SUMITOMO MITSUI TRUST HOLDINGS



2022
INTEGRATED REPORT
—ANNUAL REPORT—

Year ended March 31, 2022

SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

Reason for Existence (“Purpose”)

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

Management Principles (“Mission”)

(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—	**Contribution to Society** —Dedication and Development—	**Realization of Organizational Capability** —Trust and Creativity—	**Establishment of Individuality** —Self-help and Self-discipline—
Strict Compliance with Applicable Laws and Regulations		**Resolute Stance against Antisocial Forces**	

Sumitomo Mitsui Trust Holdings

Integrated Report 2022

Editorial Policy

Sumitomo Mitsui Trust Group has published this integrated report so that investors and other stakeholders could understand the Group’s initiatives.

This report provides information about how we are squarely addressing social issues to create new value for our clients and society in keeping with our purpose to “create new value with the power of trusts and let prosperous future for our clients and society bloom.” 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 Sustainability Report, or visit our website.

Reporting Coverage

Reporting period:
From April 2021 to March 2022 (Partially including the information after April 1, 2022)

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

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Theme

1

What is our Purpose?

The headquarters of Sumitomo Mitsui Trust Holdings, Inc.
Tokyo Business Department of Sumitomo Mitsui Trust Bank, Limited

Tackling social issues head-on with the power of trusts and creating new value for clients and society

As we strive towards realization of a sustainable society and growth for SuMi TRUST Group, we shall continue to deliver comprehensive services with the power of trusts together with our business partners and employees possessing significant expertise in various fields.

Celebrating 100 years of trusts

This year marks ❶ 100 years since the enactment of Japan's Trust Act and Trust Business Act in 1922.

The footsteps of SuMi TRUST Group are the embodiment of the history of trusts. The foundation of the Group was formed in 1924 with the establishment of The Mitsui Trust Company, Limited, as Japan's first trust company pursuant to the Trust Business Act and followed by the founding of Sumitomo Trust Co., Ltd. in 1925. As an example, during the period of high economic growth in the post-war years, we supported Japan's growth mainly with loan trusts to meet the capital investment needs of heavy manufacturing industries. Since the 1960s we have assisted the comfortable livelihoods of company workers after retirement as ❷ a fiduciary of pension trusts by providing a triad of corporate pension plan design, asset management and asset administration services.

Our efforts to squarely resolve the challenges faced by clients and society in different periods in history and leveraging ❸ the functions of trusts to establish a track record of providing solutions is what characterizes SuMi TRUST Group. The founding spirit of trusts— our conviction to solve various social issues with a completely client-oriented mindset and contribute to Japan's development—is reflected in ❹ the Group's "Purpose" that defines our reason for existence.

The world is currently on the verge of a major turning point.

The occurrence of abnormal weather, increasingly intense natural disasters and other factors are driving heightened interest in environmental conservation. As a result, carbon neutrality and biodiversity initiatives continue to gain momentum. We are also seeing an increase in factors that are destabilizing society, such as the COVID-19 pandemic, a widening income disparity and the trajectory of Japan's super-aged society. Despite the emergence of such issues that threaten people's safe and prosperous living and the continuity of business activity, technology that eliminates the restrictions of time and place is rapidly evolving and the opportunity to offer real-time services of an even higher quality is now within reach.

Since our Group's establishment, we have accurately gauged and addressed societal trends and

❶ See page 66

❷ See page 70

❸ See page 10

❹ See page 10
Reason for Existence ("Purpose"): Creating new value with the power of trusts and let prosperous future for our clients and society bloom



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

offered value that is of benefit to clients and society. We have accumulated many years of unequivocal experience and achievements, as well as the aspirations inherited from our predecessors together with an enterprising spirit. Given the current business environment, we believe now is the opportune time for the Group to demonstrate its capability as a provider of trust functions to realize a safe and secure society. The Group's vision is to provide solutions to social issues, in addition to facilitating a circulation of funds, assets and capital, fairly distribute the economic benefits of our efforts and leave a legacy of prosperity for future generations. Going forward, the creation of value by the Group will improve the well-being of clients and society, and lead to a sense of pride and motivation among employees. Propelled by this virtuous circulation, we will look to shape the next 100 years of trusts.

Review of second year of Medium-Term Management Plan and key topics in FY2022

In FY2021, the second year of our Medium-Term Management Plan, the impact on earnings from the spread of COVID-19 was a cause for concern, but the performances of client businesses such as real estate and investment management consulting, along with the asset management business, were brisk. Businesses unique to a trust bank group grew strongly, driving net business profit before credit costs to its highest level since the management integration in 2011. In fact, compared to the time of the integration, ❺ the changes in our earnings structure are now clearly visible and we feel increasingly confident that we have acquired the capacity to attain our targets in the final year of the plan.

❺ See page 27

As for strategic shareholdings, we have adopted a policy, in principle, of not holding strategic shares as a conventional stable shareholder. With the understanding of our business partners, we shall continue to steadily reduce our strategic shareholdings.

We are also focused on returns to our shareholders. As a result of sustained and stable improvements in profitability and efforts aimed at accumulating capital, we have raised the dividend per share to ¥170, a twofold increase from ¥85 over the last 10 years up through FY2021. For FY2022, we forecast a dividend per share of ¥200, which is predicated on our dividend payout ratio target of around 40% as stated in the Medium-Term Management Plan.

Taking these factors into consideration, for FY2022—the final year of the Medium-Term Management Plan—we have decided to focus on the following three key topics from the perspective of having the Group itself propel and lead a virtuous circulation of funds, assets and capital at a time when social infrastructure and industrial structures are undergoing fundamental changes.

(1) Strengthening our business portfolio to accelerate a virtuous circulation of funds
(2) Promoting strategic investments in pursuit of sustainable growth
(3) Enhancing and improving service quality to gain the confidence of our clients

(1) Strengthening our business portfolio to accelerate a virtuous circulation of funds

We have hitherto developed a business portfolio by drawing on our strength of being able to provide new value through the integration of wide-ranging functions that each Group company possesses. In recent years, we have extended our know-how of asset management and asset administration honed in the corporate pension business to regional financial institution clients, the asset formation generation, and high net-worth individuals. We have seen growth in domains outside of our traditional banking operations and our ❻ broad array of businesses have expanded as we possess numerous points of contact with economic entities such as individuals, corporations, investors.

❻ See page 22

The many different touchpoints we have with economic entities, in particular, is one of the Group's biggest strengths. The smooth circulation of funds, assets and capital between economic entities means that economic activity at the point of contact is also invigorated.

The Group is also focusing its attention on the age of 100-year life and other similar societal issues as a business domain in which we seek to foster further virtuous circulation through balanced creation of both social value and economic value. The long-term management and utilization of assets is imperative if one is to lead a more fulfilling, long life of 100 years. However, the reality is that there are risks specific to longevity, such as concerns about dementia and housing options, which may discourage some people to utilize asset management services. By combining the unique functions in the Group and offering them in the shape of services to individual clients, we believe we can further harness the liberal and flexible product design aspects of trusts to minimize the aforementioned risks. For instance, by providing our clients with consulting proposals on healthy and comfortable living and offering financial support, we can extend the economic life-span of their financial resources and contribute to the attainment of a fulfilling "second life." In this way, we will aim to achieve a virtuous circulation of funds by developing an environment in which our clients can rest assured knowing that the fruits of their long-term investments can be utilized effectively over the course of their long life and inherited by the next generation.



Virtuous circulation of funds, assets and capital, and accelerating the use of capital to drive sustainable growth of the Group

(2) Promoting strategic investments in pursuit of sustainable growth

We intend to make efficient and effective use of capital with the objectives of helping to solve the medium- to long-term issues faced by our clients and society and ensuring the Group's own sustainable growth.

Enormous amount of investment is needed to solve social issues and create a prosperous future. For instance, it is said that achieving carbon neutrality by 2050 will cost the entire world more than ❼ 10 quadrillion yen. We see this as an opportunity for SuMi TRUST Group and will actively invest in fields that contribute to the reduction of greenhouse gases and fields dedicated to ❽ regenerating forests and ecosystems. Starting with the active injection of our own risk capital, we will look to evoke a favorable response from various stakeholders and strive to create opportunities and fund circulation mechanisms for corporate clients and investors facing investment challenges.

❼ Estimate of the Glasgow Financial Alliance for Net Zero (GFANZ)

❽ See page 82

Furnishing our businesses with innovative technology-driven functions is also indispensable to create and expand new opportunities and markets. Specifically, digital transformation (DX) that allows for unfettered connections between economic entities is a crucial function enabling us to make rapid

progress regarding the speed and scale of the Group's business. We will work on improving our services and expanding the number of clients who can access them mainly through ⑨ the consolidation and analysis of data accumulated in various business domains.

In addition, we will proceed with the building of a network designed to accelerate the virtuous circulation of funds in Japan and overseas. Globally, we will collaborate with distinguished overseas partners to expand investment instruments and opportunities in the asset management business. Domestically, we will actively participate in the building of ⑩ regional economic ecosystems in partnership with regional financial institutions and corporations including startups.

⑨ See page 51

⑩ See page 46

(3) Enhancing and improving service quality to gain the confidence of our clients

The Group believes that "operational quality" in sales and administrative business to be the source of value provided to stakeholders. Up until now we had concentrated heavily on developing frameworks for human resource allocation and IT investment with the aim of risk prevention, but going forward, we will also strive to raise the level of our products and services so they meet the needs of the times. We will also promote initiatives that contribute to productivity improvements such as analysis of feedback from clients and society, and the standardization and centralization of work flow by utilizing DX.

The attainment of a sustainable society is gaining recognition as a management issue for corporations and we are cognizant of the mounting expectations placed on us as a trust bank group primarily engaged in the business of providing value that benefits clients and society based on our fiduciary spirit from the time of our founding. By maintaining an optimal balance between risk and quality, we will aim to gain a competitive advantage and continue to respond to the expectations and confidence placed in our Group by clients and society.

Investing in human capital in pursuit of expertise and diversity

Social issues are growing increasingly complex and there are numerous situations in which expert knowledge of a specific field alone is not enough to deliver a solution. For example, epidemiologists are working together with experts in the fields of IT, digital technology, and economics to fight the COVID-19 pandemic by pooling their wide-ranging specialist knowledge. In SuMi TRUST Group too, we intend to further energize our corporate culture of creating value across the entire Group by having highly specialized employees working in a broad range of businesses make the most of their respective competencies and spur each other on to greater heights.



In the ESG area, in recent years we have been bolstering ⑪ our ranks of doctoral-level science and engineering experts with knowledge of emerging technologies. By engaging in dialogue with corporate and investor clients, they are working to grasp their needs from an advanced scientific point of view, thereby playing a pivotal role in promoting the deployment of innovative technology in society.

In the area of IT and digital technology, we are hiring ⑫ specialists, but we also intend to broaden our reach to personnel that can utilize knowledge and skills with a view to develop future businesses. We would like to offer the benefits of our human capital investment to our employees and society as a whole, providing learning and practical opportunities to continually improve the skills that will be applicable outside of the organization and in variety of situations.

On top of that, we will continue to respect the individuality of everyone in our diverse workforce and promote diversity and inclusion so that each and every employee in the Group can reach their full potential. As a part of this initiative, to promote the active participation of women, SuMi TRUST Bank set itself a KPI target of increasing its ratio of female employees in management positions (section managers, team leaders, and above) to at least 20% by the end of March 2025 and affirmed its intentions of endorsing ⑬ "Here We Go Year 2030 30%" project. We have also launched ⑭ the Support Executive Program that aims to nurture female candidates of general managers in the future. Also, in April 2022 ⑮ two female executive officers were appointed at SuMi TRUST Holdings.

⑪ See page 73

⑫ See page 58

⑬ See page 55

⑭ See page 56

⑮ See page 96

In conclusion

Investing for the future is absolutely essential if we are to pass on a prosperous society to the next generation. I believe it is the Group's social mission to lead the way in investing for the future, generate strong momentum in a virtuous circulation that resonate with clients from which all stakeholders can reap the benefits of their investments.

Of the many social issues, there is a pressing need for Japan to align with carbon neutrality. We intend to emphasize investment and ⑯ environmental education, share social issues with Japanese investors, encourage investment and strive to achieve a prosperous future for Japan.

⑯ See page 84

I sincerely appreciate your continued support and understanding.

July 2022

Director, President
Sumitomo Mitsui Trust Holdings, Inc.

Tom Takakura

SuMi TRUST Group has defined our "Purpose" "To create new value with the power of trusts and let prosperous future for our clients and society bloom." We have also placed at the core of management the notion of balanced creation of both social value and economic value. This "Purpose" reflects our awareness of the Group's mission to build, as a partner of our clients, a society that is even more capable of coping with change and to also achieve growth for ourselves in a sustained manner by helping solve social issues.

SuMi TRUST Group's "Purpose"

Our ideal vision

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

Roles expected by society

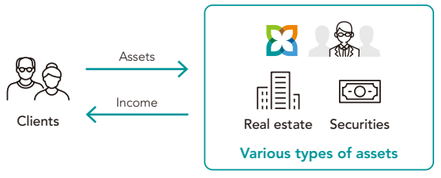
Achieving our "Purpose" with the power of trusts

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

Ability conversion function

Leveraging our high level of expertise to manage and administer assets

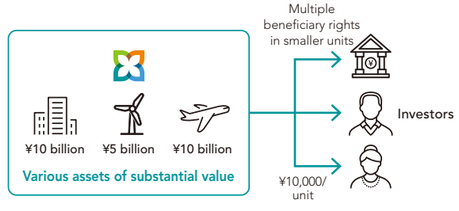
By taking advantage of our extensive expertise in managing and administering the valuable assets entrusted to us, our trusts deliver high added value to our clients.



Asset conversion function

Flexible alteration of asset composition and quantity

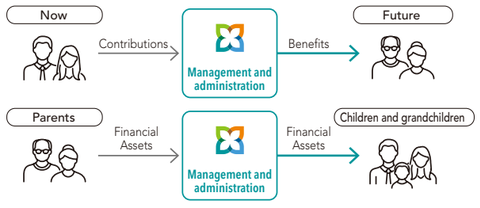
By converting assets held in trust to trust beneficiary rights, even assets that essentially are indivisible, or property of substantial value, can be divided into smaller units for distribution, thus facilitating the smooth circulations of funds, assets and capital.



Time conversion function

Transcending time to ensure client wishes are fulfilled in the future

In order to assist our clients to realize and enjoy a prosperous future, our trusts have a function to manage and safeguard assets for extended period of time. Under certain scenarios, trust assets and the accompanying wishes of clients can be passed on to the next generation.



New value created through business

Businesses that harness the power of trusts to solve social issues

Value provided to stakeholders (three economic entities)

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

—Social issues to actively address—

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

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

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

Three key strategic areas for creating new value

With a view to the kind of society and vision for the Group we hope to achieve by 2030, we identified the following three key strategic areas for value creation to encourage a virtuous circulation:(1) the age of 100-year life; (2) ESG management (carbon neutrality); and (3) networking (regional economic ecosystems and global investment chains).

Social issues are growing increasingly challenging and complex, it will be much harder to solve longstanding social issues solely with our inherent managerial resources and client base. We will therefore look to team up with various stakeholders, build platforms, and generate new markets and opportunities. And to achieve these goals, we will need to strengthen investment in human resource capital and manufactured capital.

Age of 100-year life

ESG management (carbon neutrality)

Networking (regional economic ecosystems and global investment chains)

Blooming of a bright future

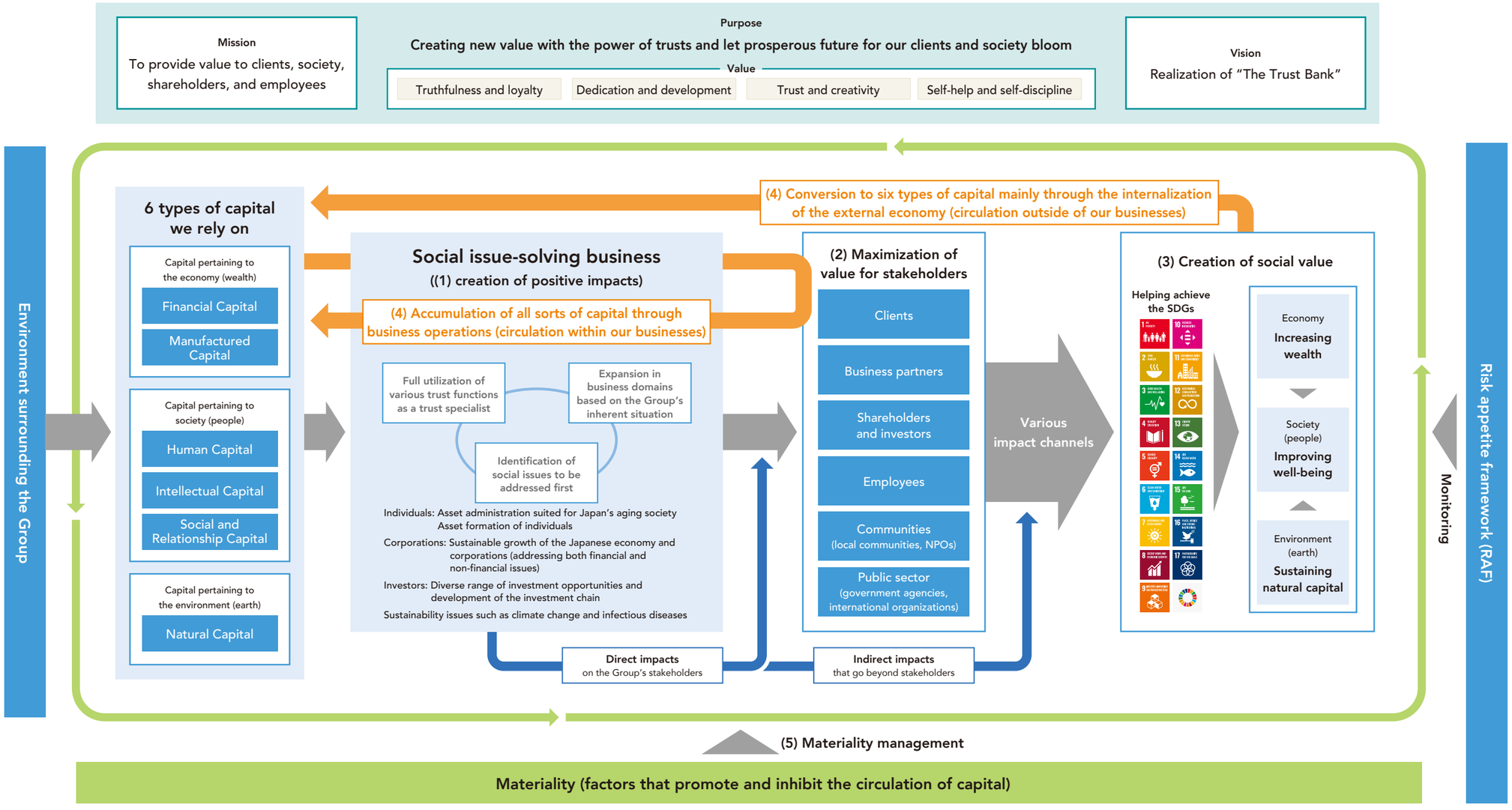


Prosperity and happiness for all = Improvements in well-being

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

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

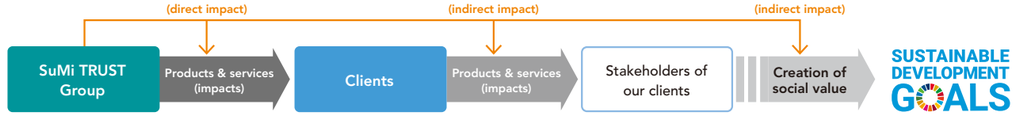
SuMi TRUST Group has identified high-priority issues (materiality) that affect our value creation process over the medium-to-long term, and we have classified them into three categories: (1) impact materiality—issues that are conducive to the generation of social value from social issue-solving business; (2) governance and management foundation materiality—issues that have an impact on the core elements of our value creation; and (3) financial materiality—issues that directly affect our financial performance. We implement materiality management so as to appropriately control the impacts of these issues within the constructs of a risk appetite framework (RAF). See page 16 for more details.



