

Explanatory Material

*2nd Quarter of Fiscal Year 2016
ended on Sep. 30, 2016*



SUMITOMO MITSUI TRUST HOLDINGS

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<Definition of terms in this document>

Sumitomo MitsuiTrust 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 1HFY2016 financial results

1. Financial Results

<Consolidated>

- (1) "Net business profit before credit costs" <1> decreased by 10.6 billion yen from 1HFY2015 to 146.1 billion yen due mainly to decrease in "Net interest income and related profit" in SuMi TRUST Bank, while contribution from subsidiaries engaging in financial services increased.
- (2) "Ordinary profit" <2> remained at 137.4 billion yen kept at the same level as 1HFY2015 due to improvement of "Net gains on stocks" <5>.
- (3) "Net income attributable to owners of the parent" <3> increased by 1.9 billion yen from 1HFY2015 to 87.9 billion yen, which represents 51% of the net income forecast for FY2016, 170.0 billion yen.

[Consolidated]

					(Billions of Yen)
		1HFY2016	1HFY2015	Change	Forecast for 1HFY2016
Net business profit before credit costs (*1)	1	146.1	156.7	(10.6)	145.0
Ordinary profit	2	137.4	137.2	0.1	120.0
Net income attributable to owners of the parent	3	87.9	86.0	1.9	80.0
Total credit costs	4	0.7	0.0	0.7	(15.0)
Net gains on stocks	5	9.9	(1.5)	11.4	
Return (Net income) on shareholders' equity	6	8.79%	9.09%	(0.30)%	
(Difference from non-consolidated financial results) (*2)					
Net business profit before credit costs	7	40.0	35.9	4.0	
Net income attributable to owners of the parent (*3)	8	18.0	16.9	1.0	
Total credit costs	9	(1.8)	0.1	(2.0)	
Net gains on stocks	10	(0.2)	(0.0)	(0.1)	

(*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" <20> decreased by 14.7 billion yen from 1HFY2015 to 106.1 billion yen due primarily to decrease in "Net interest income and related profit" <12> mainly from decrease in interest on foreign bond and increase in foreign currencies funding costs, whereas "General and administrative expenses" <19> decreased.
- (2) "Ordinary profit" <26> decreased by 0.4 billion yen from 1HFY2015 to 101.2 billion yen, while "Net gains on stocks" <24> improved.
- (3) "Net income" <30> increased by 0.8 billion yen from 1HFY2015 to 69.8 billion yen, which represents 51% of the net income forecast for FY2016, 135.0 billion yen.

[Non-consolidated]

					(Billions of Yen)
		1HFY2016	1HFY2015	Change	Forecast for 1HFY2016
Gross business profit	11	221.5	239.7	(18.1)	
Net interest income and related profit	12	90.3	115.6	(25.2)	
Net fees and commissions and related profit	13	96.7	98.7	(1.9)	
Net trading profit	14	6.3	8.4	(2.0)	
Net other operating profit	15	28.0	16.8	11.1	
Net gains on foreign exchange transactions	16	14.2	5.0	9.2	
Net gains on bonds	17	16.9	13.5	3.4	
Net gains from derivatives other than for trading or hedging	18	(3.6)	(2.0)	(1.6)	
General and administrative expenses	19	(115.4)	(118.8)	3.4	
Net business profit before credit costs	20	106.1	120.8	(14.7)	110.0
Net non-recurring profit	21	(4.8)	(19.1)	14.2	
Banking a/c credit costs	22	(0.3)	(2.3)	2.0	
Reversal of allowance for loan losses, etc.	23	2.9	2.2	0.7	
Net gains on stocks	24	10.1	(1.4)	11.6	
Others	25	(17.7)	(17.5)	(0.1)	
Ordinary profit	26	101.2	101.6	(0.4)	85.0
Extraordinary profit/ loss	27	(2.4)	(0.6)	(1.7)	
Income before income taxes	28	98.7	100.9	(2.1)	
Total income taxes	29	(28.8)	(31.9)	3.0	
Net income	30	69.8	69.0	0.8	65.0
Total credit costs	31	2.6	(0.1)	2.7	(15.0)
Overhead ratio (-19 / 11)	32	52.11%	49.60%	2.51%	

(For reference) Overview of business operation

<Balance of major accounts>

(1) Balance of major accounts (Banking a/c and Principal guaranteed trust a/c combined)

[Non-consolidated]

(Billions of Yen)

		Sep. 2016 (1HFY2016)	Mar. 2016 (FY2015)	Change from Mar. 2016
Loans and bills discounted	(Ending balance) 1	27,227.0	27,100.2	126.7
	(Average balance) 2	26,526.7	25,748.1	778.6
Deposits, Trust principal (*1)	(Ending balance) 3	30,883.0	33,422.4	(2,539.3)
	(Average balance) 4	29,739.6	27,145.9	2,593.7

(*1) Deposits: Excluding NCD

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

[Non-consolidated]

(%)

		1HFY2016 (A)	2HFY2015 (B)	1HFY2015	Change from 2HFY2015 (A) - (B)
Loan deposit margin	5	0.59	0.63	0.65	(0.04)
Loans and bills discounted	6	0.75	0.82	0.86	(0.07)
Deposits	7	0.16	0.19	0.21	(0.03)

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

[Non-consolidated]

(Billions of Yen)

		Sep. 2016	Mar. 2016	Change from Mar. 2016
Loans to individuals	8	8,393.1	7,932.1	461.0
Residential mortgage loans	9	7,861.4	7,422.1	439.3
Loans to corporations	10	18,833.8	19,168.1	(334.2)
Overseas Japanese borrowers	11	2,660.8	3,035.7	(374.8)
Non-Japanese borrowers	12	3,199.9	3,461.4	(261.5)

<Investment trust and Insurance>

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

[Non-consolidated]

<Sales volume>

(Billions of Yen)

		1HFY2016 (A)	2HFY2015 (B)	1HFY2015 (C)	Change fm 2HFY2015 (A) - (B)	Change fm 1HFY2015 (A) - (C)
Total	13	656.5	775.7	1,007.7	(119.1)	(351.1)
Investment trust	14	423.7	458.8	619.9	(35.0)	(196.1)
Fund wrap, SMA	15	62.6	92.9	207.9	(30.3)	(145.2)
Insurance	16	170.2	223.9	179.9	(53.7)	(9.7)

<Sales balance>

(Billions of Yen)

		Sep. 2016	Mar. 2016	Change from Mar. 2016
Total	17	5,754.9	5,803.8	(48.8)
Investment trust	18	2,610.2	2,649.7	(39.4)
Fund wrap, SMA	19	808.4	848.3	(39.9)
Insurance	20	2,336.2	2,305.7	30.5

(2) Fees and commissions

[Non-consolidated]

(Billions of Yen)

		1HFY2016	1HFY2015	Change from 1HFY2015
Total	21	30.0	33.7	(3.7)
Sales fees of investment trust/ insurance	22	15.0	18.3	(3.3)
Administration fees	23	14.9	15.3	(0.3)

<Overview of fiduciary services business>

(1) Assets under management

[Non-consolidated]

(Billions of Yen)

		Sep. 2016	Mar. 2016	Change from Mar. 2016
Assets under management	24	48,440.9	51,020.1	(2,579.1)
Corporate pension trust	25	14,562.8	15,942.1	(1,379.3)
Public pension trust	26	9,678.5	10,475.2	(796.7)
Discretionary investment	27	24,199.6	24,602.7	(403.1)

(2) Gross business profit

[Non-consolidated]

(Billions of Yen)

		1HFY2016	1HFY2015	Change from 1HFY2015
Gross business profit	28	29.8	32.7	(2.8)
Gross business profit before outsourcing fees	29	44.6	47.2	(2.6)
Fees paid out for outsourcing	30	(14.7)	(14.4)	(0.2)

<Overview of real estate business>

Gross business profit

[Non-consolidated]

(Billions of Yen)

		1HFY2016	1HFY2015	Change from 1HFY2015
Gross business profit	31	12.9	13.1	(0.1)
Real estate brokerage fees	32	9.5	9.9	(0.3)
Real estate trust fees, etc.	33	3.1	3.1	0.0

2. Financial conditions

<Status of the holding securities>

- (1) Cost of "Available-for-sale securities" <1> increased by 424.2 billion yen from the end of March 2016 to 4,186.2 billion yen due primarily to increase in US Treasury shown in "Others" <5>, while "Government bonds" <4> decreased. Unrealized gains/losses of "Available-for-sale securities" decreased by 73.2 billion yen from the end of March 2016 to 602.3 billion yen due primarily to decrease in unrealized gains of "Japanese stocks" <2>.
- (2) Cost of "Held-to-maturity debt securities" <6> decreased by 24.0 billion yen from the end of March 2016 to 396.5 billion yen, and unrealized gains/losses of those securities stood at net gains of 33.0 billion yen.

