

*Explanatory Material*

*1st Quarter of Fiscal Year 2018  
ended on June 30, 2018*



**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.

**Financial figures**

## 1. Status of profit and loss

[Consolidated]

		1QFY2018	1QFY2017	Change	(Millions of Yen) Full FY2017
Consolidated gross business profit (*1)	1	<b>165,970</b>	160,030	5,939	676,873
Consolidated gross business profit (after written-off of principal guaranteed trust a/c) (1 + 19)	2	<b>165,970</b>	160,030	5,939	676,873
Net interest income and related profit	3	<b>39,532</b>	44,273	(4,740)	193,315
Net interest income	4	<b>34,768</b>	41,467	(6,699)	180,057
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	<b>4,764</b>	2,805	1,959	13,257
Net fees and commissions and related profit	6	<b>95,861</b>	93,688	2,172	397,240
Net fees and commissions	7	<b>74,229</b>	72,535	1,693	309,906
Other trust fees	8	<b>21,632</b>	21,153	479	87,333
Net trading profit	9	<b>2,421</b>	245	2,176	10,035
Net other operating profit	10	<b>28,153</b>	21,823	6,329	76,282
Net gains on bonds	11	<b>1,713</b>	6,286	(4,572)	(5,694)
Net gains from derivatives other than for trading or hedging	12	<b>(226)</b>	2,520	(2,747)	9,144
General and administrative expenses	13	<b>(108,598)</b>	(106,144)	(2,454)	(432,924)
(excluding amortization of goodwill)	14	<b>(106,231)</b>	(103,777)	(2,453)	(423,455)
Personnel expenses	15	<b>(48,339)</b>	(48,569)	230	(197,406)
Non-personnel expenses excluding taxes	16	<b>(56,045)</b>	(53,180)	(2,864)	(217,780)
Taxes other than income taxes	17	<b>(4,214)</b>	(4,393)	179	(17,737)
Provision of general allowance for loan losses	18	<b>1,981</b>	-	1,981	-
Principal guaranteed trust a/c credit costs	19	-	-	-	-
Banking a/c credit costs	20	<b>(4,090)</b>	(1,086)	(3,003)	(5,122)
Written-off of loans	21	<b>(1,042)</b>	(1,011)	(30)	(4,538)
Provision of specific allowance for loan losses	22	<b>(3,042)</b>	-	(3,042)	-
Losses on sales of loans	23	<b>(5)</b>	(75)	69	(584)
Reversal of allowance for loan losses	24	-	2,641	(2,641)	5,292
Recoveries of written-off claims	25	<b>825</b>	587	238	2,818
Net gains on stocks	26	<b>6,591</b>	4,508	2,082	6,357
Losses on devaluation of stocks	27	<b>(0)</b>	-	(0)	(44)
Net income from affiliates by equity method	28	<b>(356)</b>	1,368	(1,724)	5,781
Others	29	<b>4,286</b>	(486)	4,773	(26,415)
<b>Ordinary profit</b>	30	<b>66,608</b>	61,418	5,190	232,661
Extraordinary profit	31	<b>(229)</b>	(75)	(153)	6,161
Income before income tax	32	<b>66,379</b>	61,342	5,037	238,822
Total income taxes	33	<b>(19,275)</b>	(17,618)	(1,656)	(73,075)
Income taxes-current	34	<b>(14,863)</b>	(13,651)	(1,212)	(57,646)
Income taxes-deferred	35	<b>(4,411)</b>	(3,967)	(444)	(15,429)
Net income	36	<b>47,104</b>	43,723	3,380	165,746
Net income attributable to non-controlling interests	37	<b>(2,613)</b>	(3,600)	986	(11,760)
<b>Net income attributable to owners of the parent</b>	38	<b>44,490</b>	<b>40,123</b>	<b>4,367</b>	<b>153,986</b>
Total credit costs (18 + 19 + 20 + 24 + 25)	39	<b>(1,284)</b>	2,141	(3,425)	2,988

