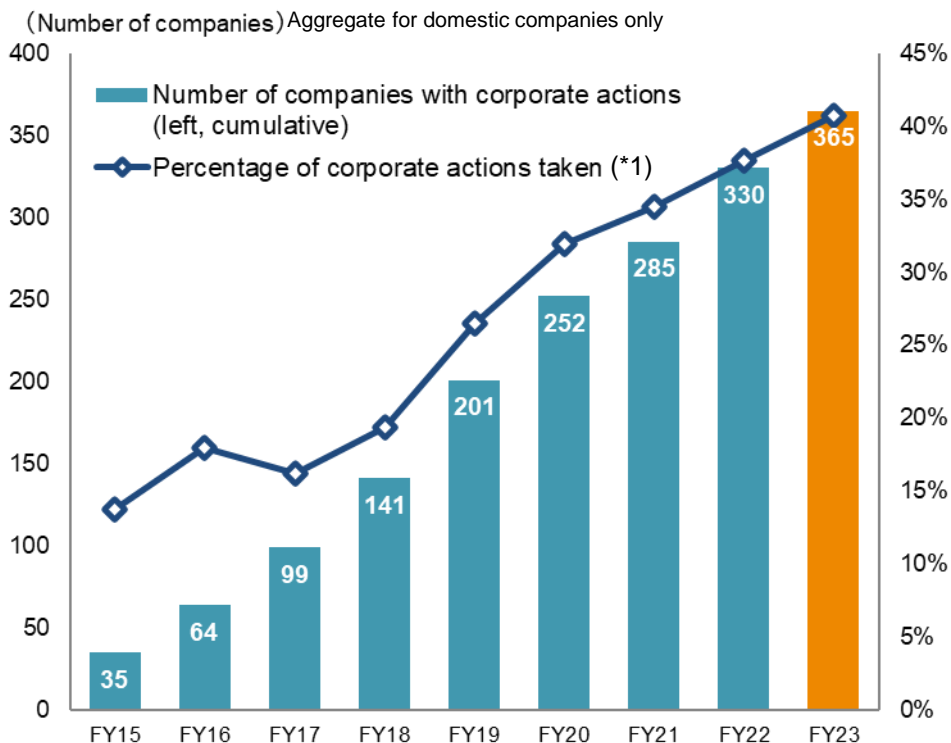
Breakdown of major items	Balance as of Mar. 24 (vs Mar.23)	Aspiration <sup>(*2)</sup>
Assets Under Management	¥139trn (+¥18trn)	¥215trn
Private asset related	¥6trn (+¥1trn)	¥24trn
Assets Under Custody <sup>(*3)</sup>	¥306trn (+¥52trn)	¥460trn
Securitized real estate	¥27trn (+¥3trn)	¥30trn
Investment management consulting related	¥8trn (+¥1trn)	¥9trn
Total assets from will trustor	¥5trn (+¥0trn)	¥7trn
Credit portfolio Individual/Corporate	¥35trn (+¥1trn)	Improve profitability

(\*1) Include approx. ¥20trn of increase due to redefine (Exclude difference vs Mar.23) (\*2) "Aspiration" was already announced (\*3) Include AUC at custody services and fund administrations, and balance that we provide BPO and report making services internally and externally

# Efforts to create a virtuous circulation ~Institutional investors~

- SuMiTAM provides efficient and effective investor engagement to maximize investment returns
- SuMiTAM will also conduct value-up engagements with the aim of achieving further excess earnings

## Engagement Activity Results (SuMiTAM)



(\*1) Number of companies with corporate actions (cumulative) divided by the number of companies engaged (cumulative)

(Period) July 2015 - June 2023

## Initiatives

(Period) July 2022 - June 2023

- Number of domestic and international engagements: approx. 1,700
- Domestic and overseas voting targets: approx. 5,200 companies
- Global network initiative: 19 organizations
- Domestic network initiative: 6 organizations

## External Evaluation

Engagement Activity Questionnaire<sup>(\*2)</sup> for IR Professionals

**1st overall**

(\*2) Mizuho R&T, "Considering Effective Stewardship Activities," FY2022  
 Numbers are in accordance with the source report issued by Mizuho R&T: ①Has a deep understanding of the companies in which it invests: 1st (43%), ②Making specific proposals that contribute to improving corporate value: 1st (41%), ③Engaging in useful engagement with management: 1st(31%), ④Engagement with a long-term perspective: 1st (41%), ⑤Engaging in useful dialogue on sustainability: 3rd (22%), ⑥Voting rights based on dialogue without relying on external criteria, etc.: 1st (30%), ⑦Active in dialogue before the General Assembly and feedback on the results of the exercise: 1st (22%) (Multiple answers allowed)

# Efforts to create a virtuous circulation ~Individual investors~

- Improving individual financial literacy is indispensable for realizing a virtuous circulation that starts with households
- Supporting individuals' long-term asset formation by providing a wide range of high-quality financial education from the Group's proven track record

## Improving financial literacy is a challenge

- The no.1 reason why Japanese people don't invest (\*1):

Lack of knowledge about investing **40%**

## Our strengths

High-quality investment education know-how cultivated in the defined contribution pension plan business

## Strong track record in the client companies we serve

Mutual funds selection<sup>(\*2)</sup>

74%

60%

Industry average

Corporate DC plans provided

Employees of matching contributions<sup>(\*2)</sup>

47%

34%

Industry average

Corporate DC plans provided

(\*1) (Source) FSA "Customer survey result of financial products with risk (Jun.21)

(\*2) Industry average is based on Mar. 23, Corporate DC plans provided is based on Mar. 24

(\*3) Preliminary figures of the end of Mar. 23

Start to work

Retire

Financial education for students

Expand implementation in elementary, junior high, and high schools nationwide  
See P.54

Financial education for asset formation generations

【Corporate DC Plans】

Clients **1,730K** <sup>(\*3)</sup>

【Employees' asset Formation/ Workplace accumulation NISA】

Clients **410K**

Learning asset management knowledge on the occasion of DC

Sessions to elder generation

Opportunity to learn for a secure and prosperous second life

Expand financial education to a wide range of generations, focusing on the DC members

Encouraging a virtuous circulation of "savings to investments"

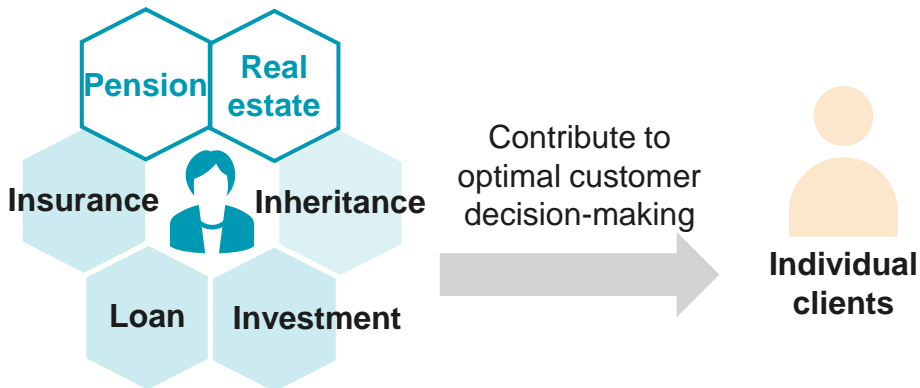


# (Reference) Provision of advisory functions to individual investors

- Our strength lies in our ability to propose optimal asset management, administration, and succession planning based on the status of all client assets, including real estate
- Accelerate a virtuous cycle in both advisory and asset management functions by structuring a variety of products and services to meet client needs

All assets, including **real estate**, within the scope.  
 Focus on future cash flows such as **pension** payments

 SUMITOMO MITSUI TRUST BANK



Capability to create products and provide solutions that meet clients' needs

- Real estate brokerage
- Investment trust etc.

 SUMITOMO MITSUI TRUST ASSET MANAGEMENT

 SUMITOMO MITSUI TRUST REALTY

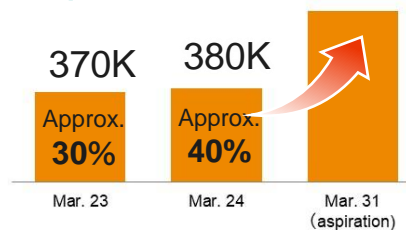


**NISA** | Provision of functions triggered by the NISA Law revision

【 SuMi TRUST Bank 】

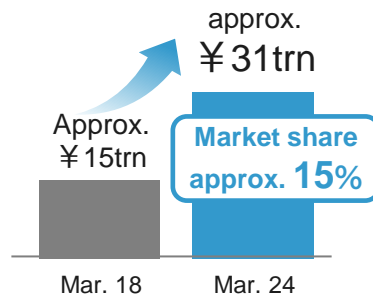
Number of NISA accounts and utilization rate<sup>(\*1)</sup>

Focus on account acquisition and activation

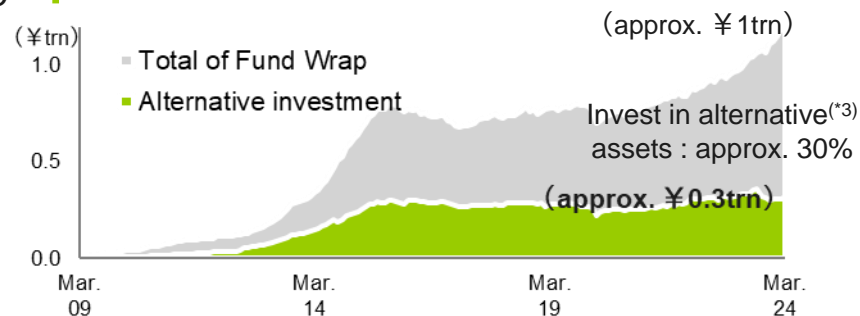


【 AM subsidiaries 】

AUM (public stock investment trust)<sup>(\*2)</sup>



**Fund wrap** | Propose optimal portfolios including alternative investments

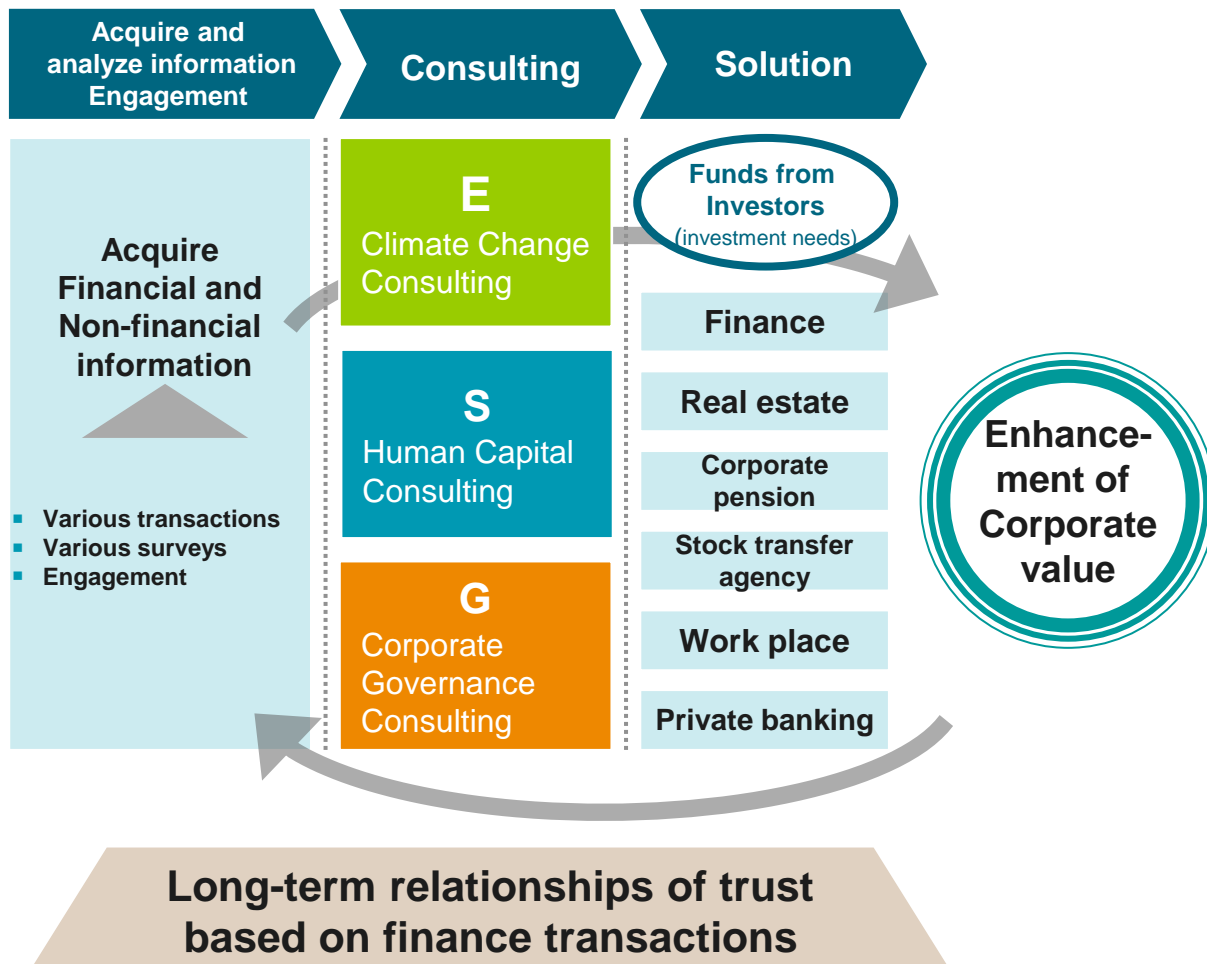


(\*1) Percentage of NISA account purchases of investment trust in NISA accounts opened at SuMi TRUST Bank since January of each year

