

Explanatory Material

*1st Quarter of Fiscal Year 2017
ended on June 30, 2017*



SUMITOMO MITSUI TRUST HOLDINGS

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<Definition of terms in this document>

Sumitomo Mitsui Trust Holdings (Consolidated): "SuMi TRUST Holdings" or "Consolidated"

Sumitomo Mitsui Trust Bank (Non-consolidated): "SuMi TRUST Bank" or "Non-Consolidated"

Legal Disclaimer

Regarding forward-looking Statements contained in this material

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including but not limited to changes in managerial circumstances. By virtue of the aforementioned reasons, Sumitomo Mitsui Trust Holdings, Inc. hereby cautions against sole reliance on such forward-looking statements in making investment decisions.

Summary of 1QFY2017 financial results

1. Financial Results

<Consolidated>

- (1) Net business profit before credit costs<1> increased by 10.6 billion yen from 1QFY2016 to 60.4 billion yen due primarily to improvement of market related profit in SuMi TRUST Bank.
- (2) Ordinary profit <2> and net income attributable to owners of the parent <3> increased by 12.5 billion yen from 1QFY2016 to 61.4 billion yen and 7.8 billion yen to 40.1 billion yen respectively, with restrained total credit costs <4>.

[Consolidated]

		1QFY2017	1QFY2016	Change	(Billions of Yen)	
					Forecast for FY2017 1HFY2017	
Net business profit before credit costs (*1)	1	60.4	49.8	10.6	125.0	260.0
Ordinary profit	2	61.4	48.8	12.5	110.0	235.0
Net income attributable to owners of the parent	3	40.1	32.2	7.8	70.0	150.0
Total credit costs	4	2.1	1.6	0.4	(10.0)	(20.0)
Net gains/ losses on stocks	5	4.5	7.8	(3.2)		

(Difference from non-consolidated financial results) (*2)

Net business profit before credit costs	6	20.1	18.5	1.5
Net income attributable to owners of the parent (*3)	7	6.3	7.8	(1.4)
Total credit costs	8	(0.0)	(0.7)	0.7
Net gains/ losses on stocks	9	(0.9)	(1.2)	0.3

(*1) 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.)

(*2) Differences between "Consolidated (SuMi TRUST Holdings)" and "Non-consolidated (SuMi TRUST Bank)".

(*3) Differences between "Net income attributable to owners of the parent" in "<Consolidated>" and "Net income" in "<Non-consolidated>".

<Non-consolidated>

- (1) Net business profit before credit costs <18> increased by 9.0 billion yen to 40.3 billion yen from 1QFY2016 due primarily to improvement of market related profit, while net interest income and related profit <11> and fees and commissions and related profit <12> remained the same level as 1QFY2016.
- (2) Ordinary profit <23> and net income <27> increased by 12.4 billion yen from 1QFY2016 to 45.3 billion yen and 9.3 billion yen to 33.7 billion yen respectively, with restrained total credit costs <20>.

[Non-consolidated]

		1QFY2017	1QFY2016	Change	(Billions of Yen)	
					Forecast for FY2017 1HFY2017	
Gross business profit	10	98.8	87.5	11.3		
Net interest income and related profit	11	42.0	40.1	1.9		
Net fees and commissions and related profit	12	41.4	42.9	(1.4)		
Net trading profit	13	0.2	(0.0)	0.2		
Net other operating profit	14	15.0	4.5	10.5		
Net gains on bonds	15	6.3	9.8	(3.4)		
Net gains from derivatives other than for trading or hedging	16	2.4	(14.0)	16.4		
General and administrative expenses	17	(58.5)	(56.2)	(2.2)		
Net business profit before credit costs	18	40.3	31.2	9.0	85.0	180.0
Net non-recurring profit	19	4.9	1.5	3.3		
Total credit costs	20	2.1	2.3	(0.2)	(10.0)	(20.0)
Net gains/ losses on stocks	21	5.4	9.0	(3.6)		
Others	22	(2.6)	(9.8)	7.2		
Ordinary profit	23	45.3	32.8	12.4	80.0	170.0
Extraordinary profit	24	(0.0)	(0.4)	0.3		
Income before income taxes	25	45.2	32.3	12.8		
Total income taxes	26	(11.4)	(7.9)	(3.5)		
Net income	27	33.7	24.4	9.3	60.0	125.0

(For reference) Overview of the business operation

<Balance of major accounts>

(1) Ending balance of major accounts (Banking a/c and principal guaranteed trust a/c combined)

[Non-consolidated]		(Billions of Yen)		
		June 2017	Mar. 2017	Change from Mar. 2017
Loans and bills discounted	1	28,408.0	28,206.1	201.8
Deposits, Trust principal (*)	2	31,043.4	32,911.7	(1,868.3)

(*) Deposits: Excluding NCDs.