(\*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)

<b>Consolidated net business profit before credit costs (*2)</b>	40	<b>64,266</b>	<b>60,488</b>	<b>3,777</b>	<b>270,558</b>
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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	<b>173,643</b>	166,777	6,866	705,751
Substantial net fees and commissions and related profit	42	<b>98,032</b>	94,921	3,110	405,426
Substantial general and administrative expenses	43	<b>(109,377)</b>	(106,288)	(3,088)	(435,192)
Consolidated Fee income ratio	44	<b>56.4%</b>	56.9%	(0.5%)	57.4%

&lt;Difference from non-consolidated financial results (\*3)&gt;

Net business profit before credit costs	45	<b>(12,327)</b>	20,113	(32,441)	80,805
Net income attributable to owners of the parent (*4)	46	<b>(27,559)</b>	6,364	(33,924)	36,006
Total credit costs	47	<b>(2,287)</b>	(25)	(2,262)	(4,034)
Net gains on stocks	48	<b>823</b>	(916)	1,740	371

(\*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".

&lt;Number of subsidiaries/ affiliates&gt;

		June 2018	Mar. 2018	Change
Consolidated subsidiaries	49	<b>64</b>	64	-
Affiliates (subject to the equity method)	50	<b>26</b>	24	2

[Non-consolidated]

		1QFY2018	1QFY2017	Change	(Millions of Yen) Full FY2017
Gross business profit	1	<b>134,288</b>	98,875	35,412	426,852
Gross business profit (after written-off of principal guaranteed trust a/c) (1 + 21)	2	<b>134,288</b>	98,875	35,412	426,852
Net interest income and related profit	3	<b>67,647</b>	42,086	25,560	176,579
Net interest income	4	<b>62,882</b>	39,281	23,601	163,321
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	<b>4,764</b>	2,805	1,959	13,257
Net fees and commissions and related profit	6	<b>42,279</b>	41,474	805	190,285
Net fees and commissions	7	<b>22,151</b>	21,641	509	108,672
Other trust fees	8	<b>20,128</b>	19,832	295	81,612
Net trading income	9	<b>2,421</b>	245	2,176	10,421
Net other operating profit	10	<b>21,938</b>	15,069	6,869	49,566
Net gains on foreign exchange transactions	11	<b>20,392</b>	6,340	14,051	45,346
Net gains on bonds	12	<b>1,706</b>	6,399	(4,693)	(5,750)
Net gains from derivatives other than for trading or hedging	13	<b>(171)</b>	2,420	(2,591)	9,464
General and administrative expenses	14	<b>(57,694)</b>	(58,501)	807	(237,099)
Personnel expenses	15	<b>(26,877)</b>	(26,639)	(238)	(109,584)
Non-personnel expenses	16	<b>(27,584)</b>	(28,483)	898	(114,831)
Taxes other than income taxes	17	<b>(3,231)</b>	(3,378)	146	(12,683)
<b>Net business profit before credit costs (1 + 14)</b>	18	<b>76,593</b>	40,374	36,219	189,752
(Excluding Net gains on bonds) (18 - 12)	19	<b>74,886</b>	33,974	40,912	195,503
Provision of general allowance for loan losses	20	-	-	-	-
Principal guaranteed trust a/c credit costs	21	-	-	-	-
Net business profit	22	<b>76,593</b>	40,374	36,219	189,752
Net non-recurring profit	23	<b>10,425</b>	4,934	5,491	(16,784)
Banking a/c credit costs	24	<b>(958)</b>	(955)	(3)	(1,635)
Written-off of loans	25	<b>(952)</b>	(879)	(72)	(1,539)
Provision of specific allowance for loan losses	26	-	-	-	-
Losses on sales of loans	27	<b>(5)</b>	(75)	69	(96)
Reversal of allowance for loan losses	28	<b>1,375</b>	2,836	(1,461)	7,809
Recoveries of written-off claims	29	<b>586</b>	286	300	849
Net gains on stocks	30	<b>5,768</b>	5,425	342	5,985
Losses on devaluation of stocks	31	-	-	-	(36)
Others	32	<b>3,652</b>	(2,659)	6,312	(29,793)
Amortization of net actuarial losses/ prior service cost	33	<b>(836)</b>	(4,088)	3,252	(16,312)
Provision for contingent loss	34	<b>2,909</b>	(692)	3,602	3,145
Losses on investment in partnerships	35	<b>(298)</b>	(798)	499	(2,140)
Net gains on stock related derivatives	36	<b>1,642</b>	(808)	2,450	(2,432)
<b>Ordinary profit</b>	37	<b>87,019</b>	45,308	41,710	172,967
Extraordinary profit	38	<b>(196)</b>	(63)	(132)	(8,312)
Net gains on disposal of fixed assets	39	<b>(9)</b>	(61)	51	(534)
Impairment loss on fixed assets	40	<b>(187)</b>	(2)	(184)	(7,778)
Income before income taxes	41	<b>86,822</b>	45,244	41,577	164,655
Total income taxes	42	<b>(14,771)</b>	(11,486)	(3,285)	(46,675)
Income taxes-current	43	<b>(10,875)</b>	(8,075)	(2,799)	(36,227)
Income taxes-deferred	44	<b>(3,895)</b>	(3,410)	(485)	(10,448)
<b>Net income</b>	45	<b>72,050</b>	33,758	38,291	117,980
Total credit costs (20 + 21 + 24 + 28 + 29)	46	<b>1,003</b>	2,167	(1,163)	7,022
Overhead ratio (-14/1)	47	<b>42.96%</b>	59.17%	(16.21%)	55.55%

