SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

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2020 INTEGRATED REPORT

—ANNUAL REPORT—

Year ended March 31, 2020



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")

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

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

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

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

Ideal Model ("Vision")

—Towards "The Trust Bank"—

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

Codes of Conduct ("Value")

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

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

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

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

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

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

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



The Group's logo, known as the "future bloom," symbolizes our purpose "Creating new value with the power of trusts and let prosperous future for our clients and society bloom." The four translucent petals represent our mission to our stakeholders; namely, clients, society, shareholders, and employees. The four different colors symbolize the values that make up our Codes of Conduct—natural green for "truthfulness and loyalty," golden orange for "dedication and development," blue-green for "trust and creativity," and sky blue for "self-help and self-discipline."

Three of the words in the Group's values—"truthfulness and loyalty," "dedication and development," and "trust and creativity"—are drawn from the principles and slogans handed down unbroken from each trust bank prior to the merging of the Group. "Truthfulness and loyalty" has its origins in the founding prospectus of The Sumitomo Trust and Banking Co., Ltd., "dedication and development" was the founding spirit of The Mitsui Trust and Banking Co., Ltd. and "trust and creativity" comes from the corporate slogan of The Chuo Trust and Banking Co., Ltd. They are also assets that embody an entrepreneurial spirit and crystallization of passion and diligence towards trusts inherited in each trust bank that now form the foundation of the Group.

Each and every director, officer, and employee of the Group pledges to seriously embrace these assets and spirit and soundly hand them down to future generations. This is why we have incorporated the Group's values into our logo. The "future bloom" logo represents our desire to let prosperous future for our clients and society bloom, as well as our commitment to ensuring that the assets built up by our predecessors will bloom in the future.

Editorial Policy

The Sumitomo Mitsui Trust Group publishes this integrated report so that readers can better understand how the Group's initiatives on creating shared value aim to achieve sustainable growth and deliver value to all stakeholders. In this report, after providing an overview of the Group's medium- to long-term vision, we discuss our business strategy as a financial group specialized in trust banking, our environmental, social, and governance (ESG) initiatives, and the management foundation that underpins them. In applying our editorial approach, we strive to improve and expand not just financial information but also non-financial information such as business models and ESG factors, 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 the Financial Data Section, our ESG Report, or visit our website.

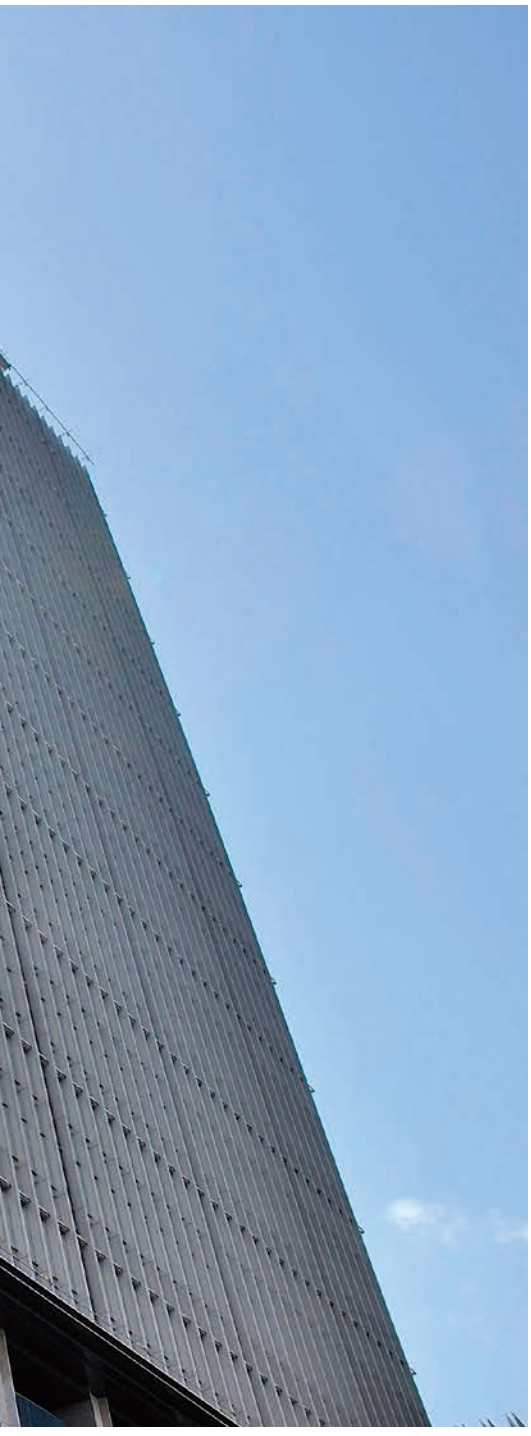
<Reporting Coverage>

Reporting Period: From April 1, 2019 to March 31, 2020 (Partially including the information after April 1, 2020)

Scope of Reporting: The Sumitomo Mitsui Trust Group; including Sumitomo Mitsui Trust Holdings, Inc., Sumitomo Mitsui Trust Bank, Limited, other subsidiaries and affiliated companies



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Top Message



Tetsuo Ohkubo

Director, President
Sumitomo Mitsui Trust Holdings, Inc.

Being the "Best Partner" most trusted by our clients

Given the divergence of values in society and increased uncertainties regarding the future, as a provider of trust schemes that facilitates a safe and secure society, we aspire to contribute to the development of society and also achieve sustainable and stable growth of the SuMi TRUST Group.

Introduction

The COVID-19 global pandemic is inflicting an enormous strain on societies, economic activity and our personal lives. I offer my deepest condolences to the families who have lost their loved ones to the COVID-19 and express my heartfelt sympathy to those afflicted, as well as to the many people whose livelihoods and businesses have been deeply scarred by the pandemic.

This fiscal year we unveiled the Group's new Medium-Term Management Plan. However, the commencement of the plan happened to exactly coincide with the spread of COVID-19.

As a response to the COVID-19 crisis, we have deployed our banking functions to assure clients with smooth supply of funds and as a financial institution responsible for providing key social infrastructure such as pensions, stock transfer agency services, real estate, and asset management & administration, the entire Group has strived to ensure stable continuity of our businesses.

In this environment, I was strongly reminded of our role and responsibility in society as a financial group specialized in trust banking. I can also state with confidence that balanced creation of both social value and economic value—the core management philosophy of our new Medium-Term Management Plan—is the correct approach to take.

That said, irrespective of the effects of the COVID-19, societies and environments around the world are changing. Japan is no exception and the structure of society continues to be transformed by a lower birthrate, an aging population, rapid digitalization and ESG management for companies, particularly with regard to how they can co-exist with society, is becoming increasingly important. Going forward, all our clients, whether they be individuals or corporations, will likely seek solutions to new issues caused by changes in values and behavior in an environment where the future outlook remains clouded.

Our Group's mission is to assist solving such issues for our clients. We also hope to achieve further growth by leveraging the various functions of the Group to earn the trust of our clients as their "Best Partner" and implement initiatives that would fulfill their needs.

Reminiscing on our past, we have continued to meet the demands of the changing times to solve various social issues and contribute to Japan's development with the power of trusts. For example, our loan trusts supported the country's recovery in the aftermath of World War II and our pension trusts helped stabilize people's lives and improve their wellbeing.

In our endeavor to help build a sustainable society for the future, we shall continue to draw on the power of trusts, or in other words, the significant expertise, comprehensive capabilities and wide array of functions of a financial group specialized in trust banking. To ensure that Group employees can keep this goal close to heart, we aspire to "creating new value with the power of trusts and let prosperous future for our clients and society bloom." This ideal defines our reason for existence, or "purpose."

Refer to page 22 for more information about our "purpose."

With all Group employees committed to this purpose, we shall endeavor to progress steadily towards the sustainable development of society and the sustainable growth of the Group.

Medium-Term Management Plan

In our previous Medium-Term Management Plan (FY2017–2019) that called for a "second foundation" of the Group, we steadily enhanced profitability mainly by bolstering our fee businesses and improving net interest income. In the final year of the plan, excluding the recognition of special loan loss provisions in preparation for the anticipated impact of the COVID-19 going forward, most of our targets for KPIs were attained, such as net business profit before credit costs, net income attributable to owners of the parent and shareholder ROE.

Meanwhile, as the environment surrounding financial institutions has become increasingly challenging due mainly to persistently low interest rates and intense competition that transcends industries, the issues that needs to be addressed and their solutions have become clearer in order to further enhance our competitive edge as a financial group specialized in trust banking to achieve better feedback from clients.

In our new Medium-Term Management Plan spanning FY2020 through FY2022, balanced creation of both social value and economic value rests at the core of our management approach and we intend to tackle a variety of social issues in our various business domains in order to sustain growth throughout the Group.

Refer to page 22-27 for more information about our Medium-Term Management Plan (FY2020-22).

In particular, we shall push ahead with initiatives designed to address mainly the following challenges that our clients and society at large, currently face.

Individuals: Asset administration suited for Japan's aging society and asset formation of individuals.

Corporations: Sustainable 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.

Owing to the heightened risk of dementia and other conditions associated with Japan's super-aged society, an increasing number of individual clients want their personal assets to be managed appropriately so they can be used meaningfully on themselves or the next generation. Our Group shall steadily respond to this demand with the power of trusts by harnessing our hitherto accumulated know-how alongside digital technology. For clients of the working generation, we hope to provide suitable products, services and consulting so as to support their asset formation in the age of 100-year life.

For our corporate clients, addressing non-financial issues that drive company growth is an urgent matter. Such issues might include fostering a work environment in which employees feel that their work is rewarding, or sustainability initiatives aimed at further



Under our new Medium-Term Management Plan, we shall endeavor to tackle a variety of social issues, guided by our core management philosophy of balanced creation of both social value and economic value.

promoting co-existence with society. In order to fulfill the financial needs of our clients, we aim to provide high value-added non-financial services. For example, the enhancement of pensions and other employee benefit schemes, supporting communication with investors and shareholders, and environment-related consulting regarding real estate and other assets.

In addition to traditional asset classes such as stocks and bonds, we shall strive to provide loan receivables, real estate, and other novel investment instruments that fully draw upon our Group's characteristics so that we can meet the increasingly diverse investment needs of our investor clients in an ultra-low interest rate environment. We also intend to provide more than just products—we will support the entire investment chain with efficient and high value-added services in a number of processes related to investment, from information provision and consulting right through to custody services.

By steadily advancing these initiatives in our new Medium-Term Management Plan, we hope to consolidate our business platform over the next three years with the aim of realizing the sustainable development of society and sustainable and stable growth for the Group.

Development of human resources and diversity & inclusion

Our employees are the driving force behind the execution of our Medium-Term Management Plan. They also underpin the Group's sustainable growth, which is why our staffs' skill development and the provision of opportunities through which they can excel are of utmost importance.

One of the Group's management principles, or "mission," is to offer a workplace where the diversity and creativity of our employees are fully utilized to add value to the organization and where employees have pride and be highly motivated in fulfilling their missions.

DIVERSITY MANAGEMENT SELECTION 100 2019

Awarded the New Diversity Management Selection 100

Please see page 93

NADESHIKO BRAND 2020

Selected as a "Nadeshiko Brand"

Please see page 93

Our approach to diversity and inclusion, which entails the creation of unique added value through interaction among our diverse employees, is without doubt, part of our DNA.

We believe it will be more important than ever before to incorporate and make use of different sets of values in management in order to create new businesses that assist in solving social issues, all the while imagining an unpredictable future.

We have actively appointed female employees to managerial positions and supported their career planning and we have also implemented specific measures to strengthen our initiatives on changing the mindset of employees. For example, we aim to select talented young employees for special roles, expand opportunities afforded to senior employees who possess expert skills, further the understanding of LGBT issues, support the work-life balance of employees engaged in childcare or nursing care and develop a more accommodating workplace environment.

Awarded the highest rating of "Gold" in Pride Index for LGBT initiatives
Please see page 97

Promoting sustainability management

The SuMi TRUST Group has actively addressed the following issues through its business activities: climate change, natural capital (biodiversity), environmentally friendly property, sustainable investment (ESG investment) and the super-aged society.

As one example of our initiatives, in March 2019 we concluded the world's first Positive Impact Finance (PIF) loan agreement with a business in which the use of loaned funds is unspecified. Through PIF we comprehensively analyze and assess the impact of a client's corporate activities on the environment, society and economy. We then work together with the client to set goals that they commit to achieving so that both parties can overcome various social issues and work towards realizing a sustainable society. Many clients have expressed a keen interest in this solution and we are steadily building a track record of transactions. In this way we will continue to create positive impact on society through the corporate activities of our clients.

Refer to page 46 for more information about Positive Impact Finance (PIF).

Of the many challenges faced by society, the issue of climate change is the most pressing. We feel that we must further demonstrate the functions of our Group in the areas of both banking and trusts.

As a founding signatory, we were the first financial institution in Japan to sign on to the Principles for Responsible Banking (PRB) that came into effect in September 2019. The PRB calls on banks to align their business strategies with the goals of the Paris Agreement on climate change and the UN Sustainable Development Goals (SDGs). We have in place an environmentally-friendly and socially-acceptable financing policy that is geared towards the establishment of a society with net zero carbon emissions and we aim to support the creation of new business models by our clients mainly through the financing of renewable energy. Furthermore, our Group asset management companies are fulfilling their role as responsible investors by actively taking part in the Climate Action 100+ and a number of other partnerships concerning climate change.

Refer to page 84-87 for more information about climate change issue (TCFD).

Returns to shareholders

In line with the Group's sustainable and stable growth, we hope to steadily expand returns to our shareholders going forward.

In particular, after revising our shareholder return policy in accordance with the new Medium-Term Management Plan, we shall place greater emphasis on dividends as a means of returning shareholders' profit commensurate with earnings. We therefore shall aim for a consolidated dividend payout ratio of around 40% in or around FY2022. We may also repurchase our own shares flexibly in order to improve capital efficiency while simultaneously confirming that we maintain an optimal balance with growth seeking investments.

In conclusion

Considering the current assortment of numerous risks and growth opportunities, we need to conduct our business operations while paying special attention to changes in the business environment. That said, the direction our Group is headed shall remain unchanged.

We believe the diversification of values and the growing number of uncertainties in society present us an opportunity to come into our own with trust schemes that can ensure a safe and secure society. We will take steps to overcome the COVID-19 crisis at hand and aim to achieve sustainable and stable growth by steadily executing our new Medium-Term Management Plan.

We appreciate your continued understanding and cooperation.

July 2020

Sumitomo Mitsui Trust Holdings, Inc.
Director, President



Group Overview

History of trusts and the SuMi TRUST Group



It is said that Japan's present-day trust system has its origins in the UK, but it was only introduced into Japan in the latter half of the Meiji period following further development in the US. In Japanese law, the word "trust" in the financial sense first appeared in the Industrial Bank of Japan Act in 1900.



In a loan trust, capital is accumulated by the trustee from a large number of settlors and extended to companies as long-term funds mainly through loans and bill discounting. The profits earned in the trust are then distributed to the trust's beneficiaries. In the aftermath of World War II, loan trusts catered for the lack of capital investment funds in Japan's industrial sector and were the driving force behind its recovery.



In a pension trust, a trustee manages and invests the money used to pay retirement pension benefits to employees on behalf of a company or organization. Pension trusts allow pension assets to be separated from a company's creditworthiness and managed independently. This ultimately led to the establishment of benefit schemes under which employees can work with peace of mind knowing their assets are safe and secure.

Since the founding of the SuMi TRUST Group in 1924, we have evolved in lockstep with the development of trusts by creating numerous services tailored to the times based on our fiduciary spirit. Currently, the total value of trust assets in the industry comes to more than ¥1,200 trillion. The SuMi TRUST Group will continue to surge ahead as a leading financial group specialized in trust banking which boasts the largest and highest status in Japan.

■ Entrusted balance of trust assets*

Source: Trust Companies Association of Japan statistics data

*Total of figures for financial institutions and other companies providing trust services in Japan



1924
Established The Mitsui Trust Company, Limited
Established as the first trust company in Japan based on the Trust Business Act



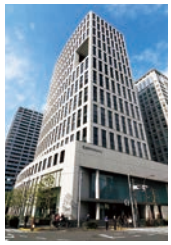
1962
Established The Chuo Trust & Banking Co., Ltd.



1925
Established Sumitomo Trust Co., Ltd.



2000
Establishment of The Chuo Mitsui Trust and Banking Company, Limited



1986
Establishment of Sumishin Capital Management*
*Now Sumitomo Mitsui Trust Asset Management Co., Ltd.

2009
Acquired Nikko Asset Management Co., Ltd.

2000
Established Japan Trustee Services Bank, Ltd.

2011
Established Sumitomo Mitsui Trust Holdings, Inc.

SUMITOMO MITSUI TRUST HOLDINGS





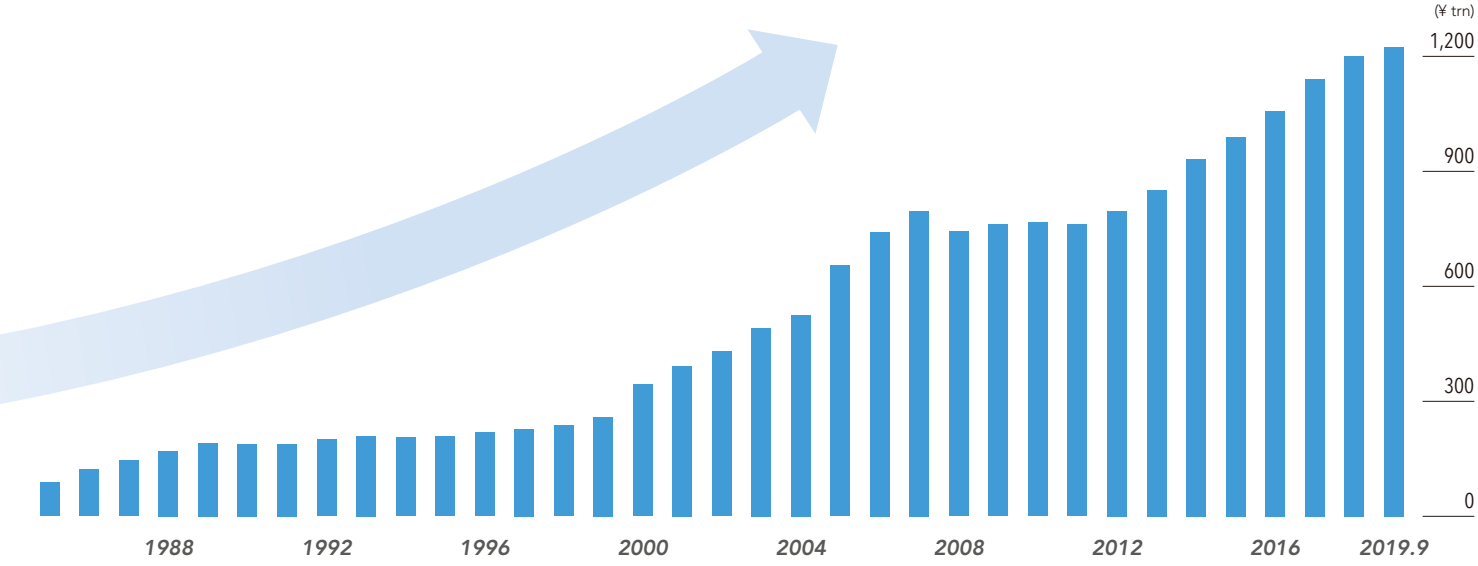
In a land trust, a land owner entrusts the management and investment of land to a trustee, who then constructs buildings and other properties and distributes the earnings from mainly rental income to the trust's beneficiaries. When skyrocketing land prices became an issue in Japan owing to the bubble economy, land trusts were utilized as a way to push ahead with urban development without having to buy or sell real estate.



In an asset securitization type trust, a company entrusts its monetary claims, property, real estate, and other assets to a trustee. The trust raises funds by assigning beneficiary rights to investors who are provided with cash flow generated by the assets. Asset securitization type trusts were used as a vehicle to procure funds after Japan's bubble economy burst because they do not hinge on a company's credit.



Fundamental revisions were made to the Trust Act and Trust Business Act in Japan so the industry could more accurately respond to changes in social and economic conditions and asset management methods. Trusts continue to gain further momentum in society with the creation of new types of funds. And as people are now living much longer, services are also being developed to meet the growing demand for asset administration and succession services among individual clients.



2012
- Establishment of Sumitomo Mitsui Trust Bank, Limited
  (merger between The Chuo Mitsui Trust and Banking Company, Limited, Chuo Mitsui Asset Trust and Banking Company, Limited, and Sumitomo Trust and Banking Co., Ltd.)
- Establishment of Sumitomo Mitsui Trust Asset Management Co., Ltd.
  (merger between Chuo Mitsui Asset Management Company, Limited and Sumishin Asset Management)

2017
- Shifted to a company with Three Committees

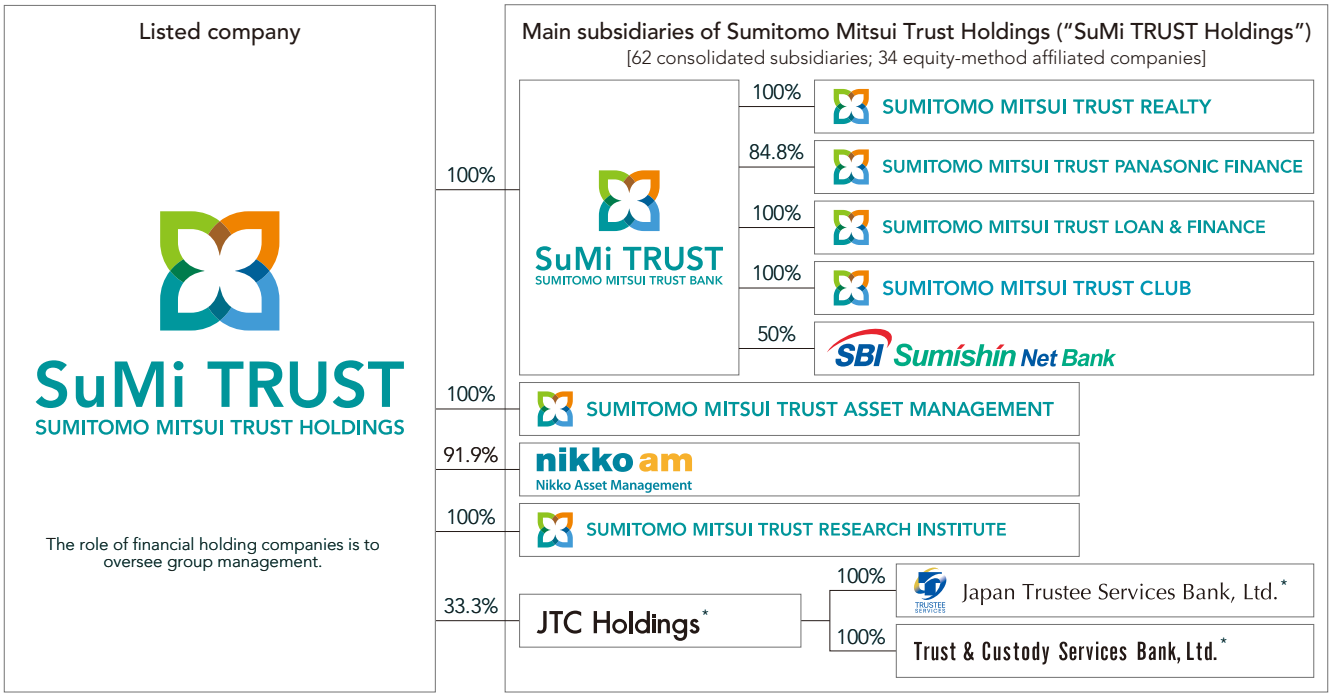
2018
- Integration of asset management functions of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management
- Establishment of pure holding company JTC Holdings, Ltd. and business integration of Japan Trustee Services Bank, Ltd. and Trust & Custody Services Bank, Ltd.

2020
- Establishment of UBS SuMi TRUST Wealth Advisory Inc.
- ***Start of Medium-Term Management Plan running from FY2020 through FY2022***

Group Information

The 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 companies in the Group that specialize in banking, asset management and administration, real estate, and various other fields.

(as of March 31, 2020)



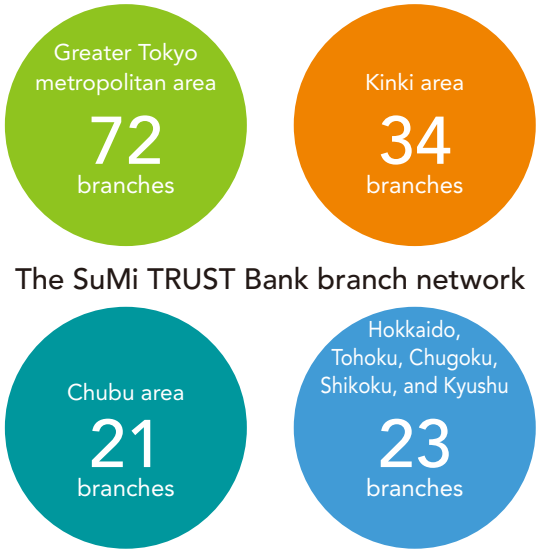
Ratio of ownership with voting rights is shown, including indirect ownership via subsidiaries.

*These three companies are scheduled to be merged on July 27, 2020. Japan Trustee Services Bank, Ltd. will become the surviving company and be renamed Custody Bank of Japan, Ltd.

Domestic Network

SuMi TRUST Bank has built a domestic branch network with a well-balanced footprint that is concentrated in the greater Tokyo metropolitan, Kinki, and Chubu regions. Furthermore, SuMi TRUST Bank's internet banking and SBI Sumishin Net Bank offer services nationwide over the Internet.

(as of March 31, 2020)



*The substantial number of branches is 116 when the branches at the same business site are counted on an aggregated basis.
For detail of branches, please see pages 8-11 of the Financial Data Section.



Status

The SuMi TRUST Group is a financial group specialized in trust banking and an industry leader in many areas with a core focus on trust-related fee businesses.

(as of March 31, 2020)

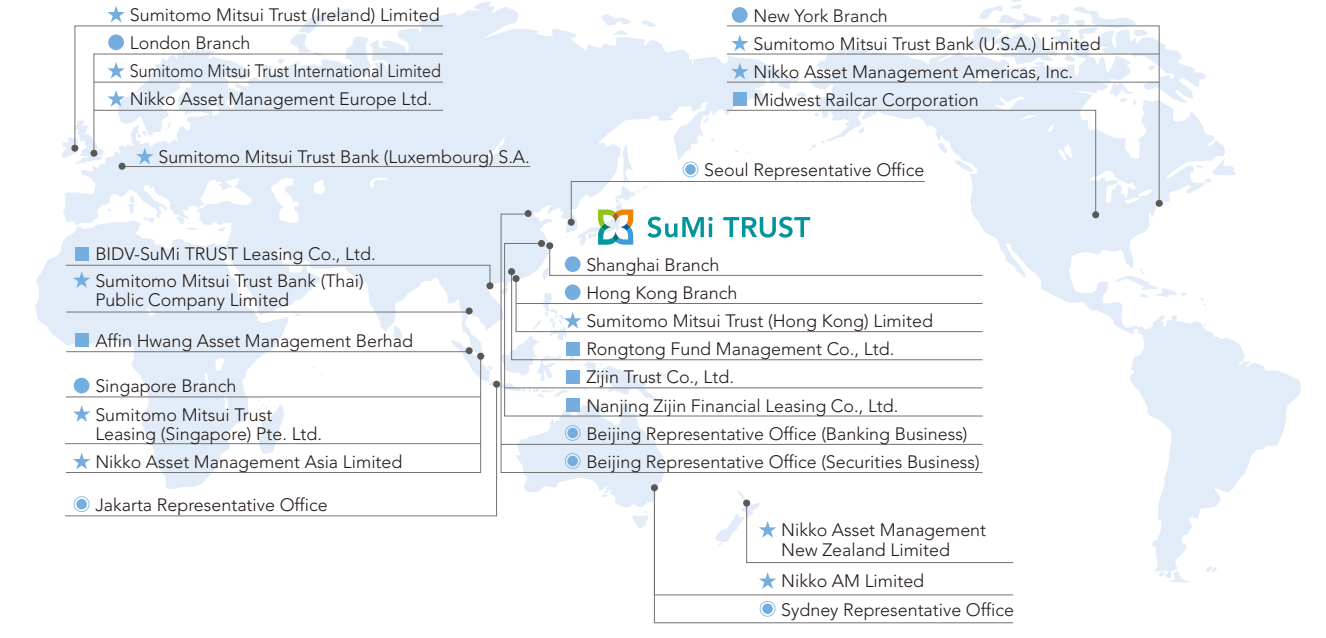
Fiduciary Services Business (incl. asset management)	Assets under management	¥87trn	Domestic financial institutions	No. 1
	Assets under custody*1	¥224trn	Domestic financial institutions	No. 1
	Balance of corporate pension funds	¥12trn	Trust banks	No. 1
	Lead manager for corporate pension funds	1,304 cases	Trust banks	No. 1
	Entrusted balance of investment trusts	¥72trn	Trust banks	No. 1
Real Estate Business	Entrusted balance of securitized real estate	¥18trn	Trust banks	No. 1
	REIT assets under custody	¥15trn	Trust banks	No. 1
Stock Transfer Agency Services Business	Number of client companies	1,630 (42.3% share)	Trust banks	No. 1
	Number of shareholders under administration	27.77mn (42.9% share)	Trust banks	No. 1
Retail Total Solution Services Business	Investment trust/discretionary investment sales volume	¥1trn	Domestic banks	No. 1
	Number of will trusts	33 thousands	Trust banks	No. 2
	Balance of loans to individuals	¥10trn	Domestic banks	No. 4
Wholesale Financial Services Business*2	Balance of loans to corporations	¥19trn	Domestic banks	No. 5
	Total loan balance	¥29trn	Domestic banks	No. 5
	Trust agreement agencies and agencies concurrently engaged in trust business	132	Trust banks	No. 1
	Entrustment of asset liquidation trusts	¥35trn	Trust banks	No. 1

Based on SuMi TRUST Holdings data; *1 Balance of trust assets (trust banks specializing in asset administration excluded due to their large amounts of re-entrusted trust assets); *2 Wholesale Total Solution Services Business and Wholesale Asset Management Business

Overseas Network

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

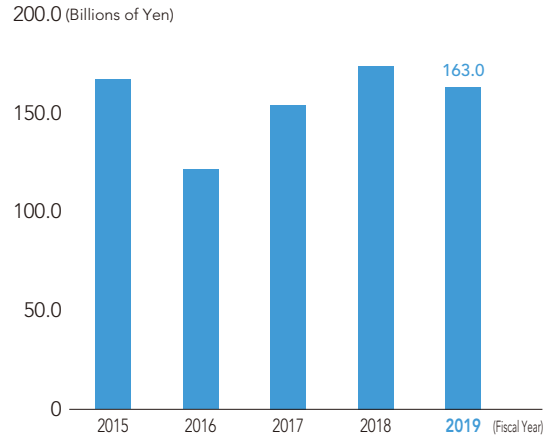
(as of June 30, 2020)



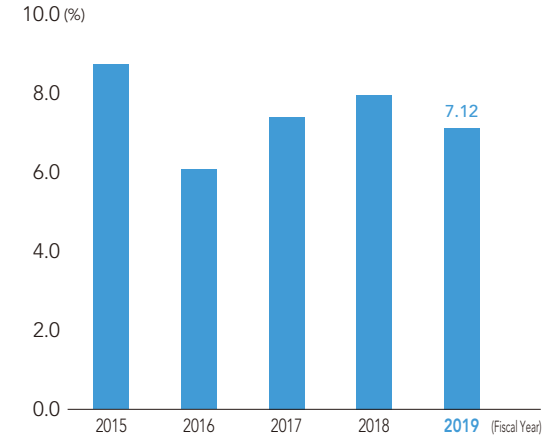
● Overseas Branches (SuMi TRUST Bank) ◉ Overseas Representative Offices (SuMi TRUST Bank) ★ Subsidiaries ■ Key Affiliates

Financial Highlights

Net Income Attributable to Owners of the Parent

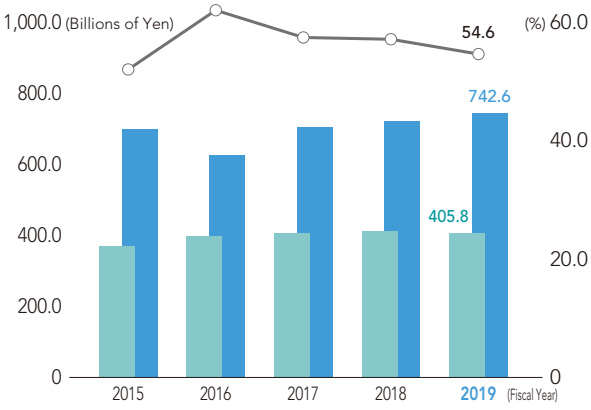


Return on Shareholders' Equity*



*Page 116 for calculation method

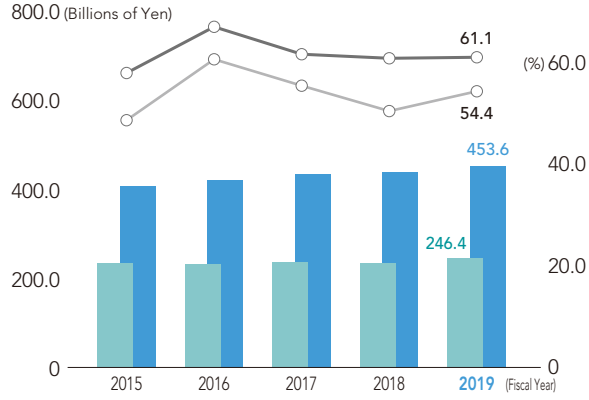
Fee Income Ratio*



Fee income ratio (right)
Net fees and commissions and related profit (left)
Substantial consolidated gross business profit (left)

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

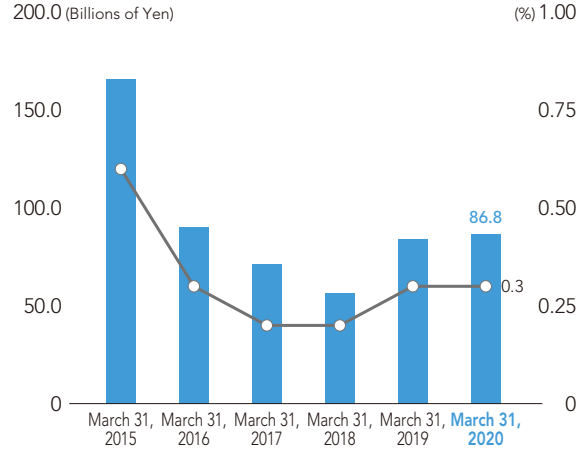
Overhead Ratio*1



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

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

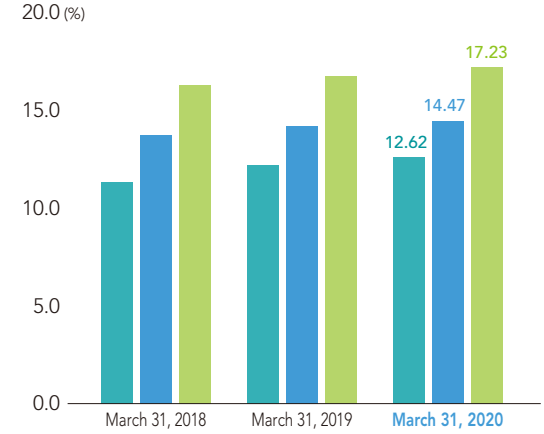
Non-Performing Loan*1 (NPL) Ratio*2



NPL (left)
NPL ratio (right)

*1 Problem assets based on the Financial Reconstruction Act
*2 SuMi TRUST Bank (non-consolidated)

Capital Adequacy Ratio, etc.



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

Non-financial Highlights

ESG Management—External Evaluation

The SuMi TRUST Group's ESG Evaluation

(2019 MSCI rating)

AA

We aim to become the No. 1 financial institution for ESG management, as we reflect the perspectives of ESG investors in our management. We are acclaimed for our ESG efforts, such as receiving the top rating of a financial institution in Japan from MSCI, an influential research institution in the field.

PRI assessment of asset management firms

(2019 PRI assessment)

A+

Having signed on to the Principles for Responsible Investment (PRI), Sumitomo Mitsui Trust Asset Management and Nikko Asset Management undertake initiatives in line with the PRI. Both companies have earned the highest overall rating of A+ in the annual PRI assessment.

ESG Management—Enhanced Initiatives

Sustainability in our business

Gold prize

In recognition of its new products, SuMi TRUST Bank was awarded the gold prize in the financing category of the Ministry of the Environment's inaugural ESG Finance Awards Japan (see page 46 for details).

E (exposure to carbon-related assets)

(March 31, 2020)

5.2%

The percentage of loans exposed to carbon-related assets*, an indicator of credit exposure to carbon-related assets in the business portfolio. Owing to an increase in project finance for renewable energy projects, which are subtracted from total exposure to carbon-related assets, the Group's exposure has decreased 0.4 points from the end of last fiscal year (see page 85 for details).

*Combined total for SuMi TRUST Bank and Sumitomo Mitsui Trust Bank (Thai)

S (number of employees who have passed the gerontology test)

(March 31, 2020)

912

The number of employees at SuMi TRUST Bank that have passed the gerontology test, which was first introduced in 2014, has increased sharply from last year's 293 (as of June 30, 2019) because in addition to branch general managers at all branch offices, it is now mandatory for deputy general managers, section managers, and financial consultants to also pass the exam.

G (number of female executives)

(March 31, 2020)

6

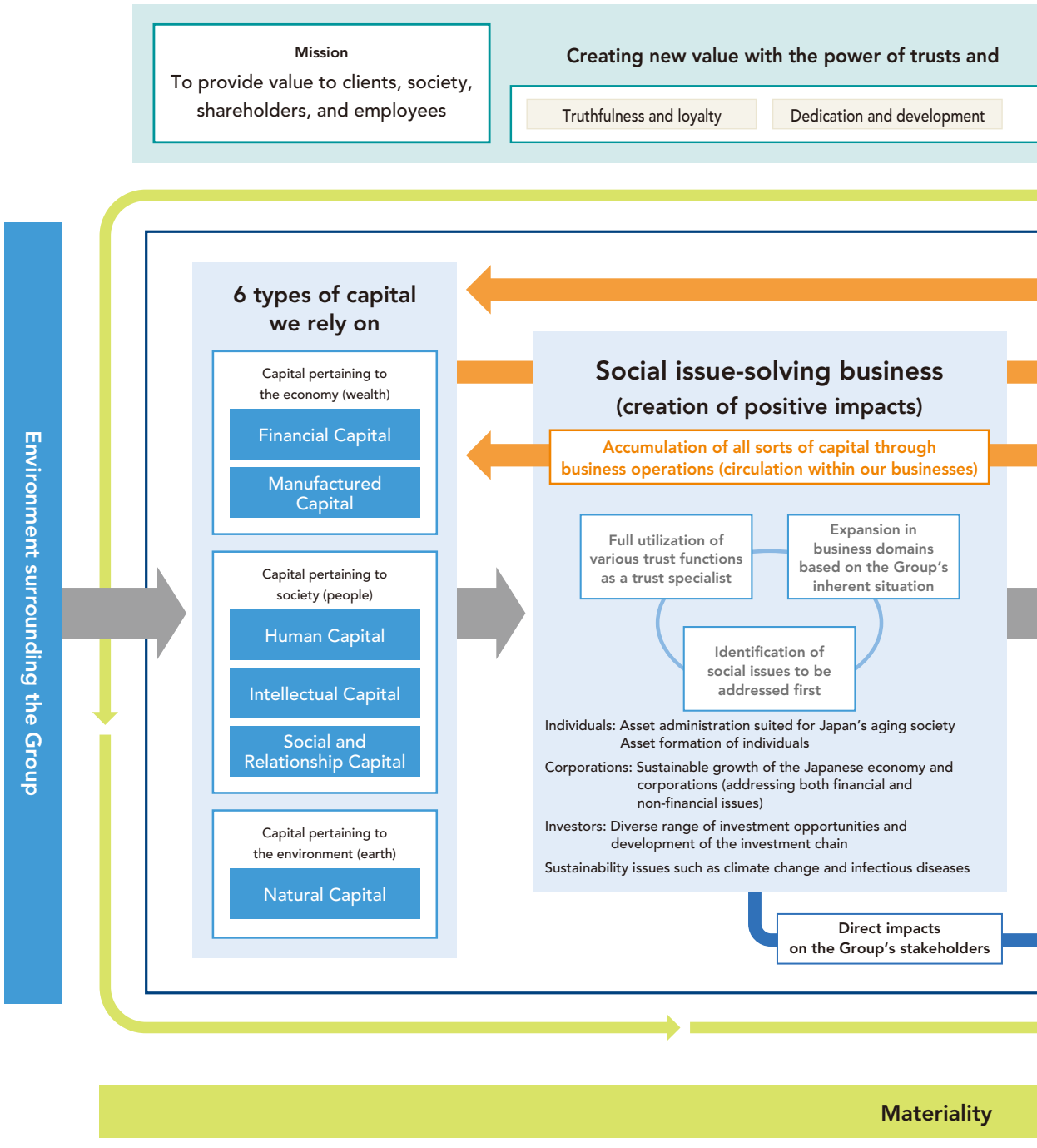
SuMi TRUST Holdings: 1 director
SuMi TRUST Bank: 2 directors
Sumitomo Mitsui Trust Asset Management: 1 director
Nikko Asset Management: 2 directors

Vision

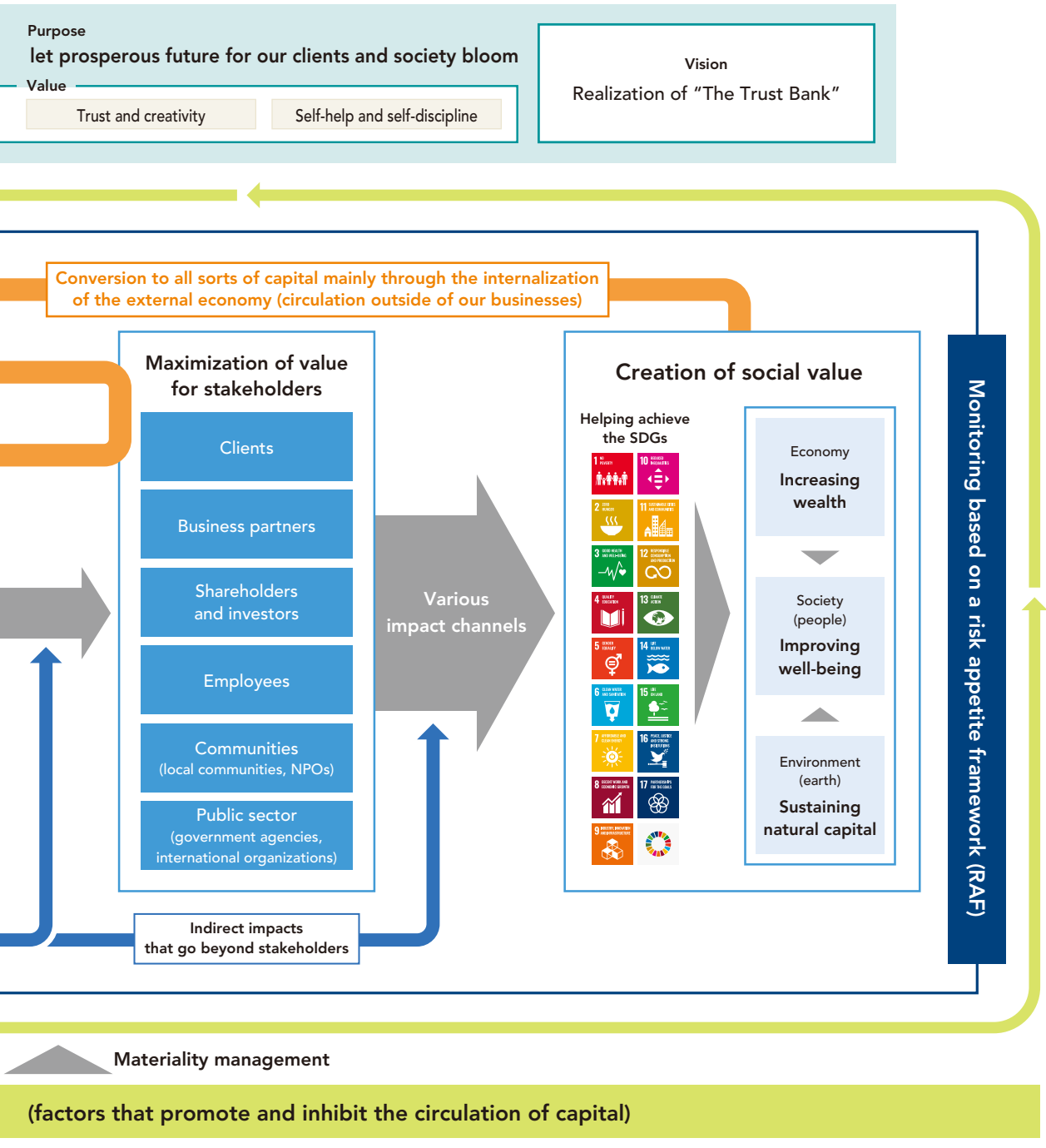
Value Creation Process

Process for the balanced creation of both social value and economic value

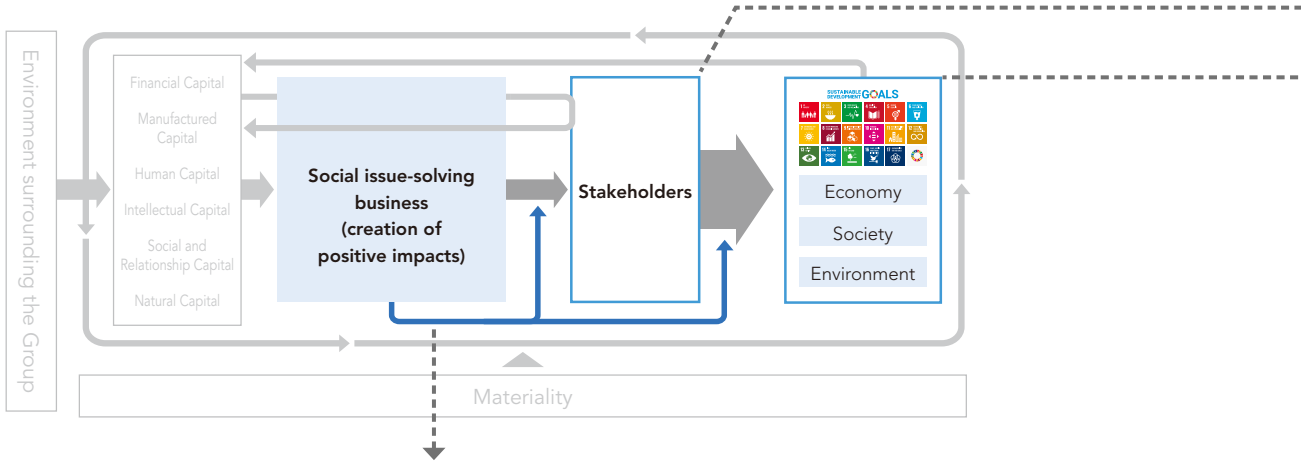
We harness the managerial resources (six types of capital) unique to a financial group specialized in trust banking and leverage our trust functions to drive our business operations. In doing so, we create positive impacts geared towards achieving the SDGs for our stakeholders, which in turn create value for society and economic value for ourselves.



This process also sets in motion the circulation of capital whereby the capital accumulated once more enhances our value creation capabilities in a sustained manner.
We identify high-priority issues (materiality) that affect our value creation process over the medium to long term and are currently strengthening our materiality management so as to appropriately control such impacts within the constructs of a risk appetite framework (RAF).



Creation of Impacts



Creation of Positive Impacts

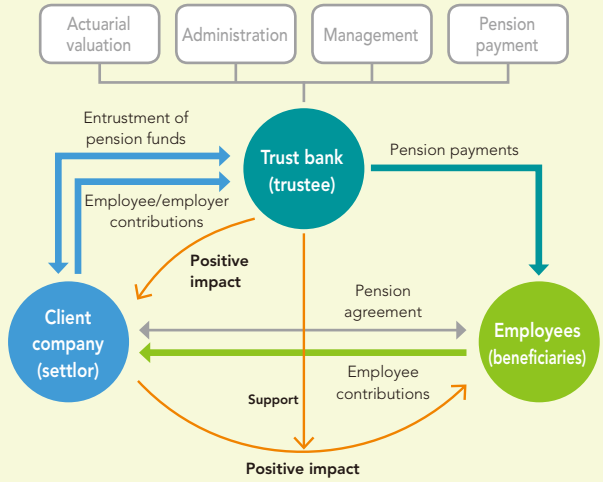
Balanced creation of both social value and economic value has been placed at the very core of our management philosophy in our Medium-Term Management Plan. While there are cases in which social value is generated by our Group's corporate activities, the majority of such value is formed through a chain reaction where one stakeholder has an impact on the next. In other words, examining in detail the logic (impact considerations) of how our initiatives can ultimately have a positive impact on social issues—as well as how we can limit the negative impacts—serves as a guide to the creation of social value.

Creation of impacts and ecosystem optimization

Based on our trust banking platform, the SuMi TRUST Group aims to establish mutual and inseparable relationships (ecosystem) with various stakeholders. We make every effort to create positive impacts and limit the negative ones for our stakeholders by drawing on the functions of this ecosystem in terms of the three components that comprise social value: economy, society, and the environment. However, the impacts are not just limited to those that have a direct effect; we must also take into account the indirect impacts one stakeholder may have on another. We therefore need to chart a course that leads to the creation of social value, and ultimately even the achievement of the SDGs.

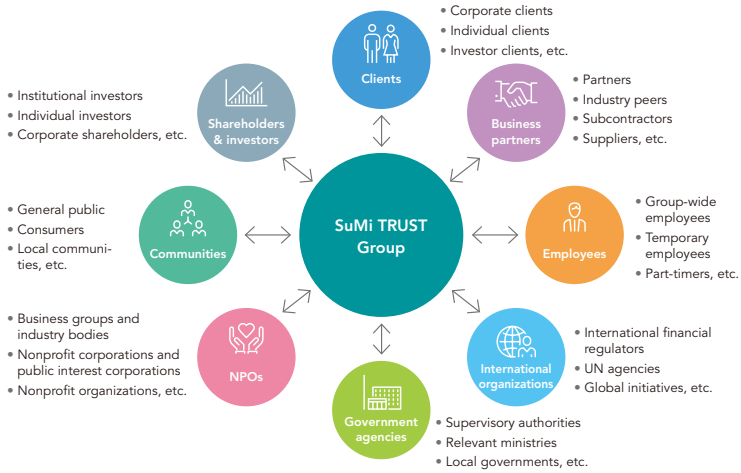
— Our trust business has impact considerations already built in —

The creation of positive impacts that takes into account stakeholders beyond our clients demonstrates a high degree of compatibility with our trust business. For example, the pension trust scheme was created mainly for the purpose of helping stabilize people's lives and improving their well-being, and we are entrusted by client companies (settlors) to perform actuarial valuations and manage pension assets on behalf of their employees (the beneficiaries). In other words, the direct positive impacts on our client companies are accomplished with the creation of indirect positive impacts on their employees. In much the same way, our will trust business and stock transfer agency services business deliver positive impacts to heirs and shareholders, respectively. As a financial group specialized in trust banking, the consideration of impacts is part of the SuMi TRUST Group's DNA and the source of our ability to generate value. Recognizing the beneficiaries among the stakeholders one step removed from our clients in all of our business operations yields added value that is unlike that at the commercial banks.



Stakeholders of the Group

In the Group's management principles, or mission, as well as in our Basic Policy on the Social Responsibility (Sustainability Policy), we identified stakeholders to be our clients, shareholders, investors, employees, business partners, communities, NPOs, government agencies, and international organizations. Listening to the opinions of stakeholders and gaining an understanding of how our Group depends on them and what kind of impacts our corporate activities are having on them is the starting point of our management that can generate social value and contribute to the building of a sustainable society.



Positive Impacts Designed to Create Social Value

The Sustainable Development Goals (SDGs) are a collection of 17 goals intended to be achieved by the year 2030. In developing the SDGs, the United Nations identified the most pressing social issues the international community faces in terms of economy, society, and the environment. The creation of social value is one initiative contributing to the achievement of many of the SDGs, whilst setting off a chain reaction of positive impacts among multiple stakeholders.

It also enhances value for the economy (increase in wealth), society (improvement in people's well-being*), and the environment (sustaining the earth's natural capital). We think social value generated is the sum total of the increases in these three types of value.

*The World Health Organization (WHO) defines health as a state of complete physical, mental and social well-being.

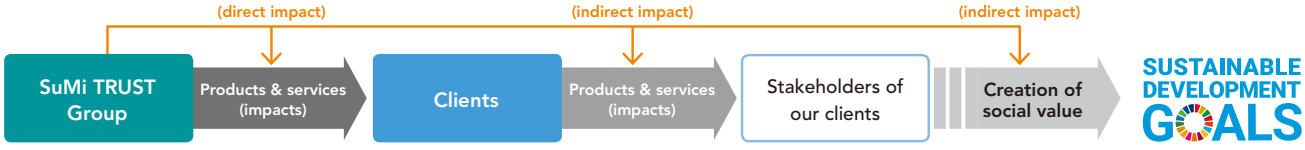
Social issues we need to address and focus

The following topics have been incorporated into the Group's Medium-Term Management Plan as social issues that warrant our attention.

- Individual clients: Asset administration suited for Japan's aging society and asset formation of individuals.
- Corporate clients: Sustainable 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.

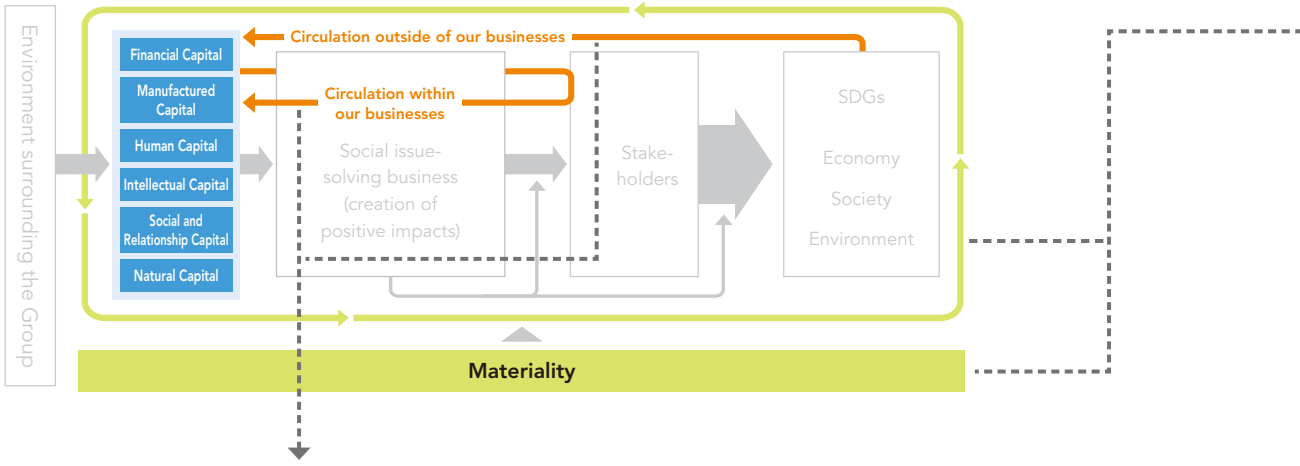
These topics need to be solved through collaboration between the public sector and private financial institutions.

In addressing the issues outlined in our Medium-Term Management Plan together with sustainability topics such as climate change, the recycling of resources, poverty, and infectious diseases, we aim to construct the financial infrastructure with which the SDGs can be achieved by fully leveraging the functions of a financial group specialized in trust banking to develop and deliver to clients the products and services that facilitate the smooth supply of funds.



	Examples of positive impact (promoting)	Examples of negative impact (avoiding)
Direct impact	Investments and loans to renewable energy projects	Sales of property funds with high investment weightings in buildings that are not environmentally friendly
Indirect impact	Consulting on information disclosure that clearly demonstrates processes for achieving the SDGs	Investments and loans to projects that contribute to increased greenhouse gas emissions in the long run

Circulation of Capital and Materiality Management



Circulation of Capital

The capital needed to execute business operations usually consists of cash, equipment, and other tangible assets that appear on financial statements, as well as intangible assets that do not convert so easily into money, like human resources, know-how, and networks. We must inject both financial and non-financial capital into our businesses and establish a mechanism through which our launching pad for growth is enhanced in a sustained manner by the (1) circulation of capital within our businesses, for example, the generation of profits and development of human resources through business execution, as well as client base expansion, and the (2) circulation of capital outside of our businesses whereby benefits that extend beyond the Group come back to the Group in the long term owing to the internalization of the external economy. The SuMi TRUST Group's value creation process—presented in line with the International Integrated Reporting Framework—is a mechanism that facilitates the circulation of capital through our social problem-solving businesses.

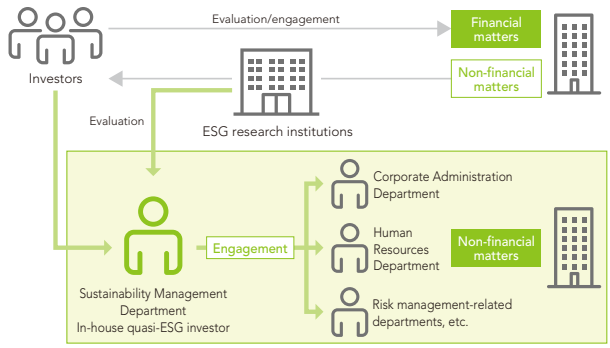
Capital		Three areas of value	SuMi TRUST Group definitions and metrics
Financial	Financial	Economy (wealth)	Capital: 9.7% common equity Tier 1 capital ratio (finalized Basel III standards) Total assets: ¥56trn
	Manufactured		Network: 150 offices in Japan, 10 offices overseas (optimally placed network)* SBI Sumishin Net Bank accounts: 3.92mn IT system expenses: ¥46.8bn*
Non-financial	Human	Society (people)	Consolidated employees: 21,658 (diversity & inclusion: 357 female managers (higher than targeted 300))* Employee satisfaction survey: vitality level of 59.1, satisfaction level of 60.4* Employees with certifications: 5,611 registered real estate transaction agents, 43 fellows of the Institute of Actuaries of Japan, 267 financial consultants*
	Intellectual		Total training hours: 5,705; training costs: ¥540mn* Digital Academy classes: 28 (as of June 30, 2020) Future creation activities (employee-driven ideas on new businesses): 267 applications from 499 applicants
	Social and relationship		High-quality business platform: assets under management of ¥87trn, assets under custody of ¥224trn (No. 1 for both among domestic financial institutions), total loan balance of ¥29trn (No. 5 among domestic banks), entrusted balance of securitized real estate of ¥18trn (No. 1 among trust banks), 1,613 client companies in stock transfer agency services business and 27.75mn shareholders under administration (No. 1 for both among trust banks) Potential "best partners": 260,000 individual clients and 590 corporate clients* Corporate brand: backed by Mitsui and Sumitomo's combined 400-year history of contributions to society and relationships of trust with clients Sustainability rating: MSCI ESG Rating of AA (No. 1 among domestic banks), FTSE ESG Rating of 4.3 (No. 2)*
	Natural	Environment (earth)	Common social capital is shared by all kinds of people and organizations and forms the basis for the existence of the Group itself and its stakeholders. The definition of natural capital according to the International Integrated Reporting Framework is "air, water, land, minerals and forests, biodiversity, and eco-system health."

Data as of March 31, 2020 or FY2019.
*Asterisk denotes SuMi TRUST Bank only (non-consolidated)

Materiality Management

The circulation of capital is like the circulation of blood. If capital is steadily accumulated in the same way blood flows freely around the body, the ability to generate value will continue to increase in a sustained fashion. With this kind of image in mind, the factors that inhibit the circulation of capital and those that promote it were identified and determined by the Board of Directors as priority issues (materiality) that affect the value creation process over the medium to long term. The departments in charge are usually tasked with managing materiality issues and making that process more sophisticated, but we also employ an internal engagement process as a way of incorporating the viewpoints of stakeholders. More specifically, the Sustainability Management Department engages in dialogue with relevant departments with respect to the non-financial materiality topics in the finance sector that ESG investors are most interested in and for which the Group's initiatives may face challenges. By doing so, we aim to further improve our initiatives and enhance the disclosure of information.

■ Internal Engagement



Reviewing materiality

In October 2019 we formulated a new materiality list by integrating top risks (see page 102) managed thus far from a financial point of view with the materiality issues managed from a non-financial perspective.

Our policy is to make materiality management more sophisticated so that each type of capital tied to materiality circulates smoothly. In doing so, we aim to achieve balanced creation of both social value and economic value and make certain of sustained growth up ahead.

Previous top risks (7 items) + Previous materiality (14 items) = New materiality (17 items)
(1) Sort out duplicate or similar items
(2) Review names if necessary
(3) Add latest items

(1) Technological innovation; (2) population decline and super-aged society issues; (3) financial inclusion; (4) pursuing sustainability-themed business opportunities; and (5) climate change

Main relevant capital	Materiality	Risk	Opportunity	Key measures
All types of capital	Corporate governance	●	●	Framework for enhancing value over the long term
Financial capital	Preserving financial capital	●		Concerns about creditworthiness, deterioration in stock prices and property market
	Acquiring sustained earnings	●		Decline in profits in loan and deposit businesses
	Stability of financial system	●		Avoiding systemic risk
	Risk management and resilience	●		Identifying and managing risk, fostering a risk culture
Manufactured capital	Systems maintenance and combatting cyber attacks	●		Cyber attacks, system development delays
Human capital	Bolstering human resources and developing workplace environments	●	●	Human capital, health of employees
Intellectual capital	Protecting personal information and client data	●		Client information management, personal information protection
	Safety of financial instruments	●		Management of risks inherent in products
	Pursuing sustainability-themed business opportunities		●	Development of social problem-solving products
	Technological (digital) innovation	●	●	Advancing digital technology, preparing for digital disruptions
Social and Relationship capital	Compliance	●		Taking measures against anti-social forces, preventing crime
	Client-orientated approach / fiduciary duty	●	●	Improving customer satisfaction, fair trading practices
	Considering impacts on society and the business environment of companies to whom we extend investments and loans	●		Managing negative impacts from investments and loans
	Financial inclusion		●	Responding to the financially vulnerable, dementia-related problems
	Population decline and super-aged society issues	●	●	Improving the well-being of the elderly
Natural capital	Climate change	●	●	Physical and transitional risks, carbon-free society

Medium-Term Management Plan (FY2020–2022)

We formulated the three-year strategy after reassessing the roles and functions expected of us as a financial group specialized in trust banking, as well as our own reason for existence (purpose) based on a long-term point of view. We recognize that taking on the mission of solving social issues arising from the multitude of changes occurring in society and the environment presents us with a growth opportunity, which is why we have placed at the core of our management philosophy the notion of balanced creation of both social value and economic value.
We think the diversification of values in society and the growing number of uncertainties in the environment suggest that now is the right time for the SuMi TRUST Group to take on the mantle of providing trust schemes that can help achieve a safe and secure society. As the "Best Partner" most trusted by our clients, we intend to do everything we possibly can to pass on to the next generation a society that is even more capable of coping with change.

Balanced creation of both social value and economic value

To contribute to the sustainable development of society whilst achieving growth for ourselves, guided by our reason for existence (purpose) as a financial group specialized in trust banking

Reason for existence (purpose)

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

Social issues

Aging society	Persistently ultra-low interest rates	Initiatives of companies to address ESG management
Changes in the global economy	Advancements in digitalization	Post-COVID-19 changes to social norms

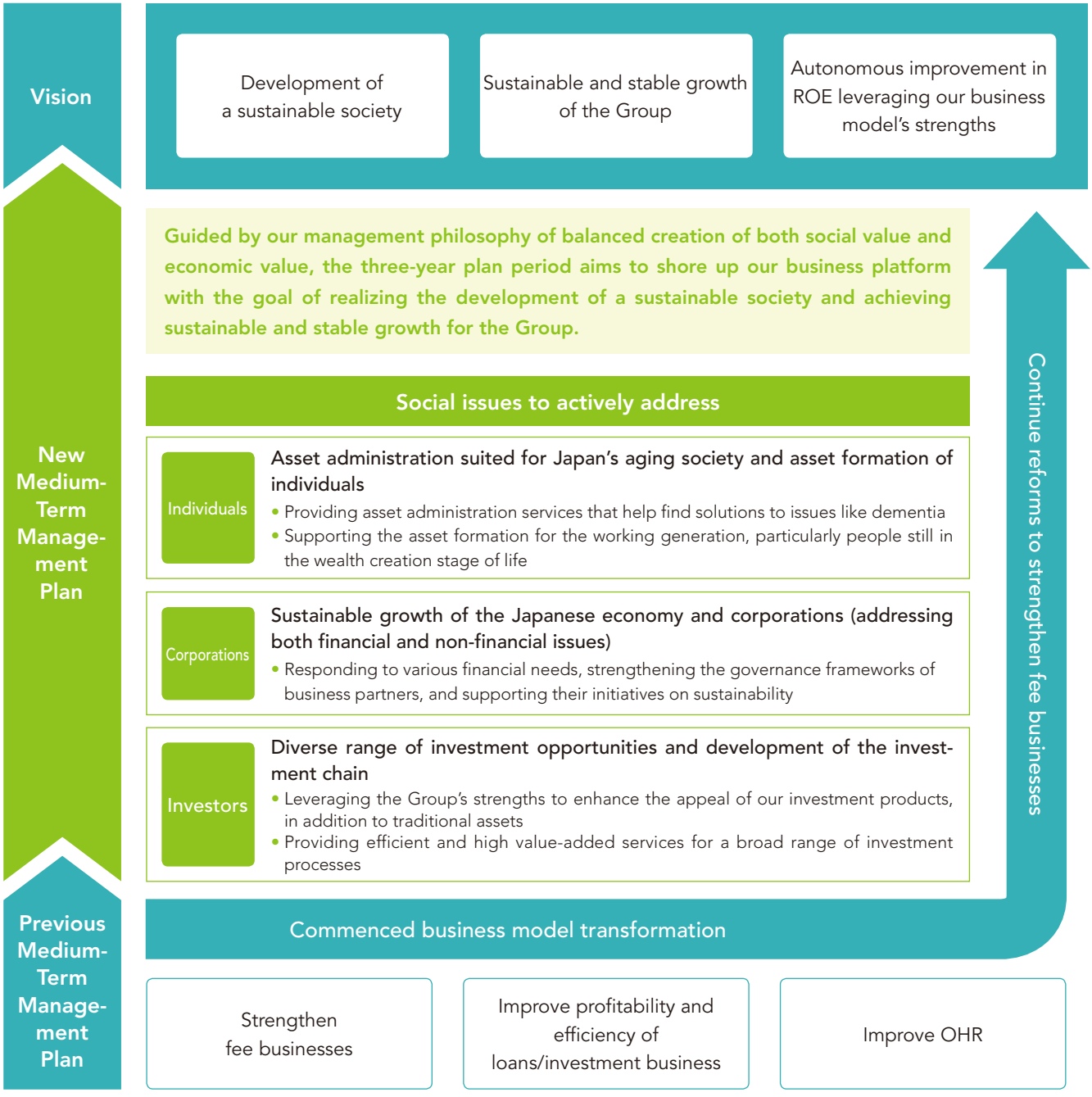
Towards the sustainable development of society

Reasons behind the definition of the Group's reason for existence (purpose)

- In our new Medium-Term Management Plan, we will aim to actively adapt to changes in social structures and rapid advancements in digitalization to solve emerging social issues related to client assets by leveraging the functions and strengths of the Group.
- As a financial group specialized in trust banking and boasting a high level of expertise, comprehensive capabilities, and wide array of functions, at any time in our history, we have consistently generated economic value through the creation of new value by finding solutions to social issues.
- We defined the Group's own reason for existence (purpose) after reaffirming that our mission is to plow this economic value back into society to generate even more growth for our clients and the Group, thereby contributing to the goal of creating a more affluent society for the next generation.

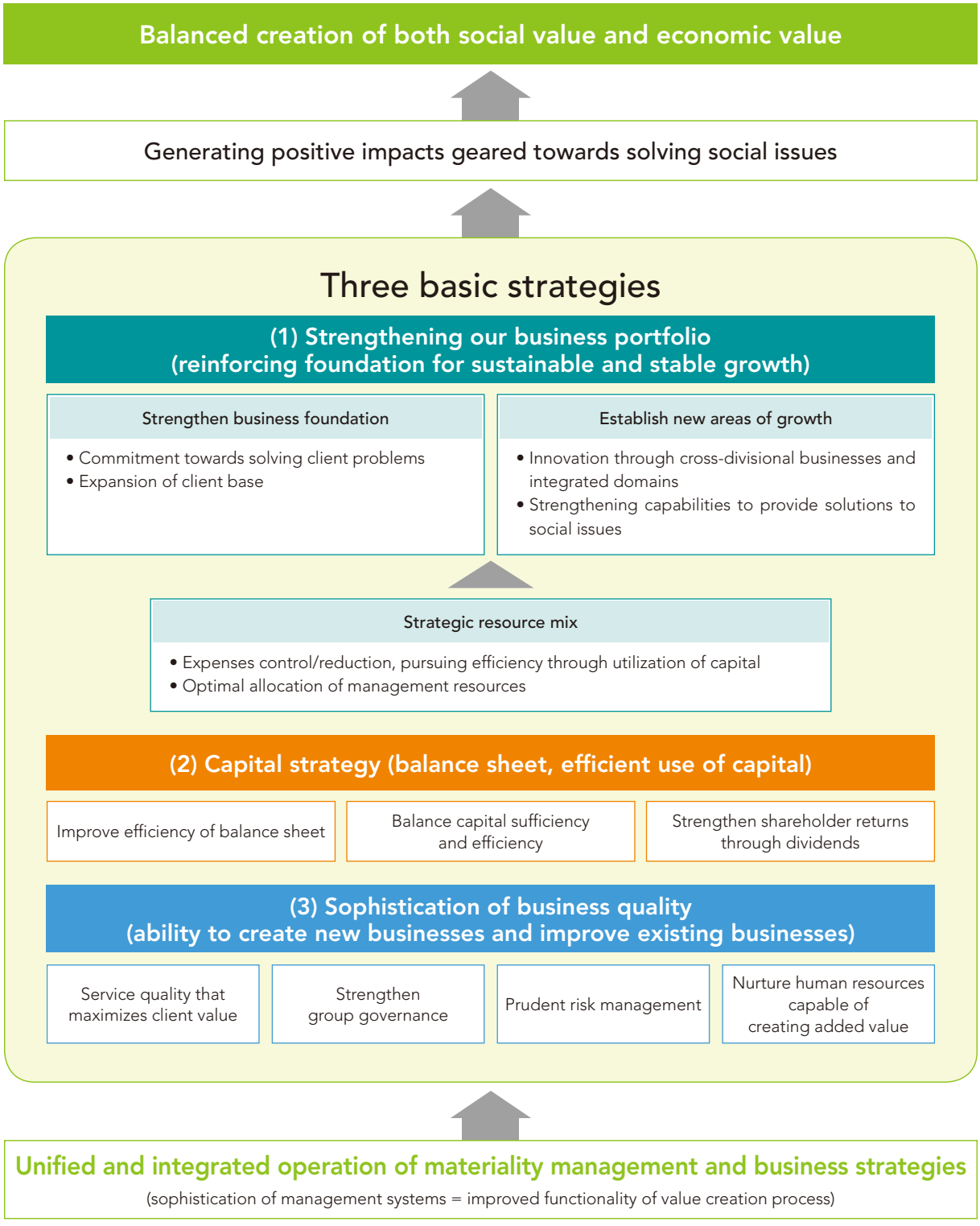
Positioning of Medium-Term Management Plan (expanding platform to achieve sustainable and stable growth)

In our previous Medium-Term Management Plan running from FY2017 through FY2019, we kicked off the transformation of our business model to meet the needs of our diversifying client base; on the whole, we made steady progress on attaining our quantitative targets and other objectives. Under the new Medium-Term Management Plan commencing in FY2020, we intend to make further progress on the same initiatives whilst also shoring up our business platform over the next three years with the aim of chalking up sustainable and stable growth for the Group by aggressively tackling the social issues that confront individuals, corporations, and investors.



Basic Strategies

Under our Medium-Term Management Plan that kicks off in FY2020, we aim to step up our initiatives on further improving the sustainability and stability of growth by anchoring the management of the Group to three basic strategies.



(1) Strengthening our business portfolio (reinforcing foundation for sustainable and stable growth)

• Strengthen business foundation

We aim to create more opportunities to provide new products, services, and total solutions based on long-term, inclusive relationships of trust with existing clients.

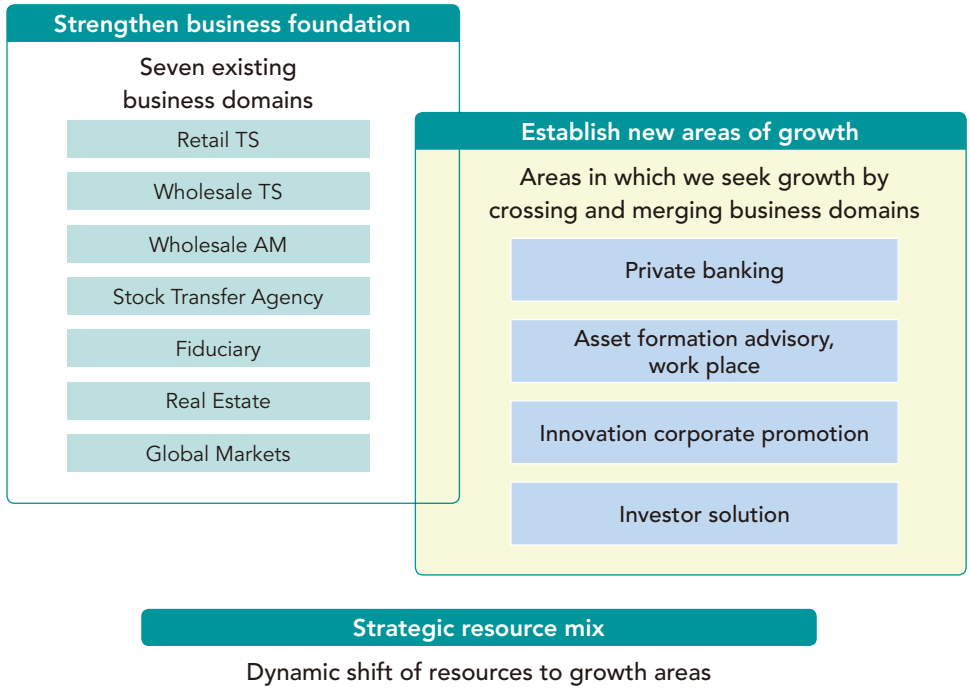
In addition, we will endeavor to gain new clients and build up AUM mainly in the Group's areas of expertise. Through these initiatives we hope to meet the needs of clients and society and continue to generate economic value that underpins the sustainable growth of the Group.

• Establish new areas of growth

In light of the issues expected to arise in the future and the needs of clients that are rising to the surface, we will pursue renewed growth by establishing businesses that deliver solutions to such problems right across our business portfolio. So that we can harness the business creativity of intersecting and melding businesses and functions—one of our traditional strengths—we intend to reorganize SuMi TRUST Bank, the entity at the heart of the Group, and undertake resource allocation and risk taking in an intensive fashion.

• Promote strategic resource mix

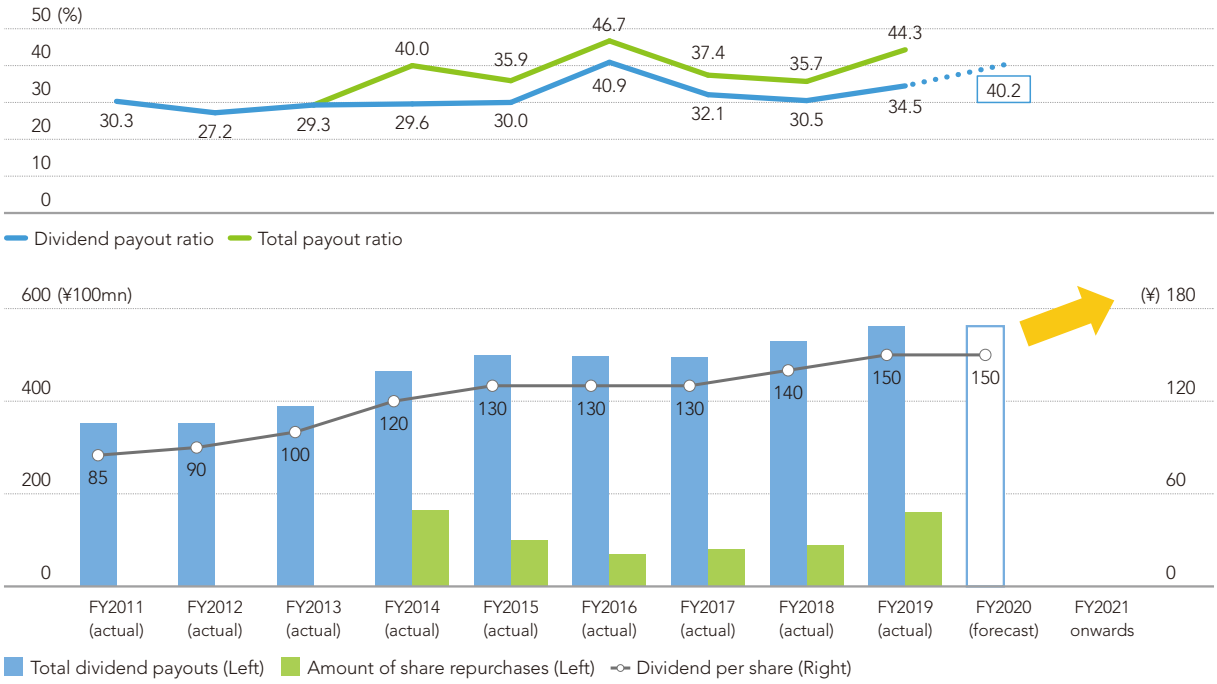
We will push ahead with the optimal allocation of a diverse mix of managerial resources to areas that need them the most in an effort to further strengthen and streamline the Group's management structure. In addition to making effective use of capital and advancements in digital technology, we will also aim to flexibly combine management resources within the Group to build a resilient organization that balances both optimum allocation and maximized use of resources.



(2) Capital strategy (balance sheet, efficient use of capital)

- Whilst maintaining sufficient capital, we aim to be more aggressive in our use of strategic investments, step up our use of active capital strategies, for example by reducing strategic shareholding shares and controlling risk assets, and push ahead with capital policies that strike the right balance between financial soundness and capital efficiency.
- We intend to control risk assets mainly by accelerating asset turnover, step up efforts to diversify our structure on foreign currency procurement, and continuously work on improving profitability in credit portfolios for both individual and corporate clients.
- We will emphasize the return of profits to shareholders via dividends and aim to bolster shareholder returns in line with sustainable and stable profit growth.

■ Shareholder returns



(3) Sophistication of business quality (ability to create new businesses and improve existing businesses)

- As a financial group specialized in trust banking, we will aim to strengthen our client-oriented and customer satisfaction initiatives as a source of differentiation, integrate the units that handle fiduciary duty and CS (customer satisfaction) operations, enhance business quality management capabilities, and endeavor to instill greater employee awareness, including risk culture, at our branches.
- We will seek to make Group-wide business management more sophisticated mainly in the areas of HR, finance, and risk management, taking into account changes in the operating environment, new regulatory requirements, and the growing importance of Group strategies.

Key Performance Indicator (KPI)

			FY2019 (actual)	Medium-Term Management Plan vision (FY2022 targets)		Longer-Term targets
Performance indicators (consolidated)	**Net business profit**		¥289bn	**¥290bn**	Acceleration of business model transformation / growth driven by crossing and merging	
	Net income		¥163bn	**¥190bn**	Sustainable and stable growth	
	OHR (overhead ratio)		61.10%	**Lower 60% range**	Future investments in tandem with expense control	Upper 50% range
	Common equity tier 1 capital ratio*1		9.70%	**Mid-10% range**	Ensuring capital sufficiency	Stably maintained in 10% range
	Return on equity*2		6.25%	**Around 7%**	Aiming for autonomous improvement in ROE	Around 9%
	Fee income ratio		54.60%	**Upper 50% range**	Strengthening steady fee income	Stably maintained above 60%
	Dividend payout ratio		34.50%	**Around 40%**	Emphasis on returning profits to shareholders via dividends in line with earnings growth / bolstering shareholder returns	
Base KPIs	**Client base ("Pre-Best Partners")**	**Individuals**	260,000	**290,000**	Strengthening our base of "Pre-Best Partners," the stage needed if we are to build healthy relationships and boost our number of clients that ultimately choose the SuMi TRUST Group as their "Best Partner"*3 over the long-term or in a continous manner	
		Corporations	590 companies	**720 companies**		
	Responding to society following the COVID-19 pandemic (individual clients using non-face-to-face channels*4)		1.85mn	**2.38mn**	Responding to changes in society and methods of communication as a result of the COVID-19 pandemic in an effort to improve the level of convenience for clients and boost productivity in the Group	

*1 Based on finalized Basel III standards
*2 Changed from "Shareholder ROE". Impact of change roughly –1%.
*3 How our clients view the SuMi TRUST Group
*4 Clients using internet banking or the Life Guide internet portal

Message from Head of Finance



1. Review of FY2019—the final year of our FY2017–2019 Medium-Term Management Plan

In FY2019, net business profit before credit costs increased ¥6.7 billion year on year to ¥289.0 billion, which was more or less in line with our forecast. This was mainly attributable to growth in non-interest income related to business for corporate clients and brisk results in real estate, fiduciary services, and other trust-related businesses, which overall offset a decline in income from investment management consulting for individual clients. Meanwhile, net income attributable to owners of the parent fell short of our forecast, decreasing ¥10.8 billion year on year to ¥163.0 billion, mainly because in light of the uncertainties about what kind of impact the COVID-19 pandemic will have on the earnings of our client companies, the Group booked special loan loss provisions of some ¥25.0 billion (around ¥17.0 billion after tax) as a preventive measure against the sectors and businesses expected to be hardest hit. If we were to exclude the impact of booking special loan loss provisions, we attained, or nearly attained, our targets for both net income attributable to owners of the parent and shareholder ROE.

(¥ bn)	FY2016 (actual)	FY2017 (actual)	FY2018 (actual)	FY2019		
				Forecast	Actual	(excl. special provisions)
Net business profit before credit costs	232.3	270.5	282.2	290.0	289.0	
Net income attributable to owners of the parent	121.4	153.9	173.8	180.0	163.0	Roughly 180.0
Shareholder ROE	6.07%	7.4%	7.95%	Around 8%	7.12%	7.8%

Looking back on the three years of our previous Medium-Term Management Plan, our fee businesses performed strongly. In particular, the stable income ratio for recurring revenue as a percentage of net fees and commissions and related profit steadily increased. We also made progress on improving profitability in our loan/investment businesses, mostly in the area of foreign currency-denominated loans. We also kept our overhead ratio roughly in line with plan. While some challenges have now become apparent, for example, we need to offer more in-depth solutions to individual clients depending on their age group and further improve capital efficiency of loan assets based on the finalization of Basel III regulations, my overall assessment of the previous Medium-Term Management Plan is that for the most part, we achieved our key initiatives and KPIs.

Fee businesses

Stable income ratio (mainly recurring revenue)

FY2016	FY2019
74.1%	76.7%

Loan/investment businesses

Foreign currency-denominated loan spread (managerial accounting basis)

As of March 31, 2017	As of March 31, 2020
0.94%	1.10%

Expenses

Overhead ratio (OHR)

FY2016	FY2019
64.5%	61.1%

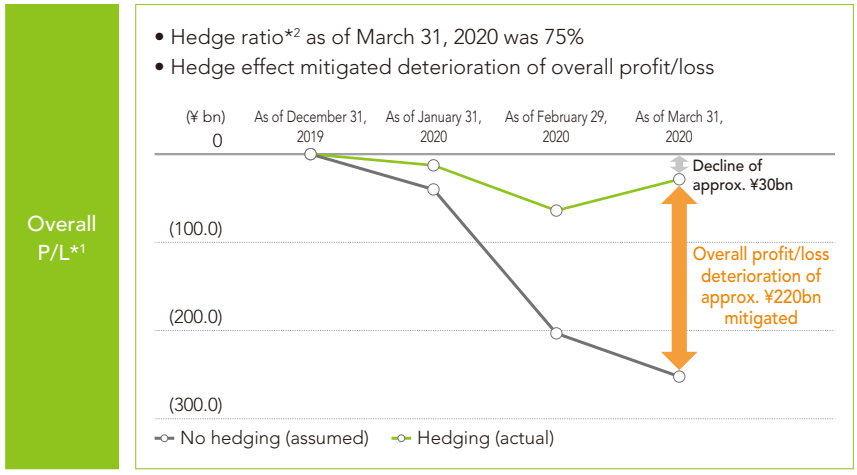
2. Resilience

Our management resilience is once again being questioned as a result of the growing uncertainties stemming from the COVID-19 pandemic. I am confident that the SuMi TRUST Group is endowed with a comparatively high level of resilience in terms of our business foundation and risk management practices.

For the former, we can point to the establishment of a fee revenue base that boasts a high stable fee ratio based on a long-standing and solid client base comprising both individual and corporate clients primarily in our trust-related businesses.

Hedging transactions on strategic shareholdings

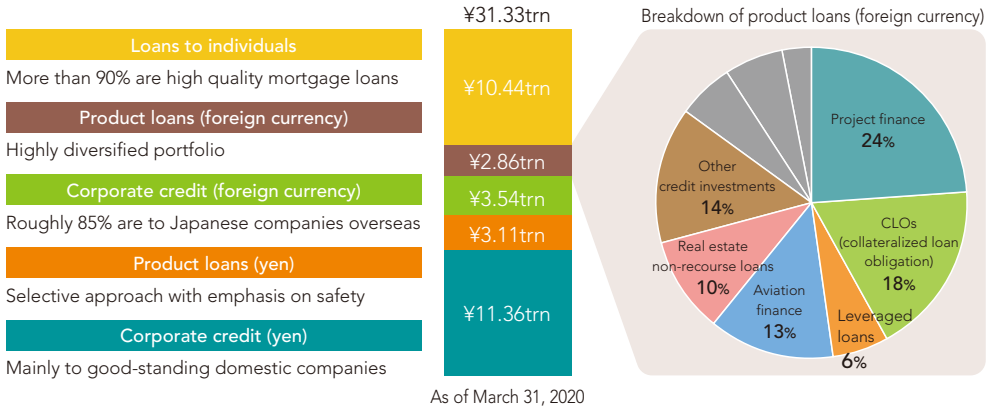
Impact of share price declines (December 31, 2019–March 31, 2020)



*1 Total of change in profit/loss and realized profit/loss (profit/loss on sale) since the end of December 2019
*2 Percentage against market value of strategic shareholdings
"Hedging" data based on strategic shareholdings and strategic shareholdings hedge fund; "no hedging" data based on strategic shareholdings only

As for risk management operations, we continue to minimize as much as possible risks related to strategic shareholdings, for example. As a result, even when share prices nosedived from the end of December 2019 through to March 2020, we were able to avoid significant valuation and realized losses in our equity portfolio. For credit risk management too, we have endeavored to curb downside and credit concentration risks under a stringent credit policy that applies to loans extended to either individual or corporate borrowers. Most of our loans to individuals are mortgage loans for high-income earners, while the lion's share of corporate credit goes to first-rate domestic companies. And for product-related assets such as project finance—an area of focus for our overseas portfolio—we have continued to strengthen our practices with respect to safety and diversification of risk.

Overall picture of credit portfolio



3. Basic strategies in our new Medium-Term Management Plan (FY2020–2022)

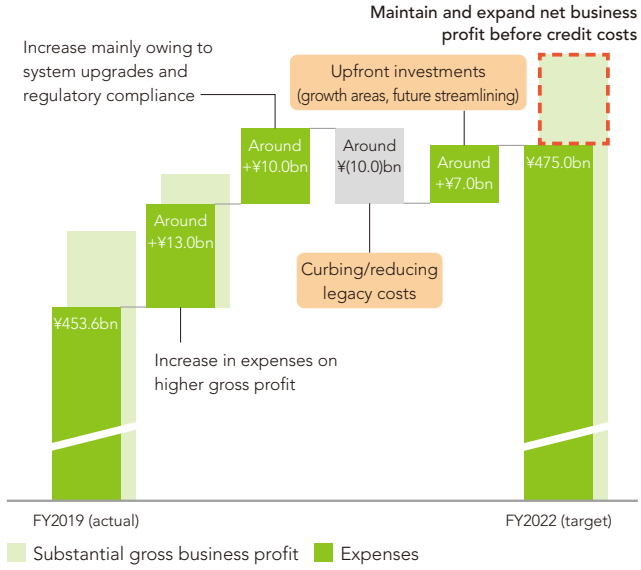
Our new Medium-Term Management Plan that kicks off this fiscal year hinges on the following three basic strategies. Below I discuss each in turn from a financial point of view.

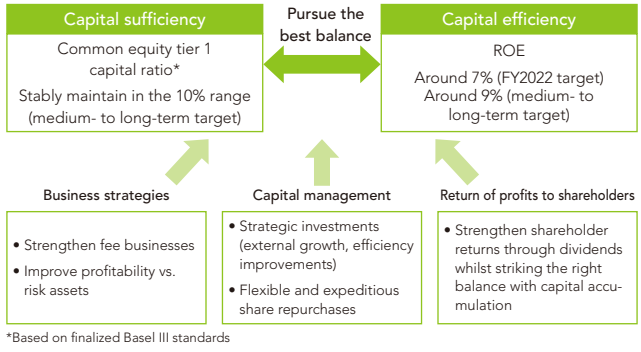
(1) Strengthening our business portfolio (reinforcing foundation for sustainable and stable growth)

In order to strengthen our business foundation and establish new areas of growth in existing business domains, we will look to optimally allocate and shift management resources, including human capital, IT & equipment, and financial capital, and pursue a strategic resource mix by distributing, circulating, and integrating resources between businesses. During the period of this Medium-Term Management Plan, we plan to counteract an increase in costs arising from system upgrades and regulatory compliance by reducing legacy costs centering on office expenses and also secure room for upfront investments designed to establish growth areas and keep a lid on future overheads. That said, our policy going forward will be to accelerate our review of the resource mix with a view to how we communicate with our clients in the new normal of a post-COVID-19 era. For FY2022 we target a consolidated overhead ratio (OHR) in the lower 60% range and upper 50% over the medium to long term.

(2) Capital strategy (balance sheet, efficient use of capital)

The objective of the Group's capital strategy is to strike the best balance between capital sufficiency and efficiency





*Based on finalized Basel III standards



with the following three measures: (1) improving profitability against the cost of regulatory capital through our business strategies; (2) effectively utilizing capital; and (3) strengthening shareholder returns through dividends. In aiming to achieve this best balance, our plan calls for a FY2022 common equity tier 1 capital ratio (finalized Basel III standards) in the mid-10% range and a ROE of around 7%. The first measure above will be driven by two initiatives: strengthening the liquidation of loan assets and ongoing reductions in strategic shareholdings. For the second measure, our policy will be to aggressively execute strategic investments designed to tap external growth opportunities and improve the efficiency of operations in each business. The third measure (discussed further below in 4. Shareholder returns policy) will be implemented in conjunction with continuous share repurchases whilst maintaining an optimal balance with the first two measures.

(3) Sophistication of business quality (ability to create new businesses and improve existing ones)

The sophistication of business quality rests on a two-pronged approach involving the enhancement of the Group's business management together with the maximization of added value for our clients, or in other words, the enhancement of service quality. For the latter, as a financial group specialized in trust banking, we will work on giving shape to our management philosophy of balanced creation of both social value and economic value by improving the quality of, and differentiating, our services in mainly fee businesses. Even though we only forecast a slight increase in net business profit before credit costs in FY2022 compared to FY2019, by pushing ahead with initiatives that bring about qualitative improvements and enhancements to our bottom line, we hope to lay the foundation for growth during the next three-year period.

4. Shareholder returns policy

Based on the recognition that we are now much closer to a phase during which we can actively utilize the capital we have steadily accumulated thus far, from FY2020 we decided to make changes to our policy on returning profits to shareholders.

In our new shareholder returns policy, we intend to further clarify our stance on emphasizing dividends as a means for returning profit to shareholders in line with earnings growth, raise our consolidated dividend payout ratio target from around 30% at present to around 40% in or around FY2022, and carry out share repurchases in a flexible and expeditious manner from the viewpoint of effectively utilizing capital.

When considering the repurchase of shares, we will comprehensively take into account the following three factors: (1) capital sufficiency; (2) balance with strategic investments; and (3) the Company's share price.

Going forward, as a financial group specialized in trust banking, we aim to steadily enhance returns to shareholders in step with the Group's sustainable and stable growth.

Shareholder returns policy

Our approach remains the same as before: Aim to bolster shareholder returns in line with the Group's goal of sustainable and stable profit growth.

Changes to shareholder returns policy:

	Before	After
Consolidated dividend payout ratio	Around 30%	Around 40% in or around FY2022
Share repurchases	Around 10%*	Flexibly buy back shares from the viewpoint of effectively utilizing capital

*Ratio of amount of shares acquired versus net income attributable to owners of the parent this fiscal year

5. In conclusion

Not only has the COVID-19 pandemic prompted us to reassess the need to be prepared for a whole host of uncertainties, I believe it will also be a catalyst for change and open up new opportunities for the Group, such as heightened demand for asset administration services, increased digitalization, and acceleration of non-face-to-face channels deployment. In addition to the resilience derived from our business model and risk culture that I touched upon above, in this day and age, our ability to take up the challenge of business innovation, and the speed at which we do so, will be called into question more than ever before.

From a financial perspective too, the Group will continue to help maximize positive impacts on various stakeholders by appropriately controlling financial risk, promoting a strategic resource mix, and actively making effective use of capital. We therefore aim to shore up our business foundation during the three years of the Medium-Term Management Plan with the goal of realizing sustainable and stable growth of the Group and further boosting our presence in the financial sector.

1. Initiatives on active participation of specialists

With our sights set on being the No.1 financial group for human resource development, the Group established its Human Resources Development Policy (TRUST)* in April 2018. Guided by this Policy, we also aim to be the No.1 financial group for human resource participation, where all employees in our diverse workforce can play an active role.



One source of value creation in the SuMi TRUST Group—a financial group specialized in trust banking—is human capital. We aim to form pools of employees and improve their skills so they can leverage their significant expertise and comprehensive capabilities to deliver total solutions to clients.

Financial consultants that possess high-level, specialist skills are one of the pools we have aspirations for. Financial consultants boast a high level of expertise and a wealth of experience; they are professional employees unique to trust banks and are capable of shrewdly managing client assets or proposing prudent asset administration and inheritance services.

Trust banks are characterized by not only deposits and savings, but also their ability to provide comprehensive advice about inheritance, real estate, and other types of assets; financial consultants, in particular, take on the role of consulting with clients in an all-inclusive manner regarding asset administration and inheritance. At SuMi TRUST Bank as of the end of March 2020, there were 276 financial consultants active throughout Japan.

To earnestly address the issues of our clients in their 100-year lives and embody as best as possible the spirit of being completely client-oriented—one of the values that make up the Group's Codes of Conduct—our financial consultants do more than just professionally engage in the management and administration of client assets. They are expected to stay in close contact with clients facing wide-ranging issues, offer new value, and demonstrate leadership of the entire organization.

At SuMi TRUST Bank, employees that demonstrate a high level of expertise are certified as Fellows and a framework that reflects their skills in the employment benefits they receive has been introduced. This same framework also applies to financial consultants. SuMi TRUST Bank extends added value to its clients through its financial consultants because they possess not only expertise, but also human qualities.

*Refer to page 95 for more information about the SuMi TRUST Group's Human Resources Development Policy.

Active participation of specialists



"Demonstrating significant expertise and human qualities to help solve numerous client issues"

Satoshi Inaguma

Fellow Supervisor Financial Consultant
Nihonbashi Business Department/Tokyo-Chuo Branch

Q What are your roles as a financial consultant?

A financial consultant plays a central role in meeting the client's needs for asset administration and succession services. The strength of a financial consultant is being able to respond singlehandedly to a client's requests with one-stop, custom-made solutions. To propose the best solutions, the financial consultant, whenever necessary, will work in close cooperation with the businesses of SuMi TRUST Bank—which possesses

significant expertise—and other Group companies, but at the end of the day, the client's sole contact point in the Group is the financial consultant. This is the biggest difference with tax accountants, lawyers, and judicial scriveners. The Group aims to further strengthen its asset administration and inheritance services business in the future. SuMi TRUST Bank is certainly an expert in this field and its financial consultants play a key role in the Group's leading brand of trust. We, as financial consultants, hope to broadly promote our trust services to society through the asset administration and inheritance services business.

Q In what way do you recognize the social issues faced by your clients?

In an age of 100-year life, we are required more than ever before to meet the asset administration and inheritance services needs of our elderly clients. SuMi TRUST Bank boasts an extensive lineup of industry-leading solutions, such as will trusts and the 100-Year Life Solution Trust (also known as the 100-Year Passport), as well as a solid consulting track record, so I think we are well placed to be the "Best Partner" for our clients in this age of 100-year life. The 100-Year Passport is a trust product that incorporates a number of useful features into one package so that clients can feel at ease in their 100-year lives. To counteract the risk of assets freezing at the onset of dementia, the person authorized to handle procedures on behalf of the client can withdraw funds for the payment of medical fees, nursing care expenses, housing costs, tax, and social insurance premiums. We continue to make clever use of such convenient products when proposing solutions to clients in accordance with their needs.

Q Do you have something you always bear in mind as a professional?

Any person incapable of considerately understanding a client's feelings is unlikely to be consulted on important matters by the client, no matter how much business knowledge they might possess. While it is certainly a good idea to be accredited with various licenses to obtain basic knowledge, after actually engaging in financial consultant work, I have come to realize that rather than relying on such knowledge, a degree of sensitivity is needed to empathize with the feelings and pain the client is going through.

As a financial consultant myself, I think altruism is the most important thing. In other words, having a heart to help other people and show compassion. It is important that we must be willing to spare no efforts if it makes the client happy. On a daily basis I think seriously about what I could do to help the client, and having always incorporated those thoughts into my work seems to have naturally brought me a lot of consultation requests from clients.

I also learn a lot from books. If I did not do any reading, the best I could probably do is only the things based on my few decades of experience. Some people say that the breadth and depth of the world of a single human being is proportionate to how much that person reads. I think reading books enables a person to acquire the intellect and experience of pioneers, great minds, and people of great wisdom from the past and present so they can stay on the right path as a human being and live their life more vigorously.

Q Can you recall an occasion that led to the creation of value for a client?

There is an episode with a client seeking advice about asset inheritance across two generations. The client in question was concerned about a decline in the own decision-making capacity in the future if dementia or some other illness became a factor. I have also learnt that the client would like to move in to a paid nursing home in the future. I therefore proposed to the client the use of the 100-Year Passport as a way of avoiding an asset freeze, introduced them to the Group's affiliated paid nursing home, and made arrangements for one of our Group companies, Sumitomo Mitsui Trust Realty, to appraise the value of the client's home in preparation for sale.

Also, after enquiring about the client's family, I came to understand that the client wanted to leave some assets for both children and grandchildren. Upon hearing this, I performed a trial calculation of how much the client could afford to gift to the grandchildren without impeding their own livelihood and started the process for making a gift.

As part of this process, I suggested the use of life insurance that comes with an annual donation option as a way of reducing the burden of having to enter into a gift contract every year, and I also proposed that the funds gifted to the grandchildren be used to take out life insurance in preparation for the future without being wasted in the near term. On top of this, a will was drawn up so that the intentions of the client would be entrusted and properly conveyed to the client's children.

I felt that drawing on the broad-ranging functions of the Group to offer in-depth advice to the client in an intimate and helpful manner based on their concerns and wishes was what led to the creation of value for the client and their extended family.



2. Initiatives to address digitalization



The remarkable evolution of AI, big data, cloud computing, social media, blockchain, and other types of digital technology is giving rise to new services and businesses thick and fast and significantly changing our everyday lives.

Various industries are seeing outsiders enter the market armed with digital technology, while game changers in mainly retail industries are slashing prices. And the finance sector is no exception—it currently faces competition from FinTech companies.

In the wake of the COVID-19 crisis, alongside the unprecedented major changes in society and the business environment—for example, the accelerated uptake of cashless payments, the non-contact, non-face-to-face provision of services, and the rebuilding of client contact points—a paradigm shift is drawing closer by the minute with the potential to further accelerate digitalization and change our mode of life and even the state of our industry.

As we hurtle towards an age of VUCA (volatility, uncertainty, complexity, and ambiguity) characterized mainly by changes in consumption structures and client needs caused by changes in, and diversification of, client sentiment and behavior, we will end up losing the support of our clients and society and follow a path to decline unless we ourselves set about transforming and rebuilding our organization and value chains.

Based on our recognition of this operating environment, we aim to accelerate the pace of digital transformation as the driving force behind the creation of social value that helps solve social issues and the creation of economic value that contributes to the growth of the Group.

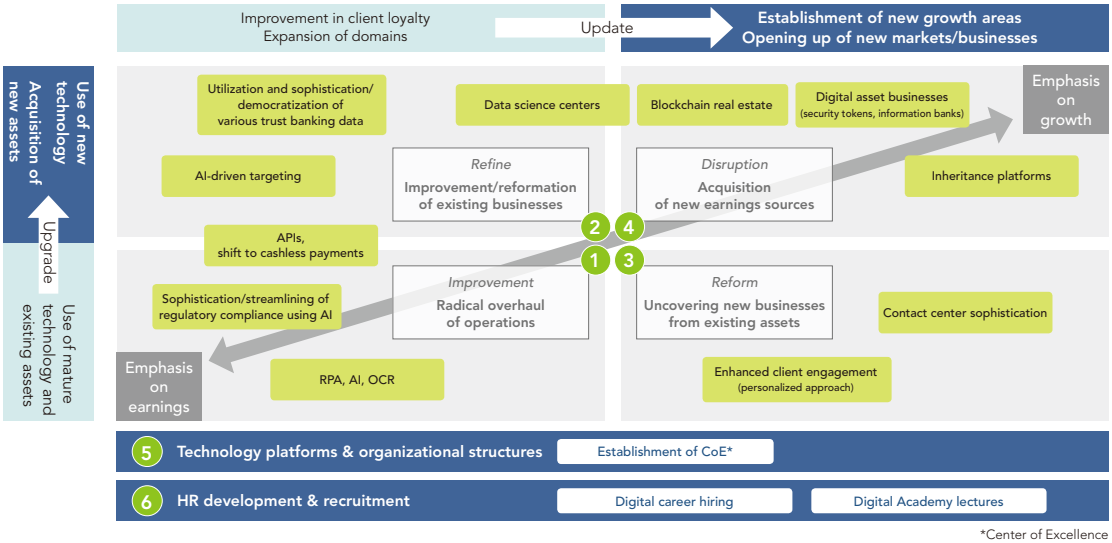
Digital strategy in Medium-Term Management Plan — six strategic areas

Under the basic policies of strengthening our business portfolio and the sophistication of business quality in our Medium-Term Management Plan commencing in FY2020, we have identified six strategic areas in which we will advance our digital strategy.

The following four areas will be promoted concurrently: **(1)** ***improvement***—utilize mature technology and existing assets to pursue mainly a radical overhaul of operations; **(2)** ***refinement***—brush up existing businesses by utilizing new technology and acquiring new assets; **(3)** ***reform***—redeploy existing strengths and assets to open up new markets and businesses; and **(4)** ***disruption***—look to establish new growth areas by utilizing new technology.

In order to speedily and agilely drive forward each project in these four areas, we will also need to continue reinforcing our systems. For this reason, we have positioned **(5) technology platforms & organizational structures**, and **(6) HR development & recruitment**, as key strategic areas to be addressed over the medium to long term.

Six strategic areas



*Center of Excellence

TOPICS

Winners of IT Award in the transformation category

SuMi TRUST Bank and Sumitomo Mitsui Trust Systems & Services were joint winners of an award in the transformation category in the 37th Information Technology Awards for 2019, hosted by the Japan Institute of Information Technology.

The IT Awards are presented to corporations and organizations recognized to have made notable efforts to utilize IT in management innovation to achieve outstanding results. The potential award winners are assessed in the following categories: management, customer & business functions, social issue solutions, transformation, and open systems.

SuMi TRUST Bank has automated operations equivalent to 230,000 hours annually with the use of more than 230 robotic process automation (RPA) tools.

A dedicated team of a few dozen employees tasked with developing automation programs worked in close unison with many internal departments to create these software robots. Although usually difficult to deploy, the team got them running steadily, thereby delivering considerable benefits to the entire Group. The award recognized that the RPA penetration process has the potential to be the standard method of promoting business transformation and is suitable for broader implementation.



Demonstration testing of faster inheritance procedures and automation of inheritance workflow; launch of online will trust service

SuMi TRUST Bank is currently examining various options with the aim of building trust business platforms capable of providing new added value to clients.

Finance sector-wide joint testing to improve services with faster inheritance procedures

Inheritance procedures are likely to be an issue for society in a time of 100-year life, so with the aim of making it easier and faster to complete the inheritance process, we are conducting demonstration tests in collaboration with multiple financial institutions that have endorsed the objectives of the project.

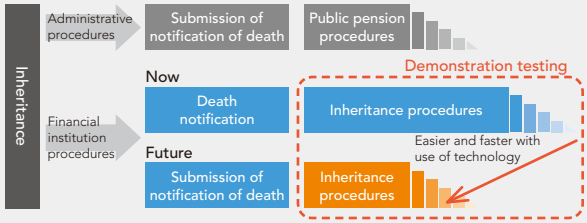
Demonstration testing on automation of inheritance workflow

We are currently utilizing digital technology to test whether we can automate the process of checking the information on a family register in order to confirm heirs for inheritance processing. We have also filed an application for a business model patent as part of this initiative.

Launch of online will trust service

While the smooth transfer of assets is still an issue for society, we are getting closer to an age in which anybody can draw up a will, largely thanks to the easing of will requirements under Japan's Civil Code.

On October 1, 2019 we launched an online will trust service that lets clients easily and conveniently begin the process of acquiring information about will trusts and other services whenever and wherever they wish.



Proof-of-concept construction of trust platform based on UXP information sharing technology

SuMi TRUST Bank is currently considering the construction of a trust platform in collaboration with Cybernetica, one of the leading technology firms in Estonia boasting state-of-the-art security technology.

Cybernetica developed the information sharing technology known as UXP, which was used to expand and develop X-Road, the electronic platform of the Estonian government. SuMi TRUST Bank has its sights set on utilizing this technology in its trust banking platform given the extremely high compatibility with the Group's trust businesses, which currently provide a multitude of products and services to clients in various business domains such as banking, trusts, real estate, pensions, and stock transfer agency services, as well as providing and sharing a wealth of financial and non-financial information for transactions with a wide range of corporate and individual clients.

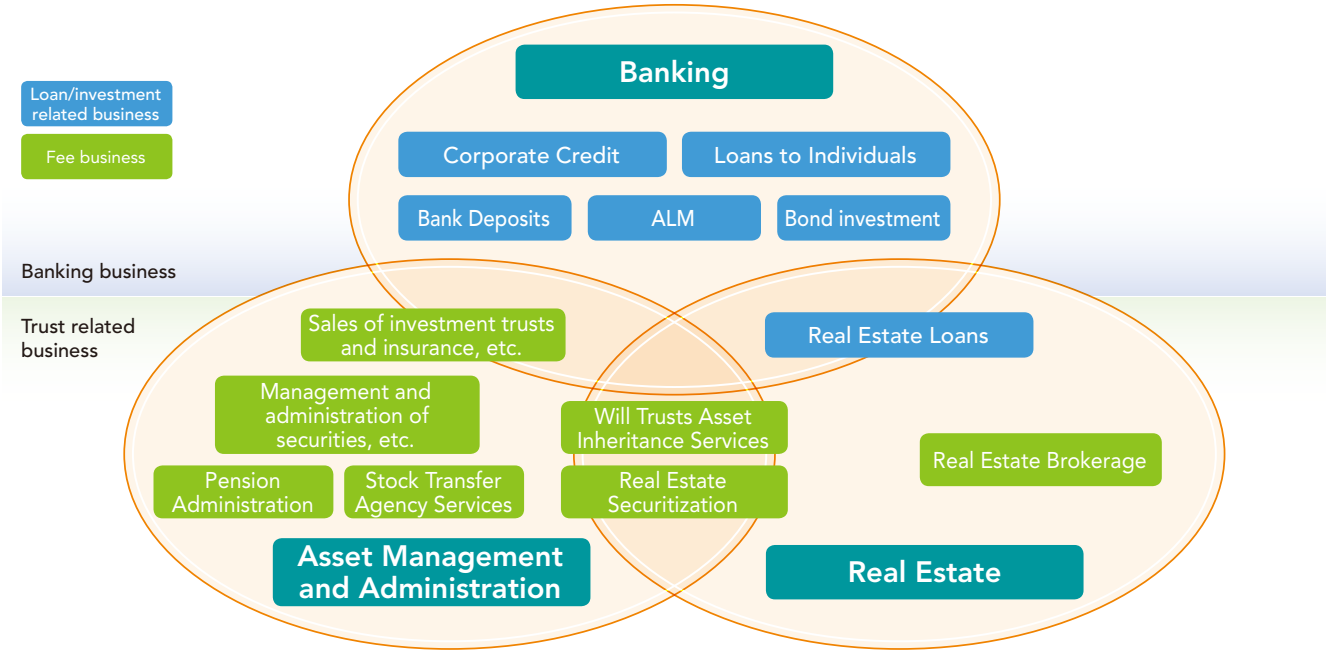
Owing to our collaboration with Cybernetica, the prime minister of Estonia, Mr. Jüri Ratas, paid a visit to SuMi TRUST Holdings on February 10, 2020. Following discussions between Japan's prime minister Shinzo Abe and Mr. Ratas on that same day, an official agreement on joint collaboration was signed between the SuMi TRUST Group and Cybernetica.



Business Strategy

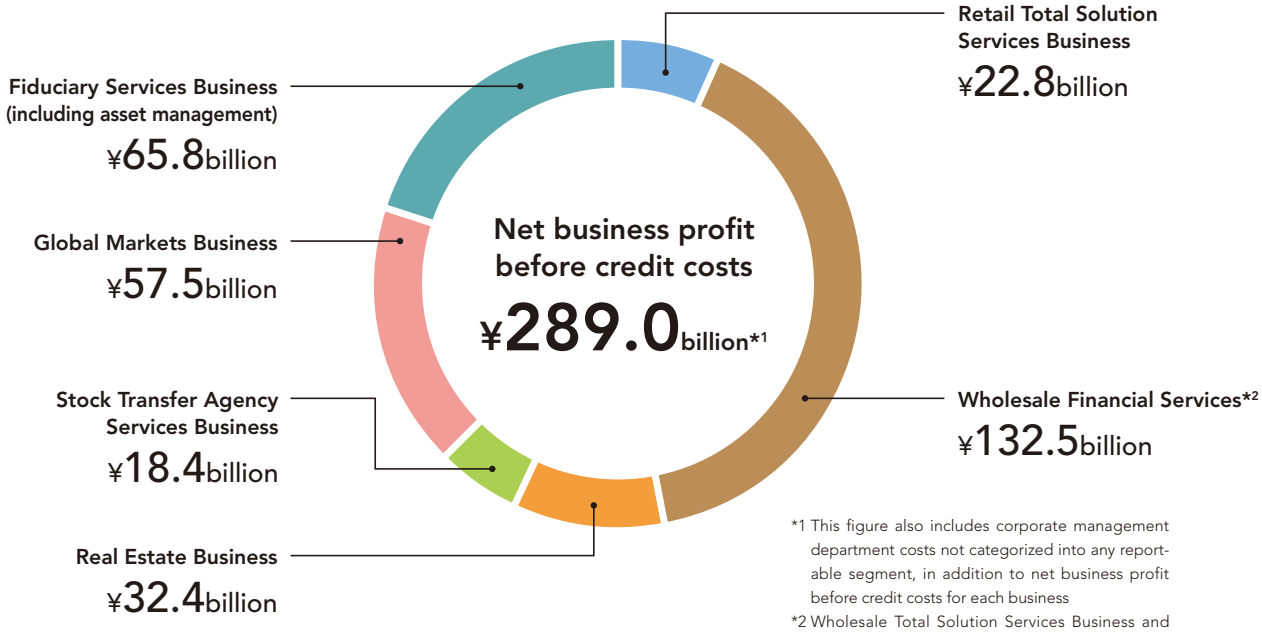
Making full use of advanced expertise and comprehensive capabilities, the SuMi TRUST Group creates distinct values by leveraging a business model that combines its banking, asset management and administration, and real estate businesses.

Group Structure



	Retail Total Solution Services Business	Wholesale Total Solution Services Business	Real Estate Business	Stock Transfer Agency Services Business	Global Markets Business
Major subsidiaries and affiliates	Sumitomo Mitsui Trust Bank, Limited				
	Sumitomo Mitsui Trust Club Co., Ltd.	Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	Sumitomo Mitsui Trust Realty Co., Ltd.	Tokyo Securities Transfer Agent Co., Ltd.	
	Sumitomo Mitsui Trust Wealth Partners Co., Ltd.	Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Sumitomo Mitsui Trust Research Institute Co., Ltd.	Japan Securities Agents, Ltd.	
	Sumitomo Mitsui Trust Life Partners, Co., Ltd.	Sumitomo Mitsui Trust Bank (Thai) Public Company Limited		Sumitomo Mitsui Trust TA Solution Co., Ltd.	
	SBI Sumishin Net Bank, Ltd.	Zijin Trust Co., Ltd.		Japan Stockholders Data Service Company, Limited	

■Net business profit before credit costs by segment (FY2019)



*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 business

*2 Wholesale Total Solution Services Business and Wholesale Asset Management Business

Wholesale Asset Management Business	Private Banking Business	Asset Formation Advisory, Work Place, Business	Fiduciary Services Business	Asset Management
				Sumitomo Mitsui Trust Asset Management Co., Ltd.
Sumitomo Mitsui Trust (Hong Kong) Limited	UBS SuMi TRUST Wealth Advisory Inc.		Japan Trustee Services Bank, Ltd.*3	Nikko Asset Management Co., Ltd.
Sumitomo Mitsui Trust Investment Co., Ltd.			Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Sky Ocean Asset Management Co., Ltd.
Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd.			Sumitomo Mitsui Trust (Ireland) Limited	JP Asset Management Co., Ltd.
			Japan Pension Operation Service, Ltd.	

*3 JTC Holdings, Ltd. and Trust & Custody Services Bank, Ltd. was absorbed and merged into Japan Trustee Services Bank, Ltd. on July 27, 2020 and subsequently renamed Custody Bank of Japan, Ltd.

SuMi TRUST Bank — President's Message



Creating new added value as our clients' "Best Partner"

Japan's social structure is undergoing considerable change, driven mainly by the advent of an aging society and the advancement of digital technologies. Moreover, the impacts of COVID-19 have spread to all corners of the globe and there are concerns that they will linger for an extended period of time. These circumstances are forcing us to make all kinds of changes, particularly with regard to how we work and live.

In this environment, the SuMi TRUST Group launched its new Medium-Term Management Plan spanning the three years from FY2020 through FY2022. Under this Plan, we will aim to proactively adapt to changes in the structure of Japan's society and address new social issues head on in an effort to deliver solutions by drawing on the unique functions and strengths of the Group.

From our perspective as the core company of the Group, SuMi TRUST Bank will push ahead with initiatives that help achieve sustainable and stable growth for the Group and contribute to the development of a sustainable society.

Given the concerns in society about the prolonged impact of the COVID-19 pandemic, we aim to respond appropriately to the financing needs of our clients and provide steadfast support. Furthermore, we will continue to offer new products, services, and solutions based on the long-term, inclusive relationships of trust we have established with our clients.

Going forward, we aim to step up transactions with new clients, regardless of whether individual or corporate, mainly in our existing areas of expertise, such as asset management and asset administration, and we will endeavor to expand our business foundation and establish new growth fields by combining our functions and services.

To complement our existing seven businesses, this fiscal year we set up two new cross-divisional businesses—the Private Banking Business and the Asset Formation Advisory, Work Place, Business. The former will offer integrated solutions to wealthy clients based on our banking, trust, and real estate services, as well as the functions of other Group companies. The latter will offer individual clients, who are working at companies, services based on their stage in life. We also established two integrated domains: the first is the Innovation Corporate Promotion domain through which we provide various growth stage-based functions to companies still in the initial stage of growth; the second is the Investor Solution domain whereby we consolidate our know-how regarding asset management proposals in each business and aim to deliver high-quality proposals to individual and corporate clients.

By assigning employees with high levels of expertise to these cross-divisional businesses and integrated domains, we can harness the unique functions of SuMi TRUST Bank that are already intertwined with our existing businesses to provide solutions that are truly required to meet the diverse and sophisticated needs of our clients.

Considering the clouded outlook for the future, I think now is the very time we must demonstrate our varied expertise and comprehensive capabilities as Japan's only financial group specialized in trust banking. We will continue to create new added value and grow with our clients towards a brighter future as their most-trusted "Best Partner."

July 2020

Sumitomo Mitsui Trust Bank, Limited
President

Masaru Hashimoto



Retail Total Solution Services Business



Message from Executive Officer

To meet the wide-ranging needs of individual clients across different age groups, the Retail Total Solution Services Business, driven by high-quality, comprehensive consulting, provides various services unique to a financial group specialized in trust banking, such as asset formation and management, asset administration, and inheritance and succession.

Seiji Iwakuma

Senior Managing Executive Officer,
Head of Retail Total Solution Services Business, SuMi TRUST Bank
Executive Officer*, SuMi TRUST Holdings

*Executive Officer as defined in our internal policy.

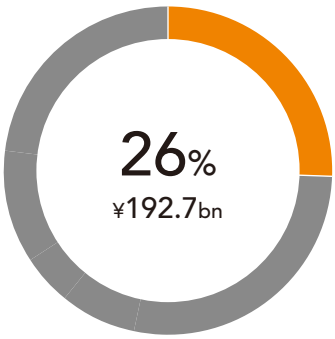
Medium- to long-term vision

As we approach an era in which more people will live to be 100 years old, there is growing interest among our clients about leading long and fulfilling lives. At the same time, worries and concerns about building wealth for the future and the administration of assets during old age are emerging as issues for society across all age groups.

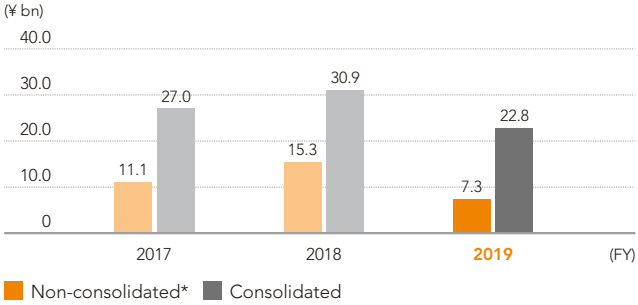
By leveraging the significant expertise and broad range of products and services that only a financial group specialized in trust banking can provide, we aim to solve the issues of each and every client by offering total consulting services that take into account the attributes of assets and liabilities that change in accordance with the age and life events of our individual clients.

In line with the Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group, we will endeavor to be completely client-oriented and further enhance our professional capabilities that underpin our consulting services so that we may continue to grow together with our clients.

Weighting of substantial gross business profit



Net business profit before credit costs



Owing to an increase in administration fees and a decrease in investment trust and insurance sales fees in investment management consulting services, net business profit before credit costs fell ¥7.9 billion year on year to ¥7.3 billion on a non-consolidated basis and declined ¥8.0 billion to ¥22.8 billion on a consolidated basis.

*SuMi TRUST Bank

Business environment awareness

Environment awareness and issues

- Spread of COVID-19 pandemic, prolonged negative interest rates, lower fees on financial instruments
- Reform of operational processes and branches to address medium- to long-term population decline and digitalization

Opportunities and Group strengths

- Strategic deployment centering on client-oriented total consulting unique to a financial group specialized in trust banking
- Broad client base, from people in the asset formation stage of life through to seniors
- Heightened need for asset formation and property management in a super-aged society and the Group's diverse lineup of products and services

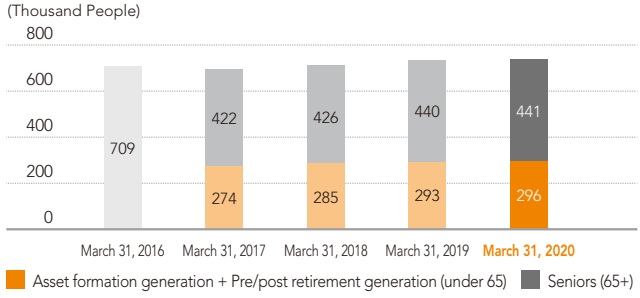
Key measures in Medium-Term Management Plan

By earnestly tackling the issues in the lives of each and every client and providing accurate, total consulting according to age or life plan, we are intent on helping solve the issues of our clients and broader society in this impending age of centenarians.

Initiatives on asset formation for clients of the working generation

We will offer consulting services and deliver proposals that reflect the needs of each individual client, primarily taking into account changes in how people work and live, as well as the growing need to build wealth. We will aim to grow together with our numerous clients by benefiting from their transactions over many years and increasing their assets under management.

Clients that hold a managed financial product

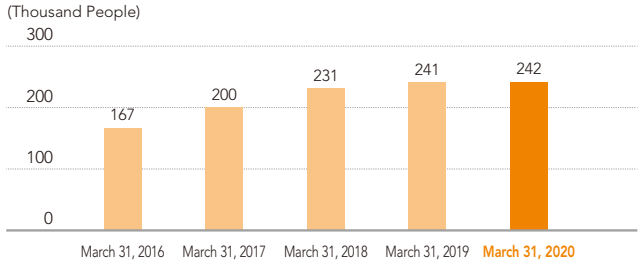


*Clients of SuMi TRUST Bank that hold a managed financial product
*Managed financial products: investment trust, discretionary investment management product, life insurance, foreign currency deposits

Initiatives on asset administration and succession for senior clients

We will offer consulting services and deliver proposals that reflect the needs of each individual client, primarily taking into account future concerns about dementia and health, as well as various issues pertaining to next-generation inheritance and succession. We will also make every effort to enhance our products and services so they contribute to the promotion of financial inclusion in Japan's aging society, thereby providing safety and security to clients.

Clients that hold an asset administration-type trust product



*Clients of SuMi TRUST Bank that hold an asset administration-type trust product
*Trust products: Will Trust, 100-Year Life Solution Trust (100-Year Passport), Tuition Fund Endowment Trust, etc.

Channel optimization and streamlining of operations

In aiming to expand consulting opportunities, we will aim to roll out highly convenient client channels by reexamining our branch network and beefing up non-face-to-face and online-based quasi-face-to-face channels. Also, by reducing the volume of work carried out at branch offices, we will endeavor to strengthen our consulting capabilities on the back of improved productivity and personnel reassignments.

Improving efficiency of branch operations

70% reduction in branch back office work over five years from FY2017
Reassignment of an equivalent 1,600 employees to strengthen consulting capabilities

<Reduction plan>

Phase 1 (introduction of tablet devices for client visits)	Phase 2 (extending device functionality, etc.)	FY2022 Phase 3 (further digitalization)
10% reduction	50% reduction	70% reduction

Achieved 40% reduction in FY2019

Sustainability initiatives

Addressing the problems of a super-aged society with trust bank functions

Owing to the advent of Japan's super-aged society, increased fragility in the pension, social security, and other socio-economic systems that underpin livelihoods, as well as delays in offering appropriate financial services to senior citizens suffering from dementia or other illnesses, are likely to pose greater problems for the stability of people's lives. By harnessing the functions and skills of a financial group specialized in trust banking, the Group will drive forward its high value-added solution services business to safeguard personal assets, secure sound living arrangements, and help ensure stability in the lives of seniors and their families.

Establishment of 100-Year Life Solution Department

Given the advent of the age of 100-year life, SuMi TRUST Bank established a 100-Year Life Solution Department with the goal of providing suitable solutions to address the various issues faced by our individual clients. The 100-Year Life Solution Department will aim to identify the increasingly diverse and complex needs of clients caused by changes in time horizons as a result of longer living and develop and successively roll out a whole host of solutions by harnessing the unique know-how cultivated over many years as a financial group specialized in trust banking in an effort to deliver security, safety, and enjoyment to our clients.

In addition, SuMi TRUST Bank established the Sumitomo Mitsui Trust Future Assets Institute for the purpose of examining and conducting research into the various needs and concerns pertaining to the building and utilization of assets required in an age when many people will likely live to be 100 years old. This new institute will aim to provide information about these activities to not only the Group's clients, but to broader society. We are also accelerating measures to bolster organizations and systems so that we can meticulously meet client needs; for example, Sumitomo Mitsui Trust Life Partners, the insurance sales arm of SuMi TRUST Bank, opened a new Consulting Plaza for peaceful 100-Year life Plaza office in Shinjuku, and the Anshin Support Corporation was founded in order to help alleviate the future concerns of our elderly clients regarding mainly housing, healthcare, and nursing care.

Gerontology exam

Gerontology examines the various issues that occur as people age and is a field of study characterized by interdisciplinary viewpoints aimed at investigating ways to help people lead better lives. At SuMi TRUST Bank, since 2014 it has been mandatory for all branch managers to sit and pass a gerontology exam run by the Society for Applied Gerontology-Japan. From 2019, however, this requirement was extended to deputy general managers, section managers, and financial consultants. As a result, the number of employees that have passed the test has increased sharply to 912 people as of the end of February 2020.

Proposing housing options

Housing holds the key to whether or not the elderly can maintain quality of life and enjoy peace of mind. The SuMi TRUST Group provides information about housing options that cater to the needs of senior-generation clients and offers its assistance to ensure housing stability by making full use of the Group's wide array of functions. We go into more detail about housing options in one of our reports on supporting the senior generation (Considering Senior-Generation Housing—V2.0).



