

Financial Data:

Sumitomo Mitsui Trust Holdings, Inc. ("SMTH")

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How to Read the Financial Statements of Trust Banks

Balance Sheets of Trust Banks

(1) The financial statements of trust banks comprise two balance sheets: one for the banking account and the other for the trust account. The balance sheet for capital, fund management and financing of trust banks is the “banking account.” For the “trust account,” the balance sheet shows assets trust banks administer, manage and process for beneficiaries, according to the goals of the trusts, once trust banks have set up the trusts for the trustors.

Balance sheet of banking account



Statements of trust account



(2) In the trust account, outcomes (gains or losses) from administration, management and processing pertain to beneficiaries (except for trust fees trust banks receive). In principle, these do not affect the banking account. However, loan trusts and jointly operated money trusts (JOMTs), which are covered by deposit insurance, are exceptions because they come with principal-guaranteed contracts. Loan trusts and JOMTs accounts are thus shown separately on the balance sheet, and they, together with the banking account, comprise the “three major accounts” at trust banks. It is common for trust banks to manage various financial risks on a three-accounts basis.

(Note) Japanese trust banks have stopped new offerings of loan trusts, so loan trusts have only a limited impact on balance sheet size and financial reporting.

(3) In the liabilities section of the “statements of trust account” on the trust account balance sheet, the balances of each type of trust are shown. In the assets section, the assets (loans, securities, real estate, money claims, etc.) held in the various trusts are shown.

Money trusts include a wide variety of trust products. There are, for example, products with discretionary management rights [JOMTs, individually operated designated money trusts (shiteitan), etc.], and products without discretionary management rights [specified money trusts (tokkin), etc.]; the fee systems trust banks use for these products differ. Other than money trusts, trust banks also have discretionary management rights for loan trusts and pension trusts, etc., while trust banks do not have discretionary management rights for investment trusts or securities trusts, etc.

Statements of Income of Trust Banks

Trust banks disclose a statements of income for the "banking account." "Net business profit before credit costs" corresponds to operating profit of non-financial companies. Its main components are as follows.

- (1) Trust fees
- (2) (Of this, net credit costs of loan trusts and JOMTs accounts)
- (3) Net interest income
- (4) Net fees and commissions
- (5) Net trading income
- (6) Net other ordinary income (gains or losses on sales of bonds, net gains or losses on foreign exchange transactions, net income or expenses on derivatives other than trading or hedging, etc.)
- (7) Gross business profit: (1)+(3)+(4)+(5)+(6)
- (8) General and administrative expenses
- (9) Transfer to general allowance for loan losses
- (10) Net business profit: (7)-(8)-(9)
- (11) Net business profit before credit costs: (10)+(2)+(9)

Fee Revenues of Trust Banks: Trust Fees and Net Fees and Commissions

In trust banks, there are two types of fee revenues broadly: financial accounting "Trust fees" and "Net fees and commissions." Fees trust banks receive based on trust contracts are posted in "trust fees." Fees and commissions based on general service provision contracts are posted in "net fees and commissions." However, within "trust fees," fees in connection with the loan trust and JOMT account have business attributes similar to the banking business (deposits and loans); therefore, these are generally excluded from fee revenues. Sumitomo Mitsui Trust Group includes these in "Net interest income and related profit."

Fee Revenues

Trust Fees (excluding loan trusts & JOMTs)

- Pension trust fees *1
- Individually operated designated money trust fees *1
- Investment trust & specified money trust fees *2
- Asset securitization-related trust fees
- Real estate brokerage fees

Net fees and commissions

- Investment trust and insurance sales fees
- Discretionary investment fees
- Real estate brokerage fees
- Stock transfer agency fees
- Syndicated loan fees, etc.

*1 Among money trusts, fees related to administration and management with discretionary rights for management

*2 Among money trusts, only fees related to administration without discretionary rights for management

Management's Discussion and Analysis

Overview of the Fiscal Year ended March 31, 2012

Financial and Economic Environment

With respect to the economic environment during the fiscal year under review, tensions in international financial markets heightened as the European sovereign debt problem grew increasingly serious. The European economy stagnated further, and emerging nations, which were facing inflation, also applied monetary tightening policies to some extent. These factors triggered a global deceleration starting in the latter half of the fiscal year.

The Japanese economy witnessed a rapid restoration of supply chains, which had been interrupted by the Great East Japan Earthquake, and a steady recovery in production activities until the summer. However, the economic recovery slowed down in the latter half of the fiscal year as exports struggled and corporate earnings suffered from sluggish performance because of the impact of floods in Thailand, the yen's appreciation to a historic high of ¥70 against the U.S. dollar and a slowdown in the world economy among other factors. In addition, an increase in the number of nuclear power plants suspending operations heightened concerns about power supply in the summer and resulted in a significant increase in imports of raw fuel for thermal power plants, pushing the trade balance into a deficit.

Given these circumstances, the Cabinet, formed by Prime Minister Yoshihiko Noda in September 2011, prepared a supplementary budget to support the restoration of areas affected by the earthquake and address the appreciation of the yen, while the Bank of Japan intensified the implementation of further monetary easing measures three times during the period under review. In Europe, financial aid programs for peripheral countries, including Greece and Portugal, were established, and the European Central Bank (ECB) implemented large-scale financing measures.

These efforts led to an easing of concerns about European sovereign debt, a halt in the yen's appreciation in the foreign exchange market, and a rise in the Nikkei Stock Average to over ¥10,000 toward the end of the fiscal year after declining to the lower ¥8,000 range.

Developments of Business Activities

Amid these economic and financial conditions, we worked to prepare for the establishment of the new bank and the integration of subsidiaries and affiliates in order to achieve early realization of synergy effects from the management integration, with the goal of becoming "The Trust Bank," a leading trust bank group which has the largest scale and best reputation in Japan. Sumitomo Mitsui Trust Group (the "Group") also worked to enhance profitability through collaboration among Group companies.

<Trust Banking Business>

Three trust bank subsidiaries, The Chuo Mitsui Trust and Banking Company, Limited ("CMTB"), Chuo Mitsui Asset Trust and Banking Company, Limited ("CMAB"), and The Sumitomo Trust and Banking Co., Ltd. ("STB"), were acting as de-facto one bank implementing various measures to materialize the synergy effects of the management integration. Furthermore, CMTB, CMAB and STB merged to become Sumitomo Mitsui Trust Bank, Limited on April 1, 2012.

<Retail financial services business>

CMTB and STB worked to expand both sales (on a value basis) and total depositary assets for investment trusts and insurance products, by launching new products that match the needs of its individual clients and actively developing various campaigns jointly with each other.

For the housing loan business, CMTB and STB set up loan rates in a flexible manner in view of market trends, and made efforts to comply with requests from clients such as rescheduling, with close attention to individual cases.

Moreover, STB entered into an agency agreement on housing loans with SBI Sumishin Net Bank, Ltd. in December 2011, and started services in January 2012.

In testamentary and inheritance services, the number of testamentary trusts increased, due to the promotion of consulting to match client needs, including through individual consultation meetings and seminars.

< Wholesale financial services business>

CMTB and STB worked to enhance their capabilities for providing comprehensive solutions by utilizing their banking, trust and real estate functions, among others, in order to improve the value provided to their clients.

CMTB and STB proactively collaborated in such areas as syndicated loans and monetary claim securitization, and

strengthened their capabilities to meet the asset management needs of financial institutions and non-profit organizations. As for overseas services, CMTB and STB worked actively to meet the financing needs of local subsidiaries of Japanese corporations, while developing businesses with non-Japanese corporations as well. CMTB and STB also continued to provide an appropriate response to facilitate the financing needs of corporate clients.

< Stock transfer agency services business>

In stock transfer agency services, CMTB and STB strengthened their client support activities in the area of IR (investor relations, i.e. public relations activities for investors) and SR (share holder relations, i.e. public relations activities for shareholders).

The activities include various consulting services to support general meetings of shareholders, and guidance services provided through call centers.

< Fiduciary services business>

In the fiduciary business, CMAB and STB made efforts to increase the balance of entrusted assets by working together to expand its investment product lineup and enhance their consultation proposal capability.

Moreover, in defined contribution pension services, CMAB and STB focused on acquiring new clients by work-

ing to improve the quality of their asset management and administration services.

In the investment trust and securities-related business, CMAB and STB enhanced their sales structures in order to increase the balance of entrusted investment trust assets, and worked to improve services to investment trust management companies by actively making proposals early in their product design stage.

CMAB and STB also made efforts to increase the balance of assets under management of discretionary investment and investment advisory services for retail investment trusts.

They also focused on improving and enhancing services in its securities processing and administration considering global standards in this business area.

<Real estate business>

In the real estate business, CMTB and STB promoted proposal-based marketing activities that effectively utilize the functions of corporate advisory (CRE) and investment arrangement, along with the establishment of a dedicated department to respond more effectively to small- and medium-sized projects.

Moreover, CMTB and STB made proactive efforts to attract new foreign investors.

<Treasury and financial products business>

In treasury and financial products business, CMTB and STB obtained stable earnings amid the European sovereign debt crisis by controlling risks in a flexible manner and working to expand earnings through timely operations with downward movements in European and American interest rates and upward movements in Japanese stock prices. In addition, CMTB and STB steadily accumulated earnings by providing clients with solution proposals to counter risks related to interest rates and foreign exchange, etc. They also focused on sales of derivative-embedded deposits to financial institutions and incorporated educational institutions.

Business Performance

Net Business Profit before Credit Costs

Consolidated net business profit before credit costs increased by ¥51.5 billion from the previous fiscal year to ¥342.2 billion. This was attributable mainly to the continued strength of market-related earnings and the effects of consolidated accounting treatments related to the management integration.

(Note) As for year-on-year comparisons, we compared this fiscal year's figures to the prior fiscal year's summed figures of the former Chuo Mitsui Trust Holdings, Inc. ("CMTH") and STB (both on a consolidated basis).

Net Income

Consolidated net income increased by ¥33.8 billion from the previous fiscal year to ¥164.6 billion. While there was a drawdown of deferred tax assets associated with the reduction in the corporate tax rate, there was also a gain on the amortization of negative goodwill (¥43.4 billion) arising from an exchange of shares. Excluding this gain on the amortization of negative goodwill, consolidated net income declined ¥9.5 billion to ¥121.2 billion.

(Note) As for year-on-year comparisons, we compared this fiscal year's figures to the prior fiscal year's summed figures of the former CMTH and STB (both on a consolidated basis).

Total Credit Costs

Consolidated total credit costs came to ¥8.9 billion due

to the postings of allowance by group companies. Non-consolidated (CMTB and STB) total credit costs was a gain on reversal of ¥1.1 billion due to the reversal of allowance on an improvement of debtors' business conditions and recoveries of written-off claims in spite of posting a conservative allowance for a large client.

Allowance for loan losses of ¥8.5 billion for housing loan company (*Jusen*) and the reversal of allowance for the Great East Japan Earthquake, etc. (¥8.5 billion) were posted.

Consolidated BIS Capital Adequacy Ratio

Consolidated BIS capital adequacy ratio as of March 31, 2012 was 16.68%. Consolidated Tier I capital ratio increased to 11.87% as of March 31, 2012 mainly due to the decrease in Corporate, etc. among credit risk-weighted assets in accordance with the decrease in loan balance in addition to the increase in consolidated Tier I capital through accumulation of retained earnings.

The figures in U.S. dollars are converted from a yen-basis for convenience at the rate of ¥82.15 to U.S. \$1.00, the exchange rate prevailing as of March 31, 2012.

Operating Results (Consolidated)

Years Ended March 31	Millions of Yen			Millions of U.S. Dollars
	2012	2011	Changes	2012
Gross Profit (excluding Trust Account Credit Costs)	¥ 710,509	¥ 622,295	¥ 88,213	\$ 8,648
Trust Account Credit Costs (A)	—	—	—	—
General and Administrative Expenses (excluding Non-recurring expenses)	(375,669)	(342,604)	(33,065)	(4,572)
Net Provision of General Allowance for Loan Losses (B)	10,038	(1,064)	11,103	122
Banking Account Credit Costs (C)	(32,393)	(32,320)	(72)	(394)
Reversal of Allowance for Loan Losses (D)	—	764	(764)	—
Recoveries of Written-off Claims (E)	13,437	8,315	5,121	163
Net Gains (Losses) on Stocks and Other Securities	(33,916)	(3,125)	(30,790)	(412)
Net Income from Affiliates by Equity Method	3,561	3,208	353	43
Gain on Negative Goodwill due to Share Exchange	43,431	—	43,431	528
Others	(44,031)	(62,710)	18,678	(535)
Income before Income Taxes and Minority Interests	294,967	192,758	102,208	3,590
Net Income	164,660	130,786	33,873	2,004
Total Credit Costs (A+B+C+D+E)	(8,917)	(24,305)	15,387	(108)
Net Business Profit before Credit Costs	342,209	290,677	51,532	4,165

1) The figures relating to the previous consolidated fiscal year in the above table are the sum of the figures for CMTH (consolidated) and those for STB (consolidated).

2) Gross profit = trust fees + (interest income - interest expenses) + (fees and commissions - fees and commissions payments) + (trading income - trading expenses) + (other ordinary income - other ordinary expenses)

3) Consolidated net business profit before credit costs = the total of net business profits before credit costs of CMTB, CMAB, and STB (all on a non-consolidated basis) + ordinary profits (adjusted for non-recurring effects) of other consolidated subsidiaries + ordinary profits (adjusted for non-recurring effects) of equity method affiliates x ratio of equity holdings - internal transaction (dividends, etc.)

4) Amounts in parentheses represent a loss or profit decrease.

Major Profit and Losses (Consolidated)

Total "Net interest income" increased by ¥0.8 billion from the previous fiscal year thanks partially to contributions other than trust bank consolidated subsidiaries, despite the decrease in loan-deposit margin caused by the decline in market interest rates.

Net fees and commissions increased by ¥28.5 billion from the previous fiscal year due to the increase in fees on investment trust and insurance sales.

Net other ordinary income (excludes non-recurring disposals) increased by ¥60.8 billion from the previous fiscal year attendant with the increase in net gains on bonds achieved through flexible portfolio management.

Accordingly, gross profit reached ¥710.5 billion, rising ¥88.2 billion from the previous fiscal year.

On the other hand, general and administrative expenses (excluding non-recurring effects) increased by ¥33.0 billion from the previous fiscal year, mainly due to the increase in non-personnel expenses.

As calculated by making the necessary adjustments to the above results, the consolidated net business profit before credit costs grew ¥51.5 billion from the previous fiscal year to ¥342.2 billion.

Major Profit and Losses (Consolidated)

Years Ended March 31	Millions of Yen			Millions of U.S. Dollars
	2012	2011	Changes	2012
Gross Profit (excluding Trust Account Credit Costs)	¥ 710,509	¥ 622,295	¥ 88,213	\$ 8,648
Net Trust Fees	98,207	97,626	580	1,195
Trust Account Credit Costs (Deduction)	—	—	—	—
Trust Fees from Loan Trusts and Jointly-Operated Money Trusts (before deducting Trust Accounts Credit Costs)	10,450	11,872	(1,421)	127
Other Trust Fees	87,757	85,754	2,002	1,068
Net Interest Income	253,677	252,828	848	3,087
Interest Income	374,744	396,716	(21,972)	4,561
Interest Expenses	(121,067)	(143,888)	22,820	(1,473)
Net Fees and Commissions	203,333	174,819	28,514	2,475
Fees and Commissions	262,914	250,990	11,924	3,200
Fees and Commissions Payments	(59,580)	(76,170)	16,589	(725)
Net Trading Income	12,405	14,988	(2,583)	151
Trading Income	12,488	15,502	(3,014)	152
Trading Expenses	(83)	(514)	430	(1)
Net Other Ordinary Income and Expenses (excluding Non-recurring expenses)	142,884	82,031	60,853	1,739
Other Ordinary Income	533,445	381,281	152,164	6,493
Other Ordinary Expenses	(390,560)	(299,250)	(91,310)	(4,754)
General and Administrative Expenses	(375,669)	(342,604)	(33,065)	(4,572)
Net Business Profit before Credit Costs	342,209	290,677	51,532	4,165

1) The figures relating to the previous fiscal year in the above table are the sum of the figures for CMTH (consolidated) and those for STB (consolidated).

2) Amounts in parentheses represent a loss or profit decrease.

Credit Costs (Consolidated)

The total credit costs decreased by ¥15.3 billion from the previous fiscal year to ¥8.9 billion. This was attributable to the reversal of allowance for loan losses due to corporate turnarounds and improved business performance, which offset the impact of non-performing loans arising at some major clients in the fourth quarter.

Credit Costs (Consolidated)

Years Ended March 31	Millions of Yen			Millions of U.S. Dollars
	2012	2011	Changes	2012
Total Credit Costs	¥ (8,917)	¥ (24,305)	¥ 15,387	\$ (108)
Trust Account Credit Costs	—	—	—	—
Banking Account Credit Costs	(32,393)	(32,320)	(72)	(394)
Write-off of Loans	(4,131)	(19,777)	15,646	(50)
Net Provision of Specific Allowance for Loan Losses	(25,290)	(11,812)	(13,478)	(307)
Losses on Sales of Loans	(2,970)	(729)	(2,240)	(36)
Net Provision of General Allowance for Loan Losses	10,038	(1,064)	11,103	122
Reversal of Allowance for Loan Losses	—	764	(764)	—
Recoveries of Written-off Claims	13,437	8,315	5,121	163

1) The figures relating to the previous fiscal year in the above table are the sum of the figures for CMTH (consolidated) and those for STB (consolidated).

2) Amounts in parentheses represent a loss or profit decrease.

Net Gains (Losses) on Stocks and Other Securities (Consolidated)

Net losses on stocks increased by ¥30.7 billion from the previous fiscal year to ¥33.9 billion, due to progress in selling shareholdings for risk reduction and requisite impairment losses on some non-listed shares.

Net Gains (Losses) on Stocks and Other Securities (Consolidated)

Years Ended March 31	Millions of Yen			Millions of U.S. Dollars
	2012	2011	Changes	2012
Net Gains (Losses) on Stocks and Other Securities	¥ (33,916)	¥ (3,125)	¥ (30,790)	\$ (412)
Gains (Losses) on Sales of Stocks and Other Securities	(3,583)	10,508	(14,092)	(43)
Losses on Devaluation of Stocks and Other Securities	(30,332)	(13,634)	(16,698)	(369)

1) The figures relating to the previous fiscal year in the above table are the sum of the figures for CMTH (consolidated) and those for STB (consolidated).

2) Amounts in parentheses represent a loss or profit decrease.

Financial Conditions

Assets and Liabilities

Consolidated total assets totaled ¥34,376.3 billion and consolidated net assets totaled ¥2,337.0 billion at the end of the current fiscal year. As to major accounts, loans and bills discounted totaled ¥20,636.4 billion, securities ¥6,795.7 billion, and deposits ¥22,077.8 billion.

Problem Assets based on the Financial Reconstruction Act

As of March 31, 2012, the total of "Bankrupt and Practically Bankrupt," "Doubtful," and "Substandard" (banking and trust account combined; sum of the figures for CMTB and STB (both on a non-consolidated basis)) loans decreased by ¥11.0 billion. The Bankrupt and Practically Bankrupt categories decreased by ¥7.9 billion, and the Doubtful category increased by ¥30.4 billion. The ratio of "Problem Assets based on the Financial Reconstruction Act" to the total balance remained almost flat at 1.1%.

Problem Assets based on the "Financial Reconstruction Act" (CMTB and STB (both on a non-consolidated basis) after partial direct write-off)

Banking Account and Principal Guaranteed Trust Account Combined

As of March 31	Billions of Yen			Billions of U.S. Dollars
	2012	2011	Changes	2012
Problem Assets based on the Financial Reconstruction Act	¥ 234.3	¥ 245.3	¥ (11.0)	\$ 2.9
Total Balance	21,639.7	22,073.2	(433.5)	263.4
Ratio to Total Balance	1.1%	1.1%	0.0%	1.1%

Banking Account

Classification	Billions of Yen, Except for Percentages							
	Balance		Coverage Ratio		Collateral/Allowance		Allowance Ratio	
As of March 31	2012	2011	2012	2011	2012	2012	2011	2011
Bankrupt and Practically Bankrupt (A)	¥ 33.3	¥ 41.2	100%	100%	Specific Allowance	¥ 16.0	100%	100%
					Collateral/Guarantee	17.3		
Doubtful (B)	96.4	78.0	87%	85%	Uncovered	12.2		
					Specific Allowance	20.4	62%	63%
Substandard (C)	76.3	102.0	73%	66%	Collateral/Guarantee	63.9		
					Uncovered	20.1		
					General Allowance	8.5	29%	20%
					Collateral/Guarantee	47.7		
Total of (A), (B) and (C)	206.0	221.2						
Total Balance	21,426.7	21,671.2						
Ratio to Total Balance	1.0%	1.0%						

Principal Guaranteed Trust Account

Classification	Billions of Yen, Except for Percentages					
	Balance		Coverage Ratio		Collateral/Allowance	
As of March 31	2012	2011	2012	2011	2012	
Bankrupt and Practically Bankrupt (A)	¥ 0.0	¥ 0.1	100%	100%	Collateral/Guarantee	¥ 0.0
Doubtful (B)	27.6	15.7	99%	99%	Collateral/Guarantee	27.6
Substandard (C)	0.6	8.4	59%	2%	Collateral/Guarantee	0.4
Total of (A), (B) and (C)	28.3	24.1			Special Reserve Fund	0.9
					Allowance for the Impairment of Guaranteed Trust Principal	0.2
Total Balance	212.9	402.0				
Ratio to Total Balance	13.3%	6.0%				

Net Interest Spread (Domestic Banking Account and Principal Guaranteed Trust Account Combined, CMTB and STB (both on a non-consolidated basis))

Years Ended March 31	Percentage Points		
	2012	2011	Changes
Average Yield on Interest-Earning Assets (a)	1.09%	1.17%	(0.08)%
Loans and Bills Discounted (A)	1.19	1.31	(0.12)
Securities	1.16	0.90	0.26
Average Yield on Interest-Bearing Liabilities (b)	0.35	0.43	(0.08)
Deposits (B)	0.35	0.42	(0.07)
Gross Margin (a)-(b)	0.74	0.74	0.00
Loan-Deposit Margin (A)-(B)	0.84	0.89	(0.05)

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries. as of/for the fiscal years ended March 31

Consolidated Statements of Banking Account	Millions of Yen				
	2012	2011	2010	2009	2008
At Year-End					
Assets:					
Cash and Due from Banks	¥ 2,597,784	¥ 502,160	¥ 262,240	¥ 232,945	¥ 212,552
Call Loans and Bills Bought	283,000	6,936	9,884	15,391	204,862
Securities	6,795,726	3,710,513	4,525,683	4,896,624	4,647,960
Loans and Bills Discounted	20,636,457	8,864,266	8,941,948	8,584,295	7,852,066
Foreign Exchanges	9,440	12,259	767	802	811
Customers' Liabilities for Acceptances and Guarantees	619,967	317,098	384,117	475,535	584,076
Others	3,433,933	817,835	853,326	880,850	970,508
Total Assets	¥ 34,376,309	¥ 14,231,070	¥ 14,977,966	¥ 15,086,445	¥ 14,472,837
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 25,330,682	¥ 9,619,022	¥ 9,087,107	¥ 9,446,495	¥ 8,830,588
Call Money and Bills Sold	125,173	351,956	306,161	253,478	291,581
Borrowed Money	1,122,265	678,983	1,217,246	1,692,565	474,369
Foreign Exchanges	71	—	21	42	10
Acceptances and Guarantees	619,967	317,098	384,117	475,535	584,076
Others	4,841,118	2,419,879	3,136,755	2,529,873	3,272,995
Total Liabilities	¥ 32,039,277	¥ 13,386,939	¥ 14,131,410	¥ 14,397,990	¥ 13,453,622
Net Assets:					
Shareholders' Equity	¥ 1,817,812	¥ 667,328	¥ 638,957	¥ 599,910	¥ 830,340
Accumulated Other Comprehensive Income	9,032	(10,851)	20,436	(98,497)	42,557
Subscription Rights to Shares	6	—	—	—	—
Minority Interests	510,181	187,653	187,161	187,041	146,316
Total Net Assets	¥ 2,337,031	¥ 844,130	¥ 846,556	¥ 688,455	¥ 1,019,214
Total Liabilities and Net Assets	¥ 34,376,309	¥ 14,231,070	¥ 14,977,966	¥ 15,086,445	¥ 14,472,837

For The Year

Income:					
Trust Fees	¥ 98,207	¥ 46,720	¥ 50,874	¥ 59,503	¥ 68,644
Interest Income	374,744	160,477	181,592	211,683	207,009
Fees and Commissions	262,914	82,579	80,790	90,974	123,888
Trading Income	12,488	3,943	2,592	2,440	2,063
Other Ordinary Income	533,445	36,224	27,505	19,758	15,718
Other Income	87,877	28,865	24,740	37,862	51,193
Total Income	¥ 1,369,678	¥ 358,809	¥ 368,095	¥ 422,223	¥ 468,518
Expenses:					
Interest Expenses	¥ 121,067	¥ 59,694	¥ 68,901	¥ 96,845	¥ 99,352
Fees and Commissions Payments	59,580	20,890	21,112	15,059	15,004
Trading Expenses	83	441	—	—	23
Other Ordinary Expenses	389,422	9,228	8,318	15,535	9,120
General and Administrative Expenses	386,558	140,931	149,232	148,818	139,149
Other Expenses	117,998	40,840	35,733	255,643	70,096
Total Expenses	¥ 1,074,711	¥ 272,026	¥ 283,296	¥ 531,902	¥ 332,746
Income before Income (Loss) Taxes	294,967	86,783	84,798	(109,678)	135,772
Net Income (Loss)	¥ 164,660	¥ 47,277	¥ 46,826	¥ (92,033)	¥ 71,837

Yen

Per Share (Common Share)					
Net Income (Loss) per Share	¥ 38.54	¥ 28.51	¥ 31.41	¥ (84.89)	¥ 70.55
Net Assets per Share	413.11	395.94	397.69	258.44	512.15

Statements of Trust Account	Millions of Yen				
	2012	2011	2010	2009	2008
Total Assets	¥168,335,650	¥ 38,432,054	¥ 37,835,141	¥ 36,070,214	¥ 48,171,712

Financial Summary: Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. as of/for the fiscal years ended March 31

Non-consolidated Statements	Millions of Yen				
	2012	2011	2010	2009	2008
At Year-End					
Assets:					
Current Assets	¥ 8,927	¥ 28,769	¥ 39,263	¥ 44,308	¥ 174,793
Cash and Due from Banks	2,077	1,462	1,922	1,195	137,557
Securities	—	23,000	35,000	40,000	—
Non-current Assets	1,923,180	765,428	765,855	765,431	724,111
Investments in Subsidiaries and Affiliates (Stocks)	1,923,175	764,391	764,406	764,406	722,806
Total Assets	¥ 1,932,107	¥ 794,198	¥ 805,149	¥ 809,740	¥ 898,904
Liabilities:					
Current Liabilities	¥ 1,799	¥ 1,755	¥ 1,668	¥ 1,587	¥ 1,144
Non-current Liabilities	189,861	191,072	191,105	190,863	149,181
Bonds Payable	189,700	189,700	189,700	189,700	148,100
Provision for Retirement Benefits	—	1,177	1,041	840	822
Total Liabilities	¥ 191,661	¥ 192,827	¥ 192,774	¥ 192,450	¥ 150,326
Net Assets:					
Shareholders' Equity	¥ 1,740,440	¥ 601,370	¥ 612,375	¥ 617,289	¥ 748,578
Subscription Rights to Shares	6	—	—	—	—
Total Net Assets	¥ 1,740,446	¥ 601,370	¥ 612,375	¥ 617,289	¥ 748,578
Total Liabilities and Net Assets	¥ 1,932,107	¥ 794,198	¥ 805,149	¥ 809,740	¥ 898,904
For The Year					
Operating Income	¥ 41,253	¥ 22,764	¥ 13,651	¥ 16,998	¥ 186,754
Dividends Received from Subsidiaries	33,738	17,112	10,043	14,349	184,405
Operating Expenses	12,351	10,398	10,545	8,938	6,961
Interest on Bonds	7,430	7,487	7,674	6,270	4,581
General and Administrative Expenses	4,920	2,911	2,871	2,668	2,379
Operating Profit	¥ 28,902	¥ 12,366	¥ 3,106	¥ 8,060	¥ 179,793
Non-operating Income	¥ 28	¥ 64	¥ 66	¥ 232	¥ 124
Non-operating Expenses	1,513	2,792	889	768	670
Income before Income Taxes	¥ 27,416	¥ 9,638	¥ 2,283	¥ 7,524	¥ 179,246
Net Income	¥ 27,409	¥ 8,906	¥ 2,865	¥ 7,052	¥ 179,410

	Yen				
Per Share (Common Share)					
Net Income per Share	¥ 5.49	¥ 5.37	¥ 1.92	¥ 4.58	¥ 182.46
Net Income per Share (Fully Diluted)	—	—	—	4.27	99.97
Net Assets per Share	392.30	362.70	369.33	358.58	386.22

(Note) Net Income per Common Share (Fully Diluted) for the fiscal year ended March 31, 2012 is not stated as there are no potential shares that would have a dilutive effect.
Net Income per Common Share (Fully Diluted) for the fiscal year ended March 31, 2011 and 2010 is not stated as there are no potential shares.

