SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

INTEGRATED REPORT

—ANNUAL REPORT—

Year ended March 31, 2017

2017



SuMi TRUST



Symbol Mark

The symbol mark features "Future Bloom" representing the vision of the Sumitomo Mitsui Trust Group, which is "to generate new value through the combination of significant expertise and comprehensive capabilities, and to help the future of our clients and society bloom."

Corporate Color

The corporate color is "Future Blue," which represents the integration of the sense of value that the symbol mark implies, and evokes the closeness and the future.

Management Principles ("Mission")

(I) Swiftly provide comprehensive solutions to our clients by fully utilizing the significant expertise and comprehensive capabilities.

(II) Adhere to the principles of sound management based on a high degree of self-discipline with the background of fiduciary spirit and establish strong credibility from society.

(III) Strive to fulfill all shareholder expectations by creating distinct values through fusing the various functions featuring the trust bank group.

(IV) Offer a workplace where the diversity and creativity of its employees are more fully utilized to add value to the organization and where employees can have pride and be highly motivated in fulfilling their missions.

Ideal Model ("Vision")
—Towards "The Trust Bank"—

Based on the fiduciary spirit and with significant expertise and comprehensive capabilities, the Sumitomo Mitsui Trust Group will create distinct values by leveraging a new business model, combining its banking, asset management and administration, and real estate businesses, and will move onto the global stage as a leading trust bank group which boasts the largest and highest status in Japan.

Codes of Conduct ("Value")

In order to pursue the Management Principles of the Sumitomo Mitsui Trust Group, the executives and employees commit themselves to comply with the six Codes of Conduct described below.

Completely Client-oriented—Truthfulness and Loyalty
We will adhere to the highest degree of "Truthfulness and Loyalty" as well as credibility and sureness, and will carry out all our responsibilities for client satisfaction and comfort as our top priority.

Contribution to Society—Dedication and Development
We will remain dedicated in all our efforts, with "Frontier Spirit," and continue to contribute to society.

Realization of Organizational Capability—Trust and Creativity
We will realize our organizational capabilities with full of mutual trust and creativity through improvement by mutual learning and continuous personal transformation of various people who share the enthusiasm for trust.

Establishment of Individuality—Self-help and Self-discipline
With a spirit of self-help and self-discipline as well as a sense of ownership, we will carry out our responsibilities.

Strict Compliance with Applicable Laws and Regulations
We will strictly comply with all applicable laws, rules and regulations, and will ensure that all our corporate activities meet the highest standards of social norms.

Resolute Stance against Antisocial Forces
We will continue to take a resolute stance against antisocial forces, which may threaten public order and the security of civil society.

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Editorial Policy

The Sumitomo Mitsui Trust Group has prepared this integrated report so readers can understand the Group's initiatives aimed at sustainable growth and at providing values for all our stakeholders. After spelling out the Group's value creation process and the medium- to long-term vision, we explain the management foundation supporting our business strategy as a financial group specialized in trust banking. In applying our editorial approach, we strive to improve and expand not just financial information but also non-financial information such as business strategy and environmental, social and governance (ESG) factors, referencing the integrated reporting framework issued by the International Integrated Reporting Council (IIRC). For more specific financial information and ESG information, please see the Financial Data Section and visit our website.

<Reporting Coverage>
Reporting Period:
From April 1, 2016 to March 31, 2017
(Partially including the information after April 1, 2017)
Scope of Reporting:
The Sumitomo Mitsui Trust Group;
including Sumitomo Mitsui Trust Holdings, Inc.,
Sumitomo Mitsui Trust Bank, Limited,
other subsidiaries and affiliated companies

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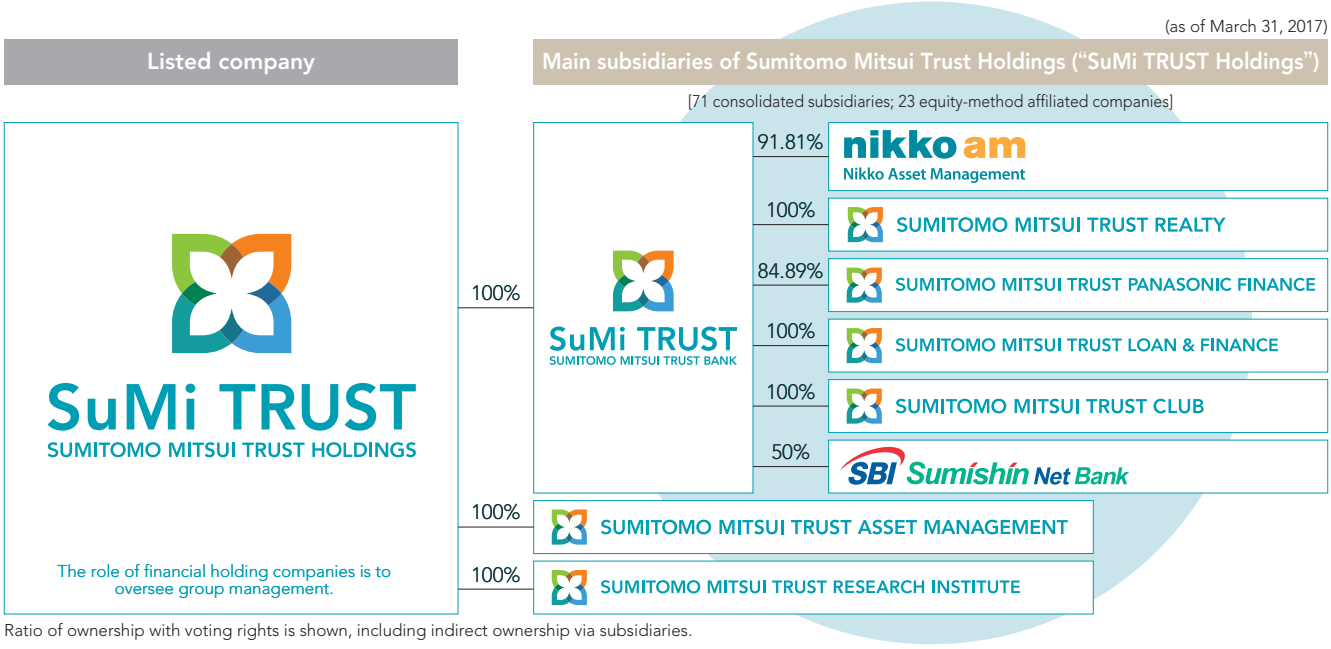
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Group Information

The Sumitomo Mitsui Trust Group (the "SuMi TRUST Group") has many Group companies with businesses in areas such as banking, asset management and administration, and real estate. Through the mutual coordination and cooperation of these Group companies with Sumitomo Mitsui Trust Bank ("SuMi TRUST Bank"), we can harness our comprehensive capabilities by integrating our trust and banking functions to provide total solutions from the standpoint of our clients.

(as of March 31, 2017)

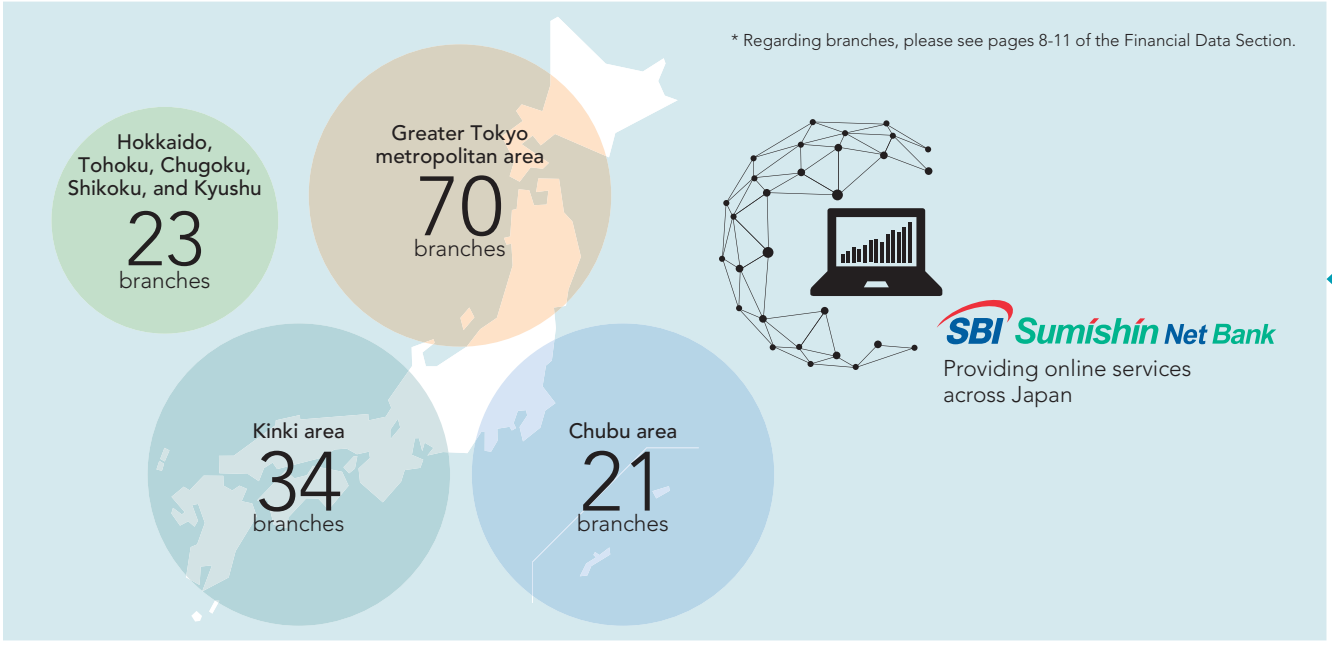


Ratio of ownership with voting rights is shown, including indirect ownership via subsidiaries.

Domestic Network

SuMi TRUST Bank has built a domestic branch network with a well-balanced footprint centering on the greater Tokyo metropolitan area, Kinki area, and Chubu area. In the internet domain, SBI Sumishin Net Bank offers services nationwide.

(as of March 31, 2017)



Status

The SuMi TRUST Group is Japan's largest asset manager and custodian, and it is the trust bank group that is top ranked in each business.

(as of March 31, 2017)

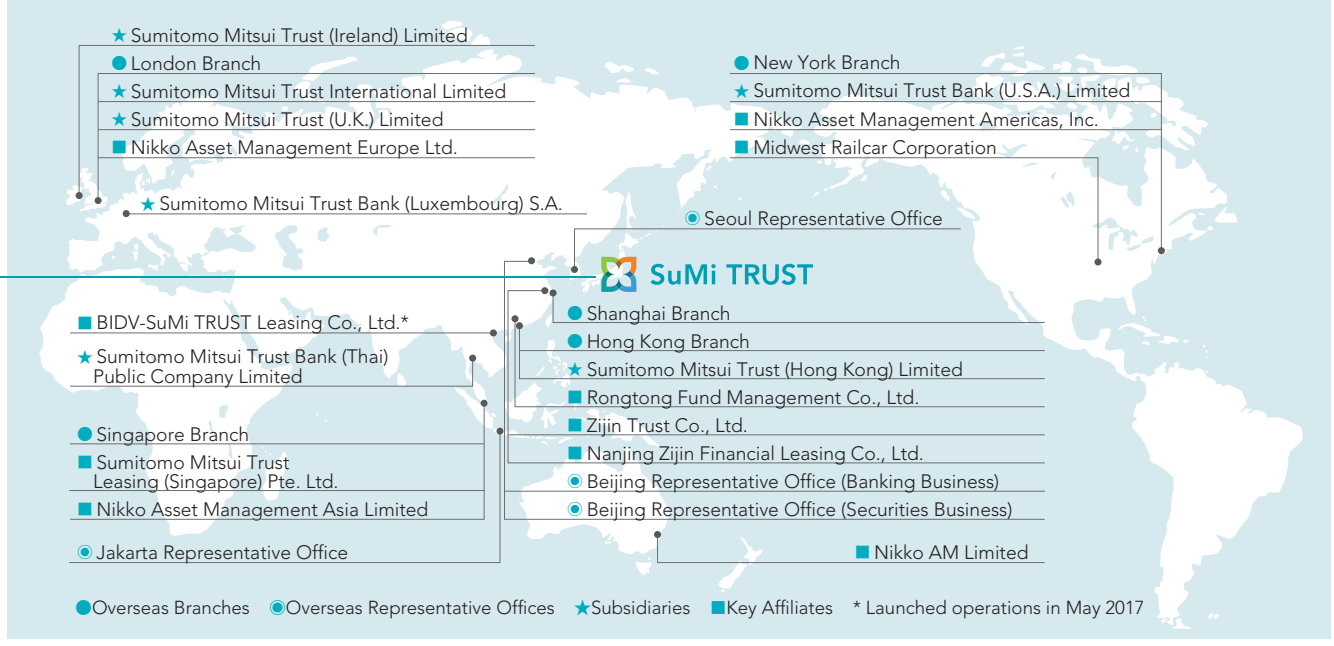
1	Assets under Management	¥80 trillion	No.1 among Japanese bank and securities company groups
1	Assets under Custody*	¥261 trillion	No.1 among Japanese bank groups
1	Balance of Corporate Pension Funds	¥14 trillion	No.1 among Japanese trust banks
1	Lead Manager for Corporate Pension Funds	1,343 funds	No.1 among Japanese trust banks
1	Entrusted Balance of Investment Trusts	¥64 trillion	No.1 among Japanese trust banks
1	Entrusted Balance of Securitized Real Estate	¥14 trillion	No.1 among Japanese trust banks
1	Number of Shareholders under Administration	25,226 thousand people	No.1 among Japanese trust banks
4	Balance of Loans to Corporations	¥19 trillion	No.4 among Japanese banks
4	Total Loan Balance	¥28 trillion	No.4 among Japanese banks

Includes estimates based on investigations by SuMi TRUST Holdings
* Refers to the aggregate balance of trust assets at the SuMi TRUST Group

Overseas Network

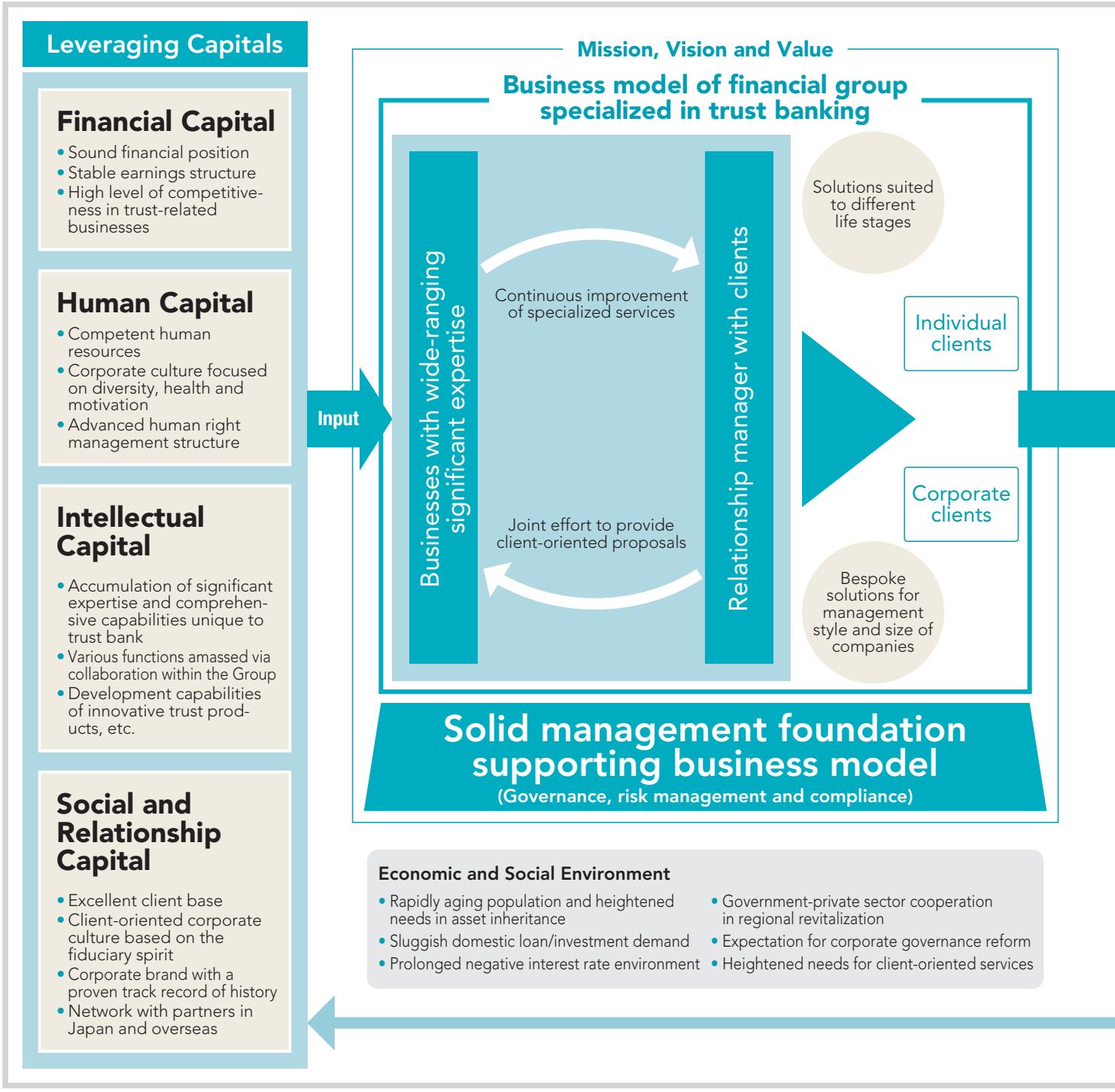
We have our own bases in key markets around the world, and through alliances and cooperation with local financial institutions and asset managers, we are working to expand our global presence.

(as of March 31, 2017)



Value Creation Process

Based on the fiduciary spirit, the SuMi TRUST Group is putting into practice a business model as "The Trust Bank" serving as its clients' "Best Partner", while also pursuing greater stakeholder value and higher corporate value and contributing to the formation of a sustainable society.



Output

Providing Products and Services

Banking+Asset Management and Administration+Real Estate
- Will Trusts
- Asset Inheritance Services

Banking+Asset Management and Administration
- Sales of Investment Trust
- Sales of Insurance Products

Asset Management and Administration+Real Estate
- Real Estate Securitization

Banking
- Bank Deposits
- Corporate Credit
- Loans to Individuals
- Foreign Exchange, Derivative, M&A

Asset Management and Administration
- Asset Management and Administration
- Pension Trust
- Stock Transfer Agency Services

Real Estate
- Real Estate Brokerage
- Construction Consulting

Other
- Leasing

Loan/investment related business
Fee-related business

Creation of Shared Values

Providing Values

Clients
- Providing a variety of highly specialized products and services
- Providing best solutions by grasping current and potential needs

Shareholders and Investors
- Realization of earnings greater than capital costs
- Maximization of medium- to long-term shareholders' value
- Constructive dialogue
- Highly transparent disclosure of information including non-financial information

Employees
- Providing workplaces where diverse human resources can display their abilities to achieve the Group's business model with hope and pride
- Providing a diversity of work styles and supporting work-life balance
- Fair assessment and treatment in accordance with abilities, roles and results

Communities
- Providing products and services to help resolve aging society issues and environmental issues such as climate change
- Contributing to the sound development of local communities, our operating base

Top Message



Sumitomo Mitsui Trust Holdings, Inc.
Director, President (Representative Executive Officer)
Tetsuo Ohkubo

Sumitomo Mitsui Trust Bank, Limited
President (Representative Director)
Masaru Hashimoto

We would like to extend our heartfelt thanks to all stakeholders for their invaluable support.

In April 2017, we, Tetsuo Ohkubo and Masaru Hashimoto, respectively assumed the posts of Director, President of Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings"), and President of Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank").

The social structure and the environment surrounding the financial industry have undergone major changes in recent years. However, we will combine our efforts to bring out new strengths in the Sumitomo Mitsui Trust Group (the "SuMi TRUST Group") and lead its growth. We sincerely appreciate your support in this endeavor.

Medium- to Long-Term Management Strategy

The SuMi TRUST Group has developed new products and services in accordance with changes in the needs of clients and the economic environment, and has dedicated itself to forming a multi-layered earnings structures and diversifying its business portfolio. Such various functions and diverse business portfolio are of great advantage to the SuMi TRUST Group. Going forward, in the era of rising economic and financial unpredictability and uncertainty, we believe it is necessary to further enhance the ability to offer our own total solution services by further strengthening comprehensive capabilities that combine our trust and banking functions, as well as enhancing our expertise in various trust functions within the Group that compose a source of added value, under advanced conflict of interest management framework.

Based on this recognition, and taking into account the needs of clients and a society that change with the environment and the times, we have formulated our new midterm management plan, "Evolution of The Trust Bank"—The Second Foundation—, which includes a business model transformation. Our aim, as a financial group specialized in trust banking, is to achieve sustainable and stable growth immune to economic and market volatilities.

Amid a major shift "to asset formation from savings," we will provide services that leverage the SuMi TRUST Group's wide range of functions to address management and administration needs for all kinds of clients' assets, including funds, securities and real estate, aspiring to become the leading group for asset management and administration in Japan. We will also respond steadily to client needs for funding procurement, while revising the content of the credit portfolio and raising profitability and efficiency. These are the pillars of the new midterm management plan.



In implementing the new midterm management plan, we will build a revenue base and client base that will enable sustainable and stable growth of the SuMi TRUST Group. To this end, we will work on enhancement of corporate governance and promotion of fiduciary duties and conflict of interest management, promote effective and client-oriented business operations, and become the "Best Partner" for our clients, while accelerating the process of business management through separation of supervision and execution.

• Business Model Transformation

In light of client and societal needs, such as increasing needs for review of asset formation and management and for asset succession, we are working to reform our business portfolio through a sustainable shift of a large proportion of the Group's earnings from "large corporate transactions based on loans" to "individual transactions, corporate/individual transactions* and private banking," and from "large corporate credit and market earnings" to "management and administration fee businesses." We will aim for sustainable growth with low volatility by achieving stable basic profit through the loan/investment business and by growing the fee businesses.

Through these efforts, we will move ahead in becoming No. 1 through a continual strengthening of the asset management and administration functions that are the essence of trusts, build a wide-ranging position as the "Best Partner" to create added value together with our clients over the long term, and aim for the sustainable and stable growth of balance of assets under management and profit as well as improvement of ROE. At the same time, we will pursue improvement of the overhead ratio through low cost operations.

Furthermore, from the perspective of improving balance sheet profitability and strengthening risk management, we will achieve both financial efficiency and profit stability by reducing strategic shareholdings, working to phase out foreign-currency denominated credit with low profits and reinforce risk management for major creditors, as well as thoroughly implementing downside risk management, including stock price fluctuation risk, foreign currency liquidity risk, and credit risk.

* Business engaged in "corporate transactions for owner-managed companies" and "individual transactions for company owners," targeting owner-managed companies and company owners who have advanced and various needs both as corporations and as individuals.

• Enhancement of Corporate Governance

SuMi TRUST Holdings established its "Basic Policy on Corporate Governance" in June 2015, aiming at sustainable growth and medium- to long-term enhancement of the corporate value of the SuMi TRUST Group. We have worked towards ensuring management transparency and appropriateness by increasing the number of independent external directors and external auditors on the Board of Directors, and through the functions of the Nominating and Compensation Committee and the Audit Committee newly established as advisory bodies to the Board of Directors. Having obtained approval at this year's General Meeting of Shareholders, SuMi TRUST Holdings changed to become a "company with Three Committees." We will work on the following three issues to further enhance corporate governance.

First, we will delegate decision-making regarding business execution from the Board of Directors to the newly established executive officers in an effort to achieve flexible and versatile business execution by making prompt management decisions.

Second, we will strengthen supervisory and restraining capabilities with regard to business execution by the Board of Directors and secure the effectiveness of governance through the functions of the newly established statutory committees (Nominating Committee, Compensation Committee, and Audit Committee) where external directors comprise the majority of each committee.

Third, in light of SuMi TRUST Holdings' position as one of the Domestic Systemically Important Banks (D-SIBs) in Japan, we are committed to building and enhancing an effective risk governance system within the SuMi TRUST Group through the functions of the newly established "Risk Committee." We will increase the Committee's effectiveness by including external experts among those serving as its members.

• Enhancement of Fiduciary Duties and Conflict of Interest Management

As a foremost industry leader in terms of fiduciary duties and conflict of interest management, the SuMi TRUST Group established the "Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group" (hereinafter, the "Policies") in September 2016 in order to practice and thoroughly implement fiduciary duties across all Group operations, and set up the "Fiduciary Duties Planning and Promotion Department" as an organization responsible for the penetration and thorough implementation of fiduciary duties at SuMi TRUST Holdings and SuMi TRUST Bank.

In addition, we reinforced our systems through the establishment of a dedicated committee and a dedicated department to increase the transparency of stewardship activities in our asset management business.

Furthermore, based on an advanced conflict of interest management framework, the SuMi TRUST Group will leverage its diverse functions as a financial group specialized in trust banking to pursue the following three initiatives aimed at firmly establishing the trust and reassurance of clients, shareholders and society.

As the first initiative, we will supervise group-wide conflict of interest management and practice of fiduciary duties, and strive to enhance our business operations overall, through the functions of the "Conflicts of Interest Committee" newly established at SuMi TRUST Holdings. We will increase the committee's effectiveness by including external experts among those serving as its members.

Second, based on the "Principles for Customer-Oriented Business Conduct" released by the Financial Services Agency in March 2017, we have reviewed the Policies established in September 2016, and released the "key performance indicators for objective assessment of the degree of establishment of client-oriented business operations" based on the Policies, in an effort to implement client-oriented business practices.



Third, by enhancing our conflict of interest management framework through a review of authority and organization in the asset management services in the Fiduciary Services Business as well as in the Wholesale Asset Management Business that provides asset management products for corporate clients, we are committed to providing high-quality comprehensive services that offer clients even greater reassurance.

Work Style Reform

The SuMi TRUST Group has worked on initiatives aimed at becoming the "No. 1 financial group for human resource development" and promotion of "diversity & inclusion (D&I)," based on its management principles of providing comfort and satisfaction to clients and achieving contribution to society by leveraging our organizational capabilities with full creativity made possible by our diverse human resources who share an enthusiasm for trust.

Furthermore, recognizing that promoting the creation of an environment that supports the diversity, health, and motivation of each and every employee is more important than ever amid the advance of changes in the social structure such as the decreasing work force due to the declining birthrate and aging population and the maturation of the economy, we have launched the "Work Style Reform Headquarters" and established the "Work Style Reform Declaration."

We will continue to promote Work Style Reform with the aim of realizing a virtuous circle where we grow together with our clients, in which the added value provided to clients is increased through energetic work, and praise from clients inspires even greater motivation among employees.

Materiality Management

The SuMi TRUST Group has identified priority issues (materiality) from the two perspectives of our own corporate value and the degree of impact on society. This identified materiality overlaps with the ESG (environmental, social and governance) issues in which investors have been increasingly interested in recent years, and we believe that seriously engaging with these issues is linked to the long-term growth of the Group.

From this point of view, in fiscal year 2016, we again analyzed feedback and evaluations received from ESG research firms and the latest ESG trends such as activities according to the Principles for Responsible Investment. On this basis, we have conducted "internal engagement" exercises where department responsible for CSR act as "in-house ESG quasi-investors" and engage in constructive dialogue with departments responsible for operations with high materiality.

With regard to the issue of climate change, one of the dialogue topics, we identified operational risks based on trends following the Paris Agreement that entered into force in November 2016, and put together an immediate response policy while also raising the issue on the Board of Directors' agenda with the aim of sharing awareness at the management level.

In Conclusion

Client needs are becoming more and more complex, and demands for reliable financial institutions are growing by the day. We are increasingly convinced that this is, without a doubt, an era that calls once again for the client-oriented services rooted in the fiduciary spirit of and cultivated by the SuMi TRUST Group since our founding, and that we are being offered a unique opportunity to fulfill our social mission.

We, the united directors, officers and employees of the SuMi TRUST Group, will do our utmost to establish our position as the "Best Partner" of our clients, by leveraging the diverse functions of the Group to provide high-quality total solutions unique to the SuMi TRUST Group.

We sincerely ask for your continued support for our endeavors.

July 2017

Sumitomo Mitsui Trust Holdings, Inc.
Director, President (Representative Executive Officer)

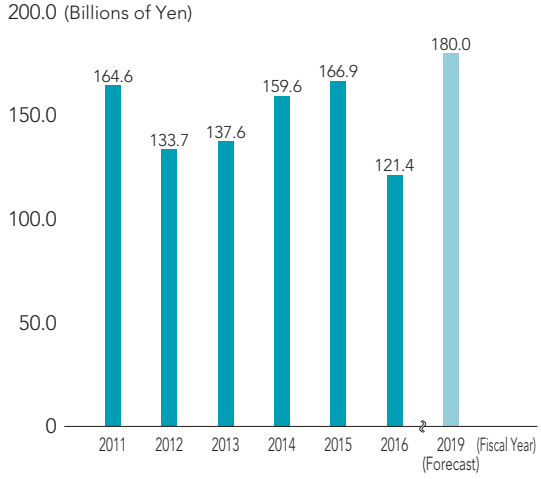


Sumitomo Mitsui Trust Bank, Limited
President (Representative Director)

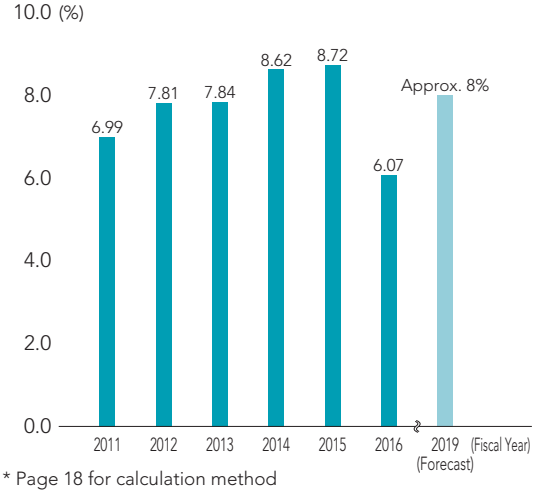


Financial Highlights

Net Income Attributable to Owners of the Parent

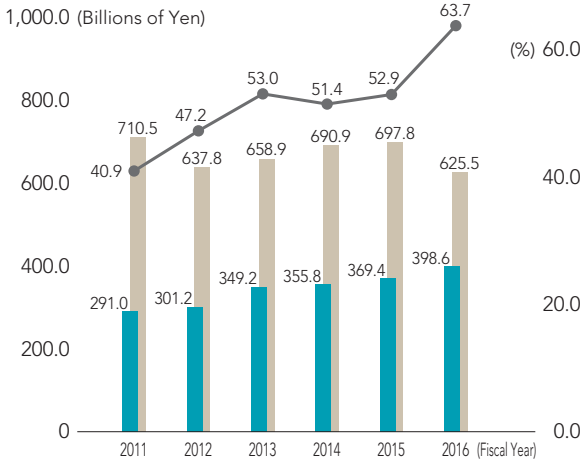


Return on Shareholders' Equity*



* Page 18 for calculation method

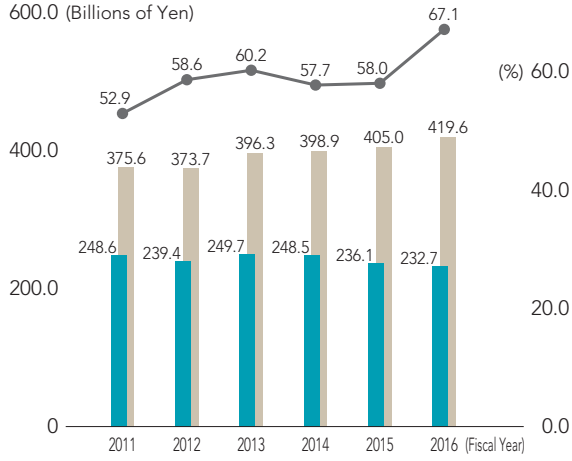
Fee Income Ratio*



Net fees and commissions and related profit (left)
Gross business profit (left)
Fee income ratio (right)

* Net fees and commissions and related profit divided by gross business profit

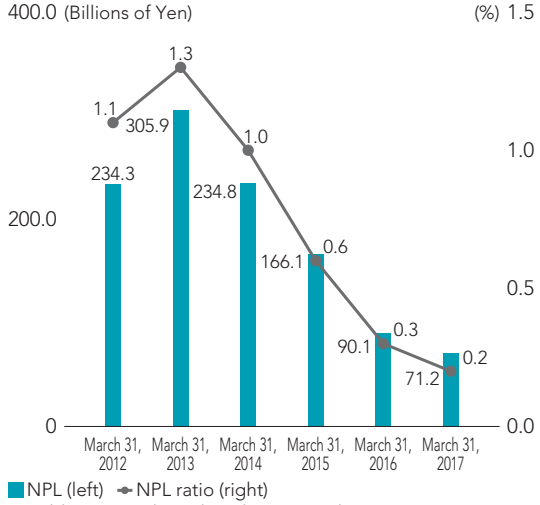
Overhead Ratio*1



General and administrative expenses (non-consolidated)*2 (left)
General and administrative expenses (left)
Overhead ratio (right)

*1 General and administrative expenses divided by gross business profit
*2 SuMi TRUST Bank (non-consolidated)

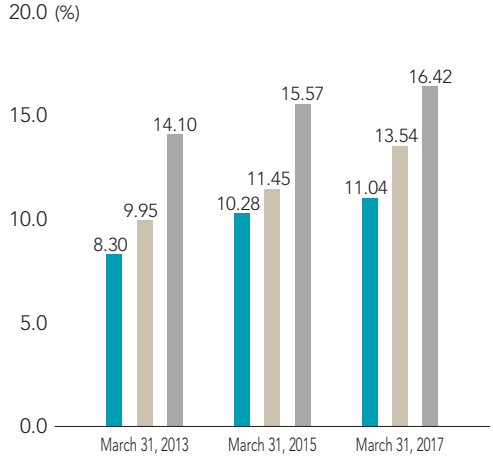
Non-Performing Loan* (NPL) Ratio (non-consolidated)



NPL (left)
NPL ratio (right)

* Problem assets based on the Financial Reconstruction Act

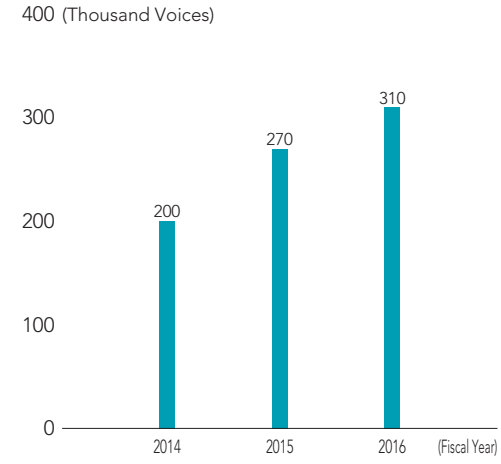
Capital Adequacy Ratio, etc.



Common equity Tier 1 capital ratio
Tier 1 capital ratio
Total capital ratio

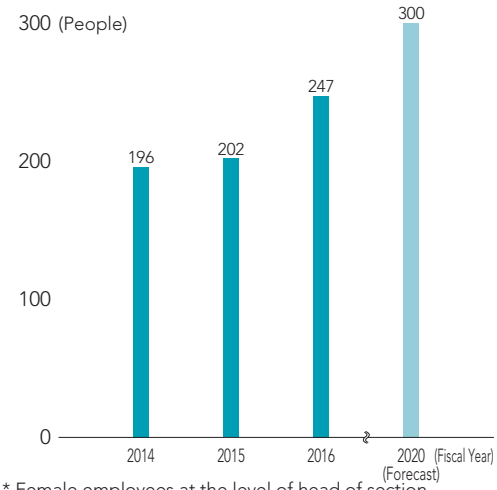
Non-financial Highlights

Collected Number of Client Voices*



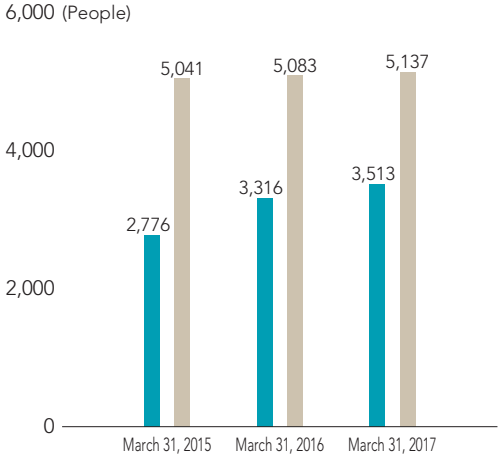
* SuMi TRUST Bank

Number of Female Employees in Management Positions*



* Female employees at the level of head of section or above of SuMi TRUST Bank

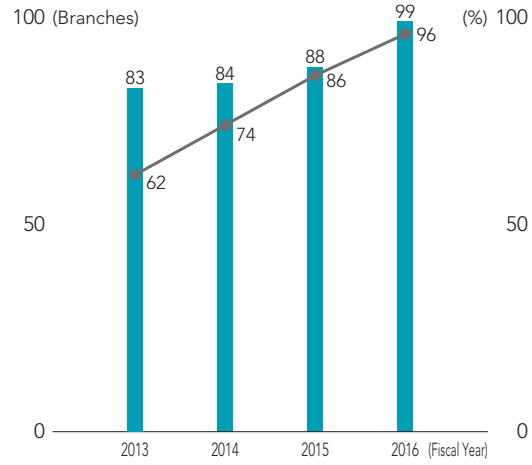
Number of Employees with Qualifications Entitled to Support Asset Formation of Individual Clients*



Employees in charge of individual clients who completed the basic course for securities analysts
Course for employees with FP-related qualifications

* SuMi TRUST Bank

Branches Achieving "With You Activities*1" Goals

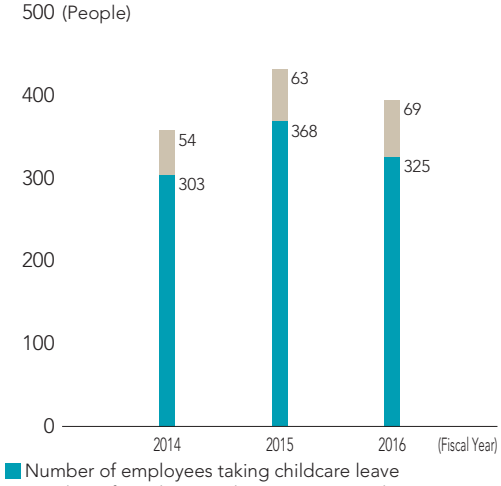


Branches achieving goals (left) Achievement ratio*2 (right)

*1 Social contribution activities each branch of SuMi TRUST Bank implements to enhance trust through diligent efforts. For details, please refer to page 85.

*2 The total number of branches in each fiscal year were; 133 for FY2013, 114 for FY2014, 102 for FY2015 and 103 for FY2016.

Number of Employees Taking Childcare Leave/Nursing Care Leave*



Number of employees taking childcare leave
Number of employees taking nursing care leave

* SuMi TRUST Bank

Ratio of External Directors, etc. on the Board of Directors and Committees

	Chairman・Chairperson	Ratio of external directors and experts (%)
Board of Directors	External Directors	47
Nominating Committee	External Directors	71
Compensation Committee	External Directors	67
Audit Committee	External Directors	60
Risk Committee	External Directors	80
Conflicts of Interest Committee	External Experts	75

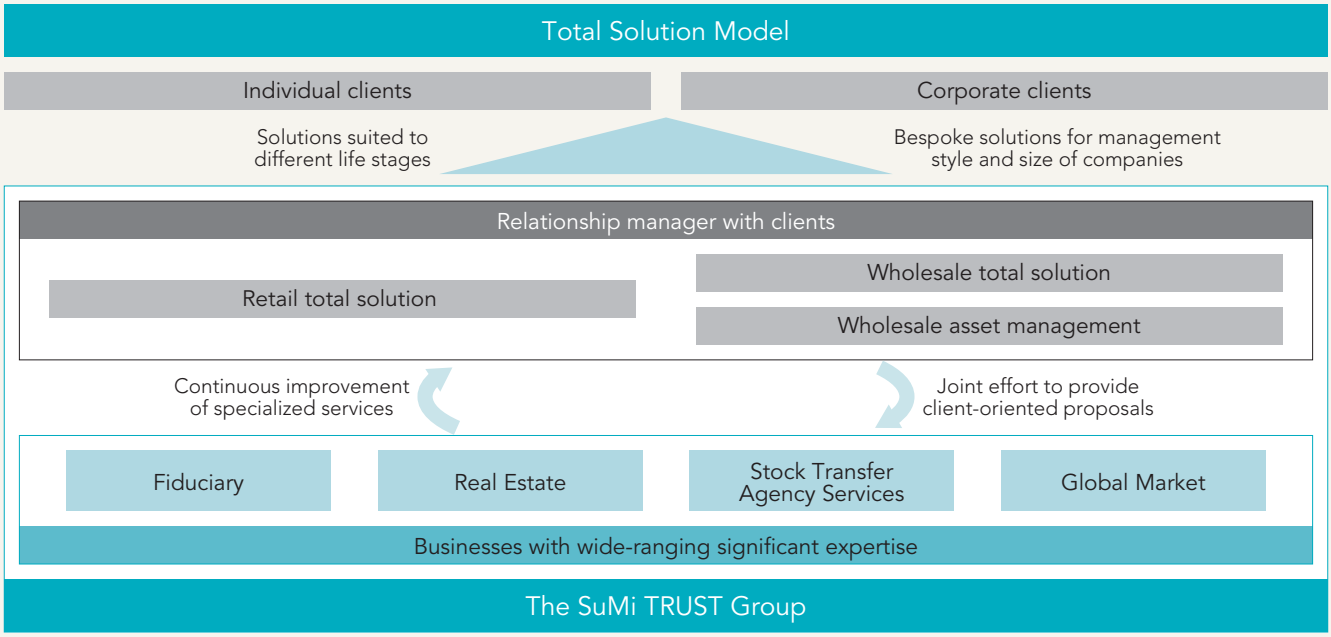
(Rounding off after the decimal point)

Medium- to Long-Term Vision

- The Sumitomo Mitsui Trust Group (the "SuMi TRUST Group"), as a financial group specialized in trust banking, aims for sustainable and stable growth immune to economic and market volatilities in order to meet client and social needs, which change over time and in evolving environments.
- We will further enhance our comprehensive capabilities merging trust and banking functions and our expertise in trust businesses, which are the source of our added value mobilizing various trust functions within the Group, to elevate our capability to propose "Total Solutions".
- Taking advantage of the changes in the current business environment as an opportunity for further progress, we are determined to accomplish business model transformation and establish a solid position as the "Best Partner" for clients, to pursue evolution of "The Trust Bank" as our vision.

Our Vision and Initiatives

- **Pursuing growth by strengthening our edge as a financial group specialized in trust banking**
- **Fundamental strengthening of our cost competitiveness**
- **Capital policy that conforms to our business model**
- **Strengthening effectiveness of governance and enhance fiduciary duties**



- Enhance our "expertise" in various trust functions within the Group and our comprehensive capabilities, which create our added value, mobilizing expertise functions
- Create differentiation by providing prompt "total solutions" for the needs of individual clients at various life stages and for the business challenges of corporate clients
- Ensure sophistication of products and services as well as consultation for asset formation, asset management and asset inheritance as a leading group in asset management and administration business
- Expand alliances, with various financial institutions leveraging our neutral position to provide a wider range of products and services to a broader client base

- Pursue economies of scale through alliance strategies, including asset administration
- Improve productivity via IT utilization, including FinTech
- Pursue operational efficiency of the entire Group

- Strengthen capital utilization for M&A, including asset management and administration business
- Contract regulatory required capital for loan/investment businesses, including strategic shareholdings, based on the direction of financial regulation
- Stay cognizant of the best balance of the above to enhance shareholder return in the medium term

- Enhance supervisory functions and improve management decision-making efficiency by transitioning to a "company with Three Committees" model.
- Promote fiduciary duties and enhancement of conflict of interest management in operations, including asset management-related businesses

Total Solutions

- To accurately grasp current and potential needs of our clients
- Propose a diverse range of products and services as the best solution for clients to solve their problems together

+

Businesses with Expertise

- Offer a wide range of highly specialized products and services indispensable for providing total solutions
- Ensure joint effort to create client-oriented solutions, embedding them in products and services

→ **"Best Partner" for our clients**

Financial Operations, Capital Strategy

Our Basic Philosophy

While seeking to bolster the soundness of our financial base by securing our capital position in terms of both quality and quantity, our basic philosophy is to aim to maximize shareholder earnings through the pursuit of improved capital efficiency.

Financial- and Capital-related Key Performance Indicators (KPI)

	KPIs	FY2016 Result	Medium-term Target Level
Profitability	ROE*[1]	6.07%	Approximately 8% (long-term target of 10%)
Soundness	Common equity Tier 1 capital ratio (fully loaded basis)*[2]	11.19%	Stay at approximately 10% consistently
	External credit ratings (Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank"))	Moody's: A, S&P: A1, others*[3]	—
	Strategic Shareholdings	Ratio of strategic shareholdings to Common Equity Tier 1 capital as of the end of March, 2017: 39% (42% as of the end of March, 2016)*[4]	Aim to reduce ratio of strategic shareholdings to CET1 capital by 50% in approximately five years from fiscal year 2016
Shareholder Returns	Dividend payout ratio	40.9%*[6]	Maintain approximately 30%
	Total payout ratio*[5]	46.7%*[6]	Gradually increase to approximately 40% over the medium term

*1 Return on shareholders' equity = [Net income attributable to owners of the parent ÷ (FY-start total shareholders' equity + FY-end shareholders' equity)/2] x100
*2 Fully loaded basis = Pro-forma capital calculations based on regulatory requirements to be applied from March 2019
*3 See page 93 for credit ratings information
*4 Strategic shareholdings = acquisition cost of shares on a consolidated basis; common equity Tier 1 capital = fully loaded basis, excludes valuation differences on available-for-sale securities
*5 (Aggregate dividend payment + amount of share repurchase) ÷ Net income attributable to owners of the parent
*6 In fiscal year 2016, net income attributable to owners of the parent was well below our forecasts at the start of fiscal year 2016 but dividends per share were in line with the initial forecast, so the dividend payout ratio and total payout ratio were both well above our target level.

Pursue profit growth opportunities

- In focus areas where we can use our unique strengths as a Group, strategically examine and advance use of M&A to flexibly capture external growth opportunities
- Designate our asset management and administration businesses as priority areas and bolster our administration of trust and assets
- Through the use of strategic alliances, improve product formulation capabilities of asset management and administration of the Group, expand distribution channels for products and functions the Group offers, harness FinTech, and advance streamlining of operational processes

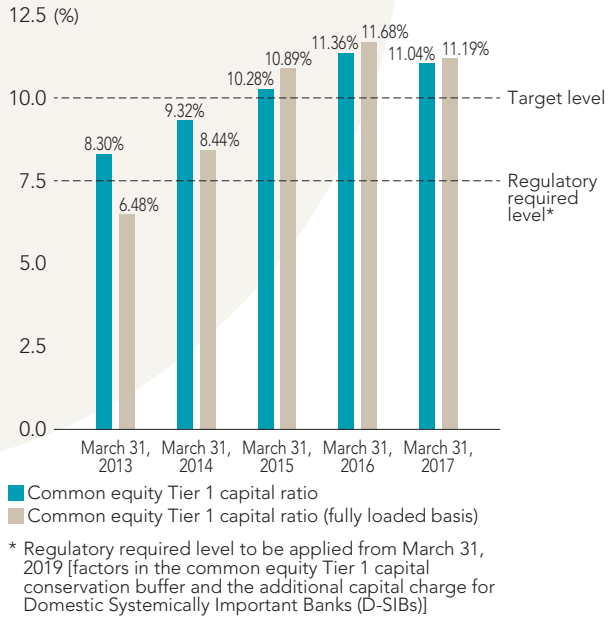
Major Recent Equity Investments

Companies	Business Area	Investment Date
Sumitomo Mitsui Trust Club	Credit cards	December 2015
Sky Ocean Asset Management	Asset management	April 2015 (commenced operations)
JP Asset Management	Asset Management	January 2016 (commenced operations)
Midwest Railcar Corporation	Freight railcar leasing	June 2016
BIDV-SuMi TRUST Leasing Company	Leasing	May 2017

Improve shareholders' equity, reinforce our financial base

- Strive to improve and bolster our shareholders' equity and financial base through profit accumulation, reduction of financial risks, and appropriate controls of risk assets
- Stable, planned funding procurement for the medium and long terms of additional Tier 1 capital and Tier 2 capital to satisfy prudential regulatory capital ratio requirements while taking capital efficiency into account

Trend in Common Equity Tier 1 Capital Ratio

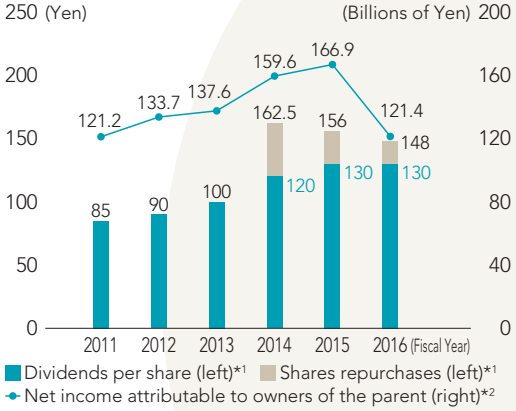


* Regulatory required level to be applied from March 31, 2019 [factors in the common equity Tier 1 capital conservation buffer and the additional capital charge for Domestic Systemically Important Banks (D-SIBs)]

Maximize Corporate Value via Well-Balanced Capital Management

Bolster shareholder returns over medium term

Net Income Attributable to Owners of the Parent, Shareholder Return Payout per Share



*1 The trend in dividends per share is presented assuming the consolidation of shares (one share for every ten shares of common stock) enacted on October 1, 2016, took effect at the beginning of fiscal year ended March 31, 2016, with corresponding adjustments to historical data.
*2 As for fiscal year 2011, the reported figures exclude the gain on negative goodwill from the share exchange.

- The policy of Sumitomo Mitsui Trust Holdings ("SuMi TRUST Holdings") on shareholder return is to share its profits with shareholders in accordance with its profit level in each fiscal year, aiming to maintain the consolidated dividend payout ratio on common shares of approximately 30%. SuMi TRUST Holdings may also repurchase its own shares by considering the balance with profit growth opportunities, and the effect of the repurchase on the improvement of capital efficiency. Through the measures above, SuMi TRUST Holdings shall aim to enhance medium-term shareholder returns by increasing a total shareholder return to approximately 40% in a gradual manner.

Enhancement of Corporate Governance
—Transition to a "Company with Three Committees"—

As Japan's only financial group specialized in trust banking, the SuMi TRUST Group is enhancing its corporate governance system in line with its business model.
With the aim of achieving sustainable growth and medium- to long-term enhancement of its corporate value, SuMi TRUST Holdings changed from being a "company with a Board of Corporate Auditors" to a "company with Three Committees" in June 2017.

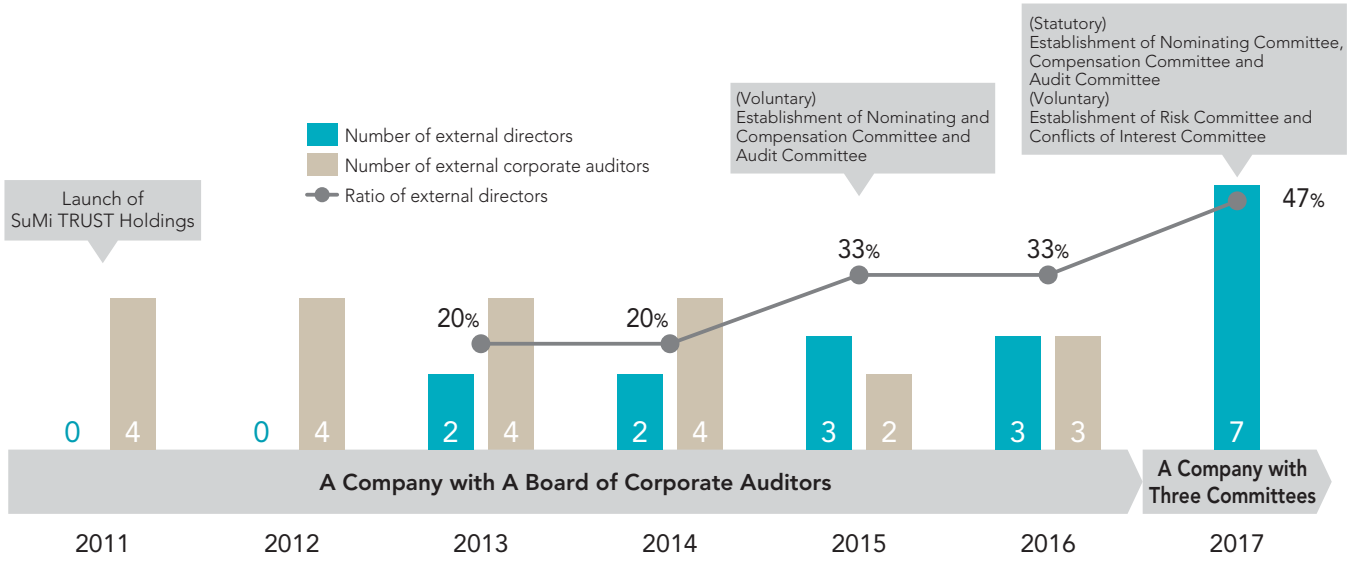
1. History of Enhancement of Corporate Governance at the SuMi TRUST Group

The SuMi TRUST Group, as Japan's only independent financial group specialized in trust banking, which is formed around the core entities, SuMi TRUST Holdings and SuMi TRUST Bank, has worked to refine its business model that provides unique added value and to enhance profitability through collaboration among Group companies, by providing total solutions for clients swiftly and accurately through the combination of its banking business, asset management and administration business, and real estate business.

At the same time, the SuMi TRUST Group has continued its efforts to strengthen its corporate governance, under the recognition that in order to establish the unwavering trust of our clients and society, it is essential to adhere to the principles of sound management based on a high degree of self-discipline with the background of fiduciary spirit.

With regard to the system, two external directors, among ten directors, assumed their offices in June 2013. Later, following the introduction of the Corporate Governance Code in 2015, SuMi TRUST Holdings set the ratio of external directors in principle at one-third or higher, and voluntarily established the Nominating and Compensation Committee and the Audit Committee, each of which external directors comprise the majority of the members, as advisory bodies to the Board of Directors.

Having confirmed the effectiveness of these efforts and in order to further promote improved profitability and enhanced corporate governance, while responding appropriately to rapid changes in the environment surrounding the financial industry, we consider it important to establish both management capabilities to realize prompt business execution and supervisory and restraining capabilities to ensure sound management. To this end, as part of the measures to further strengthen its system, SuMi TRUST Holdings changed to become a "company with Three Committees" on June 29, 2017.



2. Main Points of Enhancement of Corporate Governance of SuMi TRUST Holdings

The main points of the enhancement of corporate governance of SuMi TRUST Holdings are separation of execution and supervision through the transition to a "company with Three Committees," strengthening of the system in line with the SuMi TRUST Group's business model, and having an external director serve as chairman of the Board of Directors.

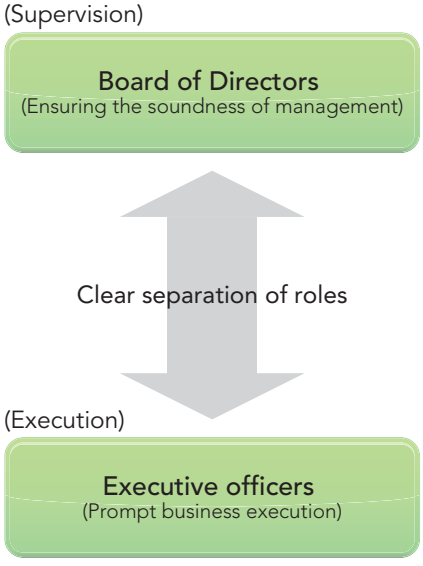
At a company with Three Committees, external directors comprise the majority of each of the three statutory committees established as internal bodies of the Board of Directors, namely the Nominating Committee, Compensation Committee and Audit Committee. A significant characteristic of such companies is that this allows for the creation of a more effective supervisory structure, and makes swift decisions possible as the Board of Directors' decision-making authority on business execution can be delegated to the executive officers. In this way, SuMi TRUST Holdings seeks to establish both management capabilities to realize prompt business execution, and supervisory and restraining capabilities to ensure sound management.

Furthermore, in addition to the statutory committees required by the Companies Act, SuMi TRUST Holdings has established the Risk Committee and Conflicts of Interest Committee, as advisory bodies to the Board of Directors in which external directors participate, in order to ensure the effectiveness of corporate governance while further enhancing the soundness and reliability of the SuMi TRUST Group's business model along with transparency of management.

While a "company with Three Committees" is able in principle to delegate important business execution decisions to executive officers, the Board of Directors is required to exercise a greater supervisory function. In light of the role expected of the Board of Directors, SuMi TRUST Holdings has appointed Mr. Isao Matsushita, an external director, as chairman of the meeting of the Board of Directors. In addition, SuMi TRUST Holdings has established the Corporate Secretariat as an organization dedicated to assisting the chairman in fulfilling his duties, and elected a full-time Audit Committee Member who is a non-executive director as deputy chairman of the Board, thereby providing various information mainly on agenda for deliberation at the Board of Directors and offering assistance with regard to matters such as clarifying points from the perspective of management and supervision.

Through these initiatives, SuMi TRUST Holdings will leverage its significant expertise and comprehensive capabilities distinctive of a trust banking group to provide detailed, client-oriented total solutions in response to increasingly complex and diverse client needs, while reinforcing the corporate governance system in line with this business model.

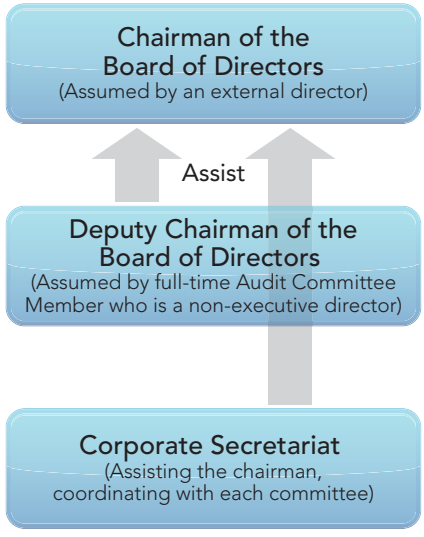
Point 1:
Separation of execution and supervision



Point 2:
Reinforcement of system in line with the SuMi TRUST Group's business model



Point 3:
External director installed as chairman of the Board of Directors





Interview with External Director

External Director
Isao Matsushita

April 1970	Joined Nippon Mining Co., Ltd. (Current JXTG Nippon Oil & Energy Corporation)
Sep. 2002	Appointed as Director of Nippon Mining Holdings, Inc. (Current JXTG Holdings, Inc.), in charge of finance
June 2004	Appointed as Director (Senior Vice President and Executive Officer) of Japan Energy Corporation (Current JXTG Nippon Oil & Energy Corporation)
June 2006	Appointed as Representative Director and President of Japan Energy Corporation (Current JXTG Nippon Oil & Energy Corporation)
June 2012	Appointed as Representative Director and President (President and Executive Officer) of JX Holdings, Inc. (Current JXTG Holdings, Inc.)
June 2016	Appointed as Director of INPEX CORPORATION (current position)
June 2016	Appointed as Director of Matsumotokiyoshi Holdings Co., Ltd. (current position)
June 2017	Appointed as Director of SuMi TRUST Holdings

SuMi TRUST Holdings is striving to reinforce the supervisory function of the Board of Directors in order to improve profitability and enhance its corporate governance.
As part of these efforts, in June 2017, we invited Mr. Isao Matsushita, former Representative Director and President of JX Holdings, Inc. (currently JXTG Holdings, Inc.), to serve as an external director of SuMi TRUST Holdings and appointed him as chairman of the Board of Directors. In this interview, Mr. Matsushita spoke about his thoughts on accepting the position of external director, his impression of the efforts to improve corporate governance at SuMi TRUST Holdings, and his ideas as chairman.

Question

Please tell us your thoughts on accepting the position of external director at SuMi TRUST Holdings.

I have been involved in the energy, resources, and material businesses for many years, and have worked in management at Japan Energy Corporation (currently JXTG Nippon Oil & Energy Corporation) and at JX Holdings, Inc. (currently JXTG Holdings, Inc.) following management integration at the company.

Japan relies heavily on imported resources, and business performance in these fields is strongly influenced by external factors, such as resource prices and foreign exchange rates. During my time in office, we faced severe changes in the environment and took on a series of challenges including management integration and reform of existing businesses.

The management environment in the banking industry has been extremely harsh recently as well, amid negative interest rates, soaring foreign currency procurement costs, and other factors. However, the SuMi TRUST Group is embarking on new endeavors, including initiatives aimed at "business model transformation," "enhancement of corporate governance," and "promotion of fiduciary duties," with the announcement of its new midterm management plan as its "Second Foundation."

Although the SuMi TRUST Group operates in a different industry from the JXTG Group does, I believe they have some things in common, such as operating under a holding company system after going through management integration, and working on business structure reform in a challenging management environment. Also, as a financial group specialized in trust banking, in contrast to a megabank, I expect that the SuMi TRUST Group can make unique contribution to Japan's economy and society, and I intend to put my accumulated experience and knowledge to use to help improve the corporate value of the Group.

Question

What is your impression of the efforts to improve corporate governance at SuMi TRUST Holdings?

While financial institutions belong to a business category that plays a significant public role in the national economy to begin with, SuMi TRUST Holdings has been designated as one of the Domestic Systemically Important Banks (D-SIBs) of Japan, and is therefore required to have a greater degree of management soundness and underlying corporate governance than ordinary financial institutions do.

In light of these expectations, SuMi TRUST Holdings is steadily taking steps to improve corporate governance. It increased the number of external directors and external auditors and proceeded in turn to voluntarily establish the Nominating and Compensation Committee and Audit Committee. Then, after confirming that these measures ensured the transparency of management and were effective in strengthening the supervisory function of the Board of Directors, it made the transition from a "company with a Board of Corporate Auditors" to a "company with Three Committees."

In addition, I can see that the SuMi TRUST Group has devised creative measures based on the Group's unique characteristics for its structure following the transition, including the voluntary establishment of the Risk Committee and Conflicts of Interest Committee as advisory bodies to the Board of Directors, in addition to the three statutory committees (Nominating, Compensation and Audit Committees).

Going forward, I believe it will be important for SuMi TRUST Holdings to shift its focus even more towards formulation of the SuMi TRUST Group's management policy and supervision of business execution, and to engage in high-quality discussion at the Board of Directors aimed at improvement of corporate value, in order to further enhance corporate governance.

Question

As chairman of the Board of Directors, to what areas of management do you intend to pay particular attention?

I consider the most important role of the Board of Directors to be promoting the company's sustainable growth and improving corporate value over the medium- to long-term, by laying down a basic management policy and strategic direction based on an accurate assessment of management issues and the environment in which the company operates, and supervising management overall. The management environment surrounding financial institutions in particular is undergoing major developments on a global level, and in order for the Board of Directors to steer its way decisively and carefully through these environmental changes, it is crucial that it enhances both the offensive and defensive aspects of corporate governance and fulfill its accountability to stakeholders.

To fulfill this role, the Board of Directors must make objective decisions in an appropriate manner from a standpoint independent of management. By making the transition to a company with Three Committees, and selecting me, an external director, as chairman of the Board, SuMi TRUST Holdings has truly expressed its determination to strongly promote enhancement of corporate governance from this perspective.

In response, as chairman of the Board of Directors, I will establish a decision-making process that encourages critical discussion and exhaustive deliberation that includes opposing views, rather than management that aims to preserve harmony. Furthermore, I intend to provide the Board appropriately with necessary and adequate information while making full use of the knowledge and expertise of external directors in order to implement this kind of sound decision-making. First and foremost, I think what is expected of me is to offer a completely external perspective as a person with no experience in the financial industry, and to present my opinions firmly without holding back.

Client-Oriented Initiatives

1. Providing Value to Clients

The SuMi TRUST Group aims to accurately understand both the current and potential needs of individual and corporate clients and provide total solutions that offer a wide range of highly specialized products and services as the best ways to address those needs. In an era of dramatic environmental changes, the needs of both individual and corporate clients to build, manage and review their assets and to plan for succession are becoming increasingly complex, and their needs for trustworthy financial institutions are growing. The SuMi TRUST Group, as Japan's only independent financial group specialized in trust banking, will leverage its comprehensive capabilities that combine trust and banking functions and the various trust functions within the Group, under a stringent conflict of interest management framework, with the aim of being the "Best Partner" for providing the greatest value to clients.

2. Practicing Fiduciary Duties

The aim of the SuMi TRUST Group to be the "Best Partner" for clients is based on our client-oriented spirit. While the SuMi TRUST Group has strived to be completely client-oriented from the beginning, with the fiduciary spirit as part of our DNA, we further enhanced our efforts by establishing and making public our "Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group" (hereinafter, the "Policies") in September 2016.

We believe that the practice of fiduciary duties depends on "significant expertise" that our clients can rely on, "consulting practice" that offers clients optimal options according to their individual needs, and "stringent conflict of interest management."

The SuMi TRUST Group has put in place an extensive organizational structure from the management level to the working level, and strives constantly to enhance its initiatives in this area (please refer to page 27 for enhancement of the conflict of interest management framework). Along with the revision of the Policies in June 2017, we made public our "Key Performance Indicators (KPIs) concerning Initiatives Aimed at Becoming Our Clients' "Best Partner"," which will allow for easy-to-understand confirmation of the status of the SuMi TRUST Group's initiatives through our complete client orientation.

Promoting/Supervising Structure of the Group

	Organization		Initiatives
SuMi TRUST Holdings	Board of Directors	Conflicts of Interest Committee	• Supervise Conflict of Interest management for the group, monitor FD* progress
SuMi TRUST Bank	Executive Committee	Conflict of Interest Management Enhancement Committee	• Discuss important cases • Guide improvement to relevant departments
SuMi TRUST Bank	Department in charge	Fiduciary Duties Planning and Promotion Dept.	• Promote FD* within organization
SuMi TRUST Bank	Department in charge	Compliance Dept.	• Enhance Conflict of Interest management
Group Companies	Group-wide	Fiduciary Duties Discussion Panel	• Consult with external experts, Implement within company

*FD: Fiduciary duties

3. System for Promotion of Fiduciary Duties at the SuMi TRUST Group

The SuMi TRUST Group considers the promotion of client-oriented initiatives at SuMi TRUST Holdings and its subsidiaries based on the Policies to be one of its important management issues, and is putting in place a system to promote the practice and thorough implementation of fiduciary duties at SuMi TRUST Holdings and its subsidiaries, centered on the Fiduciary Duties Planning and Promotion Department that was newly established in October 2016.

Fiduciary Duties Planning and Promotion Department

To promote thorough adoption of practices ensuring fiduciary duties at SuMi TRUST Holdings and its subsidiaries, the Fiduciary Duties Planning and Promotion Department helps gather information and promote practices through the drafting of plans relating to improving conflict of interest management, along with provision of training, advice, and guidance to subsidiaries. The status of specific initiatives based on the Policies at subsidiaries is monitored and summarized regularly, and reported to the Board of Directors.

Subsidiaries

Subsidiaries falling within the scope of application of the Policies study and implement initiatives according to their respective areas of business operation.

Of our subsidiaries, SuMi TRUST Bank, Nikko Asset Management, Sumitomo Mitsui Trust Asset Management and Japan Trustee Services Bank are engaged in the asset management, product development, sales and asset administration businesses that are the core of fiduciary duties, and have established and made public "specific initiatives" relating to fiduciary duties (hereinafter, the "action plans"). Progress updates on the action plans are reported regularly to their respective Board of Directors, and the action plans shall be revised as necessary.

Fiduciary Duties Discussion Panel

SuMi TRUST Holdings, along with SuMi TRUST Bank, Nikko Asset Management, Sumitomo Mitsui Trust Asset Management and Japan Trustee Services Bank, has established the Fiduciary Duties Discussion Panel (hereinafter, the "Discussion Panel") to promote more advanced initiatives at subsidiaries with asset management, product development, sales and asset administration businesses.

The Discussion Panel is composed of directors and executive officers as well as general managers responsible for promoting fiduciary duties at each of the aforementioned subsidiaries, with the Fiduciary Duties Planning and Promotion Department serving as secretariat. Each subsidiary reports on the matters listed below, shares their successful examples and discusses how to ensure practices that reflect fiduciary duties take root at each Group company.

- Status of compliance with the Policies regarding the Fiduciary Duties
- Successful examples from initiatives
- Initiatives relating to improvement in expertise
- Measures to promote advanced stewardship activities and successful examples
- Measures to promote advanced risk management and successful examples
- Appropriate coordination regarding product composition and sales of each company

History of Promotion of Fiduciary Duties

2016	September	Established "Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group"
	October	Established Fiduciary Duties Planning and Promotion Department (also set up at SuMi TRUST Bank)
		Established Fiduciary Duties Discussion Panel
2017	January	Established "Policy for Enhancement of the Conflict of Interest Management Structure relating to the Asset Management Operations" at SuMi TRUST Bank
	April	Established Conflict of Interest Management Enhancement Committee (at both execution side and SuMi TRUST Bank)
	May	Revised Management Policy Concerning Conflicts of Interest
	June	Revised "Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group"
		Published "Key Performance Indicators (KPIs) concerning Initiatives Aimed at Becoming Our Clients' "Best Partner""
	July	Established Conflicts of Interest Committee as advisory body to the Board of Directors

Principles of Action Policies on Fiduciary Duties

(1) Implementation of a client-oriented consulting practice
In order to provide products and services suited to the true benefit of our clients, we will strive, through high-quality consulting, to gain a shared understanding of the asset and liability position of our clients, which will change with their lifecycle, and their corresponding needs.

(2) Easily understandable provision of information
To assist in our clients' investment decisions, we will strive to provide explanations about product characteristics, risks, and fees, etc. in a manner understandable by clients, based on the complexity of the products and services, and the importance of the information to be provided, and to take proper action that fits with our clients' understanding.

(3) Development and provision of products and services that meet the diverse needs of our clients
In order to meet the diverse needs of our clients, we will make available a broad-range of high-quality products and services that accord with the needs of our clients, based on the various voices and opinions of our clients and through activities such as cooperation and joint-development of products and services with a broad-range of asset management companies and insurance companies, etc.

(4) Enhancement of our client-oriented focus and expertise
(i) **Establishment of a corporate culture with the aim of becoming our clients' "Best Partner"**
Through measures such as training and discussion at each Group company, we will aim for thorough penetration of decisions and practices that are based on these Policies. Further, we will give thorough effect to our fiduciary duties by developing frameworks for performance evaluation and targets that value initiatives that contribute toward the implementation and penetration of client-oriented actions, and every one of our officers and employees will proceed with the establishment of a corporate culture with the aim of becoming our clients' "Best Partner."

(ii) **Improvements to expertise in the area of support for client-oriented consulting, etc.**
Through measures such as training of officers and employees and support for the acquisition of specialist qualifications, we will increase knowledge and specialist skills regarding market conditions, products and services.

(5) Provision of financial services that leverage the diverse functions of the trust bank group
As a trust bank group, while remaining thoroughly attentive to conflict of interest management, we will fully mobilize our diverse and flexible functions, such as the banking business, asset management and administration business, real estate business, etc., and quickly and accurately provide optimal and total solutions for our clients, whether they are individuals or corporate entities.

(6) Client comfort and satisfaction, and contribution to the economy and society
(i) **Provision of new products and services that are responsive to economic and social changes**
As well as providing products and services that bring comfort and satisfaction to our clients, we will contribute to the economy and society by utilizing our investment functions, etc., and through the creation of new products and services that respond to structural changes to the economy and society.

(ii) **Proactive initiatives for financial education and investment education**
To enable clients to proactively and rationally select financial products, and engage in sound asset formation, we will pursue activities in connection with improvement of financial education and literacy, etc., including life planning, by utilizing our know-how regarding investment education, etc. cultivated by experience with the defined contribution pension business, etc., and through our regular consulting activities and seminars, etc.

4. Product Development Capabilities Supporting Total Solutions

In order to leverage the flexibility and expertise of its various financial and trust functions as a trust bank and put together the extensive lineup of unique and sophisticated products and services that are essential to providing total solutions, the SuMi TRUST Group focuses on promoting group-wide initiatives that combine the expertise of each business and Group company, not merely using their strengths and know-how. In this way, the SuMi TRUST Group is creating a product development system that carries out medium-term, ongoing research activities on themes that would be difficult to categorize within the domains of individual businesses or Group companies.

Specifically, SuMi TRUST Bank has established product development departments in each business, the Business Research and Development Department, and a product development offsite meeting as its product development organization. The product development departments in each business analyze client needs that have been collected in the course of business, and engage in improvement and development mainly of products for immediate application, including review of existing products and design of new products. In addition, the Business Research and Development Department, which was established as a dedicated unit primarily for the development of trust products, serves as the engine driving product development and provides development support for each business, while carrying out planning, development and promotion of medium- to long-term development projects across businesses.

Furthermore, the product development offsite meeting has been established as a forum for discussion among executive officers and general managers, where regular exchanges of opinion are held about product development, not only at a practical working level, but also based on management strategy from a medium- to long-term viewpoint.

The SuMi TRUST Group also focuses efforts on nurturing human resources capable of flexible thinking that sustains product development. At SuMi TRUST Bank, product development experience is included in the new employee training curriculum, and human resource development seminars on product development are held twice yearly for product development personnel who have little experience. At the seminars, groups engage in exhaustive discussion on the topic of new products to satisfy given client needs that are assigned in advance, with the goal of enabling participants to acquire understanding with regard to breakthrough points and problem-solving methods in product development.

Enhancements to the Conflict of Interest Management Framework relating to Fiduciary Duties

Enhancements to the Conflict of Interest Management Framework of the Entire Group

The SuMi TRUST Group operates with sound business management based on a high degree of self-discipline with the background of fiduciary spirit, and provides our clients with a wide range of financial services through fully utilizing its significant expertise and comprehensive capabilities.

Along with the various products and services provided by our companies, in order to protect the interests of our clients from undue harm, we have been appropriately managing transactions that have possible conflicts of interest and carrying out business operations based on our Management Policy Concerning Conflicts of Interest. Recently, we have revised the Management Policy Concerning Conflicts of Interest in order to advance the enhancement and consolidation of the conflict of interest management framework of our Group, including improving the supervisory structure of the entire Group, introducing separation of authority, etc. in the major departments and businesses of SuMi TRUST Bank, and developing a highly-effective management system. Under a framework of best practice, we will proceed to provide our clients with high value-added "total solutions," as a trust banking group that is the ""Best Partner" to our clients," able to foster even greater comfort and confidence than before.

Summary of Enhancements to the Conflict of Interest Management Framework of the SuMi TRUST Group

(1) Improvement of the Supervisory Structure of the Entire Group (including establishment of the Conflicts of Interest Committee)

1) Establishing the new "Conflicts of Interest Committee" (an advisory body of the Board of Directors of SuMi TRUST Holdings) (July 2017)

2) Also establishing the new "Conflict of Interest Management Enhancement Committee" on the operational side (April 2017)

(2) Introduction of Separation of Authority, etc. in the Major Departments and Businesses of SuMi TRUST Bank

1) Strengthening the conflict of interest management framework relating to asset management operations through the utilization of the "Stewardship Activities Advisory Committee" (see page 28)

2) Carrying out the separation of authority, etc. between the "wholesale total solution services business" centered on banking transactions with clients, such as business corporations, and the "wholesale asset management business" centered on providing managed products and services, such as trusts, to institutional investors, etc., based on the characteristics of each business

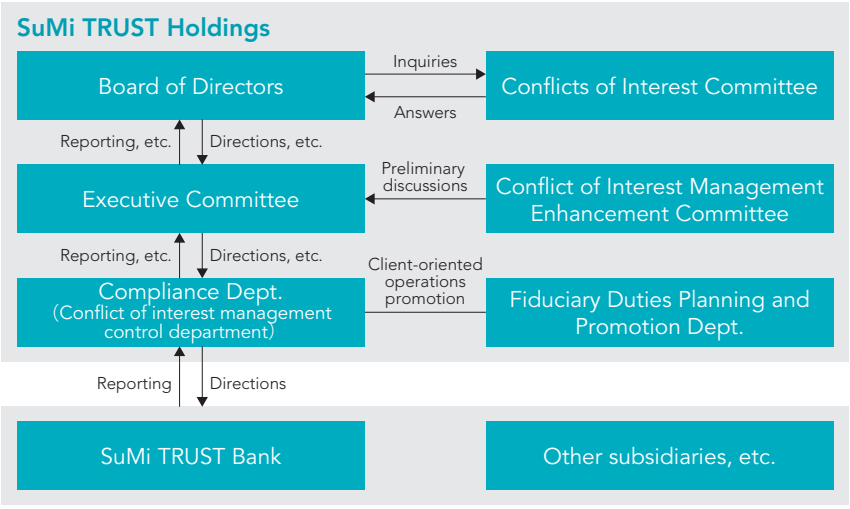
(3) Highly-Effective Management System of SuMi TRUST Bank

1) Strengthening the product review process when introducing new products and services

2) Deployment of a "Conflict of Interest Management Officer"

From the perspective of improving the effectiveness of conflict of interest management, in addition to a General Manager of Conflict of Interest Management at the group-wide level, we will deploy "Conflict of Interest Management Officers" to the business supervising departments, etc. of our business divisions, and will seek to implement conflict of interest management that is further suited to individual products and transactions.

Conflict of Interest Management System*1



Conflicts of Interest Committee Members

Chairperson: Hideki Kanda*2
Professor, Law School at Gakushuin University
Emeritus Professor, University of Tokyo
*2 External Director, SuMi TRUST Bank

Member: Takeshi Suzuki
External Director, SuMi TRUST Holdings

Member: Akiko Hosokawa
Partner, Baker & McKenzie

Member: Yutaka Nishida
Senior Managing Executive Officer, SuMi TRUST Holdings

*1 For roles and responsibilities of each management structure and main departments, please refer to page 24.

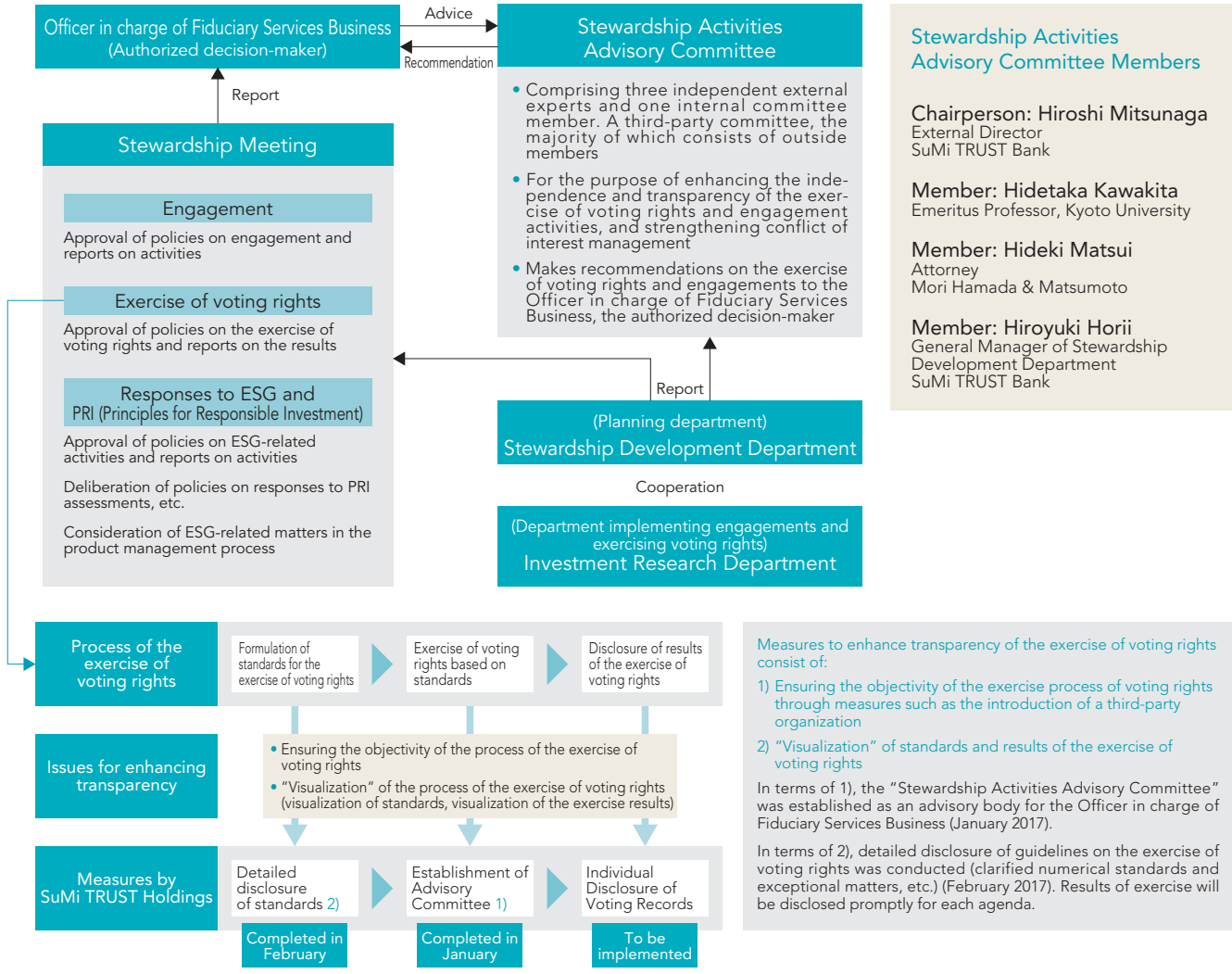
Enhancement of Stewardship Activities

Enhancements to the Conflict of Interest Management Framework in Stewardship Activities

SuMi TRUST Bank has established the "Stewardship Activities Advisory Committee" (hereinafter referred to as the "Advisory Committee") regarding stewardship activities made up of a majority of external experts. The Advisory Committee is a body established to make recommendations for various activities under Japan's Stewardship Code. The Advisory Committee will make recommendations for the establishment, revision, or abolition of the guidelines for the exercise of voting rights, decisions concerning whether to support a proposal not stipulated in these guidelines, appropriateness of interpretation of these guidelines for an individual proposal, and verification and improvement of the decision-making process on the exercise of voting rights on a proposal in connection with which a conflicts of interest may occur. The Officer in charge of Fiduciary Services Business, who is independent from the authority to execute the other operations of SuMi TRUST Bank, assigns maximum value to the recommendations of the Advisory Committee and makes decisions on various matters. If any recommendations are received from the Advisory Committee, the Officer in charge of Fiduciary Services Business shall immediately implement necessary corrective and remedial measures.

In terms of our exercise of voting rights, the Advisory Committee discloses numerical standards, etc. of the guidelines to enhance the visibility of our judgment. The Advisory Committee also discloses whether we voted for or against on each proposal for each investee company, thereby enhancing the visibility of exercise results. Through these efforts by the Advisory Committee to ensure the objectivity of processes involved and to enhance the visibility of the exercise judgment and results, we are raising the transparency of our exercise of voting rights.

Stewardship Activities Promotion Framework



Initiatives for Sustainable Development Goals (SDGs)



The Sustainable Development Goals (SDGs) adopted at the United Nations Sustainable Development Summit in September 2015 comprise 17 goals and 169 targets that bring together global-scale priority issues that should be addressed collectively worldwide toward 2030. The SuMi TRUST Group, which became a signatory to the United Nations Global Compact in 2003, has pursued various initiatives related to sustainability, and will continue working to provide value to our stakeholders including from the perspective of solving the issues raised by the SDGs.

Providing Value to the Community (See pages 84-85)

As a good corporate citizen, the SuMi TRUST Group considers it important to contribute to strengthening the environmental and social foundation on which we depend, and actively promotes social contribution and environmental activities rooted in the local communities primarily through its local branch offices. We also play an active role in maximizing stakeholder value as a member of the financial industry by participating in various partnerships both in Japan and overseas.

Examples of Related SDGs



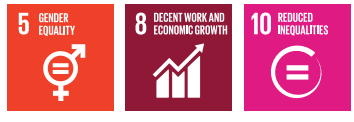
Sustainability Initiatives in Our Business (See pages 54-55)

Financial institutions play a vital part in creating a sustainable society, and are called upon to be involved in SDG-related themes through their businesses. The SuMi TRUST Group, which aims to be our clients' "Best Partner," is deepening its engagement with the SDGs by using the unique functions of a trust bank to actively pursue sustainability businesses that help resolve the environmental and social problems faced by our clients.



Human Resources Strategy and Initiatives Related to Human Rights (See pages 76-80)

The SuMi TRUST Group's human resources strategy and initiatives related to human rights are also connected to the SDGs. We take a broad viewpoint based on global discussion in promoting these initiatives.



Retail Total Solution Services Business

As the "Best Partner" for our clients, the Retail Total Solution Services Business offers optimal total solutions tailored to the life stages of individual clients through the significant expertise and high-quality consulting that we have cultivated over many years as a financial group specialized in trust banking.



Tsuyoshi Saito
Executive Officer
SuMi TRUST Holdings
Officer in charge of
Retail Total Solution Services Business
SuMi TRUST Bank

Business Outline

The Retail Total Solution Services Business provides comprehensive services to meet the wide-ranging demands of individual clients, including asset management, inheritance and succession, administration of real estate and other property, loans such as mortgage loans, support for asset formation through installments, and insurance products to prepare for unusual events.

Asset Management

We provide high-quality consulting services by offering a diverse product lineup to meet various asset management needs, including investment trusts, discretionary investment management products, annuity insurance, and whole life insurance, in addition to plans suited for management of retirement benefits.

Inheritance and Succession

We offer extensive products and a wide range of know-how to meet needs for the smooth transfer of assets to the next generation, such as through lifetime donation and inheritance.

Loans

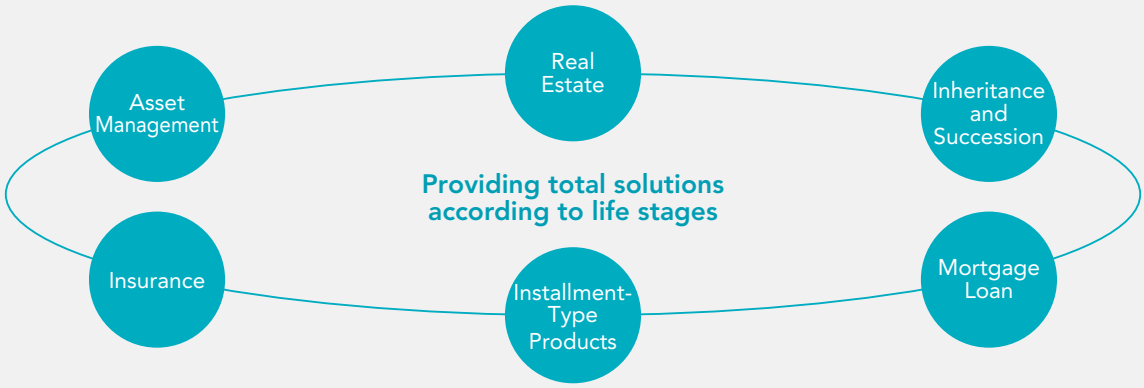
We provide mortgage loans and unique products only available from a trust bank to meet the needs of clients that change with each of their life stages.

Installment-Type Products and Insurance Products

We provide solid support for needs related to asset formation and preparation for unusual events, through products including asset formation trusts, installment-type products that have taxation advantages such as NISAs (a Japanese version of individual savings accounts), and level premium insurance that offers clients comfort according to each of their life stages.

Real Estate

We use our broad network to meet diversifying needs related to real estate, such as purchase, sale and effective use of property, and change of residence.



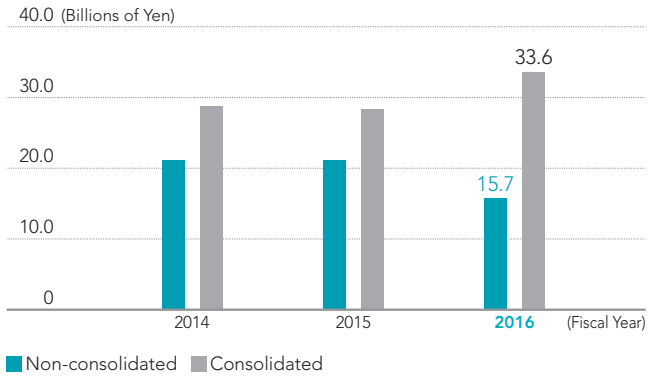
Financial Results Summary

Net business profit before credit costs decreased on a non-consolidated basis primarily due to a decline in sales of investment trusts and insurance.

On a non-consolidated basis*1, net business profit before credit costs decreased by ¥5.5 billion year on year to ¥15.7 billion primarily due to a decline in sales of investment trusts and insurance. On a consolidated basis*2, net business profit before credit costs increased by ¥5.3 billion year on year to ¥33.6 billion as a result of Sumitomo Mitsui Trust Club becoming a consolidated subsidiary.

*1 Sumitomo Mitsui Trust Bank ("SuMi TRUST Bank") (non-consolidated)
*2 Sumitomo Mitsui Trust Holdings ("SuMi TRUST Holdings") (consolidated)

Trend of Net Business Profit before Credit Costs

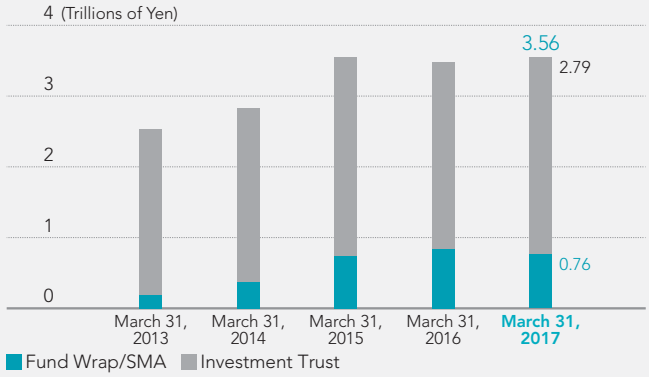


Financial Highlights

Balance of Investment Trusts and Discretionary Investments

Balance of investment trusts and discretionary investments increased compared to the previous fiscal year as a result of engaging in asset management consulting through sales of installment investments, discretionary investment management products, and other products to support clients' asset formation.

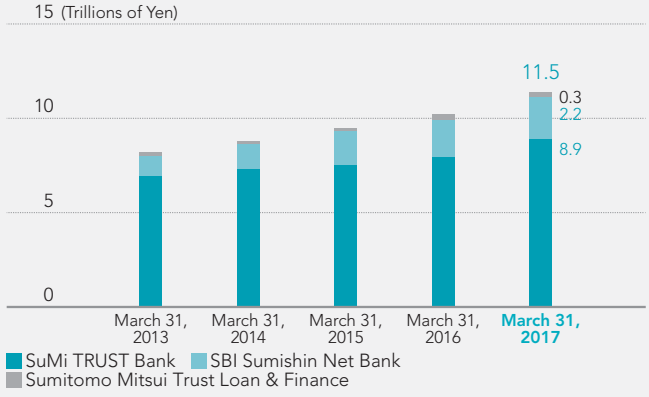
Balance of Investment Trusts and Discretionary Investments



Balance of Loans to Individuals

We increased the amount of loans and significantly expanded the balance of loans by responding to demands for new house building, purchase of housing, and re-financing, which have grown amid a low interest rate environment, through various channels (over-the-counter, online, etc.) suited to client needs.

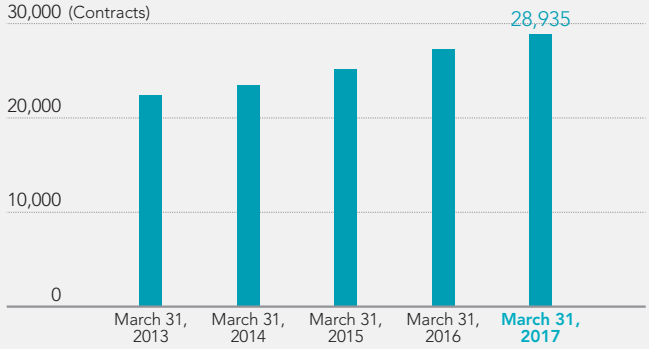
Balance of Loans to Individuals



Number of Will Trusts

We have responded to growing needs related to inheritance and succession through consulting services by financial consultants and other staff with advanced expertise. As a result, the number of will trusts, which provide support for will writing and handle storage and execution, has increased.

Number of Will Trusts



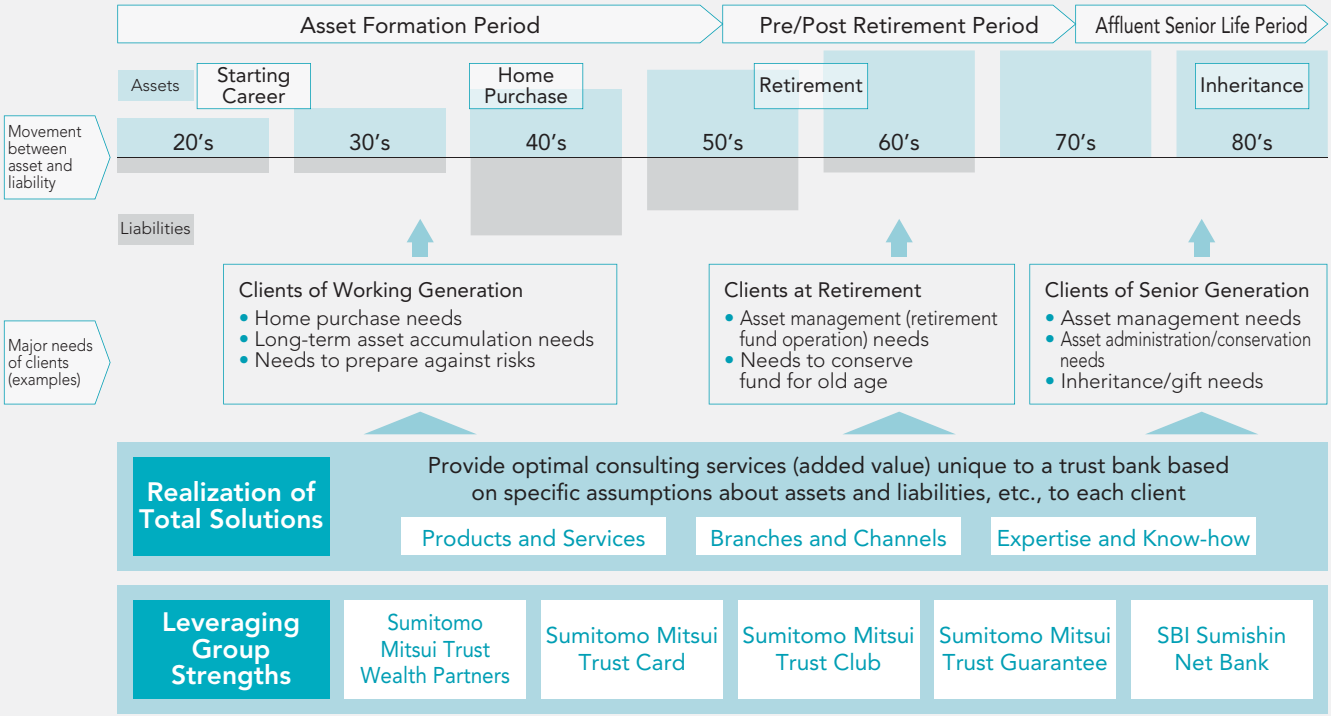
Target Business Model

In an aging society where development of the information and communications network and advances in financial technology are progressing simultaneously, it is becoming increasingly important to have a trusted and secure partner to consult in order to make the best choices about asset management and administration at various stages of life.

In the Retail Total Solution Services Business, we aim to leverage the various strengths of the Sumitomo Mitsui Trust Group (the "SuMi TRUST Group") to offer trust and comfort over the long term as our clients' "Best Partner."

Providing Total Solutions According to Life Stages

We provide client-oriented consulting services (added value) unique to a trust bank based on specific assumptions about assets and liabilities, etc., depending on the life stage of clients of various generations.



Leveraging Group Strengths

We will leverage the strengths of the Group, including affiliated companies, in order to meet the various needs of our clients.

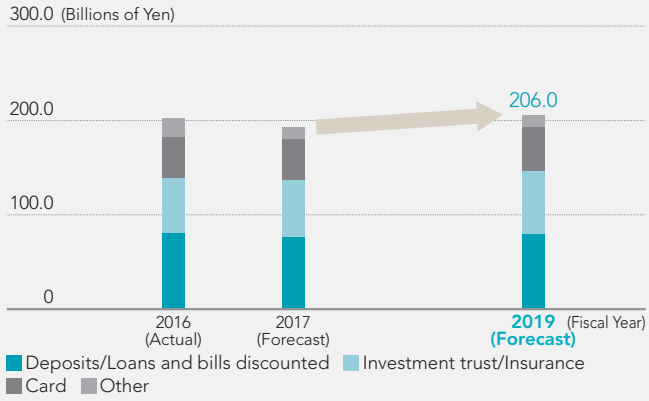
Example of Initiatives (1) Providing High-Quality Card Services with High Added Value	Examples of Initiatives (2) Development of Simple, Easy-to-Understand Insurance Products
Along with the Sumitomo Mitsui Trust Card, since the addition of Sumitomo Mitsui Trust Club to the Group in fiscal 2015, we offer the Diners Club card among our high-quality card services with high added value. In addition, we offer Sumitomo Mitsui Trust Club clients the opportunity to use the broad range of products and services unique to a trust banking group in areas such as investment management, wills, inheritance, and real estate.	We reached an agreement with BNP Paribas Cardif, a member of the major financial group BNP Paribas Group (headquartered in France), to cooperate in insurance business in Japan*. In cooperation with the Japanese branch of BNP Paribas Cardif, we aim to "develop simple, easy-to-understand insurance products" and to "establish an insurance business model that is unique to trust banks by making the most of expertise such as consulting skills both parties have developed."

* Making Japan branch of BNP Paribas Cardif into Japanese incorporation, its share acquisition, etc. are premised on the permissions and approvals from relevant authorities.

Profit Targets of Midterm Management Plan

We aim to expand consolidated substantial gross business profit before credit costs by accurately capturing growth opportunities by leveraging the functions unique to a trust bank, including asset formation for a wide range of generations, and asset succession amid a mature economy.

Growth Image of Consolidated Substantial Gross Business Profit



Topics for Future Focus

Fundamental Reform of Transaction Procedures with Clients —New IT System for Marketing Assistance—

Sales staff for individual clients use tablet-type portable devices to process major transactions such as time deposits and investment trusts on the spot when visiting clients, which have significantly reduced the burden of filling out forms for clients.

By considerably reducing the workload of sales and administration staff, the devices have led to dramatic increases in productivity and made diverse work styles possible, and have thus become a powerful force driving the realization of our targeted business model.

Launch of Family Consideration Trust (Installment investment/lump-sum type)

We have begun offering a new product with added functions to meet asset management needs in the "Family Consideration Trust" series of trust products that help clients express their concern for their family when preparing to leave an inheritance.

This product addresses the desire of clients to "provide for my family if anything should happen to me," as well as their desire to "carefully manage assets over the medium- to long-term to be left to my family."



Wholesale Total Solution Services Business



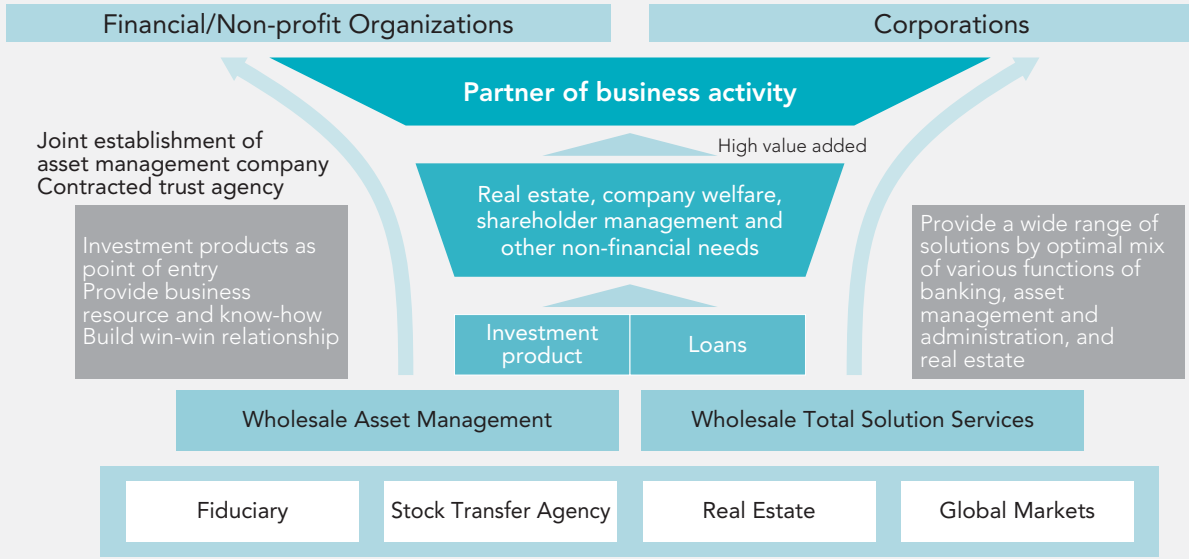
Yukihiro Kitano
Executive Officer
SuMi TRUST Holdings
Officer in charge of
Wholesale Total Solution Services Business
SuMi TRUST Bank

In our Wholesale Total Solution Services Business, we contribute to the expansion of clients' enterprise value and asset value and to their growth, by providing one-stop total solutions that only a trust bank group can offer through the integration of our various highly specialized functions including banking, asset management and administration, and real estate, to meet the advanced and diverse needs of clients.

Business Outline

In addition to the services under its supervision, such as loans and arrangement of various financing schemes, corporate consultations, and M&A advisory services, the Wholesale Total Solution Services Business also serves as a general point of contact for all transactions with corporate clients. By organically and flexibly coordinating with the various highly specialized functions of the Real Estate Business, Fiduciary Services Business, Stock Transfer Agency Services Business, Wholesale Asset Management Business, Global Markets Business, and Retail Total Solution Services Business, in addition to overseas bases and extending to the Group as a whole, we contribute to our clients' development in a range of fields by providing speedy, one-stop solutions that are optimally tailored to clients' needs and issues.

Overview of Wholesale Business



Provision of total solutions leveraging the significant expertise and comprehensive capabilities of the Group as a whole

Sumitomo Mitsui Trust Panasonic Finance (Leasing business)	Sumitomo Mitsui Trust Loan & Finance (Loan business)	Sumitomo Mitsui Trust Bank (Thai) (Banking business)	Zijin Trust (Trust business)	Midwest Railcar Corporation (Leasing business)	BIDV-SuMi TRUST Leasing Company (Leasing business)
A comprehensive finance company owned by Panasonic and SuMi TRUST Bank.	A mortgage loan company wholly owned by SuMi TRUST Bank.	A wholly owned overseas subsidiary of SuMi TRUST Bank that conducts banking services in Thailand.	A trust company headquartered in Nanjing, China that is 19.9% owned by SuMi TRUST Bank.	A joint venture of Marubeni and the SuMi TRUST Bank Group engaged in the freight railcar leasing business in North America.	A leasing company jointly established by SuMi TRUST Bank and BIDV, which is one of Vietnam's top four state-owned commercial banks.

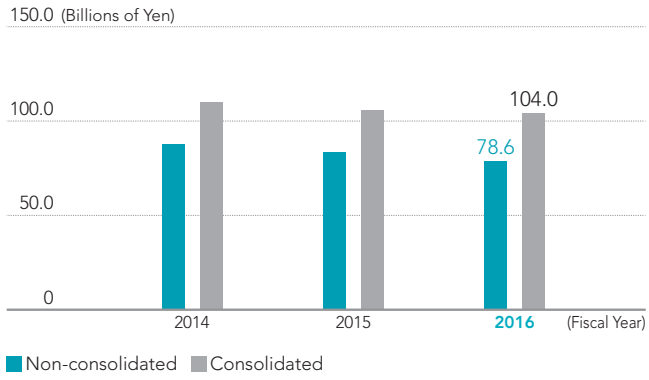
Financial Results Summary

Net business profit before credit costs decreased primarily due to increased foreign currency funding costs.

Net business profit before credit costs decreased by ¥4.7 billion year on year to ¥78.6 billion on a non-consolidated basis*1, and ¥1.9 billion year on year to ¥104.0 billion on a consolidated basis*2, due to deterioration of net interest income/expense owing to increased foreign currency funding costs.

*1 SuMi TRUST Bank (non-consolidated)
*2 SuMi TRUST Holdings (consolidated)

Trend of Net Business Profit before Credit Costs

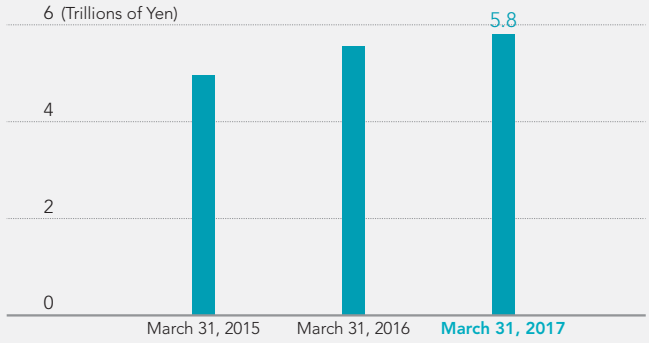


Financial Highlights

Growth of Product Related Loan Balance

As the investment and financing environment continues to be harsh amid factors including worldwide monetary easing, negative yen interest rates, and rising foreign currency funding costs, we stepped up efforts aimed at high-profit assets with a view to sustainable improvement of loan income and profitability. As a result, the balance of product related loans (including asset finance for aircraft, etc., project finance, and real estate finance) grew.

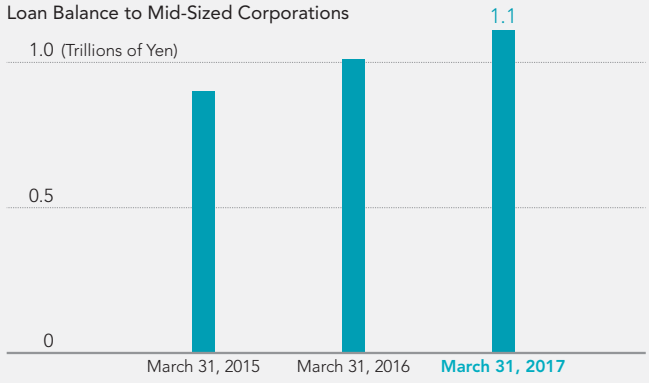
Product Related Loan Balance



Growth in Transactions with Mid-Sized Corporations and Owner-Managed Companies

The loan balance to mid-sized corporations and owner-managed company clients grew as a result of strengthening various proposal activities unique to a trust bank, aimed at improving enterprise value and achieving growth for mid-sized corporations and owner-managed company clients. We also cultivated new clients and made progress in expanding our transaction base.

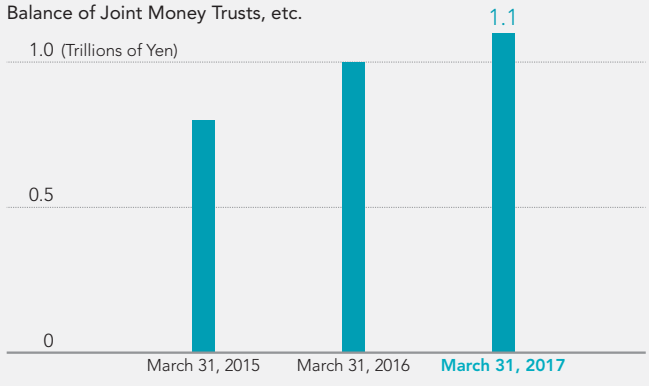
Loan Balance to Mid-Sized Corporations



Growth of Wholesale Asset Management Business

The asset management needs of corporate clients, including institutional investors, have become increasingly sophisticated and diversified due to the persistently low interest rate environment. In light of this situation, SuMi TRUST Bank has strengthened its business that re-composes the receivables acquired through asset finance transactions into asset management products to meet the individual needs of investor clients. As a result, the balance of joint money trusts, etc. has grown steadily.

Balance of Joint Money Trusts, etc.



Target Business Model

The environment in which companies operate is transforming at a more dizzying pace than ever, and increasing in complexity. This includes the emergence of revolutionary IT technologies, industrial materials and engineering technologies, political and economic change on a global scale, and the expansion of various regulatory and social demands on companies.

In such an environment, the issues faced by corporate clients can no longer be resolved by providing individual products and services alone.

Our aim is to be the financial institution named by clients as their "Best Partner." We will achieve this by "further enhancing the diversity and expertise found only at a trust bank," including the banking, asset management and administration, and real estate know-how that we have cultivated as a financial group specialized in trust banking since our founding, and combining these in complex and sophisticated ways, to "develop a total solution model" that will help solve the current issues of our clients as well as issues that have yet to appear.

Business Environment

- Dizzying changes in the industrial structure due to advances in technological innovation and changes in the global political and economic environment
- Increase in social demands for enhanced corporate governance
- Labor shortages associated with the aging society and declining birthrate and growing social demands for improvement in the working environment
- Persistent low interest rate environment, and increase in corporate retained earnings

- Increased needs for total solutions combining various services and information related to corporate governance, capital strategies, employee welfare, use of assets, funding procurement, etc.
- Expanding and increasingly sophisticated asset and administration needs of clients such as companies, institutional investors, and non-profit organizations

The SuMi TRUST Group Policy

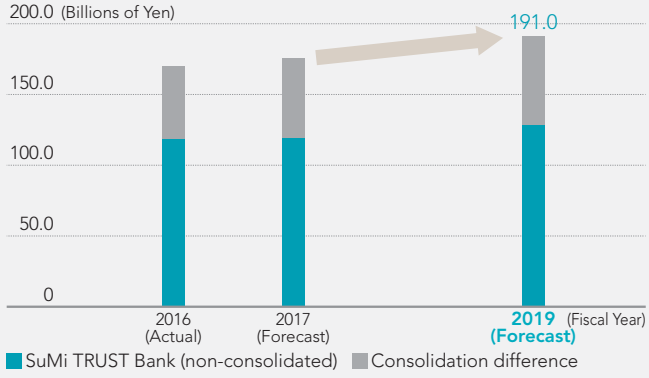
- Evolution of total solution model
- Further enhancement of diversity and expertise unique to a trust bank

"Best Partner" for clients

Profit Targets of Midterm Management Plan

By evolving our total solution model, we aim to contribute to sustainable expansion of trust and property management earnings through the pension, stock transfer agency, and real estate businesses. In addition, we seek to increase consolidated substantial gross business profit before credit costs by shifting from low-profit lending to product related and other high-profit lending to create a lean, profitable credit portfolio with stable profitability and achieve a turnaround and regrowth in income from banking business.

Growth Image of Consolidated Substantial Gross Business Profit



Wholesale Asset Management Business

The Wholesale Asset Management Business offers clients solutions unique to a trust bank for issues ranging from assets to liabilities, based on the diverse asset management and administration know-how that the SuMi TRUST Group has cultivated over the years.



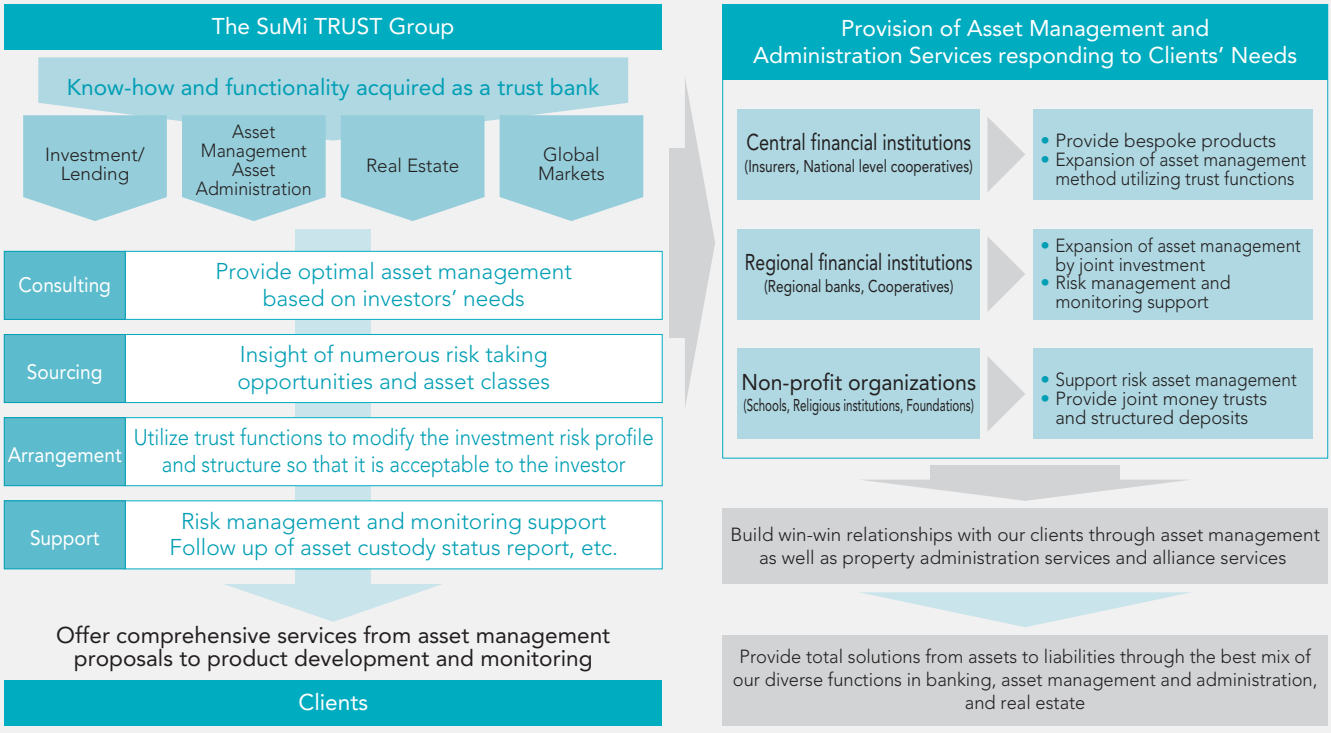
Kengo Noguchi
Executive Officer
SuMi TRUST Holdings
Officer in charge of
Wholesale Asset Management Business
SuMi TRUST Bank

Business Outline/Target Business Model

Amid changes in the social structure such as a maturing economy, and an aging and declining population, "client-oriented asset management" has become an important role for financial institutions to play.

The Wholesale Asset Management Business will leverage the diverse asset management and administration know-how cultivated by the Group in areas ranging from securities to real estate, private equity, aircraft, and various projects, to offer comprehensive services from proposals to product development and monitoring, mainly for financial and non-profit organizations facing asset management difficulties. In this way, we will help achieve optimal asset management for each of our clients.

In addition to asset management transactions, we build win-win relationships with our clients through property administration services (real estate, stock transfer agency, pensions, etc.) and alliance services (trust agencies, real estate solutions, etc.). We provide total solutions from assets to liabilities through our diverse functions in banking, asset management and administration, and real estate.



Stock Transfer Agency Services Business



Atsushi Kaibara
Managing Executive Officer, Executive Officer
SuMi TRUST Holdings
Officer in charge of
Stock Transfer Agency Services Business
SuMi TRUST Bank

In the Stock Transfer Agency Services Business, in light of demands for enhancement of initiatives to evolve from "Form" to "Substance" corporate governance reform focused on greater promotion of dialogue and provision of information between companies and institutional investors, as the "Best Partner" for clients, we provide a wide range of solutions to address the increasingly diverse and complex challenges of each company.

Business Outline

Our Stock Transfer Agency Services Business works as an "agent of record for listed companies" provided for in the Companies Act and undertakes stock-related services on behalf of clients. We offer shareholder list management services that allow our clients to increase their administrative efficiency and rationalize their administration and various comprehensive consulting services as follows.

1) "Consulting services for matters related to stock and shareholders' meetings" to support clients' handling of stock-related matters through our abundant practical experience and advanced expertise
2) "IPO consulting services" to provide practical support for clients pursuing initial public offerings
3) "Consulting on investor and capital strategies" to support clients' investor strategies, capital strategies, and public relations activities (IR/SR)
4) "Consulting on governance enhancement" to support clients' efforts to enhance initiatives related to governance

Corporate Clients

SuMi TRUST Bank/Tokyo Securities Transfer Agent/Japan Securities Agents

Consulting services for stock practices/ general shareholders' meeting practices

Providing fine-tuned consulting services for a variety of issues related to stocks and handling of shareholders' meetings, including reorganization strategies, review of institutional design, and introduction of anti-takeover measures.

IPO consulting services

Consulting for client corporations planning IPOs, on matters such as preparing shareholders' registries, articles of incorporation and other company rules; capital increases, stock splits, and introduction of stock options; the schedule and required procedures leading up to the IPO; and handling of shareholders' meetings after listing.

Consulting services for investors/capital strategies

Providing solutions for various management issues in order to align the interests between management (officers) and investors (shareholders) in pursuit of enhanced corporate value.

IR/SR consulting services

Providing services that take maximum advantage of the proprietary know-how and distinctive features as a stock transfer agent. Beneficial shareholder surveys to identify domestic and overseas institutional investors, provision of various types of information, as well as practical and effective support including overseas SR support and assistance with events for individual shareholders.

Consulting services for enhancing governance

Providing various solutions for individual issues related to the Corporate Governance Code, such as consulting on officer compensation, support for evaluations of effectiveness of the Board of Directors, and consulting on integrated reporting.

Affiliated companies		
	Sumitomo Mitsui Trust TA Solution	Administration and systems operations for the entire range of stock transfer agency services
	Japan Stockholders Data Service	Undertaking administration of the shareholders' registry, system development, and operations

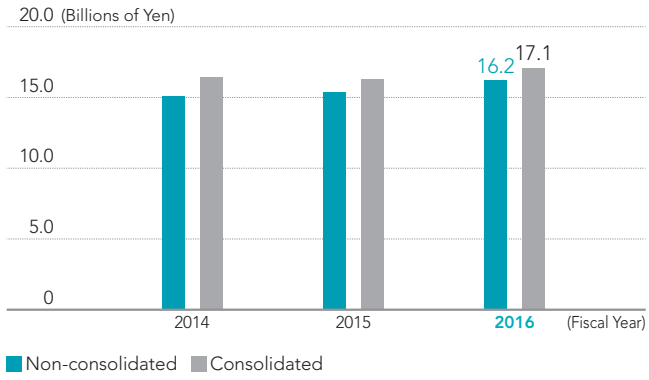
Financial Results Summary

Net business profit before credit costs increased primarily due to an increase in the number of shareholders under administration and an increase in various consulting fees.

Net business profit before credit costs increased by ¥0.7 billion year on year to ¥16.2 billion on a non-consolidated basis*1, and by ¥0.7 billion year on year to ¥17.1 billion on a consolidated basis*2, due to an increase in recurring fees and commissions received due to an increase in the number of shareholders under administration, as well as an increase in various consulting fees.

*1 SuMi TRUST Bank (non-consolidated)
*2 SuMi TRUST Holdings (consolidated)

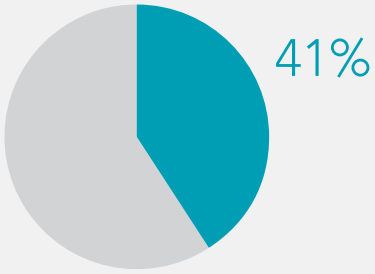
Trend of Net Business Profit before Credit Costs



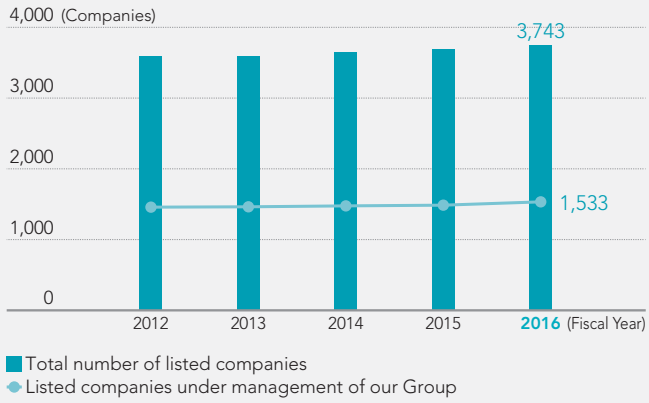
Financial Highlights

Listed companies under management: 1,533 (consolidated), 41% market share

New company listings by clients grew steadily amid an active IPO market, and new entrustments from existing listed companies were also strong. As a result, we are further expanding our client base, which is among the top in the industry.

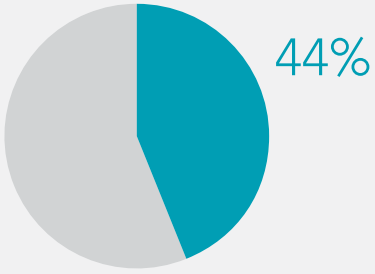


Number of Listed Companies under Management

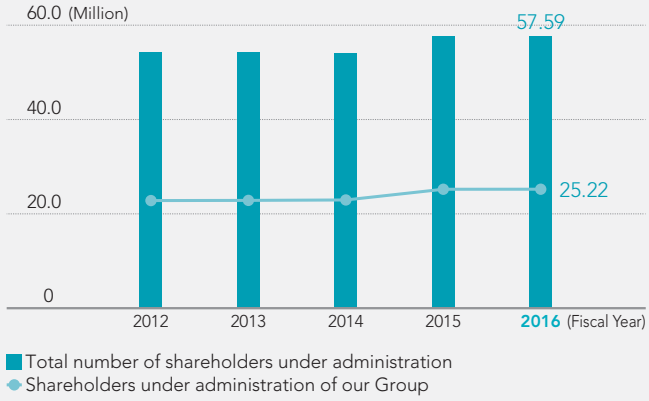


Shareholders under administration: 25.22 million (consolidated), 44% market share

We have solidified our top position in the industry for the number of shareholders under administration, backed by steady expansion in the field of individual stock investment and listed companies focusing on measures to increase individual shareholders amid the trend "from savings to asset formation," coupled with growth in the number of entrusted companies.



Number of Shareholders under Administration



Target Business Model

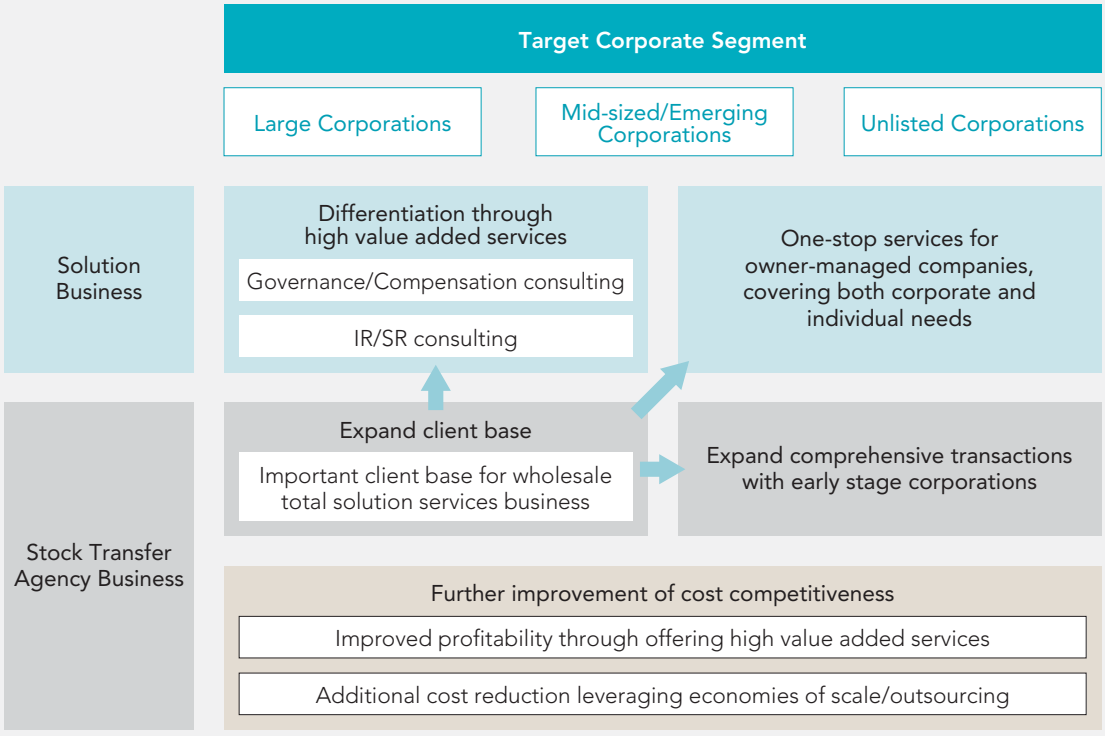
We seek to be our clients' "Best Partner," offering solutions from a cross-business perspective in response to management issues in investor and capital strategies, which are becoming increasingly important due to changes in the external environment, with the strong relationship we have cultivated as our clients' "Best Partner" for stock-related matters.