Securities with fair value

[Consolidated]

(Billions of Yen)

		Sep. 2016			Change from Mar. 2016	
		Cost	Fair value	Net	Cost	Net
Available-for-sale securities	1	4,186.2	4,788.6	602.3	424.2	(73.2)
Japanese stocks	2	690.4	1,241.6	551.2	(4.1)	(54.7)
Japanese bonds	3	967.4	968.7	1.3	(337.5)	(0.3)
Government bonds	4	333.7	334.0	0.2	(331.0)	(1.2)
Others	5	2,528.4	2,578.2	49.7	765.8	(18.1)
Held-to-maturity debt securities	6	396.5	429.6	33.0	(24.0)	(3.8)

[Non-consolidated]

(Billions of Yen)

		Sep. 2016			Change from Mar. 2016	
		Cost	Fair value	Net	Cost	Net
Available-for-sale securities	7	4,125.5	4,748.3	622.7	440.0	(73.9)
Japanese stocks	8	663.4	1,239.3	575.9	(3.7)	(55.0)
Japanese bonds	9	984.8	984.4	(0.3)	(330.7)	(1.5)
Government bonds	10	258.9	258.9	0.0	(310.9)	(1.2)
Others	11	2,477.3	2,524.4	47.1	774.5	(17.4)
Held-to-maturity debt securities	12	312.1	345.1	33.0	(20.0)	(3.8)

<Reference 1> Breakdown of "Available-for-sale securities (Others)"

[Non-consolidated]

(Billions of Yen)

		Sep. 2016			Change from Mar. 2016	
		Cost	Fair value	Net	Cost	Net
Domestic investment (*1)	1	108.9	111.0	2.0	(11.3)	(0.2)
International investment (*1)	2	1,663.8	1,653.7	(10.0)	707.1	(17.8)
Foreign bonds	3	1,644.4	1,638.4	(6.0)	709.0	(16.6)
US Treasury	4	1,301.0	1,290.6	(10.3)	797.9	(16.4)
European government bonds (*2)	5	13.3	13.3	0.0	(16.8)	(0.2)
US agency MBS	6	26.7	26.9	0.2	(13.1)	(0.1)
Others (Investment trust, etc.) (*3)	7	704.5	759.6	55.0	78.7	0.6
Total	8	2,477.3	2,524.4	47.1	774.5	(17.4)

(*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) "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)

		Sep. 2016			Change from Mar. 2016	
		Cost	Fair value	Net	Cost	Net
Japanese government bonds	9	165.1	189.3	24.1	(25.1)	(0.1)
Japanese local government bonds/ Corporate bonds	10	29.5	30.0	0.4	8.1	0.1
Others	11	117.4	125.8	8.4	(3.0)	(3.9)
Domestic investment (*)	12	16.8	16.9	0.1	(3.8)	(0.1)
International investment (*)	13	100.5	108.9	8.3	0.8	(3.7)
Total	14	312.1	345.1	33.0	(20.0)	(3.8)

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

- (1) Total balance of "Problem assets based on the Financial Reconstruction Act" <1> decreased 13.1 billion yen from the end of March 2016 to 77.0 billion yen. "Ratio to total balance" <2> (ratio of "Problem assets based on the Financial Reconstruction Act" to total balance) stayed at the same level of 0.3% from the end of March 2016.
- (2) Coverage ratio with collateral values and allowance at the end of September 2016 for "Doubtful" <4> and "Substandard" <5> stood at 89.4% and 90.6% respectively, and coverage ratio for total balance of "Problem assets based on the Financial Reconstruction Act" stood at 91.2%, all of which represent prudent level.

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

(Billions of Yen)

		Sep. 2016	Mar. 2016	Change from Mar. 2016	Sep. 2016	
					Coverage ratio	Allowance ratio
Problem assets based on the Financial Reconstruction Act	1	77.0	90.1	(13.1)	91.2%	62.7%
Ratio to total balance	2	0.3%	0.3%	(0.0%)		
Bankrupt and practically bankrupt	3	9.9	11.9	(2.0)	100.0%	100.0%
Doubtful	4	36.9	44.9	(8.0)	89.4%	63.4%
Substandard (a)	5	30.1	33.2	(3.1)	90.6%	23.5%
Ordinary assets	6	27,640.4	27,573.3	67.1		
Substandard debtors (excl. (a)) (b)	7	1.3	1.5	(0.2)		
Other special mention debtors (excl. (a) and (b))	8	376.2	366.8	9.4		
Ordinary debtors	9	27,262.8	27,205.0	57.9		

<Status of BIS capital adequacy ratio (Basel III, international standard)>

- (1) "Common Equity Tier 1 capital ratio" <1>, "Tier 1 capital ratio" <2> and "Total capital ratio" <3> at the end of September 2016 stood at 11.34%, 13.86% and 17.01% respectively, all of which exceeded regulatory minimum requirements.
- (2) "Common Equity Tier 1 capital ratio" <8>, Pro forma on fully-loaded basis, decreased by 0.21 percentage points from the end of March 2016 to 11.47% due primarily to decrease in "Common Equity Tier 1 capital" <9>, mainly decrease in unrealized gains of available-for-securities along with decline in stock prices, whereas retained earnings accumulated.

[Consolidated]

(Billions of Yen)

		Sep. 2016 (Preliminary)	Mar. 2016	Change from Mar. 2016	Minimum requirement
Common Equity Tier 1 capital ratio	1	11.34%	11.36%	(0.02%)	5.25%
Tier 1 capital ratio	2	13.86%	13.36%	0.50%	6.75%
Total capital ratio	3	17.01%	16.75%	0.26%	8.75%
Common Equity Tier 1 capital	4	2,057.7	2,053.8	3.9	
Tier 1 capital	5	2,515.1	2,415.3	99.7	
Total capital	6	3,087.2	3,026.7	60.5	
Total risk-weighted assets	7	18,141.3	18,065.8	75.4	

(*) Capital conservation buffer, countercyclical capital buffer and surcharge for domestic systemically important banks are taken into account and added to minimum regulatory requirements for each capital ratio.

<Reference> Fully-loaded basis (*)

Common Equity Tier 1 capital ratio	8	11.47%	11.68%	(0.21%)
Common Equity Tier 1 capital	9	2,073.3	2,103.9	(30.6)
Total risk-weighted assets	10	18,072.8	18,012.7	60.0

(*) Fully-loaded basis: Pro forma without considering transitional arrangements concerning "Regulatory adjustments", etc.

3. Forecast for FY2016

[Consolidated]

(Billions of Yen)

Forecast for FY2016					
		1HFY2016 Actual	Revised forecast (A)	Previous forecast (B)	Change (A) - (B)
Net business profit before credit costs	1	146.1	300.0	-	300.0
Ordinary profit	2	137.4	265.0	10.0	255.0
Net income attributable to owners of the parent	3	87.9	170.0	-	170.0
Total credit costs	4	0.7	(15.0)	15.0	(30.0)

Forecast for FY2016						FY2015
		1HFY2016 Actual	Revised forecast (A)	Previous forecast (B)	Change (A) - (B)	Actual
Dividend per common share (Before) (Yen) (*1)	5	6.5	-----	reflecting share consolidation	-----	13.0
Dividend per common share (After) (Yen) (*1)	6	-----	65.0	130.0	-----	-----
Consolidated dividend payout ratio (*2)	7	-----	-----	29.3%	(0.1%)	30.0%

(*1) The year-end dividend forecast for the fiscal year 2016 on SuMi TRUST Holdings' common share is JPY65.00 reflecting a consolidation of shares at a ratio of 1 share for 10 shares on October 1, 2016. SuMi TRUST Holdings maintained the dividend forecast at the same proportionate per share level following the share consolidation. This means that the stockholder's total cash dividend amount for SuMi TRUST Holdings' common shares would remain the same. Assuming that consolidation of shares became effective at the beginning of this fiscal year, the annual dividend forecast for the fiscal year 2016 would be JPY130.00.

(*2) Consolidated dividend payout ratio = {Total amount of dividends for common shares / (Profit (loss) attributable to owners of parent - Total amount of dividends for preferred shares)} x100

[Non-consolidated]

(Billions of Yen)

Forecast for FY2016					
		1HFY2016 Actual	Revised forecast (A)	Previous forecast (B)	Change (A) - (B)
Net business profit before credit costs	8	106.1	225.0	-	225.0
Ordinary profit	9	101.2	200.0	15.0	185.0
Net income	10	69.8	135.0	-	135.0
Total credit costs	11	2.6	(10.0)	15.0	(25.0)

Financial figures

1. Status of profit and loss

[Consolidated]

(Millions of yen)

