SUMITOMO MITSUI TRUST HOLDINGS

# Integrated Report 2023

—Annual Report—

SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

## Reason for Existence (“Purpose”)

# Creating new value with the power of trusts and let prosperous future for our clients and society bloom

## Management Principles (“Mission”)

(1) Swiftly provide comprehensive solutions to our clients by fully utilizing the significant expertise and comprehensive capabilities.
(2) 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.
(3) Strive to fulfill all shareholder expectations by creating distinct values through fusing the various functions featuring the trust bank group.
(4) 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, 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 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 | **Contribution to Society** —Dedication and Development | **Realization of Organizational Capability** —Trust and Creativity | **Establishment of Individuality** —Self-help and Self-discipline |
| Strict Compliance with Applicable Laws and Regulations | | Resolute Stance against Antisocial Forces | |




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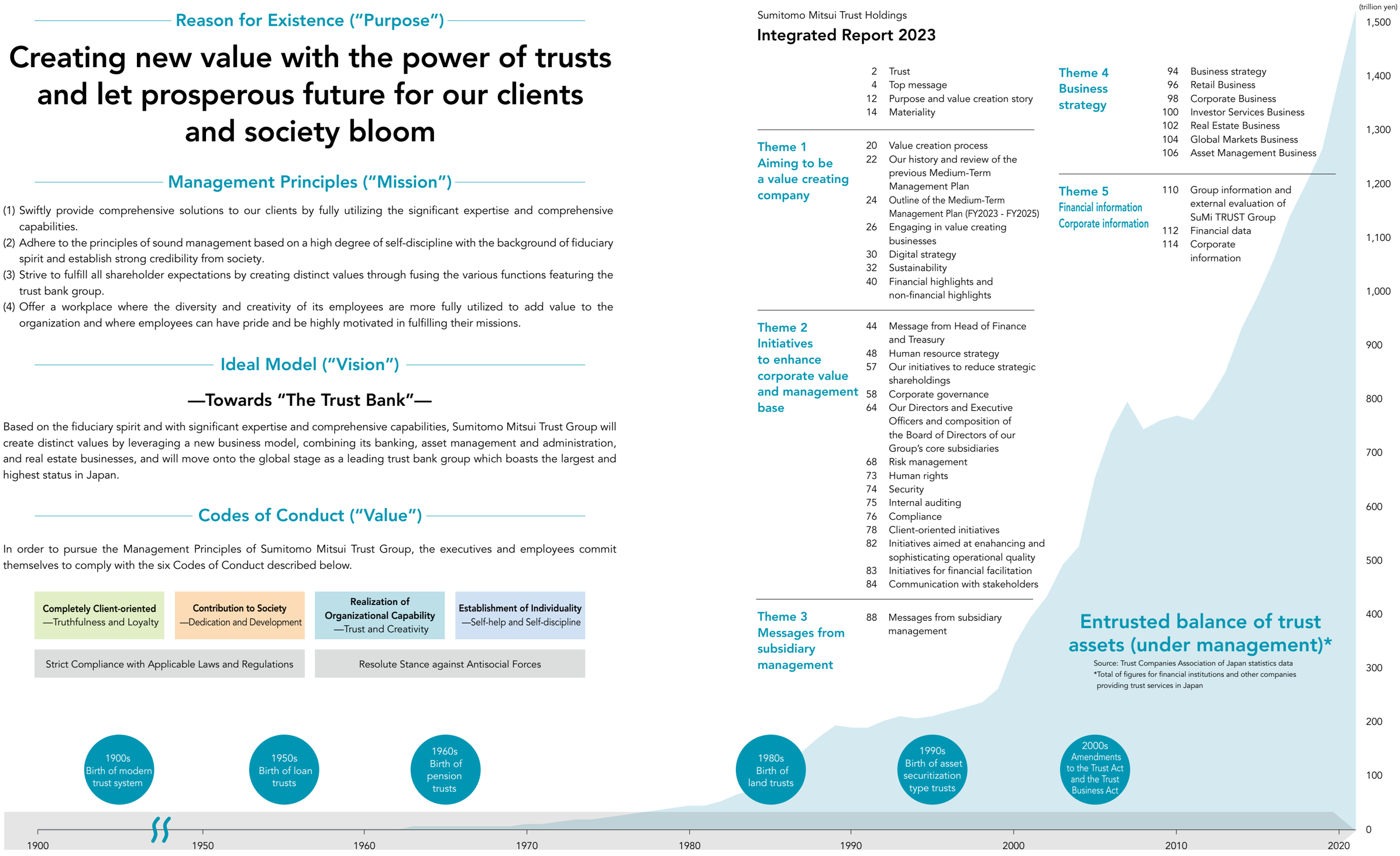
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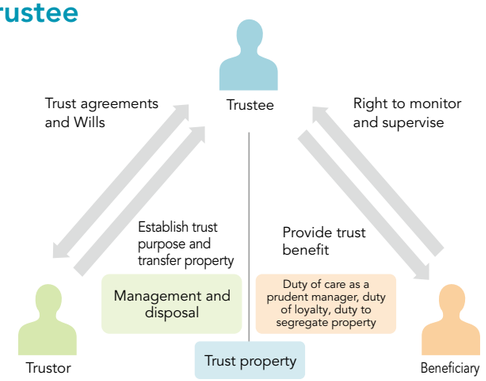
# Trust
## — Property management system based on trust

## 1 Legal support and expertise of the trustee

Trust is a legally established property management system.

The person who holds property (trustor) transfers property to a trusted person (trustee), and the trustee manages and disposes of property for the beneficiary in accordance with the purpose of the trust.

The first significance of entrusting important property to others is the use of the trust's unique functions to manage property for the purpose they wish to realize and to enable beneficiaries to enjoy the benefits. In addition, there is an expectation that the trustee's conduct will be disciplined with the support of the law and that the trustee's expertise regarding the property will be expected.




## 2 Establishment of the trust system in Japan — Discipline of trust

It has been 100 years since trust was legislated in Japan. Before this legislation, there were many companies that in reality performed high-interest lending, and that called themselves trust companies. In 1922, the Trust Act and the Trust Business Act were enacted in order to crack down on these issues and create a system of trust, and the companies that called themselves trust companies were eliminated and liquidated. Trust have been positioned in the financial system, leading to the modern trust system.



Provided by Mainichi Shimbun



Trust spread from Britain and the United States as an excellent mechanism for entrusting property to a trusted person for proper management, but it also had weaknesses. One is a risk of abuse by the person entrusted with property (trustee). Therefore, instead of having exclusive authority to manage and dispose of property, trustees are obligated to act exclusively in the interests of beneficiaries and to handle property with care as a good manager. This discipline for trustees has been organized as a "fiduciary relationship." A trust system has also been introduced in Japan, and the "fiduciary relationship" is the basis of this system. Trust was enacted into law as a system for administering and managing assets based on cordial trust in trustees and have a history of development to date.





## Q&A on trust

### Q. How do you set up trust?

**A.** A trust may be entered into by contract, will, or declaration of intention (self-trust). Most general trust products of trust banks are set up based on trust agreements.

### Q. Who owns trust property?

**A.** When any property is placed in trust, the ownership is legally transferred to the trustee and formally belongs to the trustee. However, the trustee manages and disposes of the trust property in accordance with the trust purpose that reflects the trustor wishes. The purpose of the trust is often set up for the beneficiary, and the trustee manages the property exclusively for the benefit of the beneficiary. Therefore, in effect, the trust property belongs to the beneficiary.



### Q. What happens to trust when the beneficiary dies?

**A.** Some trusts terminate when the beneficiary dies, while others continue without termination. This depends on provisions such as trust agreements. When the trust is terminated, the trust property is delivered to the beneficiaries or vested right holders. In cases where a trust continues, the rights as beneficiaries (beneficiary rights) may be inherited, or the person designated in the trust agreement may become the next beneficiary.

### Q. What happens to trust property if trustee goes bankrupt (dies)?

**A.** Even if the trustee goes bankrupt, creditors of the trustee's own property cannot seize the trust property, and the trust property will be preserved. When the trustee dies, the administration of the trust property is passed to the new trustee.

### Q. What trusts are around us?

**A.** These include investment trusts (asset management products), pension trusts (employee welfare and asset formation), real estate trusts (commercial facilities are trust assets, or there are trusts for investment purposes that invest in real estate), trusts for making donations and gifts, trusts that transfer assets across generations such as marriage and childcare support trusts and tuition fund endowment trusts and other trusts.

### Q. What property can we trust?

**A.** Any properties that can be transferred separately from the trustor property and whose monetary value can be estimated can be the subject of trust. For example, in addition to money, securities, monetary claims and real estate, the possibility of using trust for movables, intangible assets and other assets is expanding. Expectations for products and services that take advantage of the flexibility of trust in response to diversifying client needs and increasing complexity of social issues are rising even further.



# Paving the Way for the Next 100 Years with the Power of Trust

**We have launched a new Medium-Term Management Plan, returning to the founding principle of creating a sound and prosperous future as our goal. To pursue SuMi TRUST Group's "Purpose," we shall continue to work with a strong and renewed awareness of our mission and fulfill our roles and functions as a trust group.**

## Mission as a trust group

Around 100 years ago, numerous trust companies were founded against the backdrop of the strong industrial financing needs for modernization and the economic boom brought on by World War I. In 1921, there were 488 such companies. On the other hand, under the banner of the "trust business," many of them engaged in ambiguous activities that were far from the trust business. The Trust Act and the Trust Business Act were enacted in 1922 to correct confusion in the trust industry and to develop a sound trust system.

With a belief that trust companies have a mission of serving the community and must have solid creditworthiness for asset administration to respond to clients' expectations, the Mitsui Trust Company, Limited was established in 1924 as Japan's first trust company pursuant to the Trust Business Act, followed by the founding of Sumitomo Trust Co., Ltd. in 1925. This is the origin of SuMi TRUST Group.

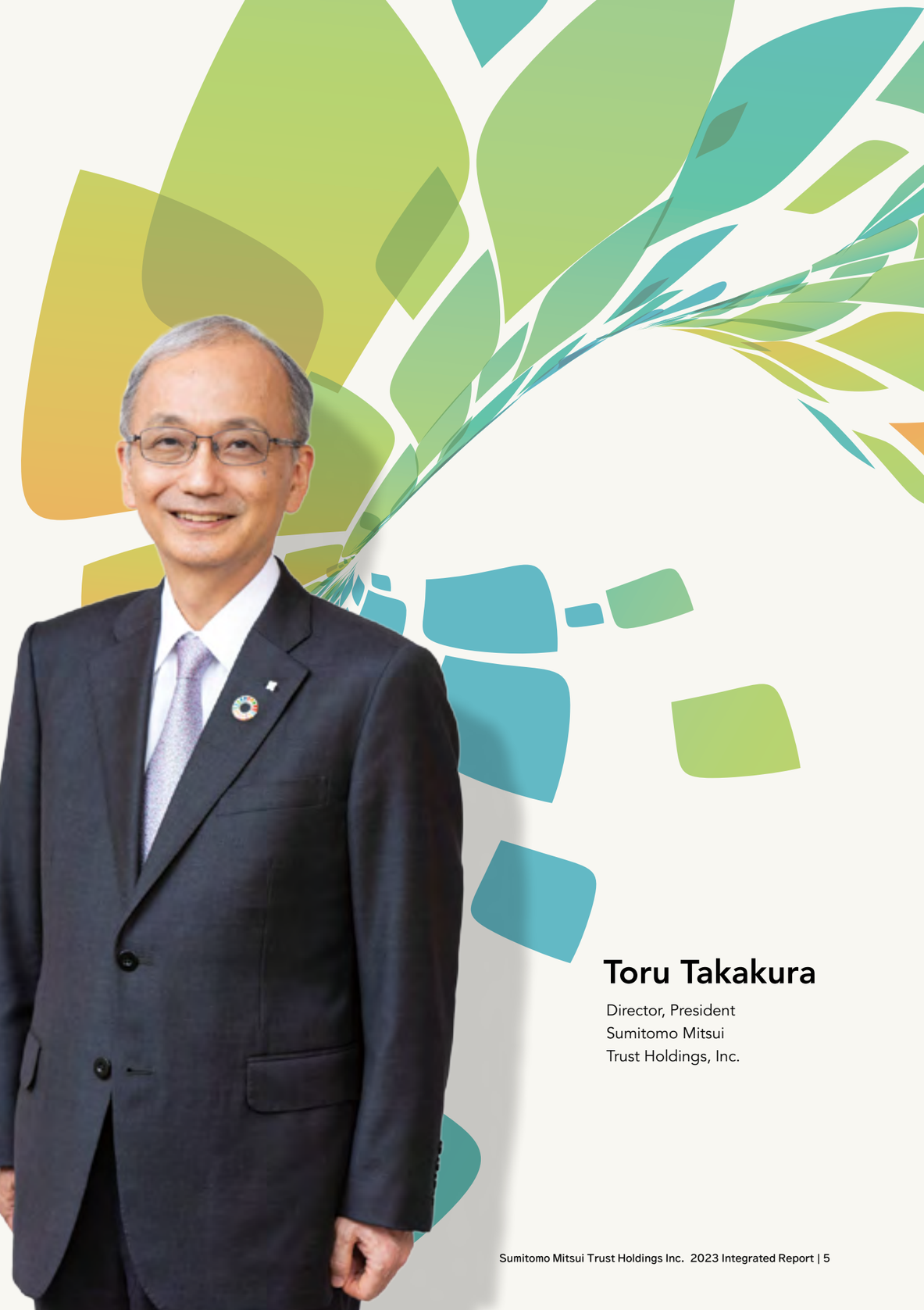
Today, to realize a green society, a huge amount of funds is needed, estimated at 150 trillion yen in the public and private sectors in Japan over the next ten years. I observe that there are parallels between the current environment, in which social issues need to be resolved and transition is made to strive for a prosperous future, with the world when the Group was founded. I believe that this is a time when "the Power of Trust" is needed.

The new Medium-Term Management Plan launched this fiscal year has been formulated with a strong and renewed awareness of our mission as a trust group and

❶ See page 2

❷ Referenced from "Clean Energy Strategy", Ministry of Economy, Trade and Industry

❸ See page 24



**Toru Takakura**
Director, President
Sumitomo Mitsui
Trust Holdings, Inc.

SUMITOMO MITSUI TRUST HOLDINGS

the roles and functions we serve, returning to the founding principle of the Group with the aim of creating a sound and prosperous future. Based on a long relationship of trust with our clients, we shall utilize "the Power of Trust" to solve social issues and pass on a sustainable and prosperous society to the next generation, while enhancing our corporate value. And also at the same time, we are committed to paving the way for the next 100 years to enhance the well-being of our stakeholders.

At present, the environment surrounding us is becoming increasingly uncertain, with rising global inflation as seen in soaring food and energy prices triggered by the post-pandemic economic recovery and the Ukraine crisis, and growing anxiety about the financial system due to the failure of U.S. and European financial institutions.

These events remind me of the financial crisis in Japan in the 1990s. Globalization is far more advanced than it was then, and how Japan will be affected in the adjustment process of unprecedented monetary easing is unpredictable. We recognize that the financial institutions that survived at that time were supported by a strong client base, accumulated capital and vigilant cash flow management. We are committed to resolving each of these issues, all of which could lead to critical management decisions, with solid business operations and a robust management system.



## Review of the previous Medium-Term Management Plan (FY2020–2022)

In the previous Medium-Term Management Plan, under our Purpose, the balanced creation of both social value and economic value was placed at the very core of our management philosophy. Also, our top priority was to realize a "virtuous circulation of funds, assets and capital" that brings the fruits of enhanced corporate value to households, and we strived diligently to achieve sustainable and stable development of the Japanese economy and companies, foster sound capital markets, and enhance the well-being of our clients and society.

❹ See page 22

Specifically, we announced a policy, in principle, of not holding any strategic shareholdings as a conventional stable shareholder. At the same time, by leveraging the capital created by the reduction of strategic shareholdings, we announced we would invest a cumulative total of 500 billion yen in impact equity investments by fiscal 2030 to help solve social issues, and to raise investors' demand of 2 trillion yen using our own funds as a catalyst. In addition, we promoted initiatives for the Group's own sustainable growth by creating a virtuous circulation of funds starting from ourselves, such as forming a business alliance with the Apollo Group, renowned for its world-leading track records in private asset management.

❺ See page 57

❻ See page 29

In terms of business performance, we achieved the target of 190 billion yen in net income attributable to owners of the parent for the final fiscal year of the Medium-Term Management Plan (fiscal 2022), a record high since integration in 2011. In addition, assets under management and assets under custody have more than doubled since the time of the integration, and we have confidence that we have achieved growth that is expected of a trust group.

## Thoughts on the new Medium-Term Management Plan (FY2023–2025)

The new Medium-Term Management Plan sets forth its concept as "Paving the Way for the Next 100 Years with the Power of Trust." We aim to realize our vision under the Group's Purpose. Here are my five thoughts on the new Medium-Term Management Plan.

### [The Aspiration]

- **Be a fiduciary that is trusted by stakeholders**
- **Contribute to enhancing the well-being of all people, including future generations**
- **Serve as a social infrastructure, creating a virtuous circulation of funds, assets and capital**

### (1) Expand AUF to help solve social issues and create and expand markets

Our Group shall pursue the best interests of its clients as a fiduciary which is believed in and entrusted by clients and accomplishes the wishes of clients. This is the source of "the Power of Trust," and we will fulfill our responsibilities. We will further refine our expertise and provide valuable solutions that exceed clients' expectations, taking advantage of our long-term businesses based on a relationship of trust with our clients, thereby helping to enhance the well-being of our clients and society.

We have defined AUF (Assets Under Fiduciary) as the balance (indicator) that indicates the scale of initiatives by the Group that contribute to solving social issues and creating and expanding markets. We shall expand the AUF balance, which stood at 480 trillion yen at the end of fiscal 2022, to 800 trillion yen in fiscal 2030, focusing on asset management and asset administration businesses. AUF based on long relationship of trust with clients will result in lower capital costs. As an impact on society, AUF can contribute to solving social issues and creating a prosperous future. Through AUF, a quantitative indicator, I hope to achieve balanced creation of both social value and economic value.

❼ See page 24

### (2) Achieve ROE of 10% or above by FY2030

In March, the Tokyo Stock Exchange presented listed companies with "Action on Cost of Capital-Conscious Management and Other Requests." We understand this as a call to increase capital profitability through such measures as making investments to achieve growth, strengthening business portfolio and appropriate allocation of management resources, and to encourage companies to achieve sustainable growth and medium-to long-term enhancement of corporate value while responding to the expectations of stakeholders.

We aim to achieve ROE of at least 10% and 300 billion yen in net income attributable to owners of the parent by fiscal 2030 and shall make steady progress toward achieving PBR of at least 1.0x (market capitalization of at least 3 trillion yen) as early as possible. In addition, we will contribute to ensuring that PBR exceeds 1.0x not only for ourselves but also for many listed companies in Japan through the realization of a virtuous circulation of funds, assets and capital.

We have revised the policy of shareholder returns and decided to introduce a formula of progressive dividend per share, aiming for a consolidated dividend payout ratio of 40% or above. We will steadily return the fruits of the growth, obtained through our sustainable rise in earnings, to shareholders over the medium-to long-term.

### (3) Contribute to the transformation of social structures and the acceleration of technological innovation, and create a green society

I see sustainability issues, represented by climate change, as a crisis of well-being. From this standpoint, I believe that we need to squarely face conflict and disparities, such as international friction and social division, and work hard to find a balanced solution. I would like to contribute to social structural change and the acceleration of technological innovation without overlooking the needs and concerns of minorities and socially vulnerable people.

Levels of well-being crisis are not uniform. For example, island countries facing the rise of sea-levels, areas exposed to desertification, and areas prone to hurricanes and typhoons have different degrees of risk depending on the countries and regions.

In light of the situation in Japan, for example, there is still plenty of room in various parts of the country for renewable energy development, and this is becoming increasingly important for decarbonization. Taking into account the fact that there is less need for long-distance power transmission, we believe that the benefits of a local-production-for-local-consumption economy are significant from the perspective of overall energy efficiency.

Rich natural resources remain in the countryside. Although there are many community-specific social issues, such as a shortage of workers in forestry management and maintenance, as well as inheritance issues, we believe there are solutions, like building a supply chain from production to sales in each region and introducing renewable energy, including heat supply and small hydropower generation, that can utilize forest resources. Pertinent management and use of forests will not only fulfill the important role of forests such as preventing landslides and other disasters and increasing carbon dioxide absorption, but also lead to the circulation of local resources within the local economy.

We believe that the "transformation of social structures," in which industries are distributed across Japan and the population is dispersed, can be one of the solutions to enhance the well-being of the entire nation. In addition, in order to accelerate our response to the current energy crisis and industrial revitalization, it is essential to accelerate technological innovation. In order to achieve this, there are demands in the public and private sectors for incubation investment in green tech from the demonstration phase to commercialization, as well as investment of huge amounts of funds for energy and social infrastructure transitions.

❽ See page 32



Huge investments can only be made with government, bank and institutional investors' funds deployed in collaboration with the financial assets of individuals, which are estimated to be around 2,000 trillion yen. By fiscal 2030, we will provide 15 trillion yen of sustainable finance, funded not only by its own balance sheet but also by investors' funds.

Investment is essential to realize a green society but it cannot be sustainable unless there are appropriate returns (fruits) delivered corresponding to the risks taken by businesses and investors. We shall provide an investment environment that encourages investment in assets from which high return can be expected in the future, including private assets related to the creation of a green society. And we will democratize and socialize investment, in which anyone can take the benefits of valuable investment for granted, and vitalize dormant funds.

However, such goals are difficult to achieve by us alone. We will build a network with leading players who agree with our vision and co-create even greater value through collaboration and cooperation. We will connect Japanese investors, including individuals, to global investment chain by such measures as reducing the size of private asset investments, which are expected to yield high returns.

The realization of a "green society," a global common understanding, is a challenging theme. We recognize that, in order to support our clients' technological innovation with "the Power of Trust", a profound knowledge of technology is also necessary for us. We are expanding the staffing and activities of the team of experts in a wide range of fields, including hydrogen, storage batteries and chemistry. We are determined to pave the way to a prosperous future with the power of solutions originating from innovative technologies as well as investments.

❾ See page 28
❿ See page 29
⓫ See page 39

### (4) "FINANCIAL WELL-BEING" in the age of 100-year life

Well-being, in which there is a growing interest these days, refers to "the state of being fulfilled physically, mentally and socially." If we aim to ensure well-being, it's important not only to have money but also to be able to manage it, which leads to a sense of happiness and fulfillment. "FINANCIAL WELL-BEING" is the state of being able to remove anxiety about money and deal with it in a healthy manner in order to have peace of mind and live a healthy life.

Everyone has their own way of achieving happiness. There are many ways to spend, save, increase, and leave money. There are two aspects to spending money:

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"consumption" and "investment." If we spend money only for "consumption" in daily life, we will end up going through a repetition of earning and consuming. When thinking of our entire life, if we develop an investment perspective in our life plan, such as "receiving long-term returns" and "using our money to benefit society," we will be able to take the initiative in our life plan and opens new possibilities for enjoyment. Investment can take the form of not only building assets but also investing in learning that will enhance our ability.

Individual assets in Japan amount to 3,000 trillion yen. Out of this total, 2,000 trillion yen is financial assets and 1,000 trillion yen is real estate. Among the financial assets, 1,000 trillion yen is cash and deposits. The trend from savings to asset formation is gaining momentum across the country. We expect investment needs and funds to expand as a result of supporting measures such as the Doubling Asset-based Income Plan and income increases due to raising wages. In addition, with an eye on the age of 100-year life, there is a growing movement in the working generation toward building assets in their early life stage. Among the financial assets, 1,000 trillion yen not held as cash and deposits is invested in securities and other products, but with greater longevity of the population, the amount of money needed for living is increasing, and vague anxieties about the future are growing, including dealing with dementia. In addition, it is true that many people who experience inheritance in real estate are concerned about the smooth transfer of assets between generations.

We will take advantage of the knowledge gained in pension and real estate operations to increase opportunities for individual clients and corporate employees to invest safely and securely from a long-term perspective with a comprehensive view of future cash flows and assets and liabilities. We will also harness the flexible product design aspects of trust regarding the risks specific to longevity and help people to attain a prosperous "second, post-retirement life". We aim to enhance our clients' FINANCIAL WELL-BEING, starting with their own asset formation and development of an environment in which such assets are inherited by the next generation with a sense of security.

### (5) Bolster human capital and Diversity Equity and Inclusion (DE&I) for future adaptability

In the spirit of fiduciary duty, we will foster an organizational culture to implement client-oriented business operations and aim to be a company in which employees, who can exercise principle-based ownership by thinking by themselves, making their own judgment and acting on their own, can play a very active role throughout the company.

In 2018, I declared that "I am the manager of my life" in the "IkuBoss Declaration," a declaration of an organization that supports employees and enable diverse work styles and a good work-life balance. We will create an environment that encourages a circulation of well-being, in which each and every employee develops an independent career and works hard together as a professional, and each employee's activities contribute to enhancing the well-being of clients and society, which in turn leads to job satisfaction for employees.

In addition, we believe it is important to foster a corporate culture of inclusion of all in a fair and just (equity) manner, including employees with diverse attributes and backgrounds. We will recognize the differences among diverse employees and provide support corresponding to the competencies and abilities of each individual, without overlooking consideration for minorities.

With regard to the promotion of women's active participation, SuMi TRUST Bank aims to increase the ratio of female employees in management positions (section managers, team leaders, and above) to at least 20% by October 2024. In terms of corporate governance, the Board of Directors of major subsidiaries consists of members including female and external directors with international backgrounds, but we will make further efforts for diversification.

⓮ See page 52

⓯ See page 66

## Toward the next 100 years

Next year, in 2024, SuMi TRUST Group will celebrate its 100th anniversary since its incorporation. Since our founding, guided by our fiduciary spirit and with "the Power of Trust," we have consistently maintained a "pioneering" attitude, by boldly tackling "challenges" to create new value in response to the needs of clients and the demands of society in each era, and by contributing to the development of our country.

In the years ahead, Japan will face a number of social issues that will require huge investments and a long time to resolve, such as "realizing a green society" and "FINANCIAL WELL-BEING in the age of 100-year life," which embody my thoughts. Such social issues will be big challenges for corporate and individual clients, but addressing these time-consuming and costly challenges is where we can demonstrate its strengths.

By leveraging the strengths of our Group which has contact points with a wide variety of clients and markets and a business foundation based on long-term relationship of trust with our clients in a wide range of areas, we shall endeavor to make a significant contribution to the virtuous circulation of funds and expansion of investment in Japan. With "the Power of Trust," we are determined to take strong and steady steps toward the next 100 years so that we can achieve ROE of 10% or above and PBR of 1.0x as early as possible, and even exceed these benchmarks.

I would sincerely appreciate your continued support and understanding.

⓰ See our website
Founding Prospectus
https://www.smth.jp/about_us/profile/chronicle/prospectus
(Japanese text only)

July 2023



Director, President
Sumitomo Mitsui Trust Holdings, Inc.

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## SuMi TRUST Group's "Purpose"

**Creating new value with the power of trusts and let prosperous future for our clients and society bloom**





## Achieving our "Purpose" with the power of trusts

The "power of trust" mentioned in our Purpose is a wide-ranging concept—it refers to the numerous functions of our trust schemes, our significant expertise and comprehensive capabilities, and even the basic principle of fiduciary duty.

**Ability conversion function**

**Leveraging our high level of expertise to manage and administer assets**

Example: Investment trusts




**Asset conversion function**

**Flexible alteration of asset composition and quantity**

Example: Securitized real estate




**Time conversion function**

**Transcending time to ensure client wishes are fulfilled in the future**

Example: Pension trusts




## New value created through business

**[Businesses that harness the power of trust to solve social issues]**

### Value provided to stakeholders (three economic entities)

SuMi TRUST Group draws on its wide array of trust functions to deliver high-value-added products and services to clients based on the keyword of "circulation" to address the social issues that confront individuals, corporations and investors.

**Themes to be addressed proactively as social issues**

**Individuals**
Asset administration and asset formation in Japan's aging society

**Corporations**
Sustained growth of the Japanese economy and corporations (addressing both financial and non-financial issues)

**Investors**
Diverse range of investment opportunities and development of the investment chain

### Three value creating businesses to create new value

With a view to the kind of society and vision for the Group we hope to achieve by 2030, we identified the following three value creating businesses to encourage a virtuous circulation: (1) the age of 100-year life; (2) ESG/Sustainable management; and (3) regional ecosystems and the global investment chain (Networking).

- The age of 100-year life
- ESG/Sustainable management
- Regional ecosystems and the global investment chain (Networking)

## Blooming of a bright future

**"Prosperity and happiness for all = Improvements in well-being"**

# Materiality

## 1 Definition of materiality and history

In light of the balanced creation of both social value and economic value,we identify the medium- to long-term high-priority issues (i.e., items of materiality) and they are set at the Board of Directors, taking matters like changes in economic and social conditions and requests from stakeholders into account.

We identified 14 items of materiality for the first time in fiscal 2015 and revised them to 17 items of materiality in fiscal 2019. However, the economic and social conditions have changed significantly over the past three years, including increasing social demand to address climate change, the spread of COVID-19 and the emergence of geopolitical conflicts. In order to achieve the balanced creation of both social value and economic value in a sustained manner amid these major changes in a short period of time, it is necessary to identify materiality in a way that ensures completeness regarding events that may occur in the medium to long term. On the other hand, in order to enhance the effectiveness of materiality by applying it to management systems, such as management strategies and risk management, and by spreading it to employees, we recognized that the number of 17 items was large, and that it was necessary to better match the Group's unique strengths and issues in terms of management strategies, risk management, and other areas.

Based on this recognition of issues, in preparation for the formulation of a new Medium-Term Management Plan beginning in fiscal 2023, we have narrowed down the number of items in order to improve completeness, reflect them in our management strategy and risk management system, and improve their effectiveness in reaching employees. We have also revised our materiality to enhance their suitability for the Group's unique strengths and issues.

■ **Identifying materiality from common metrics**

**(1) Extracted materiality themes based on common metrics themes**

**(2) Set materiality themes by taking our management strategy and internal awareness into account**

| Common Metrics | | Materiality theme |
|---|---|---|
| **Planet** | Climate change | Super-aging society issues<br>Financial inclusion |
| | Nature loss | Climate change<br>Biodiversity<br>Recycling of resources/circular economy<br>Air, water and soil pollution<br>ESG Management (parties to whom we extend investments and loans) |
| | Fresh water availability | |
| | Air pollution | |
| | Water pollution | |
| | Solid waste (e.g., plastics) | |
| | Resource availability | Regional and local revitalization<br>Financial Inclusion<br>Public sector partnerships |
| **People** | Dignity and equality | Creation of new technologies and businesses<br>Financial inclusion<br>Digital innovation |
| | Health and well-being | Corporate governance |
| | Skills for the future | Safety of financial instruments and operational quality<br>Client-oriented approach/FD |
| **Prosperity** | Employment and wealth generation | Securing and promoting diverse human resources<br>Employee Well-being |
| | Innovation of better products and services | Risk management<br>Resilience<br>Spread of infectious disease epidemic<br>Financial system stability<br>Geopolitical conflicts<br>Human rights issues |
| | Community and social vitality | Compliance and conduct |
| **Principles of Governance** | Purpose | Systems maintenance and combatting cyber-attacks<br>Protecting personal information and client data |
| | Quality of governing body | Preserving financial capital<br>Securing sustained earnings |
| | Stakeholder engagement | |
| | Ethical behavior | |
| | Integrating risk and opportunity into business processes | |

## 2 Revision in FY2022

In the review of materiality in fiscal 2022, we reviewed 17 items that had previously been identified as materiality based on 18 issues classified into the common metrics of Planet, People, Prosperity, and Governance. And we identified 27 Materiality Themes, based on the common indicators ("common metrics") in the "Toward Common Metrics and Consistent Reporting of Sustainable Value Creation" compiled mainly by the world's four largest accounting firms.

This materiality theme was organized from our Purpose and management strategy themes into items related to the society and values that we want to realize. After discussions with the Executive Committee, various advisory committees, and top management, the Board of Directors resolved to identify 11 materiality items in three categories, with completeness and uniqueness of the Company.

Under the Group's Purpose, as for the businesses that harness the power of trust to solve social issues, we aim to provide value to stakeholders in three areas of value creation that promote a virtuous circulation, with the key phrase "virtuous circulation of funds, assets and capital."

By reflecting this in the identification of materiality, among the impact items of materiality of the new materiality, "age of 100-year life," "ESG/sustainable management," and "Regional ecosystems and the global investment chain (Networking)" are aligned with the three areas of value creation.

| Materiality | | Overview |
|---|---|---|
| **Impact Materiality**<br>Items in which our corporate activities have an impact (both positive and negative impacts) on the economy, society, and the environment. Items that are in a phase where we can take concrete steps toward achieving both social value and economic value. | Age of 100-year life | Providing products and services that support a prosperous life by preparing for changes in social systems such as pensions and social security in a super-aging society and social issues such as extending healthy life expectancy.<br>Create conditions in which customers can use beneficial and affordable financial products and services that meet their requirements. |
| | ESG/sustainable management | Responding to climate change, biodiversity, resource recycling and the circular economy, air, water and soil pollution, and providing support and means for environmental, social and governance-friendly management for the companies to whom we extend investments and loans. |
| | Regional ecosystems and global investment chain (networking) | Build mutually complementary relationships among agents in the region and establish relationships with economic agents outside the region to promote multifaceted collaboration and co-creation. Provide investment opportunities by strengthening the investment chain through collaboration with advanced overseas players. |
| | Trust × Digital Transformation | Create a virtuous circulation of funds, assets and capital through integrating IT and management strategies, the power of trust, and the power of digital transformation. |
| **Governance and Management framework Materiality**<br>Items where environmental and social issues affect our corporate value enhancement process. Non-financial items that do not immediately affect finances but are likely to affect finances over the long term, so they are highly defensive. | Corporate governance | Establish a management framework that achieve balanced creation of both social value and economic value. |
| | Fiduciary spirit | Fulfill the trustee's responsibilities and act faithfully on behalf of clients (beneficiaries) with the due care of a prudent manager. |
| | Human capital | Recruit and promote human resources with diverse values, and build a group of them. Create a situation in which employees can utilize their values and strengths based on sound human relations where diversity is recognized while employees being physically and mentally healthy and sympathizing with our "Purpose". |
| | Risk management and resilience | Accurately assess risks and take necessary countermeasures to secure earnings and support sustainable growth by ensuring sound management and taking risks based on management strategy. |
| | Compliance and conduct | Comply with laws and regulations, market rules, internal rules and regulations, as well as social norms in general.<br>Ensure that the conduct of directors, executive officers, and employees, which violates professional ethics or fails to live up to the expectations and trust of stakeholders, does not result in adverse effect. |
| | Security | Prevent cyber-attacks against core infrastructure providers and address incidents when they occur. Continuously review and improve system risk management structure. Acquire and use client information in accordance with rules and regulations, and manage it strictly. |
| **Financial Materiality**<br>Items where environmental and social issues affect our financials | Financial strength expected by stakeholders | Secure sound finances, sustainable growth, and sustained earnings. |

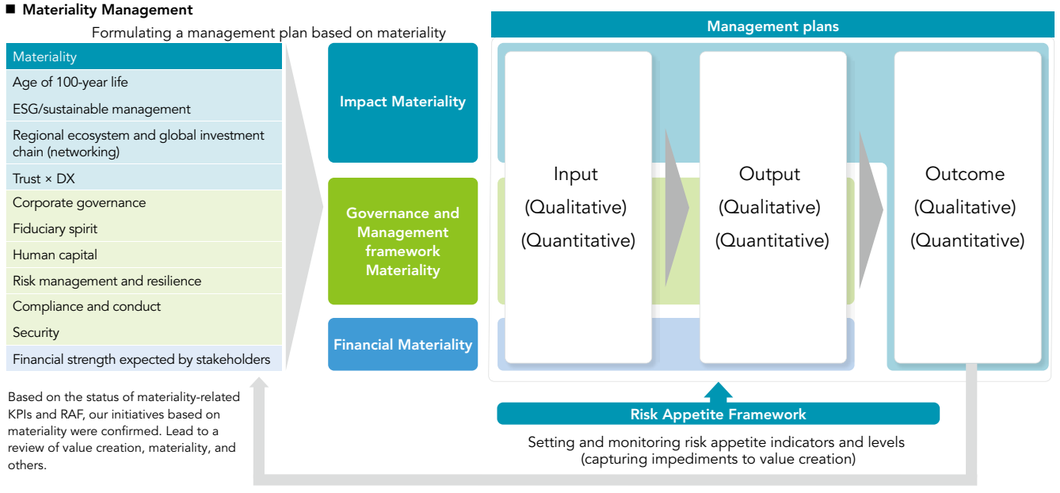
## 3 Reflecting in the value creation process (materiality management)

By incorporating materiality as a common concept in various management systems, such as management strategies, internal controls, and Risk Appetite Framework (RAF) that implement our value creation process, and by increasing the interconnectedness of each function, we can further improve our value creation capabilities. We have formulated a Medium-Term Management Plan for fiscal 2023 and beyond based on newly identified materiality. In the future, we will confirm the status of the measures and KPIs set out in the Medium-Term Management Plan from a materiality perspective, report them to the Sustainability Committee, an advisory body to the Executive Committee, and utilize them in communication with stakeholders to create a virtuous circulation in the value creation process.

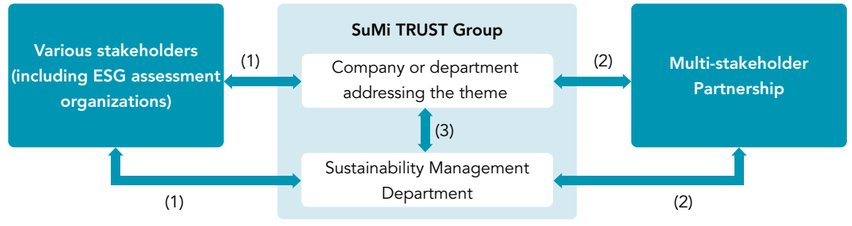
In addition, in order to incorporate the perspectives of stakeholders into management based on such materiality, we have implemented an "internal engagement" system described below, and the status of the internal engagement is reported to the Board of Directors as materiality-related matters after discussion by the executive side, including the Sustainability Committee and the Executive Committee.

Based on the concept of "dynamic materiality," in which social conditions and values change and these changes affect corporate value, we will examine the necessity of reviewing materiality in accordance with the situation at the Sustainability Committee based on the aforementioned confirmation and report and internal engagement. At that time, the Risk Committee responds to questions from the Board of Directors about matters concerning materiality, deliberates on the appropriateness and other aspects of such matters from a professional point of view, and then reports its findings to the Board of Directors.

■ **Materiality Management**




■ **Stakeholder engagement**




The Group's stakeholder engagement is divided into three approaches: (1) direct engagement by relevant departments at each company of the Group according to the theme, (2) direct participation in domestic and international initiatives, and (3) internal engagement by the Sustainability Management Department with relevant departments at each company of the Group based on dialogue with its own stakeholders and information gathering from ESG assessment organizations. These approaches are used to diversify dialogue channels and enhance the quality and quantity of inputs.

## 4 Internal engagement

### (1) Basic philosophy

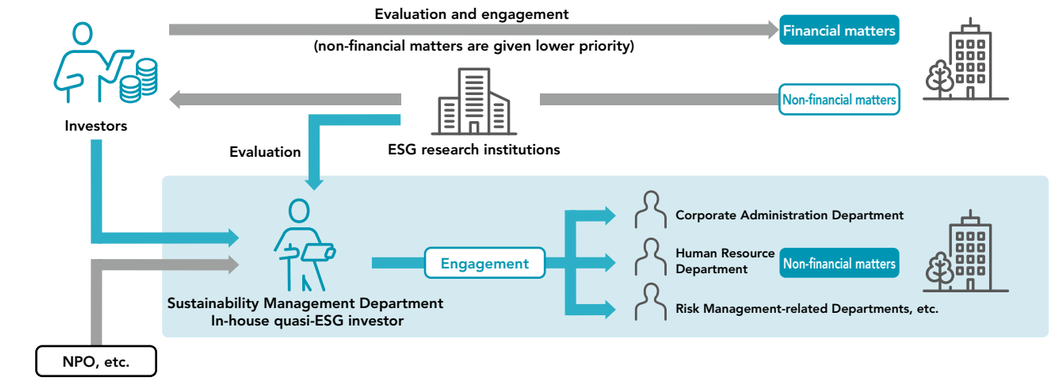
Our Sustainability Management Department engages in dialogue with relevant departments with respect to non-financial materiality items in the finance sector that ESG investors are most interested in and for which the Group's initiatives may face challenges in order to improve our approaches and enhance information disclosure. We refer to this initiative as internal engagement and consider it as a check and balance function based on an external perspective on day-to-day operations, different from the supervisory function of the Board of Directors from a management perspective.

The main purpose of internal engagement is to improve the internal management system of the executive side, but the overall activities are reported to the Board of Directors and issues are shared.

### (2) Internal engagement process

The Sustainability Management Department selects topics for internal engagement mainly based on items pointed out by ESG assessment organizations, dialogue with domestic and overseas ESG investors, standards for voting advisory companies, communication with NGOs (letters and dialogue), and high-profile issues related to corporate governance codes, ESG, and SDGs. The theme for fiscal 2022 was reported to the Executive Committee in November 2022, and related executives recognized the issues. The results of the ongoing efforts of the Sustainability Management Department together with related departments were reported at the Board of Directors' meeting in March 2023 as a recognition of issues in materiality management. We recognize the opinions raised by supervisory bodies and executive bodies as issues for fiscal 2023.

■ **Internal Engagement**




■ **FY2022 Achievements and challenges (Example)**

| Theme | Remarks from investors and evaluation agencies | Achievements in FY2022 | Challenges for FY2023 |
|---|---|---|---|
| Corporate governance | Ensuring the independence, diversity and expertise of the Board of Directors | Disclosed breakdown of "creation" of external directors in the skills matrix | Improving the skills matrix, addressing continued demands of investors for disclosures |
| | Advancement of executive compensation disclosure | Earned a certain degree of recognition from investors for disclosing the integrated report | Addressing demands of investors for ESG-related indicators including KPIs |
| Human capital | Review of easy-to-understand information disclosure | Reviewed three indicators disclosed in the financial statement | Supplementary explanation in the integrated report |
| | | | Group-based data |
| Human capital Human rights | Disclosure and elimination of the gender wage gap | Reviewed matters for disclosing the financial statement | Supplementary explanation on disparities (Initiative Policy) |
| | Strengthening of human rights due diligence and system development, including monitoring of human rights compliance by third parties | Revised human rights policy,identified key human rights risks | Begin monitoring human rights compliance of parties to whom we extend investments and loans |
| | | Hold the Human Rights Due Diligence Liaison Committee meeting and reviewed human rights awareness training programs | Human rights awareness training program |
| Climate change and investment and loan policies | Making investment and loan portfolio carbon neutral and continuing to enhance policies for specific sectors | Incorporated carbon neutrality initiatives into investment portfolio<br>Enhanced TCFD Report<br>Upgraded CDP rating (from C to B)<br>Advanced policies for specific sectors | Continue compliance with NZBA and NZAMI<br>Continue advancing policies for specific sectors |

# Theme1

## Aiming to be a value creating company


20 Value creation process
22 Our history and review of the previous Medium-Term Management Plan
24 Outline of the Medium-Term Management Plan (FY2023 - FY2025)
26 Engaging in value creating businesses
30 Digital strategy
32 Sustainability
40 Financial highlights and non-financial highlights






## Value creation process

To achieve the balanced creation of both social value and economic value, we need to organically combine the process of creating a positive impact while maximizing stakeholder value based on our "Purpose" with the process of sustainably strengthening our own financial and non-financial management foundation (six types of capital). Additionally, we must establish a system to appropriately manage these processes at the management level. We call this system "value creation process."

SuMi TRUST Group has identified high-priority issues (materiality) that affect our value creation process over the medium to long term, and we have classified them into three categories: (1) impact materiality—issues that are conducive to the creation of social value from social-issue-solving business; (2) governance and management framework materiality—issues that have an impact on the core elements of our value creation; and (3) financial materiality—issues that directly affect our financial performance. We implement materiality management so as to appropriately control the impacts of these issues within the constructs of a risk appetite framework (RAF).

In some cases, social value is created by our Group's corporate activities, but in many cases, it is created through the chain of effects from one stakeholder to the next. Our Group's social-issue-solving business consists of activities that contribute to the realization of SDGs and ultimately create positive impacts and minimize negative impacts on the economy (Prosperity), society (People), and the environment (Planet).

With a view to the kind of society we hope to achieve in fiscal 2030, we have identified three key value creating businesses to encourage a virtuous circulation.Through the creation of positive impacts in the Group's many businesses, we intend to actively contribute to the realization of such a society.

**Reason for existence ("Purpose")**

**Creating new value with the power of trusts and let prosperous future for our clients and society bloom**

Environment Surrounding the Group

Six types of capital

- Financial: Financial capital, Manufactured capital
- Non-financial: Human capital, Social and Relationship capital, Natural capital, Intellectual capital

Resource allocation

Social issue-solving business

- Individuals
- Corporations
- Investors

Direct impacts

Maximization of value for stakeholders

| Clients | Society | Shareholders | Employees |
|---|---|---|---|
| The age of 100-year life | ESG/Sustainable management | | Regional ecosystems and the global investment chain (Networking) |

Circulation of Capital

Indirect impacts

Stakeholders in a broader sense

Creation of social value and realization of SDGs

Common Metrics: Planet | People | Prosperity

Monitoring

Risk appetite framework (RAF)

Materiality management

**Materiality**

| | |
|---|---|
| Impact Materiality | ● The age of 100-year life ● ESG/Sustainable management ● Regional ecosystems and the global investment chain (Networking) ● Digital transformation (Trust × DX ) |
| Governance and Management Framework Materiality | ● Corporate governance ● Fiduciary spirit ● Human capital ● Risk management and resilience ● Compliance and conduct risk ● Security |
| Financial Materiality | ● Financial strength expected by stakeholders |

# Our history and review of the previous Medium-Term Management Plan

## Our history

SuMi TRUST Group has strengthened its business portfolio by creating new value in line with the changing times through its strengths in crossing and integrating across business segments and by business alliance with and investing in top players.

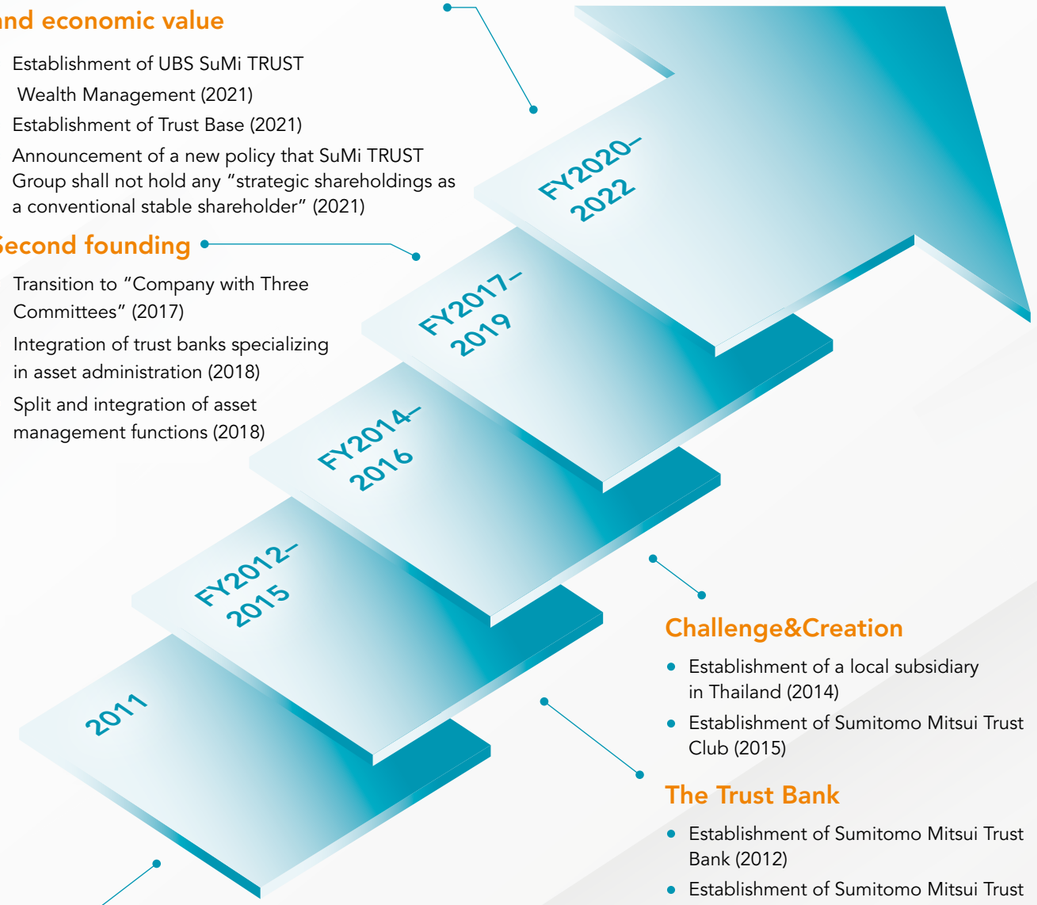
We will continue to aim to achieve sustainable and stable growth by promoting a business model unique to a trust group, focusing on the asset management and asset administration businesses.

### Balanced creation of both social value and economic value

- Establishment of UBS SuMi TRUST Wealth Management (2021)
- Establishment of Trust Base (2021)
- Announcement of a new policy that SuMi TRUST Group shall not hold any “strategic shareholdings as a conventional stable shareholder” (2021)

### Second founding

- Transition to “Company with Three Committees” (2017)
- Integration of trust banks specializing in asset administration (2018)
- Split and integration of asset management functions (2018)




### Challenge&Creation

- Establishment of a local subsidiary in Thailand (2014)
- Establishment of Sumitomo Mitsui Trust Club (2015)

### The Trust Bank

- Establishment of Sumitomo Mitsui Trust Bank (2012)
- Establishment of Sumitomo Mitsui Trust Asset Management (2012)
- Establishment of SuMi TRUST Bank, Hong Kong Branch (2013)

**Established** SUMITOMO MITSUI TRUST HOLDINGS



## Review of the previous Medium-Term Management Plan

Under the reason for existence (“Purpose”), the notion of “balanced creation of both social value and economic value” has been placed at the core of our management.

We made it our top priority to realize the "virtuous circulation of funds, assets and capital" that brings the fruits of enhanced corporate value to households, and worked diligently to achieve stable and sustainable development of Japanese economy and companies, foster sound capital markets and enhance the well-being of our clients and society.

### Three basic strategies and key results

| Strengthening our business portfolio | Capital strategy | Sophistication of business quality |
|---|---|---|
| **(1) Strengthen business foundation**<br>• Promote the Group’s original financial intermediary business<br>• Complement functions by partnering with and investing in external partners<br>**(2) Establish new areas of growth**<br>• Reorganized businesses of SuMi TRUST Bank<br>**(3) Promote strategic resource mix**<br>• Established Trust Base to accelerate DX promotion | • Confirm capital adequacy and shift to capital utilization phase<br>• Announced initiatives to reduce strategic shareholdings to zero to accelerate investments that contribute to market expansion<br>• Replace assets to improve profitability and payability | • Return to business process and quality improvement and strengthen risk governance<br>• Build a framework for improving service quality |

### Main KPIs

In the final fiscal year of Medium-Term Management Plan (fiscal 2022), net income attributable to owners of the parent reached the target of 190 billion yen, the highest profit since the management integration in 2011.

| | Return on equity | Net Business Profit before credit cost | Net income*1 | Overhead Ratio (OHR) | Common equity tier 1 capital ratio*2 | Fee Income Ratio | Dividend Payout Ratio |
|---|---|---|---|---|---|---|---|
| Target | Around 7% | ¥310.0 bn | ¥190.0 bn | Lower 60% range | Lower 10% range | Mid-50% range | Around 40% |
| FY2022 result | 6.93% | ¥324.6 bn | ¥191.0 bn | 60.1% | 9.5% | 55.1% | 40.2% |

*1 Net income attributable to owners of the parent *2 Based on finalized Basel III base



Establishment of a new management structure




Collaboration with UBS Group



Business alliance with the Apollo Group

# Outline of the Medium-Term Management Plan (FY2023–2025)

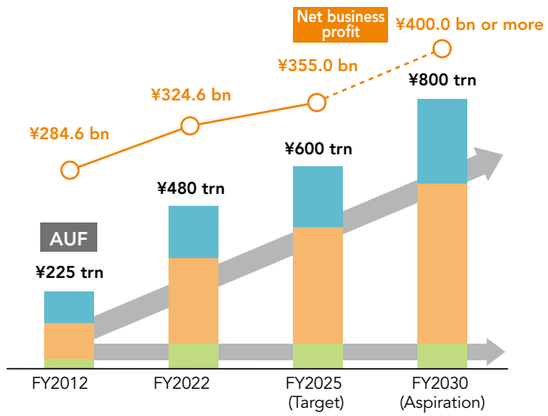
## Concept and Aspiration

**Paving the Way for the Next 100 Years, with the "Power of Trust"**

**— Trusted by stakeholders as a fiduciary, contributing to enhancing the well-being of all people —**

With the environment surrounding us changing rapidly, we have formulated a new Medium-Term Management Plan based on our Purpose, going back to the roots of our founding of creating a sound and prosperous future, and strongly reaffirming our mission as a trust group, as well as the roles and functions we fulfill in society.

**AUF** (Assets Under Fiduciary) — Indicator of the scale of our initiatives to contribute to solving social issues and creating and expanding markets




**AUM** + **AUC & AUA** + **B/S**

**Assets under management**

**Assets under custody/ administration**

**Our own balance sheet**

### Key Financial Indicators

| Indicator | FY2022 (Actual) | FY2023 (Forecast) | FY2025 (Target) | FY2030 (Aspiration) |
|---|---|---|---|---|
| Substantial gross business profit | ¥814.1 bn | ¥850.0 bn | ¥920.0 bn | ¥1 trn or above |
| Net business profit before credit cost | ¥324.6 bn | ¥320.0 bn | ¥355.0 bn | ¥400.0 bn or above |
| Net Income Attributable to Owners of the Parent | ¥191.0 bn | ¥200.0 bn (first 200 billion yen level) | ¥240.0 bn | ¥300.0 bn or above |
| Fee Income Ratio | 55% | Mid-50% range | Mid-50% range | 60% or above |
| Overhead Ratio (OHR) | 60% | Lower 60% range | Lower 60% range | Upper 50% range |
| Return on equity | 6.93% | Lower 7% range | 8% or above | 10% or above |
| Common equity tier 1 capital ratio* | 9.5% | Mid-9% range | Around 9.5–10% | Stably maintained above 10% |

*Based on finalized Basel III base

| | Key strategies | Overview |
|---|---|---|
| Materiality / Impact | **Theme 1. Business growth that is unique to a trust group, and improvement of capital efficiency** (creating a virtuous circulation of funds, assets and capital and enhancing corporate value) | |
| | **Engaging in value creating businesses** P.26 | - Realize FINANCIAL WELL-BEING in the age of 100-year life<br>- Provide support to resolve ESG issues and achieve sustainable growth for our clients<br>- Build a network with local and global partners and collaborate to co-create value |
| | **Asset management and asset administration business strategy** P.106 | - Combine the strengths of each group company to offer unique solutions that combine decision-making support through consulting with wide-ranging functions<br>- In asset administration, plan to expand the scale and make progress in building a platform business by providing edgy services using AI and other technologies |
| | **Digital Transformation strategy (Trust × DX)** P.30 | - Aim to expand our client base and create markets through the use of digital technology, while standardizing our know-how as a trust group and providing high-quality services<br>- Promote group-wide digitalization through the use of technology with our digital strategy subsidiary |
| Finance | **Financial and capital strategy** P.44 | - Achieve ROE of 10% or above and AUF of 800 trillion yen or above by fiscal 2030 by promoting a business model that is unique to a trust group |
| Non-financial | | |
| Governance and management framework | **Theme 2. Enhancing human capital to be fit for the future** (creating an organization in which job satisfaction leads to well-being) | |
| | **Human capital strategy** P.48 | - Enhance human capital based on employee well-being. Encourage employees' independent career development and create an environment where employees can realize and pursue their job satisfaction<br>- Foster a corporate culture that respects the characteristics of individuals and includes them in fairness and equity |
| | **Theme 3. Sophisticating our management platform** (capability to support the business and organizational transformation) | |
| | **Fiduciary strategy** P.78 | - Ceaselessly pursue the best interests of our clients as a fiduciary that realizes clients' wishes<br>- Endeavor to enhance sound business operations and thorough management systems based on the fiduciary relationship |
| | **Operational infrastructure & facility strategy** P.74 | - Update to new ways of working to enable employees with diverse attributes and backgrounds to achieve maximum performance<br>- Strengthen BCP and security controls and promote decentralization of bases and operations to ensure resilience against wide-area disasters, cyber attacks, and other threats |
| | **Branding strategy** P.84 | - To make the 100th anniversary of our founding a personal experience for every employee, we will work to communicate and hold events for each stakeholder so that every employee can feel a sense of fulfillment in their work. |
| | **Multi-stakeholder capital strategy** P.44 | - Based on the principles of capital management, conduct disciplined investment/distribution for each stakeholder<br>- Further enhance the cross-business and integrating capabilities of our diverse businesses as a source of innovation to strengthen our business portfolio |

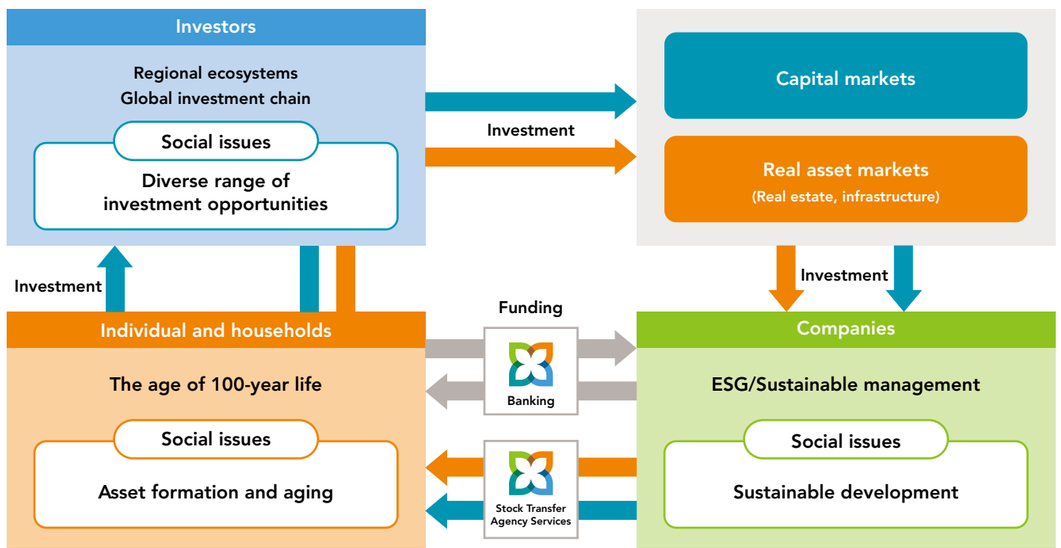


# Engaging in value creating businesses

Japan's financial and social issues is that Japanese individual assets which are estimated to amount to 3,000 trillion yen and corporate internal reserves remain stagnant. SuMi TRUST Holdings aims to achieve "growth through a virtuous circulation," in which investors invest in promising businesses, the fruit of which lead to asset formation of individuals, and companies promote new investment and additional employment expansion as a result of improved business performance.

The age of 100-year life and the realization of a decarbonized society provide opportunities to promote a virtuous circulation. We are involved in every market where funds, assets and capital move, and recognize that we can play a role as social infrastructure that promotes a virtuous circulation by utilizing broad-ranging trust functions. By solving such social issue, we will promote a virtuous circulation and contribute to the creation of a prosperous and bright future.








## The age of 100-year life

**Social issues**

- **Preparation of various assets**
- **"Time" and "means" to secure what is needed**
- **Professional support to supplement self-help**

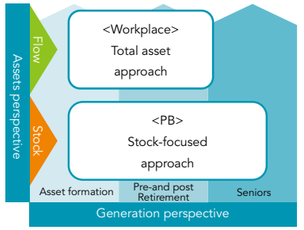


In the age of 100-year life, each individual has his/her own definition of happiness. There are also various ways to save, increase, spend and bequeath money. We will develop capabilities to steadily provide consulting services to address social issues in the age of 100-year life, and provide total consulting and broad-ranging banking, trust and real estate solutions that consider the future of each individual in order to contribute to the realization of "FINANCIAL WELL-BEING of our clients and society."

## Our strengths

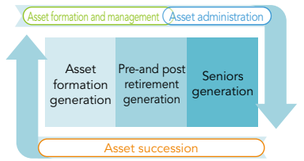
### (1) Total consulting

Our approach is to propose solutions to each generation's challenge in the age of 100-year life by taking the views of clients, their asset details and family structure into consideration. In addition, we will further evolve the total consulting model by combining the approach of considering the desired future state of assets with future cash flows such as salaries and pensions taken into account, and the approach of focusing on the unique needs of high-net-worth clients such as inheritance and business succession.




### (2) Providing products and services unique to a trust group

We will enhance the provision of products and services that are unique to a trust group by addressing social issues in the age of 100-year life from the angles of "asset formation and management," "asset administration" and "asset succession." We will continue to provide clients with peace of mind and security by developing financial products that solve social issues and expanding businesses that focus on the healthiness, circularity and convertibility of housing.




## Focus Financial Inclusion

Financial inclusion is advocated for all members of society to have equal access to financial services. We are establishing a system that is capable of appropriately delivering services to anyone in need.



Symposium for residents of Shinagawa City, Tokyo

**Case (1): Initiatives for the elderly people**

SuMi TRUST Bank has been working to practice financial inclusion by developing products using the trust system, offering trustee support services for civil trusts, and holding symposiums for the elderly to promote adult guardianship system based on cooperation with local communities under industry-government-academia partnership.




Financial Education Guidebook Q&A for Enhanced Financial Literacy

**Case (2): Initiatives for financial education**

Sumitomo Mitsui Trust Financial Education Institute prepared financial education learning materials for the high school home economics curriculum, and has been providing financial education classes free of charge through its nationwide network of branch offices since March 2022. We offer financial education learning materials.

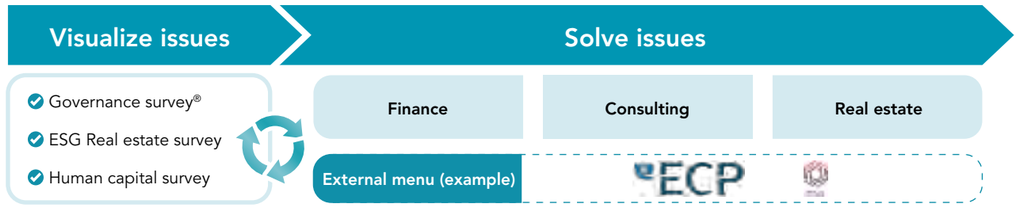
Learn more about the work of Sumitomo Mitsui Trust Financial Education Institute by visiting its website at: https://mirai.smtb.jp

# ESG/Sustainable management

**Social issues** ・Sustainable growth of corporate clients



The environment surrounding corporate clients is changing dramatically. We will contribute to enhancing corporate value and solving social issues by providing a variety of solutions through sustainability value chain, which enables us to demonstrate our strengths in responding to the challenges faced by our corporate clients, such as the transition to decarbonization, enhancing human capital management and sophisticating corporate governance. We will also take the lead in investment and play an essential role in facilitating dialogue between corporates and investors to promote social and market growth and establish a leading position in the ESG domain.




## Our strengths

### (1) Surveys and discussions with managements

Governance survey® is one of the largest surveys* on corporate governance in Japan. It was participated in by 1,879 companies in fiscal 2022.

It is used as a tool to visualize challenges faced by corporate clients and recognize gaps between institutional investor expectations and corporates. There are an increasing number of cases where the survey has led to consulting services such as a review of organization expansion of opportunities for dialogue with domestic and overseas investors, and introduction of compensation framework.

*Researched by SuMi TRUST Bank




### (2) Real estate

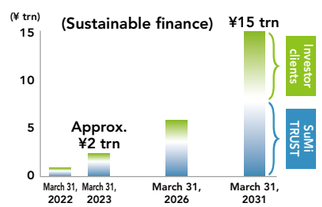
Utilizing our experience in the development and operation of buildings, condominiums and many other real estate properties, we provide advice on environmental real estate, such as the cost of the entire life cycle of buildings, the introduction of energy-saving systems, consideration of landscapes and ecosystems and building longevity.



© Shigeo Ogawa Studio

### (3) Financing

Initiatives for decarbonization and transition are accelerating in Japan and overseas, increasing demands for funds from corporate clients. SuMi TRUST Bank increased the long-term target for sustainable finance by fiscal 2030 to 15 trillion yen from 10 trillion yen in April 2023. We will contribute to sustainable management of corporate clients in financing by using our proprietary account together with investors' funds.



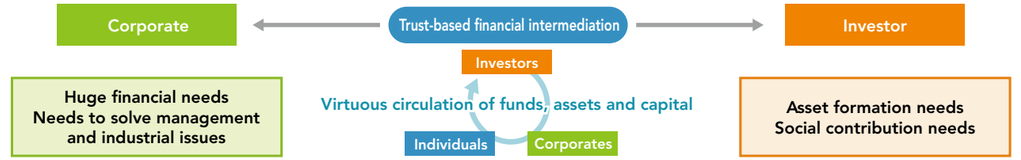



# Regional ecosystems Global investment chain

**Social issues** ・Diverse investment opportunities



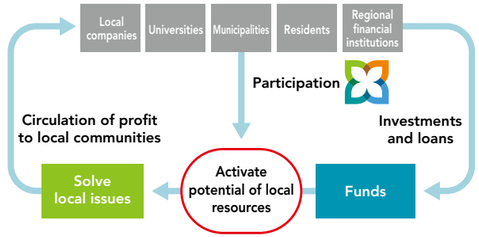
Focusing on our contact points with a variety of economic entities and the financial infrastructure functions of trust, we will co-create value that cannot be achieved alone through cooperation and collaboration with external partners. Further, we will create markets and investment opportunities unique to us by connecting huge domestic and international demands for funds and investment, particularly in the social issue domains, to solve social issues and realize a virtuous circulation of funds, assets and capital.




## Our strengths

### (1) Regional ecosystems

Leveraging our position with extensive expertise and contact points with a variety of economic entities, we will create investment opportunities that contribute to business development and regional benefits for solving regional issues.




### (2) Global investment chain

Through networking with global players who have complementary relationships with SuMi TRUST Group, we will provide Japanese investors with global investment opportunities and create new businesses with investors by utilizing advanced know-how.

| | Asset management | Asset administration | Sales | Investor clients |
|---|---|---|---|---|
| Traditional assets | | | SMTAM, nikko am | |
| Private assets | | | APOLLO, ECP | |

**Focus~ Working with global players**

**Case (1): Business alliance with the Apollo Group (July 2022)**
Asset manager based in New York, U.S., with the world's leading track record in the management of alternative assets. Through this partnership, we aim to accumulate knowledge and strengthen our ability to provide solutions by leveraging advanced know-how and networks.

**Case (2): Business alliance with Energy Capital Partners (ECP) (January 2023)**
One of the largest companies in the United States in terms of total power generation capacity of investee companies combined and renewable energy generation capacity. Through this partnership, we aim to expand and enhance transition solutions for domestic corporate clients by leveraging knowledge and investment know-how in the domains of power, energy and environmental infrastructure.



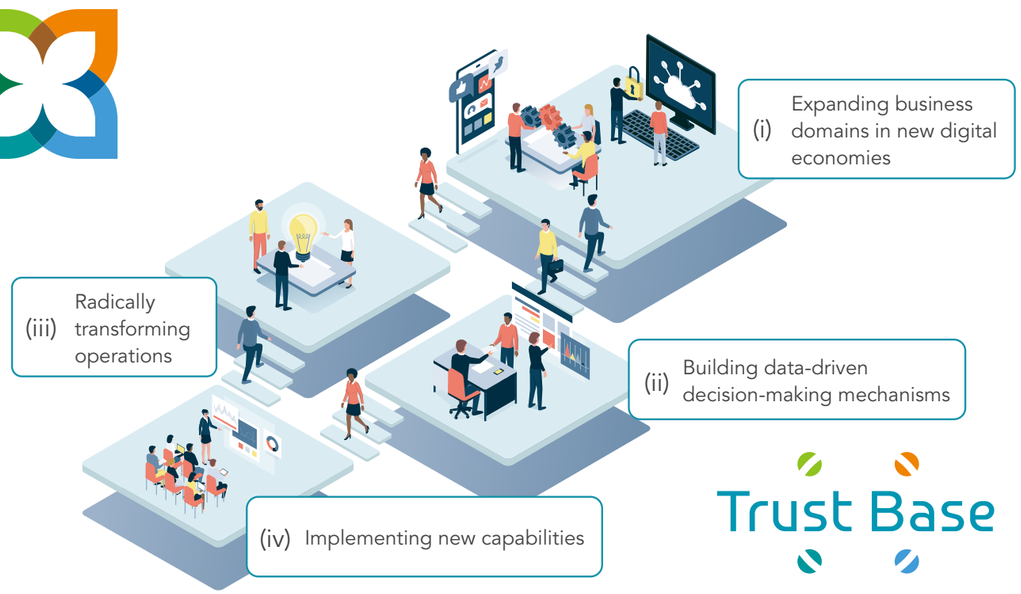
# Digital strategy

## 1 Digital strategy

During the period of the previous digital strategy (fiscal 2020 to fiscal 2022) we laid the foundation for DX and established "Digital" as a trust group.

Starting from fiscal 2023, we will promote reforms under the new digital strategy, with our vision that "in 2030 each of us will use technology to expand our own individual potential, develop new trust businesses and streamline operations in line with changing times, and create social and economic value."

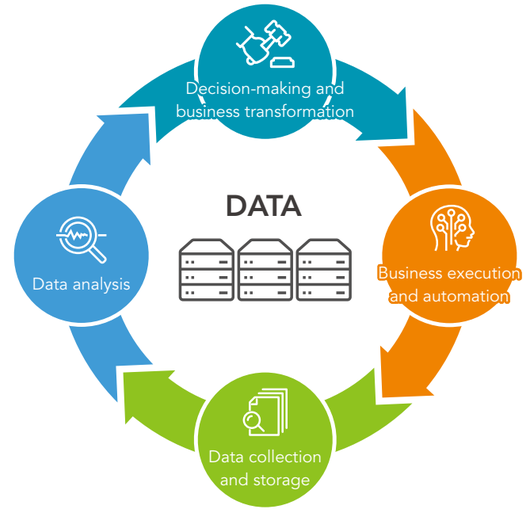
The new digital strategy identifies four key initiatives to respond to the changing behavior of society and clients brought about by technological advancement. We will promote DX for the entire Group by (i) expanding our business domains in new digital economies with an eye on the development of virtual worlds such as Web3 and token economies, (ii) building data-driven decision-making mechanisms that utilize a large and diverse set of data held by us, (iii) radically transforming operations to provide products and services quickly and flexibly and to promote client experience reform, and (iv) implementing new capabilities with Trust Base, a digital strategic company established as a subsidiary that co-creates with a variety of external partners and supports the realization of DX across the Group as a starting point.




## 2 Data science initiatives

We have a broad range of business domains, including banking, real estate, pension and stock transfer agency services, and holds a large volume and wide variety of data generated in each transaction. We have been focusing on data science initiatives to appropriately capture the diversifying needs of our clients and to develop and provide optimal products and services.

We are promoting use cases from both offensive (sales) and defensive (internal management) aspects by striving to enhancing data utilization capabilities. We are doing this by expanding the scope of target data domains such as numerical and language data, as well as domains for analysis technology, and also by leveraging advanced technologies such as generative AI. In addition, while we will continue to automate business operations, we will also focus on building data analysis infrastructure that automatically collects and stores data, and building a data-driven cycle that connects the results of data analysis created to decision-making.




## 3 Digital asset initiatives

With the expansion of Web3 and virtual worlds, the boundary between real and digital becomes blurrier, and the digital twin world, in which people move between both worlds without realizing it, becomes a reality. With the prospect of the development of digital economies centered on tokens, the needs for secure administration and investment of new digital assets in addition to real assets have been growing.

In order to become a trust group that administers and manages all kinds of real and digital assets, we have been promoting specific initiatives such as commercialization of Security Token Offering (STO) and crypto asset custody.

In the STO domain, we are building up an ST issuance track record mainly in real estate, investing in joint infrastructure with other companies and developing operational design that is combined with blockchain technology with an eye on automating financial functions through the development of distributed ledger technology.

In addition, in order to acquire and accumulate know-how in the crypto asset domain, where asset administration needs are rapidly expanding, we have been preparing to launch custody operations by investing in and dispatching personnel to a new company (JADAT).

### Taking on challenges for new possibilities for trust in the area of digital assets



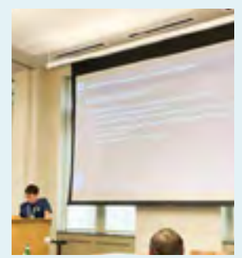
**Yusuke Ikeno** **Digital Transformation Department (Trust Base)**

After having joined SuMi TRUST in 2010 and worked in corporate sales in Osaka, I engaged in product development and investment operations in Global Market Business. I spent three years from 2019 as a researcher at Georgetown University in Washington DC, the United States, where I researched blockchains under the guidance of Professor Shin'ichiro Matsuo.

After working on research activities with James Angel, a professor at the University's Business School, and others under the theme of "Desired Sound Decentralized Finance (DeFi)," a paper on the soundness of stablecoins was accepted at the conference.*

Currently, I engage in the digital asset business such as STO and crypto assets in Digital Transformation Department. I also work on a demonstration project for Web3 and token economies, which I hope will lead to the development of new trust businesses.

* Coordination of Decentralized Finance 2022 (CoDecFin 2022)



Research report session at the University of Notre Dame



# Sustainability

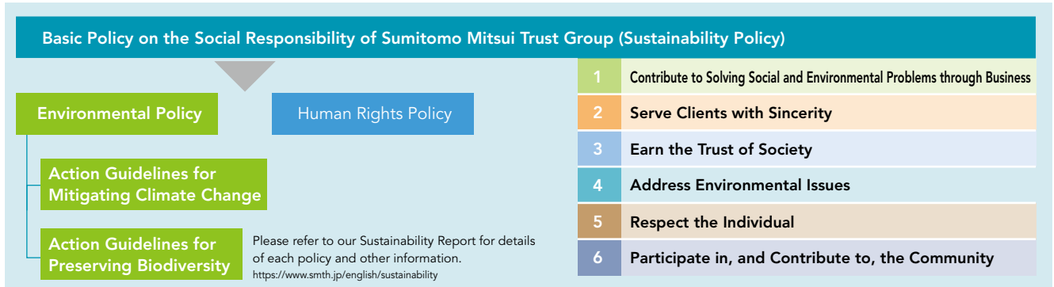
The world faces a wide range of environmental and social problems, including global warming, biodiversity loss, poverty, human rights violations and growing health problems. For companies, the decline in social sustainability that results from the intensification of these problems will lead to deterioration of business foundations in the long run. In order for companies to sustain growth towards the future, they must proactively contribute to the creation of a sustainable society by engaging with a sense of ownership in solving problems.

At the Group, we recognize that it is our social responsibility not only to practice sound management based on a high degree of self-discipline with the background of fiduciary spirit but also to actively contribute to the building of a sustainable society. We pay due consideration to the impact of our business activities on society and provide unique value through our core business to solve social and environmental problems faced by our clients and other stakeholders.

## 1 Sustainability promotion system

### (1) Sustainability Policy

The Board of Directors of SuMi TRUST Holdings has established and publicized "Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy)" and the Group's action policy and specific action guidelines related to this Policy.




Revision of the Human Rights Policy

The Group established its Human Rights Policy in December 2013 to ensure that all corporate activities respect individual human rights, diverse values and eliminate discrimination. The revision was made in February 2023 in light of the recent increase in the importance of respect and international demands for human rights issues, as well as changes in human rights issues required of financial institutions.

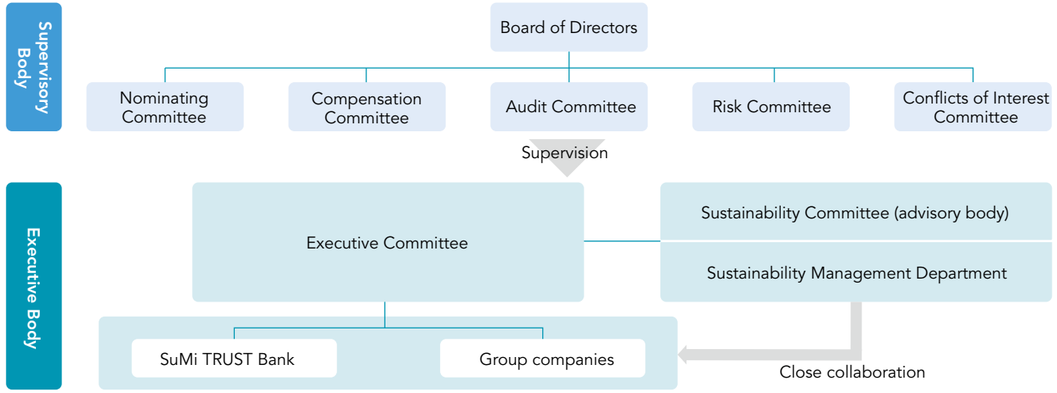
**Human Rights Policy: Key points for revision**

- The Group revised its human rights policy and reviewed the human rights due diligence system to identify negative impacts on human rights for each client and supplier after reviewing the relationship between the Group's business activities and its responses to human rights issues, and enhance the effectiveness of initiatives for preventing and mitigating negative impacts on human rights (human rights due diligence).
- In light of the nature of recent human rights issues, we identified the Group's key human rights risks in areas with significant risk.
- In addressing human rights issues, we believe it is important for directors, officers, and employees to have a better understanding of human rights issues and have an ownership when tackling. Accordingly, we overhauled the content of our human rights education training program that we continuously used until then, and began offering a new program.

### (2) Organizational structure

In accordance with the Group's Sustainability Policy, the Executive Committee, which is an executive body, discusses and decides on various measures for promoting sustainability. The Board of Directors has a supervisory role in this process.The Board of Directors receives reports from the Risk Committee and decides on issues (materiality) that have a serious impact on a balanced creation of both social and economic value, as well as operational framework. The Executive Committee makes decisions on the sustainability initiatives of Group companies from the perspective of a balanced creation of both social and economic value.

In fiscal 2023, the Sustainability Committee is established in the Company and SuMi TRUST Bank as an advisory body to the Executive Committee, which is a part of the reorganization of the Executive Committee. The Committee is chaired by the Officer in charge of the Sustainability Management Department and its members include the Officers in charge of the Corporate Planning Department, the Human Resources Department, and the the IR Department (the Officer in charge of the IR Department is only at SuMi TRUST Holdings), and deliberates on matters related to sustainability. Through deliberation by the Committee and submission to the Executive Committee, we will clarify the universe of issues related to sustainability and strengthen the structure to systematically carry out a series of initiatives, including issue recognition, policy formulation, response implementation, and disclosure.




### (3) Risk management related to sustainability

**(i) Sustainability-related risks in integrated risk management**

In integrated risk management, we periodically identify risks faced by our subsidiaries, group affiliates, and other entities and specifies risks to be managed. In this context, we see risks that are particularly important as "material risks" and classify them into risk drivers, risk categories and then manage the material risk inventory. As materiality, important issues in terms of both risks and opportunities are identified comprehensively. However, we revise the materiality framework in light of relevant material risks and systematically recognize sustainability-related risks through materiality.

**(ii) Establishment of a framework for sustainability-related risk management**

As part of our sustainability-related initiatives, in fiscal 2022 we developed a system for responding to climate change, revised our human rights policy, and identified important human rights risks. We also developed a system for sustainability-related risk management, including human rights and other environmental and social risk management, based on the framework for climate change related risk management.

Specifically, in April 2023 we established a dedicated sustainability-related risk team within the Risk Management Department of SuMi TRUST Bank to examine the details of our business activities to implement risk management flows such as due diligence utilizing external data on sustainability-related risks. The management flow is scheduled to start in fiscal 2023 for certain businesses, such as credit services, and will be upgraded thereafter in light of the consolidation of business operations and other matters.

## 2 Climate change response

The Company discloses information on its response to climate change in accordance with the TCFD recommendations. Of the four elements (Governance, Strategy, Risk Management, and Metrics and Targets) that are recommended for disclosure in the TCFD, governance is already mentioned, and the other three elements are as follows.

### (1) Strategy

**(i) Approach to climate change**

Climate change is one of the most serious environmental problems that threaten global economic and social sustainability and is identified in our materiality as ESG/sustainable management including climate change. Under the Group's common action principles, the Action guidelines for Mitigating Climate Change, we will appropriately recognize the risks and opportunities posed by climate change and work to minimize negative impacts and maximize positive impacts through the diverse businesses of the trust bank group.

Specifically, we define climate-change-related risks as physical damage (physical risks) to social infrastructure and nature caused by climate change and extreme weather events over the medium- to long- term, as well as the rapid transition to a low-carbon society (transition risks) caused by climate-change-related policy changes, changes in financial market preferences and social norms, technological innovation, and other events. We strive to control GHG emissions from our own business activities and to manage and monitor the risks of disciplined investments and loans based on sector policies and other factors. At the same time, we will create new investment opportunities, such as investments and loans to promote the utilization of solar and wind power generation the establishment of a renewable energy business based on local production and consumption, and other opportunities. By investing ourselves, we also hope to attract investment, thereby contributing to the circulation of funds among individuals (households), companies, and investors.

**(ii) Scenario analysis initiatives to date at SuMi TRUST Bank**

The Group has conducted scenario analyses to understand the impact of physical and transition risks on its portfolio of investments and loans over time. SuMi TRUST Bank's past analysis results are summarized below.

| Risk type | Sector | Main analysis results |
|---|---|---|
| Transition risk (FY2020) | Electric power sector | If a power company does not invest in renewable energy power generation, its credit rating will deteriorate by two to three notches on average |
| Physical risk (FY2020) | Mortgage loans | Total credit costs increased by 7.0 billion yen from 2019 |
| Transition risk (FY2021) | Shipping sector | Recognized significant differences in financial impact due to assumed scenarios such as increased costs due to the shift to alternative fuels and carbon prices. Exchanged opinions with investment and loan clients |
| Physical risk (first half of 2022) | Real estate sector (Non-recourse loan) | The impact on credit ratings is limited. Awareness of issues related to potential risks, such as refining estimates of estimated damage in urban areas, underground infrastructure damage, and its long-term impacts |
| Transition risk (second half of 2022) | All domestic sectors (all domestic corporate borrowers) | Changes in total credit costs have a minor financial impact. Total credit costs increased up to 13.5 billion yen |
| Physical risk (second half of 2022) | Real estate sector (J-REIT) | The impact is minimal. Total credit costs increased by up to 20 million yen |

**(iii) Plan for scenario analysis in fiscal 2023**

SuMi TRUST Bank's credit portfolio is characterized by its large exposure to asset finance backed by real estate, projects, ships, aircraft and other tangible assets, as well as large enterprises. The importance of physical risk analysis and credit portfolio management is expected to increase in the future, as asset finance generally involves long financing periods and many assets are susceptible to the effects of the natural environment and climate change. In particular, project finance relies on cash flows from natural resources, such as solar and wind power, and we believe it is necessary to analyze and manage the impact of climate change over time.

SuMi TRUST Bank plans to analyze climate change risks in project financing by conducting long-term simulations of sediment disaster risk and equipment damage caused by snow cover (acute risk), as well as changes in snow cover and solar radiation (chronic risk) for solar power generation projects. Specifically, we plan to conduct time-series simulations for each of the IPCC RCP 2.6 (2°C scenario) and RCP 8.5 (4°C scenario) for each region and individual site, and analyze what changes in creditworthiness will occur, based on the risk analysis in the table below.

| | Physical risk type | | |
|---|---|---|---|
| Project type | Acute | | Chronic |
| | Damage to facilities | Facility inactivity | Changes in resources and management resources<br>Lower utilization |
| Solar power | Sediment disaster | Sediment disaster<br>Snow cover | Changes in solar radiation due to unfavorable weather conditions<br>Lower availability due to snow cover |
| Wind power | Sediment disaster | Strong winds such as typhoons | Changes in wind conditions |

**(iv) Recognition of opportunity**

As the social and industrial structures begin to change drastically toward the realization of a decarbonized society, large amounts of capital will be required for technological development and capital investment. According to an estimate by the Japanese government, there will be a demand for funds of 150 trillion yen in Japan alone by 2030. The Group aims to contribute to the realization of a decarbonized society by supporting the improvement of corporate value by responding to the financing needs of these companies and realizing a virtuous circulation of funds, assets and capital that brings rewards to individuals, households, and institutional investors. In order to realize this virtuous circulation in a sound manner, we believe that it is important to actively provide impact assessments to visualize the process of creating social impact, such as carbon neutrality and to not only support the decision-making and impact management of companies engaged in capital investment but also to fulfill accountability to investors who supply funds.

**(v) Transition plan for carbon neutrality**

The Group has joined the Net-Zero Banking Alliance (NZBA), a banking industry alliance that aims to achieve net-zero GHG emissions in its portfolio of investments and loans, in order to make steady progress as a financial institution. We will formulate interim reduction targets for GHG emissions in our investment and loan portfolio and publicize them gradually. In fiscal 2022, we formulated and announced interim reduction targets for the electric power sector and the oil and gas (upstream) sector. By September 2024, we expect to complete the formulation and publication of the 2030 interim elimination targets for key sectors.

In July 2021, Sumitomo Mitsui Trust Asset Management, a Group asset management company, joined NZAMI (Net Zero Asset Managers initiative) and in November of the same year, Nikko Asset Management also joined. NZAMI is an initiative of asset management companies aiming to achieve net zero GHG emissions from their investment portfolios, and set interim reduction targets for 2030 in fiscal 2022. Sumitomo Mitsui Trust Asset Management and Nikko Asset Management will continue to work on engagement, exercise voting rights, and develop and provide investment products to address climate change issues.

We aim to reduce our own group GHG emissions to net zero by 2030. In fiscal 2022, 100% of the electricity used by SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance (SMTPFC) at their domestic sites was derived from renewable energy. To achieve these goals, we will promote efforts toward carbon neutrality in cooperation with international initiatives. See the TCFD Report for a description of the various initiatives.

TCFD Report 2022/2023
https://www.smth.jp/english/-/media/th/english/sustainability/report/2022/TCFD-E-all.pdf

■ **Roadmap for carbon neutrality**

| | | FY2020 | FY2021 | FY2022 | FY2030 | FY2040 | FY2050 |
|---|---|---|---|---|---|---|---|
| ❶ Net zero GHG emissions (NZBA) of investment and loan portfolios | | | | | | | Net zero |
| | Electric power (Emission intensity, g-$CO_2$eq/kWh) | 249 | | | 138 to 173 | | |
| | Oil and gas (Emission reduction rate, $MtCO_2e$) | 5.7 | | | -13% to -31% | | |
| | Other high carbon intensive sectors*1 | | | Sequentially set by September 2024 (Currently considering steel, automotives, real estate, and shipping) | | | |
| ❷ Net zero GHG emissions (NZAMI) of the investment portfolio | | | | | | | Net zero |
| | Sumitomo Mitsui Trust Asset Management | | | | 50% of investment assets*2: Reduce emissions intensity by half compared with 2019 | | |
| | Nikko Asset Management | | | | 43% of investment assets*3: Reduce emissions intensity by half compared with 2019 | | |
| ❸ Cumulative amount of sustainable finance initiatives*4 | | | | | Cumulative total of 15 trillion yen | | |
| ❹ Outstanding loans for coal-fired power generation | | | | | | | |
| | Project lending | | | | Halved from March 2020 | Zero | |
| | Corporate lending (new and expanded) | | | | | Zero | |
| ❺ Net zero GHG emissions of our Group | | | | Trust bank and SMTPFC domestic sites completed the conversion to renewable energy | Net zero | | |
| ❻ Strengthening the risk management system | | | | | | | |
| | Scenario analysis | | | | | | |
| | Transition risk | Electric power sector | Shipping sector | • Simple analysis of power per sector<br>• Detailed analysis of individual electric power, and oil and gas companies | Sequentially expand the target sectors for detailed analysis | | |
| | Physical risk | Mortgage loans | | • Domestic real estate finance | Start of analysis of domestic project finance and gradual expansion | | |
| | GHG emissions from investment and loan portfolios | | Initial estimation | • Gradually develop and update measurement methods | Continuous review and upgrading | | |
| | Portfolio management (sector policy revision) | | Prohibition and caution Clarification of transactions | • Partial ban on loans for coal-fired power generation<br>• Clarification of transition support | Continuous review and upgrading | | |

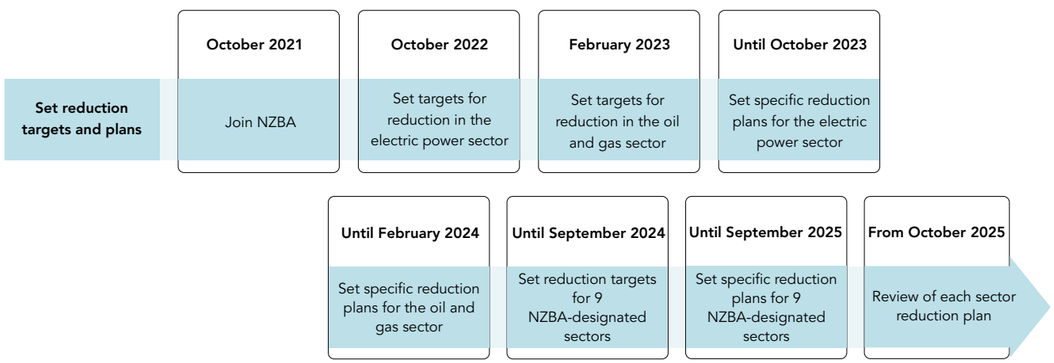
*1 High carbon intensive sectors are the nine sectors that the NZBA Guidelines specify as priority to be targeted: Agriculture, aluminum, cement, coal, commercial and residential real estate, steel, oil and gas, power generation, and transportation

*2 The target is 43 trillion yen, or 50% of the 85 trillion yen in assets under management as of the end of June 2021. Excluded assets under management include assets for which no calculation method for GHG emissions has been established at present, such as sovereign bonds, and will be considered to be added as assets under management starting with those that can be calculated in the future.

*3 Target assets of approximately 13 trillion yen, or 43% of 31 trillion yen of assets under management as of the end of December 2021

*4 Sustainable finance is a general term for businesses that contribute to solving environmental and social issues and finance services to customers based on international standards such as the Green Bond Principles and the Social Bond Principles. In response to greater and greater financing needs related to the environment and climate change, the target amount of initiatives was changed to a total of 15 trillion yen from FY2023 (including 2.5 trillion yen through impact equity).

■ **NZBA initiatives**




■ **NZAMI initiatives**

| | Sumitomo Mitsui Trust Asset Management | Nikko Asset Management |
|---|---|---|
| Features | Large-scale passive-active strategies entrusted by public and corporate pensions. Developing Asia's premier climate change engagement activities | Strengths in unique equity strategies and ETFs in Japan, Asia and Global. Focus on incorporating decarbonization-related factors into the investment decision process |
| 2030 Intermediate Targets | Targeting 50% of assets under management*5 of approximately ¥85 trillion, halving its carbon footprint from 2019 levels [May 2022] | Targeting 43% of assets under management*6 of approximately ¥31 trillion, halving its carbon footprint from 2019 levels [November 2022] |
| Initiatives after participation in NZAMI | **Activities as a core member of NZAMI**<br>- Participated in the Advisory Group consisting of six of the NZAMI member organizations [March 2022]<br>- Policy to actively make recommendations on the creation of an international framework on behalf of Japan and Asia | **Selection of priority engagement targets**<br>- Review climate-related targets of investee companies, conduct ongoing dialogue with selected target companies for priority engagement<br>- In addition, new climate-change-related standards were introduced for the voting rights guidelines [April 2022] |
| Features of engagement and operational methods | **Lead Climate Action 100+*7 activities**<br>- Head of collaborative engagement with Asian companies (lead manager)<br>- Participated in the Steering Committee, the only asset manager in Japan | **Strengthen analysis of investee companies' climate responses**<br>- Add climate-change-related business opportunity/risk assessment items to the investment attractiveness assessment framework<br>- In addition to using them for investment decisions and engagement, use them to develop investment products in response to environmental and climate change |

*5 End of June 2021 *6 End of December 2021

*7 One of the international initiatives by asset owners and asset manager around the world. Implemented the joint engagement with companies with high greenhouse gas emissions

## (2) Risk management

### (i) Positioning of climate-change-related risks

We consider climate-change-related risks to be "top risks" in the management of material risks, and set and manage risk appetite indicators and integrate them into the risk appetite framework. In fiscal 2022, the emission intensity of assets under management of group companies, Sumitomo Mitsui Trust Asset Management and Nikko Asset Management were added to the monitoring index.

In addition, we have defined climate change as a "risk driver" that affects each risk category cross-sectionally and have established climate-change-specific risk management policies for each risk category as follows.

■ **Climate change-specific risk management policy**

| | | Climate change-specific risk management policy | Risk horizon*8 |
|---|---|---|---|
| **Credit risk** | | Client monitoring for climate change<br>( Credit partners' GHG emissions, stranded assets, wind and flood risk monitoring, etc.) | Short, medium, and long term |
| **Market risk** | | Monitoring the risk of a decline in the price of securities issued by investee companies due to their success or failure in addressing climate change | Short/medium term |
| **Operational risk** | Business processing risk (outsourcing) | Continuity of outsourced work due to storm and flood damage at the contractor | Short/medium term |
| | Event risk (storm and flood damages) | Addressing the adverse impact of increased wind and flood damage caused by climate change on the Group's properties | Short, medium, and long term |
| | Compliance risk | Compliance with climate-change-related regulations | Short/medium term |
| | Conduct risk | Addressing the adverse impact on clients, markets, financial infrastructure and society due to the failure of the Group's actions on climate change to meet the expectations and trust of all stakeholders | Short/medium term |
| **Enterprise Risk Management** | | Addressing the negative impacts on the Group and its stakeholders due to the failure to implement (realize) SuMi TRUST Group Carbon Neutral Commitment | Short, medium, and long term |

*8 Short term: 1 year or less, Medium term: More than 1 year to less than 10 years, Long term: 10 years or more

**(ii) Heat map of climate change transition risks by sector**

We have developed a sector heat map to identify the sectors that are important in managing the transition risks associated with climate change. This heat map is divided into four categories, Very High, High, Middle, and Low, in order from the sectors that are assessed as having a high transition risk, taking GHG emissions, emission intensity and other factors into account.

In addition, from the sectors with the largest exposures, we have classified them into three levels: Large, Medium, and Small. By taking this heat map into consideration, we will identify strategically important sectors and set and manage GHG emission reduction targets and otherwise set sector policies. We will continuously review sector assessments in line with changes in the environment, such as policies, technologies, markets, and other factors related to climate change.

| Sector heat map risk rank | Exposure rank: Small | Medium | Large |
|---|---|---|---|
| Very High | Coal | Steel | Electric Utilities<br>Oil and gas |
| High | Cement | Chemicals<br>Automobiles and Components<br>Passenger Air Transportation | Maritime Transportation |
| Middle | Metals and mining<br>(excluding steel and aluminum)<br>Aluminum | | Capital goods |
| Low | Air Freight<br>Agriculture<br>Building materials (excluding cement) | Paper and forest products<br>Packaged food and meat<br>Beverages<br>Trucking services | Rail Transportation<br>Real estate Management<br>and Development |

**(iii) Policies for specific sectors**

Based on the perspective that investments and loans that have a large negative impact on society need to be prohibited, curtailed, or carefully engaged in, SuMi TRUST Bank has established "policies for specific sectors" and regularly reviews them at the Executive Committee and others. In addition, in the process of making decisions on investment and loan activities, we pay due attention to sector policies.

For details, please refer to page 35 of the December 2022 TCFD Report.

### (3) Mertics and targets

Based on its basic strategy and risk management policy, the Group has selected and monitored the following indexes for use in assessing climate-change-related risks and opportunities.

| Indicator | | Target |
|---|---|---|
| GHG emissions of our company group, Scope 1, Scope 2 | | 2030: Net zero |
| GHG emissions from investment and loan portfolios | | 2050: Net zero |
| | Electric power sector | 2030: 138 to 173 g-$CO_2$ eq/kWh |
| | Oil and gas (upstream) sector | 13% to 31% reduction from FY2020 |
| GHG emissions of the investment portfolio | | |
| | Sumitomo Mitsui Trust Asset Management | 2050: Net zero<br>2030: Targeting 50% of assets under management*1, reduce emissions intensity by half from 2019 |
| | Nikko Asset Management | 2050: Net zero<br>2030: Targeting 43% of assets under management*2, reduce emissions intensity by half from 2019 |
| Cumulative amount of sustainable finance initiatives | | Cumulative amount of initiatives for FY2021–FY2030: 15 trillion yen |
| Outstanding loans for coal-fired power generation | | FY2040: Zero |

*1 Targeting approximately 43 trillion yen, or 50% of 85 trillion yen in assets under management as of the end of June 30, 2021

*2 Targeting approximately 13 trillion yen, or 43% of 31 trillion yen in assets under management as of the end of December 31, 2021



## 3 Initiatives of Technology-Based Finance

The Group promotes sustainable business that adds scientific knowledge and impact evaluation to asset management, asset administration, and banking, and leverages its strengths in contact with many market participants (investors, companies, individuals, and households) to create a virtuous circulation of funds, assets and capital.

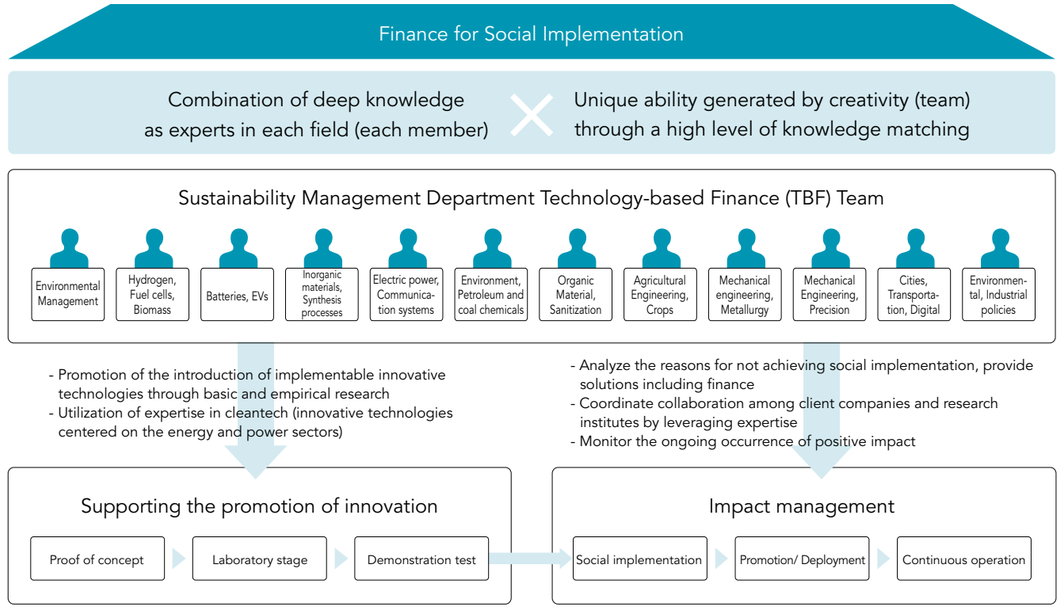
In April 2021, SuMi TRUST Bank established the Technology-based Finance (TBF) Team as an organization that strives for solutions to various issues such as energy, the environment, and resources from a technology perspective. The team consists of researchers and experts from various fields such as hydrogen, rechargeable batteries, electric power, organic chemistry, inorganic chemistry, machinery, agriculture, and cities.

The TBF team aims to help solve social issues by incorporating technical knowledge into the impact assessment process and promoting the social implementation of innovative technologies to increase positive impact and reduce negative impact. In order to solve issues such as climate change, resource circulation, and biodiversity, it is necessary to make the best use of existing technologies and aim for social implementation of innovative technologies through research and development. For that purpose, we need to understand the latest technologies, deepen our dialogue with customers, and approach finance from a scientific perspective. This led to the establishment of the TBF team.

The integration of technology, policy, and finance is important for the social implementation of technology. The TBF team is engaged in various stakeholder collaborations in addition to technology-based impact investment and loan initiatives and the creation of impact businesses. The scope of the TBF team's involvement is expanding, including joint research with universities and companies, exchanges with academia, policy recommendations for ministries and agencies, the establishment of demonstration projects and model projects in cooperation with the policies of each ministry and agency, regional support through ESG regional finance, and the development of financial schemes with municipalities and local banks.

We intend to help solve social issues through technological innovation and the social implementation of technology, and to promote a virtuous circulation of funds, assets and capital through the creation of new businesses, the expansion of business opportunities, and other measures.

■ **Initiatives of Technology-Based Finance (TBF)**

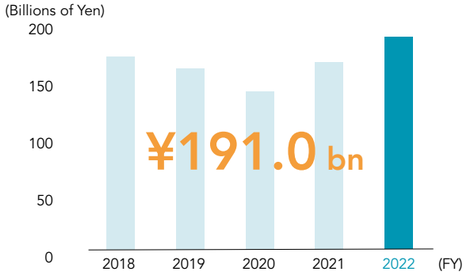



*Please refer to our Sustainability Report 2022/2023 for details on individual initiatives.

# Financial highlights and non-financial highlights

## Financial highlights

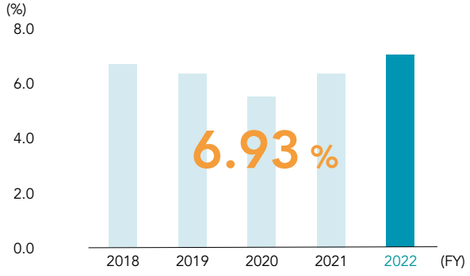
■ **Net Income**[*1]




*1 Net Income Attributable to Owners of the Parent

In addition to strong performance in client-related fee businesses, we saw a significant improvement in credit costs and unrealized gains/losses from stocks compared with the previous fiscal year, resulting in increased profit and business performance exceeding the forecast announced in November 2022.

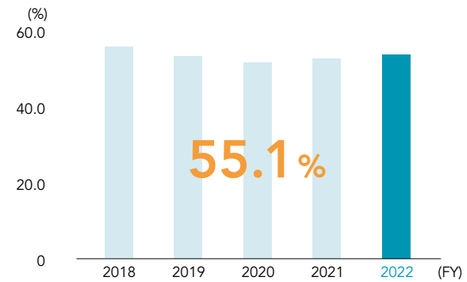
■ **Return on equity**[*2]




*2 See page 114 for the calculation method

The rise in ROE is due to higher net income attributable to owners of the parent.

■ **Fee Income Ratio**[*3]

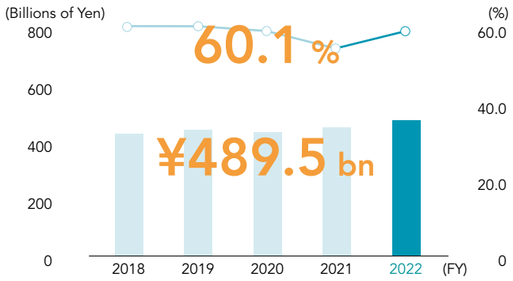



■ Fee Income Ratio

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

Strong performance in client fee income business such as real estate brokerage fees and corporate credit related fees propelled fee income ratio.

■ **Overhead Ratio (OHR)**[*4]

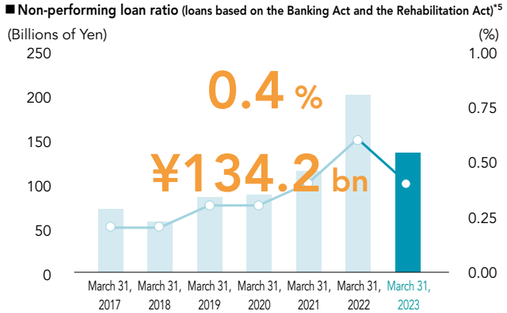



■ Substantial general and administrative expenses (left)
○ Overhead ratio (right)

*4 General and administrative expenses divided by gross business profit

The overhead ratio rose as a result of a decline in gross business profit due to unfavorable market conditions that prevailed in the previous fiscal year and an increase in human capital investment and IT system-related expenses.

■ **Non-performing loan ratio (loans based on the Banking Act and the Rehabilitation Act)**[*5]

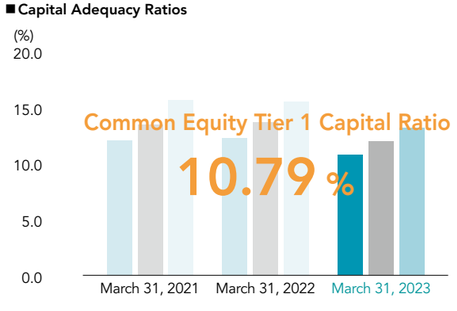



■ Loans based on the Banking Act and the Rehabilitation Act (left)
○ Non-performing loan ratio (right)

*5 SuMi TRUST Bank (non-consolidated)

The non-performing loan ratio as of March 31, 2023, was still at a sound level of 0.4% versus total exposure of 32 trillion yen.

■ **Capital Adequacy Ratios**

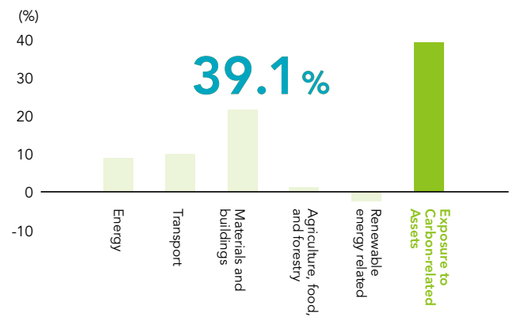



■ Common Equity Tier 1 Capital Ratio ■ Tier 1 Capital Ratio ■ Total Capital Ratio

All are sufficiently above capital adequacy requirements of banking regulations.

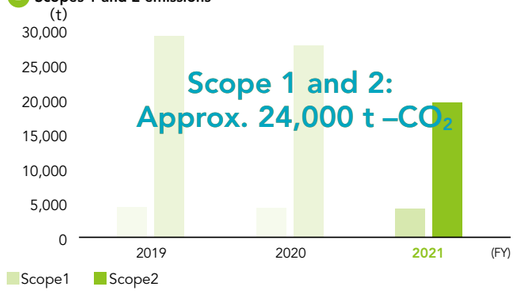
## Non-financial highlights

E **Exposure to carbon-related assets**




At the end of March 31, 2022, the exposure to carbon-related assets was 14.6 trillion yen, or 39.1% of the total credit exposure to all sectors.

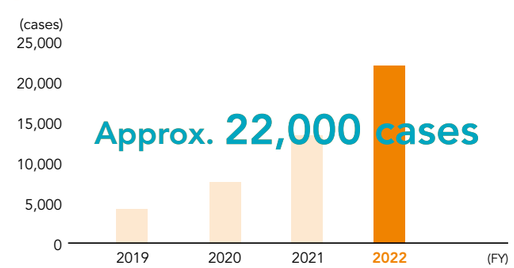
E **Scopes 1 and 2 emissions**[*1*2]




*1 Domestic and overseas bases of Sumitomo Mitsui Trust Holdings and its Group consolidated subsidiaries (excluding equity method affiliates)

*2 Domestic bases of SuMi TRUST Bank are calculated in accordance with the Act on Rationalizing Energy Use.

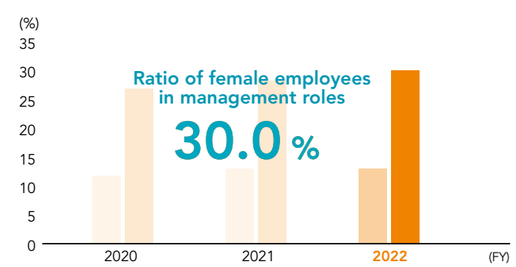
S **Number of services related to financial inclusion of the elderly**[*3]




*3 SuMi TRUST Bank
Products covered by: 100-Year Life Solution Trust (100-Year Passport), (100-Year Passport Plus), civil trust support service (trust account)

We are expanding the handling of services that support asset administration and asset management in accordance with customers' circumstances even after they have reached the point at which their ability to judge declines.

S **Female employees in management positions**[*4]

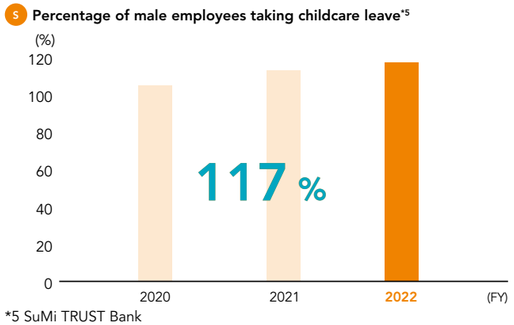



■ Ratio of female employees in management positions (section managers, team leaders and above)
■ Ratio of female employees in management roles

*4 SuMi TRUST Bank

Since April 2020, SuMi TRUST Bank has been implementing the action plan it developed to achieve a higher rate of female employees in management positions, accelerating its efforts to empower women in the workplace so that more female employees will be involved in its decision-making process.

S **Percentage of male employees taking childcare leave**[*5]




*5 SuMi TRUST Bank

In FY2022, SuMi TRUST Bank launched a Baby Care Leave System designed to allow male employees to take extended childcare leave pre- and post-birth.

S **Employee Awareness Survey**[*6]




■ Satisfaction level ■ Vitality level

*6 SuMi TRUST Bank

Positive scores (60 points) are maintained for both satisfaction and vitality—SuMi TRUST Bank's standards for measuring employee engagement.

# Theme2

**Initiatives to enhance corporate value and management base**


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83 Initiatives for financial facilitation
84 Communication with stakeholders






# Message from Head of Finance and Treasury



**Masakatsu Sato**
SuMi TRUST Holdings
Managing Executive Officer

## 1 Inauguration greeting/Environmental awareness

It is my great privilege to be appointed as the Head of Finance and Treasury, commencing from this fiscal year.

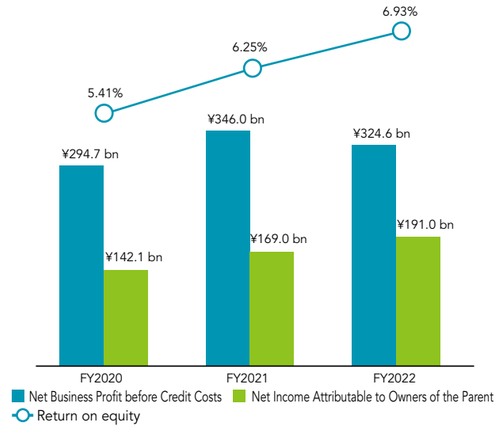
Developments in liquidity and unstable credit conditions in financial markets, such as bank failures in the United States and the consolidation of financial institutions in Europe, have made this year's forecast uncertain. Amid growing opacity and uncertainty, we recognize the need for early and proactive financial responses. Looking at capital markets, there is an increasing demand for management that is conscious of capital cost and ROE, as evidenced by revisions to the Corporate Governance Code, market restructuring by the Tokyo Stock Exchange, and its request for improvements from low-PBR companies. There are also growing expectations for sustainable growth in a manner that pays consideration to various stakeholders; more specifically, expectations for the promotion of investment in non-financial capital such as human capital and IT systems and the enhancement of information disclosure. In this environment, we will focus on optimizing our financial stability and profitability and shall strive to develop and execute financial and capital policies to maximize the value for each stakeholder, in order to maximize corporate value.

| (Billions of Yen) | | FY2021 result | FY2022 result | Change from previous year | FY2023 forecast |
|---|---|---|---|---|---|
| **Profit indicators** | Net Business Profit before Credit Costs | 346.0 | 324.6 | (21.4) | 320.0 |
| | Net Income Attributable to Owners of the Parent | 169.0 | 191.0 | +21.9 | 200.0 |
| **Profitability indicators** | Fee Income Ratio | 54.0% | 55.1% | +1.1% | Mid-50% range |
| | Overhead Ratio (OHR) | 57.1% | 60.1% | +3.0% | Lower 60% range |
| **Financial indicators** | Return on equity*1 | 6.25% | 6.93% | +0.68% | Lower 7% range |
| | Common Equity Tier 1 capital ratio*2 | 9.9% | 9.5% | (0.4%) | Mid-9% range |

*1 {Net income attributable to owners of the parent / (FY-start total equity + FY-end total equity) ÷ 2} × 100 *2 Based on finalized Basel III base

## 2 Review of the previous Medium-Term Management Plan (FY2020–2022)

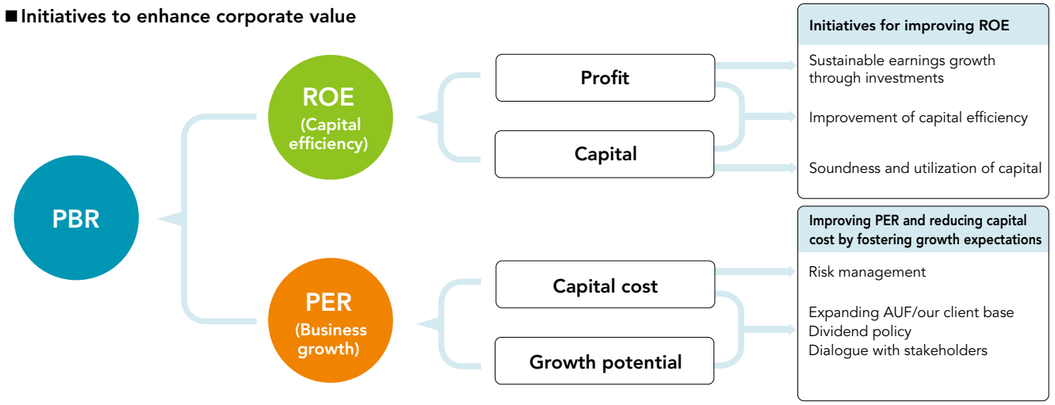
Looking back at the previous Medium-Term Management Plan period, it was three years marked by major changes, such as the spread of COVID-19 and accompanying rapid growth of digitalization. At SuMi TRUST Holdings, the fee income business drove growth, and net business profit in the final year of the Medium-Term Management Plan amounted to 324.6 billion yen, exceeding the initial plan by about 35 billion yen. We believe it reflects a steady improvement in our profitability. We also achieved our targets for net income attributable to owners of the parent and ROE. With regard to the utilization of capital during this period, we made organic investments in human capital to achieve sustainable growth (increasing output and enhancing sales internally) as well as inorganic investments (business growth from acquisitions or opening new stores) including the establishment of a joint venture with UBS Group, and repurchased shares worth approximately 50 billion yen over the three years. As for shareholder returns, we increased the consolidated dividend payout ratio to 40% as planned, and raised the dividend per share by 60 yen.




## 3 Initiatives for enhancing corporate value under the new Medium-Term Management Plan (FY2023–2025)

In formulating the new Medium-Term Management Plan, we defined SuMi TRUST Vision 2030 for the financial aspect as achieving ROE of 10% or higher, and set the goal of achieving PBR of at least 1.0x at an early stage. Toward the realization of SuMi TRUST Vision, during the period of the new Medium-Term Management Plan (fiscal 2023 to fiscal 2025), we will focus on two key points: (i) achieving the target ROE of 8% or higher and demonstrating steady growth in our performance, and (ii) fostering growth expectations by raising the probability of further improvement in ROE. We will also continue to implement appropriate risk management and contribute to the enhancement of corporate value. The diagram below illustrates our initiatives to achieve PBR of at least 1.0x. As PBR is a combination of ROE and PER, the key is how we could improve each of them. By promoting a capital-light business model unique to a trust group, we aim to improve ROE and increase PER by actively investing in non-financial capital that will have a positive impact on our future financial capital.

■ **Initiatives to enhance corporate value**



## (1) Initiatives for improving ROE

### (i) Sustainable earnings growth through investments

Continued investment in human capital and IT systems from the past enabled us to improve profitability during the period of the previous Medium-Term Management Plan. We will continue to expand human capital investments that contribute to enhanced employee motivation, such as reskilling and equity incentive plans, in addition to increases in base remuneration.

We will also make IT investment worth 400 billion yen (cash flow basis) over the next three years to not only improve productivity, but also provide clients with improved convenience and services in order to further deepen business relationships. By stepping up these investments, we aim to enhance our future financial value.

### (ii) Improvement of capital efficiency

We will improve capital efficiency by transforming the quality of assets, not their size. More specifically, we aim to improve the profitability of our investment and loan portfolios through asset replacements, while controlling asset balances and risk-weighted assets at a relatively stable level.

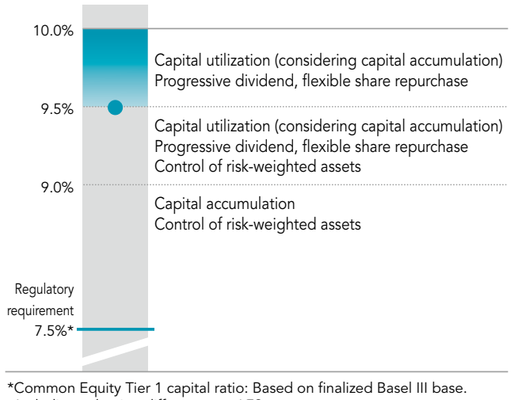
In addition, by expanding the use of assets that are "driven by investors' needs," such as private assets, and collaborative equity investments with Investor Services Business and Corporate Business, we aim to create and expand these markets, thereby achieving stable and sustainable growth in fee income.

### (iii) Soundness and utilization of capital

We recognize that ensuring the soundness of capital is a key premise for investment in future growth and sustainable shareholder returns. We will maintain common equity tier 1 capital ratio at an appropriate level, with renewed focus on financial discipline for the control of risk-weighted assets and capital utilization. More specifically, we will enhance the effectiveness of management through periodic monitoring, in addition to reducing strategic shareholdings and appropriate divestment of assets.

Also, as a way to utilize financial capital, we will promote investment for growth that contributes to the expansion of the trust group's businesses, such as in the areas of asset management and asset administration, and investment in solutions for social issues, including impact equity. We will also flexibly repurchase shares taking other investment opportunities and the status of capital into consideration.

■ **Capital management perspective (balance between adequacy and efficiency)**




*Common Equity Tier 1 capital ratio: Based on finalized Basel III base. Including valuation difference on AFS

■ **Target of CET1 ratio***

**Basic policy**

**Stably maintained above 10%**

Regulatory requirement of 7.5%; Financial buffer of 2.0%, and Management buffer of 0.5%

**Financial capital utilization**

✓ Investment for growth (expand the trust group's businesses)
✓ Investment in solutions for social issues
✓ Share repurchase

## (2) Improving PER and reducing capital cost by fostering growth expectations

### (i) Expanding AUF/our client base

We aim to foster growth expectations and reduce capital cost by expanding AUF/our client base.

At SuMi TRUST Holdings, we have adopted the new KPI of Assets Under Fiduciary (AUF) as an indicator of the scale of our initiatives to contribute to solving social issues and creating and expanding markets
.Through the expansion of AUF, we aim to achieve stable business growth centered on fee income. Products and services related to inheritance for individual clients and pension products for corporate clients, which are unique to a trust group, are the source of our stable growth based on long-term relationships of trust. In the future, we will allocate management resources to expand our client base among the asset formation generation and start-up companies with which business relationships can be expected to be maintained over a longer term, thereby achieving stable growth.

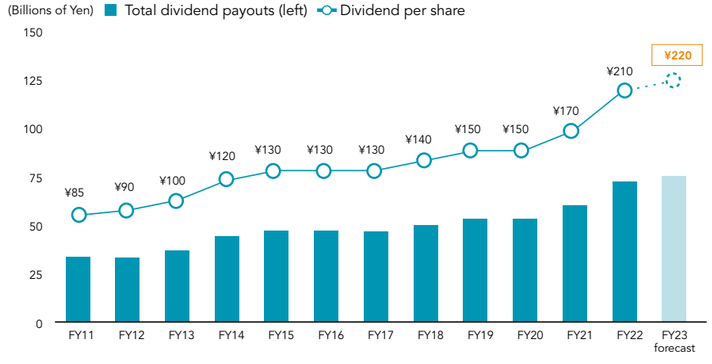
### (ii) Risk management

We aim to reduce capital cost by appropriately addressing various risks inherent to us, such as market risk and credit risk, leading to our business and financial downside resilience. More specifically, with regards to the share price risk associated with strategic shareholdings, we will maintain constant dialogue with our clients to reduce such risk, and also utilize hedging transactions to manage the impact of share price fluctuations on capital. We will also oversee credit risk by proactively preparing for the future through special provisions in fiscal 2023 as well.

### (iii) Dividend policy

We have been striving to strengthen shareholder returns, positioning stable return of profit to shareholders and enhancement of returns as one of our important management policies. We have recently modified our shareholder return policy, in alignment with our intention to steadily return the fruit of our growth over the medium to long-term.

We have introduced a progressive dividend management policy for dividend per share, and the consolidated dividend payout ratio will be set at 40% or above. We will continue to promote initiatives to balance financial soundness and stable profit growth while being mindful of both short-term and medium- to long-term time horizons.






### (iv) Dialogue with stakeholders

In addition to steadily advancing the above initiatives, we believe that providing information to investors through proactive disclosure, including the enhancement of disclosure contents, will help to foster growth expectations and reduce capital cost. In addition, we will further accelerate our efforts to enhance corporate value by invigorating dialogue with stakeholders through easy-to-understand communication, sharing information in a timely manner with the Board of Directors about opinions received through dialogue, and reflecting them in our management strategies.



# Human resource strategy

## Human resource strategy and enhancing well-being

Non-financial capital, particularly human capital, is an important part of realizing SuMi TRUST Group's Purpose, promoting a virtuous circulation of funds, assets and capital through initiatives that address social issues, and achieving growth through creation of new markets. Employees are an important source of value creation (as human capital), and play an essential role in creating both social value and economic value. By investing in human capital and enhancing well-being of our employees, we are able to create value for our clients and society, which leads to improved well-being for every member of society. This results in societal growth and improved corporate value for our Group, and we believe that this allows us to build a "virtuous circulation" that raises well-being for every employee through improved motivation, pride and sense of fulfillment.

**Virtuous circulation of creating value centering on well-being**




The starting point of value creation is employee well-being, and SuMi TRUST Group has defined well-being as the condition in which employees: 1. are of healthy mind and body; 2. identify with our Purpose; 3. build healthy relationships that respect diversity; and 4. realize and pursue wellness in their own work by utilizing their own values and strengths. We will enhance the value of our human capital by pursuing better employee well-being.

**Well-being for our employees**

**1. Be of healthy mind and body; 2. identify with our Purpose; 3. build healthy relationships that respect diversity; and 4. realize and pursue wellness in their own work by utilizing their own values and strengths.**

■ **Strengthening human capital starting with employee well-being**

**4. Bolstering human resources**
(utilizing one's own values and strengths)

| Qualification acquisition | Career development support | Investment in human resource development | Human resources portfolio |
|---|---|---|---|
| Holders of highly-specialized qualifications<br>Holders of multiple professional qualifications | Job postings<br>In-house side job | IT and digital-based training expenses<br>Number of trainees, hours of training | Professionals in certain areas, Candidates for future management, Global talent, Management(women, mid-career hires) |

**3. Fortifying organizational strength**
(build healthy relationships that respect diversity)

Expanding personnel diversity
- Active participation of women
- Mid-career hires
- Hiring persons with disabilities
- Work-life balance

**2. Enhancing engagement**
(identifying with our Purpose)

Embedding our Purpose/Improving employee engagement
- Employee awareness surveys
- Job turnover
- "FINANCIAL WELL-BEING"

**1. Health management**
(physical and mental health)

Physical and mental health management
- Taking of paid leave
- Overtime hours
- Health-related data





## 1 Health management (physical and mental health)

Physical and mental health is the foundation of well-being and the driving force for creating added value. At SuMi TRUST Group, we are spurring a variety of initiatives to create an organization where employees can feel healthy and happy and work with vitality. Our Company has been highly recognized over past six consecutive years since 2018 for its initiatives to enhance physical and mental health among all of its employees with the "White 500 designation for organizations promoting outstanding health and productivity management," which is the award being organized by Ministry of Economy, Trade and Industry.

### (1) Optimizing work styles

Our Group has established a "Taskforce for work style reform," directly led by the President, and enacted the Declaration for evolving work style. In order to materialize diverse work styles and an ideal work-life balance, we are working to improve productivity and reduce overtime by continuously investing into IT and transforming business work flow. We are also promoting flexible working styles by enabling employees to choose staggered work hours and telecommuting on their discretion. SuMi TRUST Bank is striving in further optimization of work style through initiatives such as the introduction 11-hour work interval, encouraging employees to actively plan to take leave, and expediting work efficiency with general managers implementing the concept of "Creating a Highly Productive Workplace," to its workplace.

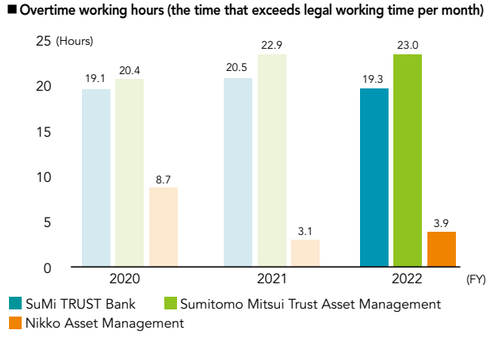
**Declaration for evolving work style**

SuMi TRUST Group declares "creating workplace where diversity and creativity that each employee has are collectively elevated to add value of the organization and each employee can work pursuing their dream, pride being satisfied" as a commitment from top management and has been striving in achieving following goals.

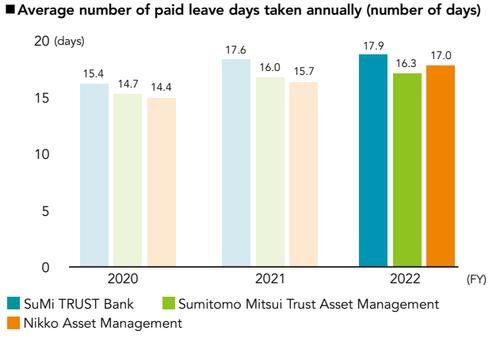
1. **Materialization of diverse work styles and work-life balance**
2. **Rigorous management for work hours and programs to embed health awareness to keep each employee physically and mentally healthy**
3. **Provision of fair opportunities to allow each employees to capture its own growth being highly motivated**

The group will be keeping its unique position that is ultimately contributing to society by providing holistic solutions based on its wider range of products as a Trust Bank, which is collectively created by each employees who are actively working.

■ **Overtime working hours (the time that exceeds legal working time per month)**




■ **Average number of paid leave days taken annually (number of days)**




### (2) Health management

To immerse importance of physical and mental health at workplace, our Group conducts awareness programs, and has appointed an industrial doctor at each office to provide meticulous healthcare guidance for employees to enhance their personal health. In addition to mandatory annual medical checkup , SuMi TRUST Bank has deployed a health management system that enables the Bank to provide employees with customized healthcare advice, resulting in more than 70% of employees accepting the advice for re-examination. In the area of mental health of employees, we are striving to improve the work environment by understanding the condition of our employees through job stress questionnaire and measurement of presenteeism and absenteeism. We also strive to maintain employees' mental health by hosting mindfulness seminars and other policies. We will continuously emphasize and pursue employees' health management, which is more suitable for the age of 100-year life, committing to its further enhancement.

■ Job stress questionnaire (SuMi TRUST Group)

| | FY2020 | FY2021 | FY2022 |
|---|---|---|---|
| Overall health risk | 96 | 95 | 93 |
| Percentage of employees with high stress levels | 11.1% | 10.5% | 10.3% |

Overall health risk: Standard score = 100, lower scores denote more favorable levels.

## 2 Enhancing engagement (identifying with our Purpose)

SuMiTRUST Group aims to enhance its human capital and employee engagement by having employees empathize with our Purpose "Creating new value with the power of trusts and let prosperous future for our clients and society bloom" and consequently strive in resolving management challenges as well as social missions.

### (1) To instill the significance our Purpose

Our Group is working to instill our Purpose throughout the company, and in fiscal 2021, SuMi TRUST Bank held the President's Caravan Event (approximately 12,000 employees participated in total of 26 sessions) where the Bank's President directly conveyed his thoughts behind our Purpose and exchanged opinions to enhance mutual understanding. In addition, several interactive online sessions with the President were held for all senior managers and team leaders to bolster their understanding of our Purpose and our company strategy based on our Purpose.

### (2) A culture that fosters motivation and job satisfaction

Our Group is working to foster company culture in which all employees are encouraged to pursue their challenges and grow, and encourage two-way communication, in particular between management and employees, so as to provide opportunities to work with a sense of purpose. At SuMi TRUST Bank, general managers host lectures in which they share their own experiences and the things they have learned, and the Bank has also introduced one-on-one coaching programs to improve communication skills among management, as a part of our initiative to foster an open work environment which assures psychological safety. In addition, the Bank has introduced employee awareness survey and pulse surveys to objectively assess the degree of penetration of company policies, the work environment, and the level of engagement that enables top management and general managers to actively monitor the latest conditions and proactively take necessary actions. The level of satisfaction and vitality, which function as an indicator to evaluate the quality of employee engagement, exceeded the baseline score of 60. In fiscal 2022, the score reached the highest level since integration, and the score of sympathy for our Purpose has also improved. Through aforementioned initiatives, the number of voluntary resignations at SuMi TRUST Bank has remained low.

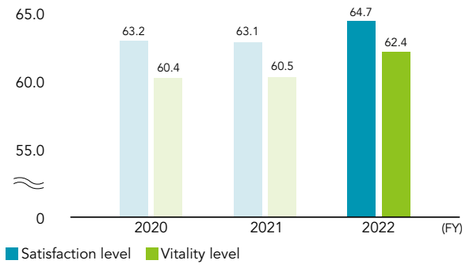
■ Number of voluntary resignations in indefinite-term employees (FY2022)

| | Number of voluntary resignations | Turnover rate |
|---|---|---|
| SuMi TRUST Bank | 379 | 3.8% |
| Sumitomo Mitsui Trust Asset Management | 23 | 5.2% |
| Nikko Asset Management | 21 | 3.9% |

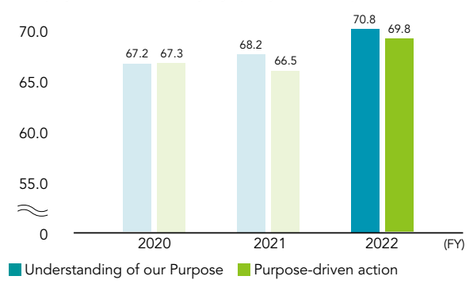
### (3) Promoting well-being

In April 2021, our Group has newly appointed an executive officer in charge of well-being. We have been promoting in-house and external well-being activities through participation in several collaborative industry-government-academia sessions such as "Well-being Initiative" hosted by Nikkei Inc. For in-house promotion of well-being, the executive officer directly approached employees and actively discussed about the importance of well-being through series of caravan events that were held in fiscal 2021 (approximately 10,000 total employees participated in total of 34 sessions) to enhance the company's culture of well-being. For external promotion of well-being, we are actively working on variety of activities such as the announcement at the event with regard to "International Day of Happiness," on 20 March 2023, and contribution to the "Well-being Action!" hosted by The Asahi Shimbun Newspaper as a sponsor and so forth.

■ **Employee awareness survey (Satisfaction and vitality) (SuMi TRUST Bank)**




■ **Employee awareness survey (Sympathy for our Purpose) (SuMi TRUST Bank)**

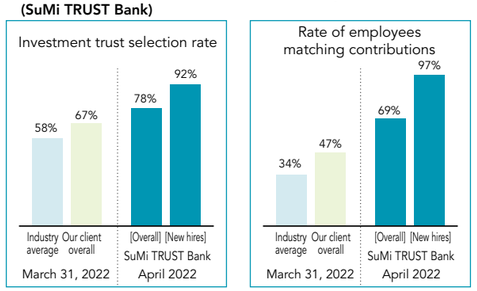



## Providing employees with "FINANCIAL WELL-BEING"

SuMi TRUST Group is striving to contribute to FINANCIAL WELL-BEING*1, one of the ways in which we are working to build a prosperous future that is the goal of our Purpose, and aim to become the best partner in the age of 100-year life. As we strive towards achieving our Purpose, we consider FINANCIAL WELL-BEING to be a part of value creation ultimately contributing to the well-being of our clients as well as society and we offer every client appropriate options that is tailored to realize happiness over the time horizon of a 100-year lifetime.

SuMi TRUST Bank assists employees' asset formation by providing with know-hows that SuMi TRUST Bank has accumulated through its businesses to help them gain their own FINANCIAL WELL-BEING, so that employees may concentrate on value creation. Regarding defined contribution pension trusts, more than 70% of employees selected investment trusts, and approximately 70% of employees also have access to a matching contribution scheme. New employees who joined SuMi TRUST Bank in 2022 were offered the opportunity to take part in educational programs that harnessed the know-how of the Sumitomo Mitsui Trust Financial Education Institute, the Pension Division, and Sumitomo Mitsui Trust Life Partners (a Group company), which resulted in more than 90% of them to choose investment trusts as their investment and utilize matching contribution system in the defined pension plan.

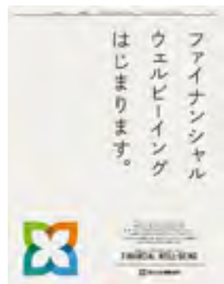
■ **Utilization of corporate defined contribution pension trusts (SuMi TRUST Bank)**




In addition, in fiscal 2022, the RS Trust*2 was introduced for all employees as a new equity incentive plan in order to help employees align their interest with the company and pursue medium- to long-term growth together. In April 2023, more than 10,000 employees received shares. Moreover, the financial incentive of the Shareholding Association was increased to 20% from 8% in fiscal 2022, and the annual contribution to the program increased 2.5 times as a result. By age group, the growth rate of young and mid-career people in their 20s and 30s is significant. The purpose of this system is to share the management philosophy of our Purpose with employees and to promote awareness of medium- to long-term growth. We believe that this system will lead to resolving of social issues and pave the way for the growth of our Group. From July to August 2022, we provided asset-building education for all employees based on the investment education program that we have accumulated through our pension business and for workplace businesses. After taking the course, many employees expressed their positive opinions, such as "It helped help understand possible future life events," and "It helped relieve some anxiety about money." We will continue to promote better financial literacy and autonomous asset formation.

*1 FINANCIAL WELL-BEING is "refers to when an individual has prepared the money and assets they may need for contingencies and for the future, allowing them to have peace of mind."

*2 A stock compensation plan for employees that combines the advantages of trust-type equity compensation plan and restricted stocks (RS: Restricted Stock)




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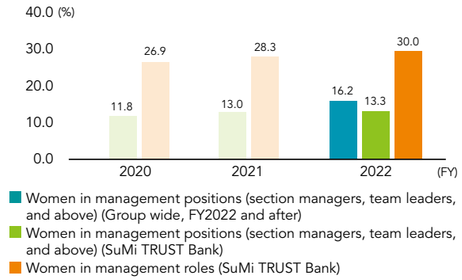
## 3 Fortifying organizational strength (build healthy relationships that respect diversity)

As a trust group with the strengths of its wide array of functions and diversified business portfolio, our Group has placed emphasis on "utilizing the diversity and creativity of its employees for company management." The concept of diversity, equity and inclusion under the doctrine of fair and equitable treatment is enshrined in our management principles (mission) so that employees with diverse attributes and backgrounds can add value to the organization.

## (1) Initiatives for active participation and advancement of women

SuMi TRUST Group has set KPIs in favour of the Keidanren "Here We Go Year 2030 30%," project, under which companies aim to have women account for 30% or more in management roles by the year 2030, and we have established KPIs that will increase the ratio of women in management positions (section managers, team leaders and above) to 20% or more by the end of March 2025. In addition, as a part of its general business owner action plan to promote the active participation and advancement of women, SuMi TRUST Bank has formulated a plan which aims to have 20% or more of women in management positions (section managers, team leaders, and above) (and 30% by 2030), and 30% or more of women in management roles (and 34% by 2030) by the end of October 2024, thereby accelerating the planned initiatives. In addition to rank-based training sessions and for all employees and female leaders, in fiscal 2021 we introduced an Executive support program, in which company's executives directly support the career development of female employees who are responsible for management duties. In fiscal 2022, 60 female employees participated.

■Status of female employees in management positions




## (2) Promoting active participation with diverse human resources

Our Group believes that securing human resources with a diverse experience and skills is essential for maintaining and developing the broad and deep business unique to a trust group and is promoting various measures to achieve this objective.

### (i) Empowering mid-career hires

Our Group actively hires mid-career employees. At SuMi TRUST Bank, 22% of all employees and 21% of those above the management level (as of March 2023) are mid-career employees. In recent years, to establish growth areas, the Bank has adopted strategies such as recruiting PhDs in science and engineering to establish technology-based finance teams with the aim to create positive impact toward a sustainable society.

■Number of mid-career hires in each fiscal year

| | FY2020 | FY2021 | FY2022 | |
|---|---|---|---|---|
| | | | | *1 |
| SuMi TRUST Bank | 118 | 139 | 247 | 22% |
| Sumitomo Mitsui Trust Asset Management | 25 | 56 | 45 | 10% |
| Nikko Asset Management | 50 | 24 | 30 | 89% |

*1 Percentage of mid-career hires to all employees at the end of each fiscal year

### (ii) Initiatives on supporting work-life balance

In April 2021, SuMi TRUST Bank extended its retirement age to 65 years old as a part of the effort to create a working environment that allows employees to work actively and make employees' professional lives thriving in response to the age of 100 year life. The bank is also striving to expand company's program to make work-life balance more ideal and create work culture that allows employees to develop their preferred professional careers and personal lives not hindered by life events. As a part of this initiative, the Bank has introduced a new paternity-leave program that enables male employees to take long term childcare leave before and after childbirth. The Bank consistently helps employees strike a good balance between work and private life and materialize what they want to achieve through their professional lives.

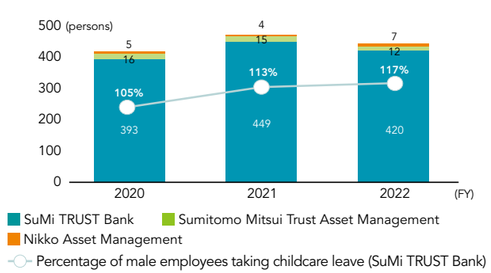
■Expanding systems to support work-life balance (SuMi TRUST Bank)

| Fiscal Year | Issue | Measure |
|---|---|---|
| FY2016 | Relocation due to spouse job transfer | Established new system for workplace reassignments |
| FY2017 | Accompanying spouse on overseas transfer | Established new system for employees to take leave to accompany spouses on overseas transfers |
| FY2019 | Balancing cancer treatment and work | Established cancer treatment leave |
| FY2021 | Balancing between fertility treatments and work | Established the Fertility Counselling Office |
| FY2022 | Commencing childcare leave for male employees | Established new childcare leave |

■Number of employees using systems to optimize work-life balance

| | FY2020 | FY2021 | FY2022 |
|---|---|---|---|
| Number of employees taking nursing care leave | 180 | 244 | 284 |
| Number of employees taking cancer treatment leave | 31 | 50 | 50 |
| Number of employees requesting for workplace relocation | 201 | 255 | 310 |
| Number of employees taking leave to accompany spouses on overseas transfers | 14 | 21 | 17 |

■Number of employees taking childcare leave




### (iii) Promoting the success of persons with disability

SuMi TRUST Group aims to create a working environment where all employees, regardless of their disability, can work with sense of fulfilment as members of the workplace. At SuMi TRUST Bank, employees with disabilities work at 104 departments (as of end of March 2023) where they have contact with clients or perform administrative tasks in head-office. In fiscal 2022, the Bank established an organization within the Human Resources Department to promote the active participation of people with disabilities. In addition to employees with physical disabilities, the Bank also supports employees with intellectual and mental (developmental) disabilities. As of June 1, 2023, the employment rate of people with disabilities was 2.3%.

### (iv) Empowerment of employees of many nationalities

Employees of many nationalities play active roles in our Group, and the number in management positions is increasing every year. SuMi TRUST Bank conducts training aimed at giving a better understanding of our Group and its operations and strengthen its human network. The Bank also promotes personnel exchanges through long-term overseas business trips and posting.

■Status of foreign national employees (as of March 31, 2023)

| | Number of foreign national employees (Japan) | Number of local employees hired at overseas offices | Percentage of management positions filled at overseas offices*2 |
|---|---|---|---|
| SuMi TRUST Bank | 77 | 734 | 70% |
| Sumitomo Mitsui Trust Asset Management | 3 | 13 | 50% |
| Nikko Asset Management | 49 | 307 | 97% |

*2 Percentage of management positions at overseas offices filled by local staff.

# 4 Bolstering human resources (utilizing one's own values and strengths)

SuMi TRUST Group aspires to be the "No. 1 financial group for human resource development," which enables diverse human resources to flourish. Based on the Human Resource Development Policy established in April 2018, we have implemented various measures aimed at enhancing human capital.

## (1) Independent, career-oriented personnel

In its human resource development efforts, our Group has defined independent, career-oriented personnel as "personnel with fundamental knowledge of trust who can combine multiple areas of expertise, independently assess their area of focus and integrate their specialty as they shape their own careers." Our Group is committed to nurturing such personnel through our career development efforts. Today, social systems are becoming increasingly interdependent and complex, requiring multifaceted responses to solve problems for clients and society. We will nurture personnel capable of adapting to the future by harnessing the comprehensive abilities that is created from merging expertise gained over a career with the fundamental skills possessed by individuals.







**SuMi TRUST Group Human Resources Development Policy**

SuMi TRUST Group will be striving in enhancing work environment as well as human resource capital by enabling each employee to create its own professional career, who will bolster our future based on human resource development policy consisting "TRUST".

- **Talent** ..... Make talent that each employee has prosper
- **Respect** ..... Respect each other
- **Uniqueness** ... Develop professionals who help differentiate
- **Support** ..... Mutually learn and support
- **Try** ..... Appreciate daily small challenges

SuMi TRUST Group aims to be the trust banking group to be highly sought after by society through employees who are trained based on "fiduciary spirit as Trust bank" by providing unique value to its clients, thus ultimately contributing to form sustainable society, and creating and maximizing social and financial value.

### (i) A fair personnel evaluation system involving participation of the appraisee

Employees discuss with their supervisors to set specific task objectives, and at the end of the fiscal year, they engage in discussions with their supervisors to review the outcome of the tasks and the process for achieving them, to ensure a high level of satisfaction regarding their appraisal. In fiscal 2019, we extended the evaluation cycle from six months to one year to facilitate the implementation of medium- to long-term initiatives. In addition, in fiscal 2022, in order to support autonomous career development, we have established a system whereby the organization and employees define medium- to long-term goals, and then set medium- to long-term targets together with annual targets and tasks.

### (ii) The foundations of a trust group

Many SuMi TRUST Bank employees have qualifications as Real estate transaction specialists, Securities Analysts and other certifications that are closely related to trust businesses. The employees enhance their expertise and comprehensive capabilities unique to a trust bank by gaining practical experience through their job assignments. In addition, the Bank has highly specialized employees with qualifications as pension actuaries, real estate appraisers and other specialized qualifications, all of whom contribute to increasing the number of professionals in the Group.

■Number of personnel with certain qualifications (SuMi TRUST Bank)

| | |
|---|---|
| Real estate transaction specialist | 6,522 |
| Securities Analyst | 813 |
| Real estate transaction agent & securities analyst | 614 |
| Financial planner - 1st Grade | 706 |
| Pension actuary | 46 |
| Real estate appraiser/assistant appraiser | 188 |
| In-house lawyer | 37 |
| CPA | 10 |
| Licensed tax accountant | 10 |
| Labor and social security attorney | 40 |
| PhD | 12 |

### (iii) Strategic human resource assignment and multiple specialties

Our Group aims to maximize the potential of employees through strategic job positioning. SuMi TRUST Bank has established a development program for younger employees, in which employees gain experience in multiple businesses within five years of joining the company, so that they can determine their own aptitude for the business through their work experience, and a work challenge system (applicants assigned to specific business areas based on their application) for new hires with the aim to promote the autonomous career development of employees. In addition, the Bank holds business briefing sessions (544 participants in fiscal 2022) as an opportunity for employees to learn more about each business and have an opportunity to consider their own future career development, after which job openings are posted. Approximately one third of applicants is engaged in a business or department of their choice. The Bank launched its in-house side job system in fiscal 2021, with the aim of integrating human resources and know-how in a way that transcends traditional operational boundaries, promoting skill development and innovation through having employees engage in the work of their choosing once a week.

■Career development support (SuMi TRUST Bank)

| | FY2020 | FY2021 | FY2022 |
|---|---|---|---|
| Number of internal job posting system applicants | 339 | 359 | 377 |
| Percentage of employees who qualified through the job posting system | 32% | 27% | 33% |
| Average age of applicants | 32.6 | 30.8 | 31.6 |

■Examples of in-house side job project (SuMi TRUST Bank)

| Project | Details |
|---|---|
| Well-being Promotion | Plans internal and external promotion of well-being (event planning, internal and external social activities and information dissemination) |
| Life Plan Consulting | Offers life plan consulting services for occupational clients (an online portal, strategic planning for the asset formation generation) |
| My Future Project | Administrative staff at Corporate Business challenge other departments in their own area of business |
| RPA Building | Produces RPA (UiPath) and promotes automation |
| Sustainability | Planning and developing measures for sustainability work at Group companies |
| Raising my value | Being exposed to front line businesses to achieve individual vision in the future |
| Corporate Communications | Partake in research and promotion activities to build company's brand |

### (iv) Ability to change with the times

SuMi TRUST Bank has focused on re-skilling by training and expanding its support for obtaining essential qualifications to strengthen its employees' skillset of IT/digital-related technologies required to bolster the trust businesses. In April 2023, the Bank defined specific KPIs for digital talent development as an important human resource development agenda. In addition to IT/digital skills, the Bank has initiatives to realize the FINANCIAL WELL-BEING of employees and education on ESG/SDGs by offering high-quality investment educational know-how honed through its work in the pension business, consulting for occupational clients and other businesses, while aiming to create human resources who can thrive and evolve in accordance with the current trends.

## (2) Enhancing investment in human resource development

In order to realize the career aspirations of each employee, SuMi TRUST Group provides opportunities for employees to choose and learn according to their career aspirations at SuMiTRUST University (in-house college) in addition to group training to improve their operational and other skills. In fiscal 2022, we also launched a learning management system called "University+," which aims to create new value through seminars in which employees who have no interaction in the ordinary course of business gather to discuss and study common themes and also have opportunities to exchange opinions with an aim to stimulate each other's perspective.

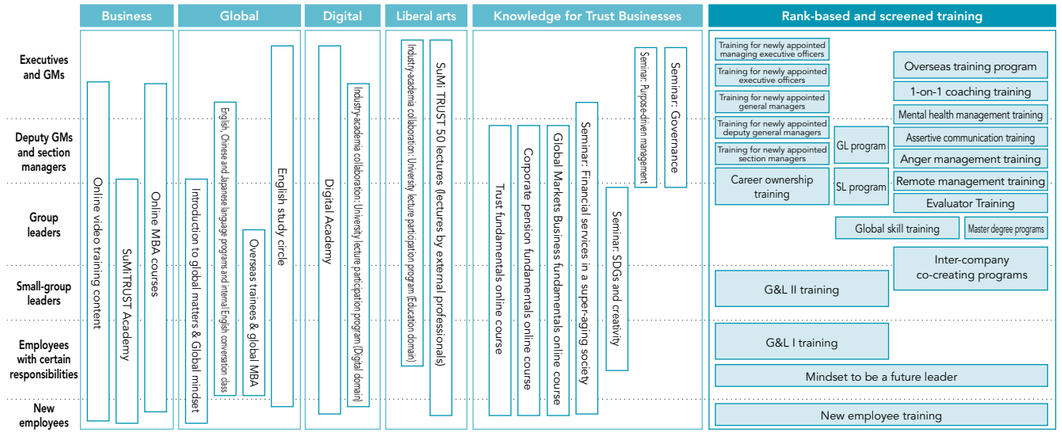
■Investment in HR development (Training cost per person, FY2022)

| SuMi TRUST Bank | Sumitomo Mitsui Trust Asset Management | Nikko Asset Management |
|---|---|---|
| 115,000 yen | 78,000 yen | 115,000 yen |

■Transition of training activities(SuMi TRUST Bank)

| | FY2020 | FY2021 | FY2022 |
|---|---|---|---|
| Total number of trainees | 10,059 | 14,050 | 16,781 |
| Training hours | 6,548 | 6,680 | 6,759 |

■Concept Image of SuMiTRUST University




## (3) An organization of specialists (human resource portfolio)

SuMi TRUST Bank identifies critical talent groups who are essential to advance our Group's business model through assessments related to the visualization of our human resource portfolio. The Bank will strengthen the portfolio through independent career development, accumulation of work experience, and further reinforcement of our investment in human resource development.

### (i) Specialized professionals (designation of fellows)

Employees with significant contributions to corporate earnings and value-added activities through their advanced expertise are certified as fellows. Previously, SuMi TRUST Bank recognized fellows from senior personnel who had been evaluated highly for the experience they had cultivated over the years, such as finance consultants and other front-line personnel, as well as middle/back-office personnel. However, from fiscal 2022, the Bank has expanded the scope of certification to a broader range of age groups as the Bank strives to expand its pool of specialized professionals.

### (ii) Senior management personnel (next-generation leaders)

In collaboration with universities in Japan and overseas, we hold training for selected personnel each year, such as GL training (Global & General Leader training: For deputy general managers) and SL training (Strategic Leader training: For senior managers). For the participants of these programs, we promote the development of the next generation of leaders by offering opportunities to put their learning into practice through promotion, reassignment and other means.

### (iii) Global business personnel

This initiative is aimed at developing talent to drive our global business. In addition to expanding its pool of potential global talent through linguistic training, we are implementing programs such as overseas posting for employees without prior overseas experience and strategic assignment to global businesses in Japan. In addition, for the next generation of management personnel who have developed their careers predominantly in Japan, we have designed a selective training program for short-term assignments to top overseas business schools, with a focus on fostering a management perspective based on global standards.

### (iv) Management personnel

In addition to training as management personnel, we are working to bolster its management capabilities through rank-based training sessions. In order to enhance the skills necessary for the advancement of organizational management, we are actively working to its strengthen management personnel pool through training to enhance team-building and communication skills, such as team management training utilizing 1-on-1 and assertive communication training.

■Current human resource portfolio (SuMi TRUST Bank)

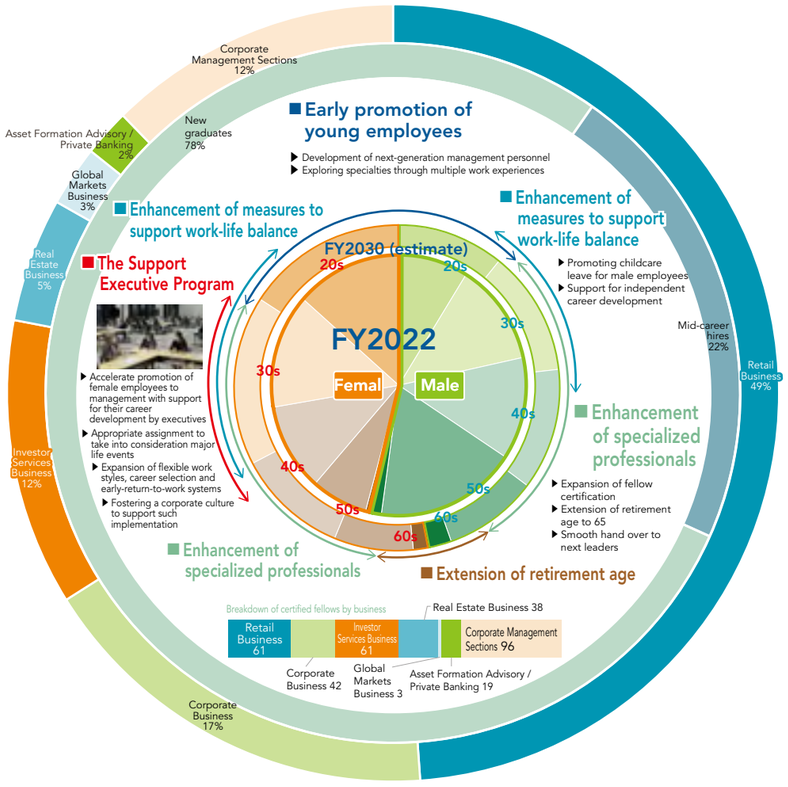
| | FY2021 | FY2022 |
|---|---|---|
| Specialized professionals (number of certified fellows) | 172 | 320 |
| Senior management personnel (number of selected training participants) | 393 | 419 |
| Globally capable personnel | 610 | 650 |

## Aiming to be an organization that is actively participated in by diverse human resources to create new value

Based on a fiduciary spirit, leveraging its significant expertise and comprehensive capabilities, SuMi TRUST Group is a trust group that creates unique value through a new business model that integrates diverse businesses. Our Group's initiatives are the very history of trust in Japan. SuMi TRUST Group has embraced a history of challenge and pioneering, in which it has tackled the challenges faced by clients and society in each era, utilizing the functions of trust, and taking on a series of challenges to provide solutions. With a wide range of business areas, the characteristic that defines our Group is that highly specialized human resources in each business area demonstrate their strengths, enhance each other's abilities, and work together to realize value creation. In respect of the individuality of our diverse human resources and to enable each employee to maximize their abilities, our Group is working to create an organization that creates new value by taking the circumstances of each employee into consideration.

SuMi TRUST Bank is implementing concrete measures, with an eye on future changes in the age distribution of its employees, an increase in the ratio of women and other changes in its talent pool. The Bank is accelerating its efforts to create a rewarding organization in which all employees work actively and create new value. Going forward, we will continue to support the autonomous career choices of each employee under the principle of fair and equitable treatment and placement, and will continue to strengthen its investment in human capital while promoting changes to its personnel system and operations that aligns with the future so that diverse employees can excel in diverse roles.

■Composition of employees by business, hiring and age and Key measures in SuMi TRUST Bank (FY2022)




*The composition of employees in fiscal 2030 reflects the retirement projections of employees based on their upcoming retirement and the past turnover rates, as well as plans for new graduates and mid-career hires.

## Our initiatives to reduce strategic shareholdings

**Reduction of strategic shareholdings to zero (announced in May 2021)**

We shall not hold any "strategic shareholdings as a conventional stable shareholder."

### 1 Demonstration of the Board of Directors supervisory function regarding reduction of strategic shareholdings

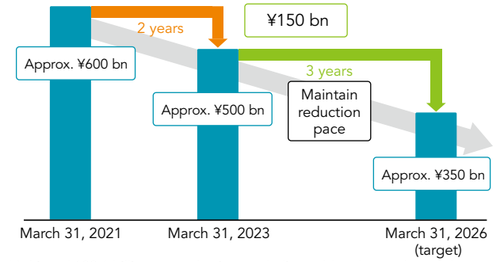
The Board of Directors monitors the status of reduction of strategic shareholdings on a continuing basis. In addition, the voting rights guidelines and system are determined based on a report from the Conflicts of Interest Committee from a professional perspective, to take the medium- to long-term value enhancement of corporates and impact on various stakeholders of SuMi TRUST Group into account in light of social responsibilities as a trust group. As for the status of exercising voting rights, it has been confirmed that we have achieved a certain level of engagement effect in our initiatives to emphasize dialogue with issuing companies. We will continue to make deliberations based on reports received from the execution departments, and strengthen monitoring by also taking into consideration the stakeholder's perspective.

### 2 Reduction achieved over the two years and new plans

During the two years from fiscal 2021 to fiscal 2022, we made steady progress and achieved our reduction target of 100 billion yen. Reduction of 100.6 billion yen was achieved (excluding the increase in acquisition cost due to sold and repurchased shares in fiscal 2020). Further, as a future reduction plan starting from this fiscal year, we have set a reduction target of 150 billion yen on a cumulative basis for three years from fiscal 2023 to fiscal 2025.

We will engage in constant dialogue to ensure ongoing and long-term relationships of trust with our clients, and continue to work toward reducing strategic shareholdings to zero.

■**Balance of strategic shareholdings (acquisition cost basis)**




*Achieved 100.6 billion yen reduction, excluding sold and repurchased shares in the fourth quarter of FY2020

**Policy on exercising voting rights for strategic shareholdings**

SuMi TRUST Holdings and SuMi TRUST Bank, our core subsidiary, aim to enhance the medium- to long-term enterprise value of corporate clients that issue strategic shareholdings (hereinafter "issuing companies") and will therefore exercise voting rights for shares held whilst also taking the improvement in medium- to long-term value for SuMi TRUST Group's shareholders, depositors and other various stakeholders into account.

Through sufficient dialogue with issuing companies, we will take into consideration the business environment and other factors that each issuing company faces and exercise voting rights while respecting its management identity and course of action.

In exercising voting rights, we will make our decision to vote for or against each agenda item based on the separately established guidelines for the exercise of voting rights while taking the following perspectives into account.

(1) Our decisions will take heed of not only ostensible or formal criteria, but also the characteristics of the issuing company and the attributes peculiar to its industry and business operating environment.
(2) Our decisions will be based on not only the given fiscal year, but also a longer time span and future outlook.
(3) Our decisions will account for not just financial data, but also non-financial factors, such as corporate governance and how the issuing company creates social value.

If there is a possibility of a conflict of interest in the exercise of voting rights for strategic shareholdings, we will take appropriate action in accordance with our separately established Management Policy Concerning Conflicts of Interest.

Results of exercising voting rights: Exercised voting rights based on the newly disclosed guidelines, starting from annual general meetings in June 2022
The ratio of dissenting votes to companies' proposals was 0.7%(number of companies) and 0.2%(number of proposals)

# Corporate governance

SuMi TRUST Group is enhancing its corporate governance structure in line with its business model. In addition to the statutory committees of a company with Three Committees, we have also established a Risk Committee and Conflicts of Interest Committee, both of which function as advisory bodies to the Board of Directors. We also strive to enhance management transparency by appointing an external director as Chairman of the Board of Directors.

## 1 Message from Chairman of the Board of Directors



**Isao Matsushita**
External Director, Chairman of the Board of Directors, Chairman of the Nominating Committee

### As Chairman of the Board of Directors

It has been six years since SuMi TRUST Holdings transitioned to an entity with Three Committees and I assumed the position of Chairman of the Board of Directors. The Company is a financial holding company that includes Sumitomo Mitsui TRUST Bank, Sumitomo Mitsui Trust Asset Management, Nikko Asset Management and other companies. In order to uphold a robust management foundation based on a high degree of self-discipline guided by our fiduciary spirit and to gain the unwavering trust of society, our Board of Directors are committed to enhancing and refining corporate governance with the objective of improving SuMi TRUST Group's sustainable growth and medium- to long-term corporate value enhancement*1.

The most important role of the Board of Directors is to establish fundamental management policies and strategic direction for the company and to oversee overall management. While encouraging active discussion from directors and ensuring thorough deliberations including dissenting opinions, I believe that it is the role expected of the Chairman to make the most of the knowledge of external directors, gather opinions while having an outside perspective, and lead the way to appropriate decision-making. The following is a summary of the priority topics discussed at the Board of Directors meeting in fiscal 2022, the efforts to improve the effectiveness of the supervisory body and other information.

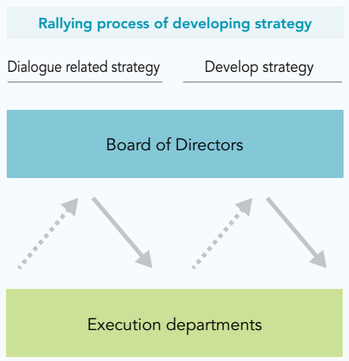
*1 Please refer to the following link for the basic policy and approach to corporate governance. https://www.smth.jp/english/about_us/management/governance

### Discussion by the Board of Directors for the formulation of the Medium-Term Management Plan (FY2023–2025)

In May this year, we announced our new Medium-Term Management Plan ("New Medium-Term Plan"). The Medium-Term Management Plan was formulated for the second time after the change in institutional design, and from the viewpoint of utilizing the knowledge of external directors and other information, the Board of Directors deliberated on the overall policy. Meanwhile, the Executive side deliberated on proposals based on the opinions of the Board of Directors, and the Board of Directors discussed the proposals with the results of the deliberation in mind. The deliberation on strategic planning was deepened through a collaborative discussion process between the Board of Directors and the execution departments. During the deliberations, we set management themes*2 and held a series of open-ended discussions. New Medium-Term Plan embodies the 3-year plan from fiscal 2023 through backcasting, while taking Aspiration by fiscal 2030 into account. We feel that we have formulated a plan that is consistent with our long-term vision and that is effective in practice.

■ **Deliberations on the New Medium-Term Management Plan by the Board of Directors**

| Year/Month | | Deliberations | |
|---|---|---|---|
| 2021 | Jul./Oct. | ● Business portfolio analysis as part of the value creation process | Management theme |
| | Nov. | ● Important management issues for each business (Reference: Board of Directors of SuMi TRUST Bank) | SuMi TRUST Vision 2030 / TB Topic |
| | Dec. | ● Status of business portfolio analysis and reorganization based on the analysis | Management theme |
| 2022 | Jul. | ● Profitability analysis | |
| | Aug./Oct. | ● Discussion on planning next Midium-term Management Plan | Management theme |
| | Dec. | ● Direction of next Midium-term Management Plan of SuMiTRUST Group | |
| 2023 | Jan. | ● Direction of asset management business strategy as a group | Management theme |
| | Feb. | ● Management areas for value creation (Reference: Board of Directors of SuMi TRUST Bank) | TB Topic |
| | Mar. | ● SuMiTRUST Group Medium-term Management Plan | |




*2 The external directors of SuMi TRUST Bank also participate in discussions on management themes as Board meeting observers, not for the purpose of reaching conclusions, but rather to discuss important management issues and themes from a medium- to long-term perspective freely and openly, so that their viewpoints and opinions are capitalized on for management. In addition, agenda on important management issues at the board of directors of SuMi TRUST Bank that are deliberated together with our external directors are set as "TB Topics."

### Discussion at the Board of Directors on Purpose and Sustainability

SuMi TRUST Holdings' Board of Directors deliberates on Purpose and sustainability from a variety of aspects, including the identification of high-priority management issues (materiality) to realize the reason for existence (Purpose), the establishment of internal management systems and compensation framework to support the determination and implementation of management policies, and disclosure for dialogue with stakeholders.

■ **Discussion at the Board of Directors on Purpose and sustainability**

| Year/Month | | Deliberations | |
|---|---|---|---|
| 2022 | Mar. | Policy on sustainability | Management theme / Management policies |
| | May. | Penetration of Purpose | Purpose |
| | Jun. | (Compensation Committee) Review method for reflecting ESG performance in executive remuneration | Compensation system |
| | Sep. | Enhance the risk management framework of human rights | Internal management system |
| | Oct. | Developing climate change policies and the risk management framework | Management policies |
| | Nov./Dec. | Review of materiality | Management theme / Materiality |
| 2023 | Jan. | Revision of the Human Rights Policy<br>Joint framework of materiality management and risk management | Management policies / Internal management system |
| | Feb. | Management areas for value creation (Reference: Board of Directors of SuMi TRUST Bank) | TB Topic / Management policies |
| | Mar. | Sustainability Policy | Management policies |
| | Apr. | Policy for addressing climate change<br>Integrated Report | Management policies / Disclosure |
| | May. | Sustainability Report | Disclosure |




### Improving the effectiveness of the Board of Directors

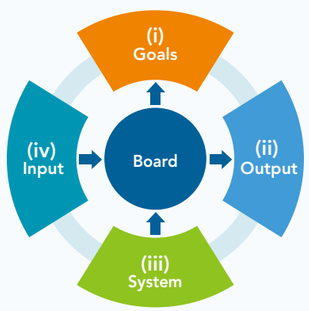
The role of a corporation is being redefined as an entity that builds prosperity under the framework of a habitable planet and a sound society. Hence, after deliberating on the future vision of the Board of Directors, our Board of Directors has confirmed that it is oriented toward a Board of Directors*3 that fulfills its fiduciary duty to our diverse stakeholders. The diagram below is a functional exercise framework that organizes the goals for achieving the future vision of the Board of Directors and the roles, functions, systems and execution to achieve them. At SuMi TRUST Group, an effective Board of Directors is defined as "Board of Directors that strives for sustainable improvement to realize its vision." The Group conducts annual evaluations of the effectiveness of the Board of Directors ("Evaluation of the Board of Directors") and other methods to verify that the ideal state is achieved, and implementation of a PDCA cycle for further enhancement.



*3 We define this as the "the Board of Directors of stakeholderism."

■ **Future vision of the Board**

**Framework for the Board to Fulfill its Functions**



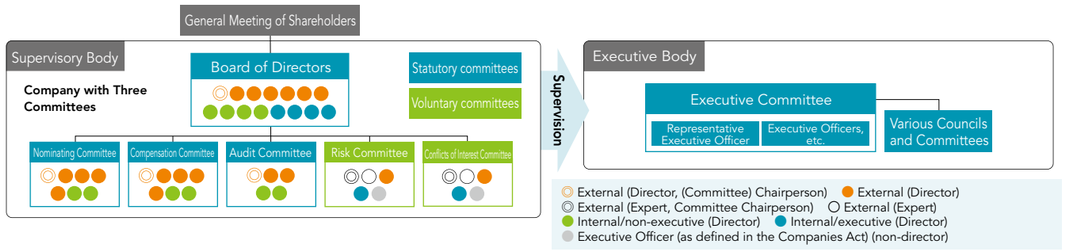

Effective Board of Directors = "**Board of Directors that strives for sustainable improvement to realize its vision**"

| | Category | Future vision of the Board "the Board of Directors of stakeholderism" |
|---|---|---|
| (i) | Goals | ● Realizing "Purpose"<br>● Fair capital allocation to stakeholders (capital agenda)<br>● Sustainability as a corporation<br>⇒ Gaining the trust of all stakeholders as a fiduciary |
| (ii) | Output | ● Improving the quality of important decision-making<br>● Important decision-making (determination of basic management policies)<br>Purpose, materiality, value creation process / policy on establishing desirable stakeholder relationships / medium- to long-term management strategies / basic policy on internal management<br>● Supervising execution of important business matter |
| (iii) | System | ● Organizational structure to enhance the quality of important decision-making and monitoring function<br>● Stakeholder-oriented mindset and skills for addressing materiality |
| (iv) | Input | ● Autonomous management<br>● Accountability for the Board*4<br>*4. Accountability<br>Status of business activities and value creation / Status of business portfolios and capital distribution / Status of internal management / Status of the establishment of desirable stakeholder relationships |

The Company is a financial group with a trust bank at its core, and as one of the largest trustees of trust assets in Japan, I feel that it conducts business of a very public nature. As Chairman of the Board of Directors, I will continue to strive to maintain our sustainability and protect our stakeholders' long-term interests in order to fulfill our fiduciary duties to investors and other stakeholders.

## 2 Composition and roles of the Board of Directors and Committees

■ **Supervisory structure (as of June 30, 2023)**




■ **Overview of the Board of Directors and Committees**

| | Roles | Main matters for deliberation in FY2022*1 |
|---|---|---|
| Board of Directors (16 times) | The Board of Directors determines the basic management policies of SuMi TRUST Group, such as medium- to long-term management strategies and a policy on internal management, and supervises the execution status. In this way and in order to earn trust as fiduciary from all stakeholders of the Group, it distributes resources appropriately to the stakeholders toward the realization of its Purpose and ensures corporate sustainability. | • Penetration of Purpose, materiality management, dialogue policy with stakeholders, sustainability policy, our next Medium-Term Management Plan, improving of our Group governance framework, risk management based on our Group's characteristics, and others |

| | Authority and roles | Main matters for deliberation in FY2022*1 |
|---|---|---|
| Nominating Committee (14 times) | The Nominating Committee makes decisions on the details of proposals concerning the appointment and dismissal of Directors for submission to the General Meeting of Shareholders, and deliberates on and responds to inquiries about the appointment and dismissal of Executive Officers, including the President, and the management team succession plans, as well as the appointment and dismissal of directors, including the president, of SuMi TRUST Bank, and the appointment and dismissal of directors of Sumitomo Mitsui Trust Asset Management. | • Determination of the content of proposals for the election of directors to be submitted to the General Meeting of Shareholders, the election of directors of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management and others<br>• Enhancement of the succession plans and skill matrix |
| Compensation Committee (11 times) | The Compensation Committee establishes a policy for determining the details of individual compensation for directors and executive officers, and determines the amount of individual compensation for directors and executive officers in accordance with the policy. In addition, it deliberates on and responds to inquiries concerning the policy for determining the details of individual compensation of directors from the Board of Directors of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management. | • Policies for determining compensation for directors and executive officers based on a stakeholder-oriented approach, compensation amounts for each individual. Policies for determining compensation for SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management and others. |
| Audit Committee (17 times) | The Audit Committee audits the execution of duties by executive officers and directors, prepares audit reports, and determines the content of proposals regarding the election and dismissal of a financial auditor, and regarding refusal to reappoint a financial auditor to be submitted to the General Meeting of Shareholders. | • Progress in the management strategies and status of the formulation of the next Medium-Term Management Plan, as well as key audit items, including the development and enhancement of the Group-wide internal management system, and control on appropriate and accurate financial reporting and disclosures |

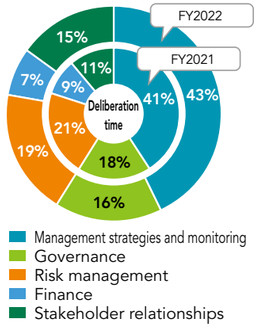
| | Objectives and roles (Received inquiries on the following matters from the Board of Directors to review and report back on their appropriateness, etc.) | Main matters for deliberation in FY2022*1 |
|---|---|---|
| Risk Committee (7 times) | Matters concerning the business environment surrounding SuMi TRUST Group, top risks and materiality, and those concerning the operation of its risk appetite framework, risk management, and monitoring of the effectiveness of the internal management system related to compliance management | • Appropriateness of the Group's risk management system, the current status of risk management initiatives in light of the recent external environment, the development and penetration of risk culture, and others |
| Conflicts of Interest Committee (9 times) | Validity of the Group's conflict-of-interest management system, the effectiveness and enhancement of the system for conflict-of-interest management, client explanation management and customer support management, policy for FD initiatives and action plans of SuMi TRUST Group companies, and other particularly important matters concerning conflict-of-interest management and the penetration of FD at the Group | • Enhancement of conflict-of-interest management in anticipation of the expansion of the Group and its business and the development of the next Medium-Term Management Plan, the best interests of clients as a trust group and the penetration and practicing FD |

*1 July 2022 to June 2023 *2 Please see page 64 for the composition, etc. of each committee.

■ **Main Themes for Deliberations and Topics at the Board of Directors during FY2022**

| Theme category | Main topics |
|---|---|
| Purpose/materiality/ value creation process | Materiality management, penetration of Purpose throughout the Group |
| Policy on establishing desirable stakeholder relationships | Dialogue policy with stakeholders, sustainability policy, clients' best interests, strategic shareholdings and voting rights exercise, policy on climate change and human rights, well-being/DE&I/workstyle reforms |
| Medium- to long-term management strategies | Group's Medium-Term Management Plan |
| Discipline on capital distribution | Human capital, DX strategy, capital policy (including policy for shareholder returns), equity investment policy and discipline |
| Basic policy on internal management | Group governance, risk management based on SuMi TRUST Group's characteristics, conduct risk management for the Group, conflict-of-interest management, fiduciary duties, cybersecurity, and business continuity resilience |

■ **Deliberations by the Board of Directors**






## Message from an External Director



**Hiroko Kawamoto**
External Director
Chairperson of
the Compensation Committee

### Discussion on strengthening human capital and branding to support the successful implementation of the new Medium-term Management Plan

Through the annual evaluation of the Board of Directors, we set the main themes for discussion, reflecting changes in the internal and external environment as well as opinions from directors, and engaged in active discussion. At the Board of Directors meeting in fiscal 2022, the main theme was the formulation of the new Medium-Term Management Plan. In order for SuMi TRUST Group, which has a wide range of diverse business areas, to foster synergies by further consolidating its business areas, I expressed my opinion concerning the new Midium-Term Management Plan at the Board of Directors meeting. I stressed that strengthening human capital, which is the foundation for diverse employees with various specialties to work together and take advantage of their strengths, and branding of the core group, which integrates the value provided by the entire group and resonates with stakeholders, will be the key to its success. Specifically, we took the opportunity to disseminate a variety of messages, including communication to foster an accurate understanding of DE&I to employees, improving employee cohesion through easy-to-understand catchphrases, and examining the need for accurate analysis of the current situation and measures based on that analysis in order to develop branding strategies. We will continue to ask ourselves what we can do to enhance SuMi TRUST Group's corporate value and encourage sustainable development.

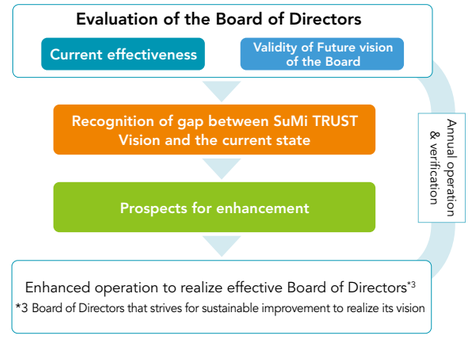
## 3 Evaluation of the effectiveness of the Board of Directors in fiscal 2022

Every year we conduct an evaluation of the Board of Directors in an effort to enhance its effectiveness by considering and adopting measures aimed at improving issues identified in the evaluation and by implementing the PDCA cycle (please refer to the link below for the results of the evaluation of the Board of Directors in fiscal 2022 (overview)).

https://www.smth.jp/english/about_us/management/governance#anc-04

### (1) Key points for evaluation in fiscal 2022

In fiscal 2022, we confirmed the effectiveness of the current framework, where an effective Board of Directors is defined as "the Board of Directors that strives for sustainable improvement to realize its vision." We set questions to ask about issues and areas for improvement, and based on our understanding of the current Gap (difference between current and ideal state), we charted the path for enhancement.




### (2) Results of the evaluation of the Board of Directors in fiscal 2022 (evaluation results, issues and future initiatives)

At the meeting of the Board of Directors in fiscal 2022, we confirmed improvements in effectiveness through the formulation of the Medium-Term Management Plan, internal management of the Group, enhanced discussions on policies for building desirable relationships with diverse stakeholders and other measures. The evaluation of the Board of Directors indicated that the Board and each committee are aware of their respective objectives and are endeavoring to invigorate discussions and improve their supervisory functions. As a result, we believe that an adequate degree of effectiveness is being sustained.

| Issues that are recognized in FY2022 evaluation |
|---|
| (1) Discussion on business portfolios for improved profitability and growth capabilities of business strategies |
| (2) Organic collaboration with the subsidiaries and affiliates, and discussions to realize the Group strategy based on the collaboration |
| (3) Enhanced discussions in light of expectations from various stakeholders |

At the same time, we also recognized the issues that the Board of Directors and various committees need to improve and enhance in order to realize the future vision of the Board. Based on the recognition of these issues, in fiscal 2023, we will deepen discussions on the allocation of management resources based on business portfolio analysis in order to achieve steady implementation of the Medium-Term Management Plan. We will also conduct more effective deliberations on enhancing group management and accountability to stakeholders from both the offensive and defensive perspectives.

### (Reference) External Directors' Meeting

The External Directors' Meeting*1 is a meeting body intended to foster trust among external directors through frank exchange of opinions and shared recognition from an independent and objective standpoint and to utilize the opinions expressed at the meeting to fulfil their roles as external directors by channeling them to the executive level as necessary. In fiscal 2022, two meetings were held to discuss topics such as the "governance framework and management of the Board of Directors," and "organizing the roles of the holding company and the subsidiary bank and the exercise of their functions." These discussions led to future discussions by the Board of Directors, improvements in management and other operations.

*1 Voluntary meetings organized by external directors and not prescribed in any of internal regulations.

## 4 Foundation supporting the Board of Directors

### (1) Basic principles regarding the composition of the Board of Directors

The Board of Directors at SuMi TRUST Holdings has appointed a sufficient number of directors considered necessary and appropriate for the Board to demonstrate an effective supervisory function as required of a financial holding company tasked with the management of SuMi TRUST Group. In determining the number of directors, due consideration is also given to ensuring diversity and expertise among directors.

In light of the importance of the role of independent external directors in corporate governance, we have established a principle that, at least one-third of the directors on the Board of Directors should be independent external directors. The Company has established and disclosed Independence Standards of Independent Directors. In principle, all statutory committees are chaired by external directors.

### Message from the Chairman of the Nominating Committee



**Isao Matsushita**

External Director,
Chairman of the Board of Directors, Chairman of the Nominating Committee

#### Current composition of the Board of Directors

Having defined SuMi TRUST Group's reason for existence (Purpose) and identified high-priority issues (materiality), we also recognize that the mission of resolving social issues presents us with growth opportunities. This is why we have placed at the core of our management approach the notion of balanced creation of both social and economic value. For this reason, candidates for directors are selected from among those with expertise and experience (skills) that address a variety of high-priority issues (materiality).

