

The Sumitomo Trust & Banking Co., Ltd.

Financial Results for the First Half of the Fiscal Year 2010 [Japanese GAAP] (Consolidated)



Nov 12, 2010

Stock exchange listings	: Tokyo and Osaka (code: 8403)
URL	: http://www.sumitomotrust.co.jp/IR/company/index_en.html
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Trading accounts	: Established
Payment date of cash dividends (Scheduled)	: December 3, 2010
Supplementary explanatory material	: Prepared
Information meeting (Scheduled)	: Prepared (for analysts)

(All amounts less than one million yen are rounded down.)

1. Consolidated Financial Results for the First Half of the Fiscal Year 2010 (April 1, 2010 through September 30, 2010)

(1) Consolidated Results of Operations (%: Change from the same period in the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six Months Ended						
September 30, 2010	423,995	0.0	61,529	83.9	54,035	180.3
September 30, 2009	423,964	(15.1)	33,458	(38.9)	19,276	(31.9)

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
Six Months Ended		
September 30, 2010	30.89	—
September 30, 2009	11.31	—

(Note) Net income per share (fully diluted) for the first half of the fiscal year 2010 is not stated, as there are potential securities but not dilutive.
Net income per share (fully diluted) for the first half of the fiscal year 2009 is not stated, as there are no potentially dilutive securities.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Net Assets to Total Assets Ratio	Net Assets per Share	Consolidated BIS Capital Adequacy Ratio
	Millions of Yen	Millions of Yen	%	Yen	%
As of					
September 30, 2010	19,542,797	1,477,209	6.0	634.49	14.71
March 31, 2010	20,551,049	1,449,945	5.6	619.15	13.85

(Reference) Net Assets less Minority Interests: September 30, 2010 1,173,787 millions of yen March 31, 2010 1,148,118 millions of yen

(Note) Net Assets to Total Assets Ratio = Net Assets less Minority Interests / Total Assets

(Note) Consolidated BIS Capital Adequacy Ratio is calculated based on the "Standard to determine the adequacy of bank's capital concerning its assets provided under the Article 14-2 of the Banking Act (FSA Announcement No.19, 2006.)"

The ratio as of September 30, 2010 is the preliminary figure for immediate release purposes.

2. Cash Dividends on Common Shares

	Annual Cash Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen
March 31, 2010	—	5.00	—	5.00	10.00
Fiscal Year Ending					
March 31, 2011	—	6.00	—	—	—
Fiscal Year Ending					
March 31, 2011 (Forecast)	—	—	—	6.00	12.00

(Note) Revision of dividend forecast during the second quarter of the fiscal year 2010: None

(Note) The figure above shows Cash Dividends on Common Shares. In regard to other types of shares, please refer to "Cash Dividends on Preferred Shares" as follows.

3. Consolidated Earnings Forecasts for the Fiscal Year 2010 (April 1, 2010 through March 31, 2011)

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

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Fiscal Year Ending							
March 31, 2011	850,000	(1.1)	120,000	(19.0)	85,000	59.8	48.01

(Note) Revision of consolidated earnings forecasts during the second quarter of the fiscal year 2010: None

4. Other Information (For details, please refer to page 3, "2. Other Information" of "Accompanying Materials.")

(1) Changes in important subsidiaries during the first half of the fiscal year 2010: None

(Note) This item shows whether there have been changes in specified subsidiaries resulted in changes in the scope of consolidation during the first half of the fiscal year 2010 or not.

(2) Changes in accounting principles, procedures and presentation methods

1) Changes due to revisions in accounting standards: Yes

2) Other changes: Yes

(Note) This item shows whether there are changes in accounting principles, procedures and presentation methods in the preparation of interim consolidated financial statements during the first half of the fiscal year 2010 or not.

