

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
Financial Results for the Nine Months Ended December 31, 2015
[Japanese GAAP](Consolidated)



January 28, 2016

Stock exchange listings:	Tokyo and Nagoya (Code: 8309)
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Filing date of quarterly securities report (Shihanki Hokokusyo) (Scheduled):	February 10, 2016
Specific trading accounts:	Established
Dividend payment date:	—
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, 2015)

(1) Operating Results

(%: Changes from the same period in the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income Attributable to Owners of the Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine Months Ended						
December 31, 2015	851,383	(4.9)	206,686	(11.1)	129,223	2.1
December 31, 2014	895,043	(0.9)	232,561	20.3	126,511	15.9

(Note) Comprehensive Income: Nine months ended December 31, 2015 ¥125,948 million, (59.1)%
 Nine months ended December 31, 2014 ¥308,148 million, 40.1%

	Net Income per Share of Common Stock	Net Income per Share of Common Stock (Fully Diluted)
	Yen	Yen
Nine Months Ended		
December 31, 2015	33.53	33.52
December 31, 2014	31.83	31.82

(2) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets Ratio
	Millions of Yen	Millions of Yen	%
As of			
December 31, 2015	50,249,719	2,776,440	4.9
March 31, 2015	46,235,949	2,716,973	5.2

(Reference) Shareholders' Equity: As of December 31, 2015 ¥2,446,063 million
 As of March 31, 2015 ¥2,389,824 million

(Notes) Net Assets to Total Assets Ratio = (Net Assets - Subscription Rights to Shares - Minority Interests) / Total Assets
 Net Assets to Total Assets Ratio stated above is different from a capital adequacy ratio prescribed in the notification of the Financial Services Agency with respect to the capital adequacy ratio.

2. Cash Dividends per Share of Common Stock

	Annual Cash Dividends per Share of Common Stock				
	1st Quarter-End	2nd Quarter-End	3rd Quarter-End	Fiscal Year-End	Total
Fiscal Year	Yen	Yen	Yen	Yen	Yen
Ended March 31, 2015	—	5.50	—	6.50	12.00
Ending March 31, 2016	—	6.50	—	6.50	13.00
Ending March 31, 2015 (Forecast)				6.50	13.00

(Note) Revision of latest announced estimates for cash dividends per share of common stock: None

3. Consolidated Earnings Forecast (for the Fiscal Year Ending March 31, 2016)

(%: Changes from the same period in the previous fiscal year)

	Ordinary Profit		Net Income Attributable to Owners of the Parent		Net Income per Share of Common Stock
	Millions of Yen	%	Millions of Yen	%	Yen
Fiscal Year Ending					
March 31, 2016	280,000	(4.3)	175,000	9.6	45.51

*** Notes**

(1) Changes in Significant Subsidiaries during the Nine Months Ended December 31, 2015: None
(Changes in "specified subsidiaries" resulted in changes in the scope of consolidation)

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

SuMi TRUST Holdings' subsidiary, Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank"), changed its depreciation method effective from the three months ended June 30, 2015, and this falls under "Changes in accounting policies that are difficult to distinguish from changes in accounting estimates." For further details, please refer to "2. Matters Relating to Summary Information (Notes)" on page 2 of Accompanying Materials.)

(4) Number of Shares Issued (Common Stock)

- 1) Number of shares issued (including treasury stock):
- 2) Number of treasury stock:
- 3) Average number of outstanding issued shares:

As of December 31, 2015	3,903,486,408 shares	As of March 31, 2015	3,903,486,408 shares
As of December 31, 2015	57,984,609 shares	As of March 31, 2015	40,446,221 shares
For the nine months ended December 31, 2015	3,854,180,684 shares	For the nine months ended December 31, 2014	3,902,106,734 shares

Statement Concerning the Status of the Quarterly Review Procedures

These consolidated financial results for the nine months ended December 31, 2015, 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 the consolidated financial results for the nine months ended December 31, 2015.

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 SuMi TRUST Holdings and certain reasonable assumptions. Actual results may differ significantly from the forecasts due to various factors.

[Accompanying Materials]

Table of Contents

<u>1. Qualitative Information Related to the Quarterly Consolidated Financial Statements</u>	-----	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
<u>2. Matters Relating to Summary Information (Notes)</u>	-----	2
(1) Specific Accounting Treatments for the Preparation of the Quarterly Consolidated Financial Statements	-----	2
(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements	-----	2
<u>3. Consolidated Financial Statements</u>	-----	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) Notes on Going Concern Assumptions	-----	7
(4) Notes on Significant Change in Total Shareholders' Equity	-----	7

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 December 31, 2015, Net Business Profit before Credit Costs (Note) decreased by ¥4.9 billion year on year to ¥227.9 billion. This was primarily due to a decrease in market-related revenue recorded by SuMi TRUST Bank, despite the growth in net fees and commissions and related profit that mainly asset management and property brokerage yielded.