(1) Creation of Positive Impacts

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

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

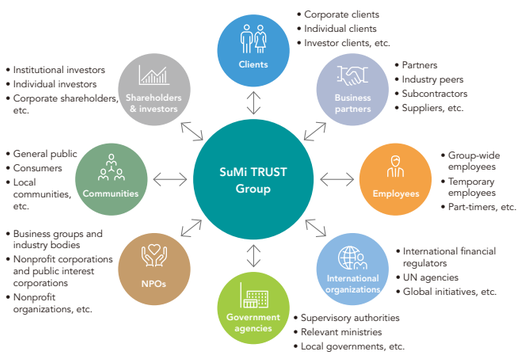


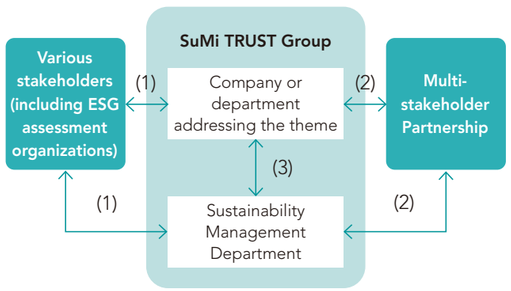
	Examples of positive impact (To promote)	Examples of negative impact (To avoid)
Direct impact	Investments and loans to renewable energy projects	Sales of real estate funds with high investment weightings in buildings that are not environmentally friendly
Indirect impact	Consulting on information disclosure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

(2) Stakeholders of the Group

SuMi TRUST Group lists clients, society, shareholders, and employees as stakeholders in its Management Principles ("Mission"), and has declared that it will respect dialogue and play an active role in building a sustainable society.

The Group's stakeholder engagement is divided into three approaches: (1) direct engagement by relevant affiliates/relevant departments (in the case of SuMi TRUST Bank) according to the theme, (2) direct participation in multi-stakeholder partnerships by relevant affiliates/relevant departments, and (3) internal engagement by the Sustainability Management Department with relevant affiliates/relevant departments based on its own dialogue with stakeholders and information gathered from ESG assessment organizations. These approaches are used to diversify dialogue channels and enhance the quality and quantity of inputs.





(3) 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.

With a view to the kind of society and vision for the Group we hope to achieve by the year 2030, this fiscal year we identified three key strategic areas to encourage a virtuous circulation: (1) age of 100-year life; (2) ESG management; and (3) networking. Initiatives in these areas will lead to greater economic, social, and environmental value. We will propel various initiatives with the aim of maximizing social value—the sum total of these three values.

(1) Age of 100-year life	▪ Providing support to address asset management issues in Japan's aging society, such as dementia and the elderly who live alone ▪ Supporting the asset formation efforts of the working generation and contributing to growth in personal financial assets
(2) ESG management (carbon neutrality)	▪ Implementing sustainable finance initiatives to facilitate the transition to a society with net-zero carbon emissions
(3) Networking (regional economic ecosystems and global investment chains)	▪ Addressing issues in the community bearing in mind the adoption of renewable energy and regional revitalization ▪ Providing efficient and high value-added services for a broad range of investment processes and supporting the development of investment chains

(4) 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 recirculates to the Group in the long term due to the internalization of the external economy. The framework demonstrated by SuMi TRUST Group to circulate capital through social issue-solving businesses is part of our unique value creation process. It is a platform for incorporating so-called integrated thinking* into corporate management.

* The consideration of management from a medium- to long-term perspective utilizing all financial and non-financial capitals that depend on, and are affected by, the business model of the company

Capital		Three areas of value	SuMi TRUST Group definitions and metrics (March 31, 2022 or FY2021 results)
Financial	Financial	Economy (wealth)	Capital: 9.9% common equity Tier 1 capital ratio (finalized Basel III standards) Total assets: ¥64 trn
	Manufactured		Network: 150 offices in Japan, 10 offices overseas (optimally placed network)* SBI Sumishin Net Bank accounts: 5.35 mn IT system expenses: ¥43.9 bn*
Non-financial	Human	Society (people)	Consolidated employees: 22,024 Diversity & Inclusion: 13.0 % weighting of women in section manager or higher positions* Employee satisfaction survey: vitality level of 60.5, satisfaction level of 63.1* Employees with certifications*: 6,370 registered real estate transaction agents, 43 fellows of the Institute of Actuaries of Japan, 246 financial consultants
	Intellectual		Total training hours of 6,680 at a cost of ¥540 million for 14,050 training participants (including 188 specially selected/nominated training participants)*
	Social and relationship		High-quality business platform: assets under management of ¥127 trn (No. 1 domestic financial institution), assets under custody of ¥248 trn (No. 1 domestic financial institution), total loan balance of ¥30 trn (No. 5 among domestic banks), entrusted balance of securitized real estate of ¥22 trn (No. 1 among trust banks), 1,690 client companies in stock transfer agency services business, and 32.13 mn shareholders under administration (No. 1 for both among trust banks) Potential "best partners": 280,000 individual clients and 643 corporate clients* (see page 20) 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 3.8 (No.1 among domestic banks)
	Natural	Environment (earth)	Natural capital is common social capital 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."

* Asterisk denotes SuMi TRUST Bank only (non-consolidated)

(5) Materiality Management

Materiality Identification Process

We consider materiality to be an event that has a significant impact on the process of improving the ability to generate value sustainably through the accumulation of financial and non-financial capital and to be comprised of factors that either inhibit (bad cholesterol) or promote (good cholesterol) the circulation of capital. As part of a materiality review in FY2019, we placed seven top risks selected as financial risk events that have a significant impact on management alongside the original 14 items of materiality and sorted out those that overlapped or were very similar. We changed the names of some as required and then added five new ones, including climate change and financial inclusion. That gave us a total of 17 items, as shown in the table below.

Three Materiality Categories

Then in FY2020 we incorporated the unified concept of materiality outlined in some of the leading international standards (GRI, VRF (SASB+IIRC), CDP, CDSB) for information disclosure and classified our materiality into three categories. We categorized the Group's materiality as either "impact materiality" (the positive or negative impacts our corporate activities have on the economy, society, and the environment), "governance and management foundation materiality" (the issues that impact the core elements of our value creation), or "financial materiality" (the issues that directly affect financial performance).

All issues were discussed by the Executive Committee, advisory committees, and the management team before being approved by the Board of Directors.

Management of Materiality

In order to incorporate the views of stakeholders into our materiality management, we have adopted the internal engagement mechanism described below. The details and results of that engagement process are reported to the Board of Directors. Furthermore, the Risk Committee responds to questions from the Board about matters concerning materiality, deliberates on the appropriateness and other aspects of such matters from a professional point of view, and then reports its findings to the Board. We undertake reviews of materiality as deemed necessary based on a "dynamic materiality" approach, which posits that changes in social conditions and values are also affecting corporate value.

Reporting issues that reflect the organization's significant impact on the economy, environment, and people

Reporting all material sustainability topics for the purpose of the organization's value creation

Already disclosed reports in the form of financial accounts*

* Including assumptions and cash flow forecasts

Materiality from a stakeholder's viewpoint

Aimed at a wide range of users with various objectives seeking to understand the company's positive and negative contributions to sustainable development

Materiality from an investor's viewpoint

Aimed at users mainly seeking to engage in more suitable economic decision-making

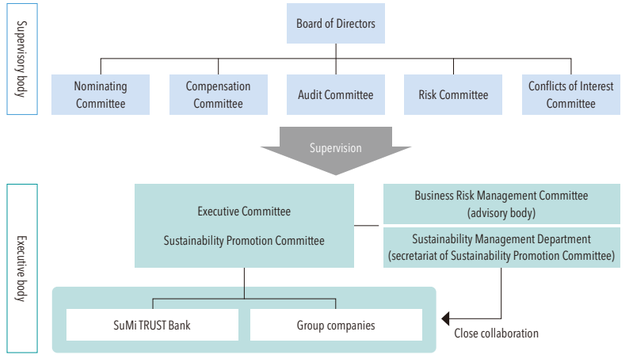
Key accounting issues

Type	Materiality	Risk	Opportunity	Main relevant capital
Impact Materiality	Pursuing sustainability-themed business opportunities		●	Intellectual capital
	Considering impacts on society and the business environment of companies to whom we extend investments and loans	●		Social and Relationship capital
	Financial inclusion		●	Social and Relationship capital
	Population decline and super-aged society issues	●	●	Social and Relationship capital
	Climate change	●	●	Natural capital
	Technological (digital) innovation	●	●	Intellectual capital
Management Foundation Materiality	Corporate governance	●	●	All capital
	Risk management and resilience	●		Financial capital
	Systems maintenance and combatting cyber attacks	●		Manufactured capital
	Bolstering human resources and developing workplace environments	●	●	Human capital
	Protecting personal information and client data	●		Intellectual capital
	Safety of financial instruments	●		Intellectual capital
	Compliance	●		Social and Relationship capital
	Client-orientated approach / fiduciary duty	●	●	Social and Relationship capital
	Stability of financial system	●		Financial capital
Financial Materiality	Preserving financial capital	●		Financial capital
	Acquiring sustained earnings	●		Financial capital

Governance System

The Board of Directors has established a Sustainability Policy, based on which the Executive Committee discusses and decides on various measures for promoting sustainability. The Board of Directors assumes a supervisory role in this process.

The Executive Committee convenes Sustainability Promotion Committee meetings to discuss initiatives pertaining to important sustainability issues with the Sustainability Management Department acting as secretariat of those meetings. The Executive Committee engages in exhaustive discussions to decide on sustainability initiatives for Group companies, taking the perspective of balancing the creation of both social and economic value into account.



Board of Directors
- Establishes the Basic Policy on Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy).
- Stipulates (in the Basic Policy on Corporate Governance) that one of its main roles is to address climate change and other environmental issues and social issues linked to sustainability and determines the policy direction the Group.
- Hears the findings of the Risk Committee and engages in exhaustive discussions to decide on 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 the perspective of balanced creation of both social value and economic value into account.
- 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).

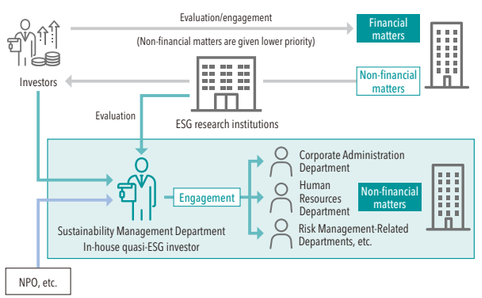
Internal Engagement

Our Sustainability Management Department engages in investor-like dialogue with relevant departments with respect to non-financial materiality items in the finance sector that ESG investors are most interested in and for which the Group's initiatives may face challenges in order to improve our approaches and enhance information disclosure. Starting in FY2021 we have decided to have the Sustainability Management Department engage with the officers in charge of the relevant departments in a bid to speed up measures and ensure that all officers have an understanding of the issues at hand.

We refer to this initiative as internal engagement, and its importance as a check and balance function based on an external perspective on day-to-day operations, different from the supervisory function of the Board of Directors from a management perspective, has been increasing over the years. The annual plan for internal engagement, results of initiatives, and progress of improvements are reported to the Board of Directors.

Internal Engagement in FY2021

■Internal Engagement



A total of 10 internal engagement topics were covered in FY2021. The details were reported to the Sustainability Promotion Committee in December 2021 and discussed the topics at the Board of Directors in March 2022 to further their understanding within the context of materiality management. Their discussions are then reflected in the initiatives and measures for each issue being addressed, based on the opinions put forward by the supervisory and executive body.

As an example, on the topic of HR capabilities and the development of workplace environments, in FY2022 we adopted a policy of investing, on average, the equivalent of roughly 4.5% of an employee's annual income in human capital with the aim of expanding our pool of specialists distinctive of a trust bank group. To be more specific, we are (1) base-increment of salaries and bonuses, offering new equity incentive plans, and raising the level at which the company subsidizes payments to the employee stock ownership plan, (2) increasing our investments in reskilling, including the acquisition of IT skills and improvements in investment education, and (3) raising compensation extended to expertized employees.

Medium-Term Management Plan (FY2020–2022)

We have aligned the three-year period of our Medium-Term Management Plan—which commenced in FY2020—as a time to reinforce our business platform with the aim of achieving continuous and stable growth of SuMi TRUST Group.
We intend to take the business model transformation that we have thus far pursued to the next level, and as we bear in mind our reason for existence ("Purpose"), we will tackle social issues faced by all economic entities, whether they be individuals, corporations, or investors, in an effort to realize sustainable and stable growth for the Group.

Reason for existence ("Purpose")

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

Vision

- Development of a sustainable society
- Sustainable and stable growth of the Group
- Autonomous improvement in ROE leveraging our business model's strengths

Individual
Asset administration suited for Japan's aging society and asset formation of individuals



Corporate
Sustainable growth of the Japanese economy and corporations
(addressing both financial and non-financial issues)

Investor
Diverse range of investment opportunities and development of the investment chain

Basic policies

Under our Medium-Term Management Plan that commenced in FY2020, we aim to bolster our initiatives on further improving the sustainable and stable growth by anchoring the management of the Group to three basic policies.

Balanced creation of both social value and economic value

Generating positive impacts geared towards solving social issues

Three basic policies

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

Strengthen the business foundation	Establish new growth areas
• Commitment towards solving clients' issues • Expansion of client base	• Innovation through crossing and merging of different business domains • Strengthen our solution offering capability suited to current social issues

Promote strategic resource mix
- Expenses control/reduction, pursue efficiency through utilization of capital
- Optimal allocation of management resources

(2) Capital strategy (Efficient use of the balance sheet and capital)

Improve balance sheet efficiency	Balanced capital adequacy and efficiency	Bolster shareholder return through dividends

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

Service quality that maximizes client value	Strengthen group governance	Prudent risk management	Nurture human resources capable of creating added value

Unified and integrated operation of materiality management and business strategies
(sophistication of management systems = improved functionality of value creation process)

Numerical targets and main KPIs

	FY2020 result	FY2021 result	Target at announcement of Medium-Term Management Plan	Current FY2022 forecast	Medium- to long-term target
Net business profit	¥294.7 bn	¥346.0 bn	¥290.0 bn	¥310.0 bn	
Net income	¥142.1 bn	¥169.0 bn	¥190.0 bn	¥190.0 bn	
OHR (Overhead ratio)	60.1%	57.1%	Lower 60% range	Lower 60% range	Upper 50% range
Common Equity Tier 1 capital ratio *1	9.4%	9.9%	Mid-10% range	Lower 10% range	Stably maintain in 10% range
Return on equity	5.41%	6.25%	Around 7%	Around 7%	Around 9%
Fee income ratio	52.9%	54.0%	Upper 50% range	Mid-50% range	Stably maintain above 60%
Dividend payout ratio	39.5%	37.7%	Around 40%	Around 40%	

Client base	FY2020 result	FY2021 result	Target at announcement of Medium-Term Management Plan	Current FY2022 target	Medium- to long-term target
Individuals	270,000	280,000	290,000	290,000	To increase the number of clients with whom we have a strong relationship, as a result of which the client chooses us as their "Best Partner"*2 over the long term, as a precursor, to increase the number of "Pre-Best Partner" client base
Corporations	620 companies	643 companies	690 companies	690 companies	

*1 Based on finalized Basel III standards

*2 How our clients view SuMi TRUST Group

Our Initiatives to Reduce Strategic Shareholdings

Demonstration of Board supervisory function regarding strategic shareholdings

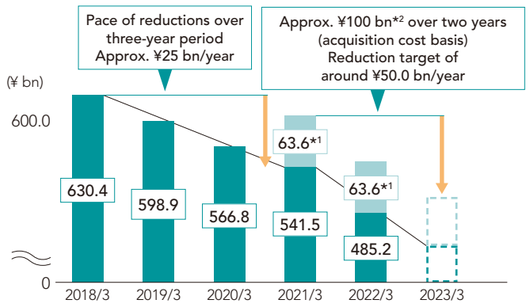
With a view to holding shares in a way that is consistent with our responsibility to society as one of Japan's largest a trust bank group providing asset management and asset administration services, responding to requests from corporate clients in which the Group holds strategic shareholdings, improving capital efficiency, and creating a virtuous circulation from increased enterprise value leading to increase in household savings, assets and capital, we decided, based on the outcome of discussions by the Board of Directors, to adopt a policy of holding, in principle, no strategic shareholdings as a conventional stable shareholder. In June 2021 we made clear mention of this policy in the Group's Basic Policy on Corporate Governance.

In keeping with that basic policy, the Board of Directors will continue to discuss the reduction of strategic shareholdings based on reports received from business execution departments and strengthen its monitoring of the issue taking into account the perspectives of stakeholders in an effort to closely supervise the Group's progress on reducing strategic shareholdings, as well as our ability to offer solutions that enhance corporate value in a sustained manner and solve problems for clients through dialogue.

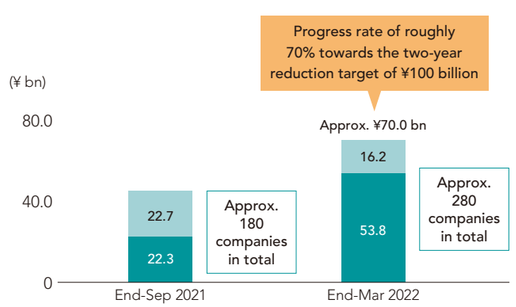
Reduction of strategic shareholdings

In FY2021 we made progress on reducing our strategic shareholdings by ¥53.8 billion on an acquisition cost basis, or approximately ¥70.0 billion when including the amount agreed to be sold. This represents a progress rate of roughly 70% towards the two-year reduction target of ¥100 billion.

Balance of strategic shareholdings (acquisition cost of Japan-listed stocks)



Amount sold and agreed to be sold (acquisition cost of Japan-listed stocks)



*1 Acquisition cost increased by ¥63.6 billion due to the repurchases of strategic shareholdings owing to the improvement of hedge position costs.

*2 For stocks whose acquisition cost increased in FY2020, acquisition costs prior to the increase are applied as the basis.

Establishment of voting rights guidelines for strategic shareholdings (Japan-listed stocks)

Even during the interim period in which we will continue to hold strategic shareholdings, we shall not hold any "strategic shareholdings as a conventional stable shareholder" and instead engage with issuing client companies and act as a responsible institutional investor. The voting rights guidelines for strategic shareholdings (Japan-listed stocks) that were established in November 2021 were adopted by a resolution of the General Meeting of Shareholders in June 2022.

Policy on exercising voting rights for strategic shareholdings

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

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

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

(1) Our decisions will take heed of not only ostensible or formal criteria, but also the characteristics of the issuing company and the attributes peculiar to its industry and business operating environment.

