

Explanatory Material

*1st Quarter of Fiscal Year 2014
ended on June 30, 2014*



SUMITOMO MITSUI TRUST HOLDINGS

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<Definition of terms in this document>
Consolidated: SMTH (Consolidated)
Non-consolidated: SMTB (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 1QFY2014 financial results

1. Financial Results

<Consolidated>

- (1) "Net business profit before credit costs" <1> decreased by 15.0 billion yen from 1QFY2013 to 56.0 billion yen due primarily to the decrease in market-related profit of SMTB.
- (2) "Ordinary profit" <2> increased by 0.4 billion yen from 1QFY2013 to 66.1 billion yen due primarily to the improvement of "Total credit costs" <4> and "Net gains/ losses on stocks" <5>, despite the fact (1) mentioned above.
- (3) "Net income" <3> increased by 0.2 billion yen from 1QFY2013 to 39.3 billion yen, which represents 49% of the net income forecast for 1HFY2014, due primarily to the positive effect from a change in the example categories of SMTB applied under the practical guidelines for tax effect accounting (*), while SMTB posted banking IT system integration costs as extraordinary loss.
- (*) Audit Guideline for considering Recoverability of Deferred Tax Assets (Japanese Institute of Certified Public Accountants)

[Consolidated]

		1QFY2014	1QFY2013	Change
Net business profit before credit costs (*1)	1	56.0	71.0	(15.0)
Ordinary profit	2	66.1	65.6	0.4
Net income	3	39.3	39.0	0.2
Total credit costs	4	13.2	3.7	9.4
Net gains/ losses on stocks	5	3.1	(8.4)	11.5
(Difference from non-consolidated financial results) (*2)				
Net business profit before credit costs	6	13.6	15.9	(2.3)
Net income	7	4.5	7.4	(2.9)
Total credit costs	8	0.2	0.6	(0.3)
Net gains/ losses on stocks	9	0.1	2.1	(2.0)

(*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 (SMTH)" and "Non-consolidated (SMTB)".

(Billions of Yen)	
Forecast for FY2014	
1HFY2014	
140.0	295.0
130.0	260.0
80.0	150.0
-	(10.0)

<Non-consolidated>

- (1) "Net business profit before credit costs" <18> decreased by 12.6 billion yen from 1QFY2013 to 42.4 billion yen due primarily to the decrease in market-related profit such as "Net gains from derivatives other than for trading or hedging" <16>, while "Net interest income and related profit" <11> increased resulting from the increase in overseas lending.
- (2) "Ordinary profit" <26> increased by 5.9 billion yen from 1QFY2013 to 52.4 billion yen due primarily to the improvement in "Net gains/ losses on stocks" <22> by the disappearance for which loss was posted in 1QFY2013, in addition to the improvement of "Total credit costs" <32> by posting "Reversal of allowance for loan losses, etc." <21>.
- (3) "Net income" <31> increased by 3.2 billion yen from 1QFY2013 to 34.8 billion yen, which represents 49% of the net income forecast for 1HFY2014, due primarily to the positive effect (approximately 13.0 billion yen) in "Total income taxes" <30> from a change in the example categories of SMTB applied under the practical guidelines for tax effect accounting (*), while "IT system integration costs" <28> were posted in "Extraordinary profit/ loss" <27>.
- (*) Audit Guideline for considering Recoverability of Deferred Tax Assets (Japanese Institute of Certified Public Accountants)

[Non-consolidated]

		1QFY2014	1QFY2013	Change
Gross business profit	10	103.1	115.4	(12.3)
Net interest income and related profit	11	55.3	48.3	7.0
Net fees and commissions and related profit	12	43.1	42.8	0.2
Net trading profit	13	4.3	7.2	(2.9)
Net other operating profit	14	0.3	17.0	(16.6)
Net gains on bonds	15	12.1	7.7	4.4
Net gains from derivatives other than for trading or hedging	16	(12.7)	12.5	(25.2)
General and administrative expenses	17	(60.7)	(60.3)	(0.3)
Net business profit before credit costs	18	42.4	55.1	(12.6)
Net non-recurring profit	19	9.9	(8.6)	18.6
Banking a/c credit costs	20	(0.1)	0.1	(0.3)
Reversal of allowance for loan losses, etc.	21	13.1	2.9	10.1
Net gains/ losses on stocks	22	2.9	(10.6)	13.6
Losses on devaluation of stocks	23	(0.0)	(0.0)	(0.0)
Others	24	(5.9)	(1.1)	(4.7)
Costs related to the Mangement Integration (*3)	25	(1.6)	(1.0)	(0.6)
Ordinary profit	26	52.4	46.4	5.9
Extraordinary profit/ loss	27	(24.6)	(0.0)	(24.6)
IT system integration cost	28	(24.5)	-	(24.5)
Income before income taxes	29	27.7	46.3	(18.6)
Total income taxes	30	7.0	(14.7)	21.8
Net income	31	34.8	31.5	3.2
Total credit costs	32	12.9	3.1	9.7

(Billions of Yen)	
Forecast for FY2014	
1HFY2014	
110.0	225.0
100.0	195.0
70.0	125.0
0.0	(10.0)

(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)

		June 2014	Mar. 2014	Change from Mar. 2014
Loans	1	23,553.5	24,125.5	(572.0)
Deposits, Trust principal (*1)	2	25,492.6	25,438.2	54.4

(*1) Deposits: Excluding NCDs.