		1HFY2016	1HFY2015	Change
Consolidated gross business profit (*1)	1	340,665	338,559	2,106
Consolidated gross business profit (after written-off of principal guaranteed trust a/c) (1 + 19)	2	340,665	338,559	2,106
Net interest income and related profit	3	97,027	124,179	(27,152)
Net interest income	4	89,067	119,682	(30,615)
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	7,959	4,496	3,463
Net fees and commissions and related profit	6	196,179	177,278	18,900
Net fees and commissions	7	153,432	130,024	23,408
Other trust fees	8	42,746	47,254	(4,507)
Net trading profit	9	6,391	8,462	(2,071)
Net other operating profit	10	41,067	28,638	12,429
Net gains on bonds	11	16,985	14,018	2,966
Net gains from derivatives other than for trading or hedging	12	(3,645)	(1,484)	(2,160)
General and administrative expenses	13	(206,814)	(195,104)	(11,709)
(excluding amortization of goodwill)	14	(202,082)	(191,160)	(10,922)
Personnel expenses	15	(93,585)	(92,772)	(812)
Non-personnel expenses excluding taxes	16	(104,241)	(94,676)	(9,565)
Taxes other than income taxes	17	(8,987)	(7,656)	(1,331)
Provision of general allowance for loan losses	18	(261)	-	(261)
Principal guaranteed trust a/c credit costs	19	-	-	-
Banking a/c credit costs	20	(705)	(2,781)	2,076
Written-off of loans	21	(724)	(2,855)	2,131
Provision of specific allowance for loan losses	22	204	-	204
Losses on sales of loans	23	(185)	74	(259)
Reversal of allowance for loan losses	24	-	1,855	(1,855)
Recoveries of written-off claims	25	1,738	961	776
Net gains on stocks	26	9,951	(1,536)	11,488
Losses on devaluation of stocks	27	(1,160)	(242)	(918)
Net income from affiliates by equity method	28	3,006	4,384	(1,378)
Others	29	(10,113)	(9,062)	(1,051)
Ordinary profit	30	137,467	137,276	190
Extraordinary profit	31	(1,601)	(155)	(1,445)
Income before income tax	32	135,865	137,120	(1,254)
Total income taxes	33	(41,426)	(44,478)	3,052
Income taxes-current	34	(32,146)	(31,867)	(278)
Income taxes-deferred	35	(9,279)	(12,610)	3,330
Net income	36	94,439	92,642	1,797
Net income attributable to non-controlling interests	37	(6,517)	(6,640)	123
Net income attributable to owners of the parent	38	87,922	86,001	1,920
Total credit costs (18 + 19 + 20 + 24 + 25)	39	771	36	735

(*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	146,107	156,793	(10,686)
(*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	41	40,005	35,967	4,037
Net income attributable to owners of the parent (*4)	42	18,044	16,960	1,084
Total credit costs	43	(1,861)	158	(2,019)
Net gains on stocks	44	(236)	(37)	(199)

(*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>

		Sep. 2016	Mar. 2016	Change
Consolidated subsidiaries	45	72	73	(1)
Affiliates (subject to the equity method)	46	22	19	3

[Non-consolidated]

(Millions of yen)

		1HFY2016	1HFY2015	Change
Gross business profit	1	221,570	239,722	(18,151)
Gross business profit (after written-off of principal guaranteed trust a/c) (1 + 23)	2	221,570	239,722	(18,151)
Net interest income and related profit	3	90,353	115,637	(25,283)
Net interest income	4	82,393	111,141	(28,747)
Domestic	5	68,145	78,727	(10,582)
International	6	14,248	32,414	(18,165)
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	7	7,959	4,496	3,463
Net fees and commissions and related profit	8	96,753	98,736	(1,983)
Net fees and commissions	9	56,822	54,282	2,540
Other trust fees	10	39,930	44,454	(4,523)
Net trading income	11	6,391	8,462	(2,071)
Net other operating profit	12	28,072	16,885	11,186
Net gains on foreign exchange transactions	13	14,266	5,021	9,245
Net gains on bonds	14	16,984	13,511	3,472
Net gains from derivatives other than for trading or hedging	15	(3,670)	(2,047)	(1,622)
General and administrative expenses	16	(115,468)	(118,896)	3,427
Personnel expenses	17	(52,432)	(54,590)	2,158
Non-personnel expenses	18	(55,923)	(57,824)	1,901
Taxes other than income taxes	19	(7,113)	(6,480)	(632)
Net business profit before credit costs (1 + 16)	20	106,102	120,826	(14,723)
(Excluding Net gains on bonds) (20 - 14)	21	89,118	107,314	(18,196)
Provision of general allowance for loan losses	22	-	-	-
Principal guaranteed trust a/c credit costs	23	-	-	-
Net business profit	24	106,102	120,826	(14,723)
Net non-recurring profit	25	(4,883)	(19,178)	14,294
Banking a/c credit costs	26	(351)	(2,356)	2,005
Written-off of loans	27	(165)	(2,430)	2,264
Provision of specific allowance for loan losses	28	-	-	-
Losses on sales of loans	29	(185)	74	(259)
Reversal of allowance for loan losses	30	1,778	1,687	90
Recoveries of written-off claims	31	1,205	546	659
Net gains on stocks	32	10,188	(1,499)	11,687
Losses on devaluation of stocks	33	(959)	(241)	(717)
Others	34	(17,705)	(17,557)	(148)
Amortization of net actuarial losses/ prior service cost	35	(14,298)	(7,486)	(6,811)
Provision for contingent loss	36	216	580	(363)
Losses on investment in partnerships	37	(1,701)	(1,811)	109
Net gains on stock related derivatives	38	(2,895)	(2,359)	(536)
Ordinary profit	39	101,218	101,647	(429)
Extraordinary profit	40	(2,445)	(683)	(1,762)
Net gains on disposal of fixed assets	41	(524)	295	(819)
Impairment loss on fixed assets	42	(1,921)	(978)	(942)
Income before income taxes	43	98,772	100,964	(2,191)
Total income taxes	44	(28,895)	(31,923)	3,028
Income taxes-current	45	(22,091)	(25,119)	3,028
Income taxes-deferred	46	(6,804)	(6,804)	0
Net income	47	69,877	69,040	836
Total credit costs (22 + 23 + 26 + 30 + 31)	48	2,632	(122)	2,754
Overhead ratio (-16/1)	49	52.11%	49.60%	2.51%

2. Breakdown of profit by business group

(1) Gross business profit

[Non-consolidated]

	(Billions of yen)		
	1HFY2016	1HFY2015	Change
Retail financial services	71.2	74.1	(2.8)
Wholesale financial services	62.4	61.8	0.6
Stock transfer agency services	15.8	15.0	0.7
Real estate	12.9	13.1	(0.1)
Fiduciary services	44.6	47.2	(2.6)
Global markets	35.7	44.9	(9.2)
Fees paid for outsourcing	(20.1)	(19.8)	(0.2)
Stock transfer agency services	(5.3)	(5.4)	0.0
Fiduciary services	(14.7)	(14.4)	(0.2)
Others (*)	(1.1)	3.2	(4.4)
Gross business profit	221.5	239.7	(18.1)

(*) 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)		
	1HFY2016	1HFY2015	Change
Retail financial services	18.7	14.7	4.0
Wholesale financial services	53.7	51.3	2.4
Stock transfer agency services	9.2	8.7	0.4
Real estate	11.5	10.8	0.7
Fiduciary services	24.0	29.1	(5.1)
Global markets	29.0	39.3	(10.2)
Others (*)	(0.3)	2.6	(2.9)
Net business profit before credit costs	146.1	156.7	(10.6)

(*) 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)		
	1HFY2016	1HFY2015	Change
Retail financial services	8.8	10.5	(1.6)
Wholesale financial services	41.6	40.4	1.2
Stock transfer agency services	8.8	8.1	0.6
Real estate	8.5	8.7	(0.1)
Fiduciary services	15.5	18.2	(2.6)
Global markets	29.0	39.3	(10.2)
Others (*)	(6.4)	(4.5)	(1.8)
Net business profit before credit costs	106.1	120.8	(14.7)

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

(3) Fee revenue breakdown
[Consolidated]

	(Billions of yen)		
	1HFY2016	1HFY2015	Change
Net fees and commissions	153.4	130.0	23.4
Retail financial services	58.0	38.4	19.6
Wholesale financial services	20.5	19.4	1.1
Stock transfer agency services	16.9	16.2	0.7
Real estate	21.1	19.8	1.2
Fiduciary services	48.9	49.9	(0.9)
Fees paid for outsourcing	(4.9)	(5.0)	0.0
Fiduciary services	(4.9)	(5.0)	0.0
Other trust fees	42.7	47.2	(4.5)
Wholesale financial services	1.6	1.8	(0.1)
Real estate	1.6	1.7	(0.1)
Fiduciary services	39.3	43.3	(4.0)
Net fees and commissions and related profit	196.1	177.2	18.9
Fee revenue ratio	57.5%	52.3%	5.2%
Consolidated gross business profit	340.6	338.5	2.1

3. Major subsidiaries

(Billions of yen)

	Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (Consolidated)			Sumitomo Mitsui Trust Loan & Finance Co., Ltd.		
	1HFY2016	1HFY2015	Change	1HFY2016	1HFY2015	Change
Ordinary profit	5.7	5.0	0.6	3.7	3.2	0.5
Net income (*1)	3.6	3.4	0.2	2.2	1.7	0.4
Total credit costs	(0.2)	0.1	(0.4)	(0.1)	(0.0)	(0.0)

	Sep. 2016	Mar. 2016	Change	Sep. 2016	Mar. 2016	Change
Total assets	1,061.9	1,018.3	43.5	353.4	343.1	10.3
Net assets	157.5	155.3	2.2	48.2	45.9	2.2

(Billions of yen)

	Nikko Asset Management Co., Ltd. (Consolidated)			Sumitomo Mitsui Trust Realty Co., Ltd.		
	1HFY2016	1HFY2015	Change	1HFY2016	1HFY2015	Change
Ordinary profit	4.0	5.3	(1.2)	2.0	1.7	0.3
Net income (*1)	2.6	3.3	(0.7)	1.4	1.3	0.1

	Sep. 2016	Mar. 2016	Change	Sep. 2016	Mar. 2016	Change
Total assets	79.5	85.6	(6.1)	21.5	20.3	1.2
Net assets	64.4	67.6	(3.1)	17.7	16.3	1.4
Assets under management (*2)	17,857.3	17,418.8	438.4			

(*1) "Net income" represents "Net income attributable to owners of the parent" for Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (Consolidated) and Nikko Asset Management Co., Ltd. (Consolidated).

