

# Sumitomo Mitsui Trust Holdings, Inc. (SMTH)

## Financial Results for the Nine Months Ended December 31, 2013

### [Japanese GAAP] (Consolidated)



January 30, 2014

Stock exchange listings:	Tokyo and Nagoya (Code: 8309)
URL:	<a href="http://www.smth.jp/en/index.html">http://www.smth.jp/en/index.html</a>
Representative:	Kunitaro Kitamura, President
Contact:	Kiyomitsu Asahi, General Manager of Financial Planning Department TEL +81-3-3286-8354
Filing date of quarterly securities report (Scheduled):	February 14, 2014
Specific trading accounts:	Established
Payment date of cash dividends (Scheduled):	—
Explanatory material:	Prepared
Briefing on financial results :	Not scheduled

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Nine Months Ended December 31, 2013 (from April 1, 2013 to December 31, 2013)

### (1) Consolidated Results of Operations (Percentages represent changes from the same period in the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine Months Ended						
December 31, 2013	902,854	11.2	193,311	7.0	109,170	8.4
December 31, 2012	811,602	(14.1)	180,732	(19.2)	100,673	(32.3)

(Note) Comprehensive Income: Nine months ended December 31, 2013 ¥219,972 million, 140.9% Nine months ended December 31, 2012 ¥91,293 million, (9.7%)

	Net Income per Share of Common Stock	Net Income per Share of Common Stock (Fully Diluted)
	Yen	Yen
Nine Months Ended		
December 31, 2013	27.80	27.80
December 31, 2012	23.68	—

(Note) For the nine months ended December 31, 2012, net income per share of common stock (fully diluted) is not presented because no potentially dilutive securities were issued and outstanding.

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets Ratio
	Millions of Yen	Millions of Yen	%
As of			
December 31, 2013	42,100,388	2,513,594	5.0
March 31, 2013	37,704,031	2,330,474	4.8

(Reference) Shareholders' Equity: As of December 31, 2013 ¥2,104,089 million As of March 31, 2013 ¥1,846,039 million

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

## 2. Cash Dividends per Share of Common Stock

	Annual Cash Dividends per Share of Common Stock				
	Three Months Ended	Six Months Ended	Nine Months Ended	Year-End	Total
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen
March 31, 2013	—	4.25	—	4.75	9.00
Fiscal Year Ending					
March 31, 2014	—	5.00	—		
Fiscal Year Ending					
March 31, 2014 (Forecast)				5.00	10.00

(Note) The latest dividend forecast remains unchanged.

(Note) The dividend information above represents the cash dividends on shares of common stock. For dividends on shares of other classes of stock of SMTH (unlisted) with different rights, please refer to "Cash Dividends on Shares of Other Classes of Stock" stated below.

## 3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Percentages represent changes from the same periods in the previous fiscal year)

	Ordinary Profit		Net Income		Net Income per Common Share
	Millions of Yen	%	Millions of Yen	%	Yen
Fiscal Year Ending					
March 31, 2014	230,000	(9.8)	130,000	(2.8)	34.02

(Note) The latest consolidated earnings forecast remains unchanged.

**\* Notes**

(1) Changes in Significant Subsidiaries during the Nine Months Ended December 31, 2013 : Yes

(Changes in "specified subsidiaries" resulted in changes in the scope of consolidation)

Included: — (—)  
Excluded: 2 companies (MTH Preferred Capital 3 (Cayman) Limited)  
(STB Preferred Capital 2 (Cayman) Limited)

(For further details, please refer to "2. Matters Relating to Summary Information (Notes)" on page 2 of Accompanying Materials.)

(2) Specific Accounting Treatments for the Preparation of the Quarterly Consolidated Financial Statements : Yes

(For further details, please refer to "2. Matters Relating to Summary Information (Notes)" on page 2 of Accompanying Materials.)

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

- 1) Changes in accounting policies associated with the revision of accounting standards: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(4) Number of Shares Issued (Shares of Common Stock)

- 1) Number of shares issued (including treasury stock)
- 2) Number of treasury stock
- 3) Average number of shares issued for the nine months ended

December 31, 2013	3,903,486,408 shares	March 31, 2013	3,903,486,408 shares
December 31, 2013	1,336,389 shares	March 31, 2013	218,176,798 shares
December 31, 2013	3,843,843,174 shares	December 31, 2012	4,152,707,629 shares

**Statement Concerning the Status of the Quarterly Review Procedures**

These consolidated financial results for the nine months ended December 31, 2013 are out of the scope of the quarterly review procedures required by the Financial Instruments and Exchange Act. Therefore, the quarterly review procedures on the quarterly consolidated financial statements have not been completed at the time of disclosure of these consolidated financial results for the nine months ended December 31, 2013.