(\*2) Include ETF. Sum of balance at TAM and Nikko AM (Source) Investment trusts association (\*3) Hedge funds, commodities, REITs

# Efforts to create a virtuous circulation ~Business operators~

- Visualize management issues of client business operators by utilizing information obtained through engagement and various transactions
- Contribute to improving corporate value and solving social issues by providing consulting and solutions



## Various surveys

- Governance survey®  
⇒ **Approx. 50%** of listed companies participate
- Compensation survey
- Start up survey  
⇒ **Over 700** companies participate
- Human capital survey
- Employee benefit survey
- Real estate ESG survey

## New Collaboration with ERM



- Establishing a Joint Venture with the Global ERM Group
- Contribute to solving clients' business issues related to decarbonization and transition

# (Reference) Real Estate Brokerage Market Trends

## Trends by type of asset

2023      2024



- Low yield (high price) environment continues
- Player attributes are varied



Logistics (in operation)  
Logistics (development prime)  
DC



- Investor demand is strong
- Struggling with leasing in some locations



- Steady as a stable investment asset
- Clear trend toward discerning individual projects



Commercial Facilities



- Inbound recovery expected
- Movement to resume investment

## Trends by type of client

### Corporations



- Increased emphasis on efficiency of management resources



Sale of assets held and liquidation of major assets

### Overseas investors



- Rising global interest rates
  - ➔ Some of the main players were replaced
- Investment attitudes are varied

### Domestic investors

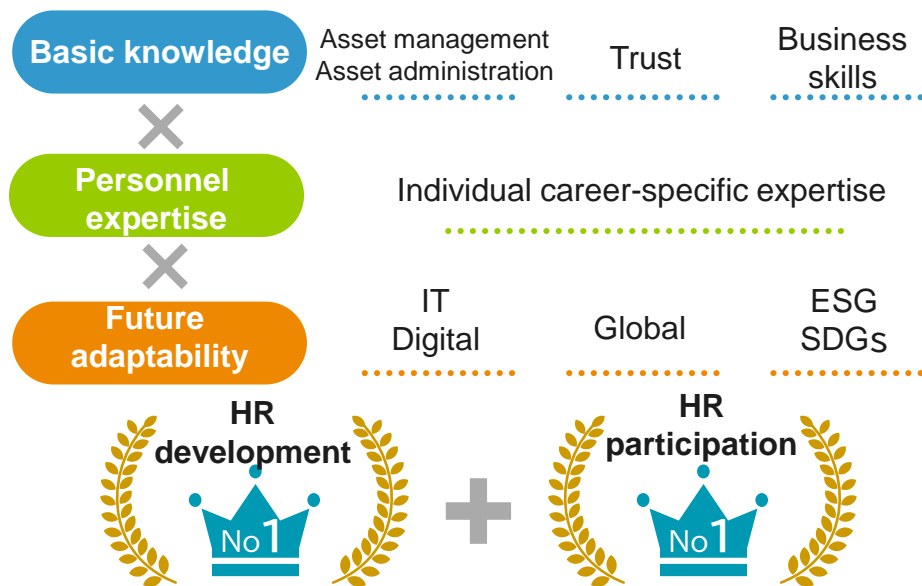


- Investment demand for prime real estate is firm
- Strong needs for diversification and small and collective investments

## ◆ Human resource management

- Provide various supports and events to independent, career-oriented employees

## Human resource development



## SuMiTRUST University



Knowledge management system to support Employees' autonomous career development

Approx. **100** courses <sup>(\*)</sup>

**【examples】**

- University lecture participation program
- Online MBA courses
- Global mindset

(\*) As of Mar.24

## 100 Year Anniversary Ambassadors

- Ambassadors, selected employees from 23 companies in the Group, are honored to participate with future-oriented mind in the 100 Year Anniversary Project



SUMITOMO MITSUI TRUST GROUP

100<sup>th</sup>  
Anniversary



**443** employees<sup>(\*)</sup>

## Future Generations Relations (FR) initiatives

- The president himself dialogues with future generations and encourages their minds to take on challenges



▲ New York Branch

# Asset formation support

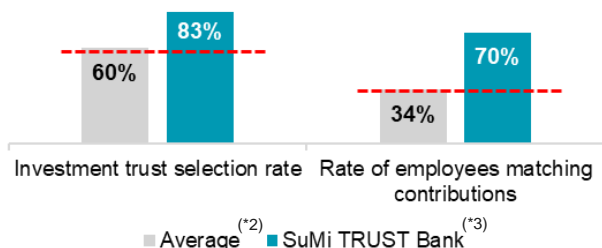
## Realization of our employees' FINANCIAL WELL-BEING<sup>(\*1)</sup>

Increase compensation



Financial education

- Provide advanced investment education cultivated in pension and workplace businesses



(Source) Liaison Council of Management Control Institutions and SuMi TRUST Bank

- Effectively promote incentives increase (8%→20%) for stock ownership

FY2021  
¥0.70bn

X2.45

FY2023  
¥1.72bn

Annual contribution by employees (excluding incentives)



## Financial literacy education for the next generations

- Provided financial education program to 15,000<sup>(\*4)</sup> elementary, junior high and high school students at 116 schools in FY23



[Sumitomo Mitsui Trust Financial Education Institute website](#)  
(Japanese text only)

Support asset formation to create a prosperous future for everyone from our employees to the public

(\*1) FINANCIAL WELL-BEING is "a state that individual has prepared the money and assets they may need for contingencies and for the future, allowing them to have peace of mind."

(\*2) As of Mar.23 (\*3) As of Mar.24 (\*4) FY2023

# ◆ Sustainability



# Key Metrics, Targets and Results for Climate Change

- Announce key metrics and targets, and promote the transition plan to deliver our Carbon Neutral Commitment
- Disclose 2030 mid-term reduction targets for GHG emissions for 6 sectors in investment & loan portfolio (Mar. 24)

## Carbon Neutral Commitment (Oct. 2021)

1 Contribute to achieving carbon neutrality in society by leveraging the trust banking group's wide range and flexible functions

2 Target net-zero GHG emissions in investment and loan portfolios by 2050

To achieve net-zero emissions by 2050, a milestone target for 2030 was formulated in line with the framework of the NZBA

3 Achieve net-zero emissions in the SuMi TRUST Group by 2030



See below for details on transition plans

[TCFD Report](#)

## List of Key Metrics, Targets and Results

Metric	Targets	Results
GHGEs from Own Group		
Scope1	FY2030: Net zero	5,411t-Co <sub>2</sub> e(FY2022)
Scope2	FY2030: Net zero	4,586t-Co <sub>2</sub> e(FY2022)
GHGEs in investment & loan portfolio		
2050: Net zero		
Power generation sector (emission intensity)	FY2030: 138-173g-Co <sub>2</sub> e/kWh	253g-Co <sub>2</sub> e/kWh (FY2022)
Oil & Gas sector (reduction rate)	FY2030 (13)%-(31)% (from FY2020)	+19%(FY2022)
Rear estate sector (emission intensity)	FY2030 34-41kg-Co <sub>2</sub> e/m <sup>2</sup>	62kg-Co <sub>2</sub> e/m <sup>2</sup> (FY2022)
Shipping sector (Portfolio Climate Alignment)	FY2030 0% or less	New standard: (striving)+21.2% (FY2022) New standard: (Minimum)+16.9%(FY2022) Old standard: (4.5%)(FY2022)
<b>New</b> Iron & Steel sector(reduction rate)	FY2030 (22)%-(27)% (from FY2019)	(22%)(FY2022)
Auto-Motive Production (reduction rate)	FY2030 (47)% (from FY2019)	(30%)(FY2022)
sector Products (emission intensity)	FY2030 106-128g-Co <sub>2</sub> e/vkm	196g-Co <sub>2</sub> e/vkm (FY2021)
GHGEs in asset management portfolio		
2050: Net zero		
Sumitomo Mitsui Trust Asset Management	2030: Halve intensity of 50% of AUM*1 from 2019	(8.7%)(as of June. 2023)
Nikko Asset Management	2030: Halve intensity of 43% of AUM*2 from 2019	(22.8%)(as of Dec. 2022)
Loan balance for coal-fired power generation	FY2040: Zero	Approx. ¥154.0bn(FY2022)

(\*1) Targeting about ¥43trn, 50% of ¥85trn of total managing assets as of Jun. 21

(\*2) Targeting about ¥13trn, 43% of ¥31trn of total managing assets as of Dec. 21



# Development of impact businesses

- Accelerate impact business by steady increase of transaction merging “technology”, “finance” and “policy”

## Technology-Based Finance (TBF) team

Unique capacity from combination of deep knowledge as specialist (each member)



Creative ideas through discussion (team)

12 experts

7 key strategies

Hydrogen

Battery

Agriculture

Electric

Mineral Resource Circulation

Organic Resource Circulation

Urban/ Infrastructure

Technology-driven approach

Industry

Support promotion of innovation

Corporate

Generate impact businesses

Region

Advancing collaboration with various stakeholders

## Initiatives (Hydrogen)

Purposes

Establish a low-cost, low-carbon, large-scale renewable energy derived hydrogen supply chain

Content

Transforming Hokkaido into a Hydrogen Island:  
Establish a Demonstration Project for a Large-scale Renewable Energy Derived Hydrogen Supply Chain Independent of the Power Grid\*

\*“Demonstration Projects of FY2024:  
Establish a Model for Reducing the Cost of Hydrogen Supply by Utilizing Existing Infrastructure”



[Primary operator]

(Role) Overall management of the project, and hydrogen production / storage / delivery and supply-demand coordination



[Collaborator]

(Role) Analyze outcomes and dissemination scenarios of the demonstration project

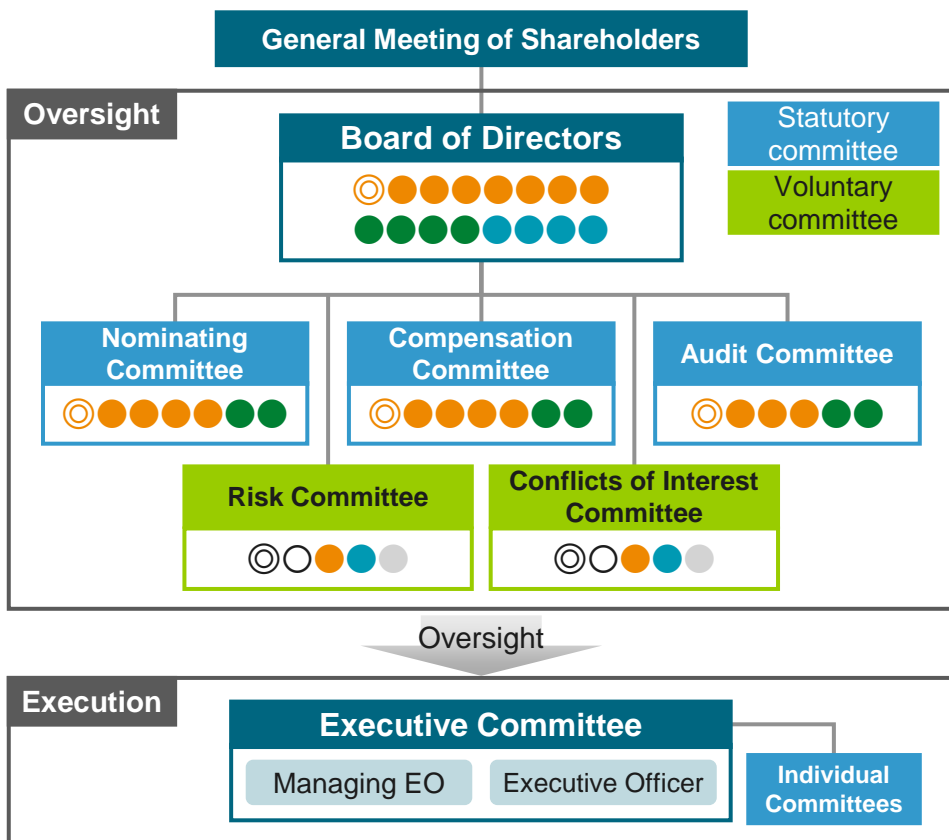
TBF team member with doctoral degrees in hydrogen-related fields support the operator from a specialized perspective

