

Sumitomo Mitsui Trust Holdings, Inc. (SMTH)

Financial Results for the Fiscal Year ended March 31, 2013

[Under Japanese GAAP] (Consolidated)



May 15, 2013

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(All amounts less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year ended March 31, 2013

(1) Consolidated Results of Operations (%: Change from the previous period)

	Ordinary Income		Ordinary Profit		Net Income	
Fiscal Year Ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2013	1,115,781	(15.7)	255,075	(6.3)	133,768	(18.8)
March 31, 2012	1,323,269	277.0	272,137	221.3	164,660	248.3

(Note) Comprehensive Income: March 31, 2013 ¥279,612 million, (41.8%) March 31, 2012 ¥197,182 million, (690.4%)

	Net Income per Common Share	Net Income per Common Share (Fully Diluted)	Net Income to Net Assets Ratio	Ordinary Profit to Total Assets Ratio	Ordinary Profit to Ordinary Income Ratio
Fiscal Year Ended	Yen	Yen	%	%	%
March 31, 2013	31.27	—	7.5	0.7	22.9
March 31, 2012	38.54	—	—	1.1	20.6

(Reference) Equity in earnings (losses) of affiliates: March 31, 2013 ¥2,808 million March 31, 2012 ¥3,561 million

(Note) Net Income per Common Share (Fully Diluted) is not stated as there are no potential shares that would have a dilutive effect.

(Note) For Net Income to Net Assets Ratio for the fiscal year ended March 31, 2012, please refer to page 11, "11.Return on equity (ROE)" in "Explanatory Material."

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Net Assets to Total Assets Ratio	Net Assets per Common Share
As of	Millions of Yen	Millions of Yen	%	Yen
March 31, 2013	37,704,031	2,330,474	4.8	470.71
March 31, 2012	34,376,309	2,337,031	5.3	413.11

(Reference) Net Assets less Minority Interests: March 31, 2013 ¥1,846,039 million March 31, 2012 ¥1,826,844 million

(Note) Net Assets to Total Assets Ratio = (Net Assets - Subscription Rights to Shares - Minority Interests) / Total Assets

(3) Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
Fiscal Year Ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2013	517,965	700,274	(349,728)	2,609,409
March 31, 2012	(1,495,329)	2,124,294	(22,660)	1,726,575

2. Cash Dividends on Common Share

	Annual Cash Dividends per Share					Total Dividends Payment (Annual)	Payout Ratio (Consolidated)	Dividends to Net Assets Ratio (Consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual			
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2012	-	4.00	-	4.50	8.50	35,298	30.3	2.1
March 31, 2013	-	4.25	—	4.75	9.00	35,154	28.8	2.0
Fiscal Year Ending March 31, 2014 (Forecast)	-	5.00	—	5.00	10.00		29.4	

(Note) The figures above show the cash dividends on common shares. For other classes of SMTH shares with differing rights, please refer to "Cash Dividends on Preferred Shares."

(Note) For the fiscal year ended March 31, 2012, this is calculated after excluding the transient accounting gain on negative goodwill associated with the integration.

3. Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2014

(%: Change from the previous period)

	Ordinary Profit		Net Income		Net Income per Common Share
	Millions of Yen	%	Millions of Yen	%	Yen
Six Months Ending September 30, 2013	105,000	0.2	60,000	(1.2)	15.65
Fiscal Year Ending March 31, 2014	225,000	(11.8)	130,000	(2.8)	34.02

*Notes

(1) Changes in Important Subsidiaries during the period : Yes

(Changes in specified subsidiaries resulting in changes in the scope of consolidation)

Included: — (—)

Excluded: 2 companies (The Chuo Mitsui Trust and Banking Company, Limited)
(MTH Preferred Capital 1 (Cayman) Limited)

(Note) For details, please refer to page 3, "2.Organization of the Sumitomo Mitsui Trust Holdings Group ("SMTH Group") in "Accompanying Materials."

(2) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements

- 1) Changes in accounting policies due to revision of accounting standards : Yes
- 2) Changes in accounting policies due to reasons other than the above : None
- 3) Changes in accounting estimates : Yes
- 4) Restatements : None

(Note) Since the first quarter of the fiscal year 2012, domestic consolidated subsidiaries have changed their depreciation methods. This change falls under "Changes in Accounting Policies which are difficult to distinguish from Changes in Accounting Estimates". For details, please refer to page 14, "4.Accounting Policies".

(3) Number of Issued Shares (Common Share)

- 1) Number of issued shares (including treasury stock)
- 2) Number of treasury stock
- 3) Average number of issued shares (for the fiscal year)

March 31,2013	3,903,486,408 shares	March 31,2012	4,153,486,408 shares
March 31,2013	218,176,798 shares	March 31,2012	763,613 shares
March 31,2013	4,129,646,524 shares	March 31,2012	4,152,789,786 shares

(Note) For details, please refer to page 35, "Per Common Share Information".

<Reference> Summary of Non-consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year ended March 31, 2013

(1) Non-consolidated Results of Operations

(%: Change from the previous period)

	Operating Income		Operating Profit		Ordinary Profit		Net Income	
Fiscal Year Ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2013	57,325	39.0	46,490	60.9	46,093	68.1	46,089	68.2
March 31, 2012	41,253	81.2	28,902	133.7	27,416	185.1	27,409	207.7

	Net Income per Common Share	Net Income per Common Share (Fully Diluted)
Fiscal Year Ended	Yen	Yen
March 31, 2013	10.04	_____
March 31, 2012	5.49	_____

(Note) Net Income per Common Share (Fully Diluted) is not stated as there are no potential shares that would have a dilutive effect.

(2) Non-consolidated Financial Conditions

	Total Assets	Net Assets	Net Assets to Total Assets Ratio	Net Assets per Common Share
As of	Millions of Yen	Millions of Yen	%	Yen
March 31, 2013	1,708,113	1,546,032	90.5	389.30
March 31, 2012	1,932,107	1,740,446	90.1	392.30

(Reference) Net Assets less Minority Interests: March 31, 2013 ¥1,546,012 million March 31, 2012 ¥1,740,440 million

(Note) Net Assets to Total Assets Ratio = (Net Assets - Subscription Rights to Shares) / Total Assets

Presentation on the Implementation Status of the Audit Procedures

These financial results stand out of range of audit procedures based on "Financial Instruments and Exchange Act." At the time of this disclosure, the procedures have not completed yet.

Explanation for Proper Use of Forecasts and other Notes

•Forecasts in this material are based on the information that is currently possessed by SMTH and certain reasonable assumptions. Actual results may differ materially from those forecasts depending on various future events and conditions.

•Information meeting will be held for institutional investors and analysts. The contents of the meeting such as explanations about financial results will be posted on the web site, together with the handouts to be used on the day.

(Cash Dividends on Preferred Shares)

Cash dividends on preferred shares are as below:

The First Series of Class 7 Preferred Shares	Annual Cash Dividends per Share					Total Dividends Payment (Annual)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual	
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen
March 31, 2012	—	21.15	—	21.15	42.30	4,610
March 31, 2013	—	21.15	—	21.15	42.30	4,610
Fiscal Year Ending						
March 31, 2014 (Forecast)	—	21.15	—	21.15	42.30	

[Accompanying Materials]

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1. Financial Results

(1) Analysis related to the Consolidated Results of Operations

For the fiscal year ended March 31, 2013, "Net business profit before credit costs (Note)" decreased by ¥57.5 billion from the previous fiscal year to ¥284.6 billion due to the disappearance of the most of the one-time profit boosting effects from consolidated accounting methods related to the management integration posted during the previous fiscal year, in addition to the decrease in "Net interest income and related profit" and "Net other operating profit" which mainly consists by "Net gains on bonds".

"Total credit costs" stood at the reversal of ¥6.1 billion due to the posting of the reversal of allowance for loan losses. "Net losses on stocks" stood at ¥4.2 billion mainly due to the "Losses on devaluation of stocks". As a result, "Ordinary profit" decreased by ¥17.0 billion from a year earlier to ¥255.0 billion.

Net income, excluding ¥43.4 billion of gain on amortization of negative goodwill caused by the share exchange, increased by ¥12.5 billion from the previous fiscal year to ¥133.7 billion mainly due to the disappearance of the decrease in deferred tax assets resulting from the reduction in a corporate tax rate in the previous fiscal year. This represents 111% of the net income forecast of ¥120.0 billion for the fiscal year.

(Note) Please refer to the "Explanatory Material Fiscal Year Ended March 31, 2013" for an explanation of "net business profit before credit costs."

(2) Analysis related to the Consolidated Financial Conditions

Consolidated total assets increased by ¥3,327.7 billion from the end of previous fiscal year to ¥37,704.0 billion, and consolidated total liabilities increased by ¥3,334.2 billion to ¥35,373.5 billion at the end of the fiscal year. As to major accounts, loans and bills discounted increased by ¥1,755.2 billion from the end of previous fiscal year to ¥22,391.6 billion, securities decreased by ¥449.7 billion to ¥6,346.0 billion, and deposits increased by ¥946.0 billion to ¥23,023.8 billion. Consolidated net assets decreased by ¥6.5 billion from the end of previous fiscal year to ¥2,330.4 billion due primarily to the acquisition of own shares for the purpose of the repayment of public funds, while retained earnings increased by accumulation of the net income earned during the fiscal year.

Consolidated net cash provided by operating activities totaled ¥ 517.9 billion, a year-on-year increase of ¥2,013.2 billion and consolidated net cash provided by investment activities totaled ¥700.2 billion, a year-on-year decrease of ¥1,424.0 billion. Consolidated net cash used by financing activities totaled ¥349.7 billion, a year-on-year increase of ¥327.0 billion. Consolidated cash and cash equivalents at the end of the fiscal year totaled ¥2,609.4 billion.

(3) Basic Policy related to the Profits Distribution and Cash Dividends for the Fiscal Year 2012 and 2013

SMTH views returning profits to shareholders as an important management policy, and our basic policy is to aim for a consolidated payout ratio of approximately 30% as a means of returning profits to shareholders commensurate with our business results. And during the fiscal year SMTH acquired own shares for the repayment of public funds. As a result of a comprehensive judgment made by taking the above into consideration, we intend to distribute a year-end dividend of 4.75 yen per common share. Annual dividend for the fiscal year ended March 31, 2013 will be 9.0 yen per common share including interim dividend per share of 4.25 yen distributed on December, 2012. Meanwhile, annual dividend forecast per share on a common share for fiscal year ending March 31, 2014 will be 10.0 yen (interim dividend per share 5.0 yen) on the condition of the earnings forecasts.

(Note) Consolidated payout ratio = {total cash dividends on common shares ÷ (consolidated net income – total cash dividends on preferred shares)} × 100

For the year ended March 31, 2012, this is calculated after excluding the transient accounting gain on negative goodwill associated with the integration.

2. Organization of the Sumitomo Mitsui Trust Holdings Group ("SMTH Group")

CMTB, CMAB and STB merged on April 1, 2012 and the company name was changed to Sumitomo Mitsui Trust Bank, Limited ("SMTB").