**Explanation Concerning the Appropriate Use of the Forecasts for Results of Operations and Other Special Matters**

The forecasts for results of operations presented in this report are based on the information currently available to SMTH and certain reasonable assumptions. Actual results may differ significantly from the forecasts due to various factors.

## (Cash Dividends on Shares of Other Classes of Stock)

Cash dividends per share of other classes of stock with different rights from shares of common stock are as follows:

Shares of the First Series of Class 7 Preferred Stock	Annual Cash Dividends per Share				
	Three Months Ended	Six Months Ended	Nine Months Ended	Year-End	Total
Fiscal Year Ended March 31, 2013	— Yen	21.15 Yen	— Yen	21.15 Yen	42.30 Yen
Fiscal Year Ending March 31, 2014	—	21.15	—		
Fiscal Year Ending March 31, 2014 (Forecast)				21.15	42.30

(Note) The latest dividend forecast remains unchanged.

[Accompanying Materials]

Table of Contents

<b><u>1. Qualitative Information Related to the Quarterly Consolidated Financial Statements</u></b>	-----	2
(1) Qualitative Information Related to the Consolidated Results of Operations	-----	2
(2) Qualitative Information Related to the Consolidated Financial Position	-----	2
(3) Qualitative Information Related to the Consolidated Earnings Forecasts	-----	2
<b><u>2. Matters Relating to Summary Information (Notes)</u></b>	-----	2
(1) Changes in Significant Subsidiaries for the Nine Months Ended December 31, 2013 (Changes in specified subsidiaries resulting in changes in the scope of consolidation)	-----	2
(2) Specific Accounting Treatments for the Preparation of the Quarterly Consolidated Financial Statements	-----	2
<b><u>3. Consolidated Financial Statements</u></b>	-----	3
(1) Consolidated Balance Sheets	-----	3
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	-----	5
Consolidated Statements of Income	-----	5
Consolidated Statements of Comprehensive Income	-----	6
(3) Note on Going Concern Assumptions	-----	7
(4) Note on Significant Change in Total Shareholders' Equity	-----	7
(5) Note on Significant Subsequent Events	-----	8

## 1. Qualitative Information Related to the Quarterly Consolidated Financial Statements

### (1) Qualitative Information Related to the Consolidated Results of Operations

For the nine months ended on December 31, 2013, "Net Business Profit before Credit Costs (Note)" increased by ¥7.5 billion from the same period of the previous fiscal year to ¥213.0 billion. This was due primarily to the increase in "Net fees and commissions and related profit" of Sumitomo Mitsui Trust Bank, Limited (SMTB) and the contribution of group companies.

In addition, "Ordinary Profit" increased by ¥12.5 billion from the same period of the previous year to ¥193.3 billion due to the improvement of ¥4.4 billion in "Total Credit Costs" over the same period.

As a result, "Net Income" increased by ¥8.4 billion from the same period of the previous fiscal year to ¥109.1 billion.

(Note) For further details of "Net Business Profit before Credit Costs," please refer to the "Explanatory Material / 3rd Quarter of Fiscal Year 2013 Ended on December 31, 2013."

### (2) Qualitative Information Related to the Consolidated Financial Position

As of December 31, 2013, consolidated "Total Assets" increased by ¥4,396.3 billion to ¥42,100.3 billion and consolidated "Total Net Assets" increased by ¥183.1 billion to ¥2,513.5 billion from the end of the previous fiscal year.

In particular, "Loans and Bills Discounted" increased by ¥886.3 billion to ¥23,278.0 billion, "Securities" decreased by ¥378.9 billion to ¥5,967.0 billion, and "Deposits" increased by ¥1,033.1 billion to ¥24,057.0 billion from the end of the previous fiscal year.

### (3) Qualitative Information Related to the Consolidated Earnings Forecasts

There are no changes to the consolidated earnings forecasts for the fiscal year ending March 31, 2014 (ordinary profit: ¥230.0 billion, net income: ¥130.0 billion), which were announced on November 14, 2013.