In order to fulfill the fiduciary duty to our stakeholders, the Nominating Committee, of which I am the chairman, continuously reviews high-priority issues (materiality) and corresponding skills, taking the environment surrounding SuMi TRUST Group into consideration, and examines the appropriate composition and diversity of the Board of Directors. Through this approach, it ensures a balanced composition that can appropriately supervise a wide range of business areas in our Group and provide accurate opinions and advice.

We believe that the current structure of our Board of Directors provides a comprehensive coverage of skill and diversity.*2

*2 Please refer to pages 64 and 65 for the expertise and experience (skills) possessed by our directors.

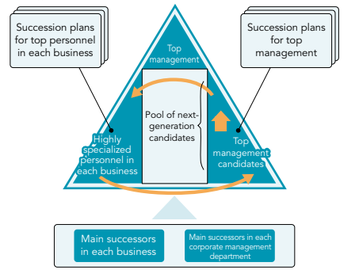
### (2) Succession plans

In order to achieve sustainable growth for the Group and enhance its corporate value, we have formulated succession plans for the top management of SuMi TRUST Holdings, SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management. We have also created management personnel development plans for those in charge of managing each business and those engaged in corporate management. We have defined the ideal qualities and requirements for the nominees required to serve as directors and officers, and systematically manage and cultivate a group of candidates.

**Training and appointment process**

The Nominating Committee selects a pool of top management candidates each year based on the proposals and opinions presented by the executive side. Based on the current and future business environment, the Nominating Committee deliberates on future development policies, assignments to be given to the candidates and other matters based on performance, achievements, evaluations, expertise and experience (skills), and reflects such matters as placement in different departments from the next fiscal year onward, giving candidates an opportunity to develop and to overcome challenges. We also continue to track the status of development. While continuing this cycle, when the Company actually appoints new top management members, the Nominating Committee will deliberate on the candidates' performance, achievements, evaluations, expertise and experience (skills), in a multifaceted manner, with a focus on candidates who have been trained during the cycle, and will ultimately report to the Board of Directors. The progress of succession plans and development plans are periodically reported to the Board of Directors.

■ **Development of Management Personnel Based on Management Team Succession Plan**




### (3) Compensation system for directors and executive officers

Executive compensation is intended to function effectively as an incentive for the improvement of corporate performance and enhancement of enterprise value. Rather than focusing on a single-year performance evaluation in which short-term revenue contributions are emphasized, we are building a compensation system with a balance of near-term incentives and medium- to long-term incentives.

In principle, the compensation structure is a combination of monthly compensation (comprising of fixed compensation and individual performance compensation), bonuses for directors and executive officers (performance-linked bonuses) and stock-based remuneration (share delivery trust).

With respect to executive bonuses (performance-linked bonuses) and stock-based remuneration (share delivery trust), the Company has introduced a system whereby each item listed in the table below is set as an indicator (KPI) and reflected in the compensation amount. In fiscal 2022, we changed the rating system for stock-based compensation to better reflect ESG-related contributions. Specifically, the ratio of "Short-term Performance: Medium-term Performance: ESG Overall Rating = 1:1:1" is reflected in the performance evaluation of stock compensation. ESG assessment categories have been reviewed in light of materiality and now is comprised of the following five categories: climate change, fiduciary duties (FD) & client satisfaction (CS), employee engagement, DE&I (empowerment of women), and assessments obtained from ESG assessment organizations. The results are evaluated from both quantitative and qualitative perspectives and reflected in executive compensation.

■ **Indicators (KPIs) Concerning Performance-Linked Compensation**

| Types of performance-linked compensation | Indicators (KPIs) for performance-linked compensation | Near-term / medium-term | Target*3 | Actual*3 | Evaluation Weight | | Calculation method |
|---|---|---|---|---|---|---|---|
| **Bonus for directors and executive officers** | | | | | | | |
| performance-linked bonuses | (i) Consolidated net business profit | Linked to near-term earnings | 310 bn yen | 324.6 bn yen | 66.7% | | Calculated based on a weighted average with a 2:1 weighting on the achievement rates for (i) and (ii), respectively |
| | (ii) Consolidated net profit attributable to owners of the parent | | 190 bn yen | 191 bn yen | 33.3% | | |
| **Stock Compensation*4** | | | | | | | |
| share delivery trust | (i) Consolidated net business profit | Linked to near-term earnings | 310 bn yen | 324.6 bn yen | 33.3% | 22.2% | Achievement rate vs. target |
| | (ii) Consolidated net profit attributable to owners of the parent | | 190 bn yen | 191 bn yen | | 11.1% | |
| | (iii) Consolidated shareholders' equity and ROE | Linked to medium-term financial metrics | Around 7% | 6.93% | 33.3% | 11.1% | Assessment score calculated based on qualitative assessment of progress on achieving Medium-Term Management Plan targets |
| | (iv) Consolidated CET1 ratio (common equity tier 1 capital ratio)*5 | | Lower 10% range | 9.5% | | 11.1% | |
| | (v) Consolidated overhead ratio (OHR) | | Lower 60% range | 60.1% | | 11.1% | |
| | (vi) ESG overall assessment (categories: climate change, FD & CS, employee engagement, DE&I (empowerment of women, etc.), ESG assessment organizations*6) | Linked to ESG | - | - | 33.3% | 33.3% | Assessment score calculated based on overall assessment comprising both quantitative and qualitative evaluations of activities in each assessment category |

*3 (i) and (ii) are fiscal 2022 actual results versus fiscal 2022 forecasts. (iii) through (v) are fiscal 2022 results versus fiscal 2022 targets established under the Medium-Term Management Plan.
*4 Compensation with the use of a trust scheme. Points are awarded every fiscal year based on the achievement rates for the KPIs above and delivered in the form of shares upon retirement. Malus (reduction/cancellation before delivery of shares) and clawback (recovery after delivery of shares) provisions apply.
*5 Finalized Basel III base *6 "ESG assessment organizations" are MSCI, FTSE and Sustainalytics.

# Our Directors and Executive Officers and composition of the Board of Directors of our Group's core subsidiaries

## 1 Our Directors and Executive Officers

### Directors (internal)

| | | | Area of expertise (skills) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Corporate management | Financial and accounting | Legal affairs, risk management and compliance | Trust, investment and asset administration | Digital, IT and technology | Sustainability | | | *1 Internationality |
| | | | | | | | | Environment | Society | DE&I | |
|  | Director, President (Representative Executive Officer)<br>**Toru Takakura** | Toru Takakura had served as Senior Managing Executive Officer in charge of overseeing corporate management departments of SuMi TRUST Holdings, and assumed office as Director and President in June 2021. Also at Sumitomo Mitsui Trust Bank, Limited, he served as an officer in charge of Fiduciary Services Business, in addition to having been in charge of corporate management departments. Therefore, he has extensive knowledge and experience regarding the corporate management and business operations of SuMi TRUST Group. | ● | | ● | ● | | ● | ● | ● | ● |
|  | Director, Deputy President (Representative Executive Officer)<br>**Atsushi Kaibara** | Atsushi Kaibara assumed office as Deputy President and Executive Officer of SuMi TRUST Holdings in April 2023, and as Deputy President, Director and Executive Officer in June 2023. He had also served as an officer in charge of Stock Transfer Agency Business and Real Estate Business of Sumitomo Mitsui Trust Bank, Limited. Therefore, he has extensive knowledge and experience regarding the corporate management and business operations of SuMi TRUST Group. | ● | | ● | ● | | | | | |
|  | Director, Senior Managing Executive Officer<br>Risk Committee Member<br>Conflicts of Interest Committee Member<br>**Yasuyuki Suzuki** | Yasuyuki Suzuki served as General Manager of Retail Business of Sumitomo Mitsui Trust Bank, Limited and General Manager of Compliance Department of SuMi TRUST Holdings and Sumitomo Mitsui Trust Bank, Limited as well as in other capacity in the past. He has been serving as Senior Managing Executive Officer of SuMi TRUST Holdings since April 2023, in charge of Risk Management Department. Therefore, he has extensive knowledge and experience regarding the corporate management and business operations of SuMi TRUST Group. | ● | | ● | ● | | | | | |
|  | Director, Executive Officer<br>**Kazuya Oyama** | Kazuya Oyama has been responsible for the planning and promotion of the Group's management strategies since he took office as Managing Executive Officer, General Manager of Corporate Planning Department of SuMi TRUST Holdings in April 2017. He assumed office as President of Sumitomo Mitsui Trust Bank, Limited in April 2021, and has been responsible for overall management of the company. He has also been serving as Director and Executive Officer at SuMi TRUST Holdings since June 2021. | ● | ● | ● | ● | | ● | ● | ● | ● |
|  | Chairman<br>Nominating Committee Member<br>Compensation Committee Member<br>**Tetsuo Ohkubo** | Tetsuo Ohkubo has experience in positions for supporting part of corporate management, being in charge of corporate management departments of SuMi TRUST Holdings, and supervised overall group management as Director and President from June 2017 to March 2021. He has assumed office as Chairman since April 2021. | ● | ● | ● | ● | | ● | ● | ● | ● |
|  | Director<br>Nominating Committee Member<br>Compensation Committee Member<br>**Masaru Hashimoto** | Masaru Hashimoto had been in charge of corporate management departments of SuMi TRUST Holdings. From June 2017 to March 2021, he served as Director and Executive Officer in a position of assisting the Group's overall management. At Sumitomo Mitsui Trust Bank, Limited, he was responsible for overall management from April 2017 to March 2021 as President. He has been serving as Chairman since April 2021. | ● | ● | ● | ● | | ● | ● | ● | ● |
|  | Director<br>Audit Committee Member<br>**Kouji Tanaka** | Kouji Tanaka had served as General Manager of Real Estate Business and General Manager of domestic branches of Sumitomo Mitsui Trust Bank, Limited. He then served as Managing Executive Officer of the said company, in charge of Internal Audit Department. Therefore, he has extensive knowledge and experience regarding the corporate management and business operations of SuMi TRUST Group. | ● | | ● | ● | | | | | |
|  | Director<br>Audit Committee Member<br>**Toshiaki Nakano** | Toshiaki Nakano served as General Manager of Compliance Department of SuMi TRUST Holdings and Sumitomo Mitsui Trust Bank, Limited, as well as in other capacities in the past. He has been serving as Executive Officer of SuMi TRUST Holdings since April 2017 and as Managing Executive Officer of SuMi TRUST Holdings since April 2021. Therefore, he has extensive knowledge and experience regarding the corporate management and business operations of SuMi TRUST Group. | ● | | ● | ● | | | | | |

■Members of Each Committee (◎ External Director (Committee Chairperson) ● External Director ◎ External Expert (Committee Chairperson) ○ External Expert ● Internal/non-executive Director ● Internal/executive Director ● Executive Officer (as defined in the Companies Act)/Executive Officer (as defined in our internal policy) (non-Director) □ Female)

| | | Career summary, etc. | | Nominating | Compensation | Audit | Risk | Managing Conflicts of Interest |
|---|---|---|---|---|---|---|---|---|
| External | Director | Isao Matsushita | Former President, ENEOS Holdings | ◎ | ● | | | |
| | | Hiroko Kawamoto | Former Executive Vice President, All Nippon Airways | ● | □ | | | |
| | | Mitsuhiro Aso | Former Superintending Prosecutor, Fukuoka High Public Prosecutors Office | ● | ● | ◎ | | |
| | | Nobuaki Katoh | Former President, Denso | ● | ● | | | ● |
| | | Kaoru Kashima | Former Managing Director, ShinNihon LLC | | | ● | ● | |
| | | Tomonori Ito | Professor at Institute for Business and Finance, Waseda University | | | ● | | |
| | | Hajime Watanabe | Former President, Development Bank of Japan | ● | ● | | | |
| | Experts | Hideki Kanda*2 | Professor, Law School at Gakushuin University; Emeritus Professor, The University of Tokyo | | | | | ◎ |
| | | Kenji Fujii | Former Managing Executive Officer, Mizuho Securities; Former Managing Executive Officer, Mizuho Financial Group | | | | ◎ | |
| | | Haruyuki Toyama | Former Director-General of the International Bureau, the Bank of Japan | | | | ○ | |
| | | Akiko Hosokawa | Partner, Baker & McKenzie | | | | | ◎ |
| Internal | | Tetsuo Ohkubo | Chairman | ● | ● | | | |
| | | Masaru Hashimoto | Director | ● | ● | | | |
| | | Kouji Tanaka | Director (Audit Committee Member) | | | ● | | |
| | | Toshiaki Nakano | Director (Audit Committee Member) | | | ● | | |
| | | Yasuyuki Suzuki | Director, Senior Managing Executive Officer | | | | ● | ● |
| | | Yuki Takada | Managing Executive Officer | | | | □ | □ |

*2 Mr. Hideki Kanda is an external director of Sumitomo Mitsui Trust Bank, Limited.

### Executive Officers

Managing Executive Officer, Executive Officer
**Manatomo Yoneyama**

Managing Executive Officer
**Masakatsu Sato**

Managing Executive Officer
**Kazuteru Wakao**

Managing Executive Officer
**Atsushi Matsumoto**

Managing Executive Officer
**Takumi Fujisawa**

Managing Executive Officer
Risk Committee Member
Conflicts of Interest Committee Member
**Yuki Takada**

### Directors (external)

| | | | Area of expertise (skills) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Corporate management | Financial and accounting | Legal affairs, risk management and compliance | Trust, investment and asset administration | Digital, IT and technology | Sustainability | | | *1 Internationality |
| | | | | | | | | Environment | Society | DE&I | |
|  | Director (external)<br>Nominating Committee Member<br>Compensation Committee Member<br>**Isao Matsushita***3 | Mr. Isao Matsushita has extensive experience in general corporate management as former Representative Director and President of JX Holdings, Inc. (currently ENEOS Holdings, Inc.), Japan's leading integrated energy, resources and material enterprise group. (He has been serving as external Director, chairman of the Board of Directors and chairman of the Nominating Committee at SuMi TRUST Holdings since June 2017) | ● | ● | | | | ● | ● | | ● |
|  | Director (external)<br>Nominating Committee Member<br>Compensation Committee Member<br>**Hiroko Kawamoto***3 | Ms. Hiroko Kawamoto served as Executive Vice President and Member of the Board of All Nippon Airways Co., Ltd. from April 2016. She was responsible for the overall management of the company and promotion of women's active participation. Therefore, she has extensive knowledge and experience regarding corporate management and diversity. (She served as external director at Sumitomo Mitsui Trust Bank, Limited for one year from June 2016, and has been serving as external Director at SuMi TRUST Holdings since June 2017) | ● | | ● | | | | | ● | |
|  | Director (external)<br>Nominating Committee Member<br>Compensation Committee Member<br>Chairperson of the Audit Committee<br>**Mitsuhiro Aso***3 | Mr. Mitsuhiro Aso has served as Superintending Prosecutor of Fukuoka High Public Prosecutors Office and Interlocking Professor at Hosei University Law School. Therefore, he is a legal expert with experience in organization management. (He served as external auditor at Sumitomo Mitsui Trust Bank, Limited for three years from June 2016, and has been serving as external Director at SuMi TRUST Holdings since June 2019) | | | ● | | | | ● | | ● |
|  | Director (external)<br>Nominating Committee Member<br>Compensation Committee Member<br>Conflicts of Interest Committee Member<br>**Nobuaki Katoh***3 | Mr. Nobuaki Katoh has extensive experience in general corporate management as former President & CEO of DENSO CORPORATION, global auto parts manufacturer. He also has experience in overseas general corporate management as former President & CEO of DENSO INTERNATIONAL EUROPE B.V. (He has been serving as external Director at SuMi TRUST Holdings since June 2021) | ● | | | ● | | ● | ● | | ● |
|  | Director (external)<br>Audit Committee Member<br>Risk Committee Member<br>**Kaoru Kashima***3 | Ms. Kaoru Kashima had been a member of a major audit firm for many years and in charge of operating companies as a certified public accountant, and thus has extensive knowledge and experience in financial accounting. She has also been engaged in management, human resources, corporate culture, public relations and the promotion of active participation of women as a managing director of an audit firm and a corporate manager. (She served as external director (Audit and Supervisory Committee member) at Sumitomo Mitsui Trust Bank, Limited for two years from June 2019. She has also been serving as external Director of SuMi TRUST Holdings since June 2021) | ● | ● | ● | | | | | ● | |
|  | Director (external)<br>Audit Committee Member<br>**Tomonori Ito***3 | After working at financial institutions in Japan and overseas, Tomonori Ito served as a professor at School of International Corporate Strategy, Hitotsubashi University and a professor at Institute for Business and Finance, Waseda University. Accordingly, he has extensive knowledge and experience with thorough familiarity in corporate strategy and global financial business. | | | | ● | | ● | | | ● |
|  | Director (external)<br>Nominating Committee Member<br>Compensation Committee Member<br>**Hajime Watanabe***3 | Mr. Hajime Watanabe has extensive experience regarding overall bank management and policy-based finance as former President of Development Bank of Japan Inc., and has extensive knowledge regarding domestic and foreign financial and economic circumstances. | ● | ● | ● | ● | | ● | ● | | ● |

*1 Judged based on whether or not the person has overseas work experience, etc. Internal Directors have experience in global business development related to SuMi TRUST Holdings' business operations such as trust.
*3 External director as prescribed in Article 2, item 15 of the Companies Act. The overall balance, including areas of expertise above, is taken into consideration when external Directors are selected.

### Skills required of Directors

With Purpose and fiduciary as the starting points, the new Medium-Term Management Plan identifies high-priority issues (materiality) such as "the age of 100-year life," "ESG/sustainable management," "regional ecosystems and the global investment chain" and "Digital Transformation strategy (Trust x DX)" for a virtuous circulation of funds, assets and capital to engage in value creating businesses. From the viewpoint of enabling effective supervision by the Board of Directors, it identifies skills that help to address materiality after discussion by the Nominating Committee. Please refer to the below link for the reasons for selecting individual skills.

Our Convocation Notice of Ordinary General Meeting of Shareholders for the Twelfth Fiscal Period
https://www.smth.jp/english/-/media/th/english/stock/meeting/E230525-1.pdf

■ **Relationship between the skills required of directors and materiality**

| Required skills | | Key related high-priority issues (=materiality) |
|---|---|---|
| Corporate management | | Corporate governance and human capital |
| Financial and accounting | | Financial structure expected by stakeholders |
| Legal affairs, risk management and compliance | | Risk management and resilience, compliance and conduct, and security |
| Trust, investment and asset administration | | Trust × DX, fiduciary spirit, ESG/sustainable management, age of 100-year life, and regional ecosystems and global investment chain |
| Digital, IT and technology | | Trust × DX |
| Sustainability | Environment | ESG/sustainable management, and regional ecosystems and global investment chain |
| | Society | ESG/sustainable management, age of 100-year life, and regional ecosystems and global investment chain |
| | DE&I | ESG/sustainable management and Human Capital |
| Internationality | | Regional ecosystems and global investment chain, and risk management and resilience |

Managing Executive Officer
**Riro Sato**

Executive Officer
**Miyo Yajima**

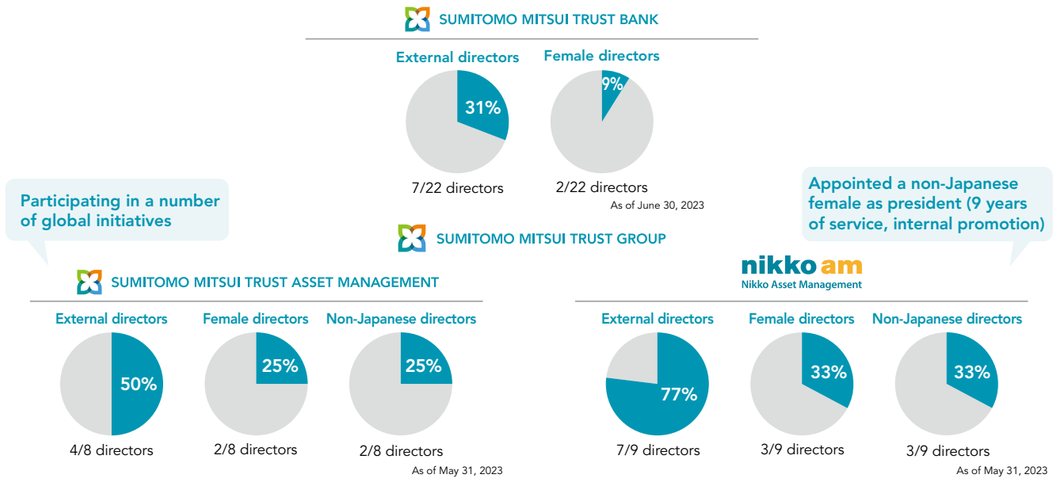
Managing Executive Officer
**Masayuki Okamoto**

Executive Officer, Executive Officer
**Masaya Yamashiro**

## 2 Composition of the Board of Directors of our Group's core subsidiaries

Our Group engages in financial business globally and offers highly specialized financial products and services such as trust, asset management and asset administration through the active participation of a diverse range of employees. Therefore, we strive to ensure that the boards of directors of our Group's core subsidiaries are well-balanced with directors who have broad-ranging experience and knowledge in various fields including corporate management, financial and asset management operations and international experience, and also incorporate diverse perspectives through the participation of female and foreign directors, so that the boards fulfill their functions appropriately.

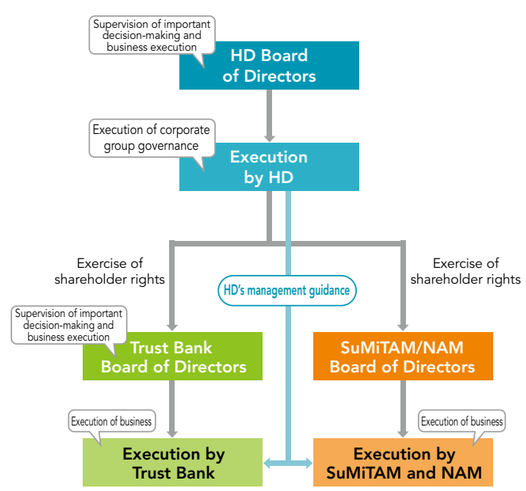
■ **Diversity in the Boards of Directors at major core subsidiaries**




### (Reference) Initiatives to ensure Boards of Directors of our Group's core subsidiaries fulfill their functions

In order to enhance the effectiveness of the supervisory body as a whole, our Group has developed a framework to ensure that the boards of directors of the subsidiaries fulfill their functions in group governance. More specifically, our Group's core subsidiaries, such as Sumitomo Mitsui TRUST Bank, Sumitomo Mitsui Trust Asset Management (SuMiTAM), and Nikko Asset Management (NAM), which have internal management in place and are managed autonomously, are expected to have their boards of directors fulfill their supervisory functions autonomously. We ensure the effectiveness of those supervisory bodies by evaluating their operations as monitoring boards.

■ **Functioning of the Boards of Directors of the subsidiaries in group governance**




**Functions and roles of the Holdings Board of Directors**

- HD Board of Directors mainly deliberates on the Purpose, policy for appropriate capital distribution to stakeholders, and basic group management policies (including management strategies and the basic policy on internal control) that enable the sustainability of such value creation, of SuMi TRUST Group.
- Responsible for corporate governance of the entire corporate group as the apex of the group governance structure, and appropriately designs and supervises the roles and functions of the subsidiaries.

**Classification of governance functions and management policies of the subsidiaries and affiliates**

| | | |
|---|---|---|
| Impact on the Group | Important companies with significant impact on the Group management | |
| Management autonomy and internal control autonomy | Companies that have internal management in place and are managed autonomously | Less autonomous Need for parent support (Low → High) |
| Group management function perspective | Management strategies Status of control by the supervisory body | Management strategies Providing guidance on high risk areas |

[Illustration of functioning of the boards of directors of the subsidiaries and affiliated companies based on the above]

| | | |
|---|---|---|
| Supervision type | Expectation for the role for autonomous supervision | Certain dependence on control by parent |
| Functions of the boards of directors of the subsidiaries and affiliates | Monitoring board (autonomous control framework) | Conventional board (control including parent support) |
| HD's supervisory perspective | Management strategies and execution status Internal management status Evaluation of operation of the supervisory body | Management strategies and execution status Internal control status Evaluation of control by parent company |
| Examples of relevant companies | SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management and Nikko Asset Management | … |

■ **SuMi TRUST Bank (SuMiTB) (Company with Audit and Supervisory Committee) 22 Directors (as of June 30, 2023)**

| Name | Position | Career summary, etc. (For internal directors of SuMiTB, their positions at SuMiHD are shown) | Remarks (Committees participating as member, etc.) |
|---|---|---|---|
| Masaru Hashimoto | Chairman (Chairman of the Board of Directors) | Director, SuMiHD | Nominating Committee Member, SuMiHD; Compensation Committee Member, SuMiHD |
| Kazuya Oyama | President (Representative Director) | Director and Executive Officer, SuMiHD | |
| Seiji Iwakuma | Director, Deputy President (Representative Director) | - | |
| Shigeki Tanaka | Director, Deputy President (Representative Director) | Executive Officer, SuMiHD | Head of Corporate Business |
| Nobuaki Yamaguchi | Director, Deputy President (Representative Director) | Executive Officer, SuMiHD | Head of Retail Business |
| Futoshi Itani | Director, Senior Managing Executive Officer | Executive Officer, SuMiHD | Head of Investor Services Business |
| Yasuyuki Suzuki | Director, Senior Managing Executive Officer | Director and Senior Managing Executive Officer, SuMiHD | Risk Committee Member, SuMiHD; Conflicts of Interest Committee Member, SuMiHD |
| Manatomo Yoneyama | Director, Managing Executive Officer | Managing Executive Officer and Executive Officer, SuMiHD | Head of Asset Administration Business |
| Atsushi Matsumoto | Director, Managing Executive Officer | Managing Executive Officer, SuMiHD | |
| Masakatsu Sato | Director, Managing Executive Officer | Managing Executive Officer, SuMiHD | |
| Riro Sato | Director, Managing Executive Officer | Managing Executive Officer, SuMiHD | |
| Tetsuo Ohkubo | Director | Chairman, SuMiHD | Nominating Committee Member, SuMiHD; Compensation Committee Member, SuMiHD |
| Toru Takakura | Director | Director and President (Representative Executive Officer), SuMiHD | |
| Hideki Kanda | Director (external) | Professor, Law School at Gakushuin University; Emeritus Professor, The University of Tokyo | Chairperson of the Conflicts of Interest Committee, SuMiHD |
| Michiko Achilles | Director (external) | Co-chair, G20 EMPOWER Japan; Chairperson, the Liaison Conference for the Promotion of Gender Equality, Cabinet Office; Former Senior Advisor, HR Strategy, SAP Japan | |
| Kazumi Torii | Director (external) | Senior Advisor, SMBC Nikko Securities; Former President, Norinchukin Trust & Banking Co., Ltd. | |
| Naoaki Mashita | Director (external) | Chairman & Group CEO, V-cube, Inc.; Vice Chairman and Executive Director, the Japan Association of Corporate Executives | |
| Tsutomu Kurai | Director | - | Audit and Supervisory Committee Member |
| Shigenori Ikemura | Director | - | Audit and Supervisory Committee Member |
| Junko Sasaki | Director (external) | President, Nagaoka Institute of Design; Former Executive Officer, Microsoft Japan; Former President and Executive Officer, Sartorius Japan | Audit and Supervisory Committee Member |
| Hidefumi Date | Director (external) | Former CFO, Mitsubishi Chemical Holdings Corporation (current Mitsubishi Chemical Group Corporation) | Chairperson, Audit and Supervisory Committee |
| Kazuo Sakakibara | Director (external) | Advisor, Anderson Mori & Tomotsune (general partnership); Former Superintending Prosecutor, Osaka High Public Prosecutors Office | Audit and Supervisory Committee Member |

■ **Sumitomo Mitsui Trust Asset Management (SuMiTAM) (Company with Audit and Supervisory Committee) 8 Directors (as of May 31, 2023)**

| Name | Position | Career summary, etc. | Experience in asset management operations | Committees participating as member, etc. |
|---|---|---|---|---|
| David Semaya | Executive Chairman and Representative Director (Chairman of the Board) | Former President and CEO, Barclays Global Investors Japan; Former Chairperson of the Board of Directors, Nikko Asset Management | 24 years | - |
| Yoshio Hishida | President and Representative Director | Executive Officer, SuMiHD | 35 years | HR and Compensation Committee |
| Jiro Araumi | Director | Former Director, Executive Officer and Deputy President (Representative Executive Officer), SuMiHD | 25 years | - |
| Keisuke Suzuki | Director | Former General Manager of General Planning Dept. and Compliance Dept., SuMiTAM; Former Head of Market Business Development Unit, SuMiTB | 9 years | Audit and Supervisory Committee Member |
| Mitsuaki Iwase | Directors (external) | Former bureau head of National Police Agency; Former adviser to Toyota Motor Corporation | - | Chairperson of the Audit and Supervisory Committee; FD Advisory Committee; HR and Compensation Committee |
| Yasuhiro Yonezawa | Directors (external) | Emeritus Professor, Waseda University; Former Professor, Graduate School of Business and Finance, Waseda University | - | Audit and Supervisory Committee Member; Chairperson of the SS Activities Advisory Committee; Chairperson of the HR and Compensation Committee |
| Mami Sasaki | Directors (external) | Former Managing Director, Morgan Stanley Securities; Former Managing Director, Credit Suisse First Boston Securities | - | Audit and Supervisory Committee Member; Chairperson of the FD Advisory Committee; HR and Compensation Committee |
| Royanne Doi | Directors (external) | Former VP/General Counsel (Tokyo), State Street Bank & Trust Company; Former Chief Legal Officer, Prudential Financial Inc. of Japan | 4 years | - |

*1 SS Activities Advisory Committee is an abbreviation of the Stewardship Activities Advisory Committee

■ **Nikko Asset Management (NAM) (Company with Audit and Supervisory Committee) 9 Directors (as of May 31, 2023)**

| Name | Position | Career summary, etc. | Experience in asset management operations | Committees participating as member, etc. |
|---|---|---|---|---|
| Yutaka Nishida | Chairman and Representative Director | Former Senior Managing Executive Officer, SuMiHD | 16 years | Compensation Committee, Nomination Committee |
| Stefanie Drews | President and Representative Director | Former Managing Director and Investment Advisor, Private Wealth Management, Morgan Stanley | 18 years | Compensation Committee, Nomination Committee |
| Yoichiro Iwama | Director (external) (chairman of the Board of Directors) | Former Representative Director, Tokio Marine Asset Management | 51 years | Compensation Committee, Nomination Committee (Chairman) |
| N. Parker Simes | Director (external) | Former Chairman, Capital International | 13 years | Compensation Committee (Chairman), Nomination Committee |
| Mari Yamauchi | Director (external) | Former Managing Director, UBS Securities | 4 years | Compensation Committee, Nomination Committee |
| Richard Wohanka | Director (external) | Former CEO, Fortis Investment Management | 25 years | Compensation Committee, Nomination Committee |
| Natsuhiko Okumura | Director (external) | Former General Manager, Asset Management Business Planning Department, SuMiHD | 19 years | Chairperson, Audit and Supervisory Committee |
| Shinya Tago | Director (external) | Attorneys and Counsellors at Law (Partner), Iwata Godo | - | Audit and Supervisory Committee (Chairman) |
| Mihoko Sogabe | Director (external) | Former Senior Manager, ASAHI LLC (Current KPMG AZSA LLC) | - | Audit and Supervisory Committee Member |

*2 Experience in asset management operations refers to business experience at asset managers (including asset management departments at trust banks, etc.) for both companies (The number of years of serving as director (external), etc., is not included for both companies)

# Risk management

## 1 Basic policy on risk management

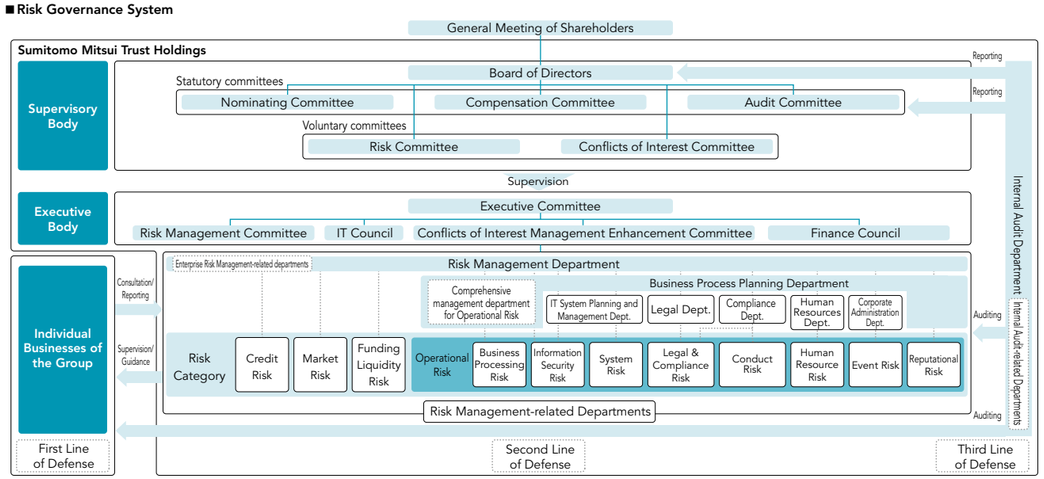
SuMi TRUST Group follows a basic policy of accurately assessing risk conditions and implementing necessary measures through a series of risk management activities, including risk identification, evaluation, monitoring, control and mitigation, based on the Group's management policy and basic policy on the internal control system. Our Group's risk management framework encompasses the Risk Appetite Framework and is linked to functions organically within the Group.

## 2 Risk management system

### (1) Risk governance system

For the group-wide risk governance system, the Group has developed a Three Lines of Defense system consisting of risk management by individual Group businesses (first line of defense), risk management by the Risk Management Department and individual risk management-related departments (second line of defense) and validation by Internal Audit Department (third line of defense).

■ **Risk Governance System**




**(i) First line of defense**

Each Group business identifies and gains an understanding of the risk characteristics involved in carrying out its own business, based on knowledge of the services and products in that business. Each Group business takes risks within the scope of its risk appetite in accordance with its risk-taking policy, evaluates risks and swiftly implements risk control at the on-site level when risks that are outside of its risk appetite materialize. In addition, the status of risk management is reported to the second line of defense in a timely manner.

**(ii) Second line of defense**

In accordance with the Group-wide basic policy on risk management approved by the Board of Directors, as control departments responsible for the management of each risk category, the Risk Management Department and risk management-related departments perform a check and balance function for the risk taking of the first line of defense, and supervise and provide guidance regarding the risk governance system from an independent standpoint.

The Risk Management Department, as an enterprise risk management department identifies and evaluates group-wide risks, creates a risk management process and sets risk limits. In addition, it formulates group-wide recovery strategies, in advance, to prepare for cases when risks materialize. Furthermore, it shares information with risk management-related departments appropriately, monitors the overall status of risks and risk management in an integrated manner and reports the status to the Executive Committee and the Board of Directors.

**(iii) Third line of defense**

The Internal Audit Department audits the effectiveness and appropriateness of the group-wide risk governance system and processes from a standpoint independent of the first and second lines of defense.

**(iv) Executive Committee**

The Executive Committee is composed of representative executive officers and executive officers designated by the President. It makes decisions on matters concerning risk management and undertakes preliminary discussions regarding matters to be resolved by and reported to the Board of Directors.

**(v) Board of Directors**

The Board of Directors is composed of all of the directors. It decides on the Group's management policy and strategic goals for risk taking, formulates a risk management policy that reflects these strategic goals based on a solid understanding of where and what risks exist, and develops an appropriate risk governance system and supervises its implementation. The Board of Directors has voluntarily established the Risk Committee and the Conflicts of Interest Committee as advisory bodies based on the business strategies and risk characteristics of the Group.

- Risk Committee

  The Risk Committee receives requests for consultation from the Board of Directors on matters concerning the recognition of the environment surrounding the Group and the effectiveness of its risk management reviews their appropriateness, and reports its findings.
- Conflicts of Interest Committee

  The Conflicts of Interest Committee receives requests for consultation from the Board of Directors on matters concerning the Group's fiduciary duties and conflicts of interest management, which are the foundation on which the Group seeks to become the "Best Partner" of its clients based on a fiduciary spirit, reviews their appropriateness, and reports its findings.

### (2) Risk management process

In the Group, the Risk Management Department and individual risk management-related departments act as the second line of defense, performing risk management using the following procedure. This risk management process, along with its associated systems, undergoes regular auditing by the Internal Audit Department, which acts as the third line of defense.

**(i) Risk identification**

The risks faced by the Group are comprehensively identified, while ensuring the comprehensiveness of the Group's operations, and the risks to be managed are identified based on the size and characteristics of the identified risks. Among those risks, risks that are particularly important are managed as material risks.

**(ii) Risk evaluation**

The risks identified as requiring management undergo analysis, evaluation, and measurement in a manner appropriate for the scale, characteristics, and risk profiles of each of the Group's businesses. Among those risks, we periodically evaluate material risks in terms of the frequency of occurrence, degree of impact and severity to determine whether they can be classified as "top risks" (risks that require management attention due to their potential to have a material impact on the Group's business capabilities and earnings targets within one year) or "emerging risks" (risks that could have a material impact in the medium to long term; i.e., after one year).

**(iii) Risk monitoring**

After setting KRIs*1 and other indicators, risk conditions are monitored with appropriate frequency, given the conditions of the Group's internal environment (risk profiles and allocated capital usage status) and external environment (the economy and markets). Recommendations, guidance and advice are given to each of the Group's businesses based on the risk conditions.

Monitoring results are reported and submitted for proposal to the Board of Directors, the Executive Committee and other bodies regularly or as needed.

*1 KRI = Key Risk Indicator

**Risk predictor management for top risks**

We select top risks, emerging risks, and others, based on the features of the business model and risk characteristics of the Group. We set risk appetite indicators for risks resulting from internal factors and early warning indicators for risks resulting from external factors for monitoring purpose.

■ Main top risks and emerging risks

- Risks related to falling prices for strategic shareholdings
- Risks related to concentration of credit in major obligors in the credit portfolio
- Risks related to cyber-attacks
- Risks related to climate change*2
- Risks related to the manifestation of geopolitical risk (e.g., the Ukraine crisis)
- Risks related to innovation
- Risks related to Japan's declining birthrate and aging population

*2 For more information on the Group's initiatives to address climate change-related risks, please refer to "Climate change response" (on p.34) in this report and the TCFD Report (published in December 2022).

**(iv) Risk control and mitigation**

If any events that could have a significant impact on the soundness of management occur, such as risk amounts exceeding the acceptable range of risk appetite or risk limits, or the existence of concerns that it might do so, appropriate reports are presented to the Board of Directors, the Executive Committee and other bodies, and the necessary countermeasures are implemented according to the severity of the risk.

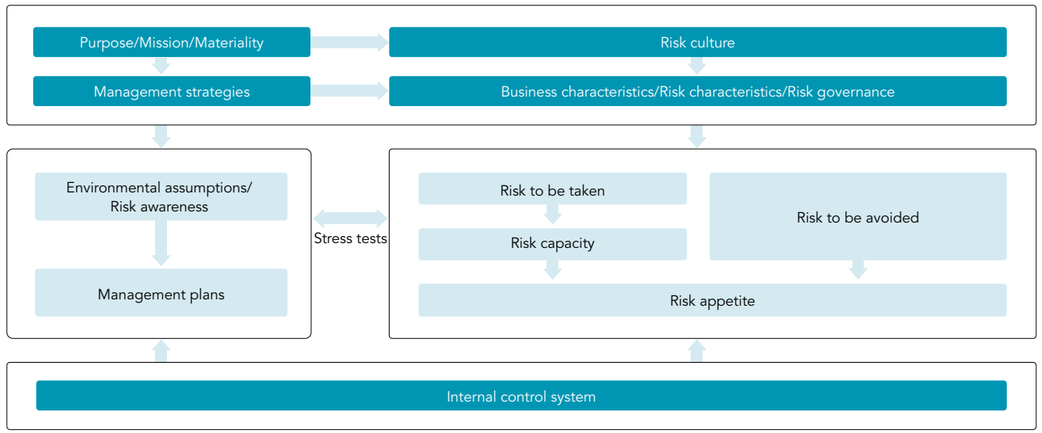
## 3 Risk appetite

### (1) Outline of the Risk Appetite Framework

The Risk Appetite Framework is a group-wide corporate management framework consisting of the process for determining risk appetite within the Group's risk capacity, together with an internal control system that monitors the process and ensures its appropriateness and sufficiency, in order to achieve management strategies formulated based on the Group's Purpose, Mission (management principles), materiality and others.

With the primary objective of balancing improvement in profitability with enhancement of risk management, our Group's Risk Appetite Framework establishes communication processes through the setting, propagation, and monitoring of risk appetite and promotes the improvement of transparency in the decision-making process, the optimization of the allocation of management resources, and the strengthening of the monitoring system for risk-taking overall. Through the above, the Group is promoting the enhancement of risk governance, which forms a part of corporate governance, with the aim to achieve sound and sustainable development through the value creation process by implementing and enhancing the Risk Appetite Framework.

■ **Outline of the Risk Appetite Framework**




### (2) Risk appetite operation

**(i) Determining risk appetite target**

Our Group classifies risks into two categories: (1) risks to be taken (that occurs in relation to activities that generate returns) and (2) risks to be avoided (such as conduct risk that cannot be tolerated by the Group).

Under the Group's Risk Appetite Framework, the Board of Directors establishes a risk-taking policy, based on Purpose and others, and sets risk appetite indicators taking the results of stress tests into account. In addition, the Executive Committee sets a detailed risk-taking policy and risk appetite indicators for each business type within the scope of the policy set by the Board of Directors.

The Group maintains the Risk Appetite Statement to clarify the overall picture, policy, and indicators of the Risk Appetite Framework.

The risk-taking policy and risk appetite indicators are determined in a manner consistent with the management plan, and are reviewed at least once a year or when necessary.

**(ii) Risk appetite monitoring**

Our Group sets risk appetite indicators from the three perspectives of return, risk, and cost, and regularly monitors and verifies that risk taking is conducted appropriately. In addition, we set risk appetite indicators for each materiality to monitor actions to address material issues in order to ensure that the value creation process is functioning appropriately, and that financial and non-financial capital are circulating.

If the risk appetite indicators deviate from the set levels, the Group analyzes the cause and implements countermeasures or reconsiders the levels of risk taking.



## 4 Fostering and instilling a risk culture

Our Group defines risk culture as a basic philosophy that prescribes the codes, attitudes, and conduct of the Group's organizations, as well as its directors, officers and employees, that flexibly execute risk taking, risk management and risk control based on an appropriate assessment of risks, guided by a high degree of self-discipline based on a fiduciary spirit.

We define risk-taking policies for each Group business when formulating its management plan, and encourage appropriate risk-taking by all directors, officers and employees. In this way, the Group aims to build sustainable business models that contribute to enhancing corporate value and stakeholder value, and strives to get risk culture understood and embraced through e-Learning and discussion-based training to foster risk culture and get it rooted across the Group.

## 5 Risk characteristics

Based on a fiduciary spirit, and leveraging its significant expertise and comprehensive capabilities, the Group, as a trust group, strives to create distinct value through a total solution business model that combines its banking, asset management and asset administration, real estate businesses and others.

Each of the Group's businesses faces various risks, including credit risk, market risk, funding liquidity risk and operational risk, depending on its business characteristics.

In this context, as a basis for improving management of risks related to trust business operations, we have established the Group-wide Trust Business Guidelines to provide information about basic matters that warrant caution. SuMi TRUST Bank primarily manages these risks in the operational risk category, particularly in terms of its duty of due care as a prudent manager, duty of loyalty and duty to segregate property as a trustee.

With regards to conduct risk as well, SuMi TRUST Bank, which is the core of the Group, periodically assesses the status of major risks and strives to promote and foster awareness among directors, officers and employees through internal training, thereby reducing and managing risks and preventing them from materializing.

## 6 Enterprise risk management

### (1) Enterprise risk management system

We manage risks by comprehensively ascertaining the risks faced by the Group, which are evaluated on an individual risk category basis, and comparing and contrasting them against our corporate strength, i.e., capital adequacy (enterprise risk management).

We evaluate the effectiveness of our risk management and risk control annually, and when a need arises due to changes in the business environment or other circumstances, we will consider revisions to our risk category system, risk management system and other policies.

Among the risks we manage through our enterprise risk management, we aggregate risks that can be quantitatively measured using a single yardstick, such as VaR*, and compare the aggregated risk value against our corporate strength, i.e., capital adequacy, thereby managing risks (integrated risk management).

*VaR = Value at Risk

### (2) Capital allocation operations

For the purpose of the Group's capital allocation operations, SuMi TRUST Holdings allocates capital to each Group business for each risk category (credit risk, market risk and operational risk) in consideration of the external environment, risk-return performance status, scenario analysis and the results of assessment of capital adequacy level.

The capital allocation plan is subject to the approval of the Board of Directors. Capital allocation levels are determined based on the Group's risk appetite.

Each Group business is operated within both the allocated amount of capital and the risk appetite. The Risk Management Department measures risk amounts on a monthly basis, and reports regularly on the risk status, compared to the allocated capital and risk appetite, to the Board of Directors and others.

### (3) Stress tests and assessment of capital adequacy level

The Risk Management Department performs three types of stress tests (hypothetical scenario stress testing, historical scenario stress testing and examination of probability of occurrence) each time a capital allocation plan is formulated or reviewed, with the aim of ensuring capital adequacy from the standpoint of depositor protection. Based on the results of these stress tests, it assesses the level of capital adequacy, and reports to the Board of Directors and others.

## 7 Crisis management

Our Group strives to develop systems to swiftly and appropriately implement measures in the event of disasters, large-scale computer system failures, outbreaks of new infectious diseases, and the like, which are rooted in its public mission and social responsibilities as a financial institution.

In the event of a crisis, an emergency response headquarters led by the President will be established to ensure the safety of our clients, directors, officers, employees and their families as a top priority. Further, we have BCPs (business continuity plans) in place to continue to provide services in the event of a crisis. In order to ensure the effectiveness of our BCPs, we periodically conduct exercises and revise their content. In particular, we have been working to develop and enhance alternative systems, such as backup offices and backup systems, to prepare for large-scale disasters.

In order to prepare for the outbreak and spread of new infectious diseases, we are striving to prevent the spread of infection and maintain our functions as a social infrastructure by using our experience in dealing with the COVID-19 pandemic such as further enhancing and utilizing the teleworking environments.

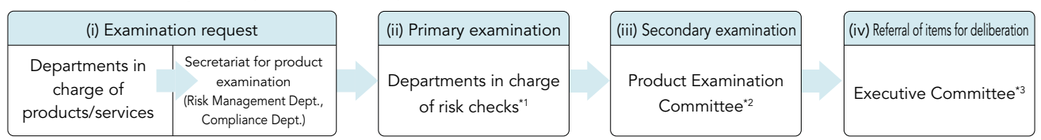
## 8 New product and service examination system and post-introduction management system

When introducing a new product or service, it is necessary to develop various systems in order to continue offering the product or running the operation, including making an advance determination regarding the existence of any inherent risks and identifying their types, evaluating and managing such risks, and developing materials and methods for explanation to clients. To that end, we have developed a new product and service examination system. In the examination process, multiple departments carry out verification from various angles, with an emphasis on introducing products and services that will earn the trust of clients.

For products and services that have been examined by the Product Examination Committee, after they are introduced, we regularly monitor the status of our post-introduction initiatives, including from a risk management perspective.

Regular monitoring is also carried out from the viewpoint of providing clients with appropriate explanations for products and services that are expected to be affected due to changes in the environment and so on, regardless of whether or not they have been deliberated on by the Product Examination Committee.

■ **Product examination process (SuMi TRUST Bank)**




*1 Risk Management Dept., Compliance Dept., Legal Dept., Planning and Coordination Dept., Fiduciary Duties & Customer Satisfaction Planning and Promotion Dept., Financial Planning Dept., Business Process Planning Dept

*2 Held jointly with the Conflicts of Interest Management Enhancement Committee as necessary to review from the perspective of conflicts of interest in light of merchantability.

*3 When new products and services that may have a material impact on the Group's management are referred to SuMi TRUST Bank's Executive Committee, consultation with SuMi TRUST Holdings is required, and a framework is provided for bringing up matters at the Executive Committee and reporting to the Board of Directors.



# Human rights

## 1 Human rights management

### (1) Revision of Human Rights Policy

SuMi TRUST Group's Human Rights Policy was formulated based on "Guiding Principles for Business and Human Rights," which was adopted by the United Nations Human Rights Council in June 2011. In light of increased importance of respecting human rights and the international demand for human rights issues in recent years, as well as changes in human rights issues required of financial institutions, we revised our Human Rights Policy.

Human Rights Policy

https://www.smth.jp/english/sustainability/management/philosophy/human_rights_policy

### (2) Identification of material human rights risks

In conjunction with the revision of SuMi TRUST Group's Human Rights Policy, we confirmed risks that our business activities could have on human rights to identify the following three as material human rights risks from the perspectives of "scope of impact" and "severity."

- Prejudice and discriminatory views, including Dowa issue
- Forced labor, child labor, and human trafficking
- Involvement in conflicts and inhumane acts

### (3) Human rights management system

Although we have established and implemented a human rights management system based on the Human Rights Policy, we discovered that a meeting of the Human Rights Due Diligence Liaison Committee was not held from fiscal 2018 to fiscal 2021, and that the identification of issues and discussions of improvement measures based on the Human Rights Due Diligence Self-checklists submitted by branches and departments were insufficient. We held the meeting in August 2022, and after reviewing the Human Rights Due Diligence Self-checklists including the period when the meetings were not held, no situation of concern was found. Reflecting on these circumstances and taking into consideration the recent increase in the importance of respect for human rights and international requirement for human rights issues, we began reviewing our human rights management system in fiscal 2022.

In fiscal 2023, the Sustainability Committee was established as an advisory body to the Executive Committee with the aim of deepening deliberations on human rights-related issues for even more effective actions.

| | |
|---|---|
| Board of Directors | Supervise the execution status in accordance with Sustainability Policy |
| Risk Committee | Respond to inquiries from the Board about matters concerning high-priority issues and risks in relation to sustainability, deliberate from a professional point of view, and then report findings to the Board |
| Executive Committee | Pursuant to Sustainability Policy, assume responsibility for all aspects of business execution, and consult on and determine the necessary matters In addition, propose matters that are considered important in relation to sustainability to the Board |
| Sustainability Promotion Committee | Conduct preliminary discussions on matters to be resolved by and reported to the Executive Committee from the perspective of promoting the Group' s sustainability initiatives |
| Human Rights Due Diligence Liaison Committee | In accordance with Human Rights Policy, surveys the status of human rights responses at all Group companies to identify issues that need to be addressed and consults on measures for improvement<br>Conduct a survey once a year on the status of human rights responses, using Human Rights Due Diligence Self-Checklist |

### (4) Corporate responsibility to respect human rights

SuMi TRUST Group works to improve the quality of its human rights management through a PDCA cycle that is compliant with the Guiding Principles for Business and Human Rights, in order to foster a corporate culture and workplace environment that respects the basic human rights of all stakeholders, by respecting individual human rights and diverse values, while eliminating discrimination.

Human rights due diligence conducted in fiscal 2021 did not find immediate issues, and there were no situations of concern found with investees and borrowers or in the supply chain.

| | |
|---|---|
| Commitment | Establishment of Human Rights Policy |
| Implementation of human rights due diligence*2 | Distribute Human Rights Due Diligence Self-Check Sheet*3 once a year to all Group companies, including overseas entities, to confirm human rights compliance status |
| Access to relief | Personnel Consultation Desk (LGBTQ Consultation Desk), Human Resources Dept., SuMi TRUST Bank Compliance Hotline, Compliance Dept. |

*2 Human rights due diligence refers to a series of initiatives to identify actual or potential negative impacts on human rights, resulting from the activities of SuMi TRUST Group or related outside parties, to take measures for the prevention or mitigation of such impacts, and to continuously verify and disclose the effectiveness of such measures.

*3 A check list serves to verify the progress in each company concerned with the human rights management system, such as the status of implementation of human rights due diligence, compliance with Human Rights Policy and occurrence of human rights violations.

## 2 Protecting various human rights

### (1) Enhancing human rights education

SuMi TRUST Group recognizes that it is important for its officers and employees to enhance their understanding of human rights issues and work with a sense of ownership, and that continuing efforts are necessary. Further, we are continuously working to raise awareness of human rights issues as there is an increasing demand for addressing human rights issues faced by the investees and borrowers, and suppliers and outsourcing contractors, and consideration for human rights more than ever.

SuMi TRUST Bank has clearly defined the roles expected for each position based on the recognition of the challenges in its efforts to raise awareness of human rights and the opinions from external experts. Since fiscal 2023, it has been providing training in line with the role definition, not only for new appointees, but also for a wider range of employees, to promote initiatives with increased effectiveness.

### (2) Relief measures

SuMi TRUST Bank has established Personnel Consultation Desk (LGBTQ Consultation Desk) to respond to various consultations related to human rights and, in cases where a negative impact on a person's human rights materializes, to cooperate with the related departments to promptly take measures as needed. It is possible to consult with the Desk on an anonymous basis so that the privacy of victims is protected.

# Security

## Information security risks and cybersecurity measures

SuMi TRUST Group considers information assets to be one of the most important management resources, and has set the protection of personal information and client data as one of the materiality themes. In addition, the Group also identifies information security risk as "Risk that the Group may incur losses due to the improper management or maintenance of information assets, including through information leaks, information errors and misuse of information, as well as an inability to use the information system," and positions it as one of the risk sub-categories under operational risk. It has assigned an officer in charge and established a control department to properly manage client information and implement cybersecurity measures.

In addition, we have established and announced our Declaration for the Protection of Personal Information, which is a set of policies designed to ensure the protection of the personal information of our clients and shareholders, and have declared to abide by them.

We established internal rules regarding the management framework and handling of information in accordance with the Personal Information Protection Act, related laws and regulations, and "Guidelines for Personal Information Protection in the Financial Field" established by the Financial Services Agency. We also hold regular training sessions for all employees twice a year to ensure that they are fully acquainted with the points of concern regarding the handling of information in their daily operations and to promote a principles-based understanding of information security.

### (1) Organizational structure

Matters related to information security risk, as a risk sub-category within operational risk, are deliberated on comprehensively by the Risk Management Committee at SuMi TRUST Holdings and by the Operational Risk Management Committee at SuMi TRUST Bank, covering a series of processes such as the development of a management framework, formulation of plans, and the identification, evaluation, monitoring and control of risks. In addition, policies and plans are decided by the Board of Directors after deliberation by the Executive Committee.

Based on the rules regarding authority, the series of processes are executed by the Business Process Planning Department, the IT System Planning and Management Department, and other control departments responsible for information security risk management. The officer in charge of the Business Process Planning Department and the officer in charge of the IT System Planning and Management Department are responsible for overall information security risk management.

### (2) Cybersecurity management system

The Group has designated addressing cyberattacks as one of materiality themes as well as a top risk, and we are planning and promoting our cyber security measures at the initiative of management through the formulation of "Cyber Security Management Declaration."

- We have established SuMiTRUST-CSIRT*1 as a specialized organization for cybersecurity measures, and have built a management framework that collects and analyzes threat and vulnerability information from within and outside the Group, plans and implements security measures, and reports to management. We are also promoting the upgrading of security measures through security review meetings and our IT Council, as well as by utilizing outside expertise.
- The Group has established internal rules and regulations based on U.S. security standards, and has developed processes for responding to cyberattacks both in normal times and in emergency situations.
- In addition to conducting cybersecurity risk assessments and system vulnerability assessments on a regular basis for SuMi TRUST Group, including its subsidiaries and affiliates, we are promoting the standardization of cybersecurity rules and regulations to enhance and standardize the cybersecurity framework for the Group as a whole.

### (3) Monitoring system

The Group has built a common infrastructure for internet communications, and Security Operation Center (SOC) monitors the common infrastructure network 24 hours a day, 365 days a year and detects threats by conducting correlation analysis of various types of data. This information is consolidated in SuMiTRUST-CSIRT, and we have established a monitoring system centered on the CSIRT.

### (4) Enhancing cybersecurity measures

We have established perimeter defense measures (multi-layered defense consisting of entry, exit and internal measures) as a technical countermeasure against cyberattacks, and are working to reduce risk by implementing various measures to counter DDoS attacks, detect and block phishing websites, and handle other threats.

### (5) Security personnel development

To develop personnel with advanced expertise in cybersecurity, CSIRT collaborates with external experts in internal review meetings, participates in external communities such as Financial ISAC*2 and FS-ISAC*3, provides external training and certification support and sends employees to graduate schools.

*1 CSIRT (Computer Security Incident Response Team):
In-house organization that collects, analyzes, and responds to early warning information about attacks
*2 Financial ISAC (Information Sharing and Analysis Center):
Information sharing organization for Japanese financial institutions
*3 FS-ISAC (Financial Services Information Sharing and Analysis Center):
Information sharing organization for financial institutions, mainly in the United States



# Internal auditing

## 1 Basic initiative policy

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 the business, and the type of risks is indispensable to achieve management targets, appropriate legal compliance, financial facilitation, client protection and risk management.

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

## 2 Internal auditing implementation system

### (1) Sumitomo Mitsui Trust Holdings

**(i) Organization**

In addition to establishing Internal Audit Department independent of departments involved in business execution under the Board of Directors, SuMi TRUST Holdings has strengthened the supervisory and control capabilities (governance) with regards to management and business execution departments, by positioning the Internal Audit Department in a direct instruction and reporting relationship with the Audit Committee.

**(ii) Functions and roles**

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

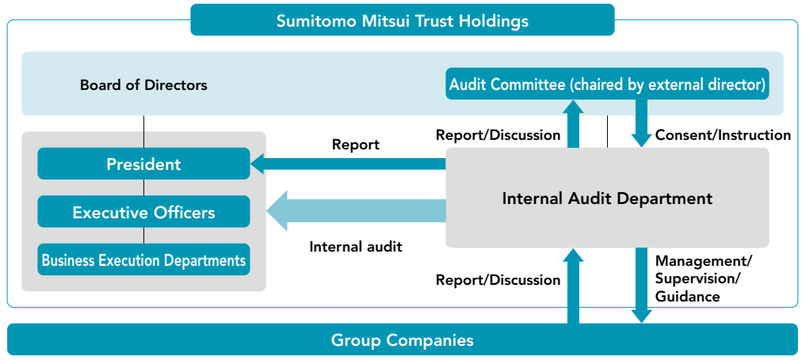
In addition, the Internal Audit Department, as the department supervising SuMi TRUST Group's internal auditing, receives consultation from each group company regarding the audit plan, and confirms its consistency with the basic policy on internal audits. The Internal Audit Department carries out internal audits in collaboration with the internal auditing unit of each group company. The role of the Internal Audit Department also includes receiving reports of internal audit results from the group companies, assessing and verifying the internal auditing system and its implementation status at each group company, and providing guidance as necessary.

### (2) Group companies

Internal auditing units that are independent of departments involved in business execution have also been established at the main group companies including SuMi TRUST Bank, and conduct internal audits. Each group company has formulated its own internal auditing plan in accordance with SuMi TRUST Holdings' basic policy on internal audits, and the plan is decided upon by each Board of Directors in consultation with SuMi TRUST Holdings.

Results of internal audits are reported without delay to the president, SuMi TRUST Holdings and others, and are also reported regularly to the Board of Directors.

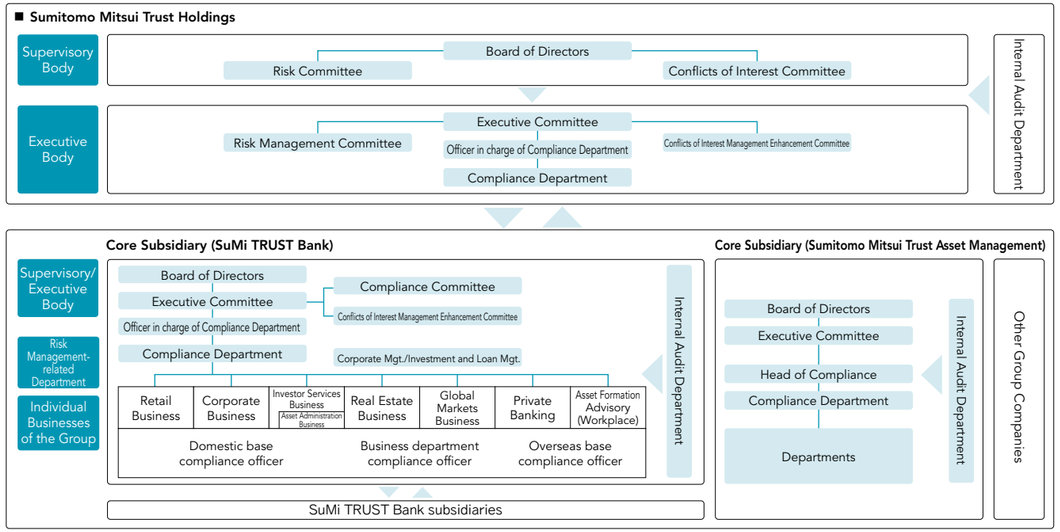
■ **Internal auditing structure of SuMi TRUST Group**



# Compliance

## 1 SuMi TRUST Group's basic initiative policy and compliance framework

The Group's mission and vision is to be known as The Trust Bank, and we therefore place compliance as one of the most important management issues in realizing that goal. Our Codes of Conduct ("Value") advocate for strict compliance with applicable laws and regulations, and the Board of Directors has established Compliance Rules that lay out the organizational structure required to meet them, including the Group's basic policies, standards to be met by directors, officers and employees. In concrete terms, the Board of Directors approves the formulation of an annual Compliance Program, through which it will regularly evaluate progress. In addition, in order to develop compliance frameworks tailored to the business of each company, SuMi Trust Holdings formulates a compliance program for each Group company and provides guidance on and supervision of progress and achievements, to manage the group-wide compliance framework.




## 2 Initiatives for thorough compliance awareness

A Compliance Manual is distributed throughout the Group to explain laws and regulations that must be followed and describes how to handle illegal or inappropriate behavior when it is detected. We are also improving compliance training to maintain a high level of compliance awareness throughout the Group. More specifically, in addition to us providing training materials for e-Learning training and discussion-based study sessions, the Group companies provide training and study sessions tailored to their respective businesses and products offered, and use e-Learning to provide training on specific themes.

### Hotline System

The Group has established the Compliance Hotline to enable directors, officers, and employees to directly report legal violations to the Compliance Department and external law firms. The system protects whistleblowers through careful handling of information and privacy protection, by prohibiting unfavorable treatment of whistleblowers, and through the use of simple reporting methods, by phone (to an external law firm) or online (to an in-house point of contact (SuMi TRUST Bank)). We have also set up an accounting hotline to receive reports of inappropriate accounting practices.

* Please see "Sustainability Report" (https://www.smth.jp/english/sustainability) for the number of cases reported at the Group and other information.

## 3 Initiatives to prevent money laundering* and exclude criminal groups

The Group has published an Anti-Money Laundering Compliance Policy that delineates how we are continuously upgrading the systems in place by conducting regular risk assessments at Group companies including overseas offices, supervising the development of mitigation systems tailored to specific risks and overseeing upgrades in order to prevent unauthorized use of financial services.

The Group's Codes of Conduct ("Value") declares that it will stand firm against anti-social forces (i.e., criminal groups) and we are working to prevent any transactions that involve anti-social forces. We have introduced exclusion clauses against organized crime groups for our various products and services, and we work closely with the police and other external agencies to cancel any transactions if it becomes clear after the transaction has begun that it is being conducted with a criminal group.

* Anti-money laundering is defined by the Group as the prevention of unauthorized use of financial services as detailed in the points (1)-(3) below.
  (1) Money laundering: The act of attempting to prevent the discovery or seizure by investigative authorities of funds obtained through fraudulent/illegal means
  (2) Terrorist financing: The act of providing support through collecting or provision of funds or real estate that will be used to fund terrorist acts or otherwise fund the activities of terrorist organizations
  (3) Proliferation financing: The act of providing funds or financial services to any individual or group subject to a freeze of assets or other measures for being involved in the development, possession, or export of weapons of mass destructions (nuclear, chemical, or biological weapons)
* Please see "Sustainability Report" (https://www.smth.jp/english/sustainability) for more detailed information on the initiatives to prevent money laundering and exclude criminal groups.

## 4 Initiatives to prevent bribery and corruption*

The Group has published an Anti-Bribery and Corruption Compliance Policy, and has implemented an anti-bribery and anti-corruption program under the supervision of management. The program aims to review and strengthen prevention measures through regular risk assessments on bribery and corruption, and we are working to enhance the system by building close, cooperative relationships between overseas offices and local legal representation in order to respond quickly and appropriately in those localities where risk is particularly high.

* The Group defines bribery and corruption as the act of offering, promising, or providing entertainment, gifts of money or goods, or other benefits with the intent to improperly influence the counterparty, and the act of receiving or requesting goods or services with the intent to improperly benefit the provider.
* Please see "Sustainability Report" (https://www.smth.jp/english/sustainability) for more detailed information on the initiatives to prevent bribery and corruption.

## 5 Conduct risk management initiatives

SuMi TRUST Group recognizes risk that could have a negative impact on the Group, clients, markets, financial infrastructure, society, or the workplace environment due to an officer or employee of a Group company engaging in behavior that violates professional ethics or otherwise fails to meet the expectations and trust of stakeholders, as conduct risk.

In order to meet the expectations and trust of stakeholders, each Group company creates a PDCA cycle to identify, control, assess and improve conduct risk, thereby not only controlling problematic conduct (misconduct) but also promoting desirable conduct (good conduct).

In October 2022, we formulated "Our Standards of Conduct" as a guideline for executives and employees of each Group company to put the Group's important values into concrete action. The Standards are presented within the Group as a mindset to act appropriately, and the contents are published to help stakeholders to deepen their understanding of the Group.

SUMITOMO MITSUI TRUST HOLDINGS
– Our Standards of Conduct –



Also posted on our website
https://www.smth.jp/english/about_us/management/standard

# Client-oriented initiatives

## 1 Providing value to clients

As a financial institution based on the fiduciary spirit, SuMi TRUST Group strives to act in the best benefits of its clients by ensuring client-oriented business operations. To this end, Our Group aims to be the “Best Partner” for both retail and corporate clients. We seek to deliver outstanding value by accurately understanding their needs, and optimally addressing those needs through providing of total solutions that cover a wide range of highly specialized products and services. At our Group, we are making effective use both of comprehensive capability that combines our banking and trust functions, as well as diverse trust functions within the Group. Striving to be fully client-oriented, we have established a stringent framework for managing conflicts of interest. (For further details about the stringent framework for managing conflict of interest, please see page 79.) Our Group is constantly striving to be completely client-oriented, to improve customer satisfaction and to help solve social issues. Through these initiatives, we aim to earn the trust of our clients and society and to grow hand-in-hand with them.

## 2 Implementing a client-oriented approach

We strive to provide our clients with the products and services best suited to them as their “Best Partner,” and to instill a client-oriented approach across all our businesses operations. To this end, in September 2016, we formulated and announced our policies regarding the “Fiduciary Duties of the Sumitomo Mitsui Trust Group (“Policies”)” and since then we have continued to further strengthen our initiatives by revising them whenever necessary. SuMi TRUST Group has established an extensive organizational structure from the management level to the working level, and strives constantly to enhance its initiatives in this area.

We periodically announce a report entitled “KPIs for initiatives pursuing to be the "Best Partner" for our clients” to clearly share the results of these initiatives with our clients. These KPIs include those “comparable common KPIs for sales companies” for investment trusts and foreign currency-denominated insurance.

■ **Promoting/supervising structure of our Group**

| | Organization | | Initiatives |
|---|---|---|---|
| Sumitomo Mitsui Trust Holdings | Board of Directors | Conflicts of Interest Committee | • Manage conflicts of interest for the entire group<br>• Monitor progress of fiduciary duties |
| | Executive Committee | Conflicts of Interest Management Enhancement Committee | • Discuss important cases<br>• Supervise improvements in relevant departments |
| | Department in charge | FD & CS Planning and Promotion Department | • Ensure execution of Fiduciary Duties (FD) and promote Customer Satisfaction (CS) improvements |
| | | Compliance Department | • Enhance conflict of interest management |
| Group companies* | Group-wide | Fiduciary Duties Discussion Panel | • Monitor and supervise Fiduciary Duties initiatives at group companies, and ensure any directives are implemented |

* Sumitomo Mitsui Trust Asset Management, Nikko Asset Management, Mutual Fund & Insurance Research Institute, and Sumitomo Mitsui Trust Life Partners

## 3 Management of conflicts of interest

With the approval of the Board of Directors, our Group announced Summary of the Management Policy Concerning Conflicts of Interest, in order to protect the interests of our clients from undue harm caused by the provision of various services by group companies and their related parties. Our Group identifies and classifies transactions that have possible conflicts of interest* in advance and manages such transactions appropriately.

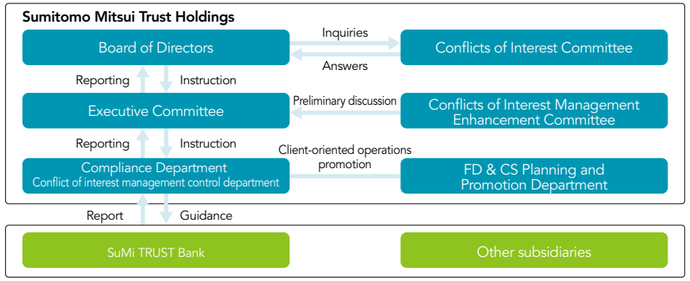
Furthermore, we developed a system in which the Compliance Department, which is the department that oversees management of conflicts of interest independently of sales divisions, regularly verifies the effectiveness of management of conflicts of interest across the Group. The results are regularly reported to the Board of Directors and other relevant parties and we have a framework to continuously implement the necessary improvements and guidance.

In addition, our Group has established Conflicts of Interest Committee in an effort to enhance the effectiveness of the Group’s framework for managing conflicts of interest. The majority of members of the Committee are external parties. It serves as an advisory body to the Board of Directors and verifies the appropriateness of the Group’s management of conflicts of interest. A summary of agendas of the Committee has continuously been made available through our website.

Establishment of the framework for managing conflicts of interest following the reorganization of SuMi TRUST Bank in April 2022 was verified through deliberation by Conflicts of Interest Committee, and Summary of the Management Policy Concerning Conflicts of Interest was revised in July 2022.

*A conflict of interest refers to a situation where there are conflicting interests between SuMi TRUST Group and its clients, or between clients of the Group.

■ **Conflict of Interest Management System*1**




**Conflicts of Interest Committee Members*2**

| | |
|---|---|
| Chairperson: | Hideki Kanda*3<br>Professor, Law School at Gakushuin University Emeritus Professor, the University of Tokyo |
| Member: | Nobuaki Katoh<br>External Director, SuMi TRUST Holdings |
| Member: | Akiko Hosokawa<br>Partner, Baker & McKenzie |
| Member: | Yasuyuki Suzuki<br>Director, Senior Managing Executive Officer, SuMi TRUST Holdings |
| Member: | Yuki Takada<br>Managing Executive Officer, SuMi TRUST Holdings |

*1 See page 78 for roles and responsibilities of each management structure and main departments.
*2 Positions as of the end of June 2023.
*3 External Director of SuMi TRUST Bank

## 4 Shaping corporate culture to become our clients’ “Best Partner”

With the objective of entrenching a corporate culture geared towards becoming our clients’ “Best Partner,” at SuMi TRUST Bank we have been implementing the following initiatives, including discussions at each FD & CS Committee in each branch or department and activities to make improvements based on feedback from client questionnaires.

| | |
|---|---|
| Establishment of FD & CS Committees | Established FD & CS Committees for the purpose of enhancing FD and improving CS at each branch. FD & CS Committees actively conducted various activities in line with the characteristics of each branch office and department. |
| Sophistication of client questionnaires | Strengthened PDCA cycle for improvement based on client evaluations by standardizing evaluation items of various questionnaires, sophisticating analysis, sharing improvement plans, and taking other measures. |
| Various types of training | Conducted training on FD practice, CS awareness-raising, sharing of complaints and VOC (voice of clients), business etiquette for newly appointed branch and general managers, new employees, and other employees at each level. |
| Holding lectures on FD&CS | Held lectures on topics that contribute to FD&CS for group employees. |

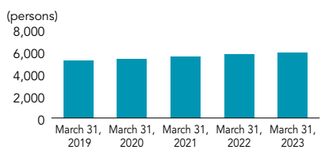
## 5 Status of initiatives aimed at becoming our clients' "Best Partner," and Key Performance Indicators (KPIs)

By practicing fiduciary duty, supporting asset formation, asset management and asset administration of clients, SuMi TRUST Group seeks both to provide its clients with satisfaction and peace of mind, and to contribute to society and economy. In addition, we aim to achieve sustainable and stable growth for our Group by improving our evaluation from our clients and society, and by becoming our clients' "Best Partner." We regularly disclose indicators regarding our initiatives to become our clients' "Best Partner." As we work to promote and enhance these initiatives, these indicators are revised as necessary.

### Client-oriented initiatives aimed at becoming our clients' "Best Partner" [our own actions]

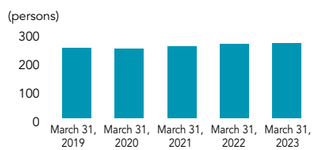
We strive to develop employees with high levels of expertise so that our clients can trust in and consult with us with confidence.

■ **Number of holders of FP-related certifications (Asset formation assistance)**




*Shows the total number of course employees of SuMi TRUST Bank who hold FP Level 1 (FP Specialist Level 1, CFP, Kinzai Financial Skills Examination Level 1) and FP Level 2 (FP Specialist Level 2, AFP, Kinzai Financial Skills Examination Specialist Level 2).

■ **Number of financial consultants and trust consultants (Assistance in inheritance, wills and estate planning)**

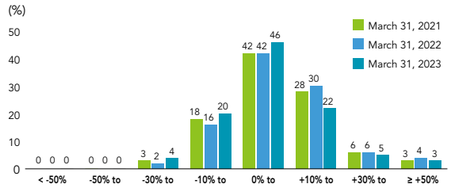



*SuMi TRUST Bank has established a system where clients are able to consult with financial consultants and other consultants who are in-house experts in inheritance, wills and estate planning at nearby branches.

### Client comfort and satisfaction, contribution to society and economy [evaluation by clients and society]

**Improving investment returns for clients**

■ **Distribution of clients with investment trust gains/losses, including realized profit and loss**

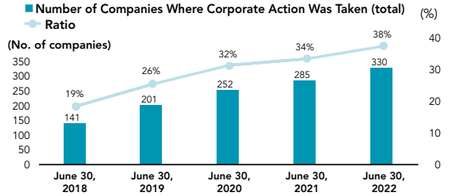



| Positive client satisfaction rate | March 31, 2021: 79% | March 31, 2022: 81% | March 31, 2023: 75% |
|---|---|---|---|

When proposing investment products to clients, SuMi TRUST Bank emphasizes the importance of carefully following up on their intentions in light of major life events and changes in the market environment. In this way, we make every effort to improve returns and realized profits/losses for our clients.

**Enhanacing asset management**

■ **Number of companies where corporate action was taken*and ratio of companies where corporate action was taken to companies participating in engagement activities (total)**




As a responsible institutional investor, Sumitomo Mitsui Trust Asset Management strives to increase the medium- to long-term investment returns of its clients via engagement activities aimed at raising corporate value over the medium to long term and via stewardship activities such as the exercise of voting rights.

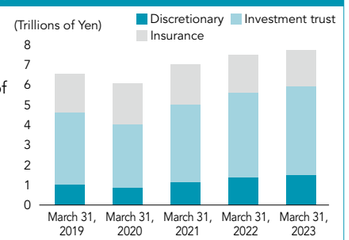
*Number of companies that have taken actions consistent with the views expressed by the company in engagement activities

### Sustainable and stable growth of the Group [objective parameters]

Offering a wide range of products and services to fulfill the diverse needs of clients

SuMi TRUST Bank provides a wide range of high-quality products and services, including investment trusts for clients' diverse needs, discretionary investment management products, and insurance products, which continue to be highly popular with clients.

Comprehensive offerings drive growth in balances of Investment trusts, discretionary investment management products, and insurance

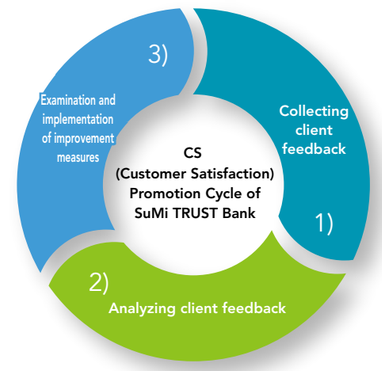





## 6 Initiatives to link "voice of clients" to enhance customer satisfaction

SuMi TRUST Bank 1) receives many valuable opinions and requests from clients and feedback, such as "voice of customers" via branches throughout Japan and through call centers and website. 2) To analyze this client feedback, we strive to better meet our clients' needs by making client feedback more visible, so that we can better recognize such needs. Furthermore, 3) regarding opinions and requests received from clients, branches and head office cooperate to investigate and analyze the reasons and identify problems. Based on the results, we search for necessary improvement measures and strive to provide better products and services. At the Group, we formulated and published Voluntary Declaration of Consumer Orientation* in June 2019 to ensure that clients and society always trust us and continue to grow together, and compiled and publicized the results of improvements based on client feedback.

*Promoted by the Consumer Affairs Agency, a Voluntary Declaration of Consumer Orientation is a commitment to adopt a consumer-oriented management—a form of corporate management that seeks improve social value by collaborating and engaging in co-creation with consumers.




## 7 Client protection management

### (1) Basic initiative policy

The Group regards client protection as one of its most important management issues. SuMi TRUST Holdings has established a basic policy in its Action Guidelines for the Best Interests of Clients designed to enhance the Group's client protection and convenience in order to enable group companies to develop appropriate a framework to manage client protections in accordance with the characteristics of their own operations. Based on the basic policy, each group company has established control divisions for client protection management and supervisory divisions according to functions. The control divisions oversee client protection management as a whole, through the preparation of internal company rules and regular reporting to the Board of Directors and others. Supervisory divisions develop frameworks for each function, and ensure appropriateness and sufficiency of each function through guidance for related departments, enhanced training and improvement.

### (2) Client explanation management

Our Group offers appropriate and sufficient explanations and easy-to-understand information so that its clients understand and are assured about financial products and services it provides. Specifically, we have created a framework to manage client protection, such as thoroughly enforcing the suitability rule* and duty of honesty and fairness, creating a client explanation manual that stipulates appropriate provision of information to clients and expanding and improving training, based on the solicitation policy* regarding provision of financial products and services and "Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group".

We monitor whether our clients have been provided with appropriate information and explanations to ensure their understanding of transactions involving financial products such as investment trusts and life insurance in particular. Where necessary, we revise our solicitation rules to ensure that solicitation and sales activities for financial products are conducted appropriately from the perspective of our clients.

* The suitability rule prohibits inappropriate solicitation in view of clients' knowledge, experience, financial position and purpose of transactions.

### (3) Client information management

Our Group has established the "Sumitomo Mitsui Trust Group Privacy Policy" to securely protect personal data of its clients in order to establish a framework for appropriately managing client information. When accessing client information jointly within the Group, each company 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 the appropriate use of such information.

SuMi TRUST Group requires all employees to submit a written affirmation of their duty of confidentiality, so that they clearly recognize the duty they have to keep confidential information, including personal data they come across while working.

# Initiatives aimed at enahancing and sophisticating operational quality

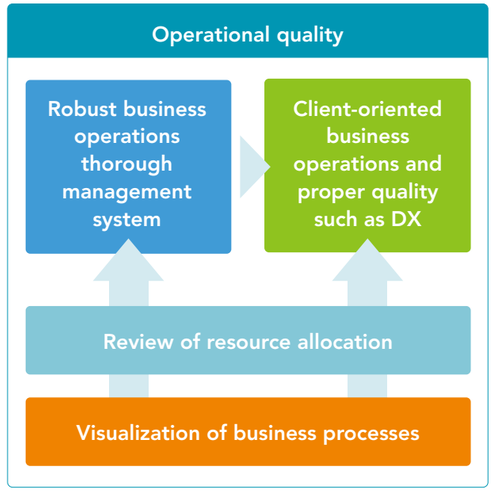
SuMi TRUST Group considers enhancement and sophistication of operational quality to be the most important management issue, providing products and services that exceed client expectations and that are based on the fiduciary spirit that is the foundation of credibility with our clients and society. In addition, recognizing the importance of reaching employees who are suppliers of products and services, we have formulated "Our Standards of Conduct" and publicized our approach to appropriate action.

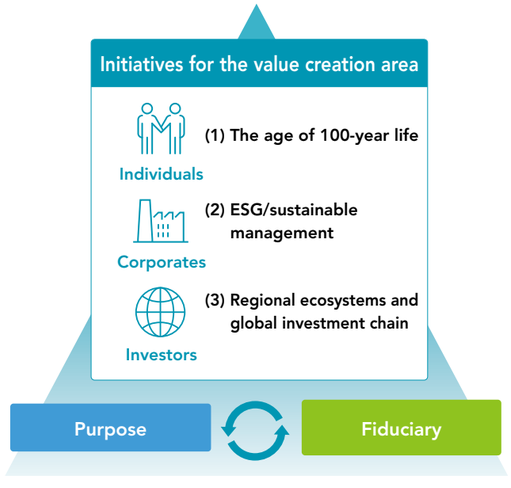
## Initiatives in FY2022

In fiscal 2022, we began the actual operation of a framework for the discovery, analysis and improvement of issues related to enhancing and sophisticating established operational quality.

By doing so, we will continuously improve operational quality autonomously by identifying vulnerabilities in our operational processes through a comprehensive view of our products and services.

Specifically, business division itself conducts a self-assessment of the status of risk control in business processes for each product and service, and Business Process Planning Department conducts a cross-cutting assessment from a company-wide perspective and discusses necessary improvement activities at management level. This is conducted as PDCA cycle once a year.




In addition, for each product and service, we are working to visualize business processes in order to clarify the overall picture of business processes centered on client contacts, the positioning of such products and services, and the connection between our Purpose and products and services. Through this visualization, employees who engage in business operations, including parts of the operations that employees are not directly involved in, gain a better understanding of the entire process of delivering products and services to clients who are stakeholders, and further understand importance of their business operations, thereby improving quality. Moreover, this visualization is performed when new products and services are introduced, so that risks that may arise in business processes are discovered before products and services are actually provided.

We will continue to pursue robust business operations and thorough management system based on relationship of credibility that exceeds client expectations. Continuously enhancing and sophisticating operational quality while also updating it will strengthen our management foundation and organizational capabilities.

Based on fiduciary spirit, we will develop safety and security that we have established in existing areas in the field of value creation.



# Initiatives for financial facilitation

## 1 Initiatives for financial facilitation

SuMi TRUST Group considers the facilitation of financing to small and medium-sized enterprises (SMEs) and individuals seeking mortgage loans to be 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 for various consultations, restructuring of loan repayment conditions and other issues.

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

The Act Concerning Temporary Measures to Facilitate Financing for SMEs expired on March 31, 2013. Even so, SuMi TRUST Group continues to provide appropriate and proactive financial intermediary services to facilitate the business activities of SMEs and to provide mortgage loan clients with financial security. Also, when there are consultations about, or requests for, the restructuring of loan repayment conditions, SuMi TRUST Group endeavors to respond in a flexible and appropriate manner, taking each client's circumstances into account.

In addition, SuMi TRUST Bank has a system under which it respects and abides by the "Guidelines for Management Guarantee," which were adopted in February 2014, the "Special Provisions on Guidelines for Management Guarantee" (adopted in April 2020), "Basic Approach to the Guidelines for Management Guarantee at the Time of Business Termination" (announced in April 2022) and other rules. The "Status of Utilization of the Guidelines for Management Guarantee" is also disclosed on its website. The Bank also respects "Guidelines on Arrangement for Victims of Natural Disasters," which was adopted in April 2016, and "Special Provisions for the Application of the Guidelines to COVID-19," adopted in December 2020. It is therefore prepared to respond appropriately to consultations from clients directly or indirectly affected by the COVID-19 pandemic, by natural disasters and by recent global affairs and increases in resource prices.

## 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 conduct management support for SMEs, SuMi TRUST Bank has established "Financing Facilitation Promotion Offices" 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 the industry conditions and the business dealings of individual SMEs into account. Furthermore, SuMi TRUST Bank prepares to support clients in overseas expansion and business succession as well as in electronically recorded monetary claims.

**(i) Initiatives related to support for overseas expansion**

SuMi TRUST Bank has a six-site network covering New York, London, Singapore, Hong Kong, Shanghai and Thailand. These branches offer financial services such as loans, deposits, foreign exchange and derivatives to Japanese client companies who are expanding overseas.

In addition to developing our own offices, we are making efforts to address the growing need for financial services denominated in local currencies through partnerships with leading banks in Asian countries. In Vietnam, we are working to strengthen financial services such as sales finance for Japanese companies that are expanding into the market through the Bank for Investment and Development of Vietnam (hereinafter "BIDV"), with which SuMi TRUST Bank has a partnership, as well as our leasing joint venture company with BIDV (BIDV-SuMi TRUST Leasing Company, Ltd.).

**(ii) Initiatives related to support for business succession**

SuMi TRUST Bank provides detailed proposals and prompt information to meet the diverse asset inheritance and business succession needs of both its corporate and individual clients. Tailor-made services for the needs of company-owners and high net-worth clients are provided in collaboration with an affiliate company, Sumitomo Mitsui Trust Wealth Partners, and various specialists such as lawyers and tax accountants.

Financial consultants have been assigned to branches nationwide as an immediate counseling service counter so that company-owner clients may consult on any inheritance or business succession concerns or issues they may have. Our financial consultants draw on the expertise they have accumulated through a rich, wide-ranging set of experiences to consult with clients on matters concerning inheritance, asset inheritance and business succession as well as asset management and administration.

Furthermore, we cooperate with our tax accountant corporate partners to hold seminars for business owners on the inheritance and business succession tax system and business succession measures that utilize 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 us.

**(iii) 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 Zengin Electronic Monetary Claims Recording Network, in which financial institutions nationwide are members. We also provide "Densai lump-sum factoring services."

Due to the impact of the COVID-19 pandemic, we have been asked by Zengin Electronic Monetary Claims Recording Network, "densai.net Co., Ltd.," to endeavor to apply the same kinds of financial measures (e.g., deferment of insolvency proceedings) that are applicable under the Disaster Relief Act. We will endeavor to respond to our clients' consultation about the payment of monetary claims already issued in a flexible and appropriate manner, taking each client's circumstances into account.

### (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, the Bank 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.
- Executed sales mediation services (real estate surveys) for clients to other clients, and contributed to increasing their sales.

# Communication with stakeholders

SuMi TRUST Group lists clients, society, shareholders and employees as stakeholders in its Management Principles ("Mission"), and strives to disclose transparent, timely and appropriate corporate information, while actively communicating with each stakeholder. This page introduces part of our communication with society as well as shareholders and investors. Please refer to page 78 for details of communication with clients and page 48 for details of communication with employees.




## 1 Communication with society (Community)

Based on the needs of each region, SuMi TRUST Group engages in activities and events in cooperation with local communities.

For example, SuMi TRUST Bank's New York Branch packed backpacks of basic necessities and donated 3,000 of them to non-profit organizations as part of its efforts to help homeless people in trouble in New York City. After that, we invited NPO organizations that we had made donations to our office to deepen our understanding of the homeless problem, including the current situation of homelessness and how companies and individuals can support them.

We also worked with local non-profit organizations to develop (removing ivy, cleaning, planting trees and so forth) a community garden (All People's Garden). More than 20 employees participated in the event and witnessed an inspiring scene in which the park was transformed in a short period of time.



Homeless support: Stuffing backpacks



Development of a community garden
(Left: A representative of a local non-profit organization and members of the New York Branch; right: tree planting)

We will continue to engage with the community in various ways. See Sustainability Report 2022/2023 for details of the Group's various activities.

https://www.smth.jp/english/sustainability

## 2 Communication with shareholders and investors

### (1) Activities for individual investors

We engage in various measures to provide individual shareholders and investors with information to better understand SuMi Trust Group. These measures include organizing investor meetings, setting up a dedicated website for individual investors and distributing a newsletter for shareholders, along with other methods.

In fiscal 2022, we actively engaged in activities for individual investors and participated in 10 meetings sponsored by securities companies, with a total of 4,204 participants. In addition, we conducted a variety of initiatives to raise awareness of SuMi TRUST Holdings, including multifaceted promotional activities, such as advertising and publishing articles in magazines and online media.




Some participants in the meetings said they would like to consider purchasing shares. As a result, the ratio of individual shareholders at the end of March 2023 was 6.8% (excluding treasury stock), up 0.5% from the same period of the previous year. We will continue to actively communicate with individual investors in fiscal 2023.

| | Number of information meetings held | Number of participants in information meetings |
|---|---|---|
| FY2021 | 5 times | 932 people |
| FY2022 | 10 times | 4,204 people |

### (2) Activities for institutional investors

We hold investor meetings on financial results and IR Day for domestic and foreign institutional investors. In addition, we conduct one-on-one IR(Investor Relations) meetings and analysts and SR(Shareholder Relations) meetings for existing shareholders. At SR meetings, executive officers including the President and general managers of Corporate Administration Department, Investor Relations Department and Sustainability Management Department have dialogue with institutional investors' voting and ESG departments and other departments.

Focusing on topics that are of high interest to shareholders and institutional investors, the meetings convey the progress of the Company's initiatives and future policies on the virtuous circulation of funds, assets and capital to enhance growth and corporate value, strengthen human capital investment as a source of capital policy and value creation, as well as climate change, the reduction of strategic shareholdings and other measures and engage in constructive exchanges of views.

Through these opportunities for dialogue, we are able to provide institutional investors with an understanding of the Company's views and initiatives. At the same time, we receive informative opinions on our corporate governance system, diversity and other topics, and as a result, the Company is learning and gaining awareness. The opinions received are regularly reported to the Board of Directors and others to improve business operations and were used as a reference when formulating Medium-Term Management Plan announced in May 2023. In addition, in the disclosure of the skills matrix, which indicates the expertise and experience of directors, the Company makes use of this information to enhance the content, such as clarifying the relationship between the Company's vital management issues and skills based on the opinions of institutional investors. See pages 64 and 65 for the skill matrix.

We will continue to actively communicate with our stakeholders so that they can better understand our business strategy, corporate governance, sustainability initiatives and other efforts.

■ **IR and SR activities carried out in FY2022**

| | |
|---|---|
| Investor meetings on financial results for institutional investors and analysts | 2 times |
| Overseas IR events | 6 times |
| One-on-one meetings with institutional investors in Japan and overseas (including SR meetings) | Number of companies: 269 (including 184 overseas investors) |
| Information meetings for individual investors | 10 times (The President and the Investor Relations Department take the stage) |
| IR DAY | 2 times (An external director and executive officers in charge of business made presentations) |

# Theme3

## Messages from subsidiary management



88 Messages from subsidiary management

# Messages from subsidiary management

SuMi TRUST
SUMITOMO MITSUI TRUST BANK



## With the "power of trust," creating social infrastructure that promotes a virtuous circulation of funds, assets and capital

President
Sumitomo Mitsui Trust Bank, Limited

**Kazuya Oyama**

### (1) My hope for creating a virtuous circulation

In response to the Sumitomo Mitsui Trust Group's new Medium-Term Management Plan, our new Medium-Term Management Plan has defined its key concept as "With the power of trust, to become social infrastructure that promotes a virtuous circulation of funds, assets and capital."

In Japan, personal assets, composed of financial assets and real estate, are said to total roughly 3,000 trillion yen. The country's longstanding financial and social issue is that these assets and companies' retained earnings remain stagnant, not being used for investment or consumption.

We are not only a trust bank involved in the financial markets but also an essential provider of financial and social infrastructure centered on asset management and asset administration for all markets where funds, assets and capital move, including tangible asset markets such as real estate as well as capital markets such as securities markets. In other words, we are not just a company that passively provides infrastructure in investment chains, but a company entrusted by various stakeholders to proactively and earnestly promote a virtuous circulation of capital and create new value for society.

There are five points that I consider essential for the realization of a virtuous circulation.

First, we need to create a safe and secure investment environment.

One of the reasons for the stagnation of funds is that, people have vague anxieties about the future, including their future pension benefits. If private pension systems, namely corporate and personal pension plans, are vitalized, they can serve as the backbone for both households and companies to invest with confidence and security. We believe that we have a significant role to play in pension systems design as we have extensive experience in this business.

Second, we will take the lead in the investment business and encourage our clients to change their behavior.

In order to encourage the movement of clients' funds, we have to do more than merely respond to our clients' needs. We believe that we need to take the lead in investments and create new markets. By doing so, we shall encourage our clients to change their behavior and ultimately transform the mindset of society. We have a history and track record of forming trends in alternative investments in the field of pension fund management.

Third, we will change corporate and industrial structures.

In the Showa era (1926–1989), trust banks played a vital role in the field of industrial finance by channeling funds collected through loan trusts to mainstay industries, contributing to the achievement of Japan's rapid economic growth. During the Reiwa era (2019–), in order to realize a green society, we will strongly support corporate transitions and lead the transformation of industrial structures through impact equity investments.

Fourth, we will enhance our ability as a responsible investor.

The role of responsible investors, such as financial institutions or institutional investors, is to promote long-term value growth of investee companies. We will practice fruitful dialogue with investee companies for the benefit of all shareholders and establish a culture of engagement in Japan's business establishment.

Finally, we will "democratize and socialize investment."

The financial market is increasingly becoming polarized. Specifically, individual investors investing small amounts of money for short periods of time, rely on passive investment, while a growing number of investment funds with the ability to provide substantial long-term capital benefit from high returns. We believe that due to this polarization, capital markets are not completely fulfilling their intrinsic role, which should allow a wide range of investors to actively select their investee companies, and enable the companies to grow in response to the investors' selection. Through our endeavors to democratize and socialize investments where everyone can have access to valuable investment opportunities, we shall strive to mobilize stagnant funds and realize a virtuous circulation.

### (2) Taking on the challenge to develop a new client base through collaboration and integration across businesses

Thus far, we have excelled in serving large corporations as well as personal clients around retirement age to seniors. Going forward, we will also take on the challenge of building long-term relationships of trust with fast-growing startups that solve social issues through innovation, and with the asset-formation generation who are making early preparations in the age of 100-year life. What makes this challenge possible are our unique characteristics and strengths, namely collaboration and integration across our businesses.

The Japanese government has been advancing its initiative to nurture and support startups as part of Japan's growth strategy. In response to this movement, we have the ability to provide diverse services to support startups that are aiming for significant growth. These services include capital allocation strategies and business owner support through collaboration between Corporate Business and Private Banking as well as equity finance and asset administration services such as stock transfer agency services and pension management and the like through collaboration between Corporate Business and Investor Services Business.

The point is that digital technology is the key to accelerating such collaboration and integration. Digital technology has the potential power to integrate disparate elements at an extraordinary speed and scale. For example, the smartphone app "Smart Life Designer" released in April 2022, was created by combining, through digital technology, the know-how of the retail business, pension business and workplace business. The app has dramatically expanded opportunities to make online or non-face-to-face contact with the asset-formation generation, who were used to face-to-face services in the past.

### (3) In conclusion

The agenda of realizing a virtuous circulation is the declaration of my personal commitment to "squarely tackle Japan's financial and social challenges," and "not to postpone them to future generations, but to resolve them in our generation."

By creating a large ecosystem together with stakeholders who concur with our concept of creating a virtuous circulation, we will take on the challenge of enlarging the economic and social pie as a whole, and contribute to the creation of a prosperous and bright future. We believe that if such a virtuous circulation is realized, it will lead to the sustainable growth of the national economy, and, in turn, to our sustainable and stable growth, thereby enhancing the well-being of our clients as well as our other stakeholders in society.

Inheriting our history of "challenge" and "pioneering spirit," we will take a strong first step into the next 100 years toward realizing a prosperous and bright future.



# SUMITOMO MITSUI TRUST ASSET MANAGEMENT



## Contributing to realization of future goals and ideals through asset management

**Yoshio Hishida**
Representative Director and President
Sumitomo Mitsui Trust Asset Management

The spread of COVID-19 and Russia's invasion of Ukraine have had profound global impact on society, economy, politics and other areas, transforming people's lives. There seems to be a view that actions for addressing ESG issues will suffer setbacks in such emergency or extraordinary situation, however we believe that the opposite is true.

It is the mission of Sumitomo Mitsui Trust Asset Management to assist clients realize their future goals and ideals through asset management as a responsible institutional investor.

For this mission, stewardship activities, such as contributing to the enhancement of corporate value through dialogue with investee companies and promoting activities in the ESG field, are extremely important, and we will continue to work tirelessly and sophisticate our activities.

Sumitomo Mitsui Trust Asset Management has been a signatory of the United Nations Principles for Responsible Investment (PRI) since its inception in 2006, and over the years, we have engaged with corporations and society. We also actively participated in overseas engagement activities from an early stage.

Here is a recent example. At the 26th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), about 30 global financial institutions and asset managers established FSDA (Finance Sector Deforestation Action Initiative), issuing a commitment letter to use best efforts to eliminate agriculture-driven deforestation from their investment and lending portfolios. Sumitomo Mitsui Trust Asset Management is the only asset manager that participated from Japan and is a member of the collaborative engagement of the 30 institutions mentioned above. In addition, since October 2022, we have selected 78 companies with significant impact on the agricultural supply chain and have been making proposals to promote traceability and other measures aimed at strengthening supply chain management.

While working with overseas asset owners and asset management companies, in addition to expressing our opinion as a Japanese asset management company, we will also continue to incorporate the knowledge gained through advanced overseas ESG activities into our engagement activities with Japanese companies.

The philosophy of Sumitomo Mitsui Trust Asset Management is "Realizing opportunities today to ensure sustainable prosperity for tomorrow." In order to make this a reality, we will continue to provide solutions from a long-term perspective as a member of a trust group. At the same time, as an independent asset management company that is indispensable to our clients, we shall dedicate our full efforts to grow the valuable assets entrusted to us over the long term.



# nikko am
Nikko Asset Management



## Offering optimal solutions for diverse investment needs

**Stefanie Drews**
President
Nikko Asset Management

Nikko Asset Management is a global asset manager headquartered in Japan, with investment management capabilities and business operations spanning 11 countries and territories. This globally interconnected mesh enables the most effective collaboration between our Tokyo headquarters and overseas offices to provide highly distinctive and innovative investment products, and deliver excellent investment performance.

Our global investment management framework covers all asset classes and provides optimal solutions for the diverse needs of investors around the world, including Japan. Every day, we work to enhance and expand these capabilities

In recent years, we have seen a worldwide shift in the complexity of ESG (Environment, Social and Governance) investment needs. In order to meet the various needs around the world, we have established a Global Sustainable Investment Team comprising the experts in our Singapore, Tokyo, New York and London offices. This allows us to take an integrated approach with the highest global standards in tasks such as ESG data analyses and responding to regulations. The team is asset class agnostic, and provides its expertise to our investment management, product development and sales functions to support the foundation for the ESG solutions we deliver to investors.

In 2022, Nikko Asset Management also became one of the first asset managers based in Asia to be recognised as a signatory to the UK Stewardship Code. In addition, as a member of the Net Zero Asset Managers initiative (a global initiative by asset managers aiming to achieve net zero greenhouse gas emissions by 2050) we have set an interim target for cutting our greenhouse gas emissions by 2030.

In the field of sales and distribution, we are redoubling our focus on providing product development capabilities and sales support solutions that match the needs of various distributors. This flexibility is one of our core strengths. The network of strong relationships we have built over many years with a wide range of distributors, including megabanks, regional banks, broker-dealers with strengths in over-the-counter sales, and online brokers enables us to thoroughly address the diverse challenges each type of distributor faces. We are now leveraging this to provide the best investment solutions to individual investors in anticipation of the launch of the new Nippon Individual Savings Account (NISA) tax exemption system for small investments, to take effect in January 2024. The positive response we receive for these efforts has secured us the top spot in an industry survey of distributor satisfaction for four consecutive years.

Based on the Global Growth strategy we formulated in 2022, we aim to realise high-quality AUM growth through all our channels in Japan and around the world.

We look forward to continuing our work to fulfil our fiduciary duty as an asset manager, as well as our intensive efforts to contribute to clients' long-term asset building and making the world a better place.

# Theme4

## Business strategy

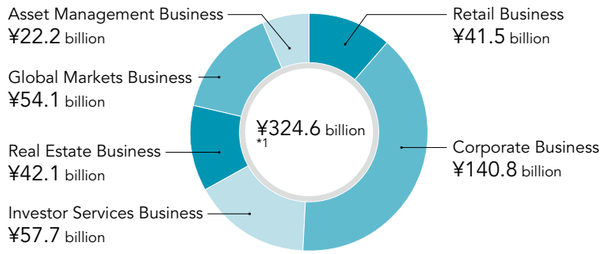

94 Business strategy
96 Retail Business
98 Corporate Business
100 Investor Services Business
102 Real Estate Business
104 Global Markets Business
106 Asset Management Business





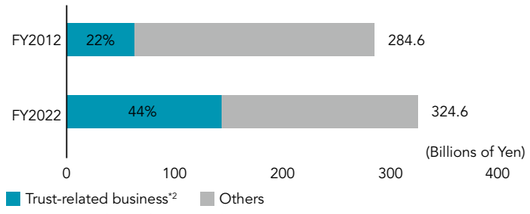

# Business strategy

## Net business profit before credit costs by segment (FY2022)



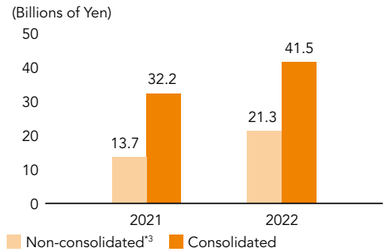

*1 This figure also includes corporate management department costs not categorized into any reportable segment, in addition to net business profit before credit costs for each segment

## Net business profit before credit costs




*2 FY2012: Total figure of Stock Transfer Agency Services Business, Fiduciary Services Business and Real Estate Business
FY2022: Total of investor services business, real estate business, asset management business and net business profit corresponding to former stock transfer agency services business

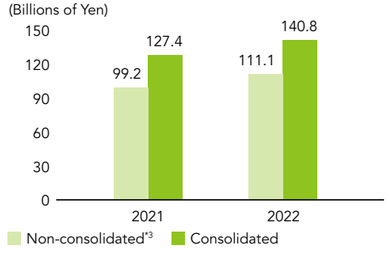
### Retail Business:
Net business profit before credit costs




Total income of investment management consulting remained at a level similar to last fiscal year due to o increased sales fees of insurance while decreased sales fees of investment trust. As a result, together with the contribution of UBS SuMi TRUST Wealth Management to earnings, net business profit before credit costs increased 7.6 billion yen year-on-year to 21.3 billion yen on a non-consolidated basis*3 and increased 9.2 billion yen to 41.5 billion yen on a consolidated basis.

Major subsidiaries and affiliated companies
- Sumitomo Mitsui Trust Bank
- Sumitomo Mitsui Trust Club
- Sumitomo Mitsui Trust Wealth Partners
- Sumitomo Mitsui Trust Life Partners
- UBS SuMi TRUST Wealth Management

### Corporate Business:
Net business profit before credit costs

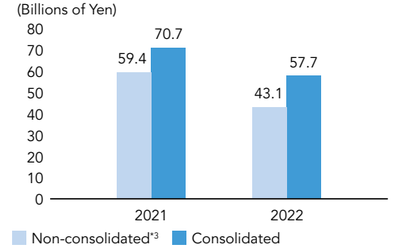



As a result of stable performance of stock transfer agency services-related fees in addition to an increase in corporate credit related fees, net business profit before credit costs increased 11.9 billion yen year on year to 11.1 billion yen on a non-consolidated basis*3 and was up 13.3 billion yen to 140.8 billion yen on a consolidated basis.

Major subsidiaries and affiliated companies
- Sumitomo Mitsui Trust Bank
- Sumitomo Mitsui Trust Panasonic Finance
- Sumitomo Mitsui Trust Loan & Finance
- Sumitomo Mitsui Trust Bank (Thai)
- Zijin Trust
- Tokyo Securities Transfer Agent
- Japan Securities Agents
- Sumitomo Mitsui Trust TA Solution
- Japan Stockholders Data Service Company



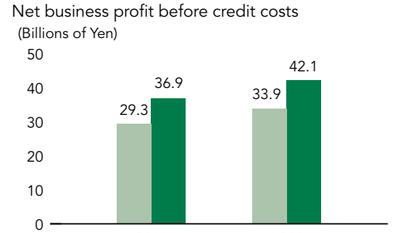
### Investor Services Business:
Net business profit before credit costs




As a result of a decrease in profit and loss related to investments in partnerships (in foreign currencies) despite the stable performance of the pension business and the contribution of overseas asset administration subsidiaries to earnings, net business profit before credit costs fell 16.3 billion yen year on year to 43.1 billion yen on a non-consolidated basis*3 and 13.0 billion yen to 57.7 billion yen on a consolidated basis.

Major subsidiaries and affiliated companies
- Sumitomo Mitsui Trust Bank
- Custody Bank of Japan
- Sumitomo Mitsui Trust Bank (U.S.A.)
- Sumitomo Mitsui Trust (Ireland)
- Japan Pension Operation Service

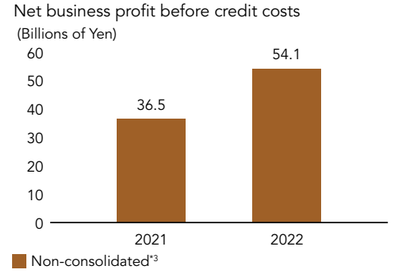
### Real Estate Business:
Net business profit before credit costs




As a result of strong performance of corporate real estate brokerage due to closing large transactions, in addition to continued solid performance of retail real estate brokerage, net business profit before credit costs increased 4.5 billion yen year on year to 33.9 billion yen on a non-consolidated basis*3 and rose 5.2 billion yen to 42.1 billion yen on a consolidated basis.

Major subsidiaries and affiliated companies
- Sumitomo Mitsui Trust Bank
- Sumitomo Mitsui Trust Realty
- Sumitomo Mitsui Trust Research Institute

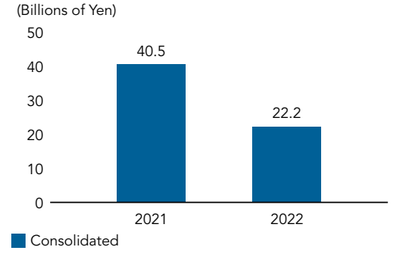
### Global Markets Business:
Net business profit before credit costs




Net business profit before credit costs increased 17.5 billion yen year on year to 54.1 billion yen owing to strong performance of client service-related revenue.

Major subsidiaries and affiliated companies
- Sumitomo Mitsui Trust Bank

### Asset Management Business:
Net business profit before credit costs




As a result of a lack of dividends from business partners that we invest in, which had contributed to earnings in the previous fiscal year, in addition to a decline in revenue resulting from a decrease in funds under management mainly due to a decline in market value, net business profit before credit costs dropped 18.2 billion yen year on year to 22.2 billion yen.

Major subsidiaries and affiliated companies
- Sumitomo Mitsui Trust Asset Management
- Nikko Asset Management
- Sky Ocean Asset Management
- JP Asset Management

*3 SuMi TRUST Bank (non-consolidated)



# Retail Business

## Aspiration

We are committed to contributing to the realization of clients' FINANCIAL WELL-BEING, which ensures safe and enriching futures for clients, by finding solutions to various money- and asset-related problems that solve social issues in the age of 100-year life. In addition to this social value, we also aim to create economic value for ourselves that consists of sustainable and stable growth.

### Awareness of issues

- Response to changes in the environment surrounding individuals associated with inflation and interest rate hikes across the globe
- Sophistication of business processes to address the medium- to long-term population decline and adapt to digitalization
- Diversification of contact points with clients (channels) and reforms of branches and networks
- Expansion of the number of clients that underpins stable business growth

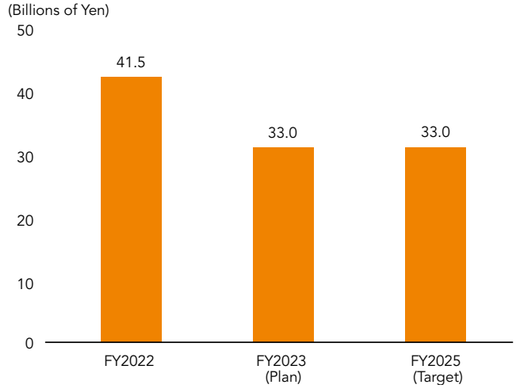
### Opportunities and strengths

- Growing needs for asset formation and management, asset administration and asset succession in the age of 100-year life
- Client-oriented high-quality consulting, and our lineup of products and services that is unique to a trust bank and distinctive from other companies
- A broad client base ranging from working-age to senior generation and our employees with diverse knowledge and expertise

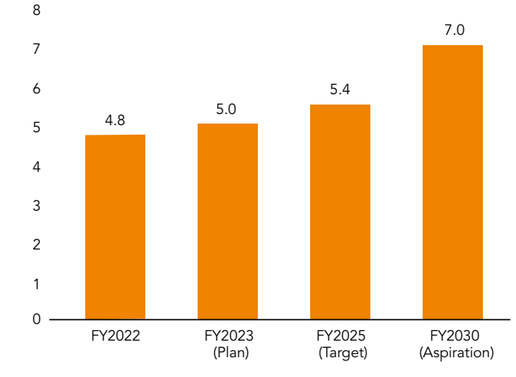
### Key measures

We aim to establish Japan's No. 1 "100-Year Life Support Model," which provides solutions unique to a trust bank for more clients through extensive and in-depth consulting to address social issues in the age of 100-year life, thereby expanding the positive impact on society. In order to achieve this goal, we will work to enhance consulting, products and services, channels, procedures and payments and other areas.

**Net business profit before credit costs**




**Total entrusted assets of the will custody service clients**






# Specific initiatives

## (1) Expanding contact points with clients by leveraging digital

With the growing need for each individual to improve their own financial literacy and work on asset formation to prepare for the age of 100-year life, we launched "Smart Life Designer," a smartphone app that provides an all-in-one service for designing ideal life plans, managing household finances and assets all at one go, and collecting information on asset formation, under the concept of "designing necessary money together with clients to create the future for money," in April 2022. Through this app which is freely available not only to our clients but also to anyone, we are striving to solve social issues in the age of 100-year life.

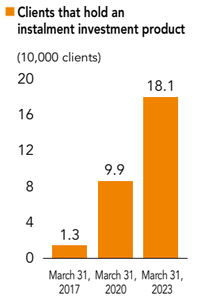



## (2) Supporting asset formation of the working generation

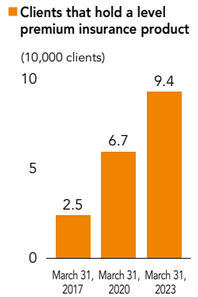
As we enter the age of 100-year life, our clients' needs for asset formation is growing more than ever. We help clients design their life plans by providing products and services, such as installment investments and level premium insurance which require only a small initial outlay, through a precise consulting services on asset formation based on the understanding of future income and expenditure, including pensions which form the core of post-retirement income.

We also focus on financial literacy education through workplaces and others with a view to helping clients make appropriate decisions and actions regarding asset formation and financial product and services.

**Clients that hold an instalment investment product**




**Clients that hold a level premium insurance product**




## (3) Promoting Wealth Management Business

UBS Group boasts the world's leading asset management and securities services*1, and SuMi TRUST Group provides a wide range of products and services that include asset administration and succession and real estate and other non-financial services*2. By provides our total wealth management services that organically combine these offerings, we fully support clients in leading enriching lives.

*1 Through UBS SuMi TRUST Wealth Management Co., Ltd., an affiliated company that specializes in services for the wealthy class, the Group delivers global and highly professional asset management and securities services to clients, leveraging the advantages that the UBS Group has to offer.

*2 SuMi TRUST Group served as the main sponsor of ART FAIR TOKYO 2023 held in March 2023. We also serve as a special sponsor of the Diners Club NIPPON CUP 2023 Hayama Series in April and October 2023.








### Contributing to the realization of "my own unique future" and "FINANCIAL WELL-BEING"

**Ayana Yano** **Sumitomo Mitsui Trust Financial Education Institute, SuMi TRUST Bank**

As a researcher at Sumitomo Mitsui Trust Financial Education Institute, I survey and research the desired asset formation and asset utilization that respond to the demands of the age of 100-year life from a neutral position and disseminate information. I take pride in the fact that only a trust bank can offer a diverse range of products and services, and can provide not only asset management but also extensive and professional information tailored to an individual's life plan such as pension plans, real estate and asset succession resulting from inheritance. As longevity increases and values diversify, it is my dream to help as many people as possible realize their "own unique futures" and "FINANCIAL WELL-BEING"!



# Corporate Business

## Aspiration

While business environment surrounding us has been changing immensely and been becoming complicated, corporate clients are faced with more diverse management issues. We aim to become the "Best Partner" for clients that helps solve management issues and social issues for clients and society by further bolstering our versatility and expertise of a trust group.

### Awareness of issues

- Growing uncertainty and higher volatility of markets due to international conflicts and geopolitical risks, increased financial system instability
- Globally accelerated initiatives for decarbonization and companies' transition to ESG management
- Financial business model transformation driven by DX

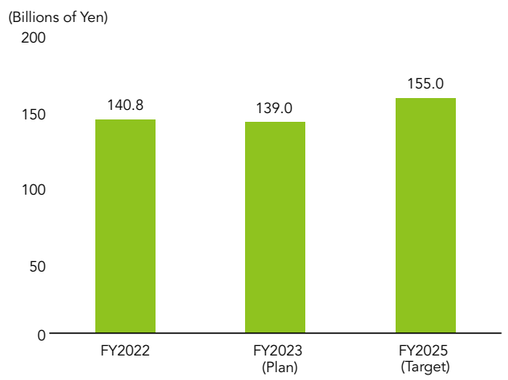
### Opportunities and strengths

- New financing needs associated with decarbonization and increasing investors' demands for investment and asset management
- Specialists with talent to offer high-value-added services to clients
- Providing versatile and highly specialized comprehensive solutions through acquisition and analysis of financial and non-financial information

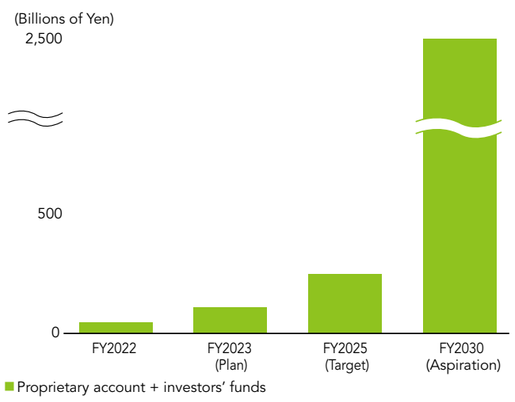
### Key measures

- Providing ESG total solutions to achieve sustainable management and society
- Contributing to a virtuous circulation of funds, assets and capital by establishing financial intermediary functions that are unique to our Group
- Contributing to the sound development of capital markets by supporting enhancement of corporate governance and improving the convenience of shareholders

**Net business profit before credit costs**




**Impact equity**







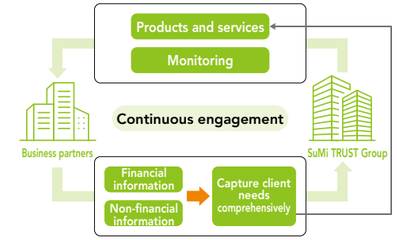

## Specific initiatives

### (1) Providing ESG total solutions

As initiatives related to ESG accelerate globally, clients are faced with complex and challenging issues, such as decarbonization and enhancing of human capital management.

Taking advantage of contact points with diverse stakeholders through our banking and trust businesses in addition to a wide variety of product lineups, our Group provides one-stop solutions that lead to the enhancement of corporate value.

We aim to become the "Best Partner" that can solve issues of our clients by balanced creation of both economic value and social value.



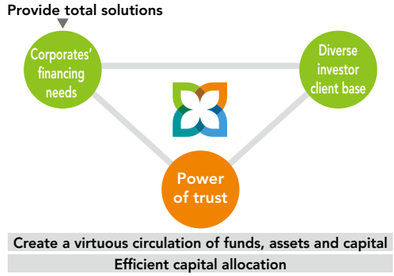

Develop and provide "total solutions" to meet diverse needs

### (2) Contributing to a virtuous circulation of funds, assets and capital

With social structures undergoing dramatic changes, an enormous amount of capital is required to address management issues and social issues, which include decarbonization and regional revitalization.

In addition to meeting financial needs to solve those issues, our Group will promote a circulation of funds to areas needed by our clients and society, with the power of trust, connecting investment and asset management needs of diverse investors with whom we have contact through our banking and trust businesses.

We shall contribute to a virtuous circulation of funds, assets and capital that brings fruit to households through enhanced corporate value by fulfilling financial intermediary functions.




### (3) Contributing to the sound development of capital markets

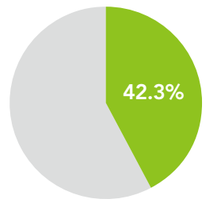
We provide seamless support for corporate stock administration and governance-related services, by utilizing diverse information gained from our client base which is No. 1 of the number of stock transfer agency services clients* and the largest data in Japan from Governance surveys and Compensation surveys.

There are needs for solutions to management issues related to corporate governance and dialogue with investors, and these issues are becoming increasingly sophisticated and complex. We are committed to helping our clients achieve growth as the "Best Partner" through providing of optimal and high-quality solutions.

We shall also lead the sound development of capital markets in Japan by capturing trends in the progress of DX to support the digitization of general meetings of shareholders and other efforts.

*Number of stock transfer agency services clients of SuMi TRUST Group as of March 31, 2023

**Market share of stock transfer agency services (as of Mar.2023)**




*Number of listed companies under management of SuMi TRUST Group



### Delivering solutions unique to SuMi TRUST Group that fully and thoroughly consider the needs of clients

**Yuma Saitou** **Nagoya Corporate Business Dept. I, SuMi TRUST Bank**

As a corporate Relationship Manager, I am always conscious of the need to 'act as an employee of our client companies.' I have had conversations with a wide range of employees, from those on the frontline to senior managements, and have been fully and thoroughly considering what is needed by our clients. I believe making diverse proposals on matters including stock transfer agency services, pensions and employee asset formation, in addition to loans, has led to the adoption of our proposals and the deepening of business relationships. I have been a member of Nagoya Corporate Business Dept. I since this April. I will ensure we listen to voices of local clients and strive to provide solutions that utilize initiatives unique to us, such as regional ecosystems and forest trust!



# Investor Services Business

## Aspiration

Our goal is to create a virtuous circulation of funds, assets and capital by fulfilling our unique financial intermediary functions that will lead to solutions for social issues such as the realization of a decarbonized society, revitalization of regional economies or the age of 100-year life. We also aim to meet financing needs resulting from such actions to solve issues, seeing them as valuable investment opportunities for investors.

### Awareness of issues

- Enormous stagnant assets of individuals and corporate internal reserves in Japan
- Supply of funds to new social issues (decarbonization and regional revitalization)
- Need for asset formation to prepare for the age of 100-year life
- Increasing complexity of management issues faced by investors and asset managers due to environmental changes
- Changes in trends and future uncertainties associated with changes in global circumstances and monetary policies

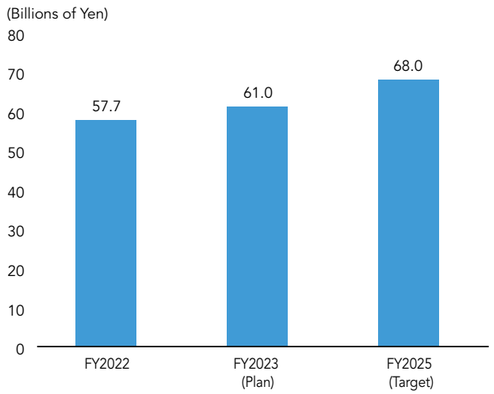
### Opportunities and strengths

- Creating a virtuous circulation of funds through financial intermediation that solves social issues starting with investor clients
- Largest corporate pension business base in Japan and investment consulting capability cultivated through the pension business
- Screening a variety of investment products by capitalizing on banking investments and networks in and outside Japan
- Knowledge of asset administration cultivated over a long period of time and high operational quality

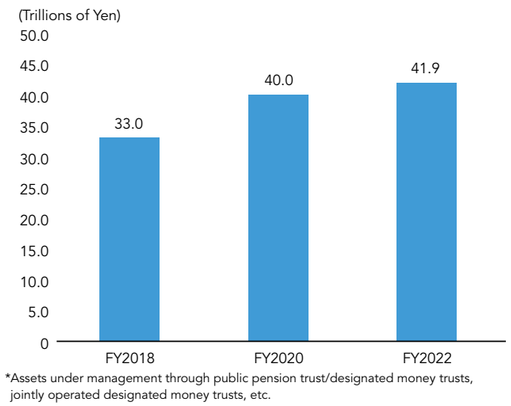
### Key measures

- Provision of consulting and total solutions based on investors' management issues
- Creation of a variety of investment opportunities and investment products that simultaneously solve the financing needs related to new social issues and the investment needs of investors
- Sophistication of asset administration services and strengthening of value-added services including reporting to better handle the management of increasingly complex investment products

**Net business profit before credit costs**




**Investor Services Business: AUM**




*Assets under management through public pension trust/designated money trusts, jointly operated designated money trusts, etc.



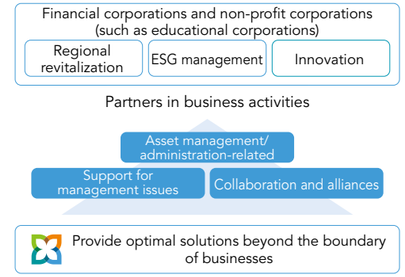


# Specific initiatives

## (1) Promoting total solutions for investors

As medium- to long-term structural changes in the social economy progress, the business environment surrounding financial institutions, non-profit corporations and other clients is becoming increasingly complex. We provide a diverse menu of solutions unique to a trust group, with a focus on asset management and administration, aimed at resolving clients' issues in this new environment.

We aim to be the Best Partner that is essential to and dependable by our clients, and contribute to the creation of a virtuous circulation that helps solve social issues.

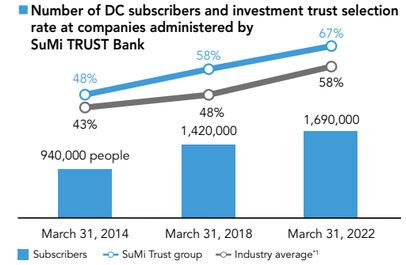



## (2) Supporting asset formation, starting with the pension business

Amid growing corporate interest in human capital management, there is growing momentum for both companies and employees to rethink how asset formation should be done.

Revolving around the corporate pension sector in which it has the largest business base in Japan, SuMi TRUST Bank has been providing thorough company support for asset formation, including investment education through companies, to employees who underpin sustainable improvement in corporate value. It is currently working to promote individual-type DC plans (iDeCo) in light of revisions to the law. We will continue to provide services in line with the changing environment and contribute to well-being of our clients by serving as a partner for both companies and their employees in the age of a 100-year life.

**Number of DC subscribers and investment trust selection rate at companies administered by SuMi TRUST Bank**



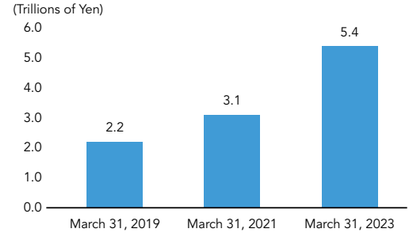

*1 (Source) "Defined Contribution Pension Statistical Data" (published by Liaison Council of Management Control Institutions)

## (3) Private-asset-related business for market creation

With increasingly uncertain market condition, there is growing interest in private assets, which are expected to provide investment returns and risk diversification benefit over the medium term. We have been utilizing our knowledge gained from years of proprietary investing to provide investment opportunities for investors.

We will play a leading role in investment by leveraging our in-house capabilities to meet new demand for funds in areas that solve social issues such as decarbonization, which is anticipated to gain significant momentum in the future, thereby democratizing investment so that investors can access valuable investment opportunities.

**Private assets*2: AUM**

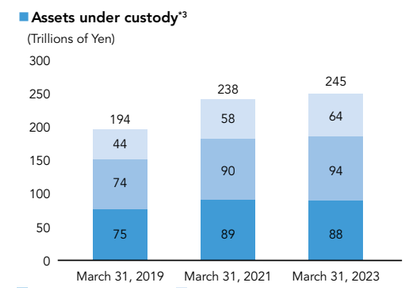



*2 Private assets: Primarily assets such as private equity, real estate, infrastructure, credit products, etc.

## (4) Asset administration business that supports asset management of investors

We have been providing a wide range of asset administration services that support asset management and asset preservation, both in Japan and overseas, as the partner of our clients such as investors and asset managers. In order to respond to the diversifying needs of our clients as investment targets and investment methods become more sophisticated, we will continue to enhance our asset administration services which we have cultivated over time, and expand our various solutions, such as reporting services that utilize our IT and digital infrastructure and outsourcing services for middle and back office operations.

**Assets under custody*3**




*3 Overseas assets under custody represents a sum of funds under custody/administration
Using the exchange rates as of the end of March of each fiscal year



# Real Estate Business

## Aspiration

- We aim to be the Best Partner that is our clients' first choice, by providing added value to their real estate needs through our high level of expertise and comprehensive capabilities.
- By providing safe and secure backed by solid administrative processes, we will strongly support the growth of the market as social infrastructure that underpins real estate investment and the secondary market, which should lead to our own results.

### Awareness of issues

- Growing need for real estate transactions against the backdrop of inflation and large inheritance of baby boomer generations, and growing interest in private asset investment
- Changes in real-estate-related needs, triggered by growing interest in ESG management
- Progress in DX in society that will transform the real estate industry and business
- Need to respond to changes in the real estate market conditions

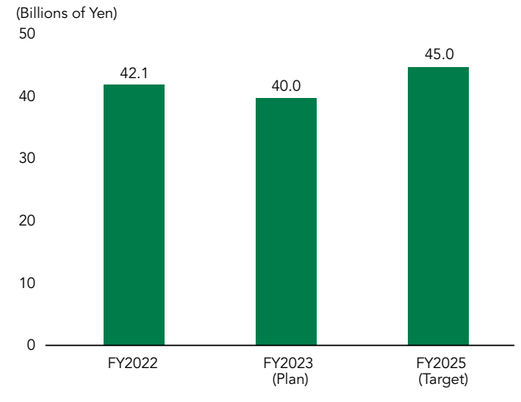
### Opportunities and strengths

- Highly specialized human resources such as those with good judge of real estate and with professional qualifications
- Entrusted provision of total solutions through the real estate value chain with strengths in diverse consulting functions
- Essential presence with No. 1 share in terms of entrusted balance in the real estate investment market (real estate securitization trusts and investment corporations administered)

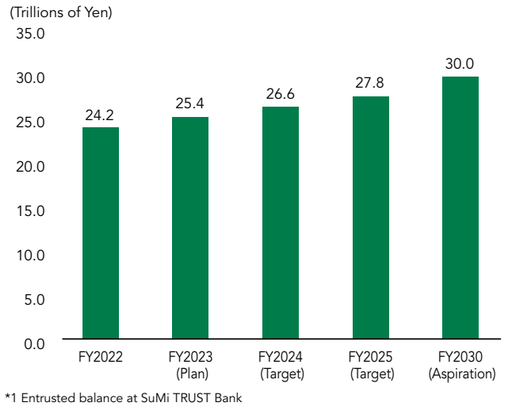
### Key measures

- Leveraging diverse consulting functions to address new management issues faced by clients as represented by ESG
- Promoting a circulation of assets by acting as an investment leader (provision of materials for decision-making based on "unique information" × "DX," and proprietary investment)
- Expanding the client base by utilizing third parties
- Providing peace of mind and security through solid administrative processes in such areas as administration for real estate securitization trusts/investment corporations and real estate brokerage

**Net business profit before credit costs**




**Entrusted balance of real estate securitization*1**




*1 Entrusted balance at SuMi TRUST Bank



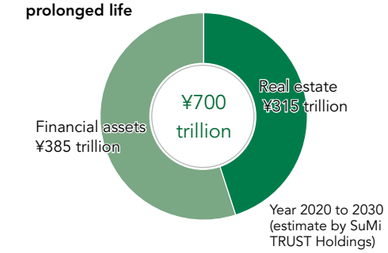
## Specific initiatives

### (1) Individuals – Real estate to cater closely to the age of 100-year life

Domestic personal assets include real estate ones worth 1,000 trillion yen, in addition to financial assets of 2,000 trillion yen. The overall optimization of clients' assets is an important issue in the age of 100-year life.

At SuMi TRUST Group, SuMi TRUST Bank, Sumitomo Mitsui Trust Realty and others work together to provide a wide range of solutions, including for asset formation, administration and succession, that combine the functions of finance and real estate. We aim to meet the real estate needs of society resulting from social changes such as the era of large number of inheritance and increased longevity, as well as the asset management needs of high-net-worth clients. This way we aim to be the Best Partner that caters closely to life stages.

**Inheritance transfer assets associated with prolonged life**

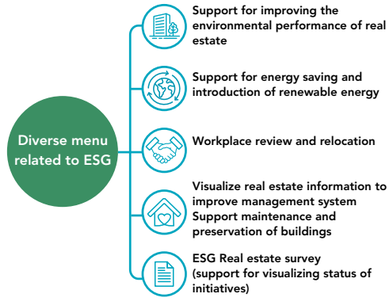



### (2) Corporates – Support for clients' ESG management

Our clients' needs for ESG management have been increasing more than ever, including decarbonization, human capital management and optimal utilization of management resources.

The strengths of SuMi TRUST Group lie in diverse solutions that meet the needs for each of E, S and G, such as improving the environmental performance of real estate, reviewing workplaces and optimizing real estate portfolios. We see this trend as a perfect tailwind.

In the environmental field, in particular, since establishment of a dedicated unit in 2010, we have been serving as a frontrunner in the industry and providing various services aimed at promoting environmentally-friendly conscious real estate.



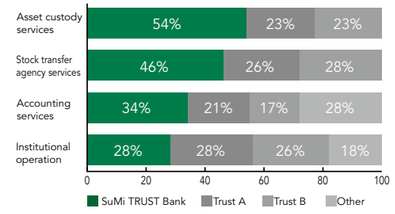

### (3) Investors – Provision of investment infrastructure and opportunities

We can boast of being No. 1 in entrusted balance in real estate securitization trusts/investment corporations administered, and have an important social mission to support the growth of the market by providing peace of mind and security through solid administrative operation and others.

In addition, we will lead real estate investment by providing cross-border transition opportunities through proprietary investment based on our real estate expertise and business tie-ups, with the aim of expanding the circulation of assets and building win-win relationships with investors.

In the future, we will contribute to the further development of the market by providing decision-making materials through the combination of our Group's unique information and DX.

**Track record of property administration operations entrusted for J REIT**




*Compiled by SuMi TRUST Holdings based on information published by the respective investment corporations as of March 31, 2023. Market share is based on the number of plans under management. A total of 65 securities, including infrastructure REITs, are covered



### Contributing to the resolution of real estate issues faced by clients with detailed and thorough proposals

**Risa Ushio** **Real Estate Business Solution Dept., SuMi TRUST Bank**

I am in charge of consulting services to comprehensively handle our corporate clients' concerns related to real estate. There are a wide variety of concerns including how to manage assets such as factories and logistics, and how to position real estate that is not the main business. Since our proposals will have a significant impact on the management policies of our clients and the lives of the employees who work there, I strive to accurately identify their needs and provide them with as detailed and thorough proposals as possible. When a proposal from us is reflected in management decisions, including it being reflected in a medium-term management plan, I feel rewarded for the fact that I was able to contribute to the resolution of issues.



# Global Markets Business

## Aspiration

- Maximize our corporate value by capturing all investment opportunities through thorough pursuit of strategic diversified investment (three-dimensional diversification)
- Combine our proprietary investment know-how and fiduciary spirit, to support the realization of a virtuous circulation of funds, assets and capital across Japan through the expansion of total solution sales that meet all the needs of clients from decision-making support to investment and risk hedging and ALM co-creation business

### Awareness of issues

- While the financing and fund management needs of individual, corporate and investor clients are expanding in response to the medium- to long-term changes in social and industrial structure, such as a shift to an inflationary environment and the realization of a decarbonized society, the circulation of funds remains stagnant
- Growing expectations for the provision of solutions that serve as the starting point for a "virtuous circulation of funds" in order to solve issues for clients and society

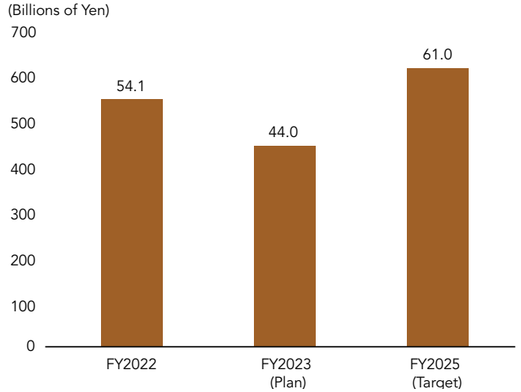
### Opportunities and strengths

- A flexible and resilient organization with an open and flat culture in which people respect diverse ideas and work together to enhance knowledge
- Strong risk control capability cultivated through proactive efforts to stay ahead of constantly changing markets
- Solution capability to provide highly sophisticated expertise honed through a diverse range of investment and precise ALM management, while staying close to the challenges of our clients

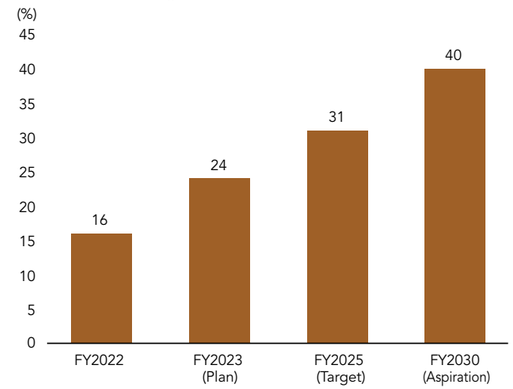
### Key measures

- Further sophistication of market analysis capability and investment technology to capture investment opportunities in all market conditions
- Strengthening financial risk management aimed at stabilizing enterprise-wide earnings, in preparation for changes in the environment, such as rising interest rates in the future
- Creating the starting point for a circulation of funds by offering total solution sales and ALM co-creation that solve both our own challenges and those of our clients together

■ **Net business profit before credit costs**




■ **Participation rate of Regional banks I in ALM co-creation business**[*1]




*1 Percentage of members of the Regional Banks Association of Japan who participate in ALM co-creation business

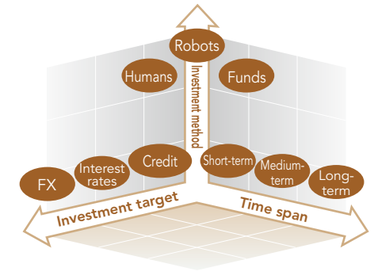


# Specific initiatives

## (1) Sophisticating investment operations

We aim to grow our investment operations sustainably by capturing investment opportunities accurately through our unique investment style of diversifying strategically on three axes of investment method, investment target and time span (three-dimensional diversification), to capture stable earnings with smaller fluctuations in profit and loss.

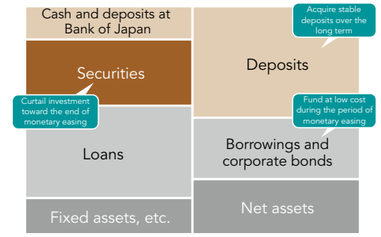
In the environment of global monetary tightening, market fluctuations are expected to be larger. In addition to enhancing investment know-how through appropriate portfolio management by considering "market fluctuations to be opportunities to earn profit," we will raise the level of sophistication by utilizing digital technologies as valuable knowledge that will help to enhance products and services for clients.




## (2) Sophisticating ALM (financial risk management) operations

We aim to secure stable earnings by flexibly controlling enterprise-wide financial risks inherent in the balance sheet, such as interest rate risk and liquidity risk arising from deposits and loans and the risk of changes in fees and revenues arising from the business model unique to a trust bank, using securities and derivatives.

We have been implementing measures to prepare for future market changes, such as increasing financing through the issuance of low-cost corporate bonds in the environment of low interest rates and monetary easing, and curtailing bond investment in anticipation of rising interest rates toward the end of the monetary easing. As monetary tightening is also expected in Japan in the future, we will work on appropriate risk control through further sophisticating of ALM operations.

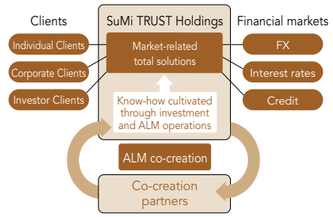



Appropriately control financial risks

## (3) Strengthening market-related total solutions and ALM co-creation business

Based on the know-how we have cultivated through investment and ALM operations, we will respond to client needs through total solutions that "solve both our own challenges and those of our clients together." In particular, we will focus on the expansion of foreign-currency-denominated products that contribute to long-term asset formation for individuals, the provision of financing and risk hedging tools toward decarbonization, and support for the development of investment products.

We will also aim to strengthen advisory services that support investment decision-making and build highly functional digital platforms, in order to focus on "ALM co-creation business" in which we work with our regional bank partners (co-creation partners) to create solutions for a wide range of ALM issues, as the starting point for creating a circulation of funds across Japan.




Solve issues faced by clients and co-creation partners together!



### Taking on a challenge to create and expand new markets

**Kyohei Saito** **Market Making Unit, SuMi TRUST Bank**

I engage in business related to carbon credit[*2] trading. Unlike financial instruments such as interest rates and foreign exchange, the trading framework is still in the process of being developed, so it is necessary to overcome the issues at hand one by one by cooperating with internal and external parties. It is often difficult; however, I feel it is rewarding to be able to witness the creation of new markets, such as through the participation in the TSE's demonstration project last year. In the future, I would like to develop trust products that incorporate carbon credits to contribute to the growth of the market!

*2 Those certified by the national government as credits for reducing $CO_2$ emissions through the introduction of energy-saving equipment and the use of renewable energy, and for absorbing $CO_2$ through appropriate forest management




# Asset Management Business

## Aspiration

In addition to supporting clients' decision-making process through institutional and asset management consulting, we offer a variety of options for asset management functions that each Group company possesses and contribute to clients' long-term and continuing asset management.

We also contribute to solving social issues and overall market growth through ESG investments and engagement with investee companies.

### Awareness of issues

The competitive environment is intensifying, with the acceleration of fee reductions, particularly in passive investment, and the entry of foreign players into alternative assets where investor demand is strong one after another. In addition, the expectations for asset managers for improved environmental and social sustainability, such as climate change, biodiversity and human rights, are growing.

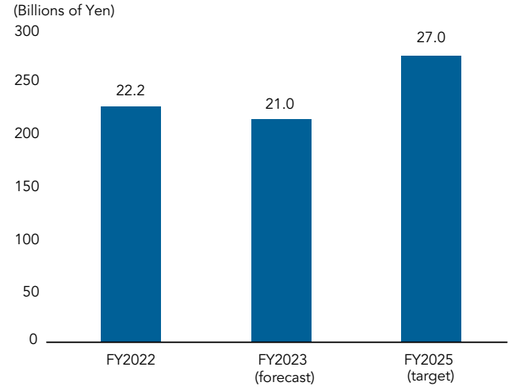
### Opportunities and Strengths

In addition to the asset formation needs of the age of 100-year life and the high growth potential of overseas markets, we recognize that it is important to focus on changes in investors' values brought about by trends in DX and ESG. SuMi TRUST Group will create new investment opportunities by leveraging its custom-made product design capabilities that it has cultivated through passive and active management and expertise in a variety of alternative assets.

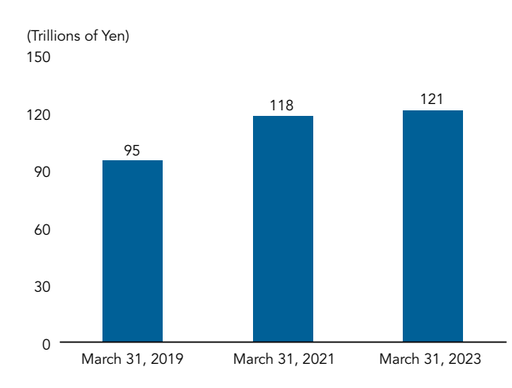
### Key Measures

- Development of investment products that solve social issues
- Expansion of overseas networks by establishing new bases in growing markets and acquiring sales channels
- Expansion of global asset management capabilities by utilizing strategic investments and alliances

■ Net Business Profit before Credit Costs




■ Assets Under Management of the Group*1




*1 Total assets under management of SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management and Nikko Asset Management





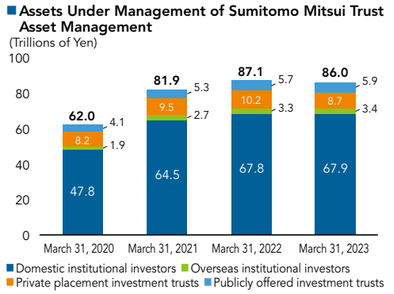
## Specific initiatives

### (1) Providing asset management solutions that have been cultivated through pension management

To date, Sumitomo Mitsui Trust Asset Management has responded to the needs of leading domestic institutional investors, including pension funds, by providing high-quality investment products and problem-solving capabilities. In addition, these investment solutions, which we have cultivated through pension management for institutional investors, are also delivered to individual clients through consulting sales support and programs for distributors of investment trusts.

We will continue to respond promptly to the diverse needs of investors and strive to maximize profits for our clients through the provision of advanced and high-quality products.

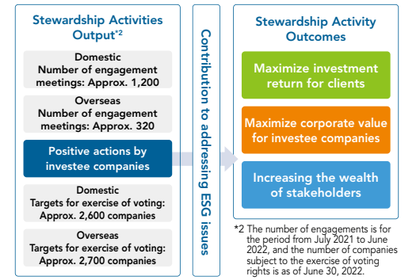
■ Assets Under Management of Sumitomo Mitsui Trust Asset Management




### (2) Stewardship activities as a responsible institutional investor

As a responsible institutional investor, Sumitomo Mitsui Trust Asset Management promotes stewardship activities such as engagement and the exercise of voting rights in Japan and overseas. More specifically, in addition to engaging in in-depth dialogue with investee companies by integrating ESG and business perspectives, we actively make recommendations on global social issues such as climate change and human rights and express opinions that contribute to improving governance through the exercise of voting rights.

Through these efforts, we will not only maximize our clients' investment returns by enhancing corporate value, but also contribute to the realization of a prosperous society.

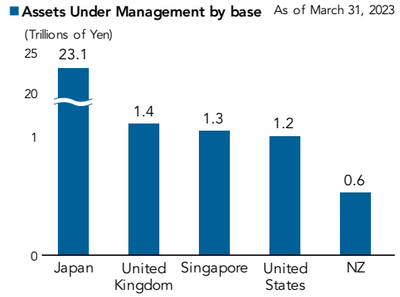



*2 The number of engagements is for the period from July 2021 to June 2022, and the number of companies subject to the exercise of voting rights is as of June 30, 2022.

### (3) Providing products leveraging global network

Nikko Asset Management provides clients with innovative products and services that harness its various strengths, from a network of corporate hubs ,including joint ventures, spanning 11 countries worldwide, to the support for distributors and the unique product development that actively utilizes this network. For example, Global Equity Strategy, which is managed in Edinburgh, United Kingdom, offers investors worldwide, including Japan, the ability to invest carefully in a small number of stocks without being constrained by benchmarks. In addition, our Singapore office has a wide range of asset management capabilities, from equities to bonds and multi-assets, and offers products not only to investors locally and in neighboring Asian countries, but also to many Japanese institutional investors, by leveraging its capability to closely respond to diverse needs.

■ Assets Under Management by base As of March 31, 2023

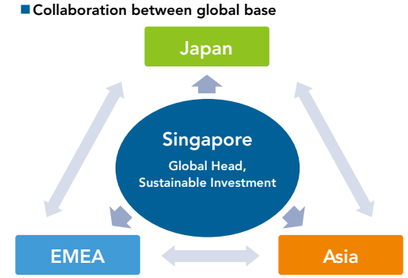



### (4) ESG investment

Nikko Asset Management has been strengthening its offering of investment products that contribute to the resolution of ESG issues, including making new applications for certain domestic equity active funds as Article 8 funds*3 under the EU Sustainable Finance Disclosure Regulation (SFDR).

In addition, our Japan office newly established Sustainable Investment Department with a view to promoting cross-asset stewardship activities and to deepening ESG integration for each asset. Global Sustainable Investment Team, led by our Singapore office, will enhance high-quality ESG initiatives to meet the expectations of our global clients while strengthening cooperation among our global offices.

■ Collaboration between global base




*3 Among ESG (environmental, social and corporate governance), financial instruments that promote environmental or social characteristics or a combination thereof

# Theme5

**Financial information**

**Corporate information**


110 Group information and external evaluation of SuMi TRUST Group
112 Financial data
114 Corporate information

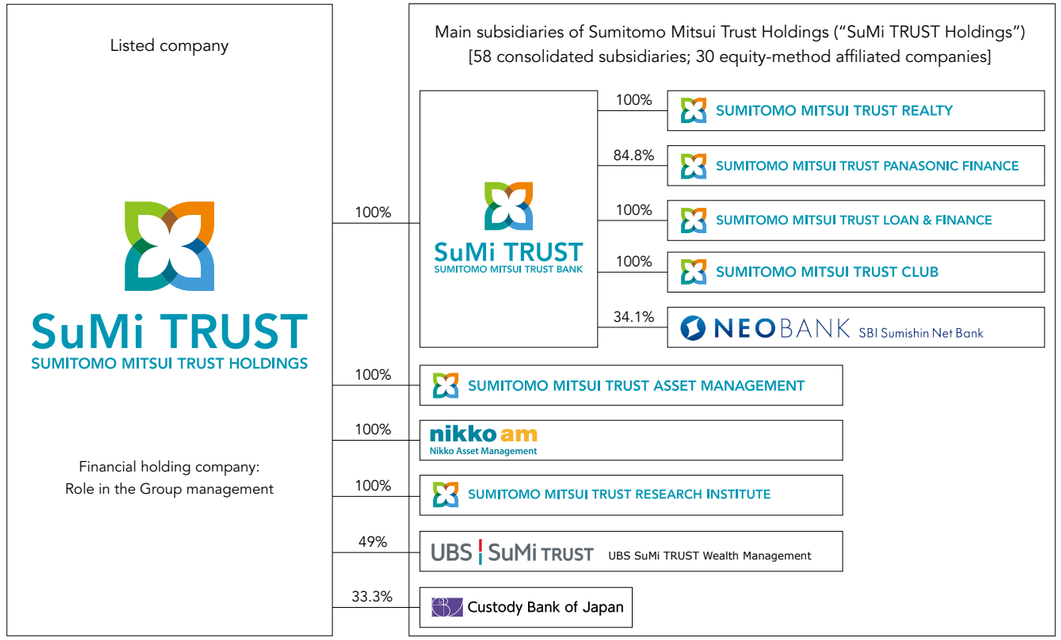





# Group information and external evaluation of SuMi TRUST Group

SuMi TRUST Group offers its clients optimal and total solutions by leveraging its comprehensive capabilities that integrate both trust and banking functions, as well as the mutual collaboration between SuMi TRUST Bank and the many group companies that specialize in banking, asset management and asset administration, real estate, and various other fields.

(as of March 31, 2023)




*Ratio of ownership of voting rights is shown in %, including indirect ownership via subsidiaries.

## 1 Status of SuMi TRUST Group

| | | | | |
|---|---|---|---|---|
| Trust (fee) businesses | Assets under management | ¥121 trn | Domestic financial institutions | No. 1 |
| | Assets under custody* | ¥256 trn | Domestic financial institutions | No. 2 |
| | Balance of corporate pension funds | ¥13 trn | Trust banks | No. 1 |
| | Lead manager for corporate pension funds | 1,279 cases | Trust banks | No. 1 |
| | Entrusted balance of investment trusts | ¥87 trn | Trust banks | No. 2 |
| | Entrusted balance of real estate securitization | ¥24 trn | Trust banks | No. 1 |
| | Number of shareholders under administration | 35.24 mn | Trust banks | No. 1 |
| | Number of will trusts | 38,640 | Trust banks | No. 2 |
| | Balance of monetary claims in trusts | ¥20 trn | Trust banks | No. 1 |
| Banking businesses | Balance of loans to corporations | ¥20 trn | Domestic banks | No. 5 |
| | Total loan balance | ¥31 trn | Domestic banks | No. 5 |

*Balance of trust assets (under management). Trust banks specializing in asset administration are excluded due to their large amounts of re-entrusted trust assets.

## 2 ESG assessment organizations

MSCI ESG Rating (as of May 2023) AA

Sustainalytics ESG Rating (as of October 2022) 21.1

FTSE ESG Rating (as of September 2022) 3.7

## 3 Adopted indexes

2023 MSCI Japan Empowering Women Index (WIN)

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2023 MSCI Japan ESG Select Leaders Index

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2023 MSCI ESG Leaders Indexes

2023 MSCI ESG Leaders Indexes Constituent

FTSE 4Good Index Series

FTSE4Good

THE INCLUSION OF SuMi Trust Holdings IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SuMi TRUST Holdings BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

FTSE Blossom Japan Index

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index

S&P Carbon Efficient Index

S&P/JPX Carbon Efficient Index

Bloomberg Gender-Equality Index 2023

Bloomberg Gender-Equality Index 2023

## 4 List of awards*1

**Sumitomo Mitsui Trust Holdings**

- Work with Pride Gold 2022
- 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program
- Principles for Financial Action for the 21st Century FY2022 Best Case Example (Minister of the Environment Award)

**Sumitomo Mitsui Trust Bank**

- FY2022 Good Design Award*2
- HDI-Japan Phone Support (Quality) Three Stars
- HDI-Japan Web Support Three Stars
- Work with Pride Rainbow 2022
- 2022 ESG Finance Awards Japan
- 9th Annual Platinum Vision Awards Grand Prize from the Economy, Trade and Industry Minister

*1 Main awards received by the Group since 2022
*2 Received by "Smart Life Designer"

# Financial data

Billions of Yen (Unless specified otherwise)

| | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Business Profit before Credit Costs | 342.2 | 284.6 | 285.8 | 316.7 | 318.3 | 232.3 | 270.5 | 282.2 | 289.0 | 294.7 | 346.0 | 324.6 |
| Total Credit Costs | (8.9) | 6.1 | 9.1 | 19.3 | (25.9) | (28.5) | 2.9 | (2.9) | (43.8) | (7.8) | (41.5) | (10.4) |
| Net Gains on Stocks | (33.9) | (4.2) | (3.7) | (2.1) | 29.6 | 36.4 | 6.3 | 13.7 | 40.1 | (43.5) | (38.3) | 3.0 |
| Of which, Amortization of Shares, etc. | (30.3) | (7.7) | (2.3) | (0.3) | (6.3) | (3.8) | (0.0) | (3.4) | (12.4) | (0.8) | (0.9) | (1.6) |
| Other Net Non-Recurring Profit | (27.2) | (31.4) | (33.2) | (41.4) | (43.9) | (43.9) | (47.2) | (36.5) | (27.6) | (60.2) | (36.4) | (31.4) |
| Ordinary Profit | 272.1 | 255.0 | 258.0 | 292.4 | 278.0 | 196.3 | 232.6 | 256.4 | 257.6 | 183.1 | 229.7 | 285.8 |
| Extraordinary Profit | 22.8 | (26.7) | (11.3) | (59.9) | (4.9) | (5.2) | 6.1 | (15.0) | (16.9) | 16.8 | (1.7) | (14.4) |
| Total Income Taxes | (109.3) | (75.1) | (91.6) | (60.1) | (93.9) | (56.9) | (73.0) | (60.5) | (75.6) | (56.0) | (57.7) | (79.3) |
| Net Income | 185.6 | 153.1 | 154.9 | 172.4 | 179.1 | 134.2 | 165.7 | 180.7 | 165.0 | 143.9 | 170.2 | 192.0 |
| Net Profit Attributable to Non-Controlling Interests | (20.9) | (19.4) | (17.2) | (12.7) | (12.2) | (12.7) | (11.7) | (6.8) | (2.0) | (1.7) | (1.1) | (1.0) |
| Net Income Attributable to Owners of the Parent | 164.6 | 133.7 | 137.6 | 159.6 | 166.9 | 121.4 | 153.9 | 173.8 | 163.0 | 142.1 | 169.0 | 191.0 |
| Total Assets | 34,376.3 | 37,704.0 | 41,889.4 | 46,235.9 | 58,229.9 | 65,453.7 | 68,356.7 | 57,029.1 | 56,500.5 | 63,368.5 | 64,633.2 | 69,022.7 |
| Loans and Bills Discounted | 20,636.4 | 22,391.6 | 23,824.0 | 25,550.0 | 27,525.8 | 28,040.4 | 28,190.5 | 29,025.7 | 29,703.3 | 30,506.9 | 30,876.5 | 31,810.9 |
| Securities | 6,795.7 | 6,346.0 | 5,764.4 | 4,813.3 | 4,926.2 | 5,127.7 | 5,537.6 | 5,759.5 | 6,437.5 | 6,983.4 | 7,879.2 | 6,933.0 |
| Total Liabilities | 32,039.2 | 35,373.5 | 39,448.3 | 43,518.9 | 55,525.4 | 62,662.0 | 65,484.4 | 54,298.7 | 53,909.6 | 60,646.0 | 61,887.9 | 66,200.1 |
| Deposits | 22,077.8 | 23,023.8 | 24,123.3 | 25,079.7 | 26,701.9 | 36,000.8 | 37,351.8 | 31,903.5 | 30,688.9 | 33,467.6 | 33,230.1 | 35,387.2 |
| Negotiable Certificates of Deposit | 3,252.8 | 4,103.5 | 5,100.1 | 6,570.5 | 7,130.6 | 7,326.6 | 6,563.3 | 6,328.6 | 5,860.2 | 7,160.5 | 6,587.9 | 7,461.0 |
| Total Net Assets | 2,337.0 | 2,330.4 | 2,441.0 | 2,716.9 | 2,704.5 | 2,791.6 | 2,872.3 | 2,730.3 | 2,590.9 | 2,722.5 | 2,745.2 | 2,822.5 |
| Treasury Stock | 1,817.8 | 1,711.5 | 1,901.7 | 1,860.1 | 1,966.8 | 2,031.6 | 2,127.8 | 2,242.9 | 2,334.3 | 2,416.0 | 2,517.5 | 2,587.8 |
| Of which, Retained Earnings | 696.8 | 790.1 | 886.4 | 970.3 | 1,087.1 | 1,159.0 | 1,263.4 | 1,387.5 | 1,495.0 | 1,581.0 | 1,682.5 | 1,803.0 |
| Accumulated Other Comprehensive Income | 9.0 | 134.4 | 203.5 | 529.6 | 410.1 | 430.9 | 496.8 | 410.4 | 220.8 | 277.7 | 198.0 | 204.2 |
| Non-Controlling Interests | 510.1 | 484.4 | 335.6 | 326.9 | 327.1 | 328.4 | 246.8 | 75.8 | 34.5 | 27.7 | 28.7 | 29.5 |
| Consolidated Common Equity Tier 1 Capital Ratio | - | 8.30% | 9.32% | 10.28% | 11.36% | 11.04% | 11.33% | 12.18% | 12.62% | 12.12% | 12.31% | 10.79% |
| Consolidated Tier 1 Capital Ratio | - | 9.95% | 10.83% | 11.45% | 13.36% | 13.54% | 13.74% | 14.18% | 14.47% | 13.51% | 13.71% | 12.01% |
| Consolidated Total Capital Ratio | - | 14.10% | 14.78% | 15.57% | 16.75% | 16.42% | 16.31% | 16.77% | 17.23% | 15.76% | 15.61% | 13.24% |
| Dividend Per Share (Yen)* | 85 | 90 | 100 | 120 | 130 | 130 | 130 | 140 | 150 | 150 | 170 | 210 |
| Dividend Payout Ratio | 30.3% | 27.2% | 29.3% | 29.6% | 30.0% | 40.9% | 32.1% | 30.5% | 34.5% | 39.5% | 37.7% | 40.2% |
| Net Assets Per Common Share (Yen)* | 4,131.11 | 4,707.16 | 5,110.21 | 6,186.38 | 6,181.19 | 6,437.57 | 6,897.36 | 7,008.67 | 6,822.48 | 7,192.07 | 7,249.71 | 7,686.52 |
| Net Income Per Common Share (Yen)* | 385.40 | 312.76 | 344.88 | 403.84 | 433.30 | 317.24 | 403.91 | 458.91 | 434.31 | 379.65 | 451.40 | 517.15 |
| ROE | 9.58% | 7.48% | 7.13% | 7.17% | 7.00% | 5.01% | 6.05% | 6.58% | 6.25% | 5.41% | 6.25% | 6.93% |

*Value calculated by assuming that the reverse stock split on October 1, 2016 (1 share per 10 shares of common stock) was executed in previous years.
As for derivative transactions, presentation treatment has been changed from net basis to gross basis since the first quarter of FY2021 (general treatment in the Practical Guidelines on Accounting Standards for Financial Instruments). Accordingly, figures as of March 31, 2021, have been updated.

# Corporate information

## 1 Financial review

Terms with an asterisk are explained in "Glossary" on page 115.

In fiscal 2022, as a result of strong performance of the customer fee business, including real estate brokerage and corporate credit-related, net business profit before credit costs and net income attributable to owners of the parent achieved 105% and 101% of the full-year forecast respectively, exceeding the forecast.

Net business profit before credit costs decreased 21.4 billion yen from the previous fiscal year to 324.6 billion yen. This was mainly due to a decrease in effective interest related earnings, as a result of the absence of favorable market conditions that had been assumed at the beginning of the current period, and a growth in substantial G&A expenses caused by increases in human capital investment and expenses linked with gross business profit. Net income attributable to owners of parent increased 21.9 billion yen year-on-year to 191.0 billion yen due to limited recording of new total credit costs and loss on sale of bear funds compared with the previous fiscal year.

**■Overview of the Financial Results in FY2022**

<Consolidated> SuMi TRUST Holdings (Consolidated)

Billions of Yen (unless specified otherwise)

| | FY2021 (A) | FY2022 (B) | Change (B) – (A) | Rate of change |
|---|---|---|---|---|
| Net Business Profit* | 346.0 | 324.6 | (21.4) | (6.2)% |
| Ordinary Profit | 229.7 | 285.8 | 56.1 | 24.4% |
| Net Income Attributable to Owners of the Parent | 169.0 | 191.0 | 21.9 | 13.0% |
| | | | | |
| Total Credit Costs* | (41.5) | (10.4) | 31.1 | (74.8)% |
| | | | | |
| Return on equity* | 6.25% | 6.93% | 0.68% | - |
| Net Income per Common Shares (EPS) (Yen) | 451 | 517 | 65 | 14.6% |
| Net Assets per Common Shares (BPS) (Yen) | 7,249.71 | 7,686.52 | 436 | 6.0% |

* $\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{(FY-start total equity (equity) + FY-end total equity (equity)) / 2}} \times 100$

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

Billions of Yen (unless specified otherwise)

| | FY2021 (A) | FY2022 (B) | Change (B) – (A) | Rate of change |
|---|---|---|---|---|
| Net Business Profit* | 242.0 | 245.9 | 3.8 | 1.6% |
| Net Interest Income and Related Profit* | 275.2 | 133.4 | (141.8) | (51.5)% |
| Net Fees and Commissions and Related Profit* | 180.8 | 193.2 | 12.4 | 6.9% |
| Net Trading Profit | 13.4 | 10.4 | (3.0) | (22.5)% |
| Net Other Operating Profit | 21.1 | 171.0 | 149.9 | 709.6% |
| General and Administrative Expenses | (248.5) | (262.2) | (13.7) | 5.5% |
| Total Credit Costs* | (42.4) | (12.4) | 29.9 | (70.7)% |
| Net Non-recurring Profit, etc. | (48.8) | (8.8) | 39.9 | (81.8)% |
| Ordinary Profit | 150.8 | 224.5 | 73.7 | 48.9% |
| Extraordinary Profit | (1.6) | (0.3) | 1.3 | (81.5)% |
| Net Income | 113.3 | 169.1 | 55.7 | 49.2% |

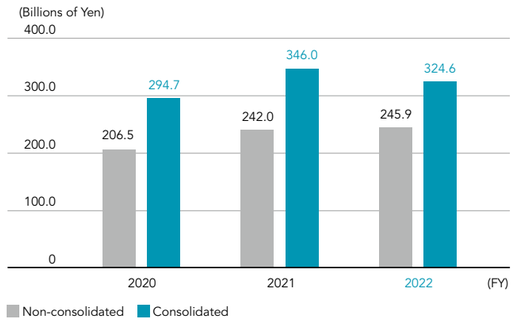
(Note) Amounts less than 100 million yen are rounded down.

<Dividends>

| | FY2021 (A) | FY2022 (B) | Change (B) – (A) |
|---|---|---|---|
| Dividend per Share on Common Share (Yen) | 170.00 | 210.00 | +40.00 |

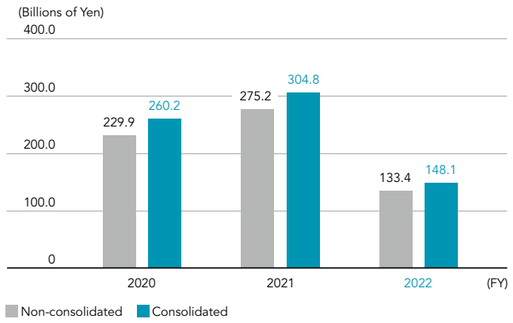
## 2 Status of profit and loss

**■Net Business Profit***



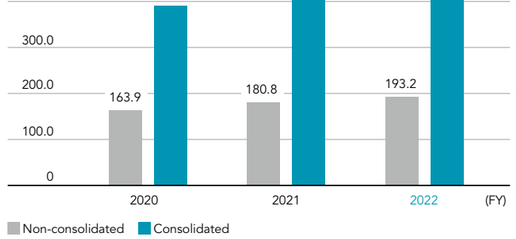

Net business profit before credit costs (consolidated) decreased 21.4 billion yen year-on-year to 324.6 billion yen. There was a lack of favorable market conditions that were seen in the previous fiscal year and higher substantial G&A expenses due to increases in human capital investment and expenses linked with gross business profit in the current period. However, the decline in profit was lower than expected at the beginning of the current period as a result of strong client-related business such as real estate brokerage and corporate credit-related.

**■Net Interest Income and Related Profit***



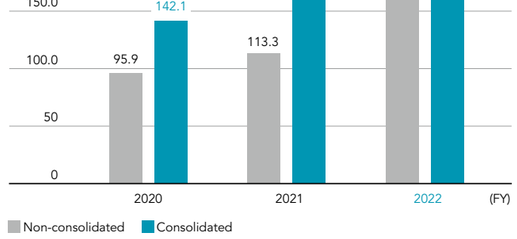

Effective net interest income and related profit (consolidated), including profit attributable to deployment of foreign currency surplus funds, which is included in net other operating profit, decreased 19.5 billion yen year-on-year to 300.6 billion yen. The main reason for the decline in profit was the absence of approximately 16.0 billion yen from the positive impact of favorable market conditions seen in the previous fiscal year, which had been assumed at the beginning of the current period.

**■Net Fees and Commissions and Related Profit***




Profits in the asset management business decreased mainly due to the decline of market value of the balance of assets under management in response to the market conditions. But net fees and commissions and related profit (consolidated) increased 12.4 billion yen year-on-year to 449.3 billion yen as a result of strong performance in the client fee business, such as real estate brokerage and corporate credit-related.

**■ Net Income Attributable to Owners of the Parent**




Net income attributable to owners of parent (consolidated) increased 21.9 billion yen year on year to 191.0 billion yen. This was mainly due to limited recording of new credit costs and loss on hedging transactions, compared with the previous fiscal year. For the net non-recurring profit line and below, we strived to prepare for future risks by re-evaluating special loan loss provision, reducing the risk that bear funds pose to annual profit and loss associated with the expansion of unrealized losses and recording losses due to system upgrades related to overseas operations.

### Glossary

**Net Business Profit**
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.

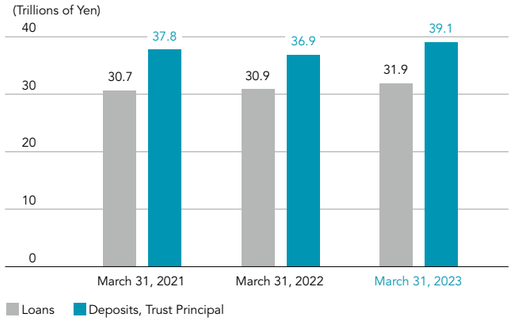
**Net Interest Income and Related Profit**
Net revenues after subtracting interest paid on deposits, etc., from revenues on loans and securities investment.

**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.

# 3 Financial status

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

■ **Loans and Deposits (Non-consolidated)**

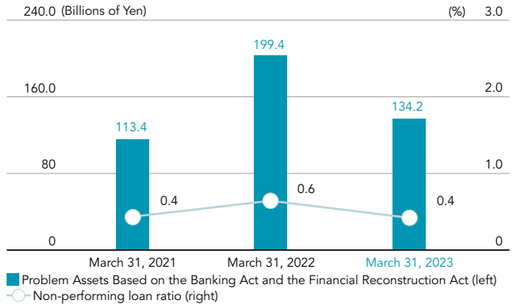



**Both loans and deposits increased from the end of the previous fiscal year**

Loans grew 1.0 trillion yen year-on-year to 31.9 trillion yen, mainly due to an increase in loan balance to corporations. Deposits were up 2.2 trillion yen to 39.1 trillion yen, primarily because of an increase in deposits from corporate clients.

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

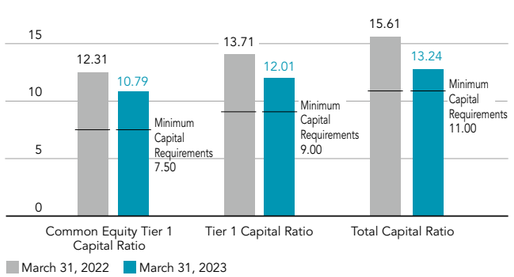
■ **Problem Assets Based on the Banking Act and the Financial Reconstruction Act* (Non-consolidated)**




**Non-Performing Loan Ratio remains low at 0.4%**

The balance of Non-performing loans based on Banking Act and Reconstruction Act decreased 65.2 billion yen from the end of the previous fiscal year to 134.2 billion yen. The non-performing loan ratio fell 0.2 percentage points to 0.4%, remaining at a low level. As for the ratio of problem assets covered by collateral and the allowance for loan losses, the ratio was 74% for doubtful loans and 48% for substandard loans, both of which are deemed sufficiently high.

■ **Capital Adequacy Ratio, etc.*(Consolidated)**




**Coverage levels remain well above regulatory standards**

Common Equity Tier 1 capital ratio decreased 1.52 percentage points from the end of the previous fiscal year to 10.79%. The fall was due to increase in investment which contributes to our group's growth and solutions to social issues, and an increase in foreign- currency-denominated loan (yen equivalent amount) due to JPY depreciation. Total capital ratio decreased 2.37 percentage points from the end of the previous fiscal year to 13.24%. Common Equity Tier 1 capital ratio as well as the total capital ratio remain well above the corresponding regulatory required levels of 7.50% and 11.00%, 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, was adopted in Japan from the end of March 2013 in a phased manner.
Basel III newly defines "Common Equity Tier 1," which is comprised of capital components that can be used to cover unexpected losses and do not need to be repaid, such as common equity and retained earnings, and requires that the ratio of those capital components to risk-weighted assets, such as investments and loans, ("Common Equity Tier 1 ratio") must be kept higher than a prescribed level.

## Glossary

**• Problem Assets Based on the Banking Act and the Financial Reconstruction Act**

Assets for which disclosure is required by the Banking Act and 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.



# 4 Corporate Information (as of June 30, 2023)

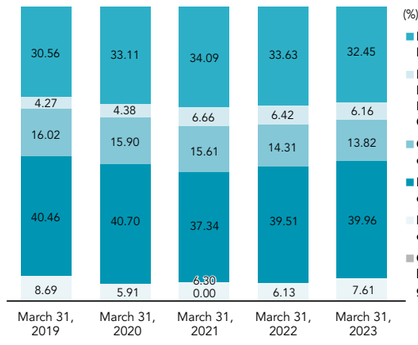
Registered Trade Name: Sumitomo Mitsui Trust Holdings, Inc.
Headquarters Location: 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Date of Establishment: February 1, 2002 (Change of trade name: April 1, 2011)
Main Business: With trust banking at its core, Sumitomo Mitsui Trust Holdings, Inc. will focus on the management of business operations, as the holding company of the Sumitomo Mitsui Trust Group, and sets the following (1)–(8) as its key functions:

(1) Supervising management strategies
(2) Supervising financial management
(3) Supervising human resource management
(4) Supervising general affairs management
(5) Supervising business process management
(6) Supervising risk management
(7) Supervising compliance management
(8) Managing internal auditing

Capital: 261,608,725,000 yen
Total number of issued shares: 364,025 thousand shares of common stock (the number of shares is rounded down to the nearest 1,000)
Stock Exchange Listings: Tokyo and Nagoya stock exchanges
Tokyo (Prime Market), Nagoya (Premier Market)
Securities Code: 8309

# 5 Composition of shareholders (common shares) (as of March 31, 2023)

■ **Composition of shareholders (common shares) (as of March 31, 2023)**




| Shareholder type | Number of Shareholders | Number of Shares Held (units of shares) | Component ratio (%) |
|---|---|---|---|
| **Financial Institutions** | 169 | 1,191,104 | 32.45 |
| **Securities Companies** | 55 | 225,970 | 6.16 |
| **Other Domestic Corporations** | 1,716 | 507,424 | 13.82 |
| **Foreign Investors** | 887 | 1,466,789 | 39.96 |
| **Individuals and Others** | 46,483 | 279,385 | 7.61 |
| **Government and Local Public Organizations** | – | – | – |
| **Total** | 49,310 | 3,670,672 | 100.00 |
| **Shares constituting less than one unit** | - | 1,105,240 shares | - |

*1 Number of shares per unit: 100 shares
*2 Treasury Stock (4,232,973 shares) is included 42,329 units in "Individuals and Others" and 73 shares in "Shares constituting less than one unit".
*3 The component ratio is rounded off to two decimal places.

# 6 Rating Information (as of June 30, 2023)

| | | 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 | AA- | a-1+ |

## Editorial Policy

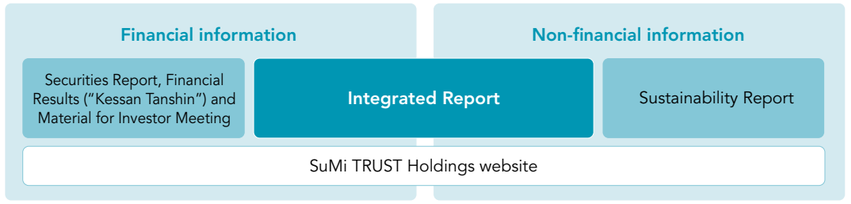
We have published this integrated report so that all stakeholders including investors can understand SuMi TRUST Group's initiatives. This report describes specific initiatives and corporate value improvements to create new value with the power of trust and let a prosperous future for our clients and society bloom, while helping to enhance well-being of our clients and society in next 100 years. In applying our editorial approach, we strive to improve and expand not just financial information but also non-financial information such as business models, human resource strategies, corporate governance and sustainability, referencing the integrated reporting framework issued by the International Integrated Reporting Council (IIRC). We also disclose information appropriately, in accordance with our disclosure policy. For more detailed financial data or ESG information, please refer to Financial Data Section, Sustainability Report, or visit our website.

Reporting Coverage

Reporting period: From April 2022 to March 2023 (partially including information on and after April 1, 2023)

Scope of reporting: Sumitomo Mitsui Trust Group;
including Sumitomo Mitsui Trust Holdings, Inc., Sumitomo Mitsui Trust Bank, Limited, and other subsidiaries and affiliated companies

## Position of the Integrated Report




## Website

Please go to our website for specifics on our Group.




**Company information**
https://www.smth.jp/english/about_us




**Investor Relations**
https://www.smth.jp/english/investors




**Sustainability**
https://www.smth.jp/english/sustainability

**Sumitomo Mitsui Trust Holdings, Inc.**
**IR Department**
1-4-1 Marunouchi, Chiyoda-ku,
Tokyo 100-8233, Japan
Telephone: +81 (3) 3286-8354
URL: https://www.smth.jp/en/ir/index.html

SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS



SUMITOMO MITSUI TRUST HOLDINGS

SUMITOMO MITSUI TRUST HOLDINGS

# ANNUAL REPORT
—FINANCIAL DATA SECTION—
2023

SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

# SuMi TRUST



## Symbol Mark

The symbol mark features "Future Bloom" representing the purpose of Sumitomo Mitsui Trust Group, which is "creating new value with the power of trusts and let prosperous future for our clients and society bloom".

The four clear petals show our "Mission" to each stakeholder of clients, society, shareholders and employees. The four colors of petals represent our value (codes of conduct): "Truthfulness and Loyalty" (natural green), "Dedication and Development" (golden orange), "Trust and Creativity" (blue green), and "Self-help and Self-discipline" (sky blue).

## Corporate Color

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

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# Board of Directors and Executive Officers (As of July 1, 2023)

Director, President (Representative Executive Officer)
Toru Takakura

Director, Deputy President (Representative Executive Officer)
Atsushi Kaibara

Director, Senior Managing Executive Officer
Yasuyuki Suzuki

Director, Executive Officer
Kazuya Oyama

Chairman
Tetsuo Ohkubo

Director
Masaru Hashimoto

Director
Kouji Tanaka

Director
Toshiaki Nakano

Director (External)
Isao Matsushita*1

Director (External)
Hiroko Kawamoto*1

Director (External)
Mitsuhiro Aso*1

Director (External)
Nobuaki Katoh*1

Director (External)
Kaoru Kashima*1

Director (External)
Tomonori Ito*1

Director (External)
Hajime Watanabe*1

Managing Executive Officer, Executive Officer*2
Manatomo Yoneyama

Managing Executive Officer
Atsushi Matsumoto

Managing Executive Officer
Masakatsu Sato

Managing Executive Officer
Takumi Fujisawa

Managing Executive Officer
Kazuteru Wakao

Managing Executive Officer
Yuki Takada

Managing Executive Officer
Riro Sato

Managing Executive Officer
Masayuki Okamoto

Executive Officer
Miyo Yajima

Executive Officer, Executive Officer*2
Masaya Yamashiro

Executive Officer*2
Shigeki Tanaka

Executive Officer*2
Yoshio Hishida

Executive Officer*2
Nobuaki Yamaguchi

Executive Officer*2
Futoshi Itani

Executive Officer*2
Daisuke Maeda

Executive Officer*2
Junya Ueda

Executive Officer*2
Masaya Noda

Executive Officer*2
Nobuhisa Takahashi

Executive Officer*2
Takehiko Iwahara

Executive Officer*2
Takafumi Arimura

Executive Officer*2
Atsushi Ueda

Executive Officer*2
Shinichi Tao

Executive Officer*2
Chikako Matsumoto

Executive Officer*2
Tomoya Hirano

Executive Officer*2
Hideki Kiya

Executive Officer*2
Takahiro Yoshida

Executive Officer*2
Masanori Watanabe

Executive Officer*2
Kiyotaka Maita

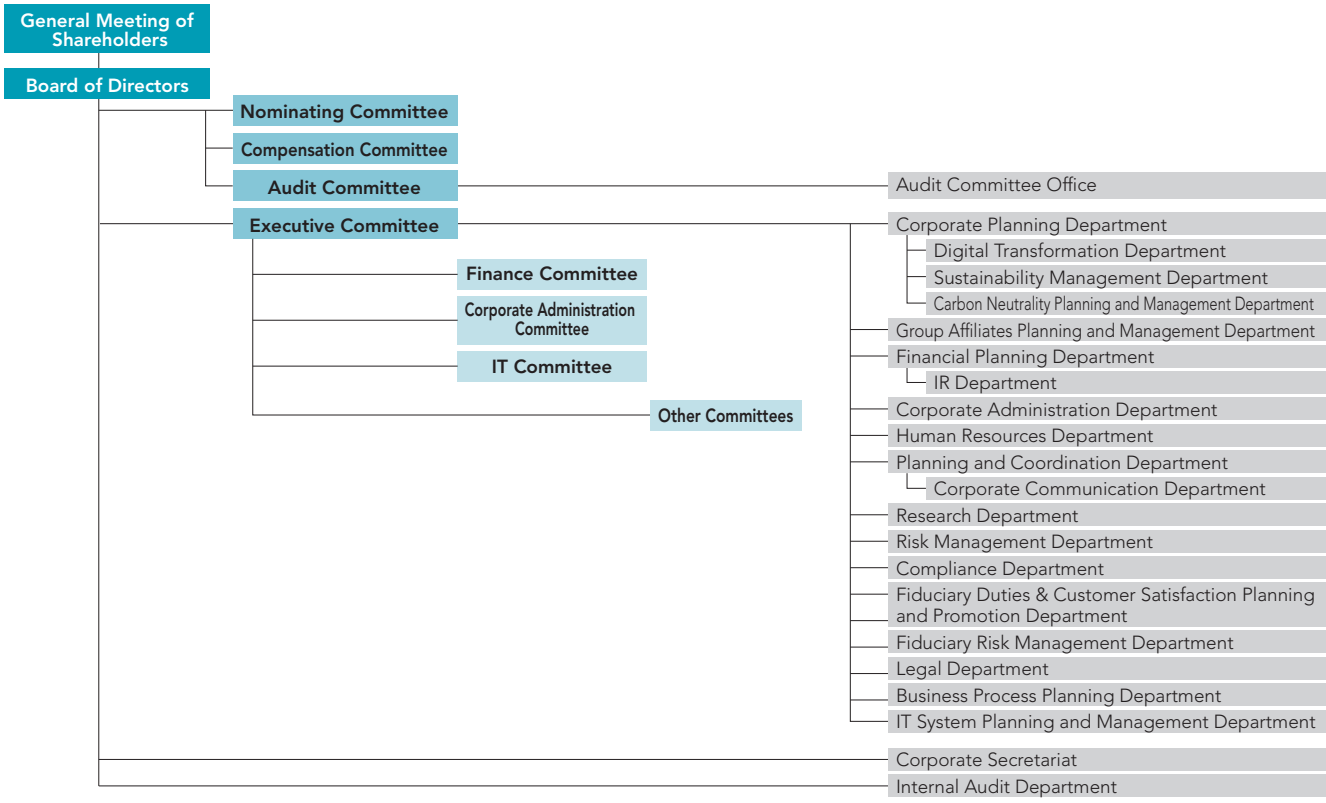
*1 External Directors as provided for in Article 2, Item 15 of the Companies Act.
*2 Executive Officers as defined in our internal policy; unless otherwise annotated, Executive Officers are defined in the Companies Act.

