

Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings)

Financial Results for the Six Months Ended September 30, 2017

[Japanese GAAP] (Consolidated)



November 14, 2017

Stock exchange listings:	Tokyo and Nagoya (Code: 8309)
URL:	http://www.smth.jp/en/index.html
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Filing date of quarterly securities report (Shihanki Hokokusyo) (Scheduled):	November 27, 2017
Specific trading accounts:	Established
Dividend payment date:	December 4, 2017
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 Six Months Ended September 30, 2017)

(1) Operating Results

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

Six Months Ended	Ordinary Income		Ordinary Profit		Net Income Attributable to Owners of the Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
September 30, 2017	629,058	5.9	117,712	(14.4)	75,427	(14.2)
September 30, 2016	594,221	6.2	137,467	0.1	87,922	2.2

(Note) Comprehensive Income: Six months ended September 30, 2017 ¥106,068 million, 265.7%
Six months ended September 30, 2016 ¥29,007 million, (47.0)%

Six Months Ended	Net Income per Share of Common Stock	Net Income per Share of Common Stock (Fully Diluted)
	Yen	Yen
September 30, 2017	197.49	197.42
September 30, 2016	229.51	229.45

(Note) SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share effected on October 1, 2016. Net income per share of common stock and net income per share of common stock (fully diluted) are calculated as if the consolidation of shares had occurred at the beginning of the fiscal year ended March 31, 2017.

(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
September 30, 2017	65,529,618	2,775,804	3.9	6,645.15
March 31, 2017	65,453,725	2,791,682	3.8	6,437.58

(Reference) Shareholders' Equity: As of September 30, 2017 ¥2,528,724 million
As of March 31, 2017 ¥2,462,616 million

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

(Note 2) The above Net Assets to Total Assets Ratio is different from the capital adequacy ratio prescribed in the notification of the Financial Services Agency with respect to the capital adequacy ratio.

2. Cash Dividends per Share of Common Stock

Fiscal Year	Annual Cash Dividends per Share of Common Stock				
	1st Quarter-End	2nd Quarter-End	3rd Quarter-End	Fiscal Year-End	Total
Ended March 31, 2017	—	6.50	—	65.00	—
Ending March 31, 2018	—	65.00	—	65.00	—
Ending March 31, 2018 (Forecast)	—	—	—	65.00	130.00

(Note 1) Revision of latest announced estimates for cash dividends per share of common stock: None

(Note 2) SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share effected on October 1, 2016. Annual cash dividends per share of common stock for the fiscal year ended March 31, 2017, reflect the effect of the share consolidation, and total annual cash dividends per share of common stock are presented as "—."

3. Consolidated Earnings Forecast (for the Fiscal Year Ending March 31, 2018)

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

Fiscal Year Ending	Ordinary Profit		Net Income Attributable to Owners of the Parent		Net Income per Share of Common Stock
	Millions of Yen	%	Millions of Yen	%	Yen
March 31, 2018	235,000	19.7	150,000	23.5	394.18

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

* Notes

(1) Changes in Significant Subsidiaries during the Six Months Ended September 30, 2017: Yes

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

Included: — (—)

Excluded: 2 companies MTH Preferred Capital 5 (Cayman) Limited
STB Preferred Capital 3 (Cayman) Limited

(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: | None |
| 3) Changes in accounting estimates: | None |
| 4) Restatements: | None |

(3) Number of Shares Issued (Common Stock)

- 1) Number of shares issued (including treasury stock):
2) Number of treasury stock:
3) Average number of outstanding issued shares:

As of September 30, 2017	390,348,640 shares	As of March 31, 2017	390,348,640 shares
As of September 30, 2017	9,811,936 shares	As of March 31, 2017	7,810,724 shares
For the six months ended September 30, 2017	381,922,964 shares	For the six months ended September 30, 2016	383,094,938 shares

(Note) SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share effected on October 1, 2016. The average number of outstanding issued shares for the six months ended September 30, 2017, is calculated as if the consolidation of shares had occurred at the beginning of the fiscal year ended March 31, 2017.

< Summary of Non-Consolidated Financial Results >

Non-Consolidated Financial Results (for the Six Months Ended September 30, 2017)

(1) Operating Results

(%: Changes from the previous first half)

Six Months Ended	Operating Income		Operating Profit		Ordinary Profit		Net Income		Net Income per Share of Common Stock
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
September 30, 2017	35,668	(2.7)	34,137	(4.0)	31,281	(3.5)	31,279	(3.5)	81.90
September 30, 2016	36,652	(2.8)	35,560	(2.8)	32,426	(0.7)	32,425	(0.7)	84.64

(Note) SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share effected on October 1, 2016. Net income per share of common stock is calculated as if the consolidation of shares had occurred at the beginning of the fiscal year ended March 31, 2017.