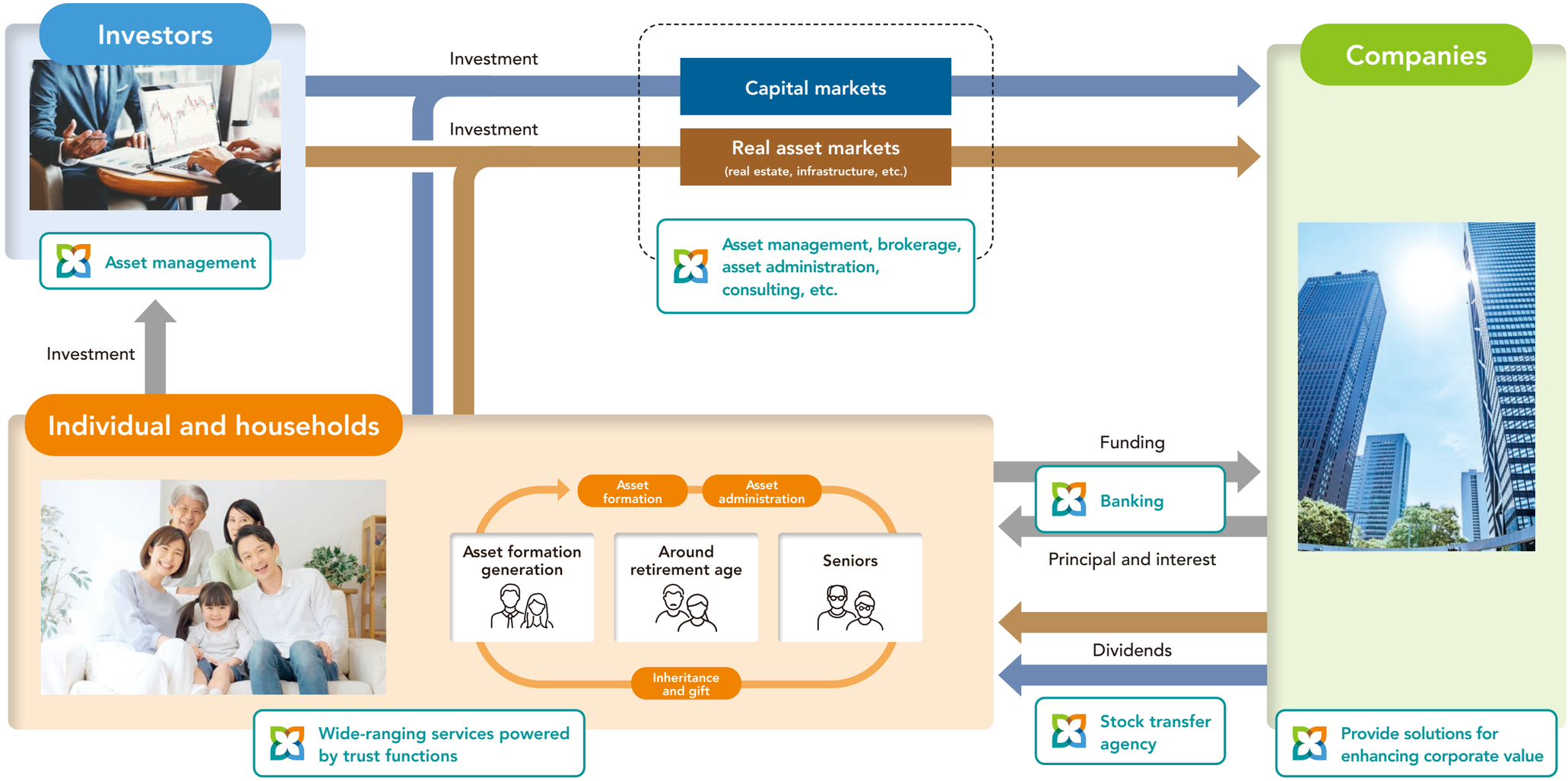
(2) Our decisions will be based on not only the given fiscal year, but also longer time span and future outlook.

(3) Our decisions will account for not just financial data, but also non-financial factors, such as corporate governance and how the issuing company creates social value.

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

Growth through a virtuous circulation of funds, assets and capital

By leveraging the various points of contact we have with each economic entity, SuMi TRUST Group will strive to provide added value to clients, creating new markets, and generating demand by promoting a virtuous circulation of funds, assets and capital.



Theme

2

How do we create new value?

Message from Head of Finance and Treasury

Financial Capital



Nobuaki Yamaguchi
Senior Managing Executive Officer
Head of Finance and Treasury
Sumitomo Mitsui Trust Holdings

The business environment surrounding the Group is increasingly uncertain amid rapid changes, such as inflation due to rising resource prices and changes in monetary and fiscal policies in many countries. In response to these changes, adequate preparation for risk from both short- and medium- to long-term perspectives is essential. Meanwhile, major trends such as the arrival of the age of 100-year life and the growing momentum towards ESG have solidified. For the Group, which has various contact points with individual, corporate, and investor clients in the market and offering a variety of functions, this represents an opportunity to create social value and economic value through a virtuous circulation of funds, assets and capital. As a trust bank group that is close to its clients and providing a variety of financial and trust-related functions in a safe and secure manner, proper control of capital and on-going investments in financial and non-financial areas, such as human capital, are becoming more important. We are focused on optimizing our financial stability and profitability and shall strive to develop and execute capital policies that maximize value for each stakeholder.

(¥ bn)		FY2020 results	FY2021 results	Change from previous year	FY2022 Forecast
Profit indicators	Net business profit	294.7	**346.0**	**+51.3**	310.0
	Net income attributable to owners of the parent	142.1	**169.0**	**+26.8**	190.0
Profitability indicators	Fee income ratio	52.9%	**54.0%**	**+1.1%**	Mid-50% range
	OHR	60.1%	**57.1%**	**(3.0)%**	Lower 60% range
Financial indicators	Return on equity*1	5.41%	**6.25%**	**+0.84%**	Approx. 7%
	Common equity tier 1 capital ratio*2	9.4%	**9.9%**	**+0.5%**	Lower 10% range

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

Financial results

Summary of FY2021 Financial Results

Looking back at our performance in FY2021, the second year of our Medium-Term Management Plan, despite increasing uncertainties, we are confident that we have made steady progress, supported by our high-quality client base and diverse business foundation. Net business profit reached the target of ¥290 billion for the final year of the Medium-Term Management Plan ahead of schedule, its highest point since the management integration of the Group. Through the acceleration of the trust banking businesses as set forth in the Medium-Term Management Plan, our fundamental "earnings power" has definitely improved.

Initially, at the time of management integration, the Group depended on its banking business for the majority of its revenues, but since then, the Group's earnings structure has undergone significant changes as income from trust-related businesses with stable recurring revenue, such as asset management, asset administration, and real estate, have more than doubled over the past decade.

Net income attributable to owners of the parent increased from the previous fiscal year, even after robust preparation for various risks regarding total credit cost, net gains on stocks, and other net non-recurring profit items, and we believe it is on track towards the target for the final year of the Medium-Term Management Plan.

Net Business Profit

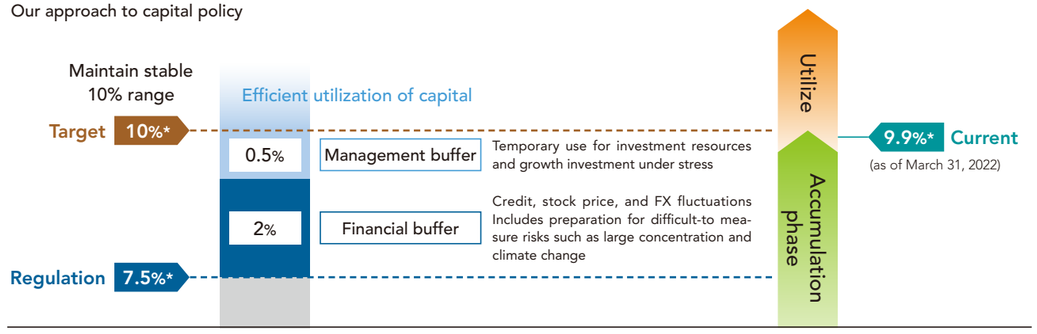


■ Trust-related business (total of stock transfer agency services, real estate, fiduciary, and asset management businesses) ■ Other

Initiatives for FY2022

In FY2022, the final year of the current Medium-Term Management Plan, as in the previous years, we shall execute our initiatives to improve ROE by promoting our capital-light profit growth model distinctive of a trust bank group. In addition, to maintain our trajectory to achieve our common equity tier 1 capital ratio based on finalized Basel III standards, we will actively invest in new areas of growth that contribute to a virtuous circulation of funds, assets and capital, invest in digital transformation ("DX") including systems and also invest in human capital to support future growth. In FY2022, looking ahead to the next Medium-Term Management Plan, we shall make investments that contribute to medium- to long-term growth. In addition, we aim to achieve a net income attributable to owners of the parent of ¥190 billion, which is the goal for the final year of the current Medium-Term Management Plan.

Our approach to capital policy



* Common equity tier 1 capital ratio (based on finalized Basel III standards)

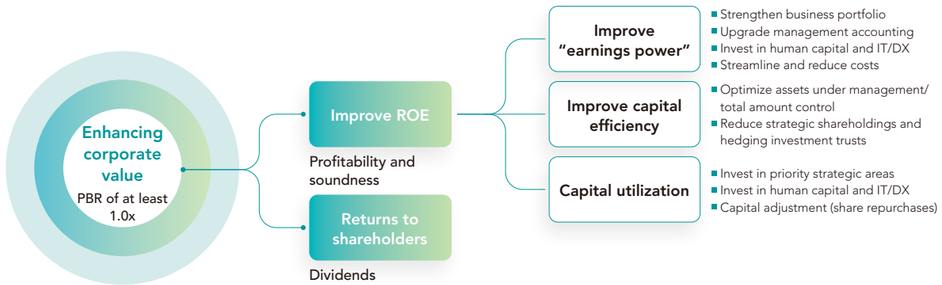
Initiatives to enhance corporate value

Challenges and responses

Aiming for PBR of at least 1.0x as a value-creating company

Our medium- to long-term goals are to achieve ROE of around 9% and a PBR of at least 1.0x. In order to swiftly rectify the current situation, where the PBR is below 1.0x, we shall strive to further enhance the Group's "earnings power" and future growth potential, and also emphasize these points in dialogue with our investors. We shall work on three major initiatives to enhance the Group's corporate value.

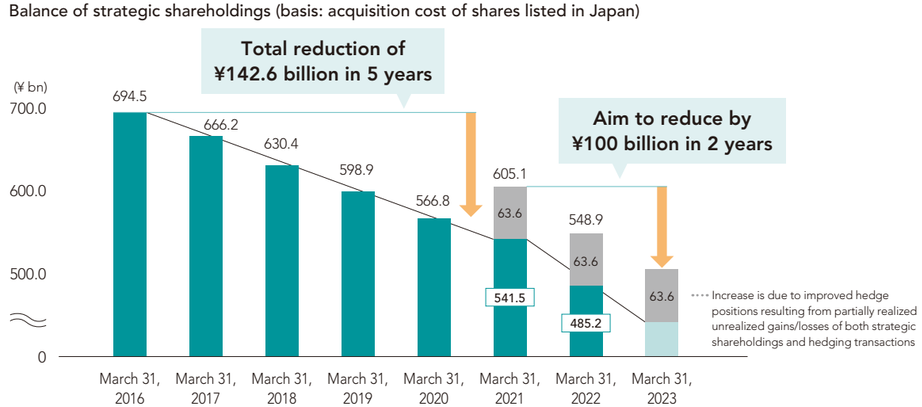
The first is to further improve "earnings power." To achieve this, we will continue to improve the refinement of our management accounting, for example by analyzing profitability and disclosing ROE by segment to enable appropriate allocation of resources, and enhance our "earnings power" by placing our trust-related businesses at the core in combination with the banking business. The second is to improve capital efficiency. Accelerating the reduction of strategic shareholdings will not only contribute to the further development of the Japanese capital market, but also allow the Group to improve capital efficiency by redirecting the capital surplus generated by the reduction to impact equity investments. The final initiative is in the area of capital utilization. One cannot reap gains tomorrow without making investments today. In addition to financial investments in growth areas, it is important to invest in non-financial capital such as human capital, digital, and networks. We shall pursue our initiatives to enhance corporate value with a clear vision of where we aspire to be.



Reduction of strategic shareholdings

In May 2021, we transitioned to a policy under which, in principle, we shall not hold any "strategic shareholdings as a conventional stable shareholder," and we are engaged in dialogue with all our clients about the revised policy. As of March 31, 2022, we have achieved approximately 70% of our goal of reducing these shareholdings by ¥100 billion (at cost) over the two years through FY2022, including those already sold or scheduled for sale. We shall continue our efforts to deepen mutual understanding and accelerate the reduction of strategic shareholdings through extensive dialogue and providing solutions tailored to the circumstances of our clients.

Balance of strategic shareholdings (basis: acquisition cost of shares listed in Japan)



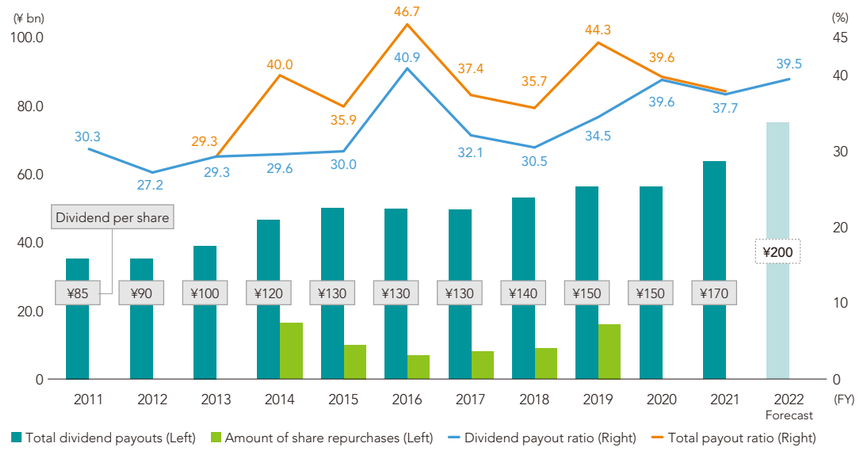
Capital utilization

We believe that continuous investment from a medium- to long-term perspective is necessary to achieve sustainable growth. Specifically, we have identified (1) the age of 100-year life, (2) ESG management (carbon neutrality), and (3) networking (regional economic ecosystems and global investment chains) as key strategic areas in which we will concentrate our capital investments. In the business of a trust bank group, with its close relationship with clients and offering them with safety and security of mind, highly specialized and skilled human resources and the digital infrastructure that supports them are very important and directly related to the quality of our products and services. We believe that the expansion of investment in human capital and digitalization that the Group is pursuing will enhance our corporate value, including strengthening the market competitiveness of our services, and will be beneficial to all stakeholders. We will also flexibly implement share repurchases taking overall investment opportunities and capital situation into consideration.

Returns to shareholders

The Group has steadily strengthened returns to shareholders since the integration of the Group, doubling the dividend per share from ¥85 to ¥170 over the 10 years through FY2021. In line with our shareholder return policy of a consolidated dividend payout ratio of approximately 40%, we expect to pay a dividend of ¥200 per share for FY2022, an increase of ¥30 from FY2021. We will continue to aim to strengthen returns to shareholders through profit growth based on sustainable growth.

Shareholder returns



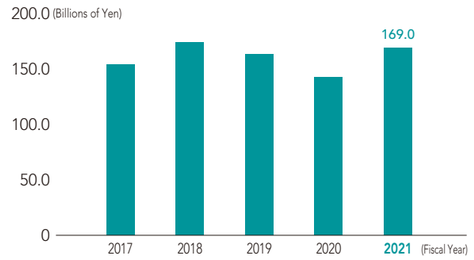
In conclusion

Hitherto, the Group has contributed to society by identifying the changes of the times, swiftly responding to social issues and providing solutions. Going forward, we hope to grow together with society by utilizing the diverse functions and spirit of trusts to further contribute to solving new social issues and building a virtuous circulation of funds, assets and capital. We are firmly committed to implementing financial and capital management practices that support our activities to achieve this goal.



Financial Highlights

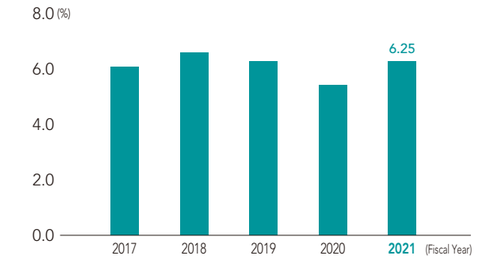
Net Income Attributable to Owners of the Parent*



* Net income attributable to owners of the parent

The customer fee business remained strong, which led to an increase in profit year on year. We also reduced risk to periodic profit or loss on bear funds and prepared for future credit risk.

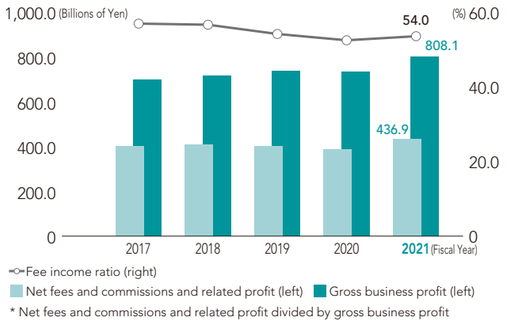
Return on Equity*



* See page 126 for the calculation method.

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

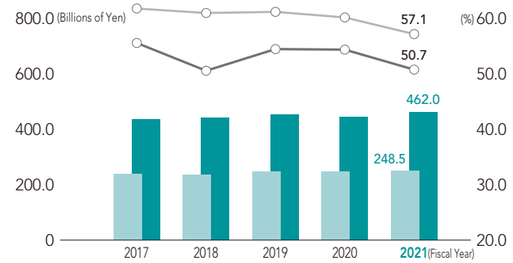
Fee Income Ratio*



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

In addition to client services that remained strong (e.g., real estate brokerage and investment management consulting), the asset management business enjoyed an increase in sales owing to steady market conditions, which boosted the fee income ratio.

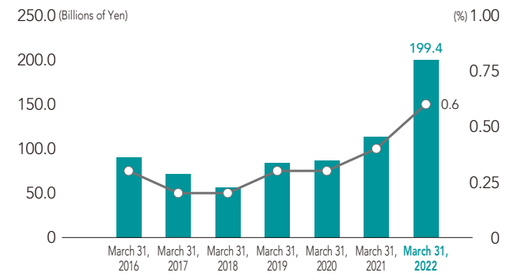
Overhead Ratio*1



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

Consolidated and non-consolidated general and administrative expenses increased, yet the overhead ratio dropped due to increased gross business profit.

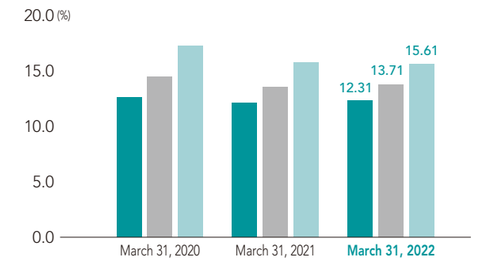
Non-Performing Loan Ratio (Problem Assets Based on the Financial Reconstruction Act)*



* SuMi TRUST Bank (non-consolidated)

The non-performing loan ratio as of March 31, 2022 was still at a sound level of 0.6% versus total exposure of ¥31 trillion.

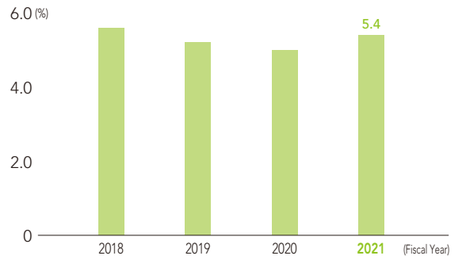
Capital Adequacy Ratios



All are sufficiently above capital adequacy requirements of banking regulations.

Non-financial Highlights

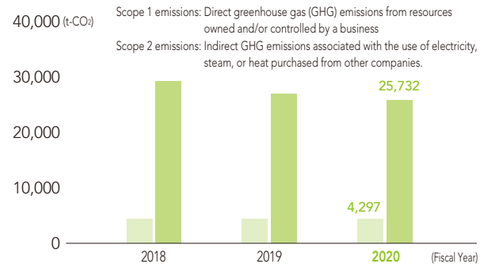
E Exposure to Carbon-related Assets



* SuMi TRUST Bank and Sumitomo Mitsui Trust Bank (Thai) Public Company Limited

As of March 31, 2022, the percentage of loans exposed to carbon-related assets was 5.4%, up 0.4 ppt from March 31, 2021.
(See page 81 for details.)

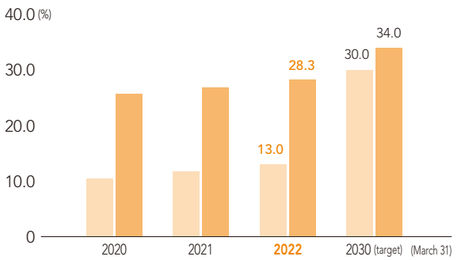
E Scopes 1 and 2 Emissions



* SuMi TRUST Bank offices in Japan

We are working toward the goal of net zero emissions of GHG from SuMi TRUST Group by 2030.

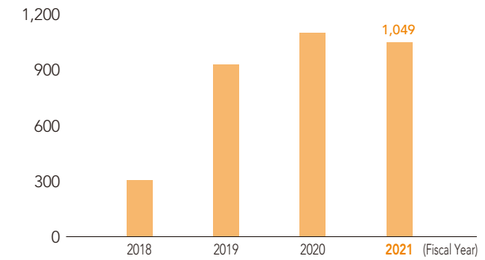
S Female Employees in Management Positions



* SuMi TRUST Bank

Since April 2020, SuMi TRUST Bank has been implementing the action plan it developed to achieve a higher ratio of female employees in management positions, accelerating its efforts to empower women in the workplace so that more female employees will be involved in its decision-making process.
(See page 55 for details.)