The environment surrounding companies has changed considerably since the establishment of the Stewardship Code and the Corporate Governance Code, and client needs are expanding beyond stock-related matters and support for shareholders' meetings to include enhancement of governance, ESG measures, and consulting on incentive compensation. Furthermore, clients are asking for stronger initiatives to evolve from "form" to "substance" corporate governance reform than in the past, and the related needs at each company are becoming diverse and complex.

The SuMi TRUST Group contributes to the further improvement of clients' enterprise value and market value by providing optimal, high-quality solutions to management issues in investor and capital strategies, which are becoming increasingly important due to changes in the external environment.

In addition, we offer strong backup for the realization of IPOs through measures such as providing corporate and individual solutions for owner-managed companies as well as legal consulting services to clients pursuing IPOs from the preparation stage. We are also focusing on making a contribution to regional revitalization through cooperation with local financial institutions to support IPOs by regional companies. We intend to achieve the top share of entrustments from newly listed companies as a result of these initiatives.

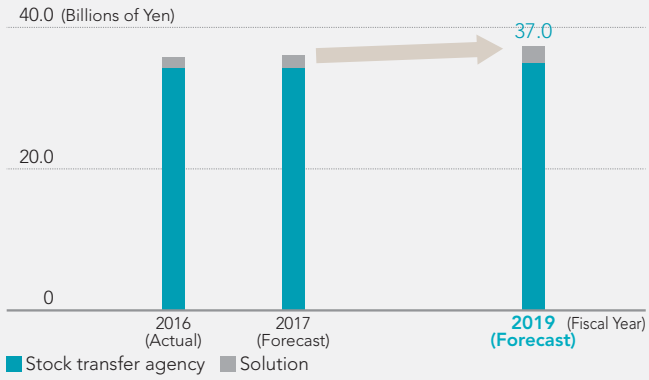
By building further stronger relationships with our clients and establishing our position as their "Best Partner" through these activities, we will achieve sustainable expansion of our client base and an unshakeable status as the leading company in the stock transfer agency services market.



Profit Targets of Midterm Management Plan

While we are already No. 1 in the industry in terms of the number of shareholders under administration, we are also focusing on expanding our number and share of listed companies under management, with the aim of achieving the top position in the industry in terms of both shareholders and companies under management. We are also seeking to expand consulting fees by providing clients with solutions to management issues in investor and capital strategies. Moreover, through measures such as using FinTech to create systems related to routine administration, we will reduce costs by streamlining operations while continually increasing consolidated substantial gross business profit before credit costs.

Growth Image of Consolidated Substantial Gross Business Profit



Topics for Future Focus

Providing Solutions

The establishment of the Corporate Governance Code has prompted listed companies to aim for greater transparency in management from the perspective of investors, and the establishment of the Stewardship Code has led institutional investors to step up efforts to exercise voting rights in the interests of beneficiaries, through measures such as dialogue with companies.

Given these changes in the external environment, we recognize that the provision of governance enhancement measures and IR/SR services, which are focus areas of the SuMi TRUST Group, are becoming even more important, and we will further enhance our solutions for these issues as our clients' "Best Partner."

Against the backdrop of such trends among companies and institutional investors, studies are underway to examine revision of laws and regulations encouraging further promotion of dialogue and provision of information. The SuMi TRUST Group is carrying out verification and making proposals from various angles in order to put in place a structure that can fully address such reforms of the systems. As an industry leader, we will continue to provide optimal solutions for our clients, while contributing broadly to socio-economic development.

Publications

We strive to distribute a variety of information and publish books to allow those in management and those responsible for practical matters to deepen their understanding of stock-related matters and general meeting of shareholders.

We regularly publish the "News on Stock Transfer Agency Services," which provides information concerning legal system reforms and practical business trends, and "Shoken Daiko Consulting Bucho no Me" ("Viewpoint of the General Manager of the Stock Transfer Agency Business Advisory Department") on topics related to stock and general meeting of shareholders strategies that management personnel should know. In addition, we also issue a number of practical guides such as "Kabushiki Jitsumu/Kabunushi Soukai no Point 2017" ("Key points on stock-related matters and general meeting of shareholders 2017"), "Sugu Wakaru! Kabushiki Jitsumu no Point" ("Easy to understand key points on stock-related matters"), and "Kabushiki Jitsumu no Iroha" ("ABCs of stock-related matters") (all edited by the Stock Transfer Agency Business Advisory Department of SuMi TRUST Bank), and the "Shokai/Kabushiki Jitsumu Gaido Bukku" ("Guidebook to stock-related matters: Detailed explanation") (edited by Tokyo Securities Transfer Agent Co., Ltd.). We will continue striving to be recognized as the "Best Partner" of our clients by providing them with up-to-date information.



Real Estate Business

Our Real Estate Business continues to work closely with our clients as their "Best Partner," by providing real estate solutions (CRE (corporate real estate) strategies, brokerage, development and construction consulting, securitization trusts, etc.) to meet the needs of corporate and individual clients in Japan and overseas.



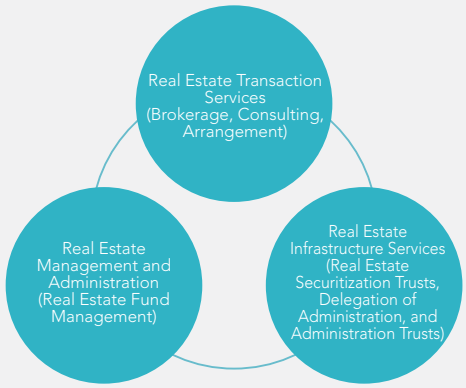
Akihiko Shirayama
Senior Managing Executive Officer, Executive Officer
SuMi TRUST Holdings
Officer in charge of Real Estate Business
SuMi TRUST Bank



Tadao Umezawa
Executive Officer
SuMi TRUST Holdings
Officer in charge of Real Estate Business
SuMi TRUST Bank

Business Outline

Our Real Estate Business has a large number of real estate specialists, such as real estate appraisers and first-class registered architects, providing a full line of services from brokerage to securitization and investment management in response to the real estate-related needs of a wide range of clients, including corporations, investors, and individuals in Japan and overseas.



Solution Functions

Real estate transaction services	Brokerage	Buying and selling	Brokerage services for buying and selling real estate including offices, houses, hotels, commercial and distribution facilities, etc.
		Leasing	Brokerage services for leasing to tenants, including offices, commercial and distribution facilities, etc.
	Consulting	CRE	Advice related to CRE (corporate real estate), market research, gathering of necessary information and data, and services to support decision-making through various proposals
		Effective use	Consulting services related to effective use of idle and unutilized/underutilized land
		Construction	Consulting services related to building construction
		Environmentally friendly property	Consulting services for environmentally friendly real estate development and building construction
Real estate management and administration services	Securitization arrangement		Arrangement of real estate securitization and creation of collective investment schemes
	Asset management		Real estate fund management services
Real estate infrastructure services	Real estate securitization trusts		Entrustment services for real estate trusts in real estate securitization, etc.
	Investment companies		Asset storage, general administration (accounting administration, institutional operation, management services for investors' registry)
	Real estate administration		Real estate administration services using delegation of administration and administrative trusts
Other	Overseas real estate business		Consulting on intermediation of overseas real estate, market research, and overseas expansion strategies, etc.
	Real estate market research		Consulting on investment valuation and risk analysis regarding structured real estate finance products

Structure for Providing Solutions

		Point of contact with client/brokerage solution	Various consulting services and solutions
Corporate clients	Tokyo metropolitan area	Real Estate Business Dept. I-V	Real Estate Business Solution Dept. Real Estate Advisory Dept. Real Estate Custody Business Dept. Real Estate Trust Business Dept. Real Estate Investment Business Dept. Sumitomo Mitsui Trust Real Estate Investment Management Sumitomo Mitsui Trust Research Institute
	Chukyo area	Real Estate Business Dept., Nagoya	
	Kinki area	Real Estate Business Dept., Osaka	
	Other regions	Real Estate Business Network Promotion Dept., Real Estate Sections of Branches	
Individual clients		Sumitomo Mitsui Trust Realty	
Overseas clients		Global Real Estate Business Planning and Promotion Dept.	

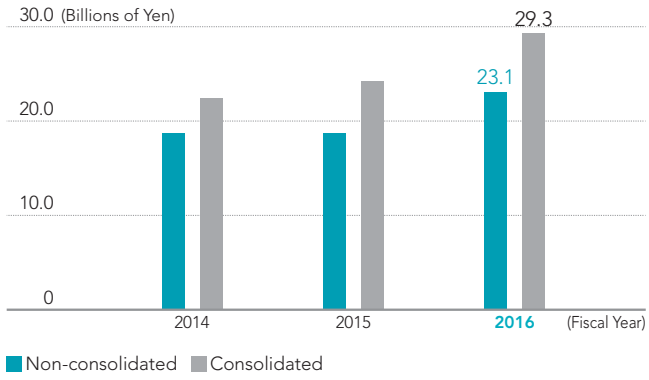
Financial Results Summary

Net business profit before credit costs increased on higher brokerage revenue.

In addition to higher real estate brokerage revenue from corporate clients, brokerage revenue from individual clients increased steadily. As a result, net business profit before credit costs increased by ¥4.4 billion year on year to ¥23.1 billion on a non-consolidated basis*1, and by ¥5.1 billion year on year to ¥29.3 billion on a consolidated basis*2.

*1 SuMi TRUST Bank (non-consolidated)
*2 SuMi TRUST Holdings (consolidated)

Trend of Net Business Profit before Credit Costs

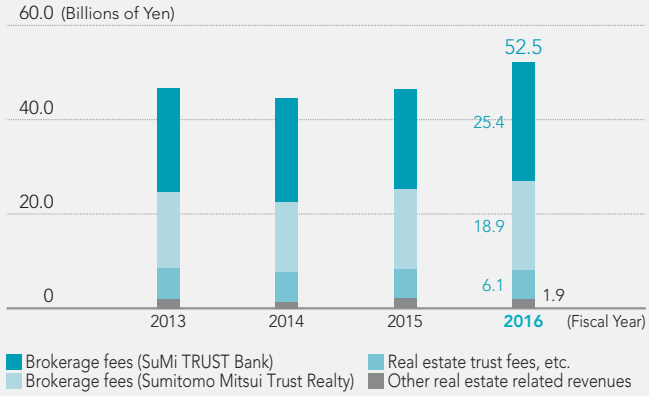


Financial Highlights

Real Estate Transaction Services

Gross business profit in the Real Estate Business reached ¥50.0 billion on a consolidated basis for the first time since management integration in 2011. This was primarily due to growth in brokerage fees at SuMi TRUST Bank and Sumitomo Mitsui Trust Realty.

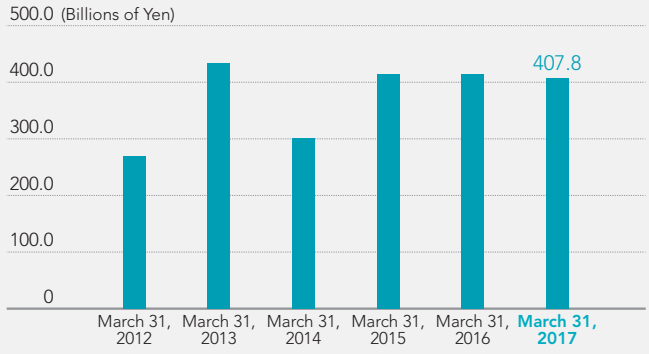
Gross Business Profit



Real Estate Management and Administration Services

Sumitomo Mitsui Trust Real Estate Investment Management undertakes management of private real estate funds. Sales of assets have been active in response to the recent rise in real estate prices, and the balance of assets under management has decreased slightly as a result.

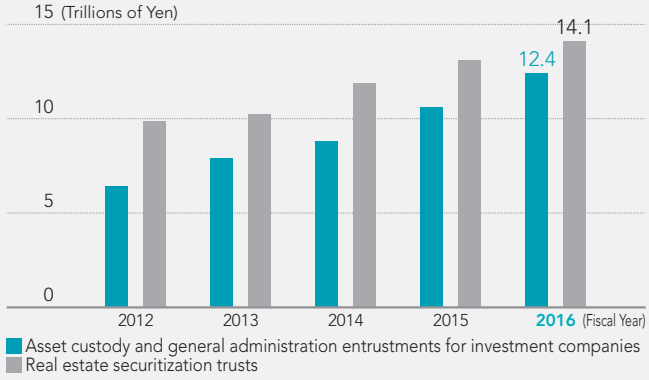
Assets under Management



Real Estate Infrastructure Services

Real estate securitization trusts and asset custody and general administration entrustments for investment companies are growing along with expansion of the REIT market, and we have secured the top place in Japan in terms of scale as a result.

Trusts under Administration



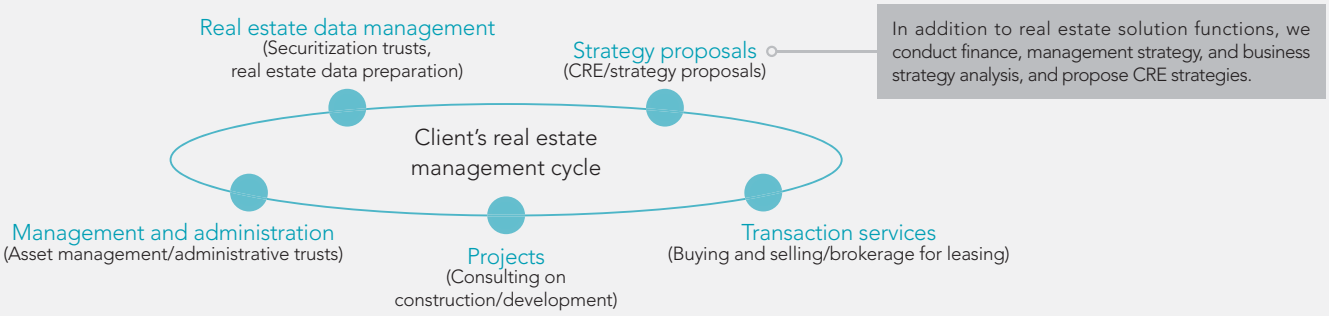
Target Business Model

To Be Our Clients' "Best Partner"

As the needs of clients are diversifying amid stronger calls for action on matters such as corporate governance and capital strategies, the needs regarding their real estate properties are becoming more complex.

The Real Estate Business will continue to work closely with clients as their "Best Partner" by providing real estate solutions to match the needs of clients according to their real estate management cycle.

By providing clients with total solutions that only a trust bank can offer, we contribute to improving corporate productivity and revitalizing the Japanese economy, while assisting regional revitalization through stronger cooperation with regional financial institutions.



Expanding Our Capacity to Provide Information and Further Developing Our Know-How

Based on their abundant experience and broad networks, SuMi TRUST Bank and Sumitomo Mitsui Trust Realty gather a wide range of information and provide solutions and information to suit client needs.

We will continue working to further expand our information volume and develop our know-how by cooperating with the Wholesale and Retail Total Solution Services Businesses and leveraging the marketing and planning functions of Sumitomo Mitsui Trust Research Institute, while making use of our networks with regional financial institutions and overseas financial companies, in order to continue providing optimal real estate solutions for our clients.

Expanding capacity to provide information

- Real estate information for clients through collaboration with other businesses
- Information on overseas institutional investors and wealthy clients
- Use of network with regional financial institutions and overseas financial companies

Further developing know-how

- Enhancing know-how using Sumitomo Mitsui Trust Research Institute
- Strengthening total solution capabilities through collaboration with other businesses
- Developing new solutions to suit client needs

Providing total solutions to suit client needs

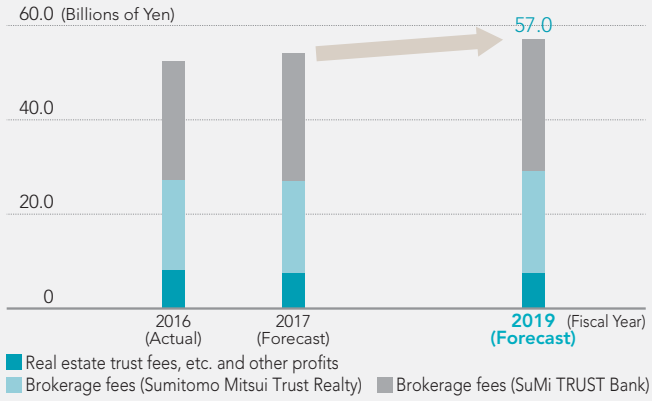
(Examples)

- Clients considering business reorganization
  - Proposals to optimize asset portfolio and real estate administration
  - Providing information on business alliance partners and business real estate for overseas expansion
- Individual clients who have received an inheritance
  - Proposals for revision of asset portfolio including inherited assets
  - Proposals for effective use of inherited assets, asset succession trusts, etc.
- Investor clients
  - Providing marketing information related to real estate
  - Providing asset management and finance services

Profit Targets of Midterm Management Plan

We will enhance our system that swiftly provides one-stop solutions in line with our clients' real estate management cycle, aiming for growth in flow-based income. We seek to expand consolidated substantial gross business profit before credit costs by strengthening our sales structure, including at consolidated subsidiaries, and achieving an increase mainly in brokerage fees.

Growth Image of Consolidated Substantial Gross Business Profit



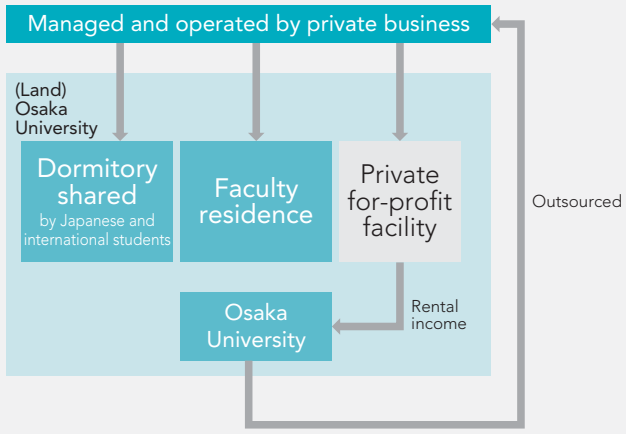
Topics for Future Focus

Regional Revitalization Initiatives

Focusing on issues such as the aging population and declining birthrate and deterioration of public facilities, SuMi TRUST Bank engages in consulting on effective use, rebuilding, and selling with regard to underutilized land at national universities across Japan. We will continue to contribute to regional revitalization through use of PFI* in funding procurement and scheme arrangements that are available only from a trust bank.

* PFI (Private Finance Initiatives): Use of private funding, management methods, and technological capabilities to create social capital such as public facilities.

Case Study: Osaka University "Global Village" in Tsukumodai



Environmentally Friendly Property Initiatives (Case Study: Shimane Bank New Head Office)

The new head office building for Shimane Bank, a project commenced around the 100th anniversary of its founding, has an energy-saving design and self-supporting systems for emergencies that bolster local disaster-response capabilities. A plank in the "GREEN BANK Shimagin Project," the building symbolizes the bank's contribution to efforts to create a low-carbon regional economy and bolster local disaster preparedness.

To promote the introduction of environmentally friendly property, SuMi TRUST Bank provides consulting services on environmentally friendly construction where it advises on the installation of energy-saving systems in buildings, ways to take into account landscapes and ecosystems, extension of building lifespans, and adoption of recycling systems.



Fiduciary Services Business

In our Fiduciary Services Business, as a financial group specialized in trust banking, we leverage the asset management and asset administration functions that are the core competency of the trust business to provide high value added services as our clients' "Best Partner."

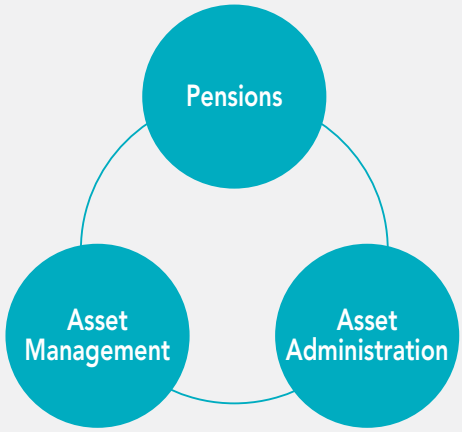


Masahiro Tsuchiya
Executive Officer
SuMi TRUST Holdings
Officer in charge of
Fiduciary Services Business
SuMi TRUST Bank

Business Outline

The Fiduciary Services Business is made up of three businesses: the pension business, the asset management business, and the asset administration business. Working with the SuMi TRUST Group as a whole, we provide client-oriented, high value-added services ranging from design of pension systems to management and administration.

While the SuMi TRUST Group's balance of assets under management and assets under custody are both among the top levels in the industry, we strive to enhance our foundation as a financial group specialized in trust banking by seamlessly deploying our high-level expertise and know-how that are highly regarded by clients.



Pensions

As pension plan professionals, we propose optimal, tailor-made system designs for clients, including both defined-benefit (DB) corporate pension plans and defined-contribution (DC) pension plans.

Affiliated Companies

- **Japan Pension Operation Service**
  A company specializing in administration and computer systems for pension fund administration

Asset Management

We have a large number of experienced analysts and fund managers, whose significant expertise and comprehensive capabilities are brought together in our "asset management consulting & multiple products" to respond to the wide-ranging asset management needs of clients.

Affiliated Companies

- **Sumitomo Mitsui Trust Asset Management**
  The central asset management company of the SuMi TRUST Group
- **Nikko Asset Management**
  An asset management company that operates globally with a focus on Asia
- **Sky Ocean Asset Management**
  An asset management company established as a joint venture with the Bank of Yokohama, Bank of Kyoto, Gunma Bank and Tokyo TY Financial Group
- **JP Asset Management**
  An asset management company jointly established with Japan Post Bank, Japan Post, and Nomura Holdings
- **Sumitomo Mitsui Trust International**
  Central base of investment business for overseas investors

Asset Administration

Both in Japan and overseas, we provide a wide range of asset administration services, including the administration and settlement of securities in which clients have invested, the preparation of reports for clients regarding the status of asset management and custody, and securities lending.

Affiliated Companies

- **Japan Trustee Services Bank**
  A trust bank specializing in asset administration services
- **Sumitomo Mitsui Trust Bank (U.S.A.)**
  Central base for global custody services
- **Sumitomo Mitsui Trust Bank (Luxembourg)**
  Sub-custodian bank and European contact for Sumitomo Mitsui Trust Bank (U.S.A.)
- **Sumitomo Mitsui Trust (UK)**
  European base for global custody services
- **Sumitomo Mitsui Trust (Ireland)**
  Central base for foreign-domiciled fund administration operations

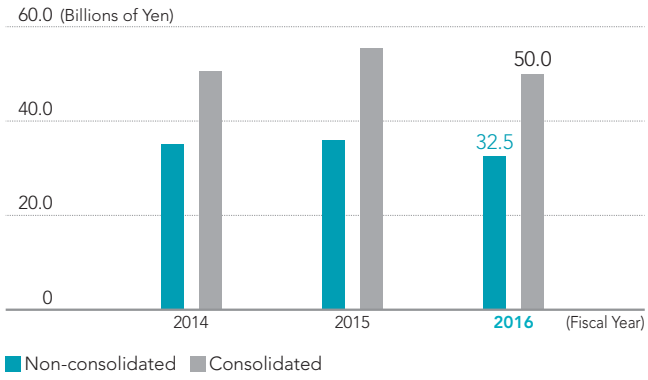
Financial Results Summary

Net business profit before credit costs decreased primarily due to the dissolution of company employees' pension plans.

Net business profit before credit costs decreased by ¥3.5 billion year on year to ¥32.5 billion on a non-consolidated basis*1, and by ¥5.4 billion to ¥50.0 billion on a consolidated basis*2, due mainly to a decrease in the balance of pension trusts associated with the dissolution of company employees' pension plans.

*1 SuMi TRUST Bank (non-consolidated)
*2 SuMi TRUST Holdings (consolidated)

Trend of Net Business Profit before Credit Costs

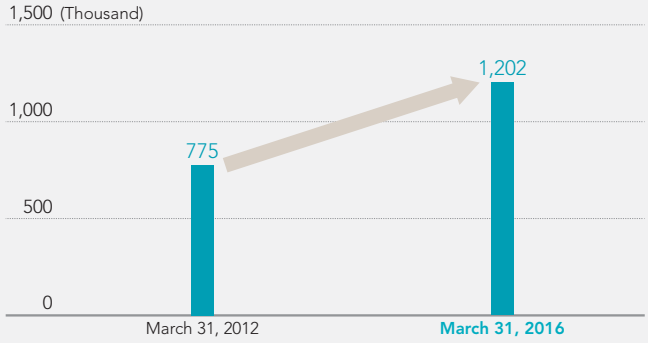


Financial Highlights

Pensions

Following the dissolution of company employees' pension plans, entrustments of defined-contribution (DC) pension plans expanded as successor plans. The number of subscribers in our DC pension plans increased by approximately 430,000 in four years, among the highest in the industry. The quality of our investment education, online services, call centers, and other services is also highly regarded by clients.

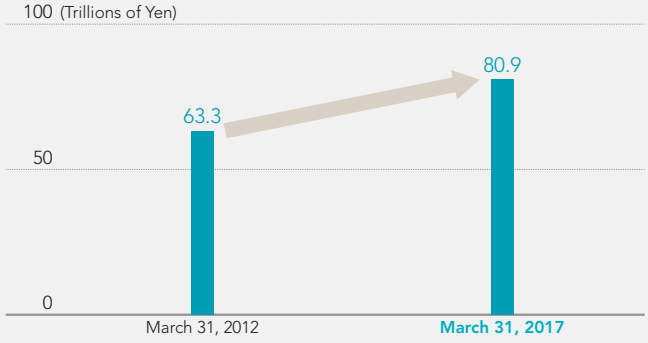
Number of DC Pension Plan Subscribers



Asset Management

With a balance of assets under management that has increased by approximately ¥17 trillion in five years, the SuMi TRUST Group boasts the No. 1 position among Japanese banking and securities groups. We are steadily increasing our balance by providing products to meet the diverse needs of various clients (pension funds, mutual aid associations, financial companies, retail clients, overseas investors, etc.) while leveraging the respective strengths of the asset management companies within the SuMi TRUST Group.

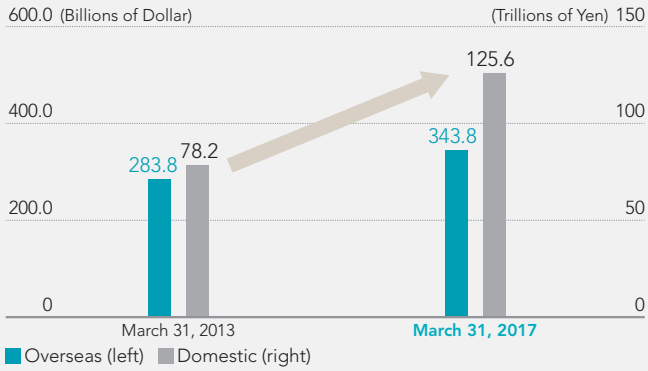
Assets under Management of the Group



Asset Administration

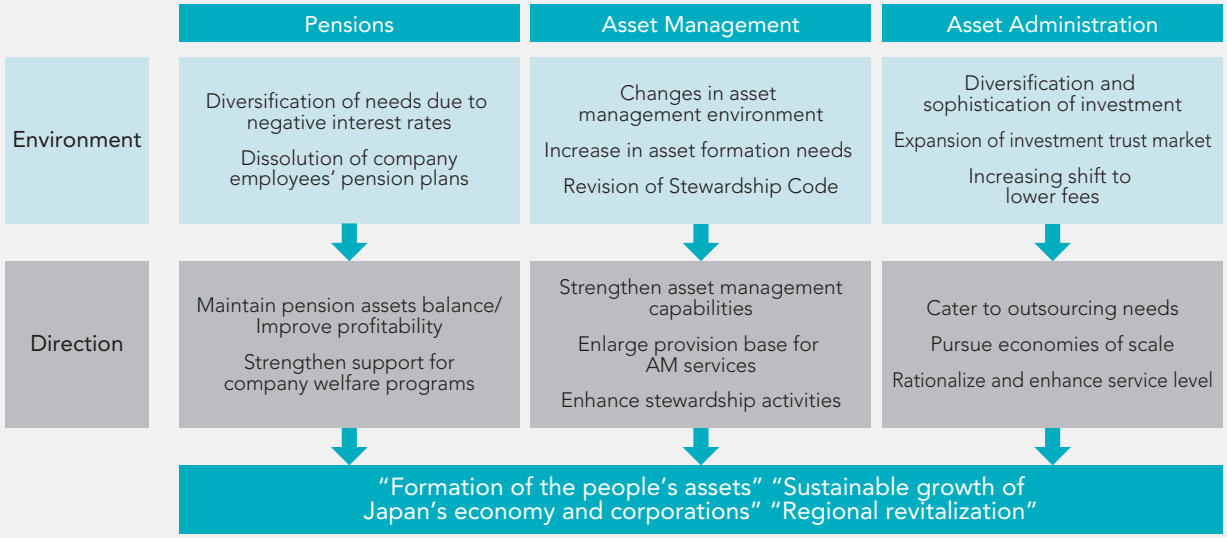
Our balance of domestic assets under custody increased by approximately ¥47 trillion in four years, mainly in investment trusts which form the core of asset administration services. Our balance of overseas assets under custody increased by approximately $60.0 billion in four years due to continued enhancement of services for Japanese clients. Our balance of entrusted assets is growing steadily both in Japan and overseas.

Domestic and Overseas Assets under Custody



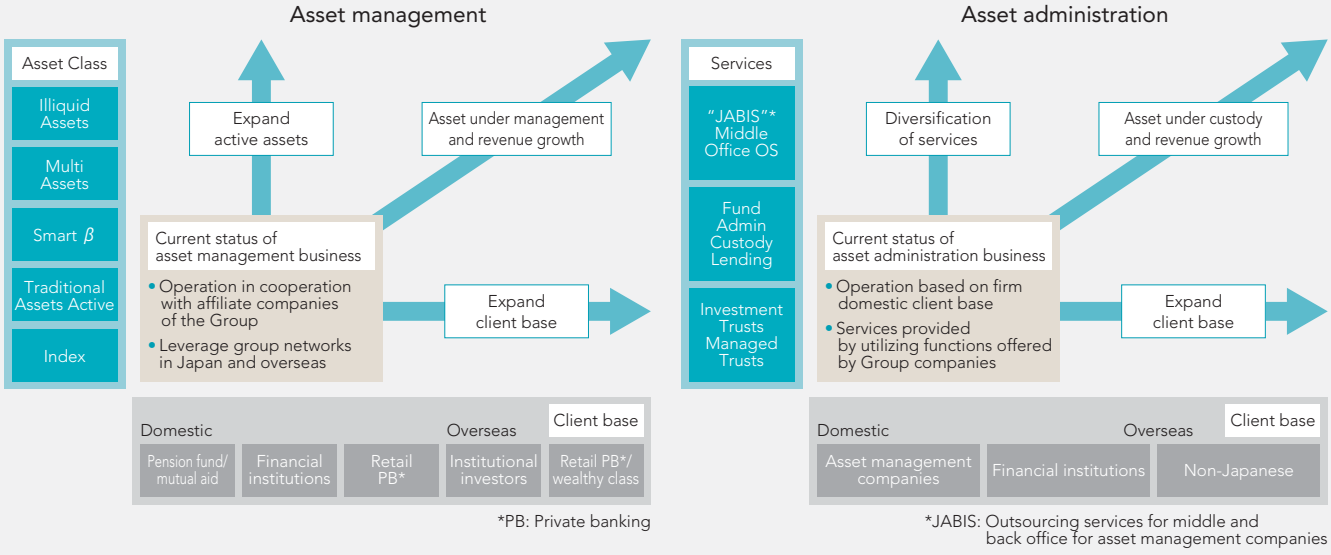
Target Business Model

As a leading financial group in Japan, we will lead the trend "from savings to asset formation" and contribute to "formation of the people's assets," "sustainable growth of Japan's economy and corporations," and "regional revitalization," while pursuing profit expansion.



We will strengthen the asset management and asset administration functions that are the core competencies of our trust business with the aim of realizing our business model. We will expand active assets in asset management and pursue diversification of services in asset administration, while seeking to expand our balance of assets under management and custody, earnings and client base.

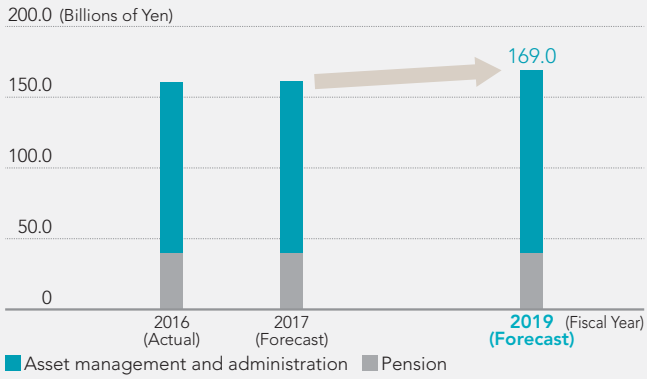
Strengthening of Asset Management/Asset Administration Functions



Profit Targets of Midterm Management Plan

We will pursue expansion of our client base, balance of assets under management, and earnings by promoting the following themes: "become the main bank for support of company welfare programs" by leveraging the strengths of the SuMi TRUST Group in seamlessly handling pension plans and asset management and administration; "become a multi-boutique asset management group" by taking advantage of the unique characteristics of the various asset management companies within the SuMi TRUST Group; and "evolve our asset administration business model" by providing diversified services and catering to outsourcing needs.

Growth Image of Consolidated Substantial Gross Business Profit



Topics for Future Focus

ESG Activities Aimed at Creating a Sustainable Society

SuMi TRUST Bank was awarded an outstanding prize in the Sustainable Finance Awards held by the Research Institute for Environmental Finance (RIEF), an organization that carries out activities to promote and raise awareness of environmental finance.

The award was given in recognition of SuMi TRUST Bank's "global engagement activities based on international norms and rules." In this initiative, the engagement with investees that is part of our ESG (environmental, social and governance) activities was put into practice on a global basis for the first time among Japanese financial institutions. SuMi TRUST Bank received the award for the second time, having been honored last year for our development of Japan's first "ESG integration" methods.

SuMi TRUST Bank believes that finding solutions to ESG issues in order to create a sustainable society is linked to the interests of our clients, and will continue actively engaging with our investee companies regarding ESG. We will also make efforts to enhance our stewardship activities through measures such as establishing third-party committees and publishing the results of the exercise of voting rights.



Awards ceremony



Engagement with a company in the palm-oil business

Discussion of Management Integration of Trust Banks Specializing in Asset Administration

A basic agreement has been concluded among the major shareholders to start detailed review and discussion with a view to management integration of Japan Trustee Services Bank, Ltd. (JTSB) and Trust & Custody Services Bank, Ltd. (TCSB). By concentrating the management resources and know-how of both companies with regard to asset administration services, we aim to pursue economies of scale and realize stable and high-quality operations, and contribute to further development of the domestic securities settlement market and enhancement of the investment chain in Japan.

JTSB	Shareholdings:	SuMi TRUST Holdings (66.6%), Resona Bank (33.3%)
	Assets under custody:	¥294 trillion (Of which, trust assets are ¥244 trillion.)
TCSB	Shareholdings:	Mizuho Financial Group (54%), The Dai-ichi Life Insurance (16%), and others
	Assets under custody:	¥375 trillion (Of which, trust assets are ¥135 trillion.)

Global Markets Business

As experts in the management of market volatility, the Global Markets Business meets client needs for asset management and risk management regarding such matters as interest rate derivatives and foreign exchange related transactions by providing solutions through the structuring and marketing of market-based financial products.



Sumikazu Tsutsui
Executive Officer
SuMi TRUST Holdings
Officer in charge of
Global Markets Business
SuMi TRUST Bank

Business Outline

Business Outline

In the Global Markets Business, our group of experts in the management of global financial market volatility draws on our domestic and overseas networks to provide optimal solutions for clients. Our Global Markets Business functions are broadly divided into client service functions, which undertake marketing operations and market-making operations; market functions, which handle investment operations and financial management operations; and administrative functions.

Outline of Products and Services

Client Service Functions

• Marketing Operations

Making use of functions within the SuMi TRUST Group, we offer market-based financial products and solution services suited to client needs in a timely manner at a reasonable price.

• Market-Making Operations

Our market-making operations are intermediary services to clients for various market-based transactions, including foreign exchange-related transactions and interest rate derivatives. We also work to supply high-quality, low-priced, market-based financial products by making full use of our financial technology.

Market Functions

• Investment Operations

We invest in a wide variety of financial instruments such as global bonds, foreign exchange-related products, and stocks. To disperse risk and maximize profit, we categorize the investment business into three dimensions of investment assets, period and technology, and allocate them as intelligently as possible.

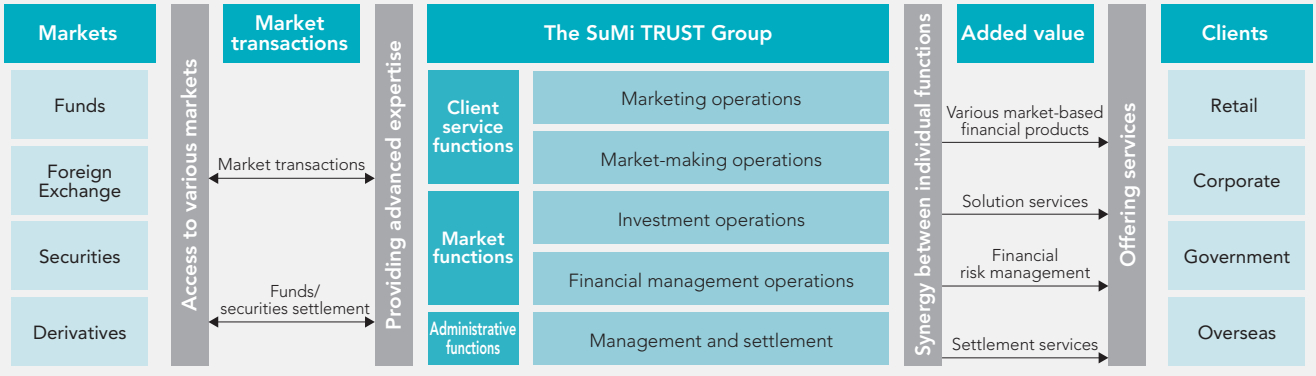
• Financial Management Operations

We accurately control market risks in order to secure stable earnings from a group-wide perspective. We analyze market environments, measure the market risks faced by the SuMi TRUST Group, and plan and execute the necessary hedging operations (transactions to avoid or reduce risk.)

Administrative Functions

We provide high-quality administrative services to correctly process complex and large-volume administration and settlement of market-based transactions.

Business Model of Global Markets Business

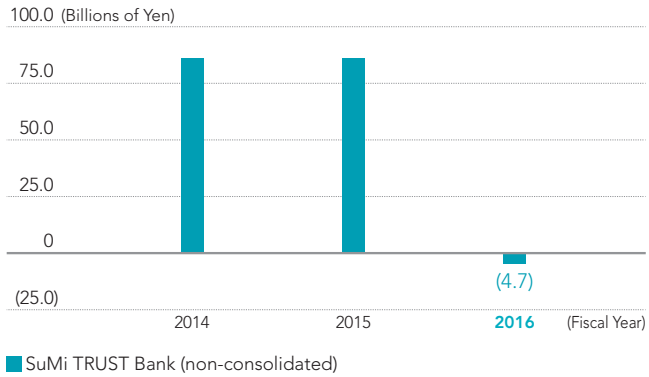


Financial Results Summary

Net business profit before credit costs decreased due to sale of U.S. treasuries held for financial purposes.

Net business profit before credit costs decreased significantly year on year due to the sale of U.S. treasuries held for the purpose of stabilizing the economic value of securities overall, including strategic shareholdings. However, marketing operations, market-making operations, and investment operations performed strongly.

Trend of Net Business Profit before Credit Costs



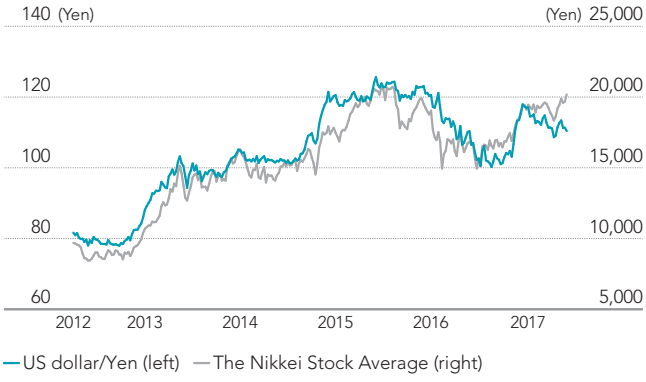
Financial Highlights

Market Trend Highlights

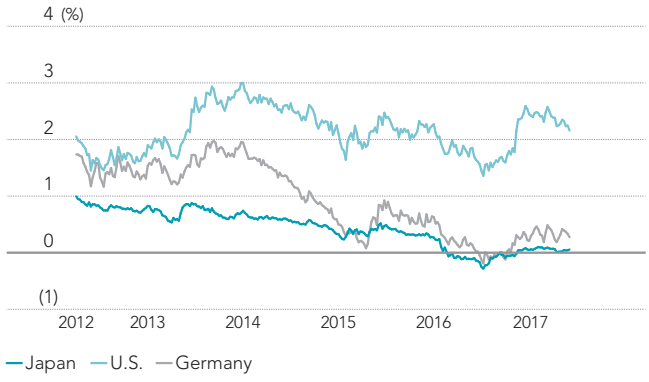
Political risks emerged as factors in exchange rate fluctuations in fiscal 2016, including the U.K. referendum on leaving the European Union, and the presidential elections in the U.S. and in France.

The yen strengthened against the U.S. dollar during the first half of the fiscal year due to investor caution regarding these political risks. However, looking at the full year, the level remained mostly unchanged as expectations of a U.S. interest rate hike were mixed with concerns about a strong dollar in the wake of the new Trump administration in the U.S. The Nikkei Stock Average rose in anticipation of a boost to the U.S. economy from policies expected of the Trump administration such as major tax cuts and government spending. In addition, the fiscal year ended with long-term interest rates rising in Japan, the U.S., and Germany, including a large increase in U.S. interest rates.

U.S. dollar/JPY, Nikkei Stock Average



Long-term government bond interest rates in Japan, the U.S., and Germany



Client Service Functions

- In marketing operations, amid an environment that remained challenging for asset management, provision of asset management products for domestic investors was strong, and foreign exchange transactions also became active during the period of yen depreciation that followed the results of the U.S. presidential election, which contributed to profit.
- In market-making operations, derivatives and foreign exchange transactions grew mainly due to an increase in sales of asset management products following the introduction of negative interest rates, and contributed to profit.

Market Functions

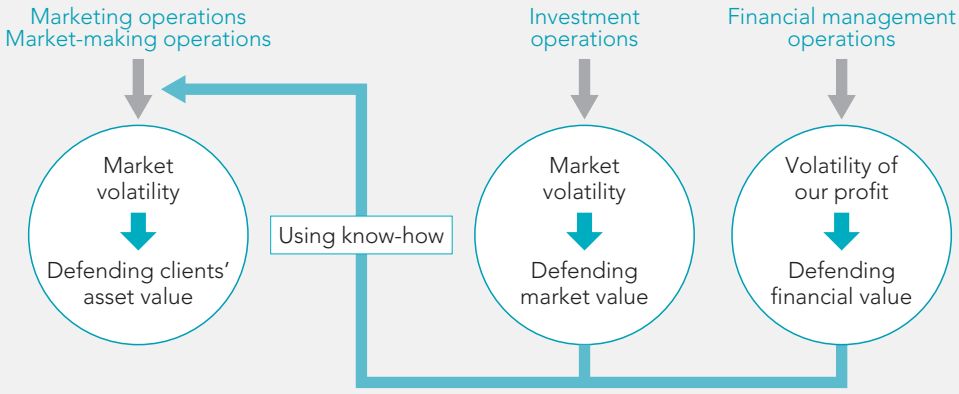
- In investment operations, we secured profit by capturing interest rate fluctuations in Japan and the U.S. arising from the launch of yield curve control by the Bank of Japan and the results of the U.S. presidential election.
- In financial management operations, we saw poor performance of U.S treasuries that were held for the purpose of reducing the risk of a drop in the share price of strategic shareholdings held by SuMi TRUST Bank in response to increasing uncertainty in the global economy, including the U.K.'s exit from the European Union. Meanwhile, through ALM that undertakes group-wide asset-liability management, we secured profit by strengthening our asset management capabilities using foreign exchange markets and accurately controlling risk, despite a headwind caused by the continuing negative interest rate environment in Japan and rising foreign currency funding costs.

Target Business Model

An Expert Group that Contributes to the Realization of "The Trust Bank" by Managing Market Volatility for All Clients Both Internal and External

The uncertainty surrounding the market is growing, due to factors including monetary policies of developed countries and economic trends in emerging countries, as well as the global political situation and geopolitical risks. Market risks also exist in clients' asset holdings and balance sheets, and unforeseen gains and losses can occur as a result of market volatility. We will protect clients' asset value by providing solutions to appropriately manage this volatility.

The solutions we offer our clients make use of all the volatility management know-how of our group of experts, including knowledge of marketing operations and market-making operations, as well as technologies such as market risk control backed by many years of experience in investment operations and financial management operations. We provide optimal solutions to our clients that make full use of our significant expertise and comprehensive capabilities, based on our client-oriented awareness and action rooted in the fiduciary spirit cultivated at the SuMi TRUST Group over the years.



Expanding the Scope of Use of Global Markets Business Know-How and Expertise

Among the financial assets held by our corporate clients, many of the products that have complicated mechanisms lack a declared value, etc. We provide "Ris-Navi (Risk Navigation)" in response to clients who expressed the wish to gain more detailed understanding of the actual status of assets in a timely and appropriate manner. Ris-Navi is a system developed using Global Markets Business expert knowledge in market risk analysis, which can perform risk management and analysis of financial instruments. By letting clients take advantage of Global Markets Business know-how through the use of Ris-Navi, we are working to expand the scope of use of such know-how.



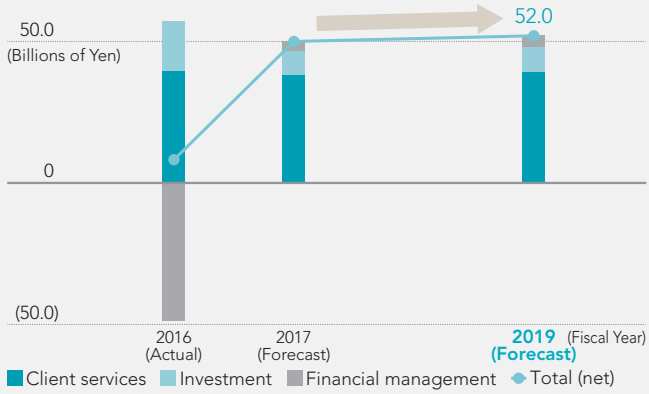
Profit Targets of Midterm Management Plan

Our marketing operations and market-making operations seek steady growth through greater development of those functions which allow us to provide optimal solutions to clients.

Our investment operations aim for more stable growth through the promotion of global investment strategy and risk dispersion.

In our financial management operations, we will strengthen risk control functions from a group-wide perspective, with the aim of profit expansion focusing on ALM.

Growth Image of Non-consolidated Substantial Gross Business Profit



Topics for Future Focus

Foreign Currency Deposits

Although foreign currency deposits are now in widespread use, the balance of foreign currency deposits in Japan still amounts to only a small percentage of yen deposits. However, in Japan, which depends on foreign countries for resources and food, the price of imports soars when the yen weakens significantly. From the perspective of protecting clients' asset value (purchasing power), it is possible to offset the negative impact of inflated import prices by holding a certain amount of foreign currency deposits. We propose foreign currency deposits to clients as a tool to hedge their risks.

Enhancing Interest Risk Management for Mortgage Loans

Loans to individual clients are sometimes repaid in advance due to trends in market interest rates. Mortgage loans in particular require a high degree of interest risk management because the amounts are high and the terms are long. In light of the introduction of previously unseen monetary policies such as negative interest rates and yield curve control, we will steadily enhance our risk management in order to offer high-quality, low-priced mortgage loans to clients.

Management of Foreign Exchange Settlement Risk

There is a settlement risk in foreign exchange transactions stemming from the time difference between the countries whose currencies are being transacted, so that while yen is paid in Tokyo time, U.S. dollars are received in New York time. While we are promoting the global multi-currency settlement system in order to reduce foreign exchange settlement risk, we will further enhance our risk management in the future, and expand its scope to include foreign exchange transactions with trust accounts, etc.

Publications

In order to allow many people to deepen their understanding of financial markets and financial products, the Global Markets Business has issued *The Financial Markets Forecasting Handbook for Investors* (published by NHK Publishing, Inc.) and *Derivatives: 333 Keywords* (published by Kinzai Institute for Financial Affairs, Inc.)

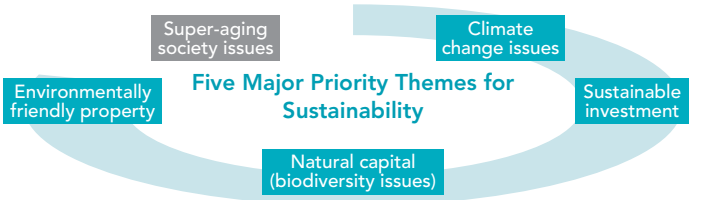


Sustainability Initiatives in Our Business

The SuMi TRUST Group is working actively to develop financial products and services based on the concept of Creating Shared Value (CSV), whereby companies create social value by addressing society's needs and challenges while simultaneously creating their own economic value.
When pursuing these sustainability businesses, it is important to verify the appropriateness of the social value we are providing.
The SuMi TRUST Group uses the relationship with SDGs (sustainable development goals) as one means of verification (See page 29).

Businesses that Contribute to the Environment and Society

	Environmental and Social Challenges	Examples of Products and Services	Social Value	Related SDGs
Climate change issues	• Impact on ecosystems and food production due to global warming • Increasing wind and flood damage, etc., caused by abnormal weather • Increasing impact on economy and life caused by rising sea levels and drought	• Renewable energy project finance • Renewable energy funds • Micro hydro generation, small- to medium-sized hydro generation • Renovation loans for smart houses • One-stop services for energy-saving investment	• Promoting energy shift through spread of renewable energy • Reducing amount of fossil fuel combustion by promoting energy-saving investment • Transition from a fossil fuel-dependent society to de-carbon society	
Natural capital (biodiversity issues)	• Increasing resource procurement risks due to depletion and pollution of natural capital • Shortages or illegal trade in living resources used for food, pharmaceutical production, etc. • Damage to biodiversity due to increasing number of rare and endangered species	• Environmental rating loans with evaluation of natural capital preservation • Social contribution donation trusts and charitable trusts to make donations to ecosystem conservation activities	• Creating a socio-economic system with low natural capital risks • Biodiversity conservation and sustainable use of natural capital	
Environmentally friendly property	• Advance of global warming due to energy consumption of buildings • Loss of biodiversity and other environmental destruction due to urban expansion	• Environmentally friendly construction consulting • Consulting to support applications for CASBEE for Real Estate certification • Consulting to support "leading projects" program for sustainable buildings • Making the value of smart towns and cities visible, supporting development policies	• Spread of high energy efficiency, high resource efficiency cities and buildings • Enhancing value of environmentally friendly property • Spread of buildings that contribute to improvement of production efficiency	
Sustainable investment	• Expanding impact of corporate activities on the environment and society • Increasing importance of addressing environmental and social issues in the supply chain	• Responsible investment funds • Stewardship activities (engagement, ESG integration, exercise of voting rights)	• Promoting investment in companies that consider ESG • Increasing corporate consideration of the environment and society through stewardship activities	 Related to all 17 SDGs
Super-aging society issues	• Vulnerability of socio-economic system due to advent of super-aging society • Delayed response of financial services to address elder clients with problems such as dementia	• Security Trust • Anshin Support Trust • Reverse mortgages • Guardianship System Support Trust • Financing for healthcare REITs	• Creating a regional society where the elderly can live in safety and security • Ensuring the safety of wealth management for the elderly	



Using SDGs to understand the social value we create

Contribution to achieving goals through provision of financial products and services

SUSTAINABLE DEVELOPMENT GOALS

Sustainable development goals (SDGs), comprising 17 goals and 169 targets (See page 29)

ECO TrustutioN
エコ・トラステューション

ECO TrustutioN:
The Group has coined the word "Eco-Trustution" for environmental financial businesses that offer solutions to ecological issues using our trust function. Under this concept, we work to develop and provide solutions-based financial instruments and services.

Examples of Sustainability Businesses

Renewable Energy Project Finance

SuMi TRUST Bank is promoting the adoption of renewable energy through project finance. Loans are increasing for large-scale offshore and onshore wind power generation overseas, and for mega-solar projects in Japan. The accumulated generation capacity of these projects is 4,154 MW, and annual power output has reached 7,637 GWh.

Micro-Power Generation in Water Supply Systems

In Japan's water supply systems, an increasing amount of energy is released without being harnessed, such as untapped use of vertical drop in gravity-flow supply pipes and the release of surplus pressure in pumped supply pipes via pressure-reducing valves. Sumitomo Mitsui Trust Panasonic Finance supports the introduction of power generation systems that tap into such wasted energy through lease finance and the use of leasing agreements for water supply systems with local authorities.

Environmental Rating Loans with Evaluation of Natural Capital Preservation

Efforts to address issues related to natural capital across the global supply chain are an indispensable part of management strategy in order for a company to continue its business. SuMi TRUST Bank provides Environmental Rating Loans with Evaluation of Natural Capital Preservation, which embed the concept of evaluating impacts on natural capital and a company's initiatives into the environmental-rating evaluation process that assesses its environmental measures. This is the world's first attempt to incorporate natural capital evaluation into loan criteria, and our efforts have been cited in government environmental white papers and European Commission reports as an example of leading-edge practice.

Social Contribution Donation Trusts

Through social contribution donation trusts set up for the purpose of making donations to public-interest organizations carrying out social contributions activities, SuMi TRUST Bank supports the activities of the Association of National Trusts in Japan, an organization that aims to protect nature by purchasing land that forms the natural habitat of endangered species in Japan.

Environmentally Friendly Construction Consulting

To promote the introduction of environmentally friendly property, SuMi TRUST Bank provides environmentally friendly construction consulting services where we advise on the installation of energy-saving systems in buildings, ways to take into account landscapes and ecosystems, extension of building life spans, and adoption of recycling systems.

Consulting to Support Applications for "CASBEE for Real Estate" Certification

CASBEE* for Real Estate is a system developed in 2012 for the purpose of promoting widespread use of environmental building performance evaluations in the real estate market. SuMi TRUST Bank engages in consulting services to support applications for the CASBEE for Real Estate certification. CASBEE accredited professionals with proper qualification support the selection of real estate applying for certification while also evaluating the environmental performance of real estate and supporting the submission of applications for certification to certifying bodies.

* The comprehensive assessment system for built environment efficiency (CASBEE) certification is an environmental performance evaluation system for buildings being developed and promoted in Japan under the guidance of the Ministry of Land, Infrastructure, Transport and Tourism.

ESG Integration

While financial information such as earnings reports are important in the short term in evaluating companies as investments, we think assessments relating to the sustainable growth prospects of investee companies are important over the medium- to long-term. With the aim of identifying ways to improve and support sustainable earnings at investee companies, SuMi TRUST Bank strives to effectively gather ESG information such as the amount of added value derived from a company's products and services, the sustainability of that value, and the resilience of the governance system in supporting the provision of that added value, and uses this information in the assessment of companies.

Providing Responsible Investment Funds

The Group launched Japan's first responsible investment (RI) Fund aimed at corporate pension in 2003. Using the same RI approach, the SRI Japan Open (Good Company) mutual fund offered by Sumitomo Mitsui Trust Asset Management is marketed to a wide variety of investors, including individuals, and is now regarded as one of Japan's standard-setting RI funds.

Wealth Management Products for Those with Declining Capacity for Judgment

SuMi TRUST Bank has a range of wealth management services for clients with dementia and can develop solutions for individual needs. For example, the Guardianship System Support Trust protects from embezzlement the assets of those under the adult guardianship system; the Security Trust protects those with declining capacity for judgment against money transfer scams; and the Anshin Support Trust is designed so pre-specified arrangements to pay sums necessary to cover usage fees for a nursing home for the elderly can be made for those worried their capacity to manage their wealth will decline later in life.

Participation in Comprehensive Regional Care

Comprehensive regional care is a necessary support system to enable the elderly to continue to live in ways that suit them in a place they are most comfortable until they reach their final days. We think SuMi TRUST Bank can play an important role as a financial institution that shoulders a responsibility for managing elderly client assets, and our branches nationwide are actively participating in efforts to build comprehensive regional care systems through measures such as cooperation with comprehensive regional care support centers and participation in case study groups organized by healthcare professionals.

FinTech Initiatives



"FinTech," a term coined from the words "finance" and "technology," has been attracting attention as a new mechanism to provide financial services using the most recent technologies. The use of FinTech makes it possible to offer new services to our clients. The SuMi TRUST Group is pursuing FinTech initiatives focused on making maximum use of the strengths of each Group company, including SuMi TRUST Bank.

FinTech Initiatives at SuMi TRUST Bank

SuMi TRUST Bank is propelling the introduction of FinTech technologies centered on its cross-divisional FinTech project teams.

It is carrying out demonstration experiments for the introduction of FinTech technologies in the consulting and asset management and administration businesses that are strengths of SuMi TRUST Bank.

With regard to blockchain, SuMi TRUST Bank is engaged in investigation and study with a view to its application possibilities, including verification of the effectiveness of utilizing blockchain technology for the global custody account opening workflow and trust beneficiary rights securitization.

As for initiatives using AI (artificial intelligence), SuMi TRUST Bank is studying enhancement of consulting-based sales and of investment decision and management methods in asset management through the use of natural language analysis technologies, as well as streamlining of trust administration using AI and other technologies.

FinTech Initiatives at SBI Sumishin Net Bank

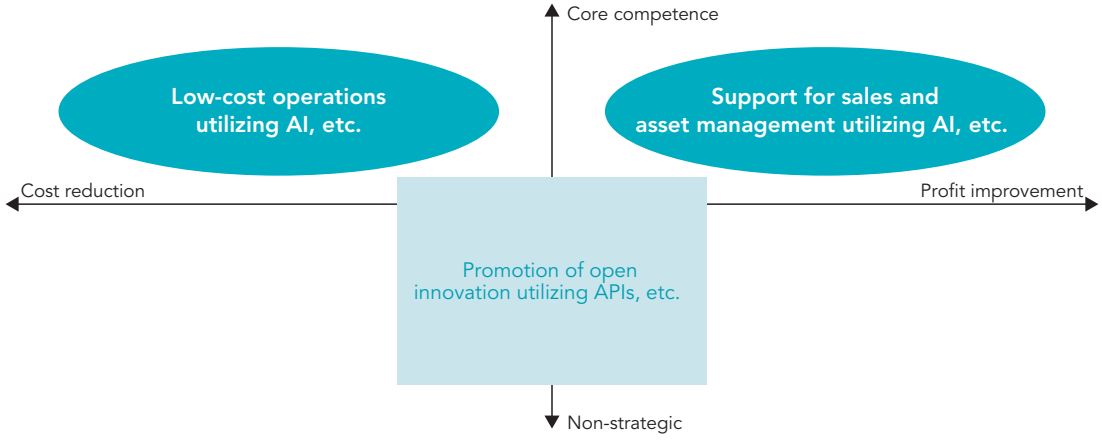
SBI Sumishin Net Bank, an affiliated company of the SuMi TRUST Group, has successfully conducted Japan's first blockchain demonstration experiment for core banking operations, and is also carrying out a demonstration experiment for the use of AI in cutting-edge screening methods in its loan business.

In addition, SBI Sumishin Net Bank is actively promoting API* connections for providing services to partner companies, and has begun offering the transfer linked function "Robo-advisor" (automated asset management service) using a reference-type API, and automated savings service using an update-type API, all of which are first for a Japanese bank.

In addition, SBI Sumishin Net Bank has launched "LENDING ONE," a business loan service using big data from e-commerce transactions, with a view to linking innovations in the FinTech field not only to greater convenience for individual clients, but also to enhancement of enterprise value for corporate clients.

* API (Application Programming Interface) is a mechanism that makes specific functions and services provided by one system easily accessible from another system.

Concept of FinTech Use at SuMi TRUST Bank



Initiatives to Facilitate Financing

• Dealing with Facilitation of Financing

The SuMi TRUST Group considers the facilitation of financing to small and medium-sized enterprises (SMEs) and individuals seeking mortgage loans as one of its most important social missions.

SuMi TRUST Bank took steps to further enhance its financial intermediary function and established a basic policy on the facilitation of financing. This was to ensure prompt and appropriate responses to requests from SMEs and mortgage loan clients for various consultations, restructuring of loan repayment conditions, etc.

The bank facilitates financing operations through a system at branch offices to provide prompt and appropriate responses to clients' consultations about, or requests for, the restructuring of loan repayment conditions and other matters and a system at the head office to fully grasp the branch office support activities. The bank also responds to clients' requests for consultation and complaints through a dedicated telephone number as well as at branch offices.

The Act concerning Temporary Measures to Facilitate Financing for SMEs, etc. expired on March 31, 2013. Even so, the SuMi TRUST Group will continue providing appropriate and proactive financial intermediary services to facilitate the business activities of SMEs and to help mortgage loan clients enjoy a stable lifestyle. Also, when there are consultations about, or requests for, the restructuring of loan repayment conditions, etc. from clients who have been directly or indirectly affected by the Great East Japan Earthquake or the 2016 Kumamoto Earthquake, the SuMi TRUST Group endeavors to respond in a flexible and appropriate manner, taking into account each client's circumstances.

In addition, SuMi TRUST Bank has a system under which it respects and abides by the "Guidelines for Management Guarantee." The bank has reorganized its system for receiving inquiries related to the "Guidelines on Arrangement for Victims of Natural Disaster," which was adopted in April 2016, and appropriately responds to client's requests for consultation.

• Status of Initiatives to Improve SME Business Operations and to Revitalize Regions

(1) Policy on Management Support Measures for SMEs

SuMi TRUST Bank assists SMEs with efforts to improve and revitalize their business operations by considering their conditions and providing business consultations, management guidance and support for formulating business reconstruction strategies, and other support services.

(2) Framework of Management Support for SMEs

In order to carry out management support for SMEs, SuMi TRUST Bank has established "Financing Facilitation Promotion Offices" in the Wholesale Business Planning Department and in the Personal Loan Business Promotion Department, to prepare a framework to deal appropriately and satisfactorily with various consultations and requests from clients.

In terms of specific measures related to management support for SMEs, branch offices and the head office are engaged in efforts such as support for formulating business reconstruction plans tailored to individual circumstances, and assistance aimed at making progress with business reconstruction plans, taking into account the industry conditions and the business dealings of individual SMEs. Furthermore, SuMi TRUST Bank prepares to support clients in overseas expansion and business succession as well as in electronically recorded monetary claims.

1) Initiatives related to support for overseas expansion

SuMi TRUST Bank has the five-branch one-subsidiary system that includes New York, London, Singapore, Hong Kong, Shanghai and Thailand. These branches offer financial services such as loans, deposits, foreign exchange, and derivatives to Japanese client companies who are expanding overseas. In addition to developing our own offices, we are making efforts to address the growing need for financial services denominated in local currencies through partnerships with leading banks in Asian countries. To this end we established DBSI - SuMi TRUST Japanese Business Services. It operates within PT Bank DBS Indonesia, which is a local subsidiary of DBS Bank Ltd., a major bank based in Singapore. SuMi TRUST Bank also joined in a partnership with Bank for Investment and Development of Vietnam, to enhance its financial services geared toward Japanese companies expanding into Asian countries.

2) Initiatives related to support for business succession

In April 2013, SuMi TRUST Bank consolidated branch support functions for services in inheritance, asset inheritance, and business succession in its Private Banking Department. We offer fine-tuned proposals and prompt information to meet the diverse asset inheritance and business succession needs of both our corporate and individual clients. In collaboration with an affiliate, Sumitomo Mitsui Trust Wealth Partners Co., Ltd., we provide tailor-made services for the needs of our company-owner and property-owner clients.

In addition, we have assigned a total of 249 financial consultants (as of April 1, 2017) to branches nationwide as an easily accessible channel for our company-owner clients to consult about inheritance and business succession concerns and challenges. Our financial consultants draw on the expertise they have accumulated through a rich, wide-ranging set of experiences to consult with clients from the perspectives of "inheritance/asset inheritance and business succession," "asset management and asset administration" and other factors.

Furthermore, we cooperate with our tax accountant corporate partner to hold seminars for business owners on the inheritance and business succession tax system and business succession measures that make use of trusts. These events serve as opportunities to make SuMi TRUST Bank's consulting function more broadly known among people who have never had dealings with a trust bank.

3) Initiatives related to "Densai" (electronically recorded monetary claims)

In order to facilitate fundraising for SMEs, SuMi TRUST Bank has offered "Densai Services" since February 2012. The service is based on the Zengin Electronic Monetary Claims Recording Network, in which financial institutions nationwide are members. We also provide "Densai lump-sum factoring services."

(3) Status of Management Support Initiatives for SMEs and of Regional Revitalization Initiatives

SuMi TRUST Bank has branches throughout the country. Although it is not engaged in initiatives for the revitalization of specific regions, it carries out initiatives focused on support to improve the business operations of clients at each branch according to their individual circumstances and business dealings.

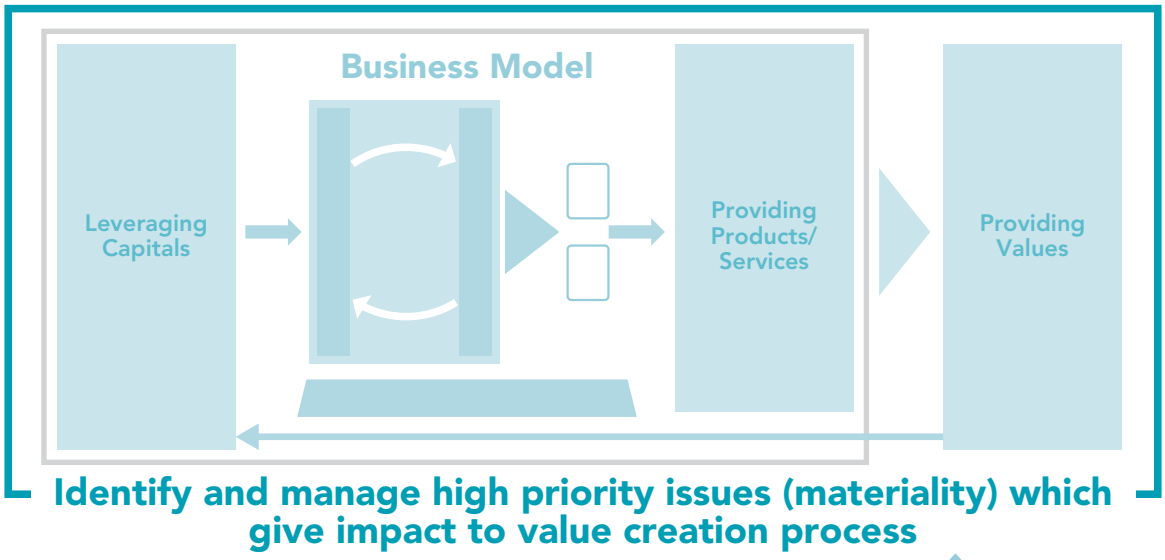
Examples of Specific Initiatives

- Introduced prospective buyers of idle real estate (buildings for rent and other properties) of clients and brokered the sale of such assets. Contributed to reducing interest-bearing debt of the clients.
- Carried out sales mediation services (real estate surveys) for clients to other clients, and contributed to increasing their sales.

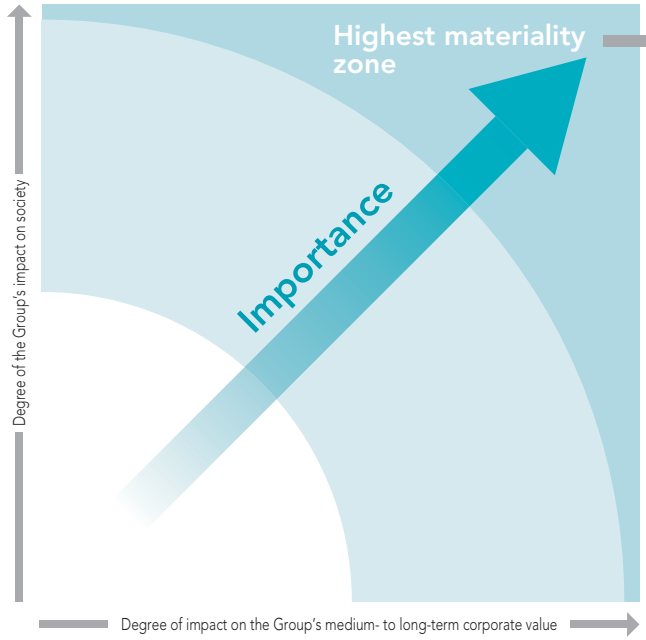
Materiality Management

Materiality (highest priority issues) refers to events that have a material impact on a company's value creation process. The Sumitomo Mitsui Trust Group (the "SuMi TRUST Group") promotes materiality management that identifies materiality issues to be addressed as priorities from a medium- to long-term viewpoint and dealt with at the top level of management.

Materiality is identified both in terms of impact on the Group's medium- to long-term corporate value and the Group's impact on society through its relationships with stakeholders. In the process, we consider themes related to our management foundation, including governance; social themes, including relationships with employees and the community; and environmental themes that are directly related to resource and energy problems. The Group therefore recognizes materiality and ESG (environmental, social and governance) as overlapping areas.



Materiality Map of the SuMi TRUST Group



Identified highest materiality issues

- Corporate Governance (see pages 60-65)
  - Stability of Financial System
- Risk Management and Resilience (See pages 66-73)
  - Personal Information and Client Data protection
  - Safety of Financial Products
  - Cyber Attacks
  - Consideration of environmental and social impact to investment destination and borrowers
- Compliance (See pages 74-75)
  - Consideration on fair transactions
  - Transactions with anti-social forces
  - Crime prevention
- Human Capital (See pages 76-80)
- Dialogue with Stakeholders (See page 81)
- Improvement of Client Satisfaction Level/Fiduciary Duties (See pages 24-27, pages 82-83)

Materiality Identification Process and Practice

The SuMi TRUST Group identified high materiality issues in 2015 and regards them as "environmental and social issues linked to sustainability the Board of Directors ought to address," as prescribed in Article 3-4 of the Group's Basic Policy on Corporate Governance. In addition to holding high-level discussions on these issues, we use them as a means of incorporating the investor's perspective into the improvement of day-to-day operations by raising them in internal engagement themes.

STEP 1
Identify Materiality Issues

We emphasize the views of ESG investors who pursue corporate value from a long-term perspective. Taking into consideration guidelines such as IIRC*1 and GRI*2, indicators from ESG research institutions, and risks unique to Japan, we select issues for identifying materiality.

*1 IIRC: International Integrated Reporting Council
*2 GRI: Global Reporting Initiative

STEP 2
Interview Stakeholders

Materiality issues are evaluated from the two perspectives of "impact on medium- to long-term corporate value" and "impact on stakeholders." The former is evaluated by all external officers and related internal departments, and the latter by external officers and external experts.

- Impact on the Group's corporate value
  - A: Related internal departments (average)
  - B: 8 external officers (average)
  - → $\frac{A+B}{2}$
- Impact on society (stakeholders)
  - C: 18 external experts (average)
  - D: 8 external officers (average)
  - → $\frac{C+D}{2}$

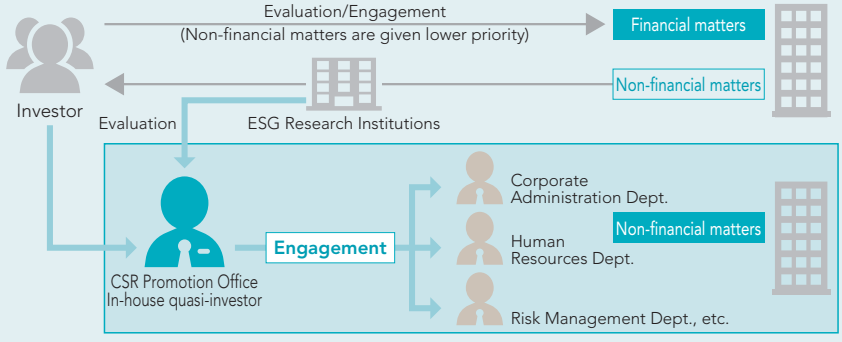
Five-level evaluation (Opinions are also collected)

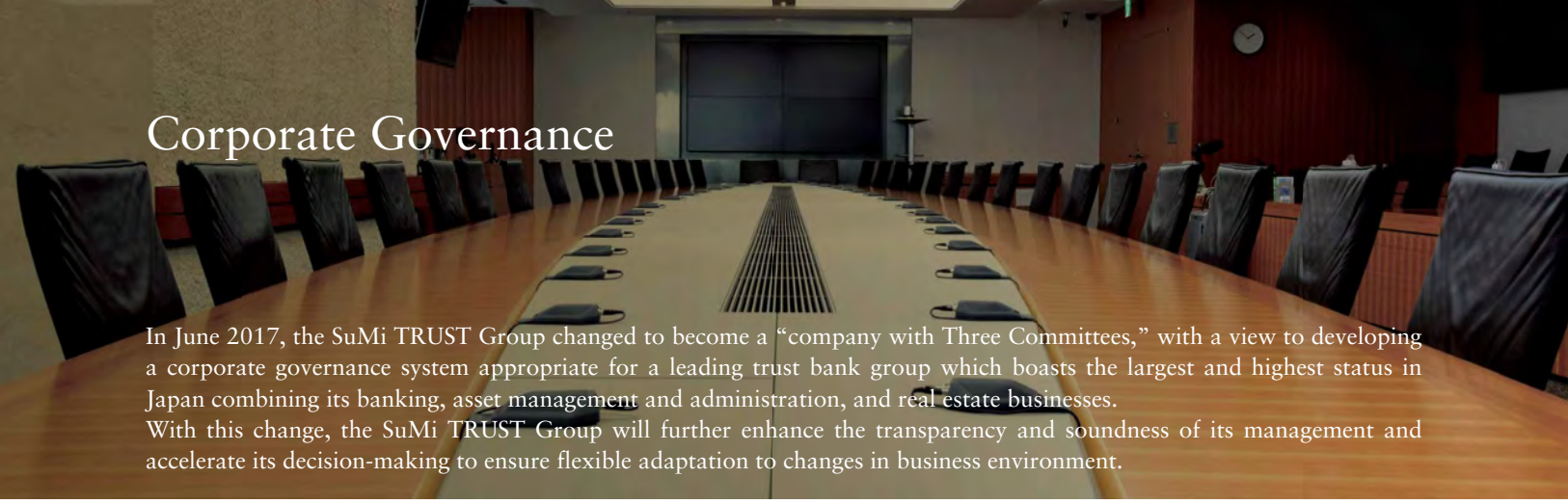
STEP 3
Draw Materiality Map

The materiality evaluations produced in STEP 2 are plotted on the materiality map (scatter diagram), with the "degree of impact of each issue on the Group's medium- to long-term corporate value" as the horizontal-axis and the "degree of the Group's impact on society (stakeholders) via each issue" as the vertical-axis. Issues that fall into the highest materiality zone of the map are designated as the highest priority ESG issues at the Executive Committee, and then reported to the Board of Directors.

Internal Engagement

In internal engagement, the CSR Promotion Office of the Corporate Planning Department plays the role of "in-house quasi-investor" and engages in dialogue with departments responsible for matters relevant to high materiality issues. This creates an opportunity for departments which have little direct dialogue with external institutional investors and stakeholders to become aware of issues from the investor's perspective and to examine specific measures to address these issues.





Corporate Governance

In June 2017, the SuMi TRUST Group changed to become a "company with Three Committees," with a view to developing a corporate governance system appropriate for a leading trust bank group which boasts the largest and highest status in Japan combining its banking, asset management and administration, and real estate businesses.
With this change, the SuMi TRUST Group will further enhance the transparency and soundness of its management and accelerate its decision-making to ensure flexible adaptation to changes in business environment.

1. Basic Initiative Policy

In order to adhere to the principles of sound management based on a high degree of self-discipline with the background of fiduciary spirit and establish strong credibility from society, Sumitomo Mitsui Trust Holdings ("SuMi TRUST Holdings") commits itself to enhancing its corporate governance system in line with the following basic philosophy, with the objective of supporting sustainable growth and medium- to long-term enhancement of the corporate value of the SuMi TRUST Group. In addition, the Board of Directors sets out and discloses SuMi TRUST Group's management principles ("Mission"), ideal model ("Vision"), and codes of conduct ("Value") as the anchor to all activities, which is shared by all the directors, officers and employees of the SuMi TRUST Group.

Basic Philosophy

- SuMi TRUST Holdings shall respect shareholder rights, and endeavor to develop an environment in which shareholders can exercise their rights appropriately and effectively, and to secure effective equal treatment of shareholders.
- By recognizing the importance of its social responsibilities and public mission, SuMi TRUST Holdings shall endeavor to appropriately cooperate with its stakeholders such as shareholders, clients, employees, business partners, and local communities, and to establish corporate culture and climate where it conducts sound business operations based on a high degree of self-discipline.
- In order to establish the basis for constructive dialogue with its stakeholders, SuMi TRUST Holdings shall separately set out its Disclosure Policy, and endeavor to appropriately disclose corporate information, including non-financial information, and ensure the transparency of its corporate management.
- As a financial holding company with the function of managing the business administration of the SuMi TRUST Group, SuMi TRUST Holdings adopted the institutional design of a "company with Three Committees" and, by separating execution and supervision of business, shall endeavor to ensure the Board of Directors' role of effective supervision.
- SuMi TRUST Holdings shall engage in constructive dialogue with its stakeholders in order to contribute to sustainable growth and medium- to long-term enhancement of the corporate value of SuMi TRUST Holdings.

2. Perspectives regarding SuMi TRUST Holdings' Corporate Governance System

The Company is a financial holding company with subsidiaries such as Sumitomo Mitsui Trust Bank ("SuMi TRUST Bank"), Sumitomo Mitsui Trust Asset Management, Sumitomo Mitsui Trust Research Institute, and Japan Trustee Services Bank, etc. and shall aim to be client's "Best Partner" that provides a "Total Solution" that combines banking business, asset management and administration business and real estate business, based on the fiduciary spirit of trust business and by making full use of its significant expertise and creativity. In addition, to fulfill the principles and to meet the expectations of stakeholders, SuMi TRUST Holdings shall endeavor to ensure the soundness and reliability of the business model and the transparency of its management of the SuMi TRUST Group and shall further enhance the SuMi TRUST Group's corporate governance.

3. The Board of Directors

(1) Roles of the Board of Directors

The Board of Directors shall ensure fairness and transparency of the SuMi TRUST Group's corporate management as its central role, by setting out the basic policy of managing the SuMi TRUST Group and supervising overall management of the Group.

Thus, except for matters which are required by law to be decided by the Board of Directors, the Board of Directors shall, in principle, delegate decisions on the execution of business to executive officers, and shall supervise the execution of business by executive officers, etc. Meanwhile, the Board of Directors shall provide and improve the environment where external directors may properly supervise the execution of business by the Board of Directors and the top management, and any conflicts of interest that may arise between SuMi TRUST Holdings and the management team, etc. from the standpoint of stakeholders, in order to support sustainable growth and medium- to long-term enhancement of the corporate value of the SuMi TRUST Group.

In light of the importance of environmental and social issues over sustainability, the Board of Directors shall prescribe basic policy regarding social responsibility to be implemented by each Group company (the "Sustainability Policy"). With the Sustainability Policy, the Board of Directors shall enhance awareness of its officers and employees, and promote positive efforts to resolve these issues by considering its stakeholders, aiming to support the sustainable growth of society, and increase the corporate value of the SuMi TRUST Group.

Furthermore, the Board of Directors shall set policy on the provision of products and services suitable for the true benefit of clients (the "Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group"), and shall act to ensure clients' comfort and satisfaction by sharing our "client-orientation" policy within the SuMi TRUST Group, and shall promote the practice of fiduciary duties in the SuMi TRUST Group by supervising each Group company's commitment to its fiduciary duties.

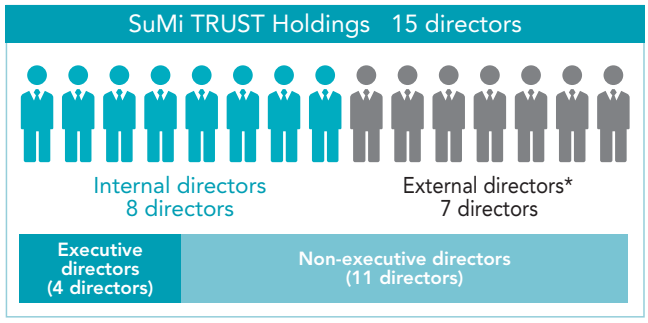
(2) Composition of the Board of Directors

The Board of Directors of SuMi TRUST Holdings shall have no more than 20 directors, which is the number of directors prescribed in the Articles of Incorporation, and it shall comprise such number of directors as shall be necessary and appropriate to provide an effective supervisory system, required of a financial holding company managing the business administration of the SuMi TRUST Group. However, due consideration shall also be given to securing diversity and professionalism of the Board of Directors in deciding such number.

In light of the importance of external directors' functions in the corporate governance, SuMi TRUST Holdings shall operate the Board of Directors with at least one-third of directors being independent external directors, in principle. The Board of Directors shall establish and disclose Independence Standards of Independent Directors (the "Independence Standards").

In deciding the candidates for directors, SuMi TRUST Holdings shall consider the balance between, among other things, individuals who can exert their strength in management of particular business fields, and individuals who are suitable for management administration, and strive to secure a board that is, as a whole, so balanced in terms of knowledge, experience, and capability; and so diversified that it is appropriate to properly supervise the wide business fields of SuMi TRUST Holdings as a trust bank group.

Composition of the Board of Directors



* All seven external directors have been registered as independent officers to the relevant financial instruments exchange.

(3) Evaluation of the Board of Directors

SuMi TRUST Holdings conducts annual evaluation of the effectiveness of the Board of Directors as a whole, and reviews and implements remedial measures for the challenges derived therefrom, whereby a PDCA cycle is activated for improving the effectiveness of the Board of Directors.

For the purpose of evaluating the Board of Directors in fiscal year 2016, SuMi TRUST Holdings conducted a questionnaire for all directors and corporate auditors of SuMi TRUST Holdings over the issues of "composition of the Board of Directors/proposals for deliberation/time for deliberation, etc.," "meeting materials/prior briefing, etc.," and "management of the meeting proceeding/status of the board members' expressing opinions, etc." (Evaluation of the Board of Directors for fiscal year 2016 was conducted for corporate auditors as well as directors, as SuMi TRUST Holdings was a company with a Board of Corporate Auditors.)

In addition, after the above questionnaire, evaluation based on a third-party perspective was carried out, such as interviews conducted between an external expert and all external directors and external auditors of SuMi TRUST Holdings.

The Secretariat for the Board of Directors conducted analysis and assessment concerning the effectiveness of the Board of Directors, based on the results of the questionnaire and interviews, which were later reported at the Board of Directors meeting held in April 2017.

4. Committees

In order to ensure the effectiveness of its corporate governance system and further enhance the soundness and reliability of the business model and the transparency of its management of the SuMi TRUST Group, SuMi TRUST Holdings shall establish a Risk Committee and a Conflicts of Interest Committee, in which independent external directors shall participate, as advisory bodies to the Board of Directors, in addition to the Nominating Committee, the Compensation Committee and the Audit Committee, which are required to be established under the Companies Act.

• Nominating Committee

The Nominating Committee shall determine the content of proposals regarding the election and dismissal of directors to be submitted to General Meeting of Shareholders, receive requests for consultation on the election and dismissal of executive officers including the President and the succession plan of management from the Board of Directors, and deliberate and makes reports on these. It shall also receive requests for consultation on the election and dismissal of directors and Audit & Supervisory Board Members from the Board of Directors of SuMi TRUST Bank, and deliberate and make reports on these. The Nominating Committee shall consist of three or more directors, and a majority of the members shall be independent external directors. The chairperson of the Nominating Committee shall be selected from among members who are independent external directors, and this position is served by Mr. Isao Matsushita for fiscal year 2017.

• Compensation Committee

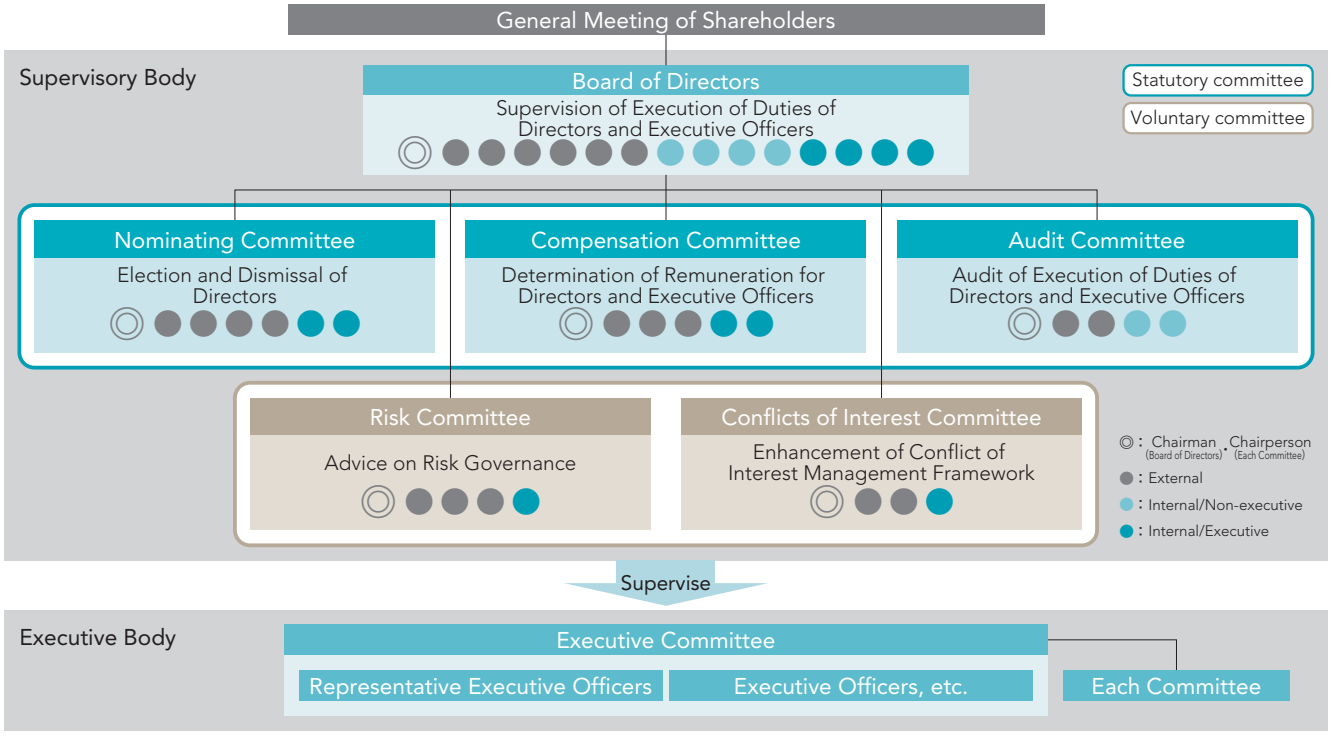
The Compensation Committee shall prescribe policy on decisions on the content of remuneration for individual executive officers and directors, and decide the content of remuneration for individual executive officers and directors in accordance with this policy. It shall receive requests for consultation on policy on decisions on the content of remuneration for directors, etc. from the Board of Directors of SuMi TRUST Bank, and deliberate and make reports on these.

The Compensation Committee shall consist of three or more directors, and a majority of the members shall be independent external directors. The chairperson of the Compensation Committee shall be selected from among members who are independent external directors, and this position is served by Mr. Isao Matsushita for fiscal year 2017.

• Audit Committee

The Audit Committee shall audit the execution of duties by executive officers and directors and shall prepare audit reports.

Corporate Governance System of SuMi TRUST Holdings after becoming a "company with Three Committees"



It shall determine the content of proposals regarding the election and dismissal of a financial auditor, and the refusal to reappoint a financial auditor, to be submitted to General Meeting of Shareholders, as well as appropriately exercise consent rights regarding decisions on remuneration of the financial auditor.

In order to fulfill its role and responsibility, the Audit Committee shall appropriately exercise its authority to investigate the status of business and the assets of companies belonging to the SuMi TRUST Group. It shall appropriately utilize the internal control system of the SuMi TRUST Group and systematically and efficiently conduct audits through hearing reports from executive officers, directors and a financial auditor, and shall communicate with these persons. The Audit Committee shall consist of three or more directors who do not concurrently serve as executive officers, and a majority of members shall be independent external directors. The chairperson of the Audit Committee shall, in principle, be selected from among members who are independent external directors, and this position is served by Mr. Shinichi Saito for fiscal year 2017.

• Risk Committee

The Risk Committee shall receive requests for consultation from the Board of Directors on (i) matters concerning the business environment surrounding the SuMi TRUST Group, top risks, and materiality, as well as (ii) matters concerning the management of its risk appetite framework, risk management, and monitoring the effectiveness of the internal control system related to compliance management of the SuMi TRUST Group, and other matters, and shall review the appropriateness, etc. of them, and make reports.

In principle, a majority of the members of the Risk Committee shall be independent external directors and independent external experts. The chairperson of the Risk Committee shall be selected from among members who have professional knowledge and expertise in the field concerned, and this position is served by independent external director Mr. Mikio Araki for fiscal year 2017.

• Conflicts of Interest Committee

The Conflicts of Interest Committee shall receive requests for consultation from the Board of Directors on (i) matters concerning the validity of the framework for managing conflicts of interest of the SuMi TRUST Group, (ii) matters concerning the effectiveness of conflict of interest management, management of client explanation, and management of client support and the enhancement of systems for management of these, (iii) matters concerning the policy on fiduciary duties of the SuMi TRUST Group and the action plans, etc. of each company, (iv) particularly important matters concerning dissemination of conflict of interest management and fiduciary duties in the SuMi TRUST Group, and other matters, and shall review the appropriateness, etc. of them, and make reports. In principle, a majority of the members of the Conflicts of Interest Committee shall be independent external directors and independent external experts. The chairperson of the Conflicts of Interest Committee shall be selected from among members who are independent external directors and who are external experts with professional knowledge and expertise in the field concerned, and this position is served by Mr. Hideki Kanda for fiscal year 2017, who is an external expert and independent external director of SuMi TRUST Bank.

Members of the respective committees (◎:Chairperson, ●:Member (external), ●:Member (Internal/Non-executive), ●:Member (Internal/Executive))

			Nominating	Compensation	Audit	Risk	Conflicts of Interest
External	Directors	Isao Matsushita	◎	◎			
		Soichi Shinohara	●	●			
		Takeshi Suzuki	●	●		●	●
		Mikio Araki	●	●		◎	
		Shinichi Saito	●		◎		
		Takashi Yoshida			●		
		Hiroko Kawamoto			●		
	Experts	Hideki Kanda*					◎
		Haruyuki Toyama*				●	
		Toshinori Kurihara*				●	
		Akiko Hosokawa*					●
Internal		Tetsuo Ohkubo	●	●			
		Masaru Hashimoto	●	●			
		Yasuyuki Yagi			●		
		Hiroshi Misawa			●		
		Yutaka Nishida				●	●

* Mr. Hideki Kanda is an external director of SuMi TRUST Bank. Mr. Haruyuki Toyama, Mr. Toshinori Kurihara, and Ms. Akiko Hosokawa are independent external experts.

Board of Directors and Executive Officers of Sumitomo Mitsui Trust Holdings, Inc.

(As of July 1, 2017)

Directors



Director, President (Representative Executive Officer)
Tetsuo Ohkubo

Mr. Tetsuo Ohkubo has experience in positions for supporting a part of corporate management as an Officer in charge of the Corporate Management Sections of SuMi TRUST Holdings, and he assumed office as President in April 2017. In addition, he has experience of serving as an Officer in charge of the Corporate Management Sections of SuMi TRUST Bank, as well as experience in diversified departments such as an Officer in charge of the Wholesale Financial Services Business. He served as Deputy President of SuMi TRUST Bank for 1 year from April 2016.

SuMi TRUST Holdings expects that, by using his experience of business management and corporate management accumulated thus far, he will provide contribution to the sustainable growth of the SuMi TRUST Group and the enhancement of the Group's corporate value, in a position of leading the Group's overall management. Accordingly, SuMi TRUST Holdings has selected him as a Director.



Director, Senior Managing Executive Officer (Representative Executive Officer)
Jiro Araumi

Mr. Jiro Araumi has been in charge of the Corporate Management Sections as a Managing Executive Officer of SuMi TRUST Holdings as well as serving as Deputy Officer in charge of fiduciary services businesses as a Managing Executive Officer of SuMi TRUST Bank; therefore, he has extensive knowledge and experience with regard to management administration and business operations of a trust bank group. SuMi TRUST Holdings expects that, based on his experience accumulated thus far, he will play a leading role in achieving the sustainable growth of the SuMi TRUST Group and the enhancement of the Group's corporate value, in a position of assisting the Group's overall management. Accordingly, SuMi TRUST Holdings has selected him as a Director.



Director, Senior Managing Executive Officer (Representative Executive Officer)
Toru Takakura

Mr. Toru Takakura has been an Officer in charge of the Corporate Management Sections as a Managing Executive Officer of SuMi TRUST Holdings as well as serving as Deputy Officer in charge of the Retail Services Business as a Director and Managing Executive Officer of SuMi TRUST Bank; therefore, he has extensive knowledge and experience with regard to management administration and business operations of a trust bank group. SuMi TRUST Holdings expects that, based on his experience accumulated thus far, he will play a leading role in achieving the sustainable growth of the SuMi TRUST Group and the enhancement of the Group's corporate value, in a position of assisting the Group's overall management. Accordingly, SuMi TRUST Holdings has selected him as a Director.



Director, Executive Officer
Masaru Hashimoto

Mr. Masaru Hashimoto has served as an Officer in charge, etc. of the Corporate Management Sections of SuMi TRUST Holdings, and from October 2016 to March 2017, served as Deputy President and Executive Officer, in a position of assisting the Group's overall management. At SuMi TRUST Bank, he took office as President since April 2017, and has been responsible for the overall management. SuMi TRUST Holdings expects that he will play a leading role in achieving the sustainable growth of the SuMi TRUST Group and the enhancement of the Group's corporate value, in a position of conducting the Group's overall management. Accordingly, SuMi TRUST Holdings has selected him as a Director.



Director
Kunitaro Kitamura

Mr. Kunitaro Kitamura has served as the President of SuMi TRUST Holdings for 5 years since April 2012; therefore, he has extensive knowledge and experience with regard to the overall management of a trust bank group. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he will continuously provide contribution to the sustainable growth of the SuMi TRUST Group and the enhancement of the Group's corporate value. Accordingly, SuMi TRUST Holdings has selected him as a Director.



Director
Hitoshi Tsunekage

Mr. Hitoshi Tsunekage has served as the Chairman of SuMi TRUST Holdings since April 2011 as well as serving as President of SuMi TRUST Bank up to March 2017; therefore, he has extensive knowledge and experience with regard to the overall management of a trust bank group. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he will continuously provide contribution to the sustainable growth of the SuMi TRUST Group and the enhancement of the Group's corporate value. Accordingly, SuMi TRUST Holdings has selected him as a Director.



Director
Yasuyuki Yagi

Mr. Yasuyuki Yagi has experience of serving as general manager of credit supervision department and president of a real estate lending company, and served as Executive Officer in charge of Kinki area as a Senior Managing Executive Officer of SuMi TRUST Bank; therefore, he has extensive knowledge and experience with regard to business operations. Also, he has served as Auditor of SuMi TRUST Holdings since June 2016, and has accumulated knowledge and experience of auditing the overall status of execution of business from a fair and objective viewpoint; therefore, SuMi TRUST Holdings expects that he will provide contribution to enhancement of soundness and transparency of the management. Accordingly SuMi TRUST Holdings has selected him as a Director.



Director
Hiroshi Misawa

After serving as general manager of Fiduciary Services Business Sections and Management Administration Sections, Mr. Hiroshi Misawa served as Managing Executive Officer of SuMi TRUST Bank; therefore, he has extensive knowledge and experience with regard to management administration and business operations. Also, he has served as Auditor of SuMi TRUST Bank since April 2016, and has accumulated knowledge and experience of auditing the overall status of execution of business from a fair and objective viewpoint; therefore, SuMi TRUST Holdings expects that he will provide contribution to enhancement of soundness and transparency of the management. Accordingly, SuMi TRUST Holdings has selected him as a Director.



Director (External)
Soichi Shinohara*1

Being an economist specializing in international economics and macroeconomics, Mr. Soichi Shinohara has extensive knowledge and deep insight in relation to domestic and foreign economics. He has provided comments and advice based on such experience during his term of office as an external director of SuMi TRUST Holdings. SuMi TRUST Holdings has selected him as an external director, in order to continue to make full use of his knowledge and insight in its management.



Director (External)
Takeshi Suzuki*1

Mr. Takeshi Suzuki has extensive experience and knowledge in the field of accounting, finance, affiliated company management, etc. as the former Senior Managing Director of Toyota Motor Corporation, which is a leading global company in Japan. After retiring from the office of the Senior Managing Director of Toyota Motor Corporation, he has been involved in the management of companies operating finance related businesses; he has served as the Representative Director and President of Toyota Financial Services Corporation and the Representative Director and Chairman of Aioi Nissay Dowa Insurance Co., Ltd.. He has provided comments and advice based on such experience, mainly at board meetings, during his term of office as an external director of SuMi TRUST Holdings. In order to continue to make full use of his knowledge and insight, SuMi TRUST Holdings has selected him as an external director.



Director (External)
Mikio Araki*1

Mr. Mikio Araki has extensive experience in bank management and policy-based finance, etc. as the former Representative Director and Vice President of Development Bank of Japan Inc., and has extensive knowledge on domestic and foreign financial and economic circumstances as the President of the Japan Economic Research Institute. He has provided comments and advice based on such experience, mainly at board meetings, during his term of office as an external director of SuMi TRUST Holdings. In order to continue to make full use of his knowledge and insight, SuMi TRUST Holdings has selected him as an external director.



Director (External)
Isao Matsushita*1

Mr. Isao Matsushita has extensive experience in the general management of companies, as the former Representative Director and President of JX Holdings, Inc. (currently JXTG Holdings, Inc.), which is a representative integrated energy, resources and material enterprise group in Japan. In order to make full use of his knowledge and insight regarding business management and company management, SuMi TRUST Holdings has selected him as an external director.



Director (External)
Shinichi Saito*1

Mr. Shinichi Saito has extensive knowledge and experience in financial accounting as the former Finance Director of Marubeni Corporation. In addition to engaging in management at an investment company, he also has deep insight as a company executive. He has provided comments and advice based on such experience during his term of office as a corporate auditor of SuMi TRUST Holdings since June 2013. In order to continue to make full use of his knowledge and insight, SuMi TRUST Holdings has selected him as an external director.



Director (External)
Takashi Yoshida*1

Mr. Takashi Yoshida had been a member of a major audit firm for many years and has extensive knowledge and experience in financial accounting as a certified public accountant in charge of auditing financial institutions and operating companies. In addition to experience as a certified public accountant, he had been engaged in management as the Representative Partner or Managing Director of an audit firm and also has global knowledge based on overseas work experience. Since he became a corporate auditor of SuMi TRUST Holdings in June 2016, he has provided comments and advice based on such experience during his term of office. In order to continue to make full use of his knowledge and insight, SuMi TRUST Holdings has selected him as an external director.



Director (External)
Hiroko Kawamoto*1

Ms. Hiroko Kawamoto served as a Director and Senior Executive Officer in All Nippon Airways Co., Ltd., and was responsible for the overall management of the company and promotion of women's activities. In addition, since June 2016, she has been an external director of SuMi TRUST Bank. She has provided comments and advice based on such experience during her term of office as an external director of SuMi TRUST Bank. In order to continue to make full use of her knowledge and insight, SuMi TRUST Holdings has selected her as an external director.

*1 External director as prescribed in Article 2, item 15 of the Companies Act.
Executive officers are defined in the Companies Act.

Executive Officers

Senior Managing Executive Officer, Executive Officer*2
Akihiko Shirayama

Senior Managing Executive Officer
Yoshiaki Koshimura

Senior Managing Executive Officer
Tadashi Nishimura

Senior Managing Executive Officer
Yutaka Nishida

Managing Executive Officer
Koichi Onaka

Managing Executive Officer
Yasumi Nose

Managing Executive Officer, Executive Officer*2
Atsushi Kaibara

Managing Executive Officer
Akira Yokota

Managing Executive Officer
Shigeki Tanaka

Executive Officer, Executive Officer*2
Kiyomitsu Asahi

Executive Officer*2
Sumikazu Tsutsui

Executive Officer*2
Yukihiro Kitano

Executive Officer*2
Tsuyoshi Saito

Executive Officer*2
Tadao Umezawa

Executive Officer*2
Masahiro Tsuchiya

Executive Officer*2
Kengo Noguchi

Executive Officer*2
Toshio Masui

Executive Officer*2
Kazuya Oyama

Executive Officer*2
Kazuhisa Koashi

Executive Officer*2
Toshiaki Nakano

*2 Executive Officers as defined in our internal policy; unless otherwise annotated, Executive Officers are defined in the Companies Act.

Risk Appetite Framework (RAF)

1. Positioning of Risk Appetite Framework

The Risk Appetite Framework (RAF) is a group-wide business management framework made up of the process for deciding the types and levels of risk that SuMi TRUST Holdings is willing to take, within its risk capacity, in order to achieve its management strategies formulated by management based on the Group's social role and management policies, together with the internal control system underpinning that process.

The Group's RAF aims primarily to both strengthen profitability and enhance risk management, and promotes the realization of those goals through environmental assumptions and risk awareness, and increasing the transparency of risk-taking through the setting, communication, and oversight of risk appetite, appropriate allocation of management resources, and monitoring of operational status.

2. Operation of Risk Appetite

Deciding Risk Appetite

The Group's risk appetite is decided in accordance with the management plans, based on management strategies and verification through stress tests.

The Group reviews risk appetite as needed, at least once a year.

In setting risk appetite, the Group identifies the main risks (risk characteristics), including credit risk, market risk, information security risk, and conduct risk, to which each business is exposed according to the nature of its operations.

Monitoring of Risk Appetite

The Group sets risk appetite indicators to clarify risk appetite, and monitors them regularly. If the risk appetite indicators deviate from the set levels, the Group analyzes the cause of the deviation, and then takes countermeasures or revises the levels.

Risk Governance

Risk governance, which forms part of corporate governance, is a system to identify, measure, manage and control risks by clarifying and monitoring risk appetite and risk limit.

We promote the enhancement of risk governance, aiming for the sound development of the Group.

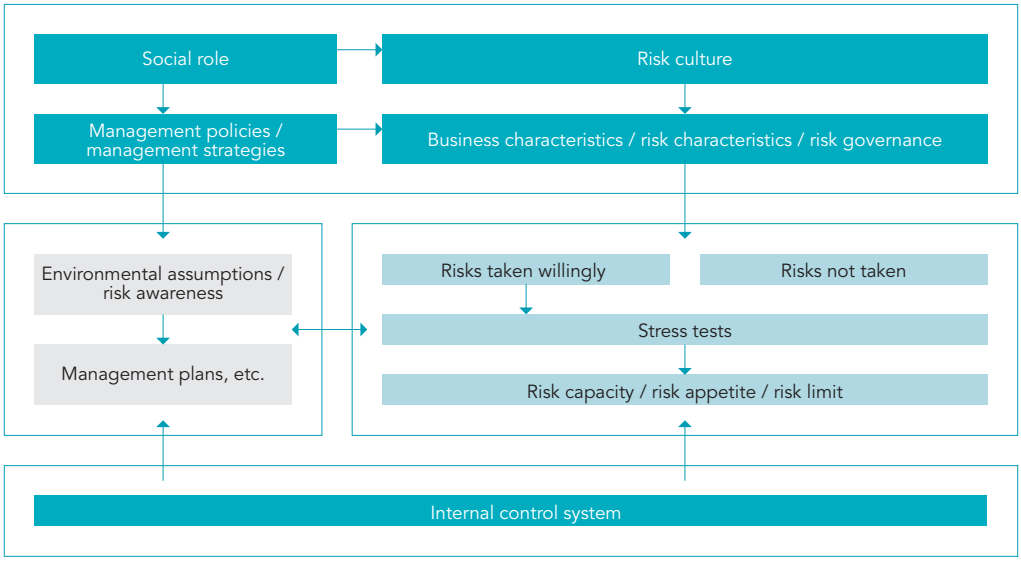
SuMi TRUST Holdings strives to enhance operation of risk appetite through measures such as establishing the Risk Committee and the Conflicts of Interest Committee as part of its initiatives to enhance corporate governance which include the transition to a "company with Three Committees."

3. Fostering a Risk Culture that Takes Root Across the SuMi TRUST Group

The Group defines risk culture as a basic philosophy that prescribes the codes, attitudes, and conduct of the Group's organization, as well as officers and employees, that flexibly carries out risk-taking, risk management, and risk control based on an appropriate assessment of risks, guided by a high degree of self-discipline rooted in the fiduciary spirit.

In order to foster a risk culture that takes root across the Group, we are endeavoring to share and disseminate knowledge of risk culture within the Group through delivery of messages from top management, training and education, and other measures. In addition, we have formulated a Risk Appetite Statement (RAS) clearly stating our RAF, which is used in lively discussions concerning risk appetite within the Group.

Outline of Risk Appetite Framework



Risk Appetite Framework Operating System

SuMi TRUST Holdings

Supervision

Board of Directors	• Deciding RAS and basic matters related to RAF • Supervising execution of business based on relevant decisions
Audit Committee	• Auditing business execution based on basic matters related to RAF
Risk Committee	• Deliberating matters related to RAF and making recommendations to the Board of Directors • Deliberating status of operation and execution related to RAF
Conflicts of Interest Committee	• Verifying appropriateness of conflict of interest management framework and making recommendations to the Board of Directors

Execution

Executive Committee	• Drafting RAS and basic matters related to RAF • Enhancing RAF and executing business based on RAF
Business Risk Management Committee	• Monitoring operating status of RAF • Enhancing RAF and promoting business execution based on RAF
Conflict of Interest Management Enhancement Committee	• Developing and strengthening conflict of interest management framework and checking implementation status

Three Lines of Defense

Risk Management System Based on Three Lines of Defense

SuMi TRUST Holdings has adopted a risk management system based on the Three Lines of Defense model, in order to carry out risk-taking with the aim of achieving the profit plans of each business based on group-wide business strategies, while making appropriate revisions to the business model according to changes in the risk situation and implementing measures to handle emergencies.

The Three Lines of Defense comprise the following three elements.

(1) First Line of Defense (Risk-taking, Risk Control)

- Each business identifies and gains an understanding of the risks involved in carrying out its own business, based on knowledge of services and products in that business.
- Each business engages in risk-taking within the established range of risk appetite, and, when a risk materializes, promptly implements risk control at the on-site level.

(2) Second Line of Defense (Risk Governance)

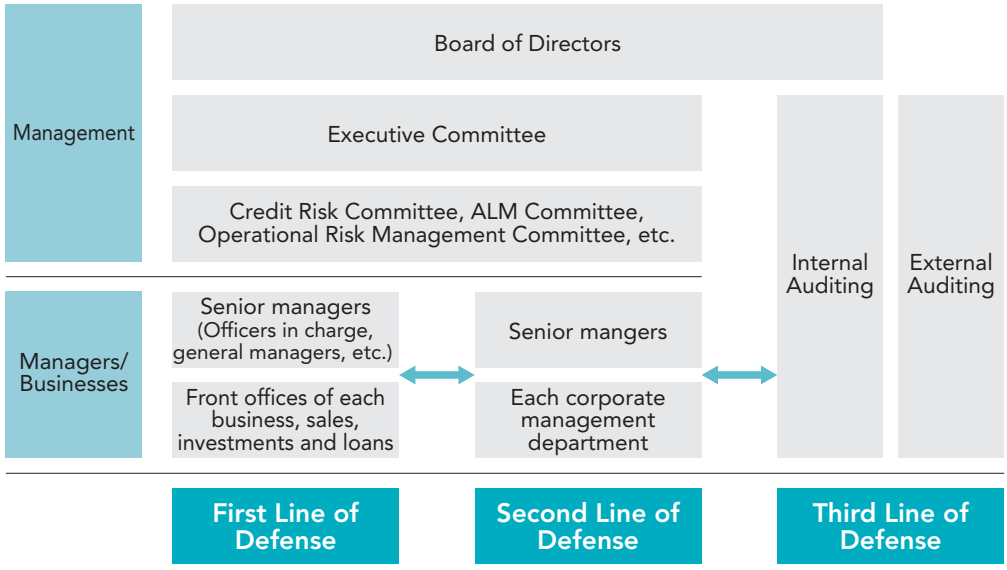
- Each business management department serving as a risk management-related department identifies and evaluates group-wide risks in accordance with the group-wide risk management policy determined by the Board of Directors, creates a risk management process, and sets risk limits. The second line of defense formulates group-wide recovery strategies in advance for when risks materialize.
- The risk management-related departments monitor the status of compliance with risk limits during the fiscal year, and report to management.
- The risk management-related departments act as a restraint function for the risk-taking of the first line of defense, and supervise and direct the risk management system.

(3) Third Line of Defense (Risk Assurance)

- Internal Audit Department verifies the effectiveness and appropriateness of the group-wide risk governance system and processes from an independent standpoint.

Under this system, each line is monitored and controlled by higher-level bodies, including various committees, the Executive Committee, and the Board of Directors.

Composition of Each Line



Internal Auditing

1. Basic Initiative Policy

The SuMi TRUST Group believes that establishing an efficient and effective internal auditing system commensurate with the size and nature of its business, the content of laws and regulations that apply to operations, and the type of risks is indispensable to achieve management targets, appropriate legal compliance, facilitating financing, client protection, and risk management.

Therefore, with the aim of ensuring the soundness of management by improving and enhancing the business execution system and the internal management system, SuMi TRUST Holdings and its main Group companies have established internal auditing units that are independent of departments involved in business execution and that adequately act as a restraint function. The internal auditing units verify the appropriateness and effectiveness of the business execution system and internal management system, provide comments and recommendations for correcting problems, and follow up on the status of improvement measures.

2. Internal Auditing Implementation System

(1) SuMi TRUST Holdings

1) Organization

In addition to establishing an Internal Audit Department independent of departments involved in business execution under the Board of Directors, SuMi TRUST Holdings has strengthened the supervisory and restraint capabilities (governance) with regard to management and business execution departments by establishing a statutory Audit Committee (chaired by an external director).

2) Functions and Roles

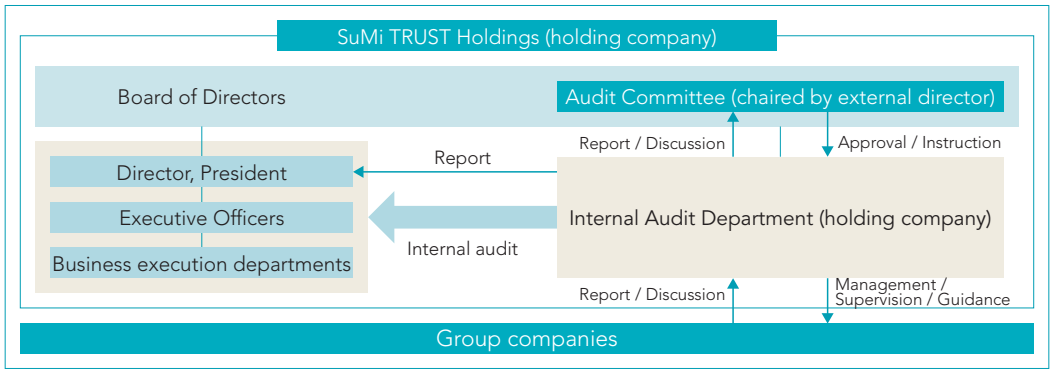
Internal Audit Department of SuMi TRUST Holdings formulates an internal audit plan, taking into account the basic policy on internal audits, including development of the SuMi TRUST Group's internal auditing system, as well as significant group-wide risks. After receiving the consent of the Audit Committee, the plan is approved by the Board of Directors. The Internal Audit Department reports the results of the internal audit without delay to the Director, President and the Audit Committee, while also analyzing the internal audit results, including those for Group companies, and reporting regularly to the Board of Directors.

In addition, Internal Audit Department of SuMi TRUST Holdings, as the department supervising the Group's internal auditing, approves the internal audit plans of Group companies after confirming their conformity with the basic policy, and carries out internal audits in collaboration with the internal auditing unit of each Group company. The role of the Internal Audit Department also includes receiving reports of internal audit results from Group companies, assessing and verifying the internal auditing system and its implementation status at each Group company, and providing guidance as necessary.

(2) Group Companies

Internal auditing units that are independent of departments involved in business execution have also been established at the main Group companies including SuMi TRUST Bank, and conduct internal audits of all Group companies. Each Group company formulates an internal audit plan in line with the basic policy on internal audits set by the holding company, which is approved by the Board of Directors of each company after consultation with the holding company. Results of internal audits are reported without delay to the president and to the holding company. Analysis results of internal audits, including those of Group companies, are also reported regularly to the Board of Directors and the holding company.

The SuMi TRUST Group



Risk Management

1. Basic Initiative Policy

As the trust bank group which boasts the largest scale and the highest status in Japan, the SuMi TRUST Group regards the development of a risk management system suited to the characteristics of its operations and environmental changes as one of the most important management issues it faces. Accordingly, the SuMi TRUST Group is making constant efforts to enhance and advance its risk management, which forms the basis of operations that support business expansion and sustainable growth of the SuMi TRUST Group.

2. Risk Management Structure

The roles and responsibilities of the management structure and principal departments related to risk management are as follows.

1) Board of Directors

Clarifies the SuMi TRUST Group's management policy and strategic goals, formulates the risk management policy based on the strategic goals, supervises development of an appropriate risk management system, and implements appropriate measures to raise awareness of the risk management policy throughout the SuMi TRUST Group.

2) Directors, Officers in Charge

Directors are fully aware of the importance of risk management, and officers in charge of risk management-related departments consider policies and specific measures for developing and establishing a proper risk management system.

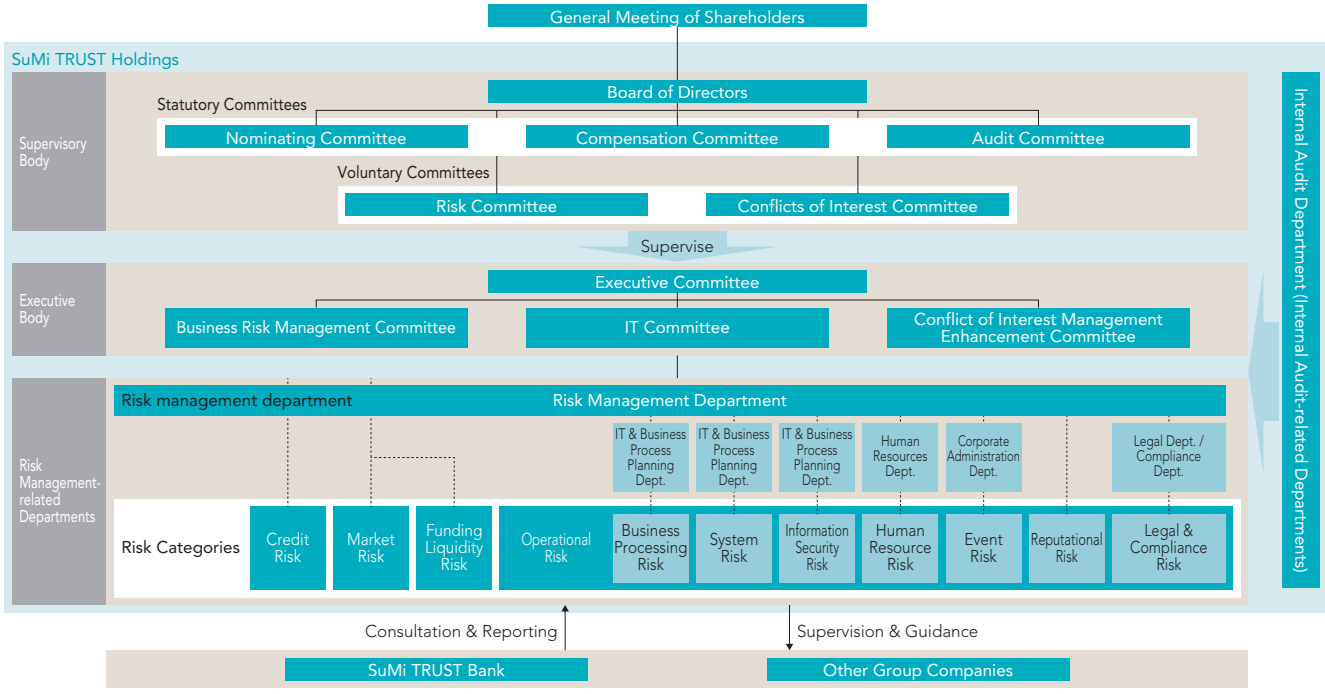
3) Risk Management-related Departments

Accurately recognize risk status, and conduct appropriate management and operations regarding risks, through a series of activities which include risk identification, assessment, monitoring, control and reduction.

4) Internal Audit Department

Verifies the appropriateness and effectiveness of the risk management system as a department independent of business execution.

Risk Management Structure



3. Outline of Initiatives

(1) Risk Categories

The SuMi TRUST Group classifies risk categories by the cause of risks faced by the entire group in business operations into "credit risk," "market risk," "funding liquidity risk," and "operational risk." It manages these risks according to the characteristics of respective risks.

(2) Risk Management Methods

The SuMi TRUST Group has established a department to supervise the overall group risk management and monitor the risk status of the entire group, and has designated other risk management-related departments to supervise risk management for each risk category. These departments provide appropriate supervision and guidance to the SuMi TRUST Group companies as needed.

The SuMi TRUST Group has also established the Risk Management Rules covering the basic points of risk management for the entire group. It has clarified the authority and organizational structure so that it can appropriately perform a series of activities, which include risk identification, assessment, monitoring, control and reduction. The SuMi TRUST Group has also created risk management policies and plans (the risk management plan and the risk capital allocation plan).

The SuMi TRUST Group companies develop appropriate risk management systems suited to the characteristics of their own operations and risks, based on our policy concerning risk management.

Risk Categories

Risk Category		Definition
Credit Risk		Risk that the Group incurs losses due to the value of an asset (including off-balance sheet assets) decreasing or impairing owing to such reasons as deterioration in the financial condition of an obligor. Of this, "country risk" in particular means risk that the Group incurs losses on credit provided overseas, due to foreign exchange, political and economic conditions of the country of the obligor.
Market Risk		Risk that the Group incurs losses due to fluctuations in the value of assets/liabilities (including off-balance sheet assets/liabilities), or in the earnings generated from assets/liabilities, due to fluctuations in various market risk factors, such as interest rates, foreign exchange rates, stocks, commodities, and credit spreads. Of this, "market liquidity risk" in particular means risk that the Group incurs losses caused in a situation where it becomes impossible to conduct transactions in the market or becomes obligatory to trade at prices significantly disadvantageous than usual due to market turmoil.
Funding Liquidity Risk		Risk that the Group incurs losses in a situation where it becomes impossible to secure necessary funds or becomes obligatory to raise funds at interest rates significantly higher than usual.
Operational Risk (Below are "risk sub-categories")		Risk that the Group incurs losses resulting from inadequate or failed internal processes, people and systems or from external events.
	Business Processing Risk	Risk that the Group incurs losses due to inappropriate business procedures arising from executives or employees neglecting to engage in proper business activities, or other incidents such as accident or fraud.
	System Risk	Risk that the Group incurs losses due to such reasons as computer system failure, malfunction and defects, as well as the risk that the Group incurs losses due to unauthorized use of a computer.
	Information Security Risk	Risk that the Group incurs losses because information assets are not properly maintained or managed. This includes information leaks, incorrect information, an inability to use the information system or misuse of information.
	Legal & Compliance Risk	Risk that the Group incurs losses due to uncertain legal aspects of transactions, or due to insufficient compliance with laws, regulations, etc.
	Human Resource Risk	Risk that the Group incurs losses due to personnel and labor management issues, such as unequal or unfair management of personnel and harassment.
	Event Risk	Risk that the Group incurs losses due to external events that impair business, such as natural disasters, crimes such as terrorism, damage to public infrastructure that prevents its functioning, the spread of infectious diseases, and the inappropriate use or management of tangible assets.
	Reputational Risk	Risk that the Group incurs losses as a result of deterioration in reputation for SuMi TRUST Holdings or its subsidiaries, owing to such reasons as mass media reports, rumors or speculation.

(3) Enterprise Risk Management

The SuMi TRUST Group has established an enterprise risk management process to serve as a framework for risk management to secure sound management by keeping risks within the limits of the SuMi TRUST Group's overall financial strength. Specifically, it employs risk capital allocation operations and conducts scenario analysis and others; executes appropriate management to improve corporate value through optimization of risk-return performance and assessment of capital adequacy levels based on the basic policy formulated by the Group; and reports on these to the Board of Directors and others on a regular basis.

1) Risk Capital Allocation Operations

The SuMi TRUST Group assesses capital adequacy levels in consideration of the external environment, risk-return performance status, strategic targets and the results of its scenario analysis, and allocates capital of the SuMi TRUST Group to each Group company.

2) Scenario Analysis

When formulating management plans, the SuMi TRUST Group conducts scenario analysis under the risk capital allocation plan and the capital adequacy ratio plan, and utilizes the result for purposes including assessment of capital adequacy levels and development of countermeasures against the occurrence of the risks (contingency plan).

(4) Crisis Management System

The SuMi TRUST Group has developed contingency plans in order to swiftly implement emergency response measures when a crisis occurs, such as natural disasters, computer system breakdowns, and outbreaks of new infectious diseases. Moreover, regarding important business operations, such as financial settlement, we have developed systems to continue business, including BCPs (business continuity plans) and back-up offices. In order to ensure the effectiveness of such systems, we periodically conduct exercises and revise our BCPs.

When the crisis is serious and its impact is extensive, causing significant disruptions to the normal business operations of the Group and making it necessary to urgently make comprehensive and high-level management judgment, the Group will establish a joint emergency response headquarters headed by the presidents of both SuMi TRUST Holdings and SuMi TRUST Bank to swiftly implement emergency response measures.