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

[Non-consolidated]

(%)

		1QFY2014 (A)	2HFY2013 (B)	1HFY2013	Change (A) - (B)
Loan deposit margin	3	0.69	0.68	0.70	0.01
Loans and bills discounted	4	0.95	0.96	1.00	(0.01)
Deposits and trust principal	5	0.26	0.28	0.30	(0.02)

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

[Non-consolidated]

(Billions of Yen)

		June 2014	Mar. 2014	Change from Mar. 2014
Loans to individuals (*2)	6	7,375.1	7,316.7	58.4
Residential mortgage loans	7	6,901.3	6,897.6	3.6
Loans to corporations (*2)	8	16,178.3	16,808.7	(630.4)
Japanese corporations operating overseas	9	2,571.5	2,563.9	7.5
Non-Japanese corporations	10	2,091.6	1,978.6	113.0

(*2) The definition of "Loans to individuals" and "Loans to corporations" was partially revised for the data as of June 2014 for the purpose of better description.

As a result, the balance of "Loans to individuals" as of June 2014 increased by 58.3 billion yen compared with the figure under the previous definition, while the balance of "Loans to corporations" decreased by the same amount. There is no effect on the balance of "Residential mortgage loans", "Japanese corporations operating overseas" and "Non-Japanese corporations." due to this revision.

<Investment trust and Insurance>

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

[Non-consolidated]

<Sales volume>

(Billions of Yen)

		1QFY2014	1QFY2013	Change from 1QFY2013
Total sales volume	11	476.0	489.9	(13.9)
Investment trust	12	332.4	396.2	(63.8)
Fund wrap, SMA	13	68.2	64.2	3.9
Insurance	14	75.3	29.4	45.9

<Sales balance>

(Billions of Yen)

		June 2014	Mar. 2014	Change from Mar. 2014
Total sales balance	15	5,421.5	5,271.5	150.0
Investment trust	16	2,560.3	2,455.4	104.8
Fund wrap, SMA	17	441.8	374.7	67.1
Insurance	18	2,419.3	2,441.3	(21.9)

(2) Fees and commissions

[Non-consolidated]

(Billions of Yen)

		1QFY2014	1QFY2013	Change from 1QFY2013
Total fees and commissions	19	14.2	13.9	0.2
Sales fees of investment trust/ insurance	20	8.8	9.2	(0.3)
Others (administration and management)	21	5.3	4.7	0.6

<Overview of fiduciary services business>

(1) Assets under management

[Non-consolidated]

(Billions of Yen)

		June 2014	Mar. 2014	Change from Mar. 2014
Assets under management	22	50,073.2	49,522.0	551.2
Corporate pension	23	16,024.1	16,379.1	(355.0)
Public pension	24	11,751.6	11,183.8	567.8
Discretionary investment	25	22,297.4	21,959.0	338.4

(2) Gross business profit

[Non-consolidated]

(Billions of Yen)

		1QFY2014	1QFY2013	Change from 1QFY2013
Gross business profit	26	15.4	15.4	(0.0)
Revenue	27	22.7	22.3	0.3
Fees paid for outsourcing	28	(7.2)	(6.9)	(0.3)

<Overview of real estate business>

Gross business profit

[Non-consolidated]

(Billions of Yen)

		1QFY2014	1QFY2013	Change from 1QFY2013
Gross business profit	29	4.2	3.3	0.8
Real estate brokerage fees	30	2.8	1.8	1.0
Real estate trust fees, etc.	31	1.4	1.5	(0.1)

2. Financial conditions

<Status of the securities holdings>

- (1) Cost of "Available-for-sale securities" <1> decreased by 870.6 billion yen from the end of March 2014 to 4,028.7 billion yen due primarily to the decrease in US Treasury as shown in "Others" <5>.
Unrealized gains/ losses of "Available-for-sale securities" <1> improved by 80.9 billion yen from the end of March 2014 to the net gains of 463.6 billion yen due primarily to the improvement in "Japanese stocks" <2>.
- (2) Cost of "Held-to-maturity debt securities" <6> decreased by 17.5 billion yen from the end of March 2014 to 423.7 billion yen, and unrealized gains/ losses of those securities stood at the net gains of 41.9 billion yen.