## 2. Breakdown of profit by business group

## (1) Gross business profit

[Non-consolidated]

	(Billions of yen)		
	1QFY2018	1QFY2017	Change
Retail total solution services	33.7	29.8	3.8
Wholesale financial services (*1)	28.4	25.4	2.9
Stock transfer agency services	10.6	10.4	0.1
Real estate	3.8	6.1	(2.2)
Fiduciary services	23.5	22.8	0.6
Global markets	15.6	17.1	(1.5)
Fees paid out for outsourcing	(11.2)	(10.9)	(0.3)
Stock transfer agency services	(2.9)	(3.1)	0.1
Fiduciary services	(8.2)	(7.7)	(0.4)
Others (*2)	29.5	(2.1)	31.7
<b>Gross business profit</b>	<b>134.2</b>	<b>98.8</b>	<b>35.4</b>

(\*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)		
	1QFY2018	1QFY2017	Change
Retail total solution services	7.3	6.2	1.0
Wholesale financial services (*1)	24.6	23.1	1.5
Stock transfer agency services	7.1	6.9	0.1
Real estate	3.1	5.3	(2.2)
Fiduciary services	14.5	12.7	1.7
Global markets	11.8	13.5	(1.7)
Others (*2)	(4.2)	(7.5)	3.2
<b>Net business profit before credit costs</b>	<b>64.2</b>	<b>60.4</b>	<b>3.7</b>

(\*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) Treatment of offsetting transactions among the subsidiaries in calculation for breakdown of profit by business on a consolidated basis is partially changed.

[Non-consolidated]

	(Billions of yen)		
	1QFY2018	1QFY2017	Change
Retail total solution services	3.8	0.8	3.0
Wholesale financial services (*1)	17.7	15.8	1.8
Stock transfer agency services	6.7	6.5	0.2
Real estate	1.5	3.9	(2.4)
Fiduciary services	8.3	8.2	0.1
Global markets	11.8	13.5	(1.7)
Others (*2)	26.5	(8.6)	35.1
<b>Net business profit before credit costs</b>	<b>76.5</b>	<b>40.3</b>	<b>36.2</b>

(\*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]

