

Explanatory Material

*3rd Quarter of Fiscal Year 2017
ended on Dec. 31, 2017*



SUMITOMO MITSUI TRUST HOLDINGS

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<Definition of terms in this document>
 Sumitomo Mitsui Trust Holdings (Consolidated): "SuMi TRUST Holdings" or "Consolidated"
 Sumitomo Mitsui Trust Bank (Non-consolidated): "SuMi TRUST Bank" or "Non-Consolidated"

Legal Disclaimer

Regarding forward-looking Statements contained in this material

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 but not limited to changes in managerial circumstances. By virtue of the aforementioned reasons, Sumitomo Mitsui Trust Holdings, Inc. hereby cautions against sole reliance on such forward-looking statements in making investment decisions.

Summary of 3QFY2017 financial results

1. Financial Results

<Consolidated>

- (1) "Net business profit before credit costs" <1> decreased by 9.8 billion yen from 3QFY2016 to 197.5 billion yen, due primarily to decrease in gross business profit of SuMi TRUST Bank.
 (2) "Ordinary profit" <2> decreased by 12.0 billion yen from 3QFY2016 to 189.4 billion yen due to decrease in "Net gains on stocks" <5>.
 (3) "Net income attributable to owners of the parent" <3> decreased by 7.3 billion yen from 3QFY2016 to 122.8 billion yen.

[Consolidated]

		3QFY2017 (Cumulative total)	3QFY2016 (Cumulative total)	Change	(Billions of Yen) Forecast for FY2017
Net business profit before credit costs (*1)	1	197.5	207.3	(9.8)	260.0
Ordinary profit	2	189.4	201.5	(12.0)	235.0
Net income attributable to owners of the parent	3	122.8	130.1	(7.3)	150.0
Total credit costs	4	2.4	1.4	1.0	(5.0)
Net gains on stocks	5	16.9	21.0	(4.1)	
(Difference from non-consolidated financial results) (*2)					
Net business profit before credit costs	6	62.2	59.3	2.8	
Net income attributable to owners of the parent (*3)	7	26.7	27.9	(1.1)	
Total credit costs	8	(1.8)	(3.0)	1.1	
Net gains on stocks	9	(0.5)	1.1	(1.7)	

(*1) Consolidated net business profit before credit costs = Non-consolidated net business profit before credit costs + Ordinary profits of Other subsidiary companies (non-recurring effect adjusted) + Ordinary profits of Affiliates (non-recurring effect adjusted) x Ratio of equity holdings - Intra-group transaction (dividends, etc.)

(*2) Differences between "Consolidated (SuMi TRUST Holdings)" and "Non-Consolidated (SuMi TRUST Bank)"

(*3) Differences between "Net income attributable to owners of the parent" in "Consolidated" and "Net income" in "Non-consolidated".

<Non-consolidated>

- (1) "Net business profit before credit costs" <19> decreased by 12.6 billion yen from 3QFY2016 to 135.3 billion yen due primarily to decrease in market related profit.
 (2) "Ordinary profit" <24> and "Net income" <28> decreased by 6.2 billion yen from 3QFY2016 to 140.5 billion yen and 6.1 billion yen to 96.0 billion yen respectively, whereas amortization of net actuarial losses/ prior service cost decreased.

[Non-consolidated]

		3QFY2017 (Cumulative total)	3QFY2016 (Cumulative total)	Change	(Billions of Yen) Forecast for FY2017
Gross business profit	10	311.5	320.7	(9.1)	
Net interest income and related profit	11	128.1	149.7	(21.6)	
Net fees and commissions and related profit	12	137.3	139.1	(1.7)	
Net trading profit	13	4.7	13.5	(8.8)	
Net other operating profit	14	41.3	18.2	23.0	
Net gains on foreign exchange transactions	15	32.7	19.2	13.5	
Net gains on bonds	16	6.9	(22.3)	29.3	
Net gains from derivatives other than for trading or hedging	17	1.8	21.3	(19.5)	
General and administrative expenses	18	(176.2)	(172.7)	(3.5)	
Net business profit before credit costs	19	135.3	147.9	(12.6)	180.0
Net non-recurring profit	20	5.2	(1.2)	6.4	
Total credit costs	21	4.3	4.4	(0.1)	(5.0)
Net gains on stocks	22	17.5	19.9	(2.4)	
Others	23	(16.6)	(25.6)	8.9	
Ordinary profit	24	140.5	146.7	(6.2)	170.0
Extraordinary profit	25	(7.5)	(3.0)	(4.5)	
Income before income taxes	26	132.9	143.7	(10.7)	
Total income taxes	27	(36.9)	(41.5)	4.5	
Net income	28	96.0	102.2	(6.1)	120.0

(For reference) Overview of the business operation

<Balance of major accounts>

(1) Ending balance of major accounts (Banking a/c and principal guaranteed trust a/c combined)

[Non-consolidated]

(Billions of Yen)

		Dec. 2017	Sep. 2017	Mar. 2017	Change from Sep. 2017	Change from Mar. 2017
Loans and bills discounted	1	28,153.3	28,270.7	28,206.1	(117.4)	(52.8)
Deposits, Trust principal (*)	2	31,692.9	32,557.6	32,911.7	(864.6)	(1,218.8)

(*) Deposits: Excluding NCD

(2) Yields and margins (Domestic banking a/c)

[Non-consolidated]

(%)

		3QFY2017 (A) (Cumulative total)	3QFY2017	1HFY2017	3QFY2016 (B) (Cumulative total)	Change (A) - (B)
Loan deposit margin	3	0.56	0.57	0.55	0.58	(0.02)
Loans and bills discounted	4	0.70	0.70	0.70	0.74	(0.04)
Deposits	5	0.14	0.13	0.15	0.16	(0.02)

(3) Status of loans (Banking a/c and principal guaranteed trust a/c combined)

[Non-consolidated]

(Billions of Yen)