(2) Yields and margins (Domestic banking a/c)

[Non-consolidated]		(%)			
		1QFY2017 (A)	2HFY2016 (B)	1HFY2016	Change (A) - (B)
Loan deposit margin	3	0.55	0.57	0.59	(0.02)
Loans and bills discounted	4	0.70	0.72	0.75	(0.02)
Deposits and trust principal	5	0.15	0.15	0.16	(0.00)

(3) Status of loans (Banking a/c and principal guaranteed trust a/c combined)

[Non-consolidated]		(Billions of Yen)		
		June 2017	Mar. 2017	Change from Mar. 2017
Loans to individuals	6	9,045.0	8,926.9	118.1
Residential mortgage loans	7	8,495.9	8,378.6	117.3
Loans to corporations	8	19,362.9	19,279.2	83.7

<Investment trust and Insurance>

(1) Sales volume and sales balance of investment trust/ insurance

[Non-consolidated]		(Billions of Yen)		
<Sales volume>		1QFY2017	1QFY2016	Change from 1QFY2016
Total sales volume	9	348.4	336.8	11.5
Investment trust	10	269.2	229.1	40.1
Fund wrap, SMA	11	44.5	30.0	14.4
Insurance	12	34.6	77.6	(43.0)

<Sales balance>

[Non-consolidated]		(Billions of Yen)		
		June 2017	Mar. 2017	Change from Mar. 2017
Total sales balance	13	6,061.4	5,988.2	73.2
Investment trust	14	2,842.8	2,796.6	46.1
Fund wrap, SMA	15	773.8	765.5	8.3
Insurance	16	2,444.8	2,426.0	18.7

(2) Fees and commissions

[Non-consolidated]		(Billions of Yen)		
		1QFY2017	1QFY2016	Change from 1QFY2016
Total fees and commissions	17	12.1	14.0	(1.9)
Sales fees of investment trust/ insurance	18	5.0	6.7	(1.6)
Administration Fees	19	7.0	7.3	(0.2)

<Overview of fiduciary services business>

(1) Assets under management

[Non-consolidated]

(Billions of Yen)

		June 2017		Mar. 2017	Change from Mar. 2017
Assets under management	20	51,677.5		51,127.4	550.1
Corporate pension trust	21	13,749.1		15,002.4	(1,253.2)
Public pension trust	22	11,079.4		10,717.7	361.6
Discretionary investment	23	26,848.9		25,407.2	1,441.7

(2) Gross business profit

[Non-consolidated]

(Billions of Yen)

		1QFY2017		1QFY2016	Change from 1QFY2016
Gross business profit	24	15.0		14.5	0.4
Gross business profit before outsourcing fees	25	22.8		22.0	0.7
Fees paid out for outsourcing	26	(7.7)		(7.5)	(0.2)

<Overview of real estate business>

Gross business profit

[Non-consolidated]

(Billions of Yen)

		1QFY2017		1QFY2016	Change from 1QFY2016
Gross business profit	27	6.1		4.4	1.6
Real estate brokerage fees	28	4.7		3.0	1.6
Real estate trust fees, etc.	29	1.4		1.4	(0.0)

2. Financial conditions

<Status of the securities holdings>

- (1) Cost of "Available-for-sale securities" <1> decreased by 17.7 billion of yen from the end of March 2017 to 3,951.5 billion yen, due primarily to decrease in others <5>, mainly in US Treasuries. Unrealized gains/losses of "Available-for-sale securities" improved slightly by 4.9 billion yen to 690.6 billion yen in the same period, reflecting improvement in Japanese stocks <2> was mostly offset by decrease in others <5>, mainly due to investment trust for hedging of cross-shareholdings.
- (2) Cost of "Held-to-maturity debt securities" <6> decreased by 25.2 billion yen from the end of March 2017 to 319.4 billion yen, and unrealized gains/losses of those securities stood at net gains of 25.8 billion yen.

Securities with fair value

[Consolidated]

(Billions of Yen)

		June 2017			Change from Mar. 2017	
		Cost	Fair value	Net	Cost	Net
		Available-for-sale securities	1	3,951.5	4,642.1	690.6
Japanese stocks	2	657.9	1,437.3	779.4	(8.3)	48.9
Japanese bonds	3	859.6	861.3	1.6	13.8	(0.1)
Government bonds	4	213.4	213.3	(0.0)	(1.8)	(0.0)
Others	5	2,433.9	2,343.4	(90.4)	(23.2)	(43.8)
Held-to-maturity debt securities	6	319.4	345.3	25.8	(25.2)	(1.0)

[Non-consolidated]

(Billions of Yen)

		June 2017			Change from Mar. 2017	
		Cost	Fair value	Net	Cost	Net
		Available-for-sale securities	7	3,907.0	4,614.5	707.4
Japanese stocks	8	632.2	1,434.4	802.1	(7.4)	47.9
Japanese bonds	9	893.6	893.7	0.1	13.9	(0.0)
Government bonds	10	170.2	170.1	(0.1)	(0.2)	(0.0)
Others	11	2,381.1	2,286.2	(94.8)	(20.8)	(44.4)
Held-to-maturity debt securities	12	240.0	265.7	25.7	(23.4)	(1.0)

<Problem assets based on the Financial Reconstruction Act>

- (1) Total balance of "Problem assets based on the Financial Reconstruction Act" <1> decreased 5.9 billion yen from the end of March 2017 to 65.2 billion yen. "Ratio to total balance" <2> (ratio of "Problem assets based on the Financial Reconstruction Act" to total balance) stayed at the same level of 0.2% as the end of March 2017.
- (2) Coverage ratio with collateral values and allowance at the end of June 2017 for "Doubtful" <4> and "Substandard" <5> stood at 95.8% and 89.4% respectively, and coverage ratio for total balance of "Problem assets based on the Financial reconstruction Act" stood at 94.0%, all of which represent prudent level.