Silver College seminars

SuMi TRUST Bank invites leading experts in various fields to speak at its Silver College seminars so that the senior generation and the clients that support them may acquire information about leading a reassuring and fulfilling "second life." Since 2012, 201 seminars have been held throughout Japan, attended by approximately 6,100 participants (as of March 31, 2020). Topics covered have included money, health, dementia, and housing, while the lectures given by our group of first-rate instructors have been favorably received on every occasion.



Silver College seminar in progress (Okayama, November 2019)

Addressing dementia issues

The number of people with dementia in Japan is rising sharply as the population continues to age—roughly one in seven people aged 65 or older, or around one in four if including those that show signs of the early stages of dementia known as mild cognitive impairment. From the viewpoint of normalization, SuMi TRUST Bank implements various initiatives with the aim of creating a society in which clients with dementia can still lead a life that is not dissimilar to normal individuals. For example, we collaborate with academia to develop new products and encourage employees to take part in dementia support training courses.

In one of our reports on supporting the senior generation (Considering the Problems of Dementia—V2.0), we provide some easy-to-understand explanations about estate management in preparation for the onset of dementia. This report sheds light on not only our own products, but also the lineup and various functions of estate management schemes, including public services. It has been favorably received by both clients and experts on the adult guardianship system thanks to its easy-to-understand explanations particularly regarding the timing of when contracts come into effect based on how far a person's dementia has progressed.



Collaboration with COLTEM

SuMi TRUST Bank is actively incorporating medical, legal, and caregiving knowledge into its measures for addressing dementia by participating in the industry-government-academia project known as COLTEM (collaboration center of law, technology, and medicine for autonomy of older adults) and also collaborating with the Kyoto Prefectural University of Medicine, the leading entity of the project. The publication of our Guide for Dementia Friendly Financial Services in September 2017 is one accomplishment of this initiative. We have also contributed to improving the entire financial industry's response to dementia issues by taking the lead in hosting symposiums with a focus on finance and dementia. The knowledge gained from these alliances have greatly helped SuMi TRUST Bank develop its own products and services.

Development of 100-Year Life Solution Trust (100-Year Passport)

With society approaching an age of more centenarians, SuMi TRUST Bank developed this trust product by incorporating a number of useful features into one package in preparation for decreased decision-making capacity among many clients in the future. It offers a host of useful features to combat the problems elderly clients may face, such as withdrawing from their bank account, when the ability to make decisions has declined because of dementia or other similar illnesses. We also engage in broad-ranging client-focused consulting, including the provision of tie-up solutions under the adult guardianship system.

Development of Trust for Single Old Age (Solitary Trust)

SuMi TRUST Bank launched a one-stop service, based on a final letter of instruction, for clients worried about those around them if by some chance they die and certain matters need to be taken care of after their death, such as a funeral service, burial, the deletion of so-called "digital remains," sorting of household belongings, obituary, and delivery of pets to new owners. The number of elderly people living alone is on the rise owing to longer life expectancies and a greater percentage of people never marrying. SuMi TRUST Bank's service aims to help eliminate concerns about what-if scenarios and support improvement in QOL for clients.

Support that extends beyond the framework of finance

Utilize the power of trusts and flexibly develop services that extend beyond the framework of finance to cater to the varied needs of seniors

Trust for Single Old Age (Solitary Trust) (launched December 2019)

Trust	おひとりさま信託
Anshin Support Corporation (established November 2018)	Provides non-financial-related services (post-mortem procedures)

*Refer to pages 46–56 in our 2019/2020 ESG Report for more information about how we are addressing the problems of a super-aged society.

Wholesale Total Solution Services Business



Message from Executive Officer

As a general provider of broad-ranging solutions typical of a trust bank that address the increasingly diverse and complex financial and non-financial business issues of clients mainly as a result of greater ESG awareness, the Wholesale Total Solution Services Business contributes to the enhancement of corporate value for clients and helps solve social issues.

Masahiro Tsuchiya

Director, Senior Managing Executive Officer,
Head of Wholesale Total Solution Services Business, SuMi TRUST Bank
Executive Officer*, SuMi TRUST Holdings

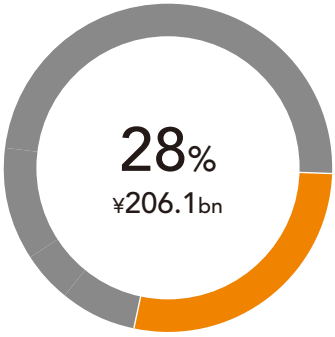
*Executive Officer as defined in our internal policy.

Medium- to long-term vision

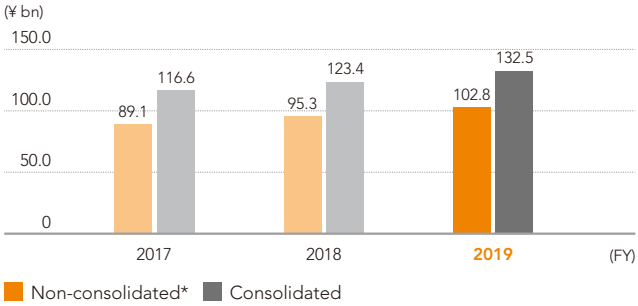
The expectations for our corporate clients required by business partners, employees, shareholders, and various other stakeholders have changed significantly, which is why it is becoming increasingly important to address the issues of each stakeholder in order to continuously enhance corporate value. This change is also manifesting itself in the way many companies around the world are endeavoring to disclose non-financial information, like ESG topics and the SDGs, alongside financial data such as sales and profits.

The SuMi TRUST Group excels in providing solutions that lead to improvements in corporate value based on non-financial information we have amassed thus far through our banking and trust operations. In our new Medium-Term Management Plan, we will further strengthen our ability to offer solutions with the use of ESG, SDGs, and other non-financial information, and aim to contribute to the advancement of our clients' businesses in various fields as their "Best Partner" and help solve issues in society.

Weighting of substantial gross business profit



Net business profit before credit costs



Mainly owing to higher net interest income from the accumulation of overseas credit investment assets and growth in non-interest income related to business for corporate clients, net business profit before credit costs rose ¥7.5 billion year on year to ¥102.8 billion on a non-consolidated basis and increased ¥9.0 billion to ¥132.5 billion on a consolidated basis.

*SuMi TRUST Bank

Business environment awareness

Environment awareness and issues

- Clouded outlook for the global economy
- Continuing global excess liquidity, more stringent financial regulations
- Financial business model transformation driven by digitalization

Opportunities and Group strengths

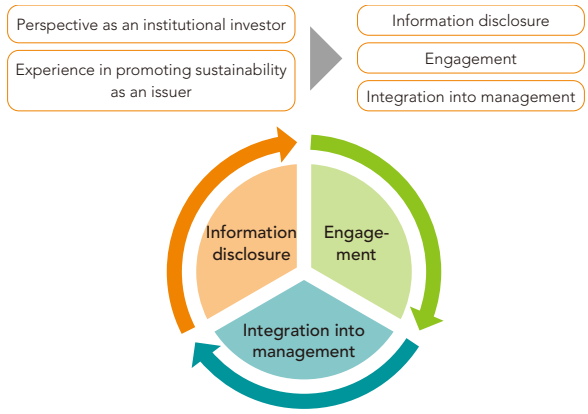
- Good-standing client base characterized by strong creditworthiness
- Versatile and highly specialized comprehensive solutions that only a financial group specialized in trust banking can provide based on the acquisition and analysis of non-financial information

Key measures in Medium-Term Management Plan

Stepping up ESG-oriented total solutions

We deliver total solutions that connect clients with stakeholders, improve relationships, and enhance corporate value by drawing on our advantage of being able to interact with numerous stakeholders with whom we enjoy business relationships through banking and trust operations, in addition to our ability to provide a wide range of solutions. In particular, because our clients have a keen interest in the topics of ESG and institutional and activist investors, we will set up a dedicated ESG organization at SuMi TRUST Bank to meet the needs of our clients.

Our goal is to contribute to the development of Japanese society as a whole by providing solutions to mainly ESG issues for our clients.

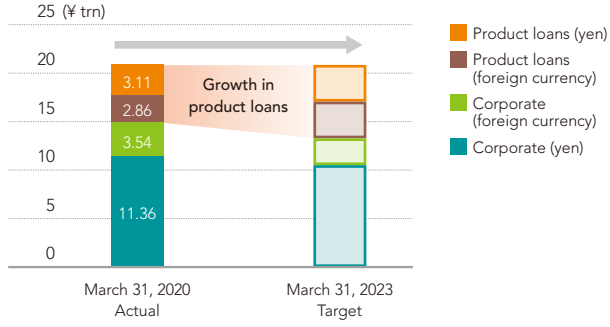


Continued credit portfolio reform

Despite mounting uncertainty regarding the future outlook for the global economy, we will continue to engage in appropriate balance sheet management so as to meet the capital needs of our clients.

We will aim to boost earnings by improving profitability instead of expanding the size of our balance sheet and in addition to strengthening our approach to product-related assets, we will continue to reform our credit portfolio with the objective of building a downside-resilient portfolio.

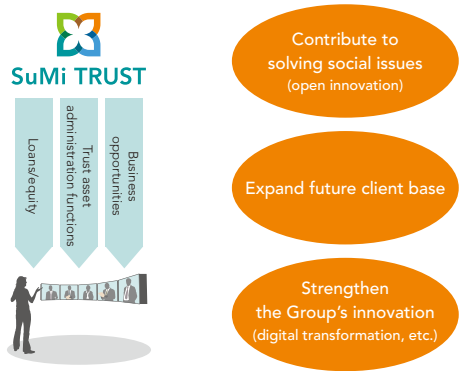
Corporate credit portfolio plan



Promoting transactions with startup firms

With industrial structures changing due to the advancement of digitalization and other factors, the presence of startups and the new industries and values they create have become even more crucial to Japanese economic growth. A dedicated unit (Innovative Corporate Promotion Department) has been established at SuMi TRUST Bank to offer various solutions to such firms based on their stage of growth. By properly catering to the needs of startup firms, we can help solve social issues, expand our future client base, and take steps towards bolstering the Group's own innovation.

Strengthening initiatives in the area of startup firms



Sustainability initiatives

Total solutions geared towards solving ESG/SDG issues

The sustainable growth of the Japanese economy and corporations (both financial and non-financial issues to be taken up) has been incorporated into the Group's Medium-Term Management Plan as a social issue that warrants the attention of the Wholesale Total Solution Services Business. There has recently been a sharp influx in the number of companies ramping up growth strategy measures for addressing ESG/SDG topics. We intend to harness the sustainability know-how and networks honed thus far to support our clients in their efforts.

Linked to all 17 goals of the SDGs

Positive Impact Finance

In Positive Impact Finance (PIF), we comprehensively analyze and assess the impacts (both positive and negative) of a client's corporate activities on the environment, society, and economy and then work together with the client to set goals for mitigating the negative impacts and expanding the positive ones. The client then commits to achieving those goals as a condition for financing. In recognition of its initiatives for mainly developing a PIF product concept, in February 2020, SuMi TRUST Bank won the Gold Prize in the financing category of the Ministry of the Environment's inaugural ESG Finance Awards Japan. As of the end of June 2020, we have concluded nine PIF transactions since the first one went through in March 2019.



President Ohkubo with Japanese environment minister Shinjiro Koizumi

ESG & integrated report consulting

By drawing on the insight as an institutional investor, thanks mainly to the long-time involvement of its analysts in the asset management business, together with its viewpoints on, and experience in, promoting sustainability as an issuing entity itself, SuMi TRUST Bank is contributing to the achievement of a sustainable society by providing solutions that deliver total support on the most important points in advancing sustainable management; namely, integrating ESG into management, information disclosure, and engagement.

Information provision	• Study sessions for executives and Sustainable Management Secretariat staffs
Analysis & evaluation	• Analysis of challenges in ESG initiatives based on the evaluations by ESG assessment organizations • Comparative analysis against benchmark companies
Support for improving initiatives	• Support on materiality identification process • Support for materiality management practices (including proposals for strengthening management)
Disclosure	• Support for development of a framework for non-financial information disclosure • Advice on the composition and content of integrated reports
Engagement	• Support for dialogue with institutional investors in Japan and overseas

Environmental and energy finance

There is a growing possibility that climate change-related businesses driving change in energy, transportation, and other social systems will have a much greater influence in a post-COVID-19 economy. In particular, increased adoption of renewable energy and other aspects of social infrastructure present enormous business opportunities. The SuMi TRUST Group is intent on accelerating its initiatives in this area.

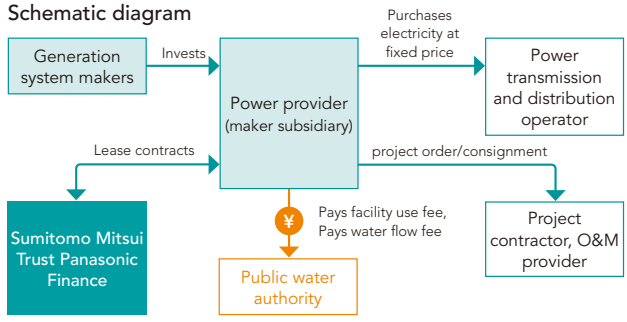
Renewable energy finance

Through project finance, SuMi TRUST Bank facilitates the roll-out of large-scale projects, such as wind and solar power generation, and has set up and manages a renewable energy fund for the purpose of investing exclusively in large-scale renewable energy projects. In project finance, both offshore and onshore wind power generation projects overseas are increasingly large-scale endeavors. In Japan, the number of mega-solar projects has further increased. The total potential power generation capacity of projects SuMi TRUST Bank has been involved in comes to 15,140MW. These projects, with annual power output of 38,775GWh, reduces annual CO_2 emissions by 18.50 million t-CO_2.

Micro-power generation in water supply systems

Sumitomo Mitsui Trust Panasonic Finance proposes the installation of micro-power generation systems in water supply systems across Japan as a way of promoting regional measures to counteract global warming with the use of natural energy. As of November 2019, the highly efficient power generation systems used in this scheme have been installed at 18 water facilities (including those scheduled for installation) across Japan to produce a total 480kW of power. We expect annual power generation to reach 3,581MWh and annual CO_2 emissions to be reduced by 1,970t-CO_2.

Schematic diagram



Real Estate Business



Message from Executive Officer

In providing one-stop, optimal real estate solutions that solve the increasingly complex and diverse business challenges of our corporate clients and help individual clients build and manage assets, the Real Estate Business will continue to serve as our clients' "Best Partner" for real estate.

Shigeki Tanaka

Senior Managing Executive Officer,
Head of Real Estate Business, SuMi TRUST Bank
Executive Officer*, SuMi TRUST Holdings

*Executive Officer as defined in our internal policy.

Medium- to long-term vision

Leveraging our external networks with regional financial institutions and overseas financial institutions has helped us attain the best track record in Japan for real estate brokerage and consulting. For corporate clients, we will continue to propose ways to utilize real estate assets to increase corporate value and help solve management issues.

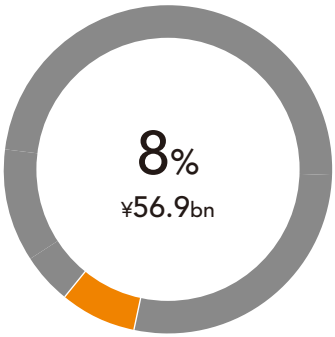
In the area of real estate brokerage for individual clients, we will expand our offering of real estate information according to the life stages of our clients and seek to maximize the value of their assets.

Our real estate securitization trusts and J-REIT operations, that have secured the top positions in Japan, form the infrastructure that supports growth in the property investment market. These functions also help us achieve steady business continuity and fulfill our social mission.

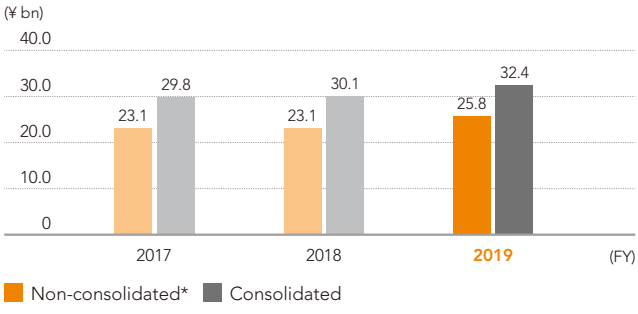
Furthermore, we aim to contribute to the sustainable development of society by enhancing the environmental performance of properties and providing environmentally friendly property consulting services so that properties can be evaluated.

We will seek to be our clients' "Best Partner" for real estate by meeting their needs in the new normal of a post-COVID-19 era.

Weighting of substantial gross business profit



Net business profit before credit costs



Owing mainly to contributions from the steady flow of small and mid-size property brokerage transactions for corporate clients and stable earnings from brokerage services to individual clients, net business profit before credit costs rose ¥2.7 billion year on year to ¥25.8 billion on a non-consolidated basis and increased ¥2.2 billion to ¥32.4 billion on a consolidated basis.

*SuMi TRUST Bank

Business environment awareness

Environment awareness and issues

- Monitoring real estate capitalization needs in order to solve management issues concerning the spread of COVID-19, as well as property procurement needs driven by weaker real estate prices
- Stepping up the development of an environment for providing non-face-to-face solution services to clients in Japan and overseas
- Focusing on providing in-depth real estate services in line with the increase in the elderly population and the number of inheritance cases

Opportunities and Group strengths

- Abundant specialized personnel and specialist staff with top-class experience and know-how in the real estate market
- Swift collaboration between businesses unique to a financial group specialized in trust banking and ability to propose and execute total solutions
- Neutral position that makes it possible to build win-win relationships with regional financial institutions and overseas financial organizations, etc.

Key measures in Medium-Term Management Plan

Total solutions that contribute to the enhancement of corporate value and asset value for clients

We will aim to deeply understand our clients' policies on holding and managing properties, as well as how they relate to business strategies, so that we can enhance corporate value and asset value and help solve their management issues by providing optimal solutions. Services we offer include real estate brokerage, support on repairs, maintenance work, and rebuilding, facility management to streamline and normalize property administration and management, and CRE (corporate real estate) consulting on office network strategies.

Strengthening alliance efforts

We are expanding and energizing our alliances with domestic financial institutions, mainly those based in regional areas, and also our external network with overseas financial corporations and major real estate firms. Through our tie-up with the UBS Group, we will focus on providing real estate solutions to new clientele.

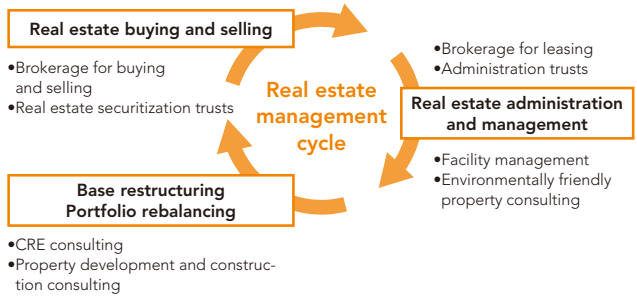
As real estate professionals, we will respond meticulously to the real estate needs of the clients of our alliance partners that have no business relationship with the Group in an effort to solve their issues, expand real estate transactions with new clients, and also contribute to the business of our alliance partners.

Real estate for individual clients

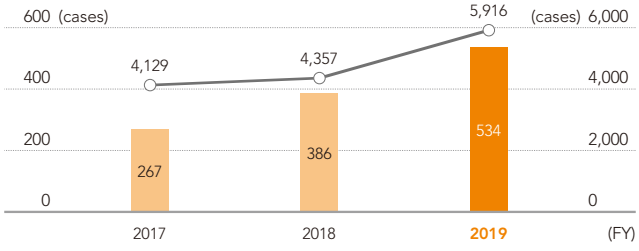
SuMi TRUST Bank and Sumitomo Mitsui Trust Realty mainly work together on catering to the real estate buying and selling needs of individual clients.

Both the elderly population and the number of inheritances in Japan is expected to increase up ahead. Accordingly, we will aim to harness the skills of the many qualified real estate transaction agents in the Retail Total Solution Services Business to strengthen our deployment of real estate services most likely required in an age of 100-year life. For example, supporting for the acquisition or sale of inherited properties for the next generation or moving into barrier-free properties.

Wide array of services that contribute to the enhancement of corporate value and asset value for clients

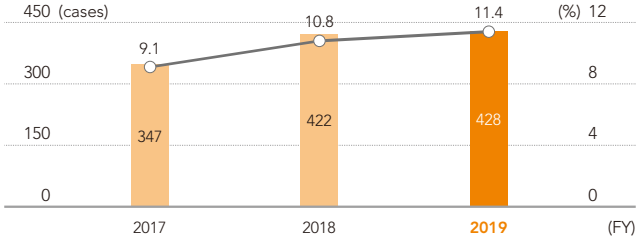


Strengthening alliance efforts



Number of deals closed through alliances (Left)
Number of new acquisitions of real estate information (Right)

Sales of real estate resulting from an inheritance occurrence*



Number of deals closed from inheritance occurrence (Left)
Share among all sales deals closed (Right)

*Number of deals starting from inheritance occurrence among all the closed real estate sales deals of SuMi TRUST Bank's individual clients

Sustainability initiatives

Environmentally friendly property initiatives

The amount of CO_2 emitted from the construction and management of buildings is said to account for approximately 40% of all CO_2 emissions in Japan, including indirect emissions. And given that humans spend a lot of time indoors, indoor environments affect the health and productivity of occupants. As real estate has a significant impact on the environment, society, and the economy, integrated initiatives for achieving the SDGs are thought to be highly beneficial in improving the sustainability of these three aspects. The Group aims to further promote energy-efficient and resource-efficient cities and buildings, as well as the uptake of environmentally friendly properties that contribute to improving production efficiency. We will continue to advance initiatives that contribute to enhancing property value mainly through exceptional environmental performance, which boosts revenue and reduces risk.

Links between environmentally friendly property and the SDGs



CASBEE certification support consulting

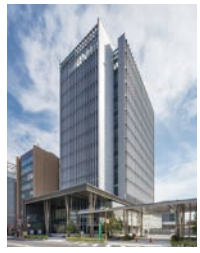
Under the guidance of the Ministry of Land, Infrastructure, Transport and Tourism, CASBEE (Comprehensive Assessment System for Built Environment Efficiency) was developed as a method to evaluate and rank the environmental performance of buildings. SuMi TRUST Bank played a leading role in the development of CASBEE for Real Estate and also headed up a related economic impact study. We have actively rolled out certification support consulting services (see our lineup below) and we have provided support to around half of all cases of certification acquisition. Subsequently, we have focused on developing Japan's environmentally friendly property market with CASBEE being the starting point.

Environmental considerations in buildings	Environmental considerations in urban development	Specializing in health and comfort of office workers
CASBEE for Real Estate	CASBEE for Urban Development	CASBEE-WO (Wellness Office)

Construction-phase support on environmental considerations

SuMi TRUST Bank commercialized Japan's first land trust product in the 1980s and is involved in developing and managing many building and condominium projects. Our construction consulting services leverage this extensive experience. According to client requests, we offer advice on factoring in environmental considerations, such as the installation of energy-saving systems in buildings, ways to take into account landscapes and ecosystems, extending building lifespans, and the adoption of recycling systems.


Hiroshima Orizuru Tower (Hiroshima Prefecture)


Shimane Bank (Shimane Prefecture)

Visualizing the value of smart towns and cities and supporting concept formulation

In order to make smart towns and smart cities a reality, economic added value commensurate with higher costs must be created whilst establishing clear targets from the basic planning stage onward for environmental, social, and governance (ESG) issues. SuMi TRUST Bank supports projects for smart towns and cities on many fronts, such as devising frameworks that link various initiatives on environmental contributions to economic added value and formulating project concepts. Through our provision of financial functions such as home mortgages, we also help projects get executed.


Fujisawa Sustainable Smart Town (Kanagawa Prefecture)

*For more information, refer to our 2019/2020 ESG Report—Environmentally Friendly Property.

Stock Transfer Agency Services Business



Message from Executive Officer

Centering on support services for corporate stock practices, the Stock Transfer Agency Services Business will further strengthen its solutions for management issues related to dialogue with institutional investors and corporate governance matters by leveraging the valuable data, information, and case studies gained from its client base—number one in the industry in terms of both the number of listed companies under management and the number of shareholders under administration.

Atsushi Kaibara

Director, Senior Managing Executive Officer,
Head of Stock Transfer Agency Services Business, SuMi TRUST Bank
Senior Managing Executive Officer, Executive Officer*, SuMi TRUST Holdings

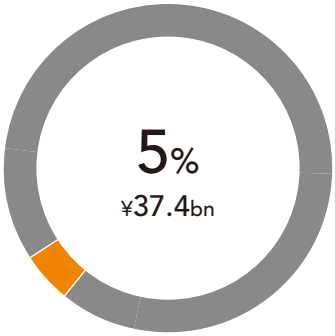
*Executive Officer as defined in our internal policy.

Medium- to long-term vision

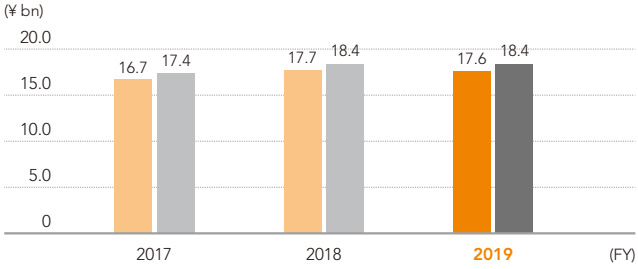
With a core focus on corporate stock practices, we aim to consistently deliver sophisticated solutions across businesses to address the management issues of our clients regarding investor dialogue and corporate governance matters and realize sustainable growth models driven by even stronger client solutions and improved customer satisfaction.

In order to satisfy the increasingly sophisticated and complex needs of clients, address societal demands, and respond to the major changes in the business environment owing to the rollout of Japan's Corporate Governance Code and Stewardship Code, we are strengthening, in an integrated fashion, our support services for corporate stock practices centering on general shareholder meetings and support services in three areas of consulting: IR/SR, governance, and executive compensation. In addition, we will look to contribute to the further enhancement of corporate and market value for our clients by improving the accuracy of operations and providing optimum, high-quality solutions.

Weighting of substantial gross business profit



Net business profit before credit costs



Net business profit before credit costs remained generally flat year on year at ¥17.6 billion on a non-consolidated basis and ¥18.4 billion on a consolidated basis. This owed to a decrease in fees susceptible to market conditions, which offset record-high revenue from various consulting services.

*SuMi TRUST Bank

Business environment awareness

Environment awareness and issues

- Activization of dialogue with institutional investors
- Adding substance to corporate governance measures
- TSE market reforms
- Amendments to the Companies Act

Owing to the above-mentioned business environment, the needs of clients are diversifying and growing more sophisticated, thus requiring the provision of swift and accurate solutions

Opportunities and Group strengths

- Number one client base in the industry in terms of both the number of listed companies under management and the number of shareholders under administration
- Extensive data acquired through Japan's largest corporate governance and executive compensation surveys
- Commercialization of growth fields utilizing our position and know-how as a shareholder list manager

Key measures in Medium-Term Management Plan

Improving customer satisfaction to develop sustainable growth models

We will conduct corporate governance and executive compensation surveys which we have implemented since FY2017. We will continue to help further strengthen governance practices for our clients by ensuring that our surveys attract the greatest number of participating companies in Japan and by providing analysis results from multiple angles.

Governance survey

- 1,515 participating firms, the highest in Japan (roughly 40% of all listed companies)
- Supervised by Professor Emeritus Kunio Ito (Graduate School of Business Administration, Hitotsubashi University), Japan's leading authority on corporate governance reform
- Indexing of statistical data that contributes to stronger governance + scoring-based analysis

Executive compensation survey*

- 928 participating firms, the highest in Japan (executive compensation data for more than 17,000 people)
- Survey covers compensation level, composition, evaluation systems, frameworks, and even position-based compensation

*Conducted in collaboration with Deloitte Tohmatsu Consulting

Creating a sustainable growth model in the consulting field

Given that companies are strongly requested to engage in constructive dialogue with institutional investors and reform their corporate governance practices, we intend to draw on the knowledge of J-Eurus IR Co., Ltd., which became a subsidiary of the Group in March 2020, to ensure more stable earnings by enhancing content and reinforcing our ability to provide information.

SuMi TRUST SUMITOMO MITSUI TRUST BANK × J-Eurus IR

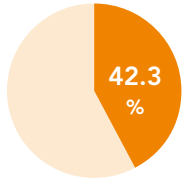
Expanding our business platform

By further expanding our experience and expertise harnessed thus far to meet the needs of our client base—the largest in the industry in terms of both the number of listed companies under management and the number of shareholders under administration—we aim to securely establish our position as the leading company in the stock transfer agency services industry.

Industry share in stock transfer agency services* (as of March 31, 2020)

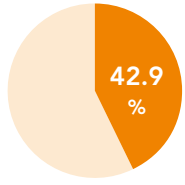
Number of listed companies under management

No. 1 in industry



Number of shareholders under administration

No. 1 in industry



*Total for SuMi TRUST Bank, Tokyo Securities Transfer Agent, and Japan Securities Agents

Utilizing digital technology

Considering the current advancements in digital technology, in addition to our provision of information on a face-to-face level, we will also aim to meet the needs of clients by providing information through non-face-to-face methods with the active use of digital technology.

Sustainability initiatives

Various forms of consulting

Leveraging the industry's biggest client base and the largest data in Japan provided by our corporate governance and executive compensation surveys, we support the activities of our clients by delivering solutions on corporate governance and dialogue with investors with mainly the following services: assistance on engaging in dialogue with institutional investors, support on board effectiveness evaluations, and executive compensation consulting.

Linked to all 17 goals of the SDGs

Global Markets Business



Message from Executive Officer

The Global Markets Business has three functions: client service functions (marketing and market-making operations such as interest rate and forex transactions and investment advisory), market functions (investment operations and financial management operations), and administrative functions. We combine these functions to leverage our significant expertise and comprehensive capabilities and provide services in a timely manner.

Yoshinori Momose

Managing Executive Officer,
Head of Global Markets Business, SuMi TRUST Bank
Executive Officer*, SuMi TRUST Holdings

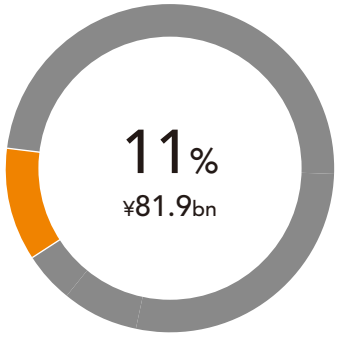
*Executive Officer as defined in our internal policy.

Medium- to long-term vision

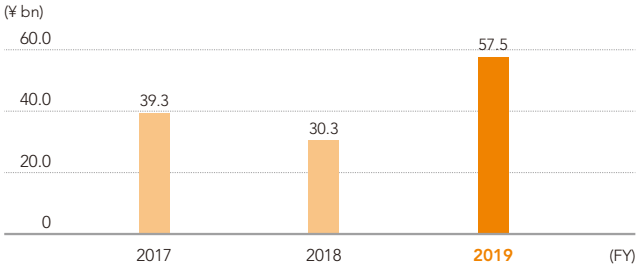
There is growing uncertainty surrounding the financial markets at present mainly because of the monetary policies of developed countries, economic trends in emerging countries, the global political situation, geopolitical risks, and the outbreak of the COVID-19 pandemic. The assets and balance sheets of our clients also harbor market risks, but we will aim to protect the value of our clients' assets by offering solutions with which to appropriately manage market volatility.

The optimal solutions we offer our clients make use of all the volatility management know-how of our group of experts, including knowledge of marketing and market-making operations, as well as technologies such as market risk control backed by many years of experience in investment and financial management operations.

Weighting of substantial gross business profit



Net business profit before credit costs



Mainly owing to brisk sales of client services for marketing and market-making operations and the non-recurrence of realizing US Treasury related unrealized loss booked a year earlier, net business profit before credit costs increased ¥27.1 billion year on year to ¥57.5 billion.

*SuMi TRUST Bank

Business environment awareness

Environment awareness and issues

- Market turmoil stemming from COVID-19 and geopolitical risks
- Companies entering overseas markets due to growth in emerging countries
- Demand for asset formation driven by an excess liquidity market and longer life expectancies

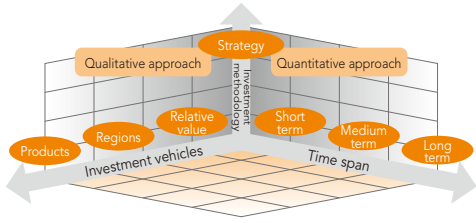
Opportunities and Group strengths

- Advanced market and liquidity risk management know-how
- Emerging currency forex hedging and remittance services
- Investment solutions utilizing volatility management technology

Key measures in Medium-Term Management Plan

Improving investment and ALM operations

We seek to optimize the risk-return spectrum (earnings) by drawing up versatile investment strategies suitable for all kinds of market phases and enhancing balance sheet management methodologies. We will also look to strengthen risk management and earnings capabilities by using the latest digital technology to improve the speed and capacity of market analysis.



Investment framework

Strengthening proposals on market-based total solutions

Utilizing the technology and investment know-how with which we have managed the risks inherent on our balance sheet for many years and providing this knowledge to our clients will enable us to solve both the Group's own issues and those of our clients at the same time. We will continue to address client needs with total solutions unique to a trust bank.



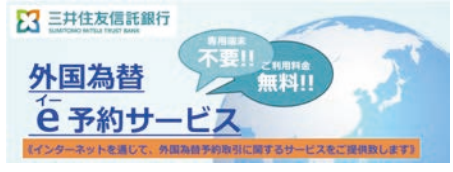
Improving financial literacy

The Global Markets Business issues publications on an ongoing basis to deepen the understanding of a broad range of people regarding financial markets and financial products. We will contribute to our clients efforts on asset formation and the development of sound financial markets through improvements in financial literacy.



Provision of market-based electronic trading platform

We will continue to support best execution practices by offering our corporate clients ample liquidity and highly transparent prices for forex transactions via our electronic currency trading platform that can be accessed from the website of SuMi TRUST Bank.



Sustainability initiatives

Issuing green bonds and contributing to solar power generation projects

SuMi TRUST Bank issues green bonds with the aim of accelerating sustainable finance initiatives concerning climate change, natural capital, environmentally friendly property, and other issues. In an effort to contribute to more widespread use of renewable energy, SuMi TRUST Bank also offers risk hedging transactions for solar power generation and other projects with the use of forex and derivatives.

Wholesale Asset Management Business



Message from Executive Officer

To address the asset management difficulties caused by changes in social structures and the financial environment, as well as the management issues caused by these developments, the Wholesale Asset Management Business offers corporate clients total solutions unique to a financial group specialized in trust banking, encompassing both assets and liabilities.

Kengo Noguchi

Director, Senior Managing Executive Officer,
Head of Wholesale Asset Management Business, SuMi TRUST Bank
Executive Officer*, SuMi TRUST Holdings

*Executive Officer as defined in our internal policy.

Medium- to long-term vision

As the graying of Japan's population and other medium- to long-term socioeconomic structural changes continue to steadily progress, we recognize that the business challenges of financial and non-profit organization clients are growing increasingly complex. This is particularly apparent now that we are on the cusp of a "new normal" brought on by the COVID-19 pandemic.

In aiming to solve the issues of our clients in this new business environment, we aim to be an indispensable and reliable "Best Partner" by providing asset management solutions driven by shrewd consulting and thoroughgoing follow-up services, as well as total solutions that leverage the diverse wealth administration functions unique to a financial group specialized in trust banking.

In particular, we aim to launch win-win collaborative businesses with mainly regional financial institutions that have a strong presence in regional economies so that they can make use of the Group's wide array of functions, like our inheritance, succession, and real estate services. We will also look to contribute to the building of sustainable ecosystems mainly by taking steps to solve the issues of regional communities through collaboration with schools and local governments—the best sources of local knowledge.

We will endeavor to expand our lineup of differentiated investment products by focusing on the development of new products using private assets that invest in unlisted shares (private equity) and real assets such as aircraft and real estate to generate medium- to long-term investment returns and the expected benefits of risk diversification.

Business environment awareness

Environment awareness and issues

- Addressing the business challenges of clients; namely, globally low interest rates, an aging population, and other changes in social structures, and adapting to the new normal of living with COVID-19
- Continuing to take on the challenge of boosting our competitiveness in the constantly evolving asset management industry
- Contributing to the sound development of regional economies and achieving the SDGs (for example, tackling environmental issues)

Opportunities and Group strengths

- Provision of asset management solutions centered on consulting services encompassing both assets and liabilities and an extensive product lineup
- Provision of total solutions that leverage the diverse wealth administration functions unique to a financial group specialized in trust banking to address business challenges
- Win-win collaboration with mainly regional financial institutions

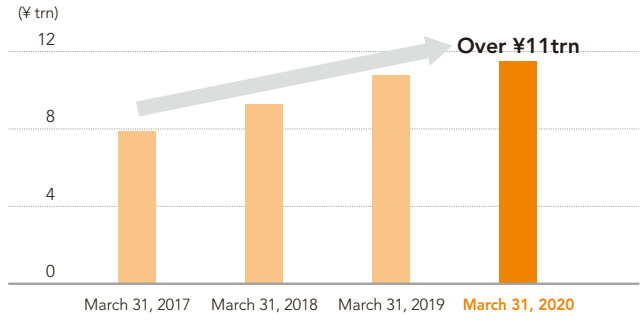
Key measures in Medium-Term Management Plan

"Best Partner" for financial and non-profit organizations

Given that the challenging asset management market conditions continue to linger, we will pursue a business model with which we can grow together with our clients by targeting growth in AUM as one KPI and offering optimal portfolio solutions best suited to their financial attributes.

Furthermore, to address the business management issues of our clients, we will aim to be their "Best Partner" by leveraging our real estate know-how and other various functions and also by developing beneficial solutions in numerous fields with the help of our external partners.

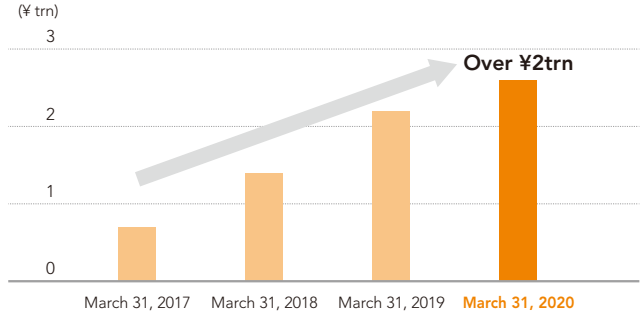
Wholesale Asset Management Business — AUM



Growing the asset management business with private assets

Given the entrenchment of low interest rate environments around the world, investors are turning their attention to private assets as an investment outlet that can potentially generate medium- to long-term returns and deliver benefits of risk diversification. That said, owing to liquidity restrictions, a paucity of publicly available information, and other issues, only some advanced investors actually invest in such assets. SuMi TRUST Bank will harness its extensive experience in this field to provide information and investment support to clients and seek to grow this market by striving to enhance the Group's lineup of investment products.

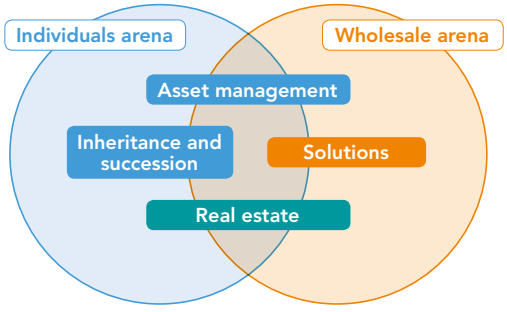
Private asset products — AUM



Undertaking collaborative businesses with mainly regional financial institutions

As we approach an age of 100-year life and changes in society are gathering even more momentum, there are growing opportunities for mainly regional financial institutions to make use of the Group's varied expertise in the areas of inheritance, succession, real estate, and asset management. By combining the clientele of regional financial institutions with the Group's wealth administration functions, we will look to team up with more business partners and increase transaction volume in an effort to further develop win-win collaborative business ventures through which both parties can achieve growth.

Collaborative business with mainly regional financial institutions



Sustainability initiatives

Contributing to the building of a sustainable society

In July 2019 we established a joint venture business with Legend Partners Ltd. for the purpose of launching an initiative that seeks to build a startup ecosystem that supports sustainable local communities by leveraging the abundant management know-how of listed company founders to nurture up-and-coming business entrepreneurs.

Through this JV business, in February 2020 we signed a partnership agreement with Shinshu University with the aim of offering classes on the nurturing of entrepreneurs and providing know-how. We intend to share the university research results and information on supplying funds to venture firms, and facilitate cooperation among industry, government, and academia so as to deploy research and technology in social settings and invigorate regional economies.

Private Banking Business



Message from Executive Officer

In the Private Banking Business, our highly experienced, dedicated staff offer one-stop, total wealth management services to clients to meet their varied needs and issues concerning assets and liabilities, including real estate, asset management, and business succession.

Akira Yokota

Managing Executive Officer,
Head of Private Banking Business, SuMi TRUST Bank
Executive Officer*, SuMi TRUST Holdings

*Executive Officer as defined in our internal policy.

Medium- to long-term vision

As a specialist in assets and liabilities, the SuMi TRUST Group has long provided mainly business owner and landlord clients with solutions pertaining to asset succession, management, and administration unique to a financial group specialized in trust banking based on our plentiful know-how, knowledge, and experience accumulated over many years.

In January 2020, with the goal of providing a new standard of service to Japan's wealthy individuals, we launched a new business with the UBS Group, a financial institution headquartered in Switzerland that has enjoyed the strong support of high net worth clients worldwide for some 150 years.

In launching one-stop, total wealth management services that fuse the unparalleled research capabilities and high-level financial technology of the UBS Group with our expertise and broad-ranging lineup of products and services unique to a financial group specialized in trust banking, we aim to harness the brand strengths of each group to offer services not possible up until now.

Business environment awareness

Environment awareness and issues

- Increase in the elderly population (growth in demand for wealth administration and succession services)
- Yearly increase in number of startups and companies going public (growing number of wealthy individuals owing mainly to new technological innovation)
- Diversification of issues and needs of wealthy individuals
- Greater desire to make social contributions, such as the nurturing of next-generation managers

Opportunities and Group strengths

- Provision of solutions unique to a trust bank; namely, real estate, business succession, asset succession, and inheritance
- Provision of cross-divisional solutions owing to collaboration with other businesses (strength of being one entity)
- Provision of total wealth management through collaboration with the UBS Group

Key measures in Medium-Term Management Plan

Total wealth management through collaboration with the UBS Group

The UBS Group is one of the world's leading providers of asset management and securities services, while the SuMi TRUST Group boasts a wide range of products and services in the fields of inheritance, asset succession, and real estate, just to name a few. By fusing together the strengths and brands of both groups, we aim to have our client-dedicated staff and experts in each field provide one-stop, total wealth management solutions to clients.

Our investment management solutions in particular will incorporate proposals featuring all the hallmarks of the UBS Group's strengths to cater to the various needs of our clients.*

*In around 2021 the wealth management business of UBS Securities will be spun off to create a new securities company in which SuMi TRUST Holdings plans to acquire a 49% equity stake.



The logo for the wealth management business tie-up symbolizes both groups coming together as UBS SuMi TRUST by encapsulating their respective brand colors into a single bar.

Using trusts and other functions to provide solutions

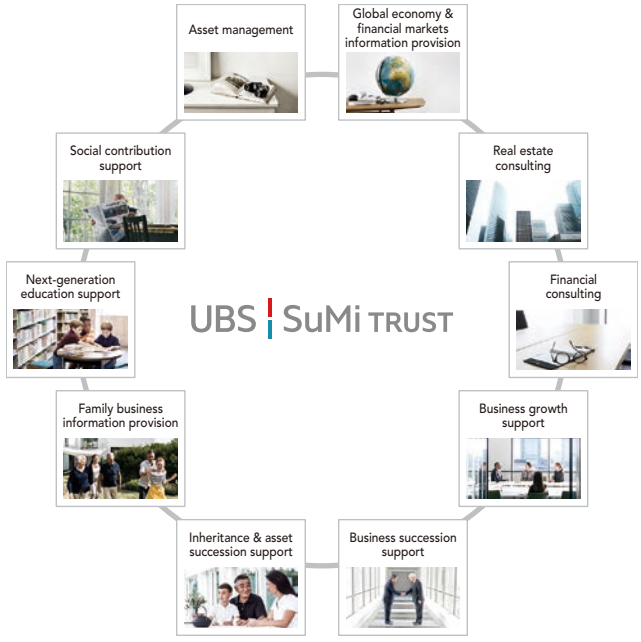
We intend to offer tailor-made trust-powered solutions to address client issues. Solutions for business owner clients include various kinds of trusts related to treasury stock, while for landlord clients, we offer real estate succession trusts.

On top of this, we have in place a system that can address the wide-ranging needs and requests of clients concerning M&A and other business succession matters by harnessing not only the know-how of SuMi TRUST Bank, but also the services of one of its affiliates, Japan Management Succession Support Co. Ltd.

Wealth administration for wealthy seniors

By establishing networks with lawyers, judicial scriveners, and other professionals to provide support on civil trusts and offer a lineup of wealth administration services for wealthy seniors, we will aim to strengthen our services that address dementia-related issues and other problems associated with the increase in Japan's elderly population.

Overview of total wealth management



Sustainability initiatives

Contributing to the sustainable development of Japan's economy by helping to solve social issues

We will aim to contribute to the sustainable development of the Japanese economy by offering support to companies that are worried about business succession, aiding the growth of innovative companies that are providing the market with new products and services, and supporting the growing desire among business owners to engage in social contribution activities, such as the nurturing of next-generation managers, for example.

Linked to all 17 goals of the SDGs

Asset Formation Advisory, Work Place, Business



Message from Executive Officers

The Asset Formation Advisory, Work Place, Business has long endeavored to provide asset formation products to client companies and their employees in light of their HR systems already in place. Given the growing importance of asset formation for individuals, we will offer life plan consulting services that only a financial group specialized in trust banking can deliver by utilizing the strengths hitherto honed in each business.



Futoshi Itani

Managing Executive Officer, Head of Asset Formation Advisory, Work Place, Business, SuMi TRUST Bank

Managing Executive Officer, Executive Officer*, SuMi TRUST Holdings

Daisuke Maeda

Managing Executive Officer, Head of Asset Formation Advisory, Work Place, Business, SuMi TRUST Bank

Executive Officer*, SuMi TRUST Holdings

*Executive Officer as defined in our internal policy.

Medium- to long-term vision

The structure of Japan's society continues to be transformed by an aging population and other factors and as we approach an age of 100-year life, there is mounting interest in how one can affluently lead a prolonged "second life." At the same time, many different age groups are growing increasingly concerned and worried about asset formation for the future.

Our corporate clients too are grappling with important management issues, such as how to address extensions in the mandatory retirement age or boost company appeal to secure and nurture talented employees in order to be competitive on the global stage. For these reasons, measures that support long-term, planned asset formation by younger employees are gaining momentum.

In responding to these changes, we offer life plan consulting services unique to a financial group specialized in trust banking to address the asset formation needs of employees in the wealth creation stage of life based on our track record in providing comprehensive consulting on retirement benefits and corporate pension plans.

Business environment awareness

Environment awareness and issues

- Heightened demand for asset formation in an age of 100-year life
- More sophisticated and complex life planning due to diversification of working styles and changes in lifestyles
- Employee-focused trends in companies (as part of this, supporting the asset formation self-help efforts of employees)

Opportunities and Group strengths

- Occupational client base cultivated through corporate pension plans and workplace asset formation schemes (asset accumulation savings, etc.)
- Provision of total consulting to support the life planning of clients over many years, from the time they enter a company through to retirement and the start of their "second life"

Key measures in Medium-Term Management Plan

Supporting asset formation in an age of 100-year life

In recent times, asset formation needs have grown increasingly diverse and sophisticated in response to not just changes in the time horizons and lifestyles of people's lives, but also extensions to the mandatory retirement age, diversification of working styles, and greater leeway with regards to when people can retire. In addition, developments in information technology has meant that clients are now demanding various services to be provided more conveniently and smartly.

Accordingly, we will make every effort to optimize our products and services in line with the asset formation needs of each and every client depending on their stage in life and endeavor to strengthen our contact framework so that we can provide high-quality consulting through either face-to-face or non-face-to-face channels.

Asset formation support at SuMi TRUST Bank (March 31, 2020)

No. of companies that have introduced an installment savings scheme **433**	No. of participants at life planning seminars (annual) **5,000+**
Number of subscribers to installment savings and asset formation business advantage **260,000**	Number of subscribers to defined contribution pension plans **1,480,000** (March 31, 2019)

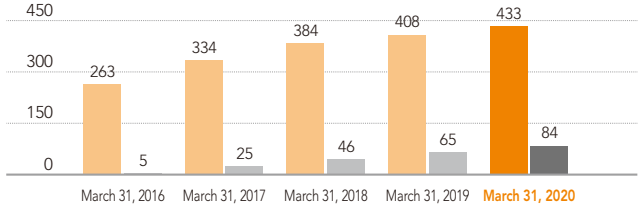
*Business advantage is a comprehensive service for workplace clients

The management issue of strengthening human capital at companies

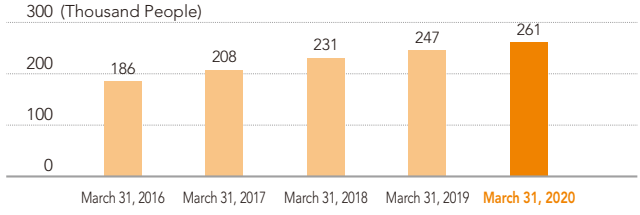
Improving the financial literacy of employees and supporting their asset formation is an ongoing management issue for companies because it not only enhances employee engagement, but also strengthens human capital in terms of securing talented employees and boosting productivity. We therefore provide consulting to companies concerning employee benefits taking into account their HR systems, and offer products and services that contribute to the asset formation efforts of employees, such as asset accumulation and installment savings schemes.

We also improve asset formation literacy to support the creation of workplaces where employees can work with peace of mind guided by the activities of the Sumitomo Mitsui Trust Future Assets Institute, which was established in 2019 for the purpose of hosting various life planning seminars, examining and conducting research into the various needs of individual clients pertaining to asset formation and utilization, and sharing information on the findings.

No. of companies that have introduced an installment savings scheme or workplace installment-type NISA scheme



Number of subscribers to installment savings and asset formation business advantage



Sustainability initiatives

Sumitomo Mitsui Trust Future Assets Institute

In September 2019, we established the Sumitomo Mitsui Trust Future Assets Institute for the purpose of examining and conducting research into the various needs and concerns of individual clients pertaining to the building and utilization of assets. This new institute will aim to provide information about these activities to not only the Group's clients, but to broader society.

With the use of statistical data and online surveys, the institute will analyze how individuals build and utilize assets and then provide useful life planning information to clients at seminars or in publications.

ミライ研
三井住友トラスト・資産のミライ研究所

Linked to all 17 goals of the SDGs

Fiduciary Services Business



Message from Executive Officer

Guided by the Group's fiduciary spirit, the Fiduciary Services Business seamlessly deploys its significant expertise and know-how across the entire Group to provide client-oriented, high added-value services, from the design of pension plans right through to their management and administration.

Toru Takakura

Director, Senior Managing Executive Officer,
Head of Fiduciary Services Business, SuMi TRUST Bank
Executive Officer*, SuMi TRUST Holdings

*Executive Officer as defined in our internal policy.

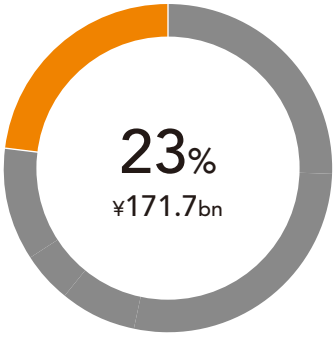
Medium- to long-term vision

As we draw closer to an age of 100-year life, there is growing interest among corporate clients in modifying pension plans to suit an extension to the mandatory retirement age, while individual clients are keen to build wealth in preparation for a prolonged "second life" during which interest rates remain perpetually low. Through our pension business, we will look to accommodate the needs of our clients with pension plan proposals for a new age and support the asset formation needs of the working generation through investment education and other means.

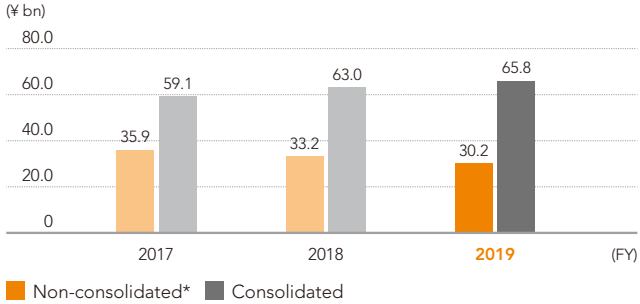
In our asset management and administration business, we will aim to improve upon our significant expertise and brush up our administrative quality especially considering that the needs of institutional investors and individual clients are growing more sophisticated and diverse. We will also strive to offer even more extensive services by presenting proposals to clients in line with their intentions.

In this way the Fiduciary Services Business will contribute to the realization of a financially inclusive society by developing investment chains unique to a financial group specialized in trust banking and supporting the asset formation efforts of all kinds of clients.

Weighting of substantial gross business profit



Net business profit before credit costs



The client base of the corporate pension business has been further bolstered and expanded by mainly an increase in defined contribution (DC) pension plan members. Despite some impact of a decline in market value in the fourth quarter, assets under custody have steadily increased mainly due to the entrustment of new client assets, while assets under management have also remained stable. As a result, consolidated net business profit before credit costs rose ¥2.8 billion year on year to ¥65.8 billion.

*SuMi TRUST Bank

Business environment awareness

Environment awareness and issues

- Heightened demand for asset formation for an age of 100-year life
- Growing need for pension system reform along with work style reforms and an extension in the retirement age
- Ongoing asset management and administration needs owing to prolonged negative interest rates
- Sophistication of asset management methods and diversification of managed assets

Opportunities and Group strengths

- Comprehensive support on pension systems, pension asset management, and employee benefit programs
- Extensive product lineup
- Ability to provide services based on close coordination between Group companies
- Ability to cater to outsourcing needs, benefits of economies of scale

Key measures in Medium-Term Management Plan

Strengthening defined contribution (DC) pension plan services

As DC pension plans grow increasingly important from the viewpoint of policy changes reflecting an extension in the retirement age and better employee benefit programs to help secure human resources, we have maintained the highest number of DC plan members in the industry thanks to our strong reputation among clients regarding our investment education, online services, and call center operations. Up ahead, we will make use of non-face-to-face web-based channels to provide DC pension plan consulting and other services so that we can continue to lend our total support to the cash flow plans of our clients in preparation for an age of 100-year life.

Asset management business

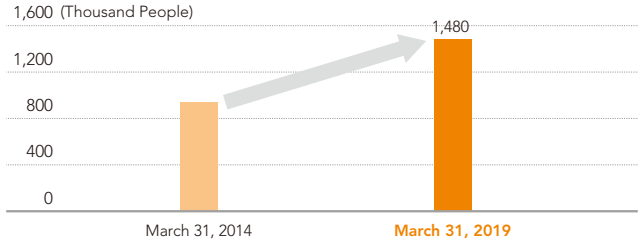
We will further strengthen our management know-how of defined benefit pensions and public pensions and improve the level of services we provide. We will also broadly offer the asset management consulting and product selection knowledge gained from dealing with institutional investors to mainly individual clients.

Asset administration business

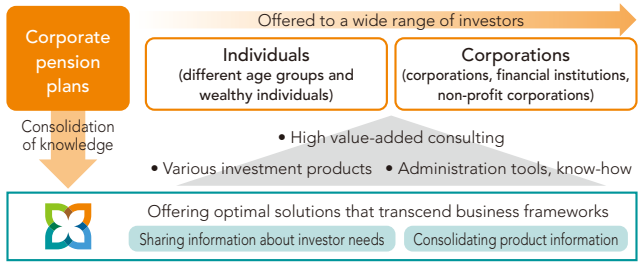
We plan to complete the merger* of the Group's banks that specialize in asset administration and ramp up our efforts on improving Group-wide client services in Japan and overseas so that we can cater to the varied needs of asset managers and investor clients alike. Moreover, we will aim to merge the expertise and know-how cultivated primarily from the administration of securities into our administration business for mostly real estate and monetary claims in an effort to further expand our breadth of asset administration services.

*Refer to page 12 for more information about the merger.

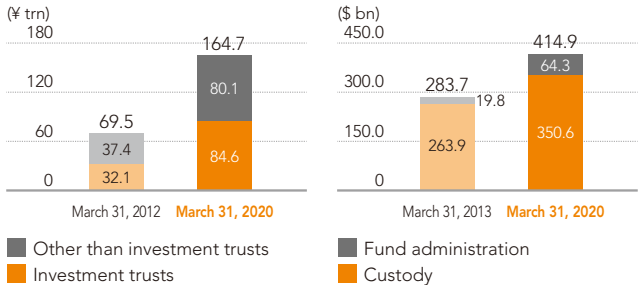
DC plan members



Asset management business



Assets under custody of the Group



Sustainability initiatives

Expanding ESG products

With Japan's Corporate Governance Code and Stewardship Code now firmly entrenched in corporate management practices, we are working to enhance our lineup of mostly ESG products in light of heightened investor (individuals, institutional investors, etc.) interest in environmental and social issues. More specifically, we are increasing our number of ESG funds on offer, and from an investment management perspective, we are taking steps to help mitigate climate change and other social issues.

Linked to all 17 goals of the SDGs

Asset Management Business

The SuMi TRUST Group's asset management business provides clients with asset management services mainly through Sumitomo Mitsui Trust Asset Management and Nikko Asset Management. The Group as a whole has approximately ¥87 trillion of assets under management, which is among the largest in Asia.



Yoshio Hishida

Representative Director, President
Sumitomo Mitsui Trust Asset Management



Hideo Abe

President, Co-CEO
Nikko Asset Management

Junichi Sayato

Executive Chairman, Co-CEO
Nikko Asset Management

The SuMi TRUST Group is well placed to manage the various funds of its clients, whether they be institutional investors or individuals. We will continue to fully maximize the investment functions of the Group to deliver optimal asset management solutions to our clients and help find solutions to social issues through ESG-focused engagement with investee companies.



Jiro Araumi

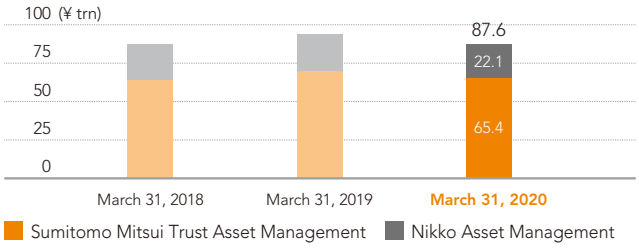
Director, Senior Managing Executive Officer, SuMi TRUST Holdings

Medium- to long-term vision

While we anticipate long-term growth in the global asset management market up ahead, the near- and medium-term business environment is growing increasingly uncertain against a backdrop of geopolitical risks, pandemic risks like COVID-19, and greater downward pressure on management fees owing to intensifying competition and stricter regulations.

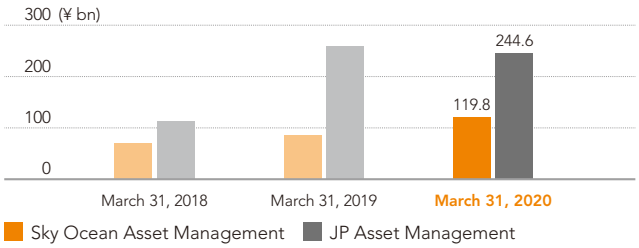
That said, we view this environment as an opportunity to draw on our strength of having multiple asset managers with different attributes within the Group, covering the full gamut of investment services, from passive to active funds, and even alternatives. We will therefore aim to cater to the changing needs of our broad range of institutional investors and individual clients in and outside of Japan.

Assets under management*
[Sumitomo Mitsui Trust Asset Management and Nikko Asset Management]



*Includes some assets under management at SuMi TRUST Bank from October 2018 onwards

Assets under management [Sky Ocean Asset Management and JP Asset Management]



Business environment awareness

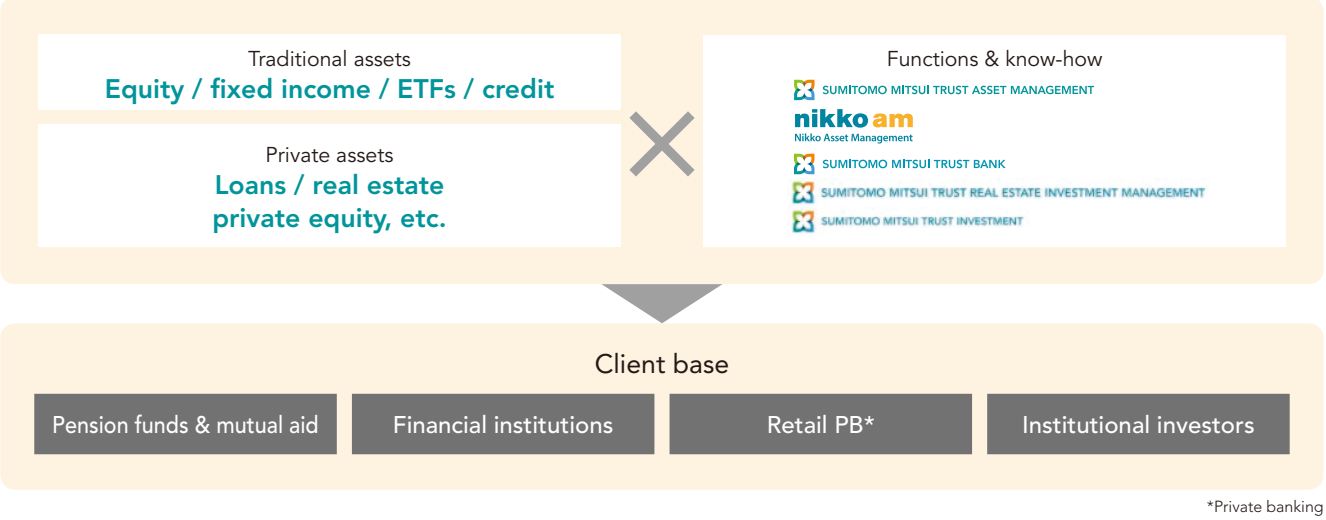
Environment awareness and issues

- Expanding global asset management market
- Larger asset management firms as a result of mainly cross-border realignments
- Downward pressure on fee rates triggered by ongoing shift to passive management, tougher competition, regulations, etc.
- Increased global investment demand for illiquid assets

Opportunities and Group strengths

- Business foundation capable of accommodating the needs of a wide spectrum of clients in Japan and overseas, from institutional investors through to individuals
- Strong presence in the corporate pension business in asset management domains that originate from trust banking
- Broad range of distribution channels in the domestic investment trust market
- Global network coverage with Group overseas offices and strategic partners

Key measures in Medium-Term Management Plan



*Private banking

Traditional asset management and strengthening private asset functions

As a Group with one of the largest AUMs in Japan and Asia, we will aim to further refine our management capabilities and demonstrate our presence in the global market. To complement the high-liquidity asset-based conventional solutions currently offered by the Group's asset management arms, namely multi-asset, smart beta, actively managed traditional assets, index, and exchange-traded funds, we will seek to expand our scope of investments to private assets, including loan receivables, real estate, and private equity.

Accelerating our global expansion

Considering the increasingly stronger downward pressure on fee rates as a result of competition between asset management firms, it is now even more important that we expand our business globally in order to realize sustainable growth in the asset management business. Alongside the overseas business expansion by taking advantage of the characteristics of each asset management company, we will ramp up the Group's global expansion by forming strategic alliances (including equity stakes) with overseas asset managers.

Expanding our client base

By maximizing to the fullest extent possible the asset management functions of the Group, we will aim to deliver optimum solutions to even more institutional investors and DC clients. In the domestic retail market, we will seek to further boost our presence by providing funds that contribute to the long-term formation of assets for investor clients. We also have plans to extend the Group's asset management know-how to Sky Ocean Asset Management and JP Asset Management as one way of delivering our asset management services to the broad-ranging client base of mostly regional financial institutions.

Helping to solve social issues

The SuMi TRUST Group participates in the PRI and various other global initiatives, and has hitherto engaged in trailblazing ESG activities on a global basis. We aim to maximize medium- to long-term investment returns by taking ESG issues into consideration. By initiating engagement activities with a broad range of investee companies in Japan and overseas, we aim to solve social issues and enhance corporate value.

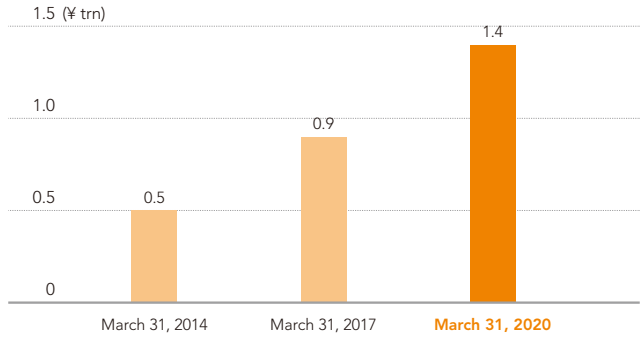
Sumitomo Mitsui Trust Asset Management

Boasting the biggest AUM in Asia, Sumitomo Mitsui Trust Asset Management (SMTAM) aims to further grow its business in the expanding domestic retail market to complement the strong presence it already commands among domestic institutional investors.

In the domestic DC market—in which it maintains a strong client base—SMTAM will endeavor to expand its product lineup based on the needs of its clients and shore up its client support framework.

Furthermore, SMTAM will ramp up its ESG engagement activities by leveraging the know-how of Legal & General Investment Management (LGIM), the UK's largest asset manager, with whom it entered into a partnership agreement in June 2019.

DC investment trusts



Sustainability initiatives

Addressing the Principles for Responsible Investment (PRI)

SuMi TRUST Holdings, Sumitomo Mitsui Trust Asset Management, and Nikko Asset Management are signatories to the UN-supported Principles for Responsible Investment that came into force in May 2006. The Principles encourage institutional investors such as pension funds and asset managers to incorporate environmental, social, and governance (ESG) factors into investment decision-making processes. As one of the founding signatories, we have continued to play a leading role in expanding Japan's ESG market.

Sumitomo Mitsui Trust Asset Management

Signatory to PRI	May 2006
Total assets under management (of which, ESG initiatives)	¥62trn (¥21trn)*
Approach to ESG	ESG issues reside in non-financial domains and do not manifest themselves in financial reporting, but they can have a considerable impact on corporate value over time. Based on this thinking, SMTAM considers the actions taken to address such issues to be integral to stewardship activities, alongside engagement and the exercise of voting rights. Through these activities, SMTAM aims to maximize returns for its clients and contribute to the achievement of the SDGs by actively fulfilling its role as an asset manager in the investment chain.
Specific ESG initiatives	Through engagement, the exercise of voting rights, and other activities, SMTAM encourages investee companies to grow sustainably by addressing ESG issues. Its main ESG activities currently revolve around four topics: (1) climate change; (2) water resources and marine pollution; (3) backing governance reforms; and (4) promoting ESG information disclosure. SMTAM shares its awareness of these ESG issues with companies and promotes efforts that contribute to their improvement by encouraging companies to draw up and disclose time horizon-based measures. It also applies ESG integration (incorporation of ESG factors) to all of its actively managed products for domestic and foreign stocks and bonds. This maximizes medium- to long-term investment returns for clients, minimizes downside risks, and also encourages the realization of a sustainable society.
PRI assessment (2019)	Comprehensive assessment: A+ (five years running) (Responsible investment integration: A+, Active ownership: A+ (Engagement: A+, Exercise of voting rights: A+), Fixed income investment: A)

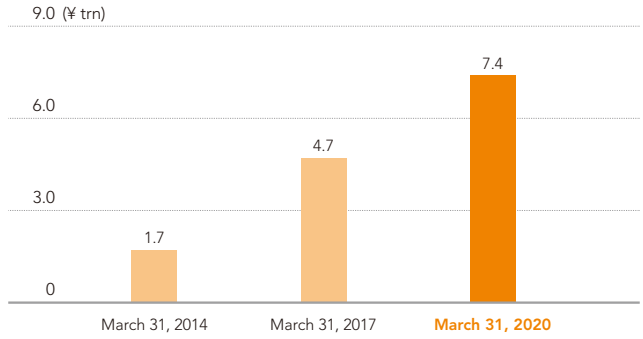
*Voting rights are exercised for all managed assets and therefore the ESG investment ratio is almost 100% when the exercise of voting rights is included in ESG investment.
For more information, please refer to Sumitomo Mitsui Trust Asset Management's Stewardship Report 2019/2020.
https://www.sumitrust-am.com/file/02/ss_report.pdf

Nikko Asset Management

Nikko Asset Management (Nikko AM) will continue to draw on its strengths to provide innovative products and services to its clients. Those strengths include a network of offices (including JVs) spanning 11 countries, unique product development capabilities that take active advantage of this global network, and highly reputable distributor support services in Japan. Nikko AM has its sights set on sustainable growth by beefing up distribution overseas and diversifying its product lineup by expanding its range of investment to also include illiquid assets.

Nikko AM boasts one of the largest ETF businesses in Japan and is currently augmenting its global ETF operations by expanding overseas with a primary focus on Asian markets. It will lead the industry by driving forward collaboration between the Japan ETF team and ETF managers in Singapore, Hong Kong, and the UK.

Balance of domestic ETFs



Sustainability initiatives

Nikko Asset Management

Signatory to PRI	October 2007
Total assets under management (of which, ESG initiatives)	¥22trn (¥8.7trn)*
Approach to ESG	As an asset management company, Nikko AM's mission is to always act in the best interests of its clients. For that reason, it places utmost importance on fiduciary and ESG principles in its corporate philosophy and corporate activities. Guided by the belief that reflecting ESG in investment practices enhances the long-term value of corporations and contributes to sustainable economic growth, Nikko AM strives to incorporate ESG principles into numerous investment decision-making processes so that it can fulfill its fiduciary duties.
Specific ESG initiatives	Nikko AM's ESG Global Steering Committee meets quarterly to discuss the incorporation of ESG investment, methods for implementation, and new approaches. The Committee comprises leaders from investment teams worldwide, while multiple observers also attend the Committee meetings, which are run by Nikko AM's ESG specialists. The ESG specialists mainly support the investment teams in their ESG activities, formulate ESG policies, examine and assist the company's participation in various ESG-related initiatives, and coordinate joint engagements. Nikko AM believes that appropriately incorporating ESG into investment processes is key to achieving excess returns over the medium to long term. All of its active domestic equity investment strategies incorporate Creating Shared Value (CSV) evaluations, which also take ESG factors into consideration. The evaluation score is based on the application of the CSV theory and assesses how companies balance their engagement of ESG issues with the pursuit of profitability and competitiveness, in order to create value for both society and shareholders. Through continuous engagement with companies, Nikko AM's analysts actively evaluate how proactive they are in addressing ESG issues.
PRI assessment (2019)	Comprehensive assessment: A+ (six years running) (Responsible investment integration: A+, Active ownership: A+ (Engagement: A+, Exercise of voting rights: A+), Fixed income investment: A+)

*Nikko AM endeavors to fulfil its fiduciary duties by incorporating ESG principles into its many investment decision-making processes.
For more information, please refer to Nikko AM's 2019 Sustainability Report.
https://sustainability.nikkoam.com/files/pdf/annual-report/nikko_am_2019_sustainability_report_en.pdf

Column

What is a trust?

A "trust" is a structure through which the property or assets of a person (the settlor) are entrusted to another person (the trustee) and managed, administered, or disposed in accordance with the settlor's wishes and objectives. In actual fact, trusts play a role in our lives in various shapes and forms. On this page, we take a closer look at trusts—a system that the SuMi TRUST Group, as a trustee, has continued to uphold and develop.

1. Purposes

Trusts are predominantly used for any of the following four purposes: (1) saving/growing assets; (2) preserving/utilizing assets; (3) connecting/transferring assets; or (4) putting assets to good use.

Saving/growing (asset formation and management)

There are trusts for managing money, securities, or real estate. Some trusts are also utilized by companies under the government's property accumulation savings scheme so that employees can build wealth.

Preserving/utilizing (asset administration and utilization)

There are trusts for safely administering the assets of the elderly or people with disabilities, for example. Some trusts are also utilized by companies in corporate pension plans for employees.

Connecting/transferring (asset inheritance)

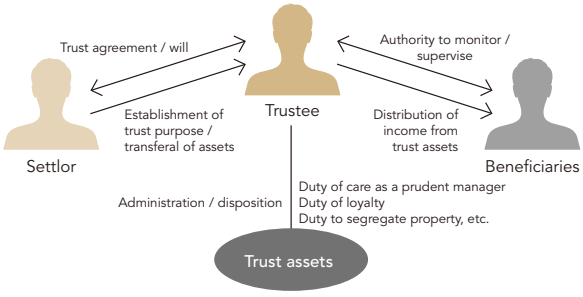
There are trusts that broadly provide assistance on paying education or marriage expenses. For example, school enrollment fees or the cost of lessons, as well as weddings and births, for one's children or grandchildren. There are also trusts for passing on assets to family members after one's death.

Putting assets to good use (social contribution)

There are trusts that put one's assets to good use for scholarships, environmental conservation, or research in academic fields. There are also trusts through which money is donated to non-profit organizations to support social contribution activities.

2. Mechanism

A trust comprises three parties: (1) the settlor who entrusts the assets; (2) the trustee who administers and manages the trust assets; and (3) the beneficiary who receives the benefits generated by the trust assets. More specifically, the purpose of the trust is established with the conclusion of a trust agreement between the settlor and the trustee. The assets are then handed over to the trustee, who distributes the assets along with any income generated by the assets to the beneficiary.



3. Trustee responsibilities

To earn the trust of the settlor and the beneficiary, various obligations are imposed on the trustee under Japan's Trust Act and Trust Business Act.

The typical obligations of a trustee are as follows.

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

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

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

Duty of fairness
Where a trust has multiple beneficiaries, the trustee must execute its duties fairly for all beneficiaries.

The origin of trusts

While there are numerous views on how trusts came about, one theory relates to the "use" system that emerged in medieval England around the time of the crusades (11–13th century). At that time, a large sum of taxes had to be paid to the king or lord if the child of a person died in battle was to inherit the land of the deceased. To avoid such a heavy tax burden, it was customary for a person to donate their land to the church after they had died, but this was subsequently prohibited by law, so to counter this, the "use of land" system was developed. Thus, land was transferred to a trustworthy person and the income generated from its use was donated to the church.

Later on, the use system was also utilized at the time of the crusades. The land and possessions of a knight fighting in the crusades in the Middle East were assigned to a trustworthy person to be managed on behalf of his family left behind in England, while the income generated was to be handed over to the family. If the knight returned home safely, his land and possessions would be duly returned.

The use system was built on a strong relationship of trust between two parties and in time developed into what we now know as a "trust."

Trust Q&A

Q In simplest terms, what is a trust?

A A trust is used to transfer your own assets to another person. While you are entrusting your assets, you are not lending them. You are transferring your ownership rights. The other person is called the trustee and not only can they lease your assets, they can also sell them.

Q So that means I'd no longer own those assets and the trustee can do whatever they want with them. Why on earth would I agree to that?

A You see, the trustee can't use the trust assets for themselves. They must only use them for the beneficiary. This is what's known as duty of loyalty.

Q I see. But in saying that the trust assets can only be used for the beneficiary, that could mean just about anything. Wouldn't the trustee have a hard time deciding on how the trust assets should be used?

A Exactly. Which is why the purpose of the trust is decided on beforehand. This way, the trustee uses the trust assets for the beneficiary in accordance with the purpose of the trust. In other words, it's a policy on how the trust assets are to be used.

Q I see. But if the trust assets now belong to the trustee, won't they be turned over to a creditor if the trustee goes bankrupt?

A Well, a function of trusts called "bankruptcy remoteness" means that the trust assets cannot be seized by the trustee's creditor even in the event of default. And of course, because the trust assets no longer belong to the settlor, they are impervious to bankruptcy on the part of the settlor. The same applies to bankruptcy of the beneficiary (although beneficiary rights can be seized).

Q But how does the trustee know which assets belong to themselves and which are the trust assets of the trust?

A The trustee has a duty to segregate property. They must properly manage the trust assets by separating them from other property. For assets like real estate that have a recording system, the trustee must make a record (known as a trust register) that basically shows what the trust assets are.

Q So, in what kind of situations can a trust be used?

A They have many uses, but particularly when assets are entrusted to a trust bank, many people expect their funds and assets to be managed and administered in a professional manner. The trustee of a trust has a duty of care as a prudent manager. That is, a duty to render attention sensibly as normally expected of a person undertaking such a task based on their capabilities and position. This means that even though the trust assets belong to the trustee, simply paying attention to them as their own assets is not good enough.

Q Interesting. So, even though the entrusted assets belong to the trustee, the trustee has numerous obligations to fulfil, which essentially guarantees that the trust assets will be used for the beneficiary of the trust.

Q By the way, could you go into a bit more detail about what it means to "utilize professional capabilities"?

A As an example, trust banks are investment management professionals. Not only do they manage assets for companies and individuals, they also manage pension fund contributions. They also jointly manage large sums of money entrusted from many clients.
On top of this, trust banks are also real estate professionals and they use their know-how to construct and manage buildings. In fact, a lot of capital is needed to erect a building and such funds need to be procured from somewhere, but this process happens to proceed more smoothly when a trust bank (the trustee) is the borrower. Even the paperwork for the municipal office can be handled solo because the trustee is also the owner, which is really convenient especially when there are multiple leaseholders.

Q I see. So the creditworthiness of the trustee can be put to good use and even legal matters can be simplified. Anything else?

A Another example would be the ability to create an investment product by liquidizing assets such as real estate, loan claims, or credit receivables. Using a trust, the assets become the beneficiary rights (credit obligations), but they can be broken up into smaller units and sold to investors. This is called multilayering and the beneficiary rights can also be separated into different types depending on the level of risk.

Q That's also called securitization. What else is there?

A Trusts can also be used in place of wills. You can decide in advance who will become the beneficiary of your trust after you have died. And you can even decide on the next beneficiary after them. Better still, you can also have the trust continue so that your children or grandchildren can receive regular payments, or you could have the trust continually donate money to a charity organization of your choosing.

Q Trusts really do have so many different functions and uses.

A Yes, they certainly do.
Professor Kazuo Shinomiya, a leading trust law scholar, wrote the following in his 1989 book *The Trust Act*: "...a trust can be created for any purpose unless it is an unlawful or impossible and as such there could be an infinite amount of them, but if there would be anything to limit their number, it would only be a lack of imagination on the part of lawyers and business people..." I think this statement really rings true.
Even as the times have changed, trust banks have continued to meet the needs of society by providing various trust products. For example, loan trusts supplied funds to Japan's industrial sector, pension trusts underpinned the adoption of the pension system, land trusts provided a means for the development of land to proceed without the need for real estate to be bought or sold at a time when land prices went through the roof during Japan's bubble economy, and liquidation trusts contributed to the diversification of corporate financing. Let's hope trust banks continue to make good use of trusts in imaginative and creative ways to meet the needs of society.

ESG

Corporate Governance



As Japan's only financial group specialized in trust banking, the SuMi TRUST Group is taking steps to strengthen its corporate governance system in line with its business model. As a "company with Three Committees," in addition to the requirement under the Companies Act for the establishment of statutory committees, we also have in place a Risk Committee and Conflicts of Interest Committee, both of which function as advisory bodies to the Board of Directors. We also strive to further enhance management transparency by appointing an external director as chairman of the Board of Directors.

1. Basic Initiative Policy

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

Basic Philosophy

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

2. Our Views on Corporate Governance

SuMi TRUST Holdings is a financial holding company with many subsidiaries under its Group umbrella, including SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, and Nikko Asset Management. Guided by our fiduciary spirit, we aim to leverage our significant expertise and creativity to combine our banking, asset management & administration, and real estate businesses to deliver total solutions to our clients as their "Best Partner." In order to fulfill our principles and live up to the expectations of our stakeholders, we make every effort to ensure the soundness and reliability of the Group's business model, as well as management transparency, and continually strive to enhance the Group's corporate governance.

3. Board of Directors

(1) Roles of the Board of Directors

The Board of Directors ensures the fairness and transparency of the SuMi TRUST Group's corporate management as its central role, by setting out the basic management policy of the SuMi TRUST Group and supervising the overall management of the Group. Thus, with the exception of matters that are required by law to be decided by the Board of Directors, the Board of Directors, in principle, delegates decisions on the execution of business to executive officers, and supervises the execution of business by executive officers, etc. Meanwhile, the Board of Directors provides and improves an environment in which external directors may properly supervise the execution of duties by the Board of Directors and the top management, as well as any conflicts of interest that may arise between SuMi TRUST Holdings and the management team, etc. from the standpoint of stakeholders, in order to support sustainable growth and the medium- to long-term enhancement of the enterprise value of the SuMi TRUST Group. In light of the importance of environmental and social issues related to sustainability, the Board of Directors prescribes a basic policy regarding social responsibility that is to be implemented by each Group company (the "Sustainability Policy"). Under this Sustainability Policy, the Board of Directors enhances awareness among its officers and employees, and promotes positive efforts to resolve these issues while taking its stakeholders into consideration, with the aim of supporting the sustainable growth of society and increasing the enterprise value of the SuMi TRUST Group. Furthermore, the Board of Directors establishes policies regarding the provision of products and services suitable for the true benefit of our clients (the "Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group"), acts to ensure client comfort and satisfaction by sharing our "client-orientation" policy within the SuMi TRUST Group, and promotes the practice of fiduciary duties in the SuMi TRUST Group by supervising each Group company's commitment to its fiduciary duties.

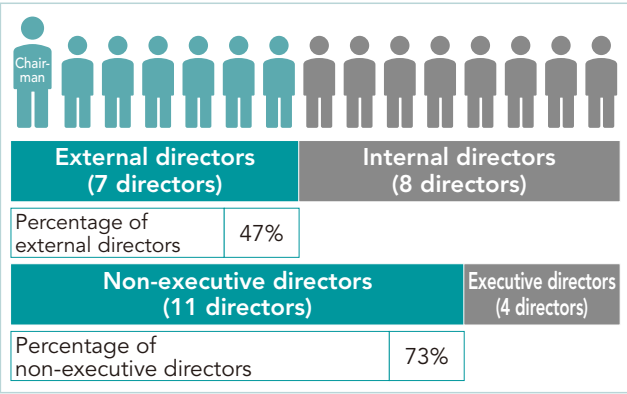
(2) Composition of the Board of Directors

The Board of Directors at SuMi TRUST Holdings requires enough directors considered necessary and appropriate for the Board to demonstrate an effective supervisory function as required of a financial holding company tasked with the corporate management of the 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 functions of external directors in corporate governance, as a general rule, at least one-third of the directors on the Board of Directors are independent external directors. The Board of Directors establishes and discloses Independence Standards of Independent Directors.

In determining candidates for directors, SuMi TRUST Holdings takes into consideration, among other factors, a balance between individuals who are capable of exerting strength in the management of specific business fields, and individuals who are suitable for corporate management. SuMi TRUST Holdings strives to secure a board that is, as a whole, sufficiently balanced and diverse in terms of knowledge, experience, and capability to properly supervise the wide range of business fields in which SuMi TRUST Holdings has dealings, as a trust bank group.

■ Composition of the Board of Directors



■ All seven external directors have been registered as independent officers with the relevant financial instruments exchange.
■ Breakdown of 15 directors: 14 men, 1 woman
■ 16 Board of Directors meetings were convened during the period July 1, 2019 through June 30, 2020. Only on one occasion was one director absent.

(3) External Director Serving as Chairman of the Board of Directors

While a "company with Three Committees" is, in principle, able to delegate important business execution decisions to executive officers, the Board of Directors is required to exercise a greater supervisory function. In light of the role expected of the Board of Directors, SuMi TRUST Holdings has appointed Mr. Isao Matsushita, an external director, as chairman of the Board of Directors.

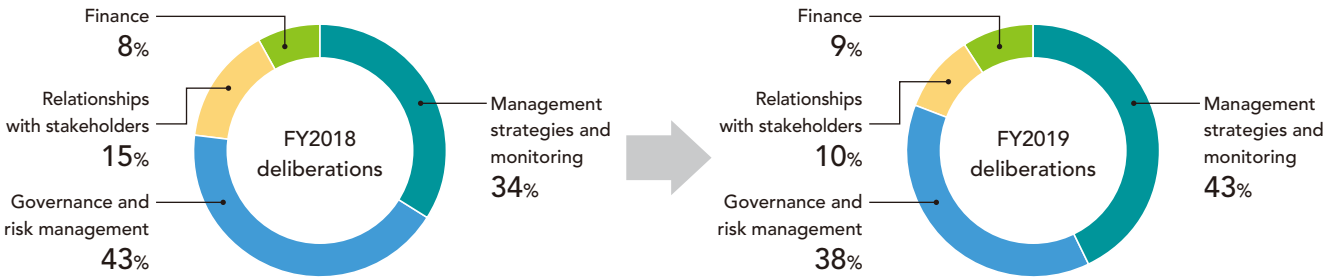
In addition, SuMi TRUST Holdings has established the Corporate Secretariat as an organization that assists the chairman in fulfilling his duties, thereby providing information for use in the selection of agendas for Board of Directors meetings, and offering assistance regarding matters such as the clarification of points related to the agendas of Board of Directors meetings.



4. Deliberations by the Board of Directors

We take steps to ensure that the operations of the Board of Directors are focused sharply on key topics of deliberation in its annual schedule, which we formulate as part of the PDCA cycle for the Evaluation of the Board of Directors conducted every year.

In FY2018 the Board of Directors spent a lot of time deliberating governance and risk management for the purpose of making changes to the institutional design of major subsidiaries, but in FY2019 those changes were completed and therefore the focus of deliberations turned to the formulation of the Medium-Term Management Plan commencing in April 2020. As a result, the Board spent more time deliberating management strategies and monitoring.



Topics deliberated on by the Board of Directors in FY2019

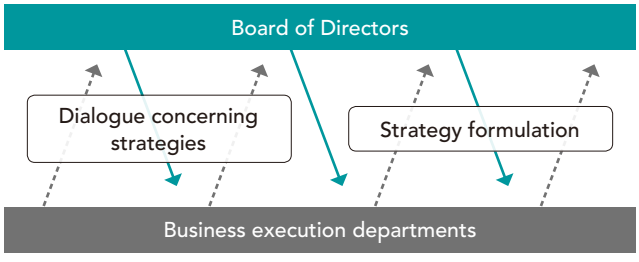
Subject	Topics	
Management strategies and monitoring	• Formulation of Medium-Term Management Plan (business environment assumptions, competitor analysis, plan direction and determination, etc.)	• Partnership with UBS Group in wealth management business
Governance and risk management	• Results of evaluation of Board of Directors • Transition of Nikko Asset Management to directly owned subsidiary	• Enhancement of anti-money laundering framework • Addressing cyber security risks • Impact of, and response to, COVID-19
Finance	• Examining appropriateness of financial targets for formulation of Medium-Term Management Plan	• Balance sheet, efficient use of capital
Relationships with stakeholders	• Dialogue with investors, shareholder measures • Status of CS awareness survey	• Strengthening employee engagement • Sustainability policy

5. Formulation Process for Medium-Term Management Plan

As part of the process to formulate the new Medium-Term Management Plan, strategies were developed based on a back-and-forth examination process involving mutual discussions and two-way dialogue between the Board of Directors and business execution departments. Other than Board of Directors meetings, preparatory briefings* were utilized to drive forward methodical discussions in line with the annual deliberation schedule.

*Meetings for the purpose of briefing mainly external directors about agenda items for Board of Directors meetings.

Back-and-forth examination process for strategy formulation



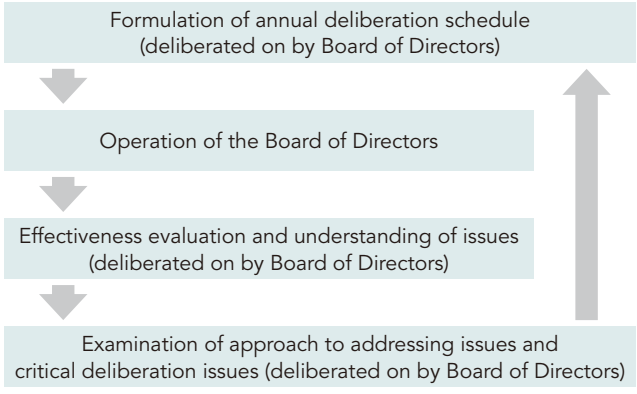
Deliberations on Medium-Term Management Plan

April 2019	Schedule for formulating Medium-Term Management Plan
May	Confirmation of management principles and other matters
June	Internal/external environment assumptions, competitor analysis
July	Focus points of Medium-Term Management Plan
September	Review of materiality Examination of Medium-Term Management Plan
October	Formulation of new materiality issues
November	Key points of discussion for Medium-Term Management Plan
December	Direction of Medium-Term Management Plan
January 2020	Particulars of Medium-Term Management Plan (1/2)
February	Particulars of Medium-Term Management Plan (2/2)
March	Policy on organizational changes Formulation of Medium-Term Management Plan

6. Results of the FY2019 Evaluation of the Board of Directors

Every year we perform 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. The key points in the FY2019 evaluation of the Board of Directors are as follows.

■PDCA Cycle



○ Key Points in the FY2019 Evaluation of the Board of Directors

(1) The third-party organization leading the evaluation was changed from last fiscal year so that the Board of Directors could be examined from a different perspective and so new issues could be identified.
(2) The third-party organization surveyed and interviewed the directors and self-evaluations were carried out in light of a review performed by the third-party organization.
(3) Assessments were conducted from multiple angles; namely, self-evaluation by the Board of Directors, the Board of Directors' evaluation of each committee, each committee's self-evaluation, and executive officers' evaluations of the Board of Directors.

■FY2019 Implementation Schedule for the Evaluation of the Board of Directors

Month and Year	Evaluation Process
January–February 2020	Directors and executive officers were surveyed by the third-party organization (external consultant) Members of each committee were surveyed
February–March	Directors were interviewed by the third-party organization (external consultant)
May	The Board of Directors deliberated the results of the evaluation of the Board of Directors
June	Areas of greater focus for future deliberations were discussed by the Board of Directors Annual deliberation schedule for the Board of Directors and each committee was formulated

○ Measures to Address FY2018 Issues

Based on the following measures that addressed issues in FY2018, results confirmed in the FY2019 evaluation of the Board of Directors have indicated that progress is being made on improving those issues.

(1) Improving discussions concerning medium- to long-term management issues and strategies, including the formulation of the new Medium-Term Management Plan.
- When the new Medium-Term Management Plan was being formulated, systematic discussions in line with the annual deliberation schedule took place and both the Board of Directors and business execution departments mutually examined and deliberated issues and strategies through back-and-forth discussions.
- After going back to the management principles of the Group, medium- to long-term management issues and strategies were mainly discussed by the Board of Directors and during other preparatory briefings. The insights of external directors were fully utilized.

(2) Strengthening monitoring to enhance Group governance.
- Discussions aimed at improving the Group's corporate governance continued to take place. For example, changes were made to the institutional design of key Group companies, while in-house changes were also made.
- Future issues were identified through the monitoring of internal control systems and the risk governance framework and further discussions focused on making improvements with an emphasis on a "three lines of defense" model.

(3) Improving the framework that underpins the operation of the Board of Directors
- With the goal of improving the PDCA cycle for evaluating the Board of Directors, a new external consultancy firm was appointed as the third-party organization to lead the evaluation so that the Board of Directors could be examined from a different perspective and new issues could be identified.
- The monitoring of how business is executed in response to key opinions of the Board of Directors was strengthened. In particular, discussions were afforded more focus thanks to the visualization of agenda items requiring deliberation.
- An annual deliberation schedule was drawn up based on the issues identified in the effectiveness evaluations performed on each committee and the self-sustaining PDCA cycles in each committee became more sophisticated mainly owing to more active discussions and improved operations.

○ Results of the FY2019 Evaluation of the Board of Directors and Future Measures

Through the FY2019 evaluation of the Board of Directors, SuMi TRUST Holdings concluded that the Board of Directors and each committee had been operated with a sense of their own purpose, in an effort to invigorate deliberation and enhance objectivity and transparency, and that they had maintained a certain level of effectiveness.

On the other hand, through the evaluation of the Board of Directors, SuMi TRUST Holdings identified the following three issues as requiring improvement and enhancement by the Board of Directors and each committee, and is working continuously to address them.

(1) Supervision of and advice on the progress of the Medium-Term Management Plan in light of the impact of the COVID-19 pandemic.
(2) Improvements to internal control systems and operations at Group companies.
(3) Further improvements to the appropriate operations of the Board of Directors, reflecting the supervision and execution roles expected of it.

In its pursuit of sustainable growth and the medium- to long-term enhancement of enterprise value, SuMi TRUST Holdings is committed to further enhancing the effectiveness of the Board of Directors and each committee, by continuously implementing the PDCA cycle through the evaluation of the Board of Directors.

7. Committees

To ensure the effectiveness of corporate governance and further enhance the soundness and reliability of the Group's business model, as well as the transparency of management, we have established the Risk Committee and the Conflicts of Interest Committee as advisory bodies to the Board of Directors to complement the three committees required under the Companies Act, namely, the Nominating Committee, the Compensation Committee, and the Audit Committee. As a financial group specialized in trust banking, the Conflicts of Interest Committee possesses supervisory functions unlike at any other financial group.

Also, every year each committee conducts a self-evaluation in an effort to improve its autonomous management by considering and adopting measures aimed at improving issues identified in the evaluation.

(1) Nominating Committee

The Nominating Committee determines the content of proposals regarding the election and dismissal of directors to be submitted to the General Meeting of Shareholders, receives requests for consultation regarding the election and dismissal of executive officers including the President, as well as the succession plan for the management team from the Board of Directors, and deliberates and makes reports on these matters. It also receives requests for consultation regarding the election and dismissal of directors from the Board of Directors of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management, and deliberates and makes reports regarding these matters. The Nominating Committee consists of three or more directors, and a majority of the members are independent external directors. The chairperson of the Nominating Committee is selected from the pool of committee members who are independent external directors.

(2) Compensation Committee

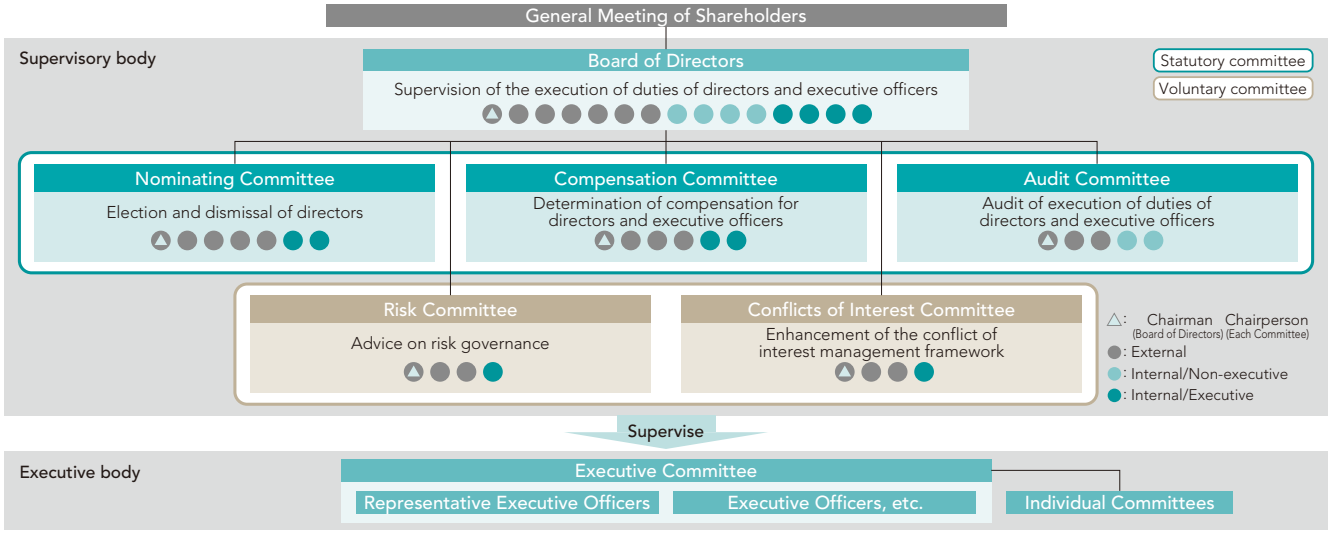
The Compensation Committee prescribes policy regarding decisions on the content of compensation for individual executive officers and directors, and determines the content of compensation for individual executive officers and directors, in accordance with this policy. It receives requests for consultation regarding policies on decisions on the content of compensation for individual directors, etc. from the Board of Directors of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management, and deliberates and makes reports on these matters. The Compensation Committee consists of three or more directors, and a majority of the members are independent external directors. The chairperson of the Compensation Committee is selected from the pool of committee members who are independent external directors.

Meetings of Board of Directors and Committees (July 2019 through June 2020)

	July 2019	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 2020	Feb.	Mar.	Apr.	May	June
Board of Directors	●	●	●	●	●●	●	●	●	●●	●	●●	●●
Nominating Committee	●		●	●	●	●	●●	●●	●	●	●●	●
Compensation Committee	●	●		●	●	●	●		●	●	●	●●
Audit Committee	●	●●	●	●	●●	●	●	●	●●	●	●●	●●
Risk Committee	●			●	●	●	●		●		●	
Conflicts of Interest Committee	●				●		●					●

● One meeting ●● Two meetings

Corporate Governance System



(3) Audit Committee

The Audit Committee audits the execution of duties by executive officers and directors, and prepares audit reports. It determines the content of proposals regarding the election and dismissal of a financial auditor, and regarding refusals to reappoint a financial auditor that are submitted to the General Meeting of Shareholders.

In order to fulfill its role and responsibilities, the Audit Committee appropriately exercises its authority to investigate the status of business and the assets of companies belonging to the SuMi TRUST Group. It appropriately utilizes the internal control system of the SuMi TRUST Group, and systematically and efficiently conducts audits by receiving reports from executive officers, directors, and a financial auditor, and through communications with these individuals. The Audit Committee consists of three or more directors who do not concurrently serve as executive officers, and a majority of its members are independent external directors. The chairperson of the Audit Committee is selected from the pool of committee members who are independent external directors.

(4) Risk Committee

The Risk Committee receives requests for consultation from the Board of Directors on (i) matters concerning the business environment surrounding the SuMi TRUST Group, top risks, and materiality, and (ii) matters concerning the operation of its risk appetite framework, risk management, and monitoring of the effectiveness of the internal control system related to compliance management of the SuMi TRUST Group, and reviews and reports on their appropriateness. In principle, a majority of the members of the Risk Committee are independent external directors and external experts. The chairperson of the Risk Committee is selected from the pool of committee members who are independent external directors.

(5) Conflicts of Interest Committee

The Conflicts of Interest Committee receives requests for consultation from the Board of Directors on (i) matters concerning the validity of the conflict of interest management framework of the SuMi TRUST Group, (ii) matters concerning the effectiveness of conflict of interest management, client explanation management, and client support management of the SuMi TRUST Group, as well as the enhancement of associated systems, (iii) matters concerning Policies regarding the Fiduciary Duties of the SuMi TRUST Group and the action plans, etc. of each Group company, (iv) particularly important matters concerning the dissemination of conflict of interest management and fiduciary duties in the SuMi TRUST Group, and other matters, and reviews and reports on their appropriateness. In principle, a majority of the members of the Conflicts of Interest Committee are independent external directors and external experts. The chairperson of the Conflicts of Interest Committee is selected from the pool of committee members who are independent external directors or external experts with professional knowledge and expertise in the concerned field.

Activities of each committee (July 2019 through June 2020)		
	Nominating Committee • Decided on proposed director candidate for SuMi TRUST Holdings. • Deliberated on proposed director candidate for a major subsidiary. • Selected next-generation top management candidates based on succession plans and considered improvements to development plans.	**Compensation Committee** • Deliberated on compensation for executives, including executives at major subsidiaries. • Discussed makeup of monthly compensation, director bonuses, stock compensation, as well as compensation systems taking into account near-term and longer-term incentives.Modified stock compensation system and introduced share delivery trust system.
Audit Committee • Launched organizational audits (audits that leverage the internal control system). Carried out systematic and efficient audits supported by appropriate collaboration with executive officers, directors, the Internal Audit Department, financial auditors, and auditing units of affiliated Group companies.	**Risk Committee** • Deliberated on the "three lines of defense" structure for Group risk governance and risk management in line with the Group's business model. • Deliberated on external environment assumptions and top risks. • Deliberated on matters concerning the risk appetite framework.	**Conflicts of Interest Committee** • Deliberated on a dynamic conflict of interest management framework taking into account case examples overseas, circumstances at other firms, the COVID-19 crisis, and trends in Japan and abroad. • Deliberated on further penetration and implementation of FD and measures aimed at enhancing business quality control capabilities.

■Members of Committees (△: Chairperson, ●: Member (external), ●: Member (internal/non-executive), ●: Member (internal/executive))

			Nominating	Compensation	Audit	Risk	Conflicts of Interest
External	Directors	Isao Matsushita	△	●			
		Takeshi Suzuki	●	●		●	●
		Mikio Araki	●	●		△	
		Shinichi Saito	●		△		
		Takashi Yoshida			●		
		Hiroko Kawamoto	●	△			
		Mitsuhiro Aso			●		
	Experts	Hideki Kanda*					△
		Haruyuki Toyama*				●	
		Akiko Hosokawa*					●
Internal		Tetsuo Ohkubo	●	●			
		Masaru Hashimoto	●	●			
		Yutaka Nishida				●	●
		Kuniyuki Shudo			●		
		Kouji Tanaka			●		

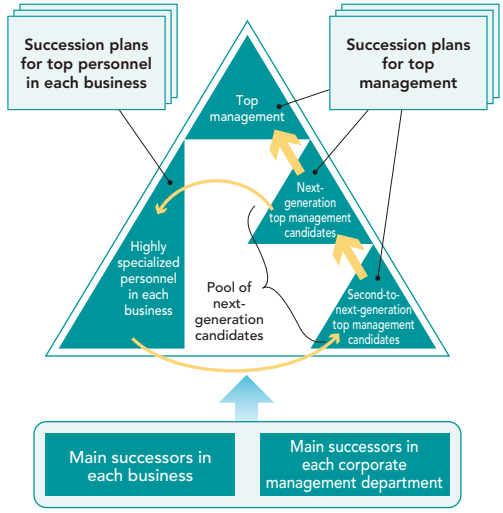
* Mr. Hideki Kanda is an external director of SuMi TRUST Bank. Mr. Haruyuki Toyama and Ms. Akiko Hosokawa are external experts.

8. Succession Plan

In order to realize the sustainable growth of the Group and enhance its enterprise value, the Group has created succession plans for the top management of SuMi TRUST Holdings and its major subsidiaries, SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management. We have also created management personnel development plans for the personnel that will be responsible for the management of each business and corporate management.

These plans define the ideals and requirements of directors and executive officers, and assist with the management and development of a pool of candidates that meet these ideals and requirements.

The status of the progress of succession plans and management personnel development plans is reported regularly to the Nominating Committee, which reports to the Board of Directors.



9. Compensation System for Directors and Executive Officers

(1) Policy Regarding Decisions on the Content of Compensation

- Compensation for directors and executive officers is intended to function effectively as an incentive for the improvement of corporate performance and expansion of enterprise value.
- Rather than focusing on a single-year performance evaluation in which short-term contributions to profit are emphasized, we are building a compensation system with a balance of near-term incentives and medium- to long-term incentives, with rewards based on a comprehensive evaluation that reflects earnings contributions over the medium to long term.
- We accurately assess the roles that directors and executive officers of SuMi TRUST Holdings must perform in corporate management, as well as the results of their efforts, in order for them to adequately discharge their supervisory duties over the Group companies, and determine individual compensation based on highly transparent, fair, and objective evaluations.
- The Compensation Committee forges deeper collaborations with committees in order to build a higher accountability compensation system, and engages in deliberations with the aim of operating a fair and balanced compensation system.
- Neither internal nor external committee members participate in decisions regarding their own compensation.

(2) Overview of the Compensation System

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

	Fixed compensation (roughly 40%)	Variable compensation (roughly 60%)			
President	Fixed compensation as a percentage of monthly compensation	Individual performance compensation as a percentage of monthly compensation	Bonus	Stock compensation	Total
	40%	25%	20%	15%	100%

	Fixed compensation (roughly 45%)	Variable compensation (roughly 55%)			
Other than president	Fixed compensation as a percentage of monthly compensation	Individual performance compensation as a percentage of monthly compensation	Bonus	Stock compensation	Total
	45%	25%	20%	10%	100%

(3) Indicators (KPIs) Concerning Performance-Linked Compensation

A system has been introduced to derive total bonus (performance-linked) and stock compensation (share delivery trust) amounts for directors and officers by calculating achievement rates for the items listed below with reference to KPIs and then multiplying the rates against a base amount.

Near-term / medium-term	Indicators (KPIs) concerning performance-linked compensation	KPI selection reason	Calculation method
Bonuses for directors and officers (performance-linked)			
Linked to near-term earnings	(1) Consolidated net business profit (2) Consolidated net profit attributable to owners of the parent	Considered appropriate indicators of the company's business results and capabilities in the fiscal year under review	Calculated based on a weighted average with a 2:1 weighting on the achievement rates for (1) and (2), respectively
Stock compensation (share delivery trust)*			
Linked to near-term earnings	(1) Consolidated net business profit (2) Consolidated net profit attributable to owners of the parent	Considered appropriate indicators of the company's business results and capabilities in the fiscal year under review	Calculated based on a weighted average with a 2:1 weighting on the achievement rates for (1) and (2), respectively
Linked to medium-term earnings	(3) Consolidated shareholders' equity and ROE (4) Consolidated common equity tier 1 capital ratio (5) Consolidated overhead ratio (OHR) (6) ESG-related activities and rating agency score, etc. (7) Fiduciary duty and customer satisfaction activities	• Key financial indicators and non-financial items in the company's Medium-Term Management Plan and considered appropriate key topics in management strategy • To clarify commitment to management of directors, officers, and executive officers	• Final achievement rate calculated by qualitatively assessing the achievement and progress of (3), (4), and (5), as well as the activities for (6) and (7) and adding the scores to the achievements rates calculated with (1) and (2) above • Achievement rate is capped at 130% (lower limit of 0%) so as to provide ana appropriate incentive scheme

*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 provisions (reduction/forfeiture prior to share delivery) apply.

10. Changes to the Institutional Design of Group Companies

In order to enhance the SuMi TRUST Group's corporate governance system, three primary Group companies of SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, and Nikko Asset Management, have changed from a "company with a Board of Corporate Auditors" to a Company with an Audit and Supervisory Committee.

Furthermore, Nikko Asset Management was made a directly owned subsidiary of SuMi TRUST Holdings (previously directly owned by SuMi TRUST Bank). This move aims to further advance the Group's asset management business and enhance corporate governance, including the appropriate management of conflicts of interest within the Group.

Changes to the Institutional Design of Group Companies/ Transfers within the Group

June 2017	SuMi TRUST Holdings became a "company with Three Committees"
October 2018	Sumitomo Mitsui Trust Asset Management became a Company with an Audit and Supervisory Committee
June 2019	SuMi TRUST Bank and Nikko Asset Management became a Company with an Audit and Supervisory Committee
July 2019	Transition of Nikko Asset Management to directly owned subsidiary of SuMi TRUST Holdings

11. External Directors' Meetings

In order to further improve the effectiveness of our corporate governance, we regularly hold external directors' meetings, which are only attended by external directors.

These external directors engage in discussions that are active and unrestrained, sharing information and awareness from independent and objective positions. These meetings contribute to the greater objectivity and independence of the Board of Directors.

External Director Interview



In addition to the requirement under the Companies Act for the establishment of three statutory committees, SuMi TRUST Holdings, as a "company with Three Committees," also has in place a Risk Committee that functions as an advisory body to the Board of Directors.
We asked External Director Mikio Araki, chairperson of the Risk Committee since its inception, about the status of the Group's corporate governance, the activities of the Risk Committee undertaken thus far, and his vision for the future.

Question

How would you rate the measures adopted thus far that aim to enhance corporate governance at SuMi TRUST Holdings?

Under the banner of a "second foundation" in the previous Medium-Term Management Plan that kicked off in April 2017, the SuMi TRUST Group pushed ahead with reforms comprising three main parts: business model transformation, promotion of fiduciary duties, and corporate governance transformation.

In June 2017, SuMi TRUST Holdings switched to a "company with Three Committees" and in addition to the requirement under the Companies Act for the establishment of three statutory committees, it also set up a Risk Committee and a Conflicts of Interest Committee, both of which function as advisory bodies to the Board of Directors. The majority of members that sit on these committees are external directors, while the chairman of the Board of Directors and the chairperson of each committee also hail from outside of the company.

Then, over the period from 2018 through 2019, the major Group companies SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, and Nikko Asset Management were reorganized into companies with an Audit and Supervisory Committee. So considering all of these developments, I do feel that the governance structure across the entire Group has been steadily strengthened.

That said, upgrading one's governance framework should not be the end goal. Uncovering issues that require improvement from day-to-day practices and continually enhancing the proficiency and maturity of the corporate governance structure is vitally important, in my opinion.

For example, I think the supervising and checking roles in a governance structure only really prove functional when they are paired with an external director who is expected to check things from an external point of view.

Rather than recognizing that oversight is strengthened solely because of the presence of external directors, I think it is important that corporate governance continues to be matured in terms of operational aspects, such as how functions and roles are separated from the executive side of the business, or what kind of information channels are set up with the executive side.

Question

What are the roles of the Risk Committee?

The Risk Committee has been active for a period of three years now since its establishment at the time of SuMi TRUST Holdings' transition to a "company with Three Committees." The Board of Directors consults with us on a plethora of subjects—for example, the Group's risk appetite framework (RAF), materiality, and top risks. And because our discussions are quite broad-ranging, you could say that we enjoy a high degree of freedom regarding the activities we undertake. With regard to the recently formulated Medium-Term Management Plan, we engage in free discussions about the issues the plan rests its assumptions on, such as the awareness of the Group's business environment and the forward-looking review of materiality.

However, owing to the fact that the committee is made up of mostly external committee members, there are limitations on how often we can meet, which means we are unable to discuss matters on a daily basis. For these reasons, we have not been given a strong mandate to supervise and monitor the day-to-day execution of the Group's business. Instead, our main role is to freely engage in sophisticated and wide-ranging discussions about risk-related topics and raise various issues for the executive side of the business to address.

What works in our favor is that in addition to two external directors and one internal director of SuMi TRUST Holdings, the other committee members or advisors that attend meetings include external experts well-versed in such topics as the macro economy, global finance, and trends at regulatory authorities and financial institutions in Japan and overseas. Accordingly, lively discussions are the norm at every meeting.

Moreover, directors that also sit on the Audit Committee and many executive officers of corporate management departments also participate in committee discussions and the details and opinions from such discussions are reflected in the day-to-day execution of business where necessary.

Up ahead, as an advisory body to the Board of Directors, we hope to build an even stronger system by further expanding on the recommendations of the Board of Directors and offering suggestions based on our findings.

Question

How do you feel when looking back on the activities of the Risk Committee carried out thus far?

Prior to the establishment of the Risk Committee, SuMi TRUST Holdings had already constructed a RAF for the Group in line with international standards and from FY2017 it stepped up efforts to have risk appetite limits adopted in each banking business and at all Group companies. Numerous interrelated issues come into play when building a RAF. For example, forward-looking environmental assumptions and scenario analyses of the macro economy and industrial and social trends, the setting and monitoring of risk appetite indicators, the sophistication of prediction management functions, and the identification of various risk and materiality issues. So considering that the primary objective of a RAF is to set a risk tolerance amount and compare the risk-return costs to improve risk management, revenue management, and by extension, business management, it is no surprise that the discussions of the Risk Committee revolve around the RAF to a varying degree.

Over the past three years, I can see that we have made steady progress on improving methods of setting and monitoring risk appetite indicators, enhancing prediction management methods, developing and improving risk appetite statements, and rolling out all of these initiatives to Group companies.

That said, many challenges await us up ahead. As a financial group specialized in trust banking, the SuMi TRUST Group is engaged in a multitude of businesses, which certainly gives it an edge over its competitors, but for that very reason of diversity, all of its risk appetite indicators must be set with a high degree of accuracy. Given these many technical challenges, I think ongoing improvements are absolutely essential. Progress has also been made on using the common language of the RAF as a tool for communication between corporate management departments, but initiatives aimed at instilling a risk culture at the front line and even among each and every employee are still a work in progress, so a great deal of ingenuity and effort will be crucial going forward. The creation and penetration of risk culture and corporate culture driven by the Group's top leadership, and even the establishment of an assessment and compensation structure consistent with these developments, must be accomplished in a climate of mutual respect and understanding.

Question

How do you view the impacts of the COVID-19 pandemic?

Economic activity is being significantly and adversely impacted by the global spread of COVID-19 and the various restrictions imposed on people's movements as a result. As a consequence, society is expecting all financial institutions to lend large sums of money to their clients. Naturally, financial institutions must firmly uphold their social duty to supply capital, but they are also required to strictly address and deal with sudden increases in credit risk and problems associated with securing liquidity.

Under these circumstances, the following opinion voiced during a recent Risk Committee meeting left a particular impression on me: "...exhaustive discussions about environmental assumptions and the appropriateness of a scenario portfolio during this time are meaningless. We must concentrate on deciding what kind of countermeasures we require in anticipation of the biggest risk that could potentially occur and checking whether such measures will work."

The SuMi TRUST Group too has implemented various initiatives and measures for preventing the spread of infections and ensuring business continuity, including restrictions on coming to work and the adoption of telecommuting. However, considering that all of this is a new experience for each and every employee, I am certain that we have all learnt something new, such as what we can put to use in the future and what to prevent from happening again. More than anything, I think it is vital that we not only use this awareness to overcome the immediate crisis, but after we get through this period, we take it all in and digest it thoroughly as an organization so that we can build a better system for sustainable business continuity.

Our Board of Directors and Executive Officers[*1] [*2]

(As of July 1, 2020)

Directors (internal)

	Director, President (Representative Executive Officer) **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 assumed office as President in April 2017 and as Director, President in June 2017. In addition, he has experience of being in charge of corporate management departments of SuMi TRUST Bank. He served as Deputy President of SuMi TRUST Bank for 1 year from April 2016, and as Director from April 2017.
	Director, Senior Managing Executive Officer (Representative Executive Officer) **Jiro Araumi**	Jiro Araumi has been in charge of the Asset Management Business Planning Department as Senior Managing Executive Officer since April 2017, and Director, Senior Managing Executive Officer since June 2017. He also has been in charge of the Fiduciary Services Business as Director, Senior Managing Executive Officer of SuMi TRUST Bank. Therefore he has extensive knowledge and experience regarding the corporate management and business operations of a trust bank group.
	Director, Senior Managing Executive Officer (Representative Executive Officer) **Yutaka Nishida**	Yutaka Nishida has been Regional Executive for Europe and General Manager of London Branch of SuMi TRUST Bank. Since April 2017, he has been in charge of the Risk Management Department, Compliance Department, Legal Department, and other departments as Senior Managing Executive Officer of SuMi TRUST Bank. Therefore, he has extensive knowledge and experience regarding the corporate management and business operations of a trust bank group.
	Director, Executive Officer **Masaru Hashimoto**	Masaru Hashimoto has been in charge of corporate management departments of SuMi TRUST Holdings. From October 2016 to March 2017, he served as Deputy President and Executive Officer. Since June 2017, he has served as Director, Executive Officer, in a position of assisting the Group's overall management. At SuMi TRUST Bank, he has been responsible for overall management since he took office as President in April 2017.
	Director **Kunitaro Kitamura**	Kunitaro Kitamura served as President of SuMi TRUST Holdings for 5 years from April 2012 and as Chairman of SuMi TRUST Bank from April 2012. Therefore, he has extensive knowledge and experience with regard to the overall management of a trust bank group.
	Director **Hitoshi Tsunekage**	Hitoshi Tsunekage has served as Chairman of SuMi TRUST Holdings since April 2011, and also served as President of SuMi TRUST Bank up to March 2017 and Chairman from June 2017. Therefore, he has extensive knowledge and experience with regard to the overall management of a trust bank group.
	Director **Kuniyuki Shudo**	Kuniyuki Shudo has served as general manager of the Fiduciary Services Business and overseas units, Regional Executive for the Americas and General Manager of New York Branch. He then served as Managing Executive Officer of SuMi TRUST Bank, Executive Officer of SuMi TRUST Holdings, in charge of the Global Business Management Office and the Americas Business Management Office. Therefore, he has extensive knowledge and experience regarding the corporate management and business operations of a trust bank group.
	Director **Kouji Tanaka**	Kouji Tanaka has served as general manager of the Real Estate Business and general manager of domestic branches. He then served as Managing Executive Officer of SuMi TRUST Bank, in charge of the Internal Audit Department. Therefore, he has extensive knowledge and experience regarding the corporate management and business operations of a trust bank group.

Executive Officers

Senior Managing Executive Officer,
Executive Officer[*2]
(Stock Transfer Agency Services Business)[*3]
Atsushi Kaibara

Managing Executive Officer
Kazuya Oyama

Executive Officer[*2]
Yukihiro Kitano

Executive Officer[*2]
(Wholesale Asset Management Business)[*3]
Kengo Noguchi

Executive Officer[*2]
(Private Banking Business)[*3]
Akira Yokota

Managing Executive Officer
Hitoshi Sato

Managing Executive Officer
Junya Ueda

Executive Officer[*2]
(Wholesale Total Solution Services Business)[*3]
Masahiro Tsuchiya

Executive Officer[*2]
(Retail Total Solution Services Business)[*3]
Seiji Iwakuma

Executive Officer[*2]
Toshio Masui

Managing Executive Officer,
Executive Officer[*2]
(Asset Formation Advisory, Work Place, Business)[*3]
Futoshi Itani

Executive Officer[*1],
Executive Officer[*2]
Shigenori Ikemura

Executive Officer[*2]
(Fiduciary Services Business)[*3]
Toru Takakura

Executive Officer[*2]
(Real Estate Business)[*3]
Shigeki Tanaka

Executive Officer[*2]
Yoshio Hishida

Directors (external)

			Area of expertise		
			Corporate management	Financial accounting	Law
	Director (external) Takeshi Suzuki*1	Mr. Takeshi Suzuki has extensive experience and knowledge in the fields of accounting, finance, affiliated company management, etc. as a former Senior Managing Director of Toyota Motor Corporation. He has been involved in the management of companies operating finance related businesses, serving as Representative Director and President of Toyota Financial Services Corporation and Representative Director and Chairman of Aioi Nissay Dowa Insurance Co., Ltd. (He has served as an external director at SuMi TRUST Holdings since June 2015.)	●	●	—
	Director (external) Mikio Araki*1	Mr. Mikio Araki has extensive experience in bank management and policy-based finance, etc. as a former Representative Director and Deputy President of Development Bank of Japan Inc., and has extensive knowledge regarding domestic and foreign financial and economic circumstances as Chairman of the Board of Japan Economic Research Institute Inc. (He has served as an external director at SuMi TRUST Holdings since June 2015.)	●	●	—
	Director (external) Isao Matsushita*1	Mr. Isao Matsushita has extensive experience in the general management of companies, as a former Representative Director and President of JX Holdings, Inc. (currently ENEOS Holdings, Inc.), which is a representative integrated energy, resources, and material enterprise group in Japan. (He has served as an external director and chairman of the Board of Directors at SuMi TRUST Holdings since June 2017.)	●	●	—
	Director (external) Shinichi Saito*1	Mr. Shinichi Saito has extensive knowledge and experience in financial accounting as the former General Manager of the Finance Department of Marubeni Corporation. In addition to engaging in management at an investment company, he also has acquired deep insight as a company executive. (He served as an external auditor at SuMi TRUST Holdings from June 2013 to June 2017, and as an external director at SuMi TRUST Holdings since June 2017.)	●	●	—
	Director (external) Takashi Yoshida*1	Mr. Takashi Yoshida had been a member of a major audit firm for many years, and has extensive knowledge and experience in financial accounting as a certified public accountant in charge of auditing financial institutions and operating companies. He has been engaged in management as a representative partner and managing director of an audit firm, and also has global knowledge based on overseas work experience. (He served as an external auditor at SuMi TRUST Holdings from June 2016 to June 2017, and as an external director at SuMi TRUST Holdings since June 2017.)	—	●	—
	Director (external) Hiroko Kawamoto*1	Ms. Hiroko Kawamoto served as Executive Vice President of All Nippon Airways Co., Ltd. from April 2013, and as Executive Vice President and Member of the Board from April 2016. She was responsible for the overall management of the company and promotion of women's activities. (She served as an external director at SuMi TRUST Bank from June 2016 to June 2017, and as an external director at SuMi TRUST Holdings since June 2017.)	●	—	—
	Director (external) Mitsuhiro Aso*1	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 an external auditor at SuMi TRUST Bank from June 2016 to June 2019, and as an external director at SuMi TRUST Holdings since June 2019.)	—	—	●

*1 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.

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

Executive Officer*2
(Global Markets Business)*3
Yoshinori Momose

Executive Officer*2
Toshiaki Nakano

Executive Officer*2
Masaya Noda

Executive Officer*2
Yasuyuki Suzuki

Executive Officer*2
Kazuteru Wakao

Executive Officer*2
Nobuaki Yamaguchi

Executive Officer*2
Takuji Marui

Executive Officer*2
Atsushi Matsumoto

Executive Officer*2
Shinichi Nonomura

Executive Officer*2
(Asset Formation Advisory, Work Place, Business)*3
Daisuke Maeda

Executive Officer*2
Satoshi Kitai

Executive Officer*2
Nobuhisa Takahashi

Executive Officer*2
Manatomo Yoneyama

*3 Items in parentheses are business segments in charge at SuMi TRUST Bank.

Initiatives on Key Sustainability Issues



In our Medium-Term Management Plan, we have incorporated a basic strategy for generating positive impacts geared towards solving social issues and have placed sustainability at the core of the Group's management. Each SuMi TRUST Bank business and its affiliated companies will independently select the social issues that must be addressed first, and we will strengthen efforts on these issues through our core business. Meanwhile, for climate change and other key sustainability issues in Japan and overseas, our Sustainability Promotion Committee functions as a command center for the entire Group and formulates strategies to swiftly implement initiatives whilst collaborating with mainly international organizations.

1. Sustainability Promotion System

Board of Directors

- Establishes the Basic Policy on the Social Responsibility of the Sumitomo Mitsui Trust Group (Sustainability Policy).
- Stipulates (in the Basic Policy on Corporate Governance) that one of its main roles is to address the problems of climate change and other environmental and social issues linked to sustainability and determines the policy direction the Group should take.
- Hears the findings of the Risk Committee and engages in exhaustive discussions to decide on mainly the issues (materiality) that have a serious impact on balanced creation of both social value and economic value, as well as operational frameworks.

Executive Committee

- Hears the findings of the Business Risk Management Committee and engages in exhaustive discussions to establish policies regarding items of materiality for submission to the Board of Directors.
- Engages in exhaustive discussions to decide on all initiatives for Group companies, taking into account the perspective of balanced creation of both social value and economic value.
- For initiatives on key sustainability issues, the Committee establishes medium-term policies in line with the Medium-Term Management Plan, as well as policies for each fiscal year, and manages operations that reflect the PDCA cycle (convenes meetings as the Sustainability Promotion Committee).

Group companies
(advances social problem-solving business)

Close collaboration

Chief Sustainability Officer
Sustainability Management Department
(addresses key sustainability issues)

Policies related to sustainability

Basic Policy on the Social Responsibility of the Sumitomo Mitsui Trust Group (Sustainability Policy)

- Environmental Policy
  - Action Guidelines for Mitigating Climate Change
  - Action Guidelines for Preserving Biodiversity
- Human Rights Policy

Please refer to the SuMi TRUST Holdings website for further details about the above policies.

	Policy
1	Contribute to solving social and environmental problems through business
2	Serve clients with sincerity
3	Earn the trust of society
4	Address environmental issues
5	Respect the individual
6	Participate in, and contribute to, the community

2. Roles of Sustainability Promotion Committee

The Sustainability Promotion Committee (secretariat: Sustainability Management Department), which is held as part of the Executive Committee, is tasked with mainly the following roles.

Management	• Promoting materiality management (see page 21) • Drawing up and promoting plans for sustainability work (manages the progress of social problem-solving businesses at Group companies) • Tackling climate change issues (see page 84) • Conducting strategic information disclosure by issuing ESG Reports and other publications*1 • Earning the trust of investors and other stakeholders and working to improve their assessment of the Group
Business development	• Developing innovative financial products and services that help solve key sustainability issues Promoting Eco-Trustution*2 • Strategically providing value to the community through "With You" activities*3
Employee education	• Making sure employees understand strategies by mainly distributing the Group's employee integrated report to all directors, officers, and employees • Facilitating the acquisition of practical knowledge as quickly as possible by promoting in-house hands-on activities, such as participation in the challenge of helping achieve the SDGs, the SDG declarations formulated by each branch, and the "With You" activities*3
Dialogue	• Encouraging dialogue with, and ascertaining the needs of, various stakeholders, including shareholders, investors, NPOs and NGOs in Japan and overseas, international organizations, government agencies, and universities Utilizing internal engagement (see page 21) to bring the needs of stakeholders back into the Group and improve initiatives

*1 Strategic information disclosure

ESG Report



Climate Change Report



Environmentally Friendly Property Report



Natural Capital Report



Digest reports for seniors



Employee Integrated Report



Stewardship Report (Sumitomo Mitsui Trust Asset Management)



Sustainability Report (Nikko Asset Management)



*2 Eco-Trustution

"Eco-Trustution" is a word we have coined that refers to the business of providing solutions to environmental problems with the use of our trust functions. One of the Group's biggest strengths is our ability to develop sustainability products by leveraging our know-how as a financial group specialized in trust banking.

ECO TrustutioN®
エコ・トラステューション

*3 "With You" activities

So that we may forge strong relationships of trust with local communities, the branch offices of SuMi TRUST Bank engage in community-based social contribution activities. Activities are categorized according to degree of difficulty and benefits and initiatives are carried out systematically, for example, with the use of a points system that serves as a guideline for establishing activity criteria.