Financial Data:

Consolidated Balance Sheet

Sumitomo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries
As of March 31, 2012

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Assets:			
Cash and Due from Banks	¥ 2,597,784	¥ 502,160	\$ 31,622
Call Loans and Bills Bought	283,000	6,936	3,445
Receivables under Resale Agreements	55,275	—	673
Receivables under Securities Borrowing Transactions	18,616	9,378	227
Monetary Claims Bought	500,942	99,921	6,098
Trading Assets (Notes 1, 4)	601,138	36,568	7,318
Money Held in Trust	19,296	2,065	235
Securities (Notes 2, 4 and 14)	6,795,726	3,710,513	82,723
Loans and Bills Discounted (Notes 3, 4 and 5)	20,636,457	8,864,266	251,205
Foreign Exchanges	9,440	12,259	115
Lease Receivables and Investment Assets (Note 4)	549,689	—	6,691
Other Assets (Notes 4, 8)	1,200,118	393,956	14,609
Tangible Fixed Assets (Note 6)	244,904	123,584	2,981
Intangible Fixed Assets (Note 7)	205,167	56,994	2,497
Deferred Tax Assets	191,588	143,055	2,332
Customers' Liabilities for Acceptances and Guarantees (Note 14)	619,967	317,098	7,547
Allowance for Loan Losses	(152,805)	(47,690)	(1,860)
Total Assets	¥ 34,376,309	¥ 14,231,070	\$ 418,458
Liabilities:			
Deposits (Notes 4, 9)	¥ 22,077,837	¥ 9,292,002	\$ 268,750
Negotiable Certificates of Deposit	3,252,845	327,020	39,596
Call Money and Bills Sold	125,173	351,956	1,524
Payables under Repurchase Agreements (Note 4)	211,531	—	2,575
Payables under Securities Lending Transactions (Note 4)	227,956	1,161,653	2,775
Trading Liabilities (Note 1)	179,120	7,716	2,180
Borrowed Money (Notes 4 and 10)	1,122,265	678,983	13,661
Foreign Exchanges	71	—	1
Short-term Bonds Payable	377,859	—	4,600
Bonds Payable (Note 11)	942,677	267,247	11,475
Borrowed Money from Trust Account (Note 12)	2,107,227	801,657	25,651
Other Liabilities (Note 13)	731,248	156,055	8,901
Provision for Bonuses	13,165	3,133	160
Provision for Directors' Bonuses	190	—	2
Provision for Retirement Benefits	15,314	2,859	186
Provision for Directors' Retirement Benefits	60	253	1
Provision for Reimbursement of Deposits	6,932	—	84
Provision for Contingent Losses	12,490	15,335	152
Provision for Relocation Expenses	8,895	—	108
Deferred Tax Liabilities	1,972	3,967	24
Deferred Tax Liabilities for Land Revaluation (Note 6)	4,472	—	54
Acceptances and Guarantees (Note 14)	619,967	317,098	7,547
Total Liabilities	¥ 32,039,277	¥ 13,386,939	\$ 390,009
Net Assets:			
Total Shareholders' Equity:	¥ 1,817,812	¥ 667,328	\$ 22,128
Capital Stock	261,608	261,608	3,185
Capital Surplus	859,499	—	10,463
Retained Earnings	696,824	406,002	8,482
Treasury Stock	(120)	(282)	(1)
Total Accumulated Other Comprehensive Income:	9,032	(10,851)	110
Valuation Differences on Available-for-Sale Securities	32,442	4,408	395
Deferred Gains or Losses on Hedges	(5,546)	3,406	(68)
Revaluation Reserve for Land (Note 6)	(4,955)	(16,537)	(60)
Foreign Currency Translation Adjustments	(12,907)	(2,129)	(157)
Subscription Rights to Shares	6	—	0
Minority Interests	510,181	187,653	6,210
Total Net Assets	¥ 2,337,031	¥ 844,130	\$ 28,448
Total Liabilities and Net Assets	¥ 34,376,309	¥ 14,231,070	\$ 418,458
		Yen	U.S. Dollars
Net Assets per Common Share	¥ 413.11	¥ 395.94	\$ 5.03

See accompanying notes.

Financial Data:

Consolidated Statement of Income

Sumitomo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries
For the fiscal year ended March 31, 2012

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Income:			
Trust Fees	¥ 98,207	¥ 46,720	\$ 1,195
Interest Income:	374,744	160,477	4,562
Interest on Loans and Discounts	242,952	106,584	2,957
Interest and Dividends on Securities	119,035	48,613	1,449
Interest on Call Loans and Bills Bought	745	367	9
Interest on Receivables under Resale Agreements	434	—	5
Interest on Receivables under Securities Borrowing Transactions	125	139	2
Interest on Deposits with Banks	5,762	452	70
Other Interest Income (Note 1)	5,688	4,320	69
Fees and Commissions	262,914	82,579	3,200
Trading Income (Note 2)	12,488	3,943	152
Other Ordinary Income (Note 3)	533,445	36,224	6,494
Other Income (Note 4)	87,877	28,865	1,070
Total Income	¥ 1,369,678	¥ 358,809	\$ 16,673
Expenses:			
Interest Expenses:	¥ 121,067	¥ 59,694	\$ 1,474
Interest on Deposits	71,602	40,794	872
Interest on Negotiable Certificates of Deposit	6,197	524	75
Interest on Call Money and Bills Sold	1,609	537	20
Interest on Payables under Repurchase Agreements	479	—	6
Interest on Payables under Securities Lending Transactions	1,703	2,537	21
Interest on Borrowings	9,773	2,675	119
Interest on Short-term Bonds	583	—	7
Interest on Bonds	18,432	7,642	224
Other Interest Expenses (Note 1)	10,684	4,983	130
Fees and Commissions Payments	59,580	20,890	725
Trading Expenses (Note 2)	83	441	1
Other Ordinary Expenses (Note 3)	389,422	9,228	4,740
General and Administrative Expenses (Note 5)	386,558	140,931	4,706
Other Expenses (Note 4)	117,998	40,840	1,436
Total Expenses	¥ 1,074,711	¥ 272,026	\$ 13,082
Income before Income Taxes and Minority Interests	¥ 294,967	¥ 86,783	\$ 3,591
Income Taxes:	109,339	31,977	1,331
Current	19,735	6,452	240
Deferred	89,604	25,524	1,091
Income before Minority Interests	185,628	54,806	2,260
Minority Interests in Income	20,967	7,529	255
Net Income	¥ 164,660	¥ 47,277	\$ 2,004
		Yen	U.S. Dollars
Net Income per Common Share	¥ 38.54	¥ 28.51	\$ 0.47

See accompanying notes.

Financial Data:

Consolidated Statement of Comprehensive Income

Sumitomo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries
For the fiscal year ended March 31, 2012

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Income before Minority Interests	¥ 185,628	¥ 54,806	\$ 2,260
Other Comprehensive Income (Note 1):			
Valuation Differences on Available-for-Sale Securities	25,924	(30,147)	316
Deferred Gains or Losses on Hedges	(13,530)	701	(165)
Revaluation Reserve for Land	632	—	8
Foreign Currency Translation Adjustments	(102)	(390)	(1)
Attributable to Equity-Method Affiliates	(1,370)	(22)	(17)
Total Other Comprehensive Income	¥ 11,554	¥ (29,860)	\$ 141
Comprehensive Income:	¥ 197,182	¥ 24,945	\$ 2,400
Comprehensive Income Attributable to Owners of the Parent	¥ 176,439	¥ 16,993	\$ 2,148
Comprehensive Income Attributable to Minority Interests	20,743	7,952	253

See accompanying notes.

Consolidated Statement of Changes in Net Assets

Sumitomo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries
For the fiscal year ended March 31, 2012

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Shareholders' Equity:			
Capital Stock:			
Balance at the Beginning of the Current Period	¥ 342,037	¥ 261,608	\$ 4,164
Changes during the Period:			
Increase due to Share Exchange	(80,428)	—	(979)
Total Changes during the Period	¥ (80,428)	¥ —	\$ (979)
Balance at the End of the Current Period	¥ 261,608	¥ 261,608	\$ 3,185
Capital Surplus:			
Balance at the Beginning of the Current Period	¥ 297,051	¥ —	\$ 3,616
Changes during the Period:			
Cash Dividends	(6,632)	—	(81)
Increase due to Share Exchange	569,542	—	6,933
Disposal of Treasury Stock	19	—	(0)
Retirement of Treasury Stock	(482)	—	(6)
Total Changes during the Period	¥ 562,448	¥ —	\$ 6,847
Balance at the End of the Current Period	¥ 859,499	¥ —	\$ 10,463
Retained Earnings:			
Balance at the Beginning of the Current Period	¥ 565,908	¥ 377,619	\$ 6,889
Changes during the Period:			
Cash Dividends	(34,618)	(19,896)	(421)
Net Income	164,660	47,277	2,004
Disposal of Treasury Stock	—	(3)	—
Reversal of Revaluation Reserve for Land	873	1,004	11
Total Changes during the Period	¥ 130,916	¥ 28,382	\$ 1,594
Balance at the End of the Current Period	¥ 696,824	¥ 406,002	\$ 8,482
Treasury Stock:			
Balance at the Beginning of the Current Period	¥ (482)	¥ (270)	\$ (6)
Changes during the Period:			
Purchase of Treasury Stock	(138)	(17)	(2)
Disposal of Treasury Stock	18	5	0
Retirement of Treasury Stock	482	—	6
Total Changes during the Period	¥ 362	¥ (11)	\$ 4
Balance at the End of the Current Period	¥ (120)	¥ (282)	\$ (1)
Total Shareholders' Equity:			
Balance at the Beginning of the Current Period	¥ 1,204,514	¥ 638,957	\$ 14,662
Changes during the Period:			
Cash Dividends	(41,250)	(19,896)	(502)
Net Income	164,660	47,277	2,004
Increase due to Share Exchange	489,114	—	5,954
Purchase of Treasury Stock	(138)	(17)	(2)
Disposal of Treasury Stock	38	2	0
Reversal of Revaluation Reserve for Land	873	1,004	11
Total Changes during the Period	¥ 613,298	¥ 28,370	\$ 7,466
Balance at the End of the Current Period	¥ 1,817,812	¥ 667,328	\$ 22,128

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Accumulated Other Comprehensive Income:			
Valuation Differences on Available-for-Sale Securities:			
Balance at the Beginning of the Current Period	¥ 6,064	¥ 35,002	\$ 74
Changes during the Period:			
Net Changes of Items other than Shareholders' Equity	26,377	(30,593)	321
Total Changes during the Period	¥ 26,377	¥ (30,593)	\$ 321
Balance at the End of the Current Period	¥ 32,442	¥ 4,408	\$ 395
Deferred Gains or Losses on Hedges:			
Balance at the Beginning of the Current Period	¥ 9,650	¥ 2,705	\$ 117
Changes during the Period:			
Net Changes of Items other than Shareholders' Equity	(15,197)	701	(185)
Total Changes during the Period	¥ (15,197)	¥ 701	\$ (185)
Balance at the End of the Current Period	¥ (5,546)	¥ 3,406	\$ (68)
Revaluation Reserve for Land:			
Balance at the Beginning of the Current Period	¥ (4,714)	¥ (15,532)	\$ (57)
Changes during the Period:			
Net Changes of Items other than Shareholders' Equity	(241)	(1,004)	(3)
Total Changes during the Period	¥ (241)	¥ (1,004)	\$ (3)
Balance at the End of the Current Period	¥ (4,955)	¥ (16,537)	\$ (60)
Foreign Currency Translation Adjustments:			
Balance at the Beginning of the Current Period	¥ (12,873)	¥ (1,738)	\$ (157)
Changes during the Period:			
Net Changes of Items other than Shareholders' Equity	(33)	(390)	(0)
Total Changes during the Period	¥ (33)	¥ (390)	\$ (0)
Balance at the End of the Current Period	¥ (12,907)	¥ (2,129)	\$ (157)
Total Accumulated Other Comprehensive Income:			
Balance at the Beginning of the Current Period	¥ (1,872)	¥ 20,436	\$ (23)
Changes during the Period:			
Net Changes of Items other than Shareholders' Equity	10,905	(31,288)	133
Total Changes during the Period	¥ 10,905	¥ (31,288)	\$ 133
Balance at the End of the Current Period	¥ 9,032	¥ (10,851)	\$ 110
Subscription Rights to Shares:			
Balance at the Beginning of the Current Period	¥ —	¥ —	\$ —
Changes during the Period:			
Net Changes of Items other than Shareholders' Equity	6	—	0
Total Changes during the Period	¥ 6	¥ —	\$ 0
Balance at the End of the Current Period	¥ 6	¥ —	\$ 0
Minority Interests:			
Balance at the Beginning of the Current Period	¥ 304,454	¥ 187,161	\$ 3,706
Changes during the Period:			
Net Changes of Items other than Shareholders' Equity	205,726	492	2,504
Total Changes during the Period	¥ 205,726	¥ 492	\$ 2,504
Balance at the End of the Current Period	¥ 510,181	¥ 187,653	\$ 6,210
Total Net Assets:			
Balance at the Beginning of the Current Period	¥ 1,507,095	¥ 846,556	\$ 18,346
Changes during the Period:			
Cash Dividends	(41,250)	(19,896)	(502)
Net Income	164,660	47,277	2,004
Increase due to Share Exchange	489,114	—	5,954
Purchase of Treasury Stock	(138)	(17)	(2)
Disposal of Treasury Stock	38	2	0
Reversal of Revaluation Reserve for Land	873	1,004	11
Net Changes of Items other than Shareholders' Equity	216,637	(30,796)	2,637
Total Changes during the Period	¥ 829,936	¥ (2,425)	\$ 10,103
Balance at the End of the Current Period	¥ 2,337,031	¥ 844,130	\$ 28,448

See accompanying notes.

Financial Data:

Consolidated Statement of Cash Flows

Sumitomo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries
For the fiscal year ended March 31, 2012

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Net Cash Provided by (Used in) Operating Activities:			
Income before Income Taxes and Minority Interests	¥ 294,967	¥ 86,783	\$ 3,591
Depreciation and Amortization	37,830	12,296	461
Impairment Losses	11,578	1,108	141
Amortization of Goodwill	8,578	2,270	104
Gain on Negative Goodwill	(46,061)	—	(561)
Equity in Losses (Earnings) of Affiliates	(3,561)	(553)	(43)
Increase (Decrease) in Allowance for Loan Losses	(9,465)	(5,720)	(115)
Increase (Decrease) in Provision for Bonuses	(12)	(26)	(0)
Increase (Decrease) in Provision for Directors' Bonuses	(126)	—	(2)
Increase (Decrease) in Provision for Retirement Benefits	(1,274)	197	(16)
Increase (Decrease) in Provision for Directors' Retirement Benefits	(213)	(1,450)	(3)
Increase (Decrease) in Provision for Reimbursement of Deposits	522	—	6
Increase (Decrease) in Provision for Contingent Losses	(6,487)	3,313	(79)
Increase (Decrease) in Provision for Relocation Expenses	3,275	—	40
Gain on Fund Management	(374,744)	(160,477)	(4,562)
Financing Expenses	121,067	59,694	1,474
Loss (Gain) Related to Securities	(69,431)	(29,479)	(845)
Loss (Gain) on Money Held in Trust	(451)	(115)	(5)
Foreign Exchange Losses (Gains)	60,855	50,355	741
Loss (Gain) on Disposal of Fixed Assets	476	617	6
Net Decrease (Increase) in Trading Assets	17,102	(13,790)	208
Net Increase (Decrease) in Trading Liabilities	69,077	(195)	841
Net Decrease (Increase) in Loans and Bills Discounted	45,119	77,682	549
Net Increase (Decrease) in Deposits	433,350	532,084	5,275
Net Increase (Decrease) in Negotiable Certificates of Deposit	703,714	(170)	8,566
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	(729,467)	(538,263)	(8,880)
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	(475,229)	(12,551)	(5,785)
Net Decrease (Increase) in Call Loans	(13,644)	1,890	(166)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(9,238)	(7,857)	(112)
Net Increase (Decrease) in Call Money	(655,667)	45,795	(7,981)
Net Increase (Decrease) in Payables under Securities Lending Transactions	(1,092,494)	(541,044)	(13,299)
Net Decrease (Increase) in Foreign Exchange-Assets	8,477	(11,492)	103
Net Increase (Decrease) in Foreign Exchange-Liabilities	40	(21)	0
Net Decrease (Increase) in Lease Receivables and Investment Assets	64,686	—	787
Net Increase (Decrease) in Short-term Bonds Payable	(30,749)	—	(374)
Increase (Decrease) in Straight Bonds-Issuance and Redemption	6,002	—	73
Net Increase (Decrease) in Borrowed Money from Trust Account	(167,425)	(193,955)	(2,038)
Proceeds from Fund Management	386,542	169,068	4,705
Payments for Financing	(148,518)	(52,624)	(1,808)
Other Net	113,928	16,268	1,387
Subtotal	¥ (1,447,070)	¥ (510,362)	\$ (17,615)
Income Taxes Paid	(48,259)	(9,045)	(587)
Net Cash Provided by (Used in) Operating Activities	¥ (1,495,329)	¥ (519,408)	\$ (18,202)

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Net Cash Provided by (Used in) Investing Activities:			
Purchase of Securities	¥ (11,719,378)	¥ (7,517,154)	\$ (142,658)
Proceeds from Sales of Securities	10,808,438	7,828,396	131,570
Proceeds from Redemption of Securities	3,091,918	434,664	37,637
Decrease in Money Held in Trust	5,000	109	61
Purchase of Tangible Fixed Assets	(28,478)	(5,717)	(347)
Proceeds from Sales of Tangible Fixed Assets	750	1,437	9
Purchase of Intangible Fixed Assets	(30,554)	(7,537)	(372)
Proceeds from Sales of Intangible Fixed Assets	665	339	8
Purchase of Investments in Subsidiaries at Changes in Scope of Consolidation	4,339	—	53
Payments for Sales of Investments in Subsidiaries at Changes in Scope of Consolidation	(2,287)	—	(28)
Investments for Affiliates Accounted for by the Equity Method	(4,588)	—	(56)
Purchase of Investments in Subsidiaries	(1,530)	—	(19)
Net Cash Provided by (Used in) Investing Activities	¥ 2,124,294	¥ 734,537	\$ 25,859
Net Cash Provided by (Used in) Financing Activities:			
Increase in Subordinated Borrowings	¥ 5,000	¥ 5,000	\$ 61
Decrease in Subordinated Borrowings	(2,500)	(5,000)	(30)
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	82,596	40,000	1,005
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(47,241)	—	(575)
Repayment to Minority Shareholders	(434)	—	(5)
Proceeds from Contributions by Minority Shareholders	4	—	0
Cash Dividends Paid	(41,258)	(19,896)	(502)
Cash Dividends Paid to Minority Shareholders	(18,726)	(7,460)	(228)
Purchase of Treasury Stock	(138)	(17)	(2)
Proceeds from Sales of Treasury Stock	38	2	0
Net Cash Provided by (Used in) Financing Activities	¥ (22,660)	¥ 12,628	\$ (276)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (5,322)	¥ (388)	\$ (65)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 600,981	¥ 227,369	\$ 7,316
Cash and Cash Equivalents at the Beginning of the Period (Note 2)	¥ 346,030	¥ 237,851	\$ 4,212
Increase (Decrease) in Cash and Cash Equivalents Resulting from Share Exchange (Note 3)	465,221	—	5,663
Increase (Decrease) in Cash and Cash Equivalents at Changes in Scope of Consolidation (Note 3)	314,342	—	3,826
Cash and Cash Equivalents at the End of the Period (Note 1)	¥ 1,726,575	¥ 465,221	\$ 21,017

See accompanying notes.

Notes to Consolidated Financial Statement

Basis of Presentation of Financial Statements

The accompanying consolidated financial statements (banking account) have been prepared from the accounts maintained by Sumitomo Mitsui Trust Holdings, Inc. ("SMTH") and its consolidated subsidiaries (together, the "SMTH Group") in accordance with accounting principles generally accepted in Japan (Japanese GAAP), and certain accounting and disclosure rules under the Financial Instruments and Exchange Act of Japan and the Banking Act of Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to SMTH's consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which SMTH is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥82.15 to U.S.\$1, the approximate rate of exchange as of March 31, 2012. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen has been rounded down and one million U.S. dollars has been rounded off. As a result, the total may not be equal to the total of individual amounts.

Significant Accounting Policies and Practices

SMTH conducted a share exchange on April 1, 2011 under which SMTH became the parent company and The Sumitomo Trust and Banking Co., Ltd. ("STB") became the wholly owned subsidiary. Based on the Accounting Standard for Business Combinations, this share exchange is a reverse acquisition wherein SMTH is considered to be the acquired company and STB to be the acquiring company. Therefore, the consolidated assets and liabilities of SMTH were transferred to the consolidated balance sheets of STB at fair value. Therefore, there is no continu-

ity from our consolidated financial statements for the prior fiscal year to our consolidated financial statements for the current fiscal year. In addition, we presented financial figures of the former Chuo Mitsui Trust Holdings, Inc. ("CMTH") as comparative information in the consolidated financial statements for the fiscal year and we presented the notes to consolidated financial statements for the following items:

1. Scope of Consolidation

(1) Consolidated Subsidiaries

The number of consolidated subsidiaries is as follows:

March 31	2012	2011
Consolidated subsidiaries	77	25

The name of principle companies is as follows:

(As of March 31, 2012)

The Chuo Mitsui Trust and Banking Company, Limited
Chuo Mitsui Asset Trust and Banking Company, Limited
The Sumitomo Trust and Banking Co., Ltd.