Securities with fair value

[Consolidated]

(Billions of Yen)

		June 2014			Change from Mar. 2014	
		Cost	Fair value	Net	Cost	Net
Available-for-sale securities	1	4,028.7	4,492.4	463.6	(870.6)	80.9
Japanese stocks	2	727.8	1,172.9	445.0	(3.2)	68.5
Japanese bonds	3	1,807.5	1,812.6	5.0	(222.9)	1.0
Government bonds	4	1,236.9	1,237.7	0.8	(187.3)	0.6
Others	5	1,493.3	1,506.9	13.5	(644.4)	11.3
Held-to-maturity debt securities	6	423.7	465.6	41.9	(17.5)	(0.6)

[Non-consolidated]

(Billions of Yen)

		June 2014			Change from Mar. 2014	
		Cost	Fair value	Net	Cost	Net
Available-for-sale securities	7	3,834.5	4,324.4	489.8	(909.7)	81.7
Japanese stocks	8	695.0	1,170.1	475.0	(3.2)	68.4
Japanese bonds	9	1,652.4	1,657.4	5.0	(261.8)	1.0
Government bonds	10	1,061.8	1,062.6	0.8	(226.2)	0.6
Others	11	1,487.0	1,496.8	9.7	(644.6)	12.1
Held-to-maturity debt securities	12	423.0	465.0	41.9	(16.4)	(0.5)

<Problem assets based on the Financial Reconstruction Act>

- (1) The total balance of "Problem assets based on the Financial Reconstruction Act" <1> decreased by 17.0 billion yen from the end of March 2014 to 217.8 billion yen. The ratio of "Problem assets based on the Financial Reconstruction Act" to the total balance <2> improved by 0.1 percentage points to 0.9% from the end of March 2014.
- (2) Coverage ratio with collateral values and allowance as of the end of June 2014 for "Doubtful" <4> and "Substandard" <5> stood at 96.2% and 71.9% respectively, and the coverage ratio for the total balance of "Problem assets based on the Financial Reconstruction Act" <1> stood at 82.6%, all of which represent sufficient levels.

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

(Billions of Yen)

		June 2014	Mar. 2014	Change from Mar. 2014	June 2014	
					Coverage ratio	Allowance ratio
Problem assets based on the Financial Reconstruction Act	1	217.8	234.8	(17.0)	82.6%	41.4%
Ratio to total balance	2	0.9%	1.0%	(0.1%)		
Bankrupt and practically bankrupt	3	9.2	10.6	(1.4)	100.0%	100.0%
Doubtful	4	85.1	100.7	(15.6)	96.2%	70.7%
Substandard (a)	5	123.4	123.5	(0.1)	71.9%	30.1%
Ordinary assets	6	23,941.3	24,413.3	(472.0)		
Substandard debtors (excl. (a)) (b)	7	24.8	30.6	(5.8)		
Other special mention debtors (excl. (a) and (b))	8	481.0	489.5	(8.5)		
Ordinary debtors	9	23,435.6	23,893.2	(457.6)		

Financial figures

1. Status of profit and loss

[Consolidated]

					(Millions of Yen)
		1QFY2014	1QFY2013	Change	Full FY2013
Consolidated gross business profit (*1)	1	148,489	162,664	(14,175)	658,993
Consolidated gross business profit (after written-off of principal guaranteed trust a/c) (1 + 19)	2	148,489	162,664	(14,175)	658,987
Net interest income and related profit	3	58,604	50,679	7,924	235,462
Net interest income	4	55,616	48,724	6,892	227,641
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	2,987	1,955	1,032	7,821
Net fees and commissions and related profit	6	79,230	81,039	(1,808)	349,275
Net fees and commissions	7	56,158	58,376	(2,217)	252,343
Other trust fees	8	23,072	22,663	409	96,931
Net trading profit	9	4,303	7,186	(2,883)	24,376
Net other operating profit	10	6,351	23,758	(17,407)	49,878
Net gains on bonds	11	12,172	7,663	4,509	15,473
Net gains from derivatives other than for trading or hedging	12	(12,947)	12,545	(25,492)	13,393
General and administrative expenses	13	(97,580)	(97,050)	(529)	(396,392)
(excluding amortization of goodwill)	14	(95,555)	(94,907)	(648)	(387,794)
Personnel expenses	15	(45,659)	(45,073)	(585)	(185,448)
Non-personnel expenses excluding taxes	16	(48,861)	(49,011)	150	(198,681)
Taxes other than income taxes	17	(3,059)	(2,965)	(93)	(12,262)
Provision of general allowance for loan losses	18	-	-	-	-
Principal guaranteed trust a/c credit costs	19	-	-	-	(5)
Banking a/c credit costs	20	(329)	50	(379)	(1,414)
Written-off of loans	21	(326)	(202)	(124)	(1,680)
Provision of specific allowance for loan losses	22	-	-	-	-
Losses on sales of loans	23	(3)	252	(255)	265
Reversal of allowance for loan losses	24	13,278	2,679	10,598	8,429
Recoveries of written-off claims	25	287	1,061	(774)	2,173
Net gains on stocks	26	3,104	(8,494)	11,599	(3,781)
Losses on devaluation of stocks	27	(10)	(51)	41	(2,355)
Net income from affiliates by equity method	28	756	1,313	(557)	3,381
Others	29	(1,892)	3,389	(5,282)	(13,362)
Costs related to the Management Integration	30	(1,683)	(1,042)	(640)	(7,579)
Ordinary profit	31	66,114	65,614	499	258,021
Extraordinary profit	32	(24,716)	(21)	(24,695)	(11,370)
Income before income taxes and minority interests	33	41,397	65,593	(24,195)	246,650
Total income taxes	34	1,040	(21,692)	22,733	(91,692)
Income taxes-current	35	(3,043)	(5,454)	2,411	(25,661)
Income taxes-deferred	36	4,083	(16,238)	20,322	(66,031)
Net income before minority interests	37	42,438	43,900	(1,462)	154,957
Minority interest	38	(3,113)	(4,823)	1,709	(17,282)
Net income	39	39,324	39,076	247	137,675
Total credit costs (18 + 19 + 20 + 24 + 25)	40	13,236	3,792	9,444	9,183