# ◆ Corporate governance

# Governance ~ Oversight structure ~

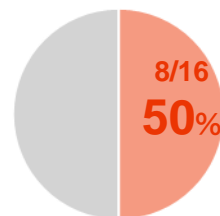
## Oversight structure (As of June, 2024 (scheduled))

- 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)

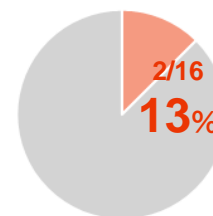


## Breakdown by director types

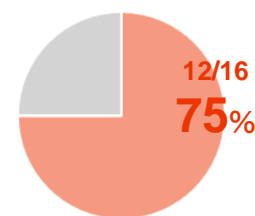
### Independent external directors



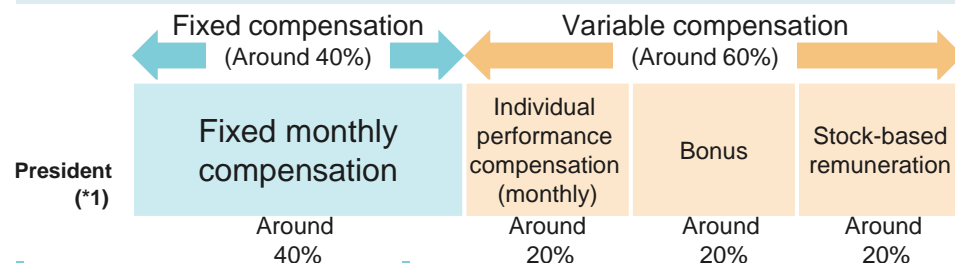
### Female directors



### Non-executive directors



## Directors' compensation



## Stock-based remuneration

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

(\*1) Consider increasing the weight of stock-based remuneration to make it more effective as an incentive to increase enhancing corporate value. Monthly compensation (for non-presidents) around 45%:fixed compensation, around 25% individual performance compensation, around 20%:bonus for directors and executive officers, around 10%:stock remuneration (\*2) MSCI, FTSE, Sustainalytics

# Functioning of the Board of Directors of subsidiaries in group governance

## Premise in group governance by the Board of Directors at SuMi TRUST Holdings

### Companies Act (Article 416)

- The stock company performs the duties of the development of systems necessary to ensure the properness of operations of a group of enterprises

### Banking Act (Article 52-21)

- A bank holding company must carry out business management of a bank holding company group to which it belongs
- A bank holding company must endeavor to ensure the sound and appropriate management of services at any bank that its subsidiary company

## Classification of Group governance and management policy

### Key subsidiaries with significant impact on group management

#### Expected role

Autonomous supervisory function

#### Group management

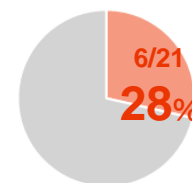
- Management strategy
- Control by supervisory board

#### Subsidiaries

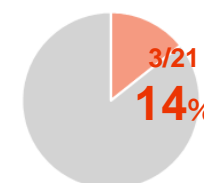
- Sumitomo Mitsui Trust Bank
- Sumitomo Mitsui Trust Asset Management
- Nikko Asset Management

## SUMITOMO MITSUI TRUST BANK

### External directors



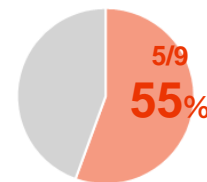
### Female directors



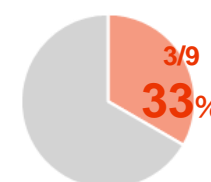
(As of June, 2024(scheduled))

## SUMITOMO MITSUI TRUST ASSET MANAGEMENT

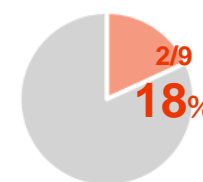
### External directors



### Female directors



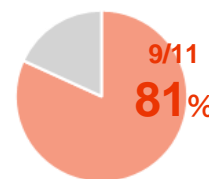
### Non-Japanese directors



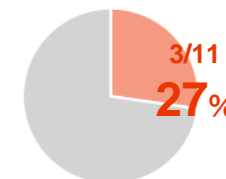
(As of June, 2024(scheduled))

## nikko am Nikko Asset Management

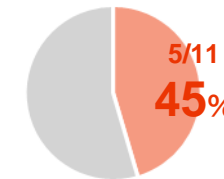
### External directors



### Female directors



### Non-Japanese directors



(As of June, 2024(scheduled))

# Summary of financial results for FY2023

# Overview of profits

	(Yen bn)	FY22	FY23	Change
1	Net business profit before credit costs (*1)	324.6	338.6	14.0
2	Substantial gross business profit (*1)	814.1	874.1	59.9
3	Effective interest related earnings (*2)	300.6	289.9	(10.6)
4	Net fees and commissions and related profit	449.3	478.8	29.5
5	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	64.1	105.3	41.1
6	Substantial G&A expenses (*1)	(489.5)	(535.4)	(45.9)
7	Total credit costs	(10.4)	(11.8)	(1.4)
8	Net gains on stocks	3.0	(188.5)	(191.5)
9	Other net non-recurring profit	(31.4)	(36.9)	(5.5)
10	Ordinary profit	285.8	101.3	(184.5)
11	Extraordinary profit	(14.4)	(3.3)	11.1
12	Income before income taxes	271.3	97.9	(173.4)
13	Total income taxes	(79.3)	(17.6)	61.7
14	Income attributable to non-controlling interests	(1.0)	(1.1)	(0.1)
15	Net income	191.0	79.1	(111.8)
16	Earnings per share (EPS) (Yen)	258	109	(149)
17	Number of shares issued (mn shares) (*3)	738.6	725.5	(13.1)

## (Reference)

18	Net interest income and related profit	148.1	(84.5)	(232.6)
19	Other profit	216.6	479.8	263.1
20	Profit attributable to deployment of surplus foreign currency funds	152.5	374.5	222.0
21	Other	64.1	105.3	41.1

(\*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 "Other profit"

(\*3) Average number of common shares outstanding (excluding treasury stocks) during the period

## Net business profit before credit costs (#1)

- Achieved ¥338.6bn of 103% vs FY23 revised forecast of ¥330.0bn
- (#3: Effective interest related earnings) Decreased YoY ¥(10.6)bn due to absence of termination gain on bonds bear fund and funding cost increase as overseas interest rates rise, while deterioration range was improved as rising overseas interest rates peaked out
- (#4: Net fees and commissions and related profit) Increased YoY ¥29.5bn mainly due to strong performance of corporate credit related fees
- (#6: Substantial G&A expenses) Increased YoY. Investments in human capital and expenses linked with gross business profit increases in addition to the weaker yen increase. Generally as expected at the beginning of FY23

## Total credit costs (#7)

- Posted ¥(11.8)bn of total credit costs resulting with enough room for the forecast of ¥(20.0)bn

## Net gains on stocks (#8)

- Posted ¥108.5bn of gains from reducing strategic shareholdings.
- Posted ¥(298.1)bn of realized losses from sale of bear funds. Reducing bear funds with low B/E drastically in line with the disclosed policy of Oct. 23

## Other net non-recurring profit, extraordinary profit

- (#9: Other net non-recurring profit) Decreased YoY ¥(5.5)bn mainly due to one-time factors at group companies in FY22
- (#11: Extraordinary profit) Increased YoY ¥11.1bn due to reversal of one-time factors in FY22 (extraordinary losses due to IT system renewal related to overseas operations at SuMi TRUST Bank)

## Net income (#15)

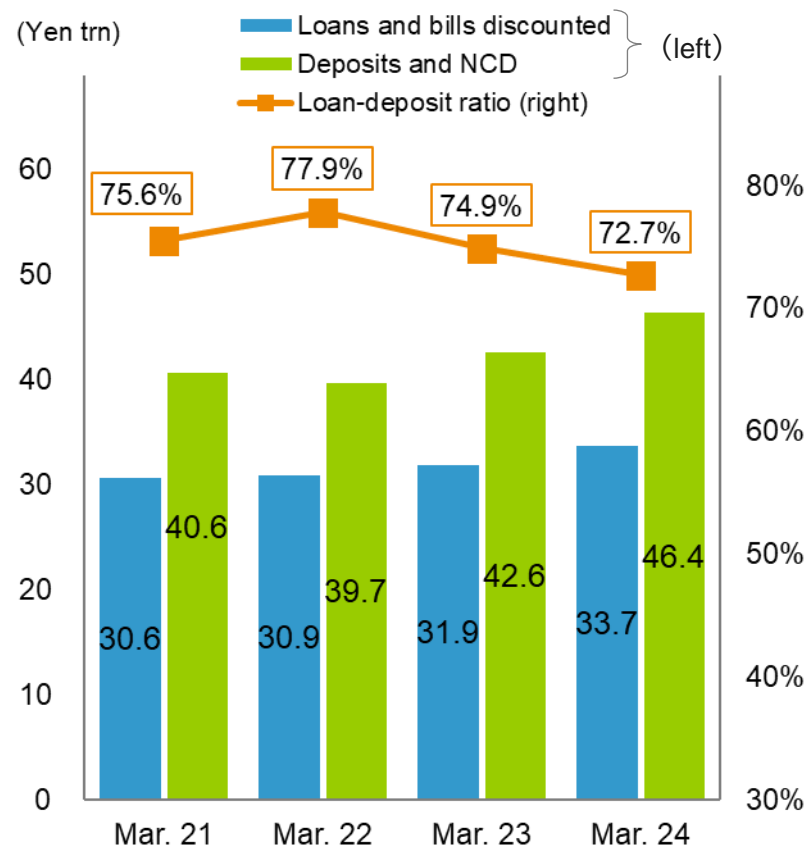
- Achieved 93% progress vs FY23 forecast of ¥85.0bn as reducing bear funds with low B/E drastically. Certainty of achieving future profit targets has improved.

# Overview of balance sheet

		(Yen bn)		
		Mar. 23	Mar. 24	Change
1	Assets	69,022.7	75,876.9	6,854.1
2	Cash and due from banks	21,602.4	22,831.6	1,229.1
3	Securities	6,933.0	9,938.9	3,005.8
4	Loans and bills discounted	31,810.9	33,420.9	1,609.9
5	Other assets	8,676.2	9,685.4	1,009.1
6	Liabilities	66,200.1	72,739.2	6,539.0
7	Deposits and NCD	42,848.2	46,639.2	3,790.9
8	Borrowed money from trust account	4,332.4	4,327.7	(4.6)
9	Other liabilities	19,019.4	21,772.1	2,752.7
10	Total net assets	2,822.5	3,137.6	315.1
11	Total shareholders' equity	2,587.8	2,566.3	(21.4)
12	Total accumulated OCI	204.2	539.9	335.6
13	Minority interests, etc.	30.4	31.3	0.8
14	Net assets per share (BPS) (Yen)	3,843	4,316	473
15	Number of shares issued (mn shares) (*)	726.4	719.5	(6.8)
(Reference)				
16	Loan-deposit ratio (SuMi TRUST Bank)	74.9%	72.7%	(2.2%)
17	NPL ratio (SuMi TRUST Bank)	0.4%	0.3%	(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)	FY22	FY23	Change
1	Net business profit before credit costs (*1)		324.6	338.6	14.0
2	o/w SuMi TRUST Bank (*2)(*4)		245.9	275.9	30.0
3	SuMi TRUST AM		7.9	6.6	(1.3)
4	Nikko AM (*3)		13.9	10.7	(3.1)
5	SuMi TRUST Realty		7.3	7.4	0.1
6	SuMi TRUST Panasonic Finance (*3)		8.6	9.2	0.5
7	SuMi TRUST Loan & Finance		10.9	11.7	0.7
8	Sumitomo Mitsui Trust Bank (U.S.A.)		5.0	10.2	5.1
9	Sumitomo Mitsui Trust (Hong Kong) (*4)		5.0	3.0	(1.9)
10	SuMi TRUST Guarantee (*3)		11.6	11.2	(0.4)
11	SuMi TRUST Club		3.7	1.7	(1.9)
12	UBS SuMi TRUST Wealth Management		2.5	2.6	0.1
13	Net income (*1)		191.0	79.1	(111.8)
14	o/w SuMi TRUST Bank (*2)(*4)		169.1	57.8	(111.2)
15	SuMi TRUST AM		5.4	4.5	(0.8)
16	Nikko AM (*3)		12.7	11.1	(1.5)
17	SuMi TRUST Realty		5.2	5.2	0.0
18	SuMi TRUST Panasonic Finance (*3)		5.8	6.0	0.1
19	SuMi TRUST Loan & Finance		7.6	8.1	0.4
20	Sumitomo Mitsui Trust Bank (U.S.A.)		4.0	8.0	3.9
21	Sumitomo Mitsui Trust (Hong Kong) (*4)		4.2	2.6	(1.5)
22	SuMi TRUST Guarantee (*3)		8.5	7.9	(0.6)
23	SuMi TRUST Club		1.6	1.3	(0.3)
24	UBS SuMi TRUST Wealth Management		1.8	2.1	0.2

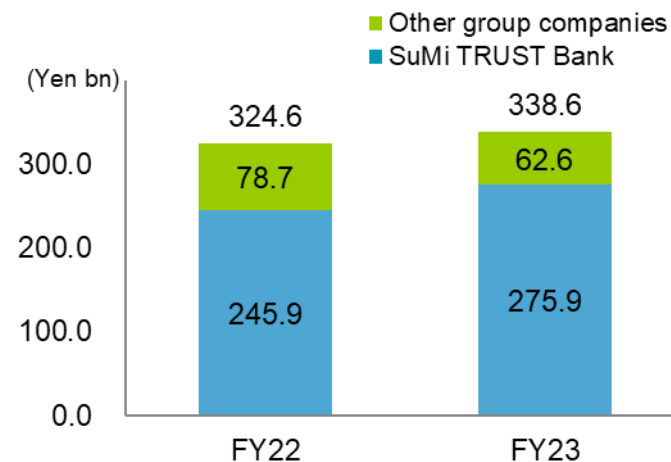
(\*1) Figures on the table above are contribution of group companies, which are substantive amount excluding consolidation adjustment that do not relate directly to the group companies' business results.