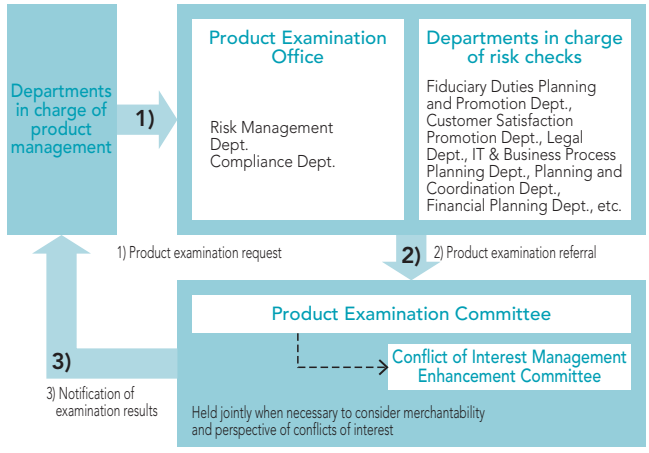
(5) Response to Threat of Cyber Attacks

The threat of cyber attacks and the damage they can inflict are growing both in Japan and overseas. To protect the precious assets of our clients from attacks, the SuMi TRUST Group monitors the computer systems of SuMi TRUST Bank around the clock. In addition, SuMi TRUST Holdings has established SuMiTRUST-CSIRT as an internal organization for gathering information, conducting analysis and implementing measures relating to cyber attacks, and coordinates with outside expert organizations to strengthen its management system.

(6) Systems for Introducing New Products and New Operations

When starting to handle new products or when engaging in new operations, it is necessary to develop various systems in order to continue offering products and services, including determining in advance whether there are any inherent risks and identifying their type, evaluating and managing such risks, and providing explanatory materials and methods to clients. To that end, we have developed a product examination system. In the product examination process, multiple departments carry out verification from various angles, with emphasis on introducing products and services that will earn the trust of clients. We also conduct verification through regular monitoring after the product has been introduced.

Product Examination Process



4. Environmental and Social Considerations in Investments and Loans

The SuMi TRUST Group identifies "consideration of environmental and social impact of investment and financing targets" as one of its most important materiality issues in relation to sustainability.

We believe it is our responsibility as a sound financial institution to avert or mitigate the Group's risks by considering the environmental and social impacts caused by the activities of those that we invest in or lend to.

Environmental and Social Considerations in Project Finance

Equator Principles

SuMi TRUST Bank is a signatory to the Equator Principles, a set of international guidelines for private financial institutions that requires project proponents to give due consideration to the impact on the natural environment and the regional community when approving project finance.

When making decisions on loans, we review the environmental and social impact of the project based on its environmental and social risks, the country where it is sited, and the type of industry, and conduct a comprehensive risk assessment.

Since it became a signatory in February 2016, SuMi TRUST Bank has implemented 21 projects subject to the Equator Principles as of March 2017.

Environmental and Social Considerations as an Institutional Investor

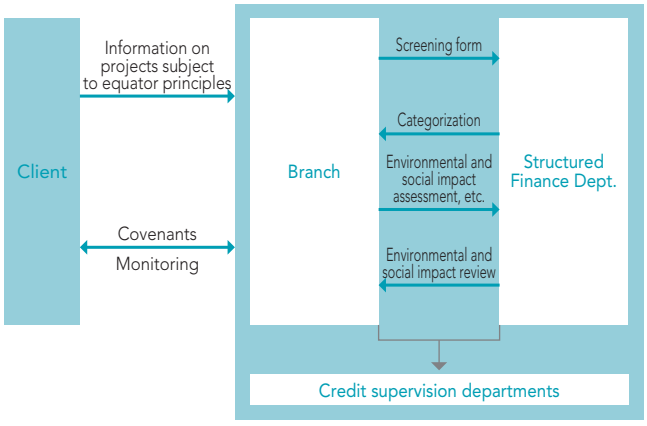
Principles for Responsible Investment and Stewardship Activities

SuMi TRUST Bank and Nikko Asset Management Co., Ltd. have become signatories to the Principles for Responsible Investment (PRI), established by the United Nations Global Compact and the United Nations Environment Programme Finance Initiative (UNEP FI). The PRI calls on institutional investors to take into account environmental, social, and governance (ESG) factors in their investment decision-making processes.

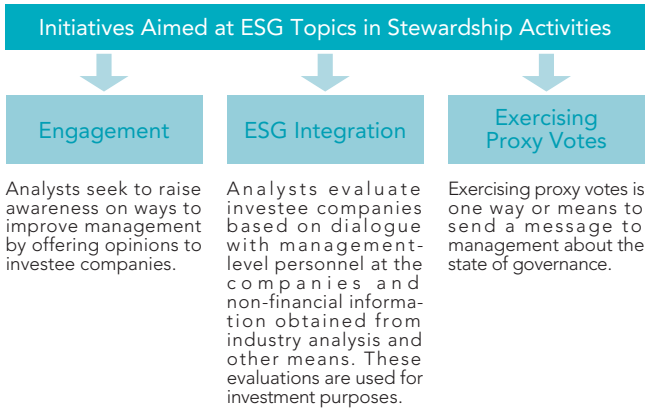
In addition, SuMi TRUST Bank announced its adoption of the Japanese version of the stewardship code in May 2014. We have established the Stewardship Committee, and are working to meet our stewardship responsibilities to expand investment returns over the medium- to long-term by encouraging companies to increase corporate value and achieve sustainable growth through consideration of ESG.

The Stewardship Development Department was newly established in January 2017 as a body dedicated to stewardship activities.

Equator Principles Operational Structure



Three Pillars of Stewardship Activities



Compliance

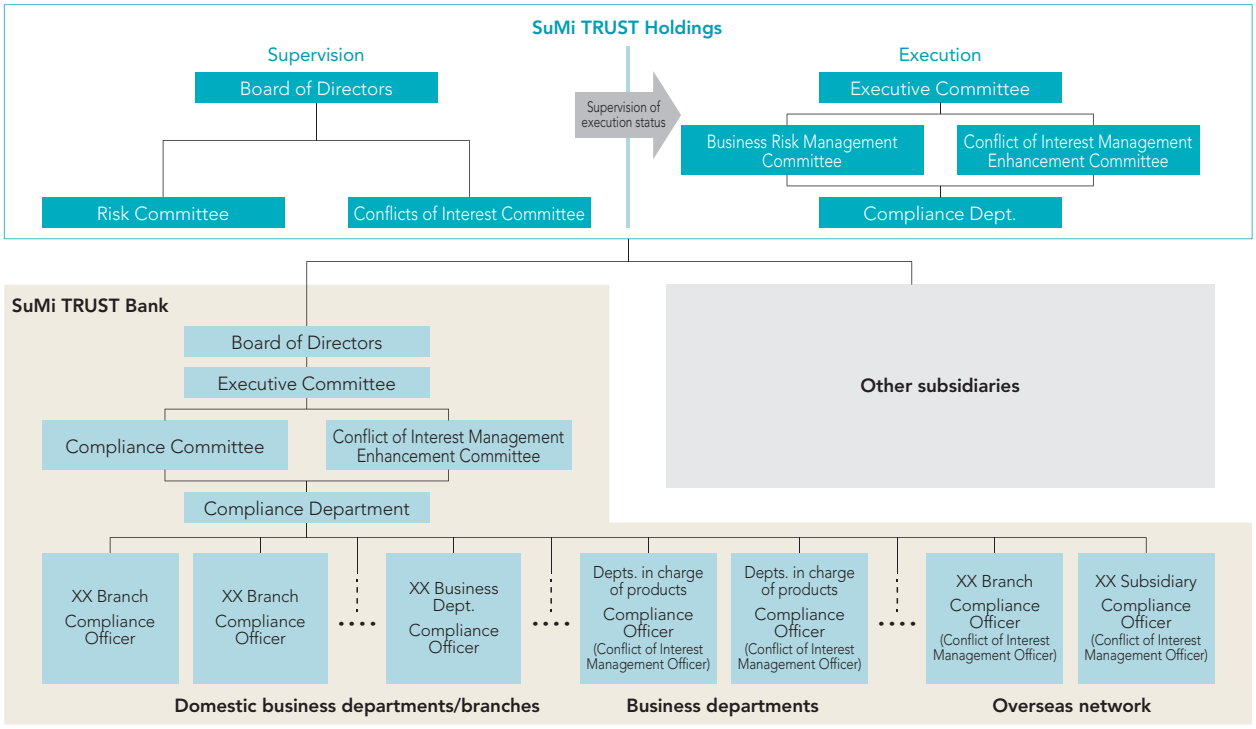
1. Basic Initiative Policy

Compliance means conforming to social norms. Achieving compliance is naturally a basic principle for the SuMi TRUST Group, and executives and each individual employee must solidly practice compliance in our daily operations. The SuMi TRUST Group has established specific compliance standards in the Compliance Rules. A checking system and promotion system are also developed, so the Group complies with these and carries out sincere and fair company activities.

2. Group Compliance System

The SuMi TRUST Group positions supervision of the entire Group's compliance system as one of its most important functions. SuMi TRUST Holdings' Compliance Rules establish standards which directors, officers and employees must follow. For specific practice plans in various measures on compliance, a Compliance Program is made each fiscal year, and progress status is periodically assessed.

Group Compliance System



3. Initiatives to Foster Compliance Awareness

In order to foster compliance awareness throughout the SuMi TRUST Group, a Compliance Manual has been created for SuMi TRUST Holdings and each Group company, and employees are thoroughly informed about laws and regulations as well as various rules and items which must be followed. The Group is also enhancing training courses including a course for rules to strictly comply with insider trading regulations, and each company's compliance department has primary responsibility for providing training as to group-wide compliance themes.

4. Hotline System

In order to promptly and appropriately cope with any legal violation, the SuMi TRUST Group has established a compliance hotline system through which all directors, officers and employees can directly report violations to the Compliance Department and an external attorney's office, without having to go through regular reporting channels. This hotline system enforces rigorous control of information and protection of privacy to ensure protection of whistleblowers, and forbids their adverse treatment.

5. Response to Antisocial Forces

The SuMi TRUST Group has declared, both internally and externally, its resolute stance against antisocial forces in its Codes of Conduct ("Value") and various other codes. We have established a system for conducting checks in all types of transactions in order to prevent transactions by antisocial forces. We have also incorporated a clause to exclude organized crime in the provision of our loan and deposit contracts. This clause deters antisocial forces from initiating transactions with us. The measure gives us the legal grounds to dissolve contracts, once the presence of antisocial forces is detected, after the commencement of transactions. If the counterparty in a transaction is shown to be an antisocial force after the commencement of a transaction, we have developed a framework that allows us to take measures in close coordination with police and other external expert organizations for the eventual cancellation of such a transaction. In addition, in order to strengthen awareness about and systems to deal with antisocial forces, in fiscal year 2016, SuMi TRUST Bank provided all directors, officers and employees with training for the prevention of transactions with antisocial forces.

6. Prevention of Money Laundering

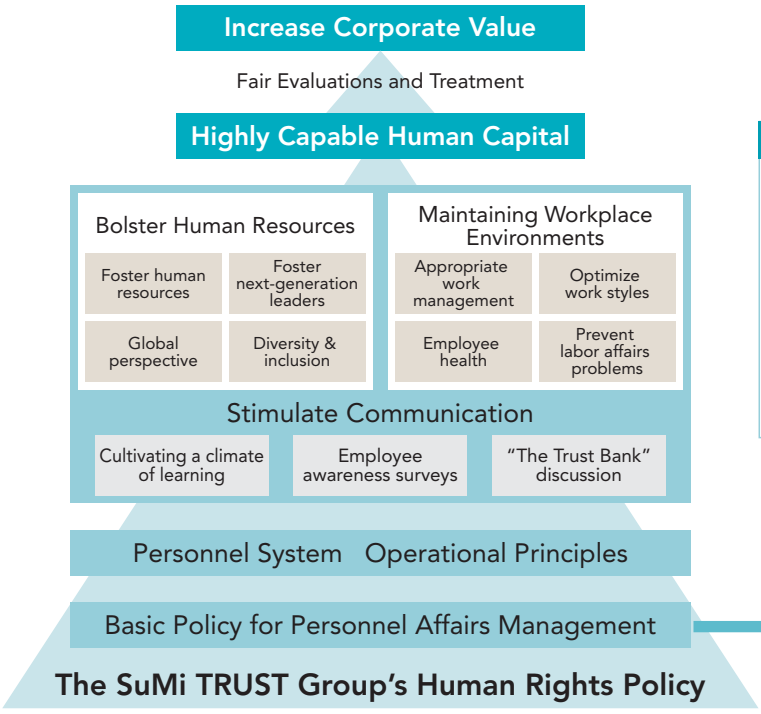
In order to prevent money laundering, etc., the SuMi TRUST Group conducts checks on personal identification items, such as name and address, as well as client management items, such as transaction purpose and occupation, when starting continuous business relationships, when conducting large-lot cash transactions, or when conducting transactions with persons who reside or stay in specified countries. In addition, when they come across transactions suspected to be related to money obtained illegally or terrorist financing, employees immediately report to the person in charge, who notifies the relevant authorities. Moreover, SuMi TRUST Bank has adopted an anti-money laundering (AML) system, which verifies whether any illicit transfers between accounts have taken place. SuMi TRUST Bank obligates employees at relevant branches and departments to periodically receive training concerning prevention of money laundering, etc. In fiscal year 2016, such training was provided to all employees at the relevant branches and departments once each half of the year.

7. Other Initiatives

The SuMi TRUST Group prevents insider trading and other wrongdoing by strictly managing insider information that may be obtained during the execution of job duties. Specifically, the "Rules on Insider Information Management" obligates employees to immediately report to their supervisors when they have obtained information that may constitute insider information. In addition, head office departments of SuMi TRUST Bank gather information on legal revisions and report them to the Compliance Department. The Department centrally manages information on the revisions, and instructs and manages the related departments to respond to them in an appropriate manner. Furthermore, the SuMi TRUST Group has set forth rules to be followed by directors, officers and employees for the prevention of bribery, etc., in the Compliance Rules.

Human Resources Strategy

Human resources are the most valuable resource of financial institutions. The SuMi TRUST Group endeavors to educate employees in human rights so that individuality is respected and they will not be subject to discrimination based on age, gender, nationality, etc. It also aims to increase corporate value by fostering a pool of human resources that can devise total solutions using all-around capabilities and well-developed expertise that fully draw on their individual uniqueness and creativity to create added value for the organization. SuMi TRUST Holdings and SuMi TRUST Bank have presented a map leading to the increase of corporate value, and have set KPIs for individual activities according to which they measure the status of implementation of the activities. Additionally, in fiscal year 2017, the presidents of both SuMi TRUST Holdings and SuMi TRUST Bank made a declaration on work style reform, and will provide value to each and every employee.



Basic Policy for Personnel Affairs Management

The SuMi TRUST Group provides a workplace in which individuals' diversity and creativity are fully utilized as value-added to the organization and they can have dreams and pride and feel a sense of satisfaction when working. It also forms a group of personnel capable of providing total solutions by making full use of their advanced expertise and comprehensive capabilities and helps them to make successful achievements.

Declaration on Work Style Reform

The SuMi TRUST Group hereby declares it a top commitment to offer a workplace where the diversity and creativity of its employees are more fully utilized to add value to the organization and where employees can have pride and be highly motivated in fulfilling their missions. The Group as a whole will work towards the following goals.

1. **Achieving diverse work styles and work-life balance**
2. **Supporting health improvement through measures such as boosting health awareness and appropriately managing work hours**
3. **Providing opportunities for all employees to grow while participating actively with a sense of satisfaction in their work**

Through the enthusiastic work of each individual employee, we will continue to be a corporate group that contributes to the benefit of clients and is useful to society.

Enhancement of Human Resources Strategy in Stages

Initiatives aimed at being the No. 1 financial group in human resources development	From April 2016	• Incentives for learning • Support for learning • Mentoring culture
Promotion of diversity & inclusion	From October 2016	• Active participation by women • Global initiative • Supporting work-life balance
Work style reform	From April 2017	• Diversity • Health • Satisfaction at work

1. Bolstering Human Resource

- **Number of new recruits (FY2017)**
  Total: 433 (179 male, 254 female)
- **Number of female employees in management positions (as of March 31, 2017)**
  Executives: 1
  Level of general manager: 14
  Level of section manager: 232
  Level of assistant manager: 1,069
- **Data concerning training (FY2016)**
  Number of hours of training held: 4,606 hours
- **Number of employees posted overseas (as of March 31, 2017)**
  225
- **Employees of foreign nationality working in Japan (as of March 31, 2017)**
  43

(1) Fostering Human Resources

The SuMi TRUST Group strives proactively to employ capable personnel, to reflect employees' will in job assignments, and to develop their skills.

With regard to job assignment, we have set up an internal job posting system and a career course changing system to reassign employees due to relocation or transfer and encourage them to independently and voluntarily shape their own careers.

Employee training and skills development at SuMi TRUST Bank are aimed at realizing distinct added value that is "unique to a trust bank" and "distinctive of Sumitomo Mitsui Trust Bank," and developing human resources who can swiftly provide comprehensive solutions to clients. While training and skills development are generally provided on an OJT* basis, group training is also provided with the objective of improving employees' operational skills and management abilities, and many opportunities for self-development are also provided to encourage employees to continue improving their skills. For example, we established SuMiTRUST University in 2012 as a group-wide program, with SuMi TRUST Bank's President serving as its president and SuMi TRUST Bank's executive in charge of Human Resources Development and an outside expert as the university's vice presidents. The SuMiTRUST University also receives advice regarding its management from Hitotsubashi University graduate school.

*OJT: On the Job Training. OJT is a process whereby workplace supervisors and senior employees teach subordinates the knowledge, skills, and duties required of them via their daily tasks.

(2) Global Initiative

SuMi TRUST Bank offers training every year to national staff working at its overseas branches and overseas subsidiaries and affiliates. Training is focused on deepening employee understanding of our operations and the bank. To strengthen networks among participants and business lines, the training includes a management strategy briefing with an accompanying discussion as well as classes on Japanese business culture and history, overviews relating to our various operations, and corruption risks such as bribery.

(3) Fostering Next-Generation Leaders

In cooperation with Hitotsubashi University's Graduate Programs, SuMi TRUST Bank offers "GL" training for General and Global Leaders (for deputy general managers, associate general managers, and equivalent) and "SL" training for Strategic Leaders (managers, operational chiefs, and equivalent) to develop next-generation executive candidates. Candidates receive instruction on the values, general liberal arts knowledge, and MBA elements they need for management, and through sessions and courses, they complete the program by presenting a proposal to senior executives.

(4) Diversity & Inclusion

SuMi TRUST Bank established the Diversity & Inclusion Office in October 2016 in order to firmly implant in our organizational DNA the principles of enhancing the company's added value creation from a workplace where diverse employees can be themselves and have dreams, pride, and a sense of satisfaction when working, and providing comfort and satisfaction to our clients and making a contribution to society.

The Diversity & Inclusion Office is implementing activities under its set themes of promoting the active participation of women, disabled persons, and global human resources, enhancing the work-life balance support system, and encouraging greater understanding of human rights and LGBT issues.

These activities are carried out with KPIs set for specific initiatives.

1) Female employees in management positions at section manager level and above:	**300 or more**
2) Male employees taking childcare leave:	**100%**
3) Disabled person employment ratio:	**2.0% or higher**

2. Upholding Positive Workplace Environments

- **Number of employees taking childcare leave (as of March 31, 2017)**
  325
- **Number of employees taking nursing care leave (as of March 31, 2017)**
  69
- **Number of consultations concerning labor practices, etc. (FY2016)**
  78

(1) Appropriate Work Management

SuMi TRUST Holdings supports the ILO Declaration on the Fundamental Principles and Rights at Work as a signatory to the UN Global Compact.

In this way, we are conducting a broad range of initiatives to improve the workplace environment.

Specific Initiatives

- **Set a ceiling on overtime for all employees, including managers**
- **Invest in infrastructure for efficient operations**
- **Develop good management practices that improve business productivity; reflect business productivity in employee performance evaluations**
- **Establish rules for taking intervals between work shifts**
- **Implement "business processes to enable employees to finish work at 4 p.m." at branch offices on a trial basis**
- **Initiatives to shift to paperless meetings**

(2) Optimizing Work Styles

SuMi TRUST Holdings actively establishes a workplace environment where employees can work while feeling at ease and still maintain a good balance between work and their personal lives. With regard to childbirth and childcare, SuMi TRUST Bank offers childcare leave that can also be taken by fathers, in addition to a system of shorter working hours and the freedom to choose to refrain from working overtime or at night. These measures have allowed us to create an environment where parents can raise their children with peace of mind. Moreover, for employees with family members who require nursing care, we offer a system of nursing care days-off and nursing care leave, and a shortened workday system.

(3) Employee Health

In an effort to help our employees manage and improve their health, SuMi TRUST Bank has appointed an industrial doctor and a hygiene supervisor (hygiene promoters) at each of its business locations to provide detailed health management guidance. Moreover, we provide health examinations every year and assistance to employees and their families to enable them to receive comprehensive physical examinations at facilities through our health insurance association.

Moreover, we offer mental health counseling at clinics within the company in addition to conducting stress checks once a year for all employees. Our health insurance association also provides free health advice to employees by telephone. In addition, we have activities such as training for managers to raise employees' awareness of the importance of health management.

(4) Preventing Labor Affairs Problems

From the perspective of promoting appropriate labor affairs management, SuMi TRUST Bank has established, within the Human Resources Department, the Personnel Consultation Desk, at which employees can receive consultation without going through the regular reporting line when problems related to personnel and labor affairs management, such as unfair and unjust labor affairs management practices and workplace harassment, occur. Furthermore, the Company and the union have concluded a labor agreement and are conscientiously complying with it in order to ensure sound development of the Company and enhance the status of union members.

Dialogue with employees is also emphasized at SuMi TRUST Bank. Under the labor agreement, SuMi TRUST Bank and the employees' union periodically hold management consultation meetings, which are attended by the President and other senior managers as well as union representatives, and branch and department consultation meetings, which are attended by representatives of the labor and management sides at individual branches and departments, to discuss working conditions for union members and how to maintain the working environment.

3. Stimulating Communication

(1) Cultivating a Climate of Learning

SuMi TRUST Bank encourages activities such as seminars to voluntarily and continuously study optional themes, and learning circles formed by groups across branches and departments to share and pass on knowledge, know-how and experiences.

Seminars and learning circles
[Seminars]
Voluntarily and continuously study optional themes
[Learning circles]
Form groups across branches and departments to share and pass on knowledge, knowhow and experiences

SuMiTRUST 50 lessons
Directors, officers and external experts give open-style lectures. Trainees learn about businesses, work philosophy and experiences and use lessons from the lectures for self-development.

(2) "The Trust Bank" Discussion

SuMi TRUST Bank has established venues in each head office department and sales department where employees, regardless of their position or team, can discuss specific issues, their causes, and measures for improvement. Through measures such as fostering awareness in line with the fiduciary spirit and improving teamwork, we aim to cultivate a corporate culture based on free discussion among employees, and create a workplace where employees are highly motivated.

(3) Employee Awareness Surveys

SuMi TRUST Bank conducts an "attitude survey" of all employees in order to objectively identify employees' perception of the dissemination of measures taken by the company, the personnel system and its operation, the workplace environment, and engagement.

By implementing clear measures and systems for improvement in response to employee comments expressed in the results of the survey and on individual items, we seek to be a company that is open and responsive.

4. Fair Evaluations and Treatment

- **Employees to be evaluated (as of March 31, 2017)**
  9,783 employees in career formation courses

SuMi TRUST Bank's personnel evaluation system enables individual employees to participate in the evaluation process. At the beginning of each business term, employees consult with their supervisors and determine specific business execution tasks. After the end of the term, supervisors meet face-to-face with employees and review their attainment level versus issues identified and the process they went through to deliver results, provide them with assessments they find convincing, and afford them capability evaluations across the process they followed to achieve results.

SuMi TRUST Bank has also established a bonus system reflecting business performance. From the perspective of encouraging individual employees to fully exercise their capabilities, we have introduced a system to appropriately reflect the business performance of the emtire Group and individuals' performances and achievements in the bonus amount with a view to realizing "incentives for building up earnings for the entire Group as well as for contributing to business units, branches and departments" and "fair and highly transparent system management through clarification of the process of reflecting business performance."

Purpose of Personnel Evaluation System

1. **To maximize our performance as an organization by aligning the vectors of the Company and individual employees in the same direction**
2. **To ensure goal setting and issue identification, daily communication, and face-to-face meetings to review performance, etc. lead to changes in behavior and capacity development**
3. **To fairly evaluate the various achievements of employees and the diverse capabilities they have demonstrated to ensure they are assigned to appropriate jobs and treated justly**

5. Initiatives Concerning Human Rights

(1) Human Rights Management

Basic Philosophy

SuMi TRUST Holdings' human rights management is based on the "Guiding Principles for Business and Human Rights," which was adopted by the United Nations Human Rights Council in June 2011.

Human Rights Management System Based on the Guiding Principles for Business and Human Rights

Commitment	Establishment of the Human Rights Policy
Implementation of human rights due diligence*1	Once a year, the Human Rights Due Diligence Self-check List*2 is distributed to all branches, departments, and affiliates both at home and abroad as a tool to check the status of respect for human rights at each unit.
Access to redress	The Personnel Consultation Desk in the Human Resources Department serves as a contact point.

*1 Human rights due diligence refers to a series of initiatives to identify actual or potential impacts on human rights, resulting from the activities of the Group or related outside parties, to develop measures for the prevention or mitigation of such impacts, and to continuously verify and disclose the effectiveness of such measures.
*2 A check list serves to verify the progress in each department concerned with the Human Rights Management System, such as the status of implementation of human rights due diligence, compliance with the Human Rights Policy, and occurrence of human rights violations.

Human Rights Due Diligence Liaison Committee

- Engages in investigating the status in addressing human rights at all Group companies including overseas entities, derives tasks to be addressed, and discusses measures for improvement.
- Conducts annual investigations into the status of addressing human rights by using the Human Rights Due Diligence Self-check List.

1) Corporate Planning Department

This department formulates objectives and plans for the development and reinforcement of the framework of initiatives.

2) Human Resources Department and Human Rights Education Committee

These organizations engage in the planning of measures including human rights education training. The Human Rights Education Committee, chaired by the officer in charge of the Human Resources Department, plays a central role in implementing various training programs and education activities concerning human rights issues.

(2) Education Concerning Respect of Human Rights

The Human Rights Education Committee dispatches a "Human Rights Awareness Tool" by e-mail to all employees on a monthly basis, which cites outstanding examples that illustrate respect for human rights. The Committee also organizes workplace-based human rights education training for about one hour per year for each employee on average at all branches, departments, and affiliates across the Group.

(3) Protecting Various Human Rights

Initiatives to Address Dowa and Foreign Residents Issues

SuMi TRUST Holdings regards tackling discrimination against the Dowa caste as a particularly important theme in the promotion of human rights education, and has worked to completely eliminate prejudiced or discriminatory views against the Dowa caste. With regard to foreign residents issues, we make all employees aware of giving consideration to the human rights of foreign residents, including the handling of personal authentication documents and respecting privacy.

Prevention of Sexual Harassment and Power Harassment

Actions such as sexual harassment and power harassment are prohibited at SuMi TRUST Holdings. In the event harassment does occur, advice is sought and complaints are registered via the Harassment Prevention Committee representative in each branch and department, or directly by the Personnel Consultation Desk within the Human Resources Department. Stringent corrective measures or punishment are implemented against the perpetrators.

Initiatives to Prevent Discrimination Against LGBT People

We strive to ensure thorough prevention of discrimination against sexual minorities such as LGBT in hiring or performing their work. Our Personnel Consultation Desk (LGBT Consultation Desk) addresses this issue as an ally (supporter). In October 2016, we published an LGBT consultation response manual.

Investments and Loans Related to Cluster Bombs

SuMi TRUST Holdings refuses to provide loans for the purpose of financing production of cluster bombs, which are recognized as a weapon raising strong humanitarian concerns. We prohibit active investment in principle, and conduct engagement activities in passive investment.

Communication with Shareholders and Investors

1. Basic Philosophy

SuMi TRUST Holdings aims for highly transparent corporate management by striving for timely and appropriate disclosure of corporate information, as well as through proactive IR activities and constructive dialogue with shareholders and investors in Japan and overseas.

Specifically, we endeavor to give our shareholders and investors a deeper understanding of SuMi TRUST Holdings' performance, business conditions, business strategies, etc., by holding information meetings and other events in addition to disclosing corporate information in a timely, fair, and accurate manner.

2. Information Meetings for Investors

Activities for Individual Investors

We strive to provide information that will allow individual investors to better understand SuMi TRUST Holdings through measures such as organizing information meetings, setting up a dedicated website for individual investors, and distributing a newsletter for shareholders ("The Trust Newsletter – Business Report").

Information meeting for individual investors held in March 2017



For details, see "Information Meeting for Individual Investors" on our website (Japanese only).
http://smth.jp/investors/individual_meeting/index.html

Activities for Institutional Investors

Large-scale investor meetings on financial results aimed mainly at analysts and institutional investors are held twice a year, for the full-year and interim results. We also conduct briefings on our management strategy and financial position, etc. by participating in conferences organized by securities companies and by holding one-on-one investor meetings in Japan and overseas.

IR Activities Carried Out in FY2016

Investor meetings on financial results for analysts and institutional investors	2 times
Overseas IR events	9 times
One-on-one meetings with institutional investors in Japan and overseas	Number of companies: 526 (including 234 overseas investors)
Information meetings for individual investors	Number of participants: 754

3. General Meeting of Shareholders

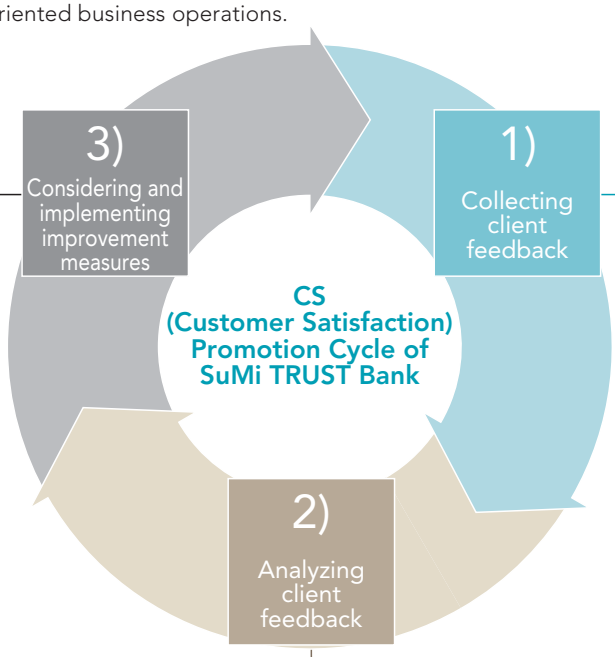
In addition to promptly sending out the convocation notice for the General Meeting of Shareholders held in June of each year, we post the notice on stock exchange websites and our own website one week before it is sent out. We are also striving to improve the voting environment by making it possible to exercise voting rights online or by cell phone, and by participating in a platform for the exercise of voting rights. Furthermore, we post an English translation of the convocation notice on our website at the same time as the Japanese version, before it is sent out, in an effort to increase the convenience of overseas investors.

Notices of resolutions and voting results are posted on our website immediately after the conclusion of the General Meeting of Shareholders.

Efforts Linked to Customer Satisfaction

1. Initiatives to Link "Voice of Customers" to Enhanced Customer Satisfaction

SuMi TRUST Bank receives a lot of feedback from clients and many requests via branch offices throughout Japan as well as its telephone centers and the Group's website, along with the "Voice of Customers Questionnaires" available at every branch, and uses this feedback to realize practice client-oriented business operations.



1) Collecting Client Feedback

SuMi TRUST Bank receives a lot of feedback from clients and many requests via branch offices throughout Japan through diverse channels such as telephone centers and the Group's website as well as the "Voice of Customers Questionnaires" available at every branch. In fiscal year 2016, we appreciated upwards of 310,000 opinions and requests received through these channels.

In addition, we survey our clients' assessment of satisfaction with SuMi TRUST Bank by conducting "Client Questionnaires" for about 1.6 million clients who have consummated contracts for time deposits, investment trusts, etc. with us, with the aim of further promoting client-oriented activities and improving customer satisfaction.

We also respond swiftly and sincerely to suggestions and complaints from clients, aiming to resolve them with the understanding and consent of clients to the greatest degree possible while also working to assess and analyze the causes of such suggestions and complaints and making efforts to improve operations.

In fiscal year 2016, there were 11,273 complaints.

With regards to complaints, etc., there is a reporting system that collects and manages this information, and management receive periodic reports about the content of complaints.

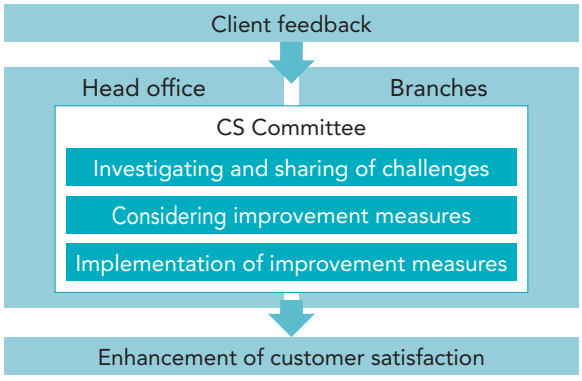
2) Analyzing Client Feedback

In order to realize customer satisfaction by utilizing hundreds of thousands cases of feedback we receive each year, we use the "CS Voice of Customers Portal," a system to analyze client feedback. We are striving to meet clients' needs by making client feedback "visible" so that we can better "recognize" client needs.



3) Considering and Implementing Improvement Measures

Regarding opinions and requests received from clients, branches and the head office cooperate in investigating and analyzing the causes and identifying problems. Based on the results, we look for improvement measures and strive to provide better products and services.



2. To Create a Client-Oriented Corporate Culture

(1) To Establish a Culture that Emphasizes Fiduciary Duties

SuMi TRUST Bank is conducting "The Trust Bank discussion" at every branch and department. This initiative aims mainly at fostering a corporate culture, improving operations at branches and departments, and expanding insights through discussions about daily problems and other issues among employees at branches and departments, regardless of their positions.

We set "Practicing Fiduciary Duties" as the theme of the discussion for fiscal year 2017, and made participation mandatory for all employees.

We have also made it mandatory for employees to take e-learning courses to deepen their understanding of fiduciary duties while studying specific cases. The aim of the training is to acquire practical knowledge, including learning in detail about conflict of interest management. We plan to hold a series of study groups, etc. in each business adapted to practical business matters in each area.

(2) Efforts to Enhance Customer Satisfaction Mindfulness

SuMi TRUST Bank provides solid education and training to employees to encourage each and every one to practice a client-first approach to service on a daily basis.

- **Establishment of CS Committees**

To promote customer satisfaction (CS) improvement activities, "CS Committees" are established in all branches, and they actively conduct various CS improvement activities that match the characteristics of each branch.

- **Holding Lectures on Customer Satisfaction**

We are striving to further enhance our service and business manners through initiatives such as holding lectures where employees can study high levels of service and business manners for clients regardless of industry. Professionals from other businesses such as travel agencies and airlines are invited as lecturers on topics that employees feel to be challenges with regard to enhancing customer satisfaction.

- **Service Helper**

We have assigned employees who have the "service helper" certification to all branches (as of April 2016) so that clients can use our services with peace of mind. The "service helper" certification demonstrates that one is committed to client hospitality and has learned the correct helping skills to allow the elderly and disabled to participate in society with confidence.

- **Client Service Role Playing**

Role playing is implemented, with employees acting as clients, and employees evaluate each other's performance. In addition, the role playing is recorded on video so that employees can check their own performance. Through such efforts, employees improve their client service skills, business manners, and conversation skills.

- **Taking Various Training Courses**

We seek to improve our services so that all clients can comfortably use them. To that end, we encourage employees at branches nationwide to take courses such as a program that provides the simulated experience of physical constraints faced by elderly people, and courses for serving clients who are in wheelchairs or use sign language.

- **Training for New Employees**

New employees learn general business manners such as how to greet others and how to hand out business cards, as well as necessary business knowledge and basic behavior. This training aims to make employees think about service from the client's point of view and give them a sense of awareness so that they can provide service that will satisfy clients.

- **Participating in Workshops on Becoming a Supporter for People with Dementia**

In light of the current situation in which the number of clients who suffer from dementia is increasing as the population ages, we are encouraging employees at branches nationwide to participate in the Workshop on Becoming a Supporter for People with Dementia. The role of "Dementia Supporters" is to provide assistance enabling those with dementia and their families to continue living comfortably in the region they call home.

Providing Values to the Community

Basic Philosophy

A company's ultimate purpose in creating value is to contribute to building a sound and sustainable society. Because providing value to the community that constitutes society helps maintain a sound business foundation, we believe this is a license required in order to conduct business. From this point of view, the SuMi TRUST Group practices providing value to the community in various forms, while also taking into consideration the perspective of the UN's SDGs (Sustainable Development Goals) (See page 29).

	Specific Initiatives	Value Provided
Promotion of social contribution activities at Group companies	• Engage in activities fostering employee participation on themes set at each Group company • Systematically promote "With You" activities at all SuMi TRUST Bank branches (See page 85)	• Participate in social activities of regional communities, NGOs or NPOs, etc., and provide various forms of support • Communicate useful information for the region through seminars and lobbying activities
Support for education through ISAK	• Cover all travel, stay, and school expenses, etc. for students from overseas (one each year) who participate in the International School of Asia, Karuizawa (ISAK) summer school • Provide support in particular for students from the Shanti Bhavan school attended by children who are the most disadvantaged under the Hindu-based system of hereditary social stratification	• Support for efforts of ISAK, whose mission is to foster global leaders • Excellent students who are economically disadvantaged obtain an International Baccalaureate (IB) Diploma, which qualifies them to pursue higher education at universities worldwide
Promotion of activities to support senior generation	• Disseminate information and provide support underlying the foundation for living to a prosperous old age for clients, especially the elderly (See page 85)	• Provide information and support for financial matters necessary for the elderly to maintain their quality of life (QOL) • Support the creation of social systems adapted to a super-aging society, such as comprehensive regional care
Promotion of ESD projects	• Develop Education for Sustainable Development (ESD) at schools across Japan on themes such as preserving local ecosystems • Carry out innovative lessons using educational videos in collaboration with Green TV	• Teach the importance of ecosystems and biodiversity to children who will be leaders of next generation • Contribute to raising environmental awareness in the region by involving various stakeholders in the implementation of projects
Activities supporting National Trusts	• Provide various forms of support for activities across Japan in cooperation with the Association of National Trusts in Japan • Engage in diverse initiatives such as donations for funding purchases of National Trusts landholdings, volunteering, and ESD	• Provide various forms of protection for trust land and contribute to the preservation of Japan's natural capital
Environmental management	• Formulate environmental policy and promote the Group's environmental management • Formulate CSR procurement policy, and pursue sustainability particularly in relation to procurement of paper products	• Reduce the Group's own environmental burden • Participate in the Consortium for Sustainable Paper Use, contributing to spreading the sustainable use of paper throughout society
Participation in partnerships related to sustainability	• Actively participate in various partnerships in Japan and overseas in which our stakeholders are collaborating (See page 85)	• Contribute to the creation of a sustainable society by playing a leadership role in the financial industry and participating actively in the activities of key partnerships

Related SDGs



Group companies freely set themes

Promoting "With You" Activities at Branches

At SuMi TRUST Bank, each of the branches builds strong relationships of trust with community members by actively providing value to communities through social contribution activities rooted in local communities, which are known as "With You" activities. In order to promote effective "With You" activities, we encourage initiatives by dividing activities into categories and assigning points according to their degree of difficulty and effectiveness, and establishing guidelines for total points. We aim to have these activities take hold as an effective marketing approach (See page 15).





Promoting Support for Senior Generation

Japan is one of the first nations in the world to face the challenges of a super-aging society. Senior generations in Japan are being asked to embrace new ways of living that enable them to enjoy a long, vibrant life while continuing to live in the regions they call home and stay connected with society after retirement. The SuMi TRUST Group sees addressing the problems of an aging society as a source of business opportunities, and is actively pursuing a range of initiatives as follows.

- Providing problem-solving functions through the rich variety of businesses unique to a trust bank
- Taking examinations to improve literacy regarding gerontology
- Organizing Silver College seminars as a way to provide information to clients









Participating Actively in Partnerships

UNEP FI is an international network that encourages financial institutions to take action in consideration of sustainability. The Group has actively promoted UNEP FI activities ever since it became the first Japanese trust bank to sign on to the network in 2003. In addition, working with signatory institutions overseas, we have taken a leading role in the UNEP FI Property Working Group in promoting sustainable real estate on a global basis.

We have demonstrated leadership among the Japanese industry in activities such as preserving natural capital and biodiversity, and becoming a signatory in 2008 to the Business and Biodiversity Initiative "Biodiversity in Good Company," which was led by the German government, and in 2012 to the Natural Capital Finance Alliance (formerly the Natural Capital Declaration), advocated by the United Nations Environment Programme Finance Initiative (UNEP FI).

Being a pioneer of responsible investment in Japan, the Group has been a driver of the Japanese market as a leading member of the Japan Sustainable Investment Forum (JSIF). The Group became a signatory to the Principles for Responsible Investment (PRI) when they were established in 2006 and, as one of Japan's representative asset management companies, has been a leader in promoting the widespread adoption of ESG in Japan while cooperating with signatory institutions overseas.

The Group has played a central role in the Principles for Financial Action for the 21st Century. These principles aim at concrete action toward creating a sustainable society jointly taken by Japan's major financial institutions. Currently, as a member of the steering committee and chair of the regional support working group, we are taking the lead on a range of initiatives.

Led by the Kyoto Prefectural University of Medicine, COLTEM is a project for "a development center of social technologies integrating law, engineering and medicine that seamlessly support community life for the elderly from the period of sound health to the onset of dementia." SuMi TRUST Bank belongs to the financial satellite team under this project, and is helping to improve the financial industry's ability to address these issues through efforts such as playing a leading role in creating a support guide for financial institutions to address the issue of people with dementia.

History of the Sumitomo Mitsui Trust Group

1924
- Established The Mitsui Trust Company, Limited



1925
- Established Sumitomo Trust Co., Ltd.



1948
- Changed name to The Tokyo Trust & Banking Co., Ltd. following dissolution of the *zaibatsu* (business conglomerates), and commenced ordinary banking operations

1948
- Changed name to Fuji Trust & Banking Co., Ltd. following dissolution of the *zaibatsu* (business conglomerates), and commenced ordinary banking services

1952
- Changed name to The Mitsui Trust and Banking Company, Limited, and started marketing loan trusts



1952
- Changed name to The Sumitomo Trust and Banking Co., Ltd., and started marketing loan trusts



1962
- Established The Chuo Trust & Banking Co., Ltd.



1995
- Established The Sakura Trust & Banking Co., Ltd.

2001
- Received transfer of all shares of The Sakura Trust & Banking Co., Ltd.

2000
- Merged to become The Chuo Mitsui Trust and Banking Company, Limited



2000
- Established Japan Trustee Services Bank, Ltd.

1920s

Establishment of trust system

The word *shintaku*, meaning "trust," first appeared in Japanese law in 1900. Later, the Russo-Japanese War and other events prompted the establishment of the Secured Debenture Trust Act, which in turn gave rise to a flurry of "trust" companies whose main business was not trusts. The government then enacted the Trust Act and the Trust Business Act in 1922 to clearly define the division of businesses and to eliminate operations that lacked financial strength, thereby establishing the trust system.

1940s

Difficult post-war period

The existence of trust companies was threatened in the post-war period, when it became impossible to gather long-term funds due to inflation and a general lack of interest in saving money. Trust companies were dealt an even greater blow by the complete revision of the Securities and Exchange Act in 1948, which meant they could no longer engage in the securities underwriting operations that had been an important part of their business. In these circumstances, in the same year, trust companies were allowed to concurrently engage in banking operations. Trust companies thus became trust banks, and secured a vital source of income enabling them to overcome the difficulties of the period.

1950s to 1960s

Becoming a supporter of rapid economic growth

A supply of stable, long-term funding came to be required for economic recovery after the war, particularly for key industries such as electricity and steel. In 1952, the Loan Trust Act was established, and trust banks began offering loan trusts. The loan trust business achieved rapid growth as an ideal savings method, offering "profit, safety, and convenience." That growth led to the development of a variety of trust products aimed at using trust functions for the good of society.

2002
- Established Mitsui Trust Holdings, Inc.
- The Sakura Trust & Banking Co., Ltd. changed its name to Mitsui Asset Trust and Banking Company, Limited

2007
- Changed name to Chuo Mitsui Trust Holdings, Inc.
- Mitsui Asset Trust and Banking Company, Limited changed its name to Chuo Mitsui Asset Trust and Banking Company, Limited

2009
- Acquired shares of Nikko Asset Management Co., Ltd., making it a subsidiary

2011
- Established Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings")

SUMITOMO MITSUI
TRUST HOLDINGS

2012
- Established Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")



2014
- Complete integration of systems at SuMi TRUST Bank

2015
- Acquired all shares of Citi Cards Japan, Inc., making it a subsidiary and changing its name to Sumitomo Mitsui Trust Club Co., Ltd.

1970s to 1980s

Advances in liberalization and internationalization of finance

The first oil crisis in 1973 signaled the end of Japan's rapid economic growth. While corporate demand for bank loans declined considerably, sluggish tax revenue and an increase in fiscal spending led the government to issue a large number of national bonds, which were underwritten primarily by financial institutions. This was a key factor in clearing the way for the liberalization of finance. Around the same time, the rapid advance of internationalization resulting from overseas expansion by Japanese companies and legal revisions provided a further push toward financial liberalization. In the late 1980s, the Japanese economy entered a phase of expansion known as the "bubble economy." The trend toward liberalization and internationalization in the financial industry grew even stronger, and brought new earning opportunities.

1990s to Current

Financial reorganization and enhancement of service

The bubble economy came to a close in 1991, and the Japanese economy entered a long period of stagnation. As the financial environment underwent dramatic changes, including the injection of public funds into financial institutions, the structure of the financial system came under examination, and in 1992 the Financial System Reform Act was established. As a result, cross-participation between various financial businesses became possible through subsidiaries in different business areas.

The economy continued to pick up from 2002 until the latter half of 2007, but the global financial crisis triggered by the sub-prime loan problem and the collapse of Lehman Brothers led to deterioration in the Japanese economy as well. Amid repeated turmoil in financial markets in the following years, including the Greek debt crisis, countries around the world came out with large-scale fiscal and monetary policies such as the introduction of negative interest rates, which resulted in a gradual shift toward economic recovery.

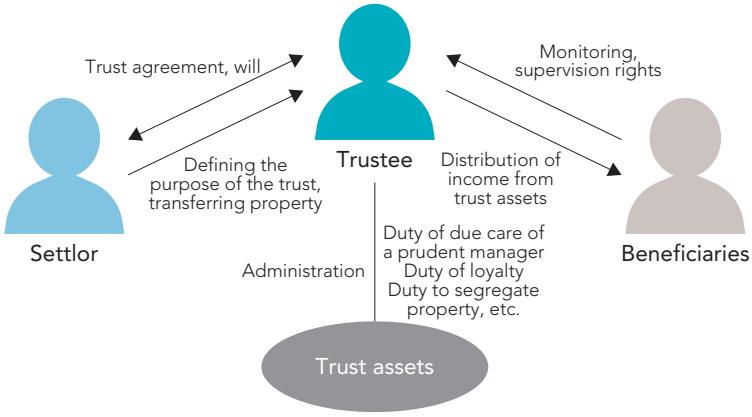
In the financial industry, the Trust Act and the Trust Business Act underwent drastic revisions in 2004 and 2006, the first since their enactment. The revisions included expanding the range of assets that could be entrusted and increasing the number of entities responsible for trust business. As a result, the field of trust business widened, spurring greater competition.

The prolonged environment of ultra-low interest rates such as negative interest rates has also put pressure on financial institutions to reform their traditional business models.

What is a Trust?

1. Basic Trust Mechanism

Under the trust system, settlors, who are holders of money, real estate or other property, enact trust activities, such as trust agreements and wills, to transfer their property (trust property) to a trustee who the settlors can rely on. The trustee then administers the trust property for the beneficiaries in accordance with aims defined by the settlors.



The law imposes various duties on trustees to live up to the trust placed in them.

The following are typical duties of trustees.

Duty of due care of a prudent manager
The trustee must exercise the due care of a prudent manager when administering the trust.

Duty of loyalty
The trustee must faithfully administer the trust for the beneficiary.

Duty to segregate property
The trustee must administer property belonging to trust assets separately from its own property (property owned by the trustee itself) and from property belonging to other trust assets.

Duty of fairness
For trusts with multiple beneficiaries, the trustee must carry out their duties fairly for the beneficiaries.

2. Purpose and Functions of Trusts

Purpose of a Trust

The purpose of a trust is the goal that the settlor intends to achieve by establishing the trust, and which serves as a guideline for the actions of the trustee.

Main Functions of a Trust

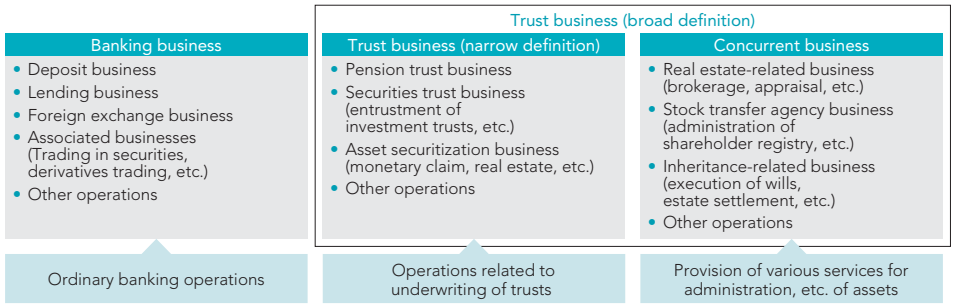
Property administration function	The right to administer the property is granted to the trustee. (At the same time, the trustee is subject to various duties.)
Bankruptcy isolation function	Trust assets are not affected by bankruptcy of the settlor or trustee.
Conversion functions	When property is entrusted, it is converted into rights known as trust beneficiary rights, and can be converted in line with the purpose of the trust. • Conversion in quality (the property can be converted to beneficiary rights (securitization)) • Conversion in number (small amounts of money can be gathered into a large amount and managed together) • Conversion in time (property can be donated in fixed amounts at fixed intervals even after one's death) • Conversion of skill (management can be delegated to a specialist)

3. Range of Trust Bank Operations

A trust bank is a bank that engages in both banking business and trust business.

Trust banks are banks under the Banking Act that are granted permission based on the Act on Engagement in Trust Business Activities by Financial Institutions* to also conduct trust business.

* Act on Engagement in Trust Business Activities by Financial Institutions, Article 1, Paragraph 1 (excerpt)
A bank or any other financial institution may, notwithstanding the provisions of other Acts, engage in trust business activities as defined in Article 2, paragraph (1) of the Trust Business Act and the following business activities with the authorization of the Prime Minister.



Main Trust Products, etc.

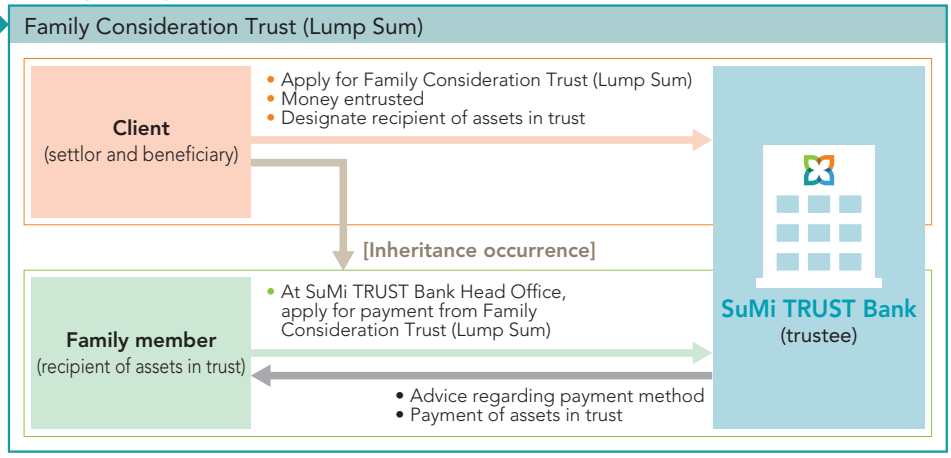
Asset management and administration
- Investment trusts
- Pension trusts
- Money trusts

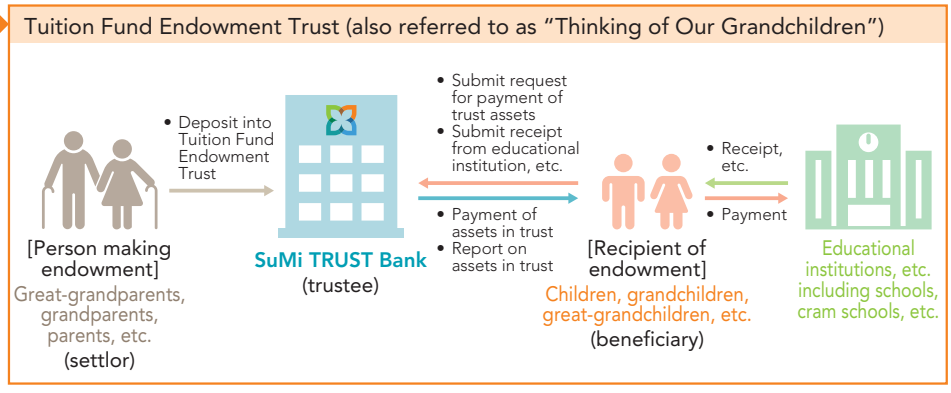
Asset inheritance and transfer
- Will trusts, estate settlement
- Family Consideration Trust
- Tuition Fund Endowment Trust
- Marriage and Child-rearing Support Trust

Financial solutions for companies
- Securitization trusts (monetary claim, real estate)

Public interest and welfare promotion
- Charitable trusts
- Designated donation trusts
- Special donation trusts
- Guardianship system support trusts

• **Examples of products**





Financial Review

Terms with an asterisk are explained in "Glossary" on page 91.

In the consolidated financial results for fiscal year 2016, net business profit before credit costs decreased by ¥85.9 billion year on year to ¥232.3 billion, mainly due to a decrease in market-related income at SuMi TRUST Bank, despite an increase in net fees and commissions and related profit due to an increase in real estate brokerage fees and the contribution of Sumitomo Mitsui Trust Club. Net income attributable to owners of the parent decreased by ¥45.4 billion year on year to ¥121.4 billion.

Regarding our year-end dividend on common shares, we paid ¥65 per common share. The annual dividend for the fiscal year, including the interim dividend* we paid in December 2016, was ¥130 per common share, effectively the same amount as the previous fiscal year.

* Assuming the share consolidation carried out on October 1, 2016 had been conducted at the beginning of FY2016, the dividend would be equivalent to ¥65 per common share.

• Overview of the Financial Results in FY2016

<Consolidated> SuMi TRUST Holdings (Consolidated)

Billions of Yen (Unless specified otherwise)

	FY2016 (A)	FY2015 (B)	Change (A)–(B)	Rate of change
Net Business Profit before Credit Costs*	**232.3**	318.3	(85.9)	(27.0%)
Ordinary Profit	**196.3**	278.0	(81.6)	(29.4%)
Net Income Attributable to Owners of the Parent	**121.4**	166.9	(45.4)	(27.2%)
Total Credit Costs*	**(28.5)**	(25.9)	(2.5)	(10.0%)
Return on Equity	**6.07%**	8.72%	(2.65%)	—
Net Income per Common Shares (EPS) (Yen)*	**317.24**	433.30	(116.06)	(26.8%)
Net Assets per Common Shares (BPS) (Yen)*	**6,437.58**	6,181.19	256.39	4.1%

* SuMi TRUST Holdings implemented a share consolidation as of October 1, 2016 where one share was exchanged for each ten shares of common stock owned. The above EPS and BPS figures were calculated on the assumption the aforementioned share consolidation was carried out on April 1, 2015, the start of fiscal year 2015.

<Non-consolidated> SuMi TRUST Bank (Non-consolidated)

Billions of Yen (Unless specified otherwise)

	FY2016 (A)	FY2015 (B)	Change (A)–(B)	Rate of change
Net Business Profit before Credit Costs*	**150.5**	249.1	(98.6)	(39.6%)
Net Interest Income and Related Profit*	**216.7**	223.9	(7.2)	(3.2%)
Net Fees and Commissions and Related Profit*	**196.9**	199.9	(2.9)	(1.5%)
Net Trading Profit	**17.0**	15.5	1.5	9.7%
Net Other Operating Profit	**(47.3)**	45.9	(93.2)	(203.2%)
General and Administrative Expenses	**(232.7)**	(236.1)	3.3	1.4%
Net Non-recurring Profit, etc.	**(33.2)**	(30.3)	(2.9)	(9.7%)
Ordinary Profit	**117.3**	218.8	(101.5)	(46.4%)
Extraordinary Profit	**(5.9)**	(3.6)	(2.3)	(62.6%)
Net Income	**77.6**	143.1	(65.4)	(45.7%)
Total Credit Costs*	**(24.9)**	(14.1)	(10.7)	(76.2%)

(Note) Amounts less than ¥100 million are rounded down.

<Dividends>

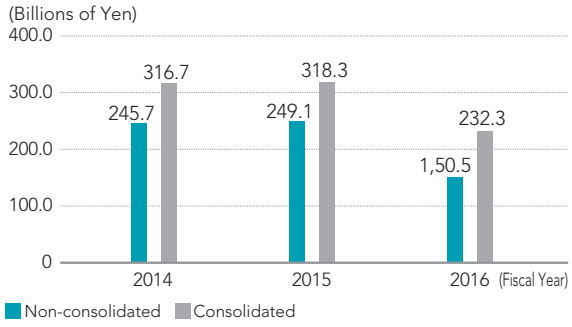
	FY2016 (A)	FY2015 (B)	Change (A)–(B)
Dividend per Share on Common Share (Yen)	**130.00**	130.00	—

(Note) SuMi TRUST Holdings implemented a share consolidation as of October 1, 2016 where one share was exchanged for each ten shares of common stock owned. The dividend per share (DPS) above was calculated on the assumption the aforementioned share consolidation was carried out on April 1, 2015, the start of fiscal year 2015.

Terms with an asterisk are explained in "Glossary" below.

Status of Profit and Loss

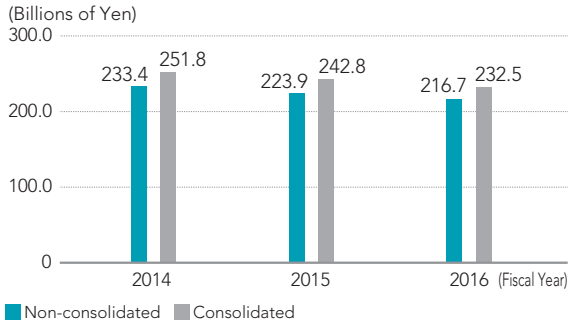
• Net Business Profit before Credit Costs*



Net business profit before credit costs decreased mainly due to a decrease in market-related income.

Net business profit before credit costs decreased by ¥98.6 billion year on year to ¥150.5 billion on a non-consolidated basis, and by ¥85.9 billion year on year to ¥232.3 billion on a consolidated basis, mainly due to a decrease in market-related income at SuMi TRUST Bank, despite an increase in contribution to profit from the Group subsidiaries mainly those in the financial business.

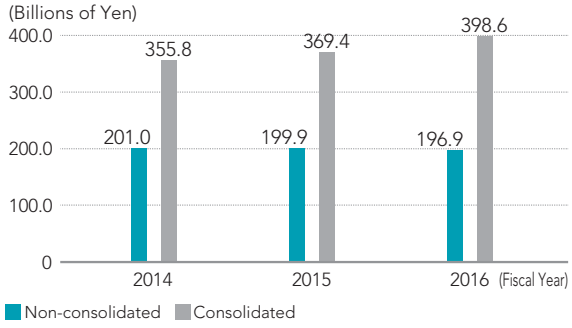
• Net Interest Income and Related Profit*



Net interest income and related profit decreased mainly due to a decrease in foreign currency-related income.

Although both the domestic and overseas loan balances increased, the domestic loan-deposit income decreased as a result of low interest rates environment, and increased foreign currency funding costs. As a result, net interest income and related profit fell by ¥7.2 billion year on year to ¥216.7 billion on a non-consolidated basis, and by ¥10.2 billion year on year to ¥232.5 billion on a consolidated basis.

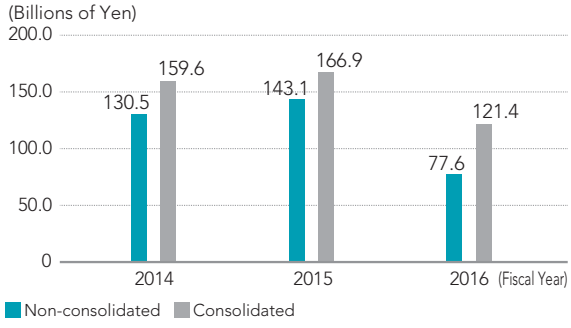
• Net Fees and Commissions and Related Profit*



Net fees and commissions and related profit increased on a consolidated basis mainly due to the impact of making Sumitomo Mitsui Trust Club a consolidated subsidiary.

Net fees and commissions and related profit decreased by ¥2.9 billion year on year to ¥196.9 billion on a non-consolidated basis mainly due to a decrease in investment trust and insurance sales and the dissolution of employee pension funds, despite an increase in real estate brokerage fees. On a consolidated basis, net fees and commissions and related profit increased by ¥29.1 billion year on year to ¥398.6 billion, owing to the contribution of Sumitomo Mitsui Trust Club, which became a consolidated subsidiary in the previous fiscal year.

• Net Income Attributable to Owners of the Parent



Net income attributable to owners of the parent decreased both on a consolidated and non-consolidated basis.

Net income attributable to owners of the parent decreased by ¥65.4 billion year on year to ¥77.6 billion on a non-consolidated basis, and by ¥45.4 billion year on year to ¥121.4 billion on a consolidated basis, mainly due to a decrease in net business profit before credit costs.

Glossary

Net Business Profit before Credit Costs
Substantial profit of a bank's core businesses, calculated by eliminating the effects of non-recurring factors, such as total credit costs and net gains on stock from ordinary profit.

Total Credit Costs
Costs incurred in posting allowances for losses on loans and writing off loans.

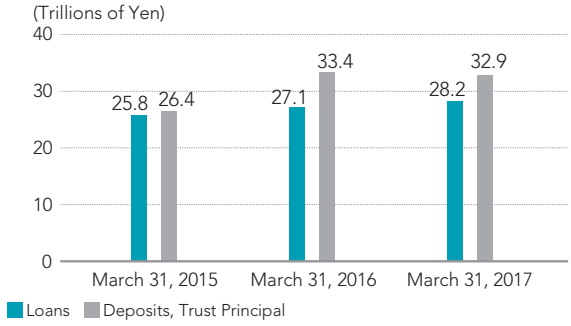
Net Interest Income and Related Profit
Net revenues after subtracting interest paid on deposits, etc., from revenues on loans and securities investment.

Net Fees and Commissions and Related Profit
Net profit of the sales fees of investment trusts, real estate brokerage fees, and trust fees for assets under management, etc.

Terms with an asterisk are explained in "Glossary" below.

Financial Status

• Loans and Deposits (Non-consolidated)

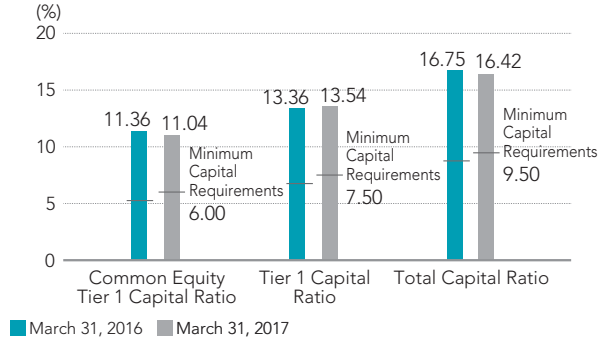


Loans and bills discounted increased, but deposits decreased.

Loans and bills discounted increased by ¥1.1 trillion from the end of the previous fiscal year to ¥28.2 trillion, due to a steady increase in loans to individuals in Japan, despite a decrease in loans overseas. Deposits, etc.* decreased by ¥0.5 trillion from the end of the previous fiscal year to ¥32.9 trillion, mainly due to a decrease in the trust principal of corporate clients, which had surged temporarily at the end of the previous fiscal year due to the introduction of the negative interest rate policy.

* Deposits, etc. include the principal guaranteed trust account (loan trusts and jointly operated money trusts), but exclude negotiable certificates of deposit.

• Capital Adequacy Ratio, etc.* (Consolidated)

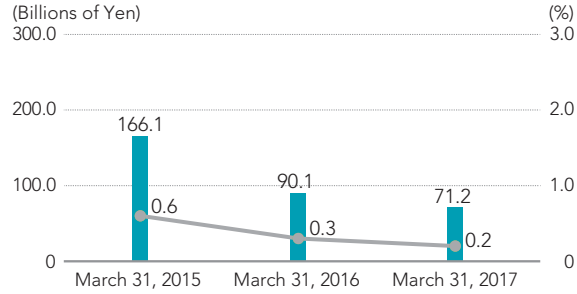


The capital adequacy ratio, etc. remained well above regulatory required levels.

Although net income was accumulated, risk-weighted assets increased. As a result, the Common Equity Tier 1 capital ratio decreased by 0.32 percentage points from the end of the previous fiscal year to 11.04%, and total capital ratio decreased 0.33 percentage points from the end of the previous fiscal year to 16.42%. Nevertheless, both were well above the regulatory required levels of 6.00% and 9.50%, respectively.

*** Basel Ⅲ:**
Basel Ⅲ is a new capital regulatory standard that was announced by the Basel Committee on Banking Supervision in December 2010. Basel Ⅲ, intended to enhance the soundness of internationally active banks, has been adopted in Japan as of the end of March 2013 in a phased manner. Basel Ⅲ newly defines "Common Equity Tier 1," which is comprised of capital components that can be used to cover unexpected losses and do not need to be repaid, such as common equity and retained earnings, and requires that the ratio of those capital components to risk-weighted assets, such as investments and loans, ("Common Equity Tier 1 ratio") must be kept higher than a prescribed level.

• Problem Assets Based on the Financial Reconstruction Act* (Non-consolidated)



The ratio to total balance remained low at 0.2%.

The total balance of problem assets based on the Financial Reconstruction Act decreased by ¥18.9 billion from the end of the previous fiscal year to ¥71.2 billion, mainly due to the decrease in doubtful loans, and the ratio to total balance decreased to 0.2%. As for the ratio of problem assets covered by collateral and the allowance for loan losses, the coverage ratio came to 88% for doubtful loans* and 90% for substandard loans*, indicating that a sufficient level was secured.

Glossary

Problem Assets Based on the Financial Reconstruction Act
Assets for which disclosure is required by the Financial Reconstruction Act, and which are classified as follows. These are generally used in referring to "non-performing loans."

Bankrupt and Practically Bankrupt
Assets to debtors who are legally bankrupt (due to bankruptcy, corporate reorganization or rehabilitation proceedings, etc.), or virtually bankrupt.

Doubtful
Assets to debtors who are not legally bankrupt, but whose financial conditions and business results have deteriorated, with a high likelihood that the lender will not be able to collect the principal or receive interest in accordance with the contract.

Substandard
Assets more than three months past due and assets whose terms have been modified to support debtors through such means as interest reductions or exemptions.

Capital Adequacy Ratio, etc.
Basel Ⅲ* defines the composition of capital in three steps: Common Equity Tier 1 capital, Tier 1 capital and total capital. The ratios obtained by dividing them by risk-weighted assets refer to Common Equity Tier 1 ratio, Tier 1 ratio and total capital ratio, respectively.

Common Equity Tier 1 Capital
Common Equity Tier 1 capital is composed of core capital, consisting primarily of the capital stock, capital surplus and retained earnings.

Tier 1 Capital
Tier 1 capital is composed of Common Equity Tier 1 plus Additional Tier 1 capital, which includes preferred shares, etc.

Total Capital
Total capital is the total amount of capital, composed of Tier 1 capital and Tier 2 capital, which includes debt capital such as subordinated debt and subordinated loans.

Corporate Information (as of March 31, 2017)

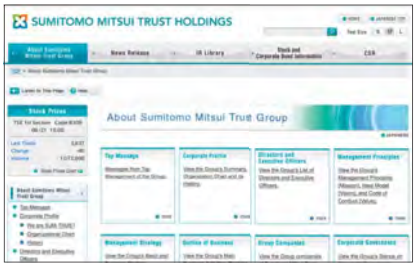
Registered Trade Name:	Sumitomo Mitsui Trust Holdings, Inc.
Headquarters Location:	1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Date of Establishment:	February 1, 2002 (Change of trade name: April 1, 2011)
Main Business:	With trust banking at its core, Sumitomo Mitsui Trust Holdings, Inc., will focus on the management of business operations, as the holding company of the Sumitomo Mitsui Trust Group, and sets the following (1) - (6) as its key functions: (1) Formulating group management strategy (2) Monitoring administration of business activities (3) Allocation of management resources (4) Supervising risk management (5) Supervising compliance management (6) Managing internal auditing
Capital:	261,608,725,000 Yen
Stock Exchange Listings:	Tokyo, Nagoya Stock Exchanges Tokyo (1st Section), Nagoya (1st Section)
Securities Code:	8309

Rating Information (as of June 30, 2017)

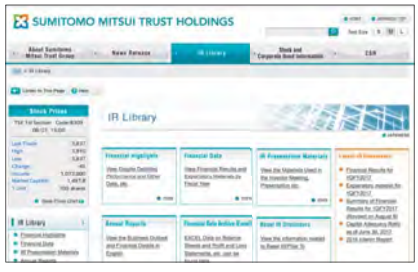
		Long-term	Short-term
Sumitomo Mitsui Trust Holdings	JCR	AA-	—
	R&I	A	—
Sumitomo Mitsui Trust Bank	S&P	A	A-1
	Moody's	A1	P-1
	Fitch	A-	F1
	JCR	AA-	—
	R&I	A+	a-1

Website

Please go to our website for specifics on our Group.



About The Sumitomo Mitsui Trust Group
http://www.smth.jp/en/about_us/index.html



IR Library
http://www.smth.jp/en/ir/index.html



CSR in The Sumitomo Mitsui Trust Group
http://www.smth.jp/en/csr/index.html

Contact:
IR Department
Telephone: +81 (3) 3286-8354
Facsimile: +81 (3) 3286-4654
e-mail: ir@smth.jp
URL: http://www.smth.jp/en/ir/index.html

SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS



SUMITOMO MITSUI TRUST HOLDINGS





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SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

ANNUAL REPORT

—FINANCIAL DATA SECTION—

Year ended March 31, 2017

2017

SuMi TRUST



Symbol Mark

The symbol mark features "Future Bloom" representing the vision of the Sumitomo Mitsui Trust Group, which is "to generate new value through the combination of significant expertise and comprehensive capabilities, and to help the future of our clients and society bloom."

Corporate Color

The corporate color is "Future Blue," which represents the integration of the sense of value that the symbol mark implies, and evokes the closeness and the future.

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Board of Directors and Executive Officers (As of July 1, 2017)

Director, President
(Representative Executive Officer)
Tetsuo Ohkubo

Director, Senior Managing Executive Officer
(Representative Executive Officer)
Jiro Araumi

Director, Senior Managing Executive Officer
(Representative Executive Officer)
Toru Takakura

Director, Executive Officer
Masaru Hashimoto

Director
Kunitaro Kitamura

Director
Hitoshi Tsunekage

Director
Yasuyuki Yagi

Director
Hiroshi Misawa

Director (External)
Soichi Shinohara*1

Director (External)
Takeshi Suzuki*1

Director (External)
Mikio Araki*1

Director (External)
Isao Matsushita*1

Director (External)
Shinichi Saito*1

Director (External)
Takashi Yoshida*1

Director (External)
Hiroko Kawamoto*1

Senior Managing Executive Officer,
Executive Officer*2
Akihiko Shirayama

Senior Managing Executive Officer
Yoshiaki Koshimura

Senior Managing Executive Officer
Tadashi Nishimura

Senior Managing Executive Officer
Yutaka Nishida

Managing Executive Officer
Koichi Onaka

Managing Executive Officer
Yasumi Nose

Managing Executive Officer,
Executive Officer*2
Atsushi Kaibara

Managing Executive Officer
Akira Yokota

Managing Executive Officer
Shigeki Tanaka

Executive Officer, Executive Officer*2
Kiyomitsu Asahi

Executive Officer*2
Sumikazu Tsutsui

Executive Officer*2
Yukihiro Kitano

Executive Officer*2
Tsuyoshi Saito

Executive Officer*2
Tadao Umezawa

Executive Officer*2
Masahiro Tsuchiya

Executive Officer*2
Kengo Noguchi

Executive Officer*2
Toshio Masui

Executive Officer*2
Kazuya Oyama

Executive Officer*2
Kazuhisa Koashi

Executive Officer*2
Toshiaki Nakano

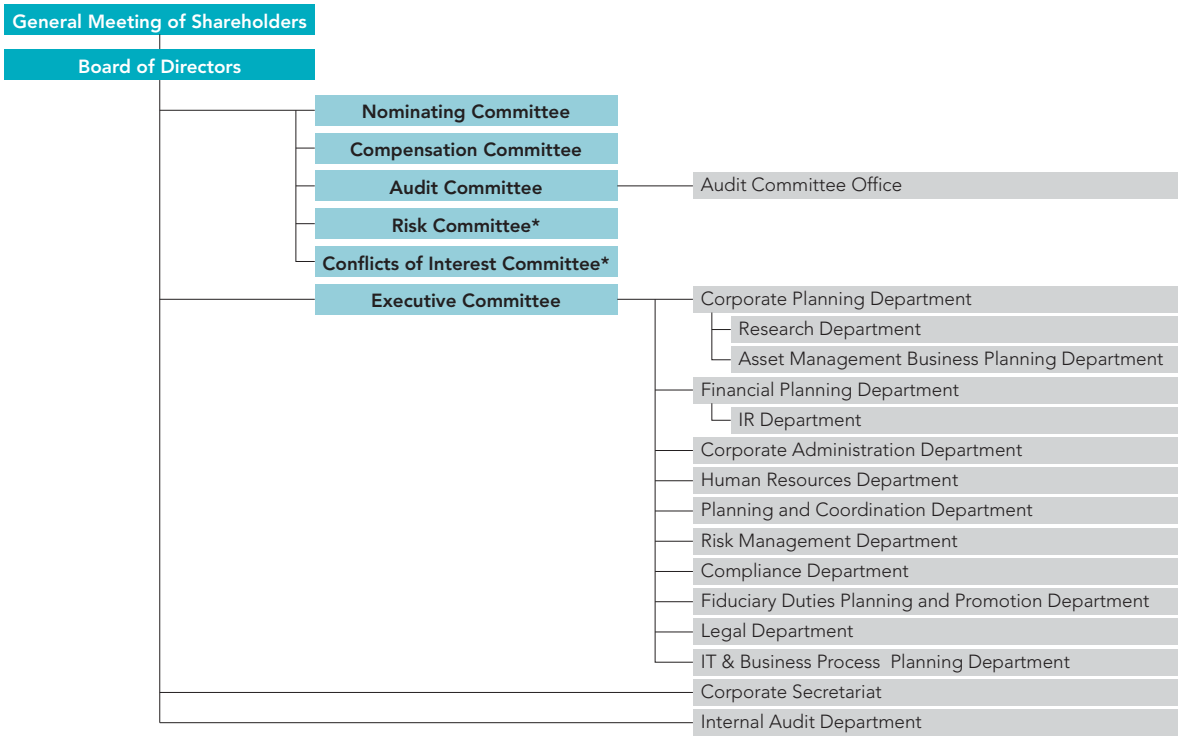
*1 External Directors as provided for in Article 2, Item 15 of the Companies Act.
*2 Executive Officers as defined in our internal policy; unless otherwise annotated, Executive Officers are defined in the Companies Act.

Employees (As of March 31, 2017)

Category	March 31, 2017	March 31, 2016
Number of Employees	39	35
Average Age	46 years, 8 months	45 years, 11 months
Average Length of Employment	22 years, 0 months	20 years, 11 months
Average Annual Salary	¥ 12,665 thousand	¥ 12,356 thousand

Notes: 1. The number of employees indicates total personnel, etc., excluding employees seconded to other companies and temporary and part-time staff.
2. Employees include those seconded from SuMi TRUST Bank and the average length of employment includes years of employment at their own companies.
3. Average annual salary includes bonus and extra payment.

Organizational Chart (As of June 30, 2017)



*Risk Committee and Conflicts of Interest Committee are Voluntary committees.

Subsidiaries and Affiliated Companies (As of June 30, 2017)

Japan

Name	Location	Date of Establishment	Paid-in Capital (Millions)	Scope of Business	Ownership by SuMi TRUST Holdings (%)	Ownership by subsidiaries (%)
Sumitomo Mitsui Trust Bank, Limited	1-4-1, Marunouchi, Chiyoda-ku, Tokyo	July 28, 1925	¥ 342,037	Trust and Banking Business	100.0	—
Sumitomo Mitsui Trust Asset Management Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	November 1, 1986	¥ 300	Investment Management Business, Investment Advisory and Agency Business	100.0	—
Sumitomo Mitsui Trust Research Institute Co., Ltd.	3-13, Toranomon 4-chome, Minato-ku, Tokyo	July 1, 1988	¥ 300	Survey, Research, Consulting, Investment Advisory Business	100.0	—
Japan Trustee Services Bank, Ltd.	8-11, Harumi 1-chome, Chuo-ku, Tokyo	June 20, 2000	¥ 51,000	Trust and Banking Business	66.6	—

Overseas

Name	Location	Date of Establishment	Paid-in Capital (Millions)	Scope of Business	Ownership by SuMi TRUST Holdings (%)	Ownership by subsidiaries (%)
MTH Preferred Capital 5 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	February 8, 2007	¥ 33,700	Finance Business	100.0	—
CMTH Preferred Capital 6 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	January 29, 2008	¥ 42,700	Finance Business	100.0	—
CMTH Preferred Capital 7 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	November 28, 2008	¥ 41,600	Finance Business	100.0	—

* For details concerning subsidiaries and affiliated companies of SuMi TRUST Bank, Limited, please refer to page 13.

Board of Directors and Executive Officers (As of July 1, 2017)

Chairman (Co-chairman)
Kunitaro Kitamura

Chairman (Co-chairman)
Hitoshi Tsunekage

President (Representative Director)
Masaru Hashimoto

Deputy Chairman
Rikiya Hattori

Deputy President (Representative Director)
Sumikazu Tsutsui

Deputy President (Representative Director)
Yukihiro Kitano

Deputy President (Representative Director)
Tsuyoshi Saito

Director, Senior Managing Executive Officer
Akihiko Shirayama

Director, Senior Managing Executive Officer
Yoshiaki Koshimura

Director, Senior Managing Executive Officer
Tadashi Nishimura

Director, Senior Managing Executive Officer
Yutaka Nishida

Director, Senior Managing Executive Officer
Jiro Araumi

Director, Senior Managing Executive Officer
Toru Takakura

Director, Managing Executive Officer
Atsushi Kaibara

Director, Managing Executive Officer
Shigeki Tanaka

Director
Tetsuo Ohkubo

Director (External)
Toshio Hoshino*1

Director (External)
Hiroshi Mitsunaga*1

Director (External)
Hideki Kanda*1

Audit & Supervisory Board Member
Jun Sasaki

Audit & Supervisory Board Member
Tsutomu Kurai

Audit & Supervisory Board Member (External)
Yasuhiko Takano*2

Audit & Supervisory Board Member (External)
Mitsuhiro Aso*2

Audit & Supervisory Board Member (External)
Hiroya Nakakubo*2

Senior Managing Executive Officer
Mutsumi Watanabe

Senior Managing Executive Officer
Tadao Umezawa

Senior Managing Executive Officer
Toshiya Nishino

Senior Managing Executive Officer
Masahiro Tsuchiya

Managing Executive Officer
Koichi Onaka

Managing Executive Officer
Kazuhiro Sekine

Managing Executive Officer
Yasumi Nose

Managing Executive Officer
Hitoshi Sato

Managing Executive Officer
Satoshi Kamiya

Managing Executive Officer
Kengo Noguchi

Managing Executive Officer
Naohiro Tanaka

Managing Executive Officer
Seiji Iwakuma

Managing Executive Officer
Yoshio Hishida

Managing Executive Officer
Hiroshi Takahashi

Managing Executive Officer
Akira Yokota

Managing Executive Officer
Toshio Masui

Managing Executive Officer
Kouji Koyanagi

Managing Executive Officer
Kouji Tanaka

Managing Executive Officer
Toshiya Shimobeppu

Managing Executive Officer
Futoshi Itani

Managing Executive Officer
Kazuya Oyama

Executive Officer
Kenji Kaiya

Executive Officer
Kuniyuki Shudo

Executive Officer
Kenji Yamada

Executive Officer
Yoshihisa Akutagawa

Executive Officer
Kazuhisa Koashi

Executive Officer
Yoshinori Momose

Executive Officer
Akiyoshi Nagashima

Executive Officer
Ryouji Nishimoto

Executive Officer
Keiichi Hamano

Executive Officer
Noriyuki Awano

Executive Officer
Minoru Yokogawa

Executive Officer
Tomohiro Nishimura

Executive Officer
Yutaka Fujisawa

Executive Officer
Takashi Kameda

Executive Officer
Hideshi Sano

Executive Officer
Shigeki Moriki

Executive Officer
Masahiko Kitajima

Executive Officer
Teruki Ido

Executive Officer
Yuki Takada

Executive Officer
Miyo Yajima

Executive Officer
Daisuke Maeda

Executive Officer
Yasuo Hanashita

Executive Officer
Atsushi Ueda

Executive Officer
Toshiaki Nakano

Executive Officer
Takuji Marui

Executive Officer
Shigenori Ikemura

Executive Officer
Junya Ueda

Executive Officer
Satoshi Kitai

Executive Officer
Nobuaki Yamaguchi

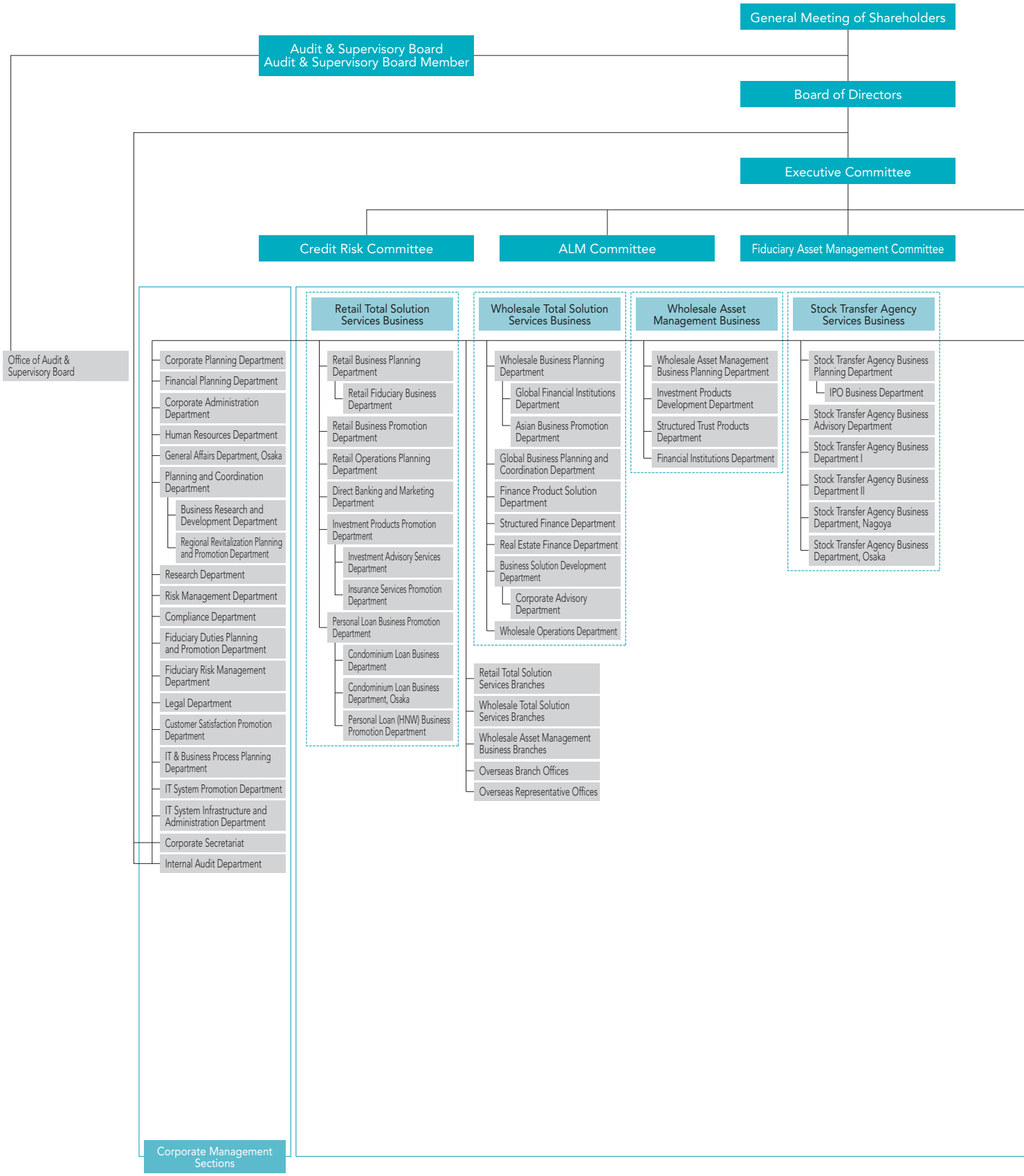
*1 External Directors as provided for in Article 2, Item 15 of the Companies Act.
*2 External Audit & Supervisory Board Member as provided for in Article 2, Item 16 of the Companies Act.
Executive Officers as defined in our internal policy.

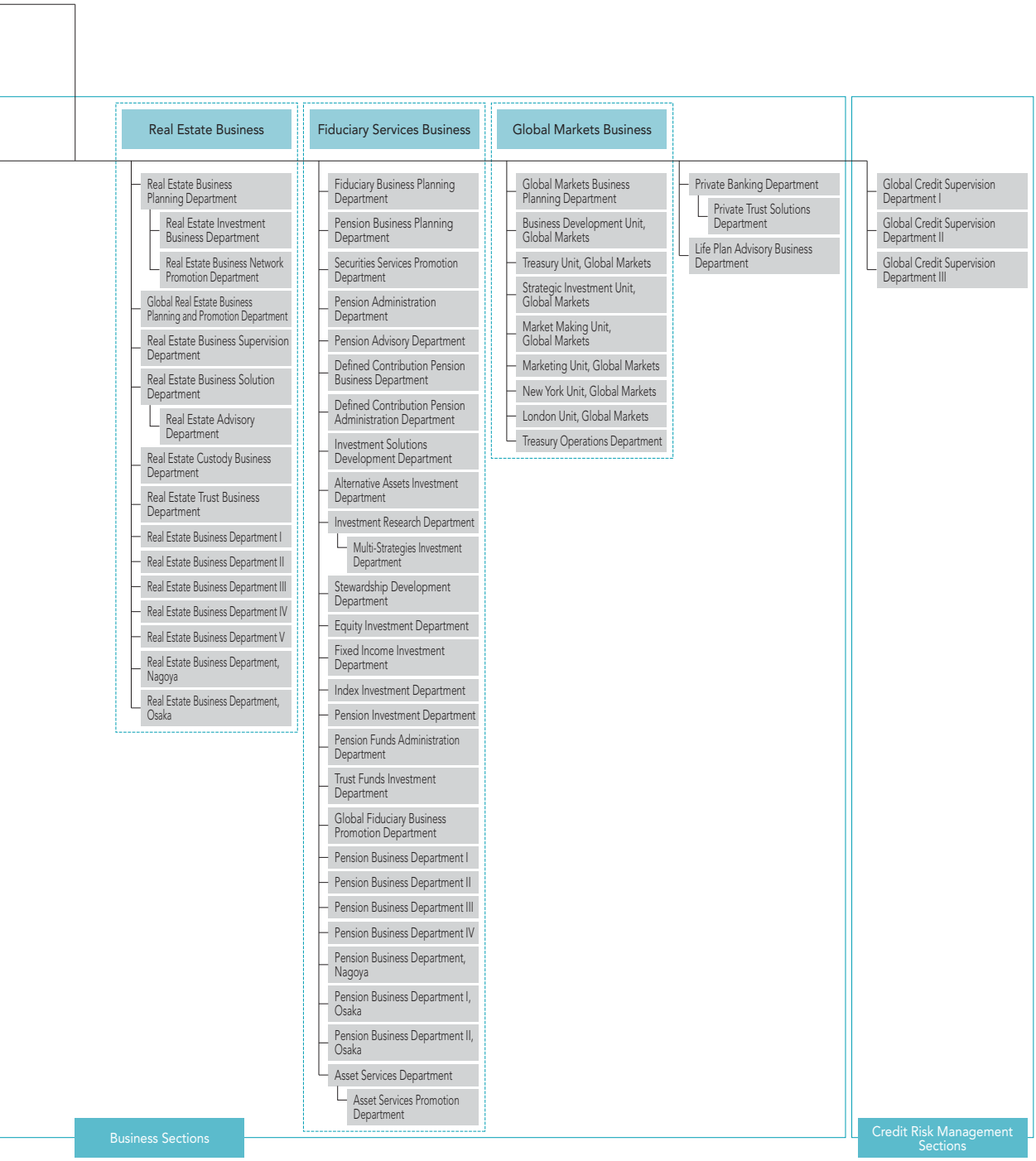
Employees (As of March 31, 2017)

Category	March 31, 2017	March 31, 2016
Number of Employees	13,647	13,463
Average Age	42 years, 8 months	42 years, 6 months
Average Length of Employment	13 years, 2 months	13 years, 1 month
Average Annual Salary	¥ 7,072 thousand	¥ 7,220 thousand

Notes: 1. The number of employees indicates total personnel, etc., excluding employees seconded to other companies and temporary and part-time staff.
2. Average annual salary includes bonus and extra payment.

Organizational Chart (As of June 30, 2017)




Real Estate Business
Real Estate Business Planning Department
Real Estate Investment Business Department
Real Estate Business Network Promotion Department
Global Real Estate Business Planning and Promotion Department
Real Estate Business Supervision Department
Real Estate Business Solution Department
Real Estate Advisory Department
Real Estate Custody Business Department
Real Estate Trust Business Department
Real Estate Business Department I
Real Estate Business Department II
Real Estate Business Department III
Real Estate Business Department IV
Real Estate Business Department V
Real Estate Business Department, Nagoya
Real Estate Business Department, Osaka
Fiduciary Services Business
Fiduciary Business Planning Department
Pension Business Planning Department
Securities Services Promotion Department
Pension Administration Department
Pension Advisory Department
Defined Contribution Pension Business Department
Defined Contribution Pension Administration Department
Investment Solutions Development Department
Alternative Assets Investment Department
Investment Research Department
Multi-Strategies Investment Department
Stewardship Development Department
Equity Investment Department
Fixed Income Investment Department
Index Investment Department
Pension Investment Department
Pension Funds Administration Department
Trust Funds Investment Department
Global Fiduciary Business Promotion Department
Pension Business Department I
Pension Business Department II
Pension Business Department III
Pension Business Department IV
Pension Business Department, Nagoya
Pension Business Department I, Osaka
Pension Business Department II, Osaka
Asset Services Department
Asset Services Promotion Department
Global Markets Business
Global Markets Business Planning Department
Business Development Unit, Global Markets
Treasury Unit, Global Markets
Strategic Investment Unit, Global Markets
Market Making Unit, Global Markets
Marketing Unit, Global Markets
New York Unit, Global Markets
London Unit, Global Markets
Treasury Operations Department
Private Banking Department
Private Trust Solutions Department
Life Plan Advisory Business Department
Global Credit Supervision Department I
Global Credit Supervision Department II
Global Credit Supervision Department III
Business Sections
Credit Risk Management Sections

Branches (As of June 30, 2017)

[ ] ··· These branches house two sales outlets under one roof, a "branch-in-a-branch" method.

Hokkaido, Tohoku

Sapporo Branch
1, Kita 2-jo Nishi 4-chome, Chuo-ku, Sapporo, Hokkaido 060-0002, Japan

Sapporo-Chuo Branch
1, Kita 2-jo Nishi 4-chome, Chuo-ku, Sapporo, Hokkaido 060-0002, Japan

Sendai Branch
1-7, Chuo 2-chome, Aoba-ku, Sendai, Miyagi 980-0021, Japan

Sendai-Aoba Branch
1-7, Chuo 2-chome, Aoba-ku, Sendai, Miyagi 980-0021, Japan

Tokyo

Tokyo Business Department
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

Nihonbashi Business Department
1-1, Nihonbashi-muromachi 2-chome, Chuo-ku, Tokyo 103-0022, Japan

Tokyo-Chuo Branch
1-1, Nihonbashi-muromachi 2-chome, Chuo-ku, Tokyo 103-0022, Japan

Consulting Plaza Shinbashi (Shinbashi Sub-Branch, Tokyo Business Department)
20-1, Shinbashi 2-chome, Minato-ku, Tokyo 105-0004, Japan

Toranomon Consulting Office (Toranomon Sub-Branch, Tokyo Business Department)
7-1, Nishi Shinbashi 1-chome, Minato-ku, Tokyo 105-0003, Japan

Shiba Business Department
33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan

Shinjuku-Nishiguchi Branch
1-4, Nishi Shinjuku 1-chome, Shinjuku-ku, Tokyo 160-0023, Japan

Shinjuku Branch
26-11, Shinjuku 3-chome, Shinjuku-ku, Tokyo 160-0022, Japan

Ueno Branch
19-10, Ueno 1-chome, Taito-ku, Tokyo 110-0005, Japan

Ueno-Chuo Branch
19-10, Ueno 1-chome, Taito-ku, Tokyo 110-0005, Japan

Meguro Branch
25-5, Kamioosaki 2-chome, Shinagawa-ku, Tokyo 141-0021, Japan

Omori Branch
1-1, Sannou 2-chome, Ota-ku, Tokyo 143-0023, Japan

Sangenjaya Branch
1-1, Taishido 4-chome, Setagaya-ku, Tokyo 154-0004, Japan

Futako-Tamagawa Branch
22-12, Tamagawa 2-chome, Setagaya-ku, Tokyo 158-0094, Japan

Consulting Plaza Seijo (Seijo Sub-Branch, Shinjuku-Nishiguchi Branch)
5-34, Seijo 6-chome, Setagaya-ku, Tokyo 157-0066, Japan

Consulting Plaza Chitose-Karasuyama (Chitose Karasuyama Sub-Branch, Shinjuku Branch)
4-31, Minami Karasuyama 6-chome, Setagaya-ku, Tokyo 157-0062, Japan

Shibuya Branch
3-2, Dogenzaka 2-chome, Shibuya-ku, Tokyo 150-0043, Japan

Shibuya-Chuo Branch
22-3, Jinnan 1-chome, Shibuya-ku, Tokyo 150-0041, Japan

Jiyugaoka Branch
10-20, Jiyugaoka 2-chome, Meguro-ku, Tokyo 152-0035, Japan

Nakano Branch
62-5, Nakano 5-chome, Nakano-ku, Tokyo 164-0001, Japan

Ogikubo Branch
18-10, Kamiogi 1-chome, Suginami-ku, Tokyo 167-0043, Japan

Ikebukuro Branch
41-7, Higashi Ikebukuro 1-chome, Toshima-ku, Tokyo 170-0013, Japan

Ikebukuro-Higashiguchi Branch
41-7, Higashi Ikebukuro 1-chome, Toshima-ku, Tokyo 170-0013, Japan

Shakujii Branch
14-1, Shakujii-cho 2-chome, Nerima-ku, Tokyo 177-0041, Japan

Kichijoji Branch
14-9, Kichijoji Hon-cho 1-chome, Musashino, Tokyo 180-0004, Japan

Kichijoji-Chuo Branch
2-14, Kichijoji Hon-cho 2-chome, Musashino, Tokyo 180-0004, Japan

Koganei Branch
10-1, Hon-cho 5-chome, Koganei, Tokyo 184-0004, Japan

Tachikawa Branch
6-1, Akebono-cho 2-chome, Tachikawa, Tokyo 190-0012, Japan

Tachikawa-Kitaguchi Branch
6-1, Akebono-cho 2-chome, Tachikawa, Tokyo 190-0012, Japan

Hachioji Branch
9-1, Asahi-cho, Hachioji, Tokyo 192-0083, Japan

Hachioji-Ekimae Branch
9-1, Asahi-cho, Hachioji, Tokyo 192-0083, Japan

Machida Branch
3-4, Haramachida 6-chome, Machida, Tokyo 194-0013, Japan

Tama-Sakuragaoka Branch
1-5, Sekido 1-chome, Tama, Tokyo 206-0011, Japan

Consulting Plaza Seiseki (Seiseki-Sakuragaoka Sub-Branch, Tama-Sakuragaoka Branch)
7-5, Sekido 1-chome, Tama, Tokyo 206-0011, Japan

Consulting Plaza Tama-Center (Tama-Center Sub-Branch, Tama-Sakuragaoka Branch)
44, Ochiai 1-chome, Tama, Tokyo 206-0033, Japan

Kanto

Urawa Branch
12-1, Takasago 1-chome, Urawa-ku,
Saitama 330-0063, Japan

Omiya Branch
32, Daimon-cho 1-chome, Omiya-ku,
Saitama 330-8511, Japan

Omiya-Ekimae Branch
32, Daimon-cho 1-chome, Omiya-ku,
Saitama 330-8511, Japan

Tokorozawa Branch
3-5, Hiyoshi-cho, Tokorozawa, Saitama 359-8691, Japan

Tokorozawa-Ekimae Branch
3-5, Hiyoshi-cho, Tokorozawa, Saitama 359-8691, Japan

Koshigaya Branch
14-22, Yayoi-cho, Koshigaya, Saitama 343-0816, Japan

Sugito Branch
13-12, Sugito 2-chome, Sugito-machi, Kitakatsushika-gun,
Saitama 345-0036, Japan

Chiba Branch
1-16, Fujimi 1-chome, Chuo-ku, Chiba 260-0015, Japan

Chiba-Ekimae Branch
1-16, Fujimi 1-chome, Chuo-ku, Chiba 260-0015, Japan

Ichikawa Branch
7-13, Ichikawa 1-chome, Ichikawa, Chiba 272-0034, Japan

Funabashi Branch
3-1, Hon-cho 1-chome, Funabashi, Chiba 273-0005, Japan

Tsudanuma Branch
14-5, Maebara Nishi 2-chome, Funabashi,
Chiba 274-0825, Japan

Matsudo Branch
2-1, Hon-cho, Matsudo, Chiba 271-0091, Japan

Kashiwa Branch
1-2, Asahi-cho 1-chome, Kashiwa, Chiba 277-0852, Japan

Yachiyo Branch
3-1, Yachiyodai Minami 1-chome, Yachiyo,
Chiba 276-0033, Japan

Yokohamaeki-Nishiguchi Branch
6-31, Minami Saiwai 1-chome, Nishi-ku, Yokohama, Kanagawa
220-0005, Japan

Yokohama Branch
6-31, Minami Saiwai 1-chome, Nishi-ku, Yokohama, Kanagawa
220-0005, Japan

Yokohama Housing Loan Center Sub-Branch, Yokohamaeki-Nishiguchi Branch
6-1, Kita Saiwai 1-chome, Nishi-ku, Yokohama, Kanagawa
220-0004, Japan

Futamatagawa Branch
3-2, Futamatagawa 1-chome, Asahi-ku, Yokohama, Kanagawa
241-0821, Japan

Tama-Plaza Branch
15-8, Utsukushigaoka 2-chome, Aoba-ku, Yokohama,
Kanagawa 225-0002, Japan

Aobadai Branch
9-2, Aobadai 2-chome, Aoba-ku, Yokohama, Kanagawa
227-0062, Japan

Consulting Plaza Kohoku (Kohoku Sub-Branch, Tama-Plaza Branch)
1-3, Nakagawa Chuo 1-chome, Tsuzuki-ku, Yokohama,
Kanagawa 224-0003, Japan

Konandai Branch
15-2-102, Konandai 3-chome, Konan-ku, Yokohama, Kanagawa
234-0054, Japan

Kamiooka Branch
18-5, Kamiooka Nishi 1-chome, Konan-ku, Yokohama,
Kanagawa 233-0002, Japan

Consulting Plaza Totsuka (Totsuka Sub-Branch, Yokohamaeki-Nishiguchi Branch)
16-1, Totsuka-cho, Totsuka-ku, Yokohama,
Kanagawa 244-0003, Japan

Kawasaki Branch
3-1, Ekimae Hon-cho, Kawasaki-ku, Kawasaki,
Kanagawa 210-0007, Japan

Shin-Yurigaoka Branch
5-3, Kamiasao 1-chome, Asao-ku, Kawasaki,
Kanagawa 215-0021, Japan

Yokosuka Branch
3, Odaki-cho 2-chome, Yokosuka,
Kanagawa 238-0008, Japan

Fujisawa Branch
21-1-101, Minami Fujisawa, Fujisawa,
Kanagawa 251-0055, Japan

Fujisawa-Chuo Branch
21-1-101, Minami Fujisawa, Fujisawa,
Kanagawa 251-0055, Japan

Sagami-Ono Branch
13-7, Sagamiono 3-chome, Minami-ku, Sagamihara,
Kanagawa 252-0303, Japan

Atsugi Branch
5-14, Naka-cho 3-chome, Atsugi,
Kanagawa 243-0018, Japan

Odawara Branch
2-12, Sakae-cho 1-chome, Odawara,
Kanagawa 250-0011, Japan

Utsunomiya Branch
4-12, Hon-cho, Utsunomiya, Tochigi 320-0033, Japan

Maebashi Branch
2-12, Hon-machi 2-chome, Maebashi,
Gunma 371-0023, Japan

Koshinetsu, Hokuriku

Kofu Branch
17-14, Marunouchi 1-chome, Kofu,
Yamanashi 400-0031, Japan

Niigata Branch
1178-1, Kamiokawa-maedori Rokuban-cho, Chuo-ku,
Niigata 951-8068, Japan

Niigata-Chuo Branch
1178-1, Kamiokawa-maedori Rokuban-cho, Chuo-ku,
Niigata 951-8068, Japan

Toyama Branch
1-36, Sakura-machi 1-chome, Toyama 930-0003, Japan

Kanazawa Branch
1-18, Kami Tsutsumi-cho, Kanazawa,
Ishikawa 920-0869, Japan

Kanazawa-Chuo Branch
1-18, Kami Tsutsumi-cho, Kanazawa,
Ishikawa 920-0869, Japan

Fukui Branch
7-1, Chuo 1-chome, Fukui 910-0006, Japan

Tokai

Nagoya Business Department
15-33, Sakae 3-chome, Naka-ku, Nagoya,
Aichi 460-0008, Japan

Nagoya-Sakae Branch
15-33, Sakae 3-chome, Naka-ku, Nagoya,
Aichi 460-0008, Japan

Kanayamabashi Branch
14-9, Kanayama 1-chome, Naka-ku, Nagoya,
Aichi 460-0022, Japan

Nagoya-Ekimae Branch
26-8, Meieki 3-chome, Nakamura-ku, Nagoya,
Aichi 450-0002, Japan

Meieki-Minami Branch
24-30, Meieki Minami 1-chome, Nakamura-ku, Nagoya,
Aichi 450-0003, Japan

Hoshigaoka Branch
106, Inoue cho, Chikusa-ku, Nagoya,
Aichi 464-0026, Japan

Ichinomiya Branch
7-15, Sakae 3-chome, Ichinomiya, Aichi 491-0858, Japan

Okazaki Branch
16, Koseidori-Nishi 3-chome, Okazaki,
Aichi 444-0059, Japan

Toyohashi Branch
135, Ekimaeoodori 1-chome, Toyohashi,
Aichi 440-0888, Japan

Shizuoka Branch
3-10, Koya-machi, Aoi-ku, Shizuoka 420-0852, Japan

Shizuoka-Chuo Branch
3-10, Koya-machi, Aoi-ku, Shizuoka 420-0852, Japan

Numazu Branch
4-2, Ote-machi 5-chome, Numazu, Shizuoka 410-0801, Japan

Gifu Branch
3, Nagazumi-cho 2-chome, Gifu 500-8175, Japan

Yokkaichi Branch
5-4, Suwa-cho, Yokkaichi, Mie 510-8650, Japan

Kinki

Osaka Business Department
5-33, Kitahama 4-chome, Chuo-ku, Osaka 540-8639, Japan

Osaka-Chuo Branch
5-33, Kitahama 4-chome, Chuo-ku, Osaka 540-8639, Japan

Umeda Branch
8-47, Kakuda-cho, Kita-ku, Osaka 530-0017, Japan

Hankyu-Umeda Branch
8-47, Kakuda-cho, Kita-ku, Osaka 530-0017, Japan

Namba Branch
1-60, Namba 5-chome, Chuo-ku, Osaka 542-0076, Japan

Namba-Chuo Branch
1-60, Namba 5-chome, Chuo-ku, Osaka 542-0076, Japan

Namba Housing Loan Center Sub-Branch, Namba Branch
10-70, Namba-naka 2-chome, Naniwa-ku,
Osaka 556-0011, Japan

Abenobashi Branch
6-1, Abenosuji 1-chome, Abeno-ku, Osaka 545-0052, Japan

Abeno Branch
6-1, Abenosuji 1-chome, Abeno-ku, Osaka 545-0052, Japan

Sakai Branch
59-2, Mikunigaoka Miyuki-dori, Sakai-ku, Sakai,
Osaka 590-0028, Japan

Consulting Plaza Izumigaoka (Senboku Sub-Branch, Sakai Branch)
2-1, Chayamadai 1-chome, Minami-ku, Sakai,
Osaka 590-0115, Japan

Yao Branch
6-8, Higashi Hon-machi 3-chome, Yao,
Osaka 581-0004, Japan

Hirakata Branch
13-20, Oka Higashi-cho, Hirakata, Osaka 573-0032, Japan

Keihan-Hirakata Branch
13-20, Oka Higashi-cho, Hirakata, Osaka 573-0032, Japan

Takatsuki Branch
5-20, Konya-machi, Takatsuki, Osaka 569-0804, Japan

Ibaraki Branch
2-30, Futaba-cho, Ibaraki, Osaka 567-0829, Japan

Toyonaka Branch
1-1, Hon-machi 1-chome, Toyonaka, Osaka 560-0021, Japan

Senri-Chuo Branch
1-3, Shinsenri Higashi-machi 1-chome, Toyonaka,
Osaka 560-0082, Japan

Ikeda Branch
1-1-134, Kureha-cho, Ikeda, Osaka 563-0048, Japan

Kobe Branch
1-6, Goko-dori 8-chome, Chuo-ku,
Kobe, Hyogo 651-0087, Japan

Kobe-Sannomiya Branch
1-6, Goko-dori 8-chome, Chuo-ku,
Kobe, Hyogo 651-0087, Japan

Consulting Plaza Seishin-Chuo (Seishin-Chuo Sub-Branch, Kobe Branch)
9-4, Kojidai 5-chome, Nishi-ku, Kobe,
Hyogo 651-2273, Japan

Tsukaguchi Branch
15-1, Tsukaguchi-cho 1-chome, Amagasaki,
Hyogo 661-0002, Japan

Nishinomiya Branch
5-39, Takamatsu-cho, Nishinomiya, Hyogo 663-8204, Japan

Ashiya Branch
5-2, Funado-cho, Ashiya, Hyogo 659-0093, Japan

Kawanishi Branch
7-18, Chuo-cho, Kawanishi, Hyogo 666-0016, Japan

Akashi Branch
5-28, Higashinakano-machi, Akashi, Hyogo 673-0886, Japan

Himeji Branch
252, Ekimae-cho, Himeji, Hyogo 670-0927, Japan

Kyoto Branch
612, Karasuma-dori Shijo-sagaru Suiginya-cho,
Shimogyo-ku, Kyoto 600-8411, Japan

Kyoto-Shijo Branch
612, Karasuma-dori Shijo-sagaru Suiginya-cho,
Shimogyo-ku, Kyoto 600-8411, Japan

Otsu Branch
3-10, Umebayashi 1-chome, Otsu, Shiga 520-0051, Japan

Nara-Saidaiji Branch
1-50, Saidaiji Higashi-machi 2-chome,
Nara 631-0821, Japan

Consulting Plaza Gakuenmae (Gakuenmae Sub-Branch, Nara-Saidaiji Branch)
8-11, Gakuen Kita 1-chome, Nara 631-0036, Japan

Wakayama Branch
3-17, Higashi Kuramae-cho, Wakayama 640-8203, Japan

Chugoku, Shikoku

Tottori Branch
103, Ima-machi 1-chome, Tottori 680-0822, Japan

Okayama Branch
1-5, Ekimoto-machi, Kita-ku, Okayama 700-0024, Japan

Okayama-Chuo Branch
1-5, Ekimoto-machi, Kita-ku, Okayama 700-0024, Japan

Okayama-Ekimae Sub-Branch, Okayama Branch
1-6, Ekimoto-machi, Kita-ku, Okayama 700-0024, Japan

Okayama-Ekimae Sub-Branch, Okayama-Chuo Branch
1-6, Ekimoto-machi, Kita-ku, Okayama 700-0024, Japan

Hiroshima Branch
2-22, Kamiya-cho 1-chome, Naka-ku,
Hiroshima 730-0031, Japan

Hiroshima-Chuo Branch
2-22, Kamiya-cho 1-chome, Naka-ku,
Hiroshima 730-0031, Japan

Fukuyama Branch
15-1, Moto-machi, Fukuyama, Hiroshima 720-0063, Japan

Yamaguchi-Hofu Branch
4-24, Ebisu-machi 1-chome, Hofu,
Yamaguchi 747-0036, Japan

Takamatsu Branch
9-4, Konya-machi, Takamatsu, Kagawa 760-0027, Japan

Matsuyama Branch
11-1, Sanban-cho 4-chome, Matsuyama,
Ehime 790-0003, Japan

Kyushu

Fukuoka Branch
12-1, Tenjin 2-chome, Chuo-ku, Fukuoka 810-0001, Japan

Fukuoka-Tenjin Branch
12-1, Tenjin 2-chome, Chuo-ku, Fukuoka 810-0001, Japan

Kita-Kyushu Branch
1-5, Kaji-machi 1-chome, Kokurakita-ku, Kita-Kyushu, Fukuoka 802-0004, Japan

Saga Branch
3-2, Matsubara 1-chome, Saga 840-0831, Japan

Kumamoto Branch
2-5, Tetori Hon-cho, Chuo-ku, Kumamoto 860-0808, Japan

Kumamoto-Chuo Branch
2-5, Tetori Hon-cho, Chuo-ku, Kumamoto 860-0808, Japan

Oita Branch
3-23, Chuo-machi 1-chome, Oita 870-0035, Japan

Kagoshima Branch
7-8-101, Kinsei-cho, Kagoshima 892-0828, Japan

Overseas Network

Branch

New York Branch
1251 Avenue of the Americas, New York, NY 10020, U.S.A.

London Branch
155 Bishopsgate, London EC2M 3XU, U.K.

Singapore Branch
One Raffles Quay, #24-01 North Tower, Singapore 048583

Shanghai Branch
50F Jin Mao Tower, 88 Shiji Dadao Pudong New Area,
Shanghai 200121, People's Republic of China

Hong Kong Branch
25/F, AIA Central, 1 Connaught Road, Central, Hong Kong

Representative Office

Beijing Representative Office (Banking business)
Room 7009, 7th Floor, Chang Fu Gong Office Building,
No. 26, Jianguomenwai Dajie, Chaoyang District,
Beijing 100022, People's Republic of China

Beijing Representative Office (Securities business)
Room 5011, 5th Floor, Chang Fu Gong Office Building,
No. 26, Jianguomenwai Dajie, Chaoyang District,
Beijing 100022, People's Republic of China

Jakarta Representative Office
20th Floor, Summitmas I,
Jl. Jend. Sudirman, Kaveling 61-62,
Jakarta 12190, Indonesia

Seoul Representative Office
20th Floor, Booyoung Taepyoung Building, 55,
Sejong-daero, Jung-gu, Seoul 04513, Korea

Number of Contracted Trust Agencies* (As of June 30, 2017)

* Trust Agency is a collective term that refers to trust contract agencies under the Trust Business Act as well as agencies concurrently engaged in trust business under Article 1 of the Act on Provision, etc. of Trust Business by Financial Institutions.

Type		Number of Agencies			
		Trust Contract Agencies	Agencies Engaged in Concurrent Business		
			Stock Transfer Agency Service	Service Related to Wills	Solicitation for National Pension Fund
Banks, Shinkin Banks, etc.	95	67	44	64	45
Regional Banks	41	39	30	28	16
Second Regional Banks	17	12	8	13	11
Shinkin Central Bank, Shinkin Banks	33	13	3	21	18
Shoko Chukin Bank	1	1	—	1	—
(Total of Regional Financial Institutions)	92	65	41	63	45
City Banks, etc.	3	2	3	1	—
Securities Firms	7	1	4	7	—
Life Insurers and Business Enterprises	16	2	1	16	—
Total	118	70	49	87	45

Bank Service Agency (As of June 30, 2017)

Trade Name of Bank Service Agency	SBI Sumishin Net Bank, Ltd.
Business Offices, etc. Operating Bank Agency Service	Head Office, Shinjuku Business Center, Ichigo Branch, Budou Branch, Mikan Branch, Lemon Branch, Ringo Branch (7 Branches)

Subsidiaries and Affiliated Companies (As of June 30, 2017)

Japan

Name	Location	Date of Establishment	Paid-in Capital (Millions)	Scope of Business	Ownership by SuMi TRUST Bank (%)	Ownership by subsidiaries (%)
Tokyo Securities Transfer Agent Co., Ltd.	11, Kanda-nishikicho 3-chome, Chiyoda-ku, Tokyo	November 1, 1962	¥ 50	Stock Transfer Agency Services	100.0	—
Sumitomo Mitsui Trust Club Co., Ltd.	1-8-10 Harumi, Chuo-ku, Tokyo	April 2, 1977	¥ 100	Credit Card Business	100.0	—
Sumitomo Mitsui Trust Guarantee Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	July 10, 1978	¥ 301	Housing Loan Guaranty Business	100.0	—
Sumitomo Mitsui Trust General Service Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	April 2, 1988	¥ 100	Property Leasing and Management Business	100.0	—
Sumitomo Mitsui Trust Wealth Partners Co., Ltd.	6-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	November 6, 1989	¥ 155	Consulting Business	100.0	—
Sumitomo Mitsui Trust Business Service Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	May 24, 1990	¥ 100	Back Office Services, Temporary Staffing Business, Outplacement Agency	100.0	—
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	20-1, Shinbashi 2-chome, Minato-ku, Tokyo	January 22, 1992	¥ 6,000	Money Lending Business	100.0	—
Sumitomo Mitsui Trust TA Solution Co., Ltd.	8-4 Izumi 2-chome, Suginami-ku, Tokyo	July 1, 1998	¥ 2,005	IT, Calculation Outsourcing Business	100.0	—
Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd.	11-1, Kanda-nishikicho 3-chome, Chiyoda-ku, Tokyo	November 7, 2005	¥ 300	Investment Management, Investment Advisory	100.0	—
Sumitomo Mitsui Trust Career Partners Co., Ltd.	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	April 3, 2006	¥ 100	Training Programs, Personnel-related Services	100.0	—
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	December 1, 1959	¥ 17,363	Investment Management, Investment Advisory	91.8	—
Japan Securities Agents, Ltd.	2-4, Nihonbashi-kayabacho 1-chome, Chuo-ku, Tokyo	September 13, 1950	¥ 500	Stock Transfer Agency Services	85.1	—
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	2-3, Shibaura 1-chome, Minato-ku, Tokyo	February 27, 1967	¥ 25,584	General Leasing, Installment Purchase Services, Credit Card Business	84.8	—
Sumishin Guaranty Company Limited	33-1, Shiba 3-chome, Minato-ku, Tokyo	August 25, 1977	¥ 300	Loan Guarantee Business	—	100.0
Sumitomo Mitsui Trust Card Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	June 24, 1983	¥ 100	Credit Card Business	50.0	50.0
Sumitomo Mitsui Trust Systems & Services Co., Ltd.	1-10, Nikko-cho, Fuchu, Tokyo	February 12, 1973	¥ 100	System Development and Operation Management Services	44.4	55.6
Sumitomo Mitsui Trust Investment Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	March 22, 2000	¥ 100	Equity Investment Business	40.0	60.0
Sumitomo Mitsui Trust Realty Co., Ltd.	11-1, Kanda-nishikicho 3-chome, Chiyoda-ku, Tokyo	January 24, 1986	¥ 300	Real Estate Brokerage Business	4.7	95.3
SBI Sumishin Net Bank, Ltd.	6-1, Roppongi 1-chome, Minato-ku, Tokyo	June 3, 1986	¥ 31,000	Banking Business	50.0	—
Japan Pension Operation Service, Ltd.	24-1, Nihonbashi-hakozakicho, Chuo-ku, Tokyo	December 21, 2004	¥ 1,500	Calculation of Pension Payments, etc., Clerical Outsourcing Business	50.0	—
Japan Stockholders Data Service Company, Limited	8-4 Izumi 2-chome, Suginami-ku, Tokyo	April 1, 2008	¥ 2,000	Stock Transfer Outsourcing Business	50.0	—
HR One Corporation	4-1, Shibakouen 2-chome, Minato-ku, Tokyo	May 20, 2002	¥ 603	HR-related Services Business	33.4	—
Sky Ocean Asset Management Co., Ltd.	1-1, Minatomirai 3-chome, Nishi-ku, Yokohama, Kanagawa	November 25, 2014	¥ 300	Investment Management	21.0	—
JP Asset Management Co., Ltd.	5-11, Nihonbashi-honcho 1-chome, Chuo-ku, Tokyo	August 18, 2015	¥ 500	Investment Management	30.0	—
Mitsui & Co., Logistics Partners Ltd.	2-1 Nishi-kanda 3-chome, Chiyoda-ku, Tokyo	July 13, 2004	¥ 150	Investment Corporation, Asset Management Business	29.0	—

Overseas

Name	Location	Date of Establishment	Paid-in Capital (Millions)	Scope of Business	Ownership by SuMi TRUST Bank (%)	Ownership by subsidiaries (%)
Sumitomo Mitsui Trust (Hong Kong) Limited	25/F, AIA Central, 1 Connaught Road, Central, Hong Kong	July 4, 1978	$ 45	Securities Business	100.0	—
Sumitomo Mitsui Trust Bank (Luxembourg) S.A.	2, rue Peternelchen, L-2370, Howald, Grand Duchy of Luxembourg	April 22, 1985	$ 30	Trust, Banking, Securities Businesses	100.0	—
Sumitomo Mitsui Trust (UK) Limited	155 Bishopsgate, London EC2M 3XU, U.K.	March 6, 1986	£ 1.78	Trust Business	100.0	—
Sumitomo Mitsui Trust International Limited	155 Bishopsgate, London EC2M 3XU, U.K.	July 2, 1986	£ 20	Securities Business	100.0	—
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	111 River Street, Hoboken, NJ 07030, U.S.A.	May 20, 2002	$ 56	Banking, Trust Businesses	100.0	—
Sumitomo Mitsui Trust (Ireland) Limited	Block 5, Harcourt Centre, Harcourt Road, Dublin 2, Ireland	June 1, 2004	€ 75.87	Trust Business	100.0	—
Sumitomo Mitsui Trust Bank (Thai) Public Company Limited	32nd Floor, Sathorn Square Office Tower, 98 North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand	July 7, 2014	THB 20,000	Banking Business	99.9	0.0
STB Finance Cayman Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	January 19, 1993	$ 0.01	Finance Business	100.0	—
STB Preferred Capital 3 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	February 14, 2007	¥ 51,500	Finance Business	100.0	—
STB Preferred Capital 4 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	May 26, 2008	¥ 111,600	Finance Business	100.0	—
BIDV-SuMi TRUST Leasing Co., Ltd.	20th Floor, Vincom Tower A, 191 Ba Trieu, Hai Ba Trung district, Ha Noi	September 4, 1998	VND 895,600	Leasing Business in Vietnam (including sales finance lease)	49.0	—
Zijin Trust Co., Ltd.	30th Floor, Zifeng Tower, 2 Zhongshan Road(N), Gulou District, Nanjing 210008, People's Republic of China	September 25, 1992	RMB 2,400	Trust Business	19.9	—
Nanjing Zijin Financial Leasing Co., Ltd.	9th Floor, 309, Hanzhongmendajie, Gulou District, Nanjing 210036, People's Republic of China	May 20, 2016	RMB 300	Leasing Business	15.0	5.0
Midwest Railcar Corporation	855 Arbor Vitae Edwardsville, IL 62025, U.S.A.	December 31, 1998	$ 0.47	Freight Railcar Operating Leasing Business in North America	—	100.0*

* The ownership by subsidiaries is the ownership ratio held by the U.S.-based company in which SuMi TRUST Bank has a 19.9% stake and SuMi TRUST Bank's subsidiaries have a 30.1% stake.

Financial Data:

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

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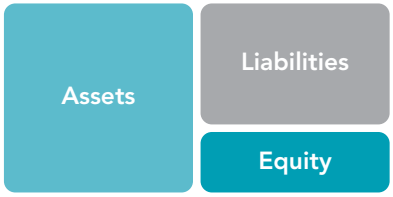
Financial Data:

How to Read the Financial Statements of Trust Banks (Unaudited)

Balance Sheets of Trust Banks

(1) The financial statements of trust banks comprise two balance sheets: one for a banking account and the other for a trust account. The balance sheet for the banking account presents capital, fund management, and finance of trust banks. The balance sheet for the trust account shows assets that trust banks manage, administer, and dispose on behalf of the beneficiaries, according to the trusts' investment objectives, when the trusts have been set up for the trustors.

Balance sheet of banking account



Statement of trust account



(2) The outcomes (gains or losses) of asset management, administration, and disposition of the trust account pertain to the beneficiaries (after deducting trust fees). In principle, they do not affect the banking account. However, loan trusts and jointly operated money trusts ("JOMTs"), which are covered by deposit insurance, are treated as exceptions due to their principal guaranteed feature. As a result, the balance sheets for loan trusts and the JOMT accounts are disclosed, and, together with the banking account, become the "three major accounts" of trust banks. It is common for trust banks to manage various financial risks at the level of these accounts.

(Note) Japanese trust banks have stopped offering new loan trusts. The loan trusts, therefore, have a limited impact on the balance sheet and financial reporting.

(3) The liabilities section in statements of trust accounts shows the balance for each trust type. The assets section shows assets, such as loans, securities, real estate, and monetary claims, held in various trusts.

Money trusts include a wide variety of trust products. They include, for example, products with discretionary management rights, such as JOMTs and individually operated designated money trusts (referred to as *Shiteitan*), and products without discretionary management rights, such as specified money trusts (referred to as *Tokkin*). Fees for these products vary. Aside from money trusts, the trust banks have discretionary management rights for loan trusts and pension trusts, but not for investment trusts or securities trusts.

