

ANNUAL REPORT

Year ended March 31, 2016

2016





SuMi TRUST



Symbol Mark

The symbol mark features "Future Bloom" representing the vision of 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.

CONTENTS

3 Top Message

4 Top Interview

Chairman Tsunekage and President Kitamura look back and discuss various initiatives taken in FY2015 and answer questions about major initiatives for FY2016, initiatives to strengthen corporate governance, etc.



8 Our Business Model Status of Group Businesses

9 Financial Highlights

13 Special Feature: The Challenge of Being "The Trust Bank"

In this special feature, we introduce the credit card business strategies and rapidly expanding private banking services.



18 Comprehensive Capabilities of the Sumitomo Mitsui Trust Group

20 Topics

21 Review of Operations:

- 21 Business Outline
- 22 Retail Financial Services Business
- 26 Wholesale Financial Services Business
- 31 Stock Transfer Agency Services Business
- 36 Real Estate Business
- 42 Fiduciary Services Business
- 50 Global Markets Business
- 52 Other Subsidiaries

53 Management Structure:

- 54 Corporate Governance
- 59 Compliance System
- 61 Client Protection Management
- 62 Risk Management
- 64 Capital Management
- 65 Information Disclosure System and Internal Auditing
- 66 Efforts to Enhance Customer Satisfaction
- 67 Initiatives to Facilitate Financing
- 69 CSR (Corporate Social Responsibility)

75 Corporate Data:

- 76 Sumitomo Mitsui Trust Holdings, Inc.
- 78 Sumitomo Mitsui Trust Bank, Limited

89 Financial and Capital Adequacy Ratio Related Data

433 Stock Information

434 Disclosure Policy

435 Corporate Information

435 Rating Information

Website

- Sumitomo Mitsui Trust Holdings, Inc.
- Sumitomo Mitsui Trust Bank, Limited

<http://www.smth.jp/en/>

<http://www.smtb.jp/tools/english/>

Top Message

First, we would like to extend our heartfelt thanks to all stakeholders for your invaluable support.

We have compiled and hereby present our Annual Report for fiscal year 2015. We hope it proves useful to you.



Kunitaro Kitamura President
Hitoshi Tsunekage Chairman

As for the economic environment in FY2015, stagnation persisted in Japan, as personal consumption and capital investment were slow to recover. An increase in corporate earnings began to lose momentum in the second half of the fiscal year.

Looking overseas, the outlook in the global economy grew increasingly uncertain due to the slowdown in the Chinese economy and heightened geopolitical risks, among other factors, while the U.S. economy saw its strong recovery continue and the policy interest rate was raised.

In Japan's financial markets, the yen-to-dollar exchange rate and the Nikkei Stock Average both underwent major swings in response to the introduction of a negative interest rate policy by the Bank of Japan in January 2016.

In this environment, the Sumitomo Mitsui Trust Group (the "SuMi TRUST Group"), centered on Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank"), worked on developing its business model and leveraging its unique added value in order to realize stable and sustainable growth as Japan's only independent financial group specialized in trust banking.

As a result, net business profit before credit costs grew ¥1.5 billion year on year to ¥318.3 billion on a consolidated basis in FY2015. Net income attributable to owners of the parent was up ¥7.2 billion to ¥166.9 billion.

Net business profit before credit costs increased primarily due to growth in net fees and commissions and related profit, mainly at asset management and real estate brokerage subsidiaries. Net income attributable to owners of the parent was also up year on year.

It has now been a full five years since the SuMi TRUST Group was launched in April 2011. As we go forward, we will maintain our original spirit with the aim of establishing "The Trust Bank" brand as a solid presence throughout the financial industry by swiftly and accurately meeting client needs through total solutions that are unique to a trust bank group and are distinctive strengths of the SuMi TRUST Group.

We sincerely ask for your continuing support in this endeavor.

July 2016

Chairman

A handwritten signature in black ink, reading "Hitoshi Tsunekage".

President

A handwritten signature in black ink, reading "Kunitaro Kitamura".

Top Interview

The SuMi TRUST Group will work as one to provide total solutions that make full use of our sophisticated expertise and comprehensive capabilities.

We at the SuMi TRUST Group seek to win an even greater level of trust from our clients and to further enhance our corporate value.

Question

Please share your thoughts in looking back on the initiatives of FY2015.

The SuMi TRUST Group worked on providing customer-oriented services during FY2015, as drastic changes took place in the economic and financial environments. Our focus was on steadily implementing our business strategies, cultivating new service areas where we have been making coordinated efforts across businesses at the SuMi TRUST Group, and developing products and services.

For example, we further refined our consulting-based sales approach for individual clients. We emphasized the “long-term, diversified and stable” asset management that has always been a strength of the SuMi TRUST Group, while improving service through measures such as enhancing inheritance- and asset succession-related products and opening new branches. With regard to housing loans, we strived to flexibly set interest rates, taking market interest-rate trends into account, and made

efforts to expand supplementary services.

In addition to loan services, we worked on providing corporate clients total solutions that leverage the combined banking, trust and real estate functions of group companies. We also enhanced development of new asset-management products mainly for financial companies to handle the need for diversified investment tools, taking into account the impact of the negative interest rate policy and other factors. In overseas markets, we strengthened our group network by utilizing alliances with global financial institutions overseas to support our clients’ activities outside Japan and we opened Sumitomo Mitsui Trust Bank (Thai) Public Company Limited in October 2015 as our new group entity. In addition, we actively worked on measures such as providing comprehensive consulting and practical support for shareholders’ meetings in light of recent moves toward strengthening corporate governance.

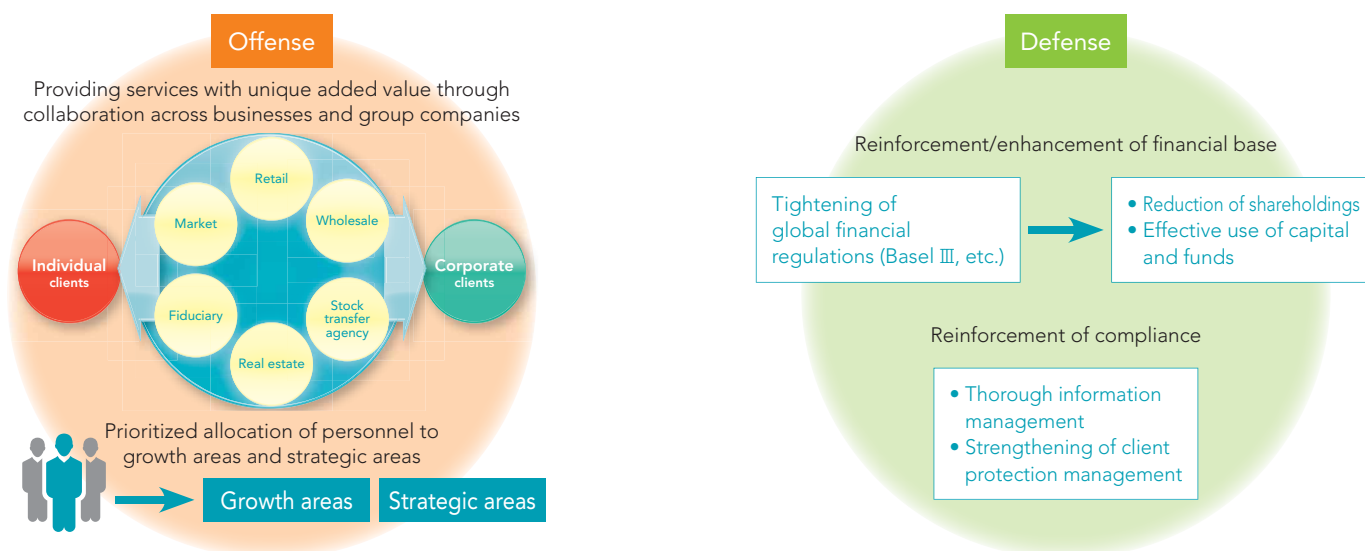
Furthermore, SuMi TRUST Bank acquired all shares of Citi Cards Japan, Inc. in December 2015 and made it a subsidiary after changing the company’s name to Sumitomo Mitsui Trust Club Co., Ltd. Through this acquisition, we have endeavored to further improve services for our clients by developing credit card services including the Diners brand, in addition to conducting tie-up campaigns with SuMi TRUST Bank.



Question

What are your priority initiatives for the current term?

Pursuing business operations that balance offense and defense



Although the economic environment is challenging, the entire SuMi TRUST Group will work as a cohesive unit to take on the challenge of new growth. We will focus on a two-pronged business development strategy, based on our stable financial intermediary functions for individual and corporate clients and on the trust asset administration functions, a SuMi TRUST Group strength. At the same time, we will solidify our defense and change our “mode” and “model” with the aim of realizing a new growth strategy.

Specifically, working in close collaboration across businesses and group companies, we will further deepen our base of transactions with existing clients through efforts to strengthen our sales capabilities both in quality and quantity and to enhance the quality of our products and services. At the same time, we will focus on developing new transactions with individual clients who are at the asset-formation stage and with small and medium-sized enterprises among our corporate clients. Unique added-value services adapted to life stages and circumstances will be provided. In addition, we will continue to pursue optimal distribution of management resources by prioritizing allocation of personnel to growth areas and strategic areas where earnings expansion is expected.

With regard to defense, we will proceed with a steady reduction of shareholdings while seeking improvements in profitability and efficiency. Efforts to use capital and funds effectively are aimed at quickly reinforcing and enhancing our financial base in light of the trend toward the tightening of global financial regulations such as Basel III.

On the compliance front, we will make efforts to establish rigorous information management and strengthen client protection management.

Moreover, we intend to work on initiatives such as a radical enhancement of human resources training, reform of in-house operations, and rigorous cost-cutting. The aim is to speed up the creation of added value to support business operations that achieve a balance of offense and defense.



Question

Can you tell us about your efforts to reinforce corporate governance?

Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") formulated its "Basic Policy on Corporate Governance" due to the introduction of the Corporate Governance Code by the Tokyo Stock Exchange in June 2015. Based on this, we introduced a policy of maintaining in principle a ratio of independent external directors of at least one third of Board of Directors members. We also set up a "Nominating and Compensation Committee" and an "Audit Committee" as advisory bodies to the Board of Directors. The majority of their members are external directors. Through these measures, we have steadily put in place a structure to reinforce corporate governance at the SuMi TRUST Group.

In addition, we have implemented the following three specific measures as principal initiatives to further improve the effectiveness of corporate governance at SuMi TRUST Holdings.

Firstly, a review was conducted by the Board of Directors to assess the status of the SuMi TRUST Group's efforts over the past year with respect to the principles of the Corporate Governance Code. Through this review, the Board of Directors confirms that measures are being steadily implemented to address the principles of the Code and identifies issues

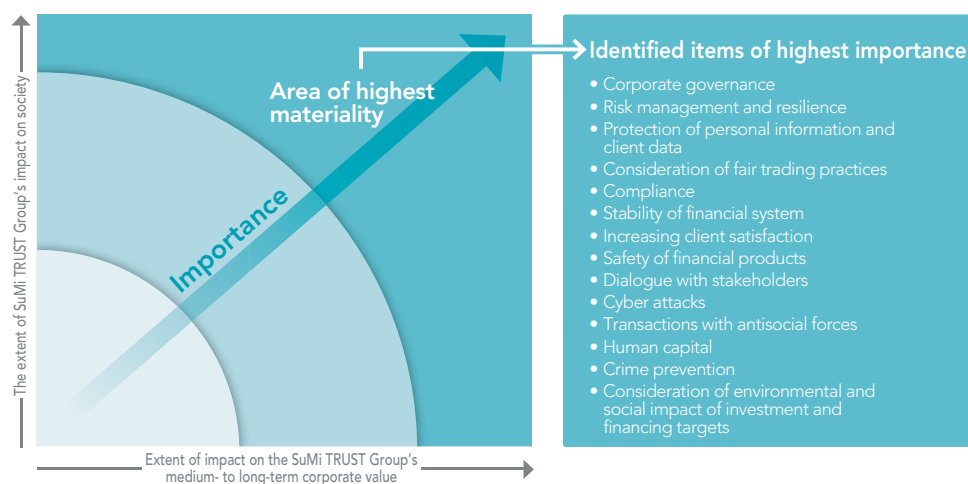
where further improvement is needed.

Secondly, in order to confirm and further improve the effectiveness of the Board of Directors, we surveyed the opinions of all directors and corporate auditors who attend the Board of Directors' meetings of SuMi TRUST Holdings to evaluate the Board's effectiveness. As a result, we confirmed that a certain level of effectiveness was ensured in the Board's current operations and shared priority issues to be addressed from the perspective of further enhancing effectiveness.

Thirdly, we assembled 18 external experts, in addition to the external directors and external corporate auditors of SuMi TRUST Holdings and SuMi TRUST Bank, to identify important issues as "materiality" from the viewpoints of improving the medium- to long-term corporate value of the SuMi TRUST Group and its impact on society. The identified materiality is positioned as corresponding to environmental and social issues surrounding sustainability to be addressed by the Board of Directors. We will discuss this in greater depth at Board of Directors' meetings going forward.

Through this series of initiatives, we seek sustainable growth and enhancement of medium- to long-term corporate value for the SuMi TRUST Group.

SuMi TRUST Group Materiality Map

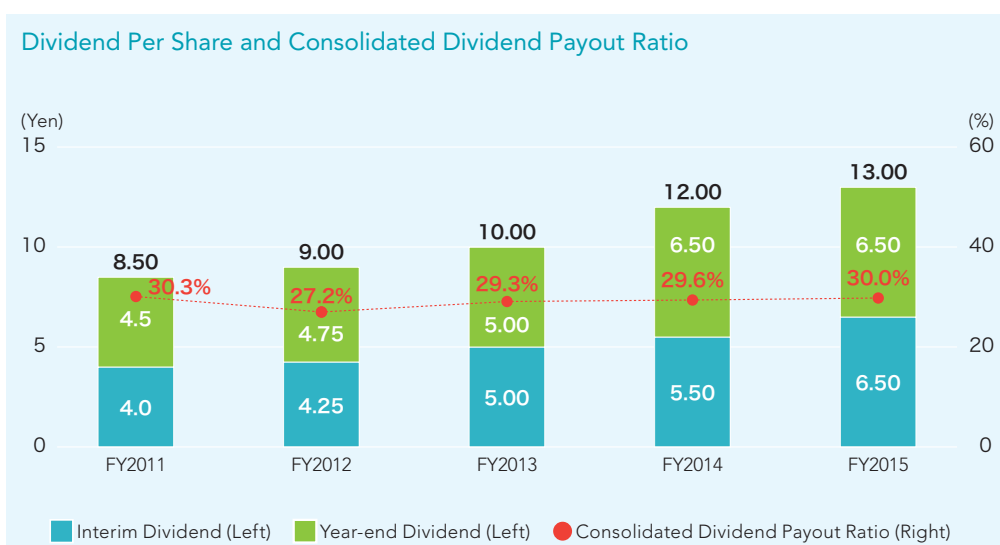


Question

Please describe your policy on shareholder returns.

At SuMi TRUST Holdings, we regard the return of profits to shareholders as one of our important management policies. Our policy is to share profits with shareholders according to our performance. We also aim to maintain a consolidated dividend payout ratio on common shares of approximately 30%. We may also repurchase our own shares

by considering the balance with profit growth opportunities and taking into account the effect of the repurchase on improvement of capital efficiency. Through these measures, SuMi TRUST Holdings aims to enhance shareholder returns in the medium term.



Question

Please tell us your message for the stakeholders.

April 2016 marked a full five years since the launch of the SuMi TRUST Group. Despite the drastic changes in the economic and financial climate and the competitive environment during that time, we have further refined our services that are unique to a trust bank group and are distinctive strengths of the SuMi TRUST Group, providing speedy, customer-oriented and one-stop access to the SuMi TRUST Group's diverse functions in banking, trusts and real estate.

The economic environment is expected to remain

uncertain. However, we will make every effort to adopt a truly customer-oriented and customer-first approach based on the fiduciary spirit at all group companies. At the same time, officers and employees are united in their commitment to perform our duties so as to earn the trust and support of our clients by dedicating our utmost efforts to enhancing the quality of the products and services we offer.

We sincerely ask for your continued support for our endeavors.

Our Business Model

Based on the fiduciary spirit and with significant expertise and comprehensive capabilities, the SuMi TRUST Group creates distinct values by leveraging a business model that combines its banking, asset management and administration, and real estate businesses.



Status of Group Businesses

As the largest, most prestigious trust bank group in Japan, the SuMi TRUST Group is Japan's largest asset manager and administrator, a top asset management consultant, and an industry leader in trust-bank-related businesses.

(As of the end of March 2016)

Retail Financial Services Business	Sales Volume of Investment Trust/Discretionary Investment	¥1.3 trillion	among Japanese Banks	No. 1
	Number of Will Trusts	27,313 cases	among Japanese Trust Banks	No. 2
	Balance of Loans to Individuals	¥7 trillion	among Japanese Banks	No. 5
Wholesale Financial Services Business	Balance of Monetary Claims in Trusts	¥13 trillion	among Japanese Trust Banks	No. 1
	Balance of Loans to Corporates	¥19 trillion	among Japanese Banks	No. 4
	Lending business/Total loan balance	¥27 trillion	among Japanese Banks	No. 4
Stock Transfer Agency Services Business	Number of Shareholders under Administration (Total of the whole group)	25,214 thousand shareholders	among Japanese Trust Banks	No. 1
Real Estate Business	Real Estate Business-related Revenue (Total of the whole group)	¥46.5 billion	among Japanese Trust Banks	No. 2
	Entrusted Balance of Securitized Real Estate	¥13 trillion	among Japanese Trust Banks	No. 1
Fiduciary Services Business	Assets under Management	¥76 trillion	among Japanese Bank and Securities Company Groups	No. 1
	Assets under Custody*	¥236 trillion	among Japanese Bank Groups	No. 1
	Balance of Corporate Pension Funds	¥16 trillion	among Japanese Trust Banks	No. 1
	Lead Manager for Corporate Pension Funds	1,374 funds	among Japanese Trust Banks	No. 1
	Entrusted Balance of Investment Trusts	¥55 trillion	among Japanese Trust Banks	No. 1

* This refers to the aggregate balance of trust assets at the SuMi TRUST Group.

Financial Highlights

In the consolidated financial results for FY2015, net business profit before credit costs increased by ¥1.5 billion year on year to ¥318.3 billion, due to an increase in net fees and commissions and related profit mainly at asset management and real estate brokerage subsidiaries, despite a decrease in net interest income and related profit at SuMi TRUST Bank (non-consolidated).

Net income attributable to owners of the parent increased by ¥7.2 billion year on year to ¥166.9 billion, mainly due to the non-recurrence of banking IT system integration costs for SuMi TRUST Bank recorded as extraordinary loss in the previous fiscal year.

Regarding our year-end dividend on common shares, we paid ¥6.50 per common share in line with our policy targeting approximately 30% as a consolidated dividend payout ratio. The annual dividend for the fiscal year increased by ¥1 per share from the previous fiscal year to ¥13.00 per common share, including the ¥6.50 interim dividend per share we paid last December.

• Overview of the Financial Results in FY2015

<Consolidated> Sumitomo Mitsui Trust Holdings (Consolidated)

Billions of Yen (Unless specified otherwise)

	FY2015 (A)	FY2014 (B)	Change (A)–(B)	Rate of change
Net Business Profit before Credit Costs*	318.3	316.7	1.5	0.5%
Ordinary Profit	278.0	292.4	(14.4)	(4.9%)
Net Income Attributable to Owners of the Parent	166.9	159.6	7.2	4.5%
Total Credit Costs*	(25.9)	19.3	(45.2)	(234.3%)
Return on Equity	7.00%	7.17%	(0.17%)	—
Net Income per Common Shares (Yen)	43.33	40.38	2.95	7.3%
Net Assets per Common Shares (Yen)	618.12	618.63	(0.51)	(0.1%)

<Non-consolidated> Sumitomo Mitsui Trust Bank (Non-consolidated)

Billions of Yen (Unless specified otherwise)

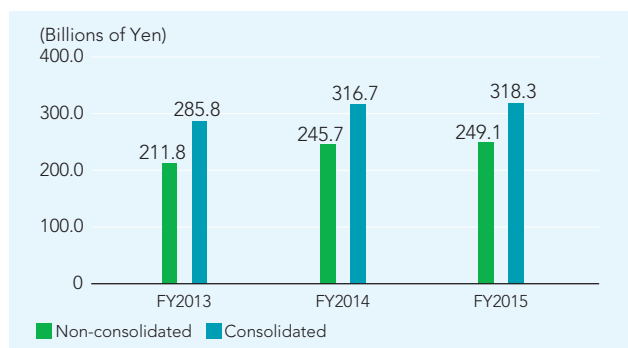
	FY2015 (A)	FY2014 (B)	Change (A)–(B)	Rate of change
Net Business Profit before Credit Costs*	249.1	245.7	3.4	1.4%
Net Interest Income and Related Profit*	223.9	233.4	(9.4)	(4.0%)
Net Fees and Commissions and Related Profit*	199.9	201.0	(1.1)	(0.6%)
Net Trading Profit	15.5	32.4	(16.8)	(52.1%)
Net Other Operating Profit	45.9	27.2	18.6	68.2%
General and Administrative Expenses	(236.1)	(248.5)	12.3	5.0%
Net Non-recurring Profit, etc.	(23.9)	(15.6)	(8.2)	(52.6%)
Ordinary Profit	218.8	230.0	(11.1)	(4.8%)
Extraordinary Profit	(3.6)	(60.0)	56.3	93.9%
Net Income	143.1	130.5	12.6	9.7%
Total Credit Costs*	(14.1)	18.1	(32.2)	(178.3%)

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

<Dividends>

	FY2015 (A)	FY2014 (B)	Change (A)–(B)
Dividend per Share on Common Share (Yen)	13.00	12.00	1.00

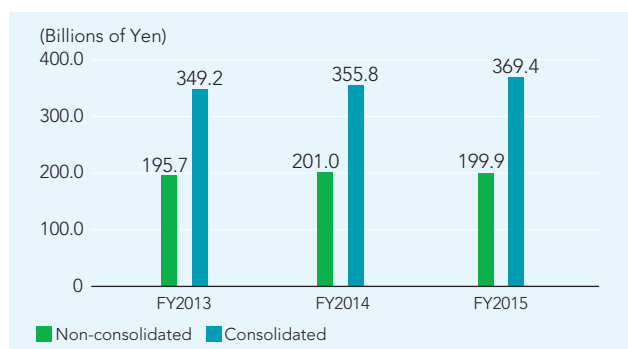
Status of Profit and Loss



• Net Business Profit before Credit Costs*

Net business profit before credit costs increased on both a consolidated and non-consolidated basis.

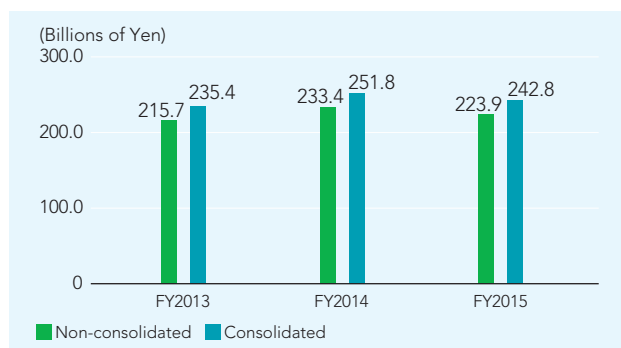
On a non-consolidated basis, net interest income and related profit decreased due to factors such as increased foreign currency funding costs, while general and administrative expenses decreased mainly in non-personnel expenses. As a result, net business profit before credit costs increased by ¥3.4 billion year on year to ¥249.1 billion. On a consolidated basis, net business profit before credit costs increased by ¥1.5 billion year on year to ¥318.3 billion. This was mainly due to an increase in net fees and commissions and related profit at asset management and real estate brokerage subsidiaries.



• Net Fees and Commissions and Related Profit*

Net fees and commissions and related profit increased mainly due to growth of personal asset management related profit and asset management and real estate brokerage subsidiaries.

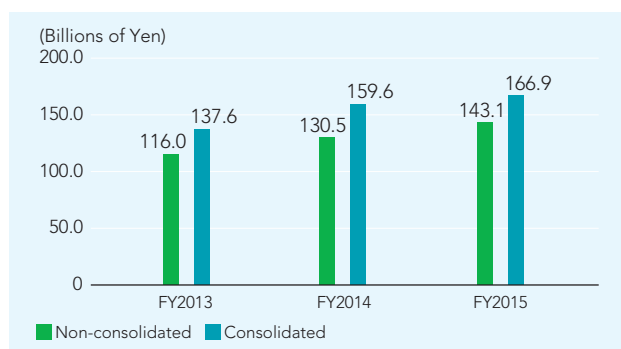
On a non-consolidated basis, investment trust/insurance related profit increased due to the accumulation of the balance. On the other hand, real estate brokerage fees decreased. As a result, net fees and commissions and related profit decreased by ¥1.1 billion year on year to ¥199.9 billion. On a consolidated basis, net fees and commissions and related profit increased by ¥13.6 billion year on year to ¥369.4 billion, due to higher profits at asset management and real estate brokerage subsidiaries.



• Net Interest Income and Related Profit*

Net interest income and related profit decreased mainly due to an increase in foreign currency funding costs.

Although both the domestic and overseas loan balances increased, the domestic loan-deposit income decreased as a result of low interest rates environment, and foreign currency funding costs also increased. As a result, net interest income and related profit fell by ¥9.4 billion year on year to ¥223.9 billion on a non-consolidated basis and by ¥9.0 billion year on year to ¥242.8 billion on a consolidated basis.



• Net Income Attributable to Owners of the Parent

Net income attributable to owners of the parent increased mainly due to the non-recurrence of banking IT system integrated costs recorded in the previous fiscal year.

Extraordinary loss related to banking IT system integration costs that had been recorded in the previous fiscal year was not posted. As a result, net income attributable to owners of the parent increased by ¥12.6 billion year on year to ¥143.1 billion on a non-consolidated basis, and by ¥7.2 billion year on year to ¥166.9 billion on a consolidated basis.

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.

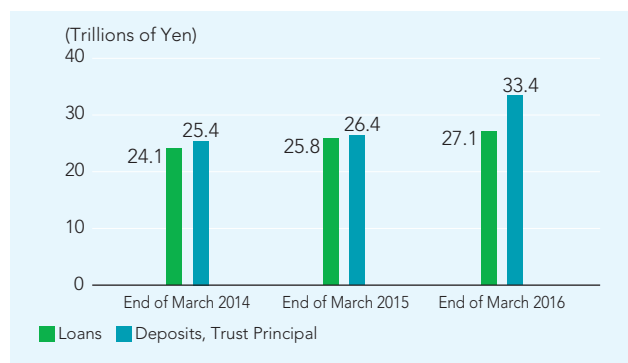
Net Interest Income and Related Profit

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.

Financial Status

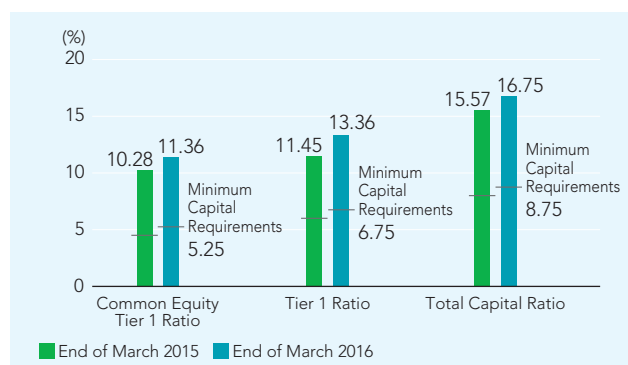


• Loans and Deposits (Non-consolidated)

Both loans and bills discounted and deposits increased.

Loans and bills discounted increased by ¥1.2 trillion from the end of the previous fiscal year to ¥27.1 trillion, due to increases in loans to individuals and corporate clients. Deposits, etc.* increased by ¥6.9 trillion from the end of the previous fiscal year to ¥33.4 trillion, because of an increase in the deposits of individuals as well as a surge in the deposits and trust principal of corporate clients following 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. It should be noted that new offerings of loan trusts have been suspended.



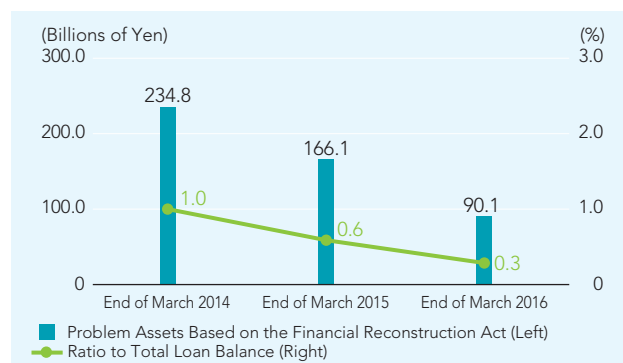
• Capital Adequacy Ratio, etc.* (Consolidated)

The capital ratio steadily improved due to factors such as the accumulation of net income.

The capital increased as a result of the accumulation of net income, and decrease in risk-weighted assets. As a result, the Common Equity Tier 1 capital ratio and total capital ratio improved by 1.08 and 1.18 percentage points from the end of the previous fiscal year to 11.36% and 16.75%, respectively, both of which were well above the regulatory required levels of 5.25% and 8.75%, 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. 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 0.3%.

The total balance of problem assets based on the Financial Reconstruction Act decreased by ¥76.0 billion from the end of the previous fiscal year to ¥90.1 billion, mainly due to the decrease in doubtful loans* and substandard loans*. The ratio to total balance decreased by 0.3 of a percentage point from the end of the previous fiscal year to 0.3%. As for the ratio of problem assets covered by collateral and the allowance for loan losses, the coverage ratio came to 91% for doubtful loans and 86% for substandard loans, indicating that a sufficient level was ensured.

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.

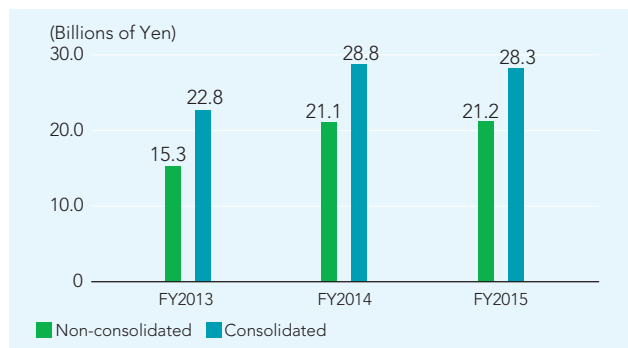
Tier 1 Capital

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.

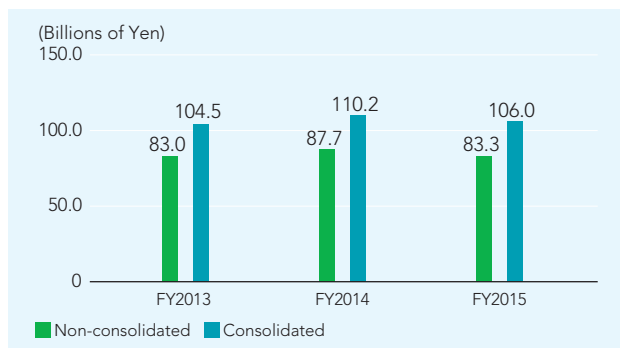
Net Business Profit before Credit Costs, by Business



• Retail Financial Services Business

Net business profit before credit costs maintained the previous year's levels due to an increase in the balance of investment trusts, etc.

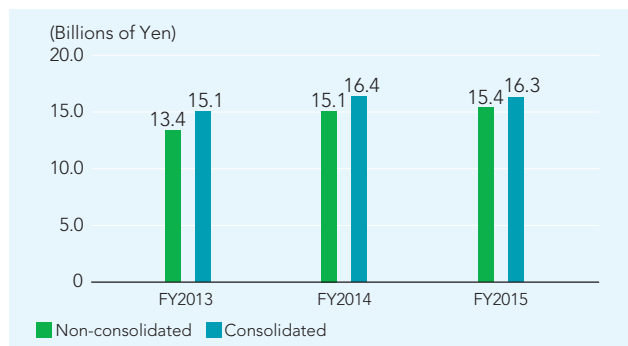
Despite the shrinking deposit spread resulting from lower interest rates, administration fees increased mainly due to the accumulation of the balance of investment trusts and insurance. As a result, net business profit before credit costs increased by ¥0.1 billion year on year to ¥21.2 billion on a non-consolidated basis and decreased by ¥0.5 billion year on year to ¥28.3 billion on a consolidated basis.



• Wholesale Financial Services Business

Net business profit before credit costs decreased mainly due to an increase in foreign currency funding costs.

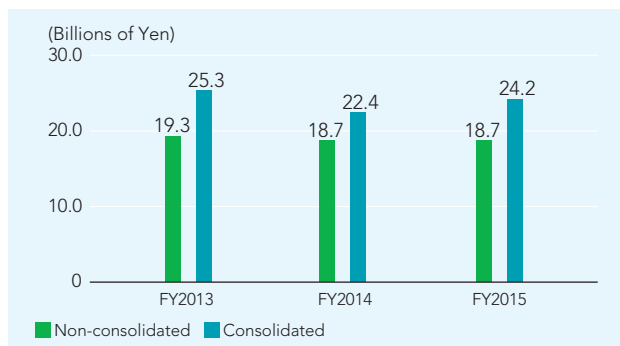
Net business profit before credit costs decreased by ¥4.4 billion year on year to ¥83.3 billion on a non-consolidated basis and by ¥4.2 billion year on year to ¥106.0 billion on a consolidated basis, mainly due to the effect of lower domestic and overseas interest rates and an increase in foreign currency funding costs, despite increases in both domestic and overseas loan balances.



• Stock Transfer Agency Services Business

Net business profit before credit costs increased on a non-consolidated basis due to an increase in consulting fees.

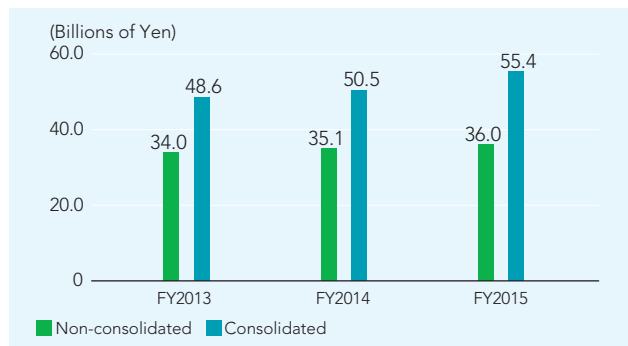
A variety of consulting fees increased, even though fees and commissions received associated with administration of shareholders and other recurring administrative work were on levels comparable to the previous fiscal year. As a result, net business profit before credit costs increased by ¥0.3 billion year on year to ¥15.4 billion on a non-consolidated basis and decreased by ¥0.1 billion year on year to ¥16.3 billion on a consolidated basis.



• Real Estate Business

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

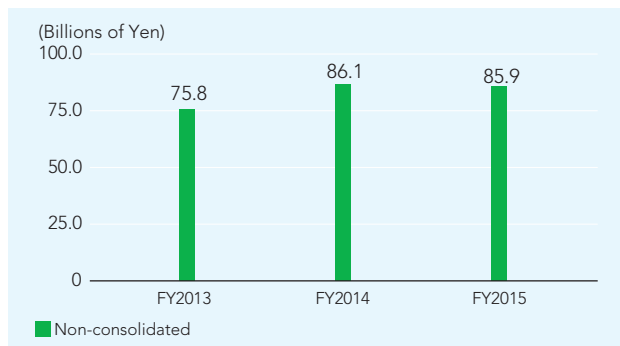
Net business profit before credit costs was ¥18.7 billion on a non-consolidated basis, and remained flat from the previous fiscal year. This was due to stagnant brokerage revenue from corporate clients. On a consolidated basis, net business profit before credit costs increased by ¥1.7 billion year on year to ¥24.2 billion, due to a steady increase in brokerage revenue from individual clients at subsidiaries.



• Fiduciary Services Business

Net business profit before credit costs increased due to an increase in investment trust related profit.

Net business profit before credit costs increased by ¥0.9 billion year on year to ¥36.0 billion on a non-consolidated basis and by ¥4.9 billion year on year to ¥55.4 billion, mainly due to the growth in profits of asset management subsidiaries and an increase in assets under management including investment trusts.



• Global Markets Business

Net business profit before credit costs maintained the previous year's high levels due to strong bond investments.

Net business profit before credit costs was ¥85.9 billion, maintaining the previous year's high levels. This was due to the steady accumulation of revenue from client transactions and bond investments that accurately captured the opportunity of falling U.S. interest rates.

Special
Feature

The Challenge of Being “The Trust Bank”

— A Trust Bank Group with Comprehensive Capabilities and Expertise

The SuMi TRUST Group provides products and services to meet the various financial needs of our individual clients, as the economic and financial environments experience big changes. In this Special Feature, we introduce Sumitomo Mitsui Trust Club, which is engaged in the credit card business, and the private banking services of SuMi TRUST Bank.

Meeting the needs of individual clients

Sumitomo Mitsui Trust Club

Credit card transaction volume in Japan is on the upward trend year after year. Sumitomo Mitsui Trust Club is the only company in Japan issuing Diners Club cards, which were country's first credit card over half a century ago.



- **Sumitomo Mitsui Trust Club:**
Diners Club Card and other high-quality, high-value-added card services, which offer much more than settlement functions
- **SuMi TRUST Bank:**
Consulting services on asset management, real estate, inheritance and donations and other matters

Creating synergies by mutually providing services to our clients

Expansion of private banking services

At SuMi TRUST Bank, we bring the abundant knowledge and experience we have accumulated over many years together with our comprehensive capabilities to provide high-quality services so that we can meet the diverse demands of our business-owner clients and ones holding various types of assets.



- Proposing solutions for business-owner clients and clients holding various types of assets
- Providing private banking services for Diners Club Card members
- Expanding products and services exclusively for private banking clients

Working as one to expand our service domains and create further added value

The Challenge of Being “The Trust Bank”

Sumitomo Mitsui Trust Club

In December 2015, Sumitomo Mitsui Trust Club Co., Ltd. (“Sumitomo Mitsui Trust Club”), a wholly owned subsidiary of SuMi TRUST Bank, became the only company in Japan to issue Diners Club cards, which were Japan’s first credit card over half a century ago.

Aim of inclusion in the Group

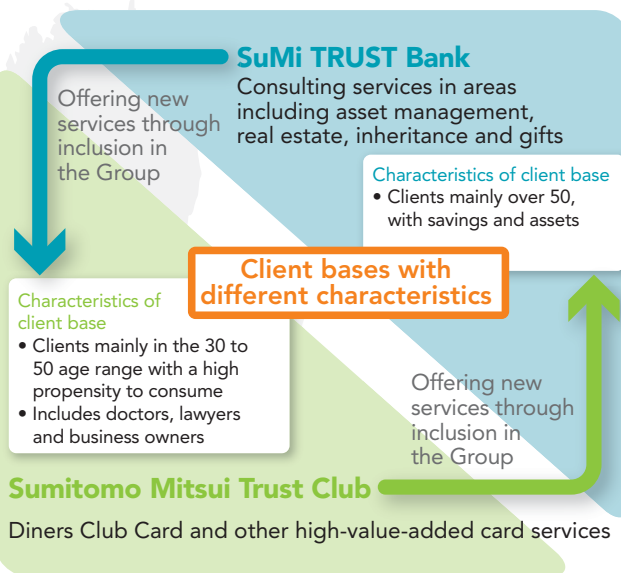
Japan’s credit card transaction volume is on the upward trend year by year. More people are shopping online and the number of overseas tourists visiting Japan is growing. Settlement methods are also becoming more sophisticated amid a shift away from paying in cash to using cards and other payment methods.

In this environment, Sumitomo Mitsui Trust Club will provide the Diners Club card and other high-quality, high-value-added card services to individual and corporate clients of the SuMi TRUST Bank Group. Meanwhile, Sumitomo Mitsui Trust Club clients will have the opportunity to use the broad range of products and services unique to the SuMi TRUST Bank Group, such as consulting on asset management, real estate, inheritance and gifts.

Growth of credit card business

Capturing a new client base, enhancing services for existing clients

Synergies from mutual provision of services



Cardless settlement for corporate clients of Diners Club

Two of the main Diners Club products for corporate clients are the corporate purchasing system (CPS), suited to centrally managing payments such as purchasing costs and communication fees, and the corporate travel system (CTS), for payment and settlement of expenses during overseas trips such as international flight tickets, visa fees and passport stamp fees.

For CPS, we are focusing on sales in co-operation with SuMi TRUST Bank. A growing

number of corporate clients are introducing the system as a payment method to cover such things as online advertising and cloud server expenses, amid a growing volume of e-commerce transactions overall. In addition, we are holding product briefings and study sessions about CPS and CTS for personnel who handle corporate clients at SuMi TRUST Bank. We are feeling definite synergy effects including receiving referrals of numerous corporate clients.

Toru Matsumoto
Corporate Business Department,
Sumitomo Mitsui Trust Club



Launch of the SUMITOMO MITSUI TRUST BANK Diners Club Card

We began offering the “SUMITOMO MITSUI TRUST BANK Diners Club Card” (the “Card”) on Monday, May 16, 2016. The Card comes with a range of attractive features exclusive to Diners Club, including those listed on the right. In addition, the Card has the unique advantage of the “annual membership fee benefit,” which offers preferential annual membership fees according to the amount of card use per year.

Feature
1

No across-the-board credit limit

Feature
2

Exclusive services, such as a privilege program for a complementary full-course meal at a restaurant for one person, more than 200 members-only events per year and a network of airport lounges in Japan and abroad

Feature
3

Call center available 24 hours a day, 365 days a year

Product overview of the SUMITOMO MITSUI TRUST BANK Diners Club Card

Annual membership fee	Principal member	Regular rate: ¥22,000 (excluding tax) Annual membership fee benefit: ¥12,000 (excluding tax) Eligibility conditions for annual membership fee benefit First year: Amount of card use of ¥200,000 or more during the first three months after enrollment Subsequent years: Amount of card use of ¥500,000 or more during the (previous) year
	Family membership	¥5,000 (excluding tax)
Standard age requirements		27 years of age or older * There is a prescribed examination for enrollment.
Payment account for card use		Only SuMi TRUST Bank accounts may be designated.
Restrictions on use		No across-the-board restrictions on credit amount (Restrictions are set according to members' card use.)
Payment methods		Lump-sum payment, lump-sum payment at bonus time, revolving payment
Supplementary insurance	Overseas travel insurance	Personal injury or death, disability: Maximum of ¥100 million (total of 1. and 2. below) 1. A portion for automatic supplement: Maximum of ¥50 million 2. A portion for conditions of use: Maximum of ¥50 million
	Domestic travel injury insurance	Personal injury or death, disability: Maximum of ¥100 million (subject to conditions of use)
	Purchase assurance coverage	¥5 million yearly limit (subject to conditions of use)

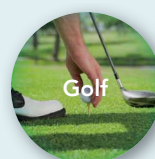
Main services



A complementary full-course meal for one person, reservation arrangements for deluxe seating at famous and luxury restaurants normally unavailable to first-time customers without introductions, and other services



Information about members-only tours, preferential rates at luxury hotels, taxi service to airports and other services



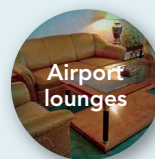
Discounts on private lessons, members-only competitions and other services



Members-only events related to music and other arts, purchase of exclusive items, preferential rates for use of sports clubs and other facilities and other services



Available 24 hours a day, 365 days a year



Use of airport lounges in approximately 600 locations in Japan and abroad

Commemorating the launch of the
SUMITOMO MITSUI TRUST BANK Diners Club Card
Campaign period: May 16 (Mon.) to October 25 (Tue.), 2016

Campaign offering three experiences

To commemorate the launch of the SUMITOMO MITSUI TRUST BANK Diners Club Card, we are conducting a campaign with three concepts: (1) Experiencing Diners Club services, (2) Experiencing SuMi TRUST Bank's asset management consulting*, and (3) Experiencing Diners Club with the family. For details, please inquire at a SuMi TRUST Bank's counter or see the following website (Japanese only): http://www.smtb.jp/personal/campaign/diners_cp/index.html

* When participating in this campaign, please see “Important Notes Regarding Investment Trusts Handled at Sumitomo Mitsui Trust Bank” on page 18.

The Partner Business Department collaborates with sales representatives at SuMi TRUST Bank to carry out initiatives aimed at improving “SUMITOMO MITSUI TRUST BANK Diners Club Card” services.

For example, sales representatives at the nationwide branches of SuMi TRUST Bank provide us information about fine restaurants in areas not

covered by our dining services. This allows us to enhance our services by generating group synergy effects.

The SuMi TRUST Group will continue to act as one in order to accelerate this positive cycle of mutually providing services.

Nobuaki Imada
Partner Business Department,
Sumitomo Mitsui Trust Club



Expansion of private banking services

As Japan’s only independent financial group specialized in trust banking, the SuMi TRUST Group has provided private banking services that leverage the comprehensive capabilities of a trust banking group to address the concerns of our wealthy clients regarding various assets such as funds, securities and real estate. With the launch of Sumitomo Mitsui Trust Club, which operates the Diners Club Card, the SuMi TRUST Group will work as one to expand even further the areas where we provide private banking services, while striving to generate even greater added value.

Private Banking Services of SuMi TRUST Bank

Over many years, SuMi TRUST Bank has accumulated “extensive asset-related knowledge and experience unique to a trust bank,” in addition to “comprehensive capabilities with regard to protecting assets in collaboration

with external experts such as lawyers and tax accountants.” Bringing these together, we provide high-quality services to meet the diverse demands of business-owner clients and clients who own various types of assets.

Consultations for business-owner clients

- Improving corporate value of the client’s company
- Smooth business succession
- Administration and management of personal assets, etc.

Consultations for clients who own various types of assets

- Asset succession
- Sale, purchase and effective use of real estate
- Asset management, etc.

Solution proposals

- Corporate consulting
- M&A advisory
- Business succession consulting
- Acquisition and disposal of treasury stock, etc.

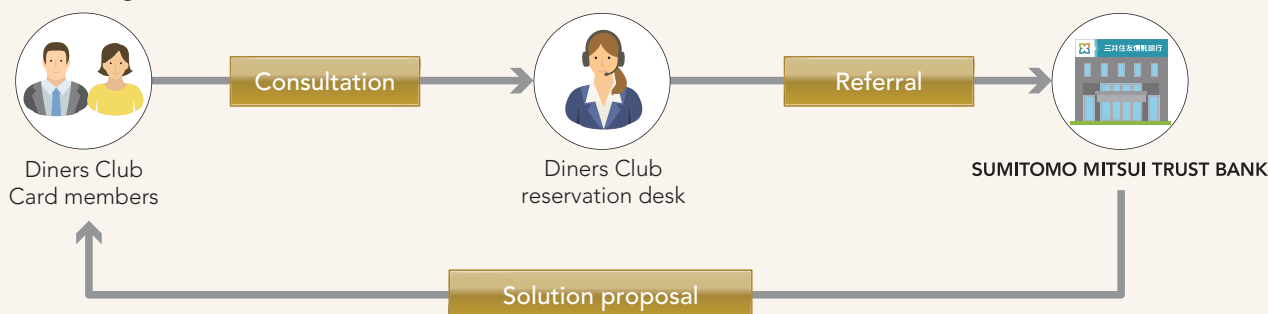
- Inheritance consulting
- Discretionary asset management
- Effective use of real estate, etc.

Providing Private Banking Services to Diners Club Card Members —Financial Concierge Service—

Sumitomo Mitsui Trust Club offers a “Financial Concierge Service” to address the various asset-related concerns of Diners Club Card members and their families. The service

enables clients to use the private banking services of SuMi TRUST Bank in Tokyo, Nagoya and Osaka.

Financial Concierge Service



Expansion of Exclusive Private Banking Products and Services

Clients' needs are also diversifying with the advance of globalization and Japan's rapidly aging society. We are beginning to see cases where traditional products fall short of meeting clients' needs.

At SuMi TRUST Bank, we develop and provide exclusive private banking products and services to resolve clients' various asset-related issues.

Furthermore, our credo is to approach each and every

consultation from a client-oriented standpoint. We propose tailor-made solutions to suit each individual client based on our accumulated knowledge.

We will continue to make full use of the advanced expertise and broad business domain of SuMi TRUST Bank, as we strive to develop products and services and provide new added value.



Interview



Ko Shimizu
Private Banking Department

It is essential for private banking to respond to the hopes of each and every client so that they, along with all their family members, can live prosperous lives. I believe that trust banks like us are optimally suited for private banking, because we handle a particularly wide range of products and services compared to many other financial institutions.

Just the other day, I receive a request for consultation from a business-owner client about social contributions using treasury stock. I proposed a trust-based scheme. The treasury stock would be loaned at no charge to a non-profit organization, which

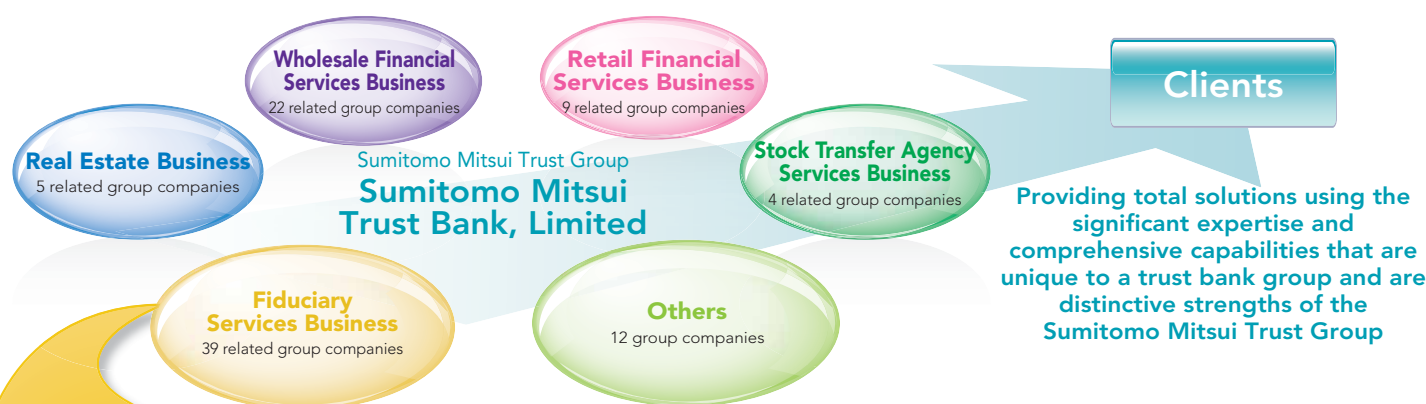
would then use the dividends it receives to make social contributions.

The client's hopes were fulfilled, and I was able to share the delight with the client. Moreover, this scheme was covered by the media, and I realized the power of trusts.

Many clients are burdened with concerns related to asset succession as they go about their busy lives. We will continue striving to provide tailor-made products that meet their demands by coming up with pinpointed solutions, so that our clients can dedicate themselves to their work and hobbies with greater peace of mind.

Comprehensive Capabilities of the Sumitomo Mitsui Trust Group

The SuMi TRUST Group includes a number of companies in banking, trust, and real estate (73 consolidated subsidiaries and 19 equity method affiliates, as of March 31, 2016). Through collaboration with SuMi TRUST Bank, these Group companies generate synergies to provide total solutions that satisfy the needs of our clients. Of these Group companies, we introduce Sumitomo Mitsui Trust Asset Management Co., Ltd. in this installment.



A Member of the Sumitomo Mitsui Trust Group

Sumitomo Mitsui Trust Asset Management Co., Ltd.

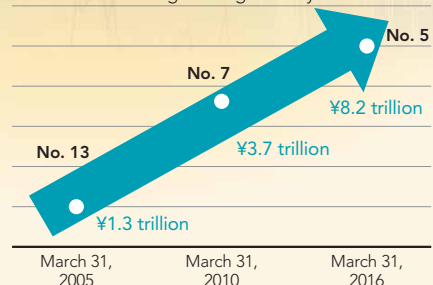
An asset management company at the forefront of an era of investment

Sumitomo Mitsui Trust Asset Management is the core asset management company of the SuMi TRUST Group, which has the largest volume of entrusted assets in the Asian region*. Sumitomo Mitsui Trust Asset Management meets the asset management needs of a wide range of individual and corporate clients. It leverages the comprehensive capabilities of the Group to propose and implement specific solutions that grasp changes in the environment.

* As of December 31, 2014, from "2015 Investment & Pensions Europe," IPE International Publishers Limited

Balance of investment trust assets under management: Fifth highest in Japan

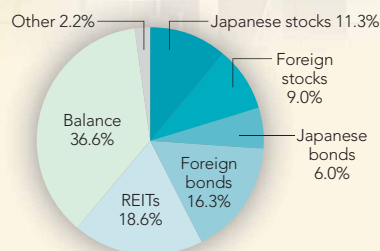
The balance of assets under management has grown significantly over the past ten years, and the national ranking is rising steadily.



* Data prior to April 2012 shows combined total for Sumishin Asset Management and Chuo Mitsui Asset Management.

Wide range of assets under management

Sumitomo Mitsui Trust Asset Management has a variety of products under management in publicly offered investment trusts, including Japanese and foreign stocks, bonds and REITs.



(As of March 31, 2016)

Company profile

Representative Director, Chairman	Akio Otsuka
Representative Director, President	Fuminari Suzuki
Headquarters Location	Sumitomo Mitsui Trust Bank Shiba Building 3-33-1 Shiba, Minato-ku, Tokyo
Number of Officers and Employees	259
Balance of Assets under Management	Publicly offered investment trusts: ¥3.5 trillion Privately placed investment trusts: ¥4.7 trillion

(As of March 31, 2016)

Important Notes Regarding Investment Trusts Handled at Sumitomo Mitsui Trust Bank

The investment trusts listed in this Annual Report may incur losses as a result of fluctuations in the prices of instruments included in the trust assets due to factors including changes in market conditions of each instrument. It is thus possible for the amounts received to fall below the amounts of invested principal. The trusts carry no guarantee on their principal and yield and are also not subject to protection under the Deposit Insurance System or the Japan Investor Protection Fund.

Fees and Expenses

Fees and expenses that have been set for each issue (including a purchase application fee of a maximum 3.24% (inclusive of tax) of the reference price at the time of purchase, a maximum 0.1% of the reference price at the time of purchase and a maximum 0.5% of the reference price at the time of cancellation as the amount to be retained in trust

assets, trust fees of a maximum 2.16% p.a. (inclusive of tax) of the total net asset balance, and other expenses) will be borne by the client. The total amount of the fees and expenses, their calculation methods, etc., for the investment trusts stated above cannot be shown, as they will vary according to the fund purchased by the client, the amount purchased, investment performance and other factors. For details on the risks and the fees and expenses, please carefully read the documents provided prior to signing the contract for each product or documents prepared for clients.

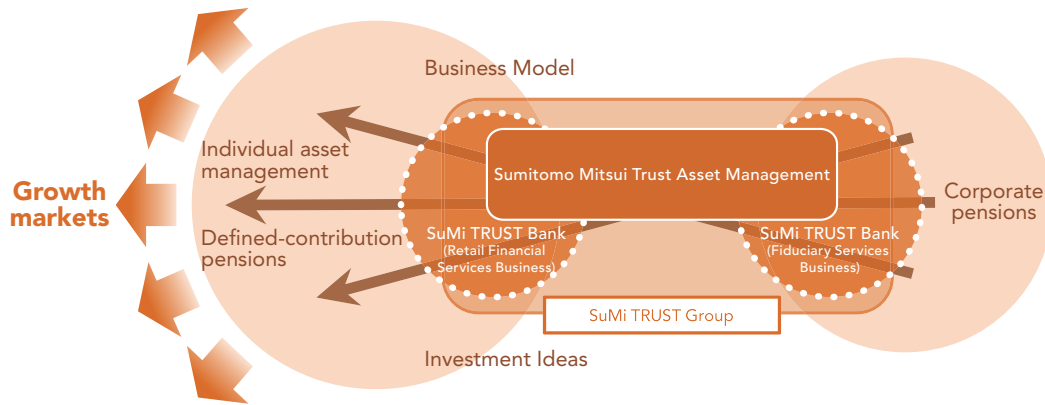
Trade name, etc.: Sumitomo Mitsui Trust Bank, Limited
Registered Financial Institution: Director of Kanto Local Finance Bureau (Tou-kin) No. 649

Member associations: Japan Securities Dealers Association, Japan Investment Advisers Association, The Financial Futures Association of Japan

Business Model of Sumitomo Mitsui Trust Asset Management

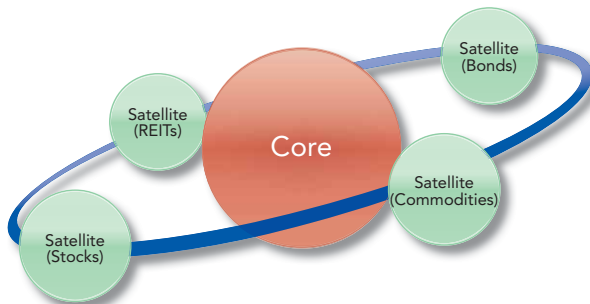
Sumitomo Mitsui Trust Asset Management's "Thought Leadership" Keeps Us "Ahead of the Curve"

Our asset management know-how unique to a trust banking group is utilized in investment trusts —



Our goal is to swiftly develop investment trust products in asset management markets for individuals and investment products for defined-contribution pensions. We are applying the know-how we have built up in pension asset management (core and satellite strategies, etc.), where strict fiduciary responsibility is demanded.

Investment that emphasizes stability (core management) is at the heart of our asset management, as we aim for stable, long-term asset formation. We combine this with management that strives to capture additional earnings through proactive investment based on current investment themes and investment timing (satellite management).



Interview

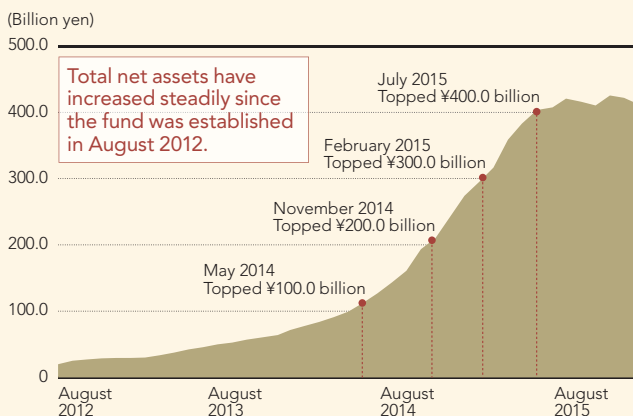
I am responsible for operation of the Core Investment Strategy Fund (a balanced/growth-type, also referred to as "Core Wrap"), the leading fund in our core management products. The fund is widely regarded for its merchantability, which incorporates diversified investment to promote asset growth and control on downside risks, in addition to mechanisms to review assets in response to changes in the market environment. As a representative product of Sumitomo Mitsui Trust Asset Management, it boasts one of the highest balances among balanced-type funds.



Yasuaki Okado
Senior Fund Manager,
Asset Management Department

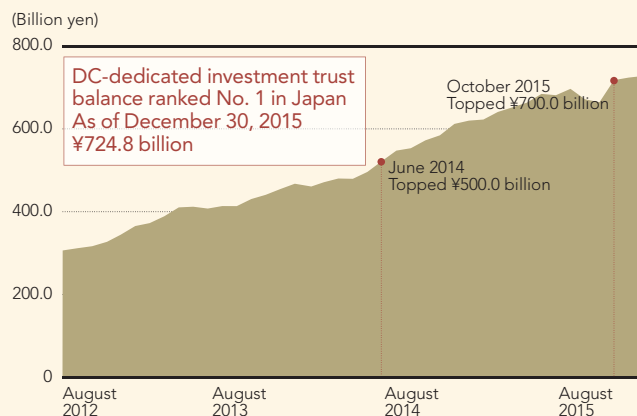
Initiatives for Core Asset Management Products

Assets under management are growing steadily for the Core Wrap.



Initiatives for investment products for defined-contribution pensions

The balance of investment trusts dedicated to defined-contribution (DC) pensions, which underpin the growth of Sumitomo Mitsui Trust Asset Management, ranked No. 1 in Japan.



Topics

Topic 1

We've got a new TV commercial!

We have just finished a new SuMi TRUST Bank commercial starring actor Koichi Sato. The character, *Mitsui Sumitomo Shintaku san* (Mr. Sumitomo Mitsui Trust), appears in a new set of clothes in this edition, based on the theme of "withdrawals." We will start broadcasting the ad soon.

SUMITOMO MITSUI TRUST BANK Diners Club Card version



General Asset Management version



Retirement Benefits version

Topic 2

Service Care-Fitters

SuMi TRUST Bank has been busy creating branches that clients can easily drop in to, in response to the approach of Japan's rapidly aging society. Efforts include making our facilities barrier-free and providing wheelchairs at all locations. Furthermore, we have assigned employees qualified as Service Care-Fitter to all the branches (as of April 2016). These employees obtain the qualification by learning the "spirit of hospitality" and "proper assistance skills" to enable the elderly and those with disabilities to participate in society with a sense of security.

Among other efforts, the President along with officers from businesses responsible for individual clients and all branch managers study a wide range

of topics in gerontology, including the health, lifestyles and nursing care of seniors. They take a certification examination on "Life and Liveliness" supervised by the Society for Applied Gerontology - Japan. Through these measures, we are working to become a financial institution seen as essential in the rapidly aging society.

At SuMi TRUST Bank, we will study and work to improve services on a company-wide basis so we can continue to be of assistance to our clients.

お気軽にお声がけください



そと、さと、あんしんを

サービス介助士がいます

ご高齢の方、日常生活に不便を感じている方が安心して社会参加できるよう、「おもてなしの心」と「介助技術」を学んだ「サービス介助士」資格を持つスタッフがご案内いたします。

Review of Operations

The Review of Operations provides an overview of the main businesses of the Sumitomo Mitsui Trust Group (the “SuMi TRUST Group”) encompassing six business categories and centered primarily on Sumitomo Mitsui Trust Bank, Limited (“SuMi TRUST Bank”).

Business Outline

Retail Financial Services Business

P.22

Deposits,
Investment Trust and
Insurance Sales,
Loans to Individuals,
Will Trust and Estate
Settlement Services, etc.

We have an extensive product lineup to meet a wide range of client needs pertaining to asset management, administration, and succession. While trying to be reliable advisers for clients, we provide comprehensive and specialized services.

Wholesale Financial Services Business

P.26

Corporate Finance,
Provision of
Asset-management Products,
International Business,
Intermediation of M&As, etc.

We provide comprehensive solutions integrating banking, trust, real estate and other functions to meet the various needs of corporate clients in order to enhance their corporate value, increase their asset value, and facilitate growth.

Stock Transfer Agency Services Business

P.31

Management of Shareholder Lists,
Legal Affairs Consulting related to
Shares Practices, IR/SR Consulting,
Corporate Governance-related
Consulting,
IPO Consulting, etc.

We make effective use of the wealth of information we derive from shareholder list management and our broad client base and provide high value-added, comprehensive consulting, including such areas as legal affairs related to shares practices, IR/SR (Investor Relations/Shareholder Relations), corporate governance and IPO (initial public offering).

Real Estate Business

P.36

Real Estate Brokerage,
Real Estate Consulting,
Real Estate Securitization
Arrangement,
Real Estate Appraisals and
Assessments, etc.

We offer a full line of services from brokerage to securitization and investment management services by providing high-level professional consulting to a wide range of clients with real estate-related transaction needs ranging from large corporations and investors to individuals.

Fiduciary Services Business

P.42

Pension Plan Designing,
Management of Subscribers
and Beneficiaries,
Asset Management,
Asset Administration, etc.

As a financial group that boasts one of the largest assets under management and assets under custody in Japan, we consistently provide various clients with highest-level services. Our services using significant expertise and know-how have earned high marks.

Global Markets Business

P.50

Financial Operations,
Investment Operations,
Market-making Operations,
Marketing Operations, etc.

We offer timely and accurate solutions by utilizing market-based financial products that reflect SuMi TRUST Group's market analysis capabilities, responding to our clients' investment and risk management needs regarding such matters as interest rates and foreign exchange.

Other Subsidiaries

P.52

Review of Operations:

Retail Financial Services Business



We provide comprehensive solutions that are customized to meet the needs of each individual client.

Nobuo Iwasaki

Officer in charge of Retail Financial Services Business
Sumitomo Mitsui Trust Bank, Limited

1. Business Outline

As “The Trust Bank,” the Retail Financial Services Business provides comprehensive services to meet a wide range of client needs pertaining to asset management, administration and inheritance through a nationwide network of branches, and also through Sumitomo Mitsui Trust Direct (telephone and Internet banking) and other service bases.

Our basic premise is to strive to actively offer new products and services tailored to meet increasingly diverse client needs amid the trend toward the maturing of Japanese society and the advance of economic globalization.

Thanks to our staff, who possess significant expertise and include financial consultants (an innovation that we introduced ahead of other banks in 1977), we can provide comprehensive solutions that are customized to the needs of each individual client.

In the sales operations for investment trusts, insurance and other products, we offer a wide range of products—from investment trusts and discretionary investment management products to insurance and foreign currency deposits—to meet the diverse asset management needs of our clients. We also provide high-quality consulting services.

Our loans to individuals provide housing loans for a wide range of purposes, including purchase of a home,

new house building, purchase of a new house and costs associated with these purchases. Other than housing loans, our wide-variety of product lineup caters for wide ranging needs of our customers, such as card loans for financing the fund necessary for their future life plans, reverse mortgage, and apartment loans for the construction or renovation of apartments and condominiums.

Regarding asset administration and asset inheritance services, there is a growing need for smooth asset succession from one generation to the next and for asset preservation in the wake of Japan’s declining birthrate and aging society as well as tax reforms. We provide extensive products and a wide range of know-how. Additionally, we also provide proactive support to our business owner clients for their corporate transactions and business succession, both from the standpoint of business administration and personal assets, leveraging our banking, trust and real estate functions.

In all these operations, we try to be trustworthy consultants for our clients, so that we can serve as their trusted adviser. We also meet our clients’ trust by providing comprehensive and professional services as a trust bank that meets their needs that change with their life stages.

2. Product and Service Outline

Deposits

We provide distinctive deposit instruments that include the time deposits “Good Select,” which if held to maturity without cancellation can be offered at a favorable interest rate, and the “Foreign Currency Time Deposit” (also referred to as “Foreign Currency Revolution”), which offers a selection of five different foreign currencies. To support clients’ asset management efforts, we also provide the “Asset Management Support Plan,” which combines investment trusts with special interest rate time yen deposits. For clients who have entered the “retirement” phase, we offer a time deposit plan to support a second life after retirement.

Investment Trusts

We provide a diverse product lineup by taking advantage of having two asset management companies in the SuMi TRUST Group: Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. With this lineup, we help our clients’ asset building by offering investment proposals called “Core & Satellite,” which combines the core products that focus on stable returns through long-term portfolio diversification, and satellite products targeting extra returns by swiftly capturing market trends.

Additionally, we have been pursuing various initiatives involving Junior NISAs (a Japanese version of the individual savings accounts for minors) introduced in 2016 in addition to NISAs (a Japanese version of the individual savings accounts), including the expansion of the “Sumitomo Mitsui Trust Junior NISA Selection,” a group of products suited to the characteristics of these accounts, and the development of the “Wampaku Anshin (Little Rascals Promenade Serenity) Package,” under which customers receive consolatory payment for hospitalization due to injuries suffered by customers if they have met certain conditions.

Discretionary Investment Management Products

Discretionary investment management products represent services in which we make investment decisions and undertake transactions on behalf of clients by taking advantage of the sophisticated asset management skills and know-how we have developed as experts in the provision of asset management services for corporate pension funds and other assets. We offer two discretionary investment management products: the “Sumitomo Mitsui Trust Fund Wrap” for proposing efficient investment plans that meet each client’s risk tolerance, and the “Sumitomo Mitsui Trust SMA” for building custom-tailored portfolios.

To accompany these products, we offer the “Jinsei Anshin (Lifelong Serenity) Package,” which provides coverage for such health risks as cancer, nursing care and injuries and offers preferential basic fees of the will trust services (with execution services) to provide peace of mind all through the life stages of our clients.

Life Insurance Products

We offer a versatile product lineup to provide peace of mind to clients at the various stages of their lives. The “Single Premium Annuity Insurance” and the “Level Premium Annuity Insurance” can be used as asset management instruments that cover shortfalls in public pension benefits, etc. and preparing for a comfortable post-retirement life. The “Single Premium Whole Life Insurance” and the “Level Premium Whole Life Insurance” allow clients to safely transfer their assets to family members. “Medical and Cancer Insurance” supports expenses in case of illness and injuries.

Furthermore, we also offer three “Wrap Insurance” products, which combine wrap investment and insurance functions.

Foreign Currency
RevolutionAsset Management
Support PlanCore Investment
Strategy FundSumitomo Mitsui
Trust Fund Wrap

Wrap Insurance Products

Loans

We provide housing loans that meet various lifestyles and needs. The “One-writing Mixed Loan” simplifies application procedures even with two types of interest rates combined, and “Housing Loans Tailored for Women” offer preferential interest rates available after childbirth.

We also provide other loans, such as the “Real Estate Backed Loans (Reverse Mortgage),” which is a loan that uses the house as collateral when borrowing funds for a more comfortable lifestyle, the “Housing Card Loan” home equity loan, the “Apartment Loans” for the construction or renovation of apartments, and the “Sectional-ownership Condominium Loans” for the purchase of condominiums for rent, as a second house, or for other purposes.

Asset Administration

With the “Tuition Fund Endowment Trust” (also referred to as “Devotion for Grandchildren”), we manage educational funds granted as gifts to grandchildren. With the “Marriage and Child-rearing Support Trust” (also referred to as “A Link between Generations”), we manage funds to help children to get married and raise children. The “Annual Donation Support Trust” is for assisting in the process for gifting to family members. In addition, the “Family Consideration Trust” (lump-sum type/annuity type) supports family living expenses in the event of an inheritance.

We also provide the “Anshin Support Trust” (money trust type), which enables custom-tailored payout of funds and other functions, and the “Security-type Trust,” which protects client assets from increasingly elaborate financial crime for clients who want their assets to be preserved and administered over the medium to long term.

We also provide functions to support social contributions through the means of trusts. These include guardianship system support trusts, special donation trusts, social contribution donation trusts and charitable trusts.

Asset Inheritance

In addition to “Will Trust Services” (with execution services), in which we provide consultations on will writing through storage and execution, we provide “Comprehensive Services for Inheritance Procedures” (“Makasete Anshin,” “Leave it to SuMi TRUST Bank for peace of mind”), which provide pertinent advice and inheritance procedures on asset succession, and “Estate Planning,” which offers asset succession analysis and support for specific asset succession planning, to address a wide range of asset succession needs of clients.

Private Banking

For our business proprietor clients, we offer a wide range of products and services including custom-tailored asset-management products, asset administration products, and inheritance and business succession consulting. Through comprehensive corporate banking transactions, real estate brokerage services and consulting for effective land utilization, we offer comprehensive proposals and solutions that leverage our banking, trust and real estate functions both from the standpoint of corporate and personal assets.



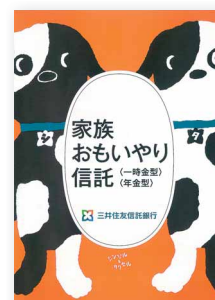
Tuition Fund Endowment Trust ("Devotion for Grandchildren")



Marriage and Child-rearing Support Trust ("A Link between Generations")



Annual Donation Support Trust



Family Consideration Trust (lump-sum type/annuity type)



Will Trusts

3. Group Companies

Sumitomo Mitsui Trust Wealth Partners Co., Ltd.

Sumitomo Mitsui Trust Wealth Partners provides high-level professional consulting services to clients with asset and business succession needs. In addition to the professional consultants at SuMi TRUST Bank, the company offers custom-tailored consulting services that meet the requests of each client through collaboration with tax accountants and lawyers.

Sumitomo Mitsui Trust Card Co., Ltd.

Sumitomo Mitsui Trust Card issues the "Sumitomo Mitsui Trust VISA Point Club Gold Card," an affiliated credit card for earning points through transactions with SuMi TRUST Bank, and the "Sumitomo Mitsui Trust VISA Platinum Card," the highest-grade VISA card, providing higher-value-added services.

Sumitomo Mitsui Trust Club Co., Ltd.

Sumitomo Mitsui Trust Club is the exclusive issuer of "Diners Club" card in Japan, which has more than 50 years of tradition as the first credit card company in Japan. Utilizing its brand power and traditional advantage the company has built over the years, the company offers high-quality high-value-added services to clients of SuMi TRUST Bank.

Sumitomo Mitsui Trust Guarantee Co., Ltd.

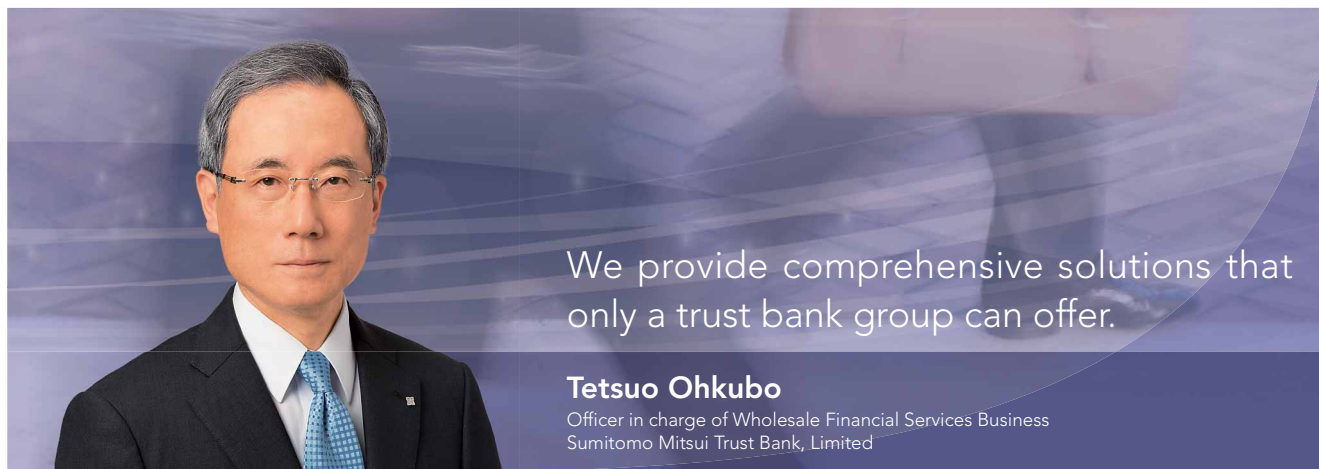
Sumitomo Mitsui Trust Guarantee provides guarantees for clients using housing and card loans offered by SuMi TRUST Bank. The balance of its loan guarantees has been increasing in tandem with an expansion in housing loan operations.

SBI Sumishin Net Bank, Ltd.

SBI Sumishin Net Bank, which specializes in the Internet banking business, was founded in 2007. Instead of limiting operations to settlement and asset management services, the bank has been trying to realize a "fullbanking service, Internet-only bank by providing more easy-to-use and attractive products and services than those offered by other banks, 24 hours a day, 365 days a year." Armed with all the conventional banking functions (deposits, asset management, loans and settlement), the bank offers a wide range of services that include cash accounts available 24 hours a day, foreign currency deposits allowing for real-time transactions, joint services with the accounts of SBI Securities Co., Ltd., debit card and credit card services, and non-face-to-face transactions for housing and card loan services. The FY2015 Japanese Customer Satisfaction Index (JCSI) survey said SBI Sumishin Net Bank scored the highest JCSI rating in the banking industry for the seventh straight year. It has also received high ratings in many other client satisfaction surveys.