SuMi TRUST
With You®

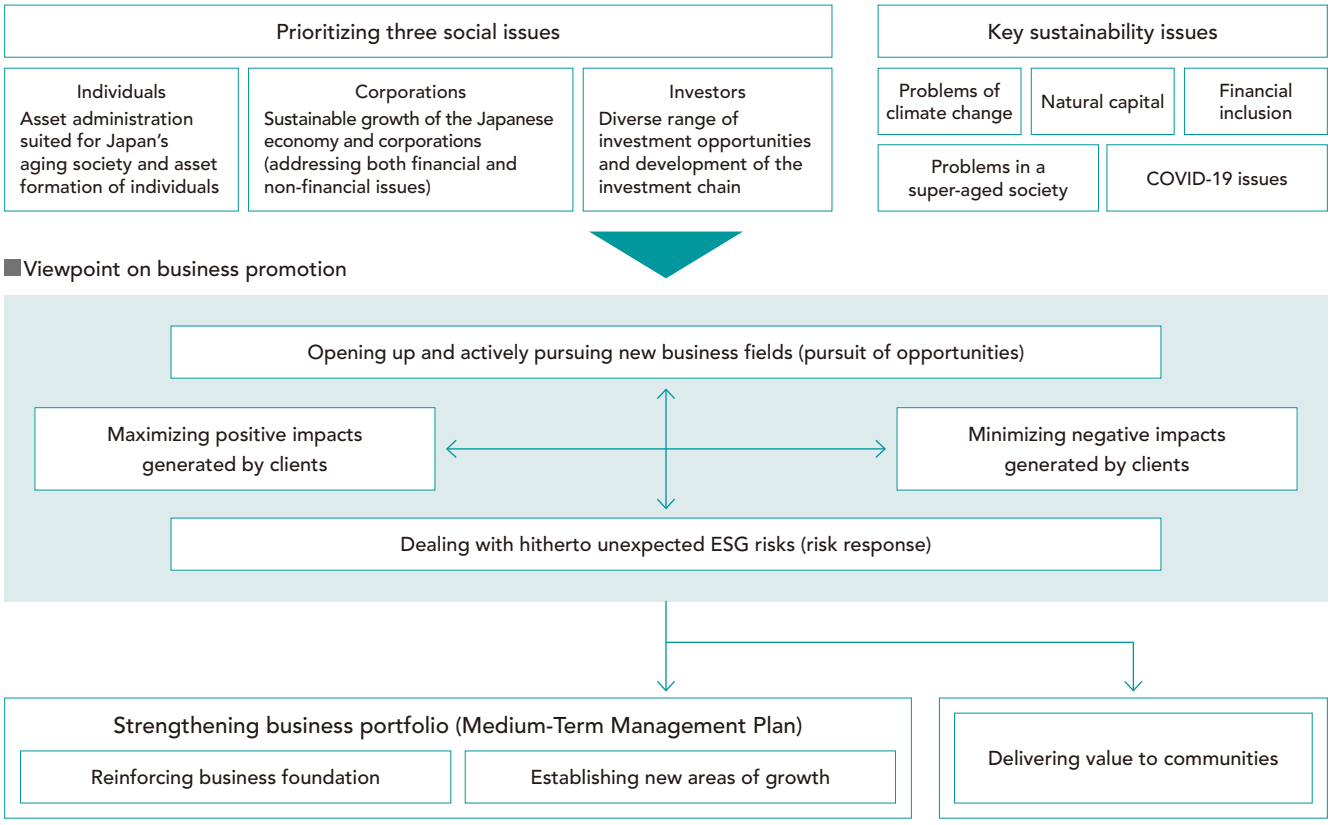
3. Solving Social Issues through Business

In our Medium-Term Management Plan, we have highlighted three issues that we intend to prioritize through our social problem-solving businesses. And alongside the problems that we have long focused on thus far—i.e., climate change and Japan's super-aged society—we also plan to tackle new issues of sustainability in our business operations, like the COVID-19 pandemic, for example.

With the topic of sustainability attracting even more attention nowadays, the fields of social problem-solving business are expanding remarkably.

The Group actively seeks out business opportunities by supporting the actions of our clients to maximize positive impacts and minimize the negative ones.

Meanwhile, concerns are mounting with regard to hitherto unforeseen ESG risks, such as issues stemming from COVID-19 and climate change. In addition to pursuing business opportunities, enhancing our resilience to these new risks is also an important topic.



Examples of our sustainability business initiatives

Initiative	Pursuit of opportunity / risk response	Focus of impact generated (PI: positive impact / NI: negative impact)	Page location in this report
Sustainability business	Pursuit of opportunity	Maximizing PI	Each business section (P.40-65)
Financial inclusion	Pursuit of opportunity / risk response	Minimizing NI	P.83
COVID-19 issues	Pursuit of opportunity / risk response	Maximizing PI / minimizing NI	P.83
Addressing climate change issues	Pursuit of opportunity / risk response	Minimizing NI	P.84-87
Environmental and social considerations in investments and loans	Risk response	Minimizing NI	P.88-89
Delivering value to communities	Pursuit of opportunity	Maximizing PI / minimizing NI	P.90

Financial inclusion

Establishing a financial inclusion promotion framework

Initiatives related to financial inclusion were previously implemented at various Group companies. From November 2019, however, the Sustainability Management Department assumed control of these activities across the entire Group and took steps to develop an implementation strategy and expand the scope of initiatives. Its specific policies are outlined below.

1. Improving accessibility mainly through expansion of online transactions
2. Using mainly charitable trusts to provide finance schemes to people with little financial leeway
3. Financial inclusion initiatives for various types of loans
4. Initiatives based on the *G20 Fukuoka Policy Priorities on Aging and Financial Inclusion*
5. Flexible approach to mainly terms of repayment on loan transactions (initiatives for financial facilitation)

Improving accessibility mainly through expansion of online transactions

Given that financial infrastructure is already in place in Japan, expanding online transaction platforms in order to improve accessibility to financing would be one way to address financial inclusion. For example, SuMi TRUST Bank is endeavoring to enhance the convenience of client transactions by providing services through which a number of procedures can be completed online (internet banking) or over the phone (telephone banking) via its Sumitomo Mitsui Trust Direct platform.

Using mainly charitable trusts to provide finance schemes

SuMi TRUST Bank is using mainly charitable trusts to provide finance schemes to people with little financial leeway. As part of this initiative, we provide charitable trusts to benefactor clients with the goal of offering low-interest or no-interest scholarships to students who do not have the financial means to further their education.

Initiatives based on the *G20 Fukuoka Policy Priorities on Aging and Financial Inclusion*

The world's population continues to rapidly age and there are fresh concerns that conventional financial services will be unable to meet their needs. Through much discussion about the topics of aging and financial inclusion, the Global Partnership for Financial Inclusion (GPFI*) and the OECD jointly prepared and adopted the *G20 Fukuoka Policy Priorities on Aging and Financial Inclusion* at the G20 plenary meeting of finance ministers and central bank governors in June 2019. The document sets out eight key priorities to help the international community address the challenges of aging populations. SuMi TRUST Bank fully supports the priorities and therefore set out and announced concrete initiatives to address each of the eight items.

*The GPFI is an inclusive platform for all G20 countries, interested non-G20 countries, and relevant stakeholders to carry forward work on financial inclusion, including implementation of the G20 Financial Inclusion Action Plan.

*Refer to pages 76–80 in our 2019/2020 ESG Report for more information about financial inclusion.

Responding to the COVID-19 pandemic

Basic approach

The Group's ongoing response to the COVID-19 crisis will be guided by our basic stance, which hinges on three points: (1) ensuring the health and safety of employees and their families; (2) ensuring business continuity as a key piece of social infrastructure; and (3) preventing the spread of infection in society.

Ensuring the health and safety of employees and their families

- Make active use of teleworking, staggered starting times, and splitting employees into multiple teams so they report to work on a rotating basis
- In principle, employees that are pregnant or have preexisting health issues are to work from or remain at home
- Establish a consultation line for employees

Maintaining business continuity as a key piece of social infrastructure

At our 133 branches (excluding sub-branches) across Japan—which remain open for business—we are taking steps to prevent the spread of infection by setting up transparent acrylic boards to minimize transmission from respiratory droplets. We are also endeavoring to make things more convenient for our clients by provisionally processing various procedures, including mortgage loans, online or by telephone.

Banking business: Prioritizing lending and fund settlement operations

Trust-related business: Executing operations that underpin the economy and people's lives (pension, stock transfer agency services, asset management and administration, real estate)

Stopping the spread of infection in society

Amidst the increasingly prolonged battle to contain the COVID-19 pandemic, SuMi TRUST Bank donated ¥100 million to the Japanese Red Cross Society to assist their efforts in treating COVID-19 patients and to support their activities for preventing the spread of the virus. Furthermore, SuMi TRUST Bank has donated approximately 100,000 medical masks to medical institutions (mainly by way of the Japan Business Federation and Kansai Economic Federation); the masks were previously stockpiled in preparation for the outbreak of new strains of influenza.

And as one way of beating this pandemic, SuMi TRUST Bank set up an account to accept donations from individual clients and other donors. From the perspective of contributing to society and the Group's desire to support the efforts of universities working hard to combat COVID-19 by developing a vaccine and medicine, or repurposing existing medicine, SuMi TRUST Bank also decided to donate ¥10 million to each university selected from different regions throughout Japan.

Refer to the following press releases for more information.

https://www.smth.jp/en/news/2020/E200514-3.pdf

https://www.smth.jp/en/news/2020/E200514-4.pdf

4. Addressing Climate Change Issues

The SuMi TRUST Group recognizes that climate change is the biggest factor affecting financial markets in terms of risks and opportunities and is accordingly stepping up its initiatives based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

(1) Governance

The Group's Basic Policy on Corporate Governance states that the role of the Board of Directors is to pursue the sustainable development of society and improvement of corporate value of the Group through proactive sustainability efforts. Specific activities are based on the medium-term policies and plans for each fiscal year decided on by the Sustainability Promotion Committee—meetings for which are held as part of the Executive Committee—and supervised by the Sustainability Management Department of the Corporate Planning Department. For matters regarding materiality, the Risk Committee and Business Risk Management Committee function as advisory bodies to the Board of Directors and Executive Committee, respectively.

Numerous climate change measures are intricately linked to the promotion of sustainability and risk management practices, which is why we have adopted a structure under which the Risk Committee and Board of Directors exercise supervision after the executive deliberations are made at the Business Risk Management Committee and Executive Committee in accordance with how these measures are promoted or managed.

In October 2019 we set up a TCFD Project Team (headed by the officer in charge of corporate planning) with the goal of strengthening risk management and information disclosure concerning climate change. In addition to personnel from the corporate management departments of SuMi TRUST Holdings, the team includes members from SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, and Nikko Asset Management to cover the entire Group.

■Main initiatives in FY2019

Meeting body	Description	
Steering committee for TCFD Project Team	Committee meetings for discussing TCFD matters are held regularly and attended by the officers in charge of corporate planning, financial planning, risk management, and asset management business planning Decides on approaches and information disclosure policies, and reports on the results of transition risk scenario analysis, among other matters	Execution
Executive Committee	Reports on the progress of the TCFD Project Team in addressing TCFD matters	Execution
Risk Committee	Reports on the progress of the TCFD Project Team and hears the opinions of Risk Committee members, including external advisors	Advisory body to the Board of Directors
Board of Directors	Reports on the progress of the TCFD Project Team and hears the opinions of directors, including external directors	Supervision

(2) Strategy

1. Basic approach

Medium- to long-term climate change could potentially have a negative impact on the Group's earnings and financial situation owing to greater risk of physical damage to, for example, the natural environment, social infrastructure, and client assets (physical risks), as well as the risk of a rapid transition to a low-carbon society owing mainly to policy changes, changes in social norms and financial market preferences regarding climate change, and technological innovation (transition risks).

More specifically, there is the (physical) risk of natural disasters impairing the credit standing of obligors and the value of their pledged assets, thereby negatively impacting the Group's credit portfolio, and the (transition) risk of securities issued by companies that emit large amounts of CO_2 and loans extended to such companies dragging down the value of assets held by the Group owing to a rapid transition to a low-carbon society.

■Risks in the Group pertaining to climate change

	Risk	Time horizon
Transition risks	Higher credit costs to major greenhouse gas-emitting sectors and companies	Medium to long term
	Decline in value of securities and other assets of major greenhouse gas-emitting companies	Short to medium term
	Compliance with tighter global legal restrictions and standards concerning climate change	Short term
	Deterioration in reputation regarding fossil fuels and forest conservation	Short term
Physical risks	Higher credit costs stemming from damage to pledged value owing to typhoons, torrential rain, floods, and other abnormal weather conditions	Short, medium, and long term

2. Scenario analysis

In following the recommendations of the TCFD, SuMi TRUST Bank carried out qualitative assessments of climate-related risks in each sector and identified which should be prioritized for analysis from the viewpoint of risk severity and exposure. Based on this, in FY2019 we commenced a scenario analysis of transition risks and physical risks in each sector.

• Identification of risks for scenario analysis

We first summarized the transition risks, physical risks, and business opportunities in the sectors belonging to the four non-financial groups in the TCFD recommendations most likely to be potentially impacted by climate change and a transition to a low-carbon economy. The four groups are: energy, transportation, materials & buildings, and agriculture, food, & forest.

■Heat map

Sector	Transition risk	Physical risk	Opportunity
Oil, gas, and coal	H	M	M
Electric utilities	H	M	M
Maritime transportation	M	M	M
Railway transportation	L	L	L
Automobiles and parts	M	M	M
Real estate management and development*	L	H	M
Chemicals	M	M	M
Paper and forest products	M	H	M

H: High; M: Medium; L: Low
*Mortgage loans not included

• Scenario analysis of transition risks

The percentage of loans exposed to carbon-related assets*, an indicator of credit exposure to carbon-related assets in the Group's business portfolio, is 5.2% (as of March 31, 2020, down 0.4 points from March 31, 019). Despite an increase in the overall loan balance, the decrease in exposure to carbon-related assets owed to an increase in project finance for renewable energy projects, which are subtracted from total exposure to carbon-related assets.

*Loans to the "energy" and "utilities" sectors (based on the Global Industry Classification Standard, excluding water utilities and independent renewable energy power producers) are defined as "exposure to carbon-related assets" in the TCFD recommendations. Calculation range based on the combined total for SuMi TRUST Bank and Sumitomo Mitsui Trust Bank (Thai).

Based on the results of our qualitative assessment of climate-related risks, we identified electric power as the sector for our scenario analysis of transition risks. The fact that the electric power sector has the highest weighting of carbon-related assets was also a factor in identification.

In analyzing transition risks, we employed two scenarios from the IEA's World Energy Outlook 2019: STEPS*1 and SDS*2. In both scenarios, we made assumptions for active investment in renewable energy power generation and no investment at all.

*1 Stated Policies Scenario (STEPS): A scenario that reflects future policy changes and targets; equivalent to the 3°C target
*2 Sustainable Development Scenario (SDS): A scenario in which measures necessary for achieving the 2°C target of the Paris Agreement are implemented

Below are the results of our scenario analysis

	STEPS	SDS
No investment in renewable energy power generation	Credit rating worsens by 2–3 notches	Credit rating worsens by 2–3 notches
Active investment in renewable energy power generation	No changes observed in credit rating	No changes observed in credit rating

Going forward, we will expand the scope of our scenario analysis to other sectors and utilize the results when engaging in dialogue with clients.

• Scenario analysis of physical risks

We identified mortgage loans to individual clients as the subject of our scenario analysis of physical risks. The fact that mortgages account for roughly one third of all loans and the noticeable trend in recent times of homes suffering wind and flood damage largely as a result of powerful typhoons and abnormal weather events were the reasons for identification.

In our analysis we employed two scenarios known as RCP2.6 (2°C scenario) and RCP8.5 (4°C scenario) from the IPCC Fifth Assessment Report. They are both widely used as physical risk scenarios. We calculated that credit costs on mortgage loans at SuMi TRUST Bank would increase by around ¥7.0 billion by the year 2100 compared to the end of March 2020 based on the probability of floods occurring and the rate of change in property value caused by flood damage in each scenario. We think the financial impact of physical risks in mortgage loans at SuMi TRUST Bank is limited.

3. Climate change opportunities

There are growing opportunities to support the transition to a carbon-free society with the use of finance and trust functions.

- There may be more opportunities to offer advisory services and finance to projects and companies that are helping to slow or mitigate climate change
- The transformation of social infrastructure, such as the proliferation of renewable energy, may open up profitable opportunities over the medium to long term
- There may be more opportunities to provide finance for infrastructure and technological development that enhances the capacity to adapt to climate change
- Positive social evaluations as a financial institution helping to address climate change may translate into more business opportunities
- Greater social awareness of climate change may support sales of the Group's financial products that factor in environmental considerations

(3) Risk Management

We identify climate change to be a priority issue (materiality) that has implications for both the Group's corporate value and the building of a sustainable society. It is therefore a key point of focus for our risk management.

Guided by our Sustainability Policy, we have established Action Guidelines for Mitigating Climate Change so that we may contribute to efforts on mitigating and adapting to climate change. As part of our policies on environmental and social considerations for loans, our basic policy is not to participate in any new coal-fired power generation projects being considered for construction. Furthermore, a climate change risk assessment was added to the items of due diligence owing to FY2020 revisions of the Equator Principles, guidelines that we apply to large-scale project finance.

Within the framework of Group-wide risk management resolved by the Board of Directors, every quarter we exhaustively bring to light risks and identify and evaluate those considered to be significant risks in terms of probability, degree of impact, and significance. From among the significant risks identified, the officer in charge of risk selects the top risks and emerging risks and monitors and manages them within our existing risk appetite framework by submitting a risk management status report to the Board of Directors on a quarterly basis. The former are risks that have the potential to significantly impact the Group within one year and warrant the attention of management, while the latter are risks that are unlikely to significantly impact the Group within one year, but have the potential to do so over the longer term (more than one year).

As of the end of March 2020, "climate change-related risk" has been added to our list of emerging risks because it poses a considerable risk over the medium to long term. As for climate-related risks, in FY2019 we performed a scenario analysis of both transition risks and physical risks. In FY2020 we intend to inject the knowledge we acquired from the analysis into our management of credit, market, and operational risks, and subsequently have relevant departments discuss this information and utilize it when engaging in dialogue with clients.

(4) Metrics and Goals

As a signatory to the Principles for Responsible Banking (PRB), we aim to bolster our initiatives in the areas of impact finance and renewable energy finance projects.

	FY2020 goals
Promote impact finance	Execute 20 new ESG-related finance transactions, such as positive impact finance
Mitigate climate change	Further ramp up renewable energy finance in Japan and overseas

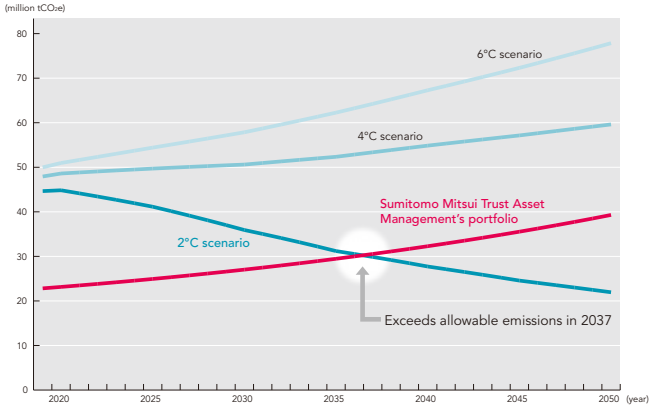
(5) Climate-Related Portfolio Analysis at Group Asset Manager

Sumitomo Mitsui Trust Asset Management, one of the Group's asset managers, assesses climate change risks in its portfolio for each asset class, as well as overall assets under management. It uses two assessment methods: (1) a fixed point analysis based on information disclosure and performance of the companies comprising the portfolio; and (2) a transition path analysis based on future climate change scenarios. The transition path analysis assesses how climate change risks in the portfolio will change under future climate change scenarios.

The chart below represents an overview of the results of assessing the resilience of Sumitomo Mitsui Trust Asset Management's portfolio of Japanese stocks against climate change scenarios using time-series comparisons. Estimates of the portfolio's future greenhouse gas emissions were compared against the volume of emissions (carbon budget) calculated for each climate change scenario. Specifically, in addition to the 2°C scenario, the benchmark of the Paris Agreement, comparisons with the 4°C scenario and the 6°C scenario confirm that, assuming the status quo, the portfolio's emissions will reach the level permitted under the 2°C scenario in 2037, but will likely exceed it thereafter. This analysis used data and methodologies provided by Institutional Shareholder Services.

Estimates of portfolio's future greenhouse gas emissions compared to emissions under each climate change scenario

(as of June 30, 2019; assessments performed on scope 1 emissions only (direct GHG emissions of companies))



If greenhouse gas emissions from the companies comprising Sumitomo Mitsui Trust Asset Management's overall portfolio of Japanese stocks continue at the current pace, they will most likely exceed the amount permitted for achieving the 2°C scenario. For this reason, Sumitomo Mitsui Trust Asset Management plans to actively pursue the following initiatives with the objective of reducing emissions.

- Evaluate how investee companies are taking steps to reduce greenhouse gases, promote the use of renewable energy and energy-saving measures, and achieve a carbon-free or low-carbon society by, for example, developing alternative products to those derived from fossil fuels. And through active engagement, encourage them to disclose information about, and take action on, climate change issues.
- Make use of joint engagement opportunities (IICEF, CA100+, PRI, etc.) with other institutional investors and encourage investee companies to disclose information about, and take action on, climate change issues.
- Collaborate with the TCFD Consortium and relevant government agencies and step up activities in Japan and overseas to recommend to stock exchanges around the world that they encourage listed companies to disclose information concerning climate change.

(6) Initiative-Based Engagement and Collaboration between Stakeholders

Both Sumitomo Mitsui Trust Asset Management and Nikko Asset Management are participants in Climate Action 100+, an initiative established by global institutional investor organizations in December 2017 for the purpose of conducting joint engagement activities targeting corporations thought to be major greenhouse gas emitters. This initiative is based on the TCFD and through collaborative engagements with signatory bodies such as the PRI and Ceres, it calls on the world's top 100 greenhouse gas emitters to disclose information. Both asset managers leverage their high profiles in Japan and Asia to take charge of leading engagements in the Asia-Pacific region.

In addition to the above, both Group companies participate in numerous global initiatives and carry out stewardship activities through engagement and the exercise of voting rights, thus encouraging companies to disclose climate change information and urging them to take concrete steps towards addressing climate change issues. This is expected to help improve sustainability at investee companies and by extension, the entire market.

5. Environmental and Social Considerations in Investments and Loans

Policy on investments and loans at SuMi TRUST Bank

Prohibited transactions

- Transactions that are considered immoral, which involve anti-social forces, or where the use of funds is speculative
- Transactions with cluster munitions manufacturers and credit transactions with companies that have material involvement in the manufacturing process through lending and other activities with cluster munitions manufacturers

Transactions warranting special attention

- Coal-fired power generation

  In principle, we do not participate in any new coal-fired power generation projects being considered for construction. That said, we may make exceptions by carefully and comprehensively considering the background, attributes, and other factors of each individual project if it meets strict environmental standards, such as OECD guidelines and power generation efficiency performance.
- Weapons manufacturing

  We avoid lending and other activities in which funds are to be used for manufacturing nuclear weapons, chemical weapons, biological weapons, or other weapons of mass destruction, or for manufacturing inhumane weapons such as anti-personnel landmines.
- Forests

  We engage with timber manufacturers and manufacturers using raw materials from these industries only after carefully checking international forest certifications and taking into full account the existence of any problems involving indigenous peoples and local communities.
- Palm oil

  We engage with palm oil producers and manufacturers using raw materials from these industries only after carefully checking international or local sustainable palm oil certifications and taking into full account the existence of any problems involving indigenous peoples and local communities.

*For more information, refer to our March 31, 2020 press release regarding the reviewing of our policies and an outline of our views on environmental and social considerations for loans.

Initiatives based on the Equator Principles

SuMi TRUST Bank is a signatory to the Equator Principles, global guidelines that call on private financial institutions to fully consider the impacts on the natural environment and local communities when extending project finance and other loans to entities undertaking projects. When making the decision to extend loans, SuMi TRUST Bank conducts a comprehensive risk assessment involving a review of the environmental and societal impacts based on the project's environmental and societal risks, project location, and type of business.

EQUATOR PRINCIPLES

*Refer to pages 129–131 in our 2019/2020 ESG Report for more information.

Signatory to the Poseidon Principles

SuMi TRUST Bank became the first financial institution in Asia to sign on to the Poseidon Principles, an initiative launched by financial institutions to address climate change risks in the marine transportation industry. A signatory to the Principles will, on an annual basis, measure the carbon intensity and assess climate alignment—carbon intensity relative to established decarbonization pathways—of its shipping portfolio using the methodology established by the Principles. SuMi TRUST Bank will also publish the overall climate alignment of its shipping portfolio starting from FY2021.

POSEIDON PRINCIPLES

*For more information, refer to our March 13, 2020 press release regarding signing on to the Poseidon Principles by our subsidiary.

Initiatives at Sumitomo Mitsui Trust Asset Management

ESG Guidelines

As a signatory asset manager to the PRI and with a core focus on the United Nations Global Compact and the values expressed in the SDGs, Sumitomo Mitsui Trust Asset Management (SMTAM) engages with investee companies to help solve their ESG issues and contribute to medium- to long-term corporate value, all the while engaging in ESG-oriented investment activity. SMTAM has established 12 items of materiality in an effort to organize the categories used when evaluating an investee company.

Moreover, for self-managed active products and fixed income passive products, as well as separately established passive products, SMTAM's policy is to no longer purchase new or additional securities issued by any company involved in the manufacture of the following inhumane weapons, and depending on the results of engagement, will divest its current holdings of such securities.

Inhumane weapons: Cluster munitions, anti-personnel landmines, biological weapons, and chemical weapons

ESG Engagement Policy

SMTAM sees engagement as an opportunity to seek best practices from companies and communicates its own views so as to contribute to the enhancement of corporate value over the medium to long term by solving the ESG issues of investee companies. It has designated four key topics, including climate change and the backing of corporate governance reforms, through which it conducts top-down engagement activities. At the same time, SMTAM also employs a systematic bottom-up approach based on 12 items of materiality.

And in addition to its own engagement activities, SMTAM also conducts activities through collaborative engagements by participating in global initiatives that aim to address numerous agenda items, such as greenhouse gas emissions, palm oil, forest conservation, access to medical care, and diversity (appointment of women to management positions).

Initiatives at Nikko Asset Management

ESG Guidelines

Principle 1: Nikko Asset Management (Nikko AM) incorporates ESG issues in investment analysis and decision-making.
Principle 2: Nikko AM is an active owner and incorporates ESG issues into its ownership policies and practices.
Principle 3: Nikko AM seeks appropriate disclosure on ESG issues by the entities in which it invests.
Principle 4: Nikko AM promotes the acceptance and implementation of the Principles for Responsible Investment within the investment industry.
Principle 5: Nikko AM collaborates to enhance effectiveness in implementing the Principles for Responsible Investment.
Principle 6: Nikko AM reports its activities and progress towards implementing the Principles for Responsible Investment.

Nikko AM's commitment to responsible investing.
https://www.nikkoam.com/about/fiduciary/esg

ESG Engagement Policy

Engagement activities at Nikko AM involve the exchanging of opinions in line with an investee company's growth phase from a long-term perspective with regard to not only earnings and financial strategies, but also the management policies, business strategies, shareholder return policies, and ESG issues mentioned in non-financial information already disclosed. Nikko AM engages with a broad range of parties, from the management teams of investee companies, through to their finance departments, business planning departments, and even officers in charge of business operations. Particularly with regard to companies that are reluctant to disclose information, Nikko AM endeavors to reinforce the benefits of engagement by proposing meetings with management.

Nikko AM seeks to realize closer engagements with investee companies with the goal of sharing accurate information about their situation and supporting the creation of medium- to long-term corporate value.

6. Delivering Value to Communities

Delivering value to communities is a means for the SuMi TRUST Group to have a positive impact on stakeholders in a more direct manner. Some initiatives are Group-wide (see below), while others are being implemented independently by Group companies, like the "With You" activities (see page 81). We will look to ascertain the social value that these activities generate so that we might implement more beneficial initiatives in the future.

*Refer to pages 164–194 in our 2019/2020 ESG Report for more information.

UWC ISAK Supporting a school that unearths and nurtures "changemakers" from disadvantaged backgrounds

Initiative	Value generated (particular SDGs emphasized)	KPI
Every year since 2013, the Group has paid for the travel expenses and tuition fees of one scholarship student attending the summer school program of United World College ISAK Japan (Lin Kobayashi, School Founder and Chair of the Board), a school that incorporates the idea of nurturing "changemakers" into its educational philosophy. As of 2020, UWC ISAK Japan has accepted seven participants into the summer school program, most of them being scholarship students from Shanti Bhavan, a school for lower-caste children in India.	• Unearth talented students from disadvantaged backgrounds so they might become "changemakers" and help change the world • Have graduates now active in society address poverty issues in the regions they hail from	The career of students after graduating (where possible, trace the career paths of scholarship students that received assistance)

ESD project Innovative SDG-focused education program that sparks awareness of sustainability in the next-generation

Initiative	Value generated (particular SDGs emphasized)	KPI
The Group collaborates with sustainability and communication company TREE (Masahiro Mizuno, Representative Director) to run a progressive ESD (education for sustainable development) project at mainly schools throughout Japan with the use of visual aids and ICT. Since 2012, 13 sessions of the program have been held at a pace of two per year. In recent years in particular, collaboration with local boards of education across Japan has focused on the education of teachers. Going forward, online classes and other cutting-edge initiatives will be employed.	• Archive of class "making-of" videos • Using themes to create awareness of local SDG issues • Development of innovative ESD methods using mainly ICT	Accumulation of social value generated by each program (recorded video supplied to schools, new method trials, etc.)

Supporting national trusts Supporting national trust activities mainly to protect local ecosystems

Initiative	Value generated (particular SDGs emphasized)	KPI
Since 2005 the Group has teamed up with the Association of National Trusts in Japan and the Ecosystem Conservation Society-Japan (which has a close relationship with the former) to engage in various activities. For example, setting up a donation program to help purchase trust land, hosting panel exhibitions at our branches, cooperating on a joint display at the EcoPro exhibition, and hosting ESD programs on trust land. More recently, most of our activities have focused on supporting regional revitalization.	• Supporting the preservation of Japan's unique environment and ecosystems through land conservation • Supporting regional revitalization initiatives by harnessing the environment as a local resource	• Number of ongoing support programs • Area of trust land purchased through donation programs

Zero plastic waste declaration Implementing Group-wide measures to help reduce ocean plastic pollution

Initiative	Value generated (particular SDGs emphasized)	KPI
In 2019 the Group declared it would aim to achieve zero plastic waste (i.e., plastic discarded without being recycled) by the year 2030. To this end, Group-wide measures are currently being promoted, such as activities that aim to encourage employees not to throw out plastic rubbish, reviewing the Group's material that is often distributed to clients, and changing the material used in windowed envelopes.	• Reducing the amount of plastic used by the Group and making sure plastic is recycled • Making employees more aware by having them tackle a universal environmental problem	All Group companies will switch totally to using windowed envelopes that use Graphan (a pulp-based material) in FY2020


UWC ISAK


ESD project


Supporting national trusts


Zero plastic waste declaration

Multi-stakeholder Partnerships

Goal 17 of the SDGs is about advancing different types of partnerships for the purpose of achieving the goals. In recognizing that finance plays a key role in the formation of a sustainable society, the Group collaborates with various stakeholders, including other financial institutions, places much emphasis on actions that attempt to solve challenging issues, and actively participates in initiatives in Japan and overseas.

Major initiatives SuMi Trust Holdings is a signatory to or participates in

UNEP FI (United Nations Environment Programme Finance Initiative)

United Nations Global Compact (UN Global Compact)

Principles for Responsible Banking (PRB)

Principles for Responsible Investment (PRI)

Principles for Financial Action for the 21st Century

Leadership Declaration under Business and Biodiversity Initiative "Biodiversity in Good Company"

TCFD (Task Force on Climate-related Financial Disclosures)

CDP

About the Principles for Responsible Banking

We became a founding signatory to the Principles for Responsible Banking (PRB) advocated for by the United Nations Environment Programme Finance Initiative (UNEP FI) and launched in September 2019. By focusing on the areas in which our core business has significant impact, setting goals for specific initiatives, and taking action, we hope to make the greatest contributions towards achieving the targets of the SDGs on both a global and local level. Having signed on to the PRB, we are obligated to disclose information about our initiatives every year. We plan to disclose this information for the first time in our ESG Report slated for release at the end of 2020.

Major initiatives SuMi TRUST Bank is a signatory to or participates in

The Equator Principles

The Poseidon Principles

Major initiatives Sumitomo Mitsui Trust Asset Management and Nikko Asset Management are signatories to or participate in (excluding the initiatives SuMi Trust Holdings is a signatory to)

International Corporate Governance Network

Climate Action 100+

AIGCC

Thirty Percent Coalition member
30% Club UK / 30% Club Japan Investor Group member

Access to Medicine

Ceres

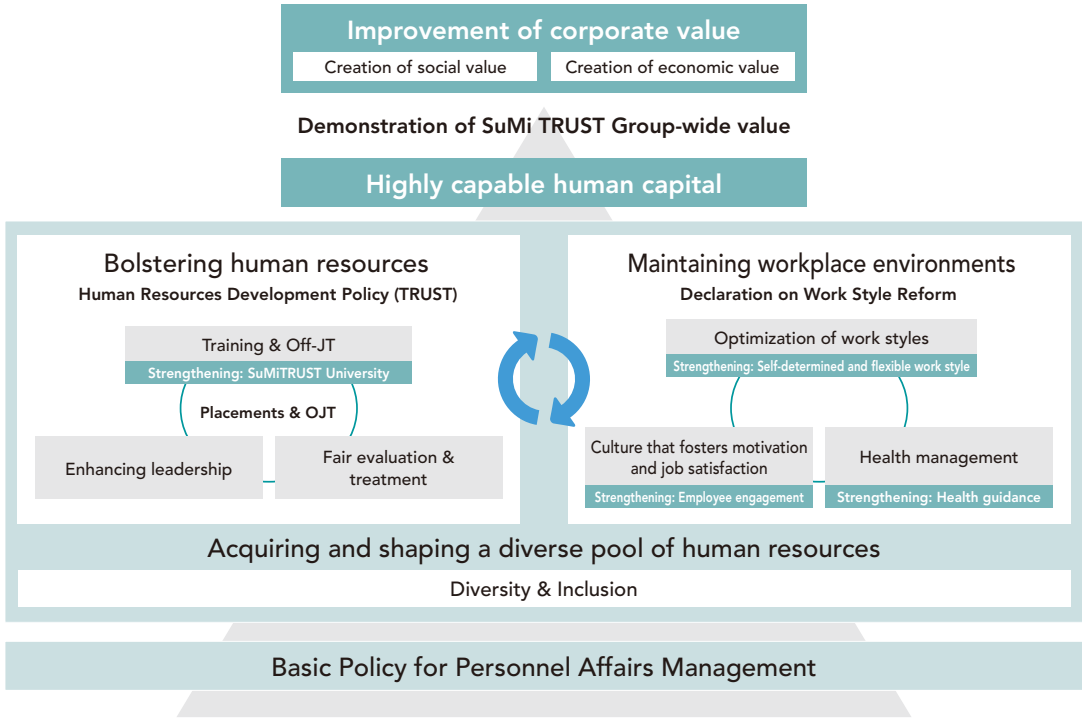
FAIRR

Investor Agenda

*Refer to pages 135–137 in our 2019/2020 ESG Report for more information.

Human Resources Strategy

We consider employees to be one of the key capitals (human capital) at the source of value creation for the SuMi TRUST Group. We also believe them to be the stakeholders to whom the Group delivers direct impacts. In line with the Group's Basic Policy for Personnel Affairs Management and driven by the two-pronged approach of bolstering human resources and maintaining workplace environments based on our principles of diversity and inclusion, we aim to improve the skills of our workforce to deliver total solutions and contribute to the enhancement of corporate value.



Status of the Group of Personnel that Provides Comprehensive Solutions

Number of financial consultants
(number of female consultants shown in parentheses)

March 31, 2019:	**March 31, 2020:**
264 (9)	**267 (17)**

Fellows ("SEI-KAIIN") of the Institute of Actuaries of Japan

March 31, 2019:	**March 31, 2020:**
44	**43**

Number of registered real estate transaction agents

March 31, 2019:	**March 31, 2020:**
5,638	**5,611**

Bolster Human Resources

Number of hours of training held

FY2018:	**FY2019:**
5,145 hours	**5,705 hours**

Number of applicants for voluntary training

FY2018:	**FY2019:**
1,105	**1,338**

Status of positions of female employees
(March 31, 2020)

Executives:	**General manager level postings:**	**Section manager level postings:**
4	**12**	**135**

Maintaining Workplace Environments

Number of leave days used

FY2018:	**FY2019:**
14.9 days	**14.6 days**

Supporting work-life balance

Childcare leave:	**Nursing care leave:**	**Childcare leave for male employees:**	**Cancer treatment leave:**
356 (March 31, 2020)	**177** (cumulative total for FY2019)	**164** (cumulative total for FY2019)	**37** (cumulative total for FY2019)

Number of users of the internal job posting system

FY2018:	**FY2019:**
494	**595**

(All figures are actual results of SuMi TRUST Bank)

1. Diversity & Inclusion

Guided by the SuMi TRUST Group's management principles (mission), we seek to harness the diversity and creativity of each and every individual—the very concept behind diversity and inclusion—and our Basic Policy for Personnel Affairs Management aims to add value to the organization by making full use of the diversity and creativity of all employees. The business model of a trust bank group should aim to offer added value to its clients by leveraging the breadth of diversity throughout the organization. While we have always believed in respecting diversity as an organization, we consider it vital that our employees reaffirm the strengths of the Group so that we can continue to enhance our diversity. SuMi TRUST Holdings and SuMi TRUST Bank have each established a Diversity & Inclusion Office (D&I Office) within the Human Resources Department. SuMi TRUST Bank's D&I Office comprises dedicated employees from the Human Resources Department and business supervising departments. In addition to promoting the diversification of work styles for individual employees, the D&I Office implements measures that best suit the situation of each business with the aim of enhancing corporate value.

	Total	Women	Men
Number of employees (SuMi TRUST Bank)			
March 31, 2020	13,527	7,577	5,950
Number of new graduates hired (SuMi TRUST Bank)			
FY2020	400	261	139

(1) Initiatives for Active Participation and Advancement of Women

Guided by its general employer action plan commitment under Japan's Act of Promotion of Women's Participation and Advancement in the Workplace, SuMi TRUST Bank aimed to have 300 female employees in managerial positions (section manager or higher) by the end of March 2020. This target was achieved ahead of schedule in October 2019 with 357 female employees appointed to such positions. And from April 2020, with the goal of increasing the number of women in decision-making positions, SuMi TRUST Bank formulated a new action plan to have more than 12% of female employees appointed to section manager or higher and more than 30% in charge of management operations by the end of March 2023. Pipeline models have been formulated to facilitate the planned nurturing of employees in each business, while measures are being implemented to bolster their systematic development with a view to future appointments and support career planning. Such measures include rank-based training for women in leadership positions, career design workshops to assist self-determined career planning, and seminars for female employees in which executive officers deliver lectures. In addition, an unconscious bias training session for senior executives was also held as one way of instigating a change in mindset among the management team.

Meanwhile, at branch offices and departments, a bottom-up approach to D&I was adopted by providing opportunities to female employees to think about their own careers by interacting with female employees from other companies.

■ Female executives and managers at SuMi TRUST Bank

	March 31, 2018	March 31, 2019	March 31, 2020
(1) Executives	2 (2.8%)	2 (2.9%)	4 (5.7%)
(2) Women in general manager level positions	6 (2.4%)	9 (3.7%)	12 (4.8%)
(3) Women in section manager level positions	130 (11.3%)	134 (11.8%)	135 (11.7%)
(4) Women in section manager or higher decision-making positions ((2)+(3))	136 (9.7%)	143 (10.3%)	147 (10.5%)
(5) Women in charge of management operations	1,369 (22.6%)	1,423 (23.9%)	1,570 (25.8%)

*Ratio of women shown in parentheses. Executive officers included in (1). Women in assistant manager or higher positions shown in (5), which also includes (4).

(2) Initiatives on Supporting Work-Life Balance

SuMi TRUST Bank has introduced two new leave systems: (1) workplace reassignments for employees whose spouse has been relocated; and (2) leave for employees when their spouse has been transferred overseas. The use of either system will help employees continue their careers without being disrupted by major life events.

Number of system users	
Workplace reassignments in Japan as of March 31, 2020	System for taking leave to accompany spouse transferred overseas, as of March 31, 2020
150	14

Alongside the periodic provision of information to employees on maternity or childcare leave, we are working to create an environment in which employees can actively balance both child-rearing and work by organizing seminars aimed at facilitating their smooth return to work and supporting career development thereafter.

As for balancing work with nursing care, we have distributed a handbook about this subject and hosted a seminar together with the employees' union. Also, in the action plan that kicked off from April 2020, we set a goal of achieving at least 60 evaluation points (considered a positive assessment) in an annual awareness survey on nursing care schemes and corporate culture. In this way, we are working to improve nursing care schemes and foster a corporate culture in which such schemes are more user-friendly. We also have in place a framework that supports diverse work styles; for example, we lend our support to employees requiring cancer treatment so they can balance their hospital visits with work duties, and we also encourage the use of teleworking.

(3) Promoting Active Participation by Diverse Human Resources

• Promoting active participation by disabled persons

The Group aims to be a place where employees can work with motivation and display their talents to the fullest as members of the workplace, whether or not they are disabled. At SuMi TRUST Bank, employees with disabilities work alongside their colleagues at branch offices where they have contact with clients or perform back-office tasks at head office. The Bank also makes efforts to interview employees after they start work to respond to concerns or requests that arise after starting work, and uses the points brought up in the interviews to create an easier working environment from physical and mental perspectives.

Disabled person employment ratio (as of March 31, 2020)	Branch offices and departments with employees with disabilities (as of March 31, 2020)
2.29%	108 branch offices and departments

(SuMi TRUST Bank)

• Promoting active participation of global employees

SuMi TRUST Bank offers training every year to locally hired employees working at its overseas branches and overseas subsidiaries to deepen their understanding of the Group and its operations and to also strengthen networks among participants and respective business lines. In order to facilitate smoother communication with employees of other nationalities, the Bank also organizes a Japanese language course with lessons to assist the learning of Japanese and holds intercultural communication training for supervisors of foreign national employees. With the aim of encouraging the active participation and promotion to management of employees hired at overseas offices, the Bank organizes transfers to offices in different countries or long-term postings to Japan.

Employees also have the opportunity at the end of this training to put into practice what they have learned primarily through promotion and job rotation.

External Evaluation (as of June 30, 2020)

Sumitomo Mitsui Trust Holdings, Inc.

Selected as Nadeshiko Brand by Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange (TSE)

Selected in the White 500 for the third year running by METI and Nippon Kenko Kaigi as an organization having outstanding health and productivity management

Selected by Bloomberg in Bloomberg Gender-Equality Index for second year running

Sumitomo Mitsui Trust Bank, Limited

Selected by METI among winners of New Diversity Management Selection 100 project

Obtained "Platinum Kurumin" certification from Ministry of Health, Labour and Welfare

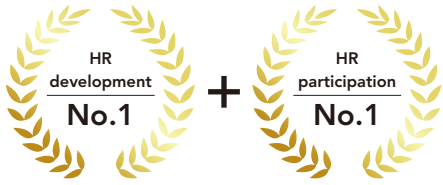
In recognition of its work to address LGBT issues, SuMi TRUST Holdings, SuMi TRUST Bank (awarded Gold in 2017 and 2018) and Sumitomo Mitsui Trust Asset Management collectively received the Gold rating in wwP's Pride Index. Nikko Asset Management was recognized individually.

Membership

Sumitomo Mitsui Trust Asset Management

Thirty Percent Coalition member
30% Club UK, 30% Club Japan Investor Group member

2. Bolstering Human Resource



The SuMi TRUST Group Human Resources Development Policy

The SuMi TRUST Group will maintain its workplace environment and bolster its human resources based on a development spirit consisting of "TRUST," for the growth and career development of the employees who will create our future.

Talent .....Talent (individuality) can blossom
Respect .....Respect each individual
Uniqueness .....Develop true professionals
Support .....Make mutual teaching and support our motto
Try .....Praise small, daily challenges

Based on the "fiduciary spirit of TRUST," the SuMi TRUST Group aims to contribute to our clients and the continuous development of society through the growth of our employees, thereby maximizing the creation of shared value and becoming the corporate group that is chosen by society.

Having set the goal of being the "No. 1 financial group for human resource development," the Group established its Human Resources Development Policy (TRUST) in April 2018. We will also strive to be the "No. 1 financial group for human resource participation," where diverse human resources can play active roles based on this Human Resources Development Policy.

(1) Skill-Raising Human Resource Assignment and OJT*

The SuMi TRUST Group views OJT as the foundation for human resource development. We also focus on assigning employees to roles that awaken their passion for growth and allow them to display their abilities to the maximum extent. In fiscal year 2018, SuMi TRUST Bank introduced a program that enables younger employees to experience multiple work domains within a fixed period. We are also advancing initiatives such as a trust internship program aimed at developing human resources who possess a "high degree of expert knowledge in trust operations" and a "deep understanding of the fiduciary spirit."

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

(2) Enhancing Training and Other Off-JT* Programs

The SuMi TRUST Group has established the SuMiTRUST University to offer group training with the objective of improving employee business skills and management abilities. In addition, many opportunities in the self-development programs encourage employees to continue improving their skills. The company's president serves as the dean of SuMiTRUST University, while the executive officer in charge of the Human Resources Department and an external expert serve as vice deans. The university is a group-wide program that also receives advice regarding management from the graduate school of Hitotsubashi University. From FY2020 we plan to turn SuMiTRUST University into a platform through which employees can discover their own appetite for learning, connect with others around them, and learn from each other. We also intend to enhance the content offered and strengthen the university's infrastructure so that it is more user-friendly.

*Off-the-job training: Workshops, training, and other methods are utilized to provide employees with the knowledge and skills that cannot be acquired through OJT.

(3) Enhancing Leadership

SuMi TRUST Bank offers a program to develop next-generation executive candidates in cooperation with Hitotsubashi University's Graduate Programs. Candidates receive instruction on the values, general liberal arts knowledge, and MBA elements they need for management, and through sessions and courses, they complete the program by presenting a proposal to senior executives. The Bank also provides a leadership development program for female employees to step up to management through various rank-based training. After the employees complete their training, operations are conducted such as providing them with opportunities to practice what they have learned during training in a variety of environments, primarily through promotion and job rotation.

(4) Fair Evaluations and Treatment

Fair and just evaluations and treatment in accordance with abilities, roles, and results form the basis of SuMi TRUST Bank's performance evaluation system. The system used is based on a participatory model, in which employees communicate closely with their supervisors on a daily basis to establish and review specific goals. The process focuses not only issues related to the performance of duties, but formulates and provides feedback on future career development. Also, as a means of obtaining a multifaceted view of personnel, we have introduced an anonymous survey through which subordinates and others can rate the day-to-day management actions of line managers (general managers, deputy general managers, section managers, etc.). By conducting this survey, we can encourage management action reform and foster a culture of interactive communication.

3. Upholding Positive Workplace Environments

Declaration on Work Style Reform

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

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

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

In terms of maintaining workplace environments, we have set up the Work Style Reform Headquarters headed by the presidents of both SuMi TRUST Holdings and SuMi TRUST Bank, and have also formulated a Declaration on Work Style Reform to which the company's management team is committed to achieving. The initiatives we have implemented under this declaration have been rated favorably by numerous organizations (see page 94).

(1) Optimizing Work Styles

With the aim of achieving diverse work styles and work-life balance, SuMi TRUST Holdings actively develops workplace environments in which employees can work at ease and still maintain a good balance between work and personal life. In addition to enhancing its various systems related to childbirth and childcare, including encouraging male employees to take childcare leave (103.2% of eligible male employees took childcare leave in FY2019), SuMi TRUST Bank introduced a new leave system in FY2019 to help employees balance cancer treatment and work.

This fiscal year too we will continue to reduce the volume of work at our branches mainly by expanding the functionality of our internal systems. A reduction in work volume means we can reassign employees with the capacity for an increase in workload to strategic areas and further broaden client interaction by streamlining functions across multiple branches.

(2) Health Management

The SuMi TRUST Group's active initiatives to promote better physical and mental health of all Group employees have been recognized for the third year running with our selection in the White 500 as an organization having outstanding health and productivity management. With regard to physical health, we provide health examinations every year and make reexaminations mandatory. The Human Resources Department and others follow up on every individual to ensure that everyone who requires treatment at a healthcare institution receives it. From FY2020 we plan to focus our efforts more than ever before on health guidance and with the establishment of health promotion centers and other pieces of infrastructure, we will endeavor to engage in a style of health and productivity management befitting of the age of 100-year life. With regard to mental health, we provide line management-based care and carry out stress checks once a year. Group results are provided to the employees' union, and we discuss improvements in workplace environments and make efforts to further improve them.

Specific initiatives

- Establish and adhere to rules for taking breaks between work shifts
- Thoroughly implement attendance management and prevent overwork among all Group employees
- Prohibit smoking in all buildings

(3) A Culture that Fosters Motivation and Job Satisfaction

We work to build a climate that supports challenges and learning and activates bi-directional dialogue toward "providing opportunities for all employees to grow while participating actively with motivation." The SuMi TRUST Group has always encouraged activities that create opportunities for learning, such as circles formed by groups both in-house and outside, and has regularly held lectures by outside instructors. SuMi TRUST Bank encourages employees to independently and voluntarily shape their own careers through changes in job position or through an internal job-posting system. Since fiscal year 2018, we have promoted activities for employees to shape their own futures, which solicit ideas from employees for the creation of new businesses and services. We received a total of 267 ideas from 499 employees group-wide in fiscal year 2019, which has helped improve employee motivation. In order to spread and maintain this culture, it is essential to have good bi-directional dialogue between executives and employees. SuMi TRUST Bank held 31 consultation meetings and informal meetings between union and management in fiscal year 2019. The Bank also uses occasions when employees gather, such as rank-based training, as opportunities for discussion and questions about management policies, leadership, and other topics by the president and other executives.



Seminar by executives

4. Human Rights

(1) Human Rights Management

• Basic philosophy

The SuMi TRUST Group's human rights management is based on the "Guiding Principles for Business and Human Rights," which was adopted by the United Nations Human Rights Council in June 2011. We have established the Human Rights Policy along with the Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy) to respect the human rights of all stakeholders.

Human Rights Policy:

https://www.smth.jp/en/csr/management/human_rights_policy/index.html

• Human rights management system based on the guiding principles for business and human rights

The SuMi TRUST Group works to improve the quality of its human rights management in a PDCA cycle, 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. The SuMi TRUST Group has not had any cases of infringement of human rights in the past three years.

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

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

*2 A check list serves to verify the progress in each department concerned with the Human Rights Management System, such as the status of implementation of human rights due diligence, compliance with the Human Rights Policy, and occurrence of human rights violations.

• Human Rights Due Diligence Liaison Committee

The Human Rights Due Diligence Liaison Committee, chaired by the head of the Sustainability Management Department of the Corporate Planning Department, was established as a joint organization by SuMi TRUST Holdings and SuMi TRUST Bank. The committee investigates how human rights are being addressed at all Group companies, including overseas entities, identifies issues and risks that need to be addressed, and discusses and implements measures for improvement. Based on discussions by the committee, the Corporate Planning Department formulates objectives and plans for the development and reinforcement of the framework of initiatives, and the Human Rights Education Committee chaired by the Head of Human Resources engages in the formulation and implementation of various training programs and education activities concerning human rights issues at all Group companies, branches, and departments.

Training aimed at raising awareness about human rights was held at 261 departments in FY2019. Together with lectures delivered during rank-based training sessions, 403 hours in total were dedicated to human rights, reaching 24,177 participants.

*Refer to pages 160–161 in our 2019/2020 ESG Report for more information on human rights due diligence.

(2) Protecting Various Human Rights

• Initiatives to address Dowa and foreign residents issues

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

• Prevention of sexual harassment and power harassment

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

The Personnel Consultation Desk (LGBT Consultation Desk) responds to various consultations related to human rights and, in cases where a negative impact on human rights is evident, cooperates with the related departments to promptly take measures as needed. In fiscal year 2019, the Personnel Consultation Desk received 68 consultations, of which 27 were situations involving concerns about human rights violations, including harassment. Five of these situations remain unresolved, and we are working with the related departments to settle these cases.

• Initiatives to prevent discrimination against LGBT people

We strive to ensure thorough prevention of discrimination against sexual minorities such as LGBT in hiring or performing their work. Our Personnel Consultation Desk (LGBT Consultation Desk) addresses this issue as an ally (supporter).

• Investments and loans related to cluster bombs

The SuMi TRUST Group refuses to provide loans to foreign or domestic companies that produce cluster bombs, which are recognized as a weapon raising strong humanitarian concerns.

Management Foundation

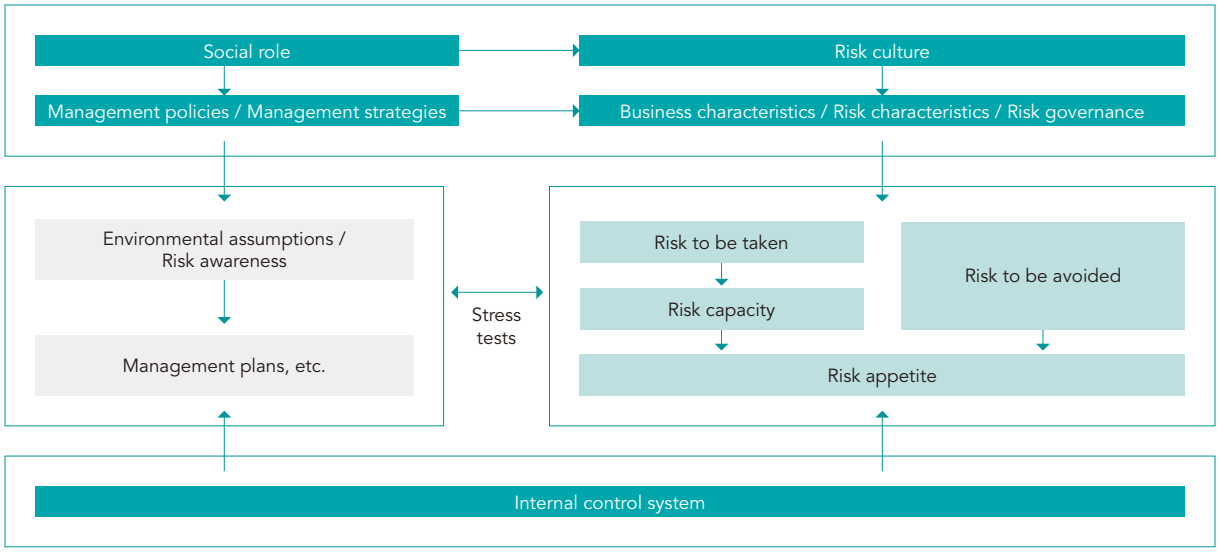
Risk Appetite Framework

1. Positioning of the Risk Appetite Framework

The Risk Appetite Framework (RAF) is a group-wide corporate management framework consisting of the process for determining risk appetite (the type and amount of risk to be willingly taken to achieve the management plan) within the Group's risk capacity, in order to achieve the management strategies formulated by management based on the Group's social role and management principles, together with the internal control system underpinning that process.

The Group's RAF aims primarily to strengthen profitability and enhance risk management, and promote the enhancement of the transparency of deliberation and determination process for the overall risk taking policy in capital allocation and profit maximization, etc. through the setting, communication, and oversight of risk appetite, as well as the optimization and speed-up of allocation of management resources and reinforce the monitoring system through the use of RAF as the universal language of the Group.

■Outline of the Risk Appetite Framework



2. Operation of Risk Appetite

(1) Determining Risk Appetite

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

Under RAF, the Group establishes a risk-taking policy, which is an overriding management policy based on its Mission, Vision, and Value, and takes into account the results of stress tests to set risk appetite indicators, then they are resolved by the Board of Directors. In addition, the Group sets more in-depth risk-taking policy and risk appetite indicators for each business within the scope of policy set by the Board of Directors, which will be then resolved by the Executive Committee.

The risk-taking policy and risk appetite indicators are determined in accordance with the management plan. These are reviewed at any time at least once a year or when necessary.

(2) Monitoring of Risk Appetite

In order to verify that risk taking is carried out appropriately based on its business model, the Group sets separate risk appetite indicators from the perspective of return, risk, and

cost, and monitors them regularly. If the indicators deviate from the set levels, the Group analyzes the cause and implements countermeasures or revises the levels.

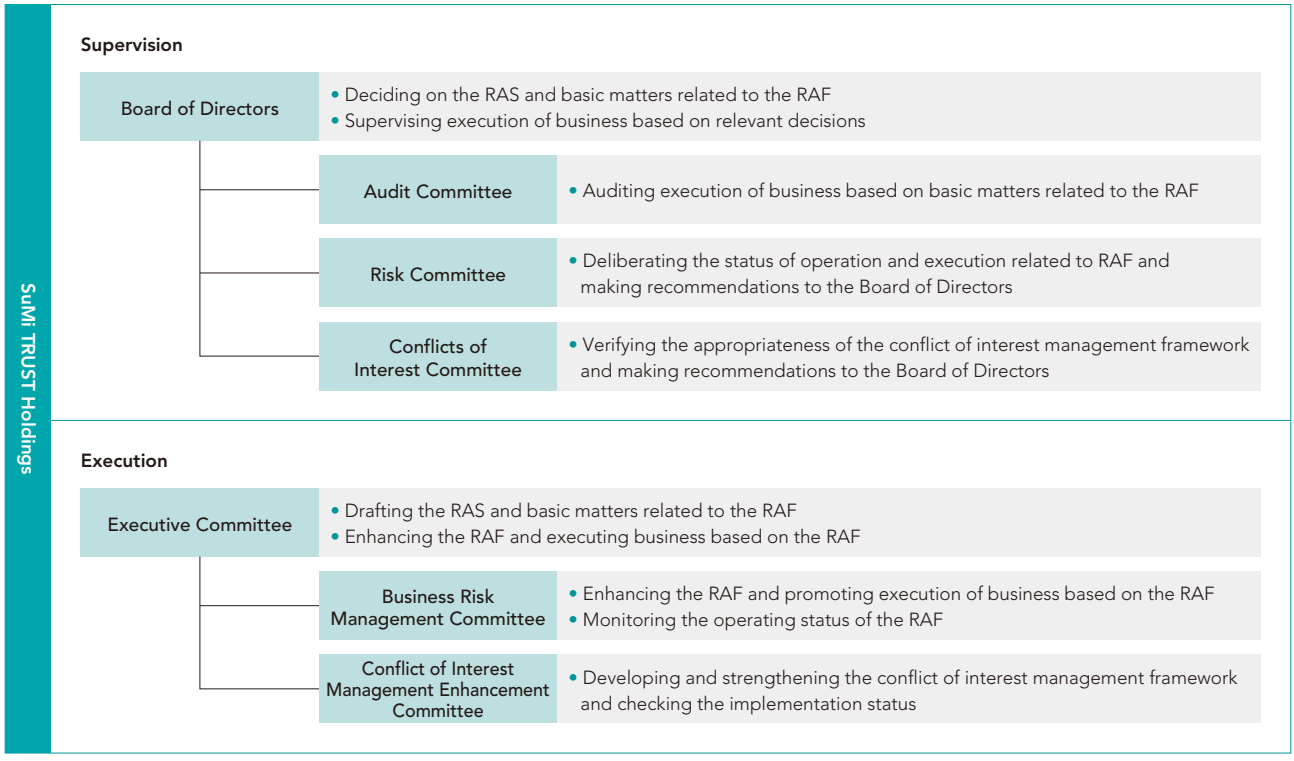
(3) Risk Governance

Risk governance, which forms a part of corporate governance, is a framework for identifying, measuring, managing, and controlling risks, as well as ensuring appropriate risk taking, by clarifying and monitoring risk appetite.

The Group promotes the enhancement of risk governance, with the aim of achieving the sound development of the Group.

SuMi TRUST Holdings strives to enhance the operation of risk appetite through discussions at the Risk Committee and the Conflicts of Interest Committee, etc. as part of its initiatives to enhance corporate governance.

■Risk Appetite Framework Operating System



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

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

In order to foster a risk culture that takes root across the Group, we have formulated risk-taking policies for each business to clarify management strategies, and are endeavoring to have all its employees secure soundness through appropriate risk taking and develop a sustainable business model. In addition, we have formulated a Risk Appetite Statement clearly stating our RAF, which is used as a universal language in lively discussions concerning risk appetite within the Group.

Risk Management

1. Basic Policy on Risk Management

In order to ensure sound management, secure revenue through risk taking based on management strategies, and achieve sustainable growth, the Group follows a basic policy of accurately assessing risk conditions and implementing necessary risk-related measures through a series of risk management activities, including risk identification, evaluation, monitoring, control and mitigation, validation for advancement, and review, 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, and integrates it to function organically within the Group.

2. The Group's Risk Characteristics

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

The Group faces various risks, including credit risk, market risk, funding liquidity risk, and operational risk, which vary depending on the business characteristics of each of the Group's businesses.

As a basis for improving management of risks related to trust business operations, we have established 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.

Reporting is regularly performed regarding whether the overall risk of the Group, combining the risks of each business, is within the limits of risk capacity (soundness and liquidity) that have been determined by the Board of Directors.

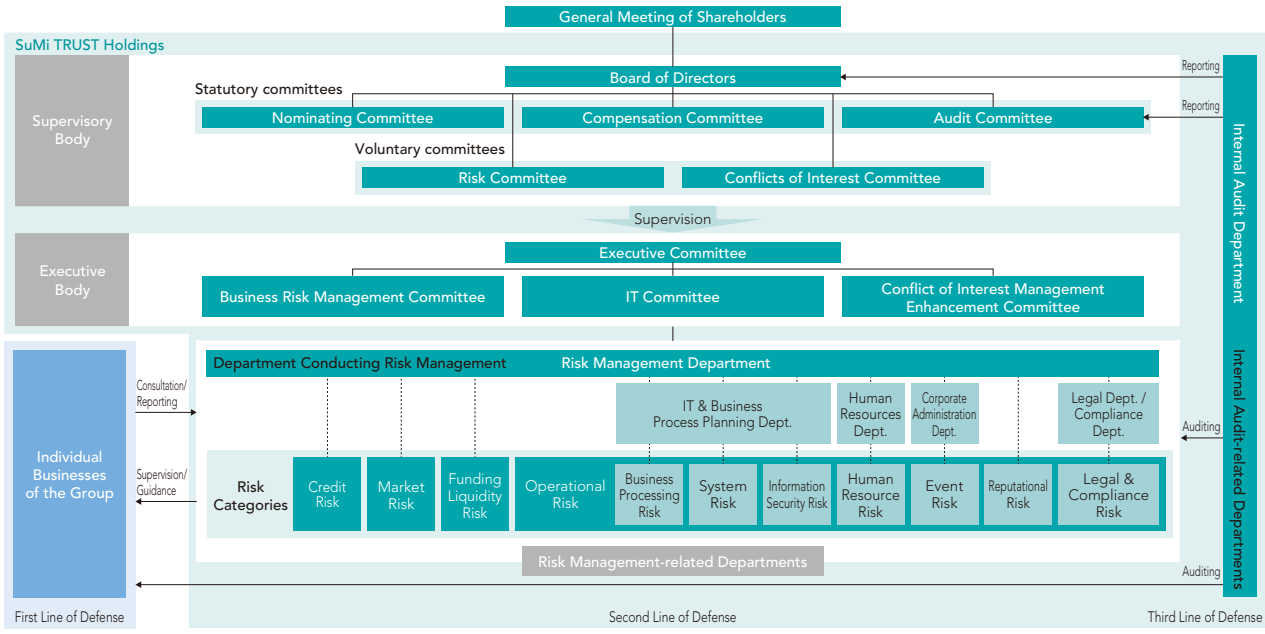
■ Risk Definition

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 countries 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 the Group may incur losses due to inadequate or failed bussiness processes, the activities of executives or 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 or 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.
	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.

3. 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 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).

■Risk Governance System



(1) 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 business engages in risk taking within the established range of risk appetite, and, when a risk materializes, promptly implements risk control at the on-site level.

(2) Second Line of Defense

The Risk Management Department performs overall risk management, identifies and evaluates group-wide risks, creates a risk management process, and sets risk limits in accordance with the group-wide risk management policy determined by the Board of Directors. In addition, it formulates group-wide recovery strategies, in advance, to prepare for cases when risks materialize.

The Risk Management Department and risk management-related departments act as a restraint function for the risk taking of the first line of defense, and supervise and provide guidance regarding the risk governance system.

The Risk Management Department reports on the status of risk management to the Executive Committee and the Board of Directors.

(3) Third Line of Defense

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

(4) 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.

(5) 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, etc. that reflects these strategic goals based on a solid understanding of the location and nature of risks, 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 business circumstances 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.

4. 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.

(1) 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 scale and characteristics of the identified risks. Of note, risks that are particularly important are managed as material risks.

(2) Risk Evaluation

The risks identified as requiring management undergo analysis, assessment, and measurement in a manner appropriate for the business scale, characteristics, and risk profiles. 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 or emerging risks. The former are risks that have the potential to significantly affect the Group's capacity to execute business and achieve earnings targets within one year, while the latter are risks that have the potential to have a significant effect over the medium to long term.

(3) Risk Monitoring

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 contents are reported and submitted to the Board of Directors, the Executive Committee, and other bodies regularly or as needed.

Risk predictor management for top risks, etc.

Risk appetite indicators are defined for risks resulting from internal factors, based on the features of the Group's business model and risk characteristics, and these management indicators are monitored. Regarding risks resulting from external factors, the top risks are selected, and risk predictors are monitored. Countermeasures are implemented based on the monitoring results for both types of risks.

The top risks at present include "the global spread of COVID-19," "falling prices for strategic shareholdings, etc." "concentration of credit to large obligors in the credit portfolio," and "cyber attacks." Along with countermeasures, these risks are reported to the Board of Directors and the Executive Committee.

Emerging risks at present include "climate change," "innovation," and "Japan's declining birthrate and aging population." We are analyzing these risks and considering necessary countermeasures.

(4) Risk Control and Mitigation

If any incidents that could have a significant impact on the soundness of management occur, such as the risk amounts exceeding the 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.

5. Enterprise Risk Management

(1) Enterprise Risk Management System

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

Among the risks we manage through our enterprise risk management, we combine the risk values for risks that can be quantitatively measured using a single standard, such as VaR*, and compare the combined value against our corporate strength (capital position), 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 business, including the Group companies, based on 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 levels. 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 business is operated within both the allocated amount of risk capital and its risk appetite. The Risk Management Department measures the risk amount on a monthly basis, and reports regularly on the risk conditions, 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.

6. Crisis Management

The Group has developed systems to swiftly and appropriately implement emergency and crisis response measures in the event of natural disasters, 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, and strives to disseminate information regarding these systems throughout the organization.

Specifically, we have developed BCPs (business continuity plans) for continuing business in the event of a crisis, after securing the safety of our clients, directors, officers, employees, and their families. In order to ensure the effectiveness of our BCPs, we periodically conduct exercises and revise their content. In addition, we have created a response system in which, in the event of a crisis, an emergency response headquarters is created, which is headed by the President.

For large-scale natural disasters such as earthquake, which are envisioned as having a significant impact, we are enhancing our response system through the preparation of backup offices and backup systems.

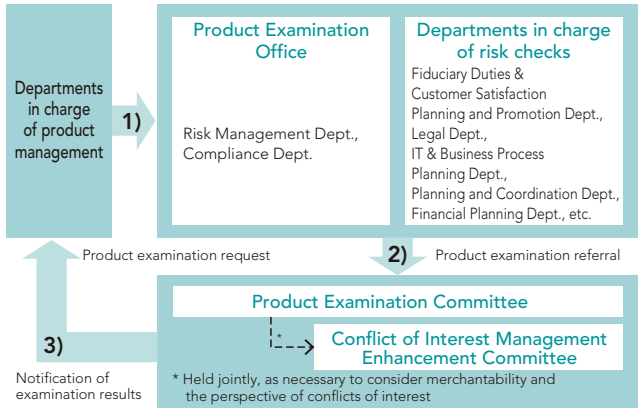
We are also strengthening our security measures at the initiative of management to respond to cyber attacks, which are causing damage throughout society, through the formulation of the "Cyber Security Management Declaration." Specifically, the Group has established SuMiTRUST-CSIRT as an internal organization for gathering information, conducting analysis, implementing measures concerning cyber attacks, and allocating necessary staffing. The Group also works to continuously strengthen human resources and to enhance the management system through collaboration with external specialized agencies. In addition, we are endeavoring to strengthen our ability to respond to incidents through the creation and improvement of manuals, etc. for use in both normal times and emergencies, and periodic training and drills.

In responding to the COVID-19 pandemic, our basic stance is to ensure the health and safety of employees and their families, ensure business continuity as a key piece of social infrastructure, and to prevent the spread of infection in society. We are striving to balance the maintenance of services with safety considerations by establishing an emergency response headquarters, activating our BCPs, and actively encouraging telework.

7. New Product and New Operation Examination System

When introducing a new product or new operation, 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 providing explanatory materials and methods to clients. To that end, we have developed a new product and new operation examination system. In the product examination process, multiple departments carry out verification from various angles, with an emphasis on introducing products and operations that will earn the trust of clients. We also conduct validation through regular monitoring after a new product or new operation has been introduced.

■ Product Examination Process (SuMi TRUST Bank)



Compliance

1. Basic Initiative Policy

The Group has positioned compliance as one of its most important management issues necessary for the realization of "The Trust Bank," its management principles and ideal model, and set out "strict compliance with applicable laws and regulations" in the Codes of Conduct ("Value").

The Compliance Rules formulated by the Board of Directors define the Group's overall basic policy, the standards that directors, officers and employees must follow, and the Group's organization structure for realizing compliance, creating a compliance system befitting "The Trust Bank."

The Group's stakeholders are becoming more demanding every day, and their expectations are rising. Under these circumstances, we aim to meet their expectations and win their trust by not only complying with laws, regulations, and rules, but also by implementing better and best practices.

Compliance-related risks fall under the category of legal & compliance risk, which is a sub-category of operational risk.

2. The Group Compliance Framework

The Group formulates the Compliance Program, which consists of specific practice plans for implementing compliance within the Group each fiscal year, with the approval of the Board of Directors, and the Board of Directors periodically receives reports on the progress and evaluation of the Compliance Program.

SuMi TRUST Holdings manages the compliance framework for the entire Group in order to create an appropriate framework in line with the characteristics of operations of each Group company. This is done by formulating the companies' Compliance Programs and providing guidance and oversight on the progress and achievement status of these programs.

3. Initiatives to Foster Compliance Awareness

The Group has created a Compliance Manual containing explanation of laws and regulations that must be followed and actions to be taken in the event of the discovery of compliance infractions, with the approval of the Board of Directors, and employees across the Group are thoroughly informed regarding its contents.

We are also improving compliance education to promote the fostering of compliance awareness throughout the entire Group. Specifically, we provide training materials for e-learning and discussion-based study sessions on themes shared by the entire Group. In addition to the training using the materials mentioned above, each Group company implements training and study sessions in accordance with the characteristics of their operations and products and the attributes of their clients, as well as e-learning on specific themes, to foster compliance awareness among employees.

Furthermore, in order to accurately grasp the status of the penetration of compliance awareness, the Group conducts awareness surveys on compliance at major subsidiaries and elsewhere to understand and improve any issues found out.

4. Hotline System

The Group has established a compliance hotline system through which all directors, officers and employees can report violations directly to the Compliance Department and an external attorney's office. This hotline system enforces the rigorous control of information and protection of privacy to ensure the protection of whistleblowers, and strictly prohibits their adverse treatment. Simple reporting functions have also been put in place, including by telephone (the external attorney's office) and through a Web-based system (in-house point of contact (SuMi TRUST Bank)).

An accounting hotline system has also been established for the reporting of inappropriate accounting.

5. Prevention of Money Laundering*1

The Group has released its "Anti-Money Laundering Compliance Policy" with the approval of the Board of Directors, and made clear its resoluteness in standing up to money laundering.

We oversee the status of the anti-money laundering framework's development and provide guidance on improving the framework at each Group company through periodic risk assessment on the framework. This effort is to prevent abuse of financial services within the entire Group including overseas bases. For risks that are identified, each Group company implements risk control measures according to risks. For instance, SuMi TRUST Bank carries out additional confirmation according to the transactions' content, and it verifies, using an AML system*2, whether any illicit transfers between accounts have taken place, and has a system in place for employees, when coming across transactions suspected to be related to illegally obtained money or used to finance terrorism, to immediately report to the person in charge, who notifies the relevant authorities. We also work continuously to improve the system, for example by enacting special provisions in response to the Financial Services Agency's publication of its Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism.

In addition, we support internal training programs by each Group company and employees' acquisition of specialized certifications on anti-money laundering. Internal training programs on anti-money laundering are provided periodically.

*1 Money Laundering is the act of hiding a source of money obtained illegally (for example, through the sale of illegal drugs) by routing it through multiple bank accounts or financial instruments. Terrorists and perpetrators of remittance scams are examples of people who may abuse the accounts of financial institutions. It is the responsibility of financial institutions to prevent the misuse of financial services. Such efforts are referred to as "money laundering prevention countermeasures."

*2 AML system: Anti-Money Laundering system

6. Initiatives to Prevent Bribery

The Group, with the approval of the Board of Directors, has published its "Anti-Bribery and Corruption Compliance Policy," and under the supervision of the management team, implements anti-bribery and anticorruption programs. We review and strengthen the programs through regular assessment of risks related to bribery and corruption, and endeavor to improve the framework for prevention of bribery and corruption. We do this by taking such measures as fostering a close-knit collaboration between our overseas bases and local legal offices to allow for swift and proper responses at overseas bases, where such risk is high.

In addition, the Group provides directors, officers and employees with regular training each fiscal year. Also provided is additional specialized training for employees at departments with a high potential risk of facing bribery, and written pledges for compliance are obtained from the employees.

7. Response to Antisocial Forces

The Group has declared its resolute stance against antisocial forces in its Codes of Conduct ("Value") and takes initiatives to prevent transactions by antisocial forces. The aim is to realize "The Trust Bank," the Group's management principles, and ideal model. Specifically, we have incorporated a clause to exclude organized crime from transactions in various products, services, etc., and established a framework to prevent transactions with antisocial forces by checking with a database operated by the National Police Agency, via the Deposit Insurance Corporation of Japan, before providing new personal loans, etc. In cases in which the counterparty in a transaction is found to be an antisocial force after the commencement of a transaction, we take measures in close coordination with the police and other external expert organizations for the eventual cancellation of the transaction.

In addition, we provide directors, officers and employees with training for the prevention of transactions with antisocial forces each fiscal year to strengthen awareness of preventing such transactions.

8. Initiatives to Prevent Insider Trading

Through its "Rules on Insider Information Management," the Group strictly regulates the handling of information that may be obtained during the execution of working duties.

In addition, we have established a framework for regular training on prevention of insider trading, and we obtain written pledges for compliance with internal rules from directors, officers, and employees.

Compliance with International Financial Regulations

1. Compliance with Finalized Basel III Reforms

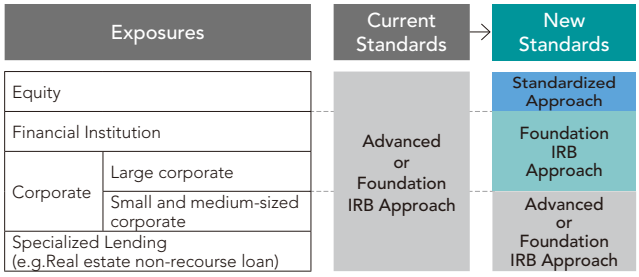
Triggered by the financial crises in 2008, the Basel Committee on Banking Supervision (BCBS) made the agreement to implement new regulations, called "Basel III." Basel III includes the implementation of higher capital requirements, leverage ratio and liquidity requirements. In Japan, Basel III has been implemented in phased manner from the end of March 2013.

Subsequently, in December 2017, an international agreement was reached on "Finalized Basel III," which aims to constrain the use of internally modelled approaches by banks and to introduce a new capital floor based on the standardized approaches to the risk-weighted assets measurement approach in the calculation of the capital adequacy ratio.

"Finalized Basel III" is required to be implemented from 2023.* The Group will work to secure the target level through the future accumulation of capital and other means, and promote appropriate profitability and portfolio management to establish a framework for introducing tighter capital requirements.

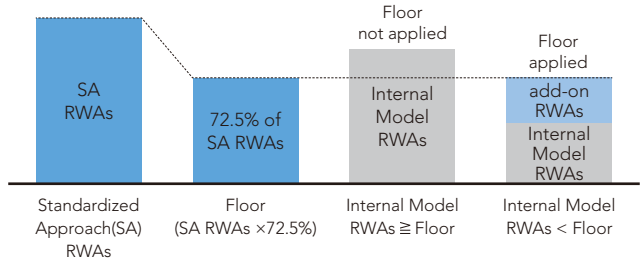
*The implementation has been postponed for one year from the original schedule to give priority to fighting the COVID-19 pandemic.

Conceptual Diagram of Risk-weighted Assets Measurement Approach for Credit Risk



Standardized 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.
  * As for the applicable multiplier of the floor, starting at 50% in 2023, it will be raised by 5% each year to 72.5% in 2028.

2. Strengthening of Regulations on Non-Financial Risk Areas

Regarding financial risks, BCBS made the agreement on Basel III as described above, and major frameworks for various liquidity risk regulations and Single Counterparty Credit Limit (SCCL) are close to being determined and although minor modifications of details are still needed, the hardest part is over. With this background, international organizations and the financial authorities of each country are focusing on tightening and enhancing regulations on non-financial risk areas. Specific examples include:

- Conduct risk
- AML/CFT (Anti-Money Laundering and Countering the Financing of Terrorism)
- Cybersecurity
- Subcontractor (third party) management
- Strengthening business continuity framework (operational resilience)

While remaining vigilant on cybersecurity and subcontractor (third party) management, the international community has recently focused on "operational resilience," which aims to maintain the critical functions of financial institutions, in light of the fight against the COVID-19 pandemic, which is expected to be prolonged. Financial institutions are increasingly called on to further strengthen their business continuity systems to ensure their ability to provide socially important financial services without interruption even under new circumstances that are different from the disaster scenarios that were assumed in the past.

The Group, as a trust bank entrusted with the management and administration of the assets of our clients, is committed to further strengthening and enhancing the framework of asset management and administration, while paying close attention to these global regulatory trends.

Framework for Compliance with International Financial Regulations

Overall supervision	Corporate Planning Dept. (Global Business Management Office)
Capital adequacy ratio/ Liquidity requirements	Risk Management Dept., Financial Planning Dept.
Extra-territorial application of laws Conduct risks	Compliance Dept. (Global Compliance Office)
Support for regulations for overseas bases	Global Business Planning and Coordination Dept.*, Global Markets Business Planning Dept.*, Fiduciary Business Planning Dept.*, Asset Management Business Planning Dept.
Cybersecurity	Risk Management Dept., IT & Business Process Planning Dept.
Overseas Office Recovery & Resolution Planning	Corporate Planning Dept. (Corporate Information Office), Risk Management Dept.

*SuMi TRUST Bank

Internal Auditing

1. Basic Initiative Policy

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

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

2. Internal Auditing Implementation System

(1) SuMi TRUST Holdings

1) Organization

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

2) Functions and roles

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

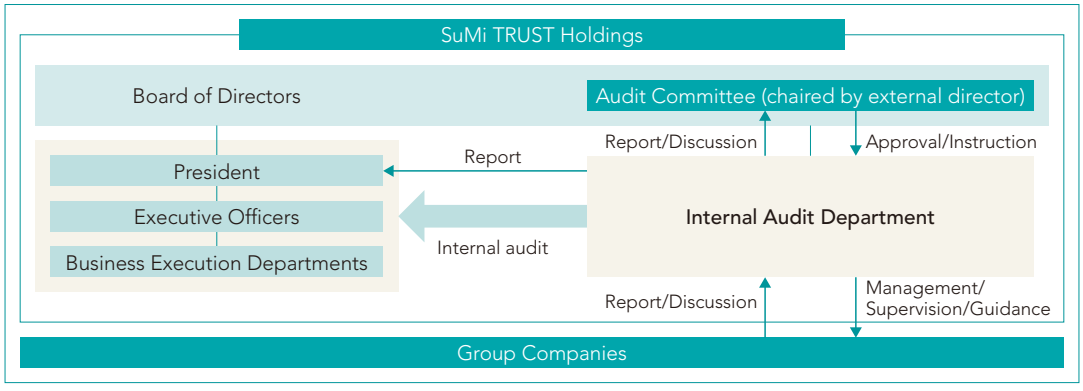
In addition, the Internal Audit Department, as the department supervising the Group's internal auditing, receives consultations from each Group company regarding the audit plan, and confirms its consistency with the basic policy. The Internal Audit Department carries out internal audits in collaboration 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 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 formulates an internal audit plan in line with the basic policy on internal audits set by the Company, which is approved by the Board of Directors after consultation with the Company.

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

■ The SuMi TRUST Group



Client-Oriented Initiatives

1. Providing Value to Clients

In an era of dramatic environmental change, the needs of both individual and corporate clients to build, manage, and review their assets and plan for succession are becoming increasingly complex, and their needs for trustworthy financial institutions are growing. The SuMi TRUST Group aims to be the "Best Partner" providing the greatest value to individual and corporate clients by accurately understanding their needs and providing total solutions that include a wide range of highly specialized products and services as the best way to address those needs. To this end, as the only independent financial group specialized in trust banking in Japan, along with striving to be completely client-oriented, we have established a stringent conflict of interest management framework, which allows us to make effective use of the comprehensive capabilities that combine trust and banking functions, as well as the various trust functions within the Group.

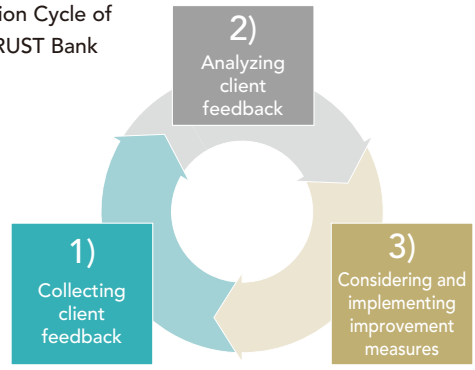
In April 2020, in order to further advance client orientation and customer satisfaction as sources of differentiation, we integrated our Fiduciary Duty (FD) unit (which promotes client-oriented business operations) with our Customer Satisfaction (CS) unit (which strives to improve customer satisfaction), thereby strengthening our efforts to improve our business quality management capabilities.

2. Enhancement of Customer Satisfaction

(1) Initiatives to Link the "Voice of Customers" to Enhanced Customer Satisfaction

1) SuMi TRUST Bank receives a large amount of opinions and requests through its branch offices across Japan, telephone centers, the Group's website, and various questionnaires. 2) In order to realize customer satisfaction by utilizing the hundreds of thousands of feedback we receive each year, we use the "CS Voice of Customers Portal," which is a system to analyze client feedback. We are striving to meet our clients' needs by making client feedback "visible," so that we can better "recognize" such needs. 3) Furthermore, regarding opinions and requests received from clients, branches and the head office cooperate to investigate and analyze the causes, and identify problems. Based on the results, we search for improvement measures, and strive to provide better products and services.

CS (Customer Satisfaction) Promotion Cycle of SuMi TRUST Bank



(2) Product Development Capabilities Supporting Total Solutions

In order to leverage the flexibility and expertise of its various financial and trust functions as a financial group specialized in trust banking, and put together an extensive lineup of unique and sophisticated products and services that are essential to providing total solutions, the SuMi TRUST Group focuses on promoting group-wide initiatives that combine the expertise of each business and Group company, rather than simply using their strengths and know-how. In this manner, the SuMi TRUST Group is creating a product development system that carries out medium-term, ongoing research activities on themes that would be difficult to categorize within the domains of individual businesses or Group companies.

Specifically, SuMi TRUST Bank has established a product development department in each business, as well as the Business Research and Development Department, and a product development off-site meeting as its product development organization. The product development departments in each business analyze the client needs that have been collected in the course of business, and engage in improvement and development, mainly of products for immediate application, including reviews of existing products and design of new products. In addition, the Business Research and Development Department, which was established as a dedicated unit primarily for the development of trust products, serves as the engine that drives product development and provides development support for each business, while carrying out plan-

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

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

(3) Technologies to Support Total Solutions

As digitization progresses at a rapid pace, the SuMi TRUST Group regards digital reform initiatives as one of its most important management strategies.

SuMi TRUST Bank introduced AI assisted automatic forecast analysis to understand the changing client needs due to the advent of the age of 100-year life and make proposals that are more client focused and appropriate. At trust type next generation branches, we provide consultation spaces that can comfortably accommodate clients together with their family members spanning multiple generations, while actively utilizing digital technologies such as introducing new tablet devices. In this manner, we will transform branches from places to handle procedures to spaces for consultation.

By providing total solutions through the optimal combination of consulting and digital technologies, we will continually strive to provide a client experience that exceeds their expectations.

3. Initiatives Related to Fiduciary Duties (FD)

(1) Practicing Fiduciary Duties

The aim of the SuMi TRUST Group to be the "best partner" for clients is based on our client-oriented spirit. The Group has hitherto endeavored to be completely client-oriented given that a fiduciary spirit is essentially ingrained into our DNA. To this end, since we formulated and released our Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group (the "Policies") in September 2016, we have continued to further strengthen our initiatives by revising the Policies whenever necessary.

■ The Group's FD Promotion and Supervision System

	Organization		Initiatives
SuMi TRUST Holdings	Board of Directors	Conflicts of Interest Committee	• Supervise conflict of interest management for the Group, monitor FD progress
SuMi TRUST Bank	Executive Committee	Conflicts of Interest Management Enhancement Committee	• Discuss important cases • Guide the improvement of relevant departments
SuMi TRUST Bank	Department in charge	FD/CS Planning and Promotion Dept.	• Promote FD within the organization
SuMi TRUST Bank	Department in charge	Compliance Dept.	• Enhance conflict of interest management
Group companies	Group-wide	Fiduciary Duties Discussion Panel	• Consult with each company and incorporate discussions into each company's FD activities

We believe that the practice of fiduciary duties depends on "significant expertise" that our clients can rely on, "consulting practice" that offers clients optimal options according to their individual needs, and "stringent conflict of interest management." The SuMi TRUST Group has put in place an extensive organizational structure from the management level to the working level, and strives constantly to enhance its initiatives in this area.

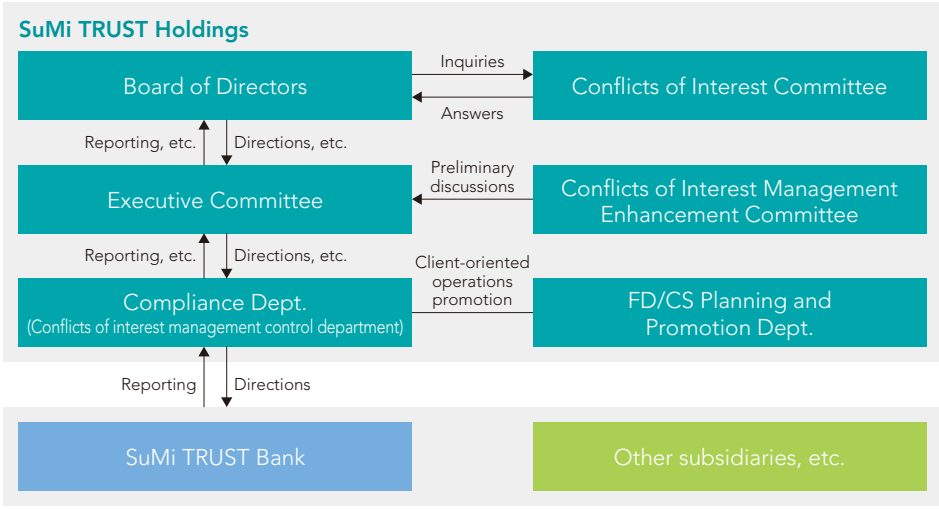
The SuMi TRUST Group makes public indicators that allow confirmation of the status of initiatives and Key Performance Indicators (KPIs) aimed at becoming our clients' "Best Partner," in order to communicate the results of these initiatives in a simple manner. These indicators are revised each fiscal year, and include the common KPIs, which are common indicators comparable across investment trust distributors.

(2) Conflict of Interest Management

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

Furthermore, we have established a system in which the Compliance Department, which is the department that controls conflict of interest management independently of sales divisions, regularly verifies the effectiveness of conflict of interest management across the Group. The results are regularly reported to the Board of Directors, etc., and improvement and direction are carried out continuously, as needed.

■ Conflict of Interest Management Framework*



Conflicts of Interest Committee Members

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

Member: Takeshi Suzuki
External Director,
SuMi TRUST Holdings

Member: Akiko Hosokawa
Partner, Baker & McKenzie

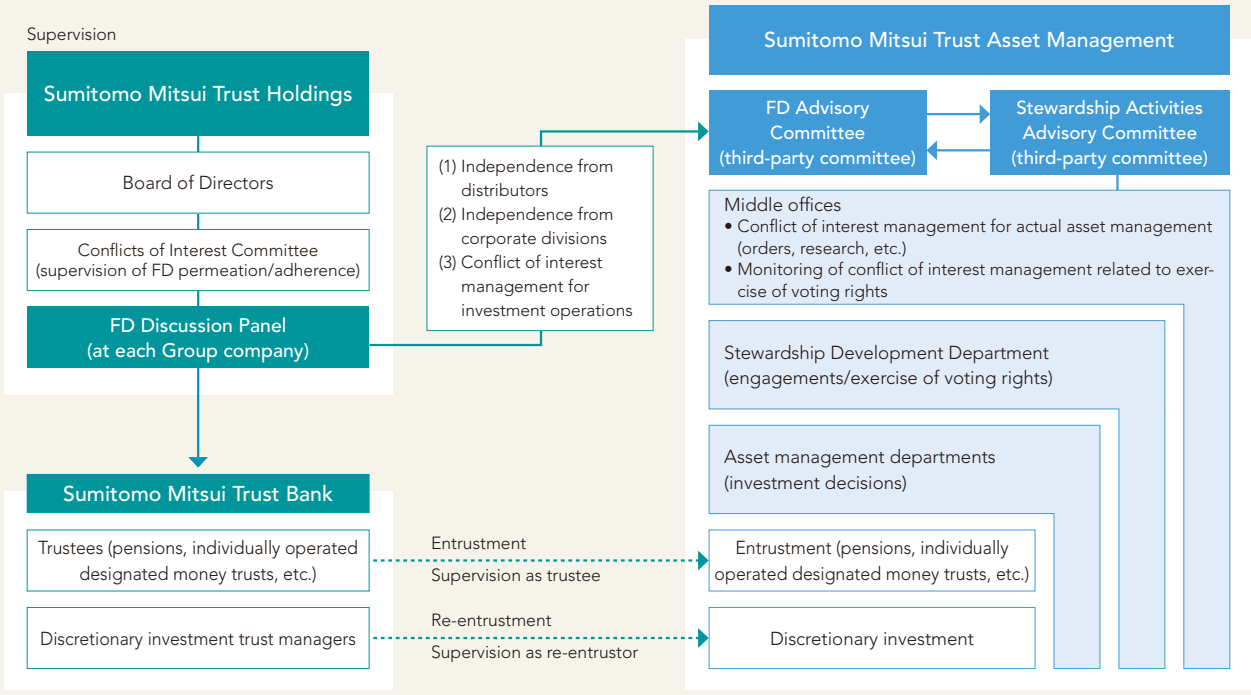
Member: Yutaka Nishida
Director, Senior Managing Executive Officer
(Representative Executive Officer)
SuMi TRUST Holdings

* For the specific role of the Conflicts of Interest Committee, please refer to page 73.

In addition, the Group has established the Conflicts of Interest Committee in an effort to enhance the effectiveness of the Group's conflict of interest management framework. The majority on the Committee consists of external members. It serves as an advisory body to the Board of Directors and receives verification of the appropriateness of the Group's conflict of interest management. The summary of agendas of the Committee has continuously been made available for public review.

With respect to our conflict of interest management system for stewardship activities, the Conflicts of Interest Committee has established a Stewardship Services (SS) Working Group composed of third-party members from the external committees of the Group's asset management companies. The aim is to strengthen information coordination and oversight functions on the Group-level SS activities.

Conflict of Interest Management System for Stewardship Activities

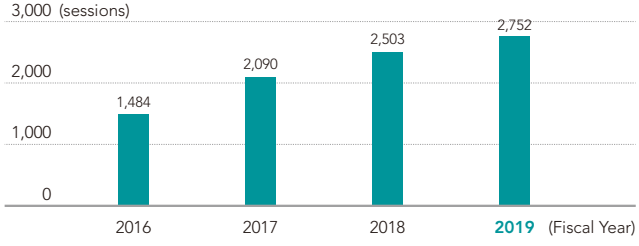


(3) Status of Initiatives Aimed at Becoming Our Clients' "Best Partner" and Key Performance Indicators (KPIs)

The SuMi TRUST Group regularly makes public indicators that allow confirmation of the status of initiatives aimed at becoming our clients' "Best Partner." These indicators are revised periodically as we promote and enhance these activities.

Initiatives in Connection with Financial Education and Literacy Improvement of Clients

Number of Seminar Sessions Held

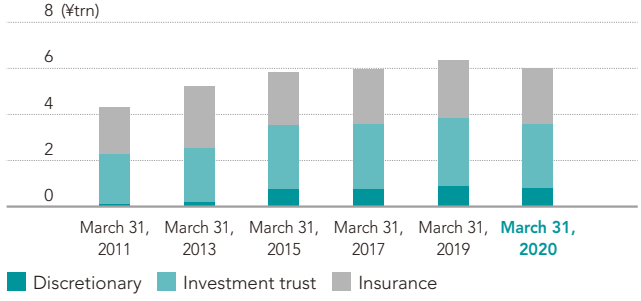


*Number of seminar sessions held for individual clients at SuMi TRUST Bank

We are making efforts to hold seminars, for example our "Asset Management Seminar" and "Inheritance Strategies Seminar," as opportunities to offer clients useful, specialized knowledge in an easy to understand manner.

Offering a Wide Range of Products and Services that Meet the Diverse Needs of Clients

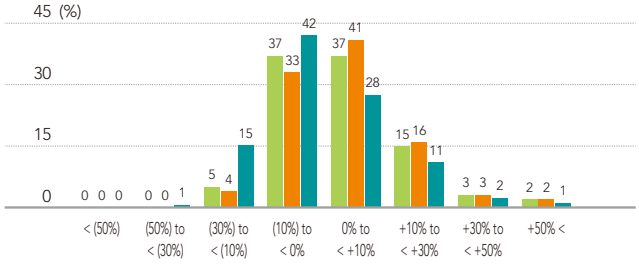
Comprehensive Offerings Drive Growth in Balances of Investment Trusts, Discretionary Investment Management Products, and Insurance



To meet the diverse needs of our clients, SuMi TRUST Bank offers a wide range of high-quality products and services, including investment trusts, discretionary investment management products, and insurance products, which continue to be highly popular with clients.

Improving Investment Returns for Clients

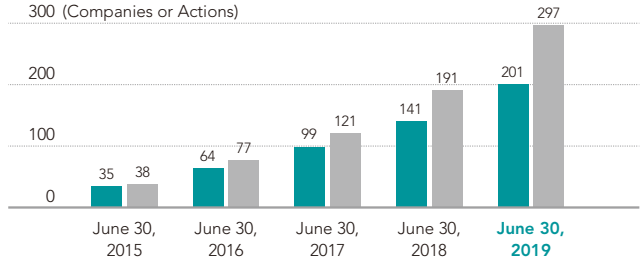
Spread of Clients with Investment Trust Gains/losses, Including Realized Profit and Loss



While investment gains/losses fluctuate depending on market trends and other factors, we make every effort to improve returns and realized profits/losses for our clients. To this end, when proposing investment products to our 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 strive to maintain an ongoing dialogue with our clients. The spread of client gains/losses on March 31, 2020 was negatively impacted by the decline in stock prices associated with the COVID-19 pandemic. However, the investment management climate improved with the subsequent recovery of the market, and as of May 31, 2020, the percentage of clients with investment trust gains had risen to 57%.

Enhancing Asset Management

Number of Companies and Number of Cases Where Corporate Action was Taken



As a responsible institutional investor, Sumitomo Mitsui Trust Asset Management pursues stewardship activities such as an engagement activity ("purposeful dialogue" with investee companies, conducted to encourage improvement of corporate value and the sustained growth of the investee company) and the exercise of voting rights aimed at medium- to long-term growth in corporate value. Through these activities, we are working to increase our clients' medium- to long-term investment returns. The number of corporate actions has been rising and now totals 297, indicating that engagement activities by Sumitomo Mitsui Trust Asset Management are being accepted by investee companies.

R&I Customer-oriented Investment Trust Sales Company Rating

SuMi TRUST Bank has earned an R&I Customer-oriented Investment Trust Sales Company Rating of "S" for two consecutive years.

The rating is based on R&I's neutral third-party evaluation of banks, securities companies, and other financial enterprises engaged in the sale of investment trusts. The rating assesses their "customer-oriented business operations" and their policies and initiatives in this area. The SuMi TRUST Group will continue to pursue client-oriented initiatives and promote their adherence as we strive to be a "Best Partner" whom our clients entrust with their business for many years to come.

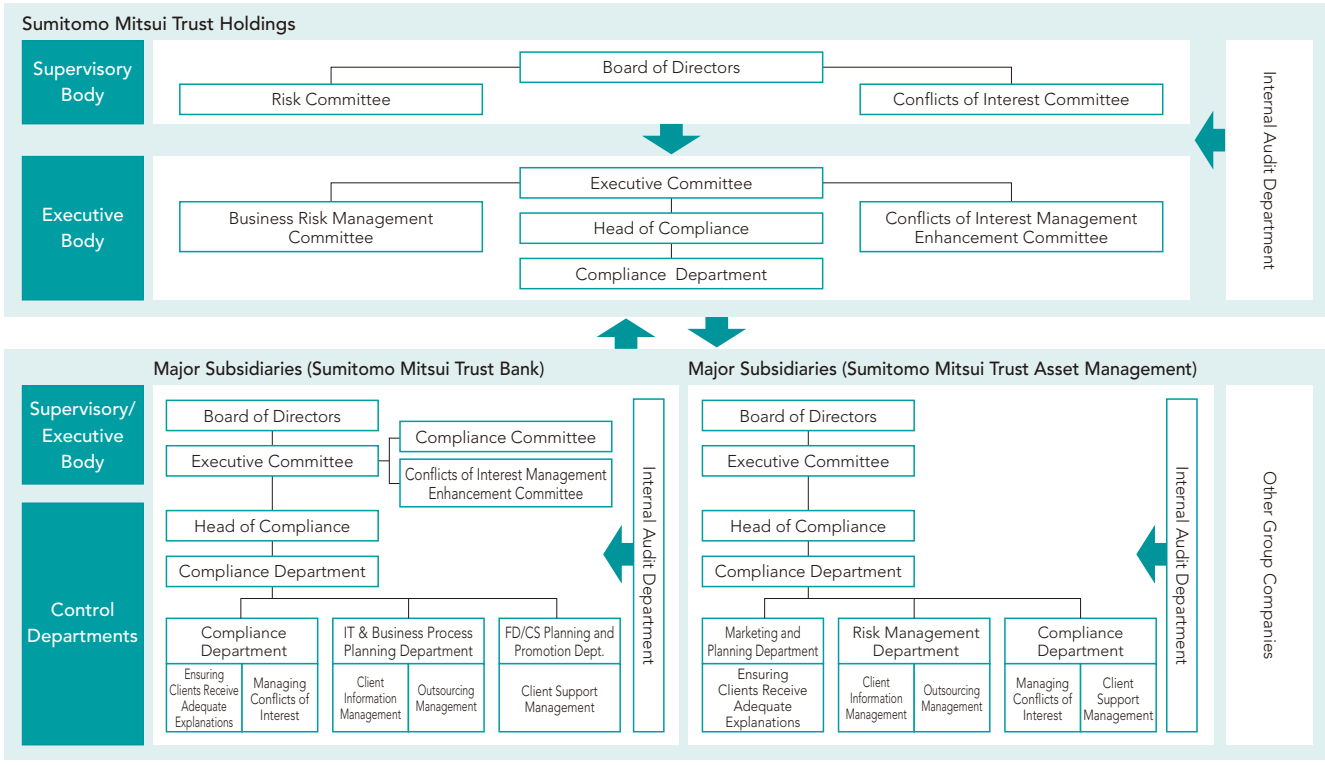
*The "R&I Customer-oriented Investment Trust Sales Company Rating" ("the rating") is not a statement of fact. Rather, it represents R&I's opinions regarding the "customer-oriented business operation" initiatives of companies engaged in the trust investment sales business. Though R&I uses information that it deems to be reliable when carrying out the rating, it does not independently verify the accuracy of this information. Furthermore, R&I, etc. does not guarantee the accuracy or integrity of this information, nor does it endorse the purchase, sale or holding of any specific product nor guarantee the future performance of any such product. All intellectual property rights (copyrights, etc.) and any other rights pertaining to the rating belong to R&I, and any reproduction or republication without permission is prohibited.

4. Initiatives for Management of Client Protection, Etc.

(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 Client Protection Management Rule designed to enhance the Group's client protection and convenience, to enable the Group companies to develop appropriate client protection management systems in accordance with the characteristics of their own operations. Based on the basic policy, each Group company has established the control departments for client protection management and supervisory departments according to functions. The control departments 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 departments develop frameworks for each function, and ensure appropriateness and sufficiency of each function through guidance for related departments, and training expansion, and improvement.

■Client Protection Management Framework



(2) Ensuring Clients Receive Adequate Explanations

When providing financial products and services, the SuMi TRUST Group provides appropriate and sufficient explanations and easy-to-understand information so that our clients understand and are assured about the products and services. Specifically, we have created a client protection management framework, such as thoroughly enforcing the suitability rule,* creating a client explanation manual that stipulates appropriate provision of information to clients, etc. and expanding and improving training, based on the solicitation policy regarding provision of financial products and services and the Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group.

In particular, we monitor whether appropriate explanations are provided to our clients to ensure their understanding in transactions involving financial products that may pose risk, including investment trusts and life insurance. We revise our solicitation rules, as necessary, to ensure that solicitation and sales activities for financial products are conducted appropriately from the perspective of the clients.

*Rules that prohibit inappropriate solicitation in view of clients' knowledge, experience, financial position, and purpose of transactions.

(3) Client Information Management

The Group has established the Sumitomo Mitsui Trust Group Privacy Policy to securely protect the personal information of its clients for establishing a framework for appropriately managing client information. When using 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.

The 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 important information, including personal data they come across while working, confidential.

Communication with Shareholders and Investors

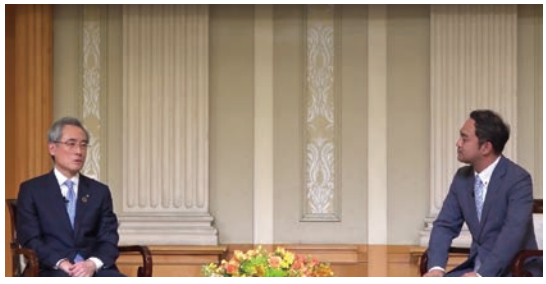
1. Basic Philosophy

SuMi TRUST Holdings aims for highly transparent corporate management by striving for timely and appropriate disclosure of corporate information, as well as through proactive IR activities and constructive dialogue with shareholders and investors in Japan and overseas. Specifically, our top management endeavors to give our shareholders and investors a deeper understanding of SuMi TRUST Holdings' performance, business conditions, business strategies, etc., directly by actively holding information meetings, in addition to disclosing corporate information in a timely, fair, and accurate manner.

2. Activities Carried Out

(1) Activities for Individual Investors

We strive to provide information that will allow individual shareholders and investors to better understand the Group through measures such as organizing information meetings, setting up a dedicated website for individual investors, and distributing a newsletter for shareholders ("The Trust Newsletter– Business Report"). At an information meeting held in December 2019, we communicated the attractiveness of the SuMi TRUST Group to investors in an easy-to-understand manner, through a dialogue with Mr. Shunji Nishimura, an announcer with CBC Television Co., Ltd.



For details, please see our website (Japanese only).
https://www.smth.jp/investors/individual_meeting/index.html

(2) Activities for Institutional Investors

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

In June 2019, we hosted a guided tour and information meeting at the Nihonbashi Business Department located in the historic Mitsui Main Building, which has been designated an important cultural property of Japan. In September of the same year we held SuMi TRUST IR Day under the theme of environmental, social and governance (ESG) initiatives. Discussions focused on the relationship between business and sustainability and how the Bank, as a financial group specialized in trust banking, contributes to the realization of a sustainable society through its businesses.

In response the COVID-19 pandemic, which has made domestic and overseas travel difficult, we are nevertheless continuing to dialogue with investors by actively utilizing conference calls, video conferencing, and similar means.



SuMi TRUST IR Day

IR Activities Carried Out in FY2019

Investor meetings on financial results for analysts and institutional investors	2 times
Overseas IR events	8 times
One-on-one meetings with institutional investors in Japan and overseas	Number of companies: 267 (including 134 overseas investors)
Information meetings for individual investors	10 times (Number of participants: 1,119)

3. General Meeting of Shareholders

In addition to promptly sending out the convocation notice for the General Meeting of Shareholders held in June of each year, we post the notice on stock exchange websites and our own website one week before it is sent out. We are also striving to improve the voting environment by making it possible to exercise voting rights online or by cell phone (including smartphones), and by participating in a platform for the exercise of voting rights. Furthermore, we post an English translation of the convocation notice on our website at the same time as the Japanese version, before it is sent out, in an effort to increase the convenience of overseas investors. Notices of resolutions and voting results are posted on our website immediately after the conclusion of the General Meeting of Shareholders, along with video clips of the meeting for shareholders who were unable to attend.

Initiatives to Facilitate Financing

• Dealing with Facilitation of Financing

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

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

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

The Act concerning Temporary Measures to Facilitate Financing for SMEs, etc. (SME Finance Facilitation Act) expired on March 31, 2013. Even so, the 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, etc. from clients who have been directly or indirectly affected by recent natural disasters (including the Great East Japan Earthquake, the 2016 Kumamoto Earthquake, the 2018 Osaka Earthquake, the 2018 Hokkaido Eastern Iburi Earthquake, the 2018 heavy rains in western Japan, and the Typhoon No. 15 and No. 19 in 2019) or the COVID-19 pandemic, SuMi TRUST Group endeavors to respond in a flexible and appropriate manner, taking into account each client's circumstances. In April 2020 we established a support framework in response to the COVID-19 pandemic totaling 100 billion yen to meet the financing needs of clients affected by the pandemic.

In addition, SuMi TRUST Bank has a system under which it respects and abides by the "Guidelines for Management Guarantee" and "Guidelines for Management Guarantee (Special Provisions)" (effective as of April 2020), and discloses the utilization status of the guidelines (including the Special Provisions) on its website. The Bank has also reorganized its system for receiving inquiries related to the "Guidelines of Workout for Restructuring Debt for Victims of Natural Disaster," which was adopted in April 2016, and appropriately responds to client's requests for consultation.

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

(1) Policy on Management Support Measures for SMEs

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

(2) Framework of Management Support for SMEs

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

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

1) Initiatives related to support for overseas expansion

SuMi TRUST Bank has the five-branch one-subsidiary system that includes New York, London, Singapore, Hong Kong, Shanghai and Thailand. These branches offer financial services such as loans, deposits, foreign exchange, and derivatives to Japanese client companies who are expanding overseas.

In addition to developing our own offices, we are making efforts to address the growing need for financial services denominated in local currencies through partnerships with leading banks in Asian countries. 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.).

2) 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-owner and wealthy clients are provided in collaboration with an affiliate company, Sumitomo Mitsui Trust Wealth Partners, and various specialists (lawyers, tax accountants, etc.).

Financial consultants have been assigned to branches nationwide as 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 partner to hold seminars for business owners on the inheritance and business succession tax system and business succession measures that make use of trusts. These events serve as opportunities to make SuMi TRUST Bank's consulting function more broadly known among people who have never had dealings with a trust bank.

Moreover, in August 2018, for the first time at a specialized trust bank, the Bank was nationally recognized as a Support agency for business innovation, providing specialized support, such as support on tax matters, finance and financial affairs, for small and medium-sized enterprises.

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

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

Due to the impact of the COVID-19 pandemic, we have been asked by the 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, etc. in a flexible and appropriate manner, taking into account each client's circumstances.

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

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

Examples of Specific Initiatives

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

Corporate Information

Financial Review

Terms with an asterisk are explained in "Glossary" on page 117.

In the consolidated financial results for fiscal year 2019, net business profit before credit costs increased by ¥6.7 billion year on year to ¥289.0 billion, basically in line with our forecasts. The rise was mainly due to an increase in effective interest related earnings, an expansion of non-interest revenues in corporate-related business, and an increase in market-related revenues in SuMi TRUST Bank.

In the meantime, net income attributable to owners of the parent decreased by ¥10.8 billion year on year to ¥163.0 billion, due mainly to a special loan loss provision of approximately ¥25 billion recorded in preparation for future total credit costs in light of the impact of the COVID-19 pandemic.

Overview of the Financial Results in FY2019

<Consolidated> SuMi TRUST Holdings (Consolidated)

Billions of Yen (Unless specified otherwise)

	FY2019 (A)	FY2018 (B)	Change (A)–(B)	Rate of change
Net Business Profit before Credit Costs*	289.0	282.2	6.7	2.4%
Ordinary Profit	257.6	256.4	1.2	0.5%
Net Income Attributable to Owners of the Parent	163.0	173.8	(10.8)	(6.2%)
Total Credit Costs*	(43.8)	(2.9)	(40.8)	—
Return on shareholders' equity*	7.12%	7.95%	(0.83%)	—
Return on equity*	6.25%	6.58%	(0.33%)	—
Net Income per Common Shares (EPS) (Yen)	434	458	(24)	(5.4%)
Net Assets per Common Shares (BPS) (Yen)	6,822.48	7,008.67	(186)	(2.7%)

* [Net Income Attributable to Owners of the Parent / (FY-start total shareholders' equity (equity) + FY-end total shareholders' equity (equity)) / 2] × 100

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

Billions of Yen (Unless specified otherwise)

	FY2019 (A)	FY2018 (B)	Change (A)–(B)	Rate of change
Net Business Profit before Credit Costs*	206.8	231.4	(24.6)	(10.7%)
Net Interest Income and Related Profit*	134.1	172.7	(38.5)	(22.3%)
Net Fees and Commissions and Related Profit*	174.3	186.3	(12.0)	(6.5%)
Net Trading Profit	102.1	27.9	74.2	265.9%
Net Other Operating Profit	42.5	80.3	(37.7)	(47.0%)
General and Administrative Expenses	(246.4)	(235.8)	(10.5)	4.5%
Total Credit Costs*	(34.7)	1.9	(36.7)	—
Net Non-recurring Profit, etc.	4.4	(24.3)	28.7	—
Ordinary Profit	176.4	209.0	(32.6)	(15.6%)
Extraordinary Profit	1.0	(4.2)	5.3	—
Net Income	124.7	148.6	(23.9)	(16.1%)

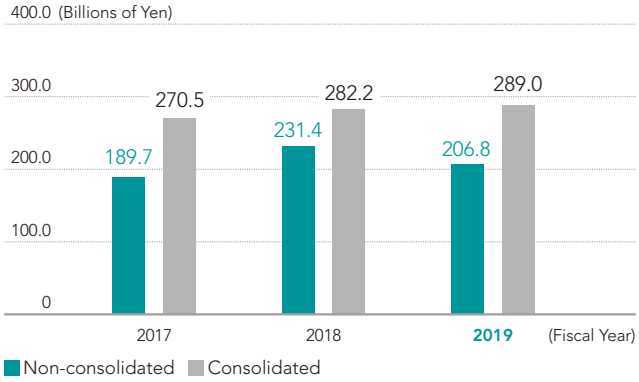
(Note) Amounts less than ¥100 million are rounded down.

<Dividends>

	FY2019 (A)	FY2018 (B)	Change (A)–(B)
Dividend per Share on Common Share (Yen)	150.00	140.00	10.00

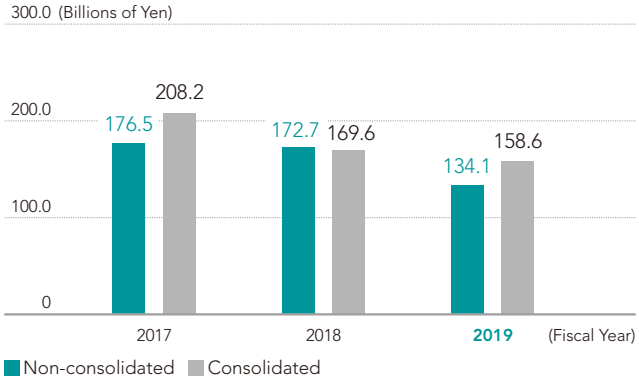
Status of Profit and Loss

Net Business Profit before Credit Costs*



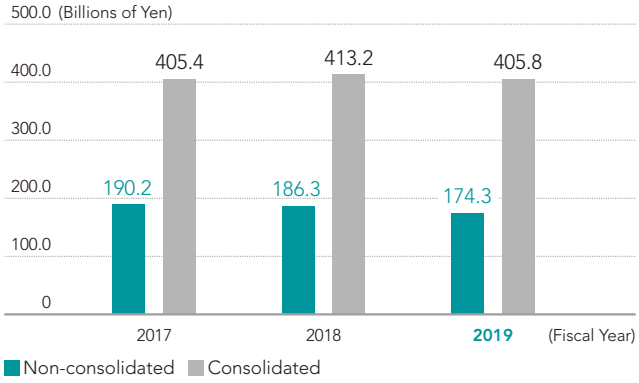
Despite a decline in net fees and commissions and related profit, there was an increase in effective interest related earnings, as well as non-interest earnings in corporate-related business, bringing the profit to ¥289 billion, increased by ¥6.7 billion from the previous fiscal year.

Net Interest Income and Related Profit*



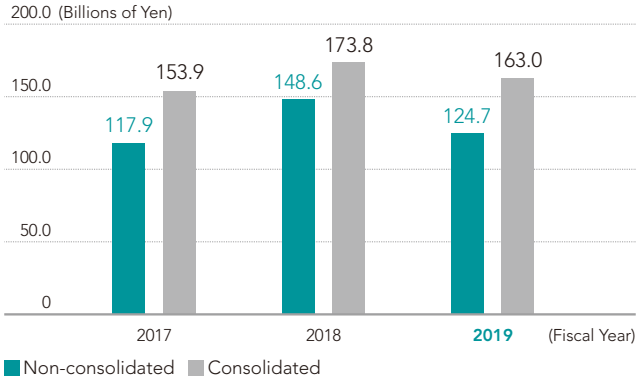
Nominal net interest income and related profit decreased by ¥10.9 billion compared to the previous fiscal year. On the other hand, profits increased in the international business divisions including profit attributable to deployment of foreign currency surplus funds, thereby securing an effective increase in net interest income on the whole.

Net Fees and Commissions and Related Profit*



Real estate brokerage fees (including those from subsidiary) secured gains, but declines in revenue related to investment management consulting services and revenue from asset management and administration resulted in a decrease of ¥7.3 billion from the previous fiscal year to ¥405.8 billion.

Net Income Attributable to Owners of the Parent



Although there was a rise in net business profit before credit costs, we are making adjustments to alleviate future financial burdens, including impairment of goodwill at subsidiaries and a special loan loss provision based on the impact of the COVID-19 pandemic. This resulted in a decline of ¥10.8 billion from the previous fiscal year to ¥163.0 billion.

Glossary

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

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

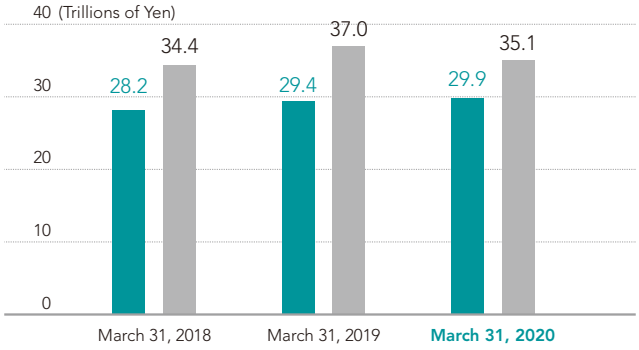
Net Interest Income and Related Profit
Net revenues after subtracting interest paid on deposits, etc., from revenues on loans and securities investment.

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

Financial Status

Terms with an asterisk are explained in "Glossary" on page 118.

Loans and Deposits (Non-consolidated)

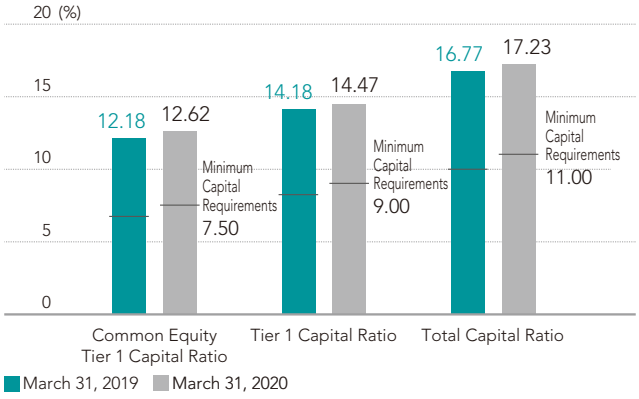


Loans increased while deposits decreased

Loans and bills discounted increased by ¥0.5 trillion from the end of the previous fiscal year to ¥29.9 trillion, due to rises in both mortgage loans and loans to corporations. Deposits, etc. decreased by ¥1.8 trillion to ¥35.1 trillion, mainly due to a decline in liquid deposits.

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

Capital Adequacy Ratio, etc.* (Consolidated)

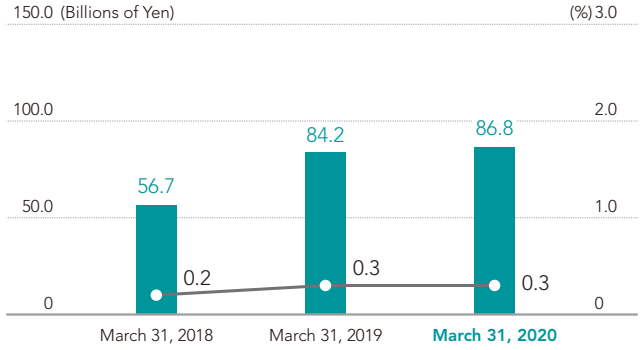


Levels remain well above regulatory standards

The Common Equity Tier 1 capital ratio increased by 0.44 percentage points from the end of the previous fiscal year to 12.62%. The rise was due to an increase in Common Equity Tier 1 capital resulting from the accumulation of net income attributable to owners of the parent, along with a decrease in risk-weighted assets. Total capital ratio also rose by 0.46 percentage points from the end of the previous fiscal year to 17.23%. The Common Equity Tier 1 capital ratio as well as the total capital ratio remain well above the corresponding regulatorily required levels of 7.5% 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, has been adopted in Japan as of the end of March 2013 in a phased manner. Basel Ⅲ newly defines "Common Equity Tier 1," which is comprised of capital components that can be used to cover unexpected losses and do not need to be repaid, such as common equity and retained earnings, and requires that the ratio of those capital components to risk-weighted assets, such as investments and loans, ("Common Equity Tier 1 ratio") must be kept higher than a prescribed level.

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



Ratio to total loan balance remains low at 0.3%

A decline in doubtful loans and an increase in substandard loans left the total balance of problem assets based on the Financial Reconstruction Act roughly flat at ¥86.8 billion compared to the end of the previous fiscal year, with the ratio to total loan balance remaining contained at a low level of 0.3%. As for the ratio of problem assets covered by collateral and the allowance for loan losses, the ratio was 94% for doubtful loans and 41% for substandard loans, both of which are deemed sufficiently high.

Glossary

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

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

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

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

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

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

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

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

Corporate Information (as of March 31, 2020)

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 (including the allocation of management resources)
(2) Supervising financial management
(3) Supervising human resource management
(4) Controlling budget and expenses
(5) Supervising IT management
(6) Supervising risk management
(7) Supervising compliance management
(8) Managing internal auditing

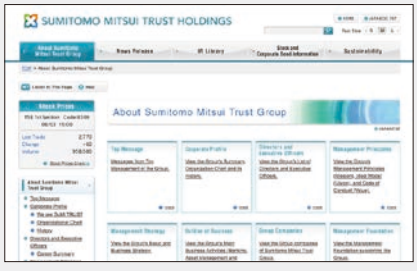
Capital: 261,608,725,000 Yen
Stock Exchange Listings: Tokyo, Nagoya Stock Exchanges
Tokyo (1st Section), Nagoya (1st Section)
Securities Code: 8309

Rating Information (as of June 30, 2020)

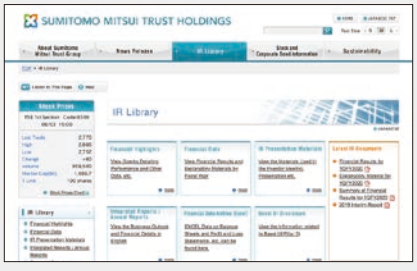
		Long-term	Outlook	Short-term
Sumitomo Mitsui Trust Holdings	JCR	AA-	Stable	—
	R&I	A	Stable	—
Sumitomo Mitsui Trust Bank	S&P	A	Stable	A-1
	Moody's	A1	Stable	P-1
	Fitch	A-	Stable	F1
	JCR	AA-	Stable	—
	R&I	A+	Stable	a-1

Website

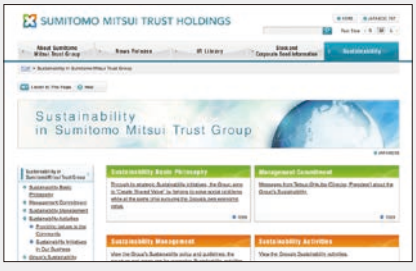
Please go to our website for specifics on our Group.



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



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



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

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

SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS



SUMITOMO MITSUI TRUST HOLDINGS





This integrated report was printed in Japan on FSC paper with vegetable oil ink.

三井住友トラスト・ホールディングス

SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

ANNUAL REPORT

—FINANCIAL DATA SECTION—

SuMi TRUST



Symbol Mark

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

Corporate Color

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

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Board of Directors and Executive Officers (As of July 1, 2020)

Director, President (Representative Executive Officer)
Tetsuo Ohkubo

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

Director, Senior Managing Executive Officer (Representative Executive Officer)
Yutaka Nishida

Director, Executive Officer
Masaru Hashimoto

Director
Kunitaro Kitamura

Director
Hitoshi Tsunekage

Director
Kuniyuki Shudo

Director
Kouji Tanaka

Director (External)
Takeshi Suzuki*1

Director (External)
Mikio Araki*1

Director (External)
Isao Matsushita*1

Director (External)
Shinichi Saito*1

Director (External)
Takashi Yoshida*1

Director (External)
Hiroko Kawamoto*1

Director (External)
Mitsuhiro Aso*1

Senior Managing Executive Officer, Executive Officer*2
Atsushi Kaibara

Managing Executive Officer
Hitoshi Sato

Managing Executive Officer, Executive Officer*2
Futoshi Itani

Managing Executive Officer
Kazuya Oyama

Managing Executive Officer
Junya Ueda

Executive Officer, Executive Officer*2
Shigenori Ikemura

Executive Officer*2
Yukihiro Kitano

Executive Officer*2
Masahiro Tsuchiya

Executive Officer*2
Toru Takakura

Executive Officer*2
Kengo Noguchi

Executive Officer*2
Seiji Iwakuma

Executive Officer*2
Shigeki Tanaka

Executive Officer*2
Akira Yokota

Executive Officer*2
Toshio Masui

Executive Officer*2
Yoshio Hishida

Executive Officer*2
Yoshinori Momose

Executive Officer*2
Nobuaki Yamaguchi

Executive Officer*2
Daisuke Maeda

Executive Officer*2
Toshiaki Nakano

Executive Officer*2
Takuji Marui

Executive Officer*2
Satoshi Kitai

Executive Officer*2
Masaya Noda

Executive Officer*2
Atsushi Matsumoto

Executive Officer*2
Nobuhisa Takahashi

Executive Officer*2
Yasuyuki Suzuki

Executive Officer*2
Shinichi Nonomura

Executive Officer*2
Manatomo Yoneyama

Executive Officer*2
Kazuteru Wakao

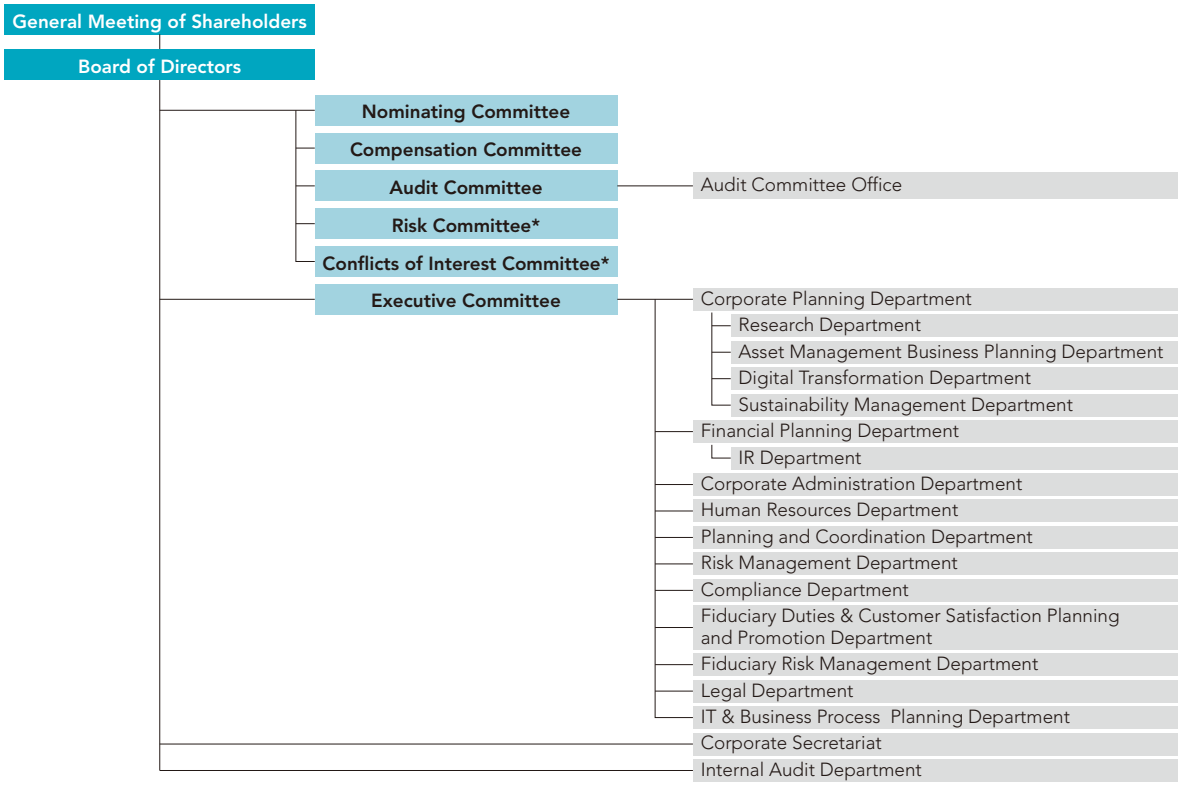
*1 External Directors as provided for in Article 2, Item 15 of the Companies Act.
*2 Executive Officers as defined in our internal policy; unless otherwise annotated, Executive Officers are defined in the Companies Act.