(3) Number of issued shares (Common share)

1) Number of issued shares (including treasury stock)

September 30, 2010 : 1,675,128,546 shares, March 31, 2010 : 1,675,128,546 shares

2) Number of treasury stock

September 30, 2010 : 571,786 shares, March 31, 2010 : 556,984 shares

3) Average number of issued shares (for the first half of the fiscal year)

September 30, 2010 : 1,674,561,113 shares, September 30, 2009 1,674,595,997 shares

(Summary of Non-consolidated Financial Results)

1. Non-consolidated Financial Results for the First Half of the Fiscal Year 2010

(April 1, 2010 through September 30, 2010)

(1) Non-consolidated Financial Results of Operations (%: Change from the same period in the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income	
Six Months Ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
September 30, 2010	216,504	(11.8)	42,638	36.7	48,497	151.0
September 30, 2009	245,556	(18.0)	31,183	(34.4)	19,322	(36.4)

	Net Income per Share
Six Months Ended	Yen
September 30, 2010	27.58
September 30, 2009	11.34

(2) Non-consolidated Financial Conditions

	Total Assets	Net Assets	Net Assets to Total Assets Ratio	Net Assets per Share	Non-Consolidated BIS Capital Adequacy Ratio
As of	Millions of Yen	Millions of Yen	%	Yen	%
September 30, 2010	18,706,932	1,122,860	6.0	604.07	16.17
March 31, 2010	19,651,334	1,100,690	5.6	590.83	15.26

(Reference) Net Assets: September 30, 2010 1,122,860 millions of yen March 31, 2010 1,100,690 millions of yen

(Note) Net Assets to Total Assets Ratio = Net Assets / Total Assets

(Note) Non-Consolidated BIS Capital Adequacy Ratio is calculated based on the "Standard to determine the adequacy of bank's capital concerning its assets provided under the Article 14-2 of the Banking Act (FSA Announcement No.19, 2006.)"
The ratio as of September 30, 2010 is the preliminary figure for immediate release purposes.

2. Non-consolidated Earnings Forecasts for the Fiscal Year 2010

(April 1, 2010 through March 31, 2011)

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

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share
Fiscal Year Ending	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
March 31, 2011	440,000	(9.3)	90,000	(29.4)	75,000	245.8	42.03

Presentation on the implementation status of the interim audit procedures

These quarterly (interim) financial results stand out of range of interim audit procedures based on "Financial Instruments and Exchange Act." At the time of these disclosure, the procedures of the quarterly (interim) financial statements based on "Financial Instruments and Exchange Act" have not completed yet.

Explanation for proper use of forecasts and other note

Forecasts in this material are based on information, which is available at this moment, and assumptions of uncertain factors, which may affect future operating results. Actual results may differ materially from those forecasts depending on various future events and conditions.

As The Sumitomo Trust & Banking Co., Ltd. is a specified business company under the Paragraph 2, Article 17-15 of "Cabinet Office Ordinance on Disclosure of Corporate Information, etc.", consolidated and non-consolidated financial statements for the first half of the fiscal year are prepared in the current period.

(Cash Dividends on Preferred Shares)

Cash dividends per share on preferred shares are as below:

The First Series of Class 2 Preferred Shares	Annual Cash Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Fiscal Year Ended March 31, 2010	Yen	Yen	Yen	Yen	Yen
		3.13	—	21.15	24.28
Fiscal Year Ending March 31, 2011	—	21.15			
Fiscal Year Ending March 31, 2011 (Forecast)			—	21.15	42.30

(Note) Revision of dividend forecast during the second quarter of the fiscal year 2010: None

(Note) The First Series of Class 2 Preferred Shares was issued in September 2009.

This financial information is translations of the brief financial statements (Kessan Tanshin) and accompanying materials. For further information, please contact the Investor Relations Office, Financial Management Department at +81-3-3286-8354 by phone, +81-3-3286-4654 by facsimile, or e-mail : rstbirnews@sumitomotrust.co.jp.