Review of Operations:

Wholesale Financial Services Business



1. Business Outline

In our Wholesale Financial Services Business, we provide comprehensive solutions that only a trust bank group can offer by integrating banking, trust, real estate and other functions to meet corporate clients' diverse needs, with our focus on raising enterprise value, asset value, and achieving growth.

The SuMi TRUST Group covers a wide range of clients, from large to small and mid-sized corporations to financial institutions, non-profit organizations, Japanese and non-Japanese companies operating overseas, and domestic and overseas institutional investors. Our staff, which possesses significant expertise, draws on a wealth of experience and expertise cultivated over many years to meet the diverse needs of our clients.

In our corporate credit-related operations, we offer higher-value-added and diverse products and services that accurately meet our clients' financing needs, and combine banking, investment trust and real estate business functions, employing various financing techniques that include syndicated loans, project finance, asset finance, M&A finance, real estate finance, asset securitization arrangements and *Densai* lump-sum factoring*.

* For details concerning *Densai* lump-sum factoring, please refer to page 29.

Regarding asset management product sales operations, a dedicated department in the Wholesale Financial Services Business works in collaboration with the Global Markets Business, the Fiduciary Services Business and the Real Estate Business in response to the asset management needs of our clients, utilizing the trust function and other features that only a trust banking financial group can possess, develops and provides asset management products and services that match clients' businesses, corporate characteristics and needs.

In our international operations, there is a growing demand for financing among Japanese companies that are pursuing international expansion and relocating their production bases to overseas locations. Accordingly, the SuMi TRUST Group provides financial support for clients' overseas expansion, leveraging SuMi TRUST Group's own office network as well as the broad overseas network, which utilizes the partnerships with leading overseas financial institutions mainly in Asia to accurately respond to clients' financing needs in the foreign countries where they are operating. We are simultaneously enhancing and increasing the loans to non-Japanese companies, mainly in Asia.

In addition, as a "strategic partner" to our clients, we are stepping up consulting services by providing M&A brokerage services, business succession support, and a Japanese version of the employee stock ownership plan (ESOP).

2. Product and Service Outline

Syndicated Loans

A syndicated loan is a fundraising scheme in which an “arranger” (a lead financial institution) forms a syndicate of lenders to provide loans on the same terms and conditions under a single contract to satisfy the funding needs of clients. The SuMi TRUST Group uses syndicated loans not only for conventional corporate loans but also for real estate finance, ship finance, buyout finance, and other structured finance transactions.

Real Estate Non-Recourse Loans

In real estate finance, we provide non-recourse loans to our clients based on either current and/or future cash flows of the collateral properties using our best knowledge and expertise earned through one of the longest history of this business in Japan.

We also serve our clients by providing equity money to support their investment and securitization business.

The real estate non-recourse loan is one of the means to facilitate financing for purchasing real estate in which real estate securitization*¹ is carried out and the assets are transferred to an SPC*². The loan itself is repaid exclusively from the cash flow originating from the real estate or the proceeds on its sale. The Wholesale Financial Services Business coordinates with the Real Estate Business and the overseas offices to actively capture good quality real estate finance projects both in Japan and overseas. As a result, the SuMi TRUST Group has currently secured a top class position in this field among Japanese financial institutions.

*1 A type of asset securitization. The securities issued are backed by the revenue obtained from real estate, such as rent income, as the underlying asset.

*2 SPC: Special Purpose Company

Project Finance

Project finance, which employs the cash flow generated from specific projects as the repayment source and limits its collateral to the relevant project's assets, is used to raise funds for infrastructure projects such as the building of power plants, railroads, roads, ports, etc., and oil refineries, petrochemical plants, and natural resource exploration. The SuMi TRUST Group responds to domestic and overseas capital needs in a wide range of areas, including wind power and other renewable energy projects, as well as PFI (Private Finance Initiative) and PPP (Public Private Partnership) projects.

Asset Finance

Asset finance is a financing technique in which the cash flow generated by assets belonging to a corporation or other body is used to repay loans.

Ship finance is a global financing method for the building or purchase of ships, which is backed by various types of set collateral and the cash flow generated by the ships (mainly charter fees). The SuMi TRUST Group has built up expertise and a record of achievements in this area over many years.

Aircraft finance is a financing method to provide funds for the acquisition of aircraft while appropriately managing the creditworthiness of the airline and the value (and structure) of the aircraft. A specialized team set up by the SuMi TRUST Group in 2012 is now doing business with airlines and aircraft leasing companies worldwide.

M&A Finance

M&A finance consists of finance for the purpose of providing acquisition capital when companies or private equity funds acquire a company, or when a company's management seeks to buy out its own company or a single business unit in the company.

The SuMi TRUST Group provides solutions to various management issues, such as recapitalization and business succession for owner-managed listed companies, in addition to solutions to the increasing need for Japanese companies to acquire overseas companies and need of companies to sell their non-core businesses. The SuMi TRUST Group arranges a wide range of financings related to these acquisitions.

Consulting for Corporate Clients

As a trust bank group that covers banking, trust and real estate functions, the SuMi TRUST Group provides consulting services to its corporate clients on financial matters, business restructuring concerns, and anti-takeover measures*, as well as consulting services on business succession for business owners, etc.

* Consulting on anti-takeover measures is provided in coordination with the Stock Transfer Agency Services Business.

Asset Securitization

Asset securitization arrangements are operations that involve splitting off specific assets such as monetary claims (loans and bills discounted, accounts receivable, etc.) and real estate* from their owners and creating financial instruments based upon the revenue (cash flow) generated by these assets to raise funds.

Asset securitization methods include (1) the trust method (a method of entrusting assets and allowing investors to obtain beneficiary rights) and (2) the SPC method (a method by which assets are transferred to a corporation such as an SPC and securities are issued that treat these assets as collateral). The SuMi TRUST Group was an early pioneer of asset securitization arrangements. For example, we developed accounts receivable trusts in 1991 and we have been making active efforts to develop new products. As a result, the SuMi TRUST Group has currently secured a top class position in the asset securitization field among domestic financial institutions in terms of both quality and quantity. In addition to our asset securitization arrangements, we have also provided solutions to various management issues of our clients by making active use of our trust function.

* Real estate-related securitization is provided by the Real Estate Business.

Electronic Monetary Claim Services

In addition to “Densai Net” services, a new settlement infrastructure for monetary claims, the SuMi TRUST Group offers “Densai lump-sum factoring,” which was made possible through SuMi TRUST Group’s proprietary system development. With Densai lump-sum factoring, the SuMi TRUST Group makes lump-sum purchases of the electronically recorded monetary claims of a designated payer company held by a supplier company, thereby providing such benefits as facilitating fundraising for the supplier company on the creditworthiness of the payer company, and reducing bills and enhancing the efficiency of payment operations for the payer company. The SuMi TRUST Group is committed to actively promoting the spread and use of the Densai Net by taking advantage of its versatility and offering the Densai lump-sum factoring system to regional financial institutions.

Sales of Asset Management Products

In addition to offering asset management products through beneficiary rights and corporate bond issued against trust asset in our asset securitization operations, the SuMi TRUST Group uses the experience of investment and loan operations accumulated in the banking business as well as pension investment consulting to develop and arrange alternative asset management products* for institutional investors, as well as various asset management products that target a wider range of investors. The SuMi TRUST Group provides investment opportunities for pension investors, financial institutions and other clients by developing a variety of asset management opportunities that harness our proprietary account investment techniques and management know-how to meet the asset management needs of its clients.

* Alternative asset management products use assets which differ from conventional investments such as shares and bonds.

M&A Advisory

The SuMi TRUST Group has positioned M&A and capital alliance advisory activities as an effective function for enhancing enterprise value, and is actively engaging in these advisory activities related to business acquisitions, the sale of non-core businesses, and management buyouts, etc.

Services Related to Employee Stock Ownership Plan (ESOP) Trusts and Other Corporate Welfare Programs

As solutions to the various welfare-related issues of corporate clients, the SuMi TRUST Group is actively offering new programs and schemes, such as Japanese version ESOPs*, which contribute to revitalizing ESOP* associations and promoting a sense of employee participation in management, and board benefit trusts* for executive officers, directors, and audit & supervisory board members as a perk in our human resources management system as well as installment saving programs, employees’ saving programs, and housing loans, which enable the reduction of the asset management burden on companies, while at the same time helping employees’ asset building efforts.

* A Japanese version of ESOPs, share-awarding ESOPs and the Board Benefit Trusts are provided in coordination with the Stock Transfer Agency Services Business.

3. Group Companies

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

Sumitomo Mitsui Trust Panasonic Finance was jointly established with Panasonic Corporation. It is a comprehensive finance company that provides advanced financial instruments, such as leasing and credit services, and credit card financing services to a wide range of clients, supported by the customer base of SuMi TRUST Bank and the Panasonic Group, which cover clients ranging from large companies to small and medium-sized enterprises and individuals. The company is playing a role in helping the SuMi TRUST Group to upgrade its proposal development capabilities, so as to better respond to the diversifying financial needs of its clients.

Sumitomo Mitsui Trust Loan & Finance Co., Ltd.

Sumitomo Mitsui Trust Loan & Finance is a mortgage loan company which is wholly owned by SuMi TRUST Bank. Focusing on the value of real estate and liquidity in the provision of loans, it responds flexibly and promptly to the various financing needs of its small and medium-sized corporate clients as well as its individual clients. The company meets a variety of financing needs with a full lineup of loans for real estate acquisition, housing loans, loans for small and medium-sized commercial-use properties, and loans which use real estate as collateral.

Sumitomo Mitsui Trust Investment Co., Ltd.

As a member of the SuMi TRUST Group, Sumitomo Mitsui Trust Investment provides various services for the management of private equity funds and related advisory services. In addition to the establishment and management of investment partnerships, the company undertakes management, administration and monitoring of fund investments, and also provides solutions for securitization as well as advisory services for private equity-related investments including M&As.

Sumitomo Mitsui Trust (Hong Kong) Limited

Sumitomo Mitsui Trust (Hong Kong) is a wholly owned overseas subsidiary of SuMi TRUST Bank. It conducts securities investment and investment advisory services, including advice on private equity fund investment.

Sumitomo Mitsui Trust Bank (Thai) Public Company Limited

Sumitomo Mitsui Trust Bank (Thai) is a wholly owned overseas subsidiary of SuMi TRUST Bank and conducts banking services in Thailand. Thailand serves as one of the largest manufacturing bases in Southeast Asia for Japanese companies. Its economy is expected to expand further on an integrated basis with surrounding countries through liberalized trade and provision of services under the framework of the soon to be established ASEAN Economic Community. Sumitomo Mitsui Trust Bank (Thai) will contribute to the further prosperity of the Thai economy as well as its clients by providing financing business services and high-quality financial services unique as a trust bank and based on the expertise developed over the years within the SuMi TRUST Group to clients including Japanese corporate clients.

Zijin Trust Co., Ltd.

Zijin Trust is a trust company in China that is owned 19.9% by SuMi TRUST Bank. Its head office is located in Nanjing, the capital city of Jiangsu Province. The province is home to many high-net-worth individuals. As China's second-largest host for Japanese companies after Shanghai, it is expected to achieve high economic growth. Zijin Trust will contribute to the growth of China's trust market through the extension of support to Japanese corporations operating in China and the provision of trust products and services to local Chinese companies and high-net-worth individuals.

Stock Transfer Agency Services Business



We provide a wide range of consulting services as an “agent of record for listed companies” using our high-level expertise and reliable administrative execution capabilities

Akira Kamiyo

Officer in charge of Stock Transfer Agency Services Business
Sumitomo Mitsui Trust Bank, Limited

1. 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 comprehensive wide ranging consulting, including areas such as legal affairs related to shares practices, IR (Investor Relations) and SR (Shareholder Relations), corporate governance and IPO (initial public offering).

Professional services by the SuMi TRUST Group, with many specialized staff possessing a wealth of experience, have helped enhance its reputation. The SuMi TRUST Group accounts for more than 40% of the shareholders and listed companies under management in Japan’s stock transfer agency services market. We provide legal support concerning stock-related matters for clients, offer the timely provision of information on stock-related matters, hold regular seminars, and publish practical guides on stock-related matters, etc. We also take advantage of vast amounts of information from our extensive client base, as well as our domestic and overseas networks, to provide fine-tuned support for corporate clients’ IR and SR operations. Our specialized staff provides legal consulting services to clients pursuing IPOs from the IPO preparation stage, conducting practical IPO support services from SuMi TRUST Group’s own unique vantage

point, which differs from those of securities companies and auditing firms. As the issues concerning stock-related matters that customers are facing are becoming increasingly complicated, the ability to provide consulting and information as well as significant expertise and accurate operational capabilities are more important than ever. The issues include responses to revisions in relevant laws, such as the Companies Act and the Financial Instruments and Exchange Act, compliance with the Corporate Governance Code, stock-related matters pertaining to M&As, means for ascertaining the shareholdings of foreign institutional investors and individual shareholders, etc. The SuMi TRUST Group recognizes this and is currently focused on developing and providing new consulting services related to compliance with the Corporate Governance Code and providing trust-based products and services, such as the Board Benefit Trusts.

The SuMi TRUST Group continues to further enhance consulting functions in areas such as legal affairs related to shares practices, IR and SR, corporate governance and IPO of its Stock Transfer Agency Services Business, while working with other businesses such as the Wholesale Financial Services Business, and offers its clients solutions in response to management issues in investor and capital strategies from a cross-business perspective and seeks to become a strategic partner and support the improvement of its clients’ enterprise value.

2. Product and Service Outline

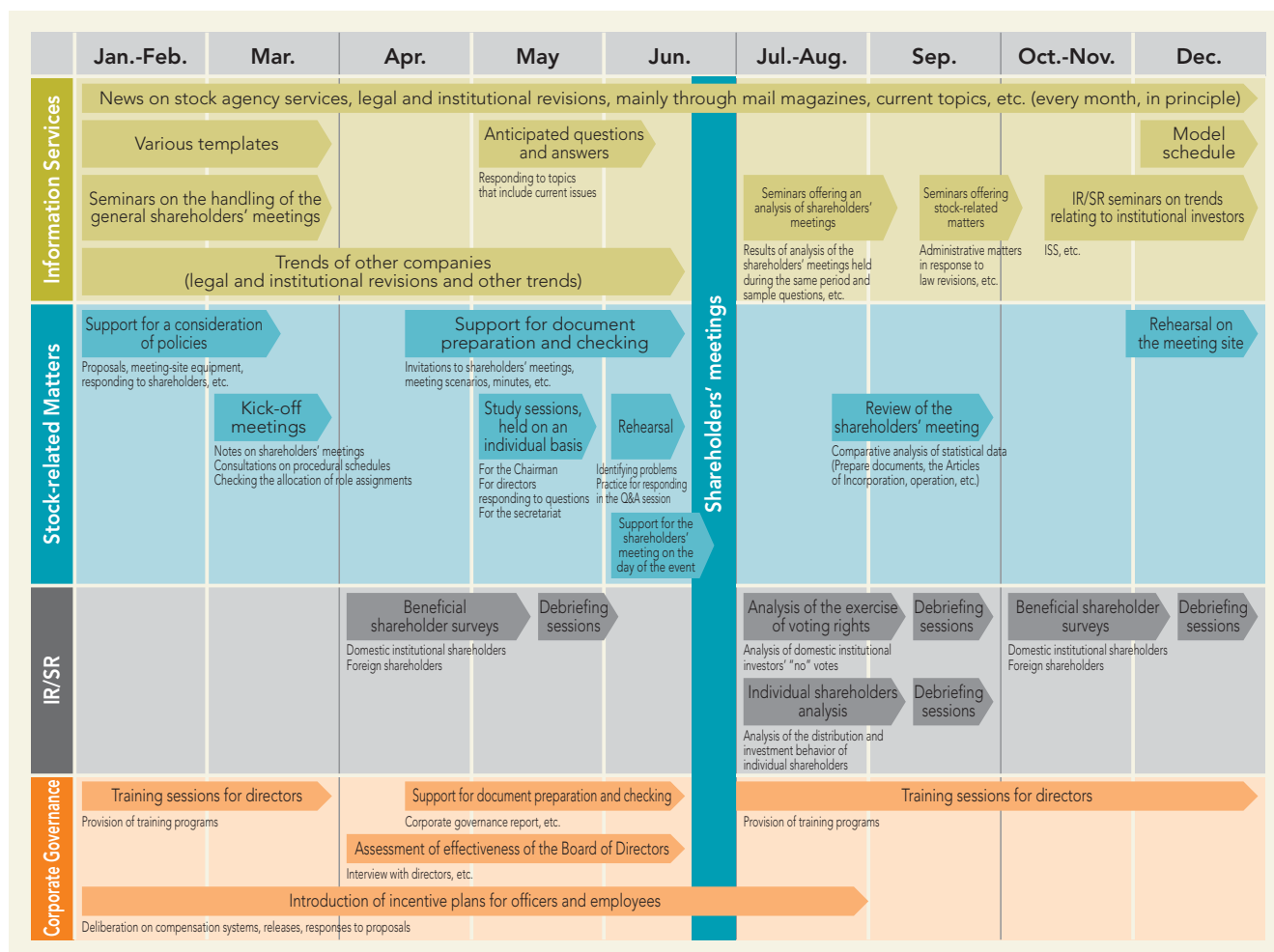
Management of Shareholder Lists

As an “agent of record for listed companies” provided for in the Companies Act, we ensure swift and accurate execution of a multifaceted array of corporate actions, assumed on behalf of stock-issuing clients and all done in accordance with legal and taxation rules. These services encompass annual tasks, namely, maintaining shareholder lists, sending out voting notices and invitations to shareholders’ general meetings, and calculating and distributing dividends, in addition to corporate events including mergers, share exchanges, and the transfer of shares.

Legal Consulting Services for Stock-Related Matters

We provide fine-tuned consulting services for a variety of stock-related matters, including the handling of shareholders’ meetings, reorganization strategies, capital policies and introduction of anti-takeover measures. The SuMi TRUST Group employs experienced legal affairs consultants at its three major operating bases in Tokyo, Osaka and Nagoya. These consultants hold seminars for business owners on chairing shareholders’ meetings as well as various seminars and study sessions on an individual basis on such themes as the handling of the general shareholders’ meeting, the Companies Act and the Corporate Governance Code.

• One-Year Timeline Showing Types of Consulting Support (for companies settling in March)



IR/SR* Consulting Services

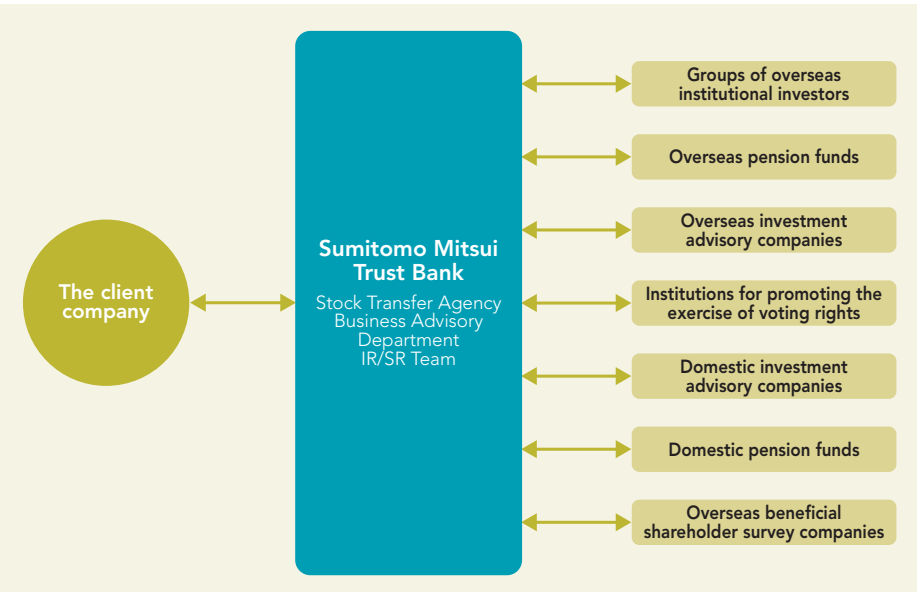
The SuMi TRUST Group has a “dedicated IR/SR team to provide IR/SR support” in the Stock Transfer Agency Business Advisory Department, and provides IR and SR support services, taking maximum advantage of the stock transfer agency’s proprietary know-how and distinctive features in order to allow clients to realize efficient and effective IR and SR activities.

* Investor Relations (IR) and Shareholder Relations (SR)
Investor relations (IR) refers to public relations activities that target investors, specifically the full range of activities by which corporations provide to shareholders and investors the information they need to make investment decisions in a timely, fair, and ongoing manner. Shareholder relations (SR) refers to those activities targeting shareholders.

IR Support Services

The SuMi TRUST Group provides support for the entire range of its clients’ IR activities aimed at domestic and overseas institutional investors and individual investors. Specifically, we utilize “FOCUS CLUB,” our membership-based information services that use our domestic and overseas institutional investor networks, to conduct beneficial shareholder surveys to identify domestic and overseas institutional investors not listed in shareholders’ registries. Additionally, we offer “engagement and support-type IR consulting” to encourage dialogue between a company and its shareholders in order to facilitate understanding of company proposals for proxy votes and enhance the rate of approval votes at shareholders’ meetings. We also provide individual shareholder analysis reports as an IR strategy tool for individual investors and various reports focusing on analyses of shareholders’ registries, as well as making arrangements for IR on the themes of “ESG” (Environment, Society, Governance) on an individual basis for domestic and overseas institutional investors. We thus offer wide-ranging services, making maximum use of stock transfer agency functions to support clients’ IR and SR activities.

• Wide and Close-knit Network with Domestic and Overseas Institutional Investors



SR Support Services

Taking advantage of a wealth of information based on a wide-ranging client base and know-how on stock-related matters, we support clients in their planning and implementation of shareholder strategies aimed at increasing the number of individual shareholders and creating a stable shareholder base. Specifically, we undertake handling questionnaires for individual shareholders and facilitating their visits to manufacturing plants. We also support the introduction of measures to deflect hostile takeovers and the handling of emergencies, such as proxy fights.

Consulting Related to Corporate Governance

Consulting on Responses to the Corporate Governance Code

Based on the Corporate Governance Code, we support clients in their progressive and continuous activities for improving corporate governance. Specifically, we offer consulting on the adoption of audit and supervisory committee-based governance structures, assessment of effectiveness of the Board of Directors, establishment of nomination and compensation committee, training programs for directors.

Support for the Introduction of Incentive Plans for Officers and Employees

SuMi TRUST Bank is also focused on providing incentive plans for officers and employees, such as the Benefit Trusts for Officers and Employees, a Japanese version of ESOPs, along with consulting on the introduction of restricted stock awards and consulting on the introduction of stock options, that are designed to facilitate the alignment of interests between management (officers) and shareholders for enhanced corporate value, as well as to reactivate employees shareholding associations and promote a sense of employee participation in management.

IPO Support Services

Our specialized staff possess a wealth of experience. They provide procedural support for client corporations planning IPOs in a fine-tuned manner. These support services include preparing shareholders' registries, articles of incorporation and other company rules, and capital policies required for capital increases, stock splits, and introduction of stock options, etc.

Consulting on Investor and Capital Strategies

Responding to management issues of our clients in investor and capital strategies, such as the improvement of enterprise value on the stock market, responses to change in shareholder structure associated with increased individual shareholders, we offer solutions by fully utilizing the significant expertise and comprehensive capabilities, as well as consulting in areas such as legal affairs related to shares practices, IR and SR, corporate governance and IPO.

3. Group Companies

Tokyo Securities Transfer Agent Co., Ltd.

Tokyo Securities Transfer Agent specializes in stock transfer agency services. For about 50 years since its founding in 1962, it has provided clients with useful services from the clients' perspective as a specialized stock transfer agency. As an agent of record for listed companies, the company offers comprehensive stock-related consulting services, which include providing support to clients preparing for IPOs, and working closely with clients to offer fine-tuned consulting services unique to a stock transfer agency.

Japan Securities Agents, Ltd.

Japan Securities Agents specializes in stock transfer agency services. For about 60 years since its founding in 1950, it has been providing stock transfer agency related services and securities/financial industry platforms, giving top priority to fine-tuned services based on abundant practical experience and expertise, while processing clerical work promptly and accurately. The company also performs securities business operations to put clients' investment trusts and general claims in its account at Japan Securities Depository Center, Inc., and undertakes the administration, clearance and settlement thereof on behalf of clients.

Sumitomo Mitsui Trust TA Solution Co., Ltd.

Sumitomo Mitsui Trust TA Solution commenced operations in 2002 as a company specializing in administration and systems operations for the entire range of stock transfer agency services with the aim of enhancing the efficiency and competitiveness of these services. It is working to raise the level of administration for shareholders' registries through the development of more efficient business flows, while moving forward assertively in the Business Process Outsourcing (BPO) market and working to create new value.

Japan Stockholders Data Service Company, Limited

Japan Stockholders Data Service was established in collaboration with Mizuho Trust & Banking Co., Ltd. in 2008 to undertake back-office operations for stock transfer agency services after the shift to the electronic share certificate system in January 2009. It undertakes the administration of the shareholders' registry and the special account on stock transfer agency operations, as well as system development and management for related services.

Review of Operations:

Real Estate Business



1. 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 transaction needs of a wide range of clients, including large corporations, domestic and foreign investors, and individuals.

In our real estate transaction services covering real estate brokerage, consulting and real estate securitization arrangement, we provide distinctive services that are unlike those of other companies through consulting based on wide information networks and significant expertise. In our real estate management and administration covering management of J-REITs (Japanese Real Estate Investment Trusts) and private real estate funds, we draw on our real estate information gathering capabilities and critical appraisal skills to provide investors with information and propose products. In our real estate infrastructure services, which include real estate appraisal services and real estate trusts, we have been streamlining our operations to improve the operational structure and provide high-quality services. Through the flexible coordination of these services, all possible opportunities can be explored.

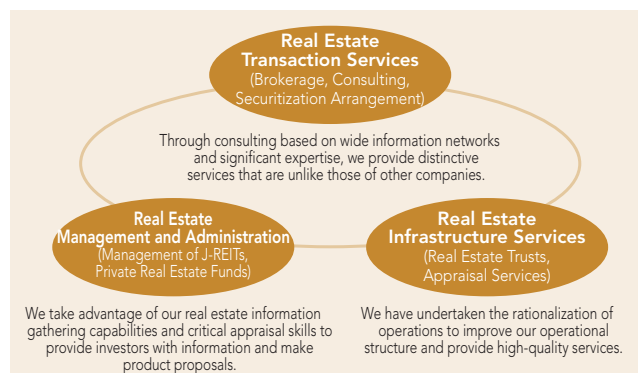
We are actively working to develop the environmentally friendly property business, which is expected to grow in tandem with the tightening of environmental regulations

pertaining to real estate. Additionally, we are making every effort to globalize our Real Estate Business in order to meet the needs of overseas investors seeking to invest in Japanese real estate and the needs of domestic clients seeking to expand overseas.

Furthermore, we deploy highly skilled personnel with expertise in real estate in the major offices of the Retail Financial Services Business and the Wholesale Financial Services Business, and encourages these units to work in collaboration with the Real Estate Business.

We will continue our efforts to provide clients with total solutions that only a trust bank can offer, and instill in them a sense of security and trust.

• Real Estate Business Model



2. Product and Service Outline

Real Estate Transaction Services

Real Estate Brokerage

We take advantage of our vast experience and an extensive network to implement various procedures, ranging from survey of properties to price negotiations and the transfer of ownership for a wide range of properties, including office and condominium sites, factories, and commercial facilities. Sumitomo Mitsui Trust Realty Co., Ltd., under the umbrella of SuMi TRUST Bank, takes the central role in real estate brokerage for housing for individuals and small-sized commercial properties.

In addition, we provide broad-based support for intermediation for leasing as well as the buying and selling of real estate, including negotiations for leasing conditions, simulation of relocation costs and the introduction of independently sourced information on tenants and properties.

Consulting on Effective Use of Real Estate and in Construction

We take maximum advantage of know-how accumulated in overall real estate operations to provide various real estate consulting services to help clients effectively utilize their land and buildings.

In our CRE (Corporate Real Estate) consulting service, we review real estate property holdings and utilization strategies that are consistent with clients' corporate strategies, and analyze client-owned properties to propose strategies for making the most efficient real estate investments in order to enhance corporate value.

We are also making active efforts to provide comprehensive construction consulting services, ranging from the proposal stage of project planning to post-construction building management, as well as consulting services on environmentally friendly building construction that cover energy conservation, landscape considerations, ways for extending the life of a building, and the incorporation of recycling systems.

Overseas Real Estate Business

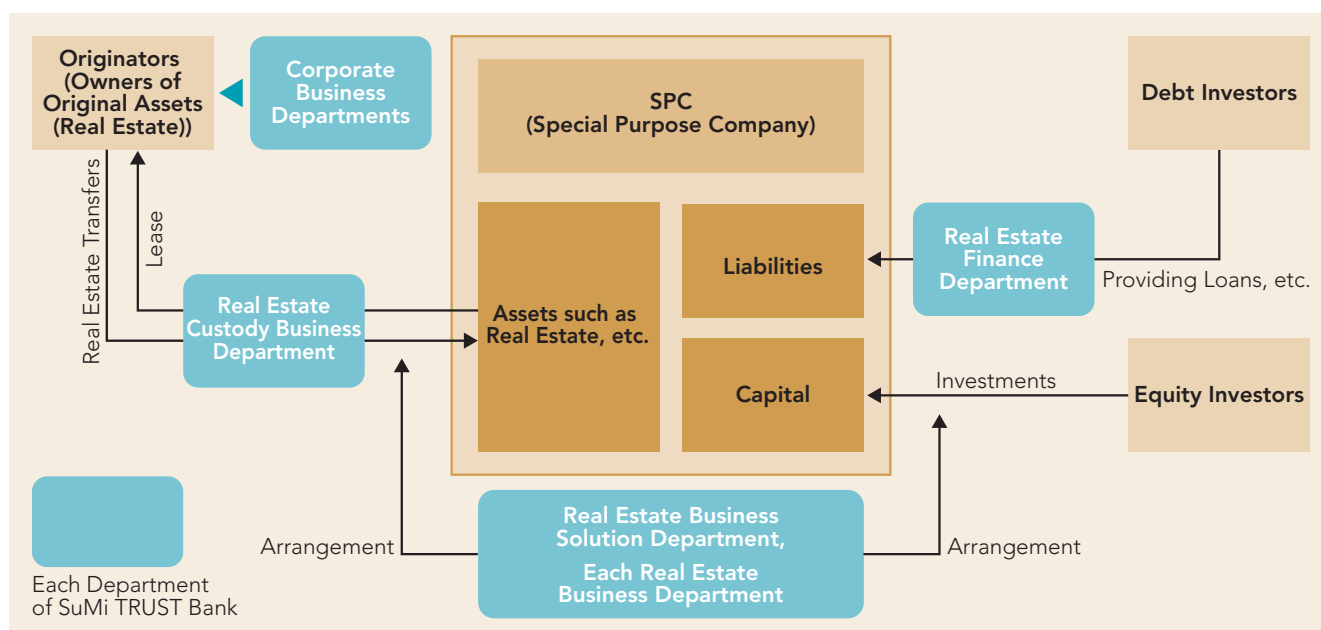
We engage in the Overseas Real Estate Business. Capitalizing on our overseas network, we provide arrangements for property investment in Japan for overseas clients, intermediation of property investments as well as business properties overseas for Japanese clients, and intermediation support to clients in need of renting their business premises overseas.

Furthermore, we actively engage in the Asset Management Business involving real estate investments by overseas customers, by utilizing asset management capabilities unique to a trust bank.

Real Estate Securitization Arrangement

Real estate securitization has been widely used as a real estate investment tool as part of a company's financial strategies. As a pioneer that has been actively involved in real estate securitization since the early stage of securitization, SuMi TRUST Bank provides one-stop real estate securitization services covering the identification of client needs; the evaluation of real estate properties; arrangement (coordinating related parties and building a structure for securitization); fund-raising for equity-tranche; fund-raising for debt-tranche; and real estate management and operation after securitization.

• Real Estate Securitization Schemes and the Role of SuMi TRUST Bank



Real Estate Management and Administration

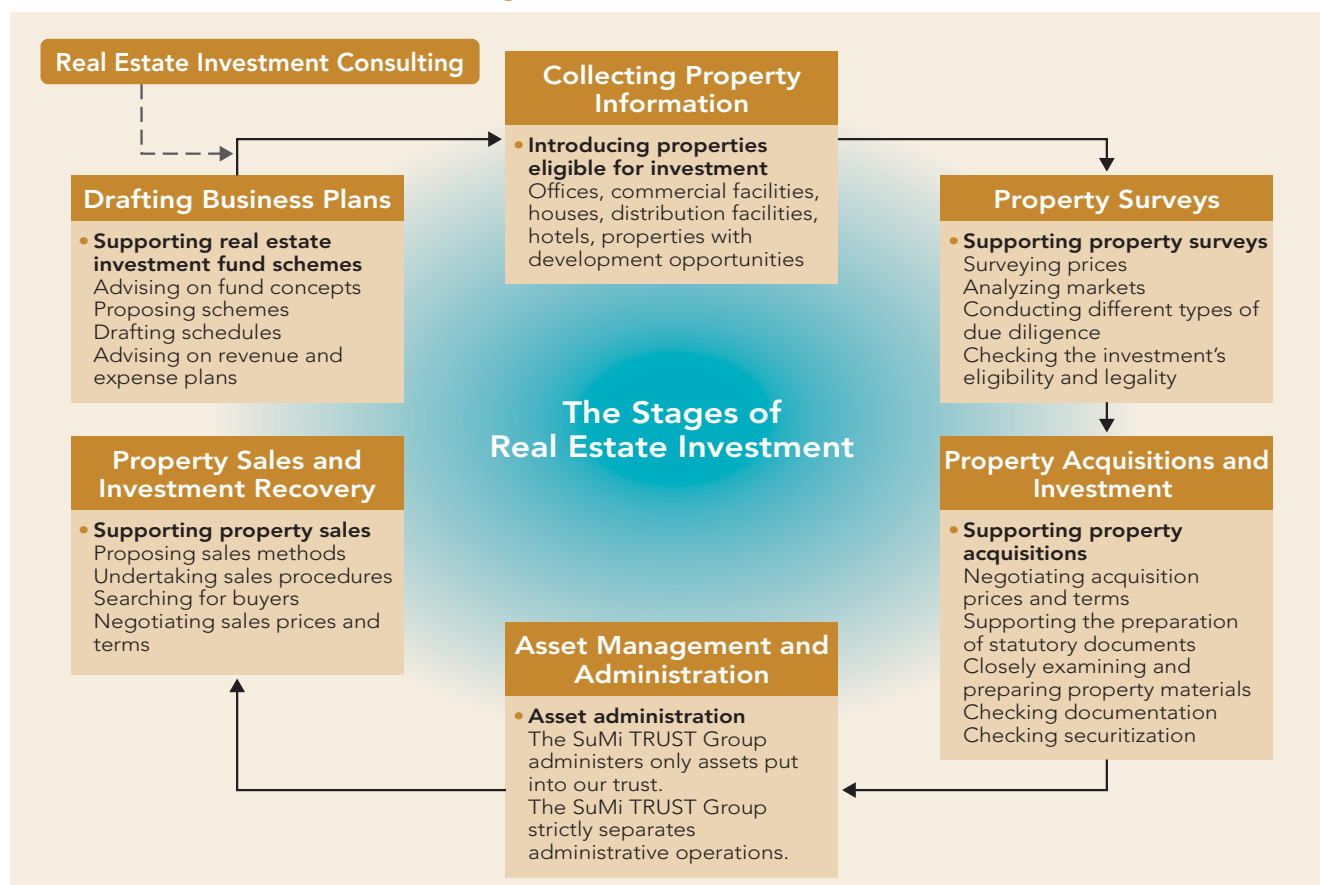
Real Estate Investment Advisory Services

We are developing business related to real estate investment advisory services. This includes providing investment information services for investors, as well as determining the composition of and offering real estate investment products.

We provide investors with comprehensive management services combining various real estate-related functions, and with information and investment advice utilizing our analytical capabilities regarding investment market trends, and the investment values and risks of structured real estate finance products.

Regarding J-REITs (Japanese Real Estate Investment Trusts), we provide advice on the acquisition and management of assets for investment, and support stable growth of J-REIT investment companies. We not only undertake general administrative services and asset custody procedures on behalf of the client, but also provide various support services based on past achievements and the know-how of SuMi TRUST Bank, which has developed REIT products serving as the sponsor.

• Flow of Real Estate Investment Consulting Services

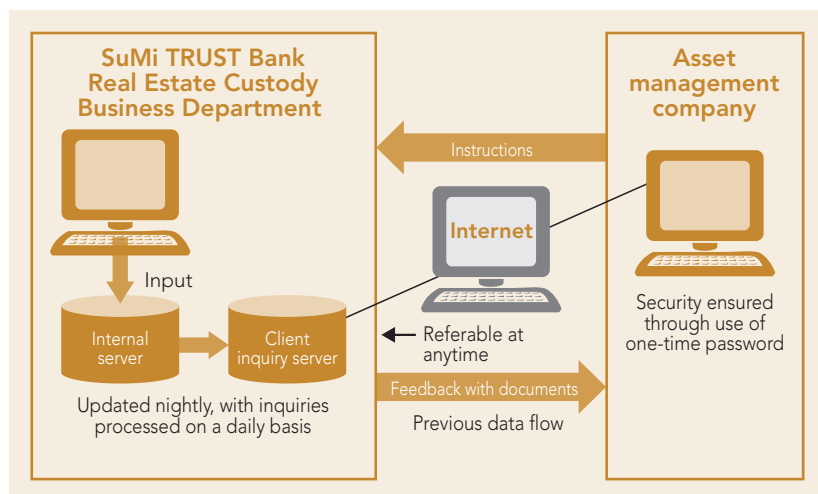


Real Estate Infrastructure Services

Real Estate Trusts

In order to meet the need for trust services in the real estate securitization market, we are promoting the rationalization of operations using a real estate total management system ("SMART") and enhancing our business structure. We have also been improving computer system functions to meet client needs, providing a service that enables investors and other clients to make inquiries about accounting information via the Internet.

• Real Estate Total Management System's Internet Functions (for External Inquiries)



Real Estate Appraisal and Assessment

Accompanying such developments as the convergence of Japanese accounting standards with international standards, an acceleration in corporate mergers and acquisitions, and the expansion of CRE (Corporate Real Estate) strategies and real estate securitization, there is an ever growing need for real estate appraisal and assessment services that allow clients to know the value of their real estate properties in the first stage when considering real estate property holding and utilization strategies. The SuMi TRUST Group has earned high marks as an authoritative real estate appraisal agency with a large number of well-experienced real estate appraisers who have won a large number of appraisal and assessment orders from many private sector companies and public organizations. We will continue to take maximum advantage of our accumulated expertise to provide high-quality appraisal and assessment services.

3. Group Companies

Sumitomo Mitsui Trust Realty Co., Ltd.

Sumitomo Mitsui Trust Realty provides not only brokerage services for the sale and purchase of residential properties, including land, single-family houses and condominiums, but also various services regarding real estate transactions for investment and business purposes utilizing SuMi TRUST Group's nationwide network. The company promptly responds to inquiries about the effective utilization, inheritance and donation of real estate, and also about housing loans.

Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd.

Sumitomo Mitsui Trust Real Estate Investment Management plays a role in SuMi TRUST Group's asset management business as a real estate investment management company, managing private real estate funds for investors, mainly institutional investors. Taking advantage of SuMi TRUST Group's comprehensive real estate capabilities, namely its powerful information network, real estate brokerage function, real estate trust function, and professional construction consulting and due diligence functions, the company provides fund management and asset management services.

Top REIT Asset Management Co., Ltd.

Top REIT Asset Management is a J-REIT (Japanese Real Estate Investment Trust) asset management company sponsored jointly by SuMi TRUST Bank and Oji Real Estate Co., Ltd. It is an asset manager for TOP REIT, Inc., investing mainly in office buildings, commercial facilities and residential real estate properties, utilizing the "real estate and financial know-how" of its sponsors, which have their own unique features.

Mitsui & Co., Logistics Partners Ltd.

Mitsui & Co., Logistics Partners was jointly established by Mitsui & Co. Asset Management Holdings Ltd., a wholly-owned subsidiary of MITSUI & CO., LTD., SuMi TRUST Bank and Kenedix, Inc. as an asset management company for J-REIT. It manages Japan Logistics Fund Inc. (JLF), which is the first Japanese REIT dedicated to logistics properties in Japan and invests in various domestic logistics facilities.

Sumitomo Mitsui Trust Research Institute Co., Ltd.

Sumitomo Mitsui Trust Research Institute is a think tank specializing in real estate. It conducts studies and proposals on urban problems, and theoretical and practical studies on real estate. Based on the accumulation of such studies, it provides clients with research and consulting services specializing in the real estate market and the real estate finance area.

Review of Operations:

Fiduciary Services Business



1. Business Outline

In our Fiduciary Services Business, we provide comprehensive, high-value-added services, ranging from pension plan design to asset management and administration, with an emphasis on growth potential, profitability and industry share, as a financial group that boasts the highest balances for both assets under management and assets under custody in Japan.

Our balance of assets under management stood at approximately ¥76 trillion (as of March 31, 2016), the highest among Japanese bank and securities company groups. The Fiduciary Services Business is working together with the SuMi TRUST Group as a whole to seamlessly deploy the high-level expertise and know-how that are highly regarded by clients in order to enhance our foundation as an asset management group.

The Fiduciary Services Business is made up of three businesses: the pension-related business, the asset management business, and the asset administration business.

In our pension-related business, as pension plan professionals, we propose optimal, tailor-made system designs for corporate clients wishing to introduce or alter corporate pension plans. In the area of defined contribution pension plans, we are working to improve the quality of service by responding to the diversifying needs of clients through initiatives such as enhanced convenience of online services and asset management seminars.

In our asset management business, we provide corporate clients, including domestic and overseas institutional investors, with advice about a wide variety of asset management services and investments, and also undertake product planning and the management of investment trusts that can be purchased by individuals as well as corporate clients. The business model of the Fiduciary Services Business represents the “provision of consulting & multiple plans/multiple products.” Through in-depth consulting, we first develop a common understanding of the changing business environment and risk factors before offering asset management products. We propose products to our clients as optimized combinations of our rich product offering, and include both in-house developed products and those being offered by other financial institutions, with the aim of maximizing our clients’ assets.

In our asset administration business, we provide corporate clients, including domestic and overseas institutional investors, with a wide range of services, including securities custody and settlement services, and securities lending operations. Overseas, we are engaged in the administrative operations of foreign securities and foreign-domiciled funds, and we are developing a comprehensive asset administration business both in Japan and overseas.

2. Product and Service Outline

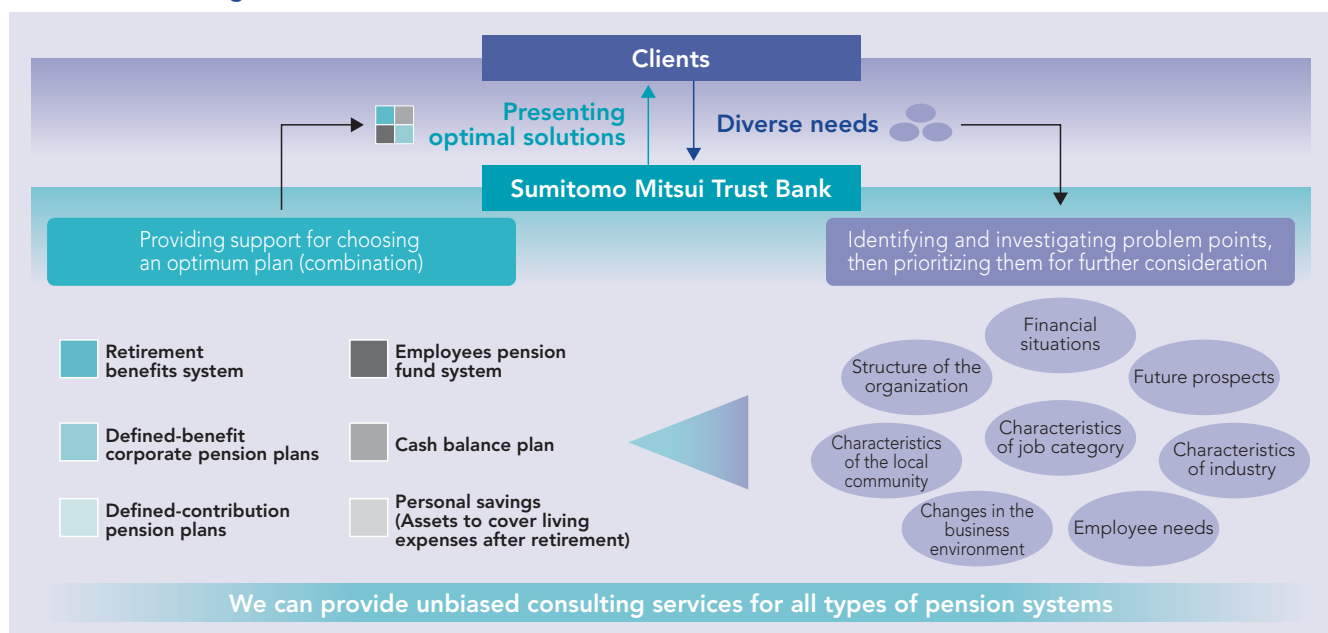
Pension-related Business

Consulting for Pension System Planning

As pension systems professionals, we provide system planning consulting in the form of optimized, tailor-made plans that reflect a comprehensive assessment that encompasses management strategy as well as the personnel and financial situations of individual corporate clients to help them introduce corporate pension systems or to modify existing systems. We handle both defined-benefit and defined-contribution pension plans. Moreover, in order to realize our clients' goals, we offer practical support concerning system introduction and management, including labor-management consultations and negotiations with government and regulatory authorities.

Furthermore, the number of companies adopting defined-contribution pension plans and the number of pension beneficiaries have been steadily increasing. In concert with these trends, the types of operation and administration services required by our clients have become increasingly diversified over the years. In response, we have upgraded the quality of our services by providing simulations through an Internet-based service for enhanced convenience, and by offering seminars on asset investment, which focus on financial planning for post-retirement years. By enhancing the quality of such services in this way, we are able to meet the needs of both business owners and pension beneficiaries.

• Flow of Consulting Services



Pension Investment Consulting

The business model of the Fiduciary Services Business for asset management represents the “provision of consulting & multiple plans/multiple products,” beginning with consulting, in which we discuss with clients their objectives and the most appropriate course for asset management. In these consultations, we first come to a common understanding of anticipated risk factors and changes in the business environment, such as rising interest rates and declining stock prices, after which we offer asset management products that match the individual client’s needs. In product selection, we propose optimized combinations of a rich product offering, drawing on both in-house developed products and those of other financial institutions. In our reorganization, we established a function-specific structure, giving top priority to the provision of comprehensive solutions that combine “high-quality investment consulting” and “a rich selection of high-quality products.” Research, especially, serves as the foundation for asset management, and with this in mind we will further enhance our investigation, analysis and due diligence monitoring systems.

Administration of Subscribers and Beneficiaries

In our administration of subscribers and beneficiaries and our benefit payment services, we use a state-of-the art system complemented by a rigorous risk management system. We use the Internet for confirming subscriber and beneficiary registration data and for making electronic data available for the preparation and registration of various reports and notices, as well as the production of report materials and ledger sheets.

We have also developed a comprehensive security setup, giving full consideration to security through the adoption of an electronic authentication system and the preparation of a “business continuity plan” for responding to emergencies.

Asset Management Business

Asset Management Products and Services

The SuMi TRUST Group has a large number of experienced analysts and fund managers. These professionals, who possess significant expertise, together with a rich product lineup and consulting capabilities provide a solid foundation for our asset management expertise.

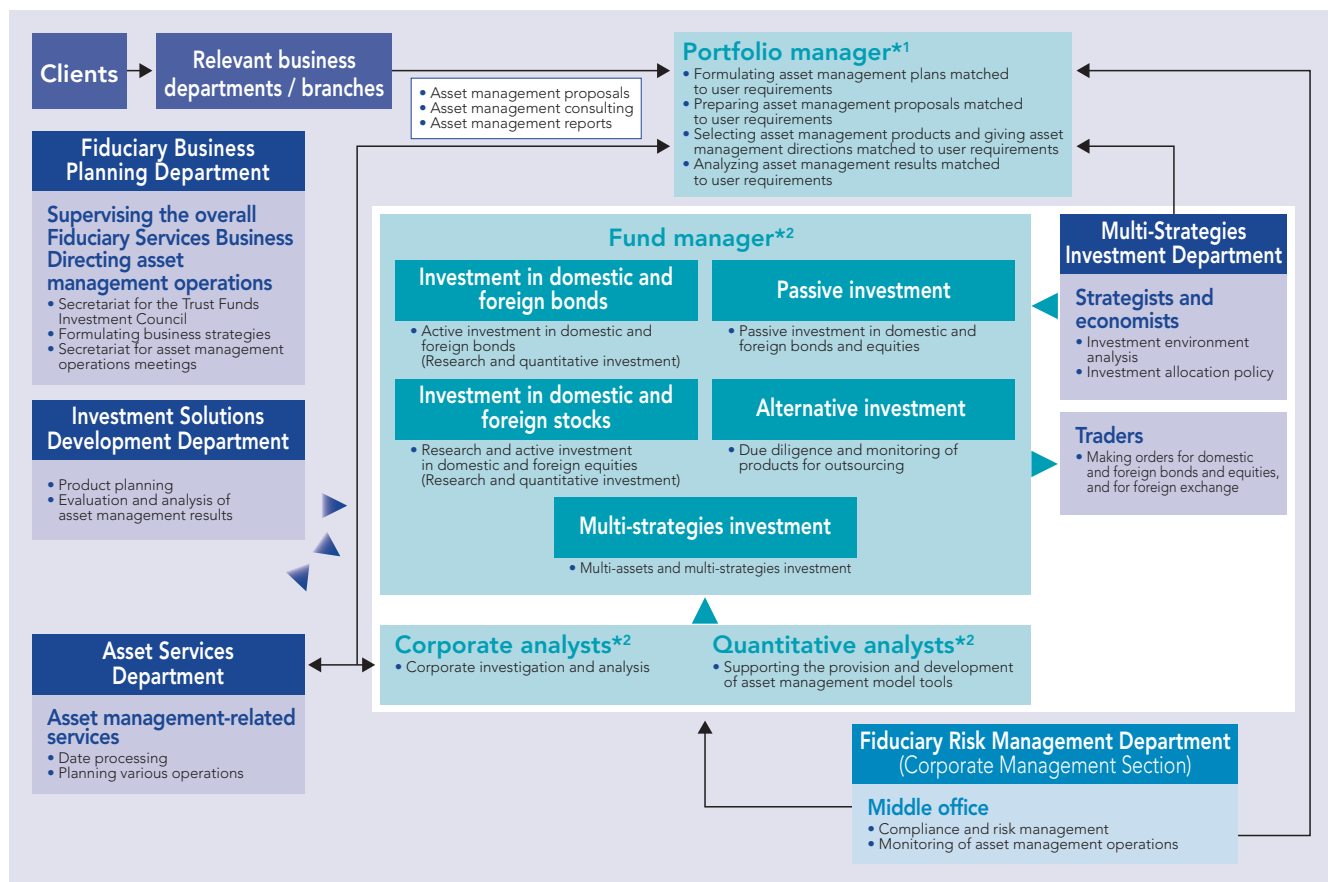
In addition to people with such significant expertise and other resources, the SuMi TRUST Group has enhanced its capability to create added value by drawing on a wide variety of know-how.

In the future, the SuMi TRUST Group will expand the systems for investigation, analysis and due diligence to further improve its research capabilities, which serve as the foundation for asset management, with the aim of becoming an asset management organization that can survive global competition.

Asset Management Structure

In order to provide comprehensive solutions, we have formed a function-specific structure to specify how to delineate the responsibilities of analysts, fund managers and other specialists. An increasing number of financial products have complicated mechanisms and characteristics. Accordingly, it has become important to provide services that meet client needs and help clients fully understand the risks that accompany individual financial products. For this reason, the SuMi TRUST Group has positioned compliance as one of the most important management issues, and has increased the number of compliance managers and enhanced the checking function by a division that is under the direct control of the officer in charge of compliance.

• Asset Management Structure of SuMi TRUST Bank



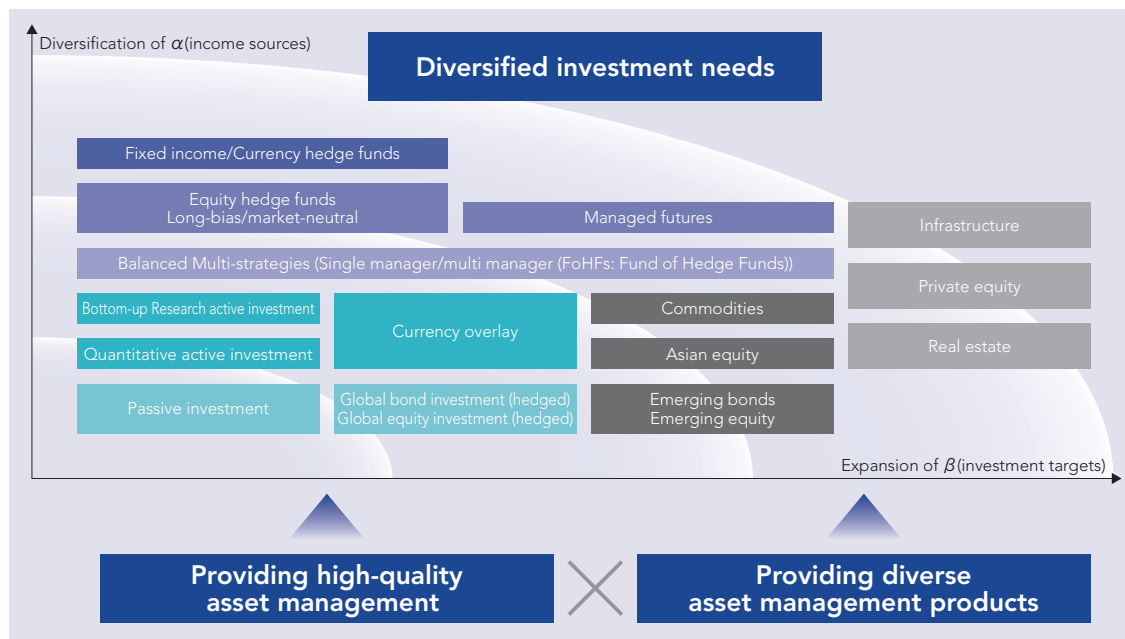
*1 Portfolio managers etc.: Pension Investment Department, Pension Funds Administration Department, Trust Funds Investment Department, Global Fiduciary Business Promotion Department

*2 Fund managers and analysts: Fixed Income Investment Department, Equity Investment Department, Investment Research Department, Index Investment Department, Alternative Assets Investment Department, Multi-Strategies Investment Department

Providing High-quality Products

We provide a high-quality, multi-product lineup for comprehensive solutions to meet clients' requirements.

• Multi-product Lineup



* Balanced Multi-strategies is a registered trademark of Sumitomo Mitsui Trust Bank, Limited.

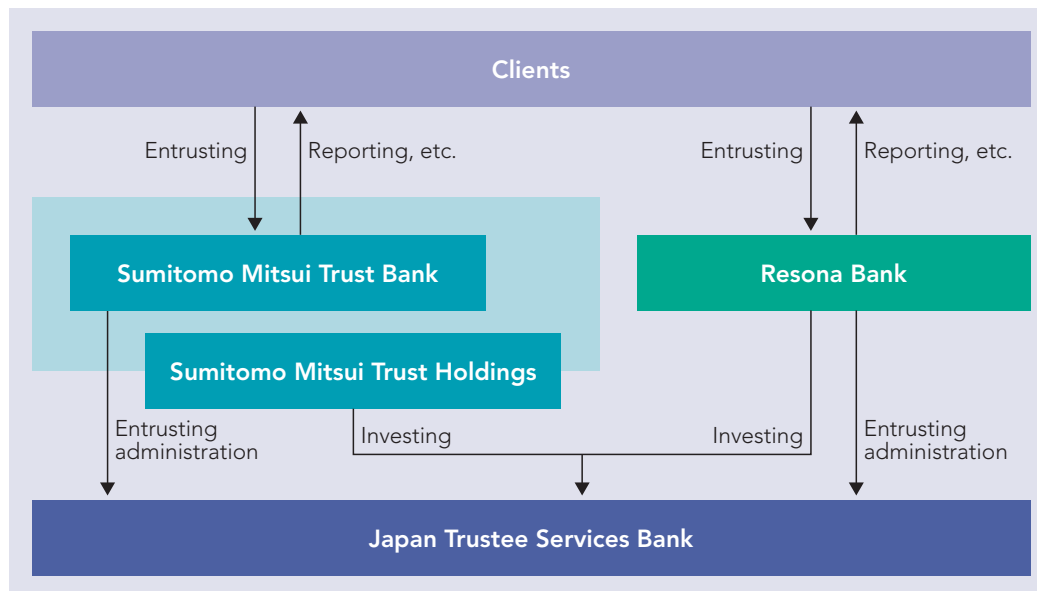
Asset Administration Business

Both in Japan and overseas, we provide a wide range of securities processing 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 administration of securities lending operations. Our asset administration business in Japan is provided through Japan Trustee Services Bank, Ltd. Overseas, our subsidiaries in the United States, the United Kingdom and Luxembourg provide global custody services to administer securities custody services in foreign markets, while our subsidiary in Ireland conducts foreign-domiciled fund administration operations. In this way, we are developing a comprehensive asset administration business both in Japan and overseas.

Pursuing Economies of Scale

Seeking to capitalize on economies of scale in asset administration operations, we have entrusted the administration of trust assets to Japan Trustee Services Bank, Ltd. The SuMi TRUST Group and Resona Bank, Limited have jointly invested in Japan Trustee Services Bank, which is Japan's largest asset administrator, with entrusted assets of ¥240 trillion (as of March 31, 2016). We have concentrated the know-how and management resources accumulated by relevant companies over a long time to deliver high-level asset administration services to clients, and to utilize the returns granted by economies of scale to make the execution of these services all the more efficient.

• Flow of Operations



Overseas Asset Administration Business

Through its subsidiaries in the United States, the United Kingdom and Luxembourg, the SuMi TRUST Group provides global custody services, which are custody services for securities in foreign markets held by domestic and overseas investors. In addition, a subsidiary in Ireland provides foreign-domiciled fund administration operations (fund administration etc.).

3. Group Companies

Sumitomo Mitsui Trust Asset Management Co., Ltd.

As an asset management company directly under the SuMi TRUST Group, Sumitomo Mitsui Trust Asset Management's assets under management total ¥8,183.1 billion (as of March 31, 2016). Utilizing SuMi TRUST Group's comprehensive capabilities, the company conducts investment management and high-quality marketing support operations, meeting the asset management needs of a wide range of clients, from individuals to corporations. Sumitomo Mitsui Trust Asset Management is highly evaluated among peers for its excellent products and services. Its portfolio contains several award-winning funds including the winner of the Morningstar Award "Fund of the Year 2015." It has been selected as the best asset manager in the bond group of Japan DC Funds by "Lipper Fund Awards Japan 2016."

Nikko Asset Management Co., Ltd.

As a unique asset management company in the SuMi TRUST Group, Nikko Asset Management engages in asset management operations featuring strengths in product development capabilities, asset management expertise and marketing support capabilities. With ¥17,418.9 billion in assets under management (as of March 31, 2016), the company has earned high marks in the industry. Attesting to its global expertise accumulated over a long time, it won the "Fund House of the Year 2015 (Japan)" presented to the best asset manager in Japan, as part of the "Asian Investor Asset Management Awards 2015" and has been selected as the best asset manager in the equity group of Japan DC Funds by "Lipper Fund Awards Japan 2016." It offers high-value-added products and services to a wide range of clients, including individuals as well as corporations, through its diverse domestic and overseas sales networks.

Sky Ocean Asset Management Co., Ltd.

Sky Ocean Asset Management is an asset management company, which was established as a joint venture between SuMi TRUST Bank and the Bank of Yokohama, Ltd. and started operating in April 2015. Leveraging know-how and infrastructure the SuMi TRUST Bank has cultivated over the years, the company provides customers with products that facilitate stable asset management on a medium- to long-term basis.

JP Asset Management Co., Ltd.

JP Asset Management is an asset management company jointly established with SuMi TRUST Bank, Japan Post Bank Co., Ltd., Japan Post Co., Ltd. and Nomura Holdings, Inc. and started operating in January 2016. Leveraging asset management knowhow of SuMi TRUST Bank and Nomura Holdings, the company offers customer-oriented, simple and easy-to-understand investment trust products.

Japan Trustee Services Bank, Ltd.

Japan Trustee Services Bank is a trust bank specializing in asset administration business on one of the largest scales in Japan. Utilizing the trust assets that have been entrusted by SuMi TRUST Bank and Resona Bank, Limited, it provides securities administration services for corporate pension trusts and securities investment trusts and other trusts, and performs trust operations and banking operations related to asset administration. As a leading and highly specialized trust bank that focuses on the custody business, the bank takes advantage of one of the largest scale of assets in Japan to efficiently administer clients' assets and data and provide high-quality services.

Japan Pension Operation Service, Ltd.

Japan Pension Operation Service is a joint venture between SuMi TRUST Bank and Mizuho Trust & Banking Co., Ltd. In the administration of corporate pension funds, it performs processing, undertakes computer system development, and operates systems.

Sumitomo Mitsui Trust Bank (U.S.A.) Limited

Sumitomo Mitsui Trust Bank (U.S.A.) is a wholly owned subsidiary of SuMi TRUST Bank. It acts as the central base of SuMi TRUST Group's global custody services, coordinating a network of more than 90 markets around the world. Making full use of its strengths as a Japanese custodian bank, Sumitomo Mitsui Trust Bank (U.S.A.) offers Japanese-language support and other fine-tuned and high-quality custody services, giving full consideration to the needs of institutional investors.

Sumitomo Mitsui Trust Bank (Luxembourg) S.A.

Sumitomo Mitsui Trust Bank (Luxembourg) is a wholly owned subsidiary of SuMi TRUST Bank. It conducts foreign securities administration operations, mainly in the European market as a sub-custodian bank and as a European contact for Sumitomo Mitsui Trust Bank (U.S.A.).

Sumitomo Mitsui Trust International Limited

Sumitomo Mitsui Trust International is a wholly owned subsidiary of SuMi TRUST Bank. It offers fiduciary and sales services of investment products for overseas investors, as well as securities lending services, mainly for Japanese and European stocks.

Sumitomo Mitsui Trust (UK) Limited

Sumitomo Mitsui Trust (UK) is a wholly owned subsidiary of SuMi TRUST Bank. It conducts administration operations for securities and other investments held by domestic and overseas investors.

Sumitomo Mitsui Trust (Ireland) Limited

Sumitomo Mitsui Trust (Ireland) is a wholly owned subsidiary of SuMi TRUST Bank. It conducts foreign-domiciled fund administration operations.

Review of Operations:

Global Markets Business



We provide solutions through the structuring and marketing of market-based financial products.

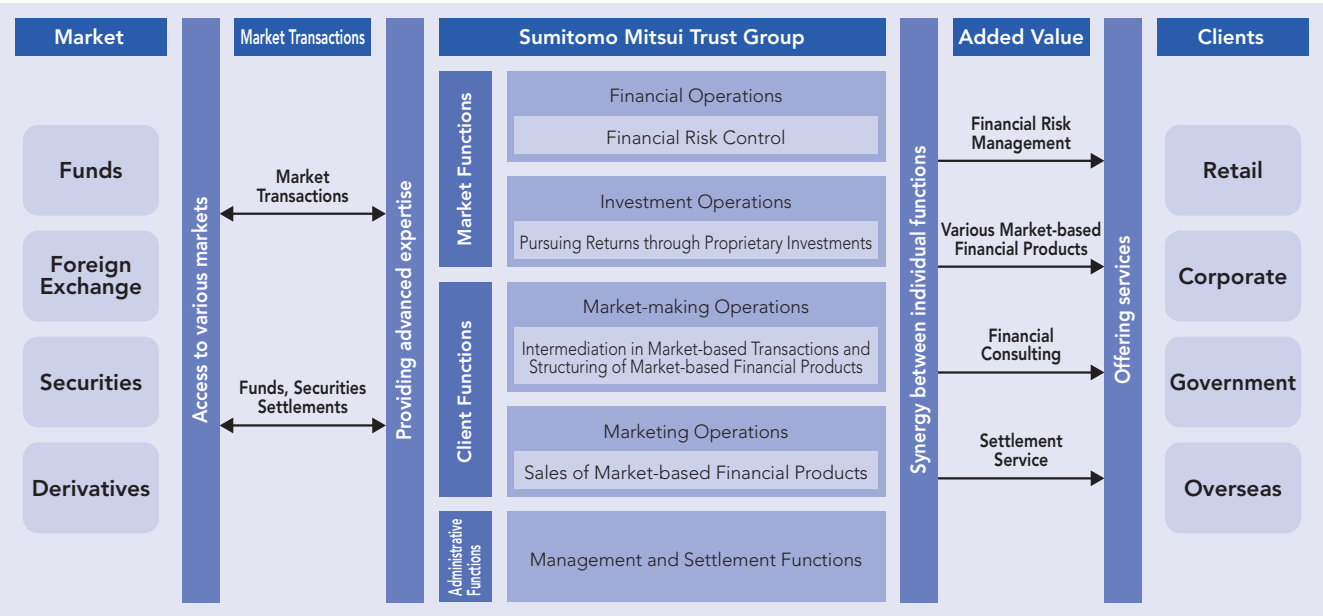
Sumikazu Tsutsui
Officer in charge of Global Markets Business
Sumitomo Mitsui Trust Bank, Limited

1. Business Outline

As experts in the management of market volatility, we meet our clients’ 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. Our global markets busi-

ness functions are broadly divided into market functions, client functions and administrative functions. Market functions are comprised of financial operations and investment operations. Client functions, providing services to both individual and corporate clients, include market-making operations and marketing operations.

• Global Markets Business Model



2. Product and Service Outline

Market Functions

Financial Management Operations

Financial management operations are intended to control market risks, in order to secure stable earnings from a company-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).

Investment Operations

Through our proprietary trading operations, we invest in a wide variety of financial instruments such as bonds, stocks, credits, real estate, and commodities. To disperse risk and maximize profit, we categorize the investment business into three dimensions of strategy, capability and holding period, and allocate them as intelligently as possible.

Client Functions

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.

Marketing Operations

In close cooperation with the Client Business Division (the Retail Financial Services Business, the Wholesale Financial Services Business, the Stock Transfer Agency Services Business and the Real Estate Business), we offer market-based financial products and financial consulting services that match client needs in a timely manner at an appropriate price.

Administrative Functions

We administer and settle market-based transactions, providing high-quality administrative services to correctly process complex and large-volume administration and settlement transactions.



Ris-Navi is a system that can perform risk management and analysis of complex financial instruments. Many products that have complicated mechanisms lack a declared value, etc. We provide this service in response to customers who have expressed a wish to have a more detailed understanding of the actual status of assets in a timely and appropriate manner.



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.).

Other Subsidiaries

Sumitomo Mitsui Trust Business Service Co., Ltd.

Sumitomo Mitsui Trust Business Service Co., Ltd. is a wholly owned subsidiary of SuMi TRUST Bank. It receives consignments for administrative processing and performs temporary staffing and employment placement assignments, providing reliable and efficient high-quality clerical services as well as precise and swift staffing and job placement mainly for SuMi TRUST Bank and SuMi TRUST Group companies.

Sumitomo Mitsui Trust Systems & Services Co., Ltd.

As a company supplying IT systems support for SuMi TRUST Group, Sumitomo Mitsui Trust Systems & Services Co., Ltd. provides a wide range of high-quality comprehensive services from systems-related planning and proposals to development of large projects as well as systems management.

HR One Corporation

HR One Corporation is one of Japan's largest outsourcing service companies for human resources-related business processes. It has received contracts from over 200 companies including its major shareholders, Panasonic Corporation, Mitsubishi Corporation, Kao Corporation, and SuMi TRUST Bank. The company drives growth in the BPO market by providing high-quality services and leveraging economies of scale. The company also provides services to Japanese companies in China through its local subsidiary in Shanghai, China.

Management Structure:

Corporate Governance	54
Compliance System	59
Client Protection Management	61
Risk Management	62
Capital Management	64
Information Disclosure System and Internal Auditing	65
Efforts to Enhance Customer Satisfaction	66
Initiatives to Facilitate Financing	67
CSR (Corporate Social Responsibility)	69

Corporate Governance

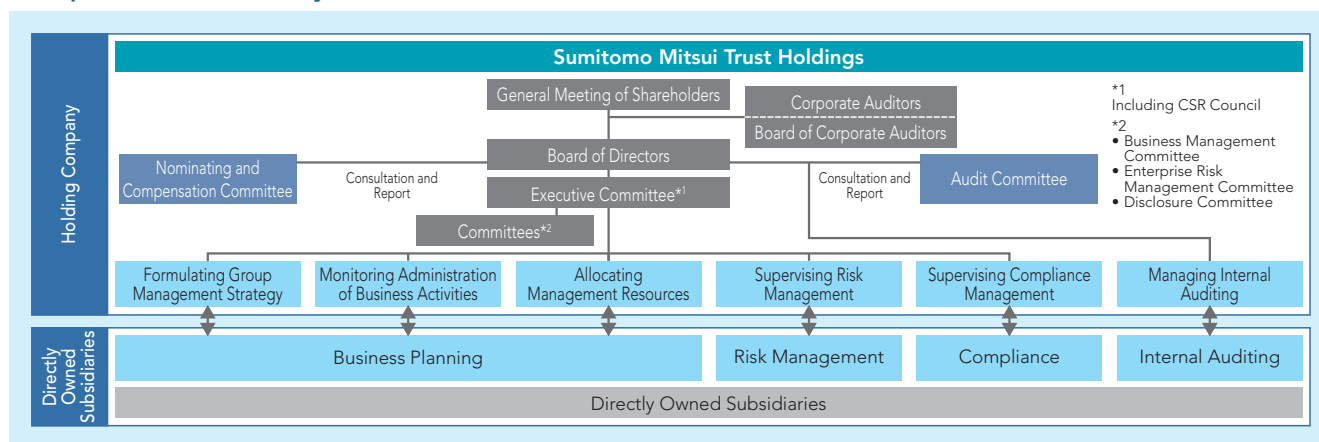
1. Basic Policy

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, Inc. ("SuMi TRUST Holdings") shall commit itself to enhancing its corporate governance system in line with the following fundamental perspectives, with the objective of supporting sustainable growth and medium- to long-term enhancement of the corporate value of Sumitomo Mitsui Trust Group (the "SuMi TRUST Group"). Also, the SuMi TRUST Group has established SuMi TRUST Group's management principles (mission), ideal model (vision), and codes of conduct (value) as the general principle for its management, which shall be shared by all the officers and employees of the SuMi TRUST Group and relied upon in all activities.

—Fundamental Perspectives—

- 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, customers, employees, business partners, and local communities, and to establish a corporate culture 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 execution of the SuMi TRUST Group, SuMi TRUST Holdings shall endeavor to ensure the Board of Directors' role of effective oversight of the business execution.
- 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.

• Corporate Governance System



2. Outline of Corporate Governance System

(1) Role of SuMi TRUST Holdings in the SuMi TRUST Group

In the SuMi TRUST Group, there is a management structure which allows Sumitomo Mitsui Trust Bank ("SuMi TRUST Bank"), Sumitomo Mitsui Trust Asset Management and Sumitomo Mitsui Trust Research Institute to pursue their respective business activities in an independent manner. As a holding company, SuMi TRUST Holdings focuses on the management of business operations, taking responsibility for the following functions:

- Formulating group management strategy;
- Monitoring administration of business activities;
- Allocating management resources;
- Supervising risk management;
- Supervising compliance management; and
- Managing internal auditing.

(2) Perspectives on Corporate Governance System

The SuMi TRUST Group is a trust bank group, which is formed around SuMi Trust Bank, a core subsidiary with significant expertise developed over the years and with wide business fields and capable of providing a one-stop total solution service. With the objectives of meeting its stakeholders' expectations, the Group shall further ensure the transparency of its management, and shall develop a system necessary to enhance the corporate governance system.

(3) Organizational Structure for Corporate Governance

SuMi TRUST Holdings has adopted the system of a company with the Board of Corporate Auditors in which directors who are thoroughly familiar with businesses determine the execution of important business and established a Board of Corporate Auditors with at least half of corporate auditors being external corporate auditors. SuMi TRUST Holdings has also voluntarily established the Nominating and Compensation Committee and the Audit Committee as advisory bodies to the Board of Directors.

(4) Roles of the Board of Directors

The Board of Directors shall oversee overall management and ensure fairness and transparency of SuMi TRUST Holdings' corporate management. In addition, the Board of Directors shall make decisions for the SuMi TRUST Group by, among other things, deciding important business-execution matters, which are required by law to be decided by the Board of Directors. Except for the important business-execution matters, the Board of Directors shall delegate business execution and decision-making thereon to subordinate meetings, such as the Executive Committee, and officers in charge of relevant business, etc., and the Board of Directors shall oversee the execution of those duties.

External directors shall oversee 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 the sustainability, the Board of Directors shall prescribe basic policy regarding the 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 enhancement of the corporate value of the SuMi TRUST Group.

(5) Composition of the Board of Directors

The Board of Directors of SuMi TRUST Holdings has no more than 15 directors, which is the number of directors prescribed in the Articles of Incorporation, and it basically comprises such number of directors as shall be necessary and appropriate to secure an effective management system of the SuMi TRUST Group and substantive discussion at the Board of Directors. However, due consideration is also given to securing diversity and professionalism at the Board of Directors in deciding such number. In addition, in light of the importance of external directors' functions in the corporate governance, SuMi TRUST Holdings operates the Board of Directors with at least one-third of directors being independent external directors, in principle.

(6) Qualification of Directors and Nomination Procedures

SuMi TRUST Holdings' candidates for directors are decided from among a wide range of diversified individuals pursuant to the following nomination policies: (i) a person with abundant knowledge and experience regarding the management administration and business operation of a trust bank group; and (ii) a person who fully understands

the social responsibility and mission of banking business and fiduciary spirit of trust business, and who is able to fairly and appropriately implement the management administration and business operation based on a high degree of self-discipline.

Candidates for external directors shall be decided from among a wide range of diversified individuals pursuant to the following nomination policies: (i) a person who satisfies the Independence Standards of SuMi TRUST Holdings, and who is deemed unlikely to give rise to conflicts of interest with general shareholders of SuMi TRUST Holdings; (ii) a person who understands SuMi TRUST Holdings' management principles, and fully understands the social responsibilities and roles of SuMi TRUST Holdings as a trust bank group; and (iii) a person who fully recognizes the role of external director, and who is able to oversee SuMi TRUST Holdings' directors and management, and provide proper and appropriate opinions and advice, by leveraging the person's knowledge and experience in fields such as corporate management, economy, legal affairs, accounting, tax accounting, and auditing.

Reason for appointing as external director

Soichi Shinohara: President of Kyoto Gakuen University and Emeritus Professor of Doshisha University. Mr. Shinohara was appointed external director, as he was expected to offer his wealth of knowledge about, and sophisticated insight into, economic issues both at home and abroad to further enhance the quality of SuMi TRUST Holdings' management. He developed his knowledge and insight in his capacity as an economist specializing in international economics and macroeconomics.