Employees (As of March 31, 2020)

Category	March 31, 2020	March 31, 2019
Number of Employees	169	146
Average Age	51 years, 4 months	50 years, 1 month
Average Length of Employment	23 years, 1 month	23 years, 2 months
Average Annual Salary	¥12,013 thousand	¥13,037 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, 2020)



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

Subsidiaries and Affiliated Companies (As of June 30, 2020)

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	—
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	92.2	—
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	50.0	—
JTC Holdings, Ltd.	8-11, Harumi 1-chome, Chuo-ku, Tokyo	October 1, 2018	¥ 500	Holding Company of Trust Banks Specializing in Asset Administration Services	33.3	—
Japan Trustee Services Bank, Ltd.	8-11, Harumi 1-chome, Chuo-ku, Tokyo	June 20, 2000	¥ 51,000	Trust and Banking Business	—	100.0
Trust & Custody Services Bank, Ltd.	8-12, Harumi 1-chome, Chuo-ku, Tokyo	January 22, 2001	¥ 50,000	Trust and Banking Business	—	100.0

* 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, 2020)

Chairman (Co-chairman)
Kunitaro Kitamura

Chairman (Co-chairman)
Hitoshi Tsunekage

President (Representative Director)
Masaru Hashimoto

Deputy President (Representative Director)
Yukihiro Kitano

Deputy President (Representative Director)
Tsuyoshi Saito

Director, Senior Managing Executive Officer
Yutaka Nishida

Director, Senior Managing Executive Officer
Jiro Araumi

Director, Senior Managing Executive Officer
Toru Takakura

Director, Senior Managing Executive Officer
Masahiro Tsuchiya

Director, Senior Managing Executive Officer
Atsushi Kaibara

Director, Senior Managing Executive Officer
Kengo Noguchi

Director, Managing Executive Officer
Kazuya Oyama

Director
Tetsuo Ohkubo

Director (External)
Hideki Kanda*

Director (External)
Junko Sasaki*

Director
(Audit and Supervisory Committee member)
Kazuhisa Koashi

Director
(Audit and Supervisory Committee member)
Tsutomu Kurai

Director
(Audit and Supervisory Committee member)
(External)
Hiroshi Mitsunaga*

Director
(Audit and Supervisory Committee member)
(External)
Hiroya Nakakubo*

Director
(Audit and Supervisory Committee member)
(External)
Kaoru Kashima*

Senior Managing Executive Officer
Naohiro Tanaka

Senior Managing Executive Officer
Seiji Iwakuma

Senior Managing Executive Officer
Shigeki Tanaka

Managing Executive Officer
Hitoshi Sato

Managing Executive Officer
Akira Yokota

Managing Executive Officer
Toshio Masui

Managing Executive Officer
Kouji Koyanagi

Managing Executive Officer
Toshiya Shimobeppu

Managing Executive Officer
Futoshi Itani

Managing Executive Officer
Kenji Kaiya

Managing Executive Officer
Keiichi Hamano

Managing Executive Officer
Yutaka Fujisawa

Managing Executive Officer
Yoshinori Momose

Managing Executive Officer
Hideshi Sano

Managing Executive Officer
Yasunaga Matsumoto

Managing Executive Officer
Nobuaki Yamaguchi

Managing Executive Officer
Ryouji Nishimoto

Managing Executive Officer
Masahiko Kitajima

Managing Executive Officer
Takashi Kameda

Managing Executive Officer
Daisuke Maeda

Managing Executive Officer
Junya Ueda

Executive Officer
Shigeki Moriki

Executive Officer
Teruki Ido

Executive Officer
Yuki Takada

Executive Officer
Miyo Yajima

Executive Officer
Yasuo Hanashita

Executive Officer
Atsushi Ueda

Executive Officer
Toshiaki Nakano

Executive Officer
Takuji Marui

Executive Officer
Satoshi Kitai

Executive Officer
Masaya Noda

Executive Officer
Hitoshi Kotaka

Executive Officer
Tetsuya Hiwatashi

Executive Officer
Atsushi Matsumoto

Executive Officer
Takumi Fujisawa

Executive Officer
Nobuhisa Takahashi

Executive Officer
Yasuyuki Suzuki

Executive Officer
Shinichi Nonomura

Executive Officer
Kazuhiko Kasuya

Executive Officer
Takehiko Iwahara

Executive Officer
Takafumi Arimura

Executive Officer
Kouichi Kato

Executive Officer
Shinichi Tao

Executive Officer
Masakatsu Sato

Executive Officer
Manatomo Yoneyama

Executive Officer
Takehiko Sakaue

Executive Officer
Kazuteru Wakao

Executive Officer
Makito Oono

Executive Officer
Katsuji Oka

Executive Officer
Toru Nakagawa

Executive Officer
Iwao Nakamura

Executive Officer
Masatoshi Yoshikawa

Executive Officer
Hidehiro Miyahara

Executive Officer
Junichiro Usui

Executive Officer
Riro Sato

Executive Officer
Kenji Amihama

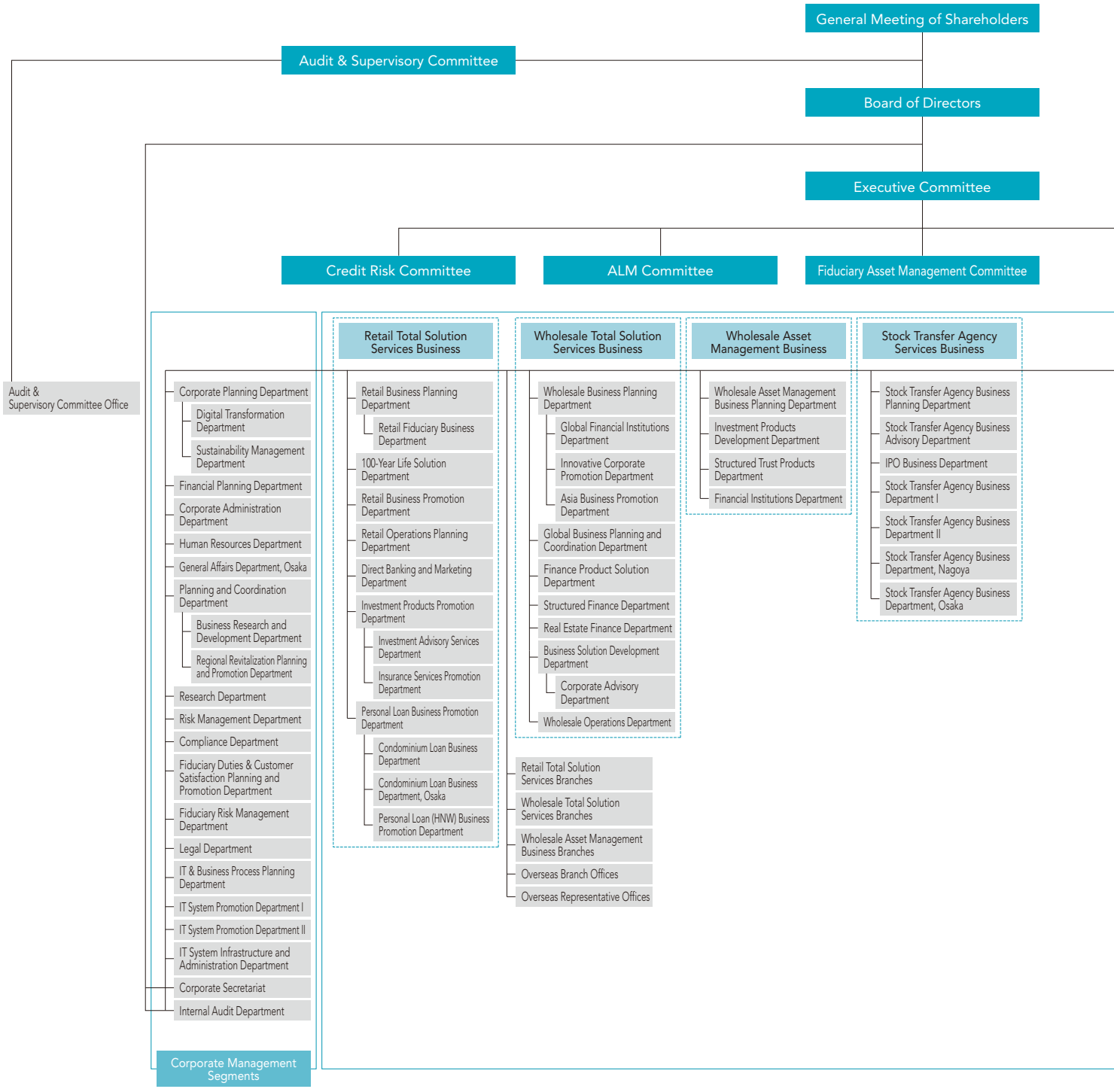
* External Directors as provided for in Article 2, Item 15 of the Companies Act.
Executive Officers as defined in our internal policy.

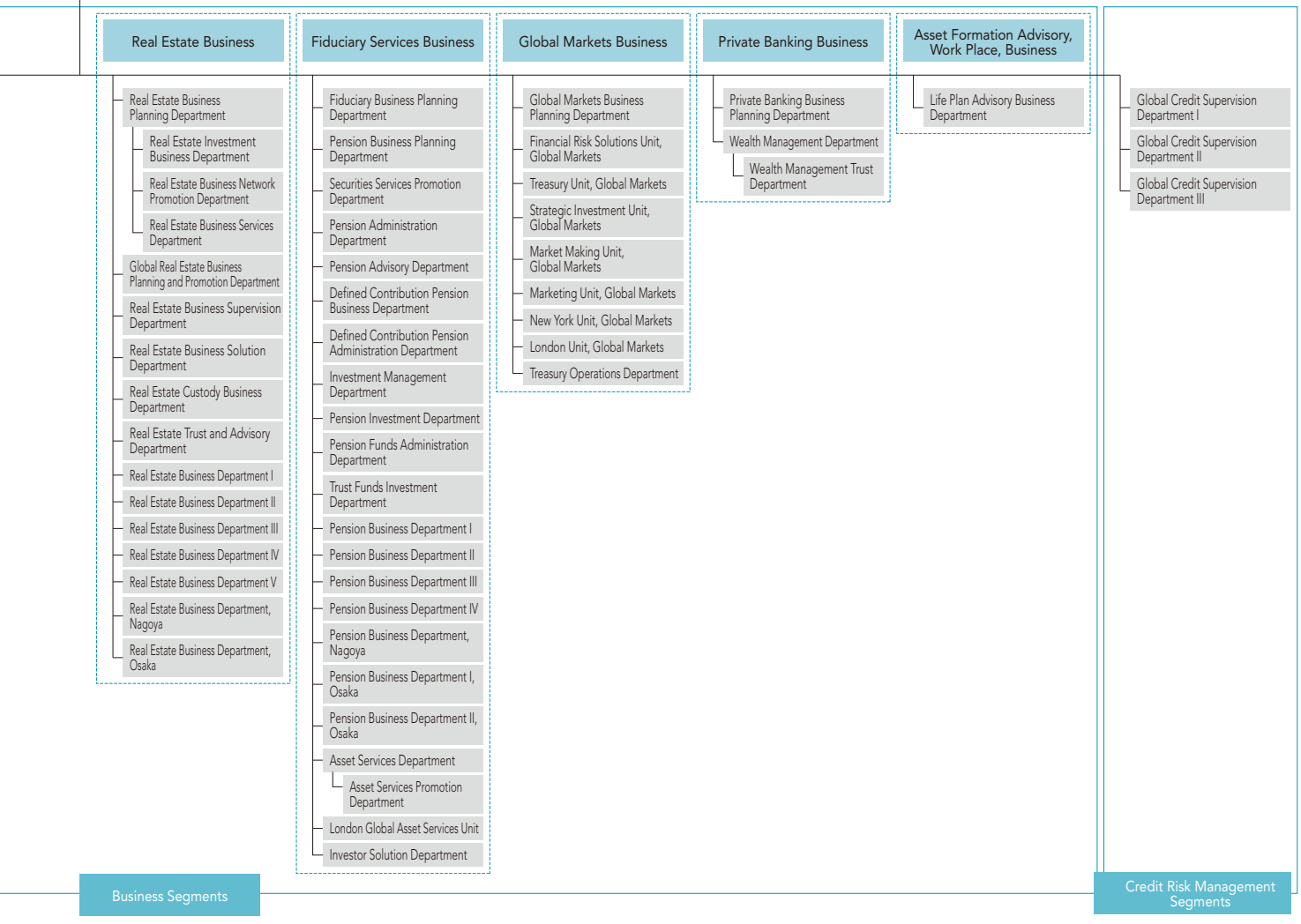
Employees (As of March 31, 2020)

Category	March 31, 2020	March 31, 2019
Number of Employees	13,527	13,469
Average Age	41 years, 5 months	42 years, 5 months
Average Length of Employment	14 years, 1 month	13 years, 5 months
Average Annual Salary	¥7,349 thousand	¥7,198 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, 2020)




Real Estate Business
Real Estate Business Planning Department
Real Estate Investment Business Department
Real Estate Business Network Promotion 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 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
Fiduciary Services Business
Fiduciary Business Planning Department
Pension Business Planning Department
Securities Services Promotion Department
Pension Administration Department
Pension Advisory Department
Defined Contribution Pension Business Department
Defined Contribution Pension Administration Department
Investment Management Department
Pension Investment Department
Pension Funds Administration Department
Trust Funds Investment Department
Pension Business Department I
Pension Business Department II
Pension Business Department III
Pension Business Department IV
Pension Business Department, Nagoya
Pension Business Department I, Osaka
Pension Business Department II, Osaka
Asset Services Department
Asset Services Promotion Department
London Global Asset Services Unit
Investor Solution Department
Global Markets Business
Global Markets Business Planning Department
Financial Risk Solutions Unit, Global Markets
Treasury Unit, Global Markets
Strategic Investment Unit, Global Markets
Market Making Unit, Global Markets
Marketing Unit, Global Markets
New York Unit, Global Markets
London Unit, Global Markets
Treasury Operations Department
Private Banking Business
Private Banking Business Planning Department
Wealth Management Department
Wealth Management Trust Department
Asset Formation Advisory, Work Place, Business
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, 2020)

[ ] ··· 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 Shinbashi
(Shinbashi Sub-Branch, Tokyo Business Department)
20-1, Shinbashi 2-chome, Minato-ku, Tokyo 105-0004, Japan

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

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

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

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

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

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

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

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

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

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

Consulting Plaza Chofu
(Chofu Sub-Branch, Shinjuku-Nishiguchi Branch)
48-26, Kojimacho 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 Central 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
18-10, 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
14-9, Kichijoji Hon-cho 1-chome, Musashino, Tokyo 180-0004, Japan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Kinki

Osaka Business Department
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

Namba Housing Loan Center Sub-Branch,
Namba Branch
10-70, Namba-naka 2-chome, Naniwa-ku,
Osaka 556-0011, 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)
2-1, Chayamadai 1-chome, Minami-ku, Sakai,
Osaka 590-0115, Japan

Yao Branch
6-8, Higashi Hon-machi 3-chome, Yao,
Osaka 581-0004, Japan

Hirakata Branch
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

Okayama-Ekimae Sub-Branch,
Okayama Branch
Okayama-Ekimae Sub-Branch,
Okayama-Chuo Branch
1-6, 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 7009, 7th Floor, Chang Fu Gong Office Building,
No. 26, Jianguomenwai Dajie, Chaoyang District,
Beijing 100022, People's Republic of China

Beijing Representative Office
(Securities business)
Room 5011, 5th Floor, Chang Fu Gong Office Building,
No. 26, Jianguomenwai Dajie, Chaoyang District,
Beijing 100022, People's Republic of China

Jakarta Representative Office
20th Floor, Summitmas I,
Jl. Jend. Sudirman, Kaveling 61-62,
Jakarta 12190, Indonesia

Seoul Representative Office
20th Floor, Booyoung Taepyoung Building, 55,
Sejong-daero, Jung-gu, Seoul 04513, Korea

Sydney Representative Office
Suite 3, Level 39, 259 George Street,
Sydney NSW 2000, Australia

Number of Contracted Trust Agencies* (As of March 31, 2020)

* 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.	109	68	44	73	52	1
Regional Banks	43	39	31	31	18	1
Second Regional Banks	17	13	7	12	10	—
Shinkin Central Bank, Shinkin Banks	37	13	3	21	24	—
Credit Union	8	—	—	8	—	—
Shoko Chukin Bank	1	1	—	—	—	—
City Banks, etc.	3	2	3	1	—	—
Securities Firms	8	2	4	8	—	—
Life Insurers and Business Enterprises	15	1	1	15	—	—
Total	132	71	49	96	52	1

Bank Service Agency (As of March 31, 2020)

Trade Name of Bank Service Agency	SBI Sumishin Net Bank, Ltd.
Business Offices, etc. Operating Bank Agency Service	Head Office, East Japan Operation Center, West Japan Operation Center, Ichigo Branch, Budou Branch, Mikan Branch, Lemon Branch, Ringo Branch, Banana Branch, Melon Branch, Kiwi Branch (11 Branches)

Subsidiaries and Affiliated Companies (As of June 30, 2020)

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, Shinbashi 2-chome, Minato-ku, Tokyo	January 22, 1992	¥ 6,000	Money Lending Business	100.0	—
Sumitomo Mitsui Trust TA Solution Co., Ltd.	8-4, Izumi 2-chome, Suginami-ku, Tokyo	July 1, 1998	¥ 2,005	IT, Calculation Outsourcing Business	100.0	—
J-Eurus IR Co., Ltd.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	December 27, 2000	¥ 10	Counsulting 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	100.0	—
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	55.6
Sumitomo Mitsui Trust Investment Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	March 22, 2000	¥ 100	Equity Investment Business	40.0	60.0
Sumitomo Mitsui Trust Realty Co., Ltd.	11-1, Kanda-nishikicho 3-chome, Chiyoda-ku, Tokyo	January 24, 1986	¥ 300	Real Estate Brokerage Business	4.7	95.3
SBI Sumishin Net Bank, Ltd.	6-1, Roppongi 1-chome, Minato-ku, Tokyo	June 3, 1986	¥ 31,000	Banking Business	50.0	—
Japan Pension Operation Service, Ltd.	24-1, Nihonbashi-hakozakicho, Chuo-ku, Tokyo	December 21, 2004	¥ 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	—
Sumishin Life Card Company, Limited.	31-19, Shiba 2-chome, Minato-ku, Tokyo	October 27, 2004	¥ 255	Credit Card Business	40.0	—
HR One Corporation	5-12, Tsukiji 5-chome, Chuo-ku, Tokyo	May 20, 2002	¥ 603	HR-related Services Business	33.4	—
JP Asset Management Co., Ltd.	5-11, Nihonbashi-honcho 1-chome, Chuo-ku, Tokyo	August 18, 2015	¥ 500	Investment Management	30.0	—
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	¥ 382	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	—
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.	20th Floor, Vincom Tower A, 191 Ba Trieu, Hai Ba Trung district, Ha Noi, 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 2,400	Trust Business	19.9	—
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 300	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 the 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 (Unaudited)

Balance Sheets of Trust Banks

(1) The financial statements of trust banks comprise two balance sheets: one for a banking account and the other for a trust account. The balance sheet for the banking account presents capital, fund management, and finance of trust banks. The balance sheet for the trust account shows assets that trust banks manage, administer, and dispose on behalf of the beneficiaries, according to the trusts' investment objectives, when the trusts have been set up for the trustors.

Balance sheet of banking account



Statement of trust account



(2) The outcomes (gains or losses) of asset management, administration, and disposition of the trust account pertain to the beneficiaries (after deducting trust fees). In principle, they do not affect the banking account. However, loan trusts and jointly operated money trusts ("JOMTs"), which are covered by deposit insurance, are treated as exceptions due to their principal guaranteed feature. As a result, the balance sheets for loan trusts and the JOMT accounts are disclosed, and, together with the banking account, become the "three major accounts" of trust banks. It is common for trust banks to manage various financial risks at the level of these accounts.

(Note) Japanese trust banks have stopped offering new loan trusts. The loan trusts, therefore, have a limited impact on the balance sheet and financial reporting.

(3) The liabilities section in statements of trust accounts shows the balance for each trust type. The assets section shows assets, such as loans, securities, real estate, and monetary claims, held in various trusts.

Money trusts include a wide variety of trust products. They include, for example, products with discretionary management rights, such as JOMTs and individually operated designated money trusts (referred to as *Shiteitan*), and products without discretionary management rights, such as specified money trusts (referred to as *Tokkin*). Fees for these products vary. Aside from money trusts, the trust banks have discretionary management rights for loan trusts and pension trusts, but not for investment trusts or securities trusts.

Statements of Income of Trust Banks

The trust banks disclose statements of income for banking accounts. The main components of "Net Business Profit before Credit Costs," which is equivalent to operating profit for other companies are as follows:

(1) Trust Fees
(2) Net Credit Cost of loan trusts and JOMT accounts
(3) Net Interest Income
(4) Net Fees and Commissions
(5) Net Trading Income
(6) Net Other Ordinary Income (gains or losses on sales of bonds, net gain or loss on foreign exchange transactions, net income or expense on derivatives other than trading or hedging)
(7) Gross Business Profit: (1)+(3)+(4)+(5)+(6)
(8) General and Administrative Expenses
(9) Transfer to general allowance for loan losses
(10) Net Business Profit: (7)–(8)–(9)
(11) Net Business Profit before Credit Costs: (10)+(2)+(9)

Fee Revenues of Trust Banks: Trust Fees and Net Fees and Commissions

In trust banks, broadly speaking, there are two types of fee revenues: "Trust Fees" and "Net Fees and Commissions." Fees that trust banks receive on trust contracts are posted to "Trust Fees." Fees and commissions on general service contracts are posted to "Net Fees and Commissions." Note that fees related to the loan trusts and JOMT accounts have characteristics similar to the banking business (deposits and loans) and are generally excluded from "Trust Fees." Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries (together, the "SuMi TRUST Group") include these fees in "Net Interest Income and Related Profit."

Fee Revenues

Trust Fees (excluding loan trusts & JOMTs)

- Pension trust fees *1
- Individually operated designated money trust fees *1
- Investment trust & specified money trust fees *2
- Asset securitization-related trust fees
- Real estate brokerage fees

Net Fees and Commissions

- Investment trust and insurance sales fees
- Discretionary investment fees
- Real estate brokerage fees
- Stock transfer agency fees
- Syndicated loan fees

*1 Fees related to management and administration of money trusts with discretionary management rights

*2 Fees related to administration of money trusts without discretionary management rights

Management's Discussion and Analysis (Unaudited)

Overview of Business Activities of the Company

Economic and Financial Environment

In looking back on the economic environment during the fiscal year under review, the economies of Europe and China slowed through the end of December 2019 primarily because of the ongoing US-China trade war, while weaknesses in Japan's domestic economy also materialized as October's consumption tax hike only made matters worse for sluggish production and exports in the manufacturing sector. From January onwards the world was gripped by COVID-19 and the global economy took a sharp turn for the worse as governments took steps to contain the spread of infection by enforcing city-wide lockdowns, among other measures, which served to drastically curtail economic activity. In Japan, the number of international visitors plummeted, and increasingly more people refrained from shopping for non-essential reasons.

The financial markets continued to be roiled by developments in the US-China trade spat through the end of December 2019. From January onwards the markets began to digest the impact of COVID-19 and a risk averse sentiment rapidly emerged, triggering a sharp decline in the Nikkei Stock Average to levels below ¥20,000. Heightened demand for US dollars by Japanese companies saw the yen weaken against the dollar from mid-March, while yields on 10-year JGBs briefly rose above 0%.

Developments of Business Activities

Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") and its consolidated subsidiaries (together, "SuMi TRUST Group"), continued to implement our three-year (FY2017–19) medium-term management plan (Evolution to The Trust Bank—The Second Foundation—). In fiscal 2019, the last year of the plan, the entire Group worked together to complete the finishing touches and also pushed forward with the following initiatives for the purpose of establishing new growth fields.

(Four key initiatives)

1. Strengthening earnings capabilities that underpin stable growth
2. Future growth investments
3. Practicing appropriate risk control
4. Sophistication of management infrastructure—the source of competitiveness

1. Strengthening earnings capabilities that underpin stable growth

With the aim of becoming a financial group chosen by our clients as their "best partner," we pushed ahead with efforts to integrate the Group's functions and know-how and enhance our abilities to meet the increasingly diverse and sophisticated needs of our clients.

Given that we will soon enter an age in which many people are likely to live to the age of 100, through Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank") we commenced offering the 100-Year Life Solution Trust (100-Year Passport) to support enrichment of daily life, and monitoring support services, as well as a Solitary Trust product (the winning entry in an in-house business contest) that incorporates digital estate liquidation services. We also focused on expanding home loan balances in major regions across Japan by offering consulting services that take into account the assets and liabilities of our clients to pinpoint the right time for purchasing real estate—one of life's biggest decisions—and endeavored to lock in contracts for coverage-type insurance and installment-type products.

Last September, through Sumitomo Mitsui Trust Life Partners, we opened the new 100-year Life Assurance Plaza, which stays open late on weekdays and is also open on weekends and public holidays. This subsequently expanded our capacity to provide insurance consulting services to clients that are part of the working generation who might find it hard to visit our branches during daytime hours. By working more closely with SuMi TRUST Bank, Sumitomo Mitsui Trust Realty sought to ascertain the real estate needs of clients at sales offices and steadily increased housing brokerage revenue.

Furthermore, in a joint venture with the UBS Group—one of the world's leading integrated financial services group—we established UBS SuMi TRUST Wealth Advisory, Ltd. in January 2019. This alliance fundamentally reinforced our framework to meet the complex and broad-ranging needs of business owners and wealthy individual clients.

We combined the various functions of the Group to provide a wide range of solutions that meet the business challenges of our corporate clients; namely, consulting services regarding the enhancement of corporate governance and IR activities, and reviewing real estate holdings and pension systems. And as a way of supporting the enhancement of

employee benefit programs, we offered our consulting services to company employees concerning long-term asset formation and management according to their respective stages in life. In addition, we leveraged our know-how to focus on concluding contracts for renewable energy projects that contribute to reducing environmental impacts, maintained our volume of loan assets, and worked on improving the profitability of our overall portfolio.

Sumitomo Mitsui Trust Panasonic Finance sought to expand its lease transaction volume by collaborating with SuMi TRUST Bank to focus on real estate leasing and provide a diverse array of financial functions, including the development of leasing products for mainly individual clients. Sumitomo Mitsui Trust Loan & Finance harnessed its proprietary specialist screening know-how and worked together with Group companies and business partners alike to manage loan operations with an emphasis on balancing quality with quantity.

In a difficult operating environment where negative interest rate policies are becoming the norm, SuMi TRUST Bank increased assets under management for mainly corporate pension, public pension, and financial institutional clients by strengthening its ability to provide alternative assets and securitized debt products for mostly private assets, and also offered administration services for asset management and foreign bond lending transactions. SuMi TRUST Bank maintained its leading market share in the administration of defined contribution pension plans by mainly securing large system migration instalments.

With an eye on global growth in ESG investments, Sumitomo Mitsui Trust Asset Management beefed up its engagement activity framework and focused on expanding sales channels through the likes of brokerages and regional financial institutions. Nikko Asset Management (Nikko AM) 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, we made steady progress on preparing for the upcoming July anticipated start of operations at the Custody Bank of Japan, an entity formed through the merger of three companies: Japan Trustee Services Bank, Trust & Custody Services Bank, and intermediate holding company of the former two companies JTC Holdings.

2. Future growth investments

As the digitalization of society continues to accelerate, we drastically overhauled our system investment plans on a Group-wide basis and considerably expanded our system investments in strategic business domains and digital fields such as cloud computing. More specifically, we stepped up our efforts to enhance client convenience and improve the productivity of branch operations by relocating and opening the Shibuya and Shibuya Chuo branches as our first next-generation trust branches. This new type of branch realizes a paperless environment with the use of multi-functional tablet devices.

Moreover, in order to accommodate the growing number of inheritance cases owing to the graying of Japan's population, we continued to carry out demonstration testing on the digitalization of information using blockchain technology so that we might establish an inheritance services platform capable of speeding up complex inheritance procedures and energize the market by guaranteeing transparency in real estate information. We also worked on making operations and marketing more efficient with the use of such digital technology as robotic process automation (RPA) and artificial intelligence (AI) in place of people to perform routine tasks.

3. Practicing appropriate risk control

Given the major ongoing changes in the economic and financial environment, we appropriately addressed credit risk, market risk, and various other aspects of risk management, accumulated enough capital required to satisfy regulatory requirements, and bolstered our initiatives for risk management framework and tackling financial crimes based on the fourth round of Mutual Evaluation Report of Japan by the Financial Action Task Force (FATF).

The Group took steps to further strengthen its financial base and continued to conduct stringent management of credit control, while some consolidated subsidiaries and corporations booked special provisions in light of the impacts COVID-19 is having on borrowers. In addition, as a result of systematically reducing our balance of strategic shareholdings aimed at mitigating financial risks, the balance (acquisition cost basis) of Japan-listed shares held by the SuMi TRUST Group decreased ¥32.1 billion year on year to ¥566.8 billion.

4. Sophistication of management infrastructure—the source of competitiveness

We also pushed ahead with the following initiatives in an effort to enhance the management infrastructure that supports the measures outlined above.

(1) Enhancing corporate governance

From the perspective of improving management maneuverability and Group-wide auditing and supervisory functions, as well as further enhancing governance in the asset management business, we reorganized both SuMi TRUST Bank and Nikko AM into companies with an Audit and Supervisory Committee and also made the latter a subsidiary whose shares are held directly by SuMi TRUST Holdings.

(2) Enhancing fiduciary duty

From the viewpoint of improving client-oriented business operations, we continued to draw on the opinions of our clients to improve the quality of our products and services, provided easy-to-understand information to clients at our branches, and took steps to raise awareness about improving client satisfaction and trust. Also, with the aim of expanding long-term, stable transactions with clients, we continued to switch our performance assessments to those that emphasize assets under management.

(3) Promoting sustainability activities

We consider sustainability activities to be a core part of the Group's management and we pay attention to the impacts our corporate activities have on the environment, society, and the economy. We therefore actively worked on delivering positive impact finance (PIF) solutions to support the business activities of our clients so they may contribute to the achievement of the SDGs. Moreover, we publicly announced our support of the eight key priorities set out in the G20 Fukuoka Policy Priorities on Aging and Financial Inclusion that were adopted at the Group of Twenty meeting of finance ministers and central bank governors (G20) last June. We also became a signatory to the Principles for Responsible Banking (PRB) advocated for by the United Nations Environment Programme Finance Initiative (UNEP FI) and officially launched last September. Moreover, in recognition of our approach to delivering PIF solutions, we were awarded the first-place prize (Minister of the Environment Award) in the financing category of the Ministry of the Environment's inaugural ESG Finance Awards Japan and the excellence award in the 5th Sustainable Finance Awards of the Research Institute for Environmental Finance.

(4) Strengthening HR development and activities

Guided by our mission to have management harness the diversity and creativity of each and every individual—the very concept behind diversity and inclusion—the Group took active steps to realize a comfortable workplace environment and change mindsets mainly by supporting the career planning of female employees and nurturing and appointing women to management positions. As a result, we were selected as a "Nadeshiko Brand" by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange for our outstanding efforts on empowering women in the workplace. We were also named in the 2020 Bloomberg Gender-Equality Index in recognition of our initiatives to further gender equality.

We recognize the importance of creating an environment that supports the diversity, health, and motivation of each and every employee to ensure the Group's sustained growth, which is why we have established a comfortable workplace environment in an era in which many people will likely live to 100 by, for example, considering the extension of the mandatory retirement age. And in order to promote the physical and mental wellbeing of employees, we have continued to support a work-life balance by offering leave to employees requiring cancer treatment and providing more options on working styles with staggered starting times or teleworking, for example. Accordingly, our initiatives were recognized for the third year running with our selection in METI's White 500 as an organization having outstanding health and productivity management.

Results of Business Activities

(Consolidated Financial Results for the Fiscal Year 2019)

Consolidated BIS Capital Adequacy Ratio

Consolidated Equity Tier 1 capital ratio was 12.62%, Consolidated Tier 1 capital ratio was 14.47%, and Consolidated Total capital ratio was 17.23% as of March 31, 2020, exceeding the minimum regulatory requirements of 7.50%, 9.00%, and 11.00%, 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 ¥108.69 to U.S. $1, the approximate rate of exchange as of March 31, 2020.

Operating Results (Consolidated)

Years Ended March 31	Millions of Yen 2020	2019	Changes	Millions of U.S. Dollars 2020
Gross Profit (excluding Trust Account Credit Costs)	¥ 690,832	¥ 678,554	¥ 12,277	$ 6,356
Trust Account Credit Costs (A)	(2)	—	(2)	(0)
General and Administrative Expenses (excluding non-recurring expenses)	(430,858)	(427,853)	(3,004)	(3,964)
Net Provision of General Allowance for Loan Losses (B)	(38,865)	20,637	(59,503)	(358)
Banking Account Credit Costs (C)	(6,120)	(25,531)	19,410	(56)
Reversal of Allowance for Loan Losses (D)	—	—	—	—
Recoveries of Written-Off Claims (E)	1,149	1,908	(759)	11
Net Gains (Losses) on Stocks and Other Securities	40,167	13,709	26,458	370
Net Income from Affiliated Companies Accounted for by the Equity Method	9,929	5,967	3,961	91
Impairment Loss	(19,360)	(15,786)	(3,573)	(178)
Others	(6,149)	(10,265)	4,115	(57)
Income Before Income Taxes	240,721	241,340	(619)	2,215
Net Income Attributable to Owners of the Parent	163,028	173,889	(10,860)	1,500
Total Credit Costs (A+B+C+D+E)	(43,838)	(2,984)	(40,854)	(403)
Net Business Profit Before Credit Costs	289,011	282,233	6,777	2,659

(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 2020	2019	Changes	Millions of U.S. Dollars 2020
Net Business Profit Before Credit Costs (Note 1)	¥ 289,011	¥ 282,233	¥ 6,777	$ 2,659
Substantial Gross Business Profit (Note 1)	742,661	722,669	19,992	6,833
Substantial Interest Income (Note 2)	271,393	257,161	14,232	2,497
Interest Income	158,661	169,640	(10,978)	
Profits Earned from Market Deployment of Surplus Foreign Currency Fund	112,731	87,521	25,210	1,037
Fees and Commissions Related Income	405,872	413,266	(7,394)	3,734
Other Income (excluding Profits Earned From Market Deployment of Surplus Foreign Currency Fund)	65,395	52,241	13,154	602
General and Administrative Expenses (Note 1)	(453,650)	(440,435)	(13,215)	(4,174)
Total Credit Costs	(43,838)	(2,985)	(40,853)	(403)
Net Gain (Loss) on Stocks and Other Securities	40,167	13,709	26,458	370
Other Non-recurring profits (Losses)	(27,681)	(36,546)	8,864	(255)
Ordinary Profit	257,658	256,411	1,246	2,371
Extraordinary Profits (Losses)	(16,936)	(15,070)	(1,865)	(156)
Income before Income Taxes	240,721	241,340	(619)	2,215
Total Income Taxes	(75,627)	(60,599)	(15,027)	
Net Income Attributable to Non-Controlling Interests	(2,065)	(6,851)	4,786	(19)
Net Income Attributable to Owners of the Parent	163,028	173,889	(10,860)	1,500
Retrun on Shareholders' Equity	7.95%	7.12%	(0.83)%	
Dividends per Share of Common Stock (DPS)	140	150	10	
Dividends per Share of Common Stock (EPS)	458	434	(24)	
Total Number of Shares Outstanding (Million of Shares) (Note 3)	378.9	375.3	(3.5)	

(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.

Years Ended March 31	Millions of Yen 2020	2019	Changes	Millions of U.S. Dollars 2020
Interest Income	¥ 169,640	¥ 158,661	¥ 10,978	$ 1,561
Other Profits	139,762	178,127	(38,365)	1,286
Profits Earned from Market Deployment of Surplus Foreign Currency Fund	87,521	112,731	(25,210)	805
Profits other than Profits Earned from Market Deployment of Surplus Foreign Currency Fund	52,241	65,395	(13,154)	481

Major Profit and Losses (Consolidated)

Although interest income decrease by ¥10.9 billion (U.S. $100 million) from the previous fiscal year to ¥158.6 billion (U.S. $1,459 million), the substantial interest income, which includes profits earned from market deployment of surplus foreign currency fund increased by ¥14.2 billion (U.S. $131 million) from the previous fiscal year to ¥271.3 billion (U.S. $2,496 million). There have been improvements in domestic earnings related to deposits and loans as well.

"Fees and Commissions Related Income" decreased by ¥7.3 billion (U.S. $67 million) to ¥405.8 billion (U.S. $3,734 million) primarily due to a decrease in sales of investment management consulting business of group companies. Also, a substantial decrease when excluding a decrease of approximately ¥5.0 billion (U.S. $46 million) in fees and commissions related income due to the deconsolidation (conversion to affiliated companies accounted for by the equity method) of Japan Trustee Services Bank, Ltd. is ¥2.0 billion (U.S. $18 million).

"Other income (excluding profits earned from market deployment of surplus foreign currency fund)" increased by ¥13.1 billion (U.S. $121 million) to ¥65.3 billion (U.S. $601 million) due to corporate related non-interest income and others.

On the other hand, "General and Administrative Expenses" increased by ¥13.2 billion (U.S. $121 million) from the previous fiscal year to ¥453.6 billion (U.S. $4,173 million) due to an increase in system related general and administrative expenses.

As a result, "Net Business Profit Before Credit Costs," which represents the actual profit level calculated by making necessary adjustments to the above results, increased by ¥6.7 billion (U.S. $62 million) from the previous fiscal year to ¥289.0 billion (U.S. $2,659 million).

Credit Costs (Consolidated)

"Total Credit Costs" increased by ¥40.8 billion (U.S. $375 million) from the previous fiscal year to ¥43.8 billion (U.S. $403 million). This was mainly because of the recognition of allowance for loan losses due to the downgrading of the borrower categories of a part of obligors, in addition to the recognition of special allowance amounting to approximately ¥25.0 billion (U.S. $230 million) prepared for economic slowdown associated with the spread of COVID-19.

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

"Net Gains (Losses) on Stock and Other Securities" increased by ¥26.4 billion (U.S. $243 million) from the previous fiscal year to ¥40.1 billion (U.S. $369 million), mainly because of the following.

- Recognition of net gains on sales of stocks and other securities of approximately ¥39.0 billion (U.S. $359 million) as a result of promotion to reduce strategic shareholdings
- Recognition of losses on impairment of stocks and other securities of approximately ¥11.0 billion (U.S. $101 million) as a result of the decline in stock prices since February, 2020
- Recognition of gains on sales of the hedge investment trust of strategic shareholdings of approximately ¥12.0 billion (U.S. $110 million)

Extraordinary Gain and Losses (Consolidated)

"Extraordinary Gains and Losses" are associated with Sumitomo Mitsui Trust Club Co., Ltd., and ¥16.9 billion (U.S. $155 million) of losses was recognized, mainly due to the recognition of impairment losses on assets including goodwill amounting to approximately ¥9.0 billion (U.S. $83 million) and impairment losses on software amounting to approximately ¥9.0 billion (U.S. $83 million).

Financial Condition

Assets and Liabilities

As of March 31, 2020, consolidated "Total Assets" were ¥56,500.5 billion (U.S. $520 billion), a decrease of ¥528.5 billion (U.S. $5 billion), and consolidated "Total Net Assets" were ¥2,590.9 billion (U.S. $24 billion), a decrease of ¥139.4 billion (U.S. $1 billion), compared with those as of the end of the previous fiscal year, respectively.

In particular, "Cash and Due from Banks" decreased by ¥2,904.6 billion (U.S. $27 billion) to ¥13,141.1 billion (U.S. $121 billion), "Loans and Bills Discounted" increased by ¥677.6 billion (U.S. $6 billion) to ¥29,703.3 billion (U.S. $273 billion), "Securities" increased by ¥678.0 billion (U.S.$6 billion) to ¥6,437.5 billion (U.S. $59 billion), and "Deposits" decreased by ¥1,214.6 billion (U.S. $11 billion) to ¥30,688.9 billion (U.S. $282 billion), compared with those as of the end of the previous fiscal year.

"Total Assets of Trust Accounts" were ¥224,425.3 billion (U.S. $2,065 billion) as of March 31, 2020, an increase of ¥13,075.2 billion (U.S. $120 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, 2020, 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, increased by ¥2.6 billion (U.S. $0.02 billion) from the end of the previous fiscal year to ¥86.8 billion (U.S. $0.80 billion). The ratio of "Problem Assets under the Financial Reconstruction Act" to Total Balance remained flat at 0.3% 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	2020	2019	Changes	2020
Problem Assets under the Financial Reconstruction Act	¥ 86.8	¥ 84.2	¥ 2.6	$ 1
Total Balance	30,457.0	29,941.3	515.7	280
Ratio to Total Balance	0.3%	0.3%	0.0%	0.3%

Banking Account

Classification	Billions of Yen, Except for Percentages							
	Balance		Coverage Ratio		Collateral/Allowance		Allowance Ratio	
As of March 31	2020	2019	2020	2019	2020		2020	2019
Bankrupt and Practically Bankrupt Loans (A)	¥ 9.5	¥ 10.5	100%	100%	Specific Allowance Provided	¥ 2.6	100%	100%
					Covered by Collateral/Guarantee	6.8	—	—
Doubtful Loans (B)	38.6	54.5	94%	86%	Uncovered	2.2	85%	76%
					Specific Allowance Provided	13.3		
					Covered by Collateral/Guarantee	23.0	—	—
Substandard Loans (C)	38.0	18.4	41%	79%	Uncovered	22.2	12%	10%
					General Allowance Provided	3.0		
					Covered by Collateral/Guarantee	12.7	—	—
Total of (A), (B), and (C)	86.1	83.4						
Total Balance	30,430.3	29,910.3						
Ratio to Total Balance	0.3%	0.3%						

Principal Guaranteed Trust Account

Classification	Billions of Yen, Except for Percentages					
	Balance		Coverage Ratio		Collateral/Allowance	
As of March 31	2020	2019	2020	2019	2020	
Bankrupt and Practically Bankrupt Loans (A)	¥ 0.0	¥ 0.0	100%	100%	Covered by Collateral/Guarantee	¥ 0.0
Doubtful Loans (B)	0.7	0.7	100%	100%	Covered by Collateral/Guarantee	0.7
Substandard Loans (C)	0.0	0.0	100%	100%	Covered by Collateral/Guarantee	0.0
Total of (A), (B), and (C)	0.7	0.8			Allowance for Jointly Operated Money Trusts	0.0
Total Balance	26.7	31.0				
Ratio to Total Balance	2.7%	2.5%				

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

	Percentage Points		
Years Ended March 31	2020	2019	Changes
Average Yield on Interest-Earning Assets (a)	0.53%	0.60%	(0.07)%
Loans and Bills Discounted (A)	0.66	0.69	(0.03)
Securities	1.51	2.16	(0.65)
Average Yield on Interest-Bearing Liabilities (b)	0.10	0.11	(0.01)
Deposits (B)	0.07	0.08	(0.01)
Gross Margin (a)−(b)	0.43	0.49	(0.06)
Loan-Deposit Margin (A)−(B)	0.59	0.61	(0.02)

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Consolidated Statements of Banking Account	2020	2019	2018	2017	2016
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 13,141,192	¥ 16,045,864	¥ 28,841,328	¥ 26,944,478	¥ 19,924,523
Call Loans and Bills Bought	71,236	50,124	152,951	124,706	705,252
Securities	6,437,599	5,759,504	5,537,643	5,127,717	4,926,236
Loans and Bills Discounted	29,703,375	29,025,720	28,190,553	28,040,446	27,525,862
Foreign Exchanges	36,952	36,936	25,554	16,189	17,223
Customers' Liabilities for Acceptances and Guarantees	518,811	557,007	508,930	458,010	503,742
Others	6,591,384	5,553,956	5,099,836	4,742,176	4,627,107
Total Assets	¥ 56,500,552	¥ 57,029,113	¥ 68,356,798	¥ 65,453,725	¥ 58,229,948
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 36,549,212	¥ 38,232,195	¥ 43,915,175	¥ 43,327,431	¥ 33,832,580
Call Money and Bills Sold	142,974	72,793	146,931	54,089	38,968
Borrowed Money	5,856,384	4,023,801	4,370,083	3,463,105	2,580,524
Foreign Exchanges	3,213	457	1,984	236	259
Acceptances and Guarantees	518,811	557,007	508,930	458,010	503,742
Others	10,839,049	11,412,500	16,541,366	15,359,168	18,569,363
Total Liabilities	¥ 53,909,645	¥ 54,298,756	¥ 65,484,472	¥ 62,662,042	¥ 55,525,436
Net Assets:					
Shareholders' Equity	¥ 2,334,377	¥ 2,242,982	¥ 2,127,816	¥ 2,031,623	¥ 1,966,813
Accumulated Other Comprehensive Income	220,889	410,478	496,851	430,992	410,160
Subscription Rights to Shares	1,057	1,062	799	577	421
Non-Controlling Interests	34,583	75,832	246,858	328,488	327,116
Total Net Assets	¥ 2,590,907	¥ 2,730,356	¥ 2,872,325	¥ 2,791,682	¥ 2,704,511
Total Liabilities and Net Assets	¥ 56,500,552	¥ 57,029,113	¥ 68,356,798	¥ 65,453,725	¥ 58,229,948
For the Year					
Income:					
Trust Fees	¥ 99,816	¥ 103,911	¥ 100,591	¥ 99,870	¥ 105,537
Interest Income	489,366	507,007	426,129	384,354	372,076
Fees and Commissions	401,723	402,867	397,881	397,531	356,247
Trading Income	102,189	27,093	10,035	18,338	15,964
Other Ordinary Income	349,778	356,927	306,725	296,261	286,009
Other Income	95,680	71,626	125,142	66,531	65,789
Total Income	¥ 1,538,556	¥ 1,469,434	¥ 1,366,505	¥ 1,262,887	¥ 1,201,625
Expenses:					
Interest Expenses	¥ 361,890	¥ 371,845	¥ 246,071	¥ 165,271	¥ 141,131
Fees and Commissions Payments	109,666	97,755	87,974	85,319	80,428
Trading Expenses	—	—	—	1,297	428
Other Ordinary Expenses	280,488	249,652	230,442	318,885	216,036
General and Administrative Expenses	433,455	431,151	444,057	435,335	405,078
Other Expenses	112,333	77,688	119,136	65,642	85,385
Total Expenses	¥ 1,297,834	¥ 1,228,093	¥ 1,127,683	¥ 1,071,752	¥ 928,488
Income before Income Taxes	240,721	241,340	238,822	191,135	273,136
Net Income	¥ 165,094	¥ 180,741	¥ 165,746	¥ 134,206	¥ 179,150

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 434.31	¥ 458.91	¥ 403.91	¥ 317.24	¥ 433.30
Diluted Net Income per Share of Common Stock	434.03	458.64	403.75	317.15	433.22
Net Assets per Share of Common Stock	6,822.48	7,008.67	6,897.36	6,437.57	6,181.19

	Millions of Yen				
Statements of Trust Account	2020	2019	2018	2017	2016
Trust Assets	¥224,425,327	¥ 211,350,067	¥ 201,698,118	¥ 188,467,733	¥ 174,908,223

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

Sumitomo Mitsui Trust Holdings, Inc.
As of and for the fiscal years ended March 31

Non-Consolidated Statements	Millions of Yen				
	2020	2019	2018	2017	2016
As of the Year-End					
Assets:					
Current Assets:	¥ 175,470	¥ 133,676	¥ 71,542	¥ 76,718	¥ 82,563
Cash and Due from Banks	2,349	2,110	1,775	1,747	1,205
Securities	129,000	100,000	53,000	62,000	69,000
Non-Current Assets	2,049,283	2,069,816	2,004,970	1,891,389	1,741,389
Investments and Other Assets	2,049,281	2,069,815	2,004,969	1,891,388	1,741,388
Total Assets	¥ 2,224,754	¥ 2,203,492	¥ 2,076,512	¥ 1,968,108	¥ 1,824,180
Liabilities:					
Current Liabilities	¥ 4,616	¥ 3,161	¥ 3,119	¥ 2,783	¥ 2,562
Non-Current Liabilities	650,093	651,610	594,310	478,036	328,036
Bonds Payable	640,000	641,600	584,300	468,000	328,000
Total Liabilities	¥ 654,709	¥ 654,771	¥ 597,429	¥ 480,820	¥ 330,598
Net Assets:					
Shareholders' Equity	¥ 1,568,986	¥ 1,547,658	¥ 1,478,282	¥ 1,486,710	¥ 1,493,160
Subscription Rights to Shares	1,057	1,062	799	577	421
Total Net Assets	¥ 1,570,044	¥ 1,548,721	¥ 1,479,082	¥ 1,487,288	¥ 1,493,582
Total Liabilities and Net Assets	¥ 2,224,754	¥ 2,203,492	¥ 2,076,512	¥ 1,968,108	¥ 1,824,180
For the Year					
Operating Income:	¥ 97,597	¥ 123,149	¥ 57,301	¥ 58,218	¥ 59,926
Dividends Received from Subsidiaries	95,851	121,832	55,512	54,700	54,778
Operating Expenses:	3,709	3,341	3,071	2,035	2,315
General and Administrative Expenses	3,709	3,341	3,071	2,035	2,315
Operating Profit	¥ 93,888	¥ 119,808	¥ 54,230	¥ 56,183	¥ 57,611
Non-Operating Income	¥ 8,183	¥ 7,709	¥ 6,785	¥ 5,165	¥ 2,615
Non-Operating Expenses	9,430	11,327	11,678	10,971	9,722
Income before Income Taxes	¥ 92,640	¥ 116,190	¥ 49,337	¥ 50,378	¥ 50,504
Net Income	¥ 93,858	¥ 127,717	¥ 49,333	¥ 50,376	¥ 50,503

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 250.04	¥ 337.06	¥ 129.40	¥ 131.59	¥ 131.10
Diluted Net Income per Share of Common Stock	249.87	336.86	129.35	131.55	131.08
Net Assets per Share of Common Stock	4,189.14	4,087.87	3,884.77	3,886.44	3,882.88

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

Financial Data:

Consolidated Balance Sheet

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of March 31, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Assets:			
Cash and Due from Banks	¥ 13,141,192	¥ 16,045,864	$ 120,905
Call Loans and Bills Bought	71,236	50,124	655
Receivables under Resale Agreements	1,220,761	158,734	11,232
Receivables under Securities Borrowing Transactions	740,658	759,812	6,814
Monetary Claims Bought	999,705	1,082,650	9,198
Trading Assets (Notes 1, 2, and 4)	507,646	454,978	4,671
Money Held in Trust	7,230	1,393	67
Securities (Notes 2 and 4)	6,437,599	5,759,504	59,229
Loans and Bills Discounted (Notes 3, 4, and 5)	29,703,375	29,025,720	273,285
Foreign Exchanges	36,952	36,936	340
Lease Receivables and Investment Assets (Note 4)	673,880	653,447	6,200
Other Assets (Notes 4 and 8)	2,124,043	2,023,664	19,542
Tangible Fixed Assets (Note 6)	213,547	211,312	1,965
Intangible Fixed Assets (Note 7)	129,455	151,429	1,191
Assets for Retirement Benefits	87,096	138,931	801
Deferred Tax Assets	14,564	17,372	134
Customers' Liabilities for Acceptances and Guarantees	518,811	557,007	4,773
Allowance for Loan Losses	(127,205)	(99,770)	(1,170)
Total Assets	¥ 56,500,552	¥ 57,029,113	$ 519,832
Liabilities:			
Deposits (Notes 4 and 9)	¥ 30,688,920	¥ 31,903,572	$ 282,353
Negotiable Certificates of Deposit	5,860,292	6,328,622	53,917
Call Money and Bills Sold (Note 4)	142,974	72,793	1,315
Payables under Repurchase Agreements (Note 4)	1,558,919	1,603,191	14,343
Payables under Securities Lending Transactions (Note 4)	—	104,767	—
Trading Liabilities (Note 1)	371,950	258,771	3,422
Borrowed Money (Notes 4 and 10)	5,856,384	4,023,801	53,882
Foreign Exchanges	3,213	457	30
Short-Term Bonds Payable	1,707,097	1,472,786	15,706
Bonds Payable (Note 11)	1,125,731	1,378,328	10,357
Borrowed Money from Trust Account (Note 12)	4,750,289	5,408,009	43,705
Other Liabilities (Note 13)	1,215,433	994,424	11,183
Provision for Bonuses	18,619	17,542	171
Provision for Directors' Bonuses	172	343	2
Provision for Stocks Payment	279	—	3
Liabilities for Retirement Benefits	14,044	14,008	129
Provision for Reward Points Program	16,889	18,282	155
Provision for Reimbursement of Deposits	4,867	5,250	45
Provision for Contingent Losses	1,440	3,465	13
Deferred Tax Liabilities	50,875	130,479	468
Deferred Tax Liabilities for Land Revaluation (Note 6)	2,439	2,847	22
Acceptances and Guarantees	518,811	557,007	4,773
Total Liabilities	¥ 53,909,645	¥ 54,298,756	$ 495,995
Net Assets:			
Total Shareholders' Equity:	¥ 2,334,377	¥ 2,242,982	$ 21,477
Capital Stock	261,608	261,608	2,407
Capital Surplus	580,595	645,003	5,342
Retained Earnings	1,495,029	1,387,592	13,755
Treasury Stock	(2,855)	(51,222)	(26)
Total Accumulated Other Comprehensive Income:	220,889	410,478	2,032
Valuation Differences on Available-for-Sale Securities	351,459	467,448	3,234
Deferred Gains (Losses) on Hedges	(56,765)	(36,764)	(522)
Revaluation Reserve for Land (Note 6)	(6,623)	(5,698)	(61)
Foreign Currency Translation Adjustments	1,332	4,702	12
Remeasurements of Defined Benefit Plans	(68,513)	(19,209)	(630)
Subscription Rights to Shares	1,057	1,062	10
Non-Controlling Interests	34,583	75,832	318
Total Net Assets	¥ 2,590,907	¥ 2,730,356	$ 23,838
Total Liabilities and Net Assets	¥ 56,500,552	¥ 57,029,113	$ 519,832

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 6,822.48	¥ 7,008.67	$ 62.77

See accompanying notes.
The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥108.69 to U.S. $1.00, the exchange rate as of March 31, 2020.

Financial Data:

Consolidated Statement of Income

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Income:			
Trust Fees	¥ 99,816	¥ 103,911	$ 918
Interest Income:	489,366	507,007	4,502
Interest on Loans and Discounts	346,886	360,348	3,192
Interest and Dividends on Securities	94,005	92,680	865
Interest on Call Loans and Bills Bought	1,431	1,523	13
Interest on Receivables under Resale Agreements	571	926	5
Interest on Receivables under Securities Borrowing Transactions	0	0	0
Interest on Deposits with Banks	36,831	43,140	339
Other Interest Income (Note 1)	9,640	8,387	89
Fees and Commissions	401,723	402,867	3,696
Trading Income (Note 2)	102,189	27,093	940
Other Ordinary Income (Note 3)	349,778	356,927	3,218
Other Income (Note 4)	95,680	71,626	880
Total Income	¥ 1,538,556	¥ 1,469,434	$ 14,155
Expenses:			
Interest Expenses:	¥ 361,890	¥ 371,845	$ 3,330
Interest on Deposits	125,997	128,792	1,159
Interest on Negotiable Certificates of Deposit	81,014	81,292	745
Interest on Call Money and Bills Sold	1,264	2,213	12
Interest on Payables under Repurchase Agreements	31,712	35,615	292
Interest on Payables under Securities Lending Transactions	2,302	2,636	21
Interest on Borrowings	13,238	15,740	122
Interest on Short-Term Bonds	29,049	23,343	267
Interest on Bonds	16,147	23,745	149
Other Interest Expenses (Note 1)	61,163	58,465	563
Fees and Commissions Payments	109,666	97,755	1,009
Other Ordinary Expenses (Note 3)	280,488	249,652	2,581
General and Administrative Expenses (Note 5)	433,455	431,151	3,988
Other Expenses (Note 4)	112,333	77,688	1,034
Total Expenses	¥ 1,297,834	¥ 1,228,093	$ 11,941
Income before Income Taxes	¥ 240,721	¥ 241,340	$ 2,215
Income Taxes:	75,627	60,599	696
Current	69,585	67,714	640
Deferred	6,042	(7,114)	56
Net Income	¥ 165,094	¥ 180,741	$ 1,519
Net Income Attributable to Non-Controlling Interests	2,065	6,851	19
Net Income Attributable to Owners of the Parent	¥ 163,028	¥ 173,889	$ 1,500

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 434.31	¥ 458.91	$ 4.00
Diluted Net Income per Share of Common Stock	¥ 434.03	¥ 458.65	$ 3.99

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, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Net Income	**¥ 165,094**	¥ 180,741	**$ 1,519**
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	**(116,924)**	(50,986)	**(1,076)**
Deferred Gains (Losses) on Hedges	**(18,946)**	(13,375)	**(174)**
Foreign Currency Translation Adjustments	**(2,387)**	676	**(22)**
Remeasurements of Defined Benefit Plans	**(49,287)**	(23,917)	**(453)**
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	**(1,523)**	785	**(14)**
Total Other Comprehensive Income (Loss) (Note)	**¥ (189,068)**	¥ (86,815)	**$ (1,740)**
Comprehensive Income:	**¥ (23,974)**	¥ 93,925	**$ (221)**
Comprehensive Income Attributable to Owners of the Parent	**(25,635)**	87,148	**(236)**
Comprehensive Income Attributable to Non-Controlling Interests	**1,660**	6,777	**15**

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, 2020 and 2019

From April 1, 2019 to March 31, 2020

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 261,608	¥ 645,003	¥ 1,387,592	¥ (51,222)	¥ 2,242,982
Changes during the Year					
Cash Dividends			(56,517)		(56,517)
Net Income Attributable to Owners of the Parent			163,028		163,028
Purchase of Treasury Stock				(17,494)	(17,494)
Disposal of Treasury Stock		(354)		1,835	1,481
Retirement of Treasury Stock		(64,024)		64,024	—
Purchase of Shares of Consolidated Subsidiaries		(29)			(29)
Sales of Shares of Consolidated Subsidiaries					—
Reversal of Revaluation Reserve for Land			925		925
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(64,408)	107,437	48,366	91,395
Balance at the End of the Year	¥ 261,608	¥ 580,595	¥ 1,495,029	¥ (2,855)	¥ 2,334,377

	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	¥ 467,448	¥ (36,764)	¥ (5,698)	¥ 4,702	¥ (19,209)	¥ 410,478	¥ 1,062	¥ 75,832	¥ 2,730,356
Changes during the Year									
Cash Dividends									(56,517)
Net Income Attributable to Owners of the Parent									163,028
Purchase of Treasury Stock									(17,494)
Disposal of Treasury Stock									1,481
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(29)
Sales of Shares of Consolidated Subsidiaries									—
Reversal of Revaluation Reserve for Land									925
Net Changes of Items Other Than Shareholders' Equity	(115,989)	(20,001)	(925)	(3,369)	(49,303)	(189,589)	(5)	(41,249)	(230,843)
Total Changes during the Year	(115,989)	(20,001)	(925)	(3,369)	(49,303)	(189,589)	(5)	(41,249)	(139,448)
Balance at the End of the Year	¥ 351,459	¥ (56,765)	¥ (6,623)	¥ 1,332	¥ (68,513)	¥ 220,889	¥ 1,057	¥ 34,583	¥ 2,590,907

See accompanying notes.

From April 1, 2018 to March 31, 2019

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 261,608	¥ 645,016	¥ 1,263,415	¥ (42,224)	¥ 2,127,816
Changes during the Year					
Cash Dividends			(49,343)		(49,343)
Net Income Attributable to Owners of the Parent			173,889		173,889
Purchase of Treasury Stock				(9,033)	(9,033)
Disposal of Treasury Stock		(0)		35	35
Retirement of Treasury Stock					—
Purchase of Shares of Consolidated Subsidiaries		(17)			(17)
Sales of Shares of Consolidated Subsidiaries		4			4
Reversal of Revaluation Reserve for Land			(369)		(369)
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(13)	124,176	(8,998)	115,165
Balance at the End of the Year	¥ 261,608	¥ 645,003	¥ 1,387,592	¥ (51,222)	¥ 2,242,982

	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	¥ 516,663	¥ (22,746)	¥ (6,067)	¥ 4,281	¥ 4,720	¥ 496,851	¥ 799	¥ 246,858	¥ 2,872,325
Changes during the Year									
Cash Dividends									(49,343)
Net Income Attributable to Owners of the Parent									173,889
Purchase of Treasury Stock									(9,033)
Disposal of Treasury Stock									35
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(17)
Sales of Shares of Consolidated Subsidiaries									4
Reversal of Revaluation Reserve for Land									(369)
Net Changes of Items Other Than Shareholders' Equity	(49,214)	(14,017)	369	421	(23,930)	(86,372)	262	(171,025)	(257,135)
Total Changes during the Year	(49,214)	(14,017)	369	421	(23,930)	(86,372)	262	(171,025)	(141,969)
Balance at the End of the Year	¥ 467,448	¥ (36,764)	¥ (5,698)	¥ 4,702	¥ (19,209)	¥ 410,478	¥ 1,062	¥ 75,832	¥ 2,730,356

See accompanying notes.

From April 1, 2019 to March 31, 2020

	Millions of U.S. Dollars				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Year	$ 2,407	$ 5,934	$ 12,767	$ (471)	$ 20,637
Changes during the Year					
Cash Dividends			(520)		(520)
Net Income Attributable to Owners of the Parent			1,500		1,500
Purchase of Treasury Stock				(161)	(161)
Disposal of Treasury Stock		(3)		17	14
Retirement of Treasury Stock		(589)		589	—
Purchase of Shares of Consolidated Subsidiaries		(0)			(0)
Sales of Shares of Consolidated Subsidiaries					—
Reversal of Revaluation Reserve for Land			9		9
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(593)	988	445	841
Balance at the End of the Year	$ 2,407	$ 5,342	$ 13,755	$ (26)	$ 21,477

	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	$ 4,301	$ (338)	$ (52)	$ 43	$ (177)	$ 3,777	$ 10	$ 698	$ 25,121
Changes during the Year									
Cash Dividends									(520)
Net Income Attributable to Owners of the Parent									1,500
Purchase of Treasury Stock									(161)
Disposal of Treasury Stock									14
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(0)
Sales of Shares of Consolidated Subsidiaries									—
Reversal of Revaluation Reserve for Land									9
Net Changes of Items Other Than Shareholders' Equity	(1,067)	(184)	(9)	(31)	(454)	(1,744)	(0)	(380)	(2,124)
Total Changes during the Year	(1,067)	(184)	(9)	(31)	(454)	(1,744)	(0)	(380)	(1,283)
Balance at the End of the Year	$ 3,234	$ (522)	$ (61)	$ 12	$ (630)	$ 2,032	$ 10	$ 318	$ 23,838

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, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 240,721	¥ 241,340	$ 2,215
Depreciation and Amortization	35,242	36,590	324
Impairment Losses	19,360	15,786	178
Amortization of Goodwill	9,422	9,468	87
Equity in Losses (Earnings) of Affiliated Companies	(9,929)	(5,967)	(91)
Increase (Decrease) in Allowance for Loan Losses	27,435	(3,149)	252
Increase (Decrease) in Provision for Bonuses	1,031	1,234	9
Increase (Decrease) in Provision for Directors' Bonuses	(171)	17	(2)
Increase (Decrease) in Provision for Stocks Payment	279	—	3
Decrease (Increase) in Assets for Retirement Benefits	53,840	26,516	495
Increase (Decrease) in Liabilities for Retirement Benefits	(150)	999	(1)
Increase (Decrease) in Provision for Reward Points Program	(1,393)	(175)	(13)
Increase (Decrease) in Provision for Reimbursement of Deposits	(383)	1,702	(4)
Increase (Decrease) in Provision for Contingent Losses	(2,025)	(1,162)	(19)
Interest Income	(489,366)	(507,007)	(4,502)
Interest Expenses	361,890	371,845	3,330
Loss (Gain) Related to Securities	(75,071)	(10,291)	(691)
Loss (Gain) on Money Held in Trust	1,030	(47)	9
Foreign Exchange Losses (Gains)	45,979	(38,601)	423
Loss (Gain) on Disposal of Fixed Assets	(2,423)	(715)	(22)
Net Decrease (Increase) in Trading Assets	(52,668)	(91,683)	(485)
Net Increase (Decrease) in Trading Liabilities	113,178	(7,376)	1,041
Net Decrease (Increase) in Loans and Bills Discounted	(680,583)	(981,229)	(6,262)
Net Increase (Decrease) in Deposits	(1,214,652)	1,432,360	(11,175)
Net Increase (Decrease) in Negotiable Certificates of Deposit	(468,330)	(234,713)	(4,309)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	1,832,583	(326,251)	16,861
Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan)	(215,071)	334,528	(1,979)
Net Decrease (Increase) in Call Loans	(1,000,163)	(207,128)	(9,202)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	19,153	(84,517)	176
Net Increase (Decrease) in Call Money	25,908	(215,448)	238
Net Increase (Decrease) in Payables under Securities Lending Transactions	(104,767)	63,468	(964)
Net Decrease (Increase) in Foreign Exchange-Assets	(16)	(11,382)	(0)
Net Increase (Decrease) in Foreign Exchange-Liabilities	2,755	(1,526)	25
Net Decrease (Increase) in Lease Receivables and Investment Assets	(20,432)	23,791	(188)
Net Increase (Decrease) in Short-Term Bonds Payable	234,311	409,917	2,156
Increase (Decrease) in Straight Bonds-Issuance and Redemption	(282,466)	(192,132)	(2,599)
Net Increase (Decrease) in Borrowed Money from Trust Account	(657,720)	476,319	(6,051)
Interest Received	512,084	519,157	4,711
Interest Paid	(376,605)	(361,941)	(3,465)
Other, Net	(215,869)	(221,931)	(1,986)
Subtotal	¥ (2,334,053)	¥ 460,661	$ (21,474)
Income Taxes (Paid) Refunded	(61,252)	(86,343)	(564)
Net Cash Provided by (Used in) Operating Activities	¥ (2,395,306)	¥ 374,318	$ (22,038)

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (6,064,069)	¥ (6,118,951)	$ (55,792)
Proceeds from Sales of Securities	3,748,916	4,401,254	34,492
Proceeds from Redemption of Securities	1,732,611	1,543,239	15,941
Increase in Money Held in Trust	(6,900)	—	(63)
Purchase of Tangible Fixed Assets	(16,756)	(13,369)	(154)
Proceeds from Sales of Tangible Fixed Assets	7,380	2,650	68
Purchase of Intangible Fixed Assets	(31,497)	(29,045)	(290)
Purchase of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation	(1,089)	—	(10)
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(54)	(11,178)	(1)
Net Cash Provided by (Used in) Investing Activities	¥ (631,459)	¥ (225,399)	$ (5,810)
Cash Flows from Financing Activities:			
Repayments of Subordinated Borrowings	—	(20,000)	—
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	39,785	99,452	366
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(10,000)	—	(92)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	(71)	(47)	(1)
Proceeds from Sales of Shares of Subsidiaries without Change in the Scope of Consolidation	—	36	—
Repayments to Non-Controlling Interests	(41,000)	(152,000)	(377)
Cash Dividends Paid	(56,511)	(49,344)	(520)
Cash Dividends Paid to Non-Controlling Interests	(1,512)	(5,865)	(14)
Purchase of Treasury Stock	(17,494)	(9,033)	(161)
Proceeds from Sales of Treasury Stock	1,481	35	14
Net Cash Provided by (Used in) Financing Activities	¥ (85,323)	¥ (136,766)	$ (785)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (7,654)	¥ (7,299)	$ (70)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ (3,119,743)	¥ 4,852	$ (28,703)
Cash and Cash Equivalents at the Beginning of the Year	¥ 14,079,768	¥ 26,540,249	$ 129,541
Net Increase (Decrease) in Cash and Cash Equivalents with Change in the Scope of Consolidation (Note 2)	¥ —	¥ (12,465,333)	$ —
Cash and Cash Equivalents at the End of the Year (Note 1)	¥ 10,960,024	¥ 14,079,768	$ 100,837

See accompanying notes.

Notes to the Consolidated Financial Statements

Basis of Presentation of Financial Statements

The accompanying consolidated financial statements (banking account) have been prepared from the accounts maintained by Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") and its consolidated subsidiaries (together, "SuMi TRUST Group") in accordance with the accounting principles generally accepted in Japan and certain accounting and disclosure rules under the Financial Instruments and Exchange Act of Japan and the Banking Act of Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, the consolidated financial statements of SuMi TRUST Holdings issued in Japan have been reclassified and rearranged in order to present them in a form that is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which SuMi TRUST Holdings is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥108.69 to U.S. $1, the approximate rate of exchange as of March 31, 2020. 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, 2020:
62 companies
Principal Company:
Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")

Changes in the consolidated subsidiaries during the current fiscal year are as follows:

Sumitomo Mitsui Trust Life Partners Co., Ltd. and three other companies are included in the scope of the consolidation due mainly to the acquisition of their shares from the fiscal year ended March 31, 2020.

CMTH Preferred Capital 7 (Cayman) Limited and two other companies are excluded from the scope of consolidation due to liquidation effective from the fiscal year ended March 31, 2020.

(2) Unconsolidated Subsidiaries
Principal Companies:
Hummingbird Co., Ltd.
ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 22 other companies are excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries are excluded from the scope of consolidation because they are immaterial to the extent that excluding such companies from consolidation would not prevent a reasonable assessment of the corporate group's financial position and financial results. Such materiality is determined based on the size of their assets, ordinary income, net income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), retained earnings (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), accumulated other comprehensive income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), and other financial data.

2. Application of the Equity Method

(1) Unconsolidated Subsidiaries Accounted for by the Equity Method:
None

(2) Affiliated Companies Accounted for by the Equity Method:
34 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:

UBS SuMi TRUST Wealth Advisory, Ltd. and three other companies are newly established and included in the scope of application of the equity method from the fiscal year ended March 31, 2020.

(3) Unconsolidated Subsidiaries and Affiliated Companies that are Not Accounted for by the Equity Method:
Principal Companies:
Hummingbird Co., Ltd.
ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 22 other companies are excluded from the scope of the application of the equity method in accordance with Article 10, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/

losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method are excluded from the scope of application of the equity method because such exclusion would not materially affect the consolidated financial statements for the current fiscal year. Such materiality is determined based on the size of their net income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), retained earnings (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), accumulated other comprehensive income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), and other financial data.

3. Balance Sheet Dates of the Consolidated Subsidiaries

(1) Balance sheet dates of consolidated subsidiaries are as follows:

April 30:	2 companies
May 31:	1 company
August 31:	1 company
September 30:	5 companies
November 30:	1 company
December 31:	6 companies
March 31:	46 companies

(2) Subsidiaries are consolidated using the financial statements as of the following dates:

- Consolidated subsidiaries with a balance sheet date of April 30: Provisionally prepared financial statements as of January 31
- A consolidated subsidiary with a balance sheet date of May 31: Provisionally prepared financial statements as of February 28
- A consolidated subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 28
- Consolidated subsidiaries with a balance sheet date of September 30: Provisionally prepared financial statements as of March 31
- A consolidated subsidiary with a balance sheet date of November 30: Provisionally prepared financial statements as of February 28
- The other consolidated subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet date, March 31, 2020, 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, 2020 and 2019.

(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, in principle, valued at the market price at the balance sheet date (cost of securities sold is calculated using primarily the moving-average method). "Available-for-Sale Securities" for which their fair values are extremely difficult to be determined are carried at cost using the moving-average method.

Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheet.

(b) Securities in money held in trust are classified and accounted for in the same manner as those described in 4. (1)

and 4. (2) (a) above.

(3) Financial Derivatives

Financial derivatives, excluding those for trading purposes, are stated at fair value.

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

Tangible fixed assets are depreciated using primarily the straight-line method.

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

(b) Intangible fixed assets other than lease assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over the useful life specified by SuMi TRUST Holdings or the consolidated subsidiaries, generally five years.

(c) Lease assets

The lease assets under "Tangible Fixed Assets" and "Intangible Fixed Assets" that are related to finance leases that do not transfer ownership of the lease assets to lessees are depreciated using the straight-line method over the lease term, assuming a residual value of zero.

(5) Allowance for Loan Losses

The major domestic consolidated subsidiaries record allowance for loan losses in accordance with internally established criteria for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings ("legal bankruptcy") and against borrowers that are in substantially similar adverse condition ("virtual bankruptcy"), the allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future ("possible bankruptcy"), an allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large borrowers with certain credit risks and credit amounts that are classified as possible bankruptcy borrowers, restructured loan borrowers, or close-observation borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

For claims that are classified as other than those above, the allowance is provided based on the estimated loan losses over the next one to three years, which are calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past one to three years.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment of asset quality. The Risk Management Department, which is independent from the operating sections, monitors the results of such assessments.

As for the other consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratios, and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of unrecoverable amount for each claim.

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥22,391 million (U.S. $206 million) and ¥17,877 million as of March 31, 2020 and 2019, respectively.

Additional Information

Some of its consolidated subsidiaries made necessary modifications to the historical loan-loss ratios concerning the impact of COVID-19 on the borrowers.

In particular, some of its consolidated subsidiaries identified industries and products (collectively the "industries") that may be affected by downturn of business performance due to the spread of COVID-19, and recorded additional allowance for loan losses for estimated credit losses in the future assuming that internal ratings of certain credits of the industries will be downgraded to some extent.

(6) Provision for Bonuses

A provision for bonuses is provided for the estimated employee bonuses attributable to the current fiscal year.

(7) Provision for Directors' Bonuses

A provision for directors' bonuses is provided at SuMi TRUST Holdings and some of the consolidated subsidiaries 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 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, 2020, 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: Past service cost is recognized using the straight-line method, primarily over 10 years within the employees' average remaining service period at incurrence.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts that would be required for voluntary termination at the year-end.

(13) Foreign Currency Translation

Assets and liabilities of SuMi TRUST Bank that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing at the consolidated balance sheet date, except for shares of stocks in affiliated companies translated into yen at the exchange rates prevailing at the acquisition dates.

Assets and liabilities of other consolidated subsidiaries that are denominated in foreign currencies are translated into yen at the exchange rates prevailing at their respective balance sheet dates.

(14) 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.

(15) Hedge Accounting

(a) Interest-related risk hedge

SuMi TRUST Bank manages interest rate risk arising from various assets and liabilities by using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Auditing Committee Report No. 24 of February 13, 2002, "Report No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest volatility factors for the hedged items and the hedging instruments.

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 15), SuMi TRUST Bank has adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which are utilized to manage interest rate risk arising from transactions, such as loans and bills discounted, and deposits. Deferred gains (losses) on hedges in the consolidated balance sheet as of the end of the current fiscal year that have resulted from existing "Macro Hedge Accounting" are amortized over the remaining period designated under "Macro Hedge Accounting" of each hedging transaction.

Deferred losses on hedges associated with "Macro Hedge Accounting" were ¥35 million (U.S. $0.3 million) and ¥58 million (before tax effect) as of March 31, 2020 and 2019, respectively.

(b) Currency-related risk hedge

SuMi TRUST Bank manages the foreign exchange risk arising from various assets and liabilities denominated in foreign currencies using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Auditing Committee Report No. 25 of July 29, 2002, "Report No. 25"). The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

Additionally, transactions intended to hedge the foreign exchange risk associated with foreign-denominated securities (other than bonds) are treated as portfolio hedges. Fair value hedge accounting has been adopted to account for such transactions on the conditions that specific foreign-denominated securities are designated in advance as hedged items and that foreign currency payables of spot and forward foreign exchange contracts exist in excess of the acquisition cost of such foreign-denominated securities on a foreign currency basis.

The foreign exchange risk associated with investment in the shares of stocks in foreign subsidiaries and affiliated companies is individually hedged using forward exchange contracts denominated in the same currency, and foreign currency translation adjustments arising from the hedging instruments are included in "Foreign Currency Translation Adjustments."

(c) Internal hedge transactions and others

Among derivatives transactions of SuMi TRUST Bank that take place between consolidated subsidiaries or that are made internally between designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to Report No. 24 and Report No. 25. Accordingly, income or expenses arising from such interest rate swaps and cross-currency swaps are recognized as profits or losses, or deferred, rather than eliminated.

Deferred hedge accounting has been adopted for certain assets and liabilities by individual transactions.

Other consolidated subsidiaries account for such transactions as deferred hedges or exceptional treatment for interest rate swaps.

(16) 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.

(17) 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).

(18) National and Local Consumption Taxes

National and local consumption taxes ("consumption taxes") payable by SuMi TRUST Holdings and its consolidated subsidiaries in Japan are accounted for by the tax-excluded method. However, any nondeductible consumption taxes associated with asset purchases are recorded as expenses in the current fiscal year.

(19) Adoption of consolidated Tax Return System

Sumi Trust Holdings has adopted the consolidated tax return system from the fiscal year ended March 31, 2020.

(20) Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System

SuMi TRUST Bank and some of its consolidated subsidiaries in Japan did not adopt Paragraph 44 of "Implementation Guidance on Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) in accordance with Paragraph 3 of "Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No. 39, March 31, 2020) and account for deferred tax assets and deferred tax liabilities based on the tax regulations before the revision. Such treatment is adopted on items transitioned to group tax sharing system established under "The Law Revising a Portion of Income Tax Law" (Act No. 8, 2020) and single taxation system items revised in conjunction with the transition to the group tax sharing system.

New Accounting Standards and Interpretations Not Yet Adopted

The following standard and guidance were issued but not yet adopted.

1. Accounting Standard for Revenue Recognition

- Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020)
- Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 31, 2020)

(1) Overview

The above standard and guidance provide comprehensive principles for revenue recognition. Under the standard and guidance, revenue is recognized by applying following 5 steps:

Step 1: Identify contract(s) with customers.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligation in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2022.

(3) Effects of the application of the standards

SuMi TRUST Holdings is currently in the process of determining the effects of these new standards on the consolidated financial statements.

2. Accounting Standard for Fair Value Measurement

- Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, July 4, 2019)
- Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020)

(1) Overview

"Accounting Standards for Fair Value Measurement" and "Implementation Guidance on Accounting Standard for Fair Value Measurement" ("the standard and guidance for fair value measurement") are developed in order to enhance comparability with international accounting standards and, provide guidance for methods of fair value measurement. The standard and guidance for fair value measurement are adopted to fair value measurement of the following item:

- Financial instruments defined in "Accounting Standard for Financial Instruments"

In addition, "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" has been revised and specified what to disclose in the notes, such as the breakdown by the levels of the fair value hierarchy of financial instruments.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2022.

(3) Effects of the application of the standards

SuMi TRUST Holdings is currently in the process of determining the effects of these new standards on the consolidated financial statements.

3. Accounting Standard for Disclosure of Accounting Estimates

- "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020)

(1) Overview

The above standard is developed in order to disclose and enhance the understanding of the financial statement users on the details of accounting estimates of the items with risks of significantly affecting the financial statements of the next fiscal year, with regard to the amounts based on the accounting estimates recorded in the financial statements for the fiscal year ended March 31, 2020.

(2) Effective date

Effective from the end of the fiscal year ending March 31, 2021.

4. Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections (ASBJ Statement No. 24, March 31, 2020)

(1) Overview

The above standard provides the overview of the principles and procedures of the accounting process applied when the relevant accounting standards are unclear.

(2) Effective date

Effective from the end of the fiscal year ending March 31, 2021.

Additional Information

Share Delivery Trust for the Directors

1. Overview

From the period ended March 31, 2020, 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 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 the 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 the 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 the 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, 2020, were ¥1,469 million (U.S. $14 million) and 429 thousand shares. The shares are recorded as treasury stock in the net assets section of the consolidated balance sheet as of March 31, 2020.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Securities in Trading Account	¥ 6,096	¥ 106,883	$ 56
Derivatives of Trading Securities	13	—	0
Derivatives of Securities Related to Trading Transactions	498	537	5
Trading-Related Financial Derivatives	450,031	291,252	4,141
Other Trading Assets	51,006	56,305	469
Total	¥ 507,646	¥ 454,978	$ 4,671

(2) Trading liabilities as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Derivatives of Trading Securities	¥ —	¥ 35	$ —
Derivatives of Securities Related to Trading Transactions	—	55	—
Trading-Related Financial Derivatives	371,950	258,681	3,422
Total	¥ 371,950	¥ 258,771	$ 3,422

2. Securities

Securities held as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Government Bonds	¥ 1,480,969	¥ 420,371	$ 13,626
Local Government Bonds	14,785	8,764	136
Corporate Bonds	671,856	613,432	6,181
Stocks	1,333,637	1,588,618	12,270
Other Securities	2,936,350	3,128,316	27,016
Total	¥ 6,437,599	¥ 5,759,504	$ 59,229

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliated companies as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Stocks	¥ 153,657	¥ 147,664	$ 1,414
Equity Investments	33,528	43,364	308

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
	2020	2019	2020
Securities that are Further Collateralized	¥ 1,197,832	¥ 109,732	$ 11,021
Securities that are Further Loaned	1,139,619	1,400,284	10,485
Securities Held without Selling or Repledging as of the End of the Fiscal Year	—	26,550	—

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 ¥91,755 million (U.S. $844 million) and ¥88,611 million as of March 31, 2020 and 2019, respectively.

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Bills Discounted	¥ 1,123	¥ 1,709	$ 10
Loans on Bills	217,701	222,160	2,003
Loans on Deeds	27,801,810	27,185,584	255,790
Overdrafts	1,682,740	1,616,266	15,482
Total	¥ 29,703,375	¥ 29,025,720	$ 273,285

Bills discounted are treated as financial transactions in accordance with Report No. 24. SuMi TRUST Holdings has a right to freely sell or (re-)pledge such commercial bills.

Loans and bills discounted as of March 31, 2020 and 2019, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Loans in Bankruptcy Proceedings	¥ 4,998	¥ 7,096	$ 46
Delinquent Loans	53,112	70,358	489
Loans Past Due Three Months or More	3,341	—	31
Restructured Loans	38,964	23,255	358
Total	¥ 100,416	¥ 100,710	$ 924

Loans in bankruptcy proceedings are loans whose interest receivable is not recorded due to delinquency in principal or interest payments for a significant period or other reasons excluding loans that have been written off ("nonaccrual loans"), and that meet the conditions as prescribed in Paragraph 1, Items 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order No. 97 of 1965).

Delinquent loans are nonaccrual loans other than (i) loans in bankruptcy proceedings and (ii) loans for which the terms of interest payments have been extended in connection with the borrower's business restructuring or to otherwise provide support.

Loans past due three months or more are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as loans in bankruptcy proceedings or delinquent loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, delinquent loans, or loans past due three months or more.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Assets Pledged as Collateral:			
Trading Assets	¥ 3,000	¥ 31,497	$ 28
Securities	2,039,182	745,379	18,761
Loans and Bills Discounted	5,333,699	5,022,262	49,073
Lease Receivables and Investment Assets	57,605	59,711	530
Other Assets	99,232	359,914	913
Total	¥ 7,532,720	¥ 6,218,765	$ 69,305
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	¥ 22,045	¥ 7,943	$ 203
Call Money and Bills Sold	54,345	—	500
Payables under Repurchase Agreements	582,927	787,052	5,363
Payables under Securities Lending Transactions	—	104,767	—
Borrowed Money	3,723,322	2,751,266	34,256

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
	2020	2019	2020
Securities	¥ 329,749	¥ 396,037	$ 3,034

"Other Assets" include initial margins of futures, security deposits, cash collateral pledged for financial instruments, and cash collateral pledged for repurchase agreement transactions. Such amounts are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Initial Margins of Futures Markets	¥ 8,204	¥ 7,242	$ 75
Security Deposits	23,654	26,671	218
Cash Collateral Pledged for Financial Instruments-Assets	801,997	609,432	7,379
Cash Collateral Pledged for Repurchase Agreement Transactions	8,759	11,067	81

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 ¥12,416,801 million (U.S. $114,241 million) and ¥12,344,898 million, of which ¥8,133,494 million (U.S. $74,832 million) and ¥8,098,841 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2020 and 2019, 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, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Land	¥ 114,713	¥ 109,109	$ 1,055
Buildings	73,926	74,053	680
Lease Assets	5,178	4,494	48
Construction in Progress	370	244	3
Other	19,358	23,410	178
Total	¥ 213,547	¥ 211,312	$ 1,965

Accumulated depreciation amounted to ¥167,302 million (U.S. $1,539 million) and ¥156,544 million, and advance depreciation amounted to ¥26,175 million (U.S. $241 million) and ¥26,357 million as of March 31, 2020 and 2019, respectively.

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SuMi TRUST Bank was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation was calculated by reasonably adjusting the value of land based on the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998) and the land assessments under Item 4 of Article 2 of the same Order.

Differences between the fair value and the revalued carrying amount of the land for commercial use subject to Article 10 of the Act were ¥710 million (U.S. $7 million) and ¥1,495 million as of March 31, 2020 and 2019, respectively.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Software	¥ 79,211	¥ 83,108	$ 729
Goodwill	45,087	60,092	415
Lease Assets	0	0	0
Other	5,156	8,227	47
Total	¥ 129,455	¥ 151,429	$ 1,191

8. Other Assets

Other assets as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Domestic Exchange Settlement Account, Debit	¥ 1,057	¥ 951	$ 10
Prepaid Expenses	7,640	7,284	70
Accrued Income	147,844	156,308	1,360
Initial Margins of Futures Markets	8,204	7,242	75
Variation Margins of Futures Markets	1,994	1,837	18
Financial Derivatives Other Than Trading Assets	429,705	295,325	3,953
Receivables for Securities Transactions	192,369	403,454	1,770
Cash Collateral Pledged for Financial Instruments-Assets	801,997	609,432	7,379
Other	533,230	541,825	4,906
Total	¥ 2,124,043	¥ 2,023,664	$ 19,542

9. Deposits

Deposits as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Current Deposits, Ordinary Deposits, Saving Deposits and Deposits at Notice	¥ 8,527,615	¥ 9,577,759	$ 78,458
Time Deposits	20,767,636	21,140,313	191,072
Other	1,393,668	1,185,498	12,822
Total	¥ 30,688,920	¥ 31,903,572	$ 282,353

10. Borrowed Money

Borrowed money as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Subordinated Borrowings	¥ 60,000	¥ 60,000	$ 552
Other Borrowed Money	5,796,384	3,963,801	53,330
Total	¥ 5,856,384	¥ 4,023,801	$ 53,882

Weighted average interest rates on borrowed money were 0.24% and 0.42% for the fiscal years ended March 31, 2020 and 2019, respectively.

Annual maturities of borrowed money as of March 31, 2020, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Years Ending March 31	2020	2020
2021	¥ 2,980,182	$ 27,419
2022	1,285,691	11,829
2023	182,797	1,682
2024	727,164	6,690
2025	54,221	499
Total	¥ 5,230,057	$ 48,119

11. Bonds Payable

Bonds payable as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Perpetual Subordinated Bonds	¥ 340,000	¥ 340,000	$ 3,128
Subordinated Bonds	590,958	561,087	5,437
Other Bonds Payable	194,773	477,240	1,792
Total	¥ 1,125,731	¥ 1,378,328	$ 10,357

Annual maturities of bonds payable as of March 31, 2020, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Years Ending March 31	2020	2020
2021	¥ 1,938,173	$ 17,832
2022	50,000	460
2023	60,000	552
2024	30,000	276
2025	46,500	428
Total	¥ 2,124,673	$ 19,548

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, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Domestic Exchange Settlement Account, Credit	¥ 1,123	¥ 807	$ 10
Income Taxes Payable	20,131	25,133	185
Accrued Expenses	88,342	103,546	813
Unearned Income	80,246	78,715	738
Variation Margins of Futures Markets	977	—	9
Financial Derivatives Other Than Trading Liabilities	539,042	351,549	4,959
Lease Obligations	9,854	9,538	91
Asset Retirement Obligations	4,133	4,439	38
Payables for Securities Transactions	102,882	85,024	947
Provision for Loss on Interest Repayment	41	50	0
Cash Collateral Accepted for Financial Instruments-Liabilities	134,626	111,555	1,239
Other	234,031	224,063	2,153
Total	¥1,215,433	¥ 994,424	$11,183

Notes to the Consolidated Statement of Income

1. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Interest on Monetary Claims Bought	¥ 5,217	¥ 3,872	$ 48
Others	4,422	4,515	41
Total	¥ 9,640	¥ 8,387	$ 89

(2) Other interest expenses for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Interest on Interest Rate Swaps	¥ 42,586	¥ 36,348	$ 392
Others	18,577	22,116	171
Total	¥ 61,163	¥ 58,465	$ 563

2. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Net Income from Trading Securities and Derivatives	¥ 787	¥ 423	$ 7
Net Income from Trading Transactions	1,034	583	10
Net Income from Trading-Related Financial Derivatives Transactions	100,309	26,022	923
Other Trading Income	57	64	1
Total	¥102,189	¥ 27,093	$ 940

(2) Trading expenses were not incurred during the fiscal years ended March 31, 2020 and 2019.

3. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Net Gains on Foreign Exchange Transactions	¥ 50,064	¥ 96,385	$ 461
Gains on Sales and Redemption of Bonds	46,682	19,689	430
Others	253,031	240,852	2,328
Total	¥ 349,778	¥ 356,927	$ 3,218

(2) Other ordinary expenses for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Losses on Sales and Redemption of Bonds	¥ 11,338	¥ 23,106	$ 104
Others	269,150	226,545	2,476
Total	¥ 280,488	¥ 249,652	$ 2,581

4. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Gains on Sales of Stocks and Other Securities	¥ 65,336	¥ 45,299	$ 601
Gains on Money Held in Trust	45	47	0
Recoveries of Written-Off Claims	1,149	1,908	11
Equity in Earnings of Affiliated Companies	9,929	5,967	91
Gains on Disposal of Fixed Assets	3,154	1,518	29
Others	16,066	16,885	148
Total	¥ 95,680	¥ 71,626	$ 880

(2) Other expenses for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Provision for Allowance for Loan Losses	¥ 39,972	¥ 209	$ 368
Losses on Sales of Loans	972	11	9
Write-Off of Loans	3,475	4,395	32
Losses on Sales of Stocks and Other Securities	12,672	28,110	117
Losses on Impairment of Stocks and Other Securities	12,495	3,479	115
Losses on Money Held in Trust	1,076	—	10
Losses on Disposal of Fixed Assets	731	802	7
Losses on Impairment of Fixed Assets	19,360	15,786	178
Losses on Investment in Partnerships	2,397	2,898	22
Others	19,180	21,994	176
Total	¥ 112,333	¥ 77,688	$ 1,034

5. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Taxes Other Than Income Taxes	¥ 17,796	¥ 16,340	$ 164
Personnel Expenses	192,824	193,197	1,774
Others	222,834	221,613	2,050
Total	¥ 433,455	¥ 431,151	$ 3,988

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, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	¥ (94,298)	¥ (66,133)	$ (868)
Reclassification Adjustments	(73,243)	(6,622)	(674)
Before Tax Effects	(167,541)	(72,756)	(1,541)
Tax Effects	50,617	21,769	466
Valuation Difference on Available-for-Sale Securities	(116,924)	(50,986)	(1,076)
Deferred Gains (Losses) on Hedges:			
Changes during the Period	(72,505)	(55,533)	(667)
Reclassification Adjustments	42,592	36,309	392
Before Tax Effects	(29,912)	(19,224)	(275)
Tax Effects	10,965	5,849	101
Deferred Gains (Losses) on Hedges	(18,946)	(13,375)	(174)
Foreign Currency Translation Adjustments:			
Changes during the Period	(2,387)	676	(22)
Reclassification Adjustments	—	—	—
Before Tax Effects	(2,387)	676	(22)
Tax Effects	—	—	—
Foreign Currency Translation Adjustments	(2,387)	676	(22)
Remeasurements of Defined Benefit Plans:			
Changes during the Period	(73,035)	(37,173)	(672)
Reclassification Adjustments	2,021	2,628	19
Before Tax Effects	(71,014)	(34,545)	(653)
Tax Effects	21,727	10,628	200
Remeasurements of Defined Benefit Plans	(49,287)	(23,917)	(453)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies:			
Changes during the Period	(1,242)	419	(11)
Reclassification Adjustments	(280)	366	(3)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	(1,523)	785	(14)
Total Other Comprehensive Income (Loss)	¥ (189,068)	¥ (86,815)	$ (1,740)

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, 2020 and 2019, 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, 2020					
Number of Issued Shares:					
Common Share	850,000	390,348	—	15,057	375,291
Treasury Stock:					
Common Share		11,751	4,492	15,488	755

(Notes)

1) The number of shares of common stock decreased by 15,057 thousand shares due to cancellation.

2) The number of shares of common stock held as treasury stock increased by 4,492 thousand shares and its breakdown is as follows.

- Increased by 6 thousand shares due to the purchase of odd-lot or less than one thousand shares.
- Increased by 4,057 thousand shares due to the acquisition of treasury stock which was resolved at the meeting of the board of directors held on May 15, 2019.
- Increased by 429 thousand shares due to the acquisition under share delivery trust for the Directors.

3) The number of shares of common stock held as treasury stock decreased by 15,488 thousand shares and its breakdown is as follows.

- Decreased by 0 thousand shares due to purchase requests from odd-lot or less than one thousand shareholders.
- Decreased by 2 thousand shares due to transfer of shares upon exercise of stock option rights.
- Decreased by 429 thousand shares due to the sales under the share delivery trust for the Directors system.
- Decrease by 15,057 thousand shares due to cancellation.

4) The number of shares of common stock held as treasury stock at the end of the fiscal year include 429 thousand shares of SuMi TRUST Holdings held by share delivery trust for the Directors. The increase in the number of shares of common stock with regard to share delivery trust for the Directors is 429 thousand shares as of March 31, 2020.

	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, 2019					
Number of Issued Shares:					
Common Share	850,000	390,348	—	—	390,348
Treasury Stock:					
Common Share		9,816	1,943	8	11,751

(Notes)

1) The number of shares of common stock held as treasury stock increased by 7 thousand shares due to the purchase of odd-lot or less than one thousand shares and by 1,935 thousand shares due to the acquisition of treasury stock, which was resolved at the meeting of the board of directors held on May 11, 2018.

2) The number of shares of common stock held as treasury stock decreased by 0 thousand shares due to purchase requests from odd-lot or less than one thousand shareholders and by 8 thousand shares due to transfer of shares upon exercise of stock option rights.

2. Subscription Rights to Shares

Subscription rights to shares for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

		Millions of Yen		Millions of U.S. Dollars
		2020	2019	2020
SuMi TRUST Holdings	Subscription Rights to Shares as Stock Options	¥ 1,057	¥ 1,062	$ 10

3. Dividends

Dividends paid for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

As for the fiscal year ended March 31, 2020:

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 27, 2019						
Ordinary General Meeting of Shareholders	Common Share	¥ 28,394 ($261)	Retained Earnings	¥ 75.00 ($0.69)	March 31, 2019	June 28, 2019

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 13, 2019						
Board of Directors' Meeting	Common Share	¥ 28,122 ($259)	Retained Earnings	¥ 75.00 ($0.69)	September 30, 2019	December 3, 2019

(Note) Cash dividends declared at the Board of Directors' Meeting held on November 13, 2019 include ¥32 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, 2020, but whose effective date is after March 31, 2020, 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 26, 2020						
Ordinary General Meeting of Shareholders	Common Share	**¥ 28,122 ($259)**	Retained Earnings	**¥ 75.00 ($0.69)**	March 31, 2020	June 29, 2020

(Note) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 26, 2020 include ¥32 million (U.S. $0 million) of dividends for treasury stock held by the share delivery trust for the Directors.

As for the fiscal year ended March 31, 2019:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 28, 2018						
Ordinary General Meeting of Shareholders	Common Share	¥ 24,734	Retained Earnings	¥ 65.00	March 31, 2018	June 29, 2018

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
November 14, 2018						
Board of Directors' Meeting	Common Share	¥ 24,608	Retained Earnings	¥ 65.00	September 30, 2018	December 4, 2018

Dividends with a record date during the fiscal year ended March 31, 2019, but whose effective date is after March 31, 2019, 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 27, 2019						
Ordinary General Meeting of Shareholders	Common Share	¥ 28,394	Retained Earnings	¥ 75.00	March 31, 2019	June 28, 2019

Notes to the Consolidated Statement of Cash Flows

1. Reconciliation of Cash and Cash Equivalents

The following table reconciles cash and cash equivalents in the consolidated statement of cash flows and cash and due from banks in the consolidated balance sheet as of March 31, 2020 and 2019.

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Cash and Due from Banks	¥ 13,141,192	¥ 16,045,864	$ 120,905
Due from Banks Held by SuMi TRUST Bank (Excluding Due from the Bank of Japan)	(2,181,167)	(1,966,096)	(20,068)
Cash and Cash Equivalents	¥ 10,960,024	¥ 14,079,768	$ 100,837

2. Significant Non-Monetary Transactions

There were no significant non-monetary transactions during the fiscal year ended March 31, 2020.

Since JTSB, which was a consolidated subsidiary of SuMi TRUST Holdings, and TCSB have established JTC Holdings, a wholly owning parent company of JTSB and TCSB, through a joint share transfer, JTSB has been excluded from the scope of consolidation and included in the scope of application of the equity method effective from the fiscal year ended March 31, 2019. Accordingly, total assets and total liabilities decreased by ¥12,794,220 million(*) (U.S. $115,315 million) and ¥12,734,918 million (U.S. $114,781 million), respectively, due to the exclusion of JTSB from the scope of consolidation.

(*) The decreased amount of total assets includes cash and cash equivalents of ¥12,465,333 million (U.S. $112,351 million) and the amount of cash and cash equivalents is presented as "Net Increase (Decrease) in Cash and Cash Equivalents with Changes in the Scope of Consolidation" in the consolidated statement of cash flows.

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

i) Tangible fixed assets

Mainly store buildings and office equipment

ii) Intangible fixed assets

Software

2) Method for amortizing lease assets

Refer to "(4) Depreciation and Amortization Methods" of "4. Significant Accounting Policies" in the Significant Accounting Policies and Practices.

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2020 and 2019, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Due in One Year or Less	¥ 3,827	¥ 3,654	$ 35
Due in More Than One Year	20,390	22,356	188
Total	¥ 24,218	¥ 26,010	$ 223

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2020 and 2019, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Due in One Year or Less	¥ 5,364	¥ 3,003	$ 49
Due in More Than One Year	24,470	11,279	225
Total	¥ 29,835	¥ 14,282	$ 274

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 to maturity, as strategic investments, and for business development. These securities are exposed to issuers' credit risks, and risks associated with fluctuation in interest rates and market prices.

Deposits from individuals and corporations, borrowed money, and bonds payable are exposed to liquidity risks as becoming insolvent at their maturities, such as being out of markets under certain circumstances.

SuMi TRUST Group deals with OTC and listed derivatives transactions related to interest rates, exchange rates, stocks, bonds, and credits for avoiding market risks.

To reduce interest rate risk, a major risk, SuMi TRUST Group comprehensively manages various financial assets and liabilities, such as loans and bills discounted and deposits, by categorizing them based on characteristics of their interest rate risks, and applies hedge accounting to hedge such risk using interest rate swaps designated as hedging instruments. The hedge accounting is applied to some assets and liabilities by individual transaction.

To mitigate the exchange rate risk arising from various financial assets and liabilities of SuMi TRUST Bank denominated in foreign currencies, hedge accounting is applied to the exchange rate risk of foreign currency assets and liabilities designated as hedged items, using currency swaps and foreign exchange swaps designated as hedging instruments.

The details of hedge accounting are described in "Significant Accounting Policies and Practices."

(3) Risk Management for Financial Instruments

SuMi TRUST Holdings 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 maintains a basic policy to organize an appropriate risk management framework for market risk compatible with strategic goals, the scale and nature of its operations, and risk profiles from a perspective of soundness and appropriateness of its business.

(b) Risk management framework for market risk

With regard to market risk, SuMi TRUST Group maintains a basic policy for setting and controlling various risk limits and segregation of organizations related to market risk under its Rules for Risk Management. The practical application of the basic policy is stated in the Rules for Market Risk Management. Divisions that execute transactions (the front office) are clearly segregated from divisions that process transactions (the back office) for independent check purposes, and the Risk Management Department, which is independent from both of the front and back offices, centrally manages market risk. This department identifies and analyzes group-wide risk, tracks adherence to risk limits, and reports to respective directors in charge on a daily basis and to the board of directors periodically.

In SuMi TRUST Bank, the board of directors resolves ALM basic plans and risk management plans as important matters related to market risk under management plans. The ALM Committee resolves basic matters of ALM basic plans and risk management plans related to market risk regarding company-wide comprehensive risk management for assets 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, 2020, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Trading Accounts was ¥8.8 billion (U.S. $81 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, 2020, resulted in three 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, 2020, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Banking Account was ¥782.9 billion (U.S. $7,203 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.

(4) Supplementary Explanation Concerning Fair Value of Financial Instruments

Fair value of financial instruments is based on quoted prices in markets. If a quoted price is not available, a reasonably calculated amount is used as fair value. Calculation of such amounts involves certain assumptions and may vary when different assumptions are employed.

2. Fair Values of Financial Instruments

The carrying amounts on the consolidated balance sheet and fair values of financial instruments as of March 31, 2020 and 2019, as well as the differences between these values are presented below. The fair values of unlisted stocks are excluded from the following table, because such fair values are extremely difficult to be determined (See Note 2).

	Millions of Yen			Millions of U.S. Dollars		
	2020			2020		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 13,141,128	¥ 13,141,128	¥ —	$ 120,905	$ 120,905	$ —
(2) Call Loans and Bills Bought	71,236	71,236	—	655	655	—
(3) Receivables under Resale Agreements	1,220,761	1,220,761	—	11,232	11,232	—
(4) Receivables under Securities Borrowing Transactions	740,658	740,658	—	6,814	6,814	—
(5) Monetary Claims Bought (*1)	987,691	988,352	660	9,087	9,093	6
(6) Trading Assets						
Trading Securities	57,102	57,102	—	525	525	—
(7) Money Held in Trust	7,130	7,130	—	66	66	—
(8) Securities						
Held-to-Maturity Debt Securities	265,044	275,316	10,272	2,439	2,533	95
Available-for-Sale Securities	5,777,030	5,777,030	—	53,151	53,151	—
(9) Loans and Bills Discounted	29,703,375			273,285		
Allowance for Loan Losses (*2)	(112,691)			(1,037)		
	29,590,684	29,885,145	294,461	272,248	274,958	2,709
(10) Foreign Exchanges	36,952	36,952	—	340	340	—
(11) Lease Receivables and Investment Assets (*1)	667,370	682,846	15,475	6,140	6,283	142
Total Assets	¥ 52,562,791	¥ 52,883,661	¥ 320,869	$ 483,603	$ 486,555	$ 2,952
(1) Deposits	¥ 30,688,920	¥ 30,709,549	¥ 20,628	$ 282,353	$ 282,543	$ 190
(2) Negotiable Certificates of Deposit	5,860,292	5,860,292	—	53,917	53,917	—
(3) Call Money and Bills Sold	142,974	142,974	—	1,315	1,315	—
(4) Payables under Repurchase Agreements	1,558,919	1,558,919	—	14,343	14,343	—
(5) Payables under Securities Lending Transactions	—	—	—	—	—	—
(6) Borrowed Money	5,856,384	5,852,389	(3,995)	53,882	53,845	(37)
(7) Foreign Exchanges	3,213	3,213	—	30	30	—
(8) Short-Term Bonds Payable	1,707,097	1,707,097	—	15,706	15,706	—
(9) Bonds Payable	1,125,731	1,142,712	16,980	10,357	10,513	156
(10) Borrowed Money from Trust Account	4,750,289	4,750,289	—	43,705	43,705	—
Total Liabilities	¥ 51,693,823	¥ 51,727,436	¥ 33,613	$ 475,608	$ 475,917	$ 309
Derivatives Transactions (*3)						
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ (17,750)	¥ (17,750)	¥ —	$ (163)	$ (163)	$ —
Derivatives Transactions Qualifying for Hedge Accounting	(12,992)	(12,992)	—	(120)	(120)	—
Total Derivatives Transactions	¥ (30,742)	¥ (30,742)	¥ —	$ (283)	$ (283)	$ —

	Millions of Yen		
	2019		
	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 16,045,791	¥ 16,045,791	¥ —
(2) Call Loans and Bills Bought	50,124	50,124	—
(3) Receivables under Resale Agreements	158,734	158,734	—
(4) Receivables under Securities Borrowing Transactions	759,812	759,812	—
(5) Monetary Claims Bought (*1)	1,071,381	1,072,265	883
(6) Trading Assets			
Trading Securities	163,188	163,188	—
(7) Money Held in Trust	1,293	1,293	—
(8) Securities			
Held-to-Maturity Debt Securities	189,663	211,291	21,627
Available-for-Sale Securities	5,197,514	5,197,514	—
(9) Loans and Bills Discounted	29,025,720		
Allowance for Loan Losses (*2)	(90,216)		
	28,935,504	29,195,077	259,573
(10) Foreign Exchanges	36,936	36,936	—
(11) Lease Receivables and Investment Assets (*1)	650,859	666,194	15,335
Total Assets	¥ 53,260,805	¥ 53,558,226	¥ 297,420
(1) Deposits	¥ 31,903,572	¥ 31,925,607	¥ 22,034
(2) Negotiable Certificates of Deposit	6,328,622	6,328,622	—
(3) Call Money and Bills Sold	72,793	72,793	—
(4) Payables under Repurchase Agreements	1,603,191	1,603,191	—
(5) Payables under Securities Lending Transactions	104,767	104,767	—
(6) Borrowed Money	4,023,801	4,026,869	3,067
(7) Foreign Exchanges	457	457	—
(8) Short-Term Bonds Payable	1,472,786	1,472,786	—
(9) Bonds Payable	1,378,328	1,412,322	33,994
(10) Borrowed Money from Trust Account	5,408,009	5,408,009	—
Total Liabilities	¥ 52,296,332	¥ 52,355,429	¥ 59,096
Derivatives Transactions (*3)			
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 38,369	¥ 38,369	¥ —
Derivatives Transactions Qualifying for Hedge Accounting	(61,576)	(61,576)	—
Total Derivatives Transactions	¥ (23,206)	¥ (23,206)	¥ —

(*1) The allowance for credit losses corresponding to Cash and Due from Banks, Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheet, because the balance of the allowance is immaterial.

(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from Loans and Bills Discounted.

(*3) Derivatives transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively.

Receivables and payables arising from derivatives transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(Note 1) Method for Calculating Fair Values of Financial Instruments

Assets

(1) Cash and Due from Banks, (2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements, (4) Receivables under Securities Borrowing Transactions, and (10) Foreign Exchanges

These instruments with transactions without stated maturities are stated at their carrying amounts because the carrying amounts approximate fair value. For transactions with stated maturities, corresponding instruments are stated at their carrying amounts because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

(5) Monetary Claims Bought

Fair values of monetary claims bought for which counterparties' quoted prices or dealer/broker-quoted prices are available are stated at such prices. Fair values for all other claims are calculated by classifying them according to their internal ratings and maturities and discounting future cash flows to their present values.

(6) Trading Assets

Bonds and other securities held for trading purposes are stated at dealer association prices or counterparties' quoted prices. For short-term corporate bonds, their fair values are calculated by discounting future cash flows to their present values.

(7) Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices. Notes regarding money held in trust by holding purposes are presented under the "Money Held in Trust" section.

(8) Securities

Stocks are stated at quoted market prices. Bonds are stated at quoted market prices, dealer association prices, counterparties' quoted prices, or dealer/broker-quoted prices. Investment trusts are stated at published reference prices.

Fair values of privately placed bonds guaranteed by SuMi TRUST Bank are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present value.

Notes regarding securities by their holding purpose are presented under the "Securities" section.

(9) Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities; and discounting the aggregate principal and interest by the assumed interest rate for similar new loans. However, 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 borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the consolidated balance sheet at the consolidated balance sheet date, because such deducted amounts approximate fair value.

Loans without stated maturities (as the amount of credit is limited to the value of the collateral or due to some other special characteristics) are stated at their carrying amounts as the carrying amounts are deemed to approximate fair value because of the expected repayment periods and the interest terms.

(11) Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to their internal ratings and maturities, and discounting the aggregate principal and interest by the assumed interest rate for similar new agreements.

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the consolidated balance sheet date (carrying amount).

Yen fixed-rate time deposits are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be paid on new deposits. Fixed-rate time deposits with short maturities (one year or less) and floating-rate time deposits are generally stated at their carrying amounts because the carrying amounts approximate the fair values.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (5) Payables under Securities Lending Transactions, (7) Foreign Exchanges, (8) Short-Term Bonds Payable, and (10) Borrowed Money from Trust Account

The obligations without stated maturities are stated at the amounts that would have to be paid on demand at the consolidated balance sheet date (carrying amount). Obligations with stated maturities are stated at their carrying amounts, because most of the obligations have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(6) 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 assumed interest rate on similar borrowings. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value.

(9) Bonds Payable

Bonds issued by SuMi TRUST Holdings and its consolidated subsidiaries are stated at market prices, if such prices are available. Fair values for other bonds are calculated by discounting future cash flows to their present values by the assumed interest rate on issuance of similar bonds.

Derivatives Transactions

Notes regarding fair values of derivatives are presented under the "Derivatives" section.

(Note 2) The amounts of financial instruments on the consolidated balance sheet whose fair values are extremely difficult to be determined are as stated below, and such amounts are not included in the fair value information for financial instruments presented under the "Assets, (5) Monetary Claims Bought" or "Assets, (8) Available-for-Sale Securities" sections.

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
	Carrying Amount	Carrying Amount	Carrying Amount
Monetary Claims Bought	¥ 11,227	¥ 10,508	$ 103
Securities	208,340	181,298	1,917
(1) Unlisted Stocks (*3)	73,478	75,126	676
(2) Investments in Associations	103,219	74,773	950
(3) Others (*3)	31,642	31,398	291
Total	¥ 219,567	¥ 191,807	$ 2,020

(*1) The above financial instruments are excluded from the fair value disclosure because there are no quoted market prices, and therefore, there is no reliable measure of fair value.

(*2) Stocks of subsidiaries and affiliated companies are not included in the above table.

(*3) During the fiscal year ended March 31, 2020, impairment losses of ¥1,735 million (U.S. $16 million) and ¥440 million (U.S. $4 million) were recognized against Unlisted Stocks and Others, respectively.

During the fiscal year ended March 31, 2019, impairment losses of ¥477 million were recognized against Unlisted Stocks.

(Note 3) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2020 and 2019

	Millions of Yen					
March 31, 2020	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	¥ 13,058,474	¥ 1,740	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	71,236	—	—	—	—	—
Receivables under Resale Agreements	1,220,761	—	—	—	—	—
Receivables under Securities Borrowing Transactions	740,658	—	—	—	—	—
Monetary Claims Bought (*1)	793,015	104,699	33,434	19,275	14,964	33,464
Money Held in Trust	5,823	—	1,406	—	—	—
Securities	1,214,795	1,084,099	939,586	538,654	279,545	769,389
Held-to-Maturity Debt Securities	2,632	—	60	4,020	60,000	195,048
Government Bonds	—	—	60	—	60,000	55,000
Corporate Bonds	—	—	—	—	—	33,200
Available-for-Sale Securities with Maturity	1,212,162	1,084,099	939,526	534,633	219,545	574,341
Government Bonds	838,106	260,315	225,000	—	25,000	10,000
Local Government Bonds	1,228	—	4,546	2,924	6,090	—
Corporate Bonds	21,110	186,052	133,053	196,684	43,275	56,529
Loans and Bills Discounted (*2)	4,179,611	5,463,825	4,520,997	2,848,790	2,473,254	7,592,971
Lease Receivables and Investment Assets (*3)	163,446	239,007	127,633	65,418	50,939	10,717
Total	¥ 21,447,824	¥ 6,893,372	¥ 5,623,058	¥ 3,472,138	¥ 2,818,702	¥ 8,406,542

	Millions of Yen					
March 31, 2019	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	¥ 15,860,623	¥ 10,863	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	50,124	—	—	—	—	—
Receivables under Resale Agreements	136,544	22,190	—	—	—	—
Receivables under Securities Borrowing Transactions	759,812	—	—	—	—	—
Monetary Claims Bought (*1)	860,447	98,801	40,846	21,837	23,039	36,619
Money Held in Trust	100	—	1,293	—	—	—
Securities	663,105	362,763	1,098,438	467,925	626,127	667,285
Held-to-Maturity Debt Securities	25,636	—	—	4,779	40,000	115,606
Government Bonds	—	—	—	60	40,000	75,000
Corporate Bonds	—	—	—	—	—	33,200
Available-for-Sale Securities with Maturity	637,468	362,763	1,098,438	463,145	586,127	551,678
Government Bonds	269,506	15,154	—	—	—	15,000
Local Government Bonds	—	1,228	1,675	564	5,240	—
Corporate Bonds	18,152	109,488	157,385	185,850	61,602	44,971
Loans and Bills Discounted (*2)	4,427,885	5,431,777	4,467,195	3,162,082	2,235,338	6,690,158
Lease Receivables and Investment Assets (*3)	163,976	236,967	115,046	66,938	43,513	13,139
Total	¥ 22,922,620	¥ 6,163,363	¥ 5,722,820	¥ 3,718,783	¥ 2,928,018	¥ 7,407,202

	Millions of U.S. Dollars					
March 31, 2020	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	$ 120,144	$ 16	$ —	$ —	$ —	$ —
Call Loans and Bills Bought	655	—	—	—	—	—
Receivables under Resale Agreements	11,232	—	—	—	—	—
Receivables under Securities Borrowing Transactions	6,814	—	—	—	—	—
Monetary Claims Bought (*1)	7,296	963	308	177	138	308
Money Held in Trust	54	—	13	—	—	—
Securities	11,177	9,974	8,645	4,956	2,572	7,079
Held-to-Maturity Debt Securities	24	—	1	37	552	1,795
Government Bonds	—	—	1	—	552	506
Corporate Bonds	—	—	—	—	—	305
Available-for-Sale Securities with Maturity	11,152	9,974	8,644	4,919	2,020	5,284
Government Bonds	7,711	2,395	2,070	—	230	92
Local Government Bonds	11	—	42	27	56	—
Corporate Bonds	194	1,712	1,224	1,810	398	520
Loans and Bills Discounted (*2)	38,454	50,270	41,595	26,210	22,755	69,859
Lease Receivables and Investment Assets (*3)	1,504	2,199	1,174	602	469	99
Total	$ 197,330	$ 63,422	$ 51,735	$ 31,945	$ 25,933	$ 77,344

(*1) The balances exclude Monetary Claims Bought for borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy that are not expected to be collected, amounting to ¥105 million (U.S. $1 million) and ¥100 million as of March 31, 2020 and 2019, respectively.

(*2) The balances exclude Loans and Bills Discounted for borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy that are not expected to be collected, amounting to ¥58,110 million (U.S. $535 million) and ¥77,454 million, and those without maturity, amounting to ¥2,565,814 million (U.S. $23,607 million) and ¥2,530,900 million as of March 31, 2020 and 2019, respectively.

(*3) The balances exclude Lease Receivables and Investment Assets for borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy that are not expected to be collected, amounting to ¥665 million (U.S. $6 million) and ¥1,229 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥16,051 million (U.S. $148 million) and ¥12,635 million as of March 31, 2020 and 2019, respectively.

(Note 4) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2020 and 2019

	Millions of Yen					
March 31, 2020	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)	¥ 23,560,192	¥ 4,537,687	¥ 2,589,537	¥ 1,183	¥ 320	¥ —
Negotiable Certificates of Deposit	5,815,292	45,000	—	—	—	—
Call Money and Bills Sold	142,974	—	—	—	—	—
Payables under Repurchase Agreements	1,471,967	86,952	—	—	—	—
Payables under Securities Lending Transactions	—	—	—	—	—	—
Borrowed Money	2,980,182	1,468,489	781,385	131,702	74,522	420,102
Short-Term Bonds Payable	1,708,473	—	—	—	—	—
Bonds Payable (*2)	229,700	110,000	76,500	163,000	190,000	—
Borrowed Money from Trust Account	4,750,289	—	—	—	—	—
Total	¥ 40,659,070	¥ 6,248,128	¥ 3,447,423	¥ 295,885	¥ 264,842	¥ 420,102

	Millions of Yen					
March 31, 2019	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)	¥ 24,590,890	¥ 5,169,969	¥ 2,140,992	¥ 1,313	¥ 406	¥ —
Negotiable Certificates of Deposit	6,144,373	184,249	—	—	—	—
Call Money and Bills Sold	72,793	—	—	—	—	—
Payables under Repurchase Agreements	1,603,191	—	—	—	—	—
Payables under Securities Lending Transactions	104,767	—	—	—	—	—
Borrowed Money	2,906,910	340,021	172,421	135,283	129,659	339,506
Short-Term Bonds Payable	1,476,650	—	—	—	—	—
Bonds Payable (*2)	304,763	282,260	80,000	96,500	248,000	—
Borrowed Money from Trust Account	5,408,009	—	—	—	—	—
Total	¥ 42,612,349	¥ 5,976,500	¥ 2,393,414	¥ 233,097	¥ 378,065	¥ 339,506

	Millions of U.S. Dollars					
March 31, 2020	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)	$ 216,765	$ 41,749	$ 23,825	$ 11	$ 3	$ —
Negotiable Certificates of Deposit	53,503	414	—	—	—	—
Call Money and Bills Sold	1,315	—	—	—	—	—
Payables under Repurchase Agreements	13,543	800	—	—	—	—
Payables under Securities Lending Transactions	—	—	—	—	—	—
Borrowed Money	27,419	13,511	7,189	1,212	686	3,865
Short-Term Bonds Payable	15,719	—	—	—	—	—
Bonds Payable (*2)	2,113	1,012	704	1,500	1,748	—
Borrowed Money from Trust Account	43,705	—	—	—	—	—
Total	$ 374,083	$ 57,486	$ 31,718	$ 2,722	$ 2,437	$ 3,865

(*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 ¥356,100 million (U.S. $3,276 million) and ¥366,100 million as of March 31, 2020 and 2019, 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
	2020	2019	2020
Trading Securities	¥ (129)	¥ 396	$ (1)

2. Held-to-Maturity Securities with Fair Value

	Millions of Yen		
March 31, 2020	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,407	¥ 136,239	¥ 17,831
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	33,200	33,652	452
Other Bonds	65,817	65,943	126
Foreign Bonds	845	849	4
Others	64,972	65,093	121
Subtotal	217,425	235,835	18,410
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	112,591	104,574	(8,016)
Foreign Bonds	112,591	104,574	(8,016)
Others	—	—	—
Subtotal	112,591	104,574	(8,016)
Total	¥ 330,016	¥ 340,410	¥ 10,394

	Millions of Yen		
March 31, 2019	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,785	¥ 139,413	¥ 20,628
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	33,200	33,777	577
Other Bonds	105,701	106,290	589
Foreign Bonds	32,958	33,421	462
Others	72,742	72,869	127
Subtotal	257,686	279,481	21,795
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	4,719	4,678	(40)
Foreign Bonds	4,719	4,678	(40)
Others	—	—	—
Subtotal	4,719	4,678	(40)
Total	¥ 262,405	¥ 284,160	¥ 21,755

March 31, 2020	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	$ 1,089	$ 1,253	$ 164
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	305	310	4
Other Bonds	606	607	1
Foreign Bonds	8	8	0
Others	598	599	1
Subtotal	2,000	2,170	169
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	$ —	$ —	$ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	1,036	962	(74)
Foreign Bonds	1,036	962	(74)
Others	—	—	—
Subtotal	1,036	962	(74)
Total	$ 3,036	$ 3,132	$ 96

3. Available-for-Sale Securities

March 31, 2020	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 996,484	¥ 415,197	¥ 581,286
Bonds	1,461,837	1,458,337	3,500
Government Bonds	1,053,929	1,053,492	437
Local Government Bonds	4,906	4,874	32
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	403,001	399,970	3,030
Other Securities	1,394,260	1,326,811	67,449
Foreign Stocks	2,613	190	2,422
Foreign Bonds	827,306	800,431	26,874
Others	564,340	526,188	38,151
Subtotal	3,852,582	3,200,346	652,235
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 114,128	¥ 151,609	¥ (37,481)
Bonds	554,166	555,804	(1,638)
Government Bonds	308,631	309,155	(523)
Local Government Bonds	9,879	9,914	(34)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	235,655	236,735	(1,079)
Other Securities	1,287,738	1,403,255	(115,516)
Foreign Stocks	874	1,320	(446)
Foreign Bonds	529,513	557,258	(27,745)
Others	757,351	844,675	(87,324)
Subtotal	1,956,033	2,110,669	(154,635)
Total	¥ 5,808,615	¥ 5,311,015	¥ 497,599

March 31, 2019	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,307,731	¥ 518,013	¥ 789,718
Bonds	549,521	545,928	3,592
Government Bonds	128,921	128,559	362
Local Government Bonds	7,202	7,143	59
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	413,397	410,226	3,170
Other Securities	1,052,590	1,015,060	37,529
Foreign Stocks	2,655	194	2,461
Foreign Bonds	713,975	704,807	9,168
Others	335,958	310,058	25,900
Subtotal	2,909,842	2,079,002	830,839
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 63,882	¥ 80,936	¥ (17,054)
Bonds	341,062	341,475	(413)
Government Bonds	172,664	172,688	(24)
Local Government Bonds	1,562	1,564	(1)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	166,835	167,223	(387)
Other Securities	1,909,423	2,057,063	(147,640)
Foreign Stocks	3,461	3,926	(465)
Foreign Bonds	741,247	745,713	(4,466)
Others	1,164,714	1,307,423	(142,708)
Subtotal	2,314,367	2,479,475	(165,108)
Total	¥ 5,224,210	¥ 4,558,478	¥ 665,731

March 31, 2020	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	$ 9,168	$ 3,820	$ 5,348
Bonds	13,450	13,417	32
Government Bonds	9,697	9,693	4
Local Government Bonds	45	45	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	3,708	3,680	28
Other Securities	12,828	12,207	621
Foreign Stocks	24	2	22
Foreign Bonds	7,612	7,364	247
Others	5,192	4,841	351
Subtotal	35,446	29,445	6,001
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	$ 1,050	$ 1,395	$ (345)
Bonds	5,099	5,114	(15)
Government Bonds	2,840	2,844	(5)
Local Government Bonds	91	91	(0)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	2,168	2,178	(10)
Other Securities	11,848	12,911	(1,063)
Foreign Stocks	8	12	(4)
Foreign Bonds	4,872	5,127	(255)
Others	6,968	7,771	(803)
Subtotal	17,996	19,419	(1,423)
Total	$ 53,442	$ 48,864	$ 4,578

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, 2020 and 2019.

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

	Millions of Yen		
Year Ended March 31, 2020	Amount Sold	Gain	Loss
Stocks	¥ 61,197	¥ 40,713	¥ 1,026
Bonds	372,898	2,542	2,930
Government Bonds	330,708	2,362	2,812
Local Government Bonds	2,518	11	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	39,671	168	117
Other Securities	3,099,134	68,445	20,034
Foreign Stocks	2,565	345	233
Foreign Bonds	2,573,278	42,816	7,757
Others	523,290	25,283	12,043
Total	¥ 3,533,230	¥111,701	¥ 23,991

	Millions of Yen		
Year Ended March 31, 2019	Amount Sold	Gain	Loss
Stocks	¥ 59,051	¥ 32,286	¥ 2,207
Bonds	308,004	1,688	1,007
Government Bonds	248,161	1,460	954
Local Government Bonds	7,077	2	24
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	52,766	225	28
Other Securities	4,068,159	30,959	48,003
Foreign Stocks	8,114	2	1,138
Foreign Bonds	3,278,617	17,131	21,191
Others	781,427	13,825	25,672
Total	¥ 4,435,215	¥ 64,934	¥ 51,217

	Millions of U.S. Dollars		
Year Ended March 31, 2020	Amount Sold	Gain	Loss
Stocks	$ 563	$ 375	$ 9
Bonds	3,431	23	27
Government Bonds	3,043	22	26
Local Government Bonds	23	0	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	365	2	1
Other Securities	28,514	630	184
Foreign Stocks	24	3	2
Foreign Bonds	23,675	394	71
Others	4,815	233	111
Total	$ 32,507	$1,028	$ 221

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

6. Securities Reclassified due to the Change of the Holding Purpose

There were no securities reclassified due to the change of the holding purpose during the fiscal years ended March 31, 2020 and 2019.

