

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)
 Financial Results for the Fiscal Year Ended March 31, 2019
 [Japanese GAAP] (Consolidated)



May 15, 2019

Stock exchange listings:	Tokyo and Nagoya (Code: 8309)
URL:	https://www.smth.jp/en/index.html
Representative:	Tetsuo Ohkubo, President
Contact:	Shinichi Nonomura, Executive Officer, General Manager of Financial Planning Department
	TEL +81-3-3286-8354
Date of ordinary general meeting of shareholders:	June 27, 2019
Filing date of securities report (Yukasyoken Hokokusyo) (Scheduled):	June 28, 2019
Specific trading accounts:	Established
Dividend payment date:	June 28, 2019
Explanatory material:	Prepared
Briefing on financial results:	Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results (for the Fiscal Year Ended March 31, 2019)

(1) Operating Results

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

Fiscal Year Ended	Ordinary Income		Ordinary Profit		Net Income Attributable to Owners of the Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2019	1,467,916	8.7	256,411	10.2	173,889	12.9
March 31, 2018	1,350,946	7.1	232,661	18.5	153,986	26.8

(Note) Comprehensive Income: Fiscal year ended March 31, 2019 ¥93,925 million, (59.5)%

Fiscal year ended March 31, 2018 ¥231,696 million, 49.1%

Fiscal Year Ended	Net Income per Share of Common Stock	Fully Diluted Net Income per Share of Common Stock	Net Income to Net Assets Ratio	Ordinary Profit to Total Assets Ratio	Ordinary Profit to Ordinary Income Ratio
	Yen	Yen	%	%	%
March 31, 2019	458.91	458.65	6.6	0.4	17.5
March 31, 2018	403.92	403.75	6.1	0.3	17.2

(Reference) Equity in Earnings (Losses) of Affiliated Companies: Fiscal year ended March 31, 2019 ¥5,967 million

Fiscal year ended March 31, 2018 ¥5,781 million

(2) Financial Position

As of	Total Assets	Net Assets	Net Assets to Total Assets Ratio	Net Assets per Share of Common Stock
	Millions of Yen	Millions of Yen	%	Yen
March 31, 2019	57,029,113	2,730,356	4.7	7,008.67
March 31, 2018	68,356,798	2,872,325	3.8	6,897.36

(Reference) Shareholders' Equity: As of March 31, 2019 ¥2,653,461 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.

(3) Cash Flows

Fiscal Year Ended	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at the End of the Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2019	374,318	(225,399)	(136,766)	14,079,768
March 31, 2018	2,840,458	(745,854)	(76,869)	26,540,249

2. Cash Dividends per Share of Common Stock

	Annual Cash Dividends per Share of Common Stock					Total Dividends Payment (Annual)	Payout Ratio (Consolidated)	Dividends to Net Asset Ratio (Consolidated)
	1st Quarter-End	2nd Quarter-End	3rd Quarter-End	Fiscal Year-End	Total			
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2018	—	65.00	—	65.00	130.00	49,469	32.2	2.0
March 31, 2019	—	65.00	—	75.00	140.00	53,003	30.5	2.0
Fiscal Year Ending								
March 31, 2020 (Forecast)	—	75.00	—	75.00	150.00		31.5	

3. Consolidated Earnings Forecast (for the Fiscal Year Ending March 31, 2020)

(%: Changes from the same period in 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, 2020	180,000	3.5	475.44

*Notes

(1) Changes in Significant Subsidiaries during the Fiscal Year Ended March 31, 2019: Yes

(Changes in “specified subsidiaries” resulted in changes in the scope of consolidation)

Included: — (—)
 CMTH Preferred Capital 6 (Cayman) Limited
 Excluded: 3 companies STB Preferred Capital 4 (Cayman) Limited
 Japan Trustee Services Bank, Ltd.

(2) 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 “3. (5) Notes to the Consolidated Financial Statements (Changes in Accounting Policies)” on page 12 of Accompanying Materials.)

(3) Number of Shares Issued (Common Stock)

1) Number of shares issued (including treasury stock):	As of March 31, 2019	390,348,640 shares	As of March 31, 2018	390,348,640 shares
2) Number of treasury stock:	As of March 31, 2019	11,751,722 shares	As of March 31, 2018	9,816,662 shares
3) Average number of outstanding issued shares:	For the fiscal year ended March 31, 2019	378,915,552 shares	For the fiscal year ended March 31, 2018	381,230,365 shares

(For further details, please refer to “3. (5) Notes to the Consolidated Financial Statements (Per Share of Common Stock Information)” on page 15 of Accompanying Materials.)