(As of March 31, 2011)

The Chuo Mitsui Trust and Banking Company, Limited
Chuo Mitsui Asset Trust and Banking Company, Limited
Chuo Mitsui Asset Management Company, Limited
Chuo Mitsui Capital Company, Limited
MTH Preferred Capital 1 (Cayman) Limited
MTH Preferred Capital 3 (Cayman) Limited
MTH Preferred Capital 4 (Cayman) Limited
MTH Preferred Capital 5 (Cayman) Limited
CMTH Preferred Capital 6 (Cayman) Limited
CMTH Preferred Capital 7 (Cayman) Limited

Changes in the consolidated subsidiaries during the current fiscal year are as follows:

STB and its 51 consolidated subsidiaries were included in the scope of consolidation during the current fiscal year as a result of the share exchange between SMTH and STB. Because the share of voting rights held in Japan Trustee Services Bank, Ltd., also rose due to this share exchange, it was excluded from the scope of the equity method and included in the scope of consolidation during the current fiscal year.

Nikko Asset Management Asia Limited and four other companies were also added to the scope of consolidation during the current fiscal year due to the acquisition of

shares. Chuo Mitsui Finance Service Co., Ltd. (divestiture), CMTB Equity Investments Co., Ltd. (merger), Chuo Mitsui Investments, Inc. and two other companies (liquidation), and Nikko AM Global Umbrella Fund (SICAV) (decreased interest) were excluded from the scope of consolidation during the current fiscal year.

(2) Unconsolidated Subsidiaries

Principal Company

Chuo Mitsui Create Company, Limited

Unconsolidated subsidiaries are excluded from the scope of consolidation because they are immaterial to the extent that excluding such companies would not prevent a reasonable assessment of the SMTH group's financial position and operating results based on the size of their assets, ordinary income, net income (amount corresponding to SMTH's interest in the company), retained earnings (amount corresponding to SMTH's interest in the company), and deferred gains or losses on hedges (amount corresponding to SMTH's interest in the company).

Hummingbird Co., Ltd. and 41 other companies are excluded from the scope of consolidation in accordance with Paragraph 1, Item 2 of Article 5 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and therefore their assets and income effectively do not belong to the subsidiaries.

2. Application of the Equity Method

(1) Unconsolidated Subsidiaries Accounted for by the Equity Method:

None

(2) Affiliates Accounted for by the Equity Method

The number of affiliates accounted for by the equity method is as follows:

March 31	2012	2011
Affiliates Accounted for by the Equity Method	24	3

The name of principle companies is as follows:

(As of March 31, 2012)

SBI Sumishin Net Bank, Ltd.

BUSINEXT CORPORATION

(As of March 31, 2011)

Japan Trustee Services Bank, Ltd.

Changes in the affiliates accounted for by the equity method during the current fiscal year are as follows:

SBI Sumishin Net Bank, Ltd., an equity-method affiliate of STB, and nine other companies were included in the scope of the equity method during the current fiscal year as a result of the share exchange between SMTH and STB. Because the share of voting rights held in Japan Trustee Services Bank, Ltd., also rose due to this share exchange, it was excluded from the scope of the equity method during the current fiscal year.

New Smith LLP and 10 other companies were included in the scope of the equity method during the current fiscal year due to the acquisition of shares, and Nikko AM Global Umbrella Fund (SICAV) was excluded from the scope of consolidation and included in the scope of the equity method during the current fiscal year due to a decreased interest.

(3) Unconsolidated Subsidiaries and Affiliates that are Not Accounted for by the Equity Method

Principal Company

Chuo Mitsui Create Company, Limited

Unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are excluded from the scope of the equity method because there would be no material effect on the consolidated financial statements even if they were excluded from the scope of the equity method, based on the size of their net income (amount corresponding to SMTH's interest in the company), retained earnings (amount corresponding to SMTH's interest in the company), and deferred gains or losses on hedges (amount corresponding to SMTH's interest in the company).

Hummingbird Co., Ltd. and 41 other companies are excluded from the scope of the equity method in accordance with Paragraph 1, Item 2 of Article 10 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and therefore their assets and income effectively do not belong to the subsidiaries.

3. Balance Sheet Dates of Consolidated Subsidiaries

(1) Balance sheet dates of consolidated subsidiaries are as follows:

March 31	2012	2011
April 30	1	—
November 30	1	—
December 31	10	4
January 24	6	6
January 31	4	—
March 31	55	15

(2) A subsidiary with a balance sheet date of April 30 is consolidated using financial statements provisionally prepared as of January 31, a subsidiary with a balance sheet date of November 30 is consolidated using financial statements provisionally prepared as of February 29, one of the subsidiaries with a balance sheet date of December 31 is consolidated using financial statements provisionally prepared as of March 31, subsidiaries with balance sheet dates of January 24 are consolidated using financial statements provisionally prepared as of March 31, and other subsidiaries are consolidated using the financial statements as of their respective balance sheet dates.

The necessary adjustments have been made for material transactions arising between the balance sheet date SMTH and the above closing dates.

4. Significant Accounting Policies

(1) Trading Account Activities

Trading account activities are conducted with the objective of generating profits by taking advantage of short-term fluctuations in interest rates, currency rates, financial markets or other indicators, or inter-market differences ("for trading purposes"). These positions are shown as "Trading Assets" or "Trading Liabilities" on the consolidated balance sheets on a trade date basis, and gains and losses from such transactions are shown as "Trading Income" or "Trading Expenses" on the consolidated statements of income.

Under trading assets and trading liabilities, trading account securities and monetary claims are stated at their fair values as of the balance sheet date and trading-related financial derivatives, such as swaps, futures and

options, are stated at the amounts that would be settled if they were terminated on the balance sheet date.

Trading income and trading expenses include interests, changes in fair value of securities and monetary claims in the fiscal year, and changes in values of financial derivatives which are estimated on the assumption that they are settled at the balance sheet date.

(2) Securities

(a) Under the accounting standard for financial instruments, SMTH is required to explicitly determine the purposes of holding each security and classify it into (i) securities held for trading purposes ("trading securities"), (ii) debt securities intended to be held to maturity ("held-to-maturity debt securities"), (iii) equity securities issued by subsidiaries and affiliates, or (iv) all other securities that are not classified in any of the above categories ("available-for-sale securities"). "Held-to-maturity debt securities" are carried at amortized cost using the moving average method. Equity securities issued by unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at moving average cost. Japanese stocks classified as "available-for-sale securities" with readily determinable fair value (and stock-investment trust for the fiscal year ended March 31, 2011) are valued at the average market price of the final month of the fiscal year. "Available-for-sale securities" with readily determinable fair value other than Japanese stocks are valued at the balance sheet date. "Available-for-sale securities" whose fair value is extremely difficult to estimate are carried at cost using the moving average method. Valuation differences on "available-for-sale securities" are recorded as a separate component of net assets and reported in the consolidated balance sheets.

(b) Securities in money held in trust are classified and accounted for in the same manner as securities described above.

(3) Financial Derivatives

Financial derivatives (excluding those for trading purposes) are stated at fair value.

(4) Depreciation and Amortization Methods

(a) Tangible Fixed Assets (except lease assets)

Tangible fixed assets of the consolidated subsidiary trust

banks are depreciated using the declining-balance method (except for buildings acquired on or after April 1, 1998, which are depreciated using the straight-line method).

Useful lives of major asset categories:

March 31	2012	2011
Buildings	3 to 60 years	10 to 50 years
Others	2 to 20 years	3 to 8 years

At SMTH and consolidated subsidiaries, tangible fixed assets are depreciated mainly using the straight-line method over the estimated useful lives of the assets.

(b) Intangible Fixed Assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over the useful life specified by SMTH or the consolidated subsidiaries, generally five years.

(c) Lease Assets

The lease assets within tangible fixed assets that are related to finance leases in which there is no transfer of ownership of the lease assets are depreciated using the straight-line method over the term of the lease and assuming a residual value of zero.

(5) Allowance for Loan Losses

The major domestic consolidated subsidiaries record allowance for loan losses in accordance with internally established standards for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings ("legal bankruptcy") and against borrowers that are in substantially similar adverse condition ("virtual bankruptcy"), an allowance is provided based on the amount of claims, deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the carrying amount after a direct deduction described below. For claims against borrowers that have not yet initiated bankruptcy proceedings but are very likely to do so ("possible bankruptcy"), an allowance is provided for the amount deemed necessary based on an overall assessment of the borrowers' repayment ability, deducting the amount expected to be collected through the disposal of collateral or execution of guarantees.

For claims against large borrowers that are classified as possible bankruptcy borrowers or restructured loan borrowers (for the fiscal year ended March 31, 2012 and 2011), or close

observation borrowers (for the fiscal year ended March 31, 2012), for which future cash flows from principal collection and interest receipt can be reasonably estimated, an allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim ("estimated cash flow method").

For claims that are classified as other than those above, a general allowance is provided based on the historical loan-loss ratio.

All claims are assessed by the branches and the Global Credit Supervision Departments based on the criteria for self-assessment of asset quality. The Internal Audit Department and the Risk Management Department, which are independent from the operating sections, monitor the results of such assessments and an allowance is provided based on the results of such assessments.

As for the other consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratio, and the allowance for loan losses for specific claims is provided based on estimates of unrecoverable amounts for each claim.

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, the expected uncollectible amounts, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted out of the original amount of claims. The deducted amount was ¥57,639 million (U.S.\$702 million) and ¥22,345 million for the fiscal year ended March 31, 2012 and 2011, respectively.

(6) Provision for Bonuses

The provision for bonuses is provided for the estimated employee bonuses attributable to the fiscal year.

(7) Provision for Directors' Bonuses

The provision for directors' bonuses is provided at some of the consolidated subsidiaries for the estimated directors' bonuses attributable to the current fiscal year.

(8) Provision for Retirement Benefits

The provision for retirement benefits is provided based on the projected benefit obligation and the fair value of the

plan assets at the respective balance sheet date. Prepaid pension expenses of ¥152,474 million (U.S.\$1,856 million) and ¥95,318 million for the fiscal year ended March 31, 2012 and 2011, respectively are included within "Other Assets."

Prior service costs and actuarial gains or losses are expensed using the following methods.

Prior service costs: Prior service costs are recognized in income or expenses using the straight-line method over a prescribed number of years within the average expected remaining service period of employees when incurred in the fiscal year (mainly 10 years in fiscal year 2011, 8 to 9 years in fiscal year 2010).

Actuarial gains and losses: Actuarial gains and losses are recognized in income or expenses using the straight-line method over a prescribed number of years within the average expected remaining service period of employees when incurred in each fiscal year (mainly 10 years in fiscal year 2011) commencing with the following fiscal year when incurred.

(Additional Information)

In conjunction with the merger of three SMTH consolidated subsidiaries (the Chuo Mitsui Trust and Banking Company, Limited ("CMTB"), Chuo Mitsui Asset Trust and Banking Company, Limited ("CMAB") and STB) on April 1, 2012, the current retirement benefit plans of SMTH and the three subsidiaries transitioned to a new retirement benefit program consisting of a defined-benefit pension plan, a defined-contribution pension plan, and a lump-sum retirement benefit plan on the same day.

For accounting purposes, this transition is treated as prescribed in "Accounting for Transfers between Retirement Benefit Plans" (Accounting Standards Board of Japan (the "ASBJ") Guidance No. 1, January 31, 2002) and in "Practical Solution on Accounting for Transfers between Retirement Benefit Plans" (Practical Issues Task Force (PITF) No. 2, revised February 7, 2007).

Due to this transfer, the projected benefit obligation increased ¥836 million (U.S.\$10 million) and a prior service costs of the same amount was incurred. From the current fiscal year, this amount is recognized in income or expenses using the straight-line method over the average expected remaining service years (10 years).

This change will have no material effect on profit or loss in the current fiscal year.

(9) Provision for Directors' Retirement Benefits

The provision for directors' retirement benefits is provided at some of the consolidated subsidiaries for the expected amount of directors' retirement benefits deemed as arising in the current fiscal year.

(10) Provision for Reimbursement of Deposits

At the consolidated subsidiary trust banks, the provision for reimbursement of deposits is provided for the deposits that were derecognized as liabilities under certain conditions against the estimated future reimbursement requested by customers calculated based on the past reimbursement record.

(11) Provision for Contingent Losses

The provision for contingent losses is provided for contingent losses associated with trust transactions in the amount deemed necessary based on estimated possible future losses.

(12) Provision for Relocation Expenses

The provision for relocation expenses is provided for losses associated with consolidating and jointly developing office buildings in the Tokyo metropolitan area in the reasonably estimated amount.

(13) Foreign Currency Translation

The consolidated subsidiary trust banks' assets and liabilities that are denominated in foreign currencies, and overseas branch accounts are generally translated into yen at the exchange rate prevailing at the balance sheet date, except for shares of affiliates translated into yen at the exchange rate prevailing at the acquisition date. Other consolidated subsidiaries' assets and liabilities that are denominated in foreign currencies are translated into yen at the exchange rate prevailing at their respective balance sheet dates.

(14) Accounting for Leases

(As lessees)

As for the domestic consolidated subsidiaries, transactions of finance leases without transfer of ownerships which started before April 1, 2008 have been accounted for

according to the same accounting treatment used in operating leases.

(As lessors)

As for the domestic consolidated subsidiaries, the income and expenses for transactions of finance leases without transfer of ownerships were accounted for the sales and costs of goods sold when lease payments were collected.

(15) Hedge Accounting

(a) Interest-Related Transactions

The consolidated subsidiary trust banks manage interest rate risk arising from various assets and liabilities by using financial derivative transactions and such transactions are generally treated as deferred hedges in accordance with "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Auditing Committee Report No. 24, "Report No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, the deposits, loans and bills discounted and other hedged items and the interest rate swaps and other hedging transactions are grouped by their durations to maturity.

The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest volatility factors for the hedged items and the hedging transactions.

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No.15), SMTH had adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which were utilized to manage interest rate exposure of certain changes of transactions such as loans and deposits. Deferred hedge gains (losses) resulted from "Macro Hedge Accounting" are amortized over the remaining period for each hedging transaction. Deferred hedge losses associated with macro hedges during the current fiscal year totaled ¥824 million (U.S.\$10 million) (before tax effect) and deferred hedge gains totaled ¥24 million (U.S.\$0 million) (before tax effect).

(b) Currency-Related Transactions

The consolidated subsidiary trust banks manage foreign exchange risk arising from various assets and liabilities denominated in foreign currencies by using financial derivative transactions and such transactions are generally treated as deferred hedges as specified accordance with in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Auditing Committee Report No. 25, "Report No. 25").

The effectiveness of cross currency swaps and foreign exchange swaps as a means of hedging to mitigate the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies is evaluated by verifying that the foreign-currency positions under hedging transactions are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies.

Additionally, transactions intended to hedge the currency risk associated with foreign-denominated available-for-sale securities (other than bonds) are treated as portfolio hedges and fair-value hedge accounting is used, on the condition that specific foreign-denominated securities are designated in advance as hedged items and that there are forward obligations in excess of the foreign-currency basis acquisition cost of such foreign-denominated securities.

(c) Internal Hedge Transactions and Others

Among derivatives, those interest rate swaps and cross currency swaps designated as being for hedging purposes that take place between consolidated subsidiaries or other internal transactions that take place between a designated trading account and some other account are carried out in accordance with the standards for external covered transactions that are deemed to eliminate discretion and make it possible to strictly administer hedges, pursuant to the Report No. 24 and No. 25; and therefore the gains or expenses arising from such interest rate swaps and cross currency swaps are recognized in income or deferred rather than eliminated.

Certain assets and liabilities are treated as deferred hedges or fair value hedges, by the individual transaction.

Other consolidated subsidiaries treat transactions as deferred hedges, fair value hedges, or accrual-basis hedge accounting on interest rate swaps, by the individual transaction.

(16) Amortization of Goodwill

Goodwill is amortized over the duration that is reasonably determined by each case within 20 years. However, it is expensed as incurred during each fiscal year if deemed immaterial.

(17) Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

In preparing the consolidated statements of cash flows, cash and due from banks from the Bank of Japan in the case of consolidated subsidiaries engaged in trust banking business, and cash and due from banks in the case of SMTH and other consolidated subsidiaries are consolidated to be cash and cash equivalents.

(18) National and Local Consumption Taxes

National and local consumption taxes payable by SMTH and its domestic consolidated subsidiaries are accounted for using the tax-excluded method. However, any non-deductible consumption taxes associated with asset purchases are recorded as an expense during the fiscal year.

Notes to Consolidated Balance Sheet**1. Trading Assets and Trading Liabilities**

(1) Trading assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Trading Account Securities	¥ 45,442	¥ 314	\$ 553
Derivatives of Trading Securities	3	—	0
Derivatives of Securities Related to Trading Transactions	126	—	2
Trading-Related Financial Derivatives	316,906	12,295	3,858
Other Trading Assets	238,659	23,958	2,905
Total	¥ 601,138	¥ 36,568	\$ 7,318

(2) Trading liabilities as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Derivatives of Securities Related to Trading Transactions	¥ 19	¥ —	\$ 0
Trading-Related Financial Derivatives	179,101	7,716	2,180
Total	¥ 179,120	¥ 7,716	\$ 2,180

Additional Information

SMTH conducted the share exchange on April 1, 2011 under which SMTH became the parent company and STB became the wholly owned subsidiary. Based on the Accounting Standard for Business Combinations, this share exchange is a reverse acquisition wherein SMTH is considered to be the acquired company and STB to be the acquiring company. Therefore, the consolidated assets and liabilities of SMTH were transferred to the consolidated balance sheets of STB at fair value. As a result, there is no continuity between our consolidated-basis financial statements for the prior fiscal year and our consolidated-basis financial statements for the current fiscal year.

SMTH Group adopted ASBJ Statement No. 24 "Accounting Standard for Accounting Changes and Error Corrections" (issued by ASBJ on December 4, 2009) and Implementation Guidance No. 24 "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (issued by ASBJ on December 4, 2009) for accounting changes and corrections of past errors from the beginning of the current fiscal year. However, for purposes of comparison, we present the notes to consolidated financial statements of the former CMTH for the prior fiscal year.

2. Securities

Securities held as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Government Bonds	¥ 3,192,071	¥ 1,358,354	\$ 38,857
Local Government Bonds	16,872	154	205
Corporate Bonds	828,224	294,437	10,082
Stocks	1,056,454	595,453	12,860
Other Securities	1,702,103	1,462,113	20,719
Total	¥ 6,795,726	¥ 3,710,513	\$ 82,723

Stocks, including investments in unconsolidated subsidiaries and affiliates, amounted to ¥37,548 million (U.S.\$457 million) and ¥20,317 million, and investments in capital of partnerships amounted to ¥100,572 million (U.S.\$1,224 million) and ¥112,795 million as of March 31, 2012 and 2011, respectively.

As of March 31 2011, securities held in hand, which SMTH purchased under resale agreement and borrowed with cash collateral, were ¥9,383 million. SMTH has the right, through sale or (re-) collateralization, to dispose of these securities, but still holds the entire amount as of the balance sheet date.

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Bills Discounted	¥ 6,923	¥ 3,035	\$ 84
Loans Bills	366,967	1,280,104	4,467
Loans on Deeds	17,770,692	6,832,558	216,320
Overdrafts	2,491,874	748,567	30,333
Total	¥ 20,636,457	¥ 8,864,266	\$ 251,205

SMTH treats bills discounted as financial transactions in accordance with the "Report No. 24." SMTH holds the right to freely dispose of such commercial bills through sale or (re-) collateralization, and the total face value of these bills amounted to ¥6,923 million (U.S.\$84 million) and ¥3,035 million as of March 31, 2012 and 2011, respectively.

Under SMTH's Self-Assessment Rules, SMTH classifies

loans as "Delinquent Loans" if borrowers are virtually bankrupt or potentially bankrupt. For claims to debtors who are legally bankrupt or virtually bankrupt with collateral or guarantees, the expected uncollectible amounts, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are deducted directly out of the original amount of claims.

Loans and bills discounted as of March 31, 2012 and 2011 included the followings:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Loans in Bankruptcy Proceedings	¥ 19,602	¥ 11,195	\$ 239
Other Delinquent Loans	128,451	52,814	1,564
Loans more than Three Months Past Due	64	43	1
Restructured Loans	91,624	33,487	1,115
Total	¥ 239,742	¥ 97,541	\$ 2,918

Loans in bankruptcy proceedings are non-accrual loans outstanding (not including the portion written off) to borrowers who are legally bankrupt as defined in Paragraph 1, Item 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order No. 97 of 1965).

Other delinquent loans are non-accrual loans other than (i) loans in bankruptcy proceedings and (ii) loans for which interest payments have been rescheduled in connection with a borrower's business restructuring or to otherwise provide support.

Loans more than three months past due are those loans for which principal or interest payments are more than

three months past due (calculated from the day following the contractual payment date), excluding loans classified as loans in bankruptcy proceedings or other delinquent loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise making some arrangement favorable to the borrower in connection with a borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, other delinquent loans, or loans more than three months past due.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Assets Pledged as Collateral:			
Trading Assets	¥ 109,183	¥ —	\$ 1,329
Securities	1,345,166	1,765,965	16,375
Loans and Bills Discounted	1,135,513	527,615	13,822
Lease Receivables and Investment Assets	14,161	—	172
Other Assets	382	69	5
Total	2,604,408	2,293,650	31,703
Corresponding Liabilities of the Assets Pledged as Collateral:			
Deposits	3,779	6,475	46
Payables under Repurchase Agreements	211,531	—	2,575
Payables under Securities Lending Transactions	227,956	1,161,653	2,775
Borrowed Money	321,350	585,330	3,912
Total	¥ 764,618	¥ 1,753,459	\$ 9,308

In addition to the foregoing, as of March 31, 2012, ¥1,323,866 million (U.S.\$16,115 million) in securities and ¥992 million (U.S.\$12 million) in other assets have been pledged as collateral for settlement of cash and derivative transactions and others or substitution of margin of future market and others.

"Other Assets" includes ¥2,578 million (U.S.\$31 million) in initial margins of futures markets, ¥28,518 million (U.S.\$347 million) in security deposits, and ¥135,168 million (U.S.\$1,645 million) in cash collateral for derivatives transactions.

As of March 31, 2011, ¥691,706 million in securities have been pledged as collateral for settlement of cash and derivative transactions and others or substitution of margin

of future market and others. "Other Assets" includes ¥8,794 million in security deposits.

5. Overdraft Facilities and Commitment Lines of Credit

Overdraft facilities and committed lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amount of unused credit under such agreements is ¥10,995,004 million (U.S.\$133,841 million) and ¥2,659,342 million, of which ¥9,107,162 million (U.S.\$110,860 million) and ¥2,507,273 million is attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2012

and 2011, respectively.

Because most of these agreements expire without credit being extended, the balance of unused credit will not necessarily affect the future cash flows of the consolidated subsidiaries. In addition, most of these agreements contain clauses allowing the consolidated subsidiaries to reject requests for credit outright or reduce credit limits due to

changed financial circumstances, the need to preserve claims, or other reasonable causes. Besides requesting collateral in the form of real estate or securities as necessary at the time of the agreement, SMTH has also adopted other measures to keep credit sound, such as periodically assessing the condition of our customers' businesses using pre-determined internal procedures, and revising agreements as needed.

6. Tangible Fixed Assets

Tangible fixed assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Land	¥ 144,607	¥ 80,955	\$ 1,760
Buildings	82,763	34,835	1,007
Lease Assets	299	—	4
Construction in Progress	1,300	291	16
Others	15,933	7,502	194
Total	¥ 244,904	¥ 123,584	\$ 2,981

Accumulated depreciation amounted to ¥119,745 million (U.S. \$1,458 million) and ¥90,225 million, and advanced depreciation amounted to ¥27,500 million (U.S. \$335 million) and ¥7,243 million as of March 31, 2012 and 2011, respectively.

As for the fiscal year ended March 31, 2012:

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use taken over from STB was revalued as of March 31, 1999, and an amount equivalent to the taxes on the resulting valuation difference was recorded as "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount remaining after deducting this was recorded as "Revaluation Reserve for Land" in net assets.

The revaluation was calculated, after making reasonable adjustments, based on the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998) and the frontage price under Item 4 of Article 2 of the same Order.

Difference between the fair value and revalued book value of the land for business operations subject to the Article 10 of the Act was ¥8,859 million (U.S.\$108 million) as of March 31, 2012.

As for the fiscal year ended March 31, 2011:

In accordance with the Act, land for commercial use

taken over from The Mitsui Trust and Banking Company, Limited, the forerunner of CMTB, was revalued as of March 31, 1998, and an amount equivalent to the taxes on the resulting valuation difference was recorded as "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount remaining after deducting this was recorded as "Revaluation Reserve for Land" in net assets.

The revaluation was calculated, after making reasonable adjustments (time point adjustment and corrections for regional and individual differences), based on the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119, promulgated on March 31, 1998), the standard prices for the benchmark properties as prescribed in Item 2 of Article 2 of the same Order, and the prices registered in the tax rolls for such land for commercial use as prescribed by Item 3 of Article 2 of the same Order.

Difference between the fair value and revalued book value of the land for business operations subject to the Article of the Act was ¥4,625 million as of March 31, 2011.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Software	¥ 75,730	¥ 18,886	\$ 922
Goodwill	111,886	33,034	1,362
Others	17,550	5,074	214
Total	¥ 205,167	¥ 56,994	\$ 2,497

8. Other Assets

Other assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Domestic Exchange Settlement Account, Debit	¥ 385	¥ —	\$ 5
Prepaid Expenses	3,809	861	46
Accrued Income	93,330	36,556	1,136
Initial Margins of Futures Markets	2,578	245	31
Variation Margins of Futures Markets	914	4	11
Prepaid Pension Expenses	152,474	95,318	1,856
Financial Derivatives	351,783	41,004	4,282
Receivables for Securities Transactions	5,879	74,411	72
Others	588,964	145,553	7,169
Total	¥ 1,200,118	¥ 393,956	\$ 14,609

9. Deposits

Deposits as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Current Deposits	¥ 471,752	¥ 114,642	\$ 5,743
Ordinary Deposits	3,314,392	1,368,505	40,346
Deposits at Notice	85,654	18,618	1,043
Time Deposits	17,740,646	7,684,782	215,954
Others	465,391	105,454	5,665
Total	¥ 22,077,837	¥ 9,292,002	\$ 268,750

10. Borrowed Money

Borrowed money as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Subordinated Borrowings	¥ 222,629	¥ 92,500	\$ 2,710
Borrowed Money	899,635	586,483	10,951
Total	¥ 1,122,265	¥ 678,983	\$ 13,661

Average interest rates of the borrowed money were 1.00% and 0.40% for the fiscal years ended March 31, 2012 and 2011, respectively.