(*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)	41	56,016	71,082	(15,065)	285,889
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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.)□

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

Net business profit before credit costs	42	13,602	15,969	(2,366)	74,012
Net income	43	4,512	7,499	(2,987)	21,672
Total credit costs	44	279	615	(336)	1,578
Net gains on stocks	45	107	2,167	(2,060)	(1,577)

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

<Number of subsidiaries/ affiliates>

		June 2014	Mar. 2014	Change
Consolidated subsidiaries	46	76	76	-
Affiliates (subject to the equity method)	47	28	28	-

[Non-consolidated]

					(Millions of Yen)
		1QFY2014	1QFY2013	Change	Full FY2013
Gross business profit	1	103,177	115,486	(12,308)	461,590
Gross business profit (after written-off of principal guaranteed trust a/c) (1 + 21)	2	103,177	115,486	(12,308)	461,585
Net interest income and related profit	3	55,360	48,359	7,001	215,775
Net interest income	4	52,372	46,403	5,968	207,953
Trust fees from principal guaranteed trust a/c (before written off of principal guaranteed trust a/c)	5	2,987	1,955	1,032	7,821
Net fees and commissions and related profit	6	43,130	42,897	233	195,771
Net fees and commissions	7	21,415	21,584	(169)	104,285
Other trust fees	8	21,715	21,312	402	91,486
Net trading income	9	4,303	7,208	(2,905)	24,376
Net other operating income	10	383	17,020	(16,637)	25,666
Net gains on foreign exchange transactions	11	913	(3,056)	3,969	(4,144)
Net gains on bonds	12	12,173	7,726	4,446	15,748
Net gains from derivatives other than for trading or hedging	13	(12,745)	12,508	(25,254)	13,342
General and administrative expenses	14	(60,764)	(60,373)	(390)	(249,712)
Personnel expenses	15	(27,090)	(26,621)	(469)	(110,001)
Non-personnel expenses	16	(31,161)	(31,322)	161	(129,199)
Taxes other than income taxes	17	(2,512)	(2,429)	(82)	(10,512)
Net business profit before credit costs (1 + 14)	18	42,413	55,112	(12,699)	211,877
(Excluding Net gains on bonds) (18 - 12)	19	30,240	47,385	(17,145)	196,128
Provision of general allowance for loan losses	20	-	-	-	-
Principal guaranteed trust a/c credit costs	21	-	-	-	(5)
Net business profit	22	42,413	55,112	(12,699)	211,872
Net non-recurring profit	23	9,992	(8,664)	18,656	(23,436)
Banking a/c net credit costs	24	(143)	188	(331)	52
Written-off of loans	25	(140)	(64)	(75)	(215)
Provision of specific allowance for loan losses	26	-	-	-	-
Losses on sales of loans	27	(3)	252	(255)	267
Reversal of allowance for loan losses	28	13,022	2,184	10,837	6,293
Recoveries of written-off claims	29	79	803	(724)	1,263
Net gains on stocks	30	2,997	(10,662)	13,659	(2,203)
Losses on devaluation of stocks	31	(70)	(24)	(46)	(6,735)
Others	32	(5,962)	(1,178)	(4,784)	(28,842)
Amortization of net actuarial losses/ prior service cost	33	(4,385)	(4,567)	181	(18,269)
Provision for contingent loss	34	(111)	225	(337)	919
Net gains on stock related derivatives	35	525	4,265	(3,739)	3,148
Costs related to the Management Integration	36	(1,683)	(1,022)	(660)	(7,458)
Ordinary profit	37	52,406	46,448	5,957	188,436
Extraordinary profit	38	(24,693)	(79)	(24,614)	(2,468)
Impairment loss on fixed assets	39	(129)	(13)	(115)	(1,612)
Net gains on disposal of fixed assets	40	(55)	(65)	9	(855)
IT system integration cost (*)	41	(24,507)	-	(24,507)	-
Income before income taxes	42	27,712	46,369	(18,656)	185,967
Total income taxes	43	7,098	(14,792)	21,891	(69,965)
Income taxes-current	44	(56)	(1,679)	2,376	(8,405)
Income taxes-deferred	45	7,155	(13,112)	19,514	(61,559)
Net income	46	34,811	31,577	3,234	116,002
Total credit costs (20 + 21 + 24 + 28 + 29)	47	12,957	3,176	9,781	7,604
Overhead ratio (-14/1)	48	58.89%	52.28%	6.61%	54.10%

(*) In FY2014, we are pursuing the phased integration of banking IT systems, which have been running separately since the merger of three trust banks, STB, CMTB and CMAB in April, 2012. The costs arising from the data migration among the systems of former three trust banks are posted as "IT system integration cost" on the completion of each system migration.