# Employees (As of March 31, 2023)

| Category | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Number of Employees | 285 | 233 |
| Average Age | 49 years, 9 months | 49 years, 8 months |
| Average Length of Employment | 20 years, 9 months | 21 years, 1 month |
| Average Annual Salary | ¥12,749 thousand | ¥12,684 thousand |

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

# Organizational Chart (As of June 30, 2023)




# Subsidiaries and Affiliated Companies (As of June 30, 2023)

## 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 | 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo | July 28, 1925 | ¥ 342,037 | Trust and Banking Business | 100.0 | — |
| Sumitomo Mitsui Trust Asset Management Co., Ltd. | 1-1, Shibakoen 1-chome, Minato-ku, Tokyo | November 1, 1986 | ¥ 2,000 | Investment Management Business, Investment Advisory and Agency Business | 100.0 | — |
| Sumitomo Mitsui Trust Research Institute Co., Ltd. | 33-1, Shiba 3-chome, Minato-ku, Tokyo | July 1, 1988 | ¥ 300 | Survey, Research, Consulting, Investment Advisory Business | 100.0 | — |
| Trust Base Co., Ltd.* | 6-1, Otemachi 1-chome, Chiyoda-ku, Tokyo | April 1, 2021 | ¥ 100 | Survey, Research, Consulting | 100.0 | — |
| Nikko Asset Management Co., Ltd. | 7-1, Akasaka 9-chome, Minato-ku, Tokyo | December 1, 1959 | ¥ 17,363 | Investment Management Business, Investment Advisory and Agency Business | 99.0 | 0.9 |
| Mutual Fund & Insurance Research Institute | 33-1, Shiba 3-chome, Minato-ku, Tokyo | December 1, 2017 | ¥ 150 | Survey, Research, Consulting | 88.0 | — |
| UBS SuMi TRUST Wealth Advisory, Ltd. | 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo | September 25, 2019 | ¥ 5 | Concurrent sales agency services, Financial instruments intermediary services, Banking agency services | 50.0 | — |
| UBS SuMi TRUST Wealth Management Co., Ltd. | 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo | May 1,2020 | ¥ 5,165 | Securities business, Trust agreement agency services | 49.0 | — |
| Custody Bank of Japan, Ltd. | 8-12, Harumi 1-chome, Chuo-ku, Tokyo | June 20, 2000 | ¥ 51,000 | Trust and Banking Business | 33.3 | — |

* Planned to be liquidated by the end of 2023

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

# Board of Directors and Executive Officers (As of July 1, 2023)



Chairman
Masaru Hashimoto

President (Representative Director)
Kazuya Oyama

Deputy President (Representative Director)
Seiji Iwakuma

Deputy President (Representative Director)
Shigeki Tanaka

Deputy President (Representative Director)
Nobuaki Yamaguchi

Director, Senior Managing Executive Officer
Futoshi Itani

Director, Senior Managing Executive Officer
Yasuyuki Suzuki

Director, Managing Executive Officer
Manatomo Yoneyama

Director, Managing Executive Officer
Atsushi Matsumoto

Director, Managing Executive Officer
Masakatsu Sato

Director, Managing Executive Officer
Riro Sato

Director
Tetsuo Ohkubo

Director
Toru Takakura

Director (External)
Hideki Kanda*

Director (External)
Michiko Achilles*

Director (External)
Kazumi Torii*

Director (External)
Naoaki Mashita*

Director
(Audit and Supervisory Committee member)
Tsutomu Kurai

Director
(Audit and Supervisory Committee member)
Shigenori Ikemura

Director
(Audit and Supervisory Committee member)
(External)
Junko Sasaki*

Director
(Audit and Supervisory Committee member)
(External)
Hidefumi Date*

Director
(Audit and Supervisory Committee member)
(External)
Kazuo Sakakibara*

Deputy Chairman
Kengo Noguchi

Senior Managing Executive Officer
Toshiya Shimobeppu

Senior Managing Executive Officer
Kenji Kaiya

Managing Executive Officer
Keiichi Hamano

Managing Executive Officer
Hideshi Sano

Managing Executive Officer
Yasunaga Matsumoto

Managing Executive Officer
Masahiko Kitajima

Managing Executive Officer
Daisuke Maeda

Managing Executive Officer
Junya Ueda

Managing Executive Officer
Masaya Noda

Managing Executive Officer
Satoshi Kitai

Managing Executive Officer
Tetsuya Hiwatashi

Managing Executive Officer
Takumi Fujisawa

Managing Executive Officer
Nobuhisa Takahashi

Managing Executive Officer
Kazuhiko Kasuya

Managing Executive Officer
Takehiko Iwahara

Managing Executive Officer
Takafumi Arimura

Managing Executive Officer
Kouichi Kato

Managing Executive Officer
Takehiko Sakaue

Managing Executive Officer
Kazuteru Wakao

Managing Executive Officer
Yuki Takada

Managing Executive Officer
Atsushi Ueda

Managing Executive Officer
Junichiro Usui

Executive Officer
Miyo Yajima

Executive Officer
Hitoshi Kotaka

Executive Officer
Shinichi Tao

Executive Officer
Makito Oono

Executive Officer
Masatoshi Yoshikawa

Executive Officer
Hidehiro Miyahara

Executive Officer
Kenji Amihama

Executive Officer
Toru Masuda

Executive Officer
Yuuko Nishigaya

Executive Officer
Natsuki Kitaguchi

Executive Officer
Hiroshi Matsumoto

Executive Officer
Michihiro Ooishi

Executive Officer
Shigeyuki Oouchi

Executive Officer
Kouichi Taguchi

Executive Officer
Makoto Takamura

Executive Officer
Nobuo Murakami

Executive Officer
Hisato Nakano

Executive Officer
Chikako Matsumoto

Executive Officer
Kenichi Fujimura

Executive Officer
Masaya Yamashiro

Executive Officer
Tomoya Hirano

Executive Officer
Hideki Kiya

Executive Officer
Naoki Ishibe

Executive Officer
Hirohiko Doi

Executive Officer
Takahiro Yoshida

Executive Officer
Takahiro Ishige

Executive Officer
Hiroko Konishi

Executive Officer
Hiromu Horiike

Executive Officer
Hirotaka Shiroiwa

Executive Officer
Masanori Watanabe

Executive Officer
Yoshihiko Yanagi

Executive Officer
Toshiro Izumi

Executive Officer
Masaya Wada

Executive Officer
Yasuhiro Takeyama

Executive Officer
Akira Matsuo

Executive Officer
Akira Matsumoto

Executive Officer
Kiwafumi Shimizu

Executive Officer
Morito Matsumura

Executive Officer
Kiyotaka Maita

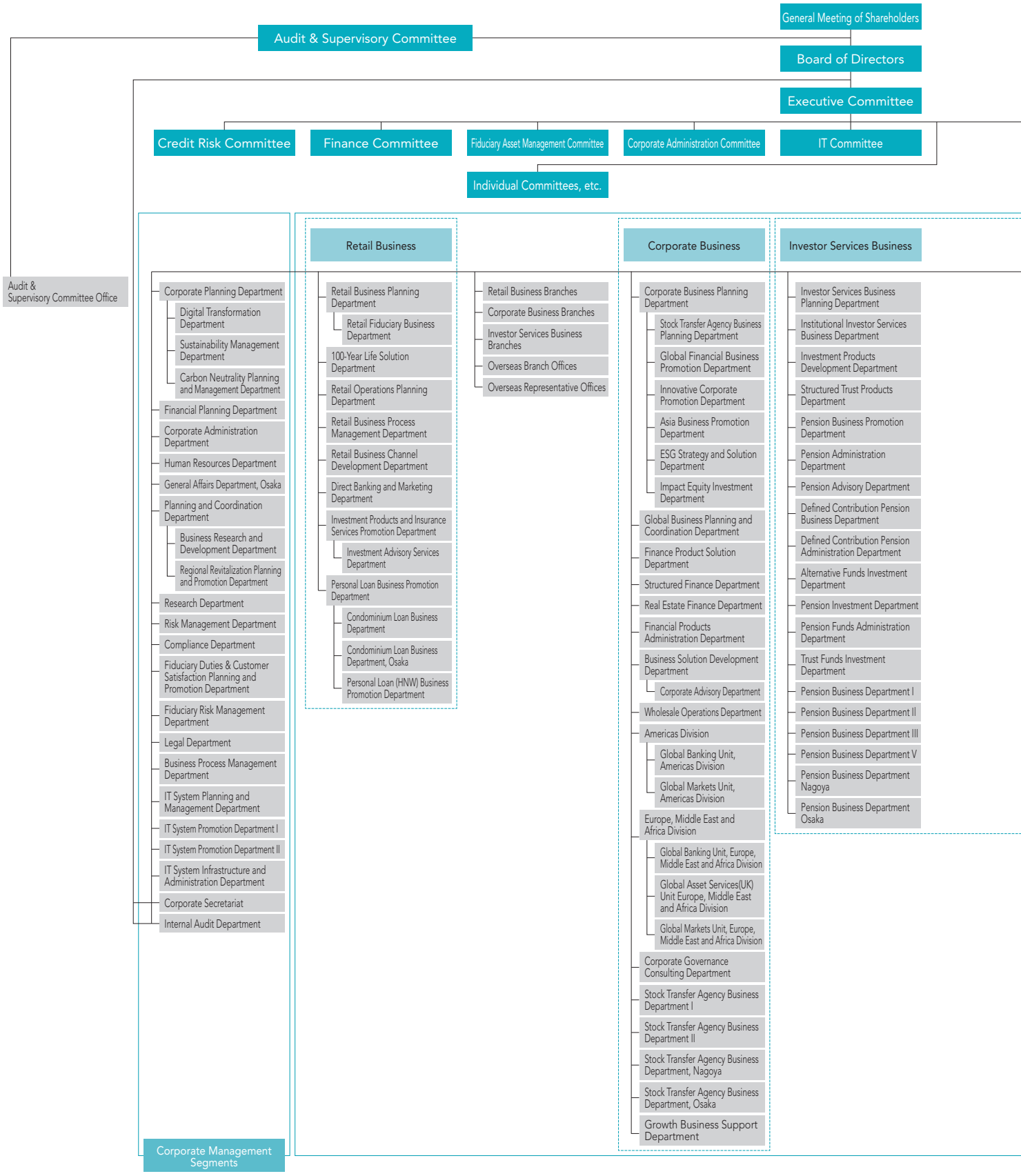
* External Directors as provided for in Article 2, Item 15 of the Companies Act.
Executive Officers as defined in our internal policy.

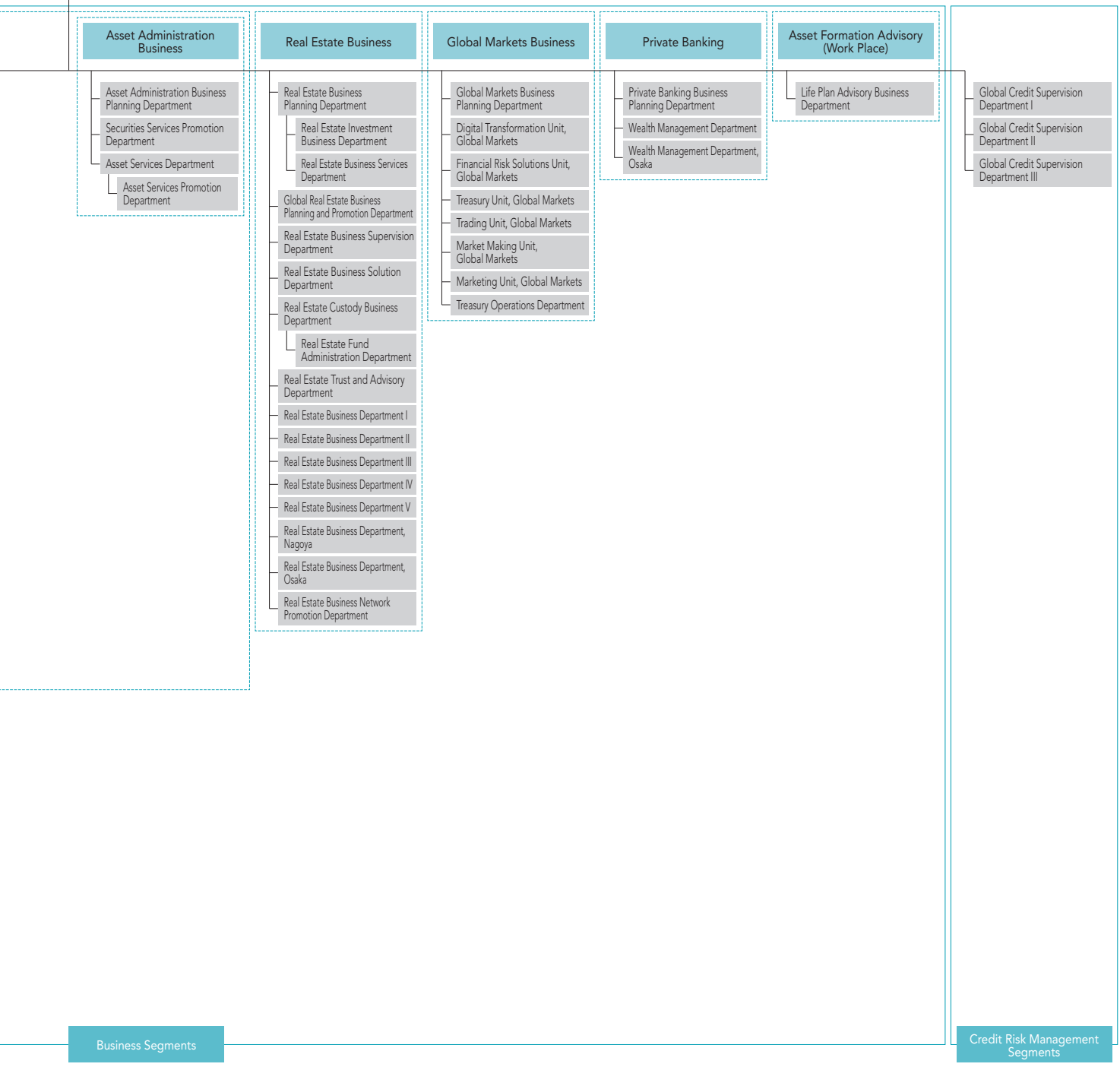
# Employees (As of March 31, 2023)

| Category | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Number of Employees | **13,757** | 13,608 |
| Average Age | **41 years, 8 months** | 41 years, 7 months |
| Average Length of Employment | **14 years, 6 months** | 14 years, 3 months |
| Average Annual Salary | **¥7,158 thousand** | ¥6,956 thousand |

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

# Organizational Chart (As of June 30, 2023)




Asset Administration Business
Asset Administration Business Planning Department
Securities Services Promotion Department
Asset Services Department
Asset Services Promotion Department
Real Estate Business
Real Estate Business Planning Department
Real Estate Investment Business Department
Real Estate Business Services Department
Global Real Estate Business Planning and Promotion Department
Real Estate Business Supervision Department
Real Estate Business Solution Department
Real Estate Custody Business Department
Real Estate Fund Administration Department
Real Estate Trust and Advisory Department
Real Estate Business Department I
Real Estate Business Department II
Real Estate Business Department III
Real Estate Business Department IV
Real Estate Business Department V
Real Estate Business Department, Nagoya
Real Estate Business Department, Osaka
Real Estate Business Network Promotion Department
Global Markets Business
Global Markets Business Planning Department
Digital Transformation Unit, Global Markets
Financial Risk Solutions Unit, Global Markets
Treasury Unit, Global Markets
Trading Unit, Global Markets
Market Making Unit, Global Markets
Marketing Unit, Global Markets
Treasury Operations Department
Private Banking
Private Banking Business Planning Department
Wealth Management Department
Wealth Management Department, Osaka
Asset Formation Advisory (Work Place)
Life Plan Advisory Business Department
Global Credit Supervision Department I
Global Credit Supervision Department II
Global Credit Supervision Department III
Business Segments
Credit Risk Management Segments

# Branches (As of June 30, 2023)

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

## Hokkaido, Tohoku

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

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

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

**Toranomon Consulting Office**
**(Toranomon Sub-Branch, Tokyo Business Department)**
7-1, Nishi Shimbashi 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**
**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, Sanno 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 Chofu**
**(Chofu Sub-Branch, Shinjuku-Nishiguchi Branch)**
48-26, Kojima-cho 2-chome, Chofu, Tokyo 182-0026, Japan

**Shibuya Branch**
**Shibuya-Chuo Branch**
2-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043, Japan

**Shibuya Square A Building Sub-branch of Shibuya Branch**
**Shibuya Square A Building Sub-branch of Shibuya-Chuo Branch**
9-5, Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043, 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**
17-1, Kamiogi 1-chome, Suginami-ku, Tokyo 167-0043, Japan

**Ikebukuro Branch**
**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**
**Kichijoji-Chuo Branch**
2-15, 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**
**Tachikawa-Kitaguchi Branch**
6-1, Akebono-cho 2-chome, Tachikawa, Tokyo 190-0012, Japan

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

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

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

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

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

## Kanto

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

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

**Tokorozawa Branch**
**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**
**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**
2-1, Kashiwa 4-chome, Kashiwa,
Chiba 277-0005, Japan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Koshinetsu, Hokuriku

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

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

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

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

**Kanayamabashi Branch**
15-10, Kanayama 1-chome, Naka-ku, Nagoya,
Aichi 460-0022, Japan

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

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

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

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

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

**Shizuoka Branch**
**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 510-0085, Japan

## Kinki

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

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

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

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

**Sakai Branch**
59-2, Mikunigaoka Miyuki-dori, Sakai-ku, Sakai,
Osaka 590-0028, Japan

**Consulting Plaza Izumigaoka**
**(Senboku Sub-Branch, Sakai Branch)**
2-3, 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**
**Keihan-Hirakata Branch**
13-20, Oka Higashi-cho, Hirakata,
Osaka 573-0032, Japan

**Takatsuki Branch**
5-20, Konya-machi, Takatsuki,
Osaka 569-0804, Japan

**Ibaraki Branch**
2-30, Futaba-cho, Ibaraki,
Osaka 567-0829, Japan

**Toyonaka Branch**
1-1, Hon-machi 1-chome, Toyonaka,
Osaka 560-0021, Japan

**Senri-Chuo Branch**
1-3, Shinsenri Higashi-machi 1-chome, Toyonaka,
Osaka 560-0082, Japan

**Ikeda Branch**
1-1-134, Kureha-cho, Ikeda,
Osaka 563-0048, Japan

**Kobe Branch**
**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**
**Kyoto-Shijo Branch**
612, Karasuma-dori Shijo-sagaru Suiginya-cho, Shimogyo-ku,
Kyoto 600-8411, Japan

**Otsu Branch**
3-10, Umebayashi 1-chome, Otsu,
Shiga 520-0051, Japan

**Nara-Saidaiji Branch**
1-50, Saidaiji Higashi-machi 2-chome,
Nara 631-0821, Japan

**Consulting Plaza Gakuenmae**
**(Gakuenmae Sub-Branch,**
**Nara-Saidaiji Branch)**
8-11, Gakuen Kita 1-chome,
Nara 631-0036, Japan

**Wakayama Branch**
3-17, Higashi Kuramae-cho,
Wakayama 640-8203, Japan

## Chugoku, Shikoku

**Tottori Branch**
103, Ima-machi 1-chome,
Tottori 680-0822, Japan

**Okayama Branch**
**Okayama-Chuo Branch**
1-5, Ekimoto-machi, Kita-ku,
Okayama 700-0024, Japan

**Hiroshima Branch**
**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**
**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**
**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 2008, Building No. 2,
No. 26, Jianguomenwai Dajie, Chaoyang District,
Beijing 100022, People's Republic of China

**Beijing Representative Office**
**(Securities business)**
Room 5011, 5th Floor, Chang Fu Gong Office Building,
No. 26, Jianguomenwai Dajie, Chaoyang District,
Beijing 100022, People's Republic of China

**Jakarta Representative Office**
20th Floor, Summitmas I,
Jl. Jend. Sudirman, Kaveling 61-62,
Jakarta 12190, Indonesia

**Seoul Representative Office**
20th Floor, Booyoung Taepyoung Building, 55,
Sejong-daero, Jung-gu, Seoul 04513, Korea

**Sydney Representative Office**
Suite 3, Level 39, 259 George Street,
Sydney NSW 2000, Australia

# Number of Contracted Trust Agencies* (As of March 31, 2023)

* Trust Agency is a collective term that refers to trust contract agencies under the Trust Business Act as well as agencies concurrently engaged in trust business under Article 1 of the Act on Provision, etc. of Trust Business by Financial Institutions.

| Type | | Number of Agencies | | | | |
|---|---|---|---|---|---|---|
| | | Trust Contract Agencies | Agencies Engaged in Concurrent Business | | | |
| | | | Stock Transfer Agency Service | Service Related to Wills | Solicitation for National Pension Fund | Discretionary Investment Business |
| Banks, Shinkin Banks, etc. | 110 | 60 | 41 | 76 | 51 | 1 |
| Regional Banks | 44 | 37 | 29 | 32 | 15 | 1 |
| Second Regional Banks | 15 | 9 | 6 | 12 | 9 | — |
| Shinkin Central Bank, Shinkin Banks | 39 | 12 | 3 | 24 | 27 | — |
| Credit Union | 8 | — | — | 8 | — | — |
| Shoko Chukin Bank | 1 | 1 | — | — | — | — |
| City Banks, etc. | 3 | 1 | 3 | — | — | — |
| Securities Firms | 7 | 1 | 4 | 6 | — | — |
| Life Insurers and Business Enterprises | 11 | 1 | 1 | 10 | 1 | — |
| Total | 128 | 62 | 46 | 92 | 52 | 1 |

# Bank Service Agency (As of March 31, 2023)

| Trade Name of Bank Service Agency | Business Offices, etc. Operating Bank Agency Service |
|---|---|
| SBI Sumishin Net Bank, Ltd. | Head Office, East Japan Operation Center, Shinjuku Business Headquarters, Ichigo Branch, Budou Branch, Mikan Branch, Lemon Branch, Ringo Branch, Banana Branch, Melon Branch, Kiwi Branch, Iruka Branch (12 Branches) |
| UBS AG (Bank) Tokyo Branch | Marunouchi Sub-branch, Osaka Sub-branch, Nagoya Sub-branch (3 Branches) |
| Sumitomo Mitsui Trust Life Partners Co., Ltd. | Consulting Plaza for Peaceful 100-Year life Shinjuku office, Consulting Plaza for Peaceful 100-Year life Nagoya office (2 Branches) |

# Subsidiaries and Affiliated Companies (As of June 30, 2023)

## 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. | 8-10, Harumi 1-chome, 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. | 33-1, Shiba 3-chome, Minato-ku, Tokyo | November 6, 1989 | ¥ 155 | Consulting Business | 100.0 | — |
| Sumitomo Mitsui Trust Business Service Co., Ltd. | 33-1, Shiba 3-chome, Minato-ku, Tokyo | May 24, 1990 | ¥ 100 | Back Office Services, Temporary Staffing Business, Outplacement Agency | 100.0 | — |
| Sumitomo Mitsui Trust Loan & Finance Co., Ltd. | 20-1, Shimbashi 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 | — |
| J-Eurus IR Co., Ltd. | 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo | December 27, 2000 | ¥ 10 | Consulting 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. | 33-1, Shiba 3-chome, Minato-ku, Tokyo | April 3, 2006 | ¥ 100 | Training Programs, Personnel-related Services | 100.0 | — |
| Sumitomo Mitsui Trust Life Partners Co.,Ltd. | 11-1, Kanda-nishikicho 3-chome, Chiyoda-ku, Tokyo | January 28, 2019 | ¥ 100 | Insurance Agency Business, Banking Agency Services, Financial instruments intermediary services | 100.0 | — |
| Japan Extensive Infrastructure, Limited | 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo | February 21, 2023 | ¥ 200 | Investment Advisory and Agency Business | 90.0 | — |
| Japan Securities Agents, Ltd. | 2-4, Nihonbashi-kayabacho 1-chome, Chuo-ku, Tokyo | September 13, 1950 | ¥ 500 | Stock Transfer Agency Services | 85.1 | — |
| Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. | 2-3, Shibaura 1-chome, Minato-ku, Tokyo | February 27, 1967 | ¥ 25,584 | General Leasing, Installment Purchase Services, Credit Card Business | 84.8 | — |
| Sumishin Guaranty Company Limited | 33-1, Shiba 3-chome, Minato-ku, Tokyo | August 25, 1977 | ¥ 300 | Loan Guarantee Business | — | 100.0 |
| Sumitomo Mitsui Trust Card Co., Ltd. | 33-1, Shiba 3-chome, Minato-ku, Tokyo | June 24, 1983 | ¥ 100 | Credit Card Business | 50.0 | 50.0 |
| Sumitomo Mitsui Trust Systems & Services Co., Ltd. | 1-10, Nikko-cho, Fuchu, Tokyo | February 12, 1973 | ¥ 100 | System Development and Operation Management Services | 44.4 | 55.5 |
| 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 | 5.0 | 95.0 |
| Japan Pension Operation Service, Ltd. | 24-1, Nihonbashi-hakozakicho, Chuo-ku, Tokyo | December 21, 2004 | ¥ 100 | 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 | — |
| Trust Capital Mezzanine LLC | 5-1, Nihonbashi-muromachi 4-chome, Chuo-ku, Tokyo | January 21, 2020 | ¥ 60 | Equity Investment Business | 45.0 | — |
| HR One Corporation | 5-12, Tsukiji 5-chome, Chuo-ku, Tokyo | May 20, 2002 | ¥ 603 | HR-related Services Business | 37.3 | — |
| MFA, Inc. | 10-5, Toranomon 1-chome, Minato-ku, Tokyo | March 1, 2022 | ¥ 60 | Consulting Business | 36.0 | — |
| SBI Sumishin Net Bank, Ltd. | 6-1, Roppongi 1-chome, Minato-ku, Tokyo | June 3, 1986 | ¥ 31,000 | Banking Business | 34.1 | — |
| JP Asset Management Co., Ltd. | 11-2, Nihonbashi-ningyocho 1-chome, Chuo-ku, Tokyo | August 18, 2015 | ¥ 500 | Investment Management | 30.0 | — |
| Board Advisors Japan, Inc. | 5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo | November 9, 2018 | ¥ 102 | Consulting, Recruitment Agency Business | 25.4 | — |
| Japan Management Succession Support Co. Ltd. | 2-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo | April 16, 2015 | ¥ 489 | M&A Consulting, Intermediary and Advisory Services | 23.8 | — |
| Enex Asset Management Co., Ltd. | 2-5, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo | August 19, 2013 | ¥ 50 | Investment Corporation, Asset Management Business | 22.4 | — |
| Sky Ocean Asset Management Co., Ltd. | 1-1, Minatomirai 3-chome, Nishi-ku, Yokohama, Kanagawa | November 25, 2014 | ¥ 300 | Investment Management | 21.0 | — |
| Mitsui & Co., Logistics Partners Ltd. | 2-1, Nishi-kanda 3-chome, Chiyoda-ku, Tokyo | July 13, 2004 | ¥ 150 | Investment Corporation, Asset Management Business | 20.0 | — |
| Cardif Assurance Vie (Japan) | 20-1, Sakuragaoka-cho, Shibuya-ku, Tokyo | July 3, 2017 | ¥ 20,600 | Life Insurance Business | 20.0 | — |

## Overseas

| Name | Location | Date of Establishment | Paid-in Capital (Millions) | Scope of Business | Ownership by SuMi TRUST Bank (%) | Ownership by subsidiaries (%) |
|---|---|---|---|---|---|---|
| Sumitomo Mitsui Trust (Hong Kong) Limited | 25/F, AIA Central, 1 Connaught Road, Central, Hong Kong | July 4, 1978 | $ 45 | Securities Business | 100.0 | — |
| Sumitomo Mitsui Trust Bank (Luxembourg) S.A. | 2, rue Peternelchen, L-2370, Howald, Grand Duchy of Luxembourg | April 22, 1985 | $ 30 | Trust, Banking, Securities Businesses | 100.0 | — |
| Sumitomo Mitsui Trust 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 | — |
| SuMi TRUST Consulting (Beijing) Co., Ltd | Room 7009, Building No. 2, No. 26, Jianguomenwai Dajie, Chaoyang District, Beijing 100022, People's Republic of China | February 1, 2021 | RMB 4 | Consulting 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 |
| BIDV-SuMi TRUST Leasing Co., Ltd. | 23rd Floor, TNR Tower, 54A Nguyen Chi Thanh, Dong Da, Hanoi, Vietnam | September 4, 1998 | VND 895,600 | Leasing Business in Vietnam (including sales finance lease) | 49.0 | — |
| Zijin Trust Co., Ltd. | 30th Floor, Zifeng Tower, 2 Zhongshan Road(N), Gulou District, Nanjing, Jiangsu Province, 210008, People's Republic of China | September 25, 1992 | RMB 3,200 | Trust Business | 20.0 | — |
| Nanjing Zijin Financial Leasing Co., Ltd. | 9th Floor, 309, Hanzhongmendajie, Gulou District, Nanjing, Jiangsu Province, 210036, People's Republic of China | May 20, 2016 | RMB 600 | Leasing Business | 15.0 | 5.0 |
| Midwest Railcar Corporation | 855 South Arbor Vitae Edwardsville, IL 62025, U.S.A. | December 31, 1998 | $ 0.47 | Freight Railcar Operating Leasing Business in North America | — | 100.0* |

* The ownership by subsidiaries is the ownership ratio held by the U.S.-based company in which SuMi TRUST Group, such as SuMi TRUST Bank and SuMi TRUST Bank's subsidiaries, has a 50.0% stake.

# Financial Data:

## Sumitomo Mitsui Trust Holdings, Inc. (“SuMi TRUST Holdings”)


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Financial Data:

# How to Read the Financial Statements of Trust Banks

## Balance Sheets of Trust Banks

(1) The financial statements of trust banks comprise two balance sheets: one for a banking account and the other for a trust account. The balance sheet for the banking account presents capital, fund management, and finance of trust banks. The balance sheet for the trust account shows assets that trust banks manage, administer, and dispose on behalf of the beneficiaries, according to the trusts' investment objectives, when the trusts have been set up for the trustors.

**Balance sheet of banking account**




**Statement of trust account**




(2) The outcomes (gains or losses) of asset management, administration, and disposition of the trust account pertain to the beneficiaries (after deducting trust fees). In principle, they do not affect the banking account. However, loan trusts and jointly operated money trusts ("JOMTs"), which are covered by deposit insurance, are treated as exceptions due to their principal guaranteed feature. As a result, the balance sheets for loan trusts and the JOMT accounts are disclosed, and, together with the banking account, become the "three major accounts" of trust banks. It is common for trust banks to manage various financial risks at the level of these accounts.

(Note) Japanese trust banks have stopped offering new loan trusts. The loan trusts, therefore, have a limited impact on the balance sheet and financial reporting.

(3) The liabilities section in statements of trust accounts shows the balance for each trust type. The assets section shows assets, such as loans, securities, real estate, and monetary claims, held in various trusts.

Money trusts include a wide variety of trust products. They include, for example, products with discretionary management rights, such as JOMTs and individually operated designated money trusts (referred to as *Shiteitan*), and products without discretionary management rights, such as specified money trusts (referred to as *Tokkin*). Fees for these products vary. Aside from money trusts, the trust banks have discretionary management rights for loan trusts and pension trusts, but not for investment trusts or securities trusts.

## Statements of Income of Trust Banks

The trust banks disclose statements of income for banking accounts. The main components of "Net Business Profit before Credit Costs," which is equivalent to operating profit for other companies are as follows:

(1) Trust Fees
(2) Net Credit Cost of loan trusts and JOMT accounts
(3) Net Interest Income
(4) Net Fees and Commissions
(5) Net Trading Income
(6) Net Other Ordinary Income (gains or losses on sales of bonds, net gain or loss on foreign exchange transactions, net income or expense on derivatives other than trading or hedging)
(7) Gross Business Profit: (1)+(3)+(4)+(5)+(6)
(8) General and Administrative Expenses
(9) Transfer to general allowance for loan losses
(10) Net Business Profit: (7)–(8)–(9)
(11) Net Business Profit before Credit Costs: (10)+(2)+(9)

## Fee Revenues of Trust Banks: Trust Fees and Net Fees and Commissions

In trust banks, broadly speaking, there are two types of fee revenues: "Trust Fees" and "Net Fees and Commissions." Fees that trust banks receive on trust contracts are posted to "Trust Fees." Fees and commissions on general service contracts are posted to "Net Fees and Commissions." Note that fees related to the loan trusts and JOMT accounts have characteristics similar to the banking business (deposits and loans) and are generally excluded from "Trust Fees." Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries (together, the "SuMi TRUST Group") include these fees in "Net Interest Income and Related Profit."

### Fee Revenues

**Trust Fees (excluding loan trusts & JOMTs)**

- Pension trust fees *1
- Individually operated designated money trust fees *1
- Investment trust & specified money trust fees *2
- Asset securitization-related trust fees
- Real estate brokerage fees

**Net Fees and Commissions**

- Investment trust and insurance sales fees
- Discretionary investment fees
- Real estate brokerage fees
- Stock transfer agency fees
- Syndicated loan fees

*1 Fees related to management and administration of money trusts with discretionary management rights

*2 Fees related to administration of money trusts without discretionary management rights

# Management's Discussion and Analysis



## Overview of Business Activities of the Company

### Economic and Financial Environment

In looking back on the financial and economic environment during the fiscal year under review, in overseas markets, signs of an economic slowdown grew stronger due to rising inflation and monetary tightening mainly in the West. In March 2023, rising interest rates triggered the collapse of a US regional bank, which in turn stoked broader concerns about the soundness of the financial system in Western countries. In Japan, even though business activity picked up overall, primarily in the service sector, weakness in exports emerged from around December 2022 in response to the deceleration of overseas economies and consumer spending was weighed down by rising commodity prices.

In the financial markets, fears of a global economic recession weighed on share prices and the Nikkei Stock Average maintained a weak undertone at around 27,000 yen. The yield on 10-year JGBs hovered close to 0.25%, the upper limit of the Bank of Japan's permissible trading range, but then advanced to around 0.50% when the BoJ widened the target range in December 2022. It then fell sharply back to around 0.30% in March 2023 due to growing speculation of a rate cut in the US by the end of 2023. Against the US dollar, the Japanese yen continued to weaken to around 150 yen in October 2022, reflecting the differences in the monetary policy stances of Japan and the US, but then strengthened to the 130 yen level when it became clear that inflation in the US had peaked.

### Developments of Business Activities

SuMi TRUST Group's reason for existence ("Purpose") is creating new value with the power of trusts and let prosperous future for our clients and society bloom. Based on this purpose, we continue to advance our business operations.

Alongside developments in digitalization and the acceleration of corporate management practices that are focused on the SDGs and ESG issues, signs of an economic slowdown have grown stronger due to rising inflation and monetary tightening overseas as a result of skyrocketing prices for food and energy. In this environment and with a view to achieving our aforementioned stated purpose, we tackled the following three key topics in fiscal 2022, the final year of our Medium-Term Management Plan.

1. Strengthening our business portfolio to accelerate a virtuous cycle

With the aim of encouraging and leading various stakeholders to establish a virtuous cycle of funds, assets, and capital by providing high value-added products and services and investing in the creation of new value, SuMi TRUST Bank reorganized its business structure around individual, corporate, and investor clients.

For individual clients, SuMi TRUST Bank launched a smartphone app in April 2022 so that it can better support the asset formation efforts of a wide-range of clients as we approach the age of 100-year life. The Smart Life Designer app lets users view information about their deposits, stocks, and other financial assets, as well as their assets and liabilities, such as mortgage loans and pension details, all in one place. In this way, we are helping clients make life plans and build wealth in a methodical way.

UBS SuMi TRUST Wealth Management continues to provide optimal solutions to clients with wide-ranging and complex needs by fusing together the UBS Group's asset management and securities services and SuMi TRUST Group's various products and services in mainly inheritance, asset succession, and real estate fields.

SBI Sumishin Net Bank's smartphone app, which offers a level of convenience and security that only an online bank can provide, as well as the neobank services it delivers to partner companies for payments, deposits, lending, and other banking

functions, have been rated highly. As such, the number of SBI Sumishin Net Bank deposit accounts reached six million and total deposits exceeded eight trillion yen. In March 2023, SBI Sumishin Net Bank was listed on the Tokyo Stock Exchange's Standard Market. It will continue to collaborate with Group companies in an effort to create new financial services.

For corporate clients, given the growing importance of corporate management initiatives in the areas of ESG and sustainable management, the companies in SuMi TRUST Group worked together to expand the Group's lineup of solutions to support such actions as the transition to decarbonization, the development of governance frameworks, and human capital management.

SuMi TRUST Bank ramped up its impact equity investment initiative to support the adoption of next-generation energy and other cutting-edge technologies in society, as well as the decarbonization and energy transition efforts of companies.

In January 2023, SuMi TRUST Bank entered into a business alliance with Energy Capital Partners (ECP), a US-based private equity manager that specializes in electric power and environmental infrastructure. Not only will SuMi TRUST Bank expand and strengthen its transition-focused solutions by harnessing ECP's knowledge and investment know-how in the fields of energy and the environment, but it has also launched an initiative aimed at providing investment opportunities to clients through the creation of markets in the decarbonization space.

For investor clients such as corporate pensions, public pension fund, and financial institutions, we expanded our offerings of real estate, unlisted shares, and other private assets by capitalizing on the Group's ability to discover investment opportunities and develop products. SuMi TRUST Bank recorded growth in assets under management by continuing to develop and expand its range of alternative investment products for managing mainly non-traditional assets and real assets outside of stocks and bonds.

In the asset management business, under a Group-wide investment strategy, Sumitomo Mitsui Trust Asset Management focused on global engagement activities concerning climate change and forest conservation with an eye on global growth in ESG investments, while Nikko Asset Management addressed the varied needs of clients in Japan and overseas by developing and expanding its lineup of competitive investment management products.

In the asset administration business, Custody Bank of Japan and SuMi TRUST Bank spearheaded efforts to strengthen functions and improve services, starting with the needs of clients. They also worked on bolstering their competitiveness by improving operational processes with the use of digital technology and streamlining and cutting costs by standardizing backbone systems.

2. Promoting strategic investments in pursuit of sustainable growth

We stepped up strategic investments in new growth opportunities and the creation of markets with the dual aim of helping to solve the issues faced by clients and society and ensuring the Group's own sustainable growth.

We formed a business alliance with the Apollo Group, an investment management firm with a world-class track record in managing alternative assets. SuMi TRUST Bank invested a total of 1.5 billion US dollars in a private asset portfolio managed by the Apollo Group. Improved access to overseas markets and the development of new investment products with the utilization of the Apollo Group's business platform and know-how enabled SuMi TRUST Bank to start enhancing its solutions through the creation of a market for, and more opportunities for investment in, private assets in Japan.

Meanwhile, in line with our policy of holding, in principle, no strategic shares as a conventional stable shareholder, SuMi TRUST Bank achieved its two-year target of reducing its strategic shareholdings by 100 billion yen on an acquisition cost basis after engaging in respectful dialogue with corporate clients. SuMi TRUST Bank is leveraging the investment capacity generated from the reduction of strategic shareholdings and making effective use of managerial resources for sustainable growth mainly by investing in impact equity to support, as an investor itself, climate change action and decarbonization measures. Also, as we look to push ahead with digital transformation, we signed a memorandum of understanding with Bitbank, Inc. to jointly examine the possibility of launching a custody service in the field of digital assets.

3. Enhancing and improving operational quality to live up to the fiduciary from our clients

(1) Improving operational quality

We have positioned, and are currently strengthening, operational quality as a key element in the Group's competitive advantage, which serves as the source of value provided to stakeholders.

From a defensive quality-enhancement standpoint of strengthening our governance system to mitigate or prevent risks, we heavily allocated human resources to, and invested in systems in, the area of risk management and compliance frameworks.

We are also implementing measures to improve quality with an offensive strategy in order to guarantee a level of service that exceeds client expectations by boosting productivity through the consolidation and standardization of work flow and with business process reforms based on client feedback.

(2) Promoting active HR participation and investing in human capital

The highly specialized work that is characteristic of the Group is underpinned by each and every employee and we recognize that giving employees the opportunities to unleash their full potential generates the value that we deliver to clients and society.

To generate further momentum in diversity, equity, and inclusion, we worked on developing environments and personnel systems that will empower women in the workplace, help employees balance childcare and nursing care with their working life, and contribute to improvements in human rights and equal rights for LGBTQ people. As a result, for the fifth straight year since 2019 we were listed by Bloomberg in the Bloomberg Gender-Equality Index in recognition of our initiatives to further gender equality.

In fields focusing on decarbonization and digitalization, for example, with the objective of assisting, from a financial perspective, innovation to help bring about a carbon-neutral society, we set up a Technology-based Finance Team of mainly doctoral-level science and engineering experts that possess technological know-how. We also continued to build a diverse human resources portfolio by focusing our efforts on acquiring experts with specialized knowledge.

Also, as a way of investing more in human capital for our employees so they can help clients and society and create new value, we introduced a restricted stock compensation system as an incentive plan for employees of SuMi TRUST Bank.

(3) Sustainability management

In fiscal 2022 we announced details regarding the establishment of a milestone target for 2030 in line with the frameworks of the Net-Zero Banking Alliance (NZBA) and the Net Zero Asset Managers Initiative (NZAMI), as well as our initiatives that aim to harness the Group's functions to help achieve carbon neutrality.

We are also ramping up our positive impact finance service to continuously support activities that have positive impacts on the environment, society, and the economy, and expanding our offerings of various advisory products and services related to impact assessments. In recognition of these activities, we were awarded the Minister of the Environment Award in the general category in fiscal 2022 as a best case example for the Principles for Financial Action for the 21st Century.

## Results of Business Activities

### (Consolidated Financial Results for the Fiscal Year 2023)

For the fiscal year ended March 31, 2023, "Net Business Profit" decreased by ¥21.4 billion (U.S. $161 million) from the previous fiscal year to ¥324.6 billion (U.S. $2,431 million) because of a decrease in substantial funds-related income (*) primarily due to the overseas market-based higher interest rates, and an increase in "General and Administrative Expenses", while income from fees and commissions in the real estate brokerage business and the corporate credit business increased steadily.

"Ordinary Profit" increased by ¥56.1 billion (U.S. $420 million) from the previous fiscal year to ¥285.8 billion (U.S. $2,140 million), mainly due to improvements in "Net Gains on Stocks" and a decrease in "Total Credit Costs".

"Net Income Attributable to Owners of the Parent" increased by ¥21.9 billion (U.S. $164 million) from the previous fiscal year to ¥191.0 billion (U.S. $1,430 million), partly due to the extraordinary losses recorded by SuMi TRUST Bank, Limited, in connection with system renewal related to overseas business.

(*) Substantial funds-related income refers to funds-related income plus surplus funds in foreign currency included in foreign exchange gains or losses.

## Major KPIs (Consolidated)

| Years Ended March 31 | Millions of Yen | | | | Millions of U.S. Dollars | Millions of Yen | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | 2023 | | 2022 |
| | Forecast | Changes from Previous Year | Forecast | Results | Results | Changes from Previous Year | Changes from Forecast | Results |
| Net Business Profit Before Credit Costs (Note 1) | ¥ 320,000 | ¥ (4,641) | ¥ 310,000 | ¥ 324,641 | $ 2,431 | ¥ (21,443) | ¥ 14,641 | ¥ 346,085 |
| Substantial Gross Business Profit (Note 1) | 850,000 | 35,837 | 800,000 | 814,162 | 6,097 | 5,980 | 14,162 | 808,182 |
| General and Administrative Expenses (Note 1) | (530,000) | (40,478) | (490,000) | (489,521) | (3,666) | (27,424) | 478 | (462,096) |
| Fee and Commission Income Ratio (%) | | | | 55.1% | | 1.1% | | 54.0% |
| Over Head Ratio (%) | 62.4% | 2.3% | 61.3% | 60.1% | | 3.0% | (1.2%) | 57.1% |
| Return on Equity (%) | | | | 6.93% | | 0.68% | | 6.25% |
| Consolidated Equity Tier 1 Capital Ratio (%) | | | | 10.79% | | (1.52)% (Note2) | | 12.31% |

(Notes)

1) The amounts of the net business profit before credit costs, the substantial gross business profit, and general and administrative expenses are counted in accordance with the internal administration of the Company, taking into account the profits and losses of affiliated companies accounted for by the equity method.

2) The consolidated equity Tier 1 capital ratio (calculated based on the finalization of the Basel III reforms) as of March 31, 2023 was 9.5%.

## Consolidated BIS Capital Adequacy Ratio

Consolidated Equity Tier 1 capital ratio was 10.79%, Consolidated Tier 1 capital ratio was 12.01%, and Consolidated Total capital ratio was 13.24% as of March 31, 2023, exceeding the minimum regulatory requirements of 7.53%, 9.03%, and 11.03%, respectively.

The translation of Japanese yen amounts into U.S. dollar amounts in "Management's Discussion and Analysis" is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥133.54 to U.S. $1, the approximate rate of exchange as of March 31, 2023.

## Operating Results (Consolidated)

| | Millions of Yen | | | Millions of U.S. Dollars |
|---|---|---|---|---|
| Years Ended March 31 | 2023 | 2022 | Changes | 2023 |
| Gross Profit (excluding Trust Account Credit Costs) | ¥ 741,814 | ¥ 748,372 | ¥ (6,558) | $ 5,555 |
| General and Administrative Expenses (excluding non-recurring expenses) | (456,075) | (435,174) | (20,901) | (3,415) |
| Net Provision of General Allowance for Loan Losses (B) | 3,563 | 14,341 | (10,778) | 27 |
| Banking Account Credit Costs (C) | (15,164) | (57,554) | 42,389 | (114) |
| Reversal of Allowance for Loan Losses (D) | — | — | — | — |
| Recoveries of Written-Off Claims (E) | 1,123 | 1,633 | (509) | 8 |
| Net Gains (Losses) on Stocks and Other Securities | 3,080 | (38,337) | 41,417 | 23 |
| Net Income from Affiliated Companies Accounted for by the Equity Method | 18,102 | 15,531 | 2,571 | 136 |
| Impairment Loss | (18,187) | (1,468) | (16,718) | (136) |
| Others | (6,868) | (19,344) | 12,475 | (51) |
| Income Before Income Taxes | 271,387 | 227,999 | 43,388 | 2,032 |
| **Net Income Attributable to Owners of the Parent** | 191,000 | 169,078 | 21,921 | 1,430 |
| **Total Credit Costs (A+B+C+D+E)** | (10,477) | (41,579) | 31,102 | (78) |
| **Net Business Profit Before Credit Costs** | 324,641 | 346,085 | (21,443) | 2,431 |

(Notes)

1) Gross Operating 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) Net Business Profit Before Credit Costs is Substantial Gross Business Profit, less General Administrative Expenses. (The amounts of Substantial Gross Business Profit and General Administrative Expenses are calculated for internal control purposes, taking into account of share of profit and losses of affiliated companies accounted for by the equity method.) Note that the differences between the amounts of Substantial Gross Business Profit and Gross Profit, and Total General Administrative Expenses and General Administrative Expenses are primarily the amount of Ordinary Profits (adjusted for non-recurring effects) from Affiliated Companies Accounted for by the Equity Method multiplied by the Ratio of Equity Holdings.

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

## Analysis on Operating Results (Consolidated)

| Years Ended March 31 | Millions of Yen 2023 | 2022 | Changes | Millions of U.S. Dollars 2023 |
|---|---|---|---|---|
| Net Business Profit Before Credit Costs (Note 1) | ¥ 324,641 | ¥ 346,085 | ¥(21,443) | $ 2,431 |
| Substantial Gross Business Profit (Note 1) | 814,162 | 808,182 | 5,980 | 6,097 |
| Substantial Interest Income (Note 2) | 300,628 | 320,210 | (19,582) | 2,251 |
| Interest Income | 148,113 | 304,838 | (156,725) | 1,109 |
| Profits Earned from Market Deployment of Surplus Foreign Currency Fund | 152,515 | 15,371 | 137,143 | 1,142 |
| Fees and Commissions Related Income | 449,361 | 436,956 | 12,405 | 3,365 |
| Other Income (excluding Profits Earned From Market Deployment of Surplus Foreign Currency Fund) | 64,172 | 51,015 | 13,157 | 481 |
| General and Administrative Expenses (Note 1) | (489,521) | (462,096) | (27,424) | (3,666) |
| Total Credit Costs | (10,477) | (41,579) | 31,102 | (78) |
| Net Gain (Loss) on Stocks and Other Securities | 3,080 | (38,337) | 41,417 | 23 |
| Other Non-recurring profits (Losses) | (31,403) | (36,464) | 5,061 | (235) |
| Ordinary Profit | 285,840 | 229,704 | 56,136 | 2,140 |
| Extraordinary Profits (Losses) | (14,453) | (1,704) | (12,748) | (108) |
| Income before Income Taxes | 271,387 | 227,999 | 43,388 | 2,032 |
| Total Income Taxes | (79,357) | (57,763) | (21,594) | (594) |
| Net Income Attributable to Non-Controlling Interests | (1,029) | (1,157) | 127 | (8) |
| Net Income Attributable to Owners of the Parent | 191,000 | 169,078 | 21,921 | 1,430 |

| | | | |
|---|---|---|---|
| Return on Equity (%) | 6.93 | 6.25 | 0.68 |
| Dividends per Share of Common Stock (DPS) | 210 | 170 | 40 |
| Earnings per Share of Common Stock (EPS) | 517 | 451 | 65 |
| Total Number of Shares Outstanding (Million of Shares) (Note 3) | 369.3 | 374.5 | (5.2) |

(Notes)

1) The amounts of the net business profit before credit costs, the substantial gross business profit, and general and administrative expenses are counted in accordance with the internal administration of the company, taking into account the profits and losses of affiliated companies accounted for by the equity method.

2) The amount of the substantial interest income is the sum of "Interest Income" and profits earned from market deployment of surplus foreign currency fund included in "Profits (Losses) on Sales of Foreign Exchanges."

3) The total number of shares outstanding is the average number of common stock (excluding treasury stock) outstanding.

## Major Profit and Losses (Consolidated)

| Years Ended March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|---|---|---|---|---|
| | 2023 | 2022 | Changes | 2023 |
| Interest Income | ¥ 148,113 | ¥ 304,838 | ¥ (156,725) | $ 1,109 |
| Other Profits | 216,687 | 66,386 | 150,301 | 1,623 |
| Profits Earned from Market Deployment of Surplus Foreign Currency Fund | 152,515 | 15,371 | 137,143 | 1,142 |
| Profits other than Profits Earned from Market Deployment of Surplus Foreign Currency Fund | 64,172 | 51,015 | 13,157 | 481 |

Interest income decreased by ¥156.7 billion (U.S. $1,174 million) from the previous fiscal year to ¥148.1 billion (U.S. $1,109 million), mainly due to the decline of positive effect of market conditions in the previous fiscal year. The substantial interest income, which includes profits earned from market deployment of surplus foreign currency fund decreased by ¥19.5 billion (U.S. $147 million) from the previous fiscal year to ¥300.6 billion (U.S. $ 2,251 million).

"Fees and Commissions Related Income" increased by ¥12.4 billion (U.S. $93 million) from the previous fiscal year to ¥449.3 billion (U.S. $3,365 million), due to a steady increase in fees and commissions in the real estate brokerage business and the corporate credit related business, while profits in the asset management business decreased due to factors such as declines in market prices.

"General and Administrative Expenses" increased by ¥27.4 billion (U.S. $205 million) from the previous fiscal year to ¥489.5 billion (U.S. $3,666 million), mainly due to an increase in investment in human capital and system related expenses, well as expenses linked to gross profit.

As a result, "Net Business Profit Before Credit Costs," which represents the actual profit level calculated by making necessary adjustments to the above results, decreased by ¥21.4 billion (U.S. $161 million) from the previous fiscal year to ¥324.6 billion (U.S. $2,431 million).

## Credit Costs (Consolidated)

"Total Credit Costs" decreased by ¥31.1 billion (U.S. $233 million) from the previous fiscal year to ¥10.4 billion (U.S. $78 million) of losses, mainly because of a decrease in provision of allowance for loan losses.

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

"Net Gains (Losses) on Stock and Other Securities" arrived at ¥3.0 billion (U.S. $22 million) of gain because of the recognition of gains on sale of strategic shareholdings of ¥83.8 billion (U.S. $628 million) along with steady progress in reduction of strategic shareholdings, despite the realized losses of ¥79.3 billion (U.S. $594 million), resulted from the reduction of hedge investment trusts for the purpose of reducing risks to the periodic profit or loss.

## Extraordinary Gain and Losses (Consolidated)

"Extraordinary Gains and Losses" arrived at ¥14.4 billion (U.S. $108 million) of losses, mainly because of the extraordinary losses of ¥15.9 billion (U.S. $119 million) recorded by SuMi TRUST Bank, Limited, in connection with system renewal related to overseas business.

## Financial Condition

### Assets and Liabilities

As of March 31, 2023, consolidated "Total Assets" were ¥69,022.7 billion (U.S. $517 billion), an increase of ¥4,389.5 billion (U.S. $329 billion), and consolidated "Total Net Assets" were ¥2,822.5 billion (U.S. $21 billion), an increase of ¥77.2 billion (U.S. $0.6 billion), compared with those as of the end of the previous fiscal year, respectively.

In particular, "Cash and Due from Banks" increased by ¥3,379.1 billion (U.S. $25 billion) to ¥21,602.4 billion (U.S. $162 billion), "Loans and Bills Discounted" increased by ¥934.4 billion (U.S. $7 billion) to ¥31,810.9 billion (U.S. $238 billion), "Securities" decreased by ¥946.1 billion (U.S. $7 billion) to ¥6,933.0 billion (U.S. $52 billion), and "Deposits" increased by ¥2,157.1 billion (U.S. $16 billion) to ¥35,387.2 billion (U.S.

$265 billion), compared with those as of the end of the previous fiscal year.

In the consolidated financial statements of SuMi TRUST Group, Cash and Due from Banks, credits on Loans and Bills Discounted and Securities, and reception of Deposits are mainly in Japanese yen. However, SuMi TRUST Group's policy is to balance the operations and financing in all currencies and to diversify and stabilize the funding base in foreign currencies through yen-based investment transactions by utilizing customer-related deposits and swap markets and issuance of bonds.

"Total Assets of Trust Accounts" were ¥256,225.7 billion (U.S. $1,919 billion) as of March 31, 2023, an increase of ¥8,010.2 billion (U.S. $60 billion), compared with the amount as of the end of the previous fiscal year.

### Problem Assets under the Financial Reconstruction Act

As of March 31, 2023, 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 ¥65.2 billion (U.S. $0.5 billion) from the end of the previous fiscal year to ¥134.2 billion (U.S. $1 billion). The ratio of "Problem Assets under the Financial Reconstruction Act" to Total Balance decreased by 0.2% to 0.4% since the previous fiscal year.

### Problem Assets under the Financial Reconstruction Act
### (SuMi TRUST Bank (non-consolidated basis) after partial direct write-offs)
### Banking Account and Principal Guaranteed Trust Account (Combined)

| | Billions of Yen | | | Billions of U.S. Dollars |
|---|---|---|---|---|
| As of March 31 | 2023 | 2022 | Changes | 2023 |
| Problem Assets under the Financial Reconstruction Act | ¥ 134.2 | ¥ 199.4 | ¥ (65.2) | $ 1 |
| Total Balance | 32,522.7 | 31,441.2 | 1,081.5 | 244 |
| Ratio to Total Balance | 0.4% | 0.6% | (0.2)% | 0.4% |

### Banking Account

| Classification | Billions of Yen, Except for Percentages | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Balance | | Coverage Ratio | | Collateral/Allowance | | Allowance Ratio | |
| As of March 31 | 2023 | 2022 | 2023 | 2022 | 2023 | | 2023 | 2022 |
| Bankrupt and Practically Bankrupt Loans (A) | ¥ 8.5 | ¥ 16.7 | 100% | 100% | Specific Allowance Provided | ¥ 3.0 | 100% | 100% |
| | | | | | Covered by Collateral/Guarantee | 5.4 | — | — |
| Doubtful Loans (B) | 86.1 | 117.0 | 74% | 77% | Uncovered | 21.9 | 62% | 71% |
| | | | | | Specific Allowance Provided | 36.8 | | |
| | | | | | Covered by Collateral/Guarantee | 27.2 | — | — |
| Substandard Loans (C) | 39.5 | 64.9 | 48% | 37% | Uncovered | 20.3 | 22% | 10% |
| | | | | | General Allowance Provided | 5.8 | | |
| | | | | | Covered by Collateral/Guarantee | 13.3 | — | — |
| Total of (A), (B), and (C) | 134.1 | 198.6 | | | | | | |
| Total Balance | 32,512.2 | 31,427.9 | | | | | | |
| Ratio to Total Balance | 0.4% | 0.6% | | | | | | |

## Principal Guaranteed Trust Account

| Classification | Billions of Yen, Except for Percentages | | | | | |
|---|---|---|---|---|---|---|
| | Balance | | Coverage Ratio | | Collateral/Allowance | |
| As of March 31 | **2023** | 2022 | **2023** | 2022 | **2023** | |
| Bankrupt and Practically Bankrupt Loans (A) | ¥ — | ¥ — | | — | Covered by Collateral/Guarantee | ¥ — |
| Doubtful Loans (B) | **0.1** | 0.8 | **100%** | 100% | Covered by Collateral/Guarantee | **0.1** |
| Substandard Loans (C) | **0.0** | 0.0 | **100%** | 100% | Covered by Collateral/Guarantee | **0.0** |
| Total of (A), (B), and (C) | **0.1** | 0.8 | | | Allowance for Jointly Operated Money Trusts | **0.0** |
| Total Balance | **10.5** | 13.3 | | | | |
| Ratio to Total Balance | **0.7%** | 5.8% | | | | |

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

| | Percentage Points | | |
|---|---|---|---|
| Years Ended March 31 | **2023** | 2022 | **Changes** |
| Average Yield on Interest-Earning Assets (a) | **0.53%** | 0.46% | **0.07%** |
| Loans and Bills Discounted (A) | **0.63** | 0.63 | **(0.00)** |
| Securities | **1.91** | 1.15 | **0.76** |
| Average Yield on Interest-Bearing Liabilities (b) | **0.08** | 0.08 | **0.00** |
| Deposits (B) | **0.04** | 0.05 | **(0.01)** |
| Gross Margin (a)−(b) | **0.45** | 0.38 | **0.07** |
| Loan-Deposit Margin (A)−(B) | **0.59** | 0.58 | **0.01** |

Financial Summary:

# Five-Year Summary

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Consolidated Statements of Banking Account | 2023 | 2022 | 2021 | 2020 | 2019 |
| **As of the Year-End** | | | | | |
| **Assets:** | | | | | |
| Cash and Due from Banks | ¥ 21,602,473 | ¥ 18,223,364 | ¥ 18,488,763 | ¥ 13,141,192 | ¥ 16,045,864 |
| Call Loans and Bills Bought | 24,006 | 5,000 | 8,766 | 71,236 | 50,124 |
| Securities | 6,933,067 | 7,879,235 | 6,983,483 | 6,437,599 | 5,759,504 |
| Loans and Bills Discounted | 31,810,926 | 30,876,507 | 30,506,968 | 29,703,375 | 29,025,720 |
| Foreign Exchanges | 47,445 | 29,494 | 25,396 | 36,952 | 36,936 |
| Customers' Liabilities for Acceptances and Guarantees | 562,523 | 541,228 | 511,782 | 518,811 | 557,007 |
| Others | 8,042,303 | 7,078,389 | 6,843,412 | 6,591,384 | 5,553,956 |
| **Total Assets** | ¥ 69,022,746 | ¥ 64,633,220 | ¥ 63,368,573 | ¥ 56,500,552 | ¥ 57,029,113 |
| **Liabilities:** | | | | | |
| Deposits and Negotiable Certificates of Deposit | ¥ 42,848,293 | ¥ 39,818,106 | ¥ 40,628,273 | ¥ 36,549,212 | ¥ 38,232,195 |
| Call Money and Bills Sold | 1,912,878 | 799,524 | 60,675 | 142,974 | 72,793 |
| Borrowed Money | 6,039,543 | 7,153,498 | 5,782,602 | 5,856,384 | 4,023,801 |
| Foreign Exchanges | 847 | 1,275 | 577 | 3,213 | 457 |
| Acceptances and Guarantees | 562,523 | 541,228 | 511,782 | 518,811 | 557,007 |
| Others | 14,836,086 | 13,574,298 | 13,662,105 | 10,839,049 | 11,412,500 |
| **Total Liabilities** | ¥ 66,200,172 | ¥ 61,887,931 | ¥ 60,646,016 | ¥ 53,909,645 | ¥ 54,298,756 |
| **Net Assets:** | | | | | |
| Shareholders' Equity | ¥ 2,587,824 | ¥ 2,517,528 | ¥ 2,416,003 | ¥ 2,334,377 | ¥ 2,242,982 |
| Accumulated Other Comprehensive Income | 204,259 | 198,028 | 277,756 | 220,889 | 410,478 |
| Subscription Rights to Shares | 945 | 1,006 | 1,024 | 1,057 | 1,062 |
| Non-Controlling Interests | 29,545 | 28,725 | 27,772 | 34,583 | 75,832 |
| **Total Net Assets** | ¥ 2,822,574 | ¥ 2,745,288 | ¥ 2,722,556 | ¥ 2,590,907 | ¥ 2,730,356 |
| **Total Liabilities and Net Assets** | ¥ 69,022,746 | ¥ 64,633,220 | ¥ 63,368,573 | ¥ 56,500,552 | ¥ 57,029,113 |
| | | | | | |
| **For the Year** | | | | | |
| **Income:** | | | | | |
| Trust Fees | ¥ 109,721 | ¥ 110,539 | ¥ 102,883 | ¥ 99,816 | ¥ 103,911 |
| Interest Income | 660,308 | 375,659 | 363,749 | 489,366 | 507,007 |
| Fees and Commissions | 440,331 | 444,655 | 390,877 | 401,723 | 402,867 |
| Trading Income | 15,608 | 13,453 | 76 | 102,189 | 27,093 |
| Other Ordinary Income | 468,302 | 336,597 | 402,394 | 349,778 | 356,927 |
| Other Income | 129,767 | 120,731 | 158,185 | 95,680 | 71,626 |
| **Total Income** | ¥ 1,824,040 | ¥ 1,401,637 | ¥ 1,418,166 | ¥ 1,538,556 | ¥ 1,469,434 |
| **Expenses:** | | | | | |
| Interest Expenses | ¥ 551,456 | ¥ 107,883 | ¥ 137,471 | ¥ 361,890 | ¥ 371,845 |
| Fees and Commissions Payments | 122,839 | 133,161 | 118,031 | 109,666 | 97,755 |
| Trading Expenses | 5,184 | — | 33,300 | — | — |
| Other Ordinary Expenses | 272,978 | 291,487 | 290,350 | 280,488 | 249,652 |
| General and Administrative Expenses | 460,336 | 435,567 | 431,422 | 433,455 | 431,151 |
| Other Expenses | 139,857 | 205,536 | 207,586 | 112,333 | 77,688 |
| **Total Expenses** | ¥ 1,552,653 | ¥ 1,173,637 | ¥ 1,218,163 | ¥ 1,297,834 | ¥ 1,228,093 |
| Income before Income Taxes | 271,387 | 227,999 | 200,003 | 240,721 | 241,340 |
| **Net Income** | ¥ 192,029 | ¥ 170,236 | ¥ 143,938 | ¥ 165,094 | ¥ 180,741 |

| | Yen | | | | |
|---|---|---|---|---|---|
| **Per Share of Common Stock:** | | | | | |
| Net Income per Share of Common Stock | ¥ 517.14 | ¥ 451.40 | ¥ 379.65 | ¥ 434.31 | ¥ 458.91 |
| Diluted Net Income per Share of Common Stock | 516.83 | 451.12 | 379.42 | 434.03 | 458.64 |
| Net Assets per Share of Common Stock | 7,686.52 | 7,249.70 | 7,192.07 | 6,822.48 | 7,008.67 |

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Statements of Trust Account | 2023 | 2022 | 2021 | 2020 | 2019 |
| **Trust Assets** | ¥256,225,715 | ¥ 248,215,419 | ¥ 239,846,590 | ¥ 224,425,327 | ¥ 211,350,067 |

1. SuMi Trust Holdings has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021, "Guidance for Application of Fair Value Measurement") from the beginning of the current fiscal year ended March 31, 2023. The effect of applying "Guidance for Application of Fair Value Measurement" on Net Assets and Net Assets per Share of Common Stock is described in "Notes to Consolidated Financial Statements, Changes in Accounting Policies."
2. SuMi Trust Holdings has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) and "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019) from the beginning of the fiscal year ended March 31, 2022. The amounts in "Five-Year Summary" have reflected those accounting standards after the fiscal year ended March 31, 2022.
3. For the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on the general rule from fiscal year ended March 31, 2022. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.
4. Trust assets are the amounts of trust assets held by consolidated subsidiaries that engage in the trust business in accordance with the Act on Engagement in Trust Business Activities by Financial Institutions. The consolidated subsidiary that engages in trust business activities is SuMi Trust Bank.

Financial Summary:

# Five-Year Summary

Sumitomo Mitsui Trust Holdings, Inc.
As of and for the fiscal years ended March 31

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Non-Consolidated Statements | 2023 | 2022 | 2021 | 2020 | 2019 |
| **As of the Year-End** | | | | | |
| **Assets:** | | | | | |
| Current Assets: | ¥ 81,652 | ¥ 137,483 | ¥ 173,123 | ¥ 175,470 | ¥ 133,676 |
| Cash and Due from Banks | 5,632 | 18,978 | 2,541 | 2,349 | 2,110 |
| Securities | 59,000 | 104,000 | 164,000 | 129,000 | 100,000 |
| Non-Current Assets | 2,046,987 | 2,086,028 | 2,030,327 | 2,049,283 | 2,069,816 |
| Investments and Other Assets | 2,046,981 | 2,086,028 | 2,030,325 | 2,049,281 | 2,069,815 |
| **Total Assets** | ¥ 2,128,640 | ¥ 2,223,512 | ¥ 2,203,450 | ¥ 2,224,754 | ¥ 2,203,492 |
| **Liabilities:** | | | | | |
| Current Liabilities | ¥ 2,723 | ¥ 8,183 | ¥ 12,799 | ¥ 4,616 | ¥ 3,161 |
| Non-Current Liabilities | 605,450 | 645,303 | 620,209 | 650,093 | 651,610 |
| Bonds Payable | 590,000 | 630,000 | 610,000 | 640,000 | 641,600 |
| **Total Liabilities** | ¥ 608,173 | ¥ 653,486 | ¥ 633,009 | ¥ 654,709 | ¥ 654,771 |
| **Net Assets:** | | | | | |
| Shareholders' Equity | ¥ 1,519,521 | ¥ 1,569,019 | ¥ 1,569,417 | ¥ 1,568,986 | ¥ 1,547,658 |
| Subscription Rights to Shares | 945 | 1,006 | 1,024 | 1,057 | 1,062 |
| **Total Net Assets** | ¥ 1,520,466 | ¥ 1,570,025 | ¥ 1,570,441 | ¥ 1,570,044 | ¥ 1,548,721 |
| **Total Liabilities and Net Assets** | ¥ 2,128,640 | ¥ 2,223,512 | ¥ 2,203,450 | ¥ 2,224,754 | ¥ 2,203,492 |
| | | | | | |
| **For the Year** | | | | | |
| Operating Income: | ¥ 78,111 | ¥ 63,319 | ¥ 60,855 | ¥ 97,597 | ¥ 123,149 |
| Dividends Received from Subsidiaries | 71,279 | 58,154 | 56,256 | 95,851 | 121,832 |
| Operating Expenses: | 6,395 | 5,525 | 3,984 | 3,709 | 3,341 |
| General and Administrative Expenses | 6,395 | 5,525 | 3,984 | 3,709 | 3,341 |
| **Operating Profit** | ¥ 71,716 | ¥ 57,793 | ¥ 56,870 | ¥ 93,888 | ¥ 119,808 |
| Non-Operating Income | ¥ 6,746 | ¥ 6,715 | ¥ 7,891 | ¥ 8,183 | ¥ 7,709 |
| Non-Operating Expenses | 7,035 | 6,928 | 8,861 | 9,430 | 11,327 |
| Income before Income Taxes | ¥ 71,426 | ¥ 57,580 | ¥ 56,799 | ¥ 92,640 | ¥ 116,190 |
| **Net Income** | ¥ 71,257 | ¥ 57,620 | ¥ 56,637 | ¥ 93,858 | ¥ 127,717 |

| | Yen | | | | |
|---|---|---|---|---|---|
| **Per Share of Common Stock:** | | | | | |
| Net Income per Share of Common Stock | ¥ 192.93 | ¥ 153.83 | ¥ 151.21 | ¥ 250.04 | ¥ 337.06 |
| Diluted Net Income per Share of Common Stock | 192.81 | 153.74 | 151.12 | 249.87 | 336.86 |
| Net Assets per Share of Common Stock | 4,183.19 | 4,188.80 | 4,190.18 | 4,189.14 | 4,087.87 |

Financial Data:

# Consolidated Balance Sheet

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of March 31, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Assets:** | | | |
| Cash and Due from Banks | ¥ 21,602,473 | ¥ 18,223,364 | $ 161,768 |
| Call Loans and Bills Bought | 24,006 | 5,000 | 180 |
| Receivables under Resale Agreements | 110,003 | 150,741 | 824 |
| Receivables under Securities Borrowing Transactions | 436,093 | 652,534 | 3,266 |
| Monetary Claims Bought | 970,058 | 854,093 | 7,264 |
| Trading Assets (Notes 1 and 2) | 1,514,603 | 967,565 | 11,342 |
| Money Held in Trust | 16,136 | 16,308 | 121 |
| Securities (Notes 2 and 4) | 6,933,067 | 7,879,235 | 51,918 |
| Loans and Bills Discounted (Notes 3, 4 and 5) | 31,810,926 | 30,876,507 | 238,213 |
| Foreign Exchanges | 47,445 | 29,494 | 355 |
| Lease Receivables and Investment Assets (Note 4) | 688,933 | 688,141 | 5,159 |
| Other Assets (Notes 4, 8 and 14) | 3,839,561 | 3,354,333 | 28,752 |
| Tangible Fixed Assets (Note 6) | 222,588 | 224,535 | 1,667 |
| Intangible Fixed Assets (Note 7) | 130,969 | 125,667 | 981 |
| Assets for Retirement Benefits | 232,625 | 192,223 | 1,742 |
| Deferred Tax Assets | 10,729 | 15,613 | 80 |
| Customers' Liabilities for Acceptances and Guarantees | 562,523 | 541,228 | 4,212 |
| Allowance for Loan Losses | (129,998) | (163,369) | (973) |
| **Total Assets** | ¥ 69,022,746 | ¥ 64,633,220 | $ 516,869 |
| **Liabilities:** | | | |
| Deposits (Notes 4 and 9) | ¥ 35,387,287 | ¥ 33,230,162 | $ 264,994 |
| Negotiable Certificates of Deposit | 7,461,005 | 6,587,944 | 55,871 |
| Call Money and Bills Sold | 1,912,878 | 799,524 | 14,324 |
| Payables under Repurchase Agreements (Note 4) | 1,030,780 | 1,485,033 | 7,719 |
| Trading Liabilities (Note 1) | 1,472,636 | 906,686 | 11,028 |
| Borrowed Money (Notes 4 and 10) | 6,039,543 | 7,153,498 | 45,226 |
| Foreign Exchanges | 847 | 1,275 | 6 |
| Short-Term Bonds Payable | 2,332,377 | 2,387,553 | 17,466 |
| Bonds Payable (Note 11) | 2,501,760 | 2,076,604 | 18,734 |
| Borrowed Money from Trust Account (Note 12) | 4,332,472 | 4,298,827 | 32,443 |
| Other Liabilities (Notes 13 and 14) | 3,038,112 | 2,312,326 | 22,751 |
| Provision for Bonuses | 19,136 | 21,087 | 143 |
| Provision for Directors' Bonuses | 402 | 181 | 3 |
| Provision for Stocks Payment | 1,064 | 732 | 8 |
| Liabilities for Retirement Benefits | 13,720 | 13,553 | 103 |
| Provision for Reward Points Program | 21,282 | 19,965 | 159 |
| Provision for Reimbursement of Deposits | 3,028 | 3,626 | 23 |
| Provision for Contingent Losses | 1,344 | 1,649 | 10 |
| Deferred Tax Liabilities | 65,585 | 44,081 | 491 |
| Deferred Tax Liabilities for Land Revaluation (Note 6) | 2,381 | 2,388 | 18 |
| Acceptances and Guarantees | 562,523 | 541,228 | 4,212 |
| **Total Liabilities** | ¥ 66,200,172 | ¥ 61,887,931 | $ 495,733 |
| **Net Assets:** | | | |
| Total Shareholders' Equity: | ¥ 2,587,824 | ¥ 2,517,528 | 19,379 |
| Capital Stock | 261,608 | 261,608 | 1,959 |
| Capital Surplus | 546,146 | 576,114 | 4,090 |
| Retained Earnings | 1,803,002 | 1,682,519 | 13,502 |
| Treasury Stock | (22,933) | (2,714) | (172) |
| Total Accumulated Other Comprehensive Income: | 204,259 | 198,028 | 1,530 |
| Valuation Differences on Available-for-Sale Securities | 258,240 | 277,617 | 1,934 |
| Deferred Gains (Losses) on Hedges | (48,470) | (42,759) | (363) |
| Revaluation Reserve for Land (Note 6) | (6,855) | (6,839) | (51) |
| Foreign Currency Translation Adjustments | 24,531 | 12,719 | 184 |
| Remeasurements of Defined Benefit Plans | (23,187) | (42,708) | (174) |
| Subscription Rights to Shares | 945 | 1,006 | 7 |
| Non-Controlling Interests | 29,545 | 28,725 | 221 |
| **Total Net Assets** | ¥ 2,822,574 | ¥ 2,745,288 | 21,137 |
| **Total Liabilities and Net Assets** | ¥ 69,022,746 | ¥ 64,633,220 | $ 516,869 |

| | Yen | | U.S. Dollars |
|---|---|---|---|
| **Net Assets per Share of Common Stock** | ¥ 7,686.52 | ¥ 7,249.70 | $ 57.56 |

See accompanying notes.
The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥133.54 to U.S. $1.00, the exchange rate as of March 31, 2023.

Financial Data:

# Consolidated Statement of Income

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Income:** | | | |
| Trust Fees (Note 1) | ¥ 109,721 | ¥ 110,539 | $ 822 |
| Interest Income: | 660,308 | 375,659 | 4,945 |
| Interest on Loans and Discounts | 425,715 | 260,871 | 3,188 |
| Interest and Dividends on Securities | 137,748 | 97,683 | 1,032 |
| Interest on Call Loans and Bills Bought | 1,316 | 685 | 10 |
| Interest on Deposits with Banks | 71,752 | 12,239 | 537 |
| Other Interest Income (Note 2) | 23,775 | 4,179 | 178 |
| Fees and Commissions (Note 1) | 440,331 | 444,655 | 3,297 |
| Trading Income (Note 3) | 15,608 | 13,453 | 117 |
| Other Ordinary Income (Note 4) | 468,302 | 336,597 | 3,507 |
| Other Income (Note 5) | 129,767 | 120,731 | 972 |
| **Total Income** | ¥ 1,824,040 | ¥ 1,401,637 | $ 13,659 |
| **Expenses:** | | | |
| Interest Expenses: | ¥ 551,456 | ¥ 107,883 | $ 4,130 |
| Interest on Deposits | 171,880 | 29,848 | 1,287 |
| Interest on Negotiable Certificates of Deposit | 139,247 | 6,787 | 1,043 |
| Interest on Call Money and Bills Sold | 1,202 | 481 | 9 |
| Interest on Payables under Repurchase Agreements | 32,286 | 1,665 | 242 |
| Interest on Borrowings | 13,968 | 4,635 | 105 |
| Interest on Short-Term Bonds | 55,767 | 3,271 | 418 |
| Interest on Bonds | 29,070 | 16,535 | 218 |
| Other Interest Expenses (Note 2) | 108,032 | 44,658 | 809 |
| Fees and Commissions Payments | 122,839 | 133,161 | 920 |
| Trading Expenses (Note 3) | 5,184 | — | 39 |
| Other Ordinary Expenses (Note 4) | 272,978 | 291,487 | 2,044 |
| General and Administrative Expenses (Note 6) | 460,336 | 435,567 | 3,447 |
| Other Expenses (Note 5) | 139,857 | 205,536 | 1,047 |
| **Total Expenses** | ¥ 1,552,653 | ¥ 1,173,637 | $ 11,627 |
| **Income before Income Taxes** | ¥ 271,387 | ¥ 227,999 | $ 2,032 |
| Income Taxes: | 79,357 | 57,763 | 594 |
| Current | 50,760 | 57,342 | 380 |
| Deferred | 28,597 | 420 | 214 |
| **Net Income** | ¥ 192,029 | ¥ 170,236 | $ 1,438 |
| Net Income Attributable to Non-Controlling Interests | 1,029 | 1,157 | 8 |
| **Net Income Attributable to Owners of the Parent** | ¥ 191,000 | ¥ 169,078 | $ 1,430 |

| | Yen | | U.S. Dollars |
|---|---|---|---|
| **Net Income per Share of Common Stock** | ¥ 517.14 | ¥ 451.40 | $ 3.87 |
| **Diluted Net Income per Share of Common Stock** | ¥ 516.83 | ¥ 451.12 | $ 3.87 |

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, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Net Income** | **¥ 192,029** | ¥ 170,236 | **$ 1,438** |
| Other Comprehensive Income (Loss): | | | |
| Valuation Differences on Available-for-Sale Securities | **(17,672)** | (46,938) | **(132)** |
| Deferred Gains (Losses) on Hedges | **(6,753)** | 135 | **(51)** |
| Foreign Currency Translation Adjustments | **8,584** | 4,045 | **64** |
| Remeasurements of Defined Benefit Plans | **19,517** | (38,671) | **146** |
| Share of Other Comprehensive Income of Equity-Method Affiliated Companies | **2,814** | 2,052 | **21** |
| **Total Other Comprehensive Income (Loss) (Note)** | **¥ 6,489** | ¥ (79,377) | **$ 49** |
| **Comprehensive Income:** | **¥ 198,519** | ¥ 90,859 | **$ 1,487** |
| Comprehensive Income Attributable to Owners of the Parent | **¥ 197,246** | ¥ 89,451 | **$ 1,477** |
| Comprehensive Income Attributable to Non-Controlling Interests | **1,272** | 1,407 | **10** |

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, 2023 and 2022

From April 1, 2022 to March 31, 2023

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| | Shareholders' Equity | | | | |
| | Capital Stock | Capital Surplus | Retained Earnings | Treasury Stock | Total Shareholders' Equity |
| Balance at the Beginning of the Year | ¥ 261,608 | ¥ 576,114 | ¥ 1,682,519 | ¥ (2,714) | ¥ 2,517,528 |
| Changes during the Year | | | | | |
| Cash Dividends | | | (70,533) | | (70,533) |
| Net Income Attributable to Owners of the Parent | | | 191,000 | | 191,000 |
| Purchase of Treasury Stock | | | | (50,364) | (50,364) |
| Disposal of Treasury Stock | | (0) | | 142 | 141 |
| Retirement of Treasury Stock | | (30,003) | | 30,003 | — |
| Purchase of Shares of Consolidated Subsidiaries | | 36 | | | 36 |
| Reversal of Revaluation Reserve for Land | | | 15 | | 15 |
| Net Changes of Items Other Than Shareholders' Equity | | | | | |
| Total Changes during the Year | — | (29,968) | 120,482 | (20,218) | 70,296 |
| Balance at the End of the Year | ¥ 261,608 | ¥ 546,146 | ¥ 1,803,002 | ¥ (22,933) | ¥ 2,587,824 |

| | Millions of Yen | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Accumulated Other Comprehensive Income | | | | | | | | |
| | Valuation Differences on Available-for-Sale Securities | Deferred Gains (Losses) on Hedges | Revaluation Reserve for Land | Foreign Currency Translation Adjustments | Remeasurements of Defined Benefit Plans | Total Accumulated Other Comprehensive Income | Subscription Rights to Shares | Non-Controlling Interests | Total Net Assets |
| Balance at the Beginning of the Year | ¥ 277,617 | ¥ (42,759) | ¥ (6,839) | ¥ 12,719 | ¥ (42,708) | ¥ 198,028 | ¥ 1,006 | ¥ 28,725 | ¥ 2,745,288 |
| Changes during the Year | | | | | | | | | |
| Cash Dividends | | | | | | | | | (70,533) |
| Net Income Attributable to Owners of the Parent | | | | | | | | | 191,000 |
| Purchase of Treasury Stock | | | | | | | | | (50,364) |
| Disposal of Treasury Stock | | | | | | | | | 141 |
| Retirement of Treasury Stock | | | | | | | | | — |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | | 36 |
| Reversal of Revaluation Reserve for Land | | | | | | | | | 15 |
| Net Changes of Items Other Than Shareholders' Equity | (19,376) | (5,710) | (15) | 11,811 | 19,521 | 6,230 | (61) | 819 | 6,989 |
| Total Changes during the Year | (19,376) | (5,710) | (15) | 11,811 | 19,521 | 6,230 | (61) | 819 | 77,285 |
| Balance at the End of the Year | ¥ 258,240 | ¥ (48,470) | ¥ (6,855) | ¥ 24,531 | ¥ (23,187) | ¥ 204,259 | ¥ 945 | ¥ 29,545 | ¥ 2,822,574 |

See accompanying notes.

From April 1, 2021 to March 31, 2022

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| | Shareholders' Equity | | | | |
| | Capital Stock | Capital Surplus | Retained Earnings | Treasury Stock | Total Shareholders' Equity |
| Balance at the Beginning of the Year | ¥ 261,608 | ¥ 576,114 | ¥ 1,581,096 | ¥ (2,815) | ¥ 2,416,003 |
| Cumulative Effects of Changes in Accounting Policies | | | (9,636) | | (9,636) |
| Restated Balance | 261,608 | 576,114 | 1,571,460 | (2,815) | 2,406,367 |
| Changes during the Year | | | | | |
| Cash Dividends | | | (58,119) | | (58,119) |
| Net Income Attributable to Owners of the Parent | | | 169,078 | | 169,078 |
| Purchase of Treasury Stock | | | | (21) | (21) |
| Disposal of Treasury Stock | | 0 | | 122 | 122 |
| Retirement of Treasury Stock | | | | | — |
| Purchase of Shares of Consolidated Subsidiaries | | | | | — |
| Reversal of Revaluation Reserve for Land | | | 100 | | 100 |
| Net Changes of Items Other Than Shareholders' Equity | | | | | |
| Total Changes during the Year | — | 0 | 111,059 | 101 | 111,160 |
| Balance at the End of the Year | ¥ 261,608 | ¥ 576,114 | ¥ 1,682,519 | ¥ (2,714) | ¥ 2,517,528 |

| | Millions of Yen | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Accumulated Other Comprehensive Income | | | | | | | | |
| | Valuation Differences on Available-for-Sale Securities | Deferred Gains (Losses) on Hedges | Revaluation Reserve for Land | Foreign Currency Translation Adjustments | Remeasurements of Defined Benefit Plans | Total Accumulated Other Comprehensive Income | Subscription Rights to Shares | Non-Controlling Interests | Total Net Assets |
| Balance at the Beginning of the Year | ¥ 329,429 | ¥ (44,926) | ¥ (6,739) | ¥ 4,000 | ¥ (4,007) | ¥ 277,756 | ¥ 1,024 | ¥ 27,772 | ¥ 2,722,556 |
| Cumulative Effects of Changes in Accounting Policies | | | | | | | | (0) | (9,636) |
| Restated Balance | 329,429 | (44,926) | (6,739) | 4,000 | (4,007) | 277,756 | 1,024 | 27,772 | 2,712,920 |
| Changes during the Year | | | | | | | | | |
| Cash Dividends | | | | | | | | | (58,119) |
| Net Income Attributable to Owners of the Parent | | | | | | | | | 169,078 |
| Purchase of Treasury Stock | | | | | | | | | (21) |
| Disposal of Treasury Stock | | | | | | | | | 122 |
| Retirement of Treasury Stock | | | | | | | | | — |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | | — |
| Reversal of Revaluation Reserve for Land | | | | | | | | | 100 |
| Net Changes of Items Other Than Shareholders' Equity | (51,812) | 2,166 | (100) | 8,719 | (38,701) | (79,727) | (18) | 953 | (78,792) |
| Total Changes during the Year | (51,812) | 2,166 | (100) | 8,719 | (38,701) | (79,727) | (18) | 953 | 32,368 |
| Balance at the End of the Year | ¥ 277,617 | ¥ (42,759) | ¥ (6,839) | ¥ 12,719 | ¥ (42,708) | ¥ 198,028 | ¥ 1,006 | ¥ 28,725 | ¥ 2,745,288 |

See accompanying notes.

From April 1, 2022 to March 31, 2023

| | Millions of U.S. Dollars | | | | |
|---|---|---|---|---|---|
| | Shareholders' Equity | | | | |
| | Capital Stock | Capital Surplus | Retained Earnings | Treasury Stock | Total Shareholders' Equity |
| Balance at the Beginning of the Year | $ 1,959 | $ 4,314 | $ 12,599 | $ (20) | $ 18,852 |
| Changes during the Year | | | | | |
| Cash Dividends | | | (528) | | (528) |
| Net Income Attributable to Owners of the Parent | | | 1,430 | | 1,430 |
| Purchase of Treasury Stock | | | | (377) | (377) |
| Disposal of Treasury Stock | | (0) | | 1 | 1 |
| Retirement of Treasury Stock | | (225) | | 225 | — |
| Purchase 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 | — | (224) | 902 | (151) | 526 |
| Balance at the End of the Year | $ 1,959 | $ 4,090 | $ 13,502 | $ (172) | $ 19,379 |

| | Millions of U.S. Dollars | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Accumulated Other Comprehensive Income | | | | | | | | |
| | Valuation Differences on Available-for-Sale Securities | Deferred Gains (Losses) on Hedges | Revaluation Reserve for Land | Foreign Currency Translation Adjustments | Remeasurements of Defined Benefit Plans | Total Accumulated Other Comprehensive Income | Subscription Rights to Shares | Non-Controlling Interests | Total Net Assets |
| Balance at the Beginning of the Year | $ 2,079 | $ (320) | $ (51) | $ 95 | $ (320) | $ 1,483 | $ 8 | $ 215 | $ 20,558 |
| Changes during the Year | | | | | | | | | |
| Cash Dividends | | | | | | | | | (528) |
| Net Income Attributable to Owners of the Parent | | | | | | | | | 1,430 |
| Purchase of Treasury Stock | | | | | | | | | (377) |
| Disposal of Treasury Stock | | | | | | | | | 1 |
| Retirement of Treasury Stock | | | | | | | | | — |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | | 0 |
| Reversal of Revaluation Reserve for Land | | | | | | | | | 0 |
| Net Changes of Items Other Than Shareholders' Equity | (145) | (43) | (0) | 88 | 146 | 47 | (0) | 6 | 52 |
| Total Changes during the Year | (145) | (43) | (0) | 88 | 146 | 47 | (0) | 6 | 579 |
| Balance at the End of the Year | $ 1,934 | $ (363) | $ (51) | $ 184 | $ (174) | $ 1,530 | $ 7 | $ 221 | $ 21,137 |

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, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Cash Flows from Operating Activities:** | | | |
| Income before Income Taxes | ¥ 271,387 | ¥ 227,999 | $ 2,032 |
| Depreciation and Amortization | 32,841 | 30,841 | 246 |
| Impairment Losses | 18,187 | 1,468 | 136 |
| Amortization of Goodwill | 8,001 | 7,882 | 60 |
| Equity in Losses (Earnings) of Affiliated Companies | (18,102) | (15,531) | (136) |
| Increase (Decrease) in Allowance for Loan Losses | (33,371) | 34,145 | (250) |
| Increase (Decrease) in Provision for Bonuses | (1,951) | 2,627 | (15) |
| Increase (Decrease) in Provision for Directors' Bonuses | 221 | (38) | 2 |
| Increase (Decrease) in Provision for Stocks Payment | 332 | 200 | 2 |
| Decrease (Increase) in Assets for Retirement Benefits | (36,622) | 39,540 | (274) |
| Increase (Decrease) in Liabilities for Retirement Benefits | 163 | (338) | 1 |
| Increase (Decrease) in Provision for Reward Points Program | 1,317 | 1,019 | 10 |
| Increase (Decrease) in Provision for Reimbursement of Deposits | (598) | (511) | (4) |
| Increase (Decrease) in Provision for Contingent Losses | (305) | 15 | (2) |
| Interest Income | (660,308) | (375,659) | (4,945) |
| Interest Expenses | 551,456 | 107,883 | 4,130 |
| Loss (Gain) Related to Securities | 17,340 | 55,500 | 130 |
| Loss (Gain) on Money Held in Trust | 71 | 257 | 1 |
| Foreign Exchange Losses (Gains) | (158,496) | (184,288) | (1,187) |
| Loss (Gain) on Disposal of Fixed Assets | 933 | 235 | 7 |
| Net Decrease (Increase) in Trading Assets | (547,037) | (11,844) | (4,096) |
| Net Increase (Decrease) in Trading Liabilities | 565,949 | 57,088 | 4,238 |
| Net Decrease (Increase) in Loans and Bills Discounted | (934,418) | (369,539) | (6,997) |
| Net Increase (Decrease) in Deposits | 2,157,125 | (237,516) | 16,153 |
| Net Increase (Decrease) in Negotiable Certificates of Deposit | 873,061 | (572,650) | 6,538 |
| Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings) | (1,113,954) | 1,415,895 | (8,342) |
| Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan) | 59,878 | (800,096) | 448 |
| Net Decrease (Increase) in Call Loans | (94,520) | 51,543 | (708) |
| Net Decrease (Increase) in Receivables under Securities Borrowing Transactions | 216,441 | 75,155 | 1,621 |
| Net Increase (Decrease) in Call Money | 659,101 | 595,441 | 4,936 |
| Net Decrease (Increase) in Foreign Exchange-Assets | (17,951) | (4,098) | (134) |
| Net Increase (Decrease) in Foreign Exchange-Liabilities | (427) | 698 | (3) |
| Net Decrease (Increase) in Lease Receivables and Investment Assets | (791) | 7,031 | (6) |
| Net Increase (Decrease) in Short-Term Bonds Payable | (55,175) | (157,495) | (413) |
| Increase (Decrease) in Straight Bonds-Issuance and Redemption | 521,255 | 552,497 | 3,903 |
| Net Increase (Decrease) in Borrowed Money from Trust Account | 33,645 | (616,380) | 252 |
| Interest Received | 624,975 | 377,391 | 4,680 |
| Interest Paid | (506,204) | (104,641) | (3,791) |
| Other, Net | 259,976 | (256,062) | 1,947 |
| Subtotal | ¥ 2,693,425 | ¥ (64,331) | $ 20,169 |
| Income Taxes (Paid) Refunded | (77,212) | (55,931) | (578) |
| **Net Cash Provided by (Used in) Operating Activities** | ¥ 2,616,213 | ¥ (120,263) | $ 19,591 |

(Continued)

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Cash Flows from Investing Activities:** | | | |
| Purchase of Securities | ¥ (5,134,228) | ¥ (9,173,484) | $ (38,447) |
| Proceeds from Sales of Securities | 1,931,779 | 4,226,468 | 14,466 |
| Proceeds from Redemption of Securities | 4,203,070 | 4,163,963 | 31,474 |
| Increase in Money Held in Trust | — | (4,400) | — |
| Purchase of Tangible Fixed Assets | (8,658) | (8,882) | (65) |
| Proceeds from Sales of Tangible Fixed Assets | 356 | 1,950 | 3 |
| Purchase of Intangible Fixed Assets | (54,239) | (42,934) | (406) |
| Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method | (1,441) | (41,987) | (11) |
| Proceeds from Sales of Shares of Affiliated Companies Accounted for Using the Equity Method | 23,636 | 102 | 177 |
| **Net Cash Provided by (Used in) Investing Activities** | ¥ 960,275 | ¥ (879,205) | $ 7,191 |
| **Cash Flows from Financing Activities:** | | | |
| Proceeds from Subordinated Borrowings | — | 5,000 | — |
| Repayments of Subordinated Borrowings | — | (50,000) | — |
| Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares | 19,888 | 19,898 | 149 |
| Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares | (116,100) | (41,500) | (869) |
| Proceeds from Share Issuance to Non-Controlling Shareholders | 40 | — | 0 |
| Cash Dividends Paid | (70,518) | (58,115) | (528) |
| Cash Dividends Paid to Non-Controlling Interests | (456) | (342) | (3) |
| Purchase of Treasury Stock | (50,364) | (21) | (377) |
| Proceeds from Sales of Treasury Stock | 1 | 0 | 0 |
| **Net Cash Provided by (Used in) Financing Activities** | ¥ (217,509) | ¥ (125,079) | $ (1,629) |
| Effect of Exchange Rate Change on Cash and Cash Equivalents | ¥ 80,007 | ¥ 59,053 | $ 599 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | ¥ 3,438,987 | ¥ (1,065,495) | $ 25,752 |
| Cash and Cash Equivalents at the Beginning of the Year | ¥ 15,733,650 | ¥ 16,799,146 | $ 117,820 |
| **Cash and Cash Equivalents at the End of the Year (Note)** | ¥ 19,172,638 | ¥ 15,733,650 | $ 143,572 |

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 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 ¥133.54 to U.S. $1, the approximate rate of exchange as of March 31, 2023. 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, 2023:
58 companies
Principal Company:
Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")
Nikko Asset Management Co., Ltd.
Sumitomo Mitsui Trust Asset Management Co., Ltd.
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

Changes in the consolidated subsidiaries during the current fiscal year are as follows:

Japan Extensive Infrastructure, Limited is newly established and included in the scope of the consolidation from the fiscal year ended March 31, 2023.

STB Finance Cayman Limited and one other company are excluded from the scope of consolidation effective from the fiscal year ended March 31, 2023, due to liquidation.

(2) Unconsolidated Subsidiaries
Principal Companies:
Cattleya Co., Ltd.
Apollo Aligned Alternatives (C-2), L.P.

Cattleya Co., Ltd. and 10 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.

Apollo Aligned Alternatives (C-2), 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:
30 companies
Principal Companies:
Custody Bank of Japan, Ltd.
SBI Sumishin Net Bank, Ltd.

Changes in the affiliated companies accounted for by the equity method during the current fiscal year are as follows:

MFA, Inc. is included in the scope of application of the equity method effective from the fiscal year ended March 31, 2023, due to the acquisition of its shares.

Yuryo Loan Co., Ltd. and three other companies are excluded from the scope of the application of the equity method effective from the fiscal year ended March 31, 2023, as the influence of SuMi TRUST Holdings and its subsidiaries has decreased.

(3) Unconsolidated Subsidiaries and Affiliated Companies that are Not Accounted for by the Equity Method

Principal Companies:

Cattleya Co., Ltd.

Apollo Aligned Alternatives (C-2), L.P.

Cattleya Co., Ltd. and 10 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.

Apollo Aligned Alternatives (C-2), 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 |
| August 31: | 1 company |
| September 30: | 4 companies |
| November 30: | 1 company |
| December 31: | 6 companies |
| March 31: | 44 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 August 31: Provisionally prepared financial statements as of February 28
- Consolidated subsidiaries with a balance sheet date of September 30: Provisionally prepared financial statements as of March 31
- A consolidated subsidiary with a balance sheet date of November 30: Provisionally prepared financial statements as of February 28
- The other consolidated subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet date, March 31, 2023, 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 inter-market differences (for trading purposes). The fluctuations in such items are presented as "Trading Assets" or "Trading Liabilities" in the consolidated balance sheet on a trade-date basis, and gains and losses from such transactions are presented as "Trading Income" or "Trading Expenses" in the consolidated statement of income.

For the measurement of trading assets and trading liabilities, securities and monetary claims are stated at their fair values as of the consolidated balance sheet date, and trading-related financial derivatives, such as swaps, futures, and options, are stated at the amounts that would be settled if they were terminated on the consolidated balance sheet date.

Trading income and trading expenses include interest income or expenses, adjusting valuation differences of securities and monetary claims during the fiscal year and differences in resulting gains or losses from the settlement of financial derivatives assuming that the settlement was made in cash as of March 31, 2023 and 2022.

Regarding valuation of specific market risks and credit risks for derivative transactions, fair value is measured in groups of financial assets and financial liabilities with the basis of the net asset or liability after offsetting financial assets and financial liabilities.

(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. "Available-for-Sale Securities" are valued at the market price (cost of securities sold is calculated using primarily the moving-average method). Equity securities with no market prices are carried at cost using the moving-average method.

Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheet.

(b) Securities in money held in trust are classified and accounted for in the same manner as those described in 4. (1) and 4. (2) (a) above.

(3) Financial Derivatives

Financial derivatives, excluding those for trading purposes, are stated at fair value.

Regarding valuation of specific market risks and credit risks, fair value is measured in groups of financial assets and financial liabilities with the basis of the net asset or liability after offsetting financial assets and financial liabilities.

(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

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" 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 ("bankrupt borrowers") and against borrowers that are in substantially similar adverse condition ("virtually bankrupt borrowers"), 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 ("possibly bankrupt borrowers"), 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 possibly bankrupt 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 estimated loan losses over the next one or three years, which are calculated based on the average historical loan-loss ratios or bankruptcy ratios during a certain period on the basis of historical loan losses or bankruptcy losses over the past one or three years, then adjusted based on future forecast.

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, etc. 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 bankrupt borrowers or virtually bankrupt borrowers with collateral or guarantees, claims against borrowers in legal or virtually bankrupt borrowers, 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 ¥18,210 million (U.S. $136 million) and ¥23,943 million as of March 31, 2023 and 2022, 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 for the estimated directors' bonuses attributable to the current fiscal year.

(8) Provision for Stocks Payment

A provision for stocks payment is provided at SuMi TRUST Holdings and some of the consolidated subsidiaries for the estimated stock-based payments to directors under a stock compensation system attributable to the current fiscal year.

(9) 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 reasonable estimates of the points to be used in the future.

(10) 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.

(11) Provision for Contingent Losses

A provision for contingent losses is provided for losses associated with off-balance-sheet transactions or trust transactions in the amount deemed necessary based on the estimated possible future losses.

(12) Accounting for Retirement Benefits

In determining the retirement benefit obligations, projected benefits to the periods up to the year ended March 31, 2023, are attributed based on the plan's benefit formula.

Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost: In principle, the full amount of past service cost is charged to profit or loss in the fiscal year they occur.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts that would be required for voluntary termination at the year-end.

(13) Basis for Recognition of Significant Revenues and Expenses

SuMi TRUST Group's main revenues from contracts with customers are "Trust Fees" and "Fees and Commissions" such as asset management and administration fees, stock transfer agency fees, real estate brokerage fees, and investment trust and insurance sales fees.

The timing of satisfying performance obligation in each transaction is determined based on the respective economic conditions as follows. The amount of consideration for transactions is generally received within approximately six months after the satisfaction of performance obligations and does not include significant financing components.

Trust fees and asset management and administration fees are recorded mainly in the "Investor Services Business," "Asset Management Business," and "Retail Business." SuMi TRUST Group is obligated to perform asset management and administrative services in accordance with the terms of trust agreements and various contracts. SuMi TRUST Group recognizes revenues from these performance obligations over a period of time since the benefits are expensed by the customer as the daily services are provided.

Stock transfer agency fees are mainly recorded in the "Wholesale Business." SuMi TRUST Group is obligated to perform shareholder registry management services and the like in accordance with agreement on entrustment of management of shareholder registry and the like. SuMi TRUST Group recognizes revenues from this performance obligation over a period of time since the benefits are expensed by the customer as the daily services are provided.

Real estate brokerage fees are recorded mainly in the "Real Estate Business." SuMi TRUST Group is obligated to perform real estate brokerage services based on real estate brokerage contracts. Revenues are recognized when the performance obligation is satisfied at the time when the real estate sales contract is executed or when the property is delivered. The timing of satisfying performance obligation is determined based on the significance of the duties after the execution of the real estate sales contract.

Fees on sales of investment trusts and insurance are mainly recorded in the "Retail Business." SuMi TRUST Group is obligated to provide product explanations and sales administrative services based on the terms and conditions of transactions and consignment agreements. Revenues are

recognized when the performance obligation is satisfied at the time of product sale.

(14) 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 as of 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.

(15) Accounting for Leases

As for the consolidated subsidiaries in Japan, income and expenses arising from transactions of finance leases that do not transfer ownerships to lessees are recognized as sales and costs of sales when lease payments are collected.

(16) 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 Committee Practical Guidance No. 24 of March 17, 2022, "Guidance 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 rate volatility factors for the hedged items and the hedging instruments.

(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 Committee Practical Guidance No. 25 of October 8, 2020, "Guidance 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 currency-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 currency-denominated securities are designated in advance as hedged items and that foreign currency payables of spot and forward foreign exchange contracts exist in excess of the acquisition cost of such foreign currency-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) Internal hedge transactions and others

Among derivatives transactions of SuMi TRUST Bank that take place between consolidated subsidiaries or that are made internally between designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to Guidance No. 24 and Guidance 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.

(17) 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.

(18) Scope of Cash and Cash Equivalents in the Consolidated Statement of Cash Flows

The balance of "Cash and Cash Equivalents" in the consolidated statement of cash flows is equivalent to the balance of "Cash and Due from Banks" presented in the consolidated balance sheet (cash and due from the Bank of Japan for SuMi TRUST Bank).

(19) Nondeductible Consumption Taxes Associated with Assets

Nondeductible consumption taxes and local consumption taxes associated with assets are recorded as expenses in the current fiscal year.

(20) Adoption of Group Tax Sharing System

SuMi TRUST Holdings adopts the group tax sharing system.

(21) Adoption of Accounting Treatment and Disclosure Under Group Tax Sharing System

SuMi TRUST Holdings and some of its consolidated subsidiaries in Japan have shifted from the consolidated taxation system to the group tax sharing system effective from the current fiscal year. In accordance with this change, the treatment of accounting and disclosure of corporate taxes, local corporate taxes, and tax effect accounting under the group tax sharing system are in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No.42, August 12, 2021, "ASBJ PITF No.42"). In accordance with Paragraph 32 (1) of ASBJ PITF No.42, the change in accounting policy resulting from the adoption of ASBJ PITF No.24 is not expected to have any effect on the consolidated financial statements.

## Significant Accounting Estimates

### 1. Estimates of Allowance for Loan Losses

(1) The Amounts Recorded in the Consolidated Financial Statements during the Fiscal Year Ended March 31, 2023 and 2022:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | **2023** | 2022 | **2023** |
| Allowance for Loan Losses | **¥ 129,998** | ¥ 163,369 | **$ 973** |

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

SuMi TRUST Bank assigns each borrower a "classification" in accordance with the borrower's solvency based on their financial conditions, funding stability, profitability, and others whenever there is disclosure of financial results or an event with an impact on the borrower's creditworthiness. SuMi TRUST Bank measures allowance for loan losses based on the "classification" assigned and transaction conditions of collateral and other factors. When deriving the "classification," quantitative as well as qualitative factors are taken into consideration.

Definition of each classification is as follows:

| Classification | Definitions |
|---|---|
| Normal borrowers | Borrowers with good earnings performances and no significant financial problems |
| Borrowers requiring caution | Close monitoring is required due to sluggish/unstable business, financial problems, or problems with meeting loan terms and conditions such as reduction of interest rate and suspended payments |
| Substandard borrowers | Obligors with loans that are more than three months past due or with restructured loans within the "Borrowers Requiring Caution" category |
| Possibly bankrupt borrowers | Experiencing business difficulties, making insufficient progress in restructuring and highly likely to go bankrupt |
| Virtually bankrupt borrowers | Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely |
| Bankrupt borrowers | Legally or formally bankrupt |

The standard for allowances for loan losses for each classification is as follows:

| Classification | Standards for allowances for loan losses |
|---|---|
| Normal borrowers | The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past one year. |
| Borrowers requiring caution and Substandard borrowers | The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios or bankruptcy ratios during a certain period on the basis of historical loan losses or bankruptcy losses over the past three years.<br>For some 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"). |
| Possibly bankrupt borrowers | The 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.<br>For some 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"). |
| Virtually bankrupt borrowers and Bankrupt borrowers | The allowance is provided based on the amount of claims, net of the expected amount of recoveries from collateral and guarantees.<br>For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, the 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. |

For normal borrowers, borrowers requiring caution and substandard borrowers, changes in the loan loss ratios, etc. have an impact on the allowance for loan losses. For possibly bankrupt borrowers, virtually bankrupt borrowers, and bankrupt borrowers, changes in the amount expected to be collected through the disposal of collateral or execution of guarantees have a significant impact on the allowance for loan losses.

(3) Adjustments of Expected Credit Losses Considering the Future Forecast

SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. estimate the impact on credit risks that have not yet been reflected in the financial information and historical loan-loss ratios, etc. of the borrowers and make necessary adjustments to expected future credit losses, considering the impact of the changes in the current economic environment on the future business performance and funding of borrowers.

(Fiscal year ended March 31, 2022)

SuMi TRUST Bank identified industries that may have been affected by downturn of business performance due to the spread of COVID-19 and the international situation surrounding Ukraine, and other factors. An "additional allowance for loan losses based on the method considering future forecast" ("special allowance") has been recognized for certain credits in the industries.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. identified industries that may have been affected by downturn of business performance due to the spread of COVID-19. Special allowance is recognized for certain credit in the industries by estimating the credit losses expected in the future, assuming that internal ratings would be downgraded to some extent depending on the degree of prospects for recovery.

(Fiscal year ended March 31, 2023)

SuMi TRUST Bank has determined that concerns over worsening future business performance and funding of borrowers caused directly by COVID-19 and the international situation surrounding Ukraine, and other factors have diminished.

On the other hand, in the current economic environment, there are signs of economic slowdown overseas, mainly in Europe and the United States, due to high inflation and monetary tightening. In Japan, rising prices are weighing on personal consumption. The financial markets are also in a phase of significant change with expanding yields volatility on 10-year government bonds and dollar-yen exchange rate.

Against the backdrop of the significant changes in the economic environment described above, SuMi TRUST Bank is reconsidering its credit management policy for credit risk management. Based on this, SuMi TRUST Bank selects "borrowers that contain the possibility of incurring credit cost due to changes in the business environment," and strengthens monitoring of such borrowers.

Considering this, SuMi TRUST Bank reconsidered the credit risk applicable to the special allowance and recorded a special allowance for the credit of the above-mentioned borrowers to reflect credit risk not yet reflected in the financial information and historical loan-loss ratios, etc. of the borrowers.

The specific calculation methods are as follows:

1. Predict the future transition of internal ratings based on quantitative information, etc., assuming the degree of deterioration in future credit risk for each internal rating of selected borrowers.
2. Recognize special allowance by estimating credit losses expected in the future, assuming the transition of internal rating as described above.

On the other hand, Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. re-evaluated the special allowance based on the same method as of the fiscal year ended March 31, 2022, since its business and borrowers have different attributes and that some of its borrowers are still suffering the effects of deteriorating business performance due to the spread of COVID-19.

The special allowance recorded based on the above is as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | **2023** | 2022 | **2023** |
| Adjustments for the impact of the prolonged outbreak of COVID-19 | | | |
| SuMi TRUST Bank | ¥ —(*) | ¥ 16,481 | $ —(*) |
| Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. | **2,963** | 4,541 | **22** |
| Adjustments based on the credit risk information in the credit management policy which is revised in light of environmental changes | | | |
| SuMi TRUST Bank | **16,539** | — | **124** |
| **Total** | **¥ 19,503** | ¥ 21,022 | **$ 146** |

(*)SuMi TRUST Bank has determined that concerns over deterioration of the future business performance and funding of borrowers, which are directly caused mainly by the prolonged epidemic of COVID-19, have diminished; therefore, no adjustments were made to the expected credit losses as a result of this impact.

There is a high level of uncertainty about the assumptions used to recognize a special allowance, and the consolidated financial statements can be significantly affected if there is a change in the impact on the business performance and funding of borrowers due to the change in economic environment.

## 2. Estimates of Retirement Benefit Obligations

(1) The Amounts Recorded in the Consolidated Financial Statements during the Fiscal Year Ended March 31, 2023 and 2022:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | **2023** | 2022 | **2023** |
| Retirement Benefit Obligations | **¥ 382,087** | ¥ 423,883 | **$ 2,861** |

The amounts of assets for retirement benefits and liabilities for retirement benefits recorded in the consolidated financial statements for the fiscal year ended March 31, 2023 were ¥232,625 million (U.S. $1,742 million) and ¥13,720 million (U.S. $103 million), respectively. The net amount of ¥218,904 million (U.S. $1,639 million) was calculated by deducting plan assets of ¥600,992 million (U.S. $4,500 million) from retirement benefit obligations of retirement benefit plans with and without plan assets of ¥368,367 million (U.S. $2,758 million) and ¥13,720 million (U.S. $103 million), respectively.

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

Retirement benefit obligations, plan assets, and retirement benefit expenses are calculated based on assumptions used in actuarial calculation. These assumptions include discount rate, expected long-term rate of return on plan assets, employee turnover rate, and mortality rate.

Major assumptions used in actuarial calculation are as follows:

| Discount rate | Expected long-term rate of return on plan assets |
|---|---|
| Mainly 1.2% | 3.6% |

SuMi TRUST Bank, which accounts for 94.2% of asset retirement obligations of SuMi TRUST Group, has set a discount rate based on the interest rates of high-quality domestic corporate bonds whose maturities are equal to the expected period up to the payment of salaries in the future.

The expected long-term rate of return on plan assets is determined by evaluating the historical results of operation and the expected interest rate in the future. The expected

long-term rate of return on plan assets is the weighted average rate of expected long-term rates of return on plan assets by groups of investment assets such as stocks and bonds.

(3) Impact of Changes in Assumptions on the Consolidated Financial Statements

The assumptions described in (2) will have a significant impact on retirement benefit obligations and retirement benefit expenses. The impacts on the consolidated financial statements when each of the discount rate and the expected long-term rate of return on plan assets of SuMi TRUST Bank changes by 0.5% are as follows:

| | Impact on retirement benefit expenses | Impact on retirement benefit obligations |
|---|---|---|
| Discount rate: | | |
| 0.5% decrease | ¥2,100 million increase | ¥27,489 million increase |
| 0.5% increase | ¥1,884 million decrease | ¥24,504 million decrease |
| Expected long-term rate of return on plan assets: | | |
| 0.5% decrease | ¥2,953 million increase | — |
| 0.5% increase | ¥2,953 million decrease | — |

### 3. Impairment of Fixed Assets

(1) The Amount Recorded during the Fiscal Year Ended March 31, 2023

SuMi TRUST Bank has been proceeding with a development project aimed at introducing a new accounting system for overseas components (the "System") for the purpose of maintaining and expanding overseas business, However, SuMi TRUST Bank has decided to change the renewal plan that assumes the introduction of the comprehensive package system currently under development, and to consider a new renewal plan that assumes the introduction of an alternative system for each service line. SuMi TRUST Bank has determined that some service lines of the System are abandoned or expected to have no use in the future because it is difficult to continue business with the System.

SuMi TRUST Bank has considered that there are impairment loss indicators as the decision falls under (2) Identification of Impairment Indicators described below, "when there is a change in the usage for the asset group that significantly reduces the recoverable amount."

As a result, some service lines of the System are expected to have no use in the future; therefore, the recoverable amount is zero, and an impairment loss of ¥15,904 million (U.S. $ 119 million) was recorded for the carrying amounts of the software in the target business areas, which occupy the majority of the development of the System.

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

(Identification of Impairment Indicators)

SuMi TRUST Holdings identifies an impairment indicator when an asset group falls under any of the following criteria. For assets that are not expected to be used, individual assets are subject to assessment:

- When gains and losses or cash flow from operating activities continues to be negative, or is expected to continue to be negative;
- When there is a change in the usage for the asset group that significantly reduced the recoverable amount;
- When the business environment in relation to the asset group has significantly deteriorated or is expected to deteriorate; and
- When the market price of the asset group decreased significantly.

(Recognition and Measurement of Impairment Losses)

For asset groups with indications of impairment, SuMi TRUST Bank determines whether impairment losses should be recognized by comparing the total undiscounted future cash flows with the asset's carrying amount. If the total amount of the cash flows is less than the carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized.

## Changes in Accounting Policies

### Application of Implementation Guidance on Accounting Standard for Fair Value Measurement

SuMi TRUST Holdings has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan Guidance No.31, June 17, 2021, hereinafter referred to as the "Guidance for Application of Fair Value Measurement") since the beginning of the current fiscal year ended March 31, 2023. In accordance with the transitional treatment specified in Paragraph 27-2 of the Guidance for Application of Fair Value Measurement, SuMi TRUST Holdings has applied the new accounting policy stipulated by the Guidance on the Standard for Fair Value Measurement prospectively. Thus, some of the investment trusts, which were previously stated at the acquisition cost on the consolidated balance sheet,

are now measured at fair value based on factors, such as the net asset value.

As a result, Securities, Valuation Differences on Available-for-Sale Securities, and Deferred Tax Liabilities as of March 31, 2023, increased by ¥7,590 million, ¥5,266 million, and ¥2,324 million, respectively. The effect of this change on per share information for the current fiscal year ended March 31, 2023, is immaterial.

Information on investment trusts for the fiscal year ended March 31, 2022, is not presented in "Fair Values of Financial Instruments and Breakdown by Input Level" in the note for "Financial Instruments" in accordance with the measures specified in Paragraph 27-3 of the Guidance for Application of Fair Value Measurement.

## New Accounting Standards and Interpretations Not Yet Adopted

The following standard and guidance were issued but not yet adopted.

- Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022)
- Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022)
- Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022)

(1) Overview

The above standards and guidance provide the treatments for classification of income taxes when taxed on other comprehensive income and the tax effect on sales of shares of subsidiaries, etc. when the Group tax sharing system is applied.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2025.

(3) Effects of the application of the standards

SuMi TRUST Holdings is currently in the process of determining the effects of the new standards and guidance on the consolidated financial statements.

## Additional Information

### Share Delivery Trust for the Directors

#### 1. Overview

A Performance-Based Stock Compensation System (the"System") was introduced that utilizes a trust, and applies to SuMi Trust Holdings' directors (excluding directors who are Audit Committee members and external directors) and executive officers (as defined in the Companies Act and as defined in SuMi Trust Holdings' internal policies), and the directors (excluding directors who are Audit and Supervisory Committee members and external directors) and executive officers (as defined in the internal policies) of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management Co., Ltd. ("SuMi TRUST AM"), which are core companies of SuMi TRUST Group. The above-mentioned directors and executive officers of SuMi TRUST Holdings, SuMi TRUST Bank, and SuMi TRUST AM are collectively referred to as the "Directors."

Under the System, a portion of the remuneration of the Directors is linked to performance targets set out in SuMi TRUST Holdings' current Midterm Management Plan. By paying part of the remuneration for Directors in shares, the linkage between the remuneration of the Directors and the performance of SuMi TRUST Group becomes clearer, and the Directors share the same benefits and risks of share price fluctuations with the shareholders. Through these initiatives, the System is designed to heighten the Director's attention to enhancement of medium- and long-term business performance and the corporate value of SuMi TRUST Group.

SuMi TRUST Holdings contributes money to a trust set up under the System, and the trust acquires shares of SuMi TRUST Holdings. The Directors are awarded points based on the Shares Delivery Rules established individually by SuMi TRUST Holdings, SuMi TRUST Bank, and SuMi TRUST AM, and the number of shares of SuMi TRUST Holdings corresponding to the points granted are issued to the Directors through the trust.

#### 2. Remaining Number of Shares of SuMi TRUST Holdings Held by the Trust

The carrying amount and the number of shares of SuMi TRUST Holdings held by the Trust as of March 31, 2023 and 2022, were ¥1,272 million (U.S. $10 million) and 371 thousand shares, and ¥1,344 million and 392 thousand shares, respectively. The shares are recorded as treasury stock in the net assets section of the consolidated balance sheet as of March 31, 2023.

### RS Trust for Employees

#### 1. Overview

SuMi TRUST Holdings introduced RS Trust (a system to deliver Restricted Stocks ("RS") using the framework of a share delivery trust, the "System") as an incentive plan for the employees of SuMi TRUST Bank.

The purpose of the System is that SuMi TRUST Holdings boosts investment in human capital, which plays an essential role in creating social and economic value and enhances the corporate value of SuMi TRUST group through contribution to our clients and society and creation of new value.

SuMi TRUST Holdings contributes money to a trust set up under the System, and the trust acquires shares of SuMi TRUST Holdings. Employees are awarded points based on the Shares Delivery Rules established individually by SuMi TRUST Bank and the number of shares of SuMi TRUST Holdings corresponding to the points granted are issued to Employees through the trust. However, such shares shall be subject to restrictions on transfers to each employee until their retirement.

### 2. Remaining Number of Shares of SuMi TRUST Holdings Held by the Trust

The carrying amount and the number of shares of SuMi TRUST Holdings held by the Trust as of March 31, 2023, were ¥1,386 million (U.S. $10 million) and 324 thousand shares. The shares are recorded as treasury stock in the net assets section of the consolidated balance sheet as of March 31, 2023.

## Notes to the Consolidated Balance Sheet

### 1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Securities in Trading Account | ¥ 2,904 | ¥ 5,018 | $ 22 |
| Derivatives of Trading Securities | 14 | 47 | 0 |
| Derivatives of Securities Related to Trading Transactions | 880 | 25 | 7 |
| Trading-Related Financial Derivatives | 1,447,810 | 954,675 | 10,842 |
| Other Trading Assets | 62,992 | 7,799 | 472 |
| Total | ¥ 1,514,603 | ¥ 967,565 | $11,342 |

(2) Trading liabilities as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Derivatives of Securities Related to Trading Transactions | ¥ 20 | ¥ 617 | $ 0 |
| Trading-Related Financial Derivatives | 1,472,616 | 906,069 | 11,028 |
| Total | ¥1,472,636 | ¥ 906,686 | $11,028 |

### 2. Securities

Securities held as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Government Bonds | ¥ 1,549,273 | ¥ 2,839,688 | $ 11,602 |
| Local Government Bonds | 38,117 | 33,919 | 285 |
| Corporate Bonds | 722,507 | 730,020 | 5,410 |
| Stocks | 1,358,476 | 1,511,056 | 10,173 |
| Other Securities | 3,264,691 | 2,764,551 | 24,447 |
| Total | ¥ 6,933,067 | ¥ 7,879,235 | $ 51,918 |

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

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Stocks | ¥ 203,838 | ¥ 220,307 | $ 1,526 |
| Equity Investments | 215,635 | 25,839 | 1,615 |

Securities borrowed under unsecured loan agreements and securities purchased under resale agreements or borrowed with cash collateral that SuMi TRUST Holdings has a right to freely sell or repledge, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Securities that are Further Collateralized | ¥ 111,102 | ¥ 149,251 | $ 832 |
| Securities that are Further Loaned | 750,675 | 1,069,208 | 5,621 |
| Securities Held without Selling or Repledging as of the End of the Fiscal Year | — | 662 | — |

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 ¥64,346 million (U.S. $482 million) and ¥65,058 million as of March 31, 2023 and 2022, respectively.

### 3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Bills Discounted | ¥ 504 | ¥ 451 | $ 4 |
| Loans on Bills | 183,976 | 170,626 | 1,378 |
| Loans on Deeds | 30,005,242 | 29,142,560 | 224,691 |
| Overdrafts | 1,621,203 | 1,562,868 | 12,140 |
| Total | ¥ 31,810,926 | ¥ 30,876,507 | $ 238,213 |

Bills discounted are treated as financial transactions in accordance with Guidance 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 ¥504 million (U.S. $4 million) and ¥451 million as of March 31, 2023 and 2022, respectively.

Loans in accordance with the Banking Act and the Act on Emergency Measures for Revitalization of the Financial Functions are presented below. Loans include corporate bonds in "securities" (limited to those issued in private placement of securities prescribed in Section 3 of Paragraph 2 in the Financial Instruments and Exchange Act, and those with wholly or partially guaranteed redemption of the principal and payment of the interest), loans and bills discounted, foreign exchanges, interest receivables, suspense payments, and customers' liabilities for acceptances and guarantees in "other assets" presented in the consolidated balance sheet, and securities loaned (limited to those under a loan for use or lease contract) provided in the notes, etc.

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Bankrupt and Practically Bankrupt Loans | ¥ 11,383 | ¥ 20,585 | $ 85 |
| Doubtful Loans | 97,246 | 130,069 | 728 |
| Loans Past Due Three Months or More | — | — | — |
| Restructured Loans | 43,335 | 69,474 | 325 |
| Total | ¥ 151,965 | ¥ 220,130 | $ 1,138 |

Bankrupt and practically bankrupt loans are those loans that have fallen into bankruptcy due to certain reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings and quasi-loans.

Doubtful loans are those loans with a strong likelihood that loan principals cannot be recovered and interest cannot be received according to the contract because of difficulties in the financial conditions and business performance of debtors who are not yet legally bankrupt, excluding those loans classified as bankrupt and practically bankrupt loans.

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 bankrupt and practically bankrupt loans and doubtful 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 bankrupt and practically bankrupt loans, doubtful loans or loans past due three months or more.

The above loans are presented at the amounts prior to deduction of allowances for loan losses.

## 4. Assets Pledged

Assets pledged as collateral as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Assets Pledged as Collateral: | | | |
| Securities | ¥ 2,070,297 | ¥ 3,365,225 | $ 15,503 |
| Loans and Bills Discounted | 4,698,263 | 4,728,724 | 35,182 |
| Lease Receivables and Investment Assets | 46,602 | 54,956 | 349 |
| Other Assets | 34,323 | 60,425 | 257 |
| Total | ¥ 6,849,487 | ¥ 8,209,331 | $ 51,292 |
| Corresponding Liabilities to Assets Pledged as Collateral: | | | |
| Deposits | ¥ 16,561 | ¥ 21,788 | $ 124 |
| Payables under Repurchase Agreements | 485,939 | 527,313 | 3,639 |
| Borrowed Money | 4,521,315 | 5,739,492 | 33,857 |

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 |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Securities | ¥ 382,875 | ¥ 499,469 | $ 2,867 |

"Other Assets" include initial margins of futures, security deposits and cash collateral pledged for financial instruments. Such amounts are as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Initial Margins of Futures Markets | ¥ 62,410 | ¥ 73,569 | $ 467 |
| Security Deposits | 22,979 | 27,062 | 172 |
| Cash Collateral Pledged for Financial Instruments-Assets | 967,493 | 1,025,240 | 7,245 |

## 5. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and commitment lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amounts of unused credit under such agreements were ¥13,536,015 million (U.S. $101,363 million) and ¥12,757,371 million, of which ¥8,786,731 million (U.S. $65,798 million) and ¥8,558,906 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2023 and 2022, 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, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Land | ¥ 129,849 | ¥ 130,367 | $ 972 |
| Buildings | 71,015 | 72,726 | 532 |
| Lease Assets | 4,665 | 4,798 | 35 |
| Construction in Progress | 525 | 110 | 4 |
| Other | 16,532 | 16,532 | 124 |
| Total | ¥ 222,588 | ¥ 224,535 | $ 1,667 |

Accumulated depreciation amounted to ¥190,895 million (U.S. $1,429 million) and ¥183,619 million, and advance depreciation amounted to ¥25,882 million (U.S. $194 million) and ¥25,882 million as of March 31, 2023 and 2022, respectively.

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SuMi TRUST Bank was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation was calculated by reasonably adjusting the value of land based on the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998) and the land assessments under Item 4 of Article 2 of the same Order.

## 7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Software | ¥ 104,247 | ¥ 91,133 | $ 781 |
| Goodwill | 21,726 | 29,510 | 163 |
| Other | 4,995 | 5,024 | 37 |
| Total | ¥ 130,969 | ¥ 125,667 | $ 981 |

## 8. Other Assets

Other assets as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Domestic Exchange Settlement Account, Debit | ¥ 862 | ¥ 1,029 | $ 6 |
| Prepaid Expenses | 9,623 | 8,257 | 72 |
| Accrued Income | 188,090 | 159,422 | 1,408 |
| Initial Margins of Futures Markets | 62,410 | 73,569 | 467 |
| Variation Margins of Futures Markets | 4,090 | 1,440 | 31 |
| Financial Derivatives Other Than Trading Assets | 1,739,326 | 1,500,703 | 13,025 |
| Receivables for Securities Transactions | 213,860 | 85,353 | 1,601 |
| Cash Collateral Pledged for Financial Instruments-Assets | 967,493 | 1,025,240 | 7,245 |
| Other | 653,802 | 499,316 | 4,896 |
| Total | ¥ 3,839,561 | ¥ 3,354,333 | $ 28,752 |

## 9. Deposits

Deposits as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Current Deposits, Ordinary Deposits, Saving Deposits and Deposits at Notice | ¥ 10,789,670 | ¥ 9,482,500 | $ 80,797 |
| Time Deposits | 23,605,454 | 22,952,755 | 176,767 |
| Other | 992,162 | 794,906 | 7,430 |
| Total | ¥ 35,387,287 | ¥ 33,230,162 | $ 264,994 |

## 10. Borrowed Money

Borrowed money as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Subordinated Borrowings | ¥ 15,000 | ¥ 15,000 | $ 112 |
| Other Borrowed Money | 6,024,543 | 7,138,498 | 45,114 |
| Total | ¥ 6,039,543 | ¥ 7,153,498 | $ 45,226 |

Weighted average interest rates on borrowed money were 0.42% and 0.10% for the fiscal years ended March 31, 2023 and 2022, respectively.

Annual maturities of borrowed money as of March 31, 2023, for the next five years are as follows:

| | Millions of Yen | Millions of U.S. Dollars |
|---|---|---|
| Fiscal Years Ending March 31 | 2023 | 2023 |
| 2024 | ¥ 1,370,513 | $ 10,263 |
| 2025 | 2,480,428 | 18,574 |
| 2026 | 1,280,939 | 9,592 |
| 2027 | 64,322 | 482 |
| 2028 | 174,526 | 1,307 |
| Total | ¥ 5,370,729 | $ 40,218 |

## 11. Bonds Payable

Bonds payable as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Perpetual Subordinated Bonds | ¥ 270,000 | ¥ 286,100 | $ 2,022 |
| Subordinated Bonds | 392,997 | 472,996 | 2,943 |
| Other Bonds Payable | 1,838,763 | 1,317,508 | 13,769 |
| Total | ¥ 2,501,760 | ¥ 2,076,604 | $ 18,734 |

Annual maturities of bonds payable as of March 31, 2023, for the next five years are as follows:

| | Millions of Yen | Millions of U.S. Dollars |
|---|---|---|
| Fiscal Years Ending March 31 | 2023 | 2023 |
| 2024 | ¥ 2,833,248 | $ 21,216 |
| 2025 | 322,080 | 2,412 |
| 2026 | 540,620 | 4,048 |
| 2027 | 374,925 | 2,808 |
| 2028 | 312,740 | 2,342 |
| Total | ¥ 4,383,613 | $ 32,826 |

## 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, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Domestic Exchange Settlement Account, Credit | ¥ 723 | ¥ 841 | $ 5 |
| Income Taxes Payable | 13,347 | 19,617 | 100 |
| Accrued Expenses | 111,781 | 64,726 | 837 |
| Unearned Income | 88,445 | 90,859 | 662 |
| Variation Margins of Futures Markets | 1,923 | 7,414 | 14 |
| Financial Derivatives Other Than Trading Liabilities | 1,933,195 | 1,574,196 | 14,477 |
| Lease Obligations | 12,930 | 12,632 | 97 |
| Asset Retirement Obligations | 3,832 | 3,881 | 29 |
| Payables for Securities Transactions | 209,650 | 65,626 | 1,570 |
| Provision for Loss on Interest Repayment | 38 | 39 | 0 |
| Cash Collateral Accepted for Financial Instruments-Liabilities | 450,879 | 240,455 | 3,376 |
| Other | 211,363 | 232,036 | 1,583 |
| Total | ¥ 3,038,112 | ¥ 2,312,326 | $ 22,751 |

### 14. Other Assets and Liabilities related to Revenue Recognition

The amounts of receivables from contracts with customers and the amounts of contract liabilities recognized in other assets and other liabilities, respectively, are presented in "Revenue Recognition, 2. Information Related to Contract Balance."

## Notes to the Consolidated Statement of Income

### 1. Revenue from Contracts with the Customers

Income is not classified into revenues from contracts with customers and other revenue. The amount of revenues from contracts with customers is presented in "Revenue Recognition, 1.Information Related to Disaggregation of Revenue from Contracts with Customers for the Fiscal Year Ended March 31, 2023 and 2022."

### 2. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Interest on Monetary Claims Bought | ¥ 2,495 | ¥ 2,438 | $ 19 |
| Others | 21,279 | 1,741 | 159 |
| Total | ¥ 23,775 | ¥ 4,179 | $ 178 |

(2) Other interest expenses for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Interest on Interest Rate Swaps | ¥ 85,031 | ¥ 22,553 | $ 637 |
| Others | 23,001 | 22,105 | 172 |
| Total | ¥ 108,032 | ¥ 44,658 | $ 809 |

## 3. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Net Income from Trading Securities and Derivatives | ¥ — | ¥ 268 | $ — |
| Net Income from Trading Transactions | 15,548 | 812 | 116 |
| Net Income from Trading-Related Financial Derivatives Transactions | — | 12,315 | — |
| Other Trading Income | 60 | 57 | 0 |
| Total | ¥ 15,608 | ¥ 13,453 | $ 117 |

(2) Trading expenses for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Net Expenses on Trading Securities and Derivatives | ¥ 149 | ¥ — | $ 1 |
| Net Expenses on Trading-Related Financial Derivatives Transactions | 5,035 | — | 38 |
| Total | ¥ 5,184 | ¥ — | $ 39 |

## 4. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Net Gains on Foreign Exchange Transactions | ¥ 199,670 | ¥ 23,642 | $ 1,495 |
| Gains on Sales and Redemption of Bonds | 4,783 | 15,544 | 36 |
| Net Income from Derivatives Other Than for Trading or Hedging | 1,093 | 17,850 | 8 |
| Others | 262,754 | 279,559 | 1,968 |
| Total | ¥ 468,302 | ¥ 336,597 | $ 3,507 |

(2) Other ordinary expenses for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Losses on Sales and Redemption of Bonds | ¥ 29,871 | ¥ 32,707 | $ 224 |
| Others | 243,107 | 258,779 | 1,820 |
| Total | ¥ 272,978 | ¥ 291,487 | $ 2,044 |

## 5. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Gains on Sales of Stocks and Other Securities | ¥ 88,161 | ¥ 94,042 | $ 660 |
| Gains on Money Held in Trust | 87 | 132 | 1 |
| Recoveries of Written-Off Claims | 1,123 | 1,633 | 8 |
| Equity in Earnings of Affiliated Companies | 18,102 | 15,531 | 136 |
| Gains on Disposal of Fixed Assets | 313 | 545 | 2 |
| Others (Note) | 21,978 | 8,847 | 165 |
| Total | ¥ 129,767 | ¥ 120,731 | $ 972 |

(Note) In the fiscal year ended March 31, 2023, "Others" include gains on sales of investments in subsidiaries and affiliated companies (stocks) of ¥4,667 million (U.S. $35 million).

(2) Other expenses for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Provision for Allowance for Loan Losses | ¥ 1,547 | ¥ 37,688 | $ 12 |
| Losses on Sales of Loans | — | 5 | — |
| Write-Off of Loans | 9,742 | 5,461 | 73 |
| Losses on Sales of Stocks and Other Securities | 83,439 | 131,436 | 625 |
| Losses on Impairment of Stocks and Other Securities | 1,642 | 943 | 12 |
| Losses on Money Held in Trust | 158 | 390 | 1 |
| Losses on Disposal of Fixed Assets | 1,246 | 780 | 9 |
| Losses on Impairment of Fixed Assets (Note) | 18,187 | 1,468 | 136 |
| Losses on Investment in Partnerships | 9,731 | 4,770 | 73 |
| Others | 14,162 | 22,592 | 106 |
| Total | ¥ 139,857 | ¥ 205,536 | $ 1,047 |

(Note) For the purpose of maintaining and expanding overseas business, SuMi TRUST Bank has been proceeding with a development project aimed at introducing a new accounting system for overseas components (the "System"). However, SuMi TRUST Bank has decided to change the renewal plan that assumes the introduction of the comprehensive package system currently under development, and to consider a new renewal plan that assumes the introduction of an alternative system for each business area.

Regarding the System developed so far, impairment losses are recorded for the business areas in which the use of the System has been abandoned or deemed difficult to continue operations through its use, as the investment amount is not expected to be recovered.

The impairment losses recognized as a result of the above were ¥15,904 million (U.S. $119 million) for software, and the entire impairment losses including those were ¥18,187 million (U.S. $136 million), which include impairment losses of tangible fixed assets of ¥222 million (U.S. $2 million) and those of software of ¥17,964 million (U.S. $135 million).

The recoverable amounts of software described above are measured at zero as it is not expected to be used in the future. For assets that are not expected to be used, individual assets are considered as one group.

## 6. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Taxes Other Than Income Taxes | ¥ 14,340 | ¥ 13,768 | $ 107 |
| Personnel Expenses | 210,685 | 199,902 | 1,578 |
| Others | 235,310 | 221,896 | 1,762 |
| Total | ¥ 460,336 | ¥ 435,567 | $ 3,447 |

## 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, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Valuation Difference on Available-for-Sale Securities: | | | |
| Changes during the Period | ¥ (46,896) | ¥ (124,092) | $ (351) |
| Reclassification Adjustments | 21,399 | 59,221 | 160 |
| Before Tax Effects | (25,497) | (64,871) | (191) |
| Tax Effects | 7,824 | 17,932 | 59 |
| Valuation Difference on Available-for-Sale Securities | (17,672) | (46,938) | (132) |
| Deferred Gains (Losses) on Hedges: | | | |
| Changes during the Period | (37,042) | (22,365) | (277) |
| Reclassification Adjustments | 27,291 | 22,552 | 204 |
| Before Tax Effects | (9,751) | 186 | (73) |
| Tax Effects | 2,998 | (51) | 22 |
| Deferred Gains (Losses) on Hedges | (6,753) | 135 | (51) |
| Foreign Currency Translation Adjustments: | | | |
| Changes during the Period | 8,584 | 4,210 | 64 |
| Reclassification Adjustments | (0) | (165) | (0) |
| Before Tax Effects | 8,584 | 4,045 | 64 |
| Tax Effects | — | — | — |
| Foreign Currency Translation Adjustments | 8,584 | 4,045 | 64 |
| Remeasurements of Defined Benefit Plans: | | | |
| Changes during the Period | 24,312 | (55,822) | 182 |
| Reclassification Adjustments | 3,822 | 414 | 29 |
| Before Tax Effects | 28,135 | (55,407) | 211 |
| Tax Effects | (8,618) | 16,736 | (65) |
| Remeasurements of Defined Benefit Plans | 19,517 | (38,671) | 146 |
| Share of Other Comprehensive Income of Equity-Method Affiliated Companies: | | | |
| Changes during the Period | 371 | 2,079 | 3 |
| Reclassification Adjustments | 2,443 | (27) | 18 |
| Share of Other Comprehensive Income of Equity-Method Affiliated Companies | 2,814 | 2,052 | 21 |
| Total Other Comprehensive Income (Loss) | ¥ 6,489 | ¥ (79,377) | $ 49 |

## 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, 2023 and 2022, 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, 2023 | | | | | |
| Number of Issued Shares: | | | | | |
| Common Share | 850,000 | 375,291 | — | 7,119 | 368,172 |
| Treasury Stock: | | | | | |
| Common Share | | 716 | 11,368 | 7,156 | 4,928 |

(Notes)

1) The number of shares of common stock decreased by 7,119 thousand shares due to the retirement.

2) The breakdown of the number of shares of common stock held as treasury stock increased by 11,368 thousand shares is as follows.

- Increased by 5 thousand shares due to the purchase of odd-lot or less than one hundred shares.
- Increased by 7,119 thousand shares due to the purchase of treasury stock which is resolved at Board of Directors' Meeting held on February 24, 2022 and July 28, 2022.
- Increased by 3,919 thousand shares due to the purchase of treasury stock which is resolved at Board of Directors' Meeting held on February 27, 2023.
- Increased by 324 thousand shares due to the purchase under RS Trust system for employees.

3) The breakdown of the number of shares of common stock held as treasury stock decreased by 7,156 thousand shares is as follows.

- Decreased by 0 thousand shares due to purchase requests of odd-lot or less than one hundred shares.
- Decreased by 16 thousand shares due to the transfer of shares upon exercise of stock option rights.
- Decreased by 20 thousand shares due to the sales under the share delivery trust for the Directors system.
- Decreased by 7,119 thousand shares due to the retirement.

4) The number of shares of common stock held as treasury stock at the end of the fiscal year include 695 thousand shares of SuMi TRUST Holdings held by share delivery trust for the Directors and RS Trust for employee. The decrease in the number of shares of common stock with regard to share delivery trust for the Directors is 20 thousand shares, and the increase in that of common stock with regard to RS Trust for employees is 324 thousand shares as of March 31, 2023.

| | 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, 2022 | | | | | |
| Number of Issued Shares: | | | | | |
| Common Share | 850,000 | 375,291 | — | — | 375,291 |
| Treasury Stock: | | | | | |
| Common Share | | 745 | 5 | 34 | 716 |

(Notes)
1) The number of shares of common stock held as treasury stock increased by 5 thousand shares due to the purchase of odd lot or less than one hundred shares.
2) The number of shares of common stock held as treasury stock decreased by 0 thousand shares due to purchase requests for odd-lot or less than one hundred shares, 4 thousand shares due to transfer of shares upon exercise of stock option rights, and 29 thousand shares due to the sales under the share delivery trust for the Directors system.
3) The number of shares of common stock held as treasury stock at the end of the fiscal year include 392 thousand shares of SuMi TRUST Holdings held by share delivery trust for the Directors. The decrease in the number of shares of common stock with regard to share delivery trust for the Directors is 29 thousand shares as of March 31, 2022.

## 2. Subscription Rights to Shares

Subscription rights to shares for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|---|
| | | 2023 | 2022 | 2023 |
| SuMi TRUST Holdings | Subscription Rights to Shares as Stock Options | ¥ 945 | ¥ 1,006 | $ 7 |

## 3. Dividends

Dividends paid for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

As for the fiscal year ended March 31, 2023:

| 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 23, 2022 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 33,747 ($253) | Retained Earnings | ¥ 90.00 ($0.67) | March 31, 2022 | June 24, 2022 |

| 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 |
|---|---|---|---|---|---|---|
| November 11, 2022 | | | | | | |
| Board of Directors' Meeting | Common Share | ¥ 36,785 ($275) | Retained Earnings | ¥100.00 ($0.75) | September 30, 2022 | December 2, 2022 |

(Notes)
1) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 23, 2022 include ¥35 million (U.S. $0.3 million) of dividends for treasury stock held by the share delivery trust for the Directors.
2) Cash dividends declared at the Board of Directors' Meeting held on November 11, 2022 include ¥37 million (U.S. $0.3 million) of dividends for treasury stock held by the share delivery trust for the Directors.

Dividends with a record date during the current fiscal year ended March 31, 2023, but whose effective date is after March 31, 2023, 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 23, 2023 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 40,033 ($300) | Retained Earnings | ¥110.00 ($0.82) | March 31, 2023 | June 26, 2023 |

(Note) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 23, 2023 include ¥76 million (U.S. $0.6 million) of dividends for treasury stock held by the share delivery trust for the Directors and RS Trust for employee.

As for the fiscal year ended March 31, 2022:

| 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 23, 2021 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 28,122 | Retained Earnings | ¥ 75.00 | March 31, 2021 | June 24, 2021 |

| 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 |
|---|---|---|---|---|---|---|
| November 11, 2021 | | | | | | |
| Board of Directors' Meeting | Common Share | ¥ 29,997 | Retained Earnings | ¥ 80.00 | September 30, 2021 | December 2, 2021 |

(Notes)

1) Cash dividends declared in the Ordinary General Meeting of Shareholders held on June 23, 2021 include ¥31 million of dividends for treasury stock held by the share delivery trust for the Directors.

2) Cash dividends declared at the Board of Directors' Meeting held on November 11, 2021 include ¥31 million of dividends for treasury stock held by the share delivery trust for the Directors.

Dividends with a record date during the fiscal year ended March 31, 2022, but whose effective date is after March 31, 2022, 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 23, 2022 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 33,747 | Retained Earnings | ¥ 90.00 | March 31, 2022 | June 24, 2022 |

(Note) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 23, 2022 include ¥35 million of dividends for treasury stock held by the share delivery trust for the Directors.

## Note to the Consolidated Statement of Cash Flows

### Reconciliation of Cash and Cash Equivalents

The following table reconciles cash and cash equivalents in the consolidated statement of cash flows and cash and due from banks in the consolidated balance sheet as of March 31, 2023 and 2022.

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Cash and Due from Banks | ¥ 21,602,473 | ¥ 18,223,364 | $ 161,768 |
| Due from Banks Held by SuMi TRUST Bank (Excluding Due from the Bank of Japan) | (2,429,835) | (2,489,713) | (18,196) |
| Cash and Cash Equivalents | ¥ 19,172,638 | ¥ 15,733,650 | $ 143,572 |

## Leases

### 1. Finance Leases

As a lessee:

Finance leases that do not transfer ownership of the lease assets to lessees

1) Description of lease assets

Tangible fixed assets

Mainly branch buildings and office equipment

2) Method for amortizing lease assets

Refer to "(4) Depreciation and Amortization Methods" of "4. Significant Accounting Policies" in the Significant Accounting Policies and Practices.

### 2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2023 and 2022, were as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Due in One Year or Less | ¥ 3,390 | ¥ 3,998 | $ 25 |
| Due in More Than One Year | 14,864 | 14,988 | 111 |
| Total | ¥ 18,254 | ¥ 18,987 | $ 137 |

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2023 and 2022, were as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Due in One Year or Less | ¥ 8,625 | ¥ 4,612 | $ 65 |
| Due in More Than One Year | 38,960 | 31,904 | 292 |
| Total | ¥ 47,586 | ¥ 36,517 | $ 356 |

## 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 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 of the Ordinance for Enforcement of the Banking Act. Some consolidated subsidiaries are also engaged in trading securities.

(2) Description and Risks of Financial Instruments

1) Trading accounts

SuMi TRUST Group deals with over-the-counter (OTC) and listed derivatives transactions related to interest rates, exchange rates, bonds, credits, and commodities, as well as trading securities. These derivatives transactions are exposed to risks associated with fluctuation in interest rates, exchange rates, prices, credit risks, and other risks.

2) Banking accounts

Financial assets of SuMi TRUST Group are primarily loans to corporations and individuals in Japan and such assets are exposed to credit risks arising from default on contracts by customers.

Securities mainly consist of stocks and bonds that are held 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 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 Group when a customer or counterparty fails to meet its contractual obligations, and such risk is generated from claims, mainly loans, bills discounted, and securities. Credit risk is the most basic financial risk related to a credit creating function. SuMi TRUST Group continuously diversifies its credit portfolios and builds up a stronger customer base by expanding its credit risk management framework further, and by meeting a new and sound demand for credit.

(a) Risk management policy on credit risk

The basic policy of SuMi TRUST Group on credit risk management calls for "a diversified credit portfolio" and "strict management for individual credits."

For the former, SuMi TRUST Group manages credit exposures of each customer based on its limited credit amount, and periodically reviews impacts of identified risks to large customers and concentration in industry sectors, including the measurement of the credit risk. SuMi TRUST Group makes efforts to mitigate credit concentration risk on a country-by-country basis by managing the diversification of the overall credit portfolio.

For the latter, SuMi TRUST Group manages individual credits through processes, such as credit screening, self-assessment, and internal credit ratings. Credit ratings indicate the credit status of customers and the possibility of defaults on a scale, and provide the basis for credit screening of individual transactions and credit portfolio management. SuMi TRUST Group continuously 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 risks by implementing internal credit ratings based on industry research and credit analysis of individual companies along with performing quantitative analysis from a neutral standpoint. SuMi TRUST Bank periodically holds a meeting of the Executive Committee and Credit Risk Committee to deliberate on material matters of controlling and managing credit risks. SuMi TRUST Bank has built up an appropriate management framework for risk management through the check-and-balance function, the committees' discussions, and the validation of the credit risk management and operation by the 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 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

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 and 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 or 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, calculating various risk management indicators, and carrying out various simulations.

VaR based on the internally developed model is calculated basically using the historical simulation method. 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 historical simulation method (with a holding period of 10 business days, confidence interval of 99%, and observation period of 1,300 business days).

As of March 31, 2023, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Trading Accounts was ¥9.1 billion (U.S. $68 million).

SuMi TRUST Group performs back testing that compares the results of VaR calculations based on its internal model with actual profits or losses. The back testing for the fiscal year ended March 31, 2023, resulted in zero 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 historical simulation method is the primary measurement method (with a holding period of a maximum of one year according to a position, confidence interval of 99%, and observation period of 1,300 business days).

As of March 31, 2023, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Banking Account was ¥753.6 billion (U.S. $5,643 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 profits or losses 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 those 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 departments, 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 liquidity management departments manage cash flow within the predetermined appropriate limits, and the liquidity management departments monitor its compliance.

(Note) The above ALM Committee has been changed to the Finance Committee due to organizational changes effective April 1, 2023.

(4) Supplementary Explanation Concerning Fair Value of Financial Instruments

Calculation of fair value of financial instruments involves certain assumptions and may vary when different assumptions are employed.

## 2. Fair Values of Financial Instruments and Breakdown by Input Level

The carrying amounts on the consolidated balance sheets and fair values of financial instruments as well as the differences between the carrying amounts on the consolidated balance sheets and fair values, and fair values by input level are presented below.

The amounts shown in the following table do not include equity securities with no market prices, and investments in partnerships (See Note 3).

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair value determined based on the (unadjusted) quoted price in an active market for the same asset or liability

Level 2: Fair value determined based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified to the lowest priority level of fair value measurement in which each input belongs to.

(1) Financial assets and liabilities at fair value on the consolidated balance sheets

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 31, 2023 | | | | Mar. 31, 2023 | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Monetary Claims Bought | ¥ — | ¥ 129,295 | ¥ — | ¥ 129,295 | $ — | $ 968 | $ — | $ 968 |
| Trading Assets | | | | | | | | |
| Trading Securities | 2,799 | 63,097 | — | 65,897 | 21 | 473 | — | 493 |
| Money Held in Trust | 2,372 | 13,663 | — | 16,036 | 18 | 102 | — | 120 |
| Securities | | | | | | | | |
| Available-for-Sale Securities | 3,184,546 | 2,732,909 | 1,292 | 5,918,748 | 23,847 | 20,465 | 10 | 44,322 |
| Stocks | 1,072,628 | — | — | 1,072,628 | 8,032 | — | — | 8,032 |
| Bonds | 1,431,999 | 744,932 | 1,292 | 2,178,224 | 10,723 | 5,578 | 10 | 16,311 |
| Government Bonds | 1,431,999 | — | — | 1,431,999 | 10,723 | — | — | 10,723 |
| Local Government Bonds | — | 38,117 | — | 38,117 | — | 285 | — | 285 |
| Short-Term Bonds Payable | — | — | — | — | — | — | — | — |
| Corporate Bonds | — | 706,815 | 1,292 | 708,107 | — | 5,293 | 10 | 5,303 |
| Other Securities | 679,918 | 1,987,976 | — | 2,667,895 | 5,091 | 14,887 | — | 19,978 |
| Foreign Stocks | 4,171 | — | — | 4,171 | 31 | — | — | 31 |
| Foreign Bonds | 655,198 | 1,163,873 | — | 1,819,071 | 4,906 | 8,716 | — | 13,622 |
| Others | 20,548 | 824,102 | — | 844,651 | 154 | 6,171 | — | 6,325 |
| Total Assets | ¥ 3,189,718 | ¥ 2,938,966 | ¥ 1,292 | ¥ 6,129,977 | $ 23,886 | $ 22,008 | $ 10 | $ 45,904 |
| Derivative Transactions (*1)(*2)(*3) | | | | | | | | |
| Interest Rate Related Transactions | ¥ 1,838 | ¥ (106,856) | ¥ 2,768 | ¥ (102,249) | $ 14 | $ (800) | $ 21 | $ (766) |
| Currency Related Transactions | — | (110,621) | — | (110,621) | — | (828) | — | (828) |
| Stock Related Transactions | (344) | — | — | (344) | (3) | — | — | (3) |
| Bond Related Transactions | (3,975) | (270) | — | (4,246) | (30) | (2) | — | (32) |
| Credit and Derivative Transactions | — | (338) | — | (338) | — | (3) | — | (3) |
| Total Derivative Transactions | ¥ (2,480) | ¥ (218,087) | ¥ 2,768 | ¥ (217,799) | $ (19) | $ (1,633) | $ 21 | $ (1,631) |

(*1) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(*2) As for derivative transactions applying hedge accounting, ¥(166,193) million (U.S. $(1,245) million) is recorded on the consolidated balance sheets as of March 31, 2023.

(*3) Derivative transactions qualifying for hedge accounting include interest rate swaps designated as hedging instruments to fix cash flows of hedged items such as loans and bills discounted, and deferred hedges have been adopted, in principle. In addition, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) has been adopted to these hedge transactions.

| | Millions of Yen | | | |
|---|---|---|---|---|
| | Mar. 31, 2022 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Monetary Claims Bought | ¥ — | ¥ 128,794 | ¥ — | ¥ 128,794 |
| Trading Assets | | | | |
| Trading Securities | 4,908 | 7,909 | — | 12,817 |
| Money Held in Trust | 1,295 | 196 | — | 1,492 |
| Securities | | | | |
| Available-for-Sale Securities | 4,493,704 | 1,789,540 | 2,130 | 6,285,375 |
| Stocks | 1,209,310 | — | — | 1,209,310 |
| Bonds | 2,722,035 | 747,409 | 2,130 | 3,471,575 |
| Government Bonds | 2,722,035 | — | — | 2,722,035 |
| Local Government Bonds | — | 33,919 | — | 33,919 |
| Short-Term Bonds Payable | — | — | — | — |
| Corporate Bonds | — | 713,489 | 2,130 | 715,620 |
| Other Securities | 562,358 | 1,042,130 | — | 1,604,489 |
| Foreign Stocks | 4,793 | — | — | 4,793 |
| Foreign Bonds | 556,467 | 1,042,130 | — | 1,598,598 |
| Others | 1,097 | — | — | 1,097 |
| Total Assets | ¥ 4,499,908 | ¥ 1,926,441 | ¥ 2,130 | ¥ 6,428,479 |
| Derivative Transactions (*2)(*3)(*4) | | | | |
| Interest Rate Related Transactions | ¥ 828 | ¥ (83,990) | ¥ 1,173 | ¥ (81,988) |
| Currency Related Transactions | — | 55,268 | — | 55,268 |
| Stock Related Transactions | (2,695) | — | — | (2,695) |
| Bond Related Transactions | 6,256 | 47 | — | 6,303 |
| Credit and Derivative Transactions | — | (2,319) | — | (2,319) |
| Total Derivative Transactions | ¥ 4,389 | ¥ (30,994) | ¥ 1,173 | ¥ (25,431) |

(*1) The amounts of investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, July 4, 2019, "Guidance for Application of Fair Value Measurement")" are not included in the table above. The amount of such investment trusts on the consolidated balance sheets includes financial assets of ¥902,171 million as of March 31, 2022.

(*2) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(*3) As for derivative transactions applying hedge accounting, ¥(174,794) million is recorded on the consolidated balance sheets as of March 31, 2022.

(*4) Derivative transactions qualifying for hedge accounting include interest rate swaps designated as hedging instruments to fix cash flows of hedged items such as loans and bills discounted, and deferred hedges have been adopted, in principle. In addition, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) has been adopted to these hedge transactions.

(2) Financial assets and liabilities which are not stated at fair value on the consolidated balance sheets

Cash and Due from Banks, Call Loans and Bills Bought, Receivables under Resale Agreements and Receivables under Securities Borrowing Transactions, Foreign Exchanges, Call Money and Bills Sold, Payables under Repurchase Agreements, Short-Term Bonds Payables, and Borrowed Money from Trust Account are not included in the following tables because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | Mar. 31, 2023 | | | | | |
| | Level 1 | Level 2 | Level 3 | Total | Consolidated balance sheet amount | Differences |
| Monetary Claims Bought (*) | ¥ — | ¥ 40,281 | ¥ 800,687 | ¥ 840,969 | ¥ 840,501 | ¥ 467 |
| Securities | | | | | | |
| Held-to-Maturity Securities | 128,041 | 140,893 | — | 268,935 | 259,213 | 9,721 |
| Government Bonds | 128,041 | — | — | 128,041 | 117,274 | 10,767 |
| Local Government Bonds | — | — | — | — | — | — |
| Short-Term Bonds Payable | — | — | — | — | — | — |
| Bonds Payable | — | 14,526 | — | 14,526 | 14,400 | 126 |
| Other Securities | — | 126,366 | — | 126,366 | 127,539 | (1,172) |
| Foreign Bonds | — | 126,366 | — | 126,366 | 127,539 | (1,172) |
| Others | — | — | — | — | — | — |
| Loans and Bills Discounted | | | | | 31,810,926 | |
| Allowance for Loan Losses (*) | | | | | (115,952) | |
| | — | — | 31,888,015 | 31,888,015 | 31,694,973 | 193,041 |
| Lease Receivables and Investment Assets (*) | — | — | 692,032 | 692,032 | 683,446 | 8,585 |
| Total Assets | ¥ 128,041 | ¥ 181,175 | ¥ 33,380,734 | ¥ 33,689,951 | ¥ 33,478,135 | ¥ 211,816 |
| Deposits | ¥ — | ¥ 35,402,494 | ¥ — | ¥ 35,402,494 | ¥ 35,387,287 | ¥ 15,206 |
| Negotiable Certificates of Deposit | — | 7,461,005 | — | 7,461,005 | 7,461,005 | — |
| Borrowed Money | — | 5,984,928 | — | 5,984,928 | 6,039,543 | (54,614) |
| Bonds Payable | — | 2,448,305 | — | 2,448,305 | 2,501,760 | (53,455) |
| Total Liabilities | ¥ — | ¥ 51,296,734 | ¥ — | ¥ 51,296,734 | ¥ 51,389,597 | ¥ (92,862) |

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on 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.

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | Mar. 31, 2022 | | | | | |
| | Level 1 | Level 2 | Level 3 | Total | Consolidated balance sheet amount | Differences |
| Monetary Claims Bought (*) | ¥ — | ¥ 46,091 | ¥ 679,295 | ¥ 725,386 | ¥ 724,950 | ¥ 436 |
| Securities | | | | | | |
| Held-to-Maturity Securities | 130,800 | 74,210 | — | 205,011 | 191,999 | 13,012 |
| Government Bonds | 130,800 | — | — | 130,800 | 117,652 | 13,148 |
| Local Government Bonds | — | — | — | — | — | — |
| Short-Term Bonds Payable | — | — | — | — | — | — |
| Corporate Bonds | — | 14,674 | — | 14,674 | 14,400 | 274 |
| Other Securities | — | 59,536 | — | 59,536 | 59,947 | (410) |
| Foreign Bonds | — | 59,536 | — | 59,536 | 59,947 | (410) |
| Others | — | — | — | — | — | — |
| Loans and Bills Discounted | | | | | 30,876,507 | |
| Allowance for Loan Losses (*) | | | | | (147,884) | |
| | — | — | 30,940,603 | 30,940,603 | 30,728,623 | 211,980 |
| Lease Receivables and Investment Assets (*) | — | — | 696,544 | 696,544 | 681,554 | 14,990 |
| Total Assets | ¥ 130,800 | ¥ 120,302 | ¥ 32,316,443 | ¥ 32,567,547 | ¥ 32,327,128 | ¥ 240,419 |
| Deposits | ¥ — | ¥ 33,245,281 | ¥ — | ¥ 33,245,281 | ¥ 33,230,162 | ¥ 15,119 |
| Negotiable Certificates of Deposit | — | 6,587,944 | — | 6,587,944 | 6,587,944 | — |
| Borrowed Money | — | 7,125,970 | — | 7,125,970 | 7,153,498 | (27,527) |
| Bonds Payable | — | 2,050,985 | — | 2,050,985 | 2,076,604 | (25,619) |
| Total Liabilities | ¥ — | ¥ 49,010,181 | ¥ — | ¥ 49,010,181 | ¥ 49,048,209 | ¥ (38,027) |

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on 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.

| | Millions of U.S. Dollars | | | | | |
|---|---|---|---|---|---|---|
| | Mar. 31, 2023 | | | | | |
| | Level 1 | Level 2 | Level 3 | Total | Consolidated balance sheet amount | Differences |
| Monetary Claims Bought (*) | $ — | $ 302 | $ 5,996 | $ 6,298 | $ 6,294 | $ 3 |
| Securities | | | | | | |
| Held-to-Maturity Securities | 959 | 1,055 | — | 2,014 | 1,941 | 73 |
| Government Bonds | 959 | — | — | 959 | 878 | 81 |
| Local Government Bonds | — | — | — | — | — | — |
| Short-Term Bonds Payable | — | — | — | — | — | — |
| Corporate Bonds | — | 109 | — | 109 | 108 | 1 |
| Other Securities | — | 946 | — | 946 | 955 | (9) |
| Foreign Bonds | — | 946 | — | 946 | 955 | (9) |
| Others | — | — | — | — | — | — |
| Loans and Bills Discounted | | | | | 238,213 | |
| Allowance for Loan Losses (*) | | | | | (868) | |
| | — | — | 238,790 | 238,790 | 237,344 | 1,446 |
| Lease Receivables and Investment Assets (*) | — | — | 5,182 | 5,182 | 5,118 | 64 |
| Total Assets | $ 959 | $ 1,357 | $ 249,968 | $ 252,284 | $ 250,697 | $ 1,586 |
| Deposits | $ — | $ 265,108 | $ — | $ 265,108 | $ 264,994 | $ 114 |
| Negotiable Certificates of Deposit | — | 55,871 | — | 55,871 | 55,871 | — |
| Borrowed Money | — | 44,817 | — | 44,817 | 45,226 | (409) |
| Bonds Payable | — | 18,334 | — | 18,334 | 18,734 | (400) |
| Total Liabilities | $ — | $ 384,130 | $ — | $ 384,130 | $ 384,825 | $ (695) |

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on 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.

(Note 1) Description of the Valuation techniques and inputs used to measure fair values

Monetary Claims Bought

Among monetary claims bought, securitized products are stated at reasonably calculated prices, which are equivalent to market prices, such as counterparties' quoted prices or dealer/broker-quoted prices, and are classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values for all other monetary claims bought are principally calculated in the same manner as Loans and Bills Discounted and mainly classified into Level 3.

Trading Assets

Bonds and other securities held for trading purposes whose fair values are stated at dealer association prices or counterparties' quoted prices are classified into Level 1 or Level 2 depending on the level of market activity. Others whose fair values are calculated by discounting future cash flows to their present values using observable inputs, are classified into Level 2.

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 and classified into Level 1 or Level 2 depending on the level of the components. Investment trusts and funds for which no market transaction prices are available, including privately placed investment trusts, are stated at fair value based on factors, such as the net asset value, if there are no significant restrictions on the cancellation or repurchase request that would require compensation for the risk from market participants, and are primarily classified into Level 2.

Notes regarding money held in trust by holding purpose are presented under the "Money Held in Trust" section.

Securities

Listed stocks are stated at quoted market prices and mainly classified into Level 1 depending on the level of market activity.

Bonds are stated at quoted market prices announced in exchange traded transactions, over-the-counter transactions, and others, and classified into Level 1 if they are traded in an active market. If the market is not active, even though bonds are stated at quoted market prices, they are classified into Level 2. Bonds stated at prices obtained from a third party, such as pricing services and dealers/brokers, are classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values of certain bonds are calculated by classifying them according to their internal ratings and maturities, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. If the discount rate is a significant unobservable input, the fair values of the bonds are classified into Level 3, otherwise Level 2.

Fair values of listed investment trusts and funds are stated at quoted market prices and primarily classified into Level 1 based on the level of market activity. Investment trusts and funds for which no market transaction prices are available, including privately placed investment trusts, are stated at fair value based on factors, such as the net asset value, if there are no significant restrictions on the cancellation or repurchase request that would require market participants to pay for the risk, and are primarily classified into Level 2.

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 discount rate which takes into account risk factors, including credit risks. However, floating-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 bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers, 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 value because of the expected repayment periods and the interest terms. These fair values are classified into Level 3.

### Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to the types of receivables, internal ratings, maturities, and others, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. These fair values are classified into Level 3.

### Deposits and 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). Time deposits with a fixed rate are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be newly used on the same type of deposits. Floating-rate time deposits and fixed-rate time deposits with short maturities (one year or less) are stated at their carrying amounts because the carrying amounts approximate the fair value. These fair values are classified into Level 2.

### Borrowed Money

Borrowed money at floating 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 interest rate adjusted for the residual term and credit risk. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value. These fair values are classified into Level 2.

### 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 interest rate adjusted for the residual term and credit risk. These fair values are classified into Level 2.

### Derivative transactions

The fair values of listed derivatives, including interest rates, bonds, currencies, and stocks, are classified into Level 1 as these amounts are measured using the liquidation price quoted by exchanges, given that the liquidation price represents the latest transaction price, and the unadjusted quoted price in an active market can be used.

The fair values of over-the-counter derivative transactions, including embedded derivatives separated from the host contract and accounted for as a derivative, in other words, derivatives other than listed derivatives, are, in principle, measured by a valuation method, including the following: the present value of the estimated future cash flows and the option valuation model, which use inputs such as observable interest rate and exchange rate. The fair values of these transactions take into account credit risks of the counterparties and SuMi TRUST Holdings. The valuation models applied in certain transactions utilize unobservable inputs in markets, such as correlations in the past. Over-the-counter derivative transactions are classified into Level 2 if observable inputs are used or the impact of unobservable inputs to the fair values is not significant. If the impact of unobservable inputs to the fair values is significant, they are classified into Level 3.

(Note 2) Information about financial assets and liabilities measured and stated on the consolidated balance sheets at fair value and classified into Level 3

(1) Quantitative information on significant unobservable inputs

| | Mar. 31, 2023 | | |
|---|---|---|---|
| | Valuation technique | Significant unobservable inputs | Range |
| Securities | | | |
| Corporate Bonds | Discounted present value method | Discount Rate | 1.1% |
| Derivative Transactions | | | |
| Interest Rate Related Transactions | Option valuation model | Correlation between interest rate and foreign exchange rate | (40.0)% - (3.5)% |
| | | Correlation between interest rates | 6.5% |

| | Mar. 31, 2022 | | |
|---|---|---|---|
| | Valuation technique | Significant unobservable inputs | Range |
| Securities | | | |
| Corporate Bonds | Discounted present value method | Discount Rate | 1.2% |
| Derivative Transactions | | | |
| Interest Rate Related Transactions | Option valuation model | Correlation between interest rate and foreign exchange rate | (47.4)% - (9.3)% |
| | | Correlation between interest rates | 10.3% |

(2) Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the year

Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the fiscal year ended March 31, 2023, are as follows:

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 31, 2023 | | | | | | | |
| | Beginning balance | Profit or losses for the period (*1) | Other comprehensive income (*2) | Net amount of purchase, issuance, sale, and settlement | Transfer to Level 3 (*3) | Transfer from Level 3 (*3) | Ending balance | Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1) |
| Securities | ¥ 2,130 | ¥ — | ¥ 262 | ¥ (1,100) | ¥ — | ¥ — | ¥ 1,292 | ¥ — |
| Derivative Transactions (Interest Rate Related Transactions) (*4) | 1,173 | 1,595 | — | — | — | — | 2,768 | 1,595 |

(*1) The amounts shown in the table above are included in "Trading Income" in the consolidated statements of income.

(*2) The amounts shown in the table above are included in "Valuation Differences on Available-for-Sale Securities" under "Other Comprehensive Income (Loss)" in the consolidated statements of comprehensive income.

(*3) The amounts of transfer from or to Level 3 are relevant to the changes in the observability of the inputs. The transfer was made at the end of the fiscal year.

(*4) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 31, 2022 | | | | | | | |
| | Beginning balance | Profit or losses for the period (*1) | Other comprehensive income (*2) | Net amount of purchase, issuance, sale, and settlement | Transfer to Level 3 (*3) | Transfer from Level 3 (*3) | Ending balance | Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1) |
| Securities | ¥ 813 | ¥ — | ¥ (12) | ¥ (52) | ¥ 1,381 | ¥ — | ¥ 2,130 | ¥ — |
| Derivative Transactions (Interest Rate Related Transactions) (*4) | (273) | 1,449 | — | (1) | — | — | 1,173 | 1,249 |

(*1) The amounts shown in the table above are included in "Trading Income" in the consolidated statements of income.

(*2) The amounts shown in the table above are included in "Valuation Differences on Available-for-Sale Securities" under "Other Comprehensive Income (Loss)" in the consolidated statements of comprehensive income.

(*3) The amounts of transfer from or to Level 3 are relevant to the changes in the observability of the inputs. The transfer was made at the end of the fiscal year.

(*4) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

| | Millions of U.S. Dollars | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 31, 2023 | | | | | | | |
| | Beginning balance | Profit or losses for the period (*1) | Other comprehensive income (*2) | Net amount of purchase, issuance, sale, and settlement | Transfer to Level 3 (*3) | Transfer from Level 3 (*3) | Ending balance | Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1) |
| Securities | $ 16 | $ — | $ 2 | $ (8) | $ — | $ — | $ 10 | $ — |
| Derivative Transactions (Interest Rate Related Transactions) (*4) | 9 | 12 | — | — | — | — | 21 | 12 |

(*1) The amounts shown in the table above are included in "Trading Income" in the consolidated statements of income.

(*2) The amounts shown in the table above are included in "Valuation Differences on Available-for-Sale Securities" under "Other Comprehensive Income (Loss)" in the consolidated statements of comprehensive income.

(*3) The amounts of transfer from or to Level 3 are relevant to the changes in the observability of the inputs. The transfer was made at the end of the fiscal year.

(*4) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(3) Description of the fair value valuation process

At SuMi TRUST Group, the middle division creates policies and procedures for the calculation of fair values and procedures for the use of fair value valuation models, and based on them, the front and middle divisions collaboratively establish the fair value valuation model. In addition, the middle and other divisions verify the reasonableness of the valuation methods and the inputs used, and the appropriateness of the classification of the fair value level.

For the calculation of the fair value, the valuation model, which represents the nature, characteristics, and risks of each asset in the most appropriate manner, is utilized. Moreover, if quoted prices obtained from third parties are used, those prices are verified using an appropriate method, such as the review of the valuation method and the inputs used and comparison with the fair values of similar financial instruments.

(4) Description of the sensitivity of the fair value to changes in significant unobservable inputs

**Discount Rate**

The discount rate is determined for each financial asset and calculated based on the risk-free rate that incorporates other risk factors such as credit risk. A significant increase (decrease) in the discount rate would generally result in a significant decrease (increase) in the fair value.

**Correlation**

Correlation is an indicator of the relation of changes between variables such as interest rate and exchange rate. Correlation is used in the valuation technique of complex derivatives, and estimated based on historical results. A significant change in correlation would generally result in a significant increase or decrease in a fair value according to the nature and contractual terms and conditions of the financial instrument.

(Note 3) Consolidated balance sheet amounts of equity securities with no market prices, etc. and investments in partnership, etc. are as follows. These amounts are not included in "Securities" stated on the tables disclosed in "Fair Values of Financial Instruments and Breakdown by Input Level."

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | **Mar. 31, 2023** | Mar. 31, 2022 | **Mar. 31, 2023** |
| Equity Securities with No Market Prices, etc. (*1)(*3) | **¥ 93,578** | ¥ 92,009 | **$ 701** |
| Investments in Partnership, etc. (*2)(*3) | **242,150** | 174,836 | **1,813** |

(*1) Unlisted stocks are included in "Equity securities with no market prices, etc." and their fair values are not disclosed in accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, March 31, 2020).

(*2) "Investments in partnership, etc." mainly include silent partnerships and investment partnerships. These fair values are not disclosed in accordance with Paragraph 24-16 of the "Guidance for Application of Fair Value Measurement".

(*3) Impairment losses of ¥489 million (U.S. $4 million) and ¥235 million were recognized against Unlisted Stocks and others as of March 31, 2023 and 2022, respectively, and those of ¥0 million (U.S. $0 million) were recognized against Investments in Partnership, etc. as of March 31, 2023.

(Note4) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2023 and 2022

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2023 | 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 | ¥ 21,535,026 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Call Loans and Bills Bought | 24,006 | — | — | — | — | — |
| Receivables under Resale Agreements | 110,003 | — | — | — | — | — |
| Receivables under Securities Borrowing Transactions | 436,093 | — | — | — | — | — |
| Monetary Claims Bought (*1) | 829,379 | 19,440 | 3,398 | 1,419 | 1,386 | 114,972 |
| Money Held in Trust | 16,036 | 100 | — | — | — | — |
| Securities | 1,041,108 | 1,250,034 | 1,041,754 | 427,973 | 502,088 | 683,648 |
| Held-to-Maturity Debt Securities | — | 5,410 | 20,000 | 40,000 | 67,018 | 124,570 |
| Government Bonds | — | 60 | 20,000 | 40,000 | 55,000 | — |
| Corporate Bonds | — | — | — | — | — | 14,400 |
| Available-for-Sale Securities with Maturity | 1,041,108 | 1,244,624 | 1,021,754 | 387,973 | 435,069 | 559,078 |
| Government Bonds | 350,628 | 605,477 | 460,000 | — | — | 15,000 |
| Local Government Bonds | 1,675 | 8,008 | 9,296 | 4,954 | 14,639 | — |
| Corporate Bonds | 55,754 | 259,901 | 208,777 | 65,601 | 87,390 | 29,078 |
| Loans and Bills Discounted (*2) | 4,772,709 | 6,825,891 | 4,373,913 | 2,638,392 | 2,417,897 | 8,091,073 |
| Lease Receivables and Investment Assets (*3) | 167,691 | 272,176 | 128,213 | 45,186 | 43,147 | 8,846 |
| Total | ¥ 28,932,055 | ¥ 8,367,642 | ¥ 5,547,279 | ¥ 3,112,973 | ¥ 2,964,518 | ¥ 8,898,541 |

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2022 | 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 | ¥ 18,147,555 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Call Loans and Bills Bought | 5,000 | — | — | — | — | — |
| Receivables under Resale Agreements | 150,741 | — | — | — | — | — |
| Receivables under Securities Borrowing Transactions | 652,534 | — | — | — | — | — |
| Monetary Claims Bought (*1) | 708,547 | 29,605 | 6,268 | 1,668 | 1,439 | 106,099 |
| Money Held in Trust | 14,913 | 1,395 | — | — | — | — |
| Securities | 2,456,879 | 1,088,304 | 908,426 | 355,941 | 409,427 | 796,275 |
| Held-to-Maturity Debt Securities | — | 60 | 5,488 | 40,000 | 67,342 | 76,516 |
| Government Bonds | — | 60 | — | 40,000 | 60,000 | 15,000 |
| Corporate Bonds | — | — | — | — | — | 14,400 |
| Available-for-Sale Securities with Maturity | 2,456,879 | 1,088,244 | 902,938 | 315,941 | 342,084 | 719,759 |
| Government Bonds | 1,724,226 | 326,810 | 470,000 | — | — | 215,000 |
| Local Government Bonds | 1,200 | 4,546 | 10,630 | 1,136 | 16,619 | — |
| Corporate Bonds | 82,432 | 169,628 | 266,125 | 101,575 | 50,954 | 43,485 |
| Loans and Bills Discounted (*2) | 4,668,279 | 6,302,563 | 4,367,845 | 2,571,144 | 2,374,408 | 8,087,545 |
| Lease Receivables and Investment Assets (*3) | 166,497 | 243,502 | 146,501 | 53,097 | 45,085 | 10,713 |
| Total | ¥ 26,970,949 | ¥ 7,665,372 | ¥ 5,429,041 | ¥ 2,981,851 | ¥ 2,830,361 | ¥ 9,000,635 |

| | Millions of U.S. Dollars | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2023 | 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 | $ 161,263 | $ — | $ — | $ — | $ — | $ — |
| Call Loans and Bills Bought | 180 | — | — | — | — | — |
| Receivables under Resale Agreements | 824 | — | — | — | — | — |
| Receivables under Securities Borrowing Transactions | 3,266 | — | — | — | — | — |
| Monetary Claims Bought (*1) | 6,211 | 146 | 25 | 11 | 10 | 861 |
| Money Held in Trust | 120 | 1 | — | — | — | — |
| Securities | 7,796 | 9,361 | 7,801 | 3,205 | 3,760 | 5,119 |
| Held-to-Maturity Debt Securities | — | 41 | 150 | 300 | 502 | 933 |
| Government Bonds | — | 0 | 150 | 300 | 412 | — |
| Corporate Bonds | — | — | — | — | — | 108 |
| Available-for-Sale Securities with Maturity | 7,796 | 9,320 | 7,651 | 2,905 | 3,258 | 4,187 |
| Government Bonds | 2,626 | 4,534 | 3,445 | — | — | 112 |
| Local Government Bonds | 13 | 60 | 70 | 37 | 110 | — |
| Corporate Bonds | 418 | 1,946 | 1,563 | 491 | 654 | 218 |
| Loans and Bills Discounted (*2) | 35,740 | 51,115 | 32,754 | 19,757 | 18,106 | 60,589 |
| Lease Receivables and Investment Assets (*3) | 1,256 | 2,038 | 960 | 338 | 323 | 66 |
| Total | $ 216,655 | $ 62,660 | $ 41,540 | $ 23,311 | $ 22,199 | $ 66,636 |

(*1) The balances exclude Monetary Claims Bought for bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers that are not expected to be collected, amounting to ¥23 million (U.S. $0.2 million) and ¥24 million as of March 31, 2023 and 2022, respectively.

(*2) The balances exclude Loans and Bills Discounted for bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers that are not expected to be collected, amounting to ¥101,179 million (U.S $ 758 million) and ¥142,058 million, and those without maturity, amounting to ¥2,589,868million (U.S. $19,394 million) and ¥2,362,662 million as of March 31, 2023 and 2022, respectively.

(*3) The balances exclude Lease Receivables and Investment Assets for bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers that are not expected to be collected, amounting to ¥725 million (U.S. $5 million) and ¥678 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥22,946 million (U.S. $172 million) and ¥22,065 million as of March 31, 2023 and 2022, respectively.

(Note 5) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2023 and 2022

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2023 | 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) | ¥ 27,887,502 | ¥ 5,548,181 | ¥ 1,948,251 | ¥ 2,225 | ¥ 1,126 | ¥ — |
| Negotiable Certificates of Deposit | 7,356,005 | 105,000 | — | — | — | — |
| Call Money and Bills Sold | 1,912,878 | — | — | — | — | — |
| Payables under Repurchase Agreements | 1,030,780 | — | — | — | — | — |
| Borrowed Money | 1,370,513 | 3,761,367 | 238,848 | 170,623 | 102,310 | 395,879 |
| Short-Term Bonds Payable | 2,339,243 | — | — | — | — | — |
| Bonds Payable (*2) | 494,005 | 862,700 | 687,665 | 100,000 | 88,000 | — |
| Borrowed Money from Trust Account | 4,332,472 | — | — | — | — | — |
| Total | ¥ 46,723,401 | ¥ 10,277,249 | ¥ 2,874,765 | ¥ 272,848 | ¥ 191,437 | ¥ 395,879 |

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2022 | 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) | ¥ 25,352,703 | ¥ 5,699,782 | ¥ 2,175,496 | ¥ 2,128 | ¥ 50 | ¥ — |
| Negotiable Certificates of Deposit | 6,532,944 | 55,000 | — | — | — | — |
| Call Money and Bills Sold | 799,524 | — | — | — | — | — |
| Payables under Repurchase Agreements | 1,485,033 | — | — | — | — | — |
| Borrowed Money | 1,872,544 | 3,301,699 | 1,238,578 | 282,356 | 80,253 | 378,065 |
| Short-Term Bonds Payable | 2,388,495 | — | — | — | — | — |
| Bonds Payable (*2) | 70,000 | 757,495 | 613,355 | 250,000 | 100,000 | — |
| Borrowed Money from Trust Account | 4,298,827 | — | — | — | — | — |
| Total | ¥ 42,800,073 | ¥ 9,813,976 | ¥ 4,027,430 | ¥ 534,484 | ¥ 180,304 | ¥ 378,065 |

| | Millions of U.S. Dollars | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2023 | 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) | $ 208,833 | $ 41,547 | $ 14,589 | $ 17 | $ 8 | $ — |
| Negotiable Certificates of Deposit | 55,085 | 786 | — | — | — | — |
| Call Money and Bills Sold | 14,324 | — | — | — | — | — |
| Payables under Repurchase Agreements | 7,719 | — | — | — | — | — |
| Borrowed Money | 10,263 | 28,167 | 1,789 | 1,278 | 766 | 2,964 |
| Short-Term Bonds Payable | 17,517 | — | — | — | — | — |
| Bonds Payable (*2) | 3,699 | 6,460 | 5,150 | 749 | 659 | — |
| Borrowed Money from Trust Account | 32,443 | — | — | — | — | — |
| Total | $ 349,883 | $ 76,960 | $ 21,527 | $ 2,043 | $ 1,434 | $ 2,964 |

(*1) The balance of demand deposits is included in "Within 1 Year." Deposits include balances of current accounts.