Annual maturities of borrowed money as of March 31, 2012, for the next 5 years are as follows:

Fiscal year ending March 31	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
2013	¥ 517,175		\$ 6,296
2014	108,567		1,322
2015	126,641		1,542
2016	49,178		599
2017	40,434		492
Total	841,997		10,250

11. Bonds Payable

Bonds payable as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Perpetual Subordinated Bonds	¥ 146,892	¥ 94,247	\$ 1,788
Subordinated Bonds	734,584	173,000	8,942
Other Bonds Payable	61,201	—	745
Total	942,677	267,247	11,475

Annual maturities of bonds payable as of March 31, 2012, for the next 5 years are as follows:

Fiscal year ending March 31	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
2013	¥ 439,658		\$ 5,352
2014	125,397		1,526
2015	191,993		2,337
2016	72,992		889
2017	58,983		718
Total	889,025		10,822

12. Borrowed Money from Trust Account

Borrowed money from trust account represents surplus funds in the trust accounts loaned to the banking account and utilized herein.

13. Other Liabilities

Other liabilities as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Domestic Exchange Settlement Account, Credit	¥ 446	¥ —	\$ 5
Income Taxes Payable	10,739	3,166	131
Accrued Expenses	158,216	67,572	1,926
Unearned Income	69,360	31,800	844
Variation Margins of Futures Markets	627	—	8
Financial Derivatives	323,381	33,629	3,936
Lease Obligations	5,758	—	70
Asset Retirement Obligations	5,985	1,082	73
Payables for Securities Transaction	462	41	6
Provision for loss on interest repayment	647	—	8
Others	155,622	18,761	1,894
Total	¥ 731,248	¥ 156,055	\$ 8,901

14. Acceptances and Guarantees

The bonds within "Securities" include ¥251,485 million (U.S.\$3,061 million) and ¥138,578 million in guarantees for bonds that were placed through private securities offerings (Paragraph 3 of Article 2 of the "Financial Instruments and Exchange Act"), as of March 31, 2012 and 2011, respectively.

Notes to Consolidated Statement of Income

1. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Interest on Interest Rate Swaps	¥ —	¥ 2,948	\$ —
Interest on Monetary Claims Bought	4,020	1,155	49
Others	1,668	216	20
Total	¥ 5,688	¥ 4,320	\$ 69

(2) Other interest expenses for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Interest on Interest Rate Swaps	¥ 3,906	¥ —	\$ 48
Others	6,778	4,983	83
Total	¥ 10,684	¥ 4,983	\$ 130

2. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Income from Trading Securities and Derivatives	¥ 168	¥ 8	\$ 2
Income from Trading-related Financial Derivatives Transactions	11,759	3,837	143
Other Trading Income	561	96	7
Total	¥ 12,488	¥ 3,943	\$ 152

(2) Trading expenses for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Expenses on Securities Related to Trading Transactions	¥ 83	¥ 441	\$ 1
Total	¥ 83	¥ 441	\$ 1

3. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Net Gains on Foreign Exchange	¥ 3,615	¥ 231	\$ 44
Gains on Sales and Redemption of Bonds	111,346	35,981	1,355
Others	418,483	11	5,094
Total	¥ 533,445	¥ 36,224	\$ 6,494

(2) Other ordinary expenses for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Losses on Sales and Redemption of Bonds	¥ 7,997	¥ 8,611	\$ 97
Losses on Derivatives	4,096	472	50
Others	377,329	143	4,593
Total	¥ 389,422	¥ 9,228	\$ 4,740

4. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Gains on Sales of Stocks and Other Securities	¥ 7,325	¥ 15,838	\$ 89
Gains on Money Held in Trust	658	115	8
Net Reversal of Allowance for Possible Loan Losses	—	764	—
Recoveries of Written-off Claims	13,437	6,926	164
Gains on Disposal of Fixed Assets	347	141	4
Gains on Negative Goodwill	46,061	—	561
Other	20,046	5,078	244
Total	¥ 87,877	¥ 28,865	\$ 1,070

(Note) "Gains on Negative Goodwill" contains the amount of difference between the acquisition cost of some consolidated subsidiaries' shares acquired additionally from minority shareholders and corresponding decreased amount of minority interests, other than the amount (¥43,431 million (\$529 million)) due to the share exchange between SMTH and STB.

(2) Other expenses for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Losses on Sales of Loans	¥ 144	¥ —	\$ 2
Write-off of Loans	4,131	3,173	50
Losses on Sales of Stocks and Other Securities	10,909	6,220	133
Losses on Devaluation of Stocks and Other Securities	30,345	6,692	369
Losses on Money Held in Trust	207	—	3
Provision of Allowance for Loan Losses	15,252	—	186
Losses on Disposal of Fixed Assets	823	759	10
Losses on Impairment of Fixed Assets	11,578	1,108	141
Management Integration Expenses	8,840	3,397	108
Other	35,763	19,488	435
Total	¥ 117,998	¥ 40,840	\$ 1,436

5. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Taxes other than Income Taxes	¥ 13,672	¥ 5,535	\$ 166
Personnel Expenses	175,761	75,609	2,140
Others	197,123	59,785	2,400
Total	¥ 386,558	¥ 140,931	\$ 4,706

Note to the Consolidated Statement of Comprehensive Income

1. Reclassification adjustments and the related tax effects concerning Other Comprehensive Income

Reclassification adjustments and the related tax effects concerning Other Comprehensive Income for the fiscal year ended March 31, 2012 consisted of the following:

	Millions of Yen	Millions of U.S. Dollars
	March 31, 2012	March 31, 2012
Valuation Difference on Available-for-Sale Securities:		
The Amount Arising During the Period	¥ 133,274	\$ 1,622
Reclassification Adjustments	(96,061)	(1,169)
Before Adjustments to Tax Effects	37,213	453
The Amount of Tax Effects	(11,288)	(137)
Valuation Difference on Available-for-Sale Securities	25,924	316
Deferred Gains or Losses on Hedges:		
The Amount Arising During the Period	(28,250)	(344)
Reclassification Adjustments	7,336	89
Before Adjustments to Tax Effects	(20,914)	(255)
The Amount of Tax Effects	7,384	90
Deferred Gains or Losses on Hedges	(13,530)	(165)
Revaluation Reserve for Land:		
The Amount Arising During the Period	—	—
Reclassification Adjustments	—	—
Before Adjustments to Tax Effects	—	—
The Amount of Tax Effects	632	8
Revaluation Reserve for Land	632	8
Foreign Currency Translation Adjustment:		
The Amount Arising During the Period	(113)	(1)
Reclassification Adjustments	10	0
Before Adjustments to Tax Effects	(102)	(1)
The Amount of Tax Effects	—	—
Foreign Currency Translation Adjustment	(102)	(1)
Attributable to Equity Method Affiliates:		
The Amount Arising During the Period	(1,607)	(20)
Reclassification Adjustments	237	3
Attributable to Equity Method Affiliates	(1,370)	(17)
The Total Amount of Other Comprehensive Income	¥ 11,554	\$ 141

Notes to Consolidated Statement of Changes in Net Assets

1. Issued Shares and Treasury Stock

Issued shares and treasury stock for the fiscal year ended March 31, 2012 and 2011 consisted of the following:

	Thousands of Shares				
	Authorized	Number of Shares Outstanding at the Beginning of the Current Period	Increase	Decrease	Number of Shares Outstanding at the End of the Current Period
March 31, 2012					
Number of Issued Shares:					
Common Share	8,500,000	1,658,426	2,495,060	—	4,153,486
The First Series of Class 7 Preferred Shares	200,000	—	109,000	—	109,000
Total	8,700,000	1,658,426	2,604,060	—	4,262,486
Treasury Stock:					
Common Share		411	490	138	763

1) The number of issued common shares increased by 2,495,060 thousand shares as a result of the new shares issued in conjunction with the share exchange for STB common shares that was executed on April 1, 2011.

2) The number of First Series of Class 7 Preferred Shares increased by 109,000 thousand shares as a result of the new shares issued in conjunction with the share exchange for STB First Series of Class 2 Preferred Shares that was executed on April 1, 2011.

3) The number of common shares held as treasury stocks increased by 486 thousand shares due to purchases of odd-lot shares and by 4 thousand shares due to purchases of fractional shares in conjunction with the share exchange with STB that was executed on April 1, 2011.

4) The number of common shares held as treasury stock decreased by 138 thousand shares due to purchase requests from odd-lot shareholders.

	Thousands of Shares				
	Authorized	Number of Shares Outstanding at the Beginning of the Current Period	Increase	Decrease	Number of Shares Outstanding at the End of the Current Period
March 31, 2011					
Number of Issued Shares:					
Common Share	4,068,332	1,658,426	—	—	1,658,426
Treasury Stock:					
Common Share		366	53	7	411

1) The increase in the number of the treasury stock of common stock includes shares acquired within the preapproved limit on treasury stock acquisition of odd-lot shares. The decrease includes the disposal of odd-lot shares.

2. Subscription Rights to Shares

Subscription Rights to Shares for the fiscal year ended March 31, 2012 consisted of the following:

Issued Company	Content of Subscription Rights to Shares	Millions of Yen		Millions of U.S. Dollars	
		2012	2012	2012	2012
SMTH	Subscription Rights to Shares as Stock Options	¥ 6		\$ 0	
Consolidated Subsidiary					
(Nikko Asset Management Co., Ltd.)	Subscription Rights to Shares as Stock Options	¥ —		\$ —	
	Subscription Rights to Shares as Treasury Stock Options				

3. Dividends

Dividends paid for the fiscal year ended March 31, 2012 and 2011 consisted of the following:

As for fiscal year ended March 31, 2012:

The following dividend amounts were paid to shareholders appearing in the last record of the Register of Shareholders of the former CMTH as of March 31, 2011.

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)	Yen (U.S. Dollars)		
June 29, 2011					
Ordinary General Meeting of Shareholders	Common Share	¥6,632 (\$ 81)	¥ 4.00 (\$ 0.05)	March 31, 2011	June 30, 2011

SMTH conducted a share exchange on April 1, 2011 under which SMTH became the parent company and STB became the wholly owned subsidiary. The following dividend amounts were approved at the Ordinary General

Meeting of Shareholders of STB and distributed by STB to shareholders appearing in the last record of the Register of Shareholders as of March 31, 2011.

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)	Yen (U.S. Dollars)		
June 28, 2011					
Ordinary General Meeting of Shareholders	Common Share	¥ 13,396 (\$ 163)	¥ 8.00 (\$ 0.10)	March 31, 2011	June 30, 2011
	The First Series of Class 2	¥ 2,305 (\$ 28)	¥ 21.15 (\$ 0.26)	March 31, 2011	June 30, 2011
	Preferred Shares				

The following dividend amounts were paid to shareholders appearing in the last record of the Register of Shareholders of SMTH as of September 30, 2011.

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)	Yen (U.S. Dollars)		
November 14, 2011					
Board of Directors' Meeting	Common Share	¥ 16,611 (\$ 202)	¥ 4.00 (\$ 0.05)	September 30, 2011	December 2, 2011
	The First Series of Class 7	¥ 2,305 (\$ 28)	¥ 21.15 (\$ 0.26)	September 30, 2011	December 2, 2011
	Preferred Shares				

As for fiscal year ended March 31, 2011:

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen	Yen		
June 29, 2010					
Ordinary General Meeting of Shareholders	Common Share	¥ 13,264	¥ 8.00	March 31, 2010	June 30, 2010
November 12, 2010					
Board of Directors' Meeting	Common Share	¥ 6,632	¥ 4.00	September 30, 2010	December 3, 2010

For the fiscal year ended March 31, 2012, dividends, whose record date is during the current fiscal year and whose effective date of distribution is after the end of the current fiscal year, are as follows:

Resolution	Type of Shares	Cash Dividends Declared	Resources Allotted for the Distribution	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)		Yen (U.S. Dollars)		
June 28, 2012						
Ordinary General Meeting of Shareholders	Common Share	¥ 18,687 (\$ 227)	Retained Earnings	¥ 4.50 (\$ 0.05)	March 31, 2012	June 29, 2012
	The First Series of Class 7 Preferred Shares	¥ 2,305 (\$ 28)	Retained Earnings	¥ 21.15 (\$ 0.26)	March 31, 2012	June 29, 2012

Notes to Consolidated Statement of Cash Flows

1. Reconciliation of Cash and Cash Equivalents

The following table shows the reconciliation between "Cash and Cash Equivalents" in the consolidated statements of cash flows, and "Cash and Due from Banks" in the consolidated balance sheets as of March 31, 2012 and 2011.

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Cash and Due from Banks	¥ 2,597,784	¥ 502,160	\$ 31,622
Due from Banks (excluding Due from the Bank of Japan)	(871,209)	(36,939)	(10,605)
Cash and Cash Equivalents	¥ 1,726,575	¥ 465,221	\$ 21,017

2. Information about the Business Combination (Reverse Acquisition)

SMTH conducted the share exchange on April 1, 2011 under which SMTH became the parent company and STB became the wholly owned subsidiary. Based on the Accounting Standard for Business Combinations, this share exchange is a reverse acquisition wherein SMTH is considered to be the acquired company and STB to be the acquiring company. Therefore, the consolidated assets and

liabilities of SMTH were transferred to the consolidated balance sheets of STB at fair value. The amount presented as "Cash and Cash Equivalents at the Beginning of the Period" represents STB's consolidated amount at the beginning of the period. As a result, there is no continuity between SMTH's balance for "Cash and Cash Equivalents" at the end of the prior fiscal year and at the end the current fiscal year.

3. Material Nonmonetary Transactions

(1) As the result of the share exchange between SMTH (the former CMTH) as the acquired company and STB as the acquiring company, assets and liabilities of SMTH (the former CMTH) are acquired and assumed at fair value. The acquired assets and assumed liabilities are as follows:

Amount of Assets

Total Assets

¥ 14,158,131 million (U.S.\$172,345 million)

Loans and Bills Discounted

¥ 8,855,145 million (U.S.\$107,792 million)

Amount of Liabilities

Total Liabilities

¥ 13,437,699 million (U.S.\$163,575 million)

Deposits ¥ 9,326,751 million (U.S.\$113,533 million)

SMTH's cash and cash equivalents ending balance of ¥465,221 million (U.S.\$5,663 million) is presented as the "Increase (Decrease) in Cash and Cash Equivalents Resulting from Share Exchange."

(2) Because the share of voting rights held in Japan Trustee Services Bank, Ltd., an existing equity-method affiliate, increased due to this share exchange, it was excluded from the scope of the equity method and included in the scope of consolidation during the current fiscal year. The increases in assets and liabilities due to Japan Trustee Services Bank, Ltd. in the scope of consolidation are as follows:

Amount of Assets

Total Assets

¥ 1,177,842 million (U.S.\$ 14,338 million)

Amount of Liabilities

Total Liabilities

¥ 1,120,127 million (U.S.\$ 13,635 million)

The increase in the amount of cash and cash equivalents due to Japan Trustee Services Bank, Ltd.'s addition to the scope of consolidation is presented as "Increase (Decrease) in Cash and Cash Equivalents at Changes in Scope of Consolidation."

Leases

1. Finance Leases

As lessees:

(1) Finance leases with no transfer of ownership

1) Description of lease assets

As of March 31, 2012, these assets consisted mainly of office equipment.

2) Method for amortizing lease assets

It is stated in "(4) Depreciation and Amortization Methods" of "4. Significant Accounting Policies" in the Significant Accounting Policies and Practices.

(2) Finance leases with no transfer of ownership that are treated as operating leases for accounting purposes

1) Acquisition costs, accumulated depreciation, accumulated impairment losses, and net leased property

Acquisition costs, accumulated depreciation, and net leased property as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		
	2012		
	Equipment	Other	Total
Acquisition Costs	¥ 3	¥ —	¥ 3
Accumulated Depreciation	3	—	3
Net Leased Property	0	—	0

	Millions of Yen		
	2011		
	Equipment	Other	Total
Acquisition Costs	¥ 13	¥ —	¥ 13
Accumulated Depreciation	11	—	11
Net Leased Property	1	—	1

	Millions of U.S. Dollars		
	2012		
	Equipment	Other	Total
Acquisition Costs	\$ 0	\$ —	\$ 0
Accumulated Depreciation	0	—	0
Net Leased Property	0	—	0

2) Obligations under finance leases

Obligations under finance leases as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
	Due in One Year or Less	¥ 0	¥ 1
Due More than One Year	—	0	—
Total	¥ 0	¥ 2	\$ 0

3) Total lease payments, depreciation expenses, interest expenses, and impairment losses

Total lease payments, depreciation expenses, interest expenses, and impairment losses for the fiscal year ended March 31, 2012 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
	Total Lease Payments	¥ 1	¥ 5
Depreciation Expenses	1	4	0
Interest Expenses	0	0	0

4) Calculation method of depreciation expenses

Depreciation expenses were calculated using the straight-line method over the term of the lease and assuming a residual value of zero.

5) Calculation method of interest expenses

Interest expenses were calculated as difference between total lease payments and acquisition costs of lease properties, allocated to each accounting period in the interest method.

2. Operating Leases

As lessees:

Total future lease payments under non-cancelable operating leases as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
	Due in One Year or Less	¥ 2,131	¥ 309
Due More than One Year	10,764	137	131
Total	¥ 12,896	¥ 447	\$ 157

As lessors:

Total future lease payments receivable under non-cancelable operating leases as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
	Due in One Year or Less	¥ 13,560	¥ —
Due More than One Year	23,405	—	285
Total	¥ 36,966	¥ —	\$ 450

Financial Instruments

1. Circumstances of Financial Instruments

(1) Group Policy for Financial Instruments

With SMTH in a pivotal position as bank holding company, SMTH Group is engaged in a range of financial service businesses including trust banking business by CMTB, CMAB and STB, lease business by the subsidiaries of the trust banking companies, finance-related businesses such as investment trust management business and private equity fund management business, research and consulting business, credit guarantee business and credit card business by other subsidiaries. To facilitate these businesses, SMTH Group holds financial assets such as loans for individual and corporate customers, and securities, while funding through savings deposits from individual and corporate customers, borrowed money and issuance of corporate bonds.

The policies as well as measures regarding how to manage or fund financial assets and liabilities are determined primarily under the annual plans prepared by each Group company.

Risks associated with the Group-wide financial assets and liabilities are monitored by SMTH.

CMTB, CMAB and STB monitor their respective risks while implementing comprehensive Asset-Liability Management (ALM). Meanwhile CMTB and STB are engaged in derivative transactions in an effort to control market risk and other risks arising from their assets and liabilities within the level commensurate with their management capacity. In addition, CMTB and STB are engaged in trading transactions for securities and derivatives while establishing "Trading accounts" distinguished from other accounts ("Banking accounts").

(2) Content and Risks of Financial Instruments

(a) Credit Risk

SMTH Group's credit arrangement involves loans to individual and corporate customers, along with investment in shares and bonds issued by its client companies and derivative transactions. Such credit arrangement is exposed to credit risk of the counterparties in the event of deterioration in their financial condition.

(b) Market Risk

In the course of trading and investment activities, SMTH Group handles financial instruments including equity securities, investment trusts, investments in silent partnerships, foreign securities, foreign exchanges and derivatives, in addition to a portfolio of domestic bonds consisting of primarily Japanese government bonds. These financial instruments are exposed to the market risk of fluctuations in interest rates, foreign exchange rates, and market prices of securities as well as volatility.

Some of these financial instruments are less liquid than listed equity securities and government bonds and thus more prone to market fluctuations.

One of SMTH Group's main sources of earnings is the spread between the interest income from loans and securities and interest expenses on deposits, which is exposed to the interest rate risk that such profit can be compromised by the magnitude and timing of fluctuations in investment interest rate and funding interest rate.

(c) Liquidity Risk on Fund Raising

SMTH Group raises funds primarily through savings deposits from domestic corporate and individual customers, along with repurchase agreements in the bond lending market, borrowed money and issuance of corporate bonds. These financing activities are exposed to the liquidity risk that financing could become costlier or more restricted due to the circumstances including deterioration in SMTH Group's financial condition or business results, bad reputation of SMTH Group, worsening economic environment and reduced market liquidity.

(d) Purpose of Derivative Transactions

(i) Banking Accounts

In banking accounts, SMTH Group enters into derivative transactions for the purpose of hedging against interest rate risk, currency exchange risk, and other risks pertaining to SMTH Group's assets and liabilities. In principle, mark-to-market accounting is applied to the banking account derivative transactions of SMTH Group. For those having high hedge effectiveness out of hedged derivative transactions, hedge accounting is applied and they are treated under the deferral hedge method, the fair value hedge

method and the special hedge accounting method for interest rate swaps.

(ii) Trading Accounts

In trading accounts, SMTH Group engages in derivative transactions primarily as a mean of earning a profit from short-term price fluctuations. SMTH Group also provides its customers with a broad range of high-value-added products and financial risk management methods based on these transactions. Before entering into such transactions, SMTH Group endeavors to ensure customers have sufficient understanding of the content and risks entailed in such transactions.

(3) Risk Management for Financial Instruments

SMTH Group sets out basic framework of the group-wide risk management in the Rules for Risk Management. Also, SMTH Group establishes Risk Management Department to control risk management providing supervision, control and guidance to bank subsidiaries regarding the development of an appropriate risk management system, as well as monitoring SMTH Group's risk situation.

(a) Credit Risk Management

SMTH Group's basic policy for managing credit risk associated with transactions involving credit arrangement is set out in the "Rules for Credit Risk Management," while specific procedures such as a rating system, assessment of assets and centralized credit risk management are set out in the "Rules for Corporation Credit Rating" and other rules.

To determine whether to provide credit for individual cases, the Credit Supervision Department independent of the Marketing Department conducts rigorous credit assessment and control in terms of criteria that includes purpose of loans, repayment capability, collateral effect and profitability on a case-by-case basis.

Credit lines for derivative and other transactions are established through strict procedures, in accordance with trading standards provided separately.

(b) Market Risk Management

(i) Market Risk Management

With regard to market risk, SMTH Group maintains a basic policy for managing market risks associated with market transactions through its Rules for Market Risk

Management and follows the Regulations for Market Risk Management to define specific managing methods, settlement and management of various limits and separation of organizations. An independent check system has been established whereby the divisions that execute transactions are clearly separate from the divisions that process the transactions, and overall management of market risk is consolidated under the Risk Management Department, which is independent of both the front and back offices and pinpoints the status of activities undertaken by both office categories. This department identifies and analyzes group-wide risk, tracks compliance with risk limits and reports to the director in charge on a daily basis and to the Executive Committee on a monthly basis.

In CMTB, risks arising from the fluctuations of investment interest rate and funding interest rate are managed by ALM. For the purpose of ALM, the Financial Planning Department supervises overall ALM operations, and the Risk Management Department is responsible for management and analysis, such as risk monitoring. The Risk Management Department is engaged in day-to-day monitoring by using gap analysis and interest rate sensitivity analysis based on the comprehensive grasp of interest rates and terms/maturities of financial asset and liabilities, which are reported monthly to the ALM Committee established with the purpose of discussing matters regarding ALM. The ALM Committee also discusses matters extending to the corporate policy for market-related transactions, development of cash planning and implementation of hedging operation.

In STB, the Board of Directors approves and determines the ALM Basic Plan and a risk management plan as important matters related to market risks under management plans. The Executive Committee deliberates and decides the ALM Basic Plan and a risk management plan referred by the ALM Committee. The ALM Committee plans the ALM Basic Plan on company-wide comprehensive risk operational management for assets/liabilities as well as a risk management plan related to market risk. The role of the Corporate Risk Management Department includes the monitoring of conditions of market risk managed under

the ALM Basic Plan, measuring risk amount and profits/losses, and planning and promoting market risk management measures. It also monitors the status of risk limits and loss limits. The department reports its findings to the members of the ALM Committee on a daily basis, and periodically to the ALM Committee as well as the Board of Directors.

(ii) Quantitative Information regarding Market Risk

a) Financial Instruments held in Banking Account

As the calculation method for the Value at Risk (VaR) of financial instruments held in banking account, CMTB adopts a historical simulation method (confidence interval: 99%, holding period: set in accordance with the components of instruments (maximum 1 year), and observation period: 3 years). And STB adopts the variance-covariance method for interest rates and foreign exchange, and mainly historical simulation method for stock prices (confidence interval: 99%, holding period: set in accordance with the components of instruments (maximum 1 year), and observation period: 260 business days (for interest rates and foreign rates), 1 year and 5 years together (for stock prices)).

As of March 31, 2012, the total amount of market risks (estimated loss) for financial instruments held in banking account of SMTH Group was ¥570.5 billion (U.S.\$6.94 billion), which included ¥257.0 billion (U.S.\$3.13 billion) of CMTB and ¥310.1 billion (U.S.\$3.77 billion) of STB.