[Accompanying Materials]

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1. Qualitative Information related to Financial Results for this Period

(1) Qualitative Information related to the Consolidated Results of Operations

“Consolidated net business profit before credit costs” (see note below) for the first half of the fiscal year 2010 decreased by 4.7 billion yen from the first half of the previous fiscal year to 83.0 billion yen mainly due to the decrease of net interest income with the decline of market interest rate, despite the increase of net fees and commissions related to real estate business and fiduciary services business including Nikko Asset Management Co., Ltd. which became a consolidated subsidiary in the previous fiscal year.

Consolidated ordinary profit increased by 28.0 billion yen from the first half of the previous fiscal year to 61.5 billion yen as a result of the decrease of the “Total substantial credit costs” (see note below) with both the Sumitomo Trust & Banking Co., Ltd. (hereinafter “the Bank”) and the group companies. As a result of deferred tax accounting, consolidated net income increased by 34.7 billion yen from the first half of the previous year to 54.0 billion yen and net income per share was 30.89 yen, despite posting the goodwill impairment loss of 6.0 billion yen as an extraordinary loss resulting from the business transfer of subsidiaries.

Total substantial credit costs decreased by 30.8 billion yen from the first half of the previous fiscal year to 9.9 billion yen. The main reasons were the reversal of allowances for loan losses for special mention debtor reflecting decrease of loan balance, in addition to low occurrence of the bad debt.

The percent complete of consolidated earnings forecast for the fiscal year 2010 (Net business profit before credit costs: 175.0 billion yen, Ordinary profit: 120.0 billion yen, Net income: 85.0 billion yen) which are stated at section (3) below is 47.4%, 51.3% and 63.6% respectively.

(Note) As to the explanation of “Consolidated net business profit before credit costs” and “Total substantial credit costs”, please refer to the “Explanatory Material 2nd Quarter of Fiscal Year 2010 ended on Sep. 30, 2010”.

(2) Qualitative Information related to the Consolidated Financial Conditions

Consolidated total assets decreased by 1,008.2 billion yen from the end of the previous fiscal year, to 19,542.7 billion yen and consolidated net assets increased by 27.2 billion yen to 1,477.2 billion yen.

As to major accounts, the balance of loans and bills discounted decreased by 424.6 billion yen from the end of the previous fiscal year, to 11,262.0 billion yen, while that of securities decreased by 462.8 billion yen to 3,621.2 billion yen. The balance of deposits decreased by 371.9 billion yen from the end of the previous fiscal year, to 11,879.2 billion yen. The total balance of trust account on non-consolidated basis increased by 2,640.4 billion yen from the end of the previous fiscal year, to 81,948.1 billion yen.

Net unrealized gains of available-for-sale securities with fair value in total decreased by 35.6 billion yen to 58.6 billion yen, mainly due to the decrease (which was 40.0 billion yen) in unrealized gains of stock resulting from the decline in market price from the end of the previous fiscal year.

The balance of assets classified under the Financial Reconstruction Law (non-consolidated, banking account and principal guaranteed trust account combined) decreased by 14.9 billion yen from the end of the previous fiscal year, to 161.5 billion yen mainly due to the decrease of bankrupt and doubtful loans by the repayment, etc. and the ratio of assets classified under the Financial Reconstruction Law to the total loan balance improved by 0.1% from the end of the previous fiscal year to 1.3%. Loans to special mention debtors decreased by 110.4 billion yen from the end of the previous fiscal year, to 513.8 billion yen mainly due to the repayment and the upgrades with improvement of the financial conditions of domestic debtors.

The balance of net deferred tax assets increased by 29.6 billion yen from the end of the previous year to 108.7 billion yen.

Consolidated BIS capital adequacy ratio (preliminary) and consolidated Tier I capital ratio (preliminary) were 14.71% and 10.48% respectively, which maintain sufficient level.

(3) Qualitative Information related to the Consolidated Earnings Forecasts for the Fiscal Year 2010

As to the consolidated earnings forecasts for the fiscal year 2010, there is no change from the previous forecasts announced on October (ordinary income: 850.0 billion yen, consolidated net business profit before credit costs: 175.0 billion yen, ordinary profit: 120.0 billion yen, net income: 85.0 billion yen).