[Non-consolidated] (Banking a/c and principal guaranteed trust a/c combined)

(Billions of Yen)

		June 2017	Mar. 2017	Change from Mar. 2017	June 2017	
					Coverage ratio	Allowance ratio
Problem assets based on the Financial Reconstruction Act	1	65.2	71.2	(5.9)	94.0%	63.2%
Ratio to total balance	2	0.2%	0.2%	(0.0%)		
Bankrupt and practically bankrupt	3	9.1	7.9	1.1	100.0%	100.0%
Doubtful	4	32.0	35.4	(3.4)	95.8%	68.6%
Substandard (a)	5	24.2	27.8	(3.6)	89.4%	19.0%
Ordinary assets	6	28,904.1	28,664.0	240.1		
Substandard debtors (excl. (a)) (b)	7	1.2	1.2	0.0		
Other special mention debtors (excl. (a) and (b))	8	495.7	554.3	(58.7)		
Ordinary debtors	9	28,407.2	28,108.4	298.8		

Financial figures

1. Status of profit and loss

[Consolidated]

(Millions of Yen)

		1QFY2017	1QFY2016	Change	Full FY2016
Consolidated gross business profit (*1)	1	160,030	146,419	13,611	625,582
Consolidated gross business profit (after written-off of principal guaranteed trust a/c) (1 + 19)	2	160,030	146,419	13,611	625,582
Net interest income and related profit	3	44,273	42,521	1,751	232,561
Net interest income	4	41,467	37,665	3,802	219,083
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	2,805	4,856	(2,051)	13,477
Net fees and commissions and related profit	6	93,688	92,630	1,058	398,604
Net fees and commissions	7	72,535	71,665	870	312,212
Other trust fees	8	21,153	20,965	187	86,392
Net trading profit	9	245	(42)	287	17,040
Net other operating profit	10	21,823	11,309	10,513	(22,624)
Net gains on bonds	11	6,286	9,865	(3,578)	(97,063)
Net gains from derivatives other than for trading or hedging	12	2,520	(13,816)	16,336	20,803
General and administrative expenses	13	(106,144)	(102,842)	(3,302)	(419,680)
(excluding amortization of goodwill)	14	(103,777)	(100,475)	(3,302)	(410,215)
Personnel expenses	15	(48,569)	(46,802)	(1,767)	(191,386)
Non-personnel expenses excluding taxes	16	(53,180)	(51,727)	(1,452)	(210,957)
Taxes other than income taxes	17	(4,393)	(4,312)	(81)	(17,336)
Provision of general allowance for loan losses	18	-	-	-	(29,493)
Principal guaranteed trust a/c credit costs	19	-	-	-	-
Banking a/c credit costs	20	(1,086)	(390)	(696)	(1,871)
Written-off of loans	21	(1,011)	(291)	(720)	(4,776)
Provision of specific allowance for loan losses	22	-	-	-	3,173
Losses on sales of loans	23	(75)	(98)	23	(268)
Reversal of allowance for loan losses	24	2,641	822	1,818	-
Recoveries of written-off claims	25	587	1,214	(627)	2,813
Net gains on stocks	26	4,508	7,804	(3,295)	36,488
Losses on devaluation of stocks	27	-	(1,723)	1,723	(3,848)
Net income from affiliates by equity method	28	1,368	1,558	(190)	6,950
Others	29	(486)	(5,761)	5,274	(24,405)
Ordinary profit	30	61,418	48,825	12,592	196,383
Extraordinary profit	31	(75)	443	(519)	(5,247)
Income before income tax	32	61,342	49,269	12,073	191,135
Total income taxes	33	(17,618)	(13,813)	(3,805)	(56,929)
Income taxes-current	34	(13,651)	(5,947)	(7,703)	(52,274)
Income taxes-deferred	35	(3,967)	(7,865)	3,898	(4,654)
Net income	36	43,723	35,456	8,267	134,206
Net income attributable to non-controlling interests	37	(3,600)	(3,196)	(403)	(12,759)
Net income attributable to owners of the parent	38	40,123	32,259	7,863	121,446
Total credit costs (18 + 19 + 20 + 24 + 25)	39	2,141	1,647	494	(28,551)

(*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)	40	60,488	49,819	10,668	232,363
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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.)

(Reference) Major components of "Consolidated net business profit before credit costs" <40>, in which gross income and expense from the affiliates are taken into consideration for managerial accounting, are shown in the table below.