SMTH Group is engaged in a broad range of financial services activities. SMTH Group encompasses 74 consolidated subsidiaries and 29 affiliates accounted for by the equity-method. SMTH Group reportable segments are presented as below.

(as of March 31, 2013)

Sumitomo Mitsui Trust Holdings, Inc.	Sumitomo Mitsui Trust Bank, Limited	<ul style="list-style-type: none"> ○ Japan Securities Agents, Ltd. ○ Nikko Asset Management Co., Ltd. ○ Tokyo Securities Transfer Agent Co., Ltd. ○ Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. ○ Sumishin Guaranty Company Limited ○ Sumitomo Mitsui Trust Guarantee Co., Ltd. ○ Sumitomo Mitsui Trust Card Co., Ltd. ○ Sumitomo Mitsui Trust Realty Co., Ltd. ○ Sumitomo Mitsui Trust General Service Co., Ltd. ○ Sumitomo Mitsui Trust Wealth Partners Co., Ltd. ○ Sumitomo Mitsui Trust Loan & Finance Co., Ltd. ○ Sumitomo Mitsui Trust Investment Co., Ltd. ○ Top REIT Asset Management Co., Ltd. ○ Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd. ○ Sumitomo Mitsui Trust (Hong Kong) Ltd. ○ Sumitomo Mitsui Trust Bank (Luxembourg) S.A. ○ Sumitomo Mitsui Trust (UK) Limited ○ Sumitomo Mitsui Trust International Limited ○ Sumitomo Mitsui Trust Bank (U.S.A.) Limited ○ Sumitomo Mitsui Trust (Ireland) Limited △ SBI Sumishin Net Bank, Ltd.
	Other	<ul style="list-style-type: none"> ○ Sumitomo Mitsui Trust Asset Management Co., Ltd. ○ Sumitomo Mitsui Trust Research Institute Co., Ltd. ○ Sumitomo Mitsui Trust Capital Co., Ltd. ○ Japan Trustee Services Bank, Ltd.

(Note) The "○" symbol denotes consolidated subsidiaries and the "△" symbol denotes affiliates accounted for by the equity-method.

Meanwhile, details of changes in specified subsidiaries resulting in changes in the scope of consolidation during the fiscal year ended March 31, 2013 (2 excluded companies) are as below.

Name	Address	Capital Stock (Millions of Yen)	Main Business Area	Share of Voting Rights Held
(Consolidated subsidiaries) The Chuo Mitsui Trust and Banking Company, Limited	Minato-ku, Tokyo	399,697	Trust Banking Business	100.00%
MTH Preferred Capital 1 (Cayman) Limited	George Town, Grand Cayman, British West Indies	29,200	Financial-related Business	100.00%

3. Management Policy

(1) Basic Management Policy

SMTH Group has stated our Mission and Vision in order to present a clear picture of the company group that we envision.

A. Our Mission

- Swiftly provide comprehensive solutions to clients by fully utilizing the significant expertise and comprehensive capabilities.
- Adhere to the principles of sound management based on a high degree of self-discipline with the background of "Trustee Spirit" and establish strong credibility from society.
- Strive to fulfill all shareholder expectations by creating distinct values through fusing the various functions featuring the trust bank group.
- Offer a workplace where the diversity and creativity of its employees are more fully utilized to add value to the organization and where employees can have pride and be highly motivated in fulfilling their missions.

B. Our Vision: Towards "The Trust Bank"

Based on the "Trustee Spirit" and with significant expertise and comprehensive capabilities, SMTH Group will create distinct values by leveraging a new business model, combining its Banking, Asset Management and Administration, and Real Estate businesses, and will move onto the global stage as a leading trust bank group which boasts the largest and highest status in Japan.

(2) Targeted Management Indicators

According to the Midterm Management Plan formulated in November 2011, SMTH has targeted ¥400 billion of consolidated "Net business profit before credit costs" and ¥200 billion of consolidated "Net income" as profit targets for the fiscal year ending March 31, 2016, the final year of the plan. In addition, we set approximately 10% as a level of ROE to be targeted on a mid-term basis..

(3) Midterm and Long Term Management Strategies and Issues to be Addressed

Against the backdrop of Japan's rapidly aging society and increasing globalization, our customers are facing increasingly sophisticated and complicated issues, and therefore our group will play a bigger role in their lives. To become the sort of financial institution whose existence is indispensable for our customers, we are building a new business model under which we will generate distinct added value "befitting the Sumitomo Mitsui Trust Group as a true trust bank group" as we aim to establish "The Trust Bank" brand with a solid presence in not just the trust bank industry, but in the broader financial services industry.

(i) Strengthening earnings from existing businesses and building a distinctive business model

Within our existing business area we will strive to further improve the quality of both of products and services, as well as to strengthen consulting solutions. In addition, with a view to establish a new business model under which we provide distinctly added value, we will newly enhance our endeavor towards business areas such as "Global Investment Solutions Business", where we provide comprehensive investment solutions from origination, distribution to customer follow-up and "Private Banking Business", where we promote asset management and asset administration with high profile retail customers such as business owners, by integrating know-how of existing businesses.

(ii) Strategically allocating managerial resources while remaining committed to improving efficiency through streamlining

As for personnel, we will maximize the benefit of our expanded business resources achieved through the management integration by efficiently allocating resources to the strategic areas which contributes to strengthening our fee-based business and enhancing basic earning power, with a view of focusing on retail, global and beefing up total solutions. In addition to the above, we will continuously strengthen our effort to improve efficiencies and reduce costs, as well as pursuing cost synergies through branch and office consolidation and IT system integration in order to further improve overhead ratio.

(iii) Strengthening our financial position and elevating the level of risk management and compliance

With the background of the current level of capital sufficiency following the full repayment of public funds and the tightening financial regulations including Basel III, in order to swiftly ensure strengthened and enhanced financial foundation we will further pursue more efficient use of capital as well as promoting planned reduction of cross-share holdings.

On the risk management front, in addition to solid preparatory measures for international financial regulations, we will strengthen risk management systems to promote operation and IT system integration. On the compliance front we will enforce rigorous implementation of preventative measures of the recurrence of insider trading rules, continue our endeavor to elevate the level of compliance system to restore confidence, and implement elimination of deals with anti-social forces, prevention of money laundering and strengthening of client protection management.

(iv) Expanding consolidated profit

Through refining the whole group's ability to provide solutions by expanding products and services of individual group companies and cooperating within the group, we will strive to expand consolidated profit and improve efficiency, as well as building a group brand.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of Yen)	
	As of March 31, 2012	As of March 31, 2013
Assets:		
Cash and Due from Banks	2,597,784	3,902,377
Call Loans and Bills Bought	283,000	514,228
Receivables under Resale Agreements	55,275	91,911
Receivables under Securities Borrowing Transactions	18,616	207,494
Monetary Claims Bought	500,942	491,805
Trading Assets	601,138	716,594
Money Held in Trust	19,296	19,014
Securities	6,795,726	6,346,001
Loans and Bills Discounted	20,636,457	22,391,660
Foreign Exchanges	9,440	59,570
Lease Receivables and Investment Assets	549,689	553,532
Other Assets	1,200,118	1,446,809
Tangible Fixed Assets:	244,904	230,595
Buildings	82,763	74,233
Land	144,607	128,878
Lease Assets	299	927
Construction in Progress	1,300	609
Other	15,933	25,946
Intangible Fixed Assets:	205,167	205,775
Software	75,730	88,355
Goodwill	111,886	106,791
Lease Assets	—	112
Other	17,550	10,515
Deferred Tax Assets	191,588	75,685
Customers' Liabilities for Acceptances and Guarantees	619,967	583,945
Allowance for Loan Losses	(152,805)	(132,970)
Total Assets	34,376,309	37,704,031
Liabilities:		
Deposits	22,077,837	23,023,897
Negotiable Certificates of Deposit	3,252,845	4,103,517
Call Money and Bills Sold	125,173	168,355
Payables under Repurchase Agreements	211,531	605,742
Payables under Securities Lending Transactions	227,956	—
Trading Liabilities	179,120	233,133
Borrowed Money	1,122,265	1,169,032
Foreign Exchanges	71	106
Short-term Bonds Payable	377,859	940,067
Bonds Payable	942,677	986,363
Borrowed Money from Trust Account	2,107,227	2,483,248
Other Liabilities	731,309	1,023,319
Provision for Bonuses	13,165	14,631
Provision for Directors' Bonuses	190	187
Provision for Retirement Benefits	15,314	16,132
Provision for Reimbursement of Deposits	6,932	6,207
Provision for Contingent Loss	12,490	9,720
Provision for Relocation Expenses	8,895	—
Deferred Tax Liabilities	1,972	1,825
Deferred Tax Liabilities for Land Revaluation	4,472	4,122
Acceptances and Guarantees	619,967	583,945
Total Liabilities	32,039,277	35,373,557

(Continued)

	(Millions of Yen)	
	As of March 31, 2012	As of March 31, 2013
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	859,499	752,973
Retained Earnings	696,824	790,139
Treasury Stock	(120)	(93,164)
Total Shareholders' Equity	1,817,812	1,711,556
Valuation Difference on Available-for-Sale Securities	32,442	161,522
Deferred Gains or Losses on Hedges	(5,546)	(17,154)
Revaluation Reserve for Land	(4,955)	(5,457)
Foreign Currency Translation Adjustment	(12,907)	(4,427)
Total Accumulated Other Comprehensive Income	9,032	134,482
Subscription Rights to Shares	6	19
Minority Interests	510,181	484,415
Total Net Assets	2,337,031	2,330,474
Total Liabilities and Net Assets	34,376,309	37,704,031

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

	(Millions of Yen)	
	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Ordinary Income	1,323,269	1,115,781
Trust Fees	98,207	96,190
Interest Income:	374,744	339,266
Interest on Loans and Bills Discounts	242,952	240,249
Interest and Dividends on Securities	119,035	88,008
Interest on Call Loans and Bills Bought	745	763
Interest on Receivables under Resale Agreements	434	830
Interest on Receivables under Securities Borrowing Transactions	125	267
Interest on Deposits with Banks	5,762	4,754
Other Interest Income	5,688	4,393
Fees and Commissions	262,914	282,555
Trading Income	12,488	24,350
Other Ordinary Income	533,445	315,158
Other Income:	41,468	58,261
Reversal of Allowance for Loan Losses	—	5,706
Recoveries of Written-off Claims	13,437	3,650
Other	28,030	48,904
Ordinary Expenses	1,051,131	860,706
Interest Expenses:	121,067	119,535
Interest on Deposits	71,602	68,391
Interest on Negotiable Certificates of Deposit	6,197	9,592
Interest on Call Money and Bills Sold	1,609	646
Interest on Payables under Repurchase Agreements	479	1,090
Interest on Payables under Securities Lending Transactions	1,703	81
Interest on Borrowings	9,773	9,146
Interest on Short-term Bonds	583	875
Interest on Bonds	18,432	17,622
Other Interest Expenses	10,684	12,088
Fees and Commissions Payments	59,580	69,774
Trading Expenses	83	339
Other Ordinary Expenses	389,422	230,030
General and Administrative Expenses	386,558	385,728
Other Expenses:	94,419	55,297
Provision of Allowance for Loan Losses	15,252	—
Other	79,166	55,297
Ordinary Profit	272,137	255,075
Extraordinary Income:	46,409	5,873
Gain on Disposal of Noncurrent Assets	347	3,485
Gain on Negative Goodwill	46,061	2,388
Extraordinary Loss:	23,579	32,614
Loss on Disposal of Noncurrent Assets	823	4,058
Impairment Loss	11,578	16,281
Other Extraordinary Loss	11,176	12,274
Income before Income Taxes and Minority Interests	294,967	228,334
Income Taxes:	109,339	75,158
Current	19,735	21,855
Deferred	89,604	53,303
Income before Minority Interests	185,628	153,176
Minority Interests in Income	20,967	19,407
Net Income	164,660	133,768

Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Income before Minority Interests	185,628	153,176
Other Comprehensive Income:		
Valuation Difference on Available-for-Sale Securities	25,924	128,131
Deferred Gains or Losses on Hedges	(13,530)	(7,509)
Revaluation Reserve for Land	632	(9)
Foreign Currency Translation Adjustment	(102)	7,683
Attributable to Equity Method Affiliates	(1,370)	(1,860)
Total Other Comprehensive Income	11,554	126,435
Comprehensive Income:	197,182	279,612
Comprehensive Income Attributable to Owners of the Parent	176,439	259,711
Comprehensive Income Attributable to Minority Interests	20,743	19,900

(3) Consolidated Statements of Changes in Net Assets

	(Millions of Yen)	
	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Shareholders' Equity:		
Capital Stock:		
Balance at the Beginning of the Current Period	342,037	261,608
Changes during the Period:		
Increase due to Share Exchange	(80,428)	—
Total Changes during the Period	(80,428)	—
Balance at the End of the Current Period	261,608	261,608
Capital Surplus:		
Balance at the Beginning of the Current Period	297,051	859,499
Changes during the Period:		
Cash Dividends	(6,632)	—
Increase due to Share Exchange	569,542	—
Disposal of Treasury Stock	19	1
Retirement of Treasury Stock	(482)	(106,527)
Total Changes during the Period	562,448	(106,525)
Balance at the End of the Current Period	859,499	752,973
Retained Earnings:		
Balance at the Beginning of the Current Period	565,908	696,824
Changes during the Period:		
Cash Dividends	(34,618)	(40,946)
Net Income	164,660	133,768
Reversal of Revaluation Reserve for Land	873	492
Total Changes during the Period	130,916	93,314
Balance at the End of the Current Period	696,824	790,139
Treasury Stock:		
Balance at the Beginning of the Current Period	(482)	(120)
Changes during the Period:		
Purchase of Treasury Stock	(138)	(199,574)
Disposal of Treasury Stock	18	3
Retirement of Treasury Stock	482	106,527
Total Changes during the Period	362	(93,044)
Balance at the End of the Current Period	(120)	(93,164)
Total Shareholders' Equity:		
Balance at the Beginning of the Current Period	1,204,514	1,817,812
Changes during the Period:		
Cash Dividends	(41,250)	(40,946)
Net Income	164,660	133,768
Increase due to Share Exchange	489,114	—
Purchase of Treasury Stock	(138)	(199,574)
Disposal of Treasury Stock	38	4
Retirement of Treasury Stock	—	—
Reversal of Revaluation Reserve for Land	873	492
Total Changes during the Period	613,298	(106,255)
Balance at the End of the Current Period	1,817,812	1,711,556

(Continued)

	(Millions of Yen)	
	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Accumulated Other Comprehensive Income:		
Valuation Difference on Available-for-Sale Securities:		
Balance at the Beginning of the Current Period	6,064	32,442
Changes during the Period:		
Net Changes of Items other than Shareholders' Equity	26,377	129,080
Total Changes during the Period	26,377	129,080
Balance at the End of the Current Period	32,442	161,522
Deferred Gains or Losses on Hedges:		
Balance at the Beginning of the Current Period	9,650	(5,546)
Changes during the Period:		
Net Changes of Items other than Shareholders' Equity	(15,197)	(11,607)
Total Changes during the Period	(15,197)	(11,607)
Balance at the End of the Current Period	(5,546)	(17,154)
Revaluation Reserve for Land:		
Balance at the Beginning of the Current Period	(4,714)	(4,955)
Changes during the Period:		
Net Changes of Items other than Shareholders' Equity	(241)	(502)
Total Changes during the Period	(241)	(502)
Balance at the End of the Current Period	(4,955)	(5,457)
Foreign Currency Translation Adjustment:		
Balance at the Beginning of the Current Period	(12,873)	(12,907)
Changes during the Period:		
Net Changes of Items other than Shareholders' Equity	(33)	8,479
Total Changes during the Period	(33)	8,479
Balance at the End of the Current Period	(12,907)	(4,427)
Total Accumulated Other Comprehensive Income:		
Balance at the Beginning of the Current Period	(1,872)	9,032
Changes during the Period:		
Net Changes of Items other than Shareholders' Equity	10,905	125,450
Total Changes during the Period	10,905	125,450
Balance at the End of the Current Period	9,032	134,482
Subscription Rights to Shares:		
Balance at the Beginning of the Current Period	—	6
Changes during the Period:		
Net Changes of Items other than Shareholders' Equity	6	13
Total Changes during the Period	6	13
Balance at the End of the Current Period	6	19
Minority Interests:		
Balance at the Beginning of the Current Period	304,454	510,181
Changes during the Period:		
Net Changes of Items other than Shareholders' Equity	205,726	(25,766)
Total Changes during the Period	205,726	(25,766)
Balance at the End of the Current Period	510,181	484,415
Total Net Assets:		
Balance at the Beginning of the Current Period	1,507,095	2,337,031
Changes during the Period:		
Cash Dividends	(41,250)	(40,946)
Net Income	164,660	133,768
Increase due to Share Exchange	489,114	—
Purchase of Treasury Stock	(138)	(199,574)
Disposal of Treasury Stock	38	4
Retirement of Treasury Stock	—	—
Reversal of Revaluation Reserve for Land	873	492
Net Changes of Items other than Shareholders' Equity	216,637	99,698
Total Changes during the Period	829,936	(6,557)
Balance at the End of the Current Period	2,337,031	2,330,474

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Net Cash Provided by (Used in) Operating Activities:		
Income before Income Taxes and Minority Interests	294,967	228,334
Depreciation and Amortization	37,830	41,542
Impairment Losses	11,578	16,281
Amortization of Goodwill	8,578	8,397
Gain on Negative Goodwill	(46,061)	(2,388)
Equity in Losses (Earnings) of Affiliates	(3,561)	(2,808)
Increase (Decrease) in Allowance for Loan Losses	(9,465)	(19,858)
Increase (Decrease) in Provision for Bonuses	(12)	1,463
Increase (Decrease) in Provision for Directors' Bonuses	(126)	(3)
Increase (Decrease) in Provision for Retirement Benefits	(1,274)	196
Increase (Decrease) in Provision for Reimbursement of Deposits	522	(725)
Increase (Decrease) in Provision for Contingent Losses	(6,487)	(2,770)
Increase (Decrease) in Provision for Relocation Expenses	3,275	(8,895)
Gain on Fund Management	(374,744)	(339,266)
Financing Expenses	121,067	119,535
Loss (Gain) Related to Securities	(69,431)	(52,414)
Loss (Gain) on Money Held in Trust	(451)	(880)
Foreign Exchange Losses (Gains)	60,855	(105,468)
Loss (Gain) on Disposal of Fixed Assets	476	572
Net Decrease (Increase) in Trading Assets	17,102	(115,456)
Net Increase (Decrease) in Trading Liabilities	69,077	54,012
Net Decrease (Increase) in Loans and Bills Discounted	45,119	(1,761,803)
Net Increase (Decrease) in Deposit	433,350	943,623
Net Increase (Decrease) in Negotiable Certificates of Deposit	703,714	850,672
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	(729,467)	52,940
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	(475,229)	(421,758)
Net Decrease (Increase) in Call Loans	(13,644)	(257,934)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(9,238)	(188,877)
Net Increase (Decrease) in Call Money	(655,667)	437,392
Net Increase (Decrease) in Payables under Securities Lending Transactions	(1,092,494)	(227,956)
Net Decrease (Increase) in Foreign Exchange Assets	8,477	(50,129)
Net Increase (Decrease) in Foreign Exchange Liabilities	40	35
Net Decrease (Increase) in Lease Receivables and Investment Assets	64,686	(3,839)
Net Increase (Decrease) in Short-term Bonds Payable	(30,749)	562,208
Increase (Decrease) in Straight Bonds Issuance and Redemption	6,002	94,181
Net Increase (Decrease) in Borrowed Money from Trust Account	(167,425)	376,021
Proceeds from Fund Management	386,542	352,688
Payments for Financing	(148,518)	(131,610)
Other Net	113,715	101,782
Sub Total	(1,447,070)	547,036
Income Taxes Paid	(48,259)	(29,070)
Net Cash Provided by (Used in) Operating Activities	(1,495,329)	517,965

(Continued)

	(Millions of Yen)	
	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Net Cash Provided by (Used in) Investment Activities:		
Purchase of Securities	(11,719,378)	(11,804,301)
Proceeds from Sales of Securities	10,808,438	5,854,320
Proceeds from Redemption of Securities	3,091,918	6,704,357
Decrease in Money Held in Trust	5,000	663
Purchase of Tangible Fixed Assets	(28,478)	(20,448)
Proceeds from Sales of Tangible Fixed Assets	750	9,833
Purchase of Intangible Fixed Assets	(30,554)	(42,399)
Proceeds from Sales of Intangible Fixed Assets	665	1,026
Purchase of Investments in Subsidiaries at Changes in Scope of Consolidation	—	(2,736)
Proceeds from Purchase of Investments in Subsidiaries at Changes in Scope of Consolidation	4,339	—
Payments for Sales of Investments in Subsidiaries at Changes in Scope of Consolidation	(2,287)	—
Purchase of Investments in Affiliates Accounted for by the Equity Method	—	(39)
Investment for Affiliates Accounted for by the Equity Method	(4,588)	—
Purchase of Investments in Subsidiaries	(1,530)	—
Net Cash Provided by (Used in) Investment Activities	2,124,294	700,274
Net Cash Provided by (Used in) Financing Activities:		
Increase in Subordinated Borrowings	5,000	45,000
Decrease in Subordinated Borrowings	(2,500)	(50,000)
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	82,596	41,311
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(47,241)	(100,000)
Repayment to Minority Shareholders	(434)	(27,500)
Proceeds from Contributions by Minority Shareholders	4	—
Cash Dividends Paid	(41,258)	(40,891)
Cash Dividends Paid to Minority Shareholders	(18,726)	(18,078)
Purchase of Treasury Stock	(138)	(199,574)
Proceeds from Sales of Treasury Stock	38	4
Net Cash Provided by (Used in) Financing Activities	(22,660)	(349,728)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(5,322)	14,321
Net Increase (Decrease) in Cash and Cash Equivalents	600,981	882,833
Cash and Cash Equivalents at the Beginning of the Period	346,030	1,726,575
Increase in Cash and Cash Equivalents Resulting from Share Exchange	465,221	—
Increase (Decrease) in Cash and Cash Equivalents at Changes in Scope of Consolidation	314,342	—
Cash and Cash Equivalents at the End of the Period	1,726,575	2,609,409

All amounts less than one million yen are rounded down.