Statements of Income of Trust Banks

The trust banks disclose statements of income for banking accounts. The main components of "Net Business Profit before Credit Costs," which is equivalent to operating profit for other companies are as follows:

(1) Trust Fees
(2) Net Credit Cost of loan trusts and JOMT accounts
(3) Net Interest Income
(4) Net Fees and Commissions
(5) Net Trading Income
(6) Net Other Ordinary Income (gains or losses on sales of bonds, net gain or loss on foreign exchange transactions, net income or expense on derivatives other than trading or hedging)
(7) Gross Business Profit: (1)+(3)+(4)+(5)+(6)
(8) General and Administrative Expenses
(9) Transfer to general allowance for loan losses
(10) Net Business Profit: (7)−(8)−(9)
(11) Net Business Profit before Credit Costs: (10)+(2)+(9)

Fee Revenues of Trust Banks: Trust Fees and Net Fees and Commissions

In trust banks, broadly speaking, there are two types of fee revenues: "Trust Fees" and "Net Fees and Commissions." Fees that trust banks receive on trust contracts are posted to "Trust Fees." Fees and commissions on general service contracts are posted to "Net Fees and Commissions." Note that fees related to the loan trusts and JOMT accounts have characteristics similar to the banking business (deposits and loans) and are generally excluded from "Trust Fees." Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries (together, the "SuMi TRUST Group") include these fees in "Net Interest Income and Related Profit."

Fee Revenues

Trust Fees (excluding loan trusts & JOMTs)

- Pension trust fees *1
- Individually operated designated money trust fees *1
- Investment trust & specified money trust fees *2
- Asset securitization-related trust fees
- Real estate brokerage fees

Net Fees and Commissions

- Investment trust and insurance sales fees
- Discretionary investment fees
- Real estate brokerage fees
- Stock transfer agency fees
- Syndicated loan fees

*1 Fees related to management and administration of money trusts with discretionary management rights

*2 Fees related to administration of money trusts without discretionary management rights

Management's Discussion and Analysis (Unaudited)

Overview of Business Activities of the Company

Economic and Financial Environment

Looking back on the economic environment during the fiscal year under review, despite signs of improvement in the employment situation during the first half of the year, the economy continued to experience a temporary lull due to a slack trend in personal consumption and downturns in corporate earnings and business confidence. Consequently, the Japanese government decided to delay raising the consumption tax rate to 10% and announced an economic stimulus package totaling 28 trillion yen. Furthermore, the Bank of Japan introduced a new monetary easing measure, "Quantitative and Qualitative Monetary Easing with Yield Curve Control" in September. Overseas, oil prices rose due to an agreement being reached on the cutting of oil production at the OPEC Meeting in November. Meanwhile, the U.S. economy continued its solid recovery as the Federal Reserve raised the benchmark interest rate in both December and March.

In this environment, the yen strengthened and stock prices fell in the domestic financial market while the yield on the 10-year Japanese government bond remained negative, reflecting the U.K.'s referendum decision in June to leave the EU. However, following Donald Trump's victory in the U.S. presidential election in November, the yen weakened and stock prices rose in expectation of the effect of Trump's economic policies, pushing the yield on the 10-year Japanese government bond into positive territory.

Developments of Business Activities

We worked on various business activities amid these economic and financial conditions, being the sole independent financial group in Japan that specializes in trust banking. We tried to refine a business model by which we provide distinct added value and to enhance profitability and to develop new growth areas based on fiduciary spirit, while strengthening collaboration among the SuMi TRUST Group companies as well as outside partner companies.

Developments of Each Business Segment

<Trust Banking Business>

- An overview of the trust banking business conducted by the SuMi TRUST Group with Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank") as the core is described below.

1) Retail Financial Services Business

With regard to investment trust and life insurance sales operations in the Retail Financial Services Business, we enhanced our lineup of products centered on discretionary investment management products (wrap accounts), investment trusts and insurance products, and improved the user-friendliness of cumulative investment products utilizing NISA accounts (a Japanese version of individual savings accounts), etc., in order to provide the diversified investment tools needed under Japan's negative interest-rate policy. For loans to individuals, we worked to expand the balance of loans by flexibly setting mortgage loan interest rates in response to market interest-rate fluctuation, enhancing ancillary services, and simplifying procedures. In inheritance-related services, in order to expand our business with clients across generations, we worked to provide products that are passed on from one generation to the next, including "Thinking of Our Grandchildren," a tuition fund endowment trust, and increase the number of our highly specialized financial consultants possessing a wealth of experience. Furthermore, we also worked to improve our services and provide timely information to clients by holding seminars and consultation meetings on an ongoing basis.

SBI Sumishin Net Bank, Ltd. enhanced its products and services that utilize FinTech, etc. by leveraging its strengths as a dedicated internet bank, while working to expand the balance of loans by strengthening card loan sales, in addition to mainstay mortgage loans.

2) Wholesale Financial Services Business

In the Wholesale Financial Services Business, SuMi TRUST Bank worked to contribute to increasing the corporate value of a wide range of domestic and overseas clients by providing total solutions that utilize various functions and services of banking, trusts and real estate in an integrative manner. In overseas markets, we took steps to strengthen the risk management of foreign currency denominated assets. Meanwhile, mainly in the U.S., Europe and Asia where we already have offices, we worked to develop profitable new credit opportunities by utilizing collaboration with overseas financial institutions that operate globally. In addition, we promoted new business through the development of investment products which take into consideration the negative interest-rate policy, and the provision of asset management consulting and solutions to clients such as financial institutions. We also worked on enhancing asset management and succession proposals to clients such as business owners and continued to devise appropriate responses to facilitate the financing needs of our corporate clients.

3) Stock Transfer Agency Services Business

In the Stock Transfer Agency Services Business, we worked to further improve services, such as support for general shareholders meetings and support for corporate public relations activities for investors and shareholders. We also made efforts to reduce costs by streamlining and improving the quality of administration.

We actively provided consulting services tailored to the needs of corporate clients relating to corporate governance code and ESG (environment, society and governance) issues, by using our wealth of information and know-how based on the industry's largest stock transfer agency service base, and also focused on strengthening clerical agent services for clients pursuing initial public offering through collaboration with the Wholesale Financial Services Business.

4) Real Estate Business

In the Real Estate Business, we focused on expanding brokerage transactions with both corporate and individual clients by collaborating with client departments in the SuMi TRUST Group companies and enhancing our proposal capabilities and amount of activities to meet client needs. In addition, we pushed ahead with expanding the volume of information acquired through various consulting functions concerning construction, investment and other matters. We also worked to expand the real estate network with domestic and overseas external partners to push forward the acquisition and globalization of a new client base. With regard to the real estate securitization trust business, we made efforts to increase our balance and to reduce costs by streamlining operations.

5) Fiduciary Services Business

In the pension-related business of the Fiduciary Services Business, we worked to demonstrate our unique capabilities in the provision of information and proposals across both pension systems and asset management. In regard to defined-contribution pension plans, we focused on developing new clients, as well as further cultivating business with existing clients, by providing high-quality administration services. In the asset management and administration business, in order to enhance the transparency of our stewardship activities, we strengthened our systems through the establishment of a dedicated committee and a dedicated department together with efforts to propose customized asset management schemes and asset administration services in line with client needs. Furthermore, we made efforts to expand collaboration with domestic and overseas financial institutions, and enhance our base to develop asset management and administration services globally through our overseas subsidiaries and affiliates.

In addition, regarding the management integration of Japan Trustee Services Bank, Ltd. with Trust & Custody Services Bank, Ltd., we executed a memorandum of understanding with the related companies, with a view to seeking a benefit of scale within the asset administration business and realizing more stable and higher quality operations.

6) Global Markets Business

In the Global Markets Business, faced with a harsh financial environment with firmly established negative interest rates in Japan and rising interest rates in the U.S, we made efforts to control risks in a flexible manner. We also focused on sales of foreign currency deposits through collaboration with the Retail Financial Services Business and sales of structured deposits through collaboration with the Wholesale Financial Services Business. Furthermore, we made efforts to provide derivative functions overseas and enhance our proposal 5 capabilities to clients, expanding products and services to address risks related to interest rates, foreign exchange and other factors.

In order to clarify our provision of client-oriented total solution services to individual and corporate clients through a fusion of the various functions of the SuMi TRUST Group, we renamed the Retail Financial Services Business to the "Retail Total Solution Services Business," and the Wholesale Financial Services Business to the "Wholesale Total Solution Services Business." In addition, in order to respond to the sophisticated needs of corporate clients and manage conflicts of interest appropriately, we separated the Wholesale Asset Management Business, previously located within the Wholesale Financial Services Business, into an independent business.

Results of Business Activities

(Consolidated Financial Results for the Fiscal Year 2016)

In the fiscal year under review, net business profit before credit costs decreased ¥85.9 billion (U.S. $766 million) from the previous fiscal year to ¥232.3 billion (U.S. $2,071 million). This was mainly attributable to deterioration in market-related income at SuMi TRUST Bank, despite a rise in profit contributions from consolidated subsidiaries.

Ordinary profit was down ¥81.6 billion (U.S. $728 million) from the previous fiscal year to ¥196.3 billion (U.S. $1,750 million) as total credit costs increased while net gains on stocks improved.

As a result, net income attributable to owners of the parent decreased ¥45.4 billion (U.S. $405 million) from the previous fiscal year to ¥121.4 billion (U.S. $1,082 million).

Consolidated BIS Capital Adequacy Ratio

Consolidated Equity Tier 1 capital ratio was 11.04%, Consolidated Tier 1 capital ratio was 13.54%, and Consolidated Total capital ratio was 16.42% as of March 31, 2017, exceeding the minimum regulatory requirements of 6.00%, 7.50%, and 9.50%, respectively.

The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥112.15 to U.S. $1, the approximate rate of exchange as of March 31, 2017.

Operating Results (Consolidated)

Years Ended March 31	Millions of Yen			Millions of U.S. Dollars
	2017	2016	Changes	2017
Gross Profit (excluding Trust Account Credit Costs)	¥ 625,582	¥ 697,810	¥ (72,227)	$ 5,578
Trust Account Credit Costs (A)	—	—	—	—
General and Administrative Expenses (excluding non-recurring expenses)	(419,680)	(405,019)	(14,660)	(3,742)
Net Provision of General Allowance for Loan Losses (B)	(29,493)	(6,812)	(22,681)	(263)
Banking Account Credit Costs (C)	(1,871)	(21,938)	20,066	(17)
Reversal of Allowance for Loan Losses (D)	—	—	—	—
Recoveries of Written-Off Claims (E)	2,813	2,795	18	25
Net Gains (Losses) on Stocks and Other Securities	36,488	29,660	6,828	325
Net Income from Affiliated Companies Accounted for by the Equity Method	6,950	7,702	(752)	62
Impairment Loss	(5,870)	(4,080)	(1,790)	(52)
Management Integration Expenses	—	—	—	—
Others	(23,782)	(26,981)	3,198	(212)
Income before Income Taxes	191,135	273,136	(82,001)	1,704
Net Income Attributable to Owners of the Parent	121,446	166,909	(45,462)	1,083
Total Credit Costs (A+B+C+D+E)	(28,551)	(25,955)	(2,596)	(255)
Net Business Profit before Credit Costs	232,363	318,331	(85,967)	2,072

(Notes)

1) Gross Profit = Trust Fees + (Interest Income - Interest Expenses) + (Fees and Commissions - Fees and Commissions Payments) + (Trading Income - Trading Expenses) + (Other Ordinary Income - Other Ordinary Expenses)

2) Consolidated Net Business Profit Before Credit Costs = Non-consolidated Net Business Profit Before Credit Costs of SuMi TRUST Bank + Ordinary Profits (adjusted for non-recurring effects) of other consolidated subsidiaries + Ordinary Profits (adjusted for non-recurring effects) from Affiliated Companies Accounted for by the Equity Method x ratio of equity holdings - internal transactions (e.g., dividends)

3) Amounts in parentheses represent losses or expenses, and profit decreases from the previous fiscal year.

Major Profit and Losses (Consolidated)

"Total Net Interest Income" decreased by ¥11.8 billion (U.S. $105 million) from the previous fiscal year to ¥219.0 billion (U.S. $1,953 million) due mainly to an increase in foreign currency funding cost.

"Net Fees and Commissions" increased by ¥36.3 billion (U.S. $324 million) from the previous fiscal year to ¥312.2 billion (U.S. $2,784 million), due to an increase in in net fees and commissions and related profit that mainly asset management and property brokerage yielded.

Accordingly, "Gross Profit" decreased by ¥72.2 billion (U.S. $644 million) from the previous fiscal year to ¥625.5 billion (U.S. $5,577 million).

"General and Administrative Expenses (excluding non-recurring effects)" increased by ¥14.6 billion (U.S. $130 million) from the previous fiscal year to ¥419.6 billion (U.S. $3,741 million).

As a result, "Net Business Profit Before Credit Costs," which represents the actual profit level calculated by making necessary adjustments to the above results, decreased by ¥85.9 billion (U.S. $766 million) from the previous fiscal year to ¥232.3 billion (U.S. $2,071 million).

Major Profit and Losses (Consolidated)

	Millions of Yen			Millions of U.S. Dollars
Years Ended March 31	2017	2016	Changes	2017
Gross Profit (excluding Trust Account Credit Costs)	¥ 625,582	¥ 697,810	¥ (72,227)	$ 5,578
Net Trust Fees:	99,870	105,537	(5,667)	891
Trust Account Credit Costs (deduction)	—	—	—	—
Trust Fees from Loan Trusts and Jointly-Operated Money Trusts (before deducting Trust Accounts Credit Costs)	13,477	11,865	1,612	120
Other Trust Fees	86,392	93,672	(7,280)	770
Net Interest Income:	219,083	230,944	(11,861)	1,953
Interest Income	384,354	372,076	12,278	3,427
Interest Expenses	(165,271)	(141,131)	(24,139)	(1,474)
Net Fees and Commissions:	312,212	275,818	36,393	2,784
Fees and Commissions	397,531	356,247	41,284	3,545
Fees and Commissions Payments	(85,319)	(80,428)	(4,891)	(761)
Net Trading Income:	17,040	15,535	1,504	152
Trading Income	18,338	15,964	2,374	164
Trading Expenses	(1,297)	(428)	(869)	(12)
Net Other Ordinary Income and Expenses: (excluding non-recurring expenses)	(22,624)	69,972	(92,597)	(202)
Other Ordinary Income	296,261	286,009	10,251	2,642
Other Ordinary Expenses	(318,885)	(216,036)	(102,849)	(2,843)
General and Administrative Expenses	(419,680)	(405,019)	(14,660)	(3,742)
Net Business Profit before Credit Costs	232,363	318,331	(85,967)	2,072

(Note) Amounts in parentheses represent losses or expenses, and profit decreases from the previous fiscal year.

Credit Costs (Consolidated)

"Total Credit Costs" increased by ¥2 billion (U.S. $17.8 million) from the previous fiscal year to ¥ (28.5) billion (U.S. $ (254) million). This was due mainly to the non-recurrence of "Reversal of Allowance for Loan Losses," which was recorded for the fiscal year ended March 31, 2016, and the disposal of non-performing loans.

Credit Costs (Consolidated)

	Millions of Yen			Millions of U.S. Dollars
Years Ended March 31	2017	2016	Changes	2017
Total Credit Costs	¥ (28,551)	¥ (25,955)	¥ (2,596)	$ (255)
Trust Account Credit Costs	—	—	—	—
Banking Account Credit Costs	(1,871)	(21,938)	20,066	(17)
Write-Off of Loans	(4,776)	(9,377)	4,601	(43)
Net Provision of Specific Allowance for Loan Losses	3,173	(12,383)	15,556	28
Losses on Sales of Loans	(268)	(177)	(90)	(2)
Net Provision of General Allowance for Loan Losses	(29,493)	(6,812)	(22,681)	(263)
Reversal of Allowance for Loan Losses	—	—	—	—
Recoveries of Written-Off Claims	2,813	2,795	18	25

(Note) Amounts in parentheses represent losses or expenses, and profit decreases from the previous fiscal year.

Net Gains (Losses) on Stocks and Other Securities (Consolidated)

"Net Gains (Losses) on Stock and Other Securities" improved by ¥6.8 billion (U.S. $61 million) from the previous fiscal year to ¥36.4 billion (U.S. $325 million).

Net Gains (Losses) on Stocks and Other Securities (Consolidated)

	Millions of Yen			Millions of U.S. Dollars
Years Ended March 31	2017	2016	Changes	2017
Net Gains (Losses) on Stocks and Other Securities	¥ 36,488	¥ 29,660	¥ 6,828	$ 325
Gains (Losses) on Sales of Stocks and Other Securities	40,336	36,010	4,326	360
Losses on Devaluation of Stocks and Other Securities	(3,848)	(6,350)	2,501	(34)

(Note) Amounts in parentheses represent losses or expenses, and profit decreases from the previous fiscal year.

Financial Condition

Assets and Liabilities

As of March 31, 2017, consolidated "Total Assets" were ¥65,453.7 billion (U.S. $548 billion), an increase of ¥7,223.7 billion (U.S. $64 billion), and consolidated "Total Net Assets" were ¥2,791.6 billion (U.S. $24.9 billion), a increased of ¥87.1 billion (U.S. $1 billion), compared with those as of the end of the previous fiscal year, respectively.

In particular, "Cash and Due from Banks" increased by ¥7,019.9 billion (U.S. $63 billion) to ¥26,944.4 billion (U.S. $240 billion), "Loans and Bills Discounted" increased by ¥514.5 billion (U.S. $5 billion) to ¥28,040.4 billion (U.S. $250 billion), "Securities" increased by ¥201.4 billion (U.S. $2 billion) to ¥5,127.7 billion (U.S. $46 billion), and "Deposits" increased by ¥9,298.8 billion (U.S. $83 billion) to ¥36,000.8 billion (U.S. $321 billion), compared with those as of the end of the previous fiscal year.

"Total Assets of Trust Accounts" increased by ¥24,369.9 billion (U.S. $217 billion) to ¥261,127.2 billion (U.S. $2,328 billion) as of March 31, 2016.

Problem Assets under the Financial Reconstruction Act

As of March 31, 2016, the total balance of Bankrupt and Practically Bankrupt Loans, Doubtful Loans, and Substandard Loans of the Banking Account and the Principal Guaranteed Trust Accounts with a disclosure requirement under the Financial Reconstruction Act, decreased by ¥18.9 billion (U.S. $0.2 billion) from the end of the previous fiscal year to ¥712 billion (U.S. $0.6 billion). The ratio of "Problem Assets under the Financial Reconstruction Act" to Total Balance fell 0.1% from the previous fiscal year to 0.2%.

Problem Assets under the Financial Reconstruction Act
(SuMi TRUST Bank (non-consolidated basis) after partial direct write-offs)

Banking Account and Principal Guaranteed Trust Account (Combined)

	Billions of Yen			Billions of U.S. Dollars
As of March 31	2017	2016	Changes	2017
Problem Assets under the Financial Reconstruction Act	¥ 71.2	¥ 90.1	¥ (18.9)	$ 1
Total Balance	28,735.2	27,663.4	1,071.8	256
Ratio to Total Balance	0.2%	0.3%	(0.1)%	0.2%

Banking Account

Classification	Billions of Yen, Except for Percentages							
	Balance		Coverage Ratio		Collateral/Allowance		Allowance Ratio	
As of March 31	2017	2016	2017	2016	2017		2017	2016
Bankrupt and Practically Bankrupt Loans (A)	¥ 7.9	¥ 11.9	100%	100%	Specific Allowance Provided	¥ 3.5	100%	100%
					Covered by Collateral/Guarantee	4.4		
Doubtful Loans (B)	30.5	39.9	87%	91%	Uncovered	4.0	62%	66%
					Specific Allowance Provided	6.6		
					Covered by Collateral/Guarantee	19.9		
Substandard Loans (C)	27.7	33.2	90%	79%	Uncovered	2.7	19%	22%
					General Allowance Provided	0.6		
					Covered by Collateral/Guarantee	24.4		
Total of (A), (B), and (C)	66.1	85.0						
Total Balance	28,688.0	27,607.5						
Ratio to Total Balance	0.2%	0.3%						

Principal Guaranteed Trust Account

Classification	Billions of Yen, Except for Percentages					
	Balance		Coverage Ratio		Collateral/Allowance	
As of March 31	2017	2016	2017	2016	2017	
Bankrupt and Practically Bankrupt Loans (A)	¥ —	¥ 0.0	100%	100%	Covered by Collateral/Guarantee	¥ —
Doubtful Loans (B)	5.0	5.5	100%	100%	Covered by Collateral/Guarantee	5.0
Substandard Loans (C)	0.1	1.0	100%	100%	Covered by Collateral/Guarantee	0.1
Total of (A), (B), and (C)	5.0	5.1			Allowance for Loan Trusts	—
					Allowance for Jointly Operated Money Trusts	—
Total Balance	47.2	67.9				
Ratio to Total Balance	10.7%	9.7%				

Net Interest Spread (Domestic Banking Account and Principal Guaranteed Trust Account)

	Percentage Points		
Years Ended March 31	2017	2016	Changes
Average Yield on Interest-Earning Assets (a)	0.62%	0.72%	(0.10)%
Loans and Bills Discounted (A)	0.73	0.84	(0.11)
Securities	1.52	1.59	(0.07)
Average Yield on Interest-Bearing Liabilities (b)	0.16	0.20	(0.04)
Deposits (B)	0.14	0.19	(0.05)
Gross Margin (a)–(b)	0.46	0.52	(0.06)
Loan-Deposit Margin (A)–(B)	0.59	0.65	(0.06)

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Consolidated Statements of Banking Account	2017	2016	2015	2014	2013
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 26,944,478	¥ 19,924,523	¥ 10,530,766	¥ 6,916,949	¥ 3,902,377
Call Loans and Bills Bought	124,706	705,252	205,075	651,552	514,228
Securities	5,127,717	4,926,236	4,813,354	5,764,450	6,346,001
Loans and Bills Discounted	28,040,446	27,525,862	25,550,064	23,824,035	22,391,660
Foreign Exchanges	16,189	17,223	12,732	12,114	59,570
Customers' Liabilities for Acceptances and Guarantees	458,010	503,742	531,500	485,384	583,945
Others	4,742,176	4,627,107	4,592,456	4,234,927	3,906,248
Total Assets	¥ 65,453,725	¥ 58,229,948	¥ 46,235,949	¥ 41,889,413	¥ 37,704,031
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 43,327,431	¥ 33,832,580	¥ 31,650,278	¥ 29,223,508	¥ 27,127,414
Call Money and Bills Sold	54,089	38,968	497,600	200,005	168,355
Borrowed Money	3,463,105	2,580,524	2,492,087	1,906,117	1,169,032
Foreign Exchanges	236	259	140	124	106
Acceptances and Guarantees	458,010	503,742	531,500	485,384	583,945
Others	15,359,168	18,569,363	8,347,368	7,633,229	6,324,702
Total Liabilities	¥ 62,662,042	¥ 55,525,436	¥ 43,518,975	¥ 39,448,370	¥ 35,373,557
Net Assets:					
Shareholders' Equity	¥ 2,031,623	¥ 1,966,813	¥ 1,860,185	¥ 1,901,775	¥ 1,711,556
Accumulated Other Comprehensive Income	430,992	410,160	529,638	203,599	134,482
Subscription Rights to Shares	577	421	246	47	19
Non-Controlling Interests	328,488	327,116	326,902	335,620	484,415
Total Net Assets	¥ 2,791,682	¥ 2,704,511	¥ 2,716,973	¥ 2,441,043	¥ 2,330,474
Total Liabilities and Net Assets	¥ 65,453,725	¥ 58,229,948	¥ 46,235,949	¥ 41,889,413	¥ 37,704,031
For the Year					
Income:					
Trust Fees	¥ 99,870	¥ 105,537	¥ 104,703	¥ 104,747	¥ 96,190
Interest Income	384,354	372,076	369,229	356,811	339,266
Fees and Commissions	397,531	356,247	333,756	322,808	282,555
Trading Income	18,338	15,964	32,428	24,604	24,350
Other Ordinary Income	296,261	286,009	288,014	290,036	315,158
Other Income	66,531	65,789	78,400	89,156	64,135
Total Income	¥ 1,262,887	¥ 1,201,625	¥ 1,206,532	¥ 1,188,165	¥ 1,121,655
Expenses:					
Interest Expenses	¥ 165,271	¥ 141,131	¥ 126,347	¥ 129,169	¥ 119,535
Fees and Commissions Payments	85,319	80,428	73,661	70,464	69,774
Trading Expenses	1,297	428	—	228	339
Other Ordinary Expenses	318,885	216,036	237,129	240,157	230,030
General and Administrative Expenses	435,335	405,078	405,901	402,877	385,728
Other Expenses	65,642	85,385	130,914	98,616	87,912
Total Expenses	¥ 1,071,752	¥ 928,488	¥ 973,954	¥ 941,514	¥ 893,321
Income before Income Taxes	191,135	273,136	232,578	246,650	228,334
Net Income	¥ 134,206	¥ 179,150	¥ 159,665	¥ 137,675	¥ 133,768

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 317.24	¥ 43.33	¥ 40.38	¥ 34.48	¥ 31.27
Net Income per Share of Common Stock (Fully Diluted)	317.15	43.32	40.38	34.48	—
Net Assets per Share of Common Stock	6,437.57	618.11	618.11	511.02	470.71

	Millions of Yen				
Statements of Trust Account	2017	2016	2015	2014	2013
Total Assets	¥261,127,280	¥236,757,301	¥223,925,575	¥197,783,263	¥180,208,811

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of and for the fiscal years ended March 31

Non-Consolidated Statements	Millions of Yen				
	2017	2016	2015	2014	2013
As of the Year-End					
Assets:					
Current Assets:	¥ 76,718	¥ 82,563	¥ 91,049	¥ 111,835	¥ 55,581
Cash and Due from Banks	1,747	1,205	1,101	2,465	1,719
Securities	62,000	69,000	78,500	103,000	27,000
Non-Current Assets:	1,891,389	1,741,389	1,561,400	1,641,201	1,652,532
Investments and Other Assets	1,891,388	1,741,388	1,561,399	1,641,199	1,652,530
Total Assets	¥ 1,968,108	¥ 1,823,953	¥ 1,654,043	¥ 1,755,995	¥ 1,708,113
Liabilities:					
Current Liabilities	¥ 2,783	¥ 2,562	¥ 2,642	¥ 2,604	¥ 1,464
Non-Current Liabilities:	478,036	328,036	148,351	130,659	160,616
Bonds Payable	468,000	328,000	148,000	128,800	160,500
Provision for Retirement Benefits	—	—	—	—	—
Total Liabilities	¥ 480,820	¥ 330,598	¥ 150,994	¥ 133,263	¥ 162,081
Net Assets:					
Shareholders' Equity	¥ 1,486,710	¥ 1,493,160	¥ 1,502,802	¥ 1,622,684	¥ 1,546,012
Subscription Rights to Shares	577	421	246	47	19
Total Net Assets	¥ 1,487,288	¥ 1,493,582	¥ 1,503,048	¥ 1,622,731	¥ 1,546,032
Total Liabilities and Net Assets	¥ 1,968,108	¥ 1,824,180	¥ 1,654,043	¥ 1,755,995	¥ 1,708,113
For the Year					
Operating Income:	¥ 58,218	¥ 59,926	¥ 59,918	¥ 34,530	¥ 57,325
Dividends Received from Subsidiaries	54,700	54,778	55,667	29,550	51,963
Operating Expenses:	2,035	2,315	2,368	3,062	4,169
General and Administrative Expenses	2,035	2,315	2,368	3,062	4,169
Operating Profit	¥ 56,183	¥ 57,611	¥ 57,550	¥ 31,467	¥ 53,155
Non-Operating Income	¥ 5,165	¥ 2,615	¥ 434	¥ 369	¥ 84
Non-Operating Expenses	10,971	9,722	6,810	7,403	7,146
Income before Income Taxes	¥ 50,378	¥ 50,504	¥ 51,174	¥ 24,433	¥ 46,093
Net Income	¥ 50,376	¥ 50,503	¥ 51,173	¥ 24,431	¥ 46,089

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 131.59	¥ 13.11	¥ 12.54	¥ 5.13	¥ 10.04
Net Income per Share of Common Stock (Fully Diluted)	131.55	13.10	12.54	5.13	—
Net Assets per Share of Common Stock	3,886.44	388.28	389.02	387.32	389.30

(Note) Net Income per Share of Common Stock (Fully Diluted) for the fiscal years ended March 31, 2013 is not stated as there were no potential shares that would have a dilutive effect.

Financial Data:

Consolidated Balance Sheet

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets:			
Cash and Due from Banks	¥ 26,944,478	¥ 19,924,523	$ 240,254
Call Loans and Bills Bought	124,706	705,252	1,112
Receivables under Resale Agreements	83,888	110,377	748
Receivables under Securities Borrowing Transactions	480,453	326,457	4,284
Monetary Claims Bought	906,572	889,445	8,084
Trading Assets (Notes 1, 2, and 4)	496,563	614,290	4,428
Money Held in Trust	1,650	1,749	15
Securities (Notes 2, 4, and 14)	5,127,717	4,926,236	45,722
Loans and Bills Discounted (Notes 3, 4, and 5)	28,040,446	27,525,862	250,026
Foreign Exchanges	16,189	17,223	144
Lease Receivables and Investment Assets (Note 4)	667,808	608,433	5,955
Other Assets (Notes 4 and 8)	1,638,186	1,622,859	14,607
Tangible Fixed Assets (Note 6)	225,814	226,824	2,014
Intangible Fixed Assets (Note 7)	214,790	202,163	1,915
Assets for Retirement Benefits	119,018	91,404	1,061
Deferred Tax Assets	23,243	23,952	207
Customers' Liabilities for Acceptances and Guarantees	458,010	503,742	4,084
Allowance for Loan Losses	(115,814)	(90,851)	(1,033)
Total Assets	¥ 65,453,725	¥ 58,229,948	$ 583,627
Liabilities:			
Deposits (Notes 4 and 9)	¥ 36,000,814	¥ 26,701,948	$ 321,006
Negotiable Certificates of Deposit	7,326,617	7,130,632	65,329
Call Money and Bills Sold	54,089	38,968	482
Payables under Repurchase Agreements (Note 4)	1,063,737	653,456	9,485
Payables under Securities Lending Transactions (Note 4)	13,699	—	122
Trading Liabilities (Note 1)	366,879	451,751	3,271
Borrowed Money (Notes 4 and 10)	3,463,105	2,580,524	30,879
Foreign Exchanges	236	259	2
Short-Term Bonds Payable	904,248	1,253,207	8,063
Bonds Payable (Note 11)	1,385,098	1,076,118	12,350
Borrowed Money from Trust Account (Note 12)	10,274,143	13,694,600	91,611
Other Liabilities (Note 13)	1,151,325	1,253,630	10,266
Provision for Bonuses	16,331	16,321	146
Provision for Directors' Bonuses	259	255	2
Liabilities for Retirement Benefits	14,048	13,937	125
Provision for Reward Points Program	17,519	17,711	156
Provision for Reimbursement of Deposits	3,583	3,676	32
Provision for Contingent Losses	7,774	7,642	69
Deferred Tax Liabilities	137,501	123,927	1,226
Deferred Tax Liabilities for Land Revaluation (Note 6)	3,016	3,126	27
Acceptances and Guarantees (Note 4)	458,010	503,742	4,084
Total Liabilities	¥ 62,662,042	¥ 55,525,436	$ 558,734
Net Assets:			
Total Shareholders' Equity:	¥ 2,031,623	¥ 1,966,813	$ 18,115
Capital Stock	261,608	261,608	2,333
Capital Surplus	645,048	645,106	5,752
Retained Earnings	1,159,028	1,087,195	10,335
Treasury Stock	(34,061)	(27,097)	(304)
Total Accumulated Other Comprehensive Income:	430,992	410,160	3,843
Valuation Differences on Available-for-Sale Securities	476,848	467,517	4,252
Deferred Gains (Losses) on Hedges	(21,018)	(13,169)	(187)
Revaluation Reserve for Land (Note 6)	(6,067)	(5,819)	(54)
Foreign Currency Translation Adjustments	2,135	2,800	19
Adjustments for Retirement Benefits	(20,905)	(41,168)	(186)
Subscription Rights to Shares	577	421	5
Non-Controlling Interests	328,488	327,116	2,929
Total Net Assets	¥ 2,791,682	¥ 2,704,511	$ 24,892
Total Liabilities and Net Assets	¥ 65,453,725	¥ 58,229,948	$ 583,627

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 6,437.57	¥ 6,181.19	$ 57.40

See accompanying notes.
The figures in U.S. dollars are converted from a yen basis for convenience at the rate of ¥112.15 to U.S. $1.00, the exchange rate prevailing as of March 31, 2017.
SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share on October 1, 2016. Net assets per share of common stock are calculated as if the consolidation of shares had occurred at the beginning of the fiscal year ended March 31, 2016.

Financial Data:

Consolidated Statement of Income

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Income:			
Trust Fees	¥ 99,870	¥ 105,537	$ 891
Interest Income:	384,354	372,076	3,427
Interest on Loans and Discounts	279,228	259,957	2,490
Interest and Dividends on Securities	80,305	86,544	716
Interest on Call Loans and Bills Bought	1,341	857	12
Interest on Receivables under Resale Agreements	973	925	9
Interest on Receivables under Securities Borrowing Transactions	7	18	0
Interest on Deposits with Banks	18,110	18,610	161
Other Interest Income (Note 1)	4,387	5,161	39
Fees and Commissions	397,531	356,247	3,545
Trading Income (Note 2)	18,338	15,964	164
Other Ordinary Income (Note 3)	296,261	286,009	2,642
Other Income (Note 4)	66,531	65,789	593
Total Income	¥ 1,262,887	¥ 1,201,625	$ 11,261
Expenses:			
Interest Expenses:	¥ 165,271	¥ 141,131	$ 1,474
Interest on Deposits	79,629	61,617	710
Interest on Negotiable Certificates of Deposit	27,879	16,575	249
Interest on Call Money and Bills Sold	912	1,234	8
Interest on Payables under Repurchase Agreements	8,230	4,403	73
Interest on Payables under Securities Lending Transactions	24	7	0
Interest on Borrowings	9,438	9,143	84
Interest on Short-Term Bonds	5,245	2,810	47
Interest on Bonds	17,269	15,788	154
Other Interest Expenses (Note 1)	16,642	29,550	148
Fees and Commissions Payments	85,319	80,428	761
Trading Expenses (Note 2)	1,297	428	12
Other Ordinary Expenses (Note 3)	318,885	216,036	2,843
General and Administrative Expenses (Note 5)	435,335	405,078	3,882
Other Expenses (Note 4)	65,642	85,385	585
Total Expenses	¥ 1,071,752	¥ 928,488	$ 9,556
Income before Income Taxes	¥ 191,135	¥ 273,136	$ 1,704
Income Taxes:	56,929	93,986	508
Current	52,274	72,470	466
Deferred	4,654	21,515	42
Net Income	¥ 134,206	¥ 179,150	$ 1,197
Net Income Attributable to Non-Controlling Interests	12,759	12,240	114
Net Income Attributable to Owners of the Parent	¥ 121,446	¥ 166,909	$ 1,083

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 317.24	¥ 433.30	$ 2.83
Net Income per Share of Common Stock (Fully Diluted)	¥ 317.15	¥ 433.22	$ 2.83

See accompanying notes.
SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share 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, 2016.

Financial Data:

Consolidated Statement of Comprehensive Income

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Net Income	**¥ 134,206**	¥ 179,150	**$ 1,197**
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	**11,809**	(33,514)	**105**
Deferred Gains (Losses) on Hedges	**(9,314)**	3,149	**(83)**
Revaluation Reserve for Land	**—**	175	**—**
Foreign Currency Translation Adjustments	**(1,360)**	(11,134)	**(12)**
Adjustments for Retirement Benefits	**20,293**	(77,014)	**181**
Attributable to Equity-Method Affiliated Companies	**(279)**	(1,451)	**(2)**
Total Other Comprehensive Income (Loss) (Note)	**¥ 21,148**	¥ (119,791)	**$ 189**
Comprehensive Income:	**¥ 155,354**	¥ 59,359	**$ 1,385**
Comprehensive Income Attributable to Owners of the Parent	**142,527**	47,474	**1,271**
Comprehensive Income Attributable to Non-Controlling Interests	**12,827**	11,884	**114**

See accompanying notes.

Financial Data:

Consolidated Statement of Changes in Net Assets

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2017 and 2016

From April 1, 2016 to March 31, 2017

	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	¥ 645,106	¥ 1,087,195	¥ (27,097)	¥ 1,966,813
Changes during the Year					
Cash Dividends			(49,861)		(49,861)
Net Income Attributable to Owners of the Parent			121,446		121,446
Purchase of Treasury Stock				(6,983)	(6,983)
Disposal of Treasury Stock		(0)		19	18
Purchase of Shares of Consolidated Subsidiaries		(57)			(57)
Reversal of Revaluation Reserve for Land			247		247
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(58)	71,833	(6,964)	64,810
Balance at the End of the Year	¥ 261,608	¥ 645,048	¥ 1,159,028	¥ (34,061)	¥ 2,031,623

	Millions of Yen								
	Accumulated Other Comprehensive Income								
	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	Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Year	¥ 467,517	¥ (13,169)	¥ (5,819)	¥ 2,800	¥ (41,168)	¥ 410,160	¥ 421	¥ 327,116	¥ 2,704,511
Changes during the Year									
Cash Dividends									(49,861)
Net Income Attributable to Owners of the Parent									121,446
Purchase of Treasury Stock									(6,983)
Disposal of Treasury Stock									18
Purchase of Shares of Consolidated Subsidiaries									(57)
Reversal of Revaluation Reserve for Land									247
Net Changes of Items Other Than Shareholders' Equity	9,331	(7,848)	(247)	(665)	20,263	20,832	155	1,372	22,360
Total Changes during the Year	9,331	(7,848)	(247)	(665)	20,263	20,832	155	1,372	87,171
Balance at the End of the Year	¥ 476,848	¥ (21,018)	¥ (6,067)	¥ 2,135	¥ (20,905)	¥ 430,992	¥ 577	¥ 328,488	¥ 2,791,682

See accompanying notes.

From April 1, 2015 to March 31, 2016

	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	¥ 645,261	¥ 970,373	¥ (17,057)	¥ 1,860,185
Changes during the Year					
Cash Dividends			(50,105)		(50,105)
Net Income Attributable to Owners of the Parent			166,909		166,909
Purchase of Treasury Stock				(10,069)	(10,069)
Disposal of Treasury Stock		0		29	29
Purchase of Shares of Consolidated Subsidiaries		(155)			(155)
Sales of Shares of Consolidated Subsidiaries			(25)		(25)
Reversal of Revaluation Reserve for Land			43		43
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(154)	116,822	(10,040)	106,627
Balance at the End of the Year	¥ 261,608	¥ 645,106	¥ 1,087,195	¥ (27,097)	¥ 1,966,813

	Millions of Yen								
	Accumulated Other Comprehensive Income								
	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	Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Year	¥ 505,448	¥ (20,605)	¥ (5,951)	¥ 14,953	¥ 35,793	¥ 529,638	¥ 246	¥ 326,902	¥ 2,716,973
Changes during the Year									
Cash Dividends									(50,105)
Net Income Attributable to Owners of the Parent									166,909
Purchase of Treasury Stock									(10,069)
Disposal of Treasury Stock									29
Purchase of Shares of Consolidated Subsidiaries									(155)
Sales of Shares of Consolidated Subsidiaries									(25)
Reversal of Revaluation Reserve for Land									43
Net Changes of Items Other Than Shareholders' Equity	(37,930)	7,435	131	(12,153)	(76,961)	(119,478)	175	213	(119,089)
Total Changes during the Year	(37,930)	7,435	131	(12,153)	(76,961)	(119,478)	175	213	(12,461)
Balance at the End of the Year	¥ 467,517	¥ (13,169)	¥ (5,819)	¥ 2,800	¥ (41,168)	¥ 410,160	¥ 421	¥ 327,116	¥ 2,704,511

See accompanying notes.

From April 1, 2016 to March 31, 2017

	Millions of U.S. Dollars				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Year	$ 2,333	$ 5,752	$ 9,694	$ (242)	$ 17,537
Changes during the Year					
Cash Dividends			(445)		(445)
Net Income Attributable to Owners of the Parent			1,083		1,083
Purchase of Treasury Stock				(62)	(62)
Disposal of Treasury Stock		(0)		0	0
Purchase of Shares of Consolidated Subsidiaries		(1)			(1)
Reversal of Revaluation Reserve for Land			2		2
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(1)	641	(62)	578
Balance at the End of the Year	$ 2,333	$ 5,752	$ 10,335	$ (304)	$ 18,115

	Millions of U.S. Dollars								
	Accumulated Other Comprehensive Income								
	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	Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Year	$ 4,169	$ (117)	$ (52)	$ 25	$ (367)	$ 3,657	$ 4	$ 2,917	$ 24,115
Changes during the Year									
Cash Dividends									(445)
Net Income Attributable to Owners of the Parent									1,083
Purchase of Treasury Stock									(62)
Disposal of Treasury Stock									0
Purchase of Shares of Consolidated Subsidiaries									(1)
Reversal of Revaluation Reserve for Land									2
Net Changes of Items Other Than Shareholders' Equity	83	(70)	(2)	(6)	181	186	1	12	199
Total Changes during the Year	83	(70)	(2)	(6)	181	186	1	12	777
Balance at the End of the Year	$ 4,252	$ (187)	$ (54)	$ 19	$ (186)	$ 3,843	$ 5	$ 2,929	$ 24,892

See accompanying notes.

Financial Data:

Consolidated Statement of Cash Flows

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 191,135	¥ 273,136	$ 1,704
Depreciation and Amortization	32,336	30,461	288
Impairment Losses	5,870	4,080	52
Amortization of Goodwill	9,464	8,416	84
Gain on Negative Goodwill	—	(874)	—
Equity in Losses (Earnings) of Affiliated Companies	(6,950)	(7,702)	(62)
Increase (Decrease) in Allowance for Loan Losses	24,962	(2,535)	223
Increase (Decrease) in Provision for Bonuses	10	8	0
Increase (Decrease) in Provision for Directors' Bonuses	4	25	0
Decrease (Increase) in Assets for Retirement Benefits	(13,650)	98,195	(122)
Increase (Decrease) in Liabilities for Retirement Benefits	135	1,830	1
Increase (Decrease) in Provision for Reward Points Program	(192)	1,216	(2)
Increase (Decrease) in Provision for Reimbursement of Deposits	(92)	77	(1)
Increase (Decrease) in Provision for Contingent Losses	131	(891)	1
Interest Income	(384,354)	(372,076)	(3,427)
Interest Expenses	165,271	141,131	1,474
Loss (Gain) Related to Securities	60,574	(82,002)	540
Loss (Gain) on Money Held in Trust	(43)	(39)	(0)
Foreign Exchange Losses (Gains)	18,015	70,463	161
Loss (Gain) on Disposal of Fixed Assets	(623)	1,718	(6)
Net Decrease (Increase) in Trading Assets	117,726	140,672	1,050
Net Increase (Decrease) in Trading Liabilities	(84,871)	46,562	(757)
Net Decrease (Increase) in Loans and Bills Discounted	(517,960)	(1,966,797)	(4,618)
Net Increase (Decrease) in Deposits	9,309,675	1,624,350	83,011
Net Increase (Decrease) in Negotiable Certificates of Deposit	195,985	560,064	1,748
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	877,614	(5,135)	7,825
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	187,520	(91,858)	1,672
Net Decrease (Increase) in Call Loans	589,770	(568,738)	5,259
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(153,996)	(15,650)	(1,373)
Net Increase (Decrease) in Call Money	425,402	(268,118)	3,793
Net Increase (Decrease) in Payables under Securities Lending Transactions	13,699	—	122
Net Decrease (Increase) in Foreign Exchange-Assets	1,034	(4,490)	9
Net Increase (Decrease) in Foreign Exchange-Liabilities	(22)	118	(0)
Net Decrease (Increase) in Lease Receivables and Investment Assets	(59,374)	(47,042)	(529)
Net Increase (Decrease) in Short-Term Bonds Payable	(348,958)	278,889	(3,112)
Increase (Decrease) in Straight Bonds-Issuance and Redemption	219,207	11,511	1,955
Net Increase (Decrease) in Borrowed Money from Trust Account	(3,420,456)	9,711,339	(30,499)
Interest Received	393,100	385,989	3,505
Interest Paid	(161,877)	(151,477)	(1,443)
Other, Net	(57,493)	8,172	(513)
Subtotal	¥ 7,627,731	¥ 9,813,000	$ 68,014
Income Taxes (Paid) Refunded	(94,387)	(60,571)	(842)
Net Cash Provided by (Used in) Operating Activities	¥ 7,533,343	¥ 9,752,429	$ 67,172

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (5,658,711)	¥ (5,512,916)	$ (50,457)
Proceeds from Sale of Securities	3,745,007	3,242,654	33,393
Proceeds from Redemption of Securities	1,657,757	1,996,948	14,782
Increase in Money Held in Trust	—	(250)	—
Purchase of Tangible Fixed Assets	(12,428)	(20,408)	(111)
Proceeds from Sales of Tangible Fixed Assets	3,148	4,353	28
Purchase of Intangible Fixed Assets	(49,752)	(51,259)	(444)
Proceeds from Sales of Intangible Fixed Assets	1	0	0
Purchase of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation	—	(39,910)	—
Proceeds from Sales of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation	—	160	—
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(24,381)	—	(217)
Net Cash Provided by (Used in) Investing Activities	¥ (339,358)	¥ (380,627)	$ (3,026)
Cash Flows from Financing Activities:			
Proceeds from Subordinated Borrowings	10,000	—	89
Repayments of Subordinated Borrowings	(5,000)	(30,000)	(45)
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	139,133	178,883	1,241
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(50,000)	(141,269)	(446)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	(170)	(434)	(2)
Cash Dividends Paid	(49,847)	(50,102)	(444)
Cash Dividends Paid to Non-Controlling Interests	(11,123)	(11,159)	(99)
Purchase of Treasury Stock	(6,983)	(10,069)	(62)
Proceeds from Sales of Treasury Stock	18	29	0
Net Cash Provided by (Used in) Financing Activities	¥ 26,026	¥ (64,122)	$ 232
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (12,536)	¥ (5,780)	$ (112)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 7,207,476	¥ 9,301,898	$ 64,266
Cash and Cash Equivalents at the Beginning of the Year	¥17,323,915	¥ 8,022,017	$ 154,471
Cash and Cash Equivalents at the End of the Year (Note 1)	¥24,531,391	¥ 17,323,915	$ 218,737

See accompanying notes.

Financial Data:

Notes to the Consolidated Financial Statements

Basis of Presentation of Financial Statements

The accompanying consolidated financial statements (banking account) have been prepared from the accounts maintained by Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") and its consolidated subsidiaries (together, "SuMi TRUST Group") in accordance with the accounting principles generally accepted in Japan and certain accounting and disclosure rules under the Financial Instruments and Exchange Act of Japan and the Banking Act of Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, the consolidated financial statements of SuMi TRUST Holdings issued in Japan have been reclassified and rearranged in order to present them in a form that is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which SuMi TRUST Holdings is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥112.15 to U.S. $1, the approximate rate of exchange as of March 31, 2017. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen have been rounded down and amounts less than one million U.S. dollars have been rounded off. As a result, total balances may not be equal to the sum of individual amounts.

Significant Accounting Policies and Practices

1. Scope of Consolidation

(1) Consolidated Subsidiaries as of March 31, 2017:

71 companies

Principal Company:

Sumitomo Mitsui Trust Bank, Limited

("SuMi TRUST Bank")

SMT Fund Services (UK) Limited and one other company are excluded from the scope of consolidation due to liquidation effective from the fiscal year ended March 31, 2017.

(2) Unconsolidated Subsidiaries

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 30 other companies are excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries are excluded from the scope of consolidation because they are immaterial to the extent that excluding such companies from consolidation would not prevent a reasonable assessment of the corporate group's financial position and financial results. Such materiality is determined based on the size of their assets, ordinary income, net income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), retained earnings (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), accumulated other comprehensive income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), and other financial data.

2. Application of the Equity Method

(1) Unconsolidated Subsidiaries Accounted for by the Equity Method:

None

(2) Affiliated Companies Accounted for by the Equity Method:

23 companies

Principal Companies:

Japan Stockholders Data Service Company, Limited

SBI Sumishin Net Bank, Ltd.

Changes in the affiliated companies accounted for by the equity method during the fiscal year ended March 31, 2017, are as follows:

Marubeni SuMiT Rail Transport Inc. and three other companies are included in the scope of application of the equity method due mainly to the acquisition of their shares from the fiscal year ended March 31, 2017.

(3) Unconsolidated Subsidiaries and Affiliated Companies that are Not Accounted for by the Equity Method

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 30 other companies are excluded from the scope of the application of the equity method in accordance with Article 10, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method are excluded from the scope of application of the equity method because such exclusion would not materially affect the consolidated financial statements for the current fiscal year. Such materiality is determined based on the size of their net income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), retained earnings (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), accumulated other comprehensive income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), and other financial data.

3. Balance Sheet Dates of the Consolidated Subsidiaries

(1) Balance sheet dates of consolidated subsidiaries are as follows:

April 30:	2 companies
May 31:	1 company
August 31:	1 company
September 30:	5 companies
November 30:	1 company
December 31:	10 companies
January 24:	3 companies
January 31:	2 companies
March 31:	46 companies

(2) Subsidiaries are consolidated using the financial statements as of the following dates:

- Consolidated subsidiaries with a balance sheet date of April 30: Provisionally prepared financial statements as of January 31
- A consolidated subsidiary with a balance sheet date of May 31: Provisionally prepared financial statements as of February 28
- A consolidated subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 28
- Consolidated subsidiaries with a balance sheet date of September 30: Provisionally prepared financial statements as of March 31
- A consolidated subsidiary with a balance sheet date of November 30: Provisionally prepared financial statements as of February 28
- Consolidated subsidiaries with a balance sheet date of January 24: Provisionally prepared financial statements as of March 31
- The other consolidated subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet date, March 31, 2017, and the above balance sheet dates of consolidated subsidiaries have been reflected in the consolidated financial statements.

4. Significant Accounting Policies

(1) Trading Assets/Liabilities and Income/Expenses

Trading account activities are conducted to seek profits by taking advantage of short-term fluctuations in interest rates, currency rates, financial markets or other indicators, or intermarket differences (for trading purposes). The fluctuations in such items are presented as "Trading Assets" or "Trading Liabilities" in the consolidated balance sheet on a trade-date basis, and gains and losses from such transactions are presented as "Trading Income" or "Trading Expenses" in the consolidated statement of income.

For the measurement of trading assets and trading liabilities, securities and monetary claims are stated at their fair values as of the consolidated balance sheet date, and trading-related financial derivatives, such as swaps, futures, and options, are stated at the amounts that would be settled if they were terminated on the consolidated balance sheet date.

Trading income and trading expenses include interest income or expenses, adjusting valuation differences of securities and monetary claims during the fiscal year and differences in resulting gains or losses from the settlement of financial derivatives assuming that the settlement was made in cash as of March 31, 2017 and 2016.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Holdings is required to determine the purposes of holding each security and classify such security into (i) securities held for trading purposes ("Trading Securities"), (ii) debt securities intended to be held to maturity ("Held-to-Maturity Debt Securities"), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories ("Available-for-Sale Securities"). "Held-to-Maturity Debt Securities" are carried at amortized cost using the moving-average method (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. Japanese stocks classified as "Available-for-Sale Securities" are valued at the average market price during the final month of the fiscal year (cost of securities sold is calculated using primarily the moving-average method). "Available-for-Sale Securities" other than Japanese stocks are, in principle, valued at the market price at the balance sheet date (cost of securities sold is calculated using primarily the moving-average method). "Available-for-Sale Securities" for which their fair values are extremely difficult to be determined are carried at cost using the moving-average method.

Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheet.

(b) Securities in money held in trust are classified and accounted for in the same manner as those described in 4. (1) and 4. (2) (a) above.

(3) Financial Derivatives

Financial derivatives, excluding those for trading purposes, are stated at fair value.

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

Tangible fixed assets are depreciated using primarily the straight-line method.

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

(b) Intangible fixed assets other than lease assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over the useful life specified by SuMi TRUST Holdings or the consolidated subsidiaries, generally five years.

(c) Lease assets

The lease assets under "Tangible Fixed Assets" and "Intangible Fixed Assets" that are related to finance leases that do not transfer ownership of the lease assets to lessees are depreciated using the straight-line method over the lease term, assuming a residual value of zero.

(5) Allowance for Loan Losses

The major domestic consolidated subsidiaries record allowance for loan losses in accordance with internally established criteria for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings ("legal bankruptcy") and against borrowers that are in substantially similar adverse condition ("virtual bankruptcy"), the allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future ("possible bankruptcy"), an allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large borrowers with certain credit risks and credit amounts that are classified as possible bankruptcy borrowers, restructured loan borrowers, or close-observation borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is

provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

For claims that are classified as other than those above, the allowance is provided based on the historical loan-loss ratios during a certain period.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment of asset quality. The Risk Management Department, which is independent from the operating sections, monitors the results of such assessments.

As for the other consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratios, and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of unrecoverable amount for each claim.

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥20,070 million (U.S. $179 million) and ¥27,075 million for the fiscal years ended March 31, 2017 and 2016, respectively.

(6) Provision for Bonuses

A provision for bonuses is provided for the estimated employee bonuses attributable to the current fiscal year.

(7) Provision for Directors' Bonuses

A provision for directors' bonuses is provided at some of the consolidated subsidiaries for the estimated directors' bonuses attributable to the current fiscal year.

(8) Provision for Reward Points Program

A provision for reward points program is provided for the use of points granted to holders of Diners Club Card and other credit cards in the amount deemed necessary based on the estimated points to be used in the future.

(9) Provision for Reimbursement of Deposits in Dormant Accounts

At SuMi TRUST Bank, a provision for reimbursement of deposits in dormant accounts is provided for the deposits that were derecognized as liabilities under certain conditions. Such provision is provided against the estimated future reimbursement to be requested by customers based on the past reimbursement record.

(10) Provision for Contingent Losses

A provision for contingent losses is provided for contingent losses associated with off-balance sheet transactions or trust transactions in the amount deemed necessary based on the estimated possible future losses.

(11) Accounting for Retirement Benefits

In determining the retirement benefit obligations, SuMi TRUST Bank and some consolidated subsidiaries attribute projected benefits to the periods up to the year ended March 31, 2017, based on the plan's benefit formula.

Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost: Past service cost is recognized using the straight-line method, primarily over 10 years within the employees' average remaining service period at incurrence.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts that would be required for voluntary termination at the year-end.

(12) Foreign Currency Translation

Assets and liabilities of SuMi TRUST Bank that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing at the consolidated balance sheet date, except for shares of stocks in affiliated companies translated into yen at the exchange rates prevailing at the acquisition dates.

Assets and liabilities of other consolidated subsidiaries that are denominated in foreign currencies are translated into yen at the exchange rates prevailing at their respective balance sheet dates.

(13) Accounting for Leases

As for the consolidated subsidiaries in Japan, income and expenses arising from transactions of finance leases that do not transfer ownerships to lessees are recognized as sales and costs of sales when lease payments are collected.

(14) Hedge Accounting

(a) Interest-related risk hedge

SuMi TRUST Bank manages interest rate risk arising from various assets and liabilities by using financial derivative transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Auditing Committee Report No. 24 of February 13, 2002, "Report No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest volatility factors for the hedged items and the hedging instruments.

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 15), SuMi TRUST Bank has adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which are utilized to manage interest rate risk arising from transactions, such as loans and bills discounted, and deposits. Deferred gains (losses) on hedges in the consolidated balance sheet as of the end of the current fiscal year that have resulted from existing "Macro Hedge Accounting" are amortized over the remaining period designated under "Macro Hedge Accounting" of each hedging transaction. Deferred losses on hedges associated with "Macro Hedge Accounting" were ¥145 million (U.S. $1 million) and ¥227 million (before tax effect) as of March 31, 2017 and 2016, respectively.

(b) Currency-related risk hedge

SuMi TRUST Bank manages the foreign exchange risk arising from various assets and liabilities denominated in foreign currencies using financial derivative transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Auditing Committee Report No. 25 of July 29, 2002, "Report No. 25"). The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

Additionally, transactions intended to hedge the foreign exchange risk associated with foreign-denominated securities (other than bonds) are treated as portfolio hedges. Fair value hedge accounting has been adopted to account for such transactions on the conditions that specific foreign-denominated securities are designated in advance as hedged items and that foreign currency payables of spot and forward foreign exchange contracts exist in excess of the acquisition cost of such foreign-denominated securities on a foreign currency basis.

The foreign exchange risk associated with investment in the shares of stocks in foreign subsidiaries and affiliated companies is individually hedged using forward exchange contracts denominated in the same currency, and foreign currency translation adjustments arising from the hedging instruments are included in "Foreign Currency Translation Adjustments."

(c) Stock-related risk hedge

SuMi TRUST Bank manages the risk of fluctuations in underlying stock prices of some available-for-sale securities

using financial derivatives transactions. Such transactions are generally treated as fair value hedges and the effectiveness of those hedges is evaluated individually by a ratio analysis, i.e., a comparison of the hedged item with the changes in the fair values of the corresponding hedging instrument.

(d) Internal hedge transactions and others

Among derivatives transactions of SuMi TRUST Bank that take place between consolidated subsidiaries or that are made internally between designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to Report No. 24 and Report No. 25. Accordingly, income or expenses arising from such interest rate swaps and cross-currency swaps are recognized as profits or losses, or deferred, rather than eliminated.

Deferred hedge accounting has been adopted for certain assets and liabilities by individual transactions.

Other consolidated subsidiaries account for such transactions as deferred hedges or exceptional treatment for interest rate swaps by individual transactions.

(15) Amortization of Goodwill

Goodwill is amortized over a period within 20 years that is reasonably determined for each case. Goodwill deemed immaterial, however, is expensed as incurred.

(16) Scope of Cash and Cash Equivalents in the Consolidated Statement of Cash Flows

The balance of "Cash and Cash Equivalents" in the consolidated statement of cash flows is equivalent to the balance of "Cash and Due from Banks" presented in the consolidated balance sheets (cash and due from the Bank of Japan for SuMi TRUST Bank and Japan Trustee Services Bank, Ltd. ("JTSB")).

(17) National and Local Consumption Taxes

National and local consumption taxes ("consumption taxes") payable by SuMi TRUST Holdings and its consolidated subsidiaries in Japan are accounted for by the tax-excluded method. However, any nondeductible consumption taxes associated with asset purchases are recorded as expenses in the current fiscal year.

Changes in Accounting Policies

Some consolidated subsidiaries applied the "Practical Solution on a Change in Depreciation Method due to Tax Reform 2016" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32 of June 17, 2016) from the fiscal year ended March 31, 2017, to comply with the 2016 Tax Reform Act. They changed their depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method. The effect of this change to "Income" and "Income before Income Taxes" for the fiscal year ended March 31, 2017, is immaterial.

Additional Information

SuMi TRUST Holdings applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Statement No. 26 of March 28, 2016) effective from the fiscal year ended March 31, 2017.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Securities in Trading Account	¥ 14,102	¥ 25,999	$ 126
Derivatives of Trading Securities	766	38	7
Derivatives of Securities Related to Trading Transactions	181	80	2
Trading-Related Financial Derivatives	437,414	563,870	3,900
Other Trading Assets	44,099	24,301	393
Total	¥ 496,563	¥ 614,290	$ 4,428

(2) Trading liabilities as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Derivatives of Trading Securities	¥ 15	¥ —	$ 0
Derivatives of Securities Related to Trading Transactions	—	21	—
Trading-Related Financial Derivatives	366,863	451,729	3,271
Total	¥ 366,879	¥ 451,751	$ 3,271

2. Securities

Securities held as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Government Bonds	¥ 355,495	¥ 857,012	$ 3,170
Local Government Bonds	4,790	4,846	43
Corporate Bonds	656,653	656,962	5,855
Stocks	1,553,737	1,417,859	13,854
Other Securities	2,557,038	1,989,555	22,800
Total	¥ 5,127,717	¥ 4,926,236	$ 45,722

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliated companies as follows.

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Stocks	¥ 86,275	¥ 57,730	$ 769
Equity Investments	33,203	36,057	296

Securities borrowed under unsecured loan agreements and securities purchased under resale agreements or borrowed with cash collateral that SuMi TRUST Holdings has a right to freely sell or repledge, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Securities that are Further Colateralized	¥ 15,500	¥ —	$ 138
Securities that are Further Loaned	866,678	886,136	7,728
Securities Held without Selling or Repledging as of the End of the Fiscal Year	48,103	—	429

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Bills Discounted	¥ 2,299	¥ 2,478	$ 21
Loans on Bills	229,775	267,708	2,049
Loans on Deeds	26,255,001	25,727,727	234,106
Overdrafts	1,553,370	1,527,948	13,851
Total	¥ 28,040,446	¥ 27,525,862	$ 250,026

Bills discounted are treated as financial transactions in accordance with Report No. 24. SuMi TRUST Holdings has a right to freely sell or (re-)pledge such commercial bills. The total face value of these bills amounted to ¥2,299 million (U.S. $21 million) and ¥2,478 million as of March 31, 2017 and 2016, respectively.

Loans and bills discounted as of March 31, 2017 and 2016, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Loans in Bankruptcy Proceedings	¥ 2,919	¥ 4,229	$ 26
Delinquent Loans	53,778	65,692	480
Loans Past Due Three Months or More	191	—	2
Restructured Loans	34,343	40,999	306
Total	¥ 91,233	¥ 110,921	$ 813

Loans in bankruptcy proceedings are loans whose interest receivable is not recorded due to delinquency in principal or interest payments for a significant period or other reasons excluding loans that have been written off ("nonaccrual loans"), and that meet the conditions as prescribed in Paragraph 1, Items 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order No. 97 of 1965).

Delinquent loans are nonaccrual loans other than (i) loans in bankruptcy proceedings and (ii) loans for which the terms of interest payments have been extended in connection with the borrower's business restructuring or to otherwise provide support.

Loans past due three months or more are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as loans in bankruptcy proceedings or delinquent loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, delinquent loans, or loans past due three months or more.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets Pledged as Collateral:			
Trading Assets	¥ 16,987	¥ 20,000	$ 151
Securities	812,175	877,146	7,242
Loans and Bills Discounted	3,624,556	1,470,791	32,319
Lease Receivables and Investment Assets	—	8,425	—
Other Assets	29,604	153	264
Total	¥ 4,483,323	¥ 2,376,517	$ 39,976
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	25,784	23,012	230
Payables under Repurchase Agreements	685,264	354,071	6,110
Payables under Securities Lending Transactions	13,699	—	122
Borrowed Money	1,969,804	1,244,330	17,564
Acceptances and Guarantees	—	2,561	—
Total	¥ 2,694,553	¥ 1,623,975	$ 24,026

In addition to the foregoing, the following assets have been pledged as collateral for settlement of exchange and others, or as a substitution of margin of futures and others.

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Securities	¥ 671,882	¥ 692,467	$ 5,991
Loans and Bills Discounted	—	733,323	—

"Other Assets" include initial margins of futures, security deposits, and cash collateral paid for financial instruments. Such amounts are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Initial Margins of Futures Markets	¥ 7,781	¥ 8,435	$ 69
Security Deposits	35,909	31,351	320
Cash Collateral Pledged for Financial Instruments-Assets	493,052	486,412	4,396

5. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and commitment lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amounts of unused credit under such agreements were ¥11,960,257 million (U.S. $106,645 million) and ¥11,860,101 million, of which ¥8,092,361 million (U.S. $72,157 million) and ¥7,856,167 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2017 and 2016, respectively.

The balance of unused credit will not necessarily affect the future cash flows of the consolidated subsidiaries because most of these agreements expire without credit being extended. Most of these agreements contain clauses allowing the consolidated subsidiaries to reject requests for credit outright or reduce the credit limits due to changed financial circumstances, the need to preserve claims, or other reasonable causes. Besides requesting collateral, such as real estate or securities, as necessary at the time of entering into the agreement, SuMi TRUST Holdings has also adopted other measures to keep its credit sound, such as periodically assessing the condition of customers' businesses following the internal procedures and revising agreements, as necessary.

6. Tangible Fixed Assets

Tangible fixed assets as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Land	¥ 125,959	¥ 127,424	$ 1,123
Buildings	74,330	74,417	663
Lease Assets	5,901	3,437	53
Construction in Progress	811	1,877	7
Other	18,812	19,667	168
Total	¥ 225,814	¥ 226,824	$ 2,014

Accumulated depreciation amounted to ¥151,021 million (U.S. $1,347 million) and ¥139,114 million, and advance depreciation amounted to ¥26,415 million (U.S. $236 million) and ¥26,640 million as of March 31, 2017 and 2016, respectively.

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SuMi TRUST Bank was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation was calculated by reasonably adjusting the value of land based on the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998) and the land assessments under Item 4 of Article 2 of the same Order.

Differences between the fair value and the revalued carrying amount of the land for commercial use subject to Article 10 of the Act were ¥4,808 million (U.S. $43 million) and ¥5,486 million as of March 31, 2017 and 2016, respectively.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Software	¥ 114,447	¥ 91,241	$ 1,020
Goodwill	90,492	100,019	807
Lease Assets	188	212	2
Other	9,661	10,689	86
Total	¥ 214,790	¥ 202,163	$ 1,915

8. Other Assets

Other assets as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Domestic Exchange Settlement Account, Debit	¥ 602	¥ 666	$ 5
Prepaid Expenses	7,281	7,762	65
Accrued Income	112,061	110,176	999
Initial Margins of Futures Markets	7,781	8,435	69
Variation Margins of Futures Markets	1,020	5,341	9
Financial Derivatives Other Than Trading Assets	461,423	531,220	4,114
Receivables for Securities Transactions	49,289	19,276	439
Cash Collateral Pledged for Financial Instruments-Assets	493,052	486,412	4,396
Other	505,673	453,567	4,509
Total	¥ 1,638,186	¥ 1,622,859	$ 14,607

9. Deposits

Deposits as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Current Deposits	¥ 6,228,517	¥ 711,618	$ 55,537
Ordinary Deposits	6,723,946	4,803,351	59,955
Deposits at Notice	57,349	81,908	511
Time Deposits	21,740,613	19,814,292	193,853
Other	1,250,387	1,290,777	11,149
Total	¥ 36,000,814	¥ 26,701,948	$ 321,006

10. Borrowed Money

Borrowed money as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Subordinated Borrowings	¥ 105,000	¥ 100,033	$ 936
Other Borrowed Money	3,358,105	2,480,491	29,943
Total	¥ 3,463,105	¥ 2,580,524	$ 30,879

Weighted average interest rates on borrowed money were 0.39% and 0.26% for the fiscal years ended March 31, 2017 and 2016, respectively.

Annual maturities of borrowed money as of March 31, 2017, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Years Ending March 31	2017	2017
2018	¥ 2,290,979	$ 20,428
2019	223,594	1,994
2020	156,352	1,394
2021	87,645	782
2022	73,253	653
Total	¥ 2,831,825	$ 25,250

11. Bonds Payable

Bonds payable as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Perpetual Subordinated Bonds	¥ 247,299	¥ 147,606	$ 2,205
Subordinated Bonds	454,297	464,242	4,051
Other Bonds Payable	683,501	464,270	6,095
Total	¥ 1,385,098	¥ 1,076,118	$ 12,350

Annual maturities of bonds payable as of March 31, 2017, for the next five years are as follows:

Fiscal Years Ending March 31	Millions of Yen 2017	Millions of U.S. Dollars 2017
2018	¥ 171,473	$ 1,529
2019	321,452	2,866
2020	195,726	1,745
2021	160,000	1,427
2022	40,000	357
Total	¥ 888,651	$ 7,924

12. Borrowed Money from Trust Account

Borrowed money from trust account represents surplus funds in the trust accounts loaned to the banking account and utilized.

13. Other Liabilities

Other liabilities as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Domestic Exchange Settlement Account, Credit	¥ 995	¥ 965	$ 9
Income Taxes Payable	15,512	52,019	138
Accrued Expenses	103,814	107,465	926
Unearned Income	79,823	72,981	712
Variation Margins of Futures Markets	307	—	3
Financial Derivatives Other Than Trading Liabilities	445,948	639,844	3,976
Lease Obligations	8,817	9,463	79
Asset Retirement Obligations	5,272	4,334	47
Payables for Securities Transactions	199	54	2
Provision for Loss on Interest Repayment	278	297	2
Cash Collateral Accepted for Financial Instruments-Liabilities	269,639	197,037	2,404
Other	220,715	169,167	1,968
Total	¥ 1,151,325	¥ 1,253,630	$ 10,266

14. Acceptances and Guarantees

The bonds presented under "Securities" included guarantee obligations on corporate bonds that were placed through private securities offerings (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) amounting to ¥109,176 million (U.S. $973 million) and ¥134,249 million as of March 31, 2017 and 2016, respectively.

Notes to the Consolidated Statement of Income

1. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Interest on Monetary Claims Bought	¥ 1,574	¥ 2,383	$ 14
Others	2,812	2,777	25
Total	¥ 4,387	¥ 5,161	$ 39

(2) Other interest expenses for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Interest on Interest Rate Swaps	¥ 1,413	¥ 16,685	$ 13
Others	15,229	12,864	136
Total	¥ 16,642	¥ 29,550	$ 148

2. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Net Income from Trading Securities and Derivatives	¥ —	¥ 927	$ —
Net Income from Trading-Related Financial Derivatives Transactions	18,282	14,831	163
Other Trading Income	55	204	0
Total	¥ 18,338	¥ 15,964	$ 164

(2) Trading expenses for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Net Expenses on Trading Securities and Derivatives	¥ 258	¥ —	$ 2
Net Expenses on Trading Transactions	1,039	428	9
Total	¥ 1,297	¥ 428	$ 12

3. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Net Gains on Foreign Exchange Transactions	¥ 28,966	¥ 16,240	$ 258
Gains on Sales and Redemption of Bonds	21,656	57,490	193
Net Income from Derivatives Other Than for Trading or Hedging	20,803	—	185
Others	224,834	212,278	2,005
Total	¥ 296,261	¥ 286,009	$ 2,642

(2) Other ordinary expenses for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Losses on Sales and Redemption of Bonds	¥ 118,712	¥ 5,147	$ 1,059
Net Losses on Derivatives Other Than for Trading or Hedging	—	22,226	—
Others	200,173	188,662	1,785
Total	¥ 318,885	¥ 216,036	$ 2,843

4. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Gains on Sales of Stocks and Other Securities	¥ 46,243	¥ 42,293	$ 412
Gains on Money Held in Trust	44	42	0
Recoveries of Written-Off Claims	2,813	2,795	25
Equity in Earnings of Affiliated Companies	6,950	7,702	62
Gains on Disposal of Fixed Assets	1,615	1,846	14
Others	8,863	11,109	79
Total	¥ 66,531	¥ 65,789	$ 593

(2) Other expenses for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Allowance for Loan Losses	¥ 26,320	¥ 19,195	$ 235
Losses on Sales of Loans	9	102	0
Write-Off of Loans	4,776	9,377	43
Losses on Sales of Stocks and Other Securities	5,906	6,283	53
Losses on Devaluation of Stocks and Other Securities	3,848	6,350	34
Losses on Money Held in Trust	0	2	0
Losses on Disposal of Fixed Assets	992	3,565	9
Losses on Impairment of Fixed Assets	5,870	4,080	52
Losses on Investment in Partnerships	3,076	8,731	27
Others	14,840	27,697	132
Total	¥ 65,642	¥ 85,385	$ 585

5. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Taxes Other Than Income Taxes	¥ 17,336	¥ 15,490	$ 155
Personnel Expenses	207,041	187,341	1,846
Others	210,957	202,246	1,881
Total	¥ 435,335	¥ 405,078	$ 3,882

Note to the Consolidated Statement of Comprehensive Income

Reclassification Adjustments and the Related Tax Effects Concerning Other Comprehensive Income

Reclassification adjustments and the related tax effects concerning other comprehensive income for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	¥ (44,881)	¥ (8,615)	$ (400)
Reclassification Adjustments	61,779	(57,779)	551
Before Tax Effects	16,898	(66,395)	151
Tax Effects	(5,089)	32,880	(45)
Valuation Difference on Available-for-Sale Securities	11,809	(33,514)	105
Deferred Gains (Losses) on Hedges:			
Changes during the Period	(14,875)	(11,851)	(133)
Reclassification Adjustments	1,413	16,685	13
Before Tax Effects	(13,462)	4,834	(120)
Tax Effects	4,148	(1,685)	37
Deferred Gains (Losses) on Hedges	(9,314)	3,149	(83)
Revaluation Reserve for Land:			
Changes during the Period	—	—	—
Reclassification Adjustments	—	—	—
Before Tax Effects	—	—	—
Tax Effects	—	175	—
Revaluation Reserve for Land	—	175	—
Foreign Currency Translation Adjustments:			
Changes during the Period	(1,360)	(11,134)	(12)
Reclassification Adjustments	—	—	—
Before Tax Effects	(1,360)	(11,134)	(12)
Tax Effects	—	—	—
Foreign Currency Translation Adjustments	(1,360)	(11,134)	(12)
Adjustments for Retirement Benefits			
Changes during the Period	14,646	(111,402)	131
Reclassification Adjustments	14,415	(1,058)	129
Before Tax Effects	29,062	(112,460)	259
Tax Effects	(8,768)	35,446	(78)
Adjustments for Retirement Benefits	20,293	(77,014)	181
Attributable to Equity-Method Affiliated Companies:			
Changes during the Period	34	(506)	0
Reclassification Adjustments	(313)	(945)	(3)
Attributable to Equity-Method Affiliated Companies	(279)	(1,451)	(2)
Total Other Comprehensive Income	¥ 21,148	¥ (119,791)	$ 189

Notes to the Consolidated Statement of Changes in Net Assets

1. Class and the Number of Issued Shares of Common Stock and Treasury Stock

Classes and the number of issued shares of common stock and treasury stock for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Thousands of Shares				
	Authorized	Number of Shares Outstanding at the Beginning of the Fiscal Year	Increase	Decrease	Number of Shares Outstanding at the End of the Fiscal Year
March 31, 2017					
Number of Issued Shares:					
Common Share	850,000	3,903,486	—	3,513,137	390,348
Treasury Stock:					
Common Share		57,991	20,039	70,220	7,810

(Notes)

1) SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share on October 1, 2016.

2) Decrease in the number of issued shares of common stock by 3,513,137 thousand shares is due to the consolidation of shares.

3) Details of the increase in the number of shares of common stock held as treasury stock by 20,039 thousand shares are as follows:

(Before the consolidation of shares)

- Purchase of odd-lot or less than one thousand shares: 26 thousand shares
- Acquisition of treasury stock, which was resolved at the meeting of the Board of Directors held on May 12, 2016: 20,000 thousand shares

(At the time of/after the consolidation of shares)

- Purchase of fractional shares less than one unit of allotment associated with the consolidation of shares: 4 thousand shares
- Purchase of odd-lot or less than one thousand shares: 8 thousand shares

4) Details of the decrease in the number of shares of common stock held as treasury stock by 70,220 thousand shares are as follows:

(Before the consolidation of shares)

- Purchase requests from odd-lot or less than one thousand shareholders: 2 thousand shares
- Transfer of shares upon exercise of stock option rights: 7 thousand shares

(At the time of/after the consolidation of shares)

- Decrease due to the consolidation of shares: 70,207 thousand shares
- Purchase requests from odd-lot or less than one thousand shareholders: 0 thousand shares
- Transfer of shares upon exercise of stock option rights: 2 thousand shares

	Thousands of Shares				
	Authorized	Number of Shares Outstanding at the Beginning of the Fiscal Year	Increase	Decrease	Number of Shares Outstanding at the End of the Fiscal Year
March 31, 2016					
Number of Issued Shares:					
Common Share	8,500,000	3,903,486	—	—	3,903,486
Treasury Stock:					
Common Share		40,446	17,595	50	57,991

(Notes)

1) The number of shares of common stock held as treasury stock increased by 124 thousand shares due to the purchase of odd-lot or less than one thousand shares and by 17,471 thousand shares due to the acquisition of treasury stock, which was resolved at the meeting of the Board of Directors held on July 30, 2015.

2) The number of shares of common stock held as treasury stock decreased by 7 thousand shares due to purchase requests from odd-lot or less than one thousand shareholders and by 43 thousand shares due to transfer of shares upon exercise of stock option rights.

2. Subscription Rights to Shares

Subscription rights to shares for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

		Millions of Yen		Millions of U.S. Dollars
		2017	2016	2017
SuMi TRUST Holdings	Subscription Rights to Shares as Stock Options	¥ 577	¥ 421	$ 5
Consolidated Subsidiary				
(Nikko Asset Management Co., Ltd.)	Subscription Rights to Shares as Stock Options	¥ —	¥ —	$ —

3. Dividends

Dividends paid for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

As for the fiscal year ended March 31, 2017:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
June 29, 2016					
Ordinary General Meeting of Shareholders	Common Share	¥ 24,995 ($223)	¥ 6.50 ($0.06)	March 31, 2016	June 30, 2016

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
November 14, 2016					
Board of Directors' Meeting	Common Share	¥ 24,865 ($222)	¥ 6.50 ($0.06)	September 30, 2016	December 2, 2016

(Note) The "Cash Dividends per Share" does not reflect the effect of the consolidation of shares as the record dates are before the consolidation of shares effected on October 1, 2016.

Dividends with a record date during the current fiscal year ended March 31, 2017, but whose effective date is after March 31, 2017, are as follows:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen / Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share (Yen / U.S. Dollars)	Record Date	Effective Date
June 29, 2017						
Ordinary General Meeting of Shareholders	Common Share	**¥ 24,864 ($222)**	Retained Earnings	**¥65.00 ($0.58)**	March 31, 2017	June 30, 2017

As for the fiscal year ended March 31, 2016:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 26, 2015					
Ordinary General Meeting of Shareholders	Common Share	¥ 25,109	¥ 6.50	March 31, 2015	June 29, 2015

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
November 12, 2015					
Board of Directors' Meeting	Common Share	¥ 24,995	¥ 6.50	September 30, 2015	December 2, 2015

Dividends with a record date during the fiscal year ended March 31, 2016, but whose effective date is after March 31, 2016, are as follows:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 29, 2016						
Ordinary General Meeting of Shareholders	Common Share	¥ 24,995	Retained Earnings	¥ 6.50	March 31, 2016	June 30, 2016

Notes to the Consolidated Statement of Cash Flows

1. Reconciliation of Cash and Cash Equivalents

The following table reconciles cash and cash equivalents in the consolidated statement of cash flows and cash and due from banks in the consolidated balance sheet as of March 31, 2017 and 2016.

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Cash and Due from Banks	¥ 26,944,478	¥ 19,924,523	$ 240,254
Due from Consolidated Subsidiaries in Japan Involving in Trust Banking Business (excluding Due from the Bank of Japan)	(2,413,086)	(2,600,607)	(21,517)
Cash and Cash Equivalents	¥ 24,531,391	¥ 17,323,915	$ 218,737

2. Major Components of Assets and Liabilities of Subsidiaries Newly Consolidated Due to the Acquisition of their Shares

There is no applicable information for the fiscal year ended March 31, 2017.

For the fiscal year ended March 31, 2016, the following table shows the major components of assets and liabilities, at the time of the acquisition, of two subsidiaries newly consolidated due to the acquisition of their shares and reconciles the share acquisition costs with payment for the purchase of investments in subsidiaries.

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets	¥ —	¥ 210,147	$ —
Liabilities	—	(186,785)	—
Goodwill	—	23,830	—
Negative Goodwill	—	(874)	—
Share Acquisition Costs	—	46,318	—
Cash and Cash Equivalents	—	6,407	—
Net: Payment for Purchase of Investments in Subsidiaries	¥ —	¥ 39,910	$ —

Leases

1. Finance Leases

As a lessee:

(1) Finance leases that do not transfer ownership of the lease assets to lessees

1) Description of lease assets

i) Tangible fixed assets

Mainly store buildings and office equipment

ii) Intangible fixed assets

Software

2) Method for amortizing lease assets

Refer to "(4) Depreciation and Amortization Methods" of "4. Significant Accounting Policies" in the Significant Accounting Policies and Practices.

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2017 and 2016, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Due in One Year or Less	¥ 1,992	¥ 3,781	$ 18
Due in More than One Year	8,699	10,602	78
Total	¥ 10,692	¥ 14,384	$ 95

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2017 and 2016, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Due in One Year or Less	¥ 1,780	¥ 2,020	$ 16
Due in More than One Year	1,370	1,382	12
Total	¥ 3,150	¥ 3,403	$ 28

Financial Instruments

1. Circumstances of Financial Instruments

(1) Policy on Financial Instruments

SuMi TRUST Group is engaged in a variety of financial service businesses, primarily trust banking business operated by SuMi TRUST Bank. To facilitate these businesses, SuMi TRUST Group raises funds through deposits from individual and corporate customers, borrowed money, and issuance of corporate bonds, and manages such funds as loans to individual and corporate customers, and securities on the investment side.

Each group company determines policies as well as measures for investing and funding financial assets and financial liabilities under its annual plan.

SuMi TRUST Holdings monitors risks associated with the group-wide financial assets and liabilities.

SuMi TRUST Bank monitors its respective risks while implementing comprehensive Asset-Liability Management (ALM). Meanwhile, SuMi TRUST Bank conducts derivative transactions to control the market risk and other risks arising from its assets and liabilities within the level commensurate with its financial capacity. SuMi TRUST Bank is also engaged in trading securities and derivatives through trading accounts ("Trading Accounts") that are segregated from other accounts ("Banking Accounts") in accordance with Article 13-6-3, the Ordinance for Enforcement of the Banking Act. Some consolidated subsidiaries are also engaged in trading securities.

(2) Description and Risks of Financial Instruments

1) Trading accounts

SuMi TRUST Group deals with over-the-counter (OTC) and listed derivatives transactions related to interest rates, exchange rates, bonds, credits, and commodities, as well as trading securities. These derivatives transactions are exposed to risks associated with fluctuation in interest rates, exchange rates, prices, credit risks, and other risks.

2) Banking accounts

Financial assets of SuMi TRUST Group are primarily loans to corporations and individuals in Japan and such assets are exposed to credit risks arising from default on contracts by customers.

Securities mainly consist of stocks and bonds that are held to maturity, as strategic investments, and for business development. These securities are exposed to issuers' credit risks, and risks associated with fluctuation in interest rates and market prices.

Deposits from individuals and corporations, borrowed money, and bonds payable are exposed to liquidity risks as becoming insolvent at their maturities, such as being out of markets under certain circumstances.

SuMi TRUST Group deals with OTC and listed derivatives transactions related to interest rates, exchange rates, stocks, bonds, and credits for avoiding market risks.

To reduce interest rate risk, a major risk, SuMi TRUST Group comprehensively manages various financial assets and liabilities, such as loans and bills discounted and deposits, by categorizing them based on characteristics of their interest rate risks, and applies hedge accounting to hedge such risk using interest rate swaps designated as hedging instruments. The hedge accounting is applied to some assets and liabilities by individual transaction.

To mitigate the exchange rate risk arising from various financial assets and liabilities of SuMi TRUST Bank denominated in foreign currencies, hedge accounting is applied to the exchange rate risk of foreign currency assets and liabilities designated as hedged items, using currency swaps and foreign exchange swaps designated as hedging instruments.

The details of hedge accounting are described in "Significant Accounting Policies and Practices."

(3) Risk Management for Financial Instruments

SuMi TRUST Holdings sets out a basic framework for group-wide risk management in the Rules for Risk Management, and establishes the Risk Management Department to supervise, manage, and direct SuMi TRUST Bank and other group companies regarding development of an appropriate risk management system, as well as to monitor SuMi TRUST Group's risks.

1) Credit risk management

Credit risk is the risk of financial loss of SuMi TRUST Group when a customer or counterparty fails to meet its contractual obligations, and such risk is generated from claims, mainly loans, bills discounted, and securities. Credit risk is the most basic financial risk related to a credit creating function. SuMi TRUST Group continuously diversifies its credit portfolios and builds up a stronger customer base by expanding its credit risk management framework further, and by meeting a new and sound demand for credit.

(a) Risk management policy on credit risk

The basic policy of SuMi TRUST Group on credit risk management calls for "a diversified credit portfolio" and "strict management for individual credits."

For the former, SuMi TRUST Group manages credit exposures of each customer based on its limited credit amount, and periodically reviews impacts of identified risks to large customers and concentration in industry sectors, including the measurement of the credit risk. SuMi TRUST Group makes efforts to mitigate credit concentration risk on a country-by-country basis by managing the diversification of the overall credit portfolio.

For the latter, SuMi TRUST Group manages individual credits through processes, such as credit screening, self-assessment, and internal credit ratings. Credit ratings indicate the credit status of customers and the possibility of defaults on a scale, and provide the basis for credit screening of individual transactions and credit portfolio management. SuMi TRUST Group evaluates solvency and collectability of credits based on the analysis, for instance the customer's financial condition, cash flows, and earning capacity through the self-assessment.

(b) Risk management framework for credit risk

In SuMi TRUST Bank, the board of directors decides on important matters related to credit risk management when developing management plans. The board of directors also decides on credit strategy and economic capital allocation plans, and approves the "Self-Assessment Rules" based on reports on credit risk management, including asset-assessment management, to ensure the soundness of the assets. As for screening and credit management of each case, the Global Credit Supervision Department is segregated from branches as part of a check-and-balance system. Furthermore, the Research Department evaluates credit ratings based on industry research and credit analysis of individual companies along with performing quantitative analysis. SuMi TRUST Bank periodically holds a meeting of the Executive Committee and Credit Risk Committee to deliberate on material matters of controlling and managing credit risks. SuMi TRUST Bank has built up an appropriate management framework for risk management through the check-and-balance function, the committees' discussions, and the validation of the credit risk management and operation by the Corporate Risk Management Department.

2) Market risk management

Market risk is the risk of financial loss of SuMi TRUST Group through changes in income and value of assets and liabilities held, including off-balance items, due to fluctuations in various market risk factors, such as interest rates, exchange rates, equity prices, commodity prices, and credit spreads.

(a) Risk management policy on market risk

In managing market risk, SuMi TRUST Group maintains a basic policy to organize an appropriate risk management framework for market risk compatible with strategic goals, the scale and nature of its operations, and risk profiles from a perspective of soundness and appropriateness of its business.

(b) Risk management framework for market risk

With regard to market risk, SuMi TRUST Group maintains a basic policy for setting and controlling various risk limits and segregation of organizations related to market risk under its Rules for Risk Management. The practical application of the basic policy is stated in the Rules for Market Risk Management. Divisions that execute transactions (the front office) are clearly segregated from divisions that process transactions (the back office) for independent check purposes, and the Risk Management Department, which is independent from both of the front and back offices, centrally manages market risk. This department identifies and analyzes group-wide risk, tracks adherence to risk limits, and reports to respective directors in charge on a daily basis and to the board of directors periodically.

In SuMi TRUST Bank, the board of directors resolves ALM basic plans and risk management plans as important matters related to market risk under management plans. The ALM Committee resolves basic matters of ALM basic plans and risk management plans related to market risk regarding company-wide comprehensive risk management for assets/liabilities.

In SuMi TRUST Bank, the Risk Management Department is responsible for planning and implementing market risk management. The role of the Risk Management Department includes measuring risk levels and profits/losses and monitoring the status of market risk managed under ALM basic plans and the status of compliance with risk limits. The Department reports its findings to the members of the ALM Committee on a daily basis, and to the ALM Committee as well as the board of directors periodically.

(c) Market risk management approach

SuMi TRUST Group uses Value at Risk ("VaR") to measure market risk exposures. VaR uses historical market fluctuation to statistically predict the maximum expected losses under specific conditions. Based on an internal model developed by SuMi TRUST Group, SuMi TRUST Group manages market risks by measuring VaR and calculating various risk management indicators, and carrying out various simulations.

The internally developed VaR model is basically the variance-covariance method, and the historical simulation method is also used for calculating some risks (nonlinear risks and others), such as risks associated with option transactions. Market risk can be classified into categories, such as interest rate risk, stock price risk, exchange rate risk, and others according to its characteristics. SuMi TRUST Group calculates market risk by simply adding up the risks of all categories without considering the correlation among these categories.

(d) Quantitative information related to market risk

(i) Trading accounts

SuMi TRUST Group uses VaR for managing risks associated with trading securities and some currency and interest-related derivatives transactions held in the "Trading Accounts." The VaR model used is primarily based on the variance-covariance method (with a holding period of 10 business days, confidence interval of 99%, and observation period of 260 business days).

As of March 31, 2017, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Trading Accounts was ¥5.5 billion (U.S. $49 million).

SuMi TRUST Group performs back testing that compares the results of VaR calculations based on its internal model with actual profit and loss. The back testing for the fiscal year ended March 31, 2017, resulted in one instance where actual losses were in excess of VaR; therefore, SuMi TRUST Group considers that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on the past volatility, it may not properly capture those risks under extreme market movements.

(ii) Banking accounts

SuMi TRUST Group uses VaR for managing risks associated with financial assets and liabilities held in the "Banking Accounts." The variance-covariance method is the primary measurement method for interest/exchange rate and credit spread exposures, and the historical simulation method for stock price exposure (with a holding period of a maximum of one year according to a position, confidence interval of 99%, and observation period of 260 business days—one or five years for stock prices).

As of March 31, 2017, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Banking Account was ¥802.4 billion (U.S. $7,155 million).

SuMi TRUST Group performs back testing on certain positions held in the "Banking Accounts" that compares the results of VaR calculations based on its internal model with actual profit and loss regarding financial assets and liabilities subject to measurement. SuMi TRUST Group considers that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on past volatility in the market, it may not properly capture the risks under extreme market movements.

3) Funding liquidity risk management

Funding liquidity risk is the risk of financial loss to SuMi TRUST Group when the Group fails to raise necessary funds or is forced to raise funds at significantly higher rates.

(a) Funding liquidity risk management policy

With regard to funding liquidity risks, SuMi TRUST Group designs and implements a policy to build up a risk management framework for funding liquidity risks, recognizing that financial difficulties due to exposure to such risks could possibly lead SuMi TRUST Group directly to bankruptcy under certain circumstances.

(b) Funding liquidity risk management framework and methods

Funding Liquidity Risk Management Departments determines the extent of SuMi TRUST Group's cash crunch appropriately in cooperation with the liquidity management department, while gathering and analyzing information related to both the internal environment, such as the Group's risk profiles, and external environment, such as economic circumstances or market conditions based on the risk management plan approved by the board of directors semiannually.

To reduce funding liquidity risks, the funding liquidity risk management departments manage cash flow within the predetermined appropriate limits, and the funding liquidity risk management departments monitor its compliance.

(4) Supplementary Explanation Concerning Fair Value of Financial Instruments

Fair value of financial instruments is based on quoted prices in markets. If a quoted price is not available, a reasonably calculated amount is used as fair value. Calculation of such amounts involves certain assumptions and may vary when different assumptions are employed.

2. Fair Values of Financial Instruments

The carrying amounts on the consolidated balance sheets and fair values of financial instruments as of March 31, 2017 and 2016, as well as the differences between these values are presented below. The fair values of unlisted shares are excluded from the following table, because such fair values are extremely difficult to be determined (See Note 2).

	Millions of Yen			Millions of U.S. Dollars		
	2017			2017		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 26,944,375	¥ 26,944,375	¥ —	$ 240,253	$ 240,253	$ —
(2) Call Loans and Bills Bought	124,706	124,706	—	1,112	1,112	—
(3) Receivables under Resale Agreements	83,888	83,888	—	748	748	—
(4) Receivables under Securities Borrowing Transactions	480,453	480,453	—	4,284	4,284	—
(5) Monetary Claims Bought (*1)	872,988	873,742	754	7,784	7,791	7
(6) Trading Assets						
Trading Securities	58,201	58,201	—	519	519	—
(7) Money Held in Trust	1,550	1,550	—	14	14	—
(8) Securities						
Held-to-Maturity Debt Securities	254,325	281,139	26,813	2,268	2,507	239
Available-for-Sale Securities	4,615,771	4,615,771	—	41,157	41,157	—
(9) Loans and Bills Discounted	28,040,446			250,026		
Allowance for Loan Losses (*2)	(104,393)			(931)		
	27,936,053	28,174,222	238,168	249,095	251,219	2,124
(10) Foreign Exchanges	16,189	16,189	—	144	144	—
(11) Lease Receivables and Investment Assets (*1)	665,695	678,065	12,369	5,936	6,046	110
Total Assets	¥ 62,054,200	¥ 62,332,306	¥ 278,105	$ 553,314	$ 555,794	$ 2,480
(1) Deposits	¥ 36,000,814	¥ 36,043,426	¥ 42,612	$ 321,006	$ 321,386	$ 380
(2) Negotiable Certificates of Deposit	7,326,617	7,326,617	—	65,329	65,329	—
(3) Call Money and Bills Sold	54,089	54,089	—	482	482	—
(4) Payables under Repurchase Agreements	1,063,737	1,063,737	—	9,485	9,485	—
(5) Payables under Securities Lending Transactions	13,699	13,699	—	122	122	—
(6) Borrowed Money	3,463,105	3,470,544	7,438	30,879	30,946	66
(7) Foreign Exchanges	236	236	—	2	2	—
(8) Short-Term Bonds Payable	904,248	904,248	—	8,063	8,063	—
(9) Bonds Payable	1,385,098	1,416,114	31,015	12,350	12,627	277
(10) Borrowed Money from Trust Account	10,274,143	10,274,143	—	91,611	91,611	—
Total Liabilities	¥ 60,485,792	¥ 60,566,859	¥ 81,067	$ 539,329	$ 540,052	$ 723
Derivatives Transactions (*3)						
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 69,441	¥ 69,441	¥ —	$ 619	$ 619	$ —
Derivatives Transactions Qualifying for Hedge Accounting	17,516	17,516	—	156	156	—
Total Derivatives Transactions	¥ 86,957	¥ 86,957	¥ —	$ 775	$ 775	$ —

	Millions of Yen		
	2016		
	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 19,924,433	¥ 19,924,433	¥ —
(2) Call Loans and Bills Bought	705,252	705,252	—
(3) Receivables under Resale Agreements	110,377	110,377	—
(4) Receivables under Securities Borrowing Transactions	326,457	326,457	—
(5) Monetary Claims Bought (*1)	853,478	854,108	630
(6) Trading Assets			
Trading Securities	50,301	50,301	—
(7) Money Held in Trust	1,649	1,649	—
(8) Securities			
Held-to-Maturity Debt Securities	318,190	354,795	36,605
Available-for-Sale Securities	4,389,833	4,389,833	—
(9) Loans and Bills Discounted	27,525,862		
Allowance for Loan Losses (*2)	(78,835)		
	27,447,027	27,719,286	272,259
(10) Foreign Exchanges	17,223	17,223	—
(11) Lease Receivables and Investment Assets (*1)	606,306	617,306	10,999
Total Assets	¥ 54,750,530	¥ 55,071,024	¥ 320,493
(1) Deposits	¥ 26,701,948	¥ 26,742,656	¥ 40,708
(2) Negotiable Certificates of Deposit	7,130,632	7,130,632	—
(3) Call Money and Bills Sold	38,968	38,968	—
(4) Payables under Repurchase Agreements	653,456	653,456	—
(5) Payables under Securities Lending Transactions	—	—	—
(6) Borrowed Money	2,580,524	2,590,198	9,673
(7) Foreign Exchanges	259	259	—
(8) Short-Term Bonds Payable	1,253,207	1,253,207	—
(9) Bonds Payable	1,076,118	1,111,355	35,236
(10) Borrowed Money from Trust Account	13,694,600	13,694,600	—
Total Liabilities	¥ 53,129,714	¥ 53,215,332	¥ 85,617
Derivatives Transactions (*3)			
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 61,945	¥ 61,945	¥ —
Derivatives Transactions Qualifying for Hedge Accounting	(58,331)	(58,331)	—
Total Derivatives Transactions	¥ 3,614	¥ 3,614	¥ —

(*1) The allowance for credit losses corresponding to Cash and Due from Banks, Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheet, because the balance of the allowance is immaterial.

(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from Loans and Bills Discounted.

(*3) Derivatives transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively.

Receivables and payables arising from derivatives transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(Note 1) Method for Calculating Fair Values of Financial Instruments

Assets

(1) Cash and Due from Banks, (2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements, (4) Receivables under Securities Borrowing Transactions, and (10) Foreign Exchanges

These instruments with transactions without stated maturities are stated at their carrying amounts because the carrying amounts approximate fair value. For transactions with stated maturities, corresponding instruments are stated at their carrying amounts because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

(5) Monetary Claims Bought

Fair values of monetary claims bought for which counterparties' quoted prices or dealer/broker-quoted prices are available are stated at such prices. Fair values for all other claims are calculated by classifying them according to their internal ratings and maturities and discounting future cash flows to their present values.

(6) Trading Assets

Bonds and other securities held for trading purposes are stated at dealer association prices or counterparties' quoted prices. For short-term corporate bonds, their fair values are calculated by discounting future cash flows to their present values.

(7) Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices. Notes regarding money held in trust by holding purposes are presented under the "Money Held in Trust" section.

(8) Securities

Stocks are stated at quoted market prices. Bonds are stated at quoted market prices, dealer association prices, counterparties' quoted prices, or dealer/broker-quoted prices. Investment trusts are stated at published reference prices.

Fair values of privately placed bonds guaranteed by SuMi TRUST Bank are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present value.

Notes regarding securities by their holding purpose are presented under the "Securities" section.

(9) Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities; and discounting the aggregate principal and interest by the assumed interest rate for similar new loans. However, variable-rate loans for which their carrying amounts are deemed to approximate fair value, due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loans, are stated at their carrying amounts.

For claims executed to borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the consolidated balance sheet at the consolidated balance sheet date, because such deducted amounts approximate fair value.

Loans without stated maturities (as the amount of credit is limited to the value of the collateral or due to some other special characteristics) are stated at their carrying amounts as the carrying amounts are deemed to approximate fair value because of the expected repayment periods and the interest terms.

(11) Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to their internal ratings and maturities, and discounting the aggregate principal and interest by the assumed interest rate for similar new agreements.

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the consolidated balance sheet date (carrying amount).

Yen fixed-rate time deposits are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be paid on new deposits. Fixed-rate time deposits with short maturities (one year or less) and floating-rate time deposits are generally stated at their carrying amounts because the carrying amounts approximate the fair values.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (5) Payables under Securities Lending Transactions, (7) Foreign Exchanges, (8) Short-Term Bonds Payable, and (10) Borrowed Money from Trust Account

The obligations without stated maturities are stated at the amounts that would have to be paid on demand at the consolidated balance sheet date (carrying amount). Obligations with stated maturities are stated at their carrying amounts, because they have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(6) Borrowed Money

Borrowed money at variable rates is stated at their carrying amounts. The carrying amounts are deemed to approximate fair value because such amounts reflect short-term market interest rates, and there have been no significant changes in credit condition subsequent to undertaking the borrowed money. Fair values of borrowed money at fixed rates are calculated by discounting their future cash flows by the assumed interest rate on similar borrowings. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value.

(9) Bonds Payable

Bonds issued by SuMi TRUST Holdings and its consolidated subsidiaries are stated at market prices, if such prices are available. Fair values for other bonds are calculated by discounting future cash flows to their present values by the assumed interest rate on issuance of similar bonds.

Derivatives

Notes regarding fair values of derivatives are presented under the "Derivatives" section.

(Note 2) The amounts of financial instruments on the consolidated balance sheet whose fair values are extremely difficult to be determined are as stated below, and such amounts are not included in the market value information for financial instruments presented under the "Assets, (5) Monetary Claims Bought" or "Assets, (8) Available-for-Sale Securities" sections.

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
	Carrying Amount	Carrying Amount	Carrying Amount
Monetary Claims Bought	¥ 33,127	¥ 35,687	$ 295
Securities	138,141	124,423	1,232
(1) Unlisted Stocks (*3)	73,581	65,429	656
(2) Investments in Associations	53,670	53,108	479
(3) Others (*3)	10,889	5,886	97
Total	¥ 171,269	¥ 160,111	$ 1,527

(*1) The above financial instruments are excluded from the fair value disclosure because there are no quoted market prices, and therefore, there is no reliable measure of fair value.

(*2) Stocks in subsidiaries and affiliated companies are not included in the above table.

(*3) During the fiscal year ended March 31, 2017, impairment losses of ¥3,146 million (U.S. $28 million) and ¥22 million (U.S. $0 million) were recognized against Unlisted Stocks and Other, respectively.

During the fiscal year ended March 31, 2016, impairment losses of ¥227 million and ¥0 million were recognized against Unlisted Stocks and Other, respectively.

(Note 3) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2017 and 2016.

	Millions of Yen					
March 31, 2017	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	¥ 26,749,900	¥ 1,304	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	124,706	—	—	—	—	—
Receivables under Resale Agreements	83,888	—	—	—	—	—
Receivables under Securities Borrowing Transactions	480,453	—	—	—	—	—
Monetary Claims Bought (*1)	689,274	68,813	35,859	21,844	16,046	73,151
Money Held in Trust	152	100	—	1,398	—	—
Securities	632,276	306,986	861,140	259,934	718,830	609,422
Held-to-Maturity Debt Securities	33,210	24,400	25,347	8,001	1,326	162,844
Government Bonds	20,691	—	—	—	60	115,000
Corporate Bonds	—	—	—	—	—	29,141
Available-for-Sale Securities with Maturity	599,066	282,586	835,793	251,932	717,503	446,578
Government Bonds	214,900	—	100	—	—	—
Local Government Bonds	—	—	1,358	—	3,444	—
Corporate Bonds	87,559	187,021	114,871	156,934	33,056	46,251
Loans and Bills Discounted (*2)	4,194,382	6,160,912	3,901,519	3,043,322	2,167,889	6,335,720
Lease Receivables and Investment Assets (*3)	175,353	247,708	123,669	35,659	49,779	22,553
Total	¥ 33,130,389	¥ 6,785,824	¥ 4,922,188	¥ 3,362,158	¥ 2,952,545	¥ 7,040,848

	Millions of Yen					
March 31, 2016	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	¥ 19,823,691	¥ 809	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	705,252	—	—	—	—	—
Receivables under Resale Agreements	110,377	—	—	—	—	—
Receivables under Securities Borrowing Transactions	326,457	—	—	—	—	—
Monetary Claims Bought (*1)	651,456	53,771	44,767	23,484	20,786	92,757
Money Held in Trust	153	—	100	—	1,496	—
Securities	957,888	574,364	901,451	337,970	148,185	391,005
Held-to-Maturity Debt Securities	56,381	24,691	30,141	58,425	10,896	144,526
Government Bonds	50,125	20,691	—	—	60	115,000
Corporate Bonds	—	—	—	—	—	21,380
Available-for-Sale Securities with Maturity	901,507	549,673	871,309	279,544	137,288	246,479
Government Bonds	605,250	44,800	—	10,000	—	4,000
Local Government Bonds	589	—	2,465	—	1,764	—
Corporate Bonds	30,985	246,555	145,524	118,011	43,526	50,706
Loans and Bills Discounted (*2)	5,029,218	5,522,753	4,198,113	2,984,368	1,896,050	5,589,312
Lease Receivables and Investment Assets (*3)	164,592	242,526	114,297	26,658	43,733	3,997
Total	¥ 27,769,087	¥ 6,394,225	¥ 5,258,730	¥ 3,372,482	¥ 2,110,252	¥ 6,077,073

	Millions of U.S. Dollars					
March 31, 2017	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	$ 238,519	$ 12	$ —	$ —	$ —	$ —
Call Loans and Bills Bought	1,112	—	—	—	—	—
Receivables under Resale Agreements	748	—	—	—	—	—
Receivables under Securities Borrowing Transactions	4,284	—	—	—	—	—
Monetary Claims Bought (*1)	6,146	614	320	195	143	652
Money Held in Trust	1	1	—	12	—	—
Securities	5,638	2,737	7,678	2,318	6,410	5,434
Held-to-Maturity Debt Securities	296	218	226	71	12	1,452
Government Bonds	184	—	—	—	1	1,025
Corporate Bonds	—	—	—	—	—	260
Available-for-Sale Securities with Maturity	5,342	2,520	7,452	2,246	6,398	3,982
Government Bonds	1,916	—	1	—	—	—
Local Government Bonds	—	—	12	—	31	—
Corporate Bonds	781	1,668	1,024	1,399	295	412
Loans and Bills Discounted (*2)	37,400	54,935	34,788	27,136	19,330	56,493
Lease Receivables and Investment Assets (*3)	1,564	2,209	1,103	318	444	201
Total	$ 295,411	$ 60,507	$ 43,889	$ 29,979	$ 26,327	$ 62,781

(*1) The balances exclude Monetary Claims Bought for debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥70 million (U.S. $0.6 million) and ¥28 million as of March 31, 2017 and 2016, respectively.

(*2) The balances exclude Loans and Bills Discounted for debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥56,698 million (U.S. $506 million) and ¥69,921 million, and those without maturity, amounting to ¥2,171,093 million (U.S. $19,359 million) and ¥2,223,839 million as of March 31, 2017 and 2016, respectively.

(*3) The balances exclude Lease Receivables and Investment Assets for debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥561 million (U.S. $5 million) and ¥1,869 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥12,522 million (U.S. $112 million) and ¥10,756 million as of March 31, 2017 and 2016, respectively.

(Note 4) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2017 and 2016.

	Millions of Yen					
March 31, 2017	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	¥ 28,055,740	¥ 5,581,645	¥ 2,349,246	¥ 14,181	¥ —	¥ —
Negotiable Certificates of Deposit	7,204,935	121,682	—	—	—	—
Call Money and Bills Sold	54,089	—	—	—	—	—
Payables under Repurchase Agreements	1,063,737	—	—	—	—	—
Payables under Securities Lending Transactions	13,699	—	—	—	—	—
Borrowed Money (*2)	2,290,979	379,947	160,898	141,301	189,643	280,335
Short-Term Bonds Payable	904,910	—	—	—	—	—
Bonds Payable (*3)	171,473	517,178	200,000	40,000	199,500	10,000
Borrowed Money from Trust Account	10,274,143	—	—	—	—	—
Total	¥ 50,033,709	¥ 6,600,452	¥ 2,710,145	¥ 195,483	¥ 389,143	¥ 290,335

	Millions of Yen					
March 31, 2016	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	¥ 18,140,507	¥ 5,815,546	¥ 2,744,049	¥ 1,013	¥ 534	¥ —
Negotiable Certificates of Deposit	7,076,508	54,123	—	—	—	—
Call Money and Bills Sold	38,968	—	—	—	—	—
Payables under Repurchase Agreements	653,456	—	—	—	—	—
Borrowed Money (*2)	1,506,849	256,334	232,304	115,053	211,462	238,487
Short-Term Bonds Payable	1,253,820	—	—	—	—	—
Bonds Payable (*3)	115,315	325,432	238,636	80,000	96,500	73,000
Borrowed Money from Trust Account	13,694,600	—	—	—	—	—
Total	¥ 42,480,025	¥ 6,451,438	¥ 3,214,989	¥ 196,067	¥ 308,496	¥ 311,487

	Millions of U.S. Dollars					
March 31, 2017	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	$ 250,163	$ 49,769	$ 20,947	$ 126	$ —	$ —
Negotiable Certificates of Deposit	64,244	1,085	—	—	—	—
Call Money and Bills Sold	482	—	—	—	—	—
Payables under Repurchase Agreements	9,485	—	—	—	—	—
Payables under Securities Lending Transactions	122	—	—	—	—	—
Borrowed Money (*2)	20,428	3,388	1,435	1,260	1,691	2,500
Short-Term Bonds Payable	8,069	—	—	—	—	—
Bonds Payable (*3)	1,529	4,611	1,783	357	1,779	89
Borrowed Money from Trust Account	91,611	—	—	—	—	—
Total	$ 446,132	$ 58,854	$ 24,165	$ 1,743	$ 3,470	$ 2,589

(*1) The balance of demand deposits is included in "Within 1 Year." Deposits include balances of current accounts.

(*2) The balances exclude perpetual subordinated debts without maturity, amounting to ¥20,000 million (U.S. $178 million) and ¥20,000 million as of March 31, 2017 and 2016, respectively.

(*3) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥246,100 million (U.S. $2,194 million) and ¥146,100 million as of March 31, 2017 and 2016, respectively.

Securities

*1. In addition to the "Securities" presented in the consolidated balance sheet, the following information includes trading securities and short-term corporate bonds under "Trading Assets" and loan-backed trust deeds reported under "Monetary Claims Bought."

*2. "Stocks in Subsidiaries and Affiliated Companies" is presented as a note to the consolidated financial statements.

1. Trading Securities

	Valuation Difference Reflected in the Statement of Income		
	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Trading Securities	¥ (96)	¥ 45	$ (1)

2. Held-to-Maturity Securities with Fair Value

March 31, 2017	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 140,239	¥ 160,301	¥ 20,062
Corporate Bonds	20,141	20,359	218
Other Bonds	162,167	168,883	6,716
Foreign Bonds	72,414	79,026	6,612
Others	89,752	89,857	104
Subtotal	322,547	349,544	26,996
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Corporate Bonds	9,000	8,937	(62)
Other Bonds	13,181	13,164	(16)
Foreign Bonds	12,530	12,514	(16)
Others	650	650	—
Subtotal	22,181	22,102	(78)
Total	¥ 344,728	¥ 371,646	¥ 26,917

March 31, 2016	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 190,763	¥ 214,999	¥ 24,236
Corporate Bonds	21,380	21,653	273
Other Bonds	190,032	202,522	12,490
Foreign Bonds	87,825	99,977	12,152
Others	102,207	102,545	338
Subtotal	402,176	439,175	36,999
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Corporate Bonds	—	—	—
Other Bonds	18,397	18,341	(56)
Foreign Bonds	18,221	18,165	(56)
Others	175	175	—
Subtotal	18,397	18,341	(56)
Total	¥ 420,574	¥ 457,517	¥ 36,943

	Millions of U.S. Dollars		
March 31, 2017	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	$ 1,250	$ 1,429	$ 179
Corporate Bonds	180	182	2
Other Bonds	1,446	1,506	60
Foreign Bonds	646	705	59
Others	800	801	1
Subtotal	2,876	3,117	241
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	$ —	$ —	$ —
Corporate Bonds	80	80	(1)
Other Bonds	118	117	(0)
Foreign Bonds	112	112	(0)
Others	6	6	—
Subtotal	198	197	(1)
Total	$ 3,074	$ 3,314	$ 240

3. Available-for-Sale Securities

	Millions of Yen		
March 31, 2017	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,341,234	¥ 599,790	¥ 741,444
Bonds	506,763	503,492	3,271
Government Bonds	44,991	44,926	65
Local Government Bonds	2,233	2,216	17
Corporate Bonds	459,538	456,350	3,188
Other Securities	779,660	764,137	15,523
Foreign Stocks	10,919	8,839	2,079
Foreign Bonds	687,418	681,599	5,818
Others	81,323	73,697	7,625
Subtotal	2,627,658	1,867,419	760,238
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 55,522	¥ 66,494	¥ (10,971)
Bonds	340,796	342,296	(1,499)
Government Bonds	170,264	170,365	(100)
Local Government Bonds	2,557	2,586	(28)
Corporate Bonds	167,973	169,344	(1,370)
Other Securities	1,630,982	1,693,101	(62,119)
Foreign Stocks	10,512	11,443	(931)
Foreign Bonds	701,208	722,233	(21,024)
Others	919,261	959,425	(40,163)
Subtotal	2,027,301	2,101,892	(74,591)
Total	¥ 4,654,959	¥ 3,969,312	¥ 685,647

March 31, 2016	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,192,339	¥ 565,086	¥ 627,252
Bonds	1,017,512	1,012,111	5,401
Government Bonds	596,231	594,783	1,448
Local Government Bonds	3,316	3,283	32
Corporate Bonds	417,964	414,044	3,920
Other Securities	1,507,635	1,426,897	80,737
Foreign Stocks	3,210	1,565	1,644
Foreign Bonds	858,239	845,686	12,553
Others	646,185	579,646	66,538
Subtotal	3,717,487	3,004,096	713,391
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 108,164	¥ 129,454	¥ (21,290)
Bonds	289,166	292,822	(3,656)
Government Bonds	70,018	70,022	(4)
Local Government Bonds	1,529	1,534	(4)
Corporate Bonds	217,618	221,265	(3,647)
Other Securities	322,801	335,663	(12,861)
Foreign Stocks	16,222	19,773	(3,551)
Foreign Bonds	210,153	211,003	(849)
Others	96,425	104,886	(8,460)
Subtotal	720,131	757,939	(37,808)
Total	¥ 4,437,619	¥ 3,762,035	¥ 675,583

March 31, 2017	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	$ 11,959	$ 5,348	$ 6,611
Bonds	4,519	4,489	29
Government Bonds	401	401	1
Local Government Bonds	20	20	0
Corporate Bonds	4,098	4,069	28
Other Securities	6,952	6,814	138
Foreign Stocks	97	79	19
Foreign Bonds	6,129	6,078	52
Others	725	657	68
Subtotal	23,430	16,651	6,779
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	$ 495	$ 593	$ (98)
Bonds	3,039	3,052	(13)
Government Bonds	1,518	1,519	(1)
Local Government Bonds	23	23	(0)
Corporate Bonds	1,498	1,510	(12)
Other Securities	14,543	15,097	(554)
Foreign Stocks	94	102	(8)
Foreign Bonds	6,252	6,440	(187)
Others	8,197	8,555	(358)
Subtotal	18,077	18,742	(665)
Total	$ 41,507	$ 35,393	$ 6,114

4. Held-to-Maturity Securities Sold during the Fiscal Year

There were no held-to-maturity securities sold for the fiscal years ended March 31, 2017 and 2016.

5. Available-for-Sale Securities Sold during the Fiscal Year

Year Ended March 31, 2017	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 80,281	¥ 46,026	¥ 1,450
Bonds	318,513	1,977	361
Government Bonds	227,504	1,438	292
Local Government Bonds	9,228	15	28
Corporate Bonds	81,781	522	41
Other Securities	3,376,224	19,884	122,888
Foreign Bonds	3,142,440	19,453	118,303
Others	233,784	431	4,584
Total	¥ 3,775,020	¥ 67,888	¥ 124,700

Year Ended March 31, 2016	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 92,338	¥ 41,674	¥ 295
Bonds	219,681	3,833	174
Government Bonds	144,776	3,800	67
Local Government Bonds	7,806	9	17
Corporate Bonds	67,098	23	88
Other Securities	2,918,213	54,276	10,849
Foreign Bonds	2,737,368	52,709	4,462
Others	180,844	1,567	6,386
Total	¥ 3,230,233	¥ 99,784	¥ 11,319

Year Ended March 31, 2017	Millions of U.S. Dollars		
	Amount Sold	Gain	Loss
Stocks	$ 716	$ 410	$ 13
Bonds	2,840	18	3
Government Bonds	2,029	13	3
Local Government Bonds	82	0	0
Corporate Bonds	729	5	0
Other Securities	30,105	177	1,096
Foreign Bonds	28,020	173	1,055
Others	2,085	4	41
Total	$ 33,660	$ 605	$ 1,112

(Note) The above figures include "Available-for-Sale Securities" whose fair values are extremely difficult to be determined.

6. Securities Reclassified due to the Change of the Holding Purpose

SuMi TRUST Holdings changed the holding purposes of foreign bonds, which were classified under held-to-maturity securities, of ¥8,821 million (U.S. $79 million) to available-for-sale securities during the fiscal year ended March 31, 2017, in accordance with the U.S. financial regulatory reform bill.

There is no effect of this change on the consolidated financial statements since all of these securities were sold during the fiscal year ended March 31, 2017.

7. Impairment of Securities

Securities other than securities whose fair values are extremely difficult to be determined, or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheet. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses recognized during the fiscal year ended March 31, 2017, were ¥679 million (U.S. $6 million) on Stocks. Impairment losses recognized during the fiscal year ended March 31, 2016 were ¥6,130 million, of which ¥6,119 million was on stocks and ¥11 million was on Other Securities.

The criteria for determining whether the fair values of securities have significantly declined are as follows:

For securities whose issuers are classified as "normal" under the asset self-assessment, a decline of 50% or more in the fair values compared with the acquisition cost; for securities whose issuers are classified as "close-observation borrowers," a decline of 30% or more in the fair values compared with the acquisition cost. In addition, the fair values of some securities are deemed unrecoverable and impairment losses are recognized when their fair values have declined more than 30% but less than 50% from acquisition cost and the fair values have continued to decline over a certain period.

Money Held in Trust

1. Money Held in Trust for Trading Purposes

	Millions of Yen	
March 31, 2017	Carrying Amount	Valuation Difference Reflected in the Statement of Income
Money Held in Trust for Trading Purposes	¥ 152	¥ (0)

	Millions of Yen	
March 31, 2016	Carrying Amount	Valuation Difference Reflected in the Statement of Income
Money Held in Trust for Trading Purposes	¥ 153	¥ 3

	Millions of U.S. Dollars	
March 31, 2017	Carrying Amount	Valuation Difference Reflected in the Statement of Income
Money Held in Trust for Trading Purposes	$ 1	$ (0)

2. Held-to-Maturity Money Held in Trust

There was no held-to-maturity money held in trust for the fiscal years ended March 31, 2017 and 2016.

3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

	Millions of Yen				
March 31, 2017	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,498	¥ 1,082	¥ 415	¥ 415	¥ —

	Millions of Yen				
March 31, 2016	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,596	¥ 1,104	¥ 491	¥ 491	¥ —

	Millions of U.S. Dollars				
March 31, 2017	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	$ 13	$ 10	$ 4	$ 4	$ —

(Note) The amount of "Difference" is net of "Positive Difference" and "Negative Difference."

Valuation Differences on Available-for-Sale Securities

The following table shows components of "Valuation Differences on Available-for-Sale Securities" in the consolidated balance sheet.

	Millions of Yen		Millions of U.S. Dollars
March 31	2017	2016	2017
Valuation Differences			
Available-for-Sale Securities	¥ 681,226	¥ 664,270	$ 6,074
Other Money Held in Trust	415	491	4
Total Valuation Differences	681,642	664,762	6,078
Amount Equivalent to Deferred Tax Assets (Liabilities)	(206,591)	(201,522)	(1,842)
Total (before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	475,051	463,239	4,236
Non-Controlling Interests	(241)	(199)	(2)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	2,039	4,477	18
Valuation Differences on Available-for-Sale Securities	¥ 476,848	¥ 467,517	$ 4,252

(Notes)

1) Foreign currency translation adjustments on available-for-sale securities, for which fair values are extremely difficult to be determined, are included in the "Available-for-Sale Securities" under "Valuation Difference."

2) The valuation difference of ¥722 million (U.S. $6 million) and ¥191 million on available-for-sale securities composing assets held by associated companies as of March 31, 2017 and 2016, respectively, is included in "Available-for-Sale Securities" under "Valuation Difference."

3) The unamortized portion of valuation difference as of the consolidated balance sheet date arising from the reclassification of the holding purpose of securities is included in "Available-for-Sale Securities" under "Valuation Difference."

Derivatives

1. Derivative Transactions Not Qualifying for Hedge Accounting

Derivative transactions not qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts), the fair values, and the valuation differences as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2017				2017			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Interest Futures								
Sold	¥ 47,877,278	¥ 21,805,067	¥ 21,853	¥ 21,853	$ 426,904	$ 194,428	$ 195	$ 195
Purchased	46,948,398	20,150,198	(21,684)	(21,684)	418,621	179,672	(193)	(193)
Interest Options								
Sold	2,375,805	159,806	(518)	3	21,184	1,425	(5)	0
Purchased	1,504,870	96,656	536	39	13,418	862	5	0
OTC								
Forward Rate Agreements								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	60,456,775	49,894,560	1,184,388	1,184,388	539,071	444,891	10,561	10,561
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	59,977,847	48,455,485	(1,143,113)	(1,143,113)	534,800	432,060	(10,193)	(10,193)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	12,429,992	10,606,892	2,071	2,071	110,834	94,578	18	18
Interest Options								
Sold	5,843,688	5,666,325	(15,052)	6,969	52,106	50,525	(134)	62
Purchased	3,047,232	2,895,927	19,657	10,303	27,171	25,822	175	92
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 48,139	¥ 60,833			$ 429	$ 542

	Millions of Yen			
	2016			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 45,249,251	¥ 14,813,892	¥ (60,758)	¥ (60,758)
Purchased	43,087,805	13,133,651	56,151	56,151
Interest Options				
Sold	2,389,802	107,556	(363)	428
Purchased	1,656,571	46,307	299	(378)
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	55,422,627	45,299,001	2,381,311	2,381,311
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	53,714,268	44,374,631	(2,300,241)	(2,300,241)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	6,657,076	6,022,090	6,140	6,140
Interest Options				
Sold	5,526,509	5,367,603	(89,839)	(57,574)
Purchased	3,038,329	2,934,950	61,861	43,246
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 54,563	¥ 68,325

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Tokyo Financial Exchange and other exchanges. The fair values of OTC derivative transactions are calculated using the net present value method or option-pricing models.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2017				2017			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Currency Futures								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC								
Currency Swaps	¥ 3,839,894	¥ 2,729,472	¥ 19,275	¥ 19,275	$ 34,239	$ 24,338	$ 172	$ 172
Forward Exchange Contracts								
Sold	10,443,601	494,399	(5,853)	(5,853)	93,122	4,408	(52)	(52)
Purchased	12,775,451	457,261	14,487	14,487	113,914	4,077	129	129
Currency Options								
Sold	1,258,710	576,059	(45,547)	8,880	11,223	5,137	(406)	79
Purchased	1,138,819	521,704	41,528	(6,299)	10,154	4,652	370	(56)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 23,889	¥ 30,489			$ 213	$ 272

	Millions of Yen			
	2016			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Currency Futures				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options				
Sold	—	—	—	—
Purchased	—	—	—	—
OTC				
Currency Swaps	¥ 3,218,253	¥ 2,903,071	¥ 9,327	¥ 9,327
Forward Exchange Contracts				
Sold	10,173,574	611,767	38,474	38,474
Purchased	10,277,799	593,724	(30,395)	(30,395)
Currency Options				
Sold	1,042,194	470,032	(46,385)	(4,051)
Purchased	1,031,475	402,842	38,584	2,326
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 9,605	¥ 15,682

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values are calculated using the net present value method or option-pricing models.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2017				2017			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Stock Index Futures								
Sold	¥ 77,382	¥ —	¥ (163)	¥ (163)	$ 690	$ —	$ (1)	$ (1)
Purchased	58,961	—	276	276	526	—	2	2
Stock Index Options								
Sold	10,170	—	(28)	31	91	—	(0)	0
Purchased	5,158	—	12	(15)	46	—	0	(0)
OTC								
OTC Stock Options								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
OTC Stock Swaps								
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	5,000	5,000	312	312	45	45	3	3
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	5,000	5,000	(312)	(312)	45	45	(3)	(3)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 97	¥ 129			$ 1	$ 1

	Millions of Yen			
	2016			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Stock Index Futures				
Sold	¥ 228,244	¥ —	¥ 352	¥ 352
Purchased	239,109	—	(987)	(987)
Stock Index Options				
Sold	47,106	—	(141)	211
Purchased	40,253	—	123	(129)
OTC				
OTC Stock Options				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
OTC Stock Swaps				
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	5,000	5,000	328	328
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	5,000	5,000	(328)	(328)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (653)	¥ (553)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC transactions are calculated using the net present value method or option-pricing models.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2017				2017			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 3,109,489	¥ —	¥ (16,850)	¥ (16,850)	$ 27,726	$ —	$ (150)	$ (150)
Purchased	2,879,426	—	15,798	15,798	25,675	—	141	141
Bond Future Options								
Sold	135,219	—	(584)	(128)	1,206	—	(5)	(1)
Purchased	118,317	—	207	(18)	1,055	—	2	(0)
OTC								
Bond Forward Contracts								
Sold	¥ 154,594	¥ —	¥ (1,388)	¥ (1,388)	$ 1,378	$ —	$ (12)	$ (12)
Purchased	117,864	—	507	507	1,051	—	5	5
Bond Options								
Sold	6,871	—	(51)	(14)	61	—	(0)	(0)
Purchased	86,264	5,052	798	(336)	769	45	7	(3)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (1,561)	¥ (2,430)			$ (14)	$ (22)

	Millions of Yen			
	2016			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 2,611,324	¥ —	¥ (12,683)	¥ (12,683)
Purchased	2,320,413	—	12,203	12,203
Bond Future Options				
Sold	162,021	—	(748)	(176)
Purchased	179,198	—	356	(190)
OTC				
Bond Forward Contracts				
Sold	¥ 99,748	¥ —	¥ (597)	¥ (597)
Purchased	138,847	—	721	721
Bond Options				
Sold	14,022	—	(93)	(30)
Purchased	14,022	—	19	(64)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (823)	¥ (817)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC transactions are calculated using option-pricing models.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2017 and 2016.