Takeshi Suzuki: External Director of AICHI CORPORATION, and formerly an executive at Toyota Motor Corporation and Aioi Nissay Dowa Insurance Co., Ltd. Mr. Suzuki was appointed as an external director as he was expected to offer his wealth of experience and extensive insight developed in his capacity as a senior executive of a company to further enhance the quality of the management of SuMi TRUST Holdings.

Mikio Araki: President of The Japan Economic Research Institute, External Director of Kintetsu Group Holdings Co., Ltd. and External Auditor of Japan Freight Railway Company and formerly Deputy President (Representative Director) of Development Bank of Japan Inc. Mr. Araki was appointed as an external director as he was expected to offer his extensive experience in such fields as the management of banks and policy-based finance and abundant knowledge regarding about domestic and overseas finance and economic conditions to further enhance the quality of the management of SuMi TRUST Holdings.

(7) Composition of the Board of Corporate Auditors

SuMi TRUST Holdings has adopted the corporate auditor system, with a board of corporate auditors comprised of two fulltime corporate auditors and three part-time corporate auditors (external corporate auditors), a total of five corporate auditors. In order to ensure the independence of the auditing function, three of the corporate auditors are external auditors. Furthermore, the three external corporate auditors meet the Independence Standards of SuMi TRUST Holdings and thus have been designated as independent officers.

The corporate auditors attend important meetings including the Board of Directors' meetings and receive reports from directors and general managers of headquarters regarding the status of the execution of duties. They also receive business reports from subsidiaries as necessary.

(8) Qualification of Corporate Auditors and Nomination Procedures

SuMi TRUST Holdings' candidates for corporate auditors shall be decided from among a wide range of diversified individuals pursuant to the following nomination policies, with the approval of the Board of Corporate Auditors: (i) a person with abundant knowledge and experience regarding the management administration and business operation of a trust bank group; and (ii) a person who is able to oversee the execution of duties by directors from a fair and objective standpoint, and contribute to enhancing the soundness and transparency of management.

Candidates for external corporate auditors shall be decided from among a wide range of diversified individuals pursuant to the following nomination policies, with the approval of the Board of Corporate Auditors: (i) a person who satisfies the Independence Standards of SuMi TRUST Holdings, and who is deemed unlikely to give rise to conflicts of interest with general shareholders of SuMi TRUST Holdings; (ii) a person who understands SuMi TRUST Holdings' management principles, and fully understands the social responsibilities and roles of SuMi TRUST Holdings as a trust bank group; and (iii) a person who fully recognizes the role of external corporate auditor, and who is able to oversee the execution of business by directors from a neutral and objective standpoint, by leveraging the person's knowledge and experience in fields such as corporate management, economics, legal affairs, accounting, tax accounting, and auditing, and who is thereby able to contribute to enhancing the soundness and transparency of SuMi TRUST Holdings' management.

Reason for appointing as external corporate auditor

Tetsuya Yoshimoto: Former judge serving numerous important posts, and Chairman of the National Public Service Ethics Board (after he retired as a judge). Mr. Yoshimoto was appointed as an external corporate auditor as he was expected to offer his wealth of experience in the legal community and high sense of morality to further enhance the quality of audits at SuMi TRUST Holdings.

Shinichi Saito: Representative Director, President and CEO of Japan Industrial Solutions Co., Ltd. Mr. Saito was appointed as an external corporate auditor as he was expected to offer his wealth of experience in, and insight into, areas including financial accounting, overseas business, finance, and corporate reconstruction, drawing on his career at the treasury section of a major general trading company or at the consulting section of a major audit firm to further enhance the quality of audits at SuMi TRUST Holdings.

Takashi Yoshida (newly designated in June, 2016):

Certified Public Accountant, External Corporate Auditor of Nippon Seiro Co., Ltd. and External Director of COSMOS INITIA Co., Ltd. Mr. Yoshida was appointed as an external corporate auditor as he was expected to offer his abundant knowledge and deep insight regarding finance and accounting based on his work experiences such as auditing of financial institutions and industrial companies in a major audit firm, management of an audit firm, and working overseas to further enhance the quality of audits at SuMi TRUST Holdings.

(9) Establishment of Voluntary Committees

In order to further enhance its corporate governance system, SuMi TRUST Holdings has established the Nominating and Compensation Committee and the Audit Committee, in which external directors participate, as advisory bodies to the Board of Directors.

Outline of the Nominating and Compensation Committee (as of June 29, 2016)

Chair: Mikio Araki (External Director)
Member: Soichi Shinohara (External Director)
Member: Takeshi Suzuki (External Director)
Member: Hitoshi Tsunekage (Chairman)
Member: Kunitaro Kitamura (President)

In principle, the majority of the Committee members consists of external directors.

Main consultation matters

- The nomination of candidates for directors and corporate auditors
- The Independence Standards of independent external officers
- The compensation structure for officers
- Other important matters regarding officers

Outline of the Audit Committee (as of June 29, 2016)

Chair: Soichi Shinohara (External Director)
Member: Takeshi Suzuki (External Director)
Member: Mikio Araki (External Director)
Member: Yoshiaki Koshimura
(Officer responsible for SuMi TRUST Holdings' Internal Audit Department)

In principle, the majority of the Committee members consists of external directors.

Main consultation matters

- Internal audit plans
- Other important matters regarding the internal audit

(10) Internal Auditing System

SuMi TRUST Holdings has established an internal audit unit, which is independent from business execution units. The internal audit unit creates policy on the development of the internal auditing system and the internal auditing plans of the SuMi TRUST Group, performs internal auditing* for each business execution unit, and indicates and recommends points to be improved. It also periodically, as appropriate, reports to the Board of Directors on internal auditing results and the status of the progress and achievement of the internal auditing plans.

SuMi TRUST Holdings has also established the Audit Committee, an advisory body to the Board of Directors, where a majority of the Audit Committee members are external directors. The Committee preliminarily examines important matters regarding the internal audit and submits thereon to the Board of Directors.

* For details concerning internal auditing, please refer to page 65.

(11) Human Resource Development for Management Succession

SuMi TRUST Holdings has clarified quality as executive and a pool of candidates for the executives of SuMi TRUST Holdings and the core subsidiary SuMi TRUST Bank as a part of its succession plan, while also establishing various training programs and a council for fostering human resources as potential executives, as well as a system for managerial promotion.

(12) Outline of Results of Analysis and Evaluation Concerning the Effectiveness of the Board of Directors as a Whole

SuMi TRUST Holdings arranges occasions for hearing for all directors and corporate auditors who attend Board of Directors' meetings, and assesses the effectiveness of the Board of Directors. As a result, SuMi TRUST Holdings confirmed that a certain level of effectiveness of operations of the Board of Directors was secured and shared with the hearing attendees priority initiatives from the perspective of further enhancement of operation of the Board of Directors.

3. Compensation of Directors

SuMi TRUST Bank, core subsidiary of the SuMi TRUST Group, has adopted a management style that aims to increase the scale of entrusted assets and the like by expanding the customer base over the medium- to long-term rather than seeking short-term profit. With these features of a trust bank as the background, the systems and structures for compensation of directors have been established, 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.

* For details of disclosure data concerning compensation of directors and others, please refer to pages 280 and 350.

4. Cross-Shareholdings

(1) Policies Regarding Cross-Shareholdings

The SuMi TRUST Group shall not acquire and hold the shares, etc. of its business counterparty, etc. (the "Cross-Shareholding Shares"), except in the case where it is deemed that such acquisition and holding will contribute to medium- to long-term enhancement of the corporate value of the SuMi TRUST Group, from the perspective of, among other things, establishing a stable transactional relationship over the long-term, business alliance, or facilitating or reinforcing collaborative business development with the business counterparty, in principle. Regarding major ones from among the Cross-Shareholding Shares, SuMi TRUST Holdings shall verify, and report at a Board of Directors meeting regarding, the medium- to long-term economic rationale for holding them, and the effect of holding them from the aspect of maintaining and enhancing the overall relationship with the business counterparties, etc. In principle, the SuMi TRUST Group shall sell the Cross-Shareholding Shares in the case where the significance and rationality of holding them is not observed, after taking into consideration various factors, including the impact of selling the shares on the stock market.

(2) Standards for Voting on Cross-Shareholding Shares

SuMi TRUST Holdings and SuMi TRUST Bank, which is a core subsidiary of SuMi TRUST Holdings, shall decide to vote for or against each agenda and exercise voting rights pertaining to the Cross-Shareholding Shares (the "Voting Rights"), after comprehensively taking into consideration the business conditions, etc. of the issuing company of the Cross-Shareholding Shares (the "Issuing Company"), as well as the impact to sustainable growth and medium- to long-term enhancement of the corporate value of the Issuing Company and the SuMi TRUST Group.

In the case that SuMi TRUST Holdings or SuMi TRUST Bank is required to pay special attention upon the exercise of the Voting Rights due to a long-term downturn of business conditions, a reorganization, or an occurrence of significant compliance violations, etc., of the Issuing Company, SuMi TRUST Holdings or SuMi TRUST Bank shall decide to vote for or against each agenda after collecting enough information through a variety of methods including engaging in dialogue with the Issuing Company.

In the case that there is a risk of conflicts of interest upon the exercise of the Voting Rights, SuMi TRUST Holdings and SuMi TRUST Bank shall properly deal with the risk pursuant to the Management Policy Concerning Conflicts of Interest prescribed separately.

5. Measures for Protection of Stakeholders' Interests

(1) Management System of Related Party Transactions

When SuMi TRUST Group engages in transactions with its officers or major shareholders, etc., the transactions shall be referred to the Board of Directors for prior approval, in order to ensure that such transactions do not harm, among other interests, the interests of the SuMi TRUST Group or the common interests of its shareholders, except where the trading terms are obviously equivalent to those of general transactions.

(2) Management System of Transactions Involving Conflict of Interest with Customers in SuMi TRUST Group's Business Operations

The SuMi TRUST Group shall separately prescribe the Management Policy Concerning Conflicts of Interest (the "Management Policy") pursuant to laws, etc., in order to ensure that none of the various services provided by each group company and its related parties unfairly harm the interests of its customers. Pursuant to the Management Policy, SuMi TRUST Group shall appropriately manage transactions that may give rise to a conflict of interest, and shall properly implement its business operations.

(3) Compliance Hotline System

In order to promptly and appropriately respond to any violation of laws, etc., the SuMi TRUST Group has established a compliance hotline system where all officers and employees can directly report to the Compliance Department or external law firms.

6. Internal Control

The internal control system has been designed to prevent the occurrence of misconduct by putting in place various mechanisms and rules for the purpose of conducting sound management in the company. Essentially, there are four objectives of the internal control system: (1) the effectiveness and efficiency of operations, (2) the reliability of financial reporting, (3) the compliance with laws and ordinances concerning business activities, and (4) the safeguarding of assets. A company achieves these objectives by developing and operating its internal control system.

At SuMi TRUST Holdings, in order to accomplish the four above-mentioned objectives, the Board of Directors decides its Basic Policy on Internal Control for the development of the following systems: (1) Compliance structure, (2) Risk management structure, (3) Structure for execution of duties, (4) Structure to ensure transparency of management, (5) Management structure to ensure the appropriateness of operations at the SuMi TRUST Group, (6) Information storage and management structure, (7) Internal audit structure, and (8) Structure for corporate auditors' audits. For the structures that have been developed and operated based on these policies, please refer to pages 54-65.

7. Risk-appetite Framework

A risk appetite framework (RAF) is a group-wide framework comprised of a process that defines the types and levels of risk SuMi TRUST Holdings is willing to accept within its financial strength (risk appetite) in order to achieve its business strategies and financial strategies established based on SuMi TRUST Holdings' social role and management principles, and governance and other systems that support the process.

SuMi TRUST Holdings will strive to optimize risk-return and enhance corporate value over the medium- to long-term through the integrated operation of risk management based on RAF.

8. Constructive Dialogue with Shareholders

SuMi TRUST Holdings has established the Policy for Constructive Dialogue with Shareholders, etc. as provided in the "Basic Policy on Corporate Governance":

- SuMi TRUST Holdings shall emphasize constructive dialogue with its shareholders, etc., and shall endeavor to engage in dialogue with its shareholders, etc. through various opportunities under the initiative of its senior management.
- Through constructive dialogue, SuMi TRUST Holdings shall endeavor to obtain the understanding of its shareholders, etc. regarding SuMi TRUST Holdings' management policies, and it shall endeavor to support sustainable growth and medium- to long-term enhancement of the corporate value of the SuMi TRUST Group, by absorbing and reflecting analyses of management administration and views from the perspective of capital providers, etc. through listening to the voice of the shareholders, etc.

* For more information of corporate governance of SuMi TRUST Holdings, please visit:
http://smth.jp/en/about_us/governance/index.html

Compliance System

1. Basic Initiative Policy

With recent progress in deregulation of the financial industry, financial transactions and services are diversifying, and there is a need to work on various issues by thorough implementation of the self-responsibility principle and self-help efforts in financial institutions. Under these conditions, to maintain and enhance the trust of clients, sound and appropriate management based on strict self-discipline is essential. From this viewpoint, the SuMi TRUST Group positions compliance as one of the most important management issues.

Compliance means adherence to various rules such as laws, regulations, market rules, and internal company rules, in addition to conformity to social norms. Trust is SuMi TRUST Group's greatest asset, and achieving compliance is naturally a basic principle. Executives and each individual employee must solidly practice compliance in our daily operations.

To achieve thorough compliance and an appropriate system which suits "The Trust Bank," the SuMi TRUST Group has established Codes of Conduct ("Value") and specific compliance standards in the Compliance Rules. A checking system and promotion system are also developed, so the SuMi TRUST Group complies with these and carries out sincere and fair company activities. By developing these systems, the SuMi TRUST Group is promoting various initiatives to address issues and problem points and to enable appropriate action based on self-discipline.

Compliance Standards for Executives and Employees

1. Gain the trust of society
2. Respond resolutely to antisocial forces
3. Prevent improper use of financial functions by organized crime
4. Ensure transparency of management
5. Build sound and normal relations with interested parties
6. Thorough implementation of fair activities
7. Thorough control of information
8. Enhance workplace order

2. Outline of Initiatives

(1) Group Compliance System

The SuMi TRUST Group positions supervision of the entire group's compliance structure as one of the most important functions of the holding company. The holding company's Compliance Rules establish standards which executives and employees must follow.

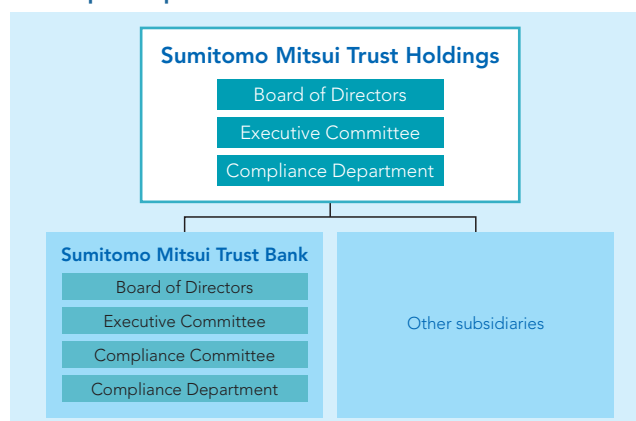
The Compliance Department is established in the holding company as the department to manage compliance for the whole group. This department creates a compliance policy, and monitors the situation of compliance management and execution. The Compliance Department reports to the Executive Committee on its findings regarding the status of compliance management and execution.

For specific practice plans in various measures on compliance, a Compliance Program is made each fiscal year, and progress status is periodically assessed.

SuMi TRUST Bank also established the Compliance Department as a department to manage compliance. Based on the compliance policy established by the holding company, this department creates its compliance policy and Compliance Program, and monitors the situation of compliance management and execution. Also, the Compliance Department reports to the Executive Committee on its findings regarding the status of compliance management and execution after examined by the Compliance Committee, which is chaired by a director who is in charge of the Compliance Department.

Other subsidiaries develop appropriate compliance systems which suit their own operations' characteristics,

• Group Compliance Structure



based on the compliance policy established by the holding company.

In addition, in order to promptly and appropriately cope with any violation, SuMi TRUST Holdings has established a compliance hotline through which all executives and employees can directly report violations to the Compliance Department and an external attorney's office, without having to go through regular reporting channels.

(2) Initiatives to Foster Compliance Awareness

In order to foster compliance awareness throughout the SuMi TRUST Group, a Compliance Manual is created for the holding company and each group company, and employees are thoroughly informed about the laws, regulations,

various rules and items which must be followed.

The SuMi TRUST Group is also enhancing training courses including a course for the rules to strictly comply with the insider trading regulations, and each company's compliance department has the primary responsibility for providing training as to company-wide compliance themes. Meanwhile, the person in charge of compliance at each company is responsible for enhancing compliance awareness and ensuring thorough compliance with regard to characteristics of business and product and client attributes of the company by implementing training and study in his/her workplace and providing guidance and instructions in daily work processes.

The SuMi TRUST Group Privacy Policy

We at the Sumitomo Mitsui Trust Group, in the utmost effort to protect the personal information, the Individual Number and the specific personal information (the Individual Number and the specific personal information hereinafter referred to as "specific personal information, etc.") of our clients and shareholders, have established the following policies, and we declare that all our employees shall abide by this policy.

1. Compliance with all Applicable Laws and Regulations, etc.

The companies in the SuMi TRUST Group shall comply with the laws pertaining to the protection of personal information, Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure, guidelines set forth by government agencies and other standards.

2. Appropriate Acquisition

The companies in the SuMi TRUST Group shall obtain personal information and specific personal information, etc. from clients only to the extent necessary for our operations and only through proper and legal means.

3. Purpose of Use

The companies in the SuMi TRUST Group shall notify or announce how the personal information and the specific personal information, etc. shall be used, and shall only use it within the confines of the prescribed purpose except as otherwise provided by laws and regulations, and shall not use it for any other purpose.

The companies in our Group shall only use the specific personal information, etc. within the confines of the purpose stipulated by law.

4. Consignment

If the companies in the SuMi TRUST Group consign the handling of the personal information and the specific personal information, etc., then the consignee shall be properly supervised to promote the safe management of the personal information.

5. Offering to Third Parties

The companies in the SuMi TRUST Group shall not provide to any third party personal information held for clients without obtaining prior consent from the client

except in cases specified by laws and regulations. However, if the companies in the SuMi TRUST Group provide a client's personal information consequent to the succession of business in a merger or otherwise or if it is shared with a specified party set forth separately, then the personal information held for the client may be provided to the third party without obtaining the client's consent.

The companies in our Group shall not provide the specific personal information, etc. held for clients to any third party with or without obtaining consent from the client except in cases specified by Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure.

6. Responding to Inquiries from Clients, etc.

The companies in the SuMi TRUST Group shall establish the procedures for correcting and disclosing personal information and specific personal information, and any inquiries concerning questions, suggestions or inquiries and corrections of content, etc. related to personal information shall be handled quickly and accurately.

7. Safety Measures

The companies in the SuMi TRUST Group take appropriate safety measures in terms of their organizations, personnel affairs, and systems to manage personal information and specific personal information, etc., and the governance framework necessary to protect personal information has been developed.

8. Continuous Improvement

The companies in the SuMi TRUST Group continually review and strive to improve the compliance program for protecting personal information. All executives and employees are trained to understand the importance of protecting personal information and specific personal information, etc. and to appropriately handle personal information.

Client Protection Management

1. Basic Initiative Policy

Amid growing number of financial products with ever more complex mechanisms and unique characteristics, there is a strong need for financial institutions to properly and fully explain to clients the mechanisms and risks of those products and gain their understanding. It is also increasingly important that financial institutions appropriately respond to complaints and requests from clients and properly manage client information.

Under such conditions, the SuMi TRUST Group positions client protection as one of its most important management issues. To meet client expectations of and trust in the SuMi TRUST Group, SuMi TRUST Holdings established the basic policy in its Client Protection Management Rules to enable each group company to enhance client protection and convenience.

A checking system and promotion system are also developed, so the SuMi TRUST Group complies with these and carries out sincere and fair company activities. By developing these systems, the SuMi TRUST Group is promoting various initiatives to address issues and problem points and to enable appropriate action based on self-discipline.

SuMi TRUST Bank and other subsidiaries develop appropriate client protection management systems in accordance with the characteristics of their own operations, based on the basic policy established by SuMi TRUST Holdings.

2. Outline of Initiatives

(1) Management of Accountability to Clients

In providing financial products and services to clients, SuMi TRUST Holdings considers the client's knowledge, experience, assets situation and purpose of their transactions, and provides appropriate and sufficient explanations to obtain the client's understanding and consent.

SuMi TRUST Holdings does not use its dominant bargaining position in transactions with clients, for acts which harm client interests. Nor does it provide explanations which might be mistakenly considered as an abuse of the dominant bargaining position.

(2) Client Support Management

SuMi TRUST Holdings quickly responds to inquiries and complaints from clients in a sincere manner, aiming to resolve them by obtaining the client's understanding and consent as much as possible. It also works to recognize and analyze the causes of such inquiries and complaints in order to improve the operations.

(3) Client Information Management

SuMi TRUST Holdings appropriately manages client information, and when using client information jointly in the SuMi TRUST Group, SuMi TRUST Holdings complies with laws on personal information protection, guidelines on personal information protection in the financial industry, and other related laws and regulations so as to ensure appropriate use of such information.

(4) Outsourcing Management

When outsourcing its operations, SuMi TRUST Holdings carries out appropriate management, such as selection and monitoring of outsourced contractors, to ensure proper performance of operations as well as appropriate handling of clients, including appropriate management of client information.

(5) Conflict of Interest Management

The SuMi TRUST Group, in order to avoid unfairly impairing the interests of clients, manages and carries out operations properly in accordance with laws and regulations, as well as SuMi TRUST Group's Conflict of Interest Management Rules. Thus, it works to gain greater trust from clients and society.

In order to properly manage conflict of interest, SuMi TRUST Holdings has established the Compliance Department that is responsible for such management for the whole group, and has assigned General Manager of the Compliance Department as a supervisor in charge of such management. SuMi TRUST Holdings has thus developed a system to properly perform the management of conflict of interest for the whole SuMi TRUST Group, and verify the effectiveness of the system periodically and appropriately to continually improve it. It also provides periodic training and education in the SuMi TRUST Group and keeps executives and employees informed on the identification and management of transactions with the risk of conflict of interest.

Management Structure:

Risk Management

1. Basic Initiative Policy

Outlook of the domestic and global economy remains uncertain due to factors including continued negative interest rate policy, political events and geopolitical risks, and the financial market is expected to remain unstable. Furthermore, the trend for tightening global financial regulations since the Lehman crisis is rapidly moving towards finalization. In this environment, we think that there is an increasing need for more advanced risk management and preventive action.

As a trust bank group that seeks to be “The Trust Bank,” the SuMi TRUST Group regards strengthening and enhancing the autonomous risk management structure as one of its most important management issues, in light of the changes in the operating environment in Japan and overseas and considering the strategies and risk profiles of each group company. Accordingly, the SuMi TRUST Group is making constant efforts to enhance and advance its risk management, which forms the basis of business operations for the expansion of the business scope and sustainable growth of the SuMi TRUST Group.

In FY2016, the SuMi TRUST Group as a whole is responding swiftly and accurately to regulations including Basel III based on the designation of the SuMi TRUST Group as one of the Domestic Systemically Important Banks (D-SIBs) and is also improving its risk management system to respond mainly to the expansion of asset classes and structures aimed at strengthening earning power and the accurate asset-liability management (ALM) under negative interest rate environment.

2. Outline of Initiatives

(1) Types of Risk

The SuMi TRUST Group classifies risk categories by the cause of risks faced by the whole 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 whole 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 whole 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) 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 SuMi TRUST Group's management policy and strategic goals, formulates the risk management policy based on the strategic goals, supervises development of 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 proper risk management systems.

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 risk management system as a department independent of business execution.

(4) 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 SuMi TRUST Group's overall financial strength. Specifically, it employs risk capital allocation operations and conducts stress tests and others; appropriately manages to improve enterprise value through optimization of risk-return performance and assessment of capital adequacy level based on the basic policy formulated by the SuMi TRUST Group. The results of this risk status monitoring are reported to the Executive Committee, the Board of Directors and others on a regular basis.

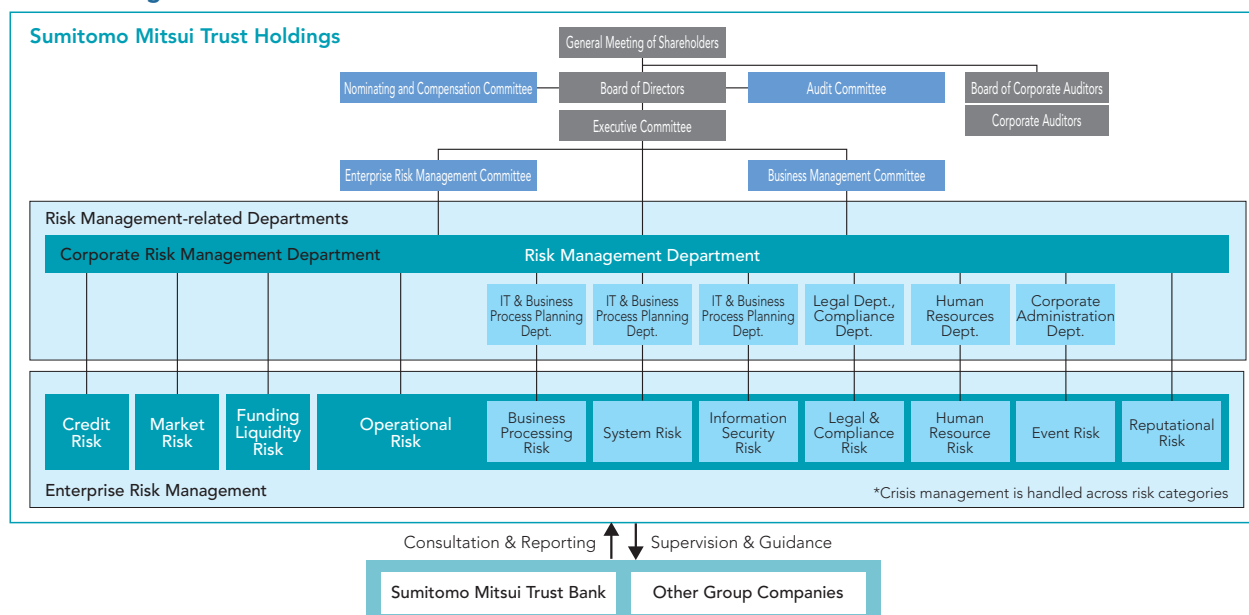
1) Risk Capital Allocation Operations

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

2) Stress Testing

The SuMi TRUST Group conducts stress tests 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 when formulating management plans.

• Risk Management Structure



Management Structure:

Capital Management

1. Basic Initiative Policy

Capital management is aimed at ensuring that the businesses of the SuMi TRUST Group remain sound by improving its capital reserves and maintaining and increasing the efficiency of its businesses by making efficient use of capital. Also, capital management encompasses the implementation of measures concerning capital adequacy, appropriate allocation, evaluation, monitoring and control of capital, and calculation of the capital adequacy ratio as stipulated by laws and regulations.

The SuMi TRUST Group creates the basic policy on capital management according to our management policies, ensures sufficient capital to meet the risks it faces and makes efforts to improve its capital and the efficient use of capital.

2. Outline of Initiatives

(1) Basic Policy on Capital Adequacy and the Capital Management System

The SuMi TRUST Group aims to maintain sufficient capital by operating in accordance with a PDCA cycle as follows: (1) draw up a capital plan based on the external environment (economic environment, market environment, etc.) and the internal environment (risk profile, strategic goals, etc.); (2) carry out the capital adequacy measures

decided in the capital plan; (3) monitor the capital situation and evaluate the capital adequacy level at appropriate intervals; and (4) improve capital and risk control based on the above evaluations.

Moreover, SuMi TRUST Holdings has constructed a necessary system for the appropriate management of capital by installing a department in charge of capital management and one in charge of enterprise risk management as capital management departments.

(2) Policy on Evaluation, Monitoring and Control of Capital Adequacy

The SuMi TRUST Group evaluates capital adequacy multilaterally by establishing multiple definitions of capital and risk as follows.

From the viewpoint of ensuring business continuity, SuMi TRUST Holdings evaluates capital adequacy by comparing the amount of risk with a confidence interval of 99% with Common Equity Tier 1 capital. From the viewpoint of depositor protection, it evaluates capital adequacy by comparing the amount of risk with a confidence interval of 99.9% as well as a confidence interval of 99% that factors in a post-stress-event scenario with total capital based on the regulatory required capital adequacy ratio.

SuMi TRUST Holdings also determines planned figures for the overall risk amount that is acceptable against capital, and risk amounts of each risk category and each group company, and monitors whether or not the actual results are within the planned figures.

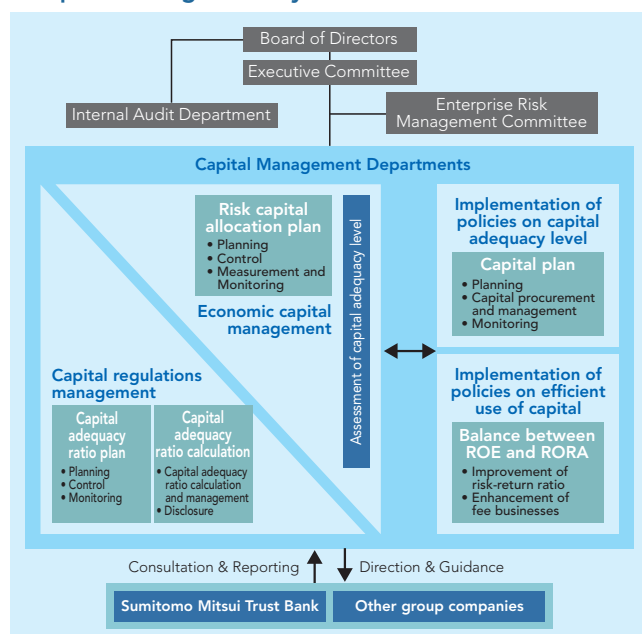
The results of such evaluation and monitoring are reported periodically to the Executive Committee and Board of Directors, and in this way, SuMi TRUST Holdings is ensuring appropriate control of capital adequacy.

(3) Policy on Calculation and Management of Capital Adequacy Ratio

The SuMi TRUST Group recognizes the importance of the capital adequacy ratio. Accordingly, SuMi TRUST Holdings works for the accurate calculation and appropriate management of the capital adequacy ratio (including planning, monitoring and control) in order to ensure its fairness and appropriateness.

Moreover, with regard to capital adequacy ratio management, SuMi TRUST Holdings aims to raise the level and efficiency of the management system by improving its organic linkage with the risk management method employed for internal use.

• Capital Management System



Information Disclosure System and Internal Auditing

Information Disclosure System

1. Basic Initiative Policy

Adopting observance standards that all executives and employees must uphold to ensure the transparency of corporate management through appropriate and fair disclosure of corporate information, the SuMi TRUST Group has set out Information Disclosure Rules and Information Disclosure Guidelines, and has established an internal control system to ensure that disclosures are made in accordance with relevant laws, regulations and rules, including the Companies Act, the Banking Act, and the Financial Instruments and Exchange Act.

Based on this philosophy, SuMi TRUST Holdings has established a disclosure policy* in order to clarify its basic policy on disclosure both internally and externally, thereby ensuring appropriate disclosure. In this way, it is working to ensure the transparency of corporate management through appropriate disclosure of corporate information.

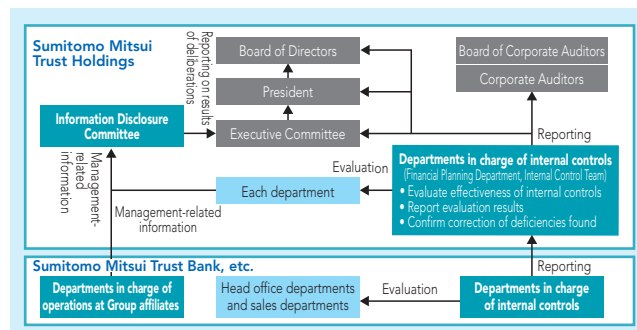
* Please refer to page 434.

2. Outline of Initiatives

In order to ensure timely, accurate, and fair disclosure of management-related information, the SuMi TRUST Group has established the Information Disclosure Committee, which deliberates the necessity and appropriateness of disclosure of management-related information and information that could be management-related. It also considers the appropriateness of information disclosure system, particularly its establishment and management.

Furthermore, in order to adapt to the Internal Control Report System, each fiscal year, SuMi TRUST Holdings evaluates the effectiveness of internal control concerning financial reporting. The results of the evaluation and status of corrective measures for deficiencies found are reported to the President and the Board of Directors. Based on this report, the President makes an "Internal Control Report," which evaluates the effectiveness of internal control concerning financial reporting, and submits it to the relevant financial authority along with the Securities Report.

- Information Disclosure System



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 are indispensable to appropriate legal compliance, client protection, risk management, etc. Therefore, SuMi TRUST Holdings has established an Internal Audit Department, which conducts internal audits independently from departments involved in the execution of operations. The Internal Audit Department has the role of sufficiently fulfilling its internal audit supervisory functions and providing guidance, management and supervision for subsidiaries in which SuMi TRUST Holdings directly invests capital.

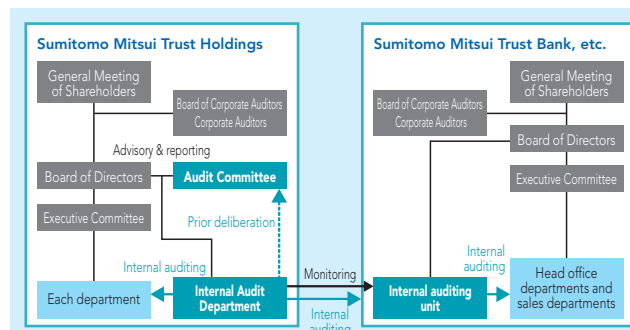
Furthermore, Audit Committee has been established as an advisory body to the Board of Directors with majority of committee members represented by external directors. The committee conducts preliminary reviews of important matters concerning internal audits and reports thereon to the Board of Directors.

2. Outline of Initiatives

In accordance with SuMi TRUST Group's policy on the development of internal auditing system and its plans for internal auditing set out by the Board of Directors after prior deliberations by the Audit Committee, the Internal Audit Department develops internal auditing system and verifies from an independent standpoint the appropriateness and effectiveness of internal auditing system for all operations undertaken by SuMi TRUST Holdings departments. It also conducts the auditing of SuMi TRUST Bank and Group affiliates, directly or jointly with the internal audit units of SuMi TRUST Bank or Group affiliates, as needed, to an extent that does not violate any laws and regulations.

The results of internal auditing are reported without delay to the President and the officers in charge, along with timely and appropriate reporting to the Board of Directors and other bodies.

- Internal Auditing Implementation System



Management Structure:

Efforts to Enhance Customer Satisfaction

1. Basic Initiative Policy

Because of advances in information technology, a wider choice of financial institutions and products are now available to clients. Services provided by financial institutions are also being compared and higher levels of services are being demanded. To respond to such demands, the SuMi TRUST Group is continually improving its products and services, in order to remain the bank of choice for clients.

The SuMi TRUST Group is utilizing its significant expertise and comprehensive capabilities to quickly provide clients with comprehensive solutions. It is also making every effort to adopt a "customer-first approach" and to offer clients peace of mind and ensure their satisfaction with supreme loyalty and sincerity, placing prime importance on credibility and sound management.

2. Outline of Initiatives

(1) Initiative to Use Client Feedback to Improve Services

The SuMi TRUST Group receives much client feedback and many requests at branches throughout Japan, through telephone centers and its website, as well as through the "Voice of Customers" questionnaires available at every office and surveys sent out to clients by mail.

The SuMi TRUST Group received approximately 40,000 "Voice of Customers" questionnaires and replies to its surveys in fiscal year 2015. If the "customer comments" contained in daily inquiries etc., are included, the SuMi TRUST Group received several hundred thousand valuable client feedback.

We gather all the feedback and requests from our clients and analyze the responses to identify problem points, utilizing such systems as our "Voice of Customers Portal," a dedicated analysis system that is deployed throughout the company.

Based on these results, the management and departments responsible for supervising business operations work on formulating improvement measures.

In this way, the SuMi TRUST Group strives to provide superior services by reviewing its products and services and making improvements, based on the feedback and requests received from the clients.

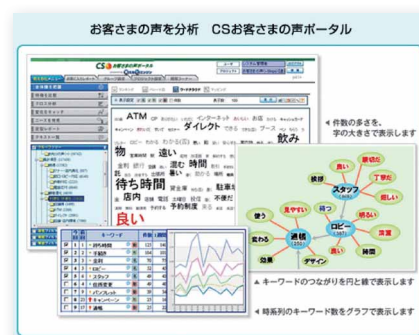
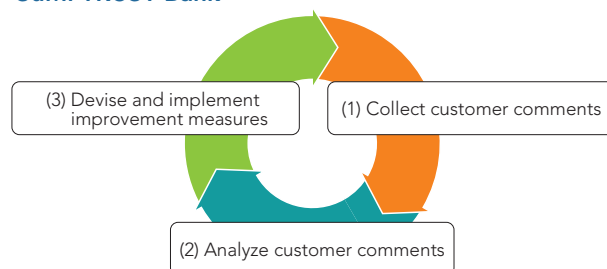
The SuMi TRUST Group informs clients about improvements that have been made reflecting their feedback and requests on its website as well as posters notifying them of local initiatives at branches nationwide. This information is updated regularly.

(2) Branches' Efforts to Enhance Customer Satisfaction

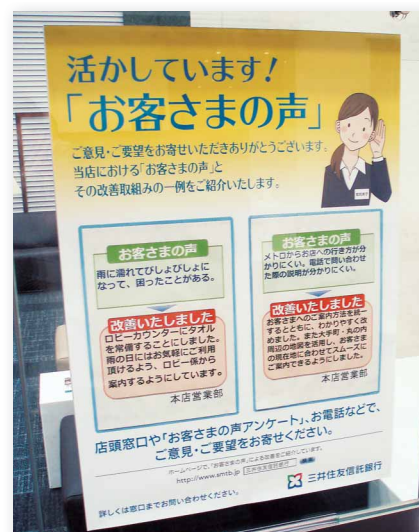
To promote customer satisfaction (CS) improvement activities, "CS Committees" are established in all branches, and they actively conduct various CS improvement activities that match the characteristics of each branch.

In addition, solid education and training are provided to employees, to encourage each and every employee to practice a customer-first approach to service on a daily basis.

• Customer Satisfaction Promotion Cycle of SuMi TRUST Bank



"Voice of Customers Portal" screen



A poster showing improvements in response to customer voices

Initiatives to Facilitate Financing

1. Dealing with Facilitation of Financing

The SuMi TRUST Group considers the facilitation of financing to small and medium-sized enterprises (SMEs) and individuals seeking housing 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 housing 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 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 housing 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.

2. 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 system that includes New York, London, Singapore, Hong Kong and Shanghai. These branches offer financial services such as loans, deposits, foreign exchange, and derivatives to Japanese client companies who are expanding overseas. Furthermore, SuMi TRUST Bank has established a bank subsidiary in Thailand in October 2015 and commenced offering financial services mainly to Japanese client companies expanding into Thailand. 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 Vietnam.

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 business-owner and property-owner clients.

In addition, we have assigned a total of 249 financial consultants (as of April 1, 2016) to branches nationwide as an easily accessible channel for our business-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 customers 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.

CSR (Corporate Social Responsibility)

1. Creating Shared Value through CSR

“Creating Shared Value (CSV)” is the concept of companies creating social value by addressing society’s needs and challenges while simultaneously creating their own economic value.

The SuMi TRUST Group pursuit of CSV is based on its Management Principles (“Mission”), Ideal Model (“Vision”), and Codes of Conduct (“Values”), as well as its Sustainability Policy—its basic policy on social responsibility. These policies identify our approach to creating economic value and social value.

As part of our process for realizing CSV, we identify materiality (priority issues) for the SuMi TRUST Group based on the

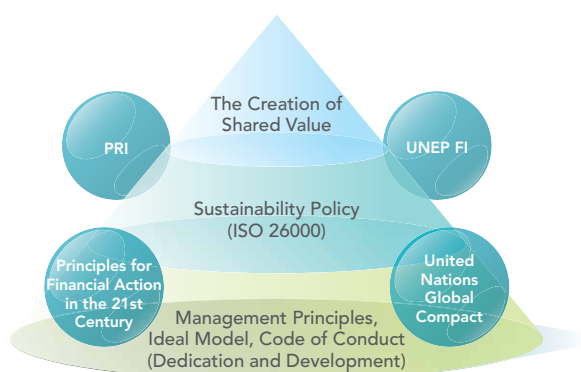
perspectives of long-term investors and external experts, and we are working to raise awareness and understanding within the SuMi TRUST Group through internal engagement methods.

Furthermore, the SuMi TRUST Group is a signatory to the United Nations Global Compact, a global policy framework for corporate sustainability, and the “Principles for Financial Action towards a Sustainable Society (Principles for Financial Action in the 21st Century),” a set of voluntary guidelines established by Japan’s major financial institutions. The SuMi TRUST Group aims to create shared value while respecting these principles and guidelines, including the above two, related to social responsibility.

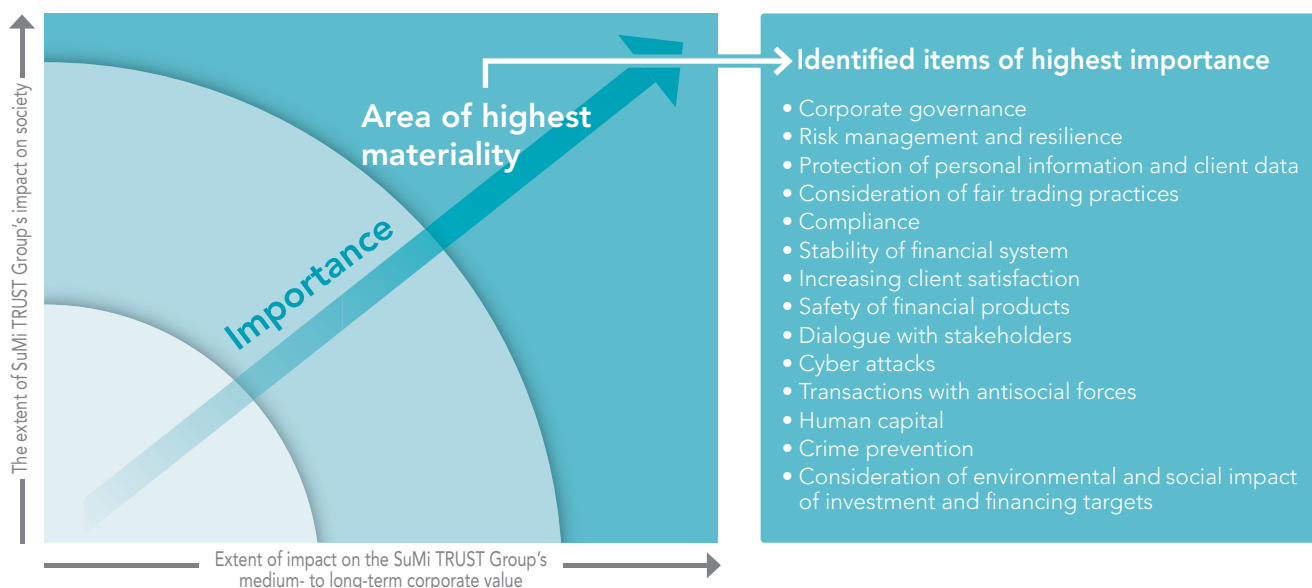
2. Identifying Materiality and Initiatives toward Creating Shared Value

With the establishment of the Corporate Governance Code, Japanese companies are increasingly being called upon to identify issues surrounding sustainability, including social and environmental issues, and appropriately address them as management themes. The SuMi TRUST Group regards sustainability issues as a concept that shares the same meaning as environment, society and governance (ESG), advocated by the Principles for Responsible Investment (PRI). With the cooperation of external experts, the SuMi TRUST Group has identified Materiality from the long-term perspective of investors. Furthermore, through internal engagements, the SuMi TRUST Group has strengthened its responses toward these issues on the working level and has established a system for addressing them as management issues for creating shared value.

Process of Creating Shared Value



SuMi TRUST Group Materiality Map



Basic Policy on the Social Responsibility of the SuMi TRUST Group (Sustainability Policy)

At the SuMi TRUST Group, based on our Management Principles ("Mission"), our Ideal Model ("Vision") and our Codes of Conduct ("Value"), we respect dialogue with all stakeholders, such as clients, shareholders, investors, employees, business partners, local communities, NPOs, government authorities and international institutions, and play an active role in building a sustainable society.

1. Contribute to Solving Social and Environmental Problems through Business	4. Address Environmental Issues
2. Serve Clients with Sincerity	5. Respect the Individual
3. Earn the Trust of Society	6. Participate in and Contribute to the Community

3. Fundamental Perspectives on CSR

SuMi TRUST Group's Basic Policy on Corporate Governance sets out the role of the Board of Directors as working to support the sustainable growth of society and increasing the corporate value of the SuMi TRUST Group by promoting active efforts to resolve environmental and social issues in consideration of its stakeholders. "Creating shared value" is the concept of pursuing social value together with corporate value. It has long been an issue ingrained in SuMi TRUST Group's management.

Dealing with issues of sustainability at the working level is SuMi TRUST Group's approach to CSR. As sustainability issues can be broken down into the three elements of environment, society and governance (ESG), we have defined our CSR to be the incorporation of ESG into our daily business processes.

Meanwhile, ESG stems from the concept of responsible investment that strives to balance the interests of various stakeholders while pursuing long-term corporate value (share prices). In other words, responsible investment is described as an investment method that assesses shared value. Therefore, the SuMi TRUST Group puts particular emphasis on the perspective of responsible investment. It also serves as the starting point for the identification of materiality and undertaking internal engagements.

4. Outline of Initiatives

(1) CSR Activities that Create New Financial Business

1) Contribution to Solving Environmental Problems

(a) Addressing Climate Change

In recognition that building a sustainable society is necessary to addressing climate change, the Group devised "Action Guidelines for Mitigating Climate Change" and is advancing this theme as the most important of its Eco-Trustution* initiatives. With the adoption of the Paris

Agreement, a new international framework for climate change at COP21 in Paris, the world is nearing a major turning point in the supply-demand structure of energy, from the need to further reduce CO₂ emissions and pressure to exit coal-fired power generation to growing interest in renewable energy deployment. The Group will continue to develop high-value-added financial solutions businesses that leverage its capabilities and skills as a trust bank.

* 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.

Project Finance for Renewable Energy:

Since the introduction of Japan's feed-in tariff (FIT*) system, mega-solar photovoltaic (PV) sites have been built across the nation. The process of negotiating an international agreement to combat climate change from 2020 onwards is highlighting the necessity of further CO₂ emission reductions globally. To accompany our investments in wind and solar generation, SuMi TRUST Bank is executing financing arrangements in new fields such as large-scale biomass generation in Japan and two overseas offshore wind generation projects. Expectations for financing to support broader adoption of renewable energy continue to grow.

* Japan's FIT system requires utilities to purchase electricity generated by renewable sources at fixed prices.

Renovation Loans for Smart Houses:

Since a system to purchase surplus electricity from solar panels was created, Sumitomo Mitsui Trust Panasonic Finance has contributed to the spread and adoption of solar power generation by households through its solar loans. Our solar loan portfolio as of March 2016 stood at 61.4 billion yen. Through our partnerships with equipment vendors and installers, we support remodeling homes into "smart houses" through our renovation loans.

Equipment to Realize Smart Houses



(b) Addressing Natural Capital

SuMi TRUST Holdings became a signatory to the Natural Capital Declaration advocated by the United Nations Environment Programme Finance Initiative (UNEP FI) at the United Nations Conference on Sustainable Development “Rio+20” held in Rio de Janeiro in June 2012. SuMi TRUST Holdings is the only financial institution in Japan to have signed the declaration.

Environmental Rating Loans with Evaluation of Natural Capital Preservation:

In April 2013, SuMi TRUST Bank launched its Environmental Rating Loans with Evaluation of Natural Capital Preservation, which incorporate the concept of evaluating impacts on natural capital and a company's initiatives into the environmental-rating evaluation process that assesses environmental measures taken by companies. This is the world's first attempt to incorporate natural capital evaluation into loan criteria, and our efforts have been cited in Japanese government environmental white papers and European Commission reports as an example of leading-edge practice.

(c) Initiatives in Asset Management (Responsible Investment) Biodiversity Companies Support Fund:

In 2010, the SuMi TRUST Group developed the world's first equity fund that invests in Japanese companies that are making efforts for biodiversity conservation and sustainable use of biodiversity-related resources (this finding is based on our research).

The Biodiversity Companies Support Fund is also incorporated in the Green Balanced Fund, which was jointly developed in 2010 by SuMi TRUST Bank and our subsidiary Nikko Asset Management. The equity fund portion of the Green Balanced Fund invests in the three natural capital elements, namely fauna/flora, water and air, via companies involved in those themes. The fixed-income fund portion invests in environment-linked bonds such as those issued by the World Bank.

(d) Initiatives in Our Real Estate Businesses

“Environmentally friendly property” refers to properties that take the environment into account, are sustainable, and foster high environmental value.

The SuMi TRUST Group believes environmentally friendly properties can generate more value added than conventional properties through features that enhance income by improving environmental performance and reducing risk.

Environmentally Friendly Construction Consulting:

To promote the introduction of environmentally friendly property, SuMi TRUST Bank provides environmentally friendly construction consulting services.

As interest in environmental issues has grown, so has the number of properties applying for CASBEE[®]* certification or voluntary evaluation in the past several years.

* 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 MLIT.

2) ESG-themed Initiatives in Our Asset Management Businesses

Of the Principles for Responsible Investment (PRI) signatory institutions as of October 1, 2015, 1,395 are signatories to ESG investment initiatives that take into account environment (E), social (S), and governance (G) factors. Assets under management at those PRI institutions have grown to a total of US\$59 trillion.

Amid rapid growth in ESG investment on a global scale, Japan's Stewardship Code with Principles for Responsible Institutional Investors was published in February 2014. According to a release from Japan's Financial Services Agency, 207 institutional investors have announced their intention to accept the Code as of May 2016.

(a) ESG Activities as an Institutional Investor

We are actively taking steps to respond to various ESG-related issues as an asset management institution that is a PRI signatory, moving ahead with activities that are in the interest of our clients.

In May 2014, the SuMi TRUST Group announced its adoption of the Japanese version of the stewardship code.

(b) Engagement

At SuMi TRUST Bank, we believe addressing ESG topics to build a sustainable society is in the interests of our clients, and we actively engage investee companies on this basis.

The annual number of contacts between our analysts and investee companies has risen to about 9,400, encompassing a broad range of actions from normal coverage activities (including items relating to exercising proxy votes), participation in analyst meetings and company tours, and management engagement. Of these, management engagement sessions came to about 300.

As for companies based overseas, SuMi TRUST Bank is an active participant in engagement activities, collaborating with other PRI signatory institutions. The ESG Monitoring Committee, situated inside the Fiduciary Services Business, monitors the status of such engagement activities.

(c) ESG Integration

While financial information such as earnings reports are important in the short term in evaluating companies, we at SuMi TRUST Bank think assessments relating to the sustainable growth prospects of investee companies are important over the medium- and long-term.

As a result, we strive to effectively gather ESG information such as the amount of value added derived from a company's products and services, the sustainability of that, and the resilience of its governance system in supporting the provision of added value. We put this ESG information to use in our company evaluations and work to improve the quality of our evaluations via engagement aimed at fostering an ongoing dialogue with companies.

3) Addressing the Issues of a Super-Aging Society

The Japanese society has become a super-aging society with the ratio of people 65 years or over in the country's population accounting for 25%, an unprecedentedly high ratio. SuMi TRUST Bank has many elderly clients and actively supports their successful aging, seeking to ensure that our clients can continue to enjoy healthy, spiritually enriching lives as they grow older.

(a) Helping People to Lead a Vibrant Lifestyle That Suits Them

Wrap Accounts/Jinsei Anshin (Lifelong Serenity) Package:

SuMi TRUST Bank offers discretionary investment management products ("Wrap Accounts"). We suggest a management plan suited to the client, who then concludes a discretionary investment contract, entrusting all decisions relating to the management of their investment—including buying and selling—to SuMi TRUST Bank to undertake on their behalf. Of clients who have applied for a "Wrap Account," those aged between 40 and 65 can apply for a "Lifelong Serenity Package," a service that features cancer, nursing care and injuries insurance, and those aged between 66 and 80 for another "Lifelong Serenity Package," a service that features injuries insurance, free of charge without the burden of insurance premiums. (SuMi TRUST Bank bears the cost of the premiums.)

(b) Helping People to Manage Their Post-Retirement Assets Safely

Anshin Support Trust (money trust type):

SuMi TRUST Bank offers "Anshin Support Trust," a product that leverages the unique functions of a trust bank to provide medium- to long-term, made-to-order support for the preservation and management of clients' precious assets for their sake as well as their families'. Two types of "Anshin Support Trust" are available: a "Money Trust Type" and a "Life Insurance Trust Type."

4) Finance for Social and Charitable Activities

The SuMi TRUST Group is committed to providing solutions to social issues based on fiduciary spirit.

Products and Services that Reflect Clients' Intentions

Charitable Trusts:

A charitable trust is a system used in a wide range of fields, including the provision of academic scholarships, support of environmental protection activities, and promotion of international cooperation and international exchanges.

Since SuMi TRUST Bank began managing its first charitable trust in 1977, the number of trusts under its management has steadily risen, conducting supported projects in various charitable fields.

Social Contribution Donation Trust:

SuMi TRUST Bank offers "Social Contribution Donation Trusts" (also referred to as "Bridge to Tomorrow") intended to make donations to charitable corporations and other organizations engaged in social contribution activities. Clients of this trust can donate one-fifth of the initial amount of trust principal once a year to an organization of choice. These are selected from the list of donees presented by SuMi TRUST Bank. The organization of choice can be changed every year.

(2) CSR Activities for Improving the Alignment of Our Business Activities with Society

1) Addressing Environmental Issues

(a) Environmental Performance and Environmental Burden Reduction Measures

The SuMi TRUST Group works to reduce the burden on the environment both in its input of resources such as paper and energy used in business activities and in its output such as CO₂ and waste discharged from these activities.

In FY2014, total electricity consumption at all sites across Japan came to 77 million kWh, down about 4.0% from 80 million kWh in the previous year. City gas consumption remained almost unchanged from the previous fiscal year at 2.4 million m³.

(b) Strengthening Supply Chain Initiatives

SuMi TRUST Bank stipulates “making it a priority to purchase environmentally friendly products, such as products covered by green purchasing and energy-saving products,” in the case of purchasing of stationery and equipment for in-house use.

SuMi TRUST Bank believes that cooperative relationships with suppliers, in addition to its own independent initiatives, will become important to secure the sustainability of natural capital. In November 2013, we established the Consortium for Sustainable Paper Use with WWF Japan and other paper-user companies.

Moreover, the SuMi TRUST Group will formulate the CSR procurement policy, which prescribes priority purchase of goods and services that give consideration to the environment and society. The SuMi TRUST Group will also promote the CSR procurement initiative that involves group companies. In cooperation with suppliers, we plan to expand the scope of product items covered by CSR procurement to paper products, printed materials and stationery goods, as well as office machinery and equipment.

2) Addressing Human Rights Issues**(a) Establishment of Human Rights Policy**

The SuMi TRUST Group upholds respect for individuals' human rights and diverse values and rejects unjustifiable acts of discrimination in all its activities, under the “Basic Policy on the Social Responsibility of the SuMi TRUST Group (Sustainability Policy).” Moreover, the SuMi TRUST Group formulated the human rights policy in December 2013 in order to ensure the execution of this policy. This policy serves as a standard for acts and judgments concerning human rights.

(b) Protecting Human Rights**Initiatives to Address Dowa and Foreign Residents Issues:**

The SuMi TRUST Group regards tackling discrimination against the Dowa minority as a particularly important theme in the promotion of human rights education. 2015 marked the fiftieth anniversary since the Dowa Council to the Cabinet issued its landmark “Japan’s Invisible Race” report on discrimination against the Burakumin caste and the fortieth year since the discovery of secret publications naming areas where the Burakumin caste were once forced to live and many still reside for use in discriminating against them in employment and marriage. During FY2015, the SuMi TRUST Group continued its efforts to increase employees' level of understanding about the Dowa issue based on insights from external bodies, such as the Industrial Federation for Human Rights, Tokyo. At the same time, we have worked toward thorough elimination of prejudiced or discriminatory views through various training programs and education activities, including training of new employees.

Prevention of Sexual Harassment and Power Harassment:

Sexual harassment and power harassment are prohibited. Such behavior can both damage the character of an individual and infringe upon his or her human rights. We have taken a particularly strict stance on prohibiting sexual harassment within the workplace. In terms of power harassment, we are working toward the elimination of all forms of this problem. This problem is based on advantageous positions in the workplace. It is not limited to harassment by superiors of subordinates, but also includes harassment between senior employees and junior employees, colleagues, and even harassment by subordinates of their superiors.

■ Human Rights Policy

At the SuMi TRUST Group, based on the “Basic Policy on the Social Responsibility of the SuMi TRUST Group (Sustainability Policy),” we strive to foster a corporate culture and workplace environment that respects the basic human rights of clients and all stakeholders, always act with a strong sense of ethics and social conscience in all aspects of our corporate activities, and achieve sustainable development as a corporate group that is trusted by society.

1. Respect International Standards

We respect international standards on human rights, such as The Universal Declaration of Human Rights and corporate codes of conduct based on the United Nations Global Compact.

2. Prohibit Discrimination

We reject, in all our corporate activities, discrimination and infringement of human rights based on race, nationality, gender, origin, social status, beliefs, religion, physical characteristics, and the like.

3. Foster a Corporate Culture that Respects Human Rights

We regard every kind of human rights issue as one facing us and encourage our employees to think from the other person's point of view so as to foster a corporate culture that respects human rights.

4. Establish a Pleasant Workplace Environment

We establish a pleasant workplace environment by encouraging all executives and employees to treat each other as business partners and build equal relationships that allow a free exchange of opinions. We acknowledge that such behavior as sexual harassment and power harassment impair human dignity; therefore, we do not allow such behavior.

5. Ensure Fair Recruitment

We implement strict and fair screening in the recruitment of employees and others, solely based on individual capability and suitability.

6. Implement Human Rights Education Training

With the aim of resolving all kinds of actual or potential issues related to human rights and encouraging all executives and employees to develop a deep appreciation of human rights that appropriately reflects relevant and accurate facts and information, we work on a wide range of human rights education activities, including one addressing discrimination against the Dowa, a specifically Japanese social minority, through every kind of opportunity, mainly annual workplace-based human rights education training.

The above-mentioned policy also applies to our overseas network, and the SuMi TRUST Group gathers information on cases where the corporate activities of our domestic and overseas suppliers and contractors (supply chain), and companies that we invest in or lend to, negatively impact human rights. In cases where relevant laws, standards, and policies are violated, necessary measures are taken as appropriate.

(3) CSR Activities to Enhance Trust and Strengthen the Business Base

(a) Support for the Living Creatures

SuMi TRUST Bank promotes social contribution activities, such as Education for Sustainable Development (ESD) projects, activities to protect endangered species and donation activities, rooted in local communities primarily through its local business offices located across Japan.

As part of such activities, SuMi TRUST Bank has been supporting activities of the National Trust held across Japan, including those in habitat for the endangered Tsushima leopard cat in Nagasaki Prefecture's Tsushima, habitat for the endangered Amami-no-kurousagi (Amami rabbit) in Kagoshima Prefecture's Amami Oshima, and the site of Japan's northern-most native beech forest in the Hokkaido region's Kuromatsunai-cho.

(b) Support for the Seniors

In order to help customers enjoy fulfilling, safe, and secure retirement years, we send seminar speakers to organizations & local elderly-care homes and distribute "The Healthy Centenarian's Encyclopedia." We also leverage our expertise we have as a trust bank to organize our "Silver College" seminars for senior members of society at our branch offices across Japan. At these seminars leading experts invited from various fields talk about how to be prepared for the issues facing an aging society for a super aging society in an easy-to-understand manner.

(c) Contributions to Local Communities and Society

SuMi TRUST Bank organizes a variety of activities to contribute to local communities and society, including offering financial education events, participating in community development events and hosting seminars on disaster preparedness.

In 2016, in collaboration with a local NPO, the Fukui Branch offered a class at Yashironishi Elementary School on the Nakaikemi wetlands with a rare size of deep peat layers. The class was introduced in the news programs by NHK, in an article of Fukui Shimbun newspaper and other media.



Class held at Yashironishi Elementary School utilizing ICT (Information and Communication Technology) such as television video

5. Enhancement of CSR Communication

The SuMi TRUST Group strives to enhance CSR communication so as to facilitate a better understanding of its activities by clients and local communities.

(a) Education for Sustainable Development

In the field of education, learning opportunities that are reshaping our society and how we live are known as Education for Sustainable Development (ESD). SuMi TRUST Bank engages in ongoing efforts at elementary schools across Japan using ICT (Information and Communication Technology) such as television video to teach the children, who are the bearers of the next generation about activities of the National Trust in their vicinity.



(b) Green TV

Green TV Japan has more than 1,000 videos available for viewing free of charge, including a large selection of overseas videos as well as videos produced independently in Japan.

SuMi TRUST Bank has supported Green TV Japan as a media sponsor since it was first established in 2007.



Japanese website:
<http://www.japangreen.tv/>

(c) Branch Blog With You

In April 2012, SuMi TRUST Bank launched the "Branch Blog With You" site with the goal of interacting more closely with local people by publishing information unique to each community in real time and



Japanese website:
<http://branchblog.smtb.jp/>

by allowing our branch employees to express in their own words their thoughts about contributing to the local community. In addition to regularly introducing "With You" activities at branches around the country, the blog provides information about seminars and panel exhibitions being held in a timely manner, and is used proactively as a means of communication with customers.

Corporate Data:

Sumitomo Mitsui Trust Holdings, Inc.	76
Sumitomo Mitsui Trust Bank, Limited	78

Board of Directors and Executive Officers (As of July 1, 2016)

Representative Director, Chairman Hitoshi Tsunekage	External Director, Director Mikio Araki *1	Senior Managing Executive Officer Yukihiko Kitano	Managing Executive Officer Shigeki Tanaka
Representative Director, President Kunitaro Kitamura	Senior Corporate Auditor Takashi Kamikanda	Senior Managing Executive Officer Yoshikazu Tanaka	Executive Officer Toshio Masui
Representative Director, Deputy President Nobuo Iwasaki	Senior Corporate Auditor Yasuyuki Yagi	Managing Executive Officer Tadashi Nishimura	Executive Officer Kiyomitsu Asahi
Representative Director, Deputy President Rikiya Hattori	External Auditor, Corporate Auditor Tetsuya Yoshimoto *2	Managing Executive Officer Jiro Araumi	Executive Officer Kazuhisa Koashi
Representative Director, Deputy President Tetsuo Ohkubo	External Auditor, Corporate Auditor Shinichi Saito *2	Managing Executive Officer Masahiro Tsuchiya	Executive Officer Kazuya Oyama
Director, Managing Executive Officer Yoshiaki Koshimura	External Auditor, Corporate Auditor Takashi Yoshida *2	Managing Executive Officer Toru Takakura	
External Director, Director Soichi Shinohara *1	Deputy President Executive Officer Sumikazu Tsutsui	Managing Executive Officer Yutaka Nishida	
External Director, Director Takeshi Suzuki *1	Senior Managing Executive Officer Masaru Hashimoto	Managing Executive Officer Koichi Onaka	

*1 External Directors as provided for in Article 2, Paragraph 15 of the Companies Act.

*2 External Corporate Auditors as provided for in Article 2, Paragraph 16 of the Companies Act.

Employees (As of March 31, 2016)

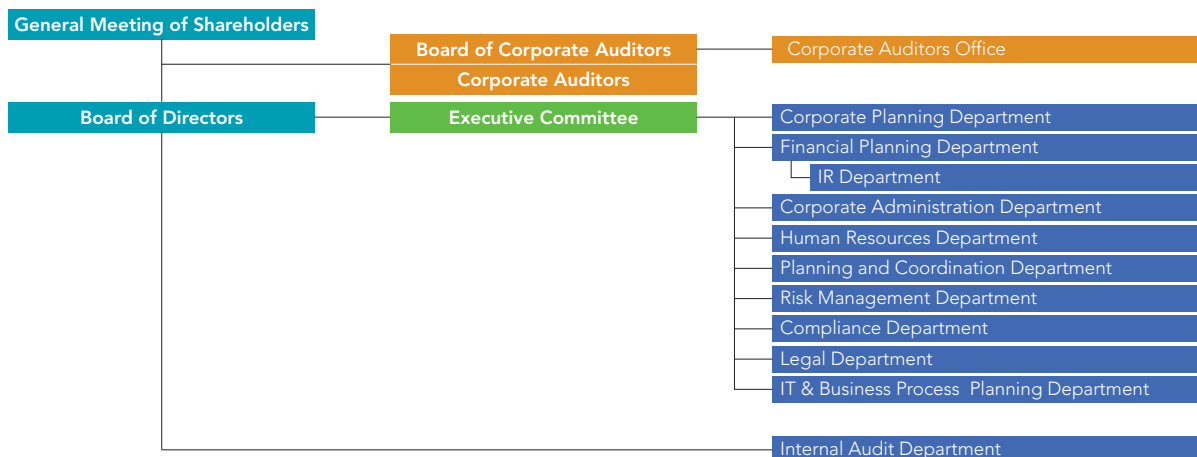
Category	March 31, 2016	March 31, 2015
Number of Employees	35	39
Average Age	45 years, 11 months	45 years, 5 months
Average Length of Employment	20 years, 11 months	21 years, 7 months
Average Annual Salary	¥ 12,356 thousand	¥ 12,497 thousand

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 April 1, 2016)



Subsidiaries and Affiliated Companies (As of June 30, 2016)

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 Sumitomo Mitsui Trust Bank, Limited, please refer to page 87.

Board of Directors and Executive Officers (As of July 1, 2016)

Representative Director, Chairman Kunitaro Kitamura	Corporate Auditor Hiroshi Misawa	Managing Executive Officer Kengo Noguchi	Executive Officer Kazuhisa Koashi
Representative Director, President Hitoshi Tsunekage	External Auditor, Corporate Auditor Yasuhiko Takano ^{*2}	Managing Executive Officer Naohiro Tanaka	Executive Officer Yoshinobu Yoshimoto
Representative Director, Deputy President Nobuo Iwasaki	External Auditor, Corporate Auditor Mitsuhiro Aso ^{*2}	Managing Executive Officer Toshio Yamasaki	Executive Officer Tsutomu Kurai
Representative Director, Deputy President Rikiya Hattori	External Auditor, Corporate Auditor Hiroya Nakakubo ^{*2}	Managing Executive Officer Seiji Iwakuma	Executive Officer Yoshinori Momose
Representative Director, Deputy President Sumikazu Tsutsui	Senior Managing Executive Officer Hideki Hiraki	Managing Executive Officer Shigeki Tanaka	Executive Officer Akiyoshi Nagashima
Representative Director, Deputy President Tetsuo Ohkubo	Senior Managing Executive Officer Yukihiko Kitano	Managing Executive Officer Yoshio Hishida	Executive Officer Ryouji Nishimoto
Director, Senior Managing Executive Officer Masaru Hashimoto	Senior Managing Executive Officer Akihiko Shirayama	Executive Officer Hiroshi Takahashi	Executive Officer Toshiya Shimobeppu
Director, Senior Managing Executive Officer Yoshikazu Tanaka	Senior Managing Executive Officer Tsuyoshi Saito	Executive Officer Akira Yokota	Executive Officer Keiichi Hamano
Director, Managing Executive Officer Yoshiaki Koshimura	Managing Executive Officer Akira Kamiyo	Executive Officer Kenji Kaiya	Executive Officer Noriyuki Awano
Director, Managing Executive Officer Tadashi Nishimura	Managing Executive Officer Mutsumi Watanabe	Executive Officer Toshio Masui	Executive Officer Futoshi Itani
Director, Managing Executive Officer Jiro Araumi	Managing Executive Officer Toshiya Nishino	Executive Officer Kouji Koyanagi	Executive Officer Kazuya Oyama
Director, Managing Executive Officer Masahiro Tsuchiya	Managing Executive Officer Koichi Onaka	Executive Officer Kuniyuki Shudo	Executive Officer Minoru Yokogawa
Director, Managing Executive Officer Toru Takakura	Managing Executive Officer Tadao Umezawa	Executive Officer Tetsuya Yamawaki	Executive Officer Tomohiro Nishimura
Director, Managing Executive Officer Yutaka Nishida	Managing Executive Officer Kazuhiro Sekine	Executive Officer Kenji Yamada	Executive Officer Yutaka Fujisawa
External Director, Director Toshio Hoshino ^{*1}	Managing Executive Officer Yasumi Nose	Executive Officer Kouji Tanaka	Executive Officer Takashi Kameda
External Director, Director Hiroshi Mitsunaga ^{*1}	Managing Executive Officer Hitoshi Sato	Executive Officer Yoshihisa Akutagawa	Executive Officer Hideshi Sano
External Director, Director Hiroko Kawamoto ^{*1}	Managing Executive Officer Atsushi Kaibara	Executive Officer Atsuhiko Tanimoto	Executive Officer Shigeki Moriki
Corporate Auditor Jun Sasaki	Managing Executive Officer Satoshi Kamiya	Executive Officer Kiyomitsu Asahi	

^{*1} External Directors as provided for in Article 2, Paragraph 15 of the Companies Act.

^{*2} External Corporate Auditors as provided for in Article 2, Paragraph 16 of the Companies Act.

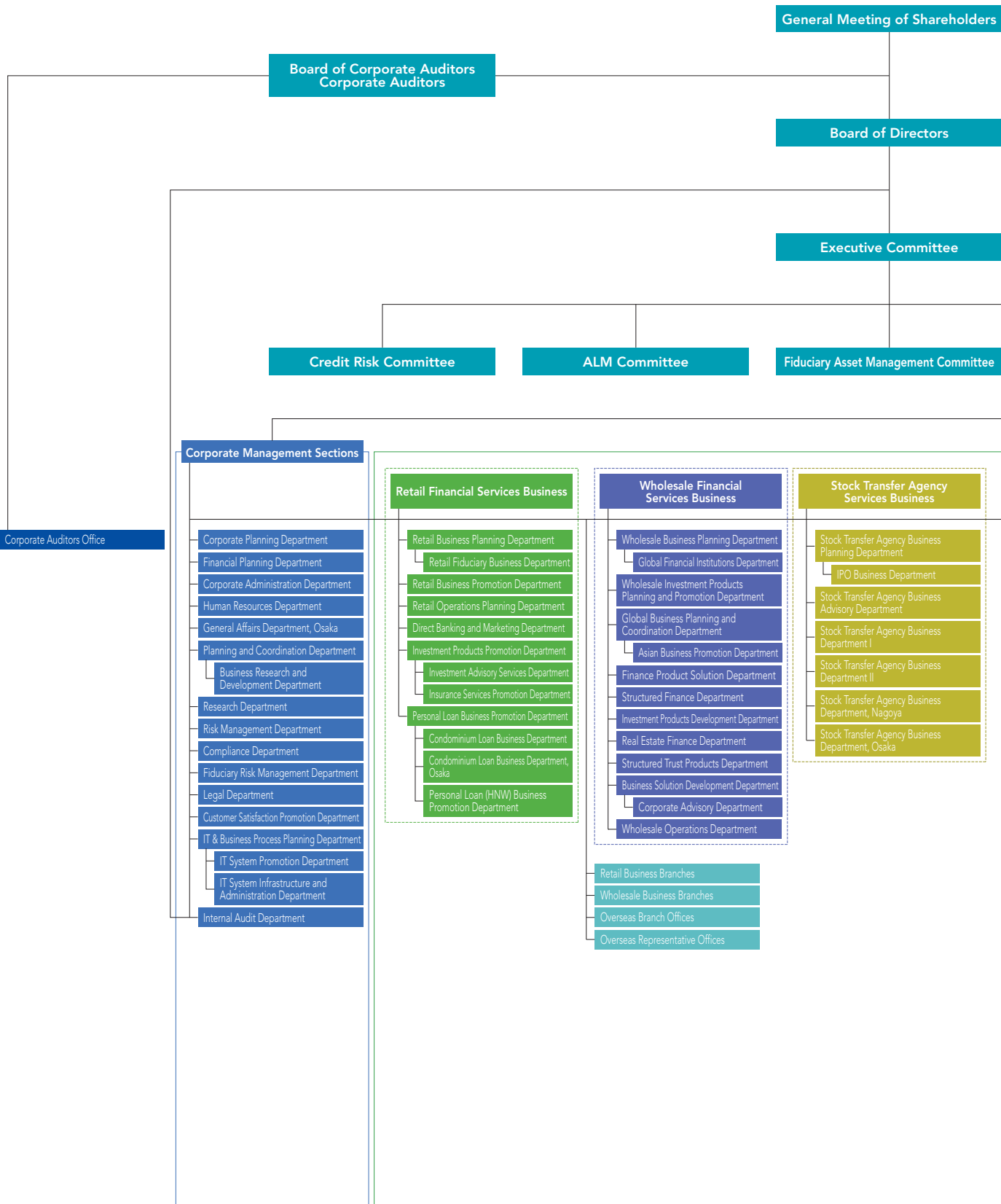
Employees (As of March 31, 2016)

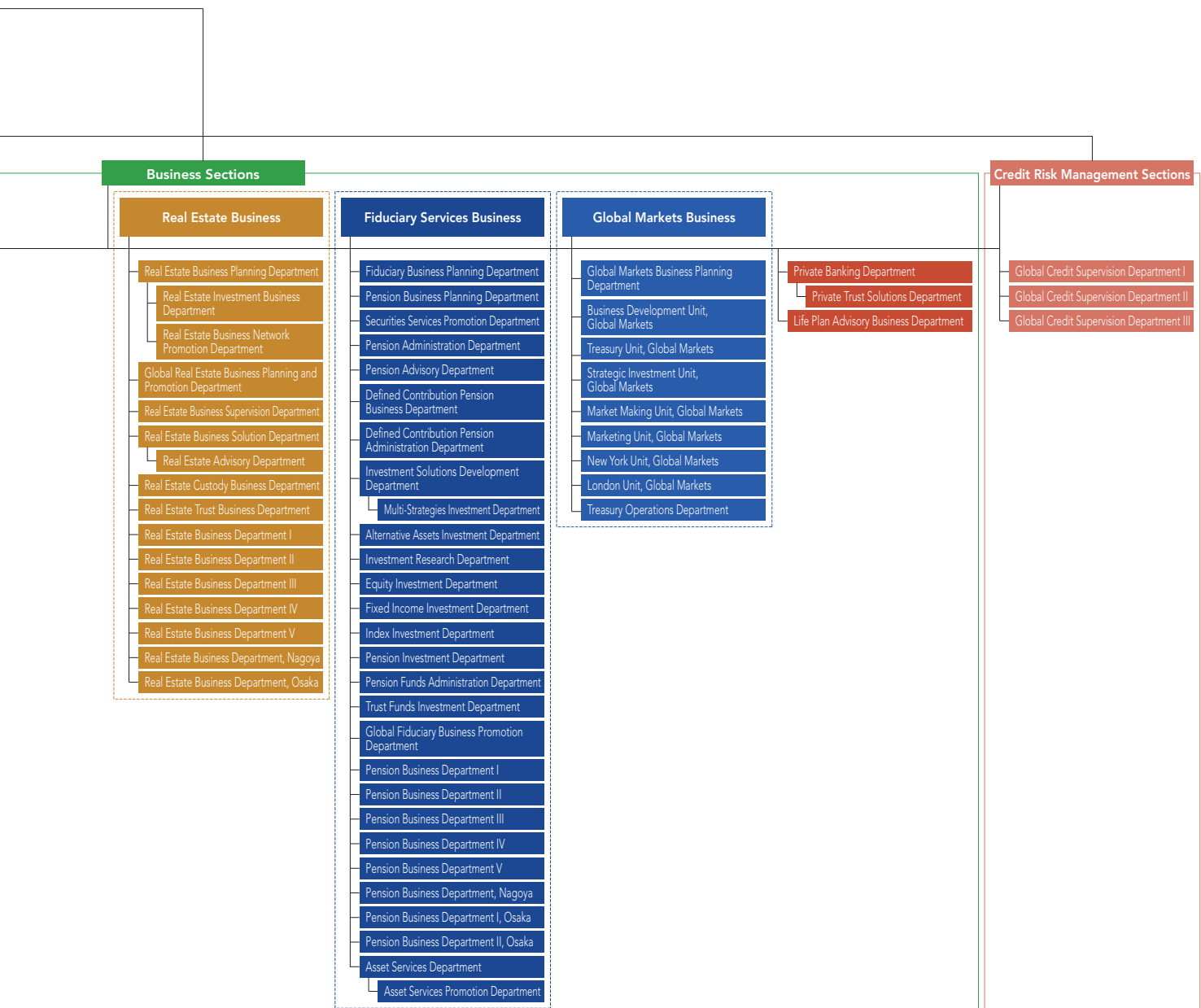
Category	March 31, 2016	March 31, 2015
Number of Employees	13,463	13,552
Average Age	42 years, 6 months	42 years, 2 months
Average Length of Employment	13 years, 1 month	12 years, 10 months
Average Annual Salary	¥ 7,220 thousand	¥ 7,205 thousand

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 April 1, 2016)

Top Message/ Top Interview
Our Business Model, Status of Group Businesses/ Financial Highlights
Special Feature
Comprehensive Capabilities of the Sumitomo Mitsui Trust Group/ Topics
Review of Operations
Management Structure
Corporate Data





Branches (As of June 30, 2016)

... 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, Kamiosaki 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

16-16, 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

4-5, Akebono-cho 2-chome, Tachikawa,
Tokyo 190-0012, Japan

Tachikawa-Kitaguchi Branch

4-5, Akebono-cho 2-chome, Tachikawa,
Tokyo 190-0012, Japan

Tachikawa Housing Loan Center Sub-Branch, Tachikawa Branch

14-13, Akebono-cho 1-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

Seiseki-Sakuragaoka Consulting Office*¹ (Seiseki-Sakuragaoka Sub-Branch, Shinjuku 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

*1 Seiseki-Sakuragaoka Consulting Office will be renamed Consulting Plaza Seiseki (Seiseki-Sakuragaoka Sub-Branch, Tama-Sakuragaoka Branch) on July 4, 2016.