Note for the Going-Concern Assumption

There are no corresponding items.

Significant Accounting Policies and Practices

1. Scope of Consolidation

(1) Consolidated Subsidiaries 74 companies

Principal Company

Sumitomo Mitsui Trust Bank, Limited

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

JAPAN SECURITIES AGENTS, LTD. and 11 other companies were newly consolidated as a result of acquisition of the stocks and other factors. Because the share of voting rights held in Top REIT Asset Management Co., Ltd, a former equity-method affiliate, also rose due to the additional acquisition of shares, it was excluded from the scope of the equity method and included in the scope of consolidation during the current fiscal year.

Since The Chuo Mitsui Trust Bank, Limited and Chuo Mitsui Asset Trust and Banking Company, Limited and MTH Preferred Capital 1 (Cayman) Limited and 13 other companies were merged or liquidated, they were excluded from the scope of consolidation during the current fiscal year.

(2) Unconsolidated Subsidiaries

Principal Company

ASIA GATEWAY 1, L.P.

Hummingbird Co., Ltd. and 34 other companies are excluded from the scope of consolidation in accordance with Paragraph 1, Item 2 of Article 5 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and therefore their assets and income effectively do not belong to the subsidiaries.

Other unconsolidated subsidiaries are excluded from the scope of consolidation because they are immaterial to the extent that excluding such companies would not prevent a reasonable assessment of the corporate group's financial position or financial results even if excluded from the scope of consolidation, based on the size of their assets, ordinary income, net income (amount corresponding to SMTH's interest in the company), retained earnings (amount corresponding to SMTH's interest in the company), and other comprehensive income (amount corresponding to SMTH's interest in the company).

2. Application of the Equity Method

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

None

(2) Affiliates Accounted for by the Equity Method: 29 companies

Principle Companies

Japan Stockholders Data Service Company, Limited

SBI Sumishin Net Bank, Ltd.

HR One Shanghai Co., Ltd. and 6 other company were included in the scope of the equity method during the current fiscal year because they were principally newly incorporated companies.

Because Top REIT Asset Management Co., Ltd, a former equity-method affiliate, was included in the scope of consolidation during the current fiscal year due to the additional acquisition of shares, and Nikko AM Global Umbrella Fund (SICAV) was excluded from the scope of the equity method, also due to a decreased interest, these companies were excluded from the scope of the equity method during the current fiscal year.

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

Principle Company

ASIA GATEWAY 1, L.P.

Hummingbird Co., Ltd. and 34 other companies are excluded from the scope of the equity method in accordance with Paragraph 1, Item 2 of Article 10 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and therefore their assets and income effectively do not belong to the subsidiaries.

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

3. Balance Sheet Dates of Consolidated Subsidiaries

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

April 30	1 company
September 30	6 companies
November 30	1 company
December 31	11 companies
January 24	5 companies
January 31	4 companies
March 31	46 companies

- (2) A subsidiary with a balance sheet date of April 30 is consolidated using the tentative financial statements prepared as of and for the period ended January 31, subsidiaries with a balance sheet date of September 30 are consolidated using their tentative financial statements prepared as of and for the period ended March 31, a subsidiary with a balance sheet date of November 30 is consolidated using the tentative financial statements prepared as of and for the period ended February 28, one of the subsidiaries with a balance sheet date of December 31 is consolidated using the tentative financial statements prepared as of and for the period ended March 31, subsidiaries with a balance sheet date of January 24 are consolidated using their tentative financial statements prepared as of and for the period ended March 31, and other subsidiaries are consolidated using the financial statements as of their respective balance sheet dates.

The necessary adjustments have been made to the financial statements for any significant transactions that took place between their respective balance sheet dates and the date of the consolidated financial statements.

4. Accounting Policies

(1) Trading Account Activities

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

Under trading assets and trading liabilities, trading account securities and monetary claims are stated at their fair values as of the balance sheet date and trading-related financial derivatives, such as swaps, futures and options, are stated at the amounts that would be settled if they were terminated on the balance sheet date.

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

(2) Securities

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

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

(3) Financial Derivatives

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

(4) Depreciation and Amortization Methods

(a) Tangible Fixed Assets (except lease assets)

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

Useful lives of major asset categories:

Buildings:	3 to 60 years
Other assets:	2 to 20 years

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

(Changes in Accounting Policies which are difficult to distinguish from Changes in Accounting Estimates)

Since the fiscal year 2012, domestic consolidated subsidiaries have changed their depreciation methods for tangible fixed assets acquired on or after April 1, 2012 in accordance with the revision of the "Corporation Tax Act".

This change has immaterial impact on Consolidated Ordinary Profit and Income before Income Taxes and Minority

Interests for the fiscal year 2012.

(b) Intangible Fixed Assets (except lease assets)

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

(c) Lease Assets

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

(5) Allowance for Loan Losses

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

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

For claims against large borrowers that are classified as possible bankruptcy borrowers or restructured loan borrowers (for the fiscal year ended March 31, 2013), or close observation borrowers (for the fiscal year ended March 31, 2013), for which future cash flows from principal collection and interest receipt can be reasonably estimated, an allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim ("estimated cash flow method").

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

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

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

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, the expected uncollectible amounts, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted out of the original amount of claims. The deducted amount was ¥43,662 million for the fiscal year ended March 31, 2013.

(6) Provision for Bonuses

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

(7) Provision for Directors' Bonuses

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

(8) Provision for Retirement Benefits

The provision for retirement benefits is provided based on the projected benefit obligation and the fair value of the plan assets at the respective balance sheet date. Prepaid pension expenses of ¥166,606 million for the fiscal year ended March 31, 2013 are included within "Other Assets."

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

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

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

(9) Provision for Reimbursement of Deposits

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

(10) Provision for Contingent Losses

The provision for contingent losses is provided for contingent losses associated with trust transactions and others in the

amount deemed necessary based on estimated possible future losses.

(11) Foreign Currency Translation

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

(12) Accounting for Leases

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

(13) Hedge Accounting

(a) Interest Related Transactions

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

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

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No.15), SMTH had adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which were utilized to manage interest rate exposure of certain changes of transactions such as loans and deposits. Deferred hedge gains (losses) resulted from "Macro Hedge Accounting" are amortized over the remaining period for each hedging transaction. Deferred hedge losses associated with macro hedges during the current fiscal year totaled ¥630 million (before tax effect).

(b) Currency Related Transactions

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

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

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

(c) Internal Hedge Transactions and Others

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

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

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

(14) Amortization of Goodwill

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

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

The scope of "cash" in the consolidated statements of cash flows is the "Cash and Due from Banks" presented in the consolidated balance sheets (cash and due from the Bank of Japan in the case of the consolidated subsidiaries engaged in trust activities).

(16) National and Local Consumption Taxes

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

Notes to the Consolidated Financial Statements for the Fiscal Year ended March 31, 2013

Consolidated Balance Sheets

1. Investments in Stocks and Investments of Affiliates

Investments in stocks and investments of affiliates excluding consolidated subsidiaries were ¥115,857 million

2. As for the securities under resale agreements and borrowed with cash collateral, that are permitted to be sold or pledged without restrictions, ¥185,648 million of securities are pledged to re-lending, and ¥1,648 million of securities are held in hand at the end of the current fiscal year.

3. Loans in Bankruptcy Proceedings and Other Delinquent Loans

Loans and bills discounted includes ¥19,536 million in loans in bankruptcy proceedings and ¥177,498 million in other delinquent loans. Loans in bankruptcy proceedings are non-accrual loans outstanding (not including the portion written off) to borrowers who are legally bankrupt as defined in the Paragraph 1, Item 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order No. 97 of 1965).

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

4. Loans More than Three Months Past Due

Loans and bills discounted includes ¥13 million in loans more than three months past due. Loans more than three months past due are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as loans in bankruptcy proceedings or other delinquent loans.

5. Restructured Loans

Loans and bills discounted includes ¥115,019 million in restructured loans. Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise making some arrangement favorable to the borrower in connection with a borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, other delinquent loans, or loans more than three months past due.

6. Total of Bankruptcy, Delinquent, Loans More than Three Months Past Due and Restructured Loans

The total of loans in bankruptcy proceedings, other delinquent loans, loans more than three months past due and restructured loans is ¥312,067 million. The amounts presented in Notes 3. through 6. are before allowances for loan losses.

7. Bills Discounted

Bills discounted are treated as financial transactions in accordance with the Report No. 24. SMTH has the right to freely dispose of such commercial bills through sale or (re-) collateralization, and the total face value of such bills is ¥5,196 million.

8. Details of Assets Pledged as Collateral

Assets pledged as collateral			
Trading Assets	¥	132,976	million
Securities	¥	1,012,028	million
Loans and Bills Discounted	¥	1,456,657	million
Lease Receivables and Investment Assets	¥	20,546	million
Other Assets	¥	336	million
Debts against pledged assets			
Deposits	¥	4,215	million
Payables under Repurchase Agreements	¥	419,677	million
Borrowed Money	¥	281,319	million
Acceptances and Guarantees	¥	38,411	million

In addition to the foregoing, ¥804,531 million in securities and ¥172,608 million in Loans and Bills Discounted and ¥182 million in other assets have been pledged as collateral for settlement of cash and derivative transactions and others or substitution of margin of future market and others.

"Other Assets" includes ¥3,403 million in initial margins of futures markets, ¥20,784 million in security deposits, and ¥397,774 million in cash collateral paid for financial instruments.

9. Overdraft Facilities and Commitment Lines of Credit

Overdraft facilities 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 ¥10,417,893million, of which ¥7,691,417million is attributable to agreements expiring within one year or which may be unconditionally canceled at any time.

Because most of these agreements expire without credit being extended, the balance of unused credit will not necessarily affect the future cash flows of the consolidated subsidiaries. In addition, most of these agreements contain clauses allowing the consolidated subsidiaries to reject requests for credit outright or reduce credit limits due to changed financial circumstances, the need to preserve claims, or other reasonable causes. Besides requesting collateral in the form of real estate or securities as necessary at the time of the agreement, SMTH has also adopted other measures to keep credit sound, such as periodically assessing the condition of our customers' businesses using pre-determined internal procedures, and revising agreements as needed.

10. 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 taken over from SMTB was revalued, and an amount equivalent to the taxes on the resulting valuation difference was recorded as "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount remaining after deducting this was recorded as "Revaluation Reserve for Land" in net assets.