(*2) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥270,000 million (U.S. $2,022 million) and ¥286,100 million as of March 31, 2023 and 2022, respectively.

## Securities

In addition to the "Securities" presented in the consolidated balance sheet, the following information includes securities in trading account and short-term corporate bonds under "Trading Assets" and loan-backed trust deeds reported under "Monetary Claims Bought."

### 1. Trading Securities

| | Valuation Difference Reflected in the Statements of Income | | |
|---|---|---|---|
| | Millions of Yen | | Millions of U.S. Dollars |
| | 2023 | 2022 | 2022 |
| Trading Securities | ¥ (16) | ¥ (33) | $ (0) |

### 2. Held-to-Maturity Securities with Fair Value

| | Millions of Yen | | |
|---|---|---|---|
| March 31, 2023 | Carrying Amount | Fair Value | Difference |
| Securities for which Fair Value Exceeds Carrying Amount | | | |
| Government Bonds | ¥ 117,274 | ¥ 128,041 | ¥ 10,767 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 14,400 | 14,526 | 126 |
| Other Bonds | 62,716 | 63,033 | 317 |
| Foreign Bonds | 22,710 | 22,751 | 41 |
| Others | 40,005 | 40,281 | 276 |
| Subtotal | 194,390 | 205,602 | 11,211 |
| Securities for which Fair Value Does Not Exceed Carrying Amount | | | |
| Government Bonds | ¥ — | ¥ — | ¥ — |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | — | — | — |
| Other Bonds | 104,828 | 103,614 | (1,213) |
| Foreign Bonds | 104,828 | 103,614 | (1,213) |
| Others | — | — | — |
| Subtotal | 104,828 | 103,614 | (1,213) |
| Total | ¥ 299,219 | ¥ 309,217 | ¥ 9,997 |

| | Millions of Yen | | |
|---|---|---|---|
| March 31, 2022 | Carrying Amount | Fair Value | Difference |
| Securities for which Fair Value Exceeds Carrying Amount | | | |
| Government Bonds | ¥ 117,652 | ¥ 130,800 | ¥ 13,148 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 14,400 | 14,674 | 274 |
| Other Bonds | 51,464 | 51,586 | 122 |
| Foreign Bonds | 5,488 | 5,495 | 7 |
| Others | 45,976 | 46,091 | 114 |
| Subtotal | 183,517 | 197,061 | 13,544 |
| Securities for which Fair Value Does Not Exceed Carrying Amount | | | |
| Government Bonds | ¥ — | ¥ — | ¥ — |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | — | — | — |
| Other Bonds | 54,459 | 54,041 | (417) |
| Foreign Bonds | 54,459 | 54,041 | (417) |
| Others | — | — | — |
| Subtotal | 54,459 | 54,041 | (417) |
| Total | ¥ 237,976 | ¥ 251,103 | ¥ 13,127 |

| March 31, 2023 | Millions of U.S. Dollars | | |
|---|---|---|---|
| | Carrying Amount | Fair Value | Difference |
| Securities for which Fair Value Exceeds Carrying Amount | | | |
| Government Bonds | $ 878 | $ 959 | $ 81 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 108 | 109 | 1 |
| Other Bonds | 470 | 472 | 2 |
| Foreign Bonds | 170 | 170 | 0 |
| Others | 300 | 302 | 2 |
| Subtotal | 1,456 | 1,540 | 84 |
| Securities for which Fair Value Does Not Exceed Carrying Amount | | | |
| Government Bonds | $ — | $ — | $ — |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | — | — | — |
| Other Bonds | 785 | 776 | (9) |
| Foreign Bonds | 785 | 776 | (9) |
| Others | — | — | — |
| Subtotal | 785 | 776 | (9) |
| Total | $ 2,241 | $ 2,316 | $ 75 |

## 3. Available-for-Sale Securities

| March 31, 2023 | Millions of Yen | | |
|---|---|---|---|
| | Carrying Amount | Acquisition Cost | Difference |
| Securities for which Carrying Amount Exceeds Acquisition Cost | | | |
| Stocks | ¥ 1,022,233 | ¥ 436,517 | ¥ 585,715 |
| Bonds | 1,058,025 | 1,054,667 | 3,358 |
| Government Bonds | 569,703 | 569,548 | 154 |
| Local Government Bonds | 5,113 | 5,095 | 18 |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 483,208 | 480,023 | 3,185 |
| Other Securities | 591,814 | 562,591 | 29,222 |
| Foreign Stocks | 4,171 | 365 | 3,806 |
| Foreign Bonds | 270,713 | 267,397 | 3,315 |
| Others | 316,929 | 294,829 | 22,100 |
| Subtotal | 2,672,072 | 2,053,775 | 618,296 |
| Securities for which Carrying Amount Does Not Exceed Acquisition Cost | | | |
| Stocks | ¥ 50,395 | ¥ 58,906 | ¥ (8,510) |
| Bonds | 1,120,199 | 1,123,921 | (3,722) |
| Government Bonds | 862,296 | 863,965 | (1,668) |
| Local Government Bonds | 33,003 | 33,477 | (473) |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 224,899 | 226,479 | (1,580) |
| Other Securities | 2,205,375 | 2,438,750 | (233,374) |
| Foreign Stocks | — | — | — |
| Foreign Bonds | 1,548,358 | 1,582,560 | (34,201) |
| Others | 657,017 | 856,189 | (199,172) |
| Subtotal | 3,375,970 | 3,621,577 | (245,607) |
| Total | ¥ 6,048,043 | ¥ 5,675,353 | ¥ 372,689 |

| March 31, 2022 | Millions of Yen | | |
|---|---|---|---|
| | Carrying Amount | Acquisition Cost | Difference |
| Securities for which Carrying Amount Exceeds Acquisition Cost | | | |
| Stocks | ¥ 1,143,030 | ¥ 466,273 | ¥ 676,756 |
| Bonds | 1,583,022 | 1,580,317 | 2,704 |
| Government Bonds | 1,091,138 | 1,090,948 | 190 |
| Local Government Bonds | 3,141 | 3,126 | 15 |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 488,741 | 486,243 | 2,498 |
| Other Securities | 631,562 | 607,706 | 23,856 |
| Foreign Stocks | 3,971 | 211 | 3,760 |
| Foreign Bonds | 426,787 | 422,930 | 3,857 |
| Others | 200,802 | 184,564 | 16,238 |
| Subtotal | 3,357,614 | 2,654,298 | 703,316 |
| Securities for which Carrying Amount Does Not Exceed Acquisition Cost | | | |
| Stocks | ¥ 66,280 | ¥ 82,631 | ¥ (16,350) |
| Bonds | 1,888,553 | 1,904,676 | (16,123) |
| Government Bonds | 1,630,897 | 1,645,706 | (14,809) |
| Local Government Bonds | 30,777 | 31,005 | (227) |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 226,878 | 227,964 | (1,086) |
| Other Securities | 1,936,929 | 2,206,046 | (269,117) |
| Foreign Stocks | 821 | 1,472 | (650) |
| Foreign Bonds | 1,171,810 | 1,194,570 | (22,759) |
| Others | 764,296 | 1,010,003 | (245,706) |
| Subtotal | 3,891,762 | 4,193,354 | (301,591) |
| Total | ¥ 7,249,377 | ¥ 6,847,652 | ¥ 401,725 |

| March 31, 2023 | Millions of U.S. Dollars | | |
|---|---|---|---|
| | Carrying Amount | Acquisition Cost | Difference |
| Securities for which Carrying Amount Exceeds Acquisition Cost | | | |
| Stocks | $ 7,655 | $ 3,269 | $ 4,386 |
| Bonds | 7,923 | 7,898 | 25 |
| Government Bonds | 4,266 | 4,265 | 1 |
| Local Government Bonds | 38 | 38 | 0 |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 3,618 | 3,595 | 24 |
| Other Securities | 4,432 | 4,213 | 219 |
| Foreign Stocks | 31 | 3 | 29 |
| Foreign Bonds | 2,027 | 2,002 | 25 |
| Others | 2,373 | 2,208 | 165 |
| Subtotal | 20,010 | 15,379 | 4,630 |
| Securities for which Carrying Amount Does Not Exceed Acquisition Cost | | | |
| Stocks | $ 377 | $ 441 | $ (64) |
| Bonds | 8,388 | 8,416 | (28) |
| Government Bonds | 6,457 | 6,470 | (12) |
| Local Government Bonds | 247 | 251 | (4) |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 1,684 | 1,696 | (12) |
| Other Securities | 16,515 | 18,262 | (1,748) |
| Foreign Stocks | — | — | — |
| Foreign Bonds | 11,595 | 11,851 | (256) |
| Others | 4,920 | 6,411 | (1,491) |
| Subtotal | 25,281 | 27,120 | (1,839) |
| Total | $ 45,290 | $ 42,499 | $ 2,791 |

## 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, 2023 and 2022.

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

| Year Ended March 31, 2023 | Millions of Yen | | |
|---|---|---|---|
| | Amount Sold | Gain | Loss |
| Stocks | ¥ 138,300 | ¥ 85,854 | ¥ 1,047 |
| Bonds | 692,606 | 1,233 | 6,930 |
| Government Bonds | 686,723 | 1,221 | 6,925 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 5,883 | 11 | 4 |
| Other Securities | 1,280,233 | 5,736 | 106,095 |
| Foreign Stocks | 1,998 | — | 1,102 |
| Foreign Bonds | 856,979 | 2,262 | 23,339 |
| Others | 421,255 | 3,474 | 81,653 |
| Total | ¥ 2,111,141 | ¥ 92,823 | ¥ 114,074 |

| Year Ended March 31, 2022 | Millions of Yen | | |
|---|---|---|---|
| | Amount Sold | Gain | Loss |
| Stocks | ¥ 142,168 | ¥ 91,190 | ¥ 3,243 |
| Bonds | 1,005,440 | 1,397 | 1,609 |
| Government Bonds | 979,797 | 1,282 | 1,541 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 25,643 | 115 | 67 |
| Other Securities | 3,019,509 | 16,772 | 159,290 |
| Foreign Stocks | 675 | 19 | 67 |
| Foreign Bonds | 2,595,705 | 13,353 | 30,964 |
| Others | 423,128 | 3,398 | 128,259 |
| Total | ¥ 4,167,119 | ¥ 109,361 | ¥ 164,143 |

| Year Ended March 31, 2023 | Millions of U.S. Dollars | | |
|---|---|---|---|
| | Amount Sold | Gain | Loss |
| Stocks | $ 1,036 | $ 643 | $ 8 |
| Bonds | 5,187 | 9 | 52 |
| Government Bonds | 5,142 | 9 | 52 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 44 | 0 | 0 |
| Other Securities | 9,587 | 43 | 794 |
| Foreign Stocks | 15 | — | 8 |
| Foreign Bonds | 6,417 | 17 | 175 |
| Others | 3,155 | 26 | 611 |
| Total | $ 15,809 | $ 695 | $ 854 |

(Note) The above figures include equity securities with no market prices and investments in partnerships.

### 6. Securities Reclassified due to the Change of the Holding Purpose

There were no securities reclassified due to the change of the holding purpose during the fiscal years ended March 31, 2023 and 2022.

### 7. Impairment of Securities

Securities other than equity securities with no market prices etc. and investments in partnerships etc., or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheet. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses on Stocks recognized during the fiscal years ended March 31, 2023 and 2022, were ¥1,076 million (U.S. $8 million) and ¥446 million, respectively. Impairment losses on Others recognized during the fiscal year ended March 31, 2023 and 2022 were ¥75 million (U.S. $0.5 million) and ¥260 million, respectively.

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 | |
|---|---|---|
| Year Ended March 31, 2023 | Carrying Amount | Valuation Difference Reflected in the Statement of Income |
| Money Held in Trust for Trading Purposes | **¥ 14,693** | **¥ (158)** |

| | Millions of Yen | |
|---|---|---|
| Year Ended March 31, 2022 | Carrying Amount | Valuation Difference Reflected in the Statement of Income |
| Money Held in Trust for Trading Purposes | ¥ 14,913 | ¥ (332) |

| | Millions of U.S. Dollars | |
|---|---|---|
| Year Ended March 31, 2023 | Carrying Amount | Valuation Difference Reflected in the Statement of Income |
| Money Held in Trust for Trading Purposes | **$110** | **$ (1)** |

### 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, 2023 and 2022.

### 3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| March 31, 2023 | Carrying Amount | Acquisition Cost | Difference | Positive Difference | Negative Difference |
| Other Money Held in Trust | ¥ 1,442 | ¥ 993 | ¥ 449 | ¥ 449 | ¥ — |

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| March 31, 2022 | Carrying Amount | Acquisition Cost | Difference | Positive Difference | Negative Difference |
| Other Money Held in Trust | ¥ 1,395 | ¥ 989 | ¥ 406 | ¥ 406 | ¥ — |

| | Millions of U.S. Dollars | | | | |
|---|---|---|---|---|---|
| March 31, 2023 | Carrying Amount | Acquisition Cost | Difference | Positive Difference | Negative Difference |
| Other Money Held in Trust | $ 11 | $ 7 | $ 3 | $ 3 | $ — |

(Note) The amount of "Difference" is net of "Positive Difference" and "Negative Difference."

### Valuation Differences on Available-for-Sale Securities

The following table shows components of "Valuation Differences on Available-for-Sale Securities" in the consolidated balance sheet.

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| March 31 | 2023 | 2022 | 2023 |
| Valuation Differences | | | |
| Available-for-Sale Securities | ¥ 379,595 | ¥ 405,138 | $ 2,843 |
| Other Money Held in Trust | 449 | 406 | 3 |
| Total Valuation Differences | 380,045 | 405,545 | 2,846 |
| Amount Equivalent to Deferred Tax Assets (Liabilities) | (116,868) | (124,695) | (875) |
| Total (Before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies) | 263,176 | 280,849 | 1,971 |
| Non-Controlling Interests | (336) | (244) | (3) |
| Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies | (4,599) | (2,987) | (34) |
| Valuation Differences on Available-for-Sale Securities | ¥ 258,240 | ¥ 277,617 | $ 1,934 |

(Notes)

1) Foreign currency translation adjustments on equity securities with no market prices denominated in foreign currencies are included in the "Available-for-Sale Securities" under "Valuation Difference."

2) The valuation difference of ¥6,416 million (U.S. $48 million) and ¥3,086 million on available-for-sale securities composing assets held by associated companies as of March 31, 2023 and 2022, respectively, is included in "Available-for-Sale Securities" under "Valuation Difference."

## 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 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, 2023 and 2022, consist of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | | | |
| | Notional Amount | | Fair Value | Valuation Difference | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | | Total | Over One Year | | |
| Listed | | | | | | | | |
| Interest Futures | | | | | | | | |
| Sold | ¥ 9,003,059 | ¥ 794,563 | ¥ (3,783) | ¥ (3,783) | $ 67,418 | $ 5,950 | $ (28) | $ (28) |
| Purchased | 8,874,767 | 813,150 | 5,678 | 5,678 | 66,458 | 6,089 | 43 | 43 |
| Interest Options | | | | | | | | |
| Sold | 577,110 | — | (245) | 4 | 4,322 | — | (2) | 0 |
| Purchased | 388,859 | — | 189 | (6) | 2,912 | — | 1 | (0) |
| OTC | | | | | | | | |
| Forward Rate Agreements | | | | | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — | $ — | $ — | $ — | $ — |
| Purchased | — | — | — | — | — | — | — | — |
| Interest Rate Swaps | | | | | | | | |
| Fixed Interest Rate Receivable/ Floating Interest Rate Payable | 54,749,386 | 46,204,255 | (1,763,800) | (1,763,800) | 409,985 | 345,996 | (13,208) | (13,208) |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | 48,862,617 | 41,954,510 | 1,740,379 | 1,740,379 | 365,902 | 314,172 | 13,033 | 13,033 |
| Floating Interest Rate Receivable/ Floating Interest Rate Payable | 12,976,843 | 10,842,019 | (4,321) | (4,321) | 97,176 | 81,189 | (32) | (32) |
| Interest Options | | | | | | | | |
| Sold | 9,569,663 | 9,531,770 | (32,155) | (28,435) | 71,661 | 71,378 | (241) | (213) |
| Purchased | 7,268,885 | 7,268,785 | 35,787 | 33,349 | 54,432 | 54,432 | 268 | 250 |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (22,271) | ¥ (20,935) | | | $ (167) | $ (157) |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | 2022 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | |
| Listed | | | | |
| Interest Futures | | | | |
| Sold | ¥ 17,325,091 | ¥ 8,676,986 | ¥ 74,776 | ¥ 74,776 |
| Purchased | 16,430,494 | 8,676,986 | (73,948) | (73,948) |
| Interest Options | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| OTC | | | | |
| Forward Rate Agreements | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| Interest Rate Swaps | | | | |
| Fixed Interest Rate Receivable/ Floating Interest Rate Payable | 46,565,435 | 40,034,339 | (274,059) | (274,059) |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | 40,152,154 | 35,263,350 | 241,623 | 241,623 |
| Floating Interest Rate Receivable/ Floating Interest Rate Payable | 33,764,109 | 13,413,149 | (6,670) | (6,670) |
| Interest Options | | | | |
| Sold | 9,558,634 | 9,548,395 | (42,455) | (35,522) |
| Purchased | 7,006,095 | 6,965,830 | 33,369 | 30,634 |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| **Total** | | | ¥ (47,364) | ¥ (43,167) |

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2023 and 2022, consist of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | | | |
| | 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 | ¥ 8,489,696 | ¥ 7,659,241 | ¥ 83,534 | ¥ 83,534 | $ 63,574 | $ 57,355 | $ 626 | $ 626 |
| Forward Exchange Contracts | | | | | | | | |
| Sold | 19,974,757 | 1,793,292 | (134,767) | (134,767) | 149,579 | 13,429 | (1,009) | (1,009) |
| Purchased | 23,164,311 | 381,042 | 34,617 | 34,617 | 173,463 | 2,853 | 259 | 259 |
| Currency Options | | | | | | | | |
| Sold | 1,569,541 | 917,749 | (88,701) | (2,757) | 11,753 | 6,872 | (664) | (21) |
| Purchased | 1,344,166 | 777,391 | 80,911 | 9,643 | 10,066 | 5,821 | 606 | 72 |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (24,404) | ¥ (9,729) | | | $ (183) | $ (73) |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | 2022 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | |
| Listed | | | | |
| Currency Futures | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| Currency Options | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| OTC | | | | |
| Currency Swaps | ¥ 7,163,682 | ¥ 6,540,039 | ¥ 89,974 | ¥ 89,974 |
| Forward Exchange Contracts | | | | |
| Sold | 15,672,045 | 1,617,487 | (576,219) | (576,219) |
| Purchased | 18,844,572 | 283,636 | 690,736 | 690,736 |
| Currency Options | | | | |
| Sold | 1,412,814 | 718,432 | (75,527) | (7,637) |
| Purchased | 1,027,966 | 558,220 | 66,483 | 14,041 |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥ 195,447 | ¥ 210,895 |

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2023 and 2022, consist of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | | | |
| | 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 | ¥ 25,203 | ¥ — | ¥ (350) | ¥ (350) | $ 189 | $ — | $ (3) | $ (3) |
| Purchased | 53 | — | 2 | 2 | 0 | — | 0 | 0 |
| Stock Index Options | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | 14,266 | — | 4 | (10) | 107 | — | 0 | (0) |
| OTC | | | | | | | | |
| OTC Stock Options | | | | | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — | $ — | $ — | $ — | $ — |
| Purchased | — | — | — | — | — | — | — | — |
| OTC Stock Swaps | | | | | | | | |
| Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable | — | — | — | — | — | — | — | — |
| Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable | — | — | — | — | — | — | — | — |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (344) | ¥ (359) | | | $ (3) | $ (3) |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | 2022 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | |
| Listed | | | | |
| Stock Index Futures | | | | |
| Sold | ¥ 74,021 | ¥ — | ¥ (4,650) | ¥ (4,650) |
| Purchased | 45,631 | — | 1,918 | 1,918 |
| Stock Index Options | | | | |
| Sold | 14,474 | — | (130) | 29 |
| Purchased | 18,081 | — | 166 | (225) |
| OTC | | | | |
| OTC Stock Options | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| OTC Stock Swaps | | | | |
| Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable | — | — | — | — |
| Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable | — | — | — | — |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥ (2,695) | ¥ (2,927) |

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2023 and 2022, consist of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | | | |
| | Notional Amount | | Fair Value | Valuation Difference | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | | Total | Over One Year | | |
| Listed | | | | | | | | |
| Bond Futures | | | | | | | | |
| Sold | ¥ 925,638 | ¥ — | ¥ (24,016) | ¥ (24,016) | $ 6,932 | $ — | $ (180) | $ (180) |
| Purchased | 837,670 | — | 20,037 | 20,037 | 6,273 | — | 150 | 150 |
| Bond Future Options | | | | | | | | |
| Sold | 40,503 | — | (175) | 87 | 303 | — | (1) | 1 |
| Purchased | 54,767 | — | 179 | (123) | 410 | — | 1 | (1) |
| OTC | | | | | | | | |
| Bond Forward Contracts | | | | | | | | |
| Sold | ¥ 12,819 | ¥ — | ¥ (282) | ¥ (282) | $ 96 | $ — | $ (2) | $ (2) |
| Purchased | — | — | — | — | — | — | — | — |
| Bond Options | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | 994 | 994 | 11 | (19) | 7 | 7 | 0 | (0) |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (4,246) | ¥ (4,317) | | | $ (32) | $ (32) |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | 2022 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | |
| Listed | | | | |
| Bond Futures | | | | |
| Sold | ¥ 1,058,961 | ¥ — | ¥ 18,999 | ¥ 18,999 |
| Purchased | 902,988 | — | (12,922) | (12,922) |
| Bond Future Options | | | | |
| Sold | 23,507 | — | (159) | (42) |
| Purchased | 26,654 | — | 339 | 154 |
| OTC | | | | |
| Bond Forward Contracts | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| Bond Options | | | | |
| Sold | — | — | — | — |
| Purchased | 994 | 994 | 47 | 15 |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| **Total** | | | ¥ 6,303 | ¥ 6,204 |

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2023 and 2022.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2023 and 2022, consist of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | | | |
| | 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 | ¥ 22,600 | ¥ 19,100 | ¥ 460 | ¥ 460 | $ 169 | $ 143 | $ 3 | $ 3 |
| Purchased | 68,654 | 65,154 | (798) | (798) | 514 | 488 | (6) | (6) |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (338) | ¥ (338) | | | $ (3) | $ (3) |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | 2022 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | |
| OTC | | | | |
| Credit Default Swaps | | | | |
| Sold | ¥ 29,000 | ¥ 18,000 | ¥ 611 | ¥ 611 |
| Purchased | 66,392 | 55,392 | (2,930) | (2,930) |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥ (2,319) | ¥ (2,319) |

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

## 2. Derivatives Transactions Qualifying for Hedge Accounting

Derivatives transactions qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date 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, 2023 and 2022, consist of the following:

| | Major Hedged Item | Millions of Yen | | | Millions of U.S. Dollars | | |
|---|---|---|---|---|---|---|---|
| | | 2023 | | | 2023 | | |
| | | 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 | Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable | ¥ 1,583,341 | ¥ 1,139,336 | ¥ (85,848) | $ 11,857 | $ 8,532 | $ (643) |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | | 1,352,306 | 950,933 | 5,871 | 10,127 | 7,121 | 44 |
| 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 | — | ¥ — | ¥ — | — | $ — | $ — | — |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | | — | — | — | — | — | — |
| Total | | | | ¥ (79,977) | | | $ (599) |

| | Major Hedged Item | Millions of Yen | | |
|---|---|---|---|---|
| | | 2022 | | |
| | | Notional Amount | | Fair Value |
| | | Total | Over One Year | |
| Deferral Method | | | | |
| Interest Rate Swaps | Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable | | | |
| Fixed Interest Rate Receivable/ Floating Interest Rate Payable | | ¥ 1,150,748 | ¥ 1,118,912 | ¥ (53,298) |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | | 1,779,306 | 1,351,050 | 18,674 |
| 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 | — | ¥ — | ¥ — | — |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | | — | — | — |
| **Total** | | | | ¥ (34,624) |

(Note) Deferred hedge accounting stipulated in Guidance No.24 is applied, in principle.

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2023 and 2022, consist of the following:

| | Major Hedged Item | Millions of Yen 2023 Notional Amount Total | Millions of Yen 2023 Notional Amount Over One Year | Millions of Yen 2023 Fair Value | Millions of U.S. Dollars 2023 Notional Amount Total | Millions of U.S. Dollars 2023 Notional Amount Over One Year | Millions of U.S. Dollars 2023 Fair Value |
|---|---|---|---|---|---|---|---|
| Deferral Method | | | | | | | |
| Currency Swaps | Loans and Bills Discounted and Securities Denominated in Foreign Currencies | ¥ 3,909,750 | ¥ 2,017,931 | ¥ (94,221) | $ 29,278 | $ 15,111 | $ (706) |
| Forward Exchange Contracts | | | | | | | |
| Sold | | 24,356 | — | (418) | 182 | — | (3) |
| Purchased | | 495,253 | — | 9,140 | 3,709 | — | 68 |
| 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 | | ¥ 110,525 | ¥ — | ¥ (716) | $ 828 | $ — | $ (5) |
| Purchased | | — | — | — | — | — | — |
| Total | | | | ¥ (86,216) | | | $ (646) |

| | Major Hedged Item | Millions of Yen 2022 Notional Amount Total | Millions of Yen 2022 Notional Amount Over One Year | Millions of Yen 2022 Fair Value |
|---|---|---|---|---|
| Deferral Method | | | | |
| Currency Swaps | Loans and Bills Discounted and Securities Denominated in Foreign Currencies | ¥ 2,212,027 | ¥ 896,828 | ¥ (135,622) |
| Forward Exchange Contracts | | | | |
| Sold | | 25,661 | — | (849) |
| Purchased | | 91,480 | — | 1,293 |
| 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 | | ¥ 102,904 | ¥ — | ¥ (4,990) |
| Purchased | | — | — | — |
| Total | | | | ¥ (140,169) |

(Note) Deferred hedge accounting stipulated in Guidance No.25 is applied, in principle.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2023 and 2022.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2023 and 2022.

## Retirement and Pension Plans

### 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 and defined contribution pension plans. 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 |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Retirement Benefit Obligations (opening balance) | ¥ 423,883 | ¥ 431,223 | $ 3,174 |
| Service Cost-Benefits Earned during the Fiscal Year | 10,162 | 10,880 | 76 |
| Interest Cost on Projected Benefit Obligations | 2,276 | 2,307 | 17 |
| Actuarial Gains and Losses that Arose during the Fiscal Year | (37,086) | 3,522 | (278) |
| Retirement Benefits Paid | (17,149) | (18,365) | (128) |
| Past Service Cost that Arose during the Fiscal Year | — | — | — |
| Other (Note) | — | (5,685) | — |
| Retirement Benefit Obligations (closing balance) | ¥ 382,087 | ¥ 423,883 | $ 2,861 |

(Note) "Other" recognized in the previous fiscal year was reversal due to the termination of the defined benefit plans for one of the consolidated subsidiaries.

(2) Reconciliation of Plan Assets

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Plan Assets (opening balance) | ¥ 602,553 | ¥ 648,636 | $ 4,512 |
| Expected Return on Plan Assets | 21,820 | 22,608 | 163 |
| Actuarial Gains and Losses that Arose during the Fiscal Year | (12,773) | (52,299) | (96) |
| Contributions by the Employer | 4,755 | 4,936 | 36 |
| Retirement Benefits Paid | (15,364) | (16,020) | (115) |
| Other (Note) | — | (5,307) | — |
| Plan Assets (closing balance) | ¥ 600,992 | ¥ 602,553 | $ 4,500 |

(Note) "Other" recognized in the previous fiscal year was reversal due to the termination of the defined benefit plans for one of the consolidated subsidiaries.

(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 |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets | ¥ 368,367 | ¥ 410,330 | $ 2,758 |
| Plan Assets | (600,992) | (602,553) | (4,500) |
| | (232,625) | (192,223) | (1,742) |
| Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets | 13,720 | 13,553 | 103 |
| Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet | ¥ (218,904) | ¥ (178,669) | $ (1,639) |

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Liabilities for Retirement Benefits | ¥ 13,720 | ¥ 13,553 | $ 103 |
| Assets for Retirement Benefits | (232,625) | (192,223) | (1,742) |
| Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet | ¥ (218,904) | ¥ (178,669) | $ (1,639) |

(4) Breakdown of Retirement Benefit Expenses

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Service Cost-Benefits Earned during the Fiscal Year | ¥ 10,162 | ¥ 10,880 | $ 76 |
| Interest Cost on Projected Benefit Obligations | 2,276 | 2,307 | 17 |
| Expected Return on Plan Assets | (21,820) | (22,608) | (163) |
| Amortization of Actuarial Differences | 3,841 | 479 | 29 |
| Amortization of Past Service Cost | (18) | (65) | (0) |
| Other | 424 | 378 | 3 |
| Retirement Benefit Expenses for Defined Benefit Obligations | ¥ (5,133) | ¥ (8,627) | $ (38) |

(5) Remeasurements of Defined Benefit Plans

The breakdown of remeasurements of defined benefit plans (before tax effects) is as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Past Service Cost | ¥ (18) | ¥ (65) | $ (0) |
| Actuarial Differences | 28,154 | (55,342) | 211 |
| Total | ¥ 28,135 | ¥ (55,407) | $ 211 |

(6) Accumulated Remeasurements of Defined Benefit Plans

The breakdown of accumulated remeasurements of defined benefit plans (before tax effects) is as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Unrecognized Past Service Cost | ¥ (84) | ¥ (102) | $ (1) |
| Unrecognized Actuarial Differences | 33,414 | 61,569 | 250 |
| Total | ¥ 33,330 | ¥ 61,466 | $ 250 |

(7) Plan Assets

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

| | Proportion (%) | |
|---|---|---|
| | 2023 | 2022 |
| Debt Securities | 25 | 25 |
| Equity Securities | 61 | 59 |
| Cash and Due from Banks | 3 | 4 |
| Other | 11 | 12 |
| 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 55% of the total plan asset for the fiscal years ended March 31, 2023 and 2022, respectively.

2) Expected long-term rate of return on plan assets

In order to determine the expected long-term rate of return on plan assets, SuMi TRUST Holdings considers the current and projected plan asset allocation, as well as the current and expected long-term rate of return on assets composing plan assets.

(8) Assumptions Used

Major assumptions used in actuarial calculation for the fiscal years ended March 31, 2023 and 2022, are as follows:

| | 2023 | 2022 |
|---|---|---|
| Discount Rate | Mainly 1.2% | Mainly 0.5% |
| Expected Long-Term Rate of Return on Plan Assets | 3.6% | 3.5% |

## 3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Holdings and its consolidated subsidiaries to the defined contribution pension plans were ¥2,311 million (U.S. $17 million) and ¥2,379 million for the years ended March 31, 2023 and 2022, respectively.

## Stock Option Plans

### 1. Expenses Recorded in Connection with Stock Options during the Fiscal Years Ended March 31, 2023 and 2022

(1) SuMi TRUST Holdings

There were no relevant items.

(2) Nikko Asset Management Co., Ltd. (consolidated subsidiary)

There were no relevant items.

### 2. Description of Stock Options

(1) SuMi TRUST Holdings

The following tables show stock options effective as of March 31, 2023. The number of stock options represents the number of shares after converting into equivalent shares, taking into account the consolidation of shares at a ratio of ten existing shares into one share effected on October 1, 2016.

1) Description of Stock Options

| Year Ended March 31, 2023 | SuMi TRUST Holdings Series 2 Subscription Rights to Shares | SuMi TRUST Holdings Series 3 Subscription Rights to Shares |
|---|---|---|
| Number of Eligible Persons and their Position | Directors and officers of SuMi TRUST Holdings: 22<br>Directors and officers of SuMi TRUST Bank: 44<br>Total: 66 | Directors and officers of SuMi TRUST Holdings: 22<br>Directors and officers of SuMi TRUST Bank: 38<br>Total: 60 |
| Number of Stock Options Granted by Class of Share | Common stock: 26,000 shares | Common stock: 39,800 shares |
| Grant Date | July 18, 2012 | July 19, 2013 |
| 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.<br>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 18, 2012, to July 17, 2014 | From July 19, 2013, to July 18, 2015 |
| Exercise Period | From July 18, 2014, to July 17, 2022 | From July 19, 2015, to July 18, 2023 |

| Year Ended March 31, 2023 | SuMi TRUST Holdings Series 4 Subscription Rights to Shares | SuMi TRUST Holdings Series 5 Subscription Rights to Shares |
|---|---|---|
| Number of Eligible Persons and their Position | Directors and officers of SuMi TRUST Holdings: 23<br>Directors and officers of SuMi TRUST Bank: 40<br>Total: 63 | Directors and officers of SuMi TRUST Holdings: 19<br>Directors and officers of SuMi TRUST Bank: 44<br>Total: 63 |
| Number of Stock Options Granted by Class of Share | Common stock: 40,400 shares | Common stock: 32,700 shares |
| Grant Date | August 1, 2014 | 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.<br>2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares. | Same as on the left |
| Eligible Service Period | Not specified | Same as on the left |
| Exercise Period | From August 31, 2014, to July 31, 2044 | From August 31, 2015, to July 30, 2045 |

| Year Ended March 31, 2023 | SuMi TRUST Holdings Series 6 Subscription Rights to Shares | SuMi TRUST Holdings Series 7 Subscription Rights to Shares |
|---|---|---|
| Number of Eligible Persons and their Position | Directors and officers of SuMi TRUST Holdings: 21<br>Directors and officers of SuMi TRUST Bank: 42<br>Total: 63 | Directors and officers of SuMi TRUST Holdings: 26<br>Directors and officers of SuMi TRUST Bank: 41<br>Total: 67 |
| Number of Stock Options Granted by Class of Share | Common stock: 51,000 shares | Common stock: 61,300 shares |
| Grant Date | July 29, 2016 | July 28, 2017 |
| 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.<br>2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares. | Same as on the left |
| Eligible Service Period | Not specified | Same as on the left |
| Exercise Period | From August 31, 2016, to July 28, 2046 | From August 21, 2017, to July 27, 2047 |

| Year Ended March 31, 2023 | SuMi TRUST Holdings Series 8 Subscription Rights to Shares |
|---|---|
| Number of Eligible Persons and their Position | Directors and officers of SuMi TRUST Holdings: 30<br>Directors and officers of SuMi TRUST Bank: 40<br>Total: 70 |
| Number of Stock Options Granted by Class of Share | Common stock: 69,000 shares |
| Grant Date | September 3, 2018 |
| 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.<br>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 September 30, 2018, to September 2, 2048 |

2) Volume and Changes in Stock Options

i) Number of stock options

| | Shares | | | |
|---|---|---|---|---|
| Year Ended March 31, 2023 | 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 | — | — | — | — |
| Granted | — | — | — | — |
| Forfeited | — | — | — | — |
| Vested | — | — | — | — |
| At the End of the Fiscal Year | — | — | — | — |
| Vested Stock Options | | | | |
| At the Beginning of Fiscal Year | 18,900 | 39,300 | 30,200 | 28,100 |
| Vested | — | — | — | — |
| Exercised | 6,100 | — | 2,000 | 1,300 |
| Forfeited | 12,800 | — | — | — |
| At the End of the Fiscal Year | — | 39,300 | 28,200 | 26,800 |

| | Shares | | |
|---|---|---|---|
| Year Ended March 31, 2023 | SuMi TRUST Holdings Series 6 Subscription Rights to Shares | SuMi TRUST Holdings Series 7 Subscription Rights to Shares | SuMi TRUST Holdings Series 8 Subscription Rights to Shares |
| Unvested Stock Options | | | |
| At the Beginning of the Fiscal Year | — | — | — |
| Granted | — | — | — |
| Forfeited | — | — | — |
| Vested | — | — | — |
| At the End of the Fiscal Year | — | — | — |
| Vested Stock Options | | | |
| At the Beginning of Fiscal Year | 45,800 | 57,600 | 66,300 |
| Vested | — | — | — |
| Exercised | 2,800 | 3,500 | 1,000 |
| Forfeited | — | — | — |
| At the End of the Fiscal Year | 43,000 | 54,100 | 65,300 |

ii) Unit price information

| Year Ended March 31, 2023 | 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) | 4,000 | 5,190 | 1 | 1 |
| Average Stock Price when Exercised (yen) | 4,198 | — | 4,258 | 4,292 |
| Fair Unit Value on the Grant Date (yen) | 340 | 1,460 | 4,240 | 5,447 |

| Year Ended March 31, 2023 | SuMi TRUST Holdings Series 6 Subscription Rights to Shares | SuMi TRUST Holdings Series 7 Subscription Rights to Shares | SuMi TRUST Holdings Series 8 Subscription Rights to Shares |
|---|---|---|---|
| Exercise Price (yen) | 1 | 1 | 1 |
| Average Stock Price when Exercised (yen) | 4,470 | 4,379 | 4,336 |
| Fair Unit Value on the Grant Date (yen) | 3,246 | 3,870 | 4,183 |

(2) Nikko Asset Management Co., Ltd. (consolidated subsidiary)

The following tables show stock options effective as of March 31, 2023. The number of stock options represents the number of shares after converting into equivalent shares.

1) Description of Stock Options

| Year Ended March 31, 2023 | Resolution during the Fiscal Year 2016 | Resolution during the Fiscal Year 2016 |
|---|---|---|
| Number of Eligible Persons and their Position | Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 16 | Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 31 |
| Number of Stock Options Granted by Class of Share | Common stock: 4,437,000 shares | Common stock: 4,409,000 shares |
| Grant Date | July 15, 2016 | April 27, 2017 |
| Vesting Conditions | The recipient must, in principle, be a director or an employee of Nikko Asset Management Co., Ltd., as of July 15, 2018 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one third, one third and one third of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options. | The recipient must, in principle, be a director or an employee of Nikko Asset Management Co., Ltd., as of April 27, 2019 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one third, one third and one third of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options. |
| Eligible Service Period | From the grant date until two full years have passed since the First Exercisable Date | From the grant date until two full years have passed since the First Exercisable Date |
| Exercise Period | From July 15, 2018 to July 31, 2026 | From April 27, 2019 to April 30, 2027 |

| | Resolution during the Fiscal Year 2017 |
|---|---|
| Number of Eligible Persons and their Position | Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 36 |
| Number of Stock Options Granted by Class of Share | Common stock: 4,422,000 shares |
| Grant Date | April 27, 2018 |
| Vesting Conditions | The recipient must, in principle, be a director or an employee of Nikko Asset Management Co., Ltd., as of April 27, 2020 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one third, one third and one third of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options. |
| Eligible Service Period | From the grant date until two full years have passed since the First Exercisable Date |
| Exercise Period | From April 27, 2020 to April 30, 2028 |

2) Volume and Changes in Stock Options

i) Number of stock options

| Year Ended March 31, 2023 | Shares | |
|---|---|---|
| | Resolution during Fiscal Year 2016 | Resolution during Fiscal Year 2016 |
| Grant Date | July 15, 2016 | April 27, 2017 |
| Unvested Stock Options | | |
| At the Beginning of the Fiscal Year | 88,000 | 816,000 |
| Granted | — | — |
| Forfeited | 88,000 | 599,000 |
| Vested | — | — |
| At the End of the Fiscal Year | — | 217,000 |
| Vested Stock Options | | |
| At the Beginning of the Fiscal Year | — | — |
| Vested | — | — |
| Exercised | — | — |
| Forfeited | — | — |
| At the End of the Fiscal Year | — | — |

| | Shares |
|---|---|
| | Resolution during Fiscal Year 2017 |
| Grant Date | April 27, 2018 |
| Unvested Stock Options | |
| At the Beginning of the Fiscal Year | 1,536,000 |
| Granted | — |
| Forfeited | 784,000 |
| Vested | — |
| At the End of the Fiscal Year | 752,000 |
| Vested Stock Options | |
| At the Beginning of the Fiscal Year | — |
| Vested | — |
| Exercised | — |
| Forfeited | — |
| At the End of the Fiscal Year | — |

ii) Unit price information

| Year Ended March 31, 2023 | Resolution during Fiscal Year 2016 | Resolution during Fiscal Year 2016 |
|---|---|---|
| Grant Date | July 15, 2016 | April 27, 2017 |
| Exercise Price | ¥ 558 | ¥ 553 |
| Fair Price on the Grant Date (Note 1) | 0 | 0 |

| | Resolution during Fiscal Year 2017 |
|---|---|
| Grant Date | April 27, 2018 |
| Exercise Price | ¥ 694 |
| Fair Price on the Grant Date (Note 1) | 0 |

(Notes)

1) In lieu of fair value per share, the fair price refers to an estimate of each option's intrinsic value (the difference between the fair value of the share calculated by the comparable transaction price method and the exercise price).

2) The total amount of intrinsic value of the options was ¥344 million (U.S. $3 million) as of March 31, 2023.

## 3. Method for Estimating a Fair Unit Price for Stock Options

There were no subscription rights granted in the fiscal year ended March 31, 2023.

## 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. Breakdown of Major Factors Giving Rise to Deferred Tax Assets and Liabilities

| Year Ended March 31 | Millions of Yen 2023 | Millions of Yen 2022 | Millions of U.S. Dollars 2023 |
|---|---|---|---|
| **Deferred Tax Assets:** | | | |
| Impairment of Securities | ¥ 17,147 | ¥ 18,094 | $ 128 |
| Allowance for Loan Losses (Including Direct Write-Offs of Loans with Guarantees or Collateral) | 34,555 | 55,080 | 259 |
| Deferred Gains (Losses) on Hedges | 21,391 | 18,366 | 160 |
| Remeasurements of Defined Benefit Plans | 10,263 | 18,945 | 77 |
| Valuation Difference Due to Share Exchange | 4,572 | 4,432 | 34 |
| Other | 69,510 | 72,892 | 521 |
| Subtotal | 157,441 | 187,810 | 1,179 |
| Valuation Allowance | (19,993) | (20,900) | (150) |
| **Deferred Tax Assets** | ¥ 137,448 | ¥ 166,909 | $ 1,029 |
| **Deferred Tax Liabilities:** | | | |
| Retirement Benefits | ¥ (51,861) | ¥ (46,430) | $ (388) |
| Valuation Difference on Available-for-Sale Securities | (122,854) | (131,370) | (920) |
| Valuation Difference Due to Share Exchange | (5,718) | (5,752) | (43) |
| Other | (11,869) | (11,823) | (89) |
| **Deferred Tax Liabilities** | ¥ (192,304) | ¥ (195,377) | $ (1,440) |
| **Net Deferred Tax Assets (Liabilities)** | ¥ (54,856) | ¥ (28,467) | $ (411) |

### 2. Breakdown of Major Causes of Significant Differences Arising Between the Statutory Tax Rate and the Effective Tax Rate after Application of Tax Effect Accounting for Companies Submitting the Consolidated Financial Statements

| Year Ended March 31 | 2023 | 2022 |
|---|---|---|
| Effective Statutory Tax Rate | —% | 30.62% |
| Adjustments: | | |
| Changes in Valuation Allowance | — | (1.20) |
| Amortization of Goodwill | — | 1.06 |
| Share of Profit of Equity-Method Affiliated Companies | — | (2.09) |
| Permanent Differences (e.g., Cash Dividends Received) | — | (0.75) |
| Others | — | (2.31) |
| Effective Income Tax Rate | —% | 25.33% |

(Note) Disclosure on reconciliation between the effective statutory tax rate and the effective income tax rate is omitted since the difference was 5% or less of the effective statutory tax rate for the fiscal year ended March 31, 2023.

### 3. Accounting for Corporation Tax and Local Corporation Tax and Tax Effect Accounting

SuMi TRUST Holdings and some of its consolidated subsidiaries in Japan have adopted the group tax sharing system effective from the current fiscal year. In addition, corporation tax and local corporation tax, as well as their tax effects, are accounted for and disclosed under "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No.42 , August 12, 2021).

## Revenue Recognition

### 1. Information Related to Disaggregation of Revenue from Contracts with Customers for the Current Fiscal Year Ended March 31, 2023 and 2022

SuMi TRUST Group has changed its reportable segments effective from the current fiscal year in line with the reorganization of SuMi TRUST Bank effective April 1, 2022, and segment information for the previous fiscal year is based on the new reportable segment classifications. The details of the change are described in "Notes to the Consolidated Financial Statements, Segment Information."

| | Millions of Yen | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Asset Management | Others | Subtotal | Income Other than Those Disaggregated Revenue | Total |
| Trust Fees | ¥ 6,796 | ¥ 13,349 | ¥ 85,769 | ¥ 3,807 | ¥ — | ¥ — | ¥ — | ¥ 109,721 | ¥ — | ¥ 109,721 |
| Fees and Commissions | 89,016 | 57,138 | 46,269 | 66,872 | 467 | 144,472 | (46,031) | 358,206 | 82,125 | 440,331 |
| Income from Contracts with Customers | ¥ 95,812 | ¥ 70,487 | ¥ 132,039 | ¥ 70,679 | ¥ 467 | ¥ 144,472 | ¥(46,031) | ¥ 467,928 | | |

| | Millions of Yen | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2022 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Asset Management | Others | Subtotal | Income Other than Those Disaggregated Revenue | Total |
| Trust Fees | ¥ 6,738 | ¥ 12,396 | ¥ 87,889 | ¥ 3,513 | ¥ — | ¥ — | ¥ — | ¥ 110,539 | ¥ — | ¥ 110,539 |
| Fees and Commissions | 81,401 | 50,228 | 46,443 | 60,159 | 343 | 172,384 | (41,834) | 369,124 | 75,530 | 444,655 |
| Income from Contracts with Customers | ¥ 88,140 | ¥ 62,624 | ¥ 134,333 | ¥ 63,672 | ¥ 343 | ¥ 172,384 | ¥ (41,834) | ¥ 479,664 | | |

| | Millions of U.S. Dollars | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Asset Management | Others | Subtotal | Income Other than Those Disaggregated Revenue | Total |
| Trust Fees | $ 51 | $ 100 | $ 642 | $ 29 | $ — | $ — | $ — | $ 822 | $ — | $ 822 |
| Fees and Commissions | 667 | 428 | 346 | 501 | 4 | 1,082 | (345) | 2,682 | 615 | 3,297 |
| Income from Contracts with Customers | $ 717 | $ 528 | $ 989 | $ 529 | $ 4 | $ 1,082 | $ (345) | $ 3,504 | | |

(Note) "Others" includes elimination of internal transactions.

### 2. Information Related to Contract Balance

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Receivables from Contracts with Customers | ¥ 104,016 | ¥ 107,494 | $ 779 |
| Contract Liabilities | 2,518 | 1,772 | 19 |

| | Millions of Yen | |
|---|---|---|
| | 2022 | 2021 |
| Receivables from Contracts with Customers | ¥ 107,494 | ¥ 100,863 |
| Contract Liabilities | 1,772 | 1,446 |

Receivables from contracts with customers and contract liabilities are included in "Other Assets" and "Other Liabilities," respectively, in the consolidated balance sheets. Contract liabilities retained at the beginning of the current fiscal year and the previous fiscal year are mainly recognized as revenue for the fiscal years ended March 31, 2023 and 2022, respectively.

The amount of revenue from performance obligation satisfied or partially satisfied in the past year and recognized in the current fiscal year is immaterial.

### 3. Information Related to Transaction Prices Allocated to Residual Performance Obligations

For the fiscal years ended March 31, 2023 and 2022, the amount of revenue expected to be recognized from existing contracts after the fiscal years is immaterial. Contracts with their initial expected period of less than one year and with revenue recognized in the amount that SuMi TRUST Group is entitled to claim are not included in the notes.

## Segment Information

### 1. Reportable Segment Information

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

The main activities of the reportable segment are presented below:

Retail Business:
Provision of services to individual customers

Wholesale Business:
Provision of services to corporate customers

Investor Services Business:
Provision of services to investors

Real Estate Business:
Provision of services related to the real estate business

Global Markets Business:
Marketing operations, market-making operations, investment operations, and financial management operations

Asset Management Business:
Asset management service operations

Change in Reportable Segments

SuMi TRUST Group aims to promote and lead a virtuous circle of funds, assets, and capital by various stakeholders through provision of high value-added products and services and investments to create new values. Effective as of April 1, 2022, reorganization of SuMi TRUST Bank, Limited has been implemented.

Reportable segments of SuMi TRUST Group were previously divided into "Retail Total Solution Services Business," "Wholesale Financial Services Business (Wholesale Total Solution Services Business and Wholesale Asset Management Business)," "Stock Transfer Agency Services Business," "Real Estate Business," "Fiduciary Services

Business," "Asset Management Business," and "Global Markets Business." Starting from the current consolidated fiscal year SuMi TRUST Group has reclassified them into the following segments: "Retail Business (former Retail Total Solution Services Business)," "Wholesale Business (former Wholesale Total Solution Services Business and former Stock Transfer Agency Services Business)," "Investor Services Business (former Wholesale Asset Management Business and former Fiduciary Services Business)," "Real Estate Business," "Global Markets Business," and "Asset Management Business."

Segment information for the fiscal year ended March 31, 2022, has been prepared based on the reportable segments after the change.

## 2. Method for Calculating Substantial Gross Business Profit and Net Business Profit by Each Reportable Segment

Segment information is prepared based on internal management reports and the accounting policies used for the reportable segments are generally the same as those presented under "Significant Accounting Policies and Practices"; however, the reportable segments are accounted for in accordance with the rules for the internal management.

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

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

"Fixed Assets" disclosed in the assets by reportable segments are the total amount of tangible fixed assets and intangible fixed asset. These assets are owned by SuMi TRUST Bank and allocated to each segment.

## 3. Profit or Loss and Fixed Assets by Reportable Segment

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Substantial Gross Business Profit | ¥ 202,874 | ¥ 229,393 | ¥ 127,382 | ¥ 69,745 | ¥ 69,310 | ¥ 84,724 | ¥ 30,731 | ¥ 814,162 |
| General and Administrative Expenses | (161,366) | (88,583) | (69,678) | (27,607) | (15,148) | (62,485) | (64,651) | (489,521) |
| Net Business Profit | ¥ 41,507 | ¥ 140,809 | ¥ 57,703 | ¥ 42,138 | ¥ 54,162 | ¥ 22,239 | ¥ (33,919) | ¥ 324,641 |
| Fixed Assets | ¥ 75,388 | ¥ 55,763 | ¥ 22,251 | ¥ 9,270 | ¥ 25,148 | ¥ — | ¥ 165,735 | ¥ 353,557 |

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2022 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Substantial Gross Business Profit | ¥ 190,844 | ¥ 212,075 | ¥ 137,854 | ¥ 62,792 | ¥ 52,303 | ¥ 101,967 | ¥ 50,344 | ¥ 808,182 |
| General and Administrative Expenses | (158,631) | (84,635) | (67,099) | (25,892) | (15,704) | (61,444) | (48,689) | (462,096) |
| Net Business Profit | ¥ 32,212 | ¥ 127,440 | ¥ 70,754 | ¥ 36,900 | ¥ 36,599 | ¥ 40,523 | ¥ 1,654 | ¥ 346,085 |
| Fixed Assets | ¥ 71,016 | ¥ 43,306 | ¥ 21,070 | ¥ 9,318 | ¥ 19,165 | ¥ — | ¥ 186,325 | ¥ 350,202 |

| | Millions of U.S. Dollars | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Substantial Gross Business Profit | $ 1,519 | $ 1,718 | $ 954 | $ 522 | $ 519 | $ 634 | $ 230 | $ 6,097 |
| General and Administrative Expenses | (1,208) | (663) | (522) | (207) | (113) | (468) | (484) | (3,666) |
| Net Business Profit | $ 311 | $ 1,054 | $ 432 | $ 316 | $ 406 | $ 167 | $ (254) | $ 2,431 |
| Fixed Assets | $ 565 | $ 418 | $ 167 | $ 69 | $ 188 | $ — | $ 1,241 | $ 2,648 |

(Notes)

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

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

3) "General and Administrative Expenses" include personnel expenses and non-personnel expenses.

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

5) The amount of "Fixed Assets" for each segment represents the amount of fixed assets owned by SuMi TRUST Bank. "Others" within "Fixed Assets" include corporate assets not allocated to any segment, fixed assets owned by consolidated subsidiaries outside the scope of allocation of resources, and adjustments for consolidation. For fixed assets not allocated to each segment, some of related expenses are allocated to each segment based on a reasonable allocation method.

### 4. Reconciliation Between Total Profit or Loss for Reportable Segments and Income before Income Taxes in the Consolidated Statement of Income

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Net Business Profit | ¥ 324,641 | ¥ 346,085 | $ 2,431 |
| Other Income | 129,767 | 120,731 | 972 |
| Other Expenses | (139,857) | (205,536) | (1,047) |
| Other Adjustments | (43,163) | (33,280) | (323) |
| Income before Income Taxes | ¥ 271,387 | ¥ 227,999 | $ 2,032 |

## Related Information

### 1. Information by Services

Disclosure of information by services is omitted as similar disclosure is included in the "3. Profit or Loss and Fixed Assets by Reportable Segment" in the "Segment Information" section.

### 2. Geographic Information

(1) Income

Income by geographical area for the fiscal years ended March 31, 2023 and 2022, consists of the following:

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Japan | Americas | Europe | Asia and Oceania | Total |
| | ¥ 1,317,365 | ¥ 220,877 | ¥ 150,908 | ¥ 134,888 | ¥ 1,824,040 |

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Year Ended March 31, 2022 | Japan | Americas | Europe | Asia and Oceania | Total |
| | ¥ 1,216,885 | ¥ 72,283 | ¥ 55,428 | ¥ 57,040 | ¥ 1,401,637 |

| | Millions of U.S. Dollars | | | | |
|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Japan | Americas | Europe | Asia and Oceania | Total |
| | $ 9,865 | $ 1,654 | $ 1,130 | $ 1,010 | $ 13,659 |

(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, SuMi TRUST Bank (excluding overseas branches), and other domestic consolidated subsidiaries are presented under "Japan." Income related to transactions by oversea 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 Group's tangible fixed assets on the consolidated balance sheet as of March 31, 2023 and 2022, 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

Losses on impairment of fixed assets allocated to reportable segments during the fiscal year ended March 31, 2023 and 2022 were as follows:

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Losses on Impairment of Fixed Assets | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 18,187 | ¥ 18,187 |

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2022 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Losses on Impairment of Fixed Assets | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 1,468 | ¥ 1,468 |

| | Millions of U.S. Dollars | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Losses on Impairment of Fixed Assets | $ — | $ — | $ — | $ — | $ — | $ — | $ 136 | $ 136 |

(Note) The details of impairment losses are described in "Notes to the Consolidated Statement of Income, 5. Other Income and Expenses, (2)."

### Information Related to Amortization of Goodwill and Unamortized Balance of Goodwill by Reportable Segment

Amortization of goodwill and unamortized balance of goodwill are not allocated to the reportable segments.

Amortization of goodwill recognized during the fiscal years ended March 31, 2023, and 2022, were ¥8,001 million (U.S. $60 million) and ¥7,882 million, respectively. Unamortized balance of goodwill as of March 31, 2023, and 2022, were ¥21,726 million (U.S. $163 million) and ¥29,510 million, respectively.

### Information Related to Gain on Negative Goodwill by Reportable Segment

There were no gains on negative goodwill by reportable segment during the fiscal years ended March 31, 2023 and 2022.

## Related-Party Information

### 1. Related-Party Transactions

There were no material transactions that need to be disclosed for the fiscal years ended March 31, 2023 and 2022.

### 2. Notes to the Significant Affiliated Companies

There were no significant affiliated companies that need to be disclosed for the fiscal years ended March 31, 2023 and 2022.

## Per Share of Common Stock Information

| | Yen | | U.S. Dollars |
|---|---|---|---|
| | **2023** | 2022 | **2023** |
| Net Assets per Share of Common Stock | **¥ 7,686.52** | ¥ 7,249.70 | **$ 57.56** |
| Net Income per Share of Common Stock | **517.14** | 451.40 | **3.87** |
| Diluted Net Income per Share of Common Stock | **516.83** | 451.12 | **3.87** |

(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, 2023** | As of March 31, 2022 | **As of March 31, 2023** |
| Net Assets as Reported | **¥ 2,822,574** | ¥ 2,745,288 | **$ 21,137** |
| Less: | **30,490** | 29,732 | **228** |
| Subscription Rights to Shares | **945** | 1,006 | **7** |
| Non-Controlling Interests | **29,545** | 28,725 | **221** |
| Net Assets Attributable to Common Shareholders | **2,792,083** | 2,715,556 | **20,908** |
| The Number of Shares of Common Stock Outstanding (Thousands of Shares) | **363,243** | 374,574 | **363,243** |

2) Net income per share of common stock and diluted net income per share of common stock and basis for calculation are as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | **Year Ended March 31, 2023** | Year Ended March 31, 2022 | **Year Ended March 31, 2023** |
| Net Income per Share of Common Stock | | | |
| Net Income Attributable to Owners of the Parent | **¥ 191,000** | ¥ 169,078 | **$ 1,430** |
| Net Income Not Attributable to Common Shareholders | **—** | — | **—** |
| Net Income Related to Common Stock that is Attributable to Owners of the Parent | **191,000** | 169,078 | **1,430** |
| Average Number of Shares of Common Stock Outstanding (Thousands of Shares) | **369,334** | 374,562 | **369,334** |
| | | | |
| 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) | **221** | 230 | **221** |
| Subscription Rights to Shares (Thousands of Shares) | **221** | 230 | **221** |
| Summary of the potential shares that were excluded from calculation of diluted net income per share of common stock because they have no dilute effects | **Series 3 Subscription Rights to Shares (Stock Options)<br>SuMi TRUST Holdings Common Stock<br>39,300 shares** | Series 2 Subscription Rights to Shares (Stock Options)<br>SuMi TRUST Holdings Common Stock<br>18,900 shares<br><br>Series 3 Subscription Rights to Shares (Stock Options)<br>SuMi TRUST Holdings Common Stock<br>39,300 shares | **Series 3 Subscription Rights to Shares (Stock Options)<br>SuMi TRUST Holdings Common Stock<br>39,300 shares** |
| | **Consolidated Subsidiaries<br>Nikko Asset Management Co., Ltd. (NAM):<br>Subscription Rights to Shares (Stock Options)<br>NAM Common Stock<br>969,000 shares** | Consolidated Subsidiaries<br>Nikko Asset Management Co., Ltd. (NAM):<br>Subscription Rights to Shares (Stock Options)<br>NAM Common Stock<br>2,440,000 shares | **Consolidated Subsidiaries<br>Nikko Asset Management Co., Ltd. (NAM):<br>Subscription Rights to Shares (Stock Options)<br>NAM Common Stock<br>969,000 shares** |

3) For the calculation of net income per share, the remaining number of shares of SuMi TRUST Holdings held by the share delivery trust for the directors and RS Trust (a system to deliver Restricted Stocks ("RS") using the framework of a share delivery trust) for the employee recorded as treasury stocks in the shareholders' equity, is included in the number of shares of treasury stocks deducted for the calculation of the average number of shares outstanding. For the calculation of net asset per share, it is also included in the number of shares of treasury stocks deducted from the total number of shares outstanding at the end of the fiscal year ended March 31, 2023.

For the calculation of net income per share, the average number of shares of treasury stock outstanding is 529 thousand shares for the fiscal year ended March 31, 2023 (404 thousand shares for the fiscal year ended March 31, 2022). For the calculation of net asset per share, the total number of shares of treasury stock outstanding is 695 thousand shares (392 thousand shares for the fiscal year ended March 31, 2022).

## Significant Subsequent Event

There were no significant subsequent events that need to be disclosed for the fiscal years ended March 31, 2023 and 2022.

Financial Data:

# Non-Consolidated Balance Sheet

Sumitomo Mitsui Trust Holdings, Inc.
As of March 31, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Assets:** | | | |
| **Current Assets:** | | | |
| Cash and Due from Banks | ¥ 5,632 | ¥ 18,978 | $ 42 |
| Securities | 59,000 | 104,000 | 442 |
| Prepaid Expenses | 465 | 234 | 3 |
| Income Tax Refunds Receivable | 14,378 | 12 | 108 |
| Other Current Assets | 2,176 | 14,258 | 16 |
| Total Current Assets | 81,652 | 137,483 | 611 |
| **Non-Current Assets:** | | | |
| Tangible Fixed Assets: | 0 | 0 | 0 |
| Tools, Furniture, and Fixtures | 0 | 0 | 0 |
| Intangible Fixed Assets: | 5 | 0 | 0 |
| Software | 0 | 0 | 0 |
| Other Intangible Fixed Assets | 5 | — | 0 |
| Investments and Other Assets: | 2,046,981 | 2,086,028 | 15,329 |
| Investment Securities | 720 | 652 | 5 |
| Investments in Subsidiaries and Affiliated Companies (Stocks) | 1,440,888 | 1,440,056 | 10,790 |
| Long-Term Loans Receivable from Subsidiaries and Affiliated Companies | 605,000 | 645,000 | 4,530 |
| Deferred Tax Assets | 277 | 224 | 2 |
| Other Investments | 94 | 94 | 1 |
| Total Non-Current Assets | 2,046,987 | 2,086,028 | 15,329 |
| **Total Assets** | ¥ 2,128,640 | ¥ 2,223,512 | $ 15,940 |
| **Liabilities:** | | | |
| **Current Liabilities:** | | | |
| Accrued Expenses | ¥ 1,980 | ¥ 2,032 | $ 15 |
| Income Taxes Payable | 71 | 5,338 | 1 |
| Provision for Bonuses | 317 | 259 | 2 |
| Provision for Directors' Bonuses | 88 | 77 | 1 |
| Other Current Liabilities | 265 | 475 | 2 |
| Total Current Liabilities | 2,723 | 8,183 | 20 |
| **Non-Current Liabilities:** | | | |
| Bonds Payable | 590,000 | 630,000 | 4,418 |
| Long-Term Loans Payable | 15,000 | 15,000 | 112 |
| Provision for Share-Based Remuneration | 227 | 150 | 2 |
| Other Non-Current Liabilities | 223 | 153 | 2 |
| Total Non-Current Liabilities | 605,450 | 645,303 | 4,534 |
| **Total Liabilities** | ¥ 608,173 | ¥ 653,486 | $ 4,554 |
| **Net Assets:** | | | |
| Total Shareholders' Equity: | ¥ 1,519,521 | ¥ 1,569,019 | $ 11,379 |
| Capital Stock | 261,608 | 261,608 | 1,959 |
| Capital Surplus: | 947,088 | 977,092 | 7,092 |
| Legal Capital Surplus | 702,933 | 702,933 | 5,264 |
| Other Capital Surplus | 244,154 | 274,158 | 1,828 |
| Retained Earnings: | 333,757 | 333,032 | 2,499 |
| Other Retained Earnings: | | | |
| Retained Earnings Brought Forward | 333,757 | 333,032 | 2,499 |
| Treasury Stock-At Cost | (22,933) | (2,714) | (172) |
| Subscription Rights to Shares | 945 | 1,006 | 7 |
| **Total Net Assets** | ¥ 1,520,466 | ¥ 1,570,025 | $ 11,386 |
| **Total Liabilities and Net Assets** | ¥ 2,128,640 | ¥ 2,223,512 | $ 15,940 |

| | Yen | | U.S. Dollars |
|---|---|---|---|
| **Net Assets per Share of Common Stock** | ¥ 4,183.19 | ¥ 4,188.80 | $ 31.33 |

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥133.54 to U.S. $1.00, the exchange rate as of March 31, 2023.

Financial Data:

# Non-Consolidated Statement of Income

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Operating Income: | | | |
| Dividends Received from Subsidiaries | ¥ 71,279 | ¥ 58,154 | $ 534 |
| Fees and Commissions Received from Subsidiaries | 6,832 | 5,164 | 51 |
| Total Operating Income | 78,111 | 63,319 | 585 |
| Operating Expenses: | | | |
| General and Administrative Expenses | 6,395 | 5,525 | 48 |
| Total Operating Expenses | 6,395 | 5,525 | 48 |
| Operating Profit | 71,716 | 57,793 | 537 |
| Non-Operating Income: | 6,746 | 6,715 | 51 |
| Interest Income | 6,659 | 6,641 | 50 |
| Interest on Securities | 4 | 8 | 0 |
| Commission Fee | 0 | 0 | 0 |
| Other Non-Operating Income | 81 | 65 | 1 |
| Non-Operating Expenses: | 7,035 | 6,928 | 53 |
| Interest Expenses | 103 | 76 | 1 |
| Interest on Bonds Payable | 6,556 | 6,564 | 49 |
| Other Non-Operating Expenses | 375 | 286 | 3 |
| Income before Income Taxes | 71,426 | 57,580 | 535 |
| Income Taxes: | 169 | (40) | 1 |
| Current | 222 | (162) | 2 |
| Deferred | (52) | 122 | (0) |
| Net Income | ¥ 71,257 | ¥ 57,620 | $ 534 |

| | Yen | | U.S. Dollars |
|---|---|---|---|
| Net Income per Share of Common Stock | ¥ 192.93 | ¥ 153.83 | $ 1.44 |

Financial Data:

# Non-Consolidated Statement of Changes in Net Assets

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2023 and 2022

From April 1, 2022 to March 31, 2023

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | Shareholders' Equity | | | | | |
| | | Capital Surplus | | | Retained Earnings | |
| | Capital Stock | Legal Capital Surplus | Other Capital Surplus | Total Capital Surplus | Other Retained Earnings<br>Retained Earnings Brought Forward | Total Retained Earnings |
| Balance at the Beginning of the Year | ¥ 261,608 | ¥ 702,933 | ¥ 274,158 | ¥ 977,092 | ¥ 333,032 | ¥ 333,032 |
| Changes during the Year | | | | | | |
| Cash Dividends | | | | | (70,533) | (70,533) |
| Net Income | | | | | 71,257 | 71,257 |
| Purchase of Treasury Stock | | | | | | |
| Disposal of Treasury Stock | | | (0) | (0) | | |
| Retirement of Treasury Stock | | | (30,003) | (30,003) | | |
| Net Changes of Items Other Than Shareholders' Equity | | | | | | |
| Total Changes during the Year | — | — | (30,004) | (30,004) | 724 | 724 |
| Balance at the End of the Year | ¥ 261,608 | ¥ 702,933 | ¥ 244,154 | ¥ 947,088 | ¥ 333,757 | ¥ 333,757 |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | Shareholders' Equity | | Subscription Rights to Shares | Total Net Assets |
| | Treasury Stock | Total Shareholders' Equity | | |
| Balance at the Beginning of the Year | ¥ (2,714) | ¥ 1,569,019 | ¥ 1,006 | ¥ 1,570,025 |
| Changes during the Year | | | | |
| Cash Dividends | | (70,533) | | (70,533) |
| Net Income | | 71,257 | | 71,257 |
| Purchase of Treasury Stock | (50,364) | (50,364) | | (50,364) |
| Disposal of Treasury Stock | 142 | 141 | | 141 |
| Retirement of Treasury Stock | 30,003 | — | | — |
| Net Changes of Items Other Than Shareholders' Equity | | | (61) | (61) |
| Total Changes during the Year | (20,218) | (49,498) | (61) | (49,559) |
| Balance at the End of the Year | ¥ (22,933) | ¥ 1,519,521 | ¥ 945 | ¥ 1,520,466 |

From April 1, 2021 to March 31, 2022

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | Shareholders' Equity | | | | | |
| | | Capital Surplus | | | Retained Earnings | |
| | Capital Stock | Legal Capital Surplus | Other Capital Surplus | Total Capital Surplus | Other Retained Earnings<br>Retained Earnings Brought Forward | Total Retained Earnings |
| Balance at the Beginning of the Year | ¥ 261,608 | ¥ 702,933 | ¥ 274,158 | ¥ 977,092 | ¥ 333,531 | ¥ 333,531 |
| Changes during the Year | | | | | | |
| Cash Dividends | | | | | (58,119) | (58,119) |
| Net Income | | | | | 57,620 | 57,620 |
| 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 | (499) | (499) |
| Balance at the End of the Year | ¥ 261,608 | ¥ 702,933 | ¥ 274,158 | ¥ 977,092 | ¥ 333,032 | ¥ 333,032 |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | Shareholders' Equity | | Subscription Rights to Shares | Total Net Assets |
| | Treasury Stock | Total Shareholders' Equity | | |
| Balance at the Beginning of the Year | ¥ (2,815) | ¥ 1,569,417 | ¥ 1,024 | ¥ 1,570,441 |
| Changes during the Year | | | | |
| Cash Dividends | | (58,119) | | (58,119) |
| Net Income | | 57,620 | | 57,620 |
| Purchase of Treasury Stock | (21) | (21) | | (21) |
| Disposal of Treasury Stock | 122 | 122 | | 122 |
| Retirement of Treasury Stock | | — | | — |
| Net Changes of Items Other Than Shareholders' Equity | | | (18) | (18) |
| Total Changes during the Year | 101 | (397) | (18) | (415) |
| Balance at the End of the Year | ¥ (2,714) | ¥ 1,569,019 | ¥ 1,006 | ¥ 1,570,025 |

From April 1, 2022 to March 31, 2023

| | Millions of U.S. Dollars | | | | | |
|---|---|---|---|---|---|---|
| | Shareholders' Equity | | | | | |
| | | Capital Surplus | | | Retained Earnings | |
| | Capital Stock | Legal Capital Surplus | Other Capital Surplus | Total Capital Surplus | Other Retained Earnings / Retained Earnings Brought Forward | Total Retained Earnings |
| Balance at the Beginning of the Year | $ 1,959 | $ 5,264 | $ 2,053 | $ 7,317 | $ 2,494 | $ 2,494 |
| Changes during the Year | | | | — | | — |
| Cash Dividends | | | | | (528) | (528) |
| Net Income | | | | | 534 | 534 |
| Purchase of Treasury Stock | | | | | — | — |
| Disposal of Treasury Stock | — | — | (0) | (0) | — | — |
| Retirement of Treasury Stock | 1,959 | 5,264 | (225) | (225) | | |
| Net Changes of Items Other Than Shareholders' Equity | 1,959 | 5,264 | 1,828 | 7,092 | | |
| Total Changes during the Year | | | (225) | (225) | 5 | 5 |
| Balance at the End of the Year | $ 1,959 | $ 5,264 | $ 1,828 | $ 7,092 | $ 2,499 | $ 2,499 |

| | 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 | $ (20) | $ 11,749 | $ 8 | $ 11,757 |
| Changes during the Year | | | | |
| Cash Dividends | | (528) | | (528) |
| Net Income | | 534 | | 534 |
| Purchase of Treasury Stock | (377) | (377) | | (377) |
| Disposal of Treasury Stock | 1 | 1 | | 1 |
| Retirement of Treasury Stock | 225 | — | | — |
| Net Changes of Items Other Than Shareholders' Equity | | | (0) | (0) |
| Total Changes during the Year | (151) | (371) | (0) | (371) |
| Balance at the End of the Year | $ (172) | $ 11,379 | $ 7 | $ 11,386 |

Financial Data:

# Statement of Trust Account

Sumitomo Mitsui Trust Holdings. Inc. and its Consolidated Subsidiaries
As of March 31, 2023 and 2022

| As of March 31 | Millions of Yen 2023 | Millions of Yen 2022 | Millions of U.S. Dollars 2023 |
|---|---|---|---|
| **Assets:** | | | |
| Loans and Bills Discounted (Note 2) | ¥ 2,154,605 | ¥ 2,131,254 | $ 16,135 |
| Securities (Note 3) | 846,569 | 859,127 | 6,339 |
| Beneficiary Rights | 188,494,811 | 182,799,711 | 1,411,523 |
| Securities Held in Custody Accounts | 20,674 | 22,534 | 155 |
| Monetary Claims | 26,147,491 | 25,361,961 | 195,803 |
| Tangible Fixed Assets | 23,154,632 | 21,118,391 | 173,391 |
| Intangible Fixed Assets | 229,624 | 200,412 | 1,720 |
| Other Claims | 9,856,778 | 10,789,374 | 73,811 |
| Loans to Banking Account | 4,332,472 | 4,298,827 | 32,443 |
| Cash and Due from Banks | 988,055 | 633,823 | 7,399 |
| **Total Assets** | ¥ 256,225,715 | ¥ 248,215,419 | $ 1,918,719 |
| **Liabilities:** | | | |
| Money Trusts (Note 4) | ¥ 38,420,310 | ¥ 36,216,311 | $ 287,706 |
| Pension Trusts | 14,043,977 | 14,525,120 | 105,167 |
| Property Formation Benefit Trusts | 18,439 | 18,820 | 138 |
| Securities Investment Trusts | 80,945,517 | 80,405,840 | 606,152 |
| Money in Trust Other Than Money Trusts | 40,257,727 | 39,748,080 | 301,466 |
| Securities in Trust | 23,513,485 | 22,159,577 | 176,078 |
| Money Claims in Trust | 26,400,850 | 25,588,821 | 197,700 |
| Real Estate in Trust | 825 | 876 | 6 |
| Composite Trusts | 32,624,581 | 29,551,969 | 244,306 |
| **Total Liabilities** | ¥ 256,225,715 | ¥ 248,215,419 | $ 1,918,719 |

See Notes to Statements of Trust Account

# Notes to Statement of Trust Account



## 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, 2023 and 2022, were ¥4,103,478 million (U.S. $30,728 million) and ¥4,052,452 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 ¥133.54 to U.S. $1, the approximate rate of exchange as of March 31, 2023. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen have been rounded down and amounts less than one million U.S. dollars have been rounded off. As a result, the total may not be equal to sum of individual amounts. The amounts presented in the statements of trust account as of March 31, 2023 and 2022, are for trust accounts in SuMi TRUST Bank.

## 2. Loans and Bills Discounted

Loans as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Loans on Deeds | ¥ 1,709,285 | ¥ 1,685,034 | $ 12,800 |
| Loans on Bills | 445,320 | 446,220 | 3,335 |
| Total | ¥ 2,154,605 | ¥ 2,131,254 | $ 16,135 |

The balances of guaranteed trust account loans as of March 31, 2023 and 2022 stood at ¥10,461 million (U.S. $78 million) and ¥13,316 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, 2023 and 2022, included the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Doubtful Loans | ¥ 59 | ¥ 752 | $ 0 |
| Restructured Loans | 10 | 13 | 0 |
| Total | ¥ 70 | ¥ 765 | $ 1 |

## 3. Securities

Securities held as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Government Bonds | ¥ 425,484 | ¥ 401,621 | $ 3,186 |
| Local Government Bonds | 30 | 30 | 0 |
| Corporate Bonds | 35,361 | 40,758 | 265 |
| Stocks | 6,270 | 6,444 | 47 |
| Other Securities | 379,423 | 410,272 | 2,841 |
| Total | ¥ 846,569 | ¥ 859,127 | $ 6,339 |

## 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 |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Assets: | | | |
| Loans and Bills Discounted | ¥ 10,461 | ¥ 13,316 | $ 78 |
| Other | 4,093,352 | 4,039,461 | 30,653 |
| Total | ¥ 4,103,814 | ¥ 4,052,778 | $ 30,731 |
| Liabilities: | | | |
| Principal | ¥ 4,103,478 | ¥ 4,052,452 | $ 30,728 |
| Allowance for Impairment of Guaranteed Trust Principal | 11 | 12 | 0 |
| Other | 324 | 313 | 2 |
| Total | ¥ 4,103,814 | ¥ 4,052,778 | $ 30,731 |

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.

# Financial Data:

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


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Financial Summary:

# Five-Year Summary

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Consolidated Statements of Banking Account | 2023 | 2022 | 2021 | 2020 | 2019 |
| **As of the Year-End** | | | | | |
| **Assets:** | | | | | |
| Cash and Due from Banks | ¥ 21,522,753 | ¥ 18,142,775 | ¥ 18,430,787 | ¥ 13,087,816 | ¥ 16,042,864 |
| Securities | 6,804,176 | 7,748,019 | 6,882,670 | 6,343,103 | 5,692,564 |
| Loans and Bills Discounted | 31,810,926 | 30,876,507 | 30,506,968 | 29,703,375 | 29,022,792 |
| Lease Receivables and Investment Assets | 688,933 | 688,141 | 695,172 | 673,880 | 653,447 |
| Tangible Fixed Assets | 230,096 | 231,770 | 235,430 | 220,936 | 219,309 |
| Intangible Fixed Assets | 108,362 | 100,109 | 85,397 | 100,915 | 152,896 |
| Customers' Liabilities for Acceptances and Guarantees | 562,523 | 541,228 | 511,782 | 518,811 | 557,007 |
| Others | 7,140,213 | 6,181,543 | 5,930,257 | 5,767,259 | 4,700,499 |
| Allowance for Loan Losses | (129,998) | (163,369) | (129,223) | (127,205) | (99,770) |
| **Total Assets** | ¥ 68,737,987 | ¥ 64,346,726 | ¥ 63,149,243 | ¥ 56,288,892 | ¥ 56,941,609 |
| **Liabilities:** | | | | | |
| Deposits and Negotiable Certificates of Deposit | ¥ 42,937,929 | ¥ 39,963,734 | ¥ 40,819,028 | ¥ 36,706,332 | ¥ 38,359,319 |
| Acceptances and Guarantees | 562,523 | 541,228 | 511,782 | 518,811 | 557,007 |
| Others | 22,769,313 | 21,493,253 | 19,476,937 | 16,851,259 | 15,525,403 |
| **Total Liabilities** | ¥ 66,269,765 | ¥ 61,998,216 | ¥ 60,807,748 | ¥ 54,076,402 | ¥ 54,441,730 |
| **Net Assets:** | | | | | |
| Shareholders' Equity | ¥ 2,232,088 | ¥ 2,114,764 | ¥ 2,024,588 | ¥ 1,948,981 | ¥ 2,041,013 |
| Accumulated Other Comprehensive Income | 206,616 | 205,045 | 289,269 | 236,738 | 424,472 |
| Non-Controlling Interests | 29,517 | 28,699 | 27,637 | 26,769 | 34,393 |
| **Total Net Assets** | ¥ 2,468,222 | ¥ 2,348,510 | ¥ 2,341,495 | ¥ 21,212,489 | ¥ 2,499,879 |
| **Total Liabilities and Net Assets** | ¥ 68,737,987 | ¥ 64,346,726 | ¥ 63,149,243 | ¥ 56,288,892 | ¥ 56,941,609 |
| | | | | | |
| **For the Year** | | | | | |
| **Income:** | | | | | |
| Trust Fees | ¥ 109,721 | ¥ 110,539 | ¥ 102,883 | ¥ 99,816 | ¥ 100,301 |
| Interest Income | 659,022 | 370,231 | 362,978 | 491,762 | 511,540 |
| Fees and Commissions | 323,099 | 300,637 | 270,406 | 313,804 | 383,437 |
| Trading Income | 15,608 | 13,453 | 76 | 102,189 | 27,926 |
| Other Ordinary Income | 468,587 | 335,885 | 405,800 | 348,650 | 357,080 |
| Other Income | 124,297 | 119,392 | 151,138 | 93,529 | 71,551 |
| **Total Income** | ¥ 1,700,337 | ¥ 1,250,140 | ¥ 1,293,283 | ¥ 1,449,753 | ¥ 1,451,837 |
| **Expenses:** | | | | | |
| Interest Expenses | ¥ 551,043 | ¥ 107,883 | ¥ 137,834 | ¥ 362,021 | ¥ 372,068 |
| Fees and Commissions Payments | 93,602 | 92,926 | 86,836 | 90,649 | 109,242 |
| Trading Expenses | 5,184 | — | 33,300 | — | — |
| Other Ordinary Expenses | 272,606 | 291,353 | 290,111 | 281,279 | 250,699 |
| General and Administrative Expenses | 388,714 | 361,104 | 365,801 | 385,180 | 407,483 |
| Other Expenses | 138,581 | 195,012 | 206,275 | 115,262 | 76,810 |
| **Total Expenses** | ¥ 1,449,732 | ¥ 1,048,281 | ¥ 1,120,161 | ¥ 1,234,394 | ¥ 1,216,303 |
| | | | | | |
| Income before Income Taxes | ¥ 250,605 | ¥ 201,858 | ¥ 173,121 | ¥ 215,358 | ¥ 235,533 |
| **Net Income** | ¥ 178,676 | ¥ 150,379 | ¥ 126,119 | ¥ 147,678 | ¥ 165,580 |

| | Yen | | | | |
|---|---|---|---|---|---|
| **Per Share of Common Stock:** | | | | | |
| Net Income per Share of Common Stock | ¥ 106.08 | ¥ 89.11 | ¥ 74.86 | ¥ 87.89 | ¥ 96.47 |
| Fully Diluted Net Income per Share of Common Stock | — | — | — | — | — |
| Net Assets per Share of Common Stock | 1,456.34 | 1,385.34 | 1,381.78 | 1,305.26 | 1,472.33 |

Financial Summary:

# Five-Year Summary

Sumitomo Mitsui Trust Bank, Limited
As of and for the fiscal years ended March 31

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Non-Consolidated Statements of Banking Account | 2023 | 2022 | 2021 | 2020 | 2019 |
| **As of the Year-End** | | | | | |
| **Assets:** | | | | | |
| Cash and Due from Banks | ¥ 21,364,216 | ¥ 17,925,030 | ¥ 18,216,321 | ¥ 12,916,014 | ¥ 15,831,242 |
| Securities | 6,999,285 | 7,951,169 | 7,090,335 | 6,625,035 | 6,091,898 |
| Loans and Bills Discounted | 31,947,351 | 30,916,363 | 30,691,618 | 29,953,513 | 29,404,142 |
| Tangible Fixed Assets | 182,820 | 184,334 | 186,717 | 189,926 | 195,414 |
| Intangible Fixed Assets | 89,534 | 77,756 | 58,880 | 70,937 | 65,607 |
| Customers' Liabilities for Acceptances and Guarantees | 458,822 | 426,405 | 383,537 | 359,757 | 385,467 |
| Others | 5,888,514 | 5,185,333 | 4,795,801 | 4,579,760 | 3,325,210 |
| Allowance for Loan Losses | (105,798) | (136,300) | (100,846) | (98,191) | (75,211) |
| **Total Assets** | ¥ 66,824,746 | ¥ 62,530,092 | ¥ 61,322,366 | ¥ 54,596,753 | ¥ 55,223,770 |
| **Liabilities:** | | | | | |
| Deposits and Negotiable Certificates of Deposit | ¥ 42,658,928 | ¥ 39,708,369 | ¥ 40,618,487 | ¥ 36,650,458 | ¥ 38,290,404 |
| Acceptances and Guarantees | 458,822 | 426,405 | 383,537 | 359,757 | 385,467 |
| Others | 21,579,079 | 20,344,012 | 18,270,801 | 15,569,113 | 14,276,060 |
| **Total Liabilities** | ¥ 64,696,830 | ¥ 60,478,786 | ¥ 59,272,826 | ¥ 52,579,329 | ¥ 52,951,932 |
| **Net Assets:** | | | | | |
| Shareholders' Equity | ¥ 1,915,815 | ¥ 1,807,041 | ¥ 1,752,055 | ¥ 1,705,866 | ¥ 1,829,610 |
| Valuation and Translation Adjustments | 212,099 | 244,263 | 297,484 | 311,558 | 442,227 |
| **Total Net Assets** | ¥ 2,127,915 | ¥ 2,051,305 | ¥ 2,049,539 | ¥ 2,017,424 | ¥ 2,271,838 |
| **Total Liabilities and Net Assets** | ¥ 66,824,746 | ¥ 62,530,092 | ¥ 61,322,366 | ¥ 54,596,753 | ¥ 55,223,770 |
| | | | | | |
| **For the Year** | | | | | |
| **Income:** | | | | | |
| Trust Fees | ¥ 109,721 | ¥ 110,539 | ¥ 102,883 | ¥ 99,816 | ¥ 100,972 |
| Interest Income | 665,844 | 360,361 | 345,877 | 474,575 | 520,790 |
| Fees and Commissions | 213,074 | 196,351 | 178,519 | 185,849 | 194,143 |
| Trading Income | 15,608 | 13,453 | 76 | 102,189 | 27,926 |
| Other Ordinary Income | 203,946 | 56,215 | 116,709 | 94,420 | 114,934 |
| Other Income | 119,454 | 102,866 | 139,243 | 82,349 | 60,606 |
| **Total Income** | ¥ 1,327,649 | ¥ 839,787 | ¥ 883,310 | ¥ 1,039,201 | ¥ 1,019,374 |
| **Expenses:** | | | | | |
| Interest Expenses | ¥ 552,582 | ¥ 104,274 | ¥ 133,693 | ¥ 356,435 | ¥ 366,989 |
| Fees and Commissions Payments | 109,382 | 106,900 | 99,698 | 95,322 | 89,832 |
| Trading Expenses | 5,184 | — | 33,300 | — | — |
| Other Ordinary Expenses | 32,847 | 35,082 | 25,388 | 51,868 | 34,608 |
| General and Administrative Expenses | 266,335 | 250,023 | 257,905 | 252,579 | 239,668 |
| Other Expenses | 137,030 | 194,377 | 203,658 | 105,475 | 83,466 |
| **Total Expenses** | ¥ 1,103,363 | ¥ 690,659 | ¥ 753,645 | ¥ 861,681 | ¥ 814,564 |
| | | | | | |
| Income before Income Taxes | ¥ 224,286 | ¥ 149,127 | ¥ 129,664 | ¥ 177,519 | ¥ 204,810 |
| **Net Income** | ¥ 169,135 | ¥ 113,343 | ¥ 95,941 | ¥ 124,706 | ¥ 148,661 |
| | | | | | |
| **Annual Dividends** | ¥ 60,383 | ¥ 49,850 | ¥ 49,867 | ¥ 201,461 | ¥ 121,320 |

| | Yen | | | | |
|---|---|---|---|---|---|
| **Per Share of Common Stock:** | | | | | |
| Net Income per Share of Common Stock | ¥ 101.00 | ¥ 67.68 | ¥ 57.29 | ¥ 74.47 | ¥ 88.77 |
| Fully Diluted Net Income per Share of Common Stock | — | — | — | — | — |
| Net Assets per Share of Common Stock | 1,270.74 | 1,224.99 | 1,223.94 | 1,204.76 | 1,356.69 |

Financial Summary:

# Five-Year Summary

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Statements of Trust Account | **2023** | 2022 | 2021 | 2020 | 2019 |
| **As of the Year-End** | | | | | |
| **Assets:** | | | | | |
| Securities | ¥ **846,569** | ¥ 859,127 | ¥ 857,610 | ¥ 1,075,184 | ¥ 1,253,465 |
| Loans and Bills Discounted | **2,154,605** | 2,131,254 | 1,804,393 | 1,543,160 | 1,445,195 |
| Other | **253,224,540** | 245,225,037 | 237,184,586 | 221,806,982 | 208,651,405 |
| **Total Assets** | **¥ 256,225,715** | ¥ 248,215,419 | ¥ 239,846,590 | ¥ 224,425,327 | ¥ 211,350,067 |
| **Liabilities:** | | | | | |
| Money Trusts | ¥ **38,420,310** | ¥ 36,216,311 | ¥ 34,196,939 | ¥ 33,415,451 | ¥ 32,877,994 |
| Pension Trusts | **14,043,977** | 14,525,120 | 13,107,254 | 13,023,778 | 13,113,501 |
| Property Formation Benefit Trusts | **18,439** | 18,820 | 18,954 | 19,060 | 18,865 |
| Other Trusts | **203,742,987** | 197,455,167 | 192,523,442 | 177,967,038 | 165,339,705 |
| **Total Liabilities** | **¥ 256,225,715** | ¥ 248,215,419 | ¥ 239,846,590 | ¥ 224,425,327 | ¥ 211,350,067 |

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Total Employable Funds (Non-Consolidated) | **2023** | 2022 | 2021 | 2020 | 2019 |
| **As of the Year-End** | | | | | |
| Deposits | ¥ **42,658,928** | ¥ 39,708,369 | ¥ 40,618,487 | ¥ 36,650,458 | ¥ 38,290,404 |
| Money Trusts | **38,420,310** | 36,216,311 | 34,196,939 | 33,415,451 | 32,877,994 |
| Pension Trusts | **14,043,977** | 14,525,120 | 13,107,254 | 13,023,778 | 13,113,501 |
| Property Formation Benefit Trusts | **18,439** | 18,820 | 18,954 | 19,060 | 18,865 |
| **Total Employable Funds*** | ¥ **95,141,656** | ¥ 90,468,620 | ¥ 87,941,635 | ¥ 83,108,748 | ¥ 84,300,766 |

* Total Employable Funds represents the total amount of the Deposits in the Banking Account and funds included under the Money Trusts, Pension Trusts, Property Formation Benefit Trusts and Loan Trusts in the Trust Account.

Financial Data:

# Consolidated Balance Sheet

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of March 31, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Assets:** | | | |
| Cash and Due from Banks | ¥ 21,522,753 | ¥ 18,142,775 | $ 161,171 |
| Call Loans and Bills Bought | 24,006 | 5,000 | 180 |
| Receivables under Resale Agreements | 110,003 | 150,741 | 824 |
| Receivables under Securities Borrowing Transactions | 436,093 | 652,534 | 3,266 |
| Monetary Claims Bought | 970,058 | 854,093 | 7,264 |
| Trading Assets (Notes 1 and 2) | 1,514,603 | 967,565 | 11,342 |
| Money Held in Trust | 1,442 | 1,395 | 11 |
| Securities (Notes 2 and 4) | 6,804,176 | 7,748,019 | 50,952 |
| Loans and Bills Discounted (Notes 3, 4 and 5) | 31,810,926 | 30,876,507 | 238,213 |
| Foreign Exchanges | 47,445 | 29,494 | 355 |
| Lease Receivables and Investment Assets (Note 4) | 688,933 | 688,141 | 5,159 |
| Other Assets (Notes 4, 8 and 14) | 3,781,008 | 3,302,723 | 28,314 |
| Tangible Fixed Assets (Note 6) | 230,096 | 231,770 | 1,723 |
| Intangible Fixed Assets (Note 7) | 108,362 | 100,109 | 811 |
| Assets for Retirement Benefits | 232,599 | 192,204 | 1,742 |
| Deferred Tax Assets | 22,951 | 25,791 | 172 |
| Customers' Liabilities for Acceptances and Guarantees | 562,523 | 541,228 | 4,212 |
| Allowance for Loan Losses | (129,998) | (163,369) | (973) |
| **Total Assets** | ¥ 68,737,987 | ¥ 64,346,726 | $ 514,737 |
| **Liabilities:** | | | |
| Deposits (Notes 4 and 9) | ¥ 35,417,923 | ¥ 33,271,789 | $ 265,223 |
| Negotiable Certificates of Deposit | 7,520,005 | 6,691,944 | 56,313 |
| Call Money and Bills Sold | 1,912,878 | 799,524 | 14,324 |
| Payables under Repurchase Agreements (Note 4) | 1,030,780 | 1,485,033 | 7,719 |
| Trading Liabilities (Note 1) | 1,472,636 | 906,686 | 11,028 |
| Borrowed Money (Notes 4 and 10) | 6,629,543 | 7,783,498 | 49,645 |
| Foreign Exchanges | 847 | 1,275 | 6 |
| Short-Term Bonds Payable | 2,332,377 | 2,387,553 | 17,466 |
| Bonds Payable (Note 11) | 1,911,760 | 1,446,604 | 14,316 |
| Borrowed Money from Trust Account (Note 12) | 4,332,472 | 4,298,827 | 32,443 |
| Other Liabilities (Notes 13 and 14) | 3,019,064 | 2,279,211 | 22,608 |
| Provision for Bonuses | 12,902 | 12,668 | 97 |
| Provision for Directors' Bonuses | 95 | 98 | 1 |
| Provision for Stocks Payment | 810 | 569 | 6 |
| Liabilities for Retirement Benefits | 11,442 | 11,380 | 86 |
| Provision for Reward Points Program | 21,282 | 19,965 | 159 |
| Provision for Reimbursement of Deposits | 3,028 | 3,626 | 23 |
| Provision for Contingent Losses | 1,344 | 1,649 | 10 |
| Deferred Tax Liabilities | 73,663 | 52,690 | 552 |
| Deferred Tax Liabilities for Land Revaluation (Note 6) | 2,381 | 2,388 | 18 |
| Acceptances and Guarantees | 562,523 | 541,228 | 4,212 |
| **Total Liabilities** | ¥ 66,269,765 | ¥ 61,998,216 | $ 496,254 |
| **Net Assets:** | | | |
| Total Shareholders' Equity: | ¥ 2,232,088 | ¥ 2,114,764 | $ 16,715 |
| Capital Stock | 342,037 | 342,037 | 2,561 |
| Capital Surplus | 342,889 | 342,853 | 2,568 |
| Retained Earnings | 1,547,162 | 1,429,874 | 11,586 |
| Total Accumulated Other Comprehensive Income: | 206,616 | 205,045 | 1,547 |
| Valuation Differences on Available-for-Sale Securities | 269,861 | 290,154 | 2,021 |
| Deferred Gains (Losses) on Hedges | (47,792) | (41,661) | (358) |
| Revaluation Reserve for Land (Note 6) | (4,479) | (4,456) | (34) |
| Foreign Currency Translation Adjustments | 12,202 | 3,713 | 91 |
| Remeasurements of Defined Benefit Plans | (23,175) | (42,703) | (174) |
| Non-Controlling Interests | 29,517 | 28,699 | 221 |
| **Total Net Assets** | ¥ 2,468,222 | ¥ 2,348,510 | $ 18,483 |
| **Total Liabilities and Net Assets** | ¥ 68,737,987 | ¥ 64,346,726 | $ 514,737 |

| | Yen | | U.S. Dollars |
|---|---|---|---|
| **Net Assets per Share of Common Stock** | ¥ 1,456.34 | ¥ 1,385.34 | $ 10.91 |

See accompanying notes.
The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥133.54 to U.S. $1.00, the exchange rate as of March 31, 2023.

Financial Data:

# Consolidated Statement of Income

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Income:** | | | |
| Trust Fees (Note 1) | ¥ 109,721 | ¥ 110,539 | $ 822 |
| Interest Income: | 659,022 | 370,231 | 4,935 |
| Interest on Loans and Discounts | 425,715 | 260,871 | 3,188 |
| Interest and Dividends on Securities | 137,153 | 92,296 | 1,027 |
| Interest on Call Loans and Bills Bought | 1,316 | 685 | 10 |
| Interest on Deposits with Banks | 71,061 | 12,199 | 532 |
| Other Interest Income (Note 2) | 23,775 | 4,179 | 178 |
| Fees and Commissions (Note 1) | 323,099 | 300,637 | 2,419 |
| Trading Income (Note 3) | 15,608 | 13,453 | 117 |
| Other Ordinary Income (Note 4) | 468,587 | 335,885 | 3,509 |
| Other Income (Note 5) | 124,297 | 119,392 | 931 |
| **Total Income** | ¥ 1,700,337 | ¥ 1,250,140 | $ 12,733 |
| **Expenses:** | | | |
| Interest Expenses: | ¥ 551,043 | ¥ 107,883 | $ 4,126 |
| Interest on Deposits | 171,880 | 29,848 | 1,287 |
| Interest on Negotiable Certificates of Deposit | 139,247 | 6,787 | 1,043 |
| Interest on Call Money and Bills Sold | 1,202 | 481 | 9 |
| Interest on Payables under Repurchase Agreements | 32,286 | 1,665 | 242 |
| Interest on Borrowings | 20,525 | 11,200 | 154 |
| Interest on Short-Term Bonds | 55,767 | 3,271 | 418 |
| Interest on Bonds | 22,514 | 9,971 | 169 |
| Other Interest Expenses (Note 2) | 107,619 | 44,658 | 806 |
| Fees and Commissions Payments | 93,602 | 92,926 | 701 |
| Trading Expenses (Note 3) | 5,184 | — | 39 |
| Other Ordinary Expenses (Note 4) | 272,606 | 291,353 | 2,041 |
| General and Administrative Expenses (Note 6) | 388,714 | 361,104 | 2,911 |
| Other Expenses (Note 5) | 138,581 | 195,012 | 1,038 |
| **Total Expenses** | ¥ 1,449,732 | ¥ 1,048,281 | $ 10,856 |
| **Income before Income Taxes** | ¥ 250,605 | ¥ 201,858 | $ 1,877 |
| Income Taxes: | 71,928 | 51,479 | 539 |
| Current | 45,358 | 48,285 | 340 |
| Deferred | 26,569 | 3,194 | 199 |
| **Net Income** | ¥ 178,676 | ¥ 150,379 | $ 1,338 |
| Net Income Attributable to Non-Controlling Interests | 1,027 | 1,155 | 8 |
| **Net Income Attributable to Owners of the Parent** | ¥ 177,649 | ¥ 149,223 | $ 1,330 |

| | Yen | | U.S. Dollars |
|---|---|---|---|
| **Net Income per Share of Common Stock** | ¥ 106.08 | ¥ 89.11 | $ 0.79 |

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, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Net Income** | **¥ 178,676** | ¥ 150,379 | **$ 1,338** |
| Other Comprehensive Income (Loss): | | | |
| Valuation Differences on Available-for-Sale Securities | **(18,588)** | (50,031) | **(139)** |
| Deferred Gains (Losses) on Hedges | **(7,174)** | 1,142 | **(54)** |
| Foreign Currency Translation Adjustments | **6,089** | 3,058 | **46** |
| Remeasurements of Defined Benefit Plans | **19,510** | (38,219) | **146** |
| Share of Other Comprehensive Income of Equity-Method Affiliated Companies | **1,998** | 515 | **15** |
| **Total Other Comprehensive Income (Loss) (Note)** | **¥ 1,835** | ¥ (83,534) | **$ 14** |
| **Comprehensive Income:** | **¥ 180,512** | ¥ 66,845 | **$ 1,352** |
| Comprehensive Income Attributable to Owners of the Parent | **179,241** | 65,439 | **1,342** |
| Comprehensive Income Attributable to Non-Controlling Interests | **1,270** | 1,405 | **10** |

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, 2023 and 2022

From April 1, 2022 to March 31, 2023

| | Millions of Yen | | | |
|---|---|---|---|---|
| | Shareholders' Equity | | | |
| | Capital Stock | Capital Surplus | Retained Earnings | Total Shareholders' Equity |
| Balance at the Beginning of the Year | ¥ 342,037 | ¥ 342,853 | ¥ 1,429,874 | ¥ 2,114,764 |
| Changes during the Year | | | | |
| Cash Dividends | | | (60,383) | (60,383) |
| Net Income Attributable to Owners of the Parent | | | 177,649 | 177,649 |
| Purchase of Shares of Consolidated Subsidiaries | | 36 | | 36 |
| Reversal of Revaluation Reserve for Land | | | 22 | 22 |
| Net Changes of Items Other Than Shareholders' Equity | | | | |
| Total Changes during the Year | — | 36 | 117,287 | 117,324 |
| Balance at the End of the Year | ¥ 342,037 | ¥ 342,889 | ¥ 1,547,162 | ¥ 2,232,088 |

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Accumulated Other Comprehensive Income | | | | | | | |
| | Valuation Differences on Available-for-Sale Securities | Deferred Gains (Losses) on Hedges | Revaluation Reserve for Land | Foreign Currency Translation Adjustments | Remeasurements of Defined Benefit Plans | Total Accumulated Other Comprehensive Income | Non-Controlling Interests | Total Net Assets |
| Balance at the Beginning of the Year | ¥ 290,154 | ¥ (41,661) | ¥ (4,456) | ¥ 3,713 | ¥ (42,703) | ¥ 205,045 | ¥ 28,699 | ¥ 2,348,510 |
| Changes during the Year | | | | | | | | |
| Cash Dividends | | | | | | | | (60,383) |
| Net Income Attributable to Owners of the Parent | | | | | | | | 177,649 |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | 36 |
| Reversal of Revaluation Reserve for Land | | | | | | | | 22 |
| Net Changes of Items Other Than Shareholders' Equity | (20,292) | (6,131) | (22) | 8,488 | 19,527 | 1,570 | 817 | 2,387 |
| Total Changes during the Year | (20,292) | (6,131) | (22) | 8,488 | 19,527 | 1,570 | 817 | 119,711 |
| Balance at the End of the Year | ¥ 269,861 | ¥ (47,792) | ¥ (4,479) | ¥ 12,202 | ¥ (23,175) | ¥ 206,616 | ¥ 29,517 | ¥ 2,468,222 |

See accompanying notes.

From April 1, 2021 to March 31, 2022

| | Millions of Yen | | | |
|---|---|---|---|---|
| | Shareholders' Equity | | | |
| | Capital Stock | Capital Surplus | Retained Earnings | Total Shareholders' Equity |
| Balance at the Beginning of the Year | ¥ 342,037 | ¥ 342,853 | ¥ 1,339,698 | ¥ 2,024,588 |
| Cumulative Effects of Changes in Accounting Policies | | | (9,636) | (9,636) |
| Restated Balance | 342,037 | 342,853 | 1,330,061 | 2,014,951 |
| Changes during the Year | | | | |
| Cash Dividends | | | (49,850) | (49,850) |
| Net Income Attributable to Owners of the Parent | | | 149,223 | 149,223 |
| Purchase of Shares of Consolidated Subsidiaries | | | | — |
| Reversal of Revaluation Reserve for Land | | | 439 | 439 |
| Net Changes of Items Other Than Shareholders' Equity | | | | |
| Total Changes during the Year | — | — | 99,812 | 99,812 |
| Balance at the End of the Year | ¥ 342,037 | ¥ 342,853 | ¥ 1,429,874 | ¥ 2,114,764 |

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Accumulated Other Comprehensive Income | | | | | | | |
| | Valuation Differences on Available-for-Sale Securities | Deferred Gains (Losses) on Hedges | Revaluation Reserve for Land | Foreign Currency Translation Adjustments | Remeasurements of Defined Benefit Plans | Total Accumulated Other Comprehensive Income | Non-Controlling Interests | Total Net Assets |
| Balance at the Beginning of the Year | ¥ 345,053 | ¥ (44,836) | ¥ (4,016) | ¥ (2,452) | ¥ (4,477) | ¥ 289,269 | ¥ 27,637 | ¥ 2,341,495 |
| Cumulative Effects of Changes in Accounting Policies | | | | | | | (0) | (9,636) |
| Restated Balance | 345,053 | (44,836) | (4,016) | (2,452) | (4,477) | 289,269 | 27,636 | 2,331,858 |
| Changes during the Year | | | | | | | | |
| Cash Dividends | | | | | | | | (49,850) |
| Net Income Attributable to Owners of the Parent | | | | | | | | 149,223 |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | — |
| Reversal of Revaluation Reserve for Land | | | | | | | | 439 |
| Net Changes of Items Other Than Shareholders' Equity | (54,899) | 3,174 | (439) | 6,166 | (38,225) | (84,224) | 1,062 | (83,161) |
| Total Changes during the Year | (54,899) | 3,174 | (439) | 6,166 | (38,225) | (84,224) | 1,062 | 16,651 |
| Balance at the End of the Year | ¥ 290,154 | ¥ (41,661) | ¥ (4,456) | ¥ 3,713 | ¥ (42,703) | ¥ 205,045 | ¥ 28,699 | ¥ 2,348,510 |

See accompanying notes.

From April 1, 2022 to March 31, 2023

| | Millions of U.S. Dollars | | | |
|---|---|---|---|---|
| | Shareholders' Equity | | | |
| | Capital Stock | Capital Surplus | Retained Earnings | Total Shareholders' Equity |
| Balance at the Beginning of the Year | $ 2,561 | $ 2,567 | $ 10,707 | $ 15,836 |
| Changes during the Year | | | | |
| Cash Dividends | | | (452) | (452) |
| Net Income Attributable to Owners of the Parent | | | 1,330 | 1,330 |
| Purchase 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 | — | 0 | 878 | 879 |
| Balance at the End of the Year | $ 2,561 | $ 2,568 | $ 11,586 | $ 16,715 |

| | Millions of U.S. Dollars | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Accumulated Other Comprehensive Income | | | | | | | |
| | Valuation Differences on Available-for-Sale Securities | Deferred Gains (Losses) on Hedges | Revaluation Reserve for Land | Foreign Currency Translation Adjustments | Remeasurements of Defined Benefit Plans | Total Accumulated Other Comprehensive Income | Non-Controlling Interests | Total Net Assets |
| Balance at the Beginning of the Year | $ 2,173 | $ (312) | $ (33) | $ 28 | $ (320) | $ 1,535 | $ 215 | $ 17,587 |
| Changes during the Year | | | | | | | | |
| Cash Dividends | | | | | | | | (452) |
| Net Income Attributable to Owners of the Parent | | | | | | | | 1,330 |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | 0 |
| Reversal of Revaluation Reserve for Land | | | | | | | | 0 |
| Net Changes of Items Other Than Shareholders' Equity | (152) | (46) | (0) | 64 | 146 | 12 | 6 | 18 |
| Total Changes during the Year | (152) | (46) | (0) | 64 | 146 | 12 | 6 | 896 |
| Balance at the End of the Year | $ 2,021 | $ (358) | $ (34) | $ 91 | $ (174) | $ 1,547 | $ 221 | $ 18,483 |

See accompanying notes.

Financial Data:

# Consolidated Statement of Cash Flows

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Cash Flows from Operating Activities:** | | | |
| Income before Income Taxes | ¥ 250,605 | ¥ 201,858 | $ 1,877 |
| Depreciation and Amortization | 30,151 | 29,209 | 226 |
| Impairment Losses | 18,187 | 1,468 | 136 |
| Amortization of Goodwill | 4,499 | 4,399 | 34 |
| Equity in Losses (Earnings) of Affiliated Companies | (15,764) | (13,647) | (118) |
| Increase (Decrease) in Allowance for Loan Losses | (33,371) | 34,145 | (250) |
| Increase (Decrease) in Provision for Bonuses | 233 | 643 | 2 |
| Increase (Decrease) in Provision for Directors' Bonuses | (2) | (4) | (0) |
| Increase (Decrease) in Provision for Stocks Payment | 240 | 152 | 2 |
| Decrease (Increase) in Assets for Retirement Benefits | (36,615) | 40,205 | (274) |
| Increase (Decrease) in Liabilities for Retirement Benefits | 59 | (457) | 0 |
| Increase (Decrease) in Provision for Reward Points Program | 1,317 | 1,019 | 10 |
| Increase (Decrease) in Provision for Reimbursement of Deposits | (598) | (511) | (4) |
| Increase (Decrease) in Provision for Contingent Losses | (305) | 15 | (2) |
| Interest Income | (659,022) | (370,231) | (4,935) |
| Interest Expenses | 551,043 | 107,883 | 4,126 |
| Loss (Gain) Related to Securities | 15,416 | 55,268 | 115 |
| Loss (Gain) on Money Held in Trust | (87) | (74) | (1) |
| Foreign Exchange Losses (Gains) | (157,440) | (182,426) | (1,179) |
| Loss (Gain) on Disposal of Fixed Assets | 920 | 336 | 7 |
| Net Decrease (Increase) in Trading Assets | (547,037) | (11,844) | (4,096) |
| Net Increase (Decrease) in Trading Liabilities | 565,949 | 57,088 | 4,238 |
| Net Decrease (Increase) in Loans and Bills Discounted | (934,418) | (369,539) | (6,997) |
| Net Increase (Decrease) in Deposits | 2,146,133 | (222,643) | 16,071 |
| Net Increase (Decrease) in Negotiable Certificates of Deposit | 828,061 | (632,650) | 6,201 |
| Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings) | (1,113,954) | 1,415,895 | (8,342) |
| Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan) | 59,878 | (800,096) | 448 |
| Net Decrease (Increase) in Call Loans | (94,520) | 51,543 | (708) |
| Net Decrease (Increase) in Receivables under Securities Borrowing Transactions | 216,441 | 75,155 | 1,621 |
| Net Increase (Decrease) in Call Money | 659,101 | 595,441 | 4,936 |
| Net Decrease (Increase) in Foreign Exchange-Assets | (17,951) | (4,098) | (134) |
| Net Increase (Decrease) in Foreign Exchange-Liabilities | (427) | 698 | (3) |
| Net Decrease (Increase) in Lease Receivables and Investment Assets | (791) | 7,031 | (6) |
| Net Increase (Decrease) in Short-Term Bonds Payable | (55,175) | (157,495) | (413) |
| Increase (Decrease) in Straight Bonds-Issuance and Redemption | 521,255 | 552,497 | 3,903 |
| Net Increase (Decrease) in Borrowed Money from Trust Account | 33,645 | (616,380) | 252 |
| Interest Received | 623,655 | 369,004 | 4,670 |
| Interest Paid | (505,791) | (104,607) | (3,788) |
| Other, Net | 262,713 | (261,731) | 1,967 |
| Subtotal | ¥ 2,616,229 | ¥ (147,481) | $ 19,591 |
| Income Taxes (Paid) Refunded | (59,857) | (37,605) | (448) |
| **Net Cash Provided by (Used in) Operating Activities** | ¥ 2,556,372 | ¥ (185,086) | $ 19,143 |

(Continued)

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Cash Flows from Investing Activities:** | | | |
| Purchase of Securities | ¥ (5,121,656) | ¥ (9,168,630) | $ (38,353) |
| Proceeds from Sales of Securities | 1,916,907 | 4,220,006 | 14,355 |
| Proceeds from Redemption of Securities | 4,202,493 | 4,158,323 | 31,470 |
| Purchase of Tangible Fixed Assets | (8,455) | (8,447) | (63) |
| Proceeds from Sales of Tangible Fixed Assets | 356 | 1,950 | 3 |
| Purchase of Intangible Fixed Assets | (51,484) | (39,714) | (386) |
| Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method | (1,207) | (8,606) | (9) |
| Proceeds from Shares of Affiliated Companies Accounted for Using the Equity Method | 23,636 | 102 | 177 |
| **Net Cash Provided by (Used in) Investing Activities** | ¥ 960,590 | ¥ (845,015) | $ 7,193 |
| **Cash Flows from Financing Activities:** | | | |
| Proceeds from Subordinated Borrowings | ¥ 20,000 | ¥ 25,000 | $ 150 |
| Repayments of Subordinated Borrowings | (60,000) | (50,000) | (449) |
| Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares | (56,100) | (41,500) | (420) |
| Proceeds from Share Issuance to Non-Controlling Shareholders | 40 | — | 0 |
| Cash Dividends Paid | (60,383) | (49,850) | (452) |
| Cash Dividends Paid to Non-Controlling Interests | (456) | (342) | (3) |
| **Net Cash Provided by (Used in) Financing Activities** | ¥ (156,900) | ¥ (116,693) | $ (1,175) |
| Effect of Exchange Rate Change on Cash and Cash Equivalents | ¥ 79,794 | ¥ 58,686 | $ 598 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | ¥ 3,439,856 | ¥ (1,088,109) | $ 25,759 |
| Cash and Cash Equivalents at the Beginning of the Year | ¥ 15,653,061 | ¥ 16,741,171 | $ 117,216 |
| **Cash and Cash Equivalents at the End of the Year (Note)** | ¥ 19,092,918 | ¥ 15,653,061 | $ 142,975 |

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 ¥133.54 to U.S. $1, the approximate rate of exchange as of March 31, 2023. 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, 2023:
38 companies
Principal Companies:
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.
Sumitomo Mitsui Trust Realty Co., Ltd.
Sumitomo Mitsui Trust Club Co., Ltd.
Sumitomo Mitsui Trust and Bank (U.S.A.) Limited

Changes in the consolidated subsidiaries during the current fiscal year are as follows:

Japan Extensive Infrastructure, Limited is newly established and included in the scope of the consolidation from the fiscal year ended March 31, 2023.

STB Finance Cayman Limited is excluded from the scope of consolidation effective from the fiscal year ended March 31, 2023, due to liquidation.

(2) Unconsolidated Subsidiaries
Principal Companies:
Cattleya Co., Ltd.
Apollo Aligned Alternatives (C-2), L.P.

Cattleya Co., Ltd. and 10 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.

Apollo Aligned Alternatives (C-2), 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:
SBI Sumishin Net Bank, Ltd.

Changes in the affiliated companies accounted for by the equity method during the current fiscal year are as follows:

MFA, Inc. is included in the scope of application of the equity method effective from the fiscal year ended March 31, 2023, due to the acquisition of its shares.

Yuryo Loan Co., Ltd. and three other companies are excluded from the scope of the application of the equity method effective from the fiscal year ended March 31, 2023,as the influence of SuMi TRUST Bank has decreased.

(3) Unconsolidated Subsidiaries and Affiliated Companies that are Not Accounted for by the Equity Method:
Principal Companies:

Cattleya Co., Ltd.
Apollo Aligned Alternatives (C-2), L.P.

Cattleya Co., Ltd. and 10 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.

Apollo Aligned Alternatives (C-2), 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 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 |
| August 31: | 1 company |
| September 30: | 4 companies |
| November 30: | 1 company |
| December 31: | 4 companies |
| March 31: | 26 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 August 31: Provisionally prepared financial statements as of February 28
- Consolidated subsidiaries with a balance sheet date of September 30: Provisionally prepared financial statements as of March 31
- A consolidated subsidiary with a balance sheet date of November 30: Provisionally prepared financial statements as of February 28
- The other consolidated subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet date, March 31, 2023, and the above balance sheet dates of consolidated subsidiaries have been reflected in the consolidated financial statements.

## 4. Significant Accounting Policies

(1) Trading Assets/Liabilities and Income/Expenses

Trading account activities are conducted to seek profits by taking advantage of short-term fluctuations in interest rates, currency rates, financial markets or other indicators, or intermarket differences (for trading purposes). The fluctuations in such items are presented as "Trading Assets" or "Trading Liabilities" in the consolidated balance sheet on a trade-date basis, and gains and losses from such transactions are presented as "Trading Income" or "Trading Expenses" in the consolidated statement of income.

For the measurement of trading assets and trading liabilities, securities and monetary claims are stated at their fair values as of the consolidated balance sheet date, and trading-related financial derivatives, such as swaps, futures, and options, are stated at the amounts that would be settled if they were terminated on the consolidated balance sheet date.

Trading income and trading expenses include interest income or expenses, adjusting valuation differences of securities and monetary claims during the fiscal year and differences in resulting gains or losses from the settlement of financial derivatives assuming that the settlement was made in cash as of March 31, 2023 and 2022.

Regarding valuation of specific market risks and credit risks for derivative transactions, fair value is measured in groups of financial assets and financial liabilities with the basis of the net asset or liability after offsetting financial assets and financial liabilities.

(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 that are not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are valued at the market price (cost of securities sold is calculated using primarily the moving-average method). Equity securities with no market prices are carried at cost using the moving-average method.

Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheet.

(b) Securities in money held in trust are classified and accounted for in the same manner as those described in 4. (1) and 4. (2) (a) above.

(3) Financial Derivatives

Financial derivatives, excluding those for trading purposes, are stated at fair value.

Regarding valuation of specific market risks and credit risks, fair value is measured in groups of financial assets and financial liabilities with the basis of the net asset or liability after offsetting financial assets and financial liabilities.

(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

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" 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 ("bankrupt borrowers") and against borrowers that are in substantially similar adverse condition ("virtually bankrupt borrowers"), 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 ("possibly bankrupt borrowers"), 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 possibly bankrupt 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 estimated loan losses over the next one or three years, which is calculated based on the average historical loan-loss ratios or bankruptcy ratios during a certain period on the basis of historical loan-losses or bankrupt losses over the past one or three years, with adjustments for future forecast.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment of asset quality. The Risk Management Department, which is independent from the operating sections, monitors the results of such assessments.

As for the consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan loss ratios, etc. 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 bankrupt borrowers or virtually bankrupt borrowers with collateral or guarantees, claims against borrowers in legal or virtually bankrupt borrowers, 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 ¥18,210 million (U.S. $136 million) and ¥23,943 million as of March 31, 2023 and 2022, 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 for the estimated directors' bonuses attributable to the current fiscal year.

(8) Provision for Stocks Payment

A provision for stocks payment is provided at SuMi TRUST Bank for the estimated stock-based payments to directors under a stock-based compensation system attributable to the current fiscal year.

(9) 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 reasonable estimates of the points to be used in the future.

(10) Provision for Reimbursement of Deposits in Dormant Accounts

A provision for reimbursement of deposits in dormant accounts is provided for the deposits that were derecognized as liabilities under certain conditions. Such provision is provided against the estimated future reimbursement to be requested by customers based on the past reimbursement record.

(11) Provision for Contingent Losses

A provision for losses is provided for contingent losses associated with off-balance sheet transactions or trust transactions in the amount deemed necessary based on the estimated possible future losses.

(12) Accounting for Retirement Benefits

In determining the retirement benefit obligations, projected benefits to the periods up to the year ended March 31, 2023, are attributed based on the plan's benefit formula.

Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost: In principle, the full amount of past service cost is charged to profit or loss in the fiscal year they occur.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts that would be required for voluntary termination at the year-end.

(13) Basis for Recognition of Significant Revenues and Expenses

SuMi TRUST Bank Group's main revenues from contracts with customers are "Trust Fees" and "Fees and Commissions" such as asset administration fees, stock transfer agency fees, real estate brokerage fees, and investment trust and insurance sales fees.

The timing of satisfying performance obligation in each transaction is determined as follows based on the respective economic conditions. The amount of consideration for transactions is generally received within approximately six months after satisfying performance obligations and does not include significant financing components.

Trust fees and asset administration fees are recorded mainly in the "Investor Services Business," and "Retail Business." SuMi TRUST Bank Group is obligated to perform asset administrative services in accordance with the terms of trust agreements and various contracts. SuMi TRUST Bank Group recognizes revenues from these performance obligations over a period of time since the benefits are expensed by the customer as the daily services are provided.

Stock transfer agency fees are mainly recorded in the "Wholesale Business." SuMi TRUST Bank Group is obligated to perform shareholder registry management services and the like in accordance with the agreement on the entrustment of management of the shareholder registry and the like. SuMi TRUST Bank Group recognizes revenues from this performance obligation over a period of time since the benefits are expensed by the customer as the daily services are provided.

Real estate brokerage fees are recorded mainly in the "Real Estate Business." SuMi TRUST Bank Group is obligated to perform real estate brokerage services based on real estate brokerage contracts. Revenues are recognized when the performance obligation is satisfied at the time when the real estate sales contract is executed or when the property is delivered. The timing of satisfying performance obligation is determined based on the significance of the duties after the execution of the real estate sales contract.

Fees on sales of investment trusts and insurance are mainly recorded in the "Retail Business." SuMi TRUST Bank Group is obligated to provide product explanations and sales administrative services based on the terms and conditions of transactions and consignment agreements. Revenues are recognized when the performance obligation is satisfied at the time of product sale.

(14) 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 as of 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.

(15) Accounting for Leases

As for the consolidated subsidiaries in Japan, income and expenses arising from transactions of finance leases that do not transfer ownerships to lessees are recognized as sales and costs of sales when lease payments are collected.

(16) 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 Committee Practical Guidance No. 24 of March 17, 2022, "Guidance 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 rate volatility factors for the hedged items and those for the hedging instruments.

(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 Committee Practical Guidance No. 25 of October 8, 2020, "Guidance 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 currency-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 currency-denominated securities are designated in advance as hedged items and that foreign currency payables of spot and forward foreign exchange contracts exist in excess of the acquisition cost of such foreign currency-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) Internal hedge transactions and others

Among derivatives transactions of SuMi TRUST Bank that take place between consolidated subsidiaries or that are made internally between designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to Guidance No. 24 and Guidance 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.

(17) 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.

(18) Scope of Cash and Cash Equivalents in the Consolidated Statement of Cash Flows

For SuMi TRUST Bank, the balance of "Cash and Cash Equivalents" in the consolidated statement 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 sheet. For the consolidated subsidiaries, the balance of "Cash and Cash Equivalents" in the consolidated statement of cash flows is equivalent to the balance of "Cash and Due from Banks" presented in the consolidated balance sheet.

(19) Nondeductible Consumption Taxes Associated with Assets

Nondeductible consumption taxes and local consumption taxes associated with assets are recorded as expenses in the current fiscal year.

(20) Adoption of Group Tax Sharing System

SuMi TRUST Bank adopts the group tax sharing system.

(21) Adoption of Accounting Treatment and Disclosure Under Group Tax Sharing System

SuMi TRUST Bank has shifted from the consolidated taxation system to the group tax sharing system effective from the current fiscal year. In accordance with this change, the treatment of accounting and disclosure of corporate taxes, local corporate taxes, and tax effect accounting under the group tax sharing system are in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No.42, August 12, 2021, "ASBJ PITF No.42"). In accordance with Paragraph 32 (1) of ASBJ PITF No.42, the change in accounting policy resulting from the adoption of ASBJ PITF No.42 is not expected to have any effect on the consolidated financial statements.

## Significant Accounting Estimates

### 1. Estimates of Allowance for Loan Losses

(1) The Amounts Recorded in the Consolidated Financial Statements During the Fiscal Year Ended March 31, 2023 and 2022:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | **2023** | 2022 | **2023** |
| Allowance for Loan Losses | **¥ 129,998** | ¥ 163,369 | **$ 973** |

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

SuMi TRUST Bank assigns each borrower a "classification" in accordance with the borrower's solvency based on their financial conditions, funding stability, profitability, and others whenever there is disclosure of financial results or an event with an impact on the borrower's creditworthiness. SuMi TRUST Bank measures allowance for loan losses based on the "classification" assigned and transaction conditions of collateral and other factors. When deriving the "classification," quantitative as well as qualitative factors are taken into consideration.

Definition of each classification is as follows:

| Classification | Definitions |
|---|---|
| Normal borrowers | Borrowers with good earnings performances and no significant financial problems |
| Borrowers requiring caution | Close monitoring is required due to sluggish/unstable business, financial problems, or problems with meeting loan terms and conditions such as reduction of interest rate and suspended payments |
| Substandard borrowers | Obligors with loans that are more than three months past due or with restructured loans within the "Borrowers Requiring Caution" category |
| Possibly bankrupt borrowers | Experiencing business difficulties, making insufficient progress in restructuring and highly likely to go bankrupt |
| Virtually bankrupt borrowers | Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely |
| Bankrupt borrowers | Legally or formally bankrupt |

The standard for allowances for loan losses for each classification is as follows:

| Classification | Standards for allowances for loan losses |
|---|---|
| Normal borrowers | The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past one year. |
| Borrowers requiring caution and Substandard borrowers | The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios or bankruptcy ratios during a certain period on the basis of historical loan losses or bankruptcy losses over the past three years.<br>For some 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"). |

| | |
|---|---|
| Possibly bankrupt borrowers | The 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.<br>For some 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"). |
| Virtually bankrupt borrowers and Bankrupt borrowers | The allowance is provided based on the amount of claims, net of the expected amount of recoveries from collateral and guarantees.<br>For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, the 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. |

For normal borrowers, borrowers requiring caution and substandard borrowers, changes in the loan loss ratios, etc. have an impact on the allowance for loan losses. For possibly bankrupt borrowers, virtually bankrupt borrowers, and bankrupt borrowers, changes in the amount expected to be collected through the disposal of collateral or execution of guarantees have a significant impact on the allowance for loan losses.

(3) Adjustments of Expected Credit Losses Considering the Future Forecast

SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. estimate the impact on credit risks that have not yet been reflected in the financial information and historical loan-loss ratios, etc. of the borrowers and make necessary adjustments to expected future credit losses, considering the impact of the changes in the current economic environment on the future business performance and funding of borrowers.

(Fiscal year ended March 31,2022)

SuMi TRUST Bank identified industries that may have been affected by downturn of business performance due to the spread of COVID-19 and the international situation surrounding Ukraine, and other factors. An "additional allowance for loan losses based on the method considering future forecast ("special allowance") has been recognized for certain credits in the industries.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd., identified industries that may have been affected by the downturn of business performance due to the spread of COVID-19. Special allowance is recognized for certain credits in the industry by estimating the credit losses expected in the future, assuming that internal ratings would be downgraded to some extent depending on the degree of prospects for recovery.

(Fiscal year ended March 31, 2023)

SuMi TRUST Bank determinned that concerns over worsening future business performance and funding of its borrowers directly caused by COVID-19 and the international situation surrounding Ukraine, and other factors have diminished.

On the other hand, in the current economic environment, there are signs of economic slowdown overseas, mainly in Europe and the United States, due to high inflation and monetary tightening. In Japan, rising prices are weighing on personal consumption. The financial markets are also in a phase of great change, with expanding yield volatility on 10-year government bonds and the dollar-yen exchange rate.

Against the backdrop of the significant changes in the economic environment described above, we are reconsidering our credit management policy for credit risk management. Based on this, SuMi TRUST Bank selects "borrowers that contain the possibility of incurring credit cost due to changes in the business environment," and strengthens monitoring of such borrowers.

Considering this, SuMi TRUST Bank reconsidered the credit risk applicable to the special allowance and recorded a special allowance for the credits of the above-mentioned borrowers to reflect credit risk not yet reflected in the financial information and historical loan loss ratios, etc. of the borrowers.

The specific calculation methods are as follows.

1. Predict the future transition of internal ratings based on quantitative information, etc., assuming the degree of deterioration in future credit risk for each internal rating of selected borrowers.
2. Recognize special allowance by estimating credit losses expected in the future, assuming the transition of internal rating as described above.

On the other hand, Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. re-evaluated the special allowance based on the same method as of the fiscal year ended March 31,

2022, since its business and borrowers have different attributes and that some of its borrowers are still suffering the effects of deteriorating business performance due to the spread of COVID-19.

The special allowance recorded based on the above is as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Adjustments for the impact of the prolonged outbreak of COVID-19** | | | |
| SuMi TRUST Bank | ¥ — (*) | ¥ 16,481 | $ — (*) |
| Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. | 2,963 | 4,541 | 22 |
| **Adjustments based on the credit risk information in the credit management policy which is revised in light of environmental changes** | | | |
| SuMi TRUST Bank | 16,539 | — | 124 |
| Total | ¥ 19,503 | ¥ 21,022 | $ 146 |

(*)SuMi TRUST Bank has determined that concerns over deterioration of the future business performance and funding of borrowers, which are directly caused mainly by the prolonged epidemic of COVID-19, have diminished; therefore, no adjustments were made to the expected credit losses as a result of this impact..

There is a high level of uncertainty around the assumptions used to recognize a special allowance, and the consolidated financial statements can be significantly affected if there is a change in the impact on the business performance and funding of borrowers due to the change in economic environment.

## 2. Estimates of Retirement Benefit Obligations

(1) The Amounts Recorded in the Consolidated Financial Statements During the Fiscal Year Ended March 31, 2023 and 2022:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Retirement Benefit Obligations | ¥ 379,639 | ¥ 421,543 | $ 2,843 |

The amounts of assets for retirement benefits and liabilities for retirement benefits recognized in the consolidated financial statements for the fiscal year ended March 31, 2023 were ¥232,599 million (U.S. $1,741 million) and ¥11,442 million (U.S. $85 million), respectively. The net amount of ¥221,156 million (U.S. $1,656 million) was calculated by deducting plan assets of ¥600,796 million (U.S. $4,498 million) from retirement benefit obligations of retirement benefit plans with and without plan assets of ¥368,196 million (U.S. $2,757 million) and ¥11,442 million (U.S. $85 million), respectively.

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates.

Retirement benefit obligations, plan assets, and retirement benefit expenses are calculated based on assumptions used in actuarial calculation. These assumptions include discount rate, expected long-term rate of return on plan assets, employee turnover rate, and mortality rate.

Major assumptions used in actuarial calculation are as follows:

| Discount rate | Expected long-term rate of return on plan assets |
|---|---|
| Mainly 1.2% | 3.6% |

SuMi TRUST Bank, which accounts for 94.8% of asset retirement obligations of SuMi TRUST Bank Group, has set a discount rate based on the interest rates of high-quality domestic corporate bonds whose maturities are equal to the expected period up to the payment of salaries in the future. The expected long-term rate of return on plan assets is determined by evaluating the historical results of operation and the expected interest rate in the future. The expected long-term rate of return on plan assets is the weighted average rate of expected long-term rates of return on plan assets by groups of investment assets such as stocks and bonds.

(3) Impact of Changes in Assumptions on the Consolidated Financial Statements

The assumptions described in (2) above have a significant impact on retirement benefit obligations and retirement benefit expenses. The impacts on the consolidated financial statements when each of the discount rate and the expected long-term rate of return on plan assets of SuMi TRUST Bank changes by 0.5% are as follows:

| | Impact on retirement benefit expenses | Impact on retirement benefit obligations |
|---|---|---|
| Discount rate: | | |
| 0.5% decrease | ¥2,100 million increase | ¥27,489 million increase |
| 0.5% increase | ¥1,884 million decrease | ¥24,504 million decrease |
| Expected long-term rate of return on plan assets: | | |
| 0.5% decrease | ¥2,953 million increase | — |
| 0.5% increase | ¥2,953 million decrease | — |

## 3. Impairment of Fixed Assets

(1) The Amount Recorded in the Consolidated Financial Statements During the Fiscal Year Ended March 31,2023

SuMi TRUST Bank has been proceeding with a development project aimed at introducing a new accounting system for overseas components (the "System") for the purpose of maintaining and expanding overseas businesses. However, SuMi TRUST Bank has decided to change the renewal plan that assumes the introduction of the comprehensive package system currently under development, and to consider a new renewal plan that assumes the introduction of an alternative system for each service line. SuMi TRUST Bank has determined that some service lines of the System are abandoned or expected to have no use in the future because it is difficult to continue operations with the System.

SuMi TRUST Bank has consideled that there are impairment loss indicators as the decision falls under (2) Identification of Impairment Indicators described below, "when there is a change in the usage for the asset group that significantly reduces the recoverable amount."

As a result, some service lines of the System are expected to have no use in the future; therefore, the recoverable amount is zero, and an impairment loss of ¥15,904 million (U.S. $ 119 million) was recorderd for the carrying amounts of the software in the target business areas, which occupy the majority of the development of the System.

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

(Identification of Impairment Indicators)

SuMi TRUST Bank identifies an impairment indicator when an asset group falls under any of the following criteria. For assets that are not expected to be used, individual assets are subject to assessment:

- When gains and losses or cash flow from operating activities continues to be negative, or is expected to continue to be negative;
- When there is a change in the usage for the asset group that significantly reduced the recoverable amount;
- When the business environment in relation to the asset group has significantly deteriorated or is expected to deteriorate; and
- When the market price of the asset group declines significantly.

(Recognition and Measurement of Impairment Losses)

For asset groups with indications of impairment, SuMi TRUST Bank determines whether impairment losses should be recognized by comparing the total undiscounted future cash flows with the asset's carrying amount. If the total amount of the cash flows is less than the carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized.

## Changes in Accounting Policies

### Application of Implementation Guidance on Accounting Standard for Fair Value Measurement

SuMi TRUST Bank has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan Guidance No.31, June 17, 2021, hereinafter referred to as the "Guidance for Application of Fair Value Measurement") since the beginning of the current fiscal year ended March 31, 2023. In accordance with the transitional treatment stipulated in Paragraph 27-2 of the Guidance for Application of Fair Value Measurement, SuMi TRUST Bank has applied the new accounting policy stipulated by the Guidance for Application of Fair Value Measurement prospectively. Thus, some of the investment trusts, which were previously stated at the acquisition cost on the consolidated balance sheet, are now measured at fair value based on factors, such as the net asset value.

As a result, Securities, Valuation Differences on Available-for-Sale Securities, and Deferred Tax Liabilities as of March 31, 2023, increased by ¥7,590 million, ¥5,266 million, and ¥2,324 million, respectively. The effect of this change on per share information for the current fiscal year ended March 31, 2023, is immaterial.

Information on investment trusts for the fiscal year ended March 31, 2022, is not presented in "Fair Values of Financial Instruments and Breakdown by Input Level" in the note for "Financial Instruments" in accordance with the measures specified in Paragraph 27-3 of the Guidance for Application of Fair Value Measurement.

## New Accounting Standards and Interpretations Not Yet Adopted

The following standard and guidance were issued but not yet adopted.

- Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022)
- Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022)
- Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022)

(1) Overviews

The above standards and guidance provide the treatments for classification of income taxes when taxed on other comprehensive income and the tax effect on sales of shares of subsidiaries, etc. when the Group tax sharing system is applied.

(2) Effective date
Effective from the beginning of the fiscal year ending March 31, 2025.

(3) Effects of the application of the standard
SuMi TRUST Bank is currently in the process of determining the effects of these new standards and guidance on the consolidated financial statements.

## Notes to the Consolidated Balance Sheet

### 1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Securities in Trading Account | ¥ 2,904 | ¥ 5,018 | $ 22 |
| Derivatives of Trading Securities | 14 | 47 | 0 |
| Derivatives of Securities Related to Trading Transactions | 880 | 25 | 7 |
| Trading-Related Financial Derivatives | 1,447,810 | 954,675 | 10,842 |
| Other Trading Assets | 62,992 | 7,799 | 472 |
| **Total** | **¥ 1,514,603** | ¥ 967,565 | **$11,342** |

(2) Trading liabilities as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Derivatives of Securities Related to Trading Transactions | ¥ 20 | ¥ 617 | $ 0 |
| Trading-Related Financial Derivatives | 1,472,616 | 906,069 | 11,028 |
| **Total** | **¥ 1,472,636** | ¥ 906,686 | **$11,028** |

### 2. Securities

Securities held as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Government Bonds | **¥ 1,549,273** | ¥ 2,839,688 | **$ 11,602** |
| Local Government Bonds | 38,117 | 33,919 | 285 |
| Corporate Bonds | 722,507 | 730,020 | 5,410 |
| Stocks | 1,259,099 | 1,411,918 | 9,429 |
| Other Securities | 3,235,177 | 2,732,472 | 24,226 |
| **Total** | **¥ 6,804,176** | ¥ 7,748,019 | **$ 50,952** |

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

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Stocks | **¥ 116,836** | ¥ 133,672 | **$ 875** |
| Equity Investments | 215,635 | 25,839 | 1,615 |

Securities borrowed under unsecured loan agreements and securities purchased under resale agreements or borrowed with cash collateral that SuMi TRUST Bank has a right to freely sell or repledge, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Securities that are Further Collateralized | ¥ 111,102 | ¥ 149,251 | $ 832 |
| Securities that are Further Loaned | 750,675 | 1,069,208 | 5,621 |
| Securities Held without Selling or Repledging as of the End of the Fiscal Year | — | 662 | — |

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 ¥64,346 million (U.S. $481 million) and ¥65,058 million as of March 31, 2023 and 2022, respectively.

### 3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Bills Discounted | ¥ 504 | ¥ 451 | $ 4 |
| Loans on Bills | 183,976 | 170,626 | 1,378 |
| Loans on Deeds | 30,005,242 | 29,142,560 | 224,691 |
| Overdrafts | 1,621,203 | 1,562,868 | 12,140 |
| Total | ¥ 31,810,926 | ¥ 30,876,507 | $ 238,213 |

Bills discounted are treated as financial transactions in accordance with Guidance 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 ¥504 million (U.S. $4 million) and ¥451 million as of March 31, 2023 and 2022, respectively.

Loans in accordance with the Banking Act and the Act on Emergency Measures for Revitalization of the Financial Functions are presented below. Loans include corporate bonds in "securities" (limited to those issued in private placement of securities prescribed in Section 3 of Paragraph 2 in the Financial Instruments and Exchange Act, and those with wholly or partially guaranteed redemption of the principal and payment of the interest), loans and bills discounted, foreign exchanges, interest receivables, suspense payments, and customers' liabilities for acceptances and guarantees in "other assets," presented in the consolidated balance sheet, and securities loaned (limited to those under a loan for use or lease contract) provided in the notes, etc.

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Bankrupt and Practically Bankrupt Loans | ¥ 11,383 | ¥ 20,585 | $ 85 |
| Doubtful Loans | 97,246 | 130,069 | 728 |
| Loans Past Due Three Months or More | — | — | — |
| Restructured Loans | 43,335 | 69,474 | 325 |
| Total | ¥ 151,965 | ¥ 220,130 | $ 1,138 |

Bankrupt and practically bankrupt loans are those loans that have fallen into bankruptcy due to certain reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings and quasi-loans.

Doubtful loans are those loans with a strong likelihood that loan principals cannot be recovered and interest cannot be received according to the contract because of difficulties in the financial conditions and business performance of debtors who are not yet legally bankrupt, excluding those loans classified as bankrupt and practically bankrupt loans.

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 bankrupt and practically bankrupt loans and doubtful 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 bankrupt and practically bankrupt loans, doubtful loans or loans past due three months or more.

The above loans are presented at the amounts prior to deduction of allowances for loan losses.

## 4. Assets Pledged

Assets pledged as collateral as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Assets Pledged as Collateral:** | | | |
| Securities | **¥ 2,070,297** | ¥ 3,365,225 | **$ 15,503** |
| Loans and Bills Discounted | **4,698,263** | 4,728,724 | **35,182** |
| Lease Receivables and Investment Assets | **46,602** | 54,956 | **349** |
| Other Assets | **34,323** | 60,425 | **257** |
| **Total** | **¥ 6,849,487** | ¥ 8,209,331 | **$ 51,292** |
| **Corresponding Liabilities to Assets Pledged as Collateral:** | | | |
| Deposits | **¥ 16,561** | ¥ 21,788 | **$ 124** |
| Payables under Repurchase Agreements | **485,939** | 527,313 | **3,639** |
| Borrowed Money | **4,521,315** | 5,739,492 | **33,857** |

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 |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Securities | ¥ 382,875 | ¥ 499,469 | $ 2,867 |

"Other Assets" include initial margins of futures, security deposits, and cash collateral pledged for financial instruments. Such amounts are as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Initial Margins of Futures Markets | ¥ 58,868 | ¥ 71,040 | $ 441 |
| Security Deposits | 22,729 | 26,767 | 170 |
| Cash Collateral Pledged for Financial Instruments-Assets | 967,493 | 1,025,240 | 7,245 |

## 5. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and commitment lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amounts of unused credit under such agreements were ¥13,541,015 million (U.S. $101,400 million) and ¥12,762,371 million, of which ¥8,791,731 million (U.S. $65,835 million) and ¥8,563,906 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2023 and 2022, 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 changes in financial circumstances, the need to preserve claims, or other reasonable causes. Besides requesting collateral, such as real estate or securities, as necessary at the time of entering into the agreement, SuMi TRUST Bank has also adopted other measures to keep its credit sound, such as periodically assessing the condition of customers' businesses following the internal procedures and revising agreements, as necessary.

## 6. Tangible Fixed Assets

Tangible fixed assets as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Land | ¥ 138,786 | ¥ 139,303 | $ 1,039 |
| Buildings | 70,397 | 72,062 | 527 |
| Lease Assets | 4,665 | 4,772 | 35 |
| Construction in Progress | 525 | 110 | 4 |
| Other | 15,721 | 15,520 | 118 |
| Total | ¥ 230,096 | ¥ 231,770 | $ 1,723 |

Accumulated depreciation amounted to ¥186,677 million (U.S. $1,398 million) and ¥179,823 million, and advance depreciation amounted to ¥27,780 million (U.S. $208 million) and ¥27,780 million as of March 31, 2023 and 2022, respectively.

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SuMi TRUST Bank was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1998 and March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation was calculated by reasonably adjusting the value of land based on the 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.

## 7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Software | ¥ 96,554 | ¥ 83,911 | $ 723 |
| Goodwill | 8,079 | 12,478 | 61 |
| Other | 3,729 | 3,719 | 28 |
| Total | ¥108,362 | ¥ 100,109 | $ 811 |

## 8. Other Assets

Other assets as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Domestic Exchange Settlement Account, Debit | ¥ 862 | ¥ 1,029 | $ 6 |
| Prepaid Expenses | 7,587 | 6,535 | 57 |
| Accrued Income | 155,945 | 122,573 | 1,168 |
| Initial Margins of Futures Markets | 58,868 | 71,040 | 441 |
| Variation Margins of Futures Markets | 4,090 | — | 31 |
| Financial Derivatives Other Than Trading Assets | 1,739,276 | 1,500,702 | 13,024 |
| Receivables for Securities Transactions | 213,860 | 85,353 | 1,601 |
| Cash Collateral Pledged for Financial Instruments-Assets | 967,493 | 1,025,240 | 7,245 |
| Other | 633,023 | 490,248 | 4,740 |
| Total | ¥ 3,781,008 | ¥ 3,302,723 | $ 28,314 |

## 9. Deposits

Deposits as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Current Deposits, Ordinary Deposits, Saving Deposits and Deposits at Notice | ¥ 10,813,306 | ¥ 9,517,128 | $ 80,974 |
| Time Deposits | 23,612,454 | 22,959,755 | 176,819 |
| Other | 992,162 | 794,906 | 7,430 |
| Total | ¥ 35,417,923 | ¥ 33,271,789 | $ 265,223 |

In the event of receivership, winding up proceedings or equivalent proceedings of the bank, Japanese law does not require our bank to confer lower priority to depositors of the foreign offices of our bank, vis-à-vis our home country depositors in the repayment of deposits.

## 10. Borrowed Money

Borrowed money as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Subordinated Borrowings | ¥ 605,000 | ¥ 645,000 | $ 4,530 |
| Other Borrowed Money | 6,024,543 | 7,138,498 | 45,114 |
| Total | ¥ 6,629,543 | ¥ 7,783,498 | $ 49,645 |

Weighted average interest rates on borrowed money were 0.48% and 0.18% for the fiscal years ended March 31, 2023 and 2022, respectively.

Annual maturities of borrowed money as of March 31, 2023, for the next five years are as follows:

| | Millions of Yen | Millions of U.S. Dollars |
|---|---|---|
| Fiscal Year Ending March 31 | 2023 | 2023 |
| 2024 | ¥ 1,370,513 | $ 10,263 |
| 2025 | 2,510,428 | 18,799 |
| 2026 | 1,340,939 | 10,041 |
| 2027 | 104,322 | 781 |
| 2028 | 194,526 | 1,457 |
| Total | ¥ 5,520,729 | $ 41,341 |

## 11. Bonds Payable

Bonds payable as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Perpetual Subordinated Bonds | ¥ — | ¥ 16,100 | $ — |
| Subordinated Bonds | 72,997 | 112,996 | 547 |
| Other Bonds Payable | 1,838,763 | 1,317,508 | 13,769 |
| Total | ¥ 1,911,760 | ¥ 1,446,604 | $ 14,316 |

Annual maturities of bonds payable as of March 31, 2023, for the next five years are as follows:

| | Millions of Yen | Millions of U.S. Dollars |
|---|---|---|
| Fiscal Year Ending March 31 | 2023 | 2023 |
| 2024 | ¥ 2,833,248 | $ 21,216 |
| 2025 | 292,080 | 2,187 |
| 2026 | 480,620 | 3,599 |
| 2027 | 334,925 | 2,508 |
| 2028 | 292,740 | 2,192 |
| Total | ¥ 4,233,613 | $ 31,703 |

## 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, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Domestic Exchange Settlement Account, Credit | ¥ 723 | ¥ 841 | $ 5 |
| Income Taxes Payable | 11,914 | 10,268 | 89 |
| Accrued Expenses | 111,812 | 63,724 | 837 |
| Unearned Income | 88,444 | 90,857 | 662 |
| Variation Margins of Futures Markets | 1,875 | 7,414 | 14 |
| Financial Derivatives Other Than Trading Liabilities | 1,932,401 | 1,571,382 | 14,471 |
| Lease Obligations | 12,930 | 12,606 | 97 |
| Asset Retirement Obligations | 3,678 | 3,727 | 28 |
| Payables for Securities Transactions | 209,650 | 65,626 | 1,570 |
| Provision for Loss on Interest Repayment | 38 | 39 | 0 |
| Cash Collateral Accepted for Financial Instruments-Liabilities | 450,879 | 240,455 | 3,376 |
| Other | 194,715 | 212,267 | 1,458 |
| Total | ¥ 3,019,064 | ¥ 2,279,211 | $ 22,608 |

## 14. Other Assets and Liabilities related to Revenue Recognition

The amounts of receivables from contracts with customers and the amounts of contract liabilities recognized in other assets and other liabilities, respectively, are presented in "Revenue Recognition, 2. Information Related to Contract Balance."

## Notes to the Consolidated Statement of Income

### 1. Revenue from Contracts with Customers

Income is not classified into revenues from contracts with customers and other revenue. The amount of revenues from contracts with customers is presented in "Revenue Recognition, 1. Information Related to Disaggregation of Revenue from Contracts with Customers for the Fiscal Year Ended March 31, 2023 and 2022."

### 2. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Interest on Monetary Claims Bought | ¥ 2,495 | ¥ 2,438 | $ 19 |
| Others | 21,279 | 1,741 | 159 |
| Total | ¥ 23,775 | ¥ 4,179 | $ 178 |

(2) Other interest expenses for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Interest on Interest Rate Swaps | ¥ 85,031 | ¥ 22,553 | $ 637 |
| Others | 22,587 | 22,105 | 169 |
| Total | ¥ 107,619 | ¥ 44,658 | $ 806 |

### 3. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Net Income from Trading Securities and Derivatives | ¥ — | ¥ 268 | $ — |
| Net Income from Trading Transactions | 15,548 | 812 | 116 |
| Net Income from Trading-Related Financial Derivatives Transactions | — | 12,315 | — |
| Other Trading Income | 60 | 57 | 0 |
| Total | ¥ 15,608 | ¥ 13,453 | $ 117 |

(2) Trading expenses for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Net Expenses on Trading Securities and Derivatives | ¥ 149 | ¥ — | $ 1 |
| Net Expenses on Trading-Related Financial Derivatives Transactions | 5,035 | — | 38 |
| Total | ¥ 5,184 | ¥ — | $ 39 |

## 4. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Net Gains on Foreign Exchange Transactions | ¥ 201,285 | ¥ 22,476 | $ 1,507 |
| Gains on Sales and Redemption of Bonds | 3,495 | 14,757 | 26 |
| Net Income from Derivatives Other Than for Trading or Hedging | 1,053 | 19,091 | 8 |
| Others | 262,754 | 279,559 | 1,968 |
| Total | ¥ 468,587 | ¥ 335,885 | $ 3,509 |

(2) Other ordinary expenses for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Losses on Sales and Redemption of Bonds | ¥ 29,499 | ¥ 32,574 | $ 221 |
| Others | 243,107 | 258,779 | 1,820 |
| Total | ¥ 272,606 | ¥ 291,353 | $ 2,041 |

## 5. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Gains on Sales of Stocks and Other Securities | ¥ 89,955 | ¥ 94,956 | $ 674 |
| Gains on Money Held in Trust | 87 | 74 | 1 |
| Recoveries of Written-Off Claims | 1,123 | 1,633 | 8 |
| Equity in Earnings of Affiliated Companies | 15,764 | 13,647 | 118 |
| Gains on Disposal of Fixed Assets | 312 | 444 | 2 |
| Others | 17,053 | 8,635 | 128 |
| Total | ¥ 124,297 | ¥ 119,392 | $ 931 |

(Note) In the fiscal year ended March 31, 2023, "Others" include gains on sales of investments in subsidiaries and affiliated companies (stocks) of ¥4,667 million (U.S. $35 million).

(2) Other expenses for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Provision for Allowance for Loan Losses | ¥ 1,547 | ¥ 37,688 | $ 12 |
| Losses on Sales of Loans | — | 5 | — |
| Write-Off of Loans | 9,742 | 5,461 | 73 |
| Losses on Sales of Stocks and Other Securities | 83,337 | 130,580 | 624 |
| Losses on Impairment of Stocks and Other Securities | 696 | 1,827 | 5 |
| Losses on Disposal of Fixed Assets | 1,232 | 780 | 9 |
| Losses on Impairment of Fixed Assets | 18,187 | 1,468 | 136 |
| Losses on Investment in Partnerships | 9,731 | 4,770 | 73 |
| Others | 14,106 | 12,429 | 106 |
| Total | ¥ 138,581 | ¥ 195,012 | $ 1,038 |

(Note) For the purpose of maintaining and expanding overseas business, SuMi TRUST Bank has been proceeding with a development project aimed at introducing a new accounting system for overseas components (the "System"). However, SuMi TRUST Bank has decided to change the renewal plan that assumes the introduction of the comprehensive package system currently under development, and to consider a new renewal plan that assumes the introduction of an alternative system for each business area.

Regarding the System developed so far, impairment losses are recorded for the business areas in which the use of the system has been abandoned or deemed difficult to continue operations through its use, as the investment amount is not expected to be recovered.

The impairment losses recognized as a result of the above were ¥15,904 million (U.S. $119 million) for software, and the entire impairment losses including those were ¥18,187 million (U.S. $136 million), which include impairment losses of tangible fixed assets of ¥222 million (U.S. $2 million) and those of software of ¥17,964 million (U.S. $135 million).

The recoverable amounts of the software described above are measured at zero as it is not expected to be used in the future. For assets that are not expected to be used, individual assets are considered as one group.

## 6. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Taxes Other Than Income Taxes | ¥ 13,397 | ¥ 12,852 | $ 100 |
| Personnel Expenses | 176,616 | 165,469 | 1,323 |
| Others | 198,700 | 182,782 | 1,488 |
| Total | ¥ 388,714 | ¥ 361,104 | $ 2,911 |

## 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, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Valuation Difference on Available-for-Sale Securities: | | | |
| Changes during the Period | ¥ (47,389) | ¥ (126,145) | $ (355) |
| Reclassification Adjustments | 20,632 | 56,774 | 155 |
| Before Tax Effects | (26,756) | (69,371) | (200) |
| Tax Effects | 8,168 | 19,340 | 61 |
| Valuation Difference on Available-for-Sale Securities | (18,588) | (50,031) | (139) |
| Deferred Gains (Losses) on Hedges: | | | |
| Changes during the Period | (36,318) | (20,914) | (272) |
| Reclassification Adjustments | 25,960 | 22,553 | 194 |
| Before Tax Effects | (10,358) | 1,639 | (78) |
| Tax Effects | 3,183 | (496) | 24 |
| Deferred Gains (Losses) on Hedges | (7,174) | 1,142 | (54) |
| Foreign Currency Translation Adjustments: | | | |
| Changes during the Period | 6,089 | 3,224 | 46 |
| Reclassification Adjustments | (0) | (165) | (0) |
| Before Tax Effects | 6,089 | 3,058 | 46 |
| Tax Effects | — | — | — |
| Foreign Currency Translation Adjustments | 6,089 | 3,058 | 46 |
| Remeasurements of Defined Benefit Plans: | | | |
| Changes during the Period | 24,302 | (55,834) | 182 |
| Reclassification Adjustments | 3,823 | 1,077 | 29 |
| Before Tax Effects | 28,126 | (54,757) | 211 |
| Tax Effects | (8,615) | 16,537 | (65) |
| Remeasurements of Defined Benefit Plans | 19,510 | (38,219) | 146 |
| Share of Other Comprehensive Income of Equity-Method Affiliated Companies: | | | |
| Changes during the Period | (444) | 542 | (3) |
| Reclassification Adjustments | 2,443 | (27) | 18 |
| Share of Other Comprehensive Income of Equity-Method Affiliated Companies | 1,998 | 515 | 15 |
| Total Other Comprehensive Income (Loss) | ¥ 1,835 | ¥ (83,534) | $ 14 |

## 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 for the fiscal years ended March 31, 2023 and 2022, 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, 2023 | | | | | |
| 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, 2022 | | | | | |
| Number of Issued Shares: | | | | | |
| Common Share | 3,000,000 | 1,674,537 | — | — | 1,674,537 |

### 2. Subscription Rights to Shares

There were no subscription rights to shares for the fiscal years ended March 31, 2023 and 2022.

## 3. Dividends

Dividends paid for the fiscal years ended March 31, 2023 and 2022, consisted of the following:

As for the fiscal year ended March 31, 2023:

| 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 23, 2022 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 23,594 ($177) | Retained Earnings | ¥ 14.09 ($0.11) | March 31, 2022 | June 24, 2022 |

| 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 |
|---|---|---|---|---|---|---|
| November 11, 2022 | | | | | | |
| Board of Directors' Meeting | Common Share | ¥ 36,789 ($275) | Retained Earnings | ¥ 21.97 ($0.16) | September 30, 2022 | December 1, 2022 |

Dividends with a record date during the fiscal year ended March 31, 2023, but whose effective date is after March 31, 2023, 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 23, 2023 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 31,330 ($235) | Retained Earnings | ¥ 18.71 ($0.14) | March 31, 2023 | June 26, 2023 |

As for the fiscal year ended March 31, 2022:

| Resolution | Type of Shares | Cash Dividends Declared (Millions of Yen) | Dividend Resources | Cash Dividends per Share (Yen) | Record Date | Effective Date |
|---|---|---|---|---|---|---|
| June 23, 2021 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 19,843 ($149) | Retained Earnings | ¥ 11.85 ($0.09) | March 31, 2021 | June 24, 2021 |

| Resolution | Type of Shares | Cash Dividends Declared (Millions of Yen) | Dividend Resources | Cash Dividends per Share (Yen) | Record Date | Effective Date |
|---|---|---|---|---|---|---|
| November 11, 2021 | | | | | | |
| Board of Directors' Meeting | Common Share | ¥ 30,007 ($225) | Retained Earnings | ¥ 17.92 ($0.13) | September 30, 2021 | December 1, 2021 |

Dividends with a record date during the current fiscal year ended March 31, 2022, but whose effective date is after March 31, 2022, 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 23, 2022 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 23,594 ($177) | Retained Earnings | ¥ 14.09 ($0.11) | March 31, 2022 | June 24, 2022 |

## Note to the Consolidated Statement of Cash Flows

### Reconciliation of Cash and Cash Equivalents

The following table reconciles cash and cash equivalents in the consolidated statement of cash flows and cash and due from banks in the consolidated balance sheet as of March 31, 2023 and 2022.

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Cash and Due from Banks | ¥ 21,522,753 | ¥ 18,142,775 | $ 161,171 |
| Due from Banks (Excluding Due from the Bank of Japan) | (2,429,835) | (2,489,713) | (18,196) |
| Cash and Cash Equivalents | ¥ 19,092,918 | ¥ 15,653,061 | $ 142,975 |

## Leases

### 1. Finance Leases

As a lessee:

Finance leases that do not transfer ownership of the lease assets to lessees

1) Description of lease assets

Tangible fixed assets

Mainly branch buildings and office equipment

2) Method for amortizing lease assets

Refer to "(4) Depreciation and Amortization Methods" of "4. Significant Accounting Policies" in the Significant Accounting Policies and Practices.

### 2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2023 and 2022, were as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Due in One Year or Less | ¥ 2,142 | ¥ 2,608 | $ 16 |
| Due in More Than One Year | 10,748 | 9,618 | 80 |
| Total | ¥ 12,890 | ¥ 12,226 | $ 97 |

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2023 and 2022, were as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Due in One Year or Less | ¥ 8,625 | ¥ 4,612 | $ 65 |
| Due in More Than One Year | 38,960 | 31,904 | 292 |
| Total | ¥ 47,586 | ¥ 36,517 | $ 356 |

## 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 of the Ordinance for Enforcement of the Banking Act. Some consolidated subsidiaries are also engaged in trading securities.

(2) Description and Risks of Financial Instruments

1) Trading accounts

SuMi TRUST Bank Group deals with over-the-counter (OTC) and listed derivatives transactions related to interest rates, exchange rates, bonds, credits, and commodities as well as trading securities. These derivatives transactions are exposed to risks associated with fluctuation in interest rates, exchange rates, prices, credit risks, and other risks.

2) Banking accounts

Financial assets of SuMi TRUST Bank Group are primarily loans to corporations and individuals in Japan and such assets are exposed to credit risks arising from default on contracts by customers.

Securities mainly consist of stocks and bonds that are held as strategic investments and for business development. These securities are exposed to issuers' credit risks, and risks associated with fluctuation in interest rates and market prices.

Deposits from individuals and corporations, borrowed money, and bonds payable are exposed to liquidity risks as becoming insolvent at their maturities, such as being out of markets under certain circumstances.

SuMi TRUST Bank Group deals with OTC and listed derivatives transactions related to interest rates, exchange rates, stocks, bonds, and credits for avoiding market risks.

To reduce interest rate risk, a major risk, SuMi TRUST Bank Group comprehensively manages various financial assets and liabilities, such as loans and bills discounted and deposits, by categorizing them based on characteristics of their interest rate risks, and applies hedge accounting to hedge such risk using interest rate swaps designated as hedging instruments. The hedge accounting is applied to some assets and liabilities by individual transaction.

To mitigate the exchange rate risk arising from various financial assets and liabilities of SuMi TRUST Bank denominated in foreign currencies, hedge accounting is applied to the exchange rate risk of foreign currency assets and liabilities designated as hedged items, using currency swaps and foreign exchange swaps designated as hedging instruments.

The details of hedge accounting are described in "Significant Accounting Policies and Practices."

(3) Risk Management for Financial Instruments

SuMi TRUST Bank Group considers that the basis of group-wide risk management is to ensure the effectiveness of PDCA (Plan, Do, Check, Action) cycles for each risk category according to the "Risk Management Policy" established by the board of directors.

The risk management framework of each risk category is as follows:

1) Credit risk management

Credit risk is the risk of financial loss of SuMi TRUST Bank Group when a customer or counterparty fails to meet its contractual obligations, and such risk is generated from claims, mainly loans, bills discounted, and securities. Credit risk is the most basic financial risk related to a credit creating function. SuMi TRUST Bank Group continuously diversifies its credit portfolios and builds up a stronger customer base by expanding its credit risk management framework further, and by meeting a new and sound demand for credit.

(a) Risk management policy on credit risk

The basic policy of SuMi TRUST Bank Group on credit risk management calls for "a diversified credit portfolio" and "strict management for individual credits."

For the former, SuMi TRUST Bank Group manages credit exposures of each customer based on its limited credit

amount, and periodically reviews impacts of identified risks to large customers and concentration in industry sectors, including the measurement of the credit risk. SuMi TRUST Bank Group makes efforts to mitigate credit concentration risk on a country-by-country basis by managing the diversification of the overall credit portfolio.

For the latter, SuMi TRUST Bank Group manages individual credits through processes such as credit screening, self-assessment, and internal credit ratings. Credit ratings indicate the credit status of customers and the possibility of defaults on a scale, and provide the basis for credit screening of individual transactions and credit portfolio management. SuMi TRUST Bank Group continuously 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 risks by implementing internal credit ratings based on industry research and credit analysis of individual companies along with performing quantitative analysis from a neutral standpoint. SuMi TRUST Bank periodically holds a meeting of the Executive Committee and Credit Risk Committee to deliberate on material matters of controlling and managing credit risks. SuMi TRUST Bank has built up an appropriate management framework for risk management through the check-and-balance function, the committees' discussions, and the validation of the credit risk management and operation by the 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

With regard to market risk, SuMi TRUST Bank 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 and 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 or 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, calculating various risk management indicators, and carrying out various simulations.

VaR based on the internally developed model is calculated basically using the historical simulation method. 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 historical simulation method (with a holding period of 10 business days, confidence interval of 99%, and observation period of 1,300 business days).

As of March 31, 2023, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Trading Accounts was ¥9.1 billion (U.S. $68 million).

SuMi TRUST Bank Group performs back testing that compares the results of VaR calculations based on its internal model with actual profits or losses. The back testing for the fiscal year ended March 31, 2023, resulted in zero 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 historical simulation method is the primary measurement method (with a holding period of a maximum of one year according to a position; confidence interval of 99%; and observation period of 1,300 business days).

As of March 31, 2023, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Banking Account was ¥750.2 billion (U.S. $5,618 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 profits or losses 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 those risks 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 risks management policy

With regard to funding liquidity risk, SuMi TRUST Bank Group designs and implements a policy to build up a risk management framework for funding liquidity risk, recognizing that financial difficulties due to exposure to such risks could possibly lead SuMi TRUST Bank Group directly to bankruptcy under certain circumstances.

(b) Funding liquidity risk management framework and methods

Funding liquidity risk management departments determine the extent of SuMi TRUST Bank Group's cash crunch appropriately in cooperation with the liquidity management departments, while gathering and analyzing information related to both the internal environment, such as SuMi TRUST Bank Group's risk profiles, and external environment, such as economic circumstances or market conditions, based on the risk management plan approved by the board of directors semiannually.

To reduce funding liquidity risks, the liquidity management departments manage cash flow within the predetermined appropriate limits, and the liquidity management departments monitor its compliance.

(Note) The above ALM Committee has been changed to the Finance Committee due to organizational changes effective April 1, 2023.

(4) Supplementary Explanation Concerning Fair Value of Financial Instruments

Calculation of financial instruments involves certain assumptions and may vary when different assumptions are employed.

## 2. Fair Values of Financial Instruments and Breakdown by Input Level

The carrying amounts on the consolidated balance sheet and fair values of financial instruments as of March 31, 2023 and 2022, as well as the differences between these values and fair values by input level are presented below.

The amounts shown in the following table do not include equity securities with no market prices and investments in partnerships (See Note 3).

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair value determined based on the (unadjusted) quoted price in an active market for the same asset or liability

Level 2: Fair value determined based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified at the lowest priority level of fair value measurement in which each input belongs.

(1) Financial assets and liabilities at fair value on the consolidated balance sheets

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 31, 2023 | | | | Mar. 31, 2023 | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Monetary Claims Bought | ¥ — | ¥ 129,295 | ¥ — | ¥ 129,295 | $ — | $ 968 | $ — | $ 968 |
| Trading Assets | | | | | | | | |
| Trading Securities | 2,799 | 63,097 | — | 65,897 | 21 | 473 | — | 493 |
| Money Held in Trust | 1,342 | — | — | 1,342 | 10 | — | — | 10 |
| Securities | | | | | | | | |
| Available-for-Sale Securities | 3,178,308 | 2,710,358 | 1,292 | 5,889,959 | 23,800 | 20,296 | 10 | 44,106 |
| Stocks | 1,072,628 | — | — | 1,072,628 | 8,032 | — | — | 8,032 |
| Bonds | 1,431,999 | 744,932 | 1,292 | 2,178,224 | 10,723 | 5,578 | 10 | 16,311 |
| Government Bonds | 1,431,999 | — | — | 1,431,999 | 10,723 | — | — | 10,723 |
| Local Government Bonds | — | 38,117 | — | 38,117 | — | 285 | — | 285 |
| Short-Term Bonds Payable | — | — | — | — | — | — | — | — |
| Corporate Bonds | — | 706,815 | 1,292 | 708,107 | — | 5,293 | 10 | 5,303 |
| Other Securities | 673,680 | 1,965,425 | — | 2,639,105 | 5,045 | 14,718 | — | 19,763 |
| Foreign Stocks | 4,171 | — | — | 4,171 | 31 | — | — | 31 |
| Foreign Bonds | 655,198 | 1,163,873 | — | 1,819,071 | 4,906 | 8,716 | — | 13,622 |
| Others | 14,310 | 801,552 | — | 815,862 | 107 | 6,002 | — | 6,109 |
| Total Assets | ¥ 3,182,450 | ¥ 2,902,751 | ¥ 1,292 | ¥ 6,086,494 | $ 23,831 | $ 21,737 | $ 10 | $ 45,578 |
| Derivative Transactions (*1)(*2)(*3) | | | | | | | | |
| Interest Rate Related Transactions | ¥ 1,838 | ¥ (106,856) | ¥ 2,768 | ¥ (102,249) | $ 14 | $ (800) | $ 21 | $ (766) |
| Currency Related Transactions | — | (110,134) | — | (110,134) | — | (825) | — | (825) |
| Stock Related Transactions | (87) | — | — | (87) | (1) | — | — | (1) |
| Bond Related Transactions | (3,975) | (270) | — | (4,246) | (30) | (2) | — | (32) |
| Credit and Derivative Transactions | — | (338) | — | (338) | — | (3) | — | (3) |
| Total Derivative Transactions | ¥ (2,223) | ¥ (217,600) | ¥ 2,768 | ¥ (217,055) | $ (17) | $ (1,629) | $ 21 | $ (1,625) |

(*1) 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.

(*2) As for derivative transactions applying hedge accounting, ¥(165,728) million (U.S. $(1,421) million) is recorded on the consolidated balance sheets as of March 31, 2023.

(*3) Derivative transactions qualifying for hedge accounting include interest rate swaps designated as hedging instruments to fix cash flows of hedged items such as loans and bills discounted, and deferred hedges have been adopted, in principle. In addition, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) has been adopted to these hedge transactions.

| | Millions of Yen | | | |
|---|---|---|---|---|
| | Mar. 31, 2022 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Monetary Claims Bought | ¥ — | ¥ 128,794 | ¥ — | ¥ 128,794 |
| Trading Assets | | | | |
| Trading Securities | 4,908 | 7,909 | — | 12,817 |
| Money Held in Trust | 1,295 | — | — | 1,295 |
| Securities | | | | |
| Available-for-Sale Securities | 4,493,704 | 1,789,540 | 2,130 | 6,285,375 |
| Stocks | 1,209,310 | — | — | 1,209,310 |
| Bonds | 2,722,035 | 747,409 | 2,130 | 3,471,575 |
| Government Bonds | 2,722,035 | — | — | 2,722,035 |
| Local Government Bonds | — | 33,919 | — | 33,919 |
| Short-Term Bonds Payable | — | — | — | — |
| Corporate Bonds | — | 713,489 | 2,130 | 715,620 |
| Other Securities | 562,358 | 1,042,130 | — | 1,604,489 |
| Foreign Stocks | 4,793 | — | — | 4,793 |
| Foreign Bonds | 556,467 | 1,042,130 | — | 1,598,598 |
| Others | 1,097 | — | — | 1,097 |
| Total Assets | ¥ 4,499,908 | ¥ 1,926,244 | ¥ 2,130 | ¥ 6,428,283 |
| Derivative Transactions (*2)(*3)(*4) | | | | |
| Interest Rate Related Transactions | ¥ 828 | ¥ (83,990) | ¥ 1,173 | ¥ (81,988) |
| Currency Related Transactions | — | 56,484 | — | 56,484 |
| Stock Related Transactions | (1,098) | — | — | (1,098) |
| Bond Related Transactions | 6,256 | 47 | — | 6,303 |
| Credit and Derivative Transactions | — | (2,319) | — | (2,319) |
| Total Derivative Transactions | ¥ 5,985 | ¥ (29,778) | ¥ 1,173 | ¥ (22,619) |

(*1) The amounts of investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan Guidance No. 31, July 4, 2019) are not included in the table above. The amount of such investment trusts on the consolidated balance sheets includes financial assets of ¥855,840 million as of March 31, 2022.

(*2) 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.

(*3) As for derivative transactions applying hedge accounting, ¥(173,870) million is recorded on the consolidated balance sheets as of March 31, 2022.

(*4) Derivative transactions qualifying for hedge accounting include interest rate swaps designated as hedging instruments to fix cash flows of hedged items such as loans and bills discounted, and deferred hedges have been adopted, in principle. In addition, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) has been adopted to these hedge transactions.

(2) Financial assets and liabilities which are not stated at fair value on the consolidated balance sheets

Cash and Due from Banks, Call Loans and Bills Bought, Receivables under Resale Agreements and Receivables under Securities Borrowing Transactions, Foreign Exchanges, Call Money and Bills Sold, Payables under Repurchase Agreements, Short-Term Bonds Payables, and Borrowed Money from Trust Account are not included in the following tables because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | Mar. 31, 2023 | | | | | |
| | Level 1 | Level 2 | Level 3 | Total | Consolidated balance sheet amount | Difference |
| Monetary Claims Bought (*) | ¥ — | ¥ 40,281 | ¥ 800,687 | ¥ 840,969 | ¥ 840,501 | ¥ 467 |
| Securities | | | | | | |
| Held-to-Maturity Securities | 128,041 | 140,893 | — | 268,935 | 259,213 | 9,721 |
| Government Bonds | 128,041 | — | — | 128,041 | 117,274 | 10,767 |
| Local Government Bonds | — | — | — | — | — | — |
| Short-Term Bonds Payable | — | — | — | — | — | — |
| Corporate Bonds | — | 14,526 | — | 14,526 | 14,400 | 126 |
| Other Securities | — | 126,366 | — | 126,366 | 127,539 | (1,172) |
| Foreign Bonds | — | 126,366 | — | 126,366 | 127,539 | (1,172) |
| Others | — | — | — | — | — | — |
| Loans and Bills Discounted | | | | | 31,810,926 | |
| Allowance for Loan Losses (*) | | | | | (115,952) | |
| | — | — | 31,888,015 | 31,888,015 | 31,694,973 | 193,041 |
| Lease Receivables and Investment Assets (*) | — | — | 692,032 | 692,032 | 683,446 | 8,585 |
| Total Assets | ¥ 128,041 | ¥ 181,175 | ¥ 33,380,734 | ¥ 33,689,951 | ¥ 33,478,135 | ¥ 211,816 |
| Deposits | ¥ — | ¥ 35,433,130 | ¥ — | ¥ 35,433,130 | ¥ 35,417,923 | ¥ 15,206 |
| Negotiable Certificates of Deposit | — | 7,520,005 | — | 7,520,005 | 7,520,005 | — |
| Borrowed Money | — | 6,568,204 | — | 6,568,204 | 6,629,543 | (61,338) |
| Bonds Payable | — | 1,864,552 | — | 1,864,552 | 1,911,760 | (47,207) |
| Total Liabilities | ¥ — | ¥ 51,385,893 | ¥ — | ¥ 51,385,893 | ¥ 51,479,233 | ¥ (93,339) |

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on 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.

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | Mar. 31, 2022 | | | | | |
| | Level 1 | Level 2 | Level 3 | Total | Consolidated balance sheet amount | Difference |
| Monetary Claims Bought (*) | ¥ — | ¥ 46,091 | ¥ 679,295 | ¥ 725,386 | ¥ 724,950 | ¥ 436 |
| Securities | | | | | | |
| Held-to-Maturity Securities | 130,800 | 74,210 | — | 205,011 | 191,999 | 13,012 |
| Government Bonds | 130,800 | — | — | 130,800 | 117,652 | 13,148 |
| Local Government Bonds | — | — | — | — | — | — |
| Short-Term Bonds Payable | — | — | — | — | — | — |
| Corporate Bonds | — | 14,674 | — | 14,674 | 14,400 | 274 |
| Other Securities | — | 59,536 | — | 59,536 | 59,947 | (410) |
| Foreign Bonds | — | 59,536 | — | 59,536 | 59,947 | (410) |
| Others | — | — | — | — | — | — |
| Loans and Bills Discounted | | | | | 30,876,507 | |
| Allowance for Loan Losses (*) | | | | | (147,884) | |
| | — | — | 30,940,603 | 30,940,603 | 30,728,623 | 211,980 |
| Lease Receivables and Investment Assets (*) | — | — | 696,544 | 696,544 | 681,554 | 14,990 |
| Total Assets | ¥ 130,800 | ¥ 120,302 | ¥ 32,316,443 | ¥ 32,567,547 | ¥ 32,327,128 | ¥ 240,419 |
| Deposits | ¥ — | ¥ 33,286,909 | ¥ — | ¥ 33,286,909 | ¥ 33,271,789 | ¥ 15,119 |
| Negotiable Certificates of Deposit | — | 6,691,944 | — | 6,691,944 | 6,691,944 | — |
| Borrowed Money | — | 7,763,328 | — | 7,763,328 | 7,783,498 | (20,169) |
| Bonds Payable | — | 1,412,698 | — | 1,412,698 | 1,446,604 | (33,905) |
| Total Liabilities | ¥ — | ¥ 49,154,881 | ¥ — | ¥ 49,154,881 | ¥ 49,193,836 | ¥ (38,955) |

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on 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.

| | Millions of U.S. Dollars | | | | | |
|---|---|---|---|---|---|---|
| | Mar. 31, 2023 | | | | | |
| | Level 1 | Level 2 | Level 3 | Total | Consolidated balance sheet amount | Difference |
| Monetary Claims Bought (*) | $ — | $ 302 | $ 5,996 | $ 6,298 | $ 6,294 | $ 3 |
| Securities | | | | | | |
| Held-to-Maturity Securities | 959 | 1,055 | — | 2,014 | 1,941 | 73 |
| Government Bonds | 959 | — | — | 959 | 878 | 81 |
| Local Government Bonds | — | — | — | — | — | — |
| Short-Term Bonds Payable | — | — | — | — | — | — |
| Corporate Bonds | — | 109 | — | 109 | 108 | 1 |
| Other Securities | — | 946 | — | 946 | 955 | (9) |
| Foreign Bonds | — | 946 | — | 946 | 955 | (9) |
| Others | — | — | — | — | — | — |
| Loans and Bills Discounted | | | | | 238,213 | |
| Allowance for Loan Losses (*) | | | | | (868) | |
| | — | — | 238,790 | 238,790 | 237,344 | 1,446 |
| Lease Receivables and Investment Assets (*) | — | — | 5,182 | 5,182 | 5,118 | 64 |
| Total Assets | $ 959 | $ 1,357 | $ 249,968 | $ 252,284 | $ 250,697 | $ 1,586 |
| Deposits | $ — | $ 265,337 | $ — | $ 265,337 | $ 265,223 | $ 114 |
| Negotiable Certificates of Deposit | — | 56,313 | — | 56,313 | 56,313 | — |
| Borrowed Money | — | 49,185 | — | 49,185 | 49,645 | (459) |
| Bonds Payable | — | 13,963 | — | 13,963 | 14,316 | (354) |
| Total Liabilities | $ — | $ 384,798 | $ — | $ 384,798 | $ 385,497 | $ (699) |

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on 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.

(Note 1) Description of the Valuation techniques and inputs used to measure fair values

Monetary Claims Bought

Among monetary claims bought, securitized products are stated at reasonably calculated prices, which are equivalent to market prices, such as counterparties' quoted prices or dealer/broker-quoted prices, and are classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values for all other monetary claims bought are principally calculated in the same manner as Loans and Bills Discounted and mainly classified into Level 3.

Trading Assets

Bonds and other securities held for trading purposes whose fair values are stated at dealer association prices or counterparties' quoted prices are classified into Level 1 or Level 2 depending on the level of market activity. Others whose fair values are calculated by discounting future cash flows to their present values using observable inputs, are classified into Level 2.

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 and mainly classified into Level 1 depending on the level of the components.

Notes regarding money held in trust by holding purpose are presented under the "Money Held in Trust" section.

Securities

Listed stocks are stated at quoted market prices and mainly classified into Level 1 depending on the level of market activity.

Bonds are stated at quoted market prices announced in exchange traded transactions, over-the-counter transactions, and others, and classified into Level 1 if they are traded in an active market. If the market is not active, even though bonds are stated at quoted market prices, they are classified into Level 2. Bonds stated at prices obtained from a third party, such as pricing services and dealers/brokers, are classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values of certain bonds are calculated by classifying them according to their internal ratings and maturities, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. If the discount rate is a significant unobservable input, the fair values of the bonds are classified into Level 3, otherwise Level 2.

Fair values of listed investment trusts and funds are stated at quoted market prices and primarily classified into Level 1 based on the level of market activity. Investment trusts and funds for which no market transaction prices are available, including privately placed investment trusts, are stated at fair value based on factors, such as the net asset value, if there are no significant restrictions on the cancellation or repurchase request that would require market participants to pay for the risk, and are primarily classified into Level 2.

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 discount rate which takes into account risk factors, including credit risks. However, floating-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 bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers, 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 value because of the expected repayment periods and the interest terms. These fair values are classified into Level 3.

### Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to the types of receivables, internal ratings, maturities, and others, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. These fair values are classified into Level 3.

### Deposits and 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). Time deposits with a fixed rate are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be newly used on the same type of deposits. Floating-rate time deposits and fixed-rate time deposits with short maturities (one year or less) are stated at their carrying amounts because the carrying amounts approximate the fair value. These fair values are classified into Level 2.

### Borrowed Money

Borrowed money at floating 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 interest rate adjusted for the residual term and credit risk. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value. These fair values are classified into Level 2.

### 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 interest rate adjusted for the residual term and credit risk. These fair values are classified into Level 2.

### Derivative transactions

The fair values of listed derivatives, including interest rates, bonds, currencies, and stocks, are classified into Level 1 as these amounts are measured using the liquidation price quoted by exchanges, given that the liquidation price represents the latest transaction price, and the unadjusted quoted price in an active market can be used.

The fair values of over-the-counter derivative transactions, including embedded derivatives separated from the host contract and accounted for as a derivative, in other words, derivatives other than listed derivatives, are, in principle, measured by a valuation method, including the following: the present value of the estimated future cash flows and the option valuation model, which use inputs such as observable interest rate and exchange rate. The fair values of these transactions take into account credit risks of the counterparties and SuMi TRUST Bank. The valuation models applied in certain transactions utilize unobservable inputs in markets, such as correlations in the past. Over-the-counter derivative transactions are classified into Level 2 if observable inputs are used or the impact of unobservable inputs to the fair values is not significant. If the impact of unobservable inputs to the fair values is significant, they are classified into Level 3.