(\*2) Including dividend from group companies (FY22: ¥30.1bn, FY23: ¥46.6bn, YoY change: +¥16.5bn)

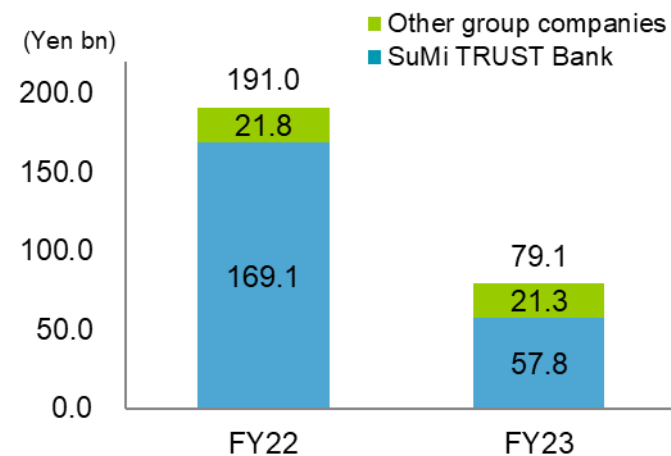
(\*3) Consolidated basis

(\*4) Reviewed profit method in FY23/4Q (SuMi TRUST Bank: Substantial gross business profit approx. +¥3.0bn, Sumitomo Mitsui Trust (Hong Kong): Substantial G&A expenses approx. ¥(3.0)bn)

## Breakdown of Net business profit before credit costs



## Breakdown of Net income





# Profit by business segment

		FY22 Net business profit before credit costs (*1)	Substantial gross business profit (*1)		FY23 Net business profit before credit costs (*1)		FY23 Plan Net business profit before credit costs (*1)	
			Change	Substantial G&A expenses	Change			
1	Total	324.6	874.1	59.9	(535.4)	338.6	14.0	330.0
2	Wealth Management Business	41.5	213.0	10.1	(172.8)	40.1	(1.3)	33.0
3	SuMi TRUST Bank	21.3	142.0	7.9	(120.6)	21.3	0.0	15.0
4	Other group companies	20.1	70.9	2.2	(52.2)	18.7	(1.3)	18.0
5	Corporate Business	140.8	265.3	35.9	(102.3)	162.9	22.1	141.0
6	SuMi TRUST Bank	111.1	180.4	26.8	(49.7)	130.7	19.5	114.0
7	Other group companies	29.6	84.8	9.0	(52.5)	32.2	2.6	27.0
8	Investor Services Business	57.7	143.9	16.5	(81.2)	62.7	5.0	63.0
9	SuMi TRUST Bank (*2)	43.1	82.4	6.3	(37.8)	44.5	1.4	45.0
10	Other group companies (*2)	14.5	61.5	10.1	(43.3)	18.1	3.5	18.0
11	Real Estate Business	42.1	65.7	(3.9)	(30.0)	35.6	(6.4)	40.0
12	SuMi TRUST Bank	33.9	38.6	(5.4)	(11.3)	27.3	(6.6)	32.0
13	Other group companies	8.1	27.0	1.4	(18.6)	8.3	0.1	8.0
14	Global Markets Business	54.1	65.9	(3.3)	(19.6)	46.3	(7.8)	44.0
15	Asset Management Business (*3)	22.2	87.1	2.3	(69.1)	17.9	(4.2)	23.0

(\*1) Substantial gross business profit and net business profit include a part of non-recurring profit (net gains on stocks, net gains on stocks related derivatives and others) and adjust at total

(\*2) Reviewed profit method in FY23/4Q (SuMi TRUST Bank: Substantial gross business profit approx. +¥3.0bn,  
Other group companies: Substantial G&A expenses approx. ¥(3.0)bn)

(\*3) 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)		FY22	FY23	Change
1	Net business profit before credit costs	245.9	275.9	30.0
2	Gross business profit	508.1	566.1	57.9
3	Effective interest related earnings	285.9	289.0	3.1
4	Net interest income and related profit	133.4	(85.4)	(218.8)
5	Profit attributable to deployment of surplus foreign currency funds	152.5	374.5	222.0
6	Net fees and commissions and related profit	193.2	211.2	17.9
7	Net trading profit	57.1	48.1	(9.0)
8	Net gains on foreign exchange transactions			
	Net trading profit	10.4	75.9	65.4
9	Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)	46.7	(27.7)	(74.5)
10	Net gains on bonds	(26.0)	6.3	32.3
11	Net gains from derivatives	1.0	15.2	14.1
12	General and administrative expenses	(262.2)	(290.1)	(27.8)
13	Total credit costs	(12.4)	(11.5)	0.8
14	Other non-recurring profit	(8.8)	(205.6)	(196.8)
15	o/w Net gains on stocks	5.9	(188.6)	(194.5)
16	Amortization of net actuarial losses	(3.8)	(4.7)	(0.9)
17	Ordinary profit	224.5	58.7	(165.8)
18	Extraordinary profit	(0.3)	(3.7)	(3.4)
19	Income before income taxes	224.2	54.9	(169.3)
20	Total income taxes	(55.1)	2.9	58.0
21	Net income	169.1	57.8	(111.2)

	FY22	FY23	Change	
22	Gross business profit	508.1	566.1	57.9
23	Net interest income and related profit	133.4	(85.4)	(218.8)
24	Net fees and commissions and related profit	193.2	211.2	17.9
25	Net trading profit	10.4	75.9	65.4
26	Net other operating profit	171.0	364.4	193.3
27	o/w Net gains on foreign exchange transactions	199.2	346.7	147.5
28	Profit attributable to deployment of surplus foreign currency funds	152.5	374.5	222.0
29	other	46.7	(27.7)	(74.5)
30	Net gains on bonds	(26.0)	6.3	32.3
31	Net gains from derivatives	1.0	15.2	14.1
32	Net fees and commissions and related profit	193.2	211.2	17.9
33	o/w Investment management consulting	41.3	43.6	2.2
34	Asset management/administration	67.1	75.3	8.2
35	Real estate brokerage	37.4	31.3	(6.1)
36	Stock transfer agency services	24.4	24.5	0.1
37	Inheritance related services	4.4	4.6	0.1
38	Corporate credit related	34.7	53.1	18.3
39	Net gains on bonds	(26.0)	6.3	32.3
40	Domestic bonds	(5.6)	1.2	6.9
41	Foreign bonds	(20.3)	5.1	25.4

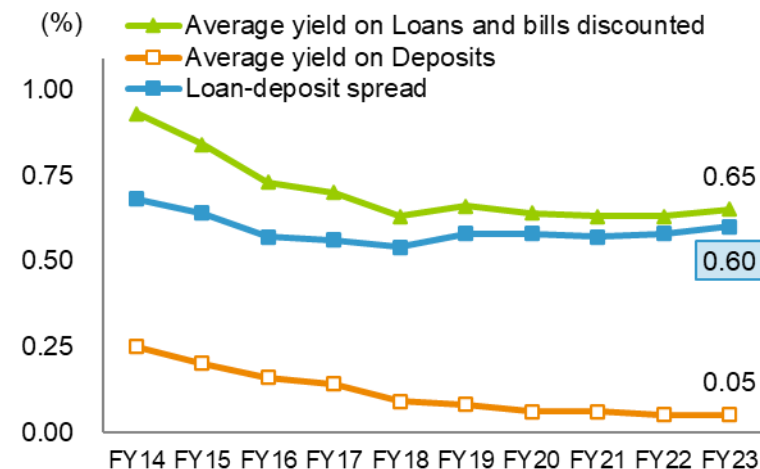
(\*) Including dividend from subsidiaries (FY22: ¥30.1bn, FY23: ¥46.6bn, YoY change: +¥16.5bn)

# Net interest income (SuMi TRUST Bank)

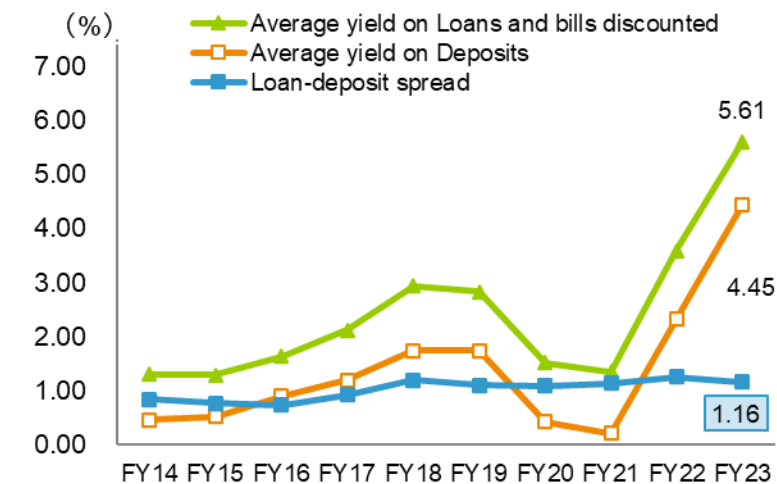
	FY23					
	Average Balance	Change from FY22	Average Yield	Change from FY22	Income/Expenses	Change from FY22
(Average balance: Yen trn) (Income/Expenses: Yen bn)						
1 Net interest income					(106.6)	(219.8)
2 Domestic business			0.38%	(0.02%)	188.9	0.6
3 Interest-earning assets	49.21	2.71	0.50%	(0.03%)	249.7	1.6
4 o/w Loans and bills discounted	24.92	0.07	0.65%	0.02%	162.3	4.1
5 Securities	4.14	(0.19)	1.95%	0.04%	80.9	(2.2)
6 Interest-bearing liabilities	48.72	2.84	0.12%	(0.01%)	(60.7)	(1.0)
7 o/w Deposits	29.65	1.94	0.05%	0.00%	(16.9)	(1.2)
8 Borrowings from trust a/c	4.47	0.18	0.47%	0.01%	(21.1)	(1.0)
9 Swaps	---	---	---	---	(6.4)	2.9
10 International business			(1.56%)	(1.08%)	(295.5)	(220.5)
11 Interest-earning assets	19.38	2.79	3.99%	1.46%	774.4	354.0
12 o/w Loans and bills discounted	7.89	1.09	5.61%	2.02%	442.7	198.3
13 Due from banks	2.58	(0.06)	4.93%	2.35%	127.2	58.7
14 Securities	3.67	0.77	4.65%	1.78%	170.9	87.5
15 Interest-bearing liabilities	19.26	2.82	5.55%	2.54%	(1,070.0)	(574.5)
16 o/w Deposits	7.19	0.60	4.45%	2.12%	(320.6)	(166.9)
17 NCD / USCP	8.20	1.53	5.14%	2.23%	(422.1)	(227.7)
18 Repo	1.35	0.10	5.43%	2.85%	(73.5)	(41.3)
19 Expenses on swaps	---	---	---	---	(160.1)	(84.5)
20 (+) Trust fees from principal guaranteed trust a/c					21.1	1.0
21 (+) Profit attributable to deployment of surplus foreign currency funds					374.5	222.0
22 Effective interest related earnings					289.0	3.1
23 Loan-deposit spread / income in domestic business			0.60%	0.02%	145.4	2.9
24 Loan-deposit spread / income in international business			1.16%	(0.10%)	122.1	31.4

(\*) Including dividend from subsidiaries (FY22:¥30.1bn, FY23:¥46.6bn, YoY change: +¥16.5bn)

