

Explanatory Material

*Fiscal Year 2014
ended on Mar. 31, 2015*



SUMITOMO MITSUI TRUST HOLDINGS

Financial figures

1. Status of profit and loss

[Consolidated]

(Millions of yen)

		FY2014	FY2013	Change
Consolidated gross business profit (*1)	1	690,993	658,993	32,000
Consolidated gross business profit (after written-off of principal guaranteed trust a/c) (1 + 19)	2	690,993	658,987	32,005
Net interest income and related profit	3	251,869	235,462	16,406
Net interest income	4	242,882	227,641	15,241
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	8,987	7,821	1,165
Net fees and commissions and related profit	6	355,811	349,275	6,535
Net fees and commissions	7	260,095	252,343	7,751
Other trust fees	8	95,715	96,931	(1,215)
Net trading profit	9	32,428	24,376	8,051
Net other operating profit	10	50,884	49,878	1,006
Net gains on bonds	11	63,691	15,473	48,217
Net gains from derivatives other than for trading or hedging	12	(37,230)	13,393	(50,623)
General and administrative expenses	13	(398,912)	(396,392)	(2,519)
(excluding amortization of goodwill)	14	(390,807)	(387,794)	(3,013)
Personnel expenses	15	(187,131)	(185,448)	(1,683)
Non-personnel expenses excluding taxes	16	(198,104)	(198,681)	577
Taxes other than income taxes	17	(13,675)	(12,262)	(1,413)
Provision of general allowance for loan losses	18	-	-	-
Principal guaranteed trust a/c credit costs	19	-	(5)	5
Banking a/c credit costs	20	(1,926)	(1,414)	(512)
Written-off of loans	21	(1,658)	(1,680)	21
Provision of specific allowance for loan losses	22	-	-	-
Losses on sales of loans	23	(267)	265	(533)
Reversal of allowance for loan losses	24	18,978	8,429	10,549
Recoveries of written-off claims	25	2,273	2,173	99
Net gains on stocks	26	(2,170)	(3,781)	1,611
Losses on devaluation of stocks	27	(319)	(2,355)	2,035
Net income from affiliates by equity method	28	5,380	3,381	1,998
Others	29	(22,133)	(13,362)	(8,771)
Costs related to the Management Integration	30	(8,480)	(7,579)	(900)
Ordinary profit	31	292,483	258,021	34,461
Extraordinary profit	32	(59,904)	(11,370)	(48,533)
Impairment loss on fixed assets	33	(5,017)	(10,301)	5,284
Income before income tax	34	232,578	246,650	(14,071)
Total income taxes	35	(60,178)	(91,692)	31,513
Income taxes-current	36	(49,372)	(25,661)	(23,711)
Income taxes-deferred	37	(10,805)	(66,031)	55,225
Net income before minority interests	38	172,400	154,957	17,442
Minority interest	39	(12,734)	(17,282)	4,547
Net income	40	159,665	137,675	21,989
Total credit costs (18 + 19 + 20 + 24 + 25)	41	19,325	9,183	10,142

(*1) Consolidated gross business profit = Trust fees + (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments)
+ (Trading income - Trading expenses) + (Other operating income - Other operating expenses)

Consolidated net business profit before credit costs (*2)	42	316,786	285,889	30,897
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(*2) Consolidated net business profit before credit costs = Non-consolidated net business profit before credit costs + Ordinary profits of other subsidiary companies (non-recurring effect adjusted) + Ordinary profits of affiliates (non-recurring effect adjusted) x Ratio of equity holdings - Intra-group transaction (dividends, etc.)

<Difference from non-consolidated financial results (*3)>

Net business profit before credit costs	43	71,082	74,012	(2,929)
Net income	44	29,118	21,672	7,446
Total credit costs	45	1,211	1,578	(366)
Net gains on stocks	46	(4,244)	(1,577)	(2,666)

(*3) Differences between "Consolidated" and "Non-consolidated".

<Number of subsidiaries/ affiliates>

		Mar. 2015	Mar. 2014	Change
Consolidated subsidiaries	47	72	76	(4)
Affiliates (subject to the equity method)	48	19	28	(9)

[Non-consolidated]

(Millions of yen)