(Note 2) Information about financial assets and liabilities measured and stated on the consolidated balance sheets at fair value and classified into Level 3

(1) Quantitative information on significant unobservable inputs

| | Mar. 31, 2023 | | |
|---|---|---|---|
| | Valuation technique | Significant unobservable inputs | Range |
| Securities | | | |
| Corporate Bonds | Discounted present value method | Discount Rate | 1.1% |
| Derivative Transactions | | | |
| Interest Rate Related Transactions | Option valuation model | Correlation between interest rate and foreign exchange rate | (40.0)% - (3.5)% |
| | | Correlation between interest rates | 6.5% |

| | Mar. 31, 2022 | | |
|---|---|---|---|
| | Valuation technique | Significant unobservable inputs | Range |
| Securities | | | |
| Corporate Bonds | Discounted present value method | Discount Rate | 1.2% |
| Derivative Transactions | | | |
| Interest Rate Related Transactions | Option valuation model | Correlation between interest rate and foreign exchange rate | (47.4)% - (9.3)% |
| | | Correlation between interest rates | 10.3% |

(2) Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the year

Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the fiscal year ended March 31, 2023, are as follows:

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 31, 2023 | | | | | | | |
| | Beginning balance | Profit or losses for the period (*1) | Other comprehensive income (*2) | Net amount of purchase, issuance, sale, and settlement | Transfer to Level 3 (*3) | Transfer from Level 3 (*3) | Ending balance | Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1) |
| Securities | ¥ 2,130 | ¥ — | ¥ 262 | ¥ (1,100) | ¥ — | ¥ — | ¥ 1,292 | ¥ — |
| Derivative Transactions (Interest Rate Related Transactions) (*4) | 1,173 | 1,595 | — | — | — | — | 2,768 | 1,595 |

(*1) The amounts shown in the table above are included in "Trading Income" in the consolidated statements of income.

(*2) The amounts shown in the table above are included in "Valuation Differences on Available-for-Sale Securities" under "Other Comprehensive Income (Loss)" in the consolidated statements of comprehensive income.

(*3) The amounts of transfer from or to Level 3 are relevant to the changes in the observability of the inputs. The transfer was made at the end of the fiscal year.

(*4) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 31, 2022 | | | | | | | |
| | Beginning balance | Profit or losses for the period (*1) | Other comprehensive income (*2) | Net amount of purchase, issuance, sale, and settlement | Transfer to Level 3 (*3) | Transfer from Level 3 (*3) | Ending balance | Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1) |
| Securities | ¥ 813 | ¥ — | ¥ (12) | ¥ (52) | ¥ 1,381 | ¥ — | ¥ 2,130 | ¥ — |
| Derivative Transactions (Interest Rate Related Transactions) (*4) | (273) | 1,449 | — | (1) | — | — | 1,173 | 1,249 |

(*1) The amounts shown in the table above are included in "Trading Income" in the consolidated statements of income.

(*2) The amounts shown in the table above are included in "Valuation Differences on Available-for-Sale Securities" under "Other Comprehensive Income (Loss)" in the consolidated statements of comprehensive income.

(*3) The amounts of transfer from or to Level 3 are relevant to the changes in the observability of the inputs. The transfer was made at the end of the current fiscal year.

(*4) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

| | Millions of U.S. Dollars | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 31, 2023 | | | | | | | |
| | Beginning balance | Profit or losses for the period (*1) | Other comprehensive income (*2) | Net amount of purchase, issuance, sale, and settlement | Transfer to Level 3 (*3) | Transfer from Level 3 (*3) | Ending balance | Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1) |
| Securities | $ 16 | $ — | $ 2 | $ (8) | $ — | $ — | $ 10 | $ — |
| Derivative Transactions (Interest Rate Related Transactions) (*4) | 9 | 12 | — | — | — | — | 21 | 12 |

(*1) The amounts shown in the table above are included in "Trading Income" in the consolidated statements of income.

(*2) The amounts shown in the table above are included in "Valuation Differences on Available-for-Sale Securities" under "Other Comprehensive Income (Loss)" in the consolidated statements of comprehensive income.

(*3) The amounts of transfer from or to Level 3 are relevant to the changes in the observability of the inputs. The transfer was made at the end of the fiscal year.

(*4) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(3) Description of the fair value valuation process

At SuMi TRUST Bank Group, the middle division creates policies and procedures for the calculation of fair values and procedures for the use of fair value valuation models, and based on them, the front and middle divisions collaboratively establish the fair value valuation model. In addition, the middle and other divisions verify the reasonableness of the valuation methods and the inputs used, and the appropriateness of the classification of the fair value level.

For the calculation of the fair value, the valuation model, which represents the nature, characteristics, and risks of each asset in the most appropriate manner, is utilized. Moreover, if quoted prices obtained from third parties are used, those prices are verified using an appropriate method, such as the review of the valuation method and the inputs used and comparison with the fair values of similar financial instruments.

(4) Description of the sensitivity of the fair value to changes in significant unobservable inputs

**Discount Rate**

The discount rate is determined for each financial asset and calculated based on the risk-free rate that incorporates other risk factors such as credit risk. A significant increase (decrease) in the discount rate would generally result in a significant decrease (increase) in the fair value.

**Correlation**

Correlation is an indicator of the relation of changes between variables such as interest rate and exchange rate. Correlation is used in the valuation technique of complex derivatives, and estimated based on historical results. A significant change in correlation would generally result in a significant increase or decrease in a fair value according to the nature and contractual terms and conditions of the financial instrument.

(Note 3) Consolidated balance sheet amounts of equity securities with no market prices, etc. and investments in partnership, etc. are as follows. These amounts are not included in "Securities" stated on the tables disclosed in "Fair Values of Financial Instruments and Breakdown by Input Level."

| | Millions of Yen | Millions of Yen | Millions of U.S. Dollars |
|---|---|---|---|
| | Mar. 31, 2023 | Mar. 31, 2022 | Mar. 31, 2023 |
| Equity Securities with No Market Prices, etc. (*1)(*3) | ¥ 81,203 | ¥ 79,506 | $ 608 |
| Investments in Partnership, etc. (*2)(*3) | 241,425 | 174,373 | 1,808 |

(*1) Unlisted stocks are included in "Equity securities with no market prices, etc." and their fair values are not disclosed in accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, March 31, 2020).

(*2) "Investments in partnership, etc." mainly include silent partnerships and investment partnerships. These fair values are not disclosed in accordance with Paragraph 24-16 of the "Guidance for Application of Fair Value Measurement".

(*3) Impairment losses of ¥489 million (U.S. $4 million) and ¥334 million were recognized against Unlisted Stocks and others as of March 31, 2023 and 2022, respectively, and those of ¥0 million (U.S. $0 million) were recognized against Investments in Partnership, etc. as of March 31, 2023.

(Note4) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2023 and 2022

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2023 | 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 | ¥ 21,455,307 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Call Loans and Bills Bought | 24,006 | — | — | — | — | — |
| Receivables under Resale Agreements | 110,003 | — | — | — | — | — |
| Receivables under Securities Borrowing Transactions | 436,093 | — | — | — | — | — |
| Monetary Claims Bought (*1) | 829,379 | 19,440 | 3,398 | 1,419 | 1,386 | 114,972 |
| Money Held in Trust | 1,342 | 100 | — | — | — | — |
| Securities | 1,041,103 | 1,249,918 | 1,041,077 | 426,041 | 497,354 | 682,598 |
| Held-to-Maturity Debt Securities | — | 5,410 | 20,000 | 40,000 | 67,018 | 124,570 |
| Government Bonds | — | 60 | 20,000 | 40,000 | 55,000 | — |
| Corporate Bonds | — | — | — | — | — | 14,400 |
| Available-for-Sale Securities with Maturity | 1,041,103 | 1,244,508 | 1,021,077 | 386,041 | 430,335 | 558,028 |
| Government Bonds | 350,628 | 605,477 | 460,000 | — | — | 15,000 |
| Local Government Bonds | 1,675 | 8,008 | 9,296 | 4,954 | 14,639 | — |
| Corporate Bonds | 55,754 | 259,901 | 208,777 | 65,601 | 87,390 | 29,078 |
| Loans and Bills Discounted (*2) | 4,772,709 | 6,825,891 | 4,373,913 | 2,638,392 | 2,417,897 | 8,091,073 |
| Lease Receivables and Investment Assets (*3) | 167,691 | 272,176 | 128,213 | 45,186 | 43,147 | 8,846 |
| Total | ¥ 28,837,637 | ¥ 8,367,527 | ¥ 5,546,602 | ¥ 3,111,041 | ¥ 2,959,784 | ¥ 8,897,491 |

| March 31, 2022 | 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 | ¥ 18,066,966 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Call Loans and Bills Bought | 5,000 | — | — | — | — | — |
| Receivables under Resale Agreements | 150,741 | — | — | — | — | — |
| Receivables under Securities Borrowing Transactions | 652,534 | — | — | — | — | — |
| Monetary Claims Bought (*1) | 708,547 | 29,605 | 6,268 | 1,668 | 1,439 | 106,099 |
| Money Held in Trust | — | 1,395 | — | — | — | — |
| Securities | 2,456,707 | 1,088,284 | 907,993 | 351,704 | 403,077 | 796,255 |
| Held-to-Maturity Debt Securities | — | 60 | 5,488 | 40,000 | 67,342 | 76,516 |
| Government Bonds | — | 60 | — | 40,000 | 60,000 | 15,000 |
| Corporate Bonds | — | — | — | — | — | 14,400 |
| Available-for-Sale Securities with Maturity | 2,456,707 | 1,088,224 | 902,505 | 311,704 | 335,734 | 719,739 |
| Government Bonds | 1,724,226 | 326,810 | 470,000 | — | — | 215,000 |
| Local Government Bonds | 1,200 | 4,546 | 10,630 | 1,136 | 16,619 | — |
| Corporate Bonds | 82,432 | 169,628 | 266,125 | 101,575 | 50,954 | 43,485 |
| Loans and Bills Discounted (*2) | 4,668,279 | 6,302,563 | 4,367,845 | 2,571,144 | 2,374,408 | 8,087,545 |
| Lease Receivables and Investment Assets (*3) | 166,497 | 243,502 | 146,501 | 53,097 | 45,085 | 10,713 |
| Total | ¥ 26,875,275 | ¥ 7,665,352 | ¥ 5,428,609 | ¥ 2,977,614 | ¥ 2,824,011 | ¥ 9,000,615 |

| March 31, 2023 | 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 | $ 160,666 | $ — | $ — | $ — | $ — | $ — |
| Call Loans and Bills Bought | 180 | — | — | — | — | — |
| Receivables under Resale Agreements | 824 | — | — | — | — | — |
| Receivables under Securities Borrowing Transactions | 3,266 | — | — | — | — | — |
| Monetary Claims Bought (*1) | 6,211 | 146 | 25 | 11 | 10 | 861 |
| Money Held in Trust | 10 | 1 | — | — | — | — |
| Securities | 7,796 | 9,360 | 7,796 | 3,190 | 3,724 | 5,112 |
| Held-to-Maturity Debt Securities | — | 41 | 150 | 300 | 502 | 933 |
| Government Bonds | — | 0 | 150 | 300 | 412 | — |
| Corporate Bonds | — | — | — | — | — | 108 |
| Available-for-Sale Securities with Maturity | 7,796 | 9,319 | 7,646 | 2,891 | 3,223 | 4,179 |
| Government Bonds | 2,626 | 4,534 | 3,445 | — | — | 112 |
| Local Government Bonds | 13 | 60 | 70 | 37 | 110 | — |
| Corporate Bonds | 418 | 1,946 | 1,563 | 491 | 654 | 218 |
| Loans and Bills Discounted (*2) | 35,740 | 51,115 | 32,754 | 19,757 | 18,106 | 60,589 |
| Lease Receivables and Investment Assets (*3) | 1,256 | 2,038 | 960 | 338 | 323 | 66 |
| Total | $ 215,948 | $ 62,659 | $ 41,535 | $ 23,297 | $ 22,164 | $ 66,628 |

(*1) The balances exclude Monetary Claims Bought for bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers that are not expected to be collected, amounting to ¥23 million (U.S. $0.2 million) and ¥24 million as of March 31, 2023 and 2022, respectively.

(*2) The balances exclude Loans and Bills Discounted for bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers that are not expected to be collected, amounting to ¥101,179 million (U.S. $758 million) and ¥142,058 million, and those without maturity, amounting to ¥2,589,868 million (U.S. $19,394 million) and ¥2,362,662 million as of March 31, 2023 and 2022, respectively.

(*3) The balances exclude Lease Receivables and Investment Assets for bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers that are not expected to be collected, amounting to ¥725 million (U.S. $5 million) and ¥678 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥22,946 million (U.S. $172 million) and ¥22,065 million as of March 31, 2023 and 2022, respectively.

(Note 5) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2023 and 2022

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2023 | 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) | ¥ 27,918,138 | ¥ 5,548,181 | ¥ 1,948,251 | ¥ 2,225 | ¥ 1,126 | ¥ — |
| Negotiable Certificates of Deposit | 7,415,005 | 105,000 | — | — | — | — |
| Call Money and Bills Sold | 1,912,878 | — | — | — | — | — |
| Payables under Repurchase Agreements | 1,030,780 | — | — | — | — | — |
| Borrowed Money (*2) | 1,370,513 | 3,851,367 | 298,848 | 260,623 | 182,310 | 395,879 |
| Short-Term Bonds Payable | 2,339,243 | — | — | — | — | — |
| Bonds Payable (*3) | 494,005 | 772,700 | 627,665 | 10,000 | 8,000 | — |
| Borrowed Money from Trust Account | 4,332,472 | — | — | — | — | — |
| Total | ¥ 46,813,037 | ¥10,277,249 | ¥ 2,874,765 | ¥ 272,848 | ¥ 191,437 | ¥ 395,879 |

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2022 | 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) | ¥ 25,394,331 | ¥ 5,699,782 | ¥ 2,175,496 | ¥ 2,128 | ¥ 50 | ¥ — |
| Negotiable Certificates of Deposit | 6,636,944 | 55,000 | — | — | — | — |
| Call Money and Bills Sold | 799,524 | — | — | — | — | — |
| Payables under Repurchase Agreements | 1,485,033 | — | — | — | — | — |
| Borrowed Money (*2) | 1,872,544 | 3,331,699 | 1,338,578 | 412,356 | 185,253 | 373,065 |
| Short-Term Bonds Payable | 2,388,495 | — | — | — | — | — |
| Bonds Payable (*3) | 70,000 | 727,495 | 513,355 | 120,000 | — | — |
| Borrowed Money from Trust Account | 4,298,827 | — | — | — | — | — |
| Total | ¥ 42,945,701 | ¥ 9,813,976 | ¥ 4,027,430 | ¥ 534,484 | ¥ 185,304 | ¥ 373,065 |

| | Millions of U.S. Dollars | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2023 | 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) | $ 209,062 | $ 41,547 | $ 14,589 | $ 17 | $ 8 | $ — |
| Negotiable Certificates of Deposit | 55,526 | 786 | — | — | — | — |
| Call Money and Bills Sold | 14,324 | — | — | — | — | — |
| Payables under Repurchase Agreements | 7,719 | — | — | — | — | — |
| Borrowed Money (*2) | 10,263 | 28,841 | 2,238 | 1,952 | 1,365 | 2,964 |
| Short-Term Bonds Payable | 17,517 | — | — | — | — | — |
| Bonds Payable (*3) | 3,699 | 5,786 | 4,700 | 75 | 60 | — |
| Borrowed Money from Trust Account | 32,443 | — | — | — | — | — |
| Total | $ 350,554 | $ 76,960 | $ 21,527 | $ 2,043 | $ 1,434 | $ 2,964 |

(*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 ¥270,000 million (U.S. $2,022 million) and ¥270,000 million as of March 31, 2023 and 2022, respectively.

(*3) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥16,100 million as of March 31, 2022.

## Securities

In addition to the "Securities" presented in the consolidated balance sheet, the following information includes securities in trading account and short-term corporate bonds under "Trading Assets" and loan-backed trust deeds reported under "Monetary Claims Bought."

### 1. Trading Securities

| | Valuation Difference Reflected in the Statements of Income | | |
|---|---|---|---|
| | Millions of Yen | | Millions of U.S. Dollars |
| | 2023 | 2022 | 2023 |
| Trading Securities | ¥ (16) | ¥ (33) | $ (0) |

### 2. Held-to-Maturity Securities with Fair Value

| | Millions of Yen | | |
|---|---|---|---|
| March 31, 2023 | Carrying Amount | Fair Value | Difference |
| Securities for which Fair Value Exceeds Carrying Amount | | | |
| Government Bonds | ¥ 117,274 | ¥ 128,041 | ¥ 10,767 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 14,400 | 14,526 | 126 |
| Other Bonds | 62,716 | 63,033 | 317 |
| Foreign Bonds | 22,710 | 22,751 | 41 |
| Others | 40,005 | 40,281 | 276 |
| Subtotal | 194,390 | 205,602 | 11,211 |
| Securities for which Fair Value Does Not Exceed Carrying Amount | | | |
| Government Bonds | ¥ — | ¥ — | ¥ — |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | — | — | — |
| Other Bonds | 104,828 | 103,614 | (1,213) |
| Foreign Bonds | 104,828 | 103,614 | (1,213) |
| Others | — | — | — |
| Subtotal | 104,828 | 103,614 | (1,213) |
| Total | ¥ 299,219 | ¥ 309,217 | ¥ 9,997 |

| March 31, 2022 | Millions of Yen | | |
|---|---|---|---|
| | Carrying Amount | Fair Value | Difference |
| Securities for which Fair Value Exceeds Carrying Amount | | | |
| Government Bonds | ¥ 117,652 | ¥ 130,800 | ¥ 13,148 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 14,400 | 14,674 | 274 |
| Other Bonds | 51,464 | 51,586 | 122 |
| Foreign Bonds | 5,488 | 5,495 | 7 |
| Others | 45,976 | 46,091 | 114 |
| Subtotal | 183,517 | 197,061 | 13,544 |
| Securities for which Fair Value Does Not Exceed Carrying Amount | | | |
| Government Bonds | ¥ — | ¥ — | ¥ — |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | — | — | — |
| Other Bonds | 54,459 | 54,041 | (417) |
| Foreign Bonds | 54,459 | 54,041 | (417) |
| Others | — | — | — |
| Subtotal | 54,459 | 54,041 | (417) |
| Total | ¥ 237,976 | ¥ 251,103 | ¥ 13,127 |

| March 31, 2023 | Millions of U.S. Dollars | | |
|---|---|---|---|
| | Carrying Amount | Fair Value | Difference |
| Securities for which Fair Value Exceeds Carrying Amount | | | |
| Government Bonds | $ 878 | $ 959 | $ 81 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 108 | 109 | 1 |
| Other Bonds | 470 | 472 | 2 |
| Foreign Bonds | 170 | 170 | 0 |
| Others | 300 | 302 | 2 |
| Subtotal | 1,456 | 1,540 | 84 |
| Securities for which Fair Value Does Not Exceed Carrying Amount | | | |
| Government Bonds | $ — | $ — | $ — |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | — | — | — |
| Other Bonds | 785 | 776 | (9) |
| Foreign Bonds | 785 | 776 | (9) |
| Others | — | — | — |
| Subtotal | 785 | 776 | (9) |
| Total | $ 2,241 | $ 2,316 | $ 75 |

## 3. Available-for-Sale Securities

| March 31, 2023 | Millions of Yen | | |
|---|---|---|---|
| | Carrying Amount | Acquisition Cost | Difference |
| Securities for which Carrying Amount Exceeds Acquisition Cost | | | |
| Stocks | ¥ 1,029,290 | ¥ 422,361 | ¥ 606,928 |
| Bonds | 1,058,025 | 1,054,667 | 3,358 |
| Government Bonds | 569,703 | 569,548 | 154 |
| Local Government Bonds | 5,113 | 5,095 | 18 |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 483,208 | 480,023 | 3,185 |
| Other Securities | 568,582 | 544,071 | 24,511 |
| Foreign Stocks | 4,171 | 365 | 3,806 |
| Foreign Bonds | 270,713 | 267,397 | 3,315 |
| Others | 293,698 | 276,308 | 17,389 |
| Subtotal | 2,655,898 | 2,021,100 | 634,798 |
| Securities for which Carrying Amount Does Not Exceed Acquisition Cost | | | |
| Stocks | ¥ 43,338 | ¥ 50,336 | ¥ (6,997) |
| Bonds | 1,120,199 | 1,123,921 | (3,722) |
| Government Bonds | 862,296 | 863,965 | (1,668) |
| Local Government Bonds | 33,003 | 33,477 | (473) |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 224,899 | 226,479 | (1,580) |
| Other Securities | 2,199,818 | 2,433,878 | (234,060) |
| Foreign Stocks | — | — | — |
| Foreign Bonds | 1,548,358 | 1,582,560 | (34,201) |
| Others | 651,459 | 851,317 | (199,858) |
| Subtotal | 3,363,356 | 3,608,136 | (244,780) |
| Total | ¥ 6,019,254 | ¥ 5,629,236 | ¥ 390,017 |

| | Millions of Yen | | |
|---|---|---|---|
| March 31, 2022 | Carrying Amount | Acquisition Cost | Difference |
| Securities for which Carrying Amount Exceeds Acquisition Cost | | | |
| Stocks | ¥ 1,147,241 | ¥ 448,916 | ¥ 698,324 |
| Bonds | 1,583,022 | 1,580,317 | 2,704 |
| Government Bonds | 1,091,138 | 1,090,948 | 190 |
| Local Government Bonds | 3,141 | 3,126 | 15 |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 488,741 | 486,243 | 2,498 |
| Other Securities | 599,341 | 582,649 | 16,692 |
| Foreign Stocks | 3,971 | 211 | 3,760 |
| Foreign Bonds | 426,787 | 422,930 | 3,857 |
| Others | 168,582 | 159,507 | 9,074 |
| Subtotal | 3,329,605 | 2,611,884 | 717,720 |
| Securities for which Carrying Amount Does Not Exceed Acquisition Cost | | | |
| Stocks | ¥ 62,069 | ¥ 74,530 | ¥ (12,461) |
| Bonds | 1,888,553 | 1,904,676 | (16,123) |
| Government Bonds | 1,630,897 | 1,645,706 | (14,809) |
| Local Government Bonds | 30,777 | 31,005 | (227) |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 226,878 | 227,964 | (1,086) |
| Other Securities | 1,937,534 | 2,206,591 | (269,056) |
| Foreign Stocks | 821 | 1,472 | (650) |
| Foreign Bonds | 1,171,810 | 1,194,570 | (22,759) |
| Others | 764,902 | 1,010,548 | (245,646) |
| Subtotal | 3,888,157 | 4,185,798 | (297,640) |
| Total | ¥ 7,217,762 | ¥ 6,797,682 | ¥ 420,079 |

| March 31, 2023 | Millions of U.S. Dollars | | |
|---|---|---|---|
| | Carrying Amount | Acquisition Cost | Difference |
| Securities for which Carrying Amount Exceeds Acquisition Cost | | | |
| Stocks | $ 7,708 | $ 3,163 | $ 4,545 |
| Bonds | 7,923 | 7,898 | 25 |
| Government Bonds | 4,266 | 4,265 | 1 |
| Local Government Bonds | 38 | 38 | 0 |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 3,618 | 3,595 | 24 |
| Other Securities | 4,258 | 4,074 | 184 |
| Foreign Stocks | 31 | 3 | 29 |
| Foreign Bonds | 2,027 | 2,002 | 25 |
| Others | 2,199 | 2,069 | 130 |
| Subtotal | 19,888 | 15,135 | 4,754 |
| Securities for which Carrying Amount Does Not Exceed Acquisition Cost | | | |
| Stocks | $ 325 | $ 377 | $ (52) |
| Bonds | 8,388 | 8,416 | (28) |
| Government Bonds | 6,457 | 6,470 | (12) |
| Local Government Bonds | 247 | 251 | (4) |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 1,684 | 1,696 | (12) |
| Other Securities | 16,473 | 18,226 | (1,753) |
| Foreign Stocks | — | — | — |
| Foreign Bonds | 11,595 | 11,851 | (256) |
| Others | 4,878 | 6,375 | (1,497) |
| Subtotal | 25,186 | 27,019 | (1,833) |
| Total | $ 45,075 | $ 42,154 | $ 2,921 |

## 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, 2023 and 2022.

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

| Year Ended March 31, 2023 | Millions of Yen | | |
|---|---|---|---|
| | Amount Sold | Gain | Loss |
| Stocks | ¥ 138,300 | ¥ 87,647 | ¥ 945 |
| Bonds | 692,606 | 1,233 | 6,930 |
| Government Bonds | 686,723 | 1,221 | 6,925 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 5,883 | 11 | 4 |
| Other Securities | 1,265,362 | 4,569 | 105,730 |
| Foreign Stocks | 1,998 | — | 1,102 |
| Foreign Bonds | 856,979 | 2,262 | 23,339 |
| Others | 406,384 | 2,307 | 81,288 |
| Total | ¥ 2,096,270 | ¥ 93,450 | ¥ 113,607 |

| Year Ended March 31, 2022 | Millions of Yen | | |
|---|---|---|---|
| | Amount Sold | Gain | Loss |
| Stocks | ¥ 142,168 | ¥ 92,105 | ¥ 2,388 |
| Bonds | 1,005,440 | 1,397 | 1,609 |
| Government Bonds | 979,797 | 1,282 | 1,541 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 25,643 | 115 | 67 |
| Other Securities | 3,013,050 | 16,205 | 159,156 |
| Foreign Stocks | 675 | 19 | 67 |
| Foreign Bonds | 2,595,705 | 13,353 | 30,964 |
| Others | 416,669 | 2,831 | 128,125 |
| Total | ¥ 4,160,660 | ¥ 109,708 | ¥ 163,154 |

| Year Ended March 31, 2023 | Millions of U.S. Dollars | | |
|---|---|---|---|
| | Amount Sold | Gain | Loss |
| Stocks | $ 1,036 | $ 656 | $ 7 |
| Bonds | 5,187 | 9 | 52 |
| Government Bonds | 5,142 | 9 | 52 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 44 | 0 | 0 |
| Other Securities | 9,476 | 34 | 792 |
| Foreign Stocks | 15 | — | 8 |
| Foreign Bonds | 6,417 | 17 | 175 |
| Others | 3,043 | 17 | 609 |
| Total | $ 15,698 | $ 700 | $ 851 |

(Note) The above figures include equity securities with no market prices etc. and investments in partnerships etc..

### 6. Securities Reclassified due to the Change of the Holding Purpose

There were no securities reclassified due to the change of the holding purpose during the fiscal years ended March 31, 2023 and 2022.

### 7. Impairment of Securities

Securities other than equity securities with no market prices etc. and investments in partnerships etc., or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheet. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses on Stocks recognized during the fiscal years ended March 31, 2023 and 2022, were ¥131 million (U.S. $1 million) and ¥1,232 million, respectively. Impairment losses on Others recognized during the fiscal year ended March 31, 2023 and 2022, were ¥75 million (U.S. $1 million) and ¥260 million, respectively.

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

There was no money held in trust for trading purposes for the fiscal years ended March 31, 2023 and 2022.

### 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, 2023 and 2022.

### 3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| March 31, 2023 | Carrying Amount | Acquisition Cost | Difference | Positive Difference | Negative Difference |
| Other Money Held in Trust | ¥ 1,442 | ¥ 993 | ¥ 449 | ¥ 449 | ¥ — |

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| March 31, 2022 | Carrying Amount | Acquisition Cost | Difference | Positive Difference | Negative Difference |
| Other Money Held in Trust | ¥ 1,395 | ¥ 989 | ¥ 406 | ¥ 406 | ¥ — |

| | Millions of U.S. Dollars | | | | |
|---|---|---|---|---|---|
| March 31, 2023 | Carrying Amount | Acquisition Cost | Difference | Positive Difference | Negative Difference |
| Other Money Held in Trust | $ 11 | $ 7 | $ 3 | $ 3 | $ — |

(Note) The amount of "Difference" is net of "Positive Difference" and "Negative Difference."

## Valuation Differences on Available-for-Sale Securities

The following table shows components of Valuation Differences on Available-for-Sale Securities in the consolidated balance sheet.

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| March 31 | 2023 | 2022 | 2023 |
| Valuation Differences | | | |
| Available-for-Sale Securities | ¥ 396,409 | ¥ 423,182 | $ 2,968 |
| Other Money Held in Trust | 449 | 406 | 3 |
| Total Valuation Differences | 396,859 | 423,588 | 2,972 |
| Amount Equivalent to Deferred Tax Assets (Liabilities) | (122,176) | (130,316) | (915) |
| Total (Before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies) | 274,683 | 293,271 | 2,057 |
| Non-Controlling Interests | (336) | (244) | (3) |
| Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies | (4,484) | (2,872) | (34) |
| Valuation Differences on Available-for-Sale Securities | ¥ 269,861 | ¥ 290,154 | $ 2,021 |

(Notes)

1) Foreign currency translation adjustments on equity securities with no market prices etc. denominated in foreign currencies, are included in the "Available-for-Sale Securities" under "Valuation Differences."

2) The valuation difference of ¥6,416 million (U.S. $48 million) and ¥3,086 million on available-for-sale securities composing assets held by associated companies as of March 31, 2023 and 2022, respectively, 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 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, 2023 and 2022, consist of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | | | |
| | Notional Amount | | Fair Value | Valuation Difference | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | | Total | Over One Year | | |
| Listed | | | | | | | | |
| Interest Futures | | | | | | | | |
| Sold | ¥ 9,003,059 | ¥ 794,563 | ¥ (3,783) | ¥ (3,783) | $ 67,418 | $ 5,950 | $ (28) | $ (28) |
| Purchased | 8,874,767 | 813,150 | 5,678 | 5,678 | 66,458 | 6,089 | 43 | 43 |
| Interest Options | | | | | | | | |
| Sold | 577,110 | — | (245) | 4 | 4,322 | — | (2) | 0 |
| Purchased | 388,859 | — | 189 | (6) | 2,912 | — | 1 | (0) |
| OTC | | | | | | | | |
| Forward Rate Agreements | | | | | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — | $ — | $ — | $ — | $ — |
| Purchased | — | — | — | — | — | — | — | — |
| Interest Rate Swaps | | | | | | | | |
| Fixed Interest Rate Receivable/ Floating Interest Rate Payable | 54,749,386 | 46,204,255 | (1,763,800) | (1,763,800) | 409,985 | 345,996 | (13,208) | (13,208) |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | 48,862,617 | 41,954,510 | 1,740,379 | 1,740,379 | 365,902 | 314,172 | 13,033 | 13,033 |
| Floating Interest Rate Receivable/ Floating Interest Rate Payable | 12,976,843 | 10,842,019 | (4,321) | (4,321) | 97,176 | 81,189 | (32) | (32) |
| Interest Options | | | | | | | | |
| Sold | 9,569,663 | 9,531,770 | (32,155) | (28,435) | 71,661 | 71,378 | (241) | (213) |
| Purchased | 7,268,885 | 7,268,785 | 35,787 | 33,349 | 54,432 | 54,432 | 268 | 250 |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (22,271) | ¥ (20,935) | | | $ (167) | $ (157) |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | 2022 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | |
| Listed | | | | |
| Interest Futures | | | | |
| Sold | ¥ 17,325,091 | ¥ 8,676,986 | ¥ 74,776 | ¥ 74,776 |
| Purchased | 16,430,494 | 8,676,986 | (73,948) | (73,948) |
| Interest Options | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| OTC | | | | |
| Forward Rate Agreements | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| Interest Rate Swaps | | | | |
| Fixed Interest Rate Receivable/ Floating Interest Rate Payable | 46,565,435 | 40,034,339 | (274,059) | (274,059) |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | 40,152,154 | 35,263,350 | 241,623 | 241,623 |
| Floating Interest Rate Receivable/ Floating Interest Rate Payable | 33,764,109 | 13,413,149 | (6,670) | (6,670) |
| Interest Options | | | | |
| Sold | 9,558,634 | 9,548,395 | (42,455) | (35,522) |
| Purchased | 7,006,095 | 6,965,830 | 33,369 | 30,634 |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥ (47,364) | ¥ (43,167) |

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2023 and 2022, consist of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | | | |
| | 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 | ¥ 8,489,696 | ¥ 7,659,241 | ¥ 83,534 | ¥ 83,534 | $ 63,574 | $ 57,355 | $ 626 | $ 626 |
| Forward Exchange Contracts | | | | | | | | |
| Sold | 19,971,382 | 1,793,292 | (134,745) | (134,745) | 149,554 | 13,429 | (1,009) | (1,009) |
| Purchased | 23,164,311 | 381,042 | 34,617 | 34,617 | 173,463 | 2,853 | 259 | 259 |
| Currency Options | | | | | | | | |
| Sold | 1,569,541 | 917,749 | (88,701) | (2,757) | 11,753 | 6,872 | (664) | (21) |
| Purchased | 1,344,166 | 777,391 | 80,911 | 9,643 | 10,066 | 5,821 | 606 | 72 |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (24,382) | ¥ (9,706) | | | $ (183) | $ (73) |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | 2022 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | |
| Listed | | | | |
| Currency Futures | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| Currency Options | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| OTC | | | | |
| Currency Swaps | ¥ 7,163,682 | ¥ 6,540,039 | ¥ 89,974 | ¥ 89,974 |
| Forward Exchange Contracts | | | | |
| Sold | 15,666,803 | 1,617,487 | (575,926) | (575,926) |
| Purchased | 18,844,572 | 283,636 | 690,736 | 690,736 |
| Currency Options | | | | |
| Sold | 1,412,814 | 718,432 | (75,527) | (7,637) |
| Purchased | 1,027,966 | 558,220 | 66,483 | 14,041 |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥ 195,739 | ¥ 211,187 |

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2023 and 2022, consist of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | | | |
| | 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 | ¥ 1,824 | ¥ — | ¥ (93) | ¥ (93) | $ 14 | $ — | $ (1) | $ (1) |
| Purchased | 53 | — | 2 | 2 | 0 | — | 0 | 0 |
| Stock Index Options | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | 14,266 | — | 4 | (10) | 107 | — | 0 | (0) |
| OTC | | | | | | | | |
| OTC Stock Options | | | | | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — | $ — | $ — | $ — | $ — |
| Purchased | — | — | — | — | — | — | — | — |
| OTC Stock Swaps | | | | | | | | |
| Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable | — | — | — | — | — | — | — | — |
| Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable | — | — | — | — | — | — | — | — |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (87) | ¥ (102) | | | $ (1) | $ (1) |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | 2022 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | |
| Listed | | | | |
| Stock Index Futures | | | | |
| Sold | ¥ 53,183 | ¥ — | ¥ (3,054) | ¥ (3,054) |
| Purchased | 45,631 | — | 1,918 | 1,918 |
| Stock Index Options | | | | |
| Sold | 14,474 | — | (130) | 29 |
| Purchased | 18,081 | — | 166 | (225) |
| OTC | | | | |
| OTC Stock Options | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| OTC Stock Swaps | | | | |
| Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable | — | — | — | — |
| Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable | — | — | — | — |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥ (1,098) | ¥ (1,331) |

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2023 and 2022, consist of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | | | |
| | Notional Amount | | Fair Value | Valuation Difference | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | | Total | Over One Year | | |
| Listed | | | | | | | | |
| Bond Futures | | | | | | | | |
| Sold | ¥ 925,638 | ¥ — | ¥ (24,016) | ¥ (24,016) | $ 6,932 | $ — | $ (180) | $ (180) |
| Purchased | 837,670 | — | 20,037 | 20,037 | 6,273 | — | 150 | 150 |
| Bond Future Options | | | | | | | | |
| Sold | 40,503 | — | (175) | 87 | 303 | — | (1) | 1 |
| Purchased | 54,767 | — | 179 | (123) | 410 | — | 1 | (1) |
| OTC | | | | | | | | |
| Bond Forward Contracts | | | | | | | | |
| Sold | ¥ 12,819 | ¥ — | ¥ (282) | ¥ (282) | $ 96 | $ — | $ (2) | $ (2) |
| Purchased | — | — | — | — | — | — | — | — |
| Bond Options | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | 994 | 994 | 11 | (19) | 7 | 7 | 0 | (0) |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (4,246) | ¥ (4,317) | | | $ (32) | $ (32) |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | 2022 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | |
| Listed | | | | |
| Bond Futures | | | | |
| Sold | ¥ 1,058,961 | ¥ — | ¥ 18,999 | ¥ 18,999 |
| Purchased | 902,988 | — | (12,922) | (12,922) |
| Bond Future Options | | | | |
| Sold | 23,507 | — | (159) | (42) |
| Purchased | 26,654 | — | 339 | 154 |
| OTC | | | | |
| Bond Forward Contracts | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| Bond Options | | | | |
| Sold | — | — | — | — |
| Purchased | 994 | 994 | 47 | 15 |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| **Total** | | | ¥ 6,303 | ¥ 6,204 |

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2023 and 2022.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2023 and 2022, consist of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2023 | | | |
| | 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 | ¥ 22,600 | ¥ 19,100 | ¥ 460 | ¥ 460 | $ 169 | $ 143 | $ 3 | $ 3 |
| Purchased | 68,654 | 65,154 | (798) | (798) | 514 | 488 | (6) | (6) |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (338) | ¥ (338) | | | $ (3) | $ (3) |

| | Millions of Yen | | | |
|---|---|---|---|---|
| | 2022 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| | Total | Over One Year | | |
| OTC | | | | |
| Credit Default Swaps | | | | |
| Sold | ¥ 29,000 | ¥ 18,000 | ¥ 611 | ¥ 611 |
| Purchased | 66,392 | 55,392 | (2,930) | (2,930) |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥(2,319) | ¥(2,319) |

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

## 2. Derivatives Transactions Qualifying for Hedge Accounting

Derivatives transactions qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date 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, 2023 and 2022, consist of the following:

| | Major Hedged Item | Millions of Yen | | | Millions of U.S. Dollars | | |
|---|---|---|---|---|---|---|---|
| | | 2023 | | | 2023 | | |
| | | 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 | Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable | ¥ 1,583,341 | ¥ 1,139,336 | ¥ (85,848) | $ 11,857 | $ 8,532 | $ (643) |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | | 1,352,306 | 950,933 | 5,871 | 10,127 | 7,121 | 44 |
| 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 | — | — | — | — | — | — | — |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | | — | — | — | — | — | — |
| Total | | | | ¥ (79,977) | | | $ (599) |

| | Major Hedged Item | Millions of Yen | | |
|---|---|---|---|---|
| | | 2022 | | |
| | | Notional Amount | | Fair Value |
| | | Total | Over One Year | |
| Deferral Method | | | | |
| Interest Rate Swaps | | | | |
| Fixed Interest Rate Receivable/ Floating Interest Rate Payable | Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable | ¥ 1,150,748 | ¥ 1,118,912 | ¥ (53,298) |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | | 1,779,306 | 1,351,050 | 18,674 |
| 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 | — | — | — | — |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | | — | — | — |
| Total | | | | ¥ (34,624) |

(Note) Deferred hedge accounting stipulated in Guidance No.24 is applied, in principle.

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2023 and 2022, consist of the following:

| | Major Hedged Item | Millions of Yen 2023 Notional Amount Total | Millions of Yen 2023 Notional Amount Over One Year | Millions of Yen 2023 Fair Value | Millions of U.S. Dollars 2023 Notional Amount Total | Millions of U.S. Dollars 2023 Notional Amount Over One Year | Millions of U.S. Dollars 2023 Fair Value |
|---|---|---|---|---|---|---|---|
| Deferral Method | | | | | | | |
| Currency Swaps | Loans and Bills Discounted and Securities Denominated in Foreign Currencies | ¥ 3,909,750 | ¥ 2,017,931 | ¥ (94,221) | $ 29,278 | $ 15,111 | $ (706) |
| Forward Exchange Contracts | | | | | | | |
| Sold | | 1,801 | — | 26 | 13 | — | 0 |
| Purchased | | 493,929 | — | 9,120 | 3,699 | — | 68 |
| 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 | | ¥ 105,988 | ¥ — | ¥ (677) | $ 794 | $ — | $ (5) |
| Purchased | | — | — | — | — | — | — |
| Total | | | | ¥ (85,751) | | | $ (642) |

| | Major Hedged Item | Millions of Yen 2022 Notional Amount Total | Millions of Yen 2022 Notional Amount Over One Year | Millions of Yen 2022 Fair Value |
|---|---|---|---|---|
| Deferral Method | | | | |
| Currency Swaps | Loans and Bills Discounted and Securities Denominated in Foreign Currencies | ¥ 2,212,027 | ¥ 896,828 | ¥ (135,622) |
| Forward Exchange Contracts | | | | |
| Sold | | 1,560 | — | (3) |
| Purchased | | 90,437 | — | 1,259 |
| 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 | | ¥ 98,890 | ¥ — | ¥ (4,879) |
| Purchased | | — | — | — |
| Total | | | | ¥ (139,245) |

(Note) Deferred hedge accounting stipulated in Guidance No.25 is applied, in principle.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2023 and 2022.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2023 and 2022.

## Retirement and Pension Plans

### 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, and defined contribution pension plans. 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 |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Retirement Benefit Obligations (opening balance) | ¥ 421,543 | ¥ 429,015 | $ 3,157 |
| Service Cost-Benefits Earned during the Fiscal Year | 9,883 | 10,466 | 74 |
| Interest Cost on Projected Benefit Obligations | 2,269 | 2,301 | 17 |
| Actuarial Gains and Losses that Arose during the Fiscal Year | (37,075) | 3,534 | (278) |
| Retirement Benefits Paid | (16,980) | (18,089) | (127) |
| Past Service Cost that Arose during the Fiscal Year | — | — | — |
| Other (Note) | — | (5,685) | — |
| Retirement Benefit Obligations (closing balance) | ¥ 379,639 | ¥ 421,543 | $ 2,843 |

(Note) "Other" recognized in the previous fiscal year was reversal due to the termination of the defined benefit plans for one of the consolidated subsidiaries.

(2) Reconciliation of Plan Assets

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Plan Assets (opening balance) | ¥ 602,366 | ¥ 648,464 | $ 4,511 |
| Expected Return on Plan Assets | 21,822 | 22,606 | 163 |
| Actuarial Gains and Losses that Arose during the Fiscal Year | (12,773) | (52,299) | (96) |
| Contributions by the Employer | 4,740 | 4,922 | 36 |
| Retirement Benefits Paid | (15,360) | (16,019) | (115) |
| Other (Note) | — | (5,307) | — |
| Plan Assets (closing balance) | ¥ 600,796 | ¥ 602,366 | $ 4,499 |

(Note) "Other" recognized in the previous fiscal year was reversal due to the termination of the defined benefit plans for one of the consolidated subsidiaries.

(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 |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets | ¥ 368,196 | ¥ 410,162 | $ 2,757 |
| Plan Assets | (600,796) | (602,366) | (4,499) |
| | (232,599) | (192,204) | (1,742) |
| Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets | 11,442 | 11,380 | 86 |
| Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet | ¥ (221,156) | ¥ (180,823) | $ (1,656) |

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Liabilities for Retirement Benefits | ¥ 11,442 | ¥ 11,380 | $ 86 |
| Assets for Retirement Benefits | (232,599) | (192,204) | (1,742) |
| Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet | ¥ (221,156) | ¥ (180,823) | $ (1,656) |

(4) Breakdown of Retirement Benefit Expenses

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Service Cost-Benefits Earned during the Fiscal Year | ¥ 9,883 | ¥ 10,466 | $ 74 |
| Interest Cost on Projected Benefit Obligations | 2,269 | 2,301 | 17 |
| Expected Return on Plan Assets | (21,822) | (22,606) | (163) |
| Amortization of Actuarial Differences | 3,842 | 1,142 | 29 |
| Amortization of Past Service Cost | (18) | (65) | (0) |
| Other | 162 | 217 | 1 |
| Retirement Benefit Expenses for Defined Benefit Obligations | ¥ (5,683) | ¥ (8,544) | $ (43) |

(5) Remeasurements of Defined Benefit Plans

The breakdown of remeasurements of defined benefit plans (before tax effect) is as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Past Service Cost | ¥ (18) | ¥ (65) | $ (0) |
| Actuarial Differences | 28,145 | (54,691) | 211 |
| Total | ¥ 28,126 | ¥ (54,757) | $ 211 |

(6) Accumulated Remeasurements of Defined Benefit Plans

The breakdown of accumulated remeasurements of defined benefit plans (before tax effect) is as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Unrecognized Past Service Cost | ¥ (84) | ¥ (102) | $ (1) |
| Unrecognized Actuarial Differences | 33,467 | 61,612 | 251 |
| Total | ¥ 33,383 | ¥ 61,509 | $ 250 |

(7) Plan Assets

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

| | Proportion (%) | |
|---|---|---|
| | 2023 | 2022 |
| Debt Securities | 25 | 25 |
| Equity Securities | 61 | 59 |
| Cash and Due from Banks | 3 | 4 |
| Other | 11 | 12 |
| 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 55% of the total plan asset for the fiscal years ended March 31, 2023 and 2022, respectively.

2) Expected long-term rate of return on plan assets

In order to determine the expected long-term rate of return on plan assets, SuMi TRUST Bank considers the current and projected plan asset allocation, as well as the current and expected long-term rate of return on assets composing plan assets.

(8) Assumptions Used

Major assumptions used in actuarial calculation for the fiscal years ended March 31, 2023 and 2022, are as follows:

| | 2023 | 2022 |
|---|---|---|
| Discount Rate | Mainly 1.2% | Mainly 0.5% |
| Expected Long-Term Rate of Return on Plan Assets | 3.6% | 3.5% |

## 3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Bank and its consolidated subsidiaries to the defined contribution pension plans were ¥1,783 million (U.S. $13 million) and ¥1,890 million for the years ended March 31, 2023 and 2022, respectively.

## Income Taxes

### 1. Breakdown of Major Factors Giving Rise to Deferred Tax Assets and Liabilities

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| Year Ended March 31 | 2023 | 2022 | 2023 |
| **Deferred Tax Assets:** | | | |
| Impairment of Securities | ¥ 17,029 | ¥ 17,976 | $ 128 |
| Allowance for Loan Losses (Including Direct Write-Offs of Loans with Guarantees or Collateral) | 34,555 | 55,080 | 259 |
| Deferred Gains (Losses) on Hedges | 21,096 | 17,885 | 158 |
| Remeasurements of Defined Benefit Plans | 10,261 | 18,945 | 77 |
| Other | 64,427 | 64,273 | 482 |
| Subtotal | 147,371 | 174,160 | 1,104 |
| Valuation Allowance | (13,153) | (13,869) | (98) |
| **Deferred Tax Assets** | ¥ 134,217 | ¥ 160,291 | $ 1,005 |
| **Deferred Tax Liabilities:** | | | |
| Retirement Benefits | ¥ (51,853) | ¥ (46,424) | $ (388) |
| Valuation Differences on Available-for-Sale Securities | (121,804) | (129,915) | (912) |
| Other | (11,272) | (10,849) | (84) |
| **Deferred Tax Liabilities** | ¥ (184,930) | ¥ (187,190) | $ (1,385) |
| **Net Deferred Tax Assets (Liabilities)** | ¥ (50,712) | ¥ (26,898) | $ (380) |

### 2. Breakdown of Major Causes of Significant Differences Arising Between the Statutory Tax Rate and the Effective Tax Rate after Application of Tax Effect Accounting for Companies Submitting the Consolidated Financial Statements

| Year Ended March 31 | 2023 | 2022 |
|---|---|---|
| Effective Statutory Tax Rate | 30.62% | 30.62% |
| Adjustments: | | |
| Changes in Valuation Allowance | (0.29) | (1.25) |
| Amortization of Goodwill | 0.55 | 0.67 |
| Share of Profit of Equity-Method Affiliated Companies | (1.92) | (2.07) |
| Permanent Differences (e.g., Cash Dividends Received) | (0.88) | (0.97) |
| Others | 0.62 | (1.50) |
| Effective Income Tax Rate | 28.70% | 25.50% |

### 3. Accounting for Corporation Tax and Local Corporation Tax and Tax Effect Accounting

SuMi TRUST Bank and some of its consolidated subsidiaries in Japan have adopted the group tax sharing system effective from the current fiscal year. In addition, corporation tax and local corporation tax, as well as their tax effects, are accounted for and disclosed under "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No.42 , August 12, 2021, "ASBJ PITF No.42").

## Revenue Recognition

### 1. Information Related to Disaggregation of Revenue from Contracts with Customers for the Fiscal Year Ended March 31, 2023 and 2022

SuMi TRUST Bank Group has changed its reportable segments effective from the current fiscal year in line with the reorganization of SuMi TRUST Bank effective April 1, 2022, and segment information for the previous fiscal year is based on the new reportable segment classifications. The details of the change are described in "Notes to the Consolidated Financial Statements, Segment Information."

| | Millions of Yen | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | SuMi Trust Bank | | | | | | | | | |
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Others | Subsidiaries | Total | Income other than those disaggregated revenue | Total |
| Trust Fees | ¥ 6,796 | ¥ 13,349 | ¥ 85,769 | ¥ 3,807 | ¥ — | ¥ — | ¥ — | ¥ 109,721 | ¥ — | ¥ 109,721 |
| Fees and Commissions | 61,723 | 40,775 | 14,802 | 40,343 | 467 | — | 82,861 | 240,973 | 82,125 | 323,099 |
| Income from Contracts with Customers | ¥ 68,519 | ¥ 54,124 | ¥ 100,571 | ¥ 44,151 | ¥ 467 | ¥ — | ¥ 82,861 | ¥ 350,695 | | |

| | Millions of Yen | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | SuMi Trust Bank | | | | | | | | | |
| Year Ended March 31, 2022 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Others | Subsidiaries | Total | Income other than those disaggregated revenue | Total |
| Trust Fees | ¥ 6,738 | ¥ 12,396 | ¥ 87,889 | ¥ 3,513 | ¥ — | ¥ — | ¥ — | ¥ 110,539 | ¥ — | ¥ 110,539 |
| Fees and Commissions | 57,881 | 35,545 | 17,082 | 35,760 | 343 | — | 78,493 | 225,106 | 75,530 | 300,637 |
| Income from Contracts with Customers | ¥ 64,620 | ¥ 47,941 | ¥ 104,972 | ¥ 39,274 | ¥ 343 | ¥ — | ¥ 78,493 | ¥ 335,646 | | |

| | Millions of U.S. Dollars | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | SuMi Trust Bank | | | | | | | | | |
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Others | Subsidiaries | Subtotal | Ordinary Income Other than Those Disaggregated Revenue | Total |
| Trust Fees | $ 51 | $ 100 | $ 642 | $ 29 | $ — | $ — | $ — | $ 822 | $ — | $ 822 |
| Fees and Commissions | 462 | 305 | 111 | 302 | 4 | — | 620 | 1,805 | 615 | 2,419 |
| Income from Contracts with Customers | $ 513 | $ 405 | $ 753 | $ 331 | $ 4 | $ — | $ 620 | $ 2,626 | | |

(Note) "Subsidiaries" includes elimination of internal transactions.

### 2. Information Related to Contract Balance

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Receivables from Contracts with Customers | ¥ 68,869 | ¥ 67,676 | $ 516 |
| Contract Liabilities | 2,512 | 1,767 | 19 |

| | Millions of Yen | |
|---|---|---|
| | 2022 | 2021 |
| Receivables from Contracts with Customers | ¥ 67,676 | ¥ 62,108 |
| Contract Liabilities | 1,767 | 1,443 |

Receivables from contracts with customers and contract liabilities are included in "Other Assets" and "Other Liabilities", respectively in the consolidated balance sheets. Contract liabilities retained at the beginning of the current fiscal year and the previous fiscal year are mainly recognized as revenue for the current fiscal years ended March 31, 2023 and 2022.

The amount of revenue from performance obligation satisfied or partially satisfied in the past year recognized in the current fiscal year is immaterial.

### 3. Information Related to Transaction Prices Allocated to Residual Performance Obligations

For the fiscal years ended March 31, 2023 and 2022, the amount of revenue expected to be recognized from existing contracts after the fiscal years is immaterial. Contracts with an initial expected period of less than one year and revenue recognized by the amount that SuMi TRUST Bank Group is entitled to claim are not included in the notes.

## 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. The Board of Directors and the Executive Committee of SuMi TRUST Bank periodically receive reporting on the operating results and other relevant information of the reportable segments to make decisions about the allocation of management resources and to assess performance.

The reportable segments of SuMi TRUST Bank Group are determined based on services offered by SuMi TRUST Bank.

The main activities of the reportable segment are presented below:

Retail Business:
Provision of services to individual customers

Wholesale Business:
Provision of services to corporate customers

Investor Services Business:
Provision of services to investors

Real Estate Business:
Provision of services related to the real estate business

Global Markets Business:
Marketing operations, market-making operations, investment operations, and financial management operations

Change in Reportable Segments

SuMi TRUST Group aims to promote and lead a virtuous circle of funds, assets, and capital by various stakeholders through provision of high value-added products and services and investments to create new values. Effective as of April 1, 2022, reorganization of SuMi TRUST Bank, Limited has been implemented.

Reportable segments of SuMi TRUST Bank Group were previously divided into "Retail Total Solution Services Business," "Wholesale Financial Services Business (Wholesale Total Solution Services Business and Wholesale Asset Management Business)," "Stock Transfer Agency Services Business," "Real Estate Business," "Fiduciary Services Business," and "Global Markets Business." Starting from the fiscal year ended March 31, 2023, SuMi TRUST Bank Group has reclassified them into the following segments: "Retail Business (former Retail Total Solution Services)," "Wholesale Business (former Wholesale Total Solution Services Business and former Stock Transfer

Agency Services Business)," "Investor Services Business (former Wholesale Asset Management Business and former Fiduciary Services Business)," "Real Estate Business," and "Global Markets Business."

Segment information for the fiscal year ended March 31, 2022, has been prepared based on the reportable segments after the change.

## 2. Method for Calculating Gross Business Profit and Net Business Profit by Each Reportable Segment

Segment information is prepared based on internal management reports and the accounting policies used for the reportable segments are generally the same as those presented under "Significant Accounting Policies and Practices"; however, the reportable segments are accounted for in accordance with the rules for the internal management.

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

"Fixed Assets" disclosed in the assets by reportable segments are the total amount of tangible fixed assets and intangible fixed asset. The assets owned by SuMi TRUST Bank are allocated to each segment.

## 3. Profit or Loss and Fixed Assets by Reportable Segment

| | Millions of Yen | | | | | | |
|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Others | Total |
| Gross Business Profit | ¥ 134,111 | ¥ 153,593 | ¥ 76,042 | ¥ 44,150 | ¥ 69,310 | ¥ 30,988 | ¥ 508,198 |
| General and Administrative Expenses | (112,760) | (42,406) | (32,911) | (10,202) | (15,148) | (48,862) | (262,293) |
| Net Business Profit | ¥ 21,351 | ¥ 111,186 | ¥ 43,131 | ¥ 33,947 | ¥ 54,162 | ¥ (17,874) | ¥ 245,905 |
| Fixed Assets | ¥ 75,388 | ¥ 55,763 | ¥ 22,251 | ¥ 9,270 | ¥ 25,148 | ¥ 84,532 | ¥ 272,354 |

| | Millions of Yen | | | | | | |
|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2022 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Others | Total |
| Gross Business Profit | ¥ 131,317 | ¥ 140,620 | ¥ 93,005 | ¥ 39,274 | ¥ 52,303 | ¥ 34,141 | ¥ 490,663 |
| General and Administrative Expenses | (117,612) | (41,403) | (33,549) | (9,924) | (15,704) | (30,377) | (248,572) |
| Net Business Profit | ¥ 13,705 | ¥ 99,216 | ¥ 59,455 | ¥ 29,349 | ¥ 36,599 | ¥ 3,764 | ¥ 242,090 |
| Fixed Assets | ¥ 71,016 | ¥ 43,306 | ¥ 21,070 | ¥ 9,318 | ¥ 19,165 | ¥ 98,212 | ¥ 262,090 |

| | Millions of U.S. Dollars | | | | | | |
|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Others | Total |
| Gross Business Profit | $ 1,004 | $ 1,150 | $ 569 | $ 331 | $ 519 | $ 232 | $ 3,806 |
| General and Administrative Expenses | (844) | (318) | (246) | (76) | (113) | (366) | (1,964) |
| Net Business Profit | $ 160 | $ 833 | $ 323 | $ 254 | $ 406 | $ (134) | $ 1,841 |
| Fixed Assets | $ 565 | $ 418 | $ 167 | $ 69 | $ 188 | $ 633 | $ 2,040 |

(Notes)

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

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

3) "General and Administrative Expenses" include personnel expenses and non-personnel expenses.

4) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, and general and administrative expenses of headquarters.

5) "Others" within "Fixed Assets" include corporate assets not allocated to any segment. For fixed assets not allocated to each segment, some of related expenses are allocated to each segment based on a reasonable allocation method.

### 4. Reconciliation Between Total Amount for Reportable Segments and the Carrying Amounts in the Consolidated Financial Statement

(1) Total Profit of Loss for Reportable Segments and Income before Income Taxes in the Consolidated Statement of Income

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Total Profit or Loss for Reportable Segments (Net Business Profit) | ¥ 245,905 | ¥ 242,090 | $ 1,841 |
| Net Business Profit of Consolidated Subsidiaries that are Excluded from the Reportable Segments (Note) | 50,289 | 60,566 | 377 |
| Other Income | 124,297 | 119,392 | 931 |
| Other Expenses | (138,581) | (195,012) | (1,038) |
| Other Adjustments | (31,306) | (25,177) | (234) |
| Income before Income Taxes | ¥ 250,605 | ¥ 201,858 | $ 1,877 |

(Note) The amounts include elimination of internal transactions.

(2) Total Fixed Assets for Reportable Segments and Fixed Assets in the Consolidated Balance Sheet

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Total Fixed Assets for Reportable Segments | ¥ 272,354 | ¥ 262,090 | $ 2,040 |
| Fixed Assets of Consolidated Subsidiaries that are Excluded from the Reportable Segments | 63,654 | 67,194 | 477 |
| Consolidated Adjustments | 2,450 | 2,594 | 18 |
| Fixed Assets | ¥ 338,459 | ¥ 331,879 | $ 2,535 |

## Related Information

### 1. Information by Services

Disclosure of information by services is omitted as similar disclosure is included in the "3. Profit or Loss and Fixed Assets by Reportable Segment" in the "Segment Information" section.

### 2. Geographic Information

(1) Income

Income by geographical area for the fiscal years ended March 31, 2023 and 2022, consists of the following:

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Japan | Americas | Europe | Asia and Oceania | Total |
| | ¥ 1,211,917 | ¥ 219,529 | ¥ 141,823 | ¥ 127,066 | ¥ 1,700,337 |

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| Year Ended March 31, 2022 | Japan | Americas | Europe | Asia and Oceania | Total |
| | ¥ 1,092,463 | ¥ 66,702 | ¥ 41,446 | ¥ 49,527 | ¥ 1,250,140 |

| | Millions of U.S. Dollars | | | | |
|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Japan | Americas | Europe | Asia and Oceania | Total |
| | $ 9,075 | $ 1,644 | $ 1,062 | $ 952 | $ 12,733 |

(Notes)
1) The figures represent Income in substitution for net sales to be presented by companies in other industries.
2) Income related to transactions by SuMi TRUST Bank (excluding oversea branches) and other domestic consolidated subsidiaries are presented under "Japan." Income related to transactions by overseas branches of SuMi TRUST Bank and foreign consolidated subsidiaries are presented under "Americas," "Europe," or "Asia and Oceania" based on the location of each overseas branch and subsidiary, reflecting their geographical proximity.

(2) Tangible Fixed Assets

More than 90% of SuMi TRUST Bank Group's tangible fixed assets on the consolidated balance sheet as of March 31, 2023 and 2022, 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 customer is not presented.

## Information Related to Losses on Impairment of Fixed Assets by Reportable Segment

Losses on impairment of fixed assets recognized during the fiscal year ended March 31, 2023 and 2022 were as follows:

| | Millions of Yen | | | | | | |
|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Others | Total |
| Losses on Impairment of Fixed Assets | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 16,660 | ¥ 16,660 |

| | Millions of Yen | | | | | | |
|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2022 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Others | Total |
| Losses on Impairment of Fixed Assets | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 1,409 | ¥ 1,409 |

| | Millions of U.S. Dollars | | | | | | |
|---|---|---|---|---|---|---|---|
| Year Ended March 31, 2023 | Retail | Wholesale | Investor Services | Real Estate | Global Markets | Others | Total |
| Losses on Impairment of Fixed Assets | $ — | $ — | $ — | $ — | $ — | $ 125 | $ 125 |

(Note 1) Losses on impairment of fixed assets not allocated to the reportable segments during the fiscal years ended March 31, 2023, and 2022, were ¥1,527 million (U.S. $11 million) and ¥59 million, respectively, and these were impairment losses recognized by consolidated subsidiaries.
(Note 2) The details of impairment losses are described in "Notes to the Consolidated Statement of Income, 5. Other Income and Expenses, (2)."

## Information Related to Amortization of Goodwill and Unamortized Balance of Goodwill by Reportable Segment

Amortization of goodwill and unamortized balance of goodwill are not allocated to the reportable segments.

Amortization of goodwill recognized during the fiscal years ended March 31, 2023, and 2022, were ¥4,499 million (U.S. $34 million) and ¥4,399 million, respectively. Unamortized balance of goodwill as of March 31, 2023, and 2022, were ¥8,079 million (U.S. $60 million) and ¥12,478 million, respectively.

## Information Related to Gain on Negative Goodwill by Reportable Segment

There were no gains on negative goodwill by reportable segment during the fiscal years ended March 31, 2023 and 2022.

## Related-Party Information

### 1. Related-Party Transactions

Transactions of SuMi TRUST Bank with its parent company for the fiscal years ended March 31, 2023 and 2022, are as follows:

**Year Ended March 31, 2023**

| Type | Company Name | Company Location | Capital: Millions of Yen (Millions of U.S. Dollars) | Type of Business | Share of Voting Rights Held (%) | Business Relationship | Transaction Details | Transaction Amounts: Millions of Yen (Millions of U.S. Dollars) | Accounts | Ending Balances: Millions of Yen (Millions of U.S. Dollars) |
|---|---|---|---|---|---|---|---|---|---|---|
| Parent company | Sumitomo Mitsui Trust Holdings, Inc. | Chiyoda-ku, Tokyo | ¥ 261,608 ($ 1,959) | Bank holding company | Direct 100 | Money lending transaction | Borrowing of funds (Note) | ¥ 20,000 ($ 150) | Bonds payable (Note) | ¥ 605,000 ($ 4,530) |
| | | | | | | | Repayment of funds | ¥ 60,000 ($ 449) | | |
| | | | | | | | Payment of interest (Note) | ¥ 6,659 ($ 50) | Accrued Expenses | ¥ 1,898 ($ 14) |

**Year Ended March 31, 2022**

| Type | Company Name | Company Location | Capital: Millions of Yen (Millions of U.S. Dollars) | Type of Business | Share of Voting Rights Held (%) | Business Relationship | Transaction Details | Transaction Amounts: Millions of Yen (Millions of U.S. Dollars) | Accounts | Ending Balances: Millions of Yen (Millions of U.S. Dollars) |
|---|---|---|---|---|---|---|---|---|---|---|
| Parent company | Sumitomo Mitsui Trust Holdings, Inc. | Chiyoda-ku, Tokyo | ¥ 261,608 ($ 1,959) | Bank holding company | Direct 100 | Money lending transaction | Borrowing of funds (Note) | ¥ 25,000 ($ 187) | Bonds payable (Note) | ¥ 645,000 ($ 4,830) |
| | | | | | | | Payment of interest (Note) | ¥ 6,641 ($ 50) | Accrued Expenses | ¥ 1,923 ($ 14) |

Terms and conditions of transactions and policies applied in deciding the terms and conditions

(Note) Loans are all subordinated borrowings with a debt relief clause at the contractual point of non-variability. The interest rates of the loans are determined reasonably based on the market interest rates and other rates.

### 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 condensed financial information of significant affiliated companies for the fiscal year ended March 31, 2023.

## Per Share of Common Stock Information

| | Yen | | U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Net Assets per Share of Common Stock | ¥ 1,456.34 | ¥ 1,385.34 | $ 10.91 |
| Net Income per Share of Common Stock | 106.08 | 89.11 | 0.79 |

(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, 2023 | As of March 31, 2022 | As of March 31, 2023 |
| Net Assets as Reported | ¥ 2,468,222 | ¥ 2,348,510 | $ 18,483 |
| Less: | 29,517 | 28,699 | 221 |
| Non-Controlling Interests | 29,517 | 28,699 | 221 |
| Net Assets Attributable to Common Shareholders | 2,438,705 | 2,319,810 | 18,262 |
| 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 |
|---|---|---|---|
| | Year Ended March 31, 2023 | Year Ended March 31, 2022 | Year Ended March 31, 2023 |
| Net Income per Share of Common Stock | | | |
| Net Income Attributable to Owners of the Parent | ¥ 177,649 | ¥ 149,223 | $ 1,330 |
| Net Income Not Attributable to Common Shareholders | — | — | — |
| Net Income Related to Common Stock that is Attributable to Owners of the Parent | 177,649 | 149,223 | 1,330 |
| Average Number of Shares of Common Stock Outstanding (Thousands of Shares) | 1,674,537 | 1,674,537 | 1,674,537 |

(3) Diluted net income per share of common stock and basis for calculation.

Diluted net income per share of common stock for the fiscal years ended March 31, 2023 and 2022 is not presented because there were no potential shares.

## Significant Subsequent Event

There were no significant subsequent events that need to be disclosed for the fiscal years ended March 31, 2023 and 2022.

Financial Data:

# Non-Consolidated Balance Sheet

Sumitomo Mitsui Trust Bank, Limited
As of March 31, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Assets:** | | | |
| Cash and Due from Banks: | ¥ 21,364,216 | ¥ 17,925,030 | $ 159,984 |
| Cash | 67,427 | 75,795 | 505 |
| Due from Banks | 21,296,788 | 17,849,235 | 159,479 |
| Call Loans | 24,006 | 5,000 | 180 |
| Receivables under Resale Agreements | 110,003 | 150,741 | 824 |
| Receivables under Securities Borrowing Transactions | 436,093 | 652,534 | 3,266 |
| Monetary Claims Bought | 124,649 | 123,567 | 933 |
| Trading Assets: | 1,609,798 | 1,048,258 | 12,055 |
| Trading Account Securities | 2,904 | 5,018 | 22 |
| Derivatives of Trading Securities | 14 | 47 | 0 |
| Derivatives of Securities Related to Trading Transactions | 880 | 25 | 7 |
| Trading-Related Financial Derivatives | 1,447,810 | 954,675 | 10,842 |
| Other Trading Assets | 158,187 | 88,492 | 1,185 |
| Money Held in Trust | 99 | 99 | 1 |
| Securities: | 6,999,285 | 7,951,169 | 52,413 |
| Government Bonds | 1,549,213 | 2,839,628 | 11,601 |
| Local Government Bonds | 38,117 | 33,919 | 285 |
| Corporate Bonds | 722,507 | 730,020 | 5,410 |
| Stocks | 1,374,077 | 1,516,253 | 10,290 |
| Other Securities | 3,315,368 | 2,831,348 | 24,827 |
| Loans and Bills Discounted: | 31,947,351 | 30,916,363 | 239,234 |
| Bills Discounted | 504 | 451 | 4 |
| Loans on Bills | 200,541 | 190,138 | 1,502 |
| Loans on Deeds | 29,237,658 | 28,443,342 | 218,943 |
| Overdrafts | 2,508,647 | 2,282,430 | 18,786 |
| Foreign Exchanges: | 47,445 | 29,494 | 355 |
| Due from Foreign Banks | 47,445 | 29,494 | 355 |
| Other Assets: | 3,271,413 | 2,922,768 | 24,498 |
| Domestic Exchange Settlement Account, Debit | 862 | 1,029 | 6 |
| Prepaid Expenses | 3,056 | 2,285 | 23 |
| Accrued Income | 142,159 | 111,101 | 1,065 |
| Initial Margins of Futures Markets | 58,868 | 71,040 | 441 |
| Variation Margin of Futures Markets | 4,090 | — | 31 |
| Derivatives Other Than for Trading | 1,735,754 | 1,499,100 | 12,998 |
| Cash Collateral Pledged for Financial Instruments | 967,493 | 1,025,240 | 7,245 |
| Receivables for Securities Transactions | 213,860 | 85,353 | 1,601 |
| Other Assets | 145,267 | 127,617 | 1,088 |
| Tangible Fixed Assets: | 182,820 | 184,334 | 1,369 |
| Buildings | 60,977 | 62,426 | 457 |
| Land | 103,812 | 104,329 | 777 |
| Lease Assets | 3,533 | 3,843 | 26 |
| Construction in Progress | 497 | 110 | 4 |
| Other | 13,999 | 13,623 | 105 |
| Intangible Fixed Assets: | 89,534 | 77,756 | 670 |
| Software | 85,933 | 74,152 | 644 |
| Other | 3,600 | 3,603 | 27 |
| Prepaid Pension Expenses | 265,005 | 252,869 | 1,984 |
| Customers' Liabilities for Acceptances and Guarantees | 458,822 | 426,405 | 3,436 |
| Allowance for Loan Losses | (105,798) | (136,300) | (792) |
| **Total Assets** | ¥ 66,824,746 | ¥ 62,530,092 | $ 500,410 |

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥133.54 to U.S. $1.00, the exchange rate as of March 31, 2023.

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Liabilities:** | | | |
| Deposits: | ¥ 35,041,223 | ¥ 32,898,724 | $ 262,402 |
| Current Deposits | 1,915,209 | 1,639,928 | 14,342 |
| Ordinary Deposits | 8,832,263 | 7,749,739 | 66,139 |
| Saving Deposits | 1,747 | 1,885 | 13 |
| Deposits at Notice | 76,808 | 88,529 | 575 |
| Time Deposits | 23,222,892 | 22,623,620 | 173,902 |
| Other Deposits | 992,300 | 795,020 | 7,431 |
| Negotiable Certificates of Deposit | 7,617,705 | 6,809,644 | 57,044 |
| Call Money | 2,086,480 | 932,640 | 15,624 |
| Payables under Repurchase Agreements | 1,030,780 | 1,485,033 | 7,719 |
| Trading Liabilities: | 1,472,636 | 906,686 | 11,028 |
| Derivatives of Securities Related to Trading Transactions | 20 | 617 | 0 |
| Trading-Related Financial Derivatives | 1,472,616 | 906,069 | 11,028 |
| Borrowed Money: | 6,185,153 | 7,335,261 | 46,317 |
| Borrowing from Other Banks | 6,185,153 | 7,335,261 | 46,317 |
| Foreign Exchanges: | 8,568 | 15,362 | 64 |
| Due to Foreign Banks | 8,066 | 15,082 | 60 |
| Foreign Bills Payable | 501 | 280 | 4 |
| Short-Term Bonds Payable | 1,697,150 | 1,845,782 | 12,709 |
| Bonds Payable | 1,847,560 | 1,371,604 | 13,835 |
| Borrowed Money from Trust Account | 4,332,472 | 4,298,827 | 32,443 |
| Other Liabilities: | 2,823,095 | 2,066,310 | 21,140 |
| Domestic Exchange Settlement Account, Credit | 723 | 841 | 5 |
| Income Taxes Payable | 5,426 | 4,981 | 41 |
| Accrued Expenses | 105,913 | 58,719 | 793 |
| Unearned Revenue | 38,343 | 34,547 | 287 |
| Variation Margin of Futures Markets | 1,875 | 7,414 | 14 |
| Trading Account Securities Borrowed | — | 662 | — |
| Derivatives Other Than for Trading | 1,931,427 | 1,570,467 | 14,463 |
| Cash Collateral Accepted For Financial Instruments | 450,879 | 240,455 | 3,376 |
| Lease Obligations | 5,483 | 5,772 | 41 |
| Asset Retirement Obligations | 3,023 | 3,127 | 23 |
| Payables for Securities Transactions | 209,650 | 65,626 | 1,570 |
| Other | 70,349 | 73,694 | 527 |
| Provision for Bonuses | 9,602 | 9,599 | 72 |
| Provision for Directors' Bonuses | 95 | 98 | 1 |
| Provision for Stocks Payment | 810 | 569 | 6 |
| Provision for Retirement Benefits | 1,018 | 940 | 8 |
| Provision for Reimbursement of Deposits | 3,028 | 3,626 | 23 |
| Provision for Contingent Losses | 1,344 | 1,649 | 10 |
| Deferred Tax Liabilities | 76,900 | 67,628 | 576 |
| Deferred Tax Liabilities for Land Revaluation | 2,381 | 2,388 | 18 |
| Acceptances and Guarantees | 458,822 | 426,405 | 3,436 |
| **Total Liabilities** | ¥ 64,696,830 | ¥ 60,478,786 | $ 484,475 |
| **Net Assets:** | | | |
| Total Shareholders' Equity: | ¥ 1,915,815 | ¥ 1,807,041 | $ 14,346 |
| Capital Stock | 342,037 | 342,037 | 2,561 |
| Capital Surplus: | 343,066 | 343,066 | 2,569 |
| Legal Capital Surplus | 273,016 | 273,016 | 2,044 |
| Other Capital Surplus | 70,049 | 70,049 | 525 |
| Retained Earnings: | 1,230,712 | 1,121,938 | 9,216 |
| Legal Retained Earnings | 69,020 | 69,020 | 517 |
| Other Retained Earnings: | 1,161,691 | 1,052,917 | 8,699 |
| Other Voluntary Reserves | 371,870 | 371,870 | 2,785 |
| Retained Earnings Brought Forward | 789,821 | 681,047 | 5,914 |
| Total Valuation and Translation Adjustments: | 212,099 | 244,263 | 1,588 |
| Valuation Difference on Available-for-Sale Securities | 272,426 | 291,152 | 2,040 |
| Deferred Gains (Losses) on Hedges | (55,847) | (42,431) | (418) |
| Revaluation Reserve for Land | (4,479) | (4,456) | (34) |
| **Total Net Assets** | ¥ 2,127,915 | ¥ 2,051,305 | $ 15,935 |
| **Total Liabilities and Net Assets** | ¥ 66,824,746 | ¥ 62,530,092 | $ 500,410 |

Financial Data:

# Non-Consolidated Statement of Income

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2023 and 2022

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Income:** | | | |
| Trust Fees | ¥ 109,721 | ¥ 110,539 | $ 822 |
| Interest Income: | 665,844 | 360,361 | 4,986 |
| Interest on Loans and Discounts | 402,565 | 241,182 | 3,015 |
| Interest and Dividends on Securities | 166,568 | 106,126 | 1,247 |
| Interest on Call Loans and Bills Bought | 670 | 423 | 5 |
| Interest on Due from Banks | 74,945 | 11,551 | 561 |
| Other Interest Income | 21,093 | 1,077 | 158 |
| Fees and Commissions: | 213,074 | 196,351 | 1,596 |
| Fees and Commissions on Domestic and Foreign Exchanges | 1,337 | 1,345 | 10 |
| Other Fees and Commissions | 211,736 | 195,005 | 1,586 |
| Trading Income: | 15,608 | 13,453 | 117 |
| Gains on Trading Account Securities Transactions | — | 268 | — |
| Income from Securities and Derivatives Related to Trading Transactions | 15,548 | 812 | 116 |
| Income from Trading-Related Financial Derivatives Transactions | — | 12,315 | — |
| Other Trading Income | 60 | 57 | 0 |
| Other Ordinary Income: | 203,946 | 56,215 | 1,527 |
| Gain on Foreign Exchange Transactions | 199,248 | 22,227 | 1,492 |
| Gains on Sales of Bonds | 3,495 | 14,751 | 26 |
| Gains on Redemption of Bonds | — | 5 | — |
| Gains on Derivatives Other Than for Trading-Assets | 1,053 | 19,091 | 8 |
| Other | 149 | 139 | 1 |
| Other Income: | 119,454 | 102,866 | 895 |
| Recoveries of Written-Off Claims | 674 | 1,052 | 5 |
| Gains on Sales of Stocks and Other Securities | 89,952 | 95,015 | 674 |
| Other | 28,827 | 6,797 | 216 |
| **Total Income** | ¥ 1,327,649 | ¥ 839,787 | $ 9,942 |

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| **Expenses:** | | | |
| Interest Expenses: | ¥ 552,582 | ¥ 104,274 | $ 4,138 |
| Interest on Deposits | 169,377 | 28,750 | 1,268 |
| Interest on Negotiable Certificates of Deposit | 139,247 | 6,787 | 1,043 |
| Interest on Call Money and Bills Sold | 5,769 | 839 | 43 |
| Interest on Payables under Repurchase Agreements | 32,286 | 1,665 | 242 |
| Interest on Borrowings and Rediscounts | 18,668 | 9,282 | 140 |
| Interest on Short-Term Bonds | 55,497 | 2,992 | 416 |
| Interest on Bonds | 22,369 | 9,836 | 168 |
| Interest on Interest Swaps | 84,935 | 22,439 | 636 |
| Other Interest Expenses | 24,432 | 21,681 | 183 |
| Fees and Commissions Payments: | 109,382 | 106,900 | 819 |
| Fees and Commissions on Domestic and Foreign Exchanges | 825 | 779 | 6 |
| Other Fees and Commissions | 108,556 | 106,120 | 813 |
| Trading Expenses: | 5,184 | — | 39 |
| Expenses on Trading Securities and Derivatives | 149 | — | 1 |
| Expenses on Trading-Related Financial Derivatives Transactions | 5,035 | — | 38 |
| Other Ordinary Expenses: | 32,847 | 35,082 | 246 |
| Loss on Sale of Bonds | 29,499 | 32,574 | 221 |
| Losses on Redemption of Bonds | 0 | — | 0 |
| Other Ordinary Expenses | 3,346 | 2,508 | 25 |
| General and Administrative Expenses | 266,335 | 250,023 | 1,994 |
| Other Expenses: | 137,030 | 194,377 | 1,026 |
| Provision of Allowance for Loan Losses | 4,511 | 39,600 | 34 |
| Written-Off Loans | 8,267 | 3,803 | 62 |
| Losses on Sales of Stocks and Other Securities | 83,337 | 130,568 | 624 |
| Losses on Devaluation of Stocks and Other Securities | 646 | 1,811 | 5 |
| Impairment Loss | 16,660 | 1,409 | 125 |
| Other | 23,608 | 17,184 | 177 |
| **Total Expenses** | ¥ 1,103,363 | ¥ 690,659 | $ 8,262 |
| **Income before Income Taxes** | ¥ 224,286 | ¥ 149,127 | $ 1,680 |
| Income Taxes: | 55,150 | 35,784 | 413 |
| Current | 31,701 | 34,729 | 237 |
| Deferred | 23,449 | 1,054 | 176 |
| **Net Income** | ¥ 169,135 | ¥ 113,343 | $ 1,267 |

| | Yen | | U.S. Dollars |
|---|---|---|---|
| **Net Income per Share of Common Stock** | ¥ 101.00 | ¥ 67.68 | $ 0.76 |

Financial Data:

# Non-Consolidated Statement of Changes in Net Assets

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2023 and 2022

From April 1, 2022 to March 31, 2023

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Shareholders' Equity | | | | | | | |
| | | Capital Surplus | | | Retained Earnings | | | |
| | Capital Stock | Legal Capital Surplus | Other Capital Surplus | Total Capital Surplus | Legal Retained Earnings | Other Retained Earnings | Total Retained Earnings | Total Shareholders' Equity |
| Balance at the Beginning of the Year | ¥ 342,037 | ¥ 273,016 | ¥ 70,049 | ¥ 343,066 | ¥ 69,020 | ¥ 1,052,917 | ¥ 1,121,938 | ¥ 1,807,041 |
| Changes during the Year | | | | | | | | |
| Cash Dividends | | | | | | (60,383) | (60,383) | (60,383) |
| Net Income | | | | | | 169,135 | 169,135 | 169,135 |
| Reversal of Revaluation Reserve for Land | | | | | | 22 | 22 | 22 |
| Net Changes of Items Other Than Shareholders' Equity | | | | | | | | |
| Total Changes during the Year | | | | | | 108,773 | 108,773 | 108,773 |
| Balance at the End of the Year | ¥ 342,037 | ¥ 273,016 | ¥ 70,049 | ¥ 343,066 | ¥ 69,020 | ¥ 1,161,691 | ¥ 1,230,712 | ¥ 1,915,815 |

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| | Valuation and Translation Adjustments | | | | |
| | Valuation Differences on Available-for-Sale Securities | Deferred Gains (Losses) on Hedges | Revaluation Reserve for Land | Total Valuation and Translation Adjustments | Total Net Assets |
| Balance at the Beginning of the Year | ¥ 291,152 | ¥ (42,431) | ¥ (4,456) | ¥ 244,263 | ¥ 2,051,305 |
| Changes during the Year | | | | | |
| Cash Dividends | | | | | (60,383) |
| Net Income | | | | | 169,135 |
| Reversal of Revaluation Reserve for Land | | | | | 22 |
| Net Changes of Items Other Than Shareholders' Equity | (18,725) | (13,416) | (22) | (32,163) | (32,163) |
| Total Changes during the Year | (18,725) | (13,416) | (22) | (32,163) | 76,610 |
| Balance at the End of the Year | ¥ 272,426 | ¥ (55,847) | ¥ (4,479) | ¥ 212,099 | ¥ 2,127,915 |

From April 1, 2021 to March 31, 2022

| | Millions of Yen | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Shareholders' Equity | | | | | | | |
| | | Capital Surplus | | | Retained Earnings | | | |
| | Capital Stock | Legal Capital Surplus | Other Capital Surplus | Total Capital Surplus | Legal Retained Earnings | Other Retained Earnings | Total Retained Earnings | Total Shareholders' Equity |
| Balance at the Beginning of the Year | ¥ 342,037 | ¥ 273,016 | ¥ 70,049 | ¥ 343,066 | ¥ 69,020 | ¥ 997,931 | ¥ 1,066,952 | ¥ 1,752,055 |
| Cumulative Effects of Changes in Accounting Policies | | | | | | (8,945) | (8,945) | (8,945) |
| Restated Balance | 342,037 | 273,016 | 70,049 | 343,066 | 69,020 | 988,985 | 1,058,006 | 1,743,109 |
| Changes during the Year | | | | | | | | |
| Cash Dividends | | | | | | (49,850) | (49,850) | (49,850) |
| Net Income | | | | | | 113,343 | 113,343 | 113,343 |
| Reversal of Revaluation Reserve for Land | | | | | | 439 | 439 | 439 |
| Net Changes of Items Other Than Shareholders' Equity | | | | | | | | |
| Total Changes during the Year | — | — | — | — | — | 63,932 | 63,932 | 63,932 |
| Balance at the End of the Year | ¥ 342,037 | ¥ 273,016 | ¥ 70,049 | ¥ 343,066 | ¥ 69,020 | ¥ 1,052,917 | ¥ 1,121,938 | ¥ 1,807,041 |

| | Millions of Yen | | | | |
|---|---|---|---|---|---|
| | Valuation and Translation Adjustments | | | | |
| | Valuation Differences on Available-for-Sale Securities | Deferred Gains (Losses) on Hedges | Revaluation Reserve for Land | Total Valuation and Translation Adjustments | Total Net Assets |
| Balance at the Beginning of the Year | ¥ 340,796 | ¥ (39,295) | ¥ (4,016) | ¥ 297,484 | ¥ 2,049,539 |
| Cumulative Effects of Changes in Accounting Policies | | | | | (8,945) |
| Restated Balance | 340,796 | (39,295) | (4,016) | 297,484 | 2,040,593 |
| Changes during the Year | | | | | |
| Cash Dividends | | | | | (49,850) |
| Net Income | | | | | 113,343 |
| Reversal of Revaluation Reserve for Land | | | | | 439 |
| Net Changes of Items Other Than Shareholders' Equity | (49,644) | (3,136) | (439) | (53,220) | (53,220) |
| Total Changes during the Year | (49,644) | (3,136) | (439) | (53,220) | 10,711 |
| Balance at the End of the Year | ¥ 291,152 | ¥ (42,431) | ¥ (4,456) | ¥ 244,263 | ¥ 2,051,305 |

From April 1, 2022 to March 31, 2023

| | Millions of U.S. Dollars | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Shareholders' Equity | | | | | | | |
| | | Capital Surplus | | | Retained Earnings | | | |
| | Capital Stock | Legal Capital Surplus | Other Capital Surplus | Total Capital Surplus | Legal Retained Earnings | Other Retained Earnings | Total Retained Earnings | Total Shareholders' Equity |
| Balance at the Beginning of the Year | $ 2,561 | $ 2,044 | $ 525 | $ 2,569 | $ 517 | $ 7,885 | $ 8,402 | $ 13,532 |
| Cumulative Effects of Changes in Accounting Policies | | | | | | | | |
| Restated Balance | | | | | | | | |
| Changes during the Year | | | | | | | | |
| Cash Dividends | | | | | | (452) | (452) | (452) |
| Net Income | | | | | | 1,267 | 1,267 | 1,267 |
| Reversal of Revaluation Reserve for Land | | | | | | 0 | 0 | 0 |
| Net Changes of Items Other Than Shareholders' Equity | | | | | | | | |
| Total Changes during the Year | | | | | | 815 | 815 | 815 |
| Balance at the End of the Year | $ 2,561 | $ 2,044 | $ 525 | $ 2,569 | $ 517 | $ 8,699 | $ 9,216 | $ 14,346 |

| | Millions of U.S. Dollars | | | | |
|---|---|---|---|---|---|
| | Valuation and Translation Adjustments | | | | |
| | Valuation Differences on Available-for-Sale Securities | Deferred Gains (Losses) on Hedges | Revaluation Reserve for Land | Total Valuation and Translation Adjustments | Total Net Assets |
| Balance at the Beginning of the Year | $ 2,180 | $ (318) | $ (33) | $ 1,829 | $ 15,361 |
| Cumulative Effects of Changes in Accounting Policies | | | | | |
| Restated Balance | | | | | |
| Changes during the Year | | | | | |
| Cash Dividends | | | | | (452) |
| Net Income | | | | | 1,267 |
| Reversal of Revaluation Reserve for Land | | | | | 0 |
| Net Changes of Items Other Than Shareholders' Equity | (140) | (100) | (0) | (241) | (241) |
| Total Changes during the Year | (140) | (100) | (0) | (241) | 574 |
| Balance at the End of the Year | $ 2,040 | $ (418) | $ (34) | $ 1,588 | $ 15,935 |

Financial Data:

# Statement of Trust Account

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
Fiscal year ended March 31, 2023 and 2022

| As of March 31 | Millions of Yen 2023 | Millions of Yen 2022 | Millions of U.S. Dollars 2023 |
|---|---|---|---|
| **Assets:** | | | |
| Loans and Bills Discounted (Note 2) | ¥ 2,154,605 | ¥ 2,131,254 | $ 16,135 |
| Securities (Note 3) | 846,569 | 859,127 | 6,339 |
| Beneficiary Rights | 188,494,811 | 182,799,711 | 1,411,523 |
| Securities Held in Custody Accounts | 20,674 | 22,534 | 155 |
| Monetary Claims | 26,147,491 | 25,361,961 | 195,803 |
| Tangible Fixed Assets | 23,154,632 | 21,118,391 | 173,391 |
| Intangible Fixed Assets | 229,624 | 200,412 | 1,720 |
| Other Claims | 9,856,778 | 10,789,374 | 73,811 |
| Loans to Banking Account | 4,332,472 | 4,298,827 | 32,443 |
| Cash and Due from Banks | 988,055 | 633,823 | 7,399 |
| **Total Assets** | ¥ 256,225,715 | ¥ 248,215,419 | $ 1,918,719 |
| **Liabilities:** | | | |
| Money Trusts (Note 4) | ¥ 38,420,310 | ¥ 36,216,311 | $ 287,706 |
| Pension Trusts | 14,043,977 | 14,525,120 | 105,167 |
| Property Formation Benefit Trusts | 18,439 | 18,820 | 138 |
| Securities Investment Trusts | 80,945,517 | 80,405,840 | 606,152 |
| Money in Trust Other Than Money Trusts | 40,257,727 | 39,748,080 | 301,466 |
| Securities in Trust | 23,513,485 | 22,159,577 | 176,078 |
| Money Claims in Trust | 26,400,850 | 25,588,821 | 197,700 |
| Real Estate in Trust | 825 | 876 | 6 |
| Composite Trusts | 32,624,581 | 29,551,969 | 244,306 |
| **Total Liabilities** | ¥ 256,225,715 | ¥ 248,215,419 | $ 1,918,719 |

See Notes to Statements of Trust Account.

# Notes to Statement of Trust Account



## 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, 2023 and 2022, were ¥4,103,478 million (U.S. $30,728 million) and ¥4,052,452 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 ¥133.54 to U.S. $1, the approximate rate of exchange as of March 31, 2023. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen have been rounded down and amounts less than one million U.S. dollars have been rounded off. As a result, the total may not be equal to sum of individual amounts.

The amounts presented in the statements of trust account as of March 31, 2023 and 2022, are for trust accounts in SuMi TRUST Bank.

## 2. Loans and Bills Discounted

Loans as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Loans on Deeds | ¥ 1,709,285 | ¥ 1,685,034 | $ 12,800 |
| Loans on Bills | 445,320 | 446,220 | 3,335 |
| Total | ¥ 2,154,605 | ¥ 2,131,254 | $ 16,135 |

The balances of guaranteed trust account loans as of March 31, 2023 and 2022, stood at ¥10,461 million (U.S. $78 million) and ¥13,316 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, 2023 and 2022, included the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Doubtful Loans | ¥ 59 | ¥ 752 | $ 0 |
| Restructured Loans | 10 | 13 | 0 |
| Total | ¥ 70 | ¥ 765 | $ 1 |

## 3. Securities

Securities held as of March 31, 2023 and 2022, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Government Bonds | ¥ 425,484 | ¥ 401,621 | $ 3,186 |
| Local Government Bonds | 30 | 30 | 0 |
| Corporate Bonds | 35,361 | 40,758 | 265 |
| Stocks | 6,270 | 6,444 | 47 |
| Other Securities | 379,423 | 410,272 | 2,841 |
| Total | ¥ 846,569 | ¥ 859,127 | $ 6,339 |

## 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 |
|---|---|---|---|
| | 2023 | 2022 | 2023 |
| Assets: | | | |
| Loans and Bills Discounted | ¥ 10,461 | ¥ 13,316 | $ 78 |
| Other | 4,093,352 | 4,039,461 | 30,653 |
| Total | ¥ 4,103,814 | ¥ 4,052,778 | $ 30,731 |
| Liabilities: | | | |
| Principal | ¥ 4,103,478 | ¥ 4,052,452 | $ 30,728 |
| Allowance for Impairment of Guaranteed Trust Principal | 11 | 12 | 0 |
| Other | 324 | 313 | 2 |
| Total | ¥ 4,103,814 | ¥ 4,052,778 | $ 30,731 |

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.

# Basel III Disclosure Data

This section outlines matters to be stated in explanatory documents relating to the fiscal year, separately stipulated by the Commissioner of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2014) with regard to the status of capital adequacy, as set forth in Article 19-2, Paragraph1, Item 5-(d) of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No.10, 1982).

The following disclosure, unless otherwise stated, is with respect to Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") as of the end of March 2023.

[Qualitative Disclosure Data: SuMi TRUST Holdings]

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| 4. Funding Liquidity Risk Management | 237 |
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# Sumitomo Mitsui Trust Holdings, Inc.



## 1. Overview of the Risk Management of Sumitomo Mitsui Trust Group

### (1) Basic Policy on Risk Management

Sumitomo Mitsui Trust Group ("SuMi TRUST Group", hereinafter referred to as "the Group") follows a basic policy of accurately assessing risk conditions and implementing necessary measures through a series of risk management activities, including risk identification, evaluation, monitoring, control and mitigation, based on the Group's management policy and basic policy on the internal control system.

The Group's risk management framework encompasses the Risk Appetite Framework (please refer to (3) below) and is linked to functions organically within the Group.

### (2) Risk Management System

#### 1) Risk Governance System

For the group-wide risk governance system, the Group has developed a Three Lines of Defense system consisting of risk management by Individual Group businesses (first line of defense), risk management by the Risk Management Department and individual risk management-related departments (second line of defense), and validation by the Internal Audit Department (third line of defense).

[First Line of Defense]

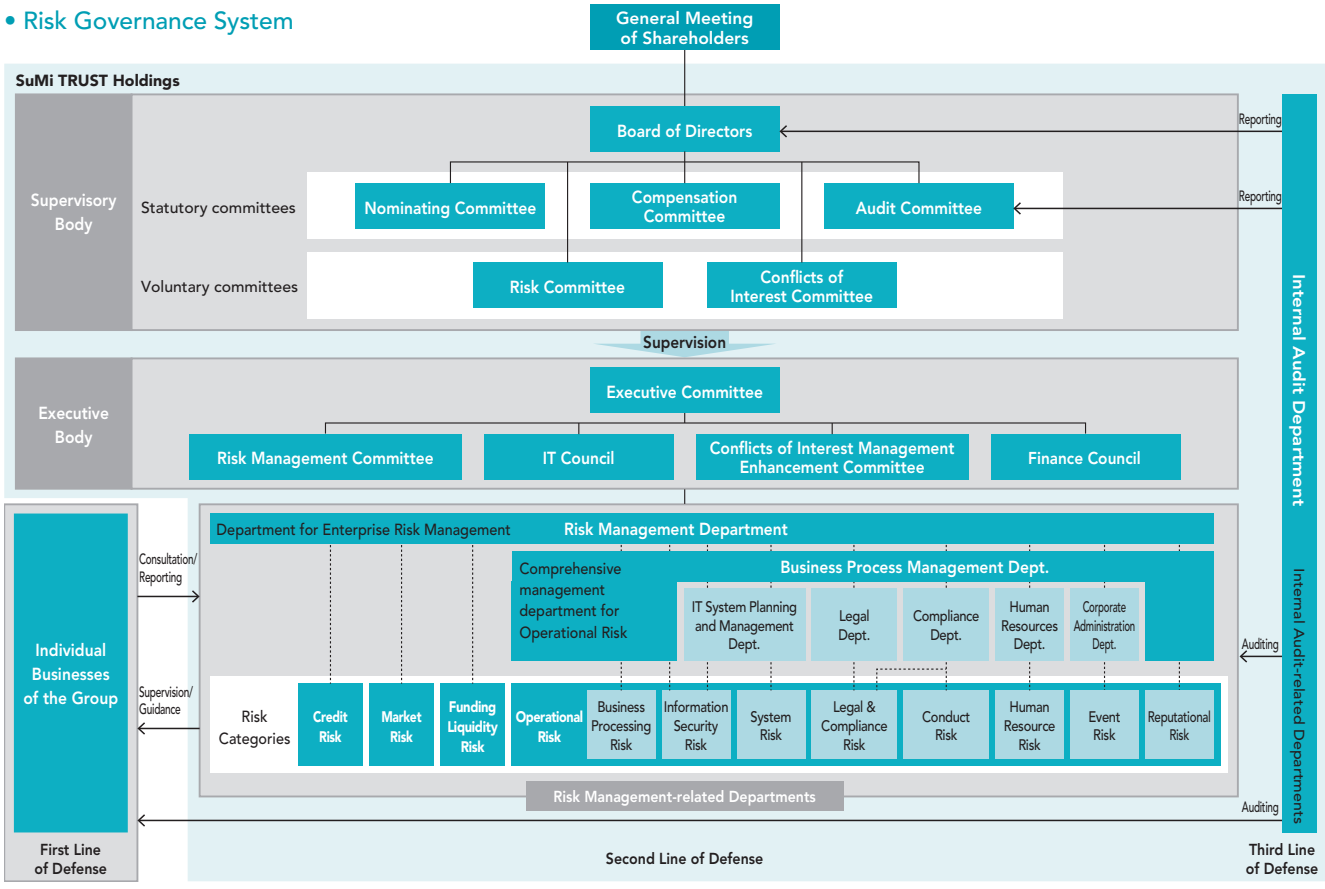
Each Group business identifies and gains an understanding of the risk characteristics involved in carrying out its own business, based on knowledge of the services and products in that business.

Each Group business takes risks within the scope of its risk appetite in accordance with its risk-taking policy, evaluates risks, and swiftly implements risk control at the on-site level when risks that are outside of its risk appetite materialize. In addition, the status of risk management is reported to the second line of defense in a timely manner.

[Second Line of Defense]

In accordance with the Group-wide basic policy on risk management approved by the Board of Directors, as control departments responsible for the management of each risk category, the Risk Management Department and risk management-related departments perform a check and balance function for the risk taking of the first line of defense,

• Risk Governance System



and supervise and provide guidance regarding the risk governance system from an independent standpoint.

The Risk Management Department, as an enterprise risk management department identifies and evaluates group-wide risks, creates a risk management process, and sets risk limits. In addition, it formulates group-wide recovery strategies, in advance, to prepare for cases when risks materialize. Furthermore, it shares information with risk management-related departments appropriately, monitors the overall status of risks and risk management in an integrated manner, and reports the status to the Executive Committee and the Board of Directors.

[Third Line of Defense]

The Internal Audit Department audits the effectiveness and appropriateness of the group-wide risk governance system and processes from a standpoint independent of the first and second lines of defense.

[Executive Committee]

The Executive Committee is composed of representative executive officers and executive officers designated by the President. It makes decisions on matters concerning risk management and undertakes preliminary discussions regarding matters to be resolved by and reported to the Board of Directors.

[Board of Directors]

The Board of Directors is composed of all of the directors. It decides on the Group's management policy and strategic goals for risk taking of the Group, formulates a risk management policy, etc. that reflects these strategic goals based on a solid understanding of where and what risks exist, and develops an appropriate risk governance system and supervises its implementation. The Board of Directors has voluntarily established the Risk Committee and the Conflicts of Interest Committee as advisory bodies, based on the business strategies and risk characteristics of the Group.

[Risk Committee]

The Risk Committee receives requests for consultation from the Board of Directors on matters concerning the recognition of the environment surrounding the Group and the effectiveness of its risk management, etc., reviews their appropriateness, and reports its findings.

[Conflicts of Interest Committee]

The Conflicts of Interest Committee receives requests for consultation from the Board of Directors on matters concerning the Group's fiduciary duties and conflict of interest management, which are the foundation on which the Group seeks to become the "Best Partner" of its clients based on a fiduciary spirit, reviews their appropriateness, and reports its findings.

2) Risk Management Process

In the Group, the Risk Management Department and individual risk management-related departments act as the second line of defense, performing risk management using the following procedure. This risk management process, along with its associated systems, undergoes regular auditing by the Internal Audit Department, which acts as the third line of defense.

[Risk Identification]

The risks faced by the Group are comprehensively identified, while ensuring the comprehensiveness of the Group's operations and the risks to be managed are identified based on the size and characteristics of the identified risks. Among those risks, risks that are particularly important are managed as material risks.

[Risk Evaluation]

The risks identified as requiring management undergo analysis, evaluation, and measurement in a manner appropriate for the scale, characteristics, and risk profiles of each of the Group's businesses. Among those risks, we periodically evaluate material risks in terms of frequency of occurrence, degree of impact, and severity to determine whether they can be classified as "top risks" (risks that require management attention due to their potential to have a material impact on the Group's business capabilities and earnings targets within one year) or "emerging risks" (risks that could have a material impact in the medium to long term; i.e., after one year).

[Risk Monitoring]

After setting KRIs*1 and other indicators, risk conditions are monitored with appropriate frequency, given the conditions of the Group's internal environment (risk profiles, allocated capital usage status, etc.) and external environment (economy, markets, etc.). Recommendations, guidance, and advice are given to each of the Group's businesses based on the risk conditions. Monitoring results are reported and submitted to the Board of Directors, the Executive Committee, and other bodies regularly or as needed*2.

*1 KRI: Key Risk Indicator

*2 The information on risks is reported to the Executive Committee and the Board of Directors on a monthly or quarterly basis according to its content. The information on risks to be reported is created by using internal databases, and risk measurement systems, etc. The Group is developing and advancing management information systems while complying with the "Principles for Risk Data Aggregation" of the Basel Committee on Banking Supervision.

• Main Items to Be Reported to the Board of Directors and Executive Committee

| Frequency | Contents to be reported |
|---|---|
| Monthly | Comprehensive risk situation (including whether the risk amount is within the limit)<br>⇒Specifically, the amount of risk, usage of allocated capital, the amount of regulatory risk, and risk appetite situation, etc., for each business and each risk category are reported. |
| Quarterly | 1) Status of the external environment, including the economic circulation, 2) whether the risk amount is within the limit, the risk profile, and its trend, 3) the progress and evaluation of risk management plans, etc.<br>⇒Specifically, the status of top risk, etc., as well as items to be reported monthly are reported. |

[Risk Control and Mitigation]

If any events that could have a significant impact on the soundness of management occurs, such as the risk amounts exceeding the acceptable range of risk appetite or risk limits, or the existence of concerns that it might do so, appropriate reports are presented to the Board of Directors, the Executive Committee, and other bodies, and the necessary countermeasures are implemented according to the severity of the risk.

[Risk predictor management for top risks, etc.]

We select top risks, emerging risks, and others, based on the features of the business model and risk characteristics of the Group.

We set risk appetite indicators for risks resulting from internal factors and early warning indicators for risks resulting from external factors for monitoring purpose.

■ Main top risks and emerging risks

| |
|---|
| Risks related to falling prices for strategic shareholdings, etc. |
| Risks related to concentration of credit in major obligors in the credit portfolio |
| Risks related to cyber attacks |
| Risks related to climate change |
| Risks related to the manifestation of geopolitical risk (e.g., Ukraine crisis) |
| Risks related to innovation |
| Risks related to Japan's declining birthrate and aging population |

## (3) Risk Appetite

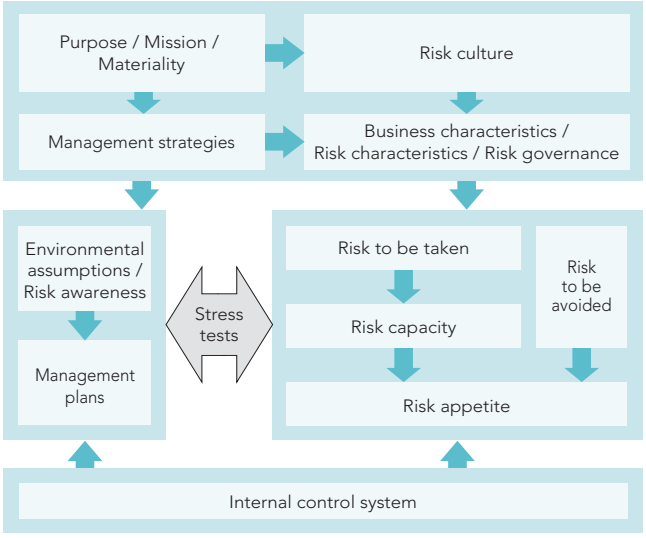
### 1) Outline of the Risk Appetite Framework

The Risk Appetite Framework is a group-wide corporate management framework consisting of the process for determining risk appetite within the Group's risk capacity, together with an internal control system that monitors the process and ensures its appropriateness and sufficiency, in order to achieve management strategies formulated based on the Group's Purpose, Mission, Materiality and others.

With the primary objective of balancing improvement in profitability with enhancement of risk management, the Group's Risk Appetite Framework establishes communication processes through the setting, propagation, and monitoring of risk appetite and promotes the improvement of transparency in the decision-making process, the optimization of the allocation of management resources, and the strengthening of the monitoring system for risk-taking overall.

Through the above, the Group is promoting the enhancement of risk governance, which forms a part of corporate governance, with the aim to achieve sound and sustainable development through the value creation process by implementing and upgrading the Risk Appetite Framework.

• Overview of the Risk Appetite Framework




### 2) Risk Appetite Operation

#### A. Determining Risk Appetite Target

The Group classifies risks into two categories: (1) risks to be taken (that occurs in relation to activities that generate returns) and (2) risks to be avoided (such as conduct risk that cannot be tolerated by the Group).

Under the Group's Risk Appetite Framework, the Board of Directors establishes a risk-taking policy, based on the Purpose and others, and sets risk appetite indicators taking the results of stress tests into account. In addition, the Executive Committee sets a detailed risk-taking policy and risk appetite indicators for each business type within the scope of the policy set by the Board of Directors. The Group maintains the Risk Appetite Statement to clarify the overall picture, policy, and indicators of the Risk Appetite Framework.

The risk-taking policy and risk appetite indicators are determined in a manner consistent with the management plan, and are reviewed at least once a year or when necessary.

B. Risk Appetite Monitoring

The Group sets risk appetite indicators from the three perspectives of return, risk, and cost, and regularly monitors and verifies that risk taking is conducted appropriately.

In addition, we set risk appetite indicators for each materiality to monitor actions to address material issues in order to ensure that the value creation process is functioning appropriately, and that financial and non-financial capital are circulating.

If the risk appetite indicators deviate from the set levels, the Group analyzes the cause and implements countermeasures or reconsiders the levels of risk taking.

**(4) Fostering and Instilling a Risk Culture**

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

We define risk-taking policies for each Group business when formulating its management plan, and encourage appropriate risk-taking by all directors, officers and employees.

In this way, the Group aims to build sustainable business models that contribute to enhancing corporate value and stakeholder value, and strives to get risk culture understood and embraced through e-Learning and discussion-based training, etc., to foster risk culture and get it rooted across the Group.

**(5) Risk Characteristics**

Based on a fiduciary spirit, and leveraging its significant expertise and comprehensive capabilities, the Group, as a trust group, strives to create distinct value through a total solution business model that combines its banking, asset management and asset administration, real estate businesses and others.

Each of the Group's businesses faces various risks, including credit risk, market risk, funding liquidity risk, and operational risk, depending on its business characteristics.

In this context, as a basis for improving management of risks related to trust business operations, we have established the Group-wide Trust Business Guidelines to provide information about basic matters that warrant caution. SuMi TRUST Bank primarily manages these risks in the operational risk category, particularly in terms of its duty of due care as a prudent manager, duty of loyalty, and duty to segregate property as a trustee.

With regards to conduct risk as well, SuMi TRUST Bank, which is the core of the Group, periodically assesses the status of major risks and strives to promote and foster awareness among directors, officers and employees through internal training, etc., thereby reducing and managing risks and preventing them from materializing.

• Risk Definition

| Risk Category | Definition |
|---|---|
| Credit Risk | Risk that the Group may incur losses due to a decrease or impairment of the value of assets (including off-balance sheet assets), for reasons such as deterioration of the financial condition of obligors. In this regard, "country risk" in particular refers to the risk that the Group may incur losses on credit provided overseas, due to the foreign exchange, political, or economic conditions in the country where our clients operate. |
| Market Risk | Risk that the Group may incur 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. In this regard, "market liquidity risk" in particular refers to the risk that the Group may incur losses due to a situation in which it becomes impossible to conduct transactions in the market, or becomes obligatory to trade at prices that are significantly more disadvantageous than usual, due to market turmoil. |
| Funding Liquidity Risk | Risk that the Group may incur losses in a situation where it becomes impossible to secure necessary funds, or becomes obligatory to raise funds at interest rates significantly higher than usual. |
| Operational Risk (Below are "risk sub-categories" within Operational Risk) | Risk that may adversely affect the Group, clients, markets, financial infrastructure, society, or the work environment due to inadequate or failed business processes, the activities of executives and employees, computer systems, or due to external events. |
| Business Processing Risk | Risk that the Group may incur losses due to inappropriate business procedures arising from executives and employees neglecting to engage in proper business activities, or other incidents such as accidents or fraud. |
| System Risk | Risk that the Group may incur losses due to reasons such as computer system failures, malfunctions, and defects, as well as the risk that the Group may incur losses due to unauthorized computer usage. |
| Information Security Risk | Risk that the Group may incur losses due to the improper management or maintenance of information assets. This includes information leaks, information errors, and misuse of information, as well as an inability to use the information system. |
| Legal & Compliance Risk | Risk that the Group may incur losses due to uncertainty regarding the legal aspects of transactions, or due to insufficient compliance with laws, regulations, etc. |
| Conduct Risk | Risk that may adversely affect the Group, clients, markets, financial infrastructure, society, or the work environment due to the actions of Group companies, executives, or employees that are unprofessional or do not meet the expectations and trust of stakeholders*.<br>* Appropriate service level set by the Group based on an understanding of reasonable expectations |
| Human Resource Risk | Risk that the Group may incur losses due to personnel and labor management issues, such as unequal or unfair management of personnel, and harassment. |
| Event Risk | Risk that the Group may incur losses due to external events that impair business, such as natural disasters, crimes such as terrorism, damage to public infrastructure that prevents its functioning, and the spread of infectious diseases, or due to the inappropriate use or management of tangible assets. |
| Reputational Risk | Risk that the Group may incur losses as a result of a deterioration of the reputation of SuMi TRUST Holdings or its subsidiaries, due to reasons such as mass media reports, rumors, or speculation. |

## (6) Enterprise Risk Management

### 1) Enterprise Risk Management System

We manage risks by comprehensively ascertaining the risks faced by the Group, which are evaluated on an individual risk category basis, and comparing and contrasting them against our corporate strength i.e. capital adequacy (enterprise risk management).

We evaluate the effectiveness of our risk management and risk control annually, and when a need arises due to changes in the business environment or other circumstances, we will consider revisions to our risk category system, risk management system, and other policies.

Among the risks we manage through our enterprise risk management, we aggregate risks that can be quantitatively measured using a single yardstick, such as VaR*, and compare aggregated risk value against our corporate strength i.e. capital adequacy, thereby managing risks (integrated risk management).

*VaR: Value at Risk

• Overview of Risk Measurement Approaches in Integrated Risk Management

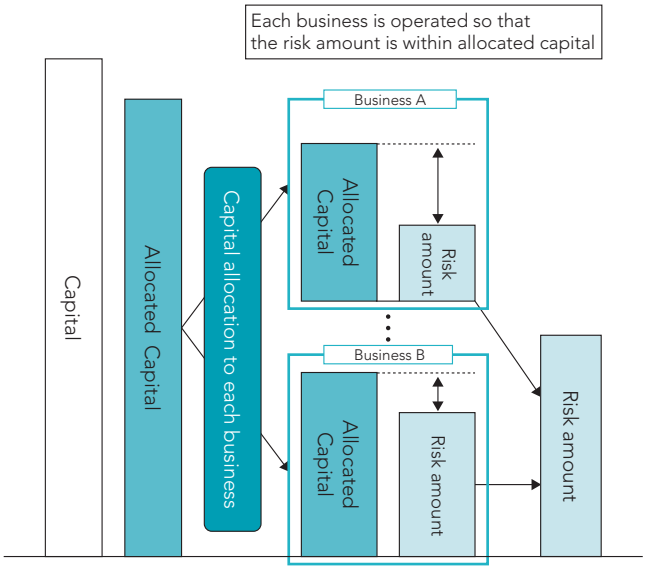
| Risk category | Main scope | Main measurement approaches |
|---|---|---|
| Credit risk | Assets such as loans and bills discounted (including off-balance transactions) | Monte Carlo Simulation Method |
| Market risk | Risks related to trading accounts, banking accounts' interest rates, foreign exchange, stocks, commodities, and credit spreads (including off-balance transactions) | Historical Simulation Method |
| Operational risk | Business processes, the activities of executives and employees, and computer systems, etc. | Monte Carlo Simulation Method |

### 2) Capital Allocation Operations

For the purpose of the Group's capital allocation operations, SuMi TRUST Holdings allocates capital to each Group business for each risk category (credit risk, market risk, and operational risk) in consideration of the external environment, risk-return performance status, scenario analysis, and the results of assessments of capital adequacy level. The capital allocation plan is subject to the approval of the Board of Directors. Capital allocation levels are determined based on the Group's risk appetite.

Each Group business is operated within both the allocated amount of risk capital and its risk appetite. The Risk Management Department measures risk amounts on a monthly basis, and reports regularly on the risk status, compared to the allocated capital and risk appetite, to the Board of Directors, and others.

• Capital Allocation Scheme




### 3) Stress Tests and Assessment of Capital Adequacy Level

The Risk Management Department performs three types of stress tests (hypothetical scenario stress testing, historical scenario stress testing, and examination of probability of occurrence) each time a capital allocation plan is formulated or reviewed, with the aim of ensuring capital adequacy from the standpoint of depositor protection. Based on the results of these stress tests, it assesses the level of capital adequacy, and reports to the Board of Directors, and others.

- **Hypothetical Scenario Stress Testing**
  Assessment of capital adequacy level by formulating a stress scenario that has a sufficiently strong impact and a realistic probability of occurrence and then estimating capital adequacy ratio, etc. in times of stress.
- **Historical Scenario Stress Testing**
  Assessment of capital adequacy level through estimation of capital adequacy ratio, etc. in times of stress using parameters from stress times that had occurred in the past.
- **Examination of Probability of Occurrence**
  Assessment of capital adequacy level by comparing the risk with 99.9% confidence interval with total capital defined under capital regulatory standards.

### • Stress Test Framework

| | |
|---|---|
| 1) Formulating a scenario proposal | Formulate multiple proposals for future "hypothetical scenarios," "historical scenarios" in past events, etc. |
| 2) Scenario discussion and selection | Scenarios are discussed and selected at the meetings of committees, etc. attended by executives. |
| 3) Impact evaluation | Estimate the impact when the selected scenario occurs, and carry out assessment of capital adequacy level and other assessments. |
| 4) Reporting to the Board of Directors and others | Receive the report on assessment results and utilize it in formulating a management plan. |

### (7) Compliance with the Basel Standards

The Basel rules, which are the international standard rules regarding the soundness of banks, consist of "the first pillar," which defines the minimum capital requirements such as capital regulatory standards, "the second pillar," which regulates the inspection on self-management and supervision of financial institutions, and "the third pillar," which regulates market discipline, which is subject to market evaluation based on appropriate disclosure.

Basel II was implemented in Japan at the end of March 2007. Since the end of March 2013, Basel III has been implemented in a phased manner. Basel III is composed of capital regulatory standards, leverage ratio regulations, and liquidity ratio regulations, for improving the quality and amount of capital, strengthening risk identification, etc.

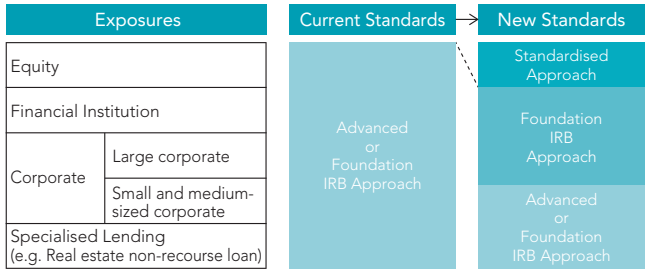
In this context, as part of the Group's efforts to advance its risk management, we have been applying Advanced Measurement Approach to operational risks since the end of March 2014 and Advanced Internal Ratings-Based (AIRB) Approach to credit risks since the end of March 2015, both in compliance with the capital regulatory standards. In addition, liquidity coverage ratio was added to the first pillar at the end of March 2015 as part of the liquidity ratio regulations, followed by leverage ratio at the end of March 2019 and net stable funding ratio at the end of September 2021 as part of the liquidity ratio regulations. The Group complies with these regulations.

Moreover, in December 2015, the Group was designated as one of Domestic Systemically Important Banks (D-SIBs), which is the "domestic version" of Global Systemically Important Banks (G-SIBs) specified by the Financial Stability Board (FSB), and is subject to the 0.5% surcharge defined under capital regulatory standards.

After implementing Basel III, the Basel Committee on Banking Supervision has been continually reviewing capital regulatory standards. To ensure appropriate risk sensitivity, simplicity and comparability of regulations, the Committee made the final agreement to make revisions related to a risk-weighted assets measurement approach, which is the denominator of capital adequacy ratio, in December 2017. While partially constraining the use of internally-modelled approaches by banks, the Committee adopted capital floors based on standardised approaches in order to prevent the undervaluation of risk-weighted assets based on internal models.

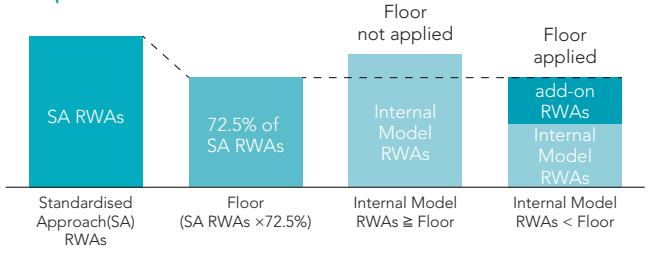
Financial institutions subject to international standards in Japan will be required to introduce the finalized Basel III framework in 2024. In April 2022, the Notification of Financial Services Agency that defines regulatory standards in Japan was announced. The Group will therefore continue to improve its risk management structure in preparation for the introduction of the new regulations by establishing a risk-asset calculation system compliant with the new regulatory requirements and by considering a portfolio management methodology based on appropriate profitability control, among other measures.

### • Regulatory Reform of Risk-weighted Assets Measurement Approach for Credit Risk




- Standardised Approach: Supervisory risk weight according to external credit ratings
- Foundation IRB Approach: Risk weight calculated based on banks' own estimates of probability of default (PD)
- Advanced IRB Approach: Risk weight calculated based on banks' own estimates of probability of default (PD) and loss given default (LGD)

### • Capital Floor Structure




- In the case where 72.5%* of SA RWAs (Floor) is larger than internal model RWAs, Add-on RWAs are charged.

* Capital Floor will be subject to a five-year linear phase-in arrangement from the date of implementation of new standards. The applicable multiplier will start at 50% and increase by 5% at the end of each year until the end of Year 5, and it will eventually reach 72.5%.

As for the third pillar, from the end of March 2018, the adoption of common disclosure templates for internationally active banks, and the enhancement of disclosure items have been implemented to offer necessary information that

is sufficiently comparable to all market participants. After the introduction of the new regulations described above, the contents of our disclosures will be further enhanced.

**(8) Crisis Management**

The Group strives to develop systems to swiftly and appropriately implement measures in the event of disasters, large-scale computer system failures, outbreaks of new infectious diseases, and the like, which are rooted in its public mission and social responsibilities as a financial institution.

In the event of a crisis, an emergency response headquarters led by the President will be established to ensure the safety of our clients, directors, officers, employees, and their families as a top priority.

Further, we have BCPs (business continuity plans) in place to continue to provide services in the event of a crisis. In order to ensure the effectiveness of our BCPs, we periodically conduct exercises and revise their content.

In particular, we have been working to develop and enhance alternative systems, such as backup offices and backup systems, to prepare for large-scale disasters. In order to prepare for the outbreak and spread of new infectious diseases, we are striving to prevent the spread of infection and maintain our functions as a social infrastructure by using our experience in dealing with the COVID-19 pandemic such as further enhancing and utilizing the teleworking environments, etc.

We have designated addressing cyberattacks, which are causing damage throughout society, as a top risk, and we are planning and promoting our cyber security measures at the initiative of management through the formulation of the "Cyber Security Management Declaration."

- We have established SuMiTRUST-CSIRT* as a specialized organization for cybersecurity measures, and have built a management framework that collects and analyzes threat and vulnerability information from within and outside the Group, plans and implements security measures, and reports to management. We are also promoting the upgrading of security measures through security review meetings and our IT Council, as well as by utilizing outside expertise.
- The Group has established internal rules and regulations based on U.S. security standards, and has developed processes for responding to cyberattacks both in normal times and in emergency situations.
- In addition to conducting cybersecurity risk assessments and system vulnerability assessments on a regular basis for the Group, including its subsidiaries and affiliates, we are promoting the standardization of cybersecurity rules and regulations to enhance and standardize the cybersecurity framework for the Group as a whole.

* CSIRT (Computer Security Incident Response Team): In-house organization that collects, analyzes, and responds to early warning information about attacks.

## 2. Credit Risk Management

**(1) Definition of Credit Risk**

Credit risk is defined as the "risk resulting in losses incurred by the Group due to a decrease or impairment in value of an asset (including off-balance sheet assets) owing to such reasons as deterioration in the financial condition of an obligor." Of this, country risk in particular means "risk resulting in losses incurred by the Group on credit provided overseas, due to foreign exchange rates or political and economic conditions of the country of the obligor."

**(2) Characteristics of Credit Risk**

Credit risk is the most fundamental risk concerning the basic function of finance – "credit creation function" – and it is one of the most significant risks that are borne by the Group in performing banking operations.

Major risk among the credit risks for the Group is the risk of a large amount of loan-loss (or the provision for the allowance) being generated through default or credit deterioration of our major obligors. To control the "credit concentration risk" arising from the credit concentration to specific corporate groups, and "chain-reacting default risk" arising from the credit concentration to specific regions, industries, etc., the Group strives to appropriately control the risks by setting the credit guideline amounts based on obligor ratings and country ratings, and monitoring the balance of credit and risk assets specific to industries, etc.

**(3) Credit Risk Management Policy**

The basic policy of the Group's credit risk management is "stricter management of individual credit" and "credit portfolio diversification." Regarding the former, we make our individual credit management more precise through our screening and investigation of each transaction, asset assessment, and credit ratings that we assign internally. Regarding the latter, we endeavor to mitigate the concentration risk by managing diversification of our credit portfolio as a whole according to the industries and countries incorporating major obligors. Additionally, we regularly measure the credit risk amount in order to quantitatively grasp the possibility of the loss of portfolio.

Also, we maintain "risk-return adjustment" by reflecting the profit level established after taking into consideration the projected loss ratio and overhead ratio per credit rating on

the transaction terms of individual transactions, to secure the profit margin (spread) proportionate to the risks.

Incidentally, the Group's credit risk management covers not only credit transactions via banking accounts, but also the transactions with trust accounts with a principal guaranteed contract.

### (4) Credit Risk Management System

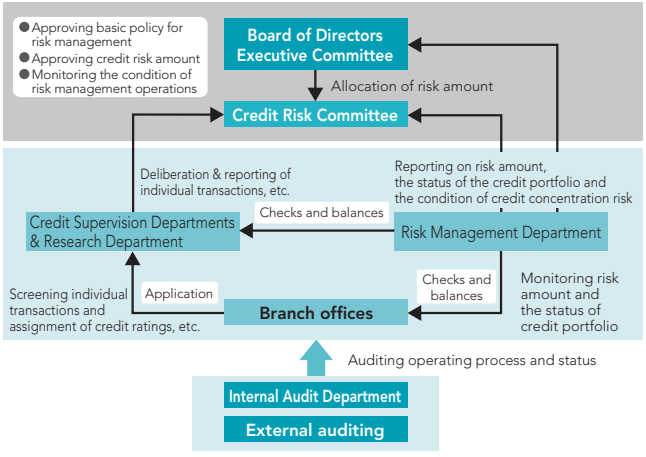
In addition to supervising credit risk management of the entire Group, SuMi TRUST Holdings also works to maintain and establish the systems at each of the Group companies. SuMi TRUST Bank, which is the Group's core bank, maintains the risk management system at the consolidated and global levels in order to manage credit risk.

At SuMi TRUST Bank, the Credit Risk Committee, which is the management-level meeting, establishes credit strategies and credit risk management plans once yearly. The established plans are further submitted to the Executive Committee and the Board of Directors for discussion and resolution (approval) to decide important matters regarding risk management. The Credit Risk Committee is called regularly to discuss the basic policy for credit operations, and important matters concerning individual investments and loans transactions, as well as trust transactions. By controlling credit risk, it is working to secure the revenue while keeping an eye on the soundness of assets.

The Risk Management Department, operating as a credit risk management section, manages the portfolio through credit concentration risk management and credit risk amount measuring; manages and inspects the asset assessment and write-offs and allowances for loan losses systems; manages the internal rating system; and inspects the appropriateness of the rating systems and parameters. The details of monitoring and the risk control measures for credit risk, such as the status of the portfolio, credit risk amount, status of rating fluctuation, and the management status of credit limit amounts, are reported to the Credit Risk Committee each month, and to the Executive Committee once a quarter.

The branch offices apply for the granting of individual transactions and ratings to the credit supervision departments and the research department. The credit supervision departments screen individual transactions, while the research department undertakes industrial research and the creditworthiness research of individual corporations. The Risk Management Department keeps the initiatives of these departments in check. The Internal Audit Department, which is independent from the other departments, audits the internal management system for each of the processes to inspect the appropriateness and effectiveness of the risk management system.

• Credit Risk Management System




### (5) Credit Risk Management Method

In order to manage the credit risk appropriately, the Group strives to construct and maintain a sound portfolio via the two mutually-complementing approaches: "individual credit management" – managing each individual transaction through credit screening at entry point and mid-term monitoring management – and "credit portfolio management" –analyzing and evaluating risk concentration conditions to the specific types of industry, regions, certain corporate groups, etc., while regarding the whole credit as a single lump portfolio to manage them from a macro viewpoint.

#### 1) Credit Rating, Asset Assessment and Write-Offs and Allowances for Loan Losses

#### A. Credit Rating

"Credit rating" indicates, in a graded manner, a client's credit condition and the possibility of default/loss, and serves as the basis for the screening of individual transactions and credit portfolio management. There are several different types of credit ratings: "obligor rating" aimed at corporations including sovereigns and financial institutions; "structured rating" aimed at structured finances such as real estate non-recourse loans; and "facility rating" indicating the possibility of loss per transaction. For the details of SuMi TRUST Bank's internal rating system, please refer to 2 (6) "Internal Rating System."

### B. Asset Assessment

Asset assessment signifies the classification of the contents of the Group's assets through individually screening them into graded levels of recovery risk and value damage risk, as part of the preparatory process for write-offs and allowances for loan losses. At SuMi TRUST Bank, all assets in banking accounts and the trust accounts with a principal guaranteed contract are put through asset assessment as a general rule and as for clients, their "obligor categorization" based on their repayment capability according to financial condition, funding liquidity, profitability, etc., is determined each time their financial results are disclosed and/or whenever a situation that might affect their creditworthiness arises. Additionally, the "categorization" of each asset is determined once a quarter based on the result of the obligor categorization, security condition, etc., and this is reflected in the write-offs and allowances for loan losses appropriately as well as utilized in the management of credit risk.

### C. Relationship Between Credit Rating and Asset Assessment

The two systems – credit rating and asset assessment – are operated with shared financial data on the clients that serve as the basis for mutually securing consistency. We are able to correctly assess the soundness of our credit portfolio by operating the two systems that enable us to grasp the clients' creditworthiness in a timely and appropriate manner.

### D. Write-offs and Allowances for Loan Losses

Write-offs and allowances for loan losses signify the act of disposing losses of the appropriate amount in the quarterly settlement of accounts through timely and reasonable estimation of the amount of losses in the future by a

## • Tables of Credit Rating, Asset Assessment and Disclosed Non-performing Loans

<table>
<tr><th colspan="2">Credit rating</th><th colspan="4">Asset assessment</th><th rowspan="2">Classification of non-performing loans based on the Financial Revitalization Act</th><th rowspan="2">Classification of risk management loan</th></tr>
<tr><th>Rating Rank*</th><th>Definition</th><th>Obligor category</th><th>Definition</th><th>Asset Classification</th><th>Definition</th></tr>
<tr><td>1</td><td>Highest credibility of payment of principal and interest</td><td rowspan="5">Sound Obligor</td><td rowspan="5">Obligor that is operationally and financially sound</td><td rowspan="5">Class I (unclassified)</td><td rowspan="5">Assets with no risk of collection or no risk of impairment of the asset value</td><td rowspan="6">Normal Claims</td><td rowspan="6">Normal Claims</td></tr>
<tr><td>2</td><td>Very high credibility of payment of principal and interest</td></tr>
<tr><td>3</td><td>High credibility of payment of principal and interest, but prone to be affected by the worsening business environment, etc.</td></tr>
<tr><td>4</td><td>Perceived credibility of payment of principal and interest, but with declining potential</td></tr>
<tr><td>5</td><td>No problem for credibility of payment of principal and interest at present but with potentiality of declining by deterioration of business environment, etc.</td></tr>
<tr><td>6</td><td>Capable for principal and interest payment, but with potentiality of losing the ability if the business environment is deteriorated, etc.</td></tr>
<tr><td>7</td><td>Obligor categorized as "Sub-Performing Obligor" in asset assessment and higher attention is required because of its sluggish and unstable operating performance, weak financial condition, etc.</td><td>Sub-Performing Obligor</td><td>Obligor required attention for monitoring because of following situations<br>• Obligor with delinquency on obligations (payment of principal or interest)<br>• Obligor with operational or financial problems</td><td rowspan="3">Class II</td><td rowspan="3">Assets with higher-than-acceptable level of risk of collection</td><td rowspan="2">Claims against Sub-Performing Obligors with Delinquent/ Restructured Debt</td><td rowspan="2">Claims against Sub-Performing Obligors with Delinquent/ Restructured Debt</td></tr>
<tr><td>8</td><td>Obligor categorized as "Sub-Performing Obligor" in asset assessment and careful attention is required because of its extremely deteriorated financial condition, etc.</td><td>Sub-Performing Obligor with Delinquent / Restructured debt</td><td>Obligor with debt past due three or more months and / or restructured debt</td><td rowspan="2">Substandard Claims</td><td>Restructured Loans</td></tr>
<tr><td>9</td><td>Obligor categorized as "Possibly Insolvent Obligor" in asset assessment</td><td>Possibly Insolvent Obligor</td><td>Obligor with high probability of bankruptcy in the future due to significantly weak business conditions and unfavorable progress of business restructuring plan</td><td>Class III</td><td>Assets with high potential of impairment or loss, whose rational estimate of loss amount is difficult</td><td>Doubtful Claims</td><td>Loans Past Due Three Months or More<br>Doubtful Claims</td></tr>
<tr><td rowspan="2">10</td><td rowspan="2">Obligor categorized as either "Substantially Insolvent Obligor" or "Bankrupt / Insolvent Obligor" in asset assessment or bankruptcy is occurred</td><td>Substantially Insolvent Obligor</td><td>Obligor, not legally or formally bankrupt, but virtually bankrupt</td><td rowspan="2">Class IV</td><td rowspan="2">Assets regarded uncollectible or worthless</td><td rowspan="2">Bankrupt and substantially bankrupt Claims</td><td rowspan="2">Bankrupt and substantially bankrupt Claims</td></tr>
<tr><td>Bankrupt / Insolvent Obligor</td><td>Obligor entering corporate reorganization, liquidation or other statutory procedures</td></tr>
</table>

* As for obligor ratings and structured ratings, we subdivide them further as necessary (e.g. 5+, 5, 5-, etc.).

track record of loan-loss, etc., based on the result of asset assessment. For the overview of SuMi TRUST Bank's allowances for loan losses and write-off criteria, please refer to page 138 "(5) Allowance for Loan Losses" of "4. Significant Accounting Policies."

E. Disclosure of Non-performing Loans

Non-performing loans to be disclosed include the risk management loans based on the Banking Act, and non-performing loans based on the Financial Revitalization Act.

As seen in the "Tables of Credit Rating, Asset Assessment and Disclosed Non-performing Loans" above, they are aggregated according to the obligor categorizations through asset assessment.

Most of the overdue loans with a delinquency period of three months or more are classified as "Doubtful Claims" or lower based on the Financial Revitalization Act. However, loans that are delinquent for up to roughly six months are not necessarily classified as "Doubtful Claims" or lower if there is little concern that the delinquency period will lengthen.

2) Credit Concentration Risk Management

Based on our belief that grasping the exposure of each client is the basis of credit risk management, we uniformly manage the transactions such as loans, investments and off-balance transactions, and monitor the status of observance of credit limit set against each of the segments (specific corporate groups, industries, countries of the location, etc.). We also regularly examine the impact of the materializing risks to major clients and industry diversification.

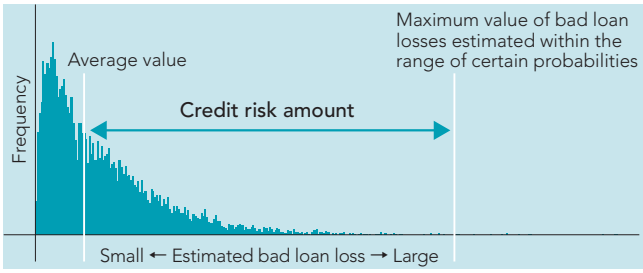
Based on our various client management systems, we micro-manage the credit conditions, credit balance, trading conditions, etc., of each clients.

3) Credit Risk Quantification

With our credit risk quantification, we quantitatively grasp the potentiality of banks' assets being affected by losses by loan losses over the coming year, and based on the estimation values such as probability of default (PD) and loss given default (LGD) per rating, measure the difference between maximum loan losses (maximum possible amount of loss within the scope of given probabilities) and expected loan losses (the mean value of losses) as credit risk amount.

At SuMi TRUST Bank, we employ the "Monte Carlo Simulation Method" to depict the distribution of loss amount: we run numerous potential scenarios (100,000 cases) as our risk measurement method to estimate the maximum loss via loss severity distribution (please refer to "Credit Risk Amount" below).

• Credit Risk Amount




In measuring them, we take the correlation between individual assets into consideration; therefore our computed credit risk amount is able to reflect not only the quality of individual assets, but also the diversification effect of our credit portfolio as a whole. By monitoring credit risk amount regularly, we aim to grasp the conditions of "credit portfolio diversification" and "stricter management of individual credit" and check the appropriateness of capital rationing as well as the soundness of business operation.

SuMi TRUST Bank also strives to advance the risk measurement and the scenario setting to suit the characteristics of individual assets.

**(6) Internal Rating System**

1) Overview of the Internal Rating System

The internal rating system of SuMi TRUST Bank which is the Group's core bank, is designed to ensure the accurate evaluation process of financial assets held based on its risk management policies, and to assist in its revenue management and credit risk management. The system in turn consists of a credit rating system and a credit pool management system.

The credit rating system is broadly classified into the Japanese rating system (Japanese credit rating) and the Non-Japanese rating system (Non-Japanese credit rating), and each system comprises obligor ratings that reflect the PD of ordinary corporations; structured ratings that show the potentiality of real estate non-recourse loans and occurrence of default in project finances, etc.; and facility ratings that show the potentiality of occurrence of loss taking guarantees, collateral, credit terms, etc., of each facility into consideration.

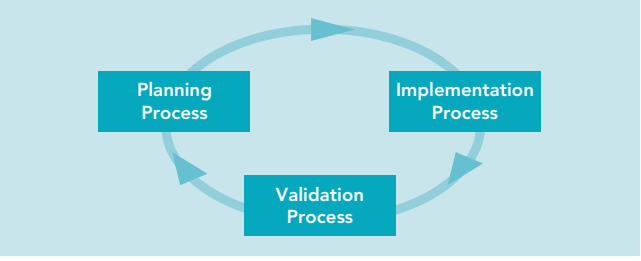
Credit pool management system is designed to manage small-lot loans to individuals – such as mortgage loan and card loans – as transaction groups (pools) with similar risk characteristics. Credit pool classifications are compiled

using products, clients, transaction details, security condition, delinquency status, etc. as indicators, and they include the mortgage loan pool with related company guarantees and business use loan pool.

### 2) Operation of the Internal Rating System

The process of the assignment of credit ratings, etc. comprises the "planning process" in which the definition of credit ratings, etc., and the procedures and criteria (credit rating policies) are drawn up, the "implementation process" in which the credit rating assignment criteria and credit pool allotment criteria are appropriately implemented, and the "validation process" in which the appropriateness and objectivity of credit ratings, etc., are ensured.

• Administration Process of Credit Ratings




#### A. Planning Process

The planning process is a process to formulate models such as specific credit rating assignment criteria, credit pool classification, and "credit rating models" to ensure the objectivity of our internal rating systems, and is carried out by the credit risk management sections.

**[Process of Model Introduction (for Credit Rating Models)]**

A credit rating model is a tool to statistically estimate the rating ranks corresponding to the PD (probability of default) of the clients using their financial indicators, etc.

When introducing the credit rating models developed by the Group, such as those aimed at the domestic corporations, the following process is followed:

First, the credit risk management sections develop a model and the development process and the verification details are compiled in a document (model description document*). Then the document is verified by the persons in charge but independent from the development project section of the same departments. In addition, the Internal Audit Department audits the document and confirms the validity of the development and validation process.

Meanwhile, when applying the credit rating models developed by external credit rating agencies, etc., such as those aimed at the overseas corporations, the following process is followed:

The credit risk management sections verify said model and put the findings into a document. Then the Internal Audit Department audits the document and confirms the validity of the validation process.

The performances of these models, etc. are also verified as part of the internal rating system annual reviews, and their outlines are reported to both the Credit Risk Committee and the Executive Committee.

* Model description document: a document detailing the contents such as the logic behind the model development, estimation methods, data employed, method of selecting parameters (financial indicators), and performance verification of the developed model (comparison with old models)

#### B. Implementation Process

During the implementation process, assignment of credit ratings and allotment of credit pool classifications are carried out following the criteria determined during the planning process. The assignment of credit ratings and the allotment of credit pool classifications are carried out by the research department and the Business Management Department as the "implementation departments." The actual process of implementing the credit ratings comprises new assignment, regular review of at least once a year, and monthly reviews, to help the credit ratings to be reviewed at the right time according to the fluctuation in the clients' creditworthiness.

Credit ratings are granted as a combination of "quantitative assessment" and "qualitative assessment." "Quantitative assessment" is an evaluation based on the credit rating models, etc., while the "qualitative assessment" is a human evaluation (by expert judgement). Because credit ratings are evaluated as a combination of "quantitative assessment" and "qualitative assessment," ultimately monitoring the objectivity of "qualitative assessment" by expert judgement, etc., becomes important in securing the appropriateness of the ratings.

At SuMi TRUST Bank, the credit risk management sections monitor if the assignment of credit ratings by the implementation departments is carried out appropriately according to the criteria, and this monitoring function ensures the appropriateness of the implementation process as a whole, including the expert judges' objectivity.

• Implementation Process of Credit Ratings




C. Validation Process

In order to ensure the objectivities of credit ratings, etc., and the credit rating models, as well as the appropriateness of their results, the credit risk management sections carry out a validation process annually in the name of the validation department.

In carrying out the validation, the implementation departments manage the data to be verified, and the validation department runs the following validation process:

- Verifying the appropriateness of credit rating results
- Verifying the objectivity of credit rating assignment criteria
- Verifying the appropriateness of credit pool classification
- Verifying the validity of the parameters applied to credit ratings and credit pools respectively

The validation results are reported to both the Credit Risk Committee and the Executive Committee.

3) System Procedure for the Assignment of Internal Ratings

The outline of main procedures in the assignment of ratings and allocating the credit pool classification based on the internal rating system is as follows. For the outline of models used in the Group's individual portfolios, please refer to 2 (7) "Compliance with Capital Regulatory Standards."

A. Obligor Rating (Japanese Credit Rating)

[Target]

Japanese corporations (domiciled and Japanese-descended non-domicile residents)

[Quantitative Assessment]

The credit rating models (industry-based), in which the clients' financial indicators are used as the explanatory variables, and their typical PD as the explained variable, are employed.

[Qualitative Assessment]

The information that is not reflected in the financial indicators, such as business affiliations, industry trends, external credit ratings and future cash-flow stability, is evaluated by the persons in charge of assignment of the industry-based credit ratings (expert judges) from the implementation departments. To mitigate the unevenness of the evaluation results, the qualitative assessment items are put together into a document to restrict the adjustment discretion. In addition, the credit risk management sections monitor the adjustment details in order to ensure the objectivity of the evaluation.

B. Obligor Rating (Non-Japanese Credit Rating)

[Target]

Overseas corporations (Non-Japanese-descended and non-domiciled residents)

[Quantitative Assessment]

The credit rating models (industry- and regions-based) to reproduce the external credit ratings by using the financial indicators as the explanatory variables are employed.

[Qualitative Assessment]

These are evaluated mainly through comparing the peer companies in the same industry, but also taking into consideration the evaluation indicators specific to overseas, while ensuring consistency with the qualitative assessment criteria for Japanese credit rating. To mitigate the unevenness of the evaluation results, the qualitative assessment items are put together into a document to limit adjustment discretion. In addition, the credit risk management sections monitor the adjustment details in order to ensure the objectivity of the evaluation.

C. Structured Rating

[Target]

Structured finance transaction, whose underlying resource for principal and interest payment is cash-flow generated by specific financing asset or the financing project

[Quantitative Assessment]

This is evaluated using indicators with high correlations with probability of default and default risks, depending on the financing asset and the risk characteristics of the transaction. For example, in the case of a real estate non-recourse loan, we would adopt LTV (Loan to Value) and DSCR (Debt Service Coverage Ratio).

[Qualitative Assessment]

Adjustment to the rating level based on quantitative assessments to reflect the financing asset and transaction specific individual characteristics that quantitative assessment indicators are not capable of capturing. For example, if a credit enhancement is available externally, the rating levels are amended based on its probability. As the qualitative assessment of structured ratings tends to be strongly transaction specific, in the assignment of the ratings, the credit risk management sections monitor the validities of the qualitative assessment in order to ensure its objectivity.

### D. Facility Rating

[Target]

Loans to corporates, sovereigns, and financial institutions to which an obligor rating (Japanese credit rating) is assigned and loans for specialised lending (but limited to those subject to AIRB) to which a structured rating is assigned (including payment acceptance/commitment line)

[Evaluation Method]

Expected loss taking account of guarantees, collateral, credit terms, etc. of each facility is evaluated and a rating according to the level is assigned.

### E. Credit Pool Classification

[Subject of Assignment]

Small credit for loans targeted at individuals. (However, out of loans to individuals, credit transactions for business loan with outstanding balance of 100 million yen or more are subject to credit ratings to each obligor.)

[Assignment of Credit Pool Classification]

Regarding target credit, credit pool classifications (each class consisting of similar level of exposure of credit risk) are set using indicators (risk drivers) such as risk characteristics of clients, risk characteristics of transactions (products), security condition, and delinquency situation. Furthermore, each credit pool is categorized as "residential mortgage exposures," "qualifying revolving retail exposures" and "other retail exposures."

Assignment to the credit pool classifications is carried out by the implementation departments based on the products and transaction details.

## (7) Compliance with Capital Regulatory Standards

### 1) Application of the Internal Ratings-based Approach

### A. Scope of the Internal Ratings-based Approach Application

As a method of calculating credit risk-weighted assets related to the calculation of required capital demanded by the capital regulatory standards, the Group adopts the "internal ratings-based approach" that uses data such as credit ratings, which are used for obligors' credit management within SuMi TRUST Holdings. Since the end of March 2015, SuMi TRUST Holdings and SuMi TRUST Bank have been using the Advanced Internal Ratings-Based Approach (AIRB). The scope of the application of the internal ratings-based approach in the Group is as follows.

(A) Business Unit

| Type of the internal ratings-based approach | Major companies |
|---|---|
| Advanced Internal Ratings-Based Approach (AIRB) | Sumitomo Mitsui Trust Holdings, Inc.<br>Sumitomo Mitsui Trust Bank, Limited |
| Foundation Internal Ratings-Based Approach (FIRB) | Sumitomo Mitsui Trust Guarantee Co., Ltd.<br>Sumishin Guaranty Company Limited<br>Sumitomo Mitsui Trust Card Co., Ltd.<br>Sumitomo Mitsui Trust Loan & Finance Co., Ltd.<br>Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.<br>Sumitomo Mitsui Trust Club Co., Ltd. |

(B) Asset Class

| Type of the internal ratings-based approach | Asset contents |
|---|---|
| Advanced Internal Ratings-Based Approach (AIRB) | Loans and securities for corporates, etc.* |
| Foundation Internal Ratings-Based Approach (FIRB) | Assets excluding those following below<br>• Assets which are subject to AIRB<br>• Assets which are not subject to AIRB or FIRB |

* Corporates not subject to specialised lending are limited to those to which a domestic credit rating is assigned.
Out of specialised lending, AIRB applies to real estate non-recourse loans (excluding those with high volatility), project finance, and object finance for ships and aircrafts.
Loans include acceptances & guarantees and commitment lines, etc. Also, those concerning subordinated debt, derivatives transactions, repo transactions and call loans are excluded.

### B. Exclusion of the Application of the Internal Ratings-based Approach

In the Group, the standardised approach* is applied as exclusion of the application of the internal ratings-based approach, among the subsidiaries of SuMi TRUST Holdings and SuMi TRUST Bank, to the business units in which the proportion of credit operations, etc. is low or credit operation is not performed as well as to certain asset classes that are not significant from the viewpoint of credit risk management. The exclusion is determined carefully based on the importance from the following points with respect to target business units and asset classes.

- The magnitude of the expected loss related to credit risk and the frequency of credit provision
- Positioning in the investments and loans policy or credit risk management policy
- Proportion to the entire credit risk-weighted assets.

* The standardised approach is a method to calculate the risk-weighted assets using the external credit ratings of eligible rating agencies, instead of SuMi TRUST Bank's credit ratings (internal ratings). The eligible rating agencies that are used to determine risk weights are Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P), and Fitch Ratings, Inc. (Fitch).

### C. Phased Rollout of the Internal Ratings-based Approach

The Group applies the standardised approach to subsidiaries (business units) that are in preparation for application of the internal ratings-based approach, assuming the approach will change to the internal ratings-based approach in the future. As of the end of March 2023, Sumitomo Mitsui Trust Bank (Thai) Public Company Limited falls under this category.

### 2) Calculation of the Required Capital Using the Internal Ratings-based Approach

As mentioned in 1), the Group mainly applies the internal ratings-based approach to calculate the regulatory required capital.

### A. Basic Process of the Internal Ratings-based Approach

With the internal ratings-based approach, the regulatory required capital is calculated by the following three steps.

#### [First Step] Assignment of Credit Ratings, etc. (Credit Ratings and Credit Pool Classifications)

The bank develops a unique ratings system (internal rating system)* according to its risk characteristics, and based on this system, we give a rating to clients. Credit ratings, etc. not only ensure consistency with asset assessment, but also ensure the accuracy through validation by each credit risk management section.

* For details of the internal rating system of SuMi TRUST Bank, please refer to 2 (6) "Internal Rating System."

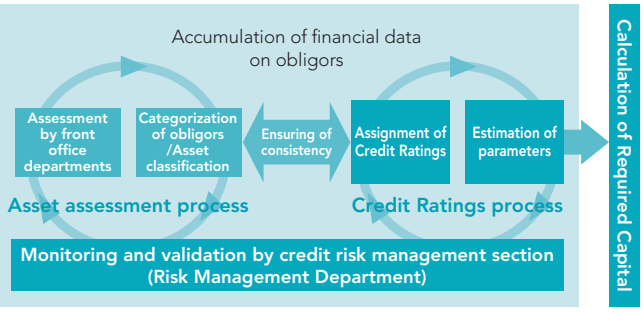
#### [Second Step] Estimation of Parameters

The results of individual credits (default actual data) that are performed based on credit ratings, etc. are aggregated and parameters (input variables) necessary for credit risk-weighted assets calculation are estimated. The validity of the estimated parameters is periodically verified.

#### [Third Step] Calculation of the Required Capital

The required capital is calculated by applying the parameters to the formula that is announced.

• Basic Process of the IRB Approach




### B. Application Method Per Asset Class

The Group determines the scope of the internal ratings-based approach based on the accumulation status of internal performance data such as risk characteristics for each asset class and default performance required to estimate parameters. In the capital regulatory standards, methods for calculating risk weights and credit ratings to be used vary for each asset with credit risk. The credit ratings, etc. and the outline of credit risk-weighted assets calculation method that the Group applies to each asset class are shown on page 231.

### C. Estimation and Verification of Parameters

The key parameters that need to be estimated to calculate the credit risk-weighted assets are probability of default (PD), loss given default (LGD), and exposure at default (EAD) (credit conversion factor (CCF)).

Parameters are estimated for those to be applied to corporate exposures, etc. and those to be applied to retail exposures (credit pool management target). In principle, estimated parameters are verified annually. The verification results are reported to the Credit Risk Committee and the Executive Committee. The results are also subject to internal audits.

The definition of each parameter and the outline of the estimation method and verification method are shown on page 233.

In principle, the parameters used in the capital regulatory standards are the same as the ones that are used for regulatory purposes and internal control management purposes to ensure objectivity and accuracy. For the internal control management purposes, the parameters are used for credit risk amount measurement and credit limit amount management.

The main differences of the parameters used in the calculation of allowances and capital adequacy ratio are as follows.

## • Main Differences of the Parameters Used in the Calculation of Allowances and Capital Adequacy Ratio

| | Calculation of allowances | Calculation of capital adequacy ratios |
|---|---|---|
| Parameters to be used | Expected loan loss ratio based on historical loan loss rate | Probability of Default (PD) |
| | | Loss Given Default (LGD) |
| | The actual balance of loans (for the undrawn balance of the commitment line, the amount calculated by multiplying the amount by the actual withdrawal rate) | Exposure At Default (EAD) |
| Standard of default (loan loss) | When the obligor categorized as "Possibly Insolvent Obligor" or lower | When the obligor categorized as "Sub-Performing Obligor with Delinquent and/or Restructured debt" or lower |
| Parameter calculation method | Expected loan loss ratio:<br>• for Sound Obligor:<br>The average value of historical one year loan loss rate for the most recent three periods, with floor adjustment taking into consideration the longer-term time horizon.<br>• for Sub-Performing Obligor or lower:<br>The average value of historical three years' cumulative loan loss rate for the most recent three periods, with floor adjustment taking into consideration the longer-term time horizon. | Please refer to "Definition of Each Parameter and the Outline of the Estimation and Verification Method" on page 233 |

## • Credit Risk-weighted Assets Calculation Method and Credit Ratings Applied to Each Asset Class

| Approach method | Asset Class*1 | | Sub-class | EAD ratio*2 1) | EAD ratio*2 2) | Calculation method of credit risk-weighted assets | Assignment of credit ratings, etc.*3 |
|---|---|---|---|---|---|---|---|
| Internal Ratings-based Approach | Corporate Exposures, etc. | Corporate Exposures | — | 29% | 30% | Supervisory Formula | Obligor Ratings, Facility Ratings |
| | | Specialised Lending | Real estate non-recourse loans (excluding those with high volatility), project finance, and object finance for ships and aircraft | 5% | 5% | Supervisory Formula | Structured Ratings, Facility Ratings |
| | | | Real estate non-recourse loans (with high volatility) and other loans not stated above | 1% | 1% | Supervisory Slotting Criteria Approach | |
| | | Sovereign Exposures | — | 37% | 38% | Supervisory Formula | Obligor Ratings, Facility Ratings |
| | | Financial Institution Exposures | — | 1% | 1% | Supervisory Formula | Obligor Ratings, Facility Ratings |
| | Retail Exposures | | Residential mortgage exposures | 16% | 16% | Supervisory Formula | Credit Pools |
| | | | Qualifying revolving retail exposures | 1% | 1% | Supervisory Formula | Credit Pools |
| | | | Other retail exposures | 2% | 2% | Supervisory Formula | Credit Pools |
| | Equity Exposures | | Japanese listed equities<br>Japanese unlisted equities of obligors with credit exposures | 1% | 1% | Supervisory Formula | Obligor Ratings |
| | | | Japanese unlisted equities of obligors with no credit exposures<br>Non-Japanese equities | 0% | 0% | Simple Risk-weight Method (Market-based Approach) | — |
| | Exposures relating to Funds | | — | 2% | 2% | Look-through Approach | Obligor ratings, etc. |
| | Purchased Receivables | | Regulatory formula for underlying assets | 1% | 1% | Supervisory Formula | Obligor Ratings, Facility Ratings |
| | | | Slotting criteria approach for underlying assets | 0% | 0% | Supervisory Slotting Criteria Approach | Structured Ratings |
| | | | Cases where classification is not possible due to multiple underlying assets | 0% | 0% | Top-down Approach | Credit Pools |
| | Others | | Other assets, etc. | 1% | 1% | Designated risk weight is applied | — |
| Standardised Approach | Phased rollout/exclusion of IRB Approach | | — | 2% | 2% | Designated risk weight is applied | — |

## [Applicable Credit Risk-weighted Assets Calculation Method]

| | |
|---|---|
| Supervisory Formula | A method of calculating by using a predetermined function formula (risk weight function formula) |
| Supervisory Slotting Criteria Approach | A method of associating internal ratings with five predetermined ranks and calculating using a designated risk weight |
| Simple Risk-weight Method | A method of calculating by using a designated risk weight |
| Look-through Approach | A method of applying the calculation method according to the underlying assets |
| Top-down Approach | A method of calculating purchased assets as one aggregate using a predetermined function formula (risk weight function formula) |

*1 Corporate exposures, etc., include lease transactions. In addition, corporate exposures, etc. include the exposures for small and mid-sized entities (SME).

*2 The proportion of EAD for each asset class in total EAD (*) on the 1) consolidated basis of SuMi TRUST Holdings and 2) consolidated basis of SuMi TRUST Bank is stated.
(*) Counterparty credit risk exposures, such as derivatives transactions and repo transactions and securitisation exposures are excluded from the aggregate calculation. For securitisation exposures, "Method based on Internal Ratings-Based Approach," "Rating-Based Approach," and others are used.

*3 The outline of the rating models used by the Group's core bank, SuMi TRUST Bank, is as follows.

| | Outline of models | Applied asset class |
|---|---|---|
| Japanese obligor ratings | [Rating model]<br>A model (developed in-house) that uses financial indicators as explanatory variables and a typical PD as explained variables is used.<br>Different combinations of financial indicator and weight are used for each of the five industries (manufacturing industry, wholesale/retail industry, service industry [including non-banking], transport/communication industry, construction/real estate industry).<br>[PD estimation]<br>PD is estimated for each rating category. | • Corporate exposures<br>• Equity exposures<br>• Exposures relating to Funds<br>• Purchased receivables |
| Non-Japanese obligor ratings | [Rating model]<br>A model (developed by external credit rating agencies) that uses financial indicators as explanatory variables and reproduces external credit ratings is used. Different combinations of financial indicator and weight are used for each of the eight regions and industries (North America, Europe, Asia, Pacific, emerging countries, airlines, real estate investment business, real estate development business).<br>[PD estimation]<br>PD is estimated for each rating category. | • Corporate exposures<br>• Equity exposures<br>• Exposures relating to Funds<br>• Purchased receivables |
| Credit pool classifications | [Credit pool classifications]<br>Credit pool classifications (consisting of exposures with comparable levels of credit risk) are established based on indicators (risk drivers), such as the risk characteristics of the obligor, the risk characteristics of transactions (products), the security condition, and the delinquency situation, etc.<br>[PD classification]<br>PD is estimated for each credit pool classification or estimation category where multiple credit pool classifications are aggregated. | • Retail exposures<br>• Purchased receivables |

## • Definition of Each Parameter and the Outline of the Estimation and Verification Method

| Type of parameters and definition | Summary of the methods for estimation and verification | |
|---|---|---|
| | Corporate Exposures, etc. | Retail Exposures |
| PD (Probability of Default)<br>- An estimate of the probability that a borrower or transaction will be unable to meet its debt obligation in a particular period | [Estimation method]<br>• PD is estimated for each rating category. In addition, the estimated value is called "typical PD" as a long-term stable representation of its creditworthiness.<br>• Estimated values are calculated by using the long-term average default rate based on the internal performance data or data of the external credit rating agencies, and modification is made, taking into account the recession period.*1<br>[Verification method]<br>• The validity of the level of estimated values is verified by confirming the order of the actual default rate and carrying out backtestings comparing the actual value with the estimated value. | [Estimation method]<br>• PD is estimated for each credit pool classification or the estimation category where multiple credit pool classifications are aggregated.<br>• For residential mortgage, estimated values are calculated by using the long-term average default rate based on internal performance data, and modification is made, taking into account statistical variance adjustment and seasoning effect.*2<br>[Verification method]<br>• The validity of the level of estimated values is verified by confirming the seasoning effect and carrying out backtestings. |
| LGD (Loss Given Default)<br>- An estimate of the ratio of expected loss in case a borrower or transaction falls into default against the exposure at default | [Estimation method]<br>• LGD is estimated for each security category (classified into four according to the ratio of collateralized amount to exposure amount) or category (classified according to the characteristics of the underlying assets). The estimated value is called "typical LGD" as a long-term stable representation of the loss rate level.<br>• Estimated values are calculated by using the long-term average default loss rate based on internal results data or external results data and adjusted for statistical variances and periods of economic downturn.*3<br>[Verification method]<br>• In addition to verifying the robustness of modeling and adjustment methods, the validity of the level of the estimated value is verified by carrying out backtestings. | [Estimation method]<br>• LGD is estimated for each credit pool classification or the estimation category where multiple credit pool classifications are aggregated.<br>• Estimated values are calculated by using the actual collection results from the default obligor using the internal performance data. Statistical variance adjustment and economic downturn adjustment are added to the model.*4<br>[Verification method]<br>• In addition to verifying the robustness of correction methods, the validity of the level of the estimated value is verified by carrying out backtestings. |
| EAD (Exposure At Default)<br>- Estimated amount of exposure at default, taking into account the possibility of additional withdrawal of off-balance sheet assets such as commitment line. EAD estimates the withdrawal rate (credit conversion factor (CCF)) against the undrawn balance of offbalance sheet assets | [Estimation method]<br>• CCF is not estimated, but estimate values are determined based on parameter set by regulatory authority. | [Estimation method]<br>• EAD is estimated for each credit pool classification or the estimation category where multiple credit pool classifications are aggregated.<br>• Estimated values are calculated by using the actual additional withdrawal results from the default obligor based on the internal performance data, and statistical variance adjustment is made.*5<br>[Verification method]<br>• In addition to verifying the robustness of correction methods, the validity of the level of the estimated value is verified by carrying out backtestings. |

*1 • For the portfolio with low default probability (LDP: Low Default Portfolio), conservative estimates are made by accumulating the rating transition matrix in the estimation process, even for the rating category where no default has occurred or default rarely occurs.
• For corporate exposures, etc., excluding sovereign exposures, if the level of the estimate falls below the regulatory floor level (0.03%) (Japanese rating: 1 to 3, Non-Japanese rating: 1 to 2), the floor value is applied.
• As described above, the estimated value is calculated based on the long-term default actual data including the recession period, and it is confirmed by test that the estimated value is sufficiently conservative as compared with each single year actual default rate in the past three periods.

*2 • For retail exposures, as for the pool classifications where the level of the estimated value is below the regulatory floor level (0.03%), the floor value is applied.
• As described above, the estimated value is calculated based on the long-term default actual data including the recession period, and, for most of the pool classifications, it is confirmed by conducting backtestings that the estimated value is sufficiently conservative as compared with each single year actual default rate in the past three periods. As a result of backtestings, parameters for pools that exceed the parameter correction standard are corrected to appropriate levels.

*3 • Correction of the recession period is based on the correlation between LGD and economic indicators.
• When performing estimation based on internal results data, the estimated value is calculated based on the model LGD formulating the relationship between collection factors and collection rate, which enables stable calculation of the estimated values even for LDP portfolios. In addition, the validity of the estimated value level is verified by backtestings.
• When using internal results data, for obligors who have completed the collection procedure, average period from the default of the obligor to the completion of the collection procedure is less than two years.

*4 • Correction of the recession period is based on the correlation between LGD and economic indicators.
• As for residential mortgage, approximately 80% of the cases have been completed the collection procedure within five years from default.

*5 • The estimate of CCF uses data on commitment line contracts and line of credit contracts for which installment has not been implemented and employs a cohort method based on the proportion of additional withdrawals up to the default point for undrawn balances at the beginning of the fiscal year.

## 3. Market Risk Management

### (1) Definition of Market Risk

Market risk refers to the risk that the Group may incur 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 may incur 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.

### (2) Characteristics of Market Risk

SuMi TRUST Bank, the core bank of the Group, operates a business (banking) to secure profits through interest rate risk control of assets and liabilities, and a business (trading) to secure profits through transactions such as short-term trading of interest rates and foreign exchange rates. In these businesses, we use Value at Risk (VaR), etc. and manage market risk using the same structure.

For trading, we aim at securing stable profits through market-making operations such as foreign exchange rates and derivatives.

The main risk in the Group's market risks is losses due to drop of prices of strategic shareholdings, etc. In addition to the basic policy of reducing strategic shareholdings, we have been working to control risk by hedging against market fluctuations. From fiscal 2021, the Group has shifted to a policy of not holding any of the conventional strategic shareholdings (shareholding of business partners as stable shareholders without the purpose of forming capital or business alliances, etc.), and based on this policy, we will continue to reduce our strategic shareholdings and hedging volume.

### (3) 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 Group. We are doing this by improving the management system, along with ensuring its operational soundness by adequate control over risks.

### (4) Market Risk Management System

SuMi TRUST Holdings oversees risk management of the market and funding liquidity of the entire group and is working to improve the structure of each Group company. SuMi TRUST Bank has developed a risk management system at the consolidated and global levels in order to manage market and funding liquidity risks.

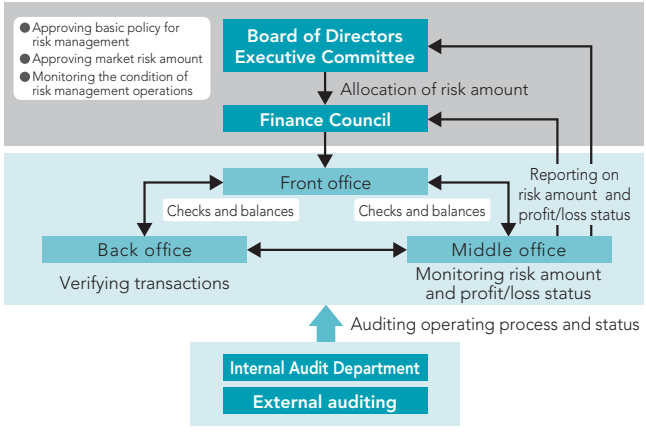
SuMi TRUST Bank develops the Asset Liability Management (ALM)* basic plan that covers comprehensive risk operation and management of assets and liabilities from the viewpoints of the entire company and a risk management plan concerning market risk and funding liquidity risk once in six months at the Finance Council, a management-level meeting body. The developed plans are deliberated and resolved (approved) by the Executive Committee and the Board of Directors, and important matters related to risk management are decided. By holding the Finance Council monthly and controlling market risk and funding liquidity risk, we are making efforts to improve the soundness of the composition of assets and liabilities and stabilize earnings.

In addition, the front office (market-based transactions departments), back office (administration departments), and middle office (risk management departments) are independent. This way, a system of mutual check and balance among departments is in place. The front office and back office operate business such as appropriate control of risks in accordance with the size and characteristics, and human resource development in order to ensure the effectiveness of risk management based on accurate recognition of the risks. The middle office develops or operates the risk management process including identification, evaluation, monitoring, control and reduction of market risk, and plans and promotes risk management systems to demonstrate the check function for the front office, etc. In addition to having the function of planning and developing policies and procedures concerning market risk management, the middle office also has the function of monitoring market risk status such as market risk amount and profit and loss measurement.

The appropriateness and effectiveness of the risk management systems are verified by internal auditing or external auditing.

* ALM (Asset Liability Management): managing cash flow, liquidity, foreign exchange risk, and interest rate risk, etc., by grasping the characteristics of expirations and interest rates of our assets and liabilities.

• Market Risk/Funding Liquidity Risk Management System




### (5) Market Risk Management Method

Within the scope of capital, SuMi TRUST Holdings develops a capital allocation plan and allocates capital to each Group company. Based on the allocated capital, SuMi TRUST Bank sets various limits including loss limit to control the risk and loss to a certain range.

We conduct multifaceted risk management from quantitative and qualitative perspectives. As for the compliance status of various limits, it is reported daily to the members of the Finance Council through monitoring of the market risks status. Multiple risk analyses including identifying sensitivities to risk factors for each position, predictive management of risk factor fluctuations, and preparation for emergency using stress tests are also reported regularly to the Board of Directors and the Finance Council, etc.

In the measurement of interest rate risk, we estimate and reflect the core deposit, term deposits redemption ratio and conditional prepayment rate of mortgage loan, etc. For details, please refer to 3 (7) 6) "Calculation Method of Interest Rate Risk."

### Measurement Model for Market Risk Amount

The market risk amount is measured by the internal model method using VaR as a scale. Details of the measurement model are as follows.

| | |
|---|---|
| Measurement model | Historical simulation method |
| Confidence interval | 99% |
| Holding period | Trading: 10 days<br>Banking: Convert VaR of holding period 10 days by square route T/10 times<br>ALM related position: 63 days (3 months)<br>Credit investment, strategic shareholdings, and credit valuation adjustment (CVA) 260 days (1 year)<br>Others: 21 days (1 month) |
| Observation period | 1,300 days (5 years) |
| Update frequency | Daily |
| Weighting | Historical weight method is applied. (Assign a higher probability to recent historical scenarios than older historical scenarios) |
| Price revaluation | Full revaluation method<br>(For CVA, sensitivity-based method) |
| Fluctuation of risk factors | Absolute return |

The scope of application of the internal model is interest rate risk, equity position risk, foreign exchange risk, and commodities risk (excluding some products) at SuMi TRUST Bank. The correlation between each risk factor is not taken into consideration, and the risk amount is simply added when creating synthesis of risk.

In order to verify the reliability and effectiveness of the internal model, backtestings are performed to compare the actual results of the daily profit/loss and the virtual profit/loss with the daily VaR whose holding period is one day. In addition, the validity of the model calculation method and precondition is verified periodically to ensure that the assumption for VaR calculation is not deviating from the actual market situation.

The VaR measurement using the historical simulation method that is affected by market fluctuations in the past observation period has a limit that it is impossible to capture large market fluctuations that have not occurred in the past or occurred outside of the observation period. This limit is complemented by implementing stress tests. The amount of loss when applying the expected scenario based on the maximum fluctuation range of each risk factor in the past and the future forecast to the current portfolio is regularly estimated.

### (6) Compliance with Capital Adequacy Regulations
### Calculation of Market Risk Equivalent Amount

The market risk equivalent amount 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. The Group calculates the market risk equivalent amount mainly by applying the Internal Model Approaches*. For calculation, general market risks and individual risks are simply added.

General market risk consists of VaR, which measures using the most recent market data, and stressed VaR, which measures using market data during the stress period. The preconditions of stressed VaR differ from the market risk measurement model described in 3 (5) "Market Risk Management Method" as follows.

| | |
|---|---|
| Holding period | 10 days (Convert VaR of holding period 1 day by square route ten times) |
| Observation period | 260 days (1 year) |
| Weighting | Not applicable |

Furthermore, the observation period is, in principle, set as the stress period for the stressed VaR in which the risk amount becomes the largest, taking into consideration the market data from 2007 onwards and the holding position in the past one year.

* Standardised approach is applied to the general individual risks of SuMi TRUST Bank as well as the foreign exchange risk of consolidated subsidiaries.

### (7) Interest Rate Risk Management in the Banking Book

#### 1) Definition of the Interest Rate Risk in the Banking Book

Interest rate risk in the banking book (IRRBB) is the risk that the capital and profit/loss of banks will be damaged now or in the future due to adverse impact on the banking book positions by changes in interest rate levels.

The present value is considered as economic value of equity (EVE) and future profits are considered as net interest income (NII), and the loss ranges against the current interest rate level are measured as ΔEVE and ΔNII respectively. The scope of the measurement is a position with interest rate risk in the banking book of SuMi TRUST Bank, and other Group companies that hold interest rate risk.

#### 2) Characteristics of Interest Rate Risk in the Banking Book

IRRBB is caused by maturity dates mismatch (gap risk), interest rate mismatch (basis risk), and optionality associated with interest rate change (option risk) in the banking account positions.

In the case of both SuMi TRUST Holdings (consolidated) and SuMi TRUST Bank (consolidated and non-consolidated), ΔEVE is maximized with "steepener" (this result has not changed from the previous fiscal year). However, the ratio of ΔEVE to Tier 1 capital is still well below the regulated level of 15%, and interest rate risk in the banking book is low.

#### 3) Interest Rate Risk in the Banking Book Management Policy

The risk management policy concerning IRRBB is the same as 3 (3) "Market Risk Management Policy."

To control interest rate risk, hedge accounting is applied to transactions that use interest rate swaps as hedging instruments and meet the application requirements of hedge accounting.

#### 4) Interest Rate Risk in the Banking Book Management System

SuMi TRUST Holdings oversees risk management related to the IRRBB of the entire Group, and SuMi TRUST Bank maintains and manages IRRBB management systems at the consolidated and global levels.

#### 5) Interest Rate Risk in the Banking Book Management Method

At SuMi TRUST Bank, the ALM basic plan that covers comprehensive risk operation and management of assets and liabilities from the viewpoints of the entire company is developed once in six months at the Finance Council, a management-level meeting body. At that time, alarm points are set for the increase/decrease of the economic value of equity (ΔEVE) of the position. IRRBB is measured monthly, and alarm points are monitored. Reports on the measurement results are submitted monthly to the Finance Council.

#### 6) Calculation Method of Interest Rate Risk

The assumptions, etc. for calculating IRRBB are as follows.

- Non-maturity Deposits ("NMDs")

The maximum maturity of the interest rate revision assigned to non-maturity deposits is five years, and the average maturity is 0.6 years.

- Core Deposits

The standardised approach exemplified by the Financial Services Agency is applied to the cases of SuMi TRUST Bank. Out of the NMDs that the clients can withdraw at any time, we recognize the balance that is expected to be stable and non-linked to interest rate as deposits with the maximum maturity of five years and the average maturity of 2.5 years.

• Term Deposits Redemption Ratio

Targeting yen-based term deposits, the redemption rate is set after checking past redemption results.

• Conditional Prepayment Rate of Loans

Targeting mortgage loan, etc., the prepayment rate is set after checking past repayment results.

• Treatment of Foreign Currencies

The target currencies are determined based on their respective ratio in the scale of the balance sheet, importance to the Group's position, and other factors.

The correlation (considering dispersion or offset) of different currencies is treated as follows.

ΔEVE: Correlation of different currencies is not considered, and only the currencies for which EVE decreases are combined.

ΔNII: Correlation of different currencies is considered, and the currencies for which NII increases and the currencies for which NII decreases are simply combined.

• Treatment of Spreads

In calculation, spreads are not included in discounted interest rates and cash flows.

• Pass-through Rate of Received Credit Interest Rates

In measuring ΔNII, upon reviewing of interest rates of received credit (term deposits, etc.), the pass-through rate is estimated based on the past record to understand how much the interest rates of received credit follow the fluctuation of the market interest rates.

7) Interest Rate Risk Other Than ΔEVE and ΔNII

SuMi TRUST Bank measures and manages the market risk amount by the method described in 3 (5) "Market Risk Management Method."

With the stress test conducted to complement the limitation of VaR, we are striving to grasp the potential vulnerability by including the portfolio of the entire SuMi TRUST Bank including both banking accounts and trading accounts in the measurement range, reproducing scenarios that give a certain fluctuation (shock) to risk factors or past stress events such as the collapse of Lehman Brothers, or developing a forward looking virtual scenario that takes into consideration the future position and the market situation.

## 4. Funding Liquidity Risk Management

### (1) Definition of Funding Liquidity Risk

The funding liquidity risk refers to "the risk that the Group may incur 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."

### (2) Characteristics of Funding Liquidity Risk

The main risk in the funding liquidity risk of the Group is deterioration of foreign currency funding when assuming downgrades of Japan and/or Japanese financial institutions. Sumitomo Mitsui Trust Bank, Limited, which is the core bank of the Group, has developed medium- to long-term procurement policies according to each currency's characteristics such as the status of assets/liabilities and market liquidity, and is striving to operate stable foreign currency financing that can withstand the market disruptions and cash outflows in the past.

### (3) Funding Liquidity Risk Management Policy

In managing funding liquidity risk, based on the full recognition that risk materialization may directly lead to the bankruptcy of the Group, our basic policy is to implement proper funding liquidity risk management with two pillars: 1) "to pursue the balance between funding cost and stability" by various means of procurement, and 2) "emergency preparedness" by verifying procurement capability and countermeasures under the stress environment in advance.

Based on the compliance with international standards on bank capital and liquidity (Basel III, etc.), we will continue to promote the advancement of funding liquidity risk management systems.

### (4) Funding Liquidity Risk Management System

The funding liquidity risk management systems are the same framework as 3 (4) "Market Risk Management System."

### (5) Funding Liquidity Risk Management Method

As the indicator of funding liquidity risk management, the ALM basic plan specifies the limits for the funding liquidity mismatch amount* for each company, office and currency as well as the responses at the time of limit conflict. The compliance status is also monitored on a daily basis. In addition, stress tests are performed based on multiple scenarios such as sudden changes in the market environment and changes in the procurement environment specific to the Group to grasp the amount of funds needed when funding liquidity risk materializes.

As countermeasures for the materialization of funding liquidity risk, a financing phase (peacetime, presage time, concern time, crisis time) is established according to tightness of the financing situation. Qualitative/quantitative events that may affect financing are monitored from peacetime as crisis management indicators, and a contingency plan is developed as countermeasures against the crisis. Regarding the contingency plan, the adequacy of the financing amount at the time of materialization of funding liquidity risk is verified by stress tests to ensure feasibility through periodic training.

* Funding liquidity mismatch amount: the amount of funds needed on a daily basis to cover the final figure of the settlement account for each currency.

## 5. Operational Risk Management

### (1) Definition of Operational Risk

Operational risk refers to the risk that may adversely affect the Group, clients, markets, financial infrastructure, society, or the work environment due to inadequate or failed business processes, the activities of executives and employees, computer systems, or due to external events. The Group classifies operational risk into business processing risk, system risk, information security risk, legal and compliance risk, conduct risk, human resource risk, event risk and reputational risk for the purpose of risk management.

### (2) Characteristics of Operational Risk

Major risks related to the Group's operational risk are cyber attacks, delay in system development and increases in development costs, along with the risks associated with ineffective anti-money laundering and terrorist financing measures.

Our business operations are exposed to the risk of being adversely affected by cyber attacks (such as ransomware attacks and DDoS attacks*), resulting in suspension of services, leakage of information, destruction and alteration of data, etc. The Group recognizes cyber security measures as one of the critical management priorities, and formulated the "Cyber Security Management Declaration," thereby promoting security enhancing measures under the initiative of the management.

* DDoS attack: Distributed Denial of Service attack; an attempt to render services unavailable by imposing high processing load on a target computer from multiple machines.

Furthermore, the Group's business performance may be adversely influenced by various factors, including costs arising from postponed system releases due to delay in progress with system development projects and maintenance of alternative systems, and additional costs incurred for development employee allowances as a result of increases in development costs. The Group strives to diminish and mitigate risks through monitoring of development status by related departments, such as risk management-related departments.

Moreover, we face the risk of being used for financial crime activities, including money laundering and terrorist financing, resulting from ineffective anti-money laundering and terrorist financing measures, which could pose a serious threat to the soundness of our financial system. This also exposes us to the risk of being subjected to administrative dispositions such as business suspension orders, payment of large fines, and deterioration of our reputation. The Group strives to diminish and mitigate risks through a risk-based approach by enhancing measures for eliminating money laundering, etc., based on gap analysis benchmarking against the regulatory requirements (including those overseas), and the clarification of the challenges to be addressed.

### (3) Operational Risk Management Policy

Upon building an operational risk management system, the Group recognizes operational risk to be an inevitable risk incidental to business execution, implements proper risk management according to the scale and characteristics of operations and risks, and ensures business soundness and appropriateness.

In preparation for enhancement of the Group's operations, and products and services that the Group provides, and development of new risks following changes in social and economic environments, such as advancement of information technology and diversifying needs, we will further enhance our operational risk management system.

### (4) Operational Risk Management System

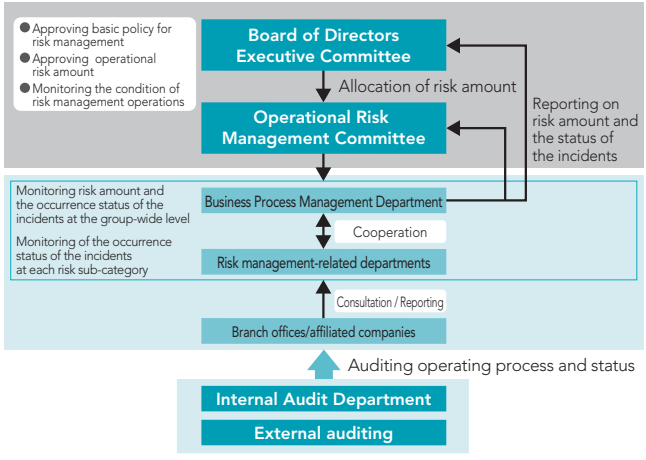
The Group is striving to create a system related to operational risk management of each Group company based on the basic policy on operational risk management of the entire Group.

At SuMi TRUST Bank, which is the core bank of the Group, policies related to the operational risk management system and other important matters including plans, are planned and proposed at the Operational Risk Management Committee and the Executive Committee, and resolved (approved) by the Board of Directors.

Based on such policies, we have established a department in charge of comprehensive operational risk management, and risk management-related departments for each sub-category of operational risk. The Business Process Management

Department, the department in charge of comprehensive operational risk management, is working on creation and enhancement of the operational risk management system in cooperation with each risk management-related department.

• Operational Risk Management System




### (5) Operational Risk Management Method

Operational risks involved in all areas of the 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 measures to prevent recurrence are developed to mitigate operational risk.

SuMi TRUST Bank has defined any cases, in which a client or we have incurred losses as a result of inappropriate business procedures in the course of operations by executives and employees, as an operational incident or a minor incident (hereinafter "operational incident, etc."), and has established a system of reporting and managing operational incidents, etc. in an effort to properly deal with such operational incidents, etc. upon their occurrence, prevent and reduce recurrence, and improve the quality of business processing.

Any operational incident, etc. will be reported upon its occurrence in a timely manner to the business supervision departments, risk management-related departments, and the Risk Management Department through registration to the reporting system by the department that caused operational incidents, etc. Furthermore, according to the impact of a relevant case, such as the scope of influence and the amount of loss, the operational incident, etc. will be reported to the Operational Risk Management Subcommittee, the Operational Risk Management Committee, the Executive Committee, and any other related committees. The department in which the incident, etc. has occurred will take proper and expeditious action toward clients involved in accordance with the instructions by the business supervision department and other related departments, examine and analyze the causes of the incident, etc., and discuss, plan, and implement measures to prevent recurrence.