		Dec. 2017	Sep. 2017	Mar. 2017	Change from Sep. 2017	Change from Mar. 2017
Loans to individuals	6	9,308.9	9,185.0	8,926.9	123.9	382.0
Residential mortgage loans	7	8,746.2	8,619.3	8,378.6	126.8	367.5
Loans to corporations	8	18,844.3	19,085.7	19,279.2	(241.4)	(434.8)

<Investment trust and Insurance>

(1) Sales volume and sales balance of investment trust/ insurance

[Non-consolidated]

<Sales volume>

(Billions of Yen)

		3QFY2017 (Cumulative total)	3QFY2016 (Cumulative total)	Change
Total sales volume	9	1,297.5	951.8	345.7
Investment trust	10	942.0	655.0	287.0
Fund wrap, SMA	11	177.3	85.6	91.6
Insurance	12	178.1	211.0	(32.9)

<Sales balance>

(Billions of Yen)

		Dec. 2017	Sep. 2017	Mar. 2017	Change from Sep. 2017	Change from Mar. 2017
Total sales balance	13	6,317.8	6,228.2	5,988.2	89.6	329.6
Investment trust	14	2,967.5	2,933.5	2,796.6	33.9	170.9
Fund wrap, SMA	15	836.0	815.6	765.5	20.3	70.4
Insurance	16	2,514.2	2,478.9	2,426.0	35.3	88.2

(2) Fees and commissions

[Non-consolidated]

(Billions of Yen)

		3QFY2017 (Cumulative total)	3QFY2016 (Cumulative total)	Change
Total fees and commissions	17	42.9	42.9	(0.0)
Sales fees of investment trust/ insurance	18	20.6	20.7	(0.0)
Administration fees	19	22.2	22.2	(0.0)

<Overview of fiduciary services business>

(1) Assets under management

[Non-consolidated]

(Billions of Yen)

		Dec. 2017			Change from Sep. 2017	
		Dec. 2017	Sep. 2017	Mar. 2017	Change from Sep. 2017	Change from Mar. 2017
Assets under management	20	55,170.1	52,803.3	51,127.4	2,366.7	4,042.7
Corporate pension trust	21	13,853.4	13,831.1	15,002.4	22.3	(1,148.9)
Public pension trust	22	12,241.9	11,644.5	10,717.7	597.4	1,524.1
Discretionary investment	23	29,074.7	27,327.7	25,407.2	1,746.9	3,667.5

(2) Gross business profit

[Non-consolidated]

(Billions of Yen)

		3QFY2017		3QFY2016		Change
		(Cumulative total)	(Cumulative total)	(Cumulative total)	(Cumulative total)	
Gross business profit	24	45.7	44.8	44.8	0.8	0.8
Gross business profit before outsourcing fees	25	68.6	67.0	67.0	1.5	1.5
Fees paid out for outsourcing	26	(22.9)	(22.1)	(22.1)	(0.7)	(0.7)

<Overview of real estate business>

Gross business profit

[Non-consolidated]

(Billions of Yen)

		3QFY2017		3QFY2016		Change
		(Cumulative total)	(Cumulative total)	(Cumulative total)	(Cumulative total)	
Gross business profit	27	22.1	18.9	18.9	3.1	3.1
Real estate brokerage fees	28	17.7	14.1	14.1	3.6	3.6
Real estate trust fees, etc.	29	4.3	4.5	4.5	(0.1)	(0.1)

2. Financial conditions

<Status of the holding securities>

- (1) Cost of "Available-for-sale securities" <1> at the end of December 2017 increased by 256.4 billion of yen from the end of September 2017 to 4,360.1 billion yen, due primarily to increase of 327.0 billion yen in "Others" <5>. Unrealized gains/losses of "Available-for-sale securities" improved and stood at net gains of 752.2 billion yen, due primarily to increase in unrealized gains of "Japanese stocks" <2>, whereas that of "Others" <5>, mainly investment trusts for hedging of strategic-shareholdings, decreased.
- (2) Cost of "Held-to-maturity debt securities" <6> at the end of December 2017 decreased by 8.0 billion yen from the end of September 2017 to 278.4 billion yen, and unrealized gains/losses of those securities stood at net gains of 22.1 billion yen.

Securities with fair value

[Consolidated]

(Billions of Yen)

		Dec. 2017			Change from Sep. 2017	
		Cost	Fair value	Net	Cost	Net
Available-for-sale securities	1	4,360.1	5,112.4	752.2	256.4	43.2
Japanese stocks	2	648.6	1,620.3	971.6	(5.6)	154.0
Japanese bonds	3	809.5	811.7	2.2	(64.9)	(0.6)
Government bonds	4	216.1	216.1	(0.0)	(36.8)	(0.0)
Others	5	2,901.9	2,680.3	(221.6)	327.0	(110.1)
Held-to-maturity debt securities	6	278.4	300.6	22.1	(8.0)	(0.5)

[Non-consolidated]

(Billions of Yen)

		Dec. 2017			Change from Sep. 2017	
		Cost	Fair value	Net	Cost	Net
Available-for-sale securities	7	4,358.7	5,126.4	767.7	285.2	41.9
Japanese stocks	8	622.6	1,617.1	994.5	(5.5)	153.6
Japanese bonds	9	883.1	883.9	0.7	(31.6)	(0.6)
Government bonds	10	216.1	216.1	(0.0)	(2.0)	(0.0)
Others	11	2,852.9	2,625.3	(227.6)	322.4	(111.1)
Held-to-maturity debt securities	12	202.3	224.4	22.0	(6.5)	(0.5)

<Problem assets based on the Financial Reconstruction Act>

- (1) Total balance of "Problem assets based on the Financial Reconstruction Act" <1> at the end of December 2017 decreased 5.0 billion yen from the end of September 2017 to 56.8 billion yen. "Ratio to total balance" <2> (ratio of "Problem assets based on the Financial Reconstruction Act" to total balance) stayed the same level at 0.2% as the end of September 2017.
- (2) Coverage ratio with collateral values and allowance at the end of December 2017 for "Doubtful" <4> and "Substandard" <5> stood at 97.2% and 97.3% respectively, and coverage ratio for total balance of "Problem assets based on the Financial reconstruction Act" <1> stood at 97.9%, all of which represent prudent level.