2. Other Information

(1) Changes in Important Subsidiaries during this Period

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

There is no applicable information.

(2) Changes in Accounting Principles, Procedures and Presentation Methods

(i) Equity Method

The Bank has started to adopt Accounting Standard Board of Japan (hereinafter "ASBJ") Statement No.16 "the Accounting Standard for Equity Method of Accounting for Investments" (issued by ASBJ on March 10, 2008) and Practical Issue Task Force No.24 "the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (issued by ASBJ on March 10, 2008) from this fiscal year. This adoption did not affect the consolidated financial statements for this first half of fiscal year 2010.

(ii) Asset Retirement Obligations

The Bank has started to adopt ASBJ Statement No.18 "the Accounting Standard for Asset Retirement Obligations" (issued by ASBJ on March 31, 2008) and Guidance No.21 "the Guidance on Accounting Standard for Asset Retirement Obligations" (issued by ASBJ on March 31, 2008) from this fiscal year. As the result, compared with the previous treatments, Ordinary profit and Income before income taxes and Minority interests decreased by 27 million yen and 644 million yen, respectively. The balance of asset retirement obligations was 825 million yen when the Bank started to adopt the standard and the guidance at April 1, 2010.

(iii) Embedded Derivatives

Embedded derivatives, which do not need to be separated from host contracts, had been accounted for as whole financial instruments coupled with host contracts until the previous fiscal year. For this first half of the fiscal year, however, for more appropriate representation of the financial conditions and the results of operations, the embedded derivatives have been separated from the host contracts and accounted for as derivatives, based on the improvement of the administrative structure about the separation. As the result, compared with the previous treatments, Ordinary profits and Income before income taxes and Minority interests increased by 1,953 million yen, respectively.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of September 30, 2010	As of March 31, 2010
(Millions of Yen)		
Assets:		
Cash and Due from Banks	754,709	970,869
Call Loans and Bills Bought	118,952	86,485
Receivables under Resale Agreements	25,134	—
Monetary Claims Bought	444,751	489,816
Trading Assets	732,319	761,850
Money Held in Trust	22,220	22,345
Securities	3,621,206	4,084,091
Loans and Bills Discounted	11,262,002	11,686,629
Foreign Exchanges	5,334	5,553
Lease Receivables and Investment Assets	637,010	650,540
Other Assets	1,303,978	1,203,651
Tangible Fixed Assets	125,357	125,802
Intangible Fixed Assets	159,963	170,043
Deferred Tax Assets	108,831	79,131
Customers' Liabilities for Acceptances and Guarantees	336,973	339,837
Allowance for Loan Losses	(115,950)	(125,598)
Total Assets	19,542,797	20,551,049
Liabilities:		
Deposits	11,879,205	12,251,117
Negotiable Certificates of Deposit	1,970,451	2,350,884
Call Money and Bills Sold	29,221	79,519
Payables under Repurchase Agreements	210,390	601,787
Trading Liabilities	170,805	97,945
Borrowed Money	992,722	1,172,338
Foreign Exchanges	35	31
Short-term Bonds Payable	526,290	438,667
Bonds Payable	604,892	531,815
Borrowed Money from Trust Account	464,563	430,969
Other Liabilities	843,843	771,305
Provision for Bonuses	8,993	10,051
Provision for Directors' Bonuses	216	411
Provision for Retirement Benefits	8,887	8,927
Provision for Reimbursement of Deposits	1,259	1,043
Provision for Contingent Loss	10,707	8,258
Provision for Relocation Expenses	379	379
Deferred Tax Liabilities	35	34
Deferred Tax Liabilities for Land Revaluation	5,709	5,778
Acceptances and Guarantees	336,973	339,837
Total Liabilities	18,065,588	19,101,104

(Continued)