## 2. Matters Relating to Summary Information (Notes)

### (1) Changes in Significant Subsidiaries during the Nine Months Ended December 31, 2013

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

Details of changes (two excluded companies) are as follows:

Name	Address	Capital Stock (Millions of Yen)	Main Business Area	Share of Voting Rights Held
(Consolidated Subsidiaries)				
MTH Preferred Capital 3 (Cayman) Limited	George Town, Grand Cayman, British West Indies	31,700	Financial-related Business	100.00%
STB Preferred Capital 2 (Cayman) Limited	George Town, Grand Cayman, British West Indies	51,500	Financial-related Business	100.00%

### (2) Specific Accounting Treatments for the Preparation of the Quarterly Consolidated Financial Statements

(Income tax expenses)

Income tax expenses of certain consolidated subsidiaries are calculated by reasonably estimating the effective tax rate based on the expected income before income tax (net of the effects of deferred taxes) for the fiscal year to which the nine-month period pertains, and multiplying income before income tax for the nine-month period by the estimated effective tax rate.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2013	As of December 31, 2013
<b>Assets:</b>		
Cash and Due from Banks	3,902,377	7,047,682
Call Loans and Bills Bought	514,228	900,112
Receivables under Resale Agreements	91,911	89,724
Receivables under Securities Borrowing Transactions	207,494	308,098
Monetary Claims Bought	491,805	743,871
Trading Assets	716,594	752,676
Money Held in Trust	19,014	13,351
Securities	6,346,001	5,967,058
Loans and Bills Discounted	22,391,660	23,278,029
Foreign Exchanges	59,570	21,569
Lease Receivables and Investment Assets	553,532	527,904
Other Assets	1,446,809	1,558,950
Tangible Fixed Assets	230,595	229,818
Intangible Fixed Assets	205,775	215,977
Deferred Tax Assets	75,685	15,173
Customers' Liabilities for Acceptances and Guarantees	583,945	539,806
Allowance for Loan Losses	(132,970)	(109,417)
<b>Total Assets</b>	<b>37,704,031</b>	<b>42,100,388</b>
<b>Liabilities:</b>		
Deposits	23,023,897	24,057,055
Negotiable Certificates of Deposit	4,103,517	5,381,165
Call Money and Bills Sold	168,355	177,800
Payables under Repurchase Agreements	605,742	1,463,718
Trading Liabilities	233,133	245,283
Borrowed Money	1,169,032	1,834,664
Foreign Exchanges	106	319
Short-term Bonds Payable	940,067	1,079,794
Bonds Payable	986,363	1,065,885
Borrowed Money from Trust Account	2,483,248	2,468,693
Other Liabilities	1,023,319	1,203,850
Provision for Bonuses	14,631	5,971
Provision for Directors' Bonuses	187	260
Provision for Retirement Benefits	16,132	11,209
Provision for Reimbursement of Deposits	6,207	4,757
Provision for Contingent Losses	9,720	9,364
Deferred Tax Liabilities	1,825	33,237
Deferred Tax Liabilities for Land Revaluation	4,122	3,954
Acceptances and Guarantees	583,945	539,806
<b>Total Liabilities</b>	<b>35,373,557</b>	<b>39,586,793</b>

(Continued)

(Millions of Yen)

	As of March 31, 2013	As of December 31, 2013
<b>Net Assets:</b>		
Capital Stock	261,608	<b>261,608</b>
Capital Surplus	752,973	<b>754,266</b>
Retained Earnings	790,139	<b>857,986</b>
Treasury Stock	(93,164)	<b>(578)</b>
<b>Total Shareholders' Equity</b>	<b>1,711,556</b>	<b>1,873,283</b>
Valuation Differences on Available-for-Sale Securities	161,522	<b>240,669</b>
Deferred Losses on Hedges	(17,154)	<b>(9,437)</b>
Revaluation Reserve for Land	(5,457)	<b>(5,761)</b>
Foreign Currency Translation Adjustments	(4,427)	<b>5,335</b>
<b>Total Accumulated Other Comprehensive Income</b>	<b>134,482</b>	<b>230,806</b>
Subscription Rights to Shares	19	<b>37</b>
Minority Interests	484,415	<b>409,468</b>
<b>Total Net Assets</b>	<b>2,330,474</b>	<b>2,513,594</b>
<b>Total Liabilities and Net Assets</b>	<b>37,704,031</b>	<b>42,100,388</b>

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

(Millions of Yen)

