

Financial Data:

Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings")

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Financial Data:

Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of September 30, 2019 and March 31, 2019

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2019	As of Mar. 31, 2019	As of Sep. 30, 2019
Assets:			
Cash and Due from Banks	¥ 16,150,147	¥ 16,045,864	\$ 149,635
Call Loans and Bills Bought	52,764	50,124	489
Receivables under Resale Agreements	159,139	158,734	1,474
Receivables under Securities Borrowing Transactions	741,350	759,812	6,869
Monetary Claims Bought	842,152	1,082,650	7,803
Trading Assets (Notes 1 and 7)	429,529	454,978	3,980
Money Held in Trust	4,742	1,393	44
Securities (Notes 1, 7, and 13)	6,156,477	5,759,504	57,041
Loans and Bills Discounted (Notes 2, 3, 4, 5, 6, 7, and 8)	29,085,121	29,025,720	269,481
Foreign Exchanges	32,155	36,936	298
Lease Receivables and Investment Assets (Note 7)	668,042	653,447	6,190
Other Assets (Note 7)	1,749,689	2,023,664	16,211
Tangible Fixed Assets (Notes 9 and 10)	215,906	211,312	2,000
Intangible Fixed Assets	150,451	151,429	1,394
Assets for Retirement Benefits	150,239	138,931	1,392
Deferred Tax Assets	11,784	17,372	109
Customers' Liabilities for Acceptances and Guarantees	584,926	557,007	5,420
Allowance for Loan Losses	(89,269)	(99,770)	(827)
Total Assets	¥ 57,095,352	¥ 57,029,113	\$ 529,004
Liabilities:			
Deposits (Note 7)	¥ 30,723,770	¥ 31,903,572	\$ 284,664
Negotiable Certificates of Deposit	6,906,616	6,328,622	63,992
Call Money and Bills Sold	1,857,320	72,793	17,209
Payables under Repurchase Agreements (Note 7)	1,636,623	1,603,191	15,164
Payables under Securities Lending Transactions (Note 7)	141,156	104,767	1,308
Trading Liabilities	304,382	258,771	2,820
Borrowed Money (Notes 7 and 11)	4,070,891	4,023,801	37,718
Foreign Exchanges	347	457	3
Short-Term Bonds Payable	1,878,062	1,472,786	17,401
Bonds Payable (Note 12)	1,233,101	1,378,328	11,425
Borrowed Money from Trust Account	3,965,260	5,408,009	36,739
Other Liabilities	906,417	994,424	8,398
Provision for Bonuses	14,360	17,542	133
Provision for Directors' Bonuses	27	343	0
Provision for Stocks Payment	139	—	1
Liabilities for Retirement Benefits	14,188	14,008	131
Provision for Reward Points Program	17,497	18,282	162
Provision for Reimbursement of Deposits	4,275	5,250	40
Provision for Contingent Losses	1,385	3,465	13
Deferred Tax Liabilities	124,425	130,479	1,153
Deferred Tax Liabilities for Land Revaluation (Note 9)	2,455	2,847	23
Acceptances and Guarantees	584,926	557,007	5,420
Total Liabilities	¥ 54,387,631	¥ 54,298,756	\$ 503,916
Net Assets:			
Total Shareholders' Equity:	¥ 2,305,480	¥ 2,242,982	\$ 21,361
Capital Stock	261,608	261,608	2,424
Capital Surplus	580,595	645,003	5,379
Retained Earnings	1,466,126	1,387,592	13,584
Treasury Stock	(2,850)	(51,222)	(26)
Total Accumulated Other Comprehensive Income:	366,399	410,478	3,395
Valuation Differences on Available-for-Sale Securities	438,747	467,448	4,065
Deferred Gains (Losses) on Hedges	(48,652)	(36,764)	(451)
Revaluation Reserve for Land (Note 9)	(6,587)	(5,698)	(61)
Foreign Currency Translation Adjustments	1,380	4,702	13
Adjustments for Retirement Benefits	(18,488)	(19,209)	(171)
Subscription Rights to Shares	1,060	1,062	10
Non-Controlling Interests	34,781	75,832	322
Total Net Assets	¥ 2,707,721	¥ 2,730,356	\$ 25,088
Total Liabilities and Net Assets	¥ 57,095,352	¥ 57,029,113	\$ 529,004

	Yen	U.S. Dollars
Net Assets per Share of Common Stock	¥ 7,133.80	\$ 66.10

See accompanying notes.

The figures in U.S. Dollars are converted from yen for convenience of readers outside Japan at the rate of ¥107.93 to U.S.\$1.00, the exchange rate as of September 30, 2019.

Financial Data:

Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2019 and 2018

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2019	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2019
Income:			
Trust Fees	¥ 49,094	¥ 53,668	\$ 455
Interest Income:	252,739	250,635	2,342
Interest on Loans and Discounts	179,960	177,705	1,667
Interest and Dividends on Securities	45,631	47,161	423
Fees and Commissions	200,855	200,297	1,861
Trading Income	42,831	6,729	397
Other Ordinary Income	182,836	173,367	1,694
Other Income (Note 1)	22,615	42,032	210
Total Income	¥ 750,973	¥ 726,731	\$ 6,958
Expenses:			
Interest Expenses:	¥ 193,906	¥ 174,855	\$ 1,797
Interest on Deposits	65,698	60,648	609
Fees and Commissions Payments	54,171	44,877	502
Trading Expenses	110	—	1
Other Ordinary Expenses	127,239	113,781	1,179
General and Administrative Expenses (Note 2)	213,110	219,950	1,975
Other Expenses (Note 3)	11,169	35,974	103
Total Expenses	¥ 599,708	¥ 589,440	\$ 5,556
Income before Income Taxes	¥ 151,264	¥ 137,291	\$ 1,402
Income Taxes:	43,427	40,281	402
Current	26,630	30,986	247
Deferred	16,796	9,294	156
Net Income	107,837	97,010	999
Net Income Attributable to Non-Controlling Interests	1,797	5,499	17
Net Income Attributable to Owners of the Parent	¥ 106,039	¥ 91,510	\$ 982
		Yen	U.S. Dollars
Net Income per Share of Common Stock	¥ 281.86	¥ 241.30	\$ 2.61

See accompanying notes.

Financial Data:

Consolidated Statements of Comprehensive Income (Unaudited)Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2019 and 2018

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2019	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2019
Net Income	¥ 107,837	¥ 97,010	\$ 999
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	(30,198)	(39,259)	(280)
Deferred Gains (Losses) on Hedges	(11,177)	9,879	(104)
Foreign Currency Translation Adjustments	(1,835)	1,858	(17)
Adjustments for Retirement Benefits	716	916	7
Attributable to Equity-Method Affiliated Companies	(807)	76	(7)
Total Other Comprehensive Income (Loss)	¥ (43,301)	¥ (26,528)	\$ (401)
Comprehensive Income:	¥ 64,535	¥ 70,482	\$ 598
Comprehensive Income Attributable to Owners of the Parent	¥ 62,849	¥ 64,856	\$ 582
Comprehensive Income Attributable to Non-Controlling Interests	1,686	5,625	16

Financial Data:

Consolidated Statements of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2019 and 2018

For the Six Months Ended September 30, 2019

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Period	¥ 261,608	¥ 645,003	¥ 1,387,592	¥ (51,222)	¥ 2,242,982
Changes during the Period					
Cash Dividends			(28,394)		(28,394)
Net Income Attributable to Owners of the Parent			106,039		106,039
Purchase of Treasury Stock				(17,479)	(17,479)
Disposal of Treasury Stock		(354)		1,827	1,472
Retirement of Treasury Stock		(64,024)		64,024	—
Purchase of Shares of Consolidated Subsidiaries		(29)			(29)
Sales of Shares of Consolidated Subsidiaries					—
Reversal of Revaluation Reserve for Land			889		889
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(64,408)	78,534	48,371	62,498
Balance at the End of the Period	¥ 261,608	¥ 580,595	¥ 1,466,126	¥ (2,850)	¥ 2,305,480

	Millions of Yen								
	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	¥ 467,448	¥ (36,764)	¥ (5,698)	¥ 4,702	¥ (19,209)	¥ 410,478	¥ 1,062	¥ 75,832	¥ 2,730,356
Changes during the Period									
Cash Dividends									(28,394)
Net Income Attributable to Owners of the Parent									106,039
Purchase of Treasury Stock									(17,479)
Disposal of Treasury Stock									1,472
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(29)
Sales of Shares of Consolidated Subsidiaries									—
Reversal of Revaluation Reserve for Land									889
Net Changes of Items Other Than Shareholders' Equity	(28,701)	(11,888)	(889)	(3,322)	721	(44,079)	(2)	(41,051)	(85,133)
Total Changes during the Period	(28,701)	(11,888)	(889)	(3,322)	721	(44,079)	(2)	(41,051)	(22,635)
Balance at the End of the Period	¥ 438,747	¥ (48,652)	¥ (6,587)	¥ 1,380	¥ (18,488)	¥ 366,399	¥ 1,060	¥ 34,781	¥ 2,707,721

See accompanying notes.

For the Six Months Ended September 30, 2018

	Millions of Yen				
	Shareholders' Equity				Total Shareholders' Equity
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	
Balance at the Beginning of the Period	¥ 261,608	¥ 645,016	¥ 1,263,415	¥ (42,224)	¥ 2,127,816
Changes during the Period					
Cash Dividends			(24,734)		(24,734)
Net Income Attributable to Owners of the Parent			91,510		91,510
Purchase of Treasury Stock				(9,019)	(9,019)
Disposal of Treasury Stock		(0)		30	30
Retirement of Treasury Stock					—
Purchase of Shares of Consolidated Subsidiaries		(17)			(17)
Sales of Shares of Consolidated Subsidiaries		4			4
Reversal of Revaluation Reserve for Land			(407)		(407)
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(13)	66,368	(8,988)	57,366
Balance at the End of the Period	¥ 261,608	¥ 645,003	¥ 1,329,783	¥ (51,212)	¥ 2,185,183

	Millions of Yen								
	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	¥ 516,663	¥ (22,746)	¥ (6,067)	¥ 4,281	¥ 4,720	¥ 496,851	¥ 799	¥ 246,858	¥ 2,872,325
Changes during the Period									
Cash Dividends									(24,734)
Net Income Attributable to Owners of the Parent									91,510
Purchase of Treasury Stock									(9,019)
Disposal of Treasury Stock									30
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(17)
Sales of Shares of Consolidated Subsidiaries									4
Reversal of Revaluation Reserve for Land									(407)
Net Changes of Items Other Than Shareholders' Equity	(40,120)	10,718	407	1,834	914	(26,246)	268	(151,274)	(177,252)
Total Changes during the Period	(40,120)	10,718	407	1,834	914	(26,246)	268	(151,274)	(119,885)
Balance at the End of the Period	¥ 476,542	¥ (12,028)	¥ (5,659)	¥ 6,115	¥ 5,635	¥ 470,604	¥ 1,067	¥ 95,584	¥ 2,752,440

See accompanying notes.