[Non-consolidated] (Banking a/c and Principal guaranteed trust a/c combined)

(Billions of Yen)

		Dec. 2017	Sep. 2017	Change	Dec. 2017	
					Coverage ratio	Allowance ratio
Problem assets based on the Financial Reconstruction Act	1	56.8	61.8	(5.0)	97.9%	81.3%
Ratio to total balance	2	0.2%	0.2%	(0.0%)		
Bankrupt and practically bankrupt	3	12.8	13.2	(0.4)	100.0%	100.0%
Doubtful	4	25.5	27.9	(2.4)	97.2%	73.6%
Substandard (a)	5	18.4	20.7	(2.3)	97.3%	35.8%
Ordinary assets	6	28,613.2	28,726.8	(113.6)		
Substandard debtors (excl. (a) (b))	7	1.3	1.3	0.0		
Other special mention debtors (excl. (a) and (b))	8	485.2	446.7	38.5		
Ordinary debtors	9	28,126.7	28,278.8	(152.1)		

Financial figures

1. Status of profit and loss

[Consolidated]

(Millions of Yen)

		3QFY2017 (Cumulative total)	3QFY2016 (Cumulative total)	Change	Full FY2016
Consolidated gross business profit (*1)	1	498,554	499,559	(1,004)	625,582
Consolidated gross business profit (after written-off of principal guaranteed trust a/c) (1 + 19)	2	498,554	499,559	(1,004)	625,582
Net interest income and related profit	3	140,331	161,298	(20,967)	232,561
Net interest income	4	131,068	150,520	(19,451)	219,083
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	9,262	10,778	(1,516)	13,477
Net fees and commissions and related profit	6	292,680	288,982	3,698	398,604
Net fees and commissions	7	228,056	224,864	3,192	312,212
Other trust fees	8	64,624	64,117	506	86,392
Net trading profit	9	4,317	13,520	(9,202)	17,040
Net other operating profit	10	61,224	35,758	25,466	(22,624)
Net gains on bonds	11	7,027	(22,531)	29,559	(97,063)
Net gains from derivatives other than for trading or hedging	12	1,213	20,918	(19,705)	20,803
General and administrative expenses	13	(319,611)	(310,751)	(8,860)	(419,680)
(excluding amortization of goodwill)	14	(312,510)	(303,653)	(8,856)	(410,215)
Personnel expenses	15	(147,565)	(141,972)	(5,592)	(191,386)
Non-personnel expenses excluding taxes	16	(159,434)	(155,287)	(4,146)	(210,957)
Taxes other than income taxes	17	(12,612)	(13,491)	878	(17,336)
Provision of general allowance for loan losses	18	-	-	-	(29,493)
Principal guaranteed trust a/c credit costs	19	-	-	-	-
Banking a/c credit costs	20	(2,232)	(1,511)	(720)	(1,871)
Written-off of loans	21	(2,146)	(1,280)	(866)	(4,776)
Provision of specific allowance for loan losses	22	-	-	-	3,173
Losses on sales of loans	23	(85)	(230)	145	(268)
Reversal of allowance for loan losses	24	3,107	705	2,402	-
Recoveries of written-off claims	25	1,593	2,213	(620)	2,813
Net gains on stocks	26	16,932	21,079	(4,146)	36,488
Losses on devaluation of stocks	27	(2)	(777)	775	(3,848)
Net income from affiliates by equity method	28	2,981	4,295	(1,314)	6,950
Others	29	(11,831)	(14,016)	2,184	(24,405)
Ordinary profit	30	189,493	201,573	(12,079)	196,383
Extraordinary profit	31	975	(2,216)	3,192	(5,247)
Income before income tax	32	190,469	199,356	(8,887)	191,135
Total income taxes	33	(58,225)	(59,582)	1,356	(56,929)
Income taxes-current	34	(44,675)	(46,311)	1,635	(52,274)
Income taxes-deferred	35	(13,549)	(13,271)	(278)	(4,654)
Net income	36	132,243	139,774	(7,530)	134,206
Net income attributable to non-controlling interests	37	(9,429)	(9,618)	189	(12,759)
Net income attributable to owners of the parent	38	122,814	130,155	(7,341)	121,446
Total credit costs (18 + 19 + 20 + 24 + 25)	39	2,468	1,407	1,061	(28,551)

(*1) Consolidated gross business profit = Trust fees + (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments)
+ (Trading income - Trading expenses) + (Other operating income - Other operating expenses)

Consolidated net business profit before credit costs (*2)	40	197,586	207,391	(9,804)	232,363
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(*2) Consolidated net business profit before credit costs = Non-consolidated net business profit before credit costs + Ordinary profits of other subsidiary companies (non-recurring effect adjusted) + Ordinary profits of affiliates (non-recurring effect adjusted) x Ratio of equity holdings - Intra-group transaction (dividends, etc.)

(Reference) Major components of "Consolidated net business profit before credit costs" <40>, in which gross income and expense from the affiliates are taken into consideration for managerial accounting, are shown in the table below.

Substantial consolidated gross business profit	41	518,205	519,801	(1,595)	654,566
Substantial net fees and commissions and related profit	42	296,786	295,095	1,690	408,321
Substantial general and administrative expenses	43	(320,618)	(312,409)	(8,209)	(422,203)
Consolidated Fee income ratio	44	57.2%	56.7%	0.5%	62.3%

<Difference from non-consolidated financial results (*3)>

Net business profit before credit costs	45	62,258	59,394	2,864	81,811
Net income attributable to owners of the parent (*4)	46	26,779	27,948	(1,168)	43,783
Total credit costs	47	(1,870)	(3,050)	1,179	(3,578)
Net gains on stocks	48	(588)	1,137	(1,726)	5,188

(*3) Differences between "Consolidated" and "Non-consolidated".