Revaluation Date: March 31, 1999

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

Difference between the fair value and revalued book value of the land for business operations subject to the Article 10 of the Act was ¥7,234 million.

11. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets is ¥131,243 million.

12. Advanced Depreciation

Advanced Depreciation, which is allowed by the tax law, was ¥27,499 million.

13. Borrowed Money

Borrowed money includes ¥216,456 million in subordinated borrowings.

14. Bonds Payable

Bonds payable includes ¥830,981million in subordinated bonds.

15. Guarantee Liabilities for Privately-offered Corporate Bonds

The bonds within "Securities" include ¥184,146 million in guarantees for bonds that were placed through private securities offerings (Paragraph 3 of Article 2 of the "Financial Instruments and Exchange Act)."

16. Principal of Guaranteed Trust Account

The principal amount of the trusts held by SMTB through guaranteed trust agreements includes ¥1,229,217 million in money trusts and ¥80,698 million in loan trusts.

17. Projected Pension Obligations

Projected pension obligations and others were as follows.

Projected Benefit Obligations	¥	(370,946)	million
Plan Assets (Fair Value)	¥	479,899	million
Unfunded projected benefit obligation	¥	108,953	million
Unrecognized net actuarial gain or loss	¥	41,057	million
Unrecognized prior service costs (net)	¥	462	million
Net amount recorded on the consolidated balance sheets	¥	150,473	million
Prepaid pension expenses	¥	166,606	million
Provision for retirement benefits	¥	(16,132)	million

Consolidated Statements of Income

1. Other Income

"Other Income" includes ¥22,840 million in gains on sales of stocks and other securities and ¥8,379 million in gains on stock-related derivatives transactions.

2. Other Expenses

"Other Expenses" includes ¥19,341million in losses on sales of stocks and other securities and ¥7,714 million in losses on devaluation of stocks and other securities.

3. Extraordinary Loss

“Extraordinary Loss” includes ¥12,109 million in expenses related to “Management Integration Expenses.”

Consolidated Statements of Changes in Net Assets

1. Issued Shares and Treasury Stock

Issued shares and Treasury Stock for the fiscal ended March 31, 2013 consisted of the following:

(Thousands of Shares)

	Number of Shares Outstanding at the Beginning of the Current Period	Increase	Decrease	Number of Shares Outstanding at the End of the Current Period	Note
Number of Issued Shares:					
Common Share	4,153,486	—	250,000	3,903,486	Note1
The First Series of Class 7 Preferred Shares	109,000	—	—	109,000	
Total	4,262,486	—	250,000	4,012,486	
Treasury Stock:					
Common Share	763	467,430	250,016	218,176	Notes2, 3

Notes:

1. The number of issued common shares decreased due to retirement of treasury stocks on March 22, 2013.
2. The number of common shares held as treasury stocks increased by 138 thousand shares due to purchases of odd-lot shares and by 467,292 thousand shares due to purchases of treasury stocks on March 14, 2013.
3. The number of common shares held as treasury stock decreased by 16 thousand shares due to purchase requests from odd-lot shareholders and by 250,000 thousand shares due to retirement of treasury stocks on March 22, 2013.

2. Subscription Rights to Shares

(Millions of Yen)

		Number of Shares Outstanding at the End of the Current Period
SMTH	Subscription Rights to Shares as Stock Options	19
Consolidated Subsidiary (Nikko Asset Management Co., Ltd)	Subscription Rights to Shares as Stock Options	—
	Subscription Rights to Shares as Treasury Stock Options	—

3. Dividends

(1) Dividends paid during the fiscal year ended March 31, 2013 consisted of the following:

Resolution	Type of Shares	Millions of Yen	Yen	Record Date	Effective Date
		Total Dividends Payment	Cash Dividends per Share		
June 28, 2012 Ordinary General Meeting of Shareholders	Common Share	18,687	4.50	March 31, 2012	June 29, 2012
	The First Series of Class 7 Preferred Shares	2,305	21.15	March 31, 2012	June 29, 2012
November 14, 2012 Board of Directors' Meeting	Common Share	17,648	4.25	September 30, 2012	December 4, 2012
	The First Series of Class 7 Preferred Shares	2,305	21.15	September 30, 2012	December 4, 2012

(2) During the fiscal year ended March 31, 2013, dividends, whose record date is by this period and whose effective date of distribution is after the end of this period, are as following:

SMTH is planning to make the following proposal to the ordinary general meeting of shareholders to be held on June 27, 2013.

Resolution	Type of Shares	Millions of Yen	Resources Allotted for the Distribution	Yen	Record Date	Effective Date of Distribution
		Total Dividends Payment		Cash Dividends per Share		
June 27, 2013 Ordinary General Meeting of Shareholders	Common Share	17,505	Retained Earnings	4.75	March 31, 2013	June 28, 2013
	The First Series of Class 7 Preferred Shares	2,305	Retained Earnings	21.15	March 31, 2013	June 28, 2013

Consolidated Statements of Cash Flows

1. Reconciliation of Cash and Cash Equivalents

The following table shows the reconciliation between "Cash and Cash Equivalents" in the consolidated statements of cash flows, and "Cash and Due from Banks" in the consolidated balance sheets as of March 31, 2013.

Cash and Due from Banks	¥	3,902,377	million
Due from Banks (excluding due from Bank of Japan)	¥	(1,292,968)	million
Cash and Cash Equivalents	¥	2,609,409	million

Financial Instruments

1. Circumstances of Financial Instruments

(1) Policy on Financial Instruments

SMTH Group is engaged in a huge variety of financial service businesses including primarily trust banking business by SMTB. To facilitate these businesses, SMTH Group holds financial assets such as loans to individual and corporate customers, and securities on the investment side, while funding through savings deposits from individual and corporate customers, borrowed money and issuance of corporate bonds.

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

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

SMTB monitors their respective risks while implementing comprehensive Asset-Liability Management (ALM). Meanwhile SMTB is engaged in derivative transactions in an effort to control market risk and other risks arising from its assets and liabilities within the level commensurate with their financial capacity. In addition, SMTB is engaged in trading transactions for securities and derivatives with establishing "Trading accounts" which are distinguished from other accounts ("Banking accounts in accordance with ordinance for Enforcement of the Banking Act Article 13-6-3"). Besides, some consolidated subsidiaries are engaged in trading transactions for securities.

(2) Characteristics and Risks of Financial Instruments

1) Trading Accounts

SMTH Group trades over-the-counter (hereinafter "OTC") and listed derivatives transactions related to interest rates, foreign exchange rates, bonds, credits and commodities, in addition to trading securities. These derivatives are exposed to interest rate fluctuation risks, foreign exchange rate fluctuation risks, price fluctuation risks, credit risks and other risks.

2) Banking Accounts

Financial assets of SMTH Group are primarily loans to corporations and individuals in Japan, which are exposed to credit risk arising from defaults of contracts by customers. Securities mainly consist of stocks and bonds, and are held for the purpose of holding to maturity and investing for strategic purposes and business development purposes. These securities are exposed to issuers' credit risks, interest rate fluctuation risks and market price fluctuation risks. Deposits from individuals and corporations, borrowed money, and bonds are exposed to liquidity risks due to incapability of repayment at these due dates caused under particular environments such as lack of liquidity. SMTH Group trades OTC and listed derivatives transactions related to interest rates, foreign exchange rates, stocks, bonds, and credits for the purpose of managing market risks.

To manage interest rate fluctuation risks, as a major risk, arising from various financial assets and liabilities such as loans and deposits, hedge accounting is applied by using interest rate swaps as hedging instruments, financial assets and liabilities are categorized based on the characteristics of interest rate fluctuation risks and managed by portfolio basis. For a part of assets and liabilities, hedge accounting is applied based on each individual transaction.

To manage foreign exchange rate fluctuation risks, arising from various financial assets and liabilities of SMTB denominated in foreign currencies, hedge accounting is applied to the hedged items by using currency swaps and foreign exchange swaps as hedging instruments. Fair value hedge accounting or deferral hedge accounting is applied by portfolio basis in order to hedge foreign currency exchange fluctuation risks in securities denominated in foreign currencies (other than bonds) by designating forward obligations as hedging instruments. The details of hedge accounting are described in "Significant Accounting Policies and Practices".

(3) Risk Management for Financial Instruments

SMTH Group sets out basic framework for the group-wide risk management in the Rules for Risk Management. Also, SMTH Group establishes Risk Management Department to supervise risk control management, manage and direct to SMTB and other group companies, regarding the development of an appropriate risk management system, as well as monitoring SMTH Group's risk situation.

1) Credit Risk Management

Credit risk is the risk of financial loss to SMTH Group if a customer or counterparty fails to meet its contractual obligations, and the risk arises from claims, mainly loans and bills discounted and securities. Credit risk is the most basic financial risks related to credit creating function. SMTH Group continues to diversify our credit portfolios and build a stronger customer base by making its credit risk management framework more sophisticated, as well as by meeting new and sound capital demand.

(a) Risk Management Policy of Credit Risk

The basic policy of SMTH Group's credit risk management calls for "a diversified credit portfolio" and "strict credit management for individual credits." For the former, SMTH Group manages credit exposures of each customer based on limited credit amount, and also looks into the impact of the risk identified to large and particular creditors, the quantification of concentration in industry sectors with large credit exposures periodically, including the measurement of

quantity of credit risk. Moreover, SMTH Group makes efforts to mitigate credit concentration risk, on a country-by-country basis, by managing the diversification of the overall credit portfolio. For the latter, SMTH Group manages individual credits through the process of credit screening, self-assessment and internal credit ratings. Credit ratings that indicate the credit status of creditor and the possibility of defaults provide the basis for credit screening of individual transactions and credit portfolio management. Through the process of self-assessment, SMTH Group evaluates continuously earning capacity, and collectability of credits, through the analysis of the customer's financial condition, cash flow, repayment capacity.

(b) Risk Management Framework of Credit Risk

In SMTB, the Board of Directors decides on important matters related to credit risk management when establishing its management plans. Based on reports on credit risk management, including self-assessment management, the Board of Directors decides on the credit strategy and economic capital allocation plan, and approves "Self-Assessment Rules," and then SMTB ensures the soundness of assets. As for screening and credit management of each loan, the Global Credit Supervision Department is segregated from the branches and performs check-and-balance functions. Furthermore, the Research Department evaluates credit ratings based on industry research and research analysis on credit strength of individual companies along with quantitative analysis. Councils such as Executive Committee and the Credit Risk Committee, which meet regularly, also deliberate material matters of managing/operating credit risks. Through the check-and-balance framework, these councils' discussion, and the validation of this credit risk management/operation by the Corporate Risk Management Department, SMTB builds up an appropriate management framework for risk management.

2) Market Risk Management

Market risk is the risk of financial losses to SMTH Group caused by the changes in income and value of its holdings of financial assets/liabilities, in various market prices, such as interest rates, foreign exchange rates, equity prices, commodities and credit spreads, including off balance items.

