

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
Financial Results for the Three Months Ended June 30, 2016
[Japanese GAAP] (Consolidated)



July 28, 2016

Stock exchange listings:	Tokyo and Nagoya (Code: 8309)
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Filing date of quarterly securities report (Shihanki Hokokusyo) (Scheduled):	August 10, 2016
Specific trading accounts:	Established
Dividend payment date:	—
Explanatory material:	Prepared
Briefing on financial results:	Not scheduled

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

1. Consolidated Financial Results (for the Three Months Ended June 30, 2016)

(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	%
Three Months Ended						
June 30, 2016	288,650	6.2	48,825	(27.0)	32,259	(23.6)
June 30, 2015	271,758	(2.4)	66,855	1.1	42,220	7.4

(Note) Comprehensive Income: Three months ended June 30, 2016 ¥(3,625) million, (-)%
Three months ended June 30, 2015 ¥69,649 million, (23.0)%

	Net Income per Share of Common Stock		Net Income per Share of Common Stock (Fully Diluted)	
	Yen		Yen	
Three Months Ended				
June 30, 2016		8.41		8.41
June 30, 2015		10.93		10.93

(2) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets Ratio
	Millions of Yen	Millions of Yen	%
As of			
June 30, 2016	59,642,931	2,668,597	3.9
March 31, 2016	58,229,948	2,704,511	4.1

(Reference) Shareholders' Equity: As of June 30, 2016 ¥2,338,548 million
As of March 31, 2016 ¥2,376,973 million

(Notes) 1. Net Assets to Total Assets Ratio = (Net Assets - Subscription Rights to Shares - Non-Controlling Interests) / Total Assets

2. The above Net Assets to Total Assets Ratio is different from the 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					
Ended March 31, 2016	—	6.50	—	6.50	13.00
Ending March 31, 2017	—	6.50	—	6.50	13.00
Ending March 31, 2017 (Forecast)	—	6.50	—	6.50	13.00

(Note 1) Revision of latest announced estimates for cash dividends per share of common stock: None

(Note 2) As announced on May 12, 2016, SuMi TRUST Holdings plans to exercise a share consolidation of each 10 shares of common stock into one share effective on October 1, 2016. However, annual cash dividends per share of common stock for the fiscal year ending March 31, 2017 (forecast), do not account for the share consolidation. Assuming that the share consolidation is exercised at the beginning of the fiscal year ending March 31, 2017, total annual cash dividends per share of common stock will be ¥130.

3. Consolidated Earnings Forecast (for the Fiscal Year Ending March 31, 2017)

(%: 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	
Six Months Ending						
September 30, 2016	120,000	(12.6)	80,000	(7.0)	20.80	
Fiscal Year Ending						
March 31, 2017	255,000	(8.3)	170,000	1.9	44.21	

(Note 1) Revision of latest announced forecast of consolidated earnings: None

(Note 2) As announced on May 12, 2016, SuMi TRUST Holdings plans to exercise a share consolidation of each 10 shares of common stock into one share effective on October 1, 2016. However, net income per share of common stock in consolidated earnings forecast for the fiscal year ending March 31, 2017, does not account for the share consolidation. Assuming that the share consolidation is exercised at the beginning of the fiscal year ending March 31, 2017, net income per share of common stock will be as follows:

Six months ending September 30, 2016: ¥208.04; Fiscal year ending March 31, 2017: ¥442.08

*** Notes**

(1) Changes in Significant Subsidiaries during the Three Months Ended June 30, 2017: 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 3 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: | None |
| 3) Changes in accounting estimates: | None |
| 4) Restatements: | None |

(Note) For further details, please refer to "2. Matters Relating to Summary Information (Notes)" on page 3 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 June 30, 2016	3,903,486,408 shares	As of March 31, 2016	3,903,486,408 shares
As of June 30, 2016	77,994,403 shares	As of March 31, 2016	57,991,784 shares
For the three months ended June 30, 2016	3,836,471,681 shares	For the three months ended June 30, 2015	3,863,022,803 shares

Statement Concerning the Status of the Quarterly Review Procedures

These consolidated financial results for the three months ended June 30, 2016 (the quarterly consolidated financial results), 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 quarterly consolidated financial results.