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*2

14-10, 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

Consulting Plaza Kamiooka

(Kamiooka Sub-Branch,
Yokohamaeki-Nishiguchi Branch)

6-1, Kamiooka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa
233-8556, 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, Sagami-hara,
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

*2 Yokohama Branch will relocate to the location in the same building of the location of the Yokohamaeki-Nishiguchi Branch on July 19, 2016.

Koshinetsu, Hokuriku

Kofu Branch

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

Niigata Branch

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

Niigata-Chuo Branch

1178-1, Kamiokawa-maedoru 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, Ekimaeodori 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 (Semboku 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

Chugoku, Shikoku

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

3-6, Higashi Kuramae-cho, Wakayama 640-8203, Japan

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, Samsung Life Insurance Building, 55,
Sejong Street (Taepyeongno 2-ga), Jung-gu,
Seoul 04513, Korea

Number of Contracted Trust Agencies* (As of June 30, 2016)

*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		Trust Contract Agencies	Number of Agencies		
			Agencies Engaged in Concurrent Business		
			Stock Transfer Agency Service	Service Related to Wills	Solicitation for National Pension Fund
Banks, Shinkin Banks, etc.	93	67	43	64	41
Regional Banks	41	39	30	28	16
Second Regional Banks	17	12	8	13	11
Shinkin Central Bank, Shinkin Banks	31	13	3	21	14
Shoko Chukin Bank	1	1	—	1	—
(Total of Regional Financial Institutions)	90	65	41	63	41
City Banks, etc.	3	2	2	1	—
Securities Firms	7	1	4	7	—
Life Insurers and Business Enterprises	16	2	1	15	—
Total	116	70	48	86	41

Bank Service Agency (As of June 30, 2016)

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, 2016)

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	Clerical Agency, 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	91.6	—
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	—
Top REIT Asset Management Co., Ltd.	3-7, Yaesu 1-chome, Chuo-ku, Tokyo	October 22, 2004	¥ 300	Investment Corporation, Asset Management Business	69.0	—
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	IT-related Services Business	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	4.6	95.4
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	34.0	—
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 Petermelchen, 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	—
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 1,200	Trust Business	19.9	—
Midwest Railcar Corporation	4949 Autumn Oaks Drive, Suite B, Maryville, IL 62062, U.S.A.	December 31, 1998	\$ 46.1	Freight Railcar Operating Leasing Business in North America	—	100.0*
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

* 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")

How to Read the Financial Statements of Trust Banks (Unaudited)	90
Management's Discussion and Analysis (Unaudited)	92
Five-Year Summary (Unaudited)	100
Consolidated Balance Sheet	102
Consolidated Statement of Income	103
Consolidated Statement of Comprehensive Income	104
Consolidated Statement of Changes in Net Assets	105
Consolidated Statement of Cash Flows	108
Notes to the Consolidated Financial Statements	110
Independent Auditors' Report	176
Non-Consolidated Balance Sheets (Unaudited)	177
Non-Consolidated Statements of Income (Unaudited)	178
Non-Consolidated Statements of Changes in Net Assets (Unaudited)	179
Statements of Trust Account (Unaudited)	182
Notes to Statements of Trust Account (Unaudited)	183

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.
- (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.

(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.

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

Financial Data:

Management's Discussion and Analysis (Unaudited)

Overview of Business Activities of the Company

Economic and Financial Environment

Looking at the economic environment in Japan during the fiscal year under review, the employment situation continued to improve. Wages increased for the second straight year, and the jobs-to-applicants ratio achieved levels not seen since the so-called "bubble economy." However, the economy continued to stagnate, mainly due to a slowdown in the recovery of both personal consumption and capital investment, sluggish growth in exports and production due to slowdowns in overseas economies, and signs of a slower increase in corporate earnings in the second half of the fiscal year. The U.S. economy continued a steady recovery, and the U.S. Federal Reserve Board raised its key interest rate in December. However, the outlook for the global economy became increasingly uncertain owing to factors including China's economic slowdown, plunging in crude oil prices and emerging market currencies, and heightened geopolitical risks.

As a result, in the domestic financial market, the yield on the 10-year Japanese government bond fell into negative territory from early February following a decision by the Bank of Japan in January 2016 to introduce a negative-interest rate policy. The yen temporarily weakened against the dollar but soon returned to an appreciation trend. The Nikkei Stock Average, which was hovering around 20,000 yen until last summer, followed a downward trend at the beginning of the year and dropped to around 17,000 yen at the end of the fiscal year.

Developments of Business Activities

The SuMi TRUST Group worked on various business activities amid these economic and financial conditions, being the sole independent financial group in Japan that specializes in trust banking. The SuMi TRUST Group seeks to refine a business model by which the SuMi TRUST Group provides distinct added value services and enhances profitability while strengthening collaboration among the SuMi TRUST Group companies. The SuMi TRUST Group also leverages cooperation with 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 SuMi TRUST Bank as the core is described below.

1) Retail Financial Services Business

With regard to investment trusts and life insurance sales in the retail financial services business, SuMi TRUST Bank enhanced its consulting sales. Our focus was on "long-term, diversified and stable" management mainly with "Wrap Selection," which includes discretionary investment management products (wrap accounts), investment trusts, and individual annuity insurance. Also, SuMi TRUST Bank endeavored to enhance its lineup of products that capture the latest market trends, such as "Japan Post Equity and Group Equity Fund." For loans to individuals, SuMi TRUST Bank worked to expand the balance of loans by such means as flexibly setting interest rates for mortgage loans based on trends in market interest rates and enhancing ancillary services including disease security insurance. In inheritance-related services, SuMi TRUST Bank focused on expanding its business with clients across generations by providing products that are passed on from one generation to the next, including "Devotion for Grandchildren," a tuition fund endowment trust, and the newly introduced Support Trust for Marriage and

Child-rearing ("Thoughts that Connect") and also by increasing the number of its highly specialized financial consultants who possess a wealth of experience. Furthermore, SuMi TRUST Bank worked to provide timely information to clients and improve its services by continuously holding seminars and consultation meetings.

SBI Sumishin Net Bank, Ltd. enhanced its products and services that leverage its strengths as a dedicated internet bank and worked to expand its balance of loans by initiatives such as enhancement of the sales of card loans, in addition to the 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, SuMi TRUST Bank opened Sumitomo Mitsui Trust Bank (Thai) Public Company Limited to capture the economic growth of the Asian region. It also made efforts to conduct a broad range of operations, such as expansion of business transactions with local subsidiaries of Japanese corporations and non-Japanese corporations as well as initiatives for various structured finance products through the utilization of collaboration with globally operating overseas financial institutions. In addition, SuMi TRUST Bank continued its efforts in developing new investment products, which take into consideration the negative interest rate policy, and capturing new transaction opportunities through asset management consulting to clients such as financial institutions. It also worked on offering asset management and administration proposals to clients such as business owners and providing financing functions to client-run investment funds. SuMi TRUST Bank also continued to devise appropriate responses to facilitate the financing needs of corporate clients.

3) Stock Transfer Agency Services Business

In the stock transfer agency services business, SuMi TRUST Bank actively provided consulting services to corporate clients to support their response to corporate governance code and other activities relating to ESG (environment, society and governance), by using our wealth of information and know-how based on the industry's largest service base. It also focused on strengthening clerical agent services for clients pursuing initial public offering through collaboration with the wholesale financial services business. SuMi TRUST Bank also worked to further improve its services, such as provision of information on trends in the exercise of voting rights and support for general shareholders meeting as well as for corporate public relations activities for investors and shareholders. Efforts were made to reduce costs by streamlining and improving the quality of administrative work.

4) Real Estate Business

In the real estate business, SuMi TRUST Bank focused on expanding brokerage transactions with both corporate and individual clients through collaboration with client departments in the SuMi TRUST Group companies and enhancement of its proposal capabilities to meet the clients' needs. In addition, SuMi TRUST Bank pushed ahead with expanding the volume of information acquired through various consulting functions concerning construction, investment and other matters. It also worked to expand the domestic and overseas real estate network mainly through collaboration with external partners to acquire a new customer base and actively promote the globalization of its real estate business. With regard to real estate securitization trust business, SuMi TRUST Bank made efforts to increase its balance and to reduce costs by streamlining operations.

5) Fiduciary Services Business

In the pension-related business of the Fiduciary services business, SuMi TRUST Bank leveraged its unique capabilities in the provision of information and proposals across both pension systems and asset management, including proposals of pension plans after dissolution of company employees' pension funds (*Kosei-nenkin-kikin*). SuMi TRUST Bank also focused on developing new clients, as well as further cultivating business with existing clients, by providing high-quality administration services. In asset management and administration services, SuMi TRUST Bank worked to enhance its product lineup through development of new investment products and improve asset management performance. Efforts were made to propose customized asset management schemes and asset administration services in line with client needs. Furthermore, SuMi TRUST Bank made efforts to increase collaboration with domestic and overseas financial institutions, and to enhance its base for developing its asset management and administration services globally through its overseas subsidiaries and affiliated companies.

Japan Trustee Services Bank, Ltd. continued to enhance its services in order to improve client satisfaction and made efforts to bolster competitiveness by responding to the introduction of the negative interest-rate policy and reducing costs through streamlining operations.

6) Global Markets Business

In the global markets business, amid financial market turmoil, SuMi TRUST Bank achieved solid earnings by controlling risks in a flexible manner based on the economic environment in which macroeconomic decisions are made. In addition, SuMi TRUST Bank worked to expand and diversify its foreign currency funding and to increase overseas derivatives transactions. Furthermore, SuMi TRUST Bank made efforts to enhance its proposal capabilities to clients and to expand products and services to address risks related to interest rates, foreign exchange, and other factors.

Results of Business Activities

(Consolidated Financial Results for the Fiscal Year 2015)

In the current fiscal year, net business profit before credit costs increased by ¥1.5 billion (U.S. \$13 million) from the previous fiscal year to ¥318.3 billion (U.S. \$2,826 million). This was due to an increase in net fees and commissions and related profit yielded mainly by asset management and property brokerage yielded despite a decrease in net interest income and related profit recorded by SuMi TRUST Bank.

"Income" decreased by ¥4.9 billion (U.S. \$44 million) from the previous fiscal year to ¥1,201 billion (U.S. \$10,669 million). This was mainly due to an increase in credit costs affected by the non-recurrence of the reversal of "Allowance for Loan Losses," which was recorded for the fiscal year ended March 31, 2015, despite an increase in "Net Gains on Stocks."

"Net Income Attributable to Owners of the Parent" increased by ¥7.2 billion (U.S. \$64 million) from the previous fiscal year to ¥166.9 billion (U.S. \$1,482 million). There was mainly due to the effect of non-recurrence of banking IT system integration costs for SuMi TRUST Bank as "Extraordinary Losses," which were recorded in the previous fiscal year.

Consolidated BIS Capital Adequacy Ratio

Consolidated Equity Tier 1 capital ratio was 11.36%, Consolidated Tier 1 capital ratio was 13.36%, and Consolidated Total capital ratio was 16.75% as of March 31, 2016, exceeding the minimum regulatory requirements of 5.25%, 6.75%, and 8.75%, 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 ¥112.63 to U.S. \$1, the approximate rate of exchange as of March 31, 2016.

Operating Results (Consolidated)

Years Ended March 31	Millions of Yen			Millions of U.S. Dollars
	2016	2015	Changes	2016
Gross Profit (excluding Trust Account Credit Costs)	¥ 697,810	¥ 690,993	¥ 6,816	\$ 6,196
Trust Account Credit Costs (A)	—	—	—	—
General and Administrative Expenses (excluding non-recurring expenses)	(405,019)	(398,912)	(6,107)	(3,596)
Net Provision of General Allowance for Loan Losses (B)	(6,812)	—	(6,812)	(60)
Banking Account Credit Costs (C)	(21,938)	(1,926)	(20,012)	(195)
Reversal of Allowance for Loan Losses (D)	—	18,978	18,978	—
Recoveries of Written-Off Claims (E)	2,795	2,273	522	25
Net Gains (Losses) on Stocks and Other Securities	29,660	(2,170)	31,830	263
Net Income from Affiliated Companies Accounted for by the Equity Method	7,702	5,380	2,322	68
Impairment Loss	(4,080)	(5,017)	936	(36)
Management Integration Expenses	—	(8,480)	8,480	—
Others	(26,981)	(68,540)	41,558	(240)
Income before Income Taxes	273,136	232,578	40,557	2,425
Net Income Attributable to Owners of the Parent	166,909	159,665	7,243	1,482
Total Credit Costs (A+B+C+D+E)	(25,955)	19,325	(45,281)	(230)
Net Business Profit before Credit Costs	318,331	316,786	1,544	2,826

(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 ¥11.9 billion (U.S. \$106 million) from the previous fiscal year to ¥230.9 billion (U.S. \$2,050 million) due mainly to an increase in foreign currency funding cost.

"Net Fees and Commissions" increased by ¥15.7 billion (U.S. \$139 million) from the previous fiscal year to ¥275.8 billion (U.S. \$2,449 million), due to an increase in net fees and commissions and related profit that mainly asset management and property brokerage yielded.

Accordingly, "Gross Profit" increased by ¥6.8 billion (U.S.

\$60 million) from the previous fiscal year to ¥697.8 billion (U.S. \$6,196 million).

On the other hand, "General and Administrative Expenses (excluding non-recurring effects)" increased by ¥6.1 billion (U.S. \$54 million) from the previous fiscal year to ¥405.0 billion (U.S. \$3,596 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, increased by ¥1.5 billion (U.S. \$13 million) from the previous fiscal year to ¥318.3 billion (U.S. \$2,826 million).

Major Profit and Losses (Consolidated)

Years Ended March 31	Millions of Yen			Millions of U.S. Dollars
	2016	2015	Changes	2016
Gross Profit (excluding Trust Account Credit Costs)	¥ 697,810	¥ 690,993	¥ 6,816	\$ 6,196
Net Trust Fees:	105,537	104,703	834	937
Trust Account Credit Costs (deduction)	—	—	—	—
Trust Fees from Loan Trusts and Jointly-Operated Money Trusts (before deducting Trust Accounts Credit Costs)	11,865	8,987	2,878	105
Other Trust Fees	93,672	95,715	(2,043)	832
Net Interest Income:	230,944	242,882	(11,937)	2,050
Interest Income	372,076	369,229	2,846	3,304
Interest Expenses	(141,131)	(126,347)	(14,784)	(1,253)
Net Fees and Commissions:	275,818	260,095	15,723	2,449
Fees and Commissions	356,247	333,756	22,491	3,163
Fees and Commissions Payments	(80,428)	(73,661)	(6,767)	(714)
Net Trading Income:	15,535	32,428	(16,892)	138
Trading Income	15,964	32,428	(16,464)	142
Trading Expenses	(428)	—	(428)	(4)
Net Other Ordinary Income and Expenses: (excluding non-recurring expenses)	69,972	50,884	19,008	621
Other Ordinary Income	286,009	288,014	(2,004)	2,539
Other Ordinary Expenses	(216,036)	(237,129)	21,092	(1,918)
General and Administrative Expenses	(405,019)	(398,912)	(6,107)	(3,596)
Net Business Profit before Credit Costs	318,331	316,786	1,544	2,826

(Note) Amounts in parentheses represent losses or expenses, and profit decreases from the previous fiscal year.

Credit Costs (Consolidated)

"Total Credit Costs" increased by ¥45.2 billion (U.S. \$401 million) from the previous fiscal year to ¥(25.9) billion (U.S. \$(2,300) 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, 2015, and the disposal of non-performing loans.

Credit Costs (Consolidated)

Years Ended March 31	Millions of Yen			Millions of U.S. Dollars
	2016	2015	Changes	2016
Total Credit Costs	¥ (25,955)	¥ 19,325	¥ (45,281)	\$ (230)
Trust Account Credit Costs	—	—	—	—
Banking Account Credit Costs	(21,938)	(1,926)	(20,012)	(195)
Write-Off of Loans	(9,377)	(1,658)	(7,719)	(83)
Net Provision of Specific Allowance for Loan Losses	(12,383)	—	(12,383)	110
Losses on Sales of Loans	(177)	(267)	90	(2)
Net Provision of General Allowance for Loan Losses	(6,812)	—	(6,812)	60
Reversal of Allowance for Loan Losses	—	18,978	(18,979)	—
Recoveries of Written-Off Claims	2,795	2,273	522	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 ¥31.8 billion (U.S. \$282 million) from the previous fiscal year to ¥29.6 billion (U.S. \$263 million).

Net Gains (Losses) on Stocks and Other Securities (Consolidated)

Years Ended March 31	Millions of Yen			Millions of U.S. Dollars
	2016	2015	Changes	2016
Net Gains (Losses) on Stocks and Other Securities	¥ 29,660	¥ (2,170)	¥ 31,831	\$ 263
Gains (Losses) on Sales of Stocks and Other Securities	36,010	(1,850)	37,861	320
Losses on Devaluation of Stocks and Other Securities	(6,350)	(319)	(6,031)	(56)

(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, 2016, consolidated "Total Assets" were ¥58,229.9 billion (U.S. \$517 billion), an increase of ¥11,993.9 billion (U.S. \$106 billion), and consolidated "Total Net Assets" were ¥2,704.5 billion (U.S. \$24 billion), a decrease of ¥12.4 billion (U.S. \$0.1 billion), compared with those as of the end of the previous fiscal year, respectively.

In particular, "Cash and Due from Banks" increased by ¥9,393.7 billion (U.S. \$83 billion) to ¥19,924.5 billion (U.S. \$177 billion), "Loans and Bills Discounted" increased by ¥1,975.7 billion (U.S. \$18 billion) to ¥27,525.8 billion (U.S. \$244 billion), "Securities" increased by ¥112.8 billion (U.S. \$1 billion) to ¥4,926.2 billion (U.S. \$44 billion), and "Deposits" increased by ¥1,622.2 billion (U.S. \$6 billion) to ¥26,701.9 billion (U.S. \$237 billion), compared with those as

of the end of the previous fiscal year.

"Total Assets of Trust Accounts" increased by ¥12,831.7 billion (U.S. \$114 billion) to ¥236,757.3 billion (U.S. \$2,102 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 ¥76.0 billion (U.S. \$0.7 billion) from the end of the previous fiscal year to ¥90.1 billion (U.S. \$0.8 billion). The ratio of "Problem Assets under the Financial Reconstruction Act" to Total Balance fell 0.3% from the previous fiscal year to 0.3%.

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)

As of March 31	Billions of Yen			Billions of U.S. Dollars
	2016	2015	Changes	2016
Problem Assets under the Financial Reconstruction Act	¥ 90.1	¥ 166.1	¥ (76.0)	\$ 1
Total Balance	27,663.4	26,454.2	(23,687.9)	25
Ratio to Total Balance	0.3%	0.6%	2.6%	0.6%

Banking Account

Classification	Billions of Yen, Except for Percentages							
	Balance		Coverage Ratio		Collateral/Allowance		Allowance Ratio	
As of March 31	2016	2015	2016	2015	2016		2016	2015
Bankrupt and Practically Bankrupt Loans (A)	¥ 11.9	¥ 10.4	100%	100%	Specific Allowance Provided	¥ 4.4	100%	100%
					Covered by Collateral/Guarantee	7.4		
					Uncovered	4.1		
Doubtful Loans (B)	39.9	76.2	89%	91%	Specific Allowance Provided	7.9	66%	72%
					Covered by Collateral/Guarantee	27.9		
					Uncovered	4.7		
Substandard Loans (C)	33.2	72.9	86%	79%	General Allowance Provided	1.3	22%	25%
					Covered by Collateral/Guarantee	27.2		
					Uncovered	4.7		
Total of (A), (B), and (C)	85.0	159.5						
Total Balance	27,607.5	26,386.2						
Ratio to Total Balance	0.3%	0.6%						

Principal Guaranteed Trust Account

Classification	Billions of Yen, Except for Percentages					
	Balance		Coverage Ratio		Collateral/Allowance	
As of March 31	2016	2015	2016	2015	2016	
Bankrupt and Practically Bankrupt Loans (A)	¥ 0.0	¥ 0.0	100%	100%	Covered by Collateral/Guarantee	¥ 0.0
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)	5.1	6.6			Allowance for Loan Trusts	0.0
					Allowance for Jointly Operated Money Trusts	0.1
Total Balance	55.9	67.9				
Ratio to Total Balance	9.2%	9.7%				

Net Interest Spread (Domestic Banking Account and Principal Guaranteed Trust Account)

Years Ended March 31	Percentage Points		
	2016	2015	Changes
Average Yield on Interest-Earning Assets (a)	0.72%	0.81%	(0.09)%
Loans and Bills Discounted (A)	0.84	0.93	(0.09)
Securities	1.59	1.49	0.10
Average Yield on Interest-Bearing Liabilities (b)	0.20	0.25	(0.05)
Deposits (B)	0.19	0.23	(0.04)
Gross Margin (a)–(b)	0.52	0.56	(0.04)
Loan-Deposit Margin (A)–(B)	0.65	0.70	(0.05)

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

Consolidated Statements of Banking Account	Millions of Yen				
	2016	2015	2014	2013	2012
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 19,924,523	¥ 10,530,766	¥ 6,916,949	¥ 3,902,377	¥ 2,597,784
Call Loans and Bills Bought	705,252	205,075	651,552	514,228	283,000
Securities	4,926,236	4,813,354	5,764,450	6,346,001	6,795,726
Loans and Bills Discounted	27,525,862	25,550,064	23,824,035	22,391,660	20,636,457
Foreign Exchanges	17,223	12,732	12,114	59,570	9,440
Customers' Liabilities for Acceptances and Guarantees	503,742	531,500	485,384	583,945	619,967
Others	4,627,107	4,592,456	4,234,927	3,906,248	3,433,933
Total Assets	¥ 58,229,948	¥ 46,235,949	¥ 41,889,413	¥ 37,704,031	¥ 34,376,309
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 33,832,580	¥ 31,650,278	¥ 29,223,508	¥ 27,127,414	¥ 25,330,682
Call Money and Bills Sold	38,968	497,600	200,005	168,355	125,173
Borrowed Money	2,580,524	2,492,087	1,906,117	1,169,032	1,122,265
Foreign Exchanges	259	140	124	106	71
Acceptances and Guarantees	503,742	531,500	485,384	583,945	619,967
Others	18,569,363	8,347,368	7,633,229	6,324,702	4,841,118
Total Liabilities	¥ 55,525,436	¥ 43,518,975	¥ 39,448,370	¥ 35,373,557	¥ 32,039,277
Net Assets:					
Shareholders' Equity	¥ 1,966,813	¥ 1,860,185	¥ 1,901,775	¥ 1,711,556	¥ 1,817,812
Accumulated Other Comprehensive Income	410,160	529,638	203,599	134,482	9,032
Subscription Rights to Shares	421	246	47	19	6
Non-Controlling Interests	327,116	326,902	335,620	484,415	510,181
Total Net Assets	¥ 2,704,511	¥ 2,716,973	¥ 2,441,043	¥ 2,330,474	¥ 2,337,031
Total Liabilities and Net Assets	¥ 58,229,948	¥ 46,235,949	¥ 41,889,413	¥ 37,704,031	¥ 34,376,309
For the Year					
Income:					
Trust Fees	¥ 105,537	¥ 104,703	¥ 104,747	¥ 96,190	¥ 98,207
Interest Income	372,076	369,229	356,811	339,266	374,744
Fees and Commissions	356,247	333,756	322,808	282,555	262,914
Trading Income	15,964	32,428	24,604	24,350	12,488
Other Ordinary Income	286,009	288,014	290,036	315,158	533,445
Other Income	65,789	78,400	89,156	64,135	87,877
Total Income	¥ 1,201,625	¥ 1,206,532	¥ 1,188,165	¥ 1,121,655	¥ 1,369,678
Expenses:					
Interest Expenses	¥ 141,131	¥ 126,347	¥ 129,169	¥ 119,535	¥ 121,067
Fees and Commissions Payments	80,428	73,661	70,464	69,774	59,580
Trading Expenses	428	—	228	339	83
Other Ordinary Expenses	216,036	237,129	240,157	230,030	389,422
General and Administrative Expenses	405,078	405,901	402,877	385,728	386,558
Other Expenses	85,385	130,914	98,616	87,912	117,998
Total Expenses	¥ 928,488	¥ 973,954	¥ 941,514	¥ 893,321	¥ 1,074,711
Income before Income Taxes	273,136	232,578	246,650	228,334	294,967
Net Income	¥ 179,150	¥ 159,665	¥ 137,675	¥ 133,768	¥ 164,660

Yen					
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 43.33	¥ 40.38	¥ 34.48	¥ 31.27	¥ 38.54
Net Income per Share of Common Stock (Fully Diluted)	43.32	40.38	34.48	—	—
Net Assets per Share of Common Stock	618.11	618.63	511.02	470.71	413.11

Millions of Yen					
Statements of Trust Account	2016	2015	2014	2013	2012
Total Assets	¥236,757,301	¥223,925,575	¥197,783,263	¥180,208,811	¥168,335,650

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				
	2016	2015	2014	2013	2012
As of the Year-End					
Assets:					
Current Assets:	¥ 82,563	¥ 91,049	¥ 111,835	¥ 55,581	¥ 8,927
Cash and Due from Banks	1,205	1,101	2,465	1,719	2,077
Securities	69,000	78,500	103,000	27,000	—
Non-Current Assets:	1,741,389	1,561,400	1,641,201	1,652,532	1,923,180
Investments and Other Assets	1,741,388	1,561,399	1,641,199	1,652,530	1,923,175
Total Assets	¥ 1,823,953	¥ 1,654,043	¥ 1,755,995	¥ 1,708,113	¥ 1,932,107
Liabilities:					
Current Liabilities	¥ 2,562	¥ 2,642	¥ 2,604	¥ 1,464	¥ 1,799
Non-Current Liabilities:	328,036	148,351	130,659	160,616	189,861
Bonds Payable	328,000	148,000	128,800	160,500	189,700
Provision for Retirement Benefits	—	—	—	—	—
Total Liabilities	¥ 330,598	¥ 150,994	¥ 133,263	¥ 162,081	¥ 191,661
Net Assets:					
Shareholders' Equity	¥ 1,493,160	¥ 1,502,802	¥ 1,622,684	¥ 1,546,012	¥ 1,740,440
Subscription Rights to Shares	421	246	47	19	6
Total Net Assets	¥ 1,493,582	¥ 1,503,048	¥ 1,622,731	¥ 1,546,032	¥ 1,740,446
Total Liabilities and Net Assets	¥ 1,824,180	¥ 1,654,043	¥ 1,755,995	¥ 1,708,113	¥ 1,932,107
For the Year					
Operating Income:	¥ 59,926	¥ 59,918	¥ 34,530	¥ 57,325	¥ 41,253
Dividends Received from Subsidiaries	54,778	55,667	29,550	51,963	33,738
Operating Expenses:	2,315	2,368	3,062	4,169	4,920
General and Administrative Expenses	2,315	2,368	3,062	4,169	4,920
Operating Profit	¥ 57,611	¥ 57,550	¥ 31,467	¥ 53,155	¥ 36,333
Non-Operating Income	¥ 2,615	¥ 434	¥ 369	¥ 84	¥ 28
Non-Operating Expenses	9,722	6,810	7,403	7,146	8,945
Income before Income Taxes	¥ 50,504	¥ 51,174	¥ 24,433	¥ 46,093	¥ 27,416
Net Income	¥ 50,503	¥ 51,173	¥ 24,431	¥ 46,089	¥ 27,409
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 13.11	¥ 12.54	¥ 5.13	¥ 10.04	¥ 5.49
Net Income per Share of Common Stock (Fully Diluted)	13.10	12.54	5.13	—	—
Net Assets per Share of Common Stock	388.28	389.02	387.32	389.30	392.30

(Note) Net Income per Share of Common Stock (Fully Diluted) for the fiscal years ended March 31, 2013, and 2012 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, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Assets:			
Cash and Due from Banks	¥ 19,924,523	¥ 10,530,766	\$ 176,902
Call Loans and Bills Bought	705,252	205,075	6,262
Receivables under Resale Agreements	110,377	136,188	980
Receivables under Securities Borrowing Transactions	326,457	310,806	2,898
Monetary Claims Bought	889,445	794,838	7,897
Trading Assets (Notes 1, 2, and 4)	614,290	754,962	5,454
Money Held in Trust	1,749	1,619	16
Securities (Notes 2, 4, and 14)	4,926,236	4,813,354	43,738
Loans and Bills Discounted (Notes 3, 4, and 5)	27,525,862	25,550,064	244,392
Foreign Exchanges	17,223	12,732	153
Lease Receivables and Investment Assets (Note 4)	608,433	547,016	5,402
Other Assets (Notes 4 and 8)	1,622,859	1,547,226	14,409
Tangible Fixed Assets (Note 6)	226,824	223,568	2,014
Intangible Fixed Assets (Note 7)	202,163	159,256	1,795
Assets for Retirement Benefits	91,404	190,706	812
Deferred Tax Assets	23,952	16,280	213
Customers' Liabilities for Acceptances and Guarantees	503,742	531,500	4,473
Allowance for Loan Losses	(90,851)	(90,015)	(807)
Total Assets	¥ 58,229,948	¥ 46,235,949	\$ 517,002
Liabilities:			
Deposits (Notes 4 and 9)	¥ 26,701,948	¥ 25,079,711	\$ 237,077
Negotiable Certificates of Deposit	7,130,632	6,570,567	63,310
Call Money and Bills Sold	38,968	497,600	346
Payables under Repurchase Agreements (Note 4)	653,456	462,942	5,802
Trading Liabilities (Note 1)	451,751	405,188	4,011
Borrowed Money (Notes 4 and 10)	2,580,524	2,492,087	22,912
Foreign Exchanges	259	140	2
Short-Term Bonds Payable	1,253,207	974,317	11,127
Bonds Payable (Note 11)	1,076,118	1,026,113	9,554
Borrowed Money from Trust Account (Note 12)	13,694,600	3,983,261	121,589
Other Liabilities (Note 13)	1,253,630	1,278,628	11,131
Provision for Bonuses	16,321	16,312	145
Provision for Directors' Bonuses	255	230	2
Liabilities for Retirement Benefits	13,937	12,152	124
Provision for Reward Points Program	17,711	495	157
Provision for Reimbursement of Deposits	3,676	3,598	33
Provision for Contingent Losses	7,642	8,533	68
Deferred Tax Liabilities	123,927	172,271	1,100
Deferred Tax Liabilities for Land Revaluation (Note 6)	3,126	3,322	28
Acceptances and Guarantees (Note 4)	503,742	531,500	4,473
Total Liabilities	¥ 55,525,436	¥ 43,518,975	\$ 492,990
Net Assets:			
Total Shareholders' Equity:	¥ 1,966,813	¥ 1,860,185	\$ 17,463
Capital Stock	261,608	261,608	2,323
Capital Surplus	645,106	645,261	5,728
Retained Earnings	1,087,195	970,373	9,653
Treasury Stock	(27,097)	(17,057)	(241)
Total Accumulated Other Comprehensive Income:	410,160	529,638	3,642
Valuation Differences on Available-for-Sale Securities	467,517	505,448	4,151
Deferred Gains (Losses) on Hedges	(13,169)	(20,605)	(117)
Revaluation Reserve for Land (Note 6)	(5,819)	(5,951)	(52)
Foreign Currency Translation Adjustments	2,800	14,953	25
Adjustments for Retirement Benefits	(41,168)	35,793	(366)
Subscription Rights to Shares	421	246	4
Non-Controlling Interests	327,116	326,902	2,904
Total Net Assets	¥ 2,704,511	¥ 2,716,973	\$ 24,012
Total Liabilities and Net Assets	¥ 58,229,948	¥ 46,235,949	\$ 517,002

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 618.11	¥ 618.63	\$ 5.49

See accompanying notes.

The figures in U.S. dollars are converted from a yen basis for convenience at the rate of ¥112.63 to U.S. \$1.00, the exchange rate prevailing as of March 31, 2016.

Consolidated Statement of Income

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Income:			
Trust Fees	¥ 105,537	¥ 104,703	\$ 937
Interest Income:	372,076	369,229	3,304
Interest on Loans and Discounts	259,957	259,823	2,308
Interest and Dividends on Securities	86,544	85,819	768
Interest on Call Loans and Bills Bought	857	1,642	8
Interest on Receivables under Resale Agreements	925	883	8
Interest on Receivables under Securities Borrowing Transactions	18	56	0
Interest on Deposits with Banks	18,610	15,070	165
Other Interest Income (Note 1)	5,161	5,933	46
Fees and Commissions	356,247	333,756	3,163
Trading Income (Note 2)	15,964	32,428	142
Other Ordinary Income (Note 3)	286,009	288,014	2,539
Other Income (Note 4)	65,789	78,400	584
Total Income	¥ 1,201,625	¥ 1,206,532	\$ 10,669
Expenses:			
Interest Expenses:	¥ 141,131	¥ 126,347	\$ 1,253
Interest on Deposits	61,617	63,677	547
Interest on Negotiable Certificates of Deposit	16,575	11,241	147
Interest on Call Money and Bills Sold	1,234	1,548	11
Interest on Payables under Repurchase Agreements	4,403	1,146	39
Interest on Payables under Securities Lending Transactions	7	16	0
Interest on Borrowings	9,143	8,983	81
Interest on Short-Term Bonds	2,810	1,817	25
Interest on Bonds	15,788	19,258	140
Other Interest Expenses (Note 1)	29,550	18,656	262
Fees and Commissions Payments	80,428	73,661	714
Trading Expenses (Note 2)	428	—	4
Other Ordinary Expenses (Note 3)	216,036	237,129	1,918
General and Administrative Expenses (Note 5)	405,078	405,901	3,597
Other Expenses (Note 4)	85,385	130,914	758
Total Expenses	¥ 928,488	¥ 973,954	\$ 8,244
Income before Income Taxes	¥ 273,136	¥ 232,578	\$ 2,425
Income Taxes:	93,986	60,178	834
Current	72,470	49,372	643
Deferred	21,515	10,805	191
Net Income	¥ 179,150	¥ 172,400	\$ 1,591
Net Income Attributable to Non-Controlling Interests	12,240	12,734	109
Net Income Attributable to Owners of the Parent	¥ 166,909	¥ 159,665	\$ 1,482
	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 43.33	¥ 40.38	\$ 0.38
Net Income per Share of Common Stock (Fully Diluted)	¥ 43.32	¥ 40.38	\$ 0.38

See accompanying notes.

Financial Data:

Consolidated Statement of Comprehensive Income

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net Income	¥ 179,150	¥ 172,400	\$ 1,591
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	(33,514)	266,571	(298)
Deferred Gains (Losses) on Hedges	3,149	(2,345)	28
Revaluation Reserve for Land	175	339	2
Foreign Currency Translation Adjustments	(11,134)	6,517	(99)
Adjustments for Retirement Benefits	(77,014)	50,831	(684)
Attributable to Equity-Method Affiliated Companies	(1,451)	5,071	(13)
Total Other Comprehensive Income (Loss) (Note 1)	¥(119,791)	¥ 326,984	\$ (1,064)
Comprehensive Income:	¥ 59,359	¥ 499,385	\$ 527
Comprehensive Income Attributable to Owners of the Parent	47,474	486,233	422
Comprehensive Income Attributable to Non-Controlling Interests	11,884	13,151	106

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, 2016 and 2015

From April 1, 2015 to March 31, 2016

	Millions of Yen				
	Shareholders' Equity				Total Shareholders' Equity
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	
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						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Year	¥ 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, 2014 to March 31, 2015

	Millions of Yen				
	Shareholders' Equity				Total Shareholders' Equity
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	
Balance at the Beginning of the Year	¥ 261,608	¥ 754,267	¥ 886,491	¥ (591)	¥ 1,901,775
Cumulative Effect of Changes in Accounting Policies			(30,729)		(30,729)
Balance at the Beginning of the Year after the Cumulative Effect	261,608	754,267	855,761	(591)	1,871,046
Changes during the Year					
Cash Dividends			(45,582)		(45,582)
Net Income Attributable to Owners of the Parent			159,665		159,665
Purchase of Treasury Stock				(125,494)	(125,494)
Disposal of Treasury Stock		0		22	22
Retirement of Treasury Stock		(109,006)		109,006	—
Reversal of Revaluation Reserve for Land			528		528
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(109,005)	114,611	(16,465)	(10,860)
Balance at the End of the Year	¥ 261,608	¥ 645,261	¥ 970,373	¥ (17,057)	¥ 1,860,185

	Millions of Yen								
	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Year	¥ 229,637	¥ (12,585)	¥ (5,761)	¥ 7,343	¥ (15,033)	¥ 203,599	¥ 47	¥ 335,620	¥ 2,441,043
Cumulative Effect of Changes in Accounting Policies									(30,729)
Balance at the Beginning of the Year after the Cumulative Effect	229,637	(12,585)	(5,761)	7,343	(15,033)	203,599	47	335,620	2,410,313
Changes during the Year									
Cash Dividends									(45,582)
Net Income Attributable to Owners of the Parent									159,665
Purchase of Treasury Stock									(125,494)
Disposal of Treasury Stock									22
Retirement of Treasury Stock									—
Reversal of Revaluation Reserve for Land									528
Net Changes of Items Other Than Shareholders' Equity	275,810	(8,019)	(189)	7,610	50,827	326,039	198	(8,717)	317,519
Total Changes during the Year	275,810	(8,019)	(189)	7,610	50,827	326,039	198	(8,717)	306,659
Balance at the End of the Year	¥ 505,448	¥ (20,605)	¥ (5,951)	¥ 14,953	¥ 35,793	¥ 529,638	¥ 246	¥ 326,902	¥ 2,716,973

See accompanying notes.

From April 1, 2015 to March 31, 2016

	Millions of U.S. Dollars				
	Shareholders' Equity				Total Shareholders' Equity
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	
Balance at the Beginning of the Year	\$ 2,323	\$ 5,729	\$ 8,616	\$ (151)	\$ 16,516
Changes during the Year					
Cash Dividends			(445)		(445)
Net Income Attributable to Owners of the Parent			1,482		1,482
Purchase of Treasury Stock				(89)	(89)
Disposal of Treasury Stock		0		0	0
Purchase of Shares of Consolidated Subsidiaries		(1)			(1)
Sales of Shares of Consolidated Subsidiaries			(0)		(0)
Reversal of Revaluation Reserve for Land			0		0
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(1)	1,037	(89)	947
Balance at the End of the Year	\$ 2,323	\$ 5,728	\$ 9,653	\$ (241)	\$ 17,463

	Millions of U.S. Dollars								
	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Year	\$ 4,488	\$ (183)	\$ (53)	\$ 133	\$ 318	\$ 4,702	\$ 2	\$ 2,902	\$ 24,123
Changes during the Year									
Cash Dividends									(445)
Net Income Attributable to Owners of the Parent									1,482
Purchase of Treasury Stock									(89)
Disposal of Treasury Stock									0
Purchase of Shares of Consolidated Subsidiaries									(1)
Sales of Shares of Consolidated Subsidiaries									(0)
Reversal of Revaluation Reserve for Land									0
Net Changes of Items Other Than Shareholders' Equity	(337)	66	1	(108)	(683)	(1,061)	2	2	(1,057)
Total Changes during the Year	(337)	66	1	(108)	(683)	(1,061)	2	2	(111)
Balance at the End of the Year	\$ 4,151	\$ (117)	\$ (52)	\$ 25	\$ (366)	\$ 3,642	\$ 4	\$ 2,904	\$ 24,012

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, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net Cash Provided by (Used in) Operating Activities:			
Income before Income Taxes	¥ 273,136	¥ 232,578	\$ 2,425
Depreciation and Amortization	30,461	34,174	270
Impairment Losses	4,080	5,017	36
Amortization of Goodwill	8,416	8,104	75
Gain on Negative Goodwill	(874)	—	(8)
Equity in Losses (Earnings) of Affiliated Companies	(7,702)	(5,380)	(68)
Increase (Decrease) in Allowance for Loan Losses	(2,535)	(20,274)	(23)
Increase (Decrease) in Provision for Bonuses	8	896	0
Increase (Decrease) in Provision for Directors' Bonuses	25	(25)	0
Decrease (Increase) in Assets for Retirement Benefits	98,195	(64,564)	872
Increase (Decrease) in Liabilities for Retirement Benefits	1,830	(78)	16
Increase (Decrease) in Provision for Reward Points Program	1,216	52	11
Increase (Decrease) in Provision for Reimbursement of Deposits	77	(319)	1
Increase (Decrease) in Provision for Contingent Losses	(891)	(266)	(8)
Interest Income	(372,076)	(369,229)	(3,304)
Interest Expenses	141,131	126,347	1,253
Loss (Gain) Related to Securities	(82,002)	(61,602)	(728)
Loss (Gain) on Money Held in Trust	(39)	(683)	(0)
Foreign Exchange Losses (Gains)	70,463	(217,369)	626
Loss (Gain) on Disposal of Fixed Assets	1,718	(260)	15
Net Decrease (Increase) in Trading Assets	140,672	(217,933)	1,249
Net Increase (Decrease) in Trading Liabilities	46,562	191,084	413
Net Decrease (Increase) in Loans and Bills Discounted	(1,966,797)	(1,729,107)	(17,462)
Net Increase (Decrease) in Deposits	1,624,350	931,617	14,422
Net Increase (Decrease) in Negotiable Certificates of Deposit	560,064	1,470,388	4,973
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	(5,135)	651,246	(46)
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	(91,858)	(992,302)	(816)
Net Decrease (Increase) in Call Loans	(568,738)	540,199	(5,050)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(15,650)	(21,429)	(139)
Net Increase (Decrease) in Call Money	(268,118)	(531,104)	(2,381)
Net Decrease (Increase) in Foreign Exchange-Assets	(4,490)	(618)	(40)
Net Increase (Decrease) in Foreign Exchange-Liabilities	118	15	1
Net Decrease (Increase) in Lease Receivables and Investment Assets	(47,042)	(6,812)	(418)
Net Increase (Decrease) in Short-Term Bonds Payable	278,889	69,434	2,476
Increase (Decrease) in Straight Bonds-Issuance and Redemption	11,511	107,646	102
Net Increase (Decrease) in Borrowed Money from Trust Account	9,711,339	1,041,512	86,223
Proceeds from Fund Management	385,989	376,655	3,427
Payments for Finance	(151,477)	(160,161)	(1,345)
Other, Net	8,172	(1,101)	73
Subtotal	¥ 9,813,000	¥ 1,386,348	\$ 87,126
Income Taxes Paid	(60,571)	(36,717)	(538)
Net Cash Provided by (Used in) Operating Activities	¥ 9,752,429	¥ 1,349,631	\$ 86,588

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net Cash Provided by (Used in) Investing Activities:			
Purchase of Securities	¥ (5,512,916)	¥ (6,179,265)	\$ (48,947)
Proceeds from Sale of Securities	3,242,654	5,791,402	28,790
Proceeds from Redemption of Securities	1,996,948	2,067,558	17,730
Increase in Money Held in Trust	(250)	—	(2)
Decrease in Money Held in Trust	—	12,000	—
Purchase of Tangible Fixed Assets	(20,408)	(14,777)	(181)
Proceeds from Sales of Tangible Fixed Assets	4,353	6,177	39
Purchase of Intangible Fixed Assets	(51,259)	(36,109)	(455)
Proceeds from Sales of Intangible Fixed Assets	0	6	0
Purchase of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation (Note 2)	(39,910)	—	(354)
Proceeds from Sales of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation	160	—	1
Net Cash Provided by (Used in) Investing Activities	¥ (380,627)	¥ 1,646,991	\$ (3,379)
Net Cash Provided by (Used in) Financing Activities:			
Decrease in Subordinated Borrowings	(30,000)	(65,000)	(266)
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	178,883	29,850	1,588
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(141,269)	(182,000)	(1,254)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	(434)	—	(4)
Repayment to Non-Controlling Interests	—	(10,000)	—
Cash Dividends Paid	(50,102)	(45,575)	(445)
Cash Dividends Paid to Non-Controlling Interests	(11,159)	(11,255)	(99)
Purchase of Treasury Stock	(10,069)	(125,494)	(89)
Proceeds from Sale of Treasury Stock	29	22	0
Net Cash Provided by (Used in) Financing Activities	¥ (64,122)	¥ (409,452)	\$ (569)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (5,780)	¥ 34,344	\$ (51)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 9,301,898	¥ 2,621,514	\$ 82,588
Cash and Cash Equivalents at the Beginning of the Year	¥ 8,022,017	¥ 5,400,503	\$ 71,225
Cash and Cash Equivalents at the End of the Year (Note 1)	¥17,323,915	¥ 8,022,017	\$ 153,813

See accompanying notes.

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 ¥112.63 to U.S. \$1, the approximate rate of exchange as of March 31, 2016. 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, 2016:

73 companies

Principal Company:

Sumitomo Mitsui Trust Bank, Limited
("SuMi TRUST Bank")

Sumitomo Mitsui Trust Club Co., Ltd. and two other companies are included in the scope of consolidation from the fiscal year ended March 31, 2016 due mainly to the acquisition of their shares.

Sumitomo Mitsui Trust Capital Co., Ltd. and one other company are excluded from the scope of consolidation from the current fiscal year due mainly to the sale of their shares.

(2) Unconsolidated Subsidiaries

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 37 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:

19 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, 2016, are as follows:

SBI Card Co., Ltd. and one other company 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, 2016.

Aon Hewitt HR One Corporation and one other company are excluded from the scope of the application of the equity method from the current fiscal year due mainly to their liquidation.

(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 37 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:	6 companies
November 30:	1 company
December 31:	10 companies
January 24:	3 companies
January 31:	2 companies
March 31:	47 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 29
- A consolidated subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 29
- 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 29
- 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, 2016, 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 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, 2015 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 determine 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 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 ¥27,075 million (U.S. \$240 million) and ¥18,321 million for the fiscal years ended March 31, 2016 and 2015, 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 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 apply the method to attribute projected benefits to the periods up to the year ended March 31, 2016, under 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 computational shortcut method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts to 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 goods sold 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 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" for each hedging transaction. Deferred losses on hedges associated with "Macro Hedge Accounting" were ¥227 million (U.S. \$2 million) and ¥336 million (before tax effect) as of March 31, 2016 and 2015, 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 forward obligations 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 of 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 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

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 (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

(Application of "Accounting Standard for Business Combinations" and Others)

SuMi TRUST Holdings applied the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan ("ASBJ") Statement No. 21 of September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 of September 13, 2013), and the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 of September 13, 2013) effective from the fiscal year ended March 31, 2016. Under these accounting standards, differences arising from changes in SuMi TRUST Holdings' ownership interests in its subsidiaries

over which it retains control are recognized in Capital Surplus, and acquisition-related costs are expensed as incurred. For business combinations completed on or after the beginning of the fiscal year ended March 31, 2016, the revised allocation of acquisition costs, due to the finalization of the tentative accounting treatment, is reflected in the consolidated financial statements for the period in which the business combination occurred. In addition, SuMi TRUST Holdings changed the presentation of net income, etc., and minority interests are now presented as non-controlling interests. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect these changes in the presentation.

In the consolidated statements of cash flows for the fiscal year ended March 31, 2016, two changes have been made. Cash flows related to the acquisition or sale of shares of subsidiaries that does not lead to a change in the scope of consolidation, are now included in the "Net Cash Provided by (Used in) Financing Activities." Cash flows related to expenses incurred associated with the acquisition of shares of the subsidiaries that changes the scope of consolidation or expenses incurred associated with the acquisition or sale of shares of the subsidiaries that does not lead to a change in the scope of consolidation, are now included in the "Net Cash Provided by (Used in) Operating Activities."

For the application of these accounting standards, SuMi TRUST Holdings adopted the transitional provisions in item (4), paragraph 58-2 of the Accounting Standard for Business Combinations; item (4), paragraph 44-5 of the Accounting Standard for Consolidated Financial Statements; and item (4), paragraph 57-4 of the Accounting Standard for Business Divestitures effective from the beginning of the fiscal year ended March 31, 2016.

The effects of these changes to "Income," "Income before Income Taxes," and "Capital Surplus" as of and for the fiscal year ended March 31, 2016, are immaterial.

Changes in Accounting Policies that are Difficult to Distinguish from Changes in Accounting Estimates

SuMi TRUST Bank changed its depreciation method for tangible fixed assets (excluding lease assets) from the declining-balance method to the straight-line method effective from the current fiscal year ended March 31, 2016, except for buildings (excluding their accompanying facilities) acquired on or

after April 1, 1998, which are depreciated using the straight-line method.

This change was made as a result of reviewing the depreciation method for tangible fixed assets after the completion of the banking IT system integration, in consideration for future investment plans, such as renovation of clerical centers, opening of new branches, and consolidation of branches with redundant functions. SuMi TRUST Bank's tangible fixed assets are expected to be used continuously over a long term, leading to a conclusion that the straight-line method, under which expenses are evenly allocated through the assets' useful lives in line with their actual usage, contributes the appropriate presentation of profit and loss.

The effects of this change to "Income" and "Income before Income Taxes" for the fiscal year ended March 31, 2016, are immaterial.

New Accounting Standards Not Yet Applied Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No.26 of March 28, 2016)

(1) Overview

The Implementation Guidance on Recoverability of Deferred Tax Assets is guidance that was basically created by maintaining the guidance on recoverability of deferred tax assets prescribed in the "Auditing Treatment on Determining the Recoverability of Deferred Tax Assets" (JICPA Auditing Committee Report No.66).

(2) Planned Effective Dates

SuMi TRUST Holdings plans to apply the revised Implementation Guidance on Recoverability of Deferred Tax Assets at the beginning of the fiscal year started April 1, 2016.

(3) Effects of Application of the Accounting Standards and the Guidance

SuMi TRUST Holdings is in the process of evaluating impacts of applying the Guidance on its consolidated financial statements.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Securities in Trading Account	¥ 25,999	¥ 15,731	\$ 231
Derivatives of Trading Securities	38	12	0
Derivatives of Securities Related to Trading Transactions	80	132	1
Trading-Related Financial Derivatives	563,870	543,304	5,006
Other Trading Assets	24,301	195,781	216
Total	¥ 614,290	¥ 754,962	\$ 5,454

(2) Trading liabilities as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Derivatives of Trading Securities	¥ —	¥ 92	\$ —
Derivatives of Securities Related to Trading Transactions	21	—	0
Trading-Related Financial Derivatives	451,729	405,096	4,011
Total	¥ 451,751	¥ 405,188	\$ 4,011

2. Securities

Securities held as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Government Bonds	¥ 857,012	¥ 1,071,163	\$ 7,609
Local Government Bonds	4,846	4,146	43
Corporate Bonds	656,962	571,264	5,833
Stocks	1,417,859	1,585,298	12,589
Other Securities	1,989,555	1,581,482	17,665
Total	¥ 4,926,236	¥ 4,813,354	\$ 43,738

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliated companies.

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Stocks	¥ 57,730	¥ 53,504	\$ 513
Equity Investments	36,057	43,617	320

Unsecured securities borrowed under loan agreements and securities purchased under resale agreements and borrowing transactions with cash collateral that SuMi TRUST Holdings is permitted to sell or repledge.

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Securities that are Further Loaned	¥ 886,136	¥ 833,872	\$ 7,868
Securities Held without Selling or Repledging as of the End of the Fiscal Year	—	—	—

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Bills Discounted	¥ 2,478	¥ 2,811	\$ 22
Loans on Bills	267,708	293,219	2,377
Loans on Deeds	25,727,727	23,291,472	228,427
Overdrafts	1,527,948	1,962,559	13,566
Total	¥ 27,525,862	¥ 25,550,064	\$ 244,392

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 ¥2,478 million (U.S. \$22 million) and ¥2,811 million as of March 31, 2016 and 2015, respectively.

Under the SuMi TRUST Holdings' Self-Assessment Rules, SuMi TRUST Group classifies loans as "Delinquent Loans"

if borrowers are virtually bankrupt or potentially bankrupt. 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.

Loans and bills discounted as of March 31, 2016 and 2015, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Loans in Bankruptcy Proceedings	¥ 4,229	¥ 3,655	\$ 38
Other Delinquent Loans	65,692	102,608	583
Loans Past Due Three Months or More	—	54	—
Restructured Loans	40,999	81,365	364
Total	¥ 110,921	¥ 187,684	\$ 985

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"), due to the reasons 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).

Other 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 other 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, other delinquent loans, or loans past due three months or more.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Assets Pledged as Collateral:			
Trading Assets	¥ 20,000	¥ 103,989	\$ 178
Securities	877,146	543,104	7,788
Loans and Bills Discounted	1,470,791	1,491,041	13,059
Lease Receivables and Investment Assets	8,425	12,240	75
Other Assets	153	95	1
Total	¥ 2,376,517	¥ 2,150,471	\$ 21,100
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	23,012	36,363	204
Payables under Repurchase Agreements	354,071	174,368	3,144
Borrowed Money	1,244,330	1,247,994	11,048
Acceptances and Guarantees	2,561	12,274	23
Total	¥ 1,623,975	¥ 1,471,000	\$ 14,419

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
	2016	2015	2016
Securities	¥ 692,467	¥ 725,100	\$ 6,148
Loans and Bills Discounted	733,323	—	6,511

“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
	2016	2015	2016
Initial Margins of Futures Markets	¥ 8,435	¥ 5,043	\$ 75
Security Deposits	31,351	20,243	278
Cash Collateral Pledged for Financial Instruments-Assets	486,412	667,449	4,319

5. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and committed 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 ¥11,860,101 million (U.S. \$105,301 million) and ¥11,406,741 million, of which ¥7,856,167 million (U.S. \$69,752 million) and ¥7,792,652 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2016 and 2015, 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, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Land	¥ 127,424	¥ 123,929	\$ 1,131
Buildings	74,417	71,863	661
Lease Assets	3,437	1,951	31
Construction in Progress	1,877	2,160	17
Other	19,667	23,663	175
Total	¥ 226,824	¥ 223,568	\$ 2,014

Accumulated depreciation amounted to ¥139,114 million (U.S. \$1,235 million) and ¥133,459 million, and advance depreciation amounted to ¥26,640 million (U.S. \$236 million) and ¥27,186 million as of March 31, 2016 and 2015, 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 Liability 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 ¥5,486 million (U.S. \$49 million) and ¥6,213 million as of March 31, 2016 and 2015, respectively.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Software	¥ 91,241	¥ 67,359	\$ 810
Goodwill	100,019	84,684	888
Lease Assets	212	64	2
Other	10,689	7,148	95
Total	¥ 202,163	¥ 159,256	\$ 1,795

8. Other Assets

Other assets as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Domestic Exchange Settlement Account, Debit	¥ 666	¥ 1,246	\$ 6
Prepaid Expenses	7,762	6,671	69
Accrued Income	110,176	105,197	978
Initial Margins of Futures Markets	8,435	5,043	75
Variation Margins of Futures Markets	5,341	2,615	47
Financial Derivatives	531,220	458,715	4,717
Receivables for Securities Transactions	19,276	31,697	171
Cash Collateral Pledged for Financial Instruments-Assets	486,412	667,449	4,319
Other	453,567	268,590	4,027
Total	¥ 1,622,859	¥ 1,547,226	\$ 14,409

9. Deposits

Deposits as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Current Deposits	¥ 711,618	¥ 522,784	\$ 6,318
Ordinary Deposits	4,803,351	4,239,497	42,647
Deposits at Notice	81,908	88,150	727
Time Deposits	19,814,292	19,204,271	175,924
Other	1,290,777	1,025,007	11,460
Total	¥ 26,701,948	¥ 25,079,711	\$ 237,077

10. Borrowed Money

Borrowed money as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Subordinated Borrowings	¥ 100,033	¥ 130,092	\$ 888
Other Borrowed Money	2,480,491	2,361,994	22,023
Total	¥ 2,580,524	¥ 2,492,087	\$ 22,912

Average interest rates on borrowed money were 0.26% and 0.16% for the fiscal years ended March 31, 2016 and 2015, respectively.

Annual maturities of borrowed money as of March 31, 2016, for the next five years are as follows:

Fiscal Years Ending March 31	Millions of Yen	Millions of U.S. Dollars
	2016	2016
2017	¥ 1,506,849	\$ 13,379
2018	148,412	1,318
2019	107,922	958
2020	152,879	1,357
2021	79,424	705
Total	¥ 1,995,488	\$ 17,717

11. Bonds Payable

Bonds payable as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Perpetual Subordinated Bonds	¥ 147,606	¥ 119,163	\$ 1,311
Subordinated Bonds	464,242	454,191	4,122
Other Bonds Payable	464,270	452,758	4,122
Total	¥ 1,076,118	¥ 1,026,113	\$ 9,554

Annual maturities of bonds payable as of March 31, 2016, for the next five years are as follows:

Fiscal Years Ending March 31	Millions of Yen	Millions of U.S. Dollars
	2016	2016
2017	¥ 115,315	\$ 1,024
2018	171,845	1,526
2019	153,587	1,364
2020	78,636	698
2021	160,000	1,421
Total	¥ 679,383	\$ 6,032

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, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Domestic Exchange Settlement Account, Credit	¥ 965	¥ 315	\$ 9
Income Taxes Payable	52,019	32,280	462
Accrued Expenses	107,465	106,134	954
Unearned Income	72,981	72,113	648
Variation Margins of Futures Markets	—	2,384	—
Financial Derivatives	639,844	779,416	5,681
Lease Obligations	9,463	8,377	84
Asset Retirement Obligations	4,334	6,120	38
Payables for Securities Transaction	54	6,772	0
Provision for Loss on Interest Repayment	297	327	3
Cash Collateral Accepted for Financial Instruments-Liabilities	197,037	133,902	1,749
Other	169,167	130,483	1,502
Total	¥ 1,253,630	¥ 1,278,628	\$ 11,131

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 ¥134,249 million (U.S. \$1,192 million) and ¥137,027 million as of March 31, 2016 and 2015, 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, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Interest on Monetary Claims Bought	¥ 2,383	¥ 2,874	\$ 21
Others	2,777	3,058	25
Total	¥ 5,161	¥ 5,933	\$ 46

(2) Other interest expenses for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Interest on Interest Rate Swaps	¥ 16,685	¥ 10,240	\$ 148
Others	12,864	8,415	114
Total	¥ 29,550	¥ 18,656	\$ 262

2. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Income from Trading Securities and Derivatives	¥ 927	¥ 1,276	\$ 8
Income from Trading-Related Financial Derivatives Transactions	14,831	30,455	132
Other Trading Income	204	696	2
Total	¥ 15,964	¥ 32,428	\$ 142

(2) Trading expenses for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Expenses on Trading Transactions	¥ 428	¥ —	\$ 4
Total	¥ 428	¥ —	\$ 4

3. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net Gains on Foreign Exchange Transactions	¥ 16,240	¥ —	\$ 144
Gains on Sales and Redemption of Bonds	57,490	69,631	510
Others	212,278	218,383	1,885
Total	¥ 286,009	¥ 288,014	\$ 2,539

(2) Other ordinary expenses for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net Losses on Foreign Exchange Transactions	¥ —	¥ 252	\$ —
Losses on Sales and Redemption of Bonds	5,147	5,939	46
Losses on Derivatives Other Than for Trading or Hedging	22,226	37,230	197
Others	188,662	193,707	1,675
Total	¥ 216,036	¥ 237,129	\$ 1,918

4. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Gains on Sales of Stocks and Other Securities	¥ 42,293	¥ 34,506	\$ 376
Gains on Money Held in Trust	42	683	0
Net Reversal of Allowance for Possible Loan Losses	—	18,978	—
Recoveries of Written-Off Claims	2,795	2,273	25
Equity in Earnings of Affiliated Companies	7,702	5,380	68
Gains on Disposal of Fixed Assets	1,846	2,978	16
Others	11,109	13,600	99
Total	¥ 65,789	¥ 78,400	\$ 584

(2) Other expenses for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Allowance for Loan Losses	¥ 19,195	¥ —	\$ 170
Losses on Sales of Loans	102	139	1
Write-Off of Loans	9,377	1,658	83
Losses on Sales of Stocks and Other Securities	6,283	36,357	56
Losses on Devaluation of Stocks and Other Securities	6,350	319	56
Losses on Money Held in Trust	2	—	0
Losses on Disposal of Fixed Assets	3,565	2,717	32
Losses on Impairment of Fixed Assets	4,080	5,017	36
Management Integration Expenses	—	8,480	—
Losses on Investment in Partnerships	8,731	4,303	78
Others	27,697	71,921	246
Total	¥ 85,385	¥ 130,914	\$ 758

"Others" for the fiscal year ended March 31, 2015 includes banking IT system integration costs, which is ¥55,148 million. After the merger on April 1, 2012, among The Chuo Mitsui Trust and Banking Company, Limited, Chuo Mitsui Asset Trust and Banking Company, Limited, and The Sumitomo Trust and

Banking Co., Ltd. to establish SuMi TRUST Bank, their banking IT systems have been used in parallel. Costs incurred from the integration of system data among the former banks associated with the complete integration of their IT systems were expensed when each system migration was completed.

5. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Taxes Other Than Income Taxes	¥ 15,490	¥ 13,675	\$ 138
Personnel Expenses	187,341	194,120	1,663
Others	202,246	198,104	1,796
Total	¥ 405,078	¥ 405,901	\$ 3,597

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, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	¥ (8,615)	¥ 431,694	\$ (76)
Reclassification Adjustments	(57,779)	(51,342)	(513)
Before Tax Effects	(66,395)	380,351	(589)
Tax Effects	32,880	(113,779)	292
Valuation Difference on Available-for-Sale Securities	(33,514)	266,571	(298)
Deferred Gains (Losses) on Hedges:			
Changes during the Period	(11,851)	(13,046)	(105)
Reclassification Adjustments	16,685	10,240	148
Before Tax Effects	4,834	(2,805)	43
Tax Effects	(1,685)	460	(15)
Deferred Gains (Losses) on Hedges	3,149	(2,345)	28
Revaluation Reserve for Land:			
Changes during the Period	—	—	—
Reclassification Adjustments	—	—	—
Before Tax Effects	—	—	—
Tax Effects	175	339	2
Revaluation Reserve for Land	175	339	2
Foreign Currency Translation Adjustments:			
Changes during the Period	(11,134)	7,851	(99)
Reclassification Adjustments	—	(1,334)	—
Before Tax Effects	(11,134)	6,517	(99)
Tax Effects	—	—	—
Foreign Currency Translation Adjustments	(11,134)	6,517	(99)
Adjustments for Retirement Benefits			
Changes during the Period	(111,402)	70,366	(989)
Reclassification Adjustments	(1,058)	6,095	(9)
Before Tax Effects	(112,460)	76,462	(998)
Tax Effects	35,446	(25,631)	315
Adjustments for Retirement Benefits	(77,014)	50,831	(684)
Attributable to Equity-Method Affiliated Companies:			
Changes during the Period	(506)	3,796	(5)
Reclassification Adjustments	(945)	1,274	(8)
Attributable to Equity-Method Affiliated Companies	(1,451)	5,071	(13)
Total Other Comprehensive Income	¥ (119,791)	¥ 326,984	\$ (1,064)

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, 2016 and 2015, 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, 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.

	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, 2015					
Number of Issued Shares:					
Common Share	8,500,000	3,903,486	—	—	3,903,486
The First Series of Class VII Preferred Shares	—	109,000	—	109,000	—
Total	8,500,000	4,012,486	—	109,000	3,903,486
Treasury Stock:					
Common Share		1,359	39,137	50	40,446
The First Series of Class VII Preferred Shares		—	109,000	109,000	—
Total		1,359	148,137	109,050	40,446

(Notes)

1) The number of the First Series of Class VII Preferred Shares decreased due to their acquisition and cancelation, which were resolved at the meeting of the Board of Directors held on July 31, 2014.

2) The number of shares of common stock held as treasury stock increased by 137 thousand shares due to the purchase of odd-lot or less than one thousand shares and by 39,000 thousand shares due to the acquisition of treasury stock, which was resolved at the meeting of the Board of Directors held on January 29, 2015.

3) The number of shares of common stock held as treasury stock decreased by 8 thousand shares due to purchase requests from odd-lot or less than one thousand shareholders and by 42 thousand shares due to transfer of shares upon exercise of stock option rights.

4) The number of the First Series of Class VII Preferred Shares held as treasury stock increased and then decreased by 109,000 thousand shares due to their acquisition and cancelation, which were resolved at the meeting of the Board of Directors held on July 31, 2014.

2. Subscription Rights to Shares

Subscription rights to shares for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

		Millions of Yen		Millions of U.S. Dollars
		2016	2015	2016
SuMi TRUST Holdings	Subscription Rights to Shares as Stock Options	¥ 421	¥ 246	\$ 4
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, 2016 and 2015, consist of the following:

As for the fiscal year ended March 31, 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
June 26, 2015					
Ordinary General Meeting of Shareholders	Common Share	¥ 25,109 (\$223)	¥ 6.50 (\$0.06)	March 31, 2015	June 29, 2015

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 12, 2015					
Board of Directors' Meeting	Common Share	¥ 24,995 (\$222)	¥ 6.50 (\$0.06)	September 30, 2015	December 2, 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 Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share Yen (U.S. Dollars)	Record Date	Effective Date
June 29, 2016						
Ordinary General Meeting of Shareholders	Common Share	¥ 24,995 (\$222)	Retained Earnings	¥ 6.50 (\$0.06)	March 31, 2016	June 30, 2016

As for the fiscal year ended March 31, 2015:

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen	Yen		
June 27, 2014					
Ordinary General Meeting of Shareholders	Common Share	¥ 19,510	¥ 5.00	March 31, 2014	June 30, 2014
	The First Series of Class VII Preferred Shares	¥ 2,305	¥21.15	March 31, 2014	June 30, 2014

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen	Yen		
July 31, 2014					
Board of Directors' Meeting	The First Series of Class VII Preferred Shares	¥ 2,305	¥21.15	September 30, 2014	October 1, 2014

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen	Yen		
November 13, 2014					
Board of Directors' Meeting	Common Share	¥ 21,461	¥ 5.50	September 30, 2014	December 2, 2014

Dividends with a record date during the fiscal year ended March 31, 2015, but whose effective date is after March 31, 2015, 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 26, 2015						
Ordinary General Meeting of Shareholders	Common Share	¥ 25,109	Retained Earnings	¥ 6.50	March 31, 2015	June 29, 2015

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 statements of cash flows and cash and due from banks in the consolidated balance sheets as of March 31, 2016 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Cash and Due from Banks	¥ 19,924,523	¥ 10,530,766	\$ 176,902
Due from Consolidated Subsidiaries in Japan Involving in Trust Banking Business (excluding Due from the Bank of Japan)	(2,600,607)	(2,508,748)	(23,090)
Cash and Cash Equivalents	¥ 17,323,915	¥ 8,022,017	\$ 153,813

2. Major Components of Assets and Liabilities of Subsidiaries Newly Consolidated Due to the Acquisition of their Shares

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
	2016	2016
Assets	¥ 210,147	\$ 1,866
Liabilities	(186,785)	(1,658)
Goodwill	23,830	212
Negative Goodwill	(874)	(8)
Share Acquisition Costs	46,318	411
Cash and Cash Equivalents	6,407	57
Net: Payment for Purchase of Investments in Subsidiaries	¥ 39,910	\$ 354

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) Finance leases that do not transfer ownership of the lease assets to lessees accounted for as operating leases

There were no relevant items for the fiscal years ended March 31, 2016 and 2015.

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2016 and 2015, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Due in One Year or Less	¥ 3,781	¥ 4,560	\$ 34
Due in More than One Year	10,602	13,808	94
Total	¥ 14,384	¥ 18,369	\$ 128

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2016 and 2015, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Due in One Year or Less	¥ 2,020	¥ 2,354	\$ 18
Due in More than One Year	1,382	2,125	12
Total	¥ 3,403	¥ 4,480	\$ 30

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, and 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 and particular creditors 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 creditor 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 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, 2016, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Trading Accounts was ¥4.5 billion (U.S. \$40 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, 2016, resulted in two instances 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, 2016, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Banking Account was ¥1,153.2 billion (U.S. \$10,239 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 determine 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, 2016 and 2015, 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		
	2016			2016		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 19,924,433	¥ 19,924,433	¥ —	\$ 176,902	\$ 176,902	\$ —
(2) Call Loans and Bills Bought	705,252	705,252	—	6,262	6,262	—
(3) Receivables under Resale Agreements	110,377	110,377	—	980	980	—
(4) Receivables under Securities Borrowing Transactions	326,457	326,457	—	2,898	2,898	—
(5) Monetary Claims Bought (*1)	853,478	854,108	630	7,578	7,583	6
(6) Trading Assets						
Trading Securities	50,301	50,301	—	447	447	—
(7) Money Held in Trust	1,649	1,649	—	15	15	—
(8) Securities						
Held-to-Maturity Debt Securities	318,190	354,795	36,605	2,825	3,150	325
Available-for-Sale Securities	4,389,833	4,389,833	—	38,976	38,976	—
(9) Loans and Bills Discounted	27,525,862			244,392		
Allowance for Loan Losses (*2)	(78,835)			(700)		
	27,447,027	27,719,286	272,259	243,692	246,109	2,417
(10) Foreign Exchanges	17,223	17,223	—	153	153	—
(11) Lease Receivables and Investment Assets (*1)	606,306	617,306	10,999	5,383	5,481	98
Total Assets	¥ 54,750,530	¥ 55,071,024	¥ 320,493	\$ 486,110	\$ 488,955	\$ 2,846
(1) Deposits	¥ 26,701,948	¥ 26,742,656	¥ 40,708	\$ 237,077	\$ 237,438	\$ 361
(2) Negotiable Certificates of Deposit	7,130,632	7,130,632	—	63,310	63,310	—
(3) Call Money and Bills Sold	38,968	38,968	—	346	346	—
(4) Payables under Repurchase Agreements	653,456	653,456	—	5,802	5,802	—
(5) Borrowed Money	2,580,524	2,590,198	9,673	22,912	22,997	86
(6) Foreign Exchanges	259	259	—	2	2	—
(7) Short-Term Bonds Payable	1,253,207	1,253,207	—	11,127	11,127	—
(8) Bonds Payable	1,076,118	1,111,355	35,236	9,554	9,867	313
(9) Borrowed Money from Trust Account	13,694,600	13,694,600	—	121,589	121,589	—
Total Liabilities	¥ 53,129,714	¥ 53,215,332	¥ 85,617	\$ 471,719	\$ 472,479	\$ 760
Derivatives Transactions (*3)						
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 61,945	¥ 61,945	¥ —	\$ 550	\$ 550	\$ —
Derivatives Transactions Qualifying for Hedge Accounting	(58,331)	(58,331)	—	(518)	(518)	—
Total Derivatives Transactions	¥ 3,614	¥ 3,614	¥ —	\$ 32	\$ 32	\$ —

		Millions of Yen		
		2015		
		Carrying Amount	Fair Value	Difference
(1)	Cash and Due from Banks (*1)	¥ 10,530,665	¥ 10,530,665	¥ —
(2)	Call Loans and Bills Bought	205,075	205,075	—
(3)	Receivables under Resale Agreements	136,188	136,188	—
(4)	Receivables under Securities Borrowing Transactions	310,806	310,806	—
(5)	Monetary Claims Bought (*1)	756,281	756,746	464
(6)	Trading Assets			
	Trading Securities	211,513	211,513	—
(7)	Money Held in Trust	1,619	1,619	—
(8)	Securities			
	Held-to-Maturity Debt Securities	352,976	393,520	40,543
	Available-for-Sale Securities	4,207,443	4,207,443	—
(9)	Loans and Bills Discounted	25,550,064		
	Allowance for Loan Losses (*2)	(78,777)		
		25,471,286	25,755,876	284,589
(10)	Foreign Exchanges	12,732	12,732	—
(11)	Lease Receivables and Investment Assets (*1)	544,554	553,062	8,508
Total Assets		¥ 42,741,143	¥ 43,075,250	¥ 334,106
(1)	Deposits	¥ 25,079,711	¥ 25,110,865	¥ 31,154
(2)	Negotiable Certificates of Deposit	6,570,567	6,570,567	—
(3)	Call Money and Bills Sold	497,600	497,600	—
(4)	Payables under Repurchase Agreements	462,942	462,942	—
(5)	Borrowed Money	2,492,087	2,500,781	8,693
(6)	Foreign Exchanges	140	140	—
(7)	Short-Term Bonds Payable	974,317	974,317	—
(8)	Bonds Payable	1,026,113	1,057,828	31,715
(9)	Borrowed Money from Trust Account	3,983,261	3,983,261	—
Total Liabilities		¥ 41,086,741	¥ 41,158,304	¥ 71,562
Derivatives Transactions (*3)				
	Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 117,565	¥ 117,565	¥ —
	Derivatives Transactions Qualifying for Hedge Accounting	(300,005)	(300,005)	—
Total Derivatives Transactions		¥ (182,440)	¥ (182,440)	¥ —

(*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

Monetary claims bought at counterparties' quoted prices or dealer/broker-quoted prices are stated at such prices. Fair values for all other such 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 fair value because of the expected repayment periods and the interest terms.

(11) Lease Receivables and Lease 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, (6) Foreign Exchanges, (7) Short-Term Bonds Payable, and (9) Borrowed Money from Trust Accounts

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.