(a) Risk Management Policy of Market Risk

In managing market risk, SMTH Group makes it a basic policy to organize appropriate risk management framework of market risk compatible with strategic goals, scale and nature of its operations and risk profiles from a perspective of soundness and appropriateness of its operations.

(b) Risk Management Framework of Market Risk

With regard to market risk, SMTH Group maintains a basic policy for setting and controlling the various risk limits and separation of organizations related to market risks through its Rules for Risk Management, and its detailed managing methods follow the Rules for Market Risk Management. An independent check system is established whereby the divisions that execute transactions are clearly separated from the divisions that process the transactions, and overall management of market risk is monitored by the Risk Management Department, which is independent from both the front and back offices. This department identifies and analyzes group-wide risk, tracks adherence to risk limits and reports to the director in charge on a daily basis and to the Board of Directors periodically.

In SMTB, the Board of Directors approves and determines the ALM Basic Plan and a risk management plan as important matters related to market risks under management plans. The ALM Committee approves and determines the ALM Basic Plan as basic matters on company-wide comprehensive risk management for assets/liabilities as well as a risk management plan related to market risk.

In SMTH, the Risk Management Department is responsible for planning and promoting of market risk management. The role of the Risk Management Department includes the monitoring of conditions of market risk managed under the ALM Basic Plan, measuring risk amount and profits/losses, and planning and promoting market risk management measures. It also monitors the status of risk limits and loss limits. The Department reports its findings to the members of the ALM Committee on a daily basis, and periodically to the ALM Committee as well as the Board of Directors.

(c) Market Risk Management Approach

SMTH Group applies Value at Risk (hereinafter "VaR") to measure and control market risk exposures. VaR uses historical actual market fluctuation performance to statistically predict the maximum expected losses under specific conditions. Based on the internal model developed by SMTH Group, SMTH Group manages market risks by measuring VaR and calculating various risk management indicators and carrying out various simulations. The VaR model used is basically the variance-covariance method, and also historical simulation methods for calculating some risks (nonlinear risks and others) in option transaction, etc. Market risk can be classified into interest rate fluctuation risks, stock price fluctuation risks, foreign exchange rate fluctuation risks and others. SMTH Group calculates market risk by simply adding up by all risk categories without considering the correlation between these categories.

(d) Quantitative Information related to Market Risk

(Trading Accounts)

SMTH Group performs risk management using VaR for trading securities and a portion of currency and interest-related derivatives transactions held in the "Trading Accounts." The VaR model used is primarily based on the variance-covariance method (holding period of 10 business days, confidence interval of 99%, and observation period of 260 business days).

As of March 31, 2013, the total amount of market risk (estimated loss) of financial instruments held in trading accounts of

SMTH Group was ¥2.6 billion.

SMTH Group performs back testing to compare its internal model VaR calculation with actual profit and loss. The back testing for the fiscal year ended March 31, 2013 resulted in no instance where actual losses were in excess of VaR; therefore we consider that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on past movement volatility, it may underestimate the probability of extreme market movements and in some instances which may not properly capture those risks.

(Banking Accounts)

SMTH Group performs risk management using VaR for financial assets and liabilities held in the “Banking Accounts.” The variance-covariance methods and historical simulation method are the primary measurement methods for interest/foreign exchange exposures and stock price exposure, respectively (confidence interval of 99% and holding period of maximum one year according to position nature and observation period used is 260 business days for interest and foreign exchange rates, and either of one or five years for stock prices).

As of March 31, 2013, the total amount of market risks (estimated loss) for financial instruments held in banking account of SMTH Group was ¥767.6 billion.

SMTH Group performs back testing for the certain positions held in banking accounts, to compare its internal model VaR calculation with actual profit and loss for financial assets and liabilities subject to measurement. We consider that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on past movement volatility, it may underestimate the probability of extreme market movements and in some instances which may not properly capture those risks.

3) Management of Liquidity Risk (Liquidity Risk Management on Fund Raising)

Liquidity risk is the risk of financial loss for SMTH Group when the Group could not raise necessary fund or is forced to raise significantly higher rate fund.

(a) Risk Management policy of Liquidity Risk

With regard to liquidity risk, SMTH Group designs and implements the policy to set up risk management framework of liquidity risk, with recognition that exposing its risk and experiencing financial difficulties could lead directly to bankrupt SMTH Group.

(b) Risk management framework and approach of Liquidity Risk

Based on the risk management plan approved by the Board of Directors semiannually, the Liquidity Risk Management Department determines the extent of its cash crunch appropriately in cooperation with the Liquidity Risk Management Department, while gathering and analyzing information including both internal environment such as our risk profiles and external environment such as economic circumstances or market conditions.

To reduce liquidity risk, the Liquidity Risk Management Department manages cash flow following up the predetermined defined and appropriate limit amount and, the Liquidity Risk Management Department monitors its compliance.

(4) Supplementary Explanation Concerning Fair Value of Financial Instruments

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

2. Fair Values of Financial Instruments

The carrying amounts on the consolidated balance sheets and fair values of financial instruments as of March 31, 2013 as well as the differences between these values are presented below. Because it is extremely difficult to determine the fair value of unlisted shares, they are excluded from the following table (see Note 2).

(Millions of Yen)

	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	3,902,287	3,902,287	—
(2) Call Loans and Bills Bought	514,228	514,228	—
(3) Receivables under Resale Agreements	91,911	91,911	—
(4) Receivables under Securities Borrowing Transactions	207,494	207,494	—
(5) Monetary Claims Bought (*1)	454,576	454,510	(66)
(6) Trading Assets			
Trading Securities	353,945	353,945	
(7) Money Held in Trust	7,014	7,014	
(8) Securities			
Held-to-Maturity Debt Securities	595,080	641,390	46,310
Available-for-Sale Securities	5,467,875	5,467,875	
(9) Loans and Bills Discounted	22,391,660		
Allowance for Loan Losses (*2)	(101,970)		
	22,289,690	22,476,947	187,257
(10) Foreign Exchanges	59,570	59,570	
(11) Lease Receivables and Investment Assets (*1)	547,653	555,142	7,489
Total Assets	34,491,328	34,732,319	240,990
(1) Deposits	23,023,897	23,064,134	40,237
(2) Negotiable Certificates of Deposit	4,103,517	4,103,517	
(3) Call Money and Bills Sold	168,355	168,355	
(4) Payables under Repurchase Agreements	605,742	605,742	
(5) Borrowed Money	1,169,032	1,181,448	12,416
(6) Foreign Exchanges	106	106	
(7) Short-term Bonds Payable	940,067	940,067	
(8) Bonds Payable	986,363	1,023,271	36,907
(9) Borrowed Money from Trust Account	2,483,248	2,483,248	
Total Liabilities	33,480,332	33,569,893	89,561
Derivatives (*3)			
Derivative Transactions Not Qualifying for Hedge Accounting	152,911	152,911	—
Derivative Transactions Qualifying for Hedge Accounting	(225,591)	(225,591)	—
Total Derivatives	(72,680)	(72,680)	—

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

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

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

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

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

Assets

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

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

(5) Monetary Claims Bought

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

(6) Trading Assets

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

(7) Money Held in Trust

Securities entrusted to money held in trust whose primary purpose is to invest in securities are stated at quoted market prices or dealer/broker-quoted prices.

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

(8) Securities

Fair values of stocks are stated at quoted market prices. Fair values of bonds are stated at quoted market prices, dealer association prices, or dealer/broker-quoted prices. Investment trusts are stated at published reference prices. Fair values of privately placed bonds guaranteed by SMTH are stated at present value, which is calculated by classifying them based on their internal ratings and maturities and discounting their future cash flows.

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

(9) Loans and Bills Discounted

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

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

For loans to borrowers under 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 of these loans are stated at amounts that is the consolidated balance sheet amounts at the balance sheet date after deducting the current estimated loan losses because this amount closely approximates fair value.

(11) Lease Receivables and Lease Investment Assets

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

Liabilities

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

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

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

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (6) Foreign Exchanges, (7) Short-term Bonds Payable, and (9) Borrowed Money from Trust Accounts

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

(5) Borrowed Money

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

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

(8) Bonds Payable

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

Derivatives

The fair values of listed derivatives transactions are based on the closing prices on an exchange or dealer price quotations. The fair values of OTC derivatives transactions are calculated mainly using discount cash flow method and option pricing models and others.

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

(Millions of Yen)

Item	Carrying Amount
Securities	167,188
Unlisted Stocks (*3)	111,106
Investments in Associations	48,025
Others (*3)	8,056
Total	167,188

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

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

(*3) For the fiscal year ended March 31, 2013, ¥1,090 million of unlisted stocks and ¥201 million of others were written off.

Securities

In addition to the “Securities” presented in the consolidated balance sheets, the following information also includes trading securities and short-term corporate bonds within “Trading Assets, Negotiable Certificates of Deposit in “Cash and Due from Banks”, the loan backed trust deeds within “Monetary Claims Bought” and others.

1. Trading Securities (as of March 31, 2013)

(Millions of Yen)

Item	Valuation Difference Included in the Statements of Income
Trading Securities	121

2. Held-to-Maturity Securities with Fair Value (as of March 31, 2013)

(Millions of Yen)

Item	Carrying Amount	Fair Value	Difference
Securities for which the Fair Value Exceeds the Amount Recorded in Consolidated Balance Sheet			
Government Bonds	265,822	278,616	12,794
Local Government Bonds	—	—	—
Short-term Corporate Bonds	—	—	—
Corporate Bonds	6,622	6,674	51
Others	319,519	353,860	34,341
Foreign Bonds	279,453	313,164	33,711
Others	40,066	40,696	629
Subtotal	591,964	639,152	47,187
Securities for which the Fair Value does not Exceed the Amount Recorded in Consolidated Balance Sheet			
Government Bonds	70	69	(0)
Local Government Bonds	—	—	—
Short-term Corporate Bonds	—	—	—
Corporate Bonds	175	173	(1)
Others	44,036	43,790	(246)
Foreign Bonds	42,936	42,690	(246)
Others	1,100	1,100	—
Subtotal	44,282	44,034	(247)
Total	636,246	683,186	46,940

3. Available-for-Sale Securities (as of March 31, 2013)

(Millions of Yen)

Item	Carrying Amount	Acquisition Cost	Difference
Securities for which the Carrying Amount Exceeds the Acquisition Cost			
Stocks	839,159	536,686	302,473
Bonds	1,990,422	1,979,202	11,219
Government Bonds	1,535,491	1,529,167	6,324
Local Government Bonds	18,131	17,761	370
Short-term Corporate Bonds			
Corporate Bonds	436,798	432,274	4,524
Others	1,047,664	999,860	47,804
Foreign Stocks	898	164	733
Foreign Bonds	891,132	868,110	23,022
Others	155,633	131,584	24,048
Subtotal	3,877,246	3,515,749	361,497
Securities for which the Carrying Amount does not Exceed the Acquisition Cost			
Stocks	201,956	251,885	(49,928)
Bonds	975,153	976,756	(1,603)
Government Bonds	761,008	761,041	(32)
Local Government Bonds	2,793	2,798	(5)
Short-term Corporate Bonds			
Corporate Bonds	211,351	212,916	(1,565)
Others	496,568	524,581	(28,013)
Foreign Stocks	1,134	1,139	(4)
Foreign Bonds	240,956	244,062	(3,106)
Others	254,477	279,379	(24,902)
Subtotal	1,673,678	1,753,223	(79,545)
Total	5,550,924	5,268,972	281,951

4. Held-to-Maturity Securities Sold during the Current Fiscal Year (from April 1, 2012 to March 31, 2013)

There are no corresponding items.