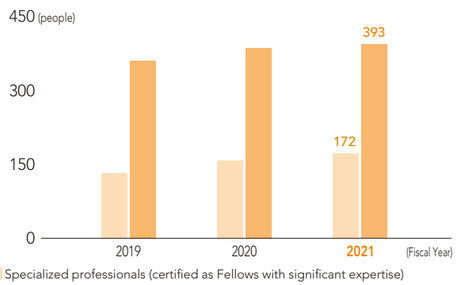
S Certified Gerontology Concierges



* SuMi TRUST Bank

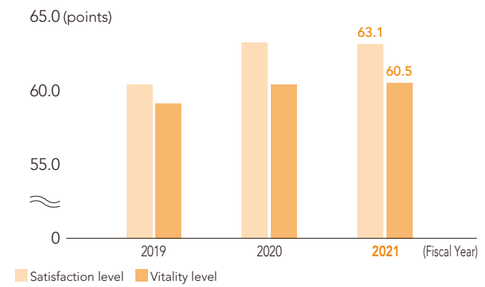
To improve its employees' customer service skills and literacy needed to service customers with dementia, SuMi TRUST Bank began to require all general managers, deputy general managers, and section managers of its branch offices for retail clients to be certified as Gerontology Concierges in 2014.

S Human Resources Portfolio



SuMi TRUST Bank works to enhance its portfolio of human resources who are strongly committed to advancing the Group's business model.
(See page 60 for details.)

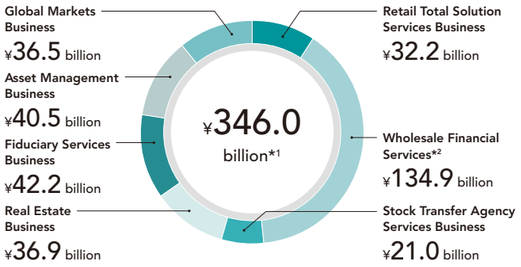
S Employee Awareness Survey



* SuMi TRUST Bank

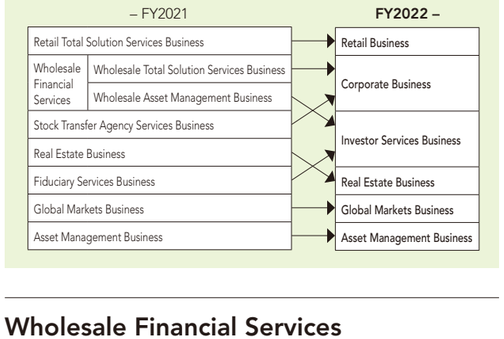
Positive scores (60 points) are maintained for both vitality and satisfaction—SuMi TRUST Bank's standards for measuring employee engagement.
(See page 54 for details.)

Net business profit before credit costs by segment (FY2021)



*1 This figure also includes corporate management department costs not categorized into any reportable segment, in addition to net business profit before credit costs for each segment
*2 Wholesale Total Solution Services Business and Wholesale Asset Management Business

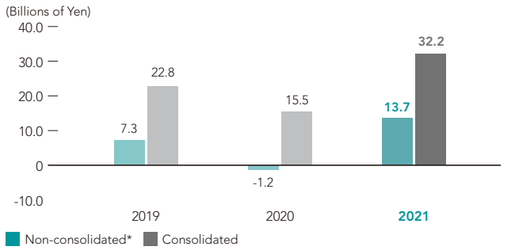
Segment Changes



Retail Total Solution Services Business

Retail Business FY2022 –

Net Business Profit before Credit Costs



Net business profit before credit costs increased ¥14.9 billion year on year to a profit of ¥13.7 billion on a non-consolidated basis* and increased ¥16.6 billion to ¥32.2 billion on a consolidated basis. This was owing to a steady performance of mortgage loan-related revenue and to an increase in both investment trust and insurance sales fees and distributor administration fees in investment management consulting services.

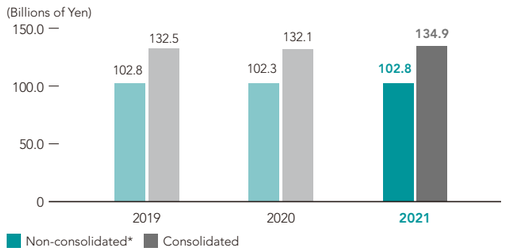
Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Sumitomo Mitsui Trust Club
- Sumitomo Mitsui Trust Wealth Partners
- Sumitomo Mitsui Trust Life Partners
- UBS SuMi TRUST Wealth Management

Wholesale Financial Services

Corporate Business Investor Services Business FY2022 –

Net Business Profit before Credit Costs



Net business profit before credit costs increased ¥0.4 billion year on year to ¥102.8 billion on a non-consolidated basis and increased ¥2.8 billion year on year to ¥134.9 billion on a consolidated basis. This was owing to an increase in profit and loss related to investments in partnerships while relative revenue, which was backed by structuring commitment lines and syndicated loans for COVID-19-related fund needs that were last year's contributing factor, gradually reduced.

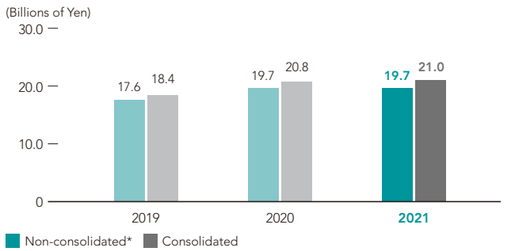
Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Sumitomo Mitsui Trust Panasonic Finance
- Sumitomo Mitsui Trust Loan & Finance
- Sumitomo Mitsui Trust Bank (Thai)
- Zijin Trust

Stock Transfer Agency Services Business

Corporate Business FY2022 –

Net Business Profit before Credit Costs



Net business profits before credit costs on a non-consolidated basis* and consolidated basis remained almost the same as last fiscal year at ¥19.7 billion and ¥21.0 billion, respectively. This was owing to various consulting revenues that steadily rose as the Corporate Governance Code was revised and the Tokyo Stock Exchange was restructured, while fees susceptible to market conditions decreased.

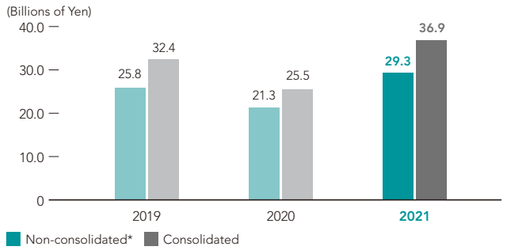
Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Tokyo Securities Transfer Agent
- Japan Securities Agents
- Sumitomo Mitsui Trust TA Solution
- Japan Stockholders Data Service Company

Real Estate Business

Real Estate Business FY2022 –

Net Business Profit before Credit Costs



Real estate brokerage commissions achieved the highest profit since integration owing to a steady stream of contract signing that led to strong performance of real estate brokerage for companies and individuals. As a result, net business profit before credit costs increased ¥7.9 billion year on year to ¥29.3 billion on a non-consolidated basis* and increased ¥11.3 billion to ¥36.9 billion on a consolidated basis.

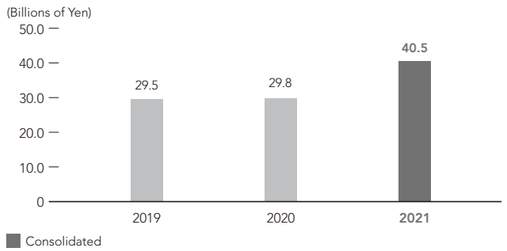
Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Sumitomo Mitsui Trust Realty
- Sumitomo Mitsui Trust Research Institute

Asset Management Business

Asset Management Business FY2022 –

Net Business Profit before Credit Costs



Net business profit before credit costs increased ¥10.7 billion year on year to ¥40.5 billion owing to an increase in funds under management of asset management subsidiaries Sumitomo Mitsui Trust Asset Management and Nikko Asset Management following the recovery of market value and inflow of funds.

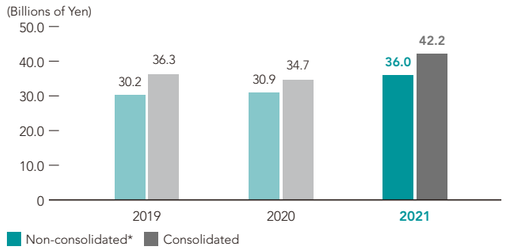
Major subsidiaries and affiliated companies

- Sumitomo Mitsui Trust Asset Management
- Nikko Asset Management
- Sky Ocean Asset Management
- JP Asset Management

Fiduciary Services Business

Investor Services Business FY2022 –

Net Business Profit before Credit Costs



Asset management and asset administration steadily grew, and overseas subsidiaries' custody business also showed strong performance. As a result, net business profit before credit costs increased ¥5.1 billion year on year to ¥36 billion on a non-consolidated basis* and increased ¥7.5 billion year on year to ¥42.2 billion on a consolidated basis.

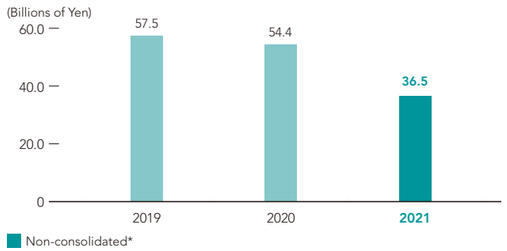
Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Custody Bank of Japan
- Sumitomo Mitsui Trust Bank (U.S.A.)
- Sumitomo Mitsui Trust (Ireland)
- Japan Pension Operation Service

Global Markets Business

Global Markets Business FY2022 –

Net Business Profit before Credit Costs



Net business profit before credit costs decreased ¥17.8 billion year on year to ¥36.5 billion owing to slow investment operations during the second half of the year, while client service-related revenue steadily grew.

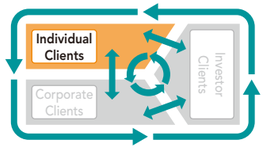
Major subsidiaries and affiliated companies

- SuMi TRUST Bank

* SuMi TRUST Bank (non-consolidated)

Individual Clients

Initiatives for Individual Clients





We offer safety and security of mind through proper and sophisticated solutions that suit events and plans in clients' life stages. We support our clients in asset formation, asset administration, asset inheritance, and other challenges to meet that accompany a super-aging society as their "Best Partner" in the age of 100-year life.

Key Measures

- Supporting clients of the working generation who need to prepare for the future in asset formation
- Offering asset administration services designed to assist in meeting the challenges in the age of 100-year life (e.g., dementia)
- Supporting clients in smooth asset inheritance passed to the next generation in a super-aging society

Medium-Term Management Plan in review

With the needs of clients increasingly diversifying, we have been committed to offering consulting services and a wide range of products for asset administration and management that are suitable for clients' life events. We also quickly adopted an online communication channel to ensure safety and security of mind coupled with greater convenience for clients. We quantify support from our clients gained through these efforts, and the numbers of "Best Partners" and "Pre-best Partners" are steadily on the rise. We shall continue our efforts to strengthen our business base by offering elaborate consulting services.

SuMi TRUST Vision

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

Environment Awareness

Environment awareness and issues

- Transition to a new way of life after the COVID-19 pandemic, a widening gap in interest rates between Japan and overseas (Japan's prolonged negative interest rate), and lower fees for financial products
- Reforms of business processes, branches, and networks to address the medium- to long-term population decline and adapt to digitalization

Opportunities and strengths

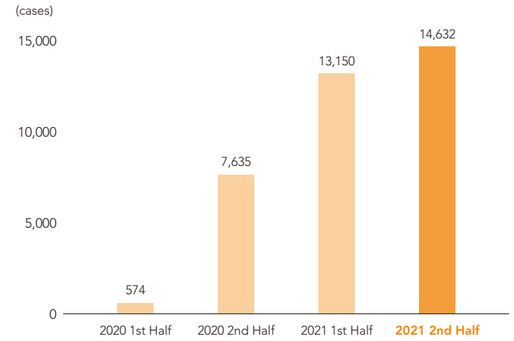
- Client-oriented total consulting
- Broad client base ranging from the asset formation generation to senior generation
- Heightened need for asset formation and asset administration in Japan's super-aging society, the Group's diverse lineup of products and services, and our staff who propose them

Specific Initiatives

1 Initiatives to Increase Client Touchpoints

The surge in the use of digital technology continues partly because of the COVID-19 pandemic. SuMi TRUST Bank has adapted to the change of clients' preferred communication channel and continued its efforts to offer enhanced consulting services online. With the growing need for asset formation to ensure a long and fulfilling life in the age of 100-year life, SuMi TRUST Bank launched our smartphone app "Smart Life Designer" in April 2022 for greater client convenience. Smart Life Designer is an all-in-one app that designs users' ideal life plans, manages family finances and assets in one place, and collects useful information about life plan design and asset formation. We shall continue to increase communication channels that will serve as client touchpoints at branches, online venues, and on our website and app, among others, which will allow us to offer high-quality consulting services tailored to each client's goal, along with a wide range of products and services that are unique to us as a trust bank.

Number of online consultations



* The numbers of online consultations by SuMi TRUST Bank (including the numbers of online consultations joined by clients' family members or other relevant attendants)
* Online consultation services were launched in July 2020

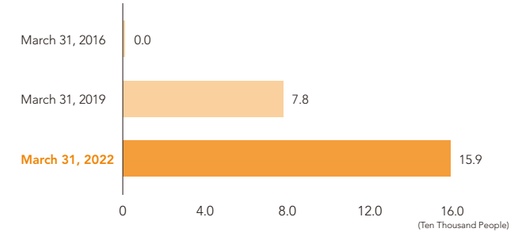
2 Initiatives Related To Asset Formation of the Working Generation

The age of 100-year life has created a growing need to secure funds for post-retirement years as early as possible according to a solid plan. Each client expresses a greater interest in financial planning than before, as people have an increasing need to manage and form assets on their own.

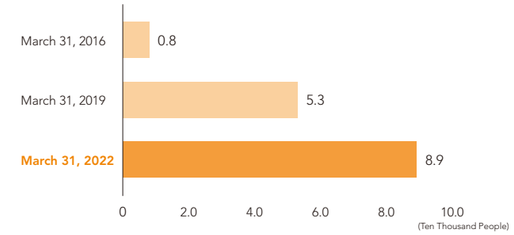
To meet the needs of the working generation for asset formation, we offer a well-developed product line that includes installment investments and level premium insurance, which requires only a small initial outlay, along with a wider range of services and simulation tools designed to assist with asset formation. We are committed to helping clients design their life plans through our consulting services that are tailored to individual needs.

We will also strive to expand the channel of consultations by setting business hours on holidays and/or after normal working hours at branches and by using the Internet, in addition to delivering information via our smartphone app and online seminars. In doing so, we aim to establish a set of services approachable from anywhere at any time for clients of the working generation.

Clients that hold an installment investment product



Clients that hold a level premium insurance product



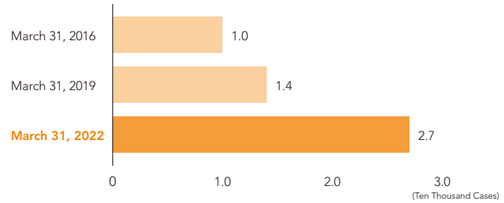
Specific Initiatives

3 Initiatives to Meet Seniors' Needs for Asset Administration and Succession

In the age of 100-year life, challenges in asset administration and succession are ever diversifying. These challenges include preparing for the risk of dementia anyone might have in the future, and smooth inheritance and succession passed to the next generation. Our staff consist mostly of experienced financial consultants with comprehensive knowledge, and they are committed to offering consulting services tailored to each client's needs.

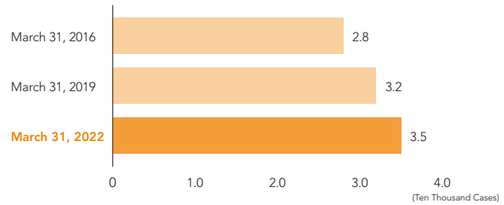
We also shall enhance and expand our product and service lines. Our offerings include will trusts (execution course) that entrust the custody and execution of a client's will to SuMi TRUST Bank; inheritance settlement services designed to reduce the workload of an inheritance process that an inheritor must follow; the 100-Year Life Solution Trust (100-Year Passport) equipped with the features for safeguarding, utilizing, and transferring funds; and the Solitary Trust that offers one-stop services to assist with end-of-life procedures, and other asset administration products.

Number of asset administration-type products* offered



* Guardianship System Support Trust, Anshin Support Trust, 100-Year Life Solution Trust, and others

Number of will trusts



4 Initiatives to Promote Wealth Management Business

The UBS Group boasts the world's leading asset management and securities services*1, and SuMi TRUST Group offers a wide range of products and services that include asset administration and succession and real estate, and other non-financial services*2. Our total wealth management services organically combine these offerings, and our experienced and dedicated staff with significant expertise deliver the one-stop services to fully support clients in leading enriching lives.

*1 In August 2021, the Group established UBS SuMi TRUST Wealth Management Co., Ltd., an affiliated company that specializes in services for the wealthy class. The launch of this company has enabled us to deliver global and highly professional asset management and securities services to our clients, leveraging the advantages that the UBS Group has to offer.

*2 The Group serves as a special sponsor of the Diners Club NIPPON CUP 2022 Hayama Series held in April and October 2022.





Initiatives for Sustainability



Asset Administration in the age of 100-year Life



Having seen greater longevity of its population than ever before, Japan has become a super-aging society ahead of other countries in the world. This has come with major social issues, such as changes in social systems that include those of pensions and social security, and how to extend healthy life expectancy. Other issues that are drawing equal amount of attention are overdue asset transfers between generations due to an increase in assets held by seniors with dementia, and social loss caused by impaired efficiency of asset management.

SuMi TRUST Bank believes that the new norm in the age of 100-year life should be seniors with dementia and their families leading their lives with a sense of security. We offer trust products designed to meet a wide range of needs for asset administration according to this belief.

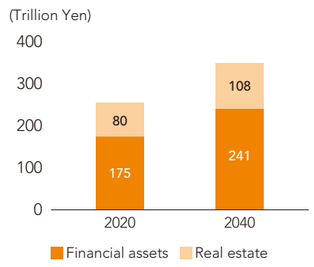
Assets held by seniors with dementia are on the rise

We estimated assets held by seniors with dementia across the country and found that these assets will dramatically increase over the next 20 years.

The features of this estimate are that we calculated not only financial assets but also real estate assets, and that the calculations covered sums and rates of increase sorted by prefecture (research by SuMi TRUST Bank (the first-ever attempt to calculate these figures in Japan)).

SuMi TRUST Bank will continue to leverage its research and communication skills to gain shared awareness of social issues in the age of 100-year life with as many clients as possible, thereby offering opportunities for each client to remain aware of the need to prepare for the future.

Assets held by seniors with dementia (estimates)



Assisting clients with asset management and preparation for years with dementia

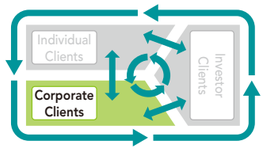
Some people relinquish asset management, driven by fear of dementia they might contract at any time in the future.

We have developed the 100-Year Life Solution Trust (100-Year Passport Plus) designed to support our clients in leading their 100-year lives with a sense of happiness while they prepare for the risk of dementia. This new product integrates the medium- to long-term stable asset management offered by the Sumitomo Mitsui Trust Fund Wrap with the asset administration by the 100-Year Life Solution Trust (100-Year Passport) equipped with the functions of "saving", "spending", and "handing over" funds.

人生100年応援信託
〈100年パスポートプラス〉

We offer the service of "delegation of payments" to clients who are concerned about the risk of dementia or any other health issues. A client designates a delegate (e.g., a family member) who will cancel the Sumitomo Mitsui Trust Fund Wrap on his/her behalf to add the funds to 100-Year Passport Plus if the concern becomes a reality, so that the delegate will make payments for the client's living expenses and other costs with the money.

Initiatives for Corporate Clients





While the business environment surrounding companies has been changing immensely and becoming complicated, corporate clients are faced with management issues that cannot be solved merely by providing products and services. The Group aims to become the "Best Partner" financial institution for clients by further bolstering our versatility and expertise as a trust bank group.