## Domestic loan-deposit spread (YoY)

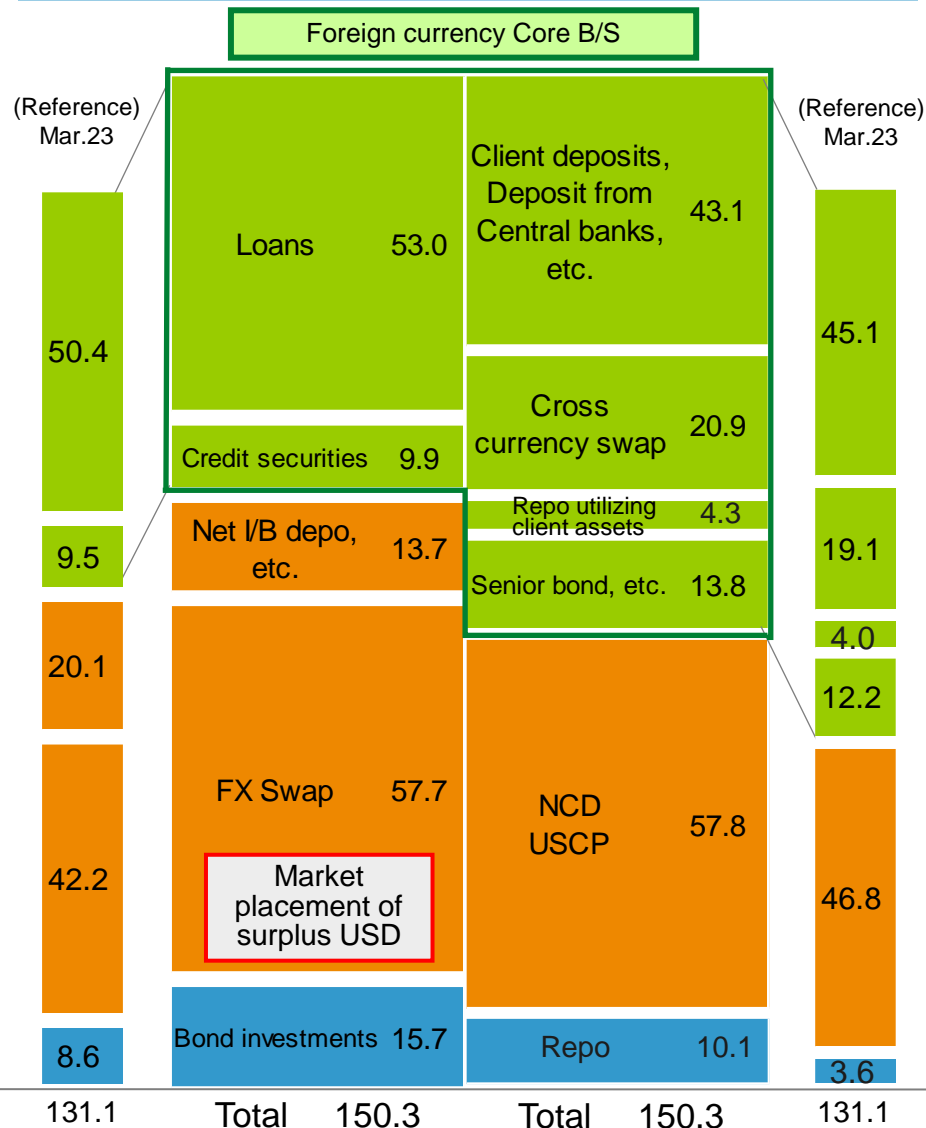


## International loan-deposit spread (YoY)



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

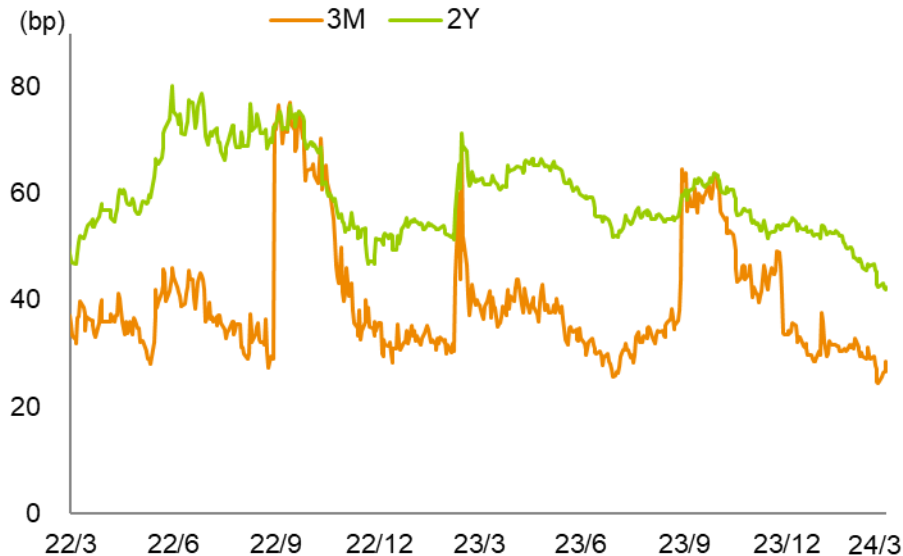
## Foreign currency B/S (as of Mar. 24) (USD bn)



## 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 interbank or foreign exchange market.

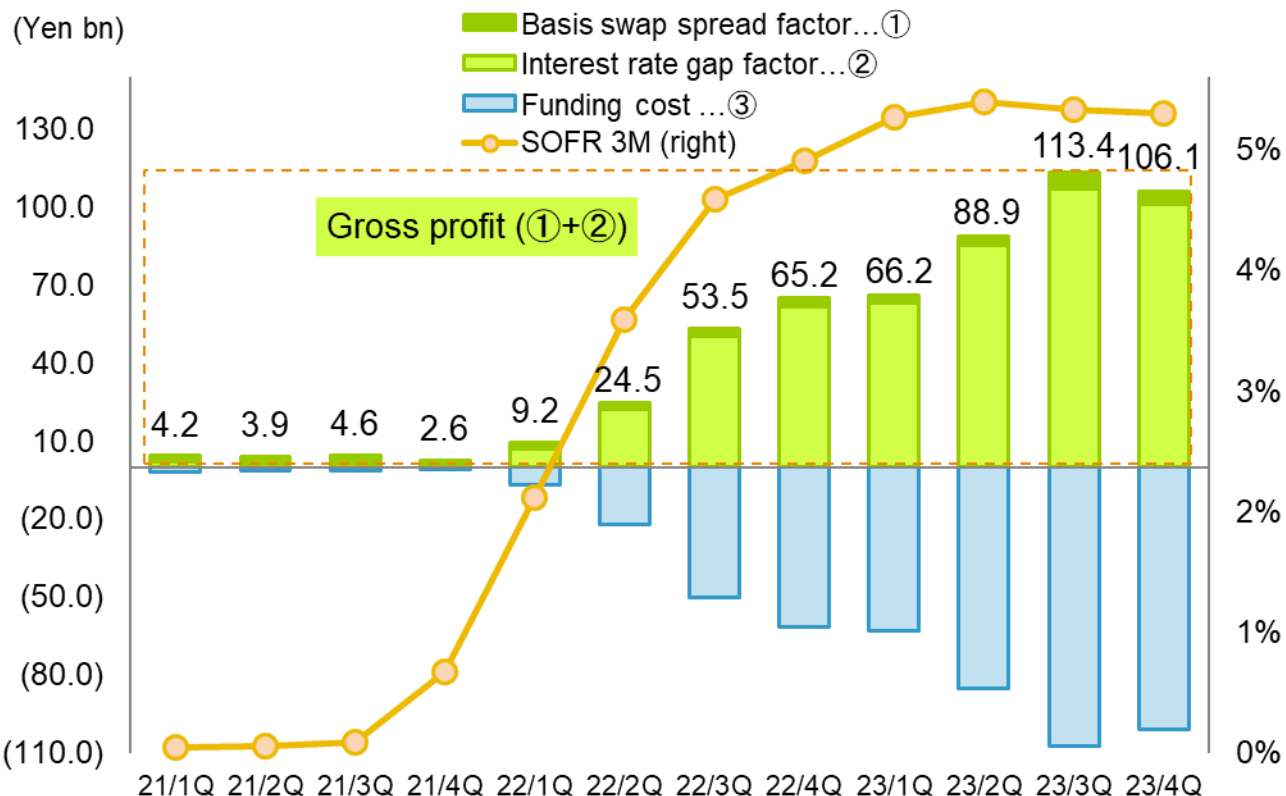
## Basis swap spread (\*) (USD/JPY)



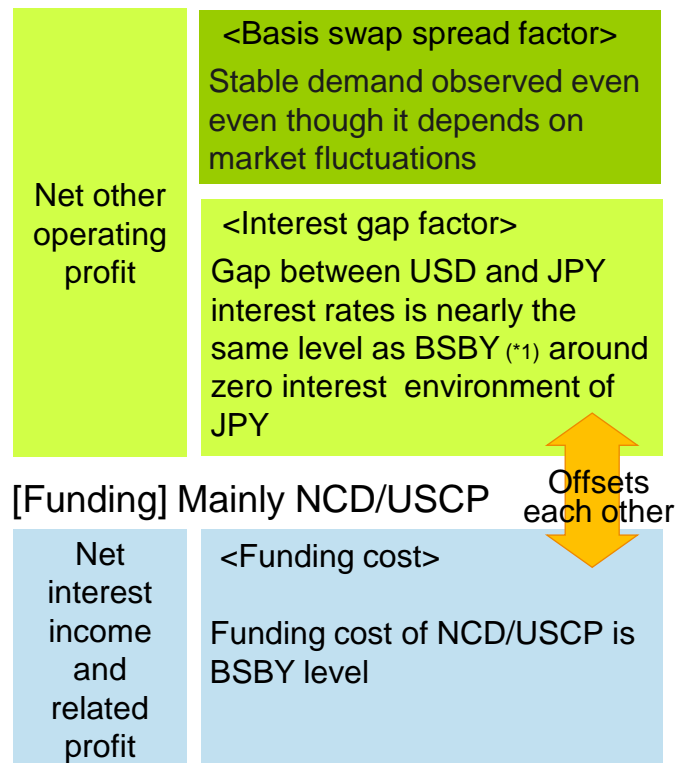
(\*) Basis swap spread with SOFR and TONA as the indexes

# Profit structure of market deployment of surplus foreign currency

- Profit from FX swap consists of basis swap spread and interest rate gap. Interest rate gap is offset by USD funding costs
- Increased gross funding costs and investment profits due to rising US short-term interest rate. Net profit increased YoY



## [Investment] FX Swap



(\*1) Bloomberg Short-term Bank Yield Index

(\*2) 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. Funding costs are estimated by Libor until FY22/4Q and by BSBY from FY23/1Q.

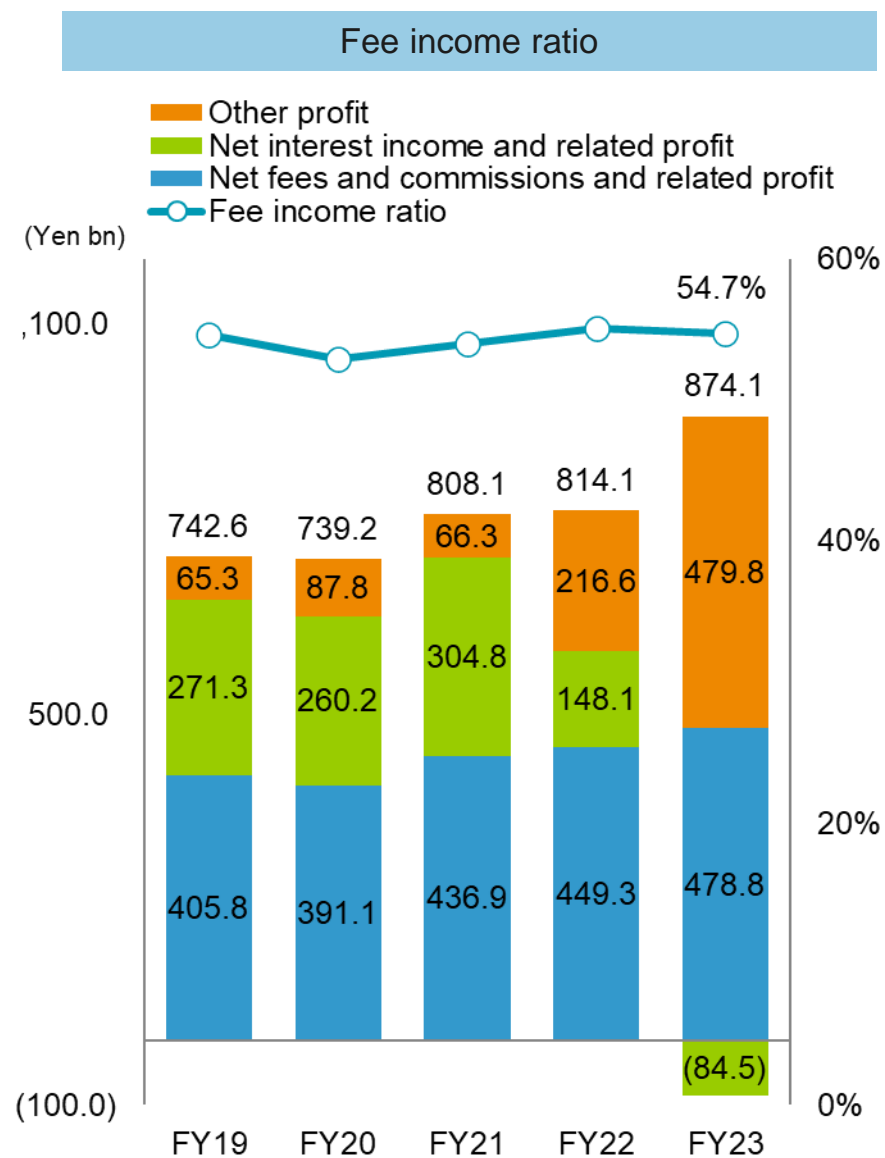
# Net fees and commissions and related profit