As for periodical analysis, the business supervision departments regularly analyze the occurrence tendency of operational incidents, etc. taking place in each business and their causes, and develop measures to prevent recurrence that are deemed effective for the business in general. In addition, risk management-related departments and the Risk Management Department develop and review effective measures to prevent recurrence from group-wide and cross-sectional perspectives.

### (6) Risk Management for Each Sub-category

#### 1) Business Processing Risk Management

Business processing risk refers to the risk that the Group may incur losses due to inappropriate business procedures arising from executives and 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 (including trust business) and real estate, the Group recognizes that business processing risk is something unavoidable in the course of business execution. The Group 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.

In SuMi TRUST Bank, the Business Process Management 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.

Furthermore, SuMi TRUST Bank developed an operational 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.

### 2) System Risk Management

System risk refers to the risk that the Group may incur losses due to such reasons as computer system failure, malfunctions and defects, as well as the risk that the Group may incur losses due to unauthorized use of computers.

Since computer systems are vital for the Group to carry out its business operations, it recognizes that system risk is a serious risk with potential impacts on a wide range of clients, which may cause disrepute to the Group. Therefore, the Group is conducting adequate system risk management in accordance with the importance, nature and operational function of each system.

In SuMi TRUST Bank, the IT System Planning and Management 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 to prevent recurrence.

Moreover, 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. In addition to above, 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 large-scale failures and disasters 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.

### 3) Information Security Risk Management

Information security risk refers to the risk that the Group may incur 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, the Group adequately maintains and manages all information assets under its care.

In SuMi TRUST Bank, the Business Process Management Department and the IT System Planning and Management 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 impact 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.

### 4) Risk Management of Other Sub-categories

Regarding legal and compliance risk management, we not only are promoting compliance by setting compliance standards that executives and employees should follow and fostering their awareness of compliance, but also examine the consistency and compliance concerning company regulations and other rules, and the legality and suitability of transactions and business procedures from the legal perspective (legal checks).

With respect to conduct risk management, SuMi TRUST Bank regularly assesses the status of major conduct risks and works to reduce and manage risks and prevent risks from

materializing by promoting and fostering the awareness of executives and employees through internal training and other means.

In order to manage human resource risk, we have been poised to handle issues related to personnel and labor management, such as unequal or unfair management of personnel and harassment, through a multitude of approaches, including internal training and education, interviews, and establishment of consultation desk.

As event risk management, in an effort to tackle natural disasters, the spread of infectious diseases, occurrence of fire, crimes, or traffic accidents that may impair business, we have adopted various steps, including measures to avert disaster in case that disaster strikes, preventive measures, such as disaster prevention, protection against crimes, and safe driving management, and establishment of a business continuity management system.

For managing reputational risk, we are striving to prevent any harmful reputation and rumor from growing by detecting mass media reports and online posting that may damage the Group's reputations, and have set up a system of dealing with clients and making external announcements in a timely and proper manner in response to negative reputations or rumors, if any.

### (7) Compliance with Capital Regulatory Standards

#### 1) Calculation of Operational Risk Equivalent Amount

Since the end of March 2014, the Group has adopted the Advanced Measurement Approach in lieu of the Standardised 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

##### A. Measurement Framework

The Group calculates the operational risk equivalent amount by aggregating "each maximum loss amounts of operational risk expected over a period of one year, with 99.9% one-sided confidence interval (hereinafter "VaR")," for each of the eleven quantification units (all business sections, corporate management sections and earthquakes) that are based on the consistency between management regarding operational incidents and profit management.

The operational risk equivalent amount is calculated using the four elements that are required for the adoption of the Advanced Measurement Approach, i.e. internal loss data, external loss data, business environment and the internal control status, 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 status.

• Overview of 4 Elements of Scenario Analysis

| Element | Details |
|---|---|
| Internal loss data | Information on operational risk losses arising inside the Group |
| External loss data | Information on operational risk losses collected from the outside of the Group |
| Business environment and internal control status | An element affecting operational risk and relating to the business environment and internal control status of the Group |
| Scenario analysis | An estimation method based on expert knowledge and experience, and information on operational risk, regarding the amount and frequency of serious operational risk losses |

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.

##### B. Scenario Analysis

In order to accurately understand the Group'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 status 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.

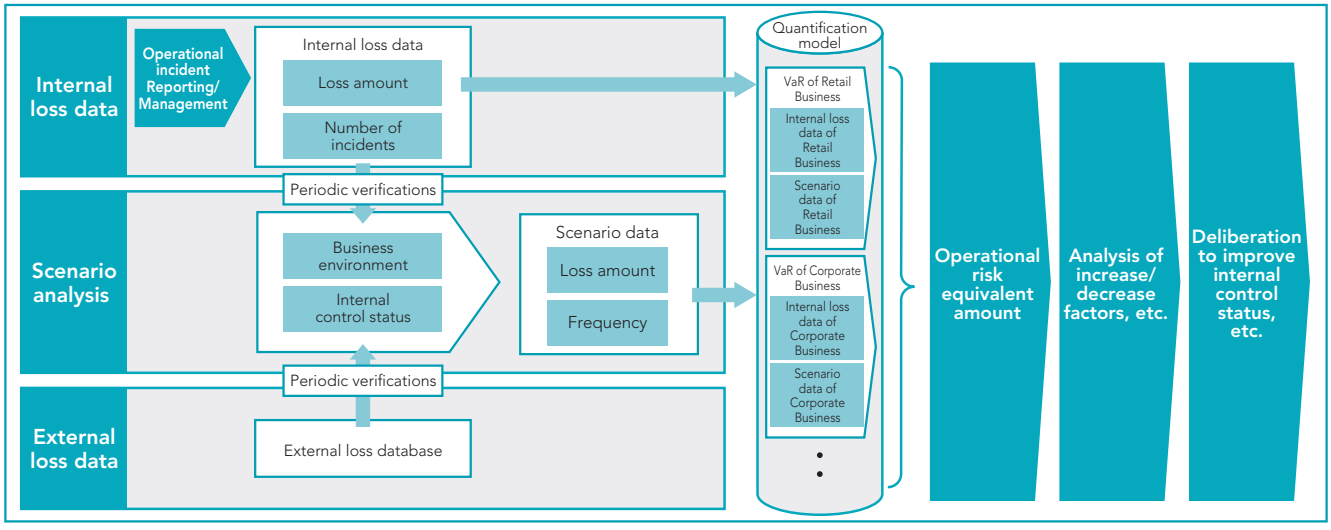
##### C. Measurement Model for Operational Risk Amount

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.

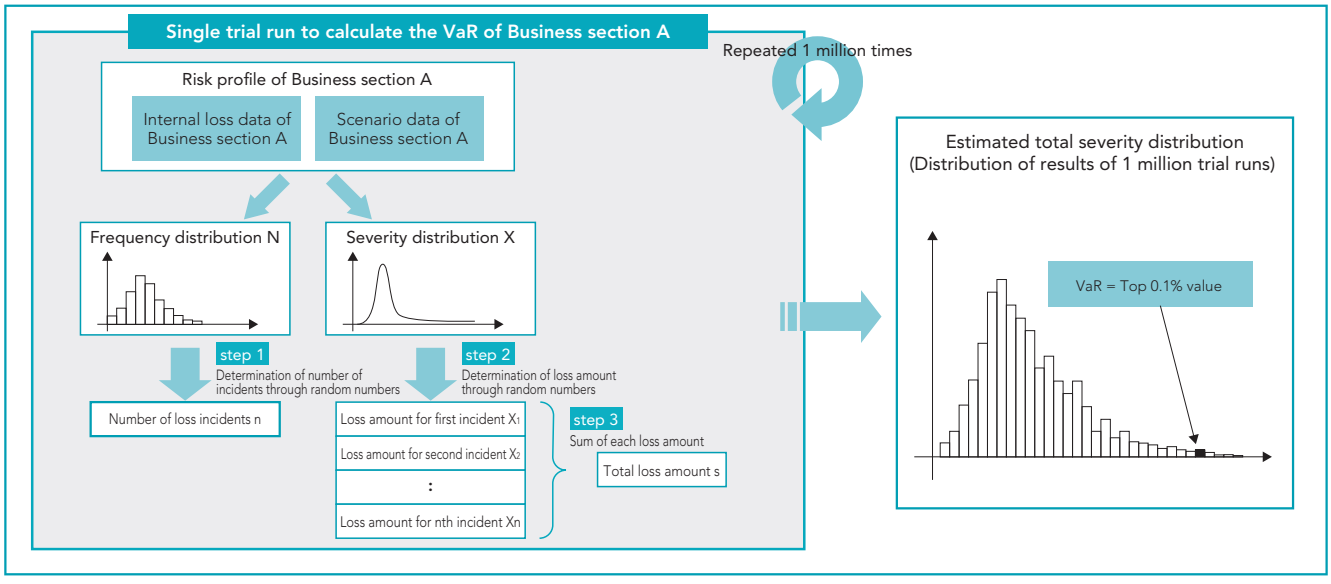
The Poisson distribution has been applied to the frequency distribution, and our own distribution method has been applied to severity distribution in order to grasp the amount of tail risk.

We confirm the appropriateness of the quantification model and the results of the VaR calculations by conducting periodic verifications such as backtestings.

• Outline of the Quantification Framework




• Outline of Quantification Model




## 6. Other Matters

### (1) Credit Risk Mitigation Techniques

#### 1) Implementation of Credit Risk Mitigation Techniques

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.

At that time, we uniformly manage information of collateral and guarantees through a system.

### 2) Details of Collateral Evaluation and Management

As a uniform decision on acceptance of collateral and guarantees cannot be made due to individual circumstances, such as creditworthiness of obligors, we determine whether or not to accept collateral or guarantees by taking into consideration various factors, including the compatibility with the purpose of use and characteristics of loans and bills discounted, collateral value, the guarantor's capability for performance of guarantee, and legal validity.

As the ultimate purpose of collateral is to acquire monetary value through conversion into cash of a relevant property, we have defined requirements for accepting collateral that 1) collateral value is acknowledged, 2) foreclosure sale of a relevant property is easy, and 3) it is easy to obtain and manage collateral.

Financial assets such as term deposits and securities, and real estate have accounted largely for the collateral that the Group has accepted. As a general rule, we evaluate collateral of real estate, and other similar property at least once a year, and other collateral with fair value, such as securities, on a regular basis.

Guarantees are classified into several categories, such as specific debt guarantee that guarantees only specific debts, and revolving guarantee. The forms of providing guarantees also vary, including the official contract for guarantees, letter of indemnity on guarantee, and commitment to guarantee. Regardless of the category and form of guarantee, the Group places emphasis on substantial effectiveness of guarantees by confirming the guarantor's capacity and intention of guarantee. The guarantees that the Group has accepted have been made up greatly of cases in which parent companies guarantee debts of their respective subsidiaries in corporate credit transactions. We regularly check the guarantor's intention of guarantee.

### 3) Compliance with Capital Regulatory Standards

The capital regulatory standards specify types and requirements regarding credit risk mitigation techniques that can decrease risk-weighted assets according to the calculation of credit risk-weighted assets in a limited manner. The Group has defined the scope of the credit risk mitigation techniques that can be applied to calculation of a capital adequacy ratio depending on risk-weighted assets measurement approaches after closely examining the eligibility for the requirements.

With regard to assets to which the Advanced Internal Ratings-Based Approach (AIRB) is applied, we consider the collateral effect through the Loss Given Default (LGD). We have adopted the credit risk mitigation techniques for assets to which the Foundational Internal Ratings-Based Approach (FIRB) is applied, and the details are as follows:

• Overview of Credit Risk Mitigation Techniques (CRM)

| CRM techniques | Major requirements |
|---|---|
| Offsetting of loans and bills discounted against deposits in our banks (netting)* | • Term deposits<br>• A valid banking transaction contract, or any other effective agreement, with a statement about timely offsetting has been concluded. |
| Guarantees and credit derivatives | • The creditworthiness of the guarantor (the party providing protection) is greater than that of the obligor.<br>• The contract has been concluded in writing and does not include any provision that disturbs performance of guarantee (offering of protection). |
| Eligible collateral | |
| Eligible financial collateral (deposits in our banks, stocks, and debt securities) | • Establishment of security rights (such as the right of pledge)<br>• Any special agreement that restricts exercise of security rights has not been concluded. |
| Eligible real estate collateral (real estate, foundations) | • Register of settlement of mortgage (definitive/provisional registration)<br>• Any special agreement that restricts exercise of security rights has not been concluded.<br>• Investigation of soil pollution has been completed, or the impact of soil pollution has been taken into consideration in evaluation. |
| Other eligible asset collateral (ships, aircrafts) | • Establishment of security rights (definitive/provisional registration; with security rights being set as the first right)<br>• Any special agreement that restricts exercise of security rights has not been concluded. |

* In the fiscal year ended March 2023, we employed netting only for assets to which the Foundation Internal Ratings-Based Approach was applied.

#### 4) Concentration of Credit and Market Risks Following the Adoption of Credit Risk Mitigation Techniques

Guarantees and credit derivatives have been considered as approaches involving risk concentration.

In the Group, although guarantees on obligors are offered by their respective parent companies in many cases, this is not always significantly inclined for specific guarantors. SuMi TRUST Bank, which is the core bank of the Group monitors and manages concentration risks for the entire corporate group, with guarantees taken into consideration.

The notional principal of the protection of the credit derivatives that SuMi TRUST Bank has purchased is not noteworthy enough to be defined as risk concentration. It is managed by being included in the credit limit amount of the provider of protection.

### (2) Credit Risk for the Other Party of Derivatives Transactions and Repo Transactions (Counterparty Credit Risk)

#### 1) Risk Characteristics

Counterparty credit risk ("CCR") is a risk that the Group may incur loss due to nonfulfillment of a contract when a counterparty, the other party of a transaction, such as a derivatives transaction, has gone bankrupt. The Group has conducted various derivatives transactions (such as the interest rate swap transaction) with financial institutions.

#### 2) Risk Management Policy

##### A. Management of Counterparty Credit Risk Exposures

With regard to CCR, the Group has set a credit line for clients, such as financial institutions, for each type of market-based transactions and manage CCR exposures. We have managed credit concentration risk of each client by setting a credit limit amount in the same manner as for corporates and adding up credit transactions for loans, etc. and market-based transactions. Furthermore, in the same manner as other exposures, we allocate capital to each business and monitor the usage status.

##### B. Credit Risk Mitigation Techniques and Collateral Management

As a general rule, SuMi TRUST Bank, the core bank of the Group, reduces credit risk by entering into legally valid bilateral netting contracts (such as an ISDA Master Agreement) with clients when conducting derivatives and repo transactions. Furthermore, with the aim of minimizing credit risk at the time of conducting derivatives transactions, SuMi TRUST Bank is promoting the conclusion of a Credit Support Annex (CSA) as a supplementary contract of the ISDA Master Agreement. A CSA is a bilateral agreement that supplements credit through a pledge of collateral corresponding to the amount of unrealized loss by the party holding unrealized loss to the other party with unrealized gain based on calculation of the present value of derivatives transactions, etc. or other similar items between SuMi TRUST Bank and the counterparty with which SuMi TRUST Bank has concluded the CSA.

The Group transfers collateral on a continuous basis with the counterparty with which we have entered into a CSA so that unrealized gains and losses become neutral. However, we will be required to offer additional collateral when the creditworthiness of either party has deteriorated and the party's rating has dropped, with the impacts of such deterioration taken into consideration. The amount of additional collateral varies depending on the details of the contract concluded with each company.

##### C. Management of Wrong-way Risk

Wrong-way risk is risk of losses expanding through the synergetic effect of any adverse correlation between the derivatives exposures transaction and the creditworthiness of the other party of the transaction (the counterparty). Currently, the Group manages this risk by mitigating credit risk through conclusion of CSAs, and grasping CCR in a timely and proper manner.

##### D. Impact of Deteriorated Creditworthiness of Our Banks

As specified in B. above, the Group has regularly transferred collateral with counterparties in derivatives transactions and other similar transactions. In these transactions, we may be required to provide additional collateral to counterparties due to deterioration of our own creditworthiness. However, the proportion of derivatives transactions to the Group's overall exposure is currently low, and we have recognized that the impact is limited.

#### 3) Compliance with Capital Regulatory Standards

The Group has adopted the "Current Exposure Method" in risk-weighted asset calculation of counterparty credit risk. The approach is one of the methods for calculating the credit equivalent amount of derivatives transactions by adding the add-on (which corresponds to the amount for potential future exposure, and is calculated by multiplying the notional amount by the split based on residual maturity) to the "replacement cost" (as calculated through fair market valuation of transactions).

In accordance with the capital regulatory standards (Basel III) which have been revised with financial crisis taken into consideration, the Group calculates risk-weighted assets for Credit Value Adjustment (CVA) that adjusts exposure when the creditworthiness of counterparty has changed, and for the Central Counterparty (CCP) exposures.

**(3) Securitisation Transactions**

1) Risk Characteristics

Securitisation transactions are transactions in which, on the back of one or more assets, the credit risk related to the assets is stratified into two or more layers that are in a relationship of a senior-subordinated structure and part or all of the assets are transferred to a third party. Typical examples include Residential Mortgage Backed Securities (RMBS), Commercial Mortgage Backed Securities (CMBS), and Collateralized Loan Obligation (CLO) according to underlying assets, and resecuritised products with securitised products as underlying assets. The method of grasping credit risk differs between the originator (the party that composes products) and an investor (the party that purchases products) in securitisation transactions. When the originator has accepted the subordinated part of assets at the time of product composition, some credit risk will remain. Meanwhile, when the investor has bought a securitised product, credit risk will arise. Furthermore, as securitised products underlie resecuritised products, it will become complicated to grasp risks regarding resecuritised products, and credit risk of resecuritised products may become greater than those of general securitised products.

Although the Group engages in activities primarily as the investor, we have yielded business results in product composition as an originator.

2) Risk Management Policy

A. Investor

In principle, the Group invests in securitised products, to which high external credit ratings have been assigned, and manages risks by the assignment of credit ratings (structured ratings) based on the internal rating system. During an investment period, we strive to obtain stable earnings opportunities by periodically monitoring not only external credit ratings but also the status and performance of the assets underlying securitised products, and risk characteristics and structure status of securitisation transactions, and then reflecting such status for reviewing credit ratings. The Group manages resecuritised products in the same manner.

B. Originator

The Group will consider using securitisation transactions, which are originated by the Group, according to situations as a method for controlling portfolios of finance receivables held. When doing so, we will construct transaction content in which an intended transfer of credit risk is made effectively, and properly calculate the part of credit risk-weighted assets that the Group bears after implementation of securitisation. Securitised products originated by the Group are held by investors outside the Group and are not held by the Group's affiliates.

3) Risk Management Method

We measure credit risk amount of securitisation exposures based on the value of credit risk-weighted assets specified by the capital regulatory standards. In addition, interest rate risk involved in securitisation exposures is subject to measurement of market risk amount.

4) Securitisation transactions of Third Party Assets

With regard to securitisation transactions of assets purchased from third parties, the Group has engaged in liquidation of receivables mainly by buying multiple receivables, such as accounts receivables and bills of credit, via specific purpose companies (SPCs), and provides Asset Based Lending (ABL) to SPCs and sets up backup lines for Asset Backed Commercial Papers (ABCPs) issued by SPCs. In addition, SuMi TRUST Bank has conducted proper management of underlying assets for investors.

In the Group, securitisation conduits, such as SPCs and trust as follows, conduct securitisation transactions of third party assets. We have never offered securitisation conduits credit supplementation not stipulated in respective contracts.

| Name of securitisation conduit | Whether to be included in the consolidation scope* according to calculation of the capital adequacy ratio | Whether or not securitisation exposure is held |
|---|---|---|
| Vector Asset Funding Corporation | Included | Held |
| Nexus Asset Funding Corporation | Included | Held |
| Fresco Asset Funding Corporation | Included | Held |
| Crecer Asset Funding Corporation | Included | Held |
| RBA Asset Funding Corporation | Not included | Not held |
| Sumitomo Mitsui Trust Bank, Limited (Trust account) | Not included | Held |

* The consolidation scope according to calculation of the capital adequacy ratio of SuMi TRUST Holdings and SuMi TRUST Bank.

### 5) Accounting Policy

When conducting securitisation transactions, as a general rule, the Group adopts a selling process that results in derecognition of financial assets through the transfer of the control over contractual rights to the financial assets to another party in accordance with "Accounting Standards for Financial Instruments" (Accounting Standards Board of Japan (ASBJ) Statement No. 10). For instance, in the case of finance receivables, in principle, assets are derecognized upon legal completion of transfer of the assets and receipt of consideration for the transfer; however, in the event that we hold retained interests after conducting securitisation transactions, the Group does not recognize sales of the assets corresponding to the retained interests, and renders it subject to measurement of credit risk-weighted assets. Meanwhile, regarding transactions in which a considerable degree of credit is offered without prior payment of capital, the Group will employ a financial process of posting raised capital as a liability. In addition, when we possess assets for the purpose of securitisation transactions, the Group evaluates the assets in accordance with "Accounting Standards for Financial Instruments" and records them in the banking account.

### 6) Compliance with Capital Regulatory Standards

With regard to calculation of credit risk-weighted assets for securitisation exposures, we have prioritized calculation methods, and selected from applicable calculation methods on which the highest priority has been placed. First of all, if it is possible to grasp the required capital ratio of the underlying assets as calculated by using the Internal Ratings-Based Approach, we use the "Securitisation Internal Ratings-Based Approach" to calculate the risk weight. Then, if it is difficult to apply the "Securitisation Internal Ratings-Based Approach," we calculate the risk weight of securitisation exposures to which eligible external ratings has been assigned by applying the "Securitisation External Ratings-Based Approach" Then, if it is difficult to apply either of the aforementioned two approaches, and that it is possible to grasp the required capital ratio of the underlying assets as calculated by using the Standardised Approach, we use the "Securitisation Standardised Approach" to calculate the risk weight. If it is impossible to apply any of the aforementioned approaches, we apply 1,250% risk weight. In the case of resecuritisation products, we use the "Standardised Approach-Based Approach" or apply 1,250% risk weight.

The eligible rating agencies used for calculating the value of credit risk-weighted assets based on the "Rating-Based Approach" include 5 companies, which are Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P), and Fitch Ratings, Inc. (Fitch).

While the Group essentially has rendered securitisation exposure subject to calculation of credit risk-weighted assets, we use the "Standardised Approach" for calculating market risk equivalent amount.

## (4) Capital Subscriptions and Other Similar Exposures or Equity Exposures

### 1) Risk Characteristics

As part of capital subscription business, the Group has strategically made equity investments in the banking accounts and held stocks with the aim of investing in organizations expected to bring benefits to the Group and cementing relationships with clients (strategic shareholdings). Stocks are characterized as involving the risk of fluctuation in their prices (market risk) as well as the risk that the issuers may become in default (credit risk).

Equity investment is aimed to pursue medium-term risk return, being exposed to the risk of fluctuation in cash flows, such as dividend distribution, and the risk that the Net Asset Value of the subscriber's share on the capital may fluctuate.

Strategic shareholdings of listed shares with market prices are subject to fair market valuation and are exposed to a risk of fluctuation in their market prices. Unlisted shares are also exposed to a risk that their estimated value may decline.

2) Risk Management Policy

We properly manage stocks held in the banking accounts, by taking into consideration profitability, within a scope of a certain risk amount through a framework of credit risk and market risk management according to the purpose of holding the stocks and risk characteristics.

For equity investments, etc., we make every effort to limit risk by scrutinizing transactions, taking into account market conditions and the investment performance of the portfolio manager.

In addition, our policy is to not hold conventional strategic shareholdings (shareholding of business partners as stable shareholders without the purpose of forming capital or business alliances, etc.). Based on this policy, we are working to reduce our strategic shareholdings, and we are also flexibly implementing hedging transactions to limit the risk of share price fluctuations.

3) Risk Management Method

Concerning the stocks held in the category of "available-for-sale securities," we measure risk according to whether or not there is a market price. We recognize a risk of price fluctuation for the stocks with market price and measure the stock VaR with a holding period of one year and a 99% confidence interval. Meanwhile, regarding unlisted shares without market prices, as it is not possible to directly observe price fluctuation, we measure the risk amount with the holding period of one year while using an approach for indirectly estimating the volatility by selecting an appropriate alternate index, and a reference to the Supervisory Formula Approach specified by the capital regulatory standards, depending on situations.

Concerning "Shares of Subsidiaries," we have rendered the assets and liabilities held by a relevant subsidiary subject to direct risk management. Furthermore, as for "Shares of Affiliated Companies," fluctuations in the value of our interest in relevant affiliated companies due to equity in losses or earnings are subject to risk management.

4) Accounting Policy

As of the end of March 2023, the valuation of the equity securities in the Group's consolidated financial statements is determined as follows: Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are valued at the market price (cost of securities sold is calculated using primarily the moving-average method). Equity securities with no market prices 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.

5) Compliance with Capital Regulatory Standards

We measure the required capital of credit risk with an approach applied according to whether relevant equities are Japanese or Non-Japanese, and whether or not relevant equities are listed. Japanese equities are measured based on the Supervisory Formula Approach using the credit ratings assigned to relevant issuers.

Furthermore, we apply the Simple Risk-weight Method (Market-Based Approach) that multiplies the risk weight determined according to whether the equities are listed or not, in order to measure any Japanese equities without credit ratings, and Non-Japanese equities. The market risk amount is measured using VaR as a scale. For more details, please refer to "(5) Market Risk Management Method" of "3. Market Risk Management."

# Basel III Disclosure Data

## Sumitomo Mitsui Trust Holdings, Inc.

This section outlines and discloses matters to be stated in explanatory documents relating to the fiscal year, separately stipulated by the Commissioner of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2014) with regard to the status of capital adequacy, as set forth in Article 19-2, Paragraph 1, Item 5-(d) of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No.10, 1982), as well as separately stipulated by the Commissioner of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2015) with regard to the status of management soundness relating to liquidity, as set forth in Article 19-2, Paragraph 1, Item 5-(e) of the Ordinance for Enforcement of the Banking Act.

[Quantitative Disclosure Data: SuMi TRUST Holdings]


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Quantitative Disclosure Data:

# Sumitomo Mitsui Trust Holdings, Inc.



## KM1: Key Metrics

Consolidated

| KM1 Basel III Template No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| | Available capital (amounts) | | | | | |
| 1 | Common Equity Tier 1 (CET1) | ¥ 2,509,770 | ¥ 2,488,849 | ¥ 2,478,725 | ¥ 2,514,599 | ¥ 2,480,157 |
| 2 | Tier 1 | 2,793,511 | 2,770,846 | 2,760,252 | 2,796,283 | 2,761,527 |
| 3 | Total capital | 3,081,287 | 3,070,609 | 3,091,460 | 3,163,929 | 3,144,436 |
| | Risk-weighted assets (amounts) | | | | | |
| 4 | Total risk-weighted assets (RWA) | 23,256,895 | 22,684,414 | 22,293,002 | 20,732,714 | 20,135,316 |
| | Risk-based capital ratios as a percentage of RWA | | | | | |
| 5 | Common Equity Tier 1 ratio | 10.79% | 10.97% | 11.11% | 12.12% | 12.31% |
| 6 | Tier 1 ratio | 12.01% | 12.21% | 12.38% | 13.48% | 13.71% |
| 7 | Total capital ratio | 13.24% | 13.53% | 13.86% | 15.26% | 15.61% |
| | Additional CET1 buffer requirements as a percentage of RWA | | | | | |
| 8 | Capital conservation buffer requirement | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 9 | Countercyclical buffer requirement | 0.03% | 0.02% | 0.00% | 0.00% | 0.00% |
| 10 | Bank G-SIB and/or D-SIB additional requirements | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| 11 | Total of bank CET1 specific buffer requirements | 3.03% | 3.02% | 3.00% | 3.00% | 3.00% |
| 12 | CET1 available after meeting the bank's minimum capital requirements | 5.24% | 5.53% | 5.86% | 7.26% | 7.61% |
| | Basel III leverage ratio | | | | | |
| 13 | Total Basel III leverage ratio exposure measure | 52,117,307 | 52,208,484 | 53,780,647 | 52,870,097 | 51,876,951 |
| 14 | Basel III leverage ratio | 5.36% | 5.30% | 5.13% | 5.28% | 5.32% |

| KM1 Basel III Template No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | Fiscal Year 2022 4th Quarter | Fiscal Year 2022 3rd Quarter | Fiscal Year 2022 2nd Quarter | Fiscal Year 2022 1st Quarter | Fiscal Year 2021 4th Quarter |
| | Consolidated Liquidity Coverage Ratio (LCR) | | | | | |
| 15 | Total HQLA allowed to be included in the calculation | ¥ 19,451,554 | ¥ 19,347,711 | ¥ 19,092,731 | ¥ 18,252,532 | ¥ 17,729,217 |
| 16 | Net cash outflows | 14,058,935 | 13,043,191 | 12,770,595 | 12,501,166 | 11,018,789 |
| 17 | Consolidated LCR | 138.3% | 148.3% | 149.5% | 146.0% | 160.8% |
| | Consolidated Net Stable Funding Ratio (NSFR) | | | | | |
| 18 | Total available stable funding | 36,384,855 | 36,047,995 | 36,508,303 | 36,164,445 | 35,985,670 |
| 19 | Total required stable funding | 31,662,323 | 31,526,581 | 32,024,750 | 31,018,596 | 30,784,893 |
| 20 | Consolidated NSFR | 114.9% | 114.3% | 114.0% | 116.5% | 116.8% |

## 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 "FSA Bank Holding Company Capital Adequacy Notification").

As of the end of March 2023, we used 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 FSA Bank Holding Company Capital Adequacy Notification, Article 3 (hereinafter referred to as "SuMi TRUST Holdings Group") and the companies included in the scope of accounting consolidation.

(2) The number of consolidated subsidiaries that belong to SuMi TRUST Holdings Group is 58. 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 FSA Bank Holding Company Capital Adequacy Notification, Article 9.

(4) There are no particular restrictions etc. on the transfer of funds and capital within 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

### CC1: Composition of Capital

| CC1 As of March 31 | | | Millions of Yen, % | | |
|---|---|---|---|---|---|
| | | | a | b | c |
| Basel III Template No. | Items | | 2023 | 2022 | Reference Numbers to Reconciliation with the Balance Sheet |
| | Common Equity Tier 1 Capital: Instruments and Reserves | | | | |
| 1a+2–1c–26 | Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings | | **¥ 2,547,791** | ¥ 2,483,781 | |
| 1a | of Which: Capital Stock and Capital Surplus | | **807,755** | 837,723 | |
| 2 | of Which: Retained Earnings | | **1,803,002** | 1,682,519 | |
| 1c | of Which: Treasury Stock (Deduction) | | **22,933** | 2,714 | |
| 26 | of Which: Earnings to be Distributed (Deduction) | | **40,033** | 33,747 | |
| | of Which: Others | | **—** | — | |
| 1b | Subscription Rights to Common Shares | | **945** | 1,006 | |
| 3 | Accumulated Other Comprehensive Income | | **204,259** | 198,028 | (a) |
| 5 | Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1) | | **—** | — | |
| 6 | Common Equity Tier 1 Capital: Instruments and Reserves | (A) | **2,752,995** | 2,682,815 | |
| | Common Equity Tier 1 Capital: Regulatory Adjustments | | | | |
| 8+9 | Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities) | | **122,286** | 123,049 | |
| 8 | of Which: Goodwill (Including Those Equivalent) | | **46,042** | 56,025 | |
| 9 | of Which: Other Intangible Assets | | **76,243** | 67,024 | |
| 10 | Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities) | | **427** | 653 | |
| 11 | Deferred Gains or Losses on Derivatives under Hedge Accounting | | **(49,287)** | (62,022) | |
| 12 | Shortfall of Eligible Provisions to Expected Losses | | **—** | — | |
| 13 | Securitisation Gain on Sale | | **925** | 1,344 | |
| 14 | Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities | | **7,454** | 6,253 | |
| 15 | Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities) | | **161,380** | 133,350 | |
| 16 | Investments in Own Shares (Excluding Those Reported in the Net Assets Section) | | **37** | 29 | |
| 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) | | **—** | — | |
| 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) | **243,224** | 202,658 | |
| | Common Equity Tier 1 Capital (CETI) | | | | |
| 29 | Common Equity Tier 1 Capital | (C) = (A)–(B) | **¥ 2,509,770** | ¥ 2,480,157 | |

CC1

As of March 31

| Basel III Template No. | | Items | | Millions of Yen, % a 2023 | b 2022 | c Reference Numbers to Reconciliation with the Balance Sheet |
|---|---|---|---|---|---|---|
| | | **Additional Tier 1 Capital: Instruments** | | | | |
| 30 | 31a | Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards | | ¥ — | ¥ — | |
| | 31b | Subscription Rights to Additional Tier 1 Instruments | | — | — | |
| | 32 | Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards | | **270,000** | 270,000 | |
| | | 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) | | **13,750** | 11,380 | |
| 33+35 | | Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital | | — | — | |
| 33 | | of Which: Directly Issued and Issued by Special Purpose Vehicles | | — | — | |
| 35 | | of Which: Issued by Subsidiaries | | — | — | |
| 36 | | Additional Tier 1 Capital: Instruments | (D) | **283,750** | 281,380 | |
| | | **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) | | — | — | |
| 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 | | **10** | 10 | |
| 42 | | Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions | | — | — | |
| 43 | | Additional Tier 1 Capital: Regulatory Adjustments | (E) | **10** | 10 | |
| | | **Additional Tier 1 Capital (AT1)** | | | | |
| 44 | | Additional Tier 1 Capital | (F) = (D) – (E) | **283,740** | 281,370 | |
| | | **Tier 1 Capital (T1 = CET1 + AT1)** | | | | |
| 45 | | Tier 1 Capital | (G) = (C) + (F) | **2,793,511** | 2,761,527 | |
| | | **Tier 2 Capital: Instruments and Provisions** | | | | |
| | | 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 | | **270,630** | 339,855 | |
| 46 | | 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) | | **3,049** | 2,163 | |
| 47+49 | | Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2 Capital | | — | — | |
| 47 | | of Which: Directly Issued and Issued by Special Purpose Vehicles | | — | — | |
| 49 | | of Which: Issued by Subsidiaries | | — | — | |
| 50 | | Provisions Allowed in Group Tier 2 | | **15,635** | 42,429 | |
| 50a | | of Which: General Allowance for Credit Losses | | **3,525** | 3,050 | |
| 50b | | of Which: Excess Amount of Eligible Provisions to Expected Losses | | **12,110** | 39,379 | |
| 51 | | Tier 2 Capital: Instruments and Provisions | (H) | ¥ **289,316** | ¥ 384,448 | |

| CC1<br>As of March 31<br>Basel III Template No. | Items | | Millions of Yen, %<br>a<br>2023 | <br>b<br>2022 | <br>c<br>Reference Numbers to Reconciliation with the Balance Sheet |
|---|---|---|---|---|---|
| | **Tier 2 Capital: Regulatory Adjustments** | | | | |
| 52 | Investments in Own Tier 2 Instruments | | ¥ — | ¥ — | |
| 53 | Reciprocal Cross-Holdings in Tier 2 Instruments and Other TLAC Liabilities | | — | — | |
| 54 | Investments in the Tier 2 Instruments and Other TLAC Liabilities 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) | | — | — | |
| 55 | Significant Investments in the Tier 2 Instruments and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions | | **1,540** | 1,540 | |
| 57 | Tier 2 Capital: Regulatory Adjustments | (I) | **1,540** | 1,540 | |
| | **Tier 2 Capital (T2)** | | | | |
| 58 | Tier 2 Capital | (J) = (H) – (I) | **287,776** | 382,908 | |
| | **Total Capital (TC = T1 + T2)** | | | | |
| 59 | Total Capital | (K) = (G) + (J) | **3,081,287** | 3,144,436 | |
| | **Total Risk Weighted Assets** | | | | |
| 60 | Total Risk Weighted Assets | (L) | **23,256,895** | 20,135,316 | |
| | **Capital Ratios and Buffers (Consolidated)** | | | | |
| 61 | Common Equity Tier 1 Capital Ratio | (C)/(L) | **10.79%** | 12.31% | |
| 62 | Tier 1 Capital Ratio | (G)/(L) | **12.01%** | 13.71% | |
| 63 | Total Capital Ratio | (K)/(L) | **13.24%** | 15.61% | |
| 64 | Total of bank CET1 specific buffer requirements | | **3.03%** | 3.00% | |
| 65 | of Which: Capital conservation buffer requirement | | **2.50%** | 2.50% | |
| 66 | of Which: Countercyclical buffer requirement | | **0.03%** | 0.00% | |
| 67 | of Which: Bank G-SIB and/or D-SIB additional requirements | | **0.50%** | 0.50% | |
| 68 | CET1 available after meeting the bank's minimum capital requirements | | **5.24%** | 7.61% | |
| | **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) | | **179,145** | 105,325 | |
| 73 | Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction) | | **177,753** | 191,918 | |
| 74 | Mortgage Servicing Rights (Amount below the Thresholds for Deduction) | | — | — | |
| 75 | Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction) | | **46,719** | 56,165 | |
| | **Provisions Included in Tier 2 Capital: Instruments and Provisions** | | | | |
| 76 | Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardised Approach (Prior to Applicable of Cap) | | **3,525** | 3,050 | |
| 77 | Cap on Inclusion of Provisions in Tier 2 under Standardised Approach | | **14,764** | 13,252 | |
| 78 | Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap) | | **12,110** | 39,379 | |
| 79 | Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach | | **111,059** | 96,874 | |
| | **Capital Instruments Subject to Phase out Arrangements** | | | | |
| 82 | Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements | | — | — | |
| 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 | | — | — | |
| 85 | Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities) | | ¥ — | ¥ — | |

Note: SuMi TRUST Holdings' consolidated capital adequacy ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).

The certain procedure is not part of the audit of the consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal control over the procedure to calculate the ratio.

## Main Features and Further Information of Regulatory Capital Instruments Consolidated

Outline and Details of Agreements Concerning Capital Funding Instruments are available on our website (https://www.smth.jp/english/investors/report/basel).

## Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Consolidated

### Fiscal Year 2022

**CC2: Reconciliation of Regulatory Capital to Balance Sheet**

| CC2 | a | c | d |
|---|---|---|---|
| Items | Consolidated Balance Sheet (Millions of Yen) | Ref. No. of Composition of Capital | Ref. No. of Appendix |
| **(Assets)** | | | |
| Cash and Due from Banks | ¥ 21,602,473 | | |
| Call Loans and Bills Bought | 24,006 | | |
| Receivables under Resale Agreements | 110,003 | | |
| Receivables under Securities Borrowing Transactions | 436,093 | | |
| Monetary Claims Bought | 970,058 | | |
| Trading Assets | 1,514,603 | | |
| Money Held in Trust | 16,136 | | 7–a |
| Securities | 6,933,067 | | 3–b, 7–b |
| Loans and Bills Discounted | 31,810,926 | | 7–c |
| Foreign Exchanges | 47,445 | | |
| Lease Receivables and Investment Assets | 688,933 | | |
| Other Assets | 3,839,561 | | 7–d |
| Tangible Fixed Assets | 222,588 | | |
| Intangible Fixed Assets | 130,969 | | 3–a |
| Assets for Retirement Benefits | 232,625 | | 4 |
| Deferred Tax Assets | 10,729 | | 5–a |
| Customers' Liabilities for Acceptances and Guarantees | 562,523 | | |
| Allowance for Loan Losses | (129,998) | | |
| Total Assets | ¥ 69,022,746 | | |

| CC2 Items | a Consolidated Balance Sheet (Millions of Yen) | c Ref. No. of Composition of Capital | d Ref. No. of Appendix |
|---|---|---|---|
| **(Liabilities)** | | | |
| Deposits | ¥ 35,387,287 | | |
| Negotiable Certificates of Deposit | 7,461,005 | | |
| Call Money and Bills Sold | 1,912,878 | | |
| Payables under Repurchase Agreements | 1,030,780 | | |
| Trading Liabilities | 1,472,636 | | |
| Borrowed Money | 6,039,543 | | 9–a |
| Foreign Exchanges | 847 | | |
| Short-term Bonds Payable | 2,332,377 | | |
| Bonds Payable | 2,501,760 | | 9–b |
| Borrowed Money from Trust Account | 4,332,472 | | |
| Other Liabilities | 3,038,112 | | 7–e |
| Provision for Bonuses | 19,136 | | |
| Provision for Directors' Bonuses | 402 | | |
| Provision for Stocks Payment | 1,064 | | |
| Liabilities for Retirement Benefits | 13,720 | | |
| Provision for Reward Points Program | 21,282 | | |
| Provision for Reimbursement of Deposits | 3,028 | | |
| Provision for Contingent Losses | 1,344 | | |
| Deferred Tax Liabilities | 65,585 | | 5–b |
| Deferred Tax Liabilities for Land Revaluation | 2,381 | | 5–c |
| Acceptances and Guarantees | 562,523 | | |
| Total Liabilities | 66,200,172 | | |
| **(Net Assets)** | | | |
| Capital Stock | 261,608 | | 1–a |
| Capital Surplus | 546,146 | | 1–b |
| Retained Earnings | 1,803,002 | | 1–c |
| Treasury Stock | (22,933) | | 1–d |
| Total Shareholders' Equity | 2,587,824 | | |
| Valuation Differences on Available-for-Sale Securities | 258,240 | | |
| Deferred Gains (Losses) on Hedges | (48,470) | | 6 |
| Revaluation Reserve for Land | (6,855) | | |
| Foreign Currency Translation Adjustments | 24,531 | | |
| Adjustments for Retirement Benefits | (23,187) | | |
| Total Accumulated Other Comprehensive Income | 204,259 | (a) | |
| Subscription Rights to Shares | 945 | | 2 |
| Non-controlling Interests | 29,545 | | 8 |
| Total Net Assets | 2,822,574 | | |
| Total Liabilities and Net Assets | ¥ 69,022,746 | | |

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

## (Appendix)

### 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 | 546,146 | | 1–b |
| Retained Earnings | 1,803,002 | | 1–c |
| Treasury Stock | (22,933) | | 1–d |
| Total Shareholders' Equity | ¥ 2,587,824 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings | ¥ 2,587,824 | Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed)) | |
| of Which: Capital Stock and Capital Surplus | 807,755 | | 1a |
| of Which: Retained Earnings | 1,803,002 | | 2 |
| of Which: Treasury Stock (Deduction) | 22,933 | | 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. Subscription Rights to Shares

#### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Subscription Rights to Shares | ¥ 945 | | 2 |
| of Which: Subscription Rights to Shares Issued by the Bank Holding Company | 945 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Subscription Rights to Common Shares | ¥ 945 | | 1b |
| Subscription Rights to Additional Tier 1 Instruments | — | | 31b |
| Subscription Rights to Tier 2 Instruments | — | | 46 |

### 3. Intangible assets

#### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Intangible Fixed Assets | ¥ 130,969 | | 3–a |
| Securities | 6,933,067 | | 3–b |
| of Which: Goodwill Arising on the Application of the Equity Method | 24,316 | | |
| | | | |
| Associated Deferred Tax Liabilities | 32,999 | | |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent) | ¥ 46,042 | | 8 |
| Other Intangible Assets (Net of Related Deferred Tax Liabilities) | 76,243 | 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 |

## 4. Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits)

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Assets for Retirement Benefits | ¥ 232,625 | | 4 |
| | | | |
| Associated Deferred Tax Liabilities | 71,244 | | |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities) | ¥ 161,380 | | 15 |

## 5. Deferred tax assets

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Deferred Tax Assets | ¥ 10,729 | | 5–a |
| Deferred Tax Liabilities | 65,585 | | 5–b |
| Deferred Tax Liabilities for Land Revaluation | 2,381 | | 5–c |
| | | | |
| Associated Intangible Fixed Assets | 32,999 | | |
| Associated Assets for Retirement Benefits | 71,244 | | |

### (2) Composition of capital

| Items in the Composition of Capital | 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) | ¥ 427 | 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) | 46,719 | 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) | 46,719 | | 75 |

## 6. Deferred gains or losses on hedges

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Deferred Gains (Losses) on Hedges | ¥ (48,470) | | 6 |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Deferred Gains or Losses on Derivatives under Hedge Accounting | ¥ (49,287) | Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income" | 11 |

## 7. Investments in the Capital and Other TLAC Liabilities of Financial Entities

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Money Held in Trust | ¥ 16,136 | | 7–a |
| Securities | 6,933,067 | | 7–b |
| Loans and Bills Discounted | 31,810,926 | Including Subordinated Debts | 7–c |
| Other Assets | 3,839,561 | Including derivatives | 7–d |
| Other Liabilities | ¥ 3,038,112 | Including derivatives | 7–e |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Investments in Own Capital | ¥ 37 | | |
| Common Equity Tier 1 Capital | 37 | | 16 |
| Additional Tier 1 Capital | — | | 37 |
| Tier 2 Capital | — | | 52 |
| Reciprocal Cross-holdings in the Capital and other TLAC Liabilities | — | | |
| Common Equity Tier 1 Capital | — | | 17 |
| Additional Tier 1 Capital | — | | 38 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 53 |
| Investments in the Capital and Other TLAC Liabilities 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 | 179,145 | | |
| Common Equity Tier 1 Capital | — | | 18 |
| Additional Tier 1 Capital | — | | 39 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 54 |
| Amount below the Thresholds for Deduction (before risk weighting) | 179,145 | | 72 |
| Significant Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions | 179,303 | | |
| Amount above the 10% Threshold on the Specified Items | — | | 19 |
| Amount exceeding the 15% Threshold on the Specified Items | — | | 23 |
| Additional Tier 1 Capital | 10 | | 40 |
| Tier 2 Capital and Other TLAC Liabilities | 1,540 | | 55 |
| Amount below the Thresholds for Deduction (before risk weighting) | 177,753 | | 73 |

## 8. Non-controlling Interests

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Non-controlling Interests | ¥ 29,545 | | 8 |

### (2) Composition of capital

| Items in the Composition of Capital | 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) | ¥ — | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 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) | 13,750 | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 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) | 3,049 | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 48–49 |

## 9. Other Capital Instruments

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Borrowed Money | ¥ 6,039,543 | | 9–a |
| Bonds Payable | 2,501,760 | | 9–b |

### (2) Composition of capital

| Items in the Composition of Capital | 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 | ¥ 270,000 | | 32 |
| Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards | 270,630 | | 46 |

## Fiscal Year 2021

| CC2 | a | c | d |
|---|---|---|---|
| Items | Consolidated Balance Sheet (Millions of Yen) | Ref. No. of Composition of Capital | Ref. No. of Appendix |
| **(Assets)** | | | |
| Cash and Due from Banks | ¥ 18,223,364 | | |
| Call Loans and Bills Bought | 5,000 | | |
| Receivables under Resale Agreements | 150,741 | | |
| Receivables under Securities Borrowing Transactions | 652,534 | | |
| Monetary Claims Bought | 854,093 | | |
| Trading Assets | 967,565 | | |
| Money Held in Trust | 16,308 | | |
| Securities | 7,879,235 | | 3–b, 7–a |
| Loans and Bills Discounted | 30,876,507 | | 7–b |
| Foreign Exchanges | 29,494 | | |
| Lease Receivables and Investment Assets | 688,141 | | |
| Other Assets | 3,354,333 | | 7–c |
| Tangible Fixed Assets | 224,535 | | |
| Intangible Fixed Assets | 125,667 | | 3–a |
| Assets for Retirement Benefits | 192,223 | | 4 |
| Deferred Tax Assets | 15,613 | | 5–a |
| Customers' Liabilities for Acceptances and Guarantees | 541,228 | | |
| Allowance for Loan Losses | (163,369) | | |
| Total Assets | ¥ 64,633,220 | | |

| CC2 Items | a Consolidated Balance Sheet (Millions of Yen) | c Ref. No. of Composition of Capital | d Ref. No. of Appendix |
|---|---|---|---|
| **(Liabilities)** | | | |
| Deposits | ¥ 33,230,162 | | |
| Negotiable Certificates of Deposit | 6,587,944 | | |
| Call Money and Bills Sold | 799,524 | | |
| Payables under Repurchase Agreements | 1,485,033 | | |
| Trading Liabilities | 906,686 | | |
| Borrowed Money | 7,153,498 | | 9–a |
| Foreign Exchanges | 1,275 | | |
| Short-term Bonds Payable | 2,387,553 | | |
| Bonds Payable | 2,076,604 | | 9–b |
| Borrowed Money from Trust Account | 4,298,827 | | |
| Other Liabilities | 2,312,326 | | 7–d |
| Provision for Bonuses | 21,087 | | |
| Provision for Directors' Bonuses | 181 | | |
| Provision for Stocks Payment | 732 | | |
| Liabilities for Retirement Benefits | 13,553 | | |
| Provision for Reward Points Program | 19,965 | | |
| Provision for Reimbursement of Deposits | 3,626 | | |
| Provision for Contingent Losses | 1,649 | | |
| Deferred Tax Liabilities | 44,081 | | 5–b |
| Deferred Tax Liabilities for Land Revaluation | 2,388 | | 5–c |
| Acceptances and Guarantees | 541,228 | | |
| Total Liabilities | 61,887,931 | | |
| **(Net Assets)** | | | |
| Capital Stock | 261,608 | | 1–a |
| Capital Surplus | 576,114 | | 1–b |
| Retained Earnings | 1,682,519 | | 1–c |
| Treasury Stock | (2,714) | | 1–d |
| Total Shareholders' Equity | 2,517,528 | | |
| Valuation Differences on Available-for-Sale Securities | 277,617 | | |
| Deferred Gains (Losses) on Hedges | (42,759) | | 6 |
| Revaluation Reserve for Land | (6,839) | | |
| Foreign Currency Translation Adjustments | 12,719 | | |
| Adjustments for Retirement Benefits | (42,708) | | |
| Total Accumulated Other Comprehensive Income | 198,028 | (a) | |
| Subscription Rights to Shares | 1,006 | | 2 |
| Non-controlling Interests | 28,725 | | 8 |
| Total Net Assets | 2,745,288 | | |
| Total Liabilities and Net Assets | ¥ 64,633,220 | | |

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

## (Appendix)

### 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 | 576,114 | | 1–b |
| Retained Earnings | 1,682,519 | | 1–c |
| Treasury Stock | (2,714) | | 1–d |
| Total Shareholders' Equity | ¥ 2,517,528 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings | ¥ 2,517,528 | Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed)) | |
| of Which: Capital Stock and Capital Surplus | 837,723 | | 1a |
| of Which: Retained Earnings | 1,682,519 | | 2 |
| of Which: Treasury Stock (Deduction) | 2,714 | | 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. Subscription Rights to Shares

#### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Subscription Rights to Shares | ¥ 1,006 | | 2 |
| of Which: Subscription Rights to Shares Issued by the Bank Holding Company | 1,006 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Subscription Rights to Common Shares | ¥ 1,006 | | 1b |
| Subscription Rights to Additional Tier 1 Instruments | — | | 31b |
| Subscription Rights to Tier 2 Instruments | — | | 46 |

### 3. Intangible assets

#### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Intangible Fixed Assets | ¥ 125,667 | | 3–a |
| Securities | 7,879,235 | | 3–b |
| of Which: Goodwill Arising on the Application of the Equity Method | 26,515 | | |
| | | | |
| Associated Deferred Tax Liabilities | 29,133 | | |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent) | ¥ 56,025 | | 8 |
| Other Intangible Assets (Net of Related Deferred Tax Liabilities) | 67,024 | 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 |

## 4. Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits)

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Assets for Retirement Benefits | ¥ 192,223 | | 4 |
| | | | |
| Associated Deferred Tax Liabilities | 58,872 | | |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities) | ¥ 133,350 | | 15 |

## 5. Deferred tax assets

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Deferred Tax Assets | ¥ 15,613 | | 5–a |
| Deferred Tax Liabilities | 44,081 | | 5–b |
| Deferred Tax Liabilities for Land Revaluation | 2,388 | | 5–c |
| | | | |
| Associated Intangible Fixed Assets | 29,133 | | |
| Associated Assets for Retirement Benefits | 58,872 | | |

### (2) Composition of capital

| Items in the Composition of Capital | 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) | ¥ 653 | 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) | 56,165 | 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) | 56,165 | | 75 |

## 6. Deferred gains or losses on hedges

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Deferred Gains (Losses) on Hedges | ¥ (42,759) | | 6 |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Deferred Gains or Losses on Derivatives under Hedge Accounting | ¥ (62,022) | Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income" | 11 |

## 7. Investments in the Capital and Other TLAC Liabilities of Financial Entities

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Securities | ¥ 7,879,235 | | 7–a |
| Loans and Bills Discounted | 30,876,507 | Including Subordinated Debts | 7–b |
| Other Assets | 3,354,333 | Including derivatives | 7–c |
| Other Liabilities | ¥ 2,312,326 | Including derivatives | 7–d |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Investments in Own Capital | ¥ 29 | | |
| Common Equity Tier 1 Capital | 29 | | 16 |
| Additional Tier 1 Capital | — | | 37 |
| Tier 2 Capital | — | | 52 |
| Reciprocal Cross-holdings in the Capital and other TLAC Liabilities | — | | |
| Common Equity Tier 1 Capital | — | | 17 |
| Additional Tier 1 Capital | — | | 38 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 53 |
| Investments in the Capital and Other TLAC Liabilities 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 | 105,325 | | |
| Common Equity Tier 1 Capital | — | | 18 |
| Additional Tier 1 Capital | — | | 39 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 54 |
| Amount below the Thresholds for Deduction (before risk weighting) | 105,325 | | 72 |
| Significant Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions | 193,468 | | |
| Amount above the 10% Threshold on the Specified Items | — | | 19 |
| Amount exceeding the 15% Threshold on the Specified Items | — | | 23 |
| Additional Tier 1 Capital | 10 | | 40 |
| Tier 2 Capital and Other TLAC Liabilities | 1,540 | | 55 |
| Amount below the Thresholds for Deduction (before risk weighting) | 191,918 | | 73 |

## 8. Non-controlling Interests

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Non-controlling Interests | ¥ 28,725 | | 8 |

### (2) Composition of capital

| Items in the Composition of Capital | 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) | ¥ — | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 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) | 11,380 | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 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) | 2,163 | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 48–49 |

## 9. Other Capital Instruments

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Borrowed Money | ¥ 7,153,498 | | 9–a |
| Bonds Payable | 2,076,604 | | 9–b |

### (2) Composition of capital

| Items in the Composition of Capital | 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 | ¥ 270,000 | | 32 |
| Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards | 339,855 | | 46 |

## Credit Risk

Consolidated

### Term-end Balance of Credit Risk Exposures by Category and their Breakdown by Major Type of Assets

Millions of Yen

| As of March 31 | 2023 Term-end balance of exposures | | | | 2022 Term-end balance of exposures | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | Loans, Call Loans, Deposits, etc. | Securities | Other Off-balance Sheet Transactions | Total | Loans, Call Loans, Deposits, etc. | Securities | Other Off-balance Sheet Transactions |
| Japan | ¥ 55,699,987 | ¥ 48,618,240 | ¥ 3,176,602 | ¥ 3,905,145 | ¥ 52,708,775 | ¥ 44,467,458 | ¥ 4,460,179 | ¥ 3,781,137 |
| Outside Japan | 8,055,672 | 5,855,508 | 1,320,461 | 879,702 | 7,000,315 | 5,432,862 | 1,102,540 | 464,912 |
| Total for Geographic Regions | ¥ 63,755,659 | ¥ 54,473,748 | ¥ 4,497,063 | ¥ 4,784,847 | ¥ 59,709,090 | ¥ 49,900,320 | ¥ 5,562,720 | ¥ 4,246,049 |
| | | | | | | | | |
| Manufacturing | 4,927,457 | 3,236,020 | 380,104 | 1,311,332 | 4,713,051 | 3,092,841 | 351,745 | 1,268,464 |
| Agriculture and Forestry | 5,744 | 5,744 | 0 | — | 4,117 | 4,117 | 0 | — |
| Fisheries | 95 | 1 | 94 | — | 66 | 1 | 64 | — |
| Mining and Quarrying of Stones and Gravel | 134,585 | 73,056 | 201 | 61,327 | 80,924 | 68,005 | 162 | 12,756 |
| Construction | 376,851 | 259,171 | 25,301 | 92,377 | 335,291 | 212,858 | 22,894 | 99,538 |
| Electricity, Gas, Heat Supply and Water | 1,671,358 | 1,447,385 | 32,007 | 191,965 | 1,604,628 | 1,309,216 | 29,248 | 266,163 |
| Information and Communication | 444,852 | 326,659 | 3,480 | 114,711 | 463,918 | 358,425 | 3,259 | 102,233 |
| Transport and Postal Activities | 1,481,175 | 1,167,751 | 112,976 | 200,447 | 1,578,711 | 1,250,310 | 110,113 | 218,286 |
| Wholesale and Retail Trade | 1,993,863 | 1,602,412 | 58,586 | 332,864 | 1,993,066 | 1,618,779 | 56,561 | 317,725 |
| Finance and Insurance | 2,167,284 | 1,437,299 | 472,978 | 257,007 | 2,138,194 | 1,379,681 | 494,434 | 264,078 |
| Real Estate | 4,063,364 | 3,378,226 | 373,862 | 311,275 | 4,157,535 | 3,513,530 | 363,138 | 280,866 |
| Goods Rental and Leasing | 1,275,053 | 1,163,694 | 2,842 | 108,515 | 1,281,564 | 1,109,573 | 2,872 | 169,119 |
| Local Public Bodies | 146,314 | 102,956 | 38,117 | 5,240 | 153,741 | 114,366 | 33,919 | 5,455 |
| Individuals | 11,754,441 | 11,471,425 | — | 283,015 | 11,798,546 | 11,509,294 | — | 289,252 |
| Others | 33,313,217 | 28,801,942 | 2,996,509 | 1,514,765 | 29,405,731 | 24,359,317 | 4,094,304 | 952,108 |
| Total for Industry Sectors | ¥ 63,755,659 | ¥ 54,473,748 | ¥ 4,497,063 | ¥ 4,784,847 | ¥ 59,709,090 | ¥ 49,900,320 | ¥ 5,562,720 | ¥ 4,246,049 |
| | | | | | | | | |
| To 1 year | 28,654,585 | 26,093,165 | 963,699 | 1,597,720 | 25,729,450 | 22,023,311 | 2,259,777 | 1,446,360 |
| > 1 year to 3 years | 8,091,437 | 5,555,266 | 1,051,603 | 1,484,567 | 7,275,422 | 5,104,110 | 801,988 | 1,369,323 |
| > 3 years to 5 years | 7,074,267 | 5,592,276 | 854,597 | 627,393 | 7,305,938 | 5,755,275 | 933,053 | 617,609 |
| > 5 years | 19,935,369 | 17,233,039 | 1,627,162 | 1,075,166 | 19,398,280 | 17,017,623 | 1,567,901 | 812,755 |
| Total for Residual Maturity | ¥ 63,755,659 | ¥ 54,473,748 | ¥ 4,497,063 | ¥ 4,784,847 | ¥ 59,709,090 | ¥ 49,900,320 | ¥ 5,562,720 | ¥ 4,246,049 |

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 exposures subject to phased rollout of the IRB Approach.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for residual maturity of over 5 years include those with no fixed maturities.
3. 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.

## Term-end Balance of Obligors' exposures related to Loans prescribed in the provisions of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of the Financial Functions, Allowances, and Write-offs, as well as their Breakdown by Geographic Regions and Industry Sectors

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | As of March 31, 2023 | | FY2022 | As of March 31, 2022 | | FY2021 |
| | Term-end balance of exposures | Allowances for loan losses | Write-offs | Term-end balance of exposures | Allowances for loan losses | Write-offs |
| Japan | ¥ 127,585 | ¥ 44,531 | ¥ 43,581 | ¥ 184,932 | ¥ 78,127 | ¥ 10,974 |
| Outside Japan | 36,395 | 7,282 | 2,543 | 54,258 | 7,989 | 2,675 |
| Total for Geographic Regions | ¥ 163,981 | ¥ 51,814 | ¥ 46,125 | ¥ 239,191 | ¥ 86,116 | ¥ 13,650 |
| | | | | | | |
| Manufacturing | 64,889 | 35,706 | 39,494 | 101,488 | 60,168 | 5,743 |
| Agriculture and Forestry | 127 | 77 | — | 144 | 86 | — |
| Fisheries | 0 | 0 | — | 3 | 3 | — |
| Mining and Quarrying of Stones and Gravel | 10 | 1 | — | 10 | 1 | — |
| Construction | 814 | 561 | 6 | 599 | 458 | 24 |
| Electricity, Gas, Heat Supply and Water | 17 | 0 | — | 41 | 0 | — |
| Information and Communication | 83 | 68 | 2 | 88 | 72 | 4 |
| Transport and Postal Activities | 1,826 | 741 | 16 | 2,501 | 791 | 5 |
| Wholesale and Retail Trade | 2,462 | 1,143 | 2 | 8,226 | 5,779 | 6 |
| Finance and Insurance | 345 | 64 | 39 | 1,636 | 264 | 5 |
| Real Estate | 10,651 | 213 | 125 | 15,142 | 709 | 171 |
| Goods Rental and Leasing | 205 | 118 | 2,465 | 3,136 | 2,710 | 0 |
| Local Public Bodies | — | — | — | — | — | — |
| Individuals | 38,212 | 2,324 | 1,391 | 44,953 | 4,057 | 4,972 |
| Others | 44,335 | 10,791 | 2,582 | 61,218 | 11,012 | 2,717 |
| Total for Industry Sectors | ¥ 163,981 | ¥ 51,814 | ¥ 46,125 | ¥ 239,191 | ¥ 86,116 | ¥ 13,650 |

Notes: 1. "Others" in the industry sectors include non-residents.
2. Allowances for loan losses include "general allowances for loan losses" and "specific allowances for loan losses", etc.

### Term-end Balance of Exposures by Past Due Periods (excluding "Doubtful Claims" and "Bankrupt and substantially bankrupt Claims")

| | Millions of Yen | |
|---|---|---|
| As of March 31 | 2023 | 2022 |
| < 1 month | ¥ 55,832 | ¥ 57,015 |
| ≥ 1 month to < 2 months | 11,027 | 11,072 |
| ≥ 2 months to < 3 months | 10,419 | 9,053 |
| ≥ 3 months | — | — |
| Total | ¥ 77,280 | ¥ 77,141 |

Note: Among the term-end balance of exposures for each past due period, "Doubtful Claims" and "Bankrupt and substantially bankrupt Claims" prescribed in the provisions of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of the Financial Functions are excluded, in aggregate calculation.

### Term-end Balance of Exposures of obligors whose loan conditions were Restructured for the purpose of restructuring or supporting business management ; of which Amounts of Increased Allowances for such exposures and Other Amounts due to the restructuring of the loan conditions

| | Millions of Yen | |
|---|---|---|
| As of March 31 | 2023 | 2022 |
| Amounts of Increased Allowances for Such Exposures Due to the Restructuring of the Loan Conditions | ¥ 46,391 | ¥ 80,131 |
| Other Amounts | — | — |
| Term-end Balance of Exposures | ¥ 46,391 | ¥ 80,131 |

Note: Restructured loans are those loans that provide some arrangements favorable to the obligors for the purpose of restructuring or supporting business management, such as by reducing or exempting interest, postponing principal or interest payments, forgiving loans, and providing other benefits to the obligors, excluding those loans classified as "Loans in Bankruptcy Procedures", "Delinquent Loans", and "Loans past due three months or more". In principle, the allowances for restructured loans has been all increased after restructuring loan conditions.

## Equity Investments in Funds

Consolidated

### Exposures Relating to Funds

| | Millions of Yen | |
|---|---|---|
| As of March 31 | 2023 | 2022 |
| Total exposures relating to funds | ¥ 1,398,571 | ¥ 1,206,013 |
| Look-through Approach | 999,434 | 803,115 |
| Mandate-based Approach | 399,032 | 402,782 |
| Probability Approach (subject to 250% risk weight) | — | — |
| Probability Approach (subject to 400% risk weight) | — | — |
| Fall-Back Approach (subject to 1,250% risk weight) | 104 | 115 |

Note: Exposures subject to the calculation of credit risk-weighted assets under the provisions of Article 54-5 and 145 of the FSA Capital Adequacy Notification are shown.

## Disclosure Data Designated as Per the Appended Forms

Consolidated

### OV1: Overview of Risk-weighted assets (RWA)

| OV1 Basel III Template No. | | Millions of Yen | | | |
|---|---|---|---|---|---|
| | | Risk-weighted assets (RWA) | | Minimum capital requirements | |
| | | **March 31, 2023** | March 31, 2022 | **March 31, 2023** | March 31, 2022 |
| 1 | Credit risk (excluding counterparty credit risk) | **¥ 13,526,356** | ¥ 12,428,600 | **¥ 1,140,774** | ¥ 1,048,742 |
| 2 | of Which: Standardised Approach (SA) | **556,708** | 410,820 | **44,536** | 32,865 |
| 3 | of Which: Internal Ratings-Based (IRB) Approach | **12,222,112** | 11,344,677 | **1,036,435** | 962,028 |
| | of Which: Significant investments in commercial entities | **—** | — | **—** | — |
| | of Which: Lease residual value | **138,902** | 66,079 | **11,112** | 5,286 |
| | Other assets | **608,633** | 607,023 | **48,690** | 48,561 |
| 4 | Counterparty credit risk (CCR) | **1,234,786** | 1,271,839 | **100,644** | 103,834 |
| 5 | of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR) | **—** | — | **—** | — |
| | of Which: Current Exposure Method (CEM) | **375,435** | 409,215 | **31,818** | 34,692 |
| 6 | of Which: Expected Positive Exposure (EPE) | **—** | — | **—** | — |
| | of Which: Credit Valuation Adjustment (CVA) | **644,470** | 660,133 | **51,557** | 52,810 |
| | of Which: Central Counterparty (CCP) | **76,398** | 55,007 | **6,111** | 4,400 |
| | Others | **138,481** | 147,482 | **11,156** | 11,930 |
| 7 | Equity positions in banking book under market-based approach | **301,987** | 226,481 | **25,608** | 19,205 |
| 8 | Equity investment in funds (Look-Through Approach (LTA)) | **1,987,217** | 893,876 | **158,977** | 71,510 |
| 9 | Equity investment in funds (Mandate-Based Approach (MBA)) | **1,669,856** | 1,363,728 | **133,588** | 109,098 |
| | Equity investment in funds (Probability Approach (PA) subject to 250% risk weight) | **—** | — | **—** | — |
| | Equity investment in funds (Probability Approach (PA) subject to 400% risk weight) | **—** | — | **—** | — |
| 10 | Equity investment in funds (Fall-Back Approach (FBA) subject to 1,250% risk weight) | **1,311** | 1,448 | **104** | 115 |
| 11 | Settlement risk | **—** | — | **—** | — |
| 12 | Securitisation exposures in banking book | **320,847** | 357,010 | **25,667** | 28,560 |
| 13 | of Which: Internal Rating-Based Approach (SEC-IRBA) | **303,454** | 341,805 | **24,276** | 27,344 |
| 14 | of Which: External Rating-Based Approach (SEC-ERBA) | **17,232** | 14,852 | **1,378** | 1,188 |
| 15 | of Which: Standardised Approach (SEC-SA) | **—** | — | **—** | — |
| | of Which: subject to 1,250% risk weight | **160** | 352 | **12** | 28 |
| 16 | Market risk | **1,838,234** | 1,268,574 | **147,058** | 101,485 |
| 17 | of Which: Standardised Approach (SA) | **82,169** | 33,718 | **6,573** | 2,697 |
| 18 | of Which: Internal Model Approaches (IMA) | **1,756,065** | 1,234,856 | **140,485** | 98,788 |
| 19 | Operational risk | **1,006,720** | 945,703 | **80,537** | 75,656 |
| 20 | of Which: Basic Indicator Approach (BIA) | **219,688** | 209,208 | **17,575** | 16,736 |
| 21 | of Which: The Standardised Approach (TSA) | **—** | — | **—** | — |
| 22 | of Which: Advanced Measurement Approach (AMA) | **787,031** | 736,495 | **62,962** | 58,919 |
| 23 | Amounts below the thresholds for deduction (subject to 250% risk weight) | **561,184** | 620,460 | **47,588** | 52,615 |
| | Amounts included under transitional arrangements | **—** | — | **—** | — |
| 24 | Floor adjustment | **—** | — | **—** | — |
| 25 | Total (after applying scaling factor) | **¥ 23,256,895** | ¥ 20,135,316 | **¥ 1,860,551** | ¥ 1,610,825 |

Note: Total risk-weighted assets of Template No.25 are only applied scaling factor.

## LI1: Differences between accounting and regulatory scopes of consolidation and mapping of consolidated financial statement categories with regulatory risk categories

| LI1 | Millions of Yen | | | | | | |
|---|---|---|---|---|---|---|---|
| | March 31, 2023 | | | | | | |
| | a | b | c | d | e | f | g |
| | | | Carrying values of items | | | | |
| | Carrying values as reported in published consolidated financial statement | Carrying values under scope of regulatory consolidation | Credit risk (excluding amounts relevant to columns d and e) | Counterparty credit risk | Securitisation (excluding amounts relevant to column f) | Market risk | Items not subject to capital requirements or subject to deduction from capital |
| **Assets:** | | | | | | | |
| Cash and Due from Banks | ¥ 21,602,473 | ¥ 21,602,473 | ¥ — | ¥ — | ¥ — | ¥ — | |
| Call Loans and Bills Bought | 24,006 | 24,006 | — | — | — | — | |
| Receivables under Resale Agreements | 110,003 | — | 110,003 | — | — | — | |
| Receivables under Securities Borrowing Transactions | 436,093 | — | 436,093 | — | — | — | |
| Monetary Claims Bought | 970,058 | 856,703 | — | 113,354 | — | — | |
| Trading Assets | 1,514,603 | — | 1,448,705 | — | 1,514,603 | — | |
| Money Held in Trust | 16,136 | 16,130 | — | — | — | 5 | |
| Securities | 6,933,067 | 6,230,277 | — | 702,758 | — | 31 | |
| Loans and Bills Discounted | 31,810,926 | 31,428,425 | — | 382,500 | — | — | |
| Foreign Exchanges | 47,445 | 47,445 | — | — | — | — | |
| Lease Receivables and Investment Assets | 688,933 | 688,933 | — | — | — | — | |
| Other Assets | 3,839,561 | 565,213 | 2,676,046 | 9,660 | 1,739,326 | 588,641 | |
| Tangible Fixed Assets | 222,588 | 222,588 | — | — | — | — | |
| Intangible Fixed Assets | 130,969 | 32,999 | — | — | — | 97,969 | |
| Assets for Retirement Benefits | 232,625 | 71,244 | — | — | — | 161,380 | |
| Deferred Tax Assets | 10,729 | 10,301 | — | — | — | 427 | |
| Customers' Liabilities for Acceptances and Guarantees | 562,523 | 562,523 | — | — | — | — | |
| Allowance for Loan Losses | (129,998) | (129,998) | — | — | — | — | |
| **Total Assets** | ¥ 69,022,746 | ¥ 62,229,268 | ¥ 4,670,849 | ¥ 1,208,273 | ¥ 3,253,930 | ¥ 848,456 | |
| **Liabilities:** | | | | | | | |
| Deposits | ¥ 35,387,287 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 35,387,287 | |
| Negotiable Certificates of Deposit | 7,461,005 | — | — | — | — | 7,461,005 | |
| Call Money and Bills Sold | 1,912,878 | — | — | — | — | 1,912,878 | |
| Payables under Repurchase Agreements | 1,030,780 | — | 1,030,780 | — | — | — | |
| Trading Liabilities | 1,472,636 | — | 1,472,636 | — | 1,472,636 | — | |
| Borrowed Money | 6,039,543 | — | — | — | — | 6,039,543 | |
| Foreign Exchanges | 847 | — | — | — | — | 847 | |
| Short-Term Bonds Payable | 2,332,377 | — | — | — | — | 2,332,377 | |
| Bonds Payable | 2,501,760 | — | — | — | — | 2,501,760 | |
| Borrowed Money from Trust Account | 4,332,472 | — | — | — | — | 4,332,472 | |
| Other Liabilities | 3,038,112 | — | 2,304,915 | — | 1,933,195 | 733,196 | |
| Provision for Bonuses | 19,136 | — | — | — | — | 19,136 | |
| Provision for Directors' Bonuses | 402 | — | — | — | — | 402 | |
| Provision for Stocks Payment | 1,064 | — | — | — | — | 1,064 | |
| Liabilities for Retirement Benefits | 13,720 | — | — | — | — | 13,720 | |
| Provision for Reward Points Program | 21,282 | — | — | — | — | 21,282 | |
| Provision for Reimbursement of Deposits | 3,028 | — | — | — | — | 3,028 | |
| Provision for Contingent Losses | 1,344 | — | — | — | — | 1,344 | |
| Deferred Tax Liabilities | 65,585 | — | — | — | — | 65,585 | |
| Deferred Tax Liabilities for Land Revaluation | 2,381 | — | — | — | — | 2,381 | |
| Acceptances and Guarantees | 562,523 | — | — | — | — | 562,523 | |
| **Total Liabilities** | ¥ 66,200,172 | ¥ — | ¥ 4,808,333 | ¥ — | ¥ 3,405,831 | ¥ 61,391,839 | |

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the sum of amounts in Columns a and b is not equal to the sum of amounts in Columns c to g.
2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

| LI1 | Millions of Yen | | | | | | |
|---|---|---|---|---|---|---|---|
| | March 31, 2022 | | | | | | |
| | a | b | c | d | e | f | g |
| | | | Carrying values of items | | | | |
| | Carrying values as reported in published consolidated financial statement | Carrying values under scope of regulatory consolidation | Credit risk (excluding amounts relevant to columns d and e) | Counterparty credit risk | Securitisation (excluding amounts relevant to column f) | Market risk | Items not subject to capital requirements or subject to deduction from capital |
| **Assets:** | | | | | | | |
| Cash and Due from Banks | ¥ 18,223,364 | ¥ 18,223,364 | ¥ — | ¥ — | ¥ — | ¥ — | |
| Call Loans and Bills Bought | 5,000 | 5,000 | — | — | — | — | |
| Receivables under Resale Agreements | 150,741 | — | 150,741 | — | — | — | |
| Receivables under Securities Borrowing Transactions | 652,534 | — | 652,534 | — | — | — | |
| Monetary Claims Bought | 854,093 | 749,019 | — | 105,073 | — | — | |
| Trading Assets | 967,565 | — | 954,747 | — | 967,565 | — | |
| Money Held in Trust | 16,308 | 16,308 | — | — | — | — | |
| Securities | 7,879,235 | 7,281,068 | — | 598,136 | — | 29 | |
| Loans and Bills Discounted | 30,876,507 | 30,511,438 | — | 365,069 | — | — | |
| Foreign Exchanges | 29,494 | 29,494 | — | — | — | — | |
| Lease Receivables and Investment Assets | 688,141 | 688,141 | — | — | — | — | |
| Other Assets | 3,354,333 | 168,380 | 2,555,498 | 1,570 | 1,500,703 | 628,884 | |
| Tangible Fixed Assets | 224,535 | 224,535 | — | — | — | — | |
| Intangible Fixed Assets | 125,667 | 29,133 | — | — | — | 96,534 | |
| Assets for Retirement Benefits | 192,223 | 58,872 | — | — | — | 133,350 | |
| Deferred Tax Assets | 15,613 | 14,960 | — | — | — | 653 | |
| Customers' Liabilities for Acceptances and Guarantees | 541,228 | 541,228 | — | — | — | — | |
| Allowance for Loan Losses | (163,369) | (163,369) | — | — | — | — | |
| **Total Assets** | ¥ 64,633,220 | ¥ 58,377,576 | ¥ 4,313,523 | ¥ 1,069,850 | ¥ 2,468,269 | ¥ 859,452 | |
| **Liabilities:** | | | | | | | |
| Deposits | ¥ 33,230,162 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 33,230,162 | |
| Negotiable Certificates of Deposit | 6,587,944 | — | — | — | — | 6,587,944 | |
| Call Money and Bills Sold | 799,524 | — | — | — | — | 799,524 | |
| Payables under Repurchase Agreements | 1,485,033 | — | 1,485,033 | — | — | — | |
| Trading Liabilities | 906,686 | — | 906,686 | — | 906,686 | — | |
| Borrowed Money | 7,153,498 | — | — | — | — | 7,153,498 | |
| Foreign Exchanges | 1,275 | — | — | — | — | 1,275 | |
| Short-Term Bonds Payable | 2,387,553 | — | — | — | — | 2,387,553 | |
| Bonds Payable | 2,076,604 | — | — | — | — | 2,076,604 | |
| Borrowed Money from Trust Account | 4,298,827 | — | — | — | — | 4,298,827 | |
| Other Liabilities | 2,312,326 | — | 1,735,568 | — | 1,574,196 | 576,758 | |
| Provision for Bonuses | 21,087 | — | — | — | — | 21,087 | |
| Provision for Directors' Bonuses | 181 | — | — | — | — | 181 | |
| Provision for Stocks Payment | 732 | — | — | — | — | 732 | |
| Liabilities for Retirement Benefits | 13,553 | — | — | — | — | 13,553 | |
| Provision for Reward Points Program | 19,965 | — | — | — | — | 19,965 | |
| Provision for Reimbursement of Deposits | 3,626 | — | — | — | — | 3,626 | |
| Provision for Contingent Losses | 1,649 | — | — | — | — | 1,649 | |
| Deferred Tax Liabilities | 44,081 | — | — | — | — | 44,081 | |
| Deferred Tax Liabilities for Land Revaluation | 2,388 | — | — | — | — | 2,388 | |
| Acceptances and Guarantees | 541,228 | — | — | — | — | 541,228 | |
| **Total Liabilities** | ¥ 61,887,931 | ¥ — | ¥ 4,127,288 | ¥ — | ¥ 2,480,883 | ¥ 57,760,642 | |

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the sum of amounts in Columns a and b is not equal to the sum of amounts in Columns c to g.
2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

## LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

| LI2 | | Millions of Yen | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | |
| | | a | b | c | d | e |
| Item No. | | | Items subject to: | | | |
| | | Total | Credit risk (excluding amounts relevant to columns c and d) | Counterparty credit risk | Securitisation (excluding amounts relevant to column e) | Market risk |
| 1 | Asset carrying value amount under scope of regulatory consolidation | ¥ 68,174,289 | ¥ 62,229,268 | ¥ 4,670,849 | ¥ 1,208,273 | ¥ 3,253,930 |
| 2 | Liabilities carrying value amount under scope of regulatory consolidation | 4,808,333 | — | 4,808,333 | — | 3,405,831 |
| 3 | Total net amount under regulatory scope of consolidation | 63,365,956 | 62,229,268 | (137,483) | 1,208,273 | (151,901) |
| 4 | Off-balance sheet amounts | 5,143,051 | 4,813,095 | — | 329,956 | — |
| 5 | Differences due to netting, the exposure calculation method, etc. | 3,219,982 | — | 3,842,087 | — | (622,105) |
| 6 | Differences due to consideration of allowances and write-offs | 23,682 | 23,682 | — | — | — |
| 7 | Other | 46,719 | 46,719 | — | — | — |
| 8 | Regulatory exposure amounts | 71,799,392 | 67,112,767 | 3,704,603 | 1,538,229 | (774,007) |

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the amount in Column a is not equal to the sum of amounts in Columns b to e, for Item No. 1, 2, 3, and 8.

2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

3. The major factors in the difference between the amount of exposure in the capital regulatory standards and the amount posted in the consolidated balance sheet for each risk category are as follows:
- Credit risk and securitisation exposures: Differences due to taking into account off-balance sheet amounts, allowances and write-offs
- Counterparty credit risk: Difference due to netting, the application of the credit risk mitigation techniques, and the application of the Current Exposure Method to the exposure calculation method
- Market risk: Difference due to netting, etc.

| LI2 | | Millions of Yen | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | |
| | | a | b | c | d | e |
| | | | Items subject to: | | | |
| Item No. | | Total | Credit risk (excluding amounts relevant to columns c and d) | Counterparty credit risk | Securitisation (excluding amounts relevant to column e) | Market risk |
| 1 | Asset carrying value amount under scope of regulatory consolidation | ¥ 63,773,767 | ¥ 58,377,576 | ¥ 4,313,523 | ¥ 1,069,850 | ¥ 2,468,269 |
| 2 | Liabilities carrying value amount under scope of regulatory consolidation | 4,127,288 | — | 4,127,288 | — | 2,480,883 |
| 3 | Total net amount under regulatory scope of consolidation | 59,646,479 | 58,377,576 | 186,234 | 1,069,850 | (12,614) |
| 4 | Off-balance sheet amounts | 4,264,429 | 3,930,312 | — | 334,117 | — |
| 5 | Differences due to netting, the exposure calculation method, etc. | 2,783,618 | — | 2,877,909 | — | (94,291) |
| 6 | Differences due to consideration of allowances and write-offs | 30,373 | 30,373 | — | — | — |
| 7 | Other | 56,165 | 56,165 | — | — | — |
| 8 | Regulatory exposure amounts | 66,781,066 | 62,394,428 | 3,064,143 | 1,403,967 | (106,905) |

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the amount in Column a is not equal to the sum of amounts in Columns b to e, for Item No. 1, 2, 3, and 8.

2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

3. The major factors in the difference between the amount of exposure in the capital regulatory standards and the amount posted in the consolidated balance sheet for each risk category are as follows:
- Credit Risk and Securitisation Exposures: Differences due to off-balance sheet amounts, consideration of allowances and write-offs, and other adjustments such as deferred tax assets (temporary differences)
- Counterparty credit risk: Difference due to netting, the application of the credit risk mitigation techniques, and the application of the Current Exposure Method to the exposure calculation method
- Market risk: Difference due to netting, etc.

## CR1: Credit quality of assets

| CR1 | | Millions of Yen | | | |
|---|---|---|---|---|---|
| | | March 31, 2023 | | | |
| | | a | b | c | d |
| Item No. | | Gross carrying values of | | Allowances | Net values (a+b-c) |
| | | Defaulted exposures | Non-defaulted exposures | | |
| | On-balance sheet assets | | | | |
| 1 | Loans and Bills Discounted | ¥ 152,107 | ¥ 31,251,411 | ¥ 116,064 | ¥ 31,287,455 |
| 2 | Debt Securities | 0 | 3,553,686 | — | 3,553,686 |
| 3 | Other on-balance sheet assets (debt-based assets) | 13,832 | 23,351,887 | 13,216 | 23,352,502 |
| 4 | Total on-balance sheet assets (1+2+3) | 165,939 | 58,156,985 | 129,281 | 58,193,644 |
| | Off-balance sheet assets | | | | |
| 5 | Acceptances and Guarantees, etc. | 113 | 562,410 | 716 | 561,806 |
| 6 | Commitments, etc. | 42 | 5,035,259 | 1,344 | 5,033,957 |
| 7 | Total off-balance sheet assets (5+6) | 156 | 5,597,669 | 2,061 | 5,595,764 |
| | Total | | | | |
| 8 | Total (4+7) | ¥ 166,095 | ¥ 63,754,654 | ¥ 131,342 | ¥ 63,789,408 |

Note: The aggregate calculation on this statement does not include counterparty credit risk, the credit risk related to securitisation transactions, or the credit risk related to funds.

| CR1 | | Millions of Yen | | | |
|---|---|---|---|---|---|
| | | March 31, 2022 | | | |
| | | a | b | c | d |
| Item No. | | Gross carrying values of | | Allowances | Net values (a+b-c) |
| | | Defaulted exposures | Non-defaulted exposures | | |
| | On-balance sheet assets | | | | |
| 1 | Loans and Bills Discounted | ¥ 227,989 | ¥ 30,269,561 | ¥ 147,852 | ¥ 30,349,699 |
| 2 | Debt Securities | 749 | 4,663,271 | — | 4,664,020 |
| 3 | Other on-balance sheet assets (debt-based assets) | 16,124 | 19,822,885 | 14,630 | 19,824,380 |
| 4 | Total on-balance sheet assets (1+2+3) | 244,863 | 54,755,718 | 162,482 | 54,838,099 |
| | Off-balance sheet assets | | | | |
| 5 | Acceptances and Guarantees, etc. | 143 | 541,084 | 886 | 540,341 |
| 6 | Commitments, etc. | 1,367 | 4,328,591 | 1,649 | 4,328,309 |
| 7 | Total off-balance sheet assets (5+6) | 1,510 | 4,869,676 | 2,536 | 4,868,651 |
| | Total | | | | |
| 8 | Total (4+7) | ¥ 246,374 | ¥ 59,625,395 | ¥ 165,019 | ¥ 59,706,751 |

Note: The aggregate calculation on this statement does not include counterparty credit risk, the credit risk related to securitisation transactions, or the credit risk related to funds.

## CR2: Changes in stock of defaulted loans and debt securities

| CR2 Item No. | | | Millions of Yen<br>March 31, 2023<br>Amounts |
|---|---|---|---|
| 1 | Stock of defaulted loans and debt securities at the end of the previous fiscal year | | ¥ 244,863 |
| 2 | Changes in stock of loans and debt securities for each factor during the fiscal year | Of which: Newly defaulted | 28,466 |
| 3 | | Of which: Returning to non-defaulted status | 31,137 |
| 4 | | Of which: Written-offs | 46,489 |
| 5 | | Of which: Other factors | (29,763) |
| 6 | Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5) | | 165,939 |

Notes: 1. The end of the previous fiscal year indicates March 31, 2022, and the end of the fiscal year indicates March 31, 2023.
2. The main factor for the item 5. "Of which: Other factors" is the stock decrease caused by the collection of defaulted exposures.

| CR2 Item No. | | | Millions of Yen<br>March 31, 2022<br>Amounts |
|---|---|---|---|
| 1 | Stock of defaulted loans and debt securities at the end of the previous fiscal year | | ¥ 161,273 |
| 2 | Changes in stock of loans and debt securities for each factor during the fiscal year | Of which: Newly defaulted | 131,922 |
| 3 | | Of which: Returning to non-defaulted status | 10,117 |
| 4 | | Of which: Written-offs | 10,962 |
| 5 | | Of which: Other factors | (27,251) |
| 6 | Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5) | | 244,863 |

Notes: 1. The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.
2. The main factor for the item 5. "Of which: Other factors" is the stock decrease caused by the collection of defaulted exposures.

## CR3: Credit risk mitigation techniques (CRM) – overview

| CR3 Item No. | | Millions of Yen<br>March 31, 2023 | | | | |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | Exposures unsecured | Exposures secured | Exposures secured by collateral | Exposures secured by financial guarantees | Exposures secured by credit derivatives |
| 1 | Loans and Bills Discounted | ¥ 29,922,767 | ¥ 1,364,687 | ¥ 396,547 | ¥ 278,130 | ¥ — |
| 2 | Debt Securities | 3,553,686 | — | — | — | — |
| 3 | Other on-balance sheet assets (debt-based assets) | 23,352,391 | 110 | 101 | 4 | — |
| 4 | Total (1+2+3) | ¥ 56,828,846 | ¥ 1,364,798 | ¥ 396,648 | ¥ 278,134 | ¥ — |
| 5 | Of which defaulted | 109,760 | 7,419 | 6,600 | — | — |

| CR3 Item No. | | Millions of Yen<br>March 31, 2022 | | | | |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | Exposures unsecured | Exposures secured | Exposures secured by collateral | Exposures secured by financial guarantees | Exposures secured by credit derivatives |
| 1 | Loans and Bills Discounted | ¥ 29,144,608 | ¥1,205,090 | ¥ 336,640 | ¥ 164,745 | ¥ — |
| 2 | Debt Securities | 4,645,034 | 18,986 | — | 18,900 | — |
| 3 | Other on-balance sheet assets (debt-based assets) | 19,824,285 | 94 | 91 | 3 | — |
| 4 | Total (1+2+3) | ¥ 53,613,928 | ¥1,224,171 | ¥ 336,731 | ¥ 183,648 | ¥ — |
| 5 | Of which defaulted | 161,567 | 5,861 | 4,555 | — | — |

## CR4: Standardised approach – Credit risk exposure and Credit risk mitigation (CRM) effects

| CR4 | | Millions of Yen, % | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | Asset classes | Exposures pre-CCF and pre-CRM | | Exposures post-CCF and post-CRM | | Credit RWA amount | RWA density |
| | | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | | |
| 1 | Cash | ¥ 35 | ¥ — | ¥ 35 | ¥ — | ¥ — | —% |
| 2 | Government of Japan and Bank of Japan (BOJ) | 60 | — | 60 | — | — | — |
| 3 | Foreign central governments and foreign central banks | 274,205 | — | 274,205 | — | 27,209 | 9.92 |
| 4 | Bank for International Settlements, etc. | — | — | — | — | — | — |
| 5 | Local governments of Japan | 37 | — | 37 | — | — | — |
| 6 | Foreign non-central government public sector entities (PSEs) | 22,005 | — | 22,005 | — | 21,966 | 99.82 |
| 7 | Multilateral development banks (MDBs) | — | — | — | — | — | — |
| 8 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — |
| 9 | Government-affiliated agencies of Japan | — | — | — | — | — | — |
| 10 | The three local public corporations | — | — | — | — | — | — |
| 11 | Financial institutions and type I financial instruments business operators | 313,434 | — | 313,434 | — | 147,858 | 47.17 |
| 12 | Corporates, etc. | 346,335 | 120,772 | 346,335 | 13,741 | 359,672 | 99.88 |
| 13 | SMEs, etc. and individuals | — | — | — | — | — | — |
| 14 | Residential mortgage loans | — | — | — | — | — | — |
| 15 | Real estate acquisition activities, etc. | — | — | — | — | — | — |
| 16 | Past due loans for three months or more, etc. (excluding residential mortgage loans) | 1 | — | 1 | — | 1 | 79.69 |
| 17 | Past due loans for three months or more (residential mortgage loans) | — | — | — | — | — | — |
| 18 | Uncollected notes | — | — | — | — | — | — |
| 19 | Guaranteed by credit guarantee corporations, etc. | — | — | — | — | — | — |
| 20 | Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc. | — | — | — | — | — | — |
| 21 | Investments, etc. (excluding significant investments) | — | — | — | — | — | — |
| 22 | Total | ¥ 956,114 | ¥ 120,772 | ¥ 956,114 | ¥ 13,741 | ¥ 556,708 | 57.40% |

| CR4 | | Millions of Yen, % | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | Asset classes | Exposures pre-CCF and pre-CRM | | Exposures post-CCF and post-CRM | | Credit RWA amount | RWA density |
| | | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | | |
| 1 | Cash | ¥ 36 | ¥ — | ¥ 36 | ¥ — | ¥ — | —% |
| 2 | Government of Japan and Bank of Japan (BOJ) | 60 | — | 60 | — | — | — |
| 3 | Foreign central governments and foreign central banks | 272,010 | — | 272,010 | — | 17,736 | 6.52 |
| 4 | Bank for International Settlements, etc. | — | — | — | — | — | — |
| 5 | Local governments of Japan | 12 | — | 12 | — | — | — |
| 6 | Foreign non-central government public sector entities (PSEs) | 14,108 | — | 14,108 | — | 13,964 | 98.97 |
| 7 | Multilateral development banks (MDBs) | — | — | — | — | — | — |
| 8 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — |
| 9 | Government-affiliated agencies of Japan | — | — | — | — | — | — |
| 10 | The three local public corporations | — | — | — | — | — | — |
| 11 | Financial institutions and type I financial instruments business operators | 241,904 | — | 241,904 | — | 87,845 | 36.31 |
| 12 | Corporates, etc. | 279,320 | 135,587 | 279,320 | 12,053 | 291,273 | 99.96 |
| 13 | SMEs, etc. and individuals | — | — | — | — | — | — |
| 14 | Residential mortgage loans | — | — | — | — | — | — |
| 15 | Real estate acquisition activities, etc. | — | — | — | — | — | — |
| 16 | Past due loans for three months or more, etc. (excluding residential mortgage loans) | 0 | — | 0 | — | 0 | 146.97 |
| 17 | Past due loans for three months or more (residential mortgage loans) | — | — | — | — | — | — |
| 18 | Uncollected notes | — | — | — | — | — | — |
| 19 | Guaranteed by credit guarantee corporations, etc. | — | — | — | — | — | — |
| 20 | Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc. | — | — | — | — | — | — |
| 21 | Investments, etc. (excluding significant investments) | — | — | — | — | — | — |
| 22 | Total | ¥ 807,453 | ¥ 135,587 | ¥ 807,453 | ¥ 12,053 | ¥ 410,820 | 50.13% |

## CR5: Standardised approach – Exposures by asset classes and risk weights

| CR5 | | Millions of Yen | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k |
| Item No. | Asset classes \ Risk weight | Credit risk exposure amounts (post-CCF and post-CRM) | | | | | | | | | | |
| | | 0% | 10% | 20% | 35% | 50% | 75% | 100% | 150% | 250% | 1,250% | Total |
| 1 | Cash | ¥ 35 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 35 |
| 2 | Government of Japan and Bank of Japan (BOJ) | 60 | — | — | — | — | — | — | — | — | — | 60 |
| 3 | Foreign central governments and foreign central banks | 219,785 | — | — | — | 54,419 | — | — | — | — | — | 274,205 |
| 4 | Bank for International Settlements, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 5 | Local governments of Japan | 37 | — | — | — | — | — | — | — | — | — | 37 |
| 6 | Foreign non-central government public sector entities (PSEs) | — | — | 15 | — | 53 | — | 21,936 | — | — | — | 22,005 |
| 7 | Multilateral development banks (MDBs) | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — | — | — | — | — | — |
| 9 | Government-affiliated agencies of Japan | — | — | — | — | — | — | — | — | — | — | — |
| 10 | The three local public corporations | — | — | — | — | — | — | — | — | — | — | — |
| 11 | Financial institutions and type I financial instruments business operators | — | — | 202,636 | — | 6,931 | — | 103,865 | — | — | — | 313,434 |
| 12 | Corporates, etc. | — | — | — | — | 811 | — | 359,266 | — | — | — | 360,077 |
| 13 | SMEs, etc. and individuals | — | — | — | — | — | — | — | — | — | — | — |
| 14 | Residential mortgage loans | — | — | — | — | — | — | — | — | — | — | — |
| 15 | Real estate acquisition activities, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Past due loans for three months or more, etc. (excluding residential mortgage loans) | — | — | — | — | 1 | — | — | 0 | — | — | 1 |
| 17 | Past due loans for three months or more (residential mortgage loans) | — | — | — | — | — | — | — | — | — | — | — |
| 18 | Uncollected notes | — | — | — | — | — | — | — | — | — | — | — |
| 19 | Guaranteed by credit guarantee corporations, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 20 | Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc. | — | — | — | — | — | — | — | — | — | — | — |
| 21 | Investments, etc. (excluding significant investments) | — | — | — | — | — | — | — | — | — | — | — |
| 22 | Total | ¥ 219,917 | ¥ — | ¥ 202,652 | ¥ — | ¥ 62,217 | ¥ — | ¥ 485,068 | ¥ 0 | ¥ — | ¥ — | ¥ 969,856 |

CR5

| Item No. | Asset classes \ Risk weight | Millions of Yen<br>March 31, 2022<br>Credit risk exposure amounts (post-CCF and post-CRM)<br>0% | 10% | 20% | 35% | 50% | 75% | 100% | 150% | 250% | 1,250% | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k |
| 1 | Cash | ¥ 36 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 36 |
| 2 | Government of Japan and Bank of Japan (BOJ) | 60 | — | — | — | — | — | — | — | — | — | 60 |
| 3 | Foreign central governments and foreign central banks | 236,538 | — | — | — | 35,472 | — | — | — | — | — | 272,010 |
| 4 | Bank for International Settlements, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 5 | Local governments of Japan | 12 | — | — | — | — | — | — | — | — | — | 12 |
| 6 | Foreign non-central government public sector entities (PSEs) | — | — | 147 | — | 51 | — | 13,909 | — | — | — | 14,108 |
| 7 | Multilateral development banks (MDBs) | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — | — | — | — | — | — |
| 9 | Government-affiliated agencies of Japan | — | — | — | — | — | — | — | — | — | — | — |
| 10 | The three local public corporations | — | — | — | — | — | — | — | — | — | — | — |
| 11 | Financial institutions and type I financial instruments business operators | — | — | 187,518 | — | 8,089 | — | 46,297 | — | — | — | 241,904 |
| 12 | Corporates, etc. | — | — | — | — | 201 | — | 291,172 | — | — | — | 291,373 |
| 13 | SMEs, etc. and individuals | — | — | — | — | — | — | — | — | — | — | — |
| 14 | Residential mortgage loans | — | — | — | — | — | — | — | — | — | — | — |
| 15 | Real estate acquisition activities, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Past due loans for three months or more, etc. (excluding residential mortgage loans) | — | — | — | — | 0 | — | — | 0 | — | — | 0 |
| 17 | Past due loans for three months or more (residential mortgage loans) | — | — | — | — | — | — | — | — | — | — | — |
| 18 | Uncollected notes | — | — | — | — | — | — | — | — | — | — | — |
| 19 | Guaranteed by credit guarantee corporations, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 20 | Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc. | — | — | — | — | — | — | — | — | — | — | — |
| 21 | Investments, etc. (excluding significant investments) | — | — | — | — | — | — | — | — | — | — | — |
| 22 | Total | ¥ 236,646 | ¥ — | ¥ 187,666 | ¥ — | ¥ 43,814 | ¥ — | ¥ 351,379 | ¥ 0 | ¥ — | ¥ — | ¥ 819,506 |

## CR6: IRB – Credit risk exposures by portfolio and PD range

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| Sovereign exposures (Advanced Internal Ratings-Based Approach (AIRB)) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 2,449,235 | ¥ 33 | 75.00% | ¥ 2,460,278 | 0.00% | 0.0 | 33.13% | 2.2 | ¥ 25,715 | 1.04% | ¥ 16 | |
| 2 | 0.15 to < 0.25 | 824 | — | — | 293 | 0.20 | 0.0 | 33.14 | 3.7 | 120 | 41.14 | 0 | |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 2,450,059 | 33 | 75.00 | 2,460,571 | 0.00 | 0.0 | 33.13 | 2.2 | 25,835 | 1.04 | 16 | ¥ 33 |
| Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB)) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 22,230,617 | 207,623 | 75.17 | 22,386,706 | 0.00 | 0.1 | 44.99 | 1.0 | 117,747 | 0.52 | 141 | |
| 2 | 0.15 to < 0.25 | 0 | — | — | 0 | 0.20 | 0.0 | 45.00 | 1.0 | 0 | 30.44 | 0 | |
| 3 | 0.25 to < 0.50 | 12,483 | 0 | 75.00 | 12,483 | 0.29 | 0.0 | 45.00 | 3.8 | 9,069 | 72.64 | 16 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 22,243,100 | 207,623 | 75.17 | 22,399,190 | 0.00 | 0.1 | 44.99 | 1.0 | 126,816 | 0.56 | 158 | 300 |
| Financial Institution exposures (AIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 487,600 | — | — | 496,343 | 0.05 | 0.0 | 31.71 | 2.5 | 93,661 | 18.87 | 87 | |
| 2 | 0.15 to < 0.25 | 44,000 | 9,000 | 75.00 | 50,750 | 0.20 | 0.0 | 33.14 | 1.2 | 12,391 | 24.41 | 34 | |
| 3 | 0.25 to < 0.50 | 11,285 | 7,575 | 86.79 | 17,860 | 0.49 | 0.0 | 33.14 | 1.3 | 7,364 | 41.23 | 29 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 6,394 | 2,116 | 90.35 | 8,306 | 1.48 | 0.0 | 33.14 | 1.1 | 5,313 | 63.97 | 40 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 549,279 | 18,691 | 81.52 | 573,259 | 0.10 | 0.0 | 31.90 | 2.4 | 118,731 | 20.71 | 191 | 323 |
| Financial Institution exposures (FIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 219,348 | 136,795 | 75.00 | 321,945 | 0.06 | 0.0 | 47.49 | 2.2 | 95,488 | 29.65 | 94 | |
| 2 | 0.15 to < 0.25 | 21,819 | — | — | 21,819 | 0.20 | 0.0 | 74.56 | 1.7 | 13,656 | 62.58 | 33 | |
| 3 | 0.25 to < 0.50 | 4,018 | — | — | 4,018 | 0.31 | 0.0 | 45.00 | 0.0 | 1,208 | 30.07 | 5 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 3,354 | — | — | 3,354 | 1.31 | 0.0 | 45.00 | 2.7 | 3,669 | 109.40 | 19 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 248,540 | 136,795 | 75.00 | 351,137 | 0.08 | 0.0 | 49.12 | 2.1 | 114,023 | 32.47 | 153 | 89 |

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| Corporate exposures (excluding SME exposures and specialised lending) (AIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 7,333,421 | ¥ 2,866,609 | 75.97% | ¥ 9,634,156 | 0.07% | 0.7 | 32.28% | 2.5 | ¥ 1,793,227 | 18.61% | ¥ 2,371 | |
| 2 | 0.15 to < 0.25 | 1,881,814 | 447,238 | 74.73 | 2,176,781 | 0.20 | 0.3 | 31.75 | 2.2 | 692,236 | 31.80 | 1,412 | |
| 3 | 0.25 to < 0.50 | 2,342,885 | 639,487 | 74.85 | 2,816,888 | 0.39 | 1.1 | 31.29 | 2.0 | 1,158,048 | 41.11 | 3,463 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 872,287 | 120,799 | 73.66 | 919,094 | 1.58 | 0.7 | 28.89 | 2.2 | 598,683 | 65.13 | 4,238 | |
| 6 | 2.50 to < 10.00 | 72,455 | 7,689 | 78.60 | 80,888 | 7.45 | 0.0 | 26.63 | 1.8 | 78,828 | 97.45 | 1,609 | |
| 7 | 10.00 to < 100.00 | 21,211 | 430 | 100.00 | 8,735 | 18.41 | 0.0 | 32.88 | 1.0 | 13,957 | 159.77 | 529 | |
| 8 | 100.00 (Default) | 67,779 | — | — | 69,735 | 100.00 | 0.0 | 33.13 | 1.0 | 32,676 | 46.85 | 20,495 | |
| 9 | Sub-total | 12,591,854 | 4,082,255 | 75.60 | 15,706,279 | 0.73 | 3.0 | 31.81 | 2.3 | 4,367,657 | 27.80 | 34,118 | ¥ 73,919 |
| Corporate exposures (excluding SME exposures and specialised lending) (FIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 847,072 | 280,692 | 81.54 | 1,081,505 | 0.07 | 0.7 | 51.47 | 2.8 | 368,763 | 34.09 | 424 | |
| 2 | 0.15 to < 0.25 | 37,573 | 34,381 | 100.00 | 72,113 | 0.20 | 0.3 | 55.77 | 2.4 | 46,451 | 64.41 | 82 | |
| 3 | 0.25 to < 0.50 | 557,465 | 105,236 | 74.69 | 635,711 | 0.34 | 1.4 | 45.86 | 2.9 | 421,163 | 66.25 | 978 | |
| 4 | 0.50 to < 0.75 | 121,441 | 30,607 | 75.00 | 144,397 | 0.62 | 0.0 | 44.94 | 3.3 | 130,866 | 90.62 | 407 | |
| 5 | 0.75 to < 2.50 | 422,269 | 25,202 | 74.39 | 440,947 | 1.43 | 1.4 | 43.00 | 3.8 | 520,027 | 117.93 | 2,704 | |
| 6 | 2.50 to < 10.00 | 116,738 | 2,338 | 70.95 | 118,383 | 5.37 | 0.2 | 43.33 | 4.2 | 199,275 | 168.32 | 2,724 | |
| 7 | 10.00 to < 100.00 | 64,966 | — | — | 64,966 | 27.91 | 0.0 | 44.86 | 4.1 | 170,955 | 263.14 | 8,131 | |
| 8 | 100.00 (Default) | 26,775 | 0 | 0.00 | 32,407 | 100.00 | 0.0 | 43.78 | 1.0 | 0 | 0.00 | 14,189 | |
| 9 | Sub-total | 2,194,302 | 478,459 | 80.51 | 2,590,433 | 2.59 | 4.5 | 47.77 | 3.1 | 1,857,503 | 71.70 | 29,643 | 17,781 |
| SME exposures (AIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 68,309 | 5,150 | 75.00 | 68,171 | 0.12 | 0.0 | 30.84 | 1.7 | 11,260 | 16.51 | 26 | |
| 2 | 0.15 to < 0.25 | 121,534 | 2,999 | 75.00 | 98,370 | 0.20 | 0.0 | 30.01 | 3.3 | 29,884 | 30.37 | 60 | |
| 3 | 0.25 to < 0.50 | 112,953 | 10,728 | 94.24 | 111,756 | 0.43 | 0.0 | 24.14 | 2.9 | 33,009 | 29.53 | 110 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 114,459 | 14,659 | 76.91 | 122,439 | 1.63 | 0.1 | 22.95 | 2.8 | 59,910 | 48.93 | 445 | |
| 6 | 2.50 to < 10.00 | 7,979 | 405 | 63.10 | 8,235 | 7.34 | 0.0 | 21.13 | 1.2 | 4,888 | 59.36 | 129 | |
| 7 | 10.00 to < 100.00 | 249 | — | — | 249 | 18.41 | 0.0 | 12.38 | 1.6 | 123 | 49.72 | 5 | |
| 8 | 100.00 (Default) | 1,891 | — | — | 1,950 | 100.00 | 0.0 | 26.59 | 1.0 | 722 | 37.04 | 460 | |
| 9 | Sub-total | 427,376 | 33,942 | 81.76 | 411,173 | 1.30 | 0.3 | 26.24 | 2.7 | 139,799 | 34.00 | 1,238 | 1,651 |
| SME exposures (FIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 5,033 | — | — | 5,033 | 0.12 | 0.0 | 74.79 | 4.9 | 4,006 | 79.59 | 4 | |
| 2 | 0.15 to < 0.25 | 44 | — | — | 44 | 0.20 | 0.0 | 44.98 | 1.0 | 11 | 26.67 | 0 | |
| 3 | 0.25 to < 0.50 | 103,562 | 3,877 | 75.00 | 105,048 | 0.49 | 0.6 | 37.66 | 4.4 | 64,077 | 60.99 | 193 | |
| 4 | 0.50 to < 0.75 | 1,290 | — | — | 1,290 | 0.62 | 0.0 | 40.00 | 4.9 | 967 | 75.01 | 3 | |
| 5 | 0.75 to < 2.50 | 282,835 | 4,890 | 75.66 | 284,287 | 1.66 | 1.5 | 39.48 | 4.7 | 263,520 | 92.69 | 1,870 | |
| 6 | 2.50 to < 10.00 | 5,839 | — | — | 5,997 | 7.24 | 0.0 | 39.53 | 4.0 | 7,524 | 125.45 | 169 | |
| 7 | 10.00 to < 100.00 | 2,131 | — | — | 2,131 | 18.41 | 0.0 | 45.00 | 1.2 | 4,223 | 198.19 | 176 | |
| 8 | 100.00 (Default) | 3,840 | 59 | 0.00 | 3,928 | 100.00 | 0.0 | 39.43 | 1.0 | 0 | 0.00 | 1,549 | |
| 9 | Sub-total | 404,577 | 8,828 | 74.85 | 407,761 | 2.45 | 2.3 | 39.48 | 4.5 | 344,332 | 84.44 | 3,967 | 281 |

CR6

Millions of Yen, %, 1,000 cases, Year

| | | March 31, 2023 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| | Specialised lending (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 1,426,193 | ¥ 185,780 | 75.07% | ¥ 1,565,675 | 0.08% | 0.3 | 27.84% | 4.1 | ¥ 385,920 | 24.64% | ¥ 400 | |
| 2 | 0.15 to < 0.25 | 89,724 | 43,093 | 75.00 | 122,044 | 0.20 | 0.0 | 31.37 | 4.1 | 53,644 | 43.95 | 78 | |
| 3 | 0.25 to < 0.50 | 866,367 | 188,471 | 75.13 | 1,007,982 | 0.31 | 0.2 | 24.12 | 4.4 | 408,044 | 40.48 | 772 | |
| 4 | 0.50 to < 0.75 | 199,718 | 46,118 | 73.58 | 233,656 | 0.65 | 0.0 | 24.66 | 4.4 | 129,339 | 55.35 | 375 | |
| 5 | 0.75 to < 2.50 | 337,240 | 45,194 | 72.26 | 369,902 | 1.50 | 0.0 | 24.99 | 3.2 | 231,374 | 62.55 | 1,379 | |
| 6 | 2.50 to < 10.00 | 61,948 | 42,880 | 73.51 | 93,470 | 4.00 | 0.0 | 25.68 | 3.5 | 80,057 | 85.64 | 1,001 | |
| 7 | 10.00 to < 100.00 | 106,651 | 18,393 | 75.00 | 120,445 | 18.87 | 0.0 | 32.87 | 3.0 | 204,182 | 169.52 | 7,772 | |
| 8 | 100.00 (Default) | 4,281 | — | — | 4,287 | 100.00 | 0.0 | 30.74 | 1.0 | 1,836 | 42.84 | 1,171 | |
| 9 | Sub-total | 3,092,126 | 569,931 | 74.62 | 3,517,465 | 1.21 | 0.8 | 26.51 | 4.1 | 1,494,401 | 42.48 | 12,952 | ¥ 4,380 |
| | Specialised lending (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 4,764 | — | — | 4,764 | 0.09 | 0.2 | 45.00 | 1.0 | 831 | 17.45 | 2 | |
| 2 | 0.15 to < 0.25 | 87 | — | — | 87 | 0.20 | 0.0 | 45.00 | 1.0 | 26 | 30.44 | 0 | |
| 3 | 0.25 to < 0.50 | 3,413 | — | — | 3,413 | 0.31 | 0.2 | 45.00 | 1.0 | 1,363 | 39.94 | 4 | |
| 4 | 0.50 to < 0.75 | 842 | — | — | 842 | 0.65 | 0.0 | 45.00 | 1.0 | 505 | 59.98 | 2 | |
| 5 | 0.75 to < 2.50 | 1,113 | — | — | 1,113 | 1.30 | 0.0 | 45.00 | 1.0 | 896 | 80.49 | 6 | |
| 6 | 2.50 to < 10.00 | 165 | — | — | 165 | 4.87 | 0.0 | 45.00 | 1.0 | 212 | 128.34 | 3 | |
| 7 | 10.00 to < 100.00 | 724 | — | — | 724 | 15.43 | 0.0 | 45.00 | 1.0 | 1,459 | 201.45 | 50 | |
| 8 | 100.00 (Default) | 0 | — | — | 0 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 0 | |
| 9 | Sub-total | 11,111 | — | — | 11,111 | 1.40 | 0.6 | 45.00 | 1.0 | 5,295 | 47.65 | 70 | — |
| | Equity exposures (PD/LGD Approach) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 994,116 | — | — | 585,811 | 0.07 | 0.2 | 90.00 | 5.0 | 678,278 | 115.78 | — | |
| 2 | 0.15 to < 0.25 | 126,546 | — | — | 83,762 | 0.20 | 0.1 | 90.00 | 5.0 | 122,516 | 146.26 | — | |
| 3 | 0.25 to < 0.50 | 80,760 | — | — | 48,832 | 0.36 | 0.3 | 90.00 | 5.0 | 88,660 | 181.55 | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 22,527 | — | — | 18,761 | 1.64 | 0.2 | 90.00 | 5.0 | 57,078 | 304.22 | — | |
| 6 | 2.50 to < 10.00 | 4,805 | — | — | 3,902 | 7.20 | 0.0 | 90.00 | 5.0 | 16,615 | 425.72 | — | |
| 7 | 10.00 to < 100.00 | 100 | — | — | 100 | 18.41 | 0.0 | 90.00 | 5.0 | 730 | 726.62 | — | |
| 8 | 100.00 (Default) | 60 | — | — | 60 | 100.00 | 0.0 | 90.00 | 5.0 | 675 | 1,125.00 | — | |
| 9 | Sub-total | 1,228,917 | — | — | 741,231 | 0.19 | 1.0 | 90.00 | 5.0 | 964,554 | 130.12 | — | |
| | Purchased receivables for corporates, etc. (default risk) (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 9,250 | — | — | 9,250 | 0.09 | 0.0 | 33.14 | 3.8 | 2,846 | 30.77 | 3 | |
| 2 | 0.15 to < 0.25 | 6,000 | — | — | 6,000 | 0.20 | 0.0 | 33.14 | 4.0 | 2,610 | 43.51 | 4 | |
| 3 | 0.25 to < 0.50 | 23,939 | — | — | 23,939 | 0.42 | 0.0 | 31.34 | 3.2 | 12,075 | 50.44 | 32 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 53,297 | — | — | 53,297 | 1.50 | 0.0 | 33.05 | 3.7 | 47,031 | 88.24 | 265 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | 510 | — | — | 510 | 18.41 | 0.0 | 33.14 | 1.8 | 853 | 167.24 | 31 | |
| 8 | 100.00 (Default) | 4,641 | — | — | 4,641 | 100.00 | 0.0 | 33.14 | 1.0 | 2,175 | 46.86 | 1,364 | |
| 9 | Sub-total | 97,640 | — | — | 97,640 | 5.80 | 0.0 | 32.65 | 3.5 | 67,592 | 69.22 | 1,700 | 7 |

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| | Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 915 | ¥ — | —% | ¥ 915 | 0.12% | 0.0 | 100.00% | 1.0 | ¥ 454 | 49.70% | ¥ — | |
| 2 | 0.15 to < 0.25 | 2,280 | — | — | 2,280 | 0.22 | 0.0 | 100.00 | 1.0 | 1,631 | 71.54 | — | |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 3,195 | — | — | 3,195 | 0.19 | 0.0 | 100.00 | 1.0 | 2,086 | 65.29 | — | ¥ — |
| | Purchased receivables for corporates, etc. (default risk) (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 440,066 | 4,956 | 100.00 | 445,023 | 0.05 | 0.2 | 45.00 | 1.1 | 58,399 | 13.12 | 111 | |
| 2 | 0.15 to < 0.25 | 78,866 | — | — | 78,866 | 0.20 | 0.1 | 45.00 | 1.0 | 24,419 | 30.96 | 72 | |
| 3 | 0.25 to < 0.50 | 145,132 | 6,677 | 75.00 | 150,140 | 0.37 | 1.2 | 45.00 | 1.3 | 70,878 | 47.20 | 250 | |
| 4 | 0.50 to < 0.75 | 1,688 | 1,669 | 75.00 | 2,940 | 0.62 | 0.0 | 45.00 | 4.9 | 3,140 | 106.78 | 8 | |
| 5 | 0.75 to < 2.50 | 87,488 | — | — | 87,488 | 1.53 | 3.7 | 45.00 | 1.1 | 72,700 | 83.09 | 604 | |
| 6 | 2.50 to < 10.00 | 4,653 | — | — | 4,653 | 6.49 | 0.5 | 45.00 | 1.0 | 6,816 | 146.47 | 135 | |
| 7 | 10.00 to < 100.00 | 0 | 6,009 | 75.00 | 4,507 | 13.43 | 0.0 | 45.00 | 4.9 | 10,907 | 242.00 | 272 | |
| 8 | 100.00 (Default) | 4,731 | — | — | 4,731 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 2,129 | |
| 9 | Sub-total | 762,627 | 19,312 | 81.41 | 778,351 | 1.02 | 5.9 | 45.00 | 1.2 | 247,262 | 31.76 | 3,585 | 419 |
| | Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 539,930 | 18,110 | 81.84 | 554,752 | 0.07 | 0.6 | 90.10 | 1.1 | 166,445 | 30.00 | 23 | |
| 2 | 0.15 to < 0.25 | 53,995 | — | — | 53,995 | 0.21 | 0.1 | 99.23 | 1.0 | 38,201 | 70.74 | 0 | |
| 3 | 0.25 to < 0.50 | 18,576 | 1,201 | 75.00 | 19,478 | 0.43 | 0.0 | 83.25 | 1.5 | 19,151 | 98.32 | 8 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 1,891 | — | — | 1,891 | 0.99 | 0.0 | 90.04 | 1.2 | 6,208 | 328.24 | 2 | |
| 6 | 2.50 to < 10.00 | 954 | — | — | 954 | 3.54 | 0.0 | 100.00 | 1.0 | 2,464 | 258.33 | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 615,348 | 19,312 | 81.41 | 631,071 | 0.10 | 0.8 | 90.69 | 1.1 | 232,471 | 36.83 | 34 | — |
| | Purchased receivables for retail (default risk) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | — | — | — | — | — | — | — | — | — | — | — | |
| 2 | 0.15 to < 0.25 | — | — | — | — | — | — | — | — | — | — | — | |
| 3 | 0.25 to < 0.50 | 20,381 | — | — | 20,381 | 0.29 | 24.3 | 72.13 | — | 7,750 | 38.02 | 43 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 20,381 | — | — | 20,381 | 0.29 | 24.3 | 72.13 | — | 7,750 | 38.02 | 43 | 51 |

CR6 — Millions of Yen, %, 1,000 cases, Year

| | | March 31, 2023 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| **Qualifying revolving retail exposures** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 0 | ¥ 37,673 | 26.78% | ¥ 10,089 | 0.09% | 41.3 | 58.93% | — | ¥ 343 | 3.40% | ¥ 5 | |
| 2 | 0.15 to < 0.25 | 44,899 | 673,196 | 11.22 | 120,479 | 0.21 | 185.7 | 71.83 | — | 9,918 | 8.23 | 188 | |
| 3 | 0.25 to < 0.50 | 20,354 | 989,063 | 7.16 | 91,241 | 0.35 | 128.4 | 76.32 | — | 11,711 | 12.83 | 244 | |
| 4 | 0.50 to < 0.75 | 41,639 | 272,152 | 11.22 | 72,194 | 0.53 | 88.0 | 71.83 | — | 12,167 | 16.85 | 276 | |
| 5 | 0.75 to < 2.50 | 11,696 | 195,865 | 12.34 | 35,869 | 1.12 | 102.8 | 70.89 | — | 10,440 | 29.10 | 285 | |
| 6 | 2.50 to < 10.00 | 33,816 | 62,685 | 11.88 | 41,265 | 4.92 | 39.4 | 71.97 | — | 33,950 | 82.27 | 1,462 | |
| 7 | 10.00 to < 100.00 | 179 | 1,100 | 10.93 | 300 | 51.09 | 0.4 | 68.47 | — | 521 | 173.83 | 109 | |
| 8 | 100.00 (Default) | 99 | 4,522 | 7.74 | 6,982 | 100.00 | 7.6 | 72.26 | — | 7,962 | 114.02 | 4,409 | |
| 9 | Sub-total | 152,686 | 2,236,260 | 9.80 | 378,421 | 2.78 | 593.9 | 72.50 | — | 87,014 | 22.99 | 6,981 | ¥ 8,488 |
| **Residential mortgage exposures** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 4,352,764 | 11,997 | 100.00 | 4,364,761 | 0.10 | 144.8 | 15.63 | — | 161,908 | 3.70 | 685 | |
| 2 | 0.15 to < 0.25 | 2,221,679 | 28 | 100.00 | 2,221,707 | 0.16 | 98.2 | 16.37 | — | 126,577 | 5.69 | 601 | |
| 3 | 0.25 to < 0.50 | 3,641,317 | 979 | 100.00 | 3,642,309 | 0.32 | 217.2 | 15.78 | — | 324,156 | 8.89 | 1,845 | |
| 4 | 0.50 to < 0.75 | 73,813 | — | — | 73,813 | 0.68 | 5.5 | 20.65 | — | 14,790 | 20.03 | 104 | |
| 5 | 0.75 to < 2.50 | 99,441 | 19 | 100.00 | 99,460 | 0.86 | 9.9 | 18.43 | — | 20,842 | 20.95 | 158 | |
| 6 | 2.50 to < 10.00 | 6,391 | — | — | 6,391 | 7.36 | 0.2 | 12.57 | — | 3,199 | 50.06 | 59 | |
| 7 | 10.00 to < 100.00 | 57,322 | 11 | 100.00 | 57,333 | 19.48 | 3.4 | 16.58 | — | 52,998 | 92.44 | 1,869 | |
| 8 | 100.00 (Default) | 27,314 | 10 | 100.00 | 27,869 | 100.00 | 1.6 | 17.32 | — | 7,923 | 28.42 | 4,194 | |
| 9 | Sub-total | 10,480,044 | 13,046 | 100.00 | 10,493,647 | 0.57 | 481.1 | 15.91 | — | 712,396 | 6.78 | 9,518 | 25,172 |
| **Other retail exposures** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 0 | 20,285 | 21.48 | 4,358 | 0.09 | 18.1 | 18.15 | — | 189 | 4.34 | 0 | |
| 2 | 0.15 to < 0.25 | 177,463 | — | — | 177,463 | 0.23 | 52.8 | 69.78 | — | 56,582 | 31.88 | 296 | |
| 3 | 0.25 to < 0.50 | 176,430 | — | — | 176,430 | 0.36 | 65.5 | 39.07 | — | 42,135 | 23.88 | 262 | |
| 4 | 0.50 to < 0.75 | 400,679 | 123,425 | 27.27 | 434,668 | 0.55 | 235.6 | 35.23 | — | 119,035 | 27.38 | 888 | |
| 5 | 0.75 to < 2.50 | 166,117 | 7,026 | 99.67 | 173,120 | 1.26 | 94.3 | 61.55 | — | 117,375 | 67.79 | 1,379 | |
| 6 | 2.50 to < 10.00 | 41,982 | 15,008 | 36.79 | 47,505 | 6.28 | 36.1 | 34.67 | — | 25,198 | 53.04 | 1,055 | |
| 7 | 10.00 to < 100.00 | 2,673 | 836 | 92.23 | 3,476 | 35.36 | 0.7 | 32.35 | — | 2,562 | 73.70 | 508 | |
| 8 | 100.00 (Default) | 8,490 | 1,852 | 29.59 | 17,071 | 100.00 | 9.3 | 47.91 | — | 7,674 | 44.95 | 7,565 | |
| 9 | Sub-total | 973,838 | 168,434 | 30.79 | 1,034,095 | 2.60 | 512.7 | 46.32 | — | 370,753 | 35.85 | 11,957 | 13,383 |
| **Lease transactions** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 201,478 | — | — | 201,478 | 0.08 | 0.4 | 45.00 | 2.5 | 49,971 | 24.80 | 72 | |
| 2 | 0.15 to < 0.25 | 134,119 | — | — | 134,119 | 0.20 | 0.1 | 45.00 | 3.5 | 73,230 | 54.60 | 123 | |
| 3 | 0.25 to < 0.50 | 55,961 | — | — | 55,961 | 0.42 | 0.3 | 45.00 | 2.5 | 36,072 | 64.46 | 107 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 39,588 | — | — | 39,588 | 1.72 | 0.3 | 45.00 | 2.6 | 40,590 | 102.53 | 307 | |
| 6 | 2.50 to < 10.00 | 9,021 | — | — | 9,021 | 5.33 | 0.0 | 45.00 | 2.0 | 13,027 | 144.40 | 216 | |
| 7 | 10.00 to < 100.00 | 15,178 | — | — | 15,178 | 18.41 | 0.0 | 45.00 | 3.9 | 36,313 | 239.23 | 1,258 | |
| 8 | 100.00 (Default) | 112 | — | — | 385 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 173 | |
| 9 | Sub-total | 455,460 | — | — | 455,733 | 1.10 | 1.2 | 45.00 | 2.9 | 249,206 | 54.68 | 2,258 | 2,057 |
| Total (all portfolios) | | ¥ 59,002,470 | ¥ 7,992,924 | 56.36% | ¥ 63,062,153 | 0.57% | 1,633.4 | 36.40% | 1.9 | ¥ 11,535,487 | 18.29% | ¥ 118,592 | ¥ 148,344 |

Notes: 1. "Number of obligors" in Column f: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.
2. Purchased receivables for retail (dilution risk and originator risk of loan participation) are not applicable.

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| | Sovereign exposures (Advanced Internal Ratings-Based Approach (AIRB)) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 3,587,234 | ¥ 33 | 75.00% | ¥ 3,602,414 | 0.00% | 0.0 | 32.09% | 1.9 | ¥ 27,695 | 0.76% | ¥ 16 | |
| 2 | 0.15 to < 0.25 | 2,223 | — | — | 385 | 0.20 | 0.0 | 31.83 | 2.6 | 125 | 32.41 | 0 | |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 3,589,457 | 33 | 75.00 | 3,602,800 | 0.00 | 0.0 | 32.09 | 1.9 | 27,820 | 0.77 | 16 | ¥ 44 |
| | Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB)) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 18,540,535 | 122,103 | 75.34 | 18,651,439 | 0.00 | 0.1 | 44.99 | 1.0 | 101,782 | 0.54 | 123 | |
| 2 | 0.15 to < 0.25 | 0 | — | — | 0 | 0.20 | 0.0 | 45.00 | 1.0 | 0 | 30.44 | 0 | |
| 3 | 0.25 to < 0.50 | 21,628 | 0 | 75.00 | 12,728 | 0.29 | 0.0 | 45.00 | 3.0 | 8,750 | 68.74 | 16 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | 10,082 | — | — | 82 | 35.80 | 0.0 | 45.00 | 1.0 | 213 | 258.11 | 13 | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 18,572,246 | 122,103 | 75.34 | 18,664,250 | 0.00 | 0.1 | 44.99 | 1.0 | 110,746 | 0.59 | 154 | 185 |
| | Financial Institution exposures (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 512,156 | 8,500 | 100.00 | 534,878 | 0.05 | 0.0 | 31.10 | 2.8 | 106,014 | 19.82 | 88 | |
| 2 | 0.15 to < 0.25 | 51,000 | 9,000 | 75.00 | 57,750 | 0.20 | 0.0 | 32.10 | 1.3 | 13,788 | 23.87 | 37 | |
| 3 | 0.25 to < 0.50 | 8,800 | 7,575 | 86.79 | 15,375 | 0.49 | 0.0 | 32.10 | 1.0 | 5,762 | 37.48 | 24 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 6,277 | 1,996 | 91.28 | 8,099 | 1.43 | 0.0 | 30.58 | 1.4 | 4,803 | 59.31 | 34 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 578,233 | 27,071 | 87.35 | 616,102 | 0.09 | 0.0 | 31.21 | 2.6 | 130,368 | 21.16 | 185 | 343 |
| | Financial Institution exposures (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 158,235 | 113,103 | 75.00 | 243,063 | 0.05 | 0.0 | 48.01 | 1.3 | 52,966 | 21.79 | 70 | |
| 2 | 0.15 to < 0.25 | 1,729 | — | — | 1,729 | 0.20 | 0.0 | 71.02 | 2.3 | 1,180 | 68.25 | 2 | |
| 3 | 0.25 to < 0.50 | 22,314 | — | — | 22,314 | 0.27 | 0.0 | 58.44 | 1.5 | 14,312 | 64.14 | 36 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 3,167 | — | — | 3,167 | 1.76 | 0.0 | 45.00 | 3.8 | 4,206 | 132.80 | 25 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 185,447 | 113,103 | 75.00 | 270,274 | 0.09 | 0.0 | 48.98 | 1.3 | 72,665 | 26.88 | 134 | 61 |

CR6

Millions of Yen, %, 1,000 cases, Year

| | | March 31, 2022 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| Corporate exposures (excluding SME exposures and specialised lending) (AIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 7,149,077 | ¥ 2,801,193 | 76.04% | ¥ 9,339,244 | 0.07% | 0.6 | 31.42% | 2.5 | ¥ 1,713,083 | 18.34% | ¥ 2,268 | |
| 2 | 0.15 to < 0.25 | 1,722,211 | 466,183 | 75.89 | 2,044,349 | 0.20 | 0.3 | 30.61 | 2.1 | 597,443 | 29.22 | 1,278 | |
| 3 | 0.25 to < 0.50 | 2,267,134 | 500,491 | 72.10 | 2,629,361 | 0.38 | 1.1 | 30.20 | 2.2 | 1,049,116 | 39.90 | 2,997 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 998,803 | 202,761 | 70.49 | 1,099,367 | 1.58 | 0.7 | 28.36 | 2.2 | 717,185 | 65.23 | 4,930 | |
| 6 | 2.50 to < 10.00 | 66,860 | 11,808 | 79.03 | 78,106 | 7.07 | 0.0 | 24.74 | 1.7 | 67,830 | 86.84 | 1,345 | |
| 7 | 10.00 to < 100.00 | 7,590 | 234 | 75.00 | 6,067 | 18.41 | 0.0 | 23.85 | 2.2 | 7,265 | 119.75 | 266 | |
| 8 | 100.00 (Default) | 122,147 | — | — | 127,932 | 100.00 | 0.0 | 32.09 | 1.0 | 52,602 | 41.11 | 36,851 | |
| 9 | Sub-total | 12,333,824 | 3,982,671 | 75.25 | 15,324,428 | 1.13 | 3.0 | 30.85 | 2.3 | 4,204,527 | 27.43 | 49,938 | ¥106,738 |
| Corporate exposures (excluding SME exposures and specialised lending) (FIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 839,060 | 121,671 | 78.78 | 939,667 | 0.07 | 0.8 | 52.29 | 2.8 | 323,649 | 34.44 | 366 | |
| 2 | 0.15 to < 0.25 | 45,696 | 66,740 | 100.00 | 112,581 | 0.20 | 0.3 | 54.03 | 2.2 | 67,955 | 60.36 | 124 | |
| 3 | 0.25 to < 0.50 | 501,230 | 65,356 | 74.16 | 548,835 | 0.33 | 1.3 | 46.32 | 2.7 | 350,565 | 63.87 | 820 | |
| 4 | 0.50 to < 0.75 | 88,007 | 13,159 | 75.00 | 97,877 | 0.62 | 0.0 | 45.00 | 3.7 | 93,440 | 95.46 | 276 | |
| 5 | 0.75 to < 2.50 | 375,270 | 21,737 | 75.53 | 391,737 | 1.44 | 1.3 | 44.12 | 3.7 | 473,425 | 120.85 | 2,503 | |
| 6 | 2.50 to < 10.00 | 116,417 | 2,218 | 78.30 | 118,270 | 5.36 | 0.2 | 44.35 | 4.1 | 202,528 | 171.24 | 2,816 | |
| 7 | 10.00 to < 100.00 | 71,076 | — | — | 71,077 | 30.21 | 0.0 | 44.99 | 3.8 | 190,956 | 268.65 | 9,662 | |
| 8 | 100.00 (Default) | 31,604 | 896 | 96.65 | 37,803 | 100.00 | 0.0 | 44.51 | 1.0 | 0 | 0.00 | 16,830 | |
| 9 | Sub-total | 2,068,364 | 291,779 | 82.24 | 2,317,850 | 3.22 | 4.2 | 48.52 | 3.0 | 1,702,520 | 73.45 | 33,398 | 18,463 |
| SME exposures (AIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 55,704 | 582 | 75.00 | 54,187 | 0.12 | 0.0 | 30.59 | 2.2 | 11,006 | 20.31 | 20 | |
| 2 | 0.15 to < 0.25 | 102,593 | — | — | 96,153 | 0.20 | 0.0 | 30.14 | 3.2 | 28,887 | 30.04 | 59 | |
| 3 | 0.25 to < 0.50 | 85,649 | 7,119 | 90.09 | 89,560 | 0.41 | 0.0 | 24.74 | 2.8 | 27,195 | 30.36 | 88 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 111,412 | 18,255 | 76.77 | 122,834 | 1.59 | 0.1 | 21.85 | 2.7 | 56,253 | 45.79 | 418 | |
| 6 | 2.50 to < 10.00 | 6,530 | 111 | 77.53 | 6,616 | 7.34 | 0.0 | 20.54 | 1.5 | 3,898 | 58.91 | 102 | |
| 7 | 10.00 to < 100.00 | 1,292 | — | — | 1,292 | 18.41 | 0.0 | 22.32 | 2.8 | 1,281 | 99.16 | 53 | |
| 8 | 100.00 (Default) | 1,277 | — | — | 1,306 | 100.00 | 0.0 | 21.50 | 1.0 | 349 | 26.71 | 253 | |
| 9 | Sub-total | 364,460 | 26,068 | 80.37 | 371,950 | 1.24 | 0.3 | 25.94 | 2.8 | 128,873 | 34.64 | 995 | 1,097 |
| SME exposures (FIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 15 | — | — | 15 | 0.11 | 0.0 | 45.00 | 1.0 | 2 | 18.80 | 0 | |
| 2 | 0.15 to < 0.25 | 45 | — | — | 45 | 0.20 | 0.0 | 45.00 | 1.0 | 12 | 26.98 | 0 | |
| 3 | 0.25 to < 0.50 | 106,414 | 1,412 | 75.00 | 105,982 | 0.48 | 0.6 | 38.22 | 4.6 | 67,536 | 63.72 | 197 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 314,453 | 1,986 | 77.62 | 313,489 | 1.67 | 1.7 | 39.36 | 4.8 | 292,822 | 93.40 | 2,066 | |
| 6 | 2.50 to < 10.00 | 6,748 | — | — | 6,762 | 7.32 | 0.0 | 38.55 | 4.1 | 8,285 | 122.53 | 188 | |
| 7 | 10.00 to < 100.00 | 2,195 | — | — | 2,223 | 18.41 | 0.0 | 45.00 | 1.4 | 4,356 | 195.98 | 184 | |
| 8 | 100.00 (Default) | 5,992 | 0 | 0.00 | 6,184 | 100.00 | 0.0 | 40.10 | 1.0 | 0 | 0.00 | 2,480 | |
| 9 | Sub-total | 435,864 | 3,399 | 76.52 | 434,703 | 2.95 | 2.5 | 39.11 | 4.7 | 373,016 | 85.80 | 5,117 | 405 |

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| | Specialised lending (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥1,320,005 | ¥101,243 | 75.00% | ¥1,395,938 | 0.08% | 0.3 | 26.30% | 4.1 | ¥ 312,385 | 22.37% | ¥ 314 | |
| 2 | 0.15 to < 0.25 | 85,887 | 22,114 | 75.00 | 102,472 | 0.20 | 0.0 | 30.80 | 3.8 | 42,750 | 41.71 | 64 | |
| 3 | 0.25 to < 0.50 | 869,979 | 143,937 | 74.99 | 977,920 | 0.33 | 0.2 | 24.34 | 4.3 | 404,129 | 41.32 | 795 | |
| 4 | 0.50 to < 0.75 | 151,786 | 52,471 | 75.18 | 191,238 | 0.64 | 0.0 | 25.07 | 4.3 | 105,239 | 55.03 | 309 | |
| 5 | 0.75 to < 2.50 | 363,252 | 47,578 | 73.65 | 398,295 | 1.48 | 0.0 | 24.74 | 3.4 | 253,091 | 63.54 | 1,467 | |
| 6 | 2.50 to < 10.00 | 99,872 | 55,054 | 73.27 | 140,211 | 3.92 | 0.0 | 23.35 | 3.6 | 110,294 | 78.66 | 1,230 | |
| 7 | 10.00 to < 100.00 | 73,761 | 18,286 | 75.00 | 87,475 | 22.66 | 0.0 | 38.88 | 4.0 | 185,006 | 211.49 | 8,065 | |
| 8 | 100.00 (Default) | 15,398 | 1,331 | 75.00 | 16,401 | 100.00 | 0.0 | 28.29 | 1.0 | 5,570 | 33.96 | 4,195 | |
| 9 | Sub-total | 2,979,942 | 442,016 | 74.65 | 3,309,953 | 1.61 | 0.8 | 25.82 | 4.1 | 1,418,468 | 42.85 | 16,443 | ¥ 5,257 |
| | Specialised lending (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 1,213 | — | — | 1,213 | 0.08 | 0.2 | 45.00 | 1.0 | 197 | 16.26 | 0 | |
| 2 | 0.15 to < 0.25 | 71 | — | — | 71 | 0.20 | 0.0 | 45.00 | 1.0 | 21 | 30.44 | 0 | |
| 3 | 0.25 to < 0.50 | 1,371 | — | — | 1,371 | 0.32 | 0.1 | 45.00 | 1.0 | 557 | 40.62 | 2 | |
| 4 | 0.50 to < 0.75 | 270 | — | — | 270 | 0.63 | 0.0 | 45.00 | 1.0 | 159 | 59.19 | 0 | |
| 5 | 0.75 to < 2.50 | 550 | — | — | 550 | 1.44 | 0.0 | 45.00 | 1.0 | 461 | 83.78 | 3 | |
| 6 | 2.50 to < 10.00 | 78 | — | — | 78 | 3.67 | 0.0 | 45.00 | 1.0 | 91 | 116.67 | 1 | |
| 7 | 10.00 to < 100.00 | 203 | — | — | 203 | 17.87 | 0.0 | 45.00 | 1.0 | 418 | 205.72 | 16 | |
| 8 | 100.00 (Default) | 0 | — | — | 0 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 0 | |
| 9 | Sub-total | 3,759 | — | — | 3,759 | 1.46 | 0.6 | 45.00 | 1.0 | 1,907 | 50.73 | 24 | — |
| | Equity exposures (PD/LGD Approach) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 1,107,433 | — | — | 542,498 | 0.07 | 0.3 | 90.00 | 5.0 | 620,248 | 114.33 | — | |
| 2 | 0.15 to < 0.25 | 121,996 | — | — | 63,349 | 0.20 | 0.1 | 90.00 | 5.0 | 92,740 | 146.39 | — | |
| 3 | 0.25 to < 0.50 | 95,660 | — | — | 52,370 | 0.36 | 0.4 | 90.00 | 5.0 | 95,187 | 181.75 | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 36,491 | — | — | 28,959 | 1.79 | 0.2 | 90.00 | 5.0 | 89,227 | 308.10 | — | |
| 6 | 2.50 to < 10.00 | 3,009 | — | — | 2,198 | 6.57 | 0.0 | 90.00 | 5.0 | 9,283 | 422.29 | — | |
| 7 | 10.00 to < 100.00 | 415 | — | — | 415 | 18.41 | 0.0 | 90.00 | 5.0 | 2,560 | 616.26 | — | |
| 8 | 100.00 (Default) | 283 | — | — | 160 | 100.00 | 0.0 | 90.00 | 5.0 | 1,804 | 1,125.00 | — | |
| 9 | Sub-total | 1,365,289 | — | — | 689,953 | 0.23 | 1.1 | 90.00 | 5.0 | 911,053 | 132.04 | — | |
| | Purchased receivables for corporates, etc. (default risk) (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 12,881 | — | — | 12,881 | 0.10 | 0.0 | 32.10 | 3.3 | 3,531 | 27.41 | 4 | |
| 2 | 0.15 to < 0.25 | 7,000 | — | — | 7,000 | 0.20 | 0.0 | 32.10 | 5.0 | 3,379 | 48.27 | 4 | |
| 3 | 0.25 to < 0.50 | 11,578 | — | — | 11,578 | 0.31 | 0.0 | 32.10 | 2.3 | 4,608 | 39.80 | 11 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 64,425 | — | — | 64,425 | 1.53 | 0.0 | 31.60 | 4.0 | 57,110 | 88.64 | 313 | |
| 6 | 2.50 to < 10.00 | 2,018 | — | — | 2,018 | 7.88 | 0.0 | 32.10 | 3.6 | 2,740 | 135.78 | 51 | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | 2,895 | — | — | 2,895 | 100.00 | 0.0 | 32.10 | 1.0 | 1,190 | 41.12 | 834 | |
| 9 | Sub-total | 100,799 | — | — | 100,799 | 4.07 | 0.0 | 31.78 | 3.7 | 72,560 | 71.98 | 1,219 | 488 |

CR6

Millions of Yen, %, 1,000 cases, Year

| | | March 31, 2022 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (AIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 4,442 | ¥ — | —% | ¥ 4,442 | 0.12% | 0.0 | 100.00% | 1.0 | ¥ 2,208 | 49.70% | ¥ — | |
| 2 | 0.15 to < 0.25 | — | — | — | — | — | — | — | — | — | — | — | |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 4,442 | — | — | 4,442 | 0.12 | 0.0 | 100.00 | 1.0 | 2,208 | 49.70 | — | ¥ — |
| Purchased receivables for corporates, etc. (default risk) (FIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 306,276 | 4,019 | 100.00 | 310,295 | 0.06 | 0.2 | 45.00 | 1.0 | 42,010 | 13.53 | 89 | |
| 2 | 0.15 to < 0.25 | 81,589 | — | — | 81,589 | 0.20 | 0.1 | 45.00 | 1.0 | 25,312 | 31.02 | 75 | |
| 3 | 0.25 to < 0.50 | 112,416 | 2,892 | 75.00 | 114,585 | 0.37 | 1.0 | 45.00 | 1.1 | 51,756 | 45.16 | 192 | |
| 4 | 0.50 to < 0.75 | 423 | 2,639 | 75.00 | 2,402 | 0.62 | 0.0 | 45.00 | 4.5 | 2,452 | 102.08 | 6 | |
| 5 | 0.75 to < 2.50 | 47,170 | — | — | 47,170 | 1.52 | 3.3 | 45.00 | 1.1 | 38,989 | 82.65 | 323 | |
| 6 | 2.50 to < 10.00 | 4,330 | — | — | 4,330 | 6.56 | 0.5 | 45.00 | 1.0 | 6,384 | 147.43 | 127 | |
| 7 | 10.00 to < 100.00 | 522 | — | — | 522 | 18.41 | 0.0 | 45.00 | 1.0 | 1,140 | 218.32 | 43 | |
| 8 | 100.00 (Default) | 4,546 | — | — | 4,546 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 2,045 | |
| 9 | Sub-total | 557,274 | 9,550 | 85.52 | 565,442 | 1.14 | 5.4 | 45.00 | 1.1 | 168,046 | 29.71 | 2,903 | 365 |
| Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 386,470 | 6,658 | 90.09 | 392,468 | 0.06 | 0.3 | 92.50 | 1.1 | 113,138 | 28.82 | 13 | |
| 2 | 0.15 to < 0.25 | 54,292 | — | — | 54,292 | 0.21 | 0.1 | 92.00 | 1.0 | 35,343 | 65.09 | 7 | |
| 3 | 0.25 to < 0.50 | 16,136 | 2,892 | 75.00 | 18,305 | 0.40 | 0.1 | 73.75 | 1.6 | 15,796 | 86.29 | 12 | |
| 4 | 0.50 to < 0.75 | 18 | — | — | 18 | 0.62 | 0.0 | 45.00 | 1.0 | 10 | 58.78 | 0 | |
| 5 | 0.75 to < 2.50 | 1,521 | — | — | 1,521 | 1.01 | 0.1 | 91.46 | 1.2 | 8,840 | 581.09 | 1 | |
| 6 | 2.50 to < 10.00 | 3,250 | — | — | 3,250 | 6.88 | 0.0 | 100.00 | 1.0 | 10,750 | 330.68 | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 461,689 | 9,550 | 85.52 | 469,857 | 0.14 | 0.7 | 91.76 | 1.1 | 183,879 | 39.13 | 35 | — |
| Purchased receivables for retail (default risk) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | — | — | — | — | — | — | — | — | — | — | — | |
| 2 | 0.15 to < 0.25 | — | — | — | — | — | — | — | — | — | — | — | |
| 3 | 0.25 to < 0.50 | 32,046 | — | — | 32,046 | 0.30 | 29.5 | 70.83 | — | 12,135 | 37.86 | 69 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 32,046 | — | — | 32,046 | 0.30 | 29.5 | 70.83 | — | 12,135 | 37.86 | 69 | 88 |

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| | Qualifying revolving retail exposures | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 0 | ¥ 39,550 | 27.13% | ¥ 10,730 | 0.09% | 42.7 | 59.37% | — | ¥ 380 | 3.55% | ¥ 6 | |
| 2 | 0.15 to < 0.25 | 41,972 | 706,261 | 11.31 | 121,914 | 0.22 | 197.3 | 70.80 | — | 10,120 | 8.30 | 193 | |
| 3 | 0.25 to < 0.50 | 19,951 | 945,124 | 7.43 | 90,210 | 0.35 | 137.6 | 75.96 | — | 11,682 | 12.94 | 244 | |
| 4 | 0.50 to < 0.75 | 34,826 | 242,256 | 11.31 | 62,247 | 0.54 | 79.0 | 70.80 | — | 10,488 | 16.84 | 239 | |
| 5 | 0.75 to < 2.50 | 11,201 | 212,375 | 12.36 | 37,469 | 1.15 | 109.8 | 70.10 | — | 10,956 | 29.24 | 302 | |
| 6 | 2.50 to < 10.00 | 31,691 | 62,122 | 12.05 | 39,181 | 4.82 | 38.7 | 70.96 | — | 31,356 | 80.03 | 1,341 | |
| 7 | 10.00 to < 100.00 | 188 | 1,166 | 11.09 | 317 | 48.23 | 0.5 | 67.08 | — | 538 | 169.51 | 107 | |
| 8 | 100.00 (Default) | 42 | 3,374 | 8.53 | 7,708 | 100.00 | 8.7 | 71.20 | — | 8,856 | 114.89 | 4,779 | |
| 9 | Sub-total | 139,872 | 2,212,231 | 10.05 | 369,779 | 3.00 | 614.6 | 71.68 | — | 84,378 | 22.81 | 7,214 | ¥ 9,047 |
| | Residential mortgage exposures | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 4,595,396 | 11,505 | 100.00 | 4,606,902 | 0.10 | 154.3 | 17.46 | — | 195,407 | 4.24 | 833 | |
| 2 | 0.15 to < 0.25 | 2,156,221 | 28 | 100.00 | 2,156,249 | 0.17 | 96.0 | 17.19 | — | 132,592 | 6.14 | 636 | |
| 3 | 0.25 to < 0.50 | 3,535,196 | 1,269 | 100.00 | 3,536,476 | 0.33 | 210.5 | 16.56 | — | 338,399 | 9.56 | 1,944 | |
| 4 | 0.50 to < 0.75 | 81,937 | — | — | 81,937 | 0.69 | 6.1 | 21.18 | — | 17,059 | 20.81 | 121 | |
| 5 | 0.75 to < 2.50 | 95,837 | 19 | 100.00 | 95,857 | 0.89 | 9.9 | 19.15 | — | 21,364 | 22.28 | 164 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | 62,721 | 4 | 100.00 | 62,726 | 19.28 | 3.6 | 17.40 | — | 60,537 | 96.51 | 2,126 | |
| 8 | 100.00 (Default) | 32,338 | 14 | 100.00 | 33,402 | 100.00 | 1.8 | 18.54 | — | 9,503 | 28.45 | 5,432 | |
| 9 | Sub-total | 10,559,648 | 12,843 | 100.00 | 10,573,551 | 0.63 | 482.5 | 17.15 | — | 774,863 | 7.32 | 11,258 | 25,355 |
| | Other retail exposures | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 0 | 21,411 | 21.91 | 4,691 | 0.09 | 19.2 | 18.44 | — | 213 | 4.54 | 0 | |
| 2 | 0.15 to < 0.25 | 165,451 | — | — | 165,451 | 0.24 | 50.6 | 68.65 | — | 52,725 | 31.86 | 278 | |
| 3 | 0.25 to < 0.50 | 192,735 | — | — | 192,735 | 0.37 | 67.0 | 37.89 | — | 45,478 | 23.59 | 286 | |
| 4 | 0.50 to < 0.75 | 352,775 | 404 | 100.00 | 353,475 | 0.54 | 85.4 | 34.12 | — | 92,673 | 26.21 | 680 | |
| 5 | 0.75 to < 2.50 | 176,754 | 136,520 | 31.29 | 219,477 | 1.17 | 256.4 | 60.29 | — | 141,121 | 64.29 | 1,606 | |
| 6 | 2.50 to < 10.00 | 38,864 | 15,414 | 36.74 | 44,528 | 6.35 | 38.6 | 33.76 | — | 23,177 | 52.05 | 1,001 | |
| 7 | 10.00 to < 100.00 | 2,547 | 859 | 93.07 | 3,382 | 35.60 | 0.7 | 30.39 | — | 2,350 | 69.47 | 454 | |
| 8 | 100.00 (Default) | 8,847 | 1,767 | 31.23 | 18,773 | 100.00 | 10.2 | 48.33 | — | 9,125 | 48.60 | 8,344 | |
| 9 | Sub-total | 937,976 | 176,377 | 31.08 | 1,002,517 | 2.83 | 528.4 | 46.44 | — | 366,866 | 36.59 | 12,654 | 15,552 |
| | Lease transactions | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 213,286 | — | — | 213,286 | 0.07 | 0.4 | 45.00 | 2.6 | 52,422 | 24.57 | 75 | |
| 2 | 0.15 to < 0.25 | 128,970 | — | — | 128,970 | 0.20 | 0.1 | 45.00 | 3.9 | 74,446 | 57.72 | 118 | |
| 3 | 0.25 to < 0.50 | 53,527 | — | — | 53,527 | 0.43 | 0.3 | 45.00 | 2.5 | 35,242 | 65.83 | 104 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 43,152 | — | — | 43,152 | 1.74 | 0.3 | 45.00 | 2.6 | 44,873 | 103.98 | 338 | |
| 6 | 2.50 to < 10.00 | 14,226 | — | — | 14,226 | 5.25 | 0.0 | 45.00 | 3.7 | 23,615 | 165.99 | 336 | |
| 7 | 10.00 to < 100.00 | 5,028 | — | — | 5,028 | 18.41 | 0.0 | 45.00 | 3.9 | 12,178 | 242.16 | 416 | |
| 8 | 100.00 (Default) | — | — | — | 513 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 231 | |
| 9 | Sub-total | 458,193 | — | — | 458,707 | 0.78 | 1.2 | 45.00 | 3.0 | 242,778 | 52.92 | 1,621 | 5,251 |
| Total (all portfolios) | | ¥ 55,728,834 | ¥ 7,428,799 | 55.05% | ¥ 59,183,170 | 0.74% | 1,675.9 | 35.43% | 2.0 | ¥ 10,989,683 | 18.56% | ¥ 143,385 | ¥ 188,749 |

Notes: 1. "Number of obligors" in Column f: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.
2. Purchased receivables for retail (dilution risk and originator risk of loan participation) are not applicable.

## CR7: IRB – Effect on RWA of credit derivatives used as CRM technique

| CR7 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2023 | |
| | | a | b |
| Item No. | Portfolio | Pre-credit derivatives credit RWA amounts | Actual credit RWA amounts |
| 1 | Sovereign Exposures – FIRB | ¥ 126,816 | ¥ 126,816 |
| 2 | Sovereign Exposures – AIRB | 24,895 | 24,895 |
| 3 | Financial Institution Exposures – FIRB | 114,023 | 114,023 |
| 4 | Financial Institution Exposures – AIRB | 117,941 | 117,941 |
| 5 | Corporate exposures (excluding specialised lending) – FIRB | 2,201,835 | 2,201,835 |
| 6 | Corporate exposures (excluding specialised lending) – AIRB | 4,509,187 | 4,509,187 |
| 7 | Specialised lending – FIRB | 691,919 | 691,919 |
| 8 | Specialised lending – AIRB | 1,494,401 | 1,494,401 |
| 9 | Retail – Qualifying revolving retail exposures | 87,014 | 87,014 |
| 10 | Retail – Residential mortgage exposures | 712,396 | 712,396 |
| 11 | Retail – Other retail exposures | 370,753 | 370,753 |
| 12 | Equity Exposures – FIRB | 1,266,542 | 1,266,542 |
| 13 | Equity Exposures – AIRB | — | — |
| 14 | Purchased receivables – FIRB | 487,484 | 487,484 |
| 15 | Purchased receivables – AIRB | 69,678 | 69,678 |
| 16 | Total | ¥ 12,274,892 | ¥ 12,274,892 |

Note: SuMi TRUST Group does not use credit derivatives as credit risk mitigation techniques.

| CR7 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2022 | |
| | | a | b |
| Item No. | Portfolio | Pre-credit derivatives credit RWA amounts | Actual credit RWA amounts |
| 1 | Sovereign Exposures – FIRB | ¥ 110,746 | ¥ 110,746 |
| 2 | Sovereign Exposures – AIRB | 26,586 | 26,586 |
| 3 | Financial Institution Exposures – FIRB | 72,665 | 72,665 |
| 4 | Financial Institution Exposures – AIRB | 128,594 | 128,594 |
| 5 | Corporate exposures (excluding specialised lending) – FIRB | 2,075,536 | 2,075,536 |
| 6 | Corporate exposures (excluding specialised lending) – AIRB | 4,336,409 | 4,336,409 |
| 7 | Specialised lending – FIRB | 356,900 | 356,900 |
| 8 | Specialised lending – AIRB | 1,418,468 | 1,418,468 |
| 9 | Retail – Qualifying revolving retail exposures | 84,378 | 84,378 |
| 10 | Retail – Residential mortgage exposures | 774,863 | 774,863 |
| 11 | Retail – Other retail exposures | 366,866 | 366,866 |
| 12 | Equity Exposures – FIRB | 1,137,535 | 1,137,535 |
| 13 | Equity Exposures – AIRB | — | — |
| 14 | Purchased receivables – FIRB | 364,060 | 364,060 |
| 15 | Purchased receivables – AIRB | 74,768 | 74,768 |
| 16 | Total | ¥ 11,328,380 | ¥ 11,328,380 |

Note: SuMi TRUST Group does not use credit derivatives as credit risk mitigation techniques.

## CR8: RWA flow statements of credit risk exposures under IRB

| CR8 Item No. | | | Billions of Yen<br>March 31, 2023<br>RWA amounts |
|---|---|---|---|
| 1 | RWA at the end of the previous fiscal year | | ¥ 12,472 |
| 2 | Factor of RWA changes | Asset size | 1,062 |
| 3 | | Asset quality | (364) |
| 4 | | Model updates | — |
| 5 | | Methodology and policy | — |
| 6 | | Acquisitions and disposals | — |
| 7 | | Foreign exchange movements | 272 |
| 8 | | Others | — |
| 9 | RWA at the end of the fiscal year | | ¥ 13,444 |

Note: The end of the previous fiscal year indicates March 31, 2022, and the end of the fiscal year indicates March 31, 2023.

| CR8 Item No. | | | Billions of Yen<br>March 31, 2022<br>RWA amounts |
|---|---|---|---|
| 1 | RWA at the end of the previous fiscal year | | ¥ 12,707 |
| 2 | Factor of RWA changes | Asset size | 33 |
| 3 | | Asset quality | (533) |
| 4 | | Model updates | — |
| 5 | | Methodology and policy | — |
| 6 | | Acquisitions and disposals | — |
| 7 | | Foreign exchange movements | 265 |
| 8 | | Others | — |
| 9 | RWA at the end of the fiscal year | | ¥ 12,472 |

Note: The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.

## CR9: IRB – Backtesting of probability of default (PD) per portfolio

Entities subject to AIRB and FIRB

| CR9 | | %, Cases | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **March 31, 2023** (Period covered: September 30, 2021 - September 30, 2022) | | | | | | | | | | | |
| a | b | c | | | | | d | e | f | | g | h | i |
| Portfolio | PD Range | External rating equivalent | | | | | Weighted average PD (EAD weighted) | Arithmetic average PD (by obligors) | Number of obligors | | Defaulted obligors during the reported period | Of which: new defaulted obligors during the reported period | Average historical annual default rate (5 years) | Credit RWA amounts ratio |
| | | S&P | Moody's | Fitch | R&I | JCR | | | September 30, 2021 | September 30, 2022 | | | | |
| Sovereign Exposures | — | AAA~ B- | Aaa~ B3 | AAA~ B- | AAA~ BBB | AAA~ BBB+ | 0.00% | 0.07% | 794 | 825 | 0 | 0 | 0.00% | 1.2% |
| Financial Institution Exposures | — | AA~ B- | Aa2~ B3 | AA~ B- | AA+~ BB- | AAA~ BB | 0.10 | 0.19 | 420 | 431 | 0 | 0 | 0.00 | 1.8 |
| Corporate Exposures (Japanese) | ≥ 0% to 0.03% | AAA~ A- | Aaa~ A3 | — | AAA~ AA- | AAA~ AA | 0.03 | 0.03 | 521 | 547 | 0 | 0 | 0.00 | 56.3 |
| | > 0.03% to 0.1% | BBB+~ BBB- | Baa1~ Baa3 | — | A+~ A- | AA-~ A | 0.06 | 0.06 | 559 | 564 | 0 | 0 | 0.01 | |
| | > 0.1% to 0.5% | BB+~ BB- | Ba1~ Ba3 | — | BBB+~ BBB- | A-~ BBB | 0.19 | 0.22 | 2,732 | 2,807 | 1 | 0 | 0.02 | |
| | > 0.5% to 5% | B+~ B- | B1~ B3 | — | BB+~ BB- | BBB-~ BB | 1.05 | 1.23 | 5,498 | 5,585 | 4 | 0 | 0.17 | |
| | > 5% to < 100% | — | — | — | — | — | 12.00 | 8.87 | 285 | 257 | 12 | 0 | 3.63 | |
| Corporate Exposures (Non-Japanese) | ≥ 0% to 0.03% | AAA~ AA- | Aaa~ Aa3 | AAA~ AA- | — | — | 0.03 | 0.03 | 46 | 40 | 0 | 0 | 0.00 | 12.9 |
| | > 0.03% to 0.1% | A+~ A- | A1~ A3 | A+~ A- | — | — | 0.06 | 0.06 | 135 | 149 | 0 | 0 | 0.00 | |
| | > 0.1% to 0.5% | BBB+~ BBB- | Baa1~ Baa3 | BBB+~ BBB- | — | — | 0.24 | 0.25 | 311 | 344 | 0 | 0 | 0.00 | |
| | > 0.5% to 15% | BB+~ B- | Ba1~ B3 | BB+~ B- | — | — | 2.43 | 2.61 | 599 | 614 | 0 | 0 | 0.20 | |
| | > 15% to < 100% | — | — | — | — | — | 35.80 | 35.80 | 58 | 63 | 3 | 0 | 11.53 | |
| Purchased receivables for corporates, etc. (Top-down approach) | — | — | — | — | AAA~ BB+ | AAA~ BBB- | 3.40 | 3.40 | 253 | 0 | 0 | 0 | 0.00 | 0.0 |
| Qualifying revolving retail exposures | ≥ 0% to 10% | | | | | | 0.43 | 0.28 | 41,170 | 39,646 | 32 | 0 | 0.09 | 0.0 |
| | > 10% to < 100% | | | | | | 23.49 | 23.49 | 90 | 86 | 19 | 0 | 15.28 | |
| Residential mortgage exposures | ≥ 0% to 2% | | | | | | 0.20 | 0.23 | 544,382 | 555,598 | 241 | 0 | 0.08 | 5.5 |
| | > 2% to < 100% | | | | | | 18.69 | 19.05 | 3,576 | 3,772 | 531 | 0 | 12.96 | |
| Other retail exposures | ≥ 0% to 10% | | | | | | 0.64 | 0.85 | 36,933 | 35,628 | 91 | 0 | 0.35 | 0.4 |
| | > 10% to < 100% | | | | | | 23.61 | 25.43 | 147 | 138 | 21 | 0 | 17.25 | |

## Entities subject to FIRB

| CR9 | | %, Cases | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **March 31, 2023** (Period covered: September 30, 2021 - September 30, 2022) | | | | | | | | | | | | |
| a | b | c | | | | | d | e | f | | g | h | i | |
| Portfolio | PD Range | External rating equivalent | | | | | Weighted average PD (EAD weighted) | Arithmetic average PD (by obligors) | Number of obligors | | Defaulted obligors during the reported period | Of which: new defaulted obligors during the reported period | Average historical annual default rate (5 years) | Credit RWA amounts ratio |
| | | S&P | Moody's | Fitch | R&I | JCR | | | September 30, 2021 | September 30, 2022 | | | | |
| Sovereign Exposures | — | — | — | — | AAA~ BBB | AAA~ BBB+ | 0.02% | 0.03% | 225 | 216 | 0 | 0 | 0.00% | 0.0% |
| Financial Institution Exposures | — | — | — | — | A+~ BBB | AA-~ BBB+ | 0.27 | 0.18 | 3 | 4 | 0 | 0 | 0.00 | 0.0 |
| Corporate Exposures (Japanese) | ≥ 0% to 0.03% | — | — | — | AAA~ AA- | AAA~ AA | 0.03 | 0.03 | 36 | 37 | 0 | 0 | 0.00 | 3.1 |
| | > 0.03% to 0.1% | — | — | — | A+~ A- | AA-~ A | 0.06 | 0.06 | 83 | 89 | 0 | 0 | 0.00 | |
| | > 0.1% to 0.5% | — | — | — | BBB+~ BBB- | A-~ BBB | 0.19 | 0.17 | 420 | 427 | 0 | 0 | 0.02 | |
| | > 0.5% to 5% | — | — | — | BB+~ BB- | BBB-~ BB | 1.23 | 1.11 | 834 | 838 | 2 | 2 | 0.73 | |
| | > 5% to < 100% | — | — | — | — | — | 9.88 | 8.70 | 200 | 198 | 3 | 1 | 4.62 | |
| Qualifying revolving retail exposures | ≥ 0% to 10% | | | | | | 0.93 | 0.78 | 566,943 | 548,648 | 3,008 | 88 | 0.70 | 0.6 |
| | > 10% to < 100% | | | | | | 61.25 | 61.25 | 490 | 527 | 316 | 0 | 59.81 | |
| Residential mortgage exposures | ≥ 0% to 2% | | | | | | 0.67 | 0.73 | 12,670 | 12,200 | 18 | 0 | 0.36 | 0.3 |
| | > 2% to < 100% | | | | | | 21.92 | 21.92 | 339 | 323 | 28 | 0 | 11.82 | |
| Other retail exposures | ≥ 0% to 10% | | | | | | 0.98 | 1.42 | 296,485 | 291,125 | 1,046 | 38 | 0.56 | 2.4 |
| | > 10% to < 100% | | | | | | 34.12 | 55.42 | 576 | 600 | 234 | 1 | 47.17 | |

Notes: 1. On the previous page, Sumitomo Mitsui Trust Holdings, Inc., Sumitomo Mitsui Trust Bank, Limited and specific purpose companies (SPCs) engaging in liquidation of receivables, subject to AIRB and FIRB, are counted. On this page, Group companies (i.e. Sumitomo Mitsui Trust Guarantee Co., Ltd., Sumishin Guaranty Company Limited, Sumitomo Mitsui Trust Card Co., Ltd., Sumitomo Mitsui Trust Loan & Finance Co., Ltd., Sumitomo Mitsui Trust Panasonic Finance Co., Ltd., and Sumitomo Mitsui Trust Club Co., Ltd.), subject to FIRB, are counted.

2. Column a: As for "Corporate exposures (excluding specialised lending)," "Specialised lending (subject to the PD/LGD Approach)," "Equity exposures (subject to the PD/LGD Approach)," and "Purchased receivables (other than those for corporates, etc. subject to top-down approach)," these portfolio classifications have been integrated into "Corporate exposures" In addition, different rating systems (PD) are used in Japanese rating and Non-Japanese rating, and so "Corporate exposures" are classified into "Japanese" and "Non-Japanese."

3. Column c: With reference to the internal rating for each obligor, the range of external rating is stated in accordance with the relation between the internal rating and external rating of the internal rules for SuMi TRUST Group.

4. The PD estimation of SuMi TRUST Group covers the one-year default results with the reference date being the end of September every year. Accordingly, Column d and Column e were obtained with the reference date being the end of September 2021. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2021 to the end of September 2022.

5. Column f to Column h: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.

6. "Average historical annual default rate (5 years)" in column i represents the average value of the actual default rate for each year of the latest ten years rather than the latest five years.

7. The scope of application of the major model used in the consolidation range specified by the capital regulatory standards is determined while considering the portfolio classifications specified by regulations and credit decisions based on the risk driver of each portfolio (explanatory variables of the adopted rating model, etc.). "Credit RWA amounts ratio" of each internal model is stated for each portfolio*.
* "Credit RWA amounts ratio" (obtained with the reference date being the end of September 2022) is the ratio of RWA amounts for each portfolio to the total RWA amounts subject to the IRB approach (excluding counterparty credit risk, the credit risk related to securitisation transactions, and the credit risk related to funds).

8. In the ">10% to <100%" category of "Other retail exposures" of entities subject to FIRB, "Average historical annual default rate (5 years)" in Column i exceeds "Weighted average PD (EAD weighted)" in Column d. This is attributable to the difference in the method for obtaining average values. The appropriateness of the PD estimation in each pool classification is examined regularly every year.

## Entities subject to AIRB and FIRB

CR9

%, Cases

March 31, 2022 (Period covered: September 30, 2020 - September 30, 2021)

| a | b | c | | | | | d | e | f | | g | h | i | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Portfolio | PD Range | External rating equivalent | | | | | Weighted average PD (EAD weighted) | Arithmetic average PD (by obligors) | Number of obligors | | Defaulted obligors during the reported period | Of which: new defaulted obligors during the reported period | Average historical annual default rate (5 years) | Credit RWA amounts ratio |
| | | S&P | Moody's | Fitch | R&I | JCR | | | September 30, 2020 | September 30, 2021 | | | | |
| Sovereign Exposures | — | AAA~ B- | Aaa~ B3 | AAA~ B- | AAA~ BBB- | AAA~ BBB | 0.00% | 0.10% | 757 | 792 | 0 | 0 | 0.00% | 0.9% |
| Financial Institution Exposures | — | AA~ B- | Aa2~ B3 | AA~ B- | AA+~ BB- | AAA~ BB | 0.10 | 0.19 | 422 | 420 | 0 | 0 | 0.00 | 1.6 |
| Corporate Exposures (Japanese) | ≥ 0% to 0.03% | AAA~ A- | Aaa~ A3 | — | AAA~ AA- | AAA~ AA | 0.03 | 0.03 | 542 | 522 | 0 | 0 | 0.00 | 60.4 |
| | > 0.03% to 0.1% | BBB+~ BBB- | Baa1~ Baa3 | — | A+~ A- | AA-~ A | 0.06 | 0.06 | 572 | 560 | 0 | 0 | 0.02 | |
| | > 0.1% to 0.5% | BB+~ BB- | Ba1~ Ba3 | — | BBB+~ BBB- | A-~ BBB | 0.20 | 0.22 | 2,765 | 2,732 | 0 | 0 | 0.01 | |
| | > 0.5% to 5% | B+~ B- | B1~ B3 | — | BB+~ BB- | BBB-~ BB | 1.02 | 1.22 | 5,213 | 5,498 | 9 | 0 | 0.18 | |
| | > 5% to < 100% | — | — | — | — | — | 9.74 | 7.89 | 294 | 285 | 7 | 0 | 3.57 | |
| Corporate Exposures (Non-Japanese) | ≥ 0% to 0.03% | AAA~ AA- | Aaa~ Aa3 | AAA~ AA- | — | — | 0.03 | 0.03 | 48 | 48 | 0 | 0 | 0.00 | 11.1 |
| | > 0.03% to 0.1% | A+~ A- | A1~ A3 | A+~ A- | — | — | 0.06 | 0.06 | 128 | 135 | 0 | 0 | 0.00 | |
| | > 0.1% to 0.5% | BBB+~ BBB- | Baa1~ Baa3 | BBB+~ BBB- | — | — | 0.23 | 0.24 | 281 | 310 | 0 | 0 | 0.00 | |
| | > 0.5% to 15% | BB+~ B- | Ba1~ B3 | BB+~ B- | — | — | 2.35 | 2.87 | 570 | 599 | 1 | 0 | 0.22 | |
| | > 15% to < 100% | — | — | — | — | — | 34.71 | 34.71 | 53 | 58 | 3 | 0 | 12.24 | |
| Purchased receivables for corporates, etc. (Top-down approach) | — | — | — | — | AAA~ BB+ | AAA~ BBB- | 3.53 | 3.53 | 301 | 253 | 0 | 0 | 0.53 | 0.0 |
| Qualifying revolving retail exposures | ≥ 0% to 10% | | | | | | 0.46 | 0.30 | 41,973 | 41,170 | 30 | 0 | 0.09 | 0.0 |
| | > 10% to < 100% | | | | | | 23.78 | 23.78 | 124 | 90 | 20 | 0 | 14.63 | |
| Residential mortgage exposures | ≥ 0% to 2% | | | | | | 0.20 | 0.22 | 521,749 | 544,382 | 328 | 0 | 0.09 | 6.1 |
| | > 2% to < 100% | | | | | | 19.97 | 19.93 | 3,817 | 3,576 | 552 | 0 | 12.75 | |
| Other retail exposures | ≥ 0% to 10% | | | | | | 0.61 | 0.61 | 38,141 | 36,933 | 99 | 0 | 0.36 | 0.4 |
| | > 10% to < 100% | | | | | | 23.90 | 25.63 | 160 | 147 | 33 | 0 | 17.57 | |

## Entities subject to FIRB

| CR9 | | %, Cases | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 (Period covered: September 30, 2020 - September 30, 2021) | | | | | | | | | | | | |
| a | b | c | | | | | d | e | f | | g | h | i | |
| Portfolio | PD Range | External rating equivalent | | | | | Weighted average PD (EAD weighted) | Arithmetic average PD (by obligors) | Number of obligors | | Defaulted obligors during the reported period | Of which: new defaulted obligors during the reported period | Average historical annual default rate (5 years) | Credit RWA amounts ratio |
| | | S&P | Moody's | Fitch | R&I | JCR | | | September 30, 2020 | September 30, 2021 | | | | |
| Sovereign Exposures | — | — | — | — | AAA~ BBB | AAA~ BBB+ | 0.02% | 0.03% | 236 | 225 | 0 | 0 | 0.00% | 0.0% |
| Financial Institution Exposures | — | — | — | — | AA+~ BBB | AAA~ BBB+ | 0.13 | 0.18 | 5 | 3 | 0 | 0 | 0.00 | 0.0 |
| Corporate Exposures (Japanese) | ≥ 0% to 0.03% | — | — | — | AAA~ AA- | AAA~ AA | 0.03 | 0.03 | 40 | 36 | 0 | 0 | 0.00 | 3.2 |
| | > 0.03% to 0.1% | — | — | — | A+~ A- | AA-~ A | 0.06 | 0.06 | 77 | 83 | 0 | 0 | 0.00 | |
| | > 0.1% to 0.5% | — | — | — | BBB+~ BBB- | A-~ BBB | 0.19 | 0.19 | 450 | 420 | 1 | 0 | 0.02 | |
| | > 0.5% to 5% | — | — | — | BB+~ BB- | BBB-~ BB | 1.19 | 1.12 | 885 | 834 | 10 | 0 | 0.78 | |
| | > 5% to < 100% | — | — | — | — | — | 7.55 | 7.87 | 228 | 200 | 8 | 0 | 4.97 | |
| Qualifying revolving retail exposures | ≥ 0% to 10% | | | | | | 0.95 | 0.82 | 594,682 | 566,943 | 3,445 | 110 | 0.72 | 0.7 |
| | > 10% to < 100% | | | | | | 63.20 | 62.95 | 499 | 490 | 314 | 0 | 59.29 | |
| Residential mortgage exposures | ≥ 0% to 2% | | | | | | 0.65 | 0.72 | 13,031 | 12,670 | 41 | 0 | 0.38 | 0.3 |
| | > 2% to < 100% | | | | | | 22.51 | 22.51 | 316 | 339 | 30 | 0 | 12.21 | |
| Other retail exposures | ≥ 0% to 10% | | | | | | 1.02 | 1.48 | 305,485 | 295,730 | 1,149 | 31 | 0.58 | 2.6 |
| | > 10% to < 100% | | | | | | 41.84 | 63.35 | 566 | 560 | 285 | 2 | 47.90 | |

Notes: 1. On the previous page, Sumitomo Mitsui Trust Holdings, Inc., Sumitomo Mitsui Trust Bank, Limited and specific purpose companies (SPCs) engaging in liquidation of receivables, subject to AIRB and FIRB, are counted. On this page, Group companies (i.e. Sumitomo Mitsui Trust Guarantee Co., Ltd., Sumishin Guaranty Company Limited, Sumitomo Mitsui Trust Card Co., Ltd., Sumitomo Mitsui Trust Loan & Finance Co., Ltd., Sumitomo Mitsui Trust Panasonic Finance Co., Ltd., and Sumitomo Mitsui Trust Club Co., Ltd.), subject to FIRB, are counted.

2. Column a: As for "Corporate Exposures (excluding specialised lending)," "Specialised lending (subject to the PD/LGD Approach)," Equity exposures (subject to the PD/LGD Approach)," and "Purchased receivables (other than those for corporates, etc. subject to top-down approach)," these portfolio classifications have been integrated into "Corporate Exposures". In addition, different rating systems (PD) are used in Japanese rating and Non-Japanese rating, and so "Corporate Exposures" are classified into "Japanese" and "Non-Japanese."

3. Column c: With reference to the internal rating for each obligor, the range of external rating is stated in accordance with the relation between the internal rating and external rating of the internal rules for SuMi TRUST Group.

4. The PD estimation of SuMi TRUST Group covers the one-year default results with the reference date being the end of September every year. Accordingly, Column d and Column e were obtained with the reference date being the end of September 2020. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2020 to the end of September 2021.

5. Column f to Column h: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.

6. "Average historical annual default rate (5 years)" in column i represents the average value of the actual default rate for each year of the latest nine years rather than the latest five years.

7. The scope of application of the major model used in the consolidation range specified by the capital regulatory standards is determined while considering the portfolio classifications specified by regulations and credit decisions based on the risk driver of each portfolio (explanatory variables of the adopted rating model, etc.). "Credit RWA amounts ratio" of each internal model is stated for each portfolio*.
* "Credit RWA amounts ratio" (obtained with the reference date being the end of September 2021) is the ratio of RWA amounts for each portfolio to the total RWA amounts subject to the IRB approach (excluding counterparty credit risk, the credit risk related to securitisation transactions, and the credit risk related to funds).

8. In the ">10% to <100%" category of "Other retail exposures" of entities subject to FIRB, "Average historical annual default rate (5 years)" in Column i exceeds "Weighted average PD (EAD weighted)" in Column d. This is attributable to the difference in the method for obtaining average values. The appropriateness of the PD estimation in each pool classification is examined regularly every year.

## CR10: IRB – Specialised Lending (Supervisory Slotting Criteria Approach) and Equity Exposures (Market-Based Approach, etc.)