Key Measures

- Initiatives for sustainable finance to achieve a sustainable society
- Delivery of total solutions that cover non-financial areas, including support for enhanced governance and disclosure of information related to Environmental, Social, and Governance (ESG)
- Advance and achieve a virtuous circulation of funds, assets and capital by financial intermediation

Medium-Term Management Plan in review

During FY2020 and FY2021, amid the changes in business environment due to the COVID-19 pandemic, we worked to ensure the steady supply of funds through our banking operations to support clients, while implementing improvements in the quality of our credit portfolios and advancing financial intermediation.

Moreover, we have successfully enhanced our ESG solutions that include sustainable finance, advanced transactions with innovative companies, and expanded our client base by increasing the number of companies to which we provide stock transfer agency services.

SuMi TRUST Vision

To become the "Best Partner" of our clients and society, we will contribute to the sound development of capital markets by assisting clients through our stock transfer agency services, in addition to enhancing the corporate value of clients and creating a virtuous circulation of funds, assets and capital.

We plan to remain in contact with diverse economic entities and stakeholders, strengthen our business focus in connecting different economic entities, and create a "sustainable value chain" to enhance our total solutions services.

Environment Awareness

Environment awareness and issues

- Growing uncertainty and higher volatility of markets due to the pandemic, international conflicts, and greater geopolitical risks
- Initiatives to fulfill ESG criteria and achieve the SDGs that are gaining momentum worldwide
- Financial business model transformation driven by digitalization

Opportunities and strengths

- Specialists with talents to offer high value-added services to clients
- Providing versatile and highly-specialized comprehensive solutions through acquisition and analysis of non-financial information

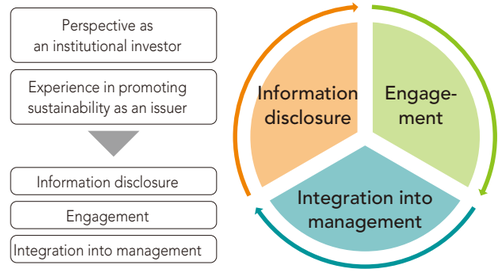
Specific Initiatives

1 Providing ESG Solutions to Clients

Taking advantage of touchpoints with diverse stakeholders through our banking operations and trust services in addition to wide variety of product lineups, our Group connects clients with stakeholders and provides solutions that lead to the enhancement of corporate value.

With initiatives to achieve the Sustainable Development Goals (SDGs) gaining momentum across the world, clients are facing challenges that are increasingly complex and sophisticated such as the promotion of sustainable management, and they are swiftly expected to respond to these challenges. We combine and leverage the Group's various services, which include banking, asset management and asset administration, and real estate, so that we may serve one-stop solutions to these issues. Through these service offerings, we aim to become the "Best Partner" that responds to diversifying needs and challenges facing clients.

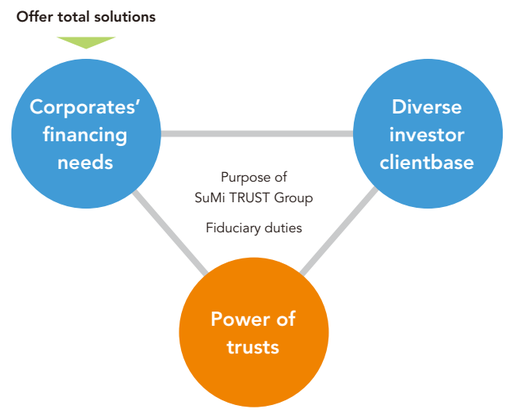
We will continue to help develop a sustainable society, where economic value and social value are created simultaneously, through the solutions we deliver to our clients.



2 Serving as a Unique Financial Intermediary

With social and industrial structures undergoing dramatic changes, enormous amount of capital is required to address various social issues, which include decarbonization and the revitalization of local economies.

Through the delivery of total solutions to corporate clients, the Group confronts clients' management and social issues and meet their financial needs to solve those issues. We will promote circulation of funds with the power of highly specialized trusts to areas needed by our clients and society by connecting the investment-related needs of diverse investors with whom we have contact through our banking and trust business. We shall also contribute to the creation of a virtuous circulation of funds, assets and capital that brings fruit to households through increased corporate value by establishing financial intermediary functions that leverage the Group's strengths.



Specific Initiatives

3 Initiatives to Support Clients Strengthen Their Governance

We seamlessly support corporate stock administration practices for general meetings of shareholders, IR/SR, governance, and executive compensation areas, utilizing the data, information and case studies gained from our 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—and the data from Governance surveys and the Executive compensation surveys. This dataset is among Japan's largest.

There is a need for continuous delivery of stable, strong, and reliable social infrastructure. There is also a need for solutions to management issues related to governance and dialogue with investors, and these issues are becoming increasingly sophisticated and complex. We are committed to support our clients to achieve their growth as the "Best Partner" through the offering of optimum and high-quality solutions to establish a solid position in the stock transfer agency services business.

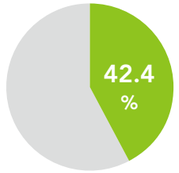
We shall also lead sound development of Japan's capital markets by capturing trends in the progress of digital technologies, supporting the digitization of general meetings of shareholders, and improving the convenience for shareholders.

Market share of the Stock Transfer Agency Services Business in the industry* (as of March 31, 2022)

Number of listed companies under management

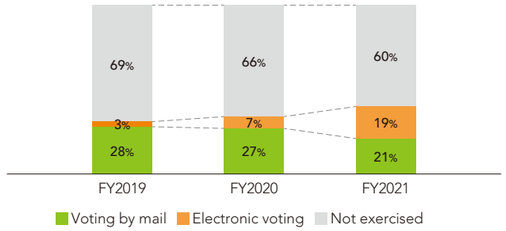
No.1 in the industry

* The total of SuMi TRUST Bank, Tokyo Securities Transfer Agent Co., Ltd., and JAPAN SECURITIES AGENTS, LTD.



Voting rights exercised/not exercised

(entities to which SuMi TRUST Bank provides stock transfer agency services)



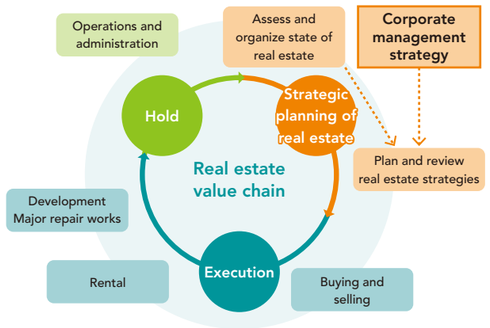
4 Enhancement of Real Estate Value for Clients

Real estate is one of corporate clients' primary assets. It has come to play an increasingly vital role in solving management issues and increasing corporate value.

The Group plans to offer a variety of services to meet the needs that arise in a real estate value chain spanning the process from the development of strategies for real estate to purchase/sale, lease, repairs, operation and management, with the goal of serving as clients' "Best Partner for real estate".

<Examples of client needs and our support>

- The COVID-19 pandemic has created needs to reconsider ways of working and locations of offices. We offer services designed to assist clients in developing their strategies and to propose new locations and broker leases thereon.
- Clients seek to meet the need for decarbonization. We offer consulting services to assist clients to be certified as businesses that work to reduce CO_2 and ensure good environmental performance of their buildings.
- Clients in Japan seek to acquire properties in overseas locations and have other global needs for real estate. We offer services that leverage our overseas networks, including our business partners.



Initiatives for Sustainability



Total solutions towards solving ESG/SDGs challenges



Our Group supports the enhancement of clients' corporate value leveraging our sustainability-related know-how and networks accumulated through the engagement with stakeholders.

Climate solutions

SuMi TRUST Bank organically combines all-embracing advisories (e.g., scenario analysis based on the Recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)) with a wide range of solutions expected of a trust bank.

Scenario analysis based on the TCFD Recommendations identifies financial and non-financial management issues that must be addressed to achieve net-zero emissions (e.g., funds for equipment, financial plans that include working capital, reviews of fund-raising plans, how to ensure greater resilience of real estate assets, how logistics systems deal with climate change). We provide a wide range of solutions to these issues, thereby contributing to enhancement of clients' corporate value and solutions to social issues.



Renewable energy finance projects

In addition to promoting the deployment of renewable energy through project finances, SuMi TRUST Bank originates and manages renewable energy funds that invest funds solely on renewable energy-type large-scale power generation businesses. Particularly in Japan, the deployment and expansion of offshore wind power generation is gaining attention. More specifically, biddings for offshore power plants in the open seas have started, in addition to the current biddings for solar and onshore wind power plants, towards the achievement of a carbon-neutral society by 2050. In total, the electricity generation capacity of projects in which SuMi TRUST Bank has been involved amounts to 17,364 MW, generating 47,255 GWh annually. Accordingly, its annual impact of reducing CO_2 emission is 20.69 million tons of CO_2. The total electricity generation capacity to which SMTB contributes per ratio is 3,582 MW, generating 7,342 GWh annually. Its annual impact of reducing CO_2 is 3.33 million tons of CO_2.

Consultation for sustainable management support

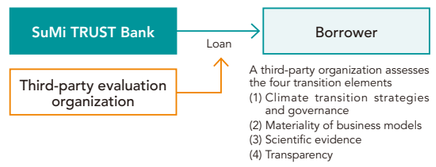
SuMi TRUST Bank combines the "perspective of investors" with whom we have engaged for many years in the asset management business and the "perspective of a practitioner of sustainable management" as an issuer company to create a cycle of "information disclosure," "engagement," and "integration into management," which are the key to sustainable management. Through this effort, we provide comprehensive consulting services to support clients in establishing their sustainable management. As of March 31, 2022, we have a record of 70 projects in which we successfully provided support for clients.



Transition finance (transition loan)

Transition loans are offered to support companies engaging in CO_2 reduction efforts according to their long-term corporate strategies to effectively address climate change-related risks towards a transition to a low-carbon society. In February 2021, SuMi TRUST Bank entered into Japan's first agreement for a transition loan to a shipping company. The fund is used to acquire next-generation environment-type LNG fuel vessels for automobiles. By March 31, 2022, five transition loan agreements have been signed.

<Financial schemes>



Consulting as part of stock transfer agency services

SuMi TRUST Bank has the largest client base, and its Governance survey and Executive compensation survey are among the most extensive in Japan. We utilize client base and results of surveys for our stock transfer agency services to support each company's independent initiatives for corporate governance, along with their efforts to increase their corporate value, such as efforts to advance the understanding of changes in the business environment and investors' opinions, thereby leading the sound development of Japan's capital markets.





Impact Business

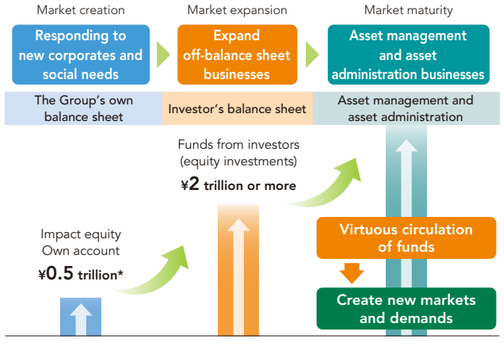


The Group defines "impact" in this context as a short- and medium- to long-term effect that a corporate's products and services or activities have on the economy, society and environment.

SuMi TRUST Bank promotes impact finance in various asset classes including equity and debts in accordance with international principles, such as the Principles for Positive Impact Finance developed by the United Nations Environment Program Finance Initiative (UNEP FI) and with the Operating Principles for Impact Management by the International Finance Corporation (IFC). We assess the impact that a company has on the economy, society, and environment, which are the three aspects of SDGs. We set the corporate clients' KPIs through our engagement with them to measure progress toward their goals and monitor these indicators over the investment/loan period. Then we provide the company with the results of monitoring as our feedback to support their value creation process, thereby contributing to their increased corporate value and to the development of a sustainable society as a financial institution.

Impact equity

SuMi TRUST Bank plans to increase equity investments in companies, funds, and projects, among others, that are meant to create a positive impact on society and environment. We aim to invest our own funds of 500 billion yen in total by FY2030, leveraging the capital created by reducing strategic shareholdings. We have already invested substantially in renewable energy-related projects, such as solar and wind power. We plan to expand our investment areas to the next-generation technologies, such as hydrogen fuel, rechargeable batteries, smart mobility, next-generation healthcare, FinTech, that are expected to create a medium- to long-term impact. We also hope that investing our own funds in these areas will act as a catalyst for equity investments by other institutional investors so-called expansion of the off-balance business. We will supply the total of more than ¥2 trillion from equity investments by FY2030, aiming to create and expand new markets.



* Accumulated amount by2030

Positive impact finance (PIF)

PIF required the conditions as follows: comprehensively analyze and assess the positive and negative impacts of corporate activities on the economy, society, and environment; set goals to alleviate negative impacts and expand positive impacts; and commit to realizing these goals. As recognition of this product concept, SuMi TRUST Bank was awarded the LCA Japan Forum Chairman's Award at the 17th LCA Japan Forum in February 2021, following a Gold Award in Loan at the 1st "ESG Finance Awards Japan" in February 2020. Starting from the first loan granted in March 2019, 26 loans were arranged by March 31, 2022.

PIF × SuMi TRUST

Technology-based Finance Team

We have established the Technology-based Finance (TBF) Team in the Sustainability Management Department of SuMi TRUST Bank in order to assist society with the practical implementation of innovative technologies, which are needed to address issues that the SDGs and the Paris Agreement aim to resolve, in the way that incorporates a financial perspective. To achieve a carbon-neutral society that works in harmony with the environment, we teamed up researchers and experts who are doctors of science or engineering in the fields of hydrogen fuel, rechargeable batteries, and inorganic chemistry, among others, so that their knowledge and views are incorporated into the process of impact evaluation as innovative technologies are implemented in society. This will accelerate initiatives that advance positive impacts and inhibit negative impacts, contributing to solutions to social issues.



Initiatives for Real Estate related to ESG





The amount of CO_2 emissions from the construction and management of buildings is said to account for approximately 40% of all CO_2 emissions in Japan, including indirect emissions. In addition, given that humans spend a lot of time indoors, indoor environments naturally 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. Therefore, the Group aims to further promote energy-efficient and resource-efficient cities and buildings, as well as the wide adoption of environmentally friendly properties that contribute to improving production efficiency. In particular, as the number one company regarding the entrusted balance of securitized real estate in the industry, we will further advance initiatives that contribute to enhancing property value mainly through high levels of environmental performance, which boosts revenue and reduces risks.

Support menu to improve and visualize the environmental performance of real estate

CASBEE certification support consulting

Under the guidance of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), 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 related economic impact surveys. We also focus on developing Japan's environmentally friendly property market in line with CASBEE by proactively evaluating each property and town.



Suita Sustainable Smart Town (Osaka Prefecture)

Construction-phase support for environmental considerations

SuMi TRUST Bank's construction consulting services provide advice on factoring in environmental considerations in line with client requests, such as installing energy-saving systems in buildings, taking into account landscapes and ecosystems, extending building lifespans, and adopting recycling systems.

These days, we have more clients than before who seek to have their properties certified for good environmental performance or as zero-energy buildings (ZEB), and/or to be selected for the "Leading Projects" Program for Sustainable Buildings led by the MLIT.

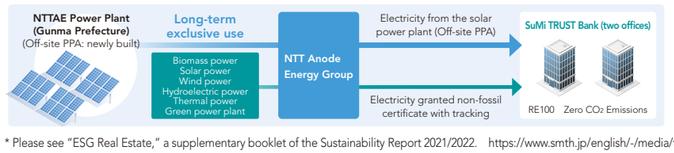


Hiroshima Orizuru Tower (Hiroshima Prefecture)

Support menu to advance the use of renewable energy and achieve carbon neutrality

With more and more businesses working toward the goal of achieving carbon neutrality by 2050, SuMi TRUST Bank offers "consulting for saving energy," a service to develop measures to reduce GHG emissions from buildings, through its real estate management business designed to support clients' business activities.

Moreover, leveraging our know-how to adopt renewable energy at our office buildings, we offer "support for the introduction of renewable energy." To deliver this support, we gain an accurate picture of each client's net zero carbon strategies and select a procurement process that balances environmental concerns and economic efficiency.

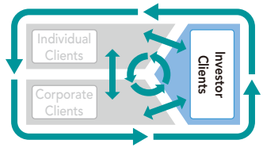




* Please see "ESG Real Estate," a supplementary booklet of the Sustainability Report 2021/2022. https://www.smth.jp/english/-/media/th/english/sustainability/report/2021/esg-real-estate.pdf

Investor Clients

Initiatives for Investor Clients





Our goal is to create and embody new businesses that will lead to solutions for social issues such as decarbonization, revitalization of regional economies or the age of 100-year life, and thereby offer better investment opportunities for investors. So that we would aim to create a virtuous circulation of funds, assets and capital with both economic and social value.

Key Measures

- Offer problem-solving support to investor clients through the development and provision of diverse asset management opportunities and products
- Improve asset administration services and fortify data services to better handle increasingly complex management of investment products
- Provide comprehensive services that include consulting and risk management that can meet expanding investment needs

Medium-Term Management Plan in review

We have been striving to improve our ability to develop private asset products as we provide a wide range of investment products that leverage the strengths of the various companies in the Group. In addition, we are improving quality and adding value to our asset administration services in order to meet BPO needs for the increasingly complex management of investment products. We are also responding to expanding needs by offering our consulting abilities honed through pension fund management business for a broad range of investor clients, and by enhancing our comprehensive financial services that include risk management support.

SuMi TRUST Vision

We aim to be an investor client-oriented financial intermediary by offering investment product strategies that create a virtuous circulation of funds and total solutions to solve management issues.

We are also focused on making products smaller and more versatile, improving asset administration services and fortifying data services through the use of IT and other digital technologies, and developing ESG investing and other investment products that help resolve social issues. We take the perspective of our investor clients to provide integrated services that cover everything including asset management, the middle office, client reporting, and channel strategies.

Environment Awareness

Environment awareness and issues

- Demand for major funding to solve new social issues (e.g. decarbonization, prosperous 100-year life, revitalization of regional economies, etc.)
- Inflation and market uncertainty due to rising resource prices stemming from the conflict between Russia and Ukraine

Opportunities and strengths

- Creating a virtuous circulation of funds through financial intermediation that solves social issues starting with investor clients
- Expanding needs for new investment opportunities that can handle structural changes in markets
- Providing a variety of high-quality reports to investor clients and responding to business processes outsourcing needs

Specific Initiatives

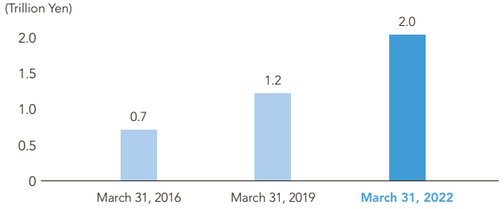
1 Asset Management Business

(1) Sumitomo Mitsui Trust Asset Management

Sumitomo Mitsui Trust Asset Management (SMTAM) manages one of the largest AUMs in Asia and has cultivated a presence among domestic institutional investors. Adding that, SMTAM is aiming to achieve greater growth in the expanding domestic retail market.

In addition to providing clients with the most appropriate asset management solutions, SMTAM will expand the investment products it offers and enhance its support system on the DC market by leveraging its solid client base, and contribute to finding solutions to social issues through ESG engagement initiatives for investees.

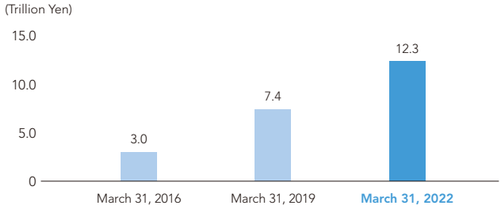
DC investment trusts



(2) Nikko Asset Management

Nikko Asset Management (NAM) provides clients with innovative products and services that harness its various strengths, from a network of corporate hubs (including joint ventures) spanning 11 countries, to the support for sales companies and the unique product development that actively utilizes this network. In addition, NAM aims to strengthen overseas distribution and expand investment areas – including non-liquid assets – in order to achieve sustainable growth. Moreover, NAM aims to lead the ETF business in the Asia-centered global market.