(*2) Figure for Sep. 2016 is preliminary basis

4. Yields and margins

(1) Domestic banking a/c

[Non-consolidated]

	1HFY2016	2HFY2015	1HFY2015	(%) Change from 2HFY2015
Average yield on interest-earning assets (A)	0.61	0.69	0.76	(0.08)
Loans and bills discounted (B)	0.75	0.82	0.86	(0.07)
Securities	1.47	1.42	1.78	0.05
Average yield on interest-bearing liabilities (C)	0.21	0.24	0.24	(0.03)
Deposits (D)	0.16	0.19	0.21	(0.03)
Gross margin (A) - (C)	0.40	0.45	0.52	(0.05)
Loan-deposit margin (B) - (D)	0.59	0.63	0.65	(0.04)

(2) Domestic banking a/c and principal guaranteed trust a/c combined

[Non-consolidated]

	1HFY2016	2HFY2015	1HFY2015	(%) Change from 2HFY2015
Average yield on interest-earning assets (A)	0.61	0.69	0.76	(0.08)
Loans and bills discounted (B)	0.75	0.82	0.86	(0.07)
Securities	1.47	1.42	1.78	0.05
Average yield on interest-bearing liabilities (C)	0.16	0.19	0.21	(0.03)
Deposits and Trust Principal (D)	0.14	0.18	0.20	(0.04)
Gross margin (A) - (C)	0.45	0.50	0.55	(0.05)
Loan-deposit margin (B) - (D)	0.61	0.64	0.66	(0.03)

5. Net gains on securities

[Consolidated]

	1HFY2016	1HFY2015	(Millions of yen) Change
Net gains on bonds	16,985	14,018	2,966
Gains on sales of bonds	17,625	17,492	132
Gains on redemption of bonds	-	-	-
Losses on sales of bonds	(632)	(3,474)	2,841
Losses on redemption of bonds	(7)	-	(7)
Losses on devaluation of bonds	-	-	-
Net gains on stocks	9,951	(1,536)	11,488
Gains on sales of stocks	11,844	3,980	7,863
Losses on sales of stocks	(731)	(5,274)	4,543
Losses on devaluation of stocks	(1,160)	(242)	(918)

[Non-consolidated]

	1HFY2016	1HFY2015	(Millions of yen) Change
Net gains on bonds	16,984	13,511	3,472
Gains on sales of bonds	17,597	16,985	611
Gains on redemption of bonds	-	-	-
Losses on sales of bonds	(613)	(3,474)	2,860
Losses on redemption of bonds	-	-	-
Losses on devaluation of bonds	-	-	-
Net gains on stocks	10,188	(1,499)	11,687
Gains on sales of stocks	11,881	3,953	7,927
Losses on sales of stocks	(733)	(5,211)	4,478
Losses on devaluation of stocks	(959)	(241)	(717)

6. Unrealized gains/ losses on investment securities

(1) Securities with fair value

[Consolidated]

	Sep. 2016				Mar. 2016		(Millions of yen) Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	4,186,290	602,354	662,451	(60,096)	3,762,035	675,583	424,254	(73,228)
Japanese stocks (*)	690,433	551,240	580,772	(29,532)	694,541	605,962	(4,107)	(54,721)
Japanese bonds	967,405	1,350	4,384	(3,034)	1,304,933	1,745	(337,528)	(394)
Government bonds	333,779	224	229	(5)	664,805	1,444	(331,026)	(1,219)
Local government bonds	4,292	23	28	(5)	4,817	28	(525)	(5)
Corporate bonds	629,334	1,103	4,126	(3,023)	635,310	272	(5,975)	830
Others	2,528,451	49,763	77,294	(27,530)	1,762,560	67,875	765,890	(18,112)
Held-to-maturity debt securities	396,535	33,097	33,108	(10)	420,574	36,943	(24,038)	(3,845)

(*) 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]

	Sep. 2016				Mar. 2016		(Millions of yen) Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	4,125,593	622,768	683,072	(60,304)	3,685,571	696,723	440,022	(73,955)
Japanese stocks (*)	663,414	575,966	604,641	(28,675)	667,164	630,980	(3,750)	(55,014)
Japanese bonds	984,851	(351)	4,205	(4,557)	1,315,595	1,154	(330,744)	(1,506)
Government bonds	258,902	42	47	(5)	569,892	1,274	(310,989)	(1,232)
Local government bonds	4,292	23	28	(5)	4,817	28	(525)	(5)
Corporate bonds	721,656	(416)	4,129	(4,546)	740,884	(148)	(19,228)	(268)
Others	2,477,328	47,153	74,225	(27,071)	1,702,811	64,588	774,516	(17,434)
Held-to-maturity debt securities	312,148	33,030	33,039	(9)	332,190	36,928	(20,042)	(3,898)

(*) 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]

	Sep. 2016		Mar. 2016		(Millions of yen) Change	
	Cost	Net	Cost	Net	Cost	Net
Domestic investment (*1)	108,955	2,095	120,258	2,315	(11,303)	(220)
Asset-backed securities	37,760	826	43,773	751	(6,012)	74
Others	71,194	1,268	76,485	1,563	(5,290)	(295)
International investment (*1)	1,663,816	(10,033)	956,713	7,839	707,103	(17,872)
Foreign government bonds	1,644,446	(6,008)	935,406	10,676	709,040	(16,685)
US Treasury	1,301,009	(10,339)	503,082	6,095	797,927	(16,435)
European government bonds (*2)	13,324	56	30,125	259	(16,800)	(203)
US agency MBS	26,707	234	39,881	395	(13,173)	(161)
Corporate bonds, etc. (*3)	235,241	2,429	285,558	2,635	(50,317)	(205)
Foreign stocks and others	19,370	(4,024)	21,306	(2,837)	(1,936)	(1,187)
Others (Investment trust, etc.) (*4)	704,556	55,091	625,839	54,433	78,716	658
Total	2,477,328	47,153	1,702,811	64,588	774,516	(17,434)

(*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]

	Sep. 2016		Mar. 2016		(Millions of yen) Change	
	Cost	Net	Cost	Net	Cost	Net
Held-to-maturity debt securities	312,148	33,030	332,190	36,928	(20,042)	(3,898)
Japanese Government Bonds	165,187	24,123	190,386	24,233	(25,198)	(109)
Japanese Local Government Bonds	-	-	-	-	-	-
Japanese Corporate Bonds	29,547	459	21,380	273	8,166	186
Others	117,413	8,447	120,423	12,421	(3,009)	(3,974)
Domestic investment (*)	16,827	106	20,679	306	(3,852)	(199)
International investment (*)	100,586	8,340	99,743	12,114	842	(3,774)

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

(2) Securities with no available fair value

[Non-consolidated]

	Sep. 2016		Mar. 2016	Change
	Cost	Net		
Available-for-sale securities	157,491	147,201		10,289
Japanese stocks	54,569	41,857		12,711
Japanese bonds	-	-		-
Others	102,922	105,344		(2,422)
Domestic investment (*)	66,583	67,896		(1,312)
International investment (*)	36,339	37,448		(1,109)

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

(3) Domestic LBO finance

[Non-consolidated]

	Sep. 2016		Mar. 2016	Change
	Balance	Net		
Domestic LBO finance	243.8	229.7		14.1

(4) Off-balance risk from Special Purpose Entities (SPEs)

a) SPEs related transactions collateralized by overseas assets

There are no transactions that SuMi TRUST Bank sponsors or complements liquidity and/ or credit of SPEs.

b) SPEs related transactions collateralized by domestic assets

SuMi TRUST Bank complements liquidity and credit for the purpose of facilitating domestic Asset-backed Commercial Paper (ABCP) programs of SPEs which were established to meet clients' needs such as raising funds and securitizing assets.

As of Sep. 2016, the balance of outstanding ABCP and collateral are 171.9 billion yen and 479.9 billion yen respectively, and major underlying assets are account receivables.

7. Maturity ladder of securities

<"Held-to-maturity debt securities" with fair value and "Available-for-sale securities" with fair value>

[Consolidated]

(Millions of yen)										
	Sep. 2016					Mar. 2016				
	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total
Japanese bonds	367,087	425,843	167,210	203,724	1,163,867	687,601	459,021	174,924	197,274	1,518,822
Government bonds	339,946	39,114	60	120,446	499,567	655,765	65,734	10,776	124,736	857,012
Local government bonds	-	2,259	2,056	-	4,315	589	2,467	1,789	-	4,846
Corporate bonds	27,141	384,470	165,094	83,277	659,984	31,246	390,820	162,358	72,537	656,962
Others	208,899	1,030,115	820,485	636,210	2,695,709	271,429	1,020,944	314,759	352,902	1,960,035

Note: Including NCD in "Cash and Due from Banks" and "Monetary Claims Bought", as well as securities.

