

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
Financial Results for the Nine Months Ended December 31, 2016
[Japanese GAAP](Consolidated)



January 31, 2017

Stock exchange listings:	Tokyo and Nagoya (Code: 8309)
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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, 2016)

(1) Operating Results

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

Nine Months Ended	Ordinary Income		Ordinary Profit		Net Income Attributable to Owners of the Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
December 31, 2016	914,144	7.4	201,573	(2.5)	130,155	0.7
December 31, 2015	851,383	(4.9)	206,686	(11.1)	129,223	2.1

(Note) Comprehensive Income: Nine months ended December 31, 2016 ¥77,680 million, (38.3%)
 Nine months ended December 31, 2015 ¥125,948 million, (59.1%)

Nine Months Ended	Net Income per Share of Common Stock	Net Income per Share of Common Stock (Fully Diluted)
	Yen	Yen
December 31, 2016	339.91	339.82
December 31, 2015	335.28	335.21

* SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share on October 1, 2016. Net income per share of common stock and net income per share of common stock (fully diluted) are calculated as if the consolidation of shares had occurred at the beginning of the fiscal year ended March 31, 2016.

(2) Financial Position

As of	Total Assets	Net Assets	Net Assets to Total Assets Ratio
	Millions of Yen	Millions of Yen	%
December 31, 2016	63,936,805	2,719,384	3.7
March 31, 2016	58,229,948	2,704,511	4.1

(Reference) Shareholders' Equity: As of December 31, 2016 ¥2,388,022 million
 As of March 31, 2016 ¥2,376,973 million

(Notes) Net Assets to Total Assets Ratio = (Net Assets - Subscription Rights to Shares - Non-Controlling 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

Fiscal Year	Annual Cash Dividends per Share of Common Stock				
	1st Quarter-End	2nd Quarter-End	3rd Quarter-End	Fiscal Year-End	Total
Ended March 31, 2016	→	6.50	—	6.50	13.00
Ending March 31, 2017	→	6.50	—		
Ending March 31, 2017 (Forecast)				65.00	—

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

(Note 2) SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share on October 1, 2016. The financial results for the three months ended June 30, 2016, which were released on July 28, 2016, reported ¥6.50 of the year-end cash dividends per share of common stock for the fiscal year ending March 31, 2017 (forecast), not taking into account the consolidation of shares. However, the financial results for the six months ended September 30, 2016, released on November 14, 2016, and the nine months ended December 31, 2016, released today report ¥65.00 of the year-end cash dividends per share of common stock, reflecting an effect of the consolidation of shares. The consolidation of shares remains the same as in the announcement released on May 12, 2016, and this stock consolidation does not constitute as a forecast revision to the total amount of cash dividends. For further details, please refer to "Explanation Concerning the Appropriate Use of the Forecasts for Results of Operations and Other Special Matters" on page 2.

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

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

Fiscal Year Ending	Ordinary Profit		Net Income Attributable to Owners of the Parent		Net Income per Share of Common Stock
	Millions of Yen	%	Millions of Yen	%	Yen
March 31, 2017	265,000	(4.7)	170,000	1.9	444.40

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

*** Notes**

(1) Changes in Significant Subsidiaries during the Nine Months Ended December 31, 2016: 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 |

(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):	As of December 31, 2016	390,348,640 shares	As of March 31, 2016	390,348,640 shares
2) Number of treasury stock:	As of December 31, 2016	7,809,960 shares	As of March 31, 2016	5,799,178 shares
3) Average number of outstanding issued shares:	For the nine months ended December 31, 2016	382,910,291 shares	For the nine months ended December 31, 2015	385,418,068 shares

* SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share on October 1, 2016. The number of shares issued, the number of treasury stock, and the average number of outstanding issued shares are calculated as if the consolidation of shares occurred at the beginning of the fiscal year ended March 31, 2016.

Statement Concerning the Status of the Quarterly Review Procedures

These consolidated financial results for the nine months ended December 31, 2016, 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, 2016.

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.

SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share on October 1, 2016. The cash dividends and net income per share of common stock for the fiscal year ending March 31, 2017, represent estimates, which are calculated by taking into account the consolidation of shares announced on May 12, 2016.