(5) 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.

(8) 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 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" sections.

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
	Carrying Amount	Carrying Amount	Carrying Amount
Monetary Claims Bought	¥ 35,687	¥ 38,202	\$ 317
Securities	124,423	155,813	1,105
(1) Unlisted Stocks (*3)	65,429	94,059	581
(2) Investments in Associations	53,108	57,835	472
(3) Others (*3)	5,886	3,917	52
Total	¥ 160,111	¥ 194,015	\$ 1,422

(*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, 2016, impairment losses of ¥227 million (U.S. \$2 million) and ¥0 million (U.S. \$0 million) were recognized against Unlisted Stocks and Other, respectively.

During the fiscal year ended March 31, 2015, impairment losses of ¥165 million and ¥17 million were recognized against Unlisted Stocks and Other, respectively.

(Note 3) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2016 and 2015

March 31, 2016	Millions of Yen					
	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

March 31, 2015	Millions of Yen					
	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	¥ 10,347,685	¥ 38	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	205,075	—	—	—	—	—
Receivables under Resale Agreements	136,188	—	—	—	—	—
Receivables under Securities Borrowing Transactions	310,806	—	—	—	—	—
Monetary Claims Bought (*1)	605,558	43,514	14,578	11,869	1,548	115,061
Money Held in Trust	—	—	—	—	1,619	—
Securities	913,896	741,715	414,421	401,945	247,510	299,364
Held-to-Maturity Debt Securities	34,261	78,877	30,265	73,150	18,123	137,539
Government Bonds	34,020	70,816	—	—	60	115,000
Corporate Bonds	—	—	—	—	—	2,552
Available-for-Sale Securities with Maturity	879,634	662,837	384,155	328,794	229,387	161,824
Government Bonds	518,000	275,025	—	10,000	10,000	29,000
Local Government Bonds	1,559	1,267	740	—	574	—
Corporate Bonds	35,726	198,630	205,473	86,706	34,793	4,858
Loans and Bills Discounted (*2)	3,738,875	4,970,326	4,524,076	2,617,678	1,710,390	5,314,207
Lease Receivables and Investment Assets (*3)	155,682	222,007	106,184	22,278	20,905	5,330
Total	¥ 16,413,769	¥ 5,977,603	¥ 5,059,260	¥ 3,053,770	¥ 1,981,975	¥ 5,733,962

March 31, 2016	Millions of U.S. Dollars					
	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	\$ 176,007	\$ 7	\$ —	\$ —	\$ —	\$ —
Call Loans and Bills Bought	6,262	—	—	—	—	—
Receivables under Resale Agreements	980	—	—	—	—	—
Receivables under Securities Borrowing Transactions	2,898	—	—	—	—	—
Monetary Claims Bought (*1)	5,784	477	397	209	185	824
Money Held in Trust	1	—	1	—	13	—
Securities	8,505	5,100	8,004	3,001	1,316	3,472
Held-to-Maturity Debt Securities	501	219	268	519	97	1,283
Government Bonds	445	184	—	—	1	1,021
Corporate Bonds	—	—	—	—	—	190
Available-for-Sale Securities with Maturity	8,004	4,880	7,736	2,482	1,219	2,188
Government Bonds	5,374	398	—	89	—	36
Local Government Bonds	5	—	22	—	16	—
Corporate Bonds	275	2,189	1,292	1,048	386	450
Loans and Bills Discounted (*2)	44,653	49,034	37,273	26,497	16,834	49,625
Lease Receivables and Investment Assets (*3)	1,461	2,153	1,015	237	388	35
Total	\$ 246,551	\$ 56,772	\$ 46,690	\$ 29,943	\$ 18,736	\$ 53,956

(*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 ¥28 million (U.S. \$0.2 million) and ¥31 million as of March 31, 2016 and 2015, 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 ¥69,921 million (U.S. \$621 million) and ¥106,264 million, and those without maturity, amounting to

¥2,223,839 million (U.S. \$19,745 million) and ¥2,552,970 million as of March 31, 2016 and 2015, 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 ¥1,869 million (U.S. \$17 million) and ¥3,627 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥10,756 million (U.S. \$95 million) and ¥11,000 million as of March 31, 2016 and 2015, respectively.

(Note 4) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2016 and 2015

March 31, 2016	Millions of Yen					
	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

March 31, 2015	Millions of Yen					
	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)	¥ 16,162,840	¥ 6,304,547	¥ 2,607,618	¥ 1,953	¥ 174	¥ —
Negotiable Certificates of Deposit	6,558,541	12,026	—	—	—	—
Call Money and Bills Sold	497,600	—	—	—	—	—
Payables under Repurchase Agreements	462,942	—	—	—	—	—
Borrowed Money (*2)	1,545,008	236,714	185,778	75,272	165,351	243,869
Short-Term Bonds Payable	974,455	—	—	—	—	—
Bonds Payable (*3)	53,000	296,419	228,514	180,000	76,500	73,000
Borrowed Money from Trust Account	3,983,261	—	—	—	—	—
Total	¥ 30,237,649	¥ 6,849,707	¥ 3,021,911	¥ 257,225	¥ 242,026	¥ 316,869

March 31, 2016	Millions of U.S. Dollars					
	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)	\$ 161,063	\$ 51,634	\$ 24,363	\$ 9	\$ 5	\$ —
Negotiable Certificates of Deposit	62,830	481	—	—	—	—
Call Money and Bills Sold	346	—	—	—	—	—
Payables under Repurchase Agreements	5,802	—	—	—	—	—
Borrowed Money (*2)	13,379	2,276	2,063	1,022	1,877	2,117
Short-Term Bonds Payable	11,132	—	—	—	—	—
Bonds Payable (*3)	1,024	2,889	2,119	710	857	648
Borrowed Money from Trust Account	121,589	—	—	—	—	—
Total	\$ 377,164	\$ 57,280	\$ 28,545	\$ 1,741	\$ 2,739	\$ 2,766

(*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 ¥40,000 million as of March 31, 2016 and 2015, respectively.

(*3) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥146,100 million (U.S. \$1,297 million) and ¥117,369 million as of March 31, 2016 and 2015, 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" are 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
	2016	2015	2016
Trading Securities	¥ 45	¥ (21)	\$ 0

2. Held-to-Maturity Securities with Fair Value

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

March 31, 2015	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 225,087	¥ 240,815	¥ 15,727
Corporate Bonds	2,552	2,575	22
Other Bonds	143,463	168,708	25,245
Foreign Bonds	120,344	145,167	24,823
Others	23,118	23,540	421
Subtotal	371,103	412,099	40,995
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ 60	¥ 59	¥ (0)
Corporate Bonds	—	—	—
Other Bonds	4,930	4,901	(29)
Foreign Bonds	4,930	4,901	(29)
Others	—	—	—
Subtotal	4,990	4,960	(29)
Total	¥ 376,094	¥ 417,060	¥ 40,965

March 31, 2016	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	\$ 1,694	\$ 1,909	\$ 215
Corporate Bonds	190	192	2
Other Bonds	1,687	1,798	111
Foreign Bonds	780	888	108
Others	907	910	3
Subtotal	3,571	3,899	329
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	\$ —	\$ —	\$ —
Corporate Bonds	—	—	—
Other Bonds	163	163	(0)
Foreign Bonds	162	161	(0)
Others	2	2	—
Subtotal	163	163	(0)
Total	\$ 3,734	\$ 4,062	\$ 328

3. Available-for-Sale Securities

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, 2015	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,383,048	¥ 636,263	¥ 746,785
Bonds	628,340	622,757	5,583
Government Bonds	230,603	228,343	2,260
Local Government Bonds	3,084	3,075	8
Corporate Bonds	394,652	391,338	3,314
Other Securities	1,074,910	1,042,943	31,966
Foreign Stocks	4,162	1,669	2,492
Foreign Bonds	911,452	893,868	17,584
Others	159,294	147,405	11,889
Subtotal	3,086,299	2,301,964	784,335
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 60,885	¥ 72,075	¥ (11,189)
Bonds	790,532	791,399	(867)
Government Bonds	615,411	615,489	(77)
Local Government Bonds	1,061	1,063	(2)
Corporate Bonds	174,058	174,846	(787)
Other Securities	328,068	346,057	(17,989)
Foreign Stocks	5,705	7,283	(1,577)
Foreign Bonds	136,285	137,101	(816)
Others	186,076	201,672	(15,595)
Subtotal	1,179,486	1,209,532	(30,046)
Total	¥ 4,265,785	¥ 3,511,496	¥ 754,289

March 31, 2016	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	\$ 10,586	\$ 5,017	\$ 5,569
Bonds	9,034	8,986	48
Government Bonds	5,294	5,281	13
Local Government Bonds	29	29	0
Corporate Bonds	3,711	3,676	35
Other Securities	13,386	12,669	717
Foreign Stocks	29	14	15
Foreign Bonds	7,620	7,509	111
Others	5,737	5,146	591
Subtotal	33,006	26,672	6,334
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	\$ 960	\$ 1,149	\$ (189)
Bonds	2,567	2,600	(32)
Government Bonds	622	622	(0)
Local Government Bonds	14	14	(0)
Corporate Bonds	1,932	1,965	(32)
Other Securities	2,866	2,980	(114)
Foreign Stocks	144	176	(32)
Foreign Bonds	1,866	1,873	(8)
Others	856	931	(75)
Subtotal	6,394	6,729	(336)
Total	\$ 39,400	\$ 33,402	\$ 5,998

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, 2016 and 2015.

5. Available-for-Sale Securities Sold during the Fiscal Year

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, 2015	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 81,264	¥ 34,421	¥ 337
Bonds	188,777	1,851	208
Government Bonds	101,648	1,390	182
Local Government Bonds	21,122	275	20
Corporate Bonds	66,007	185	4
Other Securities	5,409,087	68,044	41,517
Foreign Bonds	5,178,807	67,396	5,407
Others	230,280	647	36,109
Total	¥ 5,679,129	¥ 104,317	¥ 42,062

Year Ended March 31, 2016	Millions of U.S. Dollars		
	Amount Sold	Gain	Loss
Stocks	\$ 820	\$ 370	\$ 3
Bonds	1,950	34	2
Government Bonds	1,285	34	1
Local Government Bonds	69	0	0
Corporate Bonds	596	0	1
Other Securities	25,910	482	96
Foreign Bonds	24,304	468	40
Others	1,606	14	57
Total	\$ 28,680	\$ 886	\$ 100

(Note) The above figures include "Available-for-Sale Securities" whose fair values are extremely difficult to be determined.

6. 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, 2016, were ¥6,130 million (U.S. \$54 million), of which ¥6,119 million (U.S. \$54 million) was for Stocks and ¥11 million (U.S. \$0.1 million) was for Other Securities. Impairment losses recognized during the fiscal year ended March 31, 2015 were

¥136 million for Stocks.

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

March 31, 2016	Millions of Yen	
	Carrying Amount	Valuation Difference Reflected in the Statements of Income
Money Held in Trust for Trading Purposes	¥ 153	¥ 3

March 31, 2016	Millions of U.S. Dollars	
	Carrying Amount	Valuation Difference Reflected in the Statements of Income
Money Held in Trust for Trading Purposes	\$ 1	\$ 0

There was no money held in trust for trading purposes for the fiscal year ended March 31, 2015.

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)

March 31, 2016	Millions of Yen				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,596	¥ 1,104	¥ 491	¥ 491	¥ —

March 31, 2015	Millions of Yen				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,619	¥ 1,041	¥ 577	¥ 577	¥ —

March 31, 2016	Millions of U.S. Dollars				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	\$ 14	\$ 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 sheets.

March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Valuation Differences			
Available-for-Sale Securities	¥ 664,270	¥ 730,352	\$ 5,898
Other Money Held in Trust	491	577	4
Total Valuation Differences	664,762	730,930	5,902
Amount Equivalent to Deferred Tax Assets (Liabilities)	(201,522)	(234,082)	(1,789)
Total (before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	463,239	496,848	4,113
Non-Controlling Interests	(199)	(226)	(2)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	4,477	8,825	40
Valuation Differences on Available-for-Sale Securities	¥ 467,517	¥ 505,448	\$ 4,151

(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 ¥191 million (U.S. \$2 million) and ¥246 million on available-for-sale securities composing assets held by associated companies as of March 31, 2016

and 2015, 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, 2016 and 2015, consist of the following:

	Millions of Yen						Millions of U.S. Dollars					
	2016						2016					
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference				
	Total	Over One Year			Total	Over One Year						
Listed												
Interest Futures												
Sold	¥45,249,251	¥14,813,892	¥ (60,758)	¥ (60,758)	\$ 401,751	\$ 131,527	\$ (539)	\$ (539)				
Purchased	43,087,805	13,133,651	56,151	56,151	382,561	116,609	499	499				
Interest Options												
Sold	2,389,802	107,556	(363)	428	21,218	955	(3)	4				
Purchased	1,656,571	46,307	299	(378)	14,708	411	3	(3)				
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	492,077	402,193	21,143	21,143				
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	53,714,268	44,374,631	(2,300,241)	(2,300,241)	476,909	393,986	(20,423)	(20,423)				
Floating Interest Rate Receivable/ Floating Interest Rate Payable	6,657,076	6,022,090	6,140	6,140	59,106	53,468	55	55				
Interest Options												
Sold	5,526,509	5,367,603	(89,839)	(57,574)	49,068	47,657	(798)	(511)				
Purchased	3,038,329	2,934,950	61,861	43,246	26,976	26,058	549	384				
Others												
Sold	—	—	—	—	—	—	—	—				
Purchased	—	—	—	—	—	—	—	—				
Total			¥ 54,563	¥ 68,325			\$ 484	\$ 607				

	Millions of Yen			
	2015		Fair Value	Valuation Difference
	Notional Amount			
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 27,671,275	¥ 12,656,733	¥ (32,234)	¥ (32,234)
Purchased	24,927,660	11,462,974	29,404	29,404
Interest Options				
Sold	3,687,095	536,985	(937)	585
Purchased	2,574,168	309,266	897	(470)
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	62,632,510	50,776,915	2,072,978	2,072,978
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	62,331,751	50,397,565	(1,970,366)	(1,970,366)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	5,014,328	4,052,208	4,989	4,989
Interest Options				
Sold	5,623,217	5,536,921	(80,395)	(33,349)
Purchased	4,204,101	4,129,953	56,481	27,639
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 80,818	¥ 99,176

(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 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, 2016 and 2015, consist of the following:

	Millions of Yen								Millions of U.S. Dollars							
	2016								2016							
	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	¥	3,218,253	¥	2,903,071	¥	9,327	¥	9,327	\$	28,574	\$	25,775	\$	83	\$	83
Forward Exchange Contracts																
Sold	10,173,574		611,767		38,474		38,474		90,327		5,432		342		342	
Purchased	10,277,799		593,724		(30,395)		(30,395)		91,253		5,271		(270)		(270)	
Currency Options																
Sold	1,042,194		470,032		(46,385)		(4,051)		9,253		4,173		(412)		(36)	
Purchased	1,031,475		402,842		38,584		2,326		9,158		3,577		343		21	
Others																
Sold	—		—		—		—		—		—		—		—	
Purchased	—		—		—		—		—		—		—		—	
Total	/		/		¥	9,605	¥	15,682	/		/		\$	85	\$	139

	Millions of Yen							
	2015							
	Notional Amount				Fair Value	Valuation Difference		
	Total		Over One Year					
Listed								
Currency Futures								
Sold	¥	—	¥	—	¥	—	¥	—
Purchased		—		—		—		—
Currency Options								
Sold		—		—		—		—
Purchased		—		—		—		—
OTC								
Currency Swaps	¥	2,462,040	¥	2,013,474	¥	12,260	¥	12,260
Forward Exchange Contracts								
Sold		6,599,861		433,432		(90,959)		(90,959)
Purchased		6,039,915		466,314		139,938		139,938
Currency Options								
Sold		1,401,709		539,308		(96,672)		(41,069)
Purchased		1,204,954		506,242		69,947		26,779
Others								
Sold		—		—		—		—
Purchased		—		—		—		—
Total					¥	34,513	¥	46,948

(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, 2016 and 2015, consist of the following:

	Millions of Yen					Millions of U.S. Dollars			
	2016				2016				
	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	¥ 228,244	¥ —	¥ 352	¥ 352	\$ 2,027	\$ —	\$ 3	\$ 3	
Purchased	239,109	—	(987)	(987)	2,123	—	(9)	(9)	
Stock Index Options									
Sold	47,106	—	(141)	211	418	—	(1)	2	
Purchased	40,253	—	123	(129)	357	—	1	(1)	
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	44	44	3	3	
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	5,000	5,000	(328)	(328)	44	44	(3)	(3)	
Others									
Sold	—	—	—	—	—	—	—	—	
Purchased	—	—	—	—	—	—	—	—	
Total			¥ (653)	¥ (553)			\$ (6)	\$ (5)	

	Millions of Yen			
	2015		Fair Value	Valuation Difference
	Notional Amount			
	Total	Over One Year		
Listed				
Stock Index Futures				
Sold	¥ 108,238	¥ —	¥ (229)	¥ (229)
Purchased	107,333	—	110	110
Stock Index Options				
Sold	8,730	—	(44)	28
Purchased	164,219	—	486	(87)
OTC				
OTC Stock Options				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
OTC Stock Swaps				
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	10,800	10,800	426	426
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	10,800	10,800	(426)	(426)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 323	¥ (178)

(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 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, 2016 and 2015, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2016				2016			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 2,611,324	¥ —	¥ (12,683)	¥ (12,683)	\$ 23,185	\$ —	\$ (113)	\$ (113)
Purchased	2,320,413	—	12,203	12,203	20,602	—	108	108
Bond Future Options								
Sold	162,021	—	(748)	(176)	1,439	—	(7)	(2)
Purchased	179,198	—	356	(190)	1,591	—	3	(2)
OTC								
Bond Forward Contracts								
Sold	¥ 99,748	¥ —	¥ (597)	¥ (597)	\$ 886	\$ —	\$ (5)	\$ (5)
Purchased	138,847	—	721	721	1,233	—	6	6
Bond Options								
Sold	14,022	—	(93)	(30)	125	—	(1)	(0)
Purchased	14,022	—	19	(64)	125	—	0	(1)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (823)	¥ (817)			\$ (7)	\$ (7)

	Millions of Yen			
	2015			Valuation Difference
	Notional Amount		Fair Value	
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 1,479,724	¥ —	¥ (13,668)	¥ (13,668)
Purchased	1,431,164	—	16,284	16,284
Bond Future Options				
Sold	40,838	—	(185)	4
Purchased	44,041	—	271	(0)
OTC				
Bond Forward Contracts				
Sold	¥ 176,493	¥ —	¥ (1,355)	¥ (1,355)
Purchased	186,042	—	1,247	1,247
Bond Options				
Sold	24,691	—	(142)	(27)
Purchased	17,005	—	37	(55)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 2,488	¥ 2,428

(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 according to the prices offered by quote information vendors using option-pricing models for the year ended March 31, 2016, and according to the prices offered by quote information vendors for the year ended March 31, 2015.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2016 and 2015.

(6) Credit Derivative Transactions

Credit derivative transactions not qualifying for hedge accounting as of March 31, 2016 and 2015, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2016				2016			
	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	¥ 77,279	¥ 77,279	¥ 922	¥ 922	\$ 686	\$ 686	\$ 8	\$ 8
Purchased	88,309	88,309	(1,669)	(1,669)	784	784	(15)	(15)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (746)	¥ (746)			\$ (7)	\$ (7)

	Millions of Yen			
	2015			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swaps				
Sold	¥ 53,809	¥ 53,809	¥ 1,176	¥ 1,176
Purchased	67,843	67,843	(1,755)	(1,755)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (578)	¥ (578)

(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. Derivative Transactions Qualifying for Hedge Accounting

Derivative transactions qualifying for hedge accounting are grouped by type of underlying transaction. 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, 2016 and 2015, consist of the following:

		Millions of Yen			Millions of U.S. Dollars		
		2016			2016		
		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	¥ 3,403,405	¥ 2,943,405	¥ 20,230	\$ 30,218	\$ 26,133	\$ 180
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		894,213	822,279	(45,497)	7,939	7,301	(404)
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	¥ —	¥ —	(*3)	\$ —	\$ —	(*3)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,586	1,400		14	12	
Total				¥ (25,266)			\$ (224)

		Millions of Yen		
		2015		Fair Value
		Notional Amount		
	Major Hedged Item	Total	Over One Year	
Deferral Method				
Interest Rate Swaps				
Fixed Interest	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable			
Rate Receivable/ Floating Interest				
Rate Payable		¥ 2,802,112	¥ 2,095,843	¥ 9,849
Floating Interest				
Rate Receivable/ Fixed Interest				
Rate Payable		834,685	675,219	(36,129)
Interest Futures				
Sold		—	—	—
Purchased		—	—	—
Interest Options				
Sold	—	—	—	
Purchased	—	—	—	
Others				
Sold	—	—	—	
Purchased	—	—	—	
Total				¥ (26,279)

(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, 2016 and 2015, consist of the following:

Major Hedged Item		Millions of Yen			Millions of U.S. Dollars		
		2016			2016		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 4,803,548	¥ 2,430,675	¥ (33,544)	\$ 42,649	\$ 21,581	\$ (298)
Forward Exchange Contracts							
Sold		7,355	—	171	65	—	(2)
Purchased		6,497	—	(295)	58	—	(3)
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	\$ 336	\$ —	\$ 6
Purchased		—	—	—	—	—	—
Total				¥ (33,046)			\$ (293)

Major Hedged Item		Millions of Yen		
		2015		
		Notional Amount		Fair Value
		Total	Over One Year	
Deferral Method				
Currency Swaps		¥ 2,830,428	¥ 2,214,688	¥ (273,932)
Forward Exchange Contracts	Loans and Bills Discounted, Securities Denominated in Foreign Currencies			
Sold		4,080	—	(56)
Purchased		19,218	—	296
Others				
Sold		—	—	—
Purchased		—	—	—
Total				¥ (273,692)

(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

Stock-Related transactions qualifying for hedge accounting as of March 31, 2016 and 2015, consist of the following:

Major Hedged Item		Millions of Yen					Millions of U.S. Dollars				
		2016					2016				
		Notional Amount		Fair Value	Notional Amount		Fair Value				
		Total	Over One Year		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)	8	—	(0)				
Total				¥	(17)			\$	(0)		

Major Hedged Item		Millions of Yen				Fair Value	
		2015					
		Notional Amount					
		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		5,066		3,037		(34)	
Total						¥ (34)	

(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, 2016 and 2015.

Retirement and Pension Plans

Retirement and Pension Plans for the Fiscal Years Ended March 31, 2016 and 2015

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
	2016	2015	2016
Retirement Benefit Obligations (opening balance)	¥ 418,374	¥ 369,829	\$ 3,715
Cumulative Effects of Changes in Accounting Policies	—	47,746	—
Retirement Benefit Obligations (restated opening balance for the current fiscal year)	418,374	417,576	3,715
Service Cost-Benefits Earned during the Fiscal Year	13,196	13,479	117
Interest Cost on Projected Benefit Obligations	4,929	4,900	44
Actuarial Gains and Losses that Arose during the Fiscal Year	49,433	(285)	439
Retirement Benefits Paid	(17,103)	(16,594)	(152)
Past Service Cost that Arose during the Fiscal Year	—	(387)	—
Other	4,449	(314)	40
Retirement Benefit Obligations (closing balance)	¥ 473,279	¥ 418,374	\$ 4,202

(2) Reconciliation of Plan Assets

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Plan Assets (opening balance)	¥ 596,928	¥ 508,671	\$ 5,300
Expected Return on Plan Assets	27,055	25,472	240
Actuarial Gains and Losses that Arose during the Fiscal Year	(62,140)	69,714	(552)
Contributions by the Employer	744	8,553	7
Retirement Benefits Paid	(15,591)	(15,483)	(138)
Other	3,751	—	33
Plan Assets (closing balance)	¥ 550,747	¥ 596,928	\$ 4,890

(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
	2016	2015	2016
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 461,419	¥ 407,361	\$ 4,097
Plan Assets	(550,747)	(596,928)	(4,890)
	(89,327)	(189,566)	(793)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	11,860	11,013	105
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (77,467)	¥ (178,553)	\$ (688)

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Liabilities for Retirement Benefits	¥ 13,937	¥ 12,152	\$ 124
Assets for Retirement Benefits	(91,404)	(190,706)	(812)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (77,467)	¥ (178,553)	\$ (688)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Service Cost-Benefits Earned during the Fiscal Year	¥ 13,196	¥ 13,479	\$ 117
Interest Cost on Projected Benefit Obligations	4,929	4,900	44
Expected Return on Plan Assets	(27,055)	(25,472)	(240)
Amortization of Actuarial Differences	(1,175)	6,012	(10)
Amortization of Past Service Cost	116	83	1
Other	1,066	1,166	9
Retirement Benefit Expenses for Defined Benefit Obligations	¥ (8,921)	¥ 170	\$ (79)

(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
	2016	2015	2016
Past Service Cost	¥ 288	¥ 449	\$ 3
Actuarial Differences	(112,749)	76,013	(1,001)
Total	¥ (112,460)	¥ 76,462	\$ (998)

(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
	2016	2015	2016
Unrecognized Past Service Cost	¥ 159	¥ 448	\$ 1
Unrecognized Actuarial Differences	59,227	(53,521)	526
Total	¥ 59,387	¥ (53,073)	\$ 527

(7) Plan Assets

1) The asset categories and proportion of the total plan asset are as follows:

	Proportion (%)	
	2016	2015
Debt Securities	20	13
Equity Securities	55	58
Cash and Due from Banks	6	11
Other	19	18
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 56% and 60% of the total plan asset for the fiscal years ended March 31, 2016 and 2015, 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 for calculating the actuarial gains and losses for the fiscal years ended March 31, 2016 and 2015, are as follows:

	2016	2015
Discount Rate	Mainly 0.5%	Mainly 1.2%
Expected Long-Term Rate of Return on Plan Assets	4.5%	5.0%

3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Holdings and its consolidated subsidiaries to the defined contribution pension plans were ¥1,846 million (U.S. \$16 million) and ¥1,629 million for the years ended March 31, 2016 and 2015, respectively.

Stock Option Plans

1. Expenses Recorded in Connection with Stock Options during the Fiscal Years Ended March 31, 2016 and 2015

(1) SuMi TRUST Holdings

2016: General and Administrative Expenses: ¥184 million (U.S. \$2 million)

2015: General and Administrative Expenses: ¥200 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, 2016	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: 286,000 shares	Common stock: 260,000 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

Year Ended March 31, 2016	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: 398,000 shares	Common stock: 404,000 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

Year Ended March 31, 2016	SuMi TRUST Holdings Series 5 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

Number of Stock Options Granted by Class of Share (Note)	Common stock: 327,000 shares
Grant Date	July 31, 2015
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.
Eligible Service Period	Not specified
Exercise Period	From August 31, 2015, to July 30, 2045

(Note) Converted into the number of equivalent shares.

2) Volume and Changes in Stock Options

i) Number of stock options

Year Ended March 31, 2016	Shares				
	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
Unvested Stock Options					
At the Beginning of the Fiscal Year	—	—	398,000	—	—
Granted	—	—	—	—	327,000
Forfeited	—	—	—	—	—
Vested	—	—	398,000	—	327,000
Unvested	—	—	—	—	—
Vested Stock Options					
At the Beginning of Fiscal Year	245,000	235,000	—	404,000	—
Vested	—	—	398,000	—	327,000
Exercised	11,000	10,000	5,000	17,000	—
Forfeited	—	—	—	—	—
Unexercised	234,000	225,000	393,000	387,000	327,000

ii) Unit price information

Year Ended March 31, 2016	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
Exercise Price (yen)	400	400	519	1	1
Average Stock Price when Exercised (yen)	530	539	489	507	—
Fair Unit Value on the Grant Date (yen)	62	34	146	424	544.7

(2) Nikko Asset Management Co., Ltd. (Consolidated Subsidiary)

1) Description of Stock Options

Year Ended March 31, 2016	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 2010	Resolution during the Fiscal Year 2011
Number of Eligible Persons and their Position	Employees of Nikko Asset Management Co., Ltd.: 1	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 186
Number of Stock Options Granted by Class of Share (Note)	Common stock: 2,310,000 shares	Common stock: 6,101,700 shares
Grant Date	August 20, 2010	October 7, 2011
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.	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.
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 January 22, 2012 to January 21, 2020	From October 7, 2013 to October 6, 2021

(Note) Converted into the number of equivalent shares.

2) Volume and Changes in Stock Options

i) Number of stock options

Year Ended March 31, 2016	Shares	
	Resolution during Fiscal Year 2009	
	February 8, 2010	August 20, 2010
Grant Date		
Unvested Stock Options		
At the Beginning of the Fiscal Year	15,902,700	1,567,500
Granted	—	—
Forfeited	14,140,500	1,392,600
Vested	—	—
At the End of Fiscal Year	1,762,200	174,900
Vested Stock Options		
At the Beginning of Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of Fiscal Year	—	—

	Shares	
	Resolution during Fiscal Year 2010	
	August 20, 2010	Resolution during Fiscal Year 2011 October 7, 2011
Grant Date		
Unvested Stock Options		
At the Beginning of the Fiscal Year	2,310,000	5,029,200
Granted	—	—
Forfeited	2,310,000	290,400
Vested	—	—
At the End of Fiscal Year	—	4,738,800
Vested Stock Options		
At the Beginning of Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of Fiscal Year	—	—

ii) Unit price information

Year Ended March 31, 2016	Resolution during Fiscal Year 2009	
	February 8, 2010	August 20, 2010
Grant Date		
Exercise Price	¥ 625	¥ 625
Fair Price on the Grant Date (Note 1)	0	0

	Resolution during Fiscal Year 2010	
	August 20, 2010	Resolution during Fiscal Year 2011 October 7, 2011
Grant Date		
Exercise Price	¥ 625	¥ 737 (Note 3)
Fair Price on the Grant Date (Note 1)	0	0

(Notes)

1) In lieu of fair value per share, the fair price refers to a share price of an estimate of each option's intrinsic value (the difference between the fair value of the share calculated by the comparable transactional price method and the exercise price).

2) The total amount of intrinsic value of the options was ¥0 as of March 31, 2016.

3) If the IPO price is set as any amount exceeding ¥737, 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 5 Subscription Rights to Shares as of the end of the current fiscal year is described below.

(1) Valuation Technique Used: Black-Scholes Model

(2) Principal Parameters and Estimation Method Used

Year Ended March 31, 2016	SuMi TRUST Holdings Series 5 Subscription Rights to Shares
Stock Price Volatility (Note 1)	36.4%
Expected Life (Note 2)	2.59 years
Dividend Yield (Note 3)	2.08%
Risk-Free Interest Rate (Note 4)	0.01%

(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, 2015.

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
	2016	2015	2016
Deferred Tax Assets:			
Allowance for Loan Losses			
(including Direct Write-Offs of Loans with Guarantees or Collateral)	¥ 38,681	¥ 29,674	\$ 343
Devaluation of Securities	21,834	24,435	194
Deferred Gains (Losses) on Hedges	3,426	4,995	30
Adjustments for Retirement Benefits	26,399	—	234
Valuation Difference Due to Share Exchange	5,606	12,345	50
Other	81,611	82,603	725
Subtotal	177,560	154,055	1,576
Valuation Allowance	(37,453)	(35,529)	(333)
Deferred Tax Assets	¥ 140,106	¥ 118,525	\$ 1,244
Deferred Tax Liabilities:			
Retirement Benefits	¥ (11,383)	¥ (8,205)	\$ (101)
Valuation Difference on Available-for-Sale Securities	(208,633)	(243,280)	(1,852)
Deferred Gains (Losses) on Hedges	(114)	—	(1)
Adjustments for Retirement Benefits	—	(3,268)	—
Valuation Difference Due to Share Exchange	(10,599)	(12,168)	(94)
Other	(9,351)	(7,594)	(83)
Deferred Tax Liabilities	¥ (240,081)	¥ (274,516)	\$ (2,132)
Net Deferred Tax Assets (Liabilities)	¥ (99,975)	¥ (155,991)	\$ (888)

2. Effective Income Tax Rate

Year Ended March 31	2016	2015
Effective Statutory Tax Rate	— %	35.64%
Adjustments:		
Changes in Valuation Allowance	—	(10.45)
Permanent Differences (e.g., Cash Dividends Received)	—	(1.81)
Adjustments to Deferred Tax Assets due to Change in Corporate Tax Rates	—	2.57
Others	—	(0.07)
Effective Income Tax Rate	— %	25.87%

(Note) Disclosure on adjustments between the effective statutory tax rate and the effective income tax rate was omitted since the difference was 5% or less of the effective statutory tax rate for the fiscal year ended March 31, 2016.

3. Adjustments to Deferred Tax Assets and Liabilities due to Change in Corporate Tax Rates

The Diet passed the "Act on Partial Amendment to the Income Tax Act, etc." (Act No. 15 of 2016) and the "Supplementary Provisions of the Act to Amend the Local Taxation Act, etc." (Act No. 13 of 2016) on March 29, 2016, to reduce income tax rates effective from fiscal years beginning on and after April 1, 2016. As a result of these acts, the effective statutory tax rate for calculating deferred tax assets and liabilities will be reduced from 32.26% to 30.86% and 30.62% on temporary differences that are expected to be realized during the fiscal years beginning on April 1, 2016, and on April 1, 2017, and fiscal years beginning on or after April 1, 2018, respectively.

The effects of this change were to decrease "Deferred Tax Liabilities" by ¥9,217 million (U.S. \$82 million) and to increase "Valuation Differences on Available-for-Sale Securities" by ¥10,527 million (U.S. \$93 million), "Deferred Losses on Hedges" by ¥177 million (U.S. \$2 million), "Adjustments for Retirement Benefits" by ¥1,799 million (U.S. \$16 million), and "Income Taxes-Deferred" by ¥2,931 million (U.S. \$26 million). "Deferred Tax Liabilities on Land Revaluation" decreased by ¥167 million (U.S. \$1 million), and "Revaluation Reserve for Land" increased by the same amount.

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

Fiscal Year Ended March 31, 2016	Millions of Yen					
	Reportable Segment		Other	Total	Adjustment	Carrying Amount
	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, 2015	Millions of Yen					
	Reportable Segment		Other	Total	Adjustment	Carrying Amount
	SuMi TRUST Bank	Total				
Income:						
Unaffiliated Customers	¥ 1,174,219	¥ 1,174,219	¥ 38,422	¥ 1,212,641	¥ (6,108)	¥ 1,206,532
Intersegment	12,855	12,855	83,651	96,506	(96,506)	—
Total	¥ 1,187,074	¥ 1,187,074	¥ 122,073	¥ 1,309,148	¥ (102,615)	¥ 1,206,532
Segment Profit	¥ 214,819	¥ 214,819	¥ 61,796	¥ 276,615	¥ (44,036)	¥ 232,578
Segment Assets	¥ 44,070,299	¥ 44,070,299	¥ 4,260,842	¥ 48,331,141	¥ (2,095,192)	¥ 46,235,949
Segment Liabilities	¥ 41,502,157	¥ 41,502,157	¥ 2,565,757	¥ 44,067,914	¥ (548,938)	¥ 43,518,975
Others						
Depreciation and Amortization	¥ 27,420	¥ 27,420	¥ 6,753	¥ 34,174	¥ —	¥ 34,174
Amortization of Goodwill	8,604	8,604	—	8,604	(499)	8,104
Interest Income	370,428	370,428	62,222	432,650	(63,420)	369,229
Interest Expenses	127,885	127,885	5,631	133,516	(7,168)	126,347
Equity in Earnings of Affiliated Companies	5,380	5,380	—	5,380	—	5,380
Gains on Disposal of Fixed Assets	2,978	2,978	—	2,978	—	2,978
Impairment Loss	5,514	5,514	—	5,514	(497)	5,017
IT System Integration Costs	55,148	55,148	—	55,148	—	55,148
Unamortized Balance of Goodwill	89,682	89,682	—	89,682	(4,998)	84,684
Investment in Affiliated Companies						
Accounted for by the Equity Method	53,340	53,340	—	53,340	—	53,340

Fiscal Year Ended March 31, 2016	Millions of U.S. Dollars					
	Reportable Segment		Other	Total	Adjustment	Carrying Amount
	SuMi TRUST Bank	Total				
Income:						
Unaffiliated Customers	\$ 10,205	\$ 10,205	\$ 363	\$ 10,568	\$ 100	\$ 10,669
Intersegment	150	150	777	927	(927)	—
Total	\$ 10,356	\$ 10,356	\$ 1,140	\$ 11,496	\$ (827)	\$ 10,669
Segment Profit	\$ 2,100	\$ 2,100	\$ 556	\$ 2,655	\$ (230)	\$ 2,425
Segment Assets	\$ 458,255	\$ 458,255	\$ 78,743	\$ 536,998	\$ (19,996)	\$ 517,002
Segment Liabilities	\$ 435,682	\$ 435,682	\$ 63,735	\$ 499,416	\$ (6,427)	\$ 492,990
Others						
Depreciation and Amortization	\$ 208	\$ 208	\$ 63	\$ 270	\$ —	\$ 270
Amortization of Goodwill	79	79	—	79	(4)	75
Interest Income	3,316	3,316	565	3,880	(577)	3,304
Interest Expenses	1,270	1,270	70	1,340	(87)	1,253
Equity in Earnings of Affiliated Companies	68	68	—	68	—	68
Gains on Disposal of Fixed Assets	16	16	—	16	(0)	16
Gains on Negative Goodwill	8	8	—	8	—	8
Losses on Disposal of Fixed Assets	31	31	0	32	0	32
Impairment Loss	46	46	—	46	(10)	36
Unamortized Balance of Goodwill	928	928	—	928	(40)	888
Investment in Affiliated Companies						
Accounted for by the Equity Method	511	511	—	511	—	511

(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 adjusted to "Income before Income Taxes" as presented in the consolidated statements of income.

Related Information

1. Information by Services

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, 2015	Millions of Yen			
	Trust Banking Business	Leasing Business	Other	Total
Income:				
Unaffiliated Customers	¥ 786,473	¥ 226,702	¥ 193,357	¥ 1,206,532

Fiscal Year Ended March 31, 2016	Millions of U.S. Dollars			
	Trust Banking Business	Leasing Business	Other	Total
Income:				
Unaffiliated Customers	\$ 6,850	\$ 1,946	\$ 1,873	\$ 10,669

(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 year ended March 31, 2016, consists of the following:

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, 2015	Millions of Yen				
	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,050,674	¥ 56,765	¥ 46,505	¥ 52,587	¥ 1,206,532

Fiscal Year Ended March 31, 2016	Millions of U.S. Dollars				
	Japan	Americas	Europe	Asia and Oceania	Total
	\$ 9,366	\$ 510	\$ 321	\$ 472	\$ 10,669

(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 overseas 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 sheets as of March 31, 2016 and 2015, 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

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. There was no gain on negative goodwill by reportable segment during the fiscal year ended March 31, 2015.

Related-Party Transactions

There were no material transactions to be disclosed for the fiscal years ended March 31, 2016 and 2015.

Per Share of Common Stock Information

	Yen		U.S. Dollars
	2016	2015	2016
Net Assets per Share of Common Stock	¥ 618.11	¥ 618.63	\$ 5.49
Net Income per Share of Common Stock	43.33	40.38	0.38
Fully-Diluted Net Income per Share of Common Stock	43.32	40.38	0.38

(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, 2016	As of March 31, 2015	As of March 31, 2016
Net Assets as Reported	¥ 2,704,511	¥ 2,716,973	\$ 24,012
Less:	327,537	327,148	2,908
Subscription Rights to Shares	421	246	4
Non-Controlling Interests	327,116	326,902	2,904
Net Assets Attributable to Common Shareholders	2,376,973	2,389,824	21,104
The Number of Shares of Common Stock Outstanding (Thousands of Shares)	3,845,494	3,863,040	3,845,494

2) Net Income per share of common stock and fully-diluted net income per common stock and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 166,909	¥ 159,665	\$ 1,482
Net Income Not Attributable to Common Shareholders	—	2,305	—
Dividends on Shares of Preferred Stock	—	2,305	—
Net Income Related to Common Stock that is Attributable to Owners of the Parent	166,909	157,360	1,482
Average Number of Shares of Common Stock Outstanding (Thousands of Shares)	3,852,022	3,896,562	3,852,022
Fully-Diluted Net Income per Share of Common Stock			
Adjustments to Net Income Attributable to Owners of the Parent	—	—	—
Effect of Dilutive Securities (Thousands of Shares)	684	324	684
Subscription Rights to Shares (Thousands of Shares)	684	324	684
Summary of the potential shares that were excluded from calculation of fully-diluted net income per share of common stock because they have no dilutive effect	SuMi TRUST Holdings: Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 393,000 Shares	SuMi TRUST Holdings: Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 398,000 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	Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): Subscription Rights to Shares (Stock Options) NAM Common Stock: 24,809,400 shares	Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): Subscription Rights to Shares (Stock Options) NAM Common Stock: 6,675,900 shares

3) Changes in accounting policies

As presented in the "Changes in Accounting Policies" section, SuMi TRUST Holdings applied the Accounting Standard for Business Combinations and others and the transitional provisions in item (4), paragraph 58-2 of the Accounting Standard for Business Combinations; item (4), paragraph 44-5 of the Accounting Standard for Consoli-

dated Financial Statements; and item (4), paragraph 57-4 of the Accounting Standard for Business Divestitures.

The effects to the net assets per share of common stock, the net income per share of common stock and fully diluted net income per share of common stock are immaterial.

Significant Subsequent Event (Repurchase of Treasury Stock)

SuMi TRUST Holdings held the board of directors meeting on May 12, 2016, and resolved as below to repurchase its treasury stock pursuant to the provision of its Articles of Incorporation in accordance with Article 459, Paragraph 1 of the Companies Act of Japan.

Reasons for repurchase:

SuMi TRUST Holdings will repurchase its treasury stock in order to improve shareholder return as well as capital efficiency

Class of shares to be repurchased:

Common stock of SuMi TRUST Holdings

Total number of shares to be repurchased:

Up to 20,000 thousand shares

Total amount of repurchase:

Up to ¥8,000 million (U.S. \$71 million)

Repurchase period:

From May 13, 2016 to July 29, 2016 (on its commitment base)

Repurchase method:

Market purchase of shares on the Tokyo Stock Exchange under a discretionary trading contract

Based on the resolution reached at the above board of directors meeting, SuMi Trust Holdings completed a purchase of its treasury stock as below.

Class of shares repurchased:

Common stock of SuMi TRUST Holdings

Total number of shares repurchased:

20,000,000 shares

Total amount of repurchase:

¥6,923.86 million (U.S. \$61.47 million)

Repurchase period:

From May 13 to May 19, 2016

Repurchase method:

Market purchase of shares on the Tokyo Stock Exchange under a discretionary trading contract

(Share Consolidation)

SuMi TRUST Holdings resolved on the share consolidation at the ordinary general meeting of shareholders for the 5th fiscal period and the class shareholders meeting of common shareholders both held on June 29, 2016.

1. Purpose of the share consolidation

Japanese stock exchanges are aiming to standardize the number of shares per trading unit to 100 shares and with this change in mind, SuMi TRUST Holdings is to change its share trading unit size, the number of shares constituting one trading unit, from one thousand (1,000) shares to one

hundred (100) shares. The purpose of this share consolidation is to maintain the price of one trading unit of its stock at the same level even after the change in the number of shares constituting one trading unit.

2. Details and timing of the share consolidation

SuMi TRUST Holdings will change its number of shares constituting one trading unit from one thousand (1,000) shares to one hundred (100) shares for those who will be registered at a final share holders' list as of September 30, stock as of October 1, 2016.

3. The number of decrease in shares after the share consolidation

The Number of Issued Stocks before the Share Consolidation as of March 31, 2016	Common Stock	3,903,486,408 Shares
The Number of Decrease in Shares by the Share Consolidation (Note)	Common Stock	3,513,137,768 Shares
The Number of Issued Stocks after the Share Consolidation (Note)	Common Stock	390,348,640 Shares

(Note) These are theoretical figures which are calculated by multiplying 'the number of issued stocks before the share consolidation' by consolidation ratio.

4. Impact on per share of common stock information

If the share consolidation was carried out at the beginning of the fiscal year ended March 31, 2015, the per share of common stock information for the fiscal years ended March 31, 2015 and 2016, is as follows.

	Yen	
	2016	2015
Net Assets per Share of Common Stock	¥ 6,181.19	¥ 6,186.38
Net Income per Share of Common Stock	433.30	403.84
Fully-Diluted Net Income per Share of Common Stock	433.22	403.80

Independent Auditors' Report



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, 2016, 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, 2016, 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, 2016 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, 2016
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, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Assets:			
Current Assets:			
Cash and Due from Banks	¥ 1,205	¥ 1,101	\$ 11
Securities	69,000	78,500	613
Prepaid Expenses	6	6	0
Income Tax Refunds Receivable	11,187	11,378	99
Other Current Assets	1,164	62	10
Total Current Assets	82,563	91,049	733
Non-Current Assets:			
Tangible Fixed Assets:	0	0	0
Tools, Furniture, and Fixtures	0	0	0
Intangible Fixed Assets:	1	1	0
Software	1	1	0
Investments and Other Assets:	1,741,388	1,561,399	15,461
Investment Securities	652	652	6
Investments in Subsidiaries and Affiliated Companies (Stocks)	1,530,642	1,530,642	13,590
Long-Term Loans Receivable from Subsidiaries and Affiliated Companies	210,000	30,000	1,865
Other Investments	94	105	1
Total Non-Current Assets	1,741,389	1,561,400	15,461
Deferred Asset:			
Stock Issuance Cost	227	1,593	2
Total Deferred Asset	227	1,593	2
Total Assets	¥ 1,824,180	¥ 1,654,043	\$ 16,196
Liabilities:			
Current Liabilities:			
Accrued Expenses	¥ 2,010	¥ 868	\$ 18
Income Taxes Payable	7	3	0
Unearned Revenue	251	1,507	2
Provision for Bonuses	66	70	1
Other Current Liabilities	226	192	2
Total Current Liabilities	2,562	2,642	23
Non-Current Liabilities:			
Bonds Payable	328,000	148,000	2,912
Other Non-Current Liabilities	36	351	0
Total Non-Current Liabilities	328,036	148,351	2,913
Total Liabilities	¥ 330,598	¥ 150,994	\$ 2,935
Net Assets:			
Total Shareholders' Equity:	¥ 1,493,160	¥ 1,502,802	\$ 13,257
Capital Stock	261,608	261,608	2,323
Capital Surplus:	1,041,474	1,041,473	9,247
Legal Capital Surplus	702,933	702,933	6,241
Other Capital Surplus	338,540	338,539	3,006
Retained Earnings:	217,175	216,777	1,928
Other Retained Earnings:	217,175	216,777	1,928
Retained Earnings Brought Forward	217,175	216,777	1,928
Treasury Stock-At Cost	(27,097)	(17,057)	(241)
Subscription Rights to Shares	421	246	4
Total Net Assets	¥ 1,493,582	¥ 1,503,048	\$ 13,261
Total Liabilities and Net Assets	¥ 1,824,180	¥ 1,654,043	\$ 16,196
Net Assets per Share of Common Stock			
	¥ 388.28	¥ 389.02	\$ 3.45

Financial Data:

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

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2016 and 2015

From April 1, 2015 to March 31, 2016

	Millions of Yen					
	Shareholders' Equity					
	Capital Stock	Capital Surplus			Retained Earnings	
		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, 2014 to March 31, 2015

	Millions of Yen					
	Shareholders' Equity					
	Capital Stock	Capital Surplus			Retained Earnings	
		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	¥ 447,545	¥ 1,150,479	¥ 211,187	¥ 211,187
Changes during the Year						
Cash Dividends					(45,582)	(45,582)
Net Income					51,173	51,173
Purchase of Treasury Stock						
Disposal of Treasury Stock			0	0		
Retirement of Treasury Stock			(109,006)	(109,006)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Year	—	—	(109,005)	(109,005)	5,590	5,590
Balance at the End of the Year	¥ 261,608	¥ 702,933	¥ 338,539	¥ 1,041,473	¥ 216,777	¥ 216,777

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Year	¥ (591)	¥ 1,622,684	¥ 47	¥ 1,622,731
Changes during the Year				
Cash Dividends		(45,582)		(45,582)
Net Income		51,173		51,173
Purchase of Treasury Stock	(125,494)	(125,494)		(125,494)
Disposal of Treasury Stock	22	22		22
Retirement of Treasury Stock	109,006	—		—
Net Changes of Items Other Than Shareholders' Equity			198	198
Total Changes during the Year	(16,465)	(119,881)	198	(119,683)
Balance at the End of the Year	¥ (17,057)	¥ 1,502,802	¥ 246	¥ 1,503,048

From April 1, 2015 to March 31, 2016

	Millions of U.S. Dollars					
	Shareholders' Equity					
	Capital Stock	Capital Surplus			Retained Earnings	
		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	\$ 2,323	\$ 6,241	\$ 3,006	\$ 9,247	\$ 1,925	\$ 1,925
Changes during the Year						
Cash Dividends					(445)	(445)
Net Income					448	448
Purchase of Treasury Stock						
Disposal of Treasury Stock			0	0		
Retirement of Treasury Stock						
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Year	—	—	0	0	4	4
Balance at the End of the Year	\$ 2,323	\$ 6,241	\$ 3,006	\$ 9,247	\$ 1,928	\$ 1,928

	Millions of U.S. Dollars			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Year	\$ (151)	\$ 13,343	\$ 2	\$ 13,345
Changes during the Year				
Cash Dividends		(445)		(445)
Net Income		448		448
Purchase of Treasury Stock	(89)	(89)		(89)
Disposal of Treasury Stock	0	0		0
Retirement of Treasury Stock		—		—
Net Changes of Items Other Than Shareholders' Equity			2	2
Total Changes during the Year	(89)	(86)	2	(84)
Balance at the End of the Year	\$ (241)	\$ 13,257	\$ 4	\$ 13,261

Financial Data:

Statements of Trust Account (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of March 31, 2016 and 2015

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Assets:			
Loans and Bills Discounted (Note 2)	¥ 1,072,436	¥ 781,607	\$ 9,522
Securities (Note 3)	95,470,280	86,466,833	847,645
Securities Held for Investment Trust	39,260,408	38,696,735	348,579
Foreign Investment for Investment Trust	21,945,153	21,747,417	194,843
Beneficiary Rights	437,230	374,301	3,882
Securities Held in Custody Accounts	20,010,628	21,204,446	177,667
Monetary Claims	18,191,068	16,633,335	161,512
Tangible Fixed Assets	12,727,945	11,575,618	113,007
Intangible Fixed Assets	155,406	119,569	1,380
Other Claims	9,736,128	12,392,536	86,443
Call Loans	883,242	6,878,090	7,842
Due from Banking Account	13,694,600	3,983,261	121,589
Cash and Due from Banks	3,172,771	3,071,822	28,170
Total Assets	¥ 236,757,301	¥ 223,925,575	\$ 2,102,080
Liabilities:			
Money Trusts (Note 4)	35,885,248	26,997,307	318,612
Pension Trusts	16,305,604	16,916,103	144,771
Property Formation Benefit Trusts	18,030	18,422	160
Loan Trusts (Note 5)	12,169	14,025	108
Securities Investment Trusts	61,220,597	51,756,056	543,555
Money in Trust Other Than Money Trusts	11,900,606	9,385,489	105,661
Securities in Trust	20,010,619	21,204,414	177,667
Money Claims in Trust	13,026,651	11,514,703	115,659
Real Estate in Trust	107,469	113,826	954
Composite Trusts	78,270,303	86,005,226	694,933
Total Liabilities	¥ 236,757,301	¥ 223,925,575	\$ 2,102,080

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, 2016 and 2015, was ¥6,954,988 million (U.S. \$61,751 million) and ¥1,614,013 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 ¥112.63 to U.S. \$1, the approximate rate of exchange as of March 31, 2016. 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 and one million U.S. dollars have been rounded down. As a result, the total may not be equal to the sum of individual amounts.

Each amount presented in the statements of trust account as of March 31, 2016 and 2015, 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, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Loans on Deeds	¥ 686,231	¥ 470,902	\$ 6,093
Loans on Bills	386,205	310,705	3,429
Total	¥ 1,072,436	¥ 781,607	\$ 9,522

The balances of guaranteed trust account loans as of March 31, 2016 and 2015 stood at ¥55,904 million (U.S. \$496 million) and ¥67,928 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, 2016 and 2015, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Other Delinquent Loans	¥ 5,057	¥ 5,537	\$ 45
Restructured Loans	85	1,033	1
Total	¥ 5,143	¥ 6,570	\$ 46

3. Securities

Securities held as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Government Bonds	¥ 13,572,588	¥ 16,145,876	\$ 120,506
Local Government Bonds	824,797	671,996	7,323
Short-Term Corporate Bonds	604,731	1,247,918	5,369
Corporate Bonds	2,569,750	2,398,035	22,816
Stocks	54,355,254	44,974,795	482,600
Other Securities	23,543,158	21,028,209	209,031
Total	¥ 95,470,280	¥ 86,466,833	\$ 847,645

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
	2016	2015	2016
Assets:			
Loans and Bills Discounted	¥ 55,904	¥ 67,928	\$ 496
Securities	29	29	0
Other	6,888,014	1,532,845	61,156
Total	¥ 6,943,949	¥ 1,600,804	\$ 61,653
Liabilities:			
Principal	6,943,283	1,600,514	61,647
Allowance for Impairment of Guaranteed Trust Principal	100	162	1
Other	564	127	5
Total	¥ 6,943,949	¥ 1,600,804	\$ 61,653

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
	2016	2015	2016
Assets:			
Loans and Bills Discounted	¥ —	¥ —	\$ —
Securities	—	—	—
Other	12,169	14,025	108
Total	¥ 12,169	¥ 14,025	\$ 108
Liabilities:			
Principal	11,704	13,498	104
Special Reserve Fund	60	71	1
Other	404	455	4
Total	¥ 12,169	¥ 14,025	\$ 108

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")

Five-Year Summary (Unaudited)	186
Consolidated Balance Sheet	189
Consolidated Statement of Income	190
Consolidated Statement of Comprehensive Income	191
Consolidated Statement of Changes in Net Assets	192
Consolidated Statement of Cash Flows	195
Notes to Consolidated Financial Statements	197
Independent Auditors' Report	262
Non-Consolidated Balance Sheets (Unaudited)	263
Non-Consolidated Statements of Income (Unaudited)	265
Non-Consolidated Statements of Changes in Net Assets (Unaudited)	267
Statements of Trust Account (Unaudited)	270
Notes to Statements of Trust Account (Unaudited)	271

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

Consolidated Statements of Banking Account	Millions of Yen				
	2016	2015	2014	2013	2012
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 14,428,660	¥ 8,524,067	¥ 5,751,322	¥ 3,146,709	¥ 1,444,264
Securities	4,815,901	4,668,534	5,629,697	6,180,225	3,958,195
Loans and Bills Discounted	26,740,793	25,534,790	23,689,058	22,194,917	12,465,163
Lease Receivables and Investment Assets	608,433	547,016	540,273	553,657	549,921
Tangible Fixed Assets	232,549	230,589	237,265	239,855	143,236
Intangible Fixed Assets	184,293	142,427	195,131	191,778	158,526
Customers' Liabilities for Acceptances and Guarantees	503,742	531,500	485,384	583,945	348,772
Other	4,189,737	3,981,362	3,760,556	3,474,779	2,482,213
Allowance for Loan Losses	(90,829)	(89,989)	(110,260)	(132,938)	(111,787)
Total Assets	¥ 51,613,282	¥ 44,070,299	¥ 40,178,429	¥ 36,432,931	¥ 21,438,505
Liabilities:					
Deposits and Negotiable Certificates of Deposit	33,777,450	31,706,796	29,297,725	27,128,224	15,972,171
Acceptances and Guarantees	503,742	531,500	485,384	583,945	348,772
Other	14,789,619	9,263,860	8,116,830	6,450,037	3,573,218
Total Liabilities	¥ 49,070,812	¥ 41,502,157	¥ 37,899,940	¥ 34,162,206	¥ 19,894,162
Net Assets:					
Shareholders' Equity	¥ 1,940,738	¥ 1,853,996	¥ 1,894,132	¥ 1,795,349	¥ 1,234,744
Accumulated Other Comprehensive Income	411,067	523,621	195,052	167,452	3,532
Non Controlling Interests	190,663	190,524	189,304	307,922	306,065
Total Net Assets	¥ 2,542,469	¥ 2,568,141	¥ 2,278,489	¥ 2,270,724	¥ 1,544,342
Total Liabilities and Net Assets	¥ 51,613,282	¥ 44,070,299	¥ 40,178,429	¥ 36,432,931	¥ 21,438,505
For the Year					
Income:					
Trust Fees	¥ 100,175	¥ 99,231	¥ 99,222	¥ 89,878	¥ 47,976
Interest Income	373,463	370,428	360,698	345,665	220,681
Fees and Commissions	336,948	315,486	307,223	269,290	178,847
Trading Income	15,964	32,428	24,604	24,350	9,267
Other Ordinary Income	286,008	288,197	290,148	309,615	479,020
Other Income	53,790	81,302	94,821	67,936	32,433
Total Income	¥ 1,166,350	¥ 1,187,074	¥ 1,176,718	¥ 1,106,736	¥ 968,227
Expenses:					
Interest Expenses	143,065	127,885	134,050	127,175	90,046
Fees and Commissions Payments	94,016	88,012	85,742	86,975	57,004
Trading Expenses	428	—	228	339	—
Other Ordinary Expenses	216,036	237,513	240,091	230,833	384,214
General and Administrative Expenses	390,654	386,924	385,487	366,515	236,610
Other Expenses	85,647	131,919	97,983	93,500	68,219
Total Expenses	¥ 929,847	¥ 972,255	¥ 943,582	¥ 905,339	¥ 836,095
Income before Income Taxes	¥ 236,503	¥ 214,819	¥ 233,135	¥ 201,397	¥ 132,131
Net Income	¥ 148,149	¥ 153,203	¥ 134,427	¥ 125,188	¥ 59,068
Yen					
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 84.05	¥ 90.11	¥ 77.52	¥ 72.00	¥ 32.52
Net Income per Share of Common Stock (Fully Diluted)	—	—	—	—	—
Net Assets per Share of Common Stock	1,404.45	1,419.86	1,181.15	1,106.90	673.00

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				
	2016	2015	2014	2013	2012
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 14,130,060	¥ 8,170,551	¥ 5,614,828	¥ 2,953,549	¥ 1,363,494
Securities	5,311,214	5,039,688	5,971,283	6,531,276	4,238,313
Loans and Bills Discounted	27,044,368	25,826,433	24,034,244	22,349,067	12,647,603
Tangible Fixed Assets	200,688	196,564	203,326	205,891	130,950
Intangible Fixed Assets	69,867	45,478	90,515	69,257	35,170
Customers' Liabilities for Acceptances and Guarantees	401,825	396,865	317,332	352,932	294,752
Other	3,162,871	3,096,876	2,975,225	2,936,060	1,986,883
Allowance for Loan Losses	(64,305)	(66,997)	(84,089)	(103,069)	(86,784)
Allowance for Investment Loss	—	—	—	—	(1,185)
Total Assets	¥ 50,256,590	¥ 42,705,462	¥ 39,122,664	¥ 35,294,966	¥ 20,609,199
Liabilities:					
Deposits and Negotiable Certificates of Deposit	33,721,544	31,613,647	29,377,151	27,108,712	15,983,174
Acceptances and Guarantees	401,825	396,865	317,332	352,932	294,752
Other	13,847,956	8,466,415	7,397,010	5,948,608	3,151,363
Total Liabilities	¥ 47,971,327	¥ 40,476,928	¥ 37,091,495	¥ 33,410,252	¥ 19,429,289
Net Assets:					
Shareholders' Equity	¥ 1,815,536	¥ 1,726,208	¥ 1,788,176	¥ 1,707,817	¥ 1,162,428
Valuation and Translation Adjustments	469,727	502,324	242,992	176,896	17,480
Total Net Assets	¥ 2,285,263	¥ 2,228,533	¥ 2,031,168	¥ 1,884,714	¥ 1,179,909
Total Liabilities and Net Assets	¥ 50,256,590	¥ 42,705,462	¥ 39,122,664	¥ 35,294,966	¥ 20,609,199
For the Year					
Income:					
Trust Fees	¥ 100,288	¥ 99,231	¥ 99,302	¥ 89,984	¥ 48,009
Interest Income	357,465	355,133	348,379	333,312	212,172
Fees and Commissions	188,193	182,915	176,725	160,927	77,389
Trading Income	15,964	32,428	24,604	24,493	9,429
Other Ordinary Income	74,119	70,889	47,481	64,886	64,305
Other Income	38,926	66,637	82,170	55,219	25,549
Total Income	¥ 774,956	¥ 809,696	¥ 778,665	¥ 728,823	¥ 436,856
Expenses:					
Interest Expenses	145,351	130,707	140,470	133,802	95,589
Fees and Commissions Payments	76,688	72,059	72,439	75,583	34,143
Trading Expenses	428	—	228	339	—
Other Ordinary Expenses	28,219	43,605	21,815	14,261	6,813
General and Administrative Expenses	251,989	266,863	268,802	261,701	145,193
Other Expenses	57,084	121,650	88,941	84,099	52,317
Total Expenses	¥ 559,761	¥ 639,717	¥ 592,697	¥ 569,788	¥ 334,058
Income before Income Taxes	¥ 215,196	¥ 169,979	¥ 185,967	¥ 159,034	¥ 102,798
Net Income	¥ 143,154	¥ 130,546	¥ 116,002	¥ 105,160	¥ 53,958
Annual Dividends	¥ 54,606	¥ 55,499	¥ 36,886	¥ 320,471	¥ 29,712
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 85.48	¥ 76.58	¥ 66.52	¥ 60.04	¥ 29.46
Net Income per Share of Common Stock (Fully Diluted)	—	—	—	—	—
Net Assets per Share of Common Stock	1,364.71	1,330.83	1,146.50	1,060.26	638.14

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

Statements of Trust Account	Millions of Yen				
	2016	2015	2014	2013	2012
As of the Year-End					
Assets:					
Securities	¥ 1,954,552	¥ 1,578,475	¥ 1,254,913	¥ 721,626	¥ 382,982
Loans and Bills Discounted	1,072,436	781,607	541,613	468,216	292,652
Other	171,881,233	150,304,875	134,998,194	125,852,988	82,593,409
Total Assets	¥ 174,908,223	¥ 152,664,958	¥ 136,794,720	¥ 127,042,831	¥ 83,269,043
Liabilities:					
Money Trusts	32,486,242	23,921,609	21,632,399	20,259,804	13,391,736
Pension Trusts	16,305,604	16,916,103	16,341,006	14,166,680	6,122,070
Property Formation Benefit Trusts	18,030	18,422	20,102	20,630	8,911
Loan Trusts	12,169	14,025	32,322	81,727	—
Other Trusts	126,086,176	111,794,797	98,768,890	92,513,989	63,746,324
Total Liabilities	¥ 174,908,223	¥ 152,664,958	¥ 136,794,720	¥ 127,042,831	¥ 83,269,043

Total Employable Funds (Non-Consolidated)	Millions of Yen				
	2016	2015	2014	2013	2012
As of the Year-End					
Deposits	¥ 33,721,544	¥ 31,613,647	¥ 29,377,152	¥ 27,108,712	¥ 15,983,174
Money Trusts	32,486,242	23,921,609	21,632,399	20,259,804	13,391,736
Pension Trusts	16,305,604	16,916,103	16,341,006	14,166,680	6,122,070
Property Formation Benefit Trusts	18,030	18,422	20,102	20,630	8,911
Loan Trusts	12,169	14,025	32,322	81,727	—
Total Employable Funds*	¥ 82,543,591	¥ 72,483,808	¥ 67,402,982	¥ 61,637,555	¥ 35,505,893

* 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.

Consolidated Balance Sheet

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of March 31, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Assets:			
Cash and Due from Banks	¥ 14,428,660	¥ 8,524,067	\$ 128,107
Call Loans and Bills Bought	505,252	205,075	4,486
Receivables under Resale Agreements	110,377	136,188	980
Receivables under Securities Borrowing Transactions	326,457	310,806	2,898
Monetary Claims Bought	889,445	794,838	7,897
Trading Assets (Notes 1, 2, and 4)	614,290	754,962	5,454
Money Held in Trust	1,749	1,619	16
Securities (Notes 2, 4, and 14)	4,815,901	4,668,534	42,759
Loans and Bills Discounted (Notes 3, 4, and 5)	26,740,793	25,534,790	237,422
Foreign Exchanges	17,223	12,732	153
Lease Receivables and Investment Assets (Note 4)	608,433	547,016	5,402
Other Assets (Notes 4 and 8)	1,606,631	1,555,519	14,265
Tangible Fixed Assets (Note 6)	232,549	230,589	2,065
Intangible Fixed Assets (Note 7)	184,293	142,427	1,636
Assets for Retirement Benefits	91,225	190,436	810
Deferred Tax Assets	27,084	19,183	240
Customers' Liabilities for Acceptances and Guarantees	503,742	531,500	4,473
Allowance for Loan Losses	(90,829)	(89,989)	(806)
Total Assets	¥ 51,613,282	¥ 44,070,299	\$ 458,255
Liabilities:			
Deposits (Notes 4 and 9)	¥ 26,577,818	¥ 25,057,728	\$ 235,975
Negotiable Certificates of Deposit	7,199,632	6,649,067	63,923
Call Money and Bills Sold	328,968	787,600	2,921
Payables under Repurchase Agreements (Note 4)	653,456	462,942	5,802
Trading Liabilities (Note 1)	451,751	405,188	4,011
Borrowed Money (Notes 4 and 10)	2,790,491	2,521,994	24,776
Foreign Exchanges	259	140	2
Short-Term Bonds Payable	1,253,207	974,317	11,127
Bonds Payable (Note 11)	864,857	994,607	7,679
Borrowed Money from Trust Account (Note 12)	7,026,326	1,644,822	62,384
Other Liabilities (Note 13)	1,241,345	1,263,796	11,021
Provision for Bonuses	15,765	15,762	140
Provision for Directors' Bonuses	255	230	2
Liabilities for Retirement Benefits	12,996	11,326	115
Provision for Reward Points Program	17,711	495	157
Provision for Reimbursement of Deposits	3,676	3,598	33
Provision for Contingent Losses	7,642	8,533	68
Deferred Tax Liabilities	117,781	165,182	1,046
Deferred Tax Liabilities for Land Revaluation (Note 6)	3,126	3,322	28
Acceptances and Guarantees (Note 4)	503,742	531,500	4,473
Total Liabilities	¥ 49,070,812	¥ 41,502,157	\$ 435,682
Net Assets:			
Total Shareholders' Equity:	¥ 1,940,738	¥ 1,853,996	\$ 17,231
Capital Stock	342,037	342,037	3,037
Capital Surplus	492,097	492,252	4,369
Retained Earnings	1,106,603	1,019,706	9,825
Total Accumulated Other Comprehensive Income:	411,067	523,621	3,650
Valuation Differences on Available-for-Sale Securities	484,079	524,689	4,298
Deferred Gains (Losses) on Hedges	(13,196)	(20,545)	(117)
Revaluation Reserve for Land (Note 6)	(697)	(93)	(6)
Foreign Currency Translation Adjustments	685	12,838	6
Adjustments for Retirement Benefits	(59,804)	6,732	(531)
Non-Controlling Interests	190,663	190,524	1,693
Total Net Assets	¥ 2,542,469	¥ 2,568,141	\$ 22,574
Total Liabilities and Net Assets	¥ 51,613,282	¥ 44,070,299	\$ 458,255
	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 1,404.45	¥ 1,419.86	\$ 12.47

See accompanying notes.

The figures in U.S. dollars are converted from a yen basis for convenience at the rate of ¥112.63 to U.S. \$1.00, the exchange rate prevailing as of March 31, 2016.

Financial Data:

Consolidated Statement of Income

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Income:			
Trust Fees	¥ 100,175	¥ 99,231	\$ 889
Interest Income:	373,463	370,428	3,316
Interest on Loans and Discounts	262,936	262,847	2,335
Interest and Dividends on Securities	86,373	85,234	767
Interest on Call Loans and Bills Bought	792	1,496	7
Interest on Receivables under Resale Agreements	925	883	8
Interest on Receivables under Securities Borrowing Transactions	18	56	0
Interest on Deposits with Banks	17,255	13,975	153
Other Interest Income (Note 1)	5,161	5,933	46
Fees and Commissions	336,948	315,486	2,992
Trading Income (Note 2)	15,964	32,428	142
Other Ordinary Income (Note 3)	286,008	288,197	2,539
Other Income (Note 4)	53,790	81,302	478
Total Income	¥ 1,166,350	¥ 1,187,074	\$10,356
Expenses:			
Interest Expenses:	¥ 143,065	¥ 127,885	\$ 1,270
Interest on Deposits	63,896	67,540	567
Interest on Negotiable Certificates of Deposit	16,575	11,241	147
Interest on Call Money and Bills Sold	1,517	1,669	13
Interest on Payables under Repurchase Agreements	4,403	1,146	39
Interest on Payables under Securities Lending Transactions	7	16	0
Interest on Borrowings	11,482	9,406	102
Interest on Short-Term Bonds	2,810	1,817	25
Interest on Bonds	13,756	19,501	122
Other Interest Expenses (Note 1)	28,616	15,545	254
Fees and Commissions Payments	94,016	88,012	835
Trading Expenses (Note 2)	428	—	4
Other Ordinary Expenses (Note 3)	216,036	237,513	1,918
General and Administrative Expenses (Note 5)	390,654	386,924	3,468
Other Expenses (Note 4)	85,647	131,919	760
Total Expenses	¥ 929,847	¥ 972,255	\$ 8,256
Income before Income Taxes	¥ 236,503	¥ 214,819	\$ 2,100
Income Taxes:	88,353	53,856	784
Current	70,008	47,311	622
Deferred	18,345	6,545	163
Net Income	¥ 148,149	¥ 160,962	\$ 1,315
Net Income Attributable to Non-Controlling Interests	7,399	7,759	66
Net Income Attributable to Owners of the Parent	¥ 140,749	¥ 153,203	\$ 1,250
	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 84.05	¥ 90.11	\$ 0.75

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, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net Income	¥ 148,149	¥ 160,962	\$ 1,315
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	(36,231)	265,943	(322)
Deferred Gains (Losses) on Hedges	3,062	(3,719)	27
Revaluation Reserve for Land	175	339	2
Foreign Currency Translation Adjustments	(11,134)	6,517	(99)
Adjustments for Retirement Benefits	(66,548)	56,876	(591)
Attributable to Equity-Method Affiliated Companies	(1,451)	5,071	(13)
Total Other Comprehensive Income (Loss) (Note 1)	¥ (112,128)	¥ 331,026	\$ (996)
Comprehensive Income:	¥ 36,020	¥ 491,989	\$ 320
Comprehensive Income Attributable to Owners of the Parent	28,975	483,826	257
Comprehensive Income Attributable to Non-Controlling Interests	7,045	8,162	63

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, 2016 and 2015

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						Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income		
Balance at the Beginning of the Year	¥ 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, 2014 to March 31, 2015

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 601,259	¥ 950,835	¥ —	¥ 1,894,132
Cumulative Effect of Changes in Accounting Policies			(30,887)		(30,887)
Balance at the Beginning of the Year after the Cumulative Effect	342,037	601,259	919,948	—	1,863,244
Changes during the Year					
Cash Dividends			(55,499)		(55,499)
Net Income Attributable to Owners of the Parent			153,203		153,203
Purchase of Treasury Stock				(109,006)	(109,006)
Retirement of Treasury Stock		(109,006)		109,006	—
Reversal of Revaluation Reserve for Land			2,054		2,054
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(109,006)	99,758	—	(9,248)
Balance at the End of the Year	¥ 342,037	¥ 492,252	¥1,019,706	¥ —	¥ 1,853,996

	Millions of Yen							Non-Controlling Interests	Total Net Assets
	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			
Balance at the Beginning of the Year	¥ 249,510	¥ (11,151)	¥ 1,622	¥ 5,228	¥ (50,156)	¥ 195,052	¥ 189,304	¥ 2,278,489	
Cumulative Effect of Changes in Accounting Policies								(30,887)	
Balance at the Beginning of the Year after the Cumulative Effect	249,510	(11,151)	1,622	5,228	(50,156)	195,052	189,304	2,247,601	
Changes during the Year									
Cash Dividends								(55,499)	
Net Income Attributable to Owners of the Parent								153,203	
Purchase of Treasury Stock								(109,006)	
Retirement of Treasury Stock								—	
Reversal of Revaluation Reserve for Land								2,054	
Net Changes of Items Other Than Shareholders' Equity	275,179	(9,394)	(1,715)	7,610	56,889	328,569	1,219	329,788	
Total Changes during the Year	275,179	(9,394)	(1,715)	7,610	56,889	328,569	1,219	320,539	
Balance at the End of the Year	¥ 524,689	¥ (20,545)	¥ (93)	¥ 12,838	¥ 6,732	¥ 523,621	¥ 190,524	¥ 2,568,141	

See accompanying notes.

From April 1, 2015 to March 31, 2016

	Millions of U.S. Dollars			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	\$ 3,037	\$ 4,371	\$ 9,054	\$ 16,461
Changes during the Year				
Cash Dividends			(485)	(485)
Net Income Attributable to Owners of the Parent			1,250	1,250
Purchase of Shares of Consolidated Subsidiaries		(1)		(1)
Sales of Shares of Consolidated Subsidiaries			(0)	(0)
Reversal of Revaluation Reserve for Land			7	7
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	(1)	772	770
Balance at the End of the Year	\$ 3,037	\$ 4,369	\$ 9,825	\$ 17,231

	Millions of U.S. Dollars							
	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income		
Balance at the Beginning of the Year	\$ 4,659	\$ (182)	\$ (1)	\$ 114	\$ 60	\$ 4,649	\$ 1,692	\$ 22,802
Changes during the Year								
Cash Dividends								(485)
Net Income Attributable to Owners of the Parent								1,250
Purchase of Shares of Consolidated Subsidiaries								(1)
Sales of Shares of Consolidated Subsidiaries								(0)
Reversal of Revaluation Reserve for Land								7
Net Changes of Items Other Than Shareholders' Equity	(361)	65	(5)	(108)	(591)	(999)	1	(998)
Total Changes during the Year	(361)	65	(5)	(108)	(591)	(999)	1	(228)
Balance at the End of the Year	\$ 4,298	\$ (117)	\$ (6)	\$ 6	\$ (531)	\$ 3,650	\$ 1,693	\$ 22,574

See accompanying notes.