	For the Nine Months Ended December 31, 2012	For the Nine Months Ended December 31, 2013
<b>Ordinary Income:</b>	<b>811,602</b>	<b>902,854</b>
Trust Fees	69,384	76,106
<b>Interest Income:</b>	<b>251,441</b>	<b>264,214</b>
Interest on Loans and Discounts	180,243	183,916
Interest and Dividends on Securities	63,206	67,741
Fees and Commissions	197,176	234,897
Trading Income	13,420	20,890
Other Ordinary Income	244,522	236,091
Other Income	35,657	70,654
<b>Ordinary Expenses:</b>	<b>630,869</b>	<b>709,543</b>
<b>Interest Expenses:</b>	<b>87,985</b>	<b>100,611</b>
Interest on Deposits	51,619	50,533
Fees and Commissions Payments	52,010	52,615
Trading Expenses	171	103
Other Ordinary Expenses	168,245	186,714
General and Administrative Expenses	285,593	300,258
Other Expenses	36,862	69,239
<b>Ordinary Profit</b>	<b>180,732</b>	<b>193,311</b>
<b>Extraordinary Income:</b>	<b>5,788</b>	<b>303</b>
Gains on Disposal of Fixed Assets	3,403	303
Gains on Negative Goodwill	2,385	—
<b>Extraordinary Losses:</b>	<b>16,121</b>	<b>2,233</b>
Losses on Disposal of Fixed Assets	2,310	1,245
Impairment Losses	4,768	987
Other Extraordinary Losses	9,042	—
<b>Income before Income Taxes and Minority Interests</b>	<b>170,399</b>	<b>191,381</b>
<b>Income Taxes:</b>	<b>54,879</b>	<b>68,407</b>
Current	13,821	18,706
Deferred	41,058	49,701
<b>Income before Minority Interests</b>	<b>115,520</b>	<b>122,974</b>
<b>Minority Interests in Income</b>	<b>14,846</b>	<b>13,804</b>
<b>Net Income</b>	<b>100,673</b>	<b>109,170</b>



Consolidated Statements of Comprehensive Income

(Millions of Yen)

	For the Nine Months Ended December 31, 2012	For the Nine Months Ended December 31, 2013
<b>Income before Minority Interests</b>	<b>115,520</b>	<b>122,974</b>
Other Comprehensive Income (Loss):	(24,226)	<b>96,998</b>
Valuation Differences on Available-for-Sale Securities	(22,395)	<b>80,892</b>
Deferred Gains (Losses) on Hedges	(2,896)	<b>4,817</b>
Revaluation Reserve for Land	(9)	<b>—</b>
Foreign Currency Translation Adjustments	2,094	<b>7,810</b>
Attributable to Equity Method Affiliates	(1,019)	<b>3,478</b>
<b>Comprehensive Income:</b>	<b>91,293</b>	<b>219,972</b>
Comprehensive Income Attributable to Owners of the Parent	76,318	<b>205,797</b>
Comprehensive Income Attributable to Minority Interests	14,975	<b>14,174</b>

(3) Note on Going Concern Assumptions

There is no applicable information.

(4) Note on Significant Change in Total Shareholders' Equity

For the Nine Months Ended December 31, 2013 (from April 1, 2013 to December 31, 2013)

(Millions of Yen)

	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Current Period	261,608	752,973	790,139	(93,164)	1,711,556
Changes of Items during the Nine Months Ended December 31, 2013:					
Cash Dividends			(41,626)		(41,626)
Net Income			109,170		109,170
Purchase of Treasury Stock				(90)	(90)
Disposal of Treasury Stock *1		1,293		92,677	93,970
Reversal of Revaluation Reserve for Land			303		303
Total of Changes of Items for the Nine Months Ended December 31, 2013	—	1,293	67,847	92,586	161,726
Balance at the End of the Current Period	261,608	754,266	857,986	(578)	1,873,283

\*1 The balance mainly represents sales of treasury stock through global offering, which was resolved at the meeting of the Board of Directors held on May 29, 2013.

(5) Note on Significant Subsequent Events

On November 29, 2013, SMTH held the meeting of the Board of Directors and resolved to redeem the non-dilutive preferred securities, in full, issued by STB Preferred Capital 5 (Cayman) Limited, a consolidated subsidiary of SMTH. The non-dilutive preferred securities were redeemed, in full, on January 27, 2014.

Description of the non-dilutive preferred securities redeemed

- 1) Issuer  
STB Preferred Capital 5 (Cayman) Limited
- 2) Type of securities redeemed  
Non-cumulative perpetual preferred securities
- 3) Aggregate amount redeemed  
¥70.0 billion
- 4) Date of redemption  
January 27, 2014