	SuMi TRUST Bank		SuMi TRUST Group (*1)	
	FY23	Change from FY22	FY23	Change from FY22
(Yen bn)				
1 Net fees and commissions and related profit	211.2	17.9	478.8	29.5
2 Investment trust and insurance sales	43.6	2.2	43.6	2.2
3 Card	-	-	41.8	1.0
4 Asset management / administration	75.3	8.2	213.0	14.7
5 Profit (*2)	115.7	9.4	243.5	25.0
6 Fees paid out for outsourcing (*2)	(40.3)	(1.2)	(30.4)	(10.2)
7 Stock transfer agency services	24.5	0.1	48.9	5.1
8 Profit	40.1	3.2	48.9	5.1
9 Fees paid out for outsourcing	(15.6)	(3.0)	-	-
10 Real estate	38.5	(5.6)	65.7	(4.1)
11 Others (Loan arrangement fees, etc.)	29.0	12.8	65.7	10.4
12 Fee income ratio (*3)	37.3%	(0.7%)	54.7%	(0.4%)

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

(\*2) Due to the partial revision of the intergroup adjustments in FY23, figures for SuMi TRUST Group are shown after adjustment, including those for past fiscal years. No impact on "Asset management / administration" figures.

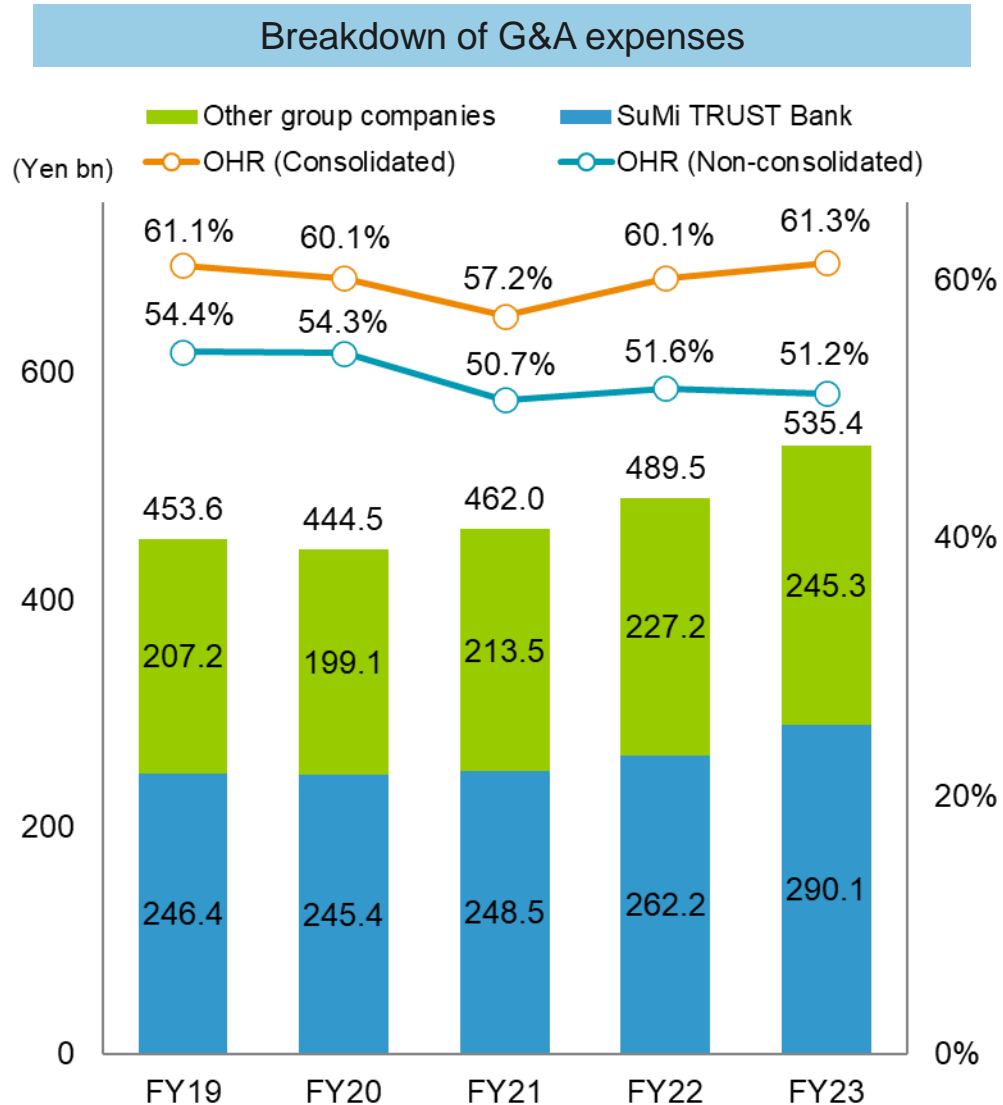
(\*3) Net fees and commissions and related profit / Gross business profit



# Expenses

[SuMi TRUST Group]		FY22	FY23	Change
	(Yen bn)			
1	Personnel expenses	(219.8)	(238.5)	(18.6)
2	Non-personnel expenses excluding taxes	(253.7)	(281.7)	(27.9)
3	Taxes other than income taxes	(15.8)	(15.1)	0.6
4	Substantial G&A expenses	(489.5)	(535.4)	(45.9)
5	Overhead ratio	60.1%	61.3%	1.2%

[SuMi TRUST Bank]		FY22	FY23	Change
	(Yen bn)			
6	Personnel expenses	(117.7)	(127.4)	(9.6)
7	Salaries etc.	(109.0)	(116.0)	(6.9)
8	Retirement benefit expenses	10.6	9.5	(1.0)
9	Others	(19.3)	(20.9)	(1.6)
10	Non-personnel expenses excluding taxes	(134.6)	(153.6)	(19.0)
11	IT system related costs	(47.8)	(57.1)	(9.3)
12	Others	(86.7)	(96.4)	(9.6)
13	Taxes other than income taxes	(9.8)	(9.0)	0.8
14	G&A expenses	(262.2)	(290.1)	(27.8)
15	Overhead ratio	51.6%	51.2%	(0.4%)





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

[Total credit costs]		FY22	FY23		Major factors (FY23)
(Yen bn)			1H	2H	
1	SuMi TRUST Bank	(12.4)	(0.6)	(10.8)	(11.5)
2	General allowance for loan losses	0.9	(2.1)	(4.2)	(6.4)
3	Specific allowance for loan losses	(5.4)	5.3	(7.1)	(1.7)
4	Recoveries of written-off claims	0.6	0.2	0.6	0.9
5	Losses on sales of claims, written-off	(8.5)	(4.1)	(0.2)	(4.3)
6	Other group companies, etc.	1.9	(1.0)	0.7	(0.2)
7	Total	(10.4)	(1.7)	(10.1)	(11.8)

Downgraded: Approx. ¥(20.5)bn  
 Upgraded: Approx. +¥11.0bn  
 Changes in loan balance, etc. (including recoveries of written-offs):  
 Approx. ¥(2.0)bn

As of March 2024, special loan loss provision of approx. ¥18.0bn

SuMi TRUST Panasonic Finance ¥(0.3)bn

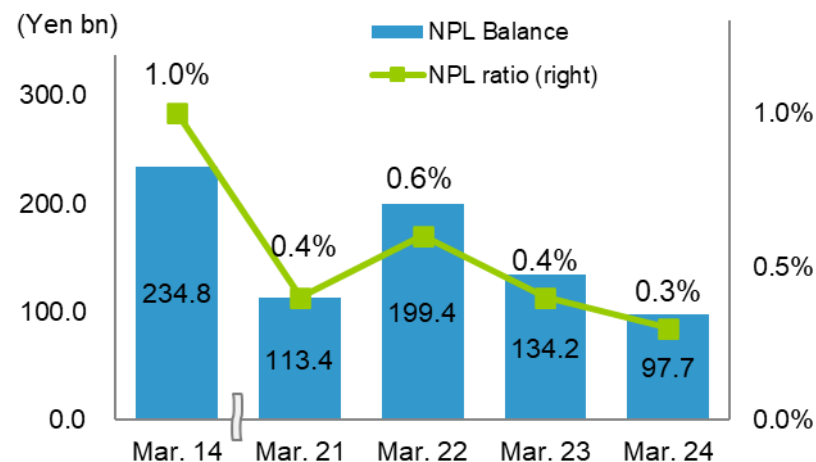
### [Non-performing loans (NPLs) based on Banking Act and Reconstruction Act]

(Yen bn)		Mar. 24	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 23
8	Total	97.7	73.2%	49.8%	(36.5)
9	NPL ratio	0.3%	---	---	(0.1%)
10	Bankrupt and practically bankrupt	8.8	100.0%	100.0%	0.3
11	Doubtful	44.8	83.1%	71.8%	(41.3)
12	Substandard	44.1	57.7%	15.3%	4.6
13	Loans past due 3 months or more	10.6	---	---	10.6
14	Restructured loans	33.5	---	---	(6.1)
15	Assets to borrowers requiring caution(excluding Substandard)	442.8	---	---	146.4
16	Assets to normal borrowers	33,852.5	---	---	1,760.4
17	Grand total	34,393.1	---	---	1,870.4

(\*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

[Consolidated] (\*1)

	(Yen bn)	Costs		Unrealized gains/losses	
		Mar. 24	Change from Mar. 23	Mar. 24	Change from Mar. 23
1 Available-for-sale securities	8,263.0	2,587.6	681.7	309.0	
2 Japanese stocks	443.5	(51.8)	769.8	192.6	
3 Japanese bonds	3,803.9	1,625.3	(11.4)	(11.0)	
4 Others	4,015.5	1,014.1	(76.6)	127.5	
5 Held-to-maturity securities	263.7	(35.4)	8.1	(1.8)	

[SuMi TRUST Bank (Available-for-sale securities)] (\*1)

6 Available-for-sale securities	8,089.5	2,567.0	688.2	302.0
7 Japanese stocks	420.6	(51.0)	788.9	190.5
8 Japanese bonds	3,803.9	1,625.3	(11.4)	(11.0)
9 o/w Government bonds	3,047.9	1,614.4	(9.8)	(8.3)
10 Others	3,864.9	992.6	(89.2)	122.5
11 Domestic investment	108.9	1.0	1.3	(0.4)
12 International investment	3,156.2	1,389.9	(50.8)	(20.8)
13 o/w US Treasury (*2)	1,762.4	1,111.9	(48.7)	(31.5)
14 Others (Investment trust, etc.)	599.8	(398.3)	(39.7)	143.7
15 o/w for hedging of strategic shareholdings	303.6	(322.7)	(67.0)	124.6

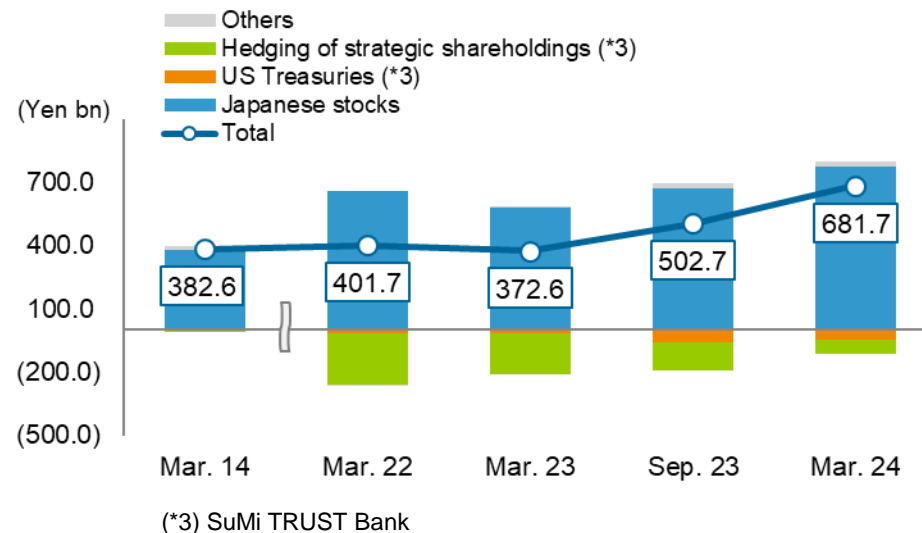
[SuMi TRUST Bank (Held-to-maturity securities)]