5. Available-for-Sale Securities Sold during the Current Fiscal Year (from April 1, 2012 to March 31, 2013)

(Millions of Yen)

Item	Amounts Sold	Gain	Loss
Stocks	77,493	21,589	6,406
Bonds	2,857,861	26,492	1,477
Government Bonds	2,810,179	26,034	1,461
Local Government Bonds	6,448	163	1
Short-term Corporate Bonds	—	—	—
Corporate Bonds	41,233	294	14
Others	2,972,905	38,712	18,782
Foreign Bonds	2,823,429	37,105	5,661
Others	149,476	1,606	13,121
Total	5,908,261	86,794	26,666

(Note) The "Available-for-Sale Securities" for which no reliable measure of fair value is included.

6. Impairment of Securities

Available-for-sale securities at fair value other than trading securities are treated as impaired when fair value has declined significantly from the acquisition cost and it is deemed unlikely that the fair value will recover to the acquisition cost. Such securities are recorded at fair value on the consolidated balance sheets and the valuation difference is treated as a loss during the fiscal year. For the fiscal year ended March 31, 2013, impairment losses on stocks totaled ¥6,419 million.

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

Money Held in Trust

1. Money Held in Trust for Trading Purpose (as of March 31, 2013)

(Millions of Yen)

Item	Carrying Amount	Valuation Difference Included in the Statements of Income
Money Held in Trust for Trading Purpose	5,016	(1)

2. Money Held in Trust being Held to Maturity (as of March 31, 2013)

There are no corresponding items.

3. Other Money Held in Trust (other than for Trading Purpose and being Held-to-Maturity) (as of March 31, 2013)

(Millions of Yen)

Item	Carrying Amount	Acquisition Cost	Valuation Difference	Positive Difference	Negative Difference
Other Money Held in Trust	13,998	13,539	459	459	—

(Note) "Positive Difference" and "Negative Difference" represent the items of the "Valuation Difference."

Valuation Difference on Available-for-Sale Securities

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

(Millions of Yen)

Item	Amount
Valuation Difference	
Available-for-Sale Securities	244,220
Other Money Held in Trust	459
Total Valuation Difference	244,679
Amount Equivalent to Deferred Tax Assets(Liabilities)	(83,039)
Total(before Adjustment for Minority Interests)	161,640
Minority Interests	(1,071)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliates	953
Valuation Difference on Available-for-Sale Securities	161,522

(Note)

1. The foreign currency translation adjustments on available-for-sale securities for which fair values are extremely difficult to estimate is included in the "Available-for-Sale Securities" item under "Valuation Differences."
2. The valuation differences of ¥28million associated with partnerships and other similar assets is included in the "Available-for-Sale Securities" item under "Valuation Differences."
3. The valuation differences unamortized as of the balance sheet date arising from the reclassification of the holding purpose of securities is included in the "Available-for-Sale Securities" item under "Valuation Difference."

Stock Option Plans

1. Expenses Recorded in Connection with Stock Options during the Current Fiscal year
General and Administrative Expenses: ¥13 million

2. Description of Stock Options

(1) Content of Stock Options

	SMTH Series 1 Subscription Rights to Shares	SMTH. Series 2 Subscription Rights to Shares
Number of Eligible Persons by Position	22 directors and officers of SMTH 19 directors and officers of CMTB 7 directors and officers of CMAB 24 directors and officers of STB Total: 72 persons	22 directors and officers of SMTH 44 directors and officers of SMTB Total: 66 persons
Number of Type of Stock Options Granted (Note)	286,000 shares of common stock	260,000 shares of common stock
Grant Date	July 26, 2011	July 18, 2012
Vesting Conditions	1) Holders of the Subscription Rights to Shares must be a director or officer of SMTH or its subsidiaries when exercising the rights, unless the holder is no longer in such a position because he or she retired at the end of his or her term or for some other valid reason. 2) If a holder of Subscription Rights to Shares is deceased and the entirety of the Subscription Rights to Shares is inherited by a single legal heir ("inheritor of the rights"), the Subscription Rights to Shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, the heirs of the inheritor of the rights may not inherit the Subscription Rights to Shares.	Same as on the left
Eligible Service Period	July 26, 2011 to July 25, 2013	July 18, 2012 to July 17, 2014
Exercise Period	July 26, 2013 to July 25, 2021	July 18, 2014 to July 17, 2022

(Note) Converted into the number of equivalent shares.

(2) Volume and Changes in Stock Options

1) Number of Stock Options

	SMTH Series 1 Subscription Rights to Shares	SMTH. Series 2 Subscription Rights to Shares
Unvested Stock Options (shares)		
At the Beginning of the Fiscal Year	286,000	—
Granted	—	260,000
Forfeited	—	—
Vested	—	—
Unvested	286,000	260,000
Vested Stock Options (shares)		
At the Beginning of the Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
Unexercised	—	—

2) Unit Price Information

	SMTH Series 1 Subscription Rights to Shares	SMTH. Series 2 Subscription Rights to Shares
Exercise Price (yen)	400	400
Average Stock Price when Exercised (yen)	—	—
Fair Unit Value on the Grant Date (yen)	62	34

3. Method for Estimating Fair Unit Value of Stock Options

The method used to estimate the fair unit value of the SMTH Series 2 Subscription Rights to Shares as of the end of the current fiscal year is described as below.

(1) Valuation Technique Used: Black-Scholes Model

(2) Principal Parameters and Method for Estimating

	SMTH Series 2 Subscription Rights to Shares
Stock Price Volatility (Note 1)	40.2%
Expected Time to Exercise (Note 2)	6.0 years
Dividend Yield (Note 3)	3.62%
Risk-Free Interest Rate (Note 4)	0.27%

(Notes)

1. Stock price volatility calculated based on the closing prices for common stock of SMTH on the final trading day of each week during the past continuous period corresponding to the expected time to exercise.
2. Because it is not possible to reasonably estimate the expected time to exercise for the stock options, the period between the time of the calculation and the mid-point of the exercise period is used, pursuant to “Guidance on Accounting Standard for Share-based Payment and its Implementation Guidance” (ASBJ Guidance No.11 of May 31, 2006).
3. Based on the actual dividends on common shares paid for the year ended March 2012.
4. Japanese Government Bond yield corresponding to the expected time to exercise

4. Method for estimating the number of vested stock options

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

Business Combination

Under Common Control Transactions and others

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

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

1. Description of the Transaction

(1) Name and Business of the Combining Companies

1) Combining Company

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

Business: trust banking business

2) Combined Companies

Name: The Chuo Mitsui Trust and Banking Company, Limited

Business: trust banking business

Name: Chuo Mitsui Asset Trust and Banking Company, Limited

Business: trust banking business

(2) Date of Business Combination

April 1, 2012

(3) Legal Form of Business Combination

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

(4) Name of Company after Business Combination

Sumitomo Mitsui Trust Bank, Limited

(5) Other Matters Related to the Transaction

The former Sumitomo Trust and Banking group and the former Chuo Mitsui Trust group integrated operations on April 1, 2011, giving birth to the new Sumitomo Mitsui Trust Holdings, Inc.

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

2. Description of the Accounting Treatment Used

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

Segment Information

1. Reportable Segment Information

As for the fiscal year ended March 31, 2013:

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

The SMTH Group comprises SMTB Group (SMTB and its subsidiaries) and its other consolidated subsidiaries, and SMTB Group is treated as reportable segment. The main activities of reportable segment are presented below.

SMTB: Trust banking business

The former CMTB, CMAB and STB merged and gave birth to the new SMTB with an effective date of April 1, 2013, and the reportable segment is changed from the beginning of fiscal year 2012.

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

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

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

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

(Millions of Yen)

Item	Reportable Segment		Others	Total	Adjustment	Carrying Amount
	SMTB	Total				
Ordinary Income						
Unaffiliated Customers	1,089,865	1,089,865	31,944	1,121,809	6,027	1,115,781
Intersegment	10,881	10,881	84,055	94,937	94,937	-
Total	1,100,746	1,100,746	116,000	1,216,746	100,965	1,115,781
Segment Profit	201,397	201,397	55,058	256,456	28,121	228,334
Segment Assets	36,432,931	36,432,931	3,203,138	39,636,070	1,932,038	37,704,031
Segment Liabilities	34,162,206	34,162,206	1,426,342	35,588,549	214,992	35,373,557
Others						
Depreciation and Amortization	34,298	34,298	8,940	43,239	1,696	41,542
Amortization of Goodwill	8,897	8,897	-	8,897	499	8,397
Interest Income	345,665	345,665	59,689	405,354	66,088	339,266
Interest Expenses	127,175	127,175	7,223	134,398	14,862	119,535
Equity in Earnings(Losses) of Affiliates	2,808	2,808	-	2,808	-	2,808
Extraordinary Income	5,989	5,989	-	5,989	115	5,873
(Gains on Disposal of Fixed Assets)	3,601	3,601	-	3,601	115	3,485
(Gains on Negative Goodwill)	2,388	2,388	-	2,388	-	2,388
Extraordinary Loss	37,554	37,554	1,668	39,223	6,608	32,614
(Impairment Loss)	22,548	22,548	508	23,056	6,774	16,281
(Management Integration Expenses)	11,600	11,600	467	12,068	40	12,109
Unamortized Balance of Goodwill	112,789	112,789	-	112,789	5,997	106,791
Investment to Affiliates Accounted for by the Equity Method	37,841	37,841	-	37,841	-	37,841

(Notes)

1. Ordinary income is presented in place of sales of companies in other industries.
2. Consolidated-basis figures are presented for SMTB.
3. The "Others" column reflects data from SMTH and its consolidated subsidiaries other than the SMTB group companies.
4. "Adjustment" represents the consolidation adjustment. The adjustments under income and segment profit include valuation differences arising from the business combination.
5. Segment profit has been adjusted to income before income taxes and minority interests as presented in the consolidated statements of income.

Related Information

1. Services Information

(Millions of Yen)

	Trust Banking Business	Leasing Business	Others	Total
Ordinary income: Unaffiliated Customers	711,693	253,953	150,134	1,115,781

(Notes)

1. Ordinary income is presented in place of sales of companies in other industries.
2. "Trust Banking Business" comprises the ordinary income of SMTB, and Japan Trustee Services Bank, Ltd.

2. Geographic Information

(1) Ordinary Income

More than 90% of SMTH Group's ordinary income on the consolidated statements of income is classified as attributable to domestic unaffiliated customers, and therefore geographic region information about ordinary income is not presented.