Ordinary Profit decreased by ¥25.8 billion year on year to ¥206.6 billion for the nine months ended December 31, 2015. This was mainly due to an increase in credit costs affected by the non-recurrence of the reversal of Allowance for Loan Losses, which was recorded for the nine months ended December 31, 2014, despite an increase in Net Gains on Stocks.

Net Income Attributable to Owners of the Parent for the period increased by ¥2.7 billion year on year to ¥129.2 billion, mainly due to the effect of non-recurrence of banking IT system integration costs for SuMi TRUST Bank as Extraordinary Losses, which were recorded in the same period of the prior year.

(Note) For further details of Net Business Profit before Credit Costs, please refer to the "Explanatory Material / 3rd Quarter of Fiscal Year Ending March 31, 2016."

(2) Qualitative Information Related to the Consolidated Financial Position

As of December 31, 2015, consolidated Total Assets increased by ¥4,013.7 billion to ¥50,249.7 billion and consolidated Total Net Assets increased by ¥59.4 billion to ¥2,776.4 billion from the end of the previous fiscal year.

In particular, Loans and Bills Discounted increased by ¥1,260.8 billion to ¥26,810.9 billion, Securities increased by ¥1,555.8 billion to ¥6,369.2 billion, and Deposits increased by ¥244.3 billion to ¥25,324.0 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, 2016 (Ordinary Profit: ¥280.0 billion, Net Income Attributable to Owners of the Parent: ¥175.0 billion), which were announced on November 12, 2015.

2. Matters Relating to Summary Information (Notes)

(1) 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.

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

SuMi TRUST Holdings applied the "Accounting Standard for Business Combinations" (Accounting Standard Board of Japan (ASBJ) Statement No. 21 of September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 of September 13, 2013), and the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 of September 13, 2013) effective from the three months ended June 30, 2015. Under these accounting standards, differences arising from changes in SuMi TRUST Holdings' ownership interests in its subsidiaries over which it retains control are recognized in Capital Surplus, and acquisition-related costs are expensed as incurred. For business combinations completed on or after the beginning of the three months ended June 30, 2015, the revised allocation of acquisition costs, due to the finalization of the tentative accounting treatment, is reflected in the quarterly consolidated financial statements for the quarterly period in which the business combination occurred. In addition, SuMi TRUST Holdings changed the presentation of Income before Income Taxes, and minority interests are now presented as non-controlling interests. The consolidated financial statements for the nine months ended December 31, 2014, and for the previous fiscal year have been reclassified in order to reflect these changes in the presentation.

For the application of these accounting standards, SuMi TRUST Holdings adopted the transitional provisions in item (4), paragraph 58-2 of the Accounting Standard for Business Combinations, item (4), paragraph 44-5 of the Accounting Standard for Consolidated Financial Statements, and item (4), paragraph 57-4 of the Accounting Standard for Business Divestitures effective from the beginning of the three months ended June 30, 2015. The effects of these changes on Ordinary Profit, Income before Income Taxes, Capital Surplus for the nine months ended and as of December 31, 2015, are immaterial.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

SuMi TRUST Bank changed its depreciation method for tangible fixed assets (excluding lease assets) from the declining-balance method to the straight-line method effective from the three months ended June 30, 2015, except for buildings (excluding their accompanying facilities) acquired on or after April 1, 1998, which are depreciated using the straight-line method.