Balance of domestic ETFs

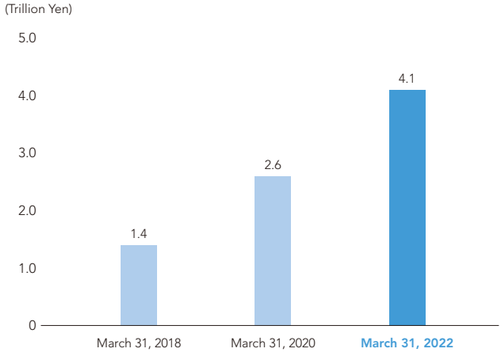


2 Responding to the Financial Demand for a Decarbonized Society

The world is witnessing an increased need for the decarbonization of society and other social initiatives, and there is predicted to be an enormous demand for funding of such efforts. Meanwhile, with Japan's low interest rates circumstance and increasing volatility in the stock market, there is also increased interest in private assets such as unlisted stocks or real assets including real estate.

We offer financial intermediation that can resolve an array of social issues by harnessing the consulting capabilities and extensive investment and lending knowledge we have as a trust bank group, and by consolidating our know-how and expertise of asset management and asset administration through organizational restructuring. In doing so, we aim to provide investment information and other support to our investor clients and offer them the opportunity to invest in a variety of private assets through an expanded product lineup. Simultaneously, we aim to solve social issues by creating a virtuous circulation of funds, assets and capital.

Private Assets* AUM



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

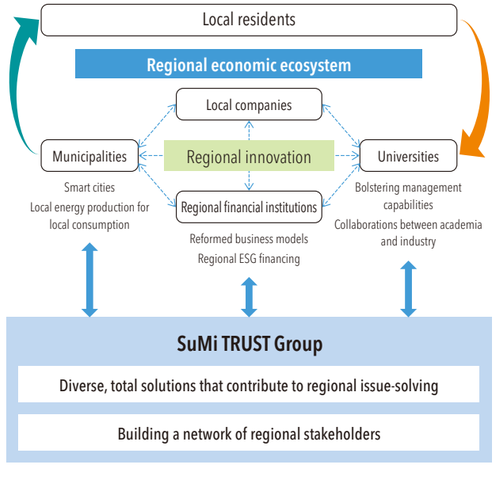
Specific Initiatives

3 Revitalization of Regional Economies

Each region faces its own unique issues, from declining birthrates and aging population to ESG/SDGs response, so it is necessary to build innovative regional economic ecosystems tailored to the characteristics of each region.

Thus far, we have promoted cooperative activities with local businesses, universities, governments, regional financial institutions and more. We were able to cultivate a relationship of confidence through such works, and we will utilize that as the foundation for helping to revitalize regional economies through collaborations that build regional economic ecosystems and create a circulation of industrial, academic, governmental, and financial institutions.

We are also involved in a variety of other efforts, including increased networking with regional financial institutions by spreading the idea of regional ESG financing, participating in the development of smart cities and super cities, and cooperating with local governments in areas where the energy produced there are consumed locally. We will continue to further strengthen regional information distribution and development at the same time as we offer more advanced solutions.



4 Asset Formation Support in the Age of 100-year Life

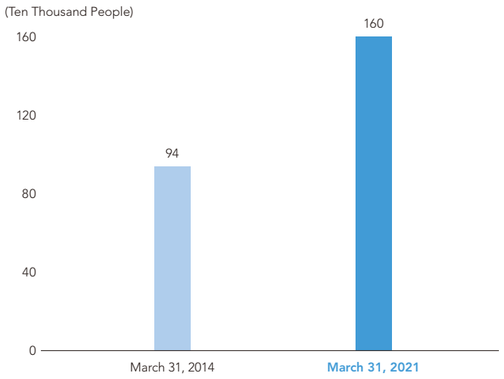
We are developing corporate pension plans and general benefit and welfare services to help improve the well-being of our clients.

Recent years have seen an increased interest in corporate "human capital" management with the trends in emphasis on ESG and revisions to the Corporate Governance Code in Japan. Combined with legal changes that have expanded the scope of usage for individual DC (iDeCo), we may say that 2022 is the year in which each and every citizen should be thinking about asset formation in the age of 100-year life.

We will actively provide new life plan consulting services and a wide range of financial products and services to our corporate clients' employees (human capital) who support sustainable growth of their corporate values, based in system consulting in the fields of corporate pensions (DB/DC), where our business foundation stands at the top of the industry.

Through these efforts, we will demonstrate the strengths inherent to a trust bank group capable of providing one-stop benefit and welfare support, become partners in supporting the well-being of both companies and employees, and thereby contribute to clients leading more prosperous lives.

Change in number of DC subscribers





Initiatives in Social Issue-solving Businesses



Sumitomo Mitsui Trust Asset Management's Top-down Engagement Efforts

Sumitomo Mitsui Trust Asset Management (SMTAM) established an ESG investment policy and specified ESG materiality standards at the Executive Committee in 2019. Based on those standards, discussions in 2020 within the Stewardship Committee resulted in the designation of 12 focused ESG engagement themes selected after consultations with and based on reports by the Stewardship Activities Advisory Committee. In such ways, SMTAM has been promoting top-down engagement.

Selecting Target Companies for Top-down Engagement through ESG Themes and Setting Goals/Targets

Corporate ESG Issues → Targets (interim) → Goals (long-term)

Settings tailored to company ESG management level

Back-casting

After selecting 100 companies by a top-down approach for each ESG theme from investee companies, we promoted our engagement activities by setting long-term goals for each ESG theme and using back-casting approach to set interim targets. SMTAM is setting effective goals and targets and conducting engagement based on its sophisticated understanding and knowledge of corporate and industry trends it has accumulated thus far, and on its knowledge of global trends in ESG obtained through initiatives in which three bases in Japan, the US, and Europe are actively participating.

Stage Management and Monitoring

The engagement progress is managed in four stages within each ESG theme, and monitoring is conducted from the point measures are implemented until issues are resolved.

Stage management	(1) Identify issues	Major ESG issues at investee companies are identified and set Targets (interim) are set by back-casting from theme goals
	(2) Present issues	Issues are presented during meetings with companies and an ongoing dialogue is established to enable the sharing of issues
	(3) Share issues (company representative)	Progress to the next stage is achieved through sharing issues with the company representative and starting a dialogue with management aimed at implementing measures and resolving issues.
	(4) Share issues (management)	Issues are shared with management, discussions on best practices are begun, and they are encouraged to begin an internal review on how to implement measures and resolve issues.
Monitoring	(5) Implement measures	Confirm how corporate policy is manifested (through corporate actions), and monitor progress.
	(6) Resolve issues	Confirm a completion of the targets and share the information. In case a progress of resolving issues is not sufficient, a reflection in exercise of voting rights would be considered.

Improving Corporate Sustainability and Corporate Value

Nikko Asset Management ESG Investments

As an asset management company, Nikko Asset Management (NAM) has set its fiduciary and ESG principles as guidelines of the utmost importance. In order to clarify the commitment of the Group as a whole, the company formulated "a Code of Conduct for Fiduciary and ESG Principles" in 2016 and established the ESG Global Steering Committee.

The ESG Global Steering Committee supervises the execution of ESG commitments, and it is chaired by the Chief Investment Officer, who is a member of the Global Executive Committee (GEC). The ESG Global Steering Committee reports to the GEC, and reports to the Board of Directors at least once each quarter.



The ESG Global Steering Committee is comprised of both domestic and international investment team leaders, and each leader is required to incorporate ESG issues into their own investment processes. The committee is then required to evaluate the effectiveness of incorporating the ESG issues, and to strengthen further efforts. In addition, NAM is working hard to implement all six of the PRI principles recommended by the United Nations.

In Japan, the two governance systems of stewardship and the exercise of voting rights serve to complement the ESG framework through the Stewardship and Voting Committee (SVC) and the Stewardship and Voting Policy Oversight Committee.

The SVC is working on the development of the guidelines needed to formulate stewardship policies, review guidelines for the exercise of voting rights, and to implement other stewardship activities.

Sumitomo Mitsui Trust Asset Management

SUMITOMO MITSUI TRUST ASSET MANAGEMENT



Our mission is to support clients achieve their future goals and visions through asset management

Yoshio Hishida

Representative Director and President
Sumitomo Mitsui Trust Asset Management Co., Ltd.

All over the world, there are efforts to reassess the meaning and mission of the company and work. Discussions of "achieving a carbon-neutral society by 2050" are not unrelated to this. More than ever, I feel that the first step in this process, which is to reconsider the relationship among oneself, company, and society, is beginning to turn into a major movement.

As a responsible institutional investor, the mission of Sumitomo Mitsui Trust Asset Management Co., Ltd. is to support clients achieve their future goals and visions through asset management.

Through this mission, stewardship activities such as contributing to enhancing corporate value through dialogue with investee companies and promoting activities in the ESG area are extremely important, and going forward, we shall diligently continue our efforts to improve in this domain.

Sumitomo Mitsui Trust Asset Management has been a signatory to the UN Principles for Responsible Investment (PRI) since its inception in 2006, and has many years of experience dealing with companies and society in these areas. In addition to our Japan equity impact investment fund, which began its investments in October 2019, we have also launched a foreign equity impact investment fund, which is ready to be offered to our clients.

We also actively participate in overseas engagement activities from an early stage and have served as the lead manager in a PRI working group. As of March 31, 2022, we are a member of 16 international ESG advocacy organizations and are active on a global level. While working with overseas asset owners and management companies, in addition to expressing our opinion as a Japanese asset management company, we also incorporate the knowledge gained through our advanced overseas ESG activities into our engagement activities with Japanese companies.

We are also working daily to develop new investment methods and improve the quality of our investment products, with a focus on data science initiatives that utilize technologies such as machine learning and rely on alternative data disparate from traditional financial information, and are committed to providing high-quality investment opportunities and investment products to support clients achieve their future goals and visions.

At Sumitomo Mitsui Trust Asset Management, we aspire to pioneer the possibilities of the future and foster a truly prosperous society. In order to make this a reality, we will continue to provide solutions from a long-term perspective as a member of a trust bank group. At the same time, as an independent asset management company that is indispensable to our clients, we shall do our utmost to grow the value of the assets entrusted to us over the long term.

Nikko Asset Management

nikko am
Nikko Asset Management



Our commitment is to help our investors meet their long-term investment goals in a sustainable way

Stefanie Drews

President
Nikko Asset Management Co., Ltd.

Nikko Asset Management is a global asset manager, headquartered in Japan and with a strong domestic business foundation. This is complemented with a rapidly expanding international presence, with operations in a total of 11 countries, forming a fully aligned and integrated matrix creating powerful synergy between our Japan and international offices.

In Japan, we have a well-established and intermediated retail business, and a growing institutional business. On the international side, our business goes beyond investment capability for Japanese clients, and includes our broad suite of innovative investment solutions across Japan, Asian and Global equity, Asian and Global Fixed Income, and Global Multi-Asset that are tailored to the needs of clients in each region. Thanks to this flexible approach, our institutional, intermediary and ETF businesses are also growing outside Japan. Our combined global growth strategy is built on expanding in Japan, while expanding our overseas business by adding to our distribution network and continuously developing innovative investment solutions.

We are committed to putting our clients first, with fiduciary and ESG (Environment, Social and Governance) principles at the heart of everything we do. We integrate ESG into the investment decision making process, underscored by constant efforts to earn exceptional returns. Sustainability is another key to our continued success, and we foster a corporate culture that supports this in all we do.

We also place an emphasis on Digital Transformation (DX) and will redouble these efforts to better support our clients and business partners to meet the needs of a rapidly changing investment landscape.

Finally, Nikko AM has an open-door culture that encourages diversity of thought and open discussion. This is what drives our innovation and growth, and we are committed to reinforcing this culture.

All of us at Nikko AM look forward to continuing to fulfil our fiduciary duty and strive to deliver sustainable returns while benefiting the greater society.



Initiatives for Digital

Digital Strategy

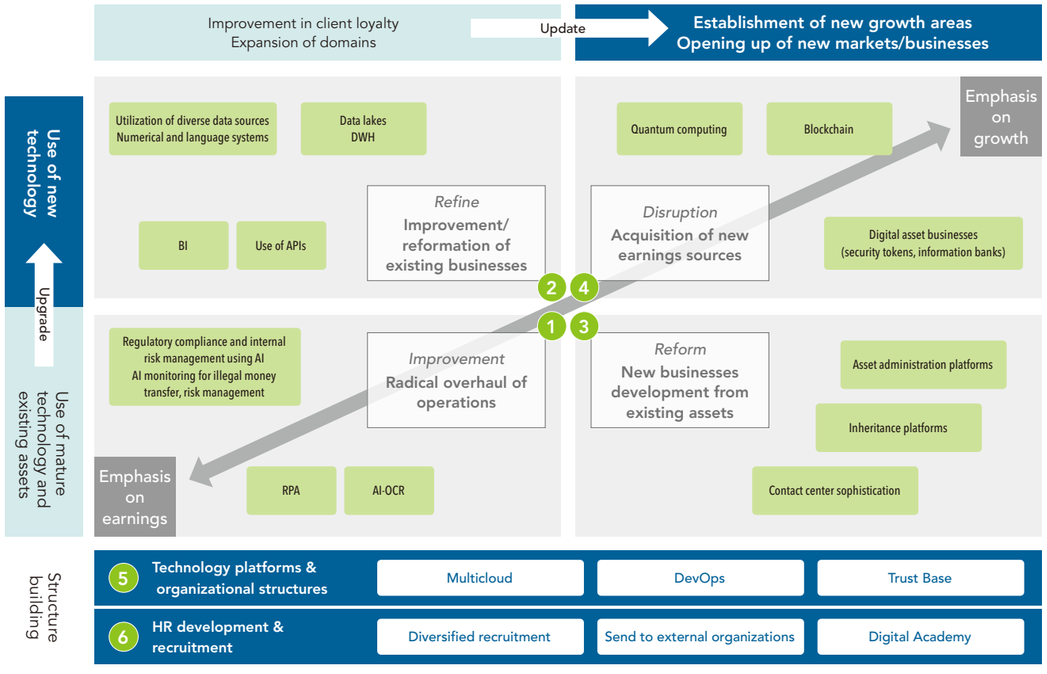
In our Medium-Term Management Plan commenced in FY2020, we have identified six strategic areas in which we will advance our digital strategy.

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

In order to drive forward each project within these four areas in a speedy and flexible manner, we will also need to continue reinforcing our systems. For this reason, we have positioned ❺ technology platforms and organizational structures, and ❻ HR development and recruitment, as key strategic areas to be addressed over the medium to long term.

Trust Base Co., Ltd. (hereinafter, "Trust Base") is a digital strategic company established as a subsidiary in April 2021. Trust Base single-handedly is in charge of the DX strategy across Group companies and SuMi TRUST Bank businesses, and accelerates the process of digitization.

Six strategic areas



Trust Base has built a system development environment that is independent from that of SuMi TRUST Bank and has simplified its operational rules, thereby achieving enhanced mobility in business operations in the constantly changing digital world and acting as an engine for transformation, in addition to promoting the Group's DX strategy.

Trust Base

Brand Concept

共創と革新

Digital Asset Initiatives

More and more attention is being paid to security tokens and other types of digital assets born out of the development of distributed ledger technologies. Digital assets are expected to allow for the development of various products and services, including asset securitization and offering smaller units that have been difficult to realize using existing methods. In order to better respond to the diversifying needs of investors, the Group is working on specific initiatives to provide more convenient products by melding digital technologies with the strengths it has as a trust bank group. Examples of such initiatives include collaborating with other companies to build a test platform for the issuing of security tokens and building a framework for transferring rights using the blockchain.

Data Utilization Initiatives

The Group offers a large number of products and services in a wide range of business fields including banking, real estate, pensions, and stock transfer agency services, and has accumulated a vast array of data from those transactions. The Group considers data utilization as a part of its management infrastructure, and we are focused on developing total solutions to maximize client satisfaction by gaining a more accurate and precise understanding of the diverse needs of individual and corporate clients. For example, we are using AI to analyze transaction data for investment trusts, deposits, insurance and other transactions to create models that predict the optimal products and services for individual clients. For our corporate clients, we harness AI to analyze records of their interactions with our employees and create sales opportunities using text-based data. In ways such as these, we strive to offer more advanced consulting and other services.

Initiatives to Develop Digital Human Resources

Business models have changed with the rapid development of digital technologies in recent years, and we recognize that IT and other digital skills are essential to our operations, so we are promoting re-skilling efforts across the Group. Our KPIs include having half of our employees continually undergoing fundamental digital training, to increase the activity ratio on the online education platform Udemy to 50%, and to increase the number of AWS certification holders to 500 people by 2025. Specific initiatives include providing Udemy accounts to all applicants employees, and expanding group training programs through collaborations with external partners such as Google and AWS.



A workshop in session

TOPICS Obtaining DX Certification

We strive to establish a governance system in parallel with our accelerated promotion of digitalization. As a part of that effort, in May 2022, the Group was selected as a DX-Certified Operator under the national DX certification initiative. In this initiative, the Information-technology Promotion Agency (IPA) certifies companies that implement high-quality DX initiatives based in the Digital Governance Code formulated by the Ministry of Economy, Trade and Industry.

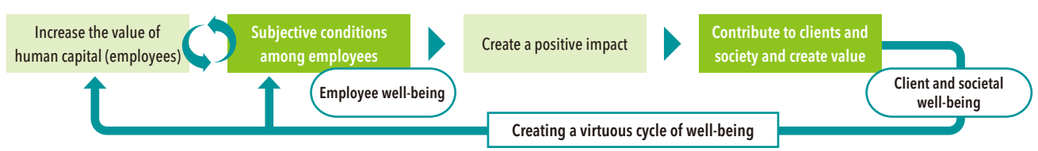


Human Resources Strategy

Human Capital

Human Resources Strategy and Enhancing Well-being

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

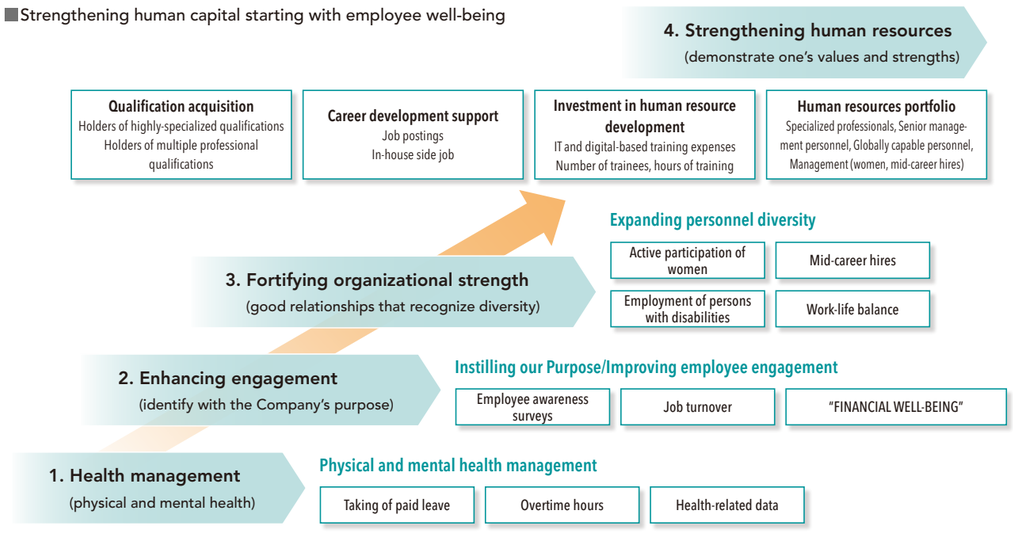


Value creation starts with employee well-being, and the Group has defined well-being as the condition in which employees: 1. are of healthy mind and body; 2. identify with the Company's purpose; 3. build good relationships that recognize diversity; and 4. demonstrate their own values and strengths in their pursuit of work they can enjoy. We will increase the value of our human capital by pursuing better employee well-being.

Employee well-being

1. Be of healthy mind and body; 2. identify with the Company's purpose; 3. build good relationships that recognize diversity; and 4. demonstrate one's own values and strengths in the pursuit of work one can enjoy.

■Strengthening human capital starting with employee well-being



1 Health Management (physical and mental health)

The Group aims to improve its human capital by ensuring employees remain healthy, happy, and capable of continuously demonstrating their abilities.

(1) Optimizing work styles

The Group has established the Work Style Reform Headquarters, led by the President, and formulated the Declaration on Work Style Reform.

We are actively engaged in building a comfortable working environment to enable diverse work styles and a good work-life balance. The average monthly overtime (i.e., the time that exceeds legal working time) for employees at SuMi TRUST Bank is 21.9 hours, and no employees worked more than 60 hours of overtime (in FY2021). We encourage employees to take one day of leave a month, and in the last three years, the rate of employees taking paid holiday and number of days taken has increased. We are also promoting staggered working hours, and working from home and at satellite offices, in order to make work styles more flexible.