7. Impairment of Securities

Securities other than securities whose fair values are extremely difficult to be determined, or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheet. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses on Stocks recognized during the fiscal years ended March 31, 2020 and 2019, were ¥10,738 million (U.S. $99 million) and ¥3,001 million, respectively. Impairment losses on Others recognized during the fiscal year ended March 31, 2020 were ¥21 million (U.S. $0.2 million).

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 year ended March 31, 2019.

	Millions of Yen	
Year Ended March 31, 2020	Carrying Amount	Valuation Difference Reflected in the Statement of Income
Money Held in Trust for Trading Purposes	¥ 5,823	¥ (1,076)

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, 2020 and 2019.

3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

	Millions of Yen				
March 31, 2020	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,406	¥ 1,018	¥ 388	¥ 388	¥ —

	Millions of Yen				
March 31, 2019	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,393	¥ 1,040	¥ 353	¥ 353	¥ —

	Millions of U.S. Dollars				
March 31, 2020	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	$ 13	$ 9	$ 4	$ 4	$ —

(Note) The amount of "Difference" is net of "Positive Difference" and "Negative Difference."

Valuation Differences on Available-for-Sale Securities

The following table shows components of "Valuation Differences on Available-for-Sale Securities" in the consolidated balance sheet.

	Millions of Yen		Millions of U.S. Dollars
March 31	2020	2019	2020
Valuation Differences			
Available-for-Sale Securities	¥ 499,573	¥ 667,220	$ 4,596
Other Money Held in Trust	388	353	4
Total Valuation Differences	499,961	667,574	4,600
Amount Equivalent to Deferred Tax Assets (Liabilities)	(151,869)	(202,562)	(1,397)
Total (before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	348,092	465,012	3,203
Non-Controlling Interests	(74)	(266)	(1)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	3,442	2,702	32
Valuation Differences on Available-for-Sale Securities	¥ 351,459	¥ 467,448	$ 3,234

(Notes)

1) Foreign currency translation adjustments on available-for-sale securities, for which fair values are extremely difficult to be determined, are included in the "Available-for-Sale Securities" under "Valuation Difference."

2) The valuation difference of ¥2,132 million (U.S. $20 million) and ¥1,589 million on available-for-sale securities composing assets held by associated companies as of March 31, 2020 and 2019, respectively, is included in "Available-for-Sale Securities" under "Valuation Difference."

3) The unamortized portion of valuation difference as of the consolidated balance sheet date arising from the reclassification of the holding purpose of securities is included in "Available-for-Sale Securities" under "Valuation Difference."

Derivatives

1. Derivatives Transactions Not Qualifying for Hedge Accounting

Derivatives transactions not qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts), the fair values, and the valuation differences as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Interest Futures								
Sold	¥ 20,873,613	¥ 7,936,931	¥ (48,309)	¥ (48,309)	$ 192,047	$ 73,024	$ (444)	$ (444)
Purchased	21,329,778	7,616,507	46,361	46,361	196,244	70,076	427	427
Interest Options								
Sold	2,942,641	—	(1,175)	(715)	27,074	—	(11)	(7)
Purchased	2,937,903	—	1,144	508	27,030	—	11	5
OTC								
Forward Rate Agreements								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	50,872,014	39,266,116	2,208,234	2,208,234	468,047	361,267	20,317	20,317
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	43,837,712	34,523,749	(2,159,973)	(2,159,973)	403,328	317,635	(19,873)	(19,873)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	22,336,839	17,809,579	3,096	3,096	205,510	163,857	28	28
Interest Options								
Sold	9,925,297	9,906,302	(33,630)	(22,767)	91,317	91,143	(309)	(209)
Purchased	6,642,159	6,608,026	18,834	14,371	61,111	60,797	173	132
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 34,583	¥ 40,805			$ 318	$ 375

	Millions of Yen			
	2019			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 44,621,033	¥ 16,573,349	¥ (48,367)	¥ (48,367)
Purchased	44,455,416	16,528,250	47,846	47,846
Interest Options				
Sold	5,228,027	278,836	(303)	528
Purchased	4,173,799	222,706	306	(566)
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	61,744,126	46,363,011	1,070,742	1,070,742
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	57,657,504	43,512,290	(1,063,552)	(1,063,552)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	20,877,371	16,746,641	2,295	2,295
Interest Options				
Sold	7,529,147	7,519,158	(8,106)	6,223
Purchased	3,541,520	3,537,021	13,810	7,641
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 14,671	¥ 22,789

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values of listed derivatives transactions are based on the closing prices on the Tokyo Financial Exchange and other exchanges. The fair values of OTC derivatives transactions are calculated using the net present value method or option-pricing models.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	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	¥ 5,208,369	¥ 4,495,735	¥ (4,770)	¥ (4,770)	$ 47,919	$ 41,363	$ (44)	$ (44)
Forward Exchange Contracts								
Sold	12,324,261	832,222	(78,921)	(78,921)	113,389	7,657	(726)	(726)
Purchased	16,353,498	227,010	30,111	30,111	150,460	2,089	277	277
Currency Options								
Sold	1,170,658	606,930	(43,375)	8,257	10,771	5,584	(399)	76
Purchased	892,363	443,075	44,170	(2,909)	8,210	4,077	406	(27)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (52,784)	¥ (48,231)			$ (486)	$ (444)

	Millions of Yen			
	2019			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Currency Futures				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options				
Sold	—	—	—	—
Purchased	—	—	—	—
OTC				
Currency Swaps	¥ 4,061,705	¥ 3,842,184	¥ 9,866	¥ 9,866
Forward Exchange Contracts				
Sold	12,654,686	706,425	(31,223)	(31,223)
Purchased	15,911,526	286,942	50,008	50,008
Currency Options				
Sold	1,292,446	604,105	(40,734)	16,433
Purchased	1,036,045	433,558	39,396	(12,040)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 27,312	¥ 33,044

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values are calculated using the net present value method or option-pricing models.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	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	¥ 69,802	¥ —	¥ (1,245)	¥ (1,245)	$ 642	$ —	$ (11)	$ (11)
Purchased	36,429	—	2,339	2,339	335	—	22	22
Stock Index Options								
Sold	26,674	—	(868)	(347)	245	—	(8)	(3)
Purchased	5,100	—	4	(35)	47	—	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			¥ 230	¥ 710			$ 2	$ 7

	Millions of Yen			
	2019			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Stock Index Futures				
Sold	¥ 61,140	¥ —	¥ (401)	¥ (401)
Purchased	40,433	—	318	318
Stock Index Options				
Sold	56,344	—	(334)	77
Purchased	73,517	—	162	(212)
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			¥ (254)	¥ (217)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values of listed derivatives transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC transactions are calculated using the net present value method or option-pricing models.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 2,314,032	¥ —	¥ (55,526)	¥ (55,526)	$ 21,290	$ —	$ (511)	$ (511)
Purchased	2,407,161	—	55,375	55,375	22,147	—	509	509
Bond Future Options								
Sold	66,991	—	(325)	99	616	—	(3)	1
Purchased	47,986	—	169	(42)	442	—	2	(0)
OTC								
Bond Forward Contracts								
Sold	¥ 20,332	¥ —	¥ (252)	¥ (252)	$ 187	$ —	$ (2)	$ (2)
Purchased	33,816	—	649	649	311	—	6	6
Bond Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 89	¥ 303			$ 1	$ 3

	Millions of Yen			
	2019			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 1,785,463	¥ —	¥ (25,077)	¥ (25,077)
Purchased	1,951,521	—	22,782	22,782
Bond Future Options				
Sold	223,845	—	(922)	(92)
Purchased	160,416	—	742	388
OTC				
Bond Forward Contracts				
Sold	¥ 201,772	¥ —	¥ (1,339)	¥ (1,339)
Purchased	68,671	—	393	393
Bond Options				
Sold	—	—	—	—
Purchased	—	—	—	—
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (3,420)	¥ (2,944)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC transactions are calculated using option-pricing models.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2020 and 2019.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	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	¥ 59,034	¥ 45,934	¥ (59)	¥ (59)	$ 543	$ 423	$ (1)	$ (1)
Purchased	65,540	52,440	190	190	603	482	2	2
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 131	¥ 131			$ 1	$ 1

	Millions of Yen			
	2019			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swaps				
Sold	¥ 67,343	¥ 49,843	¥ 1,015	¥ 1,015
Purchased	64,155	46,655	(955)	(955)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 60	¥ 60

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values are calculated using the net present value method.

3) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

2. Derivatives Transactions Qualifying for Hedge Accounting

Derivatives transactions qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
		2020			2020		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Interest-Earning/ Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 795,889	¥ 132,000	¥ 1,525	$ 7,323	$ 1,214	$ 14
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,513,915	1,359,935	(52,136)	13,929	12,512	(480)
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				¥ (50,610)			$ (466)

	Major Hedged Item	Millions of Yen		
		2019		
		Notional Amount		Fair Value
		Total	Over One Year	
Deferral Method				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Interest-Earning/ Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 1,494,651	¥ 796,511	¥ 1,461
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,469,681	1,392,602	(37,909)
Interest Futures				
Sold		—	—	—
Purchased		—	—	—
Interest Options				
Sold		—	—	—
Purchased		—	—	—
Others				
Sold		—	—	—
Purchased		—	—	—
Exceptional Treatment for Interest Rate Swaps				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Borrowed Money	¥ —	¥ —	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		200	—	(Note 3)
Total				¥ (36,448)

(Notes)

1) Deferred hedge accounting stipulated in Report No. 24 is applied, in principle.

2) Fair values are calculated mainly using the net present value method or option-pricing models.

3) Interest rate swaps to which exceptional treatment is applied are accounted for as part of the borrowings being hedged; therefore, their fair values are included in the fair value of Borrowed Money presented under "Financial Instruments."

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Major Hedged Item	Millions of Yen 2020 Notional Amount Total	Millions of Yen 2020 Notional Amount Over One Year	Millions of Yen 2020 Fair Value	Millions of U.S. Dollars 2020 Notional Amount Total	Millions of U.S. Dollars 2020 Notional Amount Over One Year	Millions of U.S. Dollars 2020 Fair Value
Deferral Method							
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 2,301,582	¥ 1,214,987	¥ 31,261	$ 21,176	$ 11,178	$ 288
Forward Exchange Contracts							
Sold		13,146	—	21	121	—	0
Purchased		4,793	—	3,889	44	—	36
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		¥ 91,176	¥ —	¥ 2,446	$ 839	$ —	$ 23
Purchased		—	—	—	—	—	—
Total				¥ 37,618			$ 346

	Major Hedged Item	Millions of Yen 2019 Notional Amount Total	Millions of Yen 2019 Notional Amount Over One Year	Millions of Yen 2019 Fair Value
Deferral Method				
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 1,557,814	¥ 955,752	¥ (24,756)
Forward Exchange Contracts				
Sold		15,962	—	(45)
Purchased		17,877	—	63
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		¥ 69,961	¥ —	¥ (391)
Purchased		—	—	—
Total				¥ (25,128)

(Notes)

1) Deferred hedge accounting stipulated in Report No. 25 is applied, in principle.

2) Fair values are calculated mainly using the net present value method.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2020 and 2019.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2020 and 2019.

Retirement and Pension Plans

Retirement and Pension Plans for the Fiscal Years Ended March 31, 2020 and 2019

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
	2020	2019	2020
Retirement Benefit Obligations (opening balance)	¥ 465,033	¥ 467,350	$ 4,279
Service Cost-Benefits Earned during the Fiscal Year	13,895	14,371	128
Interest Cost on Projected Benefit Obligations	2,340	2,338	22
Actuarial Gains and Losses that Arose during the Fiscal Year	122	688	1
Retirement Benefits Paid	(18,513)	(18,145)	(170)
Past Service Cost that Arose during the Fiscal Year	—	(176)	—
Other	97	(1,393)	1
Retirement Benefit Obligations (closing balance)	¥ 462,975	¥ 465,033	$ 4,260

(2) Reconciliation of Plan Assets

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Plan Assets (opening balance)	¥ 589,955	¥ 616,410	$ 5,428
Expected Return on Plan Assets	24,496	26,859	225
Actuarial Gains and Losses that Arose during the Fiscal Year	(72,913)	(36,661)	(671)
Contributions by the Employer	10,904	709	100
Retirement Benefits Paid	(16,416)	(16,350)	(151)
Other	—	(1,011)	—
Plan Assets (closing balance)	¥ 536,026	¥ 589,955	$ 4,932

(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
	2020	2019	2020
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 450,214	¥ 452,486	$ 4,142
Plan Assets	(536,026)	(589,955)	(4,932)
	(85,812)	(137,469)	(790)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	12,761	12,546	117
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (73,051)	¥ (124,922)	$ (672)

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Liabilities for Retirement Benefits	¥ 14,044	¥ 14,008	$ 129
Assets for Retirement Benefits	(87,096)	(138,931)	(801)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (73,051)	¥ (124,922)	$ (672)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Service Cost-Benefits Earned during the Fiscal Year	¥ 13,895	¥ 14,371	$ 128
Interest Cost on Projected Benefit Obligations	2,340	2,338	22
Expected Return on Plan Assets	(24,496)	(26,859)	(225)
Amortization of Actuarial Differences	1,993	2,625	18
Amortization of Past Service Cost	28	2	0
Other	671	628	6
Retirement Benefit Expenses for Defined Benefit Obligations	¥ (5,568)	¥ (6,893)	$ (51)

(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
	2020	2019	2020
Past Service Cost	¥ 28	¥ 178	$ 0
Actuarial Differences	(71,042)	(34,724)	(654)
Total	¥ (71,014)	¥ (34,545)	$ (653)

(6) 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
	2020	2019	2020
Unrecognized Past Service Cost	¥ (193)	¥ (165)	$ (2)
Unrecognized Actuarial Differences	98,876	27,833	910
Total	¥ 98,683	¥ 27,667	$ 908

(7) Plan Assets

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

	Proportion (%)	
	2020	2019
Debt Securities	32	27
Equity Securities	53	59
Cash and Due from Banks	2	2
Other	13	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 52% and 58% of the total plan asset for the fiscal years ended March 31, 2020 and 2019, 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, 2020 and 2019, are as follows:

	2020	2019
Discount Rate	Mainly 0.5%	Mainly 0.5%
Expected Long-Term Rate of Return on Plan Assets	4.1%	4.3%

3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Holdings and its consolidated subsidiaries to the defined contribution pension plans were ¥2,155 million (U.S. $20 million) and ¥2,049 million for the years ended March 31, 2020 and 2019, respectively.

Stock Option Plans

1. Expenses Recorded in Connection with Stock Options during the Fiscal Years Ended March 31, 2020 and 2019

(1) SuMi TRUST Holdings

2020: There were no general and administrative expenses recorded.

2019: General and Administrative Expenses: ¥288 million

(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, 2020. 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, 2020	SuMi TRUST Holdings Series 1 Subscription Rights to Shares	SuMi TRUST Holdings Series 2 Subscription Rights to Shares
Number of Eligible Persons and their Position	Directors and officers of SuMi TRUST Holdings: 22 Directors and officers of The Chuo Mitsui Trust and Banking Company, Limited: 19 Directors and officers of The Chuo Mitsui Asset Trust and Banking Company, Limited: 7 Directors and officers of The Sumitomo Trust and Banking Co., Ltd.: 24 Total: 72	Directors and officers of SuMi TRUST Holdings: 22 Directors and officers of SuMi TRUST Bank: 44 Total: 66
Number of Stock Options Granted by Class of Share	Common stock: 28,600 shares	Common stock: 26,000 shares
Grant Date	July 26, 2011	July 18, 2012
Vesting Conditions	1) A holder of the subscription rights to shares must be a director or officer of SuMi TRUST Holdings or its subsidiaries when exercising the rights, unless the holder is no longer in such a position because he or she has retired at the end of his or her term or for some other valid reason. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares.	Same as on the left
Eligible Service Period	From July 26, 2011, to July 25, 2013	From July 18, 2012, to July 17, 2014
Exercise Period	From July 26, 2013, to July 25, 2021	From July 18, 2014, to July 17, 2022

Year Ended March 31, 2020	SuMi TRUST Holdings Series 3 Subscription Rights to Shares	SuMi TRUST Holdings Series 4 Subscription Rights to Shares
Number of Eligible Persons and their Position	Directors and officers of SuMi TRUST Holdings: 22 Directors and officers of SuMi TRUST Bank: 38 Total: 60	Directors and officers of SuMi TRUST Holdings: 23 Directors and officers of SuMi TRUST Bank: 40 Total: 63
Number of Stock Options Granted by Class of Share	Common stock: 39,800 shares	Common stock: 40,400 shares
Grant Date	July 19, 2013	August 1, 2014
Vesting Conditions	1) A holder of the subscription rights to shares must be a director or officer of SuMi TRUST Holdings or its subsidiaries when exercising the rights, unless the holder is no longer in such a position because he or she has retired at the end of his or her term or for some other valid reason. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares.	1) A holder of the subscription rights to shares may exercise the rights the following day or onwards when the holder is no longer in a position of a director or officer of SuMi TRUST Holdings or SuMi TRUST Bank. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares.
Eligible Service Period	From July 19, 2013, to July 18, 2015	Not specified
Exercise Period	From July 19, 2015, to July 18, 2023	From August 31, 2014, to July 31, 2044

Year Ended March 31, 2020	SuMi TRUST Holdings Series 5 Subscription Rights to Shares	SuMi TRUST Holdings Series 6 Subscription Rights to Shares
Number of Eligible Persons and their Position	Directors and officers of SuMi TRUST Holdings: 19 Directors and officers of SuMi TRUST Bank: 44 Total: 63	Directors and officers of SuMi TRUST Holdings: 21 Directors and officers of SuMi TRUST Bank: 42 Total: 63
Number of Stock Options Granted by Class of Share	Common stock: 32,700 shares	Common stock: 51,000 shares
Grant Date	July 31, 2015	July 29, 2016
Vesting Conditions	1) A holder of the subscription rights to shares may exercise the rights the following day or onwards when the holder is no longer in a position of a director or officer of SuMi TRUST Holdings or SuMi TRUST Bank. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares.	Same as on the left
Eligible Service Period	Not specified	Same as on the left
Exercise Period	From August 31, 2015, to July 30, 2045	From August 31, 2016, to July 28, 2046

Year Ended March 31, 2020	SuMi TRUST Holdings Series 7 Subscription Rights to Shares	SuMi TRUST Holdings Series 8 Subscription Rights to Shares
Number of Eligible Persons and their Position	Directors and officers of SuMi TRUST Holdings: 26 Directors and officers of SuMi TRUST Bank: 41 Total: 67	Directors and officers of SuMi TRUST Holdings: 30 Directors and officers of SuMi TRUST Bank: 40 Total: 70
Number of Stock Options Granted by Class of Share	Common stock: 61,300 shares	Common stock: 69,000 shares
Grant Date	July 28, 2017	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. 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 21, 2017, to July 27, 2047	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, 2020	SuMi TRUST Holdings Series 1 Subscription Rights to Shares	SuMi TRUST Holdings Series 2 Subscription Rights to Shares	SuMi TRUST Holdings Series 3 Subscription Rights to Shares	SuMi TRUST Holdings Series 4 Subscription Rights to Shares
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	20,600	20,000	39,300	32,600
Vested	—	—	—	—
Exercised	600	700	—	—
Forfeited	—	—	—	—
At the End of the Fiscal Year	20,000	19,300	39,300	32,600

	Shares			
Year Ended March 31, 2020	SuMi TRUST Holdings Series 5 Subscription Rights to Shares	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	30,000	48,700	61,300	69,000
Vested	—	—	—	—
Exercised	—	600	—	600
Forfeited	—	—	—	—
At the End of the Fiscal Year	30,000	48,100	61,300	69,000

ii) Unit price information

Year Ended March 31, 2020	SuMi TRUST Holdings Series 1 Subscription Rights to Shares	SuMi TRUST Holdings Series 2 Subscription Rights to Shares	SuMi TRUST Holdings Series 3 Subscription Rights to Shares	SuMi TRUST Holdings Series 4 Subscription Rights to Shares
Exercise Price (yen)	4,000	4,000	5,190	1
Average Stock Price when Exercised (yen)	4,129	4,107	—	—
Fair Unit Value on the Grant Date (yen)	620	340	1,460	4,240

Year Ended March 31, 2020	SuMi TRUST Holdings Series 5 Subscription Rights to Shares	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	1
Average Stock Price when Exercised (yen)	—	4,030	—	3,974
Fair Unit Value on the Grant Date (yen)	5,447	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, 2020. The number of stock options represents the number of shares after converting into equivalent shares.

1) Description of Stock Options

Year Ended March 31, 2020	Resolution during Fiscal Year 2009	
Number of Eligible Persons and their Position	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 271	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 48
Number of Stock Options Granted by Class of Share	Common stock: 19,724,100 shares	Common stock: 1,702,800 shares
Grant Date	February 8, 2010	August 20, 2010
Vesting Conditions	The recipient must, in principle, be a durector or an employee of Nikko Asset Management Co., Ltd., as of January 22, 2012 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options.	Same as on the left
Eligible Service Period	From the grant date until two full years have passed since the First Exercisable Date	Same as on the left
Exercise Period	From January 22, 2012 to January 21, 2020	Same as on the left

	Resolution during the Fiscal Year 2011	Resolution during the Fiscal Year 2016
Number of Eligible Persons and their Position	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 186	Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 16
Number of Stock Options Granted by Class of Share	Common stock: 6,101,700 shares	Common stock: 4,437,000 shares
Grant Date	October 7, 2011	July 15, 2016
Vesting Conditions	The recipient must, in principle, be a director or an employee of Nikko Asset Management Co., Ltd., as of October 7, 2013 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options.	The recipient must, in principle, be 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.
Eligible Service Period	From the grant date until two full years have passed since the First Exercisable Date	From the grant date until two full years have passed since the First Exercisable Date
Exercise Period	From October 7, 2013 to October 6, 2021	From July 15, 2018 to July 31, 2026

	Resolution during the Fiscal Year 2016	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: 31	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: 4,409,000 shares	Common stock: 4,422,000 shares
Grant Date	April 27, 2017	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, 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.	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	From the grant date until two full years have passed since the First Exercisable Date
Exercise Period	From April 27, 2019 to April 30, 2027	From April 27, 2020 to April 30, 2028

2) Volume and Changes in Stock Options

i) Number of stock options

Year Ended March 31, 2020	Shares	
	Resolution during Fiscal Year 2009	
Grant Date	February 8, 2010	August 20, 2010
Unvested Stock Options		
At the Beginning of the Fiscal Year	1,171,500	75,900
Granted	—	—
Forfeited	1,171,500	75,900
Vested	—	—
At the End of the Fiscal Year	—	—
Vested Stock Options		
At the Beginning of the Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of the Fiscal Year	—	—

	Shares	
	Resolution during Fiscal Year 2011	Resolution during Fiscal Year 2016
Grant Date	October 7, 2011	July 15, 2016
Unvested Stock Options		
At the Beginning of the Fiscal Year	2,055,900	3,618,000
Granted	—	—
Forfeited	871,200	2,272,000
Vested	—	—
At the End of the Fiscal Year	1,184,700	1,346,000
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 2016	Resolution during Fiscal Year 2017
Grant Date	April 27, 2017	April 27, 2018
Unvested Stock Options		
At the Beginning of the Fiscal Year	3,811,000	4,356,000
Granted	—	—
Forfeited	1,417,000	1,417,000
Vested	—	—
At the End of the Fiscal Year	2,394,000	2,939,000
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, 2020	Resolution during Fiscal Year 2009	
Grant Date	February 8, 2010	August 20, 2010
Exercise Price	¥ 625	¥ 625
Fair Price on the Grant Date (Note 1)	0	0

	Resolution during Fiscal Year 2011	Resolution during Fiscal Year 2016
Grant Date	October 7, 2011	July 15, 2016
Exercise Price	¥ 737 (Note 3)	¥ 558
Fair Price on the Grant Date (Note 1)	0	0

	Resolution during Fiscal Year 2016	Resolution during Fiscal Year 2017
Grant Date	April 27, 2017	April 27, 2018
Exercise Price	¥ 553	¥ 694
Fair Price on the Grant Date (Note 1)	0	0

(Notes)

1) In lieu of fair value per share, the fair price refers to an estimate of each option's intrinsic value (the difference between the fair value of the share calculated by the comparable transaction price method and the exercise price).

2) The total amount of intrinsic value of the options was ¥1,633 million (U.S. $15 million) as of March 31, 2020.

3) If the IPO price is set as any amount exceeding ¥737 (U.S. $7), the Exercise Price shall be adjusted to an amount equal to the IPO Price on the IPO Date (the Exercise Price shall be adjusted to reflect appropriately the nature of any split or consolidation of shares after the Allotment Date, if any).

3. Method for Estimating a Fair Unit Price for Stock Options

There were no subscription rights to shares granted in the fiscal year ended March 31, 2020.

4. Method for Estimating the Number of Vested Stock Options

SuMi TRUST Holdings has adopted a method to reflect only the number of stock options that have been actually forfeited, because it is difficult to reasonably estimate the number that will be forfeited in the future.

Income Taxes

1. Deferred Tax Assets and Liabilities

Year Ended March 31	Millions of Yen 2020	Millions of Yen 2019	Millions of U.S. Dollars 2020
Deferred Tax Assets:			
Tax Loss Carryforwards (Note)	¥ 4,314	¥ 15,668	$ 40
Allowance for Loan Losses (including Direct Write-Offs of Loans with Guarantees or Collateral)	48,197	38,542	443
Impairment of Securities	19,196	19,387	177
Deferred Gains (Losses) on Hedges	25,682	14,560	236
Remeasurements of Defined Benefit Plans	30,674	10,080	282
Valuation Difference Due to Share Exchange	4,715	4,833	43
Other	55,763	52,379	513
Subtotal	188,543	155,453	1,735
Valuation Allowance for Tax Loss Carryforwards	(4,179)	(3,835)	(38)
Valuation Allowance for Deductible Temporary Differences	(20,163)	(18,597)	(186)
Valuation Allowance	(24,343)	(22,433)	(224)
Deferred Tax Assets	¥ 164,199	¥ 133,019	$ 1,511
Deferred Tax Liabilities:			
Retirement Benefits	¥ (23,040)	¥ (18,047)	$ (212)
Valuation Difference on Available-for-Sale Securities	(159,820)	(208,745)	(1,470)
Valuation Difference Due to Share Exchange	(5,804)	(6,779)	(53)
Other	(11,845)	(12,554)	(109)
Deferred Tax Liabilities	¥ (200,511)	¥ (246,127)	$ (1,845)
Net Deferred Tax Assets (Liabilities)	¥ (36,311)	¥ (113,107)	$ (334)

(Note) The expiration of tax loss carryforwards and the related valuation allowances as of March 31, 2020 and 2019, are as follows:

	Millions of Yen						
As of March 31, 2020	Within 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	More Than 5 Years	Total
Tax Loss Carryforwards (a)	¥ 611	¥ 428	¥ 430	¥ 152	¥ 155	¥ 2,535	¥ 4,314
Valuation Allowance	(602)	(422)	(331)	(152)	(142)	(2,529)	(4,179)
Deferred Tax Assets	9	5	99	—	13	6	134

	Millions of Yen						
As of March 31, 2019	Within 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	More Than 5 Years	Total
Tax Loss Carryforwards (a)	¥ 2,395	¥ 2,429	¥ 1,898	¥ 1,754	¥ 1,225	¥ 5,966	¥ 15,668
Valuation Allowance	(649)	(765)	(552)	(437)	(249)	(1,181)	(3,835)
Deferred Tax Assets	1,745	1,664	1,345	1,316	976	4,784	11,832 (b)

	Millions of U.S. Dollars						
As of March 31, 2020	Within 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	More Than 5 Years	Total
Tax Loss Carryforwards (a)	$ 6	$ 4	$ 4	$ 1	$ 1	$ 23	$ 40
Valuation Allowance	(6)	(4)	(3)	(1)	(1)	(23)	(38)
Deferred Tax Assets	0	0	1	—	0	0	1

(Notes)
(a) The amount of tax loss carryforwards is calculated by multiplying tax losses by the effective statutory tax rate.
(b) The tax loss carryforwards of ¥15,668 million (U.S. $144 million), calculated using the effective statutory tax rate, was recognized as a result of the exclusion of certain income, primarily dividend income of SuMi TRUST Holdings, from the gross income for tax purposes. The deferred tax assets of ¥11,832 million (U.S. $109 million) recognized for the tax loss carryforwards were considered as recoverable based on the taxable income projected on the basis of filing the consolidated tax return starting from April 1, 2019, and thus, valuation allowance is not recognized as of March 31, 2019.

2. Effective Income Tax Rate

Year Ended March 31	2020	2019
Effective Statutory Tax Rate	—%	30.62%
Adjustments:		
Changes in Valuation Allowance	—	(5.71)
Impairment Losses on Goodwill	—	1.46
Amortization of Goodwill	—	1.20
Share of Profit of Equity-Method Affiliated Companies	—	(0.76)
Permanent Differences (e.g., Cash Dividends Received)	—	(0.54)
Others	—	(1.16)
Effective Income Tax Rate	—%	25.11%

(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 years ended March 31, 2020.

Segment Information

1. Reportable Segment Information

The 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 the SuMi TRUST Group 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 Total Solution Services:
Provision of services to individual customers

Wholesale Financial Services:
Provision of services to corporate customers

Stock Transfer Agency Services:
Undertaking of stock-related services on behalf of customers

Real Estate:
Provision of services related to the real estate business

Fiduciary Services:
Operation of the pension business, the asset management business, and the asset administration business

Global Markets:
Marketing operations, market-making operations, investment operations, and financial management operations

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. Since each segment's information will not be used to make decisions about the allocation of resources or assess business performance at the management level, information about assets by reportable segment has not been generated.

"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.

3. Profit or Loss by Reportable Segment

	Millions of Yen								
					Fiduciary Services				
Year Ended March 31, 2020	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate		Asset Management Business	Global Markets	Others	Total
Substantial Gross Business Profit	¥ 192,763	¥ 206,166	¥ 37,443	¥ 56,927	¥ 171,793	¥ 81,936	¥ 72,590	¥ 4,976	¥ 742,661
General and Administrative Expenses	(169,882)	(73,663)	(18,973)	(24,524)	(105,909)	(52,380)	(15,049)	(45,647)	(453,650)
Net Business Profit	¥ 22,880	¥ 132,502	¥ 18,469	¥ 32,403	¥ 65,883	¥ 29,555	¥ 57,541	¥ (40,670)	¥ 289,011

	Millions of Yen								
					Fiduciary Services				
Year Ended March 31, 2019	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate		Asset Management Business	Global Markets	Others	Total
Substantial Gross Business Profit	¥ 199,892	¥ 193,892	¥ 37,031	¥ 54,388	¥ 172,188	¥ 71,857	¥ 45,683	¥ 19,591	¥ 722,669
General and Administrative Expenses	(168,949)	(70,463)	(18,613)	(24,235)	(109,123)	(47,572)	(15,317)	(33,732)	(440,435)
Net Business Profit	¥ 30,943	¥ 123,428	¥ 18,417	¥ 30,152	¥ 63,065	¥ 24,284	¥ 30,365	¥ (14,140)	¥ 282,233

	Millions of U.S. Dollars								
					Fiduciary Services				
Year Ended March 31, 2020	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate		Asset Management Business	Global Markets	Others	Total
Substantial Gross Business Profit	$ 1,774	$ 1,897	$ 344	$ 524	$ 1,581	$ 754	$ 668	$ 46	$ 6,833
General and Administrative Expenses	(1,563)	(678)	(175)	(226)	(974)	(482)	(138)	(420)	(4,174)
Net Business Profit	$ 211	$ 1,219	$ 170	$ 298	$ 606	$ 272	$ 529	$ (374)	$ 2,659

(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 interest income, net trust fees, net fees and commissions, net trading income, and net other ordinary income and expenses.

3) "General and Administrative Expenses" include personnel expenses and rent expenses.

4) Figures for the "Asset Management Business" are combined total of SuMi TRUST AM (consolidated), Nikko Asset Management Co., Ltd. (consolidated), and two affiliated companies accounted for by the equity method which are involved in asset management operations.

5) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, general and administrative expenses of headquarters, and elimination of internal transactions.

Additional Information

In order to strengthen the asset management business, which is identified as a growing business area of the SuMi TRUST Group, SuMi TRUST Holdings split the asset management function from SuMi TRUST Bank, which is a consolidated subsidiary of SuMi TRUST Holdings, and integrated it into SuMi TRUST AM, which is also a consolidated subsidiary of SuMi TRUST Holdings in October 1, 2018. As a result, financial figures related to the "Asset Management Business," which are included in the "Fiduciary Services," can be now determinable, and thus, such figures are separately disclosed under the "Fiduciary Services" as its component from the period ended March 30, 2020, taking into account the significance of the "Asset Management Business" in the business strategy of SuMi TRUST Group.

Since financial figures related to the "Asset Management Business" had not been managed prior to the split and integration of the asset management function, the financial figures related to the "Asset Management Business" for the period ended March 31, 2019 did not include those for SuMi TRUST Bank.

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
	2020	2019	2020
Net Business Profit	¥ 289,011	¥ 282,233	$ 2,659
Other Income	95,680	71,626	880
Other Expenses	(112,333)	(77,688)	(1,034)
Other Adjustments	(31,636)	(34,831)	(291)
Income before Income Taxes	¥ 240,721	¥ 241,340	$ 2,215

Related Information

1. Information by Services

Disclosure of information by services is omitted as similar disclosure is included in the "3. Profit or Loss by Reportable Segment" in the "Segment Information" section.

2. Geographic Information

(1) Income

Income by geographical area for the fiscal years ended March 31, 2020 and 2019, consists of the following:

	Millions of Yen				
Year Ended March 31, 2020	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,173,962	¥ 160,931	¥ 91,734	¥ 111,927	¥ 1,538,556

	Millions of Yen				
Year Ended March 31, 2019	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,106,433	¥ 158,817	¥ 87,455	¥ 116,727	¥ 1,469,434

	Millions of U.S. Dollars				
Year Ended March 31, 2020	Japan	Americas	Europe	Asia and Oceania	Total
	$ 10,801	$ 1,481	$ 844	$ 1,030	$ 14,155

(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 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 Group's tangible fixed assets on the consolidated balance sheet as of March 31, 2020 and 2019, 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 are not allocated to the reportable segments.

Losses on impairment of fixed assets recognized during the fiscal years ended March 31, 2020 and 2019, were ¥19,360 million (U.S. $178 million) and ¥15,786 million, respectively.

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, 2020, and 2019, were ¥9,422 million (U.S. $87 million) and ¥9,468 million, respectively. Unamortized balance of goodwill as of March 31, 2020, and 2019, were ¥45,087 million (U.S. $415 million) and ¥60,092 million, respectively.

Information Related to Gain on Negative Goodwill by Reportable Segment

There was no gain on negative goodwill by reportable segment during the fiscal years ended March 31, 2020 and 2019.

Related-Party Transactions

There were no material transactions that need to be disclosed for the fiscal years ended March 31, 2020 and 2019.

Per Share of Common Stock Information

	Yen		U.S. Dollars
	2020	2019	2020
Net Assets per Share of Common Stock	¥ 6,822.48	¥ 7,008.67	$ 62.77
Net Income per Share of Common Stock	434.31	458.91	4.00
Diluted Net Income per Share of Common Stock	434.03	458.64	3.99

(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, 2020	As of March 31, 2019	As of March 31, 2020
Net Assets as Reported	¥ 2,590,907	¥ 2,730,356	$ 23,838
Less:	35,641	76,895	328
Subscription Rights to Shares	1,057	1,062	10
Non-Controlling Interests	34,583	75,832	318
Net Assets Attributable to Common Shareholders	2,555,266	2,653,461	23,510
The Number of Shares of Common Stock Outstanding (Thousands of Shares)	374,536	378,596	374,536

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
	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2019	Fiscal Year Ended March 31, 2020
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 163,028	¥ 173,889	$ 1,500
Net Income Not Attributable to Common Shareholders	—	—	—
Net Income Related to Common Stock that is Attributable to Owners of the Parent	163,028	173,889	1,500
Average Number of Shares of Common Stock Outstanding (Thousands of Shares)	375,373	378,915	375,373
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)	240	218	240
Subscription Rights to Shares (Thousands of Shares)	240	218	240
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	SuMi TRUST Holdings: Series 1 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 20,000 shares Series 2 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 19,300 shares Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 39,300 shares Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): Subscription Rights to Shares (Stock Options) NAM Common Stock 7,863,700 shares	SuMi TRUST Holdings: Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 39,300 Shares Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): Subscription Rights to Shares (Stock Options) NAM Common Stock: 15,088,300 shares	SuMi TRUST Holdings: Series 1 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 20,000 shares Series 2 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 19,300 shares Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 39,300 shares Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): Subscription Rights to Shares (Stock Options) NAM Common Stock 7,863,700 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, 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, 2020.

For the calculation of net income per share, the average number of shares of treasury stock outstanding is 229 thousand shares for the fiscal year ended March 31, 2020 (not applicable for the fiscal year ended March 31, 2019). For the calculation of net asset per share, the total number of shares of treasury stock outstanding is 429 thousand shares (not applicable for the fiscal year ended March 31, 2019).

Significant Subsequent Event

Not Applicable.

Independent Auditors' Report

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Independent Auditor's Report

To the Board of Directors of
Sumitomo Mitsui Trust Holdings, Inc.:

Opinion

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Trust Holdings, Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, the consolidated statement of income, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020, and its consolidated financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reasonableness of the estimated amount of allowance for loan losses for corporate customers	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated financial statements of Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings"), "Allowance for Loan Losses" amounted to ¥127.2 billion, which was provided for the total credit portfolios of ¥31,319.1 billion. "Loans and Bills Discounted" amounting to ¥29,703.3 billion represented the vast majority of the total credit portfolios and also accounted for a significant portion of its total assets of ¥56,500.5 billion. Of these amounts, the allowance for loan losses of ¥98.1 billion, the total credit portfolios of ¥30,430.2 billion and the loans and bills discounted of ¥29,953.5 billion (all including intra-group loans to consolidated subsidiaries) were recorded by Sumitomo Mitsui Trust Bank ("SuMi TRUST	The primary procedures we performed in assessing the reasonableness of the estimated amount of allowance for loan losses for corporate customers included the following: (1) Internal control testing We performed primarily the following procedures in which specialists in credit risk and IT were involved in assisting our evaluation of the design and operating effectiveness of internal controls related to the estimate of allowance for loan losses: (SuMi TRUST Bank) ● Assessment of whether their internal criteria related to the self-assessment, write-offs, and provisions developed by the risk management

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Bank"), a major consolidated subsidiary. The majority of its allowance for loan losses was for corporate customers.

(1) Classification of borrowers

As described in Note 4. "Significant Accounting Policies," (5) "Allowance for Loan Losses" to the consolidated financial statements, SuMi TRUST Bank performs the loan reviews and validates them, based on its internal criteria for self-assessment of asset quality, and records an allowance for loan losses in accordance with its policy for write-off and provision, according to the determined classification of each borrower.

The corporate borrowers of SuMi TRUST Bank are classified primarily based on the credit rating assigned by the credit risk management system that takes into account quantitative information, such as the borrowers' financial information, as well as qualitative factors. Specifically, this classification process includes examining the borrowers' solvency, based on their substantive financial condition, cash flow position, and earning capability, among others, and an overall assessment of their business sustainability and future profitability; ability to generate cash flows available for debt repayment; the reasonableness and feasibility of their business improvement plans; and support from other financial institutions, in addition to their industry/sector specific characteristics. Accordingly, the assessment requires judgment by SuMi TRUST Bank. A change in the classification of a large borrower (for which a significant amount of allowance for loan losses would be required, if its credit risk further deteriorated), in particular, may have a material impact on the amount of allowance for loan losses to be recognized in the consolidated financial statements. Therefore, a higher level of judgment is required for large borrowers whose credit risk could possibly change significantly, should their internal or external economic environments change.

(2) Estimated amount of allowance for loan losses considering the impact of the spread of COVID-19

As described in Note 4. "Significant Accounting Policies," (5) "Allowance for Loan Losses" to the consolidated financial statements under "Additional Information," because of the spread of COVID-19 affecting borrowers' (corporate customers') operations and financial performance,

department comply with rules of the accounting standards;

- Evaluation of controls which ensure that borrowers' financial information entered into the credit risk management system by branches is complete and accurate;
- Evaluation of controls at the risk management department related to the credit rating determination model;
- Evaluation of IT application controls related to the determination of credit rating using quantitative information in the credit risk management system; and
- Evaluation of controls at the credit supervision department and the risk management department that validate the self-assessment, write-offs, and provisions for compliance with the internal criteria.

(Certain consolidated subsidiaries including SuMi TRUST Bank)

- Evaluation of controls that ensure the reasonableness of allowance for loan losses estimated based on certain assumptions is assessed in the meeting of C-suite executives.

(2) Classification of borrowers

We selected certain individual corporate borrowers for our testing, based on both quantitative and qualitative factors, and assessed whether the borrowers were appropriately classified. While quantitative factors included the possible effect on the amount of allowance for loan losses from inappropriate classification, qualitative factors included the determination of whether a significant change to their credit risk rating is expected, should their economic environments change.

We performed primarily the following procedures to evaluate whether the borrowers selected through the above process were classified appropriately:

- Assessment of whether the borrowers were classified in accordance with the internal criteria for self-assessment by inspecting the results of the analysis on the borrowers' financial information performed by SuMi TRUST Bank, as well as other relevant records and documents used in the classification of the borrowers, including qualitative information; and

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certain consolidated subsidiaries of SuMi TRUST Holdings recognized an additional allowance for loan losses of ¥24.6 billion. In estimating the amount of additional allowance for loan losses, certain industries and products (collectively the "industries"), where the adverse impact of the spread of COVID-19 on the financial performance was considered more severe than others, were identified, and the amount of credit losses was estimated for certain credit portfolios within the industries assuming that their credit rating assigned by the credit risk management system had been downgraded to a certain extent. As estimating the impact of the spread of COVID-19 involves a high degree of estimation uncertainty, there may be a material impact on the consolidated financial statements if the assumptions used for the estimate were not reasonable. Based on the above, we determined that the reasonableness of the estimated amount of allowance for loan losses for corporate customers was of most significance in our audit of the consolidated financial statements for the current fiscal year and identified it as a key audit matter.	● Assessment of whether the classification of the borrowers was appropriate by inquiring of personnel in the relevant departments (branches, the credit supervision department, and the risk management department) of SuMi TRUST Bank, and examining the information of the borrowers that was obtained independently by ourselves. In assessing whether the borrowers were appropriately classified, particularly for large borrowers whose credit risk could significantly change, should their economic environments change, we performed an overall assessment of their business environment, financial performance and condition, cash flow position, and support from other financial institutions, as well as future prospect of their industry and the borrower's competitive advantages. (3) Estimated amount of allowance for loan losses considering the impact of the spread of COVID-19 In assessing the impact of the spread of COVID-19 on the allowance for loan losses of SuMi TRUST Group companies, we inspected the materials and minutes of the meetings at SuMi TRUST Group companies in which the additional allowance was discussed and the recognition of the allowance was approved, and inquired of members of the meeting and other attendees. In addition, in order to assess the reasonableness of assumptions used to estimate the amount of allowance (especially, those related to the identification of industries where adverse impact on the financial performance was considered more severe, and certain credit portfolios for which credit risks was more likely to increase, as well as the extent to which the internal credit ratings would have to be downgraded), we performed primarily the following procedures: ● Inquiries of personnel in the relevant departments (the research department, credit supervision department, financial planning department, and risk management department) of SuMi TRUST Bank as well as the relevant departments of other consolidated subsidiaries; ● Review of information from external sources, such as the results of impact studies published by third-party institutions and reports issued by external economists; and ● Assessment of the consistency with the policy

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	of the SuMi TRUST Group related to the credit risk management and its internal risk information.

Reasonableness of impairment loss recognized on fixed assets related to Sumitomo Mitsui Trust Club Co., Ltd.

The key audit matter

In the consolidated financial statements of Sumitomo Mitsui Trust Holdings, Inc. for the current fiscal year, an impairment loss of ¥17.7 billion was recognized on the fixed assets of ¥22.6 billion as set out in the table below related to Sumitomo Mitsui Trust Club Co., Ltd. ("SuMi TRUST CLUB"), which was part of the losses on impairment of fixed assets of ¥19.3 billion reported in the consolidated statement of income.

(Billions of yen)

Account	Pre-impairment carrying amount	Impairment loss
Goodwill (1)	6.4	6.4
Other intangible fixed assets (1)	2.6	2.6
Other fixed assets (2)	13.6	8.6
Total	22.6	17.7

(1) Goodwill and other intangible assets recognized at the acquisition of SuMi TRUST CLUB.

(2) Other fixed assets, mainly software, held by SuMi TRUST CLUB.

While these fixed assets are depreciated or amortized in a systematic manner, whenever an indication of impairment is identified, it is necessary to determine whether an impairment loss should be recognized, by comparing the carrying amount of an asset group (or a larger group to which goodwill has been allocated) with the undiscounted future cash flows that would be generated by the asset group. If it is deemed necessary, based on such assessment, to recognize an impairment loss, the carrying amount of the asset group is written down to its recoverable

How the matter was addressed in our audit

The primary procedures we performed to evaluate the reasonableness of the impairment loss recognized on fixed assets related to SuMi TRUST CLUB included the following:

(1) Internal control testing

We evaluated the design and operating effectiveness of internal controls related to the judgment as to whether an impairment loss on fixed assets should be recognized and the measurement of impairment loss. In this evaluation, we specifically focused on the internal controls relevant to the estimate of future cash flows used in the judgment on whether to recognize an impairment loss, including a business plan as the basis of such estimate.

(2) Evaluation of the reasonableness of estimated future cash flows

In order to evaluate the reasonableness of the estimated future cash flows, we performed the following procedures mainly on the business plan as the basis of the estimate (particularly, the feasibility of the measures to increase the number of the premium credit card membership, which was a major underlying assumption) and the uncertainty reflected in the future cash flows (particularly, the impact of the spread of COVID-19 on its performance):

- Inspection of materials supporting the business plan and inquiry of personnel in the Corporate Planning Department of SuMi TRUST CLUB and other relevant departments (the Retail Business Planning Department and the Financial Planning Department) of Sumitomo Mitsui Trust Bank, Limited who were responsible for the preparation of the business plan;
- Review of external information such as future growth rates of the credit card market estimated by third parties as well as reports and other materials issued by external economists on the impact of COVID-19;

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amount with the reduction in the carrying amount recognized as an impairment loss.

With respect to SuMi TRUST CLUB, which operates the credit card business, whose results are reported within the Retail Total Solution Services Business segment, its operations were expected to incur continuous losses. As there was an indication of impairment in the current fiscal year, determining whether an impairment loss should be recognized was necessary.

The future cash flows used in the determination was estimated on the basis of a business plan developed by SuMi TRUST CLUB incorporating future uncertainty. The estimate reflected an increased revenue from operations, mainly due to a rise in the number of the premium credit card membership as a result of various promotion measures, as well as the impact of the spread of COVID-19 on its performance. Accordingly, this estimate involved a high degree of estimation uncertainty and required management's judgment.

In addition, once it is determined that an impairment loss should be recognized, high level valuation expertise is required to select an appropriate valuation method and input data for estimating a discount rate used to measure a recoverable amount based on the value in use.

Based on the above, we determined that the reasonableness of impairment loss recognized on fixed assets related to SuMi TRUST CLUB was of most significance in our audit of the consolidated financial statements for the current fiscal year and identified it as a key audit matter.

- Analysis of factors that led to failure to achieve the previous business plans and evaluation of whether those factors were appropriately considered in the estimate of future cash flows; and
- Evaluation of whether uncertainty is appropriately reflected to the future cash flows by performing sensitivity analyses for key assumptions (analyses to evaluate the effect that a change in the assumptions has on the future cash flows).

(3) Evaluation of the reasonableness of discount rate

The primary procedures we performed on the discount rates used in calculating the value in use, with the assistance of valuation specialists in our domestic network firm, were as follows:

- Evaluation of the appropriateness of the method used to calculate the discount rates in light of the requirements in the accounting standards; and
- Evaluation of the reasonableness of input parameters (risk-free rate, beta, and the market risk premium).

Responsibilities of Management and the audit committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2020 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in "Basis of Presentation of Financial Statements" to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Toshiya Mori
Designated Engagement Partner
Certified Public Accountant

Tomomi Mase
Designated Engagement Partner
Certified Public Accountant

Takashi Fujisawa
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
June 26, 2020

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Financial Data:

Non-Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of March 31, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Assets:			
Current Assets:			
Cash and Due from Banks	¥ 2,349	¥ 2,110	$ 22
Securities	129,000	100,000	1,187
Prepaid Expenses	201	183	2
Income Tax Refunds Receivable	15,588	28,924	143
Other Current Assets	28,330	2,457	261
Total Current Assets	175,470	133,676	1,614
Non-Current Assets:			
Tangible Fixed Assets:	0	0	0
Tools, Furniture, and Fixtures	0	0	0
Intangible Fixed Assets:	1	0	0
Software	1	0	0
Investments and Other Assets:	2,049,281	2,069,815	18,854
Investment Securities	652	652	6
Investments in Subsidiaries and Affiliated Companies (Stocks)	1,398,398	1,447,538	12,866
Long-Term Loans Receivable from Subsidiaries and Affiliated Companies	650,000	610,000	5,980
Deferred Tax Assets	136	11,530	1
Other Investments	94	94	1
Total Non-Current Assets	2,049,283	2,069,816	18,854
Total Assets	¥ 2,224,754	¥ 2,203,492	$ 20,469
Liabilities:			
Current Liabilities:			
Accrued Expenses	¥ 2,457	¥ 2,803	$ 23
Income Taxes Payable	969	4	9
Provision for Bonuses	187	174	2
Provision for Directors' Bonuses	42	49	0
Other Current Liabilities	959	129	9
Total Current Liabilities	4,616	3,161	42
Non-Current Liabilities:			
Bonds Payable	640,000	641,600	5,888
Long-Term Loans Payable	10,000	10,000	92
Provision for share-based remuneration	52	—	0
Other Non-Current Liabilities	40	10	0
Total Non-Current Liabilities	650,093	651,610	5,981
Total Liabilities	¥ 654,709	¥ 654,771	$ 6,024
Net Assets:			
Total Shareholders' Equity:	¥ 1,568,986	¥ 1,547,658	$ 14,435
Capital Stock	261,608	261,608	2,407
Capital Surplus:	977,094	1,041,473	8,990
Legal Capital Surplus	702,933	702,933	6,467
Other Capital Surplus	274,160	338,540	2,522
Retained Earnings:	333,139	295,798	3,065
Other Retained Earnings:			
Retained Earnings Brought Forward	333,139	295,798	3,065
Treasury Stock-At Cost	(2,855)	(51,222)	(26)
Subscription Rights to Shares	1,057	1,062	10
Total Net Assets	¥ 1,570,044	¥ 1,548,721	$ 14,445
Total Liabilities and Net Assets	¥ 2,224,754	¥ 2,203,492	$ 20,469

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 4,189.14	¥ 4,087.87	$ 38.54

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥108.69 to U.S. $1.00, the exchange rate as of March 31, 2020.

Financial Data:

Non-Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Operating Income:			
Dividends Received from Subsidiaries	¥ 95,851	¥ 121,832	$ 882
Fees and Commissions Received from Subsidiaries	1,745	1,317	16
Total Operating Income	97,597	123,149	898
Operating Expenses:			
General and Administrative Expenses	3,709	3,341	34
Total Operating Expenses	3,709	3,341	34
Operating Profit	93,888	119,808	864
Non-Operating Income:	8,183	7,709	75
Interest Income	8,128	7,628	75
Interest on Securities	1	0	0
Commission Fee	0	28	0
Other Non-Operating Income	53	52	0
Non-Operating Expenses:	9,430	11,327	87
Interest Expenses	77	76	1
Interest on Bonds Payable	8,766	10,275	81
Other Non-Operating Expenses	586	974	5
Income before Income Taxes	92,640	116,190	852
Income Taxes:	(1,217)	(11,526)	(11)
Current	(12,611)	4	(116)
Deferred	11,393	(11,530)	105
Net Income	¥ 93,858	¥ 127,717	$ 864

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 250.04	¥ 337.06	$ 2.30

Financial Data:

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

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2020 and 2019

From April 1, 2019 to March 31, 2020

	Millions of Yen					
	Shareholders' Equity					
		Capital Surplus			Retained Earnings	
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings: Retained Earnings Brought Forward	Total Retained Earnings
Balance at the Beginning of the Year	¥ 261,608	¥ 702,933	¥ 338,540	¥ 1,041,473	¥ 295,798	¥ 295,798
Changes during the Year						
Cash Dividends					(56,517)	(56,517)
Net Income					93,858	93,858
Purchase of Treasury Stock						
Disposal of Treasury Stock			(354)	(354)		
Retirement of Treasury Stock			(64,024)	(64,024)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Year	—	—	(64,379)	(64,379)	37,341	37,341
Balance at the End of the Year	¥ 261,608	¥ 702,933	¥ 274,160	¥ 977,094	¥ 333,139	¥ 333,139

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Year	¥ (51,222)	¥ 1,547,658	¥ 1,062	¥ 1,548,721
Changes during the Year				
Cash Dividends		(56,517)		(56,517)
Net Income		93,858		93,858
Purchase of Treasury Stock	(17,494)	(17,494)		(17,494)
Disposal of Treasury Stock	1,835	1,481		1,481
Retirement of Treasury Stock	64,024	—		—
Net Changes of Items Other Than Shareholders' Equity			(5)	(5)
Total Changes during the Year	48,366	21,328	(5)	21,322
Balance at the End of the Year	¥ (2,855)	¥ 1,568,986	¥ 1,057	¥ 1,570,044

From April 1, 2018 to March 31, 2019

	Millions of Yen					
	Shareholders' Equity					
		Capital Surplus			Retained Earnings	
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings: Retained Earnings Brought Forward	Total Retained Earnings
Balance at the Beginning of the Year	¥ 261,608	¥ 702,933	¥ 338,540	¥ 1,041,473	¥ 217,424	¥ 217,424
Changes during the Year						
Cash Dividends					(49,343)	(49,343)
Net Income					127,717	127,717
Purchase of Treasury Stock						
Disposal of Treasury Stock			(0)	(0)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Year	—	—	(0)	(0)	78,374	78,374
Balance at the End of the Year	¥ 261,608	¥ 702,933	¥ 338,540	¥ 1,041,473	¥ 295,798	¥ 295,798

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Year	¥ (42,224)	¥ 1,478,282	¥ 799	¥ 1,479,082
Changes during the Year				
Cash Dividends		(49,343)		(49,343)
Net Income		127,717		127,717
Purchase of Treasury Stock	(9,033)	(9,033)		(9,033)
Disposal of Treasury Stock	35	35		35
Net Changes of Items Other Than Shareholders' Equity			262	262
Total Changes during the Year	(8,998)	69,375	262	69,638
Balance at the End of the Year	¥ (51,222)	¥ 1,547,658	¥ 1,062	¥ 1,548,721

From April 1, 2019 to March 31, 2020

	Millions of U.S. Dollars					
	Shareholders' Equity					
		Capital Surplus			Retained Earnings	
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings: Retained Earnings Brought Forward	Total Retained Earnings
Balance at the Beginning of the Year	$ 2,407	$ 6,467	$ 3,115	$ 9,582	$ 2,721	$ 2,721
Changes during the Year						
Cash Dividends					(520)	(520)
Net Income					864	864
Purchase of Treasury Stock						
Disposal of Treasury Stock			(3)	(3)		
Retirement of Treasury Stock			(589)	(589)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Year	—	—	(592)	(592)	344	344
Balance at the End of the Year	$ 2,407	$ 6,467	$ 2,522	$ 8,990	$ 3,065	$ 3,065

	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	$ (471)	$ 14,239	$ 10	$ 14,249
Changes during the Year				
Cash Dividends		(520)		(520)
Net Income		864		864
Purchase of Treasury Stock	(161)	(161)		(161)
Disposal of Treasury Stock	17	14		14
Retirement of Treasury Stock	589	—		—
Net Changes of Items Other Than Shareholders' Equity			(0)	(0)
Total Changes during the Year	445	196	(0)	196
Balance at the End of the Year	$ (26)	$ 14,435	$ 10	$ 14,445

Financial Data:

Statements of Trust Account (Unaudited)

Sumitomo Mitsui Trust Holdings. Inc. and its Consolidated Subsidiaries
As of March 31, 2020 and 2019

As of March 31	Millions of Yen 2020	Millions of Yen 2019	Millions of U.S. Dollars 2020
Assets:			
Loans and Bills Discounted (Note 2)	¥ 1,543,160	¥ 1,445,195	$ 14,198
Securities (Note 3)	1,075,184	1,253,465	9,892
Beneficiary Rights	172,441,244	160,593,574	1,586,542
Securities Held in Custody Accounts	22,849	23,123	210
Monetary Claims	19,271,003	19,475,082	177,302
Tangible Fixed Assets	17,315,570	15,722,230	159,312
Intangible Fixed Assets	194,224	217,971	1,787
Other Claims	7,273,403	6,717,177	66,919
Loans to Banking Account	4,750,289	5,408,009	43,705
Cash and Due from Banks	538,396	494,234	4,954
Total Assets	¥ 224,425,327	¥ 211,350,067	$ 2,064,820
Liabilities:			
Money Trusts (Note 4)	¥ 33,415,451	¥ 32,877,994	$ 307,438
Pension Trusts	13,023,778	13,113,501	119,825
Property Formation Benefit Trusts	19,060	18,865	175
Securities Investment Trusts	79,777,245	74,389,341	733,989
Money in Trust Other Than Money Trusts	32,458,304	27,349,339	298,632
Securities in Trust	20,975,736	19,914,130	192,987
Money Claims in Trust	19,383,820	19,592,309	178,340
Real Estate in Trust	78,450	77,297	722
Composite Trusts	25,293,482	24,017,287	232,712
Total Liabilities	¥ 224,425,327	¥ 211,350,067	$ 2,064,820

See Notes to Statements of Trust Account (Unaudited).

Notes to Statements of Trust Account (Unaudited)

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SuMi TRUST Holdings. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of SuMi TRUST Holdings do not reflect SuMi TRUST Holdings' records as to the assets accepted in trust, which are maintained separately under the trust account.

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by SuMi TRUST Bank, and such guaranteed principal as of March 31, 2020 and 2019, was ¥4,602,967 million (U.S. $42,350 million) and ¥5,291,601 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 ¥108.69 to U.S. $1, the approximate rate of exchange as of March 31, 2020. 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.

2. Loans and Bills Discounted

Loans as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Loans on Deeds	¥ 1,160,640	¥ 1,017,575	$ 10,678
Loans on Bills	382,520	427,620	3,519
Total	¥ 1,543,160	¥ 1,445,195	$ 14,198

The balances of guaranteed trust account loans as of March 31, 2020 and 2019 stood at ¥26,710 million (U.S. $246 million) and ¥30,967 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, 2020 and 2019, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Other Delinquent Loans	¥ 680	¥ 722	$ 6
Restructured Loans	34	41	0
Total	¥ 714	¥ 763	$ 7

3. Securities

Securities held as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Government Bonds	¥ 599,390	¥ 609,882	$ 5,515
Local Government Bonds	30	30	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	113,807	153,716	1,047
Stocks	8,164	8,379	75
Other Securities	353,792	481,457	3,255
Total	¥ 1,075,184	¥ 1,253,465	$ 9,892

(Note) The balances as of March 31, 2020 and 2019 are for SuMi TRUST Bank only.

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
	2020	2019	2020
Assets:			
Loans and Bills Discounted	¥ 26,710	¥ 30,967	$ 246
Securities	—	29	—
Other	4,576,633	5,261,076	42,107
Total	¥ 4,603,344	¥ 5,292,073	$ 42,353
Liabilities:			
Principal	¥ 4,602,967	¥ 5,291,601	$ 42,350
Allowance for Impairment of Guaranteed Trust Principal	70	81	1
Other	306	390	3
Total	¥ 4,603,344	¥ 5,292,073	$ 42,353

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 (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Consolidated Statements of Banking Account	2020	2019	2018	2017	2016
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 13,087,816	¥ 16,042,864	¥ 15,661,926	¥ 14,269,687	¥ 14,428,660
Securities	6,343,103	5,692,564	5,523,148	5,068,155	4,815,901
Loans and Bills Discounted	29,703,375	29,022,792	28,000,640	27,982,411	26,740,793
Lease Receivables and Investment Assets	673,880	653,447	677,238	667,808	608,433
Tangible Fixed Assets	220,936	219,309	221,961	231,288	232,549
Intangible Fixed Assets	100,915	152,896	178,131	195,981	184,293
Customers' Liabilities for Acceptances and Guarantees	518,811	557,007	508,930	458,010	503,742
Others	5,767,259	4,700,499	4,141,731	3,782,999	4,189,737
Allowance for Loan Losses	(127,205)	(99,770)	(102,903)	(115,794)	(90,829)
Total Assets	¥ 56,288,892	¥ 56,941,609	¥ 54,810,805	¥ 52,540,547	¥ 51,613,282
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 36,706,332	¥ 38,359,319	¥ 36,153,471	¥ 36,604,051	¥ 33,777,450
Acceptances and Guarantees	518,811	557,007	508,930	458,010	503,742
Others	16,851,259	15,525,403	15,430,814	12,845,480	14,789,619
Total Liabilities	¥ 54,076,402	¥ 54,441,730	¥ 52,093,216	¥ 49,907,542	¥ 49,070,812
Net Assets:					
Shareholders' Equity	¥ 1,948,981	¥ 2,041,013	¥ 2,064,444	¥ 1,999,635	¥ 1,940,738
Accumulated Other Comprehensive Income	236,738	424,472	509,704	441,390	411,067
Non-Controlling Interests	26,769	34,393	143,439	191,979	190,663
Total Net Assets	¥ 2,212,489	¥ 2,499,879	¥ 2,717,588	¥ 2,633,005	¥ 2,542,469
Total Liabilities and Net Assets	¥ 56,288,892	¥ 56,941,609	¥ 54,810,805	¥ 52,540,547	¥ 51,613,282
For the Year					
Income:					
Trust Fees	¥ 99,816	¥ 100,301	¥ 94,624	¥ 94,289	¥ 100,175
Interest Income	491,762	511,540	431,598	389,888	373,463
Fees and Commissions	313,804	383,437	380,132	378,510	336,948
Trading Income	102,189	27,926	10,035	18,338	15,964
Other Ordinary Income	348,650	357,080	306,724	296,260	286,008
Other Income	93,529	71,551	127,725	68,986	53,790
Total Income	¥ 1,449,753	¥ 1,451,837	¥ 1,350,842	¥ 1,246,274	¥ 1,166,350
Expenses:					
Interest Expenses	¥ 362,021	¥ 372,068	¥ 246,248	¥ 165,813	¥ 143,065
Fees and Commissions Payments	90,649	109,242	104,778	100,677	94,016
Trading Expenses	—	—	—	1,297	428
Other Ordinary Expenses	281,279	250,699	230,440	318,885	216,036
General and Administrative Expenses	385,180	407,483	419,102	420,929	390,654
Other Expenses	115,262	76,810	115,504	66,243	85,647
Total Expenses	¥ 1,234,394	¥ 1,216,303	¥ 1,116,703	¥ 1,073,846	¥ 929,847
Income before Income Taxes	¥ 215,358	¥ 235,533	¥ 234,768	¥ 172,427	¥ 236,503
Net Income	¥ 147,678	¥ 165,580	¥ 163,437	¥ 121,062	¥ 148,149

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 87.89	¥ 96.47	¥ 93.08	¥ 67.56	¥ 84.05
Fully Diluted Net Income per Share of Common Stock	—	—	—	—	—
Net Assets per Share of Common Stock	1,305.26	1,472.33	1,537.23	1,457.73	1,404.45

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
As of and for the fiscal years ended March 31

Non-Consolidated Statements of Banking Account	Millions of Yen				
	2020	2019	2018	2017	2016
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 12,916,014	¥ 15,831,242	¥ 15,408,170	¥ 13,963,744	¥ 14,130,060
Securities	6,625,035	6,091,898	5,972,337	5,518,947	5,311,214
Loans and Bills Discounted	29,953,513	29,404,142	28,259,093	28,158,969	27,044,368
Tangible Fixed Assets	189,926	195,414	198,328	200,957	200,688
Intangible Fixed Assets	70,937	65,607	66,969	91,265	69,867
Customers' Liabilities for Acceptances and Guarantees	359,757	385,467	398,773	391,434	401,825
Others	4,579,760	3,325,210	2,934,934	2,733,960	3,162,871
Allowance for Loan Losses	(98,191)	(75,211)	(77,169)	(90,030)	(64,305)
Total Assets	¥ 54,596,753	¥ 55,223,770	¥ 53,161,437	¥ 50,969,247	¥ 50,256,590
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 36,650,458	¥ 38,290,404	¥ 36,151,191	¥ 36,542,541	¥ 33,721,544
Acceptances and Guarantees	359,757	385,467	398,773	391,434	401,825
Others	15,569,113	14,276,060	14,239,205	11,725,547	13,847,956
Total Liabilities	¥ 52,579,329	¥ 52,951,932	¥ 50,789,170	¥ 48,659,522	¥ 47,971,327
Net Assets:					
Shareholders' Equity	¥ 1,705,866	¥ 1,829,610	¥ 1,865,959	¥ 1,839,012	¥ 1,815,536
Valuation and Translation Adjustments	311,558	442,227	506,307	470,711	469,727
Total Net Assets	¥ 2,017,424	¥ 2,271,838	¥ 2,372,266	¥ 2,309,724	¥ 2,285,263
Total Liabilities and Net Assets	¥ 54,596,753	¥ 55,223,770	¥ 53,161,437	¥ 50,969,247	¥ 50,256,590
For the Year					
Income:					
Trust Fees	¥ 99,816	¥ 100,972	¥ 94,870	¥ 94,289	¥ 100,288
Interest Income	474,575	520,790	409,528	370,630	357,465
Fees and Commissions	185,849	194,143	195,171	200,728	188,193
Trading Income	102,189	27,926	10,421	18,338	15,964
Other Ordinary Income	94,420	114,934	79,056	72,114	74,119
Other Income	82,349	60,606	100,469	54,090	38,926
Total Income	¥ 1,039,201	¥ 1,019,374	¥ 889,518	¥ 810,192	¥ 774,956
Expenses:					
Interest Expenses	¥ 356,435	¥ 366,989	¥ 246,207	¥ 167,378	¥ 145,351
Fees and Commissions Payments	95,322	89,832	86,499	84,593	76,688
Trading Expenses	—	—	—	1,297	428
Other Ordinary Expenses	51,868	34,608	29,490	119,483	28,219
General and Administrative Expenses	252,579	239,668	254,234	262,466	251,989
Other Expenses	105,475	83,466	108,431	63,647	57,084
Total Expenses	¥ 861,681	¥ 814,564	¥ 724,862	¥ 698,866	¥ 559,761
Income before Income Taxes	¥ 177,519	¥ 204,810	¥ 164,655	¥ 111,325	¥ 215,196
Net Income	¥ 124,706	¥ 148,661	¥ 117,980	¥ 77,663	¥ 143,154
Annual Dividends	¥ 201,461	¥ 121,320	¥ 55,360	¥ 54,556	¥ 54,606

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 74.47	¥ 88.77	¥ 70.45	¥ 46.37	¥ 85.48
Fully Diluted Net Income per Share of Common Stock	—	—	—	—	—
Net Assets per Share of Common Stock	1,204.76	1,356.69	1,416.67	1,379.32	1,364.71

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Statements of Trust Account	2020	2019	2018	2017	2016
As of the Year-End					
Assets:					
Securities	¥ 1,075,184	¥ 1,253,465	¥ 1,834,427	¥ 3,077,763	¥ 1,954,552
Loans and Bills Discounted	1,543,160	1,445,195	1,306,319	1,410,062	1,072,436
Other	221,806,982	208,651,405	198,557,372	183,979,907	171,881,233
Total Assets	¥224,425,327	¥ 211,350,067	¥ 201,698,118	¥ 188,467,733	¥ 174,908,223
Liabilities:					
Money Trusts	¥ 33,415,451	¥ 32,877,994	¥ 31,416,663	¥ 30,217,814	¥ 32,486,242
Pension Trusts	13,023,778	13,113,501	13,720,536	14,828,508	16,305,604
Property Formation Benefit Trusts	19,060	18,865	17,930	17,575	18,030
Loan Trusts	—	—	—	10,683	12,169
Other Trusts	177,967,038	165,339,705	156,542,988	143,393,150	126,086,176
Total Liabilities	¥224,425,327	¥ 211,350,067	¥ 201,698,118	¥ 188,467,733	¥ 174,908,223

	Millions of Yen				
Total Employable Funds (Non-Consolidated)	2020	2019	2018	2017	2016
As of the Year-End					
Deposits	¥ 36,650,458	¥ 38,290,404	¥ 36,151,191	¥ 36,542,541	¥ 33,721,544
Money Trusts	33,415,451	32,877,994	31,416,663	30,217,814	32,486,242
Pension Trusts	13,023,778	13,113,501	13,720,536	14,828,508	16,305,604
Property Formation Benefit Trusts	19,060	18,865	17,930	17,575	18,030
Loan Trusts	—	—	—	10,683	12,169
Total Employable Funds*	¥ 83,108,748	¥ 84,300,766	¥ 81,306,322	¥ 81,617,123	¥ 82,543,591

* 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, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Assets:			
Cash and Due from Banks	¥ 13,087,816	¥ 16,042,864	$ 120,414
Call Loans and Bills Bought	71,236	50,124	655
Receivables under Resale Agreements	1,220,761	158,734	11,232
Receivables under Securities Borrowing Transactions	740,658	759,812	6,814
Monetary Claims Bought	999,705	1,082,650	9,198
Trading Assets (Notes 1, 2, and 4)	507,646	454,978	4,671
Money Held in Trust	1,406	1,393	13
Securities (Notes 2 and 4)	6,343,103	5,692,564	58,360
Loans and Bills Discounted (Notes 3, 4, and 5)	29,703,375	29,022,792	273,285
Foreign Exchanges	36,952	36,936	340
Lease Receivables and Investment Assets (Note 4)	673,880	653,447	6,200
Other Assets (Notes 4 and 8)	2,072,673	1,986,352	19,070
Tangible Fixed Assets (Note 6)	220,936	219,309	2,033
Intangible Fixed Assets (Note 7)	100,915	152,896	928
Assets for Retirement Benefits	87,075	138,909	801
Deferred Tax Assets	29,142	30,606	268
Customers' Liabilities for Acceptances and Guarantees	518,811	557,007	4,773
Allowance for Loan Losses	(127,205)	(99,770)	(1,170)
Total Assets	¥ 56,288,892	¥ 56,941,609	$ 517,885
Liabilities:			
Deposits (Notes 4 and 9)	¥ 30,717,040	¥ 31,930,697	$ 282,611
Negotiable Certificates of Deposit	5,989,292	6,428,622	55,104
Call Money and Bills Sold (Note 4)	142,974	72,793	1,315
Payables under Repurchase Agreements (Note 4)	1,558,919	1,603,191	14,343
Payables under Securities Lending Transactions (Note 4)	—	104,767	—
Trading Liabilities (Note 1)	371,950	258,771	3,422
Borrowed Money (Notes 4 and 10)	6,496,384	4,623,801	59,770
Foreign Exchanges	3,213	457	30
Short-Term Bonds Payable	1,707,097	1,472,786	15,706
Bonds Payable (Note 11)	485,368	777,834	4,466
Borrowed Money from Trust Account (Note 12)	4,750,289	5,408,009	43,705
Other Liabilities (Note 13)	1,221,403	993,243	11,237
Provision for Bonuses	12,881	17,161	119
Provision for Directors' Bonuses	74	294	1
Provision for Stocks Payment	219	—	2
Liabilities for Retirement Benefits	12,079	13,470	111
Provision for Reward Points Program	16,889	18,282	155
Provision for Reimbursement of Deposits	4,867	5,250	45
Provision for Contingent Losses	1,440	3,465	13
Deferred Tax Liabilities	62,767	148,972	577
Deferred Tax Liabilities for Land Revaluation (Note 6)	2,439	2,847	22
Acceptances and Guarantees	518,811	557,007	4,773
Total Liabilities	¥ 54,076,402	¥ 54,441,730	$ 497,529
Net Assets:			
Total Shareholders' Equity:	¥ 1,948,981	¥ 2,041,013	$ 17,932
Capital Stock	342,037	342,037	3,147
Capital Surplus	342,853	391,397	3,154
Retained Earnings	1,264,091	1,307,578	11,630
Total Accumulated Other Comprehensive Income:	236,738	424,472	2,178
Valuation Differences on Available-for-Sale Securities	369,924	481,923	3,403
Deferred Gains (Losses) on Hedges	(57,389)	(36,833)	(528)
Revaluation Reserve for Land (Note 6)	(3,901)	(2,345)	(36)
Foreign Currency Translation Adjustments	(2,493)	4,394	(23)
Remeasurements of Defined Benefit Plans	(69,401)	(22,665)	(639)
Non-Controlling Interests	26,769	34,393	246
Total Net Assets	¥ 2,212,489	¥ 2,499,879	$ 20,356
Total Liabilities and Net Assets	¥ 56,288,892	¥ 56,941,609	$ 517,885

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 1,305.26	¥ 1,472.33	$ 12.01

See accompanying notes.
The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥108.69 to U.S. $1.00, the exchange rate as of March 31, 2020.

Financial Data:

Consolidated Statement of Income

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Income:			
Trust Fees	¥ 99,816	¥ 100,301	$ 918
Interest Income:	491,762	511,540	4,524
Interest on Loans and Discounts	349,813	363,275	3,218
Interest and Dividends on Securities	93,712	92,672	862
Interest on Call Loans and Bills Bought	1,431	1,522	13
Interest on Receivables under Resale Agreements	571	926	5
Interest on Receivables under Securities Borrowing Transactions	0	0	0
Interest on Deposits with Banks	36,592	44,755	337
Other Interest Income (Note 1)	9,640	8,387	89
Fees and Commissions	313,804	383,437	2,887
Trading Income (Note 2)	102,189	27,926	940
Other Ordinary Income (Note 3)	348,650	357,080	3,208
Other Income (Note 4)	93,529	71,551	861
Total Income	¥ 1,449,753	¥ 1,451,837	$ 13,338
Expenses:			
Interest Expenses:	¥ 362,021	¥ 372,068	$ 3,331
Interest on Deposits	125,997	128,785	1,159
Interest on Negotiable Certificates of Deposit	81,014	81,292	745
Interest on Call Money and Bills Sold	1,264	2,213	12
Interest on Payables under Repurchase Agreements	31,712	35,615	292
Interest on Payables under Securities Lending Transactions	2,302	2,636	21
Interest on Borrowings	21,289	23,291	196
Interest on Short-Term Bonds	29,049	23,343	267
Interest on Bonds	8,226	16,449	76
Other Interest Expenses (Note 1)	61,164	58,439	563
Fees and Commissions Payments	90,649	109,242	834
Other Ordinary Expenses (Note 3)	281,279	250,699	2,588
General and Administrative Expenses (Note 5)	385,180	407,483	3,544
Other Expenses (Note 4)	115,262	76,810	1,060
Total Expenses	¥ 1,234,394	¥ 1,216,303	$ 11,357
Income before Income Taxes	¥ 215,358	¥ 235,533	$ 1,981
Income Taxes:	67,679	69,952	623
Current	74,626	64,849	687
Deferred	(6,947)	5,103	(64)
Net Income	¥ 147,678	¥ 165,580	$ 1,359
Net Income Attributable to Non-Controlling Interests	487	4,035	4
Net Income Attributable to Owners of the Parent	¥ 147,190	¥ 161,545	$ 1,354

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 87.89	¥ 96.47	$ 0.81

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, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Net Income	**¥ 147,678**	¥ 165,580	**$ 1,359**
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	**(112,186)**	(50,857)	**(1,032)**
Deferred Gains (Losses) on Hedges	**(19,201)**	(13,417)	**(177)**
Foreign Currency Translation Adjustments	**(1,680)**	628	**(15)**
Remeasurements of Defined Benefit Plans	**(46,755)**	(23,373)	**(430)**
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	**(1,344)**	772	**(12)**
Total Other Comprehensive Income (Loss) (Note)	**¥ (181,169)**	¥ (86,246)	**$ (1,667)**
Comprehensive Income:	**¥ (33,490)**	¥ 79,333	**$ (308)**
Comprehensive Income Attributable to Owners of the Parent	**(33,687)**	75,391	**(310)**
Comprehensive Income Attributable to Non-Controlling Interests	**197**	3,942	**2**

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, 2020 and 2019

From April 1, 2019 to March 31, 2020

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 391,397	¥ 1,307,578	¥ 2,041,013
Changes during the Year				
Cash Dividends		(48,544)	(201,461)	(250,006)
Net Income Attributable to Owners of the Parent			147,190	147,190
Changes in the Scope of Consolidation			9,228	9,228
Decrease by Corporate Division - Split-off Type				—
Purchase of Shares of Consolidated Subsidiaries				—
Reversal of Revaluation Reserve for Land			1,555	1,555
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	(48,544)	(43,486)	(92,031)
Balance at the End of the Year	¥ 342,037	¥ 342,853	¥ 1,264,091	¥ 1,948,981

	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	¥ 481,923	¥ (36,833)	¥ (2,345)	¥ 4,394	¥ (22,665)	¥ 424,472	¥ 34,393	¥ 2,499,879
Changes during the Year								
Cash Dividends								(250,006)
Net Income Attributable to Owners of the Parent								147,190
Changes in the Scope of Consolidation								9,228
Decrease by Corporate Division - Split-off Type								—
Purchase of Shares of Consolidated Subsidiaries								—
Reversal of Revaluation Reserve for Land								1,555
Net Changes of Items Other Than Shareholders' Equity	(111,998)	(20,556)	(1,555)	(6,887)	(46,735)	(187,734)	(7,624)	(195,358)
Total Changes during the Year	(111,998)	(20,556)	(1,555)	(6,887)	(46,735)	(187,734)	(7,624)	(287,389)
Balance at the End of the Year	¥ 369,924	¥ (57,389)	¥ (3,901)	¥ (2,493)	¥ (69,401)	¥ 236,738	¥ 26,769	¥ 2,212,489

See accompanying notes.

From April 1, 2018 to March 31, 2019

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 455,988	¥ 1,266,419	¥ 2,064,444
Changes during the Year				
Cash Dividends		(46,033)	(121,320)	(167,353)
Net Income Attributable to Owners of the Parent			161,545	161,545
Changes in the Scope of Consolidation				—
Decrease by Corporate Division - Split-off Type		(18,540)		(18,540)
Purchase of Shares of Consolidated Subsidiaries		(17)		(17)
Reversal of Revaluation Reserve for Land			933	933
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	(64,590)	41,158	(23,431)
Balance at the End of the Year	¥ 342,037	¥ 391,397	¥ 1,307,578	¥ 2,041,013

	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	¥ 531,047	¥ (22,773)	¥ (1,412)	¥ 2,166	¥ 677	¥ 509,704	¥ 143,439	¥ 2,717,588
Changes during the Year								
Cash Dividends								(167,353)
Net Income Attributable to Owners of the Parent								161,545
Changes in the Scope of Consolidation								—
Decrease by Corporate Division - Split-off Type								(18,540)
Purchase of Shares of Consolidated Subsidiaries								(17)
Reversal of Revaluation Reserve for Land								933
Net Changes of Items Other Than Shareholders' Equity	(49,123)	(14,060)	(933)	2,227	(23,342)	(85,231)	(109,045)	(194,277)
Total Changes during the Year	(49,123)	(14,060)	(933)	2,227	(23,342)	(85,231)	(109,045)	(217,709)
Balance at the End of the Year	¥ 481,923	¥ (36,833)	¥ (2,345)	¥ 4,394	¥ (22,665)	¥ 424,472	¥ 34,393	¥ 2,499,879

See accompanying notes.

From April 1, 2019 to March 31, 2020

	Millions of U.S. Dollars			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	$ 3,147	$ 3,601	$ 12,030	$ 18,778
Changes during the Year				
Cash Dividends		(447)	(1,854)	(2,300)
Net Income Attributable to Owners of the Parent			1,354	1,354
Changes in the Scope of Consolidation			85	85
Decrease by Corporate Division - Split-off Type				—
Purchase of Shares of Consolidated Subsidiaries				—
Reversal of Revaluation Reserve for Land			14	14
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	(447)	(400)	(847)
Balance at the End of the Year	$ 3,147	$ 3,154	$ 11,630	$ 17,932

	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	$ 4,434	$ (339)	$ (22)	$ 40	$ (209)	$ 3,905	$ 316	$ 23,000
Changes during the Year								
Cash Dividends								(2,300)
Net Income Attributable to Owners of the Parent								1,354
Changes in the Scope of Consolidation								85
Decrease by Corporate Division - Split-off Type								—
Purchase of Shares of Consolidated Subsidiaries								—
Reversal of Revaluation Reserve for Land								14
Net Changes of Items Other Than Shareholders' Equity	(1,030)	(189)	(14)	(63)	(430)	(1,727)	(70)	(1,797)
Total Changes during the Year	(1,030)	(189)	(14)	(63)	(430)	(1,727)	(70)	(2,644)
Balance at the End of the Year	$ 3,403	$ (528)	$ (36)	$ (23)	$ (639)	$ 2,178	$ 246	$ 20,356

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, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 215,358	¥ 235,533	$ 1,981
Depreciation and Amortization	34,574	32,470	318
Impairment Losses	19,360	16,817	178
Amortization of Goodwill	6,939	9,968	64
Equity in Losses (Earnings) of Affiliated Companies	(8,612)	(5,978)	(79)
Increase (Decrease) in Allowance for Loan Losses	27,435	(3,132)	252
Increase (Decrease) in Provision for Bonuses	(3,096)	1,138	(28)
Increase (Decrease) in Provision for Directors' Bonuses	(205)	17	(2)
Increase (Decrease) in Provision for Stocks Payment	219	—	2
Decrease (Increase) in Assets for Retirement Benefits	57,525	27,395	529
Increase (Decrease) in Liabilities for Retirement Benefits	(139)	935	(1)
Increase (Decrease) in Provision for Reward Points Program	(1,393)	(175)	(13)
Increase (Decrease) in Provision for Reimbursement of Deposits	(383)	1,702	(4)
Increase (Decrease) in Provision for Contingent Losses	(2,025)	(1,162)	(19)
Interest Income	(491,762)	(511,540)	(4,524)
Interest Expenses	362,021	372,068	3,331
Loss (Gain) Related to Securities	(69,206)	(8,915)	(637)
Loss (Gain) on Money Held in Trust	(70)	(72)	(1)
Foreign Exchange Losses (Gains)	45,606	(38,601)	420
Loss (Gain) on Disposal of Fixed Assets	(2,450)	(1,006)	(23)
Net Decrease (Increase) in Trading Assets	(52,668)	(91,683)	(485)
Net Increase (Decrease) in Trading Liabilities	113,178	(7,376)	1,041
Net Decrease (Increase) in Loans and Bills Discounted	(680,583)	(1,018,847)	(6,262)
Net Increase (Decrease) in Deposits	(1,214,659)	2,398,945	(11,175)
Net Increase (Decrease) in Negotiable Certificates of Deposit	(439,330)	(187,713)	(4,042)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	1,832,583	(326,251)	16,861
Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan)	(215,071)	334,589	(1,979)
Net Decrease (Increase) in Call Loans	(1,000,163)	(179,128)	(9,202)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	19,153	(135,764)	176
Net Increase (Decrease) in Call Money	25,908	(215,448)	238
Net Increase (Decrease) in Payables under Securities Lending Transactions	(104,767)	63,468	(964)
Net Decrease (Increase) in Foreign Exchange-Assets	(16)	(11,382)	(0)
Net Increase (Decrease) in Foreign Exchange-Liabilities	2,755	(1,526)	25
Net Decrease (Increase) in Lease Receivables and Investment Assets	(20,432)	23,791	(188)
Net Increase (Decrease) in Short-Term Bonds Payable	234,311	409,917	2,156
Increase (Decrease) in Straight Bonds-Issuance and Redemption	(282,466)	(192,132)	(2,599)
Net Increase (Decrease) in Borrowed Money from Trust Account	(657,720)	235,545	(6,051)
Interest Received	511,156	520,473	4,703
Interest Paid	(376,201)	(361,651)	(3,461)
Other, Net	(215,876)	(201,676)	(1,986)
Subtotal	¥(2,331,216)	¥ 1,183,608	$(21,448)
Income Taxes (Paid) Refunded	(57,128)	(70,244)	(526)
Net Cash Provided by (Used in) Operating Activities	¥(2,388,345)	¥ 1,113,363	$(21,974)

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Cash Flows from Investment Activities:			
Purchase of Securities	¥ (6,059,706)	¥ (6,084,792)	$ (55,752)
Proceeds from Sales of Securities	3,744,234	4,399,149	34,449
Proceeds from Redemption of Securities	1,730,260	1,543,239	15,919
Purchase of Tangible Fixed Assets	(16,425)	(12,368)	(151)
Proceeds from Sales of Tangible Fixed Assets	7,380	2,645	68
Purchase of Intangible Fixed Assets	(29,599)	(24,719)	(272)
Purchase of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation	(1,089)	—	(10)
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(49)	(11,178)	(0)
Net Cash Provided by (Used in) Investment Activities	¥ (624,994)	¥ (188,024)	$ (5,750)
Cash Flows from Financing Activities:			
Proceeds from Subordinated Borrowings	¥ 40,000	¥ 100,000	$ 368
Repayments of Subordinated Borrowings	—	(20,000)	—
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(10,000)	—	(92)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	—	(47)	—
Repayments to Non-Controlling Interests	—	(110,000)	—
Cash Dividends Paid	(142,084)	(167,353)	(1,307)
Cash Dividends Paid to Non-Controlling Interests	(391)	(2,648)	(4)
Net Cash Provided by (Used in) Financing Activities	¥ (112,475)	¥ (200,049)	$ (1,035)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (7,705)	¥ (7,226)	$ (71)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ (3,133,520)	¥ 718,064	$ (28,830)
Cash and Cash Equivalents at the Beginning of the Year	¥ 14,076,767	¥ 13,361,241	$ 129,513
Net Increase (Decrease) in Cash and Cash Equivalents with Change in the Scope of Consolidation	¥ (36,598)	¥ (2,537)	$ (337)
Cash and Cash Equivalents at the End of the Year (Note)	¥ 10,906,648	¥ 14,076,767	$ 100,346

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 ¥108.69 to U.S. $1, the approximate rate of exchange as of March 31, 2020. 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, 2020:
39 companies
Principal Companies:
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.
Sumitomo Mitsui Trust Club Co., Ltd.
Sumitomo Mitsui Trust Realty Co., Ltd.
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.
Sumitomo Mitsui Trust and Bank (U.S.A.) Limited

Changes in the consolidated subsidiaries during the current fiscal year are as follows:

Sumitomo Mitsui Trust Life Partners, Limited and two other companies are included in the scope of the consolidation from the fiscal year ended March 31, 2020, due mainly to the acquisition of their shares.

Nikko Asset Management Co., Ltd. and its 16 subsidiaries are excluded from the scope of consolidation effective from the fiscal year ended March 31, 2020, as they became directly owned subsidiaries of SuMi TRUST Holdings, a parent company of SuMi TRUST Bank, through a transfer of their shares.

J-Hope Limited Liability Company and one other company are excluded from the scope of consolidation due mainly to their liquidation effective from the fiscal year ended March 31, 2020.

(2) Unconsolidated Subsidiaries
Principal Companies:
Hummingbird Co., Ltd.
Asia GATEWAY I, L.P.

Hummingbird Co., Ltd., and 22 other companies are excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations, because they are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries are excluded from the scope of consolidation, because they are immaterial to the extent that excluding such companies from consolidation would not prevent a reasonable assessment of the corporate group's financial position and financial results. Such materiality is determined based on the size of their assets, ordinary income, net income (amount corresponding to SuMi TRUST Bank's interest in subsidiaries), retained earnings (amount corresponding to SuMi TRUST Bank's interest in subsidiaries), accumulated other comprehensive income (amount corresponding to SuMi TRUST Bank's interest in subsidiaries), and other financial data.

2. Application of the Equity Method

(1) Unconsolidated Subsidiaries Accounted for by the Equity Method:
None

(2) Affiliated Companies Accounted for by the Equity Method:
23 companies
Principal Companies:
SBI Sumishin Net Bank, Ltd.

Changes in affiliated companies accounted for by the equity method during the current fiscal year are as follows:

NetMove Corporation and two other companies are included in the scope of application of the equity method due mainly to the acquisition of their shares from the fiscal year ended March 31, 2020.

Rongtong Fund Management Co., Ltd. and six other

companies, affiliated companies of Nikko Asset Management Co., Ltd., are excluded from the scope of the application of the equity method from the fiscal year ended March 31, 2020, since they are no longer SuMi TRUST Bank's affiliated companies due to the transfer of their shares as explained in 1. (1) above.

(3) Unconsolidated Subsidiaries and Affiliated Companies that are Not Accounted for by the Equity Method:
Principal Companies:
Hummingbird Co., Ltd.
ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd., and 22 other companies are excluded from the scope of application of the equity method in accordance with Article 10, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P., and other unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method are excluded from the scope of application of the equity method because such exclusion would not materially affect the consolidated financial statements 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
May 31:	1 company
August 31:	1 company
September 30:	5 companies
November 30:	1 company
December 31:	4 companies
March 31:	25 companies

(2) Subsidiaries are consolidated using the financial statements as of the following dates:

- Consolidated subsidiaries with a balance sheet date of April 30: Provisionally prepared financial statements as of January 31
- A consolidated subsidiary with a balance sheet date of May 31: Provisionally prepared financial statements as of February 28
- A consolidated subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 28
- Consolidated subsidiaries with a balance sheet date of September 30: Provisionally prepared financial statements as of March 31
- A consolidated subsidiary with a balance sheet date of November 30: Provisionally prepared financial statements as of February 28
- The other consolidated subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet date, March 31, 2020, and the above balance sheet dates of subsidiaries have been reflected in the consolidated financial statements.

4. Significant Accounting Policies

(1) Trading Assets/Liabilities and Income/Expenses

Trading account activities are conducted to seek profits by taking advantage of short-term fluctuations in interest rates, currency rates, financial markets or other indicators, or 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, 2020 and 2019.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Bank is required to determine the purposes of holding each security and classify such security into (i) securities held for trading purposes ("Trading Securities"), (ii) debt securities intended to be held to

maturity ("Held-to-Maturity Debt Securities"), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories ("Available-for-Sale Securities"). "Held-to-Maturity Debt Securities" are carried at amortized cost using the moving-average method (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are, in principle, valued at the market price at the balance sheet date (cost of securities sold is calculated using primarily the moving-average method). "Available-for-Sale Securities" for which their fair values are extremely difficult to be determined are carried at cost using the moving-average method.

Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheet.

(b) Securities in money held in trust are classified and accounted for in the same manner as those described in 4. (1) and 4. (2) (a) above.

(3) Financial Derivatives

Financial derivatives, excluding those for trading purposes, are stated at fair value.

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

Tangible fixed assets are depreciated using primarily the straight-line method.

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

(b) Intangible fixed assets other than lease assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over the useful life specified by SuMi TRUST Bank or the consolidated subsidiaries, generally five years.

(c) Lease assets

The lease assets under "Tangible Fixed Assets" and "Intangible Fixed Assets" that are related to finance leases that do not transfer ownership of the lease assets to lessees are depreciated using the straight-line method over the lease term, assuming a residual value of zero.

(5) Allowance for Loan Losses

SuMi TRUST Bank records allowance for loan losses in accordance with internally established criteria for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings ("legal bankruptcy") and against borrowers that are in substantially similar adverse condition ("virtual bankruptcy"), the allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future ("possible bankruptcy"), an allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large borrowers with certain credit risks and credit amounts that are classified as possible bankruptcy borrowers, restructured loan borrowers, or close-observation borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

For claims that are classified as other than those above, the allowance is provided based on the estimated loan losses over the next one to three years, which are calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past one to three years.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment of asset quality. The Risk Management Department, which is independent from the operating sections, monitors the results of such assessments.

As for the consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratios, and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of unrecoverable amount for each claim.

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥22,391 million (U.S. $206 million) and ¥17,877 million as of March 31, 2020 and 2019, respectively.

Additional Information

SuMi TRUST Bank and some of its consolidated subsidiaries made necessary modifications to the historical loan-loss ratios concerning the impact of the spread of COVID-19 on the borrowers.

In particular, SuMi TRUST Bank and some of its consolidated subsidiaries identified industries and products (collectively the "industries") that may be affected by downturn of business performance due to the spread of COVID-19, and recorded additional allowance for loan losses for estimated credit losses in the future assuming that internal ratings of certain credits of the industries will be downgraded to some extent.

(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

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 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, 2020, 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: Past service cost is recognized using the straight-line method, primarily over 10 years within the employees' average remaining service period at incurrence.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts that would be required for voluntary termination at the year-end.

(13) Foreign Currency Translation

Assets and liabilities of SuMi TRUST Bank that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing at the consolidated balance sheet date, except for shares of stocks in affiliated companies translated into yen at the exchange rates prevailing at the acquisition dates.

Assets and liabilities of consolidated subsidiaries that are denominated in foreign currencies are translated into yen at the exchange rates prevailing at their respective balance sheet dates.

(14) 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.

(15) Hedge Accounting

(a) Interest-related risk hedge

SuMi TRUST Bank manages interest rate risk arising from various assets and liabilities by using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Auditing Committee Report No. 24 of February 13, 2002, "Report No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans

and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest volatility factors for the hedged items and those for the hedging instruments.

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 15), SuMi TRUST Bank has adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which are utilized to manage interest rate risk arising from transactions, such as loans and bills discounted, and deposits. Deferred gains (losses) on hedges in the consolidated balance sheet as of the end of the current fiscal year that have resulted from existing "Macro Hedge Accounting" are amortized over the remaining period designated under "Macro Hedge Accounting" of each hedging transaction.

Deferred losses on hedges associated with "Macro Hedge Accounting" were ¥35 million (U.S. $0.3 million) and ¥58 million (before tax effect) as of March 31, 2020 and 2019, respectively.

(b) Currency-related risk hedge

SuMi TRUST Bank manages the foreign exchange risk arising from various assets and liabilities denominated in foreign currencies using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Auditing Committee Report No. 25 of July 29, 2002, "Report No. 25"). The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

Additionally, transactions intended to hedge the foreign exchange risk associated with foreign-denominated securities (other than bonds) are treated as portfolio hedges. Fair value hedge accounting has been adopted to account for such transactions on the conditions that specific foreign-denominated securities are designated in advance as hedged items and that foreign currency payables of spot and forward foreign exchange contracts exist in excess of the acquisition cost of such foreign-denominated securities on a foreign currency basis.

The foreign exchange risk associated with investment in the shares of stocks in foreign subsidiaries and affiliated companies is individually hedged using forward exchange contracts denominated in the same currency, and foreign currency translation adjustments arising from the hedging instruments are included in "Foreign Currency Translation Adjustments."

(c) Internal hedge transactions and others

Among derivatives transactions of SuMi TRUST Bank that take place between consolidated subsidiaries or that are made internally between designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to Report No. 24 and Report No. 25. Accordingly, income or expenses arising from such interest rate swaps and cross-currency swaps are recognized as profits or losses, or deferred, rather than eliminated.

Deferred hedge accounting has been adopted for certain assets and liabilities by individual transactions.

Other consolidated subsidiaries account for such transactions as deferred hedges or exceptional treatment for interest rate swaps.

(16) 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.

(17) 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.

(18) National and Local Consumption Taxes

National and local consumption taxes ("consumption taxes") payable by SuMi TRUST Bank and its consolidated subsidiaries in Japan are accounted for by the tax-excluded method. However, any nondeductible consumption taxes associated with asset purchases are recorded as expenses in the current fiscal year.

(19) Adoption of Consolidated Tax Return System

SuMi TRUST Bank has adopted the consolidated tax return system from the fiscal year ended March 31, 2020.

(20) Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System

SuMi TRUST Bank and some of its consolidated subsidiaries in Japan did not adopt Paragraph 44 of "Implementation Guidance on Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) in accordance with Paragraph 3 of "Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No. 39, March 31, 2020) and account for deferred tax assets and deferred tax liabilities based on the tax regulations before the revision. Such treatment is adopted on items transitioned to group tax sharing system established under "The Law Revising a Portion of Income Tax Law" (Act No. 8, 2020) and single taxation system items revised in conjunction with the transition to the group tax sharing system.

New Accounting Standards and Interpretations Not Yet Adopted

The following standard and guidance were issued but not yet adopted.

1. Accounting Standard for Revenue Recognition

- Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020)
- Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 31, 2020)

(1) Overview

The above standard and guidance provide comprehensive principles for revenue recognition. Under the standard and guidance, revenue is recognized by applying following 5 steps:

Step 1: Identify contract(s) with customers.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligation in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2022.

(3) Effects of the application of the standards

SuMi TRUST Bank is currently in the process of determining the effects of these new standards on the consolidated financial statements.

2. Accounting Standard for Fair Value Measurement

- Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, July 4, 2019)
- Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020)

(1) Overview

"Accounting Standards for Fair Value Measurement" and "Implementation Guidance on Accounting Standard for Fair Value Measurement" ("the standard and guidance for fair value measurement") are developed in order to enhance comparability with international accounting standards and, provide guidance for methods of fair value measurement. The standard and guidance for fair value measurement are adopted to fair value measurement of the following item:

- Financial instruments defined in "Accounting Standard for Financial Instruments"

In addition, "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" has been revised and specified what to disclose in the notes, such as the breakdown by the levels of the fair value hierarchy of financial instruments.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2022.

(3) Effects of the application of the standards

SuMi TRUST Bank is currently in the process of determining the effects of these new standards on the consolidated financial statements.

3. Accounting Standard for Disclosure of Accounting Estimates

- "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020)

(1) Overview

The above standard is developed in order to disclose and enhance the understanding of the financial statement users on the details of accounting estimates of the items with risks of significantly affecting the financial statements of the next fiscal year, with regard to the amounts based on the accounting estimates recorded in the financial statements for the fiscal year ended March 31, 2020.

(2) Effective date

Effective from the end of the fiscal year ending March 31, 2021.

4. Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections (ASBJ Statement No. 24, March 31, 2020)

(1) Overview

The above standard provides the overview of the principles and procedures of the accounting process applied when the relevant accounting standards are unclear.

(2) Effective date

Effective from the end of the fiscal year ending March 31, 2021.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Securities in Trading Account	¥ 6,096	¥ 106,883	$ 56
Derivatives of Trading Securities	13	—	0
Derivatives of Securities Related to Trading Transactions	498	537	5
Trading-Related Financial Derivatives	450,031	291,252	4,141
Other Trading Assets	51,006	56,305	469
Total	¥ 507,646	¥ 454,978	$ 4,671

(2) Trading liabilities as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Derivatives of Trading Securities	¥ —	¥ 35	$ —
Derivatives of Securities Related to Trading Transactions	—	55	—
Trading-Related Financial Derivatives	371,950	258,681	3,422
Total	¥ 371,950	¥ 258,771	$ 3,422

2. Securities

Securities held as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Government Bonds	¥ 1,480,969	¥ 420,371	$ 13,626
Local Government Bonds	14,785	8,764	136
Corporate Bonds	671,856	613,432	6,181
Stocks	1,270,178	1,535,280	11,686
Other Securities	2,905,313	3,114,714	26,730
Total	¥ 6,343,103	¥ 5,692,564	$ 58,360

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliated companies as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Stocks	¥ 104,059	¥ 108,170	$ 957
Equity Investments	33,528	43,364	308

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
	2020	2019	2020
Securities that are Further Collateralized	¥ 1,197,832	¥ 109,732	$ 11,021
Securities that are Further Loaned	1,139,619	1,400,284	10,485
Securities Held without Selling or Repledging as of the End of the Fiscal Year	—	26,550	—

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 ¥91,755 million (U.S. $844 million) and ¥88,611 million as of March 31, 2020 and 2019, respectively.

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Bills Discounted	¥ 1,123	¥ 1,709	$ 10
Loans on Bills	217,701	222,160	2,003
Loans on Deeds	27,801,810	27,182,656	255,790
Overdrafts	1,682,740	1,616,266	15,482
Total	¥ 29,703,375	¥ 29,022,792	$ 273,285

Bills discounted are treated as financial transactions in accordance with Report No. 24. SuMi TRUST Bank has a right to freely sell or (re)pledge such commercial bills. The total face value of these bills amounted to ¥1,123 million (U.S. $10 million) and ¥1,709 million as of March 31, 2020 and 2019, respectively.

Loans and bills discounted as of March 31, 2020 and 2019, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Loans in Bankruptcy Proceedings	¥ 4,998	¥ 7,096	$ 46
Delinquent Loans	53,112	70,358	489
Loans Past Due Three Months or More	3,341	—	31
Restructured Loans	38,964	23,255	358
Total	¥ 100,416	¥ 100,710	$ 924

Loans in bankruptcy proceedings are loans whose interest receivable is not recorded due to delinquency in principal or interest payments for a significant period or other reasons excluding loans that have been written off ("nonaccrual loans"), and that meet the conditions as prescribed in Paragraph 1, Items 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order No. 97 of 1965).

Delinquent loans are nonaccrual loans other than (i) loans in bankruptcy proceedings and (ii) loans for which the terms of interest payments have been extended in connection with the borrower's business restructuring or to otherwise provide support.

Loans past due three months or more are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as loans in bankruptcy proceedings or delinquent loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, delinquent loans, or loans past due three months or more.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Assets Pledged as Collateral:			
Trading Assets	¥ 3,000	¥ 31,497	$ 28
Securities	2,039,182	745,379	18,761
Loans and Bills Discounted	5,333,699	5,022,262	49,073
Lease Receivables and Investment Assets	57,605	59,711	530
Other Assets	99,232	359,914	913
Total	¥ 7,532,720	¥ 6,218,765	$ 69,305
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	¥ 22,045	¥ 7,943	$ 203
Call Money and Bills Sold	54,345	—	500
Payables under Repurchase Agreements	582,927	787,052	5,363
Payables under Securities Lending Transactions	—	104,767	—
Borrowed Money	3,723,322	2,751,266	34,256

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
	2020	2019	2020
Securities	¥ 329,749	¥ 396,037	$ 3,034

"Other Assets" include initial margins of futures, security deposits, cash collateral pledged for financial instruments, and cash collateral pledged for repurchase agreement transactions. Such amounts are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Initial Margins of Futures Markets	¥ 5,937	¥ 5,752	$ 55
Security Deposits	23,274	26,621	214
Cash Collateral Pledged for Financial Instruments-Assets	801,997	609,432	7,379
Cash Collateral Pledged for Repurchase Agreement Transactions	8,759	11,067	81

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 ¥12,416,801 million (U.S. $114,241 million) and ¥12,344,898 million, of which ¥8,133,494 million (U.S. $74,832 million) and ¥8,098,841 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2020 and 2019, respectively.

The balance of unused credit will not necessarily affect the future cash flows of SuMi TRUST Bank and its consolidated subsidiaries because most of these agreements expire without credit being extended. Most of these agreements contain clauses allowing SuMi TRUST Bank and its consolidated subsidiaries to reject requests for credit outright or reduce the credit limits due to changed financial circumstances, the need to preserve claims, or other reasonable causes. Besides requesting collateral, such as real estate or securities, as necessary at the time of entering into the agreement, SuMi TRUST Bank has also adopted other measures to keep its credit sound, such as periodically assessing the condition of customers' businesses following the internal procedures and revising agreements, as necessary.

6. Tangible Fixed Assets

Tangible fixed assets as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Land	¥ 123,612	¥ 118,008	$ 1,137
Buildings	73,316	73,759	675
Lease Assets	5,178	4,493	48
Construction in Progress	370	231	3
Other	18,458	22,817	170
Total	¥ 220,936	¥ 219,309	$ 2,033

Accumulated depreciation amounted to ¥172,832 million (U.S. $1,590 million) and ¥173,813 million, and advance depreciation amounted to ¥28,085 million (U.S. $258 million) and ¥28,822 million as of March 31, 2020 and 2019, respectively.

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SuMi TRUST Bank was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1998 and March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation was calculated by reasonably adjusting the value of land based on the following prices: the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998); the standard prices for benchmark properties as prescribed by Item 2 of Article 2, the registered prices in tax lists for such land for commercial use as prescribed by Item 3 of Article 2; and the land assessments under Item 4 of Article 2 of the same Order.

The difference between the fair value and the revalued carrying amount of the land for commercial use subject to Article 10 of the Act as of March 31, 2020 is not presented because the fair value of the land exceeded its revalued carrying amount. The difference between the fair value and the revalued carrying amount of the land was ¥611 million as of March 31, 2019.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Software	¥ 75,892	¥ 81,585	$ 698
Goodwill	21,276	63,091	196
Lease Assets	0	0	0
Other	3,746	8,219	34
Total	¥ 100,915	¥ 152,896	$ 928

8. Other Assets

Other assets as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Domestic Exchange Settlement Account, Debit	¥ 1,057	¥ 951	$ 10
Prepaid Expenses	6,127	6,858	56
Accrued Income	121,132	150,788	1,114
Initial Margins of Futures Markets	5,937	5,752	55
Variation Margins of Futures Markets	1,994	1,837	18
Financial Derivatives Other Than Trading Assets	429,482	295,243	3,951
Receivables for Securities Transactions	192,369	403,454	1,770
Cash Collateral Pledged for Financial Instruments-Assets	801,997	609,432	7,379
Other	512,576	512,033	4,716
Total	¥ 2,072,673	¥ 1,986,352	$ 19,070

9. Deposits

Deposits as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Current Deposits, Ordinary Deposits, Saving Deposits and Deposits at Notice	¥ 8,548,735	¥ 9,597,884	$ 78,652
Time Deposits	20,774,636	21,147,313	191,137
Other	1,393,668	1,185,498	12,822
Total	¥ 30,717,040	¥ 31,930,697	$ 282,611

10. Borrowed Money

Borrowed money as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Subordinated Borrowings	¥ 700,000	¥ 660,000	$ 6,440
Other Borrowed Money	5,796,384	3,963,801	53,330
Total	¥ 6,496,384	¥ 4,623,801	$ 59,770

Weighted average interest rates on borrowed money were 0.33% and 0.53% for the fiscal years ended March 31, 2020 and 2019, respectively.

Annual maturities of borrowed money as of March 31, 2020, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Years Ending March 31	2020	2020
2021	¥ 2,980,182	$ 27,419
2022	1,285,691	11,829
2023	182,797	1,682
2024	727,164	6,690
2025	84,221	775
Total	¥ 5,260,057	$ 48,395

11. Bonds Payable

Bonds payable as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Perpetual Subordinated Bonds	¥ 16,100	¥ 26,100	$ 148
Subordinated Bonds	274,494	274,493	2,525
Other Bonds Payable	194,773	477,240	1,792
Total	¥ 485,368	¥ 777,834	$ 4,466

Annual maturities of bonds payable as of March 31, 2020, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Years Ending March 31	2020	2020
2021	¥ 1,938,173	$ 17,832
2022	50,000	460
2023	60,000	552
2024	30,000	276
2025	16,500	152
Total	¥ 2,094,673	$ 19,272

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, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Domestic Exchange Settlement Account, Credit	¥ 1,123	¥ 807	$ 10
Income Taxes Payable	16,567	23,131	152
Accrued Expenses	88,538	107,774	815
Unearned Income	80,245	78,715	738
Variation Margins of Futures Markets	977	—	9
Financial Derivatives Other Than Trading Liabilities	538,853	351,548	4,958
Lease Obligations	9,854	9,536	91
Asset Retirement Obligations	4,001	4,308	37
Payables for Securities Transactions	102,882	85,024	947
Provision for Loss on Interest Repayment	41	50	0
Cash Collateral Accepted for Financial Instruments-Liabilities	134,626	111,555	1,239
Other	243,691	220,790	2,242
Total	¥ 1,221,403	¥ 993,243	$ 11,237

Notes to the Consolidated Statement of Income

1. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Interest on Monetary Claims Bought	¥ 5,217	¥ 3,872	$ 48
Others	4,422	4,515	41
Total	¥ 9,640	¥ 8,387	$ 89

(2) Other interest expenses for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Interest on Interest Rate Swaps	¥ 42,586	¥ 36,348	$ 392
Others	18,578	22,090	171
Total	¥ 61,164	¥ 58,439	$ 563

2. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Net Income from Trading Securities and Derivatives	¥ 787	¥ 423	$ 7
Net Income from Trading Transactions	1,034	583	10
Net Income from Trading-Related Financial Derivatives Transactions	100,309	26,854	923
Other Trading Income	57	64	1
Total	¥ 102,189	¥ 27,926	$ 940

(2) Trading expenses were not incurred during the fiscal years ended March 31, 2020 and 2019.

3. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Net Gains on Foreign Exchange Transactions	¥ 49,901	¥ 96,585	$ 459
Gains on Sales and Redemption of Bonds	45,717	19,642	421
Others	253,031	240,852	2,328
Total	¥ 348,650	¥ 357,080	$ 3,208

(2) Other ordinary expenses for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Losses on Sales and Redemption of Bonds	¥ 11,295	¥ 23,071	$ 104
Others	269,984	227,628	2,484
Total	¥ 281,279	¥ 250,699	$ 2,588

4. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Gains on Sales of Stocks and Other Securities	¥ 64,993	¥ 44,237	$ 598
Gains on Money Held in Trust	70	72	1
Recoveries of Written-Off Claims	1,149	1,908	11
Equity in Earnings of Affiliated Companies	8,612	5,978	79
Gains on Disposal of Fixed Assets	3,154	1,579	29
Others	15,549	17,773	143
Total	¥ 93,529	¥ 71,551	$ 861

(2) Other expenses for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Provision for Allowance for Loan Losses	¥ 39,972	¥ 226	$ 368
Losses on Sales of Loans	972	11	9
Write-Off of Loans	3,475	4,395	32
Losses on Sales of Stocks and Other Securities	13,036	30,620	120
Losses on Impairment of Stocks and Other Securities	16,731	1,272	154
Losses on Disposal of Fixed Assets	704	573	6
Losses on Impairment of Fixed Assets	19,360	16,817	178
Losses on Investment in Partnerships	2,397	2,898	22
Others	18,613	19,994	171
Total	¥ 115,262	¥ 76,810	$ 1,060

5. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Taxes Other Than Income Taxes	¥ 17,001	¥ 15,766	$ 156
Personnel Expenses	171,906	183,028	1,582
Others	196,272	208,687	1,806
Total	¥ 385,180	¥ 407,483	$ 3,544

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, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	¥ (93,039)	¥ (66,690)	$ (856)
Reclassification Adjustments	(67,885)	(5,844)	(625)
Before Tax Effects	(160,925)	(72,535)	(1,481)
Tax Effects	48,739	21,678	448
Valuation Difference on Available-for-Sale Securities	(112,186)	(50,857)	(1,032)
Deferred Gains (Losses) on Hedges:			
Changes during the Period	(73,012)	(55,594)	(672)
Reclassification Adjustments	42,586	36,309	392
Before Tax Effects	(30,426)	(19,285)	(280)
Tax Effects	11,225	5,867	103
Deferred Gains (Losses) on Hedges	(19,201)	(13,417)	(177)
Foreign Currency Translation Adjustments:			
Changes during the Period	(1,680)	628	(15)
Reclassification Adjustments	—	—	—
Before Tax Effects	(1,680)	628	(15)
Tax Effects	—	—	—
Foreign Currency Translation Adjustments	(1,680)	628	(15)
Remeasurements of Defined Benefit Plans:			
Changes during the Period	(73,067)	(37,173)	(672)
Reclassification Adjustments	5,702	3,483	52
Before Tax Effects	(67,365)	(33,690)	(620)
Tax Effects	20,609	10,316	190
Remeasurements of Defined Benefit Plans	(46,755)	(23,373)	(430)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies:			
Changes during the Period	(1,064)	406	(10)
Reclassification Adjustments	(280)	366	(3)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	(1,344)	772	(12)
Total Other Comprehensive Income (Loss)	¥ (181,169)	¥ (86,246)	$ (1,667)

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, 2020 and 2019, 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, 2020					
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, 2019					
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, 2020 and 2019.

3. Dividends

Dividends paid for the fiscal years ended March 31, 2020 and 2019, consisted of the following:

As for the fiscal year ended March 31, 2020:

(1) Cash dividends paid

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 27, 2019						
Original General Meeting of Shareholders	Common Share	¥ 36,270 ($334)	Retained Earnings	¥ 21.66 ($0.20)	March 31, 2019	June 28, 2019
		¥ 48,544 ($447)	Capital Surplus	¥ 28.99 ($0.27)	March 31, 2019	June 28, 2019

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 13, 2019						
Board of Directors' Meeting	Common Share	¥ 57,269 ($527)	Retained Earnings	¥ 34.20 ($0.31)	September 30, 2019	December 2, 2019

(2) Dividends-in-kind distributed

Resolution	Type of Shares	Type of Dividend Property	Carrying Amount of the Dividend Property: Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share (Note): Yen (U.S. Dollars)	Record Date	Effective Date
June 27, 2019							
Ordinary General Meeting of Shareholders	Common Share	Securities	¥ 107,921 ($993)	Retained Earnings	¥ — ($—)	March 31, 2019	July 1, 2019

(Note) Amounts available for dividends will be allocated in full to the sole owner of the common stock, SuMi TRUST Holdings, and therefore, the amount of cash dividends per share is not determined.

Dividends with a record date during the current fiscal year ended March 31, 2020, but whose effective date is after March 31, 2020, 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 26, 2020						
Original General Meeting of Shareholders	Common Share	¥ 21,735 ($200)	Retained Earnings	¥ 12.98 ($0.12)	March 31, 2020	June 29, 2020

As for the fiscal year ended March 31, 2019:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 28, 2018						
Original General Meeting of Shareholders	Common Share	¥ 45,296	Retained Earnings	¥ 27.05	March 31, 2018	June 29, 2018
		¥ 46,033	Capital Surplus	¥ 27.49	March 31, 2018	June 29, 2018

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
November 14, 2018						
Board of Directors' Meeting	Common Share	¥ 76,023	Retained Earnings	¥ 45.40	September 30, 2018	December 3, 2018

Dividends with a record date during the fiscal year ended March 31, 2019, but whose effective date is after March 31, 2019 are as follows:

(1) Cash dividends paid

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 27, 2019						
Ordinary General Meeting of Shareholders	Common Share	¥ 36,270	Retained Earnings	¥ 21.66	March 31, 2019	June 28, 2019
		¥ 48,544	Capital Surplus	¥ 28.99	March 31, 2019	June 28, 2019

(2) Dividends-in-kind distributed

Resolution	Type of Shares	Type of Dividend Property	Carrying Amount of the Dividend Property (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Note) (Yen)	Record Date	Effective Date
June 27, 2019							
Ordinary General Meeting of Shareholders	Common Share	Securities	¥ 107,921	Retained Earnings	¥ —	March 31, 2019	July 1, 2019

(Note) Amounts available for dividends will be allocated in full to the sole owner of the common stock, SuMi TRUST Holdings, and therefore, the amount of cash dividends per share is not determined.

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, 2020 and 2019.

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Cash and Due from Banks	¥ 13,087,816	¥ 16,042,864	$ 120,414
Due from Banks (Excluding Due from the Bank of Japan)	(2,181,167)	(1,966,096)	(20,068)
Cash and Cash Equivalents	¥ 10,906,648	¥ 14,076,767	$ 100,346

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

i) Tangible fixed assets

Mainly store buildings and office equipment

ii) Intangible fixed assets

Software

2) Method for amortizing lease assets

Refer to "(4) Depreciation and Amortization Methods" of "4. Significant Accounting Policies" in the Significant Accounting Policies and Practices.

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2020 and 2019, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Due in One Year or Less	¥ 2,564	¥ 3,654	$ 24
Due in More Than One Year	12,970	22,356	119
Total	¥ 15,534	¥ 26,010	$ 143

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2020 and 2019, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Due in One Year or Less	¥ 5,364	¥ 3,003	$ 49
Due in More Than One Year	24,470	11,279	225
Total	¥ 29,835	¥ 14,282	$ 274

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 to maturity, as strategic investments, and for business development. These securities are exposed to issuers' credit risks, and risks associated with fluctuation in interest rates and market prices.

Deposits from individuals and corporations, borrowed money, and bonds payable are exposed to liquidity risks as becoming insolvent at their maturities, such as being out of markets under certain circumstances.

SuMi TRUST Bank Group deals with OTC and listed derivatives transactions related to interest rates, exchange rates, stocks, bonds, and credits for avoiding market risks.

To reduce interest rate risk, a major risk, SuMi TRUST Bank Group comprehensively manages various financial assets and liabilities, such as loans and bills discounted and deposits, by categorizing them based on characteristics of their interest rate risks, and applies hedge accounting to hedge such risk using interest rate swaps designated as hedging instruments. The hedge accounting is applied to some assets and liabilities by individual transaction.

To mitigate the exchange rate risk arising from various financial assets and liabilities of SuMi TRUST Bank denominated in foreign currencies, hedge accounting is applied to the exchange rate risk of foreign currency assets and liabilities designated as hedged items, using currency swaps and foreign exchange swaps designated as hedging instruments.

The details of hedge accounting are described in "Significant Accounting Policies and Practices."

(3) Risk Management for Financial Instruments

SuMi TRUST Bank Group considers that the basis of group-wide risk management is to ensure the effectiveness of PDCA (Plan, Do, Check, Action) cycles for each risk category according to the "Risk Management Policy" established by the board of directors.

The risk management framework of each risk category is as follows:

1) Credit risk management

Credit risk is the risk of financial loss of SuMi TRUST Bank Group when a customer or counterparty fails to meet its contractual obligations, and such risk is generated from claims, mainly loans, bills discounted, and securities. Credit risk is the most basic financial risk related to a credit creating function. SuMi TRUST Bank Group continuously diversifies its credit portfolios and builds up a stronger customer base by expanding its credit risk management framework further, and by meeting a new and sound demand for credit.

(a) Risk management policy on credit risk

The basic policy of SuMi TRUST Bank Group on credit risk management calls for "a diversified credit portfolio" and "strict management for individual credits."

For the former, SuMi TRUST Bank Group manages

credit exposures of each customer based on its limited credit amount, and periodically reviews impacts of identified risks to large customers and concentration in industry sectors, including the measurement of the credit risk. SuMi TRUST Bank Group makes efforts to mitigate credit concentration risk on a country-by-country basis by managing the diversification of the overall credit portfolio.

For the latter, SuMi TRUST Bank Group manages individual credits through processes such as credit screening, self-assessment, and internal credit ratings. Credit ratings indicate the credit status of customers and the possibility of defaults on a scale, and provide the basis for credit screening of individual transactions and credit portfolio management. SuMi TRUST Bank Group 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, 2020, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Trading Accounts was ¥8.8 billion (U.S. $81 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, 2020, resulted in three 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, 2020, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Banking Account was ¥779.8 billion (U.S. $7,175 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 risks of financial loss to SuMi TRUST Bank Group when the Group fails to raise necessary funds or is forced to raise funds at significantly higher rates.

(a) Funding liquidity risks management policy

With regard to funding liquidity risk, SuMi TRUST Bank Group designs and implements a policy to build up a risk management framework for funding liquidity risk, recognizing that financial difficulties due to exposure to such risks could possibly lead SuMi TRUST Bank Group directly to bankruptcy under certain circumstances.

(b) Funding liquidity risk management framework and methods

Funding liquidity risk management departments determine the extent of SuMi TRUST Bank Group's cash crunch appropriately in cooperation with the liquidity management departments, while gathering and analyzing information related to both the internal environment, such as SuMi TRUST Bank Group's risk profiles, and external environment, such as economic circumstances or market conditions, based on the risk management plan approved by the board of directors semiannually.

To reduce funding liquidity risks, the liquidity management departments manage cash flow within the predetermined appropriate limits, and the liquidity management departments monitor its compliance.

(4) Supplementary Explanation Concerning Fair Value of Financial Instruments

Fair value of financial instruments is based on quoted prices in markets. If a quoted price is not available, a reasonably calculated amount is used as fair value. Calculation of such amounts involves certain assumptions and may vary when different assumptions are employed.

2. Fair Values of Financial Instruments

The carrying amounts on the consolidated balance sheet and fair values of financial instruments as of March 31, 2020 and 2019, as well as the differences between these values are presented below. The fair values of unlisted stocks are excluded from the following table because such fair values are extremely difficult to be determined (see Note 2).

	Millions of Yen			Millions of U.S. Dollars		
	2020			2020		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 13,087,752	¥ 13,087,752	¥ —	$ 120,414	$ 120,414	$ —
(2) Call Loans and Bills Bought	71,236	71,236	—	655	655	—
(3) Receivables under Resale Agreements	1,220,761	1,220,761	—	11,232	11,232	—
(4) Receivables under Securities Borrowing Transactions	740,658	740,658	—	6,814	6,814	—
(5) Monetary Claims Bought (*1)	987,691	988,352	660	9,087	9,093	6
(6) Trading Assets						
Trading Securities	57,102	57,102	—	525	525	—
(7) Money Held in Trust	1,306	1,306	—	12	12	—
(8) Securities						
Held-to-Maturity Debt Securities	265,044	275,316	10,272	2,439	2,533	95
Available-for-Sale Securities	5,746,404	5,746,404	—	52,870	52,870	—
(9) Loans and Bills Discounted	29,703,375			273,285		
Allowance for Loan Losses (*2)	(112,691)			(1,037)		
	29,590,684	29,885,145	294,461	272,248	274,958	2,709
(10) Foreign Exchanges	36,952	36,952	—	340	340	—
(11) Lease Receivables and Investment Assets (*1)	667,370	682,846	15,475	6,140	6,283	142
Total Assets	¥ 52,472,965	¥ 52,793,835	¥ 320,869	$ 482,776	$ 485,729	$ 2,952
(1) Deposits	¥ 30,717,040	¥ 30,737,668	¥ 20,628	$ 282,611	$ 282,801	$ 190
(2) Negotiable Certificates of Deposit	5,989,292	5,989,292	—	55,104	55,104	—
(3) Call Money and Bills Sold	142,974	142,974	—	1,315	1,315	—
(4) Payables under Repurchase Agreements	1,558,919	1,558,919	—	14,343	14,343	—
(5) Payables under Securities Lending Transactions	—	—	—	—	—	—
(6) Borrowed Money	6,496,384	6,501,545	5,160	59,770	59,817	47
(7) Foreign Exchanges	3,213	3,213	—	30	30	—
(8) Short-Term Bonds Payable	1,707,097	1,707,097	—	15,706	15,706	—
(9) Bonds Payable	485,368	495,616	10,247	4,466	4,560	94
(10) Borrowed Money from Trust Account	4,750,289	4,750,289	—	43,705	43,705	—
Total Liabilities	¥ 51,850,579	¥ 51,886,615	¥ 36,036	$ 477,050	$ 477,382	$ 332
Derivatives Transactions (*3)						
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ (17,764)	¥ (17,764)	¥ —	$ (163)	$ (163)	$ —
Derivatives Transactions Qualifying for Hedge Accounting	(13,013)	(13,013)	—	(120)	(120)	—
Total Derivatives Transactions	¥ (30,777)	¥ (30,777)	¥ —	$ (283)	$ (283)	$ —

	Millions of Yen		
	2019		
	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 16,042,791	¥ 16,042,791	¥ —
(2) Call Loans and Bills Bought	50,124	50,124	—
(3) Receivables under Resale Agreements	158,734	158,734	—
(4) Receivables under Securities Borrowing Transactions	759,812	759,812	—
(5) Monetary Claims Bought (*1)	1,071,381	1,072,265	883
(6) Trading Assets			
Trading Securities	163,188	163,188	—
(7) Money Held in Trust	1,293	1,293	—
(8) Securities			
Held-to-Maturity Debt Securities	189,663	211,291	21,627
Available-for-Sale Securities	5,183,912	5,183,912	—
(9) Loans and Bills Discounted	29,022,792		
Allowance for Loan Losses (*2)	(90,216)		
	28,932,576	29,195,077	262,501
(10) Foreign Exchanges	36,936	36,936	—
(11) Lease Receivables and Investment Assets (*1)	650,859	666,194	15,335
Total Assets	¥ 53,241,275	¥ 53,541,623	¥ 300,348
(1) Deposits	¥ 31,930,697	¥ 31,952,731	¥ 22,034
(2) Negotiable Certificates of Deposit	6,428,622	6,428,622	—
(3) Call Money and Bills Sold	72,793	72,793	—
(4) Payables under Repurchase Agreements	1,603,191	1,603,191	—
(5) Payables under Securities Lending Transactions	104,767	104,767	—
(6) Borrowed Money	4,623,801	4,646,002	22,200
(7) Foreign Exchanges	457	457	—
(8) Short-Term Bonds Payable	1,472,786	1,472,786	—
(9) Bonds Payable	777,834	795,153	17,319
(10) Borrowed Money from Trust Account	5,408,009	5,408,009	—
Total Liabilities	¥ 52,422,962	¥ 52,484,517	¥ 61,554
Derivatives Transactions (*3)			
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 38,370	¥ 38,370	¥ —
Derivatives Transactions Qualifying for Hedge Accounting	(61,658)	(61,658)	—
Total Derivatives Transactions	¥ (23,288)	¥ (23,288)	¥ —

(*1) The allowance for credit losses corresponding to Cash and Due from Banks, Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheet because the balance of the allowance is immaterial.

(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from Loans and Bills Discounted.

(*3) Derivatives transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively.

Receivables and payables arising from derivatives transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(Note 1) Method for Calculating Fair Values of Financial Instruments

Assets

(1) Cash and Due from Banks, (2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements, (4) Receivables under Securities Borrowing Transactions, and (10) Foreign Exchanges

These instruments with transactions without stated maturities are stated at their carrying amounts because the carrying amounts approximate fair value. For transactions with stated maturities, corresponding instruments are stated at their carrying amounts because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

(5) Monetary Claims Bought

Fair values of monetary claims bought for which counterparties' quoted prices or dealer/broker-quoted prices are available are stated at such prices. Fair values for all other claims are calculated by classifying them according to their internal ratings and maturities and discounting future cash flows to their present values.

(6) Trading Assets

Bonds and other securities held for trading purposes are stated at dealer association prices or counterparties' quoted prices. For short-term corporate bonds, their fair values are calculated by discounting future cash flows to their present values.