	1QFY2018	2HFY2017	1HFY2017	(%) Change from 2HFY2017
Average yield on interest-earning assets (A)	<b>0.83</b>	0.56	0.58	0.27
Loans and bills discounted (B)	<b>0.70</b>	0.71	0.70	(0.01)
Securities	<b>4.62</b>	1.44	1.45	3.18
Average yield on interest-bearing liabilities (C)	<b>0.16</b>	0.16	0.18	0.00
Deposits (D)	<b>0.10</b>	0.12	0.15	(0.02)
Gross margin (A) - (C)	<b>0.67</b>	0.40	0.40	0.27
Loan-deposit margin (B) - (D)	<b>0.60</b>	0.59	0.55	0.01

### 4. Unrealized gains/ losses on investment securities

(1) Securities with fair value

[Consolidated]

	June 2018				Mar. 2018		Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	<b>4,951.8</b>	<b>723.1</b>	<b>941.4</b>	<b>(218.2)</b>	4,362.1	739.2	589.6	(16.1)
Japanese stocks (*)	<b>626.5</b>	<b>903.0</b>	<b>915.5</b>	<b>(12.4)</b>	630.4	876.2	(3.9)	26.8
Japanese bonds	<b>1,022.7</b>	<b>2.4</b>	<b>3.2</b>	<b>(0.7)</b>	815.8	2.2	206.8	0.1
Government bonds	<b>458.4</b>	<b>0.2</b>	<b>0.2</b>	<b>(0.0)</b>	241.3	0.1	217.1	0.0
Local government bonds	<b>7.4</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	7.2	(0.0)	0.1	0.0
Corporate bonds	<b>556.8</b>	<b>2.2</b>	<b>2.8</b>	<b>(0.6)</b>	567.2	2.1	(10.4)	0.0
Others	<b>3,302.5</b>	<b>(182.3)</b>	<b>22.7</b>	<b>(205.0)</b>	2,915.7	(139.2)	386.7	(43.1)
Held-to-maturity debt securities	<b>261.2</b>	<b>21.2</b>	<b>21.2</b>	<b>-</b>	264.9	21.9	(3.7)	(0.6)

(\*) From FY2018, fair value of listed stocks included in "Available-for-sale securities" is determined based on the quoted market price over the consolidated balance sheet date, which was previously determined based on the average quoted market price over the month preceding the consolidated balance sheet date.

[Non-consolidated]

	June 2018				Mar. 2018		Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	<b>4,918.1</b>	<b>738.7</b>	<b>960.7</b>	<b>(222.0)</b>	4,361.3	754.0	556.7	(15.2)
Japanese stocks (*)	<b>601.6</b>	<b>925.1</b>	<b>939.6</b>	<b>(14.5)</b>	606.4	897.2	(4.7)	27.8
Japanese bonds	<b>1,065.6</b>	<b>1.1</b>	<b>3.2</b>	<b>(2.0)</b>	887.7	0.9	177.8	0.2
Government bonds	<b>430.8</b>	<b>0.2</b>	<b>0.2</b>	<b>(0.0)</b>	241.3	0.1	189.5	0.0
Local government bonds	<b>7.4</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	7.2	(0.0)	0.1	0.0
Corporate bonds	<b>627.3</b>	<b>0.9</b>	<b>2.8</b>	<b>(1.9)</b>	639.1	0.7	(11.7)	0.1
Others	<b>3,250.8</b>	<b>(187.5)</b>	<b>17.8</b>	<b>(205.4)</b>	2,867.2	(144.2)	383.6	(43.3)
Held-to-maturity debt securities	<b>191.4</b>	<b>21.1</b>	<b>21.1</b>	<b>-</b>	193.5	21.8	(2.1)	(0.6)

(\*) From FY2018, fair value of listed stocks included in "Available-for-sale securities" is determined based on the quoted market price over the consolidated balance sheet date, which was previously determined based on the average quoted market price over the month preceding the consolidated balance sheet date.