Substantial consolidated gross business profit	41	166,777	153,015	13,761	654,566
Substantial net fees and commissions and related profit	42	94,921	94,724	196	408,321
Substantial general and administrative expenses	43	(106,288)	(103,195)	(3,092)	(422,203)

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

Net business profit before credit costs	44	20,113	18,537	1,576	81,811
Net income attributable to owners of the parent (*4)	45	6,364	7,845	(1,480)	43,783
Total credit costs	46	(25)	(745)	719	(3,578)
Net gains on stocks	47	(916)	(1,245)	328	5,188

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

(*4) Differences between "Net income attributable to owners of the parent" in "Consolidated" and "Net income" in "Non-consolidated".

<Number of subsidiaries/ affiliates>

		June 2017	Mar. 2017	Change
Consolidated subsidiaries	48	70	71	(1)
Affiliates (subject to the equity method)	49	24	23	1

[Non-consolidated]

		1QFY2017	1QFY2016	Change	(Millions of Yen) Full FY2016
Gross business profit	1	98,875	87,574	11,300	383,349
Gross business profit (after written-off of principal guaranteed trust a/c) (1 + 21)	2	98,875	87,574	11,300	383,349
Net interest income and related profit	3	42,086	40,125	1,960	216,729
Net interest income	4	39,281	35,269	4,012	203,251
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	2,805	4,856	(2,051)	13,477
Net fees and commissions and related profit	6	41,474	42,956	(1,481)	196,947
Net fees and commissions	7	21,641	23,389	(1,748)	116,135
Other trust fees	8	19,832	19,566	266	80,811
Net trading income	9	245	(42)	287	17,040
Net other operating profit	10	15,069	4,535	10,534	(47,368)
Net gains on foreign exchange transactions	11	6,340	8,686	(2,346)	28,608
Net gains on bonds	12	6,399	9,891	(3,491)	(96,958)
Net gains from derivatives other than for trading or hedging	13	2,420	(14,062)	16,482	21,181
General and administrative expenses	14	(58,501)	(56,292)	(2,208)	(232,797)
Personnel expenses	15	(26,639)	(25,669)	(969)	(106,719)
Non-personnel expenses	16	(28,483)	(27,256)	(1,227)	(112,532)
Taxes other than income taxes	17	(3,378)	(3,366)	(11)	(13,545)
Net business profit before credit costs (1 + 14)	18	40,374	31,282	9,092	150,552
(Excluding Net gains on bonds) (18 - 12)	19	33,974	21,390	12,584	247,511
Provision of general allowance for loan losses	20	-	-	-	(27,957)
Principal guaranteed trust a/c credit costs	21	-	-	-	-
Net business profit	22	40,374	31,282	9,092	122,594
Net non-recurring profit	23	4,934	1,551	3,382	(5,283)
Banking a/c credit costs	24	(955)	(201)	(753)	1,267
Written-off of loans	25	(879)	(102)	(776)	(378)
Provision of specific allowance for loan losses	26	-	-	-	1,913
Losses on sales of loans	27	(75)	(98)	23	(268)
Reversal of allowance for loan losses	28	2,836	1,578	1,257	-
Recoveries of written-off claims	29	286	1,015	(729)	1,717
Net gains on stocks	30	5,425	9,049	(3,624)	31,300
Losses on devaluation of stocks	31	-	(607)	607	(9,168)
Others	32	(2,659)	(9,890)	7,231	(39,567)
Amortization of net actuarial losses/ prior service cost	33	(4,088)	(7,149)	3,060	(28,596)
Provision for contingent loss	34	(692)	104	(797)	(131)
Losses on investment in partnerships	35	(798)	(1,112)	314	(3,076)
Net gains on stock related derivatives	36	(808)	(2,002)	1,194	(4,387)
Ordinary profit	37	45,308	32,833	12,474	117,311
Extraordinary profit	38	(63)	(445)	381	(5,985)
Net gains on disposal of fixed assets	39	(61)	(193)	131	(209)
Impairment loss on fixed assets	40	(2)	(252)	249	(5,776)
Income before income taxes	41	45,244	32,388	12,855	111,325
Total income taxes	42	(11,486)	(7,974)	(3,511)	(33,662)
Income taxes-current	43	(8,075)	(1,193)	(6,882)	(32,701)
Income taxes-deferred	44	(3,410)	(6,781)	3,371	(961)
Net income	45	33,758	24,413	9,344	77,663
Total credit costs (20 + 21 + 24 + 28 + 29)	46	2,167	2,392	(224)	(24,973)
Overhead ratio (-14/1)	47	59.17%	64.28%	(5.11%)	60.73%

2. Breakdown of profit by business group

(1) Gross business profit

[Non-consolidated]

	(Billions of yen)		
	1QFY2017	1QFY2016	Change
Retail total solution services	29.8	32.4	(2.5)
Wholesale financial services (*1)	25.4	23.5	1.8
Stock transfer agency services	10.4	10.4	0.0
Real estate	6.1	4.4	1.6
Fiduciary services	22.8	22.0	0.7
Global markets	17.1	6.4	10.6
Fees paid out for outsourcing	(10.9)	(10.6)	(0.2)
Stock transfer agency services	(3.1)	(3.0)	(0.0)
Fiduciary services	(7.7)	(7.5)	(0.2)
Others (*2)	(2.1)	(1.3)	(0.8)
Gross business profit	98.8	87.5	11.3

(*1) Figures for Wholesale financial services are combined total of Wholesale total solution services and Wholesale asset management.