We conduct back testing in order to compare the VaR calculated by model with actual profits and losses. Through the results of back testing in fiscal year 2011, we confirm that the model covers market risks precisely enough. Nonetheless, VaR measures the market risks under a certain event probability calculated statistically on the basis of the historical market volatility and it does not cover the market risk in case the market environment changes drastically.

b) Financial Instruments held in trading Account

As calculation method for the Value at Risk (VaR) of financial instruments held in trading account by historical simulation method (confidence interval: 99%, holding period: 10 business days, and observation period: 3 years) in CMTB, and by mainly variance-covariance method (confi-

dence interval: 99%, holding period: 10 business days, and observation period: 260 business days) in STB.

As of March 31, 2012, the total amount of market risks (estimated loss) for financial instruments held in trading account of SMTH Group was ¥2.5 billion (U.S.\$0.03 billion), which included ¥0.1 billion (U.S.\$0.00 billion) of CMTB and ¥2.4 billion (U.S.\$0.03 billion) of STB.

We conduct back testing in order to compare the VaR calculated by model with actual profits and losses. Through the results of back testing in fiscal year 2011, we confirm that the model covers market risks precisely enough. Nonetheless, VaR measures the market risks under a certain event probability calculated statistically on the basis of the historical market volatility and it does not cover market risk in case the market environment changes drastically.

(iii) Liquidity Risk Management on Fund Raising

SMTH Group's basic policy for managing liquidity risk is set out in the Rules for Cash Flow Risk Management. Liquidity risk is managed by the Risk Management Department that monitors compliance with the predetermined guidelines on funding gap, while contingency procedures are in place to enable flexible responses in the event of an emergency.

(4) Supplementary Explanation Concerning Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead. Calculation of such fair value involves certain assumptions, and could vary when different assumptions are employed.

2. Fair Values of Financial Instruments

The carrying amounts on the consolidated balance sheets and fair values of financial instruments as of March 31, 2012 and 2011 as well as the differences between these values are presented below. Because it is extremely difficult to determine the fair value of unlisted shares, they are excluded from the following table (see Note 2).

	Millions of Yen			Millions of U.S.Dollars		
	2012		Difference	2012		Difference
	Carrying Amount	Fair Value		Carrying Amount	Fair Value	
(1) Cash and Due from Banks	¥ 2,597,718	¥ 2,597,718	¥ —	\$ 31,622	\$ 31,622	\$ —
(2) Call Loans and Bills Bought (*1)	283,000	283,000	—	3,445	3,445	—
(3) Receivables under Resale Agreements	55,275	55,275	—	673	673	—
(4) Receivables under Securities Borrowing Transactions	18,616	18,616	—	227	227	—
(5) Monetary Claims Bought (*1)	470,829	471,640	811	5,731	5,741	10
(6) Trading Assets						
Trading Securities	284,102	284,102	—	3,458	3,458	—
(7) Money Held in Trust	7,296	7,296	—	89	89	—
(8) Securities						
Held-to-Maturity Debt Securities	589,460	625,951	36,490	7,175	7,620	444
Available-for-Sale Securities	5,892,748	5,892,748	—	71,732	71,732	—
(9) Loans and Bills Discounted	20,636,457			251,205		
Allowance for Loan Losses (*2)	(107,513)			(1,309)		
	20,528,944	20,691,549	162,604	249,896	251,875	1,979
(10) Foreign Exchanges	9,440	9,440	—	115	115	—
(11) Lease Receivables and Investment Assets (*1)	540,545	548,530	7,985	6,580	6,677	97
Total Assets	¥ 31,277,978	¥ 31,485,870	¥ 207,891	\$ 380,742	\$ 383,273	\$ 2,531
(1) Deposits	¥ 22,077,837	¥ 22,108,915	¥ 31,078	\$ 268,750	\$ 269,129	\$ 378
(2) Negotiable Certificates of Deposit	3,252,845	3,252,845	—	39,596	39,596	—
(3) Call Money and Bills Sold	125,173	125,173	—	1,524	1,524	—
(4) Payables under Repurchase Agreements	211,531	211,531	—	2,575	2,575	—
(5) Payables under Securities Lending Transactions	227,956	227,956	—	2,775	2,775	—
(6) Borrowed Money	1,122,265	1,130,689	8,424	13,661	13,764	103
(7) Foreign Exchanges	71	71	—	1	1	—
(8) Short-term Bonds Payable	377,859	377,859	—	4,600	4,600	—
(9) Bonds Payable	942,677	959,147	16,469	11,475	11,676	200
(10) Borrowed Money from Trust Account	2,107,227	2,107,227	—	25,651	25,651	—
Total Liabilities	¥ 30,445,446	¥ 30,501,418	¥ 55,972	\$ 370,608	\$ 371,289	\$ 681
Derivatives (*3)						
Derivative Transactions Not Qualifying for Hedge Accounting	¥ 134,910	¥ 134,910	¥ —	\$ 1,642	\$ 1,642	\$ —
Derivative Transactions Qualifying for Hedge Accounting	32,565	32,565	—	396	396	—
Total Derivatives	¥ 167,475	¥ 167,475	¥ —	\$ 2,039	\$ 2,039	\$ —

(*1) As allowance for credit losses corresponding to cash and due from banks, monetary claims bought, lease receivables and investment assets are immaterial, they are directly deducted from the carrying amounts.

(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from loans and bills

discounted.

(*3) Derivative transactions included in trading assets and trading liabilities or in other assets and other liabilities are presented collectively.

Receivables and payables arising from derivative transactions are presented on a net basis.

		Millions of Yen		
		2011		
		Carrying Amount	Fair Value	Difference
(1)	Cash and Due from Banks	¥ 502,160	¥ 502,160	¥ —
(2)	Call Loans and Bills Bought (*1)	6,936	6,936	—
(3)	Receivables under Security Borrowing Transactions	9,378	9,378	—
(4)	Monetary Claims Bought (*1)	99,842	100,413	571
(5)	Trading Assets			
	Trading Securities	24,273	24,273	—
(6)	Money Held in Trust	2,065	2,065	—
(7)	Securities			
	Held-to-Maturity Debt Securities	248,572	248,433	(138)
	Available-for-Sale Securities	3,217,371	3,217,371	—
(8)	Loans and Bills Discounted	8,864,266		
	Allowance for Loan Losses (*1)	(46,731)		
		8,817,534	8,875,778	58,243
	Total Assets	12,928,135	12,986,810	58,675
(1)	Deposits	9,292,002	9,326,751	34,748
(2)	Negotiable Certificates of Deposit	327,020	327,020	—
(3)	Call Money and Bills Sold	351,956	351,956	—
(4)	Payables under Securities			
	Lending Transactions	1,161,653	1,161,653	—
(5)	Borrowed Money	678,983	682,810	3,827
(6)	Bonds Payable	267,247	272,476	5,229
(7)	Borrowed Money from Trust Account	801,657	801,657	—
	Total Liabilities	12,880,520	12,924,325	43,805
	Derivatives Transactions (*2)			
	Derivative Transactions Not Qualifying for Hedge Accounting	5,318	5,318	—
	Derivative Transactions Qualifying for Hedge Accounting	8,080	8,080	—
	Total Derivatives	¥ 13,399	¥ 13,399	¥ —

(*1) A general allowance for loan losses and specific allowance for loan losses are deducted from loans and bills discounted.

As allowance for credit loss corresponding to monetary claims bought is immaterial, it is deducted from the carrying amount.

(*2) Derivative transactions included in trading assets and trading liabilities or in other assets and other liabilities are presented collectively.

Receivables and payables arising from derivative transactions are presented on a net basis.

(Note 1) Method for calculating fair values of financial instruments

As for the fiscal year ended March 31, 2012:

Assets

(1) Cash and Due from Banks, (2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements, (4) Receivables under Securities Borrowing Transactions, and (10) Foreign Exchanges

Because carrying amount closely approximates fair value for those transactions with no stated maturities, fair values for these instruments are stated at their carrying amounts. Because most transactions with stated maturities have short contractual terms (one year or less), the carrying amount closely approximates fair value, and therefore fair values for these instruments are stated at their carrying amounts.

(5) Monetary Claims Bought

Fair values for those monetary claims bought for which there are dealer association prices or dealer/broker-quoted prices are stated at such prices. Fair values for all other such claims are principally stated at present value, which is calculated by classifying them according to their internal ratings and maturities and discounting their future cash flows.

(6) Trading Assets

Bonds and other securities held for trading purposes are stated at dealer association prices or dealer/broker-quoted prices. For short-term corporate bonds, present value is calculated by discounting future cash flows.

(7) Money Held in Trust

The securities that constitute trust assets for money held in trust are stated at quoted market prices or dealer/broker-quoted prices.

Notes regarding money held in trust, classified by the purpose for which it is held, are presented under "Money Held in Trust."

(8) Securities

Stocks are stated at quoted market prices. Bonds are stated at quoted market prices, dealer association prices, or

dealer/broker-quoted prices. Investment trusts are stated at published reference prices. Privately placed bonds guaranteed by SMTH are stated at present value, which is calculated by classifying them according to their internal ratings and maturities and discounting their future cash flows.

Floating rate Japanese government bonds are stated at reasonably calculated values. The reasonably calculated values are provided by independent third parties and calculated by inputting price-determining variables such as JGB yields and swaption volatilities into discounted cash flow method and option pricing models.

Some asset-backed securities related to foreign credit investments are stated at reasonably calculated values. This applies to some residential mortgage-backed securities and credit card-backed securities. Discounted cash flow method is the model used to calculate the reasonably calculated prices based on reasonable estimates of management involved with such instruments, and the price-determining variables include default rates, recovery rates, pre-payment rates, and discount rates.

Notes regarding securities, classified by the purpose for which they are held, are presented under "Securities."

(9) Loans and Bills Discounted

Loan fair values are calculated by grouping loans according to loan terms, internal ratings, and maturities, and then discounting the aggregate principal and interest by the assumed interest rate for similar new loans. However, fair values for variable rate loans for which the carrying amount is deemed to closely approximate fair value due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loan are stated at the carrying amount.

Fair values for loans with no stated maturity (because the amount of credit is limited to value of the collateral or due to some other special characteristics) are stated at the carrying amount because the carrying amount is deemed to closely approximate fair value due to reasons such as the expected repayment time and the interest terms.

For loans to borrowers under legal bankruptcy, virtual bankruptcy and possible bankruptcy, estimated loan loss-

es are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these loans are stated at amounts after deducting the current estimated loan losses from the consolidated balance sheet amounts at the balance sheet date because this closely approximates fair value.

(11) Lease Receivables and Investment Assets

Fair values for lease receivables and investment assets are calculated by grouping these assets according to their internal ratings and maturities, and then discounting the aggregate principal and interest by the assumed interest rate for similar new agreements.

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the balance sheet date (carrying amount).

Yen fixed-rate time deposits are grouped by product type and stated at the present value of their future cash flows, using the rate that would be paid on new deposits as the discount rate. Fair values for fixed-rate time deposits with short maturities (one year or less) and floating-rate time deposits are generally stated at their carrying amounts because the carrying amount closely approximates fair value.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (5) Payables under Securities Lending Transactions, (7) Foreign Exchanges, (8) Short-term Bonds Payable, and (10) Borrowed Money from Trust Accounts

Those obligations with no stated maturities are stated at the amount that would have to be paid on demand at the balance sheet date (carrying amount). Because obligations with stated maturities have short contractual terms (one year or less), and the carrying amounts closely approximate fair value, fair values for these instruments are stated at their carrying amounts.

(6) Borrowed Money

Borrowed money is stated at present value, which is cal-

culated by discounting future cash flows by the assumed interest rate on similar borrowing. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts, which closely approximate fair value.

Fair values for borrowings by consolidated subsidiaries at variable rates are stated at their carrying amounts, which closely approximate fair value because it reflects short-term market interest rates and there have been no significant changes in credit condition subsequent to the borrowing.

(9) Bonds Payable

Bonds issued by SMTH and its consolidated subsidiaries are stated at market prices if such prices are available. Fair value for other bonds are stated at present value, calculated by discounting future cash flows by the assumed interest rate on similar corporate bonds.

Derivatives

Information about the fair value of derivatives is presented under "Derivatives."

As for the fiscal year ended March 31, 2011:

Assets

(1) Cash and Due from Banks

Deposits without maturity are stated at their carrying amounts as their fair values approximate carrying amounts. Deposits with maturities with shorter deposit terms (within one year) are stated at their carrying amounts as their fair values approximate carrying amounts.

(2) Call Loans and Bills Bought and (3) Receivables under Security Borrowing Transactions

These are subject to shorter agreed periods (within one year), and are stated at their acquisition costs as their fair values approximate acquisition costs.

(4) Monetary Claims Bought

Of the monetary claims bought, beneficiary certificates representing interest in a trust holding loan receivables are stated at the prices quoted by brokers. Other monetary claims bought with shorter agreed periods (within one year) are stated at their acquisition costs as their fair values approximate acquisition costs.

(5) Trading Assets

Securities including bonds held for trading purposes are

stated at the prices quoted by Japan Securities Dealers Association.

(6) Money Held in Trust

Securities comprising trust assets in money held in trust are stated at the prices quoted by brokers.

(7) Securities

Of securities of various categories, (i) equity securities are stated at the prices quoted on the stock exchanges; (ii) privately offered corporate bonds are stated at the values calculated by discounting principal and interest by the interest rate reflecting credit risk, by category based on internal rating and term; and (iii) other bonds are stated at the prices published by Japan Securities Dealers Association or the prices quoted by brokers. Investment trust beneficiary certificates are stated at the official reference price published by securities investment trust and management firms.

(8) Loans and Bills Discounted

Of loans and bills discounted, those with floating rates reflect market rates at short intervals, whose fair values approximate acquisition costs unless borrowers' creditworthiness changes significantly after the loans are made, and acquisition costs are stated as the fair values. Meanwhile, those with fixed rates are stated at the fair values, as calculated by discounting principal and interest by the interest rate reflecting credit risk by category based on the nature of loan, internal rating and term. Those loans with shorter contract periods (within one year) are stated at acquisition cost which approximate their fair values. Claims under legal bankruptcy, virtual bankruptcy and possible bankruptcy, whose expected amounts of loan losses are calculated based on the expected recoverable amounts from their collateral or guarantee, are stated at their acquisition costs at the consolidation date less the current expected amount of loan losses, which approximate their fair values. Of loans and bills discounted, those without scheduled due dates thanks to the special conditions such as the ones limiting the loan amounts within the values of pledged assets, are stated at acquisition costs which are assumed to approximate their fair values because of the estimated repayment period and interest rate conditions, etc.

Liabilities

(1) Deposits

For demand deposits, the amount payable (carrying amount) in case demand is made on the consolidation date is treated as their fair value. Meanwhile for time deposits, present values calculated by discounting future cash flows by category based on terms, etc., by the interest rate applicable to newly deposited savings are deemed to be their fair values. For time deposits with shorter deposit terms (within one year) and those with floating rates, carrying amounts approximate fair values, and are thus quoted as such.

(2) Negotiable Certificates of Deposit

Negotiable certificates of deposit are all with shorter deposit terms (within one year) and are stated at their carrying amounts which approximate their fair values.

(3) Call Money and Bills Sold and (4) Payables under Securities Lending Transactions

These are subject to shorter agreed periods (within one year), and are stated at their acquisition costs as their fair values approximate acquisition costs.

(5) Borrowed Money

Borrowings are stated at their present values, as calculated by discounting principal and interest by the interest rate assumed for similar borrowings. Those borrowings with shorter contract periods (within one year) are stated at acquisition costs which approximate their fair values.

(6) Bonds Payable

Bonds payable are stated at the prices quoted by Japan Securities Dealers Association, or in the absence of such market values, at their present values as calculated by discounting principal and interest by the interest rate assumed for similar bond issues.

(7) Borrowed Money from Trust Account

Borrowed Money from trust account is stated at the amounts payable (carrying amount) in case demand is made on the consolidation date.

Derivative Transactions

Information about the fair value of derivatives is presented under "Derivatives."

(Note 2) The following financial instruments whose fair value is extremely difficult to estimate are not included in the market value information for financial instruments presented under "Assets, (8) Available-for-Sale Securities."

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
	Carrying Amount	Carrying Amount	Carrying Amount
Unlisted Stocks (*3)(*4)	122,137	88,332	1,487
Investments in Associates (*4)	49,424	20,404	602
Others (*3)	3,834	2,719	47
Total	¥ 175,396	¥ 111,456	\$ 2,135

(*1) The above financial instruments are excluded from fair value disclosure because there are no quoted market price and therefore there is no reliable measure of fair value.

(*2) Stocks of subsidiaries and affiliates are not included in the table.

(*3) For the fiscal year ended March 31, 2012, ¥8,471 million (U.S.\$103 million) of unlisted stocks and ¥148 million (U.S.\$2 million) of others were written off.

(*4) For the fiscal year ended March 31, 2011, ¥299 million of unlisted stocks and ¥155 million of subscription certificates were written off.

(Note 3) Redemption schedule of Monetary Claims and of Securities with Maturity after March 31, 2012 and 2011

March 31, 2012	Millions of Yen					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More than 10 years
Due from Banks	¥ 2,314,410	¥ 58	¥ 26	¥ —	¥ —	¥ —
Call Loans and Bills Bought	283,000	—	—	—	—	—
Receivables under Resale Agreements	55,275	—	—	—	—	—
Receivables under Securities Borrowing Transactions	18,616	—	—	—	—	—
Monetary Claims Bought (*1)	249,334	13,091	27,853	11,946	7,418	191,639
Money Held in Trust	17,017	—	—	—	—	—
Securities	2,192,117	1,115,917	840,849	626,177	590,375	278,096
Held-to-Maturity Debt Securities	78,207	207,194	102,678	35,112	97,319	68,949
Government Bonds	20,226	40,165	83,979	20,666	—	—
Corporate Bonds	—	—	—	—	—	17,316
Available-for-Sale Securities with Maturity	2,113,910	908,723	738,171	591,065	493,056	209,146
Government Bonds	1,844,480	175,200	265,977	360,507	350,974	29,894
Local Government Bonds	50	928	7,013	—	8,879	—
Corporate Bonds	81,176	420,944	187,573	71,709	18,978	30,527
Loans and Bills Discounted (*2)	4,142,169	4,634,570	3,084,051	1,297,970	1,410,394	4,073,907
Lease Receivables and Investment Assets (*3)	172,437	230,056	90,703	26,574	13,285	1,763
Total	¥ 9,444,379	¥ 5,993,695	¥ 4,043,485	¥ 1,962,669	¥ 2,021,474	¥ 4,545,407

March 31, 2011	Millions of Yen					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More than 10 years
Due from Banks	¥ 436,628	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	6,936	—	—	—	—	—
Receivables under Securities Borrowing Transactions	9,378	—	—	—	—	—
Monetary Claims Bought	33,489	5	225	6,014	—	60,186
Securities	199,199	973,346	494,082	430,668	349,598	483,874
Held-to-Maturity Debt Securities	21,330	194,835	10,000	—	—	22,405
Government Bonds	—	135	—	—	—	—
Corporate Bonds	—	—	—	—	—	22,405
Available-for-Sale Securities with Maturity	177,868	778,511	484,082	430,668	349,598	461,468
Government Bonds	89,000	496,153	149,825	261,234	273,742	88,295
Local Government Bonds	—	—	154	—	—	—
Corporate Bonds	19,017	131,372	76,566	21,429	6,960	16,685
Loans and Bills Discounted (*2)	3,052,750	1,552,986	986,954	466,573	493,778	2,014,269
Total	¥ 3,738,381	¥ 2,526,338	¥ 1,481,261	¥ 903,256	¥ 843,377	¥ 2,558,329

March 31, 2012	Millions of U.S.Dollars					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More than 10 years
Due from Banks	\$ 28,173	\$ 1	\$ 0	\$ —	\$ —	\$ —
Call Loans and Bills Bought	3,445	—	—	—	—	—
Receivables under Resale Agreements	673	—	—	—	—	—
Receivables under Securities Borrowing Transactions	227	—	—	—	—	—
Monetary Claims Bought (*1)	3,035	159	339	145	90	2,333
Money Held in Trust	207	—	—	—	—	—
Securities	26,684	13,584	10,236	7,622	7,187	3,385
Held-to-Maturity Debt Securities	952	2,522	1,250	427	1,185	839
Government Bonds	246	489	1,022	252	—	—
Corporate Bonds	—	—	—	—	—	211
Available-for-Sale Securities with Maturity	25,732	11,062	8,986	7,195	6,002	2,546
Government Bonds	22,453	2,133	3,238	4,388	4,272	364
Local Government Bonds	1	11	85	—	108	—
Corporate Bonds	988	5,124	2,283	873	231	372
Loans and Bills Discounted (*2)	50,422	56,416	37,542	15,800	17,169	49,591
Lease Receivables and Investment Assets (*3)	2,099	2,800	1,104	323	162	21
Total	\$ 114,965	\$ 72,960	\$ 49,221	\$ 23,891	\$ 24,607	\$ 55,331

(*1) For monetary claims bought as of March 31, 2012, ¥849 million (\$10 million) of that not expected to be collected, which are for the debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt are excluded.

(*2) For loans and bills discounted as of March 31, 2012, ¥148,849 million (\$1,812 million) of that not expected to be collected, which are for the debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt and ¥1,812,319 million (\$22,061 million) of that with no maturity are excluded.

For loans and bills discounted as of March 31, 2011,

¥60,687 million of that not expected to be collected, which are for the debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt and ¥234,218 million of that with no maturity are excluded.

(*3) For lease receivables and investment assets as of March 31, 2012, ¥3,200 million (\$39 million) of that not expected to be collected, which are for the debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt and ¥11,667 million (\$142 million) of the sum of guaranteed residual values by lessee and estimated salvage values are excluded.

(Note 4) Repayment schedule of Bonds, Borrowed Money and other Interest-bearing Liabilities after March 31, 2012 and 2011

March 31, 2012	Millions of Yen					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More than 10 years
Deposits (*1)	¥ 13,225,240	¥ 6,428,585	¥ 2,354,241	¥ 10,169	¥ 38,924	¥ 82
Negotiable Certificates of Deposit	3,155,581	97,263	—	—	—	—
Call Money and Bills Sold	125,173	—	—	—	—	—
Payables under Repurchase Agreements	211,531	—	—	—	—	—
Payables under Securities Lending Transactions	227,956	—	—	—	—	—
Borrowed Money (*2)	517,175	235,209	89,613	78,948	78,041	20,648
Short-term Bonds Payable	377,859	—	—	—	—	—
Bonds Payable (*3)	61,799	317,390	131,976	49,982	160,000	72,988
Borrowed Money from Trust Account	2,107,227	—	—	—	—	—
Total	¥ 20,009,545	¥ 7,078,449	¥ 2,575,831	¥ 139,099	¥ 276,965	¥ 93,718

March 31, 2011	Millions of Yen					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More than 10 years
Deposits (*1)	¥ 5,693,079	¥ 2,282,348	¥ 1,238,722	¥ 64,817	¥ 13,033	¥ —
Negotiable Certificates of Deposit	327,020	—	—	—	—	—
Call Money and Bills Sold	351,956	—	—	—	—	—
Payables under Securities Lending Transactions	1,161,653	—	—	—	—	—
Borrowed Money	588,328	20,489	65,165	5,000	—	—
Bonds Payable	—	55,000	156,147	—	40,000	16,100
Borrowed Money from Trust Account	801,657	—	—	—	—	—
Total	¥ 8,923,695	¥ 2,357,837	¥ 1,460,035	¥ 69,817	¥ 53,033	¥ 16,100

March 31, 2012	Millions of U.S. Dollar					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More than 10 years
Deposits (*1)	\$ 160,989	\$ 78,254	\$ 28,658	\$ 124	\$ 474	\$ 1
Negotiable Certificates of Deposit	38,412	1,184	—	—	—	—
Call Money and Bills Sold	1,524	—	—	—	—	—
Payables under Repurchase Agreements	2,575	—	—	—	—	—
Payables under Securities Lending Transactions	2,775	—	—	—	—	—
Borrowed Money (*2)	6,296	2,863	1,091	961	950	251
Short-term Bonds Payable	4,600	—	—	—	—	—
Bonds Payable (*3)	752	3,864	1,607	608	1,948	888
Borrowed Money from Trust Account	25,651	—	—	—	—	—
Total	\$ 243,573	\$ 86,165	\$ 31,355	\$ 1,693	\$ 3,371	\$ 1,141

(*1) For deposits, the balance of demand deposits are included in "One Year or Less."

(*2) For borrowed money as of March 31, 2012, ¥100,000 million (\$1,217 million) of perpetual subordinated

debts with no maturity are excluded.

(*3) For bonds payable as of March 31, 2012, ¥144,987 million (\$1,765 million) of perpetual subordinated notes with no maturity are excluded.

Securities

- *1. In addition to the "Securities" presented in the consolidated balance sheets, the following information also includes trading securities and short-term corporate bonds within "Trading Assets," the loan backed trust deeds within "Monetary Claims Bought" and others.
- *2. "Subsidiary and affiliate shares" are presented as a note to the consolidated balance sheets.