This change was made as a result of reviewing the depreciation method for tangible fixed assets after the completion of the banking IT system integration, in consideration for future investment plans, such as renovation of clerical centers, opening of new branches, and consolidation of branches with redundant functions. SuMi TRUST Bank's tangible fixed assets are expected to be used continuously over a long term, leading to a conclusion that the straight-line method, under which expenses are evenly distributed through the asset's useful life in line with its actual usage, allows the appropriate presentation of profit and loss.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of Yen)	
	As of March 31, 2015	As of December 31, 2015
Assets:		
Cash and Due from Banks	10,530,766	11,835,056
Call Loans and Bills Bought	205,075	51,800
Receivables under Resale Agreements	136,188	126,640
Receivables under Securities Borrowing Transactions	310,806	344,223
Monetary Claims Bought	794,838	708,106
Trading Assets	754,962	633,172
Money Held in Trust	1,619	1,809
Securities	4,813,354	6,369,241
Loans and Bills Discounted	25,550,064	26,810,922
Foreign Exchanges	12,732	19,851
Lease Receivables and Investment Assets	547,016	561,162
Other Assets	1,547,226	1,680,954
Tangible Fixed Assets	223,568	226,971
Intangible Fixed Assets	159,256	198,963
Assets for Retirement Benefits	190,706	199,007
Deferred Tax Assets	16,280	23,898
Customers' Liabilities for Acceptances and Guarantees	531,500	535,958
Allowance for Loan Losses	(90,015)	(78,021)
Total Assets	46,235,949	50,249,719
Liabilities:		
Deposits	25,079,711	25,324,078
Negotiable Certificates of Deposit	6,570,567	8,164,186
Call Money and Bills Sold	497,600	613,055
Payables under Repurchase Agreements	462,942	1,719,603
Payables under Securities Lending Transactions	—	38,408
Trading Liabilities	405,188	422,406
Borrowed Money	2,492,087	2,573,445
Foreign Exchanges	140	548
Short-Term Bonds Payable	974,317	1,470,742
Bonds Payable	1,026,113	1,087,970
Borrowed Money from Trust Account	3,983,261	4,127,725
Other Liabilities	1,278,628	1,159,868
Provision for Bonuses	16,312	6,759
Provision for Directors' Bonuses	230	160
Liabilities for Retirement Benefits	12,152	12,713
Provision for Points	495	17,001
Provision for Reimbursement of Deposits	3,598	3,424
Provision for Contingent Losses	8,533	7,634
Deferred Tax Liabilities	172,271	184,271
Deferred Tax Liabilities for Land Revaluation	3,322	3,314
Acceptances and Guarantees	531,500	535,958
Total Liabilities	43,518,975	47,473,278

(Continued)

	(Millions of Yen)	
	As of March 31, 2015	As of December 31, 2015
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	645,261	645,107
Retained Earnings	970,373	1,049,465
Treasury Stock	(17,057)	(27,095)
Total Shareholders' Equity	1,860,185	1,929,085
Valuation Differences on Available-for-Sale Securities	505,448	498,435
Deferred Gains (Losses) on Hedges	(20,605)	(18,324)
Revaluation Reserve for Land	(5,951)	(5,942)
Foreign Currency Translation Adjustments	14,953	7,393
Adjustments for Retirement Benefits	35,793	35,417
Total Accumulated Other Comprehensive Income	529,638	516,978
Subscription Rights to Shares	246	423
Non-Controlling Interests	326,902	329,952
Total Net Assets	2,716,973	2,776,440
Total Liabilities and Net Assets	46,235,949	50,249,719

(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, 2014	December 31, 2015
Ordinary Income:	895,043	851,383
Trust Fees	77,253	76,524
Interest Income:	273,114	273,630
Interest on Loans and Discounts	196,423	194,448
Interest and Dividends on Securities	59,833	60,019
Fees and Commissions	241,018	254,276
Trading Income	26,680	13,357
Other Ordinary Income	215,755	188,424
Other Income	61,221	45,171
Ordinary Expenses:	662,482	644,696
Interest Expenses:	94,318	100,083
Interest on Deposits	48,232	45,956
Fees and Commissions Payments	54,201	59,571
Trading Expenses	157	—
Other Ordinary Expenses	172,701	145,138
General and Administrative Expenses	302,209	292,475
Other Expenses	38,893	47,428
Ordinary Profit	232,561	206,686
Extraordinary Income:	1,620	1,829
Gains on Disposal of Fixed Assets	1,620	955
Gains on Negative Goodwill	—	874
Extraordinary Losses:	58,719	2,652
Losses on Disposal of Fixed Assets	1,501	1,363
Impairment Losses	2,624	1,289
Other Extraordinary Losses	54,592	—
Income before Income Taxes	175,462	205,864
Income Taxes:	39,403	67,166
Current	30,456	47,413
Deferred	8,947	19,753
Net Income	136,059	138,697
Net Income Attributable to Non-Controlling Interests	9,548	9,474
Net Income Attributable to Owners of the Parent	126,511	129,223

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	For the Nine Months Ended	
	December 31, 2014	December 31, 2015
Net Income	136,059	138,697
Other Comprehensive Income (Loss):	172,088	(12,749)
Valuation Differences on Available-for-Sale Securities	160,639	(1,937)
Deferred Gains (Losses) on Hedges	(2,941)	(1,200)
Revaluation Reserve for Land	—	8
Foreign Currency Translation Adjustments	5,055	(7,245)
Adjustments for Retirement Benefits	3,241	(375)
Attributable to Equity-Method Affiliated Companies	6,093	(1,998)
Comprehensive Income:	308,148	125,948
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	298,116	116,562
Comprehensive Income Attributable to Non-Controlling Interests	10,031	9,385

(3) Notes on Going Concern Assumptions

There is no applicable information.

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

There is no applicable information.