(*4) Differences between "Net income attributable to owners of the parent" in "Consolidated" and "Net income" in "Non-consolidated".

<Number of subsidiaries/ affiliates>

		Dec. 2017	Mar. 2017	Change
Consolidated subsidiaries	49	64	71	(7)
Affiliates (subject to the equity method)	50	24	23	1

[Non-consolidated]

(Millions of Yen)

		3QFY2017 (Cumulative total)	3QFY2016 (Cumulative total)	Change	Full FY2016
Gross business profit	1	311,591	320,700	(9,108)	383,349
Gross business profit (after written-off of principal guaranteed trust a/c) (1 + 21)	2	311,591	320,700	(9,108)	383,349
Net interest income and related profit	3	128,174	149,797	(21,623)	216,729
Net interest income	4	118,912	139,018	(20,106)	203,251
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	9,262	10,778	(1,516)	13,477
Net fees and commissions and related profit	6	137,378	139,111	(1,732)	196,947
Net fees and commissions	7	76,962	79,183	(2,220)	116,135
Other trust fees	8	60,415	59,927	487	80,811
Net trading income	9	4,700	13,520	(8,820)	17,040
Net other operating profit	10	41,338	18,271	23,067	(47,368)
Net gains on foreign exchange transactions	11	32,717	19,214	13,502	28,608
Net gains on bonds	12	6,951	(22,362)	29,313	(96,958)
Net gains from derivatives other than for trading or hedging	13	1,804	21,333	(19,529)	21,181
General and administrative expenses	14	(176,263)	(172,703)	(3,560)	(232,797)
Personnel expenses	15	(81,973)	(79,308)	(2,665)	(106,719)
Non-personnel expenses	16	(84,674)	(82,657)	(2,016)	(112,532)
Taxes other than income taxes	17	(9,616)	(10,737)	1,121	(13,545)
Net business profit before credit costs (1 + 14)	18	135,327	147,997	(12,669)	150,552
(Excluding Net gains on bonds) (18 - 12)	19	128,376	170,360	(41,983)	247,511
Provision of general allowance for loan losses	20	-	-	-	(27,957)
Principal guaranteed trust a/c credit costs	21	-	-	-	-
Net business profit	22	135,327	147,997	(12,669)	122,594
Net non-recurring profit	23	5,206	(1,249)	6,455	(5,283)
Banking a/c credit costs	24	(1,607)	(594)	(1,012)	1,267
Written-off of loans	25	(1,522)	(364)	(1,158)	(378)
Provision of specific allowance for loan losses	26	-	-	-	1,913
Losses on sales of loans	27	(85)	(230)	145	(268)
Reversal of allowance for loan losses	28	5,293	3,605	1,687	-
Recoveries of written-off claims	29	653	1,445	(792)	1,717
Net gains on stocks	30	17,520	19,941	(2,420)	31,300
Losses on devaluation of stocks	31	(0)	(769)	768	(9,168)
Others	32	(16,654)	(25,648)	8,993	(39,567)
Amortization of net actuarial losses/ prior service cost	33	(12,245)	(21,447)	9,202	(28,596)
Provision for contingent loss	34	1,119	479	640	(131)
Losses on investment in partnerships	35	(1,614)	(2,168)	553	(3,076)
Net gains on stock related derivatives	36	(2,658)	(3,135)	476	(4,387)
Ordinary profit	37	140,533	146,748	(6,214)	117,311
Extraordinary profit	38	(7,544)	(3,038)	(4,505)	(5,985)
Net gains on disposal of fixed assets	39	3	(580)	583	(209)
Impairment loss on fixed assets	40	(7,547)	(2,458)	(5,088)	(5,776)
Income before income taxes	41	132,989	143,709	(10,719)	111,325
Total income taxes	42	(36,954)	(41,501)	4,546	(33,662)
Income taxes-current	43	(25,169)	(31,944)	6,775	(32,701)
Income taxes-deferred	44	(11,785)	(9,556)	(2,228)	(961)
Net income	45	96,034	102,207	(6,172)	77,663
Total credit costs (20 + 21 + 24 + 28 + 29)	46	4,339	4,457	(117)	(24,973)
Overhead ratio (-14/1)	47	56.57%	53.85%	2.72%	60.73%

2. Breakdown of profit by business group

(1) Gross business profit

[Non-consolidated]

(Billions of yen)

	3QFY2017	3QFY2016	Change
	(Cumulative total)	(Cumulative total)	
Retail total solution services	96.0	103.5	(7.4)
Wholesale financial services (*1)	93.2	84.5	8.6
Stock transfer agency services	24.5	24.4	0.1
Real estate	22.1	18.9	3.1
Fiduciary services	68.6	67.0	1.5
Global markets	45.2	53.2	(8.0)
Fees paid out for outsourcing	(30.6)	(30.0)	(0.6)
Stock transfer agency services	(7.7)	(7.8)	0.0
Fiduciary services	(22.9)	(22.1)	(0.7)
Others (*2)	(7.6)	(1.0)	(6.5)
Gross business profit	311.5	320.7	(9.1)

(*1) Figures for Wholesale financial services are combined total of Wholesale total solution services and Wholesale asset management.

(*2) Figures for "Others" include costs of capital funding, dividends of shares for cross-shareholdings, general and administrative expenses of headquarters, etc.

(2) Net business profit before credit costs

[Consolidated]

(Billions of yen)

	3QFY2017	3QFY2016	Change
	(Cumulative total)	(Cumulative total)	
Retail total solution services	17.9	25.9	(7.9)
Wholesale financial services (*1)	83.9	71.1	12.8
Stock transfer agency services	14.9	14.8	0.1
Real estate	20.2	16.5	3.7
Fiduciary services	41.7	36.0	5.7
Global markets	33.6	43.3	(9.7)
Others (*2)	(14.9)	(0.4)	(14.5)
Net business profit before credit costs	197.5	207.3	(9.8)

(*1) Figures for Wholesale financial services are combined total of Wholesale total solution services and Wholesale asset management.

