

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
Financial Results for the Three Months Ended June 30, 2018
[Japanese GAAP] (Consolidated)



July 27, 2018

Stock exchange listings: Tokyo and Nagoya (Code: 8309)
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Filing date of quarterly securities report
 (Shihanki Hokokusyo) (Scheduled): August 10, 2018
 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, 2018)

(1) Operating Results

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

Three Months Ended	Ordinary Income		Ordinary Profit		Net Income Attributable to Owners of the Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
June 30, 2018	338,576	7.5	66,608	8.5	44,490	10.9
June 30, 2017	315,035	9.1	61,418	25.8	40,123	24.4

(Note) Comprehensive Income: Three months ended June 30, 2018 ¥32,701 million, (30.4)%

Three months ended June 30, 2017 ¥46,998 million, -%

Three Months Ended	Net Income per Share of Common Stock	Fully Diluted Net Income per Share of Common Stock
	Yen	Yen
June 30, 2018	117.12	117.06
June 30, 2017	104.89	104.85

(2) Financial Position

As of	Total Assets	Net Assets	Net Assets to Total Assets Ratio
	Millions of Yen	Millions of Yen	%
June 30, 2018	67,345,518	2,870,917	3.9
March 31, 2018	68,356,798	2,872,325	3.8

(Reference) Shareholders' Equity: As of June 30, 2018 ¥2,620,976 million

As of March 31, 2018 ¥2,624,667 million

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

(Note 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, 2018	—	65.00	—	65.00	130.00
Ending March 31, 2019	—	65.00	—	65.00	130.00
Ending March 31, 2019 (Forecast)	—	65.00	—	65.00	130.00

(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, 2019)

(%: Changes from the previous fiscal year)

Fiscal Year Ending	Net Income Attributable to Owners of the Parent		Net Income per Share of Common Stock
	Millions of Yen	%	Yen
March 31, 2019	165,000	7.2	435.82

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

*Notes

(1) Changes in Significant Subsidiaries during the Three Months Ended June 30, 2018: 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 “1. (3) Notes to the Consolidated Financial Statements” on page 6 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: None

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: None

4) Restatements: None

(For further details, please refer to “1. (3) Notes to the Consolidated Financial Statements” on page 6 of Accompanying Materials.)

(4) Number of Shares Issued (Common Stock)

1) Number of shares issued (including treasury stock):

As of June 30, 2018	390,348,640 shares	As of March 31, 2018	390,348,640 shares
As of June 30, 2018	11,753,426 shares	As of March 31, 2018	9,816,662 shares
For the three months ended June 30, 2018	379,874,696 shares	For the three months ended June 30, 2017	382,539,134 shares

2) Number of treasury stock:

3) Average number of outstanding issued shares:

These consolidated financial results for the three months ended June 30, 2018 (the quarterly consolidated financial results), are out of the scope of the quarterly review procedures to be performed by certified public accountants or an audit firm.

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 consolidated financial results for the three-month period ended June 30, 2018, are based on information currently available to, and certain reasonable assumptions made by, SuMi TRUST Holdings. Moreover, SuMi TRUST Holdings does not guarantee the achievement of these forecasts, and actual results may differ significantly from the forecasts due to various factors. Please refer to the most recent relevant materials, including securities report, annual report, and other presentations disclosed by SuMi TRUST Holdings and its group companies, for further information that could significantly influence SuMi TRUST Holdings’ financial position and operating results, as well as investment decisions by investors.

[Accompanying Materials]

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1. Consolidated Financial Statements and Notes to the Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Millions of Yen)

	As of March 31, 2018	As of June 30, 2018
Assets:		
Cash and Due from Banks	28,841,328	27,499,323
Call Loans and Bills Bought	152,951	154,408
Receivables under Resale Agreements	63,531	79,481
Receivables under Securities Borrowing Transactions	675,295	707,500
Monetary Claims Bought	955,938	766,343
Trading Assets	363,294	397,527
Money Held in Trust	1,357	1,390
Securities	5,537,643	6,125,583
Loans and Bills Discounted	28,190,553	28,101,323
Foreign Exchanges	25,554	33,061
Lease Receivables and Investment Assets	677,238	666,200
Other Assets	1,868,132	1,761,165
Tangible Fixed Assets	214,386	212,795
Intangible Fixed Assets	197,235	196,048
Assets for Retirement Benefits	163,219	166,321
Deferred Tax Assets	23,127	22,890
Customers' Liabilities for Acceptances and Guarantees	508,930	555,546
Allowance for Loan Losses	(102,920)	(101,392)
Total Assets	68,356,798	67,345,518
Liabilities:		
Deposits	37,351,839	35,926,161
Negotiable Certificates of Deposit	6,563,336	6,471,107
Call Money and Bills Sold	146,931	73,778
Payables under Repurchase Agreements	1,454,855	1,593,045
Payables under Securities Lending Transactions	41,299	93,290
Trading Liabilities	266,148	247,888
Borrowed Money	4,370,083	4,274,296
Foreign Exchanges	1,984	2,699
Short-Term Bonds Payable	1,062,869	1,414,910
Bonds Payable	1,470,715	1,517,637
Borrowed Money from Trust Account	11,070,725	11,073,992
Other Liabilities	932,825	1,003,858
Provision for Bonuses	16,740	4,988
Provision for Directors' Bonuses	325	30
Liabilities for Retirement Benefits	14,159	14,231
Provision for Reward Points Program	18,457	18,845
Provision for Reimbursement of Deposits	3,548	3,548
Provision for Contingent Losses	4,628	1,718
Deferred Tax Liabilities	181,050	180,008
Deferred Tax Liabilities for Land Revaluation	3,016	3,016
Acceptances and Guarantees	508,930	555,546
Total Liabilities	65,484,472	64,474,600