	As of September 30, 2010	As of March 31, 2010
(Millions of Yen)		
Net Assets:		
Shareholders' Equity:	1,187,403	1,144,068
Capital Stock	342,037	342,037
Capital Surplus	297,052	297,052
Retained Earnings	548,787	505,444
Treasury Stock	(473)	(465)
Valuation and Translation Adjustments:	(13,615)	4,050
Valuation Difference on Available-for-Sale Securities	(4,032)	9,188
Deferred Gains or Losses on Hedges	6,391	9,440
Revaluation Reserve for Land	(4,714)	(4,655)
Foreign Currency Translation Adjustment	(11,260)	(9,922)
Minority Interests	303,421	301,826
Total Net Assets	1,477,209	1,449,945
Total Liabilities and Net Assets	19,542,797	20,551,049

(2) Consolidated Statements of Income

(Millions of Yen)

	Six Months Ended September 30, 2009	Six Months Ended September 30, 2010
Ordinary Income:		
Trust Fees	26,258	25,097
Interest Income:	141,248	119,994
Interest on Loans and Discounts	92,148	81,767
Interest and Dividends on Securities	43,438	28,540
Fees and Commissions	48,769	79,811
Trading Income	10,030	5,632
Other Ordinary Income	183,879	182,494
Other Income	13,778	10,964
Ordinary Income	423,964	423,995
Ordinary Expenses:		
Interest Expenses:	53,657	43,364
Interest on Deposits	35,148	27,670
Fees and Commissions Payments	12,654	26,285
Other Ordinary Expenses	160,952	153,721
General and Administrative Expenses	104,710	117,967
Other Expenses	58,531	21,127
Ordinary Expenses	390,506	362,466
Ordinary Profit	33,458	61,529
Extraordinary Income:	9,813	756
Gain on Disposal of Noncurrent Assets	9	70
Recoveries of Written-off Claims	333	685
Other	9,469	—
Extraordinary Loss:	242	9,870
Loss on Disposal of Noncurrent Assets	213	665
Impairment Loss	28	6,442
Other	—	2,762
Income before Income Taxes and Minority Interests	43,028	52,414
Income Taxes:	16,252	(8,294)
Current	13,411	10,364
Deferred	2,841	(18,658)
Income before Minority Interests	—	60,709
Minority Interests in Income	7,499	6,674
Net Income	19,276	54,035

(3) Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Six Months Ended September 30, 2009	Six Months Ended September 30, 2010
Shareholders' Equity:		
Capital Stock:		
Balance at the End of the Previous Period	287,537	342,037
Changes of Items during the Period:		
Issuance of New Shares	54,500	—
Total Changes of Items during the Period	54,500	—
Balance at the End of the Current Period	342,037	342,037
Capital Surplus:		
Balance at the End of the Previous Period	242,555	297,052
Changes of Items during the Period:		
Issuance of New Shares	54,500	—
Disposal of Treasury Stock	(2)	(0)
Total Changes of Items during the Period	54,497	(0)
Balance at the End of the Current Period	297,053	297,052
Retained Earnings:		
Balance at the End of the Previous Period	463,346	505,444
Changes of Items during the Period:		
Cash Dividends	(2,511)	(10,678)
Net Income	19,276	54,035
Reversal of Revaluation Reserve for Land	60	60
Change of Scope of Consolidation	—	(75)
Total Changes of Items during the Period	16,825	43,342
Balance at the End of the Current Period	480,172	548,787
Treasury Stock:		
Balance at the End of the Previous Period	(453)	(465)
Changes of Items during the Period:		
Purchase of Treasury Stock	(10)	(8)
Disposal of Treasury Stock	5	0
Total Changes of Items during the Period	(5)	(8)
Balance at the End of the Current Period	(458)	(473)
Total Shareholders' Equity:		
Balance at the End of the Previous Period	992,986	1,144,068
Changes of Items during the Period:		
Issuance of New Shares	109,000	—
Cash Dividends	(2,511)	(10,678)
Net Income	19,276	54,035
Purchase of Treasury Stock	(10)	(8)
Disposal of Treasury Stock	2	0
Reversal of Revaluation Reserve for Land	60	60
Change of Scope of Consolidation	—	(75)
Total Changes of Items during the Period	125,817	43,334
Balance at the End of the Current Period	1,118,803	1,187,403