These consolidated financial results for the year ended March 31, 2019, are out of the scope of the year-end audit 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 year ended March 31, 2019, 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.

A briefing on financial results will be held for institutional investors and analysts. The contents of the meeting, such as explanations about financial results, will be posted on SuMi TRUST Holdings’ website, together with the explanatory material to be used on the day.

[Accompanying Materials]

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1. Operating Results

(1) Analysis of Consolidated Operating Results

For the fiscal year ended March 31, 2019, “Net Business Profit” increased by ¥11.6 billion from the previous fiscal year to ¥282.2 billion, primarily due to an increase in international interest related earnings, as well as increases in fees and commissions related income from stock transfer agency services business and the asset management business of group companies.

“Ordinary Profit” increased by ¥23.7 billion from the previous fiscal year to ¥256.4 billion. The increase primarily reflects an increase in net gains on stocks as a result of promotion to reduce strategic shareholdings, partially offset by credit costs newly incurred due to downgrading the classification of debtors.

“Net Income Attributable to Owners of the Parent” increased by ¥19.9 billion from the previous fiscal year to ¥173.8 billion due to an extraordinary loss recognized for impairment of goodwill of a subsidiary, offset by a tax effect from introduction of consolidated taxation.

(Reference)

	(Billions of Yen)		
	Fiscal Year Ended	Changes from the Fiscal Year Ended	Fiscal Year Ended
	March 31, 2019	March 31, 2018	March 31, 2018
Substantial Gross Business Profit	722.6	16.9	705.7
General and Administrative Expenses	(440.4)	(5.2)	(435.1)
Net Business Profit	282.2	11.6	270.5
Ordinary Profit	256.4	23.7	232.6
Net Income Attributable to Owners of the Parent	173.8	19.9	153.9
Credit Costs	(2.9)	(5.9)	2.9
Net Gains on Stocks	13.7	7.3	6.3

(2) Analysis of Consolidated Financial Position

As of March 31, 2019, “Total Assets” decreased by ¥11,327.6 billion to ¥57,029.1 billion and “Total Net Assets” decreased by ¥141.9 billion to ¥2,730.3 billion from the end of the previous fiscal year.

In particular, “Cash and Due from Banks” decreased by ¥12,795.4 billion to ¥16,045.8 billion, “Loans and Bills Discounted” increased by ¥835.1 billion to ¥29,025.7 billion, “Securities” increased by ¥221.8 billion to ¥5,759.5 billion, and “Deposits” decreased by ¥5,448.2 billion to ¥31,903.5 billion, compared with those as of the end of the previous fiscal year.

(3) Analysis of Consolidated Cash Flows

“Net Cash Provided by Operating Activities” totaled ¥374.3 billion, a year-on-year decrease of ¥2,466.1 billion, and “Net Cash Used in Investing Activities” totaled ¥225.3 billion, a year-on-year decrease of ¥520.4 billion, and “Net Cash Used in Financing Activities” totaled ¥136.7 billion, a year-on-year increase of ¥59.8 billion. “Cash and Cash Equivalents at the End of the Year” totaled ¥14,079.7 billion.

(4) Earnings Forecasts

The consolidated earnings forecast for the fiscal year ending March 31, 2020, is as follows: “Net Business Profit” of ¥290.0 billion, a year-on-year increase of ¥7.7 billion, and “Net Income Attributable to Owners of the Parent” of ¥180.0 billion, a year-on-year increase of ¥6.1 billion.

The total cash dividends for the fiscal year ending March 31, 2020, are projected as ¥150 per share of common stock, a year-on-year increase of ¥10, based on the consolidated earnings forecast for the fiscal year ending March 31, 2020.

2. Basic Views of Selecting Accounting Standards

SuMi TRUST Holdings and its consolidated subsidiaries adopt generally accepted accounting principles in Japan to facilitate financial statement comparability with other companies. As for the introduction of International Financial Reporting Standards (IFRS), we consider business development and operations of the SuMi TRUST Group as well as the internal and external changes, and the decision to adopt IFRS will be dealt with in an appropriate manner.

3. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2018	As of March 31, 2019
Assets:		
Cash and Due from Banks	28,841,328	16,045,864
Call Loans and Bills Bought	152,951	50,124
Receivables under Resale Agreements	63,531	158,734
Receivables under Securities Borrowing Transactions	675,295	759,812
Monetary Claims Bought	955,938	1,082,650
Trading Assets	363,294	454,978
Money Held in Trust	1,357	1,393
Securities	5,537,643	5,759,504
Loans and Bills Discounted	28,190,553	29,025,720
Foreign Exchanges	25,554	36,936
Lease Receivables and Investment Assets	677,238	653,447
Other Assets	1,868,132	2,023,664
Tangible Fixed Assets:	214,386	211,312
Buildings	73,711	74,053
Land	116,650	109,109
Lease Assets	4,719	4,494
Construction in Progress	88	244
Other	19,216	23,410
Intangible Fixed Assets:	197,235	151,429
Software	107,563	83,108
Goodwill	81,038	60,092
Lease Assets	2	0
Other	8,630	8,227
Assets for Retirement Benefits	163,219	138,931
Deferred Tax Assets	23,127	17,372
Customers' Liabilities for Acceptances and Guarantees	508,930	557,007
Allowance for Loan Losses	(102,920)	(99,770)
Total Assets	68,356,798	57,029,113

(Continued)

(Millions of Yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities:		
Deposits	37,351,839	31,903,572
Negotiable Certificates of Deposit	6,563,336	6,328,622
Call Money and Bills Sold	146,931	72,793
Payables under Repurchase Agreements	1,454,855	1,603,191
Payables under Securities Lending Transactions	41,299	104,767
Trading Liabilities	266,148	258,771
Borrowed Money	4,370,083	4,023,801
Foreign Exchanges	1,984	457
Short-Term Bonds Payable	1,062,869	1,472,786
Bonds Payable	1,470,715	1,378,328
Borrowed Money from Trust Account	11,070,725	5,408,009
Other Liabilities	932,825	994,424
Provision for Bonuses	16,740	17,542
Provision for Directors' Bonuses	325	343
Liabilities for Retirement Benefits	14,159	14,008
Provision for Reward Points Program	18,457	18,282
Provision for Reimbursement of Deposits	3,548	5,250
Provision for Contingent Losses	4,628	3,465
Deferred Tax Liabilities	181,050	130,479
Deferred Tax Liabilities for Land Revaluation	3,016	2,847
Acceptances and Guarantees	508,930	557,007
Total Liabilities	65,484,472	54,298,756
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	645,016	645,003
Retained Earnings	1,263,415	1,387,592
Treasury Stock	(42,224)	(51,222)
Total Shareholders' Equity	2,127,816	2,242,982
Valuation Differences on Available-for-Sale Securities	516,663	467,448
Deferred Gains (Losses) on Hedges	(22,746)	(36,764)
Revaluation Reserve for Land	(6,067)	(5,698)
Foreign Currency Translation Adjustments	4,281	4,702
Adjustments for Retirement Benefits	4,720	(19,209)
Total Accumulated Other Comprehensive Income	496,851	410,478
Subscription Rights to Shares	799	1,062
Non-Controlling Interests	246,858	75,832
Total Net Assets	2,872,325	2,730,356
Total Liabilities and Net Assets	68,356,798	57,029,113

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

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2018	March 31, 2019
Ordinary Income:	1,350,946	1,467,916
Trust Fees	100,591	103,911
Interest Income:	426,129	507,007
Interest on Loans and Discounts	307,030	360,348
Interest and Dividends on Securities	82,524	92,680
Interest on Call Loans and Bills Bought	1,900	1,523
Interest on Receivables under Resale Agreements	1,295	926
Interest on Receivables under Securities Borrowing Transactions	8	0
Interest on Deposits with Banks	26,906	43,140
Other Interest Income	6,463	8,387
Fees and Commissions	397,881	402,867
Trading Income	10,035	27,093
Other Ordinary Income	306,725	356,927
Other Income:	109,583	70,108
Reversal of Allowance for Loan Losses	5,292	—
Recoveries of Written-Off Claims	2,818	1,908
Other	101,471	68,199
Ordinary Expenses:	1,118,285	1,211,504
Interest Expenses:	246,071	371,845
Interest on Deposits	95,764	128,792
Interest on Negotiable Certificates of Deposit	42,334	81,292
Interest on Call Money and Bills Sold	1,290	2,213
Interest on Payables under Repurchase Agreements	16,404	35,615
Interest on Payables under Securities Lending Transactions	234	2,636
Interest on Borrowings	13,752	15,740
Interest on Short-Term Bonds	4,815	23,343
Interest on Bonds	23,078	23,745
Other Interest Expenses	48,396	58,465
Fees and Commissions Payments	87,974	97,755
Other Ordinary Expenses	230,442	249,652
General and Administrative Expenses	444,057	431,151
Other Expenses	109,738	61,099
Provision of Allowance for Loan Losses	—	209
Other	109,738	60,890
Ordinary Profit	232,661	256,411