(6) Credit Derivative Transactions

Credit derivative transactions not qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2017				2017			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
OTC								
Credit Default Swaps								
Sold	¥ 80,288	¥ 79,288	¥ 1,640	¥ 1,640	$ 716	$ 707	$ 15	$ 15
Purchased	125,188	124,188	(2,763)	(2,763)	1,116	1,107	(25)	(25)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (1,123)	¥ (1,123)			$(10)	$(10)

	Millions of Yen			
	2016			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swaps				
Sold	¥ 77,279	¥ 77,279	¥ 922	¥ 922
Purchased	88,309	88,309	(1,669)	(1,669)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (746)	¥ (746)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values are calculated using the net present value method.

3) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

2. Derivative Transactions Qualifying for Hedge Accounting

Derivative transactions qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
		2017			2017		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 5,209,766	¥ 2,863,293	¥ 5,905	$ 46,454	$ 25,531	$ 53
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,149,071	1,085,680	(31,646)	10,246	9,681	(282)
Interest Futures							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Interest Options							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Exceptional Treatment for Interest Rate Swaps							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Borrowed Money	¥ —	¥ —		$ —	$ —	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,000	1,000	(Note 3)	9	9	(Note 3)
Total				¥ (25,740)			$ (230)

	Major Hedged Item	Millions of Yen 2016 Notional Amount Total	Notional Amount Over One Year	Fair Value
Deferral Method				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 3,403,405	¥ 2,943,405	¥ 20,230
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		894,213	822,279	(45,497)
Interest Futures				
Sold		—	—	—
Purchased		—	—	—
Interest Options				
Sold		—	—	—
Purchased		—	—	—
Others				
Sold		—	—	—
Purchased		—	—	—
Exceptional Treatment for Interest Rate Swaps				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Borrowed Money	¥ —	¥ —	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,586	1,400	(Note 3)
Total				¥ (25,266)

(Notes)

1) Deferred hedge accounting stipulated in Report No. 24 is applied, in principle.

2) Fair values are calculated mainly using the net present value method or option-pricing models.

3) Interest rate swaps to which exceptional treatment is applied are accounted for as part of the borrowings being hedged; therefore, their fair values are included in the fair value of Borrowed Money presented under "Financial Instruments."

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Major Hedged Item	Millions of Yen 2017 Notional Amount Total	Millions of Yen 2017 Notional Amount Over One Year	Millions of Yen 2017 Fair Value	Millions of U.S. Dollars 2017 Notional Amount Total	Millions of U.S. Dollars 2017 Notional Amount Over One Year	Millions of U.S. Dollars 2017 Fair Value
Deferral Method							
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 3,873,763	¥ 1,887,999	¥ 43,328	$ 34,541	$ 16,835	$ 386
Forward Exchange Contracts							
Sold		7,219	—	(1)	64	—	(0)
Purchased		10,407	—	(115)	93	—	(1)
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments"							
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies						
Sold		¥ 38,974	¥ —	¥ 44	$ 348	$ —	$ 0
Purchased		—	—	—	—	—	—
Total				¥ 43,257			$ 386

	Major Hedged Item	Millions of Yen 2016 Notional Amount Total	Millions of Yen 2016 Notional Amount Over One Year	Millions of Yen 2016 Fair Value
Deferral Method				
Currency Swaps	Loans and Bills Discounted, Securities Denominated in Foreign Currencies	¥ 4,803,548	¥ 2,430,675	¥ (33,544)
Forward Exchange Contracts				
Sold		7,355	—	171
Purchased		6,497	—	(295)
Others				
Sold		—	—	—
Purchased		—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments"				
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies			
Sold		¥ 37,834	¥ —	¥ 621
Purchased		—	—	—
Total				¥ (33,046)

(Notes)

1) Deferred hedge accounting stipulated in Report No. 25 is applied, in principle.

2) Fair values are calculated mainly using the net present value method.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2017.

Stock-related transactions qualifying for hedge accounting as of March 31, 2016, consist of the following:

	Major Hedged Item	Millions of Yen					
		2016					
		Notional Amount				Fair Value	
		Total		Over One Year			
Fair Value Method							
OTC Stock Swaps							
Volatility of Stock Price and Others Receivable/ Short-Term Floating Interest Rate Payable	Available-for-Sale Securities (Stocks)	¥	—	¥	—	¥	—
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Others Payable			848		—		(17)
Total						¥	(17)

(Note) Fair values are calculated mainly using the net present value method.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2017 and 2016.

Retirement and Pension Plans

Retirement and Pension Plans for the Fiscal Years Ended March 31, 2017 and 2016

1. Outline of the Retirement Benefit Plans Adopted by SuMi TRUST Holdings

SuMi TRUST Bank, a consolidated subsidiary of SuMi TRUST Holdings, has defined benefit plans (a corporate pension fund plan and a lump-sum retirement benefit plan). Additionally, a lump-sum retirement benefit plan is offered to contract employees according to internal rules. SuMi TRUST Bank also has a defined contribution pension plan and may provide extra retirement payments to retiring employees in some cases. SuMi TRUST Bank sets up employee retirement benefit trusts as part of its pension plan assets.

Other consolidated subsidiaries have lump-sum retirement benefit plans, defined benefit corporate pension plans, defined contribution pension plans, and plans administered under an employees' pension fund system. Some consolidated subsidiaries also participate in multiple employer pension plan.

Some consolidated subsidiaries adopt the computational shortcut method in calculating liabilities for retirement benefits and retirement benefit expenses for their defined benefit corporate pension plans and lump-sum retirement benefit plans.

2. Defined Benefit Plans

(1) Reconciliation of Retirement Benefit Obligations

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Retirement Benefit Obligations (opening balance)	¥ 473,279	¥ 418,374	$ 4,220
Service Cost-Benefits Earned during the Fiscal Year	15,266	13,196	136
Interest Cost on Projected Benefit Obligations	2,370	4,929	21
Actuarial Gains and Losses that Arose during the Fiscal Year	(5,864)	49,433	(52)
Retirement Benefits Paid	(17,643)	(17,103)	(157)
Past Service Cost that Arose during the Fiscal Year	—	—	—
Others	—	4,449	—
Retirement Benefit Obligations (closing balance)	¥ 467,409	¥ 473,279	$ 4,168

(2) Reconciliation of Plan Assets

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Plan Assets (opening balance)	¥ 550,747	¥ 596,928	$ 4,911
Expected Return on Plan Assets	28,152	27,055	251
Actuarial Gains and Losses that Arose during the Fiscal Year	8,782	(62,140)	78
Contributions by the Employer	648	744	6
Retirement Benefits Paid	(15,898)	(15,591)	(142)
Others	(52)	3,751	(0)
Plan Assets (closing balance)	¥ 572,379	¥ 550,747	$ 5,104

(3) Reconciliation between Closing Balances of Retirement Benefit Obligations and Plan Assets, and Liabilities and Assets for Retirement Benefits Recorded in the Consolidated Balance Sheet

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 455,290	¥ 461,419	$ 4,060
Plan Assets	(572,379)	(550,747)	(5,104)
	(117,088)	(89,327)	(1,044)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	12,118	11,860	108
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (104,970)	¥ (77,467)	$ (936)

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Liabilities for Retirement Benefits	¥ 14,048	¥ 13,937	$ 125
Assets for Retirement Benefits	(119,018)	(91,404)	(1,061)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (104,970)	¥ (77,467)	$ (936)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Service Cost-Benefits Earned during the Fiscal Year	¥ 15,266	¥ 13,196	$ 136
Interest Cost on Projected Benefit Obligations	2,370	4,929	21
Expected Return on Plan Assets	(28,152)	(27,055)	(251)
Amortization of Actuarial Differences	14,319	(1,175)	128
Amortization of Past Service Cost	95	116	1
Other	1,249	1,066	11
Retirement Benefit Expenses for Defined Benefit Obligations	¥ 5,150	¥ (8,921)	$ 46

(5) Adjustments for Retirement Benefits

The breakdown of adjustments for retirement benefits (before tax effects) is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Past Service Cost	¥ 95	¥ 288	$ 1
Actuarial Differences	28,966	(112,749)	258
Total	¥ 29,062	¥ (112,460)	$ 259

(6) Accumulated Adjustments for Retirement Benefits

The breakdown of accumulated adjustments for retirement benefits (before tax effects) is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Unrecognized Past Service Cost	¥ 64	¥ 159	$ 1
Unrecognized Actuarial Differences	30,260	59,227	270
Total	¥ 30,325	¥ 59,387	$ 270

(7) Plan Assets

1) The asset categories and proportion of the total plan asset are as follows:

	Proportion (%)	
	2017	2016
Debt Securities	**20**	20
Equity Securities	**58**	55
Cash and Due from Banks	**3**	6
Other	**19**	19
Total	**100**	100

(Note) The total plan asset includes the retirement benefit trusts set up for a corporate pension plan and a lump-sum retirement benefit plan. They account for 58% and 56% of the total plan asset for the fiscal years ended March 31, 2017 and 2016, respectively.

2) Expected long-term return on plan assets

In order to determine the expected long-term rate of return on plan assets, SuMi TRUST Holdings considers the current and projected plan asset allocation, as well as the current and expected long-term rate of return on assets composing plan assets.

(8) Assumptions Used

Major assumptions used in actuarial calculation for the fiscal years ended March 31, 2017 and 2016, are as follows:

	2017	2016
Discount Rate	**Mainly 0.5%**	Mainly 0.5%
Expected Long-Term Rate of Return on Plan Assets	**5.1%**	4.5%

3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Holdings and its consolidated subsidiaries to the defined contribution pension plans were ¥1,882 million (U.S. $17 million) and ¥1,846 million for the years ended March 31, 2017 and 2016, respectively.

Stock Option Plans

1. Expenses Recorded in Connection with Stock Options during the Fiscal Years Ended March 31, 2017 and 2016

(1) SuMi TRUST Holdings

2017: General and Administrative Expenses: ¥165 million (U.S. $1 million)

2016: General and Administrative Expenses: ¥184 million

(2) Nikko Asset Management Co., Ltd. (consolidated subsidiary)

There were no relevant items.

2. Description of Stock Options

(1) SuMi TRUST Holdings

1) Description of Stock Options

Year Ended March 31, 2017	SuMi TRUST Holdings Series 1 Subscription Rights to Shares	SuMi TRUST Holdings Series 2 Subscription Rights to Shares
Number of Eligible Persons and their Position	Directors and officers of SuMi TRUST Holdings: 22 Directors and officers of The Chuo Mitsui Trust and Banking Company, Limited: 19 Directors and officers of The Chuo Mitsui Asset Trust and Banking Company, Limited: 7 Directors and officers of The Sumitomo Trust and Banking Co., Ltd.: 24 Total: 72	Directors and officers of SuMi TRUST Holdings: 22 Directors and officers of SuMi TRUST Bank: 44 Total: 66
Number of Stock Options Granted by Class of Share (Note)	Common stock: 28,600 shares	Common stock: 26,000 shares
Grant Date	July 26, 2011	July 18, 2012
Vesting Conditions	1) A holder of the subscription rights to shares must be a director or officer of SuMi TRUST Holdings or its subsidiaries when exercising the rights, unless the holder is no longer in such a position because he or she has retired at the end of his or her term or for some other valid reason. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares.	Same as on the left
Eligible Service Period	From July 26, 2011, to July 25, 2013	From July 18, 2012, to July 17, 2014
Exercise Period	From July 26, 2013, to July 25, 2021	From July 18, 2014, to July 17, 2022

(Note) Converted into the number of equivalent shares, taking into account the consolidation of shares (at a ration of ten existing shares into one share) effected on October 1, 2016.

Year Ended March 31, 2017	SuMi TRUST Holdings Series 3 Subscription Rights to Shares	SuMi TRUST Holdings Series 4 Subscription Rights to Shares
Number of Eligible Persons and their Position	Directors and officers of SuMi TRUST Holdings: 22 Directors and officers of SuMi TRUST Bank: 38 Total: 60	Directors and officers of SuMi TRUST Holdings: 23 Directors and officers of SuMi TRUST Bank: 40 Total: 63
Number of Stock Options Granted by Class of Share (Note)	Common stock: 39,800 shares	Common stock: 40,400 shares
Grant Date	July 19, 2013	August 1, 2014
Vesting Conditions	1) A holder of the subscription rights to shares must be a director or officer of SuMi TRUST Holdings or its subsidiaries when exercising the rights, unless the holder is no longer in such a position because he or she has retired at the end of his or her term or for some other valid reason. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares.	1) A holder of the subscription rights to shares may exercise the rights the following day or onwards when the holder is no longer in a position of a director or officer of SuMi TRUST Holdings or SuMi TRUST Bank. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares.
Eligible Service Period	From July 19, 2013, to July 18, 2015	Not specified
Exercise Period	From July 19, 2015, to July 18, 2023	From August 31, 2014, to July 31, 2044

(Note) Converted into the number of equivalent shares, taking into account the consolidation of shares (at a ration of ten existing shares into one share) effected on October 1, 2016.

Year Ended March 31, 2017	SuMi TRUST Holdings Series 5 Subscription Rights to Shares	SuMi TRUST Holdings Series 6 Subscription Rights to Shares
Number of Eligible Persons and their Position	Directors and officers of SuMi TRUST Holdings: 19 Directors and officers of SuMi TRUST Bank: 44 Total: 63	Directors and officers of SuMi TRUST Holdings: 21 Directors and officers of SuMi TRUST Bank: 42 Total: 63
Number of Stock Options Granted by Class of Share (Note)	Common stock: 32,700 shares	Common stock: 51,000 shares
Grant Date	July 31, 2015	July 29, 2016
Vesting Conditions	1) A holder of the subscription rights to shares may exercise the rights the following day or onwards when the holder is no longer in a position of a director or officer of SuMi TRUST Holdings or SuMi TRUST Bank. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares.	Same as on the left
Eligible Service Period	Not specified	Same as on the left
Exercise Period	From August 31, 2015, to July 30, 2045	From August 31, 2016, to July 28, 2046

(Note) Converted into the number of equivalent shares, taking into account the consolidation of shares (at a ration of ten existing shares into one share) effected on October 1, 2016.

2) Volume and Changes in Stock Options

i) Number of stock options

	Shares					
Year Ended March 31, 2017	SuMi TRUST Holdings Series 1 Subscription Rights to Shares	SuMi TRUST Holdings Series 2 Subscription Rights to Shares	SuMi TRUST Holdings Series 3 Subscription Rights to Shares	SuMi TRUST Holdings Series 4 Subscription Rights to Shares	SuMi TRUST Holdings Series 5 Subscription Rights to Shares	SuMi TRUST Holdings Series 6 Subscription Rights to Shares
Unvested Stock Options						
At the Beginning of the Fiscal Year	—	—	—	—	—	—
Granted	—	—	—	—	—	51,000
Forfeited	—	—	—	—	—	—
Vested	—	—	—	—	—	51,000
At the End of the Fiscal Year	—	—	—	—	—	—
Vested Stock Options						
At the Beginning of the Fiscal Year	23,400	22,500	39,300	38,700	32,700	—
Vested	—	—	—	—	—	51,000
Exercised	700	400	—	2,200	—	—
Forfeited	—	—	—	—	—	—
At the End of the Fiscal Year	22,700	22,100	39,300	36,500	32,700	51,000

(Note) Converted into the number of equivalent shares, taking into account the consolidation of shares (at a ration of ten existing shares into one share) effected on October 1, 2016.

ii) Unit price information

Year Ended March 31, 2017	SuMi TRUST Holdings Series 1 Subscription Rights to Shares	SuMi TRUST Holdings Series 2 Subscription Rights to Shares	SuMi TRUST Holdings Series 3 Subscription Rights to Shares	SuMi TRUST Holdings Series 4 Subscription Rights to Shares	SuMi TRUST Holdings Series 5 Subscription Rights to Shares	SuMi TRUST Holdings Series 6 Subscription Rights to Shares
Exercise Price (yen)	4,000	4,000	5,190	1	1	1
Average Stock Price when Exercised (yen)	4,281	4,375	—	3,651	—	—
Fair Unit Value on the Grant Date (yen)	620	340	1,460	4,240	5,447	3,246

(Note) The amounts presented are calculated to reflect the consolidation of shares (at a ration of ten existing shares into one share) effected on October 1, 2016.

(2) Nikko Asset Management Co., Ltd. (consolidated subsidiary)

1) Description of Stock Options

Year Ended March 31, 2017	Resolution during Fiscal Year 2009	
Number of Eligible Persons and their Position	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 271	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 48
Number of Stock Options Granted by Class of Share (Note)	Common stock: 19,724,100 shares	Common stock: 1,702,800 shares
Grant Date	February 8, 2010	August 20, 2010
Vesting Conditions	The recipient must, in principle, be an employee of Nikko Asset Management Co., Ltd., as of January 22, 2012 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options.	Same as on the left
Eligible Service Period	From the grant date until two full years have passed since the First Exercisable Date	Same as on the left
Exercise Period	From January 22, 2012 to January 21, 2020	Same as on the left

(Note) Converted into the number of equivalent shares.

	Resolution during the Fiscal Year 2011	Resolution during the Fiscal Year 2016
Number of Eligible Persons and their Position	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 186	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 16
Number of Stock Options Granted by Class of Share (Note)	Common stock: 6,101,700 shares	Common stock: 4,437,000 shares
Grant Date	October 7, 2011	July 15, 2016
Vesting Conditions	The recipient must, in principle, be an employee of Nikko Asset Management Co., Ltd., as of October 7, 2013 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options.	The recipient must, in principle, be an employee of Nikko Asset Management Co., Ltd., as of July 15, 2018 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one third, one third and one third of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options.
Eligible Service Period	From the grant date until two full years have passed since the First Exercisable Date	From the grant date until two full years have passed since the First Exercisable Date
Exercise Period	From October 7, 2013 to October 6, 2021	From July 15, 2018 to July 31, 2026

(Note) Converted into the number of equivalent shares.

2) Volume and Changes in Stock Options

i) Number of stock options

Year Ended March 31, 2017	Shares	
	Resolution during Fiscal Year 2009	
Grant Date	February 8, 2010	August 20, 2010
Unvested Stock Options		
At the Beginning of the Fiscal Year	1,762,200	174,900
Granted	—	—
Forfeited	72,600	—
Vested	—	—
At the End of the Fiscal Year	1,689,600	174,900
Vested Stock Options		
At the Beginning of the Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of the Fiscal Year	—	—

	Shares	
	Resolution during Fiscal Year 2011	Resolution during Fiscal Year 2016
Grant Date	October 7, 2011	July 15, 2016
Unvested Stock Options		
At the Beginning of the Fiscal Year	4,738,800	—
Granted	—	4,437,000
Forfeited	1,848,000	33,000
Vested	—	—
At the End of the Fiscal Year	2,890,800	4,404,000
Vested Stock Options		
At the Beginning of the Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of the Fiscal Year	—	—

ii) Unit price information

Year Ended March 31, 2017	Resolution during Fiscal Year 2009	
Grant Date	February 8, 2010	August 20, 2010
Exercise Price	¥625	¥625
Fair Price on the Grant Date (Note 1)	0	0

	Resolution during Fiscal Year 2011	Resolution during Fiscal Year 2016
Grant Date	October 7, 2011	July 15, 2016
Exercise Price	¥737 (Note 3)	¥558
Fair Price on the Grant Date (Note 1)	0	0

(Notes)

1) In lieu of fair value per share, the fair price refers to an estimate of each option's intrinsic value (the difference between the fair value of the share calculated by the comparable transaction price method and the exercise price).

2) The total amount of intrinsic value of the options was ¥0 (U.S. $0) as of March 31, 2017.

3) If the IPO price is set as any amount exceeding ¥737 (U.S. $7), the Exercise Price shall be adjusted to an amount equal to the IPO Price on the IPO Date (the Exercise Price shall be adjusted to reflect appropriately the nature of any split or consolidation of shares after the Allotment Date, if any).

3. Method for Estimating a Fair Unit Price for Stock Options

The method used to estimate a fair unit price for the SuMi TRUST Holdings Series 6 Subscription Rights to Shares is described below.

(1) Valuation Technique Used: Black-Scholes Model

(2) Key Parameters and Estimation Method Used

Year Ended March 31, 2017	SuMi TRUST Holdings Series 6 Subscription Rights to Shares
Stock Price Volatility (Note 1)	40.4%
Expected Life (Note 2)	1.70 years
Dividend Yield (Note 3)	3.75%
Risk-Free Interest Rate (Note 4)	(0.36)%

(Notes)

1) Stock price volatility was calculated based on the closing prices for common stock of SuMi TRUST Holdings on the final trading day of each week during a past consecutive period corresponding to the expected time to exercise.

2) The expected life of the stock option is estimated based on expected tenures of holders of the subscription rights to shares because it is difficult to reasonably estimate the expected life.

3) Dividend yield is based on the actual dividends on common stock paid for the year ended March 31, 2016.

4) The rate represents the Japanese Government Bond yield corresponding to the expected life.

4. Method for Estimating the Number of Vested Stock Options

SuMi TRUST Holdings has adopted a method to reflect only the number of stock options that have been actually forfeited, because it is difficult to reasonably estimate the number that will be forfeited in the future.

Income Taxes

1. Deferred Tax Assets and Liabilities

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Deferred Tax Assets:			
Allowance for Loan Losses (including Direct Write-Offs of Loans with Guarantees or Collateral)	¥ 45,855	¥ 38,681	$ 409
Devaluation of Securities	21,078	21,834	188
Deferred Gains (Losses) on Hedges	7,578	3,426	68
Adjustments for Retirement Benefits	13,129	26,399	117
Valuation Difference Due to Share Exchange	5,191	5,606	46
Other	70,709	81,611	630
Subtotal	163,543	177,560	1,458
Valuation Allowance	(36,706)	(37,453)	(327)
Deferred Tax Assets	¥ 126,837	¥ 140,106	$ 1,131
Deferred Tax Liabilities:			
Retirement Benefits	¥ (10,156)	¥ (11,383)	$ (91)
Valuation Difference on Available-for-Sale Securities	(213,167)	(208,633)	(1,901)
Deferred Gains (Losses) on Hedges	(117)	(114)	(1)
Valuation Difference Due to Share Exchange	(9,396)	(10,599)	(84)
Other	(8,258)	(9,351)	(74)
Deferred Tax Liabilities	¥ (241,095)	¥ (240,081)	$ (2,150)
Net Deferred Tax Assets (Liabilities)	¥ (114,258)	¥ (99,975)	$ (1,019)

2. Effective Income Tax Rate

Disclosure on reconciliation between the effective statutory tax rate and the effective income tax rate is omitted since the difference was 5% or less of the effective statutory tax rate for the fiscal years ended March 31, 2017 and 2016.

Segment Information

1. Reportable Segment Information

SuMi TRUST Group's reportable segments are defined as operating segments for which discrete financial information is available and which is regularly reviewed by the Board of Directors in determining resources to be allocated to the segments and in assessing their business performance.

SuMi TRUST Group comprises SuMi TRUST Bank Group (SuMi TRUST Bank and its consolidated subsidiaries) and other consolidated subsidiaries, and SuMi TRUST Bank Group is treated as a reportable segment, "SuMi TRUST Bank." The main activity of the reportable segment is presented below:

SuMi TRUST Bank: Trust banking business

2. Method for Calculating Income, Profit or Losses, Assets, Liabilities, and Other Items by Reportable Segment

The accounting policies used for the reportable segments are the same as those presented under "Significant Accounting Policies and Practices," and the amount of segment profit presented for the reportable segments is "Income before Income Taxes."

Prices used for internal transactions among segments are the same as the prices used for transactions with unaffiliated customers.

3. Income, Profit or Losses, Assets, Liabilities, and Other Items by Reportable Segment

	Millions of Yen					
	Reportable Segment		Other	Total	Adjustment	Carrying Amount
Fiscal Year Ended March 31, 2017	SuMi TRUST Bank	Total				
Income:						
Unaffiliated Customers	¥ 1,229,686	¥ 1,229,686	¥ 37,523	¥ 1,267,209	¥ (4,321)	¥ 1,262,887
Intersegment	16,587	16,587	88,421	105,009	(105,009)	—
Total	¥ 1,246,274	¥ 1,246,274	¥ 125,944	¥ 1,372,219	¥ (109,331)	¥ 1,262,887
Segment Profit	¥ 172,427	¥ 172,427	¥ 62,195	¥ 234,622	¥ (43,487)	¥ 191,135
Segment Assets	¥ 52,540,547	¥ 52,540,547	¥ 15,316,970	¥ 67,857,518	¥ (2,403,792)	¥ 65,453,725
Segment Liabilities	¥ 49,907,542	¥ 49,907,542	¥ 13,628,201	¥ 63,535,744	¥ (873,701)	¥ 62,662,042
Others						
Depreciation and Amortization	¥ 25,390	¥ 25,390	¥ 6,946	¥ 32,336	¥ —	¥ 32,336
Amortization of Goodwill	9,964	9,964	—	9,964	(499)	9,464
Interest Income	389,888	389,888	62,131	452,020	(67,665)	384,354
Interest Expenses	165,813	165,813	9,631	175,444	(10,173)	165,271
Equity in Earnings of Affiliated Companies	6,950	6,950	—	6,950	—	6,950
Gains on Disposal of Fixed Assets	1,615	1,615	—	1,615	—	1,615
Gains on Negative Goodwill	—	—	—	—	—	—
Losses on Disposal of Fixed Assets	984	984	7	992	—	992
Impairment Loss	5,870	5,870	—	5,870	—	5,870
Unamortized Balance of Goodwill	94,490	94,490	—	94,490	(3,998)	90,492
Investment in Affiliated Companies Accounted for by the Equity Method	86,149	86,149	—	86,149	—	86,149

	Millions of Yen					
	Reportable Segment		Other	Total	Adjustment	Carrying Amount
Fiscal Year Ended March 31, 2016	SuMi TRUST Bank	Total				
Income:						
Unaffiliated Customers	¥ 1,149,427	¥ 1,149,427	¥ 40,901	¥ 1,190,328	¥ 11,296	¥ 1,201,625
Intersegment	16,922	16,922	87,502	104,425	(104,425)	—
Total	¥ 1,166,350	¥ 1,166,350	¥ 128,403	¥ 1,294,754	¥ (93,129)	¥ 1,201,625
Segment Profit	¥ 236,503	¥ 236,503	¥ 62,585	¥ 299,088	¥ (25,952)	¥ 273,136
Segment Assets	¥ 51,613,282	¥ 51,613,282	¥ 8,868,856	¥ 60,482,139	¥ (2,252,191)	¥ 58,229,948
Segment Liabilities	¥ 49,070,812	¥ 49,070,812	¥ 7,178,447	¥ 56,249,260	¥ (723,823)	¥ 55,525,436
Others						
Depreciation and Amortization	¥ 23,386	¥ 23,386	¥ 7,075	¥ 30,461	¥ —	¥ 30,461
Amortization of Goodwill	8,915	8,915	—	8,915	(499)	8,416
Interest Income	373,463	373,463	63,581	437,045	(64,968)	372,076
Interest Expenses	143,065	143,065	7,870	150,935	(9,803)	141,131
Equity in Earnings of Affiliated Companies	7,702	7,702	—	7,702	—	7,702
Gains on Disposal of Fixed Assets	1,847	1,847	—	1,847	(1)	1,846
Gains on Negative Goodwill	874	874	—	874	—	874
Losses on Disposal of Fixed Assets	3,537	3,537	13	3,551	14	3,565
Impairment Loss	5,163	5,163	—	5,163	(1,082)	4,080
Unamortized Balance of Goodwill	104,517	104,517	—	104,517	(4,498)	100,019
Investment in Affiliated Companies Accounted for by the Equity Method	57,581	57,581	—	57,581	—	57,581

Fiscal Year Ended March 31, 2017	Millions of U.S. Dollars					
	Reportable Segment		Other	Total	Adjustment	Carrying Amount
	SuMi TRUST Bank	Total				
Income:						
Unaffiliated Customers	$ 10,965	$ 10,965	$ 335	$ 11,299	$ (39)	$ 11,261
Intersegment	148	148	788	936	(936)	—
Total	$ 11,113	$ 11,113	$ 1,123	$ 12,236	$ (975)	$ 11,261
Segment Profit	$ 1,537	$ 1,537	$ 555	$ 2,092	$ (388)	$ 1,704
Segment Assets	$ 468,485	$ 468,485	$ 136,576	$ 605,060	$ (21,434)	$ 583,627
Segment Liabilities	$ 445,007	$ 445,007	$ 121,518	$ 566,525	$ (7,790)	$ 558,734
Others						
Depreciation and Amortization	$ 226	$ 226	$ 62	$ 288	$ —	$ 288
Amortization of Goodwill	89	89	—	89	(4)	84
Interest Income	3,476	3,476	554	4,030	(603)	3,427
Interest Expenses	1,478	1,478	86	1,564	(91)	1,474
Equity in Earnings of Affiliated Companies	62	62	—	62	—	62
Gains on Disposal of Fixed Assets	14	14	—	14	—	14
Gains on Negative Goodwill	—	—	—	—	—	—
Losses on Disposal of Fixed Assets	9	9	0	9	—	9
Impairment Loss	52	52	—	52	—	52
Unamortized Balance of Goodwill	843	843	—	843	(36)	807
Investment in Affiliated Companies Accounted for by the Equity Method	768	768	—	768	—	768

(Notes)

1) The figures represent Income in substitution of net sales to be presented by companies in other industries.

2) The figures under SuMi TRUST Bank represent consolidated amounts.

3) "Other" includes SuMi TRUST Holdings and its consolidated subsidiaries other than the SuMi TRUST Bank group companies.

4) The figures shown under "Adjustment" represent the consolidation adjustments for internal transactions and include realized valuation differences arising from business combinations.

5) Segment profits have been reconciled to "Income before Income Taxes" as presented in the consolidated statement of income.

Related Information

1. Information by Services

Fiscal Year Ended March 31, 2017	Millions of Yen			
	Trust Banking Business	Leasing Business	Other	Total
Income:				
Unaffiliated Customers	¥ 788,915	¥ 231,298	¥ 242,673	¥ 1,262,887

Fiscal Year Ended March 31, 2016	Millions of Yen			
	Trust Banking Business	Leasing Business	Other	Total
Income:				
Unaffiliated Customers	¥ 771,479	¥ 219,179	¥ 210,965	¥ 1,201,625

Fiscal Year Ended March 31, 2017	Millions of U.S. Dollars			
	Trust Banking Business	Leasing Business	Other	Total
Income:				
Unaffiliated Customers	$ 7,034	$ 2,062	$ 2,164	$ 11,261

(Notes)

1) The figures represent Income in substitution of net sales to be presented by companies in other industries.

2) "Trust Banking Business" comprises income of SuMi TRUST Bank and JTSB.

2. Geographic Information

(1) Income

Income by geographical area for the fiscal years ended March 31, 2017 and 2016, consists of the following:

Fiscal Year Ended March 31, 2017	Millions of Yen				
	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,083,998	¥ 74,997	¥ 41,723	¥ 62,168	¥ 1,262,887

Fiscal Year Ended March 31, 2016	Millions of Yen				
	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,054,889	¥ 57,423	¥ 36,172	¥ 53,139	¥ 1,201,625

Fiscal Year Ended March 31, 2017	Millions of U.S. Dollars				
	Japan	Americas	Europe	Asia and Oceania	Total
	$ 9,666	$ 669	$ 372	$ 554	$ 11,261

(Notes)

1) The figures represent Income in substitution for net sales to be presented by companies in other industries.

2) Income related to transactions by SuMi TRUST Holdings, its domestic consolidated banking subsidiaries (excluding oversea branches), and other domestic consolidated subsidiaries are presented under "Japan." Income related to transactions by overseas branches of domestic consolidated banking subsidiaries and foreign consolidated subsidiaries are presented under "Americas," "Europe," or "Asia and Oceania" based on the location of each overseas branch and subsidiary, reflecting their geographical proximity.

(2) Tangible Fixed Assets

More than 90% of SuMi TRUST Group's tangible fixed assets on the consolidated balance sheet as of March 31, 2017 and 2016, are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

Due to highly diversified income-generating transactions between SuMi TRUST Group and a significantly large number of SuMi TRUST Group's customers, transactions are not classified by major counterparty; accordingly, information by major customer is not presented.

Information Related to Losses on Impairment of Fixed Assets by Reportable Segment

Information is not provided in this section because the same information is disclosed in the "Segment Information" section.

Information Related to Amortization of Goodwill and Unamortized Balance of Goodwill by Reportable Segment

Information is not provided in this section because the same information is disclosed in the "Segment Information" section.

Information Related to Gain on Negative Goodwill by Reportable Segment

There was no gain on negative goodwill by reportable segment during the fiscal year ended March 31, 2017. Information is not provided in this section for the fiscal year ended March 31, 2016, because the same information is disclosed in the "Segment Information" section.

Related-Party Transactions

There were no material transactions to be disclosed for the fiscal years ended March 31, 2017 and 2016.

Per Share of Common Stock Information

	Yen		U.S. Dollars
	2017	2016	**2017**
Net Assets per Share of Common Stock	**¥ 6,437.57**	¥ 6,181.19	**$ 57.40**
Net Income per Share of Common Stock	**317.24**	433.30	**2.83**
Net Income per Share of Common Stock (Fully Diluted)	**317.15**	433.22	**2.83**

(Notes)

1) Net assets per share of common stock and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of March 31, 2017	As of March 31, 2016	**As of March 31, 2017**
Net Assets as Reported	**¥ 2,791,682**	¥ 2,704,511	**$ 24,892**
Less:	**329,065**	327,537	**2,934**
Subscription Rights to Shares	**577**	421	**5**
Non-Controlling Interests	**328,488**	327,116	**2,929**
Net Assets Attributable to Common Shareholders	**2,462,616**	2,376,973	**21,958**
The Number of Shares of Common Stock Outstanding (Thousands of Shares)	**382,537**	384,549	**382,537**

2) Net income per share of common stock and net income per share of common stock (fully diluted) and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	Fiscal Year Ended March 31, 2017	Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2017
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 121,446	¥ 166,909	$ 1,083
Net Income Not Attributable to Common Shareholders	—	—	—
Net Income Related to Common Stock that is Attributable to Owners of the Parent	121,446	166,909	1,083
Average Number of Shares of Common Stock Outstanding (Thousands of Shares)	382,818	385,202	382,818
Net Income per Share of Common Stock (Fully Diluted)			
Adjustments to Net Income Attributable to Owners of the Parent	—	—	—
Effect of Dilutive Securities (Thousands of Shares)	104	684	104
Subscription Rights to Shares (Thousands of Shares)	104	684	104
Summary of the potential shares that were excluded from calculation of net income per share of common stock (fully diluted) because they have no dilutive effect	SuMi TRUST Holdings: Series 1 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 22,700 Shares Series 2 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 22,100 Shares Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 39,300 Shares Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): Subscription Rights to Shares (Stock Options) NAM Common Stock 9,159,300 shares	SuMi TRUST Holdings: Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 393,000 Shares Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): Subscription Rights to Shares (Stock Options) NAM Common Stock 6,675,900 shares	SuMi TRUST Holdings: Series 1 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 22,700 Shares Series 2 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 22,100 Shares Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 39,300 Shares Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): Subscription Rights to Shares (Stock Options) NAM Common Stock 9,159,300 shares

3) SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share on October 1, 2016. Net assets per share of common stock, 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, 2016.

Significant Subsequent Event
(Redemption of Non-dilutive Preferred Securities)

1. SuMi TRUST Holdings held a meeting of the Board of Directors on May 15, 2017, resolved to redeem the Non-dilutive Preferred Securities, fully, issued by MTH Preferred Capital 5 (Cayman) Limited, a Special Purpose Subsidiary, which is a 100% direct subsidiary of SuMi TRUST Holdings, and decided to dissolve the Special Purpose Subsidiary accordingly.
   (1) Summary of non-dilutive preferred securities to be redeemed
      (i) Issuer
         MTH Preferred Capital 5 (Cayman) Limited
      (ii) Type of securities to be redeemed
         Japanese yen denominated non-cumulative perpetual preferred securities
      (iii) Aggregate amount to be redeemed
         ¥33.0 billion
      (iv) Scheduled redemption date
         July 25, 2017

   (2) Name and outline of the subsidiary to be dissolved
      (i) Company name
         MTH Preferred Capital 5 (Cayman) Limited
      (ii) Outline
         Outline is not provided in this section because the same information is disclosed in "Subsidiaries and Affiliated Companies."

2. SuMi TRUST Holdings held a meeting of the Board of Directors on May 15, 2017, resolved to redeem the Non-dilutive Preferred Securities, fully, issued by STB Preferred Capital 3 (Cayman) Limited, a Special Purpose Subsidiary, which is a 100% direct subsidiary of SuMi TRUST Holdings, and decided to dissolve the Special Purpose Subsidiary accordingly.
   (1) Summary of non-dilutive preferred securities to be redeemed
      (i) Issuer
         STB Preferred Capital 3 (Cayman) Limited
      (ii) Type of security to be redeemed
         Japanese yen denominated non-cumulative perpetual preferred securities
      (iii) Aggregate amount to be redeemed
         ¥50.0 billion
      (iv) Scheduled redemption date
         July 25, 2017

   (2) Name and outline of the subsidiary to be dissolved
      (i) Company name
         STB Preferred Capital 3 (Cayman) Limited
      (ii) Outline
         Outline is not provided in this section because the same information is disclosed in "Subsidiaries and Affiliated Companies."

Independent Auditors' Report

KPMG

Independent Auditor's Report

To the Board of Directors of
Sumitomo Mitsui Trust Holdings, Inc.:

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries , which comprise the consolidated balance sheet as at March 31, 2017, and the consolidated statement of income, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries as at March 31, 2017, and their financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation
The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2017 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in "Basis of Presentation of Financial Statements" to the consolidated financial statements.

KPMG AZSA LLC

June 29, 2017
Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Financial Data:

Non-Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets:			
Current Assets:			
Cash and Due from Banks	¥ 1,747	¥ 1,205	$ 16
Securities	62,000	69,000	553
Prepaid Expenses	26	6	0
Income Tax Refunds Receivable	11,186	11,187	100
Other Current Assets	1,758	1,164	16
Total Current Assets	76,718	82,563	684
Non-Current Assets:			
Tangible Fixed Assets:	0	0	0
Tools, Furniture, and Fixtures	0	0	0
Intangible Fixed Assets:	0	1	0
Software	0	1	0
Investments and Other Assets:	1,891,388	1,741,388	16,865
Investment Securities	652	652	6
Investments in Subsidiaries and Affiliated Companies (Stocks)	1,530,642	1,530,642	13,648
Long-Term Loans Receivable from Subsidiaries and Affiliated Companies	360,000	210,000	3,210
Other Investments	94	94	1
Total Non-Current Assets	1,891,389	1,741,389	16,865
Deferred Asset:			
Stock Issuance Cost	—	227	—
Total Deferred Asset	—	227	—
Total Assets	¥ 1,968,108	¥ 1,824,180	$ 17,549
Liabilities:			
Current Liabilities:			
Accrued Expenses	¥ 2,577	¥ 2,010	$ 23
Income Taxes Payable	11	7	0
Unearned Revenue	—	251	—
Provision for Bonuses	71	66	1
Other Current Liabilities	123	226	1
Total Current Liabilities	2,783	2,562	25
Non-Current Liabilities:			
Bonds Payable	468,000	328,000	4,173
Long-Term Loans Payable	10,000	—	89
Other Non-Current Liabilities	36	36	0
Total Non-Current Liabilities	478,036	328,036	4,262
Total Liabilities	¥ 480,820	¥ 330,598	$ 4,287
Net Assets:			
Total Shareholders' Equity:	¥ 1,486,710	¥ 1,493,160	$ 13,256
Capital Stock	261,608	261,608	2,333
Capital Surplus:	1,041,473	1,041,474	9,286
Legal Capital Surplus	702,933	702,933	6,268
Other Capital Surplus	338,539	338,540	3,019
Retained Earnings:	217,690	217,175	1,941
Other Retained Earnings:	217,690	217,175	1,941
Retained Earnings Brought Forward	217,690	217,175	1,941
Treasury Stock-At Cost	(34,061)	(27,097)	(304)
Subscription Rights to Shares	577	421	5
Total Net Assets	¥ 1,487,288	¥ 1,493,582	$ 13,262
Total Liabilities and Net Assets	¥ 1,968,108	¥ 1,824,180	$ 17,549

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 3,886.44	¥ 3,882.88	$ 34.65

See accompanying notes.
The figures in U.S. dollars are converted from a yen basis for convenience at the rate of ¥112.15 to U.S.$1.00, the exchange rate prevailing as of March 31, 2017.
SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share on October 1, 2016. Net assets per share of common stock are calculated as if the consolidation of shares had occurred at the beginning of the fiscal year ended March 31, 2016.

Financial Data:

Non-Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Operating Income:			
Dividends Received from Subsidiaries	¥ 54,700	¥ 54,778	$ 488
Fees and Commissions Received from Subsidiaries	3,517	5,148	31
Total Operating Income	58,218	59,926	519
Operating Expenses:			
General and Administrative Expenses	2,035	2,315	18
Total Operating Expenses	2,035	2,315	18
Operating Profit	56,183	57,611	501
Non-Operating Income:	5,165	2,615	46
Interest Income	4,861	2,280	43
Interest on Securities	0	34	0
Commission Fee	170	224	2
Other Non-Operating Income	133	76	1
Non-Operating Expenses:	10,971	9,722	98
Interest Expenses	4	—	0
Interest on Bonds Payable	9,584	7,023	85
Amortization of Stock Issuance Cost	227	1,365	2
Bonds Issuance Cost	866	1,116	8
Other Non-Operating Expenses	288	216	3
Income before Income Taxes	50,378	50,504	449
Income Taxes:	1	1	0
Current	1	1	0
Net Income	¥ 50,376	¥ 50,503	$ 449

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 131.59	¥ 131.10	$ 1.17

See accompanying notes.
SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share on October 1, 2016. Net assets per share of common stock are calculated as if the consolidation of shares had occurred at the beginning of the fiscal year ended March 31, 2016.

Financial Data:

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

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2017 and 2016

From April 1, 2016 to March 31, 2017

	Millions of Yen					
	Shareholders' Equity					
		Capital Surplus			Retained Earnings	
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings: Retained Earnings Brought Forward	Total Retained Earnings
Balance at the Beginning of the Year	¥ 261,608	¥ 702,933	¥ 338,540	¥1,041,474	¥ 217,175	¥ 217,175
Changes during the Year						
Cash Dividends					(49,861)	(49,861)
Net Income					50,376	50,376
Purchase of Treasury Stock						
Disposal of Treasury Stock			(0)	(0)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Year	—	—	(0)	(0)	515	515
Balance at the End of the Year	¥ 261,608	¥ 702,933	¥ 338,539	¥1,041,473	¥ 217,690	¥ 217,690

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Year	¥ (27,097)	¥1,493,160	¥ 421	¥1,493,582
Changes during the Year				
Cash Dividends		(49,861)		(49,861)
Net Income		50,376		50,376
Purchase of Treasury Stock	(6,983)	(6,983)		(6,983)
Disposal of Treasury Stock	19	18		18
Net Changes of Items Other Than Shareholders' Equity			155	155
Total Changes during the Year	(6,964)	(6,449)	155	(6,294)
Balance at the End of the Year	¥ (34,061)	¥1,486,710	¥ 577	¥1,487,288

From April 1, 2015 to March 31, 2016

	Millions of Yen					
	Shareholders' Equity					
		Capital Surplus			Retained Earnings	
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings: Retained Earnings Brought Forward	Total Retained Earnings
Balance at the Beginning of the Year	¥ 261,608	¥ 702,933	¥ 338,539	¥1,041,473	¥ 216,777	¥ 216,777
Changes during the Year						
Cash Dividends					(50,105)	(50,105)
Net Income					50,503	50,503
Purchase of Treasury Stock						
Disposal of Treasury Stock			0	0		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Year	—	—	0	0	397	397
Balance at the End of the Year	¥ 261,608	¥ 702,933	¥ 338,540	¥1,041,474	¥ 217,175	¥ 217,175

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Year	¥ (17,057)	¥1,502,802	¥ 246	¥1,503,048
Changes during the Year				
Cash Dividends		(50,105)		(50,105)
Net Income		50,503		50,503
Purchase of Treasury Stock	(10,069)	(10,069)		(10,069)
Disposal of Treasury Stock	29	29		29
Net Changes of Items Other Than Shareholders' Equity			175	175
Total Changes during the Year	(10,040)	(9,642)	175	(9,466)
Balance at the End of the Year	¥ (27,097)	¥1,493,160	¥ 421	¥1,493,582

From April 1, 2016 to March 31, 2017

	Millions of U.S. Dollars					
	Shareholders' Equity					
		Capital Surplus			Retained Earnings	
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings: Retained Earnings Brought Forward	Total Retained Earnings
Balance at the Beginning of the Year	$ 2,333	$ 6,268	$ 3,019	$ 9,286	$ 1,936	$ 1,936
Changes during the Year						
Cash Dividends					(445)	(445)
Net Income					449	449
Purchase of Treasury Stock						
Disposal of Treasury Stock			(0)	(0)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Year	—	—	(0)	(0)	5	5
Balance at the End of the Year	$ 2,333	$ 6,268	$ 3,019	$ 9,286	$ 1,941	$ 1,941

	Millions of U.S. Dollars			
	Shareholders' Equity			
	Treasury Stock	Total Shareholders' Equity	Subscription Rights to Shares	Total Net Assets
Balance at the Beginning of the Year	$ (242)	$ 13,314	$ 4	$ 13,318
Changes during the Year				
Cash Dividends		(445)		(445)
Net Income		449		449
Purchase of Treasury Stock	(62)	(62)		(62)
Disposal of Treasury Stock	0	0		0
Net Changes of Items Other Than Shareholders' Equity			1	1
Total Changes during the Year	(62)	(58)	1	(56)
Balance at the End of the Year	$ (304)	$ 13,256	$ 5	$ 13,262

Financial Data:

Statements of Trust Account (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of March 31, 2017 and 2016

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets:			
Loans and Bills Discounted (Note 2)	¥ 1,410,062	¥ 1,072,436	$ 12,573
Securities (Note 3)	103,771,344	95,470,280	925,291
Securities Held for Investment Trust	42,087,460	39,260,408	375,278
Foreign Investment for Investment Trust	23,484,192	21,945,153	209,400
Beneficiary Rights	551,399	437,230	4,917
Securities Held in Custody Accounts	20,114,059	20,010,628	179,350
Monetary Claims	22,531,739	18,191,068	200,907
Tangible Fixed Assets	13,643,670	12,727,945	121,656
Intangible Fixed Assets	178,180	155,406	1,589
Other Claims	9,220,210	9,736,128	82,213
Call Loans	3,483,568	883,242	31,062
Due from Banking Account	10,274,143	13,694,600	91,611
Cash and Due from Banks	10,377,250	3,172,771	92,530
Total Assets	¥ 261,127,280	¥ 236,757,301	$ 2,328,375
Liabilities:			
Money Trusts (Note 4)	¥ 33,903,070	¥ 35,885,248	$ 302,301
Pension Trusts	14,828,508	16,305,604	132,220
Property Formation Benefit Trusts	17,575	18,030	157
Loan Trusts (Note 5)	10,683	12,169	95
Securities Investment Trusts	69,115,219	61,220,597	616,275
Money in Trust Other Than Money Trusts	17,798,660	11,900,606	158,704
Securities in Trust	20,114,053	20,010,619	179,350
Money Claims in Trust	16,802,843	13,026,651	149,825
Real Estate in Trust	109,383	107,469	975
Composite Trusts	88,427,281	78,270,303	788,473
Total Liabilities	¥ 261,127,280	¥ 236,757,301	$ 2,328,375

See Notes to Statements of Trust Account (Unaudited).

Notes to Statements of Trust Account (Unaudited)

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SuMi TRUST Holdings. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of SuMi TRUST Holdings do not reflect SuMi TRUST Holdings' records as to the assets accepted in trust, which are maintained separately under the trust account.

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by SuMi TRUST Bank, and such guaranteed principal as of March 31, 2017 and 2016, was ¥3,892,430 million (U.S. $34,707 million) and ¥6,954,988 million, respectively.

The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥112.15 to U.S. $1, the approximate rate of exchange as of March 31, 2017. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen have been rounded down and amounts less than one million U.S. dollars have been rounded off. As a result, the total may not be equal to sum of individual amounts.

Each amount presented in the statements of trust account as of March 31, 2017 and 2016, is the sum of trust accounts in SuMi TRUST Bank and JTSB. Entrust amounts between these consolidated subsidiaries for asset management are excluded from the amounts presented in the statements of trust account.

2. Loans and Bills Discounted

Loans as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Loans on Deeds	¥ 873,157	¥ 686,231	$ 7,786
Loans on Bills	536,905	386,205	4,787
Total	¥ 1,410,062	¥ 1,072,436	$ 12,573

The balances of guaranteed trust account loans as of March 31, 2017 and 2016 stood at ¥47,186 million (U.S. $421 million) and ¥55,904 million respectively, which included the following:

Under certain trust agreements, repayment of the principal of customers' trust assets are guaranteed by SuMi TRUST Bank, and loans on such guaranteed trust assets as of March 31, 2017 and 2016, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Other Delinquent Loans	¥ 4,964	¥ 5,057	$ 44
Restructured Loans	67	85	1
Total	¥ 5,032	¥ 5,143	$ 45

3. Securities

Securities held as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Government Bonds	¥ 13,051,644	¥ 13,572,588	$ 116,377
Local Government Bonds	704,154	824,797	6,279
Short-Term Corporate Bonds	848,365	604,731	7,565
Corporate Bonds	3,431,452	2,569,750	30,597
Stocks	61,201,256	54,355,254	545,709
Other Securities	24,534,471	23,543,158	218,765
Total	¥ 103,771,344	¥ 95,470,280	$ 925,291

4. Balance of Money Trusts

The principal amount of certain money trusts is guaranteed and the balance of these accounts is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets:			
Loans and Bills Discounted	¥ 47,186	¥ 55,904	$ 421
Securities	29	29	0
Other	3,835,243	6,888,014	34,197
Total	¥ 3,882,459	¥ 6,943,949	$ 34,618
Liabilities:			
Principal	¥ 3,882,168	¥ 6,943,283	$ 34,616
Allowance for Impairment of Guaranteed Trust Principal	90	100	1
Other	200	564	2
Total	¥ 3,882,459	¥ 6,943,949	$ 34,618

In the case of certain money trusts, the principal amount is guaranteed, and as the above table indicates, an allowance for the impairment of guaranteed trust principal is set aside by SuMi TRUST Bank. The figures in the table include funds entrusted from other trusts managed by SuMi TRUST Bank.

5. Balance of Loan Trusts

The balance of loan trusts is as follows (the figures in the table include funds entrusted from other trusts managed by SuMi TRUST Bank):

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets:			
Loans and Bills Discounted	¥ —	¥ —	$ —
Securities	—	—	—
Other	10,683	12,169	95
Total	¥ 10,683	¥ 12,169	$ 95
Liabilities:			
Principal	¥ 10,262	¥ 11,704	$ 92
Special Reserve Fund	53	60	0
Other	368	404	3
Total	¥ 10,683	¥ 12,169	$ 95

As in certain money trusts, the principal amount of loan trusts is guaranteed, and as the above table indicates, a special reserve fund is set aside by SuMi TRUST Bank.

Financial Data:

Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")

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Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Consolidated Statements of Banking Account	2017	2016	2015	2014	2013
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 14,269,687	¥ 14,428,660	¥ 8,524,067	¥ 5,751,322	¥ 3,146,709
Securities	5,068,155	4,815,901	4,668,534	5,629,697	6,180,225
Loans and Bills Discounted	27,982,411	26,740,793	25,534,790	23,689,058	22,194,917
Lease Receivables and Investment Assets	667,808	608,433	547,016	540,273	553,657
Tangible Fixed Assets	231,288	232,549	230,589	237,265	239,855
Intangible Fixed Assets	195,981	184,293	142,427	195,131	191,778
Customers' Liabilities for Acceptances and Guarantees	458,010	503,742	531,500	485,384	583,945
Other	3,782,999	4,189,737	3,981,362	3,760,556	3,474,779
Allowance for Loan Losses	(115,794)	(90,829)	(89,989)	(110,260)	(132,938)
Total Assets	¥ 52,540,547	¥ 51,613,282	¥ 44,070,299	¥ 40,178,429	¥ 36,432,931
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 36,604,051	¥ 33,777,450	¥ 31,706,796	¥ 29,297,725	¥ 27,128,224
Acceptances and Guarantees	458,010	503,742	531,500	485,384	583,945
Other	12,845,480	14,789,619	9,263,860	8,116,830	6,450,037
Total Liabilities	¥ 49,907,542	¥ 49,070,812	¥ 41,502,157	¥ 37,899,940	¥ 34,162,206
Net Assets:					
Shareholders' Equity	¥ 1,999,635	¥ 1,940,738	¥ 1,853,996	¥ 1,894,132	¥ 1,795,349
Accumulated Other Comprehensive Income	441,390	411,067	523,621	195,052	167,452
Non-Controlling Interests	191,979	190,663	190,524	189,304	307,922
Total Net Assets	¥ 2,633,005	¥ 2,542,469	¥ 2,568,141	¥ 2,278,489	¥ 2,270,724
Total Liabilities and Net Assets	¥ 52,540,547	¥ 51,613,282	¥ 44,070,299	¥ 40,178,429	¥ 36,432,931
For the Year					
Income:					
Trust Fees	¥ 94,289	¥ 100,175	¥ 99,231	¥ 99,222	¥ 89,878
Interest Income	389,888	373,463	370,428	360,698	345,665
Fees and Commissions	378,510	336,948	315,486	307,223	269,290
Trading Income	18,338	15,964	32,428	24,604	24,350
Other Ordinary Income	296,260	286,008	288,197	290,148	309,615
Other Income	68,986	53,790	81,302	94,821	67,936
Total Income	¥ 1,246,274	¥ 1,166,350	¥ 1,187,074	¥ 1,176,718	¥ 1,106,736
Expenses:					
Interest Expenses	¥ 165,813	¥ 143,065	¥ 127,885	¥ 134,050	¥ 127,175
Fees and Commissions Payments	100,677	94,016	88,012	85,742	86,975
Trading Expenses	1,297	428	—	228	339
Other Ordinary Expenses	318,885	216,036	237,513	240,091	230,833
General and Administrative Expenses	420,929	390,654	386,924	385,487	366,515
Other Expenses	66,243	85,647	131,919	97,983	93,500
Total Expenses	¥ 1,073,846	¥ 929,847	¥ 972,255	¥ 943,582	¥ 905,339
Income before Income Taxes	¥ 172,427	¥ 236,503	¥ 214,819	¥ 233,135	¥ 201,397
Net Income	¥ 121,062	¥ 148,149	¥ 153,203	¥ 134,427	¥ 125,188

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 67.56	¥ 84.05	¥ 90.11	¥ 77.52	¥ 72.00
Net Income per Share of Common Stock (Fully Diluted)	0	—	—	—	—
Net Assets per Share of Common Stock	1,457.73	1,404.45	1,419.86	1,181.15	1,106.90

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

Non-Consolidated Statements of Banking Account	Millions of Yen				
	2017	2016	2015	2014	2013
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 13,963,744	¥ 14,130,060	¥ 8,170,551	¥ 5,614,828	¥ 2,953,549
Securities	5,518,947	5,311,214	5,039,688	5,971,283	6,531,276
Loans and Bills Discounted	28,158,969	27,044,368	25,826,433	24,034,244	22,349,067
Tangible Fixed Assets	200,957	200,688	196,564	203,326	205,891
Intangible Fixed Assets	91,265	69,867	45,478	90,515	69,257
Customers' Liabilities for Acceptances and Guarantees	391,434	401,825	396,865	317,332	352,932
Other	2,733,960	3,162,871	3,096,876	2,975,225	2,936,060
Allowance for Loan Losses	(90,030)	(64,305)	(66,997)	(84,089)	(103,069)
Allowance for Investment Loss	—	—	—	—	—
Total Assets	¥ 50,969,247	¥ 50,256,590	¥ 42,705,462	¥ 39,122,664	¥ 35,294,966
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 36,542,541	¥ 33,721,544	¥ 31,613,647	¥ 29,377,151	¥ 27,108,712
Acceptances and Guarantees	391,434	401,825	396,865	317,332	352,932
Other	11,725,547	13,847,956	8,466,415	7,397,010	5,948,608
Total Liabilities	¥ 48,659,522	¥ 47,971,327	¥ 40,476,928	¥ 37,091,495	¥ 33,410,252
Net Assets:					
Shareholders' Equity	¥ 1,839,012	¥ 1,815,536	¥ 1,726,208	¥ 1,788,176	¥ 1,707,817
Valuation and Translation Adjustments	470,711	469,727	502,324	242,992	176,896
Total Net Assets	¥ 2,309,724	¥ 2,285,263	¥ 2,228,533	¥ 2,031,168	¥ 1,884,714
Total Liabilities and Net Assets	¥ 50,969,247	¥ 50,256,590	¥ 42,705,462	¥ 39,122,664	¥ 35,294,966
For the Year					
Income:					
Trust Fees	¥ 94,289	¥ 100,288	¥ 99,231	¥ 99,302	¥ 89,984
Interest Income	370,630	357,465	355,133	348,379	333,312
Fees and Commissions	200,728	188,193	182,915	176,725	160,927
Trading Income	18,338	15,964	32,428	24,604	24,493
Other Ordinary Income	72,114	74,119	70,889	47,481	64,886
Other Income	54,090	38,926	66,637	82,170	55,219
Total Income	¥ 810,192	¥ 774,956	¥ 809,696	¥ 778,665	¥ 728,823
Expenses:					
Interest Expenses	¥ 167,378	¥ 145,351	¥ 130,707	¥ 140,470	¥ 133,802
Fees and Commissions Payments	84,593	76,688	72,059	72,439	75,583
Trading Expenses	1,297	428	—	228	339
Other Ordinary Expenses	119,483	28,219	43,605	21,815	14,261
General and Administrative Expenses	262,466	251,989	266,863	268,802	261,701
Other Expenses	63,647	57,084	121,650	88,941	84,099
Total Expenses	¥ 698,866	¥ 559,761	¥ 639,717	¥ 592,697	¥ 569,788
Income before Income Taxes	¥ 111,325	¥ 215,196	¥ 169,979	¥ 185,967	¥ 159,034
Net Income	¥ 77,663	¥ 143,154	¥ 130,546	¥ 116,002	¥ 105,160
Annual Dividends	¥ 54,556	¥ 54,606	¥ 55,499	¥ 36,886	¥ 320,471

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 46.37	¥ 85.48	¥ 76.58	¥ 66.52	¥ 60.04
Net Income per Share of Common Stock (Fully Diluted)	0	—	—	—	—
Net Assets per Share of Common Stock	1,379.32	1,364.71	1,330.83	1,146.50	1,060.26

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Statements of Trust Account	2017	2016	2015	2014	2013
As of the Year-End					
Assets:					
Securities	¥ 3,077,763	¥ 1,954,552	¥ 1,578,475	¥ 1,254,913	¥ 721,626
Loans and Bills Discounted	1,410,062	1,072,436	781,607	541,613	468,216
Other	183,979,907	171,881,233	150,304,875	134,998,194	125,852,988
Total Assets	¥ 188,467,733	¥ 174,908,223	¥ 152,664,958	¥ 136,794,720	¥ 127,042,831
Liabilities:					
Money Trusts	¥ 30,217,814	¥ 32,486,242	¥ 23,921,609	¥ 21,632,399	¥ 20,259,804
Pension Trusts	14,828,508	16,305,604	16,916,103	16,341,006	14,166,680
Property Formation Benefit Trusts	17,575	18,030	18,422	20,102	20,630
Loan Trusts	10,683	12,169	14,025	32,322	81,727
Other Trusts	143,393,150	126,086,176	111,794,797	98,768,890	92,513,989
Total Liabilities	¥ 188,467,733	¥ 174,908,223	¥ 152,664,958	¥ 136,794,720	¥ 127,042,831

	Millions of Yen				
Total Employable Funds (Non-Consolidated)	2017	2016	2015	2014	2013
As of the Year-End					
Deposits	¥ 36,542,541	¥ 33,721,544	¥ 31,613,647	¥ 29,377,152	¥ 27,108,712
Money Trusts	30,217,814	32,486,242	23,921,609	21,632,399	20,259,804
Pension Trusts	14,828,508	16,305,604	16,916,103	16,341,006	14,166,680
Property Formation Benefit Trusts	17,575	18,030	18,422	20,102	20,630
Loan Trusts	10,683	12,169	14,025	32,322	81,727
Total Employable Funds*	¥ 81,617,123	¥ 82,543,591	¥ 72,483,808	¥ 67,402,982	¥ 61,637,555

* Total Employable Funds represents the total amount of the Deposits in the Banking Account and funds included under the Money Trusts, Pension Trusts, Property Formation Benefit Trusts and Loan Trusts in the Trust Account.

Financial Data:

Consolidated Balance Sheet

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets:			
Cash and Due from Banks	¥ 14,269,687	¥ 14,428,660	$ 127,238
Call Loans and Bills Bought	64,706	505,252	577
Receivables under Resale Agreements	83,888	110,377	748
Receivables under Securities Borrowing Transactions	464,956	326,457	4,146
Monetary Claims Bought	906,572	889,445	8,084
Trading Assets (Notes 1, 2, and 4)	496,563	614,290	4,428
Money Held in Trust	1,650	1,749	15
Securities (Notes 2, 4, and 14)	5,068,155	4,815,901	45,191
Loans and Bills Discounted (Notes 3, 4, and 5)	27,982,411	26,740,793	249,509
Foreign Exchanges	16,189	17,223	144
Lease Receivables and Investment Assets (Note 4)	667,808	608,433	5,955
Other Assets (Notes 4 and 8)	1,603,413	1,606,631	14,297
Tangible Fixed Assets (Note 6)	231,288	232,549	2,062
Intangible Fixed Assets (Note 7)	195,981	184,293	1,747
Assets for Retirement Benefits	118,795	91,225	1,059
Deferred Tax Assets	26,262	27,084	234
Customers' Liabilities for Acceptances and Guarantees	458,010	503,742	4,084
Allowance for Loan Losses	(115,794)	(90,829)	(1,032)
Total Assets	¥ 52,540,547	¥ 51,613,282	$ 468,485
Liabilities:			
Deposits (Notes 4 and 9)	¥ 29,215,433	¥ 26,577,818	$ 260,503
Negotiable Certificates of Deposit	7,388,617	7,199,632	65,882
Call Money and Bills Sold	344,089	328,968	3,068
Payables under Repurchase Agreements (Note 4)	1,063,737	653,456	9,485
Payables under Securities Lending Transactions (Note 4)	13,699	—	122
Trading Liabilities (Note 1)	366,879	451,751	3,271
Borrowed Money (Notes 4 and 10)	3,813,105	2,790,491	34,000
Foreign Exchanges	236	259	2
Short-Term Bonds Payable	904,248	1,253,207	8,063
Bonds Payable (Note 11)	1,034,093	864,857	9,221
Borrowed Money from Trust Account (Note 12)	3,973,623	7,026,326	35,431
Other Liabilities (Note 13)	1,138,659	1,241,345	10,153
Provision for Bonuses	15,729	15,765	140
Provision for Directors' Bonuses	259	255	2
Liabilities for Retirement Benefits	13,037	12,996	116
Provision for Reward Points Program	17,519	17,711	156
Provision for Reimbursement of Deposits	3,583	3,676	32
Provision for Contingent Losses	7,774	7,642	69
Deferred Tax Liabilities	132,186	117,781	1,179
Deferred Tax Liabilities for Land Revaluation (Note 6)	3,016	3,126	27
Acceptances and Guarantees (Note 4)	458,010	503,742	4,084
Total Liabilities	¥ 49,907,542	¥ 49,070,812	$ 445,007
Net Assets:			
Total Shareholders' Equity:	¥ 1,999,635	¥ 1,940,738	$ 17,830
Capital Stock	342,037	342,037	3,050
Capital Surplus	492,039	492,097	4,387
Retained Earnings	1,165,558	1,106,603	10,393
Total Accumulated Other Comprehensive Income:	441,390	411,067	3,936
Valuation Differences on Available-for-Sale Securities	492,920	484,079	4,395
Deferred Gains (Losses) on Hedges	(21,045)	(13,196)	(188)
Revaluation Reserve for Land (Note 6)	(1,067)	(697)	(10)
Foreign Currency Translation Adjustments	20	685	0
Adjustments for Retirement Benefits	(29,438)	(59,804)	(262)
Non-Controlling Interests	191,979	190,663	1,712
Total Net Assets	¥ 2,633,005	¥ 2,542,469	$ 23,478
Total Liabilities and Net Assets	¥ 52,540,547	¥ 51,613,282	$ 468,485

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 1,457.73	¥ 1,404.45	$ 13.00

See accompanying notes.
The figures in U.S. dollars are converted from a yen basis for convenience at the rate of ¥112.15 to U.S. $1.00, the exchange rate prevailing as of March 31, 2017.

Financial Data:

Consolidated Statement of Income

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Income:			
Trust Fees	¥ 94,289	¥ 100,175	$ 841
Interest Income:	389,888	373,463	3,476
Interest on Loans and Discounts	282,589	262,936	2,520
Interest and Dividends on Securities	80,280	86,373	716
Interest on Call Loans and Bills Bought	1,341	792	12
Interest on Receivables under Resale Agreements	973	925	9
Interest on Receivables under Securities Borrowing Transactions	7	18	0
Interest on Deposits with Banks	20,308	17,255	181
Other Interest Income (Note 1)	4,387	5,161	39
Fees and Commissions	378,510	336,948	3,375
Trading Income (Note 2)	18,338	15,964	164
Other Ordinary Income (Note 3)	296,260	286,008	2,642
Other Income (Note 4)	68,986	53,790	615
Total Income	¥ 1,246,274	¥ 1,166,350	$11,113
Expenses:			
Interest Expenses:	¥ 165,813	¥ 143,065	$ 1,478
Interest on Deposits	79,921	63,896	713
Interest on Negotiable Certificates of Deposit	27,879	16,575	249
Interest on Call Money and Bills Sold	912	1,517	8
Interest on Payables under Repurchase Agreements	8,230	4,403	73
Interest on Payables under Securities Lending Transactions	24	7	0
Interest on Borrowings	14,327	11,482	128
Interest on Short-Term Bonds	5,245	2,810	47
Interest on Bonds	12,669	13,756	113
Other Interest Expenses (Note 1)	16,603	28,616	148
Fees and Commissions Payments	100,677	94,016	898
Trading Expenses (Note 2)	1,297	428	12
Other Ordinary Expenses (Note 3)	318,885	216,036	2,843
General and Administrative Expenses (Note 5)	420,929	390,654	3,753
Other Expenses (Note 4)	66,243	85,647	591
Total Expenses	¥ 1,073,846	¥ 929,847	$ 9,575
Income before Income Taxes	¥ 172,427	¥ 236,503	$ 1,537
Income Taxes:	51,365	88,353	458
Current	50,066	70,008	446
Deferred	1,298	18,345	12
Net Income	¥ 121,062	¥ 148,149	$ 1,079
Net Income Attributable to Non-Controlling Interests	7,921	7,399	71
Net Income Attributable to Owners of the Parent	¥ 113,141	¥ 140,749	$ 1,009

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 67.56	¥ 84.05	$ 0.60

See accompanying notes.

Financial Data:

Consolidated Statement of Comprehensive Income

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Net Income	**¥ 121,062**	¥ 148,149	**$ 1,079**
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	**11,343**	(36,231)	**101**
Deferred Gains (Losses) on Hedges	**(9,314)**	3,062	**(83)**
Revaluation Reserve for Land	**—**	175	**—**
Foreign Currency Translation Adjustments	**(1,360)**	(11,134)	**(12)**
Adjustments for Retirement Benefits	**30,389**	(66,548)	**271**
Attributable to Equity-Method Affiliated Companies	**(279)**	(1,451)	**(2)**
Total Other Comprehensive Income (Loss) (Note)	**¥ 30,778**	¥ (112,128)	**$ 274**
Comprehensive Income:	**¥ 151,840**	¥ 36,020	**$ 1,354**
Comprehensive Income Attributable to Owners of the Parent	**143,834**	28,975	**1,283**
Comprehensive Income Attributable to Non-Controlling Interests	**8,006**	7,045	**71**

See accompanying notes.

Financial Data:

Consolidated Statement of Changes in Net Assets

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2017 and 2016

From April 1, 2016 to March 31, 2017

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 492,097	¥ 1,106,603	¥ 1,940,738
Changes during the Year				
Cash Dividends			(54,556)	(54,556)
Net Income Attributable to Owners of the Parent			113,141	113,141
Purchase of Shares of Consolidated Subsidiaries		(57)		(57)
Reversal of Revaluation Reserve for Land			369	369
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	(57)	58,954	58,896
Balance at the End of the Year	¥ 342,037	¥ 492,039	¥ 1,165,558	¥ 1,999,635

	Millions of Yen							
	Accumulated Other Comprehensive Income							
	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	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Year	¥ 484,079	¥ (13,196)	¥ (697)	¥ 685	¥ (59,804)	¥ 411,067	¥ 190,663	¥ 2,542,469
Changes during the Year								
Cash Dividends								(54,556)
Net Income Attributable to Owners of the Parent								113,141
Purchase of Shares of Consolidated Subsidiaries								(57)
Reversal of Revaluation Reserve for Land								369
Net Changes of Items Other Than Shareholders' Equity	8,841	(7,848)	(369)	(665)	30,365	30,323	1,315	31,639
Total Changes during the Year	8,841	(7,848)	(369)	(665)	30,365	30,323	1,315	90,535
Balance at the End of the Year	¥ 492,920	¥ (21,045)	¥ (1,067)	¥ 20	¥ (29,438)	¥ 441,390	¥ 191,979	¥ 2,633,005

See accompanying notes.

From April 1, 2015 to March 31, 2016

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 492,252	¥ 1,019,706	¥ 1,853,996
Changes during the Year				
Cash Dividends			(54,606)	(54,606)
Net Income Attributable to Owners of the Parent			140,749	140,749
Purchase of Shares of Consolidated Subsidiaries		(155)		(155)
Sales of Shares of Consolidated Subsidiaries			(25)	(25)
Reversal of Revaluation Reserve for Land			779	779
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	(155)	86,897	86,742
Balance at the End of the Year	¥ 342,037	¥ 492,097	¥ 1,106,603	¥ 1,940,738

	Millions of Yen							
	Accumulated Other Comprehensive Income							
	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	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Year	¥ 524,689	¥ (20,545)	¥ (93)	¥ 12,838	¥ 6,732	¥ 523,621	¥ 190,524	¥ 2,568,141
Changes during the Year								
Cash Dividends								(54,606)
Net Income Attributable to Owners of the Parent								140,749
Purchase of Shares of Consolidated Subsidiaries								(155)
Sales of Shares of Consolidated Subsidiaries								(25)
Reversal of Revaluation Reserve for Land								779
Net Changes of Items Other Than Shareholders' Equity	(40,609)	7,348	(604)	(12,153)	(66,536)	(112,554)	139	(112,414)
Total Changes during the Year	(40,609)	7,348	(604)	(12,153)	(66,536)	(112,554)	139	(25,672)
Balance at the End of the Year	¥ 484,079	¥ (13,196)	¥ (697)	¥ 685	¥ (59,804)	¥ 411,067	¥ 190,663	¥ 2,542,469

See accompanying notes.

From April 1, 2016 to March 31, 2017

	Millions of U.S. Dollars			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	$ 3,050	$ 4,388	$ 9,867	$ 17,305
Changes during the Year				
Cash Dividends			(486)	(486)
Net Income Attributable to Owners of the Parent			1,009	1,009
Purchase of Shares of Consolidated Subsidiaries		(1)		(1)
Reversal of Revaluation Reserve for Land			3	3
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	(1)	526	525
Balance at the End of the Year	$ 3,050	$ 4,387	$ 10,393	$ 17,830

	Millions of U.S. Dollars							
	Accumulated Other Comprehensive Income							
	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	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Year	$ 4,316	$ (118)	$ (6)	$ 6	$ (533)	$ 3,665	$ 1,700	$ 22,670
Changes during the Year								
Cash Dividends								(486)
Net Income Attributable to Owners of the Parent								1,009
Purchase of Shares of Consolidated Subsidiaries								(1)
Reversal of Revaluation Reserve for Land								3
Net Changes of Items Other Than Shareholders' Equity	79	(70)	(3)	(6)	271	270	12	282
Total Changes during the Year	79	(70)	(3)	(6)	271	270	12	807
Balance at the End of the Year	$ 4,395	$ (188)	$ (10)	$ 0	$ (262)	$ 3,936	$ 1,712	$ 23,478

See accompanying notes.

Financial Data:

Consolidated Statement of Cash Flows

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 172,427	¥ 236,503	$ 1,537
Depreciation and Amortization	25,390	23,386	226
Impairment Losses	5,870	5,163	52
Amortization of Goodwill	9,964	8,915	89
Gain on Negative Goodwill	—	(874)	—
Equity in Losses (Earnings) of Affiliated Companies	(6,950)	(7,702)	(62)
Increase (Decrease) in Allowance for Loan Losses	24,965	(2,532)	223
Increase (Decrease) in Provision for Bonuses	(36)	3	(0)
Increase (Decrease) in Provision for Directors' Bonuses	4	25	0
Decrease (Increase) in Assets for Retirement Benefits	1,026	114,184	9
Increase (Decrease) in Liabilities for Retirement Benefits	65	1,717	1
Increase (Decrease) in Provision for Reward Points Program	(192)	1,216	(2)
Increase (Decrease) in Provision for Reimbursement of Deposits	(92)	77	(1)
Increase (Decrease) in Provision for Contingent Losses	131	(891)	1
Interest Income	(389,888)	(373,463)	(3,476)
Interest Expenses	165,813	143,065	1,478
Loss (Gain) Related to Securities	59,234	(70,395)	528
Loss (Gain) on Money Held in Trust	(69)	(80)	(1)
Foreign Exchange Losses (Gains)	18,015	70,463	161
Loss (Gain) on Disposal of Fixed Assets	(630)	1,689	(6)
Net Decrease (Increase) in Trading Assets	117,726	140,672	1,050
Net Increase (Decrease) in Trading Liabilities	(84,871)	46,562	(757)
Net Decrease (Increase) in Loans and Bills Discounted	(1,241,618)	(1,194,012)	(11,071)
Net Increase (Decrease) in Deposits	2,648,127	1,519,923	23,612
Net Increase (Decrease) in Negotiable Certificates of Deposit	188,985	550,564	1,685
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	877,614	(5,135)	7,825
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	187,569	(91,950)	1,672
Net Decrease (Increase) in Call Loans	449,770	(368,738)	4,010
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(138,498)	(15,650)	(1,235)
Net Increase (Decrease) in Call Money	425,402	(268,118)	3,793
Net Increase (Decrease) in Payables under Securities Lending Transactions	13,699	—	122
Net Decrease (Increase) in Foreign Exchange-Assets	1,034	(4,490)	9
Net Increase (Decrease) in Foreign Exchange-Liabilities	(22)	118	(0)
Net Decrease (Increase) in Lease Receivables and Investment Assets	(59,374)	(47,042)	(529)
Net Increase (Decrease) in Short-Term Bonds Payable	(348,958)	278,889	(3,112)
Increase (Decrease) in Straight Bonds-Issuance and Redemption	219,207	11,511	1,955
Net Increase (Decrease) in Borrowed Money from Trust Account	(3,052,703)	5,381,504	(27,220)
Interest Received	395,184	384,223	3,524
Interest Paid	(161,859)	(151,670)	(1,443)
Other, Net	(40,456)	35,636	(361)
Subtotal	¥ 481,008	¥ 6,353,267	$ 4,289
Income Taxes (Paid) Refunded	(91,824)	(58,775)	(819)
Net Cash Provided by (Used in) Operating Activities	¥ 389,183	¥ 6,294,492	$ 3,470

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (5,658,687)	¥ (5,435,189)	$ (50,456)
Proceeds from Sales of Securities	3,744,994	3,242,632	33,393
Proceeds from Redemption of Securities	1,607,732	1,868,648	14,336
Increase in Money Held in Trust	—	(250)	—
Purchase of Tangible Fixed Assets	(11,848)	(19,603)	(106)
Proceeds from Sales of Tangible Fixed Assets	3,148	4,353	28
Purchase of Intangible Fixed Assets	(42,925)	(44,203)	(383)
Proceeds from Sales of Intangible Fixed Assets	1	0	0
Purchase of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation	—	(39,910)	—
Proceeds from Sales of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation	—	160	—
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(24,381)	—	(217)
Net Cash Provided by (Used in) Investing Activities	¥ (381,965)	¥ (423,362)	$ (3,406)
Cash Flows from Financing Activities:			
Proceeds from Subordinated Borrowings	¥ 150,000	¥ 180,000	$ 1,337
Repayments of Subordinated Borrowings	(5,000)	(30,000)	(45)
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(50,000)	(141,269)	(446)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	(170)	(434)	(2)
Cash Dividends Paid	(54,556)	(54,606)	(486)
Cash Dividends Paid to Non-Controlling Interests	(6,358)	(6,394)	(57)
Net Cash Provided by (Used in) Financing Activities	¥ 33,914	¥ (52,705)	$ 302
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (12,536)	¥ (5,780)	$ (112)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 28,596	¥ 5,812,643	$ 255
Cash and Cash Equivalents at the Beginning of the Year	¥11,828,250	¥ 6,015,607	$105,468
Cash and Cash Equivalents at the End of the Year (Note 1)	¥11,856,847	¥ 11,828,250	$105,723

See accompanying notes.

Notes to Consolidated Financial Statements

Basis of Presentation of Financial Statements

The accompanying consolidated financial statements (banking account) have been prepared from the accounts maintained by Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank") and its consolidated subsidiaries (together, "SuMi TRUST Bank Group") in accordance with the accounting principles generally accepted in Japan and certain accounting and disclosure rules under the Financial Instruments and Exchange Act of Japan and the Banking Act of Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, the consolidated financial statements of SuMi TRUST Bank issued in Japan have been reclassified and rearranged in order to present them in a form that is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which SuMi TRUST Bank is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥112.15 to U.S. $1, the approximate rate of exchange as of March 31, 2017. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen have been rounded down and amounts less than one million U.S. dollars have been rounded off. As a result, total balances may not be equal to the sum of individual amounts.

Significant Accounting Policies and Practices

1. Scope of Consolidation

(1) Consolidated Subsidiaries as of March 31, 2017:
64 companies
Principal Companies:
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.
Nikko Asset Management Co., Ltd.
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.
Sumitomo Mitsui Trust Realty Co., Ltd.
Sumitomo Mitsui Trust and Bank (U.S.A.) Limited

Changes in the consolidated subsidiaries during the current fiscal year are as follows:
SMT Fund Services (UK) Limited and one other company are excluded from the scope of consolidation due to liquidation effective from the fiscal year ended March 31, 2017.

(2) Unconsolidated Subsidiaries
Principal Companies:
Hummingbird Co., Ltd.
Asia GATEWAY I, L.P.
Hummingbird Co., Ltd., and 30 other companies were excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations, because they are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P., and other unconsolidated subsidiaries are excluded from the scope of consolidation, because they are immaterial to the extent that excluding such companies from consolidation would not prevent a reasonable assessment of the corporate group's financial position and financial results. Such materiality is determined based on the size of their assets, ordinary income, net income (amount corresponding to SuMi TRUST Bank's interest in subsidiaries), retained earnings (amount corresponding to SuMi TRUST Bank's interest in subsidiaries), accumulated other comprehensive income (amount corresponding to SuMi TRUST Bank's interest in subsidiaries), and other financial data.

2. Application of the Equity Method

(1) Unconsolidated Subsidiaries Accounted for by the Equity Method:
None

(2) Affiliated Companies Accounted for by the Equity Method:
23 companies
Principal Companies:
Japan Stockholders Data Service Company, Limited
SBI Sumishin Net Bank, Ltd.

Marubeni SuMiT Rail Transport Inc. and three other companies are included in the scope of application of the equity method mainly due to the acquisition of their shares effective from the fiscal year ended March 31, 2017.

(3) Unconsolidated Subsidiaries and Affiliated Companies that are not Accounted for by the Equity Method

Principal Companies:

Hummingbird Co., Ltd.

Asia Gateway I, L.P.

Hummingbird Co., Ltd., and 30 other companies are excluded from the scope of application of the equity method in accordance with Article 10, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method are excluded from the scope of application of the equity method because such exclusion would not materially affect the consolidated financial statements. Such materiality is determined based on the size of their net income (amount corresponding to SuMi TRUST Bank's interest in subsidiaries and affiliated companies), retained earnings (amount corresponding to SuMi TRUST Bank's interest in subsidiaries and affiliated companies), accumulated other comprehensive income (amount corresponding to SuMi TRUST Bank's interest in subsidiaries and affiliated companies), and other financial data.

3. Balance Sheet Dates of the Consolidated Subsidiaries

(1) Balance sheet dates of consolidated subsidiaries are as follows:

April 30:	2 companies
May 31:	1 company
August 31:	1 company
September 30:	5 companies
November 30:	1 company
December 31:	10 companies
January 31:	2 companies
March 31:	42 companies

(2) Subsidiaries are consolidated using the financial statements as of the following dates:

- Consolidated subsidiaries with a balance sheet date of April 30: Provisionally prepared financial statements as of January 31
- A consolidated subsidiary with a balance sheet date of May 31: Provisionally prepared financial statements as of February 28
- A consolidated subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 28
- Consolidated subsidiaries with a balance sheet date of September 30: Provisionally prepared financial statements as of March 31
- A consolidated subsidiary with a balance sheet date of November 30: Provisionally prepared financial statements as of February 28
- The other consolidated subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet date, March 31, 2017, and the above balance sheet dates of subsidiaries have been reflected in the consolidated financial statements.

4. Significant Accounting Policies

(1) Trading Assets/Liabilities and Income/Expenses

Trading account activities are conducted to seek profits by taking advantage of short-term fluctuations in interest rates, currency rates, financial markets or other indicators, or intermarket differences (for trading purposes). The fluctuations in such items are presented as "Trading Assets" or "Trading Liabilities" in the consolidated balance sheets on a trade-date basis, and gains and losses from such transactions are presented as "Trading Income" or "Trading Expenses" in the consolidated statements of income.

For the measurement of trading assets and trading liabilities, securities and monetary claims are stated at their fair values as of the consolidated balance sheet date, and trading-related financial derivatives, such as swaps, futures, and options, are stated at the amounts that would be settled if they were terminated on the consolidated balance sheet date.

Trading income and trading expenses include interest income or expenses, adjusting valuation differences of securities and monetary claims during the fiscal year and differences in resulting gains or losses from the settlement of financial derivatives assuming that the settlement was made in cash as of March 31, 2017 and 2016.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Bank is required to determine the purposes of holding each security and classify such security into (i) securities held for trading purposes ("Trading Securities"), (ii) debt securities intended to be held to maturity ("Held-to-Maturity Debt Securities"), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories ("Available-for-Sale Securities"). "Held-to-Maturity Debt Securities" are carried at amortized cost using the moving-average method (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. Japanese stocks classified as "Available-for-Sale Securities" are valued at the average market price during the final month of the fiscal year (cost of securities sold is calculated using primarily the moving-average method). "Available-for-Sale Securities" other than Japanese stocks are, in principle, valued at the market price at the balance sheet date (cost of securities sold is calculated using primarily the moving-average method). "Available-for-Sale Securities" for which their fair values are extremely difficult to be determined are carried at cost using the moving-average method. Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheets.

(b) Securities in money held in trust are classified and accounted for in the same manner as those described in 4. (1) and 4. (2) (a) above.

(3) Financial Derivatives

Financial derivatives, excluding those for trading purposes, are stated at fair value.

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

Tangible fixed assets are depreciated using primarily the straight-line method.

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

(b) Intangible fixed assets other than lease assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over the useful life specified by SuMi TRUST Bank or the consolidated subsidiaries, generally five years.

(c) Lease assets

The lease assets under "Tangible Fixed Assets" and "Intangible Fixed Assets" that are related to finance leases that do not transfer ownership of the lease assets to lessees are depreciated using the straight-line method over the lease term, assuming a residual value of zero.

(5) Allowance for Loan Losses

SuMi TRUST Bank records allowance for loan losses in accordance with internally established criteria for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings ("legal bankruptcy") and against borrowers that are in substantially similar adverse condition ("virtual bankruptcy"), the allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future ("possible bankruptcy"), an allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large borrowers with certain credit risks and credit amounts that are classified as possible bankruptcy borrowers, restructured loan borrowers, or close-observation borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

For claims that are classified as other than those above, the allowance is provided based on the historical loan-loss ratios during a certain period.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment of asset quality. The Risk Management Department, which is independent from the operating sections, monitors the results of such assessments.

As for the consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratios, and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of unrecoverable amount for each claim.

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥20,070 million (U.S. $179 million) and ¥27,075 million for the fiscal years ended March 31, 2017 and 2016, respectively.

(6) Provision for Bonuses

A provision for bonuses is provided for the estimated employee bonuses attributable to the current fiscal year.

(7) Provision for Directors' Bonuses

A provision for directors' bonuses is provided at SuMi TRUST Bank and some of the consolidated subsidiaries for the estimated directors' bonuses attributable to the current fiscal year.

(8) Provision for Reward Points Program

A provision for reward points program is provided for the use of points granted to holders of Diners Club Card and other credit cards in the amount deemed necessary based on the estimated points to be used in the future.

(9) Provision for Reimbursement of Deposits in Dormant Accounts

A provision for reimbursement of deposits in dormant accounts is provided for the deposits that were derecognized as liabilities under certain conditions. Such provision is provided against the estimated future reimbursement to be requested by customers based on the past reimbursement record.

(10) Provision for Contingent Losses

A provision for contingent losses is provided for losses associated with off-balance sheet transactions or trust transactions in the amount deemed necessary based on the estimated possible future losses.

(11) Accounting for Retirement Benefits

In determining the retirement benefit obligations, SuMi TRUST Bank and some consolidated subsidiaries attribute projected benefits to the periods up to the year ended March 31, 2017, based on the plan's benefit formula.

Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost: Past service cost is recognized using the straight-line method, primarily over 10 years within the employees' average remaining service period at incurrence.

Actuarial gains or losses: Actuarial gains or losses are expensed using the straight-line method, primarily over 8 to 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts that would be required for voluntary termination at the year-end.

(12) Foreign Currency Translation

Assets and liabilities of SuMi TRUST Bank that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing at the consolidated balance sheet date, except for shares of stocks in affiliated companies translated into yen at the exchange rates prevailing at the acquisition dates. Assets and liabilities of consolidated subsidiaries that are denominated in foreign currencies are translated into yen at the exchange rates prevailing at their respective balance sheet dates.

(13) Accounting for Leases

As for the consolidated subsidiaries in Japan, income and expenses arising from transactions of finance leases that do not transfer ownerships to lessees are recognized as sales and costs of sales when lease payments are collected.

(14) Hedge Accounting

(a) Interest-related risk hedge

SuMi TRUST Bank manages interest rate risk arising from various assets and liabilities by using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants (JICPA) Industry Auditing Committee Report No. 24 of February 13, 2002, "Report No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest volatility factors for the hedged items and those for the hedging instruments.

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 15), SuMi TRUST Bank has adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which are utilized to manage interest rate risk arising from transactions, such as loans and bills discounted, and deposits.

Deferred gains (losses) on hedges in the consolidated balance sheets as of the end of the current fiscal year that have resulted from existing "Macro Hedge Accounting" are amortized over the remaining period designated under "Macro Hedge Accounting" of each hedging transaction. Deferred losses on hedges associated with "Macro Hedge Accounting" were ¥145 million (U.S. $1 million) and ¥227 million (before tax effect) as of March 31, 2017 and 2016, respectively.

(b) Currency-related risk hedge

SuMi TRUST Bank manages the foreign exchange risk arising from various assets and liabilities denominated in foreign currencies using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Auditing Committee Report No. 25 of July 29, 2002, "Report No. 25"). The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

Additionally, transactions intended to hedge the foreign exchange risk associated with foreign-denominated securities (other than bonds) are treated as portfolio hedges. Fair value hedge accounting has been adopted to account for such transactions on the conditions that specific foreign-denominated securities are designated in advance as hedged items and that foreign currency payables of spot and forward foreign exchange contracts exist in excess of the acquisition cost of such foreign-denominated securities on a foreign currency basis.

The foreign exchange risk associated with investment in the shares of stocks in foreign subsidiaries and affiliated companies is individually hedged using forward exchange contracts denominated in the same currency, and foreign currency translation adjustments arising from the hedging instruments are included in "Foreign Currency Translation Adjustments."

(c) Stock-related risk hedge

SuMi TRUST Bank manages the risk of fluctuations in underlying stock prices of some available-for-sale securities using financial derivatives transactions. Such transactions are generally treated as fair value hedges and the effectiveness of those hedges is evaluated individually by a ratio analysis, i.e., a comparison of the hedged item with the changes in the fair values of the corresponding hedging instrument.

(d) Internal hedge transactions and others

Among derivatives transactions of SuMi TRUST Bank that take place between consolidated subsidiaries or that are made internally between designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to Report No. 24 and Report No. 25. Accordingly, income or expenses arising from such interest rate swaps and cross-currency swaps are recognized as profits or losses, or deferred, rather than eliminated.

Deferred hedge accounting has been adopted for certain assets and liabilities by individual transactions.

Other consolidated subsidiaries account for such transactions as deferred hedges or exceptional treatment for interest rate swaps by individual transactions.

(15) Amortization of Goodwill

Goodwill is amortized over a period within 20 years that is reasonably determined for each case. Goodwill deemed immaterial, however, is expensed as incurred.

(16) Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

For SuMi TRUST Bank, the balance of "Cash and Cash Equivalents" in the consolidated statements of cash flows is equivalent to the balance of cash and due from the Bank of Japan under "Cash and Due from Banks" presented in the consolidated balance sheets. For the consolidated subsidiaries, the balance of "Cash and Cash Equivalents" in the consolidated statements of cash flows is equivalent to the balance of "Cash and Due from Banks" presented in the consolidated balance sheets.

(17) National and Local Consumption Taxes

National and local consumption taxes ("consumption taxes") payable by SuMi TRUST Bank and its consolidated subsidiaries in Japan are accounted for by the tax-excluded method. However, any nondeductible consumption taxes associated with asset purchases are recorded as expenses in the current fiscal year.

Changes in Accounting Policies

Some consolidated subsidiaries applied the "Practical Solution on a Change in Depreciation Method due to Tax Reform 2016" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32 of June 17, 2016) from the fiscal year ended March 31, 2017, to comply with the 2016 Tax Reform Act. They changed their depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method. The effect of this change to "Income" and "Income before Income Taxes" for the fiscal year ended March 31, 2017, is immaterial.

Additional Information

SuMi TRUST Bank applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Statement No. 26 of March 28, 2016) effective from the fiscal year ended March 31, 2017.

Notes to the Consolidated Balance Sheets

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Securities in Trading Account	¥ 14,102	¥ 25,999	$ 126
Derivatives of Trading Securities	766	38	7
Derivatives of Securities Related to Trading Transactions	181	80	2
Trading-Related Financial Derivatives	437,414	563,870	3,900
Other Trading Assets	44,099	24,301	393
Total	¥ 496,563	¥ 614,290	$ 4,428

(2) Trading liabilities as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Derivatives of Trading Securities	¥ 15	¥ —	$ 0
Derivatives of Securities Related to Trading Transactions	—	21	—
Trading-Related Financial Derivatives	366,863	451,729	3,271
Total	¥ 366,879	¥ 451,751	$ 3,271

2. Securities

Securities held as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Government Bonds	¥ 310,605	¥ 761,929	$ 2,770
Local Government Bonds	4,790	4,846	43
Corporate Bonds	656,653	656,962	5,855
Stocks	1,539,152	1,402,687	13,724
Other Securities	2,556,951	1,989,474	22,799
Total	¥ 5,068,155	¥ 4,815,901	$ 45,191

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliated companies as follows.

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Stocks	¥ 86,275	¥ 57,730	$ 769
Equity Investments	33,203	36,057	296

Securities borrowed under unsecured loan agreements and securities purchased under resale agreements or borrowed with cash collateral that SuMi TRUST Bank has a right to freely sell or repledge, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Securities that are Further Loaned	¥ 866,678	¥ 886,136	$ 7,728
Securities Held without Selling or Repledging as of the End of the Fiscal Year	48,103	—	429

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Bills Discounted	¥ 2,299	¥ 2,478	$ 21
Loans on Bills	229,775	267,708	2,049
Loans on Deeds	26,196,966	24,942,658	233,589
Overdrafts	1,553,370	1,527,948	13,851
Total	¥ 27,982,411	¥ 26,740,793	$ 249,509

Bills discounted are treated as financial transactions in accordance with Report No. 24. SuMi TRUST Bank has a right to freely sell or (re)pledge such commercial bills. The total face value of these bills amounted to ¥2,299 million (U.S. $21 million) and ¥2,478 million as of March 31, 2017 and 2016, respectively.

Loans and bills discounted as of March 31, 2017 and 2016, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Loans in Bankruptcy Proceedings	¥ 2,919	¥ 4,229	$ 26
Delinquent Loans	53,778	65,692	480
Loans Past Due Three Months or More	191	—	2
Restructured Loans	34,343	40,999	306
Total	¥ 91,233	¥ 110,921	$ 813

Loans in bankruptcy proceedings are loans whose interest receivable is not recorded due to delinquency in principal or interest payments for a significant period or other reasons excluding loans that have been written off ("nonaccrual loans"), and that meet the conditions as prescribed in Paragraph 1, Items 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order No. 97 of 1965).

Delinquent loans are nonaccrual loans other than (i) loans in bankruptcy proceedings and (ii) loans for which the terms of interest payments have been extended in connection with the borrower's business restructuring or to otherwise provide support.

Loans past due three months or more are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as loans in bankruptcy proceedings or delinquent loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, delinquent loans, or loans past due three months or more.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets Pledged as Collateral:			
Trading Assets	¥ 16,987	¥ 20,000	$ 151
Securities	812,175	877,146	7,242
Loans and Bills Discounted	3,624,556	1,470,791	32,319
Lease Receivables and Investment Assets	—	8,425	—
Other Assets	29,604	153	264
Total	¥ 4,483,323	¥ 2,376,517	$ 39,976
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	¥ 25,784	¥ 23,012	$ 230
Payables under Repurchase Agreements	685,264	354,071	6,110
Payables under Securities Lending Transactions	13,699	—	122
Borrowed Money	1,969,804	1,244,330	17,564
Acceptances and Guarantees	—	2,561	—
Total	¥ 2,694,553	¥ 1,623,975	$ 24,026

In addition to the foregoing, the following assets have been pledged as collateral for settlement of exchange and others, or as a substitution of margin of futures and others.

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Securities	¥ 626,817	¥ 597,384	$ 5,589

"Other Assets" include initial margins of futures, security deposits, and cash collateral pledged for financial instruments. Such amounts are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Initial Margins of Futures Markets	¥ 7,781	¥ 8,435	$ 69
Security Deposits	22,640	25,807	202
Cash Collateral Pledged for Financial Instruments-Assets	466,052	470,912	4,156

5. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and commitment lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amounts of unused credit under such agreements were ¥11,960,257 million (U.S. $106,645 million) and ¥11,860,101 million, of which ¥8,092,361 million (U.S. $72,157 million) and ¥7,856,167 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2017 and 2016, respectively.

The balance of unused credit will not necessarily affect the future cash flows of SuMi TRUST Bank and its consolidated subsidiaries because most of these agreements expire without credit being extended. Most of these agreements contain clauses allowing SuMi TRUST Bank and its consolidated subsidiaries to reject requests for credit outright or reduce the credit limits due to changed financial circumstances, the need to preserve claims, or other reasonable causes. Besides requesting collateral, such as real estate or securities, as necessary at the time of entering into the agreement, SuMi TRUST Bank has also adopted other measures to keep its credit sound, such as periodically assessing the condition of customers' businesses following the internal procedures and revising agreements, as necessary.

6. Tangible Fixed Assets

Tangible fixed assets as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Land	¥ 133,763	¥ 135,464	$ 1,193
Buildings	73,123	73,447	652
Lease Assets	5,888	3,415	53
Construction in Progress	811	1,820	7
Other	17,700	18,401	158
Total	¥ 231,288	¥ 232,549	$ 2,062

Accumulated depreciation amounted to ¥182,255 million (U.S. $1,625 million) and ¥179,620 million, and advance depreciation amounted to ¥32,742 million (U.S. $292 million) and ¥33,021 million as of March 31, 2017 and 2016, respectively.

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SuMi TRUST Bank was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1998 and March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation was calculated by reasonably adjusting the value of land based on the following prices: the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998); the standard prices for benchmark properties as prescribed by Item 2 of Article 2, the registered prices in tax lists for such land for commercial use as prescribed by Item 3 of Article 2; and the land assessments under Item 4 of Article 2 of the same Order.

Differences between the fair value and the revalued carrying amount of the land for commercial use subject to Article 10 of the Act were ¥5,187 million (U.S. $46 million) and ¥6,281 million as of March 31, 2017 and 2016, respectively.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Software	¥ 91,652	¥ 68,884	$ 817
Goodwill	94,490	104,517	843
Lease Assets	188	212	2
Other	9,649	10,678	86
Total	¥ 195,981	¥ 184,293	$ 1,747

8. Other Assets

Other assets as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Domestic Exchange Settlement Account, Debit	¥ 602	¥ 666	$ 5
Prepaid Expenses	6,587	7,137	59
Accrued Income	130,515	128,115	1,164
Initial Margins of Futures Markets	7,781	8,435	69
Variation Margins of Futures Markets	1,020	5,341	9
Financial Derivatives Other Than Trading Assets	461,423	531,220	4,114
Receivables for Securities Transactions	49,289	19,276	439
Cash Collateral Pledged for Financial Instruments-Assets	466,052	470,912	4,156
Other	480,141	435,526	4,281
Total	¥ 1,603,413	¥ 1,606,631	$ 14,297

9. Deposits

Deposits as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Current Deposits, Ordinary Deposits and Deposits at Notice	¥ 6,228,123	¥ 5,475,584	$ 55,534
Time Deposits	21,747,613	19,820,996	193,915
Other	1,239,696	1,281,237	11,054
Total	¥ 29,215,433	¥ 26,577,818	$ 260,503

10. Borrowed Money

Borrowed money as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Subordinated Borrowings	¥ 455,000	¥ 310,000	$ 4,057
Other Borrowed Money	3,358,105	2,480,491	29,943
Total	¥ 3,813,105	¥ 2,790,491	$ 34,000

Weighted average interest rates on borrowed money were 0.5% and 0.24% for the fiscal years ended March 31, 2017 and 2016, respectively.

Annual maturities of borrowed money as of March 31, 2017, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Year Ending March 31	2017	2017
2018	¥ 2,290,979	$ 20,428
2019	223,594	1,994
2020	156,352	1,394
2021	87,645	782
2022	73,253	653
Total	¥ 2,831,825	$ 25,250

11. Bonds Payable

Bonds payable as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Perpetual Subordinated Bonds	¥ 26,100	¥ 26,100	$ 233
Subordinated Bonds	324,491	374,487	2,893
Other Bonds Payable	683,501	464,270	6,095
Total	¥ 1,034,093	¥ 864,857	$ 9,221

Annual maturities of bonds payable as of March 31, 2017, for the next five years are as follows:

Fiscal Year Ending March 31	Millions of Yen	Millions of U.S. Dollars
	2017	2017
2018	¥ 171,473	$ 1,529
2019	321,452	2,866
2020	195,726	1,745
2021	160,000	1,427
2022	40,000	357
Total	¥ 888,651	$ 7,924

12. Borrowed Money from Trust Account

Borrowed money from trust account represents surplus funds in the trust accounts loaned to the banking account and utilized.

13. Other Liabilities

Other liabilities as of March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Domestic Exchange Settlement Account, Credit	¥ 995	¥ 965	$ 9
Income Taxes Payable	14,197	50,351	127
Accrued Expenses	101,734	105,344	907
Unearned Income	79,823	72,730	712
Variation Margins of Futures Markets	307	—	3
Financial Derivatives Other Than Trading Liabilities	445,948	639,844	3,976
Lease Obligations	8,803	9,437	78
Asset Retirement Obligations	5,131	4,197	46
Payables for Securities Transactions	199	54	2
Provision for Loss on Interest Repayment	278	297	2
Cash Collateral Pledged for Financial Instruments-Liabilities	269,639	197,037	2,404
Other	211,600	161,085	1,887
Total	¥ 1,138,659	¥ 1,241,345	$ 10,153

14. Acceptances and Guarantees

The bonds presented under "Securities" included guarantee obligations on corporate bonds that were placed through private securities offerings (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) amounting to ¥109,176 million (U.S. $973 million) and ¥134,249 million as of March 31, 2017 and 2016, respectively.

Notes to the Consolidated Statement of Income

1. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Interest on Monetary Claims Bought	¥ 1,574	¥ 2,383	$ 14
Others	2,812	2,777	25
Total	¥ 4,387	¥ 5,161	$ 39

(2) Other interest expenses for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Interest on Interest Rate Swaps	¥ 1,413	¥ 16,594	$ 13
Others	15,190	12,021	135
Total	¥ 16,603	¥ 28,616	$ 148

2. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Net Income from Trading Securities and Derivatives	¥ —	¥ 927	$ —
Net Income from Trading-Related Financial Derivatives Transactions	18,282	14,831	163
Other Trading Income	55	204	0
Total	¥ 18,338	¥ 15,964	$ 164

(2) Trading expenses for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Net Expenses on Trading Securities and Derivatives	¥ 258	¥ —	$ 2
Net Expenses on Trading Transactions	1,039	428	9
Total	¥ 1,297	¥ 428	$ 11

3. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Net Gains on Foreign Exchange Transactions	¥ 28,966	¥ 16,239	$ 258
Gains on Sales and Redemption of Bonds	21,656	57,490	193
Net Income from Derivatives Other Than for Trading or Hedging	20,803	—	185
Others	224,834	212,278	2,005
Total	¥ 296,260	¥ 286,008	$ 2,642

(2) Other ordinary expenses for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Losses on Sales and Redemption of Bonds	¥ 118,711	¥ 5,146	$ 1,059
Net Losses on Derivatives Other Than for Trading or Hedging	—	22,226	—
Others	200,165	188,662	1,785
Total	¥ 318,877	¥ 216,036	$ 2,843

4. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Gains on Sales of Stocks and Other Securities	¥ 47,399	¥ 27,981	$ 423
Gains on Money Held in Trust	70	82	1
Recoveries of Written-Off Claims	2,813	2,795	25
Equity in Earnings of Affiliated Companies	6,950	7,702	62
Gains on Disposal of Fixed Assets	1,615	1,847	14
Others	10,136	13,380	90
Total	¥ 68,986	¥ 53,790	$ 615

(2) Other expenses for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Allowance for Loan Losses	¥ 26,323	¥ 19,198	$ 235
Losses on Sales of Loans	9	102	0
Write-Off of Loans	4,776	9,377	43
Losses on Sales of Stocks and Other Securities	5,723	6,209	51
Losses on Devaluation of Stocks and Other Securities	3,848	3,718	34
Losses on Money Held in Trust	0	2	0
Losses on Disposal of Fixed Assets	984	3,537	9
Losses on Impairment of Fixed Assets	5,870	5,163	52
Losses on Investment in Partnerships	3,076	8,731	27
Others	15,629	29,606	139
Total	¥ 66,243	¥ 85,647	$ 591

5. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Taxes Other Than Income Taxes	¥ 16,704	¥ 14,941	$ 149
Personnel Expenses	210,613	192,575	1,878
Others	193,611	183,137	1,726
Total	¥ 420,929	¥ 390,654	$ 3,753

Note to the Consolidated Statement of Comprehensive Income

Reclassification Adjustments and the Related Tax Effects Concerning Other Comprehensive Income

Reclassification adjustments and the related tax effects concerning other comprehensive income for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	¥ (44,800)	¥ (8,547)	$ (399)
Reclassification Adjustments	61,026	(62,273)	544
Before Tax Effects	16,225	(70,820)	145
Tax Effects	(4,882)	34,588	(44)
Valuation Difference on Available-for-Sale Securities	11,343	(36,231)	101
Deferred Gains (Losses) on Hedges:			
Changes during the Period	(14,875)	(11,849)	(133)
Reclassification Adjustments	1,413	16,594	13
Before Tax Effects	(13,462)	4,745	(120)
Tax Effects	4,148	(1,683)	37
Deferred Gains (Losses) on Hedges	(9,314)	3,062	(83)
Revaluation Reserve for Land:			
Changes during the Period	—	—	—
Reclassification Adjustments	—	—	—
Before Tax Effects	—	—	—
Tax Effects	—	175	—
Revaluation Reserve for Land	—	175	—
Foreign Currency Translation Adjustments:			
Changes during the Period	(1,360)	(11,134)	(12)
Reclassification Adjustments	—	—	—
Before Tax Effects	(1,360)	(11,134)	(12)
Tax Effects	—	—	—
Foreign Currency Translation Adjustments	(1,360)	(11,134)	(12)
Adjustments for Retirement Benefits			
Changes during the Period	14,640	(111,225)	131
Reclassification Adjustments	29,023	15,023	259
Before Tax Effects	43,663	(96,202)	389
Tax Effects	(13,274)	29,654	(118)
Adjustments for Retirement Benefits	30,389	(66,548)	271
Attributable to Equity-Method Affiliated Companies:			
Changes during the Period	34	(506)	0
Reclassification Adjustments	(313)	(945)	(3)
Attributable to Equity-Method Affiliated Companies	(279)	(1,451)	(2)
Total Other Comprehensive Income	¥ 30,778	¥ (112,128)	$ 274

Notes to the Consolidated Statement of Changes in Net Assets

1. Class and the Number of Issued Shares of Common Stock

Classes and the number of issued shares of common stock and treasury stock for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

	Thousands of Shares				
	Authorized	Number of Shares Outstanding at the Beginning of the Fiscal Year	Increase	Decrease	Number of Shares Outstanding at the End of the Fiscal Year
March 31, 2017					
Number of Issued Shares:					
Common Share	**3,000,000**	**1,674,537**	**—**	**—**	**1,674,537**

	Thousands of Shares				
	Authorized	Number of Shares Outstanding at the Beginning of the Fiscal Year	Increase	Decrease	Number of Shares Outstanding at the End of the Fiscal Year
March 31, 2016					
Number of Issued Shares:					
Common Share	3,000,000	1,674,537	—	—	1,674,537

2. Subscription Rights to Shares

Subscription rights to shares for the fiscal years ended March 31, 2017 and 2016, consisted of the following:

		Millions of Yen		Millions of U.S. Dollars
		2017	2016	**2017**
Consolidated Subsidiary				
(Nikko Asset Management Co., Ltd.)	Subscription Rights to Shares as Stock Options	**¥ —**	¥ —	**$ —**

3. Dividends

Dividends paid for the fiscal years ended March 31, 2017 and 2016, consist of the following:

As for the fiscal year ended March 31, 2017:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
June 29, 2016					
Ordinary General Meeting of Shareholders	Common Share	¥ 34,394 ($307)	¥ 20.54 ($0.18)	March 31, 2016	June 30, 2016

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
November 14, 2016					
Board of Directors' Meeting	Common Share	¥ 20,161 ($180)	¥ 12.04 ($0.11)	September 30, 2016	December 1, 2016

Dividends with a record date during the current fiscal year ended March 31, 2017, but whose effective date is after March 31, 2017, are as follows:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
June 29, 2017						
Ordinary General Meeting of Shareholders	Common Share	¥ 34,227 ($305)	Retained Earnings	¥ 20.44 ($0.18)	March 31, 2017	June 30, 2017
		¥ 36,019 ($321)	Capital Surplus	¥ 21.51 ($0.19)	March 31, 2017	June 30, 2017

As for the fiscal year ended March 31, 2016:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen	Cash Dividends per Share: Yen	Record Date	Effective Date
June 26, 2015					
Ordinary General Meeting of Shareholders	Common Share	¥ 34,545	¥ 20.63	March 31, 2015	June 29, 2015

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen	Yen		
November 12, 2015					
Board of Directors' Meeting	Common Share	¥ 20,060	¥ 11.98	September 30, 2015	December 1, 2015

Dividends with a record date during the current fiscal year ended March 31, 2016, but whose effective date is after March 31, 2016, are as follows:

Resolution	Type of Shares	Cash Dividends Declared	Dividend Resources	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen		Yen		
June 29, 2016						
Ordinary General Meeting of Shareholders	Common Share	¥ 34,394	Retained Earnings	¥ 20.54	March 31, 2016	June 30, 2016

Note to the Consolidated Statement of Cash Flows

1. Reconciliation of Cash and Cash Equivalents

The following table reconciles cash and cash equivalents in the consolidated statements of cash flows and cash and due from banks in the consolidated balance sheets as of March 31, 2017 and 2016.

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	**2017**
Cash and Due from Banks	**¥14,269,687**	¥ 14,428,660	**$127,238**
Due from Banks (excluding Due from the Bank of Japan)	**(2,412,840)**	(2,600,409)	**(21,514)**
Cash and Cash Equivalents	**¥11,856,847**	¥ 11,828,250	**$105,723**

2. Major Components of Assets and Liabilities of Subsidiaries Newly Consolidated Due to the Acquisition of their Shares

There is no applicable information for the fiscal year ended March 31, 2017.

For the fiscal year ended March 31, 2016, the following table shows the major components of assets and liabilities, at the time of the acquisition, of two subsidiaries newly consolidated due to the acquisition of their shares and reconciles the share acquisition costs with payment for the purchase of investments in subsidiaries.

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	**2017**
Assets	¥ —	¥ 210,147	$ —
Liabilities	—	(186,785)	—
Goodwill	—	23,830	—
Negative Goodwill	—	(874)	—
Share Acquisition Costs	—	46,318	—
Cash and Cash Equivalents	—	6,407	—
Net: Payment for Purchase of Investments in Subsidiaries	¥ —	¥ 39,910	$ —

Leases

1. Finance Leases

As a lessee:

(1) Finance leases that do not transfer ownership of the lease assets to lessees

1) Description of lease assets

i) Tangible fixed assets

Mainly store buildings and office equipment

ii) Intangible fixed assets

Software

2) Method for amortizing lease assets

Refer to "(4) Depreciation and Amortization Methods" of "4. Significant Accounting Policies" in the Significant Accounting Policies and Practices.

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2017 and 2016, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Due in One Year or Less	¥ 1,992	¥ 3,781	$ 18
Due in More Than One Year	8,699	10,602	78
Total	¥ 10,692	¥ 14,384	$ 95

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2017 and 2016, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Due in One Year or Less	¥ 1,780	¥ 2,020	$ 16
Due in More Than One Year	1,370	1,382	12
Total	¥ 3,150	¥ 3,403	$ 28

Financial Instruments

1. Circumstances of Financial Instruments

(1) Policy on Financial Instruments

SuMi TRUST Bank Group is engaged in a variety of financial service businesses, primarily trust banking business operated by SuMi TRUST Bank. To facilitate these businesses, SuMi TRUST Bank Group raises funds through deposits from individual and corporate customers, borrowed money, and issuance of corporate bonds, and manages such funds as loans to individual and corporate customers, and securities on the investment side.

Each group company determines policies as well as measures for investing and funding financial assets and financial liabilities under its annual plan.

SuMi TRUST Holdings monitors risks associated with the group-wide financial assets and liabilities.

SuMi TRUST Bank monitors its respective risks while implementing comprehensive Asset-Liability Management (ALM). Meanwhile, SuMi TRUST Bank conducts derivatives transactions to control the market risk and other risks arising from its assets and liabilities within the level commensurate with its financial capacity. SuMi TRUST Bank is also engaged in trading securities and derivatives through trading accounts ("Trading Accounts") that are segregated from other accounts ("Banking Accounts") in accordance with Article 13-6-3, the "Ordinance for Enforcement of the Banking Act"). Some consolidated subsidiaries are also engaged in trading securities.

(2) Description and Risks of Financial Instruments

1) Trading accounts

SuMi TRUST Bank Group deals with over-the-counter (OTC) and listed derivatives transactions related to interest rates, exchange rates, bonds, credits, and commodities as well as trading securities. These derivatives transactions are exposed to risks associated with fluctuation in interest rates, exchange rates, prices, credit risks, and other risks.

2) Banking accounts

Financial assets of SuMi TRUST Bank Group are primarily loans to corporations and individuals in Japan and such assets are exposed to credit risks arising from default on contracts by customers.

Securities mainly consist of stocks and bonds that are held to maturity, as strategic investments, and for business development. These securities are exposed to issuers' credit risks, and risks associated with fluctuation in interest rates and market prices.

Deposits from individuals and corporations, borrowed money, and bonds payable are exposed to liquidity risks as becoming insolvent at their maturities, such as being out of markets under certain circumstances.

SuMi TRUST Bank Group deals with OTC and listed derivatives transactions related to interest rates, exchange rates, stocks, bonds, and credits for avoiding market risks.

To reduce interest rate risk, a major risk, SuMi TRUST Bank Group comprehensively manages various financial assets and liabilities, such as loans and bills discounted and deposits, by categorizing them based on characteristics of their interest rate risks, and applies hedge accounting to hedge such risk using interest rate swaps designated as hedging instruments. The hedge accounting is applied to some assets and liabilities by individual transaction.

To mitigate the exchange rate risk arising from various financial assets and liabilities of SuMi TRUST Bank denominated in foreign currencies, hedge accounting is applied to the exchange rate risk of foreign currency assets and liabilities designated as hedged items, using currency swaps and foreign exchange swaps designated as hedging instruments.

The details of hedge accounting are described in "Significant Accounting Policies and Practices."

(3) Risk Management for Financial Instruments

SuMi TRUST Bank Group considers that the basis of group-wide risk management is to ensure the effectiveness of PDCA (Plan, Do, Check, Action) cycles for each risk category according to the "Risk Management Policy" established by the board of directors.

The risk management framework of each risk category is as follows:

1) Credit risk management

Credit risk is the risk of financial loss of SuMi TRUST Bank Group when a customer or counterparty fails to meet its contractual obligations, and such risk is generated from claims, mainly loans, bills discounted, and securities. Credit risk is the most basic financial risk related to a credit creating function. SuMi TRUST Bank Group continuously diversifies its credit portfolios and builds up a stronger customer base by expanding its credit risk management framework further, and by meeting a new and sound demand for credit.

(a) Risk management policy on credit risk

The basic policy of SuMi TRUST Bank Group on credit risk management calls for "a diversified credit portfolio" and "strict management for individual credits."

For the former, SuMi TRUST Bank Group manages credit exposures of each customer based on its limited credit amount, and periodically reviews impacts of identified risks to large customers and concentration in industry sectors, including the measurement of the credit risk. SuMi TRUST Bank Group makes efforts to mitigate credit concentration risk on a country-by-country basis by managing the diversification of the overall credit portfolio.

For the latter, SuMi TRUST Bank Group manages individual credits through processes such as credit screening, self-assessment, and internal credit ratings. Credit ratings indicate the credit status of customers and the possibility of defaults on a scale, and provide the basis for credit screening of individual transactions and credit portfolio management. SuMi TRUST Bank Group evaluates solvency and collectability of credits based on the analysis, for instance the customer's financial condition, cash flows, and earning capacity through the self-assessment.

(b) Risk management framework for credit risk

In SuMi TRUST Bank, the board of directors decides on important matters related to credit risk management when developing management plans. The board of directors also decides on credit strategy and economic capital allocation plans, and approves the Self-Assessment Rules based on reports on credit risk management, including asset-assessment management, to ensure the soundness of the assets. As for screening and credit management of each case, the Global Credit Supervision Department is segregated from branches as part of a check-and-balance system. Furthermore, the Research Department evaluates credit ratings based on industry research and credit analysis of individual companies along with performing quantitative analysis. SuMi TRUST Bank periodically holds a meeting of the Executive Committee and Credit Risk Committee to deliberate on material matters of controlling and managing credit risks. SuMi TRUST Bank has built up an appropriate management framework for risk management through the check-and-balance function, the committees' discussions, and the validation of the credit risk management and operation by the Corporate Risk Management Department.

2) Market risk management

Market risk is the risk of financial loss of SuMi TRUST Bank Group through changes in income and value of assets and liabilities held, including off-balance items, due to fluctuations in various market risk factors, such as interest rates, exchange rates, equity prices, commodity prices, and credit spreads.

(a) Risk management policy on market risk

In managing market risk, SuMi TRUST Bank Group ensures the soundness of its business by appropriately controlling risks, and strives to secure reasonable profits which correspond to strategic goals, the scale and nature of its operations, and risk profiles through an advanced risk management framework.

(b) Risk management framework for market risk

In SuMi TRUST Bank, the board of directors resolves ALM basic plans and risk management plans as important matters related to market risk under management plans. The ALM Committee resolves basic matters of ALM basic plans and risk management plans related to market risk regarding company-wide comprehensive risk management for assets/liabilities.

In SuMi TRUST Bank, the Risk Management Department is responsible for planning and implementing market risk management. The role of the Risk Management Department includes measuring risk levels and profits/losses and monitoring the status of market risk managed under ALM basic plans and the status of compliance with risk limits. The Department reports its findings to the members of the ALM Committee on a daily basis, and to the ALM Committee as well as the board of directors periodically.

(c) Market risk management approach

SuMi TRUST Bank Group uses Value at Risk ("VaR") to measure market risk exposures. VaR uses historical market fluctuation to statistically predict the maximum expected losses under specific conditions. Based on an internal model developed by SuMi TRUST Bank Group, SuMi TRUST Bank manages market risks by measuring VaR and calculating various risk management indicators, and carrying out various simulations.

The internally developed VaR model is basically the variance-covariance method, and the historical simulation method is also used for calculating some risks (nonlinear risks and others), such as risks associated with option transactions.

Market risk can be classified into categories, such as interest rate risk, stock price risk, exchange rate risk, and others according to its characteristics. SuMi TRUST Bank calculates market risk by simply adding up the risks of all categories without considering the correlation among these categories.

(d) Quantitative information related to market risk

(i) Trading accounts

SuMi TRUST Bank Group uses VaR for managing risks associated with trading securities and some currency and interest-related derivatives transactions held in the "Trading Accounts." The VaR model used is primarily based on the variance-covariance method (with a holding period of 10 business days, confidence interval of 99%, and observation period of 260 business days).

As of March 31, 2017, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Trading Accounts was ¥5.5 billion (U.S. $49 million).

SuMi TRUST Bank Group performs back testing that compares the results of VaR calculations based on its internal model with actual profit and loss. The back testing for the fiscal year ended March 31, 2017, resulted in one instance where actual losses were in excess of VaR; therefore, SuMi TRUST Bank Group considers that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on the past volatility, it may not properly capture those risks under extreme market movements.

(ii) Banking accounts

SuMi TRUST Bank Group uses VaR for managing risks associated with financial assets and liabilities held in the Banking Accounts. The variance-covariance method is the primary measurement method for interest/exchange rate and credit spread exposures, and the historical simulation method for stock price exposure (with a holding period of a maximum of one year according to a position; confidence interval of 99%; and observation period of 260 business days—one or five years for stock prices).

As of March 31, 2017, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Banking Account was ¥802.4 billion (U.S. $7,155 million).

SuMi TRUST Bank Group performs back testing on certain positions held in the "Banking Accounts" that compares the results of VaR calculations based on its internal model with actual profit and loss regarding financial assets and liabilities subject to measurement. SuMi TRUST Bank Group considers that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on past volatility in the market, it may not properly capture the risk under extreme market movements.

3) Funding liquidity risk management

Funding liquidity risk is the risks of financial loss to SuMi TRUST Bank Group when the Group fails to raise necessary funds or is forced to raise funds at significantly higher rates.

(a) Funding liquidity risks management policy

With regard to funding liquidity risk, SuMi TRUST Bank Group designs and implements a policy to build up a risk management framework for funding liquidity risk, recognizing that financial difficulties due to exposure to such risks could possibly lead SuMi TRUST Bank Group directly to bankruptcy under certain circumstances.

(b) Funding liquidity risk management framework and methods

Funding liquidity risk management departments determine the extent of SuMi TRUST Bank Group's cash crunch appropriately in cooperation with the liquidity management departments, while gathering and analyzing information related to both the internal environment, such as SuMi TRUST Bank Group's risk profiles, and external environment, such as economic circumstances or market conditions, based on the risk management plan approved by the board of directors semiannually.

To reduce liquidity risk, the funding liquidity management departments manage cash flow within the predetermined appropriate limits, and the funding liquidity risk management departments monitor its compliance.

(4) Supplementary Explanation Concerning Fair Value of Financial Instruments

Fair value of financial instruments is based on quoted prices in markets. If a quoted price is not available, a reasonably calculated amount is used as fair value. Calculation of such amounts involves certain assumptions and may vary when different assumptions are employed.

2. Fair Values of Financial Instruments

The carrying amounts on the consolidated balance sheets and fair values of financial instruments as of March 31, 2017 and 2016, as well as the differences between these values are presented below. The fair values of unlisted shares are excluded from the following table because such fair values are extremely difficult to be determined (see Note 2).

	Millions of Yen			Millions of U.S. Dollars		
	2017			2017		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 14,269,584	¥ 14,269,584	¥ —	$ 127,237	$ 127,237	$ —
(2) Call Loans and Bills Bought	64,706	64,706	—	577	577	—
(3) Receivables under Resale Agreements	83,888	83,888	—	748	748	—
(4) Receivables under Securities Borrowing Transactions	464,956	464,956	—	4,146	4,146	—
(5) Monetary Claims Bought (*1)	872,988	873,742	754	7,784	7,791	7
(6) Trading Assets						
Trading Securities	58,201	58,201	—	519	519	—
(7) Money Held in Trust	1,550	1,550	—	14	14	—
(8) Securities						
Held-to-Maturity Debt Securities	254,325	281,139	26,813	2,268	2,507	239
Available-for-Sale Securities	4,570,810	4,570,810	—	40,756	40,756	—
(9) Loans and Bills Discounted	27,982,411			249,509		
Allowance for Loan Losses (*2)	(104,393)			(931)		
	27,878,018	28,125,095	247,076	248,578	250,781	2,203
(10) Foreign Exchanges	16,189	16,189	—	144	144	—
(11) Lease Receivables and Investment Assets (*1)	665,695	678,065	12,369	5,936	6,046	110
Total Assets	¥ 49,200,915	¥ 49,487,929	¥ 287,013	$ 438,706	$ 441,266	$ 2,559
(1) Deposits	¥ 29,215,433	¥ 29,258,046	¥ 42,612	$ 260,503	$ 260,883	$ 380
(2) Negotiable Certificates of Deposit	7,388,617	7,388,617	—	65,882	65,882	—
(3) Call Money and Bills Sold	344,089	344,089	—	3,068	3,068	—
(4) Payables under Repurchase Agreements	1,063,737	1,063,737	—	9,485	9,485	—
(5) Payables under Securities Lending Transactions	13,699	13,699	—	122	122	—
(6) Borrowed Money	3,813,105	3,827,928	14,822	34,000	34,132	132
(7) Foreign Exchanges	236	236	—	2	2	—
(8) Short-Term Bonds Payable	904,248	904,248	—	8,063	8,063	—
(9) Bonds Payable	1,034,093	1,059,708	25,614	9,221	9,449	228
(10) Borrowed Money from Trust Account	3,973,623	3,973,623	—	35,431	35,431	—
Total Liabilities	¥ 47,750,885	¥ 47,833,935	¥ 83,049	$ 425,777	$ 426,518	$ 741
Derivatives Transactions (*3)						
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 69,441	¥ 69,441	¥ —	$ 619	$ 619	$ —
Derivatives Transactions Qualifying for Hedge Accounting	17,516	17,516	—	156	156	—
Total Derivatives Transactions	¥ 86,957	¥ 86,957	¥ —	$ 775	$ 775	$ —

	Millions of Yen		
	2016		
	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 14,428,571	¥ 14,428,571	¥ —
(2) Call Loans and Bills Bought	505,252	505,252	—
(3) Receivables under Resale Agreements	110,377	110,377	—
(4) Receivables under Securities Borrowing Transactions	326,457	326,457	—
(5) Monetary Claims Bought (*1)	853,478	854,108	630
(6) Trading Assets			
Trading Securities	50,301	50,301	—
(7) Money Held in Trust	1,649	1,649	—
(8) Securities			
Held-to-Maturity Debt Securities	318,190	354,795	36,605
Available-for-Sale Securities	4,294,686	4,294,686	—
(9) Loans and Bills Discounted	26,740,793		
Allowance for Loan Losses (*2)	(78,835)		
	26,661,958	26,946,501	284,543
(10) Foreign Exchanges	17,223	17,223	—
(11) Lease Receivables and Investment Assets (*1)	606,306	617,306	10,999
Total Assets	¥ 48,174,452	¥ 48,507,230	¥ 332,778
(1) Deposits	¥ 26,577,818	¥ 26,618,823	¥ 41,004
(2) Negotiable Certificates of Deposit	7,199,632	7,199,632	—
(3) Call Money and Bills Sold	328,968	328,968	—
(4) Payables under Repurchase Agreements	653,456	653,456	—
(5) Payables under Securities Lending Transactions	—	—	—
(6) Borrowed Money	2,790,491	2,805,796	15,304
(7) Foreign Exchanges	259	259	—
(8) Short-Term Bonds Payable	1,253,207	1,253,207	—
(9) Bonds Payable	864,857	896,668	31,810
(10) Borrowed Money from Trust Account	7,026,326	7,026,326	—
Total Liabilities	¥ 46,695,017	¥ 46,783,137	¥ 88,120
Derivatives Transactions (*3)			
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 61,945	¥ 61,945	¥ —
Derivatives Transactions Qualifying for Hedge Accounting	(58,331)	(58,331)	—
Total Derivatives Transactions	¥ 3,614	¥ 3,614	¥ —

(*1) The allowance for credit losses corresponding to Cash and Due from Banks, Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets because the balance of the allowance is immaterial.