[Non-consolidated]

(Millions of yen)										
	Sep. 2016					Mar. 2016				
	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total
Japanese bonds	336,828	390,730	167,150	284,524	1,179,234	657,414	413,816	174,864	282,421	1,528,516
Government bonds	299,684	4,001	-	120,446	424,132	605,571	20,528	10,716	124,736	761,553
Local government bonds	-	2,259	2,056	-	4,315	589	2,467	1,789	-	4,846
Corporate bonds	37,144	384,470	165,094	164,077	750,786	51,253	390,820	162,358	157,684	762,116
Others	185,368	1,029,425	818,752	539,452	2,572,998	234,234	1,020,172	312,976	252,633	1,820,017

Note: Including NCD in "Cash and Due from Banks" and "Monetary Claims Bought", as well as securities.

8. Shareholdings

1) Balance of listed stocks

[Consolidated]

(Billions of yen)		
	Sep. 2016	Mar. 2016
Cost basis	690.4	694.5
Fair value basis	1,241.6	1,300.5

2) Reduction of cross shareholdings

[Consolidated]

(Billions of yen)			
	FY2016	FY2015	
	1H	Full	1H
Cost basis	5.1	17.6	5.3

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

[Consolidated]

(Millions of yen)			
	Sep. 2016	Mar. 2016	Change
Interest rate related	(21,780)	(11,769)	(10,010)
Interest rate swaps	(21,780)	(11,769)	(10,010)
Currency related	(1,155)	29	(1,185)
Total	(22,936)	(11,739)	(11,196)

Note: Before considering tax effect accounting.

[Non-consolidated]

(Millions of yen)			
	Sep. 2016	Mar. 2016	Change
Interest rate related	(20,872)	(10,732)	(10,140)
Interest rate swaps	(20,872)	(10,732)	(10,140)
Currency related	3,269	(727)	3,997
Total	(17,602)	(11,459)	(6,143)

Note: Before considering tax effect accounting.

10. BIS capital adequacy ratio (Basel III, international standard)

[Consolidated]

(Billions of yen)						Minimum requirement (*1) (Sep. 2016)
			Sep. 2016 (Preliminary)	Mar. 2016	Change	
Common Equity Tier 1 capital ratio	(8) / (21)	1	11.34%	11.36%	(0.02%)	5.25%
Tier 1 capital ratio	(12) / (21)	2	13.86%	13.36%	0.50%	6.75%
Total capital ratio	(16) / (21)	3	17.01%	16.75%	0.26%	8.75%
Directly issued qualifying capital plus retained earnings		4	1,997.9	1,941.8	56.1	
Accumulated Other Comprehensive Income ("OCI")		5	207.1	246.0	(38.9)	
Instruments and reserves		6	2,221.2	2,204.2	17.0	
Regulatory adjustments		7	(163.5)	(150.4)	(13.0)	
Common Equity Tier 1 capital (CET1)		8	2,057.7	2,053.8	3.9	
Directly issued qualifying Additional Tier 1 instruments		9	220.0	120.0	100.0	
Eligible Tier 1 capital instruments subject to phase-out arrangements		10	276.0	276.0	-	
Additional Tier 1 capital (AT1)		11	457.4	361.5	95.8	
Tier 1 capital (T1 = CET1 + AT1)		12	2,515.1	2,415.3	99.7	
Directly issued qualifying Tier 2 instruments		13	90.0	90.0	-	
Eligible Tier 2 capital instruments subject to phase-out arrangements		14	383.6	401.4	(17.7)	
Tier 2 capital (T2)		15	572.0	611.3	(39.2)	
Total capital (T1 + T2)		16	3,087.2	3,026.7	60.5	
Amount included in credit risk-weighted assets subject to phase-out arrangements		17	68.5	53.1	15.3	
Amount of credit risk-weighted assets		18	16,649.1	16,541.1	107.9	
Amount of market risk equivalents		19	531.1	573.0	(41.9)	
Amount of operational risk equivalents		20	961.0	951.6	9.4	
Total risk weighted assets		21	18,141.3	18,065.8	75.4	

(*1) Capital conservation buffer, countercyclical capital buffer and surcharge for domestic systemically important banks are taken into account and added to minimum regulatory requirements for each capital ratio.

<Reference> Fully-loaded basis (*2)

[Consolidated]

(Billions of yen)						
			Sep. 2016	Mar. 2016	Change	
Common Equity Tier 1 capital ratio	(31) / (35)	22	11.47%	11.68%	(0.21%)	
Directly issued qualifying capital plus retained earnings		23	1,997.9	1,941.8	56.1	
Accumulated Other Comprehensive Income ("OCI")		24	345.2	410.1	(64.9)	
Instruments and reserves		25	2,345.8	2,354.7	(8.8)	
Intangibles		26	(187.7)	(172.2)	(15.5)	
Shortfall of eligible provisions to expected losses		27	(24.5)	(19.4)	(5.1)	
Assets for retirement benefits		28	(67.9)	(63.4)	(4.4)	
Minority investments in other financial institutions (*3)		29	(4.2)	-	(4.2)	
Regulatory adjustments		30	(272.5)	(250.7)	(21.7)	
Common Equity Tier 1 capital (CET1)		31	2,073.3	2,103.9	(30.6)	
Amount of credit risk-weighted assets		32	16,580.6	16,488.0	92.5	
Amount of market risk equivalents		33	531.1	573.0	(41.9)	
Amount of operational risk equivalents		34	961.0	951.6	9.4	
Total risk weighted assets		35	18,072.8	18,012.7	60.0	

(*2) Pro forma without considering transitional arrangements concerning "Regulatory adjustments", etc.

(*3) Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital.

[SuMi TRUST Bank (Consolidated)]

			(Billions of yen)			Minimum requirement
			Sep. 2016 (Preliminary)	Mar. 2016	Change	
Common Equity Tier 1 capital ratio	(4) / (7)	1	11.26%	11.31%	(0.05%)	4.50%
Tier 1 capital ratio	(5) / (7)	2	13.13%	12.66%	0.47%	6.00%
Total capital ratio	(6) / (7)	3	16.33%	16.09%	0.24%	8.00%
Common Equity Tier 1 capital		4	2,030.9	2,030.7	0.2	
Tier 1 capital		5	2,369.5	2,273.1	96.3	
Total capital		6	2,947.0	2,889.1	57.8	
Total risk weighted assets		7	18,036.2	17,951.5	84.6	

[SuMi TRUST Bank (Non-consolidated)]

			(Billions of yen)			Minimum requirement
			Sep. 2016 (Preliminary)	Mar. 2016	Change	
Common Equity Tier 1 capital ratio	(11) / (14)	8	11.17%	11.08%	0.09%	4.50%
Tier 1 capital ratio	(12) / (14)	9	13.29%	12.63%	0.66%	6.00%
Total capital ratio	(13) / (14)	10	16.58%	16.08%	0.50%	8.00%
Common Equity Tier 1 capital		11	1,961.1	1,960.0	1.0	
Tier 1 capital		12	2,334.1	2,233.6	100.5	
Total capital		13	2,911.1	2,842.9	68.2	
Total risk weighted assets		14	17,553.8	17,677.2	(123.3)	

<Reference> Leverage ratio
[Consolidated]

			(Billions of yen)		
			Sep. 2016 (Preliminary)	Mar. 2016	Change
Leverage ratio	(16) / (17)	15	4.08%	4.00%	0.08%
Tier 1 capital		16	2,515.1	2,415.3	99.7
Total Exposure		17	61,631.9	60,382.8	1,249.1

[SuMi TRUST Bank (Consolidated)]

			(Billions of yen)		
			Sep. 2016 (Preliminary)	Mar. 2016	Change
Leverage ratio	(19) / (20)	18	4.63%	4.22%	0.41%
Tier 1 capital		19	2,369.5	2,273.1	96.3
Total Exposure		20	51,131.9	53,769.6	(2,637.6)

11. Return on equity (ROE)
[Consolidated]

	1HFY2016	1HFY2015	Change
Return (Net income) on shareholders' equity	8.79%	9.09%	(0.30%)
Return (Net income) on equity	7.39%	7.15%	0.24%

Note1: Return on shareholders' equity (equity)

= Net income attributable to owners of the parents

$$\div \{ (\text{Beginning balance of shareholders' equity (equity)} + \text{Ending balance of shareholders' equity (equity)}) \div 2 \} \times 100 \times \frac{365}{183}$$

Note2: Shareholders' equity = Total net assets - Share purchase warrants - Minority interests - Total accumulated other comprehensive income

Note3: Equity = Total net assets - Share purchase warrants - Minority interests

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

(1) Balance of loans and deposits, etc.