(Continued)

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2018	March 31, 2019
Extraordinary Income:	15,559	1,518
Gains on Disposal of Fixed Assets	15,559	1,518
Extraordinary Losses:	9,397	16,589
Losses on Disposal of Fixed Assets	1,521	802
Impairment Losses	7,876	15,786
Income before Income Taxes	238,822	241,340
Income Taxes:	57,646	67,714
Current	15,429	(7,114)
Deferred	73,075	60,599
Net Income	165,746	180,741
Net Income Attributable to Non-Controlling Interests	11,760	6,851
Net Income Attributable to Owners of the Parent	153,986	173,889

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2018	March 31, 2019
Net Income	165,746	180,741
Other Comprehensive Income (Loss):	65,950	(86,815)
Valuation Differences on Available-for-Sale Securities	40,922	(50,986)
Deferred Gains (Losses) on Hedges	(2,491)	(13,375)
Foreign Currency Translation Adjustments	2,501	676
Adjustments for Retirement Benefits	25,674	(23,917)
Attributable to Equity-Method Affiliated Companies	(657)	785
Comprehensive Income:	231,696	93,925
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	219,844	87,148
Comprehensive Income Attributable to Non-Controlling Interests	11,852	6,777

(3) Consolidated Statements of Changes in Net Assets
For the Fiscal Year Ended March 31, 2018

(Millions of Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Year	261,608	645,048	1,159,028	(34,061)	2,031,623
Changes during the Year					
Cash Dividends			(49,599)		(49,599)
Net Income Attributable to Owners of the Parent			153,986		153,986
Purchase of Treasury Stock				(8,184)	(8,184)
Disposal of Treasury Stock		0		22	22
Purchase of Shares of Consolidated Subsidiaries		(32)			(32)
Sales of Shares of Consolidated Subsidiaries		—			—
Reversal of Revaluation Reserve for Land			—		—
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(31)	104,386	(8,162)	96,192
Balance at the End of the Year	261,608	645,016	1,263,415	(42,224)	2,127,816

	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Year	476,848	(21,018)	(6,067)	2,135	(20,905)	430,992	577	328,488	2,791,682
Changes during the Year									
Cash Dividends									(49,599)
Net Income Attributable to Owners of the Parent									153,986
Purchase of Treasury Stock									(8,184)
Disposal of Treasury Stock									22
Purchase of Shares of Consolidated Subsidiaries									(32)
Sales of Shares of Consolidated Subsidiaries									—
Reversal of Revaluation Reserve for Land									—
Net Changes of Items Other Than Shareholders' Equity	39,814	(1,728)	—	2,145	25,626	65,858	222	(81,630)	(15,549)
Total Changes during the Year	39,814	(1,728)	—	2,145	25,626	65,858	222	(81,630)	80,643
Balance at the End of the Year	516,663	(22,746)	(6,067)	4,281	4,720	496,851	799	246,858	2,872,325

For the Fiscal Year Ended March 31, 2019

(Millions of Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Year	261,608	645,016	1,263,415	(42,224)	2,127,816
Changes during the Year					
Cash Dividends			(49,343)		(49,343)
Net Income Attributable to Owners of the Parent			173,889		173,889
Purchase of Treasury Stock				(9,033)	(9,033)
Disposal of Treasury Stock		(0)		35	35
Purchase of Shares of Consolidated Subsidiaries		(17)			(17)
Sales of Shares of Consolidated Subsidiaries		4			4
Reversal of Revaluation Reserve for Land			(369)		(369)
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(13)	124,176	(8,998)	115,165
Balance at the End of the Year	261,608	645,003	1,387,592	(51,222)	2,242,982