For the Six Months Ended September 30, 2019

	Millions of U.S. Dollars				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Period	\$ 2,424	\$ 5,976	\$ 12,856	\$ (475)	\$ 20,782
Changes during the Period					
Cash Dividends			(263)		(263)
Net Income Attributable to Owners of the Parent			982		982
Purchase of Treasury Stock				(162)	(162)
Disposal of Treasury Stock		(3)		17	14
Retirement of Treasury Stock		(593)		593	—
Purchase of Shares of Consolidated Subsidiaries		(0)			(0)
Sales of Shares of Consolidated Subsidiaries					—
Reversal of Revaluation Reserve for Land			8		8
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(597)	728	448	579
Balance at the End of the Period	\$ 2,424	\$ 5,379	\$ 13,584	\$ (26)	\$ 21,361

	Millions of U.S. Dollars								
	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	\$ 4,331	\$ (341)	\$ (53)	\$ 44	\$ (178)	\$ 3,803	\$ 10	\$ 703	\$ 25,297
Changes during the Period									
Cash Dividends									(263)
Net Income Attributable to Owners of the Parent									982
Purchase of Treasury Stock									(162)
Disposal of Treasury Stock									14
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(0)
Sales of Shares of Consolidated Subsidiaries									—
Reversal of Revaluation Reserve for Land									8
Net Changes of Items Other Than Shareholders' Equity	(266)	(110)	(8)	(31)	7	(408)	(0)	(380)	(789)
Total Changes during the Period	(266)	(110)	(8)	(31)	7	(408)	(0)	(380)	(210)
Balance at the End of the Period	\$ 4,065	\$ (451)	\$ (61)	\$ 13	\$ (171)	\$ 3,395	\$ 10	\$ 322	\$ 25,088

See accompanying notes.

Financial Data:

Consolidated Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2019 and 2018

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2019	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2019
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 151,264	¥ 137,291	\$ 1,402
Depreciation and Amortization	16,970	19,856	157
Impairment Losses	124	2,695	1
Amortization of Goodwill	4,506	4,734	42
Equity in Losses (Earnings) of Affiliated Companies	(4,408)	(658)	(41)
Increase (Decrease) in Allowance for Loan Losses	(10,501)	(16,724)	(97)
Increase (Decrease) in Provision for Bonuses	(3,227)	(2,104)	(30)
Increase (Decrease) in Provision for Directors' Bonuses	(316)	(265)	(3)
Increase (Decrease) in Provision for Stocks Payment	139	—	1
Decrease (Increase) in Assets for Retirement Benefits	(10,305)	(5,016)	(95)
Increase (Decrease) in Liabilities for Retirement Benefits	36	221	0
Increase (Decrease) in Provision for Reward Points Program	(785)	(552)	(7)
Increase (Decrease) in Provision for Reimbursement of Deposits	(975)	309	(9)
Increase (Decrease) in Provision for Contingent Losses	(2,080)	(3,079)	(19)
Interest Income	(252,739)	(250,635)	(2,342)
Interest Expenses	193,906	174,855	1,797
Loss (Gain) Related to Securities	(26,415)	8,060	(245)
Loss (Gain) on Money Held in Trust	(95)	(23)	(1)
Foreign Exchange Losses (Gains)	49,823	(75,697)	462
Loss (Gain) on Disposal of Fixed Assets	(286)	343	(3)
Net Decrease (Increase) in Trading Assets	25,448	28,321	236
Net Increase (Decrease) in Trading Liabilities	45,610	(41,243)	423
Net Decrease (Increase) in Loans and Bills Discounted	(60,864)	(673,358)	(564)
Net Increase (Decrease) in Deposit	(1,179,801)	456,226	(10,931)
Net Increase (Decrease) in Negotiable Certificates of Deposit	577,993	383,903	5,355
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	47,089	(114,819)	436
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	223,342	110,326	2,069
Net Decrease (Increase) in Call Loans	237,483	202,337	2,200
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	18,462	(51,676)	171
Net Increase (Decrease) in Call Money	1,817,958	504,186	16,844
Net Increase (Decrease) in Payables under Securities Lending Transactions	36,388	73,794	337
Net Decrease (Increase) in Foreign Exchange-Assets	4,781	(4,097)	44
Net Increase (Decrease) in Foreign Exchange-Liabilities	(109)	(1,675)	(1)
Net Decrease (Increase) in Lease Receivables and Investment Assets	(14,594)	4,832	(135)
Net Increase (Decrease) in Short-Term Bonds Payable	405,276	257,670	3,755
Increase (Decrease) in Straight Bonds-Issuance and Redemption	(175,152)	10,891	(1,623)
Net Increase (Decrease) in Borrowed Money from Trust Account	(1,442,748)	32,239	(13,367)
Proceeds from Fund Management	265,808	257,336	2,463
Payments for Finance	(201,931)	(176,330)	(1,871)
Other, Net	(153,157)	(185,186)	(1,419)
Subtotal	¥ 581,917	¥ 1,067,288	\$ 5,392
Income Taxes (Paid) Refunded	(16,908)	(37,387)	(157)
Net Cash Provided by (Used in) Operating Activities	¥ 565,009	¥ 1,029,901	\$ 5,235

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2019	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2019
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (2,802,707)	¥ (3,221,851)	\$ (25,968)
Proceeds from Sales of Securities	1,875,351	2,079,596	17,376
Proceeds from Redemption of Securities	785,198	671,413	7,275
Increase in Money Held in Trust	(3,300)	—	(31)
Purchase of Tangible Fixed Assets	(10,617)	(3,196)	(98)
Proceeds from Sales of Tangible Fixed Assets	2,217	549	21
Purchase of Intangible Fixed Assets	(16,153)	(15,114)	(150)
Purchase of Shares of Subsidiaries			
Resulting in Change in the Scope of Consolidation	(400)	—	(4)
Purchase of Shares of Affiliated Companies Accounted for by the Equity Method	(5)	(11,169)	(0)
Net Cash Provided by (Used in) Investing Activities	¥ (170,415)	¥ (499,771)	\$ (1,579)
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	39,785	99,441	369
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(10,000)	—	(93)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	(71)	(47)	(1)
Sales of Shares of Subsidiaries without Change in the Scope of Consolidation	—	36	—
Repayments to Non-Controlling Interests	(41,000)	(152,000)	(380)
Cash Dividends Paid	(28,388)	(24,732)	(263)
Cash Dividends Paid to Non-Controlling Interests	(1,512)	(4,744)	(14)
Purchase of Treasury Stock	(17,479)	(9,019)	(162)
Proceeds from Sales of Treasury Stock	1,472	30	14
Net Cash Provided by (Used in) Financing Activities	¥ (57,193)	¥ (91,035)	\$ (530)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (9,774)	¥ (8,206)	\$ (91)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 327,624	¥ 430,887	\$ 3,036
Cash and Cash Equivalents at the Beginning of the Period	¥ 14,079,768	¥ 26,540,249	\$ 130,453
Cash and Cash Equivalents at the End of the Period (Note 1)	¥ 14,407,393	¥ 26,971,136	\$ 133,488

See accompanying notes.

Financial Data:

Notes to the Interim Consolidated Financial Statements (Unaudited)

Basis of Presentation of Financial Statements

The accompanying interim consolidated financial statements (banking account) have been prepared from the accounts maintained by Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") and its consolidated subsidiaries (together, the "SuMi TRUST Group") in accordance with accounting principles generally accepted in Japan 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 the application and disclosure requirements of International Financial Reporting Standards.

In preparing these interim consolidated financial statements, the interim consolidated financial statements of SuMi TRUST Holdings issued in Japan have been reclassified and rearranged in order to present them in a form that is more familiar to readers outside Japan.

The interim consolidated financial statements are stated in Japanese yen, the currency of the country in which SuMi TRUST Holdings is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥107.93 to U.S. \$1, the approximate rate of exchange as of September 30, 2019. 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 have been rounded down and amounts less than one million U.S. dollars have been rounded off. As a result, total balances may not be equal to the sum of individual amounts.

Significant Accounting Policies and Practices

1. Scope of Consolidation

(1) Consolidated Subsidiaries as of September 30, 2019:

59 companies

Principal Company:

Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")

Changes in the consolidated subsidiaries during the interim period ended September 30, 2019, are as follows:

Sumitomo Mitsui Trust Life Partners Co., Ltd. is included in the scope of consolidation from the interim period ended September 30, 2019, due to the acquisition of its shares.

CMTH Preferred Capital 7 (Cayman) Limited and two

other companies are excluded from the scope of consolidation from the interim period ended September 30, 2019, due to their liquidation.

(2) Unconsolidated Subsidiaries

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 22 other companies are excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of "Ordinance on Terminology, Forms and Preparation Methods of Interim Financial Statements, etc.," because they are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries are excluded from the scope of consolidation because they are immaterial to the extent that excluding such companies from consolidation would not prevent a reasonable assessment of the corporate group's financial position and financial results. Such materiality is determined based on the size of their assets, ordinary income, net income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), retained earnings (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), accumulated other comprehensive income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), and other financial data.

2. Application of the Equity Method

(1) Unconsolidated Subsidiaries Accounted for by the Equity Method:
None

(2) Affiliated Companies Accounted for by the Equity Method:
33 companies

Principal Companies:

SBI Sumishin Net Bank, Ltd.

Changes in the affiliated companies accounted for by the equity method during the interim period ended September 30, 2019, are as follows:

MJV Co., Ltd. and two other companies are newly established and included in the scope of the application of the equity method from the interim period ended September 30, 2019.

(3) Unconsolidated Subsidiaries and Affiliated Companies That Are Not Accounted for by the Equity Method

Principal Companies:

Hummingbird Co., Ltd.
ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 22 other companies are excluded from the scope of the application of the equity method in accordance with Article 7, Paragraph 1, Item 2 of "Ordinance on Terminology, Forms and Preparation Methods of Interim Financial Statements, etc.," because they are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method are excluded from the scope of application of the equity method because such exclusion would not materially affect the interim consolidated financial statements. Such materiality is determined based on the size of their net income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), retained earnings (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), accumulated other comprehensive income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), and other financial data.

3. Interim Balance Sheet Dates of the Consolidated Subsidiaries

(1) The interim balance sheet dates of consolidated subsidiaries are as follows:

October 31:	2 companies
November 30:	1 company
February 28:	1 company
March 31:	5 companies
May 31:	1 company
June 30:	6 companies
September 30:	43 companies

(2) Subsidiaries are consolidated using the interim financial statements as of the following dates:

- Subsidiaries with an interim balance sheet date of October 31: Provisionally prepared interim financial statements as of July 31
- A subsidiary with an interim balance sheet date of

November 30: Provisionally prepared interim financial statements as of August 31

- A subsidiary with an interim balance sheet date of February 28: Provisionally prepared interim financial statements as of August 31
- Subsidiaries with an interim balance sheet date of March 31: Provisionally prepared interim financial statements as of September 30
- A subsidiary with an interim balance sheet date of May 31: Provisionally prepared interim financial statements as of August 31
- Other subsidiaries: Interim financial statements as of their respective interim balance sheet dates.