(*2) 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)		
	1QFY2017	1QFY2016	Change
Retail total solution services	5.3	6.8	(1.4)
Wholesale financial services (*1)	23.1	19.4	3.6
Stock transfer agency services	6.9	6.8	0.0
Real estate	5.3	3.6	1.7
Fiduciary services	12.7	11.7	1.0
Global markets	13.5	3.1	10.3
Others (*2)	(6.6)	(1.9)	(4.7)
Net business profit before credit costs	60.4	49.8	10.6

(*1) Figures for Wholesale financial services are combined total of Wholesale total solution services and Wholesale asset management.

(*2) 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)		
	1QFY2017	1QFY2016	Change
Retail total solution services	0.8	1.6	(0.8)
Wholesale financial services (*1)	15.8	13.7	2.1
Stock transfer agency services	6.5	6.5	(0.0)
Real estate	3.9	2.3	1.6
Fiduciary services	8.2	7.4	0.8
Global markets	13.5	3.1	10.3
Others (*2)	(8.6)	(3.6)	(4.9)
Net business profit before credit costs	40.3	31.2	9.0

(*1) Figures for Wholesale financial services are combined total of Wholesale total solution services and Wholesale asset management.

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

3. Yields and margins

Domestic banking a/c

[Non-consolidated]

	(%)			
	1QFY2017	2HFY2016	1HFY2016	Change from 2HFY2016
Average yield on interest-earning assets (A)	0.56	0.63	0.61	(0.07)
Loans and bills discounted (B)	0.70	0.72	0.75	(0.02)
Securities	1.12	1.57	1.47	(0.45)
Average yield on interest-bearing liabilities (C)	0.18	0.19	0.21	(0.01)
Deposits (D)	0.15	0.15	0.16	(0.00)
Gross margin (A) - (C)	0.38	0.44	0.40	(0.06)
Loan-deposit margin (B) - (D)	0.55	0.57	0.59	(0.02)

4. Unrealized gains/ losses on investment securities

(1) Securities with fair value

[Consolidated]

	(Billions of Yen)							
	June 2017				Mar. 2017		Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	3,951.5	690.6	812.3	(121.7)	3,969.3	685.6	(17.7)	4.9
Japanese stocks (*)	657.9	779.4	792.1	(12.7)	666.2	730.4	(8.3)	48.9
Japanese bonds	859.6	1.6	3.2	(1.5)	845.7	1.7	13.8	(0.1)
Government bonds	213.4	(0.0)	0.0	(0.1)	215.2	(0.0)	(1.8)	(0.0)
Local government bonds	6.9	(0.0)	0.0	(0.0)	4.8	(0.0)	2.1	(0.0)
Corporate bonds	639.3	1.7	3.1	(1.4)	625.6	1.8	13.6	(0.0)
Others	2,433.9	(90.4)	16.9	(107.4)	2,457.2	(46.5)	(23.2)	(43.8)
Held-to-maturity debt securities	319.4	25.8	25.8	(0.0)	344.7	26.9	(25.2)	(1.0)

(*) Fair value of listed stocks included in "Available-for-sale securities" is determined based on the average quoted market price over the month preceding the consolidated balance sheet date.

[Non-consolidated]

	(Billions of Yen)							
	June 2017				Mar. 2017		Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	3,907.0	707.4	833.4	(126.0)	3,921.3	704.0	(14.3)	3.4
Japanese stocks (*)	632.2	802.1	816.7	(14.5)	639.7	754.2	(7.4)	47.9
Japanese bonds	893.6	0.1	3.2	(3.0)	879.6	0.2	13.9	(0.0)
Government bonds	170.2	(0.1)	-	(0.1)	170.4	(0.1)	(0.2)	(0.0)
Local government bonds	6.9	(0.0)	0.0	(0.0)	4.8	(0.0)	2.1	(0.0)
Corporate bonds	716.4	0.2	3.1	(2.9)	704.3	0.3	12.1	(0.0)
Others	2,381.1	(94.8)	13.5	(108.4)	2,402.0	(50.4)	(20.8)	(44.4)
Held-to-maturity debt securities	240.0	25.7	25.8	(0.0)	263.4	26.8	(23.4)	(1.0)

(*) Fair value of listed stocks included in "Available-for-sale securities" is determined based on the average quoted market price over the month preceding the balance sheet date.

<Reference 1>

Breakdown of "Available-for-sale securities (Others)"

[Non-consolidated]

	(Billions of Yen)					
	June 2017		Mar. 2017		Change	
	Cost	Net	Cost	Net	Cost	Net
Domestic investment (*1)	107.1	1.8	93.7	1.9	13.3	(0.1)
Asset-backed securities	27.9	0.7	30.0	0.7	(2.0)	0.0
Others	79.2	1.1	63.7	1.2	15.4	(0.1)
International investment (*1)	1,281.9	(9.3)	1,329.9	(15.8)	(48.0)	6.5
Foreign government bonds	1,261.1	(10.2)	1,309.6	(15.9)	(48.4)	5.7
US Treasury	692.3	(11.1)	782.0	(17.3)	(89.7)	6.1
European government bonds (*2)	45.1	(0.6)	26.9	0.0	18.2	(0.7)
US agency MBS	104.6	(0.9)	85.2	(1.1)	19.3	0.1
Corporate bonds, etc. (*3)	335.5	2.2	335.7	2.2	(0.1)	(0.0)
Foreign stocks and others	20.7	0.8	20.2	0.0	0.4	0.8
Others (Investment trust, etc.) (*4)	992.0	(87.3)	978.3	(36.5)	13.7	(50.8)
Total	2,381.1	(94.8)	2,402.0	(50.4)	(20.8)	(44.4)

(*1) "Domestic investment" and "International investment" are basically categorized by the countries where final exposure exists.