(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from Loans and Bills Discounted.

(*3) Derivatives transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively.

Receivables and payables arising from derivatives transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(Note 1) Method for Calculating Fair Values of Financial Instruments

Assets

(1) Cash and Due from Banks, (2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements, (4) Receivables under Securities Borrowing Transactions, and (10) Foreign Exchanges

These instruments with transactions without stated maturities are stated at their carrying amounts because the carrying amounts approximate fair value. For transactions with stated maturities, corresponding instruments are stated at their carrying amounts because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

(5) Monetary Claims Bought

Fair values of monetary claims bought for which counterparties' quoted prices or dealer/broker-quoted prices are available are stated at such prices. Fair values for all other claims are calculated by classifying them according to their internal ratings and maturities and discounting future cash flows to their present values.

(6) Trading Assets

Bonds and other securities held for trading purposes are stated at dealer association prices or counterparties' quoted prices. For short-term corporate bonds, their fair values are calculated by discounting future cash flows to their present values.

(7) Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices. Notes regarding money held in trust by holding purposes are presented under the "Money Held in Trust" section.

(8) Securities

Stocks are stated at quoted market prices. Bonds are stated at quoted market prices, dealer association prices, counterparties' quoted prices, or dealer/broker-quoted prices. Investment trusts are stated at published reference prices. Fair values of privately placed bonds guaranteed by SuMi TRUST Bank are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present value.

Notes regarding securities by their holding purpose are presented under the "Securities" section.

(9) Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities and discounting the aggregate principal and interest by the assumed interest rate for similar new loans. However, variable-rate loans for which their carrying amounts are deemed to approximate fair value, due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loans, are stated at their carrying amounts.

For claims executed to borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the consolidated balance sheets at the consolidated balance sheet date, because such deducted amounts approximate fair value.

Loans without stated maturities (as the amount of credit is limited to the value of the collateral or due to some other special characteristics) are stated at their carrying amounts as the carrying amounts are deemed to approximate the fair values because of the expected repayment periods and the interest terms.

(11) Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to their internal ratings and maturities, and discounting the aggregate principal and interest by the assumed interest rate for similar new agreements.

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the consolidated balance sheet date (carrying amount).

Yen fixed-rate time deposits are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be paid on new deposits. Fixed-rate time deposits with short maturities (one year or less) and floating-rate time deposits are generally stated at their carrying amounts because the carrying amounts approximate the fair values.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (5) Payables under Securities Lending Transactions, (7) Foreign Exchanges, (8) Short-Term Bonds Payable, and (10) Borrowed Money from Trust Account

The obligations without stated maturities are stated at the amounts that would have to be paid on demand at the consolidated balance sheet date (carrying amount). Obligations with stated maturities are stated at their carrying amounts because they have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(6) Borrowed Money

Borrowed money at variable rates is stated at their carrying amounts. The carrying amounts are deemed to approximate fair value because such amounts reflect short-term market interest rates, and there have been no significant changes in credit condition subsequent to undertaking the borrowed money.

Fair values of borrowed money at fixed rates are calculated by discounting their future cash flows by the assumed interest rate on similar borrowings. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value.

(9) Bonds Payable

Bonds issued by SuMi TRUST Bank and its consolidated subsidiaries are stated at market prices, if such prices are available. Fair values for other bonds are calculated by discounting future cash flows to their present values by the assumed interest rate on issuance of similar bonds.

Derivatives

Notes regarding fair values of derivatives are presented under the "Derivatives" section.

(Note 2) The amounts of financial instruments on the consolidated balance sheets whose fair values are extremely difficult to be determined are as stated below, and such amounts are not included in the market value information for financial instruments presented under the "Assets, (5) Monetary Claims Bought" or "Assets, (8) Available-for-Sale Securities" section.

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
	Carrying Amount	Carrying Amount	Carrying Amount
Monetary Claims Bought	¥ 33,127	¥ 35,687	$ 295
Securities	123,540	109,234	1,102
(1) Unlisted Stocks (*3)	58,980	50,194	526
(2) Investments in Associations	53,670	53,108	479
(3) Others (*3)	10,889	5,931	97
Total	¥ 156,668	¥ 144,922	$ 1,397

(*1) The above financial instruments are excluded from the fair value disclosure because there are no quoted market prices, and therefore, there is no reliable measure of fair value.

(*2) Stocks in subsidiaries and affiliated companies are not included in the above table.

(*3) During the fiscal year ended March 31, 2017, impairment losses of ¥3,146 million (U.S. $28 million) and ¥22 million (U.S. $0.2 million) were recognized against Unlisted Stocks and Other, respectively.

During the fiscal year ended March 31, 2016, impairment losses of ¥227 million and ¥0 million were recognized against Unlisted Stocks and Other, respectively.

(Note 3) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2017 and 2016

	Millions of Yen					
March 31, 2017	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	¥ 14,075,111	¥ 1,304	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	64,706	—	—	—	—	—
Receivables under Resale Agreements	83,888	—	—	—	—	—
Receivables under Securities Borrowing Transactions	464,956	—	—	—	—	—
Monetary Claims Bought (*1)	689,274	68,813	35,859	21,844	16,046	73,151
Money Held in Trust	152	100	—	1,398	—	—
Securities	587,476	306,985	861,130	259,928	718,817	609,420
Held-to-Maturity Debt Securities	33,210	24,400	25,347	8,001	1,326	162,844
Government Bonds	20,691	—	—	—	60	115,000
Corporate Bonds	—	—	—	—	—	29,141
Available-for-Sale Securities with Maturity	554,266	282,585	835,783	251,926	717,491	446,575
Government Bonds	170,100	—	100	—	—	—
Local Government Bonds	—	—	1,358	—	3,444	—
Corporate Bonds	87,559	187,021	114,871	156,934	33,056	46,251
Loans and Bills Discounted (*2)	4,145,255	6,160,912	3,901,519	3,043,322	2,167,889	6,335,720
Lease Receivables and Investment Assets (*3)	175,353	247,708	123,669	35,659	49,779	22,553
Total	¥ 20,286,175	¥ 6,785,824	¥ 4,922,179	¥ 3,362,152	¥ 2,952,533	¥ 7,040,846

	Millions of Yen					
March 31, 2016	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	¥ 14,327,830	¥ 809	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	505,252	—	—	—	—	—
Receivables under Resale Agreements	110,377	—	—	—	—	—
Receivables under Securities Borrowing Transactions	326,457	—	—	—	—	—
Monetary Claims Bought (*1)	651,456	53,771	44,767	23,484	20,786	92,757
Money Held in Trust	153	—	100	—	1,496	—
Securities	907,863	529,564	901,445	337,964	148,173	391,004
Held-to-Maturity Debt Securities	56,381	24,691	30,141	58,425	10,896	144,526
Government Bonds	50,125	20,691	—	—	60	115,000
Corporate Bonds	—	—	—	—	—	21,380
Available-for-Sale Securities with Maturity	851,482	504,873	871,303	279,538	137,277	246,478
Government Bonds	555,225	—	—	10,000	—	4,000
Local Government Bonds	589	—	2,465	—	1,764	—
Corporate Bonds	30,985	246,555	145,524	118,011	43,526	50,706
Loans and Bills Discounted (*2)	4,256,433	5,522,753	4,198,113	2,984,368	1,896,050	5,589,312
Lease Receivables and Investment Assets (*3)	164,592	242,526	114,297	26,658	43,733	3,997
Total	¥ 21,250,416	¥ 6,349,425	¥ 5,258,724	¥ 3,372,476	¥ 2,110,240	¥ 6,077,072

	Millions of U.S. Dollars					
March 31, 2017	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	$ 125,503	$ 12	$ —	$ —	$ —	$ —
Call Loans and Bills Bought	577	—	—	—	—	—
Receivables under Resale Agreements	748	—	—	—	—	—
Receivables under Securities Borrowing Transactions	4,146	—	—	—	—	—
Monetary Claims Bought (*1)	6,146	614	320	195	143	652
Money Held in Trust	1	1	—	13	—	—
Securities	5,238	2,737	7,678	2,318	6,409	5,434
Held-to-Maturity Debt Securities	296	218	226	71	12	1,452
Government Bonds	185	—	—	—	1	1,025
Corporate Bonds	—	—	—	—	—	260
Available-for-Sale Securities with Maturity	4,942	2,520	7,452	2,246	6,398	3,982
Government Bonds	1,517	—	1	—	—	—
Local Government Bonds	—	—	12	—	31	—
Corporate Bonds	781	1,668	1,024	1,399	295	412
Loans and Bills Discounted (*2)	36,962	54,935	34,788	27,136	19,330	56,493
Lease Receivables and Investment Assets (*3)	1,564	2,209	1,103	318	444	201
Total	$ 180,884	$ 60,507	$ 43,889	$ 29,979	$ 26,327	$ 62,781

(*1) The balances exclude Monetary Claims Bought for debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥70 million (U.S. $0.6 million) and ¥28 million as of March 31, 2017 and 2016, respectively.

(*2) The balances exclude Loans and Bills Discounted for debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥56,698 million (U.S. $506 million) and ¥69,921 million, and those without maturity, amounting to ¥2,171,093 million (U.S. $19,359 million) and ¥2,223,839 million as of March 31, 2017 and 2016, respectively.

(*3) The balances exclude Lease Receivables and Investment Assets for debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥561 million (U.S. $5 million) and ¥1,869 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥12,522 million (U.S. $112 million) and ¥10,756 million as of March 31, 2017 and 2016, respectively.

(Note 4) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2017 and 2016

	Millions of Yen					
March 31, 2017	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	¥ 21,270,359	¥ 5,581,645	¥ 2,349,246	¥ 14,181	¥ —	¥ —
Negotiable Certificates of Deposit	7,266,935	121,682	—	—	—	—
Call Money and Bills Sold	344,089	—	—	—	—	—
Payables under Repurchase Agreements	1,063,737	—	—	—	—	—
Payables under Securities Lending Transactions	13,699	—	—	—	—	—
Borrowed Money (*2)	2,290,979	379,947	160,898	141,301	312,643	287,335
Short-Term Bonds Payable	904,910	—	—	—	—	—
Bonds Payable (*3)	171,473	517,178	200,000	40,000	69,500	10,000
Borrowed Money from Trust Account	3,973,623	—	—	—	—	—
Total	¥ 37,299,807	¥ 6,600,452	¥ 2,710,145	¥ 195,483	¥ 382,143	¥ 297,335

	Millions of Yen					
March 31, 2016	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	¥ 18,016,674	¥ 5,815,546	¥ 2,744,049	¥ 1,013	¥ 534	¥ —
Negotiable Certificates of Deposit	7,145,508	54,123	—	—	—	—
Call Money and Bills Sold	328,968	—	—	—	—	—
Payables under Repurchase Agreements	653,456	—	—	—	—	—
Borrowed Money (*2)	1,506,849	256,334	232,304	115,053	301,462	238,487
Short-Term Bonds Payable	1,253,820	—	—	—	—	—
Bonds Payable (*3)	115,315	325,432	238,636	80,000	6,500	73,000
Borrowed Money from Trust Account	7,026,326	—	—	—	—	—
Total	¥ 36,046,918	¥ 6,451,438	¥ 3,214,989	¥ 196,067	¥ 308,496	¥ 311,487

	Millions of U.S. Dollars					
March 31, 2017	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	$ 189,660	$ 49,770	$ 20,947	$ 127	$ —	$ —
Negotiable Certificates of Deposit	64,797	1,085	—	—	—	—
Call Money and Bills Sold	3,068	—	—	—	—	—
Payables under Repurchase Agreements	9,485	—	—	—	—	—
Payables under Securities Lending Transaction	122	—	—	—	—	—
Borrowed Money (*2)	20,428	3,388	1,435	1,260	2,788	2,562
Short-Term Bonds Payable	8,069	—	—	—	—	—
Bonds Payable (*3)	1,529	4,612	1,783	357	620	89
Borrowed Money from Trust Account	35,431	—	—	—	—	—
Total	$ 332,589	$ 58,854	$ 24,165	$ 1,743	$ 3,407	$ 2,651

(*1) The balance of demand deposits is included in "Within 1 Year." Deposits include balances of current accounts.

(*2) The balances exclude perpetual subordinated debts without maturity, amounting to ¥240,000 million (U.S. $2,140 million) and ¥140,000 million as of March 31, 2017 and 2016, respectively.

(*3) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥26,100 million (U.S. $233 million) and ¥26,100 million as of March 31, 2017 and 2016, respectively.

Securities

*1. In addition to the "Securities" presented in the consolidated balance sheets, the following information includes trading securities and short-term corporate bonds under "Trading Assets" and loan-backed trust deeds reported under "Monetary Claims Bought."

*2. "Stocks in Subsidiaries and Affiliated Companies" is presented as a note to the consolidated financial statements.

1. Trading Securities

	Valuation Difference Reflected in the Statements of Income		
	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Trading Securities	¥ (96)	¥ 45	$ (1)

2. Held-to-Maturity Securities with Fair Value

	Millions of Yen		
March 31, 2017	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 140,239	¥ 160,301	¥ 20,062
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	20,141	20,359	218
Other Bonds	162,167	168,883	6,716
Foreign Bonds	72,414	79,026	6,612
Others	89,752	89,857	104
Subtotal	322,547	349,544	26,996
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	9,000	8,937	(62)
Other Bonds	13,181	13,164	(16)
Foreign Bonds	12,530	12,514	(16)
Others	650	650	—
Subtotal	22,181	22,102	(78)
Total	¥ 344,728	¥ 371,646	¥ 26,917

March 31, 2016	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 190,763	¥ 214,999	¥ 24,236
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	21,380	21,653	273
Other Bonds	190,032	202,522	12,490
Foreign Bonds	87,825	99,977	12,152
Others	102,207	102,545	338
Subtotal	402,176	439,175	36,999
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	18,397	18,341	(56)
Foreign Bonds	18,221	18,165	(56)
Others	175	175	—
Subtotal	18,397	18,341	(56)
Total	¥ 420,574	¥ 457,517	¥ 36,943

March 31, 2017	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	$ 1,250	$ 1,429	$ 179
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	180	182	2
Other Bonds	1,446	1,506	60
Foreign Bonds	646	705	59
Others	800	801	1
Subtotal	2,876	3,117	241
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	$ —	$ —	$ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	80	80	(1)
Other Bonds	118	117	(0)
Foreign Bonds	112	112	(0)
Others	6	6	—
Subtotal	198	197	(1)
Total	$ 3,074	$ 3,314	$ 240

3. Available-for-Sale Securities

March 31, 2017	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,324,024	¥ 554,147	¥ 769,876
Bonds	461,873	458,667	3,206
Government Bonds	101	101	0
Local Government Bonds	2,233	2,216	17
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	459,538	456,350	3,188
Other Securities	774,684	760,576	14,108
Foreign Stocks	10,919	8,839	2,079
Foreign Bonds	687,418	681,599	5,818
Others	76,347	70,136	6,211
Subtotal	2,560,582	1,773,390	787,191
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 72,732	¥ 86,774	¥ (14,042)
Bonds	340,796	342,296	(1,499)
Government Bonds	170,264	170,365	(100)
Local Government Bonds	2,557	2,586	(28)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	167,973	169,344	(1,370)
Other Securities	1,635,887	1,698,829	(62,942)
Foreign Stocks	10,512	11,443	(931)
Foreign Bonds	701,208	722,233	(21,024)
Others	924,166	965,152	(40,986)
Subtotal	2,049,416	2,127,900	(78,484)
Total	¥ 4,609,998	¥ 3,901,291	¥ 708,707

March 31, 2016	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,223,562	¥ 570,073	¥ 653,488
Bonds	922,429	917,198	5,231
Government Bonds	501,148	499,869	1,278
Local Government Bonds	3,316	3,283	32
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	417,964	414,044	3,920
Other Securities	1,502,254	1,423,340	78,913
Foreign Stocks	3,210	1,565	1,644
Foreign Bonds	858,239	845,686	12,553
Others	640,804	576,089	64,715
Subtotal	3,648,246	2,910,612	737,634
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 76,940	¥ 98,352	¥ (21,411)
Bonds	289,166	292,822	(3,656)
Government Bonds	70,018	70,022	(4)
Local Government Bonds	1,529	1,534	(4)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	217,618	221,265	(3,647)
Other Securities	328,118	341,393	(13,275)
Foreign Stocks	16,222	19,773	(3,551)
Foreign Bonds	210,153	211,003	(849)
Others	101,742	110,617	(8,874)
Subtotal	694,225	732,568	(38,342)
Total	¥ 4,342,472	¥ 3,643,181	¥ 699,291

March 31, 2017	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	$ 11,806	$ 4,941	$ 6,865
Bonds	4,118	4,090	29
Government Bonds	1	1	0
Local Government Bonds	20	20	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	4,098	4,069	28
Other Securities	6,908	6,782	126
Foreign Stocks	97	79	19
Foreign Bonds	6,129	6,078	52
Others	681	625	55
Subtotal	22,832	15,813	7,019
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	$ 649	$ 774	$ (125)
Bonds	3,039	3,052	(13)
Government Bonds	1,518	1,519	(1)
Local Government Bonds	23	23	(0)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	1,498	1,510	(12)
Other Securities	14,587	15,148	(561)
Foreign Stocks	94	102	(8)
Foreign Bonds	6,252	6,440	(187)
Others	8,240	8,606	(365)
Subtotal	18,274	18,974	(700)
Total	$ 41,106	$ 34,786	$ 6,319

4. Held-to-Maturity Securities Sold during the Fiscal Year

There were no held-to-maturity securities sold for the fiscal years ended March 31, 2017 and 2016.

5. Available-for-Sale Securities Sold during the Fiscal Year

Year Ended March 31, 2017	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 80,281	¥ 47,183	¥ 1,267
Bonds	318,513	1,977	361
Government Bonds	227,504	1,438	292
Local Government Bonds	9,228	15	28
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	81,781	522	41
Other Securities	3,376,212	19,884	122,887
Foreign Bonds	3,142,440	19,453	118,303
Others	233,771	431	4,584
Total	¥ 3,775,007	¥ 69,044	¥ 124,517

Year Ended March 31, 2016	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 92,338	¥ 27,210	¥ 222
Bonds	219,681	3,833	174
Government Bonds	144,776	3,800	67
Local Government Bonds	7,806	9	17
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	67,098	23	88
Other Securities	2,918,213	54,428	10,848
Foreign Bonds	2,737,368	52,709	4,462
Others	180,844	1,718	6,386
Total	¥ 3,230,233	¥ 85,471	¥ 11,245

Year Ended March 31, 2017	Millions of U.S. Dollars		
	Amount Sold	Gain	Loss
Stocks	$ 716	$ 421	$ 11
Bonds	2,840	18	3
Government Bonds	2,029	13	3
Local Government Bonds	82	0	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	729	5	0
Other Securities	30,104	177	1,096
Foreign Bonds	28,020	173	1,055
Others	2,084	4	41
Total	$ 33,660	$ 616	$ 1,110

(Note) The above figures include "Available-for-Sale Securites" whose fair values are extremely difficult to be determined.

6. Securities Reclassified due to the Change of the Holding Purpose

SuMi TRUST Bank changed the holding purposes of foreign bonds, which were classified under held-to-maturity securities, of ¥8,821 million (U.S. $79 million) to available-for-sale securities during the fiscal year ended March 31, 2017, in accordance with the U.S. financial regulatory reform bill.

There is no effect of this change on the consolidated financial statements since all of these securities were sold during the fiscal year ended March 31, 2017.

7. Impairment of Securities

Securities other than securities whose fair values are extremely difficult to be determined, or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheets. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses recognized during the fiscal year ended March 31, 2017 were ¥679 million (U.S. $6 million) for Stocks. Impairment losses recognized during the fiscal year ended March 31, 2016, were ¥3,498 million, of which ¥3,487 million was for Stocks and ¥11 million was for Other Securities.

The criteria for determining whether the fair values of securities have significantly declined are as follows:

For securities whose issuers are classified as "normal" under the asset self-assessment, a decline of 50% or more in the fair values compared with the acquisition cost; for securities whose issuers are classified as "close-observation borrowers," a decline of 30% or more in the fair values compared with the acquisition cost. In addition, the fair values of some securities are deemed unrecoverable and impairment losses are recognized when their fair values have declined more than 30%, but less than 50% from acquisition cost and the fair values have continued to decline over a certain period.

Money Held in Trust

1. Money Held in Trust for Trading Purposes

	Millions of Yen	
March 31, 2017	Carrying Amount	Valuation Difference Reflected in the Statement of Income
Money Held in Trust for Trading Purposes	¥ —	¥ —

	Millions of Yen	
March 31, 2016	Carrying Amount	Valuation Difference Reflected in the Statement of Income
Money Held in Trust for Trading Purposes	¥ 153	¥ 3

	Millions of U.S. Dollars	
March 31, 2017	Carrying Amount	Valuation Difference Reflected in the Statement of Income
Money Held in Trust for Trading Purposes	$ —	$ —

2. Held-to-Maturity Money Held in Trust

There was no held-to-maturity money held in trust for the fiscal years ended March 31, 2016 and 2015.

3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

	Millions of Yen				
March 31, 2017	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ —	¥ —	¥ —	¥ —	¥ —

	Millions of Yen				
March 31, 2016	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,596	¥ 967	¥ 628	¥ 628	¥ —

	Millions of U.S. Dollars				
March 31, 2017	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	$ —	$ —	$ —	$ —	$ —

(Note) The amount of "Difference" is net of "Positive Difference" and "Negative Difference."

Valuation Differences on Available-for-Sale Securities

The following table shows components of Valuation Differences on Available-for-Sale Securities in the consolidated balance sheets.

	Millions of Yen		Millions of U.S. Dollars
March 31	2017	2016	2017
Valuation Differences			
Available-for-Sale Securities	¥ 704,304	¥ 687,963	$ 6,280
Other Money Held in Trust	527	628	5
Total Valuation Differences	704,831	688,592	6,285
Amount Equivalent to Deferred Tax Assets (Liabilities)	(213,722)	(208,813)	(1,906)
Total (before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	491,108	479,778	4,379
Non-Controlling Interests	(227)	(176)	(2)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	2,039	4,477	18
Valuation Difference on Available-for-Sale Securities	¥ 492,920	¥ 484,079	$ 4,395

(Notes)

1) Foreign currency translation adjustments on available-for-sale securities, for which fair values are extremely difficult to be determined, are included in the "Available-for-Sale Securities" under "Valuation Differences."

2) The valuation difference of ¥722 million (U.S. $6 million) and ¥191 million on available-for-sale securities composing assets held by associated companies as of March 31, 2017 and 2016, respectively, is included in "Available-for-Sale Securities" under "Valuation Differences."

3) The unamortized portion of valuation difference as of the consolidated balance sheet date arising from the reclassification of the holding purpose of securities is included in "Available-for-Sale Securities" under "Valuation Differences."

Derivatives

1. Derivatives Transactions Not Qualifying for Hedge Accounting

Derivatives transactions not qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts), the fair values, and the valuation differences as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2017				2017			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Interest Futures								
Sold	¥47,877,278	¥21,805,067	¥ 21,853	¥ 21,853	$ 426,904	$ 194,428	$ 195	$ 195
Purchased	46,948,398	20,150,198	(21,684)	(21,684)	418,621	179,672	(193)	(193)
Interest Options								
Sold	2,375,805	159,806	(518)	3	21,184	1,425	(5)	0
Purchased	1,504,870	96,656	536	39	13,418	862	5	0
OTC								
Forward Rate Agreements								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	60,456,775	49,894,560	1,184,388	1,184,388	539,071	444,891	10,561	10,561
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	59,977,847	48,455,485	(1,143,113)	(1,143,113)	534,800	432,060	(10,193)	(10,193)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	12,429,992	10,606,892	2,071	2,071	110,834	94,578	18	18
Interest Options								
Sold	5,843,688	5,666,325	(15,052)	6,969	52,106	50,525	(134)	62
Purchased	3,047,232	2,895,927	19,657	10,303	27,171	25,822	175	92
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 48,139	¥ 60,833			$ 429	$ 542

	Millions of Yen			
	2016			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 45,249,251	¥ 14,813,892	¥ (60,758)	¥ (60,758)
Purchased	43,087,805	13,133,651	56,151	56,151
Interest Options				
Sold	2,389,802	107,556	(363)	428
Purchased	1,656,571	46,307	299	(378)
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	55,422,627	45,299,001	2,381,311	2,381,311
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	53,714,268	44,374,631	(2,300,241)	(2,300,241)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	6,657,076	6,022,090	6,140	6,140
Interest Options				
Sold	5,526,509	5,367,603	(89,839)	(57,574)
Purchased	3,038,329	2,934,950	61,861	43,246
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 54,563	¥ 68,325

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values of listed derivatives transactions are based on the closing prices on the Tokyo Financial Exchange and other exchanges. The fair values of OTC derivatives transactions are calculated using the net present value method or option-pricing models.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2017				2017			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Currency Futures								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC								
Currency Swaps	¥ 3,839,894	¥ 2,729,472	¥ 19,275	¥ 19,275	$ 34,239	$ 24,338	$ 172	$ 172
Forward Exchange Contracts								
Sold	10,443,601	494,399	(5,853)	(5,853)	93,122	4,408	(52)	(52)
Purchased	12,775,451	457,261	14,487	14,487	113,914	4,077	129	129
Currency Options								
Sold	1,258,710	576,059	(45,547)	8,880	11,223	5,137	(406)	79
Purchased	1,138,819	521,704	41,528	(6,299)	10,154	4,652	370	(56)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 23,889	¥ 30,489			$ 213	$ 272

	Millions of Yen			
	2016			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Currency Futures				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options				
Sold	—	—	—	—
Purchased	—	—	—	—
OTC				
Currency Swaps	¥ 3,218,253	¥ 2,903,071	¥ 9,327	¥ 9,327
Forward Exchange Contracts				
Sold	10,173,574	611,767	38,474	38,474
Purchased	10,277,799	593,724	(30,395)	(30,395)
Currency Options				
Sold	1,042,194	470,032	(46,385)	(4,051)
Purchased	1,031,475	402,842	38,584	2,326
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 9,605	¥ 15,682

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values are calculated using the net present value method or option-pricing models.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2017				2017			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Stock Index Futures								
Sold	¥ 77,382	¥ —	¥ (163)	¥ (163)	$ 690	$ —	$ (1)	$ (1)
Purchased	58,961	—	276	276	526	—	2	2
Stock Index Options								
Sold	10,170	—	(28)	31	91	—	(0)	0
Purchased	5,158	—	12	(15)	46	—	0	(0)
OTC								
OTC Stock Options								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
OTC Stock Swaps								
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	5,000	5,000	312	312	45	45	3	3
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	5,000	5,000	(312)	(312)	45	45	(3)	(3)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 97	¥ 129			$ 1	$ 1

	Millions of Yen			
	2016			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Stock Index Futures				
Sold	¥ 228,244	¥ —	¥ 352	¥ 352
Purchased	239,109	—	(987)	(987)
Stock Index Options				
Sold	47,106	—	(141)	211
Purchased	40,253	—	123	(129)
OTC				
OTC Stock Options				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
OTC Stock Swaps				
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	5,000	5,000	328	328
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	5,000	5,000	(328)	(328)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (653)	¥ (553)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values of listed derivatives transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC transactions are calculated using the net present value method or option-pricing models.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2017				2017			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 3,109,489	¥ —	¥ (16,850)	¥ (16,850)	$ 27,726	$ —	$ (150)	$ (150)
Purchased	2,879,426	—	15,798	15,798	25,675	—	141	141
Bond Future Options								
Sold	135,219	—	(584)	(128)	1,206	—	(5)	(1)
Purchased	118,317	—	207	(18)	1,055	—	2	(0)
OTC								
Bond Forward Contracts								
Sold	¥ 154,594	¥ —	¥ (1,388)	¥ (1,388)	$ 1,378	$ —	$ (12)	$ (12)
Purchased	117,864	—	507	507	1,051	—	5	5
Bond Options								
Sold	6,871	—	(51)	(14)	61	—	(0)	(0)
Purchased	86,264	5,052	798	(336)	769	45	7	(3)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (1,561)	¥ (2,430)			$ (14)	$ (22)

	Millions of Yen			
	2016			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 2,611,324	¥ —	¥ (12,683)	¥ (12,683)
Purchased	2,320,413	—	12,203	12,203
Bond Future Options				
Sold	162,021	—	(748)	(176)
Purchased	179,198	—	356	(190)
OTC				
Bond Forward Contracts				
Sold	¥ 99,748	¥ —	¥ (597)	¥ (597)
Purchased	138,847	—	721	721
Bond Options				
Sold	14,022	—	(93)	(30)
Purchased	14,022	—	19	(64)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (823)	¥ (817)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC transactions are calculated using option-pricing models.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2017 and 2016.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2017				2017			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
OTC								
Credit Default Swaps								
Sold	¥ 80,288	¥ 79,288	¥ 1,640	¥ 1,640	$ 716	$ 707	$ 15	$ 15
Purchased	125,188	124,188	(2,763)	(2,763)	1,116	1,107	(25)	(25)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (1,123)	¥ (1,123)			$ (10)	$ (10)

	Millions of Yen			
	2016			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swaps				
Sold	¥ 77,279	¥ 77,279	¥ 922	¥ 922
Purchased	88,309	88,309	(1,669)	(1,669)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (746)	¥ (746)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values are calculated using the net present value method.

3) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

2. Derivatives Transactions Qualifying for Hedge Accounting

Derivatives transactions qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Major Hedged Item	Millions of Yen 2017 Notional Amount Total	Millions of Yen 2017 Notional Amount Over One Year	Millions of Yen 2017 Fair Value	Millions of U.S. Dollars 2017 Notional Amount Total	Millions of U.S. Dollars 2017 Notional Amount Over One Year	Millions of U.S. Dollars 2017 Fair Value
Deferral Method							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 5,209,766	¥ 2,863,293	¥ 5,905	$ 46,454	$ 25,531	$ 53
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,149,071	1,085,680	(31,646)	10,246	9,681	(282)
Interest Futures							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Interest Options							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Exceptional Treatment for Interest Rate Swaps							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Borrowed Money	¥ —	¥ —		$ —	$ —	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,000	1,000	(Note 3)	9	9	(Note 3)
Total				¥ (25,740)			$ (230)

	Major Hedged Item	Millions of Yen 2016 Notional Amount Total	Notional Amount Over One Year	Fair Value
Deferral Method				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 3,403,405	¥ 2,943,405	¥ 20,230
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		894,213	822,279	(45,497)
Interest Futures				
Sold		—	—	—
Purchased		—	—	—
Interest Options				
Sold		—	—	—
Purchased		—	—	—
Others				
Sold		—	—	—
Purchased		—	—	—
Exceptional Treatment for Interest Rate Swaps				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Borrowed Money	¥ —	¥ —	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,586	1,400	(Note 3)
Total				¥ (25,266)

(Notes)

1) Deferred hedge accounting stipulated in Report No. 24 is applied, in principle.

2) Fair values are calculated mainly using the net present value method or option-pricing models.

3) Interest rate swaps to which exceptional treatment is applied are accounted for as part of the borrowings being hedged; therefore, their fair values are included in the fair value of Borrowed Money presented under "Financial Instruments."

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2017 and 2016, consist of the following:

	Major Hedged Item	Millions of Yen 2017 Notional Amount Total	Millions of Yen 2017 Notional Amount Over One Year	Millions of Yen 2017 Fair Value	Millions of U.S. Dollars 2017 Notional Amount Total	Millions of U.S. Dollars 2017 Notional Amount Over One Year	Millions of U.S. Dollars 2017 Fair Value
Deferral Method							
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 3,873,763	¥ 1,887,999	¥ 43,328	$ 34,541	$ 16,835	$ 386
Forward Exchange Contracts							
Sold		7,219	—	(1)	64	—	(0)
Purchased		10,407	—	(115)	93	—	(1)
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments"							
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies						
Sold		¥ 38,974	¥ —	¥ 44	$ 348	$ —	$ 0
Purchased		—	—	—	—	—	—
Total				¥ 43,257			$ 386

	Major Hedged Item	Millions of Yen 2016 Notional Amount Total	Millions of Yen 2016 Notional Amount Over One Year	Millions of Yen 2016 Fair Value
Deferral Method				
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 4,803,548	¥ 2,430,675	¥ (33,544)
Forward Exchange Contracts				
Sold		7,355	—	171
Purchased		6,497	—	(295)
Others				
Sold		—	—	—
Purchased		—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments"				
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies			
Sold		¥ 37,834	¥ —	¥ 621
Purchased		—	—	—
Total				¥ (33,046)

(Notes)

1) Deferred hedge accounting stipulated in Report No. 25 is applied, in principle.

2) Fair values are calculated mainly using the net present value method.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2017.

Stock-related transactions qualifying for hedge accounting as of March 31, 2016, consist of the following:

	Major Hedged Item	Millions of Yen					
		2016					
		Notional Amount				Fair Value	
		Total		Over One Year			
Fair Value Method							
OTC Stock Swaps							
Volatility of Stock Price and Others Receivable/ Short-Term Floating Interest Rate Payable	Available-for-Sale Securities (Stocks)	¥	—	¥	—	¥	—
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Others Payable			848		—		(17)
Total						¥	(17)

(Note) Fair values are calculated mainly using the net present value method.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2017 and 2016.

Retirement and Pension Plans

Retirement and Pension Plans for the Fiscal Year Ended March 31, 2017 and 2016

1. Outline of the Retirement Benefit Plans Adopted by SuMi TRUST Bank

SuMi TRUST Bank has defined benefit plans (a corporate pension fund plan and a lump-sum retirement benefit plan). Additionally, a lump-sum retirement benefit plan is offered to contract employees according to internal rules. SuMi TRUST Bank also has a defined contribution pension plan and may provide extra retirement payments to retiring employees in some cases. SuMi TRUST Bank sets up employee retirement benefit trusts as part of its pension plan assets.

Consolidated subsidiaries have lump-sum retirement benefit plans, defined benefit corporate pension plans, defined contribution pension plans, and plans administered under an employees' pension fund system. Some consolidated subsidiaries also participate in multiple employer pension plan.

Some consolidated subsidiaries adopt the computational shortcut method in calculating liabilities for retirement benefits and retirement benefit expenses for their defined benefit corporate pension plans and lump-sum retirement benefit plans.

2. Defined Benefit Plans

(1) Reconciliation of Retirement Benefit Obligations

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Retirement Benefit Obligations (opening balance)	**¥ 471,723**	¥ 417,071	**$ 4,206**
Service Cost-Benefits Earned during the Fiscal Year	**15,057**	13,012	**134**
Interest Cost on Projected Benefit Obligations	**2,369**	4,920	**21**
Actuarial Gains and Losses that Arose during the Fiscal Year	**(5,872)**	49,320	**(52)**
Retirement Benefits Paid	**(17,585)**	(17,051)	**(157)**
Past Service Cost that Arose during the Fiscal Year	**—**	—	**—**
Others	**—**	4,449	**—**
Retirement Benefit Obligations (closing balance)	**¥ 465,692**	¥ 471,723	**$ 4,152**

(2) Reconciliation of Plan Assets

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Plan Assets (opening balance)	**¥ 549,951**	¥ 596,181	**$ 4,904**
Expected Return on Plan Assets	**28,131**	27,036	**251**
Actuarial Gains and Losses that Arose during the Fiscal Year	**8,767**	(62,076)	**78**
Contributions by the Employer	**532**	643	**5**
Retirement Benefits Paid	**(15,880)**	(15,584)	**(142)**
Others	**(52)**	3,751	**(0)**
Plan Assets (closing balance)	**¥ 571,449**	¥ 549,951	**$ 5,095**

(3) Reconciliation between Closing Balances of Retirement Benefit Obligations and Plan Assets, and Liabilities and Assets for Retirement Benefits Recorded in the Consolidated Balance Sheet

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 454,584	¥ 460,803	$ 4,053
Plan Assets	(571,449)	(549,951)	(5,095)
	(116,864)	(89,148)	(1,042)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	11,107	10,919	99
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (105,757)	¥ (78,228)	$ (943)

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Liabilities for Retirement Benefits	¥ 13,037	¥ 12,996	$ 116
Assets for Retirement Benefits	(118,795)	(91,225)	(1,059)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (105,757)	¥ (78,228)	$ (943)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Service Cost-Benefits Earned during the Fiscal Year	¥ 15,057	¥ 13,012	$ 134
Interest Cost on Projected Benefit Obligations	2,369	4,920	21
Expected Return on Plan Assets	(28,131)	(27,036)	(251)
Amortization of Actuarial Differences	28,928	14,906	258
Amortization of Past Service Cost	95	116	1
Other	1,234	1,051	11
Retirement Benefit Expenses for Defined Benefit Obligations	¥ 19,554	¥ 6,971	$ 174

(5) Adjustment for Retirement Benefits

The breakdown of adjustments for retirement benefits (before tax effect) is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Past Service Cost	¥ 95	¥ 288	$ 1
Actuarial Differences	43,568	(96,491)	388
Total	¥ 43,663	¥ (96,202)	$ 389

(6) Accumulated Adjustments for Retirement Benefits

The breakdown of accumulated adjustments for retirement benefits (before tax effect) is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	**2017**
Unrecognized Past Service Cost	**¥ 64**	¥ 159	**$ 1**
Unrecognized Actuarial Differences	**42,556**	86,124	**379**
Total	**¥ 42,620**	¥ 86,284	**$ 380**

(7) Plan Assets

1) The asset categories and proportion of the total plan asset are as follows:

	Proportion (%)	
	2017	2016
Debt Securities	**20**	20
Equity Securities	**58**	55
Cash and Due from Banks	**3**	6
Other	**19**	19
Total	**100**	100

(Note) The total plan asset includes the retirement benefit trusts set up for a corporate pension plan and a lump-sum retirement benefit plan. They account for 58% and 56% of the total plan asset for the fiscal years ended March 31, 2017 and 2016, respectively.

2) Expected long-term return on plan assets

In order to determine the expected long-term rate of return on plan assets, SuMi TRUST Bank considers the current and projected plan asset allocation, as well as the current and expected long-term rate of return on assets composing plan assets.

(8) Assumptions Used

Major assumptions used in actuarial calculation for the fiscal years ended March 31, 2017 and 2016, are as follows:

	2017	2016
Discount Rate	**Mainly 0.5%**	Mainly 0.5%
Expected Long-Term Rate of Return on Plan Assets	**5.1%**	4.5%

3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Bank and its consolidated subsidiaries to the defined contribution pension plans were ¥1,811 million (U.S. $16 million) and ¥1,786 million for the years ended March 31, 2017 and 2016, respectively.

Stock Option Plans

1. Expenses Recorded in Connection with Stock Options during the Fiscal Years Ended March 31, 2017 and 2016

There were no corresponding items for the fiscal years ended March 31, 2017 and 2016.

2. Description of Stock Options

Consolidated Subsidiary: Nikko Asset Management Co., Ltd.

(1) Description of Stock Options

Year Ended March 31, 2017	Resolution during Fiscal Year 2009	
Number of Eligible Persons and their Position	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 271	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 48
Number of Stock Options Granted by Class of Share (Note)	Common stock: 19,724,100 shares	Common stock: 1,702,800 shares
Grant Date	February 8, 2010	August 20, 2010
Vesting Conditions	The recipient must, in principle, be an employee of Nikko Asset Management Co., Ltd., as of January 22, 2012 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options.	Same as on the left
Eligible Service Period	From the grant date until two full years have passed since the First Exercisable Date	Same as on the left
Exercise Period	From January 22, 2012, to January 21, 2020	Same as on the left

(Note) Converted into the number of equivalent shares.

	Resolution during the Fiscal Year 2011	Resolution during the Fiscal Year 2016
Number of Eligible Persons and their Position	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 186	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 16
Number of Stock Options Granted by Class of Share (Note)	Common stock: 6,101,700 shares	Common stock: 4,437,000 shares
Grant Date	October 7, 2011	July 15, 2016
Vesting Conditions	The recipient must, in principle, be an employee, etc., of Nikko Asset Management Co., Ltd., as of October 7, 2013 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options.	The recipient must, in principle, be an employee, etc., of Nikko Asset Management Co., Ltd., as of July 15, 2018 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one third, one third and one third of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options.
Eligible Service Period	From the grant date until two full years have passed since the First Exercisable Date	From the grant date until two full years have passed since the First Exercisable Date
Exercise Period	From October 7, 2013, to October 6, 2021	From July 15, 2018, to July 31, 2026

(Note) Converted into the number of equivalent shares.

(2) Volume and Changes in Stock Options

1) Number of stock options

Year Ended March 31, 2017	Shares	
	Resolution during Fiscal Year 2009	
Grant Date	February 8, 2010	August 20, 2010
Unvested Stock Options		
At the Beginning of the Fiscal Year	1,762,200	174,900
Granted	—	—
Forfeited	72,600	—
Vested	—	—
At the End of the Fiscal Year	1,689,600	174,900
Vested Stock Options		
At the Beginning of the Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of the Fiscal Year	—	—

	Shares	
	Resolution during Fiscal Year 2011	Resolution during Fiscal Year 2016
Grant Date	October 7, 2011	July 15, 2016
Unvested Stock Options		
At the Beginning of the Fiscal Year	4,738,800	—
Granted	—	4,437,000
Forfeited	1,848,000	33,000
Vested	—	—
At the End of the Fiscal Year	2,890,800	4,404,000
Vested Stock Options		
At the Beginning of the Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of the Fiscal Year	—	—

(Note) Converted into the number of equivalent shares.

2) Unit price information

Year Ended March 31, 2017	Resolution during Fiscal Year 2009	
Grant Date	February 8, 2010	August 20, 2010
Exercise Price	¥ 625	¥ 625
Fair Price on the Grant Date (Note 1)	0	0

	Resolution during Fiscal Year 2011	Resolution during Fiscal Year 2016
Grant Date	October 7, 2011	July 15, 2016
Exercise Price	¥ 737 (Note 3)	¥ 558
Fair Price on the Grant Date (Note 1)	0	0

(Notes)

1) In lieu of fair value per share, the fair price refers to an estimate of each option's intrinsic value (the difference between the fair value of the share calculated by the comparable transaction price method and the exercise price).

2) The total amount of intrinsic value of the options was ¥0 (U.S. $0) as of March 31, 2017.

3) If the IPO price is set as any amount exceeding ¥737 (U.S. $7), the Exercise Price shall be adjusted to an amount equal to the IPO Price on the IPO Date (the Exercise Price shall be adjusted to reflect appropriately the nature of any split or consolidation of shares after the Allotment Date, if any).

Income Taxes

1. Deferred Tax Assets and Liabilities

	Millions of Yen		Millions of U.S. Dollars
Year Ended March 31	2017	2016	2017
Deferred Tax Assets:			
Allowance for Loan Losses (including Direct Write-Offs of Loans with Guarantees or Collateral)	¥ 45,849	¥ 38,674	$ 409
Devaluation of Securities	21,058	21,814	188
Deferred Gains (Losses) on Hedges	7,578	3,426	68
Adjustments for Retirement Benefits	13,172	26,446	117
Other	58,018	70,229	517
Subtotal	¥ 145,676	¥ 160,592	$ 1,299
Valuation Allowance	(20,027)	(21,960)	(179)
Deferred Tax Assets	¥ 125,648	¥ 138,631	$ 1,120
Deferred Tax Liabilities:			
Retirement Benefits	¥ (10,152)	¥ (11,380)	$ (91)
Valuation Differences on Available-for-Sale Securities	(213,147)	(208,580)	(1,901)
Deferred Gains (Losses) on Hedges	(117)	(114)	(1)
Adjustments for Retirement Benefits	—	—	—
Other	(8,155)	(9,253)	(73)
Deferred Tax Liabilities	¥ (231,573)	¥ (229,328)	$ (2,065)
Net Deferred Tax Assets (Liabilities)	¥ (105,924)	¥ (90,697)	$ (944)

2. Effective Income Tax Rate

Year Ended March 31	2017	2016
Effective Statutory Tax Rate	— %	33.06 %
Adjustments:		
Changes in Valuation Allowance	—	3.24
Adjustments to Deferred Tax Assets due to Change in Corporate Tax Rates	—	1.60
Amortization of Goodwill	—	1.24
Equity in Losses (Earnings) of Affiliated Companies	—	(1.07)
Permanent Differences (e.g., Cash Dividends Received)	—	(0.59)
Temporary Differences Specific in a Consolidated Basis,	—	—
Relating to the Business Reorganization of Subsidiaries	—	—
Others	—	(0.13)
Effective Income Tax Rate	— %	37.36 %

Disclosure on reconciliation between the effective statutory tax rate and the effective income tax rate is omitted since the difference was 5% or less of the effective statutory tax rate for the fiscal years ended March 31, 2017.

Segment Information

1. Reportable Segment Information

SuMi TRUST Bank Group's reportable segments are defined as operating segments for which discrete financial information is available and which is regularly reviewed by the Board of Directors in determining resources to be allocated to the segments and in assessing their business performance.

SuMi TRUST Bank Group comprises SuMi TRUST Bank and its consolidated subsidiaries, and SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (SuMiTPFC) are treated as reportable segments. The main activities of the reportable segments are presented below:

SuMi TRUST Bank: Trust banking business
SuMiTPFC: Leasing business

2. Method for Calculating Income, Profit or Losses, Assets, Liabilities, and Other Items by Reportable Segment

The accounting policies used for the reportable segments are the same as those presented under "Significant Accounting Policies and Practices," and the amount of segment profit presented for the reportable segments is "Income before Income Taxes."

Prices used for internal transactions among segments are the same as the prices used for transactions with unaffiliated customers.

3. Income, Profit or Losses, Assets, Liabilities, and Other Items by Reportable Segment

	Millions of Yen						
	Reportable Segment						
Fiscal Year Ended March 31, 2017	SuMi TRUST Bank	SuMiTPFC	Total	Other	Total	Adjustment	Carrying Amount
Income:							
Unaffiliated Customers	¥ 800,824	¥ 231,298	¥ 1,032,122	¥ 211,557	¥ 1,243,680	¥ 2,593	¥ 1,246,274
Intersegment	9,368	2,124	11,492	56,787	68,280	(68,280)	—
Total	¥ 810,192	¥ 233,423	¥ 1,043,615	¥ 268,345	¥ 1,311,961	¥ (65,687)	¥ 1,246,274
Segment Profit	¥ 111,325	¥ 10,367	¥ 121,693	¥ 51,822	¥ 173,515	¥ (1,087)	¥ 172,427
Segment Assets	¥ 50,969,247	¥ 1,284,831	¥ 52,254,078	¥ 9,778,966	¥ 62,033,045	¥ (9,492,497)	¥ 52,540,547
Segment Liabilities	¥ 48,659,522	¥ 1,122,515	¥ 49,782,038	¥ 9,181,676	¥ 58,963,714	¥ (9,056,172)	¥ 49,907,542
Others							
Depreciation and Amortization	¥ 21,562	¥ 1,099	¥ 22,661	¥ 4,005	¥ 26,667	¥ (1,276)	¥ 25,390
Amortization of Goodwill	—	—	—	2,278	2,278	7,686	9,964
Interest Income	370,630	2,972	373,602	28,203	401,806	(11,918)	389,888
Interest Expenses	167,378	3,487	170,866	4,256	175,123	(9,309)	165,813
Equity in Earnings (Losses) of Affiliated Companies	—	(690)	(690)	2,092	1,401	5,548	6,950
Gains on Disposal of Fixed Assets	635	0	635	1,081	1,716	(101)	1,615
Losses on Disposal of Fixed Assets	845	12	857	99	956	28	984
Impairment Loss	5,776	—	5,776	26	5,802	68	5,870
Unamortized Balance of Goodwill	—	—	—	20,765	20,765	73,725	94,490
Investment in Affiliated Companies Accounted for by the Equity Method	43,860	11,303	55,163	9,455	64,619	21,530	86,149

Fiscal Year Ended March 31, 2016	Millions of Yen						
	Reportable Segment			Other	Total	Adjustment	Carrying Amount
	SuMi TRUST Bank	SuMiTPFC	Total				
Income:							
Unaffiliated Customers	¥ 764,841	¥ 219,179	¥ 984,020	¥ 180,485	¥ 1,164,506	¥ 1,843	¥ 1,166,350
Intersegment	10,116	945	11,061	63,982	75,043	(75,043)	—
Total	¥ 774,957	¥ 220,124	¥ 995,082	¥ 244,467	¥ 1,239,550	¥ (73,199)	¥ 1,166,350
Segment Profit	¥ 215,196	¥ 8,221	¥ 223,418	¥ 26,364	¥ 249,783	¥ (13,280)	¥ 236,503
Segment Assets	¥ 50,256,590	¥ 1,047,670	¥ 51,304,260	¥ 9,293,023	¥ 60,597,284	¥ (8,984,001)	¥ 51,613,282
Segment Liabilities	¥ 47,971,327	¥ 892,341	¥ 48,863,668	¥ 8,718,488	¥ 57,582,156	¥ (8,511,343)	¥ 49,070,812
Others							
Depreciation and Amortization	¥ 19,620	¥ 1,172	¥ 20,792	¥ 3,653	¥ 24,446	¥ (1,059)	¥ 23,386
Amortization of Goodwill	—	—	—	2,288	2,288	6,627	8,915
Interest Income	357,465	2,601	360,066	26,378	386,444	(12,980)	373,463
Interest Expenses	145,351	3,512	148,864	4,105	152,969	(9,904)	143,065
Equity in Earnings (Losses) of Affiliated Companies	—	—	—	2,901	2,901	4,801	7,702
Gains on Disposal of Fixed Assets	1,735	110	1,846	0	1,846	1	1,847
Gains on Negative Goodwill	—	874	874	—	874	—	874
Losses on Disposal of Fixed Assets	3,215	9	3,224	326	3,551	(14)	3,537
Impairment Loss	2,202	—	2,202	1,389	3,591	1,571	5,163
Unamortized Balance of Goodwill	—	—	—	23,209	23,209	81,308	104,517
Investment in Affiliated Companies Accounted for by the Equity Method	31,151	—	31,151	9,686	40,837	16,743	57,581

Fiscal Year Ended March 31, 2017	Millions of U.S. Dollars						
	Reportable Segment			Other	Total	Adjustment	Carrying Amount
	SuMi TRUST Bank	SuMiTPFC	Total				
Income:							
Unaffiliated Customers	$ 7,141	$ 2,062	$ 9,203	$ 1,886	$ 11,089	$ 23	$ 11,113
Intersegment	84	19	102	506	609	(609)	—
Total	$ 7,224	$ 2,081	$ 9,306	$ 2,393	$ 11,698	$ (586)	$ 11,113
Segment Profit	$ 993	$ 92	$ 1,085	$ 462	$ 1,547	$ (10)	$ 1,537
Segment Assets	$ 454,474	$ 11,456	$ 465,930	$ 87,195	$ 553,126	$ (84,641)	$ 468,485
Segment Liabilities	$ 433,879	$ 10,009	$ 443,888	$ 81,870	$ 525,758	$ (80,751)	$ 445,007
Others							
Depreciation and Amortization	$ 192	$ 10	$ 202	$ 36	$ 238	$ (11)	$ 226
Amortization of Goodwill	—	—	—	20	20	69	89
Interest Income	3,305	27	3,331	251	3,583	(106)	3,476
Interest Expenses	1,492	31	1,524	38	1,562	(83)	1,478
Equity in Earnings (Losses) of Affiliated Companies	—	(6)	(6)	19	13	50	62
Gains on Disposal of Fixed Assets	6	0	6	10	15	(1)	14
Losses on Disposal of Fixed Assets	8	0	8	1	9	0	9
Impairment Loss	52	—	52	0	52	1	52
Unamortized Balance of Goodwill	—	—	—	185	185	657	843
Investment in Affiliated Companies Accounted for by the Equity Method	391	101	492	84	576	192	768

(Notes)

1) The figures represent income in substitution of net sales to be presented by companies in other industries.

2) The figures under SuMiTPFC represent consolidated amounts.

3) "Other" includes the consolidated subsidiaries other than SuMi TRUST Bank and SuMiTPFC.

4) The figures shown under "Adjustment" represent the consolidation adjustments for internal transactions.

5) Segment profits have been reconciled to "Income before Income Taxes" as presented in the consolidated statements of income.

Related Information

1. Information by Services

Fiscal Year Ended March 31, 2017	Millions of Yen			
	Trust Banking Business	Leasing Business	Other	Total
Income:				
Unaffiliated Customers	¥ 800,824	¥ 231,298	¥ 214,151	¥ 1,246,274

Fiscal Year Ended March 31, 2016	Millions of Yen			
	Trust Banking Business	Leasing Business	Other	Total
Income:				
Unaffiliated Customers	¥ 764,841	¥ 219,179	¥ 182,329	¥ 1,166,350

Fiscal Year Ended March 31, 2017	Millions of U.S. Dollars			
	Trust Banking Business	Leasing Business	Other	Total
Income:				
Unaffiliated Customers	$ 7,141	$ 2,062	$ 1,910	$ 11,113

(Note) The figures represent income in substitution of net sales to be presented by companies in other industries.

2. Geographic Information

(1) Income

Income by geographical area for the fiscal years ended March 31, 2017 and 2016, consists of the following:

Fiscal Year Ended March 31, 2017	Millions of Yen				
	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,067,385	¥ 74,997	¥ 41,723	¥ 62,168	¥ 1,246,274

Fiscal Year Ended March 31, 2016	Millions of Yen				
	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,019,615	¥ 57,423	¥ 36,172	¥ 53,139	¥ 1,166,350

Fiscal Year Ended March 31, 2017	Millions of U.S. Dollars				
	Japan	Americas	Europe	Asia and Oceania	Total
	$ 9,517	$ 669	$ 372	$ 554	$ 11,113

(Notes)

1) The figures represent Income in substitution for net sales to be presented by companies in other industries.

2) Income related to transactions by SuMi TRUST Bank (excluding oversea branches) and other domestic consolidated subsidiaries are presented under "Japan." Income related to transactions by overseas branches of SuMi TRUST Bank and foreign consolidated subsidiaries are presented under "Americas," "Europe," or "Asia and Oceania" based on the location of each overseas branch and subsidiary, reflecting their geographical proximity.

(2) Tangible Fixed Assets

More than 90% of SuMi TRUST Bank Group's tangible fixed assets on the consolidated balance sheets as of March 31, 2017 and 2016, are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

Due to highly diversified income-generating transactions between SuMi TRUST Bank Group and a significantly large number of SuMi TRUST Bank Group's customers, transactions are not classified by major counterparty; accordingly, information by major customers is not presented.

Information Related to Losses on Impairment of Fixed Assets by Reportable Segment

Information is not provided in this section because the same information is disclosed in the "Segment Information" section.

Information Related to Amortization of Goodwill and Unamortized Balance of Goodwill by Reportable Segment

Information is not provided in this section because the same information is disclosed in the "Segment Information" section.

Information Related to Gain on Negative Goodwill by Reportable Segment

There was no gain on negative goodwill by reportable segment during the fiscal year ended March 31, 2017.

Information is not provided in this section for the fiscal year ended March 31, 2016, because the same information is disclosed in the "Segment Information" section.

Related Party Transactions

1. Related Party Transactions

There were no material transactions that need to be disclosed for the fiscal years ended March 31, 2017 and 2016.

2. Notes on the Parent Company or Significant Affiliated Companies

(1) Parent Company

Sumitomo Mitsui Trust Holdings, Inc. (listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange)

(2) Condensed Financial Information of Significant Affiliated Companies

There was no significant condensed financial information of significant affiliated companies for the fiscal year ended March 31, 2017 to be disclosed.

Per Share of Common Stock Information

	Yen		U.S. Dollars
	2017	2016	2017
Net Assets per Share of Common Stock	¥ 1,457.73	¥ 1,404.45	$ 13.00
Net Income per Share of Common Stock	67.56	84.05	0.60

(Notes)

1) Net assets per share of common stock and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of March 31, 2017	As of March 31, 2016	As of March 31, 2017
Net Assets as Reported	¥ 2,633,005	¥ 2,542,469	$ 23,478
Less:	191,979	190,663	1,712
Non-Controlling Interests	191,979	190,663	1,712
Net Assets Attributable to Common Shareholders	2,441,025	2,351,805	21,766
The Number of Shares of Common Stock Outstanding (Thousands of Shares)	1,674,537	1,674,537	1,674,537

2) Net income per share of common stock and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of March 31, 2017	As of March 31, 2016	As of March 31, 2017
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 113,141	¥ 140,749	$ 1,009
Net Income Not Attributable to Common Shareholders	—	—	—
Net Income Related to Common Stock that is Attributable to Owners of the Parent	113,141	140,749	1,009
Average Number of Shares of Common Stock Outstanding (Thousands of Shares)	1,674,537	1,674,537	1,674,537

3) Fully-diluted net income per share of common stock and basis for calculation

Fully-diluted net income per share of common stock for the fiscal year ended March 31, 2017 and 2016 is not presented because there were no dilutive potential shares.

The potential shares that were excluded from the calculation of fully-diluted net income per share of common stock because they have no dilutive effect are as follows:

Consolidated subsidiary (Nikko Asset Management Co., Ltd.)

A description of these securities is presented in the subsection of the Notes to Consolidated Financial Statements "Stock Option Plans."

Significant Subsequent Event
(Redemption of Non-dilutive Preferred Securities)

SuMi TRUST Bank held a meeting of the Board of Directors on May 15, 2017, resolved to redeem the Non-dilutive Preferred Securities, fully, issued by STB Preferred Capital 3 (Cayman) Limited, a Special Purpose Subsidiary, which is a 100% direct subsidiary of SuMi TRUST Bank, and decided to dissolve the Special Purpose Subsidiary accordingly.

(1) Summary of non-dilutive preferred securities to be redeemed

(i) Issuer

STB Preferred Capital 3 (Cayman) Limited

(ii) Type of security to be redeemed

Japanese yen denominated non-cumulative perpetual preferred securities

(iii) Aggregate amount to be redeemed

¥50.0 billion

(iv) Scheduled redemption date

July 25, 2017

(2) Name and outline of the subsidiary to be dissolved

(i) Company name

STB Preferred Capital 3 (Cayman) Limited

(ii) Outline

Outline is not provided in this section because the same information is disclosed in "Subsidiaries and Affiliated Companies."

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Independent Auditors' Report

KPMG

Independent Auditor's Report

To the Board of Directors of
Sumitomo Mitsui Trust Bank, Limited:

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Trust Bank, Limited and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2017, and the consolidated statement of income, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sumitomo Mitsui Trust Bank, Limited and its consolidated subsidiaries as at March 31, 2017, and their financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation
The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2017 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in "Basis of Presentation of Financial Statements" to the consolidated financial statements.

KPMG AZSA LLC

June 29, 2017
Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Financial Data:

Non-Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
As of March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets:			
Cash and Due from Banks:	¥ 13,963,744	¥ 14,130,060	$ 124,510
Cash	193,245	99,924	1,723
Due from Banks	13,770,498	14,030,136	122,786
Call Loans	64,706	505,252	577
Receivables under Resale Agreements	83,888	110,377	748
Receivables under Securities Borrowing Transactions	464,956	326,457	4,146
Monetary Claims Bought	92,904	108,506	828
Trading Assets:	663,043	699,465	5,912
Trading Account Securities	14,102	25,999	126
Derivatives of Trading Securities	766	38	7
Derivatives of Securities Related to Trading Transactions	181	80	2
Trading-Related Financial Derivatives	437,997	564,740	3,905
Other Trading Assets	209,996	108,605	1,872
Money Held in Trust	99	99	1
Securities:	5,518,947	5,311,214	49,210
Government Bonds	310,354	761,553	2,767
Local Government Bonds	4,790	4,846	43
Corporate Bonds	733,853	762,116	6,543
Stocks	1,829,637	1,721,485	16,314
Other Securities	2,640,310	2,061,212	23,543
Loans and Bills Discounted:	28,158,969	27,044,368	251,083
Bills Discounted	2,299	2,478	21
Loans on Bills	330,708	394,874	2,949
Loans on Deeds	25,710,505	24,500,877	229,251
Overdrafts	2,115,455	2,146,138	18,863
Foreign Exchanges:	16,189	17,223	144
Due from Foreign Banks	16,189	17,223	144
Other Assets:	1,187,878	1,219,699	10,592
Domestic Exchange Settlement Account, Debit	602	666	5
Prepaid Expenses	3,295	3,251	29
Accrued Income	102,924	103,530	918
Initial Margins of Futures Markets	7,781	8,435	69
Variation Margin of Futures Markets	1,020	5,337	9
Derivatives Other Than for Trading	461,332	531,027	4,114
Cash Collateral Pledged for Financial Instruments	466,052	470,912	4,156
Receivables for Securities Transactions	49,289	19,276	439
Other Assets	95,579	77,262	852
Tangible Fixed Assets:	200,957	200,688	1,792
Buildings	65,439	65,425	583
Land	114,010	114,766	1,017
Lease Assets	5,852	3,355	52
Construction in Progress	710	1,781	6
Other	14,944	15,359	133
Intangible Fixed Assets:	91,265	69,867	814
Software	86,907	65,490	775
Lease Assets	181	198	2
Other	4,176	4,178	37
Prepaid Pension Expenses	160,295	175,791	1,429
Customers' Liabilities for Acceptances and Guarantees	391,434	401,825	3,490
Allowance for Loan Losses	(90,030)	(64,305)	(803)
Total Assets	¥ 50,969,247	¥ 50,256,590	$ 454,474

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Liabilities:			
Deposits:	¥ 29,019,323	¥ 26,467,412	$ 258,755
Current Deposits	632,628	636,540	5,641
Ordinary Deposits	5,576,969	4,828,481	49,728
Saving Deposits	1,959	2,173	17
Deposits at Notice	54,248	78,830	484
Time Deposits	21,508,417	19,639,013	191,783
Other Deposits	1,245,099	1,282,373	11,102
Negotiable Certificates of Deposit	7,523,217	7,254,132	67,082
Call Money	400,164	385,283	3,568
Payables under Repurchase Agreements	1,063,737	653,456	9,485
Payables under Securities Lending Transactions	13,699	—	122
Trading Liabilities:	366,879	451,751	3,271
Derivatives of Trading Securities	15	—	0
Derivatives of Securities Related to Trading Transactions	—	21	—
Trading-Related Financial Derivatives	366,863	451,729	3,271
Borrowed Money:	3,365,201	2,372,163	30,006
Borrowing from Other Banks	3,365,201	2,372,163	30,006
Foreign Exchanges:	2,240	259	20
Due to Foreign Banks	2,219	246	20
Foreign Bills Payable	21	12	0
Short-term Bonds Payable	418,862	903,142	3,735
Bonds Payable	1,029,093	855,857	9,176
Borrowed Money from Trust Account	3,973,623	7,026,326	35,431
Other Liabilities:	920,767	1,029,798	8,210
Domestic Exchange Settlement Account, Credit	995	965	9
Income Taxes Payable	2,197	42,745	20
Accrued Expenses	88,360	84,414	788
Unearned Revenue	3,084	2,762	28
Variation Margin of Futures Markets	307	—	3
Trading Account Securities Borrowed	47,938	2,683	427
Derivatives Other Than for Trading	445,344	638,916	3,971
Cash Collateral Accepted for Financial Instruments	269,639	197,037	2,404
Lease Obligations	6,671	3,999	59
Asset Retirement Obligations	4,137	3,857	37
Payables for Securities Transactions	199	54	2
Other	51,891	52,361	463
Provision for Bonuses	9,018	9,249	80
Provision for Directors' Bonuses	91	110	1
Provision for Retirement Benefits	695	667	6
Provision for Reimbursement of Deposits	3,583	3,676	32
Provision for Contingent Losses	7,774	7,642	69
Deferred Tax Liabilities	147,097	145,445	1,312
Deferred Tax Liabilities for Land Revaluation	3,016	3,126	27
Acceptances and Guarantees	391,434	401,825	3,490
Total Liabilities	¥ 48,659,522	¥ 47,971,327	$ 433,879
Net Assets:			
Total Shareholders' Equity:	¥ 1,839,012	¥ 1,815,536	$ 16,398
Capital Stock	342,037	342,037	3,050
Capital Surplus:	492,252	492,252	4,389
Legal Capital Surplus	273,016	273,016	2,434
Other Capital Surplus	219,236	219,236	1,955
Retained Earnings:	1,004,722	981,246	8,959
Legal Retained Earnings	69,020	69,020	615
Other Retained Earnings:	935,702	912,225	8,343
Other Voluntary Reserves	371,870	371,870	3,316
Retained Earnings Brought Forward	563,832	540,355	5,027
Total Valuation and Translation Adjustments:	470,711	469,727	4,197
Valuation Difference on Available-for-Sale Securities	487,623	477,729	4,348
Deferred Gains (Losses) on Hedges	(15,844)	(7,305)	(141)
Revaluation Reserve for Land	(1,067)	(697)	(10)
Total Net Assets	¥ 2,309,724	¥ 2,285,263	$ 20,595
Total Liabilities and Net Assets	¥ 50,969,247	¥ 50,256,590	$ 454,474

Financial Data:

Non-Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Income:			
Trust Fees	¥ 94,289	¥ 100,288	$ 841
Interest Income:	370,630	357,465	3,305
Interest on Loans and Discounts	266,449	249,422	2,376
Interest and Dividends on Securities	82,622	88,788	737
Interest on Call Loans and Bills Bought	1,063	449	9
Interest on Receivables under Resale Agreements	973	925	9
Interest on Receivables under Securities Borrowing Transactions	7	18	0
Interest on Due from Banks	18,411	16,198	164
Other Interest Income	1,102	1,661	10
Fees and Commissions:	200,728	188,193	1,790
Fees and Commissions on Domestic and Foreign Exchanges	1,445	1,486	13
Other Fees and Commissions	199,282	186,706	1,777
Trading Income:	18,338	15,964	164
Gains on Trading Account Securities Transactions	—	927	—
Income from Trading-Related Financial Derivatives Transactions	18,282	14,831	163
Other Trading Income	55	204	0
Other Ordinary Income:	72,114	74,119	643
Gain on Foreign Exchange Transactions	28,608	16,500	255
Gains on Sales of Bonds	21,630	56,767	193
Gains on Derivatives Other Than for Trading-Assets	21,181	—	189
Other	694	851	6
Other Income:	54,090	38,927	482
Recoveries of Written-Off Claims	1,717	1,876	15
Gains on Sales of Stocks and Other Securities	46,191	28,025	412
Other	6,181	9,025	55
Total Income	¥ 810,192	¥ 774,957	$ 7,224

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Expenses:			
Interest Expenses:	¥ 167,378	¥ 145,351	$ 1,492
Interest on Deposits	78,340	63,284	699
Interest on Negotiable Certificates of Deposit	27,879	16,575	249
Interest on Call Money and Bills Sold	1,383	1,753	12
Interest on Payables under Repurchase Agreements	8,230	4,403	73
Interest on Payables under Securities Lending Transactions	24	7	0
Interest on Borrowings and Rediscounts	18,247	15,244	163
Interest on Short-Term Bonds	5,057	2,332	45
Interest on Bonds	12,592	13,320	112
Interest on Interest Swaps	1,043	16,273	9
Other Interest Expenses	14,578	12,157	130
Fees and Commissions Payments:	84,593	76,688	754
Fees and Commissions on Domestic and Foreign Exchanges	778	775	7
Other Fees and Commissions	83,814	75,913	747
Trading Expenses:	1,297	428	12
Expenses on Trading Securities and Derivatives	258	—	2
Expenses on Securities and Derivatives Related to Trading Transactions	1,039	428	9
Other Ordinary Expenses:	119,483	28,219	1,065
Loss on Sale of Bonds	118,589	5,035	1,057
Losses on Redemption of Bonds	—	11	—
Expenses on Derivatives Other Than for Trading or Hedging	—	22,877	—
Other Ordinary Expenses	893	294	8
General and Administrative Expenses	262,466	251,989	2,340
Other Expenses:	63,647	57,084	568
Provision of Allowance for Loan Losses	26,043	9,378	232
Written-Off Loans	378	6,493	3
Losses on Sales of Stocks and Other Securities	5,723	5,567	51
Losses on Devaluation of Stocks and Other Securities	9,168	3,714	82
Impairment Loss	5,776	2,202	52
Other	16,557	29,727	148
Total Expenses	¥ 698,866	¥ 559,761	$ 6,232
Income before Income Taxes	¥ 111,325	¥ 215,196	$ 993
Income Taxes:	33,662	72,042	300
Current	32,701	57,621	292
Deferred	961	14,421	9
Net Income	¥ 77,663	¥ 143,154	$ 692

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 46.37	¥ 85.48	$ 0.41

Financial Data:

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

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2017 and 2016

From April 1, 2016 to March 31, 2017

	Millions of Yen							
	Shareholders' Equity							
	Capital Stock	Capital Surplus			Retained Earnings			Total Shareholders' Equity
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	
Balance at the Beginning of the Year	¥ 342,037	¥ 273,016	¥ 219,236	¥ 492,252	¥ 69,020	¥ 912,225	¥ 981,246	¥ 1,815,536
Changes during the Year								
Cash Dividends						(54,556)	(54,556)	(54,556)
Net Income						77,663	77,663	77,663
Reversal of Revaluation Reserve for Land						369	369	369
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year	—	—	—	—	—	23,476	23,476	23,476
Balance at the End of the Year	¥ 342,037	¥ 273,016	¥ 219,236	¥ 492,252	¥ 69,020	¥ 935,702	¥ 1,004,722	¥ 1,839,012

	Millions of Yen				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Year	¥ 477,729	¥ (7,305)	¥ (697)	¥ 469,727	¥ 2,285,263
Changes during the Year					
Cash Dividends					(54,556)
Net Income					77,663
Reversal of Revaluation Reserve for Land					369
Net Changes of Items Other Than Shareholders' Equity	9,894	(8,539)	(369)	984	984
Total Changes during the Year	9,894	(8,539)	(369)	984	24,461
Balance at the End of the Year	¥ 487,623	¥ (15,844)	¥ (1,067)	¥ 470,711	¥ 2,309,724

From April 1, 2015 to March 31, 2016

	Millions of Yen							
	Shareholders' Equity							
		Capital Surplus			Retained Earnings			
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 273,016	¥ 219,236	¥ 492,252	¥ 69,020	¥ 822,898	¥ 891,919	¥ 1,726,208
Changes during the Year								
Cash Dividends						(54,606)	(54,606)	(54,606)
Net Income						143,154	143,154	143,154
Reversal of Revaluation Reserve for Land						779	779	779
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year	—	—	—	—	—	89,327	89,327	89,327
Balance at the End of the Year	¥ 342,037	¥ 273,016	¥ 219,236	¥ 492,252	¥ 69,020	¥ 912,225	¥ 981,246	¥ 1,815,536

	Millions of Yen				
	Valuation and Translation Adjustments				
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	Total Net Assets
Balance at the Beginning of the Year	¥ 512,775	¥ (10,357)	¥ (93)	¥ 502,324	¥ 2,228,533
Changes during the Year					
Cash Dividends					(54,606)
Net Income					143,154
Reversal of Revaluation Reserve for Land					779
Net Changes of Items Other Than Shareholders' Equity	(35,045)	3,052	(604)	(32,597)	(32,597)
Total Changes during the Year	(35,045)	3,052	(604)	(32,597)	56,729
Balance at the End of the Year	¥ 477,729	¥ (7,305)	¥ (697)	¥ 469,727	¥ 2,285,263

From April 1, 2016 to March 31, 2017

	Millions of U.S. Dollars							
	Shareholders' Equity							
	Capital Stock	Capital Surplus			Retained Earnings			Total Shareholders' Equity
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	
Balance at the Beginning of the Year	$ 3,050	$ 2,434	$ 1,955	$ 4,389	$ 615	$ 8,134	$ 8,749	$ 16,188
Changes during the Year								
Cash Dividends						(486)	(486)	(486)
Net Income						692	692	692
Reversal of Revaluation Reserve for Land						3	3	3
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year	—	—	—	—	—	209	209	209
Balance at the End of the Year	$ 3,050	$ 2,434	$ 1,955	$ 4,389	$ 615	$ 8,343	$ 8,959	$ 16,398

	Millions of U.S. Dollars				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Year	$ 4,260	$ (65)	$ (6)	$ 4,188	$ 20,377
Changes during the Year					
Cash Dividends					(486)
Net Income					692
Reversal of Revaluation Reserve for Land					3
Net Changes of Items Other Than Shareholders' Equity	88	(76)	(3)	9	9
Total Changes during the Year	88	(76)	(3)	9	218
Balance at the End of the Year	$ 4,348	$ (141)	$ (10)	$ 4,197	$ 20,595

Financial Data:

Statements of Trust Account (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
Fiscal years ended March 31, 2017 and 2016

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets:			
Loans and Bills Discounted (Note 2)	¥ 1,410,062	¥ 1,072,436	$ 12,573
Securities (Note 3)	3,077,763	1,954,552	27,443
Beneficiary Rights	143,214,893	130,637,080	1,276,994
Securities Held in Custody Accounts	29,280	32,378	261
Monetary Claims	15,065,121	12,955,600	134,330
Tangible Fixed Assets	13,643,477	12,727,705	121,654
Intangible Fixed Assets	178,180	155,406	1,589
Other Claims	7,451,128	7,969,136	66,439
Loans to Banking Account	3,973,623	7,026,326	35,431
Cash and Due from Banks	424,201	377,599	3,782
Total Assets	¥ 188,467,733	¥ 174,908,223	$ 1,680,497
Liabilities:			
Money Trusts (Note 4)	¥ 30,217,814	¥ 32,486,242	$ 269,441
Pension Trusts	14,828,508	16,305,604	132,220
Property Formation Benefit Trusts	17,575	18,030	157
Loan Trusts (Note 5)	10,683	12,169	95
Securities Investment Trusts	69,115,219	61,220,597	616,275
Money in Trust Other Than Money Trusts	15,544,890	10,141,667	138,608
Securities Trusts	20,114,053	20,010,619	179,350
Money Claims in Trust	15,148,509	13,026,651	135,074
Real Estate in Trust	109,383	107,469	975
Composite Trusts	23,361,093	21,579,171	208,302
Total Liabilities	¥ 188,467,733	¥ 174,908,223	$ 1,680,497

See Notes to Statements of Trust Account (Unaudited).

Notes to Statements of Trust Account (Unaudited)

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SuMi TRUST Bank. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of SuMi TRUST Bank do not reflect SuMi TRUST Bank's records as to the assets accepted in trust, which are maintained separately under the trust account.

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by SuMi TRUST Bank, and such guaranteed principal as of March 31, 2017 and 2016, was ¥3,892,430 million (U.S. $34,707 million) and ¥6,954,988 million, respectively.

The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥112.15 to U.S. $1, the approximate rate of exchange as of March 31, 2017. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen have been rounded down and amounts less than one million U.S. dollars have been rounded off. As a result, the total may not be equal to sum of individual amounts.

Each amount presented in the statements of trust account as of March 31, 2017 and 2016, is the sum of trust accounts in SuMi TRUST Bank and JTSB. Entrust amounts between these consolidated subsidiaries for asset management are excluded from the amounts presented in the statements of trust account.

2. Loans and Bills Discounted

Loans as of March 31, 2017 and 2016 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Loans on Deeds	¥ 873,157	¥ 686,231	$ 7,786
Loans on Bills	536,905	386,205	4,787
Total	¥ 1,410,062	¥ 1,072,436	$ 12,573

The balances of guaranteed trust account loans as of March 31, 2017 and 2016 stood at ¥47,186 million (U.S. $421 million) and ¥55,904 million respectively, which included the following:

Under certain trust agreements, repayment of the principal of customers' trust assets are guaranteed by SuMi TRUST Bank, and loans on such guaranteed trust assets as of March 31, 2017 and 2016, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Other Delinquent Loans	¥ 4,964	¥ 5,057	$ 44
Restructured Loans	67	85	1
Total	¥ 5,032	¥ 5,143	$ 45

3. Securities

Securities held as of March 31, 2017 and 2016 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Government Bonds	¥ 1,148,643	¥ 881,729	$ 10,242
Local Government Bonds	59	59	1
Corporate Bonds	907,573	—	8,092
Stocks	8,889	10,080	79
Other Securities	1,012,597	1,062,682	9,029
Total	¥ 3,077,763	¥ 1,954,552	$ 27,443

4. Balance of Money Trusts

The principal amount of certain money trusts is guaranteed and the balance of these accounts is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets:			
Loans and Bills Discounted	¥ 47,186	¥ 55,904	$ 421
Securities	29	29	0
Other	3,835,243	6,888,014	34,197
Total	¥ 3,882,459	¥ 6,943,949	$ 34,618
Liabilities:			
Principal	¥ 3,882,168	¥ 6,943,283	$ 34,616
Allowance for Impairment of Guaranteed Trust Principal	90	100	1
Other	200	564	2
Total	¥ 3,882,459	¥ 6,943,949	$ 34,618

In the case of certain money trusts, the principal amount is guaranteed, and as the above table indicates, an allowance for the impairment of guaranteed trust principal is set aside by SuMi TRUST Bank. The figures in the table include funds entrusted from other trusts managed by SuMi TRUST Bank.

5. Balance of Loan Trusts

The balance of loan trusts is as follows (the figures in the table include funds entrusted from other trusts managed by SuMi TRUST Bank):

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Assets:			
Loans and Bills Discounted	¥ —	¥ —	$ —
Securities	—	—	—
Other	10,683	12,169	95
Total	¥ 10,683	¥ 12,169	$ 95
Liabilities:			
Principal	¥ 10,262	¥ 11,704	$ 92
Special Reserve Fund	53	60	0
Other	368	404	3
Total	¥ 10,683	¥ 12,169	$ 95

As in certain money trusts, the principal amount of loan trusts is guaranteed, and as the above table indicates, a special reserve fund is set aside by SuMi TRUST Bank.

This section outlines matters to be stated in explanatory documents relating to the fiscal year separately stipulated by the Director-General of the Financial Services Agency (Notification No. 15 of Financial Services Agency, March 23, 2007) with regard to the status of capital adequacy as set forth in Article 19-2, Paragraph 1, Item 5-(d) of the Enforcement Regulations of the Banking Act (Ministry of Finance Ordinance No. 10, 1982), as well as the matters regarding compensation separately stipulated by the Director-General of the Financial Services Agency (Notification No. 21 of Financial Services Agency, March 29, 2012) as having significant consequences on the business operation or asset status of a bank, a bank holding company, or their subsidiaries, according to Article 19-2, Paragraph 1, Item 6, Article 19-3, Item 4 and Article 34-26, Paragraph 1, Item 5 of the Enforcement Regulations of the Banking Act (Ministry of Finance Ordinance No. 10, 1982).

The following disclosure is with respect to Sumitomo Mitsui Trust Holdings, Inc. as of the end of March 2017, unless otherwise stated specifically.

Capital Adequacy Ratio Qualitative Disclosure Data:

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

1. Risk Appetite Framework (RAF)	200
2. Overview of Risk Management	201
3. Compliance with BIS Capital Adequacy Regulations	204

Compensation Disclosure Data:

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

Capital Adequacy Ratio Qualitative Disclosure Data:

Sumitomo Mitsui Trust Holdings, Inc.

1. Risk Appetite Framework (RAF)

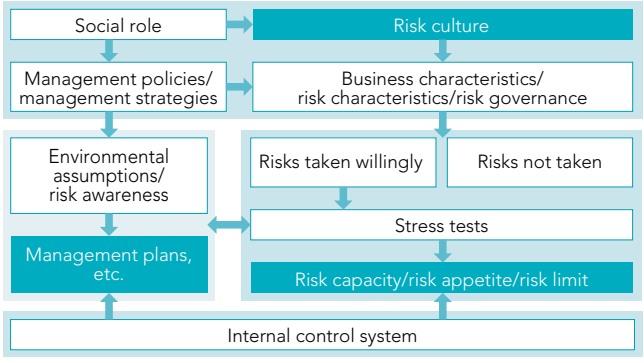
(1) Positioning of Risk Appetite Framework

Amid the drastic changes in the environment surrounding financial institutions, including economic, financial and regulatory changes, we have entered a stage in which it is increasingly important to share environmental assumptions and risk awareness within the Group and to improve profitability through appropriate risk-taking in line with our management strategy under systematic risk management. The Sumitomo Mitsui Trust Group (the "SuMi TRUST Group") has introduced a risk appetite framework (RAF), with the aim of both strengthening profitability and enhancing risk management.

The RAF is a group-wide business management framework made up of the process for deciding the types and levels of risk that SuMi TRUST Holdings is willing to take, within its risk capacity, in order to achieve its management strategies formulated by management based on the SuMi TRUST Group's social role and management policies, together with the internal control system underpinning that process.

The SuMi TRUST Group's RAF aims primarily to both strengthen profitability and enhance risk management, and promotes the realization of those goals through environmental assumptions and risk awareness, and increasing the transparency of risk-taking through the setting, communication, and oversight of risk appetite, appropriate allocation of management resources, and monitoring of operational status.

• Outline of Risk Appetite Framework



(2) Operation of Risk Appetite

1) Deciding Risk Appetite

The SuMi TRUST Group's risk appetite is decided in accordance with the management plans, based on management strategies and verification through stress tests.

The SuMi TRUST Group reviews risk appetite as needed, at least once a year.

In setting risk appetite, the SuMi TRUST Group identifies the main risks (risk characteristics), including credit risk, market risk, information security risk, and conduct risk, to which each business is exposed according to the nature of its operations.

2) Monitoring of Risk Appetite

The SuMi TRUST Group sets risk appetite indicators to clarify risk appetite, and monitors them regularly. If the risk appetite indicators deviate from the set levels, the SuMi TRUST Group analyzes the cause of the deviation, and then takes countermeasures or revises the levels.

3) Risk Governance

Risk governance, which forms part of corporate governance, is a system to identify, measure, manage and control risks by clarifying and monitoring risk appetite and risk limit.

We promote the enhancement of risk governance, aiming for the sound development of the SuMi TRUST Group.

SuMi TRUST Holdings strives to enhance operation of risk appetite through measures such as establishing the Risk Committee and the Conflicts of Interest Committee as part of its initiatives to enhance corporate governance which include the transition to a "company with Three Committees."

(3) Fostering a Risk Culture that Takes Root Across the SuMi TRUST Group

The SuMi TRUST Group defines risk culture as a basic philosophy that prescribes the codes, attitudes, and conduct of the SuMi TRUST Group's organization, as well as officers and employees, that flexibly carries out risk-taking, risk management, and risk control based on an appropriate assessment of risks, guided by a high degree of self-discipline rooted in the fiduciary spirit.

In order to foster a risk culture that takes root across the SuMi TRUST Group, we are endeavoring to share and disseminate knowledge of risk culture within the SuMi TRUST Group through delivery of messages from top management, training and education, and other measures. In addition, we have formulated a Risk Appetite Statement (RAS) clearly stating our RAF, which is used in lively discussions concerning risk appetite within the SuMi TRUST Group.

2. Overview of Risk Management

(1) Basic Policies on Risk Management

The SuMi TRUST Group is working to improve its risk management system based on recognition of the fact that ensuring the sound and stable management of the entire SuMi TRUST Group and each subsidiary in the SuMi TRUST Group is vital to the improvement of corporate value, and, to that end, risk management is one of the most important functions.

Risk management aims to accurately recognize risk status, and implement necessary countermeasures regarding risks, through a series of activities, which include risk identification, assessment, monitoring, control and reduction, in order to ensure sound management. The SuMi TRUST Group manages risks in the SuMi TRUST Group and comprehensively measures risks unique to the group organization that each group company cannot recognize alone, such as the spread of risks within the SuMi TRUST Group. It manages these risks by comparing them with the SuMi TRUST Group's overall financial strength (Enterprise Risk Management). In addition, of the risks subject to Enterprise Risk Management, the SuMi TRUST Group combines risks which are quantifiable with unified criteria, and quantitatively manages risks held by the SuMi TRUST Group (Integrated Risk Management).

(2) Risk Categories and Management System

The SuMi TRUST Group defines risk categories by type of risks to be managed, namely credit risk, market risk, funding liquidity risk and operational risk.

The SuMi TRUST Group positions supervision of risk management for the entire SuMi TRUST Group as one of the most important functions of the holding company, SuMi TRUST Holdings. SuMi TRUST Holdings aims to improve and upgrade its risk management system by establishing Risk Management Rules as a basic agenda for risk management in the SuMi TRUST Group and formulates policies and plans for each fiscal year with respect to risk management in the SuMi TRUST Group.

SuMi TRUST Holdings has instituted the Risk Management Department as a department to supervise the overall SuMi TRUST Group risk management and monitor the risk status of the SuMi TRUST Group, and to also issue instructions and provide guidance to each group company on development of proper risk management systems.

At each group company, in order for risk management policies determined by SuMi TRUST Holdings to be carried out, systems for proper risk management corresponding to risk characteristics and each business have been put into place.

The Board of Directors of SuMi TRUST Holdings obtains necessary information from each group company, performs monitoring, appraisal and analysis of the risk status of the SuMi TRUST Group, and carries out proper risk management so that sound management is ensured.

Additionally, the directors of SuMi TRUST Holdings and each group company duly recognize the fact that risk management has a material impact on the achievement of their strategic targets, and the executive officers in charge of the risk management-related departments strive to accurately recognize the status of risks and examine policies and specific measures, based on a sufficient understanding of source, type and characteristics of risks and methods and importance of risk management. The roles and responsibilities of directors and executive officers in charge of the risk management-related departments are specified in the respective Risk Management Rules provided by SuMi TRUST Holdings and each group company.

(3) Enterprise Risk Management

1) Enterprise Risk Management Framework

The SuMi TRUST Group has established an enterprise risk management framework as a risk management framework to ensure sound management by controlling risks within the Group's overall financial strength. As part of enterprise risk management, the SuMi TRUST Group implements measures including risk capital allocation operations and stress tests as a part of scenario analyses, while enforcing adequate risk management under the basic policy set out by the Group with a view to improving corporate value through optimizing risk-return and assessing capital adequacy level, and reporting to the Board of Directors, the Executive Committee, etc., on a regular basis.

2) Risk Capital Allocation Operations

For the purpose of the SuMi TRUST Group's capital allocation operations, SuMi TRUST Holdings assesses capital adequacy level, in consideration of the external environment, risk-return performance status, strategic targets, and the results of scenario analyses, and allocates capital of the SuMi TRUST Group to each group company based on its risks (credit risk, market risk, and operational risk). The risk capital allocation plan is subject to the approval of the Board of Directors.

Each group company operates its business in compliance with the allocated amount of risk capital (risk capital). The risk management supervision department monitors adherence to the allocated risk capital (risk capital) and the risk amount status on a monthly basis and reports to the Board of Directors and others.

The risk capital allocation plan is reexamined semiannually, and also whenever deemed necessary due to modifications to the business plan of any one of the group companies or changes in risk status, etc.

3) Assessment of Capital Adequacy Level, Capital Strategy

The capital management departments assess the level of capital adequacy from the viewpoint of soundness each time a risk capital allocation plan is formulated or reexamined, and reports to the Board of Directors and others.

The SuMi TRUST Group assesses capital adequacy level multilaterally by establishing multiple definitions of capital and risk as follows.

From the viewpoint of ensuring business continuity, the SuMi TRUST Group assesses the capital adequacy level by comparing the amount of risk with a confidence interval of 99% with the regulatory required Common Equity Tier 1 capital (allocation fund). Also, from the viewpoint of depositor protection, it compares the amount of risk with a confidence interval of 99.9% and the amount of risk with a confidence interval of 99% after the consideration of stress events with the regulatory required total capital.

4) Stress Testing

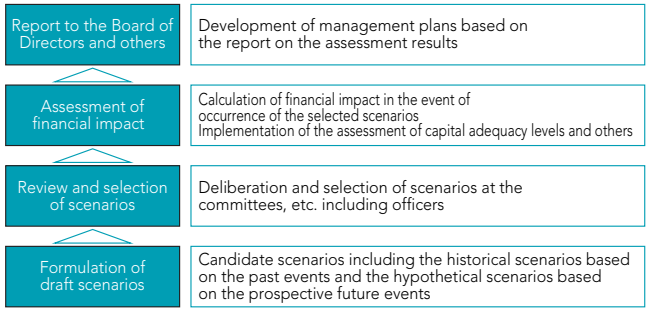
It is becoming increasingly important to develop and review countermeasures beforehand, against contingencies such as a financial crisis. These measures should be based on prior analysis and recognition of the impact on corporate management and finance, in the event of materialization of the stress event.

The SuMi TRUST Group conducts stress tests as a part of scenario analyses under the risk capital allocation plan (economic capital) and the capital adequacy ratio plan (regulatory capital), and utilizes the result for purposes including assessment of capital adequacy levels and development of countermeasures against the occurrence of the risks (contingency plan) when formulating management plans.

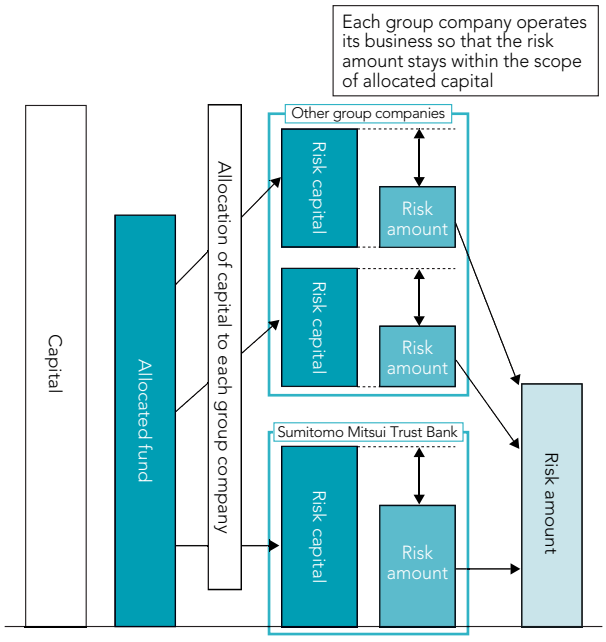
• The framework of Stress Testing

Several scenarios are developed assuming the recurrence of an event that actually took place in the past 10 to 20 year period with significant impact on SuMi TRUST Holdings' portfolio (historical scenarios) and forward-looking scenarios (hypothetical scenarios) with relatively high probabilities of occurrence depending on the market environment with significant impact on the corporate management. The committees, etc., whose members include officers, select conclusive scenarios to be used for formulating plans. These are based on a review from the viewpoints of probability of occurrence as well as the impact to the SuMi TRUST Group. After estimating amount of loss in the event of occurrence of risks is calculated based on the selected scenarios. This loss is reported to the Board of Directors and others along with an assessment of its impact on the level of capital adequacy.

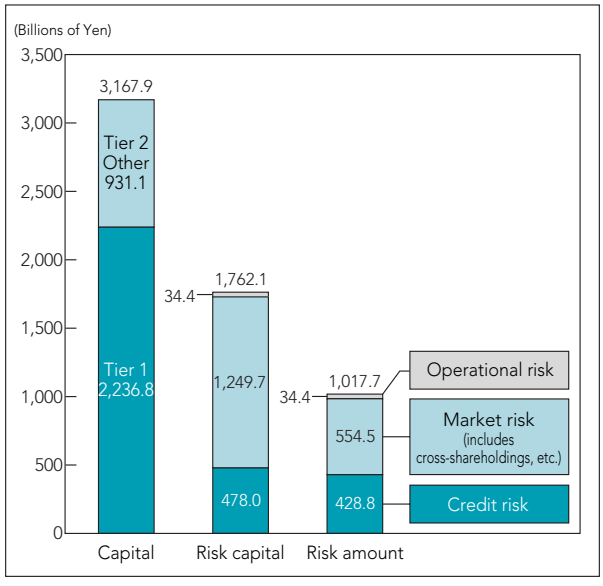
• Stress test framework



• Capital Allocation Scheme



• Capital and Risk Capital
(within a 99% confidence interval, 1 year holding period)



5) Capital Adequacy Status

Under the risk capital allocation plan, against total capital of ¥3,167.9 billion (Common Equity Tier 1 capital of ¥2,236.8 billion) of SuMi TRUST Holdings on a consolidated basis, the allocated risk capital (risk capital) is ¥1,762.1 billion. Risk capital actually used (risk amount) is ¥1,017.7 billion. In addition, the balance between total capital (risk capital) and allocation fund, about ¥1,405.8 billion, is at a sufficient level according to the results of stress tests.

(4) Business Continuity Management

The SuMi TRUST Group has established an emergency-response framework. In the case of an emergency headquarters headed by the President would be set up for quick and appropriate responses.

Furthermore, to achieve uninterrupted business continuity while ensuring the safety of our clients, officers and employees, as well as their family members, the SuMi TRUST Group also has in place a business continuity plan (BCP). Regular training and reviews of the plan's content are conducted so that it continues to be effective.

3. Compliance with BIS Capital Adequacy Regulations

(1) Compliance with BIS Capital Adequacy Regulations

Basel Ⅲ capital adequacy ratio (CAR) rules, which are aimed at improving the quality and quantity of equity capital and bolstering risk recognition, took effect as the rules for Japan from the end of March 2013, replacing Basel Ⅱ rules, which have been in effect since the end of March 2007. While enabling greater refinement in the assessment of risks facing financial institutions, the Basel Ⅲ CAR rules also seek to encourage financial institutions to enhance their risk management capabilities and comprise the following "Three Pillars."

The SuMi TRUST Group has established a system to comply with the regulations in the course of enterprise risk management. Moreover, it is committed to further enhancing its risk management performance by constantly stepping up its compliance with new international financial regulations. As part of these efforts, the SuMi TRUST Group adopted the Advanced IRB Approach to credit risks from the end of March 2015, and the Advanced Measurement Approach to operational risks from the end of March 2014 in the calculation of the capital adequacy ratio.

1) "The First Pillar"

The first pillar is designed to manage the required capital calculated under the regulation-prescribed methods. An internationally active bank is required to have a minimal capital against the aggregate of credit risk, market risk and operational risk, in addition to further elaborating the measurement of credit risk.

Banks are to choose risk methods according to their internal risk management frameworks, and we have adopted the approaches indicated on the next page.

2) "The Second Pillar"

The second pillar comprises the management of overall risks, including "interest rate risk in the banking account" and "credit concentration risk," which are particularly important among risks not covered by the first pillar, by the banks themselves, and the examination of the banks' capital adequacy by the banking supervisory authorities through the processes of evaluation and supervision. It is aimed at maintaining and improving the soundness of the management of banks. The SuMi TRUST Group is managing these risks within the internal risk management framework.

3) "The Third Pillar"

The third pillar is designed to aim at maintaining and improving the soundness of bank management by enhancing information disclosure regarding matters related to the first and second pillars, such as capital adequacy and risk management, thereby increasing the effectiveness of market discipline to be exerted on banks.

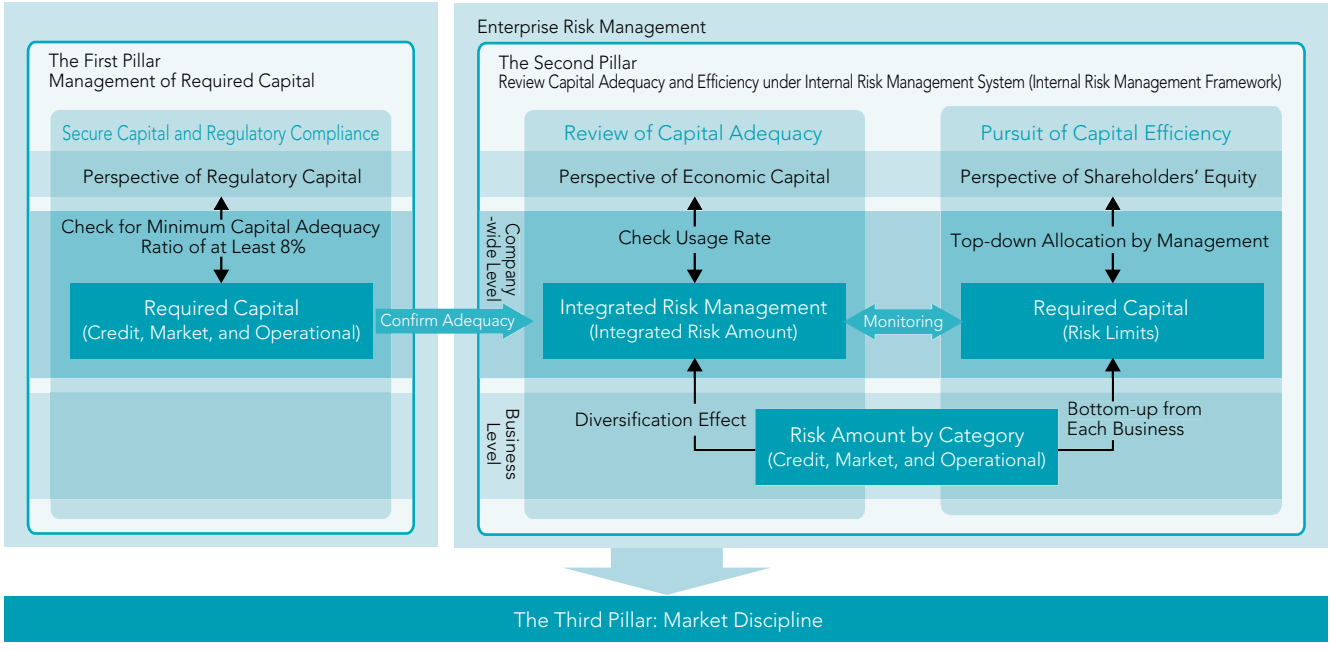
• Method and Calculation

$$\text{Capital Adequacy Ratio} = \frac{\text{Total Qualifying Capital}}{\text{Credit Risk + Market Risk + Operational Risk}}$$

	Sumitomo Mitsui Trust Holdings	Sumitomo Mitsui Trust Bank
Credit Risk	Advanced Internal Ratings-Based (IRB) Approach*	Advanced Internal Ratings-Based (IRB) Approach*
Market Risk	Internal Models Approach	Internal Models Approach
Operational Risk	Advanced Measurement Approach	Advanced Measurement Approach

* Applicable primarily to the exposures to domestic corporations, sovereigns and financial institutions

• Framework for Risk Management at the SuMi TRUST Group



Compensation Disclosure Data:

Sumitomo Mitsui Trust Holdings, Inc.

1. Development Status of Organizational Structures Concerning Compensation for Applicable Officers and Employees within the SuMi TRUST Holdings Group

(1) Scope of "Applicable Officers and Employees"

The scope of "applicable officers" and "applicable employees, etc." (collectively the "applicable officers and employees") as defined in the compensation notification to be disclosed is as follows:

(i) Scope of the "Applicable Officers"

Applicable officers for this fiscal year include directors and corporate auditors of SuMi TRUST Holdings, but exclude external directors and external auditors.

(ii) Scope of "Applicable Employees, etc."

Of SuMi TRUST Holdings' officers and employees outside the scope of applicable officers as well as officers and employees of its significant consolidated subsidiaries, a "person receiving a substantial amount of compensation" with significant consequence on the business operation or asset status of SuMi TRUST Holdings and its significant consolidated subsidiaries, are subject to disclosure as applicable employees, etc.

(a) Scope of "Significant Consolidated Subsidiary"

"Significant consolidated subsidiary" refers to a consolidated subsidiary either with its total assets representing more than 2% of the consolidated total assets, or with significant consequence on the SuMi TRUST Holdings Group's management, namely Sumitomo Mitsui Trust Bank, Limited and Japan Trustee Services Bank, Ltd.

(b) Scope of a "Person Receiving a Substantial Amount of Compensation"

A "person receiving a substantial amount of compensation" refers to a person who receives compensation in excess of a certain threshold amount from SuMi TRUST Holdings or its significant consolidated subsidiaries. Such a threshold amount is set at ¥40 million within the SuMi TRUST Holdings Group. This threshold amount has been determined based on the average compensation for officers paid in fiscal year 2016 (excluding the compensation paid to the officers who were newly appointed or retired in the fiscal year), and is commonly applicable across all significant consolidated subsidiaries, as more or less the same level and system of compensation is shared among all significant consolidated subsidiaries.

With respect to a person receiving lump-sum retirement benefit, this amount is first wholly deducted from the amount of compensation, then the "lump-sum retirement benefit divided by the number of years of service" is added back to calculate the deemed compensation for the purpose of determining whether the compensation is substantial or not.

(c) Scope of "Those with Significant Consequence on the Business Operation or Asset Status of the SuMi TRUST Holdings Group"

"Those with significant consequence on the business operation or asset status of the group" refers to the persons who normally conduct transactions, or manage business affairs that have considerable impact on the business operation of SuMi TRUST Holdings, the SuMi TRUST Holdings Group or its significant consolidated subsidiaries, or whose transactions can cause loss with significant impact on their asset status. Specifically, they include executive officers of SuMi TRUST Holdings and employees equivalent to general managers in the departments involving loan operations and market risk management.

(2) Determination of Compensation for Applicable Officers and Employees

(i) Determination of Compensation for Applicable Officers

In determination of compensation for officers for this fiscal year, individual allocation of compensation for directors is decided by the Board of Directors, while that for corporate auditors depends on deliberations of corporate auditors, within the total amount of compensation decided by the General Meeting of Shareholders.

SuMi TRUST Holdings has established, as an advisory body to the Board of Directors, a Nominating and Compensation Committee which is responsible for reviewing these matters, including the system for compensation of directors/corporate auditors and the compensation table, and for reporting the results of such review to the Board of Directors. The Nominating and Compensation Committee is also responsible for explaining the amounts of compensation as decided to the external directors and external corporate auditors of SuMi TRUST Holdings and SuMi TRUST Bank, in an effort to hear objective opinions.

Starting in FY2017, the policy on decisions on the content of remuneration for individual directors and executive officers, as well as the content of individual remuneration, are resolved by the Compensation Committee, which was established as a result of the change from a company with a Board of Corporate Auditors to a "company with Three Committees." In addition, the amounts of remuneration for individual executive officers of SuMi TRUST Holdings are reported to the Compensation Committee.

(ii) Determination of Compensation for Applicable Employees, etc.

Compensation for employees, etc. within the SuMi TRUST Holdings Group is payable, subject to the policies established primarily by the Boards of Directors and others of SuMi TRUST Holdings and its significant consolidated subsidiaries. According to such policies, compensation systems are designed by human resources departments of SuMi TRUST Holdings and its significant consolidated subsidiaries, independent of the business promotion departments and documented as payroll rules, etc. Information on the compensation systems of the significant consolidated subsidiaries is reported to, and verified by, the Human Resources Department of SuMi TRUST Holdings on a regular basis.

Compensation for overseas employees, etc. are determined and payable under the local compensation system established by each overseas operation on its own, in compliance with local laws and regulations and local employment practice. Establishment and change of overseas compensation systems require consultation with, and validity verification by, the Human Resources Department of SuMi TRUST Holdings.

2. Adequacy Evaluation of Design and Operation of the Compensation System for Applicable Officers and Employees of SuMi TRUST Holdings

(1) Policies Concerning Compensation for Applicable Officers and Employees

(i) Policies Concerning Compensation for "Applicable Officers"

The limit amount for compensation for officers as decided by the General Meeting of Shareholders is ¥30 million per month for directors, and ¥9 million per month for corporate auditors, apart from a ¥40 million annual limit for stock options (share acquisition rights) for Directors. The amount of compensation for directors and corporate auditors is capped by these limits.

Starting in FY2017, the policy on decisions on the content of remuneration for individual directors and executive officers, as well as the content of individual remuneration, are resolved by the Compensation Committee, which was established as a result of the change from a company with a Board of Corporate Auditors to a "company with Three Committees."

Our aim is for directors' remuneration to function effectively as an incentive for improvement of corporate performance and expansion of enterprise value in order to realize stable and sustainable growth of the SuMi TRUST Group, including its core subsidiary, SuMi TRUST Bank. Furthermore, we have created a remuneration structure that considers the balance of short-term incentives and medium- to long-term incentives. This is to ensure remuneration that is not focusing on single-year performance evaluation in which short-term contribution to profit is emphasized, but focusing on officers' qualifications and capabilities as senior management, and based on a comprehensive evaluation that reflects assessment of medium- to long-term performance. As a holding company, in order to ensure that the supervisory function is fully exercised at each Group company, SuMi TRUST Holdings determines individual remuneration based on an accurate recognition of the role that corporate officers are expected to play in terms of business management and their results, and highly transparent, fair and objective evaluations.

Furthermore, for the fiscal year under review, share acquisition rights were allotted to directors as a stock option to further enhance their motivation and morale that helps drive SuMi TRUST Holdings' stock price increases, medium- to long-term corporate performance, and ultimately shareholder profits.

(ii) Policies Concerning Compensation for "Applicable Employees, etc."

Compensations for the SuMi TRUST Holdings Group's employees, etc. are determined by performance assessments, to reflect each employee's contribution to corporate performance in determining a performance-linked portion and evaluating target attainment performance. The human resources departments at each company ensure that compensation payments are not excessively performance-oriented, on the basis of the compensation system in place, current status of performance assessment and actual payment records.

On the other hand, compensation for overseas employees is determined under a basic principle by which payrolls are determined based on job description and responsibility, while bonuses are determined based on performance. Meanwhile, the total compensation budget is capped locally, based on the performance of each operation, preventing excessive impact on the overall compensation fund from individual employees' extraordinary performance.

3. Consistency of SuMi TRUST Holdings' Compensation System for Applicable Officers and Employees in Line with Risk Management, and Linkage between Compensation and Performance

In determining compensation for applicable officers, the total amount of compensation is determined based on decisions made at the General Meeting of Shareholders. In determining compensation for applicable employees, etc., an adequate budget is arranged in consideration of the SuMi TRUST Holdings Group's financial standing and other considerations.

• Total Amount of Compensation for the Applicable Officers and Employees within the SuMi TRUST Holdings Group (From April 1, 2016 to March 31, 2017)

Category	Headcount	Millions of Yen						
		Total amount of compensation	Total amount of fixed compensation	Basic Compensation	Total amount of variable compensation	Bonus	Compensation as stock option	Retirement benefits
Directors (excluding External Directors)	6	415	328	328	60	60	27	—
Corporate Auditors (excluding External Auditors)	2	50	50	50	—	—	—	—
Applicable Officers	5	285	155	155	130	130	—	—

* Amount of compensation stated above includes compensation for (concurrent) directorship at the significant consolidated subsidiaries.

Capital Adequacy Ratio Quantitative Disclosure Data:

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

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Capital Adequacy Ratio Quantitative Disclosure Data:

Sumitomo Mitsui Trust Holdings, Inc.

Capital Adequacy Ratio

Consolidated

We calculate the consolidated BIS capital adequacy ratio in line with provisions of Article 52-25 of the Banking Act and on the basis of calculation formula prescribed under the criteria for judging whether a bank holding company and its subsidiaries' capital adequacy ratios are appropriate in light of assets held (the Financial Services Agency 2006 Notification No. 20, hereinafter referred to as the "Notification").

Since the end of March 2017, we have adopted the Advanced Internal Ratings-Based (IRB) Approach for the calculation of credit risk-weighted assets, the Advanced Measurement Approach for the calculation of operational risk, and market risk regulations.

Scope of Consolidation

Consolidated

(1) There is no difference between companies belonging to the group of companies subject to the consolidated BIS capital adequacy ratio as prescribed by the Basel Notification, Article 3 (hereinafter referred to as the "SuMi TRUST Holdings Group") and the companies included in the scope of accounting consolidation.

(2) The number of consolidated subsidiaries that belong to the SuMi TRUST Holdings Group is 71. The principal company is the following.

Name	Principal Business Operations
Sumitomo Mitsui Trust Bank, Limited	Trust and Banking Businesses

(3) There is no affiliated company that undertakes financial services subject to the Basel Notification, Article 9.

(4) There are no particular restrictions etc. on the transfer of funds and capital within the SuMi TRUST Holdings Group.

(5) Of the subsidiaries which are banking, financial and insurance entities that are outside the scope of regulatory consolidation, none failed to meet the regulatory required capital.

Composition of Capital (Consolidated BIS capital adequacy ratio)

Consolidated

As of March 31		Millions of Yen, %			
Basel Ⅲ Template No.	Items	2017	Amounts Excluded under Transitional Arrangements	2016	Amounts Excluded under Transitional Arrangements
	Common Equity Tier 1 Capital: Instruments and Reserves				
1a+2–1c–26	Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 2,006,758		¥ 1,941,817	
1a	of Which: Capital Stock and Capital Surplus	906,656		906,715	
2	of Which: Retained Earnings	1,159,028		1,087,195	
1c	of Which: Treasury Stock (Deduction)	34,061		27,097	
26	of Which: Earnings to be Distributed (Deduction)	24,864		24,995	
	of Which: Others	—		—	
1b	Subscription Rights to Common Shares	577		421	
3	Accumulated Other Comprehensive Income	344,794	¥ 86,198	246,096	¥ 164,064
5	Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	1,949		2,302	
	Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements	6,770		13,634	
	of Which: Common Share Capital Issued by Subsidiaries and Held by Third Parties	6,770		13,634	
6	Common Equity Tier 1 Capital: Instruments and Reserves (A)	2,360,850		2,204,273	
	Common Equity Tier 1 Capital: Regulatory Adjustments				
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	152,059	38,014	103,342	68,894
8	of Which: Goodwill (Including Those Equivalent)	81,901	20,475	60,483	40,322
9	of Which: Other Intangible Assets	70,157	17,539	42,858	28,572
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	121	30	—	—
11	Deferred Gains or Losses on Derivatives under Hedge Accounting	(14,863)	(3,715)	(4,985)	(3,323)
12	Shortfall of Eligible Provisions to Expected Losses	8,730	2,182	11,647	7,765
13	Securitization Gain on Sale	1,894	473	2,383	1,589
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	—	—	—	—
15	Assets for Retirement Benefits	66,053	16,513	38,045	25,363
16	Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	1	0	22	14
17	Reciprocal Cross-Holdings in Common Equity	—	—	—	—
18	Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does Not Own More than 10% of the Issued Share Capital (Amount above 10% Threshold)	4,962	1,240	—	—
19+20+21	Amount above the 10% Threshold on the Specified Items	—	—	—	—
19	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—	—	—	—
20	of Which: Mortgage Servicing Rights	—	—	—	—
21	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	—	—	—
22	Amount Exceeding the 15% Threshold on the Specified Items	—	—	—	—
23	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—	—	—	—
24	of Which: Mortgage Servicing Rights	—	—	—	—
25	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	—	—	—
27	Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions	—		—	
28	Common Equity Tier 1 Capital: Regulatory Adjustments (B)	218,960		150,455	
	Common Equity Tier 1 Capital (CETI)				
29	Common Equity Tier 1 Capital (C) = (A)–(B)	¥ 2,141,890		¥ 2,053,817	

As of March 31			Millions of Yen, %			
Basel Ⅲ Template No.		Items	2017	Amounts Excluded under Transitional Arrangements	2016	Amounts Excluded under Transitional Arrangements
Additional Tier 1 Capital: Instruments						
30	31a	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	¥ —		¥ —	
	31b	Subscription Rights to Additional Tier 1 Instruments	—		—	
	32	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	220,000		120,000	
		Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		—	
34–35		Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	12,454		10,774	
33+35		Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital	272,500		276,000	
33		of Which: Directly Issued and Issued by Special Purpose Vehicles	114,528		116,000	
35		of Which: Issued by Subsidiaries	157,971		160,000	
		Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements	427		1,120	
		of Which: Foreign Currency Translation Adjustment	427		1,120	
36		Additional Tier 1 Capital: Instruments (D)	505,381		407,895	
Additional Tier 1 Capital: Regulatory Adjustments						
37		Investments in Own Additional Tier 1 Instruments	—	¥ —	—	¥ —
38		Reciprocal Cross-Holdings in Additional Tier 1 Instruments	—	—	—	—
39		Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	821	205	—	—
40		Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—	—	—	—
		Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements	20,712		46,337	
		of Which: Goodwill Equivalents	18,098		40,007	
		of Which: Equivalent to Intangible Fixed Assets Recorded through Business Combination	1,048		857	
		of Which: Equivalent to Capital Increase Due to Securitization Transactions	473		1,589	
		of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	1,091		3,882	
42		Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions	—		—	
43		Additional Tier 1 Capital: Regulatory Adjustments (E)	21,534		46,337	
Additional Tier 1 Capital (ATI)						
44		Additional Tier 1 Capital (F) = (D) – (E)	483,847		361,557	
Tier 1 Capital (TI = CETI + ATI)						
45		Tier 1 Capital (G) = (C) + (F)	2,625,737		2,415,375	
Tier 2 Capital: Instruments and Provisions						
46		Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—		—	
		Subscription Rights to Tier 2 Instruments	—		—	
		Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	140,000		90,000	
		Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		—	
48–49		Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	3,292		3,007	
47+49		Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2	361,498		401,401	
47		of Which: Directly Issued and Issued by Special Purpose Vehicles	—		—	
49		of Which: Issued by Subsidiaries	361,498		401,401	
50		Provisions Allowed in Group Tier 2	3,926		3,276	
50a		of Which: General Allowance for Credit Losses	3,926		3,276	
50b		of Which: Excess Amount of Eligible Provisions to Expected Losses	—		—	
		Amount Allowed in Group Tier 2 Subject to Transitional Arrangements	60,756		117,875	
		of Which: 45% of Net Unrealized Gain on Available-for-Sale Securities	61,031		118,360	
		of Which: 45% of Revaluation Reserve for Land	(274)		(484)	
51		Tier 2 Capital: Instruments and Provisions (H)	¥ 569,474		¥ 615,560	

As of March 31		Millions of Yen, %			
Basel Ⅲ Template No.	Items	2017	Amounts Excluded under Transitional Arrangements	2016	Amounts Excluded under Transitional Arrangements
	Tier 2 Capital: Regulatory Adjustments				
52	Investments in Own Tier 2 Instruments	¥ —	¥ —	¥ —	¥ —
53	Reciprocal Cross-Holdings in Tier 2 Instruments	—	—	—	—
54	Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	5,733	1,433	—	—
55	Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside of the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—	—	—	—
	Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements	3,611		4,197	
	of Which: Accumulated Investments in the Common Stock of Banking, Financial and Insurance Entities	2,520		314	
	of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	1,091		3,882	
57	Tier 2 Capital: Regulatory Adjustments (I)	9,344		4,197	
	Tier 2 Capital (TII)				
58	Tier 2 Capital (J) = (H) – (I)	560,129		611,363	
	Total Capital (TC = T1 + TII)				
59	Total Capital (K) = (G) + (J)	3,185,866		3,026,739	
	Total Risk Weighted Assets				
	Risk Weighted Assets Subject to Transitional Arrangements	39,291		53,124	
	of Which: Intangible Fixed Assets (excluding Mortgage Servicing Rights)	16,490		27,714	
	of Which: Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	30		—	
	of Which: Assets for Retirement Benefits	16,513		25,363	
	of Which: Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	1		46	
	of Which: Investments in the Common Stock of Banking, Financial and Insurance Entities	6,256		—	
60	Total Risk Weighted Assets (L)	19,391,928		18,065,889	
	Capital Ratios (Consolidated)				
61	Common Equity Tier 1 Capital Ratio (C)/(L)	11.04%		11.36%	
62	Tier 1 Capital Ratio (G)/(L)	13.54%		13.36%	
63	Total Capital Ratio (K)/(L)	16.42%		16.75%	
	Regulatory Adjustments (before Risk Weighting)				
72	Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital (Amount below the Threshold for Deduction)	217,279		190,719	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)	71,955		54,976	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)	—		—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)	—		—	
	Provisions Included in Tier 2 Capital: Instruments and Provisions				
76	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardized Approach (Prior to Applicable of Cap)	3,926		3,276	
77	Cap on Inclusion of Provisions in Tier 2 under Standardized Approach	8,450		7,042	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)	—		—	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach	100,231		92,252	
	Capital Instruments Subject to Phase out Arrangements				
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements	272,500		327,000	
83	Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)	3,500		—	
84	Current Cap on Tier 2 Instruments Subject to Phase out Arrangements	428,954		514,745	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)	¥ —		¥ —	

Note: SuMi TRUST Holdings received an external audit by KPMG AZSA LLC of the calculation of the consolidated BIS capital adequacy ratio in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, May 13, 2014). The external audit is not part of the accounting audit of the consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Outline and Details of Agreements Concerning Capital Funding Instruments Consolidated

Outline and Details of Agreements Concerning Capital Funding Instruments are available on our website (http://smth.jp/ir/basel/index.html).