Consolidated Statement of Cash Flows

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net Cash Provided by (Used in) Operating Activities:			
Income before Income Taxes	¥ 236,503	¥ 214,819	\$ 2,100
Depreciation and Amortization	23,386	27,420	208
Impairment Losses	5,163	5,514	46
Amortization of Goodwill	8,915	8,604	79
Gain on Negative Goodwill	(874)	—	(8)
Equity in Losses (Earnings) of Affiliated Companies	(7,702)	(5,380)	(68)
Increase (Decrease) in Allowance for Loan Losses	(2,532)	(20,271)	(22)
Increase (Decrease) in Provision for Bonuses	3	868	0
Increase (Decrease) in Provision for Directors' Bonuses	25	(25)	0
Decrease (Increase) in Assets for Retirement Benefits	114,184	(52,809)	1,014
Increase (Decrease) in Liabilities for Retirement Benefits	1,717	(74)	15
Increase (Decrease) in Provision for Reward Points Program	1,216	52	11
Increase (Decrease) in Provision for Reimbursement of Deposits	77	(319)	1
Increase (Decrease) in Provision for Contingent Losses	(891)	(266)	(8)
Interest Income	(373,463)	(370,428)	(3,316)
Interest Expenses	143,065	127,885	1,270
Loss (Gain) Related to Securities	(70,395)	(63,118)	(625)
Loss (Gain) on Money Held in Trust	(80)	(673)	(1)
Foreign Exchange Losses (Gains)	70,463	(217,369)	626
Loss (Gain) on Disposal of Fixed Assets	1,689	(441)	15
Net Decrease (Increase) in Trading Assets	140,672	(217,933)	1,249
Net Increase (Decrease) in Trading Liabilities	46,562	191,084	413
Net Decrease (Increase) in Loans and Bills Discounted	(1,194,012)	(1,845,732)	(10,601)
Net Increase (Decrease) in Deposits	1,519,923	934,554	13,495
Net Increase (Decrease) in Negotiable Certificates of Deposit	550,564	1,445,888	4,888
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	(5,135)	651,246	(46)
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	(91,950)	(992,187)	(816)
Net Decrease (Increase) in Call Loans	(368,738)	255,199	(3,274)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(15,650)	(21,429)	(139)
Net Increase (Decrease) in Call Money	(268,118)	(241,104)	(2,381)
Net Decrease (Increase) in Foreign Exchange-Assets	(4,490)	(618)	(40)
Net Increase (Decrease) in Foreign Exchange-Liabilities	118	15	1
Net Decrease (Increase) in Lease Receivables and Investment Assets	(47,042)	(6,743)	(418)
Net Increase (Decrease) in Short-Term Bonds Payable	278,889	69,434	2,476
Increase (Decrease) in Straight Bonds-Issuance and Redemption	11,511	107,646	102
Net Increase (Decrease) in Borrowed Money from Trust Account	5,381,504	302,820	47,780
Proceeds from Fund Management	384,223	373,410	3,411
Payments for Finance	(151,670)	(158,675)	(1,347)
Other, Net	35,636	(2,318)	316
Subtotal	¥ 6,353,267	¥ 498,546	\$ 56,408
Income Taxes (Paid) Refunded	(58,775)	(29,204)	(522)
Net Cash Provided by (Used in) Operating Activities	¥ 6,294,492	¥ 469,341	\$ 55,886

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net Cash Provided by (Used in) Investing Activities:			
Purchase of Securities	¥ (5,435,189)	¥ (6,045,507)	\$ (48,257)
Proceeds from Sales of Securities	3,242,632	5,791,367	28,790
Proceeds from Redemption of Securities	1,868,648	1,943,558	16,591
Increase in Money Held in Trust	(250)	—	(2)
Decrease in Money Held in Trust	—	12,000	—
Purchase of Tangible Fixed Assets	(19,603)	(13,998)	(174)
Proceeds from Sales of Tangible Fixed Assets	4,353	6,177	39
Purchase of Intangible Fixed Assets	(44,203)	(28,897)	(392)
Proceeds from Sales of Intangible Fixed Assets	0	6	0
Purchase of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation (Note 2)	(39,910)	—	(354)
Proceeds from Sales of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation	160	—	1
Net Cash Provided by (Used in) Investing Activities	¥ (423,362)	¥ 1,664,706	\$ (3,759)
Net Cash Provided by (Used in) Financing Activities:			
Increase in Subordinated Borrowings	¥ 180,000	¥ 30,000	\$ 1,598
Decrease in Subordinated Borrowings	(30,000)	(65,000)	(266)
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(141,269)	(182,000)	(1,254)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	(434)	—	(4)
Cash Dividends Paid	(54,606)	(55,499)	(485)
Cash Dividends Paid to Non-Controlling Interests	(6,394)	(6,329)	(57)
Purchase of Treasury Stock	—	(109,006)	—
Net Cash Provided by (Used in) Financing Activities	¥ (52,705)	¥ (387,835)	\$ (468)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (5,780)	¥ 34,344	\$ (51)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 5,812,643	¥ 1,780,557	\$ 51,608
Cash and Cash Equivalents at the Beginning of the Year	¥ 6,015,607	¥ 4,235,050	\$ 53,410
Cash and Cash Equivalents at the End of the Year (Note 1)	¥11,828,250	¥ 6,015,607	\$105,019

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 ¥112.63 to U.S. \$1, the approximate rate of exchange as of March 31, 2016. 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, 2016:

66 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

Sumitomo Mitsui Trust Club Co., Ltd. and two other companies are included in the scope of consolidation from the

fiscal year ended March 31, 2016 due mainly to the acquisition of their shares.

Sumitomo Mitsui Trust Capital Co., Ltd. and one other company are excluded from the scope of consolidation from the current fiscal year due mainly to the sale of their shares.

(2) Unconsolidated Subsidiaries

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd., and 37 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:

19 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, 2016, are as follows:

SBI Card Co., Ltd. and one other company 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, 2016.

Aon Hewitt HR One Corporation and one other company are excluded from the scope of the application of the equity method from the current fiscal year due mainly to their liquidation.

(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 37 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:	6 companies
November 30:	1 company
December 31:	10 companies
January 31:	2 companies
March 31:	43 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 29
- A consolidated subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 29
- 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 29
- The other consolidated subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet date, March 31, 2016, 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 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 secu-

rities 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, 2015 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 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 ¥27,075 million (U.S. \$240 million) and ¥18,321 million for the fiscal years ended March 31, 2016 and 2015, 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

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 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 apply the method to attribute projected benefits to the periods up to the year ended March 31, 2016, under 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 8 to 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the computational shortcut method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts to 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 goods sold 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" for each hedging transaction.

Deferred losses on hedges associated with "Macro Hedge Accounting" were ¥227 million (U.S. \$2 million) and ¥336 million (before tax effect) as of March 31, 2016 and 2015, 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 forward obligations 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 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

(Application of "Accounting Standard for Business Combinations" and Others)

SuMi TRUST Bank Group applied the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan ("ASBJ") Statement No. 21 of September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 of September 13, 2013), and the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 of September 13, 2013) effective from the fiscal year ended March 31, 2016. Under these accounting standards, differences arising from changes in SuMi TRUST Bank's

ownership interests in its subsidiaries over which it retains control are recognized in Capital Surplus, and acquisition-related costs are expensed as incurred. For business combinations completed on or after the beginning of the fiscal year ended March 31, 2016, the revised allocation of acquisition costs, due to the finalization of the tentative accounting treatment, is reflected in the consolidated financial statements for the period in which the business combination occurred. In addition, SuMi TRUST Bank changed the presentation of net income etc., and minority interests are now presented as non-controlling interests. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect these changes in the presentation.

In the consolidated statements of cash flows for the fiscal year ended March 31, 2016, two changes have been made. Cash flows related to the acquisition or sale of shares of subsidiaries that does not lead to a change in the scope of consolidation, are now included in the "Net Cash Provided by (Used in) Financing Activities." Cash flows related to expenses incurred associated with the acquisition of shares of the subsidiaries that changes the scope of consolidation or expenses incurred associated with the acquisition or sale of shares of the subsidiaries that does not lead to a change in the scope of consolidation, are now included in the "Net Cash Provided by (Used in) Operating Activities."

For the application of these accounting standards, SuMi TRUST Bank adopted the transitional provisions in item (4), paragraph 58-2 of the Accounting Standard for Business Combinations; item (4), paragraph 44-5 of the Accounting Standard for Consolidated Financial Statements; and item (4), paragraph 57-4 of the Accounting Standard for Business Divestitures effective from the beginning of the fiscal year ended March 31, 2016.

The effects of these changes to "Income," "Income before Income Taxes," and "Capital Surplus" as of and for the fiscal year ended March 31, 2016, are immaterial.

Changes in Accounting Policies that are Difficult to Distinguish from Changes in Accounting Estimates

SuMi TRUST Bank changed its depreciation method for tangible fixed assets (excluding lease assets) from the declining-balance method to the straight-line method effective from the current fiscal year ended March 31, 2016, except for buildings (excluding their accompanying facilities)

acquired on or after April 1, 1998, which are depreciated using the straight-line method.

This change was made as a result of reviewing the depreciation method for tangible fixed assets after the completion of the banking IT system integration, in consideration for future investment plans, such as renovation of clerical centers, opening of new branches, and consolidation of branches with redundant functions. SuMi TRUST Bank's tangible fixed assets are expected to be used continuously over a long term, leading to a conclusion that the straight-line method, under which expenses are evenly allocated through the assets' useful lives in line with their actual usage, contributes the appropriate presentation of profit and loss.

The effects of this change to "Income" and "Income before Income Taxes" for the fiscal year ended March 31, 2016, are immaterial.

New Accounting Standards Not Yet Applied Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No.26 of March 28, 2016)

(1) Overview

The Implementation Guidance on Recoverability of Deferred Tax Assets is guidance that was basically created by maintaining the guidance on recoverability of deferred tax assets prescribed in the "Auditing Treatment on Determining the Recoverability of Deferred Tax Assets" (JICPA Auditing Committee Report No.66).

(2) Planned Effective Dates

SuMi TRUST Bank plans to apply the revised Implementation Guidance on Recoverability of Deferred Tax Assets at the beginning of the fiscal year started April 1, 2016.

(3) Effects of Application of the Accounting Standards and the Guidance

SuMi TRUST Bank is in the process of evaluating impacts of applying the Guidance on its consolidated financial statements.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Securities in Trading Account	¥ 25,999	¥ 15,731	\$ 231
Derivatives of Trading Securities	38	12	0
Derivatives of Securities Related to Trading Transactions	80	132	1
Trading-Related Financial Derivatives	563,870	543,304	5,006
Other Trading Assets	24,301	195,781	216
Total	¥ 614,290	¥ 754,962	\$ 5,454

(2) Trading liabilities as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Derivatives of Trading Securities	¥ —	¥ 92	\$ —
Derivatives of Securities Related to Trading Transactions	21	—	0
Trading-Related Financial Derivatives	451,729	405,096	4,011
Total	¥ 451,751	¥ 405,188	\$ 4,011

2. Securities

Securities held as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Government Bonds	¥ 761,929	¥ 925,460	\$ 6,765
Local Government Bonds	4,846	4,146	43
Corporate Bonds	656,962	571,264	5,833
Stocks	1,402,687	1,586,261	12,454
Other Securities	1,989,474	1,581,402	17,664
Total	¥ 4,815,901	¥ 4,668,534	\$ 42,759

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliated companies.

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Stocks	¥ 57,730	¥ 53,504	\$ 513
Equity Investments	36,057	43,617	320

Unsecured securities borrowed under loan agreements and securities purchased under resale agreements and borrowing transactions with cash collateral that SuMi TRUST Bank is permitted to sell or repledge.

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Securities that are Further Loaned	¥ 886,136	¥ 833,872	\$ 7,868
Securities Held without Selling or Repledging as of the End of the Fiscal Year	—	—	—

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Bills Discounted	¥ 2,478	¥ 2,811	\$ 22
Loans on Bills	267,708	293,219	2,377
Loans on Deeds	24,942,658	23,276,199	221,457
Overdrafts	1,527,948	1,962,559	13,566
Total	¥ 26,740,793	¥ 25,534,790	\$ 237,422

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 ¥2,478 million (U.S. \$22 million) and ¥2,811 million as of March 31, 2016 and 2015, respectively.

Under SuMi TRUST Bank's Self-Assessment Rules, SuMi TRUST Bank Group classifies loans as "Delinquent Loans"

if borrowers are virtually bankrupt or potentially bankrupt. 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.

Loans and bills discounted as of March 31, 2016 and 2015, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Loans in Bankruptcy Proceedings	¥ 4,229	¥ 3,655	\$ 38
Other Delinquent Loans	65,692	102,608	583
Loans Past Due Three Months or More	—	54	—
Restructured Loans	40,999	81,365	364
Total	¥ 110,921	¥ 187,684	\$ 985

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"), due to the reasons 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).

Other 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 other 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, other delinquent loans, or loans past due three months or more.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Assets Pledged as Collateral:			
Trading Assets	¥ 20,000	¥ 103,989	\$ 178
Securities	877,146	543,104	7,788
Loans and Bills Discounted	1,470,791	1,491,041	13,059
Lease Receivables and Investment Assets	8,425	12,240	75
Other Assets	153	95	1
Total	¥ 2,376,517	¥ 2,150,471	\$ 21,100
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	¥ 23,012	¥ 36,363	\$ 204
Payables under Repurchase Agreements	354,071	174,368	3,144
Borrowed Money	1,244,330	1,247,994	11,048
Acceptances and Guarantees	2,561	12,274	23
Total	¥ 1,623,975	¥ 1,471,000	\$ 14,419

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
	2016	2015	2016
Securities	¥ 597,384	¥ 579,398	\$ 5,304

“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
	2016	2015	2016
Initial Margins of Futures Markets	¥ 8,435	¥ 5,043	\$ 75
Security Deposits	25,807	20,198	229
Cash Collateral Pledged for Financial Instruments-Assets	470,912	666,949	4,181

5. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and committed 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 ¥11,860,101 million (U.S. \$105,301 million) and ¥11,407,741 million, of which ¥7,856,167 million (U.S. \$69,752 million) and ¥7,793,652 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2016 and 2015, 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 Group 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, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Land	¥ 135,464	¥ 132,641	\$ 1,203
Buildings	73,447	71,203	652
Lease Assets	3,415	1,922	30
Construction in Progress	1,820	2,160	16
Other	18,401	22,661	163
Total	¥ 232,549	¥ 230,589	\$ 2,065

Accumulated depreciation amounted to ¥179,620 million (U.S. \$1,595 million) and ¥183,055 million, and advance depreciation amounted to ¥33,021 million (U.S. \$293 million) and ¥33,694 million as of March 31, 2016 and 2015, 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 Liability 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 ¥6,281 million (U.S. \$56 million) and ¥6,999 million as of March 31, 2016 and 2015, respectively.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Software	¥ 68,884	¥ 45,546	\$ 612
Goodwill	104,517	89,682	928
Lease Assets	212	64	2
Other	10,678	7,134	95
Total	¥ 184,293	¥ 142,427	\$ 1,636

8. Other Assets

Other assets as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Domestic Exchange Settlement Account, Debit	¥ 666	¥ 1,246	\$ 6
Prepaid Expenses	7,137	7,686	63
Accrued Income	128,115	127,099	1,137
Initial Margins of Futures Markets	8,435	5,043	75
Variation Margins of Futures Markets	5,341	2,615	47
Financial Derivatives Other Than Trading Assets	531,220	458,715	4,717
Receivables for Securities Transactions	19,276	31,697	171
Cash Collateral Pledged for Financial Instruments-Assets	470,912	666,949	4,181
Other	435,526	254,464	3,867
Total	¥ 1,606,631	¥ 1,555,519	\$ 14,265

9. Deposits

Deposits as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Current Deposits, Ordinary Deposits and Deposits at Notice	¥ 5,475,584	¥ 4,831,802	\$ 48,616
Time Deposits	19,820,996	19,206,694	175,983
Other	1,281,237	1,019,231	11,376
Total	¥ 26,577,818	¥ 25,057,728	\$ 235,975

10. Borrowed Money

Borrowed money as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Subordinated Borrowings	¥ 310,000	¥ 160,000	\$ 2,752
Other Borrowed Money	2,480,491	2,361,994	22,023
Total	¥ 2,790,491	¥ 2,521,994	\$ 24,776

Average interest rates on borrowed money were 0.24% and 0.15% for the fiscal years ended March 31, 2016 and 2015, respectively.

Annual maturities of borrowed money as of March 31, 2016, for the next five years are as follows:

Fiscal Year Ending March 31	Millions of Yen	Millions of U.S. Dollars
	2016	2016
2017	¥ 1,506,849	\$ 13,379
2018	148,412	1,318
2019	107,922	958
2020	152,879	1,357
2021	79,424	705
Total	¥ 1,995,488	\$ 17,717

11. Bonds Payable

Bonds payable as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Perpetual Subordinated Bonds	¥ 26,100	¥ 117,369	\$ 232
Subordinated Bonds	374,487	424,479	3,325
Other Bonds Payable	464,270	452,758	4,122
Total	¥ 864,857	¥ 994,607	\$ 7,679

Annual maturities of bonds payable as of March 31, 2016, for the next five years are as follows:

Fiscal Year Ending March 31	Millions of Yen	Millions of U.S. Dollars
	2016	2016
2017	¥ 115,315	\$ 1,024
2018	171,845	1,526
2019	153,587	1,364
2020	78,636	698
2021	160,000	1,421
Total	¥ 679,383	\$ 6,032

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, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Domestic Exchange Settlement Account, Credit	¥ 965	¥ 315	\$ 9
Income Taxes Payable	50,351	31,087	447
Accrued Expenses	105,344	104,080	935
Unearned Income	72,730	72,077	646
Variation Margins of Futures Markets	—	2,384	—
Financial Derivatives Other Than Trading Liabilities	639,844	779,416	5,681
Lease Obligations	9,437	8,343	84
Asset Retirement Obligations	4,197	5,991	37
Payables for Securities Transactions	54	6,772	0
Provision for Loss on Interest Repayment	297	327	3
Cash Collateral Pledged for Financial Instruments-Liabilities	197,037	133,902	1,749
Other	161,085	119,097	1,430
Total	¥ 1,241,345	¥ 1,263,796	\$ 11,021

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 ¥134,249 million (U.S. \$1,192 million) and ¥137,027 million as of March 31, 2016 and 2015, 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, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Interest on Monetary Claims Bought	¥ 2,383	¥ 2,874	\$ 21
Others	2,777	3,058	25
Total	¥ 5,161	¥ 5,933	\$ 46

(2) Other interest expenses for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Interest on Interest Rate Swaps	¥ 16,594	¥ 7,768	\$ 119
Others	12,021	7,776	73
Total	¥ 28,616	¥ 15,545	\$ 192

2. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Income from Trading Securities and Derivatives	¥ 927	¥ 1,276	\$ 8
Income from Trading-Related Financial Derivatives Transactions	14,831	30,455	132
Other Trading Income	204	696	2
Total	¥ 15,964	¥ 32,428	\$ 142

(2) Trading expenses for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Expenses on Trading Transactions	¥ 428	¥ —	\$ 4
Total	¥ 428	¥ —	\$ 4

3. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net Gains on Foreign Exchange Transactions	¥ 16,239	¥ —	\$ 144
Gains on Sales and Redemption of Bonds	57,490	69,628	510
Others	212,278	218,567	1,885
Total	¥ 286,008	¥ 288,197	\$ 2,539

(2) Other ordinary expenses for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net Losses on Foreign Exchange Transactions	¥ —	¥ 636	\$ —
Losses on Sales and Redemption of Bonds	5,146	5,938	46
Losses on Derivatives Other Than for Trading or Hedging	22,226	37,230	197
Others	188,662	193,707	1,675
Total	¥ 216,036	¥ 237,513	\$ 1,918

4. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Gains on Sales of Stocks and Other Securities	¥ 27,981	¥ 35,900	\$ 248
Gains on Money Held in Trust	82	673	1
Net Reversal of Allowance for Possible Loan Losses	—	18,975	—
Recoveries of Written-Off Claims	2,795	2,273	25
Equity in Earnings of Affiliated Companies	7,702	5,380	68
Gains on Disposal of Fixed Assets	1,847	2,978	16
Others	13,380	15,121	119
Total	¥ 53,790	¥ 81,302	\$ 478

(2) Other expenses for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Allowance for Loan Losses	¥ 19,198	¥ —	\$ 170
Write-Off of Loans	9,377	1,658	83
Losses on Sales of Stocks and Other Securities	6,209	36,150	55
Losses on Devaluation of Stocks and Other Securities	3,718	389	33
Losses on Money Held in Trust	2	—	0
Losses on Disposal of Fixed Assets	3,537	2,536	31
Losses on Impairment of Fixed Assets	5,163	5,514	46
Management Integration Expenses	—	8,438	—
Losses on Investment in Partnerships	8,731	4,303	78
Others	29,708	72,928	264
Total	¥ 85,647	¥ 131,919	\$ 760

"Others" for the fiscal year ended March 31, 2015 includes banking IT system integration costs, which is ¥55,148 million. After the merger on April 1, 2012, among The Chuo Mitsui Trust and Banking Company, Limited, Chuo Mitsui Asset Trust and Banking Company, Limited, and The Sumitomo Trust and

Banking Co., Ltd. to establish SuMi TRUST Bank, their banking IT systems have been used in parallel. Costs incurred from the integration of system data among the former banks associated with the complete integration of their IT systems were expensed when each system migration was completed.

5. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Taxes Other Than Income Taxes	¥ 14,941	¥ 13,168	\$ 133
Personnel Expenses	192,575	194,461	1,710
Others	183,137	179,294	1,626
Total	¥ 390,654	¥ 386,924	\$ 3,468

Note to the Consolidated Statement of Comprehensive Income

1. 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, 2016 and 2015, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	¥ (8,547)	¥ 432,129	\$ (76)
Reclassification Adjustments	(62,273)	(52,448)	(553)
Before Tax Effects	(70,820)	379,681	(629)
Tax Effects	34,588	(113,738)	307
Valuation Difference on Available-for-Sale Securities	(36,231)	265,943	(322)
Deferred Gains (Losses) on Hedges:			
Changes during the Period	(11,849)	(12,713)	(105)
Reclassification Adjustments	16,594	7,768	147
Before Tax Effects	4,745	(4,945)	42
Tax Effects	(1,683)	1,225	(15)
Deferred Gains (Losses) on Hedges	3,062	(3,719)	27
Revaluation Reserve for Land:			
Changes during the Period	—	—	—
Reclassification Adjustments	—	—	—
Before Tax Effects	—	—	—
Tax Effects	175	339	2
Revaluation Reserve for Land	175	339	2
Foreign Currency Translation Adjustments:			
Changes during the Period	(11,134)	7,851	(99)
Reclassification Adjustments	—	(1,334)	—
Before Tax Effects	(11,134)	6,517	(99)
Tax Effects	—	—	—
Foreign Currency Translation Adjustments	(11,134)	6,517	(99)
Adjustments for Retirement Benefits			
Changes during the Period	(111,225)	70,313	(988)
Reclassification Adjustments	15,023	17,564	133
Before Tax Effects	(96,202)	87,877	(854)
Tax Effects	29,654	(31,001)	263
Adjustments for Retirement Benefits	(66,548)	56,876	(591)
Attributable to Equity-Method Affiliated Companies:			
Changes during the Period	(506)	3,796	(5)
Reclassification Adjustments	(945)	1,274	(8)
Attributable to Equity-Method Affiliated Companies	(1,451)	5,071	(13)
Total Other Comprehensive Income	¥ (112,128)	¥ 331,026	\$ (996)

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, 2016 and 2015, 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, 2016					
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, 2015					
Number of Issued Shares:					
Common Share	3,000,000	1,674,537	—	—	1,674,537
The First Series of Class II Preferred Shares	—	109,000	—	109,000	—
Total	3,000,000	1,783,537	—	109,000	1,674,537
Treasury Stock:					
The First Series of Class II Preferred Shares	—	—	109,000	109,000	—
Total	—	—	109,000	109,000	—

(Notes)

1) The number of the First Series of Class II Preferred Shares decreased due to their acquisition and cancelation, which were resolved at the meeting of the Board of Directors held on July 31, 2014.

2) The number of the First Series of Class II Preferred Shares held as treasury stock increased and then decreased by 109,000 thousand shares due to their acquisition and cancelation, which were resolved at the meeting of the Board of Directors held on July 31, 2014.

2. Subscription Rights to Shares

Subscription rights to shares for the fiscal years ended March 31, 2016 and 2015, consisted of the following:

		Millions of Yen		Millions of U.S. Dollars
		2016	2015	2016
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, 2016 and 2015, consist of the following:

As for the fiscal year ended March 31, 2016:

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)	Yen (U.S. Dollars)		
June 26, 2015					
Ordinary General Meeting of Shareholders	Common Share	¥ 34,545 (\$307)	¥ 20.63 (\$0.18)	March 31, 2015	June 29, 2015

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)	Yen (U.S. Dollars)		
November 12, 2015					
Board of Directors' Meeting	Common Share	¥ 20,060 (\$178)	¥ 11.98 (\$0.11)	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 (Millions of U.S. Dollars)		Yen (U.S. Dollars)		
June 29, 2016						
Ordinary General Meeting of Shareholders	Common Share	¥ 34,394 (\$305)	Retained Earnings	¥ 20.54 (\$0.18)	March 31, 2016	June 30, 2016

As for the fiscal year ended March 31, 2015:

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen	Yen		
June 27, 2014					
Ordinary General Meeting of Shareholders	Common Share	¥ 28,266	¥ 16.88	March 31, 2014	June 30, 2014
	The First Series of Class II Preferred Shares	¥ 2,305	¥ 21.15	March 31, 2014	June 30, 2014

Resolution	Type of Shares	Cash Dividends Declared Millions of Yen	Cash Dividends per Share Yen	Record Date	Effective Date
July 31, 2014					
Board of Directors' Meeting	The First Series of Class II Preferred Shares	¥ 2,305	¥ 21.15	September 30, 2014	October 1, 2014

Resolution	Type of Shares	Cash Dividends Declared Millions of Yen	Cash Dividends per Share Yen	Record Date	Effective Date
November 13, 2014					
Board of Directors' Meeting	Common Share	¥ 22,622	¥ 13.51	September 30, 2014	December 1, 2014

Dividends with a record date during the current fiscal year ended March 31, 2015, but whose effective date is after March 31, 2015, 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 26, 2015						
Ordinary General Meeting of Shareholders	Common Share	¥ 34,545	Retained Earnings	¥ 20.63	March 31, 2015	June 29, 2015

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, 2016 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Cash and Due from Banks	¥14,428,660	¥ 8,524,067	\$128,107
Due from Banks (excluding Due from the Bank of Japan)	(2,600,409)	(2,508,459)	(23,088)
Cash and Cash Equivalents	¥11,828,250	¥ 6,015,607	\$105,019

2. Major Components of Assets and Liabilities of Subsidiaries Newly Consolidated Due to the Acquisition of their Shares

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
	2016	2016
Assets	¥ 210,147	\$ 1,866
Liabilities	(186,785)	(1,658)
Goodwill	23,830	212
Negative Goodwill	(874)	(8)
Share Acquisition Costs	46,318	411
Cash and Cash Equivalents	6,407	57
Net: Payment for Purchase of Investments in Subsidiaries	¥ 39,910	\$ 354

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) Finance leases that do not transfer ownership of the lease assets to lessees accounted for as operating leases

There were no relevant items for the fiscal years ended March 31, 2016 and 2015.

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2016 and 2015, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Due in One Year or Less	¥ 3,781	¥ 4,560	\$ 34
Due in More Than One Year	10,602	13,808	94
Total	¥ 14,384	¥ 18,369	\$ 128

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2016 and 2015, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Due in One Year or Less	¥ 2,020	¥ 2,354	\$ 18
Due in More Than One Year	1,382	2,125	12
Total	¥ 3,403	¥ 4,480	\$ 30

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, and 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 and particular creditors 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 creditor 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 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, 2016, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Trading Accounts was ¥4.5 billion (U.S. \$40 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, 2016, resulted in two instances 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, 2016, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Banking Account was ¥1,152.6 billion (U.S. \$10,234 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 risk 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 risk management policy

With regard to funding liquidity risks, SuMi TRUST Bank 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 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 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, 2016 and 2015, 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		
	2016			2016		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 14,428,571	¥ 14,428,571	¥ —	\$ 128,106	\$ 128,106	\$ —
(2) Call Loans and Bills Bought	505,252	505,252	—	4,486	4,486	—
(3) Receivables under Resale Agreements	110,377	110,377	—	980	980	—
(4) Receivables under Securities Borrowing Transactions	326,457	326,457	—	2,898	2,898	—
(5) Monetary Claims Bought (*1)	853,478	854,108	630	7,578	7,583	6
(6) Trading Assets						
Trading Securities	50,301	50,301	—	447	447	—
(7) Money Held in Trust	1,649	1,649	—	15	15	—
(8) Securities						
Held-to-Maturity Debt Securities	318,190	354,795	36,605	2,825	3,150	325
Available-for-Sale Securities	4,294,686	4,294,686	—	38,131	38,131	—
(9) Loans and Bills Discounted	26,740,793			237,422		
Allowance for Loan Losses (*2)	(78,835)			(700)		
	26,661,958	26,946,501	284,543	236,722	239,248	2,526
(10) Foreign Exchanges	17,223	17,223	—	153	153	—
(11) Lease Receivables and Investment Assets (*1)	606,306	617,306	10,999	5,383	5,481	98
Total Assets	¥ 48,174,452	¥ 48,507,230	¥ 332,778	\$ 427,723	\$ 430,678	\$ 2,955
(1) Deposits	¥ 26,577,818	¥ 26,618,823	¥ 41,004	\$ 235,975	\$ 236,339	\$ 364
(2) Negotiable Certificates of Deposit	7,199,632	7,199,632	—	63,923	63,923	—
(3) Call Money and Bills Sold	328,968	328,968	—	2,921	2,921	—
(4) Payables under Repurchase Agreements	653,456	653,456	—	5,802	5,802	—
(5) Borrowed Money	2,790,491	2,805,796	15,304	24,776	24,912	136
(6) Foreign Exchanges	259	259	—	2	2	—
(7) Short-Term Bonds Payable	1,253,207	1,253,207	—	11,127	11,127	—
(8) Bonds Payable	864,857	896,668	31,810	7,679	7,961	282
(9) Borrowed Money from Trust Account	7,026,326	7,026,326	—	62,384	62,384	—
Total Liabilities	¥ 46,695,017	¥ 46,783,137	¥ 88,120	\$ 414,588	\$ 415,370	\$ 782
Derivatives Transactions (*3)						
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 61,945	¥ 61,945	¥ —	\$ 550	\$ 550	\$ —
Derivatives Transactions Qualifying for Hedge Accounting	(58,331)	(58,331)	—	(518)	(518)	—
Total Derivatives Transactions	¥ 3,614	¥ 3,614	¥ —	\$ 32	\$ 32	\$ —

		Millions of Yen		
		2015		
		Carrying Amount	Fair Value	Difference
(1)	Cash and Due from Banks (*1)	¥ 8,523,965	¥ 8,523,965	¥ —
(2)	Call Loans and Bills Bought	205,075	205,075	—
(3)	Receivables under Resale Agreements	136,188	136,188	—
(4)	Receivables under Securities Borrowing Transactions	310,806	310,806	—
(5)	Monetary Claims Bought (*1)	756,281	756,746	464
(6)	Trading Assets			
	Trading Securities	211,513	211,513	—
(7)	Money Held in Trust	1,619	1,619	—
(8)	Securities			
	Held-to-Maturity Debt Securities	352,976	393,520	40,543
	Available-for-Sale Securities	4,061,680	4,061,680	—
(9)	Loans and Bills Discounted	25,534,790		
	Allowance for Loan Losses (*2)	(78,777)		
		25,456,012	25,755,876	299,863
(10)	Foreign Exchanges	12,732	12,732	—
(11)	Lease Receivables and Investment Assets (*1)	544,554	553,062	8,508
Total Assets		¥ 40,573,407	¥ 40,922,787	¥ 349,380
(1)	Deposits	¥ 25,057,728	¥ 25,091,459	¥ 33,730
(2)	Negotiable Certificates of Deposit	6,649,067	6,649,067	—
(3)	Call Money and Bills Sold	787,600	787,600	—
(4)	Payables under Repurchase Agreements	462,942	462,942	—
(5)	Borrowed Money	2,521,994	2,530,986	8,991
(6)	Foreign Exchanges	140	140	—
(7)	Short-Term Bonds Payable	974,317	974,317	—
(8)	Bonds Payable	994,607	1,027,612	33,005
(9)	Borrowed Money from Trust Account	1,644,822	1,644,822	—
Total Liabilities		¥ 39,093,221	¥ 39,168,949	¥ 75,727
Derivatives Transactions (*3)				
	Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 117,565	¥ 117,565	¥ —
	Derivatives Transactions Qualifying for Hedge Accounting	(300,005)	(300,005)	—
Total Derivatives Transactions		¥ (182,440)	¥ (182,440)	¥ —

(*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

Monetary claims bought at counterparties' quoted prices or dealer/broker-quoted prices are stated at such prices. Fair values for all other such 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 Lease 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, (6) Foreign Exchanges, (7) Short-term Bonds Payable, and (9) Borrowed Money from Trust Accounts

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.

(5) 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.

(8) 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
	2016	2015	2016
	Carrying Amount	Carrying Amount	Carrying Amount
Monetary Claims Bought	¥ 35,687	¥ 38,202	\$ 317
Securities	109,234	156,785	970
(1) Unlisted Stocks (*3)	50,194	94,953	446
(2) Investments in Associations	53,108	57,883	472
(3) Others (*3)	5,931	3,948	53
Total	¥ 144,922	¥ 194,988	\$ 1,287

(*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, 2016, impairment losses of ¥227 million (U.S. \$2 million) and ¥0 million (U.S. \$0 million) were recognized against Unlisted Stocks and Other, respectively.

During the fiscal year ended March 31, 2015, impairment losses of ¥165 million and ¥17 million were recognized against Unlisted Stocks and Other, respectively.

(Note 3) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2016 and 2015

March 31, 2016	Millions of Yen					
	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

March 31, 2015	Millions of Yen					
	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	¥ 8,340,988	¥ 38	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	205,075	—	—	—	—	—
Receivables under Resale Agreements	136,188	—	—	—	—	—
Receivables under						
Securities Borrowing Transactions	310,806	—	—	—	—	—
Monetary Claims Bought (*1)	605,558	43,514	14,578	11,869	1,548	115,061
Money Held in Trust	—	—	—	—	1,619	—
Securities	803,396	706,689	414,420	401,939	247,502	299,363
Held-to-Maturity Debt Securities	34,261	78,877	30,265	73,150	18,123	137,539
Government Bonds	34,020	70,816	—	—	60	115,000
Corporate Bonds	—	—	—	—	—	2,552
Available-for-Sale Securities with						
Maturity	769,134	627,812	384,154	328,788	229,379	161,823
Government Bonds	407,500	240,000	—	10,000	10,000	29,000
Local Government Bonds	1,559	1,267	740	—	574	—
Corporate Bonds	35,726	198,630	205,473	86,706	34,793	4,858
Loans and Bills Discounted (*2)	3,738,875	4,970,326	4,524,076	2,617,678	1,710,390	5,314,207
Lease Receivables and						
Investment Assets (*3)	155,682	222,007	106,184	22,278	20,905	5,330
Total	¥ 14,296,573	¥ 5,942,577	¥ 5,059,259	¥ 3,053,764	¥ 1,981,967	¥ 5,733,961

March 31, 2016	Millions of U.S. Dollars					
	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	\$ 127,211	\$ 7	\$ —	\$ —	\$ —	\$ —
Call Loans and Bills Bought	4,486	—	—	—	—	—
Receivables under Resale Agreements	980	—	—	—	—	—
Receivables under						
Securities Borrowing Transactions	2,898	—	—	—	—	—
Monetary Claims Bought (*1)	5,784	477	397	209	185	824
Money Held in Trust	1	—	1	—	13	—
Securities	8,061	4,702	8,004	3,001	1,316	3,472
Held-to-Maturity Debt Securities	501	219	268	519	97	1,283
Government Bonds	445	184	—	—	1	1,021
Corporate Bonds	—	—	—	—	—	190
Available-for-Sale Securities with						
Maturity	7,560	4,483	7,736	2,482	1,219	2,188
Government Bonds	4,930	—	—	89	—	36
Local Government Bonds	5	—	22	—	16	—
Corporate Bonds	275	2,189	1,292	1,048	386	450
Loans and Bills Discounted (*2)	37,791	49,034	37,273	26,497	16,834	49,625
Lease Receivables and						
Investment Assets (*3)	1,461	2,153	1,015	237	388	35
Total	\$ 188,675	\$ 56,374	\$ 46,690	\$ 29,943	\$ 18,736	\$ 53,956

(*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 ¥28 million (U.S. \$0.2 million) and ¥31 million as of March 31, 2016 and 2015, 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 ¥69,921 million (U.S. \$621 million) and ¥106,264 million, and those without maturity, amounting to ¥2,223,839 million (U.S. \$19,745 million) and ¥2,552,970 million as of March 31, 2016 and 2015, 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 ¥1,869 million (U.S. \$17 million) and ¥3,627 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥10,756 million (U.S. \$95 million) and ¥11,000 million as of March 31, 2016 and 2015, respectively.

(Note 4) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2016 and 2015

March 31, 2016	Millions of Yen					
	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	¥ 2,774,049	¥ 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

March 31, 2015	Millions of Yen					
	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)	¥ 16,143,434	¥ 6,304,547	¥ 2,607,618	¥ 1,953	¥ 174	¥ —
Negotiable Certificates of Deposit	6,637,041	12,026	—	—	—	—
Call Money and Bills Sold	787,600	—	—	—	—	—
Payables under Repurchase Agreements	462,942	—	—	—	—	—
Borrowed Money (*2)	1,545,008	236,714	185,778	75,272	195,351	243,869
Short-Term Bonds Payable	974,455	—	—	—	—	—
Bonds Payable (*3)	53,000	296,419	228,514	180,000	46,500	73,000
Borrowed Money from Trust Account	1,644,822	—	—	—	—	—
Total	¥ 28,248,305	¥ 6,849,707	¥ 3,021,911	¥ 257,225	¥ 242,026	¥ 316,869

March 31, 2016	Millions of U.S. Dollars					
	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)	\$ 159,963	\$ 51,634	\$ 24,630	\$ 9	\$ 5	\$ —
Negotiable Certificates of Deposit	63,442	481	—	—	—	—
Call Money and Bills Sold	2,921	—	—	—	—	—
Payables under Repurchase Agreements	5,802	—	—	—	—	—
Borrowed Money (*2)	13,379	2,276	2,063	1,022	2,677	2,117
Short-Term Bonds Payable	11,132	—	—	—	—	—
Bonds Payable (*3)	1,024	2,889	2,119	710	58	648
Borrowed Money from Trust Account	62,384	—	—	—	—	—
Total	\$ 320,047	\$ 57,280	\$ 28,545	\$ 1,741	\$ 2,739	\$ 2,766

(*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 ¥140,000 million (U.S. \$1,243 million) and ¥40,000 million as of March 31, 2016 and 2015, respectively.

(*3) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥26,100 million (U.S. \$232 million) and ¥117,369 million as of March 31, 2016 and 2015, 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" are 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
	2016	2015	2016
Trading Securities	¥ 45	¥(21)	\$ 0

2. Held-to-Maturity Securities with Fair Value

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

March 31, 2015	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 225,087	¥ 240,815	¥ 15,727
Corporate Bonds	2,552	2,575	22
Other Bonds	143,463	168,708	25,245
Foreign Bonds	120,344	145,167	24,823
Others	23,118	23,540	421
Subtotal	371,103	412,099	40,995
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ 60	¥ 59	¥ (0)
Corporate Bonds	—	—	—
Other Bonds	4,930	4,901	(29)
Foreign Bonds	4,930	4,901	(29)
Others	—	—	—
Subtotal	4,990	4,960	(29)
Total	¥ 376,094	¥ 417,060	¥ 40,965

March 31, 2016	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	\$ 1,694	\$ 1,909	\$ 215
Corporate Bonds	190	192	2
Other Bonds	1,687	1,798	111
Foreign Bonds	780	888	108
Others	907	910	3
Subtotal	3,571	3,899	329
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	\$ —	\$ —	\$ —
Corporate Bonds	—	—	—
Other Bonds	163	163	(0)
Foreign Bonds	162	161	(0)
Others	2	2	—
Subtotal	163	163	(0)
Total	\$ 3,734	\$ 4,062	\$ 328

3. Available-for-Sale Securities

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
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)
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, 2015	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,370,211	¥ 591,296	¥ 778,915
Bonds	555,282	549,716	5,566
Government Bonds	157,545	155,302	2,243
Local Government Bonds	3,084	3,075	8
Corporate Bonds	394,652	391,338	3,314
Other Securities	1,070,124	1,039,249	30,875
Foreign Stocks	4,162	1,669	2,492
Foreign Bonds	911,452	893,868	17,584
Others	154,508	143,711	10,797
Subtotal	2,995,618	2,180,262	815,356
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 73,722	¥ 86,599	¥ (12,876)
Bonds	717,887	718,740	(853)
Government Bonds	542,767	542,830	(63)
Local Government Bonds	1,061	1,063	(2)
Corporate Bonds	174,058	174,846	(787)
Other Securities	332,793	351,841	(19,047)
Foreign Stocks	5,705	7,283	(1,577)
Foreign Bonds	136,285	137,101	(816)
Others	190,802	207,456	(16,654)
Subtotal	1,124,403	1,157,181	(32,777)
Total	¥ 4,120,022	¥ 3,337,443	¥ 782,579

March 31, 2016	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	\$ 10,864	\$ 5,061	\$ 5,802
Bonds	8,190	8,143	46
Government Bonds	4,450	4,438	11
Local Government Bonds	29	29	0
Corporate Bonds	3,711	3,676	35
Other Securities	13,338	12,637	701
Foreign Stocks	29	14	15
Foreign Bonds	7,620	7,509	111
Others	5,689	5,115	575
Subtotal	32,391	25,842	6,549
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	\$ 683	\$ 873	\$ (190)
Bonds	2,567	2,600	(32)
Government Bonds	622	622	(0)
Local Government Bonds	14	14	(0)
Corporate Bonds	1,932	1,965	(32)
Other Securities	2,913	3,031	(118)
Foreign Stocks	144	176	(32)
Foreign Bonds	1,866	1,873	(8)
Others	903	982	(79)
Subtotal	6,164	6,504	(340)
Total	\$ 38,555	\$ 32,346	\$ 6,209

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, 2016 and 2015.

5. Available-for-Sale Securities Sold during the Fiscal Year

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
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, 2015	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 81,264	¥ 35,815	¥ 129
Bonds	188,777	1,851	208
Government Bonds	101,648	1,390	182
Local Government Bonds	21,122	275	20
Corporate Bonds	66,007	185	4
Other Securities	5,409,087	68,044	41,517
Foreign Bonds	5,178,807	67,396	5,407
Others	230,280	647	36,109
Total	¥ 5,679,129	¥ 105,711	¥ 41,855

Year Ended March 31, 2016	Millions of U.S. Dollars		
	Amount Sold	Gain	Loss
Stocks	\$ 820	\$ 242	\$ 2
Bonds	1,950	34	2
Government Bonds	1,285	34	1
Local Government Bonds	69	0	0
Corporate Bonds	596	0	1
Other Securities	25,910	483	96
Foreign Bonds	24,304	468	40
Others	1,606	15	57
Total	\$ 28,680	\$ 759	\$ 100

(Note) The above figures include "Available-for-Sale Securities" whose fair values are extremely difficult to be determined.

6. 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, 2016, were ¥3,498 million (U.S. \$31 million), of which ¥3,487 million (U.S. \$31 million) was for Stocks and ¥11 million (U.S. \$0.1 million) was for Other Securities. Impairment losses recognized during the fiscal year ended

March 31, 2015 were ¥206 million for Stocks.

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	
	Carrying Amount	Valuation Difference Reflected in the Statement of Income
March 31, 2016		
Money Held in Trust for Trading Purposes	¥ 153	¥ 3

	Millions of U.S. Dollars	
	Carrying Amount	Valuation Difference Reflected in the Statement of Income
March 31, 2016		
Money Held in Trust for Trading Purposes	\$ 1	\$ 0

There was no money held in trust for trading purposes for the fiscal year ended March 31, 2015.

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)

March 31, 2016	Millions of Yen				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,596	¥ 967	¥ 628	¥ 628	¥ —

March 31, 2015	Millions of Yen				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,619	¥ 863	¥ 755	¥ 755	¥ —

March 31, 2016	Millions of U.S. Dollars				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	\$ 14	\$ 9	\$ 6	\$ 6	\$ —

(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.

March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Valuation Differences			
Available-for-Sale Securities	¥ 687,963	¥ 758,627	\$ 6,108
Other Money Held in Trust	628	755	6
Total Valuation Differences	688,592	759,382	6,114
Amount Equivalent to Deferred Tax Assets (Liabilities)	(208,813)	(243,293)	(1,854)
Total (before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	479,778	516,089	4,260
Non-Controlling Interests	(176)	(225)	(2)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	4,477	8,825	40
Valuation Difference on Available-for-Sale Securities	¥ 484,079	¥ 524,689	\$ 4,298

(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 ¥191 million (U.S. \$2 million) and ¥246 million on available-for-sale securities composing assets held by associated companies as of March 31, 2016

and 2015, 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, 2016 and 2015, consist of the following:

	Millions of Yen				Millions of U.S. Dollars				
	2016				2016				
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference	
Total	Over One Year	Total			Over One Year				
Listed									
Interest Futures									
Sold	¥45,249,251	¥14,813,892	¥ (60,758)	¥ (60,758)	\$ 401,751	\$ 131,527	\$ (539)	\$ (539)	
Purchased	43,087,805	13,133,651	56,151	56,151	382,561	116,609	499	499	
Interest Options									
Sold	2,389,802	107,556	(363)	428	21,218	955	(3)	4	
Purchased	1,656,571	46,307	299	(378)	14,708	411	3	(3)	
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	492,077	402,193	21,143	21,143	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	53,714,268	44,374,631	(2,300,241)	(2,300,241)	476,909	393,986	(20,423)	(20,423)	
Floating Interest Rate Receivable/ Floating Interest Rate Payable	6,657,076	6,022,090	6,140	6,140	59,106	53,468	55	55	
Interest Options									
Sold	5,526,509	5,367,603	(89,839)	(57,574)	49,068	47,657	(798)	(511)	
Purchased	3,038,329	2,934,950	61,861	43,246	26,976	26,058	549	384	
Others									
Sold	—	—	—	—	—	—	—	—	
Purchased	—	—	—	—	—	—	—	—	
Total	¥ 54,563		¥ 68,325	\$ 484		\$ 607			

	Millions of Yen			
	2015		Fair Value	Valuation Difference
	Notional Amount			
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 27,671,275	¥ 12,656,733	¥ (32,234)	¥ (32,234)
Purchased	24,927,660	11,462,974	29,404	29,404
Interest Options				
Sold	3,687,095	536,985	(937)	585
Purchased	2,574,168	309,266	897	(470)
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	62,632,510	50,776,915	2,072,978	2,072,978
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	62,331,751	50,397,565	(1,970,366)	(1,970,366)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	5,014,328	4,052,208	4,989	4,989
Interest Options				
Sold	5,623,217	5,536,921	(80,395)	(33,349)
Purchased	4,204,101	4,129,953	56,481	27,639
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ 80,818		¥ 99,176	

(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, 2016 and 2015, consist of the following:

	Millions of Yen								Millions of U.S. Dollars							
	2016								2016							
	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	¥ 3,218,253	¥ 2,903,071		¥	9,327	¥	9,327	\$	28,574	\$	25,775	\$	83	\$	83	
Forward Exchange Contracts																
Sold	10,173,574	611,767		38,474	38,474		90,327	5,432		342	342					
Purchased	10,277,799	593,724		(30,395)	(30,395)		91,253	5,271		(270)	(270)					
Currency Options																
Sold	1,042,194	470,032		(46,385)	(4,051)		9,253	4,173		(412)	(36)					
Purchased	1,031,475	402,842		38,584	2,326		9,158	3,577		343	21					
Others																
Sold	—		—		—		—		—		—		—			
Purchased	—		—		—		—		—		—		—			
Total					¥	9,605	¥	15,682					\$	85	\$	139

	Millions of Yen			
	2015		Fair Value	Valuation Difference
	Notional Amount			
	Total	Over One Year		
Listed				
Currency Futures				
Sold	¥	—	¥	—
Purchased		—		—
Currency Options				
Sold		—		—
Purchased		—		—
OTC				
Currency Swaps	¥ 2,462,040	¥ 2,013,474	¥ 12,260	¥ 12,260
Forward Exchange Contracts				
Sold	6,599,861	433,432	(90,959)	(90,959)
Purchased	6,039,915	466,314	139,938	139,938
Currency Options				
Sold	1,401,709	539,308	(96,672)	(41,069)
Purchased	1,204,954	506,242	69,947	26,779
Others				
Sold		—		—
Purchased		—		—
Total			¥ 34,513	¥ 46,948

(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, 2016 and 2015, consist of the following:

	Millions of Yen						Millions of U.S. Dollars						
	2016						2016						
	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	¥ 228,244	¥ —	¥ 352	¥ 352	\$ 2,027	\$ —	\$ 3	\$ 3					
Purchased	239,109	—	(987)	(987)	2,123	—	(9)	(9)					
Stock Index Options													
Sold	47,106	—	(141)	211	418	—	(1)	2					
Purchased	40,253	—	123	(129)	357	—	1	(1)					
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	44	44	3	3					
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	5,000	5,000	(328)	(328)	44	44	(3)	(3)					
Others													
Sold	—	—	—	—	—	—	—	—					
Purchased	—	—	—	—	—	—	—	—					
Total			¥ (653)	¥ (553)			\$ (6)	\$ (5)					

	Millions of Yen					
	2015					
	Notional Amount			Fair Value	Valuation Difference	
	Total	Over One Year				
Listed						
Stock Index Futures						
Sold	¥ 108,238	¥	—	¥ (229)	¥ (229)	
Purchased	107,333		—	110	110	
Stock Index Options						
Sold	8,730		—	(44)	28	
Purchased	164,219		—	486	(87)	
OTC						
OTC Stock Options						
Sold	¥	—	¥	—	¥	—
Purchased		—		—		—
OTC Stock Swaps						
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	10,800		10,800	426	426	
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	10,800		10,800	(426)	(426)	
Others						
Sold	—		—	—	—	
Purchased	—		—	—	—	
Total			¥ 323		¥ (178)	

(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, 2016 and 2015, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2016				2016			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 2,611,324	¥ —	¥ (12,683)	¥ (12,683)	\$ 23,185	\$ —	\$ (113)	\$ (113)
Purchased	2,320,413	—	12,203	12,203	20,602	—	108	108
Bond Future Options								
Sold	162,021	—	(748)	(176)	1,439	—	(7)	(2)
Purchased	179,198	—	356	(190)	1,591	—	3	(2)
OTC								
Bond Forward Contracts								
Sold	¥ 99,748	¥ —	¥ (597)	¥ (597)	\$ 886	\$ —	\$ (5)	\$ (5)
Purchased	138,847	—	721	721	1,233	—	6	6
Bond Options								
Sold	14,022	—	(93)	(30)	125	—	(1)	(0)
Purchased	14,022	—	19	(64)	125	—	0	(1)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (823)	¥ (817)			\$ (7)	\$ (7)

	Millions of Yen			
	2015			Valuation Difference
	Notional Amount		Fair Value	
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 1,479,724	¥ —	¥ (13,668)	¥ (13,668)
Purchased	1,431,164	—	16,284	16,284
Bond Future Options				
Sold	40,838	—	(185)	4
Purchased	44,041	—	271	(0)
OTC				
Bond Forward Contracts				
Sold	¥ 176,493	¥ —	¥ (1,355)	¥ (1,355)
Purchased	186,042	—	1,247	1,247
Bond Options				
Sold	24,691	—	(142)	(27)
Purchased	17,005	—	37	(55)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 2,488	¥ 2,428

(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 according to the prices offered by quote information vendors and using option-pricing models for the year ended March 31, 2016, and according to the prices offered by quote information vendors for the year ended March 31, 2015.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2016 and 2015.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2016 and 2015, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2016				2016			
	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	¥ 77,279	¥ 77,279	¥ 922	¥ 922	\$ 686	\$ 686	\$ 8	\$ 8
Purchased	88,309	88,309	(1,669)	(1,669)	784	784	(15)	(15)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (746)	¥ (746)			\$ (7)	\$ (7)

	Millions of Yen			
	2015			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swaps				
Sold	¥ 53,809	¥ 53,809	¥ 1,176	¥ 1,176
Purchased	67,843	67,843	(1,755)	(1,755)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (578)	¥ (578)

(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 transaction. 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, 2016 and 2015, consist of the following:

Major Hedged Item		Millions of Yen			Millions of U.S. Dollars		
		2016			2016		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Interest Rate Swaps							
Fixed Interest	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable						
Rate Receivable/ Floating Interest							
Rate Payable		¥ 3,403,405	¥ 2,943,405	¥ 20,230	\$ 30,218	\$ 26,133	\$ 180
Floating Interest							
Rate Receivable/ Fixed Interest							
Rate Payable		894,213	822,279	(45,497)	7,939	7,301	(404)
Interest Futures							
Sold			—	—	—	—	—
Purchased			—	—	—	—	—
Interest Options							
Sold		—	—	—	—	—	
Purchased		—	—	—	—	—	
Others							
Sold		—	—	—	—	—	
Purchased		—	—	—	—	—	
Exceptional Treatment for Interest Rate Swaps							
Interest Rate Swaps							
Fixed Interest	Borrowed Money						
Rate Receivable/ Floating Interest							
Rate Payable		¥ —	¥ —	(¥ 3)	\$ —	\$ —	(¥ 3)
Floating Interest							
Rate Receivable/ Fixed Interest							
Rate Payable		1,586	1,400		14	12	
Total				¥ (25,266)			\$ (224)

Major Hedged Item		Millions of Yen		
		2015		
		Notional Amount		Fair Value
		Total	Over One Year	
Deferral Method				
Interest Rate Swaps				
Fixed Interest	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable			
Rate Receivable/				
Floating Interest				
Rate Payable		¥ 2,802,112	¥ 2,095,843	¥ 9,849
Floating Interest				
Rate Receivable/				
Fixed Interest				
Rate Payable		834,685	675,219	(36,129)
Interest Futures				
Sold				
Purchased				
Interest Options				
Sold				
Purchased				
Others				
Sold				
Purchased				
Total				¥ (26,279)

(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, 2016 and 2015, consist of the following:

Major Hedged Item		Millions of Yen			Millions of U.S. Dollars		
		2016			2016		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 4,803,548	¥ 2,430,675	¥ (33,544)	\$ 42,649	\$ 21,581	\$ (298)
Forward Exchange Contracts							
Sold		7,355	—	171	65	—	2
Purchased		6,497	—	(295)	58	—	(3)
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	\$ 336	\$ —	\$ 6
Purchased		—	—	—	—	—	—
Total				¥ (33,046)			\$ (293)

Major Hedged Item		Millions of Yen		
		2015		
		Notional Amount		Fair Value
		Total	Over One Year	
Deferral Method				
Currency Swaps		¥ 2,830,428	¥ 2,214,688	¥ (273,932)
Forward Exchange Contracts	Loans and Bills Discounted and Securities Denominated in Foreign Currencies			
Sold		4,080	—	(56)
Purchased		19,218	—	296
Others				
Sold		—	—	—
Purchased		—	—	—
Total				¥ (273,692)

(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

Stock-related transactions qualifying for hedge accounting as of March 31, 2016 and 2015, consist of the following:

Major Hedged Item		Millions of Yen						Millions of U.S. Dollars					
		2016						2016					
		Notional Amount				Fair Value	Notional Amount				Fair Value		
		Total		Over One Year			Total		Over One Year				
Fair Value Method													
OTC Stock Swaps													
Volatility of Stock Price and Other Receivable/Short-Term Floating Interest Rate Payable	Available-for-Sale Securities	¥	—	¥	—	¥	—	\$	—	\$	—	\$	—
Short-Term Floating Interest Rate Receivable/Volatility of Stock Price and Other Payable	(Stocks)												
			848		—		(17)		8		—		(0)
Total						¥	(17)					\$	(0)

Major Hedged Item		Millions of Yen				Fair Value	
		2015					
		Notional Amount					
		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		5,066		3,037		(34)	
Total						¥	(34)

(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, 2016 and 2015.

Retirement and Pension Plans

Retirement and Pension Plans for the Fiscal Year Ended March 31, 2016 and 2015

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
	2016	2015	2016
Retirement Benefit Obligations (opening balance)	¥ 417,071	¥ 368,430	\$ 3,703
Cumulative Effects of Changes in Accounting Policies	—	47,991	—
Retirement Benefit Obligations (restated opening balance for the current fiscal year)	417,071	416,421	3,703
Service Cost-Benefits Earned during the Fiscal Year	13,012	13,308	116
Interest Cost on Projected Benefit Obligations	4,920	4,893	44
Actuarial Gains and Losses that Arose during the Fiscal Year	49,320	(300)	438
Retirement Benefits Paid	(17,051)	(16,549)	(151)
Past Service Cost that Arose during the Fiscal Year	—	(387)	—
Others	4,449	(314)	40
Retirement Benefit Obligations (closing balance)	¥ 471,723	¥ 417,071	\$ 4,188

(2) Reconciliation of Plan Assets

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Plan Assets (opening balance)	¥ 596,181	¥ 508,095	\$ 5,293
Expected Return on Plan Assets	27,036	25,457	240
Actuarial Gains and Losses that Arose during the Fiscal Year	(62,076)	69,645	(551)
Contributions by the Employer	643	8,459	6
Retirement Benefits Paid	(15,584)	(15,475)	(138)
Others	3,751	—	33
Plan Assets (closing balance)	¥ 549,951	¥ 596,181	\$ 4,883

(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
	2016	2015	2016
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 460,803	¥ 406,885	\$ 4,091
Plan Assets	(549,951)	(596,181)	(4,883)
	(89,148)	(189,296)	(792)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	10,919	10,186	97
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (78,228)	¥ (179,110)	\$ (695)

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Liabilities for Retirement Benefits	¥ 12,996	¥ 11,326	\$ 115
Assets for Retirement Benefits	(91,225)	(190,436)	(810)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (78,228)	¥ (179,110)	\$ (695)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Service Cost-Benefits Earned during the Fiscal Year	¥ 13,012	¥ 13,308	\$ 116
Interest Cost on Projected Benefit Obligations	4,920	4,893	44
Expected Return on Plan Assets	(27,036)	(25,457)	(240)
Amortization of Actuarial Differences	14,906	17,480	132
Amortization of Past Service Cost	116	83	1
Other	1,051	1,151	9
Retirement Benefit Expenses for Defined Benefit Obligations	¥ 6,971	¥ 11,460	\$ 62

(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
	2016	2015	2016
Past Service Cost	¥ 288	¥ 449	\$ 3
Actuarial Differences	(96,491)	87,428	(857)
Total	¥ (96,202)	¥ 87,877	\$ (854)

(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
	2016	2015	2016
Unrecognized Past Service Cost	¥ 159	¥ 448	\$ 1
Unrecognized Actuarial Differences	86,124	(10,366)	765
Total	¥ 86,284	¥ (9,918)	\$ 766

(7) Plan Assets

1) The asset categories and proportion of the total plan asset are as follows:

	Proportion (%)	
	2016	2015
Debt Securities	20	13
Equity Securities	55	58
Cash and Due from Banks	6	11
Other	19	18
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 56% and 61% of the total plan asset for the fiscal years ended March 31, 2016 and 2015, 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 for calculating the actuarial gains and losses for the fiscal years ended March 31, 2016 and 2015, are as follows:

	2016	2015
Discount Rate	Mainly 0.5%	Mainly 1.2%
Expected Long-Term Rate of Return on Plan Assets	4.5%	5.0%

3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Bank and its consolidated subsidiaries to the defined contribution pension plans were ¥1,786 million (U.S. \$16 million) and ¥1,574 million for the years ended March 31, 2016 and 2015, respectively.

Stock Option Plans

1. Expenses Recorded in Connection with Stock Options during the Fiscal Years Ended March 31, 2016 and 2015

There were no corresponding items for the fiscal years ended March 31, 2016 and 2015.

2. Description of Stock Options

Consolidated Subsidiary: Nikko Asset Management Co., Ltd.

(1) Description of Stock Options

Year Ended March 31, 2016	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.	
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 2010	Resolution during the Fiscal Year 2011
Number of Eligible Persons and their Position	Employees of Nikko Asset Management Co., Ltd.: 1	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 186
Number of Stock Options Granted by Class of Share (Note)	Common stock: 2,310,000 shares	Common stock: 6,101,700 shares
Grant Date	August 20, 2010	October 7, 2011
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.	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.
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 January 22, 2012, to January 21, 2020	From October 7, 2013, to October 6, 2021

(Note) Converted into the number of equivalent shares.

(2) Volume and Changes in Stock Options

1) Number of stock options

Year Ended March 31, 2016		Shares	
		Resolution during Fiscal Year 2009	
Grant Date		February 8, 2010	August 20, 2010
Unvested Stock Options			
At the Beginning of the Fiscal Year		15,902,700	1,567,500
Granted		—	—
Forfeited		14,140,500	1,392,600
Vested		—	—
At the End of Fiscal Year		1,762,200	174,900
Vested Stock Options			
At the Beginning of Fiscal Year		—	—
Vested		—	—
Exercised		—	—
Forfeited		—	—
At the End of Fiscal Year		—	—

		Shares	
		Resolution during Fiscal Year 2010	
Grant Date		August 20, 2010	October 7, 2011
Unvested Stock Options			
At the Beginning of the Fiscal Year		2,310,000	5,029,200
Granted		—	—
Forfeited		2,310,000	290,400
Vested		—	—
At the End of Fiscal Year		—	4,738,800
Vested Stock Options			
At the Beginning of Fiscal Year		—	—
Vested		—	—
Exercised		—	—
Forfeited		—	—
At the End of Fiscal Year		—	—

(Note) Converted into the number of equivalent shares.

2) Unit price information

Year Ended March 31, 2016	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 2010	Resolution during Fiscal Year 2011
Grant Date	August 20, 2010	October 7, 2011
Exercise Price	¥ 625	¥ 737 (Note 3)
Fair Price on the Grant Date (Note 1)	0	0

(Notes)

1) In lieu of fair value per share, the fair price refers to a share price of an estimate of each option's intrinsic value (the difference between the fair value of the share calculated by the comparable transactional price method and the exercise price).

2) The total amount of intrinsic value of the options was 0 yen as of March 31, 2016.

3) If the IPO price is set as any amount exceeding ¥737, 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

Year Ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Deferred Tax Assets:			
Allowance for Loan Losses (including Direct Write-Offs of Loans with Guarantees or Collateral)	¥ 38,674	¥ 29,666	\$ 343
Devaluation of Securities	21,814	24,414	194
Deferred Gains (Losses) on Hedges	3,426	4,995	30
Adjustments for Retirement Benefits	26,446	—	235
Other	70,229	71,994	624
Subtotal	¥ 160,592	¥ 131,071	\$ 1,426
Valuation Allowance	(21,960)	(14,883)	(195)
Deferred Tax Assets	¥ 138,631	¥ 116,187	\$ 1,231
Deferred Tax Liabilities:			
Retirement Benefits	¥ (11,380)	¥ (8,202)	\$ (101)
Valuation Differences on Available-for-Sale Securities	(208,580)	(243,278)	(1,852)
Deferred Gains (Losses) on Hedges	(114)	—	(1)
Adjustments for Retirement Benefits	—	(3,207)	—
Other	(9,253)	(7,498)	(82)
Deferred Tax Liabilities	¥ (229,328)	¥ (262,186)	\$ (2,036)
Net Deferred Tax Assets (Liabilities)	¥ (90,697)	¥ (145,999)	\$ (805)

2. Effective Income Tax Rate

Year Ended March 31	2016	2015
Effective Statutory Tax Rate	33.06 %	35.64 %
Adjustments:		
Changes in Valuation Allowance	3.24	(10.01)
Adjustments to Deferred Tax Assets due to Change in Corporate Tax Rates	1.60	2.99
Amortization of Goodwill	1.24	1.42
Equity in Losses (Earnings) of Affiliated Companies	(1.07)	(0.89)
Permanent Differences (e.g., Cash Dividends Received)	(0.59)	(1.97)
Others	(0.13)	(2.11)
Effective Income Tax Rate	37.36 %	25.07 %

3. Adjustments to Deferred Tax Assets and Liabilities due to Change in Corporate Tax Rates

The Diet passed the "Act on Partial Amendment to the Income Tax Act, etc." (Act No. 15 of 2016) and the "Supplementary Provisions of the Act to Amend the Local Taxation Act, etc." (Act No. 13 of 2016) on March 29, 2016, to reduce income taxes effective from fiscal years beginning on and after April 1, 2016. As a result of this act, the effective statutory tax rate for calculating deferred tax assets and liabilities will be reduced from 32.36% to 30.86% and 30.62% on temporary differences that are expected to be realized during the fiscal year beginning on April 1, 2016, and on April 1, 2017, and fiscal

years beginning on or after April 1, 2018, respectively.

The effects of this change were to decrease "Deferred Tax Liabilities" by ¥8,606 million (U.S. \$76 million) and to increase "Valuation Differences on Available-for-Sale Securities" by ¥11,163 million (U.S. \$99 million), "Deferred Losses on Hedges" by ¥177 million (U.S. \$2 million), "Adjustments for Retirement Benefits" by ¥1,377 million (U.S. \$12 million), and "Income Taxes-Deferred" by ¥3,755 million (U.S. \$33 million). "Deferred Tax Liabilities on Land Revaluation" decreased by ¥167 million (U.S. \$1 million), and "Revaluation Reserve for Land" increased by the same amount.

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. (SMTPFC) are treated as reportable segments. The main activities of the reportable segments are presented below:

SuMi TRUST Bank:	Trust banking business
SMTPFC:	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

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
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

Fiscal Year Ended March 31, 2015	Millions of Yen						
	Reportable Segment			Other	Total	Adjustment	Carrying Amount
	SuMi TRUST Bank	SuMiTPFC	Total				
Income:							
Unaffiliated Customers	¥ 797,067	¥ 226,702	¥ 1,023,769	¥ 163,304	¥ 1,187,074	¥ —	¥ 1,187,074
Intersegment	12,628	2,017	14,646	62,799	77,446	(77,446)	—
Total	¥ 809,696	¥ 228,719	¥ 1,038,416	¥ 226,104	¥ 1,264,520	¥ (77,446)	¥ 1,187,074
Segment Profit	¥ 169,979	¥ 11,776	¥ 181,755	¥ 43,657	¥ 225,413	¥ (10,593)	¥ 214,819
Segment Assets	¥ 42,705,462	¥ 945,574	¥ 43,651,036	¥ 8,927,160	¥ 52,578,197	¥ (8,507,898)	¥ 44,070,299
Segment Liabilities	¥ 40,476,928	¥ 793,901	¥ 41,270,829	¥ 8,366,597	¥ 49,637,427	¥ (8,135,270)	¥ 41,502,157
Others							
Depreciation and Amortization	¥ 23,604	¥ 1,230	¥ 24,835	¥ 3,758	¥ 28,593	¥ (1,172)	¥ 27,420
Amortization of Goodwill	—	—	—	2,287	2,287	6,317	8,604
Interest Income	355,133	2,236	357,369	24,859	382,229	(11,801)	370,428
Interest Expenses	130,707	3,643	134,350	4,280	138,631	(10,746)	127,885
Gains on Disposal of Fixed Assets	2,461	516	2,977	0	2,978	—	2,978
Impairment Loss	4,830	—	4,830	166	4,996	518	5,514
IT System Integration Costs	55,846	—	55,846	—	55,846	(698)	55,148
Unamortized Balance of Goodwill	—	—	—	25,681	25,681	64,001	89,682

Fiscal Year Ended March 31, 2016	Millions of U.S. Dollars						
	Reportable Segment			Other	Total	Adjustment	Carrying Amount
	SuMi TRUST Bank	SuMiTPFC	Total				
Income:							
Unaffiliated Customers	\$ 6,791	\$ 1,946	\$ 8,737	\$ 1,603	\$ 10,339	\$ 16	\$ 10,356
Intersegment	90	8	98	568	666	(666)	—
Total	\$ 6,881	\$ 1,954	\$ 8,835	\$ 2,171	\$ 11,006	\$ (650)	\$ 10,356
Segment Profit	\$ 1,911	\$ 73	\$ 1,984	\$ 234	\$ 2,218	\$ (118)	\$ 2,100
Segment Assets	\$ 446,210	\$ 9,302	\$ 455,512	\$ 82,509	\$ 538,021	\$ (79,766)	\$ 458,255
Segment Liabilities	\$ 425,920	\$ 7,923	\$ 433,842	\$ 77,408	\$ 511,251	\$ (75,569)	\$ 435,682
Others							
Depreciation and Amortization	\$ 174	\$ 10	\$ 185	\$ 32	\$ 217	\$ (9)	\$ 208
Amortization of Goodwill	—	—	—	20	20	59	79
Interest Income	3,174	23	3,197	234	3,431	(115)	3,316
Interest Expenses	1,291	31	1,322	36	1,358	(88)	1,270
Gains on Disposal of Fixed Assets	15	1	16	0	16	0	16
Gains on Negative Goodwill	—	8	8	—	8	—	8
Losses on Disposal of Fixed Assets	29	0	29	3	32	(0)	31
Impairment Loss	20	—	20	12	32	14	46
Unamortized Balance of Goodwill	—	—	—	206	206	722	928

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 adjusted to "Income before Income Taxes" as presented in the consolidated statements of income.

Related Information

1. Information by Services

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, 2015	Millions of Yen			
	Trust Banking Business	Leasing Business	Other	Total
Income:				
Unaffiliated Customers	¥ 797,067	¥ 226,702	¥ 163,304	¥ 1,187,074

Fiscal Year Ended March 31, 2016	Millions of U.S. Dollars			
	Trust Banking Business	Leasing Business	Other	Total
Income:				
Unaffiliated Customers	\$ 6,791	\$ 1,946	\$ 1,619	\$ 10,356

(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 year ended March 31, 2016, consists of the following:

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, 2015	Millions of Yen				
	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,031,215	¥ 56,765	¥ 46,505	¥ 52,587	¥ 1,187,074

Fiscal Year Ended March 31, 2016	Millions of U.S. Dollars				
	Japan	Americas	Europe	Asia and Oceania	Total
	\$ 9,053	\$ 510	\$ 321	\$ 472	\$ 10,356

(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 overseas 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, 2016 and 2015, 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

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. There was no gain on negative goodwill by reportable segment during the fiscal year ended March 31, 2015.

Related Party Transactions**1. Related Party Transactions**

There were no material transactions that need to be disclosed for the fiscal years ended March 31, 2016 and 2015.

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, 2016 to be disclosed.

Per Share of Common Stock Information

	Yen		U.S. Dollars
	2016	2015	2016
Net Assets per Share of Common Stock	¥ 1,404.45	¥ 1,419.86	\$ 12.47
Net Income per Share of Common Stock	84.05	90.11	0.75

(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, 2016	As of March 31, 2015	As of March 31, 2016
Net Assets as Reported	¥ 2,542,469	¥ 2,568,141	\$ 22,574
Less:	190,663	190,524	1,693
Non-Controlling Interests	190,663	190,524	1,693
Net Assets Attributable to Common Shareholders	2,351,805	2,377,617	20,881
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, 2016	As of March 31, 2015	As of March 31, 2016
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 140,749	¥ 153,203	\$ 1,250
Net Income Not Attributable to Common Shareholders	—	2,305	—
Dividends on Shares of Preferred Stock	—	2,305	—
Net Income Related to Common Stock that is Attributable to Owners of the Parent	140,749	150,897	1,250
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, 2016 and 2015 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."

4) Changes in Accounting Policies

As presented in the "Changes in Accounting Policies" section, SuMi TRUST Bank applied the Accounting Standard for Business Combinations and others and the transitional provisions in item (4), paragraph 58-2 of the Accounting Standard for Business Combinations; item (4), paragraph 44-5 of the Accounting Standard for Consolidated Financial Statements; and item (4), paragraph 57-4 of the Accounting Standard for Business Divestitures. The effects of this change are immaterial.

Significant Subsequent Event

There were no significant subsequent events.