(Continued)

(Millions of Yen)

	As of March 31, 2018	As of June 30, 2018
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	645,016	645,017
Retained Earnings	1,263,415	1,283,171
Treasury Stock	(42,224)	(51,229)
Total Shareholders' Equity	2,127,816	2,138,567
Valuation Differences on Available-for-Sale Securities	516,663	504,873
Deferred Gains (Losses) on Hedges	(22,746)	(23,745)
Revaluation Reserve for Land	(6,067)	(6,067)
Foreign Currency Translation Adjustments	4,281	2,172
Adjustments for Retirement Benefits	4,720	5,176
Total Accumulated Other Comprehensive Income	496,851	482,408
Subscription Rights to Shares	799	797
Non-Controlling Interests	246,858	249,143
Total Net Assets	2,872,325	2,870,917
Total Liabilities and Net Assets	68,356,798	67,345,518

(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, 2017	June 30, 2018
Ordinary Income:	315,035	338,576
Trust Fees	23,958	26,397
Interest Income:	97,342	116,600
Interest on Loans and Discounts	74,368	85,508
Interest and Dividends on Securities	15,207	18,722
Fees and Commissions	93,430	96,461
Trading Income	299	2,499
Other Ordinary Income	82,939	82,520
Other Income	17,065	14,097
Ordinary Expenses:	253,617	271,967
Interest Expenses:	55,874	81,832
Interest on Deposits	21,791	29,026
Fees and Commissions Payments	20,894	22,232
Trading Expenses	54	77
Other Ordinary Expenses	61,115	54,367
General and Administrative Expenses	108,653	109,341
Other Expenses	7,024	4,117
Ordinary Profit	61,418	66,608
Extraordinary Income:	2	–
Gains on Disposal of Fixed Assets	2	–
Extraordinary Losses:	77	229
Losses on Disposal of Fixed Assets	74	41
Impairment Losses	2	187
Income before Income Taxes	61,342	66,379
Income Taxes:	17,618	19,275
Current	13,651	14,863
Deferred	3,967	4,411
Net Income	43,723	47,104
Net Income Attributable to Non-Controlling Interests	3,600	2,613
Net Income Attributable to Owners of the Parent	40,123	44,490

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	For the Three Months Ended	
	June 30, 2017	June 30, 2018
Net Income	43,723	47,104
Other Comprehensive Income (Loss):	3,274	(14,402)
Valuation Differences on Available-for-Sale Securities	3,880	(11,663)
Deferred Gains (Losses) on Hedges	(2,376)	(1,230)
Foreign Currency Translation Adjustments	755	(2,326)
Adjustments for Retirement Benefits	1,421	458
Attributable to Equity-Method Affiliated Companies	(406)	357
Comprehensive Income:	46,998	32,701
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	43,368	30,048
Comprehensive Income Attributable to Non-Controlling Interests	3,630	2,653

(3) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumptions)

There is no applicable information.

(Notes on Significant Changes in Total Shareholders' Equity)

There is no applicable information.

(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.

(Changes in Accounting Policies)

The stocks classified as "Available-for-sale securities" that have market value are valued at the market price at the balance sheet date effective from the three-month period ended June 30, 2018, which were previously valued at the average market price during the final month of each quarterly period.

SuMi TRUST Holdings is currently in the efforts of enhancing company-wide risk management, including reduction of market price fluctuation risk and control of economic value of the strategic shareholdings. In the midst of such circumstances, SuMi TRUST Holdings adopted the above change in accounting policies since it came to a conclusion that the market price at the balance sheet date is more appropriate to represent the financial position of the SuMi TRUST Group as of that date, considering the finalization of Basel III reforms in December 2017 and recent discussions over strategic shareholdings.

The new accounting policy is not applied retrospectively, as its effects on the consolidated profit and loss for the three-month period ended June 30, 2017, and cumulative effects up to the beginning of the three-month period ended June 30, 2018, are immaterial.