	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Year	516,663	(22,746)	(6,067)	4,281	4,720	496,851	799	246,858	2,872,325
Changes during the Year									
Cash Dividends									(49,343)
Net Income Attributable to Owners of the Parent									173,889
Purchase of Treasury Stock									(9,033)
Disposal of Treasury Stock									35
Purchase of Shares of Consolidated Subsidiaries									(17)
Sales of Shares of Consolidated Subsidiaries									4
Reversal of Revaluation Reserve for Land									(369)
Net Changes of Items Other Than Shareholders' Equity	(49,214)	(14,017)	369	421	(23,930)	(86,372)	262	(171,025)	(257,135)
Total Changes during the Year	(49,214)	(14,017)	369	421	(23,930)	(86,372)	262	(171,025)	(141,969)
Balance at the End of the Year	467,448	(36,764)	(5,698)	4,702	(19,209)	410,478	1,062	75,832	2,730,356

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2018	March 31, 2019
Cash Flows from Operating Activities:		
Income before Income Taxes	238,822	241,340
Depreciation and Amortization	35,145	36,590
Impairment Losses	7,876	15,786
Amortization of Goodwill	9,469	9,468
Equity in Losses (Earnings) of Affiliated Companies	(5,781)	(5,967)
Increase (Decrease) in Allowance for Loan Losses	(12,894)	(3,149)
Increase (Decrease) in Provision for Bonuses	408	1,234
Increase (Decrease) in Provision for Directors' Bonuses	66	17
Decrease (Increase) in Assets for Retirement Benefits	(34,379)	26,516
Increase (Decrease) in Liabilities for Retirement Benefits	2,028	999
Increase (Decrease) in Provision for Reward Points Program	938	(175)
Increase (Decrease) in Provision for Reimbursement of Deposits	(35)	1,702
Increase (Decrease) in Provision for Contingent Losses	(3,145)	(1,162)
Interest Income	(426,129)	(507,007)
Interest Expenses	246,071	371,845
Loss (Gain) Related to Securities	(662)	(10,291)
Loss (Gain) on Money Held in Trust	(46)	(47)
Foreign Exchange Losses (Gains)	53,813	(38,601)
Loss (Gain) on Disposal of Fixed Assets	(14,038)	(715)
Net Decrease (Increase) in Trading Assets	133,269	(91,683)
Net Increase (Decrease) in Trading Liabilities	(100,730)	(7,376)
Net Decrease (Increase) in Loans and Bills Discounted	(149,603)	(981,229)
Net Increase (Decrease) in Deposit	1,358,382	1,432,360
Net Increase (Decrease) in Negotiable Certificates of Deposit	(763,281)	(234,713)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	931,928	(326,251)
Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan)	112,007	334,528
Net Decrease (Increase) in Call Loans	(57,294)	(207,128)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(194,841)	(84,517)
Net Increase (Decrease) in Call Money	483,959	(215,448)
Net Increase (Decrease) in Payables under Securities Lending Transactions	27,600	63,468
Net Decrease (Increase) in Foreign Exchange-Assets	(9,364)	(11,382)
Net Increase (Decrease) in Foreign Exchange-Liabilities	1,748	(1,526)
Net Decrease (Increase) in Lease Receivables and Investment Assets	(9,430)	23,791
Net Increase (Decrease) in Short-Term Bonds Payable	158,620	409,917
Increase (Decrease) in Straight Bonds-Issuance and Redemption	(14,128)	(192,132)
Net Increase (Decrease) in Borrowed Money from Trust Account	796,581	476,319
Proceeds from Fund Management	417,450	519,157
Payments for Finance	(249,778)	(361,941)
Other, Net	(81,965)	(221,931)
Subtotal	2,888,657	460,661
Income Taxes (Paid) Refunded	(48,199)	(86,343)
Net Cash Provided by (Used in) Operating Activities	2,840,458	374,318

(Continued)

(Millions of Yen)