		FY2014	FY2013	Change
Gross business profit	1	494,235	461,590	32,644
Gross business profit (after written-off of principal guaranteed trust a/c) (1 + 23)	2	494,235	461,585	32,650
Net interest income and related profit	3	233,422	215,775	17,647
Net interest income	4	224,435	207,953	16,482
Domestic	5	156,467	164,147	(7,680)
International	6	67,968	43,806	24,162
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	7	8,987	7,821	1,165
Net fees and commissions and related profit	8	201,099	195,771	5,328
Net fees and commissions	9	110,855	104,285	6,570
Other trust fees	10	90,243	91,486	(1,242)
Net trading income	11	32,428	24,376	8,051
Net other operating profit	12	27,283	25,666	1,617
Net gains on foreign exchange transactions	13	(412)	(4,144)	3,731
Net gains on bonds	14	63,412	15,748	47,663
Net gains from derivatives other than for trading or hedging	15	(36,791)	13,342	(50,133)
General and administrative expenses	16	(248,531)	(249,712)	1,181
Personnel expenses	17	(111,786)	(110,001)	(1,785)
Non-personnel expenses	18	(125,106)	(129,199)	4,092
Taxes other than income taxes	19	(11,637)	(10,512)	(1,125)
Net business profit before credit costs (1 + 16)	20	245,704	211,877	33,826
(Excluding Net gains on bonds) (20 - 14)	21	182,291	196,128	(13,837)
Provision of general allowance for loan losses	22	-	-	-
Principal guaranteed trust a/c credit costs	23	-	(5)	5
Net business profit	24	245,704	211,872	33,831
Net non-recurring profit	25	(15,670)	(23,436)	7,765
Banking a/c credit costs	26	(441)	52	(493)
Written-off of loans	27	(173)	(215)	41
Provision of specific allowance for loan losses	28	-	-	-
Losses on sales of loans	29	(267)	267	(535)
Reversal of allowance for loan losses	30	17,314	6,293	11,020
Recoveries of written-off claims	31	1,240	1,263	(23)
Net gains on stocks	32	2,073	(2,203)	4,277
Losses on devaluation of stocks	33	(2,057)	(6,735)	4,678
Others	34	(35,857)	(28,842)	(7,015)
Amortization of net actuarial losses/ prior service cost	35	(17,543)	(18,269)	725
Provision for contingent loss	36	266	919	(653)
Losses on investment in partnerships	37	(4,303)	(8,291)	3,987
Net gains on stock related derivatives	38	(3,278)	3,148	(6,427)
Costs related to branch renovation	39	(3,069)	-	(3,069)
Costs related to the Management Integration	40	(8,438)	(7,458)	(980)
Ordinary profit	41	230,033	188,436	41,597
Extraordinary profit	42	(60,054)	(2,468)	(57,586)
Net gains on disposal of fixed assets	43	622	(855)	1,478
Impairment loss on fixed assets	44	(4,830)	(1,612)	(3,218)
IT system integration costs (*)	45	(55,846)	-	(55,846)
Income before income taxes	46	169,979	185,967	(15,988)
Total income taxes	47	(39,432)	(69,965)	30,532
Income taxes-current	48	(33,396)	(8,405)	(24,991)
Income taxes-deferred	49	(6,035)	(61,559)	55,523
Net income	50	130,546	116,002	14,543
Total credit costs (22 + 23 + 26 + 30 + 31)	51	18,113	7,604	10,509
Overhead ratio (-16/1)	52	50.29%	54.10%	(3.81%)

(*) In FY2014, we completed the integration of banking IT systems, which had been running separately since the merger of three trust banks, STB, CMTB and CMAB in April, 2012. The costs arising from the data migration among the systems of former three trust banks were posted as "IT system integration costs" on the completion of each system migration.

2. Breakdown of profit by business group

(1) Gross business profit

[Non-consolidated]

	(Billions of yen)		
	FY2014	FY2013	Change
Retail financial services	150.2	144.0	6.2
Wholesale financial services	128.0	121.0	7.0
Stock transfer agency services	28.4	29.4	(0.9)
Real estate	28.1	28.5	(0.4)
Fiduciary services	93.1	91.3	1.7
Global markets	97.0	85.0	11.9
Fees paid for outsourcing	(38.8)	(40.7)	1.9
Stock transfer agency services	(10.3)	(12.9)	2.5
Fiduciary services	(28.4)	(27.8)	(0.6)
Others (*)	7.9	2.8	5.1
Gross business profit	494.2	461.5	32.6

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

(2) Net business profit before credit costs

[Consolidated]

	(Billions of yen)		
	FY2014	FY2013	Change
Retail financial services	28.8	22.8	5.9
Wholesale financial services	110.2	104.5	5.6
Stock transfer agency services	16.4	15.1	1.3
Real estate	22.4	25.3	(2.8)
Fiduciary services	50.5	48.6	1.8
Global markets	86.1	75.8	10.3
Others (*)	2.0	(6.4)	8.5
Net business profit before credit costs	316.7	285.8	30.8

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

[Non-consolidated]

	(Billions of yen)		
	FY2014	FY2013	Change
Retail financial services	21.1	15.3	5.7
Wholesale financial services	87.7	83.0	4.6
Stock transfer agency services	15.1	13.4	1.6
Real estate	18.7	19.3	(0.5)
Fiduciary services	35.1	34.0	1.0
Global markets	86.1	75.8	10.3
Others (*)	(18.3)	(29.2)	10.8
Net business profit before credit costs	245.7	211.8	33.8

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