## &lt;Reference 1&gt;

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

[Non-consolidated]

	(Billions of Yen)					
	June 2018		Mar. 2018		Change	
	Cost	Net	Cost	Net	Cost	Net
Domestic investment (*1)	82.7	1.7	82.1	1.7	0.5	(0.0)
Asset-backed securities	20.5	0.7	22.3	0.7	(1.7)	0.0
Others	62.1	0.9	59.8	1.0	2.3	(0.0)
International investment (*1)	1,628.8	(18.9)	1,254.0	(16.8)	374.7	(2.1)
Foreign government bonds	1,615.5	(20.6)	1,240.4	(18.4)	375.0	(2.1)
US Treasury	744.8	(18.9)	496.1	(18.7)	248.7	(0.1)
European government bonds (*2)	66.6	0.3	129.4	1.2	(62.7)	(0.8)
US agency MBS	182.5	(3.7)	112.0	(3.1)	70.5	(0.5)
Corporate bonds, etc. (*3)	597.3	1.7	479.2	2.3	118.0	(0.5)
Foreign stocks and others	13.3	1.6	13.6	1.5	(0.2)	0.0
Others (Investment trust, etc.) (*4)	1,539.2	(170.2)	1,530.9	(129.1)	8.2	(41.1)
Total	3,250.8	(187.5)	2,867.2	(144.2)	383.6	(43.3)

(\*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".

## &lt;Reference 2&gt;

## Breakdown of "Held-to-maturity debt securities"

[Non-consolidated]

	(Billions of Yen)					
	June 2018		Mar. 2018		Change	
	Cost	Net	Cost	Net	Cost	Net
Held-to-maturity debt securities	191.4	21.1	193.5	21.8	(2.1)	(0.6)
Japanese Government Bonds	119.0	19.6	119.1	19.8	(0.0)	(0.2)
Japanese Local Government Bonds	-	-	-	-	-	-
Japanese Corporate Bonds	29.0	0.6	29.0	0.5	-	0.0
Others	43.4	0.9	45.4	1.4	(2.0)	(0.5)
Domestic investment (*)	9.2	0.0	9.7	0.0	(0.4)	0.0
International investment (*)	34.1	0.8	35.7	1.4	(1.5)	(0.5)

(\*) "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 2018	Mar. 2018	Change
	Cost		
Available-for-sale securities	182.0	176.0	6.0
Japanese stocks	54.5	54.4	0.0
Japanese bonds	-	-	-
Others	127.4	121.5	5.9
Domestic investment (*)	78.4	76.1	2.3
International investment (*)	48.9	45.4	3.5

(\*) "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 2018	Mar. 2018	Change
Interest rate related	(27.0)	(27.5)	0.4
Interest rate swaps	(27.0)	(27.5)	0.4
Currency related	1.0	1.2	(0.1)
<b>Total</b>	<b>(25.9)</b>	<b>(26.2)</b>	<b>0.3</b>

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 2018		Mar. 2018	Change	
	Total	Domestic branches	Total	Total	Domestic branches
Loans and bills discounted	28,106.2	24,395.9	28,295.3	(189.0)	(313.4)
Banking account	28,071.3	24,361.1	28,259.0	(187.7)	(312.1)
Principal guaranteed trust account	34.8	34.8	36.2	(1.3)	(1.3)
Deposits, Trust principal	34,306.3	29,324.4	34,466.5	(160.2)	(135.4)
Deposits (*)	29,508.4	24,526.5	29,392.2	116.1	141.0
Trust principal	4,797.8	4,797.8	5,074.3	(276.4)	(276.4)

(\*) Excluding NCDs.