(7) Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices. Notes regarding money held in trust by holding purposes are presented under the "Money Held in Trust" section.

(8) Securities

Stocks are stated at quoted market prices. Bonds are stated at quoted market prices, dealer association prices, counterparties' quoted prices, or dealer/broker-quoted prices. Investment trusts are stated at published reference prices. Fair values of privately placed bonds guaranteed by SuMi TRUST Bank are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present value.

Notes regarding securities by their holding purpose are presented under the "Securities" section.

(9) Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities and discounting the aggregate principal and interest by the assumed interest rate for similar new loans. However, 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 borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the consolidated balance sheet at the consolidated balance sheet date, because such deducted amounts approximate fair value.

Loans without stated maturities (as the amount of credit is limited to the value of the collateral or due to some other special characteristics) are stated at their carrying amounts as the carrying amounts are deemed to approximate the fair values because of the expected repayment periods and the interest terms.

(11) Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to their internal ratings and maturities, and discounting the aggregate principal and interest by the assumed interest rate for similar new agreements.

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the consolidated balance sheet date (carrying amount).

Yen fixed-rate time deposits are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be paid on new deposits. Fixed-rate time deposits with short maturities (one year or less) and floating-rate time deposits are generally stated at their carrying amounts because the carrying amounts approximate the fair values.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (5) Payables under Securities Lending Transactions, (7) Foreign Exchanges, (8) Short-Term Bonds Payable, and (10) Borrowed Money from Trust Account

The obligations without stated maturities are stated at the amounts that would have to be paid on demand at the consolidated balance sheet date (carrying amount). Obligations with stated maturities are stated at their carrying amounts because most of obligations have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(6) 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 assumed interest rate on similar borrowings. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value.

(9) Bonds Payable

Bonds issued by SuMi TRUST Bank and its consolidated subsidiaries are stated at market prices, if such prices are available. Fair values for other bonds are calculated by discounting future cash flows to their present values by the assumed interest rate on issuance of similar bonds.

Derivatives Transactions

Notes regarding fair values of derivatives are presented under the "Derivatives" section.

(Note 2) The amounts of financial instruments on the consolidated balance sheet whose fair values are extremely difficult to be determined are as stated below, and such amounts are not included in the fair value information for financial instruments presented under the "Assets, (5) Monetary Claims Bought" or "Assets, (8) Available-for-Sale Securities" section.

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
	Carrying Amount	Carrying Amount	Carrying Amount
Monetary Claims Bought	¥ 11,227	¥ 10,508	$ 103
Securities	194,071	167,454	1,786
(1) Unlisted Stocks (*3)	59,209	61,281	545
(2) Investments in Associations	103,219	74,773	950
(3) Others (*3)	31,642	31,398	291
Total	¥ 205,299	¥ 177,962	$ 1,889

(*1) The above financial instruments are excluded from the fair value disclosure because there are no quoted market prices, and therefore, there is no reliable measure of fair value.

(*2) Stocks of subsidiaries and affiliated companies are not included in the above table.

(*3) During the fiscal year ended March 31, 2020, impairment losses of ¥1,735 million (U.S. $16 million) and ¥440 million (U.S. $4 million) were recognized against Unlisted Stocks and Others, respectively.

During the fiscal year ended March 31, 2019, impairment losses of ¥477 million were recognized against Unlisted Stocks.

(Note 3) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2020 and 2019

	Millions of Yen					
March 31, 2020	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	¥ 13,005,100	¥ 1,740	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	71,236	—	—	—	—	—
Receivables under Resale Agreements	1,220,761	—	—	—	—	—
Receivables under Securities Borrowing Transactions	740,658	—	—	—	—	—
Monetary Claims Bought (*1)	793,015	104,699	33,434	19,275	14,964	33,464
Money Held in Trust	—	—	1,406	—	—	—
Securities	1,214,775	1,084,044	939,481	537,892	265,992	769,360
Held-to-Maturity Debt Securities	2,632	—	60	4,020	60,000	195,048
Government Bonds	—	—	60	—	60,000	55,000
Corporate Bonds	—	—	—	—	—	33,200
Available-for-Sale Securities with Maturity	1,212,142	1,084,044	939,421	533,871	205,992	574,312
Government Bonds	838,106	260,315	225,000	—	25,000	10,000
Local Government Bonds	1,228	—	4,546	2,924	6,090	—
Corporate Bonds	21,110	186,052	133,053	196,684	43,275	56,529
Loans and Bills Discounted (*2)	4,179,611	5,463,825	4,520,997	2,848,790	2,473,254	7,592,971
Lease Receivables and Investment Assets (*3)	163,446	239,007	127,633	65,418	50,939	10,717
Total	¥ 21,388,606	¥ 6,893,316	¥ 5,622,953	¥ 3,471,376	¥ 2,805,150	¥ 8,406,513

	Millions of Yen					
March 31, 2019	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	¥ 15,857,622	¥ 10,863	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	50,124	—	—	—	—	—
Receivables under Resale Agreements	136,544	22,190	—	—	—	—
Receivables under Securities Borrowing Transactions	759,812	—	—	—	—	—
Monetary Claims Bought (*1)	860,447	98,801	40,846	21,837	23,039	36,619
Money Held in Trust	100	—	1,293	—	—	—
Securities	660,837	362,284	1,098,426	467,921	616,206	667,284
Held-to-Maturity Debt Securities	25,636	—	—	4,779	40,000	115,606
Government Bonds	—	—	—	60	40,000	75,000
Corporate Bonds	—	—	—	—	—	33,200
Available-for-Sale Securities with Maturity	635,200	362,284	1,098,426	463,142	576,206	551,678
Government Bonds	269,506	15,154	—	—	—	15,000
Local Government Bonds	—	1,228	1,675	564	5,240	—
Corporate Bonds	18,152	109,488	157,385	185,850	61,602	44,971
Loans and Bills Discounted (*2)	4,427,885	5,431,777	4,467,195	3,162,082	2,235,338	6,690,158
Lease Receivables and Investment Assets (*3)	163,976	236,967	115,046	66,938	43,513	13,139
Total	¥ 22,917,352	¥ 6,162,883	¥ 5,722,808	¥ 3,718,779	¥ 2,918,097	¥ 7,407,202

March 31, 2020	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	$ 119,653	$ 16	$ —	$ —	$ —	$ —
Call Loans and Bills Bought	655	—	—	—	—	—
Receivables under Resale Agreements	11,232	—	—	—	—	—
Receivables under Securities Borrowing Transactions	6,814	—	—	—	—	—
Monetary Claims Bought (*1)	7,296	963	308	177	138	308
Money Held in Trust	—	—	13	—	—	—
Securities	11,177	9,974	8,644	4,949	2,447	7,078
Held-to-Maturity Debt Securities	24	—	1	37	552	1,795
Government Bonds	—	—	1	—	552	506
Corporate Bonds	—	—	—	—	—	305
Available-for-Sale Securities with Maturity	11,152	9,974	8,643	4,912	1,895	5,284
Government Bonds	7,711	2,395	2,070	—	230	92
Local Government Bonds	11	—	42	27	56	—
Corporate Bonds	194	1,712	1,224	1,810	398	520
Loans and Bills Discounted (*2)	38,454	50,270	41,595	26,210	22,755	69,859
Lease Receivables and Investment Assets (*3)	1,504	2,199	1,174	602	469	99
Total	$ 196,785	$ 63,422	$ 51,734	$ 31,938	$ 25,809	$ 77,344

(*1) The balances exclude Monetary Claims Bought for borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy that are not expected to be collected, amounting to ¥105 million (U.S. $1million) and ¥100 million as of March 31, 2020 and 2019, respectively.

(*2) The balances exclude Loans and Bills Discounted for borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy that are not expected to be collected, amounting to ¥58,110 million (U.S. $535 million) and ¥77,454 million, and those without maturity, amounting to ¥2,565,814 million (U.S. $23,607 million) and ¥2,530,900 million as of March 31, 2020 and 2019, respectively.

(*3) The balances exclude Lease Receivables and Investment Assets for borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy that are not expected to be collected, amounting to ¥665 million (U.S. $6 million) and ¥1,229 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥16,051 million (U.S. $148 million) and ¥12,635 million as of March 31, 2020 and 2019, respectively.

(Note 4) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2020 and 2019

	Millions of Yen					
March 31, 2020	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)	¥ 23,588,311	¥ 4,537,687	¥ 2,589,537	¥ 1,183	¥ 320	¥ —
Negotiable Certificates of Deposit	5,944,292	45,000	—	—	—	—
Call Money and Bills Sold	142,974	—	—	—	—	—
Payables under Repurchase Agreements	1,471,967	86,952	—	—	—	—
Payables under Securities Lending Transactions	—	—	—	—	—	—
Borrowed Money (*2)	2,980,182	1,468,489	811,385	231,702	244,522	420,102
Short-Term Bonds Payable	1,708,473	—	—	—	—	—
Bonds Payable (*3)	229,700	110,000	46,500	63,000	20,000	—
Borrowed Money from Trust Account	4,750,289	—	—	—	—	—
Total	¥ 40,816,190	¥ 6,248,128	¥ 3,447,423	¥ 295,885	¥ 264,842	¥ 420,102

	Millions of Yen					
March 31, 2019	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)	¥ 24,618,014	¥ 5,169,969	¥ 2,140,992	¥ 1,313	¥ 406	¥ —
Negotiable Certificates of Deposit	6,244,373	184,249	—	—	—	—
Call Money and Bills Sold	72,793	—	—	—	—	—
Payables under Repurchase Agreements	1,603,191	—	—	—	—	—
Payables under Securities Lending Transactions	104,767	—	—	—	—	—
Borrowed Money (*2)	2,906,910	340,021	172,421	225,283	299,659	339,506
Short-Term Bonds Payable	1,476,650	—	—	—	—	—
Bonds Payable (*3)	304,763	282,260	80,000	6,500	78,000	—
Borrowed Money from Trust Account	5,408,009	—	—	—	—	—
Total	¥ 42,739,474	¥ 5,976,500	¥ 2,393,414	¥ 233,097	¥ 378,065	¥ 339,506

	Millions of U.S. Dollars					
March 31, 2020	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)	$ 217,024	$ 41,749	$ 23,825	$ 11	$ 3	$ —
Negotiable Certificates of Deposit	54,690	414	—	—	—	—
Call Money and Bills Sold	1,315	—	—	—	—	—
Payables under Repurchase Agreements	13,543	800	—	—	—	—
Payables under Securities Lending Transactions	—	—	—	—	—	—
Borrowed Money (*2)	27,419	13,511	7,465	2,132	2,250	3,865
Short-Term Bonds Payable	15,719	—	—	—	—	—
Bonds Payable (*3)	2,113	1,012	428	580	184	—
Borrowed Money from Trust Account	43,705	—	—	—	—	—
Total	$ 375,528	$ 57,486	$ 31,718	$ 2,722	$ 2,437	$ 3,865

(*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 ¥340,000 million (U.S. $3,128 million) and ¥340,000 million as of March 31, 2020 and 2019, respectively.

(*3) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥16,100 million (U.S. $148 million) and ¥26,100 million as of March 31, 2020 and 2019, 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 Statement of Income		
	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Trading Securities	¥ (129)	¥ 396	$ (1)

2. Held-to-Maturity Securities with Fair Value

	Millions of Yen		
March 31, 2020	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,407	¥ 136,239	¥ 17,831
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	33,200	33,652	452
Other Bonds	65,817	65,943	126
Foreign Bonds	845	849	4
Others	64,972	65,093	121
Subtotal	217,425	235,835	18,410
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	112,591	104,574	(8,016)
Foreign Bonds	112,591	104,574	(8,016)
Others	—	—	—
Subtotal	112,591	104,574	(8,016)
Total	¥ 330,016	¥ 340,410	¥ 10,394

March 31, 2019	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,785	¥ 139,413	¥ 20,628
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	33,200	33,777	577
Other Bonds	105,701	106,290	589
Foreign Bonds	32,958	33,421	462
Others	72,742	72,869	127
Subtotal	257,686	279,481	21,795
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	4,719	4,678	(40)
Foreign Bonds	4,719	4,678	(40)
Others	—	—	—
Subtotal	4,719	4,678	(40)
Total	¥ 262,405	¥ 284,160	¥ 21,755

March 31, 2020	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	$ 1,089	$ 1,253	$ 164
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	305	310	4
Other Bonds	606	607	1
Foreign Bonds	8	8	0
Others	598	599	1
Subtotal	2,000	2,170	169
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	$ —	$ —	$ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	1,036	962	(74)
Foreign Bonds	1,036	962	(74)
Others	—	—	—
Subtotal	1,036	962	(74)
Total	$ 3,036	$ 3,132	$ 96

3. Available-for-Sale Securities

March 31, 2020	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,016,948	¥ 417,757	¥ 599,190
Bonds	1,461,837	1,458,337	3,500
Government Bonds	1,053,929	1,053,492	437
Local Government Bonds	4,906	4,874	32
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	403,001	399,970	3,030
Other Securities	1,384,110	1,320,023	64,086
Foreign Stocks	2,613	190	2,422
Foreign Bonds	827,306	800,431	26,874
Others	554,190	519,401	34,789
Subtotal	3,862,896	3,196,118	666,777
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 93,664	¥ 120,510	¥ (26,846)
Bonds	554,166	555,804	(1,638)
Government Bonds	308,631	309,155	(523)
Local Government Bonds	9,879	9,914	(34)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	235,655	236,735	(1,079)
Other Securities	1,267,263	1,381,288	(114,024)
Foreign Stocks	874	1,320	(446)
Foreign Bonds	529,513	557,258	(27,745)
Others	736,875	822,708	(85,833)
Subtotal	1,915,093	2,057,603	(142,509)
Total	¥ 5,777,990	¥ 5,253,722	¥ 524,268

	Millions of Yen		
March 31, 2019	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,322,686	¥ 510,373	¥ 812,313
Bonds	549,521	545,928	3,592
Government Bonds	128,921	128,559	362
Local Government Bonds	7,202	7,143	59
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	413,397	410,226	3,170
Other Securities	1,048,184	1,013,984	34,199
Foreign Stocks	2,655	194	2,461
Foreign Bonds	713,975	704,807	9,168
Others	331,552	308,982	22,570
Subtotal	2,920,392	2,070,287	850,104
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 48,927	¥ 64,770	¥ (15,843)
Bonds	341,062	341,475	(413)
Government Bonds	172,664	172,688	(24)
Local Government Bonds	1,562	1,564	(1)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	166,835	167,223	(387)
Other Securities	1,900,226	2,047,460	(147,233)
Foreign Stocks	3,461	3,926	(465)
Foreign Bonds	741,247	745,713	(4,466)
Others	1,155,517	1,297,820	(142,302)
Subtotal	2,290,215	2,453,706	(163,490)
Total	¥ 5,210,608	¥ 4,523,993	¥ 686,614

	Millions of U.S. Dollars		
March 31, 2020	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	$ 9,356	$ 3,844	$ 5,513
Bonds	13,450	13,417	32
Government Bonds	9,697	9,693	4
Local Government Bonds	45	45	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	3,708	3,680	28
Other Securities	12,734	12,145	590
Foreign Stocks	24	2	22
Foreign Bonds	7,612	7,364	247
Others	5,099	4,779	320
Subtotal	35,540	29,406	6,135
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	$ 862	$ 1,109	$ (247)
Bonds	5,099	5,114	(15)
Government Bonds	2,840	2,844	(5)
Local Government Bonds	91	91	(0)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	2,168	2,178	(10)
Other Securities	11,659	12,709	(1,049)
Foreign Stocks	8	12	(4)
Foreign Bonds	4,872	5,127	(255)
Others	6,780	7,569	(790)
Subtotal	17,620	18,931	(1,311)
Total	$ 53,160	$ 48,337	$ 4,824

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, 2020 and 2019.

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

Year Ended March 31, 2020	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 61,272	¥ 40,370	¥ 1,389
Bonds	372,898	2,542	2,930
Government Bonds	330,708	2,362	2,812
Local Government Bonds	2,518	11	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	39,671	168	117
Other Securities	3,094,393	67,796	20,011
Foreign Stocks	2,565	345	233
Foreign Bonds	2,573,278	42,816	7,757
Others	518,549	24,634	12,020
Total	¥ 3,528,563	¥ 110,710	¥ 24,331

Year Ended March 31, 2019	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 59,051	¥ 31,224	¥ 4,716
Bonds	308,004	1,688	1,007
Government Bonds	248,161	1,460	954
Local Government Bonds	7,077	2	24
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	52,766	225	28
Other Securities	4,066,610	30,911	47,967
Foreign Stocks	8,114	2	1,138
Foreign Bonds	3,278,617	17,131	21,191
Others	779,878	13,777	25,637
Total	¥ 4,433,666	¥ 63,824	¥ 53,691

Year Ended March 31, 2020	Millions of U.S. Dollars		
	Amount Sold	Gain	Loss
Stocks	$ 564	$ 371	$ 13
Bonds	3,431	23	27
Government Bonds	3,043	22	26
Local Government Bonds	23	0	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	365	2	1
Other Securities	28,470	624	184
Foreign Stocks	24	3	2
Foreign Bonds	23,675	394	71
Others	4,771	227	111
Total	$ 32,464	$ 1,019	$ 224

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

6. Securities Reclassified due to the Change of the Holding Purpose

There were no securities reclassified due to the change of the holding purpose during the fiscal years ended March 31, 2020 and 2019.

7. Impairment of Securities

Securities other than securities whose fair values are extremely difficult to be determined, or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheet. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses on Stocks recognized during the fiscal years ended March 31, 2020 and 2019, were ¥14,995 million (U.S. $138 million) and ¥794 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, 2020 and 2019.

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, 2020 and 2019.

3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

	Millions of Yen				
March 31, 2020	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,406	¥ 981	¥ 424	¥ 424	¥ —

	Millions of Yen				
March 31, 2019	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,393	¥ 978	¥ 415	¥ 415	¥ —

	Millions of U.S. Dollars				
March 31, 2020	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	$ 13	$ 9	$ 4	$ 4	$ —

(Note) The amount of "Difference" is net of "Positive Difference" and "Negative Difference."

Valuation Differences on Available-for-Sale Securities

The following table shows components of Valuation Differences on Available-for-Sale Securities in the consolidated balance sheet.

	Millions of Yen		Millions of U.S. Dollars
March 31	2020	2019	2020
Valuation Differences			
Available-for-Sale Securities	¥ 526,335	¥ 688,119	$ 4,843
Other Money Held in Trust	424	415	4
Total Valuation Differences	526,760	688,534	4,846
Amount Equivalent to Deferred Tax Assets (Liabilities)	(160,215)	(209,008)	(1,474)
Total (Before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	366,544	479,525	3,372
Non-Controlling Interests	(74)	(266)	(1)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	3,454	2,663	32
Valuation Differences on Available-for-Sale Securities	¥ 369,924	¥ 481,923	$ 3,403

(Notes)

1) Foreign currency translation adjustments on available-for-sale securities, for which fair values are extremely difficult to be determined, are included in the "Available-for-Sale Securities" under "Valuation Differences."

2) The valuation difference of ¥2,132 million (U.S. $20 million) and ¥1,589 million on available-for-sale securities composing assets held by associated companies as of March 31, 2020 and 2019, respectively, is included in "Available-for-Sale Securities" under "Valuation Differences."

3) The unamortized portion of valuation difference as of the consolidated balance sheet date arising from the reclassification of the holding purpose of securities is included in "Available-for-Sale Securities" under "Valuation Differences."

Derivatives

1. Derivatives Transactions Not Qualifying for Hedge Accounting

Derivatives transactions not qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts), the fair values, and the valuation differences as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Interest Futures								
Sold	¥ 20,873,613	¥ 7,936,931	¥ (48,309)	¥ (48,309)	$ 192,047	$ 73,024	$ (444)	$ (444)
Purchased	21,329,778	7,616,507	46,361	46,361	196,244	70,076	427	427
Interest Options								
Sold	2,942,641	—	(1,175)	(715)	27,074	—	(11)	(7)
Purchased	2,937,903	—	1,144	508	27,030	—	11	5
OTC								
Forward Rate Agreements								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	50,872,014	39,266,116	2,208,234	2,208,234	468,047	361,267	20,317	20,317
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	43,837,712	34,523,749	(2,159,973)	(2,159,973)	403,328	317,635	(19,873)	(19,873)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	22,336,839	17,809,579	3,096	3,096	205,510	163,857	28	28
Interest Options								
Sold	9,925,297	9,906,302	(33,630)	(22,767)	91,317	91,143	(309)	(209)
Purchased	6,642,159	6,608,026	18,834	14,371	61,111	60,797	173	132
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 34,583	¥ 40,805			$ 318	$ 375

	Millions of Yen			
	2019			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 44,621,033	¥ 16,573,349	¥ (48,367)	¥ (48,367)
Purchased	44,455,416	16,528,250	47,846	47,846
Interest Options				
Sold	5,228,027	278,836	(303)	528
Purchased	4,173,799	222,706	306	(566)
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	61,744,126	46,363,011	1,070,742	1,070,742
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	57,657,504	43,512,290	(1,063,552)	(1,063,552)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	20,877,371	16,746,641	2,295	2,295
Interest Options				
Sold	7,529,147	7,519,158	(8,106)	6,223
Purchased	3,541,520	3,537,021	13,810	7,641
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 14,671	¥ 22,789

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values of listed derivatives transactions are based on the closing prices on the Tokyo Financial Exchange and other exchanges. The fair values of OTC derivatives transactions are calculated using the net present value method or option-pricing models.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	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	¥ 5,208,369	¥ 4,495,735	¥ (4,770)	¥ (4,770)	$ 47,919	$ 41,363	$ (44)	$ (44)
Forward Exchange Contracts								
Sold	12,322,468	832,222	(78,937)	(78,937)	113,373	7,657	(726)	(726)
Purchased	16,353,498	227,010	30,111	30,111	150,460	2,089	277	277
Currency Options								
Sold	1,170,658	606,930	(43,375)	8,257	10,771	5,584	(399)	76
Purchased	892,363	443,075	44,170	(2,909)	8,210	4,077	406	(27)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (52,800)	¥ (48,247)			$ (486)	$ (444)

	Millions of Yen			
	2019			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Currency Futures				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options				
Sold	—	—	—	—
Purchased	—	—	—	—
OTC				
Currency Swaps	¥ 4,061,705	¥ 3,842,184	¥ 9,866	¥ 9,866
Forward Exchange Contracts				
Sold	12,654,686	706,425	(31,223)	(31,223)
Purchased	15,911,526	286,942	50,008	50,008
Currency Options				
Sold	1,292,446	604,105	(40,734)	16,433
Purchased	1,036,045	433,558	39,396	(12,040)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 27,312	¥ 33,044

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values are calculated using the net present value method or option-pricing models.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	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	¥ 59,844	¥ —	¥ (1,243)	¥ (1,243)	$ 551	$ —	$ (11)	$ (11)
Purchased	36,429	—	2,339	2,339	335	—	22	22
Stock Index Options								
Sold	26,674	—	(868)	(347)	245	—	(8)	(3)
Purchased	5,100	—	4	(35)	47	—	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			¥ 231	¥ 711			$ 2	$ 7

	Millions of Yen			
	2019			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Stock Index Futures				
Sold	¥ 54,354	¥ —	¥ (400)	¥ (400)
Purchased	40,433	—	318	318
Stock Index Options				
Sold	56,344	—	(334)	77
Purchased	73,517	—	162	(212)
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			¥ (253)	¥ (216)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values of listed derivatives transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC transactions are calculated using the net present value method or option-pricing models.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 2,314,032	¥ —	¥ (55,526)	¥ (55,526)	$ 21,290	$ —	$ (511)	$ (511)
Purchased	2,407,161	—	55,375	55,375	22,147	—	509	509
Bond Future Options								
Sold	66,991	—	(325)	99	616	—	(3)	1
Purchased	47,986	—	169	(42)	442	—	2	(0)
OTC								
Bond Forward Contracts								
Sold	¥ 20,332	¥ —	¥ (252)	¥ (252)	$ 187	$ —	$ (2)	$ (2)
Purchased	33,816	—	649	649	311	—	6	6
Bond Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 89	¥ 303			$ 1	$ 3

	Millions of Yen			
	2019			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 1,785,463	¥ —	¥ (25,077)	¥ (25,077)
Purchased	1,951,521	—	22,782	22,782
Bond Future Options				
Sold	223,845	—	(922)	(92)
Purchased	160,416	—	742	388
OTC				
Bond Forward Contracts				
Sold	¥ 201,772	¥ —	¥ (1,339)	¥ (1,339)
Purchased	68,671	—	393	393
Bond Options				
Sold	—	—	—	—
Purchased	—	—	—	—
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (3,420)	¥ (2,944)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC transactions are calculated using option-pricing models.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2020 and 2019.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	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	¥ 59,034	¥ 45,934	¥ (59)	¥ (59)	$ 543	$ 423	$ (1)	$ (1)
Purchased	65,540	52,440	190	190	603	482	2	2
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 131	¥ 131			$ 1	$ 1

	Millions of Yen			
	2019			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swaps				
Sold	¥ 67,343	¥ 49,843	¥ 1,015	¥ 1,015
Purchased	64,155	46,655	(955)	(955)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 60	¥ 60

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) The fair values are calculated using the net present value method.

3) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

2. Derivatives Transactions Qualifying for Hedge Accounting

Derivatives transactions qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
		2020			2020		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Interest-Earning/ Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 795,889	¥ 132,000	¥ 1,525	$ 7,323	$ 1,214	$ 14
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,513,915	1,359,935	(52,136)	13,929	12,512	(480)
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				¥ (50,610)			$ (466)

	Major Hedged Item	Millions of Yen		
		2019		
		Notional Amount		Fair Value
		Total	Over One Year	
Deferral Method				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Interest-Earning/ Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 1,494,651	¥ 796,511	¥ 1,461
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,469,681	1,392,602	(37,909)
Interest Futures				
Sold		—	—	—
Purchased		—	—	—
Interest Options				
Sold		—	—	—
Purchased		—	—	—
Others				
Sold		—	—	—
Purchased		—	—	—
Exceptional Treatment for Interest Rate Swaps				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Borrowed Money	—	—	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		200	—	(Note 3)
Total				¥ (36,448)

(Notes)

1) Deferred hedge accounting stipulated in Report No. 24 is applied, in principle.

2) Fair values are calculated mainly using the net present value method or option-pricing models.

3) Interest rate swaps to which exceptional treatment is applied are accounted for as part of the borrowings being hedged; therefore, their fair values are included in the fair value of Borrowed Money presented under "Financial Instruments."

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2020 and 2019, consist of the following:

	Major Hedged Item	Millions of Yen 2020 Notional Amount Total	Millions of Yen 2020 Notional Amount Over One Year	Millions of Yen 2020 Fair Value	Millions of U.S. Dollars 2020 Notional Amount Total	Millions of U.S. Dollars 2020 Notional Amount Over One Year	Millions of U.S. Dollars 2020 Fair Value
Deferral Method							
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 2,301,582	¥ 1,214,987	¥ 31,261	$ 21,176	$ 11,178	$ 288
Forward Exchange Contracts							
Sold		—	—	—	—	—	—
Purchased		3,890	—	3,890	36	—	36
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		¥ 88,516	¥ —	¥ 2,446	$ 814	$ —	$ 23
Purchased		—	—	—	—	—	—
Total				¥ 37,597			$ 346

	Major Hedged Item	Millions of Yen 2019 Notional Amount Total	Millions of Yen 2019 Notional Amount Over One Year	Millions of Yen 2019 Fair Value
Deferral Method				
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 1,557,814	¥ 955,752	¥ (24,756)
Forward Exchange Contracts				
Sold		6,068	—	(127)
Purchased		17,856	—	63
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		¥ 69,961	¥ —	¥ (391)
Purchased		—	—	—
Total				¥ (25,210)

(Notes)

1) Deferred hedge accounting stipulated in Report No. 25 is applied, in principle.

2) Fair values are calculated mainly using the net present value method.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2020 and 2019.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2020 and 2019.

Retirement and Pension Plans

Retirement and Pension Plans for the Fiscal Years Ended March 31, 2020 and 2019

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
	2020	2019	2020
Retirement Benefit Obligations (opening balance)	¥ 464,353	¥ 465,406	$ 4,272
Service Cost-Benefits Earned during the Fiscal Year	13,697	14,192	126
Interest Cost on Projected Benefit Obligations	2,339	2,337	22
Actuarial Gains and Losses that Arose during the Fiscal Year	154	688	1
Retirement Benefits Paid	(18,326)	(18,095)	(169)
Past Service Cost that Arose during the Fiscal Year	—	(176)	—
Other	(1,344)	—	(12)
Retirement Benefit Obligations (closing balance)	¥ 460,872	¥ 464,353	$ 4,240

(2) Reconciliation of Plan Assets

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Plan Assets (opening balance)	¥ 589,793	¥ 615,318	$ 5,426
Expected Return on Plan Assets	24,495	26,844	225
Actuarial Gains and Losses that Arose during the Fiscal Year	(72,913)	(36,661)	(671)
Contributions by the Employer	10,892	633	100
Retirement Benefits Paid	(16,398)	(16,342)	(151)
Plan Assets (closing balance)	¥ 535,869	¥ 589,793	$ 4,930

(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
	2020	2019	2020
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 450,076	¥ 452,344	$ 4,141
Plan Assets	(535,869)	(589,793)	(4,930)
	(85,792)	(137,448)	(789)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	10,796	12,008	99
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (74,996)	¥ (125,439)	$ (690)

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Liabilities for Retirement Benefits	¥ 12,079	¥ 13,470	$ 111
Assets for Retirement Benefits	(87,075)	(138,909)	(801)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (74,996)	¥ (125,439)	$ (690)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Service Cost-Benefits Earned during the Fiscal Year	¥ 13,697	¥ 14,192	$ 126
Interest Cost on Projected Benefit Obligations	2,339	2,337	22
Expected Return on Plan Assets	(24,495)	(26,844)	(225)
Amortization of Actuarial Differences	5,674	3,480	52
Amortization of Past Service Cost	28	2	0
Other	592	608	5
Retirement Benefit Expenses for Defined Benefit Obligations	¥ (2,164)	¥ (6,223)	$ (20)

(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
	2020	2019	2020
Past Service Cost	¥ 28	¥ 178	$ 0
Actuarial Differences	(67,393)	(33,869)	(620)
Total	¥ (67,365)	¥ (33,690)	$ (620)

(6) 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
	2020	2019	2020
Unrecognized Past Service Cost	¥ (193)	¥ (165)	$ (2)
Unrecognized Actuarial Differences	100,240	32,850	922
Total	¥ 100,046	¥ 32,684	$ 920

(7) Plan Assets

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

	Proportion (%)	
	2020	2019
Debt Securities	32	27
Equity Securities	53	59
Cash and Due from Banks	2	2
Other	13	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 52% and 58% of the total plan asset for the fiscal years ended March 31, 2020 and 2019, 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, 2020 and 2019, are as follows:

	2020	2019
Discount Rate	Mainly 0.5%	Mainly 0.5%
Expected Long-Term Rate of Return on Plan Assets	4.1%	4.3%

3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Bank and its consolidated subsidiaries to the defined contribution pension plans were ¥1,882 million (U.S. $17 million) and ¥2,006 million for the years ended March 31, 2020 and 2019, respectively.

Income Taxes

1. Deferred Tax Assets and Liabilities

Year Ended March 31	Millions of Yen 2020	Millions of Yen 2019	Millions of U.S. Dollars 2020
Deferred Tax Assets:			
Allowance for Loan Losses (Including Direct Write-Offs of Loans with Guarantees or Collateral)	¥ 48,197	¥ 38,542	$ 443
Impairment of Securities	18,891	19,163	174
Deferred Gains (Losses) on Hedges	25,662	14,520	236
Remeasurements of Defined Benefit Plans	30,674	10,080	282
Other	53,922	53,225	496
Subtotal	¥ 177,347	¥ 135,533	$ 1,632
Valuation Allowance	(16,839)	(14,830)	(155)
Deferred Tax Assets	¥ 160,508	¥ 120,702	$ 1,477
Deferred Tax Liabilities:			
Retirement Benefits	¥ (23,034)	¥ (18,041)	$ (212)
Valuation Differences on Available-for-Sale Securities	(159,820)	(208,571)	(1,470)
Other	(11,278)	(12,456)	(104)
Deferred Tax Liabilities	¥ (194,133)	¥ (239,069)	$ (1,786)
Net Deferred Tax Assets (Liabilities)	¥ (33,625)	¥ (118,366)	$ (309)

2. Effective Income Tax Rate

Disclosure on reconciliation between the effective statutory tax rate and the effective income tax rate is omitted since the difference was 5% or less of the effective statutory tax rate for the fiscal years ended March 31, 2020 and 2019.

Segment Information

1. Reportable Segment Information

The 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 the SuMi TRUST Bank Group 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 the 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 Total Solution Services:
Provision of services to individual customers

Wholesale Financial Services:
Provision of services to corporate customers

Stock Transfer Agency Services:
Undertaking of stock-related services on behalf of customers

Real Estate:
Provision of services related to the real estate business

Fiduciary Services:
Operation of the pension business, the asset management business, and the asset administration business

Global Markets:
Marketing operations, market-making operations, investment operations, and financial management operations

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. Since each segment's information will not be used to make decisions about the allocation of resources or assess business performance at the management level, information about assets by reportable segment has not been generated.

Income earned from inter-segment and cross-segment transactions is calculated by applying the criteria (market prices) specified in the rules for internal management.

3. Profit or Loss by Reportable Segment

Year Ended March 31, 2020	Millions of Yen							
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Gross Business Profit	¥ 130,483	¥ 147,088	¥ 21,386	¥ 35,454	¥ 52,355	¥ 72,590	¥ (6,130)	¥ 453,227
General and Administrative Expenses	(123,114)	(44,228)	(3,742)	(9,595)	(22,057)	(15,049)	(28,630)	(246,417)
Net Business Profit	¥ 7,368	¥ 102,859	¥ 17,643	¥ 25,859	¥ 30,297	¥ 57,541	¥ (34,761)	¥ 206,809

Year Ended March 31, 2019	Millions of Yen							
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Gross Business Profit	¥ 138,028	¥ 137,275	¥ 21,471	¥ 32,410	¥ 57,452	¥ 45,683	¥ 35,015	¥ 467,337
General and Administrative Expenses	(122,687)	(41,965)	(3,736)	(9,303)	(24,232)	(15,317)	(18,611)	(235,855)
Net Business Profit	¥ 15,341	¥ 95,310	¥ 17,734	¥ 23,106	¥ 33,220	¥ 30,365	¥ 16,403	¥ 231,482

Year Ended March 31, 2020	Millions of U.S. Dollars							
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Gross Business Profit	$ 1,201	$ 1,353	$ 197	$ 326	$ 482	$ 668	$ (56)	$ 4,170
General and Administrative Expenses	(1,133)	(407)	(34)	(88)	(203)	(138)	(263)	(2,267)
Net Business Profit	$ 68	$ 946	$ 162	$ 238	$ 279	$ 529	$ (320)	$ 1,903

(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 interest income, net trust fees, net fees and commissions, net trading income, and net other ordinary income and expenses.

3) "General and Administrative Expenses" include personnel expenses and rent expenses.

4) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, and general and administrative expenses of headquarters.

4. Reconciliation Between Total Profit or Loss for Reportable Segments and Income Taxes in the Consolidated Statement of Income

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Total Profit or Loss for Reportable Segments (Net Business Profit)	¥ 206,809	¥ 231,482	$ 1,903
Net Business Profit of Consolidated Subsidiaries that are Excluded from the Reportable Segments (Note)	60,067	46,139	553
Other Income	93,529	71,551	676
Other Expenses	(115,262)	(76,810)	(876)
Other Adjustments	(29,785)	(36,829)	(274)
Income before Income Taxes	¥ 215,358	¥ 235,533	$ (1,981)

(Note) The amounts include elimination of internal transactions.

Related Information

1. Information by Services

Disclosure of information by services is omitted as similar disclosure is included in the "3. Profit or Loss by Reportable Segment" in the "Segment Information" section.

2. Geographic Information

(1) Income

Income by geographical area for the fiscal years ended March 31, 2020 and 2019, consists of the following:

	Millions of Yen				
Year Ended March 31, 2020	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,095,455	**¥ 160,783**	**¥ 87,244**	**¥ 106,270**	**¥ 1,449,753**

	Millions of Yen				
Year Ended March 31, 2019	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,088,865	¥ 158,870	¥ 87,133	¥ 116,967	¥ 1,451,837

	Millions of U.S. Dollars				
Year Ended March 31, 2020	Japan	Americas	Europe	Asia and Oceania	Total
	$ 10,079	**$ 1,479**	**$ 803**	**$ 978**	**$ 13,338**

(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, 2020 and 2019, 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 are not allocated to the reportable segments.

Losses on impairment of fixed assets recognized during the fiscal years ended March 31, 2020 and 2019, were ¥19,360 million (U.S. $178 million) and ¥16,817 million, respectively.

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, 2020, and 2019, were ¥6,939 million (U.S. $64 million) and ¥9,968 million, respectively. Unamortized balance of goodwill as of March 31, 2020, and 2019, were ¥21,276 million (U.S. $196 million) and ¥63,091 million, respectively.

Information Related to Gain on Negative Goodwill by Reportable Segment

There was no gain on negative goodwill by reportable segment during the fiscal years ended March 31, 2020 and 2019.

Related Party Transactions

1. Related Party Transactions

Transactions of the SuMi TRUST Bank with its parent company for the fiscal year ended March 31, 2020 and 2019, are as follows:

Type	Company Name	Company Location	Capital	Type of Business	Share of Voting Rights Held (%)	Business Relationship	Transaction Details	Transaction Amounts	Accounts	Ending Balances
			Millions of Yen (Millions of U.S. Dollars)					Millions of Yen (Millions of U.S. Dollars)		Millions of Yen (Millions of U.S. Dollars)
Parent company	Sumitomo Mitsui Trust Holdings, Inc.	Chiyoda-ku, Tokyo	¥ 261,608 ($ 2,407)	Bank holding company	Direct 100	Money lending transaction	Borrowing of funds (Note)	¥ 40,000 ($ 368)	Bonds payable (Note)	¥ 650,000 ($ 5,980)
							Payment of interest (Note)	¥ 8,128 ($ 75)	Accrued Expenses	¥ 2,452 ($ 23)

Type	Company Name	Company Location	Capital	Type of Business	Share of Voting Rights Held (%)	Business Relationship	Transaction Details	Transaction Amounts	Accounts	Ending Balances
			Millions of Yen					Millions of Yen		Millions of Yen
Parent company	Sumitomo Mitsui Trust Holdings, Inc.	Chiyoda-ku, Tokyo	¥ 261,608	Bank holding company	Direct 100	Money lending transaction	Borrowing of funds (Note)	¥ 100,000	Bonds payable (Note)	¥ 610,000
							Payment of interest (Note)	¥ 7,628	Accrued Expenses	¥ 2,393

Terms and conditions of transactions and policies applied in deciding the terms and conditions

(Note) Loans are all subordinated borrowings. 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 significant condensed financial information of significant affiliated companies for the fiscal year ended March 31, 2020 to be disclosed.

Per Share of Common Stock Information

	Yen		U.S. Dollars
	2020	2019	2020
Net Assets per Share of Common Stock	¥ 1,305.26	¥ 1,472.33	$ 12.01
Net Income per Share of Common Stock	87.89	96.47	0.81

(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, 2020	As of March 31, 2019	As of March 31, 2020
Net Assets as Reported	¥ 2,212,489	¥ 2,499,879	$ 20,356
Less:	26,769	34,393	246
Non-Controlling Interests	26,769	34,393	246
Net Assets Attributable to Common Shareholders	2,185,720	2,465,485	20,110
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, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 147,190	¥ 161,545	$ 1,354
Net Income Not Attributable to Common Shareholders	—	—	—
Net Income Related to Common Stock that is Attributable to Owners of the Parent	147,190	161,545	1,354
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, 2020 and 2019 is not presented because there were no dilutive potential shares.

The potential shares that were excluded from the calculation of diluted net income per share of common stock because they have no dilutive effect are as follows:

Fiscal year ended March 31, 2020:

Consolidated subsidiary (Nikko Asset Management Co., Ltd.)

Subscription rights to shares (stock options): 7,863,700 shares of common stock

Fiscal year ended March 31, 2019:

Consolidated subsidiary (Nikko Asset Management Co., Ltd.)

Subscription rights to shares (stock options): 15,088,300 shares of common stock

Nikko Asset Management Co., Ltd. has been excluded from the scope of consolidation effective for the fiscal year ended March 31, 2020. Thus, there is no applicable information as of March 31, 2020.

Significant Subsequent Event

Not applicable.

Independent Auditors' Report

KPMG

Independent Auditor's Report

To the Board of Directors of
Sumitomo Mitsui Trust Bank, Limited:

Opinion

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Trust Bank, Limited ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, the consolidated statement of income, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020, and its consolidated financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the audit and supervisory committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2020 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in "Basis of Presentation of Financial Statements" to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

KPMG

Toshiya Mori
Designated Engagement Partner
Certified Public Accountant

Tomomi Mase
Designated Engagement Partner
Certified Public Accountant

Takashi Fujisawa
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
June 26, 2020

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Financial Data:

Non-Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
As of March 31, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Assets:			
Cash and Due from Banks:	¥ 12,916,014	¥ 15,831,242	$ 118,834
Cash	80,966	174,328	745
Due from Banks	12,835,048	15,656,913	118,089
Call Loans	71,236	50,124	655
Receivables under Resale Agreements	1,220,761	158,734	11,232
Receivables under Securities Borrowing Transactions	740,658	759,812	6,814
Monetary Claims Bought	64,146	56,403	590
Trading Assets:	609,158	543,587	5,605
Trading Account Securities	6,096	106,883	56
Derivatives of Trading Securities	13	—	0
Derivatives of Securities Related to Trading Transactions	498	537	5
Trading-Related Financial Derivatives	450,031	291,252	4,141
Other Trading Assets	152,518	144,914	1,403
Money Held in Trust	99	99	1
Securities:	6,625,035	6,091,898	60,953
Government Bonds	1,480,909	420,311	13,625
Local Government Bonds	14,785	8,764	136
Corporate Bonds	729,623	677,597	6,713
Stocks	1,405,587	1,791,213	12,932
Other Securities	2,994,129	3,194,011	27,547
Loans and Bills Discounted:	29,953,513	29,404,142	275,587
Bills Discounted	1,123	1,709	10
Loans on Bills	367,094	402,721	3,377
Loans on Deeds	27,130,353	26,578,006	249,612
Overdrafts	2,454,941	2,421,705	22,587
Foreign Exchanges:	36,952	36,936	340
Due from Foreign Banks	36,952	36,936	340
Other Assets:	1,650,474	1,548,827	15,185
Domestic Exchange Settlement Account, Debit	1,057	951	10
Prepaid Expenses	2,225	2,528	20
Accrued Income	109,444	118,043	1,007
Initial Margins of Futures Markets	5,937	5,752	55
Variation Margin of Futures Markets	1,994	1,837	18
Derivatives Other Than for Trading	425,477	294,656	3,915
Cash Collateral Pledged for Financial Instruments	801,997	609,432	7,379
Receivables for Securities Transactions	192,369	403,454	1,770
Other Assets	109,971	112,169	1,012
Tangible Fixed Assets:	189,926	195,414	1,747
Buildings	65,089	66,058	599
Land	104,535	105,030	962
Lease Assets	4,280	4,483	39
Construction in Progress	363	137	3
Other	15,658	19,704	144
Intangible Fixed Assets:	70,937	65,607	653
Software	67,335	62,006	620
Other	3,602	3,600	33
Prepaid Pension Expenses	186,272	170,685	1,714
Customers' Liabilities for Acceptances and Guarantees	359,757	385,467	3,310
Allowance for Loan Losses	(98,191)	(75,211)	(903)
Total Assets	¥ 54,596,753	¥ 55,223,770	$ 502,316

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Liabilities:			
Deposits:	¥ 30,537,466	¥ 31,744,181	$ 280,959
Current Deposits	1,164,341	1,146,047	10,712
Ordinary Deposits	7,371,011	8,438,234	67,817
Saving Deposits	1,863	1,874	17
Deposits at Notice	41,015	45,141	377
Time Deposits	20,565,418	20,926,890	189,212
Other Deposits	1,393,816	1,185,992	12,824
Negotiable Certificates of Deposit	6,112,992	6,546,222	56,242
Call Money	201,249	132,317	1,852
Payables under Repurchase Agreements	1,558,919	1,603,191	14,343
Payables under Securities Lending Transactions	—	104,767	—
Trading Liabilities:	371,950	258,771	3,422
Derivatives of Trading Securities	—	35	—
Derivatives of Securities Related to Trading Transactions	—	55	—
Trading-Related Financial Derivatives	371,950	258,681	3,422
Borrowed Money:	5,973,015	4,101,951	54,955
Borrowing from Other Banks	5,973,015	4,101,951	54,955
Foreign Exchanges:	23,724	35,009	218
Due to Foreign Banks	20,691	34,703	190
Foreign Bills Sold	1	—	0
Foreign Bills Payable	3,030	306	28
Short-Term Bonds Payable	1,136,819	949,302	10,459
Bonds Payable	415,368	727,834	3,822
Borrowed Money from Trust Account	4,750,289	5,408,009	43,705
Other Liabilities:	1,026,229	777,043	9,442
Domestic Exchange Settlement Account, Credit	1,123	807	10
Income Taxes Payable	11,164	14,369	103
Accrued Expenses	80,115	94,386	737
Unearned Revenue	18,828	9,843	173
Variation Margin of Futures Markets	977	—	9
Trading Account Securities Borrowed	10,087	26,437	93
Derivatives Other Than for Trading	536,831	350,349	4,939
Cash Collateral Accepted For Financial Instruments	134,626	111,555	1,239
Lease Obligations	5,720	6,017	53
Asset Retirement Obligations	3,277	3,852	30
Payables for Securities Transactions	101,223	85,024	931
Other	122,253	74,398	1,125
Provision for Bonuses	9,909	9,026	91
Provision for Directors' Bonuses	74	84	1
Provision for Stocks Payment	219	—	2
Provision for Retirement Benefits	736	721	7
Provision for Reimbursement of Deposits	4,867	5,250	45
Provision for Contingent Losses	1,440	3,465	13
Deferred Tax Liabilities	91,860	156,466	845
Deferred Tax Liabilities for Land Revaluation	2,439	2,847	22
Acceptances and Guarantees	359,757	385,467	3,310
Total Liabilities	¥ 52,579,329	¥ 52,951,932	$ 483,755
Net Assets:			
Total Shareholders' Equity:	¥ 1,705,866	¥ 1,829,610	$ 15,695
Capital Stock	342,037	342,037	3,147
Capital Surplus:	343,066	391,610	3,156
Legal Capital Surplus	273,016	273,016	2,512
Other Capital Surplus	70,049	118,594	644
Retained Earnings:	1,020,763	1,095,962	9,392
Legal Retained Earnings	69,020	69,020	635
Other Retained Earnings:	951,742	1,026,941	8,756
Other Voluntary Reserves	371,870	371,870	3,421
Retained Earnings Brought Forward	579,872	655,071	5,335
Total Valuation and Translation Adjustments:	311,558	442,227	2,866
Valuation Difference on Available-for-Sale Securities	363,461	475,633	3,344
Deferred Gains (Losses) on Hedges	(48,002)	(31,061)	(442)
Revaluation Reserve for Land	(3,901)	(2,345)	(36)
Total Net Assets	¥ 2,017,424	¥ 2,271,838	$ 18,561
Total Liabilities and Net Assets	¥ 54,596,753	¥ 55,223,770	$ 502,316

Financial Data:

Non-Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Income:			
Trust Fees	¥ 99,816	¥ 100,972	$ 918
Interest Income:	474,575	520,790	4,366
Interest on Loans and Discounts	331,371	343,314	3,049
Interest and Dividends on Securities	104,306	131,915	960
Interest on Call Loans and Bills Bought	950	1,174	9
Interest on Receivables under Resale Agreements	571	926	5
Interest on Receivables under Securities Borrowing Transactions	0	0	0
Interest on Due from Banks	34,196	40,323	315
Other Interest Income	3,179	3,134	29
Fees and Commissions:	185,849	194,143	1,710
Fees and Commissions on Domestic and Foreign Exchanges	1,475	1,372	14
Other Fees and Commissions	184,373	192,770	1,696
Trading Income:	102,189	27,926	940
Gains on Trading Account Securities Transactions	787	423	7
Income from Securities and Derivatives Related to Trading Transactions	1,034	583	10
Income from Trading-Related Financial Derivatives Transactions	100,309	26,854	923
Other Trading Income	57	64	1
Other Ordinary Income:	94,420	114,934	869
Gain on Foreign Exchange Transactions	48,614	95,183	447
Gains on Sales of Bonds	45,716	18,993	421
Gains on Redemption of Bonds	—	53	—
Other	88	704	1
Other Income:	82,349	60,606	758
Recoveries of Written-Off Claims	615	1,153	6
Gains on Sales of Stocks and Other Securities	64,976	44,113	598
Reversal of Allowance for Loan Losses	—	2,268	—
Other	16,757	13,070	154
Total Income	¥ 1,039,201	¥ 1,019,374	$ 9,561

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Expenses:			
Interest Expenses:	¥ 356,435	¥ 366,989	$ 3,279
Interest on Deposits	121,989	124,788	1,122
Interest on Negotiable Certificates of Deposit	81,014	81,292	745
Interest on Call Money and Bills Sold	2,587	2,263	24
Interest on Payables under Repurchase Agreements	31,712	35,615	292
Interest on Payables under Securities Lending Transactions	2,302	2,636	21
Interest on Borrowings and Rediscounts	19,051	22,934	175
Interest on Short-Term Bonds	28,928	23,209	266
Interest on Bonds	8,044	16,381	74
Interest on Interest Swaps	42,448	36,157	391
Other Interest Expenses	18,356	21,707	169
Fees and Commissions Payments:	95,322	89,832	877
Fees and Commissions on Domestic and Foreign Exchanges	721	837	7
Other Fees and Commissions	94,601	88,995	870
Other Ordinary Expenses:	51,868	34,608	477
Loss on Sale of Bonds	11,295	22,894	104
Losses on Redemption of Bonds	440	—	4
Expenses on Derivatives Other Than for Trading or Hedging	40,059	11,321	369
Other Ordinary Expenses	72	392	1
General and Administrative Expenses	252,579	239,668	2,324
Other Expenses:	105,475	83,466	970
Provision of Allowance for Loan Losses	33,472	—	308
Written-Off Loans	1,360	1,180	13
Losses on Sales of Stocks and Other Securities	13,036	30,619	120
Losses on Devaluation of Stocks and Other Securities	35,249	25,583	324
Impairment Loss	1,482	5,317	14
Other	20,872	20,765	192
Total Expenses	¥ 861,681	¥ 814,564	$ 7,928
Income before Income Taxes	¥ 177,519	¥ 204,810	$ 1,633
Income Taxes:	52,813	56,148	486
Current	59,180	45,926	544
Deferred	(6,367)	10,222	(59)
Net Income	¥ 124,706	¥ 148,661	$ 1,147

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 74.47	¥ 88.77	$ 0.69

Financial Data:

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

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2020 and 2019

From April 1, 2019 to March 31, 2020

	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	¥ 118,594	¥ 391,610	¥ 69,020	¥ 1,026,941	¥ 1,095,962	¥ 1,829,610
Changes during the Year								
Cash Dividends			(48,544)	(48,544)		(201,461)	(201,461)	(250,006)
Net Income						124,706	124,706	124,706
Decrease due to a Corporate Split-Off								
Reversal of Revaluation Reserve for Land						1,555	1,555	1,555
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year			(48,544)	(48,544)		(75,199)	(75,199)	(123,744)
Balance at the End of the Year	¥ 342,037	¥ 273,016	¥ 70,049	¥ 343,066	¥ 69,020	¥ 951,742	¥ 1,020,763	¥ 1,705,866

	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	¥ 475,633	¥(31,061)	¥ (2,345)	¥ 442,227	¥ 2,271,838
Changes during the Year					
Cash Dividends					(250,006)
Net Income					124,706
Decrease due to a Corporate Split-Off					
Reversal of Revaluation Reserve for Land					1,555
Net Changes of Items Other Than Shareholders' Equity	(112,171)	(16,941)	(1,555)	(130,669)	(130,669)
Total Changes during the Year	(112,171)	(16,941)	(1,555)	(130,669)	(254,413)
Balance at the End of the Year	¥ 363,461	¥(48,002)	¥ (3,901)	¥ 311,558	¥ 2,017,424

From April 1, 2018 to March 31, 2019

	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	¥ 183,217	¥ 456,233	¥ 69,020	¥ 998,667	¥ 1,067,688	¥ 1,865,959
Changes during the Year								
Cash Dividends			(46,033)	(46,033)		(121,320)	(121,320)	(167,353)
Net Income						148,661	148,661	148,661
Decrease due to a Corporate Split-Off			(18,589)	(18,589)				(18,589)
Reversal of Revaluation Reserve for Land						933	933	933
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year	—	—	(64,622)	(64,622)	—	28,274	28,274	(36,348)
Balance at the End of the Year	¥ 342,037	¥ 273,016	¥ 118,594	¥ 391,610	¥ 69,020	¥ 1,026,941	¥ 1,095,962	¥ 1,829,610

	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	¥ 525,874	¥ (18,154)	¥ (1,412)	¥ 506,307	¥ 2,372,266
Changes during the Year					
Cash Dividends					(167,353)
Net Income					148,661
Decrease due to a Corporate Split-Off					(18,589)
Reversal of Revaluation Reserve for Land					933
Net Changes of Items Other Than Shareholders' Equity	(50,241)	(12,906)	(933)	(64,080)	(64,080)
Total Changes during the Year	(50,241)	(12,906)	(933)	(64,080)	(100,428)
Balance at the End of the Year	¥ 475,633	¥ (31,061)	¥ (2,345)	¥ 442,227	¥ 2,271,838

From April 1, 2019 to March 31, 2020

	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	$ 3,147	$ 2,512	$ 1,091	$ 3,603	$ 635	$ 9,448	$ 10,083	$ 16,833
Changes during the Year								
Cash Dividends			(447)	(447)		(1,854)	(1,854)	(2,300)
Net Income						1,147	1,147	1,147
Decrease due to a Corporate Split-Off								
Reversal of Revaluation Reserve for Land						14	14	14
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year			(447)	(447)		(692)	(692)	(1,139)
Balance at the End of the Year	$ 3,147	$ 2,512	$ 644	$ 3,156	$ 635	$ 8,756	$ 9,392	$ 15,695

	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	$ 4,376	$ (286)	$ (22)	$ 4,069	$ 20,902
Changes during the Year					
Cash Dividends					(2,300)
Net Income					1,147
Decrease due to a Corporate Split-Off					
Reversal of Revaluation Reserve for Land					14
Net Changes of Items Other Than Shareholders' Equity	(1,032)	(156)	(14)	(1,202)	(1,202)
Total Changes during the Year	(1,032)	(156)	(14)	(1,202)	(2,341)
Balance at the End of the Year	$ 3,344	$ (442)	$ (36)	$ 2,866	$ 18,561

Financial Data:

Statements of Trust Account (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
Fiscal year ended March 31, 2020 and 2019

As of March 31	Millions of Yen 2020	Millions of Yen 2019	Millions of U.S. Dollars 2020
Assets:			
Loans and Bills Discounted (Note 2)	¥ 1,543,160	¥ 1,445,195	$ 14,198
Securities (Note 3)	1,075,184	1,253,465	9,892
Beneficiary Rights	172,441,244	160,593,574	1,586,542
Securities Held in Custody Accounts	22,849	23,123	210
Monetary Claims	19,271,003	19,475,082	177,302
Tangible Fixed Assets	17,315,570	15,722,230	159,312
Intangible Fixed Assets	194,224	217,971	1,787
Other Claims	7,273,403	6,717,177	66,919
Loans to Banking Account	4,750,289	5,408,009	43,705
Cash and Due from Banks	538,396	494,234	4,954
Total Assets	¥ 224,425,327	¥ 211,350,067	$ 2,064,820
Liabilities:			
Money Trusts (Note 4)	¥ 33,415,451	¥ 32,877,994	$ 307,438
Pension Trusts	13,023,778	13,113,501	119,825
Property Formation Benefit Trusts	19,060	18,865	175
Securities Investment Trusts	79,777,245	74,389,341	733,989
Money in Trust Other Than Money Trusts	32,458,304	27,349,339	298,632
Securities in Trust	20,975,736	19,914,130	192,987
Money Claims in Trust	19,383,820	19,592,309	178,340
Real Estate in Trust	78,450	77,297	722
Composite Trusts	25,293,482	24,017,287	232,712
Total Liabilities	¥ 224,425,327	¥ 211,350,067	$ 2,064,820

See Notes to Statements of Trust Account (Unaudited).

Notes to Statements of Trust Account (Unaudited)

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SuMi TRUST Bank. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of SuMi TRUST Bank do not reflect SuMi TRUST Bank's records as to the assets accepted in trust, which are maintained separately under the trust account.

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by SuMi TRUST Bank, and such guaranteed principal as of March 31, 2020 and 2019, was ¥4,602,967 million (U.S. $42,350 million) and ¥5,291,601 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 ¥108.69 to U.S. $1, the approximate rate of exchange as of March 31, 2020. 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, 2020 and 2019, are for trust accounts in SuMi TRUST Bank.

2. Loans and Bills Discounted

Loans as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Loans on Deeds	¥ 1,160,640	¥ 1,017,575	$ 10,678
Loans on Bills	382,520	427,620	3,519
Total	¥ 1,543,160	¥ 1,445,195	$ 14,198

The balances of guaranteed trust account loans as of March 31, 2020 and 2019, stood at ¥26,710 million (U.S. $246 million) and ¥30,967 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, 2020 and 2019, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Other Delinquent Loans	¥ 680	¥ 722	$ 6
Restructured Loans	34	41	0
Total	¥ 714	¥ 763	$ 7

3. Securities

Securities held as of March 31, 2020 and 2019, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Government Bonds	¥ 599,390	¥ 609,882	$ 5,515
Local Government Bonds	30	30	0
Corporate Bonds	113,807	153,716	1,047
Stocks	8,164	8,379	75
Other Securities	353,792	481,457	3,255
Total	¥ 1,075,184	¥ 1,253,465	$ 9,892

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
	2020	2019	2020
Assets:			
Loans and Bills Discounted	¥ 26,710	¥ 30,967	$ 246
Securities	—	29	—
Other	4,576,633	5,261,076	42,107
Total	¥ 4,603,344	¥ 5,292,073	$ 42,353
Liabilities:			
Principal	¥ 4,602,967	¥ 5,291,601	$ 42,350
Allowance for Impairment of Guaranteed Trust Principal	70	81	1
Other	306	390	3
Total	¥ 4,603,344	¥ 5,292,073	$ 42,353

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 2020.

[Qualitative Disclosure Data: SuMi TRUST Holdings]

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Qualitative Disclosure Data:

Sumitomo Mitsui Trust Holdings, Inc.

1. Overview of the Risk Management of the Sumitomo Mitsui Trust Group

(1) Basic Policy on Risk Management

In order to ensure sound management, secure revenue through risk taking based on management strategies, and achieve sustainable growth, the Sumitomo Mitsui Trsut Group (the "SuMi TRUST Group") follows a basic policy of accurately assessing risk conditions and implementing necessary risk-related measures through a series of risk management activities, including risk identification, evaluation, monitoring, control and mitigation, validation for advancement, and review, based on the management policy and basic policy on the internal control system of the SuMi TRUST Group.

The risk management framework of the SuMi TRUST Group encompasses the Risk Appetite Framework (please refer to (5) below), and integrates it to function organically within the SuMi TRUST Group.

(2) Risk Characteristics of the SuMi TRUST Group

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

The businesses of the SuMi TRUST Group consist of the Retail Total Solution (TS) Services Business, the Wholesale Total Solution (TS) Services Business, the Wholesale Asset Management (AM) Business, the Stock Transfer Agency Services Business, the Real Estate Business, the Fiduciary Services Business, the Global Markets Business, the Private Banking (PB) Business, and the Asset Formation Advisory, Work place, Business, etc.

The Group faces various risks, including credit risk, market risk, funding liquidity risk, and operational risk, which vary depending on the business characteristics of each of the businesses. As a basis for improving management of risks related to trust business operations, we have established Group-wide Trust Business Guidelines to provide information about basic matters that warrant caution. Sumitomo Mitsui Trust Bank, Limited ("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.

Reporting is regularly performed regarding whether the overall risk of the SuMi TRUST Group, combining the risks of each business, is within the limits of risk capacity (soundness and liquidity) that have been determined by the Board of Directors.

• Businesses and Main Risk Characteristics of the Group

Risk Category \ Individual Businesses	Retail TS	Wholesale TS	Wholesale AM	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Private Banking	Asset Formation Advisory, Work place	Asset Management	Corporate Management*
Credit Risk	○	○	○				○	○	○		
Market Risk		○	○				○				○
Funding Liquidity Risk							○				
Operational Risk	○	○	○	○	○	○	○	○	○	○	○

* Strategic shareholdings management, etc.

• 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 the Group may incur losses due to inadequate or failed bussiness processes, the activities of executives or 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 or 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.
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.

(3) Risk Governance System

For the group-wide risk governance system, the SuMi TRUST Group has developed a Three Lines of Defense system consisting of risk management by individual 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 business engages in risk taking within the established range of risk appetite, and, when a risk materializes, promptly implements risk control at the on-site level.

[Second Line of Defense]

The Risk Management Department performs overall risk management, identifies and evaluates group-wide risks, creates a risk management process, and sets risk limits in accordance with the group-wide risk management policy determined by the Board of Directors. In addition, it formulates group-wide recovery strategies, in advance, to prepare for cases when risks materialize.

The Risk Management Department and risk management-related departments act as a restraint function for the risk taking of the first line of defense, and supervise and provide guidance regarding the risk governance system.

The Risk Management Department reports on the status of risk management to the Executive Committee and the Board of Directors.

[Third Line of Defense]

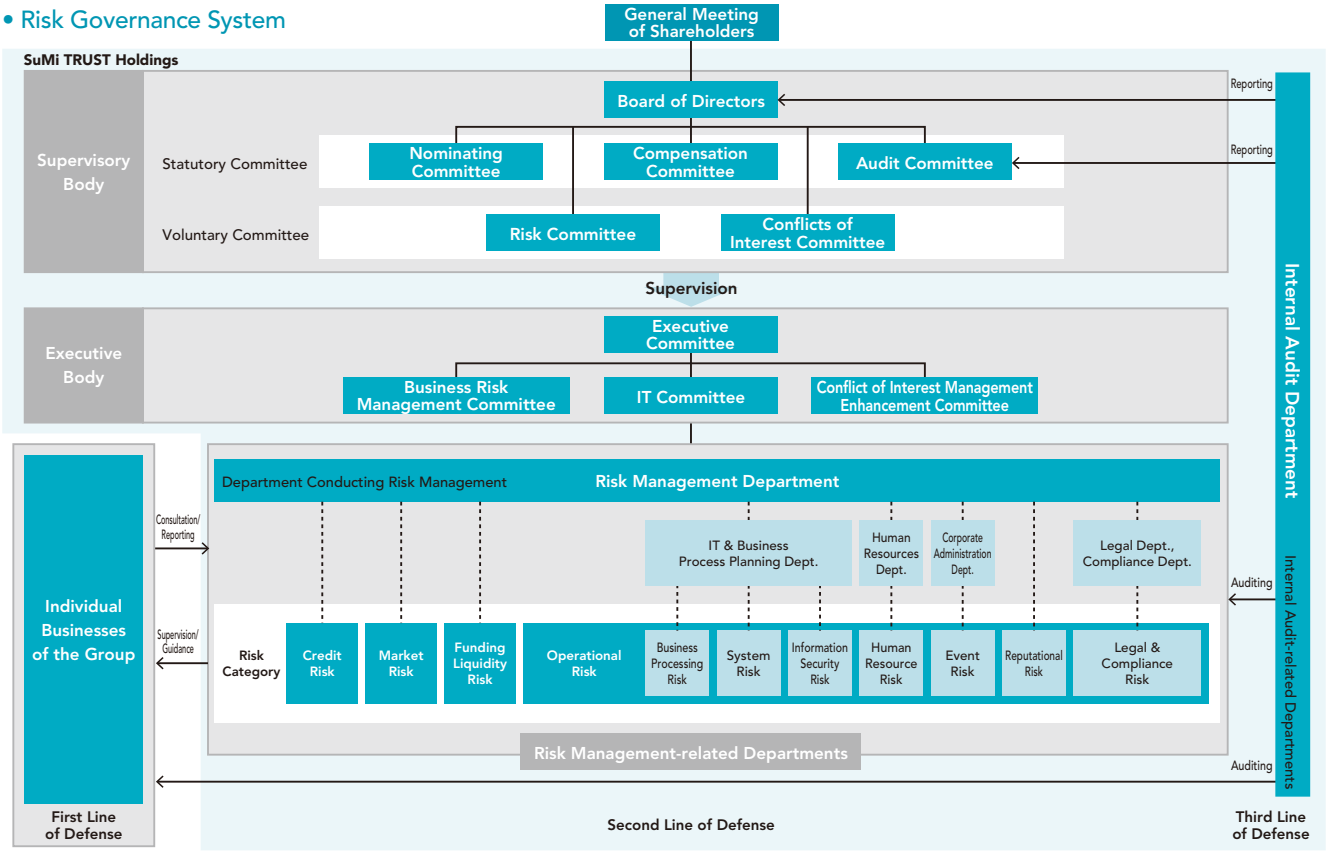
The Internal Audit Department verifies the effectiveness and appropriateness of the group-wide risk governance system and processes from an independent standpoint.

[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.

* Executive officers defined by the Companies Act.

• Risk Governance System



[Board of Directors]

The Board of Directors is composed of all of the directors. It decides on the management policy and strategic goals for risk taking of the SuMi TRUST Group, formulates a risk management policy, etc. that reflects these strategic goals based on a solid understanding of the location and nature of risks, 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 SuMi TRUST Group.

[Risk Committee]

The Risk Committee receives requests for consultation from the Board of Directors on matters concerning the business circumstances surrounding the SuMi TRUST 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 fiduciary duties and conflict of interest management, which are the foundation on which the SuMi TRUST Group seeks to become the "Best Partner" of its clients based on a fiduciary spirit, reviews their appropriateness, and reports its findings.

(4) Risk Management Process

In the SuMi TRUST 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 SuMi TRUST Group are comprehensively identified, while ensuring the comprehensiveness of operations of the SuMi TRUST Group and the risks to be managed are identified based on the scale and characteristics of the identified risks. Of note, risks that are particularly important are managed as material risks.

[Risk Evaluation]

The risks identified as requiring management undergo analysis, assessment, and measurement in a manner appropriate for the business scale, characteristics, and risk profiles. 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 or emerging risks. The former are risks that have the potential to significantly affect the Group's capacity to execute business and achieve earnings targets within one year, while the latter are risks that have the potential to have a significant effect over the medium to long term.

When risks cannot be quantified, their impact is assessed to the greatest extent possible, and they are managed through measures such as implementing preventive measures based on the nature of the risks.

[Risk Monitoring]

Risk conditions are monitored with appropriate frequency, given the conditions of internal environment (risk profiles, allocated capital usage status, etc.) and external environment (economy, markets, etc.) of the SuMi TRUST Group. Recommendations, guidance, and advice are given to the businesses of the SuMi TRUST Group based on the risk conditions. Monitoring contents are reported and submitted to the Board of Directors, the Executive Committee, and other bodies regularly or as needed.*

* 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 SuMi TRUST 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) ⇒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. ⇒Specifically, the status of top risk, etc., as well as items to be reported monthly are reported.

[Risk Control and Mitigation]

If any incidents that could have a significant impact on the soundness of management occur, such as the risk amounts exceeding the 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.

[Risk predictor management for top risks, etc.]

Risk appetite indicators are defined for risks resulting from internal factors, based on the features of the business model and risk characteristics of the SuMi TRUST Group, and these management indicators are monitored. Regarding risks resulting from external factors, the top risks are selected, and risk predictors are monitored. Countermeasures are implemented based on the monitoring results for both types of risks.

The top risks at present include "the global spread of COVID-19," "falling prices for strategic shareholdings, etc." "concentration of credit to large obligors in the credit portfolio," and "cyber attacks." Along with countermeasures, these risks are reported to the Board of Directors and the Executive Committee.

Emerging risks at present include "climate change," "innovation," and "Japan's declining birthrate and aging population." We are analyzing these risks and considering necessary countermeasures.

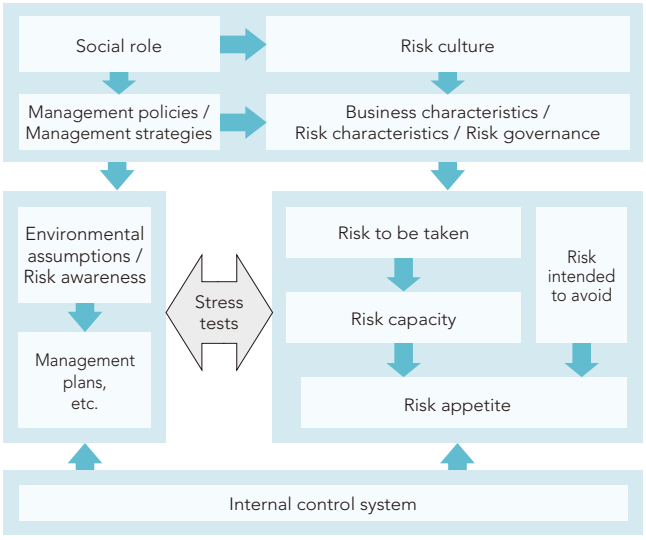
(5) Risk Appetite Framework

The SuMi TRUST Group defines the Risk Appetite Framework (RAF) as a company-wide framework for business management composed of a process for determining risk appetite* within the risk capacity range to complete management strategies designed by the Board of Directors based on the social roles and management principles of the SuMi TRUST Group, and internal control system for supporting them.

* Risk appetite: indicators of the category and level of risks SuMi TRUST GROUP should take or avoid within its risk capacity in order to implement management strategies designed by the management based on the social roles and management principles of the SuMi TRUST Group

The basic management strategies of the SuMi TRUST Group are to enhance its profitability and advance risk management. The SuMi TRUST Group aims to improve the transparency of the discussions and decision making processes regarding all kinds of risk-taking policies, including capital allocation and revenue maximization through the setting, conveyance and monitoring of risk appetite, and achieve the optimization and streamlining of allocation of management resources and the strengthening of the monitoring system, by using RAF as the common language within the SuMi TRUST Group.

• Outline of Risk Appetite Framework



The SuMi TRUST Group formulated the Risk Appetite Statement (RAS), which describes the entire framework of RAF and the details of risk appetite, etc. After thoroughly informing RAS among the staff of the Group, the SuMi TRUST Group utilizes RAS during discussions based on its management strategies and promotes the fostering and spread of sound risk culture. In addition, risk appetite-related indicators are monitored continuously, and the results of monitoring are reported to the Board of Directors and Executive Committee every six months.

(6) Fostering of Risk Culture

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

In order to improve its corporate value and stakeholder value, the SuMi TRUST Group takes risk based on risk appetite, strictly complies with applicable laws and regulations to establish solid credibility from clients and society, and takes a resolute stance against antisocial forces.

In order to foster and spread "risk culture," the SuMi TRUST Group formulates risk-taking policies by line of business to clarify its business strategies with the aim of building a sustainable business model while ensuring soundness through adequate risk-taking by all employees. At each office, the SuMi TRUST Group aims to foster the culture of recognizing the "importance of becoming familiar with risks" and "appropriate attitudes for challenging risks" and taking action.

In addition, the executives and employees of the SuMi TRUST Group follow the "Codes of Conduct regarding Risks" in order to support sustainable growth, while ensuring the soundness of management.

(7) Enterprise Risk Management

1) Enterprise Risk Management System

The SuMi TRUST Group manage risks by comprehensively grasping the risks faced by the Group, which are evaluated on an individual risk category basis, and comparing and contrasting them against our corporate strength (enterprise risk management).

Among the risks we manage through our enterprise risk management, we combine the risk values for risks that can be quantitatively measured using a single standard, such as VaR, and compare the combined value against our corporate strength (capital position), thereby managing risks (integrated risk management).

• Overview of Risk Measurement Approaches in Integrated Risk Management

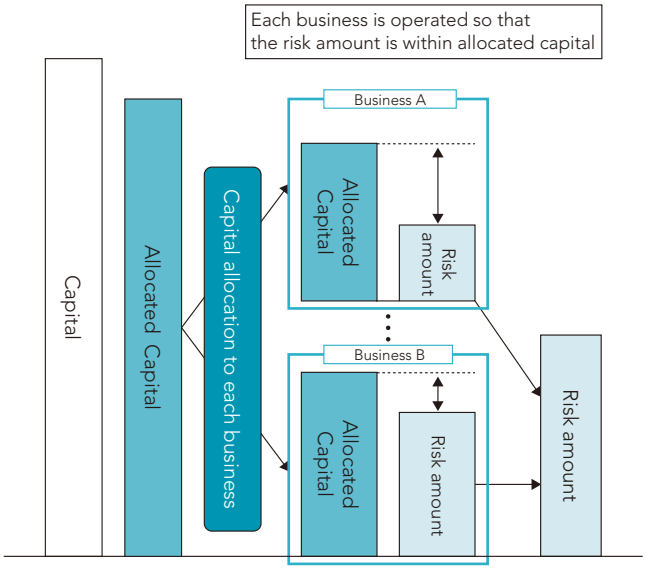
Risk category	Main scope	Main measurement approaches
Credit risk	Assets such as loans and bills discounted (including off-balance transactions)	Monte Carlo Simulation Method
Market risk	Risks related to trading accounts, banking accounts' interest rates, foreign exchange, stocks, commodities, and credit 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 capital allocation operations of the SuMi TRUST Group , SuMi TRUST Holdings allocates capital to each business, including the Group companies, based on 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 levels. 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 business is operated within both the allocated amount of risk capital and its risk appetite. The Risk Management Department measures the risk amount on a monthly basis, and reports regularly on the risk conditions, 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.

(8) 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 regulations, for improving the quality and amount of capital, strengthening risk identification, etc.

Under such circumstances, as part of the efforts to advance its risk management, the SuMi TRUST Group adopted the Advanced Measurement Approach to operational risks since the end of March 2014, and the 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, as part of the liquidity regulations, liquidity coverage ratio and leverage ratio have been added to the first pillar since the end of March 2015, and the end of March 2019, respectively, with which the SuMi TRUST Group has duly complied.

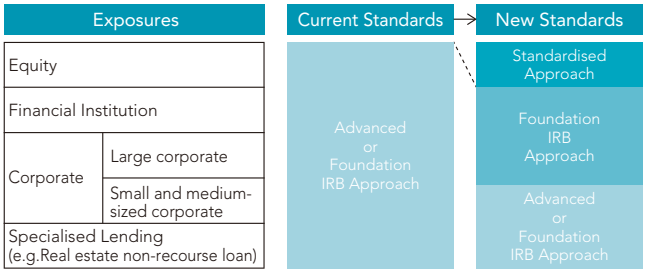
Moreover, in December 2015, the SuMi TRUST Group was designated as one of Domestic Systemically Important Banks (D-SIBs), which is the "domestic version" of Global Systemically Important Banks (G-SIBs) specified by the Financial Stability Board (FSB), and is subject to the 0.5% surcharge defined under 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.

In order to comply with this new regulation scheduled to be implemented at the end of March 2022, the SuMi TRUST Group will engage in the development of a risk management system geared to the launch of this new regulation, including the creation of the system for calculating risk assets in compliance with the new regulatory requirements and the preparation for establishing a portfolio management methodology based on adequate profitability control.

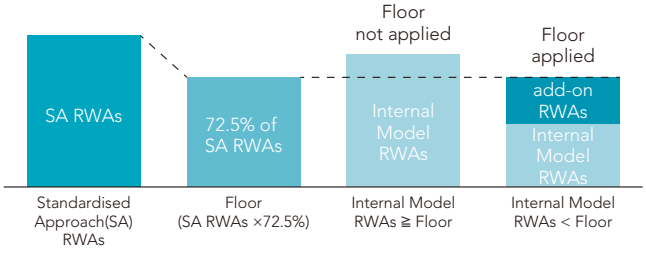
* The implementation has been postponed for one year from the original schedule to give priority to fighting the COVID-19 pandemic.

• 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.

(9) Crisis Management

The SuMi TRUST Group has developed systems to swiftly and appropriately implement emergency and crisis response

measures in the event of natural disasters, 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, and strives to disseminate information regarding these systems throughout the organization.

Specifically, we have developed BCPs (business continuity plans) for continuing business in the event of a crisis, after securing the safety of our clients, directors, officers, employees, and their families. In order to ensure the effectiveness of our BCPs, we periodically conduct exercises and revise their content. In addition, we have created a response system in which, in the event of a crisis, an emergency response headquarters is created, which is headed by the President.

For large-scale natural disasters such as earthquakes, which are envisioned as having a significant impact, we are enhancing our response system through the preparation of backup offices and backup systems.

We are also strengthening our security measures at the initiative of management to respond to cyber attacks, which are causing damage throughout society, through the formulation of the "Cyber Security Management Declaration." Specifically, the Group has established SuMiTRUST-CSIRT as an internal organization for gathering information, conducting analysis, implementing measures concerning cyber attacks, and allocating necessary staffing. The Group also works to continuously strengthen human resources and to enhance the management system through collaboration with external specialized agencies. In addition, we are endeavoring to strengthen our ability to respond to incidents through the creation and improvement of manuals, etc. for use in both normal times and emergencies, and periodic training and drills.

In responding to the coronavirus pandemic, our basic stance is to ensure the health and safety of employees and their families, ensure business continuity as a key piece of social infrastructure, and to prevent the spread of infection in society. We are striving to balance the maintenance of services with safety considerations by establishing an emergency response headquarters, activating our BCPs, and actively encouraging telework.

2. Credit Risk Management

(1) Definition of Credit Risk

Credit risk is defined as the "risk resulting in losses incurred by The Sumitomo Mitsui Trust Group (the "SuMi TRUST 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 Sumitomo Mitsui Trust Group (the "SuMi TRUST Group") in performing banking operations.

Major risk among the credit risks for the SuMi TRUST 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 SuMi TRUST 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 amount specific to industries, etc.

(3) Credit Risk Management Policy

The basic policy of the SuMi TRUST 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 SuMi TRUST 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

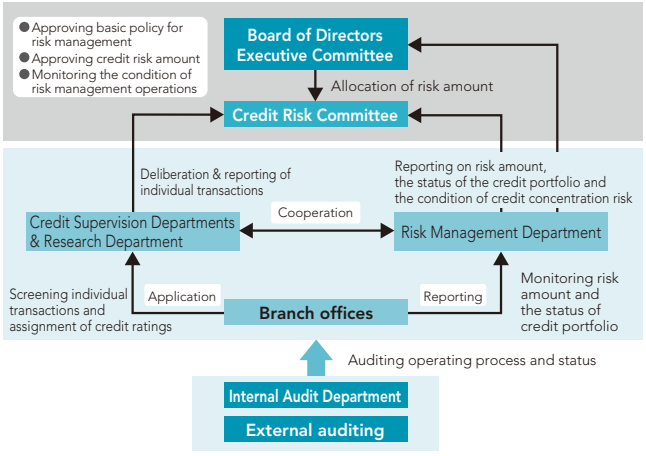
In addition to supervising credit risk management of the entire Group, Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") also works to maintain and establish the systems at each of the Group companies. Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank"), which is the SuMi TRUST Group's 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 SuMi TRUST 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 SuMi TRUST 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 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 131 "(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" following below, they are aggregated according to the obligor categorizations through asset assessment.

Incidentally, the delinquent loans that are overdue for or over three months are almost always classified as "Doubtful Claims" or lower based on the Financial Revitalization Act. However, those with little concern for a long-term delinquency may not occasionally be classified as above "Doubtful Claims" or lower up to roughly six months overdue.

• 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="6">Sound Obligor</td><td rowspan="6">Obligor that is operationally and financially sound</td><td rowspan="6">Class I (unclassified)</td><td rowspan="6">Assets with no risk of collection or no risk of impairment of the asset value</td><td rowspan="8">Normal Claims</td><td rowspan="8"></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 deteriarated, 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
• Obligor with delinquency on obligations (payment of principal or interest)
• Obligor with operational or financial problems</td><td rowspan="2">Class II</td><td rowspan="2">Assets with higher-than-acceptable level of risk of collection</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 and/or Restructured debt</td><td>Obligor with debt past due three or more months and / or restructured debt</td><td>Substandard Claims</td><td>Restructured Loans / Loans Past Due Three Months or More</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 imparement or loss, whose rational estimate of loss amount is difficult</td><td>Doubtful Claims</td><td rowspan="2">Delinquent Loans</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></tr>
<tr><td>Bankrupt / Insolvent Obligor</td><td>Obligor entering corporate reorganization, liquidation or other satutory procedures</td><td>Loans in Bankruptcy Procedures</td></tr>
</table>

* As for obligor ratings and structured ratings, we subdivide them further as necessary (e.g. 5+, 5, 5-, etc.).

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.

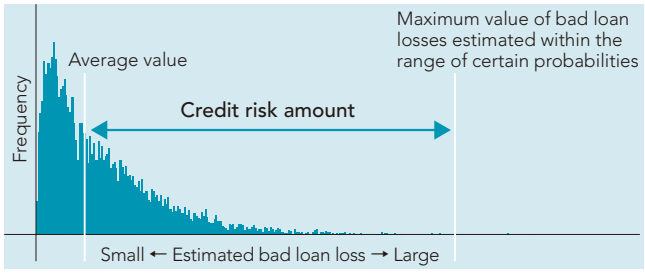
Based on our various client management systems, we micro-manage the credit conditions, credit balance, trading conditions, etc., of each clients.

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" on the right).

• 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 SuMi TRUST 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.

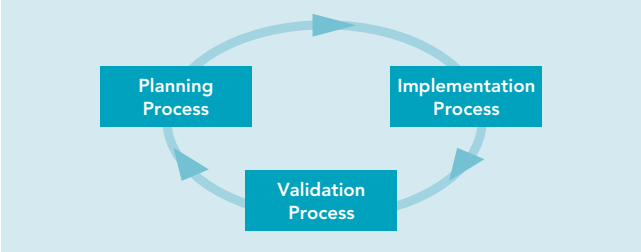
The credit rating system is broadly classified into the Japanese rating system (Japanese credit rating) and the Non-Japanese rating system (Non-Japanese credit rating), and each system comprises obligor ratings that reflect the PD of ordinary corporations; structured ratings that show the potentiality 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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. Sumitomo Mitsui Trust Bank, Limited
Foundation Internal Ratings-Based Approach (FIRB)	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. 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 • Assets which are sublect to AIRB • Assets which are not sublect 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 SuMi TRUST 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 the 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 SuMi TRUST 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 2020, 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 SuMi TRUST 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."

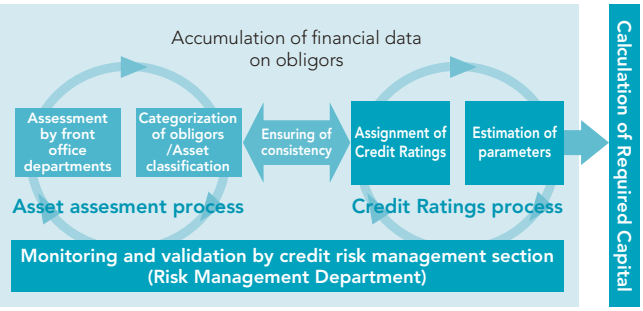
[Second Step] Estimation of Parameters

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 SuMi TRUST 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 SuMi TRUST Group applies to each asset class are shown on page 216.

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 217.

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: • for Sound Obligor: 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. • for Sub-Performing Obligor or lower: 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 217

• 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	—	34%	34%	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	6%	6%	Supervisory Formula	Structured Ratings, Facility Ratings
			Real estate non-recourse loans (with high volatility) and other loans not stated above	0%	0%	Supervisory Slotting Criteria Approach	
		Sovereign Exposures	—	29%	29%	Supervisory Formula	Obligor Ratings, Facility Ratings
		Financial Institution Exposures	—	2%	2%	Supervisory Formula	Obligor Ratings, Facility Ratings
	Retail Exposures		Residential mortgage exposures	18%	18%	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 Japanese unlisted equities of obligors with credit exposures	1%	1%	Supervisory Formula	Obligor Ratings
			Japanese unlisted equities of obligors with no credit exposures Non-Japanese equities	0%	0%	Simple Risk-weight Method (Market-based Approach)	—
	Exposures relating to Funds		—	3%	3%	Look-through Approach	Obligor ratings, etc.
	Purchased Receivables		Regulatory formula for underlying assets	2%	2%	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 SuMi TRUST Group's core bank, SuMi TRUST Bank, is as follows.

	Outline of models	Applied asset class
Japanese obligor ratings	**[Rating model]** A model (developed in-house) that uses financial indicators as explanatory variables and a typical PD as explained variables is used. 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). **[PD estimation]** PD is estimated for each rating category.	• Corporate exposures • Equity exposures • Exposures relating to Funds • Purchased receivables
Non-Japanese obligor ratings	**[Rating model]** 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). **[PD estimation]** PD is estimated for each rating category.	• Corporate exposures • Equity exposures • Exposures relating to Funds • Purchased receivables
Credit pool classifications	**[Credit pool classifications]** 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. **[PD classification]** PD is estimated for each credit pool classification or estimation category where multiple credit pool classifications are aggregated.	• Retail exposures • 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) - An estimate of the probability that a borrower or transaction will be unable to meet its debt obligation in a particular period	[Estimation method] • 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. • 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 [Verification method] • 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] • PD is estimated for each credit pool classification or the estimation category where multiple credit pool classifications are aggregated. • 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 [Verification method] • The validity of the level of estimated values is verified by confirming the seasoning effect and carrying out backtestings.
LGD (Loss Given Default) - An estimate of the ratio of expected loss in case a borrower or transaction falls into default against the exposure at default	[Estimation method] • 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. • 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 [Verification method] • 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] • LGD is estimated for each credit pool classification or the estimation category where multiple credit pool classifications are aggregated. • 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 [Verification method] • 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) - 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] • CCF is not estimated, but estimate values are determined based on parameter set by regulatory authority.	[Estimation method] • EAD is estimated for each credit pool classification or the estimation category where multiple credit pool classifications are aggregated. • 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 [Verification method] • 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 Sumitomo Mitsui Trust Group (the "SuMi TRUST 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 SuMi TRUST 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

Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank"), the core bank of the SuMi TRUST 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 SuMi TRUST Group's market risks is losses due to drop of prices of strategic shareholdings, etc. As for strategic shareholdings by SuMi TRUST Bank, it strives to appropriately control risks with a basic policy of reducing outstanding balances and hedging.

(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 SuMi TRUST 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

Sumitomo Mitsui Trust Holdings, Inc. ("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.

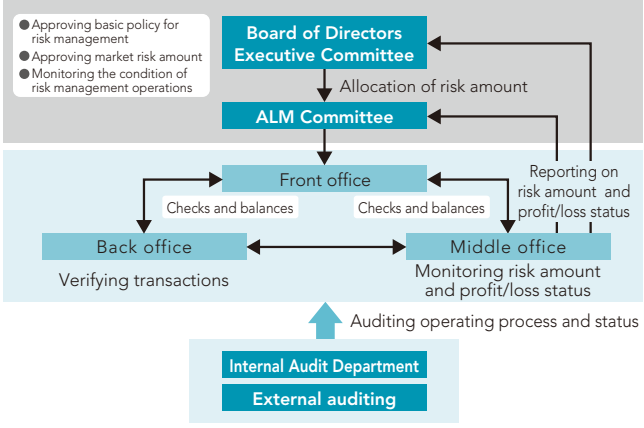
SuMi TRUST Bank develops the Asset Liability Management (ALM)* basic plan that covers comprehensive risk operation and management of assets and liabilities from the viewpoints of the entire company and a risk management plan concerning market risk and funding liquidity risk once in six months at the ALM Committee, 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 ALM Committee 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 ALM Committee 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 ALM Committee, 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 Banking: Convert VaR of holding period 10 days by square route T/10 times ALM related position: 63 days (3 months) Credit investment and strategic shareholdings: 260 days (1 year) 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
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 SuMi TRUST 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.

The ratio of ΔEVE to Tier 1 capital of SuMi TRUST Holdings and SuMi TRUST Bank is well below the regulated level of 15%, and the interest rate risk in the banking book is low. ΔEVE is maximized associated with "parallel up" as same as last year-end. Fluctuations of ΔEVE as well as its ratio to Tier 1 capital remains within a limited range.

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 ALM Committee, 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 ALM Committee.

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 0.7 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 the Sumitomo Mitsui Trust Group (the "SuMi TRUST Group") may incur losses resulting from inappropriate business processes, the activities of executives or employees and computer systems as well as from external events. The SuMi TRUST Group classifies operation risk into business processing risk, system risk, information security risk, legal and compliance risk, human resource risk, event risk and reputational risk for the purpose of risk management.

(2) Characteristics of Operational Risk

Major risks related to the SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST Group strives to diminish and mitigate risks through monitoring of

development status by related departments, such as risk management-related departments.

Moreover, we are exposed to the risks of being subjected to an administrative disposition including business suspension order or huge fine, or to a bad reputation resulting from ineffective anti-money laundering and terrorist financing measures. The SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST Group's operations, and products and services that the SuMi TRUST 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.

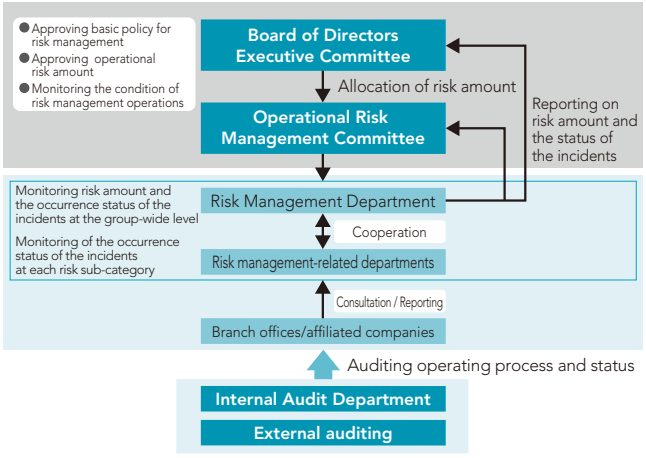
(4) Operational Risk Management System

The SuMi TRUST 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 Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank"), which is the core bank of the SuMi TRUST Group, policies related to the operational risk management system and other important matters, such as "the risk management plan (operational risk)," 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 Risk 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 SuMi TRUST Group's business, including outsourced business, are subject to operational risk management, which adequately identifies and assesses risk from both qualitative and quantitative perspectives. Meanwhile, preventative measures against risk materialization, as well as responses in the event of materialization, causal analysis and 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 employees and officers, 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 SuMi TRUST Group may incur losses due to inappropriate business procedures arising from executives or employees neglecting to engage in proper business activities, or other incidents such as accidents or fraud. Engaging in a broad range of businesses including banking, asset management, asset administration (including trust business) and real estate, the SuMi TRUST Group recognizes that business processing risk is something unavoidable in the course of business execution. The SuMi TRUST 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 IT & Business Process Planning Department, which is responsible for comprehensive management of business processing risk, comprehensively reviews inter-business issues concerning business processing risk and business process streamlining, and develops a system for ensuring the effectiveness of SuMi TRUST Bank's business processing risk management from a company-wide viewpoint. Meanwhile, we have established a department to oversee and provide guidance to business processing operations at each business, which reviews policies set out in each business and provides guidance and training on general business processing to the head office departments and the business offices. Furthermore, SuMi TRUST Bank developed a risk management plan that incorporated the goals for business processing risk management and it has implemented activities to mitigate business processing risk, including documentation of business processing, exhaustive checks for clerical errors and associated analysis, development of remedial measures and cautioning based on the macro analysis of clerical errors, outsourcing management, and self-inspection.

2) System Risk Management

System risk refers to the risk that the SuMi TRUST Group may incur losses due to such reasons as computer system failure, malfunctions and defects, as well as the risk that the SuMi TRUST Group may incur losses due to unauthorized use of computers. Since computer systems are vital for the SuMi TRUST 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 SuMi TRUST 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 & Business Process Planning Department, which is responsible for system risk management, strives to mitigate system risk, through measures to prevent system risk from materializing, adequate response and causal analysis of the risk when materialized, and development of measures 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 failure or disaster on the information system and to ensure early recovery and business continuity, we have in place a clarified communication and response system, manuals describing alternate measures and recovery procedures, along with the implementation of education and training on operations.

3) Information Security Risk Management

Information security risk refers to the risk that the SuMi TRUST 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 SuMi TRUST Group adequately maintains and manages all information assets under its care.

In SuMi TRUST Bank, the IT & Business Process Planning Department, which is responsible for information security risk management, is committed to developing and enhancing an information security risk management system.

SuMi TRUST Bank places degrees of importance on all information assets under its care according to the 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 impor-

tance, 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 employees and officers 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). Furthermore, with regard to risks (conduct risk) that the SuMi TRUST Group may incur losses due to a variety of trouble and complaints arising in the course of business execution because products and services that the SuMi TRUST Group provides do not match clients' true profit and expectations, and risks attributed to any acts that have adverse influence and go against the SuMi TRUST Group's expected obligations to ensure soundness of the financial market and valid competitive environments, we are forging ahead with the establishment of a system for preventing such risks and dealing properly with them when they materialize.

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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 nine 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 SuMi TRUST Group
External loss data	Information on operational risk losses collected from the outside of the SuMi TRUST Group
Business environment and internal control status	An element affecting operational risk and relating to the business environment and internal control status of the SuMi TRUST 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 SuMi TRUST 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.

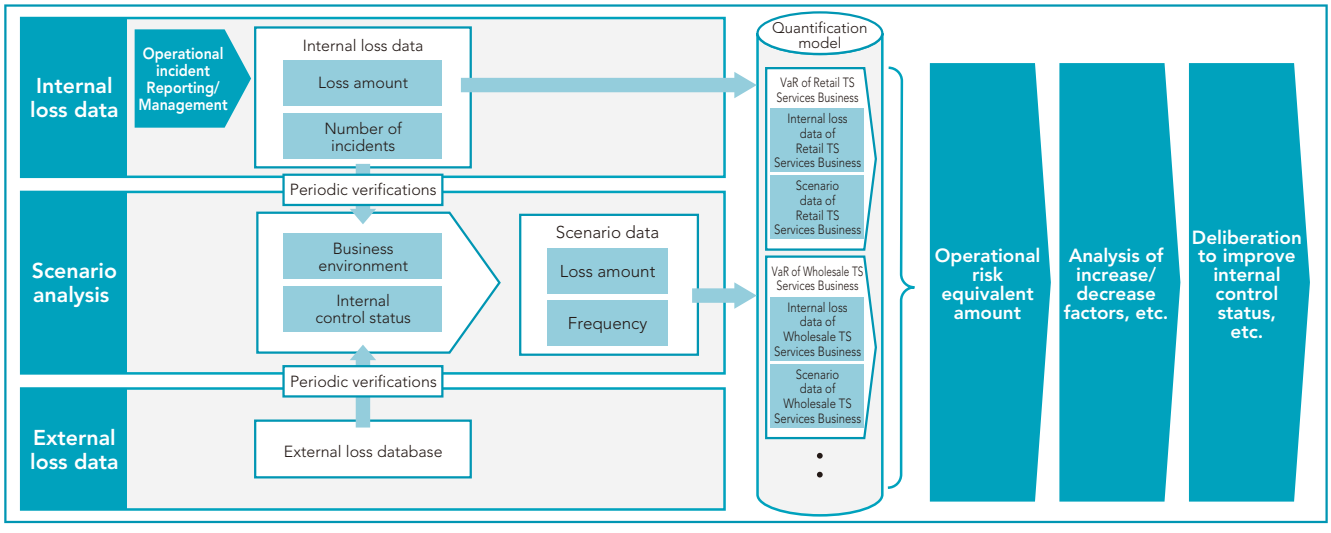
C. Measurement Model for Operational Risk Amount

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.

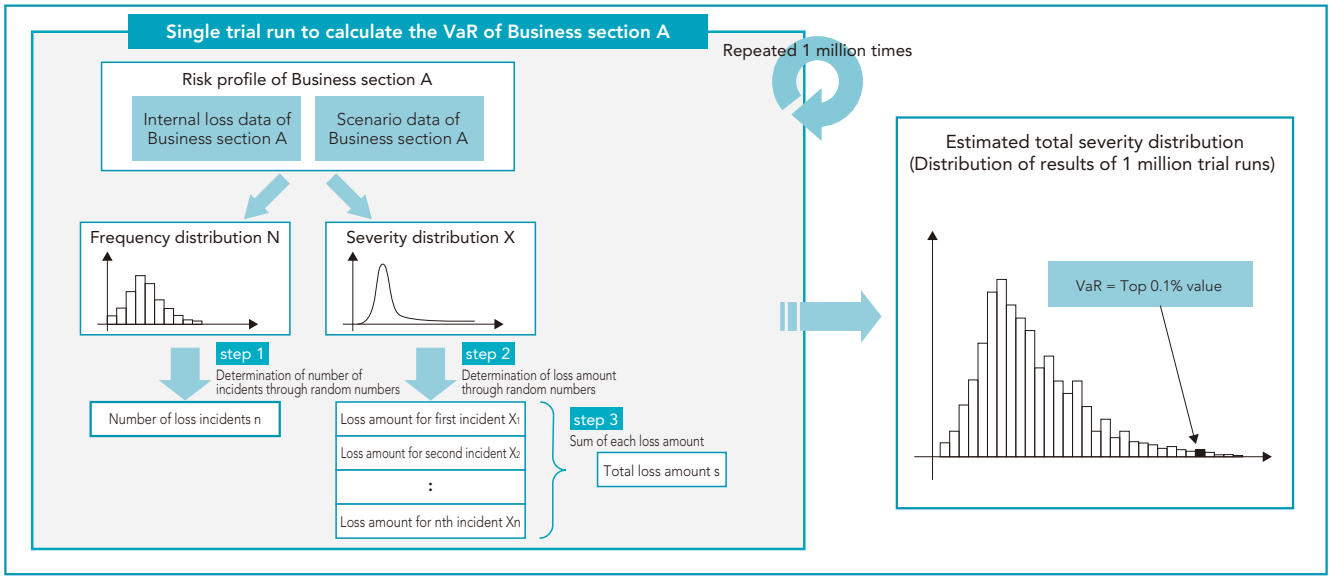
The Poisson distribution has been applied to the frequency distribution, and our own distribution method has been applied to severity distribution in order to grasp the amount of tail risk.

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 SuMi TRUST 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 SuMi TRUST Group places emphasis on substantial effectiveness of guarantees by confirming the guarantor's capacity and intention of guarantee. The guarantees that the SuMi TRUST 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 calcula-

tion of credit risk-weighted assets in a limited manner. The SuMi TRUST 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 • 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. • 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) • 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) • Any special agreement that restricts exercise of security rights has not been concluded. • 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) • Any special agreement that restricts exercise of security rights has not been concluded.

* In the fiscal year ended March 2020, 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 SuMi TRUST Group, although guarantees on obligors are offered by their respective parent companies in many cases, this is not always significantly inclined for specific guarantors. Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank"), which is the core bank of the SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST Group's overall exposure is currently low, and we have recognized that the impact is limited.

3) Compliance with Capital Regulatory Standards

The SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST Group manages resecuritised products in the same manner.

B. Originator

The SuMi TRUST Group will consider using securitisation transactions, which are originated by the SuMi TRUST 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 SuMi TRUST Group bears after implementation of securitisation. As a general rule, while the securitised products originated by the SuMi TRUST Group have been held by investors outside the consolidated holding company group, part of the products have been owned by SBI Sumishin Net Bank, Ltd., one of the SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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	Not 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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 SuMi TRUST 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.

The purpose of strategic shareholdings is to obtain earnings incidental to long-term transaction relationships while taking into consideration the corporate governance code and other factors. 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, as for strategic shareholdings, while making continuing effort to reduce the balance, we are flexibly conducting hedging operations with the aim of lessening the risk of price fluctuation of the stocks that we have held.

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 the estimated holding period (a time horizon) set as one year and the 99% one-sided confidence interval for each side in a similar way to other market risk of the banking accounts such as interest rate risk. 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 2020, with regard to the securities stated in the SuMi TRUST Group's consolidated financial statements, equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are valued using the "moving-average cost," and securities classified as available-for-sale securities are in principle valued using the "fair value based on the market price, etc., on the consolidated balance sheet date (cost of securities sold is calculated using primarily the moving-average method)." However, "available-for-sale securities" for which their fair values are extremely difficult to be determined are carried at cost using the moving-average method. Valuation differences on "available-for-sale securities" are recorded as a separate component of net assets and reported in the consolidated balance sheets.

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		Millions of Yen, %				
Basel III Template No.		a	b	c	d	e
		March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	¥ 2,404,831	¥ 2,468,174	¥ 2,452,519	¥ 2,423,767	¥ 2,412,110
2	Tier 1	2,758,167	2,820,867	2,805,439	2,817,576	2,806,512
3	Total capital	3,283,105	3,341,856	3,328,099	3,351,100	3,320,139
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	19,053,967	19,770,298	19,010,206	19,336,412	19,790,115
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio	12.62%	12.48%	12.90%	12.53%	12.18%
6	Tier 1 ratio	14.47%	14.26%	14.75%	14.57%	14.18%
7	Total capital ratio	17.23%	16.90%	17.50%	17.33%	16.77%
	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	0.00%	0.02%	0.02%	0.03%	0.03%
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	3.00%	3.02%	3.02%	3.03%	3.03%
12	CET1 available after meeting the bank's minimum capital requirements	8.12%	7.98%	8.40%	8.03%	7.68%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	59,325,377	58,132,689	60,114,680	59,077,414	60,009,211
14	Basel III leverage ratio	4.64%	4.85%	4.66%	4.76%	4.67%

KM1		Millions of Yen, %				
Basel III Template No.		Fiscal Year 2019 4th Quarter	Fiscal Year 2019 3rd Quarter	Fiscal Year 2019 2nd Quarter	Fiscal Year 2019 1st Quarter	Fiscal Year 2018 4th Quarter
	Liquidty Coverage Ratio (LCR)					
15	Total HQLA allowed to be included in the calculation	¥ 14,412,361	¥ 15,227,585	¥ 15,446,412	¥ 15,297,151	¥ 15,231,564
16	Net cash outflows	11,150,192	11,856,662	11,469,926	12,470,590	11,951,199
17	Consolidated LCR	129.2%	128.4%	134.6%	122.6%	127.4%

Note: Month-end data used for some items instead of daily data to calculate figures prior to 2Q FY2019.

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 2020, 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 the "SuMi TRUST Holdings Group") and the companies included in the scope of accounting consolidation.

(2) The number of consolidated subsidiaries that belong to the SuMi TRUST Holdings Group is 62. 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 the SuMi TRUST Holdings Group.

(5) Of the subsidiaries which are banking, financial and insurance entities that are outside the scope of regulatory consolidation, none failed to meet the regulatory required capital.

Composition of Capital (Consolidated BIS capital adequacy ratio) Consolidated

CC1: Composition of Capital

CC1 As of March 31		Millions of Yen, %		
		a	b	c
Basel III Template No.	Items	2020	2019	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	**¥ 2,306,255**	¥ 2,214,587	
1a	of Which: Capital Stock and Capital Surplus	**842,204**	906,612	
2	of Which: Retained Earnings	**1,495,029**	1,387,592	
1c	of Which: Treasury Stock (Deduction)	**2,855**	51,222	
26	of Which: Earnings to be Distributed (Deduction)	**28,122**	28,394	
	of Which: Others	**—**	—	
1b	Subscription Rights to Common Shares	**1,057**	1,062	
3	Accumulated Other Comprehensive Income	**220,889**	410,478	(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)	**2,528,201**	2,626,128	
	Common Equity Tier 1 Capital: Regulatory Adjustments			
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	**107,352**	130,507	
8	of Which: Goodwill (Including Those Equivalent)	**48,532**	66,377	
9	of Which: Other Intangible Assets	**58,820**	64,129	
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	**435**	11,969	
11	Deferred Gains or Losses on Derivatives under Hedge Accounting	**(45,964)**	(31,751)	
12	Shortfall of Eligible Provisions to Expected Losses	**—**	5,606	
13	Securitisation Gain on Sale	**1,122**	1,307	
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	**—**	—	
15	Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	**60,414**	96,379	
16	Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	**8**	1	
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)	**123,370**	214,018	
	Common Equity Tier 1 Capital (CETI)			
29	Common Equity Tier 1 Capital (C) = (A)–(B)	**¥ 2,404,831**	¥ 2,412,110	

CC1 As of March 31 Basel III Template No.		Items		Millions of Yen, % a 2020	 b 2019	 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		**340,000**	340,000	
		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)		**13,336**	13,402	
33+35		Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital		—	41,000	
33		of Which: Directly Issued and Issued by Special Purpose Vehicles		—	41,000	
35		of Which: Issued by Subsidiaries		—	—	
36		Additional Tier 1 Capital: Instruments	(D)	**353,336**	394,402	
		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		—	—	
42		Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions		—	—	
43		Additional Tier 1 Capital: Regulatory Adjustments	(E)	—	—	
		Additional Tier 1 Capital (AT1)				
44		Additional Tier 1 Capital	(F) = (D) – (E)	**353,336**	394,402	
		Tier 1 Capital (T1 = CET1 + AT1)				
45		Tier 1 Capital	(G) = (C) + (F)	**2,758,167**	2,806,512	
		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		**306,584**	270,000	
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)		**2,432**	2,936	
47+49		Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2 Capital		**171,581**	239,264	
47		of Which: Directly Issued and Issued by Special Purpose Vehicles		—	—	
49		of Which: Issued by Subsidiaries		**171,581**	239,264	
50		Provisions Allowed in Group Tier 2		**45,878**	2,965	
50a		of Which: General Allowance for Credit Losses		**3,100**	2,965	
50b		of Which: Excess Amount of Eligible Provisions to Expected Losses		**42,778**	—	
51		Tier 2 Capital: Instruments and Provisions	(H)	¥ **526,478**	¥ 515,167	

CC1

As of March 31

Basel III Template No.	Items		Millions of Yen, % a 2020	b 2019	c 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)	**524,938**	513,627	
	Total Capital (TC = T1 + T2)				
59	Total Capital	(K) = (G) + (J)	**3,283,105**	3,320,139	
	Total Risk Weighted Assets				
60	Total Risk Weighted Assets	(L)	**19,053,967**	19,790,115	
	Capital Ratios and Buffers (Consolidated)				
61	Common Equity Tier 1 Capital Ratio	(C)/(L)	**12.62%**	12.18%	
62	Tier 1 Capital Ratio	(G)/(L)	**14.47%**	14.18%	
63	Total Capital Ratio	(K)/(L)	**17.23%**	16.77%	
64	Total of bank CET1 specific buffer requirements		**3.00%**	3.03%	
65	of Which: Capital conservation buffer requirement		**2.50%**	2.50%	
66	of Which: Countercyclical buffer requirement		**0.00%**	0.03%	
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		**8.12%**	7.68%	
	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)		**114,974**	133,167	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		**152,917**	148,502	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)		—	—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)		**13,478**	—	
	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)		**3,100**	2,965	
77	Cap on Inclusion of Provisions in Tier 2 under Standardised Approach		**9,498**	9,187	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)		**42,778**	—	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach		**91,832**	98,714	
	Capital Instruments Subject to Phase out Arrangements				
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		**109,000**	163,500	
83	Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)		—	—	
84	Current Cap on Tier 2 Instruments Subject to Phase out Arrangements		**171,581**	257,372	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)		¥ **17,609**	¥ —	

Note: SuMi TRUST Holdings received a certain procedure by KPMG AZSA LLC of the calculation of the consolidated BIS capital adequacy ratio in line 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, August 27, 2019).
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/en/ir/basel/index.html).

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Consolidated

Fiscal Year 2019

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	¥ 13,141,192		
Call Loans and Bills Bought	71,236		
Receivables under Resale Agreements	1,220,761		
Receivables under Securities Borrowing Transactions	740,658		
Monetary Claims Bought	999,705		
Trading Assets	507,646		
Money Held in Trust	7,230		
Securities	6,437,599		3–b, 7–a
Loans and Bills Discounted	29,703,375		7–b
Foreign Exchanges	36,952		
Lease Receivables and Investment Assets	673,880		
Other Assets	2,124,043		7–c
Tangible Fixed Assets	213,547		
Intangible Fixed Assets	129,455		3–a
Assets for Retirement Benefits	87,096		4
Deferred Tax Assets	14,564		5–a
Customers' Liabilities for Acceptances and Guarantees	518,811		
Allowance for Loan Losses	(127,205)		
Total Assets	¥ 56,500,552		

CC2 Items	a Consolidated Balance Sheet (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Liabilities)			
Deposits	¥ 30,688,920		
Negotiable Certificates of Deposit	5,860,292		
Call Money and Bills Sold	142,974		
Payables under Repurchase Agreements	1,558,919		
Payables under Securities Lending Transactions	—		
Trading Liabilities	371,950		
Borrowed Money	5,856,384		9–a
Foreign Exchanges	3,213		
Short-term Bonds Payable	1,707,097		
Bonds Payable	1,125,731		9–b
Borrowed Money from Trust Account	4,750,289		
Other Liabilities	1,215,433		7–d
Provision for Bonuses	18,619		
Provision for Directors' Bonuses	172		
Provision for Stocks Payment	279		
Liabilities for Retirement Benefits	14,044		
Provision for Reward Points Program	16,889		
Provision for Reimbursement of Deposits	4,867		
Provision for Contingent Losses	1,440		
Deferred Tax Liabilities	50,875		5–b
Deferred Tax Liabilities for Land Revaluation	2,439		5–c
Acceptances and Guarantees	518,811		
Total Liabilities	53,909,645		
(Net Assets)			
Capital Stock	261,608		1–a
Capital Surplus	580,595		1–b
Retained Earnings	1,495,029		1–c
Treasury Stock	(2,855)		1–d
Total Shareholders' Equity	2,334,377		
Valuation Differences on Available-for-Sale Securities	351,459		
Deferred Gains (Losses) on Hedges	(56,765)		6
Revaluation Reserve for Land	(6,623)		
Foreign Currency Translation Adjustments	1,332		
Adjustments for Retirement Benefits	(68,513)		
Total Accumulated Other Comprehensive Income	220,889	(a)	
Subscription Rights to Shares	1,057		2
Non-controlling Interests	34,583		8
Total Net Assets	2,590,907		
Total Liabilities and Net Assets	¥ 56,500,552		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" exclude items for regulatory purpose under transitional arrangement.

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	580,595		1–b
Retained Earnings	1,495,029		1–c
Treasury Stock	(2,855)		1–d
Total Shareholders' Equity	¥ 2,334,377		

(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	¥ 2,334,377	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	842,204		1a
of Which: Retained Earnings	1,495,029		2
of Which: Treasury Stock (Deduction)	2,855		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	¥ 1,057		2
of Which: Subscription Rights to Shares Issued by the Bank Holding Company	1,057		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Subscription Rights to Common Shares	¥ 1,057		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	¥ 129,455		3–a
Securities	6,437,599		3–b
of Which: Goodwill Arising on the Application of the Equity Method	3,445		
Associated Deferred Tax Liabilities	25,547		

(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)	¥ 48,532		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	58,820	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	¥ 87,096		4
Associated Deferred Tax Liabilities	26,681		

(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)	¥ 60,414		15

5. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 14,564		5–a
Deferred Tax Liabilities	50,875		5–b
Deferred Tax Liabilities for Land Revaluation	2,439		5–c
Associated Intangible Fixed Assets	25,547		
Associated Assets for Retirement Benefits	26,681		

(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)	¥ 435	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)	13,478	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)	13,478		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	¥ (56,765)		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	¥ (45,964)	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	¥ 6,437,599		7–a
Loans and Bills Discounted	29,703,375	Including Subordinated Debts	7–b
Other Assets	2,124,043	Including derivatives	7–c
Other Liabilities	¥ 1,215,433	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	¥ 8		
Common Equity Tier 1 Capital	8		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	114,974		
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)	114,974		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	154,457		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital and Other TLAC Liabilities	1,540		55
Amount below the Thresholds for Deduction (before risk weighting)	152,917		73

8. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 34,583		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)	13,336	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)	2,432	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	¥ 5,856,384		9–a
Bonds Payable	1,125,731		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	¥ 340,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	306,584		46

Fiscal Year 2018

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	¥ 16,045,864		
Call Loans and Bills Bought	50,124		
Receivables under Resale Agreements	158,734		
Receivables under Securities Borrowing Transactions	759,812		
Monetary Claims Bought	1,082,650		
Trading Assets	454,978		
Money Held in Trust	1,393		
Securities	5,759,504		3–b, 7–a
Loans and Bills Discounted	29,025,720		7–b
Foreign Exchanges	36,936		
Lease Receivables and Investment Assets	653,447		
Other Assets	2,023,664		7–c
Tangible Fixed Assets	211,312		
Intangible Fixed Assets	151,429		3–a
Assets for Retirement Benefits	138,931		4
Deferred Tax Assets	17,372		5–a
Customers' Liabilities for Acceptances and Guarantees	557,007		
Allowance for Loan Losses	(99,770)		
Total Assets	¥ 57,029,113		

CC2 Items	a Consolidated Balance Sheet (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Liabilities)			
Deposits	¥ 31,903,572		
Negotiable Certificates of Deposit	6,328,622		
Call Money and Bills Sold	72,793		
Payables under Repurchase Agreements	1,603,191		
Payables under Securities Lending Transactions	104,767		
Trading Liabilities	258,771		
Borrowed Money	4,023,801		9–a
Foreign Exchanges	457		
Short-term Bonds Payable	1,472,786		
Bonds Payable	1,378,328		9–b
Borrowed Money from Trust Account	5,408,009		
Other Liabilities	994,424		7–d
Provision for Bonuses	17,542		
Provision for Directors' Bonuses	343		
Liabilities for Retirement Benefits	14,008		
Provision for Reward Points Program	18,282		
Provision for Reimbursement of Deposits	5,250		
Provision for Contingent Losses	3,465		
Deferred Tax Liabilities	130,479		5–b
Deferred Tax Liabilities for Land Revaluation	2,847		5–c
Acceptances and Guarantees	557,007		
Total Liabilities	54,298,756		
(Net Assets)			
Capital Stock	261,608		1–a
Capital Surplus	645,003		1–b
Retained Earnings	1,387,592		1–c
Treasury Stock	(51,222)		1–d
Total Shareholders' Equity	2,242,982		
Valuation Difference on Available-for-Sale Securities	467,448		
Deferred Gains or Losses on Hedges	(36,764)		6
Revaluation Reserve for Land	(5,698)		
Foreign Currency Translation Adjustment	4,702		
Adjustments for Retirement Benefits	(19,209)		
Total Accumulated Other Comprehensive Income	410,478	(a)	
Subscription Rights to Shares	1,062		2
Non-controlling Interests	75,832		8
Total Net Assets	2,730,356		
Total Liabilities and Net Assets	¥ 57,029,113		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of Capital" exclude items for regulatory purpose under transitional arrangement.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 261,608		1–a
Capital Surplus	645,003		1–b
Retained Earnings	1,387,592		1–c
Treasury Stock	(51,222)		1–d
Total Shareholders' Equity	¥ 2,242,982		

(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	¥ 2,242,982	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	906,612		1a
of Which: Retained Earnings	1,387,592		2
of Which: Treasury Stock (Deduction)	51,222		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	¥ 1,062		2
of Which: Subscription Rights to Shares Issued by the Bank Holding Company	1,062		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Subscription Rights to Common Shares	¥ 1,062		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	¥ 151,429		3–a
Securities	5,759,504		3–b
of Which: Goodwill Arising on the Application of the Equity Method	6,285		
Associated Deferred Tax Liabilities	¥ 27,206		

(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)	¥ 66,377		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	64,129	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	¥ 138,931		4
Associated Deferred Tax Liabilities	42,551		

(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)	¥ 96,379		15

5. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 17,372		5–a
Deferred Tax Liabilities	130,479		5–b
Deferred Tax Liabilities for Land Revaluation	2,847		5–c
Associated Intangible Fixed Assets	27,206		
Associated Assets for Retirement Benefits	42,551		

(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)	¥ 11,969	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

6. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (36,764)		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	¥ (31,751)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

7. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 5,759,504		7–a
Loans and Bills Discounted	29,025,720	Including subordinated Debts	7–b
Other Assets	2,023,664	Including derivatives	7–c
Other Liabilities	¥ 994,424	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 Instruments	¥ 1		
Common Equity Tier 1 Capital	1		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	133,167		
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)	133,167		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	150,042		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital and Other TLAC Liabilities	1,540		55
Amount below the Thresholds for Deduction (before Risk Weighting)	148,502		73

8. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 75,832		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)	¥ —	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	13,402	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	2,936	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	48–49

9. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 4,023,801		9–a
Bonds Payable	1,378,328		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	¥ 340,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	270,000		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	2020 Total	2020 Term-end balance of exposures: Loans, Call Loans, Deposits, etc.	2020 Term-end balance of exposures: Securities	2020 Term-end balance of exposures: Other Off-balance Sheet Transactions	2019 Total	2019 Term-end balance of exposures: Loans, Call Loans, Deposits, etc.	2019 Term-end balance of exposures: Securities	2019 Term-end balance of exposures: Other Off-balance Sheet Transactions
Japan	¥ 45,280,055	¥ 39,116,928	¥ 2,861,269	¥ 3,301,857	¥ 46,831,410	¥ 41,567,976	¥ 1,862,877	¥ 3,400,556
Outside Japan	6,345,338	4,967,535	950,920	426,881	6,610,177	4,972,149	1,066,216	571,811
Total for Geographic Regions	¥ 51,625,393	¥ 44,084,464	¥ 3,812,190	¥ 3,728,738	¥ 53,441,588	¥ 46,540,126	¥ 2,929,093	¥ 3,972,368
Manufacturing	4,375,010	2,965,142	244,922	1,164,944	4,359,502	3,000,435	288,313	1,070,753
Agriculture and Forestry	5,530	5,528	2	—	5,583	5,573	10	—
Fisheries	32	0	31	—	31	1	29	—
Mining and Quarrying of Stones and Gravel	63,134	60,582	70	2,480	104,752	26,857	74	77,820
Construction	277,625	201,530	14,006	62,088	224,906	140,712	17,049	67,144
Electricity, Gas, Heat Supply and Water	1,435,848	1,177,202	9,131	249,513	1,398,339	1,163,403	11,339	223,596
Information and Communication	547,495	521,944	4,017	21,532	522,404	464,731	4,071	53,600
Transport and Postal Activities	1,433,447	1,198,672	108,438	126,336	1,475,192	1,220,131	121,656	133,404
Wholesale and Retail Trade	1,898,634	1,550,306	64,691	283,636	1,921,158	1,546,038	64,899	310,220
Finance and Insurance	2,073,351	1,464,303	392,559	216,488	2,014,941	1,444,242	368,676	202,023
Real Estate	4,135,291	3,476,468	386,885	271,938	4,074,192	3,409,830	383,251	281,110
Goods Rental and Leasing	1,229,180	1,094,906	3,709	130,563	1,116,829	1,009,615	4,421	102,792
Local Public Bodies	151,352	128,500	14,785	8,065	123,753	108,871	8,764	6,117
Individuals	11,135,706	10,796,943	—	338,762	10,980,124	10,658,486	—	321,638
Others	22,863,753	19,442,429	2,568,937	852,387	25,119,875	22,341,193	1,656,535	1,122,146
Total for Industry Sectors	¥ 51,625,393	¥ 44,084,464	¥ 3,812,190	¥ 3,728,738	¥ 53,441,588	¥ 46,540,126	¥ 2,929,093	¥ 3,972,368
To 1 year	19,847,455	17,466,862	1,215,100	1,165,492	22,659,299	20,811,518	661,255	1,186,525
> 1 year to 3 years	6,044,163	4,270,761	619,462	1,153,939	5,630,919	4,098,004	325,579	1,207,335
> 3 years to 5 years	6,776,432	5,644,114	694,596	437,722	6,222,598	5,201,374	479,099	542,125
> 5 years	18,957,342	16,702,726	1,283,031	971,584	18,928,770	16,429,228	1,463,159	1,036,382
Total for Residual Maturity	¥ 51,625,393	¥ 44,084,464	¥ 3,812,190	¥ 3,728,738	¥ 53,441,588	¥ 46,540,126	¥ 2,929,093	¥ 3,972,368

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, 2020		FY2019	As of March 31, 2019		FY2018
	Term-end balance of exposures	Allowances for loan losses	Write-offs	Term-end balance of exposures	Allowances for loan losses	Write-offs
Japan	¥ 96,440	¥ 25,119	¥ 14,650	¥ 95,384	¥ 25,381	¥ 4,144
Outside Japan	30,897	7,569	4	20,693	6,771	—
Total for Geographic Regions	¥ 127,337	¥ 32,689	¥ 14,654	¥ 116,077	¥ 32,153	¥ 4,144
Manufacturing	11,943	4,320	9,652	17,910	12,474	201
Agriculture and Forestry	284	160	0	283	110	6
Fisheries	11	11	—	—	—	1
Mining and Quarrying of Stones and Gravel	1,350	77	79	1,341	34	1,019
Construction	958	751	61	308	108	80
Electricity, Gas, Heat Supply and Water	3,741	2,590	1	4,053	2,791	—
Information and Communication	107	96	14	68	5	34
Transport and Postal Activities	1,694	659	22	2,555	642	31
Wholesale and Retail Trade	9,076	6,146	1,443	7,739	4,786	139
Finance and Insurance	234	171	7	292	180	15
Real Estate	13,841	760	20	11,833	300	23
Goods Rental and Leasing	3,369	2,918	5	875	0	44
Local Public Bodies	—	—	—	—	—	—
Individuals	45,765	4,652	3,123	46,617	3,720	2,195
Others	34,958	9,371	221	22,196	6,997	352
Total for Industry Sectors	¥ 127,337	¥ 32,689	¥ 14,654	¥ 116,077	¥ 32,153	¥ 4,144

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	2020	2019
< 1 month	¥ 65,387	¥ 73,399
≥ 1 month to < 2 months	12,095	15,287
≥ 2 months to < 3 months	11,023	11,035
≥ 3 months	3,341	—
Total	¥ 91,848	¥ 99,722

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 caluculation.