2. Breakdown of profit by business group

(1) Gross business profit

[Non-consolidated]

	1QFY2014	1QFY2013	Change
(Billions of Yen)			
Retail financial services	35.1	33.7	1.3
Wholesale financial services	25.8	24.3	1.5
Stock transfer agency services	10.2	10.3	(0.0)
Real estate	4.2	3.3	0.8
Fiduciary services	22.7	22.3	0.3
Global markets	19.4	30.8	(11.4)
Fees paid for outsourcing	(10.3)	(10.4)	0.0
Stock transfer agency services	(3.1)	(3.4)	0.3
Fiduciary services	(7.2)	(6.9)	(0.3)
Others (*)	(4.1)	0.7	(4.8)
Gross business profit	103.1	115.4	(12.3)

(*) 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]

	1QFY2014	1QFY2013	Change
(Billions of Yen)			
Retail financial services	5.4	3.5	1.9
Wholesale financial services	21.4	20.2	1.1
Stock transfer agency services	7.1	6.5	0.5
Real estate	1.8	2.4	(0.6)
Fiduciary services	11.0	11.7	(0.6)
Global markets	16.8	28.6	(11.7)
Others (*)	(7.8)	(2.1)	(5.6)
Net business profit before credit costs	56.0	71.0	(15.0)

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

[Non-consolidated]

	1QFY2014	1QFY2013	Change
(Billions of Yen)			
Retail financial services	3.6	1.7	1.9
Wholesale financial services	16.1	15.1	0.9
Stock transfer agency services	6.4	6.1	0.3
Real estate	2.0	1.1	0.8
Fiduciary services	7.9	8.0	(0.0)
Global markets	16.8	28.6	(11.7)
Others (*)	(10.6)	(5.7)	(4.9)
Net business profit before credit costs	42.4	55.1	(12.6)

(*) 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]

	1QFY2014	2HFY2013	1HFY2013	(%) Change from 2HFY2013
Average yield on interest-earning assets (A)	0.81	0.86	0.96	(0.05)
Loans and bills discounted (B)	0.95	0.96	1.00	(0.01)
Securities	1.13	1.23	1.61	(0.10)
Average yield on interest-bearing liabilities (C)	0.29	0.35	0.30	(0.06)
Deposits (D)	0.26	0.28	0.30	(0.02)
Gross margin (A) - (C)	0.52	0.51	0.66	0.01
Loan-deposit margin (B) - (D)	0.69	0.68	0.70	0.01

4. Unrealized gains/ losses on investment securities

(1) Securities with fair value

[Consolidated]

	June 2014				Mar. 2014		Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	4,028.7	463.6	499.1	(35.4)	4,899.3	382.6	(870.6)	80.9
Japanese stocks (*)	727.8	445.0	467.4	(22.3)	731.1	376.4	(3.2)	68.5
Japanese bonds	1,807.5	5.0	5.4	(0.4)	2,030.4	3.9	(222.9)	1.0
Government bonds	1,236.9	0.8	0.8	(0.0)	1,424.2	0.2	(187.3)	0.6
Local government bonds	11.6	0.2	0.2	(0.0)	15.4	0.2	(3.7)	0.0
Corporate bonds	558.9	3.8	4.3	(0.4)	590.7	3.5	(31.8)	0.3
Others	1,493.3	13.5	26.2	(12.6)	2,137.7	2.2	(644.4)	11.3
Held-to-maturity debt securities	423.7	41.9	41.9	(0.0)	441.2	42.5	(17.5)	(0.6)

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

[Non-consolidated]

	June 2014				Mar. 2014		Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	3,834.5	489.8	529.8	(40.0)	4,744.2	408.1	(909.7)	81.7
Japanese stocks (*)	695.0	475.0	501.4	(26.4)	698.2	406.6	(3.2)	68.4
Japanese bonds	1,652.4	5.0	5.4	(0.4)	1,914.3	3.9	(261.8)	1.0
Government bonds	1,061.8	0.8	0.8	(0.0)	1,288.0	0.1	(226.2)	0.6
Local government bonds	11.6	0.2	0.2	(0.0)	15.4	0.2	(3.7)	0.0
Corporate bonds	578.9	3.8	4.3	(0.4)	610.7	3.4	(31.8)	0.3
Others	1,487.0	9.7	22.9	(13.1)	2,131.6	(2.4)	(644.6)	12.1
Held-to-maturity debt securities	423.0	41.9	41.9	(0.0)	439.5	42.5	(16.4)	(0.5)

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

<Reference 1>

Breakdown of Available-for-sale securities (Others)

[Non-consolidated]