To further optimize working styles, we will expand the break between work shifts from 9 hours to 11 hours during FY2022.

Declaration on Work Style Reform

SuMi TRUST Group hereby declares it a top management 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.

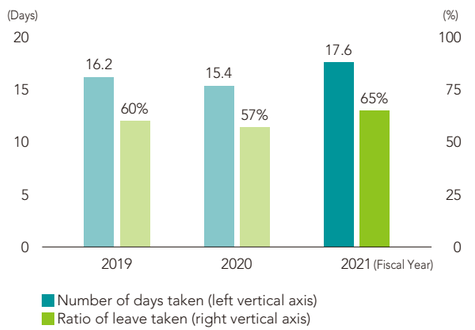
1. **Achieving diverse work styles and work-life balance**
2. **Supporting health improvement through measures such as boosting health awareness and appropriately managing work hours**
3. **Providing opportunities for all employees to grow while participating actively with motivation**

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.

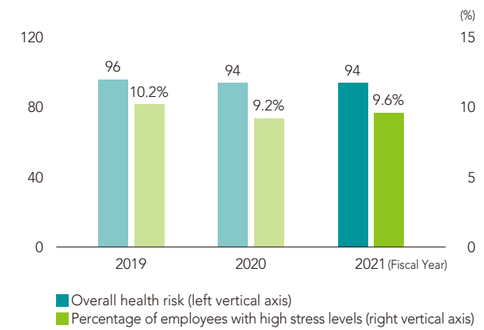
(2) Health management

The Group has been recognized for the fifth year running for its initiatives to promote physical and mental health among all of its employees with the White 500 designation for organizations promoting outstanding health and productivity management. To promote physical health, SuMi TRUST Bank conducts annual health checkups, prohibits smoking in all buildings, has lowered the minimum age for breast and cervical cancer screening, and more. Individual guidance is provided to ensure that all employees who, based on their health checkup results, require treatment at medical facilities get the treatment they need, and recent re-examination rates are from 60% to 70%. We work to help maintain mental health among employees by understanding their condition through measuring stress levels, presenteeism, and absenteeism, and by holding seminars dealing with mindfulness, mental health, and other topics. The Bank will continue to put more effort into guiding employee health and promoting health management suited to the era of 100-year life.

■Paid leave taken (SuMi TRUST Bank)



■Stress checks (SuMi TRUST Bank)



* Comprehensive health risk: Standard population = 100, lower scores denote more favorable levels.

2 Enhancing Engagement (Identifying with the Company's Purpose)

The Group is enhancing engagement to help employees identify with the Company's Purpose and to actively address management issues and our societal mission.

(1) Instilling our Purpose

The Group has a Purpose: creating new value with the power of trusts and let a prosperous future for our clients and society bloom. SuMi TRUST Bank has held an event called the President's Caravan 26 times (with approximately 12,000 participants), to further instill our Purpose by having the President himself communicate his thoughts on the topic to employees. The Bank also has provided online lectures by the President to all section managers and team leaders that aim to increase understanding of the Purpose and our management strategy and achieve two-way communication that emphasizes dialogue.

(2) A culture that fosters motivation and job satisfaction

The Group is working to build a culture that encourages all employees to learn and challenge themselves, and encourages two-way communication, in order to provide them with fulfillment and opportunities for active growth. At SuMi TRUST Bank, branch managers lead seminars during which they communicate their own experiences and the things they have learned, and the Bank has also introduced one-on-one coaching to improve communication skills among management, all as a part of our quest to build an open workplace environment where employees feel emotionally protected. In addition, the Bank has introduced employee awareness and pulse surveys to help management get a better understanding of employee opinions. The awareness survey measures satisfaction and vitality levels, which serve as a guideline by which to measure employee engagement, and the Bank has maintained a benchmark of 60 points in each. The Bank has also maintained high scores on questions that measure the degree to which employees identify with our Purpose. Through initiatives such as there, the number of indefinite-term employees who left their jobs for personal reasons in FY2021 remained at 458 individuals.

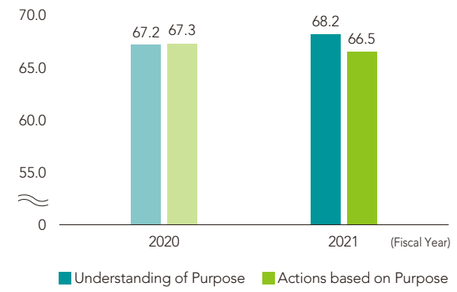
Moreover, the Bank is currently considering the introduction of stock compensation (in the form of an RS trust*) in order to help employees align their vectors with the Company and pursue medium to long-term growth together.

* RS trust: A system that combines the advantages of share delivery trusts and restricted stocks.

■Employee awareness survey (of satisfaction/vitality levels)
(SuMi TRUST Bank)



■Employee awareness survey (of identification with our Purpose)
(SuMi TRUST Bank)



(3) Promoting well-being

In April 2021, the Group established officers in charge of well-being. As a part the "Well-being Initiative" hosted by Nikkei Inc., we have been participating in collaborative sessions between industry, government, and academic bodies, and we have been strengthening internal and external well-being promotion activities.

Officers in charge of well-being communicate personally to employees about the meaning and significance of the term "well-being" with the aim of instilling a culture conducive to it. More than 10,000 employees participated in 34 such "online caravan" events held in FY2021.

Providing Employees with "FINANCIAL WELL-BEING"

The Group is striving to contribute to "FINANCIAL WELL-BEING"*, one of the ways in which we are working to build the prosperous future that is the goal of our Purpose, and aim to become best partner in the era of 100-year life. As we move towards achieving our Purpose, we consider "FINANCIAL WELL-BEING" to be a part of the value we are creating for the overall well-being of our clients and society as a whole, and we offer every individual client options tailored to their continued happiness over 100 years of life.

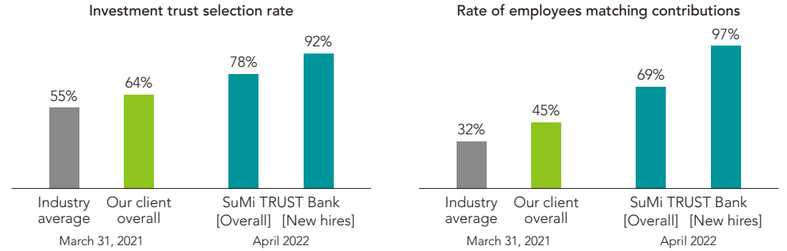
* "FINANCIAL WELL-BEING" refers to when an individual has prepared the money and assets they may need for contingencies and for the future, allowing them to have peace of mind.

SuMi TRUST Bank is strengthening its asset-formation support for employees, who are creators of value, to help them gain their own"FINANCIAL WELL-BEING". The Bank aims to achieve this by building it as a mechanism for both employees and the Company to pursue medium- to long-term growth by reviewing the possibility of introducing a stock compensation system for all employees, and expanding defined contribution pension trusts, stock ownership plans, variety of insurance, and other company welfare plans. Moreover, the Bank aims to return to our employees the high-quality investment education know-how gained through its pension business and for workplace businesses.

Regarding defined contribution pension trusts, more than 70% of employees selected the investment trust option, and approximately 70% also match those contributions using matching contributions. New employees who joined the Group in 2022 were offered the opportunity to take part in educational programs that harnessed the know-how of the Sumitomo Mitsui Trust Financial Education Institute, the Pension Division, and Sumitomo Mitsui Trust Life Partners (a Group company), which resulted in more than 90% of them choosing to take part in the investment trust and matching contributions.

During FY2022, the Bank will promote better financial literacy and autonomous asset formation by providing all employees training focused on "FINANCIAL WELL-BEING" and other educational programs that will stand as the best financial education in the country.

■Utilization of defined contribution pension trusts (corporate)



3 Strengthening the Organization (through good relationships that recognize diversity)

The Group upholds the concept of diversity and inclusion by utilizing the diversity and creativity of each individual in management as its management principles ("Mission"), and our aim is to increase our human capital by making full use of that diversity and creativity as added value for the organization.

(1) Initiatives for active participation and advancement of women

The Group has signed on to the Keidanren "Here We Go Year 2030 30%" project, under which companies aim to have 30% or more of their female executives by the year 2030, and we have established a KPI that will increase the ratio of women in management positions (section managers, team leaders, and above) to 20% or more by the end of March 2025 (currently at 15% as of March 2022).

As a part of its general business owner action plan to promote the active participation and advancement of women, SuMi TRUST Bank set a goal of increasing the number of women in management positions (section managers, team leaders, and above) to 300 by the end of March 2020, and the Bank was able to achieve that ahead of schedule in 2019. The Bank has formulated a new plan which aims 20% or more of women in management positions (section managers, team leaders, and above) (and 30% by 2030), and 30% or more of women in management

roles (and 34% by 2030) by the end of October 2024. The Bank has implemented training for all employees, and rank-based training for female leaders, and offered support for independent career development. In FY2021, the Bank introduced the Support Executive Program through which executives support female management, and all Managing Executive Officers were involved in providing career development support to 40 women in management roles over the course of roughly one year.

(2) Promoting active participation by diverse human resources

• Empowering mid-career hires

In order to establish new growth fields while maintaining the broad business fields unique to a trust bank group, it is essential to employ individuals with a diverse range of experience and skills. SuMi TRUST Bank hires mid-career employees from a wide array of backgrounds, and they account for approximately 20% of all employees, including at the management level. In recent years, the Bank has been working to have a positive impact that will lead to a more sustainable society through such efforts as launching a Technology-based Finance team which works to find new areas of growth staffed by individuals who hold master's degrees and PhDs in science and engineering.

■Number of mid-career hires (SuMi TRUST Bank)

	FY2019	FY2020	FY2021	FY2022 (Planned)
Number of mid-career hires	116	118	139	200

■Percentage of mid-career hires (SuMi TRUST Bank)



• Promoting the active participation by disabled persons

The Group aims to build a working environment where all employees, regardless of their disability, can work with motivation as members of the workplace. At SuMi TRUST Bank, employees with disabilities work at 103 departments (as of end of March 2022) where they have contact with clients or perform back-office tasks. In addition to supporting employees with physical disabilities, starting in FY2022, the Bank has begun promoting projects aimed at expanding hiring of individuals with intellectual and developmental disabilities. (The plan is promoted by employees who participate voluntarily through the internal job posting system.)

■Employment of individuals with disabilities (SuMi TRUST Bank)

	March 31, 2020	March 31, 2021	March 31, 2022
Employment ratio of disabled persons	2.29%	2.32%	2.23%
Number of departments with disabled persons	108	111	103

• Empowerment of employees of other nationalities

SuMi TRUST Bank employees approximately 80 individuals with other nationalities in Japan, and more than 700 at overseas offices, with approximately 70% of management positions at overseas offices filled by local staff. For employees working at overseas branches and subsidiaries, the Bank conducts training aimed at giving a better understanding of the Group and its operations, and at strengthening networks between employees in different countries. The Bank also engages in personnel exchanges between overseas offices through long-term business trips.

• Initiatives on supporting work-life balance

In April 2021, SuMi TRUST Bank extended its retirement age from 60 to 65 years as part of the effort to create a working environment that allows employees to work actively in line with the increase in average life and healthy life expectancy. In addition, the Bank is also working to enhance various systems and foster a culture of work-life balance so that people can find the working style best suited to them, and can continue to develop their careers even when experiencing major life events. In FY2022, the Bank established a new leave program for parents with newborns that allows male employees to take long-term childcare leave before and after a baby is born, encouraging employees to take a month's leave. The Bank will continue to provide employees with more options than simply "career or family," and will support their independent career development.

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

Fiscal Year	Issue	Measure
2016	Relocation due to spouse job transfer	Established new system for workplace reassignments
2017	Accompanying spouse on overseas transfer	Established new system for employees to take leave to accompany spouses on overseas transfers
2019	Balancing between cancer treatments and work	Established cancer treatment leave
2021	Balancing between fertility treatments and work	Established the Fertility Counselling Office
2022	Promoting childcare leave for male employees	Established new childcare leave

■Current state of work-life balance support (SuMi TRUST Bank)

	FY2019	FY2020	FY2021
Number of employees taking childcare leave	356	393	449
Number of male employees taking childcare leave	164	168	213
Percentage of male employees taking childcare leave	103%	105%	113%
Number of employees taking nursing care leave	177	180	244
Number of employees taking cancer treatment leave	35	31	50
Number of employees with workplace reassignments	150	201	255
Number of employees taking leave to accompany spouses on overseas transfers	18	14	21

* Calculated for fiscal year to date. Workplace reassignments are cumulative and calculated from the time the system was implemented.

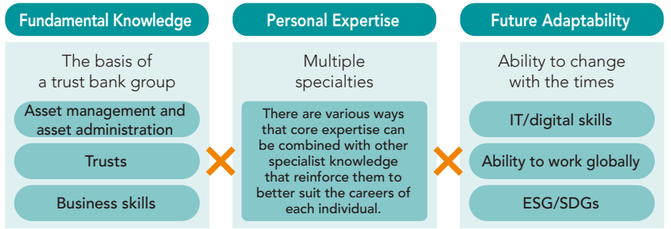
4 Bolstering Human Resources (demonstrating one's own values and strengths)

The Group established the Human Resources Development Policy in April 2018 with the aim of becoming the No. 1 financial group for human resource development. Based on that policy, we aim to enhance our human capital by focusing on cultivating "independent, career-oriented personnel," employees who think about where they want to be in the future and act on their own to make it happen.

(1) Independent, career-oriented personnel

In its human resource development efforts, the Group defines independent, career-oriented personnel as, "personnel with the fundamental knowledge of trusts who combine multiple specialties, think about where to focus and about what expertise to merge together as they build their own careers."

Today's social systems are becoming increasingly interdependent and complex, with various issues and risk elaborately intertwined, making multi-faceted responses necessary. We will create personnel capable of adapting to the future by harnessing the comprehensive abilities that arise from fusing together expertise gained over a career with the fundamental skills each person holds.



■The Human Resources Development Policy



SuMi TRUST Group Human Resources Development Policy

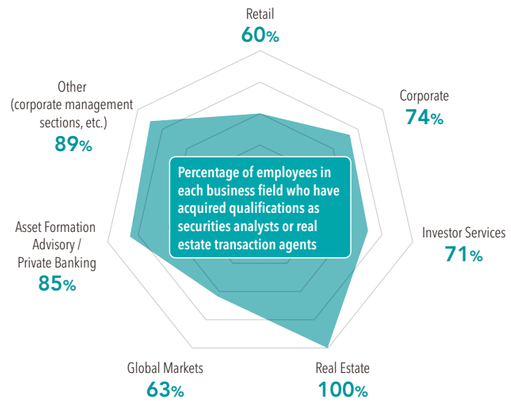
SuMi TRUST Group will maintain its workplace environment and bolster its human resources based on a career development spirit consisting of "TRUST," for the growth and career development of the employees who will create our future.

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," 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.

• The basis of a trust bank group

Many SuMi TRUST Bank employees have qualifications as real estate transaction agents, securities analysts, and other such professions that are deeply tied to the trust business. By assigning such employees to each business area in a balanced way, and by allowing them to gain more expertise through their work, the Bank aims to demonstrate the expertise and comprehensive capabilities unique to a trust bank. In addition, the Bank has other highly-specialized employees with qualifications as pension actuaries, actuaries, real estate appraisers, in-house lawyers, and certified public accountants, all of whom contribute to increasing the number of specialized professionals in the Group.



■Number of personnel with certain qualifications (SuMi TRUST Bank)
(As of March 2022)

Real estate transaction agent	6,370
Securities analyst	793
Real estate transaction agent & securities analyst	597
Financial planner - 1st Grade	788
Pension actuary	47
Actuary	43
Real estate appraiser/assistant appraiser	159
In-house lawyer	33
CPA	10
Licensed tax accountant	9
Labor and social security attorney	40
PhD	14

• Multiple specialties

SuMi TRUST Bank is working to visualize the quality and size of its human resources portfolio, and employees are assigned to or strategically rotated between positions with the aim of giving them the opportunity to demonstrate their abilities to the fullest and to play active roles, based on the assessment.

In addition, the Bank has implemented a "work challenge system" (allowing applicants to be assigned to specific business areas or jobs) for new hires, and has run a training and development program for young employees so that new recruits can experience multiple businesses within their first five years with the company, all in order to promote independent career-development among employees. The Bank has also expanded its job posting system and holds business briefings where attendees can learn more about each business and get an opportunity to think about their own future career development, after which jobs are posted. (In FY2021, 549 individuals attended business briefings.) Roughly 25% of employees who applied through the job posting system work in the job or department they selected.

The Bank launched its in-house side job system in FY2021, with the aim of integrating human resources and know-how in a way that transcends traditional operational boundaries, promoting skill development and innovation through engaging in side projects that interest employees once a week.

■ **Career development support** (SuMi TRUST Bank)

	FY2019	FY2020	FY2021
Number of internal job posting system users	595	339	359
Percentage who passed hiring phase	24%	32%	27%
Average age of applicants	—	32.6	30.8

* Open positions were posted twice in FY2019, and once a year thereafter.

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

Project	Details
Well-being Promotion	Handles internal and external promotion of well-being (through producing newsletters, booklets, branding activities, etc.)
Life Plan Consulting	Offers life plan consulting services for occupational clients (through an online portal)
My Future Project	Administrative staff at Corporate Business challenge other departments in their own area of business
Digital Academy	Plans and operates digital-based human resources training within the Digital Academy
RPA Building	Produces RPA (UiPath) and promotes automation of operations

• Ability to change with the times

SuMi TRUST Bank is focusing on re-skilling by expanding IT and digital skills training and expanding its support for employees acquiring IT and digital qualifications in order to strengthen its skillset of IT and digital-related technologies to better promote the trust business. In FY2022, the Bank is significantly increasing investment in re-skilling focused on IT and digital technologies, offering fundamental training in AI and cloud computing and skills training for DX and RPA builders, and dispatching employees to universities and other research institutions working in the fields of blockchain technology and information security. The Bank is promoting businesses that adapt to changes in the environment and client needs using digital technologies, and working to improve operational efficiency through analysis and visualization of operational processes.

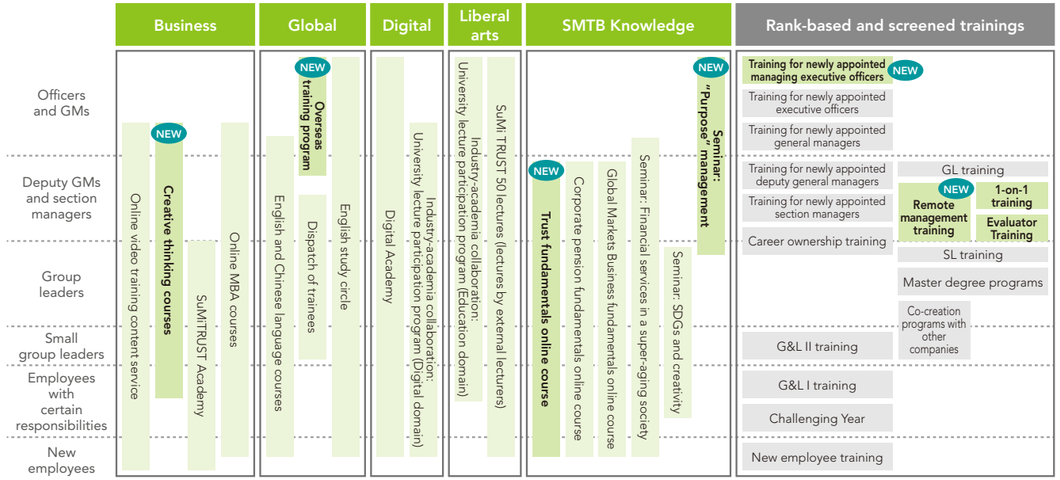
The Bank is also supporting the acquisition of knowledge and skills outside the IT and digital technology realms that will help build a better future, and giving back to its employees the high-quality investment educational know-how honed through its work in the pension business and consulting for occupational clients, and by doing so, the Bank is able to promote financial education and better understanding of ESG and SDGs. By giving people the ability to change with the times, the Bank aims to ensure its employees can adapt to the future.