Assuming that the share consolidation announced on May 12, 2016, was conducted at the beginning of the fiscal year ended March 31, 2016, the total annual cash dividends per share of common stock would be ¥130 (¥65 of cash dividends at the second quarter-end) for the fiscal year ended March 31, 2016. The year-end cash dividends for the fiscal year ending March 31, 2017, are reported as ¥65, although this should not be taken as a forecast revision to the total amount of cash dividends.

[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 nine months ended December 31, 2016, "Net Business Profit Before Credit Costs" decreased by ¥20.5 billion to ¥207.3 billion year over year. This was primarily due to a decrease in "Net Interest Income and Related Profit" of SuMi TRUST Bank, despite an increase in profits from consolidated subsidiaries.

Ordinary Profit decreased by ¥5.1 billion to ¥201.5 billion year over year for the nine months ended December 31, 2016, while "Credit costs" improved, and "Net Income Attributable to Owners of the Parent" for the period increased by ¥0.9 billion year over year to ¥130.1 billion.

(Reference)

SuMi TRUST Holdings (Consolidated)

(Billions of Yen)

	Nine Months Ended December 31, 2016	Changes from the Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2015
Net Business Profit Before Credit Costs	207.3	(20.5)	227.9
Ordinary Profit	201.5	(5.1)	206.6
Net Income Attributable to Owners of the Parent	130.1	0.9	129.2
Credit Costs (expenses are in parentheses)	1.4	10.6	(9.2)
Net Gains on Stocks	21.0	(2.8)	23.9

SuMi TRUST Bank (Non-Consolidated)

(Billions of Yen)

	Nine Months Ended December 31, 2016	Changes from the Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2015
Gross Business Profit Before Credit Costs	320.7	(26.9)	347.6
General and Administrative Expenses (expenses are in parentheses)	(172.7)	2.2	(174.9)
Net Business Profit Before Credit Costs	147.9	(24.7)	172.7
Ordinary Profit	146.7	(4.6)	151.3
Net Income	102.2	(0.7)	102.9
Credit Costs (expenses are in parentheses)	4.4	4.4	0.0
Net Gains on Stocks	19.9	12.1	7.7

(2) Qualitative Information Related to the Consolidated Financial Position

As of December 31, 2016, consolidated "Total Assets" increased by ¥5,706.8 billion to ¥63,936.8 billion and consolidated "Total Net Assets" increased by ¥14.8 billion to ¥2,719.3 billion from the end of the previous fiscal year.

In particular, "Cash and Due from Banks" increased by ¥3,829.3 billion to ¥23,753.9 billion, "Loans and Bills Discounted" increased by ¥1,071.5 billion to ¥28,597.4 billion, "Securities" increased by ¥797.3 billion to ¥5,723.5 billion, and "Deposits" increased by ¥8,095.0 billion to ¥34,797.0 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, 2017 (Ordinary Profit: ¥265.0 billion, Net Income Attributable to Owners of the Parent: ¥170.0 billion), which were announced on November 14, 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 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)

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) effective 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 nine months ended December 31, 2016, are immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2016	As of December 31, 2016
Assets:		
Cash and Due from Banks	19,924,523	23,753,922
Call Loans and Bills Bought	705,252	152,963
Receivables under Resale Agreements	110,377	88,509
Receivables under Securities Borrowing Transactions	326,457	464,372
Monetary Claims Bought	889,445	761,150
Trading Assets	614,290	652,093
Money Held in Trust	1,749	1,708
Securities	4,926,236	5,723,542
Loans and Bills Discounted	27,525,862	28,597,427
Foreign Exchanges	17,223	72,597
Lease Receivables and Investment Assets	608,433	642,363
Other Assets	1,622,859	2,100,052
Tangible Fixed Assets	226,824	227,126
Intangible Fixed Assets	202,163	214,471
Assets for Retirement Benefits	91,404	101,161
Deferred Tax Assets	23,952	23,176
Customers' Liabilities for Acceptances and Guarantees	503,742	448,549
Allowance for Loan Losses	(90,851)	(88,382)
Total Assets	58,229,948	63,936,805
Liabilities:		
Deposits	26,701,948	34,797,026
Negotiable Certificates of Deposit	7,130,632	6,320,973
Call Money and Bills Sold	38,968	1,612,483
Payables under Repurchase Agreements	653,456	1,592,332
Payables under Securities Lending Transactions	—	166,384
Trading Liabilities	451,751	408,197
Borrowed Money	2,580,524	3,042,254
Foreign Exchanges	259	436
Short-Term Bonds Payable	1,253,207	1,021,648
Bonds Payable	1,076,118	1,225,682
Borrowed Money from Trust Account	13,694,600	9,166,082
Other Liabilities	1,253,630	1,252,838
Provision for Bonuses	16,321	6,833
Provision for Directors' Bonuses	255	90
Liabilities for Retirement Benefits	13,937	14,265
Provision for Reward Points Program	17,711	17,437
Provision for Reimbursement of Deposits	3,676	3,640
Provision for Contingent Losses	7,642	7,162
Deferred Tax Liabilities	123,927	109,989
Deferred Tax Liabilities for Land Revaluation	3,126	3,111
Acceptances and Guarantees	503,742	448,549
Total Liabilities	55,525,436	61,217,421