(*2) German government bonds (Bunds), UK government bonds (Gilts) and French government bonds (OATs).

(*3) Corporate bonds which are based on issuer's credit risk.

(*4) "Investment trust" and investment securities uncategorizable into "Domestic investment" or "International investment".

<Reference 2>

Breakdown of "Held-to-maturity debt securities"

[Non-consolidated]

	(Billions of Yen)					
	June 2017		Mar. 2017		Change	
	Cost	Net	Cost	Net	Cost	Net
Held-to-maturity debt securities	240.0	25.7	263.4	26.8	(23.4)	(1.0)
Japanese Government Bonds	127.3	19.7	139.9	20.0	(12.5)	(0.2)
Japanese Local Government Bonds	-	-	-	-	-	-
Japanese Corporate Bonds	29.0	0.3	29.1	0.1	(0.1)	0.1
Others	83.6	5.6	94.3	6.6	(10.6)	(0.9)
Domestic investment (*)	11.0	0.0	12.2	0.0	(1.2)	0.0
International investment (*)	72.5	5.6	82.0	6.6	(9.4)	(0.9)

(*) "Domestic investment" and "International investment" are basically categorized by the countries where final exposure exists.

(2) Securities with no available fair value

[Non-consolidated]

	(Billions of Yen)		
	June 2017	Mar. 2017	Change
	Cost		
Available-for-sale securities	157.6	158.0	(0.3)
Japanese stocks	54.0	54.1	(0.1)
Japanese bonds	-	-	-
Others	103.5	103.8	(0.2)
Domestic investment (*)	64.9	65.8	(0.8)
International investment (*)	38.6	38.0	0.6

(*) "Domestic investment" and "International investment" are basically categorized by the countries where final exposure exists.

5. Deferred unrealized gains/ losses of derivative transactions qualified for hedge accounting

[Non-consolidated]

	(Billions of Yen)		
	June 2017	Mar. 2017	Change
Interest rate related	(22.4)	(20.0)	(2.4)
Interest rate swaps	(22.4)	(20.0)	(2.4)
Currency related	(2.8)	(3.1)	0.3
Total	(25.2)	(23.1)	(2.1)

Note: Before considering tax effect accounting.

6. Loans and Deposits (Banking a/c and principal guaranteed trust a/c combined)

(1) Balance of loans and deposits

[Non-consolidated]

	(Billions of Yen)				
	June 2017		Mar. 2017	Change	
	Total	Domestic branches	Total	Total	Domestic branches
Loans and bills discounted	28,408.0	24,565.7	28,206.1	201.8	117.7
Banking account	28,362.7	24,520.4	28,158.9	203.7	119.6
Principal guaranteed trust account	45.2	45.2	47.1	(1.9)	(1.9)
Deposits, Trust principal	31,043.4	26,662.3	32,911.7	(1,868.3)	(1,811.2)
Deposits (*)	28,460.5	24,079.4	29,019.3	(558.7)	(501.6)
Trust principal	2,582.8	2,582.8	3,892.4	(1,309.5)	(1,309.5)

(*) Excluding NCDs.

(2) Loans by industry

[Non-consolidated]

	(Billions of Yen)		
	June 2017	Mar. 2017	Change
Domestic branches (excluding offshore accounts)	24,565.1	24,447.2	117.8
Manufacturing	2,610.3	2,595.5	14.7
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	13.2	12.8	0.4
Construction	115.1	129.8	(14.7)
Electricity, gas, heat supply and water	894.0	891.3	2.7
Information and communications	418.4	405.0	13.4
Transport and postal activities	1,125.7	1,126.2	(0.4)
Wholesale and retail trade	1,199.2	1,219.7	(20.5)
Finance and insurance	2,696.1	2,977.0	(280.9)
Real estate	3,270.1	3,246.4	23.7
Goods rental and leasing	921.0	897.5	23.5
Others	11,301.4	10,945.5	355.8
Overseas branches and offshore accounts	3,842.8	3,758.8	83.9
Total	28,408.0	28,206.1	201.8

Note: The above table is made based on the categorization of "Survey on loans by industry" of Bank of Japan.