Material transactions arising between the interim consolidated balance sheet date, September 30, 2019, and the above interim balance sheet dates of consolidated subsidiaries have been reflected in the interim consolidated financial statements.

4. Significant Accounting Policies

(1) Trading Assets/Liabilities and Income/Expenses

Trading account activities are conducted to seek profits by taking advantage of short-term fluctuations in interest rates, currency rates, financial markets or other indicators, or intermarket differences (for trading purposes). The fluctuations in such items are presented as "Trading Assets" or "Trading Liabilities" in the interim consolidated balance sheets on a trade-date basis, and gains and losses from such transactions are presented as "Trading Income" or "Trading Expenses" in the interim consolidated statements of income.

For the measurement of trading assets and trading liabilities, securities and monetary claims are stated at their fair values as of the interim consolidated 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 interim consolidated balance sheet date.

Trading income and trading expenses include interest income or expenses, adjusting valuation differences of securities and monetary claims during the interim period and differences in resulting gains or losses from the settlement of financial derivatives assuming that the settlement was made as of September 30, 2019.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Holdings is required to determine the purposes of holding each security and classify such security 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 affiliated companies, 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 (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are, in principle, valued at the market price at the interim balance sheet date (cost of securities sold is calculated using primarily the moving-average method). "Available-for-Sale Securities" for which their fair values are extremely difficult to be determined 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 interim consolidated balance sheets.

(b) Securities in money held in trust are classified and accounted for in the same manner as those described in 4. (1) and 4. (2) (a) 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 other than lease assets

Tangible fixed assets are depreciated using primarily the straight-line method.

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

(b) Intangible fixed assets other than lease assets

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

Goodwill is amortized over a reasonable number of years, determined for each case, up to a maximum of 20 years. However, if immaterial, goodwill is expensed in its entirety in the year in which it arises.

(c) Lease assets

The lease assets under "Tangible Fixed Assets" and "Intangible Fixed Assets" that are related to finance leases that do not transfer ownership of the lease assets to lessees are depreciated using the straight-line method over the lease term, 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 criteria 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 a substantially similar adverse condition ("virtual bankruptcy"), the allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future ("possible bankruptcy"), an allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large borrowers with certain credit risks and credit amounts that are classified as possible bankruptcy borrowers, restructured loan borrowers, or close-observation borrowers, if future cash flows from the collection of the principal and interest can be reasonably estimated, the 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 (the "estimated cash flow method").

For claims that are classified as other than those above, the allowance is provided based on the historical loan-loss ratios during a certain period.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment

of asset quality. The Risk Management Department, which is independent from operating sections, monitors 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 ratios, and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of unrecoverable amount for each claim.

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥20,181 million (U.S. \$187 million) for the six months ended September 30, 2019.

(6) Provision for Bonuses

A provision for bonuses is provided for the estimated employee bonuses attributable to the current interim period.

(7) Provision for Directors' Bonuses

A provision for directors' bonuses is provided at SuMi TRUST Holdings and some of the consolidated subsidiaries for the estimated directors' bonuses attributable to the current interim period.

(8) Provision for Stocks Payment

A provision for stocks payment is provided for estimated stock-based payments to directors of SuMi TRUST Holdings and some consolidated subsidiaries under a stock-based compensation scheme that have been earned by September 30, 2019.

(9) Provision for Reward Points Program

A provision for reward points program is provided for the use of points granted to holders of Diners Club Card and other credit cards in the amount deemed necessary based on the reasonable estimates of the points to be used in the future.

(10) Provision for Reimbursement of Deposits in Dormant Accounts

At SuMi TRUST Bank, a provision for reimbursement of

deposits in dormant accounts is provided for the deposits that were derecognized as liabilities under certain conditions. Such provision is provided against the estimated future reimbursement to be requested by customers based on the past reimbursement record.

(11) Provision for Contingent Losses

A provision for contingent losses is provided for losses associated with off-balance-sheet transactions or trust transactions in the amount deemed necessary based on the estimated possible future losses.

(12) Accounting for Retirement Benefits

In determining the retirement benefit obligations, projected benefits to the periods up to the interim period ended September 30, 2019, are attributed based on the plan's benefit formula. Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost: Past service cost is recognized using the straight-line method, primarily over 10 years, within the employees' average remaining service period at incurrence.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years, within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts that would be required for voluntary termination at the end of the current interim period.

(13) Foreign Currency Translation

Assets and liabilities of SuMi TRUST Bank that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing at the interim consolidated balance sheet date, except for shares of stocks in affiliated companies translated into yen at the exchange rates prevailing at the acquisition dates.

Assets and liabilities of other consolidated subsidiaries that are denominated in foreign currencies are translated into yen at the exchange rates prevailing at their respective interim balance sheet dates.

(14) Accounting for Leases

As for the consolidated subsidiaries in Japan, income and expenses arising from transactions of finance leases that do not transfer ownership to lessees are recognized as sales and costs of goods sold when lease payments are collected.

(15) Hedge Accounting

(a) Interest-related risk hedge

SuMi TRUST Bank manages interest rate risk arising from various assets and liabilities by using financial derivative transactions. Such transactions are generally treated as deferred hedges as specified in "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 of February 13, 2002, "Report No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration 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 those for the hedging instruments.

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), SuMi TRUST Bank has adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which are utilized to manage interest rate risk arising from transactions, such as loans and bills discounted, and deposits. Deferred gains (losses) on hedges in the interim consolidated balance sheet as of the end of the current interim period that have resulted from existing "Macro Hedge Accounting" are amortized over the remaining period designated under "Macro Hedge Accounting" for each hedging transaction.

Deferred losses on hedges associated with "Macro Hedge Accounting" during the current interim period ended September 30, 2019, totaled ¥46 million (U.S. \$0.4 million) (before tax effect).

(b) Currency-related risk hedge

SuMi TRUST Bank manages the foreign exchange risk arising from various assets and liabilities denominated in

foreign currencies using financial derivative transactions. Such transactions are generally treated as deferred hedges as specified 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 of July 29, 2002, "Report No. 25"). The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

Additionally, transactions intended to hedge the foreign exchange risk associated with foreign currency-denominated securities (other than bonds) are treated as portfolio hedges. Fair value hedge accounting has been adopted to account for such transactions on the conditions that specific foreign currency-denominated securities are designated in advance as hedged items and that foreign currency payables of spot and forward foreign exchange contracts exist in excess of the acquisition cost of such foreign currency-denominated securities on a foreign currency basis.

The foreign exchange risk associated with investment in the shares of stocks in foreign subsidiaries and affiliated companies is individually hedged using forward exchange contracts denominated in the same currency, and foreign currency translation adjustments arising from the hedging instruments are included in "Foreign Currency Translation Adjustments."

(c) Internal hedge transactions and others

Among derivative transactions of SuMi TRUST Bank that take place between consolidated subsidiaries or that are made internally between designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to Report No. 24 and Report No. 25. Accordingly, income or expenses arising from such interest rate swaps and cross-currency swaps are recognized as profits or losses, or deferred, rather than eliminated.

Deferred hedge accounting has been adopted for certain assets and liabilities by individual transactions.

Other consolidated subsidiaries account for such transactions as deferred hedges or exceptional treatment for interest rate swaps by individual transactions.

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

The balance of "Cash and Cash Equivalents" in the interim consolidated statements of cash flows is equivalent to the balance of "Cash and Due from Banks" presented in the interim consolidated balance sheets (cash and due from the Bank of Japan for SuMi TRUST BANK and Japan Trustee Services Bank, Ltd. ("JTSB")).

(17) National and Local Consumption Taxes

National and local consumption taxes ("consumption taxes") payable by SuMi TRUST Holdings and its consolidated subsidiaries in Japan are accounted for by the tax-excluded method. However, any nondeductible consumption taxes associated with asset purchases are recorded as expenses in the current interim period.

(18) Adoption of Consolidated Tax Return System

SuMi TRUST Holdings has adopted the consolidated tax return system from the interim period ended September 30, 2019.

Additional Information

Share Delivery Trust for the Directors

1. Overview

From the interim period ended September 30, 2019, a Performance-Based Stock Compensation System (the "System") is introduced that utilizes a trust, and applies to SuMi Trust Holdings' directors (excluding directors who are Audit Committee members and external directors) and executive officers (as defined in the Companies Act and as defined in SuMi Trust Holdings' internal policies), and the directors (excluding directors who are Audit and Supervisory Committee members and external directors) and executive officers (as defined in the internal policies) of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management Co., Ltd. ("SuMi TRUST AM"), which are core companies of the SuMi TRUST Group. The above mentioned directors and executive officers of SuMi TRUST Holdings, SuMi TRUST Bank, and SuMi TRUST AM are collectively referred to as the "Directors."

Under the System, a portion of the remuneration of the Directors is linked to performance targets set out in SuMi TRUST Holdings' current Midterm Management Plan and those set in the midterm management plans to be established for every three fiscal years from next fiscal year. By paying part of the remuneration for Directors in shares, the linkage between the remuneration of the Directors and the performance of the SuMi TRUST Group becomes clearer, and the Directors share the same benefits and risks of share price fluctuations with the shareholders. Through these initiatives, the System is designed to heighten the Director's attention to enhancement of medium- and long-term business performance and the corporate value of the SuMi TRUST Group.

SuMi TRUST Holdings contributes money to a trust set up under the System, and the trust acquires shares of SuMi TRUST Holdings. The Directors are awarded points based on the Shares Delivery Rules established individually by SuMi TRUST Holdings, SuMi TRUST Bank, and SuMi TRUST AM, and the number of shares of SuMi TRUST Holdings corresponding to the points granted are issued to the Directors through the trust.

2. Remaining Number of Shares of SuMi TRUST Holdings Held by the Trust

The carrying amount and the number of shares of SuMi TRUST Holdings held by the Trust as of September 30, 2019, was ¥1,469 million (U.S. \$14 million) and 429 thousand shares. The shares are recorded as treasury stock in the net assets section of the interim consolidated balance sheet.

Notes to the Interim Consolidated Balance Sheets

1. Securities

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliated companies.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Stocks	¥ 149,864	\$ 1,389
Equity Investments	43,051	399

Unsecured securities borrowed under loan agreements and securities purchased under resale agreements, and securities received under lending transactions with cash collateral that SuMi TRUST Holdings has a free disposal right to sell or (re)pledge.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Securities That Are Further Collateralized	¥ 114,701	\$ 1,063
Securities That Are Further Loaned	1,261,712	11,690
Securities Held without Selling or Repledging as of the End of the Current Period	22,475	208

2. Loans and Bills Discounted

Loans and bills discounted as of September 30, 2019, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Loans in Bankruptcy Proceedings	¥ 6,106	\$ 57
Delinquent Loans	72,893	675

Loans in bankruptcy proceedings are loans whose interest receivable is not recorded due to delinquency in principal or interest payments for a significant period or other reasons excluding loans that have been written off ("non-accrual loans") and due to the reasons as prescribed in Paragraph 1, Items 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order

No. 97 of 1965).