16 Held-to-maturity securities	263.6	(35.4)	8.1	(1.8)
17 o/w Government bonds	116.8	(0.3)	7.8	(2.9)
18 International investment	102.0	(25.4)	0.1	1.3

(\*1) Not include stocks with no market price and investment partnership and others

(\*2) Unrealized losses on US Treasury after adjusting PL from hedging transactions is ¥(37.5)bn

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



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

	(Yen bn)	10BPV (*5)		Duration (years) (*5)	
		Mar. 24	Change from Mar. 23	Mar. 24	Change from Mar. 23
19 JPY	8.8	3.5	2.6	(0.4)	
20 Others (*6)	4.7	3.6	2.4	1.0	

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

(\*5) In the calculation of 10BPV and duration, investment balance hedging transactions were excluded

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

# Capital

- Common Equity Tier 1 ratio: 11.35%. Up 0.56 ppt from Mar. 23 mainly due to increase in retained earnings and increase in capital associated with stock price rise.  
CET1 capital ratio on finalized Basel III (fully phased basis): 10.2% also up 0.7 ppt from Mar. 23.
- Both Leverage ratio and Liquidity coverage ratio maintained levels well in excess of regulatory requirements

## <Capital and total risk-weighted assets (consolidated)> (\*1)

(Yen bn)		Mar. 23	Mar. 24	Change
1	Total capital ratio	13.24%	13.64%	0.40%
2	Tier 1 capital ratio	12.01%	12.55%	0.54%
3	Common Equity Tier 1 capital ratio	10.79%	11.35%	0.56%
4	Total capital	3,081.2	3,238.9	157.6
5	Tier 1 capital	2,793.5	2,978.8	185.3
6	Common Equity Tier 1 capital	2,509.7	2,694.3	184.6
7	Instruments and reserves	2,752.9	3,067.5	314.5
8	Accumulated other comprehensive income (*2)	204.2	539.9	335.6
9	Regulatory adjustments	(243.2)	(373.1)	(129.9)
10	Additional Tier 1 capital	283.7	284.4	0.7
11	Tier 2 capital	287.7	260.0	(27.7)
12	Total risk-weighted assets	23,256.8	23,731.0	474.1
13	Credit risk	20,411.9	21,372.3	960.3
14	Market risk	1,838.2	1,006.2	(831.9)
15	Operational risk	1,006.7	1,352.4	345.7
16	Floor adjustment	-	-	-

(\*1) Implemented finalized Basel III from Mar.24

(\*2) Valuation differences on Available-for-Sale Securities (Mar. 2024): ¥477.6bn  
(Change from Mar. 2023: +¥219.4bn)

(\*3) Calculated according to the revision of Financial Services Agency Notification (effective as of June 30, 2020). For reference, figures on item 18 and 21 are calculated according to the basis applied before the revision.

(\*4) Average figures in 4QFY2023. "Change from Mar. 23" represents the comparison to figure for 4QFY2022 calculated in the same manner

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

### [Capital]

(1) Common Equity Tier 1 capital: +¥184.6bn

- Net income: +¥79.1bn
- Valuation differences on AFS (considering valuation differences on hedging items): +¥219.4bn
- Dividend: ¥(79.6)bn
- Repurchase of own shares : ¥(21.0)bn

### [Risk-weighted assets]

(2) Risk-weighted assets: +¥474.1bn

- Increase in foreign currency-denominated assets due to JPY depreciation: approx. +¥980.0bn
- Decrease due to implementation of finalized Basel III: approx. ¥(1,000.0)bn
- Increase in investment which contributes to our group's growth and solutions to social issues: approx. +¥400.0bn

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

(Yen bn)		Mar. 24	Change from Mar. 23
17	Leverage ratio (*1)(*3)	5.25%	(0.11%)
18	Including current account with the Bank of Japan	3.87%	(0.08%)
19	Tier 1 capital	2,978.8	185.3
20	Total exposure (*3)	56,653.1	4,535.8
21	Including current account with the Bank of Japan	76,937.7	6,275.8
22	Liquidity coverage ratio (*4)	170.5%	32.2%
23	Total high-quality liquid assets	21,239.7	1,788.1
24	Net cash outflows	12,455.7	(1,603.2)

# Forecasts for FY2024

- Net business profit: ¥ 340.0bn increased by ¥1.3bn YoY. Aim substantial gross business profit growth due to steady performance in net fees and commissions in addition to yen interest rate hike, while substantial G&A expenses increase as inflation advance
- Net income: Aiming to achieve FY25 target one year earlier. Assume ¥240.0bn mainly due to increase in net gains and stocks
- Dividend per share: Increased by ¥35 YoY due to commemorative dividend of ¥10 in addition to the regular dividend of ¥135. Consolidated dividend payout ratio of 43.5%

		FY23 Actual	FY24 Forecast	Change from FY23
(Yen bn)				
1	Net business profit before credit costs	338.6	340.0	1.3
2	SuMi TRUST Bank	275.9	250.0	(25.9)
3	Substantial gross business profit	874.1	910.0	35.8
4	SuMi TRUST Bank (*)	566.1	555.0	(11.1)
5	Other group companies (*)	308.0	355.0	46.9
6	Substantial G&A Expenses	(535.4)	(570.0)	(34.5)
7	SuMi TRUST Bank	(290.1)	(305.0)	(14.8)
8	Other group companies	(245.3)	(265.0)	(19.6)
9	Total credit costs	(11.8)	(20.0)	(8.1)
10	Net gains on stocks	(188.5)	50.0	238.5
11	Other non-recurring profit	(36.9)	(40.0)	(3.0)
12	Ordinary profit	101.3	330.0	228.6
13	Net income	79.1	240.0	160.8
14	SuMi TRUST Bank	57.8	195.0	137.1
15	Dividend per common share (Yen)	110	145	+35

(\*) SuMi TRUST Bank includes dividends from subsidiaries (FY23(actual) :¥46.6bn, FY24(forecast) : approx.¥20.0bn)  
Other group companies includes offset elimination of transaction between group companies related above dividends (FY23(actual):¥(46.6)bn, FY24(forecast): approx. ¥(20.0)bn)

## 【Shareholder return policy [announced on May 12, 2023]】

- ✓ Dividend per share will be progressive, while aiming to increase the dividend per share through profit growth. The dividend payout ratio will be determined at 40% or above.
- ✓ Share repurchase will be implemented flexibly on the premise of securing sufficient capital, while balancing the use of capital for medium-to-long term profit growth and the effects of better capital efficiency

## 【Assumptions】

- (1) Net business profit: +¥1.3bn vs YoY
  - Substantial gross business profit is expected to increase by +¥35.8bn due to strong performance in net fees and commissions mainly from asset management and asset administration business and interest rate hike
  - Substantial G&A Expenses will increase due to the impact of inflation and growth investment in IT system and human capital
- (2) Total credit costs: forecast ¥(20.0)bn
  - Total credit costs of ¥(20.0)bn is assumed based on past results, while no specific client is considered
- (3) Net gains on stocks: forecast +¥50.0bn
  - Unrealized gains/losses of strategic shareholdings and bear funds improved as accounted for losses on bear funds on FY2023
  - Increase forecast in light of the progress in reduction of strategic shareholdings

# Plan and Target by business segment

		(Yen bn)					
		Substantial gross business profit	FY23 Net business profit before credit costs	Substantial gross business profit	Change	FY24 Plan Net business profit before credit costs	Change
1	Total	874.1	338.6	910.0	35.8	340.0	1.3
2	Wealth Management Business	213.0	40.1	220.0	6.9	40.0	(0.1)
3	SuMi TRUST Bank	142.0	21.3	149.0	6.9	22.0	0.6
4	Other group companies	70.9	18.7	71.0	0.0	18.0	(0.7)
5	Corporate Business	265.3	162.9	264.0	(1.3)	152.0	(10.9)
6	SuMi TRUST Bank	180.4	130.7	175.0	(5.4)	119.0	(11.7)
7	Other group companies	84.8	32.2	89.0	4.1	33.0	0.7
8	Investor Services Business	143.9	62.7	151.0	7.0	64.0	1.2
9	SuMi TRUST Bank	82.4	44.5	87.0	4.5	47.0	2.4
10	Other group companies	61.5	18.1	64.0	2.4	17.0	(1.1)
11	Real Estate Business	65.7	35.6	70.5	4.7	39.0	3.3
12	SuMi TRUST Bank	38.6	27.3	43.0	4.3	31.0	3.6
13	Other group companies	27.0	8.3	27.5	0.4	8.0	(0.3)
14	Global Markets Business	65.9	46.3	76.0	10.0	55.0	8.6
15	Asset Management Business (*)	87.1	17.9	94.0	6.8	25.0	7.0

(\*) Sum of Asset management companies (SuMi TRUST AM (consolidated), Nikko AM (consolidated), Sky Ocean AM, JP AM)

# Fee business: Invest management consulting

- Total income increased by ¥2.2bn YoY to ¥43.6bn mainly due to increase of administration fees
- Total balance increased by ¥1.4trn to ¥8.8trn from Mar. 2023. Growth of market value was approx. ¥1.1trn

## Income from marketing of investment products

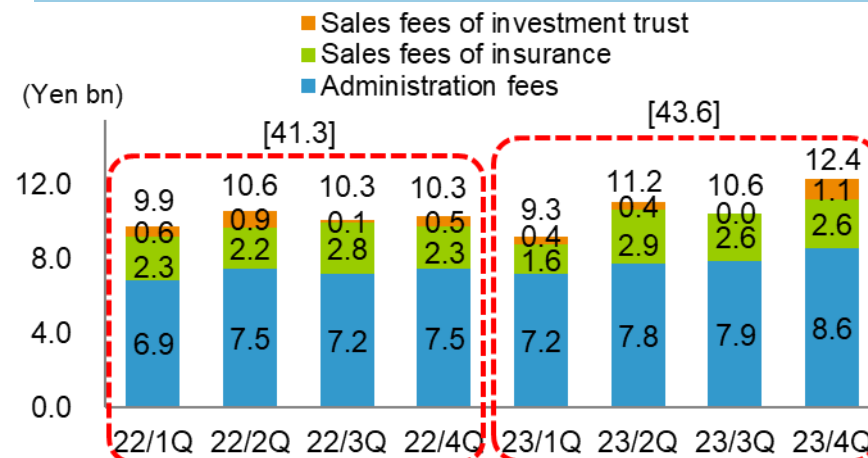
	(Yen bn)	FY22	FY23	Change	FY24 Plan
1 Income total		41.3	43.6	2.2	44.0
2 Sales fees of investment trust		2.2	2.1	(0.1)	0.5
3 Sales fees of insurance		9.7	9.9	0.1	11.0
4 Administration fees		29.3	31.6	2.2	32.5

## Sales volume / balance

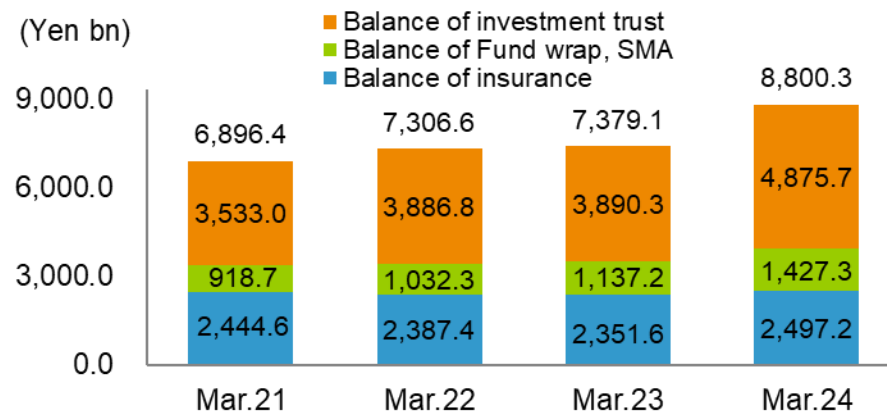
	(Yen bn)	FY22	FY23	Change	FY24 Plan
5 Sales volume total		1,234.8	1,383.4	148.5	1,380.0
6 Investment trust		664.8	827.3	162.5	750.0
7 Fund wrap, SMA		212.3	247.6	35.2	280.0
8 Insurance		357.6	308.4	(49.2)	350.0

	(Yen bn)	Mar. 23	Mar. 24	Change	Mar. 25 Plan
9 Balance total		7,379.1	8,800.3	1,421.2	9,070.0
10 Investment trust		3,890.3	4,875.7	985.3	4,900.0
11 Fund wrap, SMA		1,137.2	1,427.3	290.1	1,560.0
12 Insurance		2,351.6	2,497.2	145.6	2,610.0