7. Problem assets based on the Financial Reconstruction Act (Banking a/c and principal guaranteed trust a/c combined)

(1) Problem assets based on the Financial Reconstruction Act (After partial direct written-off)

[Non-consolidated]

	(Billions of yen)					
	June 2017		Mar. 2017		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act (a)	65.2	60.8	71.2	66.1	(5.9)	(5.3)
Bankrupt and practically bankrupt	9.1	9.0	7.9	7.9	1.1	1.1
Doubtful	32.0	27.6	35.4	30.5	(3.4)	(2.9)
Substandard (b)	24.2	24.2	27.8	27.7	(3.6)	(3.6)
Ordinary assets	28,904.1	28,863.3	28,664.0	28,621.8	240.1	241.4
Assets to substandard debtors (excluding Substandard) (c)	1.2	1.2	1.2	1.2	0.0	0.0
Assets to other special mention debtors	495.7	484.8	554.3	543.3	(58.7)	(58.6)
Assets to ordinary debtors	28,407.2	28,377.3	28,108.4	28,077.3	298.8	300.0
Total balance (d)	28,969.3	28,924.1	28,735.2	28,688.0	234.2	236.1
Ratio to total balance (a) / (d)	0.2%	0.2%	0.2%	0.2%	(0.0%)	(0.0%)
Assets to substandard debtors (b) + (c)	25.4	25.4	29.0	29.0	(3.6)	(3.6)

Note : Partial direct written-off: June 2017: 13.9 billion yen, Mar. 2017: 13.8 billion yen

(2) Coverage ratio and allowance ratio of Problem assets based on the Financial Reconstruction Act

[Non-consolidated]

	(Billions of yen)					
	June 2017		Mar. 2017		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act	65.2	60.8	71.2	66.1	(5.9)	(5.3)
Coverage ratio	94.0%	93.6%	90.7%	90.0%	3.3%	3.6%
Allowance ratio	63.2%	63.2%	62.0%	62.0%	1.2%	1.2%
Bankrupt and practically bankrupt	9.1	9.0	7.9	7.9	1.1	1.1
Coverage ratio	100.0%	100.0%	100.0%	100.0%	- %	- %
Allowance ratio	100.0%	100.0%	100.0%	100.0%	- %	- %
Doubtful	32.0	27.6	35.4	30.5	(3.4)	(2.9)
Coverage ratio	95.8%	95.2%	88.9%	87.1%	6.9%	8.1%
Allowance ratio	68.6%	68.6%	62.8%	62.8%	5.8%	5.8%
Substandard	24.2	24.2	27.8	27.7	(3.6)	(3.6)
Coverage ratio	89.4%	89.4%	90.3%	90.3%	(0.9%)	(0.9%)
Allowance ratio	19.0%	19.0%	19.5%	19.5%	(0.5%)	(0.5%)

Note: Other than the above mentioned, there are Reserves for loan trust of 0.0 billion yen and Reserves for JOMT (Jointly-operated money trust) of 0.0 billion yen as of June 2017.

<Reference> Other referential financial figures of SuMi TRUST Bank

(1) Balance Sheets

[Non-consolidated]

	June 2017	Mar. 2017	Change
(Billions of yen)			
Assets:			
Cash and due from banks	13,580.2	13,963.7	(383.5)
Call loans	102.1	64.7	37.4
Receivables under resale agreements	83.7	83.8	(0.1)
Receivables under securities borrowing transactions	608.2	464.9	143.2
Monetary claims bought	88.8	92.9	(4.0)
Trading assets	643.6	663.0	(19.4)
Money held in trust	0.0	0.0	-
Securities	5,476.7	5,518.9	(42.2)
Loans and bills discounted	28,362.7	28,158.9	203.7
Foreign exchanges	31.7	16.1	15.5
Other assets	1,270.1	1,187.8	82.2
Tangible fixed assets	200.5	200.9	(0.4)
Intangible fixed assets	96.8	91.2	5.5
Prepaid pension expenses	159.0	160.2	(1.2)
Customers' liabilities for acceptances and guarantees	417.6	391.4	26.2
Allowance for loan losses	(83.2)	(90.0)	6.7
Total assets	51,039.0	50,969.2	69.7
Liabilities:			
Deposits	28,460.5	29,019.3	(558.7)
Negotiable certificates of deposit	7,240.3	7,523.2	(282.9)
Call money	1,808.7	400.1	1,408.5
Payables under repurchase agreements	1,070.3	1,063.7	6.6
Payables under securities lending transactions	18.6	13.6	4.9
Trading liabilities	378.0	366.8	11.2
Borrowed money	4,217.5	3,365.2	852.3
Foreign exchanges	1.2	2.2	(1.0)
Short-term bonds payable	338.9	418.8	(79.9)
Corporate bonds	978.6	1,029.0	(50.4)
Borrowed money from trust account	2,658.6	3,973.6	(1,314.9)
Other liabilities	1,006.3	920.7	85.5
Provision for bonuses	2.2	9.0	(6.8)
Provision for directors' bonuses	-	0.0	(0.0)
Provision for retirement benefits	0.7	0.6	0.0
Provision for reimbursement of deposits	3.5	3.5	-
Provision for contingent loss	8.4	7.7	0.6
Deferred tax liabilities	151.0	147.0	3.9
Deferred tax liabilities for land revaluation	3.0	3.0	-
Acceptances and guarantees	417.6	391.4	26.2
Total liabilities	48,764.6	48,659.5	105.1
Net assets:			
Capital stock	342.0	342.0	-
Capital surplus	456.2	492.2	(36.0)
Legal capital surplus	273.0	273.0	-
Other capital surplus	183.2	219.2	(36.0)
Retained earnings	1,004.2	1,004.7	(0.4)
Legal retained earnings	69.0	69.0	-
Other retained earnings	935.2	935.7	(0.4)
Other voluntary reserve	371.8	371.8	-
Retained earnings brought forward	563.3	563.8	(0.4)
Shareholders' equity	1,802.5	1,839.0	(36.4)
Valuation difference on available-for-sale securities	490.2	487.6	2.6
Deferred gains/ losses on hedges	(17.3)	(15.8)	(1.5)
Revaluation reserve for land	(1.0)	(1.0)	-
Valuation and translation adjustments	471.8	470.7	1.1
Total net assets	2,274.3	2,309.7	(35.3)
Total liabilities and net assets	51,039.0	50,969.2	69.7