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Consolidated

Fiscal Year 2016

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 26,944,478		
Call Loans and Bills Bought	124,706		
Receivables under Resale Agreements	83,888		
Receivables under Securities Borrowing Transactions	480,453		
Monetary Claims Bought	906,572		
Trading Assets	496,563		
Money Held in Trust	1,650		
Securities	5,127,717	2–b, 6–a	
Loans and Bills Discounted	28,040,446	6–b	
Foreign Exchanges	16,189		
Lease Receivables and Investment Assets	667,808		
Other Assets	1,638,186	6–c	
Tangible Fixed Assets	225,814		
Buildings	74,330		
Land	125,959		
Lease Assets	5,901		
Construction in Progress	811		
Other	18,812		
Intangible Fixed Assets	214,790	2–a	
Software	114,447		
Goodwill	90,492		
Lease Assets	188		
Other	9,661		
Assets for Retirement Benefits	119,018	3	
Deferred Tax Assets	23,243	4–a	
Customers' Liabilities for Acceptances and Guarantees	458,010		
Allowance for Loan Losses	(115,814)		
Total Assets	¥ 65,453,725		

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 36,000,814		
Negotiable Certificates of Deposit	7,326,617		
Call Money and Bills Sold	54,089		
Payables under Repurchase Agreements	1,063,737		
Payables under Securities Lending Transactions	13,699		
Trading Liabilities	366,879		
Borrowed Money	3,463,105		
Foreign Exchanges	236		
Short-term Bonds Payable	904,248		
Bonds Payable	1,385,098	8	
Borrowed Money from Trust Account	10,274,143		
Other Liabilities	1,151,325	6–d	
Provision for Bonuses	16,331		
Provision for Director's Bonuses	259		
Retirement Benefits Liabilities	14,048		
Provision for Reward Points Program	17,519		
Provision for Reimbursement of Deposits	3,583		
Provision for Contingent Loss	7,774		
Deferred Tax Liabilities	137,501	4–b	
Deferred Tax Liabilities for Land Revaluation	3,016	4–c	
Acceptances and Guarantees	458,010		
Total Liabilities	62,662,042		
(Net Assets)			
Capital Stock	261,608	1–a	
Capital Surplus	645,048	1–b	
Retained Earnings	1,159,028	1–c	
Treasury Stock	(34,061)	1–d	
Total Shareholders' Equity	2,031,623		
Valuation Difference on Available-for-Sale Securities	476,848		
Deferred Gains or Losses on Hedges	(21,018)	5	
Revaluation Reserve for Land	(6,067)		
Foreign Currency Translation Adjustment	2,135		
Remeasurements of Retirement Benefits	(20,905)		
Total Accumulated Other Comprehensive Income	430,992		3
Subscription Rights to Shares	577		1b
Non-controlling Interests	328,488	7	
Total Net Assets	2,791,682		
Total Liabilities and Net Assets	¥ 65,453,725		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 261,608		1–a
Capital Surplus	645,048		1–b
Retained Earnings	1,159,028		1–c
Treasury Stock	(34,061)		1–d
Total Shareholders' Equity	¥ 2,031,623		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 2,031,623	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	906,656		1a
of Which: Retained Earnings	1,159,028		2
of Which: Treasury Stock (Deduction)	34,061		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 214,790		2–a
Securities	5,127,717		2–b
of Which: Goodwill Arising on the Application of the Equity Method	11,885		
Associated Deferred Tax Liabilities	36,600		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 102,377		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	87,697	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Assets for Retirement Benefits

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 119,018		3
Associated Deferred Tax Liabilities	36,452		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Assets for Retirement Benefits	¥ 82,566		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 23,243		4–a
Deferred Tax Liabilities	137,501		4–b
Deferred Tax Liabilities for Land Revaluation	3,016		4–c
Associated Intangible Fixed Assets	36,600		
Associated Assets for Retirement Benefits	36,452		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 152	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (21,018)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (18,579)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 5,127,717		6–a
Loans and Bills Discounted	28,040,446	Including subordinated loans	6–b
Other Assets	1,638,186	Including derivatives	6–c
Other Liabilities	¥ 1,151,325	Including derivatives	6–d

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ 2		
Common Equity Tier 1 Capital	2		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	231,675		
Common Equity Tier 1 Capital	6,203		18
Additional Tier 1 Capital	1,027		39
Tier 2 Capital	7,166		54
Amount below the Thresholds for Deduction (before Risk Weighting)	217,279		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	71,955		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	—		55
Amount below the Thresholds for Deduction (before Risk Weighting)	71,955		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 328,488		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ 1,949	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	12,454	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	3,292	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	48–49

8. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Bonds Payable	¥ 1,385,098		8

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 220,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	140,000		46

Fiscal Year 2015

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 19,924,523		
Call Loans and Bills Bought	705,252		
Receivables under Resale Agreements	110,377		
Receivables under Securities Borrowing Transactions	326,457		
Monetary Claims Bought	889,445		
Trading Assets	614,290		
Money Held in Trust	1,749	6–a	
Securities	4,926,236	2–b, 6–b	
Loans and Bills Discounted	27,525,862	6–c	
Foreign Exchanges	17,223		
Lease Receivables and Investment Assets	608,433		
Other Assets	1,622,859	6–d	
Tangible Fixed Assets	226,824		
Buildings	74,417		
Land	127,424		
Lease Assets	3,437		
Construction in Progress	1,877		
Other	19,667		
Intangible Fixed Assets	202,163	2–a	
Software	91,241		
Goodwill	100,019		
Lease Assets	212		
Other	10,689		
Assets for Retirement Benefits	91,404	3	
Deferred Tax Assets	23,952	4–a	
Customers' Liabilities for Acceptances and Guarantees	503,742		
Allowance for Loan Losses	(90,851)		
Total Assets	¥ 58,229,948		

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 26,701,948		
Negotiable Certificates of Deposit	7,130,632		
Call Money and Bills Sold	38,968		
Payables under Repurchase Agreements	653,456		
Trading Liabilities	451,751		
Borrowed Money	2,580,524		
Foreign Exchanges	259		
Short-term Bonds Payable	1,253,207		
Bonds Payable	1,076,118	8	
Borrowed Money from Trust Account	13,694,600		
Other Liabilities	1,253,630	6–e	
Provision for Bonuses	16,321		
Provision for Director's Bonuses	255		
Retirement Benefits Liabilities	13,937		
Provision for Reward Points Program	17,711		
Provision for Reimbursement of Deposits	3,676		
Provision for Contingent Loss	7,642		
Deferred Tax Liabilities	123,927	4–b	
Deferred Tax Liabilities for Land Revaluation	3,126	4–c	
Acceptances and Guarantees	503,742		
Total Liabilities	55,525,436		
(Net Assets)			
Capital Stock	261,608	1–a	
Capital Surplus	645,106	1–b	
Retained Earnings	1,087,195	1–c	
Treasury Stock	(27,097)	1–d	
Total Shareholders' Equity	1,966,813		
Valuation Difference on Available-for-Sale Securities	467,517		
Deferred Gains or Losses on Hedges	(13,169)	5	
Revaluation Reserve for Land	(5,819)		
Foreign Currency Translation Adjustment	2,800		
Remeasurements of Retirement Benefits	(41,168)		
Total Accumulated Other Comprehensive Income	410,160		3
Subscription Rights to Shares	421		1b
Non-controlling Interests	327,116	7	
Total Net Assets	2,704,511		
Total Liabilities and Net Assets	¥ 58,229,948		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 261,608		1–a
Capital Surplus	645,106		1–b
Retained Earnings	1,087,195		1–c
Treasury Stock	(27,097)		1–d
Total Shareholders' Equity	¥ 1,966,813		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,966,813	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	906,715		1a
of Which: Retained Earnings	1,087,195		2
of Which: Treasury Stock (Deduction)	27,097		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 202,163		2–a
Securities	4,926,236		2–b
of Which: Goodwill Arising on the Application of the Equity Method	786		
Associated Deferred Tax Liabilities	30,713		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 100,806		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	71,430	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Assets for Retirement Benefits

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 91,404		3
Associated Deferred Tax Liabilities	27,995		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Assets for Retirement Benefits	¥ 63,409		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 23,952		4–a
Deferred Tax Liabilities	123,927		4–b
Deferred Tax Liabilities for Land Revaluation	3,126		4–c
Associated Intangible Fixed Assets	30,713		
Associated Assets for Retirement Benefits	27,995		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ —	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (13,169)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (8,309)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Money Held in Trust	¥ 1,749		6–a
Securities	4,926,236		6–b
Loans and Bills Discounted	27,525,862	Including subordinated loans	6–c
Other Assets	1,622,859	Including derivatives	6–d
Other Liabilities	¥ 1,253,630	Including derivatives	6–e

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ 36		
Common Equity Tier 1 Capital	36		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	190,719		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital	—		54
Amount below the Thresholds for Deduction (before Risk Weighting)	190,719		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	54,976		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	—		55
Amount below the Thresholds for Deduction (before Risk Weighting)	54,976		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 327,116		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ 2,302	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	10,774	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	3,007	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	48–49

8. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Bonds Payable	¥ 1,076,118		8

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 120,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	90,000		46

Capital Adequacy

Consolidated

Amounts of Required Capital

(1) Amounts of required capital against credit risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

As of March 31	Millions of Yen 2017	2016
Portfolios to Which the Standardized Approach is Applied	¥ 55,734	¥ 47,742
Exposures to Business Units Set for Phased Roll-out Application	18,498	16,353
Exposures Excluded from Application	37,235	31,388
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio	1,227,561	1,165,358
Corporate Exposures	885,016	813,487
Sovereign Exposures	14,865	17,464
Financial Institution Exposures	39,808	51,162
Residential Mortgage Exposures	113,469	99,583
Qualifying Revolving Retail Exposures	1,528	1,647
Other Retail Exposures	25,436	24,816
Other Exposures*1	147,436	157,195
Securitization Exposures	14,317	15,909

*1. Other exposures refer to the exposures below.
Purchased receivables, unsettled transactions, lease transactions, CVA risk, central counterparty-related, equities, with 250% risk-weight applied and other assets
*2. The calculation method of the amounts of required capital ratio against credit risk is as follows:
Portfolios to which the Standardized Approach is applied: amount of credit risk-weighted assets x 8%
Portfolios to which the IRB Approach is applied: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
Securitization exposures: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(2) Amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied

As of March 31	Millions of Yen 2017	2016
Equity Exposures	¥ 134,184	¥ 140,393
PD/LGD Approach	110,759	114,267
Simple Risk-Weight Method of the Market-based Approach	23,425	26,125
Internal Model Method of the Market-based Approach	—	—

* The calculation method of the amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied is as follows
Those applicable to the PD/LGD approach: (amount of credit risk-weighted assets x 1.06) x 8%
Those applicable to the simple risk-weight method of the market-based approach: (amount of credit risk-weighted assets x 1.06) x 8%

(3) Amounts of required capital against credit risk concerning exposures held in funds

As of March 31	Millions of Yen 2017	2016
Exposures Held in Funds*	¥ 146,077	¥ 91,096

* (Amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(4) Amounts of required capital against market risk

	Millions of Yen	
As of March 31	**2017**	2016
Market Risk	**¥ 44,118**	¥ 45,846
Amounts of Required Capital by Category under the Standardized Approach	**9,245**	7,003
Interest Rate Risk	**5,490**	3,326
Equity Position Risk	**—**	—
Foreign Exchange Risk	**3,755**	3,677
Commodities Risk	**—**	—
Options Transactions	**—**	—
Internal Model Approach	**34,872**	38,842

(5) Amounts of required capital against operational risk

	Millions of Yen	
As of March 31	**2017**	2016
Operational Risk	**¥ 78,770**	¥ 76,129
Advanced Measurement Approach	**65,989**	63,478
Standardized Approach	**—**	—
Basic Indicator Approach	**12,781**	12,650

(6) Consolidated total required capital

	Millions of Yen	
As of March 31	**2017**	2016
Consolidated Total Required Capital*	**¥ 1,551,354**	¥ 1,445,271

* (Total amount of credit risk-weighted assets + market risk equivalents/8% + operational risk equivalents/8%) x 8%

Credit Risk

Consolidated

Balance of Exposures Related to Credit Risk and Breakdown by Primary Types

As of March 31	Millions of Yen 2017 Credit Risk Exposures: Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	Exposures Three Months or Longer Overdue or Exposures in Default
Japan	¥ 42,990,453	¥ 37,355,600	¥ 2,086,758	¥ 360,706	¥ 3,187,387	¥ 122,780
Outside Japan	6,712,886	4,775,873	1,171,949	377,644	387,419	17,290
Total for Regions	¥ 49,703,340	¥ 42,131,474	¥ 3,258,708	¥ 738,350	¥ 3,574,807	¥ 140,070
Manufacturing	4,432,685	2,857,543	477,882	29,033	1,068,226	15,193
Agriculture and Forestry	5,743	5,594	—	115	34	974
Fisheries	67	27	40	—	—	—
Mining and Quarrying of Stones and Gravel	22,924	7,949	152	—	14,823	—
Construction	238,317	149,663	25,319	898	62,436	16
Electricity, Gas, Heat Supply and Water	1,106,849	902,828	16,617	12,044	175,357	—
Information and Communication	600,715	540,700	6,203	1,212	52,599	—
Transport and Postal Activities	1,444,060	1,164,539	156,282	21,341	101,897	379
Wholesale and Retail Trade	1,902,812	1,477,611	109,985	4,706	310,510	2,313
Finance and Insurance	2,456,884	1,538,653	422,671	226,943	268,616	278
Real Estate	3,888,029	3,150,645	408,856	28,462	300,065	14,889
Goods Rental and Leasing	876,909	806,928	7,038	1,000	61,941	237
Local Public Bodies	100,738	85,285	4,790	—	10,662	—
Individuals	9,449,180	9,316,921	—	—	132,259	69,912
Others	23,177,420	20,126,583	1,622,866	412,592	1,015,377	35,874
Total for Industry Sectors	¥ 49,703,340	¥ 42,131,474	¥ 3,258,708	¥ 738,350	¥ 3,574,807	¥ 140,070
One Year or Less	8,020,118	6,042,210	585,913	202,438	1,189,554	
Over One Year to Three Years	5,894,280	4,566,586	270,577	113,643	943,473	
Over Three Years to Five Years	17,994,466	17,006,309	345,327	135,059	507,769	
Over Five Years	17,794,475	14,516,366	2,056,890	287,208	934,009	
Total for All Durations	¥ 49,703,340	¥ 42,131,474	¥ 3,258,708	¥ 738,350	¥ 3,574,807	
Average Balance during the Period	¥ 48,448,084	¥ 40,563,569	¥ 3,530,207	¥ 805,239	¥ 3,549,068	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables, lease transactions as well as phased application exposures.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2016, September 30, 2016 and March 31, 2017.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

As of March 31	Millions of Yen					
	2016					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 42,401,628	¥ 36,339,902	¥ 2,562,939	¥ 426,247	¥ 3,072,537	¥ 146,029
Outside Japan	6,969,021	5,108,125	900,735	437,177	522,982	25,605
Total for Regions	¥ 49,370,649	¥ 41,448,028	¥ 3,463,675	¥ 863,425	¥ 3,595,520	¥ 171,634
Manufacturing	4,458,578	2,881,033	542,559	45,911	989,073	19,926
Agriculture and Forestry	4,121	3,969	—	152	—	1,178
Fisheries	58	2	55	—	—	—
Mining and Quarrying of Stones and Gravel	25,554	9,936	151	—	15,467	—
Construction	250,566	152,014	37,535	1,553	59,463	143
Electricity, Gas, Heat Supply and Water	1,003,724	811,631	26,779	10,672	154,640	—
Information and Communication	526,837	463,812	9,105	1,708	52,210	6
Transport and Postal Activities	1,484,184	1,154,121	199,092	32,163	98,806	4,380
Wholesale and Retail Trade	1,927,200	1,439,418	120,127	6,400	361,253	2,695
Finance and Insurance	2,925,513	2,111,779	265,348	259,596	288,788	351
Real Estate	3,759,812	2,939,919	439,587	38,951	341,354	24,063
Goods Rental and Leasing	831,803	754,329	10,425	1,789	65,259	251
Local Public Bodies	141,660	125,929	4,846	—	10,884	—
Individuals	8,433,301	8,287,514	—	—	145,787	73,880
Others	23,597,732	20,312,617	1,808,059	464,526	1,012,529	44,756
Total for Industry Sectors	¥ 49,370,649	¥ 41,448,028	¥ 3,463,675	¥ 863,425	¥ 3,595,520	¥ 171,634
One Year or Less	9,047,952	6,989,439	885,026	142,594	1,030,893	
Over One Year to Three Years	5,843,360	4,137,330	495,742	198,149	1,012,138	
Over Three Years to Five Years	18,352,660	17,402,222	394,029	122,693	433,715	
Over Five Years	16,126,675	12,919,035	1,688,877	399,988	1,118,773	
Total for All Durations	¥ 49,370,649	¥ 41,448,028	¥ 3,463,675	¥ 863,425	¥ 3,595,520	
Average Balance during the Period	¥ 45,465,267	¥ 37,045,547	¥ 4,137,584	¥ 855,564	¥ 3,426,570	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables, lease transactions as well as phased application exposures.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2015, September 30, 2015 and March 31, 2016.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

Balance and Changes of General Allowance for Loan Losses, Specific Allowance for Loan Losses, and Allowance for Loan Losses from Specified Foreign Country Borrowers

(1) General allowance for loan losses

As of March 31	Millions of Yen		
	2017	2016	Change
	Balance	Balance	
General Allowance for Loan Losses	**¥ 97,567**	¥ 68,097	¥ 29,469

(2) Specific allowance for loan losses (breakdown by region, industry sector)

As of March 31	Millions of Yen		
	2017 Balance	2016 Balance	Change
Japan	¥ 15,280	¥ 19,447	¥ (4,167)
Outside Japan	2,966	3,306	(340)
Total for Regions	¥ 18,246	¥ 22,754	¥ (4,507)
Manufacturing	4,899	4,956	(56)
Agriculture and Forestry	1	2	0
Fisheries	—	—	—
Mining and Quarrying of Stones and Gravel	—	—	—
Construction	15	46	(30)
Electricity, Gas, Heat Supply and Water	128	6	121
Information and Communication	8	11	(2)
Transport and Postal Activities	3,403	4,980	(1,576)
Wholesale and Retail Trade	424	853	(428)
Finance and Insurance	184	222	(37)
Real Estate	342	491	(149)
Goods Rental and Leasing	5	45	(39)
Local Public Bodies	—	—	—
Individuals	4,650	4,791	(141)
Others	4,180	6,346	(2,165)
Total for Industry Sectors	¥ 18,246	¥ 22,754	¥ (4,507)

Note: "Others" in the industry sectors include non-residents and state public services.

(3) Allowance for loan losses from specified foreign country borrowers

Not applicable as of the end of March 2017 and the end of March 2016.

Amounts of Written-off Loans by Industry Sector

Years Ended March 31	Millions of Yen	
	2017	2016
Manufacturing	¥ 155	¥ 102
Agriculture and Forestry	1	2
Fisheries	—	2
Mining and Quarrying of Stones and Gravel	0	—
Construction	—	54
Electricity, Gas, Heat Supply and Water	8	—
Information and Communication	26	0
Transport and Postal Activities	1,103	525
Wholesale and Retail Trade	4	676
Finance and Insurance	2	0
Real Estate	12	9
Goods Rental and Leasing	—	—
Local Public Bodies	—	—
Individuals	3,118	2,395
Others	341	5,606
Total for Industry Sectors	¥ 4,776	¥ 9,377

Note: "Others" in the industry sectors include non-residents and state public services.

Balance of Exposures to which the Standardized Approach is Applied by Risk-Weight Category

As of March 31	Millions of Yen			
	2017		2016	
		Subject to Rating		Subject to Rating
Balance of Exposures to which the Standardized Approach is Applied after Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category	**¥ 14,025,982**	**¥ 11,228**	¥ 7,486,945	¥ 2,287
0%	**12,947,106**	**—**	6,546,440	—
10%	**73**	**—**	73	—
20%	**416,396**	**476**	372,677	171
35%	**—**	**—**	15	—
50%	**72,796**	**10,605**	65,581	1,912
75%	**—**	**—**	—	—
100%	**589,609**	**146**	502,155	202
150%	**—**	**—**	1	—
Amounts of exposures with 1,250% risk-weight applied	**—**		—	

Exposures to which the IRB Approach is Applied

As of March 31		Millions of Yen	
		2017	2016
Specialized Lending under the Slotting Criteria		**¥ 1,981,778**	¥ 1,752,499
High-Volatility Commercial Real Estate Exposures		**293,840**	245,266
Maturities of 2.5 Years or Longer		**261,730**	211,741
Strong	95%	**34,230**	35,831
Good	120%	**71,238**	107,555
Satisfactory	140%	**156,261**	57,922
Weak	250%	**—**	10,432
Default	0%	**—**	—
Maturities of Less than 2.5 Years		**32,110**	33,524
Strong	70%	**—**	—
Good	95%	**2,650**	1,806
Satisfactory	140%	**29,460**	31,457
Weak	250%	**—**	259
Default	0%	**—**	—
Other Exposures		**¥ 1,687,937**	¥ 1,507,233
Maturities of 2.5 Years or Longer		**1,586,337**	1,444,268
Strong	70%	**498,350**	605,547
Good	90%	**785,887**	609,392
Satisfactory	115%	**234,411**	174,144
Weak	250%	**63,705**	47,636
Default	0%	**3,981**	7,547
Maturities of Less than 2.5 Years		**101,600**	62,964
Strong	50%	**32,067**	10,428
Good	70%	**39,054**	29,316
Satisfactory	115%	**18,190**	14,129
Weak	250%	**12,287**	9,090
Default	0%	**—**	—
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied		**¥ 84,197**	¥ 93,307
300%		**60,549**	65,141
400%		**23,647**	28,165

Note: The supervisory formula has been applied to some of the specialised lendings since the end of March 2016 and the exposures above are not included.

Portfolios to which the IRB Approach is Applied

(1) Corporate exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.38%	32.89%		38.50%	¥ 14,377,572	¥ 2,790,421	¥ 2,197,575	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	16.92%	33.89%		175.60%	447,029	123,020	85,907	75.00%
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	37.61%	36.29%	17.42%	57,141	9,350	—	—
Total	1.28%	32.94%		42.81%	¥ 14,881,744	¥ 2,922,792	¥ 2,283,482	75.00%

Note: The supervisory formula has been applied to some of the specialised lendings since the end of March 2016 and the exposures above are included.

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.36%	33.39%		38.28%	¥ 14,486,400	¥ 2,834,696	¥ 2,220,079	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	16.10%	33.37%		170.79%	265,847	58,423	12,124	75.00%
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	35.72%	34.78%	20.74%	74,674	16,616	—	—
Total	1.16%	33.40%		40.61%	¥ 14,826,922	¥ 2,909,735	¥ 2,232,203	75.00%

Note: The supervisory formula has been applied to some of the specialised lendings since the end of March 2016 and the exposures above are included.

(2) Sovereign exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.00%	44.01%		0.78%	¥ 16,068,663	¥ 121,276	¥ 23,747	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	34.12%	45.00%		282.38%	11,227	695	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.03%	44.01%		0.99%	¥ 16,079,890	¥ 121,972	¥ 23,747	75.00%

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.01%	43.91%		0.95%	¥ 16,245,333	¥ 129,755	¥ 24,913	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	34.12%	45.00%		282.39%	11,272	1,352	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.03%	43.91%		1.17%	¥ 16,256,605	¥ 131,108	¥ 24,913	75.00%

(3) Financial Institution exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Ordinary Assets (Seijo-Saki)	0.15%	40.82%		29.14%	¥1,090,269	¥ 572,782	¥ 74,577	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—		—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.15%	40.82%		29.14%	¥1,090,269	¥ 572,782	¥ 74,577	75.00%

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Ordinary Assets (Seijo-Saki)	0.12%	42.43%		25.66%	¥ 1,762,254	¥ 669,775	¥ 126,565	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—		—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.12%	42.43%		25.66%	¥ 1,762,254	¥ 669,775	¥ 126,565	75.00%

(4) Equity exposures under the PD/LGD Approach

As of March 31	Millions of Yen 2017		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
Ordinary Assets (Seijo-Saki)	0.22%	145.29%	¥ 930,372
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	12.91%	630.73%	4,733
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	240
Total	0.31%	148.02%	¥ 935,346

Note: Weighted average of risk-weight include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

As of March 31	Millions of Yen 2016		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
Ordinary Assets (Seijo-Saki)	0.20%	137.27%	¥ 1,026,370
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	9.63%	557.89%	2,828
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	304
Total	0.26%	138.74%	¥ 1,029,503

Note: Weighted average of risk-weight include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

(5) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Residential Mortgage								
Current	0.23%	26.86%		12.15%	¥ 8,371,334	¥ 28,198	¥ 740	100.00%
Overdue	21.34%	27.47%		163.67%	83,823	101	22	100.00%
Default	100.00%	29.22%	21.71%	99.46%	35,889	23	—	—
Qualifying Revolving Retail								
Current	0.48%	73.98%		15.85%	19,947	44,089	463,864	9.50%
Overdue	32.27%	69.21%		193.52%	241	123	747	16.54%
Default	100.00%	76.79%	74.01%	36.74%	254	201	2,357	8.54%
Other Retail (consumer)								
Current	0.79%	61.06%		46.41%	158,009	56,159	177,707	28.56%
Overdue	31.76%	37.00%		96.16%	849	650	145	22.81%
Default	100.00%	44.83%	34.22%	140.58%	3,187	301	1,094	22.51%
Other Retail (commercial)								
Current	0.95%	33.97%		30.62%	374,674	2,554	1,490	100.00%
Overdue	35.44%	31.64%		83.97%	2,580	9	9	100.00%
Default	100.00%	35.63%	33.19%	32.37%	10,378	183	33	100.00%
Total	1.03%	28.31%		15.57%	¥ 9,061,172	¥ 132,596	¥ 648,214	15.08%

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Residential Mortgage								
Current	0.24%	25.45%		11.67%	¥ 7,380,677	¥ 33,669	¥ 1,584	100.00%
Overdue	22.12%	26.03%		155.97%	81,417	115	10	100.00%
Default	100.00%	27.95%	21.92%	79.80%	38,725	26	—	—
Qualifying Revolving Retail								
Current	0.50%	74.77%		16.72%	20,268	47,319	502,520	9.42%
Overdue	30.48%	69.00%		200.05%	297	139	729	19.19%
Default	100.00%	77.33%	73.94%	44.89%	263	188	2,159	8.73%
Other Retail (consumer)								
Current	0.76%	59.50%		47.89%	145,672	60,527	183,050	30.84%
Overdue	30.97%	34.80%		90.94%	1,088	604	168	33.98%
Default	100.00%	42.64%	33.68%	118.64%	3,119	391	938	33.76%
Other Retail (commercial)								
Current	1.01%	33.58%		30.79%	344,172	2,708	1,336	100.00%
Overdue	34.42%	29.67%		78.02%	2,620	36	27	100.00%
Default	100.00%	33.60%	30.96%	35.01%	11,896	240	28	100.00%
Total	1.19%	27.11%		15.34%	¥ 8,030,220	¥ 145,967	¥ 692,553	15.52%

Actual Credit Losses in the Current Period and Year-on-Year Change for Portfolios to which the IRB Approach is Applied

Years Ended March 31	Millions of Yen						
	2017			2016			Change in Actual Credit Losses
	Actual Credit Losses	Provisions	Reversals	Actual Credit Losses	Provisions	Reversals	
Corporate Exposures	¥ 24,827	¥ 38,173	¥ (13,345)	¥ 12,082	¥ 22,018	¥ (9,936)	¥ 12,744
Sovereign Exposures	(1,040)	27	(1,068)	4,002	4,002	—	(5,043)
Financial Institution Exposures	2	2	—	0	—	0	2
Retail Exposures	4,303	5,976	(1,672)	10,078	11,901	(1,823)	(5,774)

Note: Of total credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

Actual credit losses in FY2016 increased by ¥1.9 billion year on year. This was mainly due to the posting of allowances for loan losses attendant with deterioration in the credit status of specific obligors in our corporate exposures.

Estimated Credit Losses and Comparable Actual Credit Losses for Portfolios to which the IRB Approach is Applied

Years Ended March 31	Millions of Yen	
	2017	2016
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 24,827	¥ 95,361
Sovereign Exposures	(1,040)	2,168
Financial Institution Exposures	2	1,244
Retail Exposures	4,303	25,751

Notes: 1. Estimated credit losses for fiscal year 2015 are the expected loss amount as of March 31, 2016.
2. Actual credit losses for fiscal year 2016 are the sum of the losses for the most recent one-year period ended March 31, 2017.

Years Ended March 31	Millions of Yen	
	2016	2015
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 12,082	¥ 125,794
Sovereign Exposures	4,002	516
Financial Institution Exposures	0	1,299
Retail Exposures	10,078	26,223

Notes: 1. Estimated credit losses for fiscal year 2014 are the expected loss amount as of March 31, 2015.
2. Actual credit losses for fiscal year 2015 are the sum of the losses for the most recent one-year period ended March 31, 2016.

Years Ended March 31	Millions of Yen	
	2015	2014
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (5,897)	¥ 174,309
Sovereign Exposures	(88)	351
Financial Institution Exposures	(1)	974
Retail Exposures	1,920	35,799

Notes: 1. Estimated credit losses for fiscal year 2013 are the expected loss amount as of March 31, 2014.
2. Actual credit losses for fiscal year 2014 are the sum of the losses for the most recent one-year period ended March 31, 2015.

Years Ended March 31	Millions of Yen	
	2014	2013
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (7,351)	¥ 203,334
Sovereign Exposures	(4)	473
Financial Institution Exposures	(23)	880
Retail Exposures	905	28,148

Notes: 1. Estimated credit losses for fiscal year 2012 are the expected loss amount as of March 31, 2013.
2. Actual credit losses for fiscal year 2013 are the sum of the losses for the most recent one-year period ended March 31, 2014.

Years Ended March 31	Millions of Yen	
	2013	2012
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (2,417)	¥ 189,671
Sovereign Exposures	(10)	317
Financial Institution Exposures	(1)	747
Retail Exposures	1,244	34,399

Notes: 1. Estimated credit losses for fiscal year 2011 are the expected loss amount as of March 31, 2012.
2. Actual credit losses for fiscal year 2012 are the sum of the losses for the most recent one-year period ended March 31, 2013.

Years Ended March 31	Millions of Yen	
	2012	2011
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 16,832	¥ 195,988
Sovereign Exposures	4,749	230
Financial Institution Exposures	(135)	3,395
Retail Exposures	2,576	35,841

Notes: 1. Estimated credit losses for fiscal year 2010 are the expected loss amount as of March 31, 2011.
2. Actual credit losses for fiscal year 2011 are the sum of the losses for the most recent one-year period ended March 31, 2012.

Credit Risk Mitigation Techniques — Consolidated

Amounts of Exposures to which Credit Risk Mitigation Techniques are Applied

As of March 31	Millions of Yen 2017 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 1,058,006	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	2,146,703	212,786	327,980	—
Corporate Exposures	509,908	207,996	181,269	—
Sovereign Exposures	23,618	4,790	146,710	—
Financial Institution Exposures	1,613,176	—	—	—
Retail Exposures	—	—	—	—

As of March 31	Millions of Yen 2016 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 806,757	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,804,531	196,699	345,431	—
Corporate Exposures	471,061	191,532	178,272	—
Sovereign Exposures	8,080	5,166	167,159	—
Financial Institution Exposures	1,325,389	—	—	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions — Consolidated

Derivative Transactions

As of March 31	Millions of Yen 2017	2016
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,587,695	¥ 2,264,683
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	882,716	1,008,079
Foreign Exchange Related	1,043,506	1,129,286
Interest Rate Related	1,340,146	2,066,385
Credit Derivatives	18,994	20,683
Others	333	66
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	1,520,264	2,208,342
Amounts of Collateral	143,725	144,587
Deposits	137,065	136,225
Securities	6,660	8,362
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	738,990	863,491
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	151,636	147,274
Purchasing Protection by Credit Default Swaps	76,736	81,748
Providing Protection by Credit Default Swaps	74,900	65,525
Notional Principal Amounts of Credit Derivatives Used to Allow for the Effect of Credit Risk Mitigation Technique	—	—

Note: Credit equivalents are calculated with the current exposure approach.

Long-term Settlement Transactions

As of March 31	Millions of Yen 2017	2016
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ —	¥ —
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	11	—
Amounts of Collateral	—	—
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	11	—

Note: Credit equivalents are calculated with the current exposure approach.

Securitization Exposures — Consolidated

Securitization Exposures Originated by the SuMi TRUST Holdings Group

Fiscal Year 2016

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2016, type and status of main principal underlying assets

Not applicable.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen 2017 Exposure Amounts: On-balance Sheet Transactions	Exposure Amounts: Off-balance Sheet Transactions	Aggregate Sum of Underlying Assets	Aggregate Sum of Underlying Assets: Asset Transfer-Type Securitization Transactions	Aggregate Sum of Underlying Assets: Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 54,466	¥ —	¥ 216,748	¥ 216,748	¥ —
Residential Mortgage Loans	54,466	—	216,748	216,748	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 54,466	¥ —	¥ 216,748	¥ 216,748	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

Years Ended March 31	Millions of Yen 2017 Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 161	¥ (42)
Others	—	—
Total	¥ 161	¥ (42)

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen 2017 Balance On-balance Sheet Transactions	Balance Off-balance Sheet Transactions	Required Capital On-balance Sheet Transactions	Required Capital Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 54,466	¥ —	¥ 5,797	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	32,262	—	1,020	—
50% to Less than 100%	14,829	—	649	—
100% to Less than 350%	3,897	—	440	—
350% to Less than 1,250%	—	—	—	—
1,250%	3,478	—	3,687	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 54,466	¥ —	¥ 5,797	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of principal underlying assets

As of March 31	Millions of Yen 2017
Residential Mortgage Loans	¥ 2,368
Others	—
Total	¥ 2,368

(7) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 225

As of March 31	Millions of Yen 2017
Residential Mortgage Loans	¥ 3,478
Others	—
Total	¥ 3,478

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2016 and breakdown by type of principal underlying assets

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2015

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2015, type and status of main principal underlying assets

Not applicable.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

	Millions of Yen				
	2016				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 83,438	¥ —	¥ 307,631	¥ 307,631	¥ —
Residential Mortgage Loans	83,438	—	307,631	307,631	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 83,438	¥ —	¥ 307,631	¥ 307,631	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	2016	
Years Ended March 31	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 461	¥ (33)
Others	—	—
Total	¥ 461	¥ (33)

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of main principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2016			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 83,438	¥ —	¥ 7,174	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	58,118	—	1,851	—
50% to Less than 100%	17,497	—	782	—
100% to Less than 350%	4,019	—	509	—
350% to Less than 1,250%	—	—	—	—
1,250%	3,802	—	4,030	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 83,438	¥ —	¥ 7,174	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of main principal underlying assets

As of March 31	Millions of Yen
	2016
Residential Mortgage Loans	¥ 3,972
Others	—
Total	¥ 3,972

(7) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 225

As of March 31	Millions of Yen
	2016
Residential Mortgage Loans	¥ 3,802
Others	—
Total	¥ 3,802

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2015 and breakdown by type of principal underlying assets

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitization Exposures Purchased by the SuMi TRUST Holdings Group

Fiscal Year 2016

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen	
	2017	
	Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 817,698	¥ 66,656
Residential Mortgage Loans	187,073	10,869
Credit Card Loans	21,399	508
Claims on Lease Payments, Installment Receivables	150,982	18,650
Commercial Real Estate-Secured Loans	16,676	—
Other Claims on Corporates	441,566	36,627
Resecuritization Exposures	2,014	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	5	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	2,008	—
Total	¥ 819,712	¥ 66,656

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen 2017 Balance On-balance Sheet Transactions	Balance Off-balance Sheet Transactions	Required Capital On-balance Sheet Transactions	Required Capital Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 817,698	¥ 66,656	¥ 7,449	¥ 1,016
Less than 20%	778,428	54,585	4,788	324
20% to Less than 50%	12,768	742	242	22
50% to Less than 100%	9,639	11,327	497	670
100% to Less than 350%	16,676	—	1,724	—
350% to Less than 1,250%	—	—	—	—
1,250%	184	—	195	—
Resecuritization Exposures (IRB Approach)	2,014	—	54	—
Less than 20%	—	—	—	—
20% to Less than 50%	2,014	—	54	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 819,712	¥ 66,656	¥ 7,503	¥ 1,016

(3) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 225

As of March 31	Millions of Yen 2017
Residential Mortgage Loans	¥ 184
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ 184

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2015

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen	
	2016	
	Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 908,930	¥ 36,829
Residential Mortgage Loans	269,163	3,495
Credit Card Loans	7,500	324
Claims on Lease Payments, Installment Receivables	241,517	16,370
Commercial Real Estate-Secured Loans	16,893	—
Other Claims on Corporates	373,855	16,639
Resecuritization Exposures	14,917	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	4,392	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	10,524	—
Total	¥ 923,847	¥ 36,829

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2016			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 908,930	¥ 36,829	¥ 8,148	¥ 284
Less than 20%	874,659	36,079	5,535	262
20% to Less than 50%	10,226	749	173	22
50% to Less than 100%	5,832	—	249	—
100% to Less than 350%	17,638	—	1,810	—
350% to Less than 1,250%	324	—	116	—
1,250%	247	—	262	—
Resecuritization Exposures (IRB Approach)	14,917	—	302	—
Less than 20%	—	—	—	—
20% to Less than 50%	14,042	—	265	—
50% to Less than 100%	874	—	37	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 923,847	¥ 36,829	¥ 8,450	¥ 284

(3) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 225

	Millions of Yen
As of March 31	2016
Residential Mortgage Loans	¥ 247
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ 247

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Market Risk

Consolidated

(1) Value at Risk (VaR) as of the end of period and maximum, mean, and minimum VaR for the period

	Billions of Yen							
	As of March 31, 2017	Fiscal Year 2016			As of March 31, 2016	Fiscal Year 2015		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
VaR in Banking Account	**¥ 802.4**	**¥ 1,122.8**	**¥ 802.4**	**¥ 983.2**	¥ 1,152.6	¥ 1,191.2	¥ 728.7	¥ 947.3
VaR in Trading Account	**8.0**	**9.8**	**3.4**	**6.0**	4.5	8.5	3.2	5.5

VaR Measurement Standards
Banking account Confidence interval: one-tailed 99% Holding period: 21 business days to 1 year Observation period: 1 year
Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

(2) Term-end Stressed Value at Risk and maximum, mean and minimum of Stressed Value at Risk for the period

	Billions of Yen							
	As of March 31, 2017	Fiscal Year 2016			As of March 31, 2016	Fiscal Year 2015		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
Stressed VaR in Trading Account	**¥ 5.7** **[1.8]**	**¥ 14.7** **[4.6]**	**¥ 2.6** **[0.8]**	**¥ 6.1** **[1.9]**	¥ 5.7 [1.8]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 6.0 [1.9]

Stressed VaR Measurement Standards
Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year
The figures inside the square brackets above denote stress VAR in a case where the holding period is one business day.

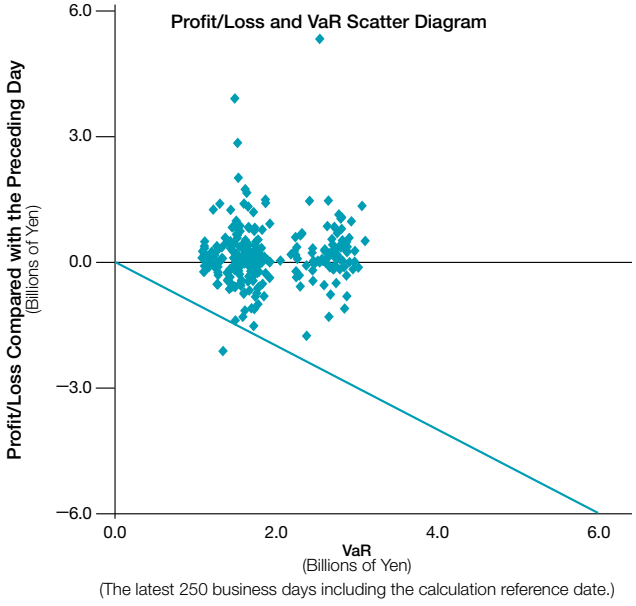
(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period

Not applicable in the fiscal year ended March 31, 2016 and in the fiscal year ended March 31, 2017.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

• Back testing of the trading account

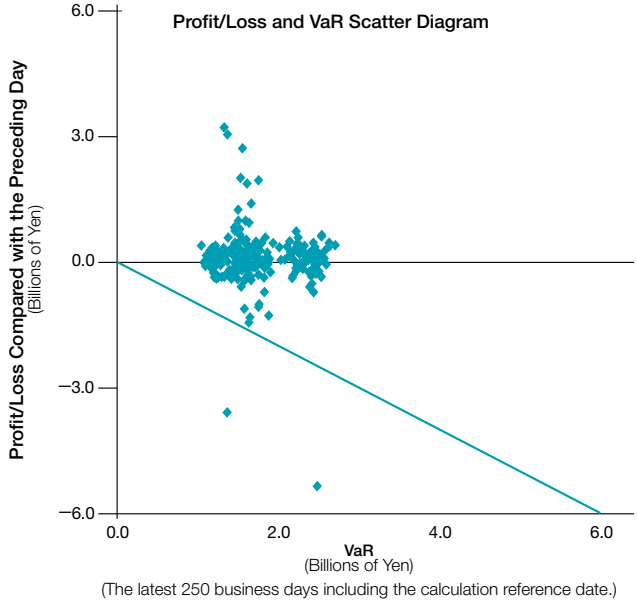
Fiscal Year 2016



Note: As shown above, for fiscal year 2016 back testing of the trading accounts shows one instance of losses in excess of VaR.

• Back testing of the trading account

Fiscal Year 2015



Note: As shown above, for fiscal year 2015 back testing of the trading accounts shows two instances of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account — Consolidated

As of March 31	Millions of Yen							
	2017				2016			
	Book Value		Fair Value		Book Value		Fair Value	
Consolidated Book and Fair Values*1								
Listed Shares Exposures	¥ 1,418,188		¥ 1,418,188		¥ 1,319,935		¥ 1,319,935	
Capital Subscriptions or Equity Exposures Other than Above	73,581		73,581		65,383		65,383	
Amounts of Gains/Losses on Sales and Write-offs	Gains/Losses	Gains	Losses	Write-offs	Gains/Losses	Gains	Losses	Write-offs
of Capital Subscriptions or Equity Exposures*2	36,488	46,243	5,906	3,848	29,660	42,293	6,283	6,350
Amounts of Unrealized Gains/Losses Recognized in the Consolidated Balance Sheets and not Recognized in the Consolidated Statements of Income			731,620				604,055	
Amounts of Unrealized Gains/Losses not Recognized in the Consolidated Balance Sheets and Statements of Income			Not applicable				Not applicable	

*1. Figures for available-for-sale securities include only Japanese and foreign stocks.
*2. Consolidated statements of income show gains/losses on stockholdings and related write-offs.

As of March 31	Millions of Yen	
	2017	2016
Amounts by Portfolio Category	¥ 1,019,514	¥ 1,122,781
Portfolios Adopting the Market-based Approach	84,197	93,307
Portfolios Adopting the PD/LGD Approach	935,316	1,029,474

Note: Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Exposures Held in Funds as Credit Risk-Weighted Assets — Consolidated

As of March 31	Millions of Yen 2017	2016
Aggregate Sum of Exposures Held in Funds	**¥ 1,883,304**	¥ 1,648,037
Look-through Approach	**1,779,772**	1,551,565
Simple Majority Formula	**56,239**	33,845
Investment Criteria Formula	**16,169**	25,562
Internal Model Approach	**—**	—
Probability Approach	**30,148**	36,368
Others	**975**	695

Note: Exposures subject to the calculation of credit risk-weighted assets are shown.

Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by the SuMi TRUST Holdings Group Regarding Interest Rate Risk in the Banking Account — Consolidated

• Outlier ratios

As of March 31	Millions of Yen 2017	2016
Overall Amounts of Interest Rate Risk	**¥ 103,347**	¥ 35,587
Japanese Yen Interest Rates	**5,251**	10,888
U.S. Dollar Interest Rates	**95,002**	10,834
Other Interest Rates	**3,093**	13,865
Outlier Ratios	**3.4%**	1.2%

Notes: 1. The amount of assets at consolidated units outside of Sumitomo Mitsui Trust Bank was small, so the overall risk and outlier ratios are shown at the consolidated level for Sumitomo Mitsui Trust Bank.
2. The above table indicates figures calculated by individual banks in accordance with the outlier standard specified by the "Comprehensive Guidelines for Supervision of Major Banks, etc." and based on the following assumptions:
- Risk measurement method: Interest rate sensitivity approach
- Interest rate fluctuation scenario: An interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one-year holding period and a minimum observation period of five years.
- Definition of the core deposits: The lowest of the following three is the upper limit on the core deposit amount (No.3 is adopted) and the maturity is five years (an average remaining term of 2.5 years): 1) The lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

Indicators for Assessing Global Systemically Important Banks (G-SIBs) Consolidated

Fiscal Year 2016

As of March 31		Billions of Yen
Item No.	Items	2017
1.	Total exposures (a + b + c + d):	
	a. On-balance sheet assets (other than assets specifically identified below b., c. and contra-account of guarantees)	
	b. Sum of counterparty exposure of derivatives contracts, capped notional amount of written credit derivatives and potential future exposure of derivatives contracts	
	c. Adjusted gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs	
	d. Gross notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	¥ 68,096.3
2.	Intra-financial system assets (a + b + c + d):	
	a. Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions	
	b. Holdings of securities issued by other financial institutions (Note 1)	
	c. Net positive current exposure of SFTs with other financial institutions	
	d. Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	4,317.4
3.	Intra-financial system liabilities (a + b + c):	
	a. Deposits due to, and loans and undrawn committed lines obtained from, other financial institutions	
	b. Net negative current exposure of SFTs with other financial institutions	
	c. OTC derivatives with other financial institutions that have a net negative fair value	10,896.2
4.	Securities outstanding (Note 1)	11,092.5
5.	Assets under custody	326,088.2
6.	Notional amount of OTC derivatives	182,082.2
7.	Held-for-trading (HFT) securities and available-for-sale (AFS) securities, excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts (Note 2)	2,752.6
8.	Level 3 assets (Note 3)	423.9
9.	Cross-jurisdictional claims	8,916.5
10.	Cross-jurisdictional liabilities	12,617.0

Years Ended March 31		Billions of Yen
Item No.	Items	2017
11.	Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	¥ 2,597,953.2
12.	Underwritten transactions in debt and equity markets (Note 4)	15.0

Notes: 1. Securities refer to secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, certificate of deposits, and equities.
2. Level 1 and Level 2 assets with haircuts are defined in the Basel Ⅲ Liquidity Coverage Ratio (LCR).
3. The amounts are calculated in accordance with the International Financial Reporting Standards with necessary modifications.
4. This refers to underwriting of securities defined in article 2 paragraph 8 item 6 of the Financial Instruments and Exchange Act.

Fiscal Year 2015

As of March 31		Billions of Yen
Item No.	Items	2016
1.	Total exposures (a + b + c + d):	
	a. On-balance sheet assets (other than assets specifically identified below b., c. and contra-account of guarantees)	
	b. Sum of counterparty exposure of derivatives contracts, capped notional amount of written credit derivatives and potential future exposure of derivatives contracts	
	c. Adjusted gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs	
	d. Gross notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	¥ 60,580.6
2.	Intra-financial system assets (a + b + c + d):	
	a. Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions	
	b. Holdings of securities issued by other financial institutions (Note 1)	
	c. Net positive current exposure of SFTs with other financial institutions	
	d. Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	7,492.5
3.	Intra-financial system liabilities (a + b + c):	
	a. Deposits due to, and loans and undrawn committed lines obtained from, other financial institutions	
	b. Net negative current exposure of SFTs with other financial institutions	
	c. OTC derivatives with other financial institutions that have a net negative fair value	3,813.5
4.	Securities outstanding (Note 1)	10,727.4
5.	Assets under custody	305,546.5
6.	Notional amount of OTC derivatives	159,698.0
7.	Held-for-trading (HFT) securities and available-for-sale (AFS) securities, excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts (Note 2)	2,582.6
8.	Level 3 assets (Note 3)	457.9
9.	Cross-jurisdictional claims	9,031.3
10.	Cross-jurisdictional liabilities	9,300.4

Years Ended March 31		Billions of Yen
Item No.	Items	2016
11.	Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	¥ 2,806,863.6
12.	Underwritten transactions in debt and equity markets (Note 4)	16.7

Notes: 1. Securities refer to secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, certificate of deposits, and equities.
2. Level 1 and Level 2 assets with haircuts are defined in the Basel Ⅲ Liquidity Coverage Ratio (LCR).
3. The amounts are calculated in accordance with the International Financial Reporting Standards with necessary modifications.
4. This refers to underwriting of securities defined in article 2 paragraph 8 item 6 of the Financial Instruments and Exchange Act.

Composition of Leverage Ratio

Consolidated

As of March 31			Millions of Yen, %	
Basel Ⅲ Template No. (Table 2)	Basel Ⅲ Template No. (Table 1)	Items	2017	2016
		On-Balance Sheet Exposures		
1		On-Balance Sheet Exposures before Deducting Adjustment Items	¥ 63,030,500	¥ 55,694,009
1a	1	Total Assets Reported in the Consolidated Balance Sheet	65,453,725	58,229,948
1b	2	The Amount of Assets of Subsidiaries that are not Included in the Scope of the Leverage Ratio on a Consolidated Basis (Deduction)	—	—
1c	7	The Amount of Assets of Subsidiaries that are Included in the Scope of the Leverage Ratio on a Consolidated Basis (except Those Included in the Total Assets Reported in the Consolidated Balance Sheet)	—	—
1d	3	The Amount of Assets that are Deducted from the Total Assets Reported in the Consolidated Balance Sheet (except Adjustment Items) (Deduction)	2,423,224	2,535,938
2	7	The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction)	252,989	197,805
3		Total On-Balance Sheet Exposures (A)	62,777,510	55,496,204
		Exposures Related to Derivative Transactions		
4		Replacement Cost Associated with Derivatives Transactions, etc.	492,046	571,207
5		Add-On Amount Associated with Derivatives Transactions, etc.	1,005,688	889,596
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.	500,833	494,847
6		The Amount of Receivables Arising from Providing Cash Margin, Provided where Deducted from the Consolidated Balance Sheet Pursuant to the Operative Accounting Framework	—	—
7		The Amount of Deductions of Receivables (out of those Arising from Providing Cash Variation Margin) (Deduction)	225,097	317,580
8		The Amount of Client-Cleared Trade Exposures for which a Bank or Bank Holding Company Acting as Clearing Member is not Obliged to Make Any Indemnification (Deduction)		
9		Adjusted Effective Notional Amount of Written Credit Derivatives	80,698	77,279
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)	77,900	70,900
11	4	Total Exposures Related to Derivative Transactions (B)	1,776,269	1,644,449
		Exposures Related to Repo Transactions		
12		The Amount of Assets Related to Repo Transactions, etc.	564,341	436,834
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)	—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.	77,155	38,271
15		The Exposures for Agent Repo Transaction		
16	5	The Total Exposures Related to Repo Transactions, etc. (C)	641,497	475,106
		Exposures Related to Off-Balance Sheet Transactions		
17		Notional Amount of Off-Balance Sheet Transactions	7,368,678	7,570,074
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)	4,720,545	4,803,025
19	6	Total Exposures Related to Off-Balance Sheet Transactions (D)	2,648,133	2,767,049
		Leverage Ratio on a Consolidated Basis		
20		The Amount of Capital (Tier 1 Capital) (E)	2,625,737	2,415,375
21	8	Total Exposures (F) = (A)+(B)+(C)+(D)	67,843,410	60,382,809
22		Leverage Ratio on a Consolidated Basis (G) = (E)/(F)	3.87%	4.00%

Liquidity Coverage Ratio (LCR) Consolidated

Quantitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

	Items	Millions of Yen, %, the Number of Data			
		Fiscal Year 2016 4th Quarter		Fiscal Year 2016 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total High-Quality Liquid Assets (HQLA)		¥ 23,979,032		¥ 22,382,684
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash Outflows Related to Unsecured Retail Funding	¥ 17,702,805	724,078	¥ 16,767,272	652,670
3	of Which, Stable Deposits	562,023	16,860	555,117	16,653
4	of Which, Less Stable Deposits	7,035,487	707,217	6,167,601	636,017
5	Cash Outflows Related to Unsecured Wholesale Funding	22,294,450	18,284,475	24,367,556	19,097,433
6	of Which, Qualifying Operational Deposits	805,030	201,257	770,726	192,681
7	of Which, Cash Outflows Related to Unsecured Wholesale Funding Other than Qualifying Operational Deposits and Debt Securities	19,445,378	16,039,176	21,533,478	16,841,400
8	of Which, Debt Securities	2,044,042	2,044,042	2,063,352	2,063,352
9	Cash Outflows Related to Secured Funding, etc.		66,484		0
10	Cash Outflows Related to Derivative Transactions, etc. Funding Programs, Credit and Liquidity Facilities	5,299,803	1,443,650	5,510,351	1,591,640
11	of Which, Cash Outflows Related to Derivative Transactions, etc.	606,870	606,870	775,060	775,060
12	of Which, Cash Outflows Related to Funding Programs	0	0	0	0
13	of Which, Cash Outflows Related to Credit and Liquidity Facilities	4,692,933	836,780	4,735,291	816,580
14	Cash Outflows Related to Contractual Funding Obligations, etc.	431,238	277,303	692,502	389,180
15	Cash Outflows Related to Contingencies	10,296,764	23,048	10,524,912	23,661
16	Total Cash Outflows		20,819,038		21,754,584
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash Inflows Related to Secured Lending, etc.	44,876	40,943	24,459	24,459
18	Cash Inflows Related to Collection of Loans, etc.	4,845,619	2,990,326	4,468,406	2,876,542
19	Other Cash Inflows	313,559	251,988	528,178	455,105
20	Total Cash Inflows	5,204,054	3,283,257	5,021,043	3,356,106
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA Allowed to be Included in the Calculation		23,979,032		22,382,684
22	Net Cash Outflows		17,535,781		18,398,478
23	Consolidated Liquidity Coverage Ratio (LCR)		136.7		121.9
24	The Number of Data Used to Calculate the Average Value		61		3

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our consolidated LCR has trended steadily for the most part in the past two years. Our LCR slightly decreased compared with before amid increases in both high-quality liquid assets (numerator) and cash outflows (denominator) as a result of the Bank of Japan's negative interest rate policy introduced in January 2016.

(2) Items concerning evaluation of the LCR level

Our consolidated LCR satisfies the required criteria and we do not expect the LCR to significantly fluctuate from the current level. Furthermore, the actual LCR is not significantly different form our forecast.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality assets and net cash outflows in major currencies.

(4) Other items concerning LCR

For some of borrowings from the trust funds (trust accounts), we apply the "treatment for qualifying operational deposit." We regularly estimate the amount held from the sum circulating based on monthly outflows and inflows. We do not apply the "additional collateral required to market valuation changes based on the scenario approach."

Furthermore, taking account of the impact to LCR, we are using month-end data in lieu of daily data for the consolidated subsidiary companies of minor importance with practical restrictions.

This section outlines matters to be stated in explanatory documents relating to the fiscal year separately stipulated by the Director-General of the Financial Services Agency (Notification No. 15 of Financial Services Agency, March 23, 2007) with regard to the status of capital adequacy as set forth in Article 19-2, Paragraph 1, Item 5-(d) of the Enforcement Regulations of the Banking Act (Ministry of Finance Ordinance No. 10, 1982), as well as the matters regarding compensation separately stipulated by the Director-General of the Financial Services Agency (Notification No. 21 of Financial Services Agency, March 29, 2012) as having significant consequences on the business operation or asset status of a bank, a bank holding company, or their subsidiaries, according to Article 19-2, Paragraph 1, Item 6, Article 19-3, Item 4 and Article 34-26, Paragraph 1, Item 5 of the Enforcement Regulations of the Banking Act (Ministry of Finance Ordinance No. 10, 1982).

The following disclosure is with respect to Sumitomo Mitsui Trust Bank, Limited as of the end of March 2017.

Capital Adequacy Ratio Qualitative Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")

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Compensation Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")

Capital Adequacy Ratio Qualitative Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited

1. Overview of Risk Management

(1) Basic Policies on Risk Management and Risk Categories

In accordance with the Risk Management Policy formulated by SuMi TRUST Holdings along with our management policy and the basic policy on internal control, the Board of Directors at SuMi TRUST Bank has established Risk Management Rules, which sets out SuMi TRUST Bank's basic rules for risk management, including the types of risk requiring attention, the techniques applied to hedge risk, and the structure and authority for risk control. Based on these rules, SuMi TRUST Bank defines the content of specific standards for risk management by each type of risk.

The types of risks defined by SuMi TRUST Bank for the above purpose include credit risk, market risk, funding liquidity risk and operational risk.

Credit risk is the risk of reduction or impairment of the value of assets (including off-balance sheet assets), owing to reasons such as deterioration in the financial condition of an obligor, that causes SuMi TRUST Bank to incur loss.

Market risk is the risk of loss caused by the changes in the value of assets or liabilities held by SuMi TRUST Bank (including those on off-balance basis) and/or the proceeds there from, due to fluctuations of various risk factors such as interest rates, foreign exchange rates, and stock prices.

Funding liquidity risk is the risk of loss resulting from a cash-flow crisis due to an inability to finance any necessary funds, or a tight funding environment that imposes an interest rate significantly higher than normal.

Operational risk refers to the risk of losses arising from inappropriate business processes, activities of executives or employees, computer systems as well as external incidents.

(2) Risk Management Structure

In accordance with the Risk Management Policy formulated by SuMi TRUST Holdings, SuMi TRUST Bank sets down the roles and responsibilities of operational organizations and departments related to risk management as follows:

1) The Board of Directors formulates policies for the identification, assessment, monitoring, control and reduction of risks. It also formulates management plans, including the risk capital allocation plan and the risk management plan, and disseminates the plans throughout the company. It also establishes a reporting structure and vests authority in relevant organizations.

2) The Executive Committee sets rules and provisions regarding the identification, assessment, monitoring, control and mitigation of risks in line with the policies set out by the Board of Directors, and develops frameworks to put them into practice.

• Risk Categories

Risk Category	Definition
Credit Risk	Risk that the Group incurs losses due to the value of an asset (including off-balance sheet assets) decreasing or impairing owing to such reasons as deterioration in the financial condition of an obligor. Of this, "country risk" in particular means risk that the Group incurs losses on credit provided overseas, due to foreign exchange, political and economic conditions of the country of the obligor.
Market Risk	Risk that the Group incurs losses due to fluctuations in the value of assets/liabilities (including off-balance sheet assets/liabilities), or in the earnings generated from assets/liabilities, due to fluctuations in various market risk factors, such as interest rates, foreign exchange rates, stocks, commodities, and credit spreads. Of this, "market liquidity risk" in particular means risk that the Group incurs losses caused in a situation where it becomes impossible to conduct transactions in the market or becomes obligatory to trade at prices significantly disadvantageous than usual due to market turmoil.
Funding Liquidity Risk	Risk that the Group incurs losses in a situation where it becomes impossible to secure necessary funds or becomes obligatory to raise funds at interest rates significantly higher than usual.
Operational Risk (Below are "risk sub-categories" within Operational Risk)	Risk that the Group incurs losses resulting from inadequate or failed internal processes, people and systems or from external events.
Business Processing Risk	Risk that the Group incurs losses due to inappropriate business procedures arising from executives or employees neglecting to engage in proper business activities, or other incidents such as accident or fraud.
System Risk	Risk that the Group incurs losses due to such reasons as computer system failure, malfunction and defects, as well as the risk that the Group incurs losses due to unauthorized use of a computer.
Information Security Risk	Risk that the Group incurs losses because information assets are not properly maintained or managed. This includes information leaks, incorrect information, an inability to use the information system or misuse of information.
Legal & Compliance Risk	Risk that the Group incurs losses due to uncertain legal aspects of transactions, or due to insufficient compliance with laws, regulations, etc.
Human Resource Risk	Risk that the Group incurs losses due to personnel and labor management issues, such as unequal or unfair management of personnel and harassment.
Event Risk	Risk that the Group incurs losses due to external events that impair business, such as natural disasters, crimes such as terrorism, damage to public infrastructure that prevents its functioning, the spread of infectious diseases, and the inappropriate use or management of tangible assets.
Reputational Risk	Risk that the Group incurs losses as a result of deterioration in reputation for SuMi TRUST Holdings or its subsidiaries, owing to such reasons as mass media reports, rumors or speculation.

3) Front office departments engage in operational administration aimed at ensuring the effectiveness of risk management, such as implementing appropriate controls that reflect the scale and characteristics of risks based on the accurate recognition of risks, subject to Risk Management Rules and relevant risk management regulations, etc.

4) Risk management-related departments are responsible for developing and running the risk management process for identification, assessment, monitoring control and reduction of risks they are supposed to manage. Furthermore, in order to fulfill their check-and-balance functions over the front office departments these departments engage in the planning and promotion of the risk management system including reporting to senior management on a regular basis or as appropriate, based on the monitoring of risk status and risk management activities at front office departments.

(3) Enterprise Risk Management and Integrated Risk Management

SuMi TRUST Bank comprehensively measures the risks it faces after assessments thereof by risk category. It manages risks by comparing them with SuMi TRUST Bank's financial strength (Enterprise Risk Management).

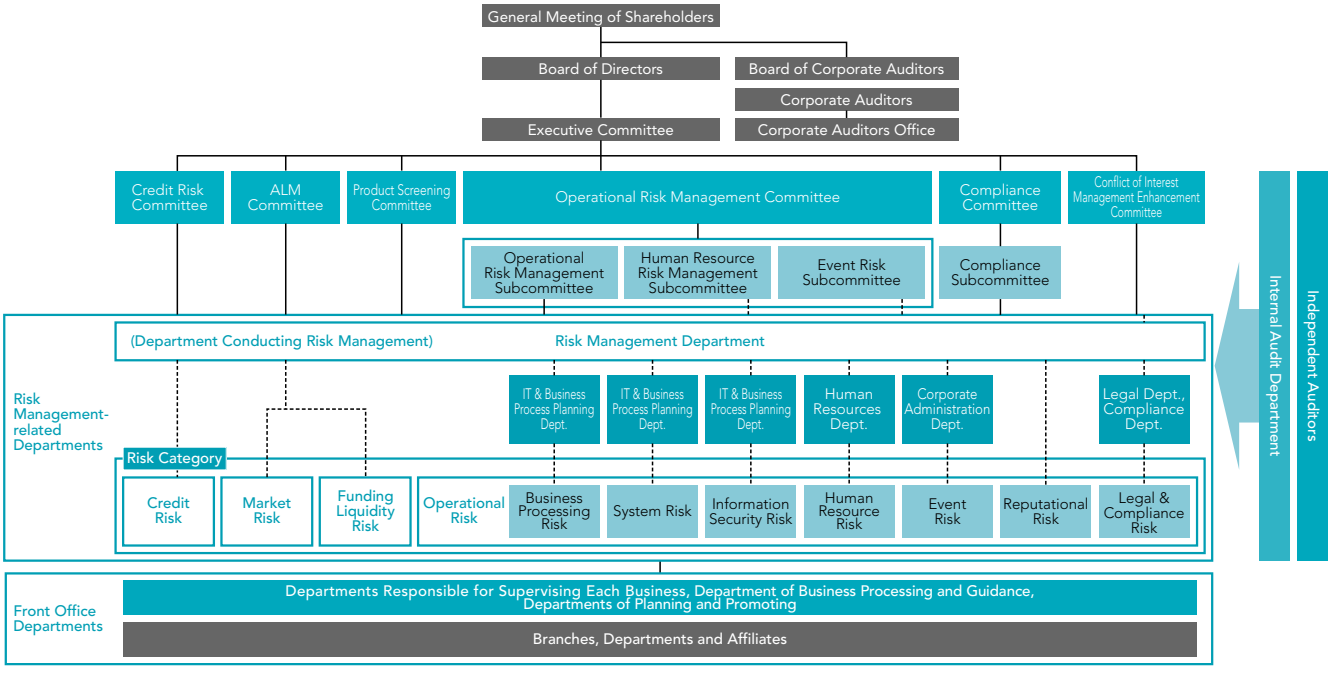
In addition, among the risks subject to Enterprise Risk Management, SuMi TRUST Bank aggregates risks which are quantifiable with unified criteria such as the integrated VaR, and manages these risks by comparing them with SuMi TRUST Bank's financial strength, which is indicated by its capital buffer (Integrated Risk Management).

2. Credit Risk Management

Credit risk refers to the risk that the SuMi TRUST Group incurs losses due to the value of an asset (including off-balance sheet assets) decreasing or impairing owing to such reasons as deterioration in the financial condition of an obligor. Of this, country risk, in particular, means risk that the SuMi TRUST Group incurs losses on credit provided overseas, due to foreign exchange, political and economic conditions of the country of the obligor. Credit risk is the most basic risk involved in the "credit creation function" —the basic function of finance.

The outlook for the global economy remains uncertain and the financial markets are experiencing the impact of the political situation in Europe and the United States, heightened geopolitics risks, deterioration of national finances in emerging economies and the fall in resource prices. In addition, there are toughened international financial regulations

• Risk Management Structure



including ones pertaining to credit concentration risk. We are building a more advanced credit risk management system in light of this economic environment and the regulatory trend surrounding us.

At the same time, we are also proactively working to serve new healthy demand for funds, to achieve a diversified credit portfolio and stronger client base.

Initiatives for clients' business improvement related to financial facilitation are also important from the viewpoint of credit risk management. Therefore, we are working to develop systems to handle them appropriately.

(1) Credit Risk Management Policy

The basic policy of SuMi TRUST Bank's risk management calls for "a diversified credit portfolio" and "strict credit management for individual credits." For the former, we are making efforts to mitigate credit concentration risk by managing, on a sector-by-sector and country-by-country basis, the diversification of the overall credit portfolio, including large borrowers. For the latter, we are managing individual credits in a more elaborate manner through the operation of credit screening, self-assessment and internal Credit Ratings.

Furthermore, we have set a standard for profitability by taking into account expected loss ratios and expense rates for each credit rating, and reflect the results of this measurement in the terms and conditions of each transaction in a bid to secure profit margins (spreads) commensurate with their risk amount to "ensure appropriate risk-return."

SuMi TRUST Bank's credit risk management covers not only credit transactions in the banking account but also transactions in the principal guaranteed trust account.

(2) Credit Risk Management Structure

We have established a credit risk management framework under which various organizations and departments are closely organized for mutual support and effective checks and balances. Relevant organizations and departments assume their respective roles based on the credit strategies and credit risk management plans formulated by the Board of Directors as follows:

1) The Board of Directors decides on important matters related to credit risk management when establishing semiannual management plans. Based on reports on credit risk management (including the results of asset assessment), the Board of Directors decides on the credit strategy and economic capital plan, and its approval of self-assessment standards and rules for write-offs and reserves, through these decisions, it strengthens and improves the fund management base, and ensures the effective use of funds and the soundness of assets, including assets in trust.

2) The Executive Committee, based on the reports of credit risk management (including the results of asset assessment), deliberates and decides on the credit strategy and the risk capital allocation plan, and brings them to the Board of Directors. Also, the Committee develops and reviews the framework to carry out self-assessment and the calculation of write-offs and reserves in an appropriate manner.

3) The Credit Risk Committee deliberates and decides on basic credit policies as well as investment and loan transactions, and secures the strengthening and improvement of the fund management base, the effective use of funds and the soundness of assets, including assets in trust.

4) The Risk Management Department designs and facilitates the management of credit risk in a proper manner as a risk management-related department pertaining to credit risk. Also, it undertakes credit risk management through the measurement of credit risk amounts, the monitoring of credit portfolios and validation of the appropriateness of self-assessment, write-offs and reserves, and verifies the appropriateness of the internal ratings system.

5) The Research Department applies Credit Ratings based on industry research and research on credit evaluation of individual companies along with quantitative analysis, from a neutral standpoint independent of global credit supervision departments, branches and departments.

6) Each Global Credit Supervision Department screens credit transactions strictly, provides appropriate guidance to branches and departments, and conduct self-assessment (secondary assessment), and deal with problematic loans.

7) Branches and Departments manage credit transactions appropriately and conduct self-assessment (initial assessment).

8) The Internal Audit Department conducts the internal audit of internal risk management frameworks for various processes.

(3) Credit Risk Management Methods

1) Credit Concentration Risk Management

Based on the idea that keeping close tabs on credit exposure to each obligor as the basics of credit risk management, we manage loans, stocks, off-balance sheet and other transactions in a comprehensive and integrated manner. We place limits on credit exposures thus calculated and known, and also periodically examine the impact of credit risk realization of large obligors and the particular degree of concentration in industry sectors with large credit exposures, and we report these to the Executive Committee on a quarterly basis.

To manage country risks, we control exposures for each country in which obligors operate.

2) Credit Ratings and Self-assessment

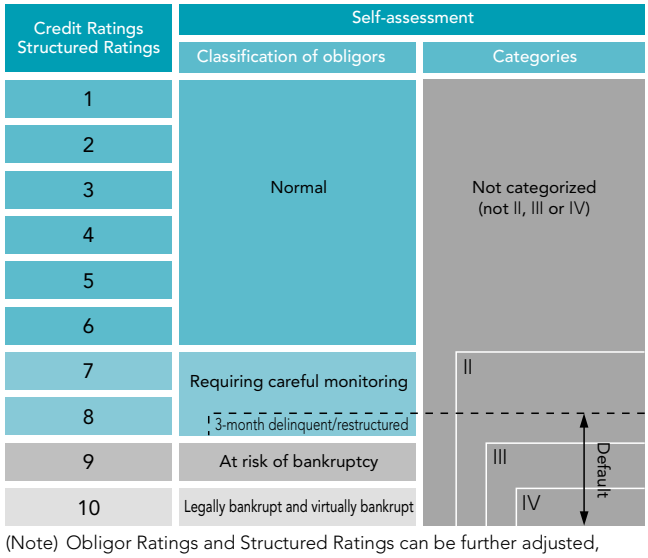
"Credit Ratings" that indicate the credit status of obligors and the possibility of defaults and losses provide the basis for credit screening of individual transactions and credit portfolio management. Credit Ratings include: Obligor Ratings for corporations that comprise sovereigns and financial institutions; Structured Ratings applicable to structured finance such as real estate non-recourse loans; and Facility Ratings that reflect the possibility of loss of individual facilities.

Obligor Ratings use a method that combines a statistical quantitative model and qualitative assessment that reflects the characteristics of individual obligors, providing stage assessment in respect of the credit status of obligors and the likelihood of them defaulting. Structured Ratings indicate in stages the credit status of obligors and the likelihood of them defaulting. Evaluations are based on the quantitative and qualitative criteria according to the type of finance such as real estate non-recourse loans, project finance and ship/aircraft finance. Facility Ratings indicate in stages the possibility of loss, according to evaluations based on the case-specific credit quality (guarantee, collateral, etc.). These Credit Ratings also serve as the basis for credit risk calculations using the Internal Ratings-based Approach (the "IRB Approach") based on capital adequacy regulations.

We conduct self-assessment basically for all assets in the banking account and the principal guaranteed trust account on a regular basis, and determine the "classification of obligors" by assessing client's repayment capacity by their financial standing, cash positions, profit earning capacity, etc., as well as the "asset classification" according to the risk of assets becoming irrecoverable or impaired in their value, in order to achieve effective credit risk management and adequate write-offs and reserves.

The credit rating systems and the self-assessment system are administered in a mutually consistent manner, sharing client' basic financial data. Soundness of credit portfolios is accurately evaluated based on the timely and proper grasp of the clients' creditworthiness through the administration of both systems.

• Comparative Table of Credit Ratings and Self-assessment



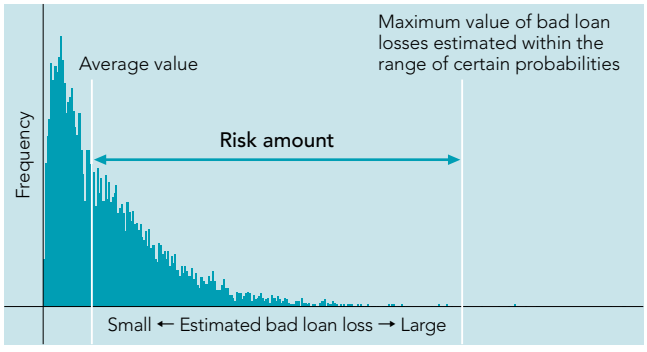
(Note) Obligor Ratings and Structured Ratings can be further adjusted, where necessary, through the addition of [+] or [-] symbols.

3) Credit Risk Quantification

The measurement of credit risk amount is designed to quantitatively grasp the extent as to how far the company's assets are likely to incur losses from credit events over the coming year. In particular, based on estimates of default rates in each grade of credit rating and recovery rates, we measure the difference between the maximum value of bad loan losses estimated within the range of certain probabilities and the expected bad loan loss, which is the average value of estimated bad loan losses, as the credit risk amount. The measurement results are reported regularly to the Board of Directors, etc.

As our risk measurement method, we have adopted Monte Carlo simulation, which generates a variety of scenarios (100,000 in our case) to plot a distribution of losses from which the maximum value of losses is estimated (See the chart below).

• Risk Amount

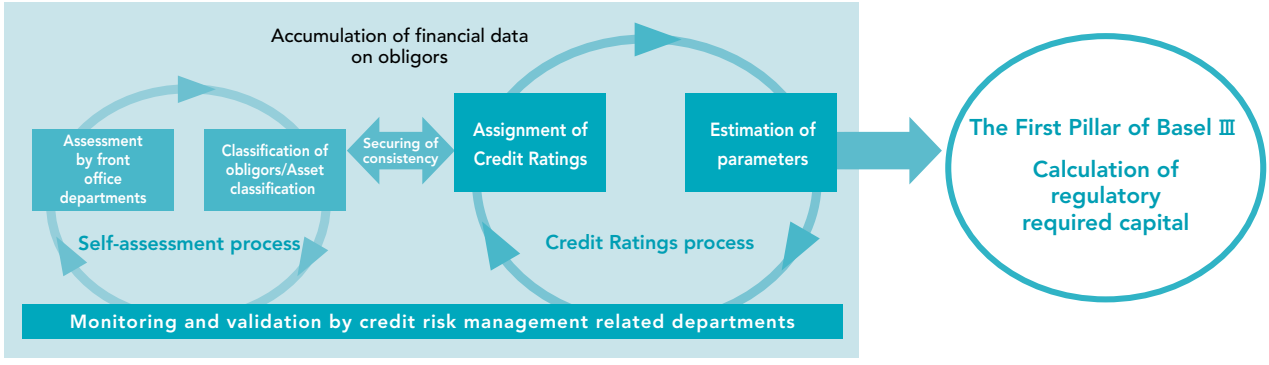


In the actual measurement, as our method is designed to factor in the correlation between individual assets, the risk amount derived reflects not only the quality of assets, but also the effects of diversification or credit portfolios. Therefore, by regularly monitoring the risk amount, we can ascertain the status of our credit risk management policy, i.e., "a diversified credit portfolio" and "strict credit management for individual credits." We also check the appropriateness of capital allocation and the soundness of business operations.

Usually, the measurement of risk amount is conducted using estimated values calculated based on default rates and recovery rates, etc. As a complementary measure, we also conduct "stress testing," intended to estimate the maximum possible losses that may arise from a situation that represents an aberration from historical data but could theoretically occur. We set out multiple scenarios and conduct simulations to see how the risk amount changes in each of these scenarios. The results of these tests are reported to the Board of Directors, etc.

We are also working on risk calculation techniques and the creation of more sophisticated scenarios, corresponding to the characteristics of SuMi TRUST Bank's asset under out management.

• Basic Process of the IRB Approach



(4) Compliance with Capital Adequacy Regulations

1) Measurement of Required Capital via the IRB Approach

As a method for calculating the amount of credit risk-weighted assets related to the calculation of the required capital under capital adequacy regulations, we have adopted the IRB Approach, which uses Credit Ratings and other internal data for the management of obligors.

In terms of calculation method, we have adopted the Advanced IRB Approach since the end of March 2015, which is primarily applicable to domestic corporations and others.

1. Basic Process of the IRB Approach

Under the IRB Approach, the amount of regulatory required capital is calculated via the following three stages:

(a) Assignment of Credit Ratings (Credit Ratings and Credit Pool Categories)

SuMi TRUST Bank develops its own ratings system (Internal Ratings Management)* in accordance with its risk profiles, and based on this system, SuMi TRUST Bank assigns ratings to obligors. Credit Ratings ensure consistency with the results of self-assessment, and the accuracy of Credit Ratings is secured with credit risk management related departments validating the internal rating system and rating grades assigned to individual obligors.

* For details of our Credit Ratings system, please refer to "3. Internal Ratings System" on page 261.

(b) Estimation of Parameters

Estimation of some parameters (input variables) necessary for risk measurement is implemented by collecting the actual results (performance data) of credit extended to individual credit transactions on the basis of ratings assigned under (a).

(c) Calculation of Minimum Required Capital

The minimum required capital is calculated by applying the result of (b) above to the calculating formula based on the notification issued by the Financial Services Agency.

• Calculation Methods and Credit Ratings Applied to Respective Exposures

Approach	Asset Classification		Sub-category	Applicable Calculation Approaches*	Applicable Credit Ratings
Internal Ratings-based Approach	Corporate Exposure	Corporate Exposure	—	Supervisory Formula	Obligor Ratings, Facility Ratings
		Specialized Lending	Real estate non-recourse loan (excluding high-volatility non-recourse loan)	Supervisory Formula	Structured Ratings
			Real estate non-recourse loan excluding that stated above, Project finance, Commodity finance, Object finance	Supervisory Slotting Criteria Approach	
		Sovereign Exposure	—	Supervisory Formula	Obligor Ratings, Facility Ratings
		Bank Exposure	—	Supervisory Formula	Obligor Ratings, Facility Ratings
	Retail Exposure		Residential mortgage exposures	Supervisory Formula	Credit Pools
			Qualifying revolving retail exposures	Supervisory Formula	Credit Pools
			Other retail exposures	Supervisory Formula	Credit Pools
	Purchased Receivables		Regulatory formula for underlying assets	Supervisory Formula	Obligor Ratings, Facility Ratings
			Slotting criteria approach for underlying assets	Supervisory Slotting Criteria Approach	Structured Ratings
			Cases where classification is not possible due to multiple underlying assets	Top-down Approach	Credit Pools
	Equities, etc.		Domestic listed equities, equities of domestic unlisted obligors	PD/LGD Approach	Obligor Ratings
			Equities of domestic unlisted firms with no credit exposure, foreign equities	Simplified Approach	—

* Supervisory Formula & PD/LGD Approach: Formulas prescribed in the Notification (by the Financial Services Agency) are used.
Supervisory Slotting Criteria Approach: An approach to calculate credit risk by mapping internal Credit Ratings to the five supervisory categories, each of which is associated with a specific risk-weight.
Simplified Approach: An approach that uses predetermined risk-weights.
Top-Down Approach: An approach that regards purchased assets as an aggregate and uses formulas prescribed in the Notification (by the Financial Services Agency).

Notes:
1. We use the external ratings-based approach and the supervisory formula. For details, please refer to page 271, "7. (I) Securitization Exposures."
2. For "funds," we apply calculation methods that are appropriate for respective underlying assets.

2. Approaches Applicable to Respective Exposures

Under capital adequacy regulations, methods of calculating risk-weights and Credit Ratings used are varied depending on asset classes. Please refer to the table on page 259 for the breakdown of calculation methods and Credit Ratings we apply to respective exposures:

3. Estimated Parameters

As described below, there are three parameters which must be estimated in order to calculate the amount of credit risk-weighted assets. Exposures with higher levels of parameters have higher required capital. In order to ensure objectivity and accuracy, we use, in principle, the same parameters used for internal risk management purposes for capital adequacy regulations as well.

(a) Probability of Default (PD)

The prior probability that a single obligor or a single transaction is likely to default during a specified period.

(b) Loss Given Default (LGD)

The prior estimate of the ratio of a loss likely to be incurred in the event of a default by a certain obligor or a certain transaction to the exposure at default.

(c) Exposure At Default (EAD)

The likely exposure amount at the time of occurrence of events of default, including additional credit that may be drawn from lines of credit or other financing, before a client defaults on obligations.

4. PD・LGD Estimation Method

In our integrated risk management, we estimate PD, LGD and EAD, and we use these estimates as parameters for the IRB Approach under capital adequacy regulations.

For Domestic Credit Ratings, we estimate PD in line with the definition of default, which equates with the Basel Ⅱ definition, on the basis of our performance data (the "internal historical data method"). For international credit ratings, we estimate PD on the basis of mapping with default data provided by Standard & Poor's Ratings Services (the "mapping method"). In principle, we estimate PD for Credit Ratings on the basis of the cumulative default rate from the internal historical data for the latest 20 years and by taking into account applicable external data. For transactions subject to credit pool management that do not have the ratings migration, we estimate PD, in principle, by using the average of the actual default rates for the latest 20 years. Where the period of accumulation of performance data has yet to reach 20 years, we estimate PD on the basis of the actual default rates of all years for which the performance data is available.

LGD (SuMi TRUST Bank's own estimation applicable primarily to domestic corporations and others) is estimated subject to conservative adjustments that take into consideration potential recessionary phases and other factors, based on the actual recovery data from the defaulted clients.

5. Usage of Various Estimates for Purposes other than Calculation of Capital Adequacy Ratio

Our estimates used for calculating the capital adequacy ratio complying with capital adequacy regulations are applied for the following items:

(a) Use of Estimated Typical PD* and Typical LGD*

Quantitative measurement of credit risk, controls of credit limits, etc.

* The typical PD and LGD are conservatively estimated to obtain a long-term and stable level by taking into consideration the impact of economic cycles.

(b) Use of Credit Ratings

Criteria for authority on credit-related operations, criteria for self-assessment, criteria for profitability, etc.

2) Exposures where the Standardized Approach is Applied

The Standardized Approach calculates risk-weighted assets by using external ratings provided by qualified rating agencies, instead of our own Credit Ratings. We have adopted the IRB Approach. We, however, use the Standardized Approach for business units and transactions excluded from the scope of application of the IRB Approach due to its insignificance and other factors.

We use ratings provided by the following qualified rating agencies to assess risk-weights' Rating and Investment Information, Inc. (R&I); Japan Credit Rating Agency, Ltd.(JCR); Moody's Investors Service, Inc. (Moody's); S&P Global Ratings (S&P); and Fitch Ratings Ltd. (Fitch).

1. "Phased Roll-out" Exposures

We apply the Standardized Approach to our subsidiaries (business units) that are in the middle of preparatory work toward the application of the IRB Approach. As of the end of March 2017, two subsidiaries are subject to our "phased rollout" exposures: Sumitomo Mitsui Trust Club; and Sumitomo Mitsui Trust Bank (Thai) Public Company Limited.

2. "Carved Out" Exposures

We apply the Standardized Approach to subsidiaries that undertake little credit business, if any, as well as certain transactions that are not significant in terms of credit risk management, carving them out from the IRB Approach. Criteria whether to carve out business units or transactions from the IRB Approach are made after fully considering their importance with respect to the following points:

(a) The size of the expected credit loss and the frequency of credit provision
(b) Rank under the credit portfolio plan or the credit risk management policy
(c) The ratio to overall credit risk-weighted assets

3. Internal Ratings System

(1) Outline of the Internal Ratings System

SuMi TRUST Bank's internal ratings system is intended to ensure an appropriate evaluation process for financial assets held by the SuMi TRUST Group (excluding insignificant consolidated companies), and contribute to profit management and credit risk management in accordance with the Risk Management Policy. The internal ratings system consists of the Credit Ratings system and credit pools system.

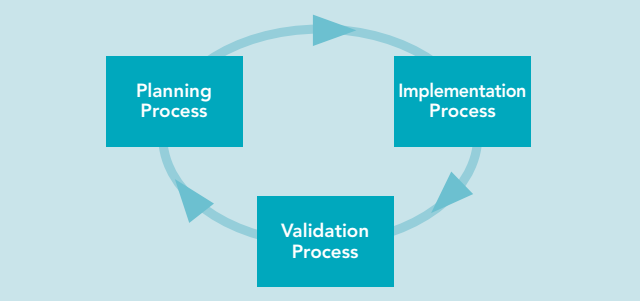
The Credit Ratings system is broadly divided into the domestic ratings system ("Domestic Credit Ratings") and the overseas ratings system ("Non-Japanese Credit Ratings"). Each system includes Obligor Ratings that rank the PD of corporations, Structured Ratings that rank the PD of real estate non-recourse loans and project finance, and Facility Ratings that rank the possibility of loss in individual facilities in consideration of factors such as guarantees, collateral and duration of credit.

The credit pools system manages small-lot loans provided to individuals, such as residential mortgage loans and card loans, by grouping these transactions with similar risk profiles. SuMi TRUST Bank maintains credit pool categories, such as affiliate-guaranteed residential mortgage loans pools and business finance loans pools, divided according to product type, obligor status, transaction status, collateral coverage status and delinquency status.

(2) Administration of the Internal Ratings System

The process related to credit rating assignment comprises the "Planning Process" for defining ratings and setting procedures and criteria ("Policy on Credit Ratings"), the "Implementation Process" for appropriately applying the Credit Ratings and credit pools assignment criteria, and the "Validation Process" for ensuring the suitability and objectivity of Credit Ratings.

• Administration Process of Credit Ratings



1) Planning Process

The planning process is the procedure to establish credit rating assignment criteria, credit pool categories and credit rating model* to secure the objectivity of the internal rating management, for which credit risk management related departments are responsible.

* Our credit rating model is a tool we have developed on our own to allocate the rating grade that corresponds statistically to the probability of default (PD) by using the financial data of obligors.

2) Implementation Process

In the implementation process, the credit rating assignment and assignment of credit pools are undertaken in accordance with the criteria prescribed in the planning process. Credit rating assignments and credit pool assignments are the responsibility of the Research Department or the business department in charge as the "implementation department." The procedure of credit rating assignment consists of a new assignment, regular review at least once a year and monthly review, and the rating system is run in a way where

Credit Ratings are reviewed in a timely manner in response to changes in the creditworthiness of obligors.

Furthermore, we assign Credit Ratings to clients in a combination of "quantitative assessment" and "qualitative assessment." "Quantitative assessment" is an assessment based on the credit rating model, etc., while "qualitative assessment" is an assessment based on human judgments ("expert judgment"). As we take the approach to determine Credit Ratings by combining "quantitative assessment" and "qualitative assessment," the monitoring of the objectivity of "qualitative assessment" made by expert judgment ultimately becomes important in ensuring the suitability of ratings.

In SuMi TRUST Bank, throughout the implementation process, credit risk management related departments are monitoring the proper implementation of Credit Ratings in accordance with criteria set by the implementation department. Through the monitoring function of the implementation process, credit risk management related departments ensure the soundness of the entire process, including the appropriateness of the objectivity of expert judgment.

• Implementation Process of Credit Ratings



3) Validation Process

Credit risk management related departments, as "Validation Departments," carry out validation work once a year in order to ensure the accuracy and adequacy of results of the Credit Ratings model.

In the validation process, implementation departments provide data for validation, while validation departments undertake validation of the following items:

1) Credit rating results—suitability validation
2) Credit rating assignment criteria—objectivity validation
3) Credit pool classification—suitability validation
4) Parameters applied to Credit Ratings and credit pool—suitability validation

(3) Procedures for Ratings Assignment under the Internal Ratings Systems

1) Procedures for Assigning Domestic Credit Ratings (Obligor Ratings)

1. Subjects to be Rated

We assign Credit Ratings to all domestic corporate obligors (residents and nonresident Japanese).

2. Quantitative Assessment

In Domestic Credit Ratings, we use the credit rating model under which obligors' financial indicators are explanatory variables, and the typical PD is the explained variable. In building our Credit Ratings model, we have classified our obligors into five industry categories of manufacturing, wholesale/retail, services (including nonbanks), transportation/communications and construction/real estate in order to reflect financial characteristics of each industry sector in the assessment, and adopted statistical methods to choose financial indicators with a high correlation to the PD. Also, for financial data employed to build the model and to assess individual obligors by using the model, we use information such as unrealized losses collected and analyzed by branches and departments in addition to public financial statements, thus enabling the quantitative assessment that reflects the actual condition of obligors.

3. Qualitative Assessment

The analysts in the implementation departments responsible for assigning sector-by-sector Credit Ratings assess "keiretsu" corporate groupings, industry circumstances, external ratings, future cash flow stability and other information that is not reflected in financial indicators (expert judgment).

For expert judgment, the margin of modification is limited, and qualitative assessment items are indicated in writing in order to contain the arbitrariness of those employees responsible for the assignment of Credit Ratings. Furthermore, departments which manage credit risk supervise the content of revisions to ensure objectivity.

2) Procedure for Assigning International Credit Ratings (Obligor Ratings)

1. Subjects to be Rated

We assign Credit Ratings to all overseas obligors (nonresidents and non-Japanese).

2. Quantitative Assessment

Non-Japanese Credit Ratings adopt credit rating model which reproduces external ratings with financial indicators as explanatory variables.

3. Qualitative Assessment

The qualitative assessment ratings by expert judgment are determined to be in line with qualitative assessment criteria for Domestic Credit Ratings and also by incorporating assessment factors not used in Japan as well as of external ratings and the comparison with competitors, and limits are imposed on the margin of modification for each item of assessment. Furthermore, departments which manage credit risk supervise the content of revisions to ensure objectivity.

3) Procedure for Assigning Structured Ratings

1. Subjects to be Rated

Structured Ratings are assigned to structured finance projects with the cash flows generated from specific financed assets or businesses as the source of principal and interest payments.

2. Quantitative Assessment

Two indicators are used for the quantitative assessment of Structured Ratings, for example in terms of real estate non-recourse loans: (i) the loan to value (LTV), which is the ratio of the amount of loans taken out or bonds issued to the appraised value of the subject asset; and (ii) the debt service coverage ratio (DSCR), which is the ratio of net cash flow to the amount of interest on loans or bonds plus contracted principal payments. By combining these two indicators, we assess default risk during a given period and the certainty of redemptions by the sale of subject property at maturity and/or refinancing.

In addition, we assess the DSCR conservatively in anticipation of changes in the environment during a given period.

3. Qualitative Assessment

In a real estate non-recourse loan, for example, in cases such as when a highly creditworthy tenant has undertaken a long-term lease contract, the assessment by expert judgment, in some cases, adjusts the rating level by taking these factors into consideration.

Since Structured Ratings are strongly individualized depending on specific transactions, we ensure the objectivity of ratings assigned by monitoring the adequacy of qualitative assessment at credit risk management related departments.

4) Procedure for Assigning Facility Ratings

1. Subjects to be Rated

We assign Facility Ratings to loans (including acceptances and guarantees, as well as commitment lines) to corporations, sovereigns and financial institutions subject to Domestic Credit Ratings (obligor ratings).

2. Assessment Method

Facility Ratings provide ratings that rank the possibility of loss in individual facilities based on factors such as guarantees, collateral and duration of credit.

5) Procedures for Assignment of Credit Pool Categories

1. Transactions Subject to Credit Pool Categorization

A credit pool is a group of transactions with similar risk profiles with regard to risks relating to the obligors as well as the transactions. In principle, SuMi TRUST Bank applies the credit pool management approach to small-lot loans provided to individuals, etc. However, business finance loans to individuals with an outstanding balance of ¥100 million or higher, are assigned Obligor Ratings and managed individually.

2. Assignment of Credit Pool Categories

Regarding credit subject to the credit pool management approach, loans are divided into several categories according to several categories according to product type, obligor status, transaction status, collateral coverage status and delinquency status. The loans are divided into three subcategories' "residential mortgage exposure," "qualifying revolving retail exposure" and "other retail exposures."

Assignment into credit pool categories is carried out by the implementation departments based on product type, transaction status and other factors.

4. Market Risk Management

Market risk refers to the risk that the SuMi TRUST Group incurs losses due to fluctuations in the value of assets/liabilities (including off-balance sheet assets/liabilities), or in the earnings generated from assets/liabilities, due to fluctuations in various market risk factors, such as interest rates, foreign exchange rates, stocks, commodities, and credit spreads. Of this, "market liquidity risk" in particular means risk that the SuMi TRUST Group incurs losses caused in a situation where it becomes impossible to conduct transactions in the market or becomes obligatory to trade at prices significantly disadvantageous than usual due to market turmoil.

We are building a more advanced market risk management system, after considering the impact on markets of fluctuations of such factors as interest rates and foreign exchange rates following the monetary easing by the Bank of Japan.

(1) Market Risk Management Policy

In managing market risk, we aim to ensure adequate profits commensurate with the strategic targets, scale and characteristics of the business of the SuMi TRUST Group. We are doing this by improving the management system, along with ensuring its operational soundness by adequate control over risks.

(2) Market Risk Management Framework

1) The Board of Directors approves and determines the ALM* Basic Plan and a risk management plan as important matters related to market and funding liquidity risk under management plans on a semiannual basis.

2) The Executive Committee deliberates and decides on a semiannual basis the ALM Basic Plan and a risk management plan referred by the ALM Committee. In addition, based on reports on the status of market risk management, the Executive Committee implements measures to develop and improve the framework for facilitating control functions.

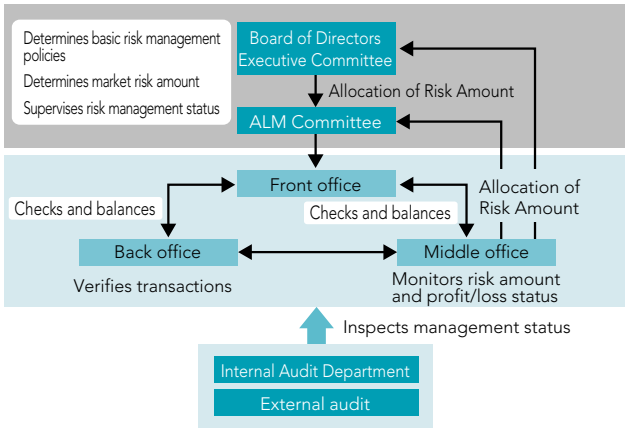
3) The ALM Committee plans on a semiannual basis the ALM Basic Plan on a company-wide comprehensive risk operational management basis for assets/liabilities as well as a risk management plan related to market and funding liquidity risk. The ALM Committee is held on a monthly basis and controls market and funding liquidity risks on a consolidated basis, and strives to ensure the soundness of the composition of assets and liabilities as well as stability of earnings.

4) As a middle office independent from departments responsible for market trading (front office) and departments responsible for business processing (back office), the Risk Management Department is in a position to ensure proper control functions among the front and back offices.

5) The Internal Audit Department conducts internal auditing of the adequacy and effectiveness of the risk management framework.

* ALM: Asset-Liability Management, designed to manage cash flows, liquidity, foreign exchange risk, interest rate risk, etc. by grasping the attributes of maturities and interest rates from assets and liabilities.

• Market Risk/Funding Liquidity Risk Management Framework



(3) Market Risk Management Methods

We grasp the market risks within the SuMi TRUST Group and establish the risk limits and loss limits at each principal company according to the ALM Basic Plan. Status of adherence to the aforementioned limits is reported to the members of the ALM Committee on a daily basis. Reports are presented on a regular basis mainly to the Board of Directors as well as the ALM Committee. The reports related to compound risk analyses including grasping the sensitivity to risk factors by position, management of precursors of volatility in risk factors and emergency preparedness using stress tests, all as part of a multi-faceted risk management process combining qualitative and quantitative aspects.

(4) Market Risk Measurement Model

Market risk is quantified using VaR as a measurement standard, with confidence interval and holding period defined as follows:

Confidence interval:
99%

Holding period:

Trading:	10 days
Banking	
ALM-related positions:	63 days (3 months)
Credit investment and strategic investment:	260 days (1 year)
Others:	21 days (1 month)

Furthermore, we are conducting stress tests in order to complement the limited effectiveness of the VaR measurement, which is affected by market fluctuations in the past observation period. Amounts of expected loss from the current portfolio are regularly estimated, assuming scenarios based on the past maximum fluctuation as well as forecasted future movement of each risk factor.

(5) Compliance with Capital Adequacy Regulations

1) Calculation of Market Risk Equivalent

The market risk equivalent refers to the sum of market risk in the trading account and foreign exchange risk and commodities risk in accounts other than the trading account, which is a factor used to calculate capital adequacy ratio. We calculate the market risk equivalent mainly by applying the Internal Models Approach*.

* We apply the Standardized Approach concerning individual risks at the parent company and exchange rate risks at consolidated subsidiaries.

We validate the reliability and effectiveness of the internal model by conducting back testing.

2) Outlier Ratio

Regarding the amount of interest rate risk for the banking account under the current capital adequacy regulations, when economic value calculated*1 under a certain interest rate fluctuation scenario*2 declines by more than 20% of total capital (Tier 1 capital + Tier 2 capital), a bank falls under the category of "outlier banks," and remedial actions to improve its stability will be made. The outlier ratio is obtained by dividing the overall amount of interest rate risk by total capital. As indicated by the table on page 319, our outlier ratio (on a consolidated basis) was 3.4% as of March 31, 2017, keeping us out of the category of outlier banks. The amount of interest rate risk in the banking account, the amount of interest rate risk for internal management purposes and the overall amount of interest rate risk used for calculating the outlier ratio are not necessarily the same because of differences in the measurement method, calculation conditions and other matters.

*1 Our risk measurement method uses the interest rate sensitivity approach. Core deposits are defined as the lowest of the following three, as an upper limit, for the five-year maturity (the average term of 2.5 years): 1) the lowest balance of deposits in the past five years; 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits; or 3) the amount equivalent to 50% of the current balance of deposits.

*2 Our interest rate fluctuation scenario assumes an interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one year holding period and the minimum observation period of five years for the Japanese yen, U.S. dollar and Euro.
Regarding currencies which account for less than 5% of our overall assets or liabilities, we uniformly use a parallel shift of 200 basis points upward or downward as an interest rate fluctuation scenario.

5. Funding Liquidity Risk Management

Funding liquidity risk refers to the risk that the SuMi TRUST Group incurs losses in a situation where it becomes impossible to secure necessary funds or becomes obligatory to raise funds at interest rates significantly higher than usual.

We are building a more advanced funding liquidity risk management system, after considering the needs for the compliance with new global standards (e.g. Basel Ⅲ) in terms of banks' capital adequacy and liquidity.

(1) Funding Liquidity Risk Management Policy

As a basic principle, SuMi TRUST Bank adequately manages funding liquidity risks based on a policy that seeks a balance between two pillars: the cost and constant availability of funding through diversified sources of financing, and preparedness for emergencies through verification of funding capabilities under a stress environment and the prior review of countermeasures. Our balancing of these two pillars is with full recognition that such risks, in the event they materialized, could directly lead to the collapse of the SuMi TRUST Group.

(2) Funding Liquidity Risk Management Framework

Funding liquidity risks are managed under a similar framework as the aforementioned market risk management framework.

(3) Funding Liquidity Risk Management Methods

As criteria for funding liquidity risk management, risk limits on a company-wide basis and by business base, as well as by currency of denomination are set out, along with actions to be taken in the event of a breach of such limits, under the ALM Basic Plan, where status of adherence to such criteria is being monitored on a daily basis. Meanwhile, SuMi TRUST Bank identifies the amount of funds necessary in the event of materialization of funding liquidity risks. It achieves the identification of the amount of funds necessary by carrying out stress tests based on several scenarios such as abrupt changes in the market environment and changes in the funding environment specific to the SuMi TRUST Group.

As part of preparedness against exposure to funding liquidity risk, four classified phases of funding conditions (Normal, Early Warning, Potential Crisis, and Crisis) are assumed, depending on the extent of its cash crunch. We monitor at all times, including normal conditions, the occurrence of qualitative and quantitative events that may have an impact on liquidity as Early Warning Indicators. Simultaneously, we formulate contingency plans as part of crisis management measures. The practicality of contingency plans is ensured through periodical drills.

6. Operational Risk Management

Operational risk refers to the risk that the SuMi TRUST Group incurs losses resulting from inappropriate business processes, the activities of executives or employees and computer systems as well as from external events, and is classified into business processing risk, system risk, information security risk, legal and compliance risk, human resource risk, event risk and reputational risk for the purpose of risk management.

We will further enhance our operational risk management framework to remain prepared mainly for new risks that may emerge in association with the development in information technology.

(1) Operational Risk Management Policy

In developing an operational risk management system, we make it a principle to carry out adequate risk management in accordance with the scale and characteristics of businesses and risks involved, in an effort to ensure soundness and appropriateness of their businesses. This is based on the recognition that operational risk is something unavoidable in the course of business execution.

(2) Operational Risk Management Structure

1) The Board of Directors summarizes the matters to be addressed over the entire process of operational risk management along with specific actions, and it sets out the "Risk Management Plan (Operational Risk)," which is reviewed regularly or as necessary, on the basis of reports on the operational risk management situation.

2) The Executive Committee maintains the proper conditions for operational risk management, such as establishing the Operational Risk Management Committee and operational risk management-related departments including departments responsible for comprehensive management of operational risk and departments responsible for the management of respective risk subcategories.

3) In the Operational Risk Management Committee, the executive officers in charge of the operational risk management-related departments and the general managers of the departments responsible for supervising each business receive reports on operational risk information including significant losses associated with operational risk while engaging in deliberation and consultation on these matters as necessary.

4) The Risk Management Department, which has overall responsibility for operational risk management, is committed to developing and enhancing the SuMi TRUST Group-wide operational risk management system, in coordination with the departments responsible for managing the subcategory risks.

5) The departments responsible for managing the subcategory risks are committed to developing and enhancing the SuMi TRUST Group-wide risk management system in each respective subcategory.

6) The Internal Audit Department conducts internal audit of the adequacy and effectiveness of the risk management system.

(3) Operational Risk Management Methods

Operational risks involved in all areas of the SuMi TRUST Group's business, including outsourced business, are subject to operational risk management, which adequately identifies and assesses risk from both qualitative and quantitative perspectives. Meanwhile, preventative measures against risk materialization, as well as responses in the event of materialization, causal analysis and recurrence-prevention measures are formulated to mitigate operational risk.

Management regarding Operational Accidents

As a countermeasure against operational accidents, such as incidents in which SuMi TRUST Bank and/or its client(s) suffer loss as a result of inappropriate handling of business matters, SuMi TRUST Bank is improving its reporting and management systems for operational accidents, to ensure proper handling of accidents at the time of their occurrence, prevention and elimination thereof, as well as to improve the quality of business process.

In the event of an operational accident, a concerned/involved department registers the accident with a reporting system, whereby it shall promptly be reported to the departments responsible for the businesses and the operational risk management. Furthermore, depending on the significance of the accident, such as the scope of its impacts and the size of associated loss, the report shall further be escalated to the bodies such as the Operational Risk Management Subcommittee, Operational Risk Management Committee and the Executive Committee. Upon receiving instructions from the departments responsible for the businesses, the department involved in the accident shall provide a prompt and appropriate response to clients, while it investigates and analyzes the causes of its occurrence, as it considers, develops and implements the measures to prevent its reoccurrence.

For the purpose of periodical analysis, the departments responsible for the businesses analyze the trends and causes of operational accidents in their respective business, and develop measures to prevent reoccurrence as deemed effective across the entire business. The operational risk management-related departments develop and review measures to prevent reoccurrence as deemed effective from a company-wide and cross-departmental point of view.

(4) Business Processing Risk Management Activities

Business processing risk refers to the risk that the SuMi TRUST Group incurs losses due to inappropriate business procedures arising from executives or employees neglecting to engage in proper business activities, or other incidents such as accidents or fraud. Engaging in a broad range of businesses including banking, asset management, asset administration and real estate, SuMi TRUST Bank recognizes that business processing risk is something unavoidable in the course of business execution. SuMi TRUST Bank is processing risk management in accordance with the scale and characteristics of business operations and risk so as to ensure peace of mind and satisfaction for its clients.

The IT & Business Process Planning Department, which is responsible for comprehensive management of business processing risk, comprehensively reviews inter-business issues concerning business processing risk and business process streamlining, and develops a system for ensuring the effectiveness of SuMi TRUST Bank's business processing risk management from a company-wide viewpoint. Meanwhile, we have established a department to oversee and provide guidance to business processing operations at each business, which reviews policies set out in each business and provides guidance and training on general business processing to the head office departments and the business offices.

SuMi TRUST Bank developed a risk management plan that incorporated the goals for business processing risk management and it has implemented activities to mitigate business processing risk, including documentation of business processing, exhaustive checks for clerical errors and associated analysis, development of remedial measures and cautioning based on the macro analysis of clerical errors, outsourcing management, and self-inspection.

(5) System Risk Management Activities

System risk refers to the risk that the SuMi TRUST Group incurs losses due to such reasons as computer system failure, malfunctions and defects, as well as the risk that the SuMi TRUST Group incurs losses due to unauthorized use of a computer.

Since computer systems are vital for SuMi TRUST Bank to carry out its business operations, SuMi TRUST Bank recognizes that system risk is a serious risk with potential impacts on a wide range of clients, which may cause disrepute to SuMi TRUST Bank. Therefore, SuMi TRUST Bank is conducting adequate system risk management in accordance with the importance, nature and operational function of each system.

The IT & Business Process Planning Department, which is responsible for system risk management, strives to mitigate system risk, through measures to prevent system risk from materializing, adequate response and causal analysis of the risk when materialized, and development of measures for the prevention of reoccurrence.

SuMi TRUST Bank enhances the credibility of hardware and software as well as system operation, through measures including maintenance of hardware, securing of spare/alternate functions, back-up in place and preparation of manuals. Measures for ensuring security of the information system and preventing illegal access and use by insider or through cyber or other attacks are also in place. Meanwhile, in order to minimize the impact of failure or disaster on the information system and to ensure early recovery and business continuity, we have in place a clarified communication and response system, manuals describing alternate measures and recovery procedures, along with the implementation of education and training on operations.

(6) Information Security Risk Management Activities

Information security risk refers to the risk that the SuMi TRUST Group incurs losses because information assets are not properly maintained or managed. This includes information leaks, incorrect information, an inability to use the information system and misuse of information. Since the information asset is one of the critical management resources involving the risk that could disrupt the basis of management, SuMi TRUST Bank adequately maintains and manages all information assets under its care.

The IT & Business Process Planning Department, which is responsible for information security risk management, is committed to developing and enhancing an information security risk management system.

SuMi TRUST Bank places degrees of importance on all information assets under its care according to the severity of potential losses that SuMi TRUST Bank and clients may incur in the event of their leaks, loss or alteration. Methods and procedures for acquisition, use, management, safekeeping, internal communication, external use and disposal of information assets are set out according to the degrees of importance, for the effective implementation of security measures.

Meanwhile, we, as a business operator handling personal information and in charge of affairs using the individual number and affairs related to the individual number, adequately manage personal information, individual number and specific personal information (individual number and specific personal information, hereinafter referred to as "Specific Personal Information") in compliance with the Act on the Protection of Personal Information, the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure and guidelines set forth by government agencies, in addition to other standards. In addition, we have announced the "Declaration for the Protection of

Personal Information" in an extensive effort to protect the personal information and Specific Personal Information of our clients and shareholders.

SuMi TRUST Bank is providing education and information to raise awareness of the information security risk management on a company-wide basis. Furthermore, the adequacy and effectiveness of the personal information management system are verified and ensured through self-inspection and internal audits.

(7) Activities to Manage Other Operational Risks

For legal and compliance risk management, we carry out verification from a legal perspective, such as legal checks, regarding the consistency of internal rules as well as the legality and adequacy of transactions and operations.

For human resource risk management, we have built a risk management system including the provision of internal training courses, interviews and consulting contacts to deal with personnel and labor management issues, such as unequal or unfair treatment of personnel and harassment.

For event risk management, we maintain preparedness against the risk events that impair business, such as natural disasters, the spread of infectious diseases, fire, crimes and traffic accidents, by developing preventative measures including mitigation measures, disaster prevention, crime prevention and safe operation management. We have also built and deployed a business continuity management system.

For the management of reputational risk, SuMi TRUST Bank has built a system to prevent mass media reports, rumors or speculation that could compromise the reputation of SuMi TRUST Bank or its subsidiaries and to conduct public announcement as well as respond to clients in a prompt and appropriate manner in the event that such a reputational issue arises.

(8) Compliance with Capital Adequacy Requirements

1) Calculation of Operational Risk Equivalent Amount

Since the end of March 2014, SuMi TRUST Bank has adopted the Advanced Measurement Approach in lieu of the Standardized Approach, which was used previously, in the calculation of the operational risk equivalent amount under capital adequacy requirements.

Exceptionally, we adopt the Basic Indicator Approach for a portion of the corporations deemed less important in the calculation of the operational risk equivalent amount and corporations that are in preparation for the adoption of the Advanced Measurement Approach.

2) Outline of the Advanced Measurement Approach

1. Measurement Framework

SuMi TRUST Bank calculates the operational risk equivalent amount by aggregating "each maximum loss amounts of operational risk expected over a period of one year, with a one-sided confidence interval of 99.9% (hereinafter "VaR")," for each of the eight quantification units (all businesses, corporate management sections and earthquakes) that are based on the consistency between management regarding operational accidents and profit management.

The operational risk equivalent amount is calculated using the four elements that are pre-requisites for the adoption of the Advanced Measurement Approach, i.e. internal loss data, external loss data, business environment and the internal control factors, and scenario analysis, as well as the quantification model. The results of the calculation are utilized in activities to enhance operational risk management, including the deliberation of measures to improve the internal control factors.

Additionally, in the calculation of the operational risk equivalent amount, we do not reflect the mitigating effects of insurance, and do not exclude expected loss or conduct adjustments based on the correlation between the quantification units.

- Internal Loss Data
  Information on losses associated with operational risk occurring within the SuMi TRUST Group
- External Loss Data
  Information on losses associated with operational risk gathered from outside of the SuMi TRUST Group
- Business Environment and Internal Control Factors
  Factors relating to the business environment and the internal control factors of the SuMi TRUST Group that will impact operational risk

- Scenario Analysis
  Estimation method of the amount and frequency of serious losses associated with operational risk based on expert knowledge, experience and information on operational risk

2. Scenario Analysis

In order to accurately understand SuMi TRUST Bank's risk profile, we identify events involving a large amount of losses associated with operational risk that cannot be covered by internal loss data alone when we conduct scenario analysis. We also construct scenario data that estimate loss amount and probability of such events.

The evaluation results of elements including the business environment and the internal control factors are reflected in the subjects to the construction of scenario data, and the estimation of loss amount and frequency.

In addition, we ensure the objectivity, accuracy and completeness of the constructed scenario data by conducting verification using both internal loss data and external loss data.

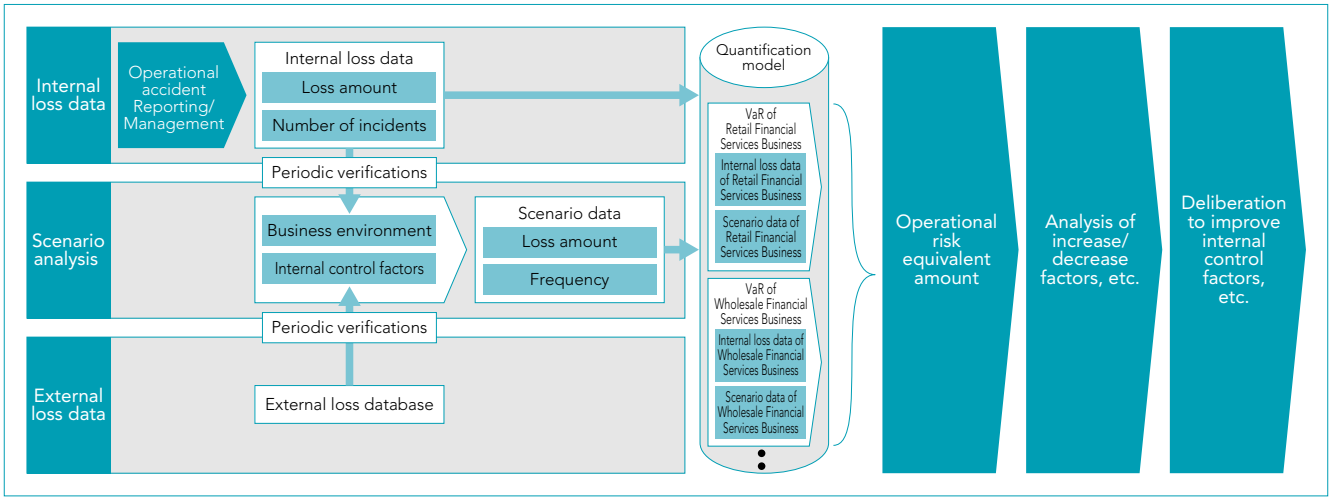
3. Quantification Model

The VaR of each measurement unit is calculated by plotting frequency distributions and severity distribution based on the internal loss data and the scenario data prepared through the scenario analysis, and expressed through Monte Carlo simulation that mixes such distributions and estimates the total severity distribution.

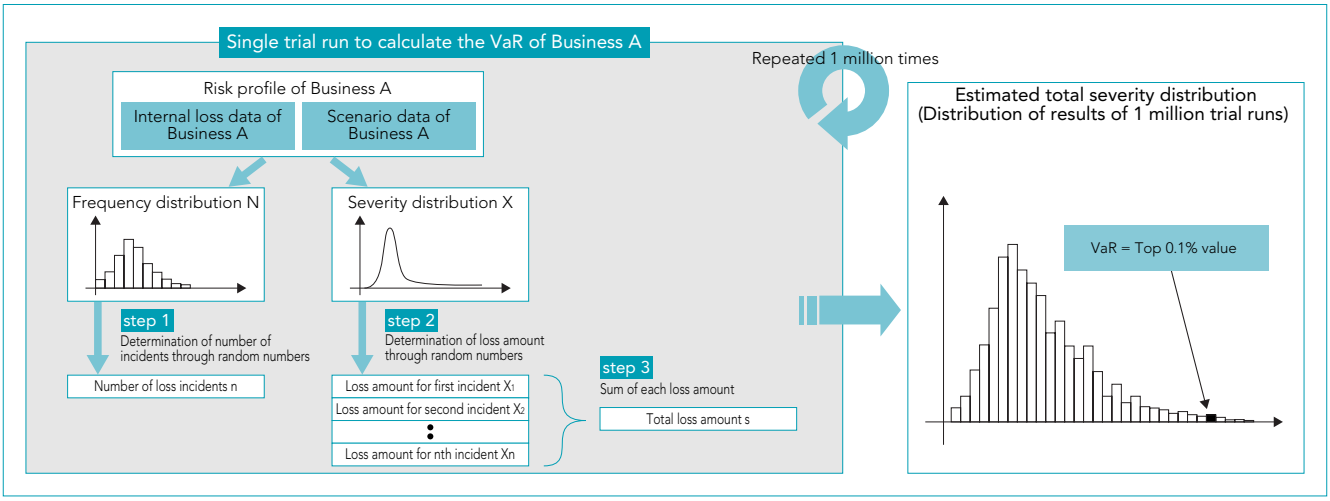
The Poisson distribution has been applied to the frequency distribution, and our own distribution method has been applied to severity distribution in order to grasp the amount of tail risk.

We confirm the appropriateness of the quantification model and the results of the VaR calculations by conducting periodic verifications such as back testing.

• Outline of the Quantification Framework



• Outline of Quantification Model



7. Other Related Matters

(1) Securitization Exposures

Securitization is a transaction where credit risks of multiple underlying assets are divided into two or more different classes forming a senior and subordinated structure, and are then transferred partially or wholly to third parties. Well-known such products, by type of underlying assets, include residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS) and collateralized loan obligations (CLO), apart from re-securitization products backed by securitization products. In a securitization transaction, credit risk measurements differ between an originator, who brings securitized products to the market, and an investor, who purchases securitization exposures. The originator does not bear any credit risk, if such risk is completely transferred in a securitization transaction, but is left with some credit risk, if it accepted a subordinated portion in designing securitized products. The investor who purchased securitized products naturally bears credit risk inherent in such products. Meanwhile, re-securitization products, as they are backed by securitization products, make it more difficult to identify the risks involved, and may carry higher credit risk than ordinary securitization products.

We participate in the securitization market principally as an investor, but also have a track record of designing securitized products as an originator. We are also in the business of appropriately managing underlying assets for investors as a trustee in securitization, though we do not bear credit risk in doing so.

1) Management Policy of Securitization Exposures

1. Investor

In principle, we invest in securitization products assigned with high external ratings, and we manage risks by assigning credit ratings (structured ratings) according to our internal credit ratings system. During the investment periods, we regularly monitor not only external ratings but also the status and performance of the underlying assets of each securitization product, risk characteristics and the status of structures of the securitization transactions, which are reflected in a review of credit ratings to ensure stable earnings opportunities. In principle, re-securitization products are also subjected to a similar risk management.

2. Originator

We are considering the possibility of making more active use of securitization transactions, with the SuMi TRUST Bank Group as an originator, as a means of controlling our loan portfolio. In doing so, we plan to design transactions that would effectively realize the intended transfer of credit risks, and also calculate credit risk-weighted assets we bear after securitization in an appropriate manner. The SuMi TRUST Bank Group engages in securitization transactions of assets purchased from third parties, along with the assets held by affiliated companies within the scope of consolidation of the holding company. In both cases, we adopt schemes involving the use of trusts as conduits for the purpose of securitization, where the trust beneficiary rights with respect to the retained subordinated portion remain our exposure.

While securitization products originated by the SuMi TRUST Bank Group are, in principle, held by investors outside the scope of consolidation of SuMi TRUST Holdings, some are held by SBI Sumishin Net Bank, Ltd., an affiliated company of the SuMi TRUST Bank Group.

2) Accounting Policies for Securitization Transactions

In implementing securitization transactions, we have adopted a method of sale that recognizes the extinguishment of financial assets with the transfer to others of control of contractual rights over financial assets, in line with accounting standards for financial products. In the case of loans, for example, we recognize the extinguishment of assets, in principle, when the transfer of assets is legally completed and the payment for the transfer is received. In the case where we hold retained equity after the execution of a securitization transaction, we do not recognize the sale of assets for a portion related to the retained equity concerned, and include it in credit risk-weighted assets. On the other hand, in transactions involving a considerable amount of credit provision without prior payment of fund, an accounting treatment is adopted in which raised funds are recorded as a liability. Meanwhile, assets held for the purpose of securitization transactions are valued according to the accounting standards for financial instruments, and recorded in the banking account.

3) Management Method of Securitization Exposures

In calculating the amount of credit risk for securitization exposures, we use specific individual credit ratings assigned to securitization exposures, and measure the risk amount in much the same way as with ordinary corporate exposures. Interest rate risk associated with securitization exposures is subject to the calculation of market risk.

4) Compliance with Capital Adequacy Regulations

In calculating credit risk-weighted assets in securitization exposure, we prioritize calculation methods and choose the most applicable calculation methods. For securitization exposures assigned with qualifying external ratings, we use an "external ratings-based approach" to calculate risk- weights. For securitization exposures without qualifying external ratings, we apply the "supervisory formula" commensurate with the characteristics of underlying assets to the calculation of risk-weights. Securitization exposures to which neither of the above-mentioned approaches can be applied are deducted from total capital. The total of capital charges against securitization exposures held is not to exceed the amount of required capital in the case where the IRB Approach is applied to underlying assets.

Qualifying rating agencies we use when we calculate credit risk-weighted assets with the "External Ratings-Based Approach" are Rating and Investment Information, Inc. (R&I); Japan Credit Rating Agency, Ltd. (JCR); Moody's Investors Service, Inc. (Moody's); S&P Global Ratings (S&P); and Fitch Ratings Ltd. (Fitch).

While securitization exposure is in principle subject to credit risk-weighted calculations, we use the standardized approach when calculating market risk-weighted equivalents.

(2) Banking Account Equity Exposures

We purchase equities through the banking account as part of our investment operations, and also make capital participation in organizations that can be expected to bring benefits to us and acquire equities in our clients to help strengthen business relations with them.

1) Management Policy for Banking Account Equity Exposures

While some of the equities we hold are intended to gain short term investment returns or returns pertaining to long-term business relations, listed stocks are marked to market and are therefore exposed to the risk of market price fluctuations.

We measure the risk of equity exposures by broadly classifying them into those listed and unlisted. For listed equity exposures with market prices, we recognize the volatility of market prices as risk, and measure equity VaR with an estimated holding period of one month, and the one-tailed 99% confidence interval, in the same way as with other market risks in the banking account, such as interest-rate risk.

Regarding unlisted equities, for which market price fluctuations cannot be observed directly, the amount of risk with a one year holding period is measured by the method of indirectly estimating the volatility of an appropriate alternative indicator or by invoking the PD/LGD Approach prescribed under capital adequacy regulations.

As stocks of consolidated subsidiaries are canceled out with capital accounts of such subsidiaries on the consolidated financial statement, capital on the consolidated financial statement is affected not by price fluctuations of equities of subsidiaries but by fluctuations of prices of assets held by subsidiaries. Thus, the risk to be measured is not the risk of the value of stocks held declining but the credit risk and market risk directly borne by subsidiaries. In contrast, the risk to be measured for equity method affiliates is the risk of the value of stockholdings declining.

2) Management Method of Banking Account Equity Exposures

Under capital adequacy regulations, we apply different risk calculation methods for domestic and overseas equity exposures.

As for domestic equities, equity exposures to obligors and listed companies are calculated with the regulatory formula using credit ratings assigned. We apply the simplified approach to exposures of domestic stocks without credit ratings and overseas equities, and calculate risk assets by multiplying those exposures by risk-weights set separately for listed and unlisted equities.

(3) Credit Risk Mitigation Measures

Controls of credit exposures can be achieved not simply by reducing the balance of outstanding credit but also by seeking to loan protection via collateral and guarantees. These protection measures are collectively called "credit risk mitigation techniques."

While we measure the creditworthiness of clients comprehensively by looking at their business status and technological capabilities as well as their future potential, we also employ the credit risk mitigation techniques in order to cover deficiencies in creditworthiness or enhance the quality of loans.

In doing this, it is necessary for the credit risk mitigation techniques to be "valid" both legally and practically. In order to ensure that validity, we set internal standards for sound and reliable protection and management.

1) Collateral

While collateral cannot be determined uniformly due to varying specific circumstances of obligors, we accept collateral that is most suitable for the use and character of loans and has good security qualifications.

We investigate and assess collateral in a prudent manner, bearing in mind the degree of difficulty in actual disposal and realization of collateral as well as legal limitations and economic constraints.

Principal collateral we accept includes the following:

- Commercial bills before maturity that fully meet statutory requirements with settlement certainty
- Yen-denominated time deposits and deposits at notice with us
- Beneficiary rights of principal of designated money in money trusts or beneficiary rights of principal and income of such trusts with us
- Beneficiary certificates of loan trusts with us (both registered and bearer form)
- Public and corporate bonds, listed stocks and securities investment trusts (bearer form)
- Land or land and buildings located for manageability, ease of disposal and with certain collateral quality
- Ships with certain collateral quality, etc.

- Foundations having good-quality, well-managed properties with settlement certainty in terms of earning capacity
- Claims payable to specific persons that meet certain requirements

The assessment of collateral is conducted once a year, in principle, for real estate and ships, etc., while equities and other collateral with market value are assessed by current prices.

2) Guarantees

Guarantees are classified into several types, including specific debt guarantees covering only specific debts and revolving guarantees. In any event, we recognize guarantees that are consistent with our validity criteria for the effects of credit risk mitigation, including those with confirmed guarantee capacity and guarantee intentions, and also recognize guaranteed transactions in the process of screening credit applications. While we broadly recognize the validity of guarantees not only with formal guarantee agreements but also under signed memorandums and commitments to guarantee depending on accompanying terms and conditions, we set requirements for documents and other materials used to confirm potential guarantors' abilities and intentions of providing guarantees and give importance to the substantive effectiveness of guarantees instead of simply relying on written guarantee agreements.

3) Offset

We net loans owned against deposits from the same counterparty, in principle, on the basis of Japanese laws and only with clients who have concluded bank transaction agreements containing clauses for timely netting.

4) Netting

When we conduct derivatives transactions and repurchase agreement transactions, we conclude, in principle, legally valid bilateral netting agreements (ISDA master agreements, etc.) with counterparties. When reasons for early termination emerge, we mitigate credit risk by invoking bilateral netting agreements for the closeout netting of multiple derivatives transactions and repurchase agreement transactions concluded with counterparties concerned. We are also pushing for the conclusion of the Credit Support Annex ("CSA") as associated agreements to ISDA master agreements in order to minimize credit risk in derivatives transactions. CSAs are bilateral agreements for credit enhancement, under which we and CSA counterparties calculate the present value of a derivatives transaction and the party with revaluation loss provides the other party with unrealized gains via collateral with the value equivalent to the revaluation loss.

Collateral is offered and received on a continuing basis between us and the CSA counterparty to make the revaluation gain/loss neutral. When the creditworthiness of one party deteriorates and is downgraded, however, the need arises to offer additional collateral* to account for the impact of the downgrade.

* The value of additional collateral varies depending on individual agreements with CSA counterparties.

5) Compliance with Capital Adequacy Regulations

The capital adequacy regulations narrowly define types and requirements of credit risk mitigation techniques that can be used to mitigate risk-weighted assets in the calculation of credit risk-weighted assets. As described above, we make use of credit risk mitigation techniques as much as possible, and set the scope of the credit risk mitigation techniques that can be applied to the calculation of our capital adequacy ratio as follows, after scrutinizing their eligibility for the notified requirements:

1. Qualifying Financial Asset Collateral

- Netting of loans against deposits (limited to jurisdictions where netting is authorized in a stable manner and also based on judicial precedents, etc., with offset agreements in place), deposits as collateral
- Legally valid bilateral netting agreements and credit enhancement by CSA, regarding derivatives transactions and repurchase agreement transactions
- Listed securities (Acceptable listed securities are shares. When accepting shares as qualifying financial assets collateral, we take into consideration the relationship between the obligor and the issuer of the shares)

2. Qualifying Assets Collateral

- Qualifying real estate asset collateral (land only or land and accompanying buildings, foundation)
- Other qualifying asset collateral (ships etc.)

3. Guarantee and Credit Derivatives

- We accept guarantees mainly from public-sector organizations and business enterprises (guarantors) and purchase credit derivatives mainly from financial institutions (protection providers). Legally valid agreements, which appropriately provide the rights for guarantee and protection unharmed, are classified as qualifying instruments so that credit risk mitigation effects are ensured.

6) Regarding the concentration of credit and market risks resulting from the use of credit risk mitigation techniques

- Guarantees and credit derivatives are deemed to involve concentration risk.
- Guarantors tend to be the parent companies of obligors, and we are not relying on any particular guarantors. In our controls of the credit limits regarding an obligor, we monitor and control concentration risk through total management of the entire group to which the obligor belongs regardless of whether a guarantee is provided by the parent or not.
- The total notional principal amount of credit derivatives purchased by SuMi TRUST Bank is not significant as credit risk. We manage the notional principal amount as part of the credit limits for the protection provider.

(4) Credit Risk in Market Trading

Approach to Manage Credit Risk in Market Trading

When conducting market trading with financial institutions as counterparties, credit risk as well as market risk arises, making it necessary to conduct appropriate risk management in accordance with the types of transactions. In order to contain credit risks associated with repetitive market trades with specific counterparties within a certain range, we are managing such risks by establishing credit lines for respective counterparties.

In terms of posting of exposure, in principle, we treat principal or notional principal in contracted market trades as credit equivalents. We calculate these by applying the current exposure method in principle for derivatives transactions. We also apply the same method to the calculation of credit equivalents regarding transactions with long settlement periods where the period between trade date and delivery date exceeds a certain predetermined period. Regarding these market trades, the middle office controls credit limits integrally for both on-balance sheet and off-balance sheet transactions on a monthly basis and manages credit lines in an appropriate manner.

Compensation Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited

1. Development Status of Organizational Structures Concerning Compensation for Applicable Officers and Employees within the SuMi TRUST Bank Group

(1) Scope of "Applicable Officers and Employees"

The scope of "applicable officers" and "applicable employees, etc." (collectively "applicable officers and employees") as defined in the compensation notification to be disclosed is as follows:

(i) Scope of "Applicable Officers"

Applicable officers for this fiscal year include directors and corporate auditors of SuMi TRUST Bank, but exclude external directors and external auditors.

(ii) Scope of "Applicable Employees, etc."

Of SuMi TRUST Bank's officers and employees outside the scope of applicable officers as well as officers and employees of its significant consolidated subsidiaries, a "person receiving a substantial amount of compensation" with significant consequence on the business operation or asset status of SuMi TRUST Bank and its significant consolidated subsidiaries, are subject to disclosure as applicable employees, etc.

(a) Scope of "Significant Consolidated Subsidiary"

"Significant consolidated subsidiary" refers to a consolidated subsidiary either with its total assets representing more than 2% of the consolidated total assets, or with significant consequence on the SuMi TRUST Bank Group's management, namely Sumitomo Mitsui Trust Panasonic Financial Co., Ltd.

(b) Scope of a "Person Receiving a Substantial Amount of Compensation"

A "person receiving a substantial amount of compensation" refers to a person who receives compensation in excess of a certain threshold amount from SuMi TRUST Bank or its significant consolidated subsidiaries. Such a threshold amount is set at ¥40 million within the SuMi TRUST Bank Group.