1. Trading Securities

	Valuation Difference Reflected on the Statements of Income		
	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Trading Securities	¥ 72	¥ (35)	\$ 1

2. Held-to-Maturity Securities with Fair Value

March 31, 2012	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which the Fair Value Exceeds the Carrying Amount			
Government Bonds	¥ 164,912	¥ 172,483	¥ 7,571
Corporate Bonds	5,880	5,913	33
Other Securities	301,494	333,706	32,211
Foreign Bonds	252,137	283,899	31,762
Others	49,357	49,807	449
Subtotal	472,288	512,104	39,815
Securities for which the Fair Value does not Exceed the Carrying Amount			
Government Bonds	¥ 125	¥ 124	¥ (0)
Corporate Bonds	11,435	11,383	(52)
Other Securities	156,169	153,346	(2,823)
Foreign Bonds	154,969	152,146	(2,823)
Others	1,200	1,200	—
Subtotal	167,730	164,854	(2,875)
Total	¥ 640,018	¥ 676,958	¥ 36,939

March 31, 2011	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which the Fair Value Exceeds the Carrying Amount			
Government Bonds	¥ 135	¥ 136	¥ 0
Corporate Bonds	22,405	22,676	270
Other Securities	176,263	177,276	1,012
Subtotal	198,805	200,090	1,284
Securities for which the Fair Value does not Exceed the Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Corporate Bonds	—	—	—
Other Securities	98,422	97,491	(931)
Subtotal	98,422	97,491	(931)
Total	¥ 297,227	¥ 297,581	¥ 353

March 31, 2012	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which the Fair Value Exceeds the Carrying Amount			
Government Bonds	\$ 2,007	\$ 2,100	\$ 92
Corporate Bonds	72	72	0
Other Securities	3,670	4,062	392
Foreign Bonds	3,069	3,456	387
Others	601	606	5
Subtotal	5,749	6,234	485
Securities for which the Fair Value does not Exceed the Carrying Amount			
Government Bonds	\$ 2	\$ 2	\$ (0)
Corporate Bonds	139	139	(1)
Other Securities	1,901	1,867	(34)
Foreign Bonds	1,886	1,852	(34)
Others	15	15	—
Subtotal	2,042	2,007	(35)
Total	\$ 7,791	\$ 8,241	\$ 450

3. Available-for-Sale Securities

March 31, 2012	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which the Carrying Amount Exceeds the Acquisition Cost			
Stocks	¥ 559,082	¥ 440,864	¥ 118,218
Bonds	2,152,171	2,123,924	28,247
Government Bonds	1,691,200	1,668,451	22,749
Local Government Bonds	11,491	11,290	201
Corporate Bonds	449,479	444,181	5,297
Other Securities	628,627	594,350	34,277
Foreign Stocks	594	130	464
Foreign Bonds	529,354	511,984	17,369
Others	98,678	82,235	16,443
Subtotal	3,339,882	3,159,138	180,743
Securities for which the Carrying Amount does not Exceed the Acquisition Cost			
Stocks	¥ 337,107	¥ 405,108	¥ (68,000)
Bonds	1,702,642	1,704,802	(2,160)
Government Bonds	1,335,832	1,336,207	(374)
Local Government Bonds	5,380	5,398	(17)
Corporate Bonds	361,429	363,197	(1,767)
Other Securities	638,921	653,049	(14,127)
Foreign Stocks	—	—	—
Foreign Bonds	397,015	401,316	(4,301)
Others	241,906	251,732	(9,826)
Subtotal	2,678,672	2,762,960	(84,288)
Total	¥ 6,018,554	¥ 5,922,099	¥ 96,454

March 31, 2011	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which the Carrying Amount Exceeds the Acquisition Cost			
Stocks	¥ 291,768	¥ 199,113	¥ 92,655
Bonds	293,892	288,558	5,333
Government Bonds	154,977	152,281	2,696
Local Government Bonds	154	149	4
Corporate Bonds	138,760	136,127	2,632
Other Securities	311,210	306,970	4,239
Subtotal	896,871	794,642	102,228
Securities for which the Carrying Amount does not Exceed the Acquisition Cost			
Stocks	¥ 195,033	¥ 249,473	¥ (54,439)
Bonds	1,336,512	1,354,833	(18,321)
Government Bonds	1,203,241	1,220,246	(17,005)
Local Government Bonds	—	—	—
Corporate Bonds	133,270	134,586	(1,315)
Other Securities	806,728	839,486	(32,757)
Subtotal	2,338,275	2,443,794	(105,518)
Total	¥ 3,235,147	¥ 3,238,437	¥ (3,289)

March 31, 2012	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which the Carrying Amount Exceeds the Acquisition Cost			
Stocks	\$ 6,806	\$ 5,367	\$ 1,439
Bonds	26,198	25,854	344
Government Bonds	20,587	20,310	277
Local Government Bonds	140	137	2
Corporate Bonds	5,471	5,407	64
Other Securities	7,652	7,235	417
Foreign Stocks	7	2	6
Foreign Bonds	6,444	6,232	211
Others	1,201	1,001	200
Subtotal	40,656	38,456	2,200
Securities for which the Carrying Amount does not Exceed the Acquisition Cost			
Stocks	\$ 4,104	\$ 4,931	\$ (828)
Bonds	20,726	20,752	(26)
Government Bonds	16,261	16,265	(5)
Local Government Bonds	65	66	(0)
Corporate Bonds	4,400	4,421	(22)
Other Securities	7,777	7,949	(172)
Foreign Stocks	—	—	—
Foreign Bonds	4,833	4,885	(52)
Others	2,945	3,064	(120)
Subtotal	32,607	33,633	(1,026)
Total	\$ 73,263	\$ 72,089	\$ 1,174

Content and carrying amount of "Available-for-Sale Securities" for which fair values are extremely difficult to estimate are presented under "Financial Instruments."

4. Held-to-Maturity Securities Sold during the Current Fiscal Year

There were no corresponding items for the fiscal year ended March 31, 2012.

Held-to-maturity securities sold for the fiscal year ended March 31, 2011 consisted of the followings:

March 31, 2011	Millions of Yen		
	Acquisition Cost	Sales Amount	Gains or Losses
Government Bonds	¥ 399,155	¥ 400,515	¥1,359

(Reason for Sales)

The bonds were sold shortly before their maturities, in accordance with article 282, paragraph 1 of "Practical Guidelines on Accounting Standards for Financial Instruments" (JICPA Accounting Standard Committee Report No.14).

5. Available-for-Sale Securities Sold during the Current Fiscal Year

Year Ended March 31, 2012	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 55,601	¥ 5,039	¥ 9,290
Bonds	5,448,129	33,336	874
Government Bonds	5,338,568	32,639	845
Local Government Bonds	14,917	166	23
Corporate Bonds	94,643	530	5
Other Securities	4,986,869	80,469	6,587
Foreign Bonds	4,846,505	78,187	4,199
Others	140,364	2,282	2,388
Total	¥ 10,490,599	¥ 118,846	¥ 16,752

Year Ended March 31, 2011	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 59,920	¥ 16,280	¥ 2,929
Bonds	5,198,251	9,691	3,134
Government Bonds	5,099,968	9,310	3,129
Local Government Bonds	—	—	—
Corporate Bonds	98,282	380	4
Other Securities	2,140,986	25,497	4,243
Total	¥ 7,399,157	¥ 51,470	¥ 10,307

Year Ended March 31, 2012	Millions of U.S. Dollars		
	Amount Sold	Gain	Loss
Stocks	\$ 677	\$ 61	\$ 113
Bonds	66,319	406	11
Government Bonds	64,986	397	10
Local Government Bonds	182	2	0
Corporate Bonds	1,152	6	0
Other Securities	60,704	980	80
Foreign Bonds	58,996	952	51
Others	1,709	28	29
Total	\$ 127,701	\$ 1,447	\$ 204

The figures above contain "Available-for-Sale Securities" for which fair values are extremely difficult to estimate as of March 31, 2012 and 2011.

6. Impairment of Securities

Available-for-sale securities at fair value other than trading securities are treated as impaired when fair value has declined significantly from the acquisition cost and it is deemed unlikely that the fair value will recover to the acquisition cost. Such securities are recorded at fair value on the consolidated balance sheets and the valuation difference is treated as a loss during the fiscal year.

For the fiscal year ended March 31, 2012, impairment losses on stocks totaled ¥8,848 million (U.S.\$108 million), which included ¥8,659 million (U.S.\$105 million) of Japanese stocks and ¥189 million (U.S.\$2 million) of other securities.

For the fiscal year ended March 31, 2011, impairment

losses on stocks totaled ¥6,336 million, which included ¥6,237 million of Japanese stocks and ¥99 million of Japanese corporate bonds.

For securities issuers classified as "normal" for the purposes of asset self-assessment, securities are deemed to have "declined significantly" when the fair value has fallen by 50% or more from the acquisition cost; and for issuers classified as "close observation borrowers," securities are deemed to have "declined significantly" when the fair value has fallen by 30% or more from the acquisition cost. Some other securities are treated as impaired when their fair value has declined more than 30% but less than 50% from their acquisition cost and they have continued to decline over a certain amount of time.

Money Held in Trust

1. Money Held in Trust for Trading Purposes

	Millions of Yen	
	Carrying Amount	Valuation Difference Reflected on the Statements of Income
March 31, 2012		
Money Held in Trust for Trading Purposes	¥ 5,017	¥ (1)

	Millions of Yen	
	Carrying Amount	Valuation Difference Reflected on the Statements of Income
March 31, 2011		
Money Held in Trust for Trading Purposes	¥ —	¥ —

	Millions of U.S. Dollars	
	Carrying Amount	Valuation Difference Reflected on the Statements of Income
March 31, 2012		
Money Held in Trust for Trading Purposes	\$ 61	\$ (0)

2. Held-to-Maturity Money Held in Trust

There were no corresponding items for the fiscal year ended March 31, 2012 and 2011.

3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

	Millions of Yen				
	Carrying Amount	Acquisition Cost	Valuation Difference	Positive Difference	Negative Difference
March 31, 2012					
Other Money Held in Trust	¥ 14,278	¥ 14,028	¥ 250	¥ 250	¥ —

March 31, 2011	Millions of Yen				
	Carrying Amount	Acquisition Cost	Valuation Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 2,065	¥ 1,700	¥ 364	¥ 364	¥ —

March 31, 2012	Millions of U.S. Dollars				
	Carrying Amount	Acquisition Cost	Valuation Difference	Positive Difference	Negative Difference
Other Money Held in Trust	\$ 174	\$ 171	\$ 3	\$ 3	\$ —

“Positive Difference” and “Negative Difference” represent the items of the “Valuation Difference.”

Valuation Differences on Available-for-Sale Securities

The following table shows component items of “Valuation Differences on Available-for-Sale Securities” in the consolidated balance sheets.

March 31	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Valuation Differences			
Available-for-Sale Securities	¥ 50,079	¥ (4,333)	\$ 610
Other Money Held in Trust	250	364	3
Total Valuation Differences	50,330	(3,968)	613
Amount Equivalent to Deferred Tax Assets (Liabilities)	(17,310)	8,191	(211)
Total (before Adjustment for Minority Interests)	33,019	4,222	402
Minority Interests	726	(150)	9
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliates	149	35	2
Valuation Differences on Available-for-Sale Securities	¥ 32,442	¥ 4,408	\$ 395

1) The foreign currency translation adjustments on available-for-sale securities for which fair values are extremely difficult to estimate is included in the “Available-for-Sale Securities” item under “Valuation Differences.”

2) The valuation differences of ¥(274) million (U.S.\$(3) million) and ¥(1,028) million associated with partnerships and other similar assets are included in the “Available-for-Sale

Securities” item under “Valuation Differences,” as of March 31, 2012 and 2011, respectively.

3) The valuation differences unamortized as of the balance sheet date arising from the reclassification of the holding purpose of securities is included in the “Available-for-Sale Securities” item under “Valuation Difference.”

Derivatives

1. Derivative Transactions Not Qualifying for Hedge Accounting

Derivative transactions not qualifying for hedge accounting are grouped by the type of underlying transaction. The value of such contracts (or the amount equivalent to principal specified in the contracts), the fair values, and the valuation differences as of the balance sheet date, as well as the methods for determining such fair values are presented below. The contract values do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2012				2012			
	Contract Value		Fair Value	Valuation Difference	Contract Value		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Interest Futures								
Sold	¥ 4,676,507	¥ 783,605	¥ (6,596)	¥ (6,596)	\$ 56,926	\$ 9,539	\$ (80)	\$ (80)
Purchased	4,916,105	708,110	5,665	5,665	59,843	8,620	69	69
Interest Options								
Sold	467,529	219,129	(177)	19	5,691	2,667	(2)	0
Purchased	334,990	145,270	191	(12)	4,078	1,768	2	0
OTC								
Forward Rate Agreements								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fix Rcv-Flt Pay	¥ 89,495,954	¥67,203,640	¥ 2,590,669	¥ 2,590,669	\$ 1,089,421	\$ 818,060	\$ 31,536	\$ 31,536
Flt Rcv-Fix Pay	87,299,656	63,085,871	(2,450,088)	(2,450,088)	1,062,686	767,935	(29,825)	(29,825)
Flt Rcv-Flt Pay	3,870,639	2,668,959	4,790	4,790	47,117	32,489	58	58
Interest Options								
Sold	4,671,859	4,527,199	(104,555)	(42,369)	56,870	55,109	(1,273)	(516)
Purchased	3,676,895	3,524,493	82,282	16,576	44,758	42,903	1,002	202
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 122,180	¥ 118,654		\$ 1,487	\$ 1,444	

	Millions of Yen			
	2011			
	Contract Value		Fair Value	Valuation Difference
Total	Over One Year			
OTC				
Interest Rate Swaps				
Fix Rcv-Flt Pay	¥ 6,411,695	¥ 5,625,450	¥ 127,940	¥ 127,940
Flt Rcv-Fix Pay	6,399,587	5,580,007	(123,069)	(123,069)
Flt Rcv-Flt Pay	32,200	32,200	2,644	2,644
Interest Rate Swaptions				
Sold	80,400	52,150	(1,763)	454
Purchased	103,524	61,459	2,200	1,502
Others				
Sold	56,747	20,974	(58)	7
Purchased	96,229	60,974	57	(2)
Total			¥ 7,951	¥ 9,476

1) The above transactions are evaluated on a mark-to-market basis and valuation differences are recorded in the consolidated statements of income.

2) Fair values of listed transactions are calculated mainly using the closing prices on the Tokyo Financial Exchange and other exchanges. Fair values of OTC transactions are calculated mainly using discounted cash flow method or option pricing models.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2012				2012			
	Contract Value		Fair Value	Valuation Difference	Contract Value		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
OTC								
Currency Swaps	¥ 1,030,897	¥ 337,073	¥ 2,382	¥ 2,382	\$ 12,549	\$ 4,103	\$ 29	\$ 29
Forward								
Sold	3,915,014	501,639	(13,718)	(13,718)	47,657	6,106	(167)	(167)
Purchased	4,412,336	640,800	21,358	21,358	53,711	7,800	260	260
Currency Options								
Sold	3,007,703	1,599,010	(106,872)	56,462	36,612	19,465	(1,301)	687
Purchased	2,737,122	1,505,665	108,834	(52,218)	33,319	18,328	1,325	(636)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 11,984	¥ 14,266		\$ 146	\$ 174	

	Millions of Yen			
	2011			
	Contract Value		Fair Value	Valuation Difference
Total	Over One Year			
OTC				
Currency Swaps	¥ 41,575	¥ 41,575	¥ 78	¥ 78
Forward				
Sold	1,565,752	9,759	(28,998)	(28,998)
Purchased	1,627,638	30,826	26,666	26,666
Total			¥ (2,253)	¥ (2,253)

1) The above transactions are evaluated on a mark-to-market basis and valuation differences are recorded in the consolidated statements of income.

2) Fair values are calculated mainly using discounted cash flow method or option pricing models.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2012				2012			
	Contract Value		Fair Value	Valuation Difference	Contract Value		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Stock Index Futures								
Sold	¥ 19,857	¥ —	¥ (286)	¥ (286)	\$ 242	\$ —	\$ (3)	\$ (3)
Purchased	14,521	—	262	262	177	—	3	3
Stock Index Options								
Sold	21,757	—	(297)	(61)	265	—	(4)	(1)
Purchased	15,626	—	232	35	190	—	3	0
OTC								
OTC Stock Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Stock Index and Other Swaps								
Stock Price Index Volatility Receivable/ Short-term Floating Interest Rate Payable								
	52,584	52,584	(7,611)	(7,611)	640	640	(93)	(93)
Short-term Floating Interest Rate Receivable/ Stock Price Index Volatility Payable								
	52,584	52,584	7,611	7,611	640	640	93	93
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (88)	¥ (50)			\$ (1)	\$ (1)

1) The above transactions are evaluated on a mark-to-market basis and valuation differences are recorded in the consolidated statements of income.

2) Fair values of listed transactions are calculated mainly using the closing prices on the Tokyo Stock Exchange and other exchanges. Fair values of OTC transactions are calculated mainly using discounted cash flow method or option pricing models.

There were no corresponding items for the fiscal year ended March 31, 2011.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2012				2012			
	Contract Value		Fair Value	Valuation Difference	Contract Value		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Bond Futures								
Sold	¥ 509,726	¥ —	¥ (991)	¥ (991)	\$ 6,205	\$ —	\$ (12)	\$ (12)
Purchased	431,821	—	1,848	1,848	5,256	—	23	23
Bond Future Options								
Sold	95,926	—	(114)	149	1,168	—	(1)	2
Purchased	52,783	—	187	(118)	643	—	2	(1)
Total			¥ 929	¥ 888			\$ 11	\$ 11

	Millions of Yen			
	2011			
	Contract Value		Fair Value	Valuation Difference
Total	Over One Year			
Listed				
Bond Futures				
Sold	¥ 13,962	¥ —	¥ 7	¥ 7
Total			¥ 7	¥ 7

1) The above transactions are evaluated on a mark-to-market basis and valuation differences are recorded in the consolidated statements of income.

2) Fair values are calculated mainly using closing prices on the Tokyo Stock Exchange and other exchanges.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2012 and 2011.

(6) Credit Derivative Transactions

Credit derivative transactions not qualifying for hedge accounting as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2012				2012			
	Contract Value		Fair Value	Valuation Difference	Contract Value		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
OTC								
Credit Default Swaps								
Sold	¥ 5,000	¥ —	¥ (95)	¥ (95)	\$ 61	\$ —	\$ (1)	\$ (1)
Purchased	—	—	—	—	—	—	—	—
Total			¥ (95)	¥ (95)			\$ (1)	\$ (1)

	Millions of Yen			
	2011			
	Contract Value		Fair Value	Valuation Difference
Total	Over One Year			
OTC				
Credit Default Swaps				
Sold	¥ 5,000	¥ 5,000	¥ (386)	¥ (386)
Purchased	—	—	—	—
Total			¥ (386)	¥ (386)

1) The above transactions are evaluated on a mark-to-market basis and valuation differences are recorded in the consolidated statements of income.

2) Fair values are determined using a discounted cash flow method and a theoretical value model that utilizes analy-

ses such as comparisons of credit default swap market price time-series and comparisons of prices between similar products.

3) "Sold" indicates credit risk that has been assumed, and "Purchased" indicates the credit risk that has been transferred to another party.

2. Derivative Transactions Qualifying for Hedge Accounting

Derivative transactions qualifying for hedge accounting are grouped by the type of underlying transaction. The value of such contracts (or the amount equivalent to principal specified in the contracts), the fair values, and the valuation differences as of the balance sheet date, as well as the methods for determining such fair values are presented below. The contract amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of March 31, 2012 and 2011 consisted of the following:

	Major Hedged Items	Millions of Yen			Millions of U.S. Dollars		
		2012			2012		
		Contract Value		Fair Value	Contract Value		Fair Value
Total	Over One Year	Total	Over One Year				
Principle Method							
Interest Rate Swaps							
Fix Rcv-Flt Pay	Interest-earning/bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Other Securities (Bonds), Deposits, Bonds Payable	¥ 837,987	¥ 627,987	¥ 11,871	\$ 10,201	\$ 7,644	\$ 145
Flt Rcv-Fix Pay		657,636	576,178	(39,814)	8,005	7,014	(485)
Accrual-Basis Hedge Accounting							
Interest Rate Swaps							
Fix Rcv-Flt Pay	Borrowed Money	400	400	(*3)	5	5	—
Flt Rcv-Fix Pay		3,626	3,626	(*3)	44	44	—
Total				¥ (27,942)			\$ (340)

Major Hedged Items		Millions of Yen		
		2011		
		Contract Value		Fair Value
Total	Over One Year			
Principle Method				
Interest Rate Swaps				
Fix Rcv-Flt Pay	Securities	¥ 100,000	¥ 100,000	¥ 3,173
Flt Rcv-Fix Pay	Securities	100,000	100,000	(4,160)
Fix Rcv-Flt Pay	Borrowed Money	17,500	15,000	266
Fix Rcv-Flt Pay	Bonds Payable	108,147	108,147	8,766
Total				¥ 8,046

1) Generally treated as deferred hedges in accordance with Report No. 24.
2) Fair values are calculated mainly using discounted cash flow method or option pricing models.

3) Because these interest rate swaps, which are based on accrual-basis hedge accounting, are treated as part of the borrowings that they are being used to hedge, their fair value is included in the fair value of such Borrowed Money presented under "Financial Instruments."

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2012 and 2011 consisted of the following:

Major Hedged Items		Millions of Yen			Millions of U.S. Dollars		
		2012			2012		
		Contract Value		Fair Value	Contract Value		Fair Value
Total	Over One Year	Total	Over One Year				
Principle Method							
Currency Swaps	Loans and Bills Discounted, Securities, and Corporate Bonds Denominated in Foreign Currency	¥ 872,454	¥ 400,317	¥ 61,853	\$ 10,620	\$ 4,873	\$ 753
Forward							
Sold		26,524	—	(1,492)	323	—	(18)
Purchased		5,880	1,539	42	72	19	1
Total				¥ 60,403			\$ 735

Major Hedged Items		Millions of Yen		
		2011		
		Contract Value		Fair Value
Total	Over One Year			
Principle Method				
Forward				
Purchased	Bonds Payable	¥ 2,844	¥ 2,183	¥ (39)
Total				¥ (39)

1) Generally treated as deferred hedges in accordance with the Report No. 25.

2) Fair values are calculated mainly using discounted cash flow method.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2012 and 2011.

(4) Bond-Related Transactions

Bond-related transactions qualifying for hedge accounting as of March 31, 2012 and 2011 consisted of the following:

Major Hedged Items	Millions of Yen			Millions of U.S. Dollars		
	2012			2012		
	Contract Value		Fair Value	Contract Value		Fair Value
Total	Over One Year	Total		Over One Year		
Method of Recognizing Gains or Losses on Hedged Items						
Bond OTC Options						
Sold	Securities	¥ 210,000	¥ —	¥ (1)	\$ 2,556	\$ —
Purchased		210,000	—	106	2,556	—
Total				¥ 104		\$ 1

Major Hedged Items	Millions of Yen		
	2011		
	Contract Value		Fair Value
Total	Over One Year		
Method of Recognizing Gains or Losses on Hedged Items			
Bond OTC Options			
Sold	Securities	¥ 490,000	¥ —
Purchased		490,000	—
Total			¥ 74

1) Fair values are calculated according to the prices offered by information vendors, the option pricing model and other valuation techniques.

Retirement and Pension Plans

1. Outline of the retirement benefit plans adopted by SMTH

In fiscal year 2010, SMTH and two of its consolidated subsidiaries — CMTB and CMAB — had common retirement benefit plans. The plans were defined-benefit plans (corporate pension fund plans, tax qualified pension plans and lump-sum retirement benefit plans). In addition, they had a system to make extra retirement payments to retiring employees in some cases.

CMTB and CMAB set up employee retirement benefit trusts as part of their pension plan assets. Other consolidated subsidiaries had lump-sum retirement benefit plans and defined-benefit corporate pension plans, and some of them also had comprehensive plans administered under

the employees pension fund system.

In fiscal year 2011, CMTB and CMAB, consolidated subsidiaries of SMTH, have common retirement benefit plans. The plans were defined-benefit plans (corporate pension fund plans and lump-sum retirement benefit plans). In addition, they have a system to make extra retirement payments to retiring employees in some cases. These two subsidiaries set up employee retirement benefit trusts as part of their pension plan assets.

STB has defined-benefit plans (a corporate pension fund plan and a lump-sum retirement benefit plan). Regarding contract workers, it has a lump-sum retirement benefit plan based on internal rules. STB also has a defined-contribution pension plan as well as a system to

make extra retirement payments to retiring employees in some cases. STB sets up employee retirement benefit trusts as part of its pension plan assets.

Other consolidated subsidiaries have lump-sum retirement benefit plans and defined-benefit corporate pension plans, defined-contribution pension plans and plans administered under the employees' pension fund system. Some of these consolidated subsidiaries also have a multiple employer pension plans.

(Additional information)

In conjunction with the merger of CMTB, CMAB and STB on April 1, 2012, the current retirement benefit plans of SMTH and the three subsidiaries transition to a new retirement benefit program consisting of a defined-benefit corporate pension plan, a defined-contribution pension plan, and a lump-sum retirement benefit plan on the same day.

2. Liabilities from retirement benefits included in the consolidated balance sheets as of March 31, 2012 and 2011

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Projected Benefit Obligation	¥ (392,365)	¥ (185,335)	\$ (4,776)
Plan Assets (fair value)	461,765	193,333	5,621
Unfunded Projected Benefit Obligation	69,400	7,998	845
Unrecognized Net Actuarial Gain	67,759	84,461	825
Unrecognized Net Prior Service Costs	(0)	—	(0)
Net Amount Recognized in the Consolidated Balance Sheets	137,160	92,459	1,670
Prepaid Pension Costs (deduction)	152,474	95,318	1,856
Total	¥ (15,314)	¥ (2,859)	\$ (186)

(Notes)

1. The figures above do not include additional retirement allowances as extraordinary expenditure.
2. For the lump-sum retirement benefit plan for contract employees at STB and at some consolidated subsidiaries, the simple method is adopted in calculating the projected benefit obligation.