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	2020	2019
Amounts of Increased Allowances for Such Exposures Due to the Restructuring of the Loan Conditions	¥ 50,311	¥ 26,269
Other Amounts	—	—
Term-end Balance of Exposures	¥ 50,311	¥ 26,269

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	2020	2019
Total exposures relating to funds	¥ 1,507,471	¥ 1,674,750
Look-through Approach	1,279,862	1,469,553
Mandate-based Approach	227,517	205,083
Probability Approach (subject to 250% risk weight)	—	—
Probability Approach (subject to 400% risk weight)	—	—
Fall-Back Approach (subject to 1,250% risk weight)	91	113

Note: Exposures subject to the calculation of credit risk-weighted assets under the provisions of Article 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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
1	Credit risk (excluding counterparty credit risk)	**¥ 12,172,577**	¥ 13,253,676	**¥ 1,028,035**	¥ 1,119,884
2	of Which: Standardised Approach (SA)	**291,431**	293,959	**23,314**	23,516
3	of Which: Internal Ratings-Based (IRB) Approach	**11,297,792**	12,414,652	**958,052**	1,052,762
	of Which: Significant investments in commercial entities	—	—	—	—
	of Which: Lease residual value	**59,850**	30,191	**4,788**	2,415
	Other assets	**523,503**	514,873	**41,880**	41,189
4	Counterparty credit risk (CCR)	**1,202,212**	905,537	**98,141**	73,869
5	of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR)	—	—	—	—
	of Which: Current Exposure Method (CEM)	**393,082**	280,935	**33,317**	23,806
6	of Which: Expected Positive Exposure (EPE)	—	—	—	—
	of Which: Credit Valuation Adjsutment (CVA)	**663,147**	496,123	**53,051**	39,689
	of Which: Central Counterparty (CCP)	**49,867**	41,617	**3,989**	3,329
	Others	**96,113**	86,860	**7,782**	7,043
7	Equity positions in banking book under market-based approach	**221,843**	175,521	**18,812**	14,884
8	Equity investment in funds (Look-Through Approach (LTA))	**861,656**	1,153,184	**68,932**	92,254
9	Equity investment in funds (Mandate-Based Approach (MBA))	**849,782**	746,991	**67,982**	59,759
	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)	**1,137**	1,422	**91**	113
11	Settlement risk	—	—	—	—
12	Securitisation exposures in banking book	**348,026**	322,082	**27,842**	25,766
13	of Which: Internal Rating-Based Approach (SEC-IRBA)	**334,315**	304,053	**26,745**	24,324
14	of Which: External Rating-Based Approach (SEC-ERBA)	**12,804**	14,696	**1,024**	1,175
15	of Which: Standardised Approach (SEC-SA)	—	—	—	—
	of Which: subject to 1,250% risk weight	**906**	3,332	**72**	266
16	Market risk	**1,334,541**	1,104,072	**106,763**	88,325
17	of Which: Standardised Approach (SA)	**22,727**	22,272	**1,818**	1,781
18	of Which: Internal Model Approaches (IMA)	**1,311,813**	1,081,800	**104,945**	86,544
19	Operational risk	**941,219**	960,854	**75,297**	76,868
20	of Which: Basic Indicator Approach (BIA)	**186,498**	174,122	**14,919**	13,929
21	of Which: The Standardised Approach (TSA)	—	—	—	—
22	of Which: Advanced Measurement Approach (AMA)	**754,721**	786,731	**60,377**	62,938
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**382,294**	371,255	**32,418**	31,482
	Amounts included under transitional arrangements	—	—	—	—
24	Floor adjustment	—	—	—	—
25	Total (after applying scaling factor)	**¥ 19,053,967**	¥ 19,790,115	**¥ 1,524,317**	¥ 1,583,209

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, 2020						
	a	b	c	d	e	f	g
	Carrying values as reported in published consolidated financial statement	Carrying values under scope of regulatory consolidation	Carrying values of items				
			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	¥ 13,141,192	¥ 13,141,192	¥ —	¥ —	¥ —	¥ —	
Call Loans and Bills Bought	71,236	71,236	—	—	—	—	
Receivables under Resale Agreements	1,220,761	—	1,220,761	—	—	—	
Receivables under Securities Borrowing Transactions	740,658	—	740,658	—	—	—	
Monetary Claims Bought	999,705	956,067	—	43,637	—	—	
Trading Assets	507,646	—	450,544	—	507,646	—	
Money Held in Trust	7,230	7,230	—	—	—	—	
Securities	6,437,599	5,927,180	—	510,419	—	—	
Loans and Bills Discounted	29,703,375	29,313,191	—	390,184	—	—	
Foreign Exchanges	36,952	36,952	—	—	—	—	
Lease Receivables and Investment Assets	673,880	673,880	—	—	—	—	
Other Assets	2,124,043	394,724	1,233,103	3,846	429,705	492,369	
Tangible Fixed Assets	213,547	213,547	—	—	—	—	
Intangible Fixed Assets	129,455	—	—	—	—	129,455	
Assets for Retirement Benefits	87,096	—	—	—	—	87,096	
Deferred Tax Assets	14,564	—	—	—	—	14,564	
Customers' Liabilities for Acceptances and Guarantees	518,811	518,811	—	—	—	—	
Allowance for Loan Losses	(127,205)	(127,205)	—	—	—	—	
Total Assets	¥ 56,500,552	¥ 51,126,809	¥ 3,645,067	¥ 948,088	¥ 937,351	¥ 723,485	
Liabilities:							
Deposits	¥ 30,688,920	¥ —	¥ —	¥ —	¥ —	¥ 30,688,920	
Negotiable Certificates of Deposit	5,860,292	—	—	—	—	5,860,292	
Call Money and Bills Sold	142,974	—	—	—	—	142,974	
Payables under Repurchase Agreements	1,558,919	—	1,558,919	—	—	—	
Payables under Securities Lending Transactions	—	—	—	—	—	—	
Trading Liabilities	371,950	—	371,950	—	371,950	—	
Borrowed Money	5,856,384	—	—	—	—	5,856,384	
Foreign Exchanges	3,213	—	—	—	—	3,213	
Short-Term Bonds Payable	1,707,097	—	—	—	—	1,707,097	
Bonds Payable	1,125,731	—	—	—	—	1,125,731	
Borrowed Money from Trust Account	4,750,289	—	—	—	—	4,750,289	
Other Liabilities	1,215,433	—	673,658	—	539,042	541,774	
Provision for Bonuses	18,619	—	—	—	—	18,619	
Provision for Directors' Bonuses	172	—	—	—	—	172	
Provision for Stocks Payment	279	—	—	—	—	279	
Liabilities for Retirement Benefits	14,044	—	—	—	—	14,044	
Provision for Reward Points Program	16,889	—	—	—	—	16,889	
Provision for Reimbursement of Deposits	4,867	—	—	—	—	4,867	
Provision for Contingent Losses	1,440	—	—	—	—	1,440	
Deferred Tax Liabilities	50,875	—	—	—	—	50,875	
Deferred Tax Liabilities for Land Revaluation	2,439	—	—	—	—	2,439	
Acceptances and Guarantees	518,811	—	—	—	—	518,811	
Total Liabilities	¥ 53,909,645	¥ —	¥ 2,604,527	¥ —	¥ 910,992	¥ 51,305,117	

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, 2019						
	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	¥ 16,045,864	¥ 16,045,864	¥ —	¥ —	¥ —	¥ —	
Call Loans and Bills Bought	50,124	50,124	—	—	—	—	
Receivables under Resale Agreements	158,734	—	158,734	—	—	—	
Receivables under Securities Borrowing Transactions	759,812	—	759,812	—	—	—	
Monetary Claims Bought	1,082,650	1,035,011	—	47,638	—	—	
Trading Assets	454,978	—	291,789	—	454,978	—	
Money Held in Trust	1,393	1,393	—	—	—	—	
Securities	5,759,504	5,385,240	—	374,263	—	—	
Loans and Bills Discounted	29,025,720	28,564,089	—	461,630	—	—	
Foreign Exchanges	36,936	36,936	—	—	—	—	
Lease Receivables and Investment Assets	653,447	653,447	—	—	—	—	
Other Assets	2,023,664	416,590	928,183	3,221	295,325	675,669	
Tangible Fixed Assets	211,312	211,312	—	—	—	—	
Intangible Fixed Assets	151,429	—	—	—	—	151,429	
Assets for Retirement Benefits	138,931	—	—	—	—	138,931	
Deferred Tax Assets	17,372	—	—	—	—	17,372	
Customers' Liabilities for Acceptances and Guarantees	557,007	556,890	—	117	—	—	
Allowance for Loan Losses	(99,770)	(99,770)	—	—	—	—	
Total Assets	¥ 57,029,113	¥ 52,857,131	¥ 2,138,519	¥ 886,871	¥ 750,303	¥ 983,401	
Liabilities:							
Deposits	¥ 31,903,572	¥ —	¥ —	¥ —	¥ —	¥ 31,903,572	
Negotiable Certificates of Deposit	6,328,622	—	—	—	—	6,328,622	
Call Money and Bills Sold	72,793	—	—	—	—	72,793	
Payables under Repurchase Agreements	1,603,191	—	1,603,191	—	—	—	
Payables under Securities Lending Transactions	104,767	—	104,767	—	—	—	
Trading Liabilities	258,771	—	258,771	—	258,771	—	
Borrowed Money	4,023,801	—	—	—	—	4,023,801	
Foreign Exchanges	457	—	—	—	—	457	
Short-Term Bonds Payable	1,472,786	—	—	—	—	1,472,786	
Bonds Payable	1,378,328	—	—	—	—	1,378,328	
Borrowed Money from Trust Account	5,408,009	—	—	—	—	5,408,009	
Other Liabilities	994,424	—	472,423	—	351,549	521,950	
Provision for Bonuses	17,542	—	—	—	—	17,542	
Provision for Directors' Bonuses	343	—	—	—	—	343	
Liabilities for Retirement Benefits	14,008	—	—	—	—	14,008	
Provision for Reward Points Program	18,282	—	—	—	—	18,282	
Provision for Reimbursement of Deposits	5,250	—	—	—	—	50	
Provision for Contingent Losses	3,465	—	—	—	—	8,716	
Deferred Tax Liabilities	130,479	—	—	—	—	130,479	
Deferred Tax Liabilities for Land Revaluation	2,847	—	—	—	—	2,847	
Acceptances and Guarantees	557,007	—	—	—	—	557,007	
Total Liabilities	¥ 54,298,756	¥ —	¥ 2,439,154	¥ —	¥ 610,321	¥ 51,859,602	

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, 2020				
		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	¥ 55,777,067	¥ 51,126,809	¥ 3,645,067	¥ 948,088	¥ 937,351
2	Liabilities carrying value amount under scope of regulatory consolidation	2,604,527	—	2,604,527	—	910,992
3	Total net amount under regulatory scope of consolidation	53,172,539	51,126,809	1,040,539	948,088	26,359
4	Off-balance sheet amounts	3,629,341	3,423,672	—	205,669	—
5	Differences due to netting, the exposure calculation method, etc.	1,596,907	—	2,036,007	—	(439,099)
6	Differences due to consideration of allowances and write-offs	40,686	40,686	—	—	—
7	Regulatory exposure amounts	58,439,475	54,591,168	3,076,546	1,153,757	(412,740)

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 7.
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: Off-balance sheet amounts and differences due to consideration of 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, 2019				
		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	¥ 56,045,711	¥ 52,857,131	¥ 2,138,519	¥ 886,871	¥ 750,303
2	Liabilities carrying value amount under scope of regulatory consolidation	2,439,154	—	2,439,154	—	610,321
3	Total net amount under regulatory scope of consolidation	53,606,557	52,857,131	(300,634)	886,871	139,982
4	Off-balance sheet amounts	3,689,958	3,463,541	—	226,416	—
5	Differences due to netting, the exposure calculation method, etc.	1,976,133	—	2,200,781	—	(224,648)
6	Differences due to consideration of allowances and write-offs	40,119	40,119	—	—	—
7	Regulatory exposure amounts	59,312,768	56,360,793	1,900,147	1,113,287	(84,666)

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 7.
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: Off-balance sheet amounts and differences due to consideration of 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.

CR1: Credit quality of assets

CR1		Millions of Yen			
		March 31, 2020			
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	¥ 122,779	¥ 29,165,498	¥ 110,093	¥ 29,178,183
2	Debt Securities	720	3,126,705	—	3,127,426
3	Other on-balance sheet assets (debt-based assets)	20,109	14,891,103	15,891	14,895,321
4	Total on-balance sheet assets (1+2+3)	143,609	47,183,307	125,985	47,200,931
	Off-balance sheet assets				
5	Acceptances and Guarantees, etc.	694	523,550	1,220	523,025
6	Commitments, etc.	918	3,560,273	1,440	3,559,751
7	Total off-balance sheet assets (5+6)	1,613	4,083,824	2,660	4,082,777
	Total				
8	Total (4+7)	¥ 145,222	¥ 51,267,132	¥ 128,645	¥ 51,283,709

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, 2019			
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	¥ 115,111	¥ 28,420,486	¥ 87,931	¥ 28,447,666
2	Debt Securities	0	2,161,177	—	2,161,177
3	Other on-balance sheet assets (debt-based assets)	23,162	18,019,666	10,493	18,032,335
4	Total on-balance sheet assets (1+2+3)	138,273	48,601,330	98,425	48,641,179
	Off-balance sheet assets				
5	Acceptances and Guarantees, etc.	720	559,905	1,345	559,280
6	Commitments, etc.	1,006	3,620,654	3,465	3,618,195
7	Total off-balance sheet assets (5+6)	1,726	4,180,560	4,811	4,177,476
	Total				
8	Total (4+7)	¥ 140,000	¥ 52,781,891	¥ 103,236	¥ 52,818,655

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 March 31, 2020 Amounts
1	Stock of defaulted loans and debt securities at the end of the previous fiscal year		¥ 138,273
2	Changes in stock of loans and debt securities for each factor during the fiscal year	Of which: Newly defaulted	95,303
3		Of which: Returning to non-defaulted status	25,234
4		Of which: Written-offs	14,565
5		Of which: Other factors	(50,168)
6	Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5)		143,609

Notes: 1. The end of the previous fiscal year indicates March 31, 2019, and the end of the fiscal year indicates March 31, 2020.
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 March 31, 2019 Amounts
1	Stock of defaulted loans and debt securities at the end of the previous fiscal year		¥ 109,458
2	Changes in stock of loans and debt securities for each factor during the fiscal year	Of which: Newly defaulted	66,446
3		Of which: Returning to non-defaulted status	15,712
4		Of which: Written-offs	4,048
5		Of which: Other factors	(17,869)
6	Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5)		138,273

Notes: 1. The end of the previous fiscal year indicates March 31, 2018, and the end of the fiscal year indicates March 31, 2019.
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 March 31, 2020				
		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	¥ 28,617,886	¥ 560,297	¥ 262,517	¥ 185,954	¥ —
2	Debt Securities	3,075,495	51,930	1,000	45,431	—
3	Other on-balance sheet assets (debt-based assets)	14,890,153	5,167	162	5,004	—
4	Total (1+2+3)	¥ 46,583,536	¥ 617,395	¥ 263,680	¥ 236,389	¥ —
5	Of which defaulted	114,625	4,985	3,983	—	—

CR3 Item No.		Millions of Yen March 31, 2019				
		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	¥ 27,901,734	¥ 545,932	¥ 253,059	¥ 193,265	¥ —
2	Debt Securities	2,084,128	77,048	3,006	72,804	—
3	Other on-balance sheet assets (debt-based assets)	18,027,157	5,178	173	5,004	—
4	Total (1+2+3)	¥ 48,013,020	¥ 628,159	¥ 256,239	¥ 271,074	¥ —
5	Of which defaulted	102,216	4,529	4,034	7	—

CR4: Standardised approach – Credit risk exposure and Credit risk mitigation (CRM) effects

CR4		Millions of Yen, %					
		March 31, 2020					
		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	¥ 10	¥ —	¥ 10	¥ —	¥ 0	0.00%
2	Government of Japan and Bank of Japan (BOJ)	60	—	60	—	0	0.00
3	Foreign central governments and foreign central banks	340,528	—	340,528	—	31,335	9.20
4	Bank for International Settlements, etc.	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	72	—	72	—	33	46.10
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	165,520	10,000	165,520	2,000	47,547	28.38
12	Corporates, etc.	197,774	376,332	197,774	14,738	212,513	100.00
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	130.65
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	¥ 703,966	¥ 386,332	¥ 703,966	¥ 16,738	¥ 291,431	40.43%

CR4

Millions of Yen, %

Item No.	Asset classes	March 31, 2019					
		a	b	c	d	e	f
		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	¥ 47	¥ —	¥ 47	¥ —	¥ 0	0.00%
2	Government of Japan and Bank of Japan (BOJ)	60	—	60	—	0	0.00
3	Foreign central governments and foreign central banks	256,081	—	256,081	—	29,513	11.52
4	Bank for International Settlements, etc.	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	49	—	49	—	21	42.33
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	171,707	—	171,707	—	43,223	25.17
12	Corporates, etc.	216,369	391,286	216,369	9,734	218,133	96.47
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)	2,047	—	2,047	—	3,067	149.81
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	¥ 646,363	¥ 391,286	¥ 646,363	¥ 9,734	¥ 293,959	44.80%

CR5: Standardised approach – Exposures by asset classes and risk weights

CR5

Millions of Yen

March 31, 2020

Item No.	Asset classes \ Risk weight	a 0%	b 10%	c 20%	d 35%	e 50%	f 75%	g 100%	h 150%	i 250%	j 1,250%	k Total
		Credit risk exposure amounts (post-CCF and post-CRM)										
1	Cash	¥ 10	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 10
2	Government of Japan and Bank of Japan (BOJ)	60	—	—	—	—	—	—	—	—	—	60
3	Foreign central governments and foreign central banks	277,857	—	—	—	62,671	—	—	—	—	—	340,528
4	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	—	—	23	—	40	—	8	—	—	—	72
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	—	—	135,266	—	23,518	—	8,734	—	—	—	167,520
12	Corporates, etc.	—	—	—	—	—	—	212,513	—	—	—	212,513
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	—	—	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	¥ 277,927	¥ —	¥ 135,290	¥ —	¥ 86,231	¥ —	¥ 221,256	¥ 0	¥ —	¥ —	¥ 720,705

CR5

Item No.	Asset classes \ Risk weight	Millions of Yen March 31, 2019 Credit risk exposure amounts (post-CCF and post-CRM) 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	¥ 47	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 47
2	Government of Japan and Bank of Japan (BOJ)	60	—	—	—	—	—	—	—	—	—	60
3	Foreign central governments and foreign central banks	197,054	—	—	—	59,026	—	—	—	—	—	256,081
4	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	—	—	24	—	18	—	6	—	—	—	49
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	—	—	146,794	—	22,095	—	2,817	—	—	—	171,707
12	Corporates, etc.	—	—	—	—	16,170	—	209,933	—	—	—	226,104
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)	—	—	—	—	3	—	—	2,043	—	—	2,047
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	¥ 197,162	¥ —	¥ 146,819	¥ —	¥ 97,314	¥ —	¥ 212,758	¥ 2,043	¥ —	¥ —	¥ 656,097

CR6: IRB – Credit risk exposures by portfolio and PD range

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2020											
		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	¥ 2,252,178	¥ 33	75.00%	¥ 2,269,637	0.00%	0.0	32.09%	1.8	¥ 14,071	0.62%	¥ 8	
2	0.15 to < 0.25	2,906	469	75.00	314	0.20	0.0	31.13	3.6	121	38.73	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	2,255,084	502	75.00	2,269,951	0.00	0.0	32.09	1.8	14,193	0.62	8	¥ 59
	Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB))												
1	0.00 to < 0.15	13,225,296	102,116	92.02	13,359,874	0.00	0.0	44.99	1.0	86,772	0.64	117	
2	0.15 to < 0.25	0	—	—	0	0.20	0.0	45.00	1.0	0	30.51	0	
3	0.25 to < 0.50	41,559	8,528	75.00	32,224	0.28	0.0	43.60	2.6	19,988	62.02	39	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	27,759	—	—	559	6.02	0.0	45.00	2.0	846	151.38	15	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	13,294,615	110,644	90.71	13,392,658	0.00	0.1	44.99	1.1	107,606	0.80	172	143
	Financial Institution exposures (AIRB)												
1	0.00 to < 0.15	433,512	—	—	452,652	0.05	0.0	32.10	3.3	104,083	22.99	75	
2	0.15 to < 0.25	49,000	9,000	75.00	55,750	0.20	0.0	32.10	1.1	12,700	22.78	36	
3	0.25 to < 0.50	1,086	—	—	1,086	0.30	0.0	11.81	1.0	112	10.37	0	
4	0.50 to < 0.75	1,400	1,000	75.00	2,150	0.50	0.0	32.10	1.0	806	37.50	3	
5	0.75 to < 2.50	17,984	8,651	87.57	25,559	1.14	0.0	32.10	1.0	14,185	55.49	94	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	502,983	18,651	80.83	537,199	0.12	0.0	32.05	2.9	131,888	24.55	209	339
	Financial Institution exposures (FIRB)												
1	0.00 to < 0.15	456,549	122,155	80.67	554,966	0.06	0.0	44.17	1.5	120,062	21.63	162	
2	0.15 to < 0.25	1,626	—	—	1,626	0.20	0.0	72.66	4.2	1,617	99.44	2	
3	0.25 to < 0.50	23,583	6,521	75.00	25,974	0.27	0.0	45.00	1.2	13,568	52.23	32	
4	0.50 to < 0.75	1	—	—	1	0.50	0.0	45.00	1.0	0	52.44	0	
5	0.75 to < 2.50	4,197	—	—	4,197	1.78	0.0	45.00	4.4	5,727	136.44	33	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	485,959	128,676	80.39	586,767	0.08	0.1	44.29	1.6	140,976	24.02	230	164

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2020

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
	Corporate exposures (excluding SME exposures and specialised lending) (AIRB)												
1	0.00 to < 0.15	¥ 6,864,526	¥ 2,434,624	75.70%	¥ 8,776,921	0.07%	0.7	31.45%	2.6	¥ 1,688,245	19.23%	¥ 2,141	
2	0.15 to < 0.25	1,972,574	362,044	76.22	2,208,815	0.20	0.4	30.69	2.5	714,099	32.32	1,389	
3	0.25 to < 0.50	1,302,246	168,894	74.83	1,432,960	0.30	0.4	31.15	2.4	579,608	40.44	1,377	
4	0.50 to < 0.75	1,083,258	240,765	74.84	1,258,310	0.50	0.7	28.83	2.4	560,606	44.55	1,832	
5	0.75 to < 2.50	869,047	126,389	68.72	911,662	1.50	0.7	28.69	2.1	604,461	66.30	3,948	
6	2.50 to < 10.00	147,526	10,071	78.93	155,899	5.93	0.0	24.41	2.4	132,293	84.85	2,280	
7	10.00 to < 100.00	89,160	35	75.00	89,036	18.67	0.0	31.14	3.6	152,138	170.87	5,180	
8	100.00 (Default)	30,930	—	—	34,760	100.00	0.0	32.06	1.0	14,279	41.08	10,004	
9	Sub-total	12,359,271	3,342,824	75.40	14,868,366	0.64	3.3	30.85	2.5	4,445,734	29.90	28,155	¥ 67,246
	Corporate exposures (excluding SME exposures and specialised lending) (FIRB)												
1	0.00 to < 0.15	810,879	129,185	80.98	928,172	0.07	0.9	53.50	3.1	350,278	37.73	360	
2	0.15 to < 0.25	80,031	—	—	83,225	0.20	0.4	59.85	3.1	61,408	73.78	102	
3	0.25 to < 0.50	328,629	57,328	78.25	372,638	0.29	0.6	46.44	2.6	235,325	63.15	511	
4	0.50 to < 0.75	171,069	19,437	75.88	186,972	0.58	0.8	42.74	3.5	162,888	87.11	472	
5	0.75 to < 2.50	371,451	20,283	75.83	387,350	1.39	1.2	44.26	3.8	464,244	119.85	2,379	
6	2.50 to < 10.00	149,046	14,721	90.04	162,248	6.09	0.3	45.22	4.3	303,501	187.05	4,451	
7	10.00 to < 100.00	64,517	—	—	62,651	26.25	0.0	44.76	3.9	166,620	265.94	7,359	
8	100.00 (Default)	12,929	179	92.62	16,489	100.00	0.0	44.40	1.0	0	0.00	7,321	
9	Sub-total	1,988,553	241,136	80.05	2,199,748	2.33	4.6	49.07	3.3	1,744,266	79.29	22,959	14,304
	SME exposures (AIRB)												
1	0.00 to < 0.15	39,785	4,000	75.00	42,785	0.11	0.0	29.77	3.9	11,454	26.77	15	
2	0.15 to < 0.25	75,498	1,723	75.00	73,043	0.20	0.0	31.69	3.2	23,046	31.55	47	
3	0.25 to < 0.50	30,525	—	—	30,525	0.30	0.0	31.81	2.1	9,146	29.96	30	
4	0.50 to < 0.75	40,764	713	78.50	39,747	0.50	0.0	20.72	2.5	11,058	27.82	41	
5	0.75 to < 2.50	116,545	8,508	78.94	115,961	1.59	0.1	20.33	2.9	50,012	43.12	368	
6	2.50 to < 10.00	6,682	523	76.13	7,080	7.03	0.0	19.93	1.8	4,028	56.89	101	
7	10.00 to < 100.00	829	—	—	107	18.67	0.0	11.81	5.0	58	53.89	2	
8	100.00 (Default)	1,880	—	—	3,978	100.00	0.0	28.40	1.0	1,437	36.12	1,015	
9	Sub-total	312,511	15,468	77.37	313,230	2.18	0.3	25.53	2.9	110,241	35.19	1,621	3,283
	SME exposures (FIRB)												
1	0.00 to < 0.15	27	—	—	27	0.12	0.0	45.00	1.0	5	20.42	0	
2	0.15 to < 0.25	39	—	—	39	0.20	0.0	45.00	1.0	10	26.73	0	
3	0.25 to < 0.50	4	—	—	4	0.30	0.0	45.00	1.0	1	33.97	0	
4	0.50 to < 0.75	111,701	1,671	75.00	112,133	0.50	0.5	38.65	4.5	72,824	64.94	218	
5	0.75 to < 2.50	273,580	1,531	79.63	272,355	1.57	1.5	39.74	4.7	252,649	92.76	1,710	
6	2.50 to < 10.00	9,107	1	0.00	9,140	7.39	0.0	40.54	3.5	11,757	128.63	272	
7	10.00 to < 100.00	524	—	—	524	18.67	0.0	45.00	2.6	1,011	192.88	44	
8	100.00 (Default)	5,217	235	98.80	5,802	100.00	0.0	40.11	1.0	0	0.00	2,327	
9	Sub-total	400,202	3,439	78.66	400,027	2.85	2.3	39.47	4.6	338,260	84.55	4,574	587

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2020											
		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	¥ 1,386,047	¥ 150,657	75.00%	¥ 1,499,040	0.08%	0.3	27.34%	4.2	¥ 356,139	23.75%	¥ 361	
2	0.15 to < 0.25	71,748	5,850	75.00	76,136	0.20	0.0	25.91	3.7	25,107	32.97	40	
3	0.25 to < 0.50	540,609	142,098	74.83	646,951	0.29	0.1	24.16	4.4	254,982	39.41	465	
4	0.50 to < 0.75	282,051	44,188	75.61	315,465	0.56	0.0	20.69	4.3	138,436	43.88	377	
5	0.75 to < 2.50	312,508	62,662	74.17	358,985	1.37	0.0	27.37	4.0	266,355	74.19	1,399	
6	2.50 to < 10.00	77,678	30,088	75.00	100,244	5.02	0.0	28.54	3.8	102,946	102.69	1,371	
7	10.00 to < 100.00	12,524	9,828	75.00	19,895	25.06	0.0	37.70	3.5	41,186	207.01	2,102	
8	100.00 (Default)	12,642	1,478	64.93	13,606	100.00	0.0	22.95	1.0	5,129	37.69	2,712	
9	Sub-total	2,695,811	446,852	74.86	3,030,325	1.11	0.7	26.02	4.2	1,190,283	39.27	8,830	¥ 8,768
	Specialised lending (FIRB)												
1	0.00 to < 0.15	2,228	—	—	2,228	0.09	0.3	45.00	1.0	401	18.02	0	
2	0.15 to < 0.25	66	—	—	66	0.20	0.0	45.00	1.0	20	30.51	0	
3	0.25 to < 0.50	1,192	—	—	1,192	0.30	0.1	45.00	1.0	467	39.22	1	
4	0.50 to < 0.75	223	—	—	223	0.59	0.0	45.00	1.0	127	57.05	0	
5	0.75 to < 2.50	599	—	—	599	1.32	0.0	45.00	1.0	486	81.21	3	
6	2.50 to < 10.00	103	—	—	103	4.95	0.0	45.00	1.0	134	130.15	2	
7	10.00 to < 100.00	66	—	—	66	27.62	0.0	45.00	1.0	148	223.15	8	
8	100.00 (Default)	0	—	—	0	100.00	0.0	45.00	1.0	0	0.00	0	
9	Sub-total	4,480	—	—	4,480	0.87	0.6	45.00	1.0	1,787	39.89	17	—
	Equity exposures (PD/LGD Approach)												
1	0.00 to < 0.15	1,054,812	—	—	433,493	0.07	0.3	90.00	5.0	515,854	118.99	—	
2	0.15 to < 0.25	97,479	—	—	36,941	0.20	0.1	90.00	5.0	56,861	153.92	—	
3	0.25 to < 0.50	61,834	—	—	24,134	0.30	0.2	90.00	5.0	42,371	175.56	—	
4	0.50 to < 0.75	33,500	—	—	16,506	0.50	0.2	90.00	5.0	33,359	202.10	—	
5	0.75 to < 2.50	19,469	—	—	16,095	1.31	0.2	90.00	5.0	44,910	279.02	—	
6	2.50 to < 10.00	3,229	—	—	1,947	6.74	0.0	90.00	5.0	8,423	432.58	—	
7	10.00 to < 100.00	0	—	—	0	18.68	0.0	90.00	5.0	0	703.02	—	
8	100.00 (Default)	61	—	—	19	100.00	0.0	90.00	5.0	217	1,125.00	—	
9	Sub-total	1,270,387	—	—	529,136	0.17	1.3	90.00	5.0	701,998	132.66	—	
	Purchased receivables for corporates, etc. (default risk) (AIRB)												
1	0.00 to < 0.15	8,690	—	—	8,690	0.10	0.0	32.10	2.8	2,241	25.78	2	
2	0.15 to < 0.25	18,858	—	—	18,858	0.20	0.0	32.10	2.4	5,904	31.31	12	
3	0.25 to < 0.50	3,750	—	—	3,750	0.30	0.0	32.10	4.2	1,976	52.71	3	
4	0.50 to < 0.75	3,752	—	—	3,752	0.50	0.0	31.85	3.1	2,169	57.81	6	
5	0.75 to < 2.50	28,502	—	—	28,502	1.61	0.0	31.88	3.8	25,491	89.43	146	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	2,309	—	—	2,309	100.00	0.0	32.10	1.0	949	41.12	665	
9	Sub-total	65,863	—	—	65,863	4.32	0.0	31.99	3.2	38,732	58.80	837	312

CR6

Millions of Yen, %, 1,000 cases, Year

		March 31, 2020											
		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	¥ —	¥ —	—%	¥ —	—%	—	—%	—	¥ —	—%	¥ —	
2	0.15 to < 0.25	1,710	—	—	1,710	0.22	0.0	100.00	1.0	1,239	72.47	—	
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	1,710	—	—	1,710	0.22	0.0	100.00	1.0	1,239	72.47	—	¥ —
	Purchased receivables for corporates, etc. (default risk) (FIRB)												
1	0.00 to < 0.15	483,484	2,372	75.00	485,263	0.06	0.3	45.00	1.1	66,743	13.75	136	
2	0.15 to < 0.25	64,422	—	—	64,422	0.21	0.1	45.00	1.0	20,241	31.41	60	
3	0.25 to < 0.50	132,722	—	—	132,722	0.33	0.2	45.00	1.2	58,650	44.19	200	
4	0.50 to < 0.75	48,097	2,717	75.00	50,134	0.54	1.2	45.00	1.2	29,126	58.09	122	
5	0.75 to < 2.50	56,045	—	—	56,045	1.57	5.3	45.00	1.3	49,537	88.38	397	
6	2.50 to < 10.00	5,310	—	—	5,310	6.19	1.1	45.00	1.1	7,782	146.56	148	
7	10.00 to < 100.00	2,322	—	—	2,322	16.89	0.0	45.00	1.6	4,806	206.95	176	
8	100.00 (Default)	4,037	—	—	4,037	100.00	0.0	45.00	1.0	0	0.00	1,816	
9	Sub-total	796,441	5,089	75.00	800,258	0.84	8.5	45.00	1.1	236,888	29.60	3,059	560
	Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)												
1	0.00 to < 0.15	578,025	5,089	75.00	581,842	0.06	0.4	94.35	1.1	167,833	28.84	17	
2	0.15 to < 0.25	19,872	—	—	19,872	0.22	0.1	99.49	1.0	14,065	70.77	0	
3	0.25 to < 0.50	39,216	—	—	39,216	0.34	0.2	66.44	1.3	27,085	69.06	29	
4	0.50 to < 0.75	1,001	—	—	1,001	0.50	0.0	45.00	2.9	877	87.58	2	
5	0.75 to < 2.50	6,020	—	—	6,020	0.91	0.2	95.12	1.2	9,071	150.66	3	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	644,136	5,089	75.00	647,953	0.09	1.1	92.75	1.1	218,932	33.78	53	—
	Purchased receivables for retail (default risk)												
1	0.00 to < 0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	58,756	—	—	58,775	0.30	35.0	75.28	—	23,858	40.59	136	
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	58,756	—	—	58,775	0.30	35.0	75.28	—	23,858	40.59	136	237

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2020											
		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	¥ 42,186	28.14%	¥ 11,872	0.10%	44.6	62.62%	—	¥ 481	4.05%	¥ 8	
2	0.15 to < 0.25	36,647	819,182	12.66	140,429	0.23	198.2	66.45	—	11,466	8.16	221	
3	0.25 to < 0.50	25,516	829,416	7.96	91,609	0.36	171.5	75.34	—	11,933	13.02	250	
4	0.50 to < 0.75	31,871	281,217	12.66	67,498	0.57	86.9	66.45	—	11,105	16.45	255	
5	0.75 to < 2.50	15,059	213,789	13.84	44,649	1.15	126.6	67.39	—	12,520	28.04	346	
6	2.50 to < 10.00	37,209	85,971	13.43	48,758	4.85	49.1	66.92	—	36,992	75.86	1,585	
7	10.00 to < 100.00	378	1,403	13.33	566	49.24	0.7	66.08	—	969	171.29	188	
8	100.00 (Default)	109	3,614	9.64	16,063	100.00	19.3	67.40	—	15,630	97.30	9,576	
9	Sub-total	146,792	2,276,782	11.37	421,448	4.81	697.2	68.47	—	101,100	23.98	12,433	¥ 17,707
	Residential mortgage exposures												
1	0.00 to < 0.15	4,025,749	14,944	100.00	4,040,694	0.09	136.9	18.34	—	174,400	4.31	737	
2	0.15 to < 0.25	2,941,838	82	100.00	2,941,920	0.17	139.4	18.06	—	194,374	6.60	939	
3	0.25 to < 0.50	2,612,664	2,340	100.00	2,615,015	0.35	157.1	18.11	—	285,730	10.92	1,669	
4	0.50 to < 0.75	41,039	—	—	41,039	0.62	2.8	22.43	—	8,404	20.47	57	
5	0.75 to < 2.50	132,716	19	100.00	132,736	0.89	13.5	21.22	—	32,538	24.51	249	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	68,321	20	100.00	68,342	20.21	3.8	18.68	—	71,391	104.46	2,607	
8	100.00 (Default)	33,521	15	100.00	34,837	100.00	2.0	20.05	—	8,496	24.38	6,307	
9	Sub-total	9,855,850	17,422	100.00	9,874,584	0.69	455.8	18.26	—	775,336	7.85	12,569	26,674
	Other retail exposures												
1	0.00 to < 0.15	0	23,634	22.78	5,384	0.10	21.7	22.17	—	316	5.87	1	
2	0.15 to < 0.25	15,790	—	—	15,790	0.18	1.7	46.37	—	2,781	17.61	13	
3	0.25 to < 0.50	350,660	—	—	350,660	0.32	121.7	59.56	—	114,313	32.59	673	
4	0.50 to < 0.75	320,724	447	100.00	321,469	0.57	91.1	39.06	—	99,369	30.91	749	
5	0.75 to < 2.50	178,853	146,533	28.29	220,324	1.21	289.7	66.15	—	158,137	71.77	1,863	
6	2.50 to < 10.00	28,279	26,105	57.09	43,184	4.32	46.1	29.25	—	18,682	43.26	636	
7	10.00 to < 100.00	21,642	497	83.87	22,104	15.78	1.9	33.00	—	13,241	59.90	1,330	
8	100.00 (Default)	7,495	1,524	31.52	20,304	100.00	12.5	52.67	—	5,473	26.95	10,258	
9	Sub-total	923,447	198,741	31.74	999,223	3.13	586.8	51.97	—	412,315	41.26	15,526	19,210
	Lease transactions												
1	0.00 to < 0.15	203,370	—	—	203,370	0.07	0.4	45.00	2.6	50,473	24.81	73	
2	0.15 to < 0.25	135,781	—	—	135,781	0.20	0.1	45.00	4.1	81,744	60.20	125	
3	0.25 to < 0.50	23,758	—	—	23,758	0.30	0.1	45.00	2.1	12,383	52.12	33	
4	0.50 to < 0.75	40,113	—	—	40,113	0.50	0.2	45.00	3.1	31,065	77.44	91	
5	0.75 to < 2.50	41,132	—	—	41,132	1.63	0.3	45.00	3.0	43,943	106.83	302	
6	2.50 to < 10.00	2,919	—	—	2,919	6.16	0.0	45.00	2.7	4,547	155.79	80	
7	10.00 to < 100.00	283	—	—	283	18.67	0.0	45.00	3.2	563	198.85	23	
8	100.00 (Default)	157	—	—	157	100.00	0.0	45.00	1.0	0	0.00	70	
9	Sub-total	447,516	—	—	447,516	0.39	1.3	45.00	3.1	224,722	50.21	801	4,928
Total (all portfolios)		¥ 48,510,376	¥ 6,811,321	53.22%	¥ 51,449,227	0.65%	1,799.7	35.37%	2.2	¥ 10,960,365	21.30%	¥ 112,195	¥ 164,527

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, 2019

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
	Sovereign exposures (Advanced Internal Ratings-Based Approach (AIRB))												
1	0.00 to < 0.15	¥ 1,107,745	¥ 33	75.00%	¥ 1,121,315	0.00%	0.0	32.52%	1.7	¥ 15,426	1.37%	¥ 8	
2	0.15 to < 0.25	4,778	277	75.00	94	0.20	0.0	28.16	2.4	25	27.49	0	
3	0.25 to < 0.50	995	530	75.00	397	0.30	0.0	32.53	5.0	233	58.79	0	
4	0.50 to < 0.75	1	—	—	1	0.50	0.0	32.53	4.9	1	71.56	0	
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	1,113,521	840	75.00	1,121,809	0.00	0.0	32.52	1.7	15,687	1.39	9	¥ 71
	Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB))												
1	0.00 to < 0.15	16,154,670	248,926	95.57	16,453,018	0.00	0.1	44.99	1.1	84,798	0.51	135	
2	0.15 to < 0.25	0	—	—	0	0.20	0.0	45.00	1.0	0	30.51	0	
3	0.25 to < 0.50	52,379	4,610	75.00	20,560	0.28	0.0	42.81	2.1	11,617	56.50	25	
4	0.50 to < 0.75	0	—	—	0	0.50	0.0	45.00	1.0	0	52.44	0	
5	0.75 to < 2.50	2,601	92	100.00	2,499	1.78	0.0	44.62	1.1	2,316	92.66	19	
6	2.50 to < 10.00	28,184	—	—	984	5.36	0.0	35.57	2.8	1,113	113.13	15	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	16,237,835	253,629	95.20	16,477,063	0.00	0.1	44.99	1.1	99,845	0.60	196	536
	Financial Institution exposures (AIRB)												
1	0.00 to < 0.15	429,035	340	75.00	430,026	0.04	0.0	32.53	2.8	89,722	20.86	68	
2	0.15 to < 0.25	32,000	9,000	75.00	38,750	0.20	0.0	32.53	1.3	9,391	24.23	25	
3	0.25 to < 0.50	1,109	—	—	1,109	0.30	0.0	11.99	1.0	116	10.53	0	
4	0.50 to < 0.75	1,400	1,000	75.00	2,150	0.50	0.0	32.53	1.0	817	38.00	3	
5	0.75 to < 2.50	14,512	6,368	85.20	19,938	1.12	0.0	32.53	1.1	11,258	56.46	73	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	478,056	16,708	78.89	491,974	0.10	0.0	32.48	2.6	111,306	22.62	171	336
	Financial Institution exposures (FIRB)												
1	0.00 to < 0.15	685,370	142,033	82.80	802,750	0.06	0.1	43.60	1.4	146,867	18.29	219	
2	0.15 to < 0.25	1,168	—	—	1,168	0.20	0.0	70.66	1.0	560	47.91	1	
3	0.25 to < 0.50	28,396	5,869	75.00	30,299	0.30	0.0	67.01	4.0	43,624	143.97	62	
4	0.50 to < 0.75	3	—	—	3	0.50	0.0	45.00	1.0	1	52.44	0	
5	0.75 to < 2.50	3,736	—	—	3,736	1.77	0.0	45.00	4.8	5,283	141.42	29	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	718,676	147,903	82.49	837,957	0.07	0.1	44.49	1.6	196,337	23.43	312	220

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2019											
		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
	Corporate exposures (excluding SME exposures and specialised lending) (AIRB)												
1	0.00 to < 0.15	¥ 6,300,280	¥ 2,415,175	75.61%	¥ 8,229,831	0.07%	0.7	32.04%	2.6	¥ 1,591,366	19.33%	¥ 1,959	
2	0.15 to < 0.25	2,277,239	432,352	76.18	2,580,853	0.20	0.4	31.43	2.6	856,102	33.17	1,663	
3	0.25 to < 0.50	1,125,691	210,731	75.98	1,268,287	0.30	0.4	31.48	2.5	519,249	40.94	1,231	
4	0.50 to < 0.75	1,081,504	216,823	75.40	1,243,507	0.50	0.7	30.06	2.4	591,849	47.59	1,887	
5	0.75 to < 2.50	787,729	115,784	73.03	822,338	1.35	0.8	28.94	2.4	538,946	65.53	3,243	
6	2.50 to < 10.00	220,720	28,913	84.55	247,723	6.62	0.0	27.26	2.2	256,729	103.63	4,560	
7	10.00 to < 100.00	19,816	37	75.00	19,161	18.67	0.0	28.80	1.7	27,395	142.97	1,031	
8	100.00 (Default)	23,865	951	75.00	28,721	100.00	0.0	32.48	1.0	13,211	45.99	8,273	
9	Sub-total	11,836,847	3,420,770	75.68	14,440,424	0.56	3.2	31.45	2.6	4,394,850	30.43	23,849	¥ 47,758
	Corporate exposures (excluding SME exposures and specialised lending) (FIRB)												
1	0.00 to < 0.15	788,993	147,720	85.45	928,540	0.07	0.9	52.92	3.0	357,563	38.50	371	
2	0.15 to < 0.25	105,699	—	—	106,318	0.20	0.4	59.44	3.2	78,450	73.78	129	
3	0.25 to < 0.50	272,857	78,050	80.42	336,073	0.29	0.6	45.69	2.4	197,898	58.88	452	
4	0.50 to < 0.75	171,892	10,011	75.40	180,198	0.60	0.7	48.42	3.7	192,133	106.62	521	
5	0.75 to < 2.50	405,200	22,850	74.23	422,182	1.44	1.3	43.40	3.9	511,161	121.07	2,632	
6	2.50 to < 10.00	164,500	3,770	82.11	167,542	6.03	0.4	45.06	4.3	311,435	185.88	4,559	
7	10.00 to < 100.00	36,370	1,664	72.88	35,566	29.72	0.0	44.68	4.2	92,651	260.50	4,718	
8	100.00 (Default)	13,276	205	90.28	15,707	100.00	0.0	44.11	1.0	0	0.00	6,929	
9	Sub-total	1,958,791	264,274	82.49	2,192,130	2.07	4.6	49.13	3.3	1,741,292	79.43	20,315	13,172
	SME exposures (AIRB)												
1	0.00 to < 0.15	48,149	4,830	75.00	50,100	0.11	0.0	32.53	3.7	14,742	29.42	19	
2	0.15 to < 0.25	81,826	—	—	79,339	0.20	0.0	30.67	3.6	26,676	33.62	49	
3	0.25 to < 0.50	10,167	—	—	10,167	0.30	0.0	28.14	2.7	2,996	29.46	8	
4	0.50 to < 0.75	50,866	474	75.00	49,710	0.50	0.0	19.90	3.2	14,427	29.02	49	
5	0.75 to < 2.50	115,194	11,185	76.32	114,080	1.52	0.2	21.60	2.9	53,422	46.82	374	
6	2.50 to < 10.00	9,832	1,594	75.00	10,938	7.13	0.0	21.45	1.6	6,580	60.15	169	
7	10.00 to < 100.00	4,040	—	—	3,293	18.67	0.0	16.82	1.5	2,203	66.89	103	
8	100.00 (Default)	1,367	—	—	2,168	100.00	0.0	27.21	1.0	827	38.13	524	
9	Sub-total	321,444	18,083	75.81	319,798	1.81	0.3	25.49	3.2	121,876	38.11	1,300	2,885
	SME exposures (FIRB)												
1	0.00 to < 0.15	53	—	—	53	0.12	0.0	45.00	1.0	11	21.55	0	
2	0.15 to < 0.25	54	—	—	54	0.20	0.0	45.00	1.0	14	26.66	0	
3	0.25 to < 0.50	1	—	—	1	0.30	0.0	45.00	1.0	0	36.27	0	
4	0.50 to < 0.75	96,097	932	75.00	95,925	0.50	0.5	38.64	4.7	63,631	66.33	187	
5	0.75 to < 2.50	249,549	687	85.85	247,948	1.59	1.3	39.55	4.6	227,607	91.79	1,578	
6	2.50 to < 10.00	10,874	—	—	10,805	7.40	0.0	40.96	3.2	13,957	129.17	326	
7	10.00 to < 100.00	228	—	—	228	18.67	0.0	44.54	4.8	461	202.15	19	
8	100.00 (Default)	8,547	250	99.99	8,983	100.00	0.0	43.79	1.0	0	0.00	3,934	
9	Sub-total	365,406	1,870	82.33	364,000	3.92	2.0	39.46	4.5	305,685	83.97	6,046	600

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2019											
		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	¥ 537,680	¥ 10,807	75.00%	¥ 545,785	0.06%	0.0	18.07%	3.3	¥ 58,342	10.68%	¥ 61	
2	0.15 to < 0.25	84,129	2,700	75.00	86,154	0.20	0.0	18.07	3.0	17,301	20.08	31	
3	0.25 to < 0.50	54,223	—	—	54,223	0.30	0.0	18.07	1.2	9,227	17.01	30	
4	0.50 to < 0.75	257,122	—	—	257,122	0.50	0.0	18.07	4.3	94,747	36.84	234	
5	0.75 to < 2.50	57,285	3,100	75.00	59,610	1.23	0.0	18.07	4.3	29,262	49.08	133	
6	2.50 to < 10.00	130	—	—	130	7.65	0.0	18.07	1.0	82	63.08	1	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	990,572	16,607	75.00	1,003,027	0.27	0.1	18.07	3.5	208,963	20.83	493	¥ 1,017
	Specialised lending (FIRB)												
1	0.00 to < 0.15	206	—	—	206	0.08	0.0	45.00	1.0	33	16.14	0	
2	0.15 to < 0.25	47	—	—	47	0.20	0.0	45.00	1.0	14	30.51	0	
3	0.25 to < 0.50	18	—	—	18	0.30	0.0	45.00	1.0	7	39.51	0	
4	0.50 to < 0.75	111	—	—	111	0.50	0.0	45.00	1.0	58	52.44	0	
5	0.75 to < 2.50	17	—	—	17	1.74	0.0	45.00	1.0	15	90.55	0	
6	2.50 to < 10.00	0	—	—	0	7.65	0.0	45.00	1.0	1	157.03	0	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	401	—	—	401	0.30	0.1	45.00	1.0	130	32.39	0	—
	Equity exposures (PD/LGD Approach)												
1	0.00 to < 0.15	1,278,797	29	100.00	506,224	0.07	0.3	90.00	5.0	608,065	120.11	—	
2	0.15 to < 0.25	125,988	—	—	45,859	0.20	0.1	90.00	5.0	69,714	152.01	—	
3	0.25 to < 0.50	59,246	—	—	22,468	0.30	0.1	90.00	5.0	38,862	172.96	—	
4	0.50 to < 0.75	48,216	—	—	21,156	0.50	0.2	90.00	5.0	43,068	203.57	—	
5	0.75 to < 2.50	21,568	—	—	16,935	1.26	0.2	90.00	5.0	46,403	274.00	—	
6	2.50 to < 10.00	4,000	—	—	2,258	6.66	0.0	90.00	5.0	10,230	453.01	—	
7	10.00 to < 100.00	14	—	—	4	18.67	0.0	90.00	5.0	33	731.60	—	
8	100.00 (Default)	10	—	—	3	100.00	0.0	90.00	5.0	36	1,125.00	—	
9	Sub-total	1,537,843	29	100.00	614,910	0.16	1.3	90.00	5.0	816,416	132.76	—	
	Purchased receivables for corporates, etc. (default risk) (AIRB)												
1	0.00 to < 0.15	8,055	—	—	8,055	0.09	0.0	32.53	3.3	2,221	27.58	2	
2	0.15 to < 0.25	29,955	—	—	29,955	0.20	0.0	32.53	2.3	9,367	31.27	19	
3	0.25 to < 0.50	1,700	—	—	1,700	0.30	0.0	32.53	4.3	919	54.10	1	
4	0.50 to < 0.75	40,613	—	—	40,613	0.50	0.0	32.53	4.0	25,769	63.45	66	
5	0.75 to < 2.50	32,381	—	—	32,381	1.67	0.0	32.46	3.9	29,754	91.88	175	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	112,704	—	—	112,704	0.72	0.0	32.51	3.5	68,033	60.36	266	7

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2019											
		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	¥ —	¥ —	—%	¥ —	—%	—	—%	—	¥ —	—%	¥ —	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	1,140	—	—	1,140	0.25	0.0	100.00	1.0	886	77.74	—	
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	1,140	—	—	1,140	0.25	0.0	100.00	1.0	886	77.74	—	¥ —
	Purchased receivables for corporates, etc. (default risk) (FIRB)												
1	0.00 to < 0.15	605,927	—	—	605,927	0.06	0.3	45.00	1.1	87,288	14.40	180	
2	0.15 to < 0.25	85,732	—	—	85,732	0.20	0.1	45.00	1.0	26,297	30.67	79	
3	0.25 to < 0.50	78,795	—	—	78,795	0.30	0.3	45.00	1.1	31,979	40.58	109	
4	0.50 to < 0.75	93,164	—	—	93,164	0.51	1.3	45.00	1.1	50,102	53.77	214	
5	0.75 to < 2.50	56,214	—	—	56,214	1.48	4.8	45.00	1.5	48,501	86.27	375	
6	2.50 to < 10.00	10,764	—	—	10,764	4.87	1.4	45.00	2.7	16,283	151.26	236	
7	10.00 to < 100.00	2,664	—	—	2,664	21.75	0.0	45.00	2.5	5,974	224.24	260	
8	100.00 (Default)	76	—	—	76	100.00	0.0	45.00	1.0	0	0.00	34	
9	Sub-total	933,340	—	—	933,340	0.35	8.5	45.00	1.1	266,426	28.54	1,490	1,010
	Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)												
1	0.00 to < 0.15	663,563	—	—	663,563	0.05	0.3	94.66	1.1	173,641	26.16	17	
2	0.15 to < 0.25	20,627	—	—	20,627	0.22	0.1	99.80	1.0	14,624	70.89	0	
3	0.25 to < 0.50	16,869	—	—	16,869	0.37	0.2	80.98	1.4	14,674	86.98	7	
4	0.50 to < 0.75	1,295	—	—	1,295	0.50	0.0	45.00	2.5	1,048	80.95	2	
5	0.75 to < 2.50	8,586	—	—	8,586	0.94	0.3	92.95	1.4	12,996	151.36	8	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	710,941	—	—	710,941	0.08	1.0	94.37	1.1	216,985	30.52	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	72,898	—	—	72,898	0.31	35.9	72.54	—	28,736	39.42	165	
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	72,898	—	—	72,898	0.31	35.9	72.54	—	28,736	39.42	165	276

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2019

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	¥ 42,560	28.44%	¥ 12,106	0.11%	43.9	64.25%	—	¥ 524	4.33%	¥ 8	
2	0.15 to < 0.25	40,983	845,956	11.53	138,564	0.24	201.1	58.77	—	10,228	7.38	198	
3	0.25 to < 0.50	19,038	667,036	8.26	74,192	0.37	149.8	72.92	—	9,496	12.80	200	
4	0.50 to < 0.75	32,814	280,686	11.53	65,191	0.59	85.1	58.77	—	9,786	15.01	227	
5	0.75 to < 2.50	16,076	190,244	11.63	38,208	0.94	91.7	62.91	—	8,769	22.95	226	
6	2.50 to < 10.00	44,516	136,231	13.29	62,624	5.00	96.2	59.70	—	43,013	68.68	1,864	
7	10.00 to < 100.00	385	1,488	10.49	541	56.14	0.7	63.73	—	813	150.18	196	
8	100.00 (Default)	166	4,722	7.57	16,807	100.00	20.7	60.53	—	5,032	29.93	9,772	
9	Sub-total	153,981	2,168,927	10.97	408,238	5.29	689.6	62.11	—	87,663	21.47	12,695	¥ 18,240
	Residential mortgage exposures												
1	0.00 to < 0.15	3,211,628	17,556	100.00	3,229,185	0.10	112.5	19.71	—	159,641	4.94	688	
2	0.15 to < 0.25	2,990,500	115	100.00	2,990,616	0.18	142.1	18.36	—	206,606	6.90	1,008	
3	0.25 to < 0.50	2,273,100	2,584	100.00	2,275,684	0.34	116.8	18.19	—	246,297	10.82	1,424	
4	0.50 to < 0.75	700,591	73	100.00	700,664	0.51	46.4	19.98	—	111,220	15.87	719	
5	0.75 to < 2.50	130,195	19	100.00	130,215	0.92	12.7	22.22	—	34,196	26.26	265	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	81,493	35	100.00	81,528	20.34	4.2	19.23	—	87,890	107.80	3,255	
8	100.00 (Default)	30,930	24	100.00	32,073	100.00	1.8	20.87	—	8,415	26.23	6,023	
9	Sub-total	9,418,440	20,409	100.00	9,439,968	0.74	436.8	18.97	—	854,268	9.04	13,385	23,339
	Other retail exposures												
1	0.00 to < 0.15	0	25,295	22.91	5,795	0.11	23.0	19.44	—	308	5.32	1	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	277,137	—	—	277,137	0.31	121.4	55.64	—	83,915	30.27	493	
4	0.50 to < 0.75	360,872	571	100.00	361,443	0.58	101.0	39.74	—	113,239	31.32	852	
5	0.75 to < 2.50	157,862	148,343	28.60	200,301	1.14	282.2	65.10	—	138,800	69.29	1,534	
6	2.50 to < 10.00	64,836	26,106	54.24	78,998	3.80	67.6	45.23	—	50,704	64.18	1,328	
7	10.00 to < 100.00	3,666	754	91.86	4,359	41.53	1.1	39.27	—	3,831	87.89	844	
8	100.00 (Default)	9,781	1,423	34.20	23,035	100.00	13.6	49.19	—	6,312	27.40	10,826	
9	Sub-total	874,158	202,494	31.67	951,071	3.48	610.3	50.27	—	397,113	41.75	15,881	16,106
	Lease transactions												
1	0.00 to < 0.15	127,287	—	—	127,287	0.05	0.4	45.00	3.1	30,100	23.64	31	
2	0.15 to < 0.25	184,569	—	—	184,569	0.20	0.1	45.00	3.3	96,033	52.03	170	
3	0.25 to < 0.50	21,888	—	—	21,888	0.30	0.1	45.00	2.0	11,090	50.66	30	
4	0.50 to < 0.75	33,751	—	—	33,751	0.50	0.2	45.00	3.1	25,989	77.00	76	
5	0.75 to < 2.50	44,629	—	—	44,629	1.51	0.3	45.00	2.8	45,430	101.79	304	
6	2.50 to < 10.00	2,510	—	—	2,510	6.26	0.0	45.00	2.9	3,773	150.26	70	
7	10.00 to < 100.00	305	—	—	305	18.67	0.0	45.00	3.5	638	208.69	25	
8	100.00 (Default)	—	—	—	526	100.00	0.0	45.00	1.0	0	0.00	237	
9	Sub-total	414,942	—	—	415,469	0.50	1.3	45.00	3.1	213,055	51.28	946	3,519
Total (all portfolios)		¥ 48,251,943	¥ 6,532,547	54.10%	¥ 50,909,270	0.55%	1,796.1	36.89%	2.0	¥ 10,145,561	19.92%	¥ 97,562	¥ 129,100

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, 2020	
		a	b
Item No.	Portfolio	Pre-credit derivatives credit RWA amounts	Actual credit RWA amounts
1	Sovereign Exposures – FIRB	¥ 108,192	¥ 108,192
2	Sovereign Exposures – AIRB	12,818	12,818
3	Financial Institution Exposures – FIRB	141,054	141,054
4	Financial Institution Exposures – AIRB	129,364	129,364
5	Corporate exposures (excluding specialised lending) – FIRB	2,081,863	2,081,863
6	Corporate exposures (excluding specialised lending) – AIRB	4,559,875	4,559,875
7	Specialised lending – FIRB	339,214	339,214
8	Specialised lending – AIRB	1,190,283	1,190,283
9	Retail – Qualifying revolving retail exposures	101,100	101,100
10	Retail – Residential mortgage exposures	775,336	775,336
11	Retail – Other retail exposures	412,315	412,315
12	Equity Exposures – FIRB	923,841	923,841
13	Equity Exposures – AIRB	—	—
14	Purchased receivables – FIRB	479,679	479,679
15	Purchased receivables – AIRB	39,972	39,972
16	Total	¥ 11,294,912	¥ 11,294,912

Note: The SuMi TRUST Group does not use credit derivatives as credit risk mitigation techniques.

CR7		Millions of Yen	
		March 31, 2019	
		a	b
Item No.	Portfolio	Pre-credit derivatives credit RWA amounts	Actual credit RWA amounts
1	Sovereign Exposures – FIRB	¥ 100,435	¥ 100,435
2	Sovereign Exposures – AIRB	14,903	14,903
3	Financial Institution Exposures – FIRB	196,461	196,461
4	Financial Institution Exposures – AIRB	111,017	111,017
5	Corporate exposures (excluding specialised lending) – FIRB	2,046,264	2,046,264
6	Corporate exposures (excluding specialised lending) – AIRB	4,517,798	4,517,798
7	Specialised lending – FIRB	2,269,220	2,269,220
8	Specialised lending – AIRB	208,963	208,963
9	Retail – Qualifying revolving retail exposures	87,663	87,663
10	Retail – Residential mortgage exposures	854,268	854,268
11	Retail – Other retail exposures	397,113	397,113
12	Equity Exposures – FIRB	991,938	991,938
13	Equity Exposures – AIRB	—	—
14	Purchased receivables – FIRB	512,148	512,148
15	Purchased receivables – AIRB	68,919	68,919
16	Total	¥ 12,377,118	¥ 12,377,118

Note: The 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 March 31, 2020 RWA amounts
1	RWA at the end of the previous fiscal year		¥ 13,219
2	Factor of RWA changes	Asset size	331
3		Asset quality	(365)
4		Model updates	(23)
5		Methodology and policy	(819)
6		Acquisitions and disposals	—
7		Foreign exchange movements	(159)
8		Others	—
9	RWA at the end of the fiscal year		¥ 12,184

Note: The end of the previous fiscal year indicates March 31, 2019, and the end of the fiscal year indicates March 31, 2020.

CR8 Item No.			Billions of Yen March 31, 2019 RWA amounts
1	RWA at the end of the previous fiscal year		¥ 13,427
2	Factor of RWA changes	Asset size	652
3		Asset quality	(900)
4		Model updates	(115)
5		Methodology and policy	73
6		Acquisitions and disposals	(1)
7		Foreign exchange movements	82
8		Others	—
9	RWA at the end of the fiscal year		¥ 13,219

Note: The end of the previous fiscal year indicates March 31, 2018, and the end of the fiscal year indicates March 31, 2019.

CR9: IRB – Backtesting of probability of default (PD) per portfolio

Entities subject to AIRB and FIRB

CR9		%, Cases											
		March 31, 2020 (Period covered: September 30, 2018 - September 30, 2019)											
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, 2018	September 30, 2019				
Sovereign Exposures	—	AAA~B	Aaa~B2	AAA~B	AAA~BB	AAA~BB+	0.00%	0.13%	574	667	0	0	0.00%	0.9%
Financial Institution Exposures	—	AA~B+	Aa2~B1	AA~B+	AA+~BB-	AAA~BB	0.11	0.32	424	426	0	0	0.00	2.3
Corporate Exposures (Japanese)	≥ 0% to 0.03%	AAA~A-	Aaa~A3	—	AAA~AA-	AAA~AA	0.03	0.03	426	442	0	0	0.00	50.4
	> 0.03% to 0.1%	BBB+~BBB-	Baa1~Baa3	—	A+~A-	AA-~A	0.07	0.07	476	483	0	0	0.00	
	> 0.1% to 0.5%	BB+~BB-	Ba1~Ba3	—	BBB+~BBB-	A-~BBB	0.21	0.23	2,201	2,238	0	0	0.01	
	> 0.5% to 5%	B+~B-	B1~B3	—	BB+~BB-	BBB-~BB	1.03	1.31	4,713	4,851	8	0	0.16	
	> 5% to <100%	—	—	—	—	—	7.71	9.19	230	239	8	0	3.03	
Corporate Exposures (Non-Japanese)	≥ 0% to 0.03%	AAA~AA-	Aaa~Aa3	AAA~AA-	—	—	0.03	0.03	34	35	0	0	0.00	10.0
	> 0.03% to 0.1%	A+~A-	A1~A3	A+~A-	—	—	0.06	0.06	117	107	0	0	0.00	
	> 0.1% to 0.5%	BBB+~BBB-	Baa1~Baa3	BBB+~BBB-	—	—	0.24	0.26	228	235	0	0	0.00	
	> 0.5% to 15%	BB+~B-	Ba1~B3	BB+~B-	—	—	2.50	2.71	576	590	1	0	0.07	
	> 15% to < 100%	—	—	—	—	—	34.71	34.71	16	19	0	0	9.66	
Purchased receivables for corporates,etc. (Top-down approach)	—	—	—	—	AAA~BB+	AAA~BBB-	4.30	4.72	1,326	314	4	0	0.63	0.0
Qualifying revolving retail exposures	≥ 0% to 10%						0.55	0.36	40,909	41,995	32	0	0.10	0.0
	> 10% to < 100%						24.63	24.63	136	175	25	0	14.22	
Residential mortgage exposures	≥ 0% to 2%						0.22	0.24	462,164	502,091	319	0	0.09	6.8
	> 2% to < 100%						20.58	20.50	4,862	5,205	636	0	12.56	
Other retail exposures	≥ 0% to 10%						0.80	1.14	40,543	39,766	107	0	0.36	0.4
	> 10% to < 100%						24.83	25.92	222	264	43	0	17.04	

Entities subject to FIRB

CR9 — %, Cases

March 31, 2020 (Period covered: September 30, 2018 - September 30, 2019)

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, 2018	September 30, 2019				
Sovereign Exposures	—	—	—	—	AAA~BBB	AAA~BBB+	0.01%	0.03%	184	213	0	0	0.00%	0.0%
Financial Institution Exposures	—	—	—	—	AA+~BB-	AAA~BB	0.05	0.33	7	5	0	0	0.00	0.0
Corporate Exposures (Japanese)	≥ 0% to 0.03%	—	—	—	AAA~AA-	AAA~AA	0.03	0.03	49	46	0	0	0.00	3.3
	> 0.03% to 0.1%	—	—	—	A+~A-	AA-~A	0.07	0.07	89	86	0	0	0.00	
	> 0.1% to 0.5%	—	—	—	BBB+~BBB-	A-~BBB	0.22	0.23	497	480	0	0	0.00	
	> 0.5% to 5%	—	—	—	BB+~BB-	BBB-~BB	1.29	1.22	912	958	11	1	0.71	
	> 5% to < 100%	—	—	—	—	—	8.40	8.18	233	260	13	2	5.34	
Qualifying revolving retail exposures	≥ 0% to 10%						1.03	0.94	618,334	611,483	3,009	43	0.76	0.7
	> 10% to < 100%						60.91	61.44	680	584	353	0	59.71	
Residential mortgage exposures	≥ 0% to 2%						0.67	0.75	12,728	13,129	48	0	0.37	0.3
	> 2% to < 100%						23.99	23.99	273	270	32	0	12.65	
Other retail exposures	≥ 0% to 10%						1.06	1.52	319,319	321,040	2,006	64	0.61	2.8
	> 10% to < 100%						45.79	64.07	903	906	444	1	47.38	

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)," the same rating system (same PD) is used, and so 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 the SuMi TRUST Group.
4. The PD estimation of the 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 2018. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2018 to the end of September 2019.
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 seven 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 2019) 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, 2019 (Period covered: September 30, 2017 - September 30, 2018)											
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, 2017	September 30, 2018				
Sovereign Exposures	—	AAA~B-	Aaa~B3	AAA~B-	AAA~BB+	AAA~BBB-	0.02%	0.18%	534	579	0	0	0.00%	0.8%
Financial Institution Exposures	—	AAA~B	Aaa~B2	AAA~B	AA+~BB-	AAA~BB	0.15	0.40	417	426	0	0	0.00	2.0
Corporate Exposures (Japanese)	≥ 0% to 0.03%	AAA~A-	Aaa~A3	—	AAA~AA-	AAA~AA	0.02	0.02	403	422	0	0	0.00	49.8
	> 0.03% to 0.1%	BBB+~BBB-	Baa1~Baa3	—	A+~A-	AA-~A	0.07	0.07	442	469	0	0	0.00	
	> 0.1% to 0.5%	BB+~BB-	Ba1~Ba3	—	BBB+~BBB-	A-~BBB	0.21	0.23	2,167	2,198	0	0	0.01	
	> 0.5% to 5%	B+~B-	B1~B3	—	BB+~BB-	BBB-~BB	1.08	1.33	4,556	4,714	2	0	0.16	
	> 5% to < 100%	—	—	—	—	—	18.00	10.62	275	230	8	0	2.95	
Corporate Exposures (Non-Japanese)	≥ 0% to 0.03%	AAA~AA-	Aaa~Aa3	AAA~AA-	—	—	0.03	0.03	24	32	0	0	0.00	9.0
	> 0.03% to 0.1%	A+~A-	A1~A3	A+~A-	—	—	0.07	0.07	99	114	0	0	0.00	
	> 0.1% to 0.5%	BBB+~BBB-	Baa1~Baa3	BBB+~BBB-	—	—	0.27	0.29	191	228	0	0	0.00	
	> 0.5% to 15%	BB+~B-	Ba1~B3	BB+~B-	—	—	2.76	2.87	606	576	0	0	0.05	
	> 15% to < 100%	—	—	—	—	—	34.12	34.12	16	15	0	0	11.27	
Purchased receivables for corporates,etc. (Top-down approach)	—	—	—	—	AAA~BB+	AAA~BBB-	3.54	0.84	2,880	1,326	3	0	0.70	0.1
Qualifying revolving retail exposures	≥ 0% to 2%						0.54	0.33	38,086	41,081	18	0	0.10	0.0
	> 2% to < 100%						24.92	24.92	127	136	21	0	13.53	
Residential mortgage exposures	≥ 0% to 2%						0.22	0.24	441,808	476,742	356	0	0.10	6.4
	> 2% to < 100%						21.11	21.11	4,070	4,999	554	0	12.47	
Other retail exposures	≥ 0% to 5%						0.74	0.82	42,546	41,786	123	0	0.38	0.4
	> 5% to < 100%						24.91	26.08	213	225	48	0	16.66	

Entities subject to FIRB

CR9

%, Cases

March 31, 2019 (Period covered: September 30, 2017 - September 30, 2018)

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, 2017	September 30, 2018				
Sovereign Exposures	—	—	—	—	AAA~BBB	AAA~BBB+	0.01%	0.06%	164	184	0	0	0.00%	0.0%
Financial Institution Exposures	—	—	—	—	AA+~BB-	AAA~BB	0.06	0.39	7	7	0	0	0.00	0.0
Corporate Exposures (Japanese)	≥ 0% to 0.03%	—	—	—	AAA~AA-	AAA~AA	0.03	0.03	54	49	0	0	0.00	3.3
	> 0.03% to 0.1%	—	—	—	A+~A-	AA-~A	0.07	0.07	101	89	0	0	0.00	
	> 0.1% to 0.5%	—	—	—	BBB+~BBB-	A-~BBB	0.22	0.24	522	497	0	0	0.00	
	> 0.5% to 5%	—	—	—	BB+~BB-	BBB-~BB	1.34	1.30	972	913	7	1	0.63	
	> 5% to < 100%	—	—	—	—	—	8.57	7.53	182	234	10	1	5.30	
Qualifying revolving retail exposures	≥ 0% to 1%						0.42	0.43	85,180	83,967	295	24	0.28	0.1
	> 1% to < 100%						83.20	82.76	85	100	59	0	70.62	
Residential mortgage exposures	≥ 0% to 2%						0.70	0.78	12,662	12,858	57	0	0.37	0.3
	> 2% to < 100%						24.79	24.79	263	275	29	0	12.81	
Other retail exposures	≥ 0% to 5%						1.06	0.96	330,135	330,306	1,940	73	0.60	2.5
	> 5% to < 100%						42.98	57.04	770	903	369	0	46.81	

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. and Sumitomo Mitsui Trust Panasonic Finance 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)," the same rating system (same PD) is used, and so 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 the SuMi TRUST Group.

4. The PD estimation of the 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 2017. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2017 to the end of September 2018.

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 six 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 2018) 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 ">5% 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, 2020

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) PF	OF	CF	IPRE	Total	Credit RWA amounts	Expected losses
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	4,128	—	70%					4,128	2,890	16
	2.5 years≤	2,407	3,049	95%					4,694	4,459	18
Good	< 2.5 years	19,855	727	95%					20,401	19,381	81
	2.5 years≤	49,668	48,183	120%					85,805	102,967	343
Satisfactory		39,072	39,882	140%					68,984	96,577	1,931
Weak		38,806	7,539	250%					44,460	111,151	3,556
Default		—	—	—					—	—	—
Total		¥ 153,938	¥ 99,381	—					¥ 228,474	¥ 337,426	¥ 5,948
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		12,442	27,944	300%					40,386	121,160	
Simple risk weight method – Unlisted shares		23,379	2,388	400%					25,170	100,682	
Internal Models Approach		—	—	—					—	—	
Total		¥ 35,821	¥ 30,332	—					¥ 65,557	¥ 221,843	
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, 2019

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	¥ 67,716	¥ 10,735	50%	¥ 44,689	¥ 7,074	¥ —	¥ 24,013	¥ 75,777	¥ 37,888	¥ —
	2.5 years≤	534,449	112,496	70%	408,155	210,579	—	90	618,825	433,177	2,475
Good	< 2.5 years	113,434	33,813	70%	41,704	58,967	—	38,122	138,795	97,156	555
	2.5 years≤	682,699	220,609	90%	586,859	230,379	—	30,991	848,231	763,407	6,785
Satisfactory		270,940	48,881	115%	158,545	96,873	—	51,727	307,146	353,218	8,600
Weak		54,978	9,559	250%	12,853	37,630	—	11,664	62,148	155,370	4,971
Default		15,891	1,508	—	15,356	1,514	—	—	16,871	—	8,435
Total		¥1,740,111	¥437,604	—	¥1,268,165	¥643,020	¥ —	¥156,609	¥2,067,795	¥1,840,220	¥31,824

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	8,922	—	70%	8,922	6,245	35
	2.5 years≤	35	—	95%	35	34	0
Good	< 2.5 years	8,889	—	95%	8,889	8,444	35
	2.5 years≤	35,944	9,662	120%	43,190	51,828	172
Satisfactory		139,008	87,246	140%	204,443	286,220	5,724
Weak		16,896	18,056	250%	30,439	76,097	2,435
Default		—	—	—	—	—	—
Total		¥ 209,695	¥114,965	—	¥ 295,919	¥ 428,870	¥ 8,403

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	7,936	23,496	300%	31,432	94,298
Simple risk weight method – Unlisted shares	20,305	—	400%	20,305	81,222
Internal Models Approach	—	—	—	—	—
Total	¥ 28,241	¥ 23,496	—	¥ 51,738	¥ 175,521
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, 2020					
		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)	428,371	497,019			925,390	393,082
2	Expected Exposure Method (IMM)			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					1,663,723	96,113
5	Exposure variation estimation model					—	—
6	Total						¥ 489,196

CCR1		Millions of Yen					
		March 31, 2019					
		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)	304,012	463,054			767,066	280,935
2	Expected Exposure Method (IMM)			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					563,627	86,860
5	Exposure variation estimation model					—	—
6	Total						¥ 367,796

CCR2: Credit valuation adjustment (CVA) capital charge

CCR2		Millions of Yen	
		March 31, 2020	
		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	832,686	663,147
5	Total portfolios subject to the CVA capital charge	¥ 832,686	¥ 663,147

CCR2		Millions of Yen	
		March 31, 2019	
		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	690,868	496,123
5	Total portfolios subject to the CVA capital charge	¥ 690,868	¥ 496,123

CCR3: CCR exposures by regulatory portfolio and risk weights

CCR3		Millions of Yen								
		March 31, 2020								
		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	—	—	384,004	—	—	—	—	—	384,004
11	Corporates, etc.	—	—	—	—	—	—	—	—	—
12	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—
13	Other than the above	—	—	—	—	—	—	—	—	—
14	Total	¥ —	¥ —	¥ 384,004	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 384,004

Note: The aggregate calculation on this statement includes exposures based on the standardised approach only.

CCR3		Millions of Yen								
		March 31, 2019								
		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	—	—	336,784	—	—	—	—	—	336,784
11	Corporates, etc.	—	—	—	—	—	—	—	—	—
12	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—
13	Other than the above	—	—	—	—	—	—	—	—	—
14	Total	¥ —	¥ —	¥ 336,784	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 336,784

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, 2020						
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	¥ 1,103,545	0.00%	0.0	44.74%	0.1	¥ 3,031	0.27%
2	0.15 to < 0.25	—	—	—	—	—	—	—
3	0.25 to < 0.50	313	0.26	0.0	45.00	1.0	149	47.82
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	1,958	1.88	0.0	45.00	1.0	1,836	93.77
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	1,105,817	0.00	0.0	44.74	0.1	5,017	0.45
		Financial Institution exposures						
1	0.00 to < 0.15	453,530	0.05	0.1	15.89	2.5	94,107	20.74
2	0.15 to < 0.25	408	0.20	0.0	45.00	2.9	179	44.01
3	0.25 to < 0.50	37,474	0.28	0.0	21.96	4.0	30,425	81.18
4	0.50 to < 0.75	229	0.50	0.0	45.00	1.0	120	52.44
5	0.75 to < 2.50	30	1.03	0.0	45.00	1.0	22	74.38
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	491,673	0.06	0.1	16.24	2.6	124,855	25.39
		Corporate exposures and SME exposures						
1	0.00 to < 0.15	338,649	0.06	0.4	9.79	2.7	88,009	25.98
2	0.15 to < 0.25	16,110	0.20	0.0	45.00	3.9	9,037	56.10
3	0.25 to < 0.50	51,886	0.30	0.1	45.00	4.8	41,179	79.36
4	0.50 to < 0.75	25,209	0.63	0.1	45.00	4.7	26,206	103.95
5	0.75 to < 2.50	64,624	1.43	0.1	45.15	4.8	86,046	133.14
6	2.50 to < 10.00	16,529	3.39	0.0	45.00	4.7	26,538	160.54
7	10.00 to < 100.00	884	34.71	0.0	45.00	2.9	2,442	276.03
8	100.00 (Default)	61	100.00	0.0	45.00	1.0	0	0.00
9	Sub-total	513,957	0.46	0.9	13.23	3.4	279,461	54.37
Total (all portfolios)		¥ 2,111,448	0.13%	1.1	22.40%	1.5	¥ 409,334	19.38%

Note: The 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, 2019						
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	¥ 24,077	0.01%	0.0	19.76%	2.1	¥ 2,623	10.89%
2	0.15 to < 0.25	—	—	—	—	—	—	—
3	0.25 to < 0.50	501	0.26	0.0	45.00	1.5	278	55.57
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	24,579	0.02	0.0	19.99	2.1	2,902	11.81
		Financial Institution exposures						
1	0.00 to < 0.15	400,433	0.05	0.1	11.24	2.7	87,496	21.85
2	0.15 to < 0.25	271	0.20	0.0	45.00	2.2	125	46.33
3	0.25 to < 0.50	19,814	0.30	0.0	17.74	3.4	16,170	81.61
4	0.50 to < 0.75	176	0.50	0.0	45.00	1.0	92	52.44
5	0.75 to < 2.50	156	1.03	0.0	45.00	1.0	116	74.38
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	420,852	0.06	0.1	11.45	2.7	104,001	24.71
		Corporate exposures and SME exposures						
1	0.00 to < 0.15	358,606	0.06	0.4	10.86	2.2	80,848	22.54
2	0.15 to < 0.25	28,675	0.20	0.1	45.00	4.1	16,934	59.05
3	0.25 to < 0.50	26,581	0.30	0.1	45.00	4.7	20,700	77.87
4	0.50 to < 0.75	10,000	0.51	0.1	45.00	4.5	9,247	92.46
5	0.75 to < 2.50	44,076	1.49	0.1	45.00	4.7	58,382	132.45
6	2.50 to < 10.00	1,865	4.91	0.0	45.00	4.0	3,038	162.86
7	10.00 to < 100.00	400	33.20	0.0	45.00	3.6	1,098	274.33
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	470,207	0.27	0.9	13.18	2.7	190,249	40.46
Total (all portfolios)		¥ 915,639	0.17%	1.0	12.44%	2.7	¥ 297,154	32.45%

Note: The 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, 2020					
		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)	¥ —	¥ 126,581	¥ —	¥ 321,222	¥ 1,068,982	¥ 750,758
2	Cash (other currency)	—	8,357	—	183,139	1,129,347	30,521
3	Domestic sovereign debt	—	7,053	—	20,180	181,075	1,289,027
4	Other sovereign debt	—	—	—	—	993,263	1,679,432
5	Government agency debt	—	—	—	—	237,766	486,789
6	Corporate bonds	—	—	—	—	409,906	—
7	Equity securities	—	—	—	9,584	587,566	721,116
8	Other collateral	—	—	—	—	—	—
9	Total	¥ —	¥ 141,992	¥ —	¥ 534,127	¥ 4,607,910	¥ 4,957,645

CCR5		Millions of Yen					
		March 31, 2019					
		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)	¥ —	¥ 110,968	¥ —	¥ 241,809	¥ 26,439	¥ 786,303
2	Cash (other currency)	—	673	—	91,676	1,090,592	31,180
3	Domestic sovereign debt	—	1,740	—	6,871	76,915	311,905
4	Other sovereign debt	—	—	—	—	1,137,589	1,608,996
5	Government agency debt	—	—	—	—	589,731	545,503
6	Corporate bonds	—	—	—	—	114,373	13,571
7	Equity securities	—	—	—	9,505	649,732	778,187
8	Other collateral	—	—	—	—	—	—
9	Total	¥ —	¥ 113,381	¥ —	¥ 349,862	¥ 3,685,373	¥ 4,075,649

CCR6: Credit derivatives exposures

CCR6		Millions of Yen	
		March 31, 2020	
Item No.		a	b
		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	¥ 53,600	¥ 68,600
2	Index credit default swaps	11,940	5,434
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	Total notionals	¥ 65,540	¥ 74,034
	Fair values		
7	Positive fair value (asset)	596	425
8	Negative fair value (liability)	(406)	(441)

CCR6		Millions of Yen	
		March 31, 2019	
Item No.		a	b
		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	¥ 63,600	¥ 121,846
2	Index credit default swaps	724	4,345
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	Total notionals	¥ 64,324	¥ 126,192
	Fair values		
7	Positive fair value (asset)	81	1,250
8	Negative fair value (liability)	(701)	(117)

CCR7: RWA flow statements of CCR exposures under Internal Model Method (IMM)

As of March 31, 2020
Not applicable.

As of March 31, 2019
Not applicable.

CCR8: Exposures to central counterparties (CCP)

CCR8		Millions of Yen	
		March 31, 2020	
Item No.		a	b
		EAD to CCP (post-CRM)	RWA amounts
1	Exposures to qualifying central counterparties (QCCPs) (total)		¥ 49,867
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,036,944	40,738
3	(i) OTC derivatives	1,759,635	35,192
4	(ii) Exchange-traded derivatives	222,792	4,455
5	(iii) Repo transactions	54,516	1,090
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	93,786	1,875
9	Pre-funded default fund contributions	20,508	7,253
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, 2019	
Item No.		a	b
		EAD to CCP (post-CRM)	RWA amounts
1	Exposures to qualifying central counterparties (QCCPs) (total)		¥ 41,617
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,062,146	21,242
3	(i) OTC derivatives	783,629	15,672
4	(ii) Exchange-traded derivatives	261,998	5,239
5	(iii) Repo transactions	16,517	330
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	55,520	1,110
9	Pre-funded default fund contributions	15,437	19,264
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, 2020								
		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	¥ 75,122	¥ —	¥ 75,122	¥ 127,403	¥ —	¥ 127,403	¥ 139,219	¥ —	¥ 139,219
2	Residential mortgage	75,122	—	75,122	86,287	—	86,287	64,847	—	64,847
3	Credit card	—	—	—	492	—	492	26,253	—	26,253
4	Other retail exposures	—	—	—	40,623	—	40,623	48,118	—	48,118
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	18,752	—	18,752	—	—	—	742,846	—	742,846
7	Loans to corporates	—	—	—	—	—	—	720,622	—	720,622
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	18,752	—	18,752	—	—	—	22,223	—	22,223
10	Other wholesale	—	—	—	—	—	—	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

SEC1		Millions of Yen								
		March 31, 2019								
		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	¥ 62,706	¥ —	¥ 62,706	¥ 139,483	¥ —	¥ 139,483	¥ 232,977	¥ —	¥ 232,977
2	Residential mortgage	62,706	—	62,706	96,477	—	96,477	68,852	—	68,852
3	Credit card	—	—	—	1,565	—	1,565	43,969	—	43,969
4	Other retail exposures	—	—	—	41,441	—	41,441	120,155	—	120,155
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	16,910	—	16,910	—	—	—	657,440	—	657,440
7	Loans to corporates	—	—	—	—	—	—	635,250	—	635,250
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	16,910	—	16,910	—	—	—	22,189	—	22,189
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, 2020
Not applicable.

As of March 31, 2019
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, 2020														
		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	¥127,331	¥127,331	¥127,331	¥127,331	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	2,272	2,272	2,272	2,272	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	47,869	47,869	47,869	47,869	—	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	43,732	43,732	43,732	24,980	18,752	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	72	72	72	72	—	—	—	—	—	—	—	—	—	—	—
Exposure Values (by regulatory approach)																
6	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	220,713	220,713	220,713	201,961	18,752	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	492	492	492	492	—	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250% risk weight	72	72	72	72	—	—	—	—	—	—	—	—	—	—	—
RWA (by regulatory approach)																
10	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	156,305	156,305	156,305	104,805	51,500	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	73	73	73	73	—	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight	906	906	906	906	—	—	—	—	—	—	—	—	—	—	—
Capital requirement values (by regulatory approach)																
14	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	12,504	12,504	12,504	8,384	4,120	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	5	5	5	5	—	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight	72	72	72	72	—	—	—	—	—	—	—	—	—	—	—

SEC3

Millions of Yen

March 31, 2019

Item No.		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		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	¥138,561	¥138,561	¥138,561	¥138,561	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	2,890	2,890	2,890	2,890	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	43,538	43,538	43,538	43,538	—	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	33,842	33,842	33,842	16,932	16,910	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	266	266	266	266	—	—	—	—	—	—	—	—	—	—	—
	Exposure Values (by regulatory approach)															
6	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	217,699	217,699	217,699	200,789	16,910	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	1,134	1,134	1,134	1,134	—	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250% risk weight	266	266	266	266	—	—	—	—	—	—	—	—	—	—	—
	RWA (by regulatory approach)															
10	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	138,523	138,523	138,523	92,170	46,353	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	205	205	205	205	—	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight	3,332	3,332	3,332	3,332	—	—	—	—	—	—	—	—	—	—	—
	Capital requirement values (by regulatory approach)															
14	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	11,081	11,081	11,081	7,373	3,708	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	16	16	16	16	—	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight	266	266	266	266	—	—	—	—	—	—	—	—	—	—	—

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, 2020														
		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	¥766,385	¥766,385	¥766,385	¥107,216	¥659,169	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	38,784	38,784	38,784	24,713	14,071	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	72,345	72,345	72,345	2,739	69,606	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	4,550	4,550	4,550	4,550	—	—	—	—	—	—	—	—	—	—	—
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)	839,785	839,785	839,785	96,939	742,846	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	42,279	42,279	42,279	42,279	—	—	—	—	—	—	—	—	—	—	—
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)	178,008	178,008	178,008	21,982	156,026	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	12,730	12,730	12,730	12,730	—	—	—	—	—	—	—	—	—	—	—
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)	14,240	14,240	14,240	1,758	12,482	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	1,018	1,018	1,018	1,018	—	—	—	—	—	—	—	—	—	—	—
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, 2019

Item No.		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		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	¥739,235	¥739,235	¥739,235	¥203,032	¥536,203	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	109,431	109,431	109,431	25,898	83,533	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	41,749	41,749	41,749	4,047	37,702	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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)	834,642	834,642	834,642	177,202	657,440	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	55,775	55,775	55,775	55,775	—	—	—	—	—	—	—	—	—	—	—
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)	165,529	165,529	165,529	29,361	136,168	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	14,491	14,491	14,491	14,491	—	—	—	—	—	—	—	—	—	—	—
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)	13,241	13,241	13,241	2,348	10,893	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	1,159	1,159	1,159	1,159	—	—	—	—	—	—	—	—	—	—	—
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, 2020
Item No.		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)
1	Interest rate risk (general and specific)	¥ 4,765
2	Equity risk (general and specific)	—
3	Foreign exchange risk	17,961
4	Commodity risk	—
	Options transactions	
5	Simplified approach	—
6	Delta-plus method	—
7	Scenario approach	—
8	Specific risk related to securitisation exposures	—
9	Total	¥ 22,727

MR1		Millions of Yen
		March 31, 2019
Item No.		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)
1	Interest rate risk (general and specific)	¥ 4,528
2	Equity risk (general and specific)	—
3	Foreign exchange risk	17,744
4	Commodity risk	—
	Options transactions	
5	Simplified approach	—
6	Delta-plus method	—
7	Scenario approach	—
8	Specific risk related to securitisation exposures	—
9	Total	¥ 22,272

MR2: Risk-weighted Assets Flow Statements of Market Risk Exposures under Internal Model Approach

MR2			Millions of Yen					
			March 31, 2020					
			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, 2019)		¥ 181	¥ 900	¥ —	¥ —		¥ 1,081
1b	Regulatory adjustment ratio (1a/1c)		3.26	3.04	—	—		3.08
1c	RWA at the end of the previous fiscal year		55	295	—	—		350
2	Factor of RWA changes	Movement in risk levels	35	(24)	—	—		11
3		Model updates/changes	—	—	—	—		—
4		Methodology and policy	—	—	—	—		—
5		Acquisitions and disposals	—	—	—	—		—
6		Foreign exchange movements	(0)	7	—	—		6
7		Others	19	(5)	—	—		13
8a	RWA at the end of the fiscal year		110	272	—	—		382
8b	Regulatory adjustment ratio (8c/8a)		2.69	3.72	—	—		3.42
8c	RWA at the end of current reporting period (March 31, 2020)		297	1,013	—	—		1,311

Note: The end of the previous fiscal year indicates March 31, 2019, and the end of the fiscal year indicates March 31, 2020.

MR2			Millions of Yen					
			March 31, 2019					
			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, 2018)		¥ 243	¥ 749	¥ —	¥ —		¥ 993
1b	Regulatory adjustment ratio (1a/1c)		4.06	3.46	—	—		3.59
1c	RWA at the end of the previous fiscal year		59	216	—	—		276
2	Factor of RWA changes	Movement in risk levels	(0)	77	—	—		76
3		Model updates/changes	1	(10)	—	—		(8)
4		Methodology and policy	—	—	—	—		—
5		Acquisitions and disposals	—	—	—	—		—
6		Foreign exchange movements	1	(5)	—	—		(3)
7		Others	(7)	17	—	—		10
8a	RWA at the end of the fiscal year		55	295	—	—		350
8b	Regulatory adjustment ratio (8c/8a)		3.26	3.04	—	—		3.08
8c	RWA at the end of current reporting period (March 31, 2019)		181	900	—	—		1,081

Note: The end of the previous fiscal year indicates March 31, 2018, and the end of the fiscal year indicates March 31, 2019.

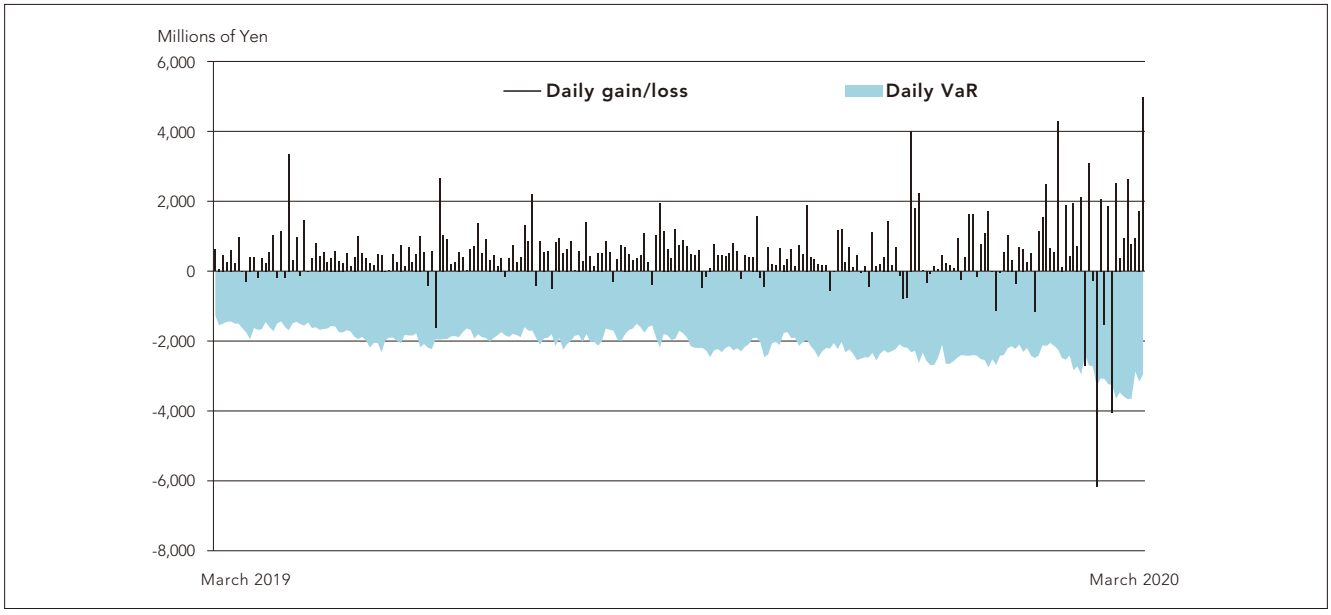
MR3: Values of Internal Model Approaches (IMA) (Market risk)

MR3 Item No.		Millions of Yen
		March 31, 2020
	VaR (holding period:10 business days, one-sided confidence interval:99%)	
1	Maximum value	¥ 10,749
2	Average value	6,292
3	Minimum value	3,923
4	Period end	8,833
	Stressed VaR (holding period:10 business days, one-sided confidence interval:99%)	
5	Maximum value	32,726
6	Average value	24,541
7	Minimum value	15,998
8	Period end	21,785
	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, 2019
	VaR (holding period:10 business days, one-sided confidence interval:99%)	
1	Maximum value	¥ 9,631
2	Average value	6,350
3	Minimum value	3,906
4	Period end	4,455
	Stressed VaR (holding period:10 business days, one-sided confidence interval:99%)	
5	Maximum value	32,028
6	Average value	23,719
7	Minimum value	15,276
8	Period end	23,612
	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)	—

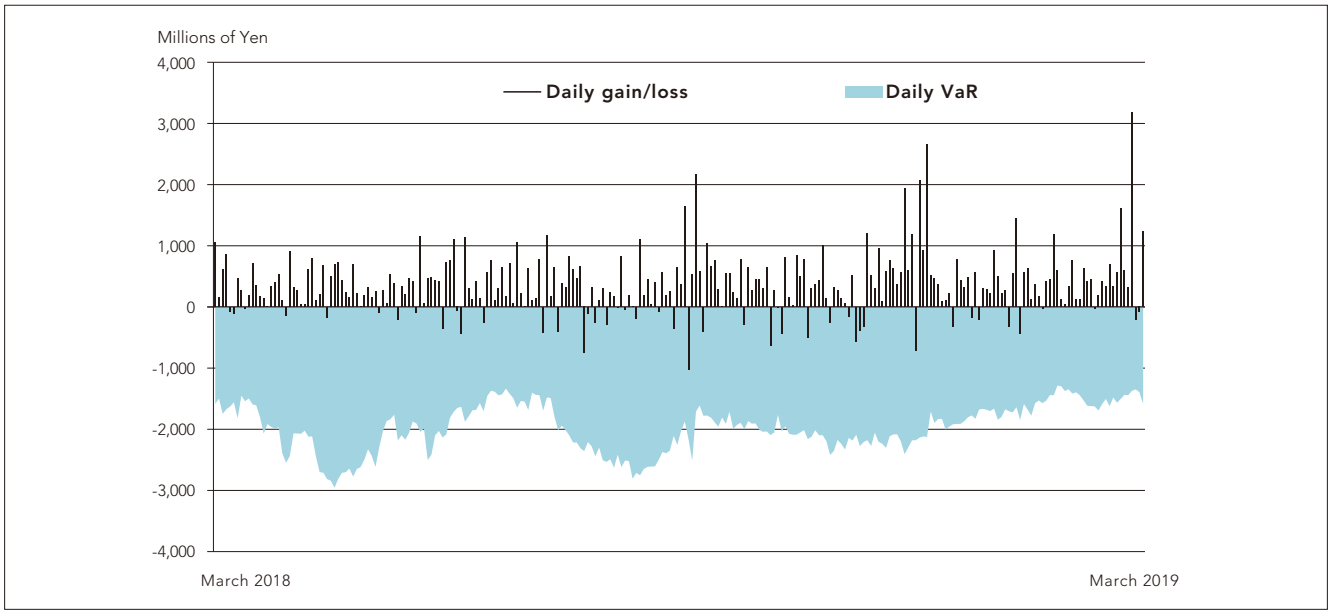
MR4: Backtesting results by Internal Model Approaches (IMA)

MR4	March 31, 2020



Note: As shown above, during the reported period, three exceedances occurred in backtesting.

MR4	March 31, 2019



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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
1	Parallel up	**¥ 118,906**	¥ 111,758	**¥ (52,028)**	¥ (81,988)
2	Parallel down	**—**	32,180	**52,945**	82,944
3	Steepener	**70,291**	60,686		
4	Flattener	**—**	—		
5	Short rate up	**8,653**	10,380		
6	Short rate down	**1,738**	20,354		
7	Maximum	**118,906**	111,758	**52,945**	82,944
		e		f	
		March 31, 2020		March 31, 2019	
8	Tier 1 Capital	**¥ 2,758,167**		¥ 2,806,512	

CCyB1: Countercyclical buffer requirement: Status by Country or Region

CCyB1	Millions of Yen, %			
	March 31, 2020			
	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
France	**0.25%**	**¥ 32,704**		
Hong Kong	**1.00%**	**48,457**		
Luxembourg	**0.25%**	**76,717**		
Subtotal		**157,878**		
Total		**¥ 15,100,955**	**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 the SuMi TRUST Group's exposures in the three countries or regions in which the countercyclical buffer requirement set by regulatory authorities exceeded 0 to the SuMi TRUST Group's total exposures was limited.

CCyB1	Millions of Yen, %			
	March 31, 2019			
	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	2.50%	¥ 77,520		
Sweden	2.00%	2,359		
United Kingdom	1.00%	310,256		
Subtotal		390,136		
Total		¥ 15,713,808	0.03%	¥ 5,937

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 the SuMi TRUST Group's exposures in the three countries or regions in which the countercyclical buffer requirement set by regulatory authorities exceeded 0 to the 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, 2020	March 31, 2019
1	Cross-jurisdictional activity	Cross-jurisdictional claims	¥ 8,479,909	¥ 8,594,442
2		Cross-jurisdictional liabilities	14,128,254	13,701,295
3	Size	Total exposures	59,493,586	60,253,670
4	Interconnectedness	Intra-financial system assets	6,251,975	5,045,254
5		Intra-financial system liabilities	6,988,253	8,178,301
6		Securities outstanding	9,864,511	10,685,036
7	Substitutability / Financial institution infrastructure	Assets under custody	254,682,381	230,254,779
8		Payments through settlement systems	973,168,450	896,293,204
9		Underwritten transactions in debt and equity markets	10,151	15,431
10	Complexity	Notional amount of over-the-counter (OTC) derivatives	174,462,401	191,324,056
11		Level 3 assets	669,726	703,586
12		Trading and available-for-sale (AFS) securities	3,436,026	3,711,983

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		2020	2019
		On-Balance Sheet Exposures			
1		On-Balance Sheet Exposures before Deducting Adjustment Items		¥ 52,633,729	¥ 54,631,119
1a	1	Total Assets Reported in the Consolidated Balance Sheet		56,500,552	57,029,113
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)		3,866,823	2,397,993
2	7	The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction)		168,212	244,462
3		Total On-Balance Sheet Exposures	(A)	52,465,517	54,386,656
		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.		650,790	448,438
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.		904,492	988,145
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.		504,362	333,486
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)		169,673	119,286
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		74,034	126,192
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)		53,600	63,600
11	4	Total Exposures Related to Derivative Transactions	(B)	1,910,406	1,713,376
		Exposures Related to Repo Transactions			
12		The Amount of Assets Related to Repo Transactions, etc.		1,961,419	918,547
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)		—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.		287,850	252,883
15		The Exposures for Agent Repo Transaction			
16	5	The Total Exposures Related to Repo Transactions, etc.	(C)	2,249,270	1,171,431
		Exposures Related to Off-Balance Sheet Transactions			
17		Notional Amount of Off-Balance Sheet Transactions		7,426,754	7,541,069
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)		4,726,571	4,803,322
19	6	Total Exposures Related to Off-Balance Sheet Transactions	(D)	2,700,183	2,737,747
		Basel III Leverage Ratio on a Consolidated Basis			
20		The Amount of Capital (Tier 1 Capital)	(E)	2,758,167	2,806,512
21	8	Total Exposures	(F) = (A)+(B)+(C)+(D)	¥ 59,325,377	¥ 60,009,211
22		Basel III Leverage Ratio on a Consolidated Basis	(G) = (E)/(F)	4.64%	4.67%

Note: SuMi TRUST Holdings received a certain procedure by KPMG AZSA LLC of the calculation of the Basel III leverage ratio in line 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, August 27, 2019).
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 2019 4th Quarter		Fiscal Year 2019 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)		14,412,361		15,227,585
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash outflows related to unsecured retail funding	¥ 17,914,127	¥ 830,981	¥ 17,686,799	¥ 829,384
3	of which: Stable deposits	723,125	21,693	705,619	21,168
4	of which: Less stable deposits	8,052,225	809,287	8,041,014	808,216
5	Cash outflows related to unsecured wholesale funding	12,837,801	10,435,598	12,750,320	10,875,881
6	of which: Qualifying operational deposits	—	—	0	0
7	of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	10,480,171	8,077,968	10,442,172	8,567,733
8	of which: Debt securities	2,357,630	2,357,630	2,308,148	2,308,148
9	Cash outflows related to secured funding, etc.		113,698		141,480
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	5,383,536	1,544,383	5,404,251	1,515,919
11	of which: Cash outflows related to derivative transactions, etc.	333,644	333,644	269,806	269,806
12	of which: Cash outflows related to funding programs	—	—	0	0
13	of which: Cash outflows related to credit and liquidity facilities	5,049,892	1,210,739	5,134,445	1,246,113
14	Cash outflows related to contractual funding obligations, etc.	525,379	369,886	445,802	334,997
15	Cash outflows related to contingencies	10,947,809	21,830	11,146,969	23,935
16	Total cash outflows		13,316,376		13,721,596
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash inflows related to secured lending, etc.	107,077	746	55,582	0
18	Cash inflows related to collection of loans, etc.	2,790,920	1,857,979	2,337,861	1,617,876
19	Other cash inflows	504,121	307,459	403,693	247,058
20	Total cash inflows	3,402,118	2,166,184	2,797,136	1,864,934
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		14,412,361		15,227,585
22	Net cash outflows		11,150,192		11,856,662
23	Consolidated Liquidity Coverage Ratio (LCR)		129.2		128.4
24	The number of data used to calculate the average value		58		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 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.

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 2020.

[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 the 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 the SuMi TRUST Holdings Group's management, namely Sumitomo Mitsui Trust Bank, Limited and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

(b) Scope of a "Person Receiving a Substantial Amount of Compensation"

A "person receiving a substantial amount of compensation" refers to a person who receives compensation in excess of a certain threshold amount from SuMi TRUST Holdings or its significant consolidated subsidiaries. Such a threshold amount is set at ¥40 million within the SuMi TRUST Holdings Group. This threshold amount has been determined based on the average compensation for officers paid in fiscal year 2019 (excluding the compensation paid to the officers who were newly appointed or retired in the fiscal year), and is commonly applicable across all significant consolidated subsidiaries, as more or less the same level and system of compensation is shared among all significant consolidated subsidiaries.

With respect to a person receiving lump-sum retirement benefit, this amount is first wholly deducted from the amount of compensation, then the "lump-sum retirement benefit divided by the number of years of service" is added back to calculate the deemed compensation for the purpose of determining whether the compensation is substantial or not.

(c) Scope of "Those with Significant Consequence on the Business Operation or Asset Status of the SuMi TRUST Holdings Group"

"Those with significant consequence on the business operation or asset status of the group" refers to the persons who normally conduct transactions, or manage business affairs that have considerable impact on the business operation of SuMi TRUST Holdings, the SuMi TRUST Holdings Group or its significant consolidated subsidiaries, or whose transactions can cause loss with significant impact on their asset status. Specifically, they include executive officers*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 the SuMi TRUST Holdings Group is payable, subject to the policies established primarily by the Boards of Directors and others of SuMi TRUST Holdings and its significant consolidated subsidiaries. According to such policies, compensation systems are designed by human resources departments of SuMi TRUST Holdings and its significant consolidated subsidiaries, independent of the business promotion departments and documented as payroll rules, etc. Information on the compensation systems of the significant consolidated subsidiaries is reported to, and verified by, the Human Resources Department of SuMi TRUST Holdings on a regular basis.

(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, 2019-March 31, 2020)	Total amount of compensation*
Compensation Committee (SuMi TRUST Holdings)	11 times	—
Board of Directors (SuMi TRUST Bank)	2 times	—

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 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 the SuMi TRUST Group, including its core subsidiary, SuMi TRUST Bank. Furthermore, we have created a remuneration structure that considers the balance of short-term incentives and medium- to long-term incentives. This is to ensure remuneration that is not focusing on single-year performance evaluation in which short-term contribution to profit is emphasized, but focusing on officers' qualifications and capabilities as senior management, and based on a comprehensive evaluation that reflects assessment of medium- to long-term performance. As a holding company, in order to ensure that the supervisory function is fully exercised at each Group company, SuMi TRUST Holdings determines individual remuneration based on an accurate recognition of the role that corporate officers are expected to play in terms of business management and their results, and highly transparent, fair and objective evaluations.

Furthermore, 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 the 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 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 the 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 the 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 the 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.	16	24
2		Total amount of fixed compensation (3+5+7)	225	588
3		of Which: Cash compensation amount	225	588
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.	12	20
10		Total amount of variable compensation (11+13+15)	180	476
11		of Which: Cash compensation amount	143	418
12		of 11 above: Deferred amount	—	—
13		of Which: Stock compensation amount or Stock-linked compensation amount	36	58
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.	—	1
21		Total amount of other compensations	—	3
22		of Which: Deferred amount	—	—
23	Total amount of compensations (2+10+18+21)		405	1,067

(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 the 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 2020.

[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 201-230.

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]

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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, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	¥ 2,068,648	¥ 2,126,088	¥ 2,115,555	¥ 2,087,033	¥ 2,068,239
2	Tier 1	2,420,402	2,477,180	2,466,947	2,439,841	2,421,640
3	Total capital	2,944,968	2,997,793	2,989,248	2,973,365	2,935,268
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	18,657,616	19,363,782	18,667,159	19,109,831	19,529,822
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio	11.08%	10.97%	11.33%	10.92%	10.59%
6	Tier 1 ratio	12.97%	12.79%	13.21%	12.76%	12.39%
7	Total capital ratio	15.78%	15.48%	16.01%	15.55%	15.02%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	59,140,679	57,940,472	59,946,397	58,982,403	59,930,811
14	Basel III leverage ratio	4.09%	4.27%	4.11%	4.13%	4.04%

KM1 Basel III Template No.		Millions of Yen, %				
		Fiscal Year 2019 4th Quarter	Fiscal Year 2019 3rd Quarter	Fiscal Year 2019 2nd Quarter	Fiscal Year 2019 1st Quarter	Fiscal Year 2018 4th Quarter
	Liquidty Coverage Ratio (LCR)					
15	Total HQLA allowed to be included in the calculation	¥ 14,412,361	¥ 15,227,585	¥ 15,446,412	¥ 15,297,151	¥ 15,231,564
16	Net cash outflows	11,278,102	11,969,705	11,584,160	12,552,800	12,064,738
17	Consolidated LCR	127.7%	127.2%	133.3%	121.8%	126.2%

Note: Month-end data used for some items instead of daily data to calculate figures prior to 2Q FY2019.

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 2020, 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 the "SuMi TRUST Bank Group") and the companies included in the scope of accounting consolidation.

(2) The number of consolidated subsidiaries that belong to the SuMi TRUST Bank Group is 39. The principal companies are the following.

Name	Principal Business Operations
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	General Leasing, Installment Purchase Services, Credit Card Business
Sumitomo Mitsui Trust Club Co., Ltd.	Credit Card Business
Sumitomo Mitsui Trust Realty Co., Ltd.	Real Estate Brokerage Business
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Money Lending Business
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Banking, Trust Business

(3) There is no affiliated company that undertakes financial services subject to the FSA Capital Adequacy Notification, Article 9.

(4) There are no particular restrictions on the transfer of funds and capital within the SuMi TRUST Bank Group.

(5) Of the subsidiaries which are banking, financial and insurance entities that are outside the scope of regulatory consolidation, none failed to meet the regulatory required capital.

Composition of Capital (Consolidated BIS capital adequacy ratio) Consolidated

CC1:Composition of Capital

CC1 As of March 31		Millions of Yen, %		
		a	b	c
Basel III Template No.	Items	2020	2019	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	**¥ 1,927,246**	¥ 1,848,276	
1a	of Which: Capital Stock and Capital Surplus	**684,890**	733,435	
2	of Which: Retained Earnings	**1,264,091**	1,307,578	
1c	of Which: Treasury Stock (Deduction)	**—**	—	
26	of Which: Earnings to be Distributed (Deduction)	**21,735**	192,737	
	of Which: Others	**—**	—	
1b	Subscription Rights to Common Shares	**—**	—	
3	Accumulated Other Comprehensive Income	**236,738**	424,472	(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)	**2,163,984**	2,272,748	
	Common Equity Tier 1 Capital: Regulatory Adjustments			
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	**80,214**	132,443	
8	of Which: Goodwill (Including Those Equivalent)	**24,598**	69,376	
9	of Which: Other Intangible Assets	**55,615**	63,067	
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	**187**	608	
11	Deferred Gains or Losses on Derivatives under Hedge Accounting	**(46,588)**	(31,820)	
12	Shortfall of Eligible Provisions to Expected Losses	**—**	5,606	
13	Securitisation Gain on Sale	**1,122**	1,307	
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	**—**	—	
15	Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	**60,400**	96,364	
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)	**95,336**	204,508	
	Common Equity Tier 1 Capital (CETI)			
29	Common Equity Tier 1 Capital (C) = (A)–(B)	**¥ 2,068,648**	¥ 2,068,239	

CC1 As of March 31			Millions of Yen, %		
			a	b	c
Basel III Template No.		Items	2020	2019	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	**340,000**	340,000	
		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)	**11,754**	13,400	
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)	**351,754**	353,400	
		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	—	—	
42		Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions	—	—	
43		Additional Tier 1 Capital: Regulatory Adjustments (E)	—	—	
		Additional Tier 1 Capital (AT1)			
44		Additional Tier 1 Capital (F) = (D) – (E)	**351,754**	353,400	
		Tier 1 Capital (T1 = CET1 + AT1)			
45		Tier 1 Capital (G) = (C) + (F)	**2,420,402**	2,421,640	
		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	**306,584**	270,000	
		Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—	—	
48–49		Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	**2,060**	2,936	
47+49		Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2 Capital	**171,581**	239,264	
47		of Which: Directly Issued and Issued by Special Purpose Vehicles	**171,581**	239,264	
49		of Which: Issued by Subsidiaries	—	—	
50		Provisions Allowed in Group Tier 2	**45,878**	2,965	
50a		of Which: General Allowance for Credit Losses	**3,100**	2,965	
50b		of Which: Excess Amount of Eligible Provisions to Expected Losses	**42,778**	—	
51		Tier 2 Capital: Instruments and Provisions (H)	¥ **526,106**	¥ 515,167	

CC1 As of March 31 Basel III Template No.	Items		Millions of Yen, % a 2020	 b 2019	 c 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)	**524,566**	513,627	
	Total Capital (TC = T1 + T2)				
59	Total Capital	(K) = (G) + (J)	**2,944,968**	2,935,268	
	Total Risk Weighted Assets				
60	Total Risk Weighted Assets	(L)	**18,657,616**	19,529,822	
	Capital Ratios (Consolidated)				
61	Common Equity Tier 1 Capital Ratio	(C)/(L)	**11.08%**	10.59%	
62	Tier 1 Capital Ratio	(G)/(L)	**12.97%**	12.39%	
63	Total Capital Ratio	(K)/(L)	**15.78%**	15.02%	
	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)		**108,315**	126,654	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		**103,040**	109,009	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)		—	—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)		**14,634**	—	
	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)		**3,100**	2,965	
77	Cap on Inclusion of Provisions in Tier 2 under Standardised Approach		**7,359**	8,182	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)		**42,778**	—	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach		**91,018**	98,006	
	Capital Instruments Subject to Phase out Arrangements				
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		**77,800**	116,700	
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		**171,581**	257,372	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)		¥ **17,609**	¥ —	

Note: SuMi TRUST Bank received a certain procedure by KPMG AZSA LLC of the calculation of the consolidated BIS capital adequacy ratio in line 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, August 27, 2019).
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/en/ir/basel/index.html).

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Consolidated

Fiscal Year 2019

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	¥ 13,087,816		
Call Loans and Bills Bought	71,236		
Receivables under Resale Agreements	1,220,761		
Receivables under Securities Borrowing Transactions	740,658		
Monetary Claims Bought	999,705		
Trading Assets	507,646		
Money Held in Trust	1,406		
Securities	6,343,103		2–b, 6–a
Loans and Bills Discounted	29,703,375		6–b
Foreign Exchanges	36,952		
Lease Receivables and Investment Assets	673,880		
Other Assets	2,072,673		6–c
Tangible Fixed Assets	220,936		
Intangible Fixed Assets	100,915		2–a
Assets for Retirement Benefits	87,075		3
Deferred Tax Assets	29,142		4–a
Customers' Liabilities for Acceptances and Guarantees	518,811		
Allowance for Loan Losses	(127,205)		
Total Assets	¥ 56,288,892		

CC2 Items	a Consolidated Balance Sheet (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Liabilities)			
Deposits	¥ 30,717,040		
Negotiable Certificates of Deposit	5,989,292		
Call Money and Bills Sold	142,974		
Payables under Repurchase Agreements	1,558,919		
Payables under Securities Lending Transactions	—		
Trading Liabilities	371,950		
Borrowed Money	6,496,384		8
Foreign Exchanges	3,213		
Short-term Bonds Payable	1,707,097		
Bonds Payable	485,368		
Borrowed Money from Trust Account	4,750,289		
Other Liabilities	1,221,403		6–d
Provision for Bonuses	12,881		
Provision for Directors' Bonuses	74		
Provision for Stocks Payment	219		
Liabilities for Retirement Benefits	12,079		
Provision for Reward Points Program	16,889		
Provision for Reimbursement of Deposits	4,867		
Provision for Contingent Losses	1,440		
Deferred Tax Liabilities	62,767		4–b
Deferred Tax Liabilities for Land Revaluation	2,439		4–c
Acceptances and Guarantees	518,811		
Total Liabilities	54,076,402		
(Net Assets)			
Capital Stock	342,037		1–a
Capital Surplus	342,853		1–b
Retained Earnings	1,264,091		1–c
Total Shareholders' Equity	1,948,981		
Valuation Differences on Available-for-Sale Securities	369,924		
Deferred Gains (Losses) on Hedges	(57,389)		5
Revaluation Reserve for Land	(3,901)		
Foreign Currency Translation Adjustments	(2,493)		
Adjustments for Retirement Benefits	(69,401)		
Total Accumulated Other Comprehensive Income	236,738	(a)	
Non-controlling Interests	26,769		7
Total Net Assets	2,212,489		
Total Liabilities and Net Assets	¥ 56,288,892		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" exclude items for regulatory purpose under transitional arrangement.

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	1,264,091		1–c
Total Shareholders' Equity	¥ 1,948,981		

(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	¥ 1,948,981	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	1,264,091		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	¥ 100,915		2–a
Securities	6,343,103		2–b
of Which: Goodwill Arising on the Application of the Equity Method	3,322		
Associated Deferred Tax Liabilities	24,024		

(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)	¥ 24,598		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	55,615	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	¥ 87,075		3
Associated Deferred Tax Liabilities	26,674		

(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)	¥ 60,400		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 29,142		4–a
Deferred Tax Liabilities	62,767		4–b
Deferred Tax Liabilities for Land Revaluation	2,439		4–c
Associated Intangible Fixed Assets	24,024		
Associated Assets for Retirement Benefits	26,674		

(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)	¥ 187	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)	14,634	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)	14,634		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	¥ (57,389)		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	¥ (46,588)	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	¥ 6,343,103		6–a
Loans and Bills Discounted	29,703,375	Including Subordinated Debts	6–b
Other Assets	2,072,673	Including derivatives	6–c
Other Liabilities	¥ 1,221,403	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	108,315		
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)	108,315		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	104,580		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital and Other TLAC Liabilities	1,540		55
Amount below the Thresholds for Deduction (before risk weighting)	103,040		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 26,769		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)	11,754	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)	2,060	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	¥ 6,496,384		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	¥ 340,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	306,584		46

Fiscal Year 2018

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	¥ 16,042,864		
Call Loans and Bills Bought	50,124		
Receivables under Resale Agreements	158,734		
Receivables under Securities Borrowing Transactions	759,812		
Monetary Claims Bought	1,082,650		
Trading Assets	454,978		
Money Held in Trust	1,393		
Securities	5,692,564		2–b, 6–a
Loans and Bills Discounted	29,022,792		6–b
Foreign Exchanges	36,936		
Lease Receivables and Investment Assets	653,447		
Other Assets	1,986,352		6–c
Tangible Fixed Assets	219,309		
Intangible Fixed Assets	152,896		2–a
Assets for Retirement Benefits	138,909		3
Deferred Tax Assets	30,606		4–a
Customers' Liabilities for Acceptances and Guarantees	557,007		
Allowance for Loan Losses	(99,770)		
Total Assets	¥ 56,941,609		

CC2 Items	a Consolidated Balance Sheet (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Liabilities)			
Deposits	¥ 31,930,697		
Negotiable Certificates of Deposit	6,428,622		
Call Money and Bills Sold	72,793		
Payables under Repurchase Agreements	1,603,191		
Payables under Securities Lending Transactions	104,767		
Trading Liabilities	258,771		
Borrowed Money	4,623,801		8
Foreign Exchanges	457		
Short-term Bonds Payable	1,472,786		
Bonds Payable	777,834		
Borrowed Money from Trust Account	5,408,009		
Other Liabilities	993,243		6–d
Provision for Bonuses	17,161		
Provision for Directors' Bonuses	294		
Liabilities for Retirement Benefits	13,470		
Provision for Reward Points Program	18,282		
Provision for Reimbursement of Deposits	5,250		
Provision for Contingent Losses	3,465		
Deferred Tax Liabilities	148,972		4–b
Deferred Tax Liabilities for Land Revaluation	2,847		4–c
Acceptances and Guarantees	557,007		
Total Liabilities	54,441,730		
(Net Assets)			
Capital Stock	342,037		1–a
Capital Surplus	391,397		1–b
Retained Earnings	1,307,578		1–c
Total Shareholders' Equity	2,041,013		
Valuation Difference on Available-for-Sale Securities	481,923		
Deferred Gains or Losses on Hedges	(36,833)		5
Revaluation Reserve for Land	(2,345)		
Foreign Currency Translation Adjustment	4,394		
Adjustments for Retirement Benefits	(22,665)		
Total Accumulated Other Comprehensive Income	424,472	(a)	
Non-controlling Interests	34,393		7
Total Net Assets	2,499,879		
Total Liabilities and Net Assets	¥ 56,941,609		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of Capital" exclude items for regulatory purpose under transitional arrangement.

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	391,397		1–b
Retained Earnings	1,307,578		1–c
Total Shareholders' Equity	¥ 2,041,013		

(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	¥ 2,041,013	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	733,435		1a
of Which: Retained Earnings	1,307,578		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	¥ 152,896		2–a
Securities	5,692,564		2–b
of Which: Goodwill Arising on the Application of the Equity Method	6,285		
Associated Deferred Tax Liabilities	26,737		

(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)	¥ 69,376		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	63,067	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	¥ 138,909		3
Associated Deferred Tax Liabilities	42,545		

(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)	¥ 96,364		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 30,606		4–a
Deferred Tax Liabilities	148,972		4–b
Deferred Tax Liabilities for Land Revaluation	2,847		4–c
Associated Intangible Fixed Assets	26,737		
Associated Assets for Retirement Benefits	42,545		

(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)	¥ 608	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (36,833)		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	¥ (31,820)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 5,692,564		6–a
Loans and Bills Discounted	29,022,792	Including subordinated Debts	6–b
Other Assets	1,986,352	Including derivatives	6–c
Other Liabilities	¥ 993,243	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	126,654		
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)	126,654		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	110,549		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital and Other TLAC Liabilities	1,540		55
Amount below the Thresholds for Deduction (before risk weighting)	109,009		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 34,393		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)	¥ —	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	13,400	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	2,936	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	48–49

8. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 4,623,801		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	¥ 340,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	270,000		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	2020 Term-end balance of exposures				2019 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	¥ 45,226,390	¥ 39,116,928	¥ 2,807,601	¥ 3,301,860	¥ 46,787,214	¥ 41,567,976	¥ 1,818,681	¥ 3,400,557
Outside Japan	6,344,400	4,967,535	949,983	426,881	6,610,177	4,972,149	1,066,216	571,811
Total for Geographic Regions	¥ 51,570,790	¥ 44,084,464	¥ 3,757,584	¥ 3,728,741	¥ 53,397,392	¥ 46,540,126	¥ 2,884,897	¥ 3,972,369
Manufacturing	4,375,010	2,965,142	244,922	1,164,944	4,359,502	3,000,435	288,313	1,070,753
Agriculture and Forestry	5,530	5,528	2	—	5,583	5,573	10	—
Fisheries	32	0	31	—	31	1	29	—
Mining and Quarrying of Stones and Gravel	63,134	60,582	70	2,480	104,752	26,857	74	77,820
Construction	277,625	201,530	14,006	62,088	224,906	140,712	17,049	67,144
Electricity, Gas, Heat Supply and Water	1,435,848	1,177,202	9,131	249,513	1,398,339	1,163,403	11,339	223,596
Information and Communication	547,495	521,944	4,017	21,532	522,404	464,731	4,071	53,600
Transport and Postal Activities	1,433,447	1,198,672	108,438	126,336	1,475,192	1,220,131	121,656	133,404
Wholesale and Retail Trade	1,898,634	1,550,306	64,691	283,636	1,921,158	1,546,038	64,899	310,220
Finance and Insurance	2,012,028	1,464,303	331,236	216,488	2,009,526	1,444,242	363,260	202,023
Real Estate	4,135,291	3,476,468	386,885	271,938	4,074,192	3,409,830	383,251	281,110
Goods Rental and Leasing	1,229,772	1,094,906	4,301	130,563	1,117,422	1,009,615	5,013	102,792
Local Public Bodies	151,352	128,500	14,785	8,065	123,753	108,871	8,764	6,117
Individuals	11,135,706	10,796,943	—	338,762	10,980,124	10,658,486	—	321,638
Others	22,869,881	19,442,429	2,575,062	852,390	25,080,502	22,341,193	1,617,162	1,122,147
Total for Industry Sectors	¥ 51,570,790	¥ 44,084,464	¥ 3,757,584	¥ 3,728,741	¥ 53,397,392	¥ 46,540,126	¥ 2,884,897	¥ 3,972,369
To 1 year	19,847,455	17,466,862	1,215,100	1,165,492	22,659,299	20,811,518	661,255	1,186,525
> 1 year to 3 years	6,044,163	4,270,761	619,462	1,153,939	5,630,919	4,098,004	325,579	1,207,335
> 3 years to 5 years	6,776,432	5,644,766	693,944	437,722	6,222,598	5,202,026	478,447	542,125
> 5 years	18,902,739	16,702,074	1,229,077	971,587	18,884,574	16,428,576	1,419,614	1,036,383
Total for Residual Maturity	¥ 51,570,790	¥ 44,084,464	¥ 3,757,584	¥ 3,728,741	¥ 53,397,392	¥ 46,540,126	¥ 2,884,897	¥ 3,972,369

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, 2020		FY2019	As of March 31, 2019		FY2018
	Term-end balance of exposures	Allowances for loan losses	Write-offs	Term-end balance of exposures	Allowances for loan losses	Write-offs
Japan	¥ 96,440	¥ 25,119	¥ 14,650	¥ 95,384	¥ 25,381	¥ 4,144
Outside Japan	30,897	7,569	4	20,693	6,771	—
Total for Geographic Regions	¥ 127,337	¥ 32,689	¥ 14,654	¥ 116,077	¥ 32,153	¥ 4,144
Manufacturing	11,943	4,320	9,652	17,910	12,474	201
Agriculture and Forestry	284	160	0	283	110	6
Fisheries	11	11	—	—	—	1
Mining and Quarrying of Stones and Gravel	1,350	77	79	1,341	34	1,019
Construction	958	751	61	308	108	80
Electricity, Gas, Heat Supply and Water	3,741	2,590	1	4,053	2,791	—
Information and Communication	107	96	14	68	5	34
Transport and Postal Activities	1,694	659	22	2,555	642	31
Wholesale and Retail Trade	9,076	6,146	1,443	7,739	4,786	139
Finance and Insurance	234	171	7	292	180	15
Real Estate	13,841	760	20	11,833	300	23
Goods Rental and Leasing	3,369	2,918	5	875	0	44
Local Public Bodies	—	—	—	—	—	—
Individuals	45,765	4,652	3,123	46,617	3,720	2,195
Others	34,958	9,371	221	22,196	6,997	352
Total for Industry Sectors	¥ 127,337	¥ 32,689	¥ 14,654	¥ 116,077	¥ 32,153	¥ 4,144

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	2020	2019
< 1 month	¥ 65,387	¥ 73,399
≥ 1 month to < 2 months	12,095	15,287
≥ 2 months to < 3 months	11,023	11,035
≥ 3 months	3,341	—
Total	¥ 91,848	¥ 99,722

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 caluculation.