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

The forecasts for results of operations presented in the quarterly consolidated financial results 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]

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1. Qualitative Information Related to the Quarterly Consolidated Financial Statements**(1) Qualitative Information Related to the Consolidated Results of Operations**

For the three months ended June 30, 2016, "Net Business Profit before Credit Costs" decreased by ¥27.3 billion year on year to ¥49.8 billion. This was primarily due to decreases in "Net Interest Income and Related Profit" and "Net Other Operating Profit" caused mainly by decrease in market-related profit of Sumitomo Mitsui Trust Bank, Limited (SuMi TRUST Bank).

"Ordinary Profit" decreased by ¥18.0 billion year on year to ¥48.8 billion with increase in "Net Gains on Stocks" and "Net Income Attributable to Owners of the Parent" for the period decreased by ¥9.9 billion year on year to ¥32.2 billion.

(Reference)

SuMi TRUST Holdings (Consolidated)

(Billions of Yen)

	Three Months Ended June 30, 2016	Changes from the Three Months Ended June 30, 2015	Three Months Ended June 30, 2015
Net Business Profit Before Credit Costs	49.8	(27.3)	77.1
Ordinary Profit	48.8	(18.0)	66.8
Net Income Attributable to Owners of the Parent	32.2	(9.9)	42.2
Credit Costs (expenses are in parentheses)	1.6	3.1	(1.5)
Net Gains on Stocks	7.8	6.6	1.2

SuMi TRUST Bank (Non-Consolidated)

(Billions of Yen)

	Three Months Ended June 30, 2016	Changes from the Three Months Ended June 30, 2015	Three Months Ended June 30, 2015
Gross Business Profit Before Credit Costs	87.5	(29.9)	117.4
General and Administrative Expenses (expenses are in parentheses)	(56.2)	1.7	(58.0)
Net Business Profit Before Credit Costs	31.2	(28.1)	59.4
Ordinary Profit	32.8	(17.9)	50.7
Net Income	24.4	(10.5)	34.9
Credit Costs (expenses are in parentheses)	2.3	3.8	(1.4)
Net Gains on Stocks	9.0	7.3	1.6

(2) Qualitative Information Related to the Consolidated Financial Position

As of June 30, 2016, consolidated "Total Assets" increased by ¥1,412.9 billion to ¥59,642.9 billion and consolidated "Total Net Assets" decreased by ¥35.9 billion to ¥2,668.5 billion from the end of the previous fiscal year.

In particular, "Cash and Due from Banks" increased by ¥1,607.5 billion to ¥21,532.0 billion, "Loans and Bills Discounted" decreased by ¥147.9 billion to ¥27,377.9 billion, "Securities" decreased by ¥198.4 billion to ¥4,727.7 billion, and "Deposits" increased by ¥5,482.2 billion to ¥32,184.1 billion, compared with those as of 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, 2017

("Ordinary Profit": ¥255.0 billion, "Net Income Attributable to Owners of the Parent": ¥170.0 billion), which were announced on May 12, 2016.

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 taxes (net of the effects of deferred taxes) for the fiscal year to which the three-month period pertains, and multiplying income before income taxes for the three-month period by the estimated effective tax rate.

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

(Changes in accounting policies)

Certain consolidated subsidiaries applied the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32 of June 17, 2016) from the three months ended June 30, 2016, to comply with the 2016 Tax Reform Act. They changed their depreciation method for accompanying facilities and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method. The effects of this change to “Ordinary Profit” and “Income before Income Taxes” for the three months ended June 30, 2016, are immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2016	As of June 30, 2016
Assets:		
Cash and Due from Banks	19,924,523	21,532,063
Call Loans and Bills Bought	705,252	408,420
Receivables under Resale Agreements	110,377	78,211
Receivables under Securities Borrowing Transactions	326,457	381,219
Monetary Claims Bought	889,445	658,936
Trading Assets	614,290	755,893
Money Held in Trust	1,749	1,631
Securities	4,926,236	4,727,765
Loans and Bills Discounted	27,525,862	27,377,940
Foreign Exchanges	17,223	10,612
Lease Receivables and Investment Assets	608,433	615,923
Other Assets	1,622,859	2,088,512
Tangible Fixed Assets	226,824	226,255
Intangible Fixed Assets	202,163	209,238
Assets for Retirement Benefits	91,404	94,647
Deferred Tax Assets	23,952	23,606
Customers' Liabilities for Acceptances and Guarantees	503,742	539,758
Allowance for Loan Losses	(90,851)	(87,705)
Total Assets	58,229,948	59,642,931
Liabilities:		
Deposits	26,701,948	32,184,148
Negotiable Certificates of Deposit	7,130,632	6,233,475
Call Money and Bills Sold	38,968	622,676
Payables under Repurchase Agreements	653,456	716,334
Payables under Securities Lending Transactions	—	173,830
Trading Liabilities	451,751	494,796
Borrowed Money	2,580,524	2,730,781
Foreign Exchanges	259	377
Short-Term Bonds Payable	1,253,207	836,947
Bonds Payable	1,076,118	1,006,203
Borrowed Money from Trust Account	13,694,600	9,544,103
Other Liabilities	1,253,630	1,721,356
Provision for Bonuses	16,321	4,496
Provision for Directors' Bonuses	255	30
Liabilities for Retirement Benefits	13,937	14,051
Provision for Reward Points Program	17,711	17,347
Provision for Reimbursement of Deposits	3,676	3,676
Provision for Contingent Losses	7,642	7,537
Deferred Tax Liabilities	123,927	119,291
Deferred Tax Liabilities for Land Revaluation	3,126	3,111
Acceptances and Guarantees	503,742	539,758
Total Liabilities	55,525,436	56,974,333