(2) Statements of Income

[Non-consolidated]

(Billions of yen)			
	1QFY2017	1QFY2016	Change
Ordinary income	195.0	180.3	14.6
Trust fees	22.6	24.4	(1.7)
Interest income	95.5	78.9	16.5
Interest on loans and discounts	71.0	62.5	8.4
Interest and dividends on securities	17.5	11.6	5.8
Fees and commissions	43.5	43.9	(0.3)
Trading income	0.2	0.1	0.1
Other ordinary income	18.0	18.6	(0.6)
Other income	14.9	14.1	0.8
Ordinary expenses	149.7	147.5	2.2
Interest expenses	56.2	43.6	12.5
Interest on deposits	21.3	17.0	4.3
Fees and commissions payments	21.9	20.5	1.3
Trading expenses	0.0	0.2	(0.1)
Other ordinary expenses	2.9	14.1	(11.2)
General and administrative expenses	62.7	63.6	(0.8)
Other expenses	5.7	5.2	0.4
Ordinary profit	45.3	32.8	12.4
Extraordinary income	0.0	0.0	(0.0)
Extraordinary losses	0.0	0.4	(0.3)
Income before Income Taxes	45.2	32.3	12.8
Income taxes-Current	8.0	1.1	6.8
Income taxes-Deferred	3.4	6.7	(3.3)
Income taxes	11.4	7.9	3.5
Net income	33.7	24.4	9.3

(3) Statement of trust account

[Non-consolidated]

(Billions of yen)			
	June 2017	Mar. 2017	Change
Loans and bills discounted	1,382.0	1,410.0	(28.0)
Securities	2,551.2	3,077.7	(526.5)
Beneficiary rights	145,843.9	143,214.8	2,629.0
Securities held in custody accounts	29.1	29.2	(0.1)
Money claims	15,681.9	15,065.1	616.7
Tangible fixed assets	13,920.5	13,643.4	277.0
Intangible fixed assets	197.3	178.1	19.1
Other claims	7,097.6	7,451.1	(353.4)
Loans to banking account	2,658.6	3,973.6	(1,314.9)
Cash and due from banks	380.3	424.2	(43.8)
Total assets	189,742.7	188,467.7	1,275.0
Money trusts	29,324.4	30,217.8	(893.3)
Pension trusts	13,980.5	14,828.5	(848.0)
Property formation benefit trusts	17.9	17.5	0.3
Loan trusts	10.3	10.6	(0.2)
Securities investment trusts	69,882.0	69,115.2	766.8
Money entrusted, other than money trusts	17,005.7	15,544.8	1,460.9
Securities trusts	20,429.5	20,114.0	315.4
Money claim trusts	15,747.2	15,148.5	598.7
Land and fixtures trusts	110.1	109.3	0.7
Composite trusts	23,234.7	23,361.0	(126.3)
Total liabilities	189,742.7	188,467.7	1,275.0

Note: The amount of re-trusted assets to Japan Trustee Services Bank, Ltd. for asset administration is included in Beneficiary rights:

June 2017: 145,323.4 billion yen, Mar. 2017: 142,691.7 billion yen

(4) Breakdown of principal guaranteed trust a/c
[Non-consolidated]

		(Billions of yen)		
		June 2017	Mar. 2017	Change
Money trusts	Loans and bills discounted	45.2	47.1	(1.9)
	Securities	0.0	0.0	-
	Others	2,527.9	3,835.2	(1,307.2)
	Total assets	2,573.2	3,882.4	(1,309.1)
	Principal	2,572.8	3,882.1	(1,309.2)
	Reserves for JOMT (Jointly-operated money trust)	0.0	0.0	-
	Others	0.3	0.2	0.1
Total liabilities	2,573.2	3,882.4	(1,309.1)	
Loan trusts	Loans and bills discounted	-	-	-
	Securities	-	-	-
	Others	10.3	10.6	(0.2)
	Total assets	10.3	10.6	(0.2)
	Principal	9.9	10.2	(0.2)
	Reserves for loan trust	0.0	0.0	(0.0)
	Others	0.3	0.3	(0.0)
Total liabilities	10.3	10.6	(0.2)	