Independent Auditors' Report



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, 2016, 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, 2016, 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, 2016 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, 2016
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, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Assets:			
Cash and Due from Banks:	¥ 14,130,060	¥ 8,170,551	\$ 125,456
Cash	99,924	183,002	887
Due from Banks	14,030,136	7,987,549	124,568
Call Loans	505,252	205,075	4,486
Receivables under Resale Agreements	110,377	136,188	980
Receivables under Securities Borrowing Transactions	326,457	310,806	2,898
Monetary Claims Bought	108,506	117,318	963
Trading Assets:	699,465	793,552	6,210
Trading Account Securities	25,999	15,731	231
Derivatives of Trading Securities	38	12	0
Derivatives of Securities Related to Trading Transactions	80	132	1
Trading-Related Financial Derivatives	564,740	543,699	5,014
Other Trading Assets	108,605	233,976	964
Money Held in Trust	99	—	1
Securities:	5,311,214	5,039,688	47,156
Government Bonds	761,553	925,063	6,762
Local Government Bonds	4,846	4,146	43
Corporate Bonds	762,116	591,274	6,767
Stocks	1,721,485	1,865,155	15,284
Other Securities	2,061,212	1,654,048	18,301
Loans and Bills Discounted:	27,044,368	25,826,433	240,117
Bills Discounted	2,478	2,811	22
Loans on Bills	394,874	401,373	3,506
Loans on Deeds	24,500,877	22,948,334	217,534
Overdrafts	2,146,138	2,473,914	19,055
Foreign Exchanges:	17,223	12,732	153
Due from Foreign Banks	17,223	12,732	153
Other Assets:	1,219,699	1,341,573	10,829
Domestic Exchange Settlement Account, Debit	666	1,246	6
Prepaid Expenses	3,251	3,284	29
Accrued Income	103,530	104,035	919
Initial Margins of Futures Markets	8,435	5,043	75
Variation Margin of Futures Markets	5,337	2,615	47
Derivatives Other Than for Trading	531,027	458,727	4,715
Cash Collateral Pledged for Financial Instruments	470,912	666,949	4,181
Receivables for Securities Transactions	19,276	31,697	171
Other Assets	77,262	67,972	686
Tangible Fixed Assets:	200,688	196,564	1,782
Buildings	65,425	62,394	581
Land	114,766	110,497	1,019
Lease Assets	3,355	1,832	30
Construction in Progress	1,781	1,770	16
Other	15,359	20,069	136
Intangible Fixed Assets:	69,867	45,478	620
Software	65,490	41,251	581
Lease Assets	198	43	2
Other	4,178	4,183	37
Prepaid Pension Expenses	175,791	179,627	1,561
Customers' Liabilities for Acceptances and Guarantees	401,825	396,865	3,568
Allowance for Loan Losses	(64,305)	(66,997)	(571)
Total Assets	¥ 50,256,590	¥ 42,705,462	\$ 446,210

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Liabilities:			
Deposits:	¥ 26,467,412	¥ 24,855,580	\$ 234,994
Current Deposits	636,540	419,049	5,652
Ordinary Deposits	4,828,481	4,284,294	42,870
Saving deposits	2,173	2,334	19
Deposits at Notice	78,830	85,815	700
Time Deposits	19,639,013	19,043,808	174,368
Other Deposits	1,282,373	1,020,277	11,386
Negotiable Certificates of Deposit	7,254,132	6,758,067	64,407
Call Money	385,283	847,690	3,421
Payables under Repurchase Agreements	653,456	462,942	5,802
Trading Liabilities:	451,751	405,224	4,011
Derivatives of Trading Securities	—	92	—
Derivatives of Securities Related to Trading Transactions	21	—	0
Trading-Related Financial Derivatives	451,729	405,132	4,011
Borrowed Money:	2,372,163	2,128,188	21,062
Borrowing from Other Banks	2,372,163	2,128,188	21,062
Foreign Exchanges:	259	140	2
Due to Foreign Banks	246	128	2
Foreign Bills Payable	12	11	0
Short-Term Bonds Payable	903,142	727,157	8,019
Bonds Payable	855,857	952,607	7,599
Borrowed Money from Trust Account	7,026,326	1,644,822	62,384
Other Liabilities:	1,029,798	1,108,508	9,143
Domestic Exchange Settlement Account, Credit	965	315	9
Income Taxes Payable	42,745	23,784	380
Accrued Expenses	84,414	92,776	749
Unearned Revenue	2,762	2,027	25
Variation Margin of Futures Markets	—	2,384	—
Trading Account Securities Borrowed	2,683	—	24
Derivatives Other Than for Trading	638,916	778,932	5,673
Cash Collateral Accepted for Financial Instruments	197,037	133,902	1,749
Lease Obligations	3,999	2,152	36
Asset Retirement Obligations	3,857	5,164	34
Payables for Securities Transactions	54	6,772	0
Other	52,361	60,296	465
Provision for Bonuses	9,249	9,657	82
Provision for Directors' Bonuses	110	110	1
Provision for Retirement Benefits	667	640	6
Provision for Reimbursement of Deposits	3,676	3,598	33
Provision for Contingent Losses	7,642	8,533	68
Deferred Tax Liabilities	145,445	163,270	1,291
Deferred Tax Liabilities for Land Revaluation	3,126	3,322	28
Acceptances and Guarantees	401,825	396,865	3,568
Total Liabilities	¥ 47,971,327	¥ 40,476,928	\$ 425,920
Net Assets:			
Total Shareholders' Equity:	¥ 1,815,536	¥ 1,726,208	\$ 16,119
Capital Stock	342,037	342,037	3,037
Capital Surplus:	492,252	492,252	4,371
Legal Capital Surplus	273,016	273,016	2,424
Other Capital Surplus	219,236	219,236	1,947
Retained Earnings:	981,246	891,919	8,712
Legal Retained Earnings	69,020	69,020	613
Other Retained Earnings:	912,225	822,898	8,099
Other Voluntary Reserves	371,870	371,870	3,302
Retained Earnings Brought Forward	540,355	451,028	4,798
Total Valuation and Translation Adjustments:	469,727	502,324	4,171
Valuation Difference on Available-for-Sale Securities	477,729	512,775	4,242
Deferred Gains (Losses) on Hedges	(7,305)	(10,357)	(65)
Revaluation Reserve for Land	(697)	(93)	(6)
Total Net Assets	¥ 2,285,263	¥ 2,228,533	\$ 20,290
Total Liabilities and Net Assets	¥ 50,256,590	¥ 42,705,462	\$ 446,210

Financial Data:

Non-Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Income:			
Trust Fees	¥ 100,288	¥ 99,231	\$ 890
Interest Income:	357,465	355,133	3,174
Interest on Loans and Discounts	249,422	251,049	2,215
Interest and Dividends on Securities	88,788	86,557	788
Interest on Call Loans and Bills Bought	449	1,187	4
Interest on Receivables under Resale Agreements	925	883	8
Interest on Receivables under Securities Borrowing Transactions	18	56	0
Interest on Due from Banks	16,198	13,229	144
Other Interest Income	1,661	2,169	15
Fees and Commissions:	188,193	182,915	1,671
Fees and Commissions on Domestic and Foreign Exchanges	1,486	1,531	13
Other Fees and Commissions	186,706	181,384	1,658
Trading Income:	15,964	32,428	142
Gains on Trading Account Securities Transactions	927	1,276	8
Income from Securities and Derivatives Related to Trading Transactions	—	343	—
Income from Trading-Related Financial Derivatives Transactions	14,831	30,455	132
Other Trading Income	204	353	2
Other Ordinary Income:	74,119	70,889	658
Gains on Foreign Exchange Transactions	16,500	—	147
Gains on Sales of Bonds	56,767	69,248	504
Other	851	1,640	8
Other Income:	38,927	69,098	346
Reversal of Allowance for Loan Losses	—	17,314	—
Recoveries of Written-Off Claims	1,876	1,240	17
Gains on Sales of Stocks and Other Securities	28,025	40,281	249
Gains on Money Held in Trust	—	600	—
Other	9,025	9,662	80
Total Income	¥ 774,957	¥ 809,696	\$ 6,881

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Expenses:			
Interest Expenses:	¥ 145,351	¥ 130,707	\$ 1,291
Interest on Deposits	63,284	67,347	562
Interest on Negotiable Certificates of Deposit	16,575	11,241	147
Interest on Call Money and Bills Sold	1,753	1,860	16
Interest on Payables under Repurchase Agreements	4,403	1,146	39
Interest on Payables under Securities Lending Transactions	7	16	0
Interest on Borrowings and Rediscounts	15,244	13,306	135
Interest on Short-Term Bonds	2,332	1,241	21
Interest on Bonds	13,320	18,986	118
Interest on Interest Swaps	16,273	7,292	144
Other Interest Expenses	12,157	8,268	108
Fees and Commissions Payments:	76,688	72,059	681
Fees and Commissions on Domestic and Foreign Exchanges	775	868	7
Other Fees and Commissions	75,913	71,190	674
Trading Expenses:	428	—	4
Expenses on Securities and Derivatives Related to Trading Transactions	428	—	4
Other Ordinary Expenses:	28,219	43,605	251
Loss on Foreign Exchange Transactions	—	412	—
Loss on Sale of Bonds	5,035	5,835	45
Losses on Redemption of Bonds	11	—	0
Expenses on Derivatives Other Than for Trading or Hedging	22,877	36,791	203
Other Ordinary Expenses	294	565	3
General and Administrative Expenses	251,989	266,863	2,237
Other Expenses:	57,084	126,480	507
Provision of Allowance for Loan Losses	9,378	—	83
Written-Off Loans	6,493	173	58
Losses on Sales of Stocks and Other Securities	5,567	36,150	49
Losses on Devaluation of Stocks and Other Securities	3,714	2,057	33
Impairment Loss	2,202	4,830	20
Other	29,727	83,268	264
Total Expenses	¥ 559,761	¥ 639,717	\$ 4,970
Income before Income Taxes	¥ 215,196	¥ 169,979	\$ 1,911
Income Taxes:	72,042	39,432	640
Current	57,621	33,396	512
Deferred	14,421	6,035	128
Net Income	¥ 143,154	¥ 130,546	\$ 1,271
	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 85.48	¥ 76.58	\$ 0.76

Financial Data:

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

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2016 and 2015

From April 1, 2015 to March 31, 2016

	Millions of Yen							
	Shareholders' Equity							Total Shareholders' Equity
	Capital Stock	Capital Surplus			Retained Earnings			
		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	¥ 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				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	¥ 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, 2014 to March 31, 2015

	Millions of Yen								
	Shareholders' Equity								Total Shareholders' Equity
	Capital Stock	Capital Surplus			Retained Earnings			Treasury Stock	
		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	¥ 328,242	¥ 601,259	¥ 69,020	¥ 775,858	¥ 844,879	¥ —	¥ 1,788,176
Cumulative Effect of Changes in Accounting Policies						(30,062)	(30,062)		(30,062)
Balance at the Beginning of the Year after the Cumulative Effect	342,037	273,016	328,242	601,259	69,020	745,796	814,817	—	1,758,113
Changes during the Year									
Cash Dividends						(55,499)	(55,499)		(55,499)
Net Income						130,546	130,546		130,546
Purchase of Treasury Stock								(109,006)	(109,006)
Retirement of Treasury Stock			(109,006)	(109,006)				109,006	—
Reversal of Revaluation Reserve for Land						2,054	2,054		2,054
Net Changes of Items Other Than Shareholders' Equity									
Total Changes during the Year	—	—	(109,006)	(109,006)	—	77,101	77,101	—	(31,904)
Balance at the End of the Year	¥ 342,037	¥ 273,016	¥ 219,236	¥ 492,252	¥ 69,020	¥ 822,898	¥ 891,919	¥ —	¥ 1,726,208

	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	¥ 247,804	¥ (6,434)	¥ 1,622	¥ 242,992	¥ 2,031,168
Cumulative Effect of Changes in Accounting Policies					(30,062)
Balance at the Beginning of the Year after the Cumulative Effect	247,804	(6,434)	1,622	242,992	2,001,106
Changes during the Year					
Cash Dividends					(55,499)
Net Income					130,546
Purchase of Treasury Stock					(109,006)
Reversal of Revaluation Reserve for Land					2,054
Net Changes of Items Other Than Shareholders' Equity	264,970	(3,922)	(1,715)	259,332	259,332
Total Changes during the Year	264,970	(3,922)	(1,715)	259,332	227,427
Balance at the End of the Year	¥ 512,775	¥ (10,357)	¥ (93)	¥ 502,324	¥ 2,228,533

From April 1, 2015 to March 31, 2016

	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	\$ 3,037	\$ 2,424	\$ 1,947	\$ 4,371	\$ 613	\$ 7,306	\$ 7,919	\$ 15,326	
Changes during the Year									
Cash Dividends						(485)	(485)	(485)	
Net Income						1,271	1,271	1,271	
Reversal of Revaluation Reserve for Land						7	7	7	
Net Changes of Items Other Than Shareholders' Equity									
Total Changes during the Year	—	—	—	—	—	793	793	793	
Balance at the End of the Year	\$ 3,037	\$ 2,424	\$ 1,947	\$ 4,371	\$ 613	\$ 8,099	\$ 8,712	\$ 16,119	

	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	\$ 4,553	\$ (92)	\$ (1)	\$ 4,460	\$ 19,786
Changes during the Year					
Cash Dividends					(485)
Net Income					1,271
Reversal of Revaluation Reserve for Land					7
Net Changes of Items Other Than Shareholders' Equity	(311)	27	(5)	(289)	(289)
Total Changes during the Year	(311)	27	(5)	(289)	504
Balance at the End of the Year	\$ 4,242	\$ (65)	\$ (6)	\$ 4,171	\$ 20,290

Financial Data:

Statements of Trust Account (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
Fiscal years ended March 31, 2016 and 2015

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Assets:			
Loans and Bills Discounted (Note 2)	¥ 1,072,436	¥ 781,607	\$ 9,522
Securities (Note 3)	1,954,552	1,578,475	17,354
Beneficiary Rights	130,637,080	115,609,148	1,159,878
Securities Held in Custody Accounts	32,378	35,222	287
Monetary Claims	12,955,600	11,409,536	115,028
Tangible Fixed Assets	12,727,705	11,575,379	113,005
Intangible Fixed Assets	155,406	119,569	1,380
Other Claims	7,969,136	9,519,700	70,755
Call Loans	—	26,900	—
Loans to Banking Account	7,026,326	1,644,822	62,384
Cash and Due from Banks	377,599	364,597	3,353
Total Assets	¥ 174,908,223	¥ 152,664,958	\$ 1,552,945
Liabilities:			
Money Trusts (Note 4)	32,486,242	23,921,609	288,433
Pension Trusts	16,305,604	16,916,103	144,771
Property Formation Benefit Trusts	18,030	18,422	160
Loan Trusts (Note 5)	12,169	14,025	108
Securities Investment Trusts	61,220,597	51,756,056	543,555
Money in Trust Other Than Money Trusts	10,141,667	7,090,447	90,044
Securities Trusts	20,010,619	21,204,414	177,667
Money Claims in Trust	13,026,651	11,514,703	115,659
Real Estate in Trust	107,469	113,826	954
Composite Trusts	21,579,171	20,115,348	191,593
Total Liabilities	¥ 174,908,223	¥ 152,664,958	\$ 1,552,945

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, 2016 and 2015, was ¥6,954,988 million (U.S. \$61,751 million) and ¥1,614,013 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 ¥112.63 to U.S. \$1, the approximate rate of exchange as of March 31, 2016. 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 and one million U.S. dollars have been rounded down. As a result, the total may not be equal to the sum of individual amounts.

Each amount presented in the statements of trust account as of March 31, 2016 and 2015, 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, 2016 and 2015 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Loans on Deeds	¥ 686,231	¥ 470,902	\$ 6,093
Loans on Bills	386,205	310,705	3,429
Total	¥ 1,072,436	¥ 781,607	\$ 9,522

The balances of guaranteed trust account loans as of March 31, 2016 and 2015 stood at ¥55,904 million (U.S. \$496 million) and ¥67,928 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, 2016 and 2015, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Other Delinquent Loans	¥ 5,057	¥ 5,537	\$ 45
Restructured Loans	85	1,033	1
Total	¥ 5,143	¥ 6,570	\$ 46

3. Securities

Securities held as of March 31, 2016 and 2015 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Government Bonds	¥ 881,729	¥ 663,729	\$ 7,829
Local Government Bonds	59	29	1
Stocks	10,080	5,267	90
Other Securities	1,062,682	909,448	9,435
Total	¥ 1,954,552	¥ 1,578,475	\$ 17,354

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
	2016	2015	2016
Assets:			
Loans and Bills Discounted	¥ 55,904	¥ 67,928	\$ 496
Securities	29	29	0
Other	6,888,014	1,532,845	61,156
Total	¥ 6,943,949	¥ 1,600,804	\$ 61,653
Liabilities:			
Principal	6,943,283	1,600,514	61,647
Allowance for Impairment of Guaranteed Trust Principal	100	162	1
Other	564	127	5
Total	¥ 6,943,949	¥ 1,600,804	\$ 61,653

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
	2016	2015	2016
Assets:			
Loans and Bills Discounted	¥ —	¥ —	\$ —
Securities	—	—	—
Other	12,169	14,025	108
Total	¥ 12,169	¥ 14,025	\$ 108
Liabilities:			
Principal	11,704	13,498	104
Special Reserve Fund	60	71	1
Other	404	455	4
Total	¥ 12,169	¥ 14,025	\$ 108

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 2016, unless otherwise stated specifically.

Capital Adequacy Ratio Qualitative Disclosure Data:

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

1. Risk Appetite Framework (RAF)	274
2. Overview of Risk Management	274
3. Compliance with BIS Capital Adequacy Regulations	278

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)

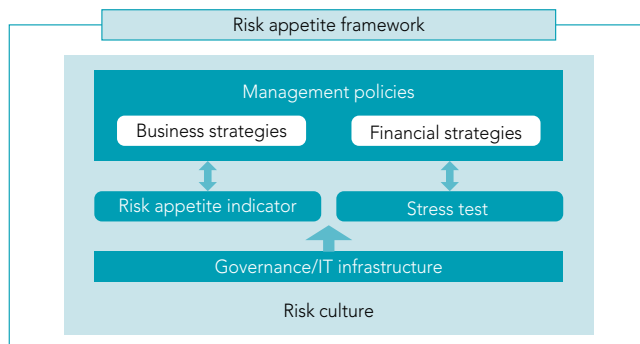
(1) Outline of the RAF

Sumitomo Mitsui Trust Group (the “SuMi TRUST Group”) integrates risk management with the process of formulation and implementation of management plans, aiming to achieve optimization of risk-return, improved transparency of management plans, and increased corporate value over the medium to long term.

Specifically, the SuMi TRUST Group conducts stress tests based on risk scenarios reflecting the internal and external environment and, within risk tolerance, clarifies risks that it is willing to accept (risk appetite) in order to achieve business strategies and financial strategies, whereby management plans shall be formulated.

In the meantime, for the purpose of monitoring the progress of management plans, the SuMi TRUST Group establishes risk appetite indicators and systems for the monitoring thereof.

• Schematic diagram of the risk appetite framework



(2) Fostering a Risk Culture

The SuMi TRUST Group believes in its social role of creating distinct values by leveraging a new business model combining its banking, asset management and administration, and real estate businesses, based on the fiduciary spirit and with significant expertise and comprehensive capabilities. Towards fulfilling this role, the SuMi TRUST Group has formulated “management principles (mission),” an “ideal model (vision)” and “codes of conduct (value)”.

The SuMi TRUST Group defines “risk culture” as a basic philosophy that prescribes the aspects of its operations involving appropriate acceptance of risks, as well as profit and risk management based on its business strategies and financial strategies, with a view to ensuring adequate profits within the Group’s overall financial strength, and in compliance with broad-based social norms, and of course rules including laws and regulations, market rules and internal rules.

With a view to fostering a risk culture that takes root across the SuMi TRUST Group, we are endeavoring to have any development on this theme fully shared with, and known to all officers and employees through measures including regular delivery of messages from top management, compliance training, and e-learning.

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, 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 its stress test, 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

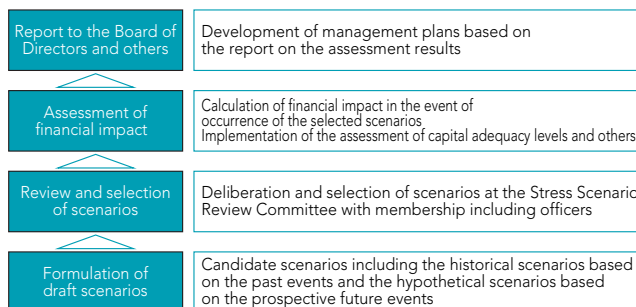
It is becoming increasingly important to develop and review countermeasures beforehand, against contingencies such as a financial crisis. These measures should be based on prior analysis and recognition of the impact on corporate management and finance, in the event of materialization of the stress event.

The SuMi TRUST Group conducts stress tests 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.

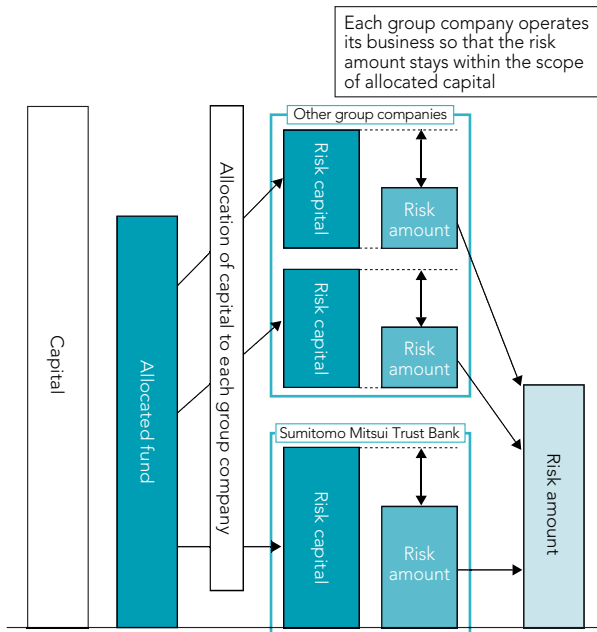
• The framework of Stress Testing

The Stress Scenarios Review Committee, 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. The scenarios are developed by the Research Department and the Risk Management Department. Some assume 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. 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.

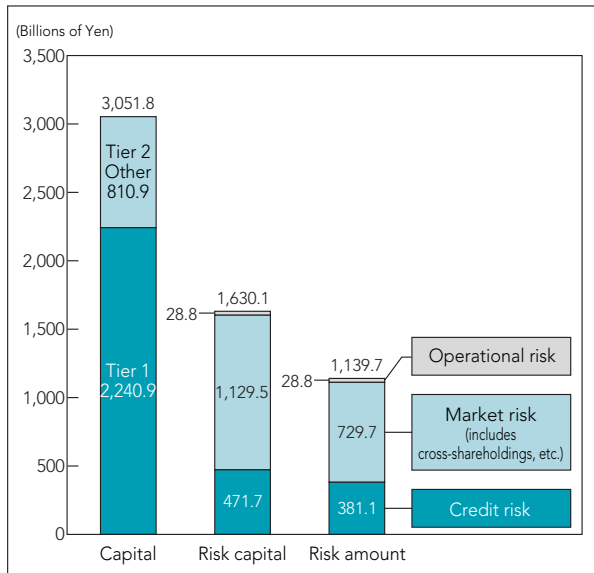
• Stress test framework



• 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 ¥3,051.8 billion (Common Equity Tier 1 capital of ¥2,240.9 billion) of SuMi TRUST Holdings on a consolidated basis, the allocated risk capital (risk capital) is ¥1,630.1 billion. Risk capital actually used (risk amount) is ¥1,139.7 billion. In addition, the balance between total capital (risk capital) and allocation fund, about ¥1,421.7 billion, is at a sufficient level according to the results of stress tests.

6) Upgrading of Integrated Risk Management and Capital Management Systems

The SuMi TRUST Group will continuously verify the scope of risk to be managed, risk measurement methods, risk capital allocation methods, capital adequacy level assessment methods, etc., so that integrated risk management and capital management will be more effective, and will strive to improve and upgrade the systems.

(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 integrated 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.

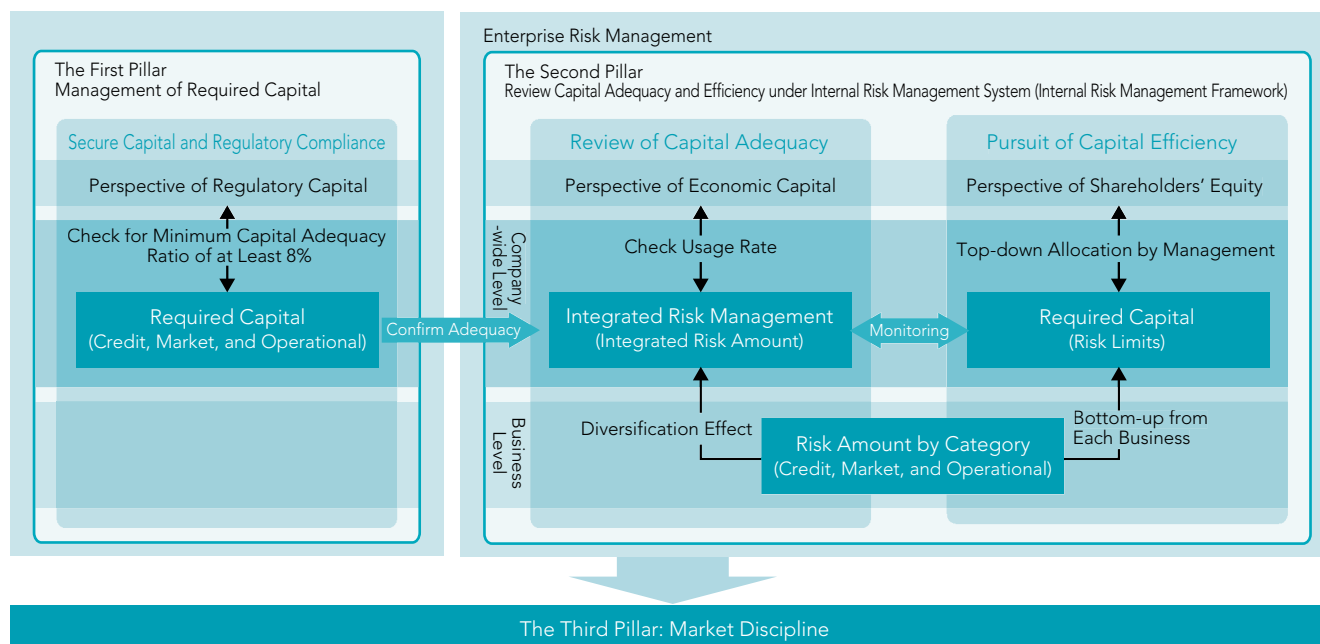
• Method and Calculation

$$\text{Capital Adequacy Ratio} = \frac{\text{Total Qualifying Capital}}{\text{Credit Risk} + \text{Market Risk} + \text{Operational Risk}}$$

	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



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 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 2015 (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, 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.

(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.

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 Holdings Group.

The amount of compensation for directors 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, and 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, 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, 2015 to March 31, 2016)

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)	10	425	327	327	67	67	31	—
Corporate Auditors (excluding External Auditors)	2	58	58	58	—	—	—	—
Applicable Officers	6	347	199	199	148	148	—	—

* 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")

Capital Adequacy Ratio	284
Scope of Consolidation	284
Composition of Capital (Consolidated BIS capital adequacy ratio)	285
Outline and Details of Agreements Concerning Capital Funding Instruments	288
Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements	288
Capital Adequacy	300
Credit Risk	302
Credit Risk Mitigation Techniques	310
Counterparty Risk in Derivative and Long-term Settlement Transactions	311
Securitization Exposures	312
Market Risk	319
Capital Subscriptions or Equity Exposures in the Banking Account	321
Exposures Held in Funds as Credit Risk-Weighted Assets	322
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	322
Indicators for Assessing Global Systemically Important Banks (G-SIBs)	323
Composition of Leverage Ratio	325
Liquidity Coverage Ratio (LCR)	326

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 2016, 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 73. 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	2016	Amounts Excluded under Transitional Arrangements	2015	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	¥ 1,941,817		¥ 1,835,076	
1a	of Which: Capital Stock and Capital Surplus	906,715		906,869	
2	of Which: Retained Earnings	1,087,195		970,373	
1c	of Which: Treasury Stock (Deduction)	27,097		17,057	
26	of Which: Earnings to be Distributed (Deduction)	24,995		25,109	
	of Which: Others	—		—	
1b	Subscription Rights to Common Shares	421		246	
3	Accumulated Other Comprehensive Income	246,096	¥ 164,064	211,855	¥ 317,783
5	Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	2,302		944	
	Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements	13,634		22,090	
	of Which: Common Share Capital Issued by Subsidiaries and Held by Third Parties	13,634		22,090	
6	Common Equity Tier 1 Capital: Instruments and Reserves (A)	2,204,273		2,070,212	
Common Equity Tier 1 Capital: Regulatory Adjustments					
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	103,342	68,894	55,074	82,612
8	of Which: Goodwill (Including Those Equivalent)	60,483	40,322	34,613	51,920
9	of Which: Other Intangible Assets	42,858	28,572	20,460	30,691
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	—	237	356
11	Deferred Gains or Losses on Derivatives under Hedge Accounting	(4,985)	(3,323)	(6,286)	(9,429)
12	Shortfall of Eligible Provisions to Expected Losses	11,647	7,765	22,095	33,142
13	Securitization Gain on Sale	2,383	1,589	2,534	3,801
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	—	—	—	—
15	Assets for Retirement Benefits	38,045	25,363	51,611	77,416
16	Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	22	14	3	4
17	Reciprocal Cross-Holdings in Common Equity	—	—	—	—
	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)	—	—	5,091	7,637
18		—	—	—	—
19+20+21	Amount above the 10% Threshold on the Specified Items	—	—	—	—
	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	—	—	—	—
19		—	—	—	—
20	of Which: Mortgage Servicing Rights	—	—	—	—
	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	—	—	—
21		—	—	—	—
22	Amount Exceeding the 15% Threshold on the Specified Items	—	—	—	—
	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	—	—	—	—
23		—	—	—	—
24	of Which: Mortgage Servicing Rights	—	—	—	—
	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	—	—	—
25		—	—	—	—
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)	150,455		130,361	
Common Equity Tier 1 Capital (CET1)					
29	Common Equity Tier 1 Capital (C) = (A)-(B)	¥ 2,053,817		¥ 1,939,850	

As of March 31		Millions of Yen, %			
Basel III Template No.	Items	2016	Amounts Excluded under Transitional Arrangements	2015	Amounts Excluded under Transitional Arrangements
Additional Tier 1 Capital: Instruments					
30	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	¥ —		¥ —	
	Subscription Rights to Additional Tier 1 Instruments	—		—	
	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	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)	10,774		9,781	
33+35	Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital	276,000		276,000	
33	of Which: Directly Issued and Issued by Special Purpose Vehicles	116,000		116,000	
35	of Which: Issued by Subsidiaries	160,000		160,000	
	Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements	1,120		8,972	
	of Which: Foreign Currency Translation Adjustment	1,120		8,972	
36	Additional Tier 1 Capital: Instruments (D)	407,895		294,754	
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)	—	—	1,293	1,939
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	46,337		72,634	
	of Which: Goodwill Equivalents	40,007		50,810	
	of Which: Equivalent to Intangible Fixed Assets Recorded through Business Combination	857		1,451	
	of Which: Equivalent to Capital Increase Due to Securitization Transactions	1,589		3,801	
	of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	3,882		16,571	
42	Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions	—		—	
43	Additional Tier 1 Capital: Regulatory Adjustments (E)	46,337		73,928	
Additional Tier 1 Capital (ATI)					
44	Additional Tier 1 Capital (F) = (D) – (E)	361,557		220,826	
Tier 1 Capital (TI = CETI + ATI)					
45	Tier 1 Capital (G) = (C) + (F)	2,415,375		2,160,677	
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	90,000		30,000	
	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)	3,007		2,437	
47+49	Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2	401,401		574,183	
47	of Which: Directly Issued and Issued by Special Purpose Vehicles	—		—	
49	of Which: Issued by Subsidiaries	401,401		574,183	
50	Provisions Allowed in Group Tier 2	3,276		399	
50a	of Which: General Allowance for Credit Losses	3,276		399	
50b	of Which: Excess Amount of Eligible Provisions to Expected Losses	—		—	
	Amount Allowed in Group Tier 2 Subject to Transitional Arrangements	117,875		194,619	
	of Which: 45% of Net Unrealized Gain on Available-for-Sale Securities	118,360		195,329	
	of Which: 45% of Revaluation Reserve for Land	(484)		(709)	
51	Tier 2 Capital: Instruments and Provisions (H)	¥ 615,560		¥ 801,639	

As of March 31		Millions of Yen, %							
Basel III Template No.	Items	2016	Amounts Excluded under Transitional Arrangements			2015	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)		—		—		5,126		7,689
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		4,197		—		18,917		—
	of Which: Accumulated Investments in the Common Stock of Banking, Financial and Insurance Entities		314		—		2,346		—
	of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance		3,882		—		16,571		—
57	Tier 2 Capital: Regulatory Adjustments (I)		4,197		—		24,043		—
Tier 2 Capital (TII)									
58	Tier 2 Capital (J) = (H) – (I)		611,363		—		777,595		—
Total Capital (TC = T1 + TII)									
59	Total Capital (K) = (G) + (J)		3,026,739		—		2,938,272		—
Total Risk Weighted Assets									
	Risk Weighted Assets Subject to Transitional Arrangements		53,124		—		141,362		—
	of Which: Intangible Fixed Assets (excluding Mortgage Servicing Rights)		27,714		—		29,239		—
	of Which: Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—		—		356		—
	of Which: Assets for Retirement Benefits		25,363		—		77,416		—
	of Which: Investments in Own Shares (Excluding Those Reported in the Net Assets Section)		46		—		10		—
	of Which: Investments in the Common Stock of Banking, Financial and Insurance Entities		—		—		34,338		—
60	Total Risk Weighted Assets (L)		18,065,889		—		18,868,499		—
Capital Ratios (Consolidated)									
61	Common Equity Tier 1 Capital Ratio (C)/(L)		11.36%		—		10.28%		—
62	Tier 1 Capital Ratio (G)/(L)		13.36%		—		11.45%		—
63	Total Capital Ratio (K)/(L)		16.75%		—		15.57%		—
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)		190,719		—		205,271		—
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		54,976		—		49,781		—
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)		3,276		—		399		—
77	Cap on Inclusion of Provisions in Tier 2 under Standardized Approach		7,042		—		4,653		—
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		92,252		—		99,928		—
Capital Instruments Subject to Phase out Arrangements									
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		327,000		—		381,500		—
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		514,745		—		600,536		—
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 2015

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(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 Com- position 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 than 10% 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

Fiscal Year 2014

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Assets)			
Cash and Due from Banks	¥ 10,530,766		
Call Loans and Bills Bought	205,075		
Receivables under Resale Agreements	136,188		
Receivables under Securities Borrowing Transactions	310,806		
Monetary Claims Bought	794,838		
Trading Assets	754,962		
Money Held in Trust	1,619		
Securities	4,813,354	2-b, 6-a	
Loans and Bills Discounted	25,550,064	6-b	
Foreign Exchanges	12,732		
Lease Receivables and Investment Assets	547,016		
Other Assets	1,547,226	6-c	
Tangible Fixed Assets	223,568		
Buildings	71,863		
Land	123,929		
Lease Assets	1,951		
Construction in Progress	2,160		
Other	23,663		
Intangible Fixed Assets	159,256	2-a	
Software	67,359		
Goodwill	84,684		
Lease Assets	64		
Other	7,148		
Assets for Retirement Benefits	190,706	3	
Deferred Tax Assets	16,280	4-a	
Customers' Liabilities for Acceptances and Guarantees	531,500		
Allowance for Loan Losses	(90,015)		
Total Assets	¥ 46,235,949		

Items	Consolidated Balance Sheet ^(*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 25,079,711		
Negotiable Certificates of Deposit	6,570,567		
Call Money and Bills Sold	497,600		
Payables under Repurchase Agreements	462,942		
Trading Liabilities	405,188		
Borrowed Money	2,492,087		
Foreign Exchanges	140		
Short-term Bonds Payable	974,317		
Bonds Payable	1,026,113	8	
Borrowed Money from Trust Account	3,983,261		
Other Liabilities	1,279,123	6-d	
Provision for Bonuses	16,312		
Provision for Director's Bonuses	230		
Retirement Benefits Liabilities	12,152		
Provision for Reimbursement of Deposits	3,598		
Provision for Contingent Loss	8,533		
Deferred Tax Liabilities	172,271	4-b	
Deferred Tax Liabilities for Land Revaluation	3,322	4-c	
Acceptances and Guarantees	531,500		
Total Liabilities	43,518,975		
(Net Assets)			
Capital Stock	261,608	1-a	
Capital Surplus	645,261	1-b	
Retained Earnings	970,373	1-c	
Treasury Stock	(17,057)	1-d	
Total Shareholders' Equity	1,860,185		
Valuation Difference on Available-for-Sale Securities	505,448		
Deferred Gains or Losses on Hedges	(20,605)	5	
Revaluation Reserve for Land	(5,951)		
Foreign Currency Translation Adjustment	14,953		
Remeasurements of Retirement Benefits	35,793		
Total Accumulated Other Comprehensive Income	529,638		3
Subscription Rights to Shares	246		1b
Non-controlling Interests	326,902	7	
Total Net Assets	2,716,973		
Total Liabilities and Net Assets	¥ 46,235,949		

^(*) 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	645,261		1-b
Retained Earnings	970,373		1-c
Treasury Stock	(17,057)		1-d
Total Shareholders' Equity	¥ 1,860,185		

(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	¥ 1,860,185	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	906,869		1a
of Which: Retained Earnings	970,373		2
of Which: Treasury Stock (Deduction)	17,057		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	¥ 159,256		2-a
Securities	4,813,354		2-b
of Which: Goodwill Arising on the Application of the Equity Method	1,850		
Associated Deferred Tax Liabilities	23,420		

(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)	¥ 86,534		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	51,152	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	¥ 190,706		3
Associated Deferred Tax Liabilities	61,678		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Assets for Retirement Benefits	¥ 129,028		15

4. Deferred tax assets**(1) Consolidated balance sheet**

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 16,280		4-a
Deferred Tax Liabilities	172,271		4-b
Deferred Tax Liabilities for Land Revaluation	3,322		4-c
Associated Intangible Fixed Assets	23,420		
Associated Assets for Retirement Benefits	61,678		

(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)	¥ 594	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	¥ (20,605)		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	¥ (15,715)	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	¥ 4,813,354		6-a
Loans and Bills Discounted	25,550,064	Including subordinated loans	6-b
Other Assets	1,547,226	Including derivatives	6-c
Other Liabilities	¥ 1,279,123	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	¥ 7		
Common Equity Tier 1 Capital	7		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 than 10% of the Issued Share Capital	234,050		
Common Equity Tier 1 Capital	12,729		18
Additional Tier 1 Capital	3,233		39
Tier 2 Capital	12,816		54
Amount below the Thresholds for Deduction (before Risk Weighting)	205,271		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	49,781		
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)	49,781		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 326,902		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)	¥ 944	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)	9,781	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)	2,437	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	¥ 1,026,113		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	¥ —		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	30,000		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	
	2016	2015
Portfolios to Which the Standardized Approach is Applied	¥ 47,742	¥ 36,830
Exposures to Business Units Set for Phased Roll-out Application	16,353	—
Exposures Excluded from Application	31,388	36,830
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio	1,165,358	1,174,797
Corporate Exposures	813,487	828,959
Sovereign Exposures	17,464	19,115
Financial Institution Exposures	51,162	60,339
Residential Mortgage Exposures	99,583	91,314
Qualifying Revolving Retail Exposures	1,647	2,131
Other Retail Exposures	24,816	23,762
Other Exposures* ¹	157,195	149,173
Securitization Exposures	15,909	13,643

*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	
	2016	2015
Equity Exposures	¥ 140,393	¥ 197,449
PD/LGD Approach	114,267	175,909
Simple Risk-Weight Method of the Market-based Approach	26,125	21,539
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	
	2016	2015
Exposures Held in Funds*	¥ 91,096	¥ 156,261

* (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	
	2016	2015
Market Risk	¥ 45,846	¥ 30,411
Amounts of Required Capital by Category under the Standardized Approach	7,003	1,655
Interest Rate Risk	3,326	634
Equity Position Risk	—	—
Foreign Exchange Risk	3,677	1,021
Commodities Risk	—	—
Options Transactions	—	—
Internal Model Approach	38,842	28,756

(5) Amounts of required capital against operational risk

As of March 31	Millions of Yen	
	2016	2015
Operational Risk	¥ 76,129	¥ 67,741
Advanced Measurement Approach	63,478	60,829
Standardized Approach	—	1,225
Basic Indicator Approach	12,650	5,687

(6) Consolidated total required capital

As of March 31	Millions of Yen	
	2016	2015
Consolidated Total Required Capital*	¥ 1,445,271	¥ 1,509,479

* (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					
	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 gradual 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.

As of March 31	Millions of Yen					
	2015					
	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	¥ 35,858,535	¥ 29,242,134	¥ 3,301,125	¥ 443,249	¥ 2,872,025	¥ 222,894
Outside Japan	6,281,833	4,685,291	835,871	383,555	377,115	32,409
Total for Regions	¥ 42,140,368	¥ 33,927,426	¥ 4,136,997	¥ 826,804	¥ 3,249,141	¥ 255,303
Manufacturing	4,714,651	2,797,234	893,851	46,884	976,681	19,095
Agriculture and Forestry	3,399	3,220	119	59	—	1,188
Fisheries	93	2	90	—	—	—
Mining and Quarrying of Stones and Gravel	25,655	14,160	244	—	11,250	—
Construction	307,354	198,627	50,283	645	57,799	5,297
Electricity, Gas, Heat Supply and Water	1,060,327	924,853	42,045	5,433	87,995	26
Information and Communication	511,346	448,579	12,911	927	48,928	746
Transport and Postal Activities	1,549,988	1,157,126	279,522	15,709	97,629	9,062
Wholesale and Retail Trade	2,074,009	1,530,454	166,498	5,701	371,355	3,903
Finance and Insurance	2,755,494	1,943,915	284,869	327,614	199,095	72,887
Real Estate	3,339,633	2,675,005	372,767	15,416	276,444	33,393
Goods Rental and Leasing	704,606	643,018	13,015	1,075	47,496	265
Local Public Bodies	144,504	126,872	4,146	—	13,486	—
Individuals	7,751,105	7,586,451	—	—	164,654	51,948
Others	17,198,196	13,877,903	2,016,631	407,337	896,323	57,487
Total for Industry Sectors	¥ 42,140,368	¥ 33,927,426	¥ 4,136,997	¥ 826,804	¥ 3,249,141	¥ 255,303
One Year or Less	8,793,747	6,800,200	761,867	142,821	1,088,857	
Over One Year to Three Years	5,729,454	3,953,189	663,799	204,378	908,087	
Over Three Years to Five Years	12,215,581	11,308,165	400,558	117,531	389,326	
Over Five Years	15,401,584	11,865,870	2,310,771	362,073	862,869	
Total for All Durations	¥ 42,140,368	¥ 33,927,426	¥ 4,136,997	¥ 826,804	¥ 3,249,141	
Average Balance during the Period	¥ 40,240,979	¥ 32,023,015	¥ 4,642,401	¥ 714,990	¥ 2,860,571	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables as well as lease transactions 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, 2014, September 30, 2014 and March 31, 2015.

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		
	2016	2015	Change
	Balance	Balance	
General Allowance for Loan Losses	¥ 68,097	¥ 59,604	¥ 8,493

(2) Specific allowance for loan losses (breakdown by region, industry sector)

As of March 31	Millions of Yen		
	2016 Balance	2015 Balance	Change
Japan	¥ 19,447	¥ 26,434	¥ (6,986)
Outside Japan	3,306	3,976	(669)
Total for Regions	¥ 22,754	¥ 30,410	¥ (7,656)
Manufacturing	4,956	2,581	2,375
Agriculture and Forestry	2	1	0
Fisheries	—	0	0
Mining and Quarrying of Stones and Gravel	—	—	—
Construction	46	223	(176)
Electricity, Gas, Heat Supply and Water	6	4	2
Information and Communication	11	11	0
Transport and Postal Activities	4,980	7,501	(2,521)
Wholesale and Retail Trade	853	1,683	(830)
Finance and Insurance	222	267	(45)
Real Estate	491	582	(90)
Goods Rental and Leasing	45	78	(33)
Local Public Bodies	—	—	—
Individuals	4,791	5,167	(376)
Others	6,346	12,306	(5,959)
Total for Industry Sectors	¥ 22,754	¥ 30,410	¥ (7,656)

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 2016 and the end of March 2015.

Amounts of Written-off Loans by Industry Sector

Years Ended March 31	Millions of Yen	
	2016	2015
Manufacturing	¥ 102	¥ 113
Agriculture and Forestry	2	0
Fisheries	2	0
Mining and Quarrying of Stones and Gravel	—	—
Construction	54	37
Electricity, Gas, Heat Supply and Water	—	0
Information and Communication	0	1
Transport and Postal Activities	525	18
Wholesale and Retail Trade	676	52
Finance and Insurance	0	0
Real Estate	9	25
Goods Rental and Leasing	—	—
Local Public Bodies	—	—
Individuals	2,395	1,259
Others	5,606	146
Total for Industry Sectors	¥ 9,377	¥ 1,658

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			
	2016		2015	
	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	¥ 7,486,945	¥ 2,287	¥ 3,188,505	¥ 106
0%	6,546,440	—	2,327,837	—
10%	73	—	74	—
20%	372,677	171	460,159	43
35%	15	—	—	—
50%	65,581	1,912	64,170	14
75%	—	—	—	—
100%	502,155	202	336,119	48
150%	1	—	143	—
Amounts of exposures with 1,250% risk-weight applied	—	—	—	—

Exposures to which the IRB Approach is Applied

As of March 31	Millions of Yen	
	2016	2015
Specialized Lending under the Slotting Criteria	¥ 1,752,499	¥ 2,444,112
High-Volatility Commercial Real Estate Exposures	245,266	152,750
Maturities of 2.5 Years or Longer	211,741	106,994
Strong 95%	35,831	5,648
Good 120%	107,555	61,119
Satisfactory 140%	57,922	40,226
Weak 250%	10,432	—
Default 0%	—	—
Maturities of Less than 2.5 Years	33,524	45,755
Strong 70%	—	14,098
Good 95%	1,806	28,200
Satisfactory 140%	31,457	3,456
Weak 250%	259	—
Default 0%	—	—
Other Exposures	¥ 1,507,233	¥ 2,291,362
Maturities of 2.5 Years or Longer	1,444,268	1,993,254
Strong 70%	605,547	801,559
Good 90%	609,392	722,280
Satisfactory 115%	174,144	437,870
Weak 250%	47,636	19,747
Default 0%	7,547	11,796
Maturities of Less than 2.5 Years	62,964	298,108
Strong 50%	10,428	108,348
Good 70%	29,316	115,922
Satisfactory 115%	14,129	63,671
Weak 250%	9,090	6,401
Default 0%	—	3,764
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied	¥ 93,307	¥ 72,738
300%	65,141	36,946
400%	28,165	35,792

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							
	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)	0.36%	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.

As of March 31	Millions of Yen							
	2015							
	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)	0.37%	34.10%	—	38.29%	¥ 13,090,242	¥ 2,654,524	¥ 2,086,366	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	10.77%	30.48%	—	132.25%	277,097	29,188	11,179	75.00%
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	33.67%	32.20%	31.37%	173,699	19,271	160	75.00%
Total	1.75%	34.02%	—	39.98%	¥ 13,541,038	¥ 2,702,984	¥ 2,097,706	75.00%

(2) Sovereign exposures

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)	0.01%	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%

As of March 31	Millions of Yen							
	2015							
	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)	0.02%	43.10%	—	2.28%	¥ 10,000,074	¥ 194,002	¥ 11,542	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—	—	—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.02%	43.10%	—	2.28%	¥ 10,000,074	¥ 194,002	¥ 11,542	75.00%

(3) Financial Institution exposures

As of March 31	Millions of Yen							Undrawn Commitments	CCF
	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	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%	

As of March 31	Millions of Yen							
	2015							
	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%	42.80%	／	30.63%	¥ 1,830,858	¥ 578,851	¥ 129,159	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%	42.80%	／	30.63%	¥ 1,830,858	¥ 578,851	¥ 129,159	75.00%

(4) Equity exposures under the PD/LGD Approach

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.

As of March 31	Millions of Yen		
	2015		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
Ordinary Assets (Seijo-Saki)	0.20%	135.92%	¥ 1,597,157
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.05%	512.88%	3,663
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	771
Total	0.26%	137.29%	¥ 1,601,592

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							
	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%

As of March 31	Millions of Yen							
	2015							
	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%	24.41%	—	11.16%	¥ 6,992,594	¥ 39,235	¥ 2,536	100.00%
Overdue	23.13%	24.98%	—	150.11%	76,290	101	10	100.00%
Default	100.00%	26.77%	21.47%	70.11%	40,089	73	—	—
Qualifying Revolving Retail								
Current	0.53%	74.32%	—	17.57%	22,600	61,020	668,697	9.13%
Overdue	34.21%	70.35%	—	200.12%	330	186	1,109	16.77%
Default	100.00%	77.67%	75.42%	29.87%	290	243	2,864	8.50%
Other Retail (consumer)								
Current	0.78%	55.60%	—	47.87%	140,679	57,549	183,334	31.20%
Overdue	31.09%	34.50%	—	88.57%	1,099	90	226	35.20%
Default	100.00%	42.85%	38.00%	64.27%	2,536	499	234	35.09%
Other Retail (commercial)								
Current	1.06%	29.30%	—	27.51%	316,239	5,242	3,440	100.00%
Overdue	34.40%	28.23%	—	75.48%	3,586	338	309	100.00%
Default	100.00%	34.94%	32.75%	29.07%	14,141	352	46	100.00%
Total	1.28%	26.00%	—	14.63%	¥ 7,610,479	¥ 164,933	¥ 862,808	14.51%

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						Change in Actual Credit Losses
	2016			2015			
	Actual Credit Losses	Provisions	Reversals	Actual Credit Losses	Provisions	Reversals	
Corporate Exposures	¥ 12,082	¥ 22,018	¥ (9,936)	¥ (5,897)	¥ 15,467	¥ (21,365)	¥ 17,980
Sovereign Exposures	4,002	4,002	—	(88)	—	(88)	4,091
Financial Institution Exposures	0	—	0	(1)	—	(1)	1
Retail Exposures	10,078	11,901	(1,823)	1,920	4,914	(2,993)	8,158

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 FY2015 increased by ¥30.2 billion year on year. This was mainly due to the absence of reversal of allowances for loan losses posted in the previous fiscal year and an increase in credit costs due to write-off of bad debts 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	
	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			
	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	—	—	—	—

As of March 31	Millions of Yen			
	2015			
	Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 805,153	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,506,453	180,982	287,516	—
Corporate Exposures	311,080	175,471	180,466	—
Sovereign Exposures	14,010	5,510	107,050	—
Financial Institution Exposures	1,181,362	—	—	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions

Consolidated

Derivative Transactions

As of March 31	Millions of Yen	
	2016	2015
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 2,264,683	¥ 2,348,839
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	1,008,079	911,383
Foreign Exchange Related	1,129,286	1,008,900
Interest Rate Related	2,066,385	2,214,867
Credit Derivatives	20,683	16,320
Others	66	140
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	2,208,342	2,328,845
Amounts of Collateral	144,587	84,438
Deposits	136,225	33,993
Securities	8,362	50,444
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	863,491	826,944
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	147,274	105,647
Purchasing Protection by Credit Default Swaps	81,748	53,866
Providing Protection by Credit Default Swaps	65,525	51,780
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

Not applicable as of the end of March 2016 and the end of March 2015.

Securitization Exposures

Consolidated

Securitization Exposures Originated by the SuMi TRUST Holdings Group

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		
	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
As of March 31					
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	
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Years Ended March 31		
Residential Mortgage Loans	¥ 461	¥ (33)
Others	—	—
Total	¥ 461	¥ (33)

(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

	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 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.

Fiscal Year 2014

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2014, type and status of main principal underlying assets

Date of Securitization:	January 2015
Type of Underlying Assets:	Residential Mortgage Loans
Type of Transaction:	Asset transfer-type securitization transaction
Aggregate Sum of Underlying Assets: at the time of securitization	¥ 44,883 million
as of March 31, 2015	¥ 43,901 million
Initial Issue Amount:	¥ 44,883 million
Preferred Beneficiary Notes	¥ 40,000 million (AAA/R&I)
Subordinated Beneficiary Notes	¥ 4,883 million (no rating)
Date of Redemption:	August 2055

The SuMi TRUST Holdings Group holds part of the exposures related to these securitization transactions, and quantitative data in (2)-(11) below include data related to these securitization transactions.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

	Millions of Yen				
	2015				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
As of March 31					
Securitization Exposures except					
Resecuritization Exposures	¥ 103,925	¥ —	¥ 384,181	¥ 384,181	¥ —
Residential Mortgage Loans	103,925	—	384,181	384,181	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 103,925	¥ —	¥ 384,181	¥ 384,181	¥ —

(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	
	2015	
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Years Ended March 31		
Residential Mortgage Loans	¥ 368	¥ 117
Others	—	—
Total	¥ 368	¥ 117

(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			
	2015			
	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)	¥ 103,925	¥ —	¥ 8,230	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	87,246	—	2,888	—
50% to Less than 100%	8,437	—	365	—
100% to Less than 350%	4,221	—	715	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,019	—	4,260	—
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	¥ 103,925	¥ —	¥ 8,230	¥ —

(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
	2015
Residential Mortgage Loans	¥ 6,335
Others	—
Total	¥ 6,335

(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
	2015
Residential Mortgage Loans	¥ 4,019
Others	—
Total	¥ 4,019

(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 2014 and breakdown by type of principal underlying assets

Not applicable.

(11) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitization Exposures Purchased by the SuMi TRUST Holdings Group

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

	Millions of Yen	
	2016	
	Exposure Amounts	
As of March 31	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 225

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.

Fiscal Year 2014

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of principal underlying assets by type

	Millions of Yen	
	2015	
	Exposure Amounts	
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 470,780	¥ 72,925
Residential Mortgage Loans	129,259	14,180
Credit Card Loans	419	—
Claims on Lease Payments, Installment Receivables	33,215	53,048
Commercial Real Estate-Secured Loans	—	—
Other Claims on Corporates	307,885	5,695
Resecuritization Exposures	24,120	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	6,378	—
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	17,742	—
Total	¥ 494,901	¥ 72,925

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

	Millions of Yen			
	2015			
	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)	¥ 470,780	¥ 72,925	¥ 3,928	¥ 544
Less than 20%	453,323	66,479	2,890	394
20% to Less than 50%	7,946	6,445	165	149
50% to Less than 100%	8,394	—	396	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	1,009	—	363	—
1,250%	106	—	112	—
Resecuritization Exposures (IRB Approach)	24,120	—	492	—
Less than 20%	—	—	—	—
20% to Less than 50%	23,291	—	446	—
50% to Less than 100%	829	—	45	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 494,901	¥ 72,925	¥ 4,421	¥ 544

(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	2015
Residential Mortgage Loans	¥ 106
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ 106

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(5) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

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, 2016	Fiscal Year 2015			As of March 31, 2015	Fiscal Year 2014		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
VaR in Banking Account	¥ 1,152.6	¥ 1,191.2	¥ 728.7	¥ 947.3	¥ 750.6	¥ 802.6	¥ 576.9	¥ 695.4
VaR in Trading Account	4.5	8.5	3.2	5.5	4.2	6.0	1.9	3.6

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, 2016	Fiscal Year 2015			As of March 31, 2015	Fiscal Year 2014		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 5.7 [1.8]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 6.0 [1.9]	¥ 4.8 [1.5]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 5.8 [1.8]

Stressed VaR Measurement Standards

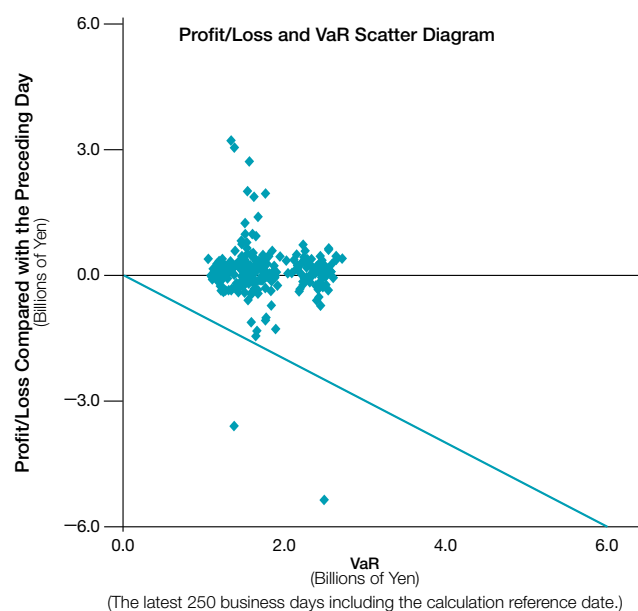
Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year
The figures inside the square brackets above denote stress VAR in a case where the holding period is one business day.

(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, 2015 and in the fiscal year ended March 31, 2016.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

• Back testing of the trading account

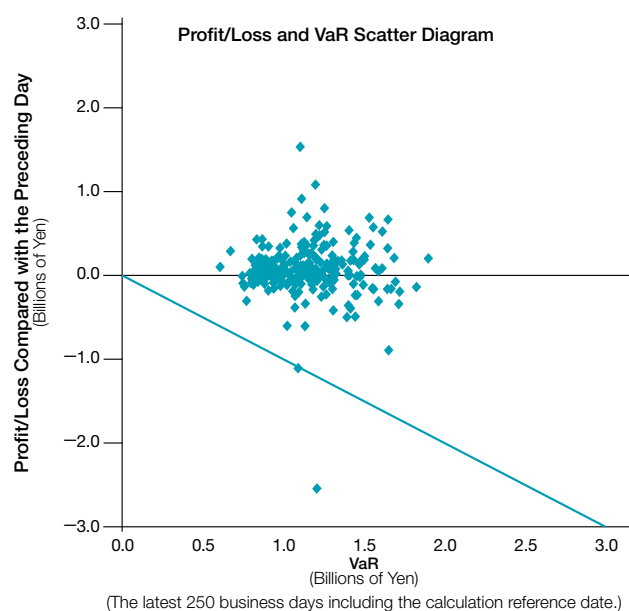
Fiscal Year 2015



Note: As shown above, for fiscal year 2015 back testing of the trading accounts shows two instances of losses in excess of VaR.

• Back testing of the trading account

Fiscal Year 2014



Note: As shown above, for fiscal year 2014 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							
	2016				2015			
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Consolidated Book and Fair Values* ¹								
Listed Shares Exposures	¥ 1,319,935	¥ 1,319,935	¥ 1,453,802	¥ 1,453,802				
Capital Subscriptions or Equity Exposures Other than Above	65,383	65,383	94,010	94,010				
Amounts of Gains/Losses on Sales and Write-offs of Capital Subscriptions or Equity Exposures* ²	Gains/Losses	Gains	Losses	Write-offs	Gains/Losses	Gains	Losses	Write-offs
	29,660	42,293	6,283	6,350	(2,170)	34,506	36,357	319
Amounts of Unrealized Gains/Losses Recognized in the Consolidated Balance Sheets and not Recognized in the Consolidated Statements of Income			604,055				736,511	
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	
	2016	2015
Amounts by Portfolio Category	¥ 1,122,781	¥ 1,674,301
Portfolios Adopting the Market-based Approach	93,307	72,738
Portfolios Adopting the PD/LGD Approach	1,029,474	1,601,562

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	
	2016	2015
Aggregate Sum of Exposures Held in Funds	¥ 1,648,037	¥ 1,223,979
Look-through Approach	1,551,565	1,111,673
Simple Majority Formula	33,845	47,672
Investment Criteria Formula	25,562	34,163
Internal Model Approach	—	—
Probability Approach	36,368	29,800
Others	695	668

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	
	2016	2015
Overall Amounts of Interest Rate Risk	¥ 35,587	¥ 80,301
Japanese Yen Interest Rates	10,888	63,637
U.S. Dollar Interest Rates	10,834	13,707
Other Interest Rates	13,865	2,956
Outlier Ratios	1.2%	2.9%

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 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.

Fiscal Year 2014

As of March 31		Billions of Yen
Item No.	Items	2015
1.	Total exposures (a + b + c + d):	
	a. Counterparty exposure of derivatives contracts	
	b. Gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs	
	c. Other assets (other than assets specifically identified above and regulatory adjustments to Tier 1 and Common Equity Tier 1 capital under the fully phased-in Basel III framework)	
	d. Notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	¥ 50,432.3
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	6,964.2
3.	Intra-financial system liabilities (a + b + c):	
	a. Deposits due to, 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	6,452.3
4.	Securities outstanding (Note 1)	10,485.1
5.	Assets under custody	279,402.7
6.	Notional amount of OTC derivatives	164,185.7
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)	2,372.5
8.	Level 3 assets (Note 3)	509.5
9.	Cross-jurisdictional claims	8,472.7
10.	Cross-jurisdictional liabilities	8,375.4

Years Ended March 31		Billions of Yen
Item No.	Items	2015
11.	Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	¥ 2,633,869.0
12.	Underwritten transactions in debt and equity markets (Note 4)	22.4

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	2016	2015
On-Balance Sheet Exposures				
1		On-Balance Sheet Exposures before Deducting Adjustment Items	¥ 55,694,009	¥ 43,580,192
1a	1	Total Assets Reported in the Consolidated Balance Sheet	58,229,948	46,235,949
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)	2,535,938	2,655,756
2	7	The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction)	197,805	204,240
3		Total On-Balance Sheet Exposures (A)	55,496,204	43,375,952
Exposures Related to Derivative Transactions				
4		Replacement Cost Associated with Derivatives Transactions, etc.	571,207	570,299
5		Add-On Amount Associated with Derivatives Transactions, etc.	889,596	760,819
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.	494,847	672,492
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)	317,580	539,592
8		The Amount of Client-Cleared Trade Exposures for which a Bank or Bank Holding Company Acting as Clearing Member is not Obligated to Make Any Indemnification (Deduction)		
9		Adjusted Effective Notional Amount of Written Credit Derivatives	77,279	53,809
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)	70,900	47,800
11	4	Total Exposures Related to Derivative Transactions (B)	1,644,449	1,470,028
Exposures Related to Repo Transactions				
12		The Amount of Assets Related to Repo Transactions, etc.	436,834	446,995
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)	—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.	38,271	32,671
15		The Exposures for Agent Repo Transaction		
16	5	The Total Exposures Related to Repo Transactions, etc. (C)	475,106	479,667
Exposures Related to Off-Balance Sheet Transactions				
17		Notional Amount of Off-Balance Sheet Transactions	7,570,074	5,229,386
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)	4,803,025	2,774,318
19	6	Total Exposures Related to Off-Balance Sheet Transactions (D)	2,767,049	2,455,068
Leverage Ratio on a Consolidated Basis				
20		The Amount of Capital (Tier 1 Capital) (E)	2,415,375	2,160,677
21	8	Total Exposures (F) = (A)+(B)+(C)+(D)	60,382,809	47,780,716
22		Leverage Ratio on a Consolidated Basis (G) = (E)/(F)	4.00%	4.52%

The key drivers of material changes observed from the end of the previous reporting period to the end of the current reporting period

Due to implementation of negative interest rate policy by Bank of Japan ("BoJ"), surplus funds of trust account was diverted to banking account, which in turn caused current account with BoJ to increase, resulting in substantial increase of total exposures.

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 2015 4th Quarter		Fiscal Year 2015 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total High-Quality Liquid Assets (HQLA)	¥ 17,685,348		¥ 13,902,589	
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash Outflows Related to Unsecured Retail Funding	¥ 16,668,154	623,933	¥ 16,697,838	651,882
3	of Which, Stable Deposits	512,082	15,362	519,123	15,573
4	of Which, Less Stable Deposits	5,963,007	608,571	6,243,644	636,309
5	Cash Outflows Related to Unsecured Wholesale Funding	19,598,752	14,727,743	13,441,245	8,851,257
6	of Which, Qualifying Operational Deposits	1,407,475	351,868	991,287	247,821
7	of Which, Cash Outflows Related to Unsecured Wholesale Funding Other than Qualifying Operational Deposits and Debt Securities	14,169,722	10,354,320	8,711,688	4,865,166
8	of Which, Debt Securities	4,021,555	4,021,555	3,738,270	3,738,270
9	Cash Outflows Related to Secured Funding, etc.	13,462		1,023,835	
Cash Outflows Related to Derivative Transactions, etc.					
10	Funding Programs, Credit and Liquidity Facilities	5,268,912	1,495,588	5,400,360	1,689,368
11	of Which, Cash Outflows Related to Derivative Transactions, etc.	759,967	759,967	971,374	971,374
12	of Which, Cash Outflows Related to Funding Programs	0	0	0	0
13	of Which, Cash Outflows Related to Credit and Liquidity Facilities	4,508,945	735,621	4,428,986	717,994
14	Cash Outflows Related to Contractual Funding Obligations, etc.	777,794	482,748	803,970	490,270
15	Cash Outflows Related to Contingencies	9,680,636	27,622	9,536,532	28,053
16	Total Cash Outflows	17,371,096		12,734,665	
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash Inflows Related to Secured Lending, etc.	446,198	446,198	3,156	3,156
18	Cash Inflows Related to Collection of Loans, etc.	4,605,849	3,213,738	4,776,690	3,211,985
19	Other Cash Inflows	829,690	611,309	689,410	621,314
20	Total Cash Inflows	5,881,737	4,271,245	5,469,256	3,836,455
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA Allowed to be Included in the Calculation	17,685,348		13,902,589	
22	Net Cash Outflows	13,099,851		8,898,210	
23	Consolidated Liquidity Coverage Ratio (LCR)	139.9		156.3	
24	The Number of Data Used to Calculate the Average Value	3		3	

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

(1) Items concerning fluctuations in the LCR over time

Since regulations took effect from March 2015, the LCR has generally remained steady. In the fourth quarter of FY2015, cash inflows affected by a shrinking call money market due to implementation of negative interest rate policy increased reserve deposits at central banks, which in turn caused an increase in both high-quality liquid assets and cash outflows, resulting in a decreasing trend in LCR.

(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 high-quality liquid assets are reserve deposits held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there is 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 an "exceptional 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 account for fair value movements based on the scenario method."

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 2016.

Capital Adequacy Ratio Qualitative Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")	
1. Overview of Risk Management	328
2. Credit Risk Management	329
3. Internal Ratings System	335
4. Market Risk Management	338
5. Funding Liquidity Risk Management	340
6. Operational Risk Management	340
7. Other Related Matters	345

Compensation Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")	

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")	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) Comprehensive 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 (Comprehensive Risk Management).

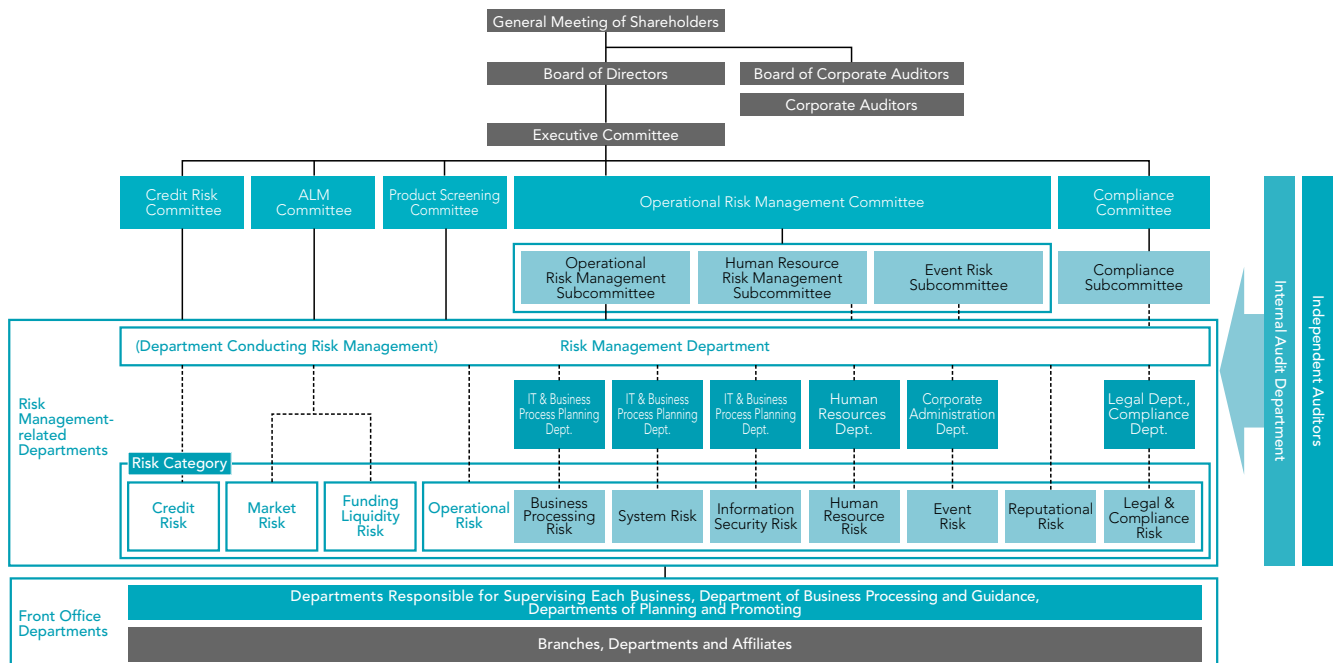
In addition, among the risks subject to Comprehensive Risk Management, SuMi TRUST Bank aggregates risks which are quantifiable with unified criteria such as the integrated VaR, and manages these risks by comparing them with SuMi TRUST Bank's financial strength, which is indicated by its capital buffer (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 introduction of the so-called negative interest rate policy and deteriorating national finances in emerging economies and resource-rich countries. In addition, there are toughened international financial regulations including ones pertaining to

• Risk Management Structure



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 semi-annual 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's 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

Credit Ratings Structured Ratings	Self-assessment	
	Classification of obligors	Categories
1	Normal	Not categorized (not II, III or IV)
2		
3		
4		
5		
6		
7	Requiring careful monitoring	II
8	3-month delinquent/restructured	III IV Default
9	At risk of bankruptcy	
10	Legally bankrupt and virtually bankrupt	

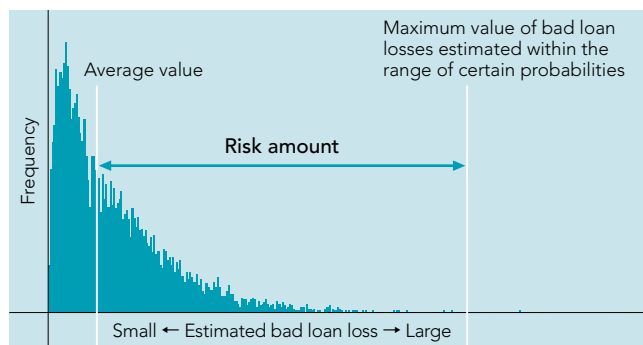
(Note) Obligor Ratings and Structured Ratings can be further adjusted, where necessary, through the addition of [+] or [-] symbols.

3) Credit Risk Quantification

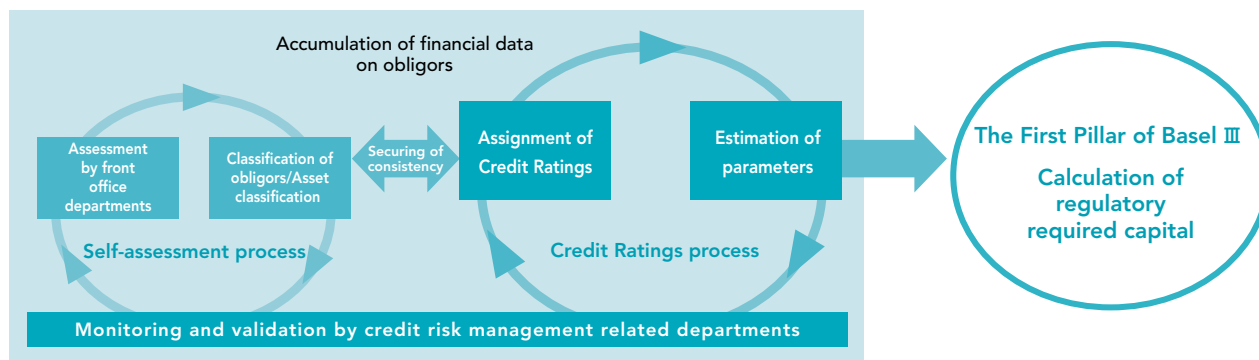
The measurement of credit risk amount is designed to quantitatively grasp the extent as to how far the company's assets are likely to incur losses from credit events over the coming year. In particular, based on estimates of default rates in each grade of credit rating and recovery rates, we measure 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



• Basic Process of the IRB Approach



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 stress 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 stress scenarios, corresponding to the characteristics of SuMi TRUST Bank's asset under our management.

(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 pro-

files, 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 335.

(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 345, "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 333 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); Standard & Poor's Rating Services (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 2016, 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.

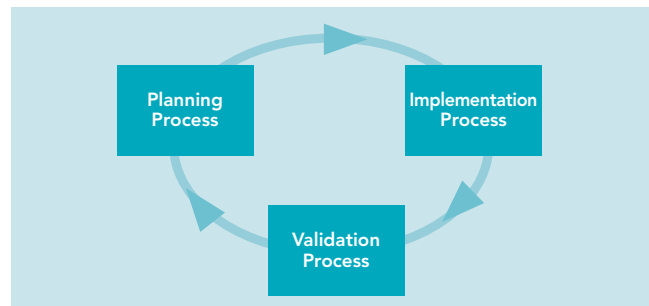
The credit pools system manages small-lot loans provided to individuals, such as residential mortgage loans and card loans, by grouping these transactions with similar risk profiles.

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 our credit rating model and mapping with external ratings, 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

Given the limited availability of data compared to Domestic Credit Ratings, Non-Japanese Credit Ratings look to external ratings (Moody's and S&P) as main judgment factors (for base ratings and quantitative assessment ratings). When there are external ratings, in principle, issuer ratings are regarded as "Base Ratings" and as main judgment factors. When there are multiple external ratings, whichever is lower is used as the standard rating, in principle.

When there are no external ratings, we compare other companies in the same industry (in principle, multiple companies are selected from the same industry in the same country), or ratings based on the "Credit Statistics" published by rating agencies, and determine the "quantitative assessment ratings" as a prime factor for rating. Through this procedure, we secure the consistency of credit assessment criteria between obligors with external ratings and obligors without external ratings.

3. Qualitative Assessment

The qualitative assessment ratings by expert judgment are determined on the basis of qualitative assessment criteria for Domestic Credit Ratings and also by incorporating assessment factors not used in Japan, 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 sub-categories' "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.

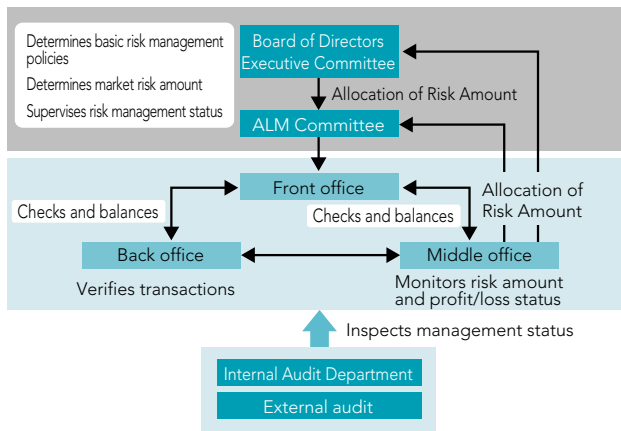
3) The ALM Committee plans on a semiannual basis the ALM Basic Plan on a company-wide comprehensive risk operational management basis for assets/liabilities as well as a risk management plan related to market and funding liquidity risk. The ALM Committee is held on a monthly basis and controls market 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 Corporate 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 393, our outlier ratio (on a consolidated basis) was 2.9% as of March 31, 2016, 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 increased foreign currency funding associated with overseas business expansion and 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 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 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 (six 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.

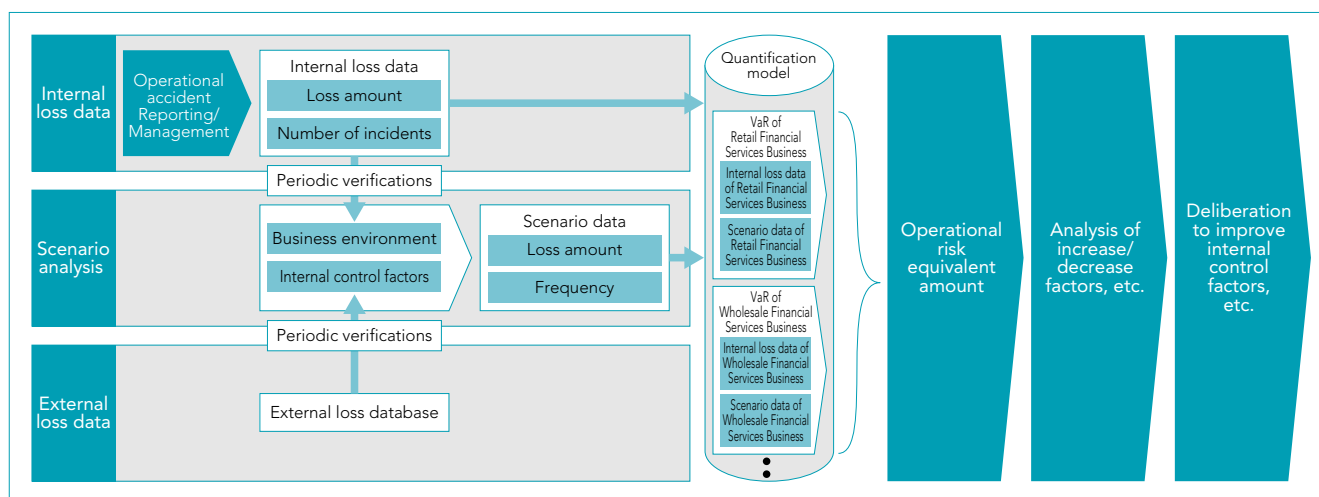
3. Quantification Model

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.

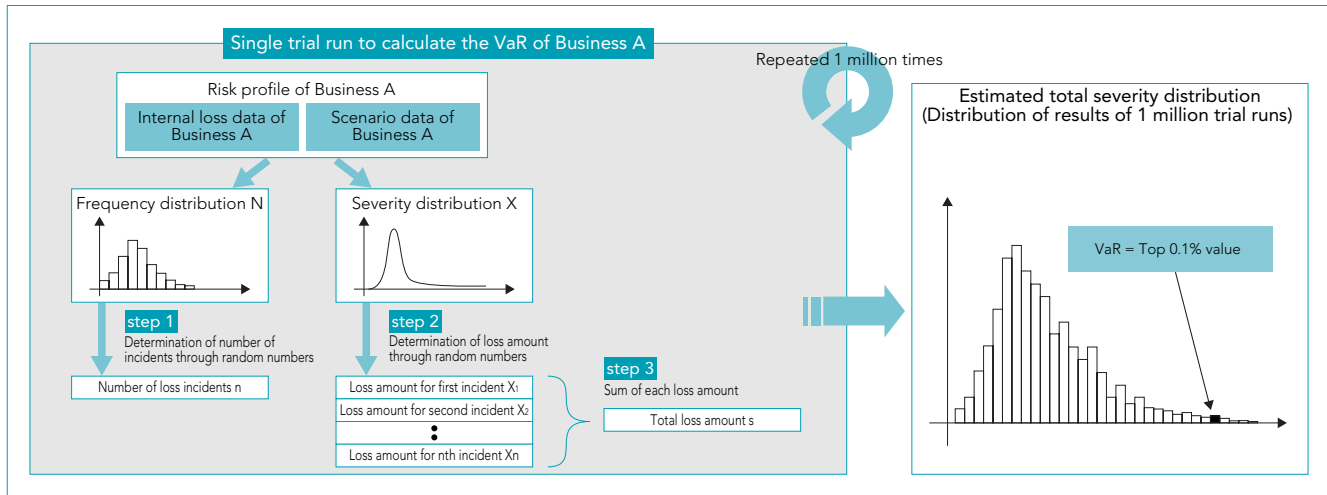
The Poisson distribution has been applied to the frequency distribution, and our own distribution method has been applied to severity distribution in order to grasp the amount of tail risk.