[Non-consolidated]

		(Millions of yen)					
		Sep. 2016		Mar. 2016		Change	
		Total	Domestic branches	Total	Domestic branches	Total	Domestic branches
Loans and bills discounted	(Ending balance)	27,227,051	23,543,175	27,100,272	23,012,488	126,778	530,686
	(Average balance)	26,526,798	22,857,424	25,748,108	22,120,244	778,690	737,179
Banking account	(Ending balance)	27,174,398	23,490,521	27,044,368	22,956,583	130,030	533,938
	(Average balance)	26,472,251	22,802,877	25,686,602	22,058,738	785,649	744,139
Principal guaranteed trust account	(Ending balance)	52,653	52,653	55,904	55,904	(3,251)	(3,251)
	(Average balance)	54,546	54,546	61,506	61,506	(6,959)	(6,959)
Deposits, Trust principal	(Ending balance)	30,883,054	27,608,603	33,422,401	30,492,778	(2,539,346)	(2,884,175)
	(Average balance)	29,739,662	27,058,434	27,145,954	24,371,970	2,593,708	2,686,464
Deposits (*)	(Ending balance)	27,542,755	24,268,304	26,467,412	23,537,790	1,075,343	730,514
	(Average balance)	26,702,314	24,021,086	24,933,455	22,159,471	1,768,858	1,861,614
Time deposits	(Ending balance)	20,493,637	17,234,796	19,639,013	16,729,054	854,624	505,742
	(Average balance)	19,693,734	17,028,123	19,228,801	16,467,153	464,932	560,970
Liquid deposits	(Ending balance)	5,802,365	5,786,935	5,546,025	5,527,171	256,340	259,763
	(Average balance)	5,637,931	5,623,032	4,626,008	4,614,860	1,011,923	1,008,172
Trust principal	(Ending balance)	3,340,298	3,340,298	6,954,988	6,954,988	(3,614,689)	(3,614,689)
	(Average balance)	3,037,347	3,037,347	2,212,498	2,212,498	824,849	824,849

(*) Excluding NCD.

(2) Ending balance of deposits classified by depositors (Domestic branches)

[Non-consolidated]

(Millions of yen)			
	Sep. 2016	Mar. 2016	Change
Individuals	17,589,774	17,487,476	102,298
Deposits (*1)	16,133,481	16,087,311	46,170
Trust principal (Principal guaranteed)	1,456,293	1,400,165	56,127
Corporations and other organizations (*2)	9,867,892	12,777,306	(2,909,413)
Deposits (*1)	7,983,887	7,222,483	761,403
Trust principal (Principal guaranteed)	1,884,005	5,554,823	(3,670,817)
Total	27,457,667	30,264,783	(2,807,115)

(*1) Excluding NCD and offshore accounts

(*2) "Other organizations" are public organizations and financial institutions.

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

1) Loans to small and mid-sized enterprises, etc.

[Non-consolidated]

	(Millions of yen, %)		
	Sep. 2016	Mar. 2016	Change
Loan balance	14,080,797	13,620,184	460,613
Loans to individuals	8,393,192	7,932,166	461,026
Ratio to total loan balance	59.8	59.1	0.7

2) Loans to individuals

[Non-consolidated]

	(Millions of yen)		
	Sep. 2016	Mar. 2016	Change
Residential mortgage loans	7,861,496	7,422,177	439,319
Loans to individual for business use	458,502	430,214	28,288
Other consumer loans	73,193	79,774	(6,580)
Total	8,393,192	7,932,166	461,026

3) Overseas loans

(1) Loans to overseas Japanese borrowers

[Non-consolidated]

	(Millions of yen)		
	Sep. 2016	Mar. 2016	Change
Total	2,660,865	3,035,755	(374,889)
North America	764,844	844,212	(79,367)
Europe	286,129	331,763	(45,634)
Latin America	577,151	696,089	(118,938)
Asia and Oceania	910,939	1,023,659	(112,719)

Note: Based on borrowers' location.

(2) Loans to non-Japanese borrowers

[Non-consolidated]

	(Millions of yen)		
	Sep. 2016	Mar. 2016	Change
Total	3,199,910	3,461,416	(261,505)
North America	922,188	922,220	(32)
Europe	1,002,452	1,155,011	(152,558)
Latin America	142,882	144,469	(1,586)
Asia and Oceania	907,750	1,016,007	(108,257)

Note: Based on final exposure.

4) Loans by industry

[Non-consolidated]

	(Millions of yen)		
	Sep. 2016	Mar. 2016	Change
Domestic Branches (excluding offshore accounts)	23,542,407	23,011,611	530,796
Manufacturing	2,526,270	2,658,211	(131,941)
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	11,384	13,271	(1,887)
Construction	131,014	126,678	4,335
Electricity, gas, heat supply and water	858,781	795,163	63,618
Information and communications	416,223	338,355	77,867
Transport and postal activities	1,082,067	1,109,717	(27,650)
Wholesale and retail trade	1,159,220	1,203,926	(44,705)
Finance and insurance	2,696,012	3,032,693	(336,680)
Real estate	3,232,800	3,061,215	171,584
Goods rental and leasing	824,096	828,494	(4,397)
Others	10,604,535	9,843,882	760,653
Overseas branches and offshore accounts	3,684,643	4,088,661	(404,017)
Total	27,227,051	27,100,272	126,778

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

14. 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)

[Consolidated]

	Sep. 2016		Mar. 2016		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act (a)	116,439	111,381	128,573	123,430	(12,134)	(12,049)
Bankrupt and practically bankrupt	14,896	14,885	18,288	18,277	(3,392)	(3,392)
Doubtful	64,021	59,054	69,168	64,121	(5,146)	(5,066)
Substandard	37,522	37,441	41,117	41,031	(3,594)	(3,590)
Ordinary assets	28,803,246	28,755,651	28,985,563	28,934,802	(182,317)	(179,150)
Total balance (b)	28,919,686	28,867,033	29,114,137	29,058,232	(194,451)	(191,199)
Ratio to total balance (a) / (b)	0.4%	0.4%	0.4%	0.4%	(0.0%)	(0.0%)

Note : Partial direct written-off: Sep. 2016: 20,825 million yen, Mar. 2016: 26,987 million yen

[Non-consolidated]

	Sep. 2016		Mar. 2016		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act (a)	76,972	71,913	90,100	84,956	(13,128)	(13,043)
Bankrupt and practically bankrupt	9,925	9,914	11,913	11,902	(1,987)	(1,987)
Doubtful	36,908	31,942	44,940	39,893	(8,031)	(7,951)
Substandard (b)	30,137	30,056	33,246	33,160	(3,108)	(3,104)
Ordinary assets	27,640,401	27,592,806	27,573,260	27,522,498	67,141	70,307
Assets to substandard debtors (excluding Substandard) (c)	1,302	1,302	1,460	1,460	(157)	(157)
Assets to other special mention debtors	376,248	364,785	366,814	355,113	9,434	9,672
Assets to ordinary debtors	27,262,849	27,226,718	27,204,985	27,165,925	57,864	60,792
Total balance (d)	27,717,373	27,664,720	27,663,360	27,607,455	54,012	57,264
Ratio to total balance (a) / (d)	0.3%	0.3%	0.3%	0.3%	(0.0%)	(0.0%)
Assets to substandard debtors (b) + (c)	31,440	31,359	34,707	34,621	(3,266)	(3,261)

Note : Partial direct written-off: Sep. 2016: 14,568 million yen, Mar. 2016: 20,431 million yen

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

[Non-consolidated]

	Sep. 2016		Mar. 2016		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act	76,972	71,913	90,100	84,956	(13,128)	(13,043)
Coverage ratio	91.2%	90.6%	90.4%	89.9%	0.8%	0.7%
Allowance ratio	62.7%	62.7%	61.5%	61.5%	1.2%	1.2%
Bankrupt and practically bankrupt	9,925	9,914	11,913	11,902	(1,987)	(1,987)
Coverage ratio	100.0%	100.0%	100.0%	100.0%	- %	- %
Allowance ratio	100.0%	100.0%	100.0%	100.0%	- %	- %
Doubtful	36,908	31,942	44,940	39,893	(8,031)	(7,951)
Coverage ratio	89.4%	87.8%	91.0%	89.9%	(1.6%)	(2.1%)
Allowance ratio	63.4%	63.4%	66.4%	66.4%	(3.0%)	(3.0%)
Substandard	30,137	30,056	33,246	33,160	(3,108)	(3,104)
Coverage ratio	90.6%	90.5%	86.2%	86.2%	4.4%	4.3%
Allowance ratio	23.5%	23.5%	22.5%	22.5%	1.0%	1.0%

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 Sep. 2016.