### (2) Loans by industry

[Non-consolidated]

	(Billions of Yen)		
	June 2018	Mar. 2018	Change
Domestic branches (excluding offshore accounts)	24,395.9	24,709.4	(313.4)
Manufacturing	2,527.4	2,486.2	41.2
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	8.8	12.1	(3.2)
Construction	120.7	120.4	0.3
Electricity, gas, heat supply and water	1,029.9	1,047.7	(17.7)
Information and communications	405.9	412.2	(6.2)
Transport and postal activities	1,140.2	1,111.4	28.8
Wholesale and retail trade	1,188.3	1,171.8	16.4
Finance and insurance	2,536.3	2,805.6	(269.3)
Real estate	3,395.4	3,427.5	(32.0)
Goods rental and leasing	971.3	986.2	(14.8)
Others	11,071.1	11,128.0	(56.8)
Overseas branches and offshore accounts	3,710.2	3,585.8	124.3
<b>Total</b>	<b>28,106.2</b>	<b>28,295.3</b>	<b>(189.0)</b>

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 2018		Mar. 2018		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act (a)	<b>55.9</b>	<b>55.1</b>	56.7	55.8	(0.8)	(0.8)
Bankrupt and practically bankrupt	<b>12.1</b>	<b>12.1</b>	12.0	12.0	0.1	0.1
Doubtful	<b>26.4</b>	<b>25.6</b>	27.0	26.2	(0.6)	(0.6)
Substandard (b)	<b>17.4</b>	<b>17.4</b>	17.7	17.6	(0.2)	(0.2)
Ordinary assets	<b>28,624.2</b>	<b>28,590.2</b>	28,761.7	28,726.4	(137.5)	(136.2)
Assets to substandard debtors (excluding Substandard) (c)	<b>1.0</b>	<b>1.0</b>	1.3	1.3	(0.3)	(0.3)
Assets to other special mention debtors	<b>528.4</b>	<b>518.6</b>	547.1	537.2	(18.7)	(18.6)
Assets to ordinary debtors	<b>28,094.8</b>	<b>28,070.6</b>	28,213.3	28,187.9	(118.5)	(117.2)
Total balance (d)	<b>28,680.2</b>	<b>28,645.3</b>	28,818.4	28,782.2	(138.3)	(136.9)
Ratio to total balance (a) / (d)	<b>0.2%</b>	<b>0.2%</b>	0.2%	0.2%	(0.0%)	(0.0%)
Assets to substandard debtors (b) + (c)	<b>18.4</b>	<b>18.4</b>	19.0	18.9	(0.6)	(0.6)

Note : Partial direct written-off: June 2018: 8.8 billion yen, Mar. 2018: 9.3 billion yen

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

[Non-consolidated]

	(Billions of yen)					
	June 2018		Mar. 2018		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act	<b>55.9</b>	<b>55.1</b>	56.7	55.8	(0.8)	(0.8)
Coverage ratio	<b>95.8%</b>	<b>95.7%</b>	95.8%	95.7%	(0.0%)	(0.0%)
Allowance ratio	<b>78.8%</b>	<b>78.8%</b>	78.4%	78.4%	0.4%	0.4%
Bankrupt and practically bankrupt	<b>12.1</b>	<b>12.1</b>	12.0	12.0	0.1	0.1
Coverage ratio	<b>100.0%</b>	<b>100.0%</b>	100.0%	100.0%	- %	- %
Allowance ratio	<b>100.0%</b>	<b>100.0%</b>	100.0%	100.0%	- %	- %
Doubtful	<b>26.4</b>	<b>25.6</b>	27.0	26.2	(0.6)	(0.6)
Coverage ratio	<b>92.7%</b>	<b>92.4%</b>	92.9%	92.7%	(0.2%)	(0.3%)
Allowance ratio	<b>74.6%</b>	<b>74.6%</b>	74.6%	74.6%	(0.0%)	(0.0%)
Substandard	<b>17.4</b>	<b>17.4</b>	17.7	17.6	(0.2)	(0.2)
Coverage ratio	<b>97.5%</b>	<b>97.5%</b>	97.4%	97.4%	0.1%	0.1%
Allowance ratio	<b>32.6%</b>	<b>32.6%</b>	34.7%	34.7%	(2.1%)	(2.1%)

Note: Other than the above mentioned, there is Reserves for JOMT (Jointly-operated money trust) of 0.0 billion yen as of June 2018.