Delinquent loans are nonaccrual loans other than (i) loans in bankruptcy proceedings and (ii) loans for which the terms of interest payments have been extended in connection with the borrower's business restructuring or to otherwise provide support.

3. Loans Past Due Three Months or More

Loans past due three months or more as of September 30, 2019, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Loans Past Due Three Months or More	¥ 2,000	\$ 19

Loans past due three months or more 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 delinquent loans.

4. Restructured Loans

Restructured loans as of September 30, 2019, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Restructured Loans	¥ 35,162	\$ 326

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 providing some arrangements favorable to the borrower in connection with

the borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, delinquent loans, or loans past due three months or more.

5. Total of Loans in Bankruptcy Proceedings, Delinquent Loans, Loans Past Due Three Months or More, and Restructured Loans

Total of loans in bankruptcy proceedings, delinquent loans, loans past due three months or more, and restructured loans as of September 30, 2019, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Total of Loans in Bankruptcy Proceedings, Delinquent Loans, Loans Past Due Three Months or More, and Restructured Loans	¥ 116,162	\$ 1,076

The amounts presented in Notes 2 through 5 are before deducting allowances for loan losses.

6. Bills Discounted

Bills discounted are treated as financial transactions in accordance with Report No. 24. SuMi TRUST Holdings has a free disposal right to sell or (re)pledge such commercial bills. The total face value of such bills is as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Bills Discounted	¥ 1,560	\$ 14

7. Assets Pledged as Collateral

Assets pledged as collateral as of September 30, 2019, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Assets Pledged as Collateral:		
Trading Assets	¥ 20,984	\$ 194
Securities	991,875	9,190
Loans and Bills Discounted	4,728,867	43,814
Lease Receivables and Investment Assets	59,485	551
Other Assets	46,578	432
Total	¥ 5,847,791	\$ 54,181
Corresponding Liabilities to Assets Pledged as Collateral:		
Deposits	¥ 33,891	\$ 314
Payables under Repurchase Agreements	772,436	7,157
Payables under Securities Lending Transactions	141,156	1,308
Borrowed Money	2,873,148	26,620

In addition to the foregoing, the following assets have been pledged as collateral for settlement of exchange and others, or as a substitution of margin of futures and others.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Securities	¥ 394,809	\$ 3,658

“Other Assets” include initial margins of futures, security deposits, cash collateral paid for financial instruments, and cash collateral paid for repurchase agreement transactions. Such amounts are as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Initial Margins of Futures Markets	¥ 11,439	\$ 106
Security Deposits	25,080	232
Cash Collateral Pledged for Financial Instruments-Assets	703,577	6,519
Cash Collateral Pledged for Repurchase Agreement Transactions	12,191	113

8. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and commitment 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 as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Amount of Unused Credit under Agreements	¥ 12,178,766	\$ 112,839
Attributable to Agreements Expiring within One Year or which May Be Unconditionally Canceled at Any Time	8,072,182	74,791

The balance of unused credit will not necessarily affect the future cash flows of the consolidated subsidiaries because most of these agreements expire without credit being extended. Most of these agreements contain clauses allowing the consolidated subsidiaries to reject requests for credit outright or reduce the credit limits due to changed financial circumstances, the need to preserve claims, or

other reasonable causes. Besides requesting collateral, such as real estate or securities, as necessary at the time of entering into the agreement, the consolidated subsidiaries have also adopted other measures to keep its credit sound, such as periodically assessing the condition of customers’ businesses following the internal procedures and revising agreements, as necessary.

9. Revaluation Reserve for Land

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SuMi TRUST Bank was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a “Deferred Tax Liability for Land Revaluation” in liabilities, and the amount net of such differences was recorded as a “Revaluation Reserve for Land” in net assets.

Revaluation date: March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation is calculated by reasonably adjusting the value of land 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 land assessments under Item 4 of Article 2 of the same Order.

10. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of September 30, 2019, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Accumulated Depreciation of Tangible Fixed Assets	¥ 163,143	\$ 1,512

11. Borrowed Money

Borrowed money includes subordinated borrowings with lower priority for fulfillment of obligation than other debts.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Subordinated Borrowings	¥ 60,000	\$ 556
Subordinated Borrowings with a Debt Relief Clause at the Contractual Point of Non-Viability	10,000	93

12. Bonds Payable

Bonds payable includes subordinated bonds.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Subordinated Bonds	¥ 931,013	\$ 8,626
Subordinated Bonds with a Debt Relief Clause at the Contractual Point of Non-Viability	640,000	5,930

13. Guarantee Obligations on Corporate Bonds Placed through Private Securities Offerings

The bonds presented under "Securities" include guarantee obligations on corporate bonds that were placed through private securities offerings (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act).

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Guarantee Obligations on Corporate Bonds Placed through Private Securities Offerings	¥ 93,036	\$ 862

14. Principal of Guaranteed Trust Accounts

The principal amount of the trusts held by SuMi TRUST Bank through guaranteed trust agreements is as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Money Trusts	¥ 3,847,330	\$ 35,647

Notes to the Interim Consolidated Statements of Income

1. Other Income

Other income for the six months ended September 30, 2019, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Gains on Sales of Stocks and Other Securities	¥ 9,449	\$ 88
Equity in Earnings of Affiliated Companies	4,408	41

2. General and Administrative Expenses

General and administrative expenses for the six months ended September 30, 2019, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Salaries and Allowances	¥ 83,211	\$ 771

3. Other Expenses

Other expenses for the six months ended September 30, 2019, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Losses on Sales of Stocks and Other Securities	¥ 262	\$ 2
Losses on Devaluation of Stocks and Other Securities	3,218	30
Allowance for Loan Losses	1,070	10

Notes to the Interim Consolidated Statements of Changes in Net Assets

1. Class and Number of Issued Shares of Common Stock and Treasury Stock

The class and number of issued shares of common stock and treasury stock for the six months ended September 30, 2019, consist of the following:

	Thousands of Shares				Number of Shares Outstanding at the End of the Current Period
	Authorized	Number of Shares Outstanding at the Beginning of the Current Period	Increase	Decrease	
For the Six Months Ended September 30, 2019					
Number of Issued Shares:					
Common Share	850,000	390,348	—	15,057 ¹⁾	375,291
Treasury Stock:					
Common Share		11,751	4,488 ²⁾	15,486 ³⁾	753 ⁴⁾

(Notes)

1) The number of shares of common stock decreased by 15,057 thousand shares due to cancellation.

2) The number of shares of common stock held as treasury stock increased by 2 thousand shares due to the purchase of odd-lot or less than one thousand shares, by 4,057 thousand shares due to the acquisition of treasury stock, which was resolved at the meeting of the Board of Directors held on May 15, 2019, and by 429 thousand shares due to the acquisition of shares under the scheme of the share delivery trust for the Directors.

3) The number of shares of common stock held as treasury stock decreased by 0 thousand shares due to purchase

requests from odd-lot or less than one thousand shareholders, by 0 thousand shares due to the transfer of shares upon exercise of stock option rights, by 429 thousand shares due to the disposal of shares under the scheme of the share delivery trust for the Directors, and by 15,057 thousand shares due to cancellation.

4) The number of shares of common stock held as treasury stock as of September 30, 2019, includes 429 thousand shares of SuMi TRUST Holdings held by the share delivery trust for the Directors. The number of shares held by the share delivery trust for the Directors increased by 429 thousand shares during the six months ended September 30, 2019.

2. Subscription Rights to Shares

Subscription rights to shares for the six months ended September 30, 2019, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
SuMi TRUST Holdings		
Subscription Rights to Shares as Stock Options	¥ 1,060	\$ 10
Consolidated Subsidiary (Nikko Asset Management Co., Ltd.)		
Subscription Rights to Shares as Stock Options	—	—

3. Dividends

(1) Dividends paid for the six months ended September 30, 2019, consist of the following:

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 27, 2019					
Ordinary General Meeting of Shareholders	Common Share	¥ 28,394 (\$263)	¥ 75.00 (\$0.69)	March 31, 2019	June 28, 2019

(2) Dividends with a record date during the current interim period ended September 30, 2019, but whose effective date is after September 30, 2019, are as follows:

Resolution	Type of Shares	Cash Dividends Declared	Dividend Resources	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)		Yen (U.S. Dollars)		
November 13, 2019						
Board of Directors' Meeting	Common Share	¥ 28,122 (\$261)	Retained Earnings	¥ 75.00 (\$0.69)	September 30, 2019	December 3, 2019

(Note)

Cash dividends declared include ¥32 million (U.S. \$0.3 million) of dividends for treasury stock held by the share delivery trust for the Directors.

Note to the Interim Consolidated Statements of Cash Flows

1. Reconciliation of Cash and Cash Equivalents

The following table reconciles cash and cash equivalents in the interim consolidated statements of cash flows and cash and due from banks in the interim consolidated balance sheets as of September 30, 2019.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Cash and Due from Banks	¥ 16,150,147	\$ 149,635
Due from Consolidated Subsidiaries Involving in Trust Banking Business (excluding Due from the Bank of Japan)	(1,742,754)	(16,147)
Cash and Cash Equivalents	¥ 14,407,393	\$ 133,488

Leases

1. Finance Leases

As a lessee:

Finance leases that do not transfer ownership of the lease assets to lessees

1) Description of lease assets

i) Tangible fixed assets

Mainly store buildings and office equipment

ii) Intangible fixed assets

Software

2) Method for depreciating and amortizing lease assets

Refer to "(4) Depreciation and Amortization Methods" of "4. Significant Accounting Policies" in the Significant Accounting Policies and Practices.

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of September 30, 2019, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Due in One Year or Less	¥ 3,626	\$ 34
Due in More than One Year	20,950	194
Total	¥ 24,576	\$ 228

As a lessor:

Total future lease payments under non-cancelable operating leases as of September 30, 2019, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Due in One Year or Less	¥ 2,983	\$ 28
Due in More than One Year	10,443	97
Total	¥ 13,427	\$ 124

Financial Instruments

Fair Values of Financial Instruments

The carrying amounts on the interim consolidated balance sheets and fair values of financial instruments as of September 30, 2019, as well as the differences between these values are presented below. The fair values of unlisted shares are excluded from the following table, because such fair values are extremely difficult to be determined (See Note 2).