(*2) Figures for "Others" include costs of capital funding, dividends of shares for cross-shareholdings, general and administrative expenses of headquarters, etc.

[Non-consolidated]

(Billions of yen)

	3QFY2017	3QFY2016	Change
	(Cumulative total)	(Cumulative total)	
Retail total solution services	5.3	11.1	(5.8)
Wholesale financial services (*1)	63.9	54.4	9.5
Stock transfer agency services	14.2	14.0	0.1
Real estate	15.3	12.3	2.9
Fiduciary services	25.3	23.2	2.1
Global markets	33.6	43.3	(9.7)
Others (*2)	(22.5)	(10.5)	(11.9)
Net business profit before credit costs	135.3	147.9	(12.6)

(*1) Figures for Wholesale financial services are combined total of Wholesale total solution services and Wholesale asset management.

(*2) Figures for "Others" include costs of capital funding, dividends of shares for cross-shareholdings, general and administrative expenses of headquarters, etc.

3. Yields and margins

Domestic banking a/c

[Non-consolidated]

	(%)				
	3QFY2017 (Cumulative total)	3QFY2017	1HFY2017	3QFY2016 (Cumulative total)	Change from 3QFY2016
Average yield on interest-earning assets (A)	0.55	0.49	0.58	0.58	(0.03)
Loans and bills discounted (B)	0.70	0.70	0.70	0.74	(0.04)
Securities	1.19	0.69	1.45	1.15	0.04
Average yield on interest-bearing liabilities (C)	0.17	0.17	0.18	0.20	(0.03)
Deposits (D)	0.14	0.13	0.15	0.16	(0.02)
Gross margin (A) - (C)	0.38	0.32	0.40	0.38	(0.00)
Loan-deposit margin (B) - (D)	0.56	0.57	0.55	0.58	(0.02)

4. Unrealized gains/ losses on investment securities

(1) Securities with fair value

[Consolidated]

	Dec. 2017				Sep. 2017		Change from Sep. 2017		Mar. 2017	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net	Cost	Net
Available-for-sale securities	4,360.1	752.2	1,006.0	(253.7)	4,103.7	709.0	256.4	43.2	3,969.3	685.6
Japanese stocks (*)	648.6	971.6	979.1	(7.4)	654.3	817.6	(5.6)	154.0	666.2	730.4
Japanese bonds	809.5	2.2	3.0	(0.8)	874.5	2.8	(64.9)	(0.6)	845.7	1.7
Government bonds	216.1	(0.0)	0.0	(0.0)	253.0	0.0	(36.8)	(0.0)	215.2	(0.0)
Local government bonds	5.1	(0.0)	0.0	(0.0)	4.8	(0.0)	0.3	0.0	4.8	(0.0)
Corporate bonds	588.1	2.2	3.0	(0.7)	616.7	2.8	(28.5)	(0.5)	625.6	1.8
Others	2,901.9	(221.6)	23.8	(245.4)	2,574.8	(111.4)	327.0	(110.1)	2,457.2	(46.5)
Held-to-maturity debt securities	278.4	22.1	22.1	(0.0)	286.5	22.6	(8.0)	(0.5)	344.7	26.9

(*) Fair value of listed stocks included in "Available-for-sale securities" is determined based on the average quoted market price over the month preceding the consolidated balance sheet date.

[Non-consolidated]

	Dec. 2017				Sep. 2017		Change from Sep. 2017		Mar. 2017	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net	Cost	Net
Available-for-sale securities	4,358.7	767.7	1,026.6	(258.9)	4,073.5	725.7	285.2	41.9	3,921.3	704.0
Japanese stocks (*)	622.6	994.5	1,004.5	(9.9)	628.1	840.8	(5.5)	153.6	639.7	754.2
Japanese bonds	883.1	0.7	3.0	(2.2)	914.8	1.4	(31.6)	(0.6)	879.6	0.2
Government bonds	216.1	(0.0)	0.0	(0.0)	218.1	0.0	(2.0)	(0.0)	170.4	(0.1)
Local government bonds	5.1	(0.0)	0.0	(0.0)	4.8	(0.0)	0.3	0.0	4.8	(0.0)
Corporate bonds	661.7	0.8	3.0	(2.1)	691.8	1.3	(30.0)	(0.5)	704.3	0.3
Others	2,852.9	(227.6)	19.1	(246.7)	2,530.5	(116.5)	322.4	(111.1)	2,402.0	(50.4)
Held-to-maturity debt securities	202.3	22.0	22.0	-	208.9	22.6	(6.5)	(0.5)	263.4	26.8

(*) Fair value of listed stocks included in "Available-for-sale securities" is determined based on the average quoted market price over the month preceding the balance sheet date.

<Reference 1>

Breakdown of "Available-for-sale securities (Others)"

[Non-consolidated]

	(Billions of Yen)							
	Dec. 2017		Sep. 2017		Change from Sep. 2017		Mar. 2017	
	Cost	Net	Cost	Net	Cost	Net	Cost	Net
Domestic investment (*1)	87.5	1.9	89.1	1.9	(1.6)	(0.0)	93.7	1.9
Asset-backed securities	24.0	0.7	25.8	0.7	(1.8)	(0.0)	30.0	0.7
Others	63.4	1.2	63.2	1.2	0.1	(0.0)	63.7	1.2
International investment (*1)	1,315.1	(9.7)	1,379.6	(11.0)	(64.4)	1.2	1,329.9	(15.8)
Foreign government bonds	1,301.2	(14.1)	1,365.7	(12.5)	(64.5)	(1.6)	1,309.6	(15.9)
US Treasury	685.0	(15.3)	752.9	(14.2)	(67.8)	(1.0)	782.0	(17.3)
European government bonds (*2)	68.1	0.0	55.9	(0.3)	12.2	0.4	26.9	0.0
US agency MBS	127.0	(1.3)	103.0	(0.9)	23.9	(0.4)	85.2	(1.1)
Corporate bonds, etc. (*3)	396.1	2.5	385.3	2.9	10.8	(0.4)	335.7	2.2
Foreign stocks and others	13.9	4.3	13.9	1.4	0.0	2.9	20.2	0.0
Others (Investment trust, etc.) (*4)	1,450.2	(219.7)	1,061.7	(107.4)	388.5	(112.3)	978.3	(36.5)
Total	2,852.9	(227.6)	2,530.5	(116.5)	322.4	(111.1)	2,402.0	(50.4)

(*1) "Domestic investment" and "International investment" are basically categorized by the countries where final exposure exists.