CR10 — Millions of Yen, %

March 31, 2023

| a | b | c | d | e | f | g | h | i | j | k | l |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Specialised lending (supervisory slotting criteria approach) | | | | | | | | | | | |
| Other than high-volatility commercial real estate (HVCRE) | | | | | | | | | | | |
| Regulatory categories | Remaining maturity | On-balance sheet amounts | Off-balance sheet amounts | RW | Exposure amounts (EAD) | | | | | Credit RWA amounts | Expected losses |
| | | | | | PF | OF | CF | IPRE | Total | | |
| Strong | < 2.5 years | ¥ — | ¥ — | 50% | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| | 2.5 years≤ | — | — | 70% | — | — | — | — | — | — | — |
| Good | < 2.5 years | 3,602 | — | 70% | 3,602 | — | — | — | 3,602 | 2,521 | 14 |
| | 2.5 years≤ | 179 | — | 90% | — | 179 | — | — | 179 | 161 | 1 |
| Satisfactory | | 6,633 | — | 115% | 3,630 | — | — | 3,003 | 6,633 | 7,628 | 185 |
| Weak | | — | — | 250% | — | — | — | — | — | — | — |
| Default | | — | — | — | — | — | — | — | — | — | — |
| Total | | ¥ 10,415 | ¥ — | — | ¥7,232 | ¥179 | ¥ — | ¥3,003 | ¥ 10,415 | ¥ 10,312 | ¥ 201 |

| HVCRE | | | | | | | |
|---|---|---|---|---|---|---|---|
| Regulatory categories | Remaining maturity | On-balance sheet amounts | Off-balance sheet amounts | RW | Exposure amounts (EAD) | Credit RWA amounts | Expected losses |
| Strong | < 2.5 years | 34,856 | 2,205 | 70% | 36,510 | 25,557 | 146 |
| | 2.5 years≤ | 4,352 | 26,457 | 95% | 24,194 | 22,985 | 96 |
| Good | < 2.5 years | 4,424 | 100 | 95% | 4,499 | 4,274 | 17 |
| | 2.5 years≤ | 31,605 | 34,686 | 120% | 57,620 | 69,144 | 230 |
| Satisfactory | | 77,003 | 193,287 | 140% | 221,969 | 310,756 | 6,215 |
| Weak | | 37,654 | 79,710 | 250% | 97,437 | 243,594 | 7,795 |
| Default | | — | — | — | — | — | — |
| Total | | ¥ 189,896 | ¥ 336,447 | — | ¥ 442,231 | ¥ 676,312 | ¥14,501 |

| Equity exposures (Market-Based Approach, etc.) | | | | |
|---|---|---|---|---|
| Equity exposures subject to market-based approach | | | | |
| Categories | On-balance sheet amounts | Off-balance sheet amounts | RW | Exposure amounts (EAD) | Credit RWA amounts |
| Simple risk weight method – Listed shares | 11,384 | 2,519 | 300% | 13,740 | 41,220 |
| Simple risk weight method – Unlisted shares | 39,612 | 34,105 | 400% | 65,191 | 260,766 |
| Internal Models Approach | — | — | — | — | — |
| Total | ¥ 50,997 | ¥ 36,625 | — | ¥ 78,931 | ¥ 301,987 |
| Equity exposures subject to 100% risk weight | | | | | |
| Equity exposures subject to 100% risk weight in accordance with the provisions of Article 166, Paragraph 1 of the FSA Capital Adequacy Notification or Paragraph 1 of Article 144 of the FSA Bank Holding Company Capital Adequacy Notification | — | — | 100% | — | — |

| CR10 | | Millions of Yen, % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | |
| a | b | c | d | e | f | g | h | i | j | k | l |
| Specialised lending (supervisory slotting criteria approach) | | | | | | | | | | | |
| Other than high-volatility commercial real estate (HVCRE) | | | | | | | | | | | |
| Regulatory categories | Remaining maturity | On-balance sheet amounts | Off-balance sheet amounts | RW | Exposure amounts (EAD) | | | | | Credit RWA amounts | Expected losses |
| | | | | | PF | OF | CF | IPRE | Total | | |
| Strong | < 2.5 years | ¥ — | ¥ — | 50% | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| | 2.5 years≤ | — | — | 70% | — | — | — | — | — | — | — |
| Good | < 2.5 years | — | — | 70% | — | — | — | — | — | — | — |
| | 2.5 years≤ | — | — | 90% | — | — | — | — | — | — | — |
| Satisfactory | | — | — | 115% | — | — | — | — | — | — | — |
| Weak | | — | — | 250% | — | — | — | — | — | — | — |
| Default | | — | — | — | — | — | — | — | — | — | — |
| Total | | ¥ — | ¥ — | — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| HVCRE | | | | | | | | | | | |
| Regulatory categories | Remaining maturity | On-balance sheet amounts | Off-balance sheet amounts | RW | | | | | Exposure amounts (EAD) | Credit RWA amounts | Expected losses |
| Strong | < 2.5 years | 11,006 | 6,383 | 70% | | | | | 15,794 | 11,055 | 63 |
| | 2.5 years≤ | 2,682 | 4,368 | 95% | | | | | 5,958 | 5,660 | 23 |
| Good | < 2.5 years | 45,048 | 8,966 | 95% | | | | | 51,772 | 49,184 | 207 |
| | 2.5 years≤ | 45,247 | 71,026 | 120% | | | | | 98,516 | 118,220 | 394 |
| Satisfactory | | 50,799 | 95,003 | 140% | | | | | 122,051 | 170,872 | 3,417 |
| Weak | | — | — | 250% | | | | | — | — | — |
| Default | | — | — | — | | | | | — | — | — |
| Total | | ¥ 154,783 | ¥185,747 | — | | | | | ¥ 294,094 | ¥ 354,993 | ¥ 4,105 |
| Equity exposures (Market-Based Approach, etc.) | | | | | | | | | | | |
| Equity exposures subject to market-based approach | | | | | | | | | | | |
| Categories | | On-balance sheet amounts | Off-balance sheet amounts | RW | | | | | Exposure amounts (EAD) | Credit RWA amounts | |
| Simple risk weight method – Listed shares | | 9,347 | 15,799 | 300% | | | | | 25,147 | 75,441 | |
| Simple risk weight method – Unlisted shares | | 35,446 | 3,085 | 400% | | | | | 37,760 | 151,040 | |
| Internal Models Approach | | — | — | — | | | | | — | — | |
| Total | | ¥ 44,793 | ¥ 18,884 | — | | | | | ¥ 62,907 | ¥ 226,481 | |
| Equity exposures subject to 100% risk weight | | | | | | | | | | | |
| Equity exposures subject to 100% risk weight in accordance with the provisions of Article 166, Paragraph 1 of the FSA Capital Adequacy Notification or Paragraph 1 of Article 144 of the FSA Bank Holding Company Capital Adequacy Notification | | — | — | 100% | | | | | — | — | |

## CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

| CCR1 | | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | | RC | PFE | Effective EPE (EEPE) | Alpha used for computing regulatory EAD | EAD post-CRM | RWA amounts |
| 1 | SA-CCR | ¥ — | ¥ — | | 1.4 | ¥ — | ¥ — |
| | Current Exposure Method (CEM) | 431,346 | 781,275 | | | 1,212,622 | 375,435 |
| 2 | Expected Exposure Method (IMM) | | | — | — | — | — |
| 3 | Simple Approach for credit risk mitigation | | | | | — | — |
| 4 | Comprehensive Approach for credit risk mitigation | | | | | 774,667 | 138,481 |
| 5 | Exposure variation estimation model | | | | | — | — |
| 6 | Total | | | | | | ¥ 513,916 |

| CCR1 | | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | | RC | PFE | Effective EPE (EEPE) | Alpha used for computing regulatory EAD | EAD post-CRM | RWA amounts |
| 1 | SA-CCR | ¥ — | ¥ — | | 1.4 | ¥ — | ¥ — |
| | Current Exposure Method (CEM) | 640,927 | 611,576 | | | 1,252,504 | 409,215 |
| 2 | Expected Exposure Method (IMM) | | | — | — | — | — |
| 3 | Simple Approach for credit risk mitigation | | | | | — | — |
| 4 | Comprehensive Approach for credit risk mitigation | | | | | 846,397 | 147,482 |
| 5 | Exposure variation estimation model | | | | | — | — |
| 6 | Total | | | | | | ¥ 556,698 |

## CCR2: Credit valuation adjustment (CVA) capital charge

| CCR2 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2023 | |
| | | a | b |
| Item No. | | EAD post-CRM | RWA amounts (Amounts calculated by dividing CVA risk equivalent amounts by 8%) |
| 1 | Total portfolios subject to advanced risk measurement method | ¥ — | ¥ — |
| 2 | (i) Amount of CVA Value at Risk (including the multiplier) | | — |
| 3 | (ii) Amount of CVA Stressed Value at Risk (including the multiplier) | | — |
| 4 | Total portfolios subject to the standardised risk measurement method | 989,621 | 644,470 |
| 5 | Total portfolios subject to the CVA capital charge | ¥ 989,621 | ¥ 644,470 |

| CCR2 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2022 | |
| | | a | b |
| Item No. | | EAD post-CRM | RWA amounts (Amounts calculated by dividing CVA risk equivalent amounts by 8%) |
| 1 | Total portfolios subject to advanced risk measurement method | ¥ — | ¥ — |
| 2 | (i) Amount of CVA Value at Risk (including the multiplier) | | — |
| 3 | (ii) Amount of CVA Stressed Value at Risk (including the multiplier) | | — |
| 4 | Total portfolios subject to the standardised risk measurement method | 1,209,187 | 660,133 |
| 5 | Total portfolios subject to the CVA capital charge | ¥1,209,187 | ¥ 660,133 |

## CCR3: CCR exposures by regulatory portfolio and risk weights

| CCR3 | | Millions of Yen | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i |
| Item No. | Regulatory portfolio \ Risk weight | Credit equivalent amounts (post-CRM) | | | | | | | | |
| | | 0% | 10% | 20% | 50% | 75% | 100% | 150% | Other | Total |
| 1 | Government of Japan and Bank of Japan (BOJ) | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | Foreign central governments and foreign central banks | — | — | — | — | — | — | — | — | — |
| 3 | Bank for International Settlements, etc. | — | — | — | — | — | — | — | — | — |
| 4 | Local governments of Japan | — | — | — | — | — | — | — | — | — |
| 5 | Foreign non-central government public sector entities (PSEs) | — | — | — | — | — | — | — | — | — |
| 6 | Multilateral development banks (MDBs) | — | — | — | — | — | — | — | — | — |
| 7 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — | — | — | — |
| 8 | Government-affiliated agencies of Japan | — | — | — | — | — | — | — | — | — |
| 9 | The three local public corporations | — | — | — | — | — | — | — | — | — |
| 10 | Financial institutions and type I financial instruments business operators | — | — | 612,728 | — | — | — | — | — | 612,728 |
| 11 | Corporates, etc. | — | — | — | — | — | — | — | — | — |
| 12 | SMEs, etc. and individuals | — | — | — | — | — | — | — | — | — |
| 13 | Other than the above | — | — | — | — | — | 1,224 | — | — | 1,224 |
| 14 | Total | ¥ — | ¥ — | ¥ 612,728 | ¥ — | ¥ — | ¥ 1,224 | ¥ — | ¥ — | ¥ 613,952 |

Note: The aggregate calculation on this statement includes exposures based on the standardised approach only.

| CCR3 | | Millions of Yen | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i |
| Item No. | Regulatory portfolio \ Risk weight | Credit equivalent amounts (post-CRM) | | | | | | | | |
| | | 0% | 10% | 20% | 50% | 75% | 100% | 150% | Other | Total |
| 1 | Government of Japan and Bank of Japan (BOJ) | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | Foreign central governments and foreign central banks | — | — | — | — | — | — | — | — | — |
| 3 | Bank for International Settlements, etc. | — | — | — | — | — | — | — | — | — |
| 4 | Local governments of Japan | — | — | — | — | — | — | — | — | — |
| 5 | Foreign non-central government public sector entities (PSEs) | — | — | — | — | — | — | — | — | — |
| 6 | Multilateral development banks (MDBs) | — | — | — | — | — | — | — | — | — |
| 7 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — | — | — | — |
| 8 | Government-affiliated agencies of Japan | — | — | — | — | — | — | — | — | — |
| 9 | The three local public corporations | — | — | — | — | — | — | — | — | — |
| 10 | Financial institutions and type I financial instruments business operators | — | — | 600,903 | — | — | — | — | — | 600,903 |
| 11 | Corporates, etc. | — | — | — | — | — | — | — | — | — |
| 12 | SMEs, etc. and individuals | — | — | — | — | — | — | — | — | — |
| 13 | Other than the above | — | — | — | — | — | 6 | — | — | 6 |
| 14 | Total | ¥ — | ¥ — | ¥ 600,903 | ¥ — | ¥ — | ¥ 6 | ¥ — | ¥ — | ¥ 600,909 |

Note: The aggregate calculation on this statement includes exposures based on the standardised approach only.

## CCR4: IRB – CCR exposures by portfolio and PD scale

| CCR4 | | Millions of Yen, %, 1,000 cases, Year | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | |
| Item No. | PD scale | a | b | c | d | e | f | g |
| | | EAD post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | Credit RWA | RWA density |
| | Sovereign exposures | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 34,325 | 0.01% | 0.0 | 39.42% | 1.4 | ¥ 2,432 | 7.08% |
| 2 | 0.15 to < 0.25 | — | — | — | — | — | — | — |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 34,325 | 0.01 | 0.0 | 39.42 | 1.4 | 2,432 | 7.08 |
| | Financial Institution exposures | | | | | | | |
| 1 | 0.00 to < 0.15 | 632,632 | 0.04 | 0.1 | 20.91 | 2.5 | 130,197 | 20.58 |
| 2 | 0.15 to < 0.25 | 71 | 0.20 | 0.0 | 45.00 | 3.7 | 43 | 60.77 |
| 3 | 0.25 to < 0.50 | 19,527 | 0.28 | 0.0 | 16.30 | 4.0 | 17,701 | 90.65 |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 652,230 | 0.05 | 0.1 | 20.74 | 2.6 | 147,942 | 22.68 |
| | Corporate exposures and SME exposures | | | | | | | |
| 1 | 0.00 to < 0.15 | 263,502 | 0.04 | 0.3 | 15.33 | 2.4 | 53,246 | 20.20 |
| 2 | 0.15 to < 0.25 | 13,238 | 0.20 | 0.0 | 46.52 | 2.5 | 5,957 | 45.00 |
| 3 | 0.25 to < 0.50 | 14,571 | 0.35 | 0.1 | 45.00 | 2.5 | 8,524 | 58.49 |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | 4,002 | 1.40 | 0.0 | 45.00 | 3.2 | 4,338 | 108.41 |
| 6 | 2.50 to < 10.00 | 440 | 7.50 | 0.0 | 45.00 | 1.6 | 715 | 162.18 |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 295,755 | 0.10 | 0.6 | 16.45 | 2.4 | 72,783 | 24.60 |
| | Specialised lending | | | | | | | |
| 1 | 0.00 to < 0.15 | 30,389 | 0.10 | 0.1 | 45.00 | 4.2 | 13,344 | 43.91 |
| 2 | 0.15 to < 0.25 | 957 | 0.20 | 0.0 | 45.00 | 4.6 | 615 | 64.27 |
| 3 | 0.25 to < 0.50 | 23,361 | 0.29 | 0.0 | 45.00 | 4.9 | 18,561 | 79.45 |
| 4 | 0.50 to < 0.75 | 26,306 | 0.65 | 0.0 | 45.00 | 4.7 | 27,792 | 105.65 |
| 5 | 0.75 to < 2.50 | 44,808 | 1.33 | 0.0 | 45.00 | 4.7 | 57,664 | 128.69 |
| 6 | 2.50 to < 10.00 | 29,246 | 3.10 | 0.0 | 45.00 | 4.8 | 46,333 | 158.42 |
| 7 | 10.00 to < 100.00 | 77 | 13.81 | 0.0 | 45.00 | 5.0 | 188 | 243.81 |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 155,147 | 1.15 | 0.3 | 45.00 | 4.6 | 164,499 | 106.02 |
| Total (all portfolios) | | ¥ 1,137,458 | 0.21% | 1.1 | 21.05% | 2.8 | ¥ 387,658 | 34.08% |

Note: SuMi TRUST Group applies the Foundation Internal Ratings-Based Approach to the calculation of risk-weighted assets related to counterparty credit risk.

| CCR4 | | Millions of Yen, %, 1,000 cases, Year | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | |
| Item No. | PD scale | a | b | c | d | e | f | g |
| | | EAD post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | Credit RWA | RWA density |
| | | Sovereign exposures | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 29,100 | 0.01% | 0.0 | 21.10% | 1.7 | ¥ 2,338 | 8.03% |
| 2 | 0.15 to < 0.25 | — | — | — | — | — | — | — |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 29,100 | 0.01 | 0.0 | 21.10 | 1.7 | 2,338 | 8.03 |
| | | Financial Institution exposures | | | | | | |
| 1 | 0.00 to < 0.15 | 710,740 | 0.04 | 0.1 | 24.39 | 2.0 | 131,195 | 18.45 |
| 2 | 0.15 to < 0.25 | 201 | 0.20 | 0.0 | 89.61 | 2.4 | 126 | 62.85 |
| 3 | 0.25 to < 0.50 | 18,912 | 0.30 | 0.0 | 35.36 | 4.4 | 18,013 | 95.24 |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 729,854 | 0.05 | 0.1 | 24.60 | 2.0 | 149,335 | 20.46 |
| | | Corporate exposures and SME exposures | | | | | | |
| 1 | 0.00 to < 0.15 | 464,563 | 0.04 | 0.3 | 13.70 | 1.6 | 85,418 | 18.38 |
| 2 | 0.15 to < 0.25 | 18,437 | 0.20 | 0.0 | 45.00 | 2.0 | 7,429 | 40.29 |
| 3 | 0.25 to < 0.50 | 17,290 | 0.36 | 0.1 | 45.65 | 2.3 | 10,042 | 58.08 |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | 4,088 | 1.64 | 0.1 | 45.00 | 2.9 | 4,604 | 112.62 |
| 6 | 2.50 to < 10.00 | 409 | 4.22 | 0.0 | 45.00 | 4.6 | 681 | 166.34 |
| 7 | 10.00 to < 100.00 | 143 | 35.80 | 0.0 | 45.00 | 1.0 | 370 | 258.11 |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 504,932 | 0.09 | 0.6 | 14.48 | 1.6 | 108,546 | 21.49 |
| | | Specialised lending | | | | | | |
| 1 | 0.00 to < 0.15 | 53,459 | 0.09 | 0.1 | 45.00 | 4.6 | 23,915 | 44.73 |
| 2 | 0.15 to < 0.25 | 1,259 | 0.20 | 0.0 | 45.00 | 4.1 | 774 | 61.51 |
| 3 | 0.25 to < 0.50 | 23,255 | 0.31 | 0.0 | 45.00 | 4.9 | 18,620 | 80.06 |
| 4 | 0.50 to < 0.75 | 26,262 | 0.65 | 0.0 | 45.00 | 4.8 | 28,109 | 107.03 |
| 5 | 0.75 to < 2.50 | 23,862 | 1.26 | 0.0 | 45.00 | 4.7 | 30,136 | 126.28 |
| 6 | 2.50 to < 10.00 | 45,807 | 3.11 | 0.0 | 45.00 | 4.8 | 72,479 | 158.22 |
| 7 | 10.00 to < 100.00 | 259 | 13.95 | 0.0 | 45.00 | 4.9 | 632 | 243.75 |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 174,167 | 1.18 | 0.3 | 45.00 | 4.7 | 174,667 | 100.28 |
| Total (all portfolios) | | ¥ 1,438,054 | 0.20% | 1.1 | 20.49% | 2.2 | ¥ 434,887 | 30.24% |

Note: SuMi TRUST Group applies the Foundation Internal Ratings-Based Approach to the calculation of risk-weighted assets related to counterparty credit risk.

## CCR5: Composition of collateral for CCR exposure

| CCR5 | | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | | Collateral used in derivative transactions | | | | Collateral used in repo transactions | |
| | | Fair value of collateral received | | Fair value of posted collateral | | Fair value of collateral received | Fair value of posted collateral |
| | | Segregated | Unsegregated | Segregated | Unsegregated | | |
| 1 | Cash (domestic currency) | ¥ — | ¥ 489,069 | ¥ — | ¥ 349,191 | ¥ 110,003 | ¥ 436,093 |
| 2 | Cash (other currency) | — | 603,603 | — | 553,303 | 1,030,780 | 983 |
| 3 | Domestic sovereign debt | 9,707 | 34,104 | 17,970 | 54,515 | 282,806 | 314,304 |
| 4 | Other sovereign debt | 2,853 | — | — | — | 994,578 | 2,960,192 |
| 5 | Government agency debt | — | — | — | — | 157,314 | 45,711 |
| 6 | Corporate bonds | — | — | — | — | 214,348 | — |
| 7 | Equity securities | — | — | — | 6,554 | 1,138,863 | 673,387 |
| 8 | Other collateral | — | — | — | — | — | — |
| 9 | Total | ¥ 12,561 | ¥1,126,777 | ¥ 17,970 | ¥ 963,565 | ¥ 3,928,695 | ¥ 4,430,672 |

| CCR5 | | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | | Collateral used in derivative transactions | | | | Collateral used in repo transactions | |
| | | Fair value of collateral received | | Fair value of posted collateral | | Fair value of collateral received | Fair value of posted collateral |
| | | Segregated | Unsegregated | Segregated | Unsegregated | | |
| 1 | Cash (domestic currency) | ¥ — | ¥ 166,263 | ¥ — | ¥ 480,779 | ¥ 50,028 | ¥ 803,276 |
| 2 | Cash (other currency) | — | 220 | — | 323,716 | 1,435,005 | 972 |
| 3 | Domestic sovereign debt | 12,815 | 858 | 14,455 | 30,797 | 337,823 | 353,438 |
| 4 | Other sovereign debt | 859 | — | — | — | 1,155,773 | 2,738,273 |
| 5 | Government agency debt | — | — | — | — | 129,008 | 97,303 |
| 6 | Corporate bonds | — | — | — | — | 312,503 | 199,355 |
| 7 | Equity securities | — | — | — | 6,995 | 1,074,742 | 819,386 |
| 8 | Other collateral | — | — | — | — | — | — |
| 9 | Total | ¥ 13,674 | ¥ 167,342 | ¥ 14,455 | ¥ 842,289 | ¥ 4,494,884 | ¥ 5,012,006 |

## CCR6: Credit derivatives exposures

| CCR6 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2023 | |
| Item No. | | a | b |
| | | Protection bought | Protection sold |
| | Notionals | | |
| 1 | Single-name credit default swaps | ¥ 22,600 | ¥ 22,600 |
| 2 | Index credit default swaps | 46,054 | — |
| 3 | Total return swaps | — | — |
| 4 | Credit options | — | — |
| 5 | Other credit derivatives | — | — |
| 6 | Total notionals | ¥ 68,654 | ¥ 22,600 |
| | Fair values | | |
| 7 | Positive fair value (asset) | 47 | 507 |
| 8 | Negative fair value (liability) | (507) | (47) |

| CCR6 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2022 | |
| Item No. | | a | b |
| | | Protection bought | Protection sold |
| | Notionals | | |
| 1 | Single-name credit default swaps | ¥ 29,000 | ¥ 29,000 |
| 2 | Index credit default swaps | 37,392 | — |
| 3 | Total return swaps | — | — |
| 4 | Credit options | — | — |
| 5 | Other credit derivatives | — | — |
| 6 | Total notionals | ¥ 66,392 | ¥ 29,000 |
| | Fair values | | |
| 7 | Positive fair value (asset) | 32 | 643 |
| 8 | Negative fair value (liability) | (2,963) | (32) |

## CCR7: RWA flow statements of CCR exposures under Internal Model Method (IMM)

As of March 31, 2023
Not applicable.

As of March 31, 2022
Not applicable.

## CCR8: Exposures to central counterparties (CCP)

| CCR8 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2023 | |
| Item No. | | a | b |
| | | EAD to CCP (post-CRM) | RWA amounts |
| 1 | Exposures to qualifying central counterparties (QCCPs) (total) | | ¥ 76,398 |
| 2 | Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which | 2,475,738 | 49,514 |
| 3 | (i) OTC derivatives | 2,330,868 | 46,617 |
| 4 | (ii) Exchange-traded derivatives | 53,376 | 1,067 |
| 5 | (iii) Repo transactions | 91,494 | 1,829 |
| 6 | (iv) Netting sets where cross-product netting has been approved | — | — |
| 7 | Segregated initial margin | — | |
| 8 | Non-segregated initial margin | 366,646 | 7,332 |
| 9 | Pre-funded default fund contributions | 29,908 | 19,550 |
| 10 | Unfunded default fund contributions | — | — |
| 11 | Exposures to non-QCCPs (total) | | ¥ — |
| 12 | Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which | — | — |
| 13 | (i) OTC derivatives | — | — |
| 14 | (ii) Exchange-traded derivatives | — | — |
| 15 | (iii) Repo transactions | — | — |
| 16 | (iv) Netting sets where cross-product netting has been approved | — | — |
| 17 | Segregated initial margin | — | |
| 18 | Non-segregated initial margin | — | — |
| 19 | Pre-funded default fund contributions | — | — |
| 20 | Unfunded default fund contributions | — | — |

| CCR8 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2022 | |
| Item No. | | a | b |
| | | EAD to CCP (post-CRM) | RWA amounts |
| 1 | Exposures to qualifying central counterparties (QCCPs) (total) | | ¥ 55,007 |
| 2 | Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which | 1,536,663 | 30,733 |
| 3 | (i) OTC derivatives | 1,241,187 | 24,823 |
| 4 | (ii) Exchange-traded derivatives | 202,133 | 4,042 |
| 5 | (iii) Repo transactions | 93,342 | 1,866 |
| 6 | (iv) Netting sets where cross-product netting has been approved | — | — |
| 7 | Segregated initial margin | — | |
| 8 | Non-segregated initial margin | 242,227 | 4,844 |
| 9 | Pre-funded default fund contributions | 32,748 | 19,429 |
| 10 | Unfunded default fund contributions | — | — |
| 11 | Exposures to non-QCCPs (total) | | ¥ — |
| 12 | Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which | — | — |
| 13 | (i) OTC derivatives | — | — |
| 14 | (ii) Exchange-traded derivatives | — | — |
| 15 | (iii) Repo transactions | — | — |
| 16 | (iv) Netting sets where cross-product netting has been approved | — | — |
| 17 | Segregated initial margin | — | |
| 18 | Non-segregated initial margin | — | — |
| 19 | Pre-funded default fund contributions | — | — |
| 20 | Unfunded default fund contributions | — | — |

## SEC1: Securitisation exposures by underlying asset type (securitisation exposures subject to the calculation of the amount of credit risk-weighted assets only)

| SEC1 | | Millions of Yen | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i |
| Item No. | Type of underlying asset | Bank acts as originator | | | Bank acts as sponsor | | | Banks acts as investor | | |
| | | Traditional | Synthetic | Sub-total | Traditional | Synthetic | Sub-total | Traditional | Synthetic | Sub-total |
| 1 | Retail (total) – of which | ¥ 85,532 | ¥ — | ¥ 85,532 | ¥ 296,443 | ¥ — | ¥ 296,443 | ¥ 183,039 | ¥ — | ¥ 183,039 |
| 2 | Residential mortgage | 85,532 | — | 85,532 | 26,922 | — | 26,922 | 145,666 | — | 145,666 |
| 3 | Credit card | — | — | — | 45,547 | — | 45,547 | 28,015 | — | 28,015 |
| 4 | Other retail exposures | — | — | — | 223,973 | — | 223,973 | 9,357 | — | 9,357 |
| 5 | Re-securitisation | — | — | — | — | — | — | — | — | — |
| 6 | Wholesale (total) – of which | 6,856 | — | 6,856 | 6,403 | — | 6,403 | 960,547 | — | 960,547 |
| 7 | Loans to corporates | — | — | — | — | — | — | 960,547 | — | 960,547 |
| 8 | Commercial mortgage | — | — | — | — | — | — | — | — | — |
| 9 | Lease and receivables | 6,856 | — | 6,856 | 6,403 | — | 6,403 | — | — | — |
| 10 | Other wholesale | — | — | — | — | — | — | — | — | — |
| 11 | Re-securitisation | — | — | — | — | — | — | — | — | — |

| SEC1 | | Millions of Yen | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i |
| Item No. | Type of underlying asset | Bank acts as originator | | | Bank acts as sponsor | | | Banks acts as investor | | |
| | | Traditional | Synthetic | Sub-total | Traditional | Synthetic | Sub-total | Traditional | Synthetic | Sub-total |
| 1 | Retail (total) – of which | ¥ 85,983 | ¥ — | ¥ 85,983 | ¥ 377,826 | ¥ — | ¥ 377,826 | ¥ 126,073 | ¥ — | ¥ 126,073 |
| 2 | Residential mortgage | 85,983 | — | 85,983 | 67,793 | — | 67,793 | 87,427 | — | 87,427 |
| 3 | Credit card | — | — | — | 40,787 | — | 40,787 | 28,428 | — | 28,428 |
| 4 | Other retail exposures | — | — | — | 269,245 | — | 269,245 | 10,216 | — | 10,216 |
| 5 | Re-securitisation | — | — | — | — | — | — | — | — | — |
| 6 | Wholesale (total) – of which | 6,548 | — | 6,548 | 14,921 | — | 14,921 | 791,122 | — | 791,122 |
| 7 | Loans to corporates | — | — | — | — | — | — | 791,122 | — | 791,122 |
| 8 | Commercial mortgage | — | — | — | — | — | — | — | — | — |
| 9 | Lease and receivables | 6,548 | — | 6,548 | 14,921 | — | 14,921 | — | — | — |
| 10 | Other wholesale | — | — | — | — | — | — | — | — | — |
| 11 | Re-securitisation | — | — | — | — | — | — | — | — | — |

## SEC2: Securitisation exposures by underlying asset type (securitisation exposures subject to the calculation of the market risk equivalent amounts only)

As of March 31, 2023
Not applicable.

As of March 31, 2022
Not applicable.

## SEC3: Securitisation exposures subject to the calculation of the amount of credit risk-weighted assets and related capital requirements (bank acting as originator or sponsor)

| SEC3 | | Millions of Yen | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o |
| Item No. | | Total | Traditional securitisations (sub-total) | | | | | | | Synthetic securitisations (sub-total) | | | | | | |
| | | | | Securitisation | | | Re-securitisation | | | | Securitisation | | | Re-securitisation | | |
| | | | | | Retail underlying | Wholesale | | Senior | Non-senior | | | Retail underlying | Wholesale | | Senior | Non-senior |
| | Exposure values (by RW bands) | | | | | | | | | | | | | | | |
| 1 | ≤ 20% risk weight | ¥ 229,021 | ¥ 229,021 | ¥ 229,021 | ¥ 222,617 | ¥ 6,403 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | > 20% to 50% risk weight | 125,536 | 125,536 | 125,536 | 125,536 | — | — | — | — | — | — | — | — | — | — | — |
| 3 | > 50% to 100% risk weight | 28,626 | 28,626 | 28,626 | 28,626 | — | — | — | — | — | — | — | — | — | — | — |
| 4 | > 100% to < 1,250% risk weight | 12,039 | 12,039 | 12,039 | 5,182 | 6,856 | — | — | — | — | — | — | — | — | — | — |
| 5 | 1,250% risk weight | 12 | 12 | 12 | 12 | — | — | — | — | — | — | — | — | — | — | — |
| | Exposure Values (by regulatory approach) | | | | | | | | | | | | | | | |
| 6 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 390,779 | 390,779 | 390,779 | 377,518 | 13,260 | — | — | — | — | — | — | — | — | — | — |
| 7 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 4,443 | 4,443 | 4,443 | 4,443 | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 9 | 1,250% risk weight | 12 | 12 | 12 | 12 | — | — | — | — | — | — | — | — | — | — | — |
| | RWA (by regulatory approach) | | | | | | | | | | | | | | | |
| 10 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 134,895 | 134,895 | 134,895 | 104,421 | 30,474 | — | — | — | — | — | — | — | — | — | — |
| 11 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 967 | 967 | 967 | 967 | — | — | — | — | — | — | — | — | — | — | — |
| 12 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 13 | Subject to 1,250% risk weight | 160 | 160 | 160 | 160 | — | — | — | — | — | — | — | — | — | — | — |
| | Capital requirement values (by regulatory approach) | | | | | | | | | | | | | | | |
| 14 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 10,791 | 10,791 | 10,791 | 8,353 | 2,437 | — | — | — | — | — | — | — | — | — | — |
| 15 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 77 | 77 | 77 | 77 | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 17 | Subject to 1,250% risk weight | 12 | 12 | 12 | 12 | — | — | — | — | — | — | — | — | — | — | — |

| SEC3 | | Millions of Yen | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o |
| Item No. | | Total | Traditional securitisations (sub-total) | | | | | | | Synthetic securitisations (sub-total) | | | | | | |
| | | | | Securitisation | | | Re-securitisation | | | | Securitisation | | | Re-securitisation | | |
| | | | | | Retail underlying | Wholesale | | Senior | Non-senior | | | Retail underlying | Wholesale | | Senior | Non-senior |
| Exposure values (by RW bands) | | | | | | | | | | | | | | | | |
| 1 | ≤ 20% risk weight | ¥328,047 | ¥328,047 | ¥328,047 | ¥313,125 | ¥14,921 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | > 20% to 50% risk weight | 101,665 | 101,665 | 101,665 | 101,665 | — | — | — | — | — | — | — | — | — | — | — |
| 3 | > 50% to 100% risk weight | 44,314 | 44,314 | 44,314 | 44,314 | — | — | — | — | — | — | — | — | — | — | — |
| 4 | > 100% to < 1,250% risk weight | 11,224 | 11,224 | 11,224 | 4,676 | 6,548 | — | — | — | — | — | — | — | — | — | — |
| 5 | 1,250% risk weight | 28 | 28 | 28 | 28 | — | — | — | — | — | — | — | — | — | — | — |
| Exposure Values (by regulatory approach) | | | | | | | | | | | | | | | | |
| 6 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 485,006 | 485,006 | 485,006 | 463,535 | 21,470 | — | — | — | — | — | — | — | — | — | — |
| 7 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 245 | 245 | 245 | 245 | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 9 | 1,250% risk weight | 28 | 28 | 28 | 28 | — | — | — | — | — | — | — | — | — | — | — |
| RWA (by regulatory approach) | | | | | | | | | | | | | | | | |
| 10 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 155,117 | 155,117 | 155,117 | 126,415 | 28,701 | — | — | — | — | — | — | — | — | — | — |
| 11 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 36 | 36 | 36 | 36 | — | — | — | — | — | — | — | — | — | — | — |
| 12 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 13 | Subject to 1,250% risk weight | 352 | 352 | 352 | 352 | — | — | — | — | — | — | — | — | — | — | — |
| Capital requirement values (by regulatory approach) | | | | | | | | | | | | | | | | |
| 14 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 12,409 | 12,409 | 12,409 | 10,113 | 2,296 | — | — | — | — | — | — | — | — | — | — |
| 15 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 2 | 2 | 2 | 2 | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 17 | Subject to 1,250% risk weight | 28 | 28 | 28 | 28 | — | — | — | — | — | — | — | — | — | — | — |

## SEC4: Securitisation exposures subject to the calculation of the amount of credit risk-weighted assets and related capital requirements (bank acting as investor)

| SEC4 | | Millions of Yen | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o | |
| Item No. | | Total | Traditional securitisations (sub-total) | | | | | | | Synthetic securitisations (sub-total) | | | | | | | |
| | | | | Securitisation | | | Re-securitisation | | | | Securitisation | | | Re-securitisation | | | |
| | | | | | Retail underlying | Wholesale | | Senior | Non-senior | | | Retail underlying | Wholesale | | Senior | Non-senior | |
| | Exposure values (by RW bands) | | | | | | | | | | | | | | | | |
| 1 | ≤ 20% risk weight | ¥1,096,481 | ¥1,096,481 | ¥1,096,481 | ¥158,753 | ¥937,727 | ¥ – | ¥ – | ¥ – | ¥ – | ¥ – | ¥ – | ¥ – | ¥ – | ¥ – | ¥ – | ¥ – |
| 2 | > 20% to 50% risk weight | 23,545 | 23,545 | 23,545 | 1,393 | 22,152 | – | – | – | – | – | – | – | – | – | – | – |
| 3 | > 50% to 100% risk weight | 16,359 | 16,359 | 16,359 | 15,691 | 668 | – | – | – | – | – | – | – | – | – | – | – |
| 4 | > 100% to < 1,250% risk weight | 7,200 | 7,200 | 7,200 | 7,200 | – | – | – | – | – | – | – | – | – | – | – | – |
| 5 | 1,250% risk weight | 0 | 0 | 0 | 0 | – | – | – | – | – | – | – | – | – | – | – | – |
| | Exposure Values (by regulatory approach) | | | | | | | | | | | | | | | | |
| 6 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 1,115,572 | 1,115,572 | 1,115,572 | 155,024 | 960,547 | – | – | – | – | – | – | – | – | – | – | – |
| 7 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 28,015 | 28,015 | 28,015 | 28,015 | – | – | – | – | – | – | – | – | – | – | – | – |
| 8 | Subject to the Standardised Approach (SEC-SA) | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 9 | 1,250% risk weight | 0 | 0 | 0 | 0 | – | – | – | – | – | – | – | – | – | – | – | – |
| | RWA (by regulatory approach) | | | | | | | | | | | | | | | | |
| 10 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 168,558 | 168,558 | 168,558 | 29,378 | 139,180 | – | – | – | – | – | – | – | – | – | – | – |
| 11 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 16,265 | 16,265 | 16,265 | 16,265 | – | – | – | – | – | – | – | – | – | – | – | – |
| 12 | Subject to the Standardised Approach (SEC-SA) | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 13 | Subject to 1,250% risk weight | 0 | 0 | 0 | 0 | – | – | – | – | – | – | – | – | – | – | – | – |
| | Capital requirement values (by regulatory approach) | | | | | | | | | | | | | | | | |
| 14 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 13,484 | 13,484 | 13,484 | 2,350 | 11,134 | – | – | – | – | – | – | – | – | – | – | – |
| 15 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 1,301 | 1,301 | 1,301 | 1,301 | – | – | – | – | – | – | – | – | – | – | – | – |
| 16 | Subject to the Standardised Approach (SEC-SA) | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 17 | Subject to 1,250% risk weight | 0 | 0 | 0 | 0 | – | – | – | – | – | – | – | – | – | – | – | – |

| SEC4 | | Millions of Yen | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o |
| Item No. | | Total | Traditional securitisations (sub-total) | | | | | | | Synthetic securitisations (sub-total) | | | | | | |
| | | | | Securitisation | | | Re-securitisation | | | | Securitisation | | | Re-securitisation | | |
| | | | | | Retail underlying | Wholesale | | Senior | Non-senior | | | Retail underlying | Wholesale | | Senior | Non-senior |
| Exposure values (by RW bands) | | | | | | | | | | | | | | | | |
| 1 | ≤ 20% risk weight | ¥830,760 | ¥830,760 | ¥830,760 | ¥96,969 | ¥733,790 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | > 20% to 50% risk weight | 17,672 | 17,672 | 17,672 | 16,024 | 1,647 | — | — | — | — | — | — | — | — | — | — |
| 3 | > 50% to 100% risk weight | 3,988 | 3,988 | 3,988 | 3,376 | 611 | — | — | — | — | — | — | — | — | — | — |
| 4 | > 100% to < 1,250% risk weight | 64,773 | 64,773 | 64,773 | 9,701 | 55,071 | — | — | — | — | — | — | — | — | — | — |
| 5 | 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |
| Exposure Values (by regulatory approach) | | | | | | | | | | | | | | | | |
| 6 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 888,767 | 888,767 | 888,767 | 97,644 | 791,122 | — | — | — | — | — | — | — | — | — | — |
| 7 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 28,428 | 28,428 | 28,428 | 28,428 | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 9 | 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |
| RWA (by regulatory approach) | | | | | | | | | | | | | | | | |
| 10 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 186,688 | 186,688 | 186,688 | 18,116 | 168,571 | — | — | — | — | — | — | — | — | — | — |
| 11 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 14,815 | 14,815 | 14,815 | 14,815 | — | — | — | — | — | — | — | — | — | — | — |
| 12 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 13 | Subject to 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |
| Capital requirement values (by regulatory approach) | | | | | | | | | | | | | | | | |
| 14 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 14,935 | 14,935 | 14,935 | 1,449 | 13,485 | — | — | — | — | — | — | — | — | — | — |
| 15 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 1,185 | 1,185 | 1,185 | 1,185 | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 17 | Subject to 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |

## MR1: Market risk under standardised approach

| MR1 | | Millions of Yen |
|---|---|---|
| | | March 31, 2023 |
| Item No. | | RWA (Amounts calculated by dividing risk equivalent amounts by 8%) |
| 1 | Interest rate risk (general and specific) | ¥ 17,885 |
| 2 | Equity risk (general and specific) | — |
| 3 | Foreign exchange risk | 64,272 |
| 4 | Commodity risk | 11 |
| | Options transactions | |
| 5 | Simplified approach | — |
| 6 | Delta-plus method | — |
| 7 | Scenario approach | — |
| 8 | Specific risk related to securitisation exposures | — |
| 9 | Total | ¥ 82,169 |

| MR1 | | Millions of Yen |
|---|---|---|
| | | March 31, 2022 |
| Item No. | | RWA (Amounts calculated by dividing risk equivalent amounts by 8%) |
| 1 | Interest rate risk (general and specific) | ¥ 4,521 |
| 2 | Equity risk (general and specific) | — |
| 3 | Foreign exchange risk | 29,197 |
| 4 | Commodity risk | — |
| | Options transactions | |
| 5 | Simplified approach | — |
| 6 | Delta-plus method | — |
| 7 | Scenario approach | — |
| 8 | Specific risk related to securitisation exposures | — |
| 9 | Total | ¥ 33,718 |

## MR2: Risk-weighted Assets Flow Statements of Market Risk Exposures under Internal Model Approach

| MR2 | | Billions of Yen | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | | VaR | Stressed VaR | Additional risk | Comprehensive risk | Others | Total RWA |
| 1a | RWA at the end of previous reporting period (March 31, 2022) | ¥ 275 | ¥ 959 | ¥ — | ¥ — | | ¥ 1,234 |
| 1b | Regulatory adjustment ratio (1a/1c) | 2.58 | 3.74 | — | — | | 3.40 |
| 1c | RWA at the end of the previous fiscal year | 106 | 255 | — | — | | 362 |
| 2 | Factor of RWA changes: Movement in risk levels | (11) | 70 | — | — | | 58 |
| 3 | Factor of RWA changes: Model updates/changes | — | — | — | — | | — |
| 4 | Factor of RWA changes: Methodology and policy | — | — | — | — | | — |
| 5 | Factor of RWA changes: Acquisitions and disposals | — | — | — | — | | — |
| 6 | Factor of RWA changes: Foreign exchange movements | (5) | (8) | — | — | | (13) |
| 7 | Factor of RWA changes: Others | 23 | (14) | — | — | | 9 |
| 8a | RWA at the end of the fiscal year | 114 | 302 | — | — | | 416 |
| 8b | Regulatory adjustment ratio (8c/8a) | 3.94 | 4.31 | — | — | | 4.21 |
| 8c | RWA at the end of current reporting period (March 31, 2023) | 451 | 1,305 | — | — | | 1,756 |

Note: The end of the previous fiscal year indicates March 31, 2022, and the end of the fiscal year indicates March 31, 2023.

| MR2 | | Billions of Yen | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | | VaR | Stressed VaR | Additional risk | Comprehensive risk | Others | Total RWA |
| 1a | RWA at the end of previous reporting period (March 31, 2021) | ¥ 365 | ¥ 1,039 | ¥ — | ¥ — | | ¥ 1,405 |
| 1b | Regulatory adjustment ratio (1a/1c) | 3.13 | 3.08 | — | — | | 3.09 |
| 1c | RWA at the end of the previous fiscal year | 116 | 336 | — | — | | 453 |
| 2 | Factor of RWA changes: Movement in risk levels | (9) | (22) | — | — | | (31) |
| 3 | Factor of RWA changes: Model updates/changes | (33) | 49 | — | — | | 15 |
| 4 | Factor of RWA changes: Methodology and policy | — | — | — | — | | — |
| 5 | Factor of RWA changes: Acquisitions and disposals | — | — | — | — | | — |
| 6 | Factor of RWA changes: Foreign exchange movements | (3) | (55) | — | — | | (58) |
| 7 | Factor of RWA changes: Others | 36 | (52) | — | — | | (16) |
| 8a | RWA at the end of the fiscal year | 106 | 255 | — | — | | 362 |
| 8b | Regulatory adjustment ratio (8c/8a) | 2.58 | 3.74 | — | — | | 3.40 |
| 8c | RWA at the end of current reporting period (March 31, 2022) | 275 | 959 | — | — | | 1,234 |

Note: The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.

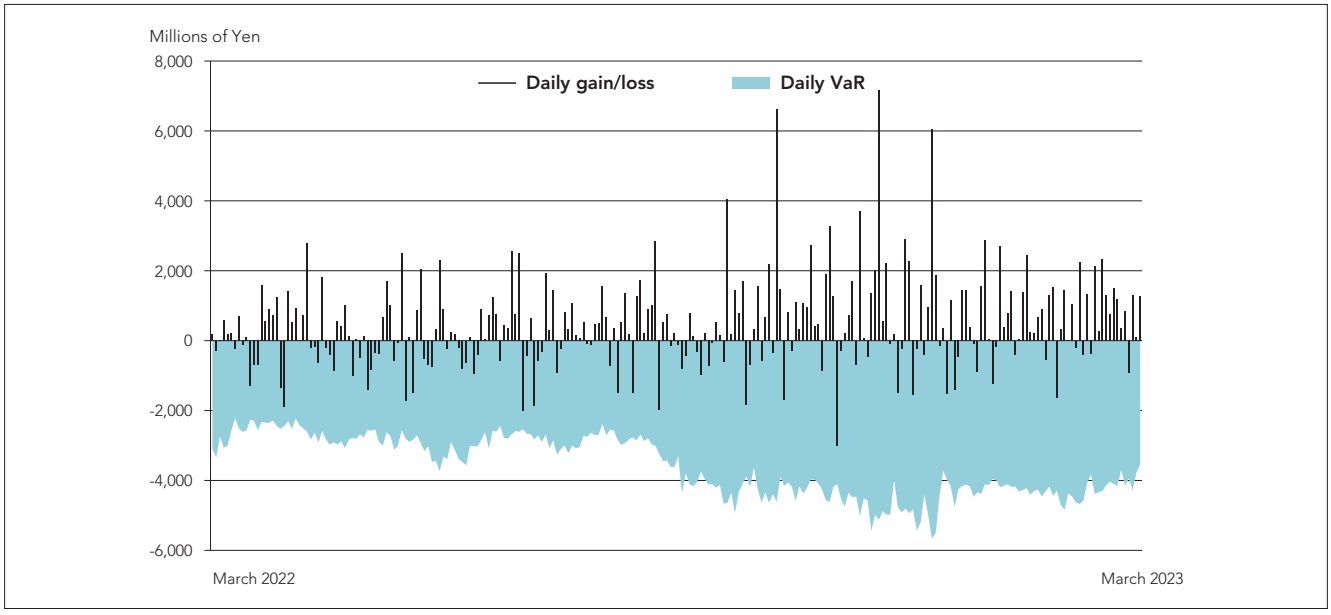
## MR3: Values of Internal Model Approaches (IMA) (Market risk)

| MR3 Item No. | | Millions of Yen March 31, 2023 |
|---|---|---|
| | VaR (holding period:10 business days, one-sided confidence interval:99%) | |
| 1 | Maximum value | ¥ 16,680 |
| 2 | Average value | 11,099 |
| 3 | Minimum value | 7,159 |
| 4 | Period end | 9,135 |
| | Stressed VaR (holding period:10 business days, one-sided confidence interval:99%) | |
| 5 | Maximum value | 44,291 |
| 6 | Average value | 30,705 |
| 7 | Minimum value | 18,089 |
| 8 | Period end | 24,219 |
| | Incremental risk charge (one-sided confidence interval: 99.9%) | |
| 9 | Maximum value | — |
| 10 | Average value | — |
| 11 | Minimum value | — |
| 12 | Period end | — |
| | Comprehensive risk capital charge (one-sided confidence interval: 99.9%) | |
| 13 | Maximum value | — |
| 14 | Average value | — |
| 15 | Minimum value | — |
| 16 | Period end | — |
| 17 | Floor (modified standardised measurement method) | — |

| MR3 Item No. | | Millions of Yen March 31, 2022 |
|---|---|---|
| | VaR (holding period:10 business days, one-sided confidence interval:99%) | |
| 1 | Maximum value | ¥ 15,601 |
| 2 | Average value | 8,618 |
| 3 | Minimum value | 5,388 |
| 4 | Period end | 8,552 |
| | Stressed VaR (holding period:10 business days, one-sided confidence interval:99%) | |
| 5 | Maximum value | 46,371 |
| 6 | Average value | 33,841 |
| 7 | Minimum value | 20,195 |
| 8 | Period end | 20,464 |
| | Incremental risk charge (one-sided confidence interval: 99.9%) | |
| 9 | Maximum value | — |
| 10 | Average value | — |
| 11 | Minimum value | — |
| 12 | Period end | — |
| | Comprehensive risk capital charge (one-sided confidence interval: 99.9%) | |
| 13 | Maximum value | — |
| 14 | Average value | — |
| 15 | Minimum value | — |
| 16 | Period end | — |
| 17 | Floor (modified standardised measurement method) | — |

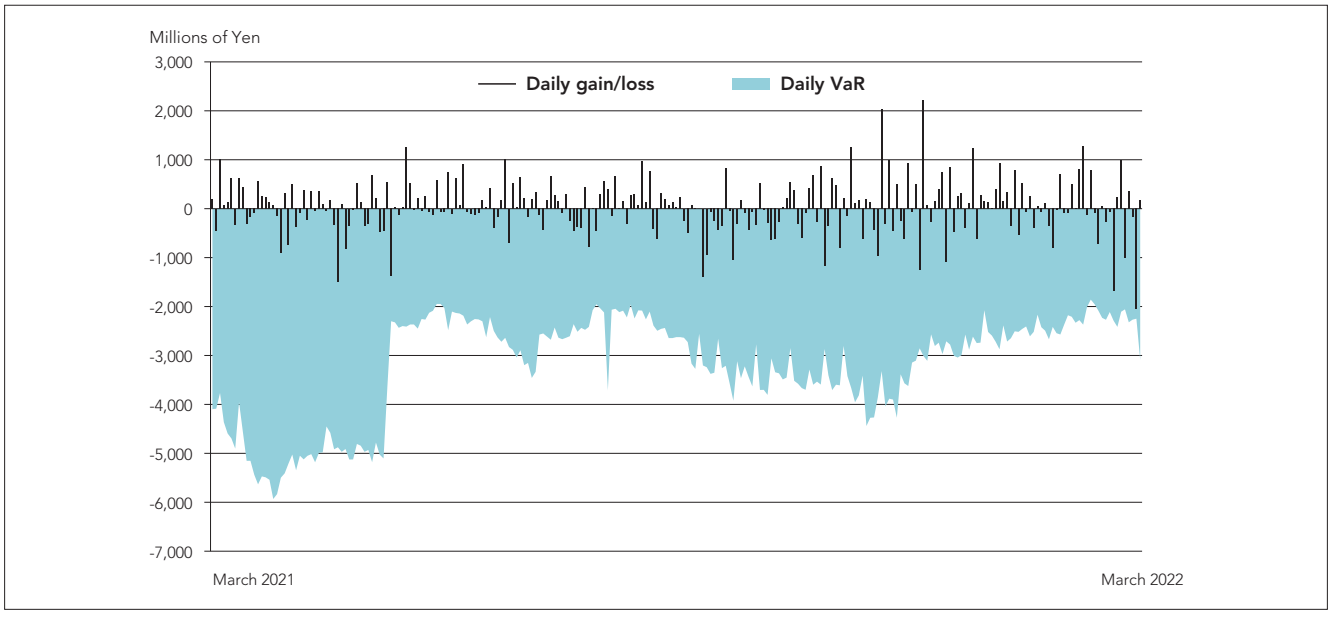
## MR4: Backtesting results by Internal Model Approaches (IMA)

| MR4 | March 31, 2023 |
|---|---|




Note: As shown above, during the reported period, there was no exceedance occurred in backtesting.

| MR4 | March 31, 2022 |
|---|---|




Note: As shown above, during the reported period, there was no exceedance occurred in backtesting.

## IRRBB1: Interest rate risk

| IRRBB1 | | Millions of Yen | | | |
|---|---|---|---|---|---|
| | | a | b | c | d |
| Item No. | | ⊿EVE | | ⊿NII | |
| | | **March 31, 2023** | March 31, 2022 | **March 31, 2023** | March 31, 2022 |
| 1 | Parallel up | **¥ 40,982** | ¥ 94,116 | **¥ (100,104)** | ¥ (123,722) |
| 2 | Parallel down | **—** | 2,127 | **96,930** | 119,484 |
| 3 | Steepener | **61,868** | 106,332 | | |
| 4 | Flattener | **1,605** | — | | |
| 5 | Short rate up | **5,491** | 75 | | |
| 6 | Short rate down | **21,915** | 22,118 | | |
| 7 | Maximum | **61,868** | 106,332 | **96,930** | 119,484 |
| | | e | | f | |
| | | **March 31, 2023** | | March 31, 2022 | |
| 8 | Tier 1 Capital | **¥ 2,793,511** | | ¥ 2,761,527 | |

## CCyB1: Countercyclical buffer requirement: Status by Country or Region

| CCyB1 | Millions of Yen, % | | | |
|---|---|---|---|---|
| | **March 31, 2023** | | | |
| | a | b | c | d |
| Country or region | Countercyclical capital buffer rate | Risk-weighted assets used in the computation of the countercyclical capital buffer | Bank-specific countercyclical capital buffer rate | Counter cyclical buffer requirement amount |
| Australia | **1.00%** | **¥ 157,790** | | |
| Germany | **0.75%** | **34,744** | | |
| Hong Kong | **1.00%** | **26,479** | | |
| Luxembourg | **0.50%** | **117,080** | | |
| Sweden | **1.00%** | **3,903** | | |
| United Kingdom | **1.00%** | **351,255** | | |
| Subtotal | | **691,255** | | |
| Total | | **¥ 18,758,476** | **0.03%** | **¥6,977** |

Notes: 1. The amount of credit RWA by country or region is, in principle, calculated on the basis of where the ultimate risk of the exposure resides (based on the country or region where the borrower resides). However, with respect to securitisation exposures and equity investments in funds whose country or region are difficult to identify, calculations are made according to the country or region in which the exposure is booked.
2. The ratio of SuMi TRUST Group's exposures in the six countries or regions in which the countercyclical buffer requirement set by regulatory authorities exceeded 0 to SuMi TRUST Group's total exposures was limited.

| CCyB1 | Millions of Yen, % | | | |
|---|---|---|---|---|
| | March 31, 2022 | | | |
| | a | b | c | d |
| Country or region | Countercyclical capital buffer rate | Risk-weighted assets used in the computation of the countercyclical capital buffer | Bank-specific countercyclical capital buffer rate | Counter cyclical buffer requirement amount |
| Hong Kong | 1.00% | ¥ 37,060 | | |
| Luxembourg | 0.50% | 79,071 | | |
| Subtotal | | 116,131 | | |
| Total | | ¥ 16,314,922 | 0.00% | ¥ — |

Notes: 1. The amount of credit RWA by country or region is, in principle, calculated on the basis of where the ultimate risk of the exposure resides (based on the country or region where the borrower resides). However, with respect to securitisation exposures and equity investments in funds whose country or region are difficult to identify, calculations are made according to the country or region in which the exposure is booked.
2. The ratio of SuMi TRUST Group's exposures in the two countries or regions in which the countercyclical buffer requirement set by regulatory authorities exceeded 0 to SuMi TRUST Group's total exposures was limited.

## Indicators for Assessing Global Systemically Important Banks (G-SIBs) Consolidated

### GSIB1: Indicators for Assessing G-SIBs

| GSIB1 Basel III Template No. | | | Millions of Yen | |
|---|---|---|---|---|
| | | | March 31, 2023 | March 31, 2022 |
| 1 | Cross-jurisdictional activity | Cross-jurisdictional claims | ¥ 12,541,563 | ¥ 10,557,253 |
| 2 | | Cross-jurisdictional liabilities | 17,202,904 | 15,676,420 |
| 3 | Size | Total exposures | 70,946,055 | 67,218,303 |
| 4 | Interconnectedness | Intra-financial system assets | 6,189,970 | 6,566,865 |
| 5 | | Intra-financial system liabilities | 10,003,170 | 7,892,338 |
| 6 | | Securities outstanding | 13,947,791 | 12,552,343 |
| 7 | Substitutability / Financial institution infrastructure | Assets under custody | 293,905,768 | 296,607,074 |
| 8 | | Payments through settlement systems | 846,086,785 | 675,131,439 |
| 9 | | Underwritten transactions in debt and equity markets | 5,443 | 8,365 |
| 10 | | Total trading volume | 1,296,635 | 1,369,560 |
| 11 | Complexity | Notional amount of over-the-counter (OTC) derivatives | 195,550,470 | 186,626,026 |
| 12 | | Level 3 assets | 339,791 | 352,601 |
| 13 | | Trading and available-for-sale (AFS) securities | 3,372,864 | 3,183,461 |

## Composition of Basel III Leverage Ratio

Consolidated

| As of March 31 | | | Millions of Yen, % | |
|---|---|---|---|---|
| Basel III Template No. (Table 2) | Basel III Template No. (Table 1) | Items | 2023 | 2022 |
| | | **On-Balance Sheet Exposures** | | |
| 1 | | On-Balance Sheet Exposures before Deducting Adjustment Items | **¥ 45,353,432** | ¥ 44,943,111 |
| 1a | 1 | Total Assets Reported in the Consolidated Balance Sheet | **50,478,136** | 49,548,958 |
| 1b | 2 | The Amount of Assets of Subsidiaries that are not Included in the Scope of the Basel III Leverage Ratio on a Consolidated Basis (Deduction) | **—** | — |
| 1c | 7 | The Amount of Assets of Subsidiaries that are Included in the Scope of the Basel III 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) | **5,124,704** | 4,605,846 |
| 2 | 7 | The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction) | **284,142** | 257,093 |
| 3 | | Total On-Balance Sheet Exposures (A) | **45,069,289** | 44,686,018 |
| | | **Exposures Related to Derivative Transactions** | | |
| 4 | | The Amount Equivalent to Replacement Cost Associated with Derivatives Transactions, etc. Multiplied by 1.4 | | |
| | | Replacement Cost Associated with Derivatives Transactions, etc. | **719,406** | 958,636 |
| 5 | | The Amount Equivalent to Potential Future Exposure Associated with Derivatives Transactions, etc. Multiplied by 1.4 | | |
| | | Add-On Amount Associated with Derivatives Transactions, etc. | **1,199,063** | 1,069,627 |
| | | The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc. | **823,974** | 804,496 |
| 6 | | The Amount of Receivables Arising from Providing Collateral, Provided where Deducted from the Consolidated Balance Sheet Pursuant to the Operative Accounting Framework | | |
| | | 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) | **84,270** | 149,682 |
| 8 | | The Amount of Client-Cleared Trade Exposures for which a Bank or Bank Holding Company Acting as Clearing Member is not Obliged to Make Any Indemnification (Deduction) | | |
| 9 | | Adjusted Effective Notional Amount of Written Credit Derivatives | **22,600** | 29,000 |
| 10 | | The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction) | **22,600** | 29,000 |
| 11 | 4 | Total Exposures Related to Derivative Transactions (B) | **2,658,175** | 2,683,078 |
| | | **Exposures Related to Repo Transactions** | | |
| 12 | | The Amount of Assets Related to Repo Transactions, etc. | **546,097** | 803,276 |
| 13 | | The Amount of Deductions from the Assets Above (Line 12) (Deduction) | **—** | — |
| 14 | | The Exposures for Counterparty Credit Risk for Repo Transactions, etc. | **228,299** | 417,004 |
| 15 | | The Exposures for Agent Repo Transaction | | |
| 16 | 5 | The Total Exposures Related to Repo Transactions, etc. (C) | **774,396** | 1,220,280 |
| | | **Exposures Related to Off-Balance Sheet Transactions** | | |
| 17 | | Notional Amount of Off-Balance Sheet Transactions | **8,981,004** | 8,399,573 |
| 18 | | The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction) | **5,365,558** | 5,111,999 |
| 19 | 6 | Total Exposures Related to Off-Balance Sheet Transactions (D) | **3,615,445** | 3,287,573 |
| | | **Basel III Leverage Ratio on a Consolidated Basis** | | |
| 20 | | The Amount of Capital (Tier 1 Capital) (E) | **2,793,511** | 2,761,527 |
| 21 | 8 | Total Exposures (F) = (A)+(B)+(C)+(D) | **¥ 52,117,307** | ¥ 51,876,951 |
| 22 | | Basel III Leverage Ratio on a Consolidated Basis (G) = (E)/(F) | **5.36%** | 5.32% |
| | | Minimum leverage ratio requirement | **3.00%** | |
| | | Leverage ratio buffer requirement | **—%** | |
| | | **Basel III Leverage Ratio If Including Deposits Held with the Bank of Japan** | | |
| | | Total Exposures (F) | **¥ 52,117,307** | ¥ 51,876,951 |
| | | Deposits Held with the Bank of Japan | **18,544,609** | 15,084,261 |
| | | Total Exposures If Including Deposits Held with the Bank of Japan (F') | **70,661,917** | 66,961,213 |
| | | Basel III Leverage Ratio If Including Deposits Held with the Bank of Japan (H) = (E)/(F') | **3.95%** | 4.12% |

Note: SuMi TRUST Holdings' Basel III leverage ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).
The certain procedure is not part of the audit of the consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the Basel III leverage ratio itself or parts of internal control over the procedure to calculate the ratio.

## 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 2022 4th Quarter | | Fiscal Year 2022 3rd Quarter | |
| High-Quality Liquid Assets (1) | | | | | |
| 1 | Total high-quality liquid assets (HQLA) | | ¥ 19,451,554 | | ¥ 19,347,711 |
| Cash Outflows (2) | | Total Unweighted Value | Total Weighted Value | Total Unweighted Value | Total Weighted Value |
| 2 | Cash outflows related to unsecured retail funding | ¥ 19,095,882 | ¥ 902,830 | ¥ 19,051,934 | ¥ 914,814 |
| 3 | of which: Stable deposits | 1,786,650 | 53,599 | 1,788,463 | 53,653 |
| 4 | of which: Less stable deposits | 8,488,939 | 849,230 | 8,608,609 | 861,160 |
| 5 | Cash outflows related to unsecured wholesale funding | 15,829,359 | 12,409,749 | 14,664,765 | 11,506,303 |
| 6 | of which: Qualifying operational deposits | — | — | — | — |
| 7 | of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities | 12,163,109 | 8,743,499 | 11,393,428 | 8,234,967 |
| 8 | of which: Debt securities | 3,666,249 | 3,666,249 | 3,271,336 | 3,271,336 |
| 9 | Cash outflows related to secured funding, etc. | | — | | 702 |
| 10 | Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities | 7,492,054 | 2,608,549 | 7,475,551 | 2,581,495 |
| 11 | of which: Cash outflows related to derivative transactions, etc. | 1,360,692 | 1,360,692 | 1,237,270 | 1,237,270 |
| 12 | of which: Cash outflows related to funding programs | — | — | — | — |
| 13 | of which: Cash outflows related to credit and liquidity facilities | 6,131,361 | 1,247,857 | 6,238,280 | 1,344,224 |
| 14 | Cash outflows related to contractual funding obligations, etc. | 298,680 | 213,172 | 236,298 | 164,432 |
| 15 | Cash outflows related to contingencies | 667,669 | 17,799 | 662,611 | 17,706 |
| 16 | Total cash outflows | | 16,152,101 | | 15,185,455 |
| Cash Inflows (3) | | Total Unweighted Value | Total Weighted Value | Total Unweighted Value | Total Weighted Value |
| 17 | Cash inflows related to secured lending, etc. | ¥ 192,306 | ¥ — | ¥ 230,742 | ¥ — |
| 18 | Cash inflows related to collection of loans, etc. | 2,678,181 | 1,698,798 | 2,526,458 | 1,704,190 |
| 19 | Other cash inflows | 472,417 | 394,366 | 554,542 | 438,073 |
| 20 | Total cash inflows | 3,342,905 | 2,093,165 | 3,311,743 | 2,142,263 |
| Consolidated Liquidity Coverage Ratio (4) | | | | | |
| 21 | Total HQLA allowed to be included in the calculation | | ¥ 19,451,554 | | ¥ 19,347,711 |
| 22 | Net cash outflows | | 14,058,935 | | 13,043,191 |
| 23 | Consolidated Liquidity Coverage Ratio (LCR) | | 138.3% | | 148.3% |
| 24 | The number of data used to calculate the average value | | 60 | | 62 |

### Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our consolidated LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

Our consolidated LCR satisfies the regulated level (100%) as required under liquidity ratio regulations and the actual LCR is roughly in line with our initial forecast. Up ahead, we do not expect our LCR to deviate significantly from the current level.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality liquid assets and net cash outflows in major currencies.

(4) Other items concerning LCR

We apply neither the "treatment for qualifying operational deposit" nor the "additional collateral required to market valuation changes based on the scenario approach."

Furthermore, taking account of the impact to LCR, we are using month-end data in lieu of daily data for the consolidated subsidiary companies of minor importance with practical restrictions.

## Net Stable Funding Ratio (NSFR) Consolidated

### Consolidated Net Stable Funding Ratio

#### Quantitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a consolidated basis

| Item No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | Fiscal Year 2022 4th Quarter | | | | |
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) items (1) | | | | | | |
| 1 | Capital | ¥ 3,055,431 | ¥ — | ¥ — | ¥ 305,000 | ¥ 3,360,431 |
| 2 | of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions | 3,055,431 | — | — | 240,630 | 3,296,062 |
| 3 | of which: Other capital instruments that are not included in the above category | — | — | — | 64,369 | 64,369 |
| 4 | Funding from retail and small business customers | 12,972,952 | — | — | 5,831,434 | 17,507,091 |
| 5 | of which: Stable deposits | — | — | — | — | — |
| 6 | of which: Less stable deposits | 12,972,952 | — | — | 5,831,434 | 17,507,091 |
| 7 | Wholesale funding | 5,683,302 | 23,509,280 | 2,813,502 | 9,045,839 | 15,504,586 |
| 8 | of which: Operational deposits | — | — | — | — | — |
| 9 | of which: Other wholesale funding | 5,683,302 | 23,509,280 | 2,813,502 | 9,045,839 | 15,504,586 |
| 10 | Liabilities with matching interdependent assets | — | — | — | — | — |
| 11 | Other liabilities | 470,374 | 1,198,712 | — | 137,039 | 12,744 |
| 12 | of which: Derivative liabilities | | | | 137,039 | |
| 13 | of which: All other liabilities and equity not included in the above categories | 470,374 | 1,198,712 | — | — | 12,744 |
| 14 | Total available stable funding | | | | | ¥ 36,384,855 |
| Required stable funding (RSF) items (2) | | | | | | |
| 15 | HQLA | | | | | ¥ 1,065,921 |
| 16 | Deposits held at financial institutions for operational purposes | — | — | — | 44,747 | 44,747 |
| 17 | Loans, repo transactions-related assets, securities and other similar assets | 184,523 | 5,897,274 | 2,139,808 | 27,561,904 | 26,271,303 |
| 18 | of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA) | — | 546,097 | — | — | 0 |
| 19 | of which: Loans to- and repo transactions with- financial institutions (not included in item 18) | 61,519 | 1,011,003 | 513,708 | 2,374,193 | 2,832,254 |
| 20 | of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22) | — | 3,789,743 | 1,200,467 | 11,616,262 | 12,329,888 |
| 21 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 802,089 | 94,194 | 237,202 | 602,323 |
| 22 | of which: Residential mortgages | — | 422,028 | 360,199 | 10,964,493 | 8,688,327 |
| 23 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 327,566 | 256,557 | 6,001,131 | 4,349,636 |
| 24 | of which: Securities that are not in default and do not qualify as HQLA and other similar assets | 123,004 | 128,401 | 65,433 | 2,606,955 | 2,420,833 |
| 25 | Assets with matching interdependent liabilities | — | — | — | — | — |
| 26 | Other assets | 1,167,235 | 549,688 | 2,870 | 2,798,257 | 3,765,533 |
| 27 | of which: Physical traded commodities, including gold | — | | | | — |
| 28 | of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet) | | | | 302,697 | 257,292 |
| 29 | of which: Derivative assets | | | | — | — |
| 30 | of which: Derivative liabilities (before deduction of variation margin posted) | | | | 40,529 | 40,529 |
| 31 | of which: All other assets not included in the above categories | 1,167,235 | 549,688 | 2,870 | 2,455,030 | 3,467,711 |
| 32 | Off-balance sheet items | | | | 7,196,661 | 514,817 |
| 33 | Total required stable funding | | | | | ¥ 31,662,323 |
| 34 | Consolidated net stable funding ratio (NSFR) | | | | | 114.9% |

| Item No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | Fiscal Year 2022 3rd Quarter | | | | |
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) items (1) | | | | | | |
| 1 | Capital | ¥ 3,032,710 | ¥ — | ¥ — | ¥ 305,000 | ¥ 3,337,710 |
| 2 | of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions | 3,032,710 | — | — | 248,022 | 3,280,733 |
| 3 | of which: Other capital instruments that are not included in the above category | — | — | — | 56,977 | 56,977 |
| 4 | Funding from retail and small business customers | 13,117,025 | — | — | 5,724,763 | 17,530,085 |
| 5 | of which: Stable deposits | — | — | — | — | — |
| 6 | of which: Less stable deposits | 13,117,025 | — | — | 5,724,763 | 17,530,085 |
| 7 | Wholesale funding | 5,425,933 | 22,573,589 | 2,003,406 | 9,394,578 | 15,165,327 |
| 8 | of which: Operational deposits | — | — | — | — | — |
| 9 | of which: Other wholesale funding | 5,425,933 | 22,573,589 | 2,003,406 | 9,394,578 | 15,165,327 |
| 10 | Liabilities with matching interdependent assets | — | — | — | — | — |
| 11 | Other liabilities | 259,909 | 1,243,647 | — | 217,965 | 14,872 |
| 12 | of which: Derivative liabilities | | | | 217,965 | |
| 13 | of which: All other liabilities and equity not included in the above categories | 259,909 | 1,243,647 | — | — | 14,872 |
| 14 | Total available stable funding | | | | | ¥ 36,047,995 |
| Required stable funding (RSF) items (2) | | | | | | |
| 15 | HQLA | | | | | ¥ 1,089,789 |
| 16 | Deposits held at financial institutions for operational purposes | — | — | — | 55,941 | 55,941 |
| 17 | Loans, repo transactions-related assets, securities and other similar assets | 175,767 | 6,110,135 | 2,115,545 | 27,771,397 | 26,465,207 |
| 18 | of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA) | — | 544,210 | — | — | 0 |
| 19 | of which: Loans to- and repo transactions with- financial institutions (not included in item 18) | 66,723 | 949,480 | 458,525 | 2,315,460 | 2,727,854 |
| 20 | of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22) | — | 4,115,273 | 1,197,153 | 11,600,073 | 12,478,439 |
| 21 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 783,628 | 76,460 | 231,182 | 580,313 |
| 22 | of which: Residential mortgages | — | 420,833 | 353,013 | 11,048,009 | 8,685,063 |
| 23 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 325,989 | 250,535 | 6,108,659 | 4,371,678 |
| 24 | of which: Securities that are not in default and do not qualify as HQLA and other similar assets | 109,043 | 80,337 | 106,853 | 2,807,854 | 2,573,849 |
| 25 | Assets with matching interdependent liabilities | — | — | — | — | — |
| 26 | Other assets | 985,587 | 476,248 | 3,566 | 2,448,949 | 3,423,007 |
| 27 | of which: Physical traded commodities, including gold | — | | | | — |
| 28 | of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet) | | | | 258,985 | 220,137 |
| 29 | of which: Derivative assets | | | | — | — |
| 30 | of which: Derivative liabilities (before deduction of variation margin posted) | | | | 58,100 | 58,100 |
| 31 | of which: All other assets not included in the above categories | 985,587 | 476,248 | 3,566 | 2,131,863 | 3,144,769 |
| 32 | Off-balance sheet items | | | | 6,891,261 | 492,634 |
| 33 | Total required stable funding | | | | | ¥ 31,526,581 |
| 34 | Consolidated net stable funding ratio (NSFR) | | | | | 114.3% |

## Qualitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a consolidated basis

(1) Items concerning fluctuations in the consolidated NSFR over time

Our consolidated NSFR has remained stable mainly due to our predetermined funding policy on the sticky money.

(2) Items concerning special provisions for interdependent assets and liabilities

The "Special provisions for interdependent assets and liabilities" stipulated in the items under Article 99 of the Financial Services Agency Notification on Liquidity Ratio are not applied on a consolidated basis.

(3) Other items concerning consolidated NSFR

Our consolidated NSFR satisfies the regulated level (100%), and we do not expect NSFR to deviate significantly from the current level in the future.

Currently, the entire amount of funding from retail and small business customers is recorded as "less stable deposits."

# Basel III Disclosure Data

This section outlines matters to be stated in explanatory documents relating to the fiscal year, separately stipulated by the Commissioner of the Financial Services Agency (Notification No.21 of Financial Services Agency, 2012) with regard to the matters regarding compensation as having significant consequences on the business operation or asset status of a bank, a bank holding company, or their subsidiaries, as set forth in Article 19-2, Paragraph 1, Item 6, Article 19-3, Item 4 and Article 34-26, Paragraph 1, Item 5 of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No. 10, 1982).

The following disclosure, unless otherwise stated, is with respect to Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") as of the end of March 2023.

[Compensation Disclosure Data: SuMi TRUST Holdings]


| | |
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Compensation Disclosure Data:

# Sumitomo Mitsui Trust Holdings, Inc.

## 1. Development Status of Organizational Structures Concerning Compensation, etc. for Applicable Officers and Employees within SuMi TRUST 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 "Applicable Officers"

Applicable officers include directors, and executive officers*1 of SuMi TRUST Holdings, but exclude external directors.

*1 Executive officers defined by the Companies Act.

#### (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 SuMi TRUST Holdings Group's management, namely Sumitomo Mitsui Trust Bank, Limited.

#### (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 SuMi TRUST Holdings Group. This threshold amount has been determined based on the average compensation for officers paid in fiscal year 2022 (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 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, 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*2 of SuMi TRUST Holdings and employees equivalent to general managers in the departments involving loan operations and market risk management.

*2 Executive officers defined in internal policy.

### (2) Names, Compositions, and Duties of the Committees and Other Major Institutions Which Supervise the Determination, Payment, and the Execution of Other Duties Regarding the Compensation, etc. for Applicable Officers and Employees

#### (i) Establishment and Securement of the Compensation Committee, etc.

SuMi TRUST Holdings is a company with Three Committees and has established a Compensation Committee, a statutory committee, to deliberate and decide the compensation system of directors and executive officers*1 and the content of the compensation. The Committee shall prescribe policy on decisions on the content of remuneration for individual directors and executive officers*1 of SuMi TRUST Holdings, and

decide the content of remuneration for individual executive officers*1 and directors. In addition, the amounts of remuneration for individual executive officers*2 of SuMi TRUST Holdings are reported to the Compensation Committee.

The Compensation Committee is chaired by an external director, and a majority of the committee members are external directors. The committee oversees and checks the operation of the remuneration system for directors, executive officers*1, and executive officers*2, and has the authority to determine the policy for setting remuneration while being independent of the business promotion department.

#### (ii) Determination of Compensation for Applicable Employees, etc.

Compensation for employees, etc. within 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.

#### (iii) Determination of Compensation, etc. for Overseas Employees, etc.

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.

#### (iv) Total Amount of Compensation Paid to the Members of the Compensation Committee, etc. and the Number of Meetings Held for Compensation Committee, etc.

| | The number of meetings held (April 1, 2022-March 31, 2023) | Total amount of compensation* |
|---|---|---|
| Compensation Committee (SuMi TRUST Holdings) | 12 times | — |
| Board of Directors (SuMi TRUST Bank) | 1 time | — |

Note: The total amount of compensation, etc. is not stated as the amount equivalent to the compensation related to the execution of the duties for the Compensation Committee, etc. alone cannot be calculated separately.

## 2. Adequacy Evaluation of Design and Operation of the Compensation System for Applicable Officers and Employees of SuMi TRUST Holdings

### (1) Policies Concerning Compensation, etc. for Applicable Officers and Employees

#### (i) Policies Concerning Compensation for "Applicable Officers"

The Group has defined its "Purpose" as "Creating new value with the power of trusts and let prosperous future for our clients and society bloom," and placed at the core of its management philosophy the notion of "balanced creation of both social value and economic value" with the goal of realizing the development of a sustainable society and achieving sustainable and stable growth for the Group. Recognizing the role that officer compensation plays in each and every executive's efforts to realize the goal and act in a manner that embodies its "Purpose," SuMi TRUST Holdings will constantly review its policies and systems to ensure that they are based on the philosophy.

The Compensation Committee determines the content of remuneration for individual directors and executive officers.*1

Our aim is for the remunerations for directors and executive officers*1 to function effectively as an incentive for improvement of corporate performance and expansion of enterprise value in order to realize stable and sustainable growth of SuMi TRUST Group, including its core subsidiary, SuMi TRUST Bank. Furthermore, we have created a remuneration structure that considers the balance of shortterm incentives and medium- to long-term incentives. This is

to ensure remuneration that is not focusing on single-year performance evaluation in which short-term contribution to profit is emphasized, but focusing on officers' qualifications and capabilities as senior management, and based on a comprehensive evaluation that reflects assessment of medium- to long-term performance. As a holding company, in order to ensure that the supervisory function is fully exercised at each Group company, SuMi TRUST Holdings determines individual remuneration based on an accurate recognition of the role that corporate officers are expected to play in terms of business management and their results, and highly transparent, fair and objective evaluations.

Furthermore, we have introduced a share delivery trust system as a form of stock compensation linked to our medium-term performance to further enhance the motivation and morale of directors and executive officers so as to help drive stock price increases, improve our medium- to long-term performance, and ultimately boost shareholder profits.

**(ii) Policies Concerning Compensation for "Applicable Employees, etc."**

Compensations for the applicable employees, etc. of SuMi TRUST Group 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, compensations for applicable overseas employees, etc. are 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.

**(2) Regarding the influence of the overall level of remuneration on capital**

(i) Officer compensation

The Compensation Committee determines remuneration for officers after checking the situation of profit and loss in the current term and the consistency with future management strategies. It has been confirmed that the total payment amount of officer compensation in the current term does not produce significant effects, considering the profit level, etc. in the current term.

(ii) Salaries for employees

As for the salaries for employees, the business situation of SuMi TRUST Holdings is reflected in the part that changes according to the performance of SuMi TRUST Holdings and individuals and bonuses. It has been confirmed that the total payment amount of salaries for employees in the current term does not produce significant effects, considering the profit level, etc. in the current term.

**(3) Regarding the monitoring of the operation of the remuneration system**

As for performance-based variable remuneration, such as directors' bonuses, the Compensation Committee monitors the operation of the remuneration system by checking the ratio of variable remuneration to the total amount of remuneration and the appropriateness of the payment amount, and confirms that performance-based pay is not excessive.

## 3. Regarding the Items about the Consistency between the Systems of Remuneration for Target Executives and Employees of SuMi TRUST Holdings and Risk Management, and the Linkage between the Remuneration and Performance of Target Employees of SuMi TRUST Group

The remunerations for target executives are determined by the Compensation Committee. Budget allocation is conducted while taking into account the financial condition, etc. of SuMi TRUST Group in order to determine remuneration for target employees.

## 4. Types, Total Amount of Payment, and Payment Method of Compensation, etc. for Applicable Officers and Employees of SuMi TRUST Group

### (1) REM1: Compensation, etc. Allocated to the Fiscal Year under Review

| REM1: Compensation, etc. allocated to the fiscal year under review | | | Persons, Millions of Yen | |
|---|---|---|---|---|
| | | | a | b |
| Item No. | | | Applicable Officers | Applicable Employees, etc. |
| 1 | Fixed compensation | The number of applicable officers and employees, etc. | 17 | 36 |
| 2 | | Total amount of fixed compensation (3+5+7) | ¥ 301 | ¥ 1,230 |
| 3 | | of Which: Cash compensation amount | 301 | 1,230 |
| 4 | | of 3 above: Deferred amount | — | — |
| 5 | | of Which: Stock compensation amount or Stock-linked compensation amount | — | — |
| 6 | | of 5 above: Deferred amount | — | — |
| 7 | | of Which: Other compensation amount | — | — |
| 8 | | of 7 above: Deferred amount | — | — |
| 9 | Variable compensation | The number of applicable officers and employees, etc. | 15 | 34 |
| 10 | | Total amount of variable compensation (11+13+15) | ¥ 279 | ¥ 726 |
| 11 | | of Which: Cash compensation amount | 218 | 657 |
| 12 | | of 11 above: Deferred amount | — | — |
| 13 | | of Which: Stock compensation amount or Stock-linked compensation amount | 61 | 69 |
| 14 | | of 13 above: Deferred amount | — | — |
| 15 | | of Which: Other compensation amount | — | — |
| 16 | | of 15 above: Deferred amount | — | — |
| 17 | Retirement benefits | The number of applicable officers and employees, etc. | — | — |
| 18 | | Total amount of Retirement benefits | ¥ — | ¥ — |
| 19 | | of Which: Deferred amount | — | — |
| 20 | Other compensations | The number of applicable officers and employees, etc. | 3 | 3 |
| 21 | | Total amount of other compensations | ¥ 2 | ¥ 2 |
| 22 | | of Which: Deferred amount | — | — |
| 23 | Total amount of compensations (2+10+18+21) | | ¥ 583 | ¥ 1,959 |

### (2) REM2: Special Rewards, etc.

| REM2: Special rewards, etc. | Persons, Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | a | b | c | d | e | f |
| | Bonus guarantee | | Lump-sum payment when hiring | | Premium retirement payment | |
| | Headcount | Total amount | Headcount | Total amount | Headcount | Total amount |
| Applicable Officers | — | — | — | — | — | — |
| Applicable Employees, etc. | — | — | — | — | — | — |

## 5. Other Items to be Referred Concerning the Compensation System for Applicable Officers and Employees of SuMi TRUST Group

Not applicable, other than those items raised in the preceding sections.

# Basel III Disclosure Data

## Sumitomo Mitsui Trust Bank, Limited

This section outlines matters to be stated in explanatory documents relating to the fiscal year, separately stipulated by the Commissioner of the Financial Services Agency (Notification No. 7 of Financial Services Agency, 2014) with regard to the status of capital adequacy as set forth in Article 19-2, Paragraph 1, Item 5-(d) of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No. 10, 1982).

The following disclosure, unless otherwise stated, is with respect to Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank") as of the end of March 2023.

### [Qualitative Disclosure Data: SuMi TRUST Bank]

Qualitative disclosure data of SuMi TRUST Bank is stated in line with the qualitative disclosure data of SuMi TRUST Holdings. Please refer to pages 216-247.

This section outlines and discloses matters to be stated in explanatory documents relating to the fiscal year, separately stipulated by the Commissioner of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2014) with regard to the status of capital adequacy, as set forth in Article 19-2, Paragraph 1, Item 5-(d) of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No.10, 1982), as well as separately stipulated by the Commissioner of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2015) with regard to the status of management soundness relating to liquidity, as set forth in Article 19-2, Paragraph 1, Item 5-(e) of the Ordinance for Enforcement of the Banking Act.

### [Quantitative Disclosure Data: SuMi TRUST Bank]

**Consolidated**


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**Non-consolidated**


| | |
|---|---|
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Quantitative Disclosure Data:

# Sumitomo Mitsui Trust Bank, Limited

## KM1: Key Metrics

Consolidated

| KM1 Basel III Template No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| | Available capital (amounts) | | | | | |
| 1 | Common Equity Tier 1 (CET1) | ¥ 2,208,099 | ¥ 2,163,879 | ¥ 2,151,864 | ¥ 2,173,778 | ¥ 2,142,557 |
| 2 | Tier 1 | 2,491,839 | 2,445,875 | 2,433,390 | 2,455,461 | 2,423,927 |
| 3 | Total capital | 2,779,614 | 2,745,637 | 2,764,597 | 2,823,107 | 2,806,835 |
| | Risk-weighted assets (amounts) | | | | | |
| 4 | Total risk-weighted assets (RWA) | 22,662,408 | 22,116,217 | 21,743,948 | 20,194,869 | 19,590,422 |
| | Risk-based capital ratios as a percentage of RWA | | | | | |
| 5 | Common Equity Tier 1 ratio | 9.74% | 9.78% | 9.89% | 10.76% | 10.93% |
| 6 | Tier 1 ratio | 10.99% | 11.05% | 11.19% | 12.15% | 12.37% |
| 7 | Total capital ratio | 12.26% | 12.41% | 12.71% | 13.97% | 14.32% |
| | Basel III leverage ratio | | | | | |
| 13 | Total Basel III leverage ratio exposure measure | 51,875,741 | 51,968,866 | 53,548,001 | 52,638,727 | 51,640,697 |
| 14 | Basel III leverage ratio | 4.80% | 4.70% | 4.54% | 4.66% | 4.69% |

| KM1 Basel III Template No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | Fiscal Year 2022 4th Quarter | Fiscal Year 2022 3rd Quarter | Fiscal Year 2022 2nd Quarter | Fiscal Year 2022 1st Quarter | Fiscal Year 2021 4th Quarter |
| | Consolidated Liquidity Coverage Ratio (LCR) | | | | | |
| 15 | Total HQLA allowed to be included in the calculation | ¥ 19,451,554 | ¥ 19,347,711 | ¥ 19,092,731 | ¥ 18,252,532 | ¥ 17,729,217 |
| 16 | Net cash outflows | 14,112,230 | 13,108,601 | 12,831,948 | 12,567,292 | 11,085,943 |
| 17 | Consolidated LCR | 137.8% | 147.5% | 148.7% | 145.2% | 159.9% |
| | Consolidated Net Stable Funding Ratio (NSFR) | | | | | |
| 18 | Total available stable funding | 36,041,041 | 35,681,220 | 36,138,973 | 35,778,862 | 35,600,930 |
| 19 | Total required stable funding | 31,383,240 | 31,246,650 | 31,752,283 | 30,746,100 | 30,504,195 |
| 20 | Consolidated NSFR | 114.8% | 114.1% | 113.8% | 116.3% | 116.7% |

## 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 "FSA Capital Adequacy Notification").

As of the end of March 2023, we used 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 FSA Capital Adequacy Notification, Article 3 (hereinafter referred to as "SuMi TRUST Bank Group") and the companies included in the scope of accounting consolidation.

(2) The number of consolidated subsidiaries that belong to SuMi TRUST Bank Group is 38. The principal companies are the following.

| Name | Principal Business Operations |
|---|---|
| Sumitomo Mitsui Trust Loan & Finance Co., Ltd. | Money Lending Business |
| Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. | General Leasing, Installment Purchase Services, Credit Card Business |
| Sumitomo Mitsui Trust Realty Co., Ltd. | Real Estate Brokerage Business |
| Sumitomo Mitsui Trust Guarantee Co., Ltd. | Loan Guarantee Business |
| Sumitomo Mitsui Trust Club Co., Ltd. | Credit Card 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 FSA Capital Adequacy Notification, Article 9.

(4) There are no particular restrictions on the transfer of funds and capital within 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

### CC1:Composition of Capital

| CC1 As of March 31 | | Millions of Yen, % | | |
|---|---|---|---|---|
| | | a | b | c |
| Basel III Template No. | Items | 2023 | 2022 | Reference Numbers to Reconciliation with the Balance Sheet |
| | **Common Equity Tier 1 Capital: Instruments and Reserves** | | | |
| 1a+2–1c–26 | Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings | **¥ 2,200,758** | ¥ 2,091,170 | |
| 1a | of Which: Capital Stock and Capital Surplus | **684,926** | 684,890 | |
| 2 | of Which: Retained Earnings | **1,547,162** | 1,429,874 | |
| 1c | of Which: Treasury Stock (Deduction) | **—** | — | |
| 26 | of Which: Earnings to be Distributed (Deduction) | **31,330** | 23,594 | |
| | of Which: Others | **—** | — | |
| 1b | Subscription Rights to Common Shares | **—** | — | |
| 3 | Accumulated Other Comprehensive Income | **206,616** | 205,045 | (a) |
| 5 | Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1) | **—** | — | |
| 6 | Common Equity Tier 1 Capital: Instruments and Reserves (A) | **2,407,374** | 2,296,216 | |
| | **Common Equity Tier 1 Capital: Regulatory Adjustments** | | | |
| 8+9 | Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities) | **77,733** | 73,197 | |
| 8 | of Which: Goodwill (Including Those Equivalent) | **8,079** | 12,478 | |
| 9 | of Which: Other Intangible Assets | **69,654** | 60,719 | |
| 10 | Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities) | **408** | 450 | |
| 11 | Deferred Gains or Losses on Derivatives under Hedge Accounting | **(48,610)** | (60,924) | |
| 12 | Shortfall of Eligible Provisions to Expected Losses | **—** | — | |
| 13 | Securitisation Gain on Sale | **925** | 1,344 | |
| 14 | Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities | **7,454** | 6,253 | |
| 15 | Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities) | **161,362** | 133,337 | |
| 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) | **—** | — | |
| 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) | **199,274** | 153,658 | |
| | **Common Equity Tier 1 Capital (CETI)** | | | |
| 29 | Common Equity Tier 1 Capital (C) = (A)–(B) | **¥ 2,208,099** | ¥ 2,142,557 | |

| CC1<br>As of March 31 | | | Millions of Yen, % | | |
|---|---|---|---|---|---|
| | | | a | b | c |
| Basel III Template No. | | Items | 2023 | 2022 | Reference Numbers to Reconciliation with the Balance Sheet |
| | | **Additional Tier 1 Capital: Instruments** | | | |
| 30 | 31a | Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards | ¥ — | ¥ — | |
| | 31b | Subscription Rights to Additional Tier 1 Instruments | — | — | |
| | 32 | Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards | **270,000** | 270,000 | |
| | | 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) | **13,749** | 11,379 | |
| 33+35 | | Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital | — | — | |
| 33 | | of Which: Directly Issued and Issued by Special Purpose Vehicles | — | — | |
| 35 | | of Which: Issued by Subsidiaries | — | — | |
| 36 | | Additional Tier 1 Capital: Instruments (D) | **283,749** | 281,379 | |
| | | **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) | — | — | |
| 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 | **10** | 10 | |
| 42 | | Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions | — | — | |
| 43 | | Additional Tier 1 Capital: Regulatory Adjustments (E) | **10** | 10 | |
| | | **Additional Tier 1 Capital (AT1)** | | | |
| 44 | | Additional Tier 1 Capital (F) = (D) – (E) | **283,739** | 281,369 | |
| | | **Tier 1 Capital (T1 = CET1 + AT1)** | | | |
| 45 | | Tier 1 Capital (G) = (C) + (F) | **2,491,839** | 2,423,927 | |
| | | **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 | **270,630** | 339,855 | |
| | | 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) | **3,049** | 2,163 | |
| 47+49 | | Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2 Capital | — | — | |
| 47 | | of Which: Directly Issued and Issued by Special Purpose Vehicles | — | — | |
| 49 | | of Which: Issued by Subsidiaries | — | — | |
| 50 | | Provisions Allowed in Group Tier 2 | **15,635** | 42,429 | |
| 50a | | of Which: General Allowance for Credit Losses | **3,525** | 3,050 | |
| 50b | | of Which: Excess Amount of Eligible Provisions to Expected Losses | **12,110** | 39,379 | |
| 51 | | Tier 2 Capital: Instruments and Provisions (H) | ¥ **289,315** | ¥ 384,448 | |

| CC1<br>As of March 31<br>Basel III Template No. | Items | | Millions of Yen, %<br>a<br>2023 | <br>b<br>2022 | <br>c<br>Reference Numbers to Reconciliation with the Balance Sheet |
|---|---|---|---|---|---|
| | **Tier 2 Capital: Regulatory Adjustments** | | | | |
| 52 | Investments in Own Tier 2 Instruments | | ¥ — | ¥ — | |
| 53 | Reciprocal Cross-Holdings in Tier 2 Instruments and Other TLAC Liabilities | | — | — | |
| 54 | Investments in the Tier 2 Instruments and Other TLAC Liabilities 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) | | — | — | |
| 55 | Significant Investments in the Tier 2 Instruments and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions | | **1,540** | 1,540 | |
| 57 | Tier 2 Capital: Regulatory Adjustments | (I) | **1,540** | 1,540 | |
| | **Tier 2 Capital (T2)** | | | | |
| 58 | Tier 2 Capital | (J) = (H) – (I) | **287,775** | 382,908 | |
| | **Total Capital (TC = T1 + T2)** | | | | |
| 59 | Total Capital | (K) = (G) + (J) | **2,779,614** | 2,806,835 | |
| | **Total Risk Weighted Assets** | | | | |
| 60 | Total Risk Weighted Assets | (L) | **22,662,408** | 19,590,422 | |
| | **Capital Ratios (Consolidated)** | | | | |
| 61 | Common Equity Tier 1 Capital Ratio | (C)/(L) | **9.74%** | 10.93% | |
| 62 | Tier 1 Capital Ratio | (G)/(L) | **10.99%** | 12.37% | |
| 63 | Total Capital Ratio | (K)/(L) | **12.26%** | 14.32% | |
| | **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) | | **172,436** | 98,717 | |
| 73 | Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction) | | **114,594** | 131,359 | |
| 74 | Mortgage Servicing Rights (Amount below the Thresholds for Deduction) | | — | — | |
| 75 | Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction) | | **48,363** | 56,041 | |
| | **Provisions Included in Tier 2 Capital: Instruments and Provisions** | | | | |
| 76 | Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardised Approach (Prior to Applicable of Cap) | | **3,525** | 3,050 | |
| 77 | Cap on Inclusion of Provisions in Tier 2 under Standardised Approach | | **12,430** | 10,695 | |
| 78 | Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap) | | **12,110** | 39,379 | |
| 79 | Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach | | **109,926** | 95,763 | |
| | **Capital Instruments Subject to Phase out Arrangements** | | | | |
| 82 | Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements | | — | — | |
| 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 | | — | — | |
| 85 | Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities) | | — | — | |

Note: SuMi TRUST Holdings' consolidated capital adequacy ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).

The certain procedure is not part of the audit of the consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal control over the procedure to calculate the ratio.

## Main Features and Further Information of Regulatory Capital Instruments Consolidated

Main Features and Further Information of Regulatory Capital Instruments are available on our website (https://www.smth.jp/english/investors/report/basel).

## Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Consolidated

### Fiscal Year 2022

**CC2: Reconciliation of Regulatory Capital to Balance Sheet**

| CC2 | a | c | d |
|---|---|---|---|
| Items | Consolidated Balance Sheet (Millions of Yen) | Ref. No. of Composition of Capital | Ref. No. of Appendix |
| **(Assets)** | | | |
| Cash and Due from Banks | ¥ 21,522,753 | | |
| Call Loans and Bills Bought | 24,006 | | |
| Receivables under Resale Agreements | 110,003 | | |
| Receivables under Securities Borrowing Transactions | 436,093 | | |
| Monetary Claims Bought | 970,058 | | |
| Trading Assets | 1,514,603 | | |
| Money Held in Trust | 1,442 | | 6–a |
| Securities | 6,804,176 | | 2–b, 6–b |
| Loans and Bills Discounted | 31,810,926 | | 6–c |
| Foreign Exchanges | 47,445 | | |
| Lease Receivables and Investment Assets | 688,933 | | |
| Other Assets | 3,781,008 | | 6–d |
| Tangible Fixed Assets | 230,096 | | |
| Intangible Fixed Assets | 108,362 | | 2–a |
| Assets for Retirement Benefits | 232,599 | | 3 |
| Deferred Tax Assets | 22,951 | | 4–a |
| Customers' Liabilities for Acceptances and Guarantees | 562,523 | | |
| Allowance for Loan Losses | (129,998) | | |
| Total Assets | ¥ 68,737,987 | | |

| CC2 Items | a Consolidated Balance Sheet (Millions of Yen) | c Ref. No. of Composition of Capital | d Ref. No. of Appendix |
|---|---|---|---|
| **(Liabilities)** | | | |
| Deposits | ¥ 35,417,923 | | |
| Negotiable Certificates of Deposit | 7,520,005 | | |
| Call Money and Bills Sold | 1,912,878 | | |
| Payables under Repurchase Agreements | 1,030,780 | | |
| Trading Liabilities | 1,472,636 | | |
| Borrowed Money | 6,629,543 | | 8 |
| Foreign Exchanges | 847 | | |
| Short-term Bonds Payable | 2,332,377 | | |
| Bonds Payable | 1,911,760 | | |
| Borrowed Money from Trust Account | 4,332,472 | | |
| Other Liabilities | 3,019,064 | | 6–e |
| Provision for Bonuses | 12,902 | | |
| Provision for Directors' Bonuses | 95 | | |
| Provision for Stocks Payment | 810 | | |
| Liabilities for Retirement Benefits | 11,442 | | |
| Provision for Reward Points Program | 21,282 | | |
| Provision for Reimbursement of Deposits | 3,028 | | |
| Provision for Contingent Losses | 1,344 | | |
| Deferred Tax Liabilities | 73,663 | | 4–b |
| Deferred Tax Liabilities for Land Revaluation | 2,381 | | 4–c |
| Acceptances and Guarantees | 562,523 | | |
| Total Liabilities | 66,269,765 | | |
| **(Net Assets)** | | | |
| Capital Stock | 342,037 | | 1–a |
| Capital Surplus | 342,889 | | 1–b |
| Retained Earnings | 1,547,162 | | 1–c |
| Total Shareholders' Equity | 2,232,088 | | |
| Valuation Differences on Available-for-Sale Securities | 269,861 | | |
| Deferred Gains (Losses) on Hedges | (47,792) | | 5 |
| Revaluation Reserve for Land | (4,479) | | |
| Foreign Currency Translation Adjustments | 12,202 | | |
| Adjustments for Retirement Benefits | (23,175) | | |
| Total Accumulated Other Comprehensive Income | 206,616 | (a) | |
| Non-controlling Interests | 29,517 | | 7 |
| Total Net Assets | 2,468,222 | | |
| Total Liabilities and Net Assets | ¥ 68,737,987 | | |

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

## 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 | 342,889 | | 1–b |
| Retained Earnings | 1,547,162 | | 1–c |
| Total Shareholders' Equity | ¥ 2,232,088 | | |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings | ¥ 2,232,088 | Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed)) | |
| of Which: Capital Stock and Capital Surplus | 684,926 | | 1a |
| of Which: Retained Earnings | 1,547,162 | | 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 assets

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Intangible Fixed Assets | ¥ 108,362 | | 2–a |
| Securities | 6,804,176 | | 2–b |
| of Which: Goodwill Arising on the Application of the Equity Method | — | | |
| | | | |
| Associated Deferred Tax Liabilities | 30,629 | | |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent) | ¥ 8,079 | | 8 |
| Other Intangible Assets (Net of Related Deferred Tax Liabilities) | 69,654 | 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 (Assets for Retirement Benefits)

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Assets for Retirement Benefits | ¥ 232,599 | | 3 |
| | | | |
| Associated Deferred Tax Liabilities | 71,236 | | |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities) | ¥ 161,362 | | 15 |

## 4. Deferred tax assets

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Deferred Tax Assets | ¥ 22,951 | | 4–a |
| Deferred Tax Liabilities | 73,663 | | 4–b |
| Deferred Tax Liabilities for Land Revaluation | 2,381 | | 4–c |
| | | | |
| Associated Intangible Fixed Assets | 30,629 | | |
| Associated Assets for Retirement Benefits | 71,236 | | |

### (2) Composition of capital

| Items in the Composition of Capital | 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) | ¥ 408 | 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) | 48,363 | 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) | 48,363 | | 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 (Losses) on Hedges | ¥ (47,792) | | 5 |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Deferred Gains or Losses on Derivatives under Hedge Accounting | ¥ (48,610) | Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income" | 11 |

## 6. Investments in the Capital and Other TLAC Liabilities of Financial Entities

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Money Held in Trust | ¥ 1,442 | | 6–a |
| Securities | 6,804,176 | | 6–b |
| Loans and Bills Discounted | 31,810,926 | Including Subordinated Debts | 6–c |
| Other Assets | 3,781,008 | Including derivatives | 6–d |
| Other Liabilities | ¥ 3,019,064 | Including derivatives | 6–e |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Investments in Own Capital | ¥ — | | |
| Common Equity Tier 1 Capital | — | | 16 |
| Additional Tier 1 Capital | — | | 37 |
| Tier 2 Capital | — | | 52 |
| Reciprocal Cross-Holdings in the Capital and Other TLAC Liabilities | — | | |
| Common Equity Tier 1 Capital | — | | 17 |
| Additional Tier 1 Capital | — | | 38 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 53 |
| Investments in the Capital and Other TLAC Liabilities 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 | 172,436 | | |
| Common Equity Tier 1 Capital | — | | 18 |
| Additional Tier 1 Capital | — | | 39 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 54 |
| Amount below the Thresholds for Deduction (before risk weighting) | 172,436 | | 72 |
| Significant Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions | 116,144 | | |
| Amount above the 10% Threshold on the Specified Items | — | | 19 |
| Amount exceeding the 15% Threshold on the Specified Items | — | | 23 |
| Additional Tier 1 Capital | 10 | | 40 |
| Tier 2 Capital and Other TLAC Liabilities | 1,540 | | 55 |
| Amount below the Thresholds for Deduction (before risk weighting) | 114,594 | | 73 |

## 7. Non-controlling Interests

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Non-controlling Interests | ¥ 29,517 | | 7 |

### (2) Composition of capital

| Items in the Composition of Capital | 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) | ¥ — | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 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) | 13,749 | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 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) | 3,049 | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 48–49 |

## 8. Other Capital Instruments

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Borrowed Money | ¥ 6,629,543 | | 8 |

### (2) Composition of capital

| Items in the Composition of Capital | 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 | ¥ 270,000 | | 32 |
| Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards | 270,630 | | 46 |

## Fiscal Year 2021

| CC2 Items | a Consolidated Balance Sheet (Millions of Yen) | c Ref. No. of Composition of Capital | d Ref. No. of Appendix |
|---|---|---|---|
| **(Assets)** | | | |
| Cash and Due from Banks | ¥ 18,142,775 | | |
| Call Loans and Bills Bought | 5,000 | | |
| Receivables under Resale Agreements | 150,741 | | |
| Receivables under Securities Borrowing Transactions | 652,534 | | |
| Monetary Claims Bought | 854,093 | | |
| Trading Assets | 967,565 | | |
| Money Held in Trust | 1,395 | | |
| Securities | 7,748,019 | | 2–b, 6–a |
| Loans and Bills Discounted | 30,876,507 | | 6–b |
| Foreign Exchanges | 29,494 | | |
| Lease Receivables and Investment Assets | 688,141 | | |
| Other Assets | 3,302,723 | | 6–c |
| Tangible Fixed Assets | 231,770 | | |
| Intangible Fixed Assets | 100,109 | | 2–a |
| Assets for Retirement Benefits | 192,204 | | 3 |
| Deferred Tax Assets | 25,791 | | 4–a |
| Customers' Liabilities for Acceptances and Guarantees | 541,228 | | |
| Allowance for Loan Losses | (163,369) | | |
| Total Assets | ¥ 64,346,726 | | |

| CC2 Items | a Consolidated Balance Sheet (Millions of Yen) | c Ref. No. of Composition of Capital | d Ref. No. of Appendix |
|---|---|---|---|
| **(Liabilities)** | | | |
| Deposits | ¥ 33,271,789 | | |
| Negotiable Certificates of Deposit | 6,691,944 | | |
| Call Money and Bills Sold | 799,524 | | |
| Payables under Repurchase Agreements | 1,485,033 | | |
| Trading Liabilities | 906,686 | | |
| Borrowed Money | 7,783,498 | | 8 |
| Foreign Exchanges | 1,275 | | |
| Short-term Bonds Payable | 2,387,553 | | |
| Bonds Payable | 1,446,604 | | |
| Borrowed Money from Trust Account | 4,298,827 | | |
| Other Liabilities | 2,279,211 | | 6–d |
| Provision for Bonuses | 12,668 | | |
| Provision for Directors' Bonuses | 98 | | |
| Provision for Stocks Payment | 569 | | |
| Liabilities for Retirement Benefits | 11,380 | | |
| Provision for Reward Points Program | 19,965 | | |
| Provision for Reimbursement of Deposits | 3,626 | | |
| Provision for Contingent Losses | 1,649 | | |
| Deferred Tax Liabilities | 52,690 | | 4–b |
| Deferred Tax Liabilities for Land Revaluation | 2,388 | | 4–c |
| Acceptances and Guarantees | 541,228 | | |
| Total Liabilities | 61,998,216 | | |
| **(Net Assets)** | | | |
| Capital Stock | 342,037 | | 1–a |
| Capital Surplus | 342,853 | | 1–b |
| Retained Earnings | 1,429,874 | | 1–c |
| Total Shareholders' Equity | 2,114,764 | | |
| Valuation Differences on Available-for-Sale Securities | 290,154 | | |
| Deferred Gains (Losses) on Hedges | (41,661) | | 5 |
| Revaluation Reserve for Land | (4,456) | | |
| Foreign Currency Translation Adjustments | 3,713 | | |
| Adjustments for Retirement Benefits | (42,703) | | |
| Total Accumulated Other Comprehensive Income | 205,045 | (a) | |
| Non-controlling Interests | 28,699 | | 7 |
| Total Net Assets | 2,348,510 | | |
| Total Liabilities and Net Assets | ¥ 64,346,726 | | |

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

## 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 | 342,853 | | 1–b |
| Retained Earnings | 1,429,874 | | 1–c |
| Total Shareholders' Equity | ¥ 2,114,764 | | |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings | ¥ 2,114,764 | Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed)) | |
| of Which: Capital Stock and Capital Surplus | 684,890 | | 1a |
| of Which: Retained Earnings | 1,429,874 | | 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 assets

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Intangible Fixed Assets | ¥ 100,109 | | 2–a |
| Securities | 7,748,019 | | 2–b |
| of Which: Goodwill Arising on the Application of the Equity Method | — | | |
| | | | |
| Associated Deferred Tax Liabilities | 26,912 | | |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent) | ¥ 12,478 | | 8 |
| Other Intangible Assets (Net of Related Deferred Tax Liabilities) | 60,719 | 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 (Assets for Retirement Benefits)

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Assets for Retirement Benefits | ¥ 192,204 | | 3 |
| | | | |
| Associated Deferred Tax Liabilities | 58,866 | | |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities) | ¥ 133,337 | | 15 |

## 4. Deferred tax assets

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Deferred Tax Assets | ¥ 25,791 | | 4–a |
| Deferred Tax Liabilities | 52,690 | | 4–b |
| Deferred Tax Liabilities for Land Revaluation | 2,388 | | 4–c |
| | | | |
| Associated Intangible Fixed Assets | 26,912 | | |
| Associated Assets for Retirement Benefits | 58,866 | | |

### (2) Composition of capital

| Items in the Composition of Capital | 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) | ¥ 450 | 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) | 56,041 | 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) | 56,041 | | 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 (Losses) on Hedges | ¥ (41,661) | | 5 |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Deferred Gains or Losses on Derivatives under Hedge Accounting | ¥ (60,924) | Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income" | 11 |

## 6. Investments in the Capital and Other TLAC Liabilities of Financial Entities

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Securities | ¥ 7,748,019 | | 6–a |
| Loans and Bills Discounted | 30,876,507 | Including Subordinated Debts | 6–b |
| Other Assets | 3,302,723 | Including derivatives | 6–c |
| Other Liabilities | ¥ 2,279,211 | Including derivatives | 6–d |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Investments in Own Capital | ¥ — | | |
| Common Equity Tier 1 Capital | — | | 16 |
| Additional Tier 1 Capital | — | | 37 |
| Tier 2 Capital | — | | 52 |
| Reciprocal Cross-Holdings in the Capital and Other TLAC Liabilities | — | | |
| Common Equity Tier 1 Capital | — | | 17 |
| Additional Tier 1 Capital | — | | 38 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 53 |
| Investments in the Capital and Other TLAC Liabilities 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 | 98,717 | | |
| Common Equity Tier 1 Capital | — | | 18 |
| Additional Tier 1 Capital | — | | 39 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 54 |
| Amount below the Thresholds for Deduction (before risk weighting) | 98,717 | | 72 |
| Significant Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions | 132,909 | | |
| Amount above the 10% Threshold on the Specified Items | — | | 19 |
| Amount exceeding the 15% Threshold on the Specified Items | — | | 23 |
| Additional Tier 1 Capital | 10 | | 40 |
| Tier 2 Capital and Other TLAC Liabilities | 1,540 | | 55 |
| Amount below the Thresholds for Deduction (before risk weighting) | 131,359 | | 73 |

## 7. Non-controlling Interests

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Non-controlling Interests | ¥ 28,699 | | 7 |

### (2) Composition of capital

| Items in the Composition of Capital | 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) | ¥ — | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 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) | 11,379 | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 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) | 2,163 | After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments) | 48–49 |

## 8. Other Capital Instruments

### (1) Consolidated balance sheet

| Consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Borrowed Money | ¥ 7,783,498 | | 8 |

### (2) Composition of capital

| Items in the Composition of Capital | 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 | ¥ 270,000 | | 32 |
| Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards | 339,855 | | 46 |

## Credit Risk

Consolidated

### Term-end Balance of Credit Risk Exposures by Category and their Breakdown by Major Type of Assets

Millions of Yen

| As of March 31 | 2023 Term-end balance of exposures | | | | 2022 Term-end balance of exposures | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | Loans, Call Loans, Deposits, etc. | Securities | Other Off-balance Sheet Transactions | Total | Loans, Call Loans, Deposits, etc. | Securities | Other Off-balance Sheet Transactions |
| Japan | ¥ 55,625,020 | ¥ 48,618,240 | ¥ 3,101,635 | ¥ 3,905,145 | ¥ 52,637,996 | ¥ 44,467,458 | ¥ 4,389,401 | ¥ 3,781,137 |
| Outside Japan | 8,055,672 | 5,855,508 | 1,320,461 | 879,702 | 7,000,315 | 5,432,862 | 1,102,540 | 464,912 |
| Total for Geographic Regions | ¥ 63,680,692 | ¥ 54,473,748 | ¥ 4,422,096 | ¥ 4,784,847 | ¥ 59,638,311 | ¥ 49,900,320 | ¥ 5,491,941 | ¥ 4,246,049 |
| | | | | | | | | |
| Manufacturing | 4,927,457 | 3,236,020 | 380,104 | 1,311,332 | 4,713,051 | 3,092,841 | 351,745 | 1,268,464 |
| Agriculture and Forestry | 5,744 | 5,744 | 0 | — | 4,117 | 4,117 | 0 | — |
| Fisheries | 95 | 1 | 94 | — | 66 | 1 | 64 | — |
| Mining and Quarrying of Stones and Gravel | 134,585 | 73,056 | 201 | 61,327 | 80,924 | 68,005 | 162 | 12,756 |
| Construction | 376,851 | 259,171 | 25,301 | 92,377 | 335,291 | 212,858 | 22,894 | 99,538 |
| Electricity, Gas, Heat Supply and Water | 1,671,358 | 1,447,385 | 32,007 | 191,965 | 1,604,628 | 1,309,216 | 29,248 | 266,163 |
| Information and Communication | 444,852 | 326,659 | 3,480 | 114,711 | 463,918 | 358,425 | 3,259 | 102,233 |
| Transport and Postal Activities | 1,481,175 | 1,167,751 | 112,976 | 200,447 | 1,578,711 | 1,250,310 | 110,113 | 218,286 |
| Wholesale and Retail Trade | 1,993,863 | 1,602,412 | 58,586 | 332,864 | 1,993,066 | 1,618,779 | 56,561 | 317,725 |
| Finance and Insurance | 2,161,869 | 1,437,299 | 467,562 | 257,007 | 2,132,779 | 1,379,681 | 489,019 | 264,078 |
| Real Estate | 4,063,364 | 3,378,226 | 373,862 | 311,275 | 4,157,535 | 3,513,530 | 363,138 | 280,866 |
| Goods Rental and Leasing | 1,275,922 | 1,163,694 | 3,712 | 108,515 | 1,282,325 | 1,109,573 | 3,632 | 169,119 |
| Local Public Bodies | 146,314 | 102,956 | 38,117 | 5,240 | 153,741 | 114,366 | 33,919 | 5,455 |
| Individuals | 11,754,441 | 11,471,425 | — | 283,015 | 11,798,546 | 11,509,294 | — | 289,252 |
| Others | 33,242,796 | 28,801,942 | 2,926,088 | 1,514,765 | 29,339,607 | 24,359,317 | 4,028,181 | 952,108 |
| Total for Industry Sectors | ¥ 63,680,692 | ¥ 54,473,748 | ¥ 4,422,096 | ¥ 4,784,847 | ¥ 59,638,311 | ¥ 49,900,320 | ¥ 5,491,941 | ¥ 4,246,049 |
| | | | | | | | | |
| To 1 year | 28,654,585 | 26,093,165 | 963,699 | 1,597,720 | 25,729,450 | 22,023,311 | 2,259,777 | 1,446,360 |
| > 1 year to 3 years | 8,091,437 | 5,555,266 | 1,051,603 | 1,484,567 | 7,275,422 | 5,104,110 | 801,988 | 1,369,323 |
| > 3 years to 5 years | 7,074,267 | 5,592,276 | 854,597 | 627,393 | 7,305,938 | 5,755,275 | 933,053 | 617,609 |
| > 5 years | 19,860,401 | 17,233,039 | 1,552,195 | 1,075,166 | 19,327,501 | 17,017,623 | 1,497,122 | 812,755 |
| Total for Residual Maturity | ¥ 63,680,692 | ¥ 54,473,748 | ¥ 4,422,096 | ¥ 4,784,847 | ¥ 59,638,311 | ¥ 49,900,320 | ¥ 5,491,941 | ¥ 4,246,049 |

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 exposures subject to phased rollout of the IRB Approach.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for residual maturity of over 5 years include those with no fixed maturities.
3. 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.

## Term-end Balance of Obligors' exposures related to Loans prescribed in the provisions of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of the Financial Functions, Allowances, and Write-offs, as well as their Breakdown by Geographic Regions and Industry Sectors

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | As of March 31, 2023 | | FY2022 | As of March 31, 2022 | | FY2021 |
| | Term-end balance of exposures | Allowances for loan losses | Write-offs | Term-end balance of exposures | Allowances for loan losses | Write-offs |
| Japan | ¥ 127,585 | ¥ 44,531 | ¥ 43,581 | ¥ 184,932 | ¥ 78,127 | ¥ 10,974 |
| Outside Japan | 36,395 | 7,282 | 2,543 | 54,258 | 7,989 | 2,675 |
| Total for Geographic Regions | ¥ 163,981 | ¥ 51,814 | ¥ 46,125 | ¥ 239,191 | ¥ 86,116 | ¥ 13,650 |
| | | | | | | |
| Manufacturing | 64,889 | 35,706 | 39,494 | 101,488 | 60,168 | 5,743 |
| Agriculture and Forestry | 127 | 77 | — | 144 | 86 | — |
| Fisheries | 0 | 0 | — | 3 | 3 | — |
| Mining and Quarrying of Stones and Gravel | 10 | 1 | — | 10 | 1 | — |
| Construction | 814 | 561 | 6 | 599 | 458 | 24 |
| Electricity, Gas, Heat Supply and Water | 17 | 0 | — | 41 | 0 | — |
| Information and Communication | 83 | 68 | 2 | 88 | 72 | 4 |
| Transport and Postal Activities | 1,826 | 741 | 16 | 2,501 | 791 | 5 |
| Wholesale and Retail Trade | 2,462 | 1,143 | 2 | 8,226 | 5,779 | 6 |
| Finance and Insurance | 345 | 64 | 39 | 1,636 | 264 | 5 |
| Real Estate | 10,651 | 213 | 125 | 15,142 | 709 | 171 |
| Goods Rental and Leasing | 205 | 118 | 2,465 | 3,136 | 2,710 | 0 |
| Local Public Bodies | — | — | — | — | — | — |
| Individuals | 38,212 | 2,324 | 1,391 | 44,953 | 4,057 | 4,972 |
| Others | 44,335 | 10,791 | 2,582 | 61,218 | 11,012 | 2,717 |
| Total for Industry Sectors | ¥ 163,981 | ¥ 51,814 | ¥ 46,125 | ¥ 239,191 | ¥ 86,116 | ¥ 13,650 |

Notes: 1. "Others" in the industry sectors include non-residents.
2. Allowances for loan losses include "general allowances for loan losses" and "specific allowances for loan losses", etc.

## Term-end Balance of Exposures by Past Due Periods (excluding "Doubtful Claims" and "Bankrupt and substantially bankrupt Claims")

| | Millions of Yen | |
|---|---|---|
| As of March 31 | **2023** | 2022 |
| < 1 month | **¥ 55,832** | ¥ 57,015 |
| ≥ 1 month to < 2 months | **11,027** | 11,072 |
| ≥ 2 months to < 3 months | **10,419** | 9,053 |
| ≥ 3 months | **—** | — |
| Total | **¥ 77,280** | ¥ 77,141 |

Note: Among the term-end balance of exposures for each past due period, "Doubtful Claims" and "Bankrupt and substantially bankrupt Claims" prescribed in the provisions of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of the Financial Functions are excluded, in aggregate calculation.

## Term-end Balance of Exposures of obligors whose loan conditions were Restructured for the purpose of restructuring or supporting business management ; of which Amounts of Increased Allowances for such exposures and Other Amounts due to the restructuring of the loan conditions

| | Millions of Yen | |
|---|---|---|
| As of March 31 | **2023** | 2022 |
| Amounts of Increased Allowances for Such Exposures Due to the Restructuring of the Loan Conditions | **¥ 46,391** | ¥ 80,131 |
| Other Amounts | **—** | — |
| Term-end Balance of Exposures | **¥ 46,391** | ¥ 80,131 |

Note: Restructured loans are those loans that provide some arrangements favorable to the obligors for the purpose of restructuring or supporting business management, such as by reducing or exempting interest, postponing principal or interest payments, forgiving loans, and providing other benefits to the obligors, excluding those loans classified as "Loans in Bankruptcy Procedures", "Delinquent Loans", and "Loans past due three months or more". In principle, the allowances for restructured loans has been all increased after restructuring loan conditions.

## Equity Investments in Funds

Consolidated

### Exposures Relating to Funds

| As of March 31 | Millions of Yen 2023 | 2022 |
|---|---|---|
| Total exposures relating to funds | **¥ 1,364,618** | ¥ 1,163,332 |
| Look-through Approach | **999,434** | 803,115 |
| Mandate-based Approach | **365,079** | 360,100 |
| Probability Approach (subject to 250% risk weight) | **—** | — |
| Probability Approach (subject to 400% risk weight) | **—** | — |
| Fall-Back Approach (subject to 1,250% risk weight) | **104** | 115 |

Note: Exposures subject to the calculation of credit risk-weighted assets under the provisions of Article 76-5 and 167 of the FSA Capital Adequacy Notification are shown.

## Disclosure Data Designated as Per the Appended Forms

Consolidated

### OV1: Overview of Risk-weighted assets (RWA)

| OV1 Basel III Template No. | | Millions of Yen | | | |
|---|---|---|---|---|---|
| | | Risk-weighted assets (RWA) | | Minimum capital requirements | |
| | | **March 31, 2023** | March 31, 2022 | **March 31, 2023** | March 31, 2022 |
| 1 | Credit risk (excluding counterparty credit risk) | **¥ 13,446,715** | ¥ 12,355,554 | **¥ 1,134,377** | ¥ 1,042,867 |
| 2 | of Which: Standardised Approach (SA) | **540,033** | 396,270 | **43,202** | 31,701 |
| 3 | of Which: Internal Ratings-Based (IRB) Approach | **12,216,740** | 11,338,133 | **1,035,979** | 961,473 |
| | of Which: Significant investments in commercial entities | **—** | — | **—** | — |
| | of Which: Lease residual value | **138,902** | 66,079 | **11,112** | 5,286 |
| | Other assets | **551,038** | 555,070 | **44,083** | 44,405 |
| 4 | Counterparty credit risk (CCR) | **1,234,326** | 1,271,434 | **100,608** | 103,802 |
| 5 | of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR) | **—** | — | **—** | — |
| | of Which: Current Exposure Method (CEM) | **375,138** | 408,955 | **31,795** | 34,671 |
| 6 | of Which: Expected Positive Exposure (EPE) | **—** | — | **—** | — |
| | of Which: Credit Valuation Adjustment (CVA) | **644,308** | 659,988 | **51,544** | 52,799 |
| | of Which: Central Counterparty (CCP) | **76,398** | 55,007 | **6,111** | 4,400 |
| | Others | **138,481** | 147,482 | **11,156** | 11,930 |
| 7 | Equity positions in banking book under market-based approach | **279,851** | 207,882 | **23,731** | 17,628 |
| 8 | Equity investment in funds (Look-Through Approach (LTA)) | **1,987,297** | 893,938 | **158,983** | 71,515 |
| 9 | Equity investment in funds (Mandate-Based Approach (MBA)) | **1,561,034** | 1,228,579 | **124,882** | 98,286 |
| | Equity investment in funds (Probability Approach (PA) subject to 250% risk weight) | **—** | — | **—** | — |
| | Equity investment in funds (Probability Approach (PA) subject to 400% risk weight) | **—** | — | **—** | — |
| 10 | Equity investment in funds (Fall-Back Approach (FBA) subject to 1,250% risk weight) | **1,311** | 1,448 | **104** | 115 |
| 11 | Settlement risk | **—** | — | **—** | — |
| 12 | Securitisation exposures in banking book | **320,847** | 357,010 | **25,667** | 28,560 |
| 13 | of Which: Internal Rating-Based Approach (SEC-IRBA) | **303,454** | 341,805 | **24,276** | 27,344 |
| 14 | of Which: External Rating-Based Approach (SEC-ERBA) | **17,232** | 14,852 | **1,378** | 1,188 |
| 15 | of Which: Standardised Approach (SEC-SA) | **—** | — | **—** | — |
| | of Which: Subject to 1,250% risk weight | **160** | 352 | **12** | 28 |
| 16 | Market risk | **1,794,366** | 1,252,756 | **143,549** | 100,220 |
| 17 | of Which: Standardised Approach (SA) | **38,300** | 17,900 | **3,064** | 1,432 |
| 18 | of Which: Internal Model Approaches (IMA) | **1,756,065** | 1,234,856 | **140,485** | 98,788 |
| 19 | Operational risk | **831,832** | 806,414 | **66,546** | 64,513 |
| 20 | of Which: Basic Indicator Approach (BIA) | **132,991** | 129,679 | **10,639** | 10,374 |
| 21 | of Which: The Standardised Approach (TSA) | **—** | — | **—** | — |
| 22 | of Which: Advanced Measurement Approach (AMA) | **698,841** | 676,735 | **55,907** | 54,138 |
| 23 | Amounts below the thresholds for deduction (subject to 250% risk weight) | **407,314** | 468,441 | **34,540** | 39,723 |
| | Amounts included under transitional arrangements | **—** | — | **—** | — |
| 24 | Floor adjustment | **—** | — | **—** | — |
| 25 | Total (after applying scaling factor) | **¥ 22,662,408** | ¥ 19,590,422 | **¥ 1,812,992** | ¥ 1,567,233 |

Note: Total risk-weighted assets of Template No.25 are only applied scaling factor.

## LI1: Differences between accounting and regulatory scopes of consolidation and mapping of consolidated financial statement categories with regulatory risk categories

| LI1 | Millions of Yen | | | | | | |
|---|---|---|---|---|---|---|---|
| | March 31, 2023 | | | | | | |
| | a | b | c | d | e | f | g |
| | | | Carrying values of items | | | | |
| | Carrying values as reported in published consolidated financial statement | Carrying values under scope of regulatory consolidation | Credit risk (excluding amounts relevant to columns d and e) | Counterparty credit risk | Securitisation (excluding amounts relevant to column f) | Market risk | Items not subject to capital requirements or subject to deduction from capital |
| **Assets:** | | | | | | | |
| Cash and Due from Banks | ¥ 21,522,753 | ¥ 21,522,753 | ¥ — | ¥ — | ¥ — | ¥ — | |
| Call Loans and Bills Bought | 24,006 | 24,006 | — | — | — | — | |
| Receivables under Resale Agreements | 110,003 | — | 110,003 | — | — | — | |
| Receivables under Securities Borrowing Transactions | 436,093 | — | 436,093 | — | — | — | |
| Monetary Claims Bought | 970,058 | 856,703 | — | 113,354 | — | — | |
| Trading Assets | 1,514,603 | — | 1,448,705 | — | 1,514,603 | — | |
| Money Held in Trust | 1,442 | 1,442 | — | — | — | — | |
| Securities | 6,804,176 | 6,101,417 | — | 702,758 | — | — | |
| Loans and Bills Discounted | 31,810,926 | 31,428,425 | — | 382,500 | — | — | |
| Foreign Exchanges | 47,445 | 47,445 | — | — | — | — | |
| Lease Receivables and Investment Assets | 688,933 | 688,933 | — | — | — | — | |
| Other Assets | 3,781,008 | 506,710 | 2,675,996 | 9,660 | 1,739,276 | 588,641 | |
| Tangible Fixed Assets | 230,096 | 230,096 | — | — | — | — | |
| Intangible Fixed Assets | 108,362 | 30,629 | — | — | — | 77,733 | |
| Assets for Retirement Benefits | 232,599 | 71,236 | — | — | — | 161,362 | |
| Deferred Tax Assets | 22,951 | 22,543 | — | — | — | 408 | |
| Customers' Liabilities for Acceptances and Guarantees | 562,523 | 562,523 | — | — | — | — | |
| Allowance for Loan Losses | (129,998) | (129,998) | — | — | — | — | |
| **Total Assets** | ¥ 68,737,987 | ¥ 61,964,870 | ¥ 4,670,799 | ¥ 1,208,273 | ¥ 3,253,880 | ¥ 828,146 | |
| **Liabilities:** | | | | | | | |
| Deposits | ¥ 35,417,923 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 35,417,923 | |
| Negotiable Certificates of Deposit | 7,520,005 | — | — | — | — | 7,520,005 | |
| Call Money and Bills Sold | 1,912,878 | — | — | — | — | 1,912,878 | |
| Payables under Repurchase Agreements | 1,030,780 | — | 1,030,780 | — | — | — | |
| Trading Liabilities | 1,472,636 | — | 1,472,636 | — | 1,472,657 | — | |
| Borrowed Money | 6,629,543 | — | — | — | — | 6,629,543 | |
| Foreign Exchanges | 847 | — | — | — | — | 847 | |
| Short-Term Bonds Payable | 2,332,377 | — | — | — | — | 2,332,377 | |
| Bonds Payable | 1,911,760 | — | — | — | — | 1,911,760 | |
| Borrowed Money from Trust Account | 4,332,472 | — | — | — | — | 4,332,472 | |
| Other Liabilities | 3,019,064 | — | 2,304,121 | — | 1,932,401 | 714,942 | |
| Provision for Bonuses | 12,902 | — | — | — | — | 12,902 | |
| Provision for Directors' Bonuses | 95 | — | — | — | — | 95 | |
| Provision for Stocks Payment | 810 | — | — | — | — | 810 | |
| Liabilities for Retirement Benefits | 11,442 | — | — | — | — | 11,442 | |
| Provision for Reward Points Program | 21,282 | — | — | — | — | 21,282 | |
| Provision for Reimbursement of Deposits | 3,028 | — | — | — | — | 3,028 | |
| Provision for Contingent Losses | 1,344 | — | — | — | — | 1,344 | |
| Deferred Tax Liabilities | 73,663 | — | — | — | — | 73,663 | |
| Deferred Tax Liabilities for Land Revaluation | 2,381 | — | — | — | — | 2,381 | |
| Acceptances and Guarantees | 562,523 | — | — | — | — | 562,523 | |
| **Total Liabilities** | ¥ 66,269,765 | ¥ — | ¥ 4,807,539 | ¥ — | ¥ 3,405,058 | ¥ 61,462,226 | |

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the sum of amounts in Columns a and b is not equal to the sum of amounts in Columns c to g.
2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

| LI1 | Millions of Yen | | | | | | |
|---|---|---|---|---|---|---|---|
| | March 31, 2022 | | | | | | |
| | a | b | c | d | e | f | g |
| | | | Carrying values of items | | | | |
| | Carrying values as reported in published consolidated financial statement | Carrying values under scope of regulatory consolidation | Credit risk (excluding amounts relevant to columns d and e) | Counterparty credit risk | Securitisation (excluding amounts relevant to column f) | Market risk | Items not subject to capital requirements or subject to deduction from capital |
| Assets: | | | | | | | |
| Cash and Due from Banks | ¥ 18,142,775 | ¥ 18,142,775 | ¥ — | ¥ — | ¥ — | ¥ — | |
| Call Loans and Bills Bought | 5,000 | 5,000 | — | — | — | — | |
| Receivables under Resale Agreements | 150,741 | — | 150,741 | — | — | — | |
| Receivables under Securities Borrowing Transactions | 652,534 | — | 652,534 | — | — | — | |
| Monetary Claims Bought | 854,093 | 749,019 | — | 105,073 | — | — | |
| Trading Assets | 967,565 | — | 954,747 | — | 967,565 | — | |
| Money Held in Trust | 1,395 | 1,395 | — | — | — | — | |
| Securities | 7,748,019 | 7,149,882 | — | 598,136 | — | — | |
| Loans and Bills Discounted | 30,876,507 | 30,511,438 | — | 365,069 | — | — | |
| Foreign Exchanges | 29,494 | 29,494 | — | — | — | — | |
| Lease Receivables and Investment Assets | 688,141 | 688,141 | — | — | — | — | |
| Other Assets | 3,302,723 | 109,357 | 2,562,911 | 1,570 | 1,500,702 | 628,884 | |
| Tangible Fixed Assets | 231,770 | 231,770 | — | — | — | — | |
| Intangible Fixed Assets | 100,109 | 26,912 | — | — | — | 73,197 | |
| Assets for Retirement Benefits | 192,204 | 58,866 | — | — | — | 133,337 | |
| Deferred Tax Assets | 25,791 | 25,341 | — | — | — | 450 | |
| Customers' Liabilities for Acceptances and Guarantees | 541,228 | 541,228 | — | — | — | — | |
| Allowance for Loan Losses | (163,369) | (163,369) | — | — | — | — | |
| Total Assets | ¥ 64,346,726 | ¥ 58,107,254 | ¥ 4,320,935 | ¥ 1,069,850 | ¥ 2,468,267 | ¥ 835,868 | |
| Liabilities: | | | | | | | |
| Deposits | ¥ 33,271,789 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 33,271,789 | |
| Negotiable Certificates of Deposit | 6,691,944 | — | — | — | — | 6,691,944 | |
| Call Money and Bills Sold | 799,524 | — | — | — | — | 799,524 | |
| Payables under Repurchase Agreements | 1,485,033 | — | 1,485,033 | — | — | — | |
| Trading Liabilities | 906,686 | — | 906,686 | — | 906,686 | — | |
| Borrowed Money | 7,783,498 | — | — | — | — | 7,783,498 | |
| Foreign Exchanges | 1,275 | — | — | — | — | 1,275 | |
| Short-Term Bonds Payable | 2,387,553 | — | — | — | — | 2,387,553 | |
| Bonds Payable | 1,446,604 | — | — | — | — | 1,446,604 | |
| Borrowed Money from Trust Account | 4,298,827 | — | — | — | — | 4,298,827 | |
| Other Liabilities | 2,279,211 | — | 1,732,753 | — | 1,571,382 | 546,457 | |
| Provision for Bonuses | 12,668 | — | — | — | — | 12,668 | |
| Provision for Directors' Bonuses | 98 | — | — | — | — | 98 | |
| Provision for Stocks Payment | 569 | — | — | — | — | 569 | |
| Liabilities for Retirement Benefits | 11,380 | — | — | — | — | 11,380 | |
| Provision for Reward Points Program | 19,965 | — | — | — | — | 19,965 | |
| Provision for Reimbursement of Deposits | 3,626 | — | — | — | — | 3,626 | |
| Provision for Contingent Losses | 1,649 | — | — | — | — | 1,649 | |
| Deferred Tax Liabilities | 52,690 | — | — | — | — | 52,690 | |
| Deferred Tax Liabilities for Land Revaluation | 2,388 | — | — | — | — | 2,388 | |
| Acceptances and Guarantees | 541,228 | — | — | — | — | 541,228 | |
| Total Liabilities | ¥ 61,998,216 | ¥ — | ¥ 4,124,474 | ¥ — | ¥ 2,478,068 | ¥ 57,873,742 | |

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the sum of amounts in Columns a and b is not equal to the sum of amounts in Columns c to g.
2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

## LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

| LI2 | | Millions of Yen | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | |
| | | a | b | c | d | e |
| Item No. | | | Items subject to: | | | |
| | | Total | Credit risk (excluding amounts relevant to columns c and d) | Counterparty credit risk | Securitisation (excluding amounts relevant to column e) | Market risk |
| 1 | Asset carrying value amount under scope of regulatory consolidation | ¥ 67,909,841 | ¥ 61,964,870 | ¥ 4,670,799 | ¥ 1,208,273 | ¥ 3,253,880 |
| 2 | Liabilities carrying value amount under scope of regulatory consolidation | 4,807,539 | — | 4,807,539 | — | 3,405,058 |
| 3 | Total net amount under regulatory scope of consolidation | 63,102,302 | 61,964,870 | (136,739) | 1,208,273 | (151,178) |
| 4 | Off-balance sheet amounts | 5,146,801 | 4,816,845 | — | 329,956 | — |
| 5 | Differences due to netting, the exposure calculation method, etc. | 3,173,161 | — | 3,839,858 | — | (666,697) |
| 6 | Differences due to consideration of allowances and write-offs | 23,682 | 23,682 | — | — | — |
| 7 | Other | 48,363 | 48,363 | — | — | — |
| 8 | Regulatory exposure amounts | 71,494,311 | 66,853,762 | 3,703,118 | 1,538,229 | (817,875) |

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the amount in Column a is not equal to the sum of amounts in Columns b to e, for Item No. 1, 2, 3, and 8.

2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

3. The major factors in the difference between the amount of exposure in the capital regulatory standards and the amount posted in the consolidated balance sheet for each risk category are as follows:
- Credit risk and securitisation exposures: Differences due to taking into account off-balance sheet amounts, allowances and write-offs
- Counterparty credit risk: Difference due to netting, the application of the credit risk mitigation techniques, and the application of the Current Exposure Method to the exposure calculation method
- Market risk: Difference due to netting, etc.

| LI2 | | Millions of Yen | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | |
| | | a | b | c | d | e |
| Item No. | | Total | Items subject to: Credit risk (excluding amounts relevant to columns c and d) | Items subject to: Counterparty credit risk | Items subject to: Securitisation (excluding amounts relevant to column e) | Items subject to: Market risk |
| 1 | Asset carrying value amount under scope of regulatory consolidation | ¥ 63,510,857 | ¥ 58,107,254 | ¥ 4,320,935 | ¥ 1,069,850 | ¥ 2,468,267 |
| 2 | Liabilities carrying value amount under scope of regulatory consolidation | 4,124,474 | — | 4,124,474 | — | 2,478,068 |
| 3 | Total net amount under regulatory scope of consolidation | 59,386,383 | 58,107,254 | 196,460 | 1,069,850 | (9,801) |
| 4 | Off-balance sheet amounts | 4,268,179 | 3,934,062 | — | 334,117 | — |
| 5 | Differences due to netting, the exposure calculation method, etc. | 2,753,459 | — | 2,866,381 | — | (112,922) |
| 6 | Differences due to consideration of allowances and write-offs | 30,373 | 30,373 | — | — | — |
| 7 | Other | 56,041 | 56,041 | — | — | — |
| 8 | Regulatory exposure amounts | 66,494,437 | 62,127,732 | 3,062,842 | 1,403,967 | (122,723) |

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the amount in Column a is not equal to the sum of amounts in Columns b to e, for Item No. 1, 2, 3, and 8.

2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

3. The major factors in the difference between the amount of exposure in the capital regulatory standards and the amount posted in the consolidated balance sheet for each risk category are as follows:
- Credit Risk and Securitisation Exposures: Differences due to off-balance sheet amounts, consideration of allowances and write-offs, and other adjustments such as deferred tax assets (temporary differences)
- Counterparty credit risk: Difference due to netting, the application of the credit risk mitigation techniques, and the application of the Current Exposure Method to the exposure calculation method
- Market risk: Difference due to netting, etc.

## CR1: Credit quality of assets

| CR1 | | Millions of Yen | | | |
|---|---|---|---|---|---|
| | | March 31, 2023 | | | |
| Item No. | | a | b | c | d |
| | | Gross carrying values of | | Allowances | Net values (a+b-c) |
| | | Defaulted exposures | Non-defaulted exposures | | |
| | On-balance sheet assets | | | | |
| 1 | Loans and Bills Discounted | ¥ 152,107 | ¥ 31,251,411 | ¥ 116,064 | ¥ 31,287,455 |
| 2 | Debt Securities | 0 | 3,553,686 | — | 3,553,686 |
| 3 | Other on-balance sheet assets (debt-based assets) | 13,832 | 23,208,918 | 13,216 | 23,209,533 |
| 4 | Total on-balance sheet assets (1+2+3) | 165,939 | 58,014,016 | 129,281 | 58,050,675 |
| | Off-balance sheet assets | | | | |
| 5 | Acceptances and Guarantees, etc. | 113 | 562,410 | 716 | 561,806 |
| 6 | Commitments, etc. | 42 | 5,040,259 | 1,344 | 5,038,957 |
| 7 | Total off-balance sheet assets (5+6) | 156 | 5,602,669 | 2,061 | 5,600,764 |
| | Total | | | | |
| 8 | Total (4+7) | ¥ 166,095 | ¥ 63,616,686 | ¥ 131,342 | ¥ 63,651,440 |

Note: The aggregate calculation on this statement does not include counterparty credit risk, the credit risk related to securitisation transactions, or the credit risk related to funds.

| CR1 | | Millions of Yen | | | |
|---|---|---|---|---|---|
| | | March 31, 2022 | | | |
| Item No. | | a | b | c | d |
| | | Gross carrying values of | | Allowances | Net values (a+b-c) |
| | | Defaulted exposures | Non-defaulted exposures | | |
| | On-balance sheet assets | | | | |
| 1 | Loans and Bills Discounted | ¥ 227,989 | ¥ 30,269,561 | ¥ 147,852 | ¥ 30,349,699 |
| 2 | Debt Securities | 749 | 4,663,271 | — | 4,664,020 |
| 3 | Other on-balance sheet assets (debt-based assets) | 16,124 | 19,689,885 | 14,630 | 19,691,380 |
| 4 | Total on-balance sheet assets (1+2+3) | 244,863 | 54,622,718 | 162,482 | 54,705,099 |
| | Off-balance sheet assets | | | | |
| 5 | Acceptances and Guarantees, etc. | 143 | 541,084 | 886 | 540,341 |
| 6 | Commitments, etc. | 1,367 | 4,328,591 | 1,649 | 4,328,309 |
| 7 | Total off-balance sheet assets (5+6) | 1,510 | 4,869,676 | 2,536 | 4,868,651 |
| | Total | | | | |
| 8 | Total (4+7) | ¥ 246,374 | ¥ 59,492,395 | ¥ 165,019 | ¥ 59,573,751 |

Note: The aggregate calculation on this statement does not include counterparty credit risk, the credit risk related to securitisation transactions, or the credit risk related to funds.

## CR2: Changes in stock of defaulted loans and debt securities

| CR2 Item No. | | | Millions of Yen<br>March 31, 2023<br>Amounts |
|---|---|---|---|
| 1 | Stock of defaulted loans and debt securities at the end of the previous fiscal year | | ¥ 244,863 |
| 2 | Changes in stock of loans and debt securities for each factor during the fiscal year | Of which: Newly defaulted | 28,466 |
| 3 | | Of which: Returning to non-defaulted status | 31,137 |
| 4 | | Of which: Written-offs | 46,489 |
| 5 | | Of which: Other factors | (29,763) |
| 6 | Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5) | | 165,939 |

Notes: 1. The end of the previous fiscal year indicates March 31, 2022, and the end of the fiscal year indicates March 31, 2023.
2. The main factor for the item 5. "Of which: Other factors" is the stock decrease caused by the collection of defaulted exposures.

| CR2 Item No. | | | Millions of Yen<br>March 31, 2022<br>Amounts |
|---|---|---|---|
| 1 | Stock of defaulted loans and debt securities at the end of the previous fiscal year | | ¥ 161,273 |
| 2 | Changes in stock of loans and debt securities for each factor during the fiscal year | Of which: Newly defaulted | 131,922 |
| 3 | | Of which: Returning to non-defaulted status | 10,117 |
| 4 | | Of which: Written-offs | 10,962 |
| 5 | | Of which: Other factors | (27,251) |
| 6 | Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5) | | 244,863 |

Notes: 1. The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.
2. The main factor for the item 5. "Of which: Other factors" is the stock decrease caused by the collection of defaulted exposures.

## CR3: Credit risk mitigation techniques (CRM) – overview

| CR3 Item No. | | Millions of Yen<br>March 31, 2023<br>a<br>Exposures unsecured | b<br>Exposures secured | c<br>Exposures secured by collateral | d<br>Exposures secured by financial guarantees | e<br>Exposures secured by credit derivatives |
|---|---|---|---|---|---|---|
| 1 | Loans and Bills Discounted | ¥ 29,922,767 | ¥ 1,364,687 | ¥ 396,547 | ¥ 278,130 | ¥ — |
| 2 | Debt Securities | 3,553,686 | — | — | — | — |
| 3 | Other on-balance sheet assets (debt-based assets) | 23,209,423 | 110 | 101 | 4 | — |
| 4 | Total (1+2+3) | ¥ 56,685,877 | ¥ 1,364,798 | ¥ 396,648 | ¥ 278,134 | ¥ — |
| 5 | Of which defaulted | 109,760 | 7,419 | 6,600 | — | — |

| CR3 Item No. | | Millions of Yen<br>March 31, 2022<br>a<br>Exposures unsecured | b<br>Exposures secured | c<br>Exposures secured by collateral | d<br>Exposures secured by financial guarantees | e<br>Exposures secured by credit derivatives |
|---|---|---|---|---|---|---|
| 1 | Loans and Bills Discounted | ¥ 29,144,608 | ¥ 1,205,090 | ¥ 336,640 | ¥ 164,745 | ¥ — |
| 2 | Debt Securities | 4,645,034 | 18,986 | — | 18,900 | — |
| 3 | Other on-balance sheet assets (debt-based assets) | 19,691,285 | 94 | 91 | 3 | — |
| 4 | Total (1+2+3) | ¥ 53,480,928 | ¥ 1,224,171 | ¥ 336,731 | ¥ 183,648 | ¥ — |
| 5 | Of which defaulted | 161,567 | 5,861 | 4,555 | — | — |

## CR4: Standardised approach – Credit risk exposure and Credit risk mitigation (CRM) effects

| CR4 | | Millions of Yen, % | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | Asset classes | Exposures pre-CCF and pre-CRM | | Exposures post-CCF and post-CRM | | Credit RWA amount | RWA density |
| | | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | | |
| 1 | Cash | ¥ 35 | ¥ — | ¥ 35 | ¥ — | ¥ — | —% |
| 2 | Government of Japan and Bank of Japan (BOJ) | 60 | — | 60 | — | — | — |
| 3 | Foreign central governments and foreign central banks | 274,205 | — | 274,205 | — | 27,209 | 9.92 |
| 4 | Bank for International Settlements, etc. | — | — | — | — | — | — |
| 5 | Local governments of Japan | — | — | — | — | — | — |
| 6 | Foreign non-central government public sector entities (PSEs) | 21,925 | — | 21,925 | — | 21,925 | 100.00 |
| 7 | Multilateral development banks (MDBs) | — | — | — | — | — | — |
| 8 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — |
| 9 | Government-affiliated agencies of Japan | — | — | — | — | — | — |
| 10 | The three local public corporations | — | — | — | — | — | — |
| 11 | Financial institutions and type I financial instruments business operators | 231,451 | — | 231,451 | — | 131,462 | 56.79 |
| 12 | Corporates, etc. | 346,098 | 120,772 | 346,098 | 13,741 | 359,434 | 99.88 |
| 13 | SMEs, etc. and individuals | — | — | — | — | — | — |
| 14 | Residential mortgage loans | — | — | — | — | — | — |
| 15 | Real estate acquisition activities, etc. | — | — | — | — | — | — |
| 16 | Past due loans for three months or more, etc. (excluding residential mortgage loans) | 1 | — | 1 | — | 1 | 79.69 |
| 17 | Past due loans for three months or more (residential mortgage loans) | — | — | — | — | — | — |
| 18 | Uncollected notes | — | — | — | — | — | — |
| 19 | Guaranteed by credit guarantee corporations, etc. | — | — | — | — | — | — |
| 20 | Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc. | — | — | — | — | — | — |
| 21 | Investments, etc. (excluding significant investments) | — | — | — | — | — | — |
| 22 | Total | ¥ 873,777 | ¥ 120,772 | ¥ 873,777 | ¥ 13,741 | ¥ 540,033 | 60.84% |

| CR4 | | Millions of Yen, % | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | Asset classes | Exposures pre-CCF and pre-CRM | | Exposures post-CCF and post-CRM | | Credit RWA amount | RWA density |
| | | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | | |
| 1 | Cash | ¥ 36 | ¥ — | ¥ 36 | ¥ — | ¥ — | —% |
| 2 | Government of Japan and Bank of Japan (BOJ) | 60 | — | 60 | — | — | — |
| 3 | Foreign central governments and foreign central banks | 272,010 | — | 272,010 | — | 17,736 | 6.52 |
| 4 | Bank for International Settlements, etc. | — | — | — | — | — | — |
| 5 | Local governments of Japan | — | — | — | — | — | — |
| 6 | Foreign non-central government public sector entities (PSEs) | 13,898 | — | 13,898 | — | 13,898 | 100.00 |
| 7 | Multilateral development banks (MDBs) | — | — | — | — | — | — |
| 8 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — |
| 9 | Government-affiliated agencies of Japan | — | — | — | — | — | — |
| 10 | The three local public corporations | — | — | — | — | — | — |
| 11 | Financial institutions and type I financial instruments business operators | 172,997 | — | 172,997 | — | 73,590 | 42.53 |
| 12 | Corporates, etc. | 279,092 | 135,587 | 279,092 | 12,053 | 291,045 | 99.96 |
| 13 | SMEs, etc. and individuals | — | — | — | — | — | — |
| 14 | Residential mortgage loans | — | — | — | — | — | — |
| 15 | Real estate acquisition activities, etc. | — | — | — | — | — | — |
| 16 | Past due loans for three months or more, etc. (excluding residential mortgage loans) | 0 | — | 0 | — | 0 | 146.97 |
| 17 | Past due loans for three months or more (residential mortgage loans) | — | — | — | — | — | — |
| 18 | Uncollected notes | — | — | — | — | — | — |
| 19 | Guaranteed by credit guarantee corporations, etc. | — | — | — | — | — | — |
| 20 | Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc. | — | — | — | — | — | — |
| 21 | Investments, etc. (excluding significant investments) | — | — | — | — | — | — |
| 22 | Total | ¥ 738,094 | ¥ 135,587 | ¥ 738,094 | ¥ 12,053 | ¥ 396,270 | 52.82% |

## CR5: Standardised approach – Exposures by asset classes and risk weights

| CR5 | | Millions of Yen | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k |
| Item No. | Asset classes \ Risk weight | Credit risk exposure amounts (post-CCF and post-CRM) | | | | | | | | | | |
| | | 0% | 10% | 20% | 35% | 50% | 75% | 100% | 150% | 250% | 1,250% | Total |
| 1 | Cash | ¥ 35 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 35 |
| 2 | Government of Japan and Bank of Japan (BOJ) | 60 | — | — | — | — | — | — | — | — | — | 60 |
| 3 | Foreign central governments and foreign central banks | 219,785 | — | — | — | 54,419 | — | — | — | — | — | 274,205 |
| 4 | Bank for International Settlements, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 5 | Local governments of Japan | — | — | — | — | — | — | — | — | — | — | — |
| 6 | Foreign non-central government public sector entities (PSEs) | — | — | — | — | — | — | 21,925 | — | — | — | 21,925 |
| 7 | Multilateral development banks (MDBs) | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — | — | — | — | — | — |
| 9 | Government-affiliated agencies of Japan | — | — | — | — | — | — | — | — | — | — | — |
| 10 | The three local public corporations | — | — | — | — | — | — | — | — | — | — | — |
| 11 | Financial institutions and type I financial instruments business operators | — | — | 120,654 | — | 6,931 | — | 103,865 | — | — | — | 231,451 |
| 12 | Corporates, etc. | — | — | — | — | 811 | — | 359,028 | — | — | — | 359,840 |
| 13 | SMEs, etc. and individuals | — | — | — | — | — | — | — | — | — | — | — |
| 14 | Residential mortgage loans | — | — | — | — | — | — | — | — | — | — | — |
| 15 | Real estate acquisition activities, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Past due loans for three months or more, etc. (excluding residential mortgage loans) | — | — | — | — | 1 | — | — | 0 | — | — | 1 |
| 17 | Past due loans for three months or more (residential mortgage loans) | — | — | — | — | — | — | — | — | — | — | — |
| 18 | Uncollected notes | — | — | — | — | — | — | — | — | — | — | — |
| 19 | Guaranteed by credit guarantee corporations, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 20 | Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc. | — | — | — | — | — | — | — | — | — | — | — |
| 21 | Investments, etc. (excluding significant investments) | — | — | — | — | — | — | — | — | — | — | — |
| 22 | Total | ¥ 219,880 | ¥ — | ¥ 120,654 | ¥ — | ¥ 62,163 | ¥ — | ¥ 484,820 | ¥ 0 | ¥ — | ¥ — | ¥ 887,519 |

CR5

| Item No. | Asset classes \ Risk weight | Millions of Yen<br>March 31, 2022<br>Credit risk exposure amounts (post-CCF and post-CRM)<br>0% | 10% | 20% | 35% | 50% | 75% | 100% | 150% | 250% | 1,250% | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k |
| 1 | Cash | ¥ 36 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 36 |
| 2 | Government of Japan and Bank of Japan (BOJ) | 60 | — | — | — | — | — | — | — | — | — | 60 |
| 3 | Foreign central governments and foreign central banks | 236,538 | — | — | — | 35,472 | — | — | — | — | — | 272,010 |
| 4 | Bank for International Settlements, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 5 | Local governments of Japan | — | — | — | — | — | — | — | — | — | — | — |
| 6 | Foreign non-central government public sector entities (PSEs) | — | — | — | — | — | — | 13,898 | — | — | — | 13,898 |
| 7 | Multilateral development banks (MDBs) | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — | — | — | — | — | — |
| 9 | Government-affiliated agencies of Japan | — | — | — | — | — | — | — | — | — | — | — |
| 10 | The three local public corporations | — | — | — | — | — | — | — | — | — | — | — |
| 11 | Financial institutions and type I financial instruments business operators | — | — | 120,188 | — | 6,511 | — | 46,297 | — | — | — | 172,997 |
| 12 | Corporates, etc. | — | — | — | — | 201 | — | 290,944 | — | — | — | 291,146 |
| 13 | SMEs, etc. and individuals | — | — | — | — | — | — | — | — | — | — | — |
| 14 | Residential mortgage loans | — | — | — | — | — | — | — | — | — | — | — |
| 15 | Real estate acquisition activities, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Past due loans for three months or more, etc. (excluding residential mortgage loans) | — | — | — | — | 0 | — | — | 0 | — | — | 0 |
| 17 | Past due loans for three months or more (residential mortgage loans) | — | — | — | — | — | — | — | — | — | — | — |
| 18 | Uncollected notes | — | — | — | — | — | — | — | — | — | — | — |
| 19 | Guaranteed by credit guarantee corporations, etc. | — | — | — | — | — | — | — | — | — | — | — |
| 20 | Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc. | — | — | — | — | — | — | — | — | — | — | — |
| 21 | Investments, etc. (excluding significant investments) | — | — | — | — | — | — | — | — | — | — | — |
| 22 | Total | ¥ 236,634 | ¥ — | ¥ 120,188 | ¥ — | ¥ 42,184 | ¥ — | ¥ 351,140 | ¥ 0 | ¥ — | ¥ — | ¥ 750,148 |

## CR6: IRB – Credit risk exposures by portfolio and PD range

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| | Sovereign exposures (Advanced Internal Ratings-Based Approach (AIRB)) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 2,449,235 | ¥ 33 | 75.00% | ¥ 2,460,278 | 0.00% | 0.0 | 33.13% | 2.2 | ¥ 25,715 | 1.04% | ¥ 16 | |
| 2 | 0.15 to < 0.25 | 824 | — | — | 293 | 0.20 | 0.0 | 33.14 | 3.7 | 120 | 41.14 | 0 | |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 2,450,059 | 33 | 75.00 | 2,460,571 | 0.00 | 0.0 | 33.13 | 2.2 | 25,835 | 1.04 | 16 | ¥ 33 |
| | Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB)) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 22,230,617 | 207,623 | 75.17 | 22,386,706 | 0.00 | 0.1 | 44.99 | 1.0 | 117,747 | 0.52 | 141 | |
| 2 | 0.15 to < 0.25 | 0 | — | — | 0 | 0.20 | 0.0 | 45.00 | 1.0 | 0 | 30.44 | 0 | |
| 3 | 0.25 to < 0.50 | 12,483 | 0 | 75.00 | 12,483 | 0.29 | 0.0 | 45.00 | 3.8 | 9,069 | 72.64 | 16 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 22,243,100 | 207,623 | 75.17 | 22,399,190 | 0.00 | 0.1 | 44.99 | 1.0 | 126,816 | 0.56 | 158 | 300 |
| | Financial Institution exposures (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 487,600 | — | — | 496,343 | 0.05 | 0.0 | 31.71 | 2.5 | 93,661 | 18.87 | 87 | |
| 2 | 0.15 to < 0.25 | 44,000 | 9,000 | 75.00 | 50,750 | 0.20 | 0.0 | 33.14 | 1.2 | 12,391 | 24.41 | 34 | |
| 3 | 0.25 to < 0.50 | 11,285 | 7,575 | 86.79 | 17,860 | 0.49 | 0.0 | 33.14 | 1.3 | 7,364 | 41.23 | 29 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 6,394 | 2,116 | 90.35 | 8,306 | 1.48 | 0.0 | 33.14 | 1.1 | 5,313 | 63.97 | 40 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 549,279 | 18,691 | 81.52 | 573,259 | 0.10 | 0.0 | 31.90 | 2.4 | 118,731 | 20.71 | 191 | 323 |
| | Financial Institution exposures (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 219,348 | 136,795 | 75.00 | 321,945 | 0.06 | 0.0 | 47.49 | 2.2 | 95,488 | 29.65 | 94 | |
| 2 | 0.15 to < 0.25 | 21,819 | — | — | 21,819 | 0.20 | 0.0 | 74.56 | 1.7 | 13,656 | 62.58 | 33 | |
| 3 | 0.25 to < 0.50 | 4,018 | — | — | 4,018 | 0.31 | 0.0 | 45.00 | 0.0 | 1,208 | 30.07 | 5 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 3,354 | — | — | 3,354 | 1.31 | 0.0 | 45.00 | 2.7 | 3,669 | 109.40 | 19 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 248,540 | 136,795 | 75.00 | 351,137 | 0.08 | 0.0 | 49.12 | 2.1 | 114,023 | 32.47 | 153 | 89 |

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| | Corporate exposures (excluding SME exposures and specialised lending) (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 7,333,421 | ¥ 2,866,609 | 75.97% | ¥ 9,634,156 | 0.07% | 0.7 | 32.28% | 2.5 | ¥ 1,793,227 | 18.61% | ¥ 2,371 | |
| 2 | 0.15 to < 0.25 | 1,881,814 | 447,238 | 74.73 | 2,176,781 | 0.20 | 0.3 | 31.75 | 2.2 | 692,236 | 31.80 | 1,412 | |
| 3 | 0.25 to < 0.50 | 2,342,885 | 639,487 | 74.85 | 2,816,888 | 0.39 | 1.1 | 31.29 | 2.0 | 1,158,048 | 41.11 | 3,463 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 872,287 | 120,799 | 73.66 | 919,094 | 1.58 | 0.7 | 28.89 | 2.2 | 598,683 | 65.13 | 4,238 | |
| 6 | 2.50 to < 10.00 | 72,455 | 7,689 | 78.60 | 80,888 | 7.45 | 0.0 | 26.63 | 1.8 | 78,828 | 97.45 | 1,609 | |
| 7 | 10.00 to < 100.00 | 21,211 | 430 | 100.00 | 8,735 | 18.41 | 0.0 | 32.88 | 1.0 | 13,957 | 159.77 | 529 | |
| 8 | 100.00 (Default) | 67,779 | — | — | 69,735 | 100.00 | 0.0 | 33.13 | 1.0 | 32,676 | 46.85 | 20,495 | |
| 9 | Sub-total | 12,591,854 | 4,082,255 | 75.60 | 15,706,279 | 0.73 | 3.0 | 31.81 | 2.3 | 4,367,657 | 27.80 | 34,118 | ¥ 73,919 |
| | Corporate exposures (excluding SME exposures and specialised lending) (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 847,072 | 280,692 | 81.54 | 1,081,505 | 0.07 | 0.7 | 51.47 | 2.8 | 368,763 | 34.09 | 424 | |
| 2 | 0.15 to < 0.25 | 37,573 | 34,381 | 100.00 | 72,113 | 0.20 | 0.3 | 55.77 | 2.4 | 46,451 | 64.41 | 82 | |
| 3 | 0.25 to < 0.50 | 557,465 | 105,236 | 74.69 | 635,711 | 0.34 | 1.4 | 45.86 | 2.9 | 421,163 | 66.25 | 978 | |
| 4 | 0.50 to < 0.75 | 121,441 | 30,607 | 75.00 | 144,397 | 0.62 | 0.0 | 44.94 | 3.3 | 130,866 | 90.62 | 407 | |
| 5 | 0.75 to < 2.50 | 422,269 | 25,202 | 74.39 | 440,947 | 1.43 | 1.4 | 43.00 | 3.8 | 520,027 | 117.93 | 2,704 | |
| 6 | 2.50 to < 10.00 | 116,738 | 2,338 | 70.95 | 118,383 | 5.37 | 0.2 | 43.33 | 4.2 | 199,275 | 168.32 | 2,724 | |
| 7 | 10.00 to < 100.00 | 64,966 | — | — | 64,966 | 27.91 | 0.0 | 44.86 | 4.1 | 170,955 | 263.14 | 8,131 | |
| 8 | 100.00 (Default) | 26,775 | 0 | 0.00 | 32,407 | 100.00 | 0.0 | 43.78 | 1.0 | 0 | 0.00 | 14,189 | |
| 9 | Sub-total | 2,194,302 | 478,459 | 80.51 | 2,590,433 | 2.59 | 4.5 | 47.77 | 3.1 | 1,857,503 | 71.70 | 29,643 | 17,781 |
| | SME exposures (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 68,309 | 5,150 | 75.00 | 68,171 | 0.12 | 0.0 | 30.84 | 1.7 | 11,260 | 16.51 | 26 | |
| 2 | 0.15 to < 0.25 | 121,534 | 2,999 | 75.00 | 98,370 | 0.20 | 0.0 | 30.01 | 3.3 | 29,884 | 30.37 | 60 | |
| 3 | 0.25 to < 0.50 | 112,953 | 10,728 | 94.24 | 111,756 | 0.43 | 0.0 | 24.14 | 2.9 | 33,009 | 29.53 | 110 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 114,459 | 14,659 | 76.91 | 122,439 | 1.63 | 0.1 | 22.95 | 2.8 | 59,910 | 48.93 | 445 | |
| 6 | 2.50 to < 10.00 | 7,979 | 405 | 63.10 | 8,235 | 7.34 | 0.0 | 21.13 | 1.2 | 4,888 | 59.36 | 129 | |
| 7 | 10.00 to < 100.00 | 249 | — | — | 249 | 18.41 | 0.0 | 12.38 | 1.6 | 123 | 49.72 | 5 | |
| 8 | 100.00 (Default) | 1,891 | — | — | 1,950 | 100.00 | 0.0 | 26.59 | 1.0 | 722 | 37.04 | 460 | |
| 9 | Sub-total | 427,376 | 33,942 | 81.76 | 411,173 | 1.30 | 0.3 | 26.24 | 2.7 | 139,799 | 34.00 | 1,238 | 1,651 |
| | SME exposures (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 5,033 | — | — | 5,033 | 0.12 | 0.0 | 74.79 | 4.9 | 4,006 | 79.59 | 4 | |
| 2 | 0.15 to < 0.25 | 44 | — | — | 44 | 0.20 | 0.0 | 44.98 | 1.0 | 11 | 26.67 | 0 | |
| 3 | 0.25 to < 0.50 | 103,562 | 3,877 | 75.00 | 105,048 | 0.49 | 0.6 | 37.66 | 4.4 | 64,077 | 60.99 | 193 | |
| 4 | 0.50 to < 0.75 | 1,290 | — | — | 1,290 | 0.62 | 0.0 | 40.00 | 4.9 | 967 | 75.01 | 3 | |
| 5 | 0.75 to < 2.50 | 282,835 | 4,890 | 75.66 | 284,287 | 1.66 | 1.5 | 39.48 | 4.7 | 263,520 | 92.69 | 1,870 | |
| 6 | 2.50 to < 10.00 | 5,839 | — | — | 5,997 | 7.24 | 0.0 | 39.53 | 4.0 | 7,524 | 125.45 | 169 | |
| 7 | 10.00 to < 100.00 | 2,131 | — | — | 2,131 | 18.41 | 0.0 | 45.00 | 1.2 | 4,223 | 198.19 | 176 | |
| 8 | 100.00 (Default) | 3,840 | 59 | 0.00 | 3,928 | 100.00 | 0.0 | 39.43 | 1.0 | 0 | 0.00 | 1,549 | |
| 9 | Sub-total | 404,577 | 8,828 | 74.85 | 407,761 | 2.45 | 2.3 | 39.48 | 4.5 | 344,332 | 84.44 | 3,967 | 281 |

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2023

| Item No. | PD scale | a On-balance sheet gross exposures | b Off-balance sheet exposures pre-CCF and pre-CRM | c Average CCF | d EAD post-CCF and post-CRM | e Average PD | f Number of obligors | g Average LGD | h Average maturity | i Credit RWA amounts | j RWA density | k EL | l Eligible provisions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Specialised lending (AIRB)** | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 1,426,193 | ¥ 185,780 | 75.07% | ¥ 1,565,675 | 0.08% | 0.3 | 27.84% | 4.1 | ¥ 385,920 | 24.64% | ¥ 400 | |
| 2 | 0.15 to < 0.25 | 89,724 | 43,093 | 75.00 | 122,044 | 0.20 | 0.0 | 31.37 | 4.1 | 53,644 | 43.95 | 78 | |
| 3 | 0.25 to < 0.50 | 866,367 | 188,471 | 75.13 | 1,007,982 | 0.31 | 0.2 | 24.12 | 4.4 | 408,044 | 40.48 | 772 | |
| 4 | 0.50 to < 0.75 | 199,718 | 46,118 | 73.58 | 233,656 | 0.65 | 0.0 | 24.66 | 4.4 | 129,339 | 55.35 | 375 | |
| 5 | 0.75 to < 2.50 | 337,240 | 45,194 | 72.26 | 369,902 | 1.50 | 0.0 | 24.99 | 3.2 | 231,374 | 62.55 | 1,379 | |
| 6 | 2.50 to < 10.00 | 61,948 | 42,880 | 73.51 | 93,470 | 4.00 | 0.0 | 25.68 | 3.5 | 80,057 | 85.64 | 1,001 | |
| 7 | 10.00 to < 100.00 | 106,651 | 18,393 | 75.00 | 120,445 | 18.87 | 0.0 | 32.87 | 3.0 | 204,182 | 169.52 | 7,772 | |
| 8 | 100.00 (Default) | 4,281 | — | — | 4,287 | 100.00 | 0.0 | 30.74 | 1.0 | 1,836 | 42.84 | 1,171 | |
| 9 | Sub-total | 3,092,126 | 569,931 | 74.62 | 3,517,465 | 1.21 | 0.8 | 26.51 | 4.1 | 1,494,401 | 42.48 | 12,952 | ¥ 4,380 |
| | **Specialised lending (FIRB)** | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 4,764 | — | — | 4,764 | 0.09 | 0.2 | 45.00 | 1.0 | 831 | 17.45 | 2 | |
| 2 | 0.15 to < 0.25 | 87 | — | — | 87 | 0.20 | 0.0 | 45.00 | 1.0 | 26 | 30.44 | 0 | |
| 3 | 0.25 to < 0.50 | 3,413 | — | — | 3,413 | 0.31 | 0.2 | 45.00 | 1.0 | 1,363 | 39.94 | 4 | |
| 4 | 0.50 to < 0.75 | 842 | — | — | 842 | 0.65 | 0.0 | 45.00 | 1.0 | 505 | 59.98 | 2 | |
| 5 | 0.75 to < 2.50 | 1,113 | — | — | 1,113 | 1.30 | 0.0 | 45.00 | 1.0 | 896 | 80.49 | 6 | |
| 6 | 2.50 to < 10.00 | 165 | — | — | 165 | 4.87 | 0.0 | 45.00 | 1.0 | 212 | 128.34 | 3 | |
| 7 | 10.00 to < 100.00 | 724 | — | — | 724 | 15.43 | 0.0 | 45.00 | 1.0 | 1,459 | 201.45 | 50 | |
| 8 | 100.00 (Default) | 0 | — | — | 0 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 0 | |
| 9 | Sub-total | 11,111 | — | — | 11,111 | 1.40 | 0.6 | 45.00 | 1.0 | 5,295 | 47.65 | 70 | — |
| | **Equity exposures (PD/LGD Approach)** | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 990,817 | — | — | 582,512 | 0.07 | 0.2 | 90.00 | 5.0 | 674,946 | 115.86 | — | |
| 2 | 0.15 to < 0.25 | 126,534 | — | — | 83,750 | 0.20 | 0.1 | 90.00 | 5.0 | 122,499 | 146.26 | — | |
| 3 | 0.25 to < 0.50 | 79,647 | — | — | 47,719 | 0.36 | 0.3 | 90.00 | 5.0 | 86,640 | 181.56 | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 22,526 | — | — | 18,760 | 1.64 | 0.2 | 90.00 | 5.0 | 57,075 | 304.22 | — | |
| 6 | 2.50 to < 10.00 | 4,805 | — | — | 3,902 | 7.20 | 0.0 | 90.00 | 5.0 | 16,615 | 425.72 | — | |
| 7 | 10.00 to < 100.00 | 100 | — | — | 100 | 18.41 | 0.0 | 90.00 | 5.0 | 730 | 726.62 | — | |
| 8 | 100.00 (Default) | 60 | — | — | 60 | 100.00 | 0.0 | 90.00 | 5.0 | 675 | 1,125.00 | — | |
| 9 | Sub-total | 1,224,492 | — | — | 736,806 | 0.19 | 1.0 | 90.00 | 5.0 | 959,183 | 130.18 | — | |
| | **Purchased receivables for corporates, etc. (default risk) (AIRB)** | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 9,250 | — | — | 9,250 | 0.09 | 0.0 | 33.14 | 3.8 | 2,846 | 30.77 | 3 | |
| 2 | 0.15 to < 0.25 | 6,000 | — | — | 6,000 | 0.20 | 0.0 | 33.14 | 4.0 | 2,610 | 43.51 | 4 | |
| 3 | 0.25 to < 0.50 | 23,939 | — | — | 23,939 | 0.42 | 0.0 | 31.34 | 3.2 | 12,075 | 50.44 | 32 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 53,297 | — | — | 53,297 | 1.50 | 0.0 | 33.05 | 3.7 | 47,031 | 88.24 | 265 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | 510 | — | — | 510 | 18.41 | 0.0 | 33.14 | 1.8 | 853 | 167.24 | 31 | |
| 8 | 100.00 (Default) | 4,641 | — | — | 4,641 | 100.00 | 0.0 | 33.14 | 1.0 | 2,175 | 46.86 | 1,364 | |
| 9 | Sub-total | 97,640 | — | — | 97,640 | 5.80 | 0.0 | 32.65 | 3.5 | 67,592 | 69.22 | 1,700 | 7 |

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| | Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 915 | ¥ — | —% | ¥ 915 | 0.12% | 0.0 | 100.00% | 1.0 | ¥ 454 | 49.70% | ¥ — | |
| 2 | 0.15 to < 0.25 | 2,280 | — | — | 2,280 | 0.22 | 0.0 | 100.00 | 1.0 | 1,631 | 71.54 | — | |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 3,195 | — | — | 3,195 | 0.19 | 0.0 | 100.00 | 1.0 | 2,086 | 65.29 | — | ¥ — |
| | Purchased receivables for corporates, etc. (default risk) (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 440,066 | 4,956 | 100.00 | 445,023 | 0.05 | 0.2 | 45.00 | 1.1 | 58,399 | 13.12 | 111 | |
| 2 | 0.15 to < 0.25 | 78,866 | — | — | 78,866 | 0.20 | 0.1 | 45.00 | 1.0 | 24,419 | 30.96 | 72 | |
| 3 | 0.25 to < 0.50 | 145,132 | 6,677 | 75.00 | 150,140 | 0.37 | 1.2 | 45.00 | 1.3 | 70,878 | 47.20 | 250 | |
| 4 | 0.50 to < 0.75 | 1,688 | 1,669 | 75.00 | 2,940 | 0.62 | 0.0 | 45.00 | 4.9 | 3,140 | 106.78 | 8 | |
| 5 | 0.75 to < 2.50 | 87,488 | — | — | 87,488 | 1.53 | 3.7 | 45.00 | 1.1 | 72,700 | 83.09 | 604 | |
| 6 | 2.50 to < 10.00 | 4,653 | — | — | 4,653 | 6.49 | 0.5 | 45.00 | 1.0 | 6,816 | 146.47 | 135 | |
| 7 | 10.00 to < 100.00 | 0 | 6,009 | 75.00 | 4,507 | 13.43 | 0.0 | 45.00 | 4.9 | 10,907 | 242.00 | 272 | |
| 8 | 100.00 (Default) | 4,731 | — | — | 4,731 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 2,129 | |
| 9 | Sub-total | 762,627 | 19,312 | 81.41 | 778,351 | 1.02 | 5.9 | 45.00 | 1.2 | 247,262 | 31.76 | 3,585 | 419 |
| | Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 539,930 | 18,110 | 81.84 | 554,752 | 0.07 | 0.6 | 90.10 | 1.1 | 166,445 | 30.00 | 23 | |
| 2 | 0.15 to < 0.25 | 53,995 | — | — | 53,995 | 0.21 | 0.1 | 99.23 | 1.0 | 38,201 | 70.74 | 0 | |
| 3 | 0.25 to < 0.50 | 18,576 | 1,201 | 75.00 | 19,478 | 0.43 | 0.0 | 83.25 | 1.5 | 19,151 | 98.32 | 8 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 1,891 | — | — | 1,891 | 0.99 | 0.0 | 90.04 | 1.2 | 6,208 | 328.24 | 2 | |
| 6 | 2.50 to < 10.00 | 954 | — | — | 954 | 3.54 | 0.0 | 100.00 | 1.0 | 2,464 | 258.33 | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 615,348 | 19,312 | 81.41 | 631,071 | 0.10 | 0.8 | 90.69 | 1.1 | 232,471 | 36.83 | 34 | — |
| | Purchased receivables for retail (default risk) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | — | — | — | — | — | — | — | — | — | — | — | |
| 2 | 0.15 to < 0.25 | — | — | — | — | — | — | — | — | — | — | — | |
| 3 | 0.25 to < 0.50 | 20,381 | — | — | 20,381 | 0.29 | 24.3 | 72.13 | — | 7,750 | 38.02 | 43 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 20,381 | — | — | 20,381 | 0.29 | 24.3 | 72.13 | — | 7,750 | 38.02 | 43 | 51 |

CR6 — Millions of Yen, %, 1,000 cases, Year — March 31, 2023

| Item No. | PD scale | a On-balance sheet gross exposures | b Off-balance sheet exposures pre-CCF and pre-CRM | c Average CCF | d EAD post-CCF and post-CRM | e Average PD | f Number of obligors | g Average LGD | h Average maturity | i Credit RWA amounts | j RWA density | k EL | l Eligible provisions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Qualifying revolving retail exposures** | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 0 | ¥ 37,673 | 26.78% | ¥ 10,089 | 0.09% | 41.3 | 58.93% | — | ¥ 343 | 3.40% | ¥ 5 | |
| 2 | 0.15 to < 0.25 | 44,899 | 673,196 | 11.22 | 120,479 | 0.21 | 185.7 | 71.83 | — | 9,918 | 8.23 | 188 | |
| 3 | 0.25 to < 0.50 | 20,354 | 989,063 | 7.16 | 91,241 | 0.35 | 128.4 | 76.32 | — | 11,711 | 12.83 | 244 | |
| 4 | 0.50 to < 0.75 | 41,639 | 272,152 | 11.22 | 72,194 | 0.53 | 88.0 | 71.83 | — | 12,167 | 16.85 | 276 | |
| 5 | 0.75 to < 2.50 | 11,696 | 195,865 | 12.34 | 35,869 | 1.12 | 102.8 | 70.89 | — | 10,440 | 29.10 | 285 | |
| 6 | 2.50 to < 10.00 | 33,816 | 62,685 | 11.88 | 41,265 | 4.92 | 39.4 | 71.97 | — | 33,950 | 82.27 | 1,462 | |
| 7 | 10.00 to < 100.00 | 179 | 1,100 | 10.93 | 300 | 51.09 | 0.4 | 68.47 | — | 521 | 173.83 | 109 | |
| 8 | 100.00 (Default) | 99 | 4,522 | 7.74 | 6,982 | 100.00 | 7.6 | 72.26 | — | 7,962 | 114.02 | 4,409 | |
| 9 | Sub-total | 152,686 | 2,236,260 | 9.80 | 378,421 | 2.78 | 593.9 | 72.50 | — | 87,014 | 22.99 | 6,981 | ¥ 8,488 |
| | **Residential mortgage exposures** | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 4,352,764 | 11,997 | 100.00 | 4,364,761 | 0.10 | 144.8 | 15.63 | — | 161,908 | 3.70 | 685 | |
| 2 | 0.15 to < 0.25 | 2,221,679 | 28 | 100.00 | 2,221,707 | 0.16 | 98.2 | 16.37 | — | 126,577 | 5.69 | 601 | |
| 3 | 0.25 to < 0.50 | 3,641,317 | 979 | 100.00 | 3,642,309 | 0.32 | 217.2 | 15.78 | — | 324,156 | 8.89 | 1,845 | |
| 4 | 0.50 to < 0.75 | 73,813 | — | — | 73,813 | 0.68 | 5.5 | 20.65 | — | 14,790 | 20.03 | 104 | |
| 5 | 0.75 to < 2.50 | 99,441 | 19 | 100.00 | 99,460 | 0.86 | 9.9 | 18.43 | — | 20,842 | 20.95 | 158 | |
| 6 | 2.50 to < 10.00 | 6,391 | — | — | 6,391 | 7.36 | 0.2 | 12.57 | — | 3,199 | 50.06 | 59 | |
| 7 | 10.00 to < 100.00 | 57,322 | 11 | 100.00 | 57,333 | 19.48 | 3.4 | 16.58 | — | 52,998 | 92.44 | 1,869 | |
| 8 | 100.00 (Default) | 27,314 | 10 | 100.00 | 27,869 | 100.00 | 1.6 | 17.32 | — | 7,923 | 28.42 | 4,194 | |
| 9 | Sub-total | 10,480,044 | 13,046 | 100.00 | 10,493,647 | 0.57 | 481.1 | 15.91 | — | 712,396 | 6.78 | 9,518 | 25,172 |
| | **Other retail exposures** | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 0 | 20,285 | 21.48 | 4,358 | 0.09 | 18.1 | 18.15 | — | 189 | 4.34 | 0 | |
| 2 | 0.15 to < 0.25 | 177,463 | — | — | 177,463 | 0.23 | 52.8 | 69.78 | — | 56,582 | 31.88 | 296 | |
| 3 | 0.25 to < 0.50 | 176,430 | — | — | 176,430 | 0.36 | 65.5 | 39.07 | — | 42,135 | 23.88 | 262 | |
| 4 | 0.50 to < 0.75 | 400,679 | 123,425 | 27.27 | 434,668 | 0.55 | 235.6 | 35.23 | — | 119,035 | 27.38 | 888 | |
| 5 | 0.75 to < 2.50 | 166,117 | 7,026 | 99.67 | 173,120 | 1.26 | 94.3 | 61.55 | — | 117,375 | 67.79 | 1,379 | |
| 6 | 2.50 to < 10.00 | 41,982 | 15,008 | 36.79 | 47,505 | 6.28 | 36.1 | 34.67 | — | 25,198 | 53.04 | 1,055 | |
| 7 | 10.00 to < 100.00 | 2,673 | 836 | 92.23 | 3,476 | 35.36 | 0.7 | 32.35 | — | 2,562 | 73.70 | 508 | |
| 8 | 100.00 (Default) | 8,490 | 1,852 | 29.59 | 17,071 | 100.00 | 9.3 | 47.91 | — | 7,674 | 44.95 | 7,565 | |
| 9 | Sub-total | 973,838 | 168,434 | 30.79 | 1,034,095 | 2.60 | 512.7 | 46.32 | — | 370,753 | 35.85 | 11,957 | 13,383 |
| | **Lease transactions** | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 201,478 | — | — | 201,478 | 0.08 | 0.4 | 45.00 | 2.5 | 49,971 | 24.80 | 72 | |
| 2 | 0.15 to < 0.25 | 134,119 | — | — | 134,119 | 0.20 | 0.1 | 45.00 | 3.5 | 73,230 | 54.60 | 123 | |
| 3 | 0.25 to < 0.50 | 55,961 | — | — | 55,961 | 0.42 | 0.3 | 45.00 | 2.5 | 36,072 | 64.46 | 107 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 39,588 | — | — | 39,588 | 1.72 | 0.3 | 45.00 | 2.6 | 40,590 | 102.53 | 307 | |
| 6 | 2.50 to < 10.00 | 9,021 | — | — | 9,021 | 5.33 | 0.0 | 45.00 | 2.0 | 13,027 | 144.40 | 216 | |
| 7 | 10.00 to < 100.00 | 15,178 | — | — | 15,178 | 18.41 | 0.0 | 45.00 | 3.9 | 36,313 | 239.23 | 1,258 | |
| 8 | 100.00 (Default) | 112 | — | — | 385 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 173 | |
| 9 | Sub-total | 455,460 | — | — | 455,733 | 1.10 | 1.2 | 45.00 | 2.9 | 249,206 | 54.68 | 2,258 | 2,057 |
| Total (all portfolios) | | ¥ 58,998,044 | ¥ 7,992,924 | 56.36% | ¥ 63,057,728 | 0.57% | 1,633.4 | 36.40% | 1.9 | ¥ 11,530,115 | 18.28% | ¥ 118,592 | ¥ 148,344 |

Notes: 1. "Number of obligors" in Column f: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.
2. Purchased receivables for retail (dilution risk and originator risk of loan participation) are not applicable.