(2) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets Ratio
As of	Millions of Yen	Millions of Yen	%
September 30, 2017	2,042,917	1,485,787	72.7
March 31, 2017	1,968,108	1,487,288	75.5

(Reference) Shareholders' Equity: September 30, 2017 ¥1,484,984 million
March 31, 2017 ¥1,486,710 million

(Note) Net Assets to Total Assets Ratio = (Net Assets - Subscription Rights to Shares) / Total Assets

The consolidated financial results for the six months ended September 30, 2017, are outside the scope of the interim audit procedures.

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 interim consolidated financial results for the six-month period ended September 30, 2017, 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.

As a specified business entity (a company engaged in the specified businesses set forth in Article 17-15(2) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.), SuMi TRUST Holdings has prepared the interim consolidated financial statements for the six months ended September 30, 2017.

A briefing on financial results will be held for institutional investors and analysts. The contents of the meeting, such as explanations about financial results (audio), 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. Interim Consolidated Financial Statements and Notes to the Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

	As of March 31, 2017	As of September 30, 2017
(Millions of Yen)		
Assets:		
Cash and Due from Banks	26,944,478	26,142,143
Call Loans and Bills Bought	124,706	159,904
Receivables under Resale Agreements	83,888	75,310
Receivables under Securities Borrowing Transactions	480,453	631,532
Monetary Claims Bought	906,572	747,500
Trading Assets	496,563	534,510
Money Held in Trust	1,650	1,490
Securities	5,127,717	5,234,392
Loans and Bills Discounted	28,040,446	28,342,609
Foreign Exchanges	16,189	32,772
Lease Receivables and Investment Assets	667,808	686,741
Other Assets	1,638,186	2,049,302
Tangible Fixed Assets	225,814	217,944
Intangible Fixed Assets	214,790	206,893
Assets for Retirement Benefits	119,018	124,637
Deferred Tax Assets	23,243	22,632
Customers' Liabilities for Acceptances and Guarantees	458,010	423,483
Allowance for Loan Losses	(115,814)	(104,181)
Total Assets	65,453,725	65,529,618
Liabilities:		
Deposits	36,000,814	35,044,955
Negotiable Certificates of Deposit	7,326,617	6,966,238
Call Money and Bills Sold	54,089	1,363,588
Payables under Repurchase Agreements	1,063,737	1,624,326
Payables under Securities Lending Transactions	13,699	11,881
Trading Liabilities	366,879	345,958
Borrowed Money	3,463,105	4,591,776
Foreign Exchanges	236	358
Short-Term Bonds Payable	904,248	695,138
Bonds Payable	1,385,098	1,560,962
Borrowed Money from Trust Account	10,274,143	8,750,039
Other Liabilities	1,151,325	1,160,072
Provision for Bonuses	16,331	13,828
Provision for Directors' Bonuses	259	60
Liabilities for Retirement Benefits	14,048	14,530
Provision for Reward Points Program	17,519	17,488
Provision for Reimbursement of Deposits	3,583	3,593
Provision for Contingent Losses	7,774	8,545
Deferred Tax Liabilities	137,501	153,969
Deferred Tax Liabilities for Land Revaluation	3,016	3,016
Acceptances and Guarantees	458,010	423,483
Total Liabilities	62,662,042	62,753,814

(Continued)

(Millions of Yen)

	As of March 31, 2017	As of September 30, 2017
Net Assets:		
Capital Stock	261,608	261,608
Capital Surplus	645,048	645,015
Retained Earnings	1,159,028	1,209,904
Treasury Stock	(34,061)	(42,203)
Total Shareholders' Equity	2,031,623	2,074,326
Valuation Differences on Available-for-Sale Securities	476,848	495,663
Deferred Gains (Losses) on Hedges	(21,018)	(22,244)
Revaluation Reserve for Land	(6,067)	(6,381)
Foreign Currency Translation Adjustments	2,135	5,089
Adjustments for Retirement Benefits	(20,905)	(17,728)
Total Accumulated Other Comprehensive Income	430,992	454,398
Subscription Rights to Shares	577	803
Non-Controlling Interests	328,488	246,276
Total Net Assets	2,791,682	2,775,804
Total Liabilities and Net Assets	65,453,725	65,529,618

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

(Millions of Yen)