(*2) German government bonds (Bunds), UK government bonds (Gilts) and French government bonds (OATs).

(*3) Corporate bonds which are based on issuer's credit risk.

(*4) "Investment trust" and investment securities uncategorizable into "Domestic investment" or "International investment".

<Reference 2>

Breakdown of "Held-to-maturity debt securities"

[Non-consolidated]

	(Billions of Yen)							
	Dec. 2017		Sep. 2017		Change from Sep. 2017		Mar. 2017	
	Cost	Net	Cost	Net	Cost	Net	Cost	Net
Held-to-maturity debt securities	202.3	22.0	208.9	22.6	(6.5)	(0.5)	263.4	26.8
Japanese Government Bonds	119.1	19.8	123.2	19.8	(4.0)	(0.0)	139.9	20.0
Japanese Local Government Bonds	-	-	-	-	-	-	-	-
Japanese Corporate Bonds	29.0	0.4	29.0	0.4	-	0.0	29.1	0.1
Others	54.1	1.7	56.6	2.3	(2.4)	(0.6)	94.3	6.6
Domestic investment (*)	10.2	0.0	10.7	0.0	(0.4)	0.0	12.2	0.0
International investment (*)	43.9	1.6	45.9	2.2	(1.9)	(0.6)	82.0	6.6

(*) "Domestic investment" and "International investment" are basically categorized by the countries where final exposure exists.

(2) Securities with no available fair value

[Non-consolidated]

	(Billions of Yen)			
	Dec. 2017	Sep. 2017	Change	Mar. 2017
	Cost	Cost	from Sep.	Cost
Available-for-sale securities	175.5	151.2	24.2	158.0
Japanese stocks	54.0	54.1	(0.1)	54.1
Japanese bonds	-	-	-	-
Others	121.4	97.1	24.3	103.8
Domestic investment (*)	76.4	56.0	20.3	65.8
International investment (*)	45.0	41.0	3.9	38.0

(*) "Domestic investment" and "International investment" are basically categorized by the countries where final exposure exists.

5. Deferred unrealized gains/ losses of derivative transactions qualified for hedge accounting

[Non-consolidated]

(Billions of Yen)

	Dec. 2017	Sep. 2017	Change from Sep.	Mar. 2017
Interest rate related	(24.9)	(22.8)	(2.1)	(20.0)
Interest rate swaps	(24.9)	(22.8)	(2.1)	(20.0)
Currency related	(1.4)	(1.5)	0.0	(3.1)
Total	(26.4)	(24.3)	(2.0)	(23.1)

Note: Before considering tax effect accounting

6. Loans and Deposits (Banking a/c and principal guaranteed trust a/c combined)

(1) Balance of loans and deposits, etc.

[Non-consolidated]

(Billions of Yen)

	Dec. 2017		Sep. 2017	Change from Sep. 2017		Mar. 2017
	Total	Domestic branches	Total	Total	Domestic branches	Total
Loans and bills discounted	28,153.3	24,426.7	28,270.7	(117.4)	(38.9)	28,206.1
Banking account	28,111.3	24,384.8	28,226.7	(115.4)	(36.8)	28,158.9
Principal guaranteed trust account	41.9	41.9	43.9	(2.0)	(2.0)	47.1
Deposits, Trust principal	31,692.9	27,047.6	32,557.6	(864.6)	(742.4)	32,911.7
Deposits (*)	28,507.5	23,862.2	29,202.6	(695.0)	(572.8)	29,019.3
Trust principal	3,185.3	3,185.3	3,354.9	(169.6)	(169.6)	3,892.4

(*) Excluding NCD

(2) Loans by industry

[Non-consolidated]

(Billions of Yen)

	Dec. 2017	Sep. 2017	Change from Sep.	Mar. 2017
Domestic branches (excluding offshore accounts)	24,426.7	24,465.6	(38.9)	24,447.2
Manufacturing	2,693.3	2,563.9	129.4	2,595.5
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	12.2	11.6	0.6	12.8
Construction	122.5	115.7	6.8	129.8
Electricity, gas, heat supply and water	994.6	928.7	65.9	891.3
Information and communications	410.1	407.1	3.0	405.0
Transport and postal activities	1,108.0	1,120.8	(12.8)	1,126.2
Wholesale and retail trade	1,230.6	1,232.0	(1.4)	1,219.7
Finance and insurance	2,654.2	2,719.3	(65.0)	2,977.0
Real estate	3,320.6	3,309.8	10.7	3,246.4
Goods rental and leasing	952.7	959.2	(6.5)	897.5
Others	10,927.3	11,097.1	(169.7)	10,945.5
Overseas branches and offshore accounts	3,726.5	3,805.1	(78.5)	3,758.8
Total	28,153.3	28,270.7	(117.4)	28,206.1

Note: The above table is made based on the categorization of "Survey on loans by industry" of Bank of Japan.