3. Retirement benefits expenses included in the consolidated statements of income for the fiscal year ended March 31, 2012 and 2011

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Service Costs-Benefits Earned during the Fiscal Period	¥ 10,620	¥ 4,076	\$ 129
Interest Cost on Projected Benefit Obligation	6,982	3,435	85
Expected Return on Plan Assets	(26,821)	(9,568)	(326)
Amortization of Prior Service Costs	83	—	1
Amortization of Net Actuarial Gain	10,287	13,842	125
Others	3,177	474	39
Total	¥ 4,329	¥ 12,261	\$ 53

(Note)

Pension expenses within the lump-sum retirement benefit plan for contract employees at STB and at some consolidated subsidiaries, which adopt the simple method, are included in "Service Costs-Benefits Earned during the Fiscal Period."

4. Assumptions used for the fiscal year ended March 31, 2012 and 2011

	2012	2011
Discount Rate	mainly 2.0%	1.9%
Expected Rate of Return on Plan Assets	6.0%	4.5%
Methods of Distributing the Projected Benefits to Periods of Services	straight-line basis and point basis	mainly point basis
The term in which prior service costs are expensed	generally 10 years The straight-line method over a prescribed number of years within the average expected remaining service period of employees when incurred in the fiscal year	—
The term in which actuarial differences are expensed	generally 10 years The straight-line method over a prescribed number of years within the average expected remaining service period of employees when incurred in each fiscal year commencing with the following fiscal year	8 to 9 years The straight-line method over a prescribed number of years within the average expected remaining service period of employees when incurred in each fiscal year commencing with the following fiscal year

Stock Option Plans

SMTH

1. Expenses Recorded in Connection with Stock Options during the Fiscal year ended March 31, 2012 and 2011

2012: General and Administrative Expenses: ¥6 million (U.S.\$0 million)

2011: there were no corresponding items.

2. Description of Stock Options Granted during the Current Fiscal year

(1) Content of Stock Options

Year Ended March 31, 2012	SMTH Series 1 Subscription Rights to Shares
Number of Eligible Persons by Positions (Directors, Executive Officers, Employees)	22 directors and officers of SMTH 19 directors and officers of CMTB 7 directors and officers of CMAB 24 directors and officers of STB Total: 72 persons
Total Number and Type of Stock Granted (*)	286,000 shares of common stock
Grant date	July 26, 2011
Vesting Conditions	1) Holders of the Subscription Rights to Shares must be a director or officer of SMTH or its subsidiaries when exercising the rights, unless the holder is no longer in such a position because he or she retired or for some other valid reason. 2) If a holder of Subscription Rights to Shares is deceased and the entirety of the Subscription Rights to Shares is inherited by a single legal heir ("inheritor of the rights"), the Subscription Rights to Shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, the heirs of the inheritor of the rights may not inherit the Subscription Rights to Shares.
Eligible Service Period	July 26, 2011 to July 25, 2013
Exercise period	July 26, 2013 to July 25, 2021

(*) Converted into the number of equivalent shares.

(2) Volume and Changes in Stock Options

1) Number of Stock Options

	shares
	SMTH
Year Ended March 31, 2012	Series 1 Subscription Rights to Shares
Unvested Stock Options	
At the Beginning of the Fiscal Year	—
Granted	286,000
Forfeited	—
Vested	—
Unvested	286,000
Vested Stock Options	
At the Beginning of Fiscal Year	—
Vested	—
Exercised	—
Forfeited	—
Unexercised	—

2) Unit Price Information

	SMTH
	Series 1 Subscription Rights to Shares
Exercise Price	¥ 400
Average Stock Price when Exercised (yen)	—
Fair Unit Value on the Grant Date (yen)	62

3. Method for Estimating Fair Unit Value of Stock Options

The method used to estimate the fair unit value of the SMTH Series 1 Subscription Rights to Shares as of the end of the current fiscal year is described as below.

(1) Valuation Technique Used: Black-Scholes Model

(2) Principal Parameters and Method for Estimating

	SMTH
	Series 1 Subscription Rights to Shares
Stock Price Volatility (Note 1)	40.8%
Expected Time to Exercise (Note 2)	6.0 years
Dividend Yield (Note 3)	3.00%
Risk-Free Interest Rate (Note 4)	0.51%

(Notes)

1. Stock price volatility calculated based on the closing prices for common stock of SMTH on the final trading day of each week during the past continuous period corresponding to the expected time to exercise.
2. Because it is not possible to reasonably estimate the expected time to exercise for the stock options, the period between the time of the calculation and the mid-point of the exercise period is used, pursuant to
3. “Guidance on Accounting Standard for Share-based Payment and its Implementation Guidance” (ASBJ Guidance No.11 of May 31, 2006).
4. Based on the actual dividends on common shares paid for the year ended March 2011 by the former CMTH and STB.
5. Japanese Government Bond yield corresponding to the expected time to exercise.

4. Method for estimating the number of vested stock options

Because it is fundamentally difficult to reasonably estimate the number that will be invalidated in the future, we have adopted the method of only reflecting the number that have been actually invalidated.

Consolidated Subsidiary (Nikko Asset Management Co., Ltd)

1. Expenses Recorded in Connection with Stock Options during the Fiscal year ended March 31, 2012 and 2011

There were no corresponding items.

2. Description of Stock Options Granted during the Current Fiscal year

(1) Content of Stock Options

Year Ended March 31, 2012	Resolution during Fiscal year 2009	
Number of Eligible Persons by Positions (Directors, Executive Officers, Employees)	271	48
Total Number and Type of Stock Granted (*)	19,724,100 shares of Common Share	1,702,800 shares of Common Share
Grant Date	February 8, 2010	August 20, 2010
Vesting Conditions	Eligible employees received stock options. One-half of the stock options vest on January 22, 2012, the first exercisable date, one-quarter after another year, and the remaining one-quarter after one subsequent additional year.	Same as on the left
Eligible Service Period	from the grant date to the date passes two years from the first date of exercise period	Same as on the left
Exercise period	from January 22, 2012 to January 21, 2020	Same as on the left
	Resolution during the Fiscal year 2010	Resolution during the Fiscal year 2011
Number of Eligible Persons by Positions (Directors, Executive Officers, Employees)	1	186
Total Number and Type of Stock Granted (*)	2,310,000 shares of Common Share	6,101,700 shares of Common Share
Grant Date	August 20, 2010	October 7, 2011
Vesting Conditions	Eligible employees received stock options. One-half of the stock options vest on January 22, 2012, the first exercisable date, one-quarter after another year, and the remaining one-quarter after one subsequent additional year.	Eligible employees received stock options. One-half of the stock options vest on October 7, 2013, the first exercisable date, one-quarter after another year, and the remaining one-quarter after one subsequent additional year.
Required Service Period	From the grant date to the date two years after the first exercisable date	From the grant date to the date two years after the first exercisable date
Exercise period	from January 22, 2012 to January 21, 2020	from October 7, 2013 to October 6, 2021

(*) Shown in numbers of shares

(2) Volume and Changes in Stock Options

1) Number of Stock Options

Grant Date	Shares	
	Resolution during fiscal year 2009	
	February 8, 2010	August 20, 2010
Unvested Stock Options		
At the Beginning of the Fiscal Year	19,328,100	1,702,800
Granted	—	—
Forfeited	112,200	26,400
Vested	—	—
At the End of Fiscal Year	19,215,900	1,676,400
Vested Stock Options		
At the Beginning of Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of Fiscal Year	—	—
Shares		
Grant Date	Resolution during fiscal year 2010	Resolution during fiscal year 2011
	August 20, 2010	October 7, 2011
Unvested Stock Options		
At the Beginning of the Fiscal Year	2,310,000	—
Granted	—	6,101,700
Forfeited	—	9,900
Vested	—	—
At the End of Fiscal Year	2,310,000	6,091,800
Vested Stock Options		
At the Beginning of Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of Fiscal Year	—	—

(*) Shown in numbers of shares

2) Unit Price Information

Year Ended March 31, 2012	Resolution during fiscal year 2009	
	February 8, 2010	August 20, 2010
Grant Date		
Exercise Price	¥625	¥625
Fair Price on the Grant Date (*1)	0	0

Year Ended March 31, 2012	Resolution during fiscal year 2010	Resolution during fiscal year 2011
	August 20, 2010	October 7, 2011
Grant Date		
Exercise Price	¥625	¥737 (*3)
Fair Price on the Grant Date (*1)	0	0

(*1) Price is derived from an estimate of intrinsic value (difference between price of recent investment and exercise price) instead of fair price.

(*2) Total intrinsic value calculated on the intrinsic value per unit size of the stock options : Not applicable.

(*3) Exercise price is adjusted to the same price as the opening price on the date of the initial public offering, if the opening price is settled above ¥737 (this amount is adjusted when consolidation of shares or shares split is executed after grant date, to the price which reflects this consolidation of shares or shares split adequately).

Income Taxes

1. Deferred Tax Assets and Liabilities

March 31	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Deferred Tax Assets:			
Allowance for Loan Losses (including Direct Write-offs of Loans with Guarantees or Collateral)	¥ 56,789	¥ 23,561	\$ 691
Devaluation of Securities	46,525	15,711	566
Valuation Difference on Available-for-Sale Securities	21	11,936	0
Provision for Retirement Benefits	22,564	7,416	275
Deferred Gains or Losses on Hedges	3,113	—	38
Tax Losses Carried Forward	86,478	88,388	1,053
Valuation Difference Due to Share Exchange	41,177	—	501
Others	76,580	52,123	932
Subtotal	333,250	199,138	4,057
Valuation Allowance	(45,603)	(38,958)	(555)
Deferred Tax Assets	¥ 287,647	¥ 160,179	\$ 3,501
Deferred Tax Liabilities:			
Retirement Benefits Trust	¥ (42,797)	¥ (8,799)	\$ (521)
Valuation Difference on Available-for-Sale Securities	(22,617)	(4,213)	(275)
Deferred Gains or Losses on Hedges	(2,977)	(2,330)	(36)
Valuation Difference Due to Share Exchange	(14,182)	—	(173)
Others	(15,455)	(5,747)	(188)
Deferred Tax Liabilities	¥ (98,031)	¥ (21,091)	\$ (1,193)
Net Deferred Tax Assets	¥ 189,615	¥ 139,088	\$ 2,308

2. Reconciliation of the Statutory Tax Rate to Effective Income Tax

Year Ended March 31	2012	2011
Effective Statutory Tax Rate	40.69 %	40.69 %
Adjustments:		
Change in Valuation Allowance	(0.53)	(2.66)
Cash Dividends Received	(2.53)	(0.45)
Valuation Difference Due to Share Exchange	2.29	—
Gain on Negative Goodwill	(6.35)	—
Adjustment of Deferred Tax Assets due to Tax Rate Change	5.40	—
Others	(1.89)	(0.72)
Effective income tax rate	37.06 %	36.84 %

3. Effect of change in corporate tax rate

“The Act to Partially Amend the Income Tax Act to Create a Tax Structure that Addresses Socio-Economic Structural Changes” (Act No.114 of 2011) and “The Act on Special Measures to Secure the Financial Resources Necessary to Carry Out Reconstruction after the Great East Japan Earthquake” (Act No.117 of 2011) were promulgated on December 2, 2011, and as a result the corporate tax rate was lowered and a special corporate tax was imposed for reconstruction beginning in the fiscal year that started on April 1, 2012. As a result, the statutory effective income tax rate used to calculate deferred tax assets and deferred tax liabilities was lowered from 40.69% to 38.01% for temporary differences expected to be eliminated during the time period beginning in the fiscal year starting on April 1, 2012 and ending in the fiscal year starting on April 1, 2014, and to 35.64% for temporary differences expected to be eliminated from the fiscal year starting on April 1, 2015 onwards.

The normal effective statutory tax rate for CMTB, our consolidated subsidiary, was lowered from 40.63% to 37.95% for temporary differences expected to be eliminated during the time period beginning in the fiscal year starting on April 1, 2012 and ending in the fiscal year starting on April 1, 2014, and to 35.57% for temporary differences expected to be eliminated from the fiscal year

starting on April 1, 2015 onwards. The normal effective statutory tax rate for CMAB was lowered from 40.67% to 37.99% for temporary differences expected to be eliminated during the time period beginning in the fiscal year starting on April 1, 2012 and ending in the fiscal year starting on April 1, 2014, and to 35.62% for temporary differences expected to be eliminated from the fiscal year starting on April 1, 2015 onwards. The normal effective statutory tax rate for STB was lowered from 40.59% to 37.93% for temporary differences expected to be eliminated during the time period beginning in the fiscal year starting on April 1, 2012 and ending in the fiscal year starting on April 1, 2014, and to 35.56% for temporary differences expected to be eliminated from the fiscal year starting on April 1, 2015 onwards. As the result of the change in the tax rate, Deferred Tax Assets decreased ¥13,867 million (U.S.\$169 million), Deferred Tax Liabilities decreased ¥86 million (U.S.\$1 million), Valuation Difference on Available-for-Sale Securities increased ¥2,443 million (U.S.\$30 million), Deferred Gains or Losses on Hedges decreased ¥278 million (U.S.\$3 million), and Income Taxes Deferred increased ¥15,946 million (U.S.\$194 million).

Deferred Tax Liabilities for Land Revaluation decreased ¥632 million (U.S.\$8 million) and the Revaluation Reserve for Land increased by the same amount.

Business Combination

Former CMTH conducted a statutory share exchange, which took effect on April 1, 2011 and changed its trade name to SMTH, consummated the Share Exchange Agreement and Management Integration Agreement with STB on August 24, 2010, and obtained approval at the extraordinary general meetings of shareholders held on December 22, 2010.

1. Outline of Business Combination

(1) Name and Business Content of Acquired Company

Name of acquired company:

Chuo Mitsui Trust Holdings, Inc.

Business content:

Bank holding company

(2) Main Reasons for Business Combination

Former CMTH and STB aim to create "The Trust Bank," a new trust bank group that, with a combination of significant expertise and comprehensive capabilities, will provide better and swifter comprehensive solutions to their clients than ever before, combining their personnel, know-how and other managerial resources and fusing both groups' strengths, such as the diversity of the STB Group and the agility of the CMTH Group.

(3) Date of Business Combination

April 1, 2011

(4) Legal Form of Business Combination

Share exchange, under which former CMTH became the parent company, and STB became the wholly owned subsidiary.

(5) Name of Company after Business Combination

Sumitomo Mitsui Trust Holdings, Inc.

(6) Acquired Voting Rights Ratio

100%

(7) Main Grounds for the Determination of the Acquiring Company

SMTH has adopted ASBJ Statement No. 21 "Accounting Standard for Business Combinations" (issued by ASBJ on December 26, 2008) and Implementation Guidance No. 10 "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (issued by ASBJ on December 26, 2008). According to them, shareholders of STB, which is a wholly owned subsidiary company in the share exchange, hold the majority of voting rights of the company following the business combination. Therefore, it was decided that STB would be the acquiring company, with former CMTH as the acquired company.

2. Period of Earnings of the Acquired Company included in the Consolidated Statements of Income Described at Acquisition Cost of the Acquired Company

April 1, 2011 through March 31, 2012

3. Acquisition Cost of the Acquired Company

¥489,114 million (U.S.\$ 5,954 million)

4. Share Exchange Ratio by Type of Share, Calculation Method, and Number of Shares Delivered

(1) Share Exchange Ratio by Type of Share

(a) Common Shares

For each common share of STB, 1.49 shares of common share of SMTH have been allotted and delivered.

(b) Preferred Shares

For each First Series of Class 2 Preferred Shares of STB, one share of the First Series of Class 7 Preferred Shares of SMTH has been allotted and delivered.

(2) Calculation Method of the Share Exchange Ratio

(a) Common Shares

In order to support the respective efforts of former CMTH and STB to ensure the fairness of the exchange ratio of common shares ("Common Share Exchange Ratio") for this share exchange, former CMTH requested JP Morgan Securities Japan Co., Ltd. and Nomura Securities Co., Ltd. perform financial analyses, while STB requested UBS Securities Japan Ltd. and Daiwa Securities Capital Markets Co., Ltd. perform similar analyses. Referring to the results of those financial analyses, former CMTH and STB, on several occasions, conducted careful negotiations and discussions on the Common Share Exchange Ratio, comprehensively taking into consideration factors such as the financial position, assets, and future prospects of each party. As a result, the former CMTH and STB have reached the conclusion that the aforementioned Common Share Exchange Ratio is appropriate.

(b) Preferred Shares

Former CMTH and STB agreed that the terms and conditions of the First Series of SMTH Class 7 Preferred Shares shall be substantially the same as those of the First Series of Class 2 Preferred Shares, and reached the conclusion that the aforementioned share exchange ratio for preferred shares is appropriate, after comprehensively taking into consideration the "bond-type" nature of those shares and the fact that there is no market price for the First Series of Class 2 Preferred Shares.

(3) Number of Shares Delivered

(a) Common Shares

2,495,060,141 shares

(b) Preferred Shares

109,000,000 shares

5. Amount of Gain on Negative Goodwill and Reason for Recognizing Negative Goodwill

(1) Amount of Gain on Negative Goodwill

¥43,431 million (U.S.\$529 million)

(2) Reason for Recognizing Negative Goodwill

Negative goodwill was recognized as shareholders' equity (deducting minority interest from net of assets and liabilities acquired) exceeded the acquisition cost of acquired company.

6. Amount of Assets Acquired and Liabilities Acquired on Date of Business Combination

(1) Assets

Total Assets: ¥ 14,158,131 million (U.S.\$172,345 million)

Loans and Bills Discounted:

¥ 8,855,145 million (U.S.\$107,792 million)

(2) Liabilities

Total Liabilities:

¥ 13,437,699 million (U.S.\$163,575 million)

Deposits: ¥ 9,326,751 million (U.S.\$113,533 million)

Segment Information

1. Reportable Segment Information

As for the fiscal year ended March 31, 2012:

The SMTH Group's reportable segments are units for which discrete financial information is available, and which are regularly monitored by the Board of Directors in determining resource allocation and in evaluating business performance.

The SMTH Group comprises three trust bank groups, CMTB, CMAB, and STB, and these three trust bank groups are treated as reportable segments. The main activities of each reportable segment are presented below.

CMTB: Trust banking business centered on banking business, real estate business, and stock transfer agency services

CMAB: Trust banking business centered on custody services

STB: Trust banking business

As for the fiscal year ended March 31, 2011:

A reportable segments for the Group is a component unit that constitutes a business for which discrete financial information is available and is regularly reviewed by the Board of Directors to determine the allocation of management resources and assess its performance.

CMTH Group has established a management system which enables each group company to conduct its operating activities independently. CMTH Group separates its operations into the following companies: two trust banks, CMTB and CMAB, and two asset management companies, Chuo Mitsui Asset Management Company, Limited ("CMAM") and Chuo Mitsui Capital Company Limited ("CMC"). In addition, CMTH, the holding company, aims to maximize CMTH Group profits by ensuring an appropriate allocation of management resources to each operating division.

Accordingly, CMTH Group's reportable segments are distinguished at the company level. Thus, the following companies are distinguished as three groups and defined as reportable segments.

CMTB is principally engaged in the retail investment business (sales of investment trust, individual annuity insurance and other products), lending-related business (corporate loans, mortgage loans, real estate asset finance, etc.), real estate business, stock transfer agency business and other.

CMAB is principally engaged in the asset management business of pension trusts and securities trusts, asset administration business and pension fund administration business.

The asset management companies consist of CMAM and CMC. CMAM is principally engaged in investment trust management services and CMC is principally engaged in private equity fund management services.

2. Method for Calculating Income, Profit or Losses, Assets, Liabilities, and Other Items by Reportable Segment

The accounting policies used for the reportable segments are the same as those presented under "Significant Accounting Policies and Practices," and the profit figures shown for the reporting segments are income before income taxes and minority interests.

Internal transactions between segments are recorded at amounts equivalent to transactions with unaffiliated clients.

3. Income, Profit or Losses, Assets, Liabilities, and Other Items by Reportable Segment

Fiscal Year Ended March 31, 2012	Millions of Yen							
	Reportable Segment				Others	Total	Adjustment	Carrying Amount
	CMTB	CMAB	STB	Total				
Income:								
Unaffiliated Customers	¥ 268,443	¥ 39,690	¥ 949,483	¥ 1,257,617	¥ 40,539	¥ 1,298,156	¥ 71,521	¥ 1,369,678
Intersegment	18,207	2,267	18,743	39,218	48,717	87,935	(87,935)	—
Total	¥ 286,651	¥ 41,957	¥ 968,227	¥ 1,296,835	¥ 89,256	¥ 1,386,092	¥ (16,414)	¥ 1,369,678
Segment Profit	¥ 25,226	¥ 9,286	¥ 132,131	¥ 166,645	¥ 36,186	¥ 202,832	¥ 92,134	¥ 294,967
Segment Assets	¥ 12,347,860	¥ 72,850	¥ 21,438,505	¥ 33,859,216	¥ 3,130,444	¥ 36,989,660	¥ (2,613,351)	¥ 34,376,309
Segment Liabilities	¥ 11,590,870	¥ 33,052	¥ 19,894,162	¥ 31,518,085	¥ 1,131,019	¥ 32,649,105	¥ (609,827)	¥ 32,039,277
Others								
Depreciation and Amortization	¥ 10,440	¥ 1,425	¥ 18,590	¥ 30,456	¥ 7,507	¥ 37,963	¥ (133)	¥ 37,830
Amortization of Goodwill	499	—	8,578	9,077	—	9,077	(499)	8,578
Interest Income	151,575	69	220,681	372,326	42,417	414,744	(39,999)	374,744
Interest Expenses	52,961	56	90,046	143,064	8,013	151,077	(30,010)	121,067
Equity in Earnings (Losses) of Affiliates	278	—	4,345	4,623	—	4,623	(1,062)	3,561
Gain on Disposal of Fixed Assets	31	—	316	348	—	348	(0)	347
Gain on Negative Goodwill	—	—	246	246	—	246	45,814	46,061
Impairment Loss	3,544	56	8,462	12,063	54	12,117	(538)	11,578
Management Integration Expenses	3,392	714	4,785	8,893	58	8,951	(110)	8,840
Unamortized Balance of Goodwill	6,497	—	111,886	118,384	—	118,384	(6,497)	111,886
Investment to Affiliates Accounted for by the Equity Method	1,270	—	42,536	43,806	—	43,806	(1,857)	41,949

Fiscal Year Ended March 31, 2011	Millions of Yen							
	Reportable Segment				Others	Total	Adjustment	Carrying Amount
	CMTB	CMAB	Asset Management Subsidiaries	Total				
Income:								
Unaffiliated Customers	¥ 290,702	¥ 40,950	¥ 10,449	¥ 342,102	¥ 16,707	¥ 358,809	¥ —	¥ 358,809
Intersegment	6,016	2,554	91	8,662	40,478	49,140	(49,140)	—
Total	¥ 296,719	¥ 43,505	¥ 10,540	¥ 350,765	¥ 57,185	¥ 407,950	¥ (49,140)	¥ 358,809
Segment Profit	¥ 68,412	¥ 11,163	¥ 532	¥ 80,108	¥ 21,395	¥ 101,503	¥ (14,719)	¥ 86,783
Segment Assets	¥ 13,791,942	¥ 153,637	¥ 5,809	¥ 13,951,389	¥ 1,003,677	¥ 14,955,066	¥ (723,995)	¥ 14,231,070
Segment Liabilities	¥ 13,055,323	¥ 111,747	¥ 1,605	¥ 13,168,676	¥ 58,925	¥ 13,227,601	¥ 159,338	¥ 13,386,939
Others								
Depreciation and Amortization	¥ 10,072	¥ 1,397	¥ 76	¥ 11,546	¥ 1,079	¥ 12,626	¥ (329)	¥ 12,296
Interest Income	158,103	125	66	158,295	19,626	177,921	(17,443)	160,477
Interest Expenses	59,636	109	—	59,746	211	59,958	(264)	59,694
Recoveries of written-off claims	5,819	—	—	5,819	1,107	6,926	—	6,926
Management Integration Expense	3,372	566	58	3,996	2,661	6,658	(3,260)	3,397

Fiscal Year Ended March 31, 2012	Millions of U.S. Dollars							
	Reportable Segment				Others	Total	Adjustment	Carrying Amount
CMTB	CMAB	STB	Total					
Income:								
Unaffiliated Customers	\$ 3,268	\$ 483	\$ 11,558	\$ 15,309	\$ 493	\$ 15,802	\$ 871	\$ 16,673
Intersegment	222	28	228	477	593	1,070	(1,070)	—
Total	\$ 3,489	511	11,786	15,786	1,087	16,873	(200)	16,673
Segment Profit	\$ 307	113	1,608	2,029	440	2,469	1,122	3,591
Segment Assets	\$ 150,309	887	260,968	412,163	38,106	450,270	(31,812)	418,458
Segment Liabilities	\$ 141,094	402	242,169	383,665	13,768	397,433	(7,423)	390,009
Others								
Depreciation and Amortization	\$ 127	\$ 17	\$ 226	\$ 371	\$ 91	\$ 462	\$ (2)	\$ 461
Amortization of Goodwill	6	—	104	111	—	111	(6)	104
Interest Income	1,845	1	2,686	4,532	516	5,049	(487)	4,562
Interest Expenses	645	1	1,096	1,742	98	1,839	(365)	1,474
Equity in Earnings (Losses) of Affiliates	3	—	53	56	—	56	(13)	43
Gain on Disposal of Fixed Assets	0	—	4	4	—	4	(0)	4
Gain on Negative Goodwill	—	—	3	3	—	3	558	561
Impairment Loss	43	1	103	147	1	148	(7)	141
Management Integration Expenses	41	9	58	108	1	109	(1)	108
Unamortized Balance of Goodwill	79	—	1,362	1,441	—	1,441	(79)	1,362
Investment to Affiliates Accounted for by the Equity Method	15	—	518	533	—	533	(23)	511

1) "Income" is presented in place of sales of companies in other industry.