## Income from marketing (quarterly)



## Balance



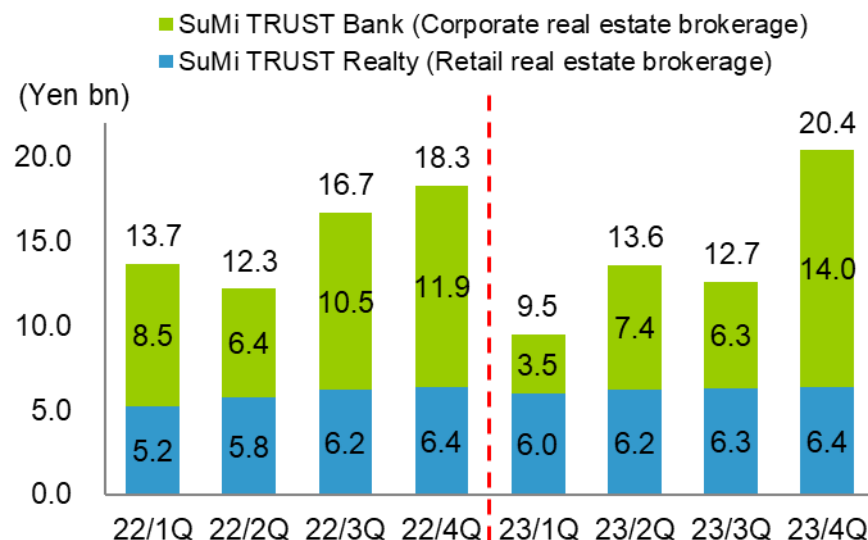
# Fee business: Real estate

- Corporate real estate brokerage: Despite steady performance in 4Q, decreased YoY to ¥31.3bn compared to highest income of FY22
- Retail real estate brokerage: Exceeding strong results of FY22 and maintained strength by YoY to ¥25.1bn

## Income (group base)

	(Yen bn)	FY22	FY23	Change	FY24 Plan
1 Real estate brokerage fees		61.2	56.4	(4.8)	61.5
2    SuMi TRUST Bank		37.4	31.3	(6.1)	36.0
3    SuMi TRUST Realty		23.7	25.1	1.3	25.5
4 Real estate trust fees, etc.		6.6	7.2	0.5	7.0
5 Net other real estate profit		1.8	2.0	0.2	2.0
6    SuMi TRUST Bank		(0.0)	0.1	0.1	-
7    Group companies		1.8	1.9	0.1	2.0
8 Total		69.7	65.7	(3.9)	70.5
9    o/w SuMi TRUST Bank		44.1	38.6	(5.4)	43.0

## Real estate brokerage fees (quarterly)



## Assets under management / administration

	(Yen bn)	Mar. 23	Mar. 24	Change
10 Securitized real estate		24,182.3	27,309.2	3,126.9
11 Assets under custody from J-REITs		17,023.4	18,163.7	1,140.2
12 Assets under management		658.4	801.5	143.1
13    Private placement funds		367.9	511.0	143.1
14    J-REITs		290.5	290.5	-



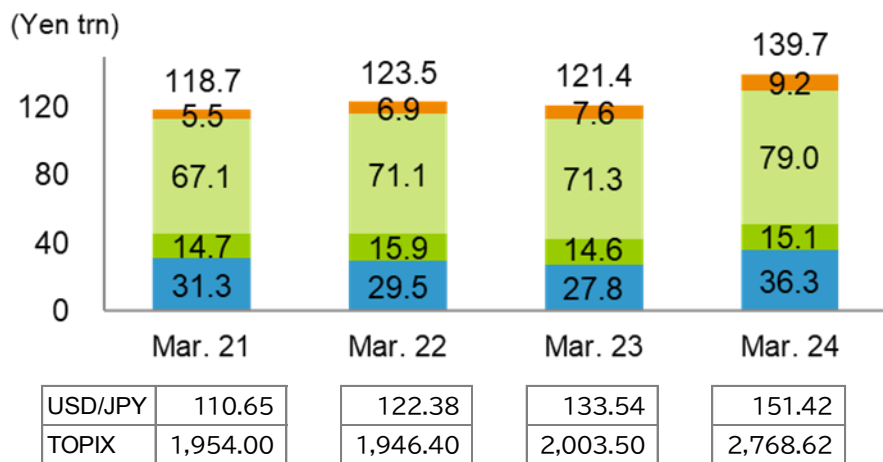
# Fee business: Asset management/administration

- AUM increased by ¥18.2trn to approx. ¥140trn from Mar. 23 mainly due to growth of market value
- AUC increased in each asset category of both domestic and overseas mainly due to growth of market value

## Assets under management (AUM)

(Yen trn)		Mar. 23	Mar. 24	Change
1	Assets under management	121.4	139.7	18.2
2	SuMi TRUST Bank (*1)	7.6	9.2	1.5
3	Private asset	5.4	6.8	1.3
4	SuMi TRUST AM	85.9	94.2	8.2
5	Nikko AM	27.8	36.3	8.4

(\*1) Not include duplicate amount from re-entrustment to SuMi TRUST AM and Nikko AM

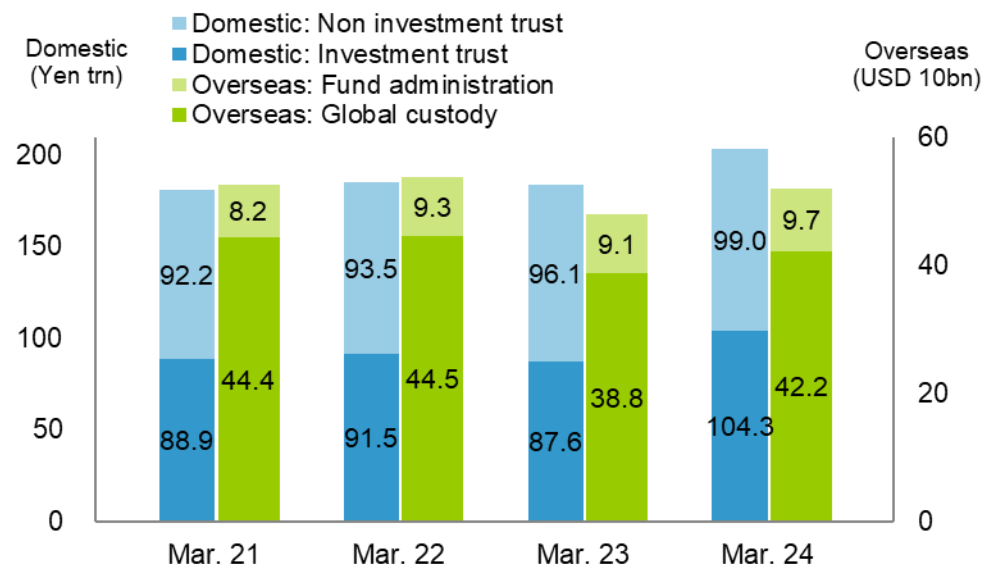


## Assets under custody/administration (AUC)

(Yen trn)		Mar. 23	Mar. 24	Change
[Domestic]				
6	Investment trust (*2)	87.6	104.3	16.6
7	Non investment trust (*2)	96.1	99.0	2.8
[Overseas] (USD 10bn)				
8	Global custody (*3)	38.8	42.2	3.4
9	Fund administration	9.1	9.7	0.6

(\*2) Entrusted balance of SuMi TRUST Bank

(\*3) Combined figures of SuMi TRUST Bank, SuMi TRUST Bank (U.S.A) and SuMi TRUST Bank (Lux.)



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

- Individual: New mortgage loans continued to decline, due to policy of focusing on loan profitability. Outstanding of loans also decreased from Mar. 23
- Corporate credit: Continue to shift to product lending. Increase in balance was mainly due to product lending (foreign currency) and JPY depreciation

## Individual clients

(Yen bn)		FY22	FY23	Change	FY24
					Plan
1	Annual amount of new loans to individuals	907.5	769.8	(137.7)	800.0
2	Mortgage loans	796.6	682.2	(114.4)	700.0

(Yen bn)		Mar. 23	Mar. 24	Change	Mar. 25
					Plan
3	Outstanding of individual loans	11,094.4	11,040.6	(53.8)	11,000.0
4	Mortgage loans	10,461.5	10,390.2	(71.2)	10,200.0

## Corporate clients

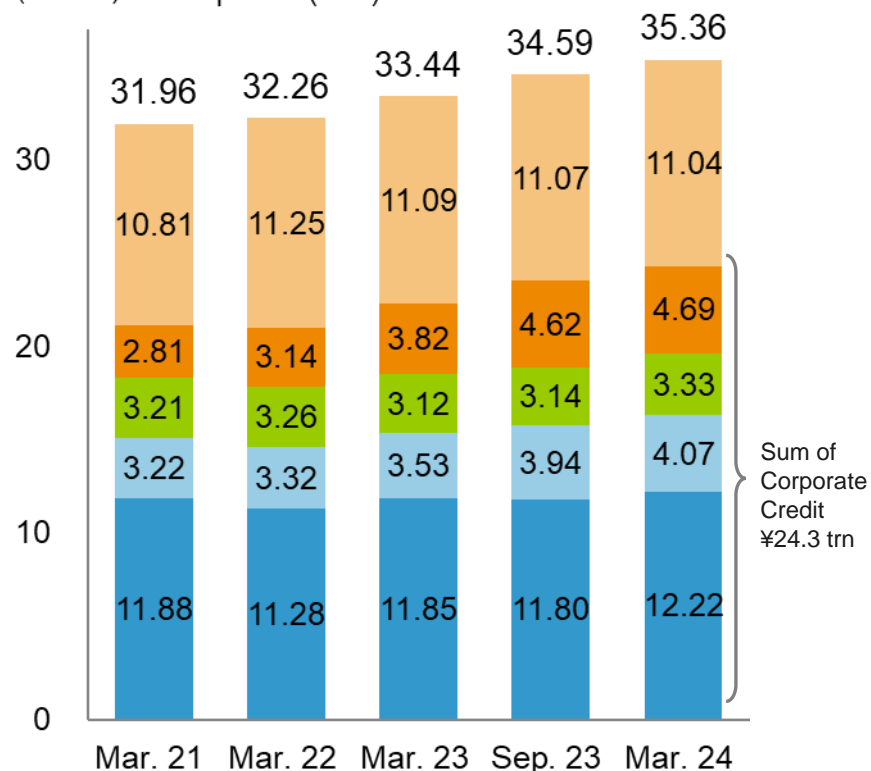
(Yen bn)		Mar. 23	Mar. 24	Change(*2)	Mar. 25
					Plan
5	Corporate lending (Yen)	11,859.6	12,222.2	362.5	11,000.0
6	Corporate lending (Foreign Currency)	3,533.6	4,070.2	536.6	3,000.0
7	Product related (Yen)	3,128.7	3,332.1	203.3	3,800.0
8	Product related (Foreign Currency)	3,824.9	4,698.3	873.3	5,300.0
9	Total balance of credit for corporates(*1)	22,347.0	24,322.9	1,975.8	23,100.0
10	Product related	6,953.7	8,030.4	1,076.7	9,100.0

(\*1) Balance of equity investment(excluding strategic shareholdings) is ¥576.6bn on Mar. 24

(\*2) Impact of foreign exchange: Corporate lending(Foreign Currency) approx. ¥470.0bn,  
Product related (Foreign Currency) approx. ¥550.0bn

## Credit portfolio balance

- Individuals
  - Product related (Foreign Currency)
  - Product related (Yen)
  - Corporate (Foreign Currency)
  - Corporate (Yen)
- (Yen trn)





This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including changes in managerial circumstances. This material includes summary figures that have not been audited so the numbers may change. Please refer to the most recent relevant materials including financial results (“Kessan Tanshin”)(including attached explanatory materials), the securities report and other presentations disclosed by Sumitomo Mitsui Trust Holdings and its group companies, for further information that could significantly influence its financial position and operating results as well as investment decisions by investors. Information regarding companies and other entities outside the group in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed. This presentation does not constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any securities.

Definitions of terms in this document

Sumitomo Mitsui Trust Holdings (Consolidated): “Consolidated “ or “SuMi TRUST Holdings”

Sumitomo Mitsui Trust Bank (Non-consolidated): “Non-consolidated “ or “SuMi TRUST Bank”

Net income (on consolidated basis) : “Net income attributable to owners of the parent”

NPL (Non performing loans): “Problem assets based on the Financial Reconstruction Act”

Financial indices per share

Indices regarding financial information per share such as “Net asset per 1 share,” “Dividends per 1 share,” are presented assuming that the consolidation of shares (one (1) share for every ten (10) shares) enacted on October 1, 2016, and the stock split of shares (two (2) for each share of common stock) enacted on January 1, 2024 took place, for consistency purposes.