With respect to a person receiving lump-sum retirement benefit, this amount is first wholly deducted from the amount of compensation, then the "lump-sum retirement benefit divided by the number of years of service" is added back to calculate the deemed compensation for the purpose of determining whether the compensation is substantial or not.

(c) Scope of "Those with Significant Consequence on the Business Operation or Asset Status of the SuMi TRUST Bank Group"

"Those with significant consequence on the business operation or asset status of the group" refers to the persons who normally conduct transactions, or manage business affairs that have considerable impact on the business operation of SuMi TRUST Bank, the SuMi TRUST Bank Group or its significant consolidated subsidiaries, or whose transactions can cause loss with significant impact on their asset status. Specifically, they include executive officers and employees equivalent to general managers in the departments involving loan operations and market risk management.

(2) Determination of Compensation for Applicable Officers and Employees

(i) Determination of Compensation for Applicable Officers

In determination of compensation for officers for this fiscal year, individual allocation of compensation for directors is decided by the Board of Directors, while that for corporate auditors depends on deliberations of corporate auditors, within the total amount of compensation decided by the General Meeting of Shareholders.

SuMi TRUST Bank utilizes the Nominating and Compensation Committee of SuMi TRUST Holdings, which was established as an advisory body to the Board of Directors of SuMi TRUST Holdings. The Committee is responsible for reviewing matters including the SuMi TRUST Bank's system for compensation of directors/corporate auditors and the compensation table, and reporting the results of such review to the Board of Directors of SuMi TRUST Bank. The Nominating and Compensation Committee is also responsible for explaining the amounts of compensation as decided to the external directors and external corporate auditors of SuMi TRUST Holdings and SuMi TRUST Bank, in an effort to hear objective opinions.

Starting in FY2017, the Compensation Committee established by SuMi TRUST Holdings is responsible for reviewing matters for consultation including the policy on decisions on the content of remuneration for directors and executive officers, and for reporting the results of such review to the Board of Directors. In addition, the amounts of remuneration decided for individual directors and executive officers are reported to the Compensation Committee.

(ii) Determination of Compensation for Applicable Employees, etc.

Compensation for employees, etc. within SuMi TRUST Bank and the SuMi TRUST Bank Group is payable, subject to the policies established primarily by the Boards of Directors and others of SuMi TRUST Bank and its significant consolidated subsidiaries. According to such policies, compensation systems are designed by human resources departments of SuMi TRUST Bank and its significant consolidated subsidiaries, independent of the business promotion departments and documented as payroll rules, etc. Information on the compensation systems of the significant consolidated subsidiaries is reported to, and verified by, the Personnel Department of SuMi TRUST Bank on a regular basis.

Compensation for overseas employees, etc. are determined and payable under the local compensation system established by each overseas operation on its own, in compliance with local laws and regulations and local employment practice. Establishment and change of overseas compensation systems require consultation with, and validity verification by, the Personnel Department of SuMi TRUST Bank.

2. Adequacy Evaluation of Design and Operation of the Compensation System for Applicable Officers and Employees of SuMi TRUST Bank

(1) Policies Concerning Compensation for Applicable Officers and Employees

(i) Policies Concerning the Compensation for "Applicable Officers"

The limit amount for compensation for officers for this fiscal year as decided by the General Meeting of Shareholders is ¥80 million per month for directors, and ¥20 million per month for corporate auditors, apart from a ¥100 million annual limit for stock options (share acquisition rights) for directors. Compensation for directors and corporate auditors are capped by these limits.

Compensation for directors is intended to function effectively as an incentive to make improvements in corporate performance and expand corporate value in order to achieve steady and sustainable growth of the SuMi TRUST Bank Group.

The amount of compensation is also aimed at reflecting corporate performance, the contribution of each director to corporate performance, efforts for expansion of business operations in the medium- to long-terms, and for improvement of corporate value, and so forth. Amounts of compensation are determined based on an annual compensation policy determined by the Board of Directors and on an objective evaluation made by the Performance Evaluation Committee.

Furthermore, for the fiscal year under review, Sumitomo Mitsui Trust Holdings, Inc. allotted share acquisition rights to directors as a stock option to further enhance their motivation and morale that helps drive stock price increases, medium- to long-term corporate performance, and ultimately shareholder profits.

(ii) Policies Concerning Compensation for "Applicable Employees, etc."

Compensations for the SuMi TRUST Bank Group's employees, etc. are determined by performance assessments, to reflect each employee's contribution to corporate performance in determining a performance-linked portion and evaluating target achieving performance. The human resources departments at each company have ensured that compensation payments are not excessively performance-oriented, on the basis of the compensation system in place, current status of performance assessment and actual payment records.

On the other hand, compensation for overseas employees is determined under a basic principle by which payrolls are determined based on job description and responsibility, while bonuses are determined based on performance. Meanwhile, the total compensation budget is capped locally, based on the performance of each operation, preventing excessive impact on the overall compensation fund from individual employees' extraordinary performance.

3. Consistency of SuMi TRUST Bank's Compensation System for Applicable Officers and Employees in Line with Risk Management, and Linkage between Compensation and Performance

In determining compensation for applicable officers, the total amount of compensation is determined based on decisions made at the General Meeting of Shareholders. In determining compensation for applicable employees, etc., an adequate budget is arranged in consideration of the SuMi TRUST Bank Group's financial standing and other considerations.

• Total Amount of Compensation for Applicable Officers and Employees within the SuMi TRUST Bank Group (From April 1, 2016 to March 31, 2017)

Category	Headcount	Millions of Yen						
		Total amount of compensation	Total amount of fixed compensation	Basic Compensation	Total amount of variable compensation	Bonus	Compensation as stock option	Retirement benefits
Directors (excluding External Directors)	14	763	601	601	110	110	52	—
Corporate Auditors (excluding External Auditors)	2	51	51	51	—	—	—	—
Applicable employees, etc.	5	285	155	155	130	130	—	—

* Amount of compensation stated above includes compensation for (concurrent) directorship at the significant consolidated subsidiaries.

Capital Adequacy Ratio Quantitative Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")

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Capital Adequacy Ratio Quantitative Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited

Capital Adequacy Ratio

Consolidated

We calculate the BIS capital adequacy ratio on both a consolidated and non-consolidated basis in line with provisions of Article 14-2 of the Banking Act and on the basis of calculation formula prescribed under the criteria for judging whether a bank's capital adequacy ratio is appropriate in light of assets held (the Financial Services Agency 2006 Notification No. 19, hereinafter referred to as the "Notification").

Since the end of March 2017, we have adopted the Advanced Internal Ratings-Based (IRB) Approach for the calculation of credit risk-weighted assets, the Advanced Measurement Approach for the calculation of operational risk, and market risk regulations.

Scope of Consolidation

Consolidated

(1) There is no difference between companies belonging to the group of companies subject to the consolidated BIS capital adequacy ratio as prescribed by the Basel Notification, Article 3 (hereinafter referred to as the "SuMi TRUST Bank Group") and the companies included in the scope of accounting consolidation.

(2) The number of consolidated subsidiaries that belong to the SuMi TRUST Bank Group is 64. The principal companies are the following.

Name	Principal Business Operations
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	General Leasing, Installment Purchase Services, Credit Card Business
Nikko Asset Management Co., Ltd.	Investment Management, Investment Advisory
Sumitomo Mitsui Trust Club Co., Ltd.	Credit Card Business
Sumitomo Mitsui Trust Realty Co., Ltd.	Real Estate Brokerage Business
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Money Lending Business
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Banking, Trust Business

(3) There is no affiliated company that undertakes financial services subject to the Basel Notification, Article 9.

(4) There are no particular restrictions on the transfer of funds and capital within the SuMi TRUST Bank Group.

(5) Of the subsidiaries which are banking, financial and insurance entities that are outside the scope of regulatory consolidation, none failed to meet the regulatory required capital.

Composition of Capital (Consolidated BIS capital adequacy ratio)

Consolidated

As of March 31		Millions of Yen, %			
Basel Ⅲ Template No.	Items	2017	Amounts Excluded under Transitional Arrangements	2016	Amounts Excluded under Transitional Arrangements
	Common Equity Tier 1 Capital: Instruments and Reserves				
1a+2–1c–26	Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	**¥ 1,929,388**		¥ 1,920,677	
1a	of Which: Capital Stock and Capital Surplus	**834,076**		834,134	
2	of Which: Retained Earnings	**1,165,558**		1,106,603	
1c	of Which: Treasury Stock (Deduction)	**—**		—	
26	of Which: Earnings to be Distributed (Deduction)	**70,246**		20,060	
	of Which: Others	**—**		—	
1b	Subscription Rights to Common Shares	**—**		—	
3	Accumulated Other Comprehensive Income	**353,112**	**¥ 88,278**	246,640	¥ 164,426
5	Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	**—**		—	
	Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements	**3,425**		7,184	
	of Which: Common Share Capital Issued by Subsidiaries and Held by Third Parties	**3,425**		7,184	
6	Common Equity Tier 1 Capital: Instruments and Reserves (A)	**2,285,926**		2,174,502	
	Common Equity Tier 1 Capital: Regulatory Adjustments				
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	**142,599**	**35,649**	96,729	64,486
8	of Which: Goodwill (Including Those Equivalent)	**85,100**	**21,275**	63,182	42,121
9	of Which: Other Intangible Assets	**57,498**	**14,374**	33,546	22,364
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	**121**	**30**	—	—
11	Deferred Gains or Losses on Derivatives under Hedge Accounting	**(14,885)**	**(3,721)**	(5,002)	(3,334)
12	Shortfall of Eligible Provisions to Expected Losses	**8,730**	**2,182**	11,647	7,765
13	Securitization Gain on Sale	**1,894**	**473**	2,383	1,589
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	**—**	**—**	—	—
15	Assets for Retirement Benefits	**65,929**	**16,482**	37,970	25,313
16	Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	**—**	**—**	—	—
17	Reciprocal Cross-Holdings in Common Equity	**—**	**—**	—	—
18	Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does Not Own More than 10% of the Issued Share Capital (Amount above 10% Threshold)	**5,410**	**1,352**	—	—
19+20+21	Amount above the 10% Threshold on the Specified Items	**—**	**—**	—	—
19	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	**—**	**—**	—	—
20	of Which: Mortgage Servicing Rights	**—**	**—**	—	—
21	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	**—**	**—**	—	—
22	Amount Exceeding the 15% Threshold on the Specified Items	**—**	**—**	—	—
23	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	**—**	**—**	—	—
24	of Which: Mortgage Servicing Rights	**—**	**—**	—	—
25	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	**—**	**—**	—	—
27	Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions	**—**		—	
28	Common Equity Tier 1 Capital: Regulatory Adjustments (B)	**209,801**		143,729	
	Common Equity Tier 1 Capital (CETI)				
29	Common Equity Tier 1 Capital (C) = (A)–(B)	**¥ 2,076,125**		¥ 2,030,772	

As of March 31			Millions of Yen, %			
Basel Ⅲ Template No.		Items	2017	Amounts Excluded under Transitional Arrangements	2016	Amounts Excluded under Transitional Arrangements
Additional Tier 1 Capital: Instruments						
30	31a	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	¥ —		¥ —	
	31b	Subscription Rights to Additional Tier 1 Instruments	—		—	
	32	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	220,000		120,000	
		Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		—	
34–35		Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	12,040		10,281	
33+35		Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital	160,000		160,000	
33		of Which: Directly Issued and Issued by Special Purpose Vehicles	160,000		160,000	
35		of Which: Issued by Subsidiaries	—		—	
		Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements	4		274	
		of Which: Foreign Currency Translation Adjustment	4		274	
36		Additional Tier 1 Capital: Instruments (D)	392,044		290,555	
Additional Tier 1 Capital: Regulatory Adjustments						
37		Investments in Own Additional Tier 1 Instruments	—	¥ —	—	¥ —
38		Reciprocal Cross-Holdings in Additional Tier 1 Instruments	—	—	—	—
39		Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	934	233	—	—
40		Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—	—	—	—
		Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements	21,511		48,136	
		of Which: Goodwill Equivalents	18,898		41,807	
		of Which: Equivalent to Intangible Fixed Assets Recorded through Business Combination	1,048		857	
		of Which: Equivalent to Capital Increase Due to Securitization Transactions	473		1,589	
		of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	1,091		3,882	
42		Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions	—		—	
43		Additional Tier 1 Capital: Regulatory Adjustments (E)	22,446		48,136	
Additional Tier 1 Capital (ATI)						
44		Additional Tier 1 Capital (F) = (D)–(E)	369,598		242,419	
Tier 1 Capital (TI = CETI + ATI)						
45		Tier 1 Capital (G) = (C)+(F)	2,445,723		2,273,191	
Tier 2 Capital: Instruments and Provisions						
46		Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—		—	
		Subscription Rights to Tier 2 Instruments	—		—	
		Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	140,000		90,000	
		Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		—	
48–49		Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	2,735		2,349	
47+49		Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2	361,498		401,401	
47		of Which: Directly Issued and Issued by Special Purpose Vehicles	361,498		401,401	
49		of Which: Issued by Subsidiaries	—		—	
50		Provisions Allowed in Group Tier 2	3,926		3,276	
50a		of Which: General Allowance for Credit Losses	3,926		3,276	
50b		of Which: Excess Amount of Eligible Provisions to Expected Losses	—		—	
		Amount Allowed in Group Tier 2 Subject to Transitional Arrangements	63,293		123,122	
		of Which: 45% of Net Unrealized Gain on Available-for-Sale Securities	63,118		122,685	
		of Which: 45% of Revaluation Reserve for Land	175		437	
51		Tier 2 Capital: Instruments and Provisions (H)	¥ 571,455		¥ 620,150	

As of March 31		Millions of Yen, %			
Basel Ⅲ Template No.	Items	2017	Amounts Excluded under Transitional Arrangements	2016	Amounts Excluded under Transitional Arrangements
	Tier 2 Capital: Regulatory Adjustments				
52	Investments in Own Tier 2 Instruments	¥ —	¥ —	¥ —	¥ —
53	Reciprocal Cross-Holdings in Tier 2 Instruments	—	—	—	—
54	Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	6,516	1,629	—	—
55	Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside of the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—	—	—	—
	Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements	3,631		4,197	
	of Which: Accumulated Investments in the Common Stock of Banking, Financial and Insurance Entities	2,540		314	
	of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	1,091		3,882	
57	Tier 2 Capital: Regulatory Adjustments (I)	10,147		4,197	
	Tier 2 Capital (TⅡ)				
58	Tier 2 Capital (J)=(H)–(I)	561,307		615,953	
	Total Capital (TC = T1 + TⅡ)				
59	Total Capital (K)=(G)+(J)	3,007,030		2,889,144	
	Total Risk Weighted Assets				
	Risk Weighted Assets Subject to Transitional Arrangements	36,858		46,820	
	of Which: Intangible Fixed Assets (excluding Mortgage Servicing Rights)	13,325		21,506	
	of Which: Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	30		—	
	of Which: Assets for Retirement Benefits	16,482		25,313	
	of Which: Investments in the Common Stock of Banking, Financial and Insurance Entities	7,019		—	
60	Total Risk Weighted Assets (L)	19,291,135		17,951,561	
	Capital Ratios (Consolidated)				
61	Common Equity Tier 1 Capital Ratio (C)/(L)	10.76%		11.31%	
62	Tier 1 Capital Ratio (G)/(L)	12.67%		12.66%	
63	Total Capital Ratio (K)/(L)	15.58%		16.09%	
	Regulatory Adjustments (before Risk Weighting)				
72	Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital (Amount below the Threshold for Deduction)	211,529		186,657	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)	71,957		55,013	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)	—		—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)	—		—	
	Provisions Included in Tier 2 Capital: Instruments and Provisions				
76	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardized Approach (Prior to Applicable of Cap)	3,926		3,276	
77	Cap on Inclusion of Provisions in Tier 2 under Standardized Approach	7,809		6,262	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)	—		—	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach	100,088		92,111	
	Capital Instruments Subject to Phase out Arrangements				
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements	194,500		233,400	
83	Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)	—		—	
84	Current Cap on Tier 2 Instruments Subject to Phase out Arrangements	428,954		514,745	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)	¥ —		¥ —	

Note: SuMi TRUST Bank received an external audit by KPMG AZSA LLC of the calculation of the consolidated BIS capital adequacy ratio in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, May 13, 2014). The external audit is not part of the accounting audit of the consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Outline and Details of Agreements Concerning Capital Funding Instruments Consolidated

Outline and Details of Agreements Concerning Capital Funding Instruments are available on our website (http://smth.jp/ir/basel/index.html).

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Consolidated

Fiscal Year 2016

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 14,269,687		
Call Loans and Bills Bought	64,706		
Receivables under Resale Agreements	83,888		
Receivables under Securities Borrowing Transactions	464,956		
Monetary Claims Bought	906,572		
Trading Assets	496,563		
Money Held in Trust	1,650		
Securities	5,068,155	2–b, 6–a	
Loans and Bills Discounted	27,982,411	6–b	
Foreign Exchanges	16,189		
Lease Receivables and Investment Assets	667,808		
Other Assets	1,603,413	6–c	
Tangible Fixed Assets	231,288		
Buildings	73,123		
Land	133,763		
Lease Assets	5,888		
Construction in Progress	811		
Other	17,700		
Intangible Fixed Assets	195,981	2–a	
Software	91,652		
Goodwill	94,490		
Lease Assets	188		
Other	9,649		
Assets for Retirement Benefits	118,795	3	
Deferred Tax Assets	26,262	4–a	
Customers' Liabilities for Acceptances and Guarantees	458,010		
Allowance for Loan Losses	(115,794)		
Total Assets	¥ 52,540,547		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 29,215,433		
Negotiable Certificates of Deposit	7,388,617		
Call Money and Bills Sold	344,089		
Payables under Repurchase Agreements	1,063,737		
Payables under Securities Lending Transactions	13,699		
Trading Liabilities	366,879		
Borrowed Money	3,813,105	8	
Foreign Exchanges	236		
Short-term Bonds Payable	904,248		
Bonds Payable	1,034,093		
Borrowed Money from Trust Account	3,973,623		
Other Liabilities	1,138,659	6–d	
Provision for Bonuses	15,729		
Provision for Director's Bonuses	259		
Retirement Benefits Liabilities	13,037		
Provision for Reward Points Program	17,519		
Provision for Reimbursement of Deposits	3,583		
Provision for Contingent Loss	7,774		
Deferred Tax Liabilities	132,186	4–b	
Deferred Tax Liabilities for Land Revaluation	3,016	4–c	
Acceptances and Guarantees	458,010		
Total Liabilities	49,907,542		
(Net Assets)			
Capital Stock	342,037	1–a	
Capital Surplus	492,039	1–b	
Retained Earnings	1,165,558	1–c	
Total Shareholders' Equity	1,999,635		
Valuation Difference on Available-for-Sale Securities	492,920		
Deferred Gains or Losses on Hedges	(21,045)	5	
Revaluation Reserve for Land	(1,067)		
Foreign Currency Translation Adjustment	20		
Remeasurements of Retirement Benefits	(29,438)		
Total Accumulated Other Comprehensive Income	441,390		3
Non-controlling Interests	191,979	7	
Total Net Assets	2,633,005		
Total Liabilities and Net Assets	¥ 52,540,547		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1–a
Capital Surplus	492,039		1–b
Retained Earnings	1,165,558		1–c
Total Shareholders' Equity	¥ 1,999,635		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,999,635	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	834,076		1a
of Which: Retained Earnings	1,165,558		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 195,981		2–a
Securities	5,068,155		2–b
of Which: Goodwill Arising on the Application of the Equity Method	11,885		
Associated Deferred Tax Liabilities	29,616		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 106,375		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	71,873	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Assets for Retirement Benefits

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 118,795		3
Associated Deferred Tax Liabilities	36,383		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Assets for Retirement Benefits	¥ 82,411		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 26,262		4–a
Deferred Tax Liabilities	132,186		4–b
Deferred Tax Liabilities for Land Revaluation	3,016		4–c
Associated Intangible Fixed Assets	29,616		
Associated Assets for Retirement Benefits	36,383		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 151	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (21,045)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (18,606)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 5,068,155		6–a
Loans and Bills Discounted	27,982,411	Including subordinated loans	6–b
Other Assets	1,603,413	Including derivatives	6–c
Other Liabilities	¥ 1,138,659	Including derivatives	6–d

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	227,605		
Common Equity Tier 1 Capital	6,763		18
Additional Tier 1 Capital	1,167		39
Tier 2 Capital	8,145		54
Amount below the Thresholds for Deduction (before Risk Weighting)	211,529		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	71,957		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	—		55
Amount below the Thresholds for Deduction (before Risk Weighting)	71,957		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 191,979		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ —	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	12,040	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	2,735	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	48–49

8. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 3,813,105		8

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 220,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	140,000		46

Fiscal Year 2015

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 14,428,660		
Call Loans and Bills Bought	505,252		
Receivables under Resale Agreements	110,377		
Receivables under Securities Borrowing Transactions	326,457		
Monetary Claims Bought	889,445		
Trading Assets	614,290		
Money Held in Trust	1,749	6–a	
Securities	4,815,901	2–b, 6–b	
Loans and Bills Discounted	26,740,793	6–c	
Foreign Exchanges	17,223		
Lease Receivables and Investment Assets	608,433		
Other Assets	1,606,631	6–d	
Tangible Fixed Assets	232,549		
Buildings	73,447		
Land	135,464		
Lease Assets	3,415		
Construction in Progress	1,820		
Other	18,401		
Intangible Fixed Assets	184,293	2–a	
Software	68,884		
Goodwill	104,517		
Lease Assets	212		
Other	10,678		
Assets for Retirement Benefits	91,225	3	
Deferred Tax Assets	27,084	4–a	
Customers' Liabilities for Acceptances and Guarantees	503,742		
Allowance for Loan Losses	(90,829)		
Total Assets	¥ 51,613,282		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 26,577,818		
Negotiable Certificates of Deposit	7,199,632		
Call Money and Bills Sold	328,968		
Payables under Repurchase Agreements	653,456		
Trading Liabilities	451,751		
Borrowed Money	2,790,491	8	
Foreign Exchanges	259		
Short-term Bonds Payable	1,253,207		
Bonds Payable	864,857		
Borrowed Money from Trust Account	7,026,326		
Other Liabilities	1,241,345	6–e	
Provision for Bonuses	15,765		
Provision for Director's Bonuses	255		
Retirement Benefits Liabilities	12,996		
Provision for Reward Points Program	17,711		
Provision for Reimbursement of Deposits	3,676		
Provision for Contingent Loss	7,642		
Deferred Tax Liabilities	117,781	4–b	
Deferred Tax Liabilities for Land Revaluation	3,126	4–c	
Acceptances and Guarantees	503,742		
Total Liabilities	49,070,812		
(Net Assets)			
Capital Stock	342,037	1–a	
Capital Surplus	492,097	1–b	
Retained Earnings	1,106,603	1–c	
Total Shareholders' Equity	1,940,738		
Valuation Difference on Available-for-Sale Securities	484,079		
Deferred Gains or Losses on Hedges	(13,196)	5	
Revaluation Reserve for Land	(697)		
Foreign Currency Translation Adjustment	685		
Remeasurements of Retirement Benefits	(59,804)		
Total Accumulated Other Comprehensive Income	411,067		3
Non-controlling Interests	190,663	7	
Total Net Assets	2,542,469		
Total Liabilities and Net Assets	¥ 51,613,282		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1–a
Capital Surplus	492,097		1–b
Retained Earnings	1,106,603		1–c
Total Shareholders' Equity	¥ 1,940,738		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,940,738	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	834,134		1a
of Which: Retained Earnings	1,106,603		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 184,293		2–a
Securities	4,815,901		2–b
of Which: Goodwill Arising on the Application of the Equity Method	786		
Associated Deferred Tax Liabilities	23,864		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 105,304		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	55,911	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Assets for Retirement Benefits

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 91,225		3
Associated Deferred Tax Liabilities	27,940		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Assets for Retirement Benefits	¥ 63,284		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 27,084		4–a
Deferred Tax Liabilities	117,781		4–b
Deferred Tax Liabilities for Land Revaluation	3,126		4–c
Associated Intangible Fixed Assets	23,864		
Associated Assets for Retirement Benefits	27,940		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ —	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (13,196)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (8,336)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Money Held in Trust	¥ 1,749		6–a
Securities	4,815,901		6–b
Loans and Bills Discounted	26,740,793	Including subordinated loans	6–c
Other Assets	1,606,631	Including derivatives	6–d
Other Liabilities	¥ 1,241,345	Including derivatives	6–e

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	186,657		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital	—		54
Amount below the Thresholds for Deduction (before Risk Weighting)	186,657		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	55,013		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	—		55
Amount below the Thresholds for Deduction (before Risk Weighting)	55,013		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 190,663		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ —	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	10,281	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	2,349	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	48–49

8. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 2,790,491		8

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 120,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	90,000		46

Capital Adequacy

Consolidated

Amounts of Required Capital

(1) Amounts of required capital against credit risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

As of March 31	Millions of Yen 2017	2016
Portfolios to Which the Standardized Approach is Applied	¥ 51,386	¥ 42,267
Exposures to Business Units Set for Phased Roll-out Application	18,498	16,353
Exposures Excluded from Application	32,887	25,913
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio	1,226,291	1,163,913
Corporate Exposures	885,016	813,487
Sovereign Exposures	14,865	17,464
Financial Institution Exposures	39,807	51,162
Residential Mortgage Exposures	113,469	99,583
Qualifying Revolving Retail Exposures	1,528	1,647
Other Retail Exposures	25,436	24,816
Other Exposures*1	146,167	155,750
Securitization Exposures	14,317	15,909

*1. Other exposures refer to the exposures below.
Purchased receivables, unsettled transactions, lease transactions, CVA risk, central counterparty-related, equities, with 250% risk-weight applied and other assets
*2. The calculation method of the amounts of required capital ratio against credit risk is as follows:
Portfolios to which the Standardized Approach is applied: amount of credit risk-weighted assets x 8%
Portfolios to which the IRB Approach is applied: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
Securitization exposures: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(2) Amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied

As of March 31	Millions of Yen 2017	2016
Equity Exposures	¥ 133,204	¥ 139,658
PD/LGD Approach	109,938	113,651
Simple Risk-Weight Method of the Market-based Approach	23,265	26,006
Internal Model Method of the Market-based Approach	—	—

* The calculation method of the amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied is as follows
Those applicable to the PD/LGD approach: (amount of credit risk-weighted assets x 1.06) x 8%
Those applicable to the simple risk-weight method of the market-based approach: (amount of credit risk-weighted assets x 1.06) x 8%

(3) Amounts of required capital against credit risk concerning exposures held in funds

As of March 31	Millions of Yen 2017	2016
Exposures Held in Funds*	¥ 146,066	¥ 91,096

* (Amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(4) Amounts of required capital against market risk

As of March 31	Millions of Yen	
	2017	2016
Market Risk	**¥ 44,118**	¥ 45,846
Amounts of Required Capital by Category under the Standardized Approach	**9,245**	7,003
Interest Rate Risk	**5,490**	3,326
Equity Position Risk	**—**	—
Foreign Exchange Risk	**3,755**	3,677
Commodities Risk	**—**	—
Options Transactions	**—**	—
Internal Model Approach	**34,872**	38,842

(5) Amounts of required capital against operational risk

As of March 31	Millions of Yen	
	2017	2016
Operational Risk	**¥ 77,316**	¥ 74,638
Advanced Measurement Approach	**64,577**	62,024
Standardized Approach	**—**	—
Basic Indicator Approach	**12,739**	12,613

(6) Consolidated total required capital

As of March 31	Millions of Yen	
	2017	2016
Consolidated Total Required Capital*	**¥ 1,543,290**	¥ 1,436,124

* (Total amount of credit risk-weighted assets + market risk equivalents/8% + operational risk equivalents/8%) x 8%

Credit Risk

Consolidated

Balance of Exposures Related to Credit Risk and Breakdown by Primary Types

As of March 31	Millions of Yen 2017 Credit Risk Exposures	Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	Exposures Three Months or Longer Overdue or Exposures in Default
Japan	¥ 42,984,217	¥ 37,355,585	¥ 2,080,541	¥ 360,706	¥ 3,187,383	¥ 122,780
Outside Japan	6,712,758	4,775,873	1,171,821	377,644	387,419	17,290
Total for Regions	¥ 49,696,975	¥ 42,131,458	¥ 3,252,363	¥ 738,350	¥ 3,574,802	¥ 140,070
Manufacturing	¥ 4,432,685	¥ 2,857,543	¥ 477,882	¥ 29,033	¥ 1,068,226	¥ 15,193
Agriculture and Forestry	5,743	5,594	—	115	34	974
Fisheries	67	27	40	—	—	—
Mining and Quarrying of Stones and Gravel	22,924	7,949	152	—	14,823	—
Construction	238,317	149,663	25,319	898	62,436	16
Electricity, Gas, Heat Supply and Water	1,106,849	902,828	16,617	12,044	175,357	—
Information and Communication	600,715	540,700	6,203	1,212	52,599	—
Transport and Postal Activities	1,444,060	1,164,539	156,282	21,341	101,897	379
Wholesale and Retail Trade	1,902,812	1,477,611	109,985	4,706	310,510	2,313
Finance and Insurance	2,450,418	1,538,643	416,215	226,943	268,616	278
Real Estate	3,888,029	3,150,645	408,856	28,462	300,065	14,889
Goods Rental and Leasing	877,450	806,928	7,579	1,000	61,941	237
Local Public Bodies	100,738	85,285	4,790	—	10,662	—
Individuals	9,449,180	9,316,921	—	—	132,259	69,912
Others	23,176,981	20,126,578	1,622,437	412,592	1,015,373	35,874
Total for Industry Sectors	¥ 49,696,975	¥ 42,131,458	¥ 3,252,363	¥ 738,350	¥ 3,574,802	¥ 140,070
One Year or Less	8,020,118	6,042,210	585,913	202,438	1,189,554	
Over One Year to Three Years	5,894,270	4,566,576	270,577	113,643	943,473	
Over Three Years to Five Years	17,994,466	17,007,300	344,337	135,059	507,769	
Over Five Years	17,788,121	14,515,371	2,051,536	287,208	934,005	
Total for All Durations	¥ 49,696,975	¥ 42,131,458	¥ 3,252,363	¥ 738,350	¥ 3,574,802	
Average Balance during the Period	¥ 48,443,132	¥ 40,563,902	¥ 3,524,919	¥ 805,239	¥ 3,549,071	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables, lease transactions as well as phased application exposures.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2016, September 30, 2016 and March 31, 2017.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

As of March 31	Millions of Yen					
	2016					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 42,396,603	¥ 36,340,907	¥ 2,556,901	¥ 426,247	¥ 3,072,545	¥ 146,029
Outside Japan	6,969,020	5,108,124	900,735	437,177	522,982	25,605
Total for Regions	¥ 49,365,624	¥ 41,449,032	¥ 3,457,637	¥ 863,425	¥ 3,595,528	¥ 171,634
Manufacturing	¥ 4,458,578	¥ 2,881,033	¥ 542,559	¥ 45,911	¥ 989,073	¥ 19,926
Agriculture and Forestry	4,121	3,969	—	152	—	1,178
Fisheries	58	2	55	—	—	—
Mining and Quarrying of Stones and Gravel	25,554	9,936	151	—	15,467	—
Construction	250,566	152,014	37,535	1,553	59,463	143
Electricity, Gas, Heat Supply and Water	1,003,724	811,631	26,779	10,672	154,640	—
Information and Communication	526,837	463,812	9,105	1,708	52,210	6
Transport and Postal Activities	1,484,184	1,154,121	199,092	32,163	98,806	4,380
Wholesale and Retail Trade	1,927,200	1,439,418	120,127	6,400	361,253	2,695
Finance and Insurance	2,920,097	2,111,779	259,933	259,596	288,788	351
Real Estate	3,759,812	2,939,919	439,587	38,951	341,354	24,063
Goods Rental and Leasing	832,395	754,329	11,017	1,789	65,259	251
Local Public Bodies	141,660	125,929	4,846	—	10,884	—
Individuals	8,433,301	8,287,514	—	—	145,787	73,880
Others	23,597,530	20,313,622	1,806,844	464,526	1,012,537	44,756
Total for Industry Sectors	¥ 49,365,624	¥ 41,449,032	¥ 3,457,637	¥ 863,425	¥ 3,595,528	¥ 171,634
One Year or Less	9,047,952	6,989,439	885,026	142,594	1,030,893	
Over One Year to Three Years	5,843,360	4,137,330	495,742	198,149	1,012,138	
Over Three Years to Five Years	18,351,670	17,401,233	394,029	122,693	433,715	
Over Five Years	16,122,639	12,921,029	1,682,839	399,988	1,118,781	
Total for All Durations	¥ 49,365,624	¥ 41,449,032	¥ 3,457,637	¥ 863,425	¥ 3,595,528	
Average Balance during the Period	¥ 45,467,428	¥ 37,045,197	¥ 4,140,104	¥ 855,564	¥ 3,426,561	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables, lease transactions as well as phased application exposures.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2015, September 30, 2015 and March 31, 2016.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

Balance and Changes of General Allowance for Loan Losses, Specific Allowance for Loan Losses, and Allowance for Loan Losses from Specified Foreign Country Borrowers

(1) General allowance for loan losses

As of March 31	Millions of Yen		
	2017	2016	Change
	Balance	Balance	
General Allowance for Loan Losses	**¥ 97,567**	¥ 68,097	¥ 29,469

(2) Specific allowance for loan losses (breakdown by region, industry sector)

As of March 31	Millions of Yen		
	2017	2016	Change
	Balance	Balance	
Japan	¥ 15,260	¥ 19,425	¥ (4,164)
Outside Japan	2,966	3,306	(340)
Total for Regions	¥ 18,227	¥ 22,731	¥ (4,504)
Manufacturing	4,899	4,956	(56)
Agriculture and Forestry	1	2	0
Fisheries	—	—	—
Mining and Quarrying of Stones and Gravel	—	—	—
Construction	15	46	(30)
Electricity, Gas, Heat Supply and Water	128	6	121
Information and Communication	8	11	(2)
Transport and Postal Activities	3,403	4,980	(1,576)
Wholesale and Retail Trade	424	853	(428)
Finance and Insurance	184	222	(37)
Real Estate	342	491	(149)
Goods Rental and Leasing	5	45	(39)
Local Public Bodies	—	—	—
Individuals	4,650	4,791	(141)
Others	4,160	6,323	(2,162)
Total for Industry Sectors	¥ 18,227	¥ 22,731	¥ (4,504)

Note: "Others" in the industry sectors include non-residents and state public services.

(3) Allowance for loan losses from specified foreign country borrowers

Not applicable as of the end of March 2017 and the end of March 2016.

Amounts of Written-off Loans by Industry Sector

Years Ended March 31	Millions of Yen	
	2017	2016
Manufacturing	¥ 155	¥ 102
Agriculture and Forestry	1	2
Fisheries	—	2
Mining and Quarrying of Stones and Gravel	0	—
Construction	—	54
Electricity, Gas, Heat Supply and Water	8	—
Information and Communication	26	0
Transport and Postal Activities	1,103	525
Wholesale and Retail Trade	4	676
Finance and Insurance	2	0
Real Estate	12	9
Goods Rental and Leasing	—	—
Local Public Bodies	—	—
Individuals	3,118	2,395
Others	341	5,606
Total for Industry Sectors	¥ 4,776	¥ 9,377

Note: "Others" in the industry sectors include non-residents and state public services.

Balance of Exposures to which the Standardized Approach is Applied by Risk-Weight Category

As of March 31	Millions of Yen			
	2017		2016	
		Subject to Rating		Subject to Rating
Balance of Exposures to which the Standardized Approach is Applied after Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category	**¥ 1,201,174**	**¥ 11,228**	¥ 1,053,245	¥ 2,287
0%	**179,932**	**—**	183,997	—
10%	**—**	**—**	—	—
20%	**412,399**	**476**	369,266	171
35%	**—**	**—**	15	—
50%	**72,796**	**10,605**	65,581	1,912
75%	**—**	**—**	—	—
100%	**536,045**	**146**	434,382	202
150%	**—**	**—**	1	—
Amounts of exposures with 1,250% risk-weight applied	**—**		—	

Exposures to which the IRB Approach is Applied

As of March 31		Millions of Yen	
		2017	2016
Specialized Lending under the Slotting Criteria		**¥ 1,981,778**	¥ 1,752,499
High-Volatility Commercial Real Estate Exposures		**293,840**	245,266
Maturities of 2.5 Years or Longer		**261,730**	211,741
Strong	95%	**34,230**	35,831
Good	120%	**71,238**	107,555
Satisfactory	140%	**156,261**	57,922
Weak	250%	**—**	10,432
Default	0%	**—**	—
Maturities of Less than 2.5 Years		**32,110**	33,524
Strong	70%	**—**	—
Good	95%	**2,650**	1,806
Satisfactory	140%	**29,460**	31,457
Weak	250%	**—**	259
Default	0%	**—**	—
Other Exposures		**¥ 1,687,937**	¥ 1,507,233
Maturities of 2.5 Years or Longer		**1,586,337**	1,444,268
Strong	70%	**498,350**	605,547
Good	90%	**785,887**	609,392
Satisfactory	115%	**234,411**	174,144
Weak	250%	**63,705**	47,636
Default	0%	**3,981**	7,547
Maturities of Less than 2.5 Years		**101,600**	62,964
Strong	50%	**32,067**	10,428
Good	70%	**39,054**	29,316
Satisfactory	115%	**18,190**	14,129
Weak	250%	**12,287**	9,090
Default	0%	**—**	—
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied		**¥ 83,687**	¥ 92,949
300%		**60,390**	65,121
400%		**23,297**	27,828

Note: The supervisory formula has been applied to some of the specialised lendings since the end of March 2016 and the exposures above are not included.

Portfolios to which the IRB Approach is Applied

(1) Corporate exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.38%	32.89%		38.50%	¥ 14,377,572	¥ 2,790,421	¥ 2,197,575	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	16.92%	33.89%		175.60%	447,029	123,020	85,907	75.00%
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	37.61%	36.29%	17.42%	57,141	9,350	—	—
Total	1.28%	32.94%		42.81%	¥ 14,881,744	¥ 2,922,792	¥ 2,283,482	75.00%

Note: The supervisory formula has been applied to some of the specialised lendings since the end of March 2016 and the exposures above are included.

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.36%	33.39%		38.28%	¥ 14,486,400	¥ 2,834,696	¥ 2,220,079	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	16.10%	33.37%		170.79%	265,847	58,423	12,124	75.00%
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	35.72%	34.78%	20.74%	74,674	16,616	—	—
Total	1.16%	33.40%		40.61%	¥ 14,826,922	¥ 2,909,735	¥ 2,232,203	75.00%

Note: The supervisory formula has been applied to some of the specialised lendings since the end of March 2016 and the exposures above are included.

(2) Sovereign exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.00%	44.01%		0.78%	¥ 16,068,663	¥ 121,276	¥ 23,747	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	34.12%	45.00%		282.38%	11,227	695	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.03%	44.01%		0.99%	¥ 16,079,890	¥ 121,972	¥ 23,747	75.00%

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.01%	43.91%		0.95%	¥ 16,245,333	¥ 129,755	¥ 24,913	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	34.12%	45.00%		282.39%	11,272	1,352	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.03%	43.91%		1.17%	¥ 16,256,605	¥ 131,108	¥ 24,913	75.00%

(3) Financial Institution exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Ordinary Assets (Seijo-Saki)	0.15%	40.82%		29.14%	¥1,090,259	¥ 572,782	¥ 74,577	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—		—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.15%	40.82%		29.14%	¥1,090,259	¥ 572,782	¥ 74,577	75.00%

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Ordinary Assets (Seijo-Saki)	0.12%	42.43%		25.66%	¥ 1,762,254	¥ 669,775	¥ 126,565	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—		—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.12%	42.43%		25.66%	¥ 1,762,254	¥ 669,775	¥ 126,565	75.00%

(4) Equity exposures under the PD/LGD Approach

As of March 31	Millions of Yen 2017		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
Ordinary Assets (Seijo-Saki)	0.22%	145.11%	¥ 924,530
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	12.90%	630.57%	4,729
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	240
Total	0.31%	147.85%	¥ 929,500

Note: Weighted average of risk-weight include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

As of March 31	Millions of Yen 2016		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
Ordinary Assets (Seijo-Saki)	0.20%	137.15%	¥ 1,021,668
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	9.63%	557.89%	2,828
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	304
Total	0.26%	138.63%	¥ 1,024,800

Note: Weighted average of risk-weight include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

(5) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Residential Mortgage								
Current	0.23%	26.86%		12.15%	¥ 8,371,334	¥ 28,198	¥ 740	100.00%
Overdue	21.34%	27.47%		163.67%	83,823	101	22	100.00%
Default	100.00%	29.22%	21.71%	99.46%	35,889	23	—	—
Qualifying Revolving Retail								
Current	0.48%	73.98%		15.85%	19,947	44,089	463,864	9.50%
Overdue	32.27%	69.21%		193.52%	241	123	747	16.54%
Default	100.00%	76.79%	74.01%	36.74%	254	201	2,357	8.54%
Other Retail (consumer)								
Current	0.79%	61.06%		46.41%	158,009	56,159	177,707	28.56%
Overdue	31.76%	37.00%		96.16%	849	650	145	22.81%
Default	100.00%	44.83%	34.22%	140.58%	3,187	301	1,094	22.51%
Other Retail (commercial)								
Current	0.95%	33.97%		30.62%	374,674	2,554	1,490	100.00%
Overdue	35.44%	31.64%		83.97%	2,580	9	9	100.00%
Default	100.00%	35.63%	33.19%	32.37%	10,378	183	33	100.00%
Total	1.03%	28.31%		15.57%	¥ 9,061,172	¥ 132,596	¥ 648,214	15.08%

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Residential Mortgage								
Current	0.24%	25.45%		11.67%	¥ 7,380,677	¥ 33,669	¥ 1,584	100.00%
Overdue	22.12%	26.03%		155.97%	81,417	115	10	100.00%
Default	100.00%	27.95%	21.92%	79.80%	38,725	26	—	—
Qualifying Revolving Retail								
Current	0.50%	74.77%		16.72%	20,268	47,319	502,520	9.42%
Overdue	30.48%	69.00%		200.05%	297	139	729	19.19%
Default	100.00%	77.33%	73.94%	44.89%	263	188	2,159	8.73%
Other Retail (consumer)								
Current	0.76%	59.50%		47.89%	145,672	60,527	183,050	30.84%
Overdue	30.97%	34.80%		90.94%	1,088	604	168	33.98%
Default	100.00%	42.64%	33.68%	118.64%	3,119	391	938	33.76%
Other Retail (commercial)								
Current	1.01%	33.58%		30.79%	344,172	2,708	1,336	100.00%
Overdue	34.42%	29.67%		78.02%	2,620	36	27	100.00%
Default	100.00%	33.60%	30.96%	35.01%	11,896	240	28	100.00%
Total	1.19%	27.11%		15.34%	¥ 8,030,220	¥ 145,967	¥ 692,553	15.52%

Actual Credit Losses in the Current Period and Year-on-Year Change for Portfolios to which the IRB Approach is Applied

	Millions of Yen						
	2017			2016			Change in Actual Credit Losses
Years Ended March 31	Actual Credit Losses	Provisions	Reversals	Actual Credit Losses	Provisions	Reversals	
Corporate Exposures	¥ 24,827	¥ 38,173	¥ (13,345)	¥ 12,082	¥ 22,018	¥ (9,936)	¥ 12,744
Sovereign Exposures	(1,040)	27	(1,068)	4,002	4,002	—	(5,043)
Financial Institution Exposures	2	2	—	0	—	0	2
Retail Exposures	4,303	5,976	(1,672)	10,078	11,901	(1,823)	(5,774)

Note: Of total credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

Actual credit losses in FY2016 increased by ¥1.9 billion year on year. This was mainly due to the posting of allowances for loan losses attendant with deterioration in the credit status of specific obligors in our corporate exposures.

Estimated Credit Losses and Comparable Actual Credit Losses for Portfolios to which the IRB Approach is Applied

	Millions of Yen	
	2017	2016
Years Ended March 31	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 24,827	¥ 95,361
Sovereign Exposures	(1,040)	2,168
Financial Institution Exposures	2	1,244
Retail Exposures	4,303	25,751

Notes: 1. Estimated credit losses for fiscal year 2015 are the expected loss amount as of March 31, 2016.
2. Actual credit losses for fiscal year 2016 are the sum of the losses for the most recent one-year period ended March 31, 2017.

	Millions of Yen	
	2016	2015
Years Ended March 31	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 12,082	¥ 125,792
Sovereign Exposures	4,002	516
Financial Institution Exposures	0	1,297
Retail Exposures	10,078	26,223

Notes: 1. Estimated credit losses for fiscal year 2014 are the expected loss amount as of March 31, 2015.
2. Actual credit losses for fiscal year 2015 are the sum of the losses for the most recent one-year period ended March 31, 2016.

Years Ended March 31	Millions of Yen	
	2015	2014
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (5,897)	¥ 174,308
Sovereign Exposures	(88)	351
Financial Institution Exposures	(1)	974
Retail Exposures	1,920	35,799

Notes: 1. Estimated credit losses for fiscal year 2013 are the expected loss amount as of March 31, 2014.
2. Actual credit losses for fiscal year 2014 are the sum of the losses for the most recent one-year period ended March 31, 2015.

Years Ended March 31	Millions of Yen	
	2014	2013
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (7,351)	¥ 203,334
Sovereign Exposures	(4)	473
Financial Institution Exposures	(23)	880
Retail Exposures	905	28,148

Notes: 1. Estimated credit losses for fiscal year 2012 are the expected loss amount as of March 31, 2013.
2. Actual credit losses for fiscal year 2013 are the sum of the losses for the most recent one-year period ended March 31, 2014.

Years Ended March 31	Millions of Yen	
	2013	2012
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (2,417)	¥ 188,743
Sovereign Exposures	(10)	316
Financial Institution Exposures	(1)	1,033
Retail Exposures	1,244	34,400

Notes: 1. Estimated credit losses for fiscal year 2011 are the expected loss amount as of March 31, 2012.
2. Actual credit losses for fiscal year 2012 are the sum of the losses for the most recent one-year period ended March 31, 2013.

Years Ended March 31	Millions of Yen	
	2012	2011
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 16,832	¥ 195,979
Sovereign Exposures	4,749	230
Financial Institution Exposures	(135)	3,395
Retail Exposures	2,576	35,841

Notes: 1. Estimated credit losses for fiscal year 2010 are the expected loss amount as of March 31, 2011.
2. Actual credit losses for fiscal year 2011 are the sum of the losses for the most recent one-year period ended March 31, 2012.

Credit Risk Mitigation Techniques — Consolidated

Amounts of Exposures to which Credit Risk Mitigation Techniques are Applied

As of March 31	Millions of Yen 2017 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 1,004,309	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	2,146,703	212,786	327,980	—
Corporate Exposures	509,908	207,996	181,269	—
Sovereign Exposures	23,618	4,790	146,710	—
Financial Institution Exposures	1,613,176	—	—	—
Retail Exposures	—	—	—	—

As of March 31	Millions of Yen 2016 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 806,757	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,804,531	196,699	345,431	—
Corporate Exposures	471,061	191,532	178,272	—
Sovereign Exposures	8,080	5,166	167,159	—
Financial Institution Exposures	1,325,389	—	—	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions — Consolidated

Derivative Transactions

As of March 31	Millions of Yen 2017	2016
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,587,695	¥ 2,264,683
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	882,716	1,008,079
Foreign Exchange Related	1,043,506	1,129,286
Interest Rate Related	1,340,146	2,066,385
Credit Derivatives	18,994	20,683
Others	333	66
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	1,520,264	2,208,342
Amounts of Collateral	143,725	144,587
Deposits	137,065	136,225
Securities	6,660	8,362
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	738,990	863,491
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	151,636	147,274
Purchasing Protection by Credit Default Swaps	76,736	81,748
Providing Protection by Credit Default Swaps	74,900	65,525
Notional Principal Amounts of Credit Derivatives Used to Allow for the Effect of Credit Risk Mitigation Technique	—	—

Note: Credit equivalents are calculated with the current exposure approach.

Long-term Settlement Transactions

As of March 31	Millions of Yen 2017	2016
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ —	¥ —
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	11	—
Amounts of Collateral	—	—
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	11	—

Note: Credit equivalents are calculated with the current exposure approach.

Securitization Exposures

Consolidated

Securitization Exposures Originated by the SuMi TRUST Bank Group

Fiscal Year 2016

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2016, type and status of principal underlying assets

Not applicable.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen 2017 Exposure Amounts: On-balance Sheet Transactions	Exposure Amounts: Off-balance Sheet Transactions	Aggregate Sum of Underlying Assets	Aggregate Sum of Underlying Assets: Asset Transfer-Type Securitization Transactions	Aggregate Sum of Underlying Assets: Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 54,466	¥ —	¥ 216,748	¥ 216,748	¥ —
Residential Mortgage Loans	54,466	—	216,748	216,748	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 54,466	¥ —	¥ 216,748	¥ 216,748	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

Years Ended March 31	Millions of Yen 2017 Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 161	¥ (42)
Others	—	—
Total	¥ 161	¥ (42)

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2017			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 54,466	¥ —	¥ 5,797	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	32,262	—	1,020	—
50% to Less than 100%	14,829	—	649	—
100% to Less than 350%	3,897	—	440	—
350% to Less than 1,250%	—	—	—	—
1,250%	3,478	—	3,687	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 54,466	¥ —	¥ 5,797	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of principal underlying assets

As of March 31	Millions of Yen
	2017
Residential Mortgage Loans	¥ 2,368
Others	—
Total	¥ 2,368

(7) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen
	2017
Residential Mortgage Loans	¥ 3,478
Others	—
Total	¥ 3,478

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2016 and breakdown by type of principal underlying assets

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2015

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2015, type and status of principal underlying assets

Not applicable.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

	Millions of Yen				
	2016				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 83,438	¥ —	¥ 307,631	¥ 307,631	¥ —
Residential Mortgage Loans	83,438	—	307,631	307,631	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 83,438	¥ —	¥ 307,631	¥ 307,631	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	2016	
Years Ended March 31	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 461	¥ (33)
Others	—	—
Total	¥ 461	¥ (33)

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of main principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

	Millions of Yen			
	2016			
	Balance		Required Capital	
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 83,438	¥ —	¥ 7,174	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	58,118	—	1,851	—
50% to Less than 100%	17,497	—	782	—
100% to Less than 350%	4,019	—	509	—
350% to Less than 1,250%	—	—	—	—
1,250%	3,802	—	4,030	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 83,438	¥ —	¥ 7,174	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of main principal underlying assets

	Millions of Yen
As of March 31	2016
Residential Mortgage Loans	¥ 3,972
Others	—
Total	¥ 3,972

(7) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

	Millions of Yen
As of March 31	2016
Residential Mortgage Loans	¥ 3,802
Others	—
Total	¥ 3,802

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2015 and breakdown by type of principal underlying assets

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitization Exposures Purchased by the SuMi TRUST Bank Group

Fiscal Year 2016

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen	
	2017	
	Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 817,698	¥ 66,656
Residential Mortgage Loans	187,073	10,869
Credit Card Loans	21,399	508
Claims on Lease Payments, Installment Receivables	150,982	18,650
Commercial Real Estate-Secured Loans	16,676	—
Other Claims on Corporates	441,566	36,627
Resecuritization Exposures	2,014	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	5	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	2,008	—
Total	¥ 819,712	¥ 66,656

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2017			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 817,698	¥ 66,656	¥ 7,449	¥ 1,016
Less than 20%	778,428	54,585	4,788	324
20% to Less than 50%	12,768	742	242	22
50% to Less than 100%	9,639	11,327	497	670
100% to Less than 350%	16,676	—	1,724	—
350% to Less than 1,250%	—	—	—	—
1,250%	184	—	195	—
Resecuritization Exposures (IRB Approach)	2,014	—	54	—
Less than 20%	—	—	—	—
20% to Less than 50%	2,014	—	54	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 819,712	¥ 66,656	¥ 7,503	¥ 1,016

(3) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen 2017
Residential Mortgage Loans	¥ 184
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ 184

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2015

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of principal underlying assets by type

As of March 31	Millions of Yen 2016 Exposure Amounts On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 908,930	¥ 36,829
Residential Mortgage Loans	269,163	3,495
Credit Card Loans	7,500	324
Claims on Lease Payments, Installment Receivables	241,517	16,370
Commercial Real Estate-Secured Loans	16,893	—
Other Claims on Corporates	373,855	16,639
Resecuritization Exposures	14,917	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	4,392	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	10,524	—
Total	¥ 923,847	¥ 36,829

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2016			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 908,930	¥ 36,829	¥ 8,148	¥ 284
Less than 20%	874,659	36,079	5,535	262
20% to Less than 50%	10,226	749	173	22
50% to Less than 100%	5,832	—	249	—
100% to Less than 350%	17,638	—	1,810	—
350% to Less than 1,250%	324	—	116	—
1,250%	247	—	262	—
Resecuritization Exposures (IRB Approach)	14,917	—	302	—
Less than 20%	—	—	—	—
20% to Less than 50%	14,042	—	265	—
50% to Less than 100%	874	—	37	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 923,847	¥ 36,829	¥ 8,450	¥ 284

(3) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen
	2016
Residential Mortgage Loans	¥ 247
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ 247

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Market Risk

Consolidated

(1) Value at Risk (VaR) as of the end of period and maximum, mean, and minimum VaR for the period

	Billions of Yen							
	As of March 31, 2017	Fiscal Year 2016			As of March 31, 2016	Fiscal Year 2015		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
VaR in Banking Account	¥ 802.4	¥ 1,122.8	¥ 802.4	¥ 983.2	¥ 1,152.6	¥ 1,191.2	¥ 728.7	¥ 947.3
VaR in Trading Account	8.0	9.8	3.4	6.0	4.5	8.5	3.2	5.5

VaR Measurement Standards

Banking account	Confidence interval: one-tailed 99%	Holding period: 21 business days to 1 year	Observation period: 1 year
Trading account	Confidence interval: one-tailed 99%	Holding period: 10 business days	Observation period: 1 year

(2) Term-end Stressed Value at Risk and maximum, mean and minimum of Stressed Value at Risk for the period

	Billions of Yen							
	As of March 31, 2017	Fiscal Year 2016			As of March 31, 2016	Fiscal Year 2015		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 5.7 [1.8]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 6.1 [1.9]	¥ 5.7 [1.8]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 6.0 [1.9]

Stressed VaR Measurement Standards

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

The figures inside the square brackets above denote stress VAR in a case where the holding period is one business day.

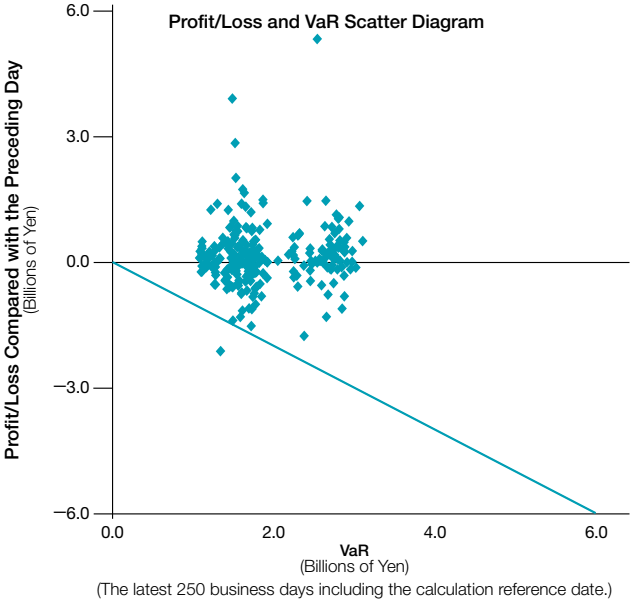
(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period

Not applicable in the fiscal year ended March 31, 2016 and in the fiscal year ended March 31, 2017.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

• Back testing of the trading account

Fiscal Year 2016

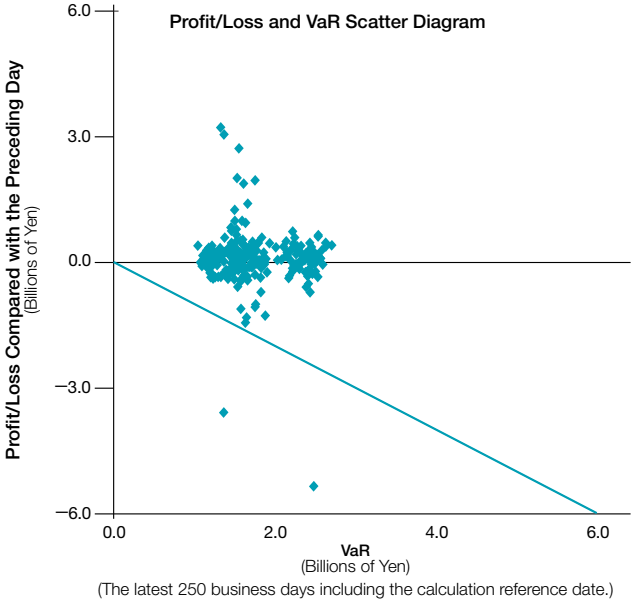


(The latest 250 business days including the calculation reference date.)

Note: As shown above, for fiscal year 2016 back testing of the trading accounts shows one instance of losses in excess of VaR.

• Back testing of the trading account

Fiscal Year 2015



(The latest 250 business days including the calculation reference date.)

Note: As shown above, for fiscal year 2015 back testing of the trading accounts shows two instances of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account — Consolidated

	Millions of Yen							
	2017				2016			
As of March 31	Book Value		Fair Value		Book Value		Fair Value	
Consolidated Book and Fair Values*1								
Listed Shares Exposures	¥ 1,418,188		¥ 1,418,188		¥ 1,319,935		¥ 1,319,935	
Capital Subscriptions or Equity Exposures Other than Above	58,980		58,980		50,194		50,194	
Amounts of Gains/Losses on Sales and Write-offs	Gains/Losses	Gains	Losses	Write-offs	Gains/Losses	Gains	Losses	Write-offs
of Capital Subscriptions or Equity Exposures*2	37,828	47,399	5,723	3,848	18,052	27,981	6,209	3,718
Amounts of Unrealized Gains/Losses Recognized in the Consolidated Balance Sheets and not Recognized in the Consolidated Statements of Income			756,983				630,171	
Amounts of Unrealized Gains/Losses not Recognized in the Consolidated Balance Sheets and Statements of Income			Not applicable				Not applicable	

*1. Figures for available-for-sale securities include only Japanese and foreign stocks.
*2. Consolidated statements of income show gains/losses on stockholdings and related write-offs.

	Millions of Yen	
As of March 31	2017	2016
Amounts by Portfolio Category	¥ 1,013,158	¥ 1,117,720
Portfolios Adopting the Market-based Approach	83,687	92,949
Portfolios Adopting the PD/LGD Approach	929,471	1,024,771

Note: Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Exposures Held in Funds as Credit Risk-Weighted Assets — Consolidated

As of March 31	Millions of Yen	
	2017	2016
Aggregate Sum of Exposures Held in Funds	¥ 1,883,299	¥ 1,648,037
Look-through Approach	1,779,772	1,551,565
Simple Majority Formula	56,233	33,845
Investment Criteria Formula	16,169	25,562
Internal Model Approach	—	—
Probability Approach	30,148	36,368
Others	975	695

Note: Exposures subject to the calculation of credit risk-weighted assets are shown.

Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by the SuMi TRUST Bank Group Regarding Interest Rate Risk in the Banking Account — Consolidated

• Outlier ratios

As of March 31	Millions of Yen	
	2017	2016
Overall Amounts of Interest Rate Risk	¥ 103,347	¥ 35,587
Japanese Yen Interest Rates	5,251	10,888
U.S. Dollar Interest Rates	95,002	10,834
Other Interest Rates	3,093	13,865
Outlier Ratios	3.4%	1.2%

Note: The above table indicates figures calculated by individual banks in accordance with the outlier standard specified by the "Comprehensive Guidelines for Supervision of Major Banks, etc." and based on the following assumptions:
- Risk measurement method: Interest rate sensitivity approach
- Interest rate fluctuation scenario: An interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one-year holding period and a minimum observation period of five years.
- Definition of the core deposits: The lowest of the following three is the upper limit on the core deposit amount (No.3 is adopted) and the maturity is five years (an average remaining term of 2.5 years): 1) The lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

Composition of Leverage Ratio

Consolidated

As of March 31			Millions of Yen, %	
Basel Ⅲ Template No. (Table 2)	Basel Ⅲ Template No. (Table 1)	Items	2017	2016
		On-Balance Sheet Exposures		
1		On-Balance Sheet Exposures before Deducting Adjustment Items	¥ 50,159,820	¥ 49,092,844
1a	1	Total Assets Reported in the Consolidated Balance Sheet	52,540,547	51,613,282
1b	2	The Amount of Assets of Subsidiaries that are not Included in the Scope of the Leverage Ratio on a Consolidated Basis (Deduction)	—	—
1c	7	The Amount of Assets of Subsidiaries that are Included in the Scope of the Leverage Ratio on a Consolidated Basis (except Those Included in the Total Assets Reported in the Consolidated Balance Sheet)	—	—
1d	3	The Amount of Assets that are Deducted from the Total Assets Reported in the Consolidated Balance Sheet (except Adjustment Items) (Deduction)	2,380,727	2,520,438
2	7	The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction)	244,764	192,895
3		Total On-Balance Sheet Exposures (A)	49,915,055	48,899,948
		Exposures Related to Derivative Transactions		
4		Replacement Cost Associated with Derivatives Transactions, etc.	492,046	571,207
5		Add-On Amount Associated with Derivatives Transactions, etc.	1,005,688	889,596
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.	473,833	479,347
6		The Amount of Receivables Arising from Providing Cash Margin, Provided where Deducted from the Consolidated Balance Sheet Pursuant to the Operative Accounting Framework	—	—
7		The Amount of Deductions of Receivables (out of those Arising from Providing Cash Variation Margin) (Deduction)	225,097	317,580
8		The Amount of Client-Cleared Trade Exposures for which a Bank or Bank Holding Company Acting as Clearing Member is not Obliged to Make Any Indemnification (Deduction)		
9		Adjusted Effective Notional Amount of Written Credit Derivatives	80,698	77,279
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)	77,900	70,900
11	4	Total Exposures Related to Derivative Transactions (B)	1,749,269	1,628,949
		Exposures Related to Repo Transactions		
12		The Amount of Assets Related to Repo Transactions, etc.	548,844	436,834
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)	—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.	77,155	38,271
15		The Exposures for Agent Repo Transaction		
16	5	The Total Exposures Related to Repo Transactions, etc. (C)	625,999	475,106
		Exposures Related to Off-Balance Sheet Transactions		
17		Notional Amount of Off-Balance Sheet Transactions	7,355,855	7,556,280
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)	4,709,025	4,790,605
19	6	Total Exposures Related to Off-Balance Sheet Transactions (D)	2,646,829	2,765,674
		Leverage Ratio on a Consolidated Basis		
20		The Amount of Capital (Tier 1 Capital) (E)	2,445,723	2,273,191
21	8	Total Exposures (F) = (A)+(B)+(C)+(D)	54,937,154	53,769,679
22		Leverage Ratio on a Consolidated Basis (G) = (E)/(F)	4.45%	4.22%

Liquidity Coverage Ratio (LCR) Consolidated

Quantitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

	Items	Millions of Yen, %, the Number of Data			
		Fiscal Year 2016 4th Quarter		Fiscal Year 2016 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total High-Quality Liquid Assets (HQLA)		¥ 11,914,002		¥ 10,772,076
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash Outflows Related to Unsecured Retail Funding	¥ 17,702,805	724,078	¥ 16,767,272	652,670
3	of Which, Stable Deposits	562,023	16,860	555,117	16,653
4	of Which, Less Stable Deposits	7,035,487	707,217	6,167,601	636,017
5	Cash Outflows Related to Unsecured Wholesale Funding	10,354,685	6,948,129	12,893,058	8,200,852
6	of Which, Qualifying Operational Deposits	0	0	0	0
7	of Which, Cash Outflows Related to Unsecured Wholesale Funding Other than Qualifying Operational Deposits and Debt Securities	8,259,857	4,853,301	10,829,706	6,137,500
8	of Which, Debt Securities	2,094,828	2,094,828	2,063,352	2,063,352
9	Cash Outflows Related to Secured Funding, etc.		66,484		0
10	Cash Outflows Related to Derivative Transactions, etc. Funding Programs, Credit and Liquidity Facilities	5,287,003	1,442,370	5,497,551	1,590,360
11	of Which, Cash Outflows Related to Derivative Transactions, etc.	606,870	606,870	775,060	775,060
12	of Which, Cash Outflows Related to Funding Programs	0	0	0	0
13	of Which, Cash Outflows Related to Credit and Liquidity Facilities	4,680,133	835,500	4,722,491	815,300
14	Cash Outflows Related to Contractual Funding Obligations, etc.	450,999	297,064	712,417	409,100
15	Cash Outflows Related to Contingencies	10,296,764	23,048	10,524,912	23,661
16	Total Cash Outflows		9,501,173		10,876,643
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash Inflows Related to Secured Lending, etc.	43,545	40,943	24,459	24,459
18	Cash Inflows Related to Collection of Loans, etc.	4,683,513	2,882,805	4,484,416	2,892,551
19	Other Cash Inflows	337,809	281,656	574,837	501,764
20	Total Cash Inflows	5,064,867	3,205,404	5,083,712	3,418,774
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA Allowed to be Included in the Calculation		11,914,002		10,772,076
22	Net Cash Outflows		6,295,769		7,457,869
23	Consolidated Liquidity Coverage Ratio (LCR)		189.2		145.5
24	The Number of Data Used to Calculate the Average Value		61		3

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our consolidated LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

Our consolidated LCR satisfies the required criteria and we do not expect the LCR to significantly fluctuate from the current level. Furthermore, the actual LCR is not significantly different form our forecast.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality assets and net cash outflows in major currencies.

(4) Other items concerning LCR

We apply neither the "treatment for qualifying operational deposit" nor the "additional collateral required to market valuation changes based on the scenario approach" on a consolidated basis.

Furthermore, taking account of the impact to LCR, we are using month-end data in lieu of daily data for the consolidated subsidiary companies of minor importance with practical restrictions.

Composition of Capital (Non-consolidated BIS capital adequacy ratio)

Non-consolidated

As of March 31

Basel Ⅲ Template No.	Items		Millions of Yen, % 2017	Amounts Excluded under Transitional Arrangements	2016	Amounts Excluded under Transitional Arrangements
	Common Equity Tier 1 Capital: Instruments and Reserves					
1a+2–1c–26	Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings		¥ 1,768,900		¥ 1,795,609	
1a	of Which: Capital Stock and Capital Surplus		834,289		834,289	
2	of Which: Retained Earnings		1,004,857		981,380	
1c	of Which: Treasury Stock (Deduction)		—		—	
26	of Which: Earnings to be Distributed (Deduction)		70,246		20,060	
	of Which: Others		—		—	
1b	Subscription Rights to Common Shares		—		—	
3	Valuation and Translation Adjustments, and Other Disclosed Reserves		376,569	¥ 94,142	281,836	¥ 187,890
	Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements		—		—	
6	Common Equity Tier 1 Capital: Instruments and Reserves	(A)	2,145,469		2,077,445	
	Common Equity Tier 1 Capital: Regulatory Adjustments					
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)		50,655	12,663	29,084	19,389
8	of Which: Goodwill		—	—	—	—
9	of Which: Other Intangible Assets		50,655	12,663	29,084	19,389
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	—	—
11	Deferred Gains or Losses on Derivatives under Hedge Accounting		(10,724)	(2,681)	(1,467)	(978)
12	Shortfall of Eligible Provisions to Expected Losses		11,218	2,804	14,112	9,408
13	Securitization Gain on Sale		2,050	512	2,487	1,658
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities		—	—	—	—
15	Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)		88,970	22,242	73,178	48,785
16	Investments in Own Shares (Excluding Those Reported in the Net Assets Section)		—	—	—	—
17	Reciprocal Cross-Holdings in Common Equity		—	—	—	—
18	Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does Not Own More than 10% of the Issued Share Capital (Amount above 10% Threshold)		5,279	1,319	—	—
19+20+21	Amount above the 10% Threshold on the Specified Items		—	—	—	—
19	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	—	—
20	of Which: Mortgage Servicing Rights		—	—	—	—
21	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	—	—
22	Amount Exceeding the 15% Threshold on the Specified Items		—	—	—	—
23	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	—	—
24	of Which: Mortgage Servicing Rights		—	—	—	—
25	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	—	—
27	Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions		—		—	
28	Common Equity Tier 1 Capital: Regulatory Adjustments	(B)	147,449		117,395	
	Common Equity Tier 1 Capital (CETI)					
29	Common Equity Tier 1 Capital	(C) = (A)–(B)	¥ 1,998,019		¥ 1,960,049	

As of March 31			Millions of Yen, %			
Basel Ⅲ Template No.		Items	2017	Amounts Excluded under Transitional Arrangements	2016	Amounts Excluded under Transitional Arrangements
Additional Tier 1 Capital: Instruments						
30	31a	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	¥ —		¥ —	
	31b	Subscription Rights to Additional Tier 1 Instruments	—		—	
	32	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	220,000		120,000	
		Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		—	
33+35		Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital	160,000		160,000	
		Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements	(0)		(0)	
		of Which: Foreign Currency Translation Adjustment	(0)		(0)	
36		Additional Tier 1 Capital: Instruments (D)	379,999		279,999	
Additional Tier 1 Capital: Regulatory Adjustments						
37		Investments in Own Additional Tier 1 Instruments	—	¥ —	—	¥ —
38		Reciprocal Cross-Holdings in Additional Tier 1 Instruments	—	—	—	—
39		Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	958	239	—	—
40		Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—	—	—	—
		Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements	1,914		6,362	
		of Which: Equivalent to Capital Increase Due to Securitization Transactions	512		1,658	
		of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	1,402		4,704	
42		Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions	—		—	
43		Additional Tier 1 Capital: Regulatory Adjustments (E)	2,873		6,362	
Additional Tier 1 Capital (ATI)						
44		Additional Tier 1 Capital (F) = (D)–(E)	377,126		273,637	
Tier 1 Capital (TI = CETI + ATI)						
45		Tier 1 Capital (G) = (C)+(F)	2,375,146		2,233,687	
Tier 2 Capital: Instruments and Provisions						
46		Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—		—	
		Subscription Rights to Tier 2 Instruments	—		—	
		Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	140,000		90,000	
		Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		—	
47+49		Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2	361,498		401,401	
50		Provisions Allowed in Group Tier 2	—		—	
50a		of Which: General Allowance for Credit Losses	—		—	
50b		of Which: Excess Amount of Eligible Provisions to Expected Losses	—		—	
		Amount Allowed in Group Tier 2 Subject to Transitional Arrangements	62,825		122,546	
		of Which: 45% of Net Unrealized Gain on Available-for-Sale Securities	62,650		122,109	
		of Which: 45% of Revaluation Reserve for Land	175		437	
51		Tier 2 Capital: Instruments and Provisions (H)	¥ 564,324		¥ 613,947	

As of March 31		Millions of Yen, %			
Basel Ⅲ Template No.	Items	2017	Amounts Excluded under Transitional Arrangements	2016	Amounts Excluded under Transitional Arrangements
	Tier 2 Capital: Regulatory Adjustments				
52	Investments in Own Tier 2 Instruments	¥ —	¥ —	¥ —	¥ —
53	Reciprocal Cross-Holdings in Tier 2 Instruments	—	—	—	—
54	Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	6,644	1,661	—	—
55	Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside of the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—	—	—	—
	Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements	1,568		4,704	
	of Which: Accumulated Investments in the Common Stock of Banking, Financial and Insurance Entities	166		—	
	of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	1,402		4,704	
57	Tier 2 Capital: Regulatory Adjustments (I)	8,213		4,704	
	Tier 2 Capital (TⅡ)				
58	Tier 2 Capital (J) = (H)–(I)	556,111		609,243	
	Total Capital (TC = T1 + TⅡ)				
59	Total Capital (K) = (G)+(J)	2,931,258		2,842,930	
	Total Risk Weighted Assets				
	Risk Weighted Assets Subject to Transitional Arrangements	41,944		68,175	
	of Which: Intangible Fixed Assets (excluding Mortgage Servicing Rights)	12,663		19,389	
	of Which: Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)	22,242		48,785	
	of Which: Investments in the Common Stock of Banking, Financial and Insurance Entities	7,037		—	
60	Total Risk Weighted Assets (L)	18,844,212		17,677,216	
	Capital Ratios				
61	Common Equity Tier 1 Capital Ratio (C)/(L)	10.60%		11.08%	
62	Tier 1 Capital Ratio (G)/(L)	12.60%		12.63%	
63	Total Capital Ratio (K)/(L)	15.55%		16.08%	
	Regulatory Adjustments (before Risk Weighting)				
72	Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital (Amount below the Threshold for Deduction)	206,189		178,734	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)	42,002		29,340	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)	—		—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)	—		—	
	Provisions Included in Tier 2 Capital: Instruments and Provisions				
76	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardized Approach (Prior to Applicable of Cap)	—		—	
77	Cap on Inclusion of Provisions in Tier 2 under Standardized Approach	2,471		1,588	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)	—		—	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach	101,470		94,063	
	Capital Instruments Subject to Phase out Arrangements				
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements	194,500		233,400	
83	Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)	—		—	
84	Current Cap on Tier 2 Instruments Subject to Phase out Arrangements	428,954		514,745	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)	¥ —		¥ —	

Note: SuMi TRUST Bank received an external audit by KPMG AZSA LLC of the calculation of the non-consolidated BIS capital adequacy ratio in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, May 13, 2014). The external audit is not part of the accounting audit of the non-consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the non-consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the non-consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Non-consolidated

Fiscal Year 2016

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 13,963,744		
Call Loans	64,706		
Receivables under Resale Agreements	83,888		
Receivables under Securities Borrowing Transactions	464,956		
Monetary Claims Bought	92,904		
Trading Assets	663,043		
Money Held in Trust	99		
Securities	5,518,947	6–a	
Loans and Bills Discounted	28,158,969	6–b	
Foreign Exchanges	16,189		
Other Assets	1,187,878	6–c	
Tangible Fixed Assets	200,957		
Buildings	65,439		
Land	114,010		
Lease Assets	5,852		
Construction in Progress	710		
Other	14,944		
Intangible Fixed Assets	91,265	2	
Software	86,907		
Lease Assets	181		
Other	4,176		
Prepaid Pension Cost	160,295	3	
Customers' Liabilities for Acceptances and Guarantees	391,434		
Allowance for Loan Losses	(90,030)		
Total Assets	¥ 50,969,247		

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 29,019,323		
Negotiable Certificates of Deposit	7,523,217		
Call Money	400,164		
Payables under Repurchase Agreements	1,063,737		
Payables under Securities Lending Transactions	13,699		
Trading Liabilities	366,879		
Borrowed Money*	3,365,201	7	
Foreign Exchanges	2,240		
Short-term Bonds Payable	418,862		
Bonds Payable	1,029,093		
Borrowed Money from Trust Account	3,973,623		
Other Liabilities	920,767	6–d	
Provision for Bonuses	9,018		
Provision for Director's Bonuses	91		
Provision for Retirement Benefits	695		
Provision for Reimbursement of Deposits	3,583		
Provision for Contingent Loss	7,774		
Deferred Tax Liabilities	147,097	4–a	
Deferred Tax Liabilities for Land Revaluation	3,016	4–b	
Acceptances and Guarantees	391,434		
Total Liabilities	48,659,522		
(Net Assets)			
Capital Stock	342,037	1–a	
Capital Surplus	492,252	1–b	
Retained Earnings	1,004,722	1–c	
Total Shareholders' Equity	1,839,012		
Valuation Difference on Available-for-Sale Securities	487,623		
Deferred Gains or Losses on Hedges	(15,844)	5	
Revaluation Reserve for Land	(1,067)		
Total Valuation and Translation Adjustments	470,711		3
Total Net Assets	2,309,724		
Total Liabilities and Net Assets	¥ 50,969,247		

Note: The item "borrowed money" includes ¥160,000 million in subordinate debt, and of the total of eligible tier 1 capital instruments subject to phase out from additional Tier 1 capital, in the disclosure of the composition of capital, "borrowed money" is included in the total of core additional Tier 1 capital.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1–a
Capital Surplus	492,252		1–b
Retained Earnings	1,004,722		1–c
Total Shareholders' Equity	¥ 1,839,012		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,839,147	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	834,289		1a
of Which: Retained Earnings	1,004,857		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 91,265		2
Associated Deferred Tax Liabilities	27,945		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ —		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	63,319	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-benefit pension fund net assets (prepaid pension cost)

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Prepaid Pension Cost	¥ 160,295		3
Associated Deferred Tax Liabilities	49,082		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)	¥ 111,212		15

4. Deferred tax assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Liabilities	¥ 147,097		4–a
Deferred Tax Liabilities for Land Revaluation	3,016		4–b
Associated Intangible Fixed Assets	27,945		
Associated Prepaid Pension Cost	49,082		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ —	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (15,844)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (13,406)	Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments"	11

6. Investments in the capital of financial entities

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 5,518,947		6–a
Loans and Bills Discounted	28,158,969	Including subordinated loans	6–b
Other Assets	1,187,878	Including derivatives	6–c
Other Liabilities	¥ 920,767	Including derivatives	6–d

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	222,292		
Common Equity Tier 1 Capital	6,599		18
Additional Tier 1 Capital	1,197		39
Tier 2 Capital	8,305		54
Amount below the Thresholds for Deduction (before Risk Weighting)	206,189		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	42,002		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	—		55
Amount below the Thresholds for Deduction (before Risk Weighting)	42,002		73

7. Other Capital Instruments

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 3,365,201		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 220,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	140,000		46

Fiscal Year 2015

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 14,130,060		
Call Loans	505,252		
Receivables under Resale Agreements	110,377		
Receivables under Securities Borrowing Transactions	326,457		
Monetary Claims Bought	108,506		
Trading Assets	699,465		
Money Held in Trust	99		
Securities	5,311,214	6–a	
Loans and Bills Discounted	27,044,368	6–b	
Foreign Exchanges	17,223		
Other Assets	1,219,699	6–c	
Tangible Fixed Assets	200,688		
Buildings	65,425		
Land	114,766		
Lease Assets	3,355		
Construction in Progress	1,781		
Other	15,359		
Intangible Fixed Assets	69,867	2	
Software	65,490		
Lease Assets	198		
Other	4,178		
Prepaid Pension Cost	175,791	3	
Customers' Liabilities for Acceptances and Guarantees	401,825		
Allowance for Loan Losses	(64,305)		
Total Assets	¥ 50,256,590		

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 26,467,412		
Negotiable Certificates of Deposit	7,254,132		
Call Money	385,283		
Payables under Repurchase Agreements	653,456		
Trading Liabilities	451,751		
Borrowed Money*	2,372,163	7	
Foreign Exchanges	259		
Short-term Bonds Payable	903,142		
Bonds Payable	855,857		
Borrowed Money from Trust Account	7,026,326		
Other Liabilities	1,029,798	6–d	
Provision for Bonuses	9,249		
Provision for Director's Bonuses	110		
Provision for Retirement Benefits	667		
Provision for Reimbursement of Deposits	3,676		
Provision for Contingent Loss	7,642		
Deferred Tax Liabilities	145,445	4–a	
Deferred Tax Liabilities for Land Revaluation	3,126	4–b	
Acceptances and Guarantees	401,825		
Total Liabilities	47,971,327		
(Net Assets)			
Capital Stock	342,037	1–a	
Capital Surplus	492,252	1–b	
Retained Earnings	981,246	1–c	
Total Shareholders' Equity	1,815,536		
Valuation Difference on Available-for-Sale Securities	477,729		
Deferred Gains or Losses on Hedges	(7,305)	5	
Revaluation Reserve for Land	(697)		
Total Valuation and Translation Adjustments	469,727		3
Total Net Assets	2,285,263		
Total Liabilities and Net Assets	¥ 50,256,590		

Note: The item "borrowed money" includes ¥160,000 million in subordinate debt, and of the total of eligible tier 1 capital instruments subject to phase out from additional Tier 1 capital, in the disclosure of the composition of capital, "borrowed money" is included in the total of core additional Tier 1 capital.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1–a
Capital Surplus	492,252		1–b
Retained Earnings	981,246		1–c
Total Shareholders' Equity	¥ 1,815,536		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,815,670	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	834,289		1a
of Which: Retained Earnings	981,380		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 69,867		2
Associated Deferred Tax Liabilities	21,393		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ —		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	48,473	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-benefit pension fund net assets (prepaid pension cost)

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Prepaid Pension Cost	¥ 175,791		3
Associated Deferred Tax Liabilities	53,827		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)	¥ 121,963		15

4. Deferred tax assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Liabilities	¥ 145,445		4–a
Deferred Tax Liabilities for Land Revaluation	3,126		4–b
Associated Intangible Fixed Assets	21,393		
Associated Prepaid Pension Cost	53,827		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ —	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (7,305)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (2,445)	Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments"	11

6. Investments in the capital of financial entities

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 5,311,214		6–a
Loans and Bills Discounted	27,044,368	Including subordinated loans	6–b
Other Assets	1,219,699	Including derivatives	6–c
Other Liabilities	¥ 1,029,798	Including derivatives	6–d

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	178,734		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital	—		54
Amount below the Thresholds for Deduction (before Risk Weighting)	178,734		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	29,340		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	—		55
Amount below the Thresholds for Deduction (before Risk Weighting)	29,340		73

7. Other Capital Instruments

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 2,372,163		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 120,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	90,000		46

Capital Adequacy

Non-consolidated

Amounts of Required Capital

(1) Amounts of required capital against credit risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

As of March 31	Millions of Yen 2017	2016
Portfolios to Which the Standardized Approach is Applied	¥ 17,599	¥ 14,071
Exposures to Business Units Set for Phased Roll-out Application	—	—
Exposures Excluded from Application	17,599	14,071
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio	1,226,315	1,168,714
Corporate Exposures	855,044	786,125
Sovereign Exposures	14,858	17,456
Financial Institution Exposures	39,335	51,118
Residential Mortgage Exposures	107,012	92,900
Qualifying Revolving Retail Exposures	503	554
Other Retail Exposures	8,775	8,919
Other Exposures*1	200,786	211,638
Securitization Exposures	13,097	14,496

*1. Other exposures refer to the exposures below.
Purchased receivables, unsettled transactions, CVA risk, central counterparty-related, equities, with 250% risk-weight applied and other assets
*2. The calculation method of the amounts of required capital ratio against credit risk is as follows:
Portfolios to which the Standardized Approach is applied: amount of credit risk-weighted assets x 8%
Portfolios to which the IRB Approach is applied: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
Securitization exposures: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(2) Amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied

	Millions of Yen	
As of March 31	2017	2016
Equity Exposures	¥ 127,750	¥ 136,058
PD/LGD Approach	109,348	113,040
Simple Risk-Weight Method of the Market-based Approach	18,401	23,017
Internal Model Method of the Market-based Approach	—	—

* The calculation method of the amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied is as follows
Those applicable to the PD/LGD approach: (amount of credit risk-weighted assets x 1.06) x 8%
Those applicable to the simple risk-weight method of the market-based approach: (amount of credit risk-weighted assets x 1.06) x 8%

(3) Amounts of required capital against credit risk concerning exposures held in funds

	Millions of Yen	
As of March 31	2017	2016
Exposures Held in Funds*	¥ 146,063	¥ 91,096

* (Amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(4) Amounts of required capital against market risk

	Millions of Yen	
As of March 31	2017	2016
Market Risk	¥ 43,048	¥ 44,840
Amounts of Required Capital by Category under the Standardized Approach	8,176	5,997
Interest Rate Risk	5,490	3,326
Equity Position Risk	—	—
Foreign Exchange Risk	2,686	2,671
Commodities Risk	—	—
Options Transactions	—	—
Internal Model Approach	34,872	38,842

(5) Amounts of required capital against operational risk

	Millions of Yen	
As of March 31	2017	2016
Operational Risk	¥ 57,976	¥ 55,896
Advanced Measurement Approach	57,976	55,896
Standardized Approach	—	—
Basic Indicator Approach	—	—

(6) Total required capital

	Millions of Yen	
As of March 31	2017	2016
Total Required Capital*	¥ 1,507,537	¥ 1,414,177

* (Total amount of credit risk-weighted assets + market risk equivalents/8% + operational risk equivalents/8%) x 8%

Credit Risk

Non-consolidated

Balance of Exposures Related to Credit Risk and Breakdown by Primary Types

As of March 31	Millions of Yen					
	2017					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 40,610,978	¥ 35,115,221	¥ 2,028,917	¥ 360,471	¥ 3,106,368	¥ 78,228
Outside Japan	6,523,211	4,611,196	1,146,950	377,644	387,419	8,414
Total for Regions	¥ 47,134,189	¥ 39,726,418	¥ 3,175,868	¥ 738,115	¥ 3,493,788	¥ 86,642
Manufacturing	4,150,598	2,575,456	477,882	29,033	1,068,226	15,188
Agriculture and Forestry	5,102	4,953	—	115	34	974
Fisheries	41	0	40	—	—	—
Mining and Quarrying of Stones and Gravel	22,908	7,933	152	—	14,823	—
Construction	219,278	130,624	25,319	898	62,436	16
Electricity, Gas, Heat Supply and Water	1,096,499	892,478	16,617	12,044	175,357	—
Information and Communication	465,082	405,352	5,919	1,212	52,599	—
Transport and Postal Activities	1,412,906	1,133,384	156,282	21,341	101,897	379
Wholesale and Retail Trade	1,666,187	1,240,985	109,985	4,706	310,510	2,313
Finance and Insurance	2,395,909	1,502,472	398,112	226,707	268,616	278
Real Estate	3,749,524	3,012,140	408,856	28,462	300,065	14,889
Goods Rental and Leasing	845,374	774,856	7,575	1,000	61,941	237
Local Public Bodies	66,317	50,864	4,790	—	10,662	—
Individuals	8,629,741	8,578,495	—	—	51,246	38,188
Others	22,408,716	19,416,419	1,564,333	412,592	1,015,371	14,176
Total for Industry Sectors	¥ 47,134,189	¥ 39,726,418	¥ 3,175,868	¥ 738,115	¥ 3,493,788	¥ 86,642
One Year or Less	7,283,718	5,334,967	556,757	202,438	1,189,554	
Over One Year to Three Years	5,693,769	4,366,170	270,565	113,559	943,473	
Over Three Years to Five Years	17,650,364	16,677,263	330,329	135,001	507,769	
Over Five Years	16,506,336	13,348,016	2,018,214	287,114	852,990	
Total for All Durations	¥ 47,134,189	¥ 39,726,418	¥ 3,175,868	¥ 738,115	¥ 3,493,788	
Average Balance during the Period	¥ 46,093,892	¥ 38,368,193	¥ 3,454,831	¥ 804,929	¥ 3,465,938	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., and purchased receivables.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2016, September 30, 2016 and March 31, 2017.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

As of March 31	Millions of Yen					
	2016					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 40,262,179	¥ 34,331,660	¥ 2,516,475	¥ 425,851	¥ 2,988,191	¥ 102,732
Outside Japan	6,769,379	4,942,058	867,160	437,177	522,982	12,438
Total for Regions	¥ 47,031,558	¥ 39,273,719	¥ 3,383,636	¥ 863,029	¥ 3,511,174	¥ 115,170
Manufacturing	4,209,064	2,631,518	542,559	45,911	989,073	19,889
Agriculture and Forestry	3,530	3,378	—	152	—	1,178
Fisheries	56	0	55	—	—	—
Mining and Quarrying of Stones and Gravel	25,514	9,896	151	—	15,467	—
Construction	226,309	127,757	37,535	1,553	59,463	143
Electricity, Gas, Heat Supply and Water	988,464	796,371	26,779	10,672	154,640	—
Information and Communication	401,409	338,645	8,845	1,708	52,210	6
Transport and Postal Activities	1,448,495	1,118,432	199,092	32,163	98,806	4,380
Wholesale and Retail Trade	1,700,261	1,212,479	120,127	6,400	361,253	2,695
Finance and Insurance	2,876,640	2,082,501	246,150	259,200	288,788	351
Real Estate	3,653,507	2,833,613	439,587	38,951	341,354	24,063
Goods Rental and Leasing	790,051	711,985	11,017	1,789	65,259	251
Local Public Bodies	83,822	68,090	4,846	—	10,884	—
Individuals	7,648,808	7,587,375	—	—	61,433	41,781
Others	22,975,620	19,751,670	1,746,886	464,526	1,012,537	20,428
Total for Industry Sectors	¥ 47,031,558	¥ 39,273,719	¥ 3,383,636	¥ 863,029	¥ 3,511,174	¥ 115,170
One Year or Less	8,302,555	6,277,617	851,450	142,594	1,030,893	
Over One Year to Three Years	5,673,007	3,967,196	495,742	197,929	1,012,138	
Over Three Years to Five Years	18,071,619	17,138,361	376,951	122,591	433,715	
Over Five Years	14,984,376	11,890,543	1,659,490	399,914	1,034,427	
Total for All Durations	¥ 47,031,558	¥ 39,273,719	¥ 3,383,636	¥ 863,029	¥ 3,511,174	
Average Balance during the Period	¥ 43,475,973	¥ 35,194,857	¥ 4,086,928	¥ 855,125	¥ 3,339,062	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., and purchased receivables.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2015, September 30, 2015 and March 31, 2016.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

Balance and Changes of General Allowance for Loan Losses, Specific Allowance for Loan Losses, and Allowance for Loan Losses from Specified Foreign Country Borrowers

(1) General allowance for loan losses

As of March 31	Millions of Yen		
	2017	2016	Change
	Balance	Balance	
General Allowance for Loan Losses	**¥ 79,336**	¥ 51,422	¥ 27,914

(2) Specific allowance for loan losses (breakdown by region, industry sector)

As of March 31	Millions of Yen		
	2017	2016	Change
	Balance	Balance	
Japan	¥ 7,727	¥ 9,576	¥ (1,848)
Outside Japan	2,966	3,306	(340)
Total for Regions	¥ 10,693	¥ 12,882	¥ (2,189)
Manufacturing	4,699	4,719	(20)
Agriculture and Forestry	—	—	—
Fisheries	—	—	—
Mining and Quarrying of Stones and Gravel	—	—	—
Construction	—	—	—
Electricity, Gas, Heat Supply and Water	—	—	—
Information and Communication	—	2	(2)
Transport and Postal Activities	—	—	—
Wholesale and Retail Trade	410	677	(266)
Finance and Insurance	172	220	(47)
Real Estate	312	378	(66)
Goods Rental and Leasing	—	—	—
Local Public Bodies	—	—	—
Individuals	1,064	827	237
Others	4,033	6,058	(2,024)
Total for Industry Sectors	¥ 10,693	¥ 12,882	¥ (2,189)

Note: "Others" in the industry sectors include non-residents and state public services.

(3) Allowance for loan losses from specified foreign country borrowers

Not applicable as of the end of March 2017 and the end of March 2016.

Amounts of Written-off Loans by Industry Sector

Years Ended March 31	Millions of Yen	
	2017	2016
Manufacturing	¥ 97	¥ —
Agriculture and Forestry	—	—
Fisheries	—	—
Mining and Quarrying of Stones and Gravel	—	—
Construction	—	—
Electricity, Gas, Heat Supply and Water	—	—
Information and Communication	—	—
Transport and Postal Activities	—	500
Wholesale and Retail Trade	—	599
Finance and Insurance	—	—
Real Estate	—	—
Goods Rental and Leasing	—	—
Local Public Bodies	—	—
Individuals	6	—
Others	274	5,392
Total for Industry Sectors	¥ 378	¥ 6,493

Note: "Others" in the industry sectors include non-residents and state public services.

Balance of Exposures to which the Standardized Approach is Applied by Risk-Weight Category

As of March 31	Millions of Yen			
	2017		2016	
		Subject to Rating		Subject to Rating
Balance of Exposures to which the Standardized Approach is Applied after Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category	**¥ 223,945**	**¥ —**	¥ 179,824	¥ —
0%	**—**	**—**	—	—
10%	**—**	**—**	—	—
20%	**4,943**	**—**	4,911	—
35%	**—**	**—**	—	—
50%	**—**	**—**	—	—
75%	**—**	**—**	—	—
100%	**219,002**	**—**	174,913	—
150%	**—**	**—**	—	—
Amounts of exposures with 1,250% risk-weight applied	**—**		—	

Exposures to which the IRB Approach is Applied

As of March 31		Millions of Yen	
		2017	2016
Specialized Lending under the Slotting Criteria		**¥ 1,981,778**	¥ 1,752,321
High-Volatility Commercial Real Estate Exposures		**293,840**	245,266
Maturities of 2.5 Years or Longer		**261,730**	211,741
Strong	95%	**34,230**	35,831
Good	120%	**71,238**	107,555
Satisfactory	140%	**156,261**	57,922
Weak	250%	**—**	10,432
Default	0%	**—**	—
Maturities of Less than 2.5 Years		**32,110**	33,524
Strong	70%	**—**	—
Good	95%	**2,650**	1,806
Satisfactory	140%	**29,460**	31,457
Weak	250%	**—**	259
Default	0%	**—**	—
Other Exposures		**¥ 1,687,937**	¥ 1,507,055
Maturities of 2.5 Years or Longer		**1,586,337**	1,444,268
Strong	70%	**498,350**	605,547
Good	90%	**785,887**	609,392
Satisfactory	115%	**234,411**	174,144
Weak	250%	**63,705**	47,636
Default	0%	**3,981**	7,547
Maturities of Less than 2.5 Years		**101,600**	62,786
Strong	50%	**32,067**	10,428
Good	70%	**39,054**	29,138
Satisfactory	115%	**18,190**	14,129
Weak	250%	**12,287**	9,090
Default	0%	**—**	—
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied		**¥ 64,812**	¥ 81,574
300%		**42,245**	54,860
400%		**22,566**	26,714

Note: The supervisory formula has been applied to some of the specialised lendings since the end of March 2016 and the exposures above are not included.

Portfolios to which the IRB Approach is Applied

(1) Corporate exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.37%	32.69%		38.04%	¥ 14,094,009	¥ 2,790,421	¥ 2,197,575	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	17.44%	33.27%		174.98%	414,548	123,020	85,907	75.00%
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	35.35%	33.54%	24.05%	38,811	9,350	—	—
Total	1.17%	32.71%		42.21%	¥ 14,547,369	¥ 2,922,792	¥ 2,283,482	75.00%

Note: The supervisory formula has been applied to some of the specialised lendings since the end of March 2016 and the exposures above are included.

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.36%	33.23%		37.81%	¥ 14,248,753	¥ 2,834,696	¥ 2,220,079	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	16.81%	32.40%		170.99%	238,317	58,423	12,124	75.00%
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	33.62%	32.44%	25.92%	56,403	16,616	—	—
Total	1.05%	33.22%		40.02%	¥ 14,543,475	¥ 2,909,735	¥ 2,232,203	75.00%

Note: The supervisory formula has been applied to some of the specialised lendings since the end of March 2016 and the exposures above are included.

(2) Sovereign exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.00%	44.01%		0.78%	¥ 16,057,242	¥ 121,276	¥ 23,747	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	34.12%	45.00%		282.38%	11,227	695	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.03%	44.01%		0.99%	¥ 16,068,469	¥ 121,972	¥ 23,747	75.00%

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value: On-balance Sheet Asset Items	EAD Value: Off-balance Sheet Asset Items	Undrawn Commitments	CCF
Ordinary Assets (Seijo-Saki)	0.01%	43.91%		0.95%	¥ 16,239,881	¥ 129,755	¥ 24,913	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	34.12%	45.00%		282.39%	11,272	1,352	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.03%	43.91%		1.17%	¥ 16,251,154	¥ 131,108	¥ 24,913	75.00%

(3) Financial Institution exposures

As of March 31	Millions of Yen 2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Ordinary Assets (Seijo-Saki)	0.16%	40.78%		29.07%	¥1,073,807	¥ 572,546	¥ 74,577	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—		—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.16%	40.78%		29.07%	¥1,073,807	¥ 572,546	¥ 74,577	75.00%

As of March 31	Millions of Yen 2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Ordinary Assets (Seijo-Saki)	0.12%	42.43%		25.66%	¥ 1,760,404	¥ 669,378	¥ 126,565	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—		—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.12%	42.43%		25.66%	¥ 1,760,404	¥ 669,378	¥ 126,565	75.00%

(4) Equity exposures under the PD/LGD Approach

As of March 31	Millions of Yen 2017		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
Ordinary Assets (Seijo-Saki)	0.22%	144.78%	¥ 921,518
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	12.90%	630.53%	4,729
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	240
Total	0.31%	147.53%	¥ 926,487

Note: Weighted average of risk-weight include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

As of March 31	Millions of Yen 2016		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
Ordinary Assets (Seijo-Saki)	0.20%	136.86%	¥ 1,018,289
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	9.63%	557.89%	2,828
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	304
Total	0.26%	138.34%	¥ 1,021,422

Note: Weighted average of risk-weight include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

(5) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

As of March 31	Millions of Yen							
	2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Residential Mortgage								
Current	0.22%	26.84%		11.84%	¥ 8,215,408	¥ 27,156	¥ 740	100.00%
Overdue	21.20%	27.46%		163.38%	80,481	101	22	100.00%
Default	100.00%	28.34%	19.89%	111.95%	30,285	23	—	—
Qualifying Revolving Retail								
Current	0.57%	68.39%		15.33%	6,664	13,344	45,394	29.40%
Overdue	24.93%	68.13%		204.77%	227	91	311	29.40%
Default	100.00%	68.25%	62.63%	74.35%	68	37	127	29.40%
Other Retail (consumer)								
Current	1.26%	34.50%		32.89%	44,396	8,919	34,898	25.16%
Overdue	26.21%	36.82%		96.04%	740	36	145	22.81%
Default	100.00%	36.08%	22.12%	184.97%	2,180	301	1,094	22.51%
Other Retail (commercial)								
Current	0.62%	30.18%		25.87%	192,162	1,083	118	100.00%
Overdue	23.36%	30.18%		75.73%	739	—	—	—
Default	100.00%	30.32%	25.54%	63.31%	5,140	150	0	100.00%
Total	0.88%	27.08%		14.16%	¥ 8,578,495	¥ 51,246	¥ 82,855	28.26%

As of March 31	Millions of Yen							
	2016							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Residential Mortgage								
Current	0.22%	25.40%		11.31%	¥ 7,226,799	¥ 32,545	¥ 1,584	100.00%
Overdue	21.97%	25.95%		155.29%	78,189	115	10	100.00%
Default	100.00%	26.88%	20.05%	90.50%	32,440	26	—	—
Qualifying Revolving Retail								
Current	0.62%	68.45%		16.33%	6,837	12,942	43,365	29.85%
Overdue	25.79%	68.25%		207.22%	287	113	381	29.85%
Default	100.00%	68.34%	62.85%	72.76%	74	35	119	29.85%
Other Retail (consumer)								
Current	0.95%	33.48%		32.10%	51,990	13,400	38,026	34.62%
Overdue	26.71%	34.58%		90.71%	1,008	68	168	33.98%
Default	100.00%	33.65%	22.64%	145.80%	2,200	391	938	33.76%
Other Retail (commercial)								
Current	0.65%	28.09%		24.65%	180,270	1,572	200	100.00%
Overdue	23.87%	28.09%		71.00%	875	9	—	—
Default	100.00%	29.08%	24.31%	63.20%	6,400	212	1	100.00%
Total	1.02%	25.67%		13.75%	¥ 7,587,375	¥ 61,433	¥ 84,797	33.52%

Actual Credit Losses in the Current Period and Year-on-Year Change for Portfolios to which the IRB Approach is Applied

	Millions of Yen						
	2017			2016			Change in Actual Credit Losses
Years Ended March 31	Actual Credit Losses	Provisions	Reversals	Actual Credit Losses	Provisions	Reversals	
Corporate Exposures	**¥ 26,638**	**¥ 36,788**	**¥ (10,149)**	¥ 10,120	¥ 19,619	¥ (9,498)	¥ 16,518
Sovereign Exposures	**(1,068)**	**—**	**(1,068)**	4,001	4,001	—	(5,069)
Financial Institution Exposures	**—**	**—**	**—**	—	—	—	—
Retail Exposures	**1,154**	**1,288**	**(134)**	19	464	(445)	1,135

Note: Of total credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

Actual credit losses in FY2016 increased by ¥12.5 billion year on year. This was mainly due to the posting of allowances for loan losses attendant with deterioration in the credit status of specific obligors in our corporate exposures.

Estimated Credit Losses and Comparable Actual Credit Losses for Portfolios to which the IRB Approach is Applied

	Millions of Yen	
	2017	**2016**
Years Ended March 31	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	**¥ 26,638**	**¥ 85,438**
Sovereign Exposures	**(1,068)**	**2,167**
Financial Institution Exposures	**—**	**1,243**
Retail Exposures	**1,154**	**18,265**

Notes: 1. Estimated credit losses for fiscal year 2015 are the expected loss amount as of March 31, 2016.
2. Actual credit losses for fiscal year 2016 are the sum of the losses for the most recent one-year period ended March 31, 2017.

	Millions of Yen	
	2016	2015
Years Ended March 31	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 10,120	¥ 114,249
Sovereign Exposures	4,001	516
Financial Institution Exposures	—	1,296
Retail Exposures	19	18,656

Notes: 1. Estimated credit losses for fiscal year 2014 are the expected loss amount as of March 31, 2015.
2. Actual credit losses for fiscal year 2015 are the sum of the losses for the most recent one-year period ended March 31, 2016.

Years Ended March 31	Millions of Yen	
	2015	2014
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (4,750)	¥ 161,168
Sovereign Exposures	(3)	350
Financial Institution Exposures	—	973
Retail Exposures	633	26,866

Notes: 1. Estimated credit losses for fiscal year 2013 are the expected loss amount as of March 31, 2014.
2. Actual credit losses for fiscal year 2014 are the sum of the losses for the most recent one-year period ended March 31, 2015.

Years Ended March 31	Millions of Yen	
	2014	2013
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (7,351)	¥ 203,236
Sovereign Exposures	(4)	473
Financial Institution Exposures	(23)	813
Retail Exposures	414	23,764

Notes: 1. Estimated credit losses for fiscal year 2012 are the expected loss amount as of March 31, 2013.
2. Actual credit losses for fiscal year 2013 are the sum of the losses for the most recent one-year period ended March 31, 2014.

Years Ended March 31	Millions of Yen	
	2013	2012
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (2,417)	¥ 188,708
Sovereign Exposures	(10)	316
Financial Institution Exposures	(1)	1,032
Retail Exposures	146	29,918

Notes: 1. Estimated credit losses for fiscal year 2011 are the expected loss amount as of March 31, 2012.
2. Actual credit losses for fiscal year 2012 are the sum of the losses for the most recent one-year period ended March 31, 2013.

Years Ended March 31	Millions of Yen	
	2012	2011
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 16,662	¥ 194,561
Sovereign Exposures	4,749	230
Financial Institution Exposures	(135)	3,395
Retail Exposures	1,354	31,264

Notes: 1. Estimated credit losses for fiscal year 2010 are the expected loss amount as of March 31, 2011.
2. Actual credit losses for fiscal year 2011 are the sum of the losses for the most recent one-year period ended March 31, 2012.

Credit Risk Mitigation Techniques

Non-consolidated

Amounts of Exposures to which Credit Risk Mitigation Techniques are Applied

As of March 31	Millions of Yen 2017 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ —	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	2,146,703	203,218	327,980	—
Corporate Exposures	509,908	198,427	181,269	—
Sovereign Exposures	23,618	4,790	146,710	—
Financial Institution Exposures	1,613,176	—	—	—
Retail Exposures	—	—	—	—

As of March 31	Millions of Yen 2016 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ —	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,804,531	187,394	345,431	—
Corporate Exposures	471,061	182,227	178,272	—
Sovereign Exposures	8,080	5,166	167,159	—
Financial Institution Exposures	1,325,389	—	—	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions

Non-consolidated

Derivative Transactions

As of March 31	Millions of Yen 2017	2016
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,589,949	¥ 2,267,690
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	884,697	1,011,370
Foreign Exchange Related	1,043,269	1,129,633
Interest Rate Related	1,342,697	2,069,395
Credit Derivatives	18,994	20,683
Others	—	—
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	1,520,264	2,208,342
Amounts of Collateral	143,725	144,587
Deposits	137,065	136,225
Securities	6,660	8,362
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	740,971	866,783
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	151,636	147,274
Purchasing Protection by Credit Default Swaps	76,736	81,748
Providing Protection by Credit Default Swaps	74,900	65,525
Notional Principal Amounts of Credit Derivatives Used to Allow for the Effect of Credit Risk Mitigation Technique	—	—

Note: Credit equivalents are calculated with the current exposure approach.

Long-term Settlement Transactions

As of March 31	Millions of Yen 2017	2016
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ —	¥ —
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	11	—
Amounts of Collateral	—	—
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	11	—

Note: Credit equivalents are calculated with the current exposure approach.

Securitization Exposures

Non-consolidated

Securitization Exposures Originated by SuMi TRUST Bank

Fiscal Year 2016

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2016, type and status of principal underlying assets

Not applicable.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen 2017 Exposure Amounts: On-balance Sheet Transactions	Exposure Amounts: Off-balance Sheet Transactions	Aggregate Sum of Underlying Assets	Aggregate Sum of Underlying Assets: Asset Transfer-Type Securitization Transactions	Aggregate Sum of Underlying Assets: Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 50,569	¥ —	¥ 203,813	¥ 203,813	¥ —
Residential Mortgage Loans	50,569	—	203,813	203,813	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 50,569	¥ —	¥ 203,813	¥ 203,813	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

Years Ended March 31	Millions of Yen 2017 Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 143	¥ (15)
Others	—	—
Total	¥ 143	¥ (15)

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen 2017 Balance On-balance Sheet Transactions	Balance Off-balance Sheet Transactions	Required Capital On-balance Sheet Transactions	Required Capital Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 50,569	¥ —	¥ 5,356	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	32,262	—	1,020	—
50% to Less than 100%	14,829	—	649	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	3,478	—	3,687	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 50,569	¥ —	¥ 5,356	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of principal underlying assets

As of March 31	Millions of Yen 2017
Residential Mortgage Loans	¥ 2,563
Others	—
Total	¥ 2,563

(7) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen 2017
Residential Mortgage Loans	¥ 3,478
Others	—
Total	¥ 3,478

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2016 and breakdown by type of principal underlying assets

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2015

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2015, type and status of principal underlying assets

Not applicable.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

	Millions of Yen				
	2016				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 79,418	¥ —	¥ 292,743	¥ 292,743	¥ —
Residential Mortgage Loans	79,418	—	292,743	292,743	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 79,418	¥ —	¥ 292,743	¥ 292,743	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	2016	
Years Ended March 31	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 441	¥ 0
Others	—	—
Total	¥ 441	¥ 0

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of main principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen 2016 Balance On-balance Sheet Transactions	Balance Off-balance Sheet Transactions	Required Capital On-balance Sheet Transactions	Required Capital Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 79,418	¥ —	¥ 6,665	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	58,118	—	1,851	—
50% to Less than 100%	17,497	—	782	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	3,802	—	4,030	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 79,418	¥ —	¥ 6,665	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of main principal underlying assets

As of March 31	Millions of Yen 2016
Residential Mortgage Loans	¥ 4,145
Others	—
Total	¥ 4,145

(7) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

	Millions of Yen
As of March 31	2016
Residential Mortgage Loans	¥ 3,802
Others	—
Total	¥ 3,802

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2015 and breakdown by type of principal underlying assets

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitization Exposures Purchased by SuMi TRUST Bank

Fiscal Year 2016

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen	
	2017	
	Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 719,149	¥ 66,656
Residential Mortgage Loans	94,533	10,869
Credit Card Loans	21,399	508
Claims on Lease Payments, Installment Receivables	144,973	18,650
Commercial Real Estate-Secured Loans	16,676	—
Other Claims on Corporates	441,566	36,627
Resecuritization Exposures	2,014	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	5	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	2,008	—
Total	¥ 721,163	¥ 66,656

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2017			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 719,149	¥ 66,656	¥ 6,670	¥ 1,016
Less than 20%	680,064	54,585	4,204	324
20% to Less than 50%	12,768	742	242	22
50% to Less than 100%	9,639	11,327	497	670
100% to Less than 350%	16,676	—	1,724	—
350% to Less than 1,250%	—	—	—	—
1,250%	0	—	0	—
Resecuritization Exposures (IRB Approach)	2,014	—	54	—
Less than 20%	—	—	—	—
20% to Less than 50%	2,014	—	54	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 721,163	¥ 66,656	¥ 6,724	¥ 1,016

(3) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen 2017
Residential Mortgage Loans	¥ 0
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ 0

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2015

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of principal underlying assets by type

As of March 31	Millions of Yen 2016 Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 800,702	¥ 36,829
Residential Mortgage Loans	169,977	3,495
Credit Card Loans	7,500	324
Claims on Lease Payments, Installment Receivables	232,475	16,370
Commercial Real Estate-Secured Loans	16,893	—
Other Claims on Corporates	373,855	16,639
Resecuritization Exposures	14,917	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	4,392	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	10,524	—
Total	¥ 815,620	¥ 36,829

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen 2016 Balance On-balance Sheet Transactions	Balance Off-balance Sheet Transactions	Required Capital On-balance Sheet Transactions	Required Capital Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 800,702	¥ 36,829	¥ 7,244	¥ 284
Less than 20%	766,679	36,079	4,894	262
20% to Less than 50%	10,226	749	173	22
50% to Less than 100%	5,832	—	249	—
100% to Less than 350%	17,638	—	1,810	—
350% to Less than 1,250%	324	—	116	—
1,250%	0	—	0	—
Resecuritization Exposures (IRB Approach)	14,917	—	302	—
Less than 20%	—	—	—	—
20% to Less than 50%	14,042	—	265	—
50% to Less than 100%	874	—	37	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 815,620	¥ 36,829	¥ 7,547	¥ 284

(3) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen 2016
Residential Mortgage Loans	¥ 0
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ 0

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Market Risk

Non-consolidated

(1) Value at Risk (VaR) as of the end of period and maximum, mean, and minimum VaR for the period

	Billions of Yen							
	As of March 31, 2017	Fiscal Year 2016			As of March 31, 2016	Fiscal Year 2015		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
VaR in Banking Account	¥ 795.8	¥ 1,115.5	¥ 795.8	¥ 975.9	¥ 1,146.4	¥ 1,187.0	¥ 723.9	¥ 942.5
VaR in Trading Account	8.0	9.8	3.4	6.0	4.5	8.5	3.2	5.5

VaR Measurement Standards

Banking account Confidence interval: one-tailed 99% Holding period: 21 business days to 1 year Observation period: 1 year
Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

(2) Term-end Stressed Value at Risk and maximum, mean and minimum of Stressed Value at Risk for the period

	Billions of Yen							
	As of March 31, 2017	Fiscal Year 2016			As of March 31, 2016	Fiscal Year 2015		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 5.7 [1.8]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 6.1 [1.9]	¥ 5.7 [1.8]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 6.0 [1.9]

Stressed VaR Measurement Standards

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year
The figures inside the square brackets above denote stress VAR in a case where the holding period is one business day.

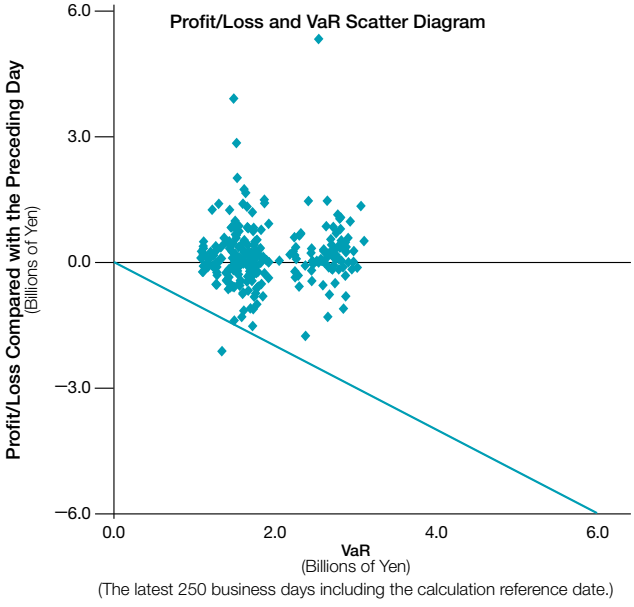
(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period

Not applicable in the fiscal year ended March 31, 2016 and in the fiscal year ended March 31, 2017.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

• Back testing of the trading account

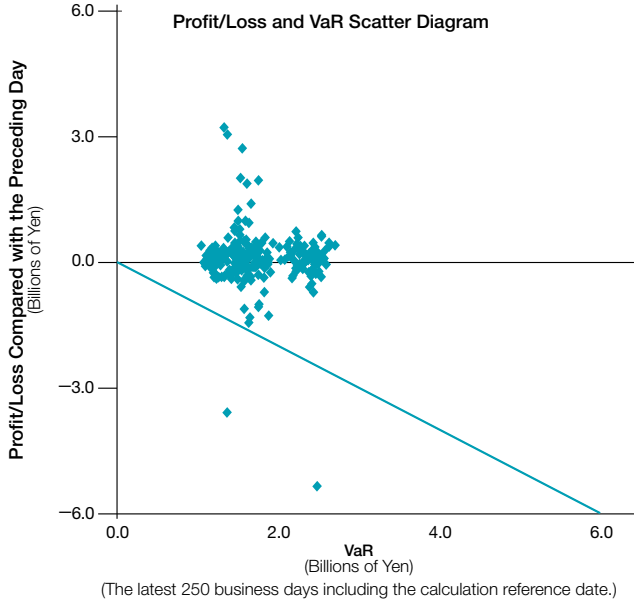
Fiscal Year 2016



Note: As shown above, for fiscal year 2016 back testing of the trading accounts shows one instance of losses in excess of VaR.

• Back testing of the trading account

Fiscal Year 2015



Note: As shown above, for fiscal year 2015 back testing of the trading accounts shows two instances of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account

Non-consolidated

	Millions of Yen							
	2017				2016			
As of March 31	Book Value		Fair Value		Book Value		Fair Value	
Book and Fair Values*1								
Listed Shares Exposures	¥ 1,414,406		¥ 1,414,406		¥ 1,316,744		¥ 1,316,744	
Capital Subscriptions or Equity Exposures Other than Above	57,021		57,021		47,586		47,586	
Amounts of Gains/Losses on Sales and Write-offs	Gains/Losses	Gains	Losses	Write-offs	Gains/Losses	Gains	Losses	Write-offs
of Capital Subscriptions or Equity Exposures*2	31,300	46,191	5,723	9,168	18,743	28,025	5,567	3,714
Amounts of Unrealized Gains/Losses Recognized in the Balance Sheets and not Recognized in the Statements of Income			754,424				628,245	
Amounts of Unrealized Gains/Losses not Recognized in the Balance Sheets and Statements of Income			Not applicable				Not applicable	

*1. Figures for available-for-sale securities include only Japanese and foreign stocks.
*2. Statements of income show gains/losses on stockholdings and related write-offs.

As of March 31	Millions of Yen 2017	2016
Amounts by Portfolio Category	¥ 991,269	¥ 1,102,967
Portfolios Adopting the Market-based Approach	64,812	81,574
Portfolios Adopting the PD/LGD Approach	926,457	1,021,392

Note: Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Exposures Held in Funds as Credit Risk-Weighted Assets

Non-consolidated

As of March 31	Millions of Yen 2017	2016
Aggregate Sum of Exposures Held in Funds	¥ 1,883,298	¥ 1,648,037
Look-through Approach	1,779,772	1,551,565
Simple Majority Formula	56,232	33,845
Investment Criteria Formula	16,169	25,562
Internal Model Approach	—	—
Probability Approach	30,148	36,368
Others	975	695

Note: Exposures subject to the calculation of credit risk-weighted assets are shown.

Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by SuMi TRUST Bank Regarding Interest Rate Risk in the Banking Account

Non-consolidated

• Outlier ratios

As of March 31	Millions of Yen 2017	2016
Overall Amounts of Interest Rate Risk	¥ 110,708	¥ 33,388
Japanese Yen Interest Rates	10,598	9,901
U.S. Dollar Interest Rates	94,861	10,834
Other Interest Rates	5,249	12,653
Outlier Ratios	3.8%	1.2%

Note: The above table indicates figures calculated by individual banks in accordance with the outlier standard specified by the "Comprehensive Guidelines for Supervision of Major Banks, etc." and based on the following assumptions:
- Risk measurement method: Interest rate sensitivity approach
- Interest rate fluctuation scenario: An interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one-year holding period and a minimum observation period of five years.
- Definition of the core deposits: The lowest of the following three is the upper limit on the core deposit amount (No.3 is adopted) and the maturity is five years (an average remaining term of 2.5 years): 1) The lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

Liquidity Coverage Ratio (LCR)

Non-consolidated

Quantitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a non-consolidated basis

	Items	Millions of Yen, %, the Number of Data			
		Fiscal Year 2016 4th Quarter		Fiscal Year 2016 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total High-Quality Liquid Assets (HQLA)		¥ 11,750,054		¥ 10,605,836
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash Outflows Related to Unsecured Retail Funding	¥ 17,702,930	724,103	¥ 16,767,413	652,699
3	of Which, Stable Deposits	562,023	16,860	555,117	16,653
4	of Which, Less Stable Deposits	7,035,612	707,243	6,167,742	636,046
5	Cash Outflows Related to Unsecured Wholesale Funding	10,142,849	6,705,635	12,609,124	7,878,602
6	of Which, Qualifying Operational Deposits	0	0	0	0
7	of Which, Cash Outflows Related to Unsecured Wholesale Funding Other than Qualifying Operational Deposits and Debt Securities	8,159,475	4,722,261	10,683,705	5,953,183
8	of Which, Debt Securities	1,983,374	1,983,374	1,925,419	1,925,419
9	Cash Outflows Related to Secured Funding, etc.		66,484		0
10	Cash Outflows Related to Derivative Transactions, etc. Funding Programs, Credit and Liquidity Facilities	4,851,138	1,425,863	5,066,781	1,574,121
11	of Which, Cash Outflows Related to Derivative Transactions, etc.	606,855	606,855	775,034	775,034
12	of Which, Cash Outflows Related to Funding Programs	0	0	0	0
13	of Which, Cash Outflows Related to Credit and Liquidity Facilities	4,244,283	819,008	4,291,747	799,087
14	Cash Outflows Related to Contractual Funding Obligations, etc.	356,122	202,184	613,652	310,477
15	Cash Outflows Related to Contingencies	12,054,166	23,093	11,919,901	23,682
16	Total Cash Outflows		9,147,362		10,439,581
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash Inflows Related to Secured Lending, etc.	43,545	40,943	24,459	24,459
18	Cash Inflows Related to Collection of Loans, etc.	5,007,097	3,225,000	4,750,305	3,183,173
19	Other Cash Inflows	374,418	318,265	606,790	534,218
20	Total Cash Inflows	5,425,060	3,584,208	5,381,554	3,741,850
Non-consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA Allowed to be Included in the Calculation		11,750,054		10,605,836
22	Net Cash Outflows		5,563,154		6,697,731
23	Non-consolidated Liquidity Coverage Ratio (LCR)		211.2		159.8
24	The Number of Data Used to Calculate the Average Value		61		3

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a non-consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

The LCR satisfies the required criteria and we do not expect the LCR to significantly fluctuate from the current level. Furthermore, the actual LCR is not significantly different from our forecast.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality assets and net cash outflows in major currencies.

(4) Other items concerning LCR

We apply neither the "treatment for qualifying operational deposit" nor the "additional collateral required to market valuation changes based on the scenario approach."

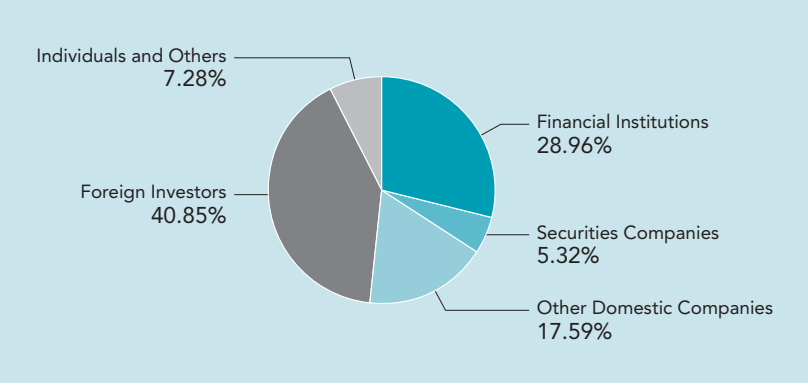
Stock Information (as of March 31, 2017)

Major Shareholders (Common Shares)

	Shareholder Name	Number of Shares Held (Shares)	Shareholding Ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	19,221,005	5.02
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	17,289,200	4.51
3	Japan Trustee Services Bank, Ltd. (Trust Account 9)	8,772,000	2.29
4	Japan Trustee Services Bank, Ltd. (Trust Account 5)	7,569,500	1.97
5	The Bank of New York, Treaty Jasdec Account	5,852,577	1.52
6	Japan Trustee Services Bank, Ltd. (Trust Account 1)	5,582,500	1.45
7	Japan Trustee Services Bank, Ltd. (Trust Account 2)	5,555,400	1.45
8	Japan Trustee Services Bank, Ltd. (Trust Account 7)	5,196,100	1.35
9	The Bank of New York 133524	4,970,719	1.29
10	State Street Bank West Client - Treaty 505234	4,832,783	1.26

(Note) The shareholding ratio is calculated by excluding the treasury stock and rounded down to second decimal places.

Composition of Shareholders (Common Shares)



(Note 1) Excluding the treasury stock (7,810,724 shares)
(Note 2) The component ratio is rounded off to second decimal places.

ADR (American Depositary Receipt) Information

ADR:	Underlying Share Ratio 1:1
Exchange:	OTC (Over-the-Counter)
Symbol:	SUTNY
CUSIP:	86562X106
Level of Program:	Level I
Depositary:	The Bank of New York Mellon Depositary Receipts Division 101 Barclay Street, 22nd Floor, New York, NY 10286, U.S.A. Telephone: 1 (201) 680-6825 U.S. toll free: 888-269-2377 (888-BNY-ADRS) Facsimile: 1 (212) 571-3050/3051/3052 http://www.adrbnymellon.com

Other Data

Authorized Shares:	
Common Shares:	850,000,000 Shares
Preferred Shares:	40,000,000 Shares
Number of Shares issued:	
Common Shares:	390,348,640 Shares
Preferred Shares:	0 Shares
Number of Shareholders:	
Common Shares:	70,827
Preferred Shares:	0

Disclosure Policy

SuMi TRUST Holdings is fully aware of the importance of its social responsibility and public mission, and constantly seeks to secure unwavering trust from society through sound management based on rigorous self-discipline. For this purpose, we endeavor to ensure appropriate disclosure of corporate information to assure the transparency of our corporate management.

Attitude toward Disclosure

We not only comply strictly with various laws and rules, such as the Companies Act, the Banking Law and the Financial Instruments and Exchange Act (including the rules for timely disclosure of corporate information, etc., defined by securities exchanges on which our shares are listed), but also endeavor to disclose corporate information that helps our clients, shareholders, and investors better understand the SuMi TRUST Group, under the basic conditions of appropriate timing, accuracy and fairness, and realize highly transparent management.

We do not release personal information, client data or any information, the disclosure of which violates the rights of the parties concerned by such action.

Disclosure Methods

When disclosing information, we make active use of the Internet, various publications and other media tools to reach the broadest possible number of interested parties, whether clients, shareholders or investors, in or outside Japan, in a timely, accurate and fair manner.

In the disclosure of various materials, we strive to provide easy-to-understand explanations of the main points of SuMi TRUST Group's management policies, business results, finance situation, etc. We explain these main points at our information meetings, etc.

Establishment of Disclosure System

We maintain and promote the appropriate disclosure system by such means as the establishment of an Information Disclosure Committee to ensure disclosure of SuMi TRUST Group's information in accordance with the above disclosure policy.

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SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

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VEGETABLE OIL INK

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