(Continued)

(Millions of Yen)

	Six Months Ended September 30, 2009	Six Months Ended September 30, 2010
Valuation and Translation Adjustments:		
Valuation Difference on Available-for-Sale Securities:		
Balance at the End of the Previous Period	(102,248)	9,188
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	96,607	(13,220)
Total Changes of Items during the Period	96,607	(13,220)
Balance at the End of the Current Period	(5,640)	(4,032)
Deferred Gains or Losses on Hedges:		
Balance at the End of the Previous Period	(2,208)	9,440
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	12,950	(3,048)
Total Changes of Items during the Period	12,950	(3,048)
Balance at the End of the Current Period	10,741	6,391
Revaluation Reserve for Land:		
Balance at the End of the Previous Period	(4,511)	(4,655)
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(60)	(59)
Total Changes of Items during the Period	(60)	(59)
Balance at the End of the Current Period	(4,572)	(4,714)
Foreign Currency Translation Adjustment:		
Balance at the End of the Previous Period	(10,111)	(9,922)
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	1,122	(1,337)
Total Changes of Items during the Period	1,122	(1,337)
Balance at the End of the Current Period	(8,988)	(11,260)
Total Valuation and Translation Adjustments:		
Balance at the End of the Previous Period	(119,080)	4,050
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	110,620	(17,666)
Total Changes of Items during the Period	110,620	(17,666)
Balance at the End of the Current Period	(8,460)	(13,615)
Minority Interests:		
Balance at the End of the Previous Period	390,146	301,826
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(82,737)	1,595
Total Changes of Items during the Period	(82,737)	1,595
Balance at the End of the Current Period	307,409	303,421
Total Net Assets:		
Balance at the End of the Previous Period	1,264,052	1,449,945
Changes of Items during the Period:		
Issuance of New Shares	109,000	—
Cash Dividends	(2,511)	(10,678)
Net Income	19,276	54,035
Purchase of Treasury Stock	(10)	(8)
Disposal of Treasury Stock	2	0
Reversal of Revaluation Reserve for Land	60	60
Change of Scope of Consolidation	—	(75)
Net Changes of Items other than Shareholders' Equity	27,883	(16,070)
Total Changes of Items during the Period	153,700	27,263
Balance at the End of the Current Period	1,417,753	1,477,209

(4) Note on Assumption of Going Concern

There is no applicable information.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

	As of September 30, 2010	As of March 31, 2010
(Millions of Yen)		
Assets:		
Cash and Due from Banks	618,217	828,856
Call Loans	118,952	86,485
Receivables under Resale Agreements	25,134	—
Monetary Claims Bought	226,467	266,748
Trading Assets	788,352	808,394
Money Held in Trust	22,220	22,345
Securities	3,947,969	4,474,366
Loans and Bills Discounted	11,550,246	11,921,476
Foreign Exchanges	5,334	5,553
Other Assets	906,337	821,649
Tangible Fixed Assets	113,101	113,235
Intangible Fixed Assets	25,822	26,350
Deferred Tax Assets	91,973	59,507
Customers' Liabilities for Acceptances and Guarantees	361,849	387,202
Allowance for Loan Losses	(93,861)	(104,843)
Allowance for Investment Loss	(1,185)	(65,993)
Total Assets	18,706,932	19,651,334
Liabilities:		
Deposits	11,882,142	12,216,451
Negotiable Certificates of Deposit	1,996,251	2,371,884
Call Money	37,599	86,494
Payables under Repurchase Agreements	210,390	601,787
Trading Liabilities	171,384	98,134
Borrowed Money	907,012	1,033,815
Foreign Exchanges	131	253
Short-term Bonds Payable	400,390	318,456
Bonds Payable	394,908	344,900
Borrowed Money from Trust Account	464,563	430,969
Other Liabilities:	734,645	640,552
Income Taxes Payable	4,605	964
Lease Obligations	139	160
Asset Retirement Obligations	941	—
Other	728,960	—
Provision for Bonuses	4,358	3,989
Provision for Directors' Bonuses	—	70
Provision for Retirement Benefits	208	223
Provision for Reimbursement of Deposits	1,259	1,043
Provision for Contingent Loss	10,885	8,258
Provision for Relocation Expenses	379	379
Deferred Tax Liabilities for Land Revaluation	5,709	5,778
Acceptances and Guarantees	361,849	387,202
Total Liabilities	17,584,071	18,550,644