(2) Tangible Fixed Assets

More than 90% of SMTH Group's tangible fixed assets on the consolidated balance sheets is classified as located in Japan, and therefore geographic region information about tangible fixed assets is not presented.

3. Major Customer Information

The voluminous transactions associated with ordinary income arising from transactions between SMTH Group and SMTH Group's customers are not classified by major counterparty, and therefore information about major customers is not presented.

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

This information is not disclosed in this section, because it would be similar to the "Segment Information."

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

This information is not disclosed in this section, because it would be similar to the "Segment Information."

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

This information is not disclosed in this section, because it would be similar to the "Segment Information."

Related Party Transactions

There are no material transactions to be described.

Per Common Share Information

		Fiscal year ended March 31, 2013
Net Assets per Common Share	Yen	470.71
Net Income per Common Share	Yen	31.27

(Notes)

1. The calculation basis of Net Assets per Common Share is as follows.

		As of March 31, 2013
Net Assets	Millions of Yen	2,330,474
Deduction from Net Assets	Millions of Yen	595,740
Issue Amount of Preferred Shares	Millions of Yen	109,000
Cash Dividend on Preferred Shares	Millions of Yen	2,305
Subscription Rights to Shares	Millions of Yen	19
Minority Interests	Millions of Yen	484,415
Net Assets Attributable to Common Shareholders	Millions of Yen	1,734,734
Common Shares Outstanding	Thousands of Shares	3,685,309

2. The calculation basis of Net Income per Common Share is as follows.

		Fiscal year ended March 31, 2013
Net Income per Common Share:		
Net Income	Millions of yen	133,768
Net Income not Attributable to Common Shareholders	Millions of yen	4,610
Cash Dividends on Preferred Shares	Millions of yen	4,610
Net Income Attributable to Common Shareholders	Millions of yen	129,158
Average Common Shares Outstanding	Thousands of Shares	4,129,646

3. Fully-diluted net income per common share for the fiscal year ended March 31, 2013 are not presented because there are no dilutive potential shares in existence.

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

(1) Sumitomo Mitsui Trust Holdings, Inc.

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

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

(a) Subscription Rights to Shares (stock options)	NAM Common Shares	26,845,500 shares
(b) Subscription Rights to Shares (treasury stock options)	NAM Common Shares	2,955,200 shares

Significant Subsequent Event

There are no corresponding items.

5. (Reference) Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

	(Millions of Yen)	
	As of March 31, 2012	As of March 31, 2013
Assets:		
Current Assets:		
Cash and Due from Banks	2,077	1,719
Securities	—	27,000
Prepaid Expenses	6	6
Income Tax Refunds Receivable	6,749	26,810
Other Current Assets	93	44
Total Current Assets	8,927	55,581
Non-current Assets:		
Tangible Fixed Assets:	0	0
Tools, Furniture and Fixtures	0	0
Intangible Fixed Assets:	5	1
Software	5	1
Investments and Other Assets:	1,923,175	1,652,530
Investment Securities	652	652
Investments in Subsidiaries and Affiliates (Stocks)	1,922,168	1,651,738
Other Investments	354	140
Total Non-current Assets	1,923,180	1,652,532
Total Assets	1,932,107	1,708,113
Liabilities:		
Current Liabilities:		
Accrued Expenses	1,363	1,148
Income Taxes Payable	18	13
Provision for Bonuses	218	190
Other Current Liabilities	199	111
Total Current Liabilities	1,799	1,464
Non-current Liabilities:		
Bonds Payable	189,700	160,500
Other Non-current Liabilities	161	116
Total Non-current Liabilities	189,861	160,616
Total Liabilities	191,661	162,081
Net Assets:		
Shareholders' Equity:		
Capital Stock	261,608	261,608
Capital Surplus:		
Legal Capital Surplus	702,933	702,933
Other Capital Surplus	553,008	446,251
Total Capital Surplus	1,255,942	1,149,185
Retained Earnings:		
Other Retained Earnings	223,240	228,382
Retained Earnings Brought Forward	223,240	228,382
Total Retained Earnings	223,240	228,382
Treasury Stock	(351)	(93,164)
Total Shareholders' Equity	1,740,440	1,546,012
Subscription Rights to Shares	6	19
Total Net Assets	1,740,446	1,546,032
Total Liabilities and Net Assets	1,932,107	1,708,113

(2) Non-Consolidated Statements of Income

	(Millions of Yen)	
	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Operating Income:		
Dividends Received from Subsidiaries	33,738	51,963
Fees and Commissions Received from Subsidiaries	7,514	5,362
Total Operating Income	41,253	57,325
Operating Expenses:		
Interest on Bonds Payable	7,430	6,665
General and Administrative Expenses	4,920	4,169
Total Operating Expenses	12,351	10,834
Operating Profit	28,902	46,490
Non-operating Income:	28	84
Interest Income	1	2
Interest on Securities	12	2
Commission Fee	2	1
Other Non-operating Income	12	78
Non-operating Expenses:	1,513	481
Commission Fee	212	246
Management Integration Expenses	1,298	56
Other Non-operating Expenses	2	178
Ordinary Profit	27,416	46,093
Income before Income Taxes	27,416	46,093
Income Taxes:		
Current	6	4
Total Income Taxes	6	4
Net Income	27,409	46,089

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

	(Millions of Yen)	
	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Shareholders' Equity:		
Capital Stock:		
Balance at the Beginning of the Current Period	261,608	261,608
Changes during the Period:		
Total Changes during the Period	—	—
Balance at the End of the Current Period	261,608	261,608
Capital Surplus:		
Legal Capital Surplus:		
Balance at the Beginning of the Current Period	65,411	702,933
Changes during the Period:		
Increase due to Share Exchange	1,137,308	—
Reversal of Legal Capital Surplus	(499,786)	—
Total Changes during the Period	637,522	—
Balance at the End of the Current Period	702,933	702,933
Other Capital Surplus:		
Balance at the Beginning of the Current Period	53,254	553,008
Changes during the Period:		
Reversal of Legal Capital Surplus	499,786	—
Disposal of Treasury Stock	(31)	(3)
Retirement of Treasury Stock	—	(106,753)
Total Changes during the Period	499,754	(106,756)
Balance at the End of the Current Period	553,008	446,251
Total Capital Surplus:		
Balance at the Beginning of the Current Period	118,665	1,255,942
Changes during the Period:		
Increase due to Share Exchange	1,137,308	—
Disposal of Treasury Stock	(31)	(3)
Retirement of Treasury Stock	—	(106,753)
Total Changes during the Period	1,137,276	(106,756)
Balance at the End of the Current Period	1,255,942	1,149,185
Retained Earnings:		
Other Retained Earnings:		
Retained Earnings Brought Forward		
Balance at the Beginning of the Current Period	221,379	223,240
Changes during the Period:		
Cash Dividends	(25,548)	(40,946)
Net Income	27,409	46,089
Total Changes during the Period	1,861	5,142
Balance at the End of the Current Period	223,240	228,382
Total Retained Earnings:		
Balance at the Beginning of the Current Period	221,379	223,240
Changes during the Period:		
Cash Dividends	(25,548)	(40,946)
Net Income	27,409	46,089
Total Changes during the Period	1,861	5,142
Balance at the End of the Current Period	223,240	228,382

(Continued)

	(Millions of Yen)	
	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Treasury Stock:		
Balance at the Beginning of the Current Period	(282)	(351)
Changes during the Period:		
Purchase of Treasury Stock	(138)	(199,574)
Disposal of Treasury Stock	69	7
Retirement of Treasury Stock	—	106,753
Total Changes during the Period	(68)	(92,813)
Balance at the End of the Current Period	(351)	(93,164)
Total Shareholders' Equity:		
Balance at the Beginning of the Current Period	601,370	1,740,440
Changes during the Period:		
Increase due to Share Exchange	1,137,308	—
Cash Dividends	(25,548)	(40,946)
Net Income	27,409	46,089
Purchase of Treasury Stock	(138)	(199,574)
Disposal of Treasury Stock	38	4
Retirement of Treasury Stock	—	—
Total Changes during the Period	1,139,069	(194,427)
Balance at the End of the Current Period	1,740,440	1,546,012
Subscription Rights to Shares:		
Balance at the Beginning of the Current Period	—	6
Changes during the Period:		
Net Changes of Items other than Shareholders' Equity	6	13
Total Changes during the Period	6	13
Balance at the End of the Current Period	6	19
Total Net Assets:		
Balance at the Beginning of the Current Period	601,370	1,740,446
Changes during the Period:		
Increase due to Share Exchange	1,137,308	—
Cash Dividends	(25,548)	(40,946)
Net Income	27,409	46,089
Purchase of Treasury Stock	(138)	(199,574)
Disposal of Treasury Stock	38	4
Retirement of Treasury Stock	—	—
Net Changes of Items other than Shareholders' Equity	6	13
Total Changes during the Period	1,139,075	(194,414)
Balance at the End of the Current Period	1,740,446	1,546,032

Note for the Going-Concern Assumption

There are no corresponding items.

6. Other

(1) Change of Officers

(As of June 27, 2013 (planned))

1. Changes of Representatives

Not applicable.

2. Changes of Officers

1) Newly Appointed Director (As of June 27, 2013 (planned))

New Position	Name	Current Position
Director, Managing Executive Officer	Masaru Hashimoto	Managing Executive Officer, Director, Managing Executive Officer of Sumitomo Mitsui Trust Bank, Limited ("SMTB")
Director (External Director*)	Toshio Hoshino	Corporate Auditor (External Auditor), Corporate Auditor (External Auditor) of SMTB
Director (External Director*)	Soichi Shinohara	Professor of Economics of Doshisha University

(*) Messrs. Toshio Hoshino and Soichi Shinohara are external directors defined in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.

2) Newly Appointed Corporate Auditor (As of June 27, 2013 (planned))

New Position	Name	Current Position
Senior Corporate Auditor	Takashi Kamikanda	Senior Corporate Auditor of SMTB
Corporate Auditor (External Auditor*)	Tetsuya Yoshimoto	
Corporate Auditor (External Auditor*)	Shinichi Saito	President and Representative Director of Japan Industrial Solutions, Ltd.

(*) Messrs. Tetsuya Yoshimoto and Shinichi Saito are external auditors defined in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.

3) Retirement Director (As of June 27, 2013 (planned))

Current Position	Name	Appointed Position after Retirement
Director	Shinji Ochiai	Appointed as Full-time Corporate Auditor of GS Yuasa Corporation (As of June 27, 2013 (planned))

4) Retirement Corporate Auditor (As of June 27, 2013 (planned))

Current Position	Name	Appointed Position after Retirement
Senior Corporate Auditor	Tetsuo Amano	Appointed as President of Sumitomo Mitsui Trust Guarantee Co., Ltd. (As of June 28, 2013 (planned))
Corporate Auditor (External Auditor)	Hitoshi Maeda	
Corporate Auditor (External Auditor)	Toshio Hoshino	Appointed as Director (External Director), Director (External Director) of SMTB (As of June 27, 2013 (planned))