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); Standards & Poor's Rating Services (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. In recent years, we have witnessed the emergence of a new strain of collateral, which is not included in the past standard method, such as "intellectual property rights." We intend to respond to the demands of the times, and are striving to build up our capabilities to accurately assess new kinds of assets.

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
- 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, 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)

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.

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 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, 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.

(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 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, 2015 to March 31, 2016)

Category	Headcount	Millions of Yen						Retirement benefits
		Total amount of compensation	Total amount of fixed compensation	Basic Compensation	Total amount of variable compensation	Bonus	Compensation as stock option	
Directors (excluding External Directors)	14	743	580	580	102	102	61	—
Corporate Auditors (excluding External Auditors)	4	64	64	64	—	—	—	—
Applicable employees, etc.	6	347	199	199	148	148	—	—

* 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")

Consolidated	
Capital Adequacy Ratio	354
Scope of Consolidation	354
Composition of Capital (Consolidated BIS capital adequacy ratio)	355
Outline and Details of Agreements Concerning Capital Funding Instruments	358
Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements	358
Capital Adequacy	370
Credit Risk	372
Credit Risk Mitigation Techniques	380
Counterparty Risk in Derivative and Long-term Settlement Transactions	381
Securitization Exposures	382
Market Risk	390
Capital Subscriptions or Equity Exposures in the Banking Account	392
Exposures Held in Funds as Credit Risk-Weighted Assets	393
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	393
Composition of Leverage Ratio	394
Liquidity Coverage Ratio (LCR)	395
Non-consolidated	
Composition of Capital (Non-consolidated BIS capital adequacy ratio)	396
Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements	399
Capital Adequacy	409
Credit Risk	411
Credit Risk Mitigation Techniques	419
Counterparty Risk in Derivative and Long-term Settlement Transactions	420
Securitization Exposures	421
Market Risk	429
Capital Subscriptions or Equity Exposures in the Banking Account	430
Exposures Held in Funds as Credit Risk-Weighted Assets	431
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	431
Liquidity Coverage Ratio (LCR)	432

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 2016, 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 66. 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 Loan & Finance Co., Ltd.	Money Lending Business
Sumitomo Mitsui Trust Realty Co., Ltd.	Real Estate Brokerage 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	2016	Amounts Excluded under Transitional Arrangements	2015	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	¥ 1,920,677		¥ 1,819,450	
1a	of Which: Capital Stock and Capital Surplus	834,134		834,289	
2	of Which: Retained Earnings	1,106,603		1,019,706	
1c	of Which: Treasury Stock (Deduction)	—		—	
26	of Which: Earnings to be Distributed (Deduction)	20,060		34,545	
	of Which: Others	—		—	
1b	Subscription Rights to Common Shares	—		—	
3	Accumulated Other Comprehensive Income	246,640	¥ 164,426	209,448	¥ 314,173
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	7,184		11,228	
	of Which: Common Share Capital Issued by Subsidiaries and Held by Third Parties	7,184		11,228	
6	Common Equity Tier 1 Capital: Instruments and Reserves (A)	2,174,502		2,040,127	
Common Equity Tier 1 Capital: Regulatory Adjustments					
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	96,729	64,486	51,166	76,750
8	of Which: Goodwill (Including Those Equivalent)	63,182	42,121	36,613	54,919
9	of Which: Other Intangible Assets	33,546	22,364	14,553	21,830
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	—	237	356
11	Deferred Gains or Losses on Derivatives under Hedge Accounting	(5,002)	(3,334)	(6,262)	(9,393)
12	Shortfall of Eligible Provisions to Expected Losses	11,647	7,765	22,093	33,140
13	Securitization Gain on Sale	2,383	1,589	2,534	3,801
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	—	—	—	—
15	Assets for Retirement Benefits	37,970	25,313	51,538	77,307
16	Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	—	—	—	—
17	Reciprocal Cross-Holdings in Common Equity	—	—	—	—
	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)	—	—	6,983	10,474
18		—	—	6,983	10,474
19+20+21	Amount above the 10% Threshold on the Specified Items	—	—	—	—
	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	—	—	—	—
19		—	—	—	—
20	of Which: Mortgage Servicing Rights	—	—	—	—
	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	—	—	—
21		—	—	—	—
22	Amount Exceeding the 15% Threshold on the Specified Items	—	—	—	—
	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	—	—	—	—
23		—	—	—	—
24	of Which: Mortgage Servicing Rights	—	—	—	—
	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	—	—	—
25		—	—	—	—
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)	143,729		128,291	
Common Equity Tier 1 Capital (CET1)					
29	Common Equity Tier 1 Capital (C) = (A)-(B)	¥ 2,030,772		¥ 1,911,835	

As of March 31		Millions of Yen, %			
Basel III Template No.	Items	2016	Amounts Excluded under Transitional Arrangements	2015	Amounts Excluded under Transitional Arrangements
Additional Tier 1 Capital: Instruments					
30	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	¥ —		¥ —	
	Subscription Rights to Additional Tier 1 Instruments	—		—	
	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	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)	10,281		9,573	
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	274		7,703	
	of Which: Foreign Currency Translation Adjustment	274		7,703	
36	Additional Tier 1 Capital: Instruments (D)	290,555		177,277	
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)	—	—	2,737	4,106
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	48,136		75,632	
	of Which: Goodwill Equivalents	41,807		53,809	
	of Which: Equivalent to Intangible Fixed Assets Recorded through Business Combination	857		1,451	
	of Which: Equivalent to Capital Increase Due to Securitization Transactions	1,589		3,801	
	of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	3,882		16,570	
42	Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions	—		—	
43	Additional Tier 1 Capital: Regulatory Adjustments (E)	48,136		78,370	
Additional Tier 1 Capital (ATI)					
44	Additional Tier 1 Capital (F) = (D)–(E)	242,419		98,906	
Tier 1 Capital (TI = CETI + ATI)					
45	Tier 1 Capital (G) = (C)+(F)	2,273,191		2,010,742	
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	90,000		30,000	
	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)	2,349		2,165	
47+49	Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2	401,401		574,183	
47	of Which: Directly Issued and Issued by Special Purpose Vehicles	401,401		574,183	
49	of Which: Issued by Subsidiaries	—		—	
50	Provisions Allowed in Group Tier 2	3,276		399	
50a	of Which: General Allowance for Credit Losses	3,276		399	
50b	of Which: Excess Amount of Eligible Provisions to Expected Losses	—		—	
	Amount Allowed in Group Tier 2 Subject to Transitional Arrangements	123,122		203,953	
	of Which: 45% of Net Unrealized Gain on Available-for-Sale Securities	122,685		203,081	
	of Which: 45% of Revaluation Reserve for Land	437		871	
51	Tier 2 Capital: Instruments and Provisions (H)	¥ 620,150		¥ 810,703	

As of March 31		Millions of Yen, %					
Basel III Template No.	Items	2016	Amounts Excluded under Transitional Arrangements	2015	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)	—	—	7,140	10,710		
55	Significant 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	—	—	—	—		
	Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements	4,197	—	19,401	—		
	of Which: Accumulated Investments in the Common Stock of Banking, Financial and Insurance Entities	314	—	2,831	—		
	of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	3,882	—	16,570	—		
57	Tier 2 Capital: Regulatory Adjustments (I)	4,197	—	26,542	—		
Tier 2 Capital (TII)							
58	Tier 2 Capital (J)=(H)-(I)	615,953	—	784,160	—		
Total Capital (TC = T1 + TII)							
59	Total Capital (K)=(G)+(J)	2,889,144	—	2,794,903	—		
Total Risk Weighted Assets							
	Risk Weighted Assets Subject to Transitional Arrangements	46,820	—	148,198	—		
	of Which: Intangible Fixed Assets (excluding Mortgage Servicing Rights)	21,506	—	20,379	—		
	of Which: Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	—	356	—		
	of Which: Assets for Retirement Benefits	25,313	—	77,307	—		
	of Which: Investments in the Common Stock of Banking, Financial and Insurance Entities	—	—	50,155	—		
60	Total Risk Weighted Assets (L)	17,951,561	—	18,810,539	—		
Capital Ratios (Consolidated)							
61	Common Equity Tier 1 Capital Ratio (C)/(L)	11.31%	—	10.16%	—		
62	Tier 1 Capital Ratio (G)/(L)	12.66%	—	10.68%	—		
63	Total Capital Ratio (K)/(L)	16.09%	—	14.85%	—		
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)	186,657	—	203,978	—		
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)	55,013	—	49,788	—		
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)	3,276	—	399	—		
77	Cap on Inclusion of Provisions in Tier 2 under Standardized Approach	6,262	—	4,372	—		
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	92,111	—	99,791	—		
Capital Instruments Subject to Phase out Arrangements							
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements	233,400	—	272,300	—		
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	514,745	—	600,536	—		
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 2015

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(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 than 10% 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

Fiscal Year 2014

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Assets)			
Cash and Due from Banks	¥ 8,524,067		
Call Loans and Bills Bought	205,075		
Receivables under Resale Agreements	136,188		
Receivables under Securities Borrowing Transactions	310,806		
Monetary Claims Bought	794,838		
Trading Assets	754,962		
Money Held in Trust	1,619		
Securities	4,668,534	2-b, 6-a	
Loans and Bills Discounted	25,534,790	6-b	
Foreign Exchanges	12,732		
Lease Receivables and Investment Assets	547,016		
Other Assets	1,555,519	6-c	
Tangible Fixed Assets	230,589		
Buildings	71,203		
Land	132,641		
Lease Assets	1,922		
Construction in Progress	2,160		
Other	22,661		
Intangible Fixed Assets	142,427	2-a	
Software	45,546		
Goodwill	89,682		
Lease Assets	64		
Other	7,134		
Assets for Retirement Benefits	190,436	3	
Deferred Tax Assets	19,183	4-a	
Customers' Liabilities for Acceptances and Guarantees	531,500		
Allowance for Loan Losses	(89,989)		
Total Assets	¥ 44,070,299		

(*) 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	¥ 25,057,728		
Negotiable Certificates of Deposit	6,649,067		
Call Money and Bills Sold	787,600		
Payables under Repurchase Agreements	462,942		
Trading Liabilities	405,188		
Borrowed Money	2,521,994	8	
Foreign Exchanges	140		
Short-term Bonds Payable	974,317		
Bonds Payable	994,607		
Borrowed Money from Trust Account	1,644,822		
Other Liabilities	1,264,291	6-d	
Provision for Bonuses	15,762		
Provision for Director's Bonuses	230		
Retirement Benefits Liabilities	11,326		
Provision for Reimbursement of Deposits	3,598		
Provision for Contingent Loss	8,533		
Deferred Tax Liabilities	165,182	4-b	
Deferred Tax Liabilities for Land Revaluation	3,322	4-c	
Acceptances and Guarantees	531,500		
Total Liabilities	41,502,157		
(Net Assets)			
Capital Stock	342,037	1-a	
Capital Surplus	492,252	1-b	
Retained Earnings	1,019,706	1-c	
Total Shareholders' Equity	1,853,996		
Valuation Difference on Available-for-Sale Securities	524,689		
Deferred Gains or Losses on Hedges	(20,545)	5	
Revaluation Reserve for Land	(93)		
Foreign Currency Translation Adjustment	12,838		
Remeasurements of Retirement Benefits	6,732		
Total Accumulated Other Comprehensive Income	523,621		3
Non-controlling Interests	190,524	7	
Total Net Assets	2,568,141		
Total Liabilities and Net Assets	¥ 44,070,299		

^(*) 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	492,252		1-b
Retained Earnings	1,019,706		1-c
Total Shareholders' Equity	¥ 1,853,996		

(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	¥ 1,853,996	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	1,019,706		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	¥ 142,427		2-a
Securities	4,668,534		2-b
of Which: Goodwill Arising on the Application of the Equity Method	1,850		
Associated Deferred Tax Liabilities	16,361		

(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)	¥ 91,532		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	36,384	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	¥ 190,436		3
Associated Deferred Tax Liabilities	61,591		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Assets for Retirement Benefits	¥ 128,845		15

4. Deferred tax assets**(1) Consolidated balance sheet**

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 19,183		4-a
Deferred Tax Liabilities	165,182		4-b
Deferred Tax Liabilities for Land Revaluation	3,322		4-c
Associated Intangible Fixed Assets	16,361		
Associated Assets for Retirement Benefits	61,591		

(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)	¥ 594	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	¥ (20,545)		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	¥ (15,655)	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	¥ 4,668,534		6-a
Loans and Bills Discounted	25,534,790	Including subordinated loans	6-b
Other Assets	1,555,519	Including derivatives	6-c
Other Liabilities	¥ 1,264,291	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 than 10% of the Issued Share Capital	246,131		
Common Equity Tier 1 Capital	17,457		18
Additional Tier 1 Capital	6,844		39
Tier 2 Capital	17,850		54
Amount below the Thresholds for Deduction (before Risk Weighting)	203,978		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	49,788		
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)	49,788		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 190,524		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)	9,573	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)	2,165	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	¥ 2,521,994		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	¥ —		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	30,000		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	
	2016	2015
Portfolios to Which the Standardized Approach is Applied	¥ 42,267	¥ 34,356
Exposures to Business Units Set for Phased Roll-out Application	16,353	—
Exposures Excluded from Application	25,913	34,356
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio	1,163,913	1,173,349
Corporate Exposures	813,487	828,939
Sovereign Exposures	17,464	19,115
Financial Institution Exposures	51,162	60,303
Residential Mortgage Exposures	99,583	91,314
Qualifying Revolving Retail Exposures	1,647	2,131
Other Retail Exposures	24,816	23,762
Other Exposures* ¹	155,750	147,781
Securitization Exposures	15,909	13,643

*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	
	2016	2015
Equity Exposures	¥ 139,658	¥ 198,155
PD/LGD Approach	113,651	176,835
Simple Risk-Weight Method of the Market-based Approach	26,006	21,319
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	
	2016	2015
Exposures Held in Funds*	¥ 91,096	¥ 156,212

* (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	
	2016	2015
Market Risk	¥ 45,846	¥ 30,411
Amounts of Required Capital by Category under the Standardized Approach	7,003	1,655
Interest Rate Risk	3,326	634
Equity Position Risk	—	—
Foreign Exchange Risk	3,677	1,021
Commodities Risk	—	—
Options Transactions	—	—
Internal Model Approach	38,842	28,756

(5) Amounts of required capital against operational risk

As of March 31	Millions of Yen	
	2016	2015
Operational Risk	¥ 74,638	¥ 66,365
Advanced Measurement Approach	62,024	60,709
Standardized Approach	—	—
Basic Indicator Approach	12,613	5,656

(6) Consolidated total required capital

As of March 31	Millions of Yen	
	2016	2015
Consolidated Total Required Capital*	¥ 1,436,124	¥ 1,504,843

* (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					
	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 gradual 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.

As of March 31	Millions of Yen					
	2015					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
	Loans, Call Deposits, etc.	Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 35,864,291	¥ 29,241,048	¥ 3,308,001	¥ 443,249	¥ 2,871,991	¥ 222,883
Outside Japan	6,281,570	4,685,291	835,608	383,555	377,115	32,409
Total for Regions	¥ 42,145,861	¥ 33,926,340	¥ 4,143,610	¥ 826,804	¥ 3,249,106	¥ 255,292
Manufacturing	¥ 4,714,651	¥ 2,797,234	¥ 893,851	¥ 46,884	¥ 976,681	¥ 19,095
Agriculture and Forestry	3,399	3,220	119	59	—	1,188
Fisheries	93	2	90	—	—	—
Mining and Quarrying of Stones and Gravel	25,655	14,160	244	—	11,250	—
Construction	307,354	198,627	50,283	645	57,799	5,297
Electricity, Gas, Heat Supply and Water	1,060,327	924,853	42,045	5,433	87,995	26
Information and Communication	511,346	448,579	12,911	927	48,928	746
Transport and Postal Activities	1,549,988	1,157,126	279,522	15,709	97,629	9,062
Wholesale and Retail Trade	2,074,009	1,530,454	166,498	5,701	371,355	3,903
Finance and Insurance	2,761,158	1,941,837	292,611	327,614	199,095	72,876
Real Estate	3,339,633	2,675,005	372,767	15,416	276,444	33,393
Goods Rental and Leasing	704,326	643,018	12,735	1,075	47,496	265
Local Public Bodies	144,504	126,872	4,146	—	13,486	—
Individuals	7,751,105	7,586,451	—	—	164,654	51,948
Others	17,198,305	13,878,895	2,015,782	407,337	896,289	57,487
Total for Industry Sectors	¥ 42,145,861	¥ 33,926,340	¥ 4,143,610	¥ 826,804	¥ 3,249,106	¥ 255,292
One Year or Less	8,793,306	6,799,759	761,867	142,821	1,088,857	
Over One Year to Three Years	5,729,189	3,952,924	663,799	204,378	908,087	
Over Three Years to Five Years	12,215,581	11,308,165	400,558	117,531	389,326	
Over Five Years	15,407,784	11,865,491	2,317,385	362,073	862,834	
Total for All Durations	¥ 42,145,861	¥ 33,926,340	¥ 4,143,610	¥ 826,804	¥ 3,249,106	
Average Balance during the Period	¥ 40,248,191	¥ 32,022,260	¥ 4,650,387	¥ 714,990	¥ 2,860,552	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables as well as lease transactions 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, 2014, September 30, 2014 and March 31, 2015.

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		
	2016	2015	Change
	Balance	Balance	
General Allowance for Loan Losses	¥ 68,097	¥ 59,604	¥ 8,493

(2) Specific allowance for loan losses (breakdown by region, industry sector)

As of March 31	Millions of Yen		
	2016 Balance	2015 Balance	Change
Japan	¥ 19,425	¥ 26,408	¥ (6,983)
Outside Japan	3,306	3,976	(669)
Total for Regions	¥ 22,731	¥ 30,384	¥ (7,653)
Manufacturing	4,956	2,581	2,375
Agriculture and Forestry	2	1	0
Fisheries	—	0	0
Mining and Quarrying of Stones and Gravel	—	—	—
Construction	46	223	(176)
Electricity, Gas, Heat Supply and Water	6	4	2
Information and Communication	11	11	0
Transport and Postal Activities	4,980	7,501	(2,521)
Wholesale and Retail Trade	853	1,683	(830)
Finance and Insurance	222	267	(45)
Real Estate	491	582	(90)
Goods Rental and Leasing	45	78	(33)
Local Public Bodies	—	—	—
Individuals	4,791	5,167	(376)
Others	6,323	12,280	(5,956)
Total for Industry Sectors	¥ 22,731	¥ 30,384	¥ (7,653)

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 2016 and the end of March 2015.

Amounts of Written-off Loans by Industry Sector

Years Ended March 31	Millions of Yen	
	2016	2015
Manufacturing	¥ 102	¥ 113
Agriculture and Forestry	2	0
Fisheries	2	0
Mining and Quarrying of Stones and Gravel	—	—
Construction	54	37
Electricity, Gas, Heat Supply and Water	—	0
Information and Communication	0	1
Transport and Postal Activities	525	18
Wholesale and Retail Trade	676	52
Finance and Insurance	0	0
Real Estate	9	25
Goods Rental and Leasing	—	—
Local Public Bodies	—	—
Individuals	2,395	1,259
Others	5,606	146
Total for Industry Sectors	¥ 9,377	¥ 1,658

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			
	2016		2015	
	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	¥ 1,053,245	¥ 2,287	¥ 1,003,690	¥ 106
0%	183,997	—	176,506	—
10%	—	—	—	—
20%	369,266	171	457,055	43
35%	15	—	—	—
50%	65,581	1,912	64,170	14
75%	—	—	—	—
100%	434,382	202	305,814	48
150%	1	—	143	—
Amounts of exposures with 1,250% risk-weight applied	—	—	—	—

Exposures to which the IRB Approach is Applied

As of March 31	Millions of Yen	
	2016	2015
Specialized Lending under the Slotting Criteria	¥ 1,752,499	¥ 2,444,112
High-Volatility Commercial Real Estate Exposures	245,266	152,750
Maturities of 2.5 Years or Longer	211,741	106,994
Strong 95%	35,831	5,648
Good 120%	107,555	61,119
Satisfactory 140%	57,922	40,226
Weak 250%	10,432	—
Default 0%	—	—
Maturities of Less than 2.5 Years	33,524	45,755
Strong 70%	—	14,098
Good 95%	1,806	28,200
Satisfactory 140%	31,457	3,456
Weak 250%	259	—
Default 0%	—	—
Other Exposures	¥ 1,507,233	¥ 2,291,362
Maturities of 2.5 Years or Longer	1,444,268	1,993,254
Strong 70%	605,547	801,559
Good 90%	609,392	722,280
Satisfactory 115%	174,144	437,870
Weak 250%	47,636	19,747
Default 0%	7,547	11,796
Maturities of Less than 2.5 Years	62,964	298,108
Strong 50%	10,428	108,348
Good 70%	29,316	115,922
Satisfactory 115%	14,129	63,671
Weak 250%	9,090	6,401
Default 0%	—	3,764
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied	¥ 92,949	¥ 72,019
300%	65,121	36,670
400%	27,828	35,349

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

	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
As of March 31					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
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.

	Millions of Yen							
	2015							
	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
As of March 31					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Ordinary Assets (Seijo-Saki)	0.37%	34.10%	—	38.29%	¥ 13,089,817	¥ 2,654,524	¥ 2,086,366	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	10.77%	30.48%	—	132.25%	277,097	29,188	11,179	75.00%
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	33.67%	32.20%	31.37%	173,699	19,271	160	75.00%
Total	1.75%	34.02%	—	39.98%	¥ 13,540,613	¥ 2,702,984	¥ 2,097,706	75.00%

(2) Sovereign exposures

	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
As of March 31					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
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%

	Millions of Yen							
	2015							
	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
As of March 31					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Ordinary Assets (Seijo-Saki)	0.02%	43.10%	—	2.28%	¥ 10,000,074	¥ 194,002	¥ 11,542	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—	—	—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.02%	43.10%	—	2.28%	¥ 10,000,074	¥ 194,002	¥ 11,542	75.00%

(3) Financial Institution exposures

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
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	CCF
Ordinary Assets (Seijo-Saki)	0.12%	42.43%	/	25.66%	¥ 1,762,254	¥ 669,775	¥ 126,565
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

As of March 31	Millions of Yen						
	2015						
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	CCF
Ordinary Assets (Seijo-Saki)	0.12%	42.80%	/	30.61%	¥ 1,830,575	¥ 578,851	¥ 129,159
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—	/	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—
Total	0.12%	42.80%	/	30.61%	¥ 1,830,575	¥ 578,851	¥ 129,159

(4) Equity exposures under the PD/LGD Approach

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.

As of March 31	Millions of Yen		
	2015		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
Ordinary Assets (Seijo-Saki)	0.20%	136.06%	¥ 1,604,089
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.05%	512.88%	3,660
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	760
Total	0.26%	137.42%	¥ 1,608,510

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							
	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%

As of March 31	Millions of Yen							
	2015							
	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%	24.41%	—	11.16%	¥ 6,992,594	¥ 39,235	¥ 2,536	100.00%
Overdue	23.13%	24.98%	—	150.11%	76,290	101	10	100.00%
Default	100.00%	26.77%	21.47%	70.11%	40,089	73	—	—
Qualifying Revolving Retail								
Current	0.53%	74.32%	—	17.57%	22,600	61,020	668,697	9.13%
Overdue	34.21%	70.35%	—	200.12%	330	186	1,109	16.77%
Default	100.00%	77.67%	75.42%	29.87%	290	243	2,864	8.50%
Other Retail (consumer)								
Current	0.78%	55.60%	—	47.87%	140,679	57,549	183,334	31.20%
Overdue	31.09%	34.50%	—	88.57%	1,099	90	226	35.20%
Default	100.00%	42.85%	38.00%	64.27%	2,536	499	234	35.09%
Other Retail (commercial)								
Current	1.06%	29.30%	—	27.51%	316,239	5,242	3,440	100.00%
Overdue	34.40%	28.23%	—	75.48%	3,586	338	309	100.00%
Default	100.00%	34.94%	32.75%	29.07%	14,141	352	46	100.00%
Total	1.28%	26.00%	—	14.63%	¥ 7,610,479	¥ 164,933	¥ 862,808	14.51%

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						Change in Actual Credit Losses
	2016			2015			
	Actual Credit Losses	Provisions	Reversals	Actual Credit Losses	Provisions	Reversals	
Corporate Exposures	¥ 12,082	¥ 22,018	¥ (9,936)	¥ (5,897)	¥ 15,467	¥ (21,365)	¥ 17,980
Sovereign Exposures	4,002	4,002	—	(88)	—	(88)	4,091
Financial Institution Exposures	0	—	0	(1)	—	(1)	1
Retail Exposures	10,078	11,901	(1,823)	1,920	4,914	(2,993)	8,158

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 FY2015 increased by ¥30.2 billion year on year. This was mainly due to the absence of reversal of allowances for loan losses posted in the previous fiscal year and an increase in credit costs due to write-off of bad debts 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	
	2016	2015
	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.

	Millions of Yen	
	2014	2013
	Actual Credit Losses	Estimated Credit Losses
Years Ended March 31		
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.

	Millions of Yen	
	2013	2012
	Actual Credit Losses	Estimated Credit Losses
Years Ended March 31		
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.

	Millions of Yen	
	2012	2011
	Actual Credit Losses	Estimated Credit Losses
Years Ended March 31		
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			
	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	—	—	—	—

As of March 31	Millions of Yen			
	2015			
	Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 805,153	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,506,453	180,982	287,516	—
Corporate Exposures	311,080	175,471	180,466	—
Sovereign Exposures	14,010	5,510	107,050	—
Financial Institution Exposures	1,181,362	—	—	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions

Consolidated

Derivative Transactions

As of March 31	Millions of Yen	
	2016	2015
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 2,264,683	¥ 2,348,839
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	1,008,079	911,383
Foreign Exchange Related	1,129,286	1,008,900
Interest Rate Related	2,066,385	2,214,867
Credit Derivatives	20,683	16,320
Others	66	140
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	2,208,342	2,328,845
Amounts of Collateral	144,587	84,438
Deposits	136,225	33,993
Securities	8,362	50,444
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	863,491	826,944
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	147,274	105,647
Purchasing Protection by Credit Default Swaps	81,748	53,866
Providing Protection by Credit Default Swaps	65,525	51,780
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

Not applicable as of the end of March 2016 and the end of March 2015.

Securitization Exposures

Consolidated

Securitization Exposures Originated by the SuMi TRUST Bank Group

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		
	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
As of March 31					
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	
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Years Ended March 31		
Residential Mortgage Loans	¥ 461	¥ (33)
Others	—	—
Total	¥ 461	¥ (33)

(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			
	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 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 247

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.

Fiscal Year 2014

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2014, type and status of principal underlying assets

Date of Securitization:	January 2015
Type of Underlying Assets:	Residential Mortgage Loans
Type of Transaction:	Asset transfer-type securitization transaction
Aggregate Sum of Underlying Assets: at the time of securitization	¥ 44,883 million
as of March 31, 2015	¥ 43,901 million
Initial Issue Amount:	¥ 44,883 million
Preferred Beneficiary Notes	¥ 40,000 million (AAA/R&I)
Subordinated Beneficiary Notes	¥ 4,883 million (no rating)
Date of Redemption:	August 2055

The SuMi TRUST Bank Group holds part of the exposures related to these securitization transactions, and quantitative data in (2)-(11) below include data related to these securitization transactions.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

	Millions of Yen				
	2015				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
As of March 31					
Securitization Exposures except					
Resecuritization Exposures	¥ 103,925	¥ —	¥ 384,181	¥ 384,181	¥ —
Residential Mortgage Loans	103,925	—	384,181	384,181	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 103,925	¥ —	¥ 384,181	¥ 384,181	¥ —

(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	
	2015	
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 368	¥ 117
Others	—	—
Total	¥ 368	¥ 117

(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			
	2015			
	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)	¥ 103,925	¥ —	¥ 8,230	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	87,246	—	2,888	—
50% to Less than 100%	8,437	—	365	—
100% to Less than 350%	4,221	—	715	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,019	—	4,260	—
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	¥ 103,925	¥ —	¥ 8,230	¥ —

(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	2015
Residential Mortgage Loans	¥ 6,335
Others	—
Total	¥ 6,335

(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	2015
Residential Mortgage Loans	¥ 4,019
Others	—
Total	¥ 4,019

(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 2014 and breakdown by type of principal underlying assets**
Not applicable.**(11) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures**
Not applicable.**Subject to the Calculation of Market Risk Assets**

Not applicable.

Securitization Exposures Purchased by the SuMi TRUST Bank Group

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 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	¥ 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.

Fiscal Year 2014

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of principal underlying assets by type

	Millions of Yen	
	2015	
	Exposure Amounts	
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 470,780	¥ 72,925
Residential Mortgage Loans	129,259	14,180
Credit Card Loans	419	—
Claims on Lease Payments, Installment Receivables	33,215	53,048
Commercial Real Estate-Secured Loans	—	—
Other Claims on Corporates	307,885	5,695
Resecuritization Exposures	24,120	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	6,378	—
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	17,742	—
Total	¥ 494,901	¥ 72,925

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2015			
	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)	¥ 470,780	¥ 72,925	¥ 3,928	¥ 544
Less than 20%	453,323	66,479	2,890	394
20% to Less than 50%	7,946	6,445	165	149
50% to Less than 100%	8,394	—	396	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	1,009	—	363	—
1,250%	106	—	112	—
Resecuritization Exposures (IRB Approach)	24,120	—	492	—
Less than 20%	—	—	—	—
20% to Less than 50%	23,291	—	446	—
50% to Less than 100%	829	—	45	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 494,901	¥ 72,925	¥ 4,421	¥ 544

(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
	2015
Residential Mortgage Loans	¥ 106
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ 106

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(5) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

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, 2016	Fiscal Year 2015			As of March 31, 2015	Fiscal Year 2014		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
VaR in Banking Account	¥ 1,152.6	¥ 1,191.2	¥ 728.7	¥ 947.3	¥ 750.6	¥ 802.6	¥ 576.9	¥ 695.4
VaR in Trading Account	4.5	8.5	3.2	5.5	4.2	6.0	1.9	3.6

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, 2016	Fiscal Year 2015			As of March 31, 2015	Fiscal Year 2014		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 5.7 [1.8]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 6.0 [1.9]	¥ 4.8 [1.5]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 5.8 [1.8]

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.

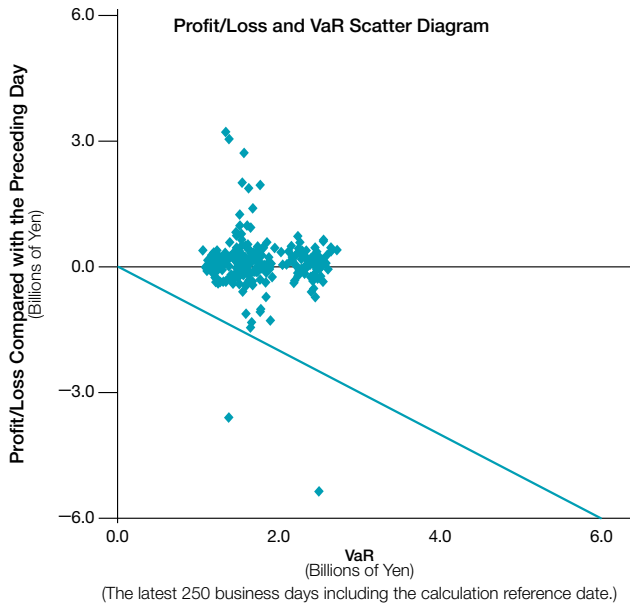
(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period

Not applicable in the fiscal year ended March 31, 2015 and in the fiscal year ended March 31, 2016.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

- Back testing of the trading account

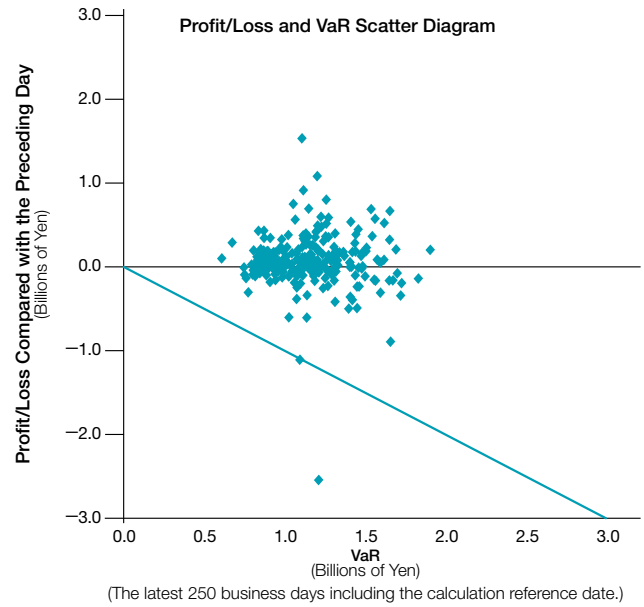
Fiscal Year 2015



Note: As shown above, for fiscal year 2015 back testing of the trading accounts shows two instances of losses in excess of VaR.

- Back testing of the trading account

Fiscal Year 2014



Note: As shown above, for fiscal year 2014 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							
	2016				2015			
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Consolidated Book and Fair Values* ¹								
Listed Shares Exposures	¥ 1,319,935	¥ 1,319,935	¥ 1,453,802	¥ 1,453,802				
Capital Subscriptions or Equity Exposures Other than Above	50,194	50,194	94,953	94,953				
Amounts of Gains/Losses on Sales and Write-offs of Capital Subscriptions or Equity Exposures* ²	Gains/Losses	Gains	Losses	Write-offs	Gains/Losses	Gains	Losses	Write-offs
	18,052	27,981	6,209	3,718	(638)	35,900	36,150	389
Amounts of Unrealized Gains/Losses Recognized in the Consolidated Balance Sheets and not Recognized in the Consolidated Statements of Income		630,171				766,954		
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	
	2016	2015
Amounts by Portfolio Category	¥ 1,117,720	¥ 1,680,500
Portfolios Adopting the Market-based Approach	92,949	72,019
Portfolios Adopting the PD/LGD Approach	1,024,771	1,608,480

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	
	2016	2015
Aggregate Sum of Exposures Held in Funds	¥ 1,648,037	¥ 1,223,927
Look-through Approach	1,551,565	1,111,673
Simple Majority Formula	33,845	47,624
Investment Criteria Formula	25,562	34,163
Internal Model Approach	—	—
Probability Approach	36,368	29,798
Others	695	667

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	
	2016	2015
Overall Amounts of Interest Rate Risk	¥ 35,587	¥ 80,301
Japanese Yen Interest Rates	10,888	63,637
U.S. Dollar Interest Rates	10,834	13,707
Other Interest Rates	13,865	2,956
Outlier Ratios	1.2%	2.9%

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	2016	2015
On-Balance Sheet Exposures				
1		On-Balance Sheet Exposures before Deducting Adjustment Items	¥ 49,092,844	¥ 41,415,042
1a	1	Total Assets Reported in the Consolidated Balance Sheet	51,613,282	44,070,299
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)	2,520,438	2,655,256
2	7	The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction)	192,895	206,588
3		Total On-Balance Sheet Exposures (A)	48,899,948	41,208,454
Exposures Related to Derivative Transactions				
4		Replacement Cost Associated with Derivatives Transactions, etc.	571,207	570,299
5		Add-On Amount Associated with Derivatives Transactions, etc.	889,596	760,819
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.	479,347	671,992
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)	317,580	539,592
8		The Amount of Client-Cleared Trade Exposures for which a Bank or Bank Holding Company Acting as Clearing Member is not Obligated to Make Any Indemnification (Deduction)		
9		Adjusted Effective Notional Amount of Written Credit Derivatives	77,279	53,809
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)	70,900	47,800
11	4	Total Exposures Related to Derivative Transactions (B)	1,628,949	1,469,528
Exposures Related to Repo Transactions				
12		The Amount of Assets Related to Repo Transactions, etc.	436,834	446,995
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)	—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.	38,271	32,671
15		The Exposures for Agent Repo Transaction		
16	5	The Total Exposures Related to Repo Transactions, etc. (C)	475,106	479,667
Exposures Related to Off-Balance Sheet Transactions				
17		Notional Amount of Off-Balance Sheet Transactions	7,556,280	5,214,751
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)	4,790,605	2,761,178
19	6	Total Exposures Related to Off-Balance Sheet Transactions (D)	2,765,674	2,453,573
Leverage Ratio on a Consolidated Basis				
20		The Amount of Capital (Tier 1 Capital) (E)	2,273,191	2,010,742
21	8	Total Exposures (F) = (A)+(B)+(C)+(D)	53,769,679	45,611,224
22		Leverage Ratio on a Consolidated Basis (G) = (E)/(F)	4.22%	4.40%

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 2015 4th Quarter		Fiscal Year 2015 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total High-Quality Liquid Assets (HQLA)	¥ 13,077,553		¥ 12,049,455	
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash Outflows Related to Unsecured Retail Funding	¥ 16,668,154	623,933	¥ 16,697,838	651,882
3	of Which, Stable Deposits	512,082	15,362	519,123	15,573
4	of Which, Less Stable Deposits	5,963,007	608,571	6,243,644	636,309
5	Cash Outflows Related to Unsecured Wholesale Funding	14,609,979	10,794,273	11,651,565	7,804,898
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	10,588,424	6,772,718	7,913,295	4,066,628
8	of Which, Debt Securities	4,021,555	4,021,555	3,738,270	3,738,270
9	Cash Outflows Related to Secured Funding, etc.	13,462		1,023,835	
10	Cash Outflows Related to Derivative Transactions, etc. Funding Programs, Credit and Liquidity Facilities	5,255,112	1,494,208	5,386,660	1,687,998
11	of Which, Cash Outflows Related to Derivative Transactions, etc.	759,967	759,967	971,374	971,374
12	of Which, Cash Outflows Related to Funding Programs	0	0	0	0
13	of Which, Cash Outflows Related to Credit and Liquidity Facilities	4,495,145	734,241	4,415,286	716,624
14	Cash Outflows Related to Contractual Funding Obligations, etc.	774,151	479,125	823,856	510,209
15	Cash Outflows Related to Contingencies	9,680,636	27,622	9,537,198	28,053
16	Total Cash Outflows	13,432,623		11,706,875	
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash Inflows Related to Secured Lending, etc.	446,198	446,198	3,156	3,156
18	Cash Inflows Related to Collection of Loans, etc.	4,478,178	3,086,067	4,636,991	3,072,286
19	Other Cash Inflows	826,005	611,290	699,551	644,623
20	Total Cash Inflows	5,750,381	4,143,555	5,339,698	3,720,065
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA Allowed to be Included in the Calculation	13,077,553		12,049,455	
22	Net Cash Outflows	9,289,068		7,986,810	
23	Consolidated Liquidity Coverage Ratio (LCR)	143.4		150.9	
24	The Number of Data Used to Calculate the Average Value	3		3	

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

(1) Items concerning fluctuations in the LCR over time

Since regulations took effect from March 2015, the LCR has generally remained steady. In the fourth quarter of FY2015, cash inflows affected by a shrinking call money market due to implementation of negative interest rate policy increased reserve deposits at central banks, which in turn caused an increase in both high-quality liquid assets and cash outflows, resulting in a decreasing trend in LCR.

(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 high-quality liquid assets are reserve deposits held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there is 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 "exceptional treatment for qualifying operational deposit" nor the "additional collateral required to account for fair value movements based on the scenario method."

Composition of Capital (Non-consolidated BIS capital adequacy ratio)

Non-consolidated

As of March 31		Millions of Yen, %			
Basel III Template No.	Items	2016	Amounts Excluded under Transitional Arrangements	2015	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	¥ 1,795,609		¥ 1,691,791	
1a	of Which: Capital Stock and Capital Surplus	834,289		834,289	
2	of Which: Retained Earnings	981,380		892,047	
1c	of Which: Treasury Stock (Deduction)	—		—	
26	of Which: Earnings to be Distributed (Deduction)	20,060		34,545	
	of Which: Others	—		—	
1b	Subscription Rights to Common Shares	—		—	
3	Valuation and Translation Adjustments, and Other Disclosed Reserves	281,836	¥187,890	200,929	¥ 301,394
6	Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements	—		—	
6	Common Equity Tier 1 Capital: Instruments and Reserves (A)	2,077,445		1,892,721	
Common Equity Tier 1 Capital: Regulatory Adjustments					
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	29,084	19,389	12,308	18,462
8	of Which: Goodwill	—	—	—	—
9	of Which: Other Intangible Assets	29,084	19,389	12,308	18,462
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	(1,467)	(978)	(2,187)	(3,280)
12	Shortfall of Eligible Provisions to Expected Losses	14,112	9,408	22,476	33,714
13	Securitization Gain on Sale	2,487	1,658	2,509	3,764
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)	73,178	48,785	48,614	72,921
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)	—	—	6,658	9,987
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)	117,395		90,380	
Common Equity Tier 1 Capital (CET1)					
29	Common Equity Tier 1 Capital (C) = (A)-(B)	¥ 1,960,049		¥ 1,802,341	

As of March 31		Millions of Yen, %			
Basel III Template No.	Items	2016	Amounts Excluded under Transitional Arrangements	2015	Amounts Excluded under Transitional Arrangements
Additional Tier 1 Capital: Instruments					
30	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	¥ —		¥ —	
	31a				
	31b				
	Subscription Rights to Additional Tier 1 Instruments	—		—	
	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	120,000		—	
33+35	32				
	Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		—	
	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)	279,999		159,999	
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)	—	—	2,759	4,138
	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	—	—	—	—
40	Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements	6,362		20,622	
	of Which: Equivalent to Capital Increase Due to Securitization Transactions	1,658		3,764	
	of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	4,704		16,857	
42	Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions	—		—	
43	Additional Tier 1 Capital: Regulatory Adjustments (E)	6,362		23,381	
Additional Tier 1 Capital (ATI)					
44	Additional Tier 1 Capital (F) = (D)-(E)	273,637		136,618	
Tier 1 Capital (TI = CETI + ATI)					
45	Tier 1 Capital (G) = (C)+(F)	2,233,687		1,938,960	
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	90,000		30,000	
	Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		—	
	Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2	401,401		574,183	
47+49	Provisions Allowed in Group Tier 2	—		—	
50	of Which: General Allowance for Credit Losses	—		—	
50a	of Which: Excess Amount of Eligible Provisions to Expected Losses	—		—	
50b	Amount Allowed in Group Tier 2 Subject to Transitional Arrangements	122,546		202,615	
	of Which: 45% of Net Unrealized Gain on Available-for-Sale Securities	122,109		201,744	
	of Which: 45% of Revaluation Reserve for Land	437		871	
51	Tier 2 Capital: Instruments and Provisions (H)	¥ 613,947		¥ 806,799	

As of March 31		Millions of Yen, %					
Basel III Template No.	Items	2016	Amounts Excluded under Transitional Arrangements	2015	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)	—	—	7,146	10,720		
55	Significant 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	—	—	—	—		
	Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements	4,704	—	18,584	—		
	of Which: Accumulated Investments in the Common Stock of Banking, Financial and Insurance Entities	—	—	1,727	—		
	of Which: Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance	4,704	—	16,857	—		
57	Tier 2 Capital: Regulatory Adjustments (I)	4,704	—	25,731	—		
Tier 2 Capital (TII)							
58	Tier 2 Capital (J) = (H)-(I)	609,243	—	781,067	—		
Total Capital (TC = T1 + TII)							
59	Total Capital (K) = (G)+(J)	2,842,930	—	2,720,027	—		
Total Risk Weighted Assets							
	Risk Weighted Assets Subject to Transitional Arrangements	68,175	—	140,402	—		
	of Which: Intangible Fixed Assets (excluding Mortgage Servicing Rights)	19,389	—	18,462	—		
	of Which: Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)	48,785	—	72,921	—		
	of Which: Investments in the Common Stock of Banking, Financial and Insurance Entities	—	—	49,018	—		
60	Total Risk Weighted Assets (L)	17,677,216	—	18,653,814	—		
Capital Ratios							
61	Common Equity Tier 1 Capital Ratio (C)/(L)	11.08%	—	9.66%	—		
62	Tier 1 Capital Ratio (G)/(L)	12.63%	—	10.39%	—		
63	Total Capital Ratio (K)/(L)	16.08%	—	14.58%	—		
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)	178,734	—	198,479	—		
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)	29,340	—	29,140	—		
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	1,588	—	1,612	—		
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	94,063	—	100,662	—		
Capital Instruments Subject to Phase out Arrangements							
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements	233,400	—	272,300	—		
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	514,745	—	600,536	—		
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 2015

Items	Non-consolidated Balance Sheet	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(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	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(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 than 10% 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

Fiscal Year 2014

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	¥ 8,170,551		
Call Loans	205,075		
Receivables under Resale Agreements	136,188		
Receivables under Securities Borrowing Transactions	310,806		
Monetary Claims Bought	117,318		
Trading Assets	793,552		
Securities	5,039,688	6-a	
Loans and Bills Discounted	25,826,433	6-b	
Foreign Exchanges	12,732		
Other Assets	1,341,573	6-c	
Tangible Fixed Assets	196,564		
Buildings	62,394		
Land	110,497		
Lease Assets	1,832		
Construction in Progress	1,770		
Other	20,069		
Intangible Fixed Assets	45,478	2	
Software	41,251		
Lease Assets	43		
Other	4,183		
Prepaid Pension Cost	179,627	3	
Customers' Liabilities for Acceptances and Guarantees	396,865		
Allowance for Loan Losses	(66,997)		
Total Assets	¥ 42,705,462		

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	¥ 24,855,580		
Negotiable Certificates of Deposit	6,758,067		
Call Money	847,690		
Payables under Repurchase Agreements	462,942		
Trading Liabilities	405,224		
Borrowed Money*	2,128,188	7	
Foreign Exchanges	140		
Short-term Bonds Payable	727,157		
Bonds Payable	952,607		
Borrowed Money from Trust Account	1,644,822		
Other Liabilities	1,108,508	6-d	
Provision for Bonuses	9,657		
Provision for Director's Bonuses	110		
Provision for Retirement Benefits	640		
Provision for Reimbursement of Deposits	3,598		
Provision for Contingent Loss	8,533		
Deferred Tax Liabilities	163,270	4-a	
Deferred Tax Liabilities for Land Revaluation	3,322	4-b	
Acceptances and Guarantees	396,865		
Total Liabilities	40,476,928		
(Net Assets)			
Capital Stock	342,037	1-a	
Capital Surplus	492,252	1-b	
Retained Earnings	891,919	1-c	
Total Shareholders' Equity	1,726,208		
Valuation Difference on Available-for-Sale Securities	512,775		
Deferred Gains or Losses on Hedges	(10,357)	5	
Revaluation Reserve for Land	(93)		
Total Valuation and Translation Adjustments	502,324		3
Total Net Assets	2,228,533		
Total Liabilities and Net Assets	¥ 42,705,462		

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	891,919		1-c
Total Shareholders' Equity	¥ 1,726,208		

(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	¥ 1,726,337	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	892,047		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	¥ 45,478		2
Associated Deferred Tax Liabilities	14,707		

(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)	30,771	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	¥ 179,627		3
Associated Deferred Tax Liabilities	58,091		

(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)	¥ 121,536		15

4. Deferred tax assets**(1) Balance sheet**

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Liabilities	¥163,270		4-a
Deferred Tax Liabilities for Land Revaluation	3,322		4-b
Associated Intangible Fixed Assets	14,707		
Associated Prepaid Pension Cost	58,091		

(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	¥ (10,357)		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	¥ (5,467)	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	¥ 5,039,688		6-a
Loans and Bills Discounted	25,826,433	Including subordinated loans	6-b
Other Assets	1,341,573	Including derivatives	6-c
Other Liabilities	¥ 1,108,508	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 than 10% of the Issued Share Capital	239,890		
Common Equity Tier 1 Capital	16,645		18
Additional Tier 1 Capital	6,898		39
Tier 2 Capital	17,867		54
Amount below the Thresholds for Deduction (before Risk Weighting)	198,479		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	29,140		
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)	29,140		73

7. Other Capital Instruments

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 2,128,188		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	¥ —		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	30,000		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	
	2016	2015
Portfolios to Which the Standardized Approach is Applied	¥ 14,071	¥ 16,151
Exposures to Business Units Set for Phased Roll-out Application	—	—
Exposures Excluded from Application	14,071	16,151
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio	1,168,714	1,162,036
Corporate Exposures	786,125	803,396
Sovereign Exposures	17,456	19,106
Financial Institution Exposures	51,118	60,225
Residential Mortgage Exposures	92,900	84,467
Qualifying Revolving Retail Exposures	554	596
Other Retail Exposures	8,919	9,488
Other Exposures*1	211,638	184,754
Securitization Exposures	14,496	12,636

*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

As of March 31	Millions of Yen	
	2016	2015
Equity Exposures	¥ 136,058	¥ 193,564
PD/LGD Approach	113,040	176,230
Simple Risk-Weight Method of the Market-based Approach	23,017	17,334
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	
	2016	2015
Exposures Held in Funds*	¥ 91,096	¥ 156,169

* (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	
	2016	2015
Market Risk	¥ 44,840	¥ 29,374
Amounts of Required Capital by Category under the Standardized Approach	5,997	618
Interest Rate Risk	3,326	618
Equity Position Risk	—	—
Foreign Exchange Risk	2,671	—
Commodities Risk	—	—
Options Transactions	—	—
Internal Model Approach	38,842	28,756

(5) Amounts of required capital against operational risk

As of March 31	Millions of Yen	
	2016	2015
Operational Risk	¥ 55,896	¥ 54,167
Advanced Measurement Approach	55,896	54,167
Standardized Approach	—	—
Basic Indicator Approach	—	—

(6) Total required capital

As of March 31	Millions of Yen	
	2016	2015
Total Required Capital*	¥ 1,414,177	¥ 1,492,305

* (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					
	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.

As of March 31	Millions of Yen					
	2015					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
	Loans, Call Deposits, etc.	Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 34,067,400	¥ 27,578,090	¥ 3,268,864	¥ 442,781	¥ 2,777,664	¥ 199,546
Outside Japan	6,141,623	4,545,351	835,601	383,555	377,115	16,117
Total for Regions	¥ 40,209,024	¥ 32,123,442	¥ 4,104,466	¥ 826,336	¥ 3,154,779	¥ 215,663
Manufacturing	4,479,176	2,561,758	893,851	46,884	976,681	19,095
Agriculture and Forestry	2,916	2,737	119	59	—	1,188
Fisheries	91	0	90	—	—	—
Mining and Quarrying of Stones and Gravel	25,574	14,079	244	—	11,250	—
Construction	283,299	174,571	50,283	645	57,799	5,297
Electricity, Gas, Heat Supply and Water	1,041,956	906,481	42,045	5,433	87,995	26
Information and Communication	412,469	349,875	12,738	927	48,928	746
Transport and Postal Activities	1,508,333	1,115,471	279,522	15,709	97,629	9,062
Wholesale and Retail Trade	1,844,353	1,300,798	166,498	5,701	371,355	3,888
Finance and Insurance	2,715,920	1,906,912	282,766	327,146	199,095	72,875
Real Estate	3,246,233	2,581,604	372,767	15,416	276,444	33,393
Goods Rental and Leasing	658,202	596,895	12,734	1,075	47,496	265
Local Public Bodies	109,611	91,978	4,146	—	13,486	—
Individuals	7,262,375	7,192,047	—	—	70,327	43,733
Others	16,618,510	13,328,227	1,986,656	407,337	896,288	26,089
Total for Industry Sectors	¥ 40,209,024	¥ 32,123,442	¥ 4,104,466	¥ 826,336	¥ 3,154,779	¥ 215,663
One Year or Less	8,129,687	6,136,140	761,867	142,821	1,088,857	
Over One Year to Three Years	5,586,845	3,810,896	663,799	204,062	908,087	
Over Three Years to Five Years	11,968,615	11,073,845	388,064	117,379	389,326	
Over Five Years	14,523,876	11,102,560	2,290,736	362,073	768,507	
Total for All Durations	¥ 40,209,024	¥ 32,123,442	¥ 4,104,466	¥ 826,336	¥ 3,154,779	
Average Balance during the Period	¥ 38,409,067	¥ 30,308,464	¥ 4,623,251	¥ 714,477	¥ 2,762,874	

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, 2014, September 30, 2014 and March 31, 2015.
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		
	2016	2015	Change
	Balance	Balance	
General Allowance for Loan Losses	¥ 51,422	¥ 45,440	¥ 5,982

(2) Specific allowance for loan losses (breakdown by region, industry sector)

As of March 31	Millions of Yen		
	2016 Balance	2015 Balance	Change
Japan	¥ 9,576	¥ 17,580	¥ (8,004)
Outside Japan	3,306	3,976	(669)
Total for Regions	¥ 12,882	¥ 21,557	¥ (8,674)
Manufacturing	4,719	2,308	2,411
Agriculture and Forestry	—	—	—
Fisheries	—	—	—
Mining and Quarrying of Stones and Gravel	—	—	—
Construction	—	47	(47)
Electricity, Gas, Heat Supply and Water	—	—	—
Information and Communication	2	10	(8)
Transport and Postal Activities	—	3,631	(3,631)
Wholesale and Retail Trade	677	1,395	(717)
Finance and Insurance	220	266	(45)
Real Estate	378	410	(31)
Goods Rental and Leasing	—	—	—
Local Public Bodies	—	—	—
Individuals	827	1,407	(580)
Others	6,058	12,080	(6,022)
Total for Industry Sectors	¥ 12,882	¥ 21,557	¥ (8,674)

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 2016 and the end of March 2015.

Amounts of Written-off Loans by Industry Sector

Years Ended March 31	Millions of Yen	
	2016	2015
Manufacturing	¥ —	¥ 64
Agriculture and Forestry	—	—
Fisheries	—	—
Mining and Quarrying of Stones and Gravel	—	—
Construction	—	—
Electricity, Gas, Heat Supply and Water	—	—
Information and Communication	—	1
Transport and Postal Activities	500	—
Wholesale and Retail Trade	599	—
Finance and Insurance	—	—
Real Estate	—	10
Goods Rental and Leasing	—	—
Local Public Bodies	—	—
Individuals	—	67
Others	5,392	29
Total for Industry Sectors	¥ 6,493	¥ 173

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			
	2016		2015	
	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	¥ 179,824	¥ —	¥ 204,258	¥ —
0%	—	—	—	—
10%	—	—	—	—
20%	4,911	—	2,957	—
35%	—	—	—	—
50%	—	—	—	—
75%	—	—	—	—
100%	174,913	—	201,301	—
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	
			2016	2015
Specialized Lending under the Slotting Criteria			¥ 1,752,321	¥ 2,443,821
High-Volatility Commercial Real Estate Exposures			245,266	152,750
Maturities of 2.5 Years or Longer			211,741	106,994
Strong	95%		35,831	5,648
Good	120%		107,555	61,119
Satisfactory	140%		57,922	40,226
Weak	250%		10,432	—
Default	0%		—	—
Maturities of Less than 2.5 Years			33,524	45,755
Strong	70%		—	14,098
Good	95%		1,806	28,200
Satisfactory	140%		31,457	3,456
Weak	250%		259	—
Default	0%		—	—
Other Exposures			¥ 1,507,055	¥ 2,291,071
Maturities of 2.5 Years or Longer			1,444,268	1,992,963
Strong	70%		605,547	801,559
Good	90%		609,392	721,989
Satisfactory	115%		174,144	437,870
Weak	250%		47,636	19,747
Default	0%		7,547	11,796
Maturities of Less than 2.5 Years			62,786	298,108
Strong	50%		10,428	108,348
Good	70%		29,138	115,922
Satisfactory	115%		14,129	63,671
Weak	250%		9,090	6,401
Default	0%		—	3,764
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied			¥ 81,574	¥ 56,759
300%			54,860	22,627
400%			26,714	34,132

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						
	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
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	
Ordinary Assets (Seijo-Saki)	0.36%	33.23%	—	37.81%	¥ 14,248,753	¥ 2,834,696	¥ 2,220,079
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
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

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						
	2015						
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	
Ordinary Assets (Seijo-Saki)	0.36%	33.97%	—	37.87%	¥ 12,905,015	¥ 2,654,524	¥ 2,086,366
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	10.84%	29.57%	—	128.96%	254,715	29,188	11,179
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	32.43%	30.45%	35.66%	150,489	19,271	160
Total	1.60%	33.87%	—	39.46%	¥ 13,310,220	¥ 2,702,984	¥ 2,097,706

(2) Sovereign exposures

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
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	
Ordinary Assets (Seijo-Saki)	0.01%	43.91%	—	0.95%	¥ 16,239,881	¥ 129,755	¥ 24,913
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

As of March 31	Millions of Yen						
	2015						
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	
Ordinary Assets (Seijo-Saki)	0.02%	43.10%	—	2.28%	¥ 9,992,188	¥ 194,002	¥ 11,542
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—	—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—
Total	0.02%	43.10%	—	2.28%	¥ 9,992,188	¥ 194,002	¥ 11,542

(3) Financial Institution exposures

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%

As of March 31	Millions of Yen							
	2015							
	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%	42.79%	/	30.64%	¥ 1,825,449	¥ 578,383	¥ 129,159	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%	42.79%	/	30.64%	¥ 1,825,449	¥ 578,383	¥ 129,159	75.00%

(4) Equity exposures under the PD/LGD Approach

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.

As of March 31	Millions of Yen		
	2015		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
Ordinary Assets (Seijo-Saki)	0.20%	135.87%	¥ 1,600,817
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.05%	512.88%	3,660
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	760
Total	0.26%	137.23%	¥ 1,605,238

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							
	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%

As of March 31	Millions of Yen							
	2015							
	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%	24.31%	—	10.72%	¥ 6,840,582	¥ 37,789	¥ 1,090	100.00%
Overdue	22.97%	24.79%	—	148.77%	73,175	101	10	100.00%
Default	100.00%	25.63%	19.69%	78.70%	34,211	73	—	—
Qualifying Revolving Retail								
Current	0.61%	69.61%	—	16.27%	7,028	14,259	47,623	29.94%
Overdue	26.94%	69.45%	—	213.47%	314	136	457	29.94%
Default	100.00%	69.61%	65.13%	59.39%	60	37	124	29.94%
Other Retail (consumer)								
Current	1.00%	32.56%	—	32.18%	63,935	15,112	41,602	35.49%
Overdue	27.91%	31.05%	—	82.54%	999	90	226	35.20%
Default	100.00%	32.15%	26.46%	75.39%	1,655	499	234	35.09%
Other Retail (commercial)								
Current	0.68%	24.84%	—	22.33%	169,886	1,893	90	100.00%
Overdue	24.28%	24.84%	—	63.17%	1,304	54	25	100.00%
Default	100.00%	33.09%	29.56%	46.75%	8,143	336	30	100.00%
Total	1.10%	24.57%	—	13.05%	¥ 7,201,297	¥ 70,385	¥ 91,516	33.44%

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						Change in Actual Credit Losses
	2016			2015			
	Actual Credit Losses	Provisions	Reversals	Actual Credit Losses	Provisions	Reversals	
Corporate Exposures	¥ 10,120	¥ 19,619	¥ (9,498)	¥ (4,750)	¥ 14,833	¥ (19,584)	¥ 14,871
Sovereign Exposures	4,001	4,001	—	(3)	—	(3)	4,005
Financial Institution Exposures	—	—	—	—	—	—	—
Retail Exposures	19	464	(445)	633	1,547	(913)	(614)

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 FY2015 increased by ¥18.2 billion year on year. This was mainly due to the absence of reversal of allowances for loan losses posted in the previous fiscal year and an increase in credit costs due to write-off of bad debts 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	
	2016	2015
	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.

	Millions of Yen	
	2014	2013
	Actual Credit Losses	Estimated Credit Losses
Years Ended March 31		
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.

	Millions of Yen	
	2013	2012
	Actual Credit Losses	Estimated Credit Losses
Years Ended March 31		
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.

	Millions of Yen	
	2012	2011
	Actual Credit Losses	Estimated Credit Losses
Years Ended March 31		
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

	Millions of Yen			
	2016			
	Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
As of March 31				
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	—	—	—	—

As of March 31	Millions of Yen			
	2015			
	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	1,506,453	160,363	287,516	—
Corporate Exposures	311,080	154,853	180,466	—
Sovereign Exposures	14,010	5,510	107,050	—
Financial Institution Exposures	1,181,362	—	—	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions

Non-consolidated

Derivative Transactions

As of March 31	Millions of Yen	
	2016	2015
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 2,267,690	¥ 2,351,076
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	1,011,370	913,691
Foreign Exchange Related	1,129,633	1,008,952
Interest Rate Related	2,069,395	2,217,264
Credit Derivatives	20,683	16,320
Others	—	—
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	2,208,342	2,328,845
Amounts of Collateral	144,587	84,438
Deposits	136,225	33,993
Securities	8,362	50,444
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	866,783	829,253
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	147,274	105,647
Purchasing Protection by Credit Default Swaps	81,748	53,866
Providing Protection by Credit Default Swaps	65,525	51,780
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

Not applicable as of the end of March 2016 and the end of March 2015.

Securitization Exposures

Non-consolidated

Securitization Exposures Originated by SuMi TRUST Bank

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		
	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
As of March 31					
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	
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Years Ended March 31		
Residential Mortgage Loans	¥ 441	¥ 0
Others	—	—
Total	¥ 441	¥ 0

(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

	Millions of Yen			
	2016			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
As of March 31				
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 principal underlying assets

	Millions of Yen
As of March 31	2016
Residential Mortgage Loans	¥ 4,145
Others	—
Total	¥ 4,145

(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.

Fiscal Year 2014

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2014, type and status of principal underlying assets

Date of Securitization:	January 2015
Type of Underlying Assets:	Residential Mortgage Loans
Type of Transaction:	Asset transfer-type securitization transaction
Aggregate Sum of Underlying Assets: at the time of securitization	¥ 44,883 million
as of March 31, 2015	¥ 43,901 million
Initial Issue Amount:	¥ 44,883 million
Preferred Beneficiary Notes	¥ 40,000 million (AAA/R&I)
Subordinated Beneficiary Notes	¥ 4,883 million (no rating)
Date of Redemption:	August 2055

The SuMi TRUST Bank holds part of the exposures related to these securitization transactions, and quantitative data in (2)-(11) below include data related to these securitization transactions.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

	Millions of Yen				
	2015				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
As of March 31					
Securitization Exposures except					
Resecuritization Exposures	¥ 99,703	¥ —	¥ 367,080	¥ 367,080	¥ —
Residential Mortgage Loans	99,703	—	367,080	367,080	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 99,703	¥ —	¥ 367,080	¥ 367,080	¥ —

(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	
	2015	
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Years Ended March 31		
Residential Mortgage Loans	¥ 330	¥ 91
Others	—	—
Total	¥ 330	¥ 91

(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			
	2015			
	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)	¥ 99,703	¥ —	¥ 7,515	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	87,246	—	2,888	—
50% to Less than 100%	8,437	—	365	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,019	—	4,260	—
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	¥ 99,703	¥ —	¥ 7,515	¥ —

(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
	2015
Residential Mortgage Loans	¥ 6,274
Others	—
Total	¥ 6,274

(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	2015
Residential Mortgage Loans	¥ 4,019
Others	—
Total	¥ 4,019

(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 2014 and break-down by type of principal underlying assets

	Millions of Yen
As of March 31	2015
Residential Mortgage Loans	¥ 467
Others	—
Total	¥ 467

(11) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitization Exposures Purchased by SuMi TRUST Bank

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	¥ 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		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)	¥ 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.

Fiscal Year 2014

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	
	2015	
	Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 440,508	¥ 72,925
Residential Mortgage Loans	114,919	14,180
Credit Card Loans	419	—
Claims on Lease Payments, Installment Receivables	17,284	53,048
Commercial Real Estate-Secured Loans	—	—
Other Claims on Corporates	307,885	5,695
Resecuritization Exposures	24,120	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	6,378	—
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	17,742	—
Total	¥ 464,629	¥ 72,925

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2015			
	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)	¥ 440,508	¥ 72,925	¥ 3,636	¥ 544
Less than 20%	423,158	66,479	2,711	394
20% to Less than 50%	7,946	6,445	165	149
50% to Less than 100%	8,394	—	396	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	1,009	—	363	—
1,250%	—	—	—	—
Resecuritization Exposures (IRB Approach)	24,120	—	492	—
Less than 20%	—	—	—	—
20% to Less than 50%	23,291	—	446	—
50% to Less than 100%	829	—	45	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 464,629	¥ 72,925	¥ 4,129	¥ 544

(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
	2015
Residential Mortgage Loans	¥ —
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ —

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(5) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

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, 2016	Fiscal Year 2015			As of March 31, 2015	Fiscal Year 2014		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
VaR in Banking Account	¥ 1,146.4	¥ 1,187.0	¥ 723.9	¥ 942.5	¥ 745.8	¥ 797.3	¥ 572.7	¥ 691.0
VaR in Trading Account	4.5	8.5	3.2	5.5	4.2	6.0	1.9	3.6

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, 2016	Fiscal Year 2015			As of March 31, 2015	Fiscal Year 2014		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 5.7 [1.8]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 6.0 [1.9]	¥ 4.8 [1.5]	¥ 14.7 [4.6]	¥ 2.6 [0.8]	¥ 5.8 [1.8]

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.

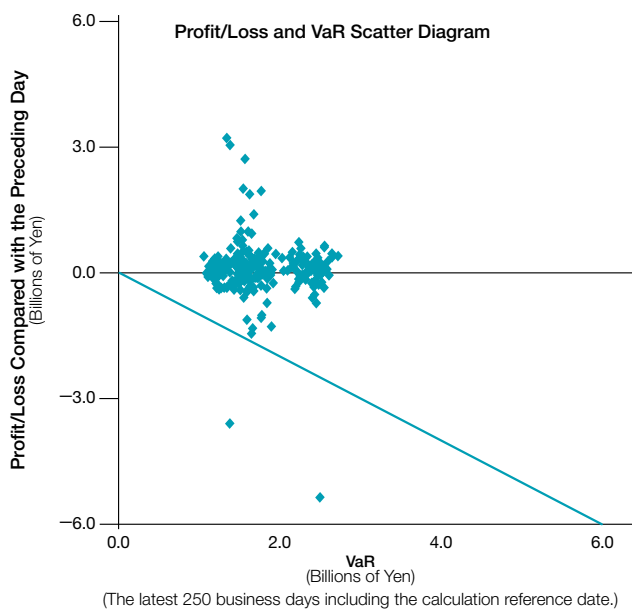
(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period

Not applicable in the fiscal year ended March 31, 2015 and in the fiscal year ended March 31, 2016.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

• Back testing of the trading account

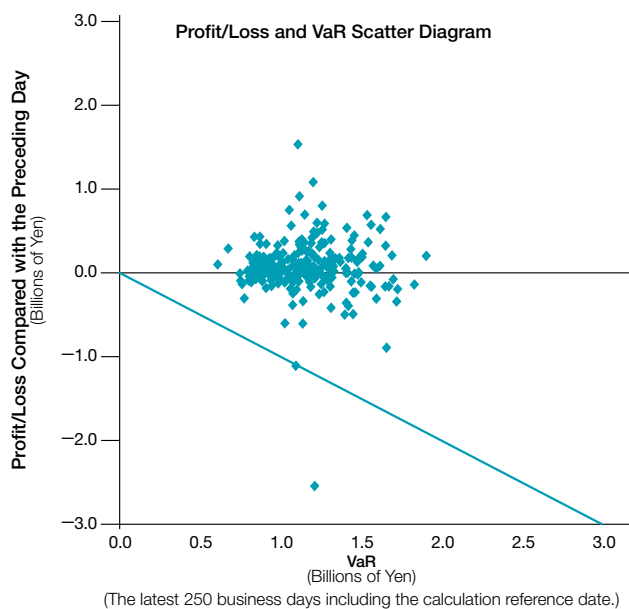
Fiscal Year 2015



Note: As shown above, for fiscal year 2015 back testing of the trading accounts shows two instances of losses in excess of VaR.

• Back testing of the trading account

Fiscal Year 2014



Note: As shown above, for fiscal year 2014 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

As of March 31	Millions of Yen							
	2016				2015			
	Book Value		Fair Value		Book Value		Fair Value	
Book and Fair Values*1								
Listed Shares Exposures	¥ 1,316,744		¥ 1,316,744		¥ 1,449,779		¥ 1,449,779	
Capital Subscriptions or Equity Exposures Other than Above	47,586		47,586		92,309		92,309	
Amounts of Gains/Losses on Sales and Write-offs of Capital Subscriptions or Equity Exposures*2	Gains/Losses	Gains	Losses	Write-offs	Gains/Losses	Gains	Losses	Write-offs
	18,743	28,025	5,567	3,714	2,073	40,281	36,150	2,057
Amounts of Unrealized Gains/Losses Recognized in the Balance Sheets and not Recognized in the Statements of Income	628,245				764,201			
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	
	2016	2015
Amounts by Portfolio Category	¥ 1,102,967	¥ 1,661,968
Portfolios Adopting the Market-based Approach	81,574	56,759
Portfolios Adopting the PD/LGD Approach	1,021,392	1,605,208

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	
	2016	2015
Aggregate Sum of Exposures Held in Funds	¥ 1,648,037	¥ 1,223,727
Look-through Approach	1,551,565	1,111,541
Simple Majority Formula	33,845	47,619
Investment Criteria Formula	25,562	34,102
Internal Model Approach	—	—
Probability Approach	36,368	29,796
Others	695	667

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	
	2016	2015
Overall Amounts of Interest Rate Risk	¥ 33,388	¥ 83,159
Japanese Yen Interest Rates	9,901	66,736
U.S. Dollar Interest Rates	10,834	13,707
Other Interest Rates	12,653	2,715
Outlier Ratios	1.2%	3.1%

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 2015 4th Quarter		Fiscal Year 2015 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total High-Quality Liquid Assets (HQLA)	¥ 12,879,371		¥ 11,904,217	
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash Outflows Related to Unsecured Retail Funding	¥ 16,668,450	624,006	¥ 16,698,245	651,989
3	of Which, Stable Deposits	512,082	15,362	519,123	15,573
4	of Which, Less Stable Deposits	5,963,303	608,644	6,244,051	636,416
5	Cash Outflows Related to Unsecured Wholesale Funding	14,374,347	10,512,169	11,374,988	7,489,434
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	10,412,769	6,550,591	7,743,384	3,857,830
8	of Which, Debt Securities	3,961,578	3,961,578	3,631,604	3,631,604
9	Cash Outflows Related to Secured Funding, etc.	13,462		1,023,835	
Cash Outflows Related to Derivative Transactions, etc.					
10	Funding Programs, Credit and Liquidity Facilities	4,807,810	1,477,137	4,939,669	1,670,939
11	of Which, Cash Outflows Related to Derivative Transactions, etc.	759,954	759,954	971,358	971,358
12	of Which, Cash Outflows Related to Funding Programs	0	0	0	0
13	of Which, Cash Outflows Related to Credit and Liquidity Facilities	4,047,856	717,183	3,968,311	699,581
14	Cash Outflows Related to Contractual Funding Obligations, etc.	710,901	415,886	779,223	465,591
15	Cash Outflows Related to Contingencies	10,869,629	28,011	10,753,785	28,597
16	Total Cash Outflows	13,070,671		11,330,385	
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash Inflows Related to Secured Lending, etc.	446,198	446,198	3,156	3,156
18	Cash Inflows Related to Collection of Loans, etc.	4,669,929	3,301,146	4,833,277	3,289,311
19	Other Cash Inflows	859,443	645,154	710,204	655,838
20	Total Cash Inflows	5,975,570	4,392,498	5,546,637	3,948,305
Non-consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA Allowed to be Included in the Calculation	12,879,371		11,904,217	
22	Net Cash Outflows	8,678,173		7,382,080	
23	Non-consolidated Liquidity Coverage Ratio (LCR)	151.7		161.3	
24	The Number of Data Used to Calculate the Average Value	3		3	

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a non-consolidated basis

(1) Items concerning fluctuations in the LCR over time

Since regulations took effect from March 2015, the LCR has generally remained steady. In the fourth quarter of FY2015, cash inflows affected by a shrinking call money market due to implementation of negative interest rate policy increased reserve deposits at central banks, which in turn caused an increase in both high-quality liquid assets and cash outflows, resulting in a decreasing trend in LCR.

(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 high-quality liquid assets are reserve deposits held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there is 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 "exceptional treatment for qualifying operational deposit" nor the "additional collateral required to account for fair value movements based on the scenario method."

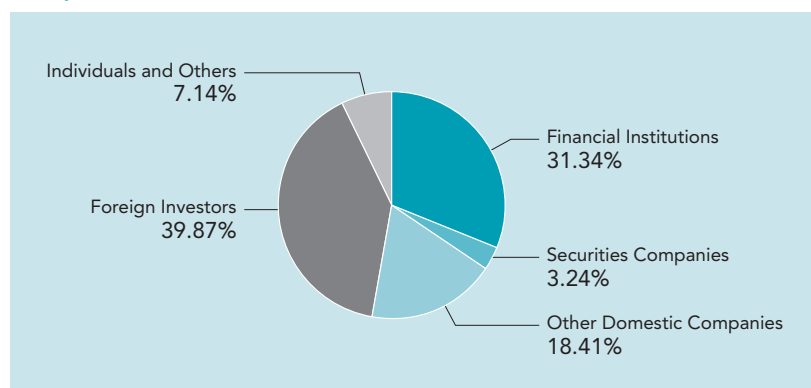
Stock Information (as of March 31, 2016)

Major Shareholders (Common Shares)

Shareholder Name	Number of Shares Held (Shares)	Shareholding Ratio (%)
1 Japan Trustee Services Bank, Ltd. (Trust Account)	196,355,000	5.10
2 The Master Trust Bank of Japan, Ltd. (Trust Account)	151,641,000	3.94
3 Japan Trustee Services Bank, Ltd. (Trust Account 9)	107,642,000	2.79
4 Ueda Yagi Tanshi Co., Ltd.	62,472,590	1.62
5 The Bank of New York Mellon SA/NV 10	55,436,311	1.44
6 State Street Bank West Client - Treaty 505234	51,761,012	1.34
7 Japan Trustee Services Bank, Ltd. (Trust Account 7)	50,159,000	1.30
8 The Bank of New York 133524	47,978,190	1.24
9 Trust & Custody Services Bank, Ltd. (Investment Trust Collateral Account)	47,809,818	1.24
10 State Street Bank and Trust Company 505225	43,973,820	1.14

(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 (57,991,784 shares)

(Note 2) The component ratio displayed 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
Depository:	The Bank of New York Mellon Depository 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:	8,500,000,000 Shares
Preferred Shares:	400,000,000 Shares
Number of Shares issued:	
Common Shares:	3,903,486,408 Shares
Preferred Shares:	0 Shares
Number of Shareholders:	
Common Shares:	72,001
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.

Corporate Information (as of March 31, 2016)

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 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, 2016)

		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

Contact:**IR Department**

Telephone: +81 (3) 3286-8354

Facsimile: +81 (3) 3286-4654

e-mail: ir@smth.jpURL: <http://www.smth.jp/en/ir/index.html>