## &lt;Reference&gt; Other referential financial figures of SuMi TRUST Bank

## (1) Balance Sheets

[Non-consolidated]

	(Billions of yen)		
	June 2018	Mar. 2018	Change
<b>Assets:</b>			
Cash and due from banks	15,225.6	15,408.1	(182.5)
Call loans	94.4	92.9	1.4
Receivables under resale agreements	79.4	63.5	15.9
Receivables under securities borrowing transactions	699.1	624.0	75.1
Monetary claims bought	55.8	67.7	(11.9)
Trading assets	484.1	470.8	13.2
Money held in trust	0.0	0.0	-
Securities	6,528.7	5,972.3	556.3
Loans and bills discounted	28,071.3	28,259.0	(187.7)
Foreign exchanges	33.0	25.5	7.5
Other assets	1,285.9	1,428.8	(142.8)
Tangible fixed assets	197.3	198.3	(1.0)
Intangible fixed assets	69.5	66.9	2.5
Prepaid pension expenses	163.4	161.2	2.2
Customers' liabilities for acceptances and guarantees	447.0	398.7	48.2
Allowance for loan losses	(76.1)	(77.1)	0.9
<b>Total assets</b>	<b>53,359.0</b>	<b>53,161.4</b>	<b>197.6</b>
<b>Liabilities:</b>			
Deposits	29,508.4	29,392.2	116.1
Negotiable certificates of deposit	6,575.5	6,758.9	(183.4)
Call money	423.0	494.8	(71.7)
Payables under repurchase agreements	1,593.0	1,454.8	138.1
Payables under securities lending transactions	93.2	41.2	51.9
Trading liabilities	247.8	266.1	(18.2)
Borrowed money	4,340.2	4,367.1	(26.9)
Foreign exchanges	21.2	1.9	19.2
Short-term bonds payable	955.1	605.2	349.8
Corporate bonds	941.9	944.9	(3.0)
Borrowed money from trust account	4,907.5	5,172.4	(264.9)
Other liabilities	778.6	695.8	82.7
Provision for bonuses	2.2	8.9	(6.6)
Provision for directors' bonuses	-	0.0	(0.0)
Provision for retirement benefits	0.7	0.7	(0.0)
Provision for reimbursement of deposits	3.5	3.5	-
Provision for contingent loss	1.7	4.6	(2.9)
Deferred tax liabilities	172.7	173.4	(0.6)
Deferred tax liabilities for land revaluation	3.0	3.0	-
Acceptances and guarantees	447.0	398.7	48.2
<b>Total liabilities</b>	<b>51,017.0</b>	<b>50,789.1</b>	<b>227.8</b>
<b>Net assets:</b>			
Capital stock	342.0	342.0	-
Capital surplus	410.2	456.2	(46.0)
Legal capital surplus	273.0	273.0	-
Other capital surplus	137.1	183.2	(46.0)
Retained earnings	1,094.4	1,067.6	26.7
Legal retained earnings	69.0	69.0	-
Other retained earnings	1,025.4	998.6	26.7
Other voluntary reserve	371.8	371.8	-
Retained earnings brought forward	653.5	626.7	26.7
<b>Shareholders' equity</b>	<b>1,846.7</b>	<b>1,865.9</b>	<b>(19.2)</b>
Valuation difference on available-for-sale securities	514.7	525.8	(11.1)
Deferred gains/ losses on hedges	(17.9)	(18.1)	0.1
Revaluation reserve for land	(1.4)	(1.4)	(0.0)
Valuation and translation adjustments	495.3	506.3	(10.9)
<b>Total net assets</b>	<b>2,342.0</b>	<b>2,372.2</b>	<b>(30.2)</b>
<b>Total liabilities and net assets</b>	<b>53,359.0</b>	<b>53,161.4</b>	<b>197.6</b>

(2) Statements of Income  
[Non-consolidated]