	Fiscal Year Ended	
	March 31, 2018	March 31, 2019
Cash Flows from Investing Activities:		
Purchase of Securities	(7,254,037)	(6,118,951)
Proceeds from Sales of Securities	5,436,391	4,401,254
Proceeds from Redemption of Securities	1,086,414	1,543,239
Increase in Money Held in Trust	150	—
Purchase of Tangible Fixed Assets	(10,188)	(13,369)
Proceeds from Sales of Tangible Fixed Assets	25,059	2,650
Purchase of Intangible Fixed Assets	(25,136)	(29,045)
Proceeds from Sales of Intangible Fixed Assets	68	—
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(5,536)	(11,178)
Proceeds from Sales of Shares of Affiliated Companies Accounted for Using the Equity Method	961	—
Net Cash Provided by (Used in) Investing Activities	(745,854)	(225,399)
Cash Flows from Financing Activities:		
Repayments of Subordinated Borrowings	(25,000)	(20,000)
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	149,143	99,452
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(50,000)	—
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	(113)	(47)
Proceeds from Sales of Shares of Subsidiaries without Change in the Scope of Consolidation	—	36
Repayments to Non-Controlling Interests	(83,170)	(152,000)
Cash Dividends Paid	(49,594)	(49,344)
Cash Dividends Paid to Non-Controlling Interests	(9,972)	(5,865)
Purchase of Treasury Stock	(8,184)	(9,033)
Proceeds from Sales of Treasury Stock	22	35
Net Cash Provided by (Used in) Financing Activities	(76,869)	(136,766)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(8,876)	(7,299)
Net Increase (Decrease) in Cash and Cash Equivalents	2,008,857	4,852
Cash and Cash Equivalents at the Beginning of the Year	24,531,391	26,540,249
Net Increase (Decrease) in Cash and Cash Equivalents with Changes in the Scope of Consolidation	—	(12,465,333)
Cash and Cash Equivalents at the End of the Year	26,540,249	14,079,768

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumptions)

There is no applicable information.

(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 year ended March 31, 2019, 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 fiscal year ended March 31, 2018, and cumulative effects up to the beginning of the fiscal year ended March 31, 2019, are immaterial.

(Segment Information)

1. Reportable Segment Information

The SuMi TRUST Group's reportable segments are defined as operating segments for which discrete financial information is available. The Board of Directors and the Executive Committee of the SuMi TRUST Group periodically receive reporting on the operating results and other relevant information of the reportable segments to make decisions about the allocation of management resources and to assess performance.

The main activities of the reportable segment are presented below:

Retail Total Solution Services:	Provision of services to individual customers
Wholesale Financial Services:	Provision of services to corporate customers
Stock Transfer Agency Services:	Undertaking of stock-related services on behalf of customers
Real Estate:	Provision of services related to the real estate business
Fiduciary Services:	Operation of the pension business, the asset management business, and the asset administration business
Global Markets:	Marketing operations, market-making operations, investment operations, and financial management operations

(Changes in Reportable Segments)

With an aim to gain clarity around its business model that places focal points in provision of optimal and total solutions to suit the varying need of both individual and corporate customers, the SuMi TRUST Group has been reforming its business portfolio since the fiscal year ended March 31, 2018. Based on the solid progress made during the previous fiscal year, the reportable segments have been revised to operating segments that are based on the components of services provided by the SuMi TRUST Group.

2. Method for Calculating Substantial Gross Business Profit and Net Business Profit

Segment information is prepared based on internal management reports, and the accounting policies used for the reportable segments are generally the same as those that are bases for the preparation of consolidated financial statements; however, the reportable segments are accounted for in accordance with the rules for the internal management. Since each segment's information will not be used to make decisions about the allocation of resources or assess business performance at the management level, information about assets by reportable segment has not been generated.

"Net Business Profit" represents "Substantial Gross Business Profit," less "Substantial G&A Expenses." "Substantial Gross Business Profit" and "Substantial G&A Expenses" are financial figures generated on the basis of internal management reporting, and they represent "Substantial Gross Business Profit" and "Substantial G&A Expenses (excluding any non-recurring expenses)" of SuMi TRUST Holdings and its consolidated subsidiaries, reflecting gains or losses of equity-method affiliated companies (proportionate share of gains or losses, excluding any non-recurring items).

Income earned from inter-segment and cross-segment transactions is calculated by applying the criteria (market prices) specified in the rules for internal management.

(Changes in the Calculation of Profit or Loss by Each Reportable Segment)

Following the changes in reportable segments effective from the fiscal year ended March 31, 2019, income earned from inter-segment and cross-segment transactions, which was previously calculated using third-party transaction prices, is calculated in accordance with the rules for internal management (using market prices).

3. Profit or Loss by Reportable Segment

(Millions of Yen)

	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Substantial Gross Business Profit	199,892	193,892	37,031	54,388	172,188	45,683	19,591	722,669
General and Administrative Expenses	(168,949)	(70,463)	(18,613)	(24,235)	(109,123)	(15,317)	(33,732)	(440,435)
Net Business Profit	30,943	123,428	18,417	30,152	63,065	30,365	(14,140)	282,233

(Note 1) The figures represent "Substantial Gross Business Profit" in substitution for net sales to be presented by companies in other industries.