(Continued)

	(Millions of Yen)	
	As of March 31, 2016	As of June 30, 2016
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	645,106	645,106
Retained Earnings	1,087,195	1,094,492
Treasury Stock	(27,097)	(34,021)
Total Shareholders' Equity	1,966,813	1,967,186
Valuation Differences on Available-for-Sale Securities	467,517	442,577
Deferred Gains (Losses) on Hedges	(13,169)	(19,506)
Revaluation Reserve for Land	(5,819)	(5,852)
Foreign Currency Translation Adjustments	2,800	(7,193)
Adjustments for Retirement Benefits	(41,168)	(38,661)
Total Accumulated Other Comprehensive Income	410,160	371,362
Subscription Rights to Shares	421	418
Non-Controlling Interests	327,116	329,630
Total Net Assets	2,704,511	2,668,597
Total Liabilities and Net Assets	58,229,948	59,642,931

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

(Millions of Yen)

	For the Three Months Ended	
	June 30, 2015	June 30, 2016
Ordinary Income:	271,758	288,650
Trust Fees	25,895	25,822
Interest Income:	85,252	80,442
Interest on Loans and Discounts	64,428	65,369
Interest and Dividends on Securities	14,684	9,463
Fees and Commissions	80,867	91,715
Trading Income	4,393	182
Other Ordinary Income	67,581	74,461
Other Income	7,768	16,025
Ordinary Expenses:	204,903	239,824
Interest Expenses:	30,911	42,777
Interest on Deposits	14,201	17,097
Fees and Commissions Payments	19,327	20,050
Trading Expenses	49	224
Other Ordinary Expenses	47,619	63,152
General and Administrative Expenses	96,431	106,506
Other Expenses	10,563	7,112
Ordinary Profit	66,855	48,825
Extraordinary Income:	117	951
Gains on Disposal of Fixed Assets	117	951
Extraordinary Losses:	533	507
Losses on Disposal of Fixed Assets	255	209
Impairment Losses	278	297
Income before Income Taxes	66,438	49,269
Income Taxes:	20,923	13,813
Current	14,615	5,947
Deferred	6,307	7,865
Net Income	45,515	35,456
Net Income Attributable to Non-Controlling Interests	3,295	3,196
Net Income Attributable to Owners of the Parent	42,220	32,259

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	For the Three Months Ended	
	June 30, 2015	June 30, 2016
Net Income	45,515	35,456
Other Comprehensive Income (Loss):	24,133	(39,081)
Valuation Differences on Available-for-Sale Securities	22,544	(25,515)
Deferred Gains (Losses) on Hedges	(33)	(5,773)
Revaluation Reserve for Land	8	—
Foreign Currency Translation Adjustments	2,182	(9,641)
Adjustments for Retirement Benefits	(114)	2,511
Attributable to Equity-Method Affiliated Companies	(454)	(662)
Comprehensive Income:	69,649	(3,625)
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	66,112	(6,505)
Comprehensive Income Attributable to Non-Controlling Interests	3,536	2,880

(3) Notes on Going Concern Assumptions

There is no applicable information.

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

There is no applicable information.