(Continued)

(Millions of Yen)

	As of March 31, 2016	As of December 31, 2016
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	645,106	645,048
Retained Earnings	1,087,195	1,167,523
Treasury Stock	(27,097)	(34,058)
Total Shareholders' Equity	1,966,813	2,040,121
Valuation Differences on Available-for-Sale Securities	467,517	403,085
Deferred Gains (Losses) on Hedges	(13,169)	(16,371)
Revaluation Reserve for Land	(5,819)	(5,852)
Foreign Currency Translation Adjustments	2,800	694
Adjustments for Retirement Benefits	(41,168)	(33,654)
Total Accumulated Other Comprehensive Income	410,160	347,901
Subscription Rights to Shares	421	581
Non-Controlling Interests	327,116	330,779
Total Net Assets	2,704,511	2,719,384
Total Liabilities and Net Assets	58,229,948	63,936,805

(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, 2015	December 31, 2016
Ordinary Income:	851,383	914,144
Trust Fees	76,524	74,896
Interest Income:	273,630	273,776
Interest on Loans and Discounts	194,448	208,344
Interest and Dividends on Securities	60,019	47,186
Fees and Commissions	254,276	288,028
Trading Income	13,357	14,617
Other Ordinary Income	188,424	224,910
Other Income	45,171	37,914
Ordinary Expenses:	644,696	712,570
Interest Expenses:	100,083	123,256
Interest on Deposits	45,956	58,689
Fees and Commissions Payments	59,571	63,164
Trading Expenses	—	1,096
Other Ordinary Expenses	145,138	189,152
General and Administrative Expenses	292,475	322,295
Other Expenses	47,428	13,605
Ordinary Profit	206,686	201,573
Extraordinary Income:	1,829	1,030
Gains on Disposal of Fixed Assets	955	1,030
Gains on Negative Goodwill	874	—
Extraordinary Losses:	2,652	3,247
Losses on Disposal of Fixed Assets	1,363	719
Impairment Losses	1,289	2,527
Income before Income Taxes	205,864	199,356
Income Taxes:	67,166	59,582
Current	47,413	46,311
Deferred	19,753	13,271
Net Income	138,697	139,774
Net Income Attributable to Non-Controlling Interests	9,474	9,618
Net Income Attributable to Owners of the Parent	129,223	130,155

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	For the Nine Months Ended	
	December 31, 2015	December 31, 2016
Net Income	138,697	139,774
Other Comprehensive Income (Loss):	(12,749)	(62,093)
Valuation Differences on Available-for-Sale Securities	(1,937)	(62,222)
Deferred Gains (Losses) on Hedges	(1,200)	(4,108)
Revaluation Reserve for Land	8	—
Foreign Currency Translation Adjustments	(7,245)	(2,631)
Adjustments for Retirement Benefits	(375)	7,527
Attributable to Equity-Method Affiliated Companies	(1,998)	(658)
Comprehensive Income:	125,948	77,680
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	116,562	67,930
Comprehensive Income Attributable to Non-Controlling Interests	9,385	9,750

(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.