(3) Problem assets based on the Financial Reconstruction Act by industry

[Non-consolidated]

	(Millions of yen)		
	Sep. 2016	Mar. 2016	Change
Domestic Branches (excluding offshore accounts)	75,900	88,850	(12,950)
Manufacturing	15,927	17,723	(1,795)
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	1,095	1,167	(72)
Construction	12	19	(7)
Information and communications	3	25	(22)
Transport and postal activities	361	465	(104)
Wholesale and retail trade	1,178	1,214	(35)
Finance and insurance	281	347	(66)
Real estate	16,658	18,842	(2,183)
Goods rental and leasing	-	0	(0)
Others	40,381	49,043	(8,662)
Overseas branches and offshore accounts	1,072	1,249	(177)
Total	76,972	90,100	(13,128)

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

15. Self-Assessment and Problem assets based on the Financial Reconstruction Act

(Banking a/c and principal guaranteed trust a/c combined)

[Non-consolidated]

(Billions of yen, %)

Borrower classification under the self-assessment		Problem assets based on the Financial Reconstruction Act		Self-assessment				Allowance (*)	Coverage ratio	Allowance ratio
				Not categorized	Category II	Category III	Category IV			
Legal bankruptcy		(1) Bankrupt/ practically bankrupt 9.9	(1) Guarantee and collateral 6.2	Entirely covered by allowances	Entirely written-off or covered by allowances	(1) Specific allowance for loan losses 3.7	100.0	100.0		
Virtual bankruptcy										
Possible bankruptcy		(2) Doubtful 36.9	(2) Guarantee and collateral 26.2	Partially covered by allowances		(2) Specific allowance for loan losses 6.7	89.4	63.4		
Requiring careful monitoring	Substandard debtors (exc. Substandard)	(3) Substandard 30.1	(3) Guarantee and collateral 26.4			(3) General allowance for loan losses 0.8	90.6	23.5		
		A. Assets to substandard debtors (exc. Substandard) 1.3								
		B. Assets to other special mention debtors (exc. Assets to substandard debtors) 376.2								
Normal		C. Assets to ordinary debtors 27,262.8								
		(4) Ordinary assets (A + B + C) 27,640.4								
		Problem assets based on the Financial Reconstruction Act (1) + (2) + (3) 77.0	Guarantee and collateral (1) + (2) + (3) 58.9			Allowance for loan losses (1) + (2) + (3) 11.3	91.2	62.7		
Total balance (1) + (2) + (3) + (4) 27,717.4		Not categorized, category II 27,713.4		category III 3.8	category IV -					

(*) 0.1 billion yen of reserves for loan trust and reserves for JOMT (Jointly-operated money trust) are posted in principal guaranteed trust account.

16. Allowance for loan losses

(1) Balance of allowance for loan losses

(Banking account)

[Consolidated]

	(Millions of yen)		
	Sep. 2016	Mar. 2016	Change
Allowance for loan losses	88,839	90,851	(2,012)
General allowance for loan losses	67,429	68,097	(667)
Specific allowance for loan losses	21,409	22,754	(1,344)
Partial direct written-off	20,939	27,075	(6,135)

[Non-consolidated]

	(Millions of yen)		
	Sep. 2016	Mar. 2016	Change
Allowance for loan losses	61,336	64,305	(2,969)
General allowance for loan losses	50,344	51,422	(1,078)
Specific allowance for loan losses	10,992	12,882	(1,890)
Partial direct written-off	14,631	20,492	(5,861)

(Trust account)

[Non-consolidated]

	(Millions of yen)		
	Sep. 2016	Mar. 2016	Change
Reserves for loan trust	56	60	(3)
Reserves for JOMT (Jointly-operated money trust)	92	100	(7)
Total	149	160	(11)

Note: Trust a/c is principal guaranteed trust a/c

(2) Reserve ratio for assets to special mention/ ordinary debtors (general allowance for loan losses)

(Banking account)

[Non-consolidated]

	(%)		
	Sep. 2016	Mar. 2016	Change
Assets to Special mention debtors	5.41	5.61	(0.20)
Substandard	2.92	3.99	(1.07)
Against uncovered portion	22.95	22.23	0.72
Other special mention	5.62	5.77	(0.15)
Against uncovered portion	14.40	14.88	(0.48)
Assets to Ordinary debtors	0.10	0.10	(0.00)

Note: The above list indicates the ratio of general allowance for loan losses to each asset.

17. Final disposal of non-performing loans (Banking a/c and principal guaranteed trust a/c combined)

(1) Loans outstanding in doubtful or worse categories

[Non-consolidated]

(Billions of yen)

	Sep. 2013	Mar. 2014	Sep. 2014	Mar. 2015	Sep. 2015	Mar. 2016	Sep. 2016	Change from Mar. 2016
Total	147.2	111.3	110.5	92.1	74.2	56.9	46.8	(10.0)
Loans outstanding in doubtful or worse categories as of Sep. 2013 and disposal thereafter	147.2	105.5	74.1	49.4	39.1	32.0	21.2	(10.8)
New entry to doubtful or worse categories during 2HFY2013 and disposal thereafter		5.8	3.9	3.0	1.6	1.1	0.8	(0.4)
New entry to doubtful or worse categories during 1HFY2014 and disposal thereafter			32.4	26.1	24.1	6.5	5.2	(1.2)
New entry to doubtful or worse categories during 2HFY2014 and disposal thereafter				13.7	3.8	2.9	2.2	(0.7)
New entry to doubtful or worse categories during 1HFY2015 and disposal thereafter					5.6	3.5	2.5	(1.0)
New entry to doubtful or worse categories during 2HFY2015 and disposal thereafter						10.8	8.8	(1.9)
New entry to doubtful or worse categories during 1HFY2016 and disposal thereafter							6.0	6.0

(2) Progress of final disposal

[Non-consolidated]

(Billions of yen)

Period	Primary amount (A)	Amount as of Sep. 2016 (B)	Quasi final disposal or in the process of final disposal (C)	Amount of final disposal in 1HFY2016	Progress ratio of final disposal (%) (A-B)/A	Adjusted progress ratio of final disposal (%)(*) (A-B+C)/A
Before 1HFY2013	3,480.6	21.2	4.1	10.8	99.3	99.5
2HFY2013	5.8	0.8	0.0	0.4	86.8	87.1
1HFY2014	32.4	5.2	1.3	1.2	83.8	87.9
2HFY2014	13.7	2.2	0.2	0.7	83.8	85.2
1HFY2015	5.6	2.5	0.2	1.0	54.6	57.8
2HFY2015	10.8	8.8	0.3	1.9	17.9	20.3
1HFY2016	6.0	6.0	0.3	-	-	4.7
Total	-----	46.8	6.4	16.0	-----	-----

(*) Progress ratio of final disposal considering quasi final disposal

18. Retirement benefits

[Consolidated]

		(Millions of yen)		
		Sep. 2016	Mar. 2016	Change
Projected benefit obligation	(A)	473,473	473,279	193
Discount rate		mainly 0.5%	mainly 0.5%	---
Plan assets	(B)	557,252	550,747	6,505
Liabilities for retirement benefits	(C)	14,104	13,937	167
Assets for retirement benefits	(D)	97,883	91,404	6,479

Note: (A) = (B) + (C) - (D)

• Remeasurements of retirement benefits (before considering tax effect accounting)

		(Millions of yen)		
		Sep. 2016	Mar. 2016	Change
Unrecognized net prior services costs		111	159	(47)
Unrecognized net actuarial loss		52,067	59,227	(7,159)
Total		52,179	59,387	(7,207)

		(Millions of yen)		
		1HFY2016	1HFY2015	Change
Retirement benefit expenses		(3,355)	3,753	(7,109)
Service cost - benefits earned		(7,612)	(6,551)	(1,060)
Interest cost on projected benefit obligation		(1,185)	(2,455)	1,270
Expected return on plan assets		14,072	13,521	551
Disposal of prior services costs		(47)	(60)	12
Disposal of actuarial loss		(7,159)	593	(7,753)
Others		(1,422)	(1,293)	(129)

[Non-consolidated]

		(Millions of yen)		
		Sep. 2016	Mar. 2016	Change
Projected benefit obligation	(A)	444,672	445,045	(372)
Discount rate		0.5%	0.5%	- %
Plan assets	(B)	541,293	535,233	6,060
Provision for retirement benefits	(C)	672	667	4
Prepaid pension expenses	(D)	167,930	175,791	(7,860)
Unrecognized net prior services costs	(E)	529	612	(83)
Unrecognized net actuarial loss	(F)	70,107	84,322	(14,214)

Note: (A) = (B) + (C) - (D) + (E) + (F)

		(Millions of yen)		
		1HFY2016	1HFY2015	Change
Retirement benefit expenses		(9,316)	(3,368)	(5,948)
Service cost - benefits earned		(6,752)	(5,860)	(892)
Interest cost on projected benefit obligation		(1,110)	(2,370)	1,259
Expected return on plan assets		13,871	13,320	550
Disposal of prior services costs		(83)	(83)	-
Disposal of actuarial loss		(14,214)	(7,403)	(6,811)
Others		(1,026)	(972)	(54)

19. Deferred tax assets

(1) Major factors for deferred tax assets and deferred tax liabilities

[Consolidated]

	(Billions of yen)		
	Sep. 2016	Mar. 2016	Change
Deferred tax assets (A)	23.3	23.9	(0.6)
Devaluation of securities	20.7	21.8	(1.0)
Allowance for loan losses (including written-off of loans)	37.6	38.6	(0.9)
Deferred gains/ losses on hedges	7.2	3.4	3.7
Liabilities for retirement benefits	21.9	26.3	(4.4)
Valuation difference due to share exchange	5.2	5.6	(0.3)
Others	74.7	81.6	(6.8)
Valuation allowance	(38.3)	(37.4)	(0.8)
Offset with deferred tax liabilities	(105.9)	(116.1)	10.2
Deferred tax liabilities (B)	110.4	123.9	(13.4)
Amount related retirement benefits	10.4	11.3	(0.8)
Deferred gains/ losses on hedges	0.3	0.1	0.2
Valuation difference on available-for-sale securities	187.7	208.6	(20.9)
Valuation difference due to share exchange	9.8	10.5	(0.7)
Others	7.9	9.3	(1.3)
Offset with deferred tax assets	(105.9)	(116.1)	10.2
Net deferred tax assets (A) - (B)	(87.1)	(99.9)	12.8

[Non-consolidated]

	(Billions of yen)		
	Sep. 2016	Mar. 2016	Change
Deferred tax assets (A)	-	-	-
Devaluation of securities	24.1	25.2	(1.0)
Allowance for loan losses (including written-off of loans)	20.4	21.4	(0.9)
Deferred gains/ losses on hedges	5.2	3.2	2.0
Others	35.0	41.8	(6.7)
Valuation allowance	(12.2)	(12.0)	(0.1)
Offset with deferred tax liabilities	(72.6)	(79.6)	6.9
Deferred tax liabilities (B)	129.4	145.4	(15.9)
Amount related retirement benefits	10.4	11.3	(0.8)
Valuation difference on available-for-sale securities	186.8	207.6	(20.7)
Others	4.7	6.0	(1.2)
Offset with deferred tax assets	(72.6)	(79.6)	6.9
Net deferred tax assets (A) - (B)	(129.4)	(145.4)	15.9

(2) Adequacy for calculating and posting net deferred tax assets

[Non-consolidated]

SuMi TRUST Bank applied the category 2 of the Guidance No. 26 of the Accounting Standards (*) for tax effect accounting and posted net deferred tax assets as a company reporting stable taxable income.