	(Billions of Yen)					
	June 2014		Mar. 2014		Change	
	Cost	Net	Cost	Net	Cost	Net
Domestic investment (*1)	181.8	0.7	321.4	0.6	(139.5)	0.0
Asset-backed securities	75.7	0.0	80.4	(0.0)	(4.7)	0.1
Others	106.1	0.6	240.9	0.6	(134.8)	(0.0)
International investment (*1)	1,127.9	14.1	1,614.5	2.4	(486.6)	11.7
Foreign government bonds	1,126.6	13.7	1,613.1	2.2	(486.5)	11.5
o/w US Treasury	449.0	4.0	1,014.1	(4.1)	(565.1)	8.1
o/w European government bonds (*2)	185.6	1.0	47.0	0.1	138.6	0.9
o/w US agency MBS (*3)	29.8	0.4	31.3	0.2	(1.5)	0.2
o/w Corporate bonds (*4)	292.9	4.3	313.4	4.1	(20.4)	0.2
Foreign stocks and others	1.3	0.3	1.4	0.1	(0.0)	0.1
Others (Investment trust, etc.) (*5)	177.1	(5.0)	195.6	(5.4)	(18.4)	0.3
Total	1,487.0	9.7	2,131.6	(2.4)	(644.6)	12.1

(*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) Constituted by GNMA only.

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

(*5) "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)					
	June 2014		Mar. 2014		Change	
	Cost	Net	Cost	Net	Cost	Net
Held-to-maturity debt securities	423.0	41.9	439.5	42.5	(16.4)	(0.5)
Japanese Government Bonds	240.0	12.2	245.1	11.0	(5.0)	1.1
Japanese Local Government Bonds	-	-	-	-	-	-
Japanese Corporate Bonds	3.3	0.0	3.6	0.0	(0.2)	(0.0)
Others	179.7	29.7	190.7	31.4	(11.0)	(1.7)
Domestic investment (*)	26.0	0.6	28.0	0.6	(2.0)	(0.0)
International investment (*)	153.6	29.0	162.7	30.7	(9.0)	(1.7)

(*) "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)		
	June 2014	Mar. 2014	Change
	Cost		
Available-for-sale securities	219.4	204.7	14.6
Japanese stocks	92.4	93.5	(1.0)
Japanese bonds	-	-	-
Others	126.9	111.2	15.6
Domestic investment (*)	94.1	81.7	12.4
International investment (*)	32.7	29.5	3.2

(*) "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)		
	June 2014	Mar. 2014	Change
Interest rate related	(9.9)	(8.0)	(1.9)
Interest rate swaps	(9.9)	(8.0)	(1.9)
Currency related	(6.6)	(6.0)	(0.5)
Total	(16.5)	(14.0)	(2.5)

Note: Before tax effect accounting

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

(1) Balance of loans and deposits

[Non-consolidated]

	(Billions of Yen)				
	June 2014		Mar. 2014	Change	
	Total	Domestic branches	Total	Total	Domestic branches
Loans and bills discounted	23,553.5	20,795.4	24,125.5	(572.0)	(631.8)
Banking account	23,477.0	20,718.9	24,034.2	(557.2)	(617.1)
Principal guaranteed trust account	76.4	76.4	91.2	(14.7)	(14.7)
Deposits, Trust principal	25,492.6	23,663.6	25,438.2	54.4	(52.8)
Deposits (*)	24,058.7	22,229.7	24,072.9	(14.2)	(121.4)
Trust principal	1,433.9	1,433.9	1,365.3	68.6	68.6

(*) Excluding NCDs.

(2) Overseas loans

[Non-consolidated]

	(Billions of Yen)		
	June 2014	Mar. 2014	Change
Loans to Japanese corporations operating overseas (*)	2,571.5	2,563.9	7.5
Loans to overseas non-Japanese borrowers (*)	2,091.6	1,978.6	113.0
North America	469.9	442.7	27.2
Europe	796.3	790.6	5.6

(*) Loans to Japanese corporations operating overseas: Based on borrowers' location

Loans to overseas non-Japanese borrowers: Based on the location of final exposure

(3) Loans by industry

[Non-consolidated]

	(Billions of Yen)		
	June 2014	Mar. 2014	Change
Domestic branches (excluding offshore)	20,794.2	21,426.1	(631.8)
Manufacturing	2,746.2	2,741.9	4.2
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	15.3	15.8	(0.4)
Construction	145.3	153.9	(8.6)
Electricity, gas, heat supply and water	886.8	864.8	21.9
Information and communications	357.4	355.6	1.7
Transport and postal activities	1,160.5	1,140.6	19.8
Wholesale and retail trade	1,224.8	1,254.9	(30.1)
Finance and insurance	2,135.6	2,624.7	(489.0)
Real estate	2,607.5	2,621.9	(14.3)
Goods rental and leasing	586.3	682.6	(96.3)
Others	8,928.2	8,968.8	(40.5)
Overseas branches and offshore	2,759.2	2,699.3	59.8
Total	23,553.5	24,125.5	(572.0)

Note: 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]