	Millions of Yen			Millions of U.S. Dollars		
	Sep. 30, 2019			Sep. 30, 2019		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 16,150,077	¥ 16,150,077	¥ —	\$ 149,635	\$ 149,635	\$ —
(2) Call Loans and Bills Bought	52,764	52,764	—	489	489	—
(3) Receivables under Resale Agreements	159,139	159,139	—	1,474	1,474	—
(4) Receivables under Securities Borrowing Transactions	741,350	741,350	—	6,869	6,869	—
(5) Monetary Claims Bought (*1)	833,906	834,743	837	7,726	7,734	8
(6) Trading Assets						
Trading Securities	71,514	71,514	—	663	663	—
(7) Money Held in Trust	4,642	4,642	—	43	43	—
(8) Securities						
Held-to-Maturity Securities	291,512	314,134	22,622	2,701	2,911	210
Available-for-Sale Securities	5,480,185	5,480,185	—	50,775	50,775	—
(9) Loans and Bills Discounted	29,085,121			269,481		
Allowance for Loan Losses (*2)	(80,093)			(742)		
	29,005,027	29,284,618	279,590	268,739	271,330	2,590
(10) Foreign Exchanges	32,155	32,155	—	298	298	—
(11) Lease Receivables and Investment Assets (*1)	665,655	683,328	17,673	6,167	6,331	164
Total Assets	¥ 53,487,930	¥ 53,808,654	¥ 320,723	\$ 495,580	\$ 498,551	\$ 2,972
(1) Deposits	¥ 30,723,770	¥ 30,743,947	¥ 20,176	\$ 284,664	\$ 284,851	\$ 187
(2) Negotiable Certificates of Deposit	6,906,616	6,906,616	—	63,992	63,992	—
(3) Call Money and Bills Sold	1,857,320	1,857,320	—	17,209	17,209	—
(4) Payables under Repurchase Agreements	1,636,623	1,636,623	—	15,164	15,164	—
(5) Payables under Securities Lending Transactions	141,156	141,156	—	1,308	1,308	—
(6) Borrowed Money	4,070,891	4,074,054	3,163	37,718	37,747	29
(7) Foreign Exchanges	347	347	—	3	3	—
(8) Short-Term Bonds Payable	1,878,062	1,878,062	—	17,401	17,401	—
(9) Bonds Payable	1,233,101	1,267,818	34,717	11,425	11,747	322
(10) Borrowed Money from Trust Account	3,965,260	3,965,260	—	36,739	36,739	—
Total Liabilities	¥ 52,413,151	¥ 52,471,208	¥ 58,057	\$ 485,622	\$ 486,160	\$ 538
Derivative Transactions (*3)						
Derivative Transactions Not Qualifying for Hedge Accounting	¥ 62,833	¥ 62,833	¥ —	\$ 582	\$ 582	\$ —
Derivative Transactions Qualifying for Hedge Accounting	(33,051)	(33,051)	—	(306)	(306)	—
Total Derivative Transactions	¥ 29,781	¥ 29,781	¥ —	\$ 276	\$ 276	\$ —

(*1) The allowance for credit losses corresponding to "Cash and Due from Banks," "Monetary Claims Bought," and "Lease Receivables and Investment Assets" is directly deducted from the carrying amounts on the interim consolidated balance sheets, because the balance of the allowance is immaterial.

(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from "Loans and Bills Discounted."

(*3) Derivative transactions recorded 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. Negative figures represent a liability balance after netting.

(Note 1) Method for Calculating Fair Values of Financial Instruments

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

These instruments with transactions without stated maturities are stated at their carrying amounts because the carrying amounts approximate fair value. For transactions with stated maturities, corresponding instruments are stated at their carrying amounts because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

(5) Monetary Claims Bought

Fair values of monetary claims bought for which counterparties' quoted prices or dealer/broker-quoted prices are available are stated at such prices. Fair values for all other claims are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present values.

(6) Trading Assets

Bonds and other securities held for trading purposes are stated at dealer association prices or counterparties' quoted prices. For short-term corporate bonds, their fair values are calculated by discounting future cash flows to their present values.

(7) Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices. Notes regarding money held in trust by holding purposes are presented under the "Money Held in Trust" section.

(8) Securities

Stocks are stated at quoted market prices. Bonds are stated at quoted market prices, dealer association prices, counterparties' quoted prices, or dealer/broker-quoted prices. Investment trusts are stated at published reference prices.

Fair values of privately placed bonds guaranteed by SuMi TRUST Bank are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present value.

Notes regarding securities by holding purposes are presented under the "Securities" section.

(9) Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities; and discounting the aggregate principal and interest by the assumed interest rate for similar new loans. However, floating-rate loans for which their carrying amounts are deemed to approximate fair value, due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loans, are stated at their carrying amounts.

For claims executed to borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses 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 claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the interim consolidated balance sheets at the interim consolidated balance sheet date, because such deducted amounts approximate fair value.

Loans without stated maturities (as the amount of credit is limited to the value of the collateral or due to some other special characteristics) are stated at their carrying amounts as the carrying amounts are deemed to approximate fair value because of the expected repayment periods and the interest terms.

(11) Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to their internal ratings and maturities, and 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 interim consolidated 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 discounted by the rates that would be paid on new deposits. 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 amounts approximate 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 Account

The obligations without stated maturities are stated at the amounts that would have to be paid on demand at the interim consolidated balance sheet date (carrying amount). Obligations with stated maturities are stated at their carrying amounts, because most of the obligations have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(Note 2) The amounts of financial instruments on the interim consolidated balance sheets whose fair values are extremely difficult to be determined are as stated below, and such amounts are not included in the fair values information for financial instruments presented under the "Assets, (5) Monetary Claims Bought" or "Assets, (8) Available-for-Sale Securities" section.

	Millions of Yen		Millions of U.S. Dollars	
	Sep. 30, 2019		Sep. 30, 2019	
	Carrying Amount		Carrying Amount	
Monetary Claims Bought	¥	7,573	\$	70
Securities		191,863		1,778
Unlisted Stocks (*3)		73,820		684
Investments in Associations		89,985		834
Others		28,057		260
Total	¥	199,436	\$	1,848

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

(*2) Stocks of subsidiaries and affiliated companies are not included in the above table.

(*3) During the current interim period ended September 30, 2019, impairment losses of ¥1,731 million (U.S. \$16 million) were recognized against "Unlisted Stocks."

(6) Borrowed Money

Borrowed money at floating rates is stated at their carrying amounts. The carrying amounts are deemed to approximate fair value because such amounts reflect short-term market interest rates, and there have been no significant changes in credit condition subsequent to undertaking the borrowed money.

Fair values of borrowed money at fixed rates are calculated by discounting their future cash flows by the assumed interest rate on similar borrowings. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value.

(9) Bonds Payable

Bonds issued by SuMi TRUST Holdings and its consolidated subsidiaries are stated at market prices, if such prices are available. Fair values for other bonds are calculated by discounting future cash flows to their present values by the assumed interest rate on issuance of similar bonds.

Derivatives

Notes regarding fair values of derivatives are presented under the "Derivatives" section.

Securities

- *1. In addition to the "Securities" presented in the interim consolidated balance sheets, the following information includes loan-backed trust deeds reported under "Monetary Claims Bought."
*2. "Stocks in Subsidiaries and Affiliated Companies" are presented as a note to the interim financial statements.

1. Held-to-Maturity Securities with Fair Value

Held-to-maturity securities with fair value as of September 30, 2019, consist of the following:

September 30, 2019	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,596	¥ 140,281	¥ 21,684
Corporate Bonds	33,200	33,896	696
Other Securities	158,575	158,978	402
Foreign Bonds	90,015	90,294	278
Others	68,559	68,684	124
Subtotal	310,372	333,156	22,783
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Corporate Bonds	—	—	—
Other Securities	49,700	49,663	(37)
Foreign Bonds	49,700	49,663	(37)
Others	—	—	—
Subtotal	49,700	49,663	(37)
Total	¥ 360,072	¥ 382,819	¥ 22,746

September 30, 2019	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	\$ 1,099	\$ 1,300	\$ 201
Corporate Bonds	308	314	6
Other Securities	1,469	1,473	4
Foreign Bonds	834	837	3
Others	635	636	1
Subtotal	2,876	3,087	211
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	\$ —	\$ —	\$ —
Corporate Bonds	—	—	—
Other Securities	460	460	(0)
Foreign Bonds	460	460	(0)
Others	—	—	—
Subtotal	460	460	(0)
Total	\$ 3,336	\$ 3,547	\$ 211

2. Available-for-Sale Securities

Available-for-sale securities as of September 30, 2019, consist of the following:

September 30, 2019	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,262,984	¥ 491,119	¥ 771,864
Bonds	726,502	722,686	3,816
Government Bonds	264,936	264,651	285
Local Government Bonds	6,936	6,887	49
Corporate Bonds	454,629	451,147	3,481
Other Securities	1,224,083	1,181,057	43,026
Foreign Stocks	2,982	189	2,793
Foreign Bonds	900,646	885,064	15,581
Others	320,455	295,803	24,652
Subtotal	3,213,570	2,394,863	818,707
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 81,123	¥ 102,750	¥ (21,627)
Bonds	423,698	424,477	(779)
Government Bonds	257,183	257,415	(231)
Local Government Bonds	3,896	3,900	(3)
Corporate Bonds	162,618	163,162	(544)
Other Securities	1,785,955	1,959,815	(173,860)
Foreign Stocks	994	1,296	(301)
Foreign Bonds	649,818	651,551	(1,733)
Others	1,135,142	1,306,968	(171,825)
Subtotal	2,290,777	2,487,044	(196,267)
Total	¥ 5,504,347	¥ 4,881,907	¥ 622,440

September 30, 2019	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	\$ 11,702	\$ 4,550	\$ 7,152
Bonds	6,731	6,696	35
Government Bonds	2,455	2,452	3
Local Government Bonds	64	64	0
Corporate Bonds	4,212	4,180	32
Other Securities	11,341	10,943	399
Foreign Stocks	28	2	26
Foreign Bonds	8,345	8,200	144
Others	2,969	2,741	228
Subtotal	29,775	22,189	7,586
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	\$ 752	\$ 952	\$ (200)
Bonds	3,926	3,933	(7)
Government Bonds	2,383	2,385	(2)
Local Government Bonds	36	36	(0)
Corporate Bonds	1,507	1,512	(5)
Other Securities	16,547	18,158	(1,611)
Foreign Stocks	9	12	(3)
Foreign Bonds	6,021	6,037	(16)
Others	10,517	12,109	(1,592)
Subtotal	21,225	23,043	(1,818)
Total	\$ 50,999	\$ 45,232	\$ 5,767

3. Impairment of Securities

Securities other than securities whose fair values are extremely difficult to be determined, or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the interim consolidated balance sheets. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses of ¥1,486 million (U.S. \$14 million) on stocks were recognized during the current interim period.

The criteria for determining whether the fair values of securities have significantly declined are as follows:

- For securities whose issuers are classified as “normal” under the asset self-assessment, a decline of 50% or more in the fair values compared with the acquisition cost is deemed to be significant;
- For securities whose issuers are classified as “close-observation borrowers,” a decline of 30% or more in the fair values compared with the acquisition cost is deemed to be significant; and
- The fair values of some securities are deemed unrecoverable and impairment losses are recognized when their fair values have declined more than 30% but less than 50% from the acquisition cost and the fair values have continued to decline over a certain period.