(*) Guidance on Recoverability of Deferred Tax Assets (the Accounting Standards Board of Japan (ASBJ))

(Reference) Taxable income before deduction of loss carryforwards for the past 5 years

	(Billions of yen)				
	FY2015	FY2014	FY2013	FY2012	FY2011
Taxable income before deduction of loss carryforwards	177.5	118.5	107.4	133.0	(*) 9.5
Net business profit before credit costs	249.1	245.7	211.8	210.2	239.0

(*) Including non-recurring loss of 80.0 billion yen from untaxation of the past taxable depreciation due to the former Sumitomo Trust and Banking Company's restructuring of subsidiaries (dissolution of First Credit Corporation).

<Reference> Other referential financial figures of SuMi TRUST Bank

(1) Balance Sheets

[Non-consolidated]

	Sep. 2016	Mar. 2016	Change
(Billions of yen)			
Assets:			
Cash and due from banks	11,056.3	14,130.0	(3,073.6)
Call loans	57.6	505.2	(447.6)
Receivables under resale agreements	76.8	110.3	(33.5)
Receivables under securities borrowing transactions	404.8	326.4	78.3
Monetary claims bought	102.5	108.5	(5.9)
Trading assets	829.4	699.4	130.0
Money held in trust	0.0	0.0	-
Securities	5,676.5	5,311.2	365.2
Loans and bills discounted	27,174.3	27,044.3	130.0
Foreign exchanges	11.0	17.2	(6.2)
Other assets	1,494.8	1,219.6	275.1
Tangible fixed assets	199.7	200.6	(0.8)
Intangible fixed assets	83.9	69.8	14.1
Prepaid pension expenses	167.9	175.7	(7.8)
Customers' liabilities for acceptances and guarantees	338.7	401.8	(63.1)
Allowance for loan losses	(61.3)	(64.3)	2.9
Total assets	47,613.6	50,256.5	(2,642.9)
Liabilities:			
Deposits	27,542.7	26,467.4	1,075.3
Negotiable certificates of deposit	5,485.1	7,254.1	(1,768.9)
Call money	1,609.2	385.2	1,223.9
Payables under repurchase agreements	1,589.5	653.4	936.0
Payables under securities lending transactions	110.8	-	110.8
Trading liabilities	474.1	451.7	22.4
Borrowed money	2,270.5	2,372.1	(101.6)
Foreign exchanges	0.1	0.2	(0.1)
Short-term bonds payable	511.8	903.1	(391.3)
Corporate bonds	732.6	855.8	(123.2)
Borrowed money from trust account	3,427.5	7,026.3	(3,598.7)
Other liabilities	1,099.7	1,029.7	69.9
Provision for bonuses	8.3	9.2	(0.9)
Provision for directors' bonuses	-	0.1	(0.1)
Provision for retirement benefits	0.6	0.6	0.0
Provision for reimbursement of deposits	3.6	3.6	(0.0)
Provision for contingent loss	7.4	7.6	(0.2)
Deferred tax liabilities	129.4	145.4	(15.9)
Deferred tax liabilities for land revaluation	3.1	3.1	(0.0)
Acceptances and guarantees	338.7	401.8	(63.1)
Total liabilities	45,345.4	47,971.3	(2,625.8)
Net assets:			
Capital stock	342.0	342.0	-
Capital surplus	492.2	492.2	-
Legal capital surplus	273.0	273.0	-
Other capital surplus	219.2	219.2	-
Retained earnings	1,016.8	981.2	35.6
Legal retained earnings	69.0	69.0	-
Other retained earnings	947.8	912.2	35.6
Other voluntary reserve	371.8	371.8	-
Retained earnings brought forward	575.9	540.3	35.6
Shareholders' equity	1,851.1	1,815.5	35.6
Valuation difference on available-for-sale securities	429.7	477.7	(48.0)
Deferred gains/ losses on hedges	(11.8)	(7.3)	(4.5)
Revaluation reserve for land	(0.8)	(0.6)	(0.1)
Valuation and translation adjustments	417.0	469.7	(52.7)
Total net assets	2,268.1	2,285.2	(17.1)
Total liabilities and net assets	47,613.6	50,256.5	(2,642.9)

(2) Statements of Income
[Non-consolidated]

	(Billions of yen)		
	1HFY2016	1HFY2015	Change
Ordinary income	373.9	360.9	13.0
Trust fees	47.8	48.9	(1.0)
Interest income	169.5	178.4	(8.9)
Interest on loans and discounts	125.1	123.9	1.1
Interest and dividends on securities	34.9	45.2	(10.3)
Fees and commissions	98.4	92.5	5.8
Trading income	7.1	8.4	(1.3)
Other ordinary income	32.3	22.6	9.6
Other income	18.6	9.7	8.8
Ordinary expenses	272.7	259.2	13.4
Interest expenses	87.1	67.3	19.7
Interest on deposits	35.1	31.1	3.9
Fees and commissions payments	41.5	38.2	3.2
Trading expenses	0.7	-	0.7
Other ordinary expenses	4.2	5.8	(1.5)
General and administrative expenses	130.1	126.7	3.4
Other expenses	8.8	21.1	(12.2)
Ordinary profit	101.2	101.6	(0.4)
Extraordinary income	0.0	0.8	(0.7)
Extraordinary losses	2.4	1.5	0.9
Income before Income Taxes	98.7	100.9	(2.1)
Income taxes-Current	22.0	25.1	(3.0)
Income taxes-Deferred	6.8	6.8	(0.0)
Income taxes	28.8	31.9	(3.0)
Net income	69.8	69.0	0.8

(3) Statement of trust account

[Non-consolidated]

	(Billions of yen)		
	Sep. 2016	Mar. 2016	Change
Loans and bills discounted	1,233.8	1,072.4	161.4
Securities	2,837.7	1,954.5	883.1
Beneficiary rights	138,261.7	130,637.0	7,624.6
Securities held in custody accounts	30.5	32.3	(1.8)
Money claims	13,761.8	12,955.6	806.2
Tangible fixed assets	13,060.3	12,727.7	332.6
Intangible fixed assets	172.3	155.4	16.9
Other claims	7,725.0	7,969.1	(244.0)
Loans to banking account	3,427.5	7,026.3	(3,598.7)
Cash and due from banks	424.5	377.5	46.9
Total assets	180,935.4	174,908.2	6,027.2
Money trusts	29,304.4	32,486.2	(3,181.8)
Pension trusts	14,811.1	16,305.6	(1,494.4)
Property formation benefit trusts	17.8	18.0	(0.1)
Loan trusts	11.3	12.1	(0.8)
Securities investment trusts	66,749.7	61,220.5	5,529.1
Money entrusted, other than money trusts	12,171.7	10,141.6	2,030.1
Securities trusts	21,124.3	20,010.6	1,113.7
Money claim trusts	13,829.4	13,026.6	802.7
Land and fixtures trusts	108.6	107.4	1.1
Composite trusts	22,806.7	21,579.1	1,227.5
Total liabilities	180,935.4	174,908.2	6,027.2

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

Sep. 2016: 137,777.4 billion yen, Mar. 2016: 130,228.6 billion yen

(4) Breakdown of principal guaranteed trust a/c

[Non-consolidated]

(Billions of yen)				
		Sep. 2016	Mar. 2016	Change
Money trusts	Loans and bills discounted	52.6	55.9	(3.2)
	Securities	0.0	0.0	-
	Others	3,276.9	6,888.0	(3,611.0)
	Total assets	3,329.6	6,943.9	(3,614.2)
	Principal	3,329.4	6,943.2	(3,613.8)
	Reserves for JOMT (Jointly-operated money trust)	0.0	0.1	(0.0)
	Others	0.1	0.5	(0.4)
	Total liabilities	3,329.6	6,943.9	(3,614.2)
Loan trusts	Loans and bills discounted	-	-	-
	Securities	-	-	-
	Others	11.3	12.1	(0.8)
	Total assets	11.3	12.1	(0.8)
	Principal	10.8	11.7	(0.8)
	Reserves for loan trust	0.0	0.0	(0.0)
	Others	0.3	0.4	(0.0)
	Total liabilities	11.3	12.1	(0.8)