7. Problem assets based on the Financial Reconstruction Act (Banking a/c and principal guaranteed trust a/c combined)

(1) Problem assets based on the Financial Reconstruction Act (After partial direct written-off)

[Non-consolidated]

	Dec. 2017		Sep. 2017		Change from Sep. 2017		Mar. 2017	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
	(Billions of yen)							
Problem assets based on the Financial Reconstruction Act (a)	56.8	51.8	61.8	56.9	(5.0)	(5.0)	71.2	66.1
Bankrupt and practically bankrupt	12.8	12.8	13.2	13.2	(0.4)	(0.4)	7.9	7.9
Doubtful	25.5	20.7	27.9	23.0	(2.4)	(2.4)	35.4	30.5
Substandard (b)	18.4	18.3	20.7	20.6	(2.3)	(2.3)	27.8	27.7
Ordinary assets	28,613.2	28,576.2	28,726.8	28,687.7	(113.6)	(111.6)	28,664.0	28,621.8
Assets to substandard debtors (excluding Substandard) (c)	1.3	1.3	1.3	1.3	0.0	0.0	1.2	1.2
Assets to other special mention debtors	485.2	474.9	446.7	436.3	38.5	38.6	554.3	543.3
Assets to ordinary debtors	28,126.7	28,099.9	28,278.8	28,250.1	(152.1)	(150.2)	28,108.4	28,077.3
Total balance (d)	28,669.9	28,628.0	28,788.6	28,744.6	(118.6)	(116.6)	28,735.2	28,688.0
Ratio to total balance (a) / (d)	0.2%	0.2%	0.2%	0.2%	(0.0%)	(0.0%)	0.2%	0.2%
Assets to substandard debtors (b) + (c)	19.7	19.6	22.0	21.9	(2.3)	(2.3)	29.0	29.0

Note : Partial direct written-off: Dec. 2017: 9.9 billion yen, Sep. 2017: 11.3 billion yen, Mar. 2017: 13.8 billion yen

(2) Coverage ratio and allowance ratio of Problem assets based on the Financial Reconstruction Act

[Non-consolidated]

	Dec. 2017		Sep. 2017		Change from Sep. 2017		Mar. 2017	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
	(Billions of yen)							
Problem assets based on the Financial Reconstruction Act	56.8	51.8	61.8	56.9	(5.0)	(5.0)	71.2	66.1
Coverage ratio	97.9%	97.7%	97.6%	97.4%	0.3%	0.3%	90.7%	90.0%
Allowance ratio	81.3%	81.3%	80.1%	80.1%	1.2%	1.2%	62.0%	62.0%
Bankrupt and practically bankrupt	12.8	12.8	13.2	13.2	(0.4)	(0.4)	7.9	7.9
Coverage ratio	100.0%	100.0%	100.0%	100.0%	—%	—%	100.0%	100.0%
Allowance ratio	100.0%	100.0%	100.0%	100.0%	—%	—%	100.0%	100.0%
Doubtful	25.5	20.7	27.9	23.0	(2.4)	(2.4)	35.4	30.5
Coverage ratio	97.2%	96.6%	96.5%	95.8%	0.7%	0.8%	88.9%	87.1%
Allowance ratio	73.6%	73.6%	70.9%	70.9%	2.7%	2.7%	62.8%	62.8%
Substandard	18.4	18.3	20.7	20.6	(2.3)	(2.3)	27.8	27.7
Coverage ratio	97.3%	97.3%	97.5%	97.5%	(0.2%)	(0.2%)	90.3%	90.3%
Allowance ratio	35.8%	35.8%	43.5%	43.5%	(7.7%)	(7.7%)	19.5%	19.5%

Note: Other than the above mentioned, there are Reserves for loan trust of 0.0 billion yen and Reserves for JOMT (Jointly-operated money trust) of 0.0 billion yen as of December 2017.

<Reference> Other referential financial figures of SuMi TRUST Bank

(1) Balance Sheets

[Non-consolidated]

	Dec. 2017	Sep. 2017	Change from Sep.	(Billions of yen) Mar. 2017
Assets:				
Cash and due from banks	14,315.6	15,461.0	(1,145.4)	13,963.7
Call loans	125.3	99.9	25.4	64.7
Receivables under resale agreements	67.5	75.3	(7.7)	83.8
Receivables under securities borrowing transactions	702.7	615.9	86.7	464.9
Monetary claims bought	77.4	73.1	4.2	92.9
Trading assets	548.7	626.3	(77.6)	663.0
Money held in trust	0.0	0.0	-	0.0
Securities	5,989.5	5,642.6	346.9	5,518.9
Loans and bills discounted	28,111.3	28,226.7	(115.4)	28,158.9
Foreign exchanges	29.8	32.7	(2.9)	16.1
Other assets	1,186.5	1,600.7	(414.1)	1,187.8
Tangible fixed assets	197.8	199.0	(1.2)	200.9
Intangible fixed assets	72.1	68.8	3.3	91.2
Prepaid pension expenses	159.3	157.6	1.6	160.2
Customers' liabilities for acceptances and guarantees	400.8	377.8	23.0	391.4
Allowance for loan losses	(80.4)	(79.4)	(1.0)	(90.0)
Total assets	51,904.5	53,178.7	(1,274.2)	50,969.2
Liabilities:				
Deposits	28,507.5	29,202.6	(695.0)	29,019.3
Negotiable certificates of deposit	6,423.7	7,172.8	(749.0)	7,523.2
Call money	2,244.9	1,715.5	529.3	400.1
Payables under repurchase agreements	1,500.2	1,624.3	(124.0)	1,063.7
Payables under securities lending transactions	30.7	11.8	18.8	13.6
Trading liabilities	309.5	345.9	(36.4)	366.8
Borrowed money	4,555.0	4,534.8	20.1	3,365.2
Foreign exchanges	0.9	0.3	0.6	2.2
Short-term bonds payable	308.2	211.3	96.9	418.8
Corporate bonds	1,076.1	1,095.0	(18.9)	1,029.0
Borrowed money from trust account	3,274.3	3,447.1	(172.7)	3,973.6
Other liabilities	717.6	937.6	(219.9)	920.7
Provision for bonuses	2.4	8.2	(5.8)	9.0
Provision for directors' bonuses	-	-	-	0.0
Provision for retirement benefits	0.7	0.7	0.0	0.6
Provision for reimbursement of deposits	3.5	3.5	-	3.5
Provision for contingent loss	6.6	8.5	(1.8)	7.7
Deferred tax liabilities	178.7	161.4	17.3	147.0
Deferred tax liabilities for land revaluation	3.0	3.0	-	3.0
Acceptances and guarantees	400.8	377.8	23.0	391.4
Total liabilities	49,545.1	50,863.0	(1,317.8)	48,659.5
Net assets:				
Capital stock	342.0	342.0	-	342.0
Capital surplus	456.2	456.2	-	492.2
Legal capital surplus	273.0	273.0	-	273.0
Other capital surplus	183.2	183.2	-	219.2
Retained earnings	1,045.7	1,030.0	15.6	1,004.7
Legal retained earnings	69.0	69.0	-	69.0
Other retained earnings	976.6	961.0	15.6	935.7
Other voluntary reserve	371.8	371.8	-	371.8
Retained earnings brought forward	604.8	589.1	15.6	563.8
Shareholders' equity	1,843.9	1,828.3	15.6	1,839.0
Valuation difference on available-for-sale securities	534.9	505.5	29.4	487.6
Deferred gains/ losses on hedges	(18.2)	(16.7)	(1.4)	(15.8)
Revaluation reserve for land	(1.3)	(1.3)	-	(1.0)
Valuation and translation adjustments	515.3	487.3	27.9	470.7
Total net assets	2,359.3	2,315.7	43.6	2,309.7
Total liabilities and net assets	51,904.5	53,178.7	(1,274.2)	50,969.2