Money Held in Trust

1. Held-to-Maturity Money Held in Trust

There is no held-to-maturity money held in trust as of September 30, 2019.

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

Other money held in trust (other than those held for trading purposes or held-to-maturity) as of September 30, 2019, consists of the following:

September 30, 2019	Millions of Yen				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,369	¥ 1,029	¥ 339	¥ 339	¥ —

September 30, 2019	Millions of U.S. Dollars				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	\$ 13	\$ 10	\$ 3	\$ 3	\$ —

(Note) The amount of “Difference” is net of “Positive Difference” and “Negative Difference.”

Valuation Differences on Available-for-Sale Securities

The following table shows components of "Valuation Differences on Available-for-Sale Securities" in the interim consolidated balance sheets.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Valuation Differences		
Available-for-Sale Securities	¥ 623,910	\$ 5,781
Other Money Held in Trust	339	3
Total Valuation Differences	624,250	5,784
Amount Equivalent to Deferred Tax Assets (Liabilities)	(189,410)	(1,755)
Total (before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by Its Affiliated Companies)	434,839	4,029
Non-Controlling Interests	(335)	(3)
Parent Company's Portions in Available-for-Sale Securities Owned by Its Affiliated Companies	4,242	39
Valuation Differences on Available-for-Sale Securities	¥ 438,747	\$ 4,065

(Notes)

1) Foreign currency translation adjustments on available-for-sale securities, for which fair values are extremely difficult to be determined, are included in the "Available-for-Sale Securities" under "Valuation Differences."

2) The valuation difference of ¥1,615 million (U.S. \$15 million) on available-for-sale securities composing assets held

by associated companies is included in "Available-for-Sale Securities" under "Valuation Differences."

3) The unamortized portion of valuation difference as of the interim consolidated balance sheet date arising from the reclassification of the holding purpose of securities is included in "Available-for-Sale Securities" under "Valuation Differences."

Derivatives

1. Derivative Transactions Not Qualifying for Hedge Accounting

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

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of September 30, 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2019				Sep. 30, 2019			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Interest Futures								
Sold	¥ 14,890,901	¥ 4,713,826	¥ (13,859)	¥ (13,859)	\$ 137,968	\$ 43,675	\$ (128)	\$ (128)
Purchased	14,715,868	4,699,896	14,048	14,048	136,346	43,546	130	130
Interest Options								
Sold	4,539,657	288,492	(591)	252	42,061	2,673	(5)	2
Purchased	3,527,630	281,860	573	(337)	32,684	2,612	5	(3)
OTC								
Forward Rate Agreements								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	56,381,402	42,936,807	1,681,443	1,681,443	522,389	397,821	15,579	15,579
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	49,550,556	38,995,374	(1,663,961)	(1,663,961)	459,099	361,302	(15,417)	(15,417)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	20,568,920	16,858,500	6,099	6,099	190,576	156,198	57	57
Interest Options								
Sold	8,836,681	8,832,478	(27,488)	(14,243)	81,874	81,835	(255)	(132)
Purchased	5,350,011	5,319,619	22,219	17,296	49,569	49,288	206	160
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 18,483	¥ 26,738			\$ 171	\$ 248

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the interim consolidated statements of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Tokyo Financial Exchange and other exchanges. The fair values of over-the-counter (OTC) derivative transactions are calculated using the net present value method or option-pricing models.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of September 30, 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2019				Sep. 30, 2019			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Currency Futures								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC								
Currency Swaps	4,723,189	4,391,270	15,842	15,842	43,762	40,686	147	147
Forward Exchange Contracts								
Sold	16,305,692	746,129	(33,082)	(33,082)	151,077	6,913	(307)	(307)
Purchased	20,944,416	230,416	65,671	65,671	194,056	2,135	608	608
Currency Options								
Sold	1,143,185	597,321	(35,876)	19,272	10,592	5,534	(332)	179
Purchased	891,767	425,967	35,931	(12,075)	8,262	3,947	333	(112)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 48,486	¥ 55,629			\$ 449	\$ 515

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the interim consolidated statements of income.

2) The fair values are calculated using the net present value method or option-pricing models.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of September 30, 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2019				Sep. 30, 2019			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Stock Index Futures								
Sold	¥ 76,341	¥ —	¥ 230	¥ 230	\$ 707	\$ —	\$ 2	\$ 2
Purchased	75,464	—	(385)	(385)	699	—	(4)	(4)
Stock Index Options								
Sold	106,045	—	(1,855)	(801)	983	—	(17)	(7)
Purchased	147,554	—	234	(551)	1,367	—	2	(5)
OTC								
OTC Stock Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC Stock Swaps								
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	—	—	—	—	—	—	—	—
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (1,776)	¥ (1,508)			\$ (16)	\$ (14)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the interim consolidated statements of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC derivative transactions are calculated using the net present value method or option-pricing models.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of September 30, 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2019				Sep. 30, 2019			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Bond Futures								
Sold	¥ 1,681,835	¥ —	¥ 4,036	¥ 4,036	\$ 15,583	\$ —	\$ 37	\$ 37
Purchased	1,689,717	—	(4,574)	(4,574)	15,656	—	(42)	(42)
Bond Future Options								
Sold	381,975	—	(1,497)	103	3,539	—	(14)	1
Purchased	242,026	—	657	(184)	2,242	—	6	(2)
OTC								
Bond Forward Contracts								
Sold	35,508	—	53	53	329	—	0	0
Purchased	75,430	—	(165)	(165)	699	—	(2)	(2)
Bond Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (1,491)	¥ (731)			\$ (14)	\$ (7)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the interim consolidated statements of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC derivative transactions are calculated using option-pricing models.

(5) Commodity-Related Transactions

There are no commodity-related transactions not qualifying for hedge accounting as of September 30, 2019.

(6) Credit Derivative Transactions

Credit derivative transactions not qualifying for hedge accounting as of September 30, 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2019				Sep. 30, 2019			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
OTC								
Credit Default Swaps								
Sold	¥ 62,100	¥ 52,100	¥ 953	¥ 953	\$ 575	\$ 483	\$ 9	\$ 9
Purchased	111,990	101,990	(1,823)	(1,823)	1,038	945	(17)	(17)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (869)	¥ (869)			\$ (8)	\$ (8)

(Notes)

- 1) The above transactions are stated at their fair values and valuation differences are recorded in the interim consolidated statements of income.
- 2) The fair values are calculated using the net present value method.

- 3) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

2. Derivative Transactions Qualifying for Hedge Accounting

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

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of September 30, 2019, consist of the following:

Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
	Sep. 30, 2019			Sep. 30, 2019		
	Notional Amount		Fair Value	Notional Amount		Fair Value
Total	Over One Year	Total		Over One Year		
Deferral Method						
Interest Rate Swaps						
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	¥ 1,199,645	¥ 330,680	¥ 2,432	\$ 11,115	\$ 3,064	\$ 23
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	1,507,153	1,335,205	(46,708)	13,964	12,371	(433)
Interest Futures	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable					
Sold	—	—	—	—	—	—
Purchased	—	—	—	—	—	—
Interest Options						
Sold	—	—	—	—	—	—
Purchased	—	—	—	—	—	—
Others						
Sold	—	—	—	—	—	—
Purchased	—	—	—	—	—	—
Exceptional Treatment for Interest Rate Swaps						
Interest Rate Swaps						
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Borrowed Money					
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	—	—	(Note3)	—	—	(Note3)
	100	—		1	—	
Total	¥ (44,276)			\$ (410)		

(Notes)

1) Deferred hedge accounting stipulated in Report No. 24 is applied, in principle.

2) Fair values are calculated mainly using the net present value method or option-pricing models.

3) Interest rate swaps to which exceptional treatment is applied are accounted for as part of the borrowings being hedged; therefore, their fair values are included in the fair value of "Borrowed Money" presented under "Financial Instruments."

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of September 30, 2019, consist of the following:

Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
	Sep. 30, 2019			Sep. 30, 2019		
	Notional Amount		Fair Value	Notional Amount		Fair Value
Total	Over One Year	Total		Over One Year		
Deferral Method						
Currency Swaps	¥ 1,923,700	¥ 1,189,838	¥ 12,035	\$ 17,824	\$ 11,024	\$ 112
Forward Exchange Contracts						
Sold	12,203	—	128	113	—	1
Purchased	17,032	—	53	158	—	0
Others						
Sold	—	—	—	—	—	—
Purchased	—	—	—	—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments"						
Forward Exchange Contracts						
Sold	¥ 76,600	¥ —	¥ (992)	\$ 710	\$ —	\$ (9)
Purchased	—	—	—	—	—	—
Total			¥ 11,224			\$ 104

(Notes)

- 1) Deferred hedge accounting stipulated in Report No. 25 is applied, in principle. 2) Fair values are calculated mainly using the net present value method.

(3) Stock-Related Transactions

There are no stock-related transactions qualifying for hedge accounting as of September 30, 2019.

(4) Bond-Related Transactions

There are no bond-related transactions qualifying for hedge accounting as of September 30, 2019.

Stock Option Plans**1. Expenses Recorded and Account Used in Connection with Stock Options during the Current Interim Period**

There are no general and administrative expenses recorded during the interim period ended September 30, 2019.

2. Description of Stock Options Granted during the Current Interim Period

There are no stock options granted by SuMi TRUST Holdings during the interim period ended September 30, 2019.

Consolidated Subsidiary (Nikko Asset Management Co., Ltd.)

There are no stock options granted by Nikko Asset Management Co., Ltd. during the interim period ended September 30, 2019.

Segment Information

1. Reportable Segment Information

The SuMi TRUST Group's reportable segments are defined as operating segments for which discrete financial information is available. The Board of Directors and the Executive Committee of the SuMi TRUST Group periodically receive reporting on the operating results and other relevant information from each of the reportable segments to make decisions about the allocation of management resources and to assess performance.

The main activities of the reportable segment are presented below:

Retail Total Solution Services:

Provision of services to individual customers

Wholesale Financial Services (Wholesale Total Solution Services Business and Wholesale Asset Management Business):

Provision of services to corporate customers

Stock Transfer Agency Services:

Undertaking of stock-related services on behalf of customers

Real Estate:

Provision of services related to the real estate business

Fiduciary Services:

Operation of the pension business, the asset management business, and the asset administration business

Global Markets:

Marketing operations, market-making operations, investment operations, and financial management operations

2. Method for Calculating Substantial Gross Business Profit and Net Business Profit

Segment information is prepared based on internal management reports and the accounting policies used for the reportable segments are generally the same as those presented under "Significant Accounting Policies and Practices"; however, the reportable segments are accounted for in accordance with the rules for internal management. Since each segment's information will not be used to make decisions about the allocation of resources or assess business performance at the management level, information about assets by reportable segment has not been generated.