(Continued)

	As of September 30, 2010	As of March 31, 2010
(Millions of Yen)		
Net Assets:		
Shareholders' Equity:	1,124,642	1,086,770
Capital Stock	342,037	342,037
Capital Surplus:	297,052	297,052
Legal Capital Surplus	242,555	242,555
Other Capital Surplus	54,496	54,496
Retained Earnings:	486,027	448,147
Legal Retained Earnings	50,459	48,323
Other Retained Earnings:	435,567	399,823
Reserve for Overseas Investment Loss	0	0
Other Voluntary Reserve	371,870	371,870
Retained Earnings Brought Forward	63,697	27,953
Treasury Stock	(473)	(465)
Valuation and Translation Adjustments:	(1,781)	13,919
Valuation Difference on Available-for-Sale Securities	(5,951)	8,281
Deferred Gains or Losses on Hedges	8,884	10,293
Revaluation Reserve for Land	(4,714)	(4,655)
Total Net Assets	1,122,860	1,100,690
Total Liabilities and Net Assets	18,706,932	19,651,334

(2) Non-Consolidated Statements of Income

	Six Months Ended September 30, 2009	Six Months Ended September 30, 2010
(Millions of Yen)		
Ordinary Income:		
Trust Fees	26,336	25,130
Interest Income:	147,223	114,874
Interest on Loans and Discounts	87,560	77,168
Interest and Dividends on Securities	54,690	29,111
Fees and Commissions	34,429	36,099
Trading Income	10,030	5,632
Other Ordinary Income	17,828	27,211
Other Income	9,707	7,554
Ordinary Income	245,556	216,504
Ordinary Expenses:		
Interest Expenses:	59,586	45,521
Interest on Deposits	35,153	27,640
Fees and Commissions Payments	15,970	17,488
Other Ordinary Expenses	14,100	20,998
General and Administrative Expenses	73,051	71,027
Other Expenses	51,663	18,829
Ordinary Expenses	214,373	173,865
Ordinary Profit	31,183	42,638
Extraordinary Income	340	7,011
Extraordinary Loss	153	18,892
Income before Income Taxes	31,370	30,757
Income Taxes:	12,047	(17,740)
Current	7,460	4,100
Deferred	4,587	(21,840)
Net Income	19,322	48,497