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	2020	2019
Amounts of Increased Allowances for Such Exposures Due to the Restructuring of the Loan Conditions	¥ 50,311	¥ 26,269
Other Amounts	—	—
Term-end Balance of Exposures	¥ 50,311	¥ 26,269

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	2020	2019
Total exposures relating to funds	¥ 1,471,030	¥ 1,661,148
Look-through Approach	1,279,862	1,469,553
Mandate-based Approach	191,076	191,480
Probability Approach (subject to 250% risk weight)	—	—
Probability Approach (subject to 400% risk weight)	—	—
Fall-Back Approach (subject to 1,250% risk weight)	91	113

Note: Exposures subject to the calculation of credit risk-weighted assets under the provisions of Article 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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
1	Credit risk (excluding counterparty credit risk)	**¥ 12,085,492**	¥ 13,195,265	**¥ 1,021,035**	¥ 1,115,178
2	of Which: Standardised Approach (SA)	**280,125**	293,105	**22,410**	23,448
3	of Which: Internal Ratings-Based (IRB) Approach	**11,290,809**	12,407,702	**957,460**	1,052,173
	of Which: Significant investments in commercial entities	**—**	—	**—**	—
	of Which: Lease residual value	**59,850**	30,191	**4,788**	2,415
	Other assets	**454,706**	464,265	**36,376**	37,141
4	Counterparty credit risk (CCR)	**1,201,970**	905,383	**98,122**	73,857
5	of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR)	**—**	—	**—**	—
	of Which: Current Exposure Method (CEM)	**392,916**	280,827	**33,304**	23,798
6	of Which: Expected Positive Exposure (EPE)	**—**	—	**—**	—
	of Which: Credit Valuation Adjsutment (CVA)	**663,072**	496,078	**53,045**	39,686
	of Which: Central Counterparty (CCP)	**49,867**	41,617	**3,989**	3,329
	Others	**96,113**	86,860	**7,782**	7,043
7	Equity positions in banking book under market-based approach	**221,775**	175,521	**18,806**	14,884
8	Equity investment in funds (Look-Through Approach (LTA))	**861,670**	1,153,184	**68,933**	92,254
9	Equity investment in funds (Mandate-Based Approach (MBA))	**763,076**	712,155	**61,046**	56,972
	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)	**1,137**	1,422	**91**	113
11	Settlement risk	**—**	—	**—**	—
12	Securitisation exposures in banking book	**348,026**	322,082	**27,842**	25,766
13	of Which: Internal Rating-Based Approach (SEC-IRBA)	**334,315**	304,053	**26,745**	24,324
14	of Which: External Rating-Based Approach (SEC-ERBA)	**12,804**	14,696	**1,024**	1,175
15	of Which: Standardised Approach (SEC-SA)	**—**	—	**—**	—
	of Which: Subject to 1,250% risk weight	**906**	3,332	**72**	266
16	Market risk	**1,325,398**	1,104,072	**106,031**	88,325
17	of Which: Standardised Approach (SA)	**13,585**	22,272	**1,086**	1,781
18	of Which: Internal Model Approaches (IMA)	**1,311,813**	1,081,800	**104,945**	86,544
19	Operational risk	**860,710**	899,035	**68,856**	71,922
20	of Which: Basic Indicator Approach (BIA)	**166,809**	173,667	**13,344**	13,893
21	of Which: The Standardised Approach (TSA)	**—**	—	**—**	—
22	of Which: Advanced Measurement Approach (AMA)	**693,900**	725,368	**55,512**	58,029
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**257,586**	272,523	**21,843**	23,109
	Amounts included under transitional arrangements	**—**	—	**—**	—
24	Floor adjustment	**—**	—	**—**	—
25	Total (after applying scaling factor)	**¥ 18,657,616**	¥ 19,529,822	**¥ 1,492,609**	¥ 1,562,385

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, 2020						
	a	b	c	d	e	f	g
	Carrying values as reported in published consolidated financial statement	Carrying values under scope of regulatory consolidation	Carrying values of items				
			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	¥ 13,087,816	¥ 13,087,816	¥ —	¥ —	¥ —	¥ —	
Call Loans and Bills Bought	71,236	71,236	—	—	—	—	
Receivables under Resale Agreements	1,220,761	—	1,220,761	—	—	—	
Receivables under Securities Borrowing Transactions	740,658	—	740,658	—	—	—	
Monetary Claims Bought	999,705	956,067	—	43,637	—	—	
Trading Assets	507,646	—	450,544	—	507,646	—	
Money Held in Trust	1,406	1,406	—	—	—	—	
Securities	6,343,103	5,832,684	—	510,419	—	—	
Loans and Bills Discounted	29,703,375	29,313,191	—	390,184	—	—	
Foreign Exchanges	36,952	36,952	—	—	—	—	
Lease Receivables and Investment Assets	673,880	673,880	—	—	—	—	
Other Assets	2,072,673	343,578	1,232,880	3,846	429,482	492,369	
Tangible Fixed Assets	220,936	220,936	—	—	—	—	
Intangible Fixed Assets	100,915	—	—	—	—	100,915	
Assets for Retirement Benefits	87,075	—	—	—	—	87,075	
Deferred Tax Assets	29,142	—	—	—	—	29,142	
Customers' Liabilities for Acceptances and Guarantees	518,811	518,811	—	—	—	—	
Allowance for Loan Losses	(127,205)	(127,205)	—	—	—	—	
Total Assets	¥ 56,288,892	¥ 50,929,354	¥ 3,644,844	¥ 948,088	¥ 937,128	¥ 709,502	
Liabilities:							
Deposits	¥ 30,717,040	¥ —	¥ —	¥ —	¥ —	¥ 30,717,040	
Negotiable Certificates of Deposit	5,989,292	—	—	—	—	5,989,292	
Call Money and Bills Sold	142,974	—	—	—	—	142,974	
Payables under Repurchase Agreements	1,558,919	—	1,558,919	—	—	—	
Payables under Securities Lending Transactions	—	—	—	—	—	—	
Trading Liabilities	371,950	—	371,950	—	371,950	—	
Borrowed Money	6,496,384	—	—	—	—	6,496,384	
Foreign Exchanges	3,213	—	—	—	—	3,213	
Short-Term Bonds Payable	1,707,097	—	—	—	—	1,707,097	
Bonds Payable	485,368	—	—	—	—	485,368	
Borrowed Money from Trust Account	4,750,289	—	—	—	—	4,750,289	
Other Liabilities	1,221,403	—	673,470	—	538,853	547,933	
Provision for Bonuses	12,881	—	—	—	—	12,881	
Provision for Directors' Bonuses	74	—	—	—	—	74	
Provision for Stocks Payment	219	—	—	—	—	219	
Liabilities for Retirement Benefits	12,079	—	—	—	—	12,079	
Provision for Reward Points Program	16,889	—	—	—	—	16,889	
Provision for Reimbursement of Deposits	4,867	—	—	—	—	4,867	
Provision for Contingent Losses	1,440	—	—	—	—	1,440	
Deferred Tax Liabilities	62,767	—	—	—	—	62,767	
Deferred Tax Liabilities for Land Revaluation	2,439	—	—	—	—	2,439	
Acceptances and Guarantees	518,811	—	—	—	—	518,811	
Total Liabilities	¥ 54,076,402	¥ —	¥ 2,604,339	¥ —	¥ 910,803	¥ 51,472,063	

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, 2019						
	a	b	c	d	e	f	g
	Carrying values as reported in published consolidated financial statement	Carrying values under scope of regulatory consolidation	Carrying values of items				
			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	¥ 16,042,864	¥ 16,042,864	¥ —	¥ —	¥ —	¥ —	
Call Loans and Bills Bought	50,124	50,124	—	—	—	—	
Receivables under Resale Agreements	158,734	—	158,734	—	—	—	
Receivables under Securities Borrowing Transactions	759,812	—	759,812	—	—	—	
Monetary Claims Bought	1,082,650	1,035,011	—	47,638	—	—	
Trading Assets	454,978	—	291,789	—	454,978	—	
Money Held in Trust	1,393	1,393	—	—	—	—	
Securities	5,692,564	5,318,300	—	374,263	—	—	
Loans and Bills Discounted	29,022,792	28,561,162	—	461,630	—	—	
Foreign Exchanges	36,936	36,936	—	—	—	—	
Lease Receivables and Investment Assets	653,447	653,447	—	—	—	—	
Other Assets	1,986,352	379,360	928,101	3,221	295,243	675,669	
Tangible Fixed Assets	219,309	219,309	—	—	—	—	
Intangible Fixed Assets	152,896	—	—	—	—	152,896	
Assets for Retirement Benefits	138,909	—	—	—	—	138,909	
Deferred Tax Assets	30,606	—	—	—	—	30,606	
Customers' Liabilities for Acceptances and Guarantees	557,007	556,890	—	117	—	—	
Allowance for Loan Losses	(99,770)	(99,770)	—	—	—	—	
Total Assets	¥ 56,941,609	¥ 52,755,029	¥ 2,138,437	¥ 886,871	¥ 750,221	¥ 998,082	
Liabilities:							
Deposits	¥ 31,930,697	¥ —	¥ —	¥ —	¥ —	¥ 31,930,697	
Negotiable Certificates of Deposit	6,428,622	—	—	—	—	6,428,622	
Call Money and Bills Sold	72,793	—	—	—	—	72,793	
Payables under Repurchase Agreements	1,603,191	—	1,603,191	—	—	—	
Payables under Securities Lending Transactions	104,767	—	104,767	—	—	—	
Trading Liabilities	258,771	—	258,771	—	258,771	—	
Borrowed Money	4,623,801	—	—	—	—	4,623,801	
Foreign Exchanges	457	—	—	—	—	457	
Short-Term Bonds Payable	1,472,786	—	—	—	—	1,472,786	
Bonds Payable	777,834	—	—	—	—	777,834	
Borrowed Money from Trust Account	5,408,009	—	—	—	—	5,408,009	
Other Liabilities	993,243	—	472,422	—	351,548	520,770	
Provision for Bonuses	17,161	—	—	—	—	17,161	
Provision for Directors' Bonuses	294	—	—	—	—	294	
Liabilities for Retirement Benefits	13,470	—	—	—	—	13,470	
Provision for Reward Points Program	18,282	—	—	—	—	18,282	
Provision for Reimbursement of Deposits	5,250	—	—	—	—	50	
Provision for Contingent Losses	3,465	—	—	—	—	8,716	
Deferred Tax Liabilities	148,972	—	—	—	—	148,972	
Deferred Tax Liabilities for Land Revaluation	2,847	—	—	—	—	2,847	
Acceptances and Guarantees	557,007	—	—	—	—	557,007	
Total Liabilities	¥ 54,441,730	¥ —	¥ 2,439,153	¥ —	¥ 610,320	¥ 52,002,576	

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, 2020				
		a	b	c	d	e
Item No.		Total	Items subject to: 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	¥ 55,579,389	¥ 50,929,354	¥ 3,644,844	¥ 948,088	¥ 937,128
2	Liabilities carrying value amount under scope of regulatory consolidation	2,604,339	—	2,604,339	—	910,803
3	Total net amount under regulatory scope of consolidation	52,975,050	50,929,354	1,040,504	948,088	26,324
4	Off-balance sheet amounts	3,633,094	3,427,425	—	205,669	—
5	Differences due to netting, the exposure calculation method, etc.	1,596,228	—	2,035,292	—	(439,064)
6	Differences due to consideration of allowances and write-offs	40,686	40,686	—	—	—
7	Regulatory exposure amounts	58,245,059	54,397,466	3,075,797	1,153,757	(412,740)

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 7.
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: Off-balance sheet amounts and differences due to consideration of 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, 2019				
		a	b	c	d	e
Item No.		Total	Items subject to: 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	¥ 55,943,527	¥ 52,755,029	¥ 2,138,437	¥ 886,871	¥ 750,221
2	Liabilities carrying value amount under scope of regulatory consolidation	2,439,153	—	2,439,153	—	610,320
3	Total net amount under regulatory scope of consolidation	53,504,374	52,755,029	(300,715)	886,871	139,900
4	Off-balance sheet amounts	3,668,866	3,442,449	—	226,416	—
5	Differences due to netting, the exposure calculation method, etc.	1,975,752	—	2,200,320	—	(224,567)
6	Differences due to consideration of allowances and write-offs	40,119	40,119	—	—	—
7	Regulatory exposure amounts	59,189,112	56,237,598	1,899,604	1,113,287	(84,666)

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 7.
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: Off-balance sheet amounts and differences due to consideration of 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.

CR1: Credit quality of assets

CR1 Item No.		Millions of Yen			
		March 31, 2020			
		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	¥ 122,779	¥ 29,165,498	¥ 110,093	¥ 29,178,183
2	Debt Securities	720	3,126,705	—	3,127,426
3	Other on-balance sheet assets (debt-based assets)	20,109	14,788,800	15,891	14,793,018
4	Total on-balance sheet assets (1+2+3)	143,609	47,081,004	125,985	47,098,629
	Off-balance sheet assets				
5	Acceptances and Guarantees, etc.	694	523,550	1,220	523,025
6	Commitments, etc.	918	3,560,273	1,440	3,559,751
7	Total off-balance sheet assets (5+6)	1,613	4,083,824	2,660	4,082,777
	Total				
8	Total (4+7)	¥ 145,222	¥ 51,164,829	¥ 128,645	¥ 51,181,406

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 Item No.		Millions of Yen			
		March 31, 2019			
		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	¥ 115,111	¥ 28,417,558	¥ 87,931	¥ 28,444,738
2	Debt Securities	0	2,161,177	—	2,161,177
3	Other on-balance sheet assets (debt-based assets)	23,162	17,980,976	10,493	17,993,645
4	Total on-balance sheet assets (1+2+3)	138,273	48,559,712	98,425	48,599,561
	Off-balance sheet assets				
5	Acceptances and Guarantees, etc.	720	559,905	1,345	559,280
6	Commitments, etc.	1,006	3,620,654	3,465	3,618,195
7	Total off-balance sheet assets (5+6)	1,726	4,180,560	4,811	4,177,476
	Total				
8	Total (4+7)	¥ 140,000	¥ 52,740,273	¥ 103,236	¥ 52,777,037

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 March 31, 2020 Amounts
1	Stock of defaulted loans and debt securities at the end of the previous fiscal year		¥ 138,273
2	Changes in stock of loans and debt securities for each factor during the fiscal year	Of which: Newly defaulted	95,303
3		Of which: Returning to non-defaulted status	25,234
4		Of which: Written-offs	14,565
5		Of which: Other factors	(50,168)
6	Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5)		143,609

Notes: 1. The end of the previous fiscal year indicates March 31, 2019, and the end of the fiscal year indicates March 31, 2020.
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 March 31, 2019 Amounts
1	Stock of defaulted loans and debt securities at the end of the previous fiscal year		¥ 109,458
2	Changes in stock of loans and debt securities for each factor during the fiscal year	Of which: Newly defaulted	66,446
3		Of which: Returning to non-defaulted status	15,712
4		Of which: Written-offs	4,048
5		Of which: Other factors	(17,869)
6	Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5)		138,273

Notes: 1. The end of the previous fiscal year indicates March 31, 2018, and the end of the fiscal year indicates March 31, 2019
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 March 31, 2020				
		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	¥ 28,617,886	¥ 560,297	¥ 262,517	¥ 185,954	¥ —
2	Debt Securities	3,075,495	51,930	1,000	45,431	—
3	Other on-balance sheet assets (debt-based assets)	14,787,851	5,167	162	5,004	—
4	Total (1+2+3)	¥ 46,481,233	¥ 617,395	¥ 263,680	¥ 236,389	¥ —
5	Of which defaulted	114,625	4,985	3,983	—	—

CR3 Item No.		Millions of Yen March 31, 2019				
		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	¥ 27,898,806	¥ 545,932	¥ 253,059	¥ 193,265	¥ —
2	Debt Securities	2,084,128	77,048	3,006	72,804	—
3	Other on-balance sheet assets (debt-based assets)	17,988,466	5,178	173	5,004	—
4	Total (1+2+3)	¥ 47,971,401	¥ 628,159	¥ 256,239	¥ 271,074	¥ —
5	Of which defaulted	102,216	4,529	4,034	7	—

CR4: Standardised approach – Credit risk exposure and Credit risk mitigation (CRM) effects

CR4		Millions of Yen, %					
		March 31, 2020					
		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	¥ 7	¥ —	¥ 7	¥ —	¥ 0	0.00%
2	Government of Japan and Bank of Japan (BOJ)	60	—	60	—	0	0.00
3	Foreign central governments and foreign central banks	340,528	—	340,528	—	31,335	9.20
4	Bank for International Settlements, etc.	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	—	—	—	—	—	—
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	112,814	—	112,814	—	36,479	32.33
12	Corporates, etc.	197,570	376,332	197,570	14,738	212,309	100.00
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	130.65
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	¥ 650,981	¥ 376,332	¥ 650,981	¥ 14,738	¥ 280,125	42.07%

CR4		Millions of Yen, %					
		March 31, 2019					
		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	¥ 47	¥ —	¥ 47	¥ —	¥ 0	0.00%
2	Government of Japan and Bank of Japan (BOJ)	60	—	60	—	0	0.00
3	Foreign central governments and foreign central banks	256,081	—	256,081	—	29,513	11.52
4	Bank for International Settlements, etc.	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	—	—	—	—	—	—
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	167,824	—	167,824	—	42,447	25.29
12	Corporates, etc.	216,313	391,286	216,313	9,734	218,077	96.47
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)	2,047	—	2,047	—	3,067	149.81
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	¥ 642,374	¥ 391,286	¥ 642,374	¥ 9,734	¥ 293,105	44.94%

CR5: Standardised approach – Exposures by asset classes and risk weights

CR5

Millions of Yen

March 31, 2020

Item No.	Asset classes \ Risk weight	a 0%	b 10%	c 20%	d 35%	e 50%	f 75%	g 100%	h 150%	i 250%	j 1,250%	k Total
		Credit risk exposure amounts (post-CCF and post-CRM)										
1	Cash	¥ 7	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 7
2	Government of Japan and Bank of Japan (BOJ)	60	—	—	—	—	—	—	—	—	—	60
3	Foreign central governments and foreign central banks	277,857	—	—	—	62,671	—	—	—	—	—	340,528
4	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	—	—	—	—	—	—	—	—	—	—	—
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	—	—	80,984	—	23,094	—	8,734	—	—	—	112,814
12	Corporates, etc.	—	—	—	—	—	—	212,309	—	—	—	212,309
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	—	—	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	¥ 277,924	¥ —	¥ 80,984	¥ —	¥ 85,766	¥ —	¥ 221,043	¥ 0	¥ —	¥ —	¥ 665,720

CR5

Item No.	Asset classes \ Risk weight	Millions of Yen March 31, 2019 Credit risk exposure amounts (post-CCF and post-CRM) 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	¥ 47	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 47
2	Government of Japan and Bank of Japan (BOJ)	60	—	—	—	—	—	—	—	—	—	60
3	Foreign central governments and foreign central banks	197,054	—	—	—	59,026	—	—	—	—	—	256,081
4	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	—	—	—	—	—	—	—	—	—	—	—
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	—	—	142,912	—	22,095	—	2,817	—	—	—	167,824
12	Corporates, etc.	—	—	—	—	16,170	—	209,876	—	—	—	226,047
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)	—	—	—	—	3	—	—	2,043	—	—	2,047
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	¥ 197,162	¥ —	¥ 142,912	¥ —	¥ 97,296	¥ —	¥ 212,694	¥ 2,043	¥ —	¥ —	¥ 652,108

CR6: IRB – Credit risk exposures by portfolio and PD range

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2020											
		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	¥ 2,252,178	¥ 33	75.00%	¥ 2,269,637	0.00%	0.0	32.09%	1.8	¥ 14,071	0.62%	¥ 8	
2	0.15 to < 0.25	2,906	469	75.00	314	0.20	0.0	31.13	3.6	121	38.73	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	2,255,084	502	75.00	2,269,951	0.00	0.0	32.09	1.8	14,193	0.62	8	¥ 59
	Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB))												
1	0.00 to < 0.15	13,225,296	102,116	92.02	13,359,874	0.00	0.0	44.99	1.0	86,772	0.64	117	
2	0.15 to < 0.25	0	—	—	0	0.20	0.0	45.00	1.0	0	30.51	0	
3	0.25 to < 0.50	41,559	8,528	75.00	32,224	0.28	0.0	43.60	2.6	19,988	62.02	39	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	27,759	—	—	559	6.02	0.0	45.00	2.0	846	151.38	15	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	13,294,615	110,644	90.71	13,392,658	0.00	0.1	44.99	1.1	107,606	0.80	172	143
	Financial Institution exposures (AIRB)												
1	0.00 to < 0.15	433,512	—	—	452,652	0.05	0.0	32.10	3.3	104,083	22.99	75	
2	0.15 to < 0.25	49,000	9,000	75.00	55,750	0.20	0.0	32.10	1.1	12,700	22.78	36	
3	0.25 to < 0.50	1,086	—	—	1,086	0.30	0.0	11.81	1.0	112	10.37	0	
4	0.50 to < 0.75	1,400	1,000	75.00	2,150	0.50	0.0	32.10	1.0	806	37.50	3	
5	0.75 to < 2.50	17,984	8,651	87.57	25,559	1.14	0.0	32.10	1.0	14,185	55.49	94	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	502,983	18,651	80.83	537,199	0.12	0.0	32.05	2.9	131,888	24.55	209	339
	Financial Institution exposures (FIRB)												
1	0.00 to < 0.15	456,549	122,155	80.67	554,966	0.06	0.0	44.17	1.5	120,062	21.63	162	
2	0.15 to < 0.25	1,626	—	—	1,626	0.20	0.0	72.66	4.2	1,617	99.44	2	
3	0.25 to < 0.50	23,583	6,521	75.00	25,974	0.27	0.0	45.00	1.2	13,568	52.23	32	
4	0.50 to < 0.75	1	—	—	1	0.50	0.0	45.00	1.0	0	52.44	0	
5	0.75 to < 2.50	4,197	—	—	4,197	1.78	0.0	45.00	4.4	5,727	136.44	33	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	485,959	128,676	80.39	586,767	0.08	0.1	44.29	1.6	140,976	24.02	230	164

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2020											
		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
	Corporate exposures (excluding SME exposures and specialised lending) (AIRB)												
1	0.00 to < 0.15	¥ 6,864,526	¥ 2,434,624	75.70%	¥ 8,776,921	0.07%	0.7	31.45%	2.6	¥ 1,688,245	19.23%	¥ 2,141	
2	0.15 to < 0.25	1,972,574	362,044	76.22	2,208,815	0.20	0.4	30.69	2.5	714,099	32.32	1,389	
3	0.25 to < 0.50	1,302,246	168,894	74.83	1,432,960	0.30	0.4	31.15	2.4	579,608	40.44	1,377	
4	0.50 to < 0.75	1,083,258	240,765	74.84	1,258,310	0.50	0.7	28.83	2.4	560,606	44.55	1,832	
5	0.75 to < 2.50	869,047	126,389	68.72	911,662	1.50	0.7	28.69	2.1	604,461	66.30	3,948	
6	2.50 to < 10.00	147,526	10,071	78.93	155,899	5.93	0.0	24.41	2.4	132,293	84.85	2,280	
7	10.00 to < 100.00	89,160	35	75.00	89,036	18.67	0.0	31.14	3.6	152,138	170.87	5,180	
8	100.00 (Default)	30,930	—	—	34,760	100.00	0.0	32.06	1.0	14,279	41.08	10,004	
9	Sub-total	12,359,271	3,342,824	75.40	14,868,366	0.64	3.3	30.85	2.5	4,445,734	29.90	28,155	¥ 67,246
	Corporate exposures (excluding SME exposures and specialised lending) (FIRB)												
1	0.00 to < 0.15	810,879	129,185	80.98	928,172	0.07	0.9	53.50	3.1	350,278	37.73	360	
2	0.15 to < 0.25	80,031	—	—	83,225	0.20	0.4	59.85	3.1	61,408	73.78	102	
3	0.25 to < 0.50	328,629	57,328	78.25	372,638	0.29	0.6	46.44	2.6	235,325	63.15	511	
4	0.50 to < 0.75	171,069	19,437	75.88	186,972	0.58	0.8	42.74	3.5	162,888	87.11	472	
5	0.75 to < 2.50	371,451	20,283	75.83	387,350	1.39	1.2	44.26	3.8	464,244	119.85	2,379	
6	2.50 to < 10.00	149,046	14,721	90.04	162,248	6.09	0.3	45.22	4.3	303,501	187.05	4,451	
7	10.00 to < 100.00	64,517	—	—	62,651	26.25	0.0	44.76	3.9	166,620	265.94	7,359	
8	100.00 (Default)	12,929	179	92.62	16,489	100.00	0.0	44.40	1.0	0	0.00	7,321	
9	Sub-total	1,988,553	241,136	80.05	2,199,748	2.33	4.6	49.07	3.3	1,744,266	79.29	22,959	14,304
	SME exposures (AIRB)												
1	0.00 to < 0.15	39,785	4,000	75.00	42,785	0.11	0.0	29.77	3.9	11,454	26.77	15	
2	0.15 to < 0.25	75,498	1,723	75.00	73,043	0.20	0.0	31.69	3.2	23,046	31.55	47	
3	0.25 to < 0.50	30,525	—	—	30,525	0.30	0.0	31.81	2.1	9,146	29.96	30	
4	0.50 to < 0.75	40,764	713	78.50	39,747	0.50	0.0	20.72	2.5	11,058	27.82	41	
5	0.75 to < 2.50	116,545	8,508	78.94	115,961	1.59	0.1	20.33	2.9	50,012	43.12	368	
6	2.50 to < 10.00	6,682	523	76.13	7,080	7.03	0.0	19.93	1.8	4,028	56.89	101	
7	10.00 to < 100.00	829	—	—	107	18.67	0.0	11.81	5.0	58	53.89	2	
8	100.00 (Default)	1,880	—	—	3,978	100.00	0.0	28.40	1.0	1,437	36.12	1,015	
9	Sub-total	312,511	15,468	77.37	313,230	2.18	0.3	25.53	2.9	110,241	35.19	1,621	3,283
	SME exposures (FIRB)												
1	0.00 to < 0.15	27	—	—	27	0.12	0.0	45.00	1.0	5	20.42	0	
2	0.15 to < 0.25	39	—	—	39	0.20	0.0	45.00	1.0	10	26.73	0	
3	0.25 to < 0.50	4	—	—	4	0.30	0.0	45.00	1.0	1	33.97	0	
4	0.50 to < 0.75	111,701	1,671	75.00	112,133	0.50	0.5	38.65	4.5	72,824	64.94	218	
5	0.75 to < 2.50	273,580	1,531	79.63	272,355	1.57	1.5	39.74	4.7	252,649	92.76	1,710	
6	2.50 to < 10.00	9,107	1	0.00	9,140	7.39	0.0	40.54	3.5	11,757	128.63	272	
7	10.00 to < 100.00	524	—	—	524	18.67	0.0	45.00	2.6	1,011	192.88	44	
8	100.00 (Default)	5,217	235	98.80	5,802	100.00	0.0	40.11	1.0	0	0.00	2,327	
9	Sub-total	400,202	3,439	78.66	400,027	2.85	2.3	39.47	4.6	338,260	84.55	4,574	587

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2020

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	¥ 1,386,047	¥ 150,657	75.00%	¥ 1,499,040	0.08%	0.3	27.34%	4.2	¥ 356,139	23.75%	¥ 361	
2	0.15 to < 0.25	71,748	5,850	75.00	76,136	0.20	0.0	25.91	3.7	25,107	32.97	40	
3	0.25 to < 0.50	540,609	142,098	74.83	646,951	0.29	0.1	24.16	4.4	254,982	39.41	465	
4	0.50 to < 0.75	282,051	44,188	75.61	315,465	0.56	0.0	20.69	4.3	138,436	43.88	377	
5	0.75 to < 2.50	312,508	62,662	74.17	358,985	1.37	0.0	27.37	4.0	266,355	74.19	1,399	
6	2.50 to < 10.00	77,678	30,088	75.00	100,244	5.02	0.0	28.54	3.8	102,946	102.69	1,371	
7	10.00 to < 100.00	12,524	9,828	75.00	19,895	25.06	0.0	37.70	3.5	41,186	207.01	2,102	
8	100.00 (Default)	12,642	1,478	64.93	13,606	100.00	0.0	22.95	1.0	5,129	37.69	2,712	
9	Sub-total	2,695,811	446,852	74.86	3,030,325	1.11	0.7	26.02	4.2	1,190,283	39.27	8,830	¥ 8,768
	Specialised lending (FIRB)												
1	0.00 to < 0.15	2,228	—	—	2,228	0.09	0.3	45.00	1.0	401	18.02	0	
2	0.15 to < 0.25	66	—	—	66	0.20	0.0	45.00	1.0	20	30.51	0	
3	0.25 to < 0.50	1,192	—	—	1,192	0.30	0.1	45.00	1.0	467	39.22	1	
4	0.50 to < 0.75	223	—	—	223	0.59	0.0	45.00	1.0	127	57.05	0	
5	0.75 to < 2.50	599	—	—	599	1.32	0.0	45.00	1.0	486	81.21	3	
6	2.50 to < 10.00	103	—	—	103	4.95	0.0	45.00	1.0	134	130.15	2	
7	10.00 to < 100.00	66	—	—	66	27.62	0.0	45.00	1.0	148	223.15	8	
8	100.00 (Default)	0	—	—	0	100.00	0.0	45.00	1.0	0	0.00	0	
9	Sub-total	4,480	—	—	4,480	0.87	0.6	45.00	1.0	1,787	39.89	17	—
	Equity exposures (PD/LGD Approach)												
1	0.00 to < 0.15	1,051,512	—	—	430,193	0.07	0.3	90.00	5.0	511,630	118.93	—	
2	0.15 to < 0.25	97,203	—	—	36,664	0.20	0.1	90.00	5.0	56,359	153.71	—	
3	0.25 to < 0.50	60,985	—	—	23,285	0.30	0.2	90.00	5.0	40,849	175.43	—	
4	0.50 to < 0.75	33,223	—	—	16,229	0.50	0.2	90.00	5.0	32,626	201.03	—	
5	0.75 to < 2.50	19,468	—	—	16,094	1.31	0.2	90.00	5.0	44,907	279.02	—	
6	2.50 to < 10.00	3,229	—	—	1,947	6.74	0.0	90.00	5.0	8,423	432.58	—	
7	10.00 to < 100.00	0	—	—	0	18.68	0.0	90.00	5.0	0	703.02	—	
8	100.00 (Default)	61	—	—	19	100.00	0.0	90.00	5.0	217	1,125.00	—	
9	Sub-total	1,265,684	—	—	524,433	0.17	1.3	90.00	5.0	695,015	132.52	—	
	Purchased receivables for corporates, etc. (default risk) (AIRB)												
1	0.00 to < 0.15	8,690	—	—	8,690	0.10	0.0	32.10	2.8	2,241	25.78	2	
2	0.15 to < 0.25	18,858	—	—	18,858	0.20	0.0	32.10	2.4	5,904	31.31	12	
3	0.25 to < 0.50	3,750	—	—	3,750	0.30	0.0	32.10	4.2	1,976	52.71	3	
4	0.50 to < 0.75	3,752	—	—	3,752	0.50	0.0	31.85	3.1	2,169	57.81	6	
5	0.75 to < 2.50	28,502	—	—	28,502	1.61	0.0	31.88	3.8	25,491	89.43	146	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	2,309	—	—	2,309	100.00	0.0	32.10	1.0	949	41.12	665	
9	Sub-total	65,863	—	—	65,863	4.32	0.0	31.99	3.2	38,732	58.80	837	312

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2020											
		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	¥ —	¥ —	—%	¥ —	—%	—	—%	—	¥ —	—%	¥ —	
2	0.15 to < 0.25	1,710	—	—	1,710	0.22	0.0	100.00	1.0	1,239	72.47	—	
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	1,710	—	—	1,710	0.22	0.0	100.00	1.0	1,239	72.47	—	¥ —
	Purchased receivables for corporates, etc. (default risk) (FIRB)												
1	0.00 to < 0.15	483,484	2,372	75.00	485,263	0.06	0.3	45.00	1.1	66,743	13.75	136	
2	0.15 to < 0.25	64,422	—	—	64,422	0.21	0.1	45.00	1.0	20,241	31.41	60	
3	0.25 to < 0.50	132,722	—	—	132,722	0.33	0.2	45.00	1.2	58,650	44.19	200	
4	0.50 to < 0.75	48,097	2,717	75.00	50,134	0.54	1.2	45.00	1.2	29,126	58.09	122	
5	0.75 to < 2.50	56,045	—	—	56,045	1.57	5.3	45.00	1.3	49,537	88.38	397	
6	2.50 to < 10.00	5,310	—	—	5,310	6.19	1.1	45.00	1.1	7,782	146.56	148	
7	10.00 to < 100.00	2,322	—	—	2,322	16.89	0.0	45.00	1.6	4,806	206.95	176	
8	100.00 (Default)	4,037	—	—	4,037	100.00	0.0	45.00	1.0	0	0.00	1,816	
9	Sub-total	796,441	5,089	75.00	800,258	0.84	8.5	45.00	1.1	236,888	29.60	3,059	560
	Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)												
1	0.00 to < 0.15	578,025	5,089	75.00	581,842	0.06	0.4	94.35	1.1	167,833	28.84	17	
2	0.15 to < 0.25	19,872	—	—	19,872	0.22	0.1	99.49	1.0	14,065	70.77	0	
3	0.25 to < 0.50	39,216	—	—	39,216	0.34	0.2	66.44	1.3	27,085	69.06	29	
4	0.50 to < 0.75	1,001	—	—	1,001	0.50	0.0	45.00	2.9	877	87.58	2	
5	0.75 to < 2.50	6,020	—	—	6,020	0.91	0.2	95.12	1.2	9,071	150.66	3	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	644,136	5,089	75.00	647,953	0.09	1.1	92.75	1.1	218,932	33.78	53	—
	Purchased receivables for retail (default risk)												
1	0.00 to < 0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	58,756	—	—	58,775	0.30	35.0	75.28	—	23,858	40.59	136	
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	58,756	—	—	58,775	0.30	35.0	75.28	—	23,858	40.59	136	237

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2020

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	¥ 42,186	28.14%	¥ 11,872	0.10%	44.6	62.62%	—	¥ 481	4.05%	¥ 8	
2	0.15 to < 0.25	36,647	819,182	12.66	140,429	0.23	198.2	66.45	—	11,466	8.16	221	
3	0.25 to < 0.50	25,516	829,416	7.96	91,609	0.36	171.5	75.34	—	11,933	13.02	250	
4	0.50 to < 0.75	31,871	281,217	12.66	67,498	0.57	86.9	66.45	—	11,105	16.45	255	
5	0.75 to < 2.50	15,059	213,789	13.84	44,649	1.15	126.6	67.39	—	12,520	28.04	346	
6	2.50 to < 10.00	37,209	85,971	13.43	48,758	4.85	49.1	66.92	—	36,992	75.86	1,585	
7	10.00 to < 100.00	378	1,403	13.33	566	49.24	0.7	66.08	—	969	171.29	188	
8	100.00 (Default)	109	3,614	9.64	16,063	100.00	19.3	67.40	—	15,630	97.30	9,576	
9	Sub-total	146,792	2,276,782	11.37	421,448	4.81	697.2	68.47	—	101,100	23.98	12,433	¥ 17,707
	Residential mortgage exposures												
1	0.00 to < 0.15	4,025,749	14,944	100.00	4,040,694	0.09	136.9	18.34	—	174,400	4.31	737	
2	0.15 to < 0.25	2,941,838	82	100.00	2,941,920	0.17	139.4	18.06	—	194,374	6.60	939	
3	0.25 to < 0.50	2,612,664	2,340	100.00	2,615,015	0.35	157.1	18.11	—	285,730	10.92	1,669	
4	0.50 to < 0.75	41,039	—	—	41,039	0.62	2.8	22.43	—	8,404	20.47	57	
5	0.75 to < 2.50	132,716	19	100.00	132,736	0.89	13.5	21.22	—	32,538	24.51	249	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	68,321	20	100.00	68,342	20.21	3.8	18.68	—	71,391	104.46	2,607	
8	100.00 (Default)	33,521	15	100.00	34,837	100.00	2.0	20.05	—	8,496	24.38	6,307	
9	Sub-total	9,855,850	17,422	100.00	9,874,584	0.69	455.8	18.26	—	775,336	7.85	12,569	26,674
	Other retail exposures												
1	0.00 to < 0.15	0	23,634	22.78	5,384	0.10	21.7	22.17	—	316	5.87	1	
2	0.15 to < 0.25	15,790	—	—	15,790	0.18	1.7	46.37	—	2,781	17.61	13	
3	0.25 to < 0.50	350,660	—	—	350,660	0.32	121.7	59.56	—	114,313	32.59	673	
4	0.50 to < 0.75	320,724	447	100.00	321,469	0.57	91.1	39.06	—	99,369	30.91	749	
5	0.75 to < 2.50	178,853	146,533	28.29	220,324	1.21	289.7	66.15	—	158,137	71.77	1,863	
6	2.50 to < 10.00	28,279	26,105	57.09	43,184	4.32	46.1	29.25	—	18,682	43.26	636	
7	10.00 to < 100.00	21,642	497	83.87	22,104	15.78	1.9	33.00	—	13,241	59.90	1,330	
8	100.00 (Default)	7,495	1,524	31.52	20,304	100.00	12.5	52.67	—	5,473	26.95	10,258	
9	Sub-total	923,447	198,741	31.74	999,223	3.13	586.8	51.97	—	412,315	41.26	15,526	19,210
	Lease transactions												
1	0.00 to < 0.15	203,370	—	—	203,370	0.07	0.4	45.00	2.6	50,473	24.81	73	
2	0.15 to < 0.25	135,781	—	—	135,781	0.20	0.1	45.00	4.1	81,744	60.20	125	
3	0.25 to < 0.50	23,758	—	—	23,758	0.30	0.1	45.00	2.1	12,383	52.12	33	
4	0.50 to < 0.75	40,113	—	—	40,113	0.50	0.2	45.00	3.1	31,065	77.44	91	
5	0.75 to < 2.50	41,132	—	—	41,132	1.63	0.3	45.00	3.0	43,943	106.83	302	
6	2.50 to < 10.00	2,919	—	—	2,919	6.16	0.0	45.00	2.7	4,547	155.79	80	
7	10.00 to < 100.00	283	—	—	283	18.67	0.0	45.00	3.2	563	198.85	23	
8	100.00 (Default)	157	—	—	157	100.00	0.0	45.00	1.0	0	0.00	70	
9	Sub-total	447,516	—	—	447,516	0.39	1.3	45.00	3.1	224,722	50.21	801	4,928
Total (all portfolios)		¥ 48,505,673	¥ 6,811,321	53.22%	¥ 51,444,524	0.65%	1,799.7	35.36%	2.2	¥ 10,953,383	21.29%	¥ 112,195	¥ 164,527

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, 2019											
		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	¥ 1,107,745	¥ 33	75.00%	¥ 1,121,315	0.00%	0.0	32.52%	1.7	¥ 15,426	1.37%	¥ 8	
2	0.15 to < 0.25	4,778	277	75.00	94	0.20	0.0	28.16	2.4	25	27.49	0	
3	0.25 to < 0.50	995	530	75.00	397	0.30	0.0	32.53	5.0	233	58.79	0	
4	0.50 to < 0.75	1	—	—	1	0.50	0.0	32.53	4.9	1	71.56	0	
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	1,113,521	840	75.00	1,121,809	0.00	0.0	32.52	1.7	15,687	1.39	9	¥ 71
	Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB))												
1	0.00 to < 0.15	16,154,670	248,926	95.57	16,453,018	0.00	0.1	44.99	1.1	84,798	0.51	135	
2	0.15 to < 0.25	0	—	—	0	0.20	0.0	45.00	1.0	0	30.51	0	
3	0.25 to < 0.50	52,379	4,610	75.00	20,560	0.28	0.0	42.81	2.1	11,617	56.50	25	
4	0.50 to < 0.75	0	—	—	0	0.50	0.0	45.00	1.0	0	52.44	0	
5	0.75 to < 2.50	2,601	92	100.00	2,499	1.78	0.0	44.62	1.1	2,316	92.66	19	
6	2.50 to < 10.00	28,184	—	—	984	5.36	0.0	35.57	2.8	1,113	113.13	15	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	16,237,835	253,629	95.20	16,477,063	0.00	0.1	44.99	1.1	99,845	0.60	196	536
	Financial Institution exposures (AIRB)												
1	0.00 to < 0.15	429,035	340	75.00	430,026	0.04	0.0	32.53	2.8	89,722	20.86	68	
2	0.15 to < 0.25	32,000	9,000	75.00	38,750	0.20	0.0	32.53	1.3	9,391	24.23	25	
3	0.25 to < 0.50	1,109	—	—	1,109	0.30	0.0	11.99	1.0	116	10.53	0	
4	0.50 to < 0.75	1,400	1,000	75.00	2,150	0.50	0.0	32.53	1.0	817	38.00	3	
5	0.75 to < 2.50	14,512	6,368	85.20	19,938	1.12	0.0	32.53	1.1	11,258	56.46	73	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	478,056	16,708	78.89	491,974	0.10	0.0	32.48	2.6	111,306	22.62	171	336
	Financial Institution exposures (FIRB)												
1	0.00 to < 0.15	685,370	142,033	82.80	802,750	0.06	0.1	43.60	1.4	146,867	18.29	219	
2	0.15 to < 0.25	1,168	—	—	1,168	0.20	0.0	70.66	1.0	560	47.91	1	
3	0.25 to < 0.50	28,396	5,869	75.00	30,299	0.30	0.0	67.01	4.0	43,624	143.97	62	
4	0.50 to < 0.75	3	—	—	3	0.50	0.0	45.00	1.0	1	52.44	0	
5	0.75 to < 2.50	3,736	—	—	3,736	1.77	0.0	45.00	4.8	5,283	141.42	29	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	718,676	147,903	82.49	837,957	0.07	0.1	44.49	1.6	196,337	23.43	312	220

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2019

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
	Corporate exposures (excluding SME exposures and specialised lending) (AIRB)												
1	0.00 to < 0.15	¥ 6,300,280	¥ 2,415,175	75.61%	¥ 8,229,831	0.07%	0.7	32.04%	2.6	¥ 1,591,366	19.33%	¥ 1,959	
2	0.15 to < 0.25	2,277,239	432,352	76.18	2,580,853	0.20	0.4	31.43	2.6	856,102	33.17	1,663	
3	0.25 to < 0.50	1,125,691	210,731	75.98	1,268,287	0.30	0.4	31.48	2.5	519,249	40.94	1,231	
4	0.50 to < 0.75	1,081,504	216,823	75.40	1,243,507	0.50	0.7	30.06	2.4	591,849	47.59	1,887	
5	0.75 to < 2.50	787,729	115,784	73.03	822,338	1.35	0.8	28.94	2.4	538,946	65.53	3,243	
6	2.50 to < 10.00	220,720	28,913	84.55	247,723	6.62	0.0	27.26	2.2	256,729	103.63	4,560	
7	10.00 to < 100.00	19,816	37	75.00	19,161	18.67	0.0	28.80	1.7	27,395	142.97	1,031	
8	100.00 (Default)	23,865	951	75.00	28,721	100.00	0.0	32.48	1.0	13,211	45.99	8,273	
9	Sub-total	11,836,847	3,420,770	75.68	14,440,424	0.56	3.2	31.45	2.6	4,394,850	30.43	23,849	¥ 47,758
	Corporate exposures (excluding SME exposures and specialised lending) (FIRB)												
1	0.00 to < 0.15	788,993	147,720	85.45	928,540	0.07	0.9	52.92	3.0	357,563	38.50	371	
2	0.15 to < 0.25	105,699	—	—	106,318	0.20	0.4	59.44	3.2	78,450	73.78	129	
3	0.25 to < 0.50	272,857	78,050	80.42	336,073	0.29	0.6	45.69	2.4	197,898	58.88	452	
4	0.50 to < 0.75	171,892	10,011	75.40	180,198	0.60	0.7	48.42	3.7	192,133	106.62	521	
5	0.75 to < 2.50	405,200	22,850	74.23	422,182	1.44	1.3	43.40	3.9	511,161	121.07	2,632	
6	2.50 to < 10.00	164,500	3,770	82.11	167,542	6.03	0.4	45.06	4.3	311,435	185.88	4,559	
7	10.00 to < 100.00	36,370	1,664	72.88	35,566	29.72	0.0	44.68	4.2	92,651	260.50	4,718	
8	100.00 (Default)	13,276	205	90.28	15,707	100.00	0.0	44.11	1.0	0	0.00	6,929	
9	Sub-total	1,958,791	264,274	82.49	2,192,130	2.07	4.6	49.13	3.3	1,741,292	79.43	20,315	13,172
	SME exposures (AIRB)												
1	0.00 to < 0.15	48,149	4,830	75.00	50,100	0.11	0.0	32.53	3.7	14,742	29.42	19	
2	0.15 to < 0.25	81,826	—	—	79,339	0.20	0.0	30.67	3.6	26,676	33.62	49	
3	0.25 to < 0.50	10,167	—	—	10,167	0.30	0.0	28.14	2.7	2,996	29.46	8	
4	0.50 to < 0.75	50,866	474	75.00	49,710	0.50	0.0	19.90	3.2	14,427	29.02	49	
5	0.75 to < 2.50	115,194	11,185	76.32	114,080	1.52	0.2	21.60	2.9	53,422	46.82	374	
6	2.50 to < 10.00	9,832	1,594	75.00	10,938	7.13	0.0	21.45	1.6	6,580	60.15	169	
7	10.00 to < 100.00	4,040	—	—	3,293	18.67	0.0	16.82	1.5	2,203	66.89	103	
8	100.00 (Default)	1,367	—	—	2,168	100.00	0.0	27.21	1.0	827	38.13	524	
9	Sub-total	321,444	18,083	75.81	319,798	1.81	0.3	25.49	3.2	121,876	38.11	1,300	2,885
	SME exposures (FIRB)												
1	0.00 to < 0.15	53	—	—	53	0.12	0.0	45.00	1.0	11	21.55	0	
2	0.15 to < 0.25	54	—	—	54	0.20	0.0	45.00	1.0	14	26.66	0	
3	0.25 to < 0.50	1	—	—	1	0.30	0.0	45.00	1.0	0	36.27	0	
4	0.50 to < 0.75	96,097	932	75.00	95,925	0.50	0.5	38.64	4.7	63,631	66.33	187	
5	0.75 to < 2.50	249,549	687	85.85	247,948	1.59	1.3	39.55	4.6	227,607	91.79	1,578	
6	2.50 to < 10.00	10,874	—	—	10,805	7.40	0.0	40.96	3.2	13,957	129.17	326	
7	10.00 to < 100.00	228	—	—	228	18.67	0.0	44.54	4.8	461	202.15	19	
8	100.00 (Default)	8,547	250	99.99	8,983	100.00	0.0	43.79	1.0	0	0.00	3,934	
9	Sub-total	365,406	1,870	82.33	364,000	3.92	2.0	39.46	4.5	305,685	83.97	6,046	600

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2019											
		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	¥ 537,680	¥ 10,807	75.00%	¥ 545,785	0.06%	0.0	18.07%	3.3	¥ 58,342	10.68%	¥ 61	
2	0.15 to < 0.25	84,129	2,700	75.00	86,154	0.20	0.0	18.07	3.0	17,301	20.08	31	
3	0.25 to < 0.50	54,223	—	—	54,223	0.30	0.0	18.07	1.2	9,227	17.01	30	
4	0.50 to < 0.75	257,122	—	—	257,122	0.50	0.0	18.07	4.3	94,747	36.84	234	
5	0.75 to < 2.50	57,285	3,100	75.00	59,610	1.23	0.0	18.07	4.3	29,262	49.08	133	
6	2.50 to < 10.00	130	—	—	130	7.65	0.0	18.07	1.0	82	63.08	1	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	990,572	16,607	75.00	1,003,027	0.27	0.1	18.07	3.5	208,963	20.83	493	¥ 1,017
	Specialised lending (FIRB)												
1	0.00 to < 0.15	206	—	—	206	0.08	0.0	45.00	1.0	33	16.14	0	
2	0.15 to < 0.25	47	—	—	47	0.20	0.0	45.00	1.0	14	30.51	0	
3	0.25 to < 0.50	18	—	—	18	0.30	0.0	45.00	1.0	7	39.51	0	
4	0.50 to < 0.75	111	—	—	111	0.50	0.0	45.00	1.0	58	52.44	0	
5	0.75 to < 2.50	17	—	—	17	1.74	0.0	45.00	1.0	15	90.55	0	
6	2.50 to < 10.00	0	—	—	0	7.65	0.0	45.00	1.0	1	157.03	0	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	401	—	—	401	0.30	0.1	45.00	1.0	130	32.39	0	—
	Equity exposures (PD/LGD Approach)												
1	0.00 to < 0.15	1,275,497	29	100.00	502,925	0.07	0.3	90.00	5.0	603,842	120.06	—	
2	0.15 to < 0.25	125,712	—	—	45,583	0.20	0.1	90.00	5.0	69,212	151.83	—	
3	0.25 to < 0.50	58,397	—	—	21,619	0.30	0.1	90.00	5.0	37,374	172.87	—	
4	0.50 to < 0.75	47,939	—	—	20,879	0.50	0.2	90.00	5.0	42,335	202.75	—	
5	0.75 to < 2.50	21,567	—	—	16,934	1.26	0.2	90.00	5.0	46,400	274.00	—	
6	2.50 to < 10.00	4,000	—	—	2,258	6.66	0.0	90.00	5.0	10,230	453.01	—	
7	10.00 to < 100.00	14	—	—	4	18.67	0.0	90.00	5.0	33	731.60	—	
8	100.00 (Default)	10	—	—	3	100.00	0.0	90.00	5.0	36	1,125.00	—	
9	Sub-total	1,533,140	29	100.00	610,207	0.16	1.3	90.00	5.0	809,466	132.65	—	
	Purchased receivables for corporates, etc. (default risk) (AIRB)												
1	0.00 to < 0.15	8,055	—	—	8,055	0.09	0.0	32.53	3.3	2,221	27.58	2	
2	0.15 to < 0.25	29,955	—	—	29,955	0.20	0.0	32.53	2.3	9,367	31.27	19	
3	0.25 to < 0.50	1,700	—	—	1,700	0.30	0.0	32.53	4.3	919	54.10	1	
4	0.50 to < 0.75	40,613	—	—	40,613	0.50	0.0	32.53	4.0	25,769	63.45	66	
5	0.75 to < 2.50	32,381	—	—	32,381	1.67	0.0	32.46	3.9	29,754	91.88	175	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	112,704	—	—	112,704	0.72	0.0	32.51	3.5	68,033	60.36	266	7

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2019

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
	Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (AIRB)												
1	0.00 to < 0.15	¥ —	¥ —	—%	¥ —	—%	—	—%	—	¥ —	—%	¥ —	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	1,140	—	—	1,140	0.25	0.0	100.00	1.0	886	77.74	—	
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	1,140	—	—	1,140	0.25	0.0	100.00	1.0	886	77.74	—	¥ —
	Purchased receivables for corporates, etc. (default risk) (FIRB)												
1	0.00 to < 0.15	605,927	—	—	605,927	0.06	0.3	45.00	1.1	87,288	14.40	180	
2	0.15 to < 0.25	85,732	—	—	85,732	0.20	0.1	45.00	1.0	26,297	30.67	79	
3	0.25 to < 0.50	78,795	—	—	78,795	0.30	0.3	45.00	1.1	31,979	40.58	109	
4	0.50 to < 0.75	93,164	—	—	93,164	0.51	1.3	45.00	1.1	50,102	53.77	214	
5	0.75 to < 2.50	56,214	—	—	56,214	1.48	4.8	45.00	1.5	48,501	86.27	375	
6	2.50 to < 10.00	10,764	—	—	10,764	4.87	1.4	45.00	2.7	16,283	151.26	236	
7	10.00 to < 100.00	2,664	—	—	2,664	21.75	0.0	45.00	2.5	5,974	224.24	260	
8	100.00 (Default)	76	—	—	76	100.00	0.0	45.00	1.0	0	0.00	34	
9	Sub-total	933,340	—	—	933,340	0.35	8.5	45.00	1.1	266,426	28.54	1,490	1,010
	Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)												
1	0.00 to < 0.15	663,563	—	—	663,563	0.05	0.3	94.66	1.1	173,641	26.16	17	
2	0.15 to < 0.25	20,627	—	—	20,627	0.22	0.1	99.80	1.0	14,624	70.89	0	
3	0.25 to < 0.50	16,869	—	—	16,869	0.37	0.2	80.98	1.4	14,674	86.98	7	
4	0.50 to < 0.75	1,295	—	—	1,295	0.50	0.0	45.00	2.5	1,048	80.95	2	
5	0.75 to < 2.50	8,586	—	—	8,586	0.94	0.3	92.95	1.4	12,996	151.36	8	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	710,941	—	—	710,941	0.08	1.0	94.37	1.1	216,985	30.52	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	72,898	—	—	72,898	0.31	35.9	72.54	—	28,736	39.42	165	
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	72,898	—	—	72,898	0.31	35.9	72.54	—	28,736	39.42	165	276

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2019											
		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	¥ 42,560	28.44%	¥ 12,106	0.11%	43.9	64.25%	—	¥ 524	4.33%	¥ 8	
2	0.15 to < 0.25	40,983	845,956	11.53	138,564	0.24	201.1	58.77	—	10,228	7.38	198	
3	0.25 to < 0.50	19,038	667,036	8.26	74,192	0.37	149.8	72.92	—	9,496	12.80	200	
4	0.50 to < 0.75	32,814	280,686	11.53	65,191	0.59	85.1	58.77	—	9,786	15.01	227	
5	0.75 to < 2.50	16,076	190,244	11.63	38,208	0.94	91.7	62.91	—	8,769	22.95	226	
6	2.50 to < 10.00	44,516	136,231	13.29	62,624	5.00	96.2	59.70	—	43,013	68.68	1,864	
7	10.00 to < 100.00	385	1,488	10.49	541	56.14	0.7	63.73	—	813	150.18	196	
8	100.00 (Default)	166	4,722	7.57	16,807	100.00	20.7	60.53	—	5,032	29.93	9,772	
9	Sub-total	153,981	2,168,927	10.97	408,238	5.29	689.6	62.11	—	87,663	21.47	12,695	¥ 18,240
	Residential mortgage exposures												
1	0.00 to < 0.15	3,211,628	17,556	100.00	3,229,185	0.10	112.5	19.71	—	159,641	4.94	688	
2	0.15 to < 0.25	2,990,500	115	100.00	2,990,616	0.18	142.1	18.36	—	206,606	6.90	1,008	
3	0.25 to < 0.50	2,273,100	2,584	100.00	2,275,684	0.34	116.8	18.19	—	246,297	10.82	1,424	
4	0.50 to < 0.75	700,591	73	100.00	700,664	0.51	46.4	19.98	—	111,220	15.87	719	
5	0.75 to < 2.50	130,195	19	100.00	130,215	0.92	12.7	22.22	—	34,196	26.26	265	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	81,493	35	100.00	81,528	20.34	4.2	19.23	—	87,890	107.80	3,255	
8	100.00 (Default)	30,930	24	100.00	32,073	100.00	1.8	20.87	—	8,415	26.23	6,023	
9	Sub-total	9,418,440	20,409	100.00	9,439,968	0.74	436.8	18.97	—	854,268	9.04	13,385	23,339
	Other retail exposures												
1	0.00 to < 0.15	0	25,295	22.91	5,795	0.11	23.0	19.44	—	308	5.32	1	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	277,137	—	—	277,137	0.31	121.4	55.64	—	83,915	30.27	493	
4	0.50 to < 0.75	360,872	571	100.00	361,443	0.58	101.0	39.74	—	113,239	31.32	852	
5	0.75 to < 2.50	157,862	148,343	28.60	200,301	1.14	282.2	65.10	—	138,800	69.29	1,534	
6	2.50 to < 10.00	64,836	26,106	54.24	78,998	3.80	67.6	45.23	—	50,704	64.18	1,328	
7	10.00 to < 100.00	3,666	754	91.86	4,359	41.53	1.1	39.27	—	3,831	87.89	844	
8	100.00 (Default)	9,781	1,423	34.20	23,035	100.00	13.6	49.19	—	6,312	27.40	10,826	
9	Sub-total	874,158	202,494	31.67	951,071	3.48	610.3	50.27	—	397,113	41.75	15,881	16,106
	Lease transactions												
1	0.00 to < 0.15	127,287	—	—	127,287	0.05	0.4	45.00	3.1	30,100	23.64	31	
2	0.15 to < 0.25	184,569	—	—	184,569	0.20	0.1	45.00	3.3	96,033	52.03	170	
3	0.25 to < 0.50	21,888	—	—	21,888	0.30	0.1	45.00	2.0	11,090	50.66	30	
4	0.50 to < 0.75	33,751	—	—	33,751	0.50	0.2	45.00	3.1	25,989	77.00	76	
5	0.75 to < 2.50	44,629	—	—	44,629	1.51	0.3	45.00	2.8	45,430	101.79	304	
6	2.50 to < 10.00	2,510	—	—	2,510	6.26	0.0	45.00	2.9	3,773	150.26	70	
7	10.00 to < 100.00	305	—	—	305	18.67	0.0	45.00	3.5	638	208.69	25	
8	100.00 (Default)	—	—	—	526	100.00	0.0	45.00	1.0	0	0.00	237	
9	Sub-total	414,942	—	—	415,469	0.50	1.3	45.00	3.1	213,055	51.28	946	3,519
Total (all portfolios)		¥ 48,247,240	¥ 6,532,547	54.10%	¥ 50,904,567	0.55%	1,796.1	36.88%	2.0	¥ 10,138,611	19.91%	¥ 97,562	¥ 129,100

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, 2020	
		a	b
Item No.	Portfolio	Pre-credit derivatives credit RWA amounts	Actual credit RWA amounts
1	Sovereign Exposures – FIRB	¥ 108,192	¥ 108,192
2	Sovereign Exposures – AIRB	12,818	12,818
3	Financial Institution Exposures – FIRB	141,054	141,054
4	Financial Institution Exposures – AIRB	129,364	129,364
5	Corporate exposures (excluding specialised lending) – FIRB	2,081,863	2,081,863
6	Corporate exposures (excluding specialised lending) – AIRB	4,559,875	4,559,875
7	Specialised lending – FIRB	339,214	339,214
8	Specialised lending – AIRB	1,190,283	1,190,283
9	Retail – Qualifying revolving retail exposures	101,100	101,100
10	Retail – Residential mortgage exposures	775,336	775,336
11	Retail – Other retail exposures	412,315	412,315
12	Equity Exposures – FIRB	916,790	916,790
13	Equity Exposures – AIRB	—	—
14	Purchased receivables – FIRB	479,679	479,679
15	Purchased receivables – AIRB	39,972	39,972
16	Total	¥ 11,287,862	¥ 11,287,862

Note: The SuMi TRUST Group does not use credit derivatives as credit risk mitigation techniques.

CR7		Millions of Yen	
		March 31, 2019	
		a	b
Item No.	Portfolio	Pre-credit derivatives credit RWA amounts	Actual credit RWA amounts
1	Sovereign Exposures – FIRB	¥ 100,435	¥ 100,435
2	Sovereign Exposures – AIRB	14,903	14,903
3	Financial Institution Exposures – FIRB	196,461	196,461
4	Financial Institution Exposures – AIRB	111,017	111,017
5	Corporate exposures (excluding specialised lending) – FIRB	2,046,264	2,046,264
6	Corporate exposures (excluding specialised lending) – AIRB	4,517,798	4,517,798
7	Specialised lending – FIRB	2,269,220	2,269,220
8	Specialised lending – AIRB	208,963	208,963
9	Retail – Qualifying revolving retail exposures	87,663	87,663
10	Retail – Residential mortgage exposures	854,268	854,268
11	Retail – Other retail exposures	397,113	397,113
12	Equity Exposures – FIRB	984,988	984,988
13	Equity Exposures – AIRB	—	—
14	Purchased receivables – FIRB	512,148	512,148
15	Purchased receivables – AIRB	68,919	68,919
16	Total	¥ 12,370,168	¥ 12,370,168

Note: The 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 March 31, 2020 RWA amounts
1	RWA at the end of the previous fiscal year		¥ 13,108
2	Factor of RWA changes	Asset size	315
3		Asset quality	(365)
4		Model updates	(23)
5		Methodology and policy	(819)
6		Acquisitions and disposals	—
7		Foreign exchange movements	(159)
8		Others	—
9	RWA at the end of the fiscal year		¥ 12,056

Note: The end of the previous fiscal year indicates March 31, 2019, and the end of the fiscal year indicates March 31, 2020.

CR8 Item No.			Billions of Yen March 31, 2019 RWA amounts
1	RWA at the end of the previous fiscal year		¥ 13,413
2	Factor of RWA changes	Asset size	552
3		Asset quality	(898)
4		Model updates	(115)
5		Methodology and policy	73
6		Acquisitions and disposals	—
7		Foreign exchange movements	82
8		Others	—
9	RWA at the end of the fiscal year		¥ 13,108

Note: The end of the previous fiscal year indicates March 31, 2018, and the end of the fiscal year indicates March 31, 2019.

CR9: IRB – Backtesting of probability of default (PD) per portfolio

Entities subject to AIRB and FIRB

CR9		%, Cases												
		March 31, 2020 (Period covered: September 30, 2018 - September 30, 2019)												
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, 2018	September 30, 2019				
Sovereign Exposures	—	AAA~ B	Aaa~ B2	AAA~ B	AAA~ BB	AAA~ BB+	0.00%	0.13%	574	667	0	0	0.00%	0.9%
Financial Institution Exposures	—	AA~ B+	Aa2~ B1	AA~ B+	AA+~ BB-	AAA~ BB	0.11	0.32	424	426	0	0	0.00	2.4
Corporate Exposures (Japanese)	≥ 0% to 0.03%	AAA~ A-	Aaa~ A3	—	AAA~ AA-	AAA~ AA	0.03	0.03	426	442	0	0	0.00	50.9
	> 0.03% to 0.1%	BBB+~ BBB-	Baa1~ Baa3	—	A+~ A-	AA-~ A	0.07	0.07	476	483	0	0	0.00	
	> 0.1% to 0.5%	BB+~ BB-	Ba1~ Ba3	—	BBB+~ BBB-	A-~ BBB	0.21	0.23	2,199	2,236	0	0	0.01	
	> 0.5% to 5%	B+~ B-	B1~ B3	—	BB+~ BB-	BBB-~ BB	1.03	1.31	4,712	4,850	8	0	0.16	
	> 5% to <100%	—	—	—	—	—	7.71	9.19	230	239	8	0	3.03	
Corporate Exposures (Non-Japanese)	≥ 0% to 0.03%	AAA~ AA-	Aaa~ Aa3	AAA~ AA-	—	—	0.03	0.03	34	35	0	0	0.00	10.1
	> 0.03% to 0.1%	A+~ A-	A1~ A3	A+~ A-	—	—	0.06	0.06	117	107	0	0	0.00	
	> 0.1% to 0.5%	BBB+~ BBB-	Baa1~ Baa3	BBB+~ BBB-	—	—	0.24	0.26	228	235	0	0	0.00	
	> 0.5% to 15%	BB+~ B-	Ba1~ B3	BB+~ B-	—	—	2.50	2.71	576	590	1	0	0.07	
	> 15% to <100%	—	—	—	—	—	34.71	34.71	16	19	0	0	9.66	
Purchased receivables for corporates,etc. (Top-down approach)	—	—	—	—	AAA~ BB+	AAA~ BBB-	4.30	4.72	1,326	314	4	0	0.63	0.0
Qualifying revolving retail exposures	≥ 0% to 10%						0.55	0.36	40,909	41,995	32	0	0.10	0.0
	> 10% to < 100%						24.63	24.63	136	175	25	0	14.22	
Residential mortgage exposures	≥ 0% to 2%						0.22	0.24	462,164	502,091	319	0	0.09	6.9
	> 2% to < 100%						20.58	20.50	4,862	5,205	636	0	12.56	
Other retail exposures	≥ 0% to 10%						0.80	1.14	40,543	39,766	107	0	0.36	0.4
	> 10% to < 100%						24.83	25.92	222	264	43	0	17.04	

Entities subject to FIRB

CR9

%, Cases

March 31, 2020 (Period covered: September 30, 2018 - September 30, 2019)

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, 2018	September 30, 2019				
Sovereign Exposures	—	—	—	—	AAA~ BBB	AAA~ BBB+	0.01%	0.03%	184	213	0	0	0.00%	0.0%
Financial Institution Exposures	—	—	—	—	AA+~ BB-	AAA~ BB	0.05	0.33	7	5	0	0	0.00	0.0
Corporate Exposures (Japanese)	≥ 0% to 0.03%	—	—	—	AAA~ AA-	AAA~ AA	0.03	0.03	49	46	0	0	0.00	3.4
	> 0.03% to 0.1%	—	—	—	A+~ A-	AA-~ A	0.07	0.07	89	86	0	0	0.00	
	> 0.1% to 0.5%	—	—	—	BBB+~ BBB-	A-~ BBB	0.22	0.23	497	480	0	0	0.00	
	> 0.5% to 5%	—	—	—	BB+~ BB-	BBB-~ BB	1.29	1.22	912	958	11	1	0.71	
	> 5% to < 100%	—	—	—	—	—	8.40	8.18	233	260	13	2	5.34	
Qualifying revolving retail exposures	≥ 0% to 10%						1.03	0.94	618,334	611,483	3,009	43	0.76	0.7
	> 10% to < 100%						60.91	61.44	680	584	353	0	59.71	
Residential mortgage exposures	≥ 0% to 2%						0.67	0.75	12,728	13,129	48	0	0.37	0.3
	> 2% to < 100%						23.99	23.99	273	270	32	0	12.65	
Other retail exposures	≥ 0% to 10%						1.06	1.52	319,319	321,040	2,006	64	0.61	2.8
	> 10% to < 100%						45.79	64.07	903	906	444	1	47.38	

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)," the same rating system (same PD) is used, and so 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 the SuMi TRUST Group.

4. The PD estimation of the 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 2018. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2018 to the end of September 2019.

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 seven 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 2019) 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, 2019 (Period covered: September 30, 2017 - September 30, 2018)

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, 2017	September 30, 2018				
Sovereign Exposures	—	AAA~ B-	Aaa~ B3	AAA~ B-	AAA~ BB+	AAA~ BBB-	0.02%	0.18%	534	579	0	0	0.00%	0.8%
Financial Institution Exposures	—	AAA~ B	Aaa~ B2	AAA~ B	AA+~ BB-	AAA~ BB	0.15	0.40	417	426	0	0	0.00	2.0
Corporate Exposures (Japanese)	≥ 0% to 0.03%	AAA~ A-	Aaa~ A3	—	AAA~ AA-	AAA~ AA	0.02	0.02	403	422	0	0	0.00	49.8
	> 0.03% to 0.1%	BBB+~ BBB-	Baa1~ Baa3	—	A+~ A-	AA-~ A	0.07	0.07	442	469	0	0	0.00	
	> 0.1% to 0.5%	BB+~ BB-	Ba1~ Ba3	—	BBB+~ BBB-	A-~ BBB	0.21	0.23	2,165	2,196	0	0	0.01	
	> 0.5% to 5%	B+~ B-	B1~ B3	—	BB+~ BB-	BBB-~ BB	1.08	1.33	4,555	4,713	2	0	0.16	
	> 5% to <100%	—	—	—	—	—	18.00	10.62	275	230	8	0	2.95	
Corporate Exposures (Non-Japanese)	≥ 0% to 0.03%	AAA~ AA-	Aaa~ Aa3	AAA~ AA-	—	—	0.03	0.03	24	32	0	0	0.00	9.0
	> 0.03% to 0.1%	A+~ A-	A1~ A3	A+~ A-	—	—	0.07	0.07	99	114	0	0	0.00	
	> 0.1% to 0.5%	BBB+~ BBB-	Baa1~ Baa3	BBB+~ BBB-	—	—	0.27	0.29	191	228	0	0	0.00	
	> 0.5% to 15%	BB+~ B-	Ba1~ B3	BB+~ B-	—	—	2.76	2.87	606	576	0	0	0.05	
	> 15% to <100%	—	—	—	—	—	34.12	34.12	16	15	0	0	11.27	
Purchased receivables for corporates,etc. (Top-down approach)	—	—	—	—	AAA~ BB+	AAA~ BBB-	3.54	0.84	2,880	1,326	3	0	0.70	0.1
Qualifying revolving retail exposures	≥ 0% to 2%						0.54	0.33	38,086	41,081	18	0	0.10	0.0
	> 2% to < 100%						24.92	24.92	127	136	21	0	13.53	
Residential mortgage exposures	≥ 0% to 2%						0.22	0.24	441,808	476,742	356	0	0.10	6.4
	> 2% to < 100%						21.11	21.11	4,070	4,999	554	0	12.47	
Other retail exposures	≥ 0% to 5%						0.74	0.82	42,546	41,786	123	0	0.38	0.4
	> 5% to < 100%						24.91	26.08	213	225	48	0	16.66	

Entities subject to FIRB

CR9

%, Cases

March 31, 2019 (Period covered: September 30, 2017 - September 30, 2018)

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, 2017	September 30, 2018				
Sovereign Exposures	—	—	—	—	AAA~BBB	AAA~BBB+	0.01	0.06	164	184	0	0	0.00	0.0%
Financial Institution Exposures	—	—	—	—	AA+~BB-	AAA~BB	0.06	0.39	7	7	0	0	0.00	0.0
Corporate Exposures (Japanese)	≥ 0% to 0.03%	—	—	—	AAA~AA-	AAA~AA	0.03	0.03	54	49	0	0	0.00	3.3
	> 0.03% to 0.1%	—	—	—	A+~A-	AA-~A	0.07	0.07	101	89	0	0	0.00	
	> 0.1% to 0.5%	—	—	—	BBB+~BBB-	A-~BBB	0.22	0.24	522	497	0	0	0.00	
	> 0.5% to 5%	—	—	—	BB+~BB-	BBB-~BB	1.34	1.30	972	913	7	1	0.63	
	> 5% to < 100%	—	—	—	—	—	8.57	7.53	182	234	10	1	5.30	
Qualifying revolving retail exposures	≥ 0% to 1%						0.42	0.43	85,180	83,967	295	24	0.28	0.1
	> 1% to < 100%						83.20	82.76	85	100	59	0	70.62	
Residential mortgage exposures	≥ 0% to 2%						0.70	0.78	12,662	12,858	57	0	0.37	0.3
	> 2% to < 100%						24.79	24.79	263	275	29	0	12.81	
Other retail exposures	≥ 0% to 5%						1.06	0.96	330,135	330,306	1,940	73	0.60	2.5
	> 5% to < 100%						42.98	57.04	770	903	369	0	46.81	

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. and Sumitomo Mitsui Trust Panasonic Finance 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)," the same rating system (same PD) is used, and so 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 the SuMi TRUST Group.

4. The PD estimation of the 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 2017. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2017 to the end of September 2018.

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 six 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 2018) 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 ">5% 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, 2020

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	4,128	—	70%					4,128	2,890	16
	2.5 years≤	2,407	3,049	95%					4,694	4,459	18
Good	< 2.5 years	19,855	727	95%					20,401	19,381	81
	2.5 years≤	49,668	48,183	120%					85,805	102,967	343
Satisfactory		39,072	39,882	140%					68,984	96,577	1,931
Weak		38,806	7,539	250%					44,460	111,151	3,556
Default		—	—	—					—	—	—
Total		¥ 153,938	¥ 99,381	—					¥ 228,474	¥ 337,426	¥ 5,948
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		12,442	27,944	300%					40,386	121,160	
Simple risk weight method – Unlisted shares		23,362	2,388	400%					25,153	100,615	
Internal Models Approach		—	—	—					—	—	
Total		¥ 35,804	¥ 30,332	—					¥ 65,540	¥ 221,775	
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, 2019

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	¥ 67,716	¥ 10,735	50%	¥ 44,689	¥ 7,074	¥ —	¥ 24,013	¥ 75,777	¥ 37,888	¥ —
	2.5 years≤	534,449	112,496	70%	408,155	210,579	—	90	618,825	433,177	2,475
Good	< 2.5 years	113,434	33,813	70%	41,704	58,967	—	38,122	138,795	97,156	555
	2.5 years≤	682,699	220,609	90%	586,859	230,379	—	30,991	848,231	763,407	6,785
Satisfactory		270,940	48,881	115%	158,545	96,873	—	51,727	307,146	353,218	8,600
Weak		54,978	9,559	250%	12,853	37,630	—	11,664	62,148	155,370	4,971
Default		15,891	1,508	—	15,356	1,514	—	—	16,871	—	8,435
Total		¥ 1,740,111	¥ 437,604	—	¥ 1,268,165	¥ 643,020	¥ —	¥ 156,609	¥ 2,067,795	¥ 1,840,220	¥ 31,824
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	8,922	—	70%					8,922	6,245	35
	2.5 years≤	35	—	95%					35	34	0
Good	< 2.5 years	8,889	—	95%					8,889	8,444	35
	2.5 years≤	35,944	9,662	120%					43,190	51,828	172
Satisfactory		139,008	87,246	140%					204,443	286,220	5,724
Weak		16,896	18,056	250%					30,439	76,097	2,435
Default		—	—	—					—	—	—
Total		¥ 209,695	¥ 114,965	—					¥ 295,919	¥ 428,870	¥ 8,403
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		7,936	23,496	300%					31,432	94,298	
Simple risk weight method – Unlisted shares		20,305	—	400%					20,305	81,222	
Internal Models Approach		—	—	—					—	—	
Total		¥ 28,241	¥ 23,496	—					¥ 51,738	¥ 175,521	
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, 2020					
		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)	427,594	496,963			924,558	392,916
2	Expected Exposure Method (IMM)			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					1,663,723	96,113
5	Exposure variation estimation model					—	—
6	Total						¥ 489,030

CCR1		Millions of Yen					
		March 31, 2019					
		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)	303,469	463,054			766,524	280,827
2	Expected Exposure Method (IMM)			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					563,627	86,860
5	Exposure variation estimation model					—	—
6	Total						¥ 367,688

CCR2: Credit valuation adjustment (CVA) capital charge

CCR2		Millions of Yen	
		March 31, 2020	
		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	832,014	663,072
5	Total portfolios subject to the CVA capital charge	¥ 832,014	¥ 663,072

CCR2		Millions of Yen	
		March 31, 2019	
		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	690,461	496,078
5	Total portfolios subject to the CVA capital charge	¥ 690,461	¥ 496,078

CCR3: CCR exposures by regulatory portfolio and risk weights

CCR3		Millions of Yen								
		March 31, 2020								
		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	—	—	383,171	—	—	—	—	—	383,171
11	Corporates, etc.	—	—	—	—	—	—	—	—	—
12	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—
13	Other than the above	—	—	—	—	—	—	—	—	—
14	Total	¥ —	¥ —	¥ 383,171	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 383,171

Note: The aggregate calculation on this statement includes exposures based on the standardised approach only.

CCR3		Millions of Yen								
		March 31, 2019								
		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	—	—	336,241	—	—	—	—	—	336,241
11	Corporates, etc.	—	—	—	—	—	—	—	—	—
12	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—
13	Other than the above	—	—	—	—	—	—	—	—	—
14	Total	¥ —	¥ —	¥ 336,241	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 336,241

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, 2020						
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	¥ 1,103,545	0.00%	0.0	43.85%	0.1	¥ 3,031	0.27%
2	0.15 to < 0.25	—	—	—	—	—	—	—
3	0.25 to < 0.50	313	0.26	0.0	45.00	1.0	149	47.82
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	1,958	1.88	0.0	45.00	1.0	1,836	93.77
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	1,105,817	0.00	0.0	43.85	0.1	5,017	0.45
	Financial Institution exposures							
1	0.00 to < 0.15	453,530	0.05	0.1	14.37	2.5	94,107	20.74
2	0.15 to < 0.25	408	0.20	0.0	45.00	2.9	179	44.01
3	0.25 to < 0.50	37,474	0.28	0.0	11.88	4.0	30,425	81.18
4	0.50 to < 0.75	229	0.50	0.0	45.00	1.0	120	52.44
5	0.75 to < 2.50	30	1.03	0.0	45.00	1.0	22	74.38
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	491,673	0.06	0.1	14.15	2.6	124,855	25.39
	Corporate exposures and SME exposures							
1	0.00 to < 0.15	338,649	0.06	0.4	10.38	2.7	88,009	25.98
2	0.15 to < 0.25	16,110	0.20	0.0	45.00	3.9	9,037	56.10
3	0.25 to < 0.50	51,886	0.30	0.1	45.00	4.8	41,179	79.36
4	0.50 to < 0.75	25,209	0.63	0.1	45.00	4.7	26,206	103.95
5	0.75 to < 2.50	64,624	1.43	0.1	45.15	4.8	86,046	133.14
6	2.50 to < 10.00	16,529	3.39	0.0	45.00	4.7	26,538	160.54
7	10.00 to < 100.00	884	34.71	0.0	45.00	2.9	2,442	276.03
8	100.00 (Default)	61	100.00	0.0	45.00	1.0	0	0.00
9	Sub-total	513,957	0.46	0.9	13.95	3.4	279,461	54.37
Total (all portfolios)		¥ 2,111,448	0.13%	1.1	21.73%	1.5	¥ 409,334	19.38%

Note: The 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, 2019						
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	¥ 24,077	0.01%	0.0	19.76%	2.1	¥ 2,623	10.89%
2	0.15 to < 0.25	—	—	—	—	—	—	—
3	0.25 to < 0.50	501	0.26	0.0	45.00	1.5	278	55.57
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	24,579	0.02	0.0	19.99	2.1	2,902	11.81
	Financial Institution exposures							
1	0.00 to < 0.15	400,433	0.05	0.1	11.24	2.7	87,496	21.85
2	0.15 to < 0.25	271	0.20	0.0	45.00	2.2	125	46.33
3	0.25 to < 0.50	19,814	0.30	0.0	17.74	3.4	16,170	81.61
4	0.50 to < 0.75	176	0.50	0.0	45.00	1.0	92	52.44
5	0.75 to < 2.50	156	1.03	0.0	45.00	1.0	116	74.38
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	420,852	0.06	0.1	11.45	2.7	104,001	24.71
	Corporate exposures and SME exposures							
1	0.00 to < 0.15	358,606	0.06	0.4	10.86	2.2	80,848	22.54
2	0.15 to < 0.25	28,675	0.20	0.1	45.00	4.1	16,934	59.05
3	0.25 to < 0.50	26,581	0.30	0.1	45.00	4.7	20,700	77.87
4	0.50 to < 0.75	10,000	0.51	0.1	45.00	4.5	9,247	92.46
5	0.75 to < 2.50	44,076	1.49	0.1	45.00	4.7	58,382	132.45
6	2.50 to < 10.00	1,865	4.91	0.0	45.00	4.0	3,038	162.86
7	10.00 to < 100.00	400	33.20	0.0	45.00	3.6	1,098	274.33
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	470,207	0.27	0.9	13.18	2.7	190,249	40.46
Total (all portfolios)		¥ 915,639	0.17%	1.0	12.44%	2.7	¥ 297,154	32.45%

Note: The 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, 2020					
		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)	¥ —	¥ 126,581	¥ —	¥ 321,222	¥ 1,068,982	¥ 750,758
2	Cash (other currency)	—	8,357	—	183,139	1,129,347	30,521
3	Domestic sovereign debt	—	7,053	—	20,180	181,075	1,289,027
4	Other sovereign debt	—	—	—	—	993,263	1,679,432
5	Government agency debt	—	—	—	—	237,766	486,789
6	Corporate bonds	—	—	—	—	409,906	—
7	Equity securities	—	—	—	9,584	587,566	721,116
8	Other collateral	—	—	—	—	—	—
9	Total	¥ —	¥ 141,992	¥ —	¥ 534,127	¥ 4,607,910	¥ 4,957,645

CCR5		Millions of Yen					
		March 31, 2019					
		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)	¥ —	¥ 110,968	¥ —	¥ 241,809	¥ 26,439	¥ 786,303
2	Cash (other currency)	—	673	—	91,676	1,090,592	31,180
3	Domestic sovereign debt	—	1,740	—	6,871	76,915	311,905
4	Other sovereign debt	—	—	—	—	1,137,589	1,608,996
5	Government agency debt	—	—	—	—	589,731	545,503
6	Corporate bonds	—	—	—	—	114,373	13,571
7	Equity securities	—	—	—	9,505	649,732	778,187
8	Other collateral	—	—	—	—	—	—
9	Total	¥ —	¥ 113,381	¥ —	¥ 349,862	¥ 3,685,373	¥ 4,075,649

CCR6: Credit derivatives exposures

CCR6		Millions of Yen	
		March 31, 2020	
Item No.		a	b
		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	¥ 53,600	¥ 68,600
2	Index credit default swaps	11,940	5,434
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	Total notionals	¥ 65,540	¥ 74,034
	Fair values		
7	Positive fair value (asset)	596	425
8	Negative fair value (liability)	(406)	(441)

CCR6		Millions of Yen	
		March 31, 2019	
Item No.		a	b
		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	¥ 63,600	¥ 121,846
2	Index credit default swaps	724	4,345
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	Total notionals	¥ 64,324	¥ 126,192
	Fair values		
7	Positive fair value (asset)	81	1,250
8	Negative fair value (liability)	(701)	(117)

CCR7: RWA flow statements of CCR exposures under Internal Model Method (IMM)

As of March 31, 2020
Not applicable.

As of March 31, 2019
Not applicable.

CCR8: Exposures to central counterparties (CCP)

CCR8		Millions of Yen	
		March 31, 2020	
Item No.		a	b
		EAD to CCP (post-CRM)	RWA amounts
1	Exposures to qualifying central counterparties (QCCPs) (total)		¥ 49,867
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,036,944	40,738
3	(i) OTC derivatives	1,759,635	35,192
4	(ii) Exchange-traded derivatives	222,792	4,455
5	(iii) Repo transactions	54,516	1,090
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	93,786	1,875
9	Pre-funded default fund contributions	20,508	7,253
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, 2019	
Item No.		a	b
		EAD to CCP (post-CRM)	RWA amounts
1	Exposures to qualifying central counterparties (QCCPs) (total)		¥ 41,617
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,062,146	21,242
3	(i) OTC derivatives	783,629	15,672
4	(ii) Exchange-traded derivatives	261,998	5,239
5	(iii) Repo transactions	16,517	330
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	55,520	1,110
9	Pre-funded default fund contributions	15,437	19,264
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, 2020								
		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	¥ 75,122	¥ —	¥ 75,122	¥ 127,403	¥ —	¥ 127,403	¥ 139,219	¥ —	¥ 139,219
2	Residential mortgage	75,122	—	75,122	86,287	—	86,287	64,847	—	64,847
3	Credit card	—	—	—	492	—	492	26,253	—	26,253
4	Other retail exposures	—	—	—	40,623	—	40,623	48,118	—	48,118
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	¥ 18,752	¥ —	¥ 18,752	¥ —	¥ —	¥ —	¥ 742,846	¥ —	¥ 742,846
7	Loans to corporates	—	—	—	—	—	—	720,622	—	720,622
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	18,752	—	18,752	—	—	—	22,223	—	22,223
10	Other wholesale	—	—	—	—	—	—	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

SEC1		Millions of Yen								
		March 31, 2019								
		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	¥ 62,706	¥ —	¥ 62,706	¥ 139,483	¥ —	¥ 139,483	¥ 232,977	¥ —	¥ 232,977
2	Residential mortgage	62,706	—	62,706	96,477	—	96,477	68,852	—	68,852
3	Credit card	—	—	—	1,565	—	1,565	43,969	—	43,969
4	Other retail exposures	—	—	—	41,441	—	41,441	120,155	—	120,155
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	¥ 16,910	¥ —	¥ 16,910	¥ —	¥ —	¥ —	¥ 657,440	¥ —	¥ 657,440
7	Loans to corporates	—	—	—	—	—	—	635,250	—	635,250
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	16,910	—	16,910	—	—	—	22,189	—	22,189
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, 2020
Not applicable.

As of March 31, 2019
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, 2020														
		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	¥127,331	¥127,331	¥127,331	¥127,331	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	2,272	2,272	2,272	2,272	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	47,869	47,869	47,869	47,869	—	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	43,732	43,732	43,732	24,980	18,752	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	72	72	72	72	—	—	—	—	—	—	—	—	—	—	—
	Exposure Values (by regulatory approach)															
6	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	220,713	220,713	220,713	201,961	18,752	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	492	492	492	492	—	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250% risk weight	72	72	72	72	—	—	—	—	—	—	—	—	—	—	—
	RWA (by regulatory approach)															
10	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	156,305	156,305	156,305	104,805	51,500	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	73	73	73	73	—	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight	906	906	906	906	—	—	—	—	—	—	—	—	—	—	—
	Capital requirement values (by regulatory approach)															
14	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	12,504	12,504	12,504	8,384	4,120	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	5	5	5	5	—	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight	72	72	72	72	—	—	—	—	—	—	—	—	—	—	—

SEC3

Millions of Yen

March 31, 2019

Item No.		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		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	¥138,561	¥138,561	¥138,561	¥138,561	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	2,890	2,890	2,890	2,890	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	43,538	43,538	43,538	43,538	—	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	33,842	33,842	33,842	16,932	16,910	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	266	266	266	266	—	—	—	—	—	—	—	—	—	—	—
	Exposure Values (by regulatory approach)															
6	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	217,699	217,699	217,699	200,789	16,910	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	1,134	1,134	1,134	1,134	—	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250% risk weight	266	266	266	266	—	—	—	—	—	—	—	—	—	—	—
	RWA (by regulatory approach)															
10	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	138,523	138,523	138,523	92,170	46,353	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	205	205	205	205	—	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight	3,332	3,332	3,332	3,332	—	—	—	—	—	—	—	—	—	—	—
	Capital requirement values (by regulatory approach)															
14	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	11,081	11,081	11,081	7,373	3,708	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	16	16	16	16	—	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight	266	266	266	266	—	—	—	—	—	—	—	—	—	—	—

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, 2020														
		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	¥766,385	¥766,385	¥766,385	¥107,216	¥659,169	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	38,784	38,784	38,784	24,713	14,071	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	72,345	72,345	72,345	2,739	69,606	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	4,550	4,550	4,550	4,550	—	—	—	—	—	—	—	—	—	—	—
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)	839,785	839,785	839,785	96,939	742,846	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	42,279	42,279	42,279	42,279	—	—	—	—	—	—	—	—	—	—	—
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)	178,008	178,008	178,008	21,982	156,026	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	12,730	12,730	12,730	12,730	—	—	—	—	—	—	—	—	—	—	—
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)	14,240	14,240	14,240	1,758	12,482	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	1,018	1,018	1,018	1,018	—	—	—	—	—	—	—	—	—	—	—
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, 2019

Item No.		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		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	¥739,235	¥739,235	¥739,235	¥203,032	¥536,203	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	109,431	109,431	109,431	25,898	83,533	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	41,749	41,749	41,749	4,047	37,702	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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)	834,642	834,642	834,642	177,202	657,440	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	55,775	55,775	55,775	55,775	—	—	—	—	—	—	—	—	—	—	—
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)	165,529	165,529	165,529	29,361	136,168	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	14,491	14,491	14,491	14,491	—	—	—	—	—	—	—	—	—	—	—
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)	13,241	13,241	13,241	2,348	10,893	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	1,159	1,159	1,159	1,159	—	—	—	—	—	—	—	—	—	—	—
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, 2020
Item No.		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)
1	Interest rate risk (general and specific)	¥ 4,765
2	Equity risk (general and specific)	—
3	Foreign exchange risk	8,819
4	Commodity risk	—
	Options transactions	
5	Simplified approach	—
6	Delta-plus method	—
7	Scenario approach	—
8	Specific risk related to securitisation exposures	—
9	Total	¥ 13,585

MR1		Millions of Yen
		March 31, 2019
Item No.		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)
1	Interest rate risk (general and specific)	¥ 4,528
2	Equity risk (general and specific)	—
3	Foreign exchange risk	17,744
4	Commodity risk	—
	Options transactions	
5	Simplified approach	—
6	Delta-plus method	—
7	Scenario approach	—
8	Specific risk related to securitisation exposures	—
9	Total	¥ 22,272

MR2: Risk-weighted Assets Flow Statements of Market Risk Exposures under Internal Model Approach

MR2			Millions of Yen					
			March 31, 2020					
			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, 2019)		¥ 181	¥ 900	¥ —	¥ —		¥ 1,081
1b	Regulatory adjustment ratio (1a/1c)		3.26	3.04	—	—		3.08
1c	RWA at the end of the previous fiscal year		55	295	—	—		350
2	Factor of RWA changes	Movement in risk levels	35	(24)	—	—		11
3		Model updates/changes	—	—	—	—		—
4		Methodology and policy	—	—	—	—		—
5		Acquisitions and disposals	—	—	—	—		—
6		Foreign exchange movements	(0)	7	—	—		6
7		Others	19	(5)	—	—		13
8a	RWA at the end of the fiscal year		110	272	—	—		382
8b	Regulatory adjustment ratio (8c/8a)		2.69	3.72	—	—		3.42
8c	RWA at the end of current reporting period (March 31, 2020)		297	1,013	—	—		1,311

Note: The end of the previous fiscal year indicates March 31, 2019, and the end of the fiscal year indicates March 31, 2020.

MR2			Millions of Yen					
			March 31, 2019					
			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, 2018)		¥ 243	¥ 749	¥ —	¥ —		¥ 993
1b	Regulatory adjustment ratio (1a/1c)		4.06	3.46	—	—		3.59
1c	RWA at the end of the previous fiscal year		59	216	—	—		276
2	Factor of RWA changes	Movement in risk levels	(0)	77	—	—		76
3		Model updates/changes	1	(10)	—	—		(8)
4		Methodology and policy	—	—	—	—		—
5		Acquisitions and disposals	—	—	—	—		—
6		Foreign exchange movements	1	(5)	—	—		(3)
7		Others	(7)	17	—	—		10
8a	RWA at the end of the fiscal year		55	295	—	—		350
8b	Regulatory adjustment ratio (8c/8a)		3.26	3.04	—	—		3.08
8c	RWA at the end of current reporting period (March 31, 2019)		181	900	—	—		1,081

Note: The end of the previous fiscal year indicates March 31, 2018, and the end of the fiscal year indicates March 31, 2019.

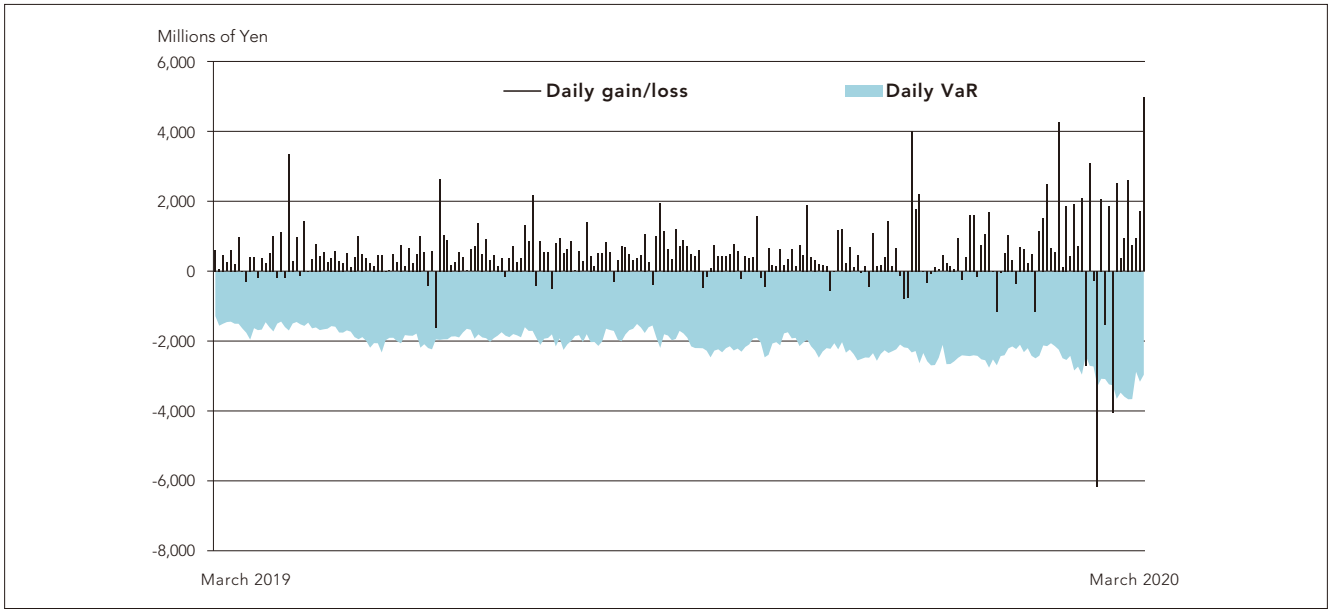
MR3: Values of Internal Model Approaches (IMA) (Market risk)

MR3 Item No.		Millions of Yen
		March 31, 2020
	VaR (holding period:10 business days, one-sided confidence interval:99%)	
1	Maximum value	¥ 10,749
2	Average value	6,292
3	Minimum value	3,923
4	Period end	8,833
	Stressed VaR (holding period:10 business days, one-sided confidence interval:99%)	
5	Maximum value	32,726
6	Average value	24,541
7	Minimum value	15,998
8	Period end	21,785
	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, 2019
	VaR (holding period:10 business days, one-sided confidence interval:99%)	
1	Maximum value	¥ 9,631
2	Average value	6,350
3	Minimum value	3,906
4	Period end	4,455
	Stressed VaR (holding period:10 business days, one-sided confidence interval:99%)	
5	Maximum value	32,028
6	Average value	23,719
7	Minimum value	15,276
8	Period end	23,612
	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)	—

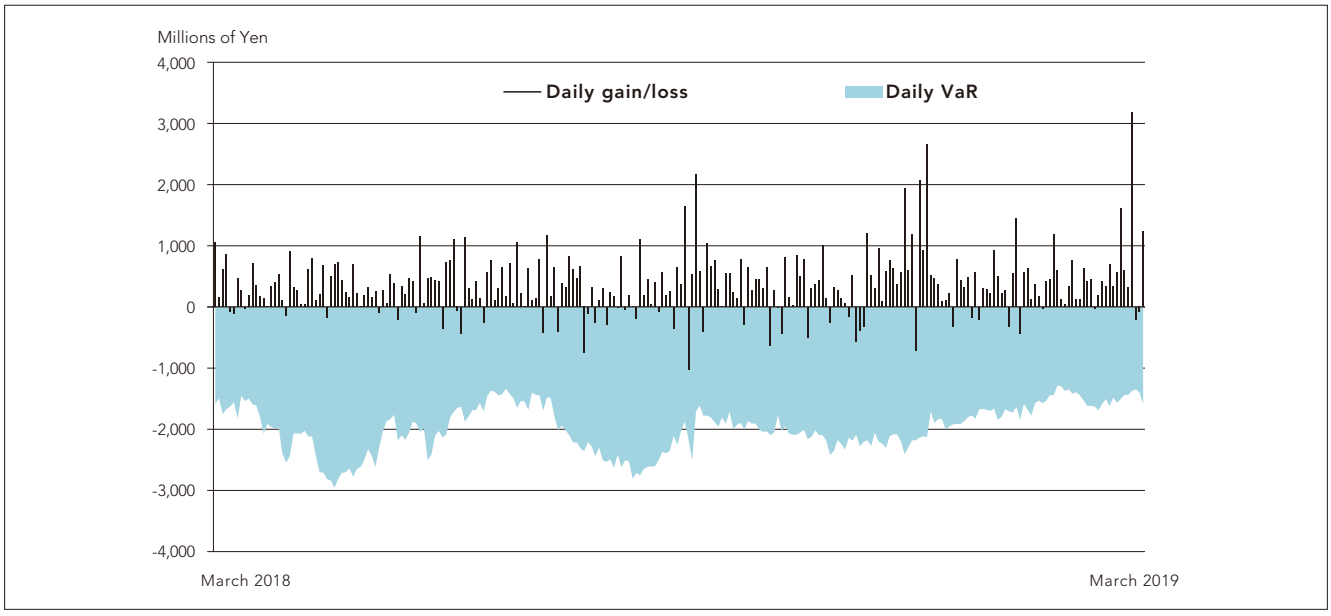
MR4: Backtesting results by Internal Model Approaches (IMA)

MR4	March 31, 2020



Note: As shown above, during the reported period, three exceedances occurred in backtesting.

MR4	March 31, 2019



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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
1	Parallel up	**¥ 118,906**	¥ 111,758	**¥ (52,028)**	¥ (81,988)
2	Parallel down	**—**	32,180	**52,945**	82,944
3	Steepener	**70,291**	60,686		
4	Flattener	**—**	—		
5	Short rate up	**8,653**	10,380		
6	Short rate down	**1,738**	20,354		
7	Maximum	**118,906**	111,758	**52,945**	82,944
		e		f	
		March 31, 2020		March 31, 2019	
8	Tier 1 Capital	**¥ 2,420,402**		¥ 2,421,640	

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		2020	2019
		On-Balance Sheet Exposures			
1		On-Balance Sheet Exposures before Deducting Adjustment Items		¥ 52,422,292	¥ 54,543,698
1a	1	Total Assets Reported in the Consolidated Balance Sheet		56,288,892	56,941,609
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)		3,866,600	2,397,911
2	7	The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction)		140,802	235,022
3		Total On-Balance Sheet Exposures	(A)	52,281,489	54,308,676
		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.		650,735	448,438
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.		903,876	987,726
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.		504,362	333,486
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)		169,673	119,286
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		74,034	126,192
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)		53,600	63,600
11	4	Total Exposures Related to Derivative Transactions	(B)	1,909,734	1,712,957
		Exposures Related to Repo Transactions			
12		The Amount of Assets Related to Repo Transactions, etc.		1,961,419	918,547
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)		—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.		287,850	252,883
15		The Exposures for Agent Repo Transaction			
16	5	The Total Exposures Related to Repo Transactions, etc.	(C)	2,249,270	1,171,431
		Exposures Related to Off-Balance Sheet Transactions			
17		Notional Amount of Off-Balance Sheet Transactions		7,426,754	7,541,069
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)		4,726,571	4,803,322
19	6	Total Exposures Related to Off-Balance Sheet Transactions	(D)	2,700,183	2,737,747
		Basel III Leverage Ratio on a Consolidated Basis			
20		The Amount of Capital (Tier 1 Capital)	(E)	2,420,402	2,421,640
21	8	Total Exposures	(F) = (A)+(B)+(C)+(D)	¥ 59,140,679	¥ 59,930,811
22		Basel III Leverage Ratio on a Consolidated Basis	(G) = (E)/(F)	4.09%	4.04%

Note: SuMi TRUST Bank received a certain procedure by KPMG AZSA LLC of the calculation of the Basel III leverage ratio in line 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, August 27, 2019).
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 2019 4th Quarter		Fiscal Year 2019 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)		¥ 14,412,361		¥ 15,227,585
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash outflows related to unsecured retail funding	¥ 17,914,127	¥ 830,981	¥ 17,686,799	¥ 829,384
3	of which: Stable deposits	723,125	21,693	705,619	21,168
4	of which: Less stable deposits	8,052,225	809,287	8,041,014	808,216
5	Cash outflows related to unsecured wholesale funding	12,984,336	10,581,603	12,881,330	11,006,610
6	of which: Qualifying operational deposits	—	—	0	0
7	of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	10,501,879	8,099,146	10,469,634	8,594,914
8	of which: Debt securities	2,482,457	2,482,457	2,411,696	2,411,696
9	Cash outflows related to secured funding, etc.		113,698		141,480
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	5,388,536	1,546,383	5,409,251	1,517,919
11	of which: Cash outflows related to derivative transactions, etc.	333,644	333,644	269,806	269,806
12	of which: Cash outflows related to funding programs	—	—	0	0
13	of which: Cash outflows related to credit and liquidity facilities	5,054,892	1,212,739	5,139,445	1,248,113
14	Cash outflows related to contractual funding obligations, etc.	505,285	349,791	426,116	315,311
15	Cash outflows related to contingencies	10,947,809	21,830	11,146,969	23,935
16	Total cash outflows		13,444,286		13,834,639
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash inflows related to secured lending, etc.	107,077	746	55,582	0
18	Cash inflows related to collection of loans, etc.	2,790,920	1,857,979	2,337,861	1,617,876
19	Other cash inflows	504,121	307,459	403,693	247,058
20	Total cash inflows	3,402,118	2,166,184	2,797,136	1,864,934
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		14,412,361		15,227,585
22	Net cash outflows		11,278,102		11,969,705
23	Consolidated Liquidity Coverage Ratio (LCR)		127.7		127.2
24	The number of data used to calculate the average value		58		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 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.

KM1: Key Metrics

Non-consolidated

KM1 Basel III Template No.		Millions of Yen, %				
		a	b	c	d	e
		March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	¥ 1,853,206	¥ 1,925,493	¥ 1,912,687	¥ 1,930,945	¥ 1,919,843
2	Tier 1	2,193,206	2,265,493	2,252,687	2,270,945	2,259,843
3	Total capital	2,693,326	2,771,187	2,769,965	2,798,706	2,767,568
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	18,113,159	18,825,656	18,149,949	18,550,949	19,152,340
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio	10.23%	10.22%	10.53%	10.40%	10.02%
6	Tier 1 ratio	12.10%	12.03%	12.41%	12.24%	11.79%
7	Total capital ratio	14.86%	14.72%	15.26%	15.08%	14.45%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	57,397,289	56,211,082	58,115,701	57,098,271	58,241,947
14	Basel III leverage ratio	3.82%	4.03%	3.87%	3.97%	3.88%

KM1 Basel III Template No.		Millions of Yen, %				
		a	b	c	d	e
		Fiscal Year 2019 4th Quarter	Fiscal Year 2019 3rd Quarter	Fiscal Year 2019 2nd Quarter	Fiscal Year 2019 1st Quarter	Fiscal Year 2018 4th Quarter
	Liquidty Coverage Ratio (LCR)					
15	Total HQLA allowed to be included in the calculation	¥ 14,166,020	¥ 15,025,280	¥ 15,251,414	¥ 15,100,550	¥ 15,076,420
16	Net cash outflows	10,353,796	10,997,609	10,783,358	11,388,356	11,067,028
17	Non-consolidated LCR	136.8%	136.6%	141.4%	132.5%	136.2%

Note: Month-end data used for some items instead of daily data to calculate figures prior to 2Q FY2019.

Composition of Capital (Non-consolidated BIS capital adequacy ratio)

Non-consolidated

CC1: Composition of Capital

CC1 As of March 31 Basel III Template No.	Items	Millions of Yen, % a 2020	b 2019	c 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	**¥ 1,684,131**	¥ 1,636,873	
1a	of Which: Capital Stock and Capital Surplus	**685,103**	733,648	
2	of Which: Retained Earnings	**1,020,763**	1,095,962	
1c	of Which: Treasury Stock (Deduction)	**—**	—	
26	of Which: Earnings to be Distributed (Deduction)	**21,735**	192,737	
	of Which: Others	**—**	—	
1b	Subscription Rights to Common Shares	**—**	—	
3	Valuation and Translation Adjustments	**311,557**	442,226	(a)
6	Common Equity Tier 1 Capital: Instruments and Reserves (A)	**1,995,688**	2,079,100	
	Common Equity Tier 1 Capital: Regulatory Adjustments			
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	**49,216**	45,518	
8	of Which: Goodwill (Including Those Equivalent)	**—**	—	
9	of Which: Other Intangible Assets	**49,216**	45,518	
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	**(37,200)**	(26,048)	
12	Shortfall of Eligible Provisions to Expected Losses	**—**	19,931	
13	Securitisation Gain on Sale	**1,231**	1,433	
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	**—**	—	
15	Defined-Benefit Pension Fund Net Assets (Prepaid Pension Expenses) (Net of Related Deferred Tax Liabilities)	**129,235**	118,421	
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)	**142,482**	159,257	
	Common Equity Tier 1 Capital (CET1)			
29	Common Equity Tier 1 Capital (C) = (A)–(B)	**¥ 1,853,206**	¥ 1,919,843	

CC1

As of March 31

Basel III Template No.		Items		Millions of Yen, % a 2020	b 2019	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		**340,000**	340,000	
		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)	**340,000**	340,000	
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		—	—	
42		Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions		—	—	
43		Additional Tier 1 Capital: Regulatory Adjustments	(E)	—	—	
Additional Tier 1 Capital (AT1)						
44		Additional Tier 1 Capital	(F) = (D) – (E)	**340,000**	340,000	
Tier 1 Capital (T1 = CET1 + AT1)						
45		Tier 1 Capital	(G) = (C) + (F)	**2,193,206**	2,259,843	
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		**306,584**	270,000	
		Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles		—	—	
47+49		Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2 Capital		**171,581**	239,264	
50		Provisions Allowed in Group Tier 2		**23,493**	—	
50a		of Which: General Allowance for Credit Losses		—	—	
50b		of Which: Excess Amount of Eligible Provisions to Expected Losses		**23,493**	—	
51		Tier 2 Capital: Instruments and Provisions	(H)	**¥ 501,659**	¥ 509,264	

CC1 As of March 31 Basel III Template No.	Items	Millions of Yen, % a 2020	 b 2019	 c 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)	**500,119**	507,724	
	Total Capital (TC = T1 + T2)			
59	Total Capital (K) = (G) + (J)	**2,693,326**	2,767,568	
	Total Risk Weighted Assets			
60	Total Risk Weighted Assets (L)	**18,113,159**	19,152,340	
	Capital Ratios (Non-consolidated)			
61	Common Equity Tier 1 Capital Ratio (C)/(L)	**10.23%**	10.02%	
62	Tier 1 Capital Ratio (G)/(L)	**12.10%**	11.79%	
63	Total Capital Ratio (K)/(L)	**14.86%**	14.45%	
	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)	**105,516**	121,742	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)	**62,987**	62,925	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)	—	—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)	—	—	
	Provisions Included in Tier 2 Capital: Instruments and Provisions			
76	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardised Approach (Prior to Applicable of Cap)	—	—	
77	Cap on Inclusion of Provisions in Tier 2 under Standardised Approach	**2,157**	2,110	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)	**23,493**	—	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach	**91,578**	100,136	
	Capital Instruments Subject to Phase out Arrangements			
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements	**77,800**	116,700	
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	**171,581**	257,372	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)	¥ **17,609**	¥ —	

Note: SuMi TRUST Bank received a certain procedure by KPMG AZSA LLC of the calculation of the non-consolidated BIS capital adequacy ratio in line 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, August 27, 2019).
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 2019

CC2: Reconciliation of Regulatory Capital to Balance Sheet

CC2 Items	a Non-consolidated Balance Sheet (Millions of Yen)	b Under Regulatory Scope of Consolidation (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Assets)				
Cash and Due from Banks	¥ 12,916,014	¥ 12,916,015		
Call Loans	71,236	71,236		
Receivables under Resale Agreements	1,220,761	1,220,761		
Receivables under Securities Borrowing Transactions	740,658	740,658		
Monetary Claims Bought	64,146	64,146		
Trading Assets	609,158	609,158		
Money Held in Trust	99	99		
Securities	6,625,035	6,625,034		6–a
Loans and Bills Discounted	29,953,513	29,953,513		6–b
Foreign Exchanges	36,952	36,952		
Other Assets	1,650,474	1,650,474		6–c
Tangible Fixed Assets	189,926	189,926		
Intangible Fixed Assets	70,937	70,937		2
Prepaid Pension Expenses	186,272	186,272		3
Customers' Liabilities for Acceptances and Guarantees	359,757	359,757		
Allowance for Loan Losses	(98,191)	(98,191)		
Total Assets	¥ 54,596,753	¥ 54,596,753		

CC2 Items	a Non-consolidated Balance Sheet (Millions of Yen)	b Under Regulatory Scope of Consolidation (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Liabilities)				
Deposits	¥ 30,537,466	¥ 30,537,466		
Negotiable Certificates of Deposit	6,112,992	6,112,992		
Call Money	201,249	201,249		
Payables under Repurchase Agreements	1,558,919	1,558,919		
Payables under Securities Lending Transactions	—	—		
Trading Liabilities	371,950	371,950		
Borrowed Money	5,973,015	5,973,015		7
Foreign Exchanges	23,724	23,724		
Short-term Bonds Payable	1,136,819	1,136,819		
Bonds Payable	415,368	415,368		
Borrowed Money from Trust Account	4,750,289	4,750,289		
Other Liabilities	1,026,229	1,026,229		6–d
Provision for Bonuses	9,909	9,909		
Provision for Directors' Bonuses	74	74		
Provision for Stocks Payment	219	219		
Provision for Retirement Benefits	736	736		
Provision for Reimbursement of Deposits	4,867	4,867		
Provision for Contingent Losses	1,440	1,440		
Deferred Tax Liabilities	91,860	91,860		4–a
Deferred Tax Liabilities for Land Revaluation	2,439	2,439		4–b
Acceptances and Guarantees	359,757	359,757		
Total Liabilities	52,579,329	52,579,329		
(Net Assets)				
Capital Stock	342,037	342,037		1–a
Capital Surplus	343,066	343,066		1–b
Retained Earnings	1,020,763	1,020,763		1–c
Total Shareholders' Equity	1,705,866	1,705,866		
Valuation Differences on Available-for-Sale Securities	363,461	363,461		
Deferred Gains (Losses) on Hedges	(48,002)	(48,002)		5
Revaluation Reserve for Land	(3,901)	(3,901)		
Foreign Currency Translation Adjustments	—	(0)		
Total Valuation and Translation Adjustments	311,558	311,557	(a)	
Total Net Assets	2,017,424	2,017,424		
Total Liabilities and Net Assets	¥ 54,596,753	¥ 54,596,753		

(Appendix)

Note: Amounts in the "Composition of capital" exclude items for regulatory purpose under transitional arrangement.

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	1,020,763		1–c
Total Shareholders' Equity	¥ 1,705,866		

(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	¥ 1,705,866	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	1,020,763		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	¥ 70,937		2
Associated Deferred Tax Liabilities	21,721		

(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)	49,216	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	¥ 186,272		3
Associated Deferred Tax Liabilities	57,036		

(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)	¥ 129,235		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	¥ 91,860		4–a
Deferred Tax Liabilities for Land Revaluation	2,439		4–b
Associated Intangible Fixed Assets	21,721		
Associated Prepaid Pension Expenses	57,036		

(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)	—	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains (Losses) on Hedges	¥ (48,002)		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	¥ (37,200)	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	¥ 6,625,035		6–a
Loans and Bills Discounted	29,953,513	Including Subordinated Debts	6–b
Other Assets	1,650,474	Including derivatives	6–c
Other Liabilities	¥ 1,026,229	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	105,516		
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)	105,516		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	64,527		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital and Other TLAC Liabilities	1,540		55
Amount below the Thresholds for Deduction (before risk weighting)	62,987		73

7. Other Capital Instruments

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 5,973,015		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	¥ 340,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	306,584		46

Fiscal Year 2018

CC2: Reconciliation of Regulatory Capital to Balance Sheet

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	¥ 15,831,242	¥ 15,831,243		
Call Loans	50,124	50,124		
Receivables under Resale Agreements	158,734	158,734		
Receivables under Securities Borrowing Transactions	759,812	759,812		
Monetary Claims Bought	56,403	56,403		
Trading Assets	543,587	543,587		
Money Held in Trust	99	99		
Securities	6,091,898	6,091,897		6–a
Loans and Bills Discounted	29,404,142	29,404,142		6–b
Foreign Exchanges	36,936	36,936		
Other Assets	1,548,827	1,548,827		6–c
Tangible Fixed Assets	195,414	195,414		
Intangible Fixed Assets	65,607	65,607		2
Prepaid Pension Expenses	170,685	170,685		3
Customers' Liabilities for Acceptances and Guarantees	385,467	385,467		
Allowance for Loan Losses	(75,211)	(75,211)		
Total Assets	¥ 55,223,770	¥ 55,223,770		

CC2 Items	a Non-consolidated Balance Sheet (Millions of Yen)	b Under Regulatory Scope of Consolidation (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Liabilities)				
Deposits	¥ 31,744,181	¥ 31,744,181		
Negotiable Certificates of Deposit	6,546,222	6,546,222		
Call Money	132,317	132,317		
Payables under Repurchase Agreements	1,603,191	1,603,191		
Payables under Securities Lending Transactions	104,767	104,767		
Trading Liabilities	258,771	258,771		
Borrowed Money	4,101,951	4,101,951		7
Foreign Exchanges	35,009	35,009		
Short-term Bonds Payable	949,302	949,302		
Bonds Payable	727,834	727,834		
Borrowed Money from Trust Account	5,408,009	5,408,009		
Other Liabilities	777,043	777,043		6–d
Provision for Bonuses	9,026	9,026		
Provision for Directors' Bonuses	84	84		
Provision for Retirement Benefits	721	721		
Provision for Reimbursement of Deposits	5,250	5,250		
Provision for Contingent Loss	3,465	3,465		
Deferred Tax Liabilities	156,466	156,466		4–a
Deferred Tax Liabilities for Land Revaluation	2,847	2,847		4–b
Acceptances and Guarantees	385,467	385,467		
Total Liabilities	52,951,932	52,951,932		
(Net Assets)				
Capital Stock	342,037	342,037		1–a
Capital Surplus	391,610	391,610		1–b
Retained Earnings	1,095,962	1,095,962		1–c
Total Shareholders' Equity	1,829,610	1,829,610		
Valuation Difference on Available-for-Sale Securities	475,633	475,633		
Deferred Gains or Losses on Hedges	(31,061)	(31,061)		5
Revaluation Reserve for Land	(2,345)	(2,345)		
Foreign Currency Translation Adjustments	—	(0)		
Total Valuation and Translation Adjustments	442,227	442,226	(a)	
Total Net Assets	2,271,838	2,271,837		
Total Liabilities and Net Assets	¥ 55,223,770	¥ 55,223,770		

(Appendix)

Note: Amounts in the "Composition of Capital" exclude items for regulatory purpose under transitional arrangement.

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	391,610		1–b
Retained Earnings	1,095,962		1–c
Total Shareholders' Equity	¥ 1,829,610		

(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	¥ 1,829,610	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	733,648		1a
of Which: Retained Earnings	1,095,962		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	¥ 65,607		2
Associated Deferred Tax Liabilities	20,088		

(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)	45,518	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	¥ 170,685		3
Associated Deferred Tax Liabilities	52,263		

(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)	¥ 118,421		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	¥ 156,466		4–a
Deferred Tax Liabilities for Land Revaluation	2,847		4–b
Associated Intangible Fixed Assets	20,088		
Associated Prepaid Pension Expenses	52,263		

(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)	—	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (31,061)		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	¥ (26,048)	Excluding those items whose valuation differences arising from hedged items are recognized as "Valuation and translation adjustments"	11

6. Investments in the capital of financial entities

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 6,091,898		6–a
Loans and Bills Discounted	29,404,142	Including subordinated loans	6–b
Other Assets	1,548,827	Including derivatives	6–c
Other Liabilities	¥ 777,043	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	121,742		
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)	121,742		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	64,465		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital and Other TLAC Liabilities	1,540		55
Amount below the Thresholds for Deduction (before risk weighting)	62,925		73

7. Other Capital Instruments

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 4,101,951		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	¥ 340,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	270,000		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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
1	Credit risk (excluding counterparty credit risk)	**¥ 12,128,127**	¥ 13,469,635	**¥ 1,017,944**	¥ 1,130,635
2	of Which: Standardised Approach (SA)	**798**	2,912	**63**	232
3	of Which: Internal Ratings-Based (IRB) Approach	**9,936,345**	11,055,054	**842,602**	937,468
	of Which: Significant investments in commercial entities	**—**	—	**—**	—
	of Which: Lease residual value	**—**	—	**—**	—
	Other assets	**2,190,983**	2,411,669	**175,278**	192,933
4	Counterparty credit risk (CCR)	**1,122,066**	834,658	**91,729**	68,198
5	of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR)	**—**	—	**—**	—
	of Which: Current Exposure Method (CEM)	**389,713**	277,387	**33,047**	23,522
6	of Which: Expected Positive Exposure (EPE)	**—**	—	**—**	—
	of Which: Credit Valuation Adjsutment (CVA)	**663,005**	495,998	**53,040**	39,679
	of Which: Central Counterparty (CCP)	**49,867**	41,617	**3,989**	3,329
	Others	**19,479**	19,655	**1,651**	1,666
7	Equity positions in banking book under market-based approach	**198,330**	159,785	**16,818**	13,549
8	Equity Investments in Funds (Look-through Approach)	**861,670**	1,153,184	**68,933**	92,254
9	Equity Investments in Funds (Mandate-based Approach)	**762,411**	663,188	**60,992**	53,055
	Equity Investments in Funds (Probability Approach 250%)	**—**	—	**—**	—
	Equity Investments in Funds (Probability Approach 400%)	**—**	—	**—**	—
10	Equity Investments in Funds (Probability Approach 1,250%)	**1,137**	1,422	**91**	113
11	Settlement risk	**—**	—	**—**	—
12	Securitisation exposures in banking book	**275,322**	256,556	**22,025**	20,524
13	of Which: Internal Rating-Based Approach (SEC-IRBA)	**262,517**	239,805	**21,001**	19,184
14	of Which: External Rating-Based Approach (SEC-ERBA)	**12,804**	14,696	**1,024**	1,175
15	of Which: Standardised Approach (SEC-SA)	**—**	—	**—**	—
	of Which: Subject to 1,250% risk weight	**0**	2,053	**0**	164
16	Market risk	**1,316,579**	1,086,328	**105,326**	86,906
17	of Which: Standardised Approach (SA)	**4,765**	4,528	**381**	362
18	of Which: Internal Model Approaches (IMA)	**1,311,813**	1,081,800	**104,945**	86,544
19	Operational risk	**647,978**	670,113	**51,838**	53,609
20	of Which: Basic Indicator Approach (BIA)	**428**	428	**34**	34
21	of Which: The Standardised Approach (TSA)	**—**	—	**—**	—
22	of Which: Advanced Measurement Approach (AMA)	**647,549**	669,684	**51,803**	53,574
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**157,454**	157,313	**13,352**	13,340
	Amounts included under transitional arrangements	**—**	—	**—**	—
24	Floor adjustment	**—**	—	**—**	—
25	Total (after applying scaling factor)	**¥ 18,113,159**	¥ 19,152,340	**¥ 1,449,052**	¥ 1,532,187

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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
1	Parallel up	**¥ 97,009**	¥ 106,647	**¥ (53,940)**	¥ (83,133)
2	Parallel down	**—**	47,824	**54,856**	84,089
3	Steepener	**61,422**	56,393		
4	Flattener	**—**	—		
5	Short rate up	**1,660**	10,380		
6	Short rate down	**8,582**	26,669		
7	Maximum	**97,009**	106,647	**54,856**	84,089
		e		f	
		March 31, 2020		March 31, 2019	
8	Tier 1 Capital	**¥ 2,193,206**		¥ 2,259,843	

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	2020	2019
		On-Balance Sheet Exposures		
1		On-balance Sheet Exposures before Deducting Adjustment Items	**¥ 50,893,212**	¥ 52,997,986
1a	1	Total Assets Reported in the Non-consolidated Balance Sheet	**54,596,753**	55,223,770
1b	3	The Amount of Assets that are Deducted from the Total Assets Reported in the Non-consolidated Balance Sheet (except adjustment items) (Deduction)	**3,703,541**	2,225,784
2	7	The Amount of Adjustment Items Pertaining to Tier1 Capital (Deduction)	**178,452**	183,871
3		Total On-Balance Sheet Exposures (A)	**50,714,759**	52,814,114
		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.	**650,734**	447,852
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.	**899,937**	983,509
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.	**504,362**	333,486
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)	**169,673**	119,286
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	**74,034**	126,192
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)	**53,600**	63,600
11	4	Total Exposures Related to Derivative Transactions (B)	**1,905,796**	1,708,153
		Exposures Related to Repo Transactions		
12		The Amount of Assets Related to Repo Transactions, etc.	**1,961,419**	918,547
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)	**—**	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.	**282,730**	251,178
15		The Exposures for Agent Repo Transaction		
16	5	The Total Exposures Related to Repo Transactions, etc. (C)	**2,244,150**	1,169,725
		Exposures Related to Off-Balance Sheet Transactions		
17		Notional Amount of Off-Balance Sheet Transactions	**4,907,732**	4,963,061
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)	**2,375,148**	2,413,107
19	6	Total Exposures Related to Off-Balance Sheet Transactions (D)	**2,532,583**	2,549,953
		Basel III Leverage ratio on a Non-consolidated Basis		
20		The Amount of Capital (Tier 1 Capital) (E)	**2,193,206**	2,259,843
21	8	Total Exposures (F) = (A)+(B)+(C)+(D)	**¥ 57,397,289**	¥ 58,241,947
22		Basel III Leverage Ratio on a Non-consolidated Basis (G) = (E)/(F)	**3.82%**	3.88%

Note: SuMi TRUST Bank received a certain procedure by KPMG AZSA LLC of the calculation of the Basel III leverage ratio in line 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, August 27, 2019).
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 2019 4th Quarter		Fiscal Year 2019 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)		¥ 14,166,020		¥ 15,025,280
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash outflows related to unsecured retail funding	¥ 17,914,158	¥ 830,990	¥ 17,686,868	¥ 829,405
3	of which: Stable deposits	723,125	21,693	705,619	21,168
4	of which: Less stable deposits	8,052,256	809,296	8,041,083	808,236
5	Cash outflows related to unsecured wholesale funding	12,707,897	10,306,870	12,613,857	10,739,838
6	of which: Qualifying operational deposits	—	—	0	0
7	of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	10,353,766	7,952,739	10,323,056	8,449,037
8	of which: Debt securities	2,354,131	2,354,131	2,290,801	2,290,801
9	Cash outflows related to secured funding, etc.		113,698		141,480
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	4,587,020	1,462,850	4,672,528	1,447,662
11	of which: Cash outflows related to derivative transactions, etc.	285,124	285,124	231,978	231,978
12	of which: Cash outflows related to funding programs	—	—	0	0
13	of which: Cash outflows related to credit and liquidity facilities	4,301,896	1,177,726	4,440,550	1,215,684
14	Cash outflows related to contractual funding obligations, etc.	398,584	243,179	315,455	204,713
15	Cash outflows related to contingencies	12,475,321	21,907	12,702,678	23,998
16	Total cash outflows		12,979,494		13,387,096
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash inflows related to secured lending, etc.	107,077	746	55,582	0
18	Cash inflows related to collection of loans, etc.	3,210,848	2,335,136	2,754,165	2,148,551
19	Other cash inflows	482,497	289,816	396,262	240,936
20	Total cash inflows	3,800,422	2,625,698	3,206,009	2,389,487
Non-consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		14,166,020		15,025,280
22	Net cash outflows		10,353,796		10,997,609
23	Non-consolidated Liquidity Coverage Ratio (LCR)		136.8		136.6
24	The number of data used to calculate the average value		58		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 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."

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 2020.

[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 the SuMi TRUST Bank Group

(1) Scope of "Applicable Officers and Employees"

The scope of "applicable officers" and "applicable employees, etc." (collectively "applicable officers and employees") as defined in the compensation notification to be disclosed is as follows:

(i) Scope of "Applicable Officers"

Applicable officers include directors (excluding Audit and Supervisory Committee members), directors that are members of the Audit and Supervisory Committee, and corporate auditors of SuMi TRUST Bank, but exclude external directors and external auditors.

(ii) Scope of "Applicable Employees, etc."

Of SuMi TRUST Bank's officers and employees outside the scope of applicable officers as well as officers and employees of its significant consolidated subsidiaries, a "person receiving a substantial amount of compensation" with significant consequence on the business operation or asset status of SuMi TRUST Bank and its significant consolidated subsidiaries, are subject to disclosure as applicable employees, etc.

(a) Scope of "Significant Consolidated Subsidiary"

"Significant consolidated subsidiary" refers to a consolidated subsidiary either with its total assets representing more than 2% of the consolidated total assets, or with significant consequence on the SuMi TRUST Bank Group's management, namely Sumitomo Mitsui Trust Bank, Limited and Sumitomo Mitsui Trust Panasonic Financial Co., Ltd.

(b) Scope of a "Person Receiving a Substantial Amount of Compensation"

A "person receiving a substantial amount of compensation" refers to a person who receives compensation in excess of a certain threshold amount from SuMi TRUST Bank or its significant consolidated subsidiaries. Such a threshold amount is set at ¥40 million within the SuMi TRUST Bank Group.

With respect to a person receiving lump-sum retirement benefit, this amount is first wholly deducted from the amount of compensation, then the "lump-sum retirement benefit divided by the number of years of service" is added back to calculate the deemed compensation for the purpose of determining whether the compensation is substantial or not.

(c) Scope of "Those with Significant Consequence on the Business Operation or Asset Status of the SuMi TRUST Bank Group"

"Those with significant consequence on the business operation or asset status of the group" refers to the persons who normally conduct transactions, or manage business affairs that have considerable impact on the business operation of SuMi TRUST Bank, the SuMi TRUST Bank Group or its significant consolidated subsidiaries, or whose transactions can cause loss with significant impact on their asset status. Specifically, they include executive officers and employees equivalent to general managers in the departments involving loan operations and market risk management.

(2) 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 the 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, 2019-March 31, 2020)	Total amount of compensation*
Board of Directors (SuMi TRUST Bank)	2 times	—

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 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 system) for directors, excluding Audit and Supervisory Committee members, has also been separately resolved. Compensation is capped by these limits. For the period April through June 2019, the annual compensation amount was ¥1,160 million for directors and ¥240 million for corporate auditors, while the limit on separate stock options (share acquisition rights) for directors was ¥100 million per year. Compensation for directors and corporate auditors is capped by these limits.

Compensation for directors is intended to function effectively as an incentive to make improvements in corporate performance and expand corporate value in order to achieve steady and sustainable growth of the SuMi TRUST 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 the 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 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 the SuMi TRUST Bank Group

In determining remuneration, etc. for applicable directors and executive officers, the amount is determined by the Compensation Committee. In determining remuneration, etc. for applicable employees, etc., an adequate budget is arranged in consideration of the Group's financial condition, as well as other factors.

4. Types, Total Amount of Payment, and Payment Method of Compensation, etc. for Applicable Officers and Employees of the 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.	16	8
2		Total amount of fixed compensation (3+5+7)	317	271
3		of Which: Cash compensation amount	317	271
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.	12	8
10		Total amount of variable compensation (11+13+15)	308	168
11		of Which: Cash compensation amount	250	168
12		of 11 above: Deferred amount	—	—
13		of Which: Stock compensation amount or Stock-linked compensation amount	58	—
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.	1	—
21		Total amount of other compensations	3	—
22		of Which: Deferred amount	—	—
23	Total amount of compensations (2+10+18+21)		629	439

(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 the SuMi TRUST Bank Group

Not applicable, other than those items raised in the preceding sections.

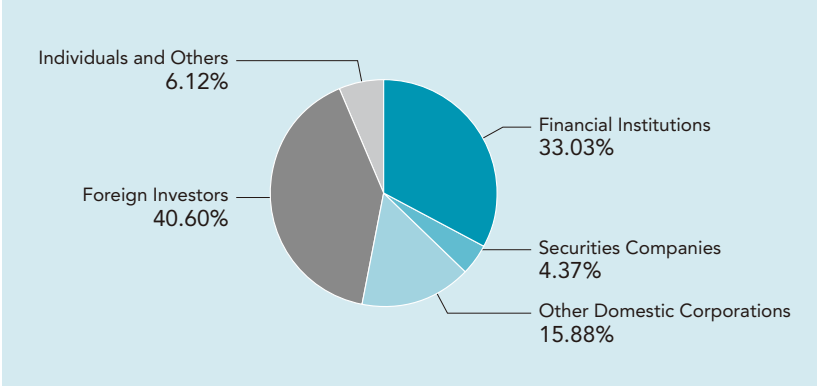
Stock Information (as of March 31, 2020)

Major Shareholders (Common Shares)

	Shareholder Name	Number of Shares Held (Shares)	Shareholding Ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	27,367,500	7.29
2	Japan Trustee Services Bank, Ltd. (Trust Account)	20,896,800	5.57
3	Japan Trustee Services Bank, Ltd. (Trust Account 9)	13,205,500	3.52
4	JP Morgan Chase Bank 385151	8,560,603	2.28
5	Japan Trustee Services Bank, Ltd. (Trust Account 5)	7,595,000	2.02
6	The Bank of New York Mellon 140051	7,229,700	1.92
7	Japan Trustee Services Bank, Ltd. (Trust Account 7)	7,019,800	1.87
8	SSBTC Client Omnibus Account	6,174,177	1.64
9	State Street Bank West Client - Treaty 505234	4,933,635	1.31
10	Barclays Securities Japan Limited	4,029,174	1.07

(Note) The shareholding ratio is calculated by excluding the treasury stock and rounded down to second decimal places.

Composition of Shareholders (Common Shares)



(Note 1) Excluding the treasury stock (326,159 shares)
(Note 2) The component ratio is rounded off to second decimal places.

ADR (American Depositary Receipt) Information

ADR:	Underlying Share Ratio 1:1
Exchange:	OTC (Over-the-Counter)
Symbol:	SUTNY
CUSIP:	86562X106
Level of Program:	Level I
Depositary:	The Bank of New York Mellon Depositary Receipts Division 240 Greenwich Street, New York, NY 10286, U.S.A. Telephone: 1 (201) 680-6825 U.S. toll free: 888-269-2377 (888-BNY-ADRS) http://www.adrbnymellon.com

Other Data

Authorized Shares:	
Common Shares:	850,000,000 Shares
Preferred Shares:	40,000,000 Shares
Number of Shares issued:	
Common Shares:	375,291,440 Shares
Preferred Shares:	0 Shares
Number of Shareholders:	
Common Shares:	57,414
Preferred Shares:	0

Disclosure Policy

SuMi TRUST Holdings is fully aware of the importance of its social responsibility and public mission, and constantly seeks to secure unwavering trust from society through sound management based on rigorous self-discipline. For this purpose, we endeavor to ensure appropriate disclosure of corporate information to assure the transparency of our corporate management.

Attitude toward Disclosure

We not only comply strictly with various laws and rules, such as the Companies Act, the Banking Law and the Financial Instruments and Exchange Act (including the rules for timely disclosure of corporate information, etc., defined by securities exchanges on which our shares are listed), but also endeavor to disclose corporate information that helps our clients, shareholders, and investors better understand the SuMi TRUST Group, under the basic conditions of appropriate timing, accuracy and fairness, and realize highly transparent management.

We do not release personal information, client data or any information, the disclosure of which violates the rights of the parties concerned by such action.

Disclosure Methods

When disclosing information, we make active use of the Internet, various publications and other media tools to reach the broadest possible number of interested parties, whether clients, shareholders or investors, in or outside Japan, in a timely, accurate and fair manner.

In the disclosure of various materials, we strive to provide easy-to-understand explanations of the main points of SuMi TRUST Group's management policies, business results, finance situation, etc. We explain these main points at our information meetings, etc.

Establishment of Disclosure System

We maintain and promote the appropriate disclosure system by such means as the establishment of an Information Disclosure Committee to ensure disclosure of SuMi TRUST Group's information in accordance with the above disclosure policy.

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SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS



SUMITOMO MITSUI TRUST HOLDINGS

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