2) As for the fiscal year ended March 31, 2012, consolidated-basis figures are presented for CMTB and STB among the reportable segments.

3) As for the fiscal year ended March 31, 2012, the "Others" column reflects data from consolidated subsidiaries that are part of SMTH, but outside of the above three trust banking groups.

As for the fiscal year ended March 31, 2011, "Others" consisted of consolidated subsidiaries other than trust banks and asset management companies as described above, and segments not included in reportable segments.

4) "Adjustment" represents the consolidation adjustment for internal transactions.

The adjustments under income and segment profit include

valuation differences arising from the business combination and gain on negative goodwill for the fiscal year ended March 31, 2012.

The adjustments of segment assets and segment liabilities include ¥267,368 million related to "Customers' Liabilities for Acceptances and Guarantees" and "Acceptance and Guarantee" for mortgage loans for the fiscal year ended March 31, 2011.

5) The adjustment for gain on negative goodwill includes ¥43,431 million (U.S.\$529 million) in gain on negative goodwill arising from the business combination carried out as a result of the share exchange between SMTH and STB for the fiscal year ended March 31, 2012.

6) Segment profit has been adjusted to "Income before Income Taxes and Minority Interests" as presented in the consolidated statements of income.

Related Information

1. Information by Services

Fiscal Year Ended March 31, 2012	Millions of Yen			
	Trust Banking Business	Leasing Business	Others	Total
Income:				
Unaffiliated Customers	¥ 735,969	¥ 422,742	¥ 210,967	¥ 1,369,678

Fiscal Year Ended March 31, 2011	Millions of Yen					
	Corporate Business	Consumer Loans	Market	Pension/ Securities	Others	Total
Ordinary Income:						
Unaffiliated Customers	¥ 61,451	¥ 57,424	¥ 62,128	¥ 49,994	¥ 119,977	¥ 350,977

Fiscal Year Ended March 31, 2012	Millions of U.S. Dollars			
	Trust Banking Business	Leasing Business	Others	Total
Income:				
Unaffiliated Customers	\$ 8,959	\$ 5,146	\$ 2,568	\$ 16,673

1) As for the fiscal year ended March 31, 2012, "Income" is presented in place of sales of companies in other industry.

As for the fiscal year ended March 31, 2011, Ordinary "Income" represents total income less extraordinary income.

2) As for the fiscal year ended March 31, 2012, "Trust Banking Business" comprises the ordinary income of CMTB, CMAB, STB, and Japan Trustee Services Bank, Ltd.

2. Geographic Information

(1) Income

More than 90% of Income on the consolidated statements of Income for the fiscal year ended March 31, 2012 and 2011 is classified as attributable to domestic unaffiliated customers, and therefore geographic region information about ordinary income is not presented.

(2) Tangible Fixed Assets

More than 90% of tangible fixed assets on the consolidated balance sheets for the fiscal year ended March 31, 2012 and 2011 is classified as located in Japan, and therefore geographic region information about tangible fixed assets is not presented.

3. Major Customer Information

As for the fiscal year ended March 31, 2012, the voluminous transactions associated with ordinary income arising from transactions between the SMTH Group and the SMTH Group's customers are not classified by major counterparty, and therefore information about major customers is not presented.

As for the fiscal year ended March 31, 2011, the former CMTH Group omits major customer information, since there was no particular customer who accounts for more than 10% of ordinary income of the consolidated statement of income for this period.

4. Information related to Losses on Impairment of Fixed Assets by Reportable Segment

This information is not disclosed in this section, because it would be similar to the "Segment Information" as for the fiscal year ended March 31, 2012.

Fiscal Year Ended March 31, 2011	Millions of Yen						
	Reportable Segment				Others	Eliminations/ Corporate	Total
	CMTB	CMAB	Asset Management Subsidiaries	Total			
Loss on Impairment of Fixed Assets	¥ 522	¥ 585	¥ 30	¥ 1,139	¥ —	¥ (30)	¥ 1,108

5. Information related to Amortization of Goodwill and Unamortized Balance of Goodwill by Reportable Segment

This information is not disclosed in this section, because it would be similar to the "Segment Information" as for the fiscal year ended March 31, 2012

Fiscal Year Ended March 31, 2011	Millions of Yen						
	Reportable Segment				Others	Eliminations/ Corporate	Total
	CMTB	CMAB	Asset Management Subsidiaries	Total			
Amortized in the Fiscal Year Ended March 31, 2011	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 2,270	¥ 2,270
Balance as of March 31, 2011	—	—	—	—	—	33,034	33,034

(Note) Major details as follows:

Amortized in the fiscal year ended March 31, 2011 CMAB : ¥1,679 million, Tokyo Securities Transfer Agent : ¥499 million
Balance as of March 31, 2011 CMAB : ¥26,036 million, Tokyo Securities Transfer Agent : ¥6,997 million

6. Information related to Gain on Negative Goodwill by Reportable Segment

This information is not disclosed in this section, because it would be similar to the "Segment Information" as for the fiscal year ended March 31, 2012, and because there is no information applicable to this disclosure as for the fiscal year ended March 31, 2011.

Related Party Transactions

There are no material transactions to be described for the fiscal year ended March 31, 2012 and 2011.

Per Common Share Information

1. Net Assets per Common Share

As of March 31, 2012	Net Asset [Millions of Yen] (Numerator)	Common Share Outstanding [Thousands of Shares] (Denominator)	Per Common Share Amount [Yen]
Net Assets as Reported	¥ 2,337,031		
Less:	621,492		
Issued Amount of Preferred Shares	109,000		
Dividends on Preferred Shares	2,305		
Subscription Rights to Shares	6		
Minority Interests	510,181		
Net Assets Attributable to Common Shareholders	¥ 1,715,539	4,152,722	¥ 413.11

As of March 31, 2011	Net Asset [Millions of Yen] (Numerator)	Common Share Outstanding [Thousands of Shares] (Denominator)	Per Common Share Amount [Yen]
Net Assets as Reported	¥ 844,130		
Less:	187,653		
Minority Interests	187,653		
Net Assets Attributable to Common Shareholders	¥ 656,476	1,658,014	¥ 395.94

As of March 31, 2012	Net Asset [Millions of U.S. Dollars] (Numerator)	Common Share Outstanding [Thousands of Shares] (Denominator)	Per Common Share Amount [U.S. Dollars]
Net Assets as Reported	\$ 28,448		
Less:	7,565		
Issued Amount of Preferred Shares	1,327		
Dividends on Preferred Shares	28		
Subscription Rights to Shares	0		
Minority Interests	6,210		
Net Assets Attributable to Common Shareholders	\$ 20,883	4,152,722	\$ 5.03

2. Net Income per Common Share

Fiscal Year Ended March 31, 2012	Net Income (Loss) [Millions of Yen] (Numerator)	Average Common Share Outstanding [Thousands of Shares] (Denominator)	Per Common Share Amount [Yen]
Net Income	¥ 164,660		
Basic Net Income per Common Share			
Net Income Not Attributable to Common Shareholders	4,610		
Including Dividends on Preferred Shares	4,610		
Net Income Attributable to Common Shareholders	¥ 160,049	4,152,789	¥ 38.54

Fiscal Year Ended March 31, 2011	Net Income (Loss) [Millions of Yen] (Numerator)	Average Common Share Outstanding [Thousands of Shares] (Denominator)	Per Common Share Amount [Yen]
Net Income	¥ 47,277		
Basic Net Income per Common Share			
Net Income Not Attributable to Common Shareholders	—		
Including Dividends on Preferred Shares	—		
Net Income Attributable to Common Shareholders	¥ 47,277	1,658,044	¥ 28.51

Fiscal Year Ended March 31, 2012	Net Income (Loss) [Millions of U.S. Dollars] (Numerator)	Average Common Share Outstanding [Thousands of Shares] (Denominator)	Per Common Share Amount [U.S. Dollars]
Net Income	\$ 2,004		
Basic Net Income per Common Share			
Net Income Not Attributable to Common Shareholders	56		
Including Dividends on Preferred Shares	56		
Net Income Attributable to Common Shareholders	\$ 1,948	4,152,789	\$ 0.47

3. Fully-diluted net income per common share

Fully-diluted net income per common share for the fiscal year ended March 31, 2012 is not presented because there are no dilutive potential shares in existence.

Fully-diluted net income per common share for the fiscal year ended March 31, 2011 is not presented because there are no potential shares.

The potential shares that were excluded from calculation of fully-diluted net income per common share because

they have no dilutive effect are as follows:

1) Sumitomo Mitsui Trust Holdings, Inc.

A description of these securities is presented in the subsection of the Notes to Consolidated Financial Statements titled "Stock Option Plans."

2) Subsidiaries (Nikko Asset Management Co., Ltd.)

A description of these securities is presented in the subsection of the Notes to Consolidated Financial Statements titled "Stock Option Plans."

Significant Subsequent Event

“Under Common Control Transactions and others”

On December 26, 2011, our three consolidated trust bank subsidiaries, The Chuo Mitsui Trust and Banking Company, Limited (“CMTB”), Chuo Mitsui Asset Trust and Banking Company, Limited (“CMAB”), and The Sumitomo Trust and Banking Co., Ltd. (“STB”) executed a “Merger Agreement” stating their agreement to merge with an effective date of April 1, 2012.

Pursuant to the abovementioned agreement, CMTB, CMAB, and STB merged on April 1, 2012 and the company name was changed to Sumitomo Mitsui Trust Bank, Limited.

1. Description of the Transaction

(1) Name and Business of the Combining Companies

1) Combining Company

Name: The Sumitomo Trust and Banking Co., Ltd.

Business: trust banking business

2) Combined Companies

Name: The Chuo Mitsui Trust and Banking Company, Limited

Business: trust banking business

Name: Chuo Mitsui Asset Trust and Banking Company, Limited

Business: trust banking business

(2) Date of Business Combination

April 1, 2012

(3) Legal Form of Business Combination

A merger by absorption with STB as the surviving entity, and CMTB and CMAB as absorbed entities.

(4) Name of Company after Business Combination

Sumitomo Mitsui Trust Bank, Limited

(5) Other Matters Related to the Transaction

With the objective of creating “The Trust Bank,” a new trust banking group that combines expertise and comprehensive capabilities to swiftly provide “total solutions” to our customers, the former Sumitomo Trust & Banking

group and the former Chuo Mitsui Trust group integrated operations on April 1, 2011, giving birth to the new Sumitomo Mitsui Trust Holdings, Inc. (Chuo Mitsui Trust Holdings, Inc. changed its name on April 1, 2011).

In view of the objective to integrate operations and in order to maximize the benefits of this integration, the three trust banks have been merged to create Sumitomo Mitsui Trust Bank, Limited.

2. Description of the Accounting Treatment Used

Pursuant to “Accounting Standard for Business Combinations and Related Matters” (ASBJ Statement No. 21 of December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10 of December 26, 2008), this is treated as an under common control transaction.

“Redemption of Non-dilutive Preferred Securities”

On May 31, 2012, SMTH held a Board of Directors’ meeting and resolved to redeem the Non-dilutive Preferred Securities issued by its subsidiary, MTH Preferred Capital 1 (Cayman) Limited (the “Special Purpose Subsidiary”), in full, and redeemed those securities in full on July 25, 2012.

Description of redeemed Non-dilutive Preferred Securities

(1) Issuer

MTH Preferred Capital 1 (Cayman) Limited

(2) Type of Security

Japanese Yen denominated non-cumulative perpetual preferred securities

(3) Aggregate Redeemed Amount

¥27.5 billion (\$0.33 billion)

(4) Redemption Date

July 25, 2012

Financial Data:

Independent Auditors' Report




Independent Auditor's Report

To the Board of Directors of
Sumitomo Mitsui Trust Holdings, Inc.:

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statement of income, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries as at March 31, 2012, and their financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2012 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in "Basis of Presentation of Financial Statements" to the consolidated financial statements.



June 28, 2012
Tokyo, Japan

Member of
Deloitte Touche Tohmatsu Limited



June 28, 2012
Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Financial Data:

Non-consolidated Balance Sheet (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of March 31, 2012

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Assets:			
Current Assets:			
Cash and Due from Banks	¥ 2,077	¥ 1,462	\$ 25
Securities	—	23,000	—
Prepaid Expenses	6	10	0
Income Tax Refunds Receivable	6,749	3,438	82
Other Current Assets	93	858	1
Total Current Assets	8,927	28,769	109
Non-current Assets:			
Tangible Fixed Assets	0	1	0
Tools, Furniture and Fixtures	0	1	0
Intangible Fixed Assets	5	7	0
Software	5	7	0
Investments and Other Assets:	1,923,175	765,419	23,411
Investment Securities	652	652	8
Investments in Subsidiaries and Affiliates (Stocks)	1,922,168	764,391	23,398
Other Investments	354	376	4
Total Non-current Assets	1,923,180	765,428	23,411
Total Assets	¥ 1,932,107	¥ 794,198	\$ 23,519
Liabilities:			
Current Liabilities:			
Accrued Expenses	¥ 1,363	¥ 1,365	\$ 17
Income Taxes Payable	18	2	0
Provision for Bonuses	218	90	3
Other Current Liabilities	199	296	2
Total Current Liabilities	1,799	1,755	22
Non-current Liabilities:			
Bonds Payable	189,700	189,700	2,309
Provision for Retirement Benefits	—	1,177	—
Other Non-current Liabilities	161	195	2
Total Non-current Liabilities	189,861	191,072	2,311
Total Liabilities	¥ 191,661	¥ 192,827	\$ 2,333
Net Assets:			
Total Shareholders' Equity:	¥ 1,740,440	¥ 601,370	\$ 21,186
Capital Stock	261,608	261,608	3,185
Capital Surplus	1,255,942	118,665	15,288
Legal Capital Surplus	702,933	65,411	8,557
Other Capital Surplus	553,008	53,254	6,732
Retained Earnings	223,240	221,379	2,717
Other Retained Earnings	223,240	221,379	2,717
Retained Earnings Brought Forward	223,240	221,379	2,717
Treasury Stock-At Cost	(351)	(282)	(4)
Subscription Rights to Shares	6	—	0
Total Net Assets	¥ 1,740,446	¥ 601,370	\$ 21,186
Total Liabilities and Net Assets	¥ 1,932,107	¥ 794,198	\$ 23,519
Net Assets per Common Share			
	¥ 392.30	¥ 362.70	\$ 4.78

Financial Data:

Non-consolidated Statement of Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal year ended March 31, 2012

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Operating Income:			
Dividends Received from Subsidiaries	¥ 33,738	¥ 17,112	\$ 411
Fees and Commissions Received from Subsidiaries	7,514	5,652	91
Total Operating Income	41,253	22,764	502
Operating Expenses:			
Interest on Bonds Payable	7,430	7,487	90
General and Administrative Expenses	4,920	2,911	60
Total Operating Expenses	12,351	10,398	150
Operating Profit	28,902	12,366	352
Non-operating Income			
Interest Income	1	0	0
Interest on Securities	12	19	0
Commission Fee	2	0	0
Interest on Refund of Income Taxes and Other	3	6	0
Other Non-operating Income	8	36	0
Non-operating Expenses	1,513	2,792	18
Commission Fee	212	128	3
Management Integration Expenses	1,298	2,661	16
Other Non-operating Expenses	2	3	0
Income before Income Taxes	27,416	9,638	334
Income Taxes:			
Current	6	731	0
Deferred	—	727	—
Net Income	¥ 27,409	¥ 8,906	\$ 334
Net Income per Common Share			
	¥ 5.49	¥ 5.37	\$0.07

Financial Data:

Non-consolidated Statement of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal year ended March 31, 2012

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Shareholders' Equity:			
Capital Stock:			
Balance at the Beginning of the Current Period	¥ 261,608	¥ 261,608	\$ 3,185
Changes during the Period:			
Total Changes during the Period	¥ —	¥ —	\$ —
Balance at the End of the Current Period	¥ 261,608	¥ 261,608	\$ 3,185
Capital Surplus:			
Legal Capital Surplus:			
Balance at the Beginning of the Current Period	¥ 65,411	¥ 65,411	\$ 796
Changes during the Period:			
Increase due to Share Exchange	1,137,308	—	13,844
Reversal of Legal Capital Surplus	(499,786)	—	(6,084)
Total Changes during the Period	¥ 637,522	¥ —	\$ 7,760
Balance at the End of the Current Period	¥ 702,933	¥ 65,411	\$ 8,557
Other Capital Surplus:			
Balance at the Beginning of the Current Period	¥ 53,254	¥ 53,257	\$ 648
Changes during the Period:			
Reversal of Legal Capital Surplus	499,786	—	6,084
Disposal of Treasury Stock	(31)	(3)	(0)
Total Changes during the Period	¥ 499,754	¥ (3)	\$ 6,083
Balance at the End of the Current Period	¥ 553,008	¥ 53,254	\$ 6,732
Total Capital Surplus:			
Balance at the Beginning of the Current Period	¥ 118,665	¥ 118,668	\$ 1,444
Changes during the Period:			
Increase due to Share Exchange	1,137,308	—	13,844
Disposal of Treasury Stock	(31)	(3)	(0)
Total Changes during the Period	¥ 1,137,276	¥ (3)	\$ 13,844
Balance at the End of the Current Period	¥ 1,255,942	¥ 118,665	\$ 15,288
Retained Earnings:			
Other Retained Earnings:			
Retained Earnings Brought Forward:			
Balance at the Beginning of the Current Period	¥ 221,379	¥ 232,368	\$ 2,695
Changes during the Period:			
Cash Dividends	(25,548)	(19,896)	(311)
Net Income	27,409	8,906	334
Total Changes during the Period	¥ 1,861	¥ (10,989)	\$ 23
Balance at the End of the Current Period	¥ 223,240	¥ 221,379	\$ 2,717
Total Retained Earnings:			
Balance at the Beginning of the Current Period	¥ 221,379	¥ 232,368	\$ 2,695
Changes during the Period:			
Cash Dividends	(25,548)	(19,896)	(311)
Net Income	27,409	8,906	334
Total Changes during the Period	¥ 1,861	¥ (10,989)	\$ 23
Balance at the End of the Current Period	¥ 223,240	¥ 221,379	\$ 2,717

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Treasury Stock:			
Balance at the Beginning of the Current Period	¥ (282)	¥ (270)	\$ (3)
Changes during the Period:			
Purchase of Treasury Stock	(138)	(17)	(2)
Disposal of Treasury Stock	69	5	1
Total Changes during the Period	¥ (68)	¥ (11)	\$ (1)
Balance at the End of the Current Period	¥ (351)	¥ (282)	\$ (4)
Total Shareholders' Equity:			
Balance at the Beginning of the Current Period	¥ 601,370	¥ 612,375	\$ 7,320
Changes during the Period:			
Increase due to Share Exchange	1,137,308	—	13,844
Cash Dividends	(25,548)	(19,896)	(311)
Net Income	27,409	8,906	334
Purchase of Treasury Stock	(138)	(17)	(2)
Disposal of Treasury Stock	38	2	0
Total Changes during the Period	¥ 1,139,069	¥ (11,004)	\$ 13,866
Balance at the End of the Current Period	¥ 1,740,440	¥ 601,370	\$ 21,186
Subscription Rights to Shares:			
Balance at the Beginning of the Current Period	¥ —	¥ —	\$ —
Changes during the Period:			
Net Changes of Items other than Shareholders' Equity	6	—	0
Total Changes during the Period	¥ 6	¥ —	\$ 0
Balance at the End of the Current Period	¥ 6	¥ —	\$ 0
Total Net Assets:			
Balance at the Beginning of the Current Period	¥ 601,370	¥ 612,375	\$ 7,320
Changes during the Period:			
Increase due to Share Exchange	1,137,308	—	13,844
Cash Dividends	(25,548)	(19,896)	(311)
Net Income	27,409	8,906	334
Purchase of Treasury Stock	(138)	(17)	(2)
Disposal of Treasury Stock	38	2	0
Net Changes of Items other than Shareholders' Equity	6	—	\$ 0
Total Changes during the Period	¥ 1,139,075	¥ (11,004)	\$ 13,866
Balance at the End of the Current Period	¥ 1,740,446	¥ 601,370	21,186

Financial Data:

Statement of Trust Account (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries
As of March 31, 2012

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Assets:			
Loans and Bills Discounted (Note 2)	¥ 402,536	¥ 231,858	\$ 4,900
Securities (Note 3)	77,305,419	80,477	941,028
Securities Held for Investment Trust	23,015,373	—	280,163
Foreign Investment for Investment Trust	16,304,169	—	198,468
Beneficiary Rights	92,876	30,598,538	1,131
Securities Held in Custody Accounts	19,110,863	120	232,634
Monetary Claims	11,520,712	1,417,076	140,240
Tangible Fixed Assets	9,447,041	5,029,793	114,997
Intangible Fixed Assets	69,574	31,047	847
Other Claims	3,037,057	37,047	36,970
Call Loan	3,474,469	—	42,294
Due from Banking Account	2,107,227	801,657	25,651
Cash and Due from Banks	2,448,328	204,436	29,803
Total Assets	¥ 168,335,650	¥ 38,432,054	\$ 2,049,125
Liabilities:			
Money Trusts (Note 4)	¥ 24,901,323	¥ 9,082,635	\$ 303,120
Pension Trusts	12,721,164	6,995,575	154,853
Property Formation Benefit Trusts	22,334	13,339	272
Loan Trusts (Note 5)	143,738	228,260	1,750
Securities Investment Trusts	37,766,763	12,494,552	459,729
Money in Trust Other than Money Trusts	4,759,503	339,469	57,937
Securities in Trust	18,965,782	1,385,581	230,868
Money Claims in Trust	9,060,983	1,435,954	110,298
Real Estate in Trust	117,847	76,231	1,435
Composite Trusts	59,876,206	6,380,413	728,864
Other Trusts	3	40	0
Total Liabilities	¥ 168,335,650	¥ 38,432,054	\$ 2,049,125

See accompanying notes.

Notes to Statement of Trust Account (Unaudited)

1. Trust Accounts

Under the Trust Law of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from other assets. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of SMTH do not reflect SMTH's records as to the assets accepted in trust, which are maintained separately under the trust account.

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by subsidiary trust banks, and such guaranteed principal as of March 31, 2012 and 2011, was ¥1,424,616 million (\$17,342 million) and ¥1,109,914 million, respectively.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of

¥82.15 to U.S.\$1, the approximate rate of exchange as of March 31, 2012. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen has been rounded down and one million U.S. dollars have been rounded off. As a result, the total may not be equal to the total of individual amounts.

The amount of the trust accounts as of March 31, 2011, is calculated by adding up each trust account in CMTB and CMAB.

The amount of the trust accounts as of March 31, 2012, is calculated by adding up each trust account in CMTB, CMAB, STB, and Japan Trustee Services Bank, Ltd. ("JTSB"), and by deducting funds reinvested among CMTB, CMAB, STB, and JTSB.

2. Loans and Bills Discounted

Loans as of March 31, 2012 and 2011, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Loans on Deeds	¥ 295,141	¥ 216,478	\$ 3,593
Loans on Bills	107,394	15,379	1,307
Total	¥ 402,536	¥ 231,858	\$ 4,900

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by subsidiary trust banks, and loans on such guaranteed trust assets as of March 31, 2012 and 2011, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Loans in Bankruptcy Proceedings	¥ 3	¥ 13	\$ 0
Other Delinquent Loans	27,640	153	336
Loans more than Three Months Past Due	—	—	—
Restructured Loans	631	7,844	8
Total	¥ 28,275	¥ 8,011	\$ 344

Note: Refer to page 122 for the definition of each item.

3. Securities

Securities are stated at market price or at cost by each trust agreement.

Securities held as of March 31, 2012 and 2011, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Government Bonds	¥ 15,014,889	¥ 79,945	\$ 182,774
Local Government Bonds	675,090	—	8,218
Short-term Corporate Bonds	659,151	—	8,024
Corporate Bonds	2,604,495	—	31,704
Stocks	37,668,198	482	458,529
Other Securities	20,683,593	49	251,778
Total	¥ 77,305,419	¥ 80,477	\$ 941,028

4. Balance of Money Trusts

The principal amounts of certain money trusts are guaranteed and the balance of these accounts is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Assets:			
Loans	¥ 212,927	¥ 222,715	\$ 2,592
Securities	48	—	1
Others	1,070,864	660,770	13,035
Total	¥ 1,283,841	¥ 883,485	\$ 15,628
Liabilities:			
Principal	¥ 1,283,031	¥ 883,457	\$ 15,618
Allowance for the Impairment of Guaranteed Trust Principal	232	33	3
Others	577	(5)	7
Total	¥ 1,283,841	¥ 883,485	\$ 15,628

In the case of certain money trusts, the principal amount is guaranteed and, as the above table indicates, allowance for the impairment of guaranteed trust principal is set aside by the subsidiary trust banks. The figures of the table include funds reinvested from the other trusts managed by the subsidiary trust banks.

5. Balance of Loan Trusts

The balance of loan trusts is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Assets:			
Loans	¥ —	¥ —	\$ —
Securities	—	482	—
Others	144,069	229,125	1,754
Total	¥ 144,069	¥ 229,607	\$ 1,754
Liabilities:			
Principal	¥ 141,584	¥ 226,456	\$ 1,723
Special Reserve Fund	871	1,377	11
Others	1,613	1,774	20
Total	¥ 144,069	¥ 229,607	\$ 1,754

As in certain money trusts, the principal amount of loan trusts is guaranteed and, as the above table indicates, a special reserve fund is set aside by the subsidiary trust banks. The figures of the table include funds reinvested from the other trusts managed by the subsidiary trust banks.