	(Billions of yen)		
	1QFY2018	1QFY2017	Change
Ordinary income	<b>254.9</b>	195.0	59.9
Trust fees	<b>24.8</b>	22.6	2.2
Interest income	<b>144.4</b>	95.5	48.8
Interest on loans and discounts	81.6	71.0	10.6
Interest and dividends on securities	51.6	17.5	34.1
Fees and commissions	<b>44.3</b>	43.5	0.7
Trading income	<b>2.4</b>	0.2	2.1
Other ordinary income	<b>25.3</b>	18.0	7.3
Other income	<b>13.4</b>	14.9	(1.4)
Ordinary expenses	<b>167.9</b>	149.7	18.2
Interest expenses	<b>81.5</b>	56.2	25.2
Interest on deposits	28.0	21.3	6.6
Fees and commissions payments	<b>22.1</b>	21.9	0.2
Trading expenses	<b>0.0</b>	0.0	0.0
Other ordinary expenses	<b>3.3</b>	2.9	0.4
General and administrative expenses	<b>58.5</b>	62.7	(4.2)
Other expenses	<b>2.1</b>	5.7	(3.5)
Ordinary profit	<b>87.0</b>	45.3	41.7
Extraordinary income	-	0.0	(0.0)
Extraordinary losses	<b>0.1</b>	0.0	0.1
Income before Income Taxes	<b>86.8</b>	45.2	41.5
Income taxes-Current	<b>10.8</b>	8.0	2.7
Income taxes-Deferred	<b>3.8</b>	3.4	0.4
Income taxes	<b>14.7</b>	11.4	3.2
Net income	<b>72.0</b>	33.7	38.2

(3) Statement of trust account  
[Non-consolidated]

	(Billions of yen)		
	June 2018	Mar. 2018	Change
Loans and bills discounted	1,274.0	1,306.3	(32.3)
Securities	1,731.0	1,834.4	(103.3)
Beneficiary rights	153,558.9	153,552.8	6.0
Securities held in custody accounts	28.0	29.3	(1.2)
Money claims	17,538.6	17,142.5	396.1
Tangible fixed assets	14,935.6	14,717.2	218.3
Intangible fixed assets	205.1	205.5	(0.4)
Other claims	7,251.2	7,287.6	(36.4)
Loans to banking account	4,907.5	5,172.4	(264.9)
Cash and due from banks	417.8	449.6	(31.7)
<b>Total assets</b>	<b>201,848.2</b>	<b>201,698.1</b>	<b>150.0</b>
Money trusts	32,038.9	31,416.6	622.2
Pension trusts	13,898.5	13,720.5	178.0
Property formation benefit trusts	18.2	17.9	0.3
Securities investment trusts	71,546.7	74,634.2	(3,087.4)
Money entrusted, other than money trusts	23,115.0	21,572.4	1,542.5
Securities trusts	19,850.8	19,411.0	439.8
Money claim trusts	17,648.4	17,265.8	382.5
Land and fixtures trusts	78.0	89.4	(11.4)
Composite trusts	23,653.4	23,570.0	83.3
<b>Total liabilities</b>	<b>201,848.2</b>	<b>201,698.1</b>	<b>150.0</b>

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

June 2018: 152,831.5 billion yen, Mar. 2018: 152,855.5 billion yen

	(Billions of yen)		
	June 2018	Mar. 2018	Change
Loans and bills discounted	34.8	36.2	(1.3)
Securities	0.0	0.0	-
Others	4,763.4	5,038.4	(275.0)
<b>Total assets</b>	<b>4,798.3</b>	<b>5,074.7</b>	<b>(276.3)</b>
Principal	4,797.8	5,074.3	(276.4)
Reserves for JOMT (Jointly-operated money trust)	0.0	0.0	-
Others	0.4	0.3	0.0
<b>Total liabilities</b>	<b>4,798.3</b>	<b>5,074.7</b>	<b>(276.3)</b>

Money trusts