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| | Sovereign exposures (Advanced Internal Ratings-Based Approach (AIRB)) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 3,587,234 | ¥ 33 | 75.00% | ¥ 3,602,414 | 0.00% | 0.0 | 32.09% | 1.9 | ¥ 27,695 | 0.76% | ¥ 16 | |
| 2 | 0.15 to < 0.25 | 2,223 | — | — | 385 | 0.20 | 0.0 | 31.83 | 2.6 | 125 | 32.41 | 0 | |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 3,589,457 | 33 | 75.00 | 3,602,800 | 0.00 | 0.0 | 32.09 | 1.9 | 27,820 | 0.77 | 16 | ¥ 44 |
| | Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB)) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 18,540,535 | 122,103 | 75.34 | 18,651,439 | 0.00 | 0.1 | 44.99 | 1.0 | 101,782 | 0.54 | 123 | |
| 2 | 0.15 to < 0.25 | 0 | — | — | 0 | 0.20 | 0.0 | 45.00 | 1.0 | 0 | 30.44 | 0 | |
| 3 | 0.25 to < 0.50 | 21,628 | 0 | 75.00 | 12,728 | 0.29 | 0.0 | 45.00 | 3.0 | 8,750 | 68.74 | 16 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | 10,082 | — | — | 82 | 35.80 | 0.0 | 45.00 | 1.0 | 213 | 258.11 | 13 | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 18,572,246 | 122,103 | 75.34 | 18,664,250 | 0.00 | 0.1 | 44.99 | 1.0 | 110,746 | 0.59 | 154 | 185 |
| | Financial Institution exposures (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 512,156 | 8,500 | 100.00 | 534,878 | 0.05 | 0.0 | 31.10 | 2.8 | 106,014 | 19.82 | 88 | |
| 2 | 0.15 to < 0.25 | 51,000 | 9,000 | 75.00 | 57,750 | 0.20 | 0.0 | 32.10 | 1.3 | 13,788 | 23.87 | 37 | |
| 3 | 0.25 to < 0.50 | 8,800 | 7,575 | 86.79 | 15,375 | 0.49 | 0.0 | 32.10 | 1.0 | 5,762 | 37.48 | 24 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 6,277 | 1,996 | 91.28 | 8,099 | 1.43 | 0.0 | 30.58 | 1.4 | 4,803 | 59.31 | 34 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 578,233 | 27,071 | 87.35 | 616,102 | 0.09 | 0.0 | 31.21 | 2.6 | 130,368 | 21.16 | 185 | 343 |
| | Financial Institution exposures (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 158,235 | 113,103 | 75.00 | 243,063 | 0.05 | 0.0 | 48.01 | 1.3 | 52,966 | 21.79 | 70 | |
| 2 | 0.15 to < 0.25 | 1,729 | — | — | 1,729 | 0.20 | 0.0 | 71.02 | 2.3 | 1,180 | 68.25 | 2 | |
| 3 | 0.25 to < 0.50 | 22,314 | — | — | 22,314 | 0.27 | 0.0 | 58.44 | 1.5 | 14,312 | 64.14 | 36 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 3,167 | — | — | 3,167 | 1.76 | 0.0 | 45.00 | 3.8 | 4,206 | 132.80 | 25 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 185,447 | 113,103 | 75.00 | 270,274 | 0.09 | 0.0 | 48.98 | 1.3 | 72,665 | 26.88 | 134 | 61 |

CR6

Millions of Yen, %, 1,000 cases, Year

| | | March 31, 2022 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| Corporate exposures (excluding SME exposures and specialised lending) (AIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 7,149,077 | ¥ 2,801,193 | 76.04% | ¥ 9,339,244 | 0.07% | 0.6 | 31.42% | 2.5 | ¥ 1,713,083 | 18.34% | ¥ 2,268 | |
| 2 | 0.15 to < 0.25 | 1,722,211 | 466,183 | 75.89 | 2,044,349 | 0.20 | 0.3 | 30.61 | 2.1 | 597,443 | 29.22 | 1,278 | |
| 3 | 0.25 to < 0.50 | 2,267,134 | 500,491 | 72.10 | 2,629,361 | 0.38 | 1.1 | 30.20 | 2.2 | 1,049,116 | 39.90 | 2,997 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 998,803 | 202,761 | 70.49 | 1,099,367 | 1.58 | 0.7 | 28.36 | 2.2 | 717,185 | 65.23 | 4,930 | |
| 6 | 2.50 to < 10.00 | 66,860 | 11,808 | 79.03 | 78,106 | 7.07 | 0.0 | 24.74 | 1.7 | 67,830 | 86.84 | 1,345 | |
| 7 | 10.00 to < 100.00 | 7,590 | 234 | 75.00 | 6,067 | 18.41 | 0.0 | 23.85 | 2.2 | 7,265 | 119.75 | 266 | |
| 8 | 100.00 (Default) | 122,147 | — | — | 127,932 | 100.00 | 0.0 | 32.09 | 1.0 | 52,602 | 41.11 | 36,851 | |
| 9 | Sub-total | 12,333,824 | 3,982,671 | 75.25 | 15,324,428 | 1.13 | 3.0 | 30.85 | 2.3 | 4,204,527 | 27.43 | 49,938 | ¥106,738 |
| Corporate exposures (excluding SME exposures and specialised lending) (FIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 839,060 | 121,671 | 78.78 | 939,667 | 0.07 | 0.8 | 52.29 | 2.8 | 323,649 | 34.44 | 366 | |
| 2 | 0.15 to < 0.25 | 45,696 | 66,740 | 100.00 | 112,581 | 0.20 | 0.3 | 54.03 | 2.2 | 67,955 | 60.36 | 124 | |
| 3 | 0.25 to < 0.50 | 501,230 | 65,356 | 74.16 | 548,835 | 0.33 | 1.3 | 46.32 | 2.7 | 350,565 | 63.87 | 820 | |
| 4 | 0.50 to < 0.75 | 88,007 | 13,159 | 75.00 | 97,877 | 0.62 | 0.0 | 45.00 | 3.7 | 93,440 | 95.46 | 276 | |
| 5 | 0.75 to < 2.50 | 375,270 | 21,737 | 75.53 | 391,737 | 1.44 | 1.3 | 44.12 | 3.7 | 473,425 | 120.85 | 2,503 | |
| 6 | 2.50 to < 10.00 | 116,417 | 2,218 | 78.30 | 118,270 | 5.36 | 0.2 | 44.35 | 4.1 | 202,528 | 171.24 | 2,816 | |
| 7 | 10.00 to < 100.00 | 71,076 | — | — | 71,077 | 30.21 | 0.0 | 44.99 | 3.8 | 190,956 | 268.65 | 9,662 | |
| 8 | 100.00 (Default) | 31,604 | 896 | 96.65 | 37,803 | 100.00 | 0.0 | 44.51 | 1.0 | 0 | 0.00 | 16,830 | |
| 9 | Sub-total | 2,068,364 | 291,779 | 82.24 | 2,317,850 | 3.22 | 4.2 | 48.52 | 3.0 | 1,702,520 | 73.45 | 33,398 | 18,463 |
| SME exposures (AIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 55,704 | 582 | 75.00 | 54,187 | 0.12 | 0.0 | 30.59 | 2.2 | 11,006 | 20.31 | 20 | |
| 2 | 0.15 to < 0.25 | 102,593 | — | — | 96,153 | 0.20 | 0.0 | 30.14 | 3.2 | 28,887 | 30.04 | 59 | |
| 3 | 0.25 to < 0.50 | 85,649 | 7,119 | 90.09 | 89,560 | 0.41 | 0.0 | 24.74 | 2.8 | 27,195 | 30.36 | 88 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 111,412 | 18,255 | 76.77 | 122,834 | 1.59 | 0.1 | 21.85 | 2.7 | 56,253 | 45.79 | 418 | |
| 6 | 2.50 to < 10.00 | 6,530 | 111 | 77.53 | 6,616 | 7.34 | 0.0 | 20.54 | 1.5 | 3,898 | 58.91 | 102 | |
| 7 | 10.00 to < 100.00 | 1,292 | — | — | 1,292 | 18.41 | 0.0 | 22.32 | 2.8 | 1,281 | 99.16 | 53 | |
| 8 | 100.00 (Default) | 1,277 | — | — | 1,306 | 100.00 | 0.0 | 21.50 | 1.0 | 349 | 26.71 | 253 | |
| 9 | Sub-total | 364,460 | 26,068 | 80.37 | 371,950 | 1.24 | 0.3 | 25.94 | 2.8 | 128,873 | 34.64 | 995 | 1,097 |
| SME exposures (FIRB) | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 15 | — | — | 15 | 0.11 | 0.0 | 45.00 | 1.0 | 2 | 18.80 | 0 | |
| 2 | 0.15 to < 0.25 | 45 | — | — | 45 | 0.20 | 0.0 | 45.00 | 1.0 | 12 | 26.98 | 0 | |
| 3 | 0.25 to < 0.50 | 106,414 | 1,412 | 75.00 | 105,982 | 0.48 | 0.6 | 38.22 | 4.6 | 67,536 | 63.72 | 197 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 314,453 | 1,986 | 77.62 | 313,489 | 1.67 | 1.7 | 39.36 | 4.8 | 292,822 | 93.40 | 2,066 | |
| 6 | 2.50 to < 10.00 | 6,748 | — | — | 6,762 | 7.32 | 0.0 | 38.55 | 4.1 | 8,285 | 122.53 | 188 | |
| 7 | 10.00 to < 100.00 | 2,195 | — | — | 2,223 | 18.41 | 0.0 | 45.00 | 1.4 | 4,356 | 195.98 | 184 | |
| 8 | 100.00 (Default) | 5,992 | 0 | 0.00 | 6,184 | 100.00 | 0.0 | 40.10 | 1.0 | 0 | 0.00 | 2,480 | |
| 9 | Sub-total | 435,864 | 3,399 | 76.52 | 434,703 | 2.95 | 2.5 | 39.11 | 4.7 | 373,016 | 85.80 | 5,117 | 405 |

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Aver-age matu-rity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| | Specialised lending (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 1,320,005 | ¥101,243 | 75.00% | ¥ 1,395,938 | 0.08% | 0.3 | 26.30% | 4.1 | ¥ 312,385 | 22.37% | ¥ 314 | |
| 2 | 0.15 to < 0.25 | 85,887 | 22,114 | 75.00 | 102,472 | 0.20 | 0.0 | 30.80 | 3.8 | 42,750 | 41.71 | 64 | |
| 3 | 0.25 to < 0.50 | 869,979 | 143,937 | 74.99 | 977,920 | 0.33 | 0.2 | 24.34 | 4.3 | 404,129 | 41.32 | 795 | |
| 4 | 0.50 to < 0.75 | 151,786 | 52,471 | 75.18 | 191,238 | 0.64 | 0.0 | 25.07 | 4.3 | 105,239 | 55.03 | 309 | |
| 5 | 0.75 to < 2.50 | 363,252 | 47,578 | 73.65 | 398,295 | 1.48 | 0.0 | 24.74 | 3.4 | 253,091 | 63.54 | 1,467 | |
| 6 | 2.50 to < 10.00 | 99,872 | 55,054 | 73.27 | 140,211 | 3.92 | 0.0 | 23.35 | 3.6 | 110,294 | 78.66 | 1,230 | |
| 7 | 10.00 to < 100.00 | 73,761 | 18,286 | 75.00 | 87,475 | 22.66 | 0.0 | 38.88 | 4.0 | 185,006 | 211.49 | 8,065 | |
| 8 | 100.00 (Default) | 15,398 | 1,331 | 75.00 | 16,401 | 100.00 | 0.0 | 28.29 | 1.0 | 5,570 | 33.96 | 4,195 | |
| 9 | Sub-total | 2,979,942 | 442,016 | 74.65 | 3,309,953 | 1.61 | 0.8 | 25.82 | 4.1 | 1,418,468 | 42.85 | 16,443 | ¥ 5,257 |
| | Specialised lending (FIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 1,213 | — | — | 1,213 | 0.08 | 0.2 | 45.00 | 1.0 | 197 | 16.26 | 0 | |
| 2 | 0.15 to < 0.25 | 71 | — | — | 71 | 0.20 | 0.0 | 45.00 | 1.0 | 21 | 30.44 | 0 | |
| 3 | 0.25 to < 0.50 | 1,371 | — | — | 1,371 | 0.32 | 0.1 | 45.00 | 1.0 | 557 | 40.62 | 2 | |
| 4 | 0.50 to < 0.75 | 270 | — | — | 270 | 0.63 | 0.0 | 45.00 | 1.0 | 159 | 59.19 | 0 | |
| 5 | 0.75 to < 2.50 | 550 | — | — | 550 | 1.44 | 0.0 | 45.00 | 1.0 | 461 | 83.78 | 3 | |
| 6 | 2.50 to < 10.00 | 78 | — | — | 78 | 3.67 | 0.0 | 45.00 | 1.0 | 91 | 116.67 | 1 | |
| 7 | 10.00 to < 100.00 | 203 | — | — | 203 | 17.87 | 0.0 | 45.00 | 1.0 | 418 | 205.72 | 16 | |
| 8 | 100.00 (Default) | 0 | — | — | 0 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 0 | |
| 9 | Sub-total | 3,759 | — | — | 3,759 | 1.46 | 0.6 | 45.00 | 1.0 | 1,907 | 50.73 | 24 | — |
| | Equity exposures (PD/LGD Approach) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 1,104,134 | — | — | 539,199 | 0.07 | 0.3 | 90.00 | 5.0 | 616,046 | 114.25 | — | |
| 2 | 0.15 to < 0.25 | 121,984 | — | — | 63,337 | 0.20 | 0.1 | 90.00 | 5.0 | 92,724 | 146.39 | — | |
| 3 | 0.25 to < 0.50 | 94,437 | — | — | 51,148 | 0.36 | 0.3 | 90.00 | 5.0 | 92,865 | 181.56 | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 36,490 | — | — | 28,958 | 1.79 | 0.2 | 90.00 | 5.0 | 89,224 | 308.10 | — | |
| 6 | 2.50 to < 10.00 | 3,009 | — | — | 2,198 | 6.57 | 0.0 | 90.00 | 5.0 | 9,283 | 422.29 | — | |
| 7 | 10.00 to < 100.00 | 415 | — | — | 415 | 18.41 | 0.0 | 90.00 | 5.0 | 2,560 | 616.26 | — | |
| 8 | 100.00 (Default) | 283 | — | — | 160 | 100.00 | 0.0 | 90.00 | 5.0 | 1,804 | 1,125.00 | — | |
| 9 | Sub-total | 1,360,754 | — | — | 685,418 | 0.23 | 1.1 | 90.00 | 5.0 | 904,510 | 131.96 | — | |
| | Purchased receivables for corporates, etc. (default risk) (AIRB) | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 12,881 | — | — | 12,881 | 0.10 | 0.0 | 32.10 | 3.3 | 3,531 | 27.41 | 4 | |
| 2 | 0.15 to < 0.25 | 7,000 | — | — | 7,000 | 0.20 | 0.0 | 32.10 | 5.0 | 3,379 | 48.27 | 4 | |
| 3 | 0.25 to < 0.50 | 11,578 | — | — | 11,578 | 0.31 | 0.0 | 32.10 | 2.3 | 4,608 | 39.80 | 11 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 64,425 | — | — | 64,425 | 1.53 | 0.0 | 31.60 | 4.0 | 57,110 | 88.64 | 313 | |
| 6 | 2.50 to < 10.00 | 2,018 | — | — | 2,018 | 7.88 | 0.0 | 32.10 | 3.6 | 2,740 | 135.78 | 51 | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | 2,895 | — | — | 2,895 | 100.00 | 0.0 | 32.10 | 1.0 | 1,190 | 41.12 | 834 | |
| 9 | Sub-total | 100,799 | — | — | 100,799 | 4.07 | 0.0 | 31.78 | 3.7 | 72,560 | 71.98 | 1,219 | 488 |

CR6

Millions of Yen, %, 1,000 cases, Year

| Item No. | PD scale | March 31, 2022 a: On-balance sheet gross exposures | b: Off-balance sheet exposures pre-CCF and pre-CRM | c: Average CCF | d: EAD post-CCF and post-CRM | e: Average PD | f: Number of obligors | g: Average LGD | h: Average maturity | i: Credit RWA amounts | j: RWA density | k: EL | l: Eligible provisions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (AIRB)** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 4,442 | ¥ — | —% | ¥ 4,442 | 0.12% | 0.0 | 100.00% | 1.0 | ¥ 2,208 | 49.70% | ¥ — | |
| 2 | 0.15 to < 0.25 | — | — | — | — | — | — | — | — | — | — | — | |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 4,442 | — | — | 4,442 | 0.12 | 0.0 | 100.00 | 1.0 | 2,208 | 49.70 | — | ¥ — |
| **Purchased receivables for corporates, etc. (default risk) (FIRB)** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 306,276 | 4,019 | 100.00 | 310,295 | 0.06 | 0.2 | 45.00 | 1.0 | 42,010 | 13.53 | 89 | |
| 2 | 0.15 to < 0.25 | 81,589 | — | — | 81,589 | 0.20 | 0.1 | 45.00 | 1.0 | 25,312 | 31.02 | 75 | |
| 3 | 0.25 to < 0.50 | 112,416 | 2,892 | 75.00 | 114,585 | 0.37 | 1.0 | 45.00 | 1.1 | 51,756 | 45.16 | 192 | |
| 4 | 0.50 to < 0.75 | 423 | 2,639 | 75.00 | 2,402 | 0.62 | 0.0 | 45.00 | 4.5 | 2,452 | 102.08 | 6 | |
| 5 | 0.75 to < 2.50 | 47,170 | — | — | 47,170 | 1.52 | 3.3 | 45.00 | 1.1 | 38,989 | 82.65 | 323 | |
| 6 | 2.50 to < 10.00 | 4,330 | — | — | 4,330 | 6.56 | 0.5 | 45.00 | 1.0 | 6,384 | 147.43 | 127 | |
| 7 | 10.00 to < 100.00 | 522 | — | — | 522 | 18.41 | 0.0 | 45.00 | 1.0 | 1,140 | 218.32 | 43 | |
| 8 | 100.00 (Default) | 4,546 | — | — | 4,546 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 2,045 | |
| 9 | Sub-total | 557,274 | 9,550 | 85.52 | 565,442 | 1.14 | 5.4 | 45.00 | 1.1 | 168,046 | 29.71 | 2,903 | 365 |
| **Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 386,470 | 6,658 | 90.09 | 392,468 | 0.06 | 0.3 | 92.50 | 1.1 | 113,138 | 28.82 | 13 | |
| 2 | 0.15 to < 0.25 | 54,292 | — | — | 54,292 | 0.21 | 0.1 | 92.00 | 1.0 | 35,343 | 65.09 | 7 | |
| 3 | 0.25 to < 0.50 | 16,136 | 2,892 | 75.00 | 18,305 | 0.40 | 0.1 | 73.75 | 1.6 | 15,796 | 86.29 | 12 | |
| 4 | 0.50 to < 0.75 | 18 | — | — | 18 | 0.62 | 0.0 | 45.00 | 1.0 | 10 | 58.78 | 0 | |
| 5 | 0.75 to < 2.50 | 1,521 | — | — | 1,521 | 1.01 | 0.1 | 91.46 | 1.2 | 8,840 | 581.09 | 1 | |
| 6 | 2.50 to < 10.00 | 3,250 | — | — | 3,250 | 6.88 | 0.0 | 100.00 | 1.0 | 10,750 | 330.68 | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 461,689 | 9,550 | 85.52 | 469,857 | 0.14 | 0.7 | 91.76 | 1.1 | 183,879 | 39.13 | 35 | — |
| **Purchased receivables for retail (default risk)** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | — | — | — | — | — | — | — | — | — | — | — | |
| 2 | 0.15 to < 0.25 | — | — | — | — | — | — | — | — | — | — | — | |
| 3 | 0.25 to < 0.50 | 32,046 | — | — | 32,046 | 0.30 | 29.5 | 70.83 | — | 12,135 | 37.86 | 69 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — | — | — | — | — | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — | — | — | — | — | |
| 9 | Sub-total | 32,046 | — | — | 32,046 | 0.30 | 29.5 | 70.83 | — | 12,135 | 37.86 | 69 | 88 |

| CR6 | | Millions of Yen, %, 1,000 cases, Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| Item No. | PD scale | On-balance sheet gross exposures | Off-balance sheet exposures pre-CCF and pre-CRM | Average CCF | EAD post-CCF and post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | Credit RWA amounts | RWA density | EL | Eligible provisions |
| **Qualifying revolving retail exposures** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 0 | ¥ 39,550 | 27.13% | ¥ 10,730 | 0.09% | 42.7 | 59.37% | — | ¥ 380 | 3.55% | ¥ 6 | |
| 2 | 0.15 to < 0.25 | 41,972 | 706,261 | 11.31 | 121,914 | 0.22 | 197.3 | 70.80 | — | 10,120 | 8.30 | 193 | |
| 3 | 0.25 to < 0.50 | 19,951 | 945,124 | 7.43 | 90,210 | 0.35 | 137.6 | 75.96 | — | 11,682 | 12.94 | 244 | |
| 4 | 0.50 to < 0.75 | 34,826 | 242,256 | 11.31 | 62,247 | 0.54 | 79.0 | 70.80 | — | 10,488 | 16.84 | 239 | |
| 5 | 0.75 to < 2.50 | 11,201 | 212,375 | 12.36 | 37,469 | 1.15 | 109.8 | 70.10 | — | 10,956 | 29.24 | 302 | |
| 6 | 2.50 to < 10.00 | 31,691 | 62,122 | 12.05 | 39,181 | 4.82 | 38.7 | 70.96 | — | 31,356 | 80.03 | 1,341 | |
| 7 | 10.00 to < 100.00 | 188 | 1,166 | 11.09 | 317 | 48.23 | 0.5 | 67.08 | — | 538 | 169.51 | 107 | |
| 8 | 100.00 (Default) | 42 | 3,374 | 8.53 | 7,708 | 100.00 | 8.7 | 71.20 | — | 8,856 | 114.89 | 4,779 | |
| 9 | Sub-total | 139,872 | 2,212,231 | 10.05 | 369,779 | 3.00 | 614.6 | 71.68 | — | 84,378 | 22.81 | 7,214 | ¥ 9,047 |
| **Residential mortgage exposures** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 4,595,396 | 11,505 | 100.00 | 4,606,902 | 0.10 | 154.3 | 17.46 | — | 195,407 | 4.24 | 833 | |
| 2 | 0.15 to < 0.25 | 2,156,221 | 28 | 100.00 | 2,156,249 | 0.17 | 96.0 | 17.19 | — | 132,592 | 6.14 | 636 | |
| 3 | 0.25 to < 0.50 | 3,535,196 | 1,269 | 100.00 | 3,536,476 | 0.33 | 210.5 | 16.56 | — | 338,399 | 9.56 | 1,944 | |
| 4 | 0.50 to < 0.75 | 81,937 | — | — | 81,937 | 0.69 | 6.1 | 21.18 | — | 17,059 | 20.81 | 121 | |
| 5 | 0.75 to < 2.50 | 95,837 | 19 | 100.00 | 95,857 | 0.89 | 9.9 | 19.15 | — | 21,364 | 22.28 | 164 | |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — | — | — | — | — | |
| 7 | 10.00 to < 100.00 | 62,721 | 4 | 100.00 | 62,726 | 19.28 | 3.6 | 17.40 | — | 60,537 | 96.51 | 2,126 | |
| 8 | 100.00 (Default) | 32,338 | 14 | 100.00 | 33,402 | 100.00 | 1.8 | 18.54 | — | 9,503 | 28.45 | 5,432 | |
| 9 | Sub-total | 10,559,648 | 12,843 | 100.00 | 10,573,551 | 0.63 | 482.5 | 17.15 | — | 774,863 | 7.32 | 11,258 | 25,355 |
| **Other retail exposures** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 0 | 21,411 | 21.91 | 4,691 | 0.09 | 19.2 | 18.44 | — | 213 | 4.54 | 0 | |
| 2 | 0.15 to < 0.25 | 165,451 | — | — | 165,451 | 0.24 | 50.6 | 68.65 | — | 52,725 | 31.86 | 278 | |
| 3 | 0.25 to < 0.50 | 192,735 | — | — | 192,735 | 0.37 | 67.0 | 37.89 | — | 45,478 | 23.59 | 286 | |
| 4 | 0.50 to < 0.75 | 352,775 | 404 | 100.00 | 353,475 | 0.54 | 85.4 | 34.12 | — | 92,673 | 26.21 | 680 | |
| 5 | 0.75 to < 2.50 | 176,754 | 136,520 | 31.29 | 219,477 | 1.17 | 256.4 | 60.29 | — | 141,121 | 64.29 | 1,606 | |
| 6 | 2.50 to < 10.00 | 38,864 | 15,414 | 36.74 | 44,528 | 6.35 | 38.6 | 33.76 | — | 23,177 | 52.05 | 1,001 | |
| 7 | 10.00 to < 100.00 | 2,547 | 859 | 93.07 | 3,382 | 35.60 | 0.7 | 30.39 | — | 2,350 | 69.47 | 454 | |
| 8 | 100.00 (Default) | 8,847 | 1,767 | 31.23 | 18,773 | 100.00 | 10.2 | 48.33 | — | 9,125 | 48.60 | 8,344 | |
| 9 | Sub-total | 937,976 | 176,377 | 31.08 | 1,002,517 | 2.83 | 528.4 | 46.44 | — | 366,866 | 36.59 | 12,654 | 15,552 |
| **Lease transactions** | | | | | | | | | | | | | |
| 1 | 0.00 to < 0.15 | 213,286 | — | — | 213,286 | 0.07 | 0.4 | 45.00 | 2.6 | 52,422 | 24.57 | 75 | |
| 2 | 0.15 to < 0.25 | 128,970 | — | — | 128,970 | 0.20 | 0.1 | 45.00 | 3.9 | 74,446 | 57.72 | 118 | |
| 3 | 0.25 to < 0.50 | 53,527 | — | — | 53,527 | 0.43 | 0.3 | 45.00 | 2.5 | 35,242 | 65.83 | 104 | |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — | — | — | — | — | |
| 5 | 0.75 to < 2.50 | 43,152 | — | — | 43,152 | 1.74 | 0.3 | 45.00 | 2.6 | 44,873 | 103.98 | 338 | |
| 6 | 2.50 to < 10.00 | 14,226 | — | — | 14,226 | 5.25 | 0.0 | 45.00 | 3.7 | 23,615 | 165.99 | 336 | |
| 7 | 10.00 to < 100.00 | 5,028 | — | — | 5,028 | 18.41 | 0.0 | 45.00 | 3.9 | 12,178 | 242.16 | 416 | |
| 8 | 100.00 (Default) | — | — | — | 513 | 100.00 | 0.0 | 45.00 | 1.0 | 0 | 0.00 | 231 | |
| 9 | Sub-total | 458,193 | — | — | 458,707 | 0.78 | 1.2 | 45.00 | 3.0 | 242,778 | 52.92 | 1,621 | 5,251 |
| Total (all portfolios) | | ¥ 55,724,300 | ¥ 7,428,799 | 55.05% | ¥ 59,178,635 | 0.74% | 1,675.9 | 35.43% | 2.0 | ¥ 10,983,140 | 18.55% | ¥ 143,385 | ¥ 188,749 |

Notes: 1. "Number of obligors" in Column f: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.
2. Purchased receivables for retail (dilution risk and originator risk of loan participation) are not applicable.

## CR7: IRB – Effect on RWA of credit derivatives used as CRM technique

| CR7 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2023 | |
| | | a | b |
| Item No. | Portfolio | Pre-credit derivatives credit RWA amounts | Actual credit RWA amounts |
| 1 | Sovereign Exposures – FIRB | ¥ 126,816 | ¥ 126,816 |
| 2 | Sovereign Exposures – AIRB | 24,895 | 24,895 |
| 3 | Financial Institution Exposures – FIRB | 114,023 | 114,023 |
| 4 | Financial Institution Exposures – AIRB | 117,941 | 117,941 |
| 5 | Corporate exposures (excluding specialised lending) – FIRB | 2,201,835 | 2,201,835 |
| 6 | Corporate exposures (excluding specialised lending) – AIRB | 4,509,187 | 4,509,187 |
| 7 | Specialised lending – FIRB | 691,919 | 691,919 |
| 8 | Specialised lending – AIRB | 1,494,401 | 1,494,401 |
| 9 | Retail – Qualifying revolving retail exposures | 87,014 | 87,014 |
| 10 | Retail – Residential mortgage exposures | 712,396 | 712,396 |
| 11 | Retail – Other retail exposures | 370,753 | 370,753 |
| 12 | Equity Exposures – FIRB | 1,239,034 | 1,239,034 |
| 13 | Equity Exposures – AIRB | — | — |
| 14 | Purchased receivables – FIRB | 487,484 | 487,484 |
| 15 | Purchased receivables – AIRB | 69,678 | 69,678 |
| 16 | Total | ¥ 12,247,385 | ¥ 12,247,385 |

Note: SuMi TRUST Bank Group does not use credit derivatives as credit risk mitigation techniques.

| CR7 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2022 | |
| | | a | b |
| Item No. | Portfolio | Pre-credit derivatives credit RWA amounts | Actual credit RWA amounts |
| 1 | Sovereign Exposures – FIRB | ¥ 110,746 | ¥ 110,746 |
| 2 | Sovereign Exposures – AIRB | 26,586 | 26,586 |
| 3 | Financial Institution Exposures – FIRB | 72,665 | 72,665 |
| 4 | Financial Institution Exposures – AIRB | 128,594 | 128,594 |
| 5 | Corporate exposures (excluding specialised lending) – FIRB | 2,075,536 | 2,075,536 |
| 6 | Corporate exposures (excluding specialised lending) – AIRB | 4,336,409 | 4,336,409 |
| 7 | Specialised lending – FIRB | 356,900 | 356,900 |
| 8 | Specialised lending – AIRB | 1,418,468 | 1,418,468 |
| 9 | Retail – Qualifying revolving retail exposures | 84,378 | 84,378 |
| 10 | Retail – Residential mortgage exposures | 774,863 | 774,863 |
| 11 | Retail – Other retail exposures | 366,866 | 366,866 |
| 12 | Equity Exposures – FIRB | 1,112,392 | 1,112,392 |
| 13 | Equity Exposures – AIRB | — | — |
| 14 | Purchased receivables – FIRB | 364,060 | 364,060 |
| 15 | Purchased receivables – AIRB | 74,768 | 74,768 |
| 16 | Total | ¥ 11,303,237 | ¥ 11,303,237 |

Note: SuMi TRUST Bank Group does not use credit derivatives as credit risk mitigation techniques.

## CR8: RWA flow statements of credit risk exposures under IRB

| CR8 Item No. | | | Billions of Yen<br>March 31, 2023<br>RWA amounts |
|---|---|---|---|
| 1 | RWA at the end of the previous fiscal year | | ¥ 12,298 |
| 2 | Factor of RWA changes | Asset size | 1,057 |
| 3 | | Asset quality | (362) |
| 4 | | Model updates | — |
| 5 | | Methodology and policy | — |
| 6 | | Acquisitions and disposals | — |
| 7 | | Foreign exchange movements | 272 |
| 8 | | Others | — |
| 9 | RWA at the end of the fiscal year | | ¥ 13,266 |

Note: The end of the previous fiscal year indicates March 31, 2022, and the end of the fiscal year indicates March 31, 2023.

| CR8 Item No. | | | Billions of Yen<br>March 31, 2022<br>RWA amounts |
|---|---|---|---|
| 1 | RWA at the end of the previous fiscal year | | ¥ 12,580 |
| 2 | Factor of RWA changes | Asset size | 1 |
| 3 | | Asset quality | (548) |
| 4 | | Model updates | — |
| 5 | | Methodology and policy | — |
| 6 | | Acquisitions and disposals | — |
| 7 | | Foreign exchange movements | 265 |
| 8 | | Others | — |
| 9 | RWA at the end of the fiscal year | | ¥ 12,298 |

Note: The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.

## CR9: IRB – Backtesting of probability of default (PD) per portfolio

Entities subject to AIRB and FIRB

| CR9 | | %, Cases | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **March 31, 2023** (Period covered: September 30, 2021 - September 30, 2022) | | | | | | | | | | | | |
| a | b | c | | | | | d | e | f | | g | h | i | |
| Portfolio | PD Range | External rating equivalent | | | | | Weighted average PD (EAD weighted) | Arithmetic average PD (by obligors) | Number of obligors | | Defaulted obligors during the reported period | Of which: new defaulted obligors during the reported period | Average historical annual default rate (5 years) | Credit RWA amounts ratio |
| | | S&P | Moody's | Fitch | R&I | JCR | | | September 30, 2021 | September 30, 2022 | | | | |
| Sovereign Exposures | — | AAA~ B- | Aaa~ B3 | AAA~ B- | AAA~ BBB | AAA~ BBB+ | 0.00% | 0.07% | 794 | 825 | 0 | 0 | 0.00% | 1.2% |
| Financial Institution Exposures | — | AA~ B- | Aa2~ B3 | AA~ B- | AA+~ BB- | AAA~ BB | 0.09 | 0.19 | 420 | 431 | 0 | 0 | 0.00 | 1.8 |
| Corporate Exposures (Japanese) | ≥ 0% to 0.03% | AAA~ A- | Aaa~ A3 | — | AAA~ AA- | AAA~ AA | 0.03 | 0.03 | 521 | 547 | 0 | 0 | 0.00 | 57.0 |
| | > 0.03% to 0.1% | BBB+~ BBB- | Baa1~ Baa3 | — | A+~ A- | AA-~ A | 0.06 | 0.06 | 559 | 564 | 0 | 0 | 0.02 | |
| | > 0.1% to 0.5% | BB+~ BB- | Ba1~ Ba3 | — | BBB+~ BBB- | A-~ BBB | 0.19 | 0.22 | 2,730 | 2,805 | 1 | 0 | 0.01 | |
| | > 0.5% to 5% | B+~ B- | B1~ B3 | — | BB+~ BB- | BBB-~ BB | 1.05 | 1.23 | 5,497 | 5,585 | 4 | 0 | 0.18 | |
| | > 5% to <100% | — | — | — | — | — | 12.00 | 8.87 | 285 | 256 | 12 | 0 | 3.57 | |
| Corporate Exposures (Non-Japanese) | ≥ 0% to 0.03% | AAA~ AA- | Aaa~ Aa3 | AAA~ AA- | — | — | 0.03 | 0.03 | 46 | 40 | 0 | 0 | 0.00 | 13.1 |
| | > 0.03% to 0.1% | A+~ A- | A1~ A3 | A+~ A- | — | — | 0.06 | 0.06 | 135 | 149 | 0 | 0 | 0.00 | |
| | > 0.1% to 0.5% | BBB+~ BBB- | Baa1~ Baa3 | BBB+~ BBB- | — | — | 0.24 | 0.25 | 311 | 344 | 0 | 0 | 0.00 | |
| | > 0.5% to 15% | BB+~ B- | Ba1~ B3 | BB+~ B- | — | — | 2.43 | 2.61 | 599 | 614 | 0 | 0 | 0.20 | |
| | > 15% to <100% | — | — | — | — | — | 35.80 | 35.80 | 58 | 63 | 3 | 0 | 11.53 | |
| Purchased receivables for corporates, etc. (Top-down approach) | — | — | — | — | AAA~ BB+ | AAA~ BBB- | 3.40 | 3.40 | 253 | 0 | 0 | 0 | 0.00 | 0.0 |
| Qualifying revolving retail exposures | ≥ 0% to 10% | | | | | | 0.43 | 0.28 | 41,170 | 39,646 | 32 | 0 | 0.09 | 0.0 |
| | > 10% to < 100% | | | | | | 23.49 | 23.49 | 90 | 86 | 19 | 0 | 15.28 | |
| Residential mortgage exposures | ≥ 0% to 2% | | | | | | 0.20 | 0.23 | 544,382 | 555,598 | 241 | 0 | 0.08 | 5.6 |
| | > 2% to < 100% | | | | | | 18.69 | 19.05 | 3,576 | 3,772 | 531 | 0 | 12.96 | |
| Other retail exposures | ≥ 0% to 10% | | | | | | 0.64 | 0.85 | 36,933 | 35,628 | 91 | 0 | 0.35 | 0.4 |
| | > 10% to < 100% | | | | | | 23.61 | 25.43 | 147 | 138 | 21 | 0 | 17.25 | |

## Entities subject to FIRB

CR9

%, Cases

**March 31, 2023** (Period covered: September 30, 2021 - September 30, 2022)

| a | b | c | | | | | d | e | f | | g | h | i | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Portfolio | PD Range | External rating equivalent | | | | | Weighted average PD (EAD weighted) | Arithmetic average PD (by obligors) | Number of obligors | | Defaulted obligors during the reported period | Of which: new defaulted obligors during the reported period | Average historical annual default rate (5 years) | Credit RWA amounts ratio |
| | | S&P | Moody's | Fitch | R&I | JCR | | | September 30, 2021 | September 30, 2022 | | | | |
| Sovereign Exposures | — | — | — | — | AAA~BBB | AAA~BBB+ | 0.02% | 0.03% | 225 | 216 | 0 | 0 | 0.00% | 0.0% |
| Financial Institution Exposures | — | — | — | — | A+~BBB | AA-~BBB+ | 0.27 | 0.18 | 3 | 4 | 0 | 0 | 0.00 | 0.0 |
| Corporate Exposures (Japanese) | ≥ 0% to 0.03% | — | — | — | AAA~AA- | AAA~AA | 0.03 | 0.03 | 36 | 37 | 0 | 0 | 0.00 | 3.1 |
| | > 0.03% to 0.1% | — | — | — | A+~A- | AA-~A | 0.06 | 0.06 | 83 | 89 | 0 | 0 | 0.00 | |
| | > 0.1% to 0.5% | — | — | — | BBB+~BBB- | A-~BBB | 0.19 | 0.17 | 420 | 427 | 0 | 0 | 0.02 | |
| | > 0.5% to 5% | — | — | — | BB+~BB- | BBB-~BB | 1.23 | 1.11 | 834 | 838 | 2 | 2 | 0.73 | |
| | > 5% to < 100% | — | — | — | — | — | 9.88 | 8.70 | 200 | 198 | 3 | 1 | 4.62 | |
| Qualifying revolving retail exposures | ≥ 0% to 10% | | | | | | 0.93 | 0.78 | 566,943 | 548,648 | 3,008 | 88 | 0.70 | 0.6 |
| | > 10% to < 100% | | | | | | 61.25 | 61.25 | 490 | 527 | 316 | 0 | 59.81 | |
| Residential mortgage exposures | ≥ 0% to 2% | | | | | | 0.67 | 0.73 | 12,670 | 12,200 | 18 | 0 | 0.36 | 0.3 |
| | > 2% to < 100% | | | | | | 21.92 | 21.92 | 339 | 323 | 28 | 0 | 11.82 | |
| Other retail exposures | ≥ 0% to 10% | | | | | | 0.98 | 1.42 | 296,485 | 291,125 | 1,046 | 38 | 0.56 | 2.4 |
| | > 10% to < 100% | | | | | | 34.12 | 55.42 | 576 | 600 | 234 | 1 | 47.17 | |

Notes: 1. On the previous page, Sumitomo Mitsui Trust Bank, Limited and specific purpose companies (SPCs) engaging in liquidation of receivables, subject to AIRB and FIRB, are counted. On this page, Group companies (i.e. Sumitomo Mitsui Trust Guarantee Co., Ltd., Sumishin Guaranty Company Limited, Sumitomo Mitsui Trust Card Co., Ltd., Sumitomo Mitsui Trust Loan & Finance Co., Ltd., Sumitomo Mitsui Trust Panasonic Finance Co., Ltd., and Sumitomo Mitsui Trust Club Co., Ltd.), subject to FIRB, are counted.

2. Column a: As for "Corporate exposures (excluding specialised lending)," "Specialised lending (subject to the PD/LGD Approach)," "Equity exposures (subject to the PD/LGD Approach)," and "Purchased receivables (other than those for corporates, etc. subject to top-down approach)," these portfolio classifications have been integrated into "Corporate exposures" In addition, different rating systems (PD) are used in Japanese rating and Non-Japanese rating, and so "Corporate exposures" are classified into "Japanese" and "Non-Japanese."

3. Column c: With reference to the internal rating for each obligor, the range of external rating is stated in accordance with the relation between the internal rating and external rating of the internal rules for SuMi TRUST Group.

4. The PD estimation of SuMi TRUST Group covers the one-year default results with the reference date being the end of September every year. Accordingly, Column d and Column e were obtained with the reference date being the end of September 2021. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2021 to the end of September 2022.

5. Column f to Column h: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.

6. "Average historical annual default rate (5 years)" in column i represents the average value of the actual default rate for each year of the latest ten years rather than the latest five years.

7. The scope of application of the major model used in the consolidation range specified by the capital regulatory standards is determined while considering the portfolio classifications specified by regulations and credit decisions based on the risk driver of each portfolio (explanatory variables of the adopted rating model, etc.). "Credit RWA amounts ratio" of each internal model is stated for each portfolio*.
* "Credit RWA amounts ratio" (obtained with the reference date being the end of September 2022) is the ratio of RWA amounts for each portfolio to the total RWA amounts subject to the IRB approach (excluding counterparty credit risk, the credit risk related to securitisation transactions, and the credit risk related to funds).

8. In the ">10% to <100%" category of "Other retail exposures" of entities subject to FIRB, "Average historical annual default rate (5 years)" in Column i exceeds "Weighted average PD (EAD weighted)" in Column d. This is attributable to the difference in the method for obtaining average values. The appropriateness of the PD estimation in each pool classification is examined regularly every year.

## Entities subject to AIRB and FIRB

CR9

%, Cases

March 31, 2022 (Period covered: September 30, 2020 - September 30, 2021)

| a | b | c | | | | | d | e | f | | g | h | i | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Portfolio | PD Range | External rating equivalent | | | | | Weighted average PD (EAD weighted) | Arithmetic average PD (by obligors) | Number of obligors | | Defaulted obligors during the reported period | Of which: new defaulted obligors during the reported period | Average historical annual default rate (5 years) | Credit RWA amounts ratio |
| | | S&P | Moody's | Fitch | R&I | JCR | | | September 30, 2020 | September 30, 2021 | | | | |
| Sovereign Exposures | — | AAA~ B- | Aaa~ B3 | AAA~ B- | AAA~ BBB- | AAA~ BBB | 0.00% | 0.10% | 757 | 792 | 0 | 0 | 0.00% | 0.9% |
| Financial Institution Exposures | — | AA~ B- | Aa2~ B3 | AA~ B- | AA+~ BB- | AAA~ BB | 0.10 | 0.19 | 422 | 420 | 0 | 0 | 0.00 | 1.6 |
| Corporate Exposures (Japanese) | ≥ 0% to 0.03% | AAA~ A- | Aaa~ A3 | — | AAA~ AA- | AAA~ AA | 0.03 | 0.03 | 542 | 522 | 0 | 0 | 0.00 | 61.1 |
| | > 0.03% to 0.1% | BBB+~ BBB- | Baa1~ Baa3 | — | A+~ A- | AA-~ A | 0.06 | 0.06 | 572 | 560 | 0 | 0 | 0.02 | |
| | > 0.1% to 0.5% | BB+~ BB- | Ba1~ Ba3 | — | BBB+~ BBB- | A-~ BBB | 0.20 | 0.22 | 2,763 | 2,730 | 0 | 0 | 0.01 | |
| | > 0.5% to 5% | B+~ B- | B1~ B3 | — | BB+~ BB- | BBB-~ BB | 1.02 | 1.22 | 5,212 | 5,497 | 9 | 0 | 0.18 | |
| | > 5% to <100% | — | — | — | — | — | 9.74 | 7.89 | 294 | 285 | 7 | 0 | 3.57 | |
| Corporate Exposures (Non-Japanese) | ≥ 0% to 0.03% | AAA~ AA- | Aaa~ Aa3 | AAA~ AA- | — | — | 0.03 | 0.03 | 48 | 48 | 0 | 0 | 0.00 | 11.3 |
| | > 0.03% to 0.1% | A+~ A- | A1~ A3 | A+~ A- | — | — | 0.06 | 0.06 | 128 | 135 | 0 | 0 | 0.00 | |
| | > 0.1% to 0.5% | BBB+~ BBB- | Baa1~ Baa3 | BBB+~ BBB- | — | — | 0.23 | 0.24 | 281 | 310 | 0 | 0 | 0.00 | |
| | > 0.5% to 15% | BB+~ B- | Ba1~ B3 | BB+~ B- | — | — | 2.35 | 2.87 | 570 | 599 | 1 | 0 | 0.22 | |
| | > 15% to <100% | — | — | — | — | — | 34.71 | 34.71 | 53 | 58 | 3 | 0 | 12.24 | |
| Purchased receivables for corporates, etc. (Top-down approach) | — | — | — | — | AAA~ BB+ | AAA~ BBB- | 3.53 | 3.53 | 301 | 253 | 0 | 0 | 0.53 | 0.0 |
| Qualifying revolving retail exposures | ≥ 0% to 10% | | | | | | 0.46 | 0.30 | 41,973 | 41,170 | 30 | 0 | 0.09 | 0.0 |
| | > 10% to < 100% | | | | | | 23.78 | 23.78 | 124 | 90 | 20 | 0 | 14.63 | |
| Residential mortgage exposures | ≥ 0% to 2% | | | | | | 0.20 | 0.22 | 521,749 | 544,382 | 328 | 0 | 0.09 | 6.1 |
| | > 2% to < 100% | | | | | | 19.97 | 19.93 | 3,817 | 3,576 | 552 | 0 | 12.75 | |
| Other retail exposures | ≥ 0% to 10% | | | | | | 0.61 | 0.61 | 38,141 | 36,933 | 99 | 0 | 0.36 | 0.4 |
| | > 10% to < 100% | | | | | | 23.90 | 25.63 | 160 | 147 | 33 | 0 | 17.57 | |

## Entities subject to FIRB

| CR9 | | %, Cases | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 (Period covered: September 30, 2020 - September 30, 2021) | | | | | | | | | | | | |
| a | b | c | | | | | d | e | f | | g | h | i | |
| Portfolio | PD Range | External rating equivalent | | | | | Weighted average PD (EAD weighted) | Arithmetic average PD (by obligors) | Number of obligors | | Defaulted obligors during the reported period | Of which: new defaulted obligors during the reported period | Average historical annual default rate (5 years) | Credit RWA amounts ratio |
| | | S&P | Moody's | Fitch | R&I | JCR | | | September 30, 2020 | September 30, 2021 | | | | |
| Sovereign Exposures | — | — | — | — | AAA~BBB | AAA~BBB+ | 0.02% | 0.03% | 236 | 225 | 0 | 0 | 0.00% | 0.0% |
| Financial Institution Exposures | — | — | — | — | AA+~BBB | AAA~BBB+ | 0.13 | 0.18 | 5 | 3 | 0 | 0 | 0.00 | 0.0 |
| Corporate Exposures (Japanese) | ≥ 0% to 0.03% | — | — | — | AAA~AA- | AAA~AA | 0.03 | 0.03 | 40 | 36 | 0 | 0 | 0.00 | 3.2 |
| | > 0.03% to 0.1% | — | — | — | A+~A- | AA-~A | 0.06 | 0.06 | 77 | 83 | 0 | 0 | 0.00 | |
| | > 0.1% to 0.5% | — | — | — | BBB+~BBB- | A-~BBB | 0.19 | 0.19 | 450 | 420 | 1 | 0 | 0.02 | |
| | > 0.5% to 5% | — | — | — | BB+~BB- | BBB-~BB | 1.19 | 1.12 | 885 | 834 | 10 | 0 | 0.78 | |
| | > 5% to < 100% | — | — | — | — | — | 7.55 | 7.87 | 228 | 200 | 8 | 0 | 4.97 | |
| Qualifying revolving retail exposures | ≥ 0% to 10% | | | | | | 0.95 | 0.82 | 594,682 | 566,943 | 3,445 | 110 | 0.72 | 0.7 |
| | > 10% to < 100% | | | | | | 63.20 | 62.95 | 499 | 490 | 314 | 0 | 59.29 | |
| Residential mortgage exposures | ≥ 0% to 2% | | | | | | 0.65 | 0.72 | 13,031 | 12,670 | 41 | 0 | 0.38 | 0.3 |
| | > 2% to < 100% | | | | | | 22.51 | 22.51 | 316 | 339 | 30 | 0 | 12.21 | |
| Other retail exposures | ≥ 0% to 10% | | | | | | 1.02 | 1.48 | 305,485 | 295,730 | 1,149 | 31 | 0.58 | 2.6 |
| | > 10% to < 100% | | | | | | 41.84 | 63.35 | 566 | 560 | 285 | 2 | 47.90 | |

Notes:
1. On the previous page, Sumitomo Mitsui Trust Bank, Limited and specific purpose companies (SPCs) engaging in liquidation of receivables, subject to AIRB and FIRB, are counted. On this page, Group companies (i.e. Sumitomo Mitsui Trust Guarantee Co., Ltd., Sumishin Guaranty Company Limited, Sumitomo Mitsui Trust Card Co., Ltd., Sumitomo Mitsui Trust Loan & Finance Co., Ltd., Sumitomo Mitsui Trust Panasonic Finance Co., Ltd., and Sumitomo Mitsui Trust Club Co., Ltd.), subject to FIRB, are counted.
2. Column a: As for "Corporate Exposures (excluding specialised lending)," "Specialised lending (subject to the PD/LGD Approach)," Equity exposures (subject to the PD/LGD Approach)," and "Purchased receivables (other than those for corporates, etc. subject to top-down approach)," these portfolio classifications have been integrated into "Corporate Exposures". In addition, different rating systems (PD) are used in Japanese rating and Non-Japanese rating, and so "Corporate Exposures" are classified into "Japanese" and "Non-Japanese".
3. Column c: With reference to the internal rating for each obligor, the range of external rating is stated in accordance with the relation between the internal rating and external rating of the internal rules for SuMi TRUST Group.
4. The PD estimation of SuMi TRUST Group covers the one-year default results with the reference date being the end of September every year. Accordingly, Column d and Column e were obtained with the reference date being the end of September 2020. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2020 to the end of September 2021.
5. Column f to Column h: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.
6. "Average historical annual default rate (5 years)" in column i represents the average value of the actual default rate for each year of the latest nine years rather than the latest five years.
7. The scope of application of the major model used in the consolidation range specified by the capital regulatory standards is determined while considering the portfolio classifications specified by regulations and credit decisions based on the risk driver of each portfolio (explanatory variables of the adopted rating model, etc.). "Credit RWA amounts ratio" of each internal model is stated for each portfolio*.
   * "Credit RWA amounts ratio" (obtained with the reference date being the end of September 2021) is the ratio of RWA amounts for each portfolio to the total RWA amounts subject to the IRB approach (excluding counterparty credit risk, the credit risk related to securitisation transactions, and the credit risk related to funds).
8. In the ">10% to <100%" category of "Other retail exposures" of entities subject to FIRB, "Average historical annual default rate (5 years)" in Column i exceeds "Weighted average PD (EAD weighted)" in Column d. This is attributable to the difference in the method for obtaining average values. The appropriateness of the PD estimation in each pool classification is examined regularly every year.

## CR10: IRB – Specialised Lending (Supervisory Slotting Criteria Approach) and Equity Exposures (Market-Based Approach, etc.)

CR10 — Millions of Yen, %

March 31, 2023

| a | b | c | d | e | f | g | h | i | j | k | l |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Specialised lending (supervisory slotting criteria approach) | | | | | | | | | | | |
| Other than high-volatility commercial real estate (HVCRE) | | | | | | | | | | | |
| Regulatory categories | Remaining maturity | On-balance sheet amounts | Off-balance sheet amounts | RW | Exposure amounts (EAD) | | | | | Credit RWA amounts | Expected losses |
| | | | | | PF | OF | CF | IPRE | Total | | |
| Strong | < 2.5 years | ¥ — | ¥ — | 50% | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| | 2.5 years≤ | — | — | 70% | — | — | — | — | — | — | — |
| Good | < 2.5 years | 3,602 | — | 70% | 3,602 | — | — | — | 3,602 | 2,521 | 14 |
| | 2.5 years≤ | 179 | — | 90% | — | 179 | — | — | 179 | 161 | 1 |
| Satisfactory | | 6,633 | — | 115% | 3,630 | — | — | 3,003 | 6,633 | 7,628 | 185 |
| Weak | | — | — | 250% | — | — | — | — | — | — | — |
| Default | | — | — | — | — | — | — | — | — | — | — |
| Total | | ¥ 10,415 | ¥ — | — | ¥ 7,232 | ¥ 179 | ¥ — | ¥ 3,003 | ¥ 10,415 | ¥ 10,312 | ¥ 201 |

| HVCRE | | | | | | | |
|---|---|---|---|---|---|---|---|
| Regulatory categories | Remaining maturity | On-balance sheet amounts | Off-balance sheet amounts | RW | Exposure amounts (EAD) | Credit RWA amounts | Expected losses |
| Strong | < 2.5 years | 34,856 | 2,205 | 70% | 36,510 | 25,557 | 146 |
| | 2.5 years≤ | 4,352 | 26,457 | 95% | 24,194 | 22,985 | 96 |
| Good | < 2.5 years | 4,424 | 100 | 95% | 4,499 | 4,274 | 17 |
| | 2.5 years≤ | 31,605 | 34,686 | 120% | 57,620 | 69,144 | 230 |
| Satisfactory | | 77,003 | 193,287 | 140% | 221,969 | 310,756 | 6,215 |
| Weak | | 37,654 | 79,710 | 250% | 97,437 | 243,594 | 7,795 |
| Default | | — | — | — | — | — | — |
| Total | | ¥ 189,896 | ¥ 336,447 | — | ¥ 442,231 | ¥ 676,312 | ¥ 14,501 |

| Equity exposures (Market-Based Approach, etc.) | | | | |
|---|---|---|---|---|
| Equity exposures subject to market-based approach | | | | |
| Categories | On-balance sheet amounts | Off-balance sheet amounts | RW | Exposure amounts (EAD) | Credit RWA amounts |
| Simple risk weight method – Listed shares | 4,120 | 2,519 | 300% | 6,475 | 19,426 |
| Simple risk weight method – Unlisted shares | 39,526 | 34,105 | 400% | 65,106 | 260,424 |
| Internal Models Approach | — | — | — | — | — |
| Total | ¥ 43,647 | ¥ 36,625 | — | ¥ 71,581 | ¥ 279,851 |
| Equity exposures subject to 100% risk weight | | | | | |
| Equity exposures subject to 100% risk weight in accordance with the provisions of Article 166, Paragraph 1 of the FSA Capital Adequacy Notification or Paragraph 1 of Article 144 of the FSA Bank Holding Company Capital Adequacy Notification | — | — | 100% | — | — |

| CR10 | | Millions of Yen, % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | |
| a | b | c | d | e | f | g | h | i | j | k | l |
| Specialised lending (supervisory slotting criteria approach) | | | | | | | | | | | |
| Other than high-volatility commercial real estate (HVCRE) | | | | | | | | | | | |
| Regulatory categories | Remaining maturity | On-balance sheet amounts | Off-balance sheet amounts | RW | Exposure amounts (EAD) | | | | | Credit RWA amounts | Expected losses |
| | | | | | PF | OF | CF | IPRE | Total | | |
| Strong | < 2.5 years | ¥ — | ¥ — | 50% | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| | 2.5 years≤ | — | — | 70% | — | — | — | — | — | — | — |
| Good | < 2.5 years | — | — | 70% | — | — | — | — | — | — | — |
| | 2.5 years≤ | — | — | 90% | — | — | — | — | — | — | — |
| Satisfactory | | — | — | 115% | — | — | — | — | — | — | — |
| Weak | | — | — | 250% | — | — | — | — | — | — | — |
| Default | | — | — | — | — | — | — | — | — | — | — |
| Total | | ¥ — | ¥ — | — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| HVCRE | | | | | | | | | | | |
| Regulatory categories | Remaining maturity | On-balance sheet amounts | Off-balance sheet amounts | RW | | | | | Exposure amounts (EAD) | Credit RWA amounts | Expected losses |
| Strong | < 2.5 years | 11,006 | 6,383 | 70% | | | | | 15,794 | 11,055 | 63 |
| | 2.5 years≤ | 2,682 | 4,368 | 95% | | | | | 5,958 | 5,660 | 23 |
| Good | < 2.5 years | 45,048 | 8,966 | 95% | | | | | 51,772 | 49,184 | 207 |
| | 2.5 years≤ | 45,247 | 71,026 | 120% | | | | | 98,516 | 118,220 | 394 |
| Satisfactory | | 50,799 | 95,003 | 140% | | | | | 122,051 | 170,872 | 3,417 |
| Weak | | — | — | 250% | | | | | — | — | — |
| Default | | — | — | — | | | | | — | — | — |
| Total | | ¥ 154,783 | ¥ 185,747 | — | | | | | ¥ 294,094 | ¥ 354,993 | ¥ 4,105 |
| Equity exposures (Market-Based Approach, etc.) | | | | | | | | | | | |
| Equity exposures subject to market-based approach | | | | | | | | | | | |
| Categories | | On-balance sheet amounts | Off-balance sheet amounts | RW | | | | | Exposure amounts (EAD) | Credit RWA amounts | |
| Simple risk weight method – Listed shares | | 5,707 | 15,799 | 300% | | | | | 21,506 | 64,520 | |
| Simple risk weight method – Unlisted shares | | 33,526 | 3,085 | 400% | | | | | 35,840 | 143,361 | |
| Internal Models Approach | | — | — | — | | | | | — | — | |
| Total | | ¥ 39,233 | ¥ 18,884 | — | | | | | ¥ 57,347 | ¥ 207,882 | |
| Equity exposures subject to 100% risk weight | | | | | | | | | | | |
| Equity exposures subject to 100% risk weight in accordance with the provisions of Article 166, Paragraph 1 of the FSA Capital Adequacy Notification or Paragraph 1 of Article 144 of the FSA Bank Holding Company Capital Adequacy Notification | | — | — | 100% | | | | | — | — | |

## CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

| CCR1 | | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | | RC | PFE | Effective EPE (EEPE) | Alpha used for computing regulatory EAD | EAD post-CRM | RWA amounts |
| 1 | SA-CCR | ¥ — | ¥ — | | 1.4 | ¥ — | ¥ — |
| | Current Exposure Method (CEM) | 429,911 | 781,226 | | | 1,211,137 | 375,138 |
| 2 | Expected Exposure Method (IMM) | | | — | — | — | — |
| 3 | Simple Approach for credit risk mitigation | | | | | — | — |
| 4 | Comprehensive Approach for credit risk mitigation | | | | | 774,667 | 138,481 |
| 5 | Exposure variation estimation model | | | | | — | — |
| 6 | Total | | | | | | ¥ 513,619 |

| CCR1 | | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | | RC | PFE | Effective EPE (EEPE) | Alpha used for computing regulatory EAD | EAD post-CRM | RWA amounts |
| 1 | SA-CCR | ¥ — | ¥ — | | 1.4 | ¥ — | ¥ — |
| | Current Exposure Method (CEM) | 639,628 | 611,575 | | | 1,251,203 | 408,955 |
| 2 | Expected Exposure Method (IMM) | | | — | — | — | — |
| 3 | Simple Approach for credit risk mitigation | | | | | — | — |
| 4 | Comprehensive Approach for credit risk mitigation | | | | | 846,397 | 147,482 |
| 5 | Exposure variation estimation model | | | | | — | — |
| 6 | Total | | | | | | ¥ 556,438 |

## CCR2: Credit valuation adjustment (CVA) capital charge

| CCR2 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2023 | |
| | | a | b |
| Item No. | | EAD post-CRM | RWA amounts (Amounts calculated by dividing CVA risk equivalent amounts by 8%) |
| 1 | Total portfolios subject to advanced risk measurement method | ¥ — | ¥ — |
| 2 | (i) Amount of CVA Value at Risk (including the multiplier) | | — |
| 3 | (ii) Amount of CVA Stressed Value at Risk (including the multiplier) | | — |
| 4 | Total portfolios subject to the standardised risk measurement method | 988,136 | 644,308 |
| 5 | Total portfolios subject to the CVA capital charge | ¥ 988,136 | ¥ 644,308 |

| CCR2 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2022 | |
| | | a | b |
| Item No. | | EAD post-CRM | RWA amounts (Amounts calculated by dividing CVA risk equivalent amounts by 8%) |
| 1 | Total portfolios subject to advanced risk measurement method | ¥ — | ¥ — |
| 2 | (i) Amount of CVA Value at Risk (including the multiplier) | | — |
| 3 | (ii) Amount of CVA Stressed Value at Risk (including the multiplier) | | — |
| 4 | Total portfolios subject to the standardised risk measurement method | 1,207,886 | 659,988 |
| 5 | Total portfolios subject to the CVA capital charge | ¥1,207,886 | ¥ 659,988 |

## CCR3: CCR exposures by regulatory portfolio and risk weights

CCR3

| Item No. | Regulatory portfolio \ Risk weight | Millions of Yen<br>March 31, 2023<br>Credit equivalent amounts (post-CRM) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i |
| | | 0% | 10% | 20% | 50% | 75% | 100% | 150% | Other | Total |
| 1 | Government of Japan and Bank of Japan (BOJ) | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | Foreign central governments and foreign central banks | — | — | — | — | — | — | — | — | — |
| 3 | Bank for International Settlements, etc. | — | — | — | — | — | — | — | — | — |
| 4 | Local governments of Japan | — | — | — | — | — | — | — | — | — |
| 5 | Foreign non-central government public sector entities (PSEs) | — | — | — | — | — | — | — | — | — |
| 6 | Multilateral development banks (MDBs) | — | — | — | — | — | — | — | — | — |
| 7 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — | — | — | — |
| 8 | Government-affiliated agencies of Japan | — | — | — | — | — | — | — | — | — |
| 9 | The three local public corporations | — | — | — | — | — | — | — | — | — |
| 10 | Financial institutions and type I financial instruments business operators | — | — | 611,243 | — | — | — | — | — | 611,243 |
| 11 | Corporates, etc. | — | — | — | — | — | — | — | — | — |
| 12 | SMEs, etc. and individuals | — | — | — | — | — | — | — | — | — |
| 13 | Other than the above | — | — | — | — | — | 1,224 | — | — | 1,224 |
| 14 | Total | ¥ — | ¥ — | ¥ 611,243 | ¥ — | ¥ — | ¥ 1,224 | ¥ — | ¥ — | ¥ 612,467 |

Note: The aggregate calculation on this statement includes exposures based on the standardised approach only.

CCR3

| Item No. | Regulatory portfolio \ Risk weight | Millions of Yen<br>March 31, 2022<br>Credit equivalent amounts (post-CRM) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i |
| | | 0% | 10% | 20% | 50% | 75% | 100% | 150% | Other | Total |
| 1 | Government of Japan and Bank of Japan (BOJ) | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | Foreign central governments and foreign central banks | — | — | — | — | — | — | — | — | — |
| 3 | Bank for International Settlements, etc. | — | — | — | — | — | — | — | — | — |
| 4 | Local governments of Japan | — | — | — | — | — | — | — | — | — |
| 5 | Foreign non-central government public sector entities (PSEs) | — | — | — | — | — | — | — | — | — |
| 6 | Multilateral development banks (MDBs) | — | — | — | — | — | — | — | — | — |
| 7 | Japan Finance Organization for Municipalities (JFM) | — | — | — | — | — | — | — | — | — |
| 8 | Government-affiliated agencies of Japan | — | — | — | — | — | — | — | — | — |
| 9 | The three local public corporations | — | — | — | — | — | — | — | — | — |
| 10 | Financial institutions and type I financial instruments business operators | — | — | 599,601 | — | — | — | — | — | 599,601 |
| 11 | Corporates, etc. | — | — | — | — | — | — | — | — | — |
| 12 | SMEs, etc. and individuals | — | — | — | — | — | — | — | — | — |
| 13 | Other than the above | — | — | — | — | — | 6 | — | — | 6 |
| 14 | Total | ¥ — | ¥ — | ¥ 599,601 | ¥ — | ¥ — | ¥ 6 | ¥ — | ¥ — | ¥ 599,608 |

Note: The aggregate calculation on this statement includes exposures based on the standardised approach only.

## CCR4: IRB – CCR exposures by portfolio and PD scale

| CCR4 | | Millions of Yen, %, 1,000 cases, Year | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | |
| Item No. | PD scale | a | b | c | d | e | f | g |
| | | EAD post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | Credit RWA | RWA density |
| | Sovereign exposures | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 34,325 | 0.01% | 0.0 | 39.42% | 1.4 | ¥ 2,432 | 7.08% |
| 2 | 0.15 to < 0.25 | — | — | — | — | — | — | — |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 34,325 | 0.01 | 0.0 | 39.42 | 1.4 | 2,432 | 7.08 |
| | Financial Institution exposures | | | | | | | |
| 1 | 0.00 to < 0.15 | 632,632 | 0.04 | 0.1 | 20.91 | 2.5 | 130,197 | 20.58 |
| 2 | 0.15 to < 0.25 | 71 | 0.20 | 0.0 | 45.00 | 3.7 | 43 | 60.77 |
| 3 | 0.25 to < 0.50 | 19,527 | 0.28 | 0.0 | 16.30 | 4.0 | 17,701 | 90.65 |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 652,230 | 0.05 | 0.1 | 20.74 | 2.6 | 147,942 | 22.68 |
| | Corporate exposures and SME exposures | | | | | | | |
| 1 | 0.00 to < 0.15 | 263,502 | 0.04 | 0.3 | 15.33 | 2.4 | 53,246 | 20.20 |
| 2 | 0.15 to < 0.25 | 13,238 | 0.20 | 0.0 | 46.52 | 2.5 | 5,957 | 45.00 |
| 3 | 0.25 to < 0.50 | 14,571 | 0.35 | 0.1 | 45.00 | 2.5 | 8,524 | 58.49 |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | 4,002 | 1.40 | 0.0 | 45.00 | 3.2 | 4,338 | 108.41 |
| 6 | 2.50 to < 10.00 | 440 | 7.50 | 0.0 | 45.00 | 1.6 | 715 | 162.18 |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 295,755 | 0.10 | 0.6 | 16.45 | 2.4 | 72,783 | 24.60 |
| | Specialised lending | | | | | | | |
| 1 | 0.00 to < 0.15 | 30,389 | 0.10 | 0.1 | 45.00 | 4.2 | 13,344 | 43.91 |
| 2 | 0.15 to < 0.25 | 957 | 0.20 | 0.0 | 45.00 | 4.6 | 615 | 64.27 |
| 3 | 0.25 to < 0.50 | 23,361 | 0.29 | 0.0 | 45.00 | 4.9 | 18,561 | 79.45 |
| 4 | 0.50 to < 0.75 | 26,306 | 0.65 | 0.0 | 45.00 | 4.7 | 27,792 | 105.65 |
| 5 | 0.75 to < 2.50 | 44,808 | 1.33 | 0.0 | 45.00 | 4.7 | 57,664 | 128.69 |
| 6 | 2.50 to < 10.00 | 29,246 | 3.10 | 0.0 | 45.00 | 4.8 | 46,333 | 158.42 |
| 7 | 10.00 to < 100.00 | 77 | 13.81 | 0.0 | 45.00 | 5.0 | 188 | 243.81 |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 155,147 | 1.15 | 0.3 | 45.00 | 4.6 | 164,499 | 106.02 |
| Total (all portfolios) | | ¥ 1,137,458 | 0.21% | 1.1 | 21.05% | 2.8 | ¥ 387,658 | 34.08% |

Note: SuMi TRUST Bank Group applies the Foundation Internal Ratings-Based Approach to the calculation of risk-weighted assets related to counterparty credit risk.

| CCR4 | | Millions of Yen, %, 1,000 cases, Year | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | |
| Item No. | PD scale | a | b | c | d | e | f | g |
| | | EAD post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | Credit RWA | RWA density |
| | Sovereign exposures | | | | | | | |
| 1 | 0.00 to < 0.15 | ¥ 29,100 | 0.01% | 0.0 | 21.10% | 1.7 | ¥ 2,338 | 8.03% |
| 2 | 0.15 to < 0.25 | — | — | — | — | — | — | — |
| 3 | 0.25 to < 0.50 | — | — | — | — | — | — | — |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 29,100 | 0.01 | 0.0 | 21.10 | 1.7 | 2,338 | 8.03 |
| | Financial Institution exposures | | | | | | | |
| 1 | 0.00 to < 0.15 | 710,740 | 0.04 | 0.1 | 24.39 | 2.0 | 131,195 | 18.45 |
| 2 | 0.15 to < 0.25 | 201 | 0.20 | 0.0 | 89.61 | 2.4 | 126 | 62.85 |
| 3 | 0.25 to < 0.50 | 18,912 | 0.30 | 0.0 | 35.36 | 4.4 | 18,013 | 95.21 |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | — | — | — | — | — | — | — |
| 6 | 2.50 to < 10.00 | — | — | — | — | — | — | — |
| 7 | 10.00 to < 100.00 | — | — | — | — | — | — | — |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 729,854 | 0.05 | 0.1 | 24.60 | 2.0 | 149,335 | 20.46 |
| | Corporate exposures and SME exposures | | | | | | | |
| 1 | 0.00 to < 0.15 | 464,563 | 0.04 | 0.3 | 13.70 | 1.6 | 85,418 | 18.38 |
| 2 | 0.15 to < 0.25 | 18,437 | 0.20 | 0.0 | 45.00 | 2.0 | 7,429 | 40.29 |
| 3 | 0.25 to < 0.50 | 17,290 | 0.36 | 0.1 | 45.65 | 2.3 | 10,042 | 58.08 |
| 4 | 0.50 to < 0.75 | — | — | — | — | — | — | — |
| 5 | 0.75 to < 2.50 | 4,088 | 1.64 | 0.1 | 45.00 | 2.9 | 4,604 | 112.62 |
| 6 | 2.50 to < 10.00 | 409 | 4.22 | 0.0 | 45.00 | 4.6 | 681 | 166.34 |
| 7 | 10.00 to < 100.00 | 143 | 35.80 | 0.0 | 45.00 | 1.0 | 370 | 258.11 |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 504,932 | 0.09 | 0.6 | 14.48 | 1.6 | 108,546 | 21.49 |
| | Specialised lending | | | | | | | |
| 1 | 0.00 to < 0.15 | 53,459 | 0.09 | 0.1 | 45.00 | 4.6 | 23,915 | 44.73 |
| 2 | 0.15 to < 0.25 | 1,259 | 0.20 | 0.0 | 45.00 | 4.1 | 774 | 61.51 |
| 3 | 0.25 to < 0.50 | 23,255 | 0.31 | 0.0 | 45.00 | 4.9 | 18,620 | 80.06 |
| 4 | 0.50 to < 0.75 | 26,262 | 0.65 | 0.0 | 45.00 | 4.8 | 28,109 | 107.03 |
| 5 | 0.75 to < 2.50 | 23,862 | 1.26 | 0.0 | 45.00 | 4.7 | 30,136 | 126.28 |
| 6 | 2.50 to < 10.00 | 45,807 | 3.11 | 0.0 | 45.00 | 4.8 | 72,479 | 158.22 |
| 7 | 10.00 to < 100.00 | 259 | 13.95 | 0.0 | 45.00 | 4.9 | 632 | 243.75 |
| 8 | 100.00 (Default) | — | — | — | — | — | — | — |
| 9 | Sub-total | 174,167 | 1.18 | 0.3 | 45.00 | 4.7 | 174,667 | 100.28 |
| Total (all portfolios) | | ¥ 1,438,054 | 0.20% | 1.1 | 20.49% | 2.2 | ¥ 434,887 | 30.24% |

Note: SuMi TRUST Bank Group applies the Foundation Internal Ratings-Based Approach to the calculation of risk-weighted assets related to counterparty credit risk.

## CCR5: Composition of collateral for CCR exposure

| CCR5 | | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | | Collateral used in derivative transactions | | | | Collateral used in repo transactions | |
| | | Fair value of collateral received | | Fair value of posted collateral | | Fair value of collateral received | Fair value of posted collateral |
| | | Segregated | Unsegregated | Segregated | Unsegregated | | |
| 1 | Cash (domestic currency) | ¥ — | ¥ 489,069 | ¥ — | ¥ 349,191 | ¥ 110,003 | ¥ 436,093 |
| 2 | Cash (other currency) | — | 603,603 | — | 553,303 | 1,030,780 | 983 |
| 3 | Domestic sovereign debt | 9,707 | 34,104 | 17,970 | 54,515 | 282,806 | 314,304 |
| 4 | Other sovereign debt | 2,853 | — | — | — | 994,578 | 2,960,192 |
| 5 | Government agency debt | — | — | — | — | 157,314 | 45,711 |
| 6 | Corporate bonds | — | — | — | — | 214,348 | — |
| 7 | Equity securities | — | — | — | 6,554 | 1,138,863 | 673,387 |
| 8 | Other collateral | — | — | — | — | — | — |
| 9 | Total | ¥ 12,561 | ¥ 1,126,777 | ¥ 17,970 | ¥ 963,565 | ¥ 3,928,695 | ¥ 4,430,672 |

| CCR5 | | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | |
| | | a | b | c | d | e | f |
| Item No. | | Collateral used in derivative transactions | | | | Collateral used in repo transactions | |
| | | Fair value of collateral received | | Fair value of posted collateral | | Fair value of collateral received | Fair value of posted collateral |
| | | Segregated | Unsegregated | Segregated | Unsegregated | | |
| 1 | Cash (domestic currency) | ¥ — | ¥ 166,263 | ¥ — | ¥ 480,779 | ¥ 50,028 | ¥ 803,276 |
| 2 | Cash (other currency) | — | 220 | — | 323,716 | 1,435,005 | 972 |
| 3 | Domestic sovereign debt | 12,815 | 858 | 14,455 | 30,797 | 337,823 | 353,438 |
| 4 | Other sovereign debt | 859 | — | — | — | 1,155,773 | 2,738,273 |
| 5 | Government agency debt | — | — | — | — | 129,008 | 97,303 |
| 6 | Corporate bonds | — | — | — | — | 312,503 | 199,355 |
| 7 | Equity securities | — | — | — | 6,995 | 1,074,742 | 819,386 |
| 8 | Other collateral | — | — | — | — | — | — |
| 9 | Total | ¥ 13,674 | ¥ 167,342 | ¥ 14,455 | ¥ 842,289 | ¥ 4,494,884 | ¥ 5,012,006 |

## CCR6: Credit derivatives exposures

| CCR6 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2023 | |
| Item No. | | a | b |
| | | Protection bought | Protection sold |
| | Notionals | | |
| 1 | Single-name credit default swaps | ¥ 22,600 | ¥ 22,600 |
| 2 | Index credit default swaps | 46,054 | — |
| 3 | Total return swaps | — | — |
| 4 | Credit options | — | — |
| 5 | Other credit derivatives | — | — |
| 6 | Total notionals | ¥ 68,654 | ¥ 22,600 |
| | Fair values | | |
| 7 | Positive fair value (asset) | 47 | 507 |
| 8 | Negative fair value (liability) | (507) | (47) |

| CCR6 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2022 | |
| Item No. | | a | b |
| | | Protection bought | Protection sold |
| | Notionals | | |
| 1 | Single-name credit default swaps | ¥ 29,000 | ¥ 29,000 |
| 2 | Index credit default swaps | 37,392 | — |
| 3 | Total return swaps | — | — |
| 4 | Credit options | — | — |
| 5 | Other credit derivatives | — | — |
| 6 | Total notionals | ¥ 66,392 | ¥ 29,000 |
| | Fair values | | |
| 7 | Positive fair value (asset) | 32 | 643 |
| 8 | Negative fair value (liability) | (2,963) | (32) |

## CCR7: RWA flow statements of CCR exposures under Internal Model Method (IMM)

As of March 31, 2023
Not applicable.

As of March 31, 2022
Not applicable.

## CCR8: Exposures to central counterparties (CCP)

| CCR8 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2023 | |
| Item No. | | a | b |
| | | EAD to CCP (post-CRM) | RWA amounts |
| 1 | Exposures to qualifying central counterparties (QCCPs) (total) | | ¥ 76,398 |
| 2 | Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which | 2,475,738 | 49,514 |
| 3 | (i) OTC derivatives | 2,330,868 | 46,617 |
| 4 | (ii) Exchange-traded derivatives | 53,376 | 1,067 |
| 5 | (iii) Repo transactions | 91,494 | 1,829 |
| 6 | (iv) Netting sets where cross-product netting has been approved | — | — |
| 7 | Segregated initial margin | — | |
| 8 | Non-segregated initial margin | 366,646 | 7,332 |
| 9 | Pre-funded default fund contributions | 29,908 | 19,550 |
| 10 | Unfunded default fund contributions | — | — |
| 11 | Exposures to non-QCCPs (total) | | ¥ — |
| 12 | Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which | — | — |
| 13 | (i) OTC derivatives | — | — |
| 14 | (ii) Exchange-traded derivatives | — | — |
| 15 | (iii) Repo transactions | — | — |
| 16 | (iv) Netting sets where cross-product netting has been approved | — | — |
| 17 | Segregated initial margin | — | |
| 18 | Non-segregated initial margin | — | — |
| 19 | Pre-funded default fund contributions | — | — |
| 20 | Unfunded default fund contributions | — | — |

| CCR8 | | Millions of Yen | |
|---|---|---|---|
| | | March 31, 2022 | |
| Item No. | | a | b |
| | | EAD to CCP (post-CRM) | RWA amounts |
| 1 | Exposures to qualifying central counterparties (QCCPs) (total) | | ¥ 55,007 |
| 2 | Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which | 1,536,663 | 30,733 |
| 3 | (i) OTC derivatives | 1,241,187 | 24,823 |
| 4 | (ii) Exchange-traded derivatives | 202,133 | 4,042 |
| 5 | (iii) Repo transactions | 93,342 | 1,866 |
| 6 | (iv) Netting sets where cross-product netting has been approved | — | — |
| 7 | Segregated initial margin | — | |
| 8 | Non-segregated initial margin | 242,227 | 4,844 |
| 9 | Pre-funded default fund contributions | 32,748 | 19,429 |
| 10 | Unfunded default fund contributions | — | — |
| 11 | Exposures to non-QCCPs (total) | | ¥ — |
| 12 | Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which | — | — |
| 13 | (i) OTC derivatives | — | — |
| 14 | (ii) Exchange-traded derivatives | — | — |
| 15 | (iii) Repo transactions | — | — |
| 16 | (iv) Netting sets where cross-product netting has been approved | — | — |
| 17 | Segregated initial margin | — | |
| 18 | Non-segregated initial margin | — | — |
| 19 | Pre-funded default fund contributions | — | — |
| 20 | Unfunded default fund contributions | — | — |

## SEC1: Securitisation exposures by underlying asset type (securitisation exposures subject to the calculation of the amount of credit risk-weighted assets only)

| SEC1 | | Millions of Yen | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i |
| Item No. | Type of underlying asset | Bank acts as originator | | | Bank acts as sponsor | | | Banks acts as investor | | |
| | | Traditional | Synthetic | Sub-total | Traditional | Synthetic | Sub-total | Traditional | Synthetic | Sub-total |
| 1 | Retail (total) – of which | ¥ 85,532 | ¥ — | ¥ 85,532 | ¥ 296,443 | ¥ — | ¥ 296,443 | ¥ 183,039 | ¥ — | ¥ 183,039 |
| 2 | Residential mortgage | 85,532 | — | 85,532 | 26,922 | — | 26,922 | 145,666 | — | 145,666 |
| 3 | Credit card | — | — | — | 45,547 | — | 45,547 | 28,015 | — | 28,015 |
| 4 | Other retail exposures | — | — | — | 223,973 | — | 223,973 | 9,357 | — | 9,357 |
| 5 | Re-securitisation | — | — | — | — | — | — | — | — | — |
| 6 | Wholesale (total) – of which | 6,856 | — | 6,856 | 6,403 | — | 6,403 | 960,547 | — | 960,547 |
| 7 | Loans to corporates | — | — | — | — | — | — | 960,547 | — | 960,547 |
| 8 | Commercial mortgage | — | — | — | — | — | — | — | — | — |
| 9 | Lease and receivables | 6,856 | — | 6,856 | 6,403 | — | 6,403 | — | — | — |
| 10 | Other wholesale | — | — | — | — | — | — | — | — | — |
| 11 | Re-securitisation | — | — | — | — | — | — | — | — | — |

| SEC1 | | Millions of Yen | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i |
| Item No. | Type of underlying asset | Bank acts as originator | | | Bank acts as sponsor | | | Banks acts as investor | | |
| | | Traditional | Synthetic | Sub-total | Traditional | Synthetic | Sub-total | Traditional | Synthetic | Sub-total |
| 1 | Retail (total) – of which | ¥ 85,983 | ¥ — | ¥ 85,983 | ¥ 377,826 | ¥ — | ¥ 377,826 | ¥ 126,073 | ¥ — | ¥ 126,073 |
| 2 | Residential mortgage | 85,983 | — | 85,983 | 67,793 | — | 67,793 | 87,427 | — | 87,427 |
| 3 | Credit card | — | — | — | 40,787 | — | 40,787 | 28,428 | — | 28,428 |
| 4 | Other retail exposures | — | — | — | 269,245 | — | 269,245 | 10,216 | — | 10,216 |
| 5 | Re-securitisation | — | — | — | — | — | — | — | — | — |
| 6 | Wholesale (total) – of which | 6,548 | — | 6,548 | 14,921 | — | 14,921 | 791,122 | — | 791,122 |
| 7 | Loans to corporates | — | — | — | — | — | — | 791,122 | — | 791,122 |
| 8 | Commercial mortgage | — | — | — | — | — | — | — | — | — |
| 9 | Lease and receivables | 6,548 | — | 6,548 | 14,921 | — | 14,921 | — | — | — |
| 10 | Other wholesale | — | — | — | — | — | — | — | — | — |
| 11 | Re-securitisation | — | — | — | — | — | — | — | — | — |

## SEC2: Securitisation exposures by underlying asset type (securitisation exposures subject to the calculation of the market risk equivalent amounts only)

As of March 31, 2023
Not applicable.

As of March 31, 2022
Not applicable.

## SEC3: Securitisation exposures subject to the calculation of the amount of credit risk-weighted assets and related capital requirements (bank acting as originator or sponsor)

| SEC3 | | Millions of Yen | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o |
| Item No. | | Total | Traditional securitisations (sub-total) | | | | | | | Synthetic securitisations (sub-total) | | | | | | |
| | | | | Securitisation | | | Re-securitisation | | | | Securitisation | | | Re-securitisation | | |
| | | | | | Retail underlying | Wholesale | | Senior | Non-senior | | | Retail underlying | Wholesale | | Senior | Non-senior |
| | Exposure values (by RW bands) | | | | | | | | | | | | | | | |
| 1 | ≤ 20% risk weight | ¥229,021 | ¥229,021 | ¥229,021 | ¥222,617 | ¥ 6,403 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | > 20% to 50% risk weight | 125,536 | 125,536 | 125,536 | 125,536 | — | — | — | — | — | — | — | — | — | — | — |
| 3 | > 50% to 100% risk weight | 28,626 | 28,626 | 28,626 | 28,626 | — | — | — | — | — | — | — | — | — | — | — |
| 4 | > 100% to < 1,250% risk weight | 12,039 | 12,039 | 12,039 | 5,182 | 6,856 | — | — | — | — | — | — | — | — | — | — |
| 5 | 1,250% risk weight | 12 | 12 | 12 | 12 | — | — | — | — | — | — | — | — | — | — | — |
| | Exposure Values (by regulatory approach) | | | | | | | | | | | | | | | |
| 6 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 390,779 | 390,779 | 390,779 | 377,518 | 13,260 | — | — | — | — | — | — | — | — | — | — |
| 7 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 4,443 | 4,443 | 4,443 | 4,443 | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 9 | 1,250% risk weight | 12 | 12 | 12 | 12 | — | — | — | — | — | — | — | — | — | — | — |
| | RWA (by regulatory approach) | | | | | | | | | | | | | | | |
| 10 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 134,895 | 134,895 | 134,895 | 104,421 | 30,474 | — | — | — | — | — | — | — | — | — | — |
| 11 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 967 | 967 | 967 | 967 | — | — | — | — | — | — | — | — | — | — | — |
| 12 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 13 | Subject to 1,250% risk weight | 160 | 160 | 160 | 160 | — | — | — | — | — | — | — | — | — | — | — |
| | Capital requirement values (by regulatory approach) | | | | | | | | | | | | | | | |
| 14 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 10,791 | 10,791 | 10,791 | 8,353 | 2,437 | — | — | — | — | — | — | — | — | — | — |
| 15 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 77 | 77 | 77 | 77 | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 17 | Subject to 1,250% risk weight | 12 | 12 | 12 | 12 | — | — | — | — | — | — | — | — | — | — | — |

| SEC3 | | Millions of Yen | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o |
| Item No. | | Total | Traditional securitisations (sub-total) | | | | | | | Synthetic securitisations (sub-total) | | | | | | |
| | | | | Securitisation | | | Re-securitisation | | | | Securitisation | | | Re-securitisation | | |
| | | | | | Retail underlying | Wholesale | | Senior | Non-senior | | | Retail underlying | Wholesale | | Senior | Non-senior |
| Exposure values (by RW bands) | | | | | | | | | | | | | | | | |
| 1 | ≤ 20% risk weight | ¥328,047 | ¥328,047 | ¥328,047 | ¥313,125 | ¥14,921 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | > 20% to 50% risk weight | 101,665 | 101,665 | 101,665 | 101,665 | — | — | — | — | — | — | — | — | — | — | — |
| 3 | > 50% to 100% risk weight | 44,314 | 44,314 | 44,314 | 44,314 | — | — | — | — | — | — | — | — | — | — | — |
| 4 | > 100% to < 1,250% risk weight | 11,224 | 11,224 | 11,224 | 4,676 | 6,548 | — | — | — | — | — | — | — | — | — | — |
| 5 | 1,250% risk weight | 28 | 28 | 28 | 28 | — | — | — | — | — | — | — | — | — | — | — |
| Exposure Values (by regulatory approach) | | | | | | | | | | | | | | | | |
| 6 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 485,006 | 485,006 | 485,006 | 463,535 | 21,470 | — | — | — | — | — | — | — | — | — | — |
| 7 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 245 | 245 | 245 | 245 | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 9 | 1,250% risk weight | 28 | 28 | 28 | 28 | — | — | — | — | — | — | — | — | — | — | — |
| RWA (by regulatory approach) | | | | | | | | | | | | | | | | |
| 10 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 155,117 | 155,117 | 155,117 | 126,415 | 28,701 | — | — | — | — | — | — | — | — | — | — |
| 11 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 36 | 36 | 36 | 36 | — | — | — | — | — | — | — | — | — | — | — |
| 12 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 13 | Subject to 1,250% risk weight | 352 | 352 | 352 | 352 | — | — | — | — | — | — | — | — | — | — | — |
| Capital requirement values (by regulatory approach) | | | | | | | | | | | | | | | | |
| 14 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 12,409 | 12,409 | 12,409 | 10,113 | 2,296 | — | — | — | — | — | — | — | — | — | — |
| 15 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 2 | 2 | 2 | 2 | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 17 | Subject to 1,250% risk weight | 28 | 28 | 28 | 28 | — | — | — | — | — | — | — | — | — | — | — |

## SEC4: Securitisation exposures subject to the calculation of the amount of credit risk-weighted assets and related capital requirements (bank acting as investor)

| SEC4 | | Millions of Yen | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2023 | | | | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o |
| Item No. | | Total | Traditional securitisations (sub-total) | | | | | | | Synthetic securitisations (sub-total) | | | | | | |
| | | | | Securitisation | | | Re-securitisation | | | | Securitisation | | | Re-securitisation | | |
| | | | | | Retail underlying | Wholesale | | Senior | Non-senior | | | Retail underlying | Wholesale | | Senior | Non-senior |
| | Exposure values (by RW bands) | | | | | | | | | | | | | | | |
| 1 | ≤ 20% risk weight | ¥1,096,481 | ¥1,096,481 | ¥1,096,481 | ¥158,753 | ¥937,727 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | > 20% to 50% risk weight | 23,545 | 23,545 | 23,545 | 1,393 | 22,152 | — | — | — | — | — | — | — | — | — | — |
| 3 | > 50% to 100% risk weight | 16,359 | 16,359 | 16,359 | 15,691 | 668 | — | — | — | — | — | — | — | — | — | — |
| 4 | > 100% to < 1,250% risk weight | 7,200 | 7,200 | 7,200 | 7,200 | — | — | — | — | — | — | — | — | — | — | — |
| 5 | 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |
| | Exposure Values (by regulatory approach) | | | | | | | | | | | | | | | |
| 6 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 1,115,572 | 1,115,572 | 1,115,572 | 155,024 | 960,547 | — | — | — | — | — | — | — | — | — | — |
| 7 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 28,015 | 28,015 | 28,015 | 28,015 | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 9 | 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |
| | RWA (by regulatory approach) | | | | | | | | | | | | | | | |
| 10 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 168,558 | 168,558 | 168,558 | 29,378 | 139,180 | — | — | — | — | — | — | — | — | — | — |
| 11 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 16,265 | 16,265 | 16,265 | 16,265 | — | — | — | — | — | — | — | — | — | — | — |
| 12 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 13 | Subject to 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |
| | Capital requirement values (by regulatory approach) | | | | | | | | | | | | | | | |
| 14 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 13,484 | 13,484 | 13,484 | 2,350 | 11,134 | — | — | — | — | — | — | — | — | — | — |
| 15 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 1,301 | 1,301 | 1,301 | 1,301 | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 17 | Subject to 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |

| SEC4 | | Millions of Yen | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 | | | | | | | | | | | | | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o |
| Item No. | | Total | Traditional securitisations (sub-total) | | | | | | | Synthetic securitisations (sub-total) | | | | | | |
| | | | | Securitisation | | | Re-securitisation | | | | Securitisation | | | Re-securitisation | | |
| | | | | | Retail underlying | Wholesale | | Senior | Non-senior | | | Retail underlying | Wholesale | | Senior | Non-senior |
| Exposure values (by RW bands) | | | | | | | | | | | | | | | | |
| 1 | ≤ 20% risk weight | ¥830,760 | ¥830,760 | ¥830,760 | ¥96,969 | ¥733,790 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| 2 | > 20% to 50% risk weight | 17,672 | 17,672 | 17,672 | 16,024 | 1,647 | — | — | — | — | — | — | — | — | — | — |
| 3 | > 50% to 100% risk weight | 3,988 | 3,988 | 3,988 | 3,376 | 611 | — | — | — | — | — | — | — | — | — | — |
| 4 | > 100% to < 1,250% risk weight | 64,773 | 64,773 | 64,773 | 9,701 | 55,071 | — | — | — | — | — | — | — | — | — | — |
| 5 | 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |
| Exposure Values (by regulatory approach) | | | | | | | | | | | | | | | | |
| 6 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 888,767 | 888,767 | 888,767 | 97,644 | 791,122 | — | — | — | — | — | — | — | — | — | — |
| 7 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 28,428 | 28,428 | 28,428 | 28,428 | — | — | — | — | — | — | — | — | — | — | — |
| 8 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 9 | 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |
| RWA (by regulatory approach) | | | | | | | | | | | | | | | | |
| 10 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 186,688 | 186,688 | 186,688 | 18,116 | 168,571 | — | — | — | — | — | — | — | — | — | — |
| 11 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 14,815 | 14,815 | 14,815 | 14,815 | — | — | — | — | — | — | — | — | — | — | — |
| 12 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 13 | Subject to 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |
| Capital requirement values (by regulatory approach) | | | | | | | | | | | | | | | | |
| 14 | Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA) | 14,935 | 14,935 | 14,935 | 1,449 | 13,485 | — | — | — | — | — | — | — | — | — | — |
| 15 | Subject to the External Ratings-Based Approach (SEC-ERBA) | 1,185 | 1,185 | 1,185 | 1,185 | — | — | — | — | — | — | — | — | — | — | — |
| 16 | Subject to the Standardised Approach (SEC-SA) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 17 | Subject to 1,250% risk weight | 0 | 0 | 0 | 0 | — | — | — | — | — | — | — | — | — | — | — |

## MR1: Market risk under standardised approach

| MR1 | | Millions of Yen |
|---|---|---|
| | | March 31, 2023 |
| Item No. | | RWA (Amounts calculated by dividing risk equivalent amounts by 8%) |
| 1 | Interest rate risk (general and specific) | ¥ 17,885 |
| 2 | Equity risk (general and specific) | — |
| 3 | Foreign exchange risk | 20,404 |
| 4 | Commodity risk | 11 |
| | Options transactions | |
| 5 | Simplified approach | — |
| 6 | Delta-plus method | — |
| 7 | Scenario approach | — |
| 8 | Specific risk related to securitisation exposures | — |
| 9 | Total | ¥ 38,300 |

| MR1 | | Millions of Yen |
|---|---|---|
| | | March 31, 2022 |
| Item No. | | RWA (Amounts calculated by dividing risk equivalent amounts by 8%) |
| 1 | Interest rate risk (general and specific) | ¥ 4,521 |
| 2 | Equity risk (general and specific) | — |
| 3 | Foreign exchange risk | 13,379 |
| 4 | Commodity risk | — |
| | Options transactions | |
| 5 | Simplified approach | — |
| 6 | Delta-plus method | — |
| 7 | Scenario approach | — |
| 8 | Specific risk related to securitisation exposures | — |
| 9 | Total | ¥ 17,900 |

## MR2: Risk-weighted Assets Flow Statements of Market Risk Exposures under Internal Model Approach

| MR2 | | | Billions of Yen | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | March 31, 2023 | | | | | |
| | | | a | b | c | d | e | f |
| Item No. | | | VaR | Stressed VaR | Additional risk | Comprehensive risk | Others | Total RWA |
| 1a | RWA at the end of previous reporting period (March 31, 2022) | | ¥ 275 | ¥ 959 | ¥ — | ¥ — | | ¥ 1,234 |
| 1b | Regulatory adjustment ratio (1a/1c) | | 2.58 | 3.74 | — | — | | 3.40 |
| 1c | RWA at the end of the previous fiscal year | | 106 | 255 | — | — | | 362 |
| 2 | Factor of RWA changes | Movement in risk levels | (11) | 70 | — | — | | 58 |
| 3 | | Model updates/changes | — | — | — | — | | — |
| 4 | | Methodology and policy | — | — | — | — | | — |
| 5 | | Acquisitions and disposals | — | — | — | — | | — |
| 6 | | Foreign exchange movements | (5) | (8) | — | — | | (13) |
| 7 | | Others | 23 | (14) | — | — | | 9 |
| 8a | RWA at the end of the fiscal year | | 114 | 302 | — | — | | 416 |
| 8b | Regulatory adjustment ratio (8c/8a) | | 3.94 | 4.31 | — | — | | 4.21 |
| 8c | RWA at the end of current reporting period (March 31, 2023) | | 451 | 1,305 | — | — | | 1,756 |

Note: The end of the previous fiscal year indicates March 31, 2022, and the end of the fiscal year indicates March 31, 2023.

| MR2 | | | Billions of Yen | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | March 31, 2022 | | | | | |
| | | | a | b | c | d | e | f |
| Item No. | | | VaR | Stressed VaR | Additional risk | Comprehensive risk | Others | Total RWA |
| 1a | RWA at the end of previous reporting period (March 31, 2021) | | ¥ 365 | ¥ 1,039 | ¥ — | ¥ — | | ¥ 1,405 |
| 1b | Regulatory adjustment ratio (1a/1c) | | 3.13 | 3.08 | — | — | | 3.09 |
| 1c | RWA at the end of the previous fiscal year | | 116 | 336 | — | — | | 453 |
| 2 | Factor of RWA changes | Movement in risk levels | (9) | (22) | — | — | | (31) |
| 3 | | Model updates/changes | (33) | 49 | — | — | | 15 |
| 4 | | Methodology and policy | — | — | — | — | | — |
| 5 | | Acquisitions and disposals | — | — | — | — | | — |
| 6 | | Foreign exchange movements | (3) | (55) | — | — | | (58) |
| 7 | | Others | 36 | (52) | — | — | | (16) |
| 8a | RWA at the end of the fiscal year | | 106 | 255 | — | — | | 362 |
| 8b | Regulatory adjustment ratio (8c/8a) | | 2.58 | 3.74 | — | — | | 3.40 |
| 8c | RWA at the end of current reporting period (March 31, 2022) | | 275 | 959 | — | — | | 1,234 |

Note: The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.

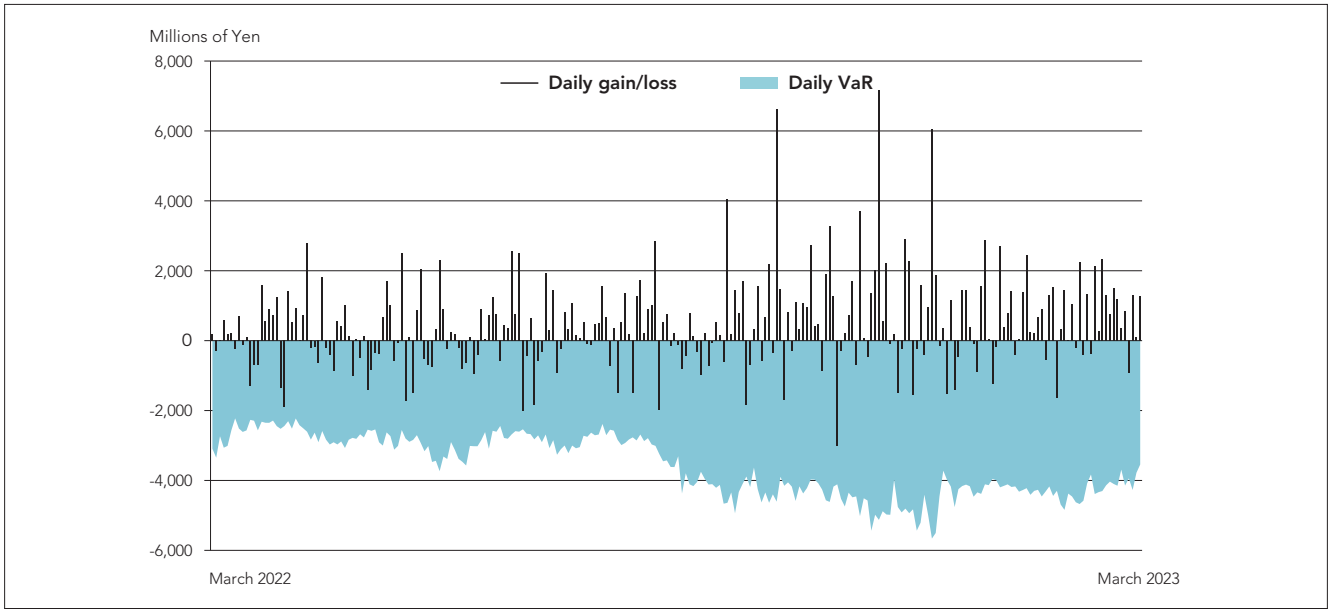
## MR3: Values of Internal Model Approaches (IMA) (Market risk)

| MR3 Item No. | | Millions of Yen March 31, 2023 |
|---|---|---|
| | VaR (holding period:10 business days, one-sided confidence interval:99%) | |
| 1 | Maximum value | ¥ 16,680 |
| 2 | Average value | 11,099 |
| 3 | Minimum value | 7,159 |
| 4 | Period end | 9,135 |
| | Stressed VaR (holding period:10 business days, one-sided confidence interval:99%) | |
| 5 | Maximum value | 44,291 |
| 6 | Average value | 30,705 |
| 7 | Minimum value | 18,089 |
| 8 | Period end | 24,219 |
| | Incremental risk charge (one-sided confidence interval: 99.9%) | |
| 9 | Maximum value | — |
| 10 | Average value | — |
| 11 | Minimum value | — |
| 12 | Period end | — |
| | Comprehensive risk capital charge (one-sided confidence interval: 99.9%) | |
| 13 | Maximum value | — |
| 14 | Average value | — |
| 15 | Minimum value | — |
| 16 | Period end | — |
| 17 | Floor (modified standardised measurement method) | — |

| MR3 Item No. | | Millions of Yen March 31, 2022 |
|---|---|---|
| | VaR (holding period:10 business days, one-sided confidence interval:99%) | |
| 1 | Maximum value | ¥ 15,601 |
| 2 | Average value | 8,618 |
| 3 | Minimum value | 5,388 |
| 4 | Period end | 8,552 |
| | Stressed VaR (holding period:10 business days, one-sided confidence interval:99%) | |
| 5 | Maximum value | 46,371 |
| 6 | Average value | 33,841 |
| 7 | Minimum value | 20,195 |
| 8 | Period end | 20,464 |
| | Incremental risk charge (one-sided confidence interval: 99.9%) | |
| 9 | Maximum value | — |
| 10 | Average value | — |
| 11 | Minimum value | — |
| 12 | Period end | — |
| | Comprehensive risk capital charge (one-sided confidence interval: 99.9%) | |
| 13 | Maximum value | — |
| 14 | Average value | — |
| 15 | Minimum value | — |
| 16 | Period end | — |
| 17 | Floor (modified standardised measurement method) | — |

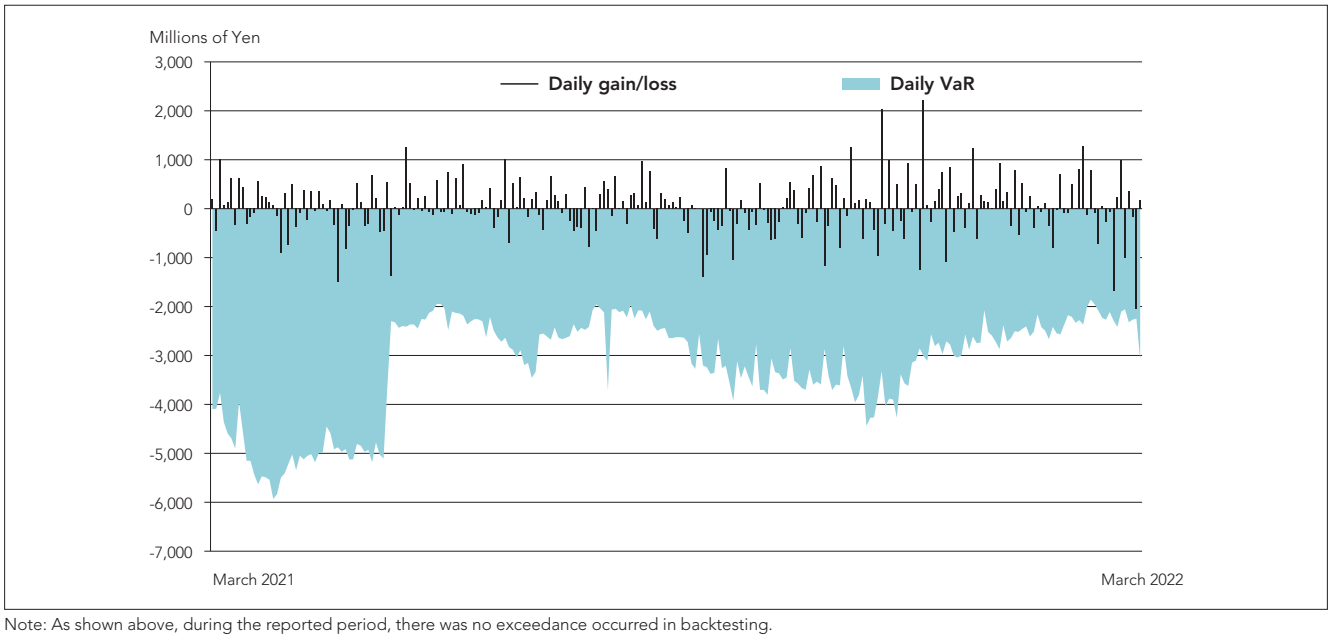
## MR4: Backtesting results by Internal Model Approaches (IMA)

| MR4 | March 31, 2023 |
|---|---|




Note: As shown above, during the reported period, there was no exceedance occurred in backtesting.

| MR4 | March 31, 2022 |
|---|---|




Note: As shown above, during the reported period, there was no exceedance occurred in backtesting.

## IRRBB1: Interest rate risk

| IRRBB1 | | Millions of Yen | | | |
|---|---|---|---|---|---|
| | | a | b | c | d |
| Item No. | | ⊿EVE | | ⊿NII | |
| | | **March 31, 2023** | March 31, 2022 | **March 31, 2023** | March 31, 2022 |
| 1 | Parallel up | **¥ 40,982** | ¥ 94,116 | **¥ (100,104)** | ¥ (123,722) |
| 2 | Parallel down | **—** | 2,127 | **96,930** | 119,484 |
| 3 | Steepener | **61,868** | 106,332 | | |
| 4 | Flattener | **1,605** | — | | |
| 5 | Short rate up | **5,491** | 75 | | |
| 6 | Short rate down | **21,915** | 22,118 | | |
| 7 | Maximum | **61,868** | 106,332 | **96,930** | 119,484 |
| | | e | | f | |
| | | **March 31, 2023** | | March 31, 2022 | |
| 8 | Tier 1 Capital | **¥ 2,491,839** | | ¥ 2,423,927 | |

## Composition of Basel III Leverage Ratio

Consolidated

| As of March 31 | | | | Millions of Yen, % | |
|---|---|---|---|---|---|
| Basel III Template No. (Table 2) | Basel III Template No. (Table 1) | Items | | 2023 | 2022 |
| | | On-Balance Sheet Exposures | | | |
| 1 | | On-Balance Sheet Exposures before Deducting Adjustment Items | | ¥ 45,068,723 | ¥ 44,658,060 |
| 1a | 1 | Total Assets Reported in the Consolidated Balance Sheet | | 50,193,378 | 49,262,464 |
| 1b | 2 | The Amount of Assets of Subsidiaries that are not Included in the Scope of the Basel III Leverage Ratio on a Consolidated Basis (Deduction) | | — | — |
| 1c | 7 | The Amount of Assets of Subsidiaries that are Included in the Scope of the Basel III 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) | | 5,124,654 | 4,604,404 |
| 2 | 7 | The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction) | | 239,515 | 206,994 |
| 3 | | Total On-Balance Sheet Exposures | (A) | 44,829,208 | 44,451,065 |
| | | Exposures Related to Derivative Transactions | | | |
| 4 | | The Amount Equivalent to Replacement Cost Associated with Derivatives Transactions, etc. Multiplied by 1.4 | | | |
| | | Replacement Cost Associated with Derivatives Transactions, etc. | | 719,356 | 958,635 |
| 5 | | The Amount Equivalent to Potential Future Exposure Associated with Derivatives Transactions, etc. Multiplied by 1.4 | | | |
| | | Add-On Amount Associated with Derivatives Transactions, etc. | | 1,197,629 | 1,068,328 |
| | | The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc. | | 823,974 | 804,496 |
| 6 | | The Amount of Receivables Arising from Providing Collateral, Provided where Deducted from the Consolidated Balance Sheet Pursuant to the Operative Accounting Framework | | | |
| | | 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) | | 84,270 | 149,682 |
| 8 | | The Amount of Client-Cleared Trade Exposures for which a Bank or Bank Holding Company Acting as Clearing Member is not Obliged to Make Any Indemnification (Deduction) | | | |
| 9 | | Adjusted Effective Notional Amount of Written Credit Derivatives | | 22,600 | 29,000 |
| 10 | | The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction) | | 22,600 | 29,000 |
| 11 | 4 | Total Exposures Related to Derivative Transactions | (B) | 2,656,690 | 2,681,776 |
| | | Exposures Related to Repo Transactions | | | |
| 12 | | The Amount of Assets Related to Repo Transactions, etc. | | 546,097 | 803,276 |
| 13 | | The Amount of Deductions from the Assets Above (Line 12) (Deduction) | | — | — |
| 14 | | The Exposures for Counterparty Credit Risk for Repo Transactions, etc. | | 228,299 | 417,004 |
| 15 | | The Exposures for Agent Repo Transaction | | | |
| 16 | 5 | The Total Exposures Related to Repo Transactions, etc. | (C) | 774,396 | 1,220,280 |
| | | Exposures Related to Off-Balance Sheet Transactions | | | |
| 17 | | Notional Amount of Off-Balance Sheet Transactions | | 8,981,004 | 8,399,573 |
| 18 | | The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction) | | 5,365,558 | 5,111,999 |
| 19 | 6 | Total Exposures Related to Off-Balance Sheet Transactions | (D) | 3,615,445 | 3,287,573 |
| | | Basel III Leverage Ratio on a Consolidated Basis | | | |
| 20 | | The Amount of Capital (Tier 1 Capital) | (E) | 2,491,839 | 2,423,927 |
| 21 | 8 | Total Exposures | (F) = (A)+(B)+(C)+(D) | ¥ 51,875,741 | ¥ 51,640,697 |
| 22 | | Basel III Leverage Ratio on a Consolidated Basis | (G) = (E)/(F) | 4.80% | 4.69% |
| | | Minimum leverage ratio requirement | | 3.00% | |
| | | Basel III Leverage Ratio on a Consolidated Basis If Including Deposits Held with the Bank of Japan | | | |
| | | Total Exposure | (F) | ¥ 51,875,741 | ¥ 51,640,697 |
| | | Deposits Held with the Bank of Japan | | 18,544,609 | 15,084,261 |
| | | Total Exposure If Including Deposits Held with the Bank of Japan | (F') | 70,420,351 | 66,724,959 |
| | | Basel III Leverage Ratio on a Consolidated Basis If Including Deposits Held with the Bank of Japan | (H) = (E)/(F') | 3.53% | 3.63% |

Note: SuMi TRUST Holdings' Basel III leverage ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).

The certain procedure is not part of the audit of the consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the Basel III leverage ratio itself or parts of internal control over the procedure to calculate the ratio.

## 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 2022 4th Quarter | | Fiscal Year 2022 3rd Quarter | |
| High-Quality Liquid Assets (1) | | | | | |
| 1 | Total high-quality liquid assets (HQLA) | | ¥ 19,451,554 | | ¥ 19,347,711 |
| Cash Outflows (2) | | Total Unweighted Value | Total Weighted Value | Total Unweighted Value | Total Weighted Value |
| 2 | Cash outflows related to unsecured retail funding | ¥ 19,095,882 | ¥ 902,830 | ¥ 19,051,934 | ¥ 914,814 |
| 3 | of which: Stable deposits | 1,786,650 | 53,599 | 1,788,463 | 53,653 |
| 4 | of which: Less stable deposits | 8,488,939 | 849,230 | 8,608,609 | 861,160 |
| 5 | Cash outflows related to unsecured wholesale funding | 15,888,004 | 12,468,394 | 14,728,175 | 11,569,713 |
| 6 | of which: Qualifying operational deposits | — | — | — | — |
| 7 | of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities | 12,197,771 | 8,778,161 | 11,443,112 | 8,284,651 |
| 8 | of which: Debt securities | 3,690,233 | 3,690,233 | 3,285,062 | 3,285,062 |
| 9 | Cash outflows related to secured funding, etc. | | — | | 702 |
| 10 | Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities | 7,497,054 | 2,610,549 | 7,480,551 | 2,583,495 |
| 11 | of which: Cash outflows related to derivative transactions, etc. | 1,360,692 | 1,360,692 | 1,237,270 | 1,237,270 |
| 12 | of which: Cash outflows related to funding programs | — | — | — | — |
| 13 | of which: Cash outflows related to credit and liquidity facilities | 6,136,361 | 1,249,857 | 6,243,280 | 1,346,224 |
| 14 | Cash outflows related to contractual funding obligations, etc. | 291,330 | 205,822 | 236,298 | 164,432 |
| 15 | Cash outflows related to contingencies | 667,669 | 17,799 | 662,611 | 17,706 |
| 16 | Total cash outflows | | 16,205,396 | | 15,250,865 |
| Cash Inflows (3) | | Total Unweighted Value | Total Weighted Value | Total Unweighted Value | Total Weighted Value |
| 17 | Cash inflows related to secured lending, etc. | ¥ 192,306 | ¥ — | ¥ 230,742 | ¥ — |
| 18 | Cash inflows related to collection of loans, etc. | 2,678,181 | 1,698,798 | 2,526,458 | 1,704,190 |
| 19 | Other cash inflows | 472,417 | 394,366 | 554,542 | 438,073 |
| 20 | Total cash inflows | 3,342,905 | 2,093,165 | 3,311,743 | 2,142,263 |
| Consolidated Liquidity Coverage Ratio (4) | | | | | |
| 21 | Total HQLA allowed to be included in the calculation | | ¥ 19,451,554 | | ¥ 19,347,711 |
| 22 | Net cash outflows | | 14,112,230 | | 13,108,601 |
| 23 | Consolidated Liquidity Coverage Ratio (LCR) | | 137.8% | | 147.5% |
| 24 | The number of data used to calculate the average value | | 60 | | 62 |

### Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our consolidated LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

Our consolidated LCR satisfies the regulated level (100%) as required under liquidity ratio regulations and the actual LCR is roughly in line with our initial forecast. Up ahead, we do not expect our LCR to deviate significantly from the current level.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality liquid assets and net cash outflows in major currencies.

(4) Other items concerning LCR

We apply neither the "treatment for qualifying operational deposit" nor the "additional collateral required to market valuation changes based on the scenario approach."

Furthermore, taking account of the impact to LCR, we are using month-end data in lieu of daily data for the consolidated subsidiary companies of minor importance with practical restrictions.

## Net Stable Funding Ratio (NSFR) Consolidated

### Consolidated Net Stable Funding Ratio

#### Quantitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a consolidated basis

| Item No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | Fiscal Year 2022 4th Quarter | | | | |
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) items (1) | | | | | | |
| 1 | Capital | ¥ 2,709,809 | ¥ — | ¥ — | ¥ 305,000 | ¥ 3,014,809 |
| 2 | of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions | 2,709,809 | — | — | 240,630 | 2,950,439 |
| 3 | of which: Other capital instruments that are not included in the above category | — | — | — | 64,369 | 64,369 |
| 4 | Funding from retail and small business customers | 12,972,952 | — | — | 5,831,434 | 17,507,091 |
| 5 | of which: Stable deposits | — | — | — | — | — |
| 6 | of which: Less stable deposits | 12,972,952 | — | — | 5,831,434 | 17,507,091 |
| 7 | Wholesale funding | 5,706,938 | 23,573,280 | 2,815,502 | 9,045,839 | 15,506,422 |
| 8 | of which: Operational deposits | — | — | — | — | — |
| 9 | of which: Other wholesale funding | 5,706,938 | 23,573,280 | 2,815,502 | 9,045,839 | 15,506,422 |
| 10 | Liabilities with matching interdependent assets | — | — | — | — | — |
| 11 | Other liabilities | 472,266 | 1,176,758 | — | 137,039 | 12,717 |
| 12 | of which: Derivative liabilities | | | | 137,039 | |
| 13 | of which: All other liabilities and equity not included in the above categories | 472,266 | 1,176,758 | — | — | 12,717 |
| 14 | Total available stable funding | | | | | ¥ 36,041,041 |
| Required stable funding (RSF) items (2) | | | | | | |
| 15 | HQLA | | | | | ¥ 1,065,921 |
| 16 | Deposits held at financial institutions for operational purposes | — | — | — | 44,747 | 44,747 |
| 17 | Loans, repo transactions-related assets, securities and other similar assets | 184,523 | 5,897,274 | 2,139,808 | 27,561,904 | 26,271,303 |
| 18 | of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA) | — | 546,097 | — | — | 0 |
| 19 | of which: Loans to- and repo transactions with- financial institutions (not included in item 18) | 61,519 | 1,011,003 | 513,708 | 2,374,193 | 2,832,254 |
| 20 | of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22) | — | 3,789,743 | 1,200,467 | 11,616,262 | 12,329,888 |
| 21 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 802,089 | 94,194 | 237,202 | 602,323 |
| 22 | of which: Residential mortgages | — | 422,028 | 360,199 | 10,964,493 | 8,688,327 |
| 23 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 327,566 | 256,557 | 6,001,131 | 4,349,636 |
| 24 | of which: Securities that are not in default and do not qualify as HQLA and other similar assets | 123,004 | 128,401 | 65,433 | 2,606,955 | 2,420,833 |
| 25 | Assets with matching interdependent liabilities | — | — | — | — | — |
| 26 | Other assets | 1,151,461 | 549,688 | 2,870 | 2,534,697 | 3,486,200 |
| 27 | of which: Physical traded commodities, including gold | — | | | | — |
| 28 | of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet) | | | | 302,697 | 257,292 |
| 29 | of which: Derivative assets | | | | — | — |
| 30 | of which: Derivative liabilities (before deduction of variation margin posted) | | | | 40,529 | 40,529 |
| 31 | of which: All other assets not included in the above categories | 1,151,461 | 549,688 | 2,870 | 2,191,471 | 3,188,378 |
| 32 | Off-balance sheet items | | | | 7,201,661 | 515,067 |
| 33 | Total required stable funding | | | | | ¥ 31,383,240 |
| 34 | Consolidated net stable funding ratio (NSFR) | | | | | 114.8% |

| Item No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | Fiscal Year 2022 3rd Quarter | | | | |
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) items (1) | | | | | | |
| 1 | Capital | ¥ 2,662,431 | ¥ — | ¥ — | ¥ 305,000 | ¥ 2,967,431 |
| 2 | of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions | 2,662,431 | — | — | 248,022 | 2,910,454 |
| 3 | of which: Other capital instruments that are not included in the above category | — | — | — | 56,977 | 56,977 |
| 4 | Funding from retail and small business customers | 13,117,278 | — | — | 5,724,763 | 17,530,313 |
| 5 | of which: Stable deposits | — | — | — | — | — |
| 6 | of which: Less stable deposits | 13,117,278 | — | — | 5,724,763 | 17,530,313 |
| 7 | Wholesale funding | 5,478,027 | 22,624,189 | 2,008,406 | 9,394,578 | 15,168,627 |
| 8 | of which: Operational deposits | — | — | — | — | — |
| 9 | of which: Other wholesale funding | 5,478,027 | 22,624,189 | 2,008,406 | 9,394,578 | 15,168,627 |
| 10 | Liabilities with matching interdependent assets | — | — | — | — | — |
| 11 | Other liabilities | 259,914 | 1,220,544 | — | 217,965 | 14,847 |
| 12 | of which: Derivative liabilities | | | | 217,965 | |
| 13 | of which: All other liabilities and equity not included in the above categories | 259,914 | 1,220,544 | — | — | 14,847 |
| 14 | Total available stable funding | | | | | ¥ 35,681,220 |
| Required stable funding (RSF) items (2) | | | | | | |
| 15 | HQLA | | | | | ¥ 1,089,789 |
| 16 | Deposits held at financial institutions for operational purposes | — | — | — | 55,941 | 55,941 |
| 17 | Loans, repo transactions-related assets, securities and other similar assets | 175,767 | 6,110,135 | 2,115,545 | 27,771,397 | 26,465,207 |
| 18 | of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA) | — | 544,210 | — | — | 0 |
| 19 | of which: Loans to- and repo transactions with- financial institutions (not included in item 18) | 66,723 | 949,480 | 458,525 | 2,315,460 | 2,727,854 |
| 20 | of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22) | — | 4,115,273 | 1,197,153 | 11,600,073 | 12,478,439 |
| 21 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 783,628 | 76,460 | 231,182 | 580,313 |
| 22 | of which: Residential mortgages | — | 420,833 | 353,013 | 11,048,009 | 8,685,063 |
| 23 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 325,989 | 250,535 | 6,108,659 | 4,371,678 |
| 24 | of which: Securities that are not in default and do not qualify as HQLA and other similar assets | 109,043 | 80,337 | 106,853 | 2,807,854 | 2,573,849 |
| 25 | Assets with matching interdependent liabilities | — | — | — | — | — |
| 26 | Other assets | 969,414 | 476,248 | 3,566 | 2,184,942 | 3,142,826 |
| 27 | of which: Physical traded commodities, including gold | — | | | | — |
| 28 | of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet) | | | | 258,985 | 220,137 |
| 29 | of which: Derivative assets | | | | — | — |
| 30 | of which: Derivative liabilities (before deduction of variation margin posted) | | | | 58,100 | 58,100 |
| 31 | of which: All other assets not included in the above categories | 969,414 | 476,248 | 3,566 | 1,867,856 | 2,864,588 |
| 32 | Off-balance sheet items | | | | 6,896,261 | 492,884 |
| 33 | Total required stable funding | | | | | ¥ 31,246,650 |
| 34 | Consolidated net stable funding ratio (NSFR) | | | | | 114.1% |

## Qualitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a consolidated basis

(1) Items concerning fluctuations in the consolidated NSFR over time

Our consolidated NSFR has remained stable mainly due to our predetermined funding policy on the sticky money.

(2) Items concerning special provisions for interdependent assets and liabilities

The "Special provisions for interdependent assets and liabilities" stipulated in the items under Article 101 of the Financial Services Agency Notification on Liquidity Ratio are not applied on a consolidated basis.

(3) Other items concerning consolidated NSFR

Our consolidated NSFR satisfies the regulated level (100%), and we do not expect NSFR to deviate significantly from the current level in the future.

Currently, the entire amount of funding from retail and small business customers is recorded as "less stable deposits."

## KM1: Key Metrics

Non-consolidated

| KM1 Basel III Template No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| | Available capital (amounts) | | | | | |
| 1 | Common Equity Tier 1 (CET1) | ¥ 1,899,007 | ¥ 1,840,821 | ¥ 1,842,395 | ¥ 1,881,161 | ¥ 1,852,771 |
| 2 | Tier 1 | 2,168,997 | 2,110,811 | 2,112,385 | 2,151,151 | 2,122,761 |
| 3 | Total capital | 2,442,050 | 2,392,665 | 2,425,728 | 2,499,854 | 2,486,809 |
| | Risk-weighted assets (amounts) | | | | | |
| 4 | Total risk-weighted assets (RWA) | 21,771,535 | 21,166,974 | 20,859,113 | 19,292,037 | 18,815,901 |
| | Risk-based capital ratios as a percentage of RWA | | | | | |
| 5 | Common Equity Tier 1 ratio | 8.72% | 8.69% | 8.83% | 9.75% | 9.84% |
| 6 | Tier 1 ratio | 9.96% | 9.97% | 10.12% | 11.15% | 11.28% |
| 7 | Total capital ratio | 11.21% | 11.30% | 11.62% | 12.95% | 13.21% |
| | Basel III leverage ratio | | | | | |
| 13 | Total Basel III leverage ratio exposure measure | 49,893,138 | 49,905,626 | 51,550,175 | 50,667,876 | 49,725,068 |
| 14 | Basel III leverage ratio | 4.34% | 4.22% | 4.09% | 4.24% | 4.26% |

| KM1 Basel III Template No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | Fiscal Year 2022 4th Quarter | Fiscal Year 2022 3rd Quarter | Fiscal Year 2022 2nd Quarter | Fiscal Year 2022 1st Quarter | Fiscal Year 2021 4th Quarter |
| | Non-consolidated Liquidity Coverage Ratio (LCR) | | | | | |
| 15 | Total HQLA allowed to be included in the calculation | ¥ 19,204,229 | ¥ 19,077,215 | ¥ 18,813,231 | ¥ 18,013,261 | ¥ 17,487,539 |
| 16 | Net cash outflows | 13,454,497 | 12,441,462 | 12,236,688 | 12,089,252 | 10,583,950 |
| 17 | Non-consolidated LCR | 142.7% | 153.3% | 153.7% | 149.0% | 165.2% |
| | Non-consolidated Net Stable Funding Ratio (NSFR) | | | | | |
| 18 | Total available stable funding | 35,131,413 | 34,901,872 | 35,339,762 | 34,933,245 | 34,769,782 |
| 19 | Total required stable funding | 28,930,866 | 28,961,348 | 29,509,927 | 28,584,166 | 28,267,940 |
| 20 | Non-consolidated NSFR | 121.4% | 120.5% | 119.7% | 122.2% | 123.0% |

## Composition of Capital (Non-consolidated BIS capital adequacy ratio)

Non-consolidated

### CC1: Composition of Capital

| CC1<br>As of March 31<br>Basel III Template No. | Items | Millions of Yen, %<br>a<br>2023 | <br>b<br>2022 | <br>c<br>Reference Numbers to Reconciliation with the Balance Sheet |
|---|---|---|---|---|
| | **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 | **¥ 1,884,485** | ¥ 1,783,447 | |
| 1a | of Which: Capital Stock and Capital Surplus | **685,103** | 685,103 | |
| 2 | of Which: Retained Earnings | **1,230,712** | 1,121,938 | |
| 1c | of Which: Treasury Stock (Deduction) | **—** | — | |
| 26 | of Which: Earnings to be Distributed (Deduction) | **31,330** | 23,594 | |
| | of Which: Others | **—** | — | |
| 1b | Subscription Rights to Common Shares | **—** | — | |
| 3 | Valuation and Translation Adjustments | **212,099** | 244,263 | (a) |
| 6 | Common Equity Tier 1 Capital: Instruments and Reserves (A) | **2,096,585** | 2,027,711 | |
| | **Common Equity Tier 1 Capital: Regulatory Adjustments** | | | |
| 8+9 | Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities) | **62,118** | 53,947 | |
| 8 | of Which: Goodwill (Including Those Equivalent) | **—** | — | |
| 9 | of Which: Other Intangible Assets | **62,118** | 53,947 | |
| 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 | **(56,665)** | (61,694) | |
| 12 | Shortfall of Eligible Provisions to Expected Losses | **—** | — | |
| 13 | Securitisation Gain on Sale | **808** | 993 | |
| 14 | Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities | **7,454** | 6,253 | |
| 15 | Defined-Benefit Pension Fund Net Assets (Prepaid Pension Expenses) (Net of Related Deferred Tax Liabilities) | **183,860** | 175,440 | |
| 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) | **—** | — | |
| 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) | **197,577** | 174,939 | |
| | **Common Equity Tier 1 Capital (CET1)** | | | |
| 29 | Common Equity Tier 1 Capital (C) = (A)–(B) | **¥ 1,899,007** | ¥ 1,852,771 | |

CC1

As of March 31

Millions of Yen, %

| Basel III Template No. | | Items | a 2023 | b 2022 | c Reference Numbers to Reconciliation with the Balance Sheet |
|---|---|---|---|---|---|
| | | **Additional Tier 1 Capital: Instruments** | | | |
| 30 | 31a | Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards | — | — | |
| | 31b | Subscription Rights to Additional Tier 1 Instruments | — | — | |
| | 32 | Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards | **¥ 270,000** | ¥ 270,000 | |
| | | Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles | — | — | |
| 33+35 | | Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital | — | — | |
| 36 | | Additional Tier 1 Capital: Instruments (D) | **270,000** | 270,000 | |
| | | **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) | — | — | |
| 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 | **10** | 10 | |
| 42 | | Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions | — | — | |
| 43 | | Additional Tier 1 Capital: Regulatory Adjustments (E) | **10** | 10 | |
| | | **Additional Tier 1 Capital (AT1)** | | | |
| 44 | | Additional Tier 1 Capital (F) = (D) – (E) | **269,990** | 269,990 | |
| | | **Tier 1 Capital (T1 = CET1 + AT1)** | | | |
| 45 | | Tier 1 Capital (G) = (C) + (F) | **2,168,997** | 2,122,761 | |
| | | **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 | **270,630** | 339,855 | |
| | | Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles | — | — | |
| 47+49 | | Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2 Capital | — | — | |
| 50 | | Provisions Allowed in Group Tier 2 | **3,962** | 25,733 | |
| 50a | | of Which: General Allowance for Credit Losses | — | — | |
| 50b | | of Which: Excess Amount of Eligible Provisions to Expected Losses | **3,962** | 25,733 | |
| 51 | | Tier 2 Capital: Instruments and Provisions (H) | **¥ 274,592** | ¥ 365,588 | |

| CC1<br>As of March 31<br>Basel III Template No. | Items | Millions of Yen, %<br>a<br>2023 | <br>b<br>2022 | <br>c<br>Reference Numbers to Reconciliation with the Balance Sheet |
|---|---|---|---|---|
| | **Tier 2 Capital: Regulatory Adjustments** | | | |
| 52 | Investments in Own Tier 2 Instruments | ¥ — | ¥ — | |
| 53 | Reciprocal Cross-Holdings in Tier 2 Instruments and Other TLAC Liabilities | — | — | |
| 54 | Investments in the Tier 2 Instruments and Other TLAC Liabilities 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) | — | — | |
| 55 | Significant Investments in the Tier 2 Instruments and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions | **1,540** | 1,540 | |
| 57 | Tier 2 Capital: Regulatory Adjustments (I) | **1,540** | 1,540 | |
| | **Tier 2 Capital (T2)** | | | |
| 58 | Tier 2 Capital (J) = (H) – (I) | **273,052** | 364,048 | |
| | **Total Capital (TC = T1 + T2)** | | | |
| 59 | Total Capital (K) = (G) + (J) | **2,442,050** | 2,486,809 | |
| | **Total Risk Weighted Assets** | | | |
| 60 | Total Risk Weighted Assets (L) | **21,771,535** | 18,815,901 | |
| | **Capital Ratios (Non-consolidated)** | | | |
| 61 | Common Equity Tier 1 Capital Ratio (C)/(L) | **8.72%** | 9.84% | |
| 62 | Tier 1 Capital Ratio (G)/(L) | **9.96%** | 11.28% | |
| 63 | Total Capital Ratio (K)/(L) | **11.21%** | 13.21% | |
| | **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) | **168,789** | 95,249 | |
| 73 | Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction) | **60,555** | 66,072 | |
| 74 | Mortgage Servicing Rights (Amount below the Thresholds for Deduction) | — | — | |
| 75 | Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction) | **29,278** | 31,220 | |
| | **Provisions Included in Tier 2 Capital: Instruments and Provisions** | | | |
| 76 | Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardised Approach (Prior to Applicable of Cap) | — | — | |
| 77 | Cap on Inclusion of Provisions in Tier 2 under Standardised Approach | **3,521** | 3,221 | |
| 78 | Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap) | **3,962** | 25,733 | |
| 79 | Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach | **110,095** | 95,829 | |
| | **Capital Instruments Subject to Phase out Arrangements** | | | |
| 82 | Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements | — | — | |
| 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 | — | — | |
| 85 | Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities) | ¥ — | ¥ — | |

Note: SuMi TRUST Holdings' non-consolidated capital adequacy ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).
The certain procedure is not part of the audit of the non-consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the non-consolidated BIS capital adequacy ratio itself or parts of internal control over the procedure to calculate the ratio.

## Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Non-consolidated

### Fiscal Year 2022

**CC2: Reconciliation of Regulatory Capital to Balance Sheet**

| CC2 Items | a Non-consolidated Balance Sheet (Millions of Yen) | b Ref. No. of Composition of Capital | c Ref. No. of Appendix |
|---|---|---|---|
| (Assets) | | | |
| Cash and Due from Banks | ¥ 21,364,216 | | |
| Call Loans | 24,006 | | |
| Receivables under Resale Agreements | 110,003 | | |
| Receivables under Securities Borrowing Transactions | 436,093 | | |
| Monetary Claims Bought | 124,649 | | |
| Trading Assets | 1,609,798 | | |
| Money Held in Trust | 99 | | 6–a |
| Securities | 6,999,285 | | 6–b |
| Loans and Bills Discounted | 31,947,351 | | 6–c |
| Foreign Exchanges | 47,445 | | |
| Other Assets | 3,271,413 | | 6–d |
| Tangible Fixed Assets | 182,820 | | |
| Intangible Fixed Assets | 89,534 | | 2 |
| Prepaid Pension Expenses | 265,005 | | 3 |
| Customers' Liabilities for Acceptances and Guarantees | 458,822 | | |
| Allowance for Loan Losses | (105,798) | | |
| Total Assets | ¥ 66,824,746 | | |

| CC2 Items | a Non-consolidated Balance Sheet (Millions of Yen) | b Ref. No. of Composition of Capital | c Ref. No. of Appendix |
|---|---|---|---|
| **(Liabilities)** | | | |
| Deposits | ¥ 35,041,223 | | |
| Negotiable Certificates of Deposit | 7,617,705 | | |
| Call Money | 2,086,480 | | |
| Payables under Repurchase Agreements | 1,030,780 | | |
| Trading Liabilities | 1,472,636 | | |
| Borrowed Money | 6,185,153 | | 7 |
| Foreign Exchanges | 8,568 | | |
| Short-term Bonds Payable | 1,697,150 | | |
| Bonds Payable | 1,847,560 | | |
| Borrowed Money from Trust Account | 4,332,472 | | |
| Other Liabilities | 2,823,095 | | 6–e |
| Provision for Bonuses | 9,602 | | |
| Provision for Directors' Bonuses | 95 | | |
| Provision for Stocks Payment | 810 | | |
| Provision for Retirement Benefits | 1,018 | | |
| Provision for Reimbursement of Deposits | 3,028 | | |
| Provision for Contingent Losses | 1,344 | | |
| Deferred Tax Liabilities | 76,900 | | 4–a |
| Deferred Tax Liabilities for Land Revaluation | 2,381 | | 4–b |
| Acceptances and Guarantees | 458,822 | | |
| Total Liabilities | 64,696,830 | | |
| **(Net Assets)** | | | |
| Capital Stock | 342,037 | | 1–a |
| Capital Surplus | 343,066 | | 1–b |
| Retained Earnings | 1,230,712 | | 1–c |
| Total Shareholders' Equity | 1,915,815 | | |
| Valuation Differences on Available-for-Sale Securities | 272,426 | | |
| Deferred Gains (Losses) on Hedges | (55,847) | | 5 |
| Revaluation Reserve for Land | (4,479) | | |
| Foreign Currency Translation Adjustments | — | | |
| Total Valuation and Translation Adjustments | 212,099 | (a) | |
| Total Net Assets | 2,127,915 | | |
| Total Liabilities and Net Assets | ¥ 66,824,746 | | |

Note: The regulatory balance sheet is the same as the accounting balance sheet.

## (Appendix)

### 1. Shareholders' equity

#### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Capital Stock | ¥ 342,037 | | 1–a |
| Capital Surplus | 343,066 | | 1–b |
| Retained Earnings | 1,230,712 | | 1–c |
| Total Shareholders' Equity | ¥ 1,915,815 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings | ¥ 1,915,815 | Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed)) | |
| of Which: Capital Stock and Capital Surplus | 685,103 | | 1a |
| of Which: Retained Earnings | 1,230,712 | | 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 assets

#### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Intangible Fixed Assets | ¥ 89,534 | | 2 |
| | | | |
| Associated Deferred Tax Liabilities | 27,415 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | 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) | 62,118 | 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 Expenses)

#### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Prepaid Pension Expenses | ¥ 265,005 | | 3 |
| | | | |
| Associated Deferred Tax Liabilities | 81,144 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Defined-Benefit Pension Fund Net Assets (Prepaid Pension Expenses) (Net of Related Deferred Tax Liabilities) | ¥ 183,860 | | 15 |

### 4. Deferred tax assets

#### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Deferred Tax Liabilities | ¥ 76,900 | | 4–a |
| Deferred Tax Liabilities for Land Revaluation | 2,381 | | 4–b |
| | | | |
| Associated Intangible Fixed Assets | 27,415 | | |
| Associated Prepaid Pension Expenses | 81,144 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | 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) | 29,278 | 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) | 29,278 | | 75 |

## 5. Deferred gains or losses on hedges

### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Deferred Gains (Losses) on Hedges | ¥ (55,847) | | 5 |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Deferred Gains or Losses on Derivatives under Hedge Accounting | ¥ (56,665) | Excluding those items whose valuation differences arising from hedged items are recognized as "Valuation and translation adjustments" | 11 |

## 6. Investments in the Capital and Other TLAC Liabilities of Financial Entities

### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Money Held in Trust | ¥ 99 | | 6–a |
| Securities | 6,999,285 | | 6–b |
| Loans and Bills Discounted | 31,947,351 | Including Subordinated Debts | 6–c |
| Other Assets | 3,271,413 | Including derivatives | 6–d |
| Other Liabilities | ¥ 2,823,095 | Including derivatives | 6–e |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Investments in Own Capital | ¥ — | | |
| Common Equity Tier 1 Capital | — | | 16 |
| Additional Tier 1 Capital | — | | 37 |
| Tier 2 Capital | — | | 52 |
| Reciprocal Cross-Holdings in the Capital and Other TLAC Liabilities | — | | |
| Common Equity Tier 1 Capital | — | | 17 |
| Additional Tier 1 Capital | — | | 38 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 53 |
| Investments in the Capital and Other TLAC Liabilities 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 | 168,789 | | |
| Common Equity Tier 1 Capital | — | | 18 |
| Additional Tier 1 Capital | — | | 39 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 54 |
| Amount below the Thresholds for Deduction (before risk weighting) | 168,789 | | 72 |
| Significant Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions | 62,105 | | |
| Amount above the 10% Threshold on the Specified Items | — | | 19 |
| Amount exceeding the 15% Threshold on the Specified Items | — | | 23 |
| Additional Tier 1 Capital | 10 | | 40 |
| Tier 2 Capital and Other TLAC Liabilities | 1,540 | | 55 |
| Amount below the Thresholds for Deduction (before risk weighting) | 60,555 | | 73 |

## 7. Other Capital Instruments

### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Borrowed Money | ¥ 6,185,153 | | 7 |

### (2) Composition of capital

| Items in the Composition of Capital | 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 | ¥ 270,000 | | 32 |
| Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards | 270,630 | | 46 |

## Fiscal Year 2021

| CC2 | a | b | c | d |
|---|---|---|---|---|
| Items | Non-consolidated Balance Sheet (Millions of Yen) | Under Regulatory Scope of Consolidation (Millions of Yen) | Ref. No. of Composition of Capital | Ref. No. of Appendix |
| **(Assets)** | | | | |
| Cash and Due from Banks | ¥ 17,925,030 | ¥ 17,925,031 | | |
| Call Loans | 5,000 | 5,000 | | |
| Receivables under Resale Agreements | 150,741 | 150,741 | | |
| Receivables under Securities Borrowing Transactions | 652,534 | 652,534 | | |
| Monetary Claims Bought | 123,567 | 123,567 | | |
| Trading Assets | 1,048,258 | 1,048,258 | | |
| Money Held in Trust | 99 | 99 | | |
| Securities | 7,951,169 | 7,951,168 | | 6–a |
| Loans and Bills Discounted | 30,916,363 | 30,916,363 | | 6–b |
| Foreign Exchanges | 29,494 | 29,494 | | |
| Other Assets | 2,922,768 | 2,922,768 | | 6–c |
| Tangible Fixed Assets | 184,334 | 184,334 | | |
| Intangible Fixed Assets | 77,756 | 77,756 | | 2 |
| Prepaid Pension Expenses | 252,869 | 252,869 | | 3 |
| Customers' Liabilities for Acceptances and Guarantees | 426,405 | 426,405 | | |
| Allowance for Loan Losses | (136,300) | (136,300) | | |
| Total Assets | ¥ 62,530,092 | ¥ 62,530,092 | | |

| CC2 Items | a<br>Non-consolidated Balance Sheet (Millions of Yen) | b<br>Under Regulatory Scope of Consolidation (Millions of Yen) | c<br>Ref. No. of Composition of Capital | d<br>Ref. No. of Appendix |
|---|---|---|---|---|
| **(Liabilities)** | | | | |
| Deposits | ¥ 32,898,724 | ¥ 32,898,724 | | |
| Negotiable Certificates of Deposit | 6,809,644 | 6,809,644 | | |
| Call Money | 932,640 | 932,640 | | |
| Payables under Repurchase Agreements | 1,485,033 | 1,485,033 | | |
| Trading Liabilities | 906,686 | 906,686 | | |
| Borrowed Money | 7,335,261 | 7,335,261 | | 7 |
| Foreign Exchanges | 15,362 | 15,362 | | |
| Short-term Bonds Payable | 1,845,782 | 1,845,782 | | |
| Bonds Payable | 1,371,604 | 1,371,604 | | |
| Borrowed Money from Trust Account | 4,298,827 | 4,298,827 | | |
| Other Liabilities | 2,066,310 | 2,066,310 | | 6–d |
| Provision for Bonuses | 9,599 | 9,599 | | |
| Provision for Directors' Bonuses | 98 | 98 | | |
| Provision for Stocks Payment | 569 | 569 | | |
| Provision for Retirement Benefits | 940 | 940 | | |
| Provision for Reimbursement of Deposits | 3,626 | 3,626 | | |
| Provision for Contingent Losses | 1,649 | 1,649 | | |
| Deferred Tax Liabilities | 67,628 | 67,628 | | 4–a |
| Deferred Tax Liabilities for Land Revaluation | 2,388 | 2,388 | | 4–b |
| Acceptances and Guarantees | 426,405 | 426,405 | | |
| Total Liabilities | 60,478,786 | 60,478,786 | | |
| **(Net Assets)** | | | | |
| Capital Stock | 342,037 | 342,037 | | 1–a |
| Capital Surplus | 343,066 | 343,066 | | 1–b |
| Retained Earnings | 1,121,938 | 1,121,938 | | 1–c |
| Total Shareholders' Equity | 1,807,041 | 1,807,041 | | |
| Valuation Differences on Available-for-Sale Securities | 291,152 | 291,152 | | |
| Deferred Gains (Losses) on Hedges | (42,431) | (42,431) | | 5 |
| Revaluation Reserve for Land | (4,456) | (4,456) | | |
| Foreign Currency Translation Adjustments | — | (0) | | |
| Total Valuation and Translation Adjustments | 244,263 | 244,263 | (a) | |
| Total Net Assets | 2,051,305 | 2,051,305 | | |
| Total Liabilities and Net Assets | ¥ 62,530,092 | ¥ 62,530,092 | | |

## (Appendix)

### 1. Shareholders' equity

#### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Capital Stock | ¥ 342,037 | | 1–a |
| Capital Surplus | 343,066 | | 1–b |
| Retained Earnings | 1,121,938 | | 1–c |
| Total Shareholders' Equity | ¥ 1,807,041 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings | ¥ 1,807,041 | Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed)) | |
| of Which: Capital Stock and Capital Surplus | 685,103 | | 1a |
| of Which: Retained Earnings | 1,121,938 | | 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 assets

#### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Intangible Fixed Assets | ¥ 77,756 | | 2 |
| | | | |
| Associated Deferred Tax Liabilities | 23,808 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | 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) | 53,947 | 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 Expenses)

#### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Prepaid Pension Expenses | ¥ 252,869 | | 3 |
| | | | |
| Associated Deferred Tax Liabilities | 77,428 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Defined-Benefit Pension Fund Net Assets (Prepaid Pension Expenses) (Net of Related Deferred Tax Liabilities) | ¥ 175,440 | | 15 |

### 4. Deferred tax assets

#### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Deferred Tax Liabilities | ¥ 67,628 | | 4–a |
| Deferred Tax Liabilities for Land Revaluation | 2,388 | | 4–b |
| | | | |
| Associated Intangible Fixed Assets | 23,808 | | |
| Associated Prepaid Pension Expenses | 77,428 | | |

#### (2) Composition of capital

| Items in the Composition of Capital | 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) | 31,220 | 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) | 31,220 | | 75 |

## 5. Deferred gains or losses on hedges

### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Deferred Gains (Losses) on Hedges | ¥ (42,431) | | 5 |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Deferred Gains or Losses on Derivatives under Hedge Accounting | ¥ (61,694) | Excluding those items whose valuation differences arising from hedged items are recognized as "Valuation and translation adjustments" | 11 |

## 6. Investments in the Capital and Other TLAC Liabilities of Financial Entities

### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Securities | ¥ 7,951,169 | | 6–a |
| Loans and Bills Discounted | 30,916,363 | Including Subordinated Debts | 6–b |
| Other Assets | 2,922,768 | Including derivatives | 6–c |
| Other Liabilities | ¥ 2,066,310 | Including derivatives | 6–d |

### (2) Composition of capital

| Items in the Composition of Capital | Amount (Millions of Yen) | Remarks | Basel III Template No. |
|---|---|---|---|
| Investments in Own Capital | ¥ — | | |
| Common Equity Tier 1 Capital | — | | 16 |
| Additional Tier 1 Capital | — | | 37 |
| Tier 2 Capital | — | | 52 |
| Reciprocal Cross-Holdings in the Capital and Other TLAC Liabilities | — | | |
| Common Equity Tier 1 Capital | — | | 17 |
| Additional Tier 1 Capital | — | | 38 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 53 |
| Investments in the Capital and Other TLAC Liabilities 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 | 95,249 | | |
| Common Equity Tier 1 Capital | — | | 18 |
| Additional Tier 1 Capital | — | | 39 |
| Tier 2 Capital and Other TLAC Liabilities | — | | 54 |
| Amount below the Thresholds for Deduction (before risk weighting) | 95,249 | | 72 |
| Significant Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions | 67,622 | | |
| Amount above the 10% Threshold on the Specified Items | — | | 19 |
| Amount exceeding the 15% Threshold on the Specified Items | — | | 23 |
| Additional Tier 1 Capital | 10 | | 40 |
| Tier 2 Capital and Other TLAC Liabilities | 1,540 | | 55 |
| Amount below the Thresholds for Deduction (before risk weighting) | 66,072 | | 73 |

## 7. Other Capital Instruments

### (1) Non-consolidated balance sheet

| Non-consolidated Balance Sheet Items | Amount (Millions of Yen) | Remarks | Ref. No. |
|---|---|---|---|
| Borrowed Money | ¥ 7,335,261 | | 7 |

### (2) Composition of capital

| Items in the Composition of Capital | 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 | ¥ 270,000 | | 32 |
| Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards | 339,855 | | 46 |

## Disclosure Data Designated as Per the Appended Forms

Non-consolidated

### OV1: Overview of Risk-weighted assets (RWA)

| OV1 Basel III Template No. | | Millions of Yen | | | |
|---|---|---|---|---|---|
| | | Risk-weighted assets (RWA) | | Minimum capital requirements | |
| | | **March 31, 2023** | March 31, 2022 | **March 31, 2023** | March 31, 2022 |
| 1 | Credit risk (excluding counterparty credit risk) | **¥ 13,326,102** | ¥ 12,290,526 | **¥ 1,118,471** | ¥ 1,032,083 |
| 2 | of Which: Standardised Approach (SA) | **844** | 827 | **67** | 66 |
| 3 | of Which: Internal Ratings-Based (IRB) Approach | **10,913,090** | 10,175,272 | **925,430** | 862,863 |
| | of Which: Significant investments in commercial entities | **—** | — | **—** | — |
| | of Which: Lease residual value | **—** | — | **—** | — |
| | Other assets | **2,412,167** | 2,114,426 | **192,973** | 169,154 |
| 4 | Counterparty credit risk (CCR) | **1,107,530** | 1,149,099 | **90,463** | 94,014 |
| 5 | of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR) | **—** | — | **—** | — |
| | of Which: Current Exposure Method (CEM) | **371,522** | 407,204 | **31,505** | 34,530 |
| 6 | of Which: Expected Positive Exposure (EPE) | **—** | — | **—** | — |
| | of Which: Credit Valuation Adjustment (CVA) | **643,376** | 659,325 | **51,470** | 52,746 |
| | of Which: Central Counterparty (CCP) | **76,398** | 55,007 | **6,111** | 4,400 |
| | Others | **16,232** | 27,562 | **1,376** | 2,337 |
| 7 | Equity positions in banking book under market-based approach | **175,413** | 186,018 | **14,875** | 15,774 |
| 8 | Equity Investments in Funds (Look-through Approach) | **1,987,297** | 893,938 | **158,983** | 71,515 |
| 9 | Equity Investments in Funds (Mandate-based Approach) | **1,560,189** | 1,228,015 | **124,815** | 98,241 |
| | Equity Investments in Funds (Probability Approach 250%) | **—** | — | **—** | — |
| | Equity Investments in Funds (Probability Approach 400%) | **—** | — | **—** | — |
| 10 | Equity Investments in Funds (Probability Approach 1,250%) | **1,311** | 1,448 | **104** | 115 |
| 11 | Settlement risk | **—** | — | **—** | — |
| 12 | Securitisation exposures in banking book | **266,300** | 289,158 | **21,304** | 23,132 |
| 13 | of Which: Internal Rating-Based Approach (SEC-IRBA) | **249,067** | 274,306 | **19,925** | 21,944 |
| 14 | of Which: External Rating-Based Approach (SEC-ERBA) | **17,232** | 14,852 | **1,378** | 1,188 |
| 15 | of Which: Standardised Approach (SEC-SA) | **—** | — | **—** | — |
| | of Which: Subject to 1,250% risk weight | **0** | 0 | **0** | 0 |
| 16 | Market risk | **1,775,223** | 1,240,649 | **142,017** | 99,251 |
| 17 | of Which: Standardised Approach (SA) | **19,158** | 5,793 | **1,532** | 463 |
| 18 | of Which: Internal Model Approaches (IMA) | **1,756,065** | 1,234,856 | **140,485** | 98,788 |
| 19 | Operational risk | **645,616** | 631,520 | **51,649** | 50,521 |
| 20 | of Which: Basic Indicator Approach (BIA) | **—** | — | **—** | — |
| 21 | of Which: The Standardised Approach (TSA) | **—** | — | **—** | — |
| 22 | of Which: Advanced Measurement Approach (AMA) | **645,616** | 631,520 | **51,649** | 50,521 |
| 23 | Amounts below the thresholds for deduction (subject to 250% risk weight) | **224,506** | 243,170 | **19,038** | 20,620 |
| | Amounts included under transitional arrangements | **—** | — | **—** | — |
| 24 | Floor adjustment | **—** | — | **—** | — |
| 25 | Total (after applying scaling factor) | **¥ 21,771,535** | ¥ 18,815,901 | **¥ 1,741,722** | ¥ 1,505,272 |

Note: Total risk-weighted assets of Template No.25 are only applied scaling factor.

## IRRBB1: Interest rate risk

| IRRBB1 | | Millions of Yen | | | |
|---|---|---|---|---|---|
| | | a | b | c | d |
| Item No. | | ⊿EVE | | ⊿NII | |
| | | **March 31, 2023** | March 31, 2022 | **March 31, 2023** | March 31, 2022 |
| 1 | Parallel up | **¥ 17,096** | ¥ 74,043 | **¥ (103,567)** | ¥ (124,791) |
| 2 | Parallel down | **18,359** | 2,132 | **100,393** | 120,552 |
| 3 | Steepener | **52,059** | 98,697 | | |
| 4 | Flattener | **1,605** | — | | |
| 5 | Short rate up | **5,491** | 75 | | |
| 6 | Short rate down | **29,448** | 28,865 | | |
| 7 | Maximum | **52,059** | 98,697 | **100,393** | 120,552 |
| | | e | | f | |
| | | **March 31, 2023** | | March 31, 2022 | |
| 8 | Tier 1 Capital | **¥ 2,168,997** | | ¥ 2,122,761 | |

## Composition of Basel III Leverage Ratio

Non-consolidated

| As of March 31 | | | Millions of Yen, % | |
|---|---|---|---|---|
| Basel III Template No. (Table2) | Basel III Template No. (Table1) | Items | 2023 | 2022 |
| | | **On-Balance Sheet Exposures** | | |
| 1 | | On-balance Sheet Exposures before Deducting Adjustment Items | **¥ 43,262,706** | ¥ 42,957,850 |
| 1a | 1 | Total Assets Reported in the Non-consolidated Balance Sheet | **48,280,137** | 47,445,830 |
| 1b | 3 | The Amount of Assets that are Deducted from the Total Assets Reported in the Non-consolidated Balance Sheet (except adjustment items) (Deduction) | **5,017,430** | 4,487,979 |
| 2 | 7 | The Amount of Adjustment Items Pertaining to Tier1 Capital (Deduction) | **245,989** | 229,397 |
| 3 | | Total On-Balance Sheet Exposures (A) | **43,016,716** | 42,728,453 |
| | | **Exposures Related to Derivative Transactions** | | |
| 4 | | The Amount Equivalent to Replacement Cost Associated with Derivatives Transactions, etc. Multiplied by 1.4 | | |
| | | Replacement Cost Associated with Derivatives Transactions, etc. | **715,954** | 957,062 |
| 5 | | The Amount Equivalent to Potential Future Exposure Associated with Derivatives Transactions, etc. Multiplied by 1.4 | | |
| | | Add-On Amount Associated with Derivatives Transactions, etc. | **1,193,702** | 1,066,025 |
| | | The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc. | **823,974** | 804,496 |
| 6 | | The Amount of Receivables Arising from Providing Collateral, Provided where Deducted from the Non-Consolidated Balance Sheet Pursuant to the Operative Accounting Framework | | |
| | | The Amount of Receivables Arising from Providing Cash Margin, Provided where Deducted from the Non-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) | **84,270** | 149,682 |
| 8 | | The Amount of Client-Cleared Trade Exposures for which a Bank Acting as Clearing Member is not Obliged to Make any Indemnification (Deduction) | | |
| 9 | | Adjusted Effective Notional Amount of Written Credit Derivatives | **22,600** | 29,000 |
| 10 | | The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction) | **22,600** | 29,000 |
| 11 | 4 | Total Exposures Related to Derivative Transactions (B) | **2,649,361** | 2,677,901 |
| | | **Exposures Related to Repo Transactions** | | |
| 12 | | The Amount of Assets Related to Repo Transactions, etc. | **546,097** | 803,276 |
| 13 | | The Amount of Deductions from the Assets Above (Line 12) (Deduction) | **—** | — |
| 14 | | The Exposures for Counterparty Credit Risk for Repo Transactions, etc. | **226,619** | 406,377 |
| 15 | | The Exposures for Agent Repo Transaction | | |
| 16 | 5 | The Total Exposures Related to Repo Transactions, etc. (C) | **772,716** | 1,209,654 |
| | | **Exposures Related to Off-Balance Sheet Transactions** | | |
| 17 | | Notional Amount of Off-Balance Sheet Transactions | **6,612,055** | 5,936,622 |
| 18 | | The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction) | **3,157,712** | 2,827,562 |
| 19 | 6 | Total Exposures Related to Off-Balance Sheet Transactions (D) | **3,454,342** | 3,109,059 |
| | | **Basel III Leverage ratio on a Non-consolidated Basis** | | |
| 20 | | The Amount of Capital (Tier 1 Capital) (E) | **2,168,997** | 2,122,761 |
| 21 | 8 | Total Exposures (F) = (A)+(B)+(C)+(D) | **¥ 49,893,138** | ¥ 49,725,068 |
| 22 | | Basel III Leverage Ratio on a Non-consolidated Basis (G) = (E)/(F) | **4.34%** | 4.26% |
| | | Minimum leverage ratio requirement | **3.00%** | |
| | | **Basel III Leverage Ratio on a Non-consolidated Basis If Including Deposits Held with the Bank of Japan** | | |
| | | Total Exposures (F) | **¥ 49,893,138** | ¥ 49,725,068 |
| | | Deposits held with the Bank of Japan | **18,544,609** | 15,084,261 |
| | | Total exposure if including deposits held with the Bank of Japan (F') | **68,437,747** | 64,809,330 |
| | | Basel III Leverage Ratio on a Non-consolidated Basis If Including Deposits Held with the Bank of Japan (H) = (E)/(F') | **3.16%** | 3.27% |

Note: SuMi TRUST Holdings' Basel III leverage ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).
The certain procedure is not part of the audit of the non-consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the Basel III leverage ratio itself or parts of internal control over the procedure to calculate the ratio.

## 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 2022 4th Quarter | | Fiscal Year 2022 3rd Quarter | |
| High-Quality Liquid Assets (1) | | | | | |
| 1 | Total high-quality liquid assets (HQLA) | | ¥ 19,204,229 | | ¥ 19,077,215 |
| Cash Outflows (2) | | Total Unweighted Value | Total Weighted Value | Total Unweighted Value | Total Weighted Value |
| 2 | Cash outflows related to unsecured retail funding | ¥ 19,095,882 | ¥ 902,830 | ¥ 19,051,934 | ¥ 914,814 |
| 3 | of which: Stable deposits | 1,786,650 | 53,599 | 1,788,463 | 53,653 |
| 4 | of which: Less stable deposits | 8,488,939 | 849,230 | 8,608,609 | 861,160 |
| 5 | Cash outflows related to unsecured wholesale funding | 15,312,303 | 11,941,028 | 14,140,359 | 11,021,485 |
| 6 | of which: Qualifying operational deposits | — | — | — | — |
| 7 | of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities | 11,843,270 | 8,471,995 | 11,058,798 | 7,939,924 |
| 8 | of which: Debt securities | 3,469,033 | 3,469,033 | 3,081,560 | 3,081,560 |
| 9 | Cash outflows related to secured funding, etc. | | — | | 702 |
| 10 | Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities | 6,536,880 | 2,565,062 | 6,526,041 | 2,536,808 |
| 11 | of which: Cash outflows related to derivative transactions, etc. | 1,291,282 | 1,291,282 | 1,159,723 | 1,159,723 |
| 12 | of which: Cash outflows related to funding programs | — | — | — | — |
| 13 | of which: Cash outflows related to credit and liquidity facilities | 5,245,597 | 1,273,779 | 5,366,317 | 1,377,085 |
| 14 | Cash outflows related to contractual funding obligations, etc. | 300,396 | 214,888 | 243,637 | 171,771 |
| 15 | Cash outflows related to contingencies | 676,580 | 18,187 | 670,997 | 18,084 |
| 16 | Total cash outflows | | 15,641,997 | | 14,663,665 |
| Cash Inflows (3) | | Total Unweighted Value | Total Weighted Value | Total Unweighted Value | Total Weighted Value |
| 17 | Cash inflows related to secured lending, etc. | ¥ 192,306 | ¥ — | ¥ 230,742 | ¥ — |
| 18 | Cash inflows related to collection of loans, etc. | 2,754,224 | 1,818,775 | 2,586,303 | 1,807,940 |
| 19 | Other cash inflows | 446,147 | 368,724 | 530,104 | 414,262 |
| 20 | Total cash inflows | 3,392,678 | 2,187,499 | 3,347,150 | 2,222,203 |
| Non-consolidated Liquidity Coverage Ratio (4) | | | | | |
| 21 | Total HQLA allowed to be included in the calculation | | ¥ 19,204,229 | | ¥ 19,077,215 |
| 22 | Net cash outflows | | 13,454,497 | | 12,441,462 |
| 23 | Non-consolidated Liquidity Coverage Ratio (LCR) | | 142.7% | | 153.3% |
| 24 | The number of data used to calculate the average value | | 60 | | 62 |

### Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a non-consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our non-consolidated LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

Our non-consolidated LCR satisfies the regulated level (100%) as required under liquidity ratio regulations and the actual LCR is roughly in line with our initial forecast. Up ahead, we do not expect our LCR to deviate significantly from the current level.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality liquid assets and net cash outflows in major currencies.

(4) Other items concerning LCR

We apply neither the "treatment for qualifying operational deposit" nor the "additional collateral required to market valuation changes based on the scenario approach."

## Net Stable Funding Ratio (NSFR) Non-consolidated

### Non-consolidated Net Stable Funding Ratio

### Quantitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a non-consolidated basis

| Item No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | Fiscal Year 2022 4th Quarter | | | | |
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) items (1) | | | | | | |
| 1 | Capital | ¥ 2,370,547 | ¥ — | ¥ — | ¥ 305,000 | ¥ 2,675,547 |
| 2 | of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions | 2,370,547 | — | — | 240,630 | 2,611,177 |
| 3 | of which: Other capital instruments that are not included in the above category | — | — | — | 64,369 | 64,369 |
| 4 | Funding from retail and small business customers | 12,975,005 | — | — | 5,831,434 | 17,508,939 |
| 5 | of which: Stable deposits | — | — | — | — | — |
| 6 | of which: Less stable deposits | 12,975,005 | — | — | 5,831,434 | 17,508,939 |
| 7 | Wholesale funding | 5,820,486 | 23,159,747 | 2,793,788 | 8,671,296 | 14,946,926 |
| 8 | of which: Operational deposits | — | — | — | — | — |
| 9 | of which: Other wholesale funding | 5,820,486 | 23,159,747 | 2,793,788 | 8,671,296 | 14,946,926 |
| 10 | Liabilities with matching interdependent assets | — | — | — | — | — |
| 11 | Other liabilities | 586,941 | 281,489 | — | 137,039 | 0 |
| 12 | of which: Derivative liabilities | | | | 137,039 | |
| 13 | of which: All other liabilities and equity not included in the above categories | 586,941 | 281,489 | — | — | 0 |
| 14 | Total available stable funding | | | | | ¥ 35,131,413 |
| Required stable funding (RSF) items (2) | | | | | | |
| 15 | HQLA | | | | | ¥ 1,065,921 |
| 16 | Deposits held at financial institutions for operational purposes | — | 122,683 | — | 118,667 | 180,009 |
| 17 | Loans, repo transactions-related assets, securities and other similar assets | 187,018 | 6,832,308 | 2,020,548 | 26,547,806 | 25,465,813 |
| 18 | of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA) | — | 546,097 | — | — | 0 |
| 19 | of which: Loans to- and repo transactions with- financial institutions (not included in item 18) | 64,014 | 2,055,465 | 537,376 | 2,531,869 | 3,158,808 |
| 20 | of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22) | — | 3,789,743 | 1,200,467 | 11,616,262 | 12,329,888 |
| 21 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 802,089 | 94,194 | 237,202 | 602,323 |
| 22 | of which: Residential mortgages | — | 217,406 | 217,271 | 9,792,719 | 7,508,684 |
| 23 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 132,330 | 131,913 | 5,966,717 | 4,156,279 |
| 24 | of which: Securities that are not in default and do not qualify as HQLA and other similar assets | 123,004 | 223,596 | 65,433 | 2,606,955 | 2,468,431 |
| 25 | Assets with matching interdependent liabilities | — | — | — | — | — |
| 26 | Other assets | 1,454,098 | 549,688 | 2,870 | 489,976 | 1,744,114 |
| 27 | of which: Physical traded commodities, including gold | — | | | | — |
| 28 | of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet) | | | | 302,697 | 257,292 |
| 29 | of which: Derivative assets | | | | — | — |
| 30 | of which: Derivative liabilities (before deduction of variation margin posted) | | | | 40,529 | 40,529 |
| 31 | of which: All other assets not included in the above categories | 1,454,098 | 549,688 | 2,870 | 146,749 | 1,446,293 |
| 32 | Off-balance sheet items | | | | 6,408,866 | 475,007 |
| 33 | Total required stable funding | | | | | ¥ 28,930,866 |
| 34 | Non-consolidated net stable funding ratio (NSFR) | | | | | 121.4% |

| Item No. | | Millions of Yen, % | | | | |
|---|---|---|---|---|---|---|
| | | Fiscal Year 2022 3rd Quarter | | | | |
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) items (1) | | | | | | |
| 1 | Capital | ¥ 2,321,696 | ¥ — | ¥ — | ¥ 305,000 | ¥ 2,626,696 |
| 2 | of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions | 2,321,696 | — | — | 248,022 | 2,569,719 |
| 3 | of which: Other capital instruments that are not included in the above category | — | — | — | 56,977 | 56,977 |
| 4 | Funding from retail and small business customers | 13,120,352 | — | — | 5,724,763 | 17,533,080 |
| 5 | of which: Stable deposits | — | — | — | — | — |
| 6 | of which: Less stable deposits | 13,120,352 | — | — | 5,724,763 | 17,533,080 |
| 7 | Wholesale funding | 5,574,931 | 22,037,414 | 2,141,886 | 9,073,686 | 14,742,095 |
| 8 | of which: Operational deposits | — | — | — | — | — |
| 9 | of which: Other wholesale funding | 5,574,931 | 22,037,414 | 2,141,886 | 9,073,686 | 14,742,095 |
| 10 | Liabilities with matching interdependent assets | — | — | — | — | — |
| 11 | Other liabilities | 354,937 | 282,961 | — | 217,965 | 0 |
| 12 | of which: Derivative liabilities | | | | 217,965 | |
| 13 | of which: All other liabilities and equity not included in the above categories | 354,937 | 282,961 | — | — | 0 |
| 14 | Total available stable funding | | | | | ¥ 34,901,872 |
| Required stable funding (RSF) items (2) | | | | | | |
| 15 | HQLA | | | | | ¥ 1,089,789 |
| 16 | Deposits held at financial institutions for operational purposes | — | 104,492 | 15,928 | 92,453 | 152,664 |
| 17 | Loans, repo transactions-related assets, securities and other similar assets | 178,174 | 6,844,433 | 1,995,490 | 26,711,615 | 25,561,799 |
| 18 | of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA) | — | 544,210 | — | — | 0 |
| 19 | of which: Loans to- and repo transactions with- financial institutions (not included in item 18) | 69,131 | 1,843,952 | 472,812 | 2,404,716 | 2,958,786 |
| 20 | of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22) | — | 4,115,273 | 1,197,153 | 11,600,073 | 12,478,439 |
| 21 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 783,628 | 76,460 | 231,182 | 580,313 |
| 22 | of which: Residential mortgages | — | 219,261 | 218,670 | 9,898,971 | 7,530,025 |
| 23 | of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk | — | 133,479 | 133,047 | 6,075,123 | 4,183,281 |
| 24 | of which: Securities that are not in default and do not qualify as HQLA and other similar assets | 109,043 | 121,735 | 106,853 | 2,807,854 | 2,594,548 |
| 25 | Assets with matching interdependent liabilities | — | — | — | — | — |
| 26 | Other assets | 1,263,831 | 476,248 | 3,566 | 453,107 | 1,705,409 |
| 27 | of which: Physical traded commodities, including gold | — | | | | — |
| 28 | of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet) | | | | 258,985 | 220,137 |
| 29 | of which: Derivative assets | | | | — | — |
| 30 | of which: Derivative liabilities (before deduction of variation margin posted) | | | | 58,100 | 58,100 |
| 31 | of which: All other assets not included in the above categories | 1,263,831 | 476,248 | 3,566 | 136,021 | 1,427,170 |
| 32 | Off-balance sheet items | | | | 6,080,681 | 451,685 |
| 33 | Total required stable funding | | | | | ¥ 28,961,348 |
| 34 | Non-consolidated net stable funding ratio (NSFR) | | | | | 120.5% |

## Qualitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a non-consolidated basis

(1) Items concerning fluctuations in the non-consolidated NSFR over time

Our non-consolidated NSFR has remained stable mainly due to our predetermined funding policy on the sticky money.

(2) Items concerning special provisions for interdependent assets and liabilities

The "Special provisions for interdependent assets and liabilities" stipulated in the items under Article 101 of the Financial Services Agency Notification on Liquidity Ratio are not applied on a non-consolidated basis.

(3) Other items concerning non-consolidated NSFR

Our non-consolidated NSFR satisfies the regulated level (100%), and we do not expect NSFR to deviate significantly from the current level in the future.

Currently, the entire amount of funding from retail and small business customers is recorded as "less stable deposits."

# Basel III Disclosure Data

This section outlines matters to be stated in explanatory documents relating to the fiscal year, separately stipulated by the Commissioner of the Financial Services Agency (Notification No.21 of Financial Services Agency, 2012) with regard to the matters regarding compensation as having significant consequences on the business operation or asset status of a bank, a bank holding company, or their subsidiaries, as set forth in Article 19-2, Paragraph 1, Item 6, Article 19-3, Item 4 and Article 34-26, Paragraph 1, Item 5 of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No.10, 1982).

The following disclosure, unless otherwise stated, is with respect to Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank") as of the end of March 2023.

**[Compensation Disclosure Data: SuMi TRUST Bank]**


| | |
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Compensation Disclosure Data:

# Sumitomo Mitsui Trust Bank, Limited

## 1. Development Status of Organizational Structures Concerning Compensation, etc. for Applicable Officers and Employees within 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 of the Company, and exclude external directors.

#### (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 Group management. No entities qualify.

#### (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 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 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, 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) Names, Compositions, and Duties of the Committees and Other Major Institutions Which Supervise the Determination, Payment, and the Execution of Other Duties Regarding the Compensation, etc. for Applicable Officers and Employees

#### (i) Establishment and Securement of the Compensation Committee, etc.

SuMi TRUST Bank determines the total amount of remuneration for directors and executive officers at the General Meeting of Shareholders. In determining remuneration for directors and executive officers for this fiscal year, the allocation of remuneration for individual directors, excluding Audit and Supervisory Committee members, is decided by the Board of Directors, while that for individual corporate auditors and directors that are members of the Audit and Supervisory Committee is entrusted to deliberations by corporate auditors and directors that are members of the Audit and Supervisory Committee, within the total amount of remuneration for directors and executive officers decided by the General Meeting of Shareholders.

SuMi TRUST Bank consults the Compensation Committee of SuMi TRUST Holdings on the policy regarding decisions on the content of compensation for directors (excluding Audit and Supervisory Committee members) and executive

officers and reports the findings to the Board of Directors. The amounts of remuneration, etc. determined for individual directors and executive officers are also reported to the Compensation Committee.

#### (ii) Determination of Compensation for Applicable Employees, etc.

Compensation for employees, etc. within SuMi TRUST Bank Group is payable, subject to the policies established primarily by the Boards of Directors, etc. 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 Human Resources Department of SuMi TRUST Bank on a regular basis.

#### (iii) Determination of Compensation, etc. for Overseas Employees, etc.

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 Bank.

#### (iv) Total Amount of Compensation Paid to the Members of the Compensation Committee, etc. and the Number of Meetings Held for Compensation Committee, etc.

| | The number of meetings held (April 1, 2022-March 31, 2023) | Total amount of compensation* |
|---|---|---|
| Board of Directors (SuMi TRUST Bank) | 1 time | — |

Note: The total amount of compensation, etc. is not stated as the amount equivalent to the compensation related to the execution of the duties for the Board of Directors alone cannot be calculated separately.

## 2. Adequacy Evaluation of Design and Operation of the Compensation System for Applicable Officers and Employees of SuMi TRUST Bank

### (1) Policies Concerning Compensation, etc. for Applicable Officers and Employees

#### (i) Policies Concerning the Compensation for "Applicable Officers"

The Group has defined its "Purpose" as "Creating new value with the power of trusts and let prosperous future for our clients and society bloom," and placed at the core of its management philosophy the notion of "balanced creation of both social value and economic value" with the goal of realizing the development of a sustainable society and achieving sustainable and stable growth for the Group. Recognizing the role that officer compensation plays in each and every executive's efforts to realize the goal and act in a manner that embodies its "Purpose," SuMi TRUST Holdings will constantly review its policies and systems to ensure that they are based on the philosophy.

The limit on compensation for directors and officers for this fiscal year as decided by the General Meeting of Shareholders is ¥1,160 million per year for directors, excluding Audit and Supervisory Committee members, and ¥240 million per year for directors that are members of the Audit and Supervisory Committee. An annual limit of ¥200 million for stock compensation (share delivery trust) for directors, excluding Audit and Supervisory Committee members, has also been separately resolved. Compensation 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 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, we have introduced a share delivery trust system as a form of stock compensation linked to our medium-term performance to further enhance the motivation and morale of directors so as to help drive stock price increases, improve our medium- to long-term performance, and ultimately boost shareholder profits.

**(ii) Policies Concerning Compensation for "Applicable Employees, etc."**

Compensations for the applicable employees, etc. of SuMi TRUST Bank Group 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, compensations for applicable overseas employees, etc. are 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.

**(2) Regarding the Influence of the Overall Level of Remuneration on Capital**

**(i) Officer Compensation**

The Board of Directors determines remuneration for officers after checking the situation of profit and loss in the current term and the consistency with future management strategies. It has been confirmed that the total payment amount of officer compensation in the current term does not produce significant effects, considering the profit level, etc. in the current term.

**(ii) Salaries for Employees**

As for the salaries for employees, the business situation of SuMi TRUST Bank is reflected in the part that changes according to the performance of SuMi TRUST Bank and individuals and bonuses. It has been confirmed that the total payment amount of salaries for employees in the current term does not produce significant effects, considering the profit level, etc. in the current term.

**(3) Regarding the monitoring of the operation of the remuneration system**

As for performance-based variable remuneration, such as directors' bonuses, the Compensation Committee of SuMi TRUST Holdings monitors the operation of the remuneration system by checking the ratio of variable remuneration to the total amount of remuneration and the appropriateness of the payment amount, and confirms that performance-based pay is not excessive.

## 3. Regarding the Items about the Consistency between the Systems of Remuneration for Target Executives and Employees of SuMi TRUST Bank and Risk Management, and the Linkage between the Remuneration and Performance of Target Employees of SuMi TRUST Bank Group

In determining the remuneration of applicable officers, we consult with the Compensation Committee of SuMi TRUST Holdings regarding the policy for determining remuneration for individuals, and the decision is made by the Board of Directors after receiving the report of the Committee. In addition, we have introduced a system whereby individual remuneration is reported to the Compensation Committee for deliberation, and a system is in place to check whether the remuneration is appropriate in accordance with SuMi TRUST Holdings' policy for determining individual remuneration as reported by the Compensation Committee. In determining the remuneration of applicable employees, SuMi TRUST Group takes into consideration the Group's financial situation and other factors before implementing budgetary measures.

## 4. Types, Total Amount of Payment, and Payment Method of Compensation, etc. for Applicable Officers and Employees of SuMi TRUST Bank Group

### (1) REM1: Compensation, etc. Allocated to the Fiscal Year under Review

| REM1: Compensation, etc. allocated to the fiscal year under review | | | Persons, Millions of Yen | |
|---|---|---|---|---|
| | | | a | b |
| Item No. | | | Applicable Officers | Applicable Employees, etc. |
| 1 | Fixed compensation | The number of applicable officers and employees, etc. | 13 | 23 |
| 2 | | Total amount of fixed compensation (3+5+7) | ¥ 303 | ¥ 926 |
| 3 | | of Which: Cash compensation amount | 303 | 926 |
| 4 | | of 3 above: Deferred amount | — | — |
| 5 | | of Which: Stock compensation amount or Stock-linked compensation amount | — | — |
| 6 | | of 5 above: Deferred amount | — | — |
| 7 | | of Which: Other compensation amount | — | — |
| 8 | | of 7 above: Deferred amount | — | — |
| 9 | Variable compensation | The number of applicable officers and employees, etc. | 11 | 23 |
| 10 | | Total amount of variable compensation (11+13+15) | ¥ 310 | ¥ 416 |
| 11 | | of Which: Cash compensation amount | 241 | 416 |
| 12 | | of 11 above: Deferred amount | — | — |
| 13 | | of Which: Stock compensation amount or Stock-linked compensation amount | 69 | — |
| 14 | | of 13 above: Deferred amount | — | — |
| 15 | | of Which: Other compensation amount | — | — |
| 16 | | of 15 above: Deferred amount | — | — |
| 17 | Retirement benefits | The number of applicable officers and employees, etc. | — | — |
| 18 | | Total amount of Retirement benefits | ¥ — | ¥ — |
| 19 | | of Which: Deferred amount | — | — |
| 20 | Other compensations | The number of applicable officers and employees, etc. | 3 | — |
| 21 | | Total amount of other compensations | ¥ 2 | ¥ — |
| 22 | | of Which: Deferred amount | — | — |
| 23 | Total amount of compensations (2+10+18+21) | | ¥ 616 | ¥ 1,342 |

### (2) REM2: Special Rewards, etc.

| REM2: Special rewards, etc. | Persons, Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | a | b | c | d | e | f |
| | Bonus guarantee | | Lump-sum payment when hiring | | Premium retirement payment | |
| | Headcount | Total amount | Headcount | Total amount | Headcount | Total amount |
| Applicable Officers | — | — | — | — | — | — |
| Applicable Employees, etc. | — | — | — | — | — | — |

## 5. Other Items to be Referred Concerning the Compensation System for Applicable Officers and Employees of SuMi TRUST Bank Group

Not applicable, other than those items raised in the preceding sections.

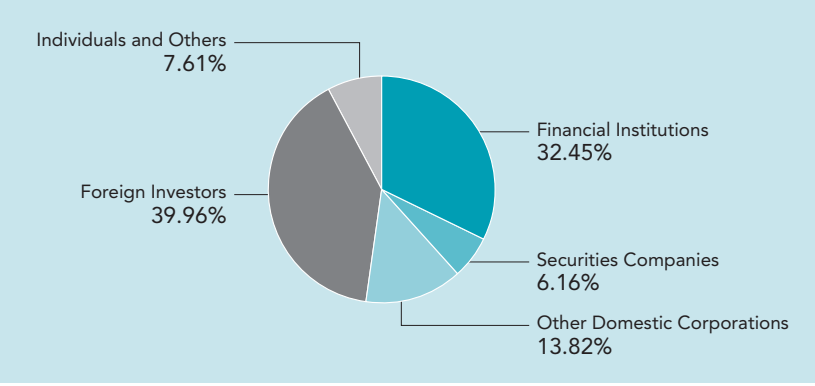
# Stock Information (as of March 31, 2023)

## Major Shareholders (Common Shares)

| | Shareholder Name | Number of Shares Held (Shares) | Shareholding Ratio (%) |
|---|---|---|---|
| 1 | The Master Trust Bank of Japan, Ltd. (Trust Account) | 63,757,300 | 17.51 |
| 2 | Custody Bank of Japan, Ltd. (Trust Account) | 24,678,867 | 6.78 |
| 3 | Northern Trust Co. (AVFC) Re Silchester International Investors International Value Equity Trust | 7,561,400 | 2.07 |
| 4 | State Street Bank West Client - Treaty 505234 | 5,926,935 | 1.62 |
| 5 | State Street Bank and Trust Company 505001 | 5,846,621 | 1.60 |
| 6 | SSBTC Client Omnibus Account | 5,117,589 | 1.40 |
| 7 | Northern Trust Co. (AVFC) Re U.S. Tax Exempted Pension Funds | 5,095,855 | 1.40 |
| 8 | JPMorgan Securities Japan Co., Ltd. | 4,976,444 | 1.36 |
| 9 | The Bank of New York Mellon 140051 | 4,953,100 | 1.36 |
| 10 | JP Morgan Chase Bank 385781 | 4,824,238 | 1.32 |

(Note) The shareholding ratio is calculated by excluding the treasury stock and rounded down to second decimal places.

## Composition of Shareholders (Common Shares)




(Note1) Number of Shares per Unit: 100 shares
(Note2) Treasury Stock (4,232,973 shares) is included 42,329 units in "Individuals and Others" and 73 shares in "Shares constituting less than one unit".
(Note3) The component ratio is rounded off to two decimal places.

## ADR (American Depositary Receipt) Information

| | |
|---|---|
| ADR: | Underlying Share Ratio 10ADR = 1 Underlying Share |
| Exchange: | OTC (Over-the-Counter) |
| Symbol: | SUTNY |
| CUSIP: | 86562X106 |
| Level of Program: | Level I |
| Depositary: | The Bank of New York Mellon Depositary Receipts Division<br>240 Greenwich Street, New York,<br>NY 10286, U.S.A.<br>Telephone: 1 (201) 680-6825<br>U.S. toll free: 888-269-2377 (888-BNY-ADRS)<br>https://www.adrbnymellon.com/ |

## Other Data

| | |
|---|---|
| Authorized Shares: | |
| Common Shares: | 850,000,000 Shares |
| Preferred Shares: | 40,000,000 Shares |
| Number of Shares issued: | |
| Common Shares: | 364,025,840 Shares |
| Preferred Shares: | 0 Shares |
| Number of Shareholders: (*) | |
| Common Shares: | 49,310 |
| Preferred Shares: | 0 |

(*) Excluding shareholders who hold shares constituting less than one unit (13,234)

# 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 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 Corporate Communication Committee to ensure disclosure of SuMi TRUST Group's information in accordance with the above disclosure policy.

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