	(Billions of Yen)					
	June 2014		Mar. 2014		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act (a)	217.8	200.3	234.8	209.9	(17.0)	(9.7)
Bankrupt and practically bankrupt	9.2	9.2	10.6	10.6	(1.4)	(1.4)
Doubtful	85.1	68.7	100.7	76.1	(15.6)	(7.4)
Substandard (b)	123.4	122.3	123.5	123.2	(0.1)	(0.8)
Ordinary assets	23,941.3	23,882.4	24,413.3	24,346.9	(472.0)	(464.6)
Assets to substandard debtors (excluding Substandard) (c)	24.8	24.8	30.6	30.6	(5.8)	(5.8)
Assets to other special mention debtors	481.0	478.5	489.5	487.0	(8.5)	(8.5)
Assets to ordinary debtors	23,435.6	23,379.1	23,893.2	23,829.4	(457.6)	(450.3)
Total balance (d)	24,159.1	24,082.6	24,648.1	24,556.9	(489.0)	(474.2)
(Ratio to total balance (a) / (d))	0.9%	0.8%	1.0%	0.9%	(0.1%)	(0.1%)
Assets to substandard debtors (b) + (c)	148.2	147.1	154.1	153.8	(5.9)	(6.7)

Note: Partial direct written-off: June 2014: 17.2 billion yen, Mar. 2014: 18.4 billion yen

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

[Non-consolidated]

	(Billions of Yen)					
	June 2014		Mar. 2014		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act	217.8	200.3	234.8	209.9	(17.0)	(9.7)
Coverage ratio	82.6%	81.1%	83.2%	81.3%	(0.6%)	(0.2%)
Allowance ratio	41.4%	41.4%	42.4%	42.4%	(1.0%)	(1.0%)
Bankrupt and practically bankrupt	9.2	9.2	10.6	10.6	(1.4)	(1.4)
Coverage ratio	100.0%	100.0%	100.0%	100.0%	- %	- %
Allowance ratio	100.0%	100.0%	100.0%	100.0%	- %	- %
Doubtful	85.1	68.7	100.7	76.1	(15.6)	(7.4)
Coverage ratio	96.2%	95.3%	96.0%	94.7%	0.2%	0.6%
Allowance ratio	70.7%	70.7%	70.3%	70.4%	0.4%	0.3%
Substandard	123.4	122.3	123.5	123.2	(0.1)	(0.8)
Coverage ratio	71.9%	71.7%	71.4%	71.3%	0.5%	0.4%
Allowance ratio	30.1%	30.1%	29.3%	29.3%	0.8%	0.8%

Note: Other than the above mentioned, there are Reserves for loan trust of 0.2 billion yen and Reserves for JOMT (Jointly-operated money trust) of 0.0 billion yen as of June 2014.

<Reference> Other referential financial figures of SMTB

(1) Balance Sheets

[Non-consolidated]

	(Billions of Yen)		
	June 2014	Mar. 2014	Change
Assets:			
Cash and due from banks	7,039.4	5,614.8	1,424.6
Call loans	407.7	366.5	41.1
Receivables under resale agreements	88.1	88.0	0.0
Receivables under securities borrowing transactions	301.6	289.3	12.3
Monetary claims bought	124.7	258.3	(133.6)
Trading assets	723.3	585.4	137.9
Money held in trust	12.0	12.0	-
Securities	5,266.1	5,971.2	(705.1)
Loans and bills discounted	23,477.0	24,034.2	(557.2)
Foreign exchanges	10.3	12.1	(1.8)
Other assets	863.1	1,136.1	(272.9)
Tangible fixed assets	202.1	203.3	(1.1)
Intangible fixed assets	68.0	90.5	(22.4)
Prepaid pension expenses	181.0	227.1	(46.1)
Customers' liabilities for acceptances and guarantees	401.1	317.3	83.8
Allowance for loan losses	(70.6)	(84.0)	13.4
Total assets	39,095.4	39,122.6	(27.2)
Liabilities:			
Deposits	24,058.7	24,072.9	(14.2)
Negotiable certificates of deposit	5,850.1	5,304.1	545.9
Call money	214.3	251.4	(37.1)
Payables under repurchase agreements	823.4	1,291.6	(468.1)
Trading liabilities	215.8	214.1	1.6
Borrowed money	1,573.1	1,574.5	(1.4)
Foreign exchanges	0.1	0.2	(0.1)
Short-term bonds payable	705.8	667.4	38.4
Corporate bonds	922.1	995.8	(73.6)
Borrowed money from trust account	1,452.8	1,342.0	110.8
Other liabilities	733.0	971.7	(238.7)
Provision for bonuses	2.1	8.7	(6.6)
Provision for directors' bonuses	-	0.1	(0.1)
Provision for retirement benefits	0.6	0.6	0.0
Provision for reimbursement of deposits	3.9	3.9	-
Provision for contingent loss	8.9	8.8	0.1
Deferred tax liabilities	70.9	61.7	9.1
Deferred tax liabilities for land revaluation	3.9	3.9	-
Acceptances and guarantees	401.1	317.3	83.8
Total liabilities	37,041.4	37,091.4	(50.0)
Net assets:			
Capital stock	342.0	342.0	-
Capital surplus	601.2	601.2	-
Legal capital surplus	273.0	273.0	-
Other capital surplus	328.2	328.2	-
Retained earnings	819.0	844.8	(25.8)
Legal retained earnings	69.0	69.0	-
Other retained earnings	750.0	775.8	(25.8)
Other voluntary reserve	371.8	371.8	-
Retained earnings brought forward	378.1	403.9	(25.8)
Shareholders' equity	1,762.3	1,788.1	(25.8)
Valuation difference on available-for-sale securities	298.5	247.8	50.7
Deferred gains/ losses on hedges	(8.4)	(6.4)	(2.0)
Revaluation reserve for land	1.6	1.6	-
Valuation and translation adjustments	291.6	242.9	48.7
Total net assets	2,054.0	2,031.1	22.8
Total liabilities and net assets	39,095.4	39,122.6	(27.2)