(2) Statements of Income

[Non-consolidated]

(Billions of yen)			
	3QFY2017 (Cumulative total)	3QFY2016 (Cumulative total)	Change
Ordinary income	608.5	583.4	25.1
Trust fees	69.6	70.7	(1.0)
Interest income	302.1	264.0	38.1
Interest on loans and discounts	220.4	198.7	21.7
Interest and dividends on securities	58.0	49.4	8.6
Fees and commissions	141.9	142.1	(0.1)
Trading income	4.7	14.6	(9.9)
Other ordinary income	56.7	59.8	(3.1)
Other income	33.3	32.0	1.2
Ordinary expenses	468.0	436.6	31.3
Interest expenses	183.2	125.0	58.2
Interest on deposits	70.8	57.8	12.9
Fees and commissions payments	65.0	62.9	2.0
Trading expenses	-	1.0	(1.0)
Other ordinary expenses	15.3	41.6	(26.2)
General and administrative expenses	189.0	194.7	(5.7)
Other expenses	15.3	11.2	4.1
Ordinary profit	140.5	146.7	(6.2)
Extraordinary income	0.3	0.0	0.3
Extraordinary losses	7.9	3.0	4.8
Income before Income Taxes	132.9	143.7	(10.7)
Income taxes-Current	25.1	31.9	(6.7)
Income taxes-Deferred	11.7	9.5	2.2
Income taxes	36.9	41.5	(4.5)
Net income	96.0	102.2	(6.1)

(3) Statement of trust account

[Non-consolidated]

(Billions of yen)				
	Dec. 2017	Sep. 2017	Change from Sep. 2017	Mar. 2017
Loans and bills discounted	1,278.5	1,351.3	(72.8)	1,410.0
Securities	2,094.8	2,264.5	(169.7)	3,077.7
Beneficiary rights	150,842.3	148,185.3	2,656.9	143,214.8
Securities held in custody accounts	29.0	29.0	0.0	29.2
Money claims	16,456.0	16,012.8	443.2	15,065.1
Tangible fixed assets	14,306.7	14,199.7	107.0	13,643.4
Intangible fixed assets	198.5	199.1	(0.5)	178.1
Other claims	7,276.7	7,119.4	157.3	7,451.1
Loans to banking account	3,274.3	3,447.1	(172.7)	3,973.6
Cash and due from banks	401.0	416.0	(15.0)	424.2
Total assets	196,158.3	193,224.6	2,933.6	188,467.7
Money trusts	29,535.1	29,706.2	(171.0)	30,217.8
Pension trusts	13,760.1	13,973.5	(213.4)	14,828.5
Property formation benefit trusts	17.5	17.7	(0.1)	17.5
Loan trusts	9.8	10.1	(0.3)	10.6
Securities investment trusts	72,715.7	70,969.4	1,746.3	69,115.2
Money entrusted, other than money trusts	19,903.6	18,511.4	1,392.2	15,544.8
Securities trusts	19,981.2	20,225.3	(244.0)	20,114.0
Money claim trusts	16,591.2	16,149.4	441.7	15,148.5
Land and fixtures trusts	89.2	89.0	0.2	109.3
Composite trusts	23,554.5	23,572.3	(17.7)	23,361.0
Total liabilities	196,158.3	193,224.6	2,933.6	188,467.7

Note: The amount of re-trusted assets to Japan Trustee Services Bank, Ltd. for asset administration is included in Beneficiary rights:

December 2017: 150,199.3 billion yen, September 2017: 147,599.7 billion yen, Mar. 2017: 142,691.7 billion yen

(4) Breakdown of principal guaranteed trust a/c
[Non-consolidated]

(Billions of yen)

	Dec. 2017	Sep. 2017	Change from Sep. 2017	Mar. 2017	
Money trusts	Loans and bills discounted	41.9	43.9	(2.0)	47.1
	Securities	0.0	0.0	-	0.0
	Others	3,134.3	3,301.4	(167.1)	3,835.2
	Total assets	3,176.2	3,345.4	(169.1)	3,882.4
	Principal	3,175.9	3,345.2	(169.2)	3,882.1
	Reserves for JOMT (Jointly-operated money trust)	0.0	0.0	-	0.0
	Others	0.2	0.1	0.1	0.2
	Total liabilities	3,176.2	3,345.4	(169.1)	3,882.4
Loan trusts	Loans and bills discounted	-	-	-	-
	Securities	-	-	-	-
	Others	9.8	10.1	(0.3)	10.6
	Total assets	9.8	10.1	(0.3)	10.6
	Principal	9.4	9.7	(0.3)	10.2
	Reserves for loan trust	0.0	0.0	(0.0)	0.0
	Others	0.3	0.3	(0.0)	0.3
Total liabilities	9.8	10.1	(0.3)	10.6	