	For the Six Months Ended	
	September 30, 2016	September 30, 2017
Ordinary Income:	594,221	629,058
Trust Fees	50,706	48,640
Interest Income:	175,085	208,500
Interest on Loans and Discounts	131,175	152,483
Interest and Dividends on Securities	32,752	38,274
Fees and Commissions	195,318	192,729
Trading Income	7,157	3,981
Other Ordinary Income	143,920	149,586
Other Income	22,033	25,619
Ordinary Expenses:	456,754	511,345
Interest Expenses:	86,017	118,733
Interest on Deposits	35,502	46,579
Fees and Commissions Payments	41,885	43,256
Trading Expenses	766	61
Other Ordinary Expenses	102,852	113,171
General and Administrative Expenses	214,921	219,223
Other Expenses	10,310	16,898
Ordinary Profit	137,467	117,712
Extraordinary Income:	986	9,102
Gains on Disposal of Fixed Assets	986	9,102
Extraordinary Losses:	2,588	6,651
Losses on Disposal of Fixed Assets	603	366
Impairment Losses	1,985	6,284
Income before Income Taxes	135,865	120,163
Income Taxes:	41,426	37,988
Current	32,146	30,024
Deferred	9,279	7,963
Net Income	94,439	82,175
Net Income Attributable to Non-Controlling Interests	6,517	6,748
Net Income Attributable to Owners of the Parent	87,922	75,427

Interim Consolidated Statements of Comprehensive Income

(Millions of Yen)

	For the Six Months Ended	
	September 30, 2016	September 30, 2017
Net Income	94,439	82,175
Other Comprehensive Income (Loss):	(65,432)	23,893
Valuation Differences on Available-for-Sale Securities	(47,621)	19,288
Deferred Gains (Losses) on Hedges	(7,501)	(1,597)
Foreign Currency Translation Adjustments	(12,088)	3,125
Adjustments for Retirement Benefits	5,019	3,185
Attributable to Equity-Method Affiliated Companies	(3,240)	(104)
Comprehensive Income:	29,007	106,068
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	23,042	99,146
Comprehensive Income Attributable to Non-Controlling Interests	5,965	6,922

(3) Interim Consolidated Statements of Changes in Net Assets
 For the Six Months Ended September 30, 2016

(Millions of Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Period	261,608	645,106	1,087,195	(27,097)	1,966,813
Changes during the Period					
Cash Dividends			(24,995)		(24,995)
Net Income Attributable to Owners of the Parent			87,922		87,922
Purchase of Treasury Stock				(6,932)	(6,932)
Disposal of Treasury Stock		(0)		4	3
Purchase of Shares of Consolidated Subsidiaries		(57)			(57)
Reversal of Revaluation Reserve for Land			33		33
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(58)	62,959	(6,928)	55,972
Balance at the End of the Period	261,608	645,048	1,150,155	(34,025)	2,022,786

	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 Period	467,517	(13,169)	(5,819)	2,800	(41,168)	410,160	421	327,116	2,704,511
Changes during the Period									
Cash Dividends									(24,995)
Net Income Attributable to Owners of the Parent									87,922
Purchase of Treasury Stock									(6,932)
Disposal of Treasury Stock									3
Purchase of Shares of Consolidated Subsidiaries									(57)
Reversal of Revaluation Reserve for Land									33
Net Changes of Items Other Than Shareholders' Equity	(48,162)	(7,787)	(33)	(13,940)	5,010	(64,913)	162	10	(64,740)
Total Changes during the Period	(48,162)	(7,787)	(33)	(13,940)	5,010	(64,913)	162	10	(8,767)
Balance at the End of the Period	419,354	(20,957)	(5,852)	(11,140)	(36,158)	345,246	584	327,126	2,695,744

For the Six Months Ended September 30, 2017

(Millions of Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Period	261,608	645,048	1,159,028	(34,061)	2,031,623
Changes during the Period					
Cash Dividends			(24,864)		(24,864)
Net Income Attributable to Owners of the Parent			75,427		75,427
Purchase of Treasury Stock				(8,154)	(8,154)
Disposal of Treasury Stock		(0)		12	12
Purchase of Shares of Consolidated Subsidiaries		(32)			(32)
Reversal of Revaluation Reserve for Land			314		314
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(32)	50,876	(8,141)	42,702
Balance at the End of the Period	261,608	645,015	1,209,904	(42,203)	2,074,326

	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 Period	476,848	(21,018)	(6,067)	2,135	(20,905)	430,992	577	328,488	2,791,682
Changes during the Period									
Cash Dividends									(24,864)
Net Income Attributable to Owners of the Parent									75,427
Purchase of Treasury Stock									(8,154)
Disposal of Treasury Stock									12
Purchase of Shares of Consolidated Subsidiaries									(32)
Reversal of Revaluation Reserve for Land									314
Net Changes of Items Other Than Shareholders' Equity	18,814	(1,226)	(314)	2,954	3,177	23,405	226	(82,212)	(58,580)
Total Changes during the Period	18,814	(1,226)	(314)	2,954	3,177	23,405	226	(82,212)	(15,878)
Balance at the End of the Period	495,663	(22,244)	(6,381)	5,089	(17,728)	454,398	803	246,276	2,775,804

(4) Notes to the Interim Consolidated Financial Statements

(Notes on Going Concern Assumptions)

There is no applicable information.