(Note 2) The amounts of "Substantial Gross Business Profit" include net trust fees, net interest income, net fees and commissions, net trading income, and net other ordinary income and expenses.

(Note 3) "General and Administrative Expenses" include personnel expenses and rent expenses.

(Note 4) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, general and administrative expenses of headquarters, and internal transactions to be eliminated.

4. Total Profit or Loss for Reportable Segments

(Millions of Yen)

	Amounts
Net Business Profit	282,233
Other Income	70,108
Other Expenses	(61,099)
Other Adjustments	(34,831)
Ordinary Profit	256,411

(Per Share of Common Stock Information)

		Fiscal Year Ended March 31, 2019
Net Assets per Share of Common Stock	Yen	7,008.67
Net Income per Share of Common Stock	Yen	458.91
Fully Diluted Net Income per Share of Common Stock	Yen	458.65

(Notes)

1. Net Assets per Share of Common Stock and Basis for Calculation

		As of March 31, 2019
Net Assets as Reported	Millions of Yen	2,730,356
Less:	Millions of Yen	76,895
Subscription Rights to Shares	Millions of Yen	1,062
Non-Controlling Interests	Millions of Yen	75,832
Net Assets Attributable to Common Shareholders	Millions of Yen	2,653,461
The Number of Shares of Common Stock Outstanding	Thousands of Shares	378,596

2. Net Income per Share of Common Stock and Fully Diluted Net Income per Share of Common Stock and Basis for Calculation

		Fiscal Year Ended March 31, 2019
Net Income per Share of Common Stock		
Net Income Attributable to Owners of the Parent	Millions of Yen	173,889
Net Income Not Attributable to Common Shareholders	Millions of Yen	—
Net Income Related to Common Stock that is Attributable to Owners of the Parent	Millions of Yen	173,889
Average Number of Shares of Common Stock Outstanding	Thousands of Shares	378,915
Fully Diluted Net Income per Share of Common Stock		
Adjustments to Net Income Attributable to Owners of the Parent	Millions of Yen	—
Effect of Dilutive Securities	Thousands of Shares	218
Subscription Rights to Shares	Thousands of Shares	218
Summary of the potential shares that were excluded from calculation of fully diluted net income per share of common stock because they have no dilutive effect		<p>SuMi TRUST Holdings: Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 39,300 shares</p> <p>Consolidated Subsidiaries Nikko Asset Management Co., Ltd. (NAM): Subscription Rights to Shares (Stock Options) NAM Common Stock 15,088,300 shares</p>

(Significant Subsequent Events)

(Redemption of Non-dilutive Preferred Securities)

On May 15, 2019, SuMi TRUST Holdings decided to redeem the Non-dilutive Preferred Securities, in full, issued by CMTH Preferred Capital 7 (Cayman) Limited, a Special Purpose Subsidiary, which is a 100% direct subsidiary of SuMi TRUST Holdings, and decided to dissolve such Special Purpose Subsidiary accordingly.

For further details, please refer to “Notice regarding Redemption of Non-dilutive Preferred Securities, Dissolution of Subsidiaries and Change of Specified Subsidiaries” also released today, May 15, 2019.

(Changes in a subsidiary through dividends in kind)

On May 15, 2019, SuMi TRUST Holdings and Sumitomo Mitsui Trust Bank, Limited (“SuMi TRUST Bank”), a consolidated subsidiary of SuMi TRUST Holdings, decided to make Nikko Asset Management Co., Ltd. a directly owned subsidiary of SuMi TRUST Holdings through a transfer of shares of Nikko Asset Management Co., Ltd. owned by SuMi TRUST Bank to SuMi TRUST Holdings as dividends in kind.

For further details, please refer to “Notice regarding Change in Ownership of Nikko Asset Management within the Sumitomo Mitsui Trust Group” also released today, May 15, 2019.

(Repurchase and Cancellation of Own Shares)

At a meeting of the Board of Directors held on May 15, 2019, SuMi TRUST Holdings resolved to repurchase its own shares pursuant to the provision of its Articles of Incorporation in accordance with Article 459, Paragraph 1 of the Companies Act and to cancel a part of its own shares pursuant to the provision of Article 178 of the Companies Act.

For further details, please refer to “Notice regarding Repurchase and Cancellation of Own Shares” also released today, May 15, 2019.