"Net Business Profit" represents "Substantial Gross Business Profit," less "Substantial G&A Expenses." "Substantial Gross Business Profit" and "Substantial G&A Expenses" are financial figures generated on the basis of internal management reporting, and they represent "Substantial Gross Business Profit" and "Substantial G&A Expenses (excluding any non-recurring expenses)" of SuMi TRUST Holdings and its consolidated subsidiaries, reflecting gains or losses of equity-method affiliated companies (proportionate share of gains or losses, excluding any non-recurring items).

Income earned from inter-segment and cross-segment transactions is calculated by applying the criteria (market prices) specified in the rules for internal management.

3. Profit or Loss by Reportable Segment

The details and amounts of profit or loss by reportable segment for the six months ended September 30, 2019, are as follows:

	Millions of Yen								
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total	
Six Months Ended September 30, 2019					Asset Management Business				
Substantial Gross Business Profit	¥ 97,553	¥100,709	¥ 19,520	¥ 28,451	¥ 83,770	¥ 39,789	¥ 41,707	¥ 5,309	¥ 377,023
Substantial G&A Expenses	(84,657)	(36,326)	(9,803)	(12,400)	(51,622)	(24,953)	(7,302)	(20,774)	(222,887)
Net Business Profit	¥ 12,895	¥ 64,383	¥ 9,716	¥ 16,051	¥ 32,148	¥ 14,835	¥ 34,405	¥ (15,464)	¥ 154,135

	Millions of U.S. Dollars								
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Asset Management Business	Global Markets	Others	Total
Six Months Ended September 30, 2019									
Substantial Gross Business Profit	\$ 904	\$ 933	\$ 181	\$ 264	\$ 776	\$ 369	\$ 386	\$ 49	\$ 3,493
Substantial G&A Expenses	(784)	(337)	(91)	(115)	(478)	(231)	(68)	(192)	(2,065)
Net Business Profit	\$ 119	\$ 597	\$ 90	\$ 149	\$ 298	\$ 137	\$ 319	\$ (143)	\$ 1,428

(Notes)

- 1) The figures represent "Substantial Gross Business Profit" in substitution for net sales to be presented by companies in other industries.
- 2) The amounts of "Substantial Gross Business Profit" include net interest income, net trust fees, net fees and commissions, net trading income, and net other ordinary income and expenses.
- 3) "Substantial G&A Expenses" include personnel expenses and rent expenses.

4) Figures for the "Asset Management Business" are combined total of SuMi TRUST AM, Nikko Asset Management Co., Ltd., and two affiliated companies accounted for using the equity method which are involved in asset management operations.

5) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, general and administrative expenses of headquarters, and internal transactions to be eliminated.

(Additional Information)

In order to strengthen the asset management business, which is identified as a growing business area of the SuMi TRUST Group, SuMi TRUST Holdings split the asset management function from SuMi TRUST Bank, which is a consolidated subsidiary of SuMi TRUST Holdings, and integrated it into SuMi TRUST AM, which is also a consolidated subsidiary of SuMi TRUST Holdings in October 1, 2018. As a result, financial figures related to the "Asset Management

Business," which are included in the "Fiduciary Services," can be now determinable, and thus, such figures are separately disclosed under the "Fiduciary Services" as its component from the interim period ended September 30, 2019, taking into account the significance of the "Asset Management Business" in the business strategy of SuMi TRUST Group.

4. Reconciliation Between Total Profit or Loss for Reportable Segments and Income before Income Taxes in the Interim Consolidated Statements of Income

The details of reconciliation between total profit or loss for reportable segments and income before income taxes in the consolidated statements of income for the six months ended September 30, 2019, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	2019	2019
Net Business Profit	¥ 154,135	\$ 1,428
Other Income	21,970	204
Other Expenses	(10,686)	(99)
Extraordinary Income	644	6
Extraordinary Losses	(482)	(4)
Other Adjustments	(14,316)	(133)
Income before Income Taxes	¥ 151,264	\$ 1,402

Related Information

1. Information by Services

Disclosure of information by services is omitted as similar disclosure is included in the "3. Profit or Loss by Reportable Segment" in the "Segment Information" section.

2. Geographic Information

(1) Income

Income by geographical area for the six months ended September 30, 2019, consists of the following:

Six Months Ended September 30, 2019	Millions of Yen				
	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 558,677	¥ 85,179	¥ 48,047	¥ 59,067	¥ 750,973

Six Months Ended September 30, 2019	Millions of U.S. Dollars				
	Japan	Americas	Europe	Asia and Oceania	Total
	\$ 5,176	\$ 789	\$ 445	\$ 547	\$ 6,958

(Notes)

1) The figures represent income in substitution for net sales to be presented by companies in other industries.

2) Income related to transactions by SuMi TRUST Holdings, its domestic consolidated banking subsidiaries (excluding overseas branches), and other domestic consolidated subsidiaries are presented under "Japan." Income related

to transactions by overseas branches of domestic consolidated banking subsidiaries and foreign consolidated subsidiaries are presented under "Americas," "Europe," or "Asia and Oceania" based on the location of each overseas branch and subsidiary, reflecting their geographical proximity.

(2) Tangible Fixed Assets

More than 90% of the SuMi TRUST Group's tangible fixed assets on the interim consolidated balance sheets are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

Due to highly diversified income-generating transactions between the SuMi TRUST Group and a significantly large number of the SuMi TRUST Group's customers, transactions are not classified by major counterparty; accordingly, information by major customer is not presented.

Information Related to Losses on Impairment of Fixed Assets by Reportable Segment

Losses on impairment of fixed assets are not allocated to reportable segments. Losses on impairment of fixed assets recognized during the six months ended September 30, 2019, are ¥124 million (U.S. \$1 million).

Information Related to Amortization of Goodwill and Unamortized Balance of Goodwill by Reportable Segment

Amortization of goodwill and unamortized balance of goodwill are not allocated to reportable segments. Amortization of goodwill recognized during the six months ended September 30, 2019 is ¥4,506 million (U.S. \$42 million). Unamortized balance of goodwill as of September 30, 2019, is ¥55,794 million (U.S. \$517 million).

Information Related to Gain on Negative Goodwill by Reportable Segment

There is no gain on negative goodwill by reportable segment during the six months ended September 30, 2019.

Per Share of Common Stock Information

1. Net Assets per Share of Common Stock and Basis for Calculation

The details of net assets per share of common stock and the basis for calculation for the six months ended September 30, 2019, are as follows:

	Net Assets [Millions of Yen] (Numerator)	The Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [Yen]
Six Months Ended September 30, 2019			
Net Assets as Reported	¥ 2,707,721		
Less:	35,841		
Subscription Rights to Shares	1,060		
Non-Controlling Interests	34,781		
Net Assets Attributable to Common Shareholders	¥ 2,671,879	374,537	¥ 7,133.80

	Net Assets [Millions of U.S. Dollars] (Numerator)	The Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [U.S. Dollars]
Six Months Ended September 30, 2019			
Net Assets as Reported	\$ 25,088		
Less:	332		
Subscription Rights to Shares	10		
Non-Controlling Interests	322		
Net Assets Attributable to Common Shareholders	\$ 24,756	374,537	\$ 66.10

2. Net Income per Share of Common Stock and Basis for Calculation, and Fully Diluted Net Income per Share of Common Stock and Basis for Calculation

The details of net income per share of common stock, fully diluted net income per share of common stock, and the basis for calculation for the six months ended September 30, 2019, are as follows:

Six Months Ended September 30, 2019	Net Income (Loss) [Millions of Yen] (Numerator)	Average Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [Yen]
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 106,039		
Net Income Not Attributable to Common Shareholders	—		
Net Income Related to Common Stock That Is Attributable to Owners of the Parent	¥ 106,039	376,209	¥ 281.86

Six Months Ended September 30, 2019	Net Income (Loss) [Millions of U.S. Dollars] (Numerator)	Average Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [U.S. Dollars]
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	\$ 982		
Net Income Not Attributable to Common Shareholders	—		
Net Income Related to Common Stock That Is Attributable to Owners of the Parent	\$ 982	376,209	\$ 2.61

Six Months Ended September 30, 2019	Adjustments to Net Income [Millions of Yen]	Effect of Dilutive Securities [Thousands of Shares]	Fully Diluted Amount per Share of Common Stock [Yen]
Fully Diluted Net Income per Share of Common Stock			
Adjustments to Net Income Attributable to Owners of the Parent	¥ —		
Effect of Dilutive Securities:			
Subscription Rights to Shares		241	¥ 281.68

Six Months Ended September 30, 2019	Adjustments to Net Income [Millions of U.S. Dollars]	Effect of Dilutive Securities [Thousands of Shares]	Fully Diluted Amount per Share of Common Stock [U.S. Dollars]
Fully Diluted Net Income per Share of Common Stock			
Adjustments to Net Income Attributable to Owners of the Parent	\$ —		
Effect of Dilutive Securities:			
Subscription Rights to Shares		241	\$ 2.61

The potential shares that are excluded from the calculation of fully diluted net income per share of common stock because they have no dilutive effect are as follows:

1) SuMi TRUST Holdings

Series 1 Subscription Rights to Shares (Stock Options)	SuMi TRUST Holdings Common Stock	20,600 shares
Series 2 Subscription Rights to Shares (Stock Options)	SuMi TRUST Holdings Common Stock	20,000 shares
Series 3 Subscription Rights to Shares (Stock Options)	SuMi TRUST Holdings Common Stock	39,300 shares

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

Subscription Rights to Shares (Stock Options)	Nikko Asset Management Common Stock	9,829,700 shares
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In the calculation of net income per share of common stock, shares of SuMi TRUST Holdings remaining in the share delivery trust for the Directors, which have been recorded as treasury stock in shareholder's equity, are included in treasury stock. Treasury stock is excluded from the calculation of the average number of shares of common stock outstanding for the interim period ended September 30, 2019. In addition, in the calculation of net assets per share of common stock, such shares are included in treasury stock,

which is also excluded from the number of shares of common stock outstanding as of September 30, 2019.

The average number of shares of treasury stock, which is excluded from the calculation of net income per share of common stock, is 30 thousand for the interim period ended September 30, 2019. The number of shares of treasury stock, which is also excluded from the calculation of net assets per share of common stock, is 429 thousand as of September 30, 2019.

Significant Subsequent Event

Not applicable.