(3) Non-Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Six Months Ended September 30, 2009	Six Months Ended September 30, 2010
Shareholders' Equity:		
Capital Stock:		
Balance at the End of the Previous Period	287,537	342,037
Changes of Items during the Period:		
Issuance of New Shares	54,500	—
Total Changes of Items during the Period	54,500	—
Balance at the End of the Current Period	342,037	342,037
Capital Surplus:		
Legal Capital Surplus:		
Balance at the End of the Previous Period	242,555	242,555
Changes of Items during the Period:		
Issuance of New Shares	54,500	—
Transfer to Other Capital Surplus	(54,500)	—
Total Changes of Items during the Period	—	—
Balance at the End of the Current Period	242,555	242,555
Other Capital Surplus:		
Balance at the End of the Previous Period	—	54,496
Changes of Items during the Period:		
Transfer from Legal Capital Surplus	54,500	—
Disposal of Treasury Stock	(2)	(0)
Total Changes of Items during the Period	54,497	(0)
Balance at the End of the Current Period	54,497	54,496
Total Capital Surplus:		
Balance at the End of the Previous Period	242,555	297,052
Changes of Items during the Period:		
Issuance of New Shares	54,500	—
Disposal of Treasury Stock	(2)	(0)
Total Changes of Items during the Period	54,497	(0)
Balance at the End of the Current Period	297,053	297,052
Retained Earnings:		
Legal Retained Earnings:		
Balance at the End of the Previous Period	46,580	48,323
Changes of Items during the Period:		
Cash Dividends	—	2,135
Total Changes of Items during the Period	—	2,135
Balance at the End of the Current Period	46,580	50,459
Other Retained Earnings:		
Balance at the End of the Previous Period	390,957	399,823
Changes of Items during the Period:		
Cash Dividends	(2,511)	(12,813)
Net Income	19,322	48,497
Reversal of Revaluation Reserve for Land	60	60
Total Changes of Items during the Period	16,871	35,744
Balance at the End of the Current Period	407,829	435,567
Total Retained Earnings:		
Balance at the End of the Previous Period	437,538	448,147
Changes of Items during the Period:		
Cash Dividends	(2,511)	(10,678)
Net Income	19,322	48,497
Reversal of Revaluation Reserve for Land	60	60
Total Changes of Items during the Period	16,871	37,879
Balance at the End of the Current Period	454,410	486,027

(Continued)

(Millions of Yen)

	Six Months Ended September 30, 2009	Six Months Ended September 30, 2010
Treasury Stock:		
Balance at the End of the Previous Period	(453)	(465)
Changes of Items during the Period:		
Purchase of Treasury Stock	(10)	(8)
Disposal of Treasury Stock	5	0
Total Changes of Items during the Period	(5)	(8)
Balance at the End of the Current Period	(458)	(473)
Total Shareholders' Equity:		
Balance at the End of the Previous Period	967,177	1,086,770
Changes of Items during the Period:		
Issuance of New Shares	109,000	—
Cash Dividends	(2,511)	(10,678)
Net Income	19,322	48,497
Purchase of Treasury Stock	(10)	(8)
Disposal of Treasury Stock	2	0
Reversal of Revaluation Reserve for Land	60	60
Total Changes of Items during the Period	125,864	37,871
Balance at the End of the Current Period	1,093,041	1,124,642
Valuation and Translation Adjustments:		
Valuation Difference on Available-for-Sale Securities:		
Balance at the End of the Previous Period	(97,893)	8,281
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	92,991	(14,232)
Total Changes of Items during the Period	92,991	(14,232)
Balance at the End of the Current Period	(4,901)	(5,951)
Deferred Gains or Losses on Hedges:		
Balance at the End of the Previous Period	(1,627)	10,293
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	13,151	(1,408)
Total Changes of Items during the Period	13,151	(1,408)
Balance at the End of the Current Period	11,523	8,884
Revaluation Reserve for Land:		
Balance at the End of the Previous Period	(4,511)	(4,655)
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(60)	(59)
Total Changes of Items during the Period	(60)	(59)
Balance at the End of the Current Period	(4,572)	(4,714)
Total Valuation and Translation Adjustments:		
Balance at the End of the Previous Period	(104,032)	13,919
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	106,081	(15,701)
Total Changes of Items during the Period	106,081	(15,701)
Balance at the End of the Current Period	2,049	(1,781)
Total Net Assets:		
Balance at the End of the Previous Period	863,145	1,100,690
Changes of Items during the Period:		
Issuance of New Shares	109,000	—
Cash Dividends	(2,511)	(10,678)
Net Income	19,322	48,497
Purchase of Treasury Stock	(10)	(8)
Disposal of Treasury Stock	2	0
Reversal of Revaluation Reserve for Land	60	60
Net Changes of Items other than Shareholders' Equity	106,081	(15,701)
Total Changes of Items during the Period	231,945	22,170
Balance at the End of the Current Period	1,095,090	1,122,860

(4) Note on Assumption of Going Concern

There is no applicable information.