(2) Statements of Income

[Non-consolidated]

	(Billions of Yen)		
	1QFY2014	1QFY2013	Change
Ordinary income	184.1	228.2	(44.1)
Trust fees	24.7	23.2	1.4
Interest income	83.5	86.1	(2.5)
Interest on loans and discounts	60.5	58.2	2.3
Interest and dividends on securities	19.3	25.6	(6.2)
Fees and commissions	39.2	38.8	0.4
Trading income	4.3	7.7	(3.4)
Other ordinary income	13.9	26.7	(12.8)
Other income	18.3	45.4	(27.1)
Ordinary expenses	131.7	181.8	(50.0)
Interest expenses	31.1	39.7	(8.5)
Interest on deposits	17.1	18.3	(1.1)
Fees and commissions payments	17.8	17.2	0.5
Trading expenses	0.0	0.5	(0.5)
Other ordinary expenses	13.6	9.7	3.8
General and administrative expenses	65.2	65.2	0.0
Other expenses	3.7	49.2	(45.4)
Ordinary profit	52.4	46.4	5.9
Extraordinary income	0.0	0.1	(0.1)
Extraordinary losses	24.6	0.2	24.4
Income before Income Taxes	27.7	46.3	(18.6)
Income taxes-Current	0.0	1.6	(1.6)
Income taxes-Deferred	(7.1)	13.1	(20.2)
Income taxes	(7.0)	14.7	(21.8)
Net income	34.8	31.5	3.2

(3) Statement of trust account

[Non-consolidated]

	(Billions of Yen)		
	June 2014	Mar. 2014	Change
Loans and bills discounted	632.5	541.6	90.9
Securities	1,346.7	1,254.9	91.8
Beneficiary rights	108,463.3	104,647.8	3,815.4
Securities held in custody accounts	37.2	38.1	(0.8)
Money claims	10,892.4	10,657.1	235.2
Tangible fixed assets	10,232.2	10,024.0	208.1
Intangible fixed assets	115.2	113.3	1.9
Other claims	7,639.9	7,618.4	21.5
Call loans	7.7	35.2	(27.5)
Loans to banking account	1,452.8	1,342.0	110.8
Cash and due from banks	322.7	521.9	(199.2)
Total assets	141,143.0	136,794.7	4,348.3
Money trusts	23,389.6	21,632.3	1,757.2
Pension trusts	16,521.5	16,341.0	180.5
Property formation benefit trusts	19.4	20.1	(0.6)
Loan trusts	25.5	32.3	(6.7)
Securities investment trusts	44,581.2	43,472.2	1,109.0
Money entrusted, other than money trusts	5,527.9	5,322.5	205.4
Securities trusts	22,116.6	21,506.5	610.1
Money claim trusts	10,983.2	10,934.4	48.8
Equipment trusts	-	0.0	(0.0)
Land and fixtures trusts	115.0	114.4	0.6
Composite trusts	17,862.5	17,418.6	443.8
Total liabilities	141,143.0	136,794.7	4,348.3

Note: The amount of re-trusted assets to Japan Trustee Services Bank, Ltd. as a securities processing is included in Money held in trust:

June 2014: 108,233.5 billion yen, Mar. 2014: 104,428.0 billion yen

(4) Breakdown of principal guaranteed trust a/c

[Non-consolidated]

		(Billions of Yen)		
		June 2014	Mar. 2014	Change
Money trusts	Loans and bills discounted	76.4	91.2	(14.7)
	Securities	0.0	0.0	-
	Others	1,335.7	1,243.7	92.0
	Total assets	1,412.2	1,335.0	77.2
	Principal	1,409.1	1,333.7	75.3
	Reserves for JOMT (Jointly-operated money trust)	0.0	0.0	-
	Others	3.0	1.1	1.9
Total liabilities		1,412.2	1,335.0	77.2
Loan trusts	Loans and bills discounted	-	-	-
	Securities	-	-	-
	Others	25.5	32.3	(6.7)
	Total assets	25.5	32.3	(6.7)
	Principal	24.8	31.5	(6.6)
	Reserves for loan trust	0.2	0.2	(0.0)
	Others	0.4	0.5	(0.0)
Total liabilities		25.5	32.3	(6.7)