Financial Data:

Non-Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of September 30, 2019 and March 31, 2019

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2019	As of Mar. 31, 2019	As of Sep. 30, 2019
Assets:			
Current Assets:			
Cash and Due from Banks	¥ 3,042	¥ 2,110	\$ 28
Securities	112,000	100,000	1,038
Prepaid Expenses	100	183	1
Income Tax Refunds Receivable	11,484	28,924	106
Other Current Assets	19,180	2,457	178
Total Current Assets	145,808	133,676	1,351
Non-Current Assets:			
Tangible Fixed Assets	0	0	0
Intangible Fixed Assets	1	0	0
Investments and Other Assets:	2,049,194	2,069,815	18,986
Investment Securities	652	652	6
Investments in Subsidiaries and Affiliated Companies (Stocks)	1,398,398	1,447,538	12,957
Long-Term Loans Receivable from Subsidiaries and Affiliated Companies	650,000	610,000	6,022
Deferred Tax Assets	49	11,530	0
Other Investments	94	94	1
Total Non-Current Assets	2,049,196	2,069,816	18,986
Total Assets	¥ 2,195,005	¥ 2,203,492	\$ 20,337
Liabilities:			
Current Liabilities:			
Accrued Expenses	¥ 2,452	¥ 2,803	\$ 23
Income Taxes Payable	416	4	4
Provision for Bonuses	166	174	2
Provision for Directors' Bonuses	—	49	—
Other Current Liabilities	173	129	2
Total Current Liabilities	3,208	3,161	30
Non-Current Liabilities:			
Bonds Payable	640,000	641,600	5,930
Long-Term Loans Payable	10,000	10,000	93
Provision for Stocks Payment	26	—	0
Other Non-Current Liabilities	10	10	0
Total Non-Current Liabilities	650,036	651,610	6,023
Total Liabilities	¥ 653,245	¥ 654,771	\$ 6,052
Net Assets:			
Total Shareholders' Equity:	¥ 1,540,700	¥ 1,547,658	\$ 14,275
Capital Stock	261,608	261,608	2,424
Capital Surplus:	977,094	1,041,473	9,053
Legal Capital Surplus	702,933	702,933	6,513
Other Capital Surplus	274,161	338,540	2,540
Retained Earnings:	304,846	295,798	2,824
Other Retained Earnings:	304,846	295,798	2,824
Retained Earnings Brought Forward	304,846	295,798	2,824
Treasury Stock-At Cost	(2,850)	(51,222)	(26)
Subscription Rights to Shares	1,060	1,062	10
Total Net Assets	¥ 1,541,760	¥ 1,548,721	\$ 14,285
Total Liabilities and Net Assets	¥ 2,195,005	¥ 2,203,492	\$ 20,337

Financial Data:

Non-Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
For the Six Months Ended September 30, 2019 and 2018

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2019	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2019
Operating Income:			
Dividends Received from Subsidiaries	¥ 38,582	¥ 45,796	\$ 357
Fees and Commissions Received from Subsidiaries	874	592	8
Total Operating Income	39,456	46,389	366
Operating Expenses:			
General and Administrative Expenses	1,801	1,640	17
Total Operating Expenses	1,801	1,640	17
Operating Profit	37,654	44,749	349
Non-Operating Income	4,068	3,692	38
Non-Operating Expenses	5,130	5,990	48
Income before Income Taxes	36,592	42,450	339
Income Taxes:			
Current	(12,331)	2	(114)
Deferred	11,480	—	106
Net Income	¥ 37,443	¥ 42,448	\$ 347
Net Income per Share of Common Stock			
	¥ 99.52	¥ 111.93	\$ 0.92

Financial Data:

Non-Consolidated Statements of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.

For the Six Months Ended September 30, 2019 and 2018

For the Six Months Ended September 30, 2019

	Millions of Yen					
	Shareholders' Equity					
	Capital Stock	Capital Surplus			Retained Earnings	
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings
				Retained Earnings Brought Forward		
Balance at the Beginning of the Period	¥ 261,608	¥ 702,933	¥ 338,540	¥ 1,041,473	¥ 295,798	¥ 295,798
Changes during the Period						
Cash Dividends					(28,394)	(28,394)
Net Income					37,443	37,443
Purchase of Treasury Stock						
Disposal of Treasury Stock			(354)	(354)		
Retirement of Treasury Stock			(64,024)	(64,024)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	(64,378)	(64,378)	9,048	9,048
Balance at the End of the Period	¥ 261,608	¥ 702,933	¥ 274,161	¥ 977,094	¥ 304,846	¥ 304,846

	Millions of Yen			
	Shareholders' Equity			Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Subscription Rights to Shares	
Balance at the Beginning of the Period	¥ (51,222)	¥ 1,547,658	¥ 1,062	¥ 1,548,721
Changes during the Period				
Cash Dividends		(28,394)		(28,394)
Net Income		37,443		37,443
Purchase of Treasury Stock	(17,479)	(17,479)		(17,479)
Disposal of Treasury Stock	1,827	1,472		1,472
Retirement of Treasury Stock	64,024	—		—
Net Changes of Items Other Than Shareholders' Equity			(2)	(2)
Total Changes during the Period	48,371	(6,958)	(2)	(6,961)
Balance at the End of the Period	¥ (2,850)	¥ 1,540,700	¥ 1,060	¥ 1,541,760

For the Six Months Ended September 30, 2018

	Millions of Yen					
	Shareholders' Equity					
	Capital Stock	Capital Surplus			Retained Earnings	
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings Retained Earnings Brought Forward	Total Retained Earnings
Balance at the Beginning of the Period	¥ 261,608	¥ 702,933	¥ 338,540	¥ 1,041,473	¥ 217,424	¥ 217,424
Changes during the Period						
Cash Dividends					(24,734)	(24,734)
Net Income					42,448	42,448
Purchase of Treasury Stock						
Disposal of Treasury Stock			(0)	(0)		
Retirement of Treasury Stock						
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	(0)	(0)	17,714	17,714
Balance at the End of the Period	¥ 261,608	¥ 702,933	¥ 338,539	¥ 1,041,473	¥ 235,138	¥ 235,138

	Millions of Yen			
	Shareholders' Equity			Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Subscription Rights to Shares	
Balance at the Beginning of the Period	¥ (42,224)	¥ 1,478,282	¥ 799	¥ 1,479,082
Changes during the Period				
Cash Dividends		(24,734)		(24,734)
Net Income		42,448		42,448
Purchase of Treasury Stock	(9,019)	(9,019)		(9,019)
Disposal of Treasury Stock	30	30		30
Retirement of Treasury Stock		—		—
Net Changes of Items Other Than Shareholders' Equity			268	268
Total Changes during the Period	(8,988)	8,725	268	8,993
Balance at the End of the Period	¥ (51,212)	¥ 1,487,008	¥ 1,067	¥ 1,488,075

For the Six Months Ended September 30, 2019

	Millions of U.S. Dollars					
	Shareholders' Equity					
	Capital Stock	Capital Surplus			Retained Earnings	
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings
				Retained Earnings Brought Forward		
Balance at the Beginning of the Period	\$ 2,424	\$ 6,513	\$ 3,137	\$ 9,650	\$ 2,741	\$ 2,741
Changes during the Period						
Cash Dividends					(263)	(263)
Net Income					347	347
Purchase of Treasury Stock						
Disposal of Treasury Stock			(3)	(3)		
Retirement of Treasury Stock			(593)	(593)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	(596)	(596)	84	84
Balance at the End of the Period	\$ 2,424	\$ 6,513	\$ 2,540	\$ 9,053	\$ 2,824	\$ 2,824

	Millions of U.S. Dollars			
	Shareholders' Equity			Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Subscription Rights to Shares	
Balance at the Beginning of the Period	\$ (475)	\$ 14,339	\$ 10	\$ 14,349
Changes during the Period				
Cash Dividends		(263)		(263)
Net Income		347		347
Purchase of Treasury Stock	(162)	(162)		(162)
Disposal of Treasury Stock	17	14		14
Retirement of Treasury Stock	593	—		—
Net Changes of Items Other Than Shareholders' Equity			(0)	(0)
Total Changes during the Period	448	(64)	(0)	(64)
Balance at the End of the Period	\$ (26)	\$ 14,275	\$ 10	\$ 14,285

Financial Data:

Statement of Trust Account (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of September 30, 2019 and March 31, 2019

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2019	As of Mar. 31, 2019	As of Sep. 30, 2019
Assets:			
Loans and Bills Discounted (Note 2)	¥ 1,474,836	¥ 1,445,195	\$ 13,665
Securities	1,126,556	1,253,465	10,438
Beneficiary Rights	167,890,623	160,593,574	1,555,551
Securities Held in Custody Accounts	22,979	23,123	213
Monetary Claims	19,036,074	19,475,082	176,374
Tangible Fixed Assets	16,502,452	15,722,230	152,900
Intangible Fixed Assets	188,719	217,971	1,749
Other Claims	6,934,982	6,717,177	64,254
Loans to Banking Account	3,965,260	5,408,009	36,739
Cash and Due from Banks	486,148	494,234	4,504
Total Assets	¥ 217,628,635	¥ 211,350,067	\$ 2,016,387
Liabilities:			
Money Trusts (Note 3)	¥ 32,455,456	¥ 32,877,994	\$ 300,708
Pension Trusts	13,241,814	13,113,501	122,689
Property Formation Benefit Trusts	18,920	18,865	175
Securities Investment Trusts	76,347,663	74,389,341	707,381
Money in Trust Other Than Money Trusts	30,080,117	27,349,339	278,700
Securities in Trust	21,636,912	19,914,130	200,472
Money Claims in Trust	19,120,304	19,592,309	177,155
Real Estate in Trust	78,034	77,297	723
Composite Trusts	24,649,412	24,017,287	228,383
Total Liabilities	¥ 217,628,635	¥ 211,350,067	\$ 2,016,387

See Notes to the Interim Statements of Trust Account (Unaudited).

Financial Data:

Notes to the Interim Statements of Trust Account (Unaudited)

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SuMi TRUST Holdings. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the interim financial statements of SuMi TRUST Holdings do not reflect SuMi TRUST Holdings' 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 SuMi TRUST Bank, and such guaranteed principal as of September 30, 2019, is ¥3,847,330 million (U.S. \$35,647 million).

The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers

outside Japan. The translation has been made at the rate of ¥107.93 to U.S. \$1, the approximate rate of exchange as of September 30, 2019. 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 have been rounded down and amounts less than one million U.S. dollars have been rounded off. As a result, the total may not be equal to the sum of individual amounts.

Each amount presented in the interim statements of trust account as of March 31 and September 30, 2019, is equal to the trust account in SuMi TRUST Bank. Entrusted amounts between these consolidated subsidiaries for asset management are excluded from the amounts presented in the statements of trust account.

2. Loans and Bills Discounted

Under certain trust agreements, repayments of the principal of customers' trust assets are guaranteed by SuMi TRUST Bank, and loans on such guaranteed trust assets as of September 30, 2019, include the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Other Delinquent Loans	¥ 692	\$ 6
Restructured Loans	37	0
Total	¥ 730	\$ 7

3. Balance of Money Trusts

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2019	Sep. 30, 2019
Assets:		
Loans and Bills Discounted	¥ 28,750	\$ 266
Securities	29	0
Other	3,818,824	35,382
Total	¥ 3,847,604	\$ 35,649
Liabilities:		
Principal	¥ 3,847,330	\$ 35,647
Allowance for Impairment of Guaranteed Trust Principal	73	1
Other	200	2
Total	¥ 3,847,604	\$ 35,649

In the case of certain money trusts, the principal amount is guaranteed, and as the above table indicates, an allowance for the impairment of guaranteed trust principal is set aside by SuMi TRUST Bank. The figures in the table include funds entrusted from other trusts managed by SuMi TRUST Bank.