(2) Expanding investment in human resources development

The Group aims to be the No. 1 financial group for human resource development, and we are striving to bolster human resources by expanding investment in human resource development. SuMiTRUST University is an internal training program that provides group training to improve operational skills and management abilities, in addition to offering numerous options for independent study for self-improvement. The officer in charge of Human Resources serves as president of SuMiTRUST University while an outside expert serves as vice-president, and the cross-group program is run on the management advice of university professors and other individuals. Since FY2020, SuMiTRUST University has been expanding its online and other content to transform it into "a platform for discovering the motivation to learn, for connecting with and learning from others."

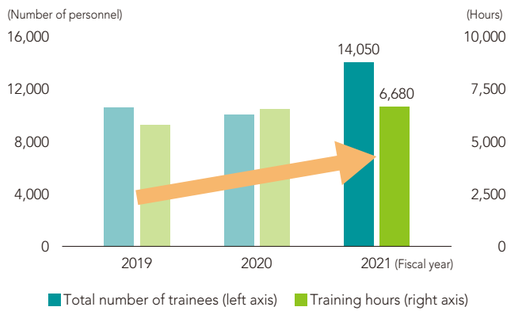
Management training involves rank-based options for newly appointed personnel, one-on-one training, remote management training, and evaluator training, all of which help bolster organizational management aimed at each and every employee.

■ **Concept Image of SuMiTRUST University**



* Overseas training program: Candidates for management positions are sent to business schools overseas to take short-term programs that give them managerial skills applicable worldwide.
* Seminars: Experts from inside and outside the company lead seminars that focus on discussion and output. Seminars typically have 10-20 participants, and they run for three to six months.

■ **Training status** (SuMi TRUST Bank)



■ **Investment in HR development** (SuMi TRUST Bank)

	FY2021
Total number of trainees	14,050
Including number of selected or nominated trainees	188
Training hours	6,680
Training days	212
Training costs Training costs (including personnel expenses)	540 million yen (1.04 billion yen)
Training cost per person	53,000 yen

(3) Human resources portfolio

SuMi TRUST Bank is working to identify which personnel will be important in further promoting the Group's business model through assessments connected to visualization of its human resources portfolio. The Bank will continue to expand that portfolio through independent career development, gaining of experience, and strengthening its investment in human resource development.

• Specialized professionals (fellows)

Employees with significant contributions to corporate earnings and for the value they have added using their advanced expertise are certified as a fellow. Fellows include financial consultants and front office staff, but also personnel from the middle and back offices. Previously, fellows were selected from senior personnel who had been evaluated highly for the experience they had cultivated over the years, but from FY2022, SuMi TRUST Bank will be certifying fellows from a wide range of groups regardless of age, as the Bank strives to expand its pool of specialized professional.

• Senior management personnel

SuMi TRUST Bank holds training for select personnel each year to continuously develop future management candidates through GL training (for global and general leaders) and SL training (for strategic leaders.) The goal of GL training is to develop the next generation of senior management candidates, while SL training aims to develop the next generation of leaders. Under the guidance of external invitee lecturers, the Bank provides the training to learn the necessary perspectives for management and strategic thinking.

The Bank also holds training sessions for newly-appointed managing executives and officers to enhance their management skills.

• Globally capable personnel

This initiative is aimed at developing personnel who will drive global business. In addition to expanding its pool of potential global talent through training to improve language skills, employees who have never worked overseas are given hands-on experience by being dispatched to overseas offices or being assigned to global businesses in Japan. SuMi TRUST Bank also conducts personnel exchanges by bringing local staff from overseas offices and subsidiaries to Japan, and through long-term business trips.

• Women and mid-career hires in management

Diversity is a source of innovation, and in order to understand the wishes of our clients and give them shape, it is important to build a corporate culture that ensures and accepts diversity. In order to fully harness the diversity and creativity of individual personnel as added value for the organization, SuMi TRUST Bank is increasing the number of women and mid-career hires in posts of section manager and higher.

■Current human resource portfolio (SuMi TRUST Bank)

	End of March 2022
Specialized professionals (number of certified fellows)	172
Senior management personnel (number of select training participants)	393
Globally capable personnel	610
Percentage of women in section manager posts or higher	13%
Percentage of mid-career hires in section manager posts or higher	21%

Human Rights

(1) Human rights management

• Basic philosophy

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/english/sustainability/management/philosophy/human_rights_policy

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

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.

Commitment	Establishment of a Human Rights Policy
Implementation of human rights due diligence*1	Distribute the *Human Rights Due Diligence Self-Check Sheet**2 once a year to all Group companies, including overseas entities, to confirm human rights compliance status.
Access to relief	Personnel Consultation Desk, Human Resources Department The Compliance Department's Compliance Hotline

*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 general manager 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 Sustainability Management 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, including overseas entities. Note that no cases of human rights violations have been reported in the Group in the past three years.

* See pages 119-121 in our 2021/2022 Sustainability Report for more information on human rights due diligence.

Training aimed at raising awareness about human rights was conducted by SuMi TRUST bank in the e-learning format in FY2021, reaching 25,749 participants Group-wide. In addition, SuMi TRUST bank delivered a total of 8 hours of lectures during rank-based training sessions, reaching a total of 2,862 participants.

(2) Protecting various human rights

• Initiatives to address Dowa and foreign residents issues

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 individual identity.

• Prevention of sexual harassment and power harassment

Actions such as sexual harassment and power harassment are prohibited at 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 (LGBTQ Consultation Desk) within the Human Resources Department. Stringent corrective measures or punishment are implemented against the perpetrators.

The Personnel Consultation Desk (LGBTQ Consultation Desk) responds to various consultations related to encroachment on personal rights and, in cases where a negative impact on a person's rights is evident, cooperates with the related departments to promptly take measures as needed. In FY2021, the Personnel Consultation Desk received 85 consultations, of which 39 were situations involving concerns about encroachment on a person's rights, including harassment. Eleven of these cases remain unresolved as of the end of March 2022, and we are working with the related departments to find resolutions.

• Initiatives to prevent discrimination against LGBTQ people

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

• Investments and loans for projects and companies that negatively impact human rights issues

SuMi TRUST Group will not provide financing to any company in Japan or overseas that manufactures cluster bombs, which have been recognized as being of immense concern on a humanitarian level, or any business that uses child or forced labor.

Human resources who support the Group's power of trust

Our Purpose, "Creating new value with the power of trusts and let prosperous future for our clients and society bloom," is practiced at each workplace.

* Affiliated departments are as of the time of the interviews

Interview 01

Shinji Goto

Fellow Supervisor
Financial Consultant
Tokyo Business Department
SuMi TRUST Bank



Resolve asset concerns and anxieties based on a relationship of credibility

Financial consultants were created at SuMi TRUST Bank in 1977. Sumitomo Trust & Banking (as it was then called) was the first bank to establish a financial consultancy system. For about half a century since then, we've literally stayed close to our clients and have become their best long-term advisers. The trust of our clients is completely encapsulated in a single sentence: "If you have a problem, ask your financial consultant first."

Existential meaning of financial consultants is to autonomously provide highly specialized services from the client's perspective to address the asset-related issues and concerns that individual clients face in their lives. This is rooted in the spirit of fiduciary duty, which is our Codes of Conduct. What I have with my clients is a relationship of credibility, which is the very essence of trust.

A client called me to the hospital near death and said, "I'm worried about leaving my wife alone. She doesn't know anything about property administration, so please take care of her." At that time, I first obtained the couple's consent and then made immediate arrangements for the wife's current financial requirements. Two days later, the client passed away, and working closely with his wife, I executed the will as he had asked me. The "trust" structure is aligns our interests with those of our clients, who is the beneficiary. We stand side-by-side with the client, facing the same direction rather than facing off against each other, working together to find the best solution. That's why we have a long term relationship with the client with peace of mind.

As a for-profit company, it's tempting to focus on short-term profits, but what I bear in mind when dealing with clients is to erase our business goals from my mind. I keep in mind that financial consultants must not get their priorities wrong. I believe the most important thing is the relationship of credibility that comes from listening to our clients' concerns and thinking together about what is needed.

That's why, I value face-to-face relationships with my clients still now, no matter how digitalization progresses and how much more efficient we can become using online tools and AI. Even as times change, the spirit of the trust, backed by history and tradition, remains the same, and the power of trust still has unlimited potential. I hope to be a financial consultant who embodies the spirit of the trust, to ensure that trusts will continue to be needed by society for the next 100 years.

Interview 02

Masatake Konno

UBS SuMi TRUST
Wealth Advisory Co., Ltd.



Listen carefully to clients and respond appropriately to their true needs

I am responsible for counseling clients who are considering new wealth management transactions at UBS SuMi TRUST Wealth Advisory Co., Ltd., which is established by the partnership between UBS Group and SuMi TRUST Holdings.

Since launching in January 2020, I've been meeting with clients both in person and online. In interviews, I try to listen carefully and ask about various things, including the client's family composition and inheritance plan, so that I can understand what the client really needs. I then consider which functions of UBS or SuMi TRUST Bank should be used to solve the client's concerns. I find it rewarding to draw on the many conversations I've had with company owners in corporate sales department when I was a new graduate and my more than 10 years of experience in wealth management work to come up with the best possible solution.

Although the collaboration has just begun, I feel is highly compatible with the fiduciary spirit of trust at the core of SuMi TRUST Bank, which UBS Group has a culture of taking care of clients' assets over the long term and enhancing their value for the next generation, which. I will continue to engage in dialogue with my clients to respond to their real needs appropriately.

Interview 03

Keiko Numa

Trust Base



Promoting Group operational reforms through DX

At Trust Base Co., Ltd. a subsidiary responsible for promoting the Group's overall DX strategy, I'm utilizing digital technologies such as RPA* and AI-OCR to streamline complex and diverse trust bank operations and reduce operational errors.

Since introducing RPA at SuMi TRUST Bank in 2018, we've developed approximately 380 RPAs, resulting in cumulative efficiency gains equivalent to 400,000 hours. We're initiating new employees in the technology and working with external partners to accelerate development and refine our approach to better serve our clients.

In developing RPAs, I've been trying to make the development program concrete by taking advantage of my experience in the field (on the system user side) to consistently communicate from the user's point of view. In addition to that, I'd like to actively incorporate new technologies and promote DX strategies and operational reforms across the entire Group.

This increase in automation and efficiency will allow our front-line staff to spend more time with clients who require consulting and other human services.

My colleagues and I will continue to take on various challenges, knowing that our constant efforts will ultimately lead to the creation of value for our clients.

* Robotic Process Automation: A technology that automates routine, everyday tasks in place of human labor.



Interview
04
Junko Shimano
Corporate Governance Consulting Department
SuMi TRUST Bank

A highly specialized team supporting dialogue between clients and capital markets

I'm engaged in IR/SR consulting services for clients who are listed companies, supporting shareholder relations and engagement with institutional investors. SuMi TRUST Bank provides clients with support services for shareholder list management, shareholder meetings, and other corporate stock practices as a provider of stock transfer agency services with a market share of approximately 40% of listed companies. Recently, there's an increasing need to change the composition of shareholders within the management strategy, to strengthen engagement with major shareholders and investors based on shareholder identification surveys, and to accurately communicate thematic initiatives to shareholders when exercising voting rights at general meeting of shareholders. These are exactly the kinds of services we provide.

The structure and staffing of the client's IR/SR activities vary, and many of our clients are unable to handle all of their activities because they are juggling limited resources. Under such circumstances, our strength lies in our ability to make optimal proposals for each client's unique challenges based on an in-depth understanding of our clients' composition of shareholders and governance issues through our stock transfer agency services by our teams assembled highly specialized members, including those with corporate IR experience, analyst experience, and investor experience. Previously, I myself was engaged in real estate investment using fiduciary assets as an investor for about 15 years. By looking back on what I was thinking in those days, I try to infer the intent and background of investors' questions and communicate them to the client.

When a client hears an institutional investor say, "This engagement was better than before," it makes my job very rewarding. However, once IR/SR activities are done, that's not the end. We need to constantly evolve to meet the new challenges that arise every year. This is a challenging field where we can't stand still. I hope to make the best use of the Group's extensive expertise and know-how to support our clients' dialogues with the capital markets.



Interview
05
Haiying Shi
Global Credit Supervision Department II
SuMi TRUST Bank

Contribute to building a solid credit portfolio by leveraging investment front office experience

After joining the company, I worked in business finance-related corporates, gaining a total of eight years of front office experience in a variety of areas, including investments in project finance (PF) and private equity funds, before transferring to the Global Credit Supervision Department. Currently, I'm responsible for reviewing loan funds, subscription financing, and similar areas, with a focus on PF.

This work involves collecting and analyzing information on companies and projects that require investment and financing, and ultimately deciding whether or not SuMi TRUST Bank will take on the credit risk. Although we boast one of the most solid credit portfolios among Japanese banks, it's important for us to make credit decisions with a good balance of offense and defense. In addition, a sophisticated understanding of a wide range of non-financial information, technology, and energy industry trends is becoming even more necessary. Fortunately, the Global Credit Supervision Department has many opportunities to access information on a variety of different projects in Japan and overseas, which gives me new perspectives that are different from the investment front office. At the same time, I find it rewarding to serve as a nexus of information by sharing knowledge gained through advanced overseas projects within the Global Credit Supervision Department and with other departments in Japan.

With my foreign background, I did not expect to be transferred to the Global Credit Supervision Department, which is one of the most conservative departments at SuMi TRUST Bank, although recently the percentage of young people and women has been increasing. I think the company is daring to create diversity in anticipation of new chemical reactions in a rapidly changing environment.

I was impressed that during the hiring interview, SuMiTRUST Bank took the time to listen to me on a one-on-one basis, and I still feel the same way after joining the company. I think we have a culture of respecting the individuality of each employee and nurturing talent. At the time I joined the company, I wasn't good at Japanese, and I didn't have specialized knowledge of finance. However, we have a corporate culture that encourages us to take on challenges that are a little beyond own abilities and that we have to work hard to overcome. With the support of my manager and colleagues, I've been able to overcome them one by one and feel that I've grown over the past decade.

As for my future career plan, I'd like to work again in the field of project finance from the investment front office side. In addition to my experience in the Global Credit Supervision Department, I'd like to further enhance my expertise through new challenges, such as working overseas, and contribute to expanding our business and enhancing our presence there.



Interview
06
Ritch Vilas Boas
Head of BDD, VP of SFD, Americas Division

Achieve positive impact through sustainable finance

April 2nd, 2022 marked my 10th year anniversary at SuMi TRUST, which also coincided with the 10th year anniversary of the merger of Sumitomo Trust Bank and Chuo Mitsui Trust Bank. During this time, I was fortunate to be part of the amazing growth SuMi TRUST experienced following this merger and the development of several new businesses lines, working in several areas including Project Finance and Trade & Commodity Finance. More recently, I have been additionally assigned as the Co-Head of Business Development, which is the engine for cross-collaboration within the New York Branch to establish new business initiatives, by cultivating creative financing solutions for our clients throughout each business department.

One of the most gratifying experiences at SuMi TRUST is to find ways to make a positive impact for our colleagues, our bank, and our clients. SuMi TRUST has an open work culture which provides employees with any title the chance to make a positive impact. This past fiscal year, my team was privileged with the chance to structure three facilities with sustainability features for some of our core global clients. This was an extremely rewarding experience which allowed us to not only support our clients' funding needs, but to also support their ESG initiatives, which in turn will have a positive impact on society. By supporting our clients with these structures, we in turn are also able to support our bank's own ESG related initiatives. It's fulfilling to be a part of such initiatives and to also see how these types of transactions contribute beyond profitability, but also the internal engagement with our colleagues which all worked together to reach such positive outcome. I'm sincerely proud of my team and colleagues for such a fruitful collaboration.

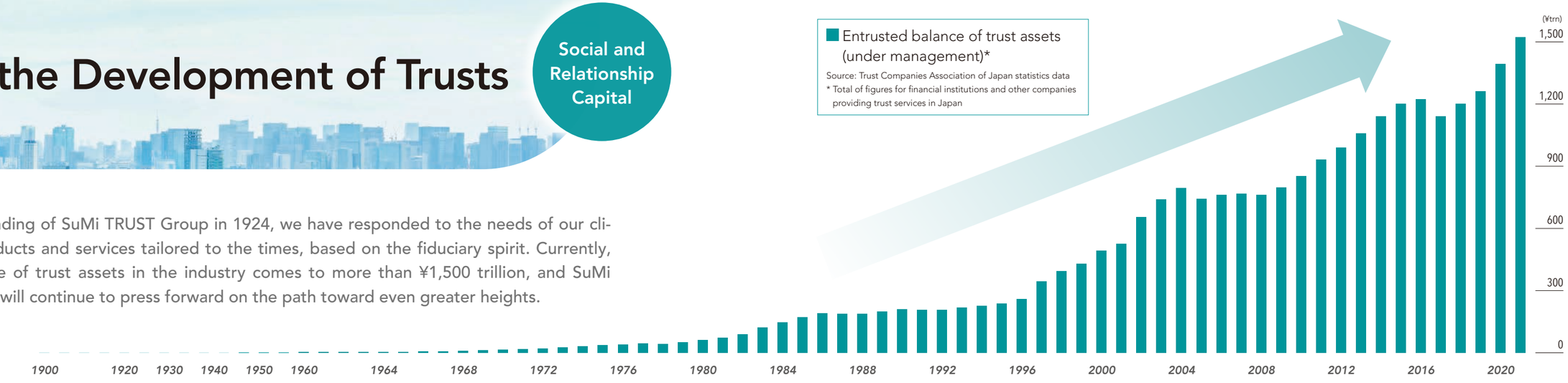
There is an immense benefit of explaining our core principles to our clients, as we regularly learn that they share similar values as ourselves. This creates the opportunity to cultivate and foster new ideas which are mutually beneficial. Our clients trusted SuMi TRUST with their inaugural, sustainable financing facilities, driven by such discussions and their understanding of our overall philosophy and commitment represented by Completely Client-oriented (Trustfulness and Loyalty) or Contribution to Society (Dedication and Development) part of our group "Values".

I hope to continue to create a positive impact for our various stakeholders and to continue to support the business expansion of our global businesses.

With the Development of Trusts

Social and Relationship Capital

Since the founding of SuMi TRUST Group in 1924, we have responded to the needs of our clients with products and services tailored to the times, based on the fiduciary spirit. Currently, the total value of trust assets in the industry comes to more than ¥1,500 trillion, and SuMi TRUST Group will continue to press forward on the path toward even greater heights.



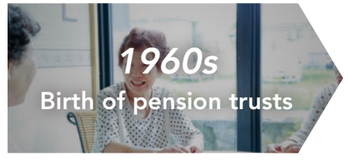
History of trusts and SuMi TRUST Group



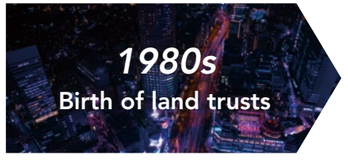
The Japanese trust system was established when the British system was introduced in the latter half of the Meiji period. In Japanese law, the word "trust" in the financial sense first appeared in the Industrial Bank of Japan Act in 1900.



In loan trusts, the trustees invest funds from a large number of settlors 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.



Pension trusts are an employee benefit scheme under which a trustee manages and invests the money used to pay retirement pension funds to employees on behalf of a company or organization.



In land trusts, 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.



In an asset securitization type trusts, a company entrusts its monetary claims, 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.



Due to prolonged life expectancy, new trust services are being developed to meet the growing demand for asset administration and succession services among individual clients, and trusts are becoming even more widespread.

Social issues	**Enhancing national welfare**	**Asset formation of individuals**	**Asset administration suited for Japan's aging society**	**Smooth asset succession**
Products offered	**Defined contribution pension trusts** **Defined benefit corporate pension trusts**	**Investment trusts, installment investments** **Fund wrap, SMA**	**<100-Year Passport>** **Solitary trust**	**Anshin Support Trust** **Will trusts, estate planning**
Value provided	Contributing to safety and security of mind of employees' retirement and enhancement of their welfare through fiduciary responsibility for and management of corporate pension plans	Supporting the design of life plans for clients through asset formation in response to growing anxiety about retirement funds	Supporting asset administration to prepare for future dementia and health concerns as we enter the age of 100-year life	Offering pertinent proposals tailored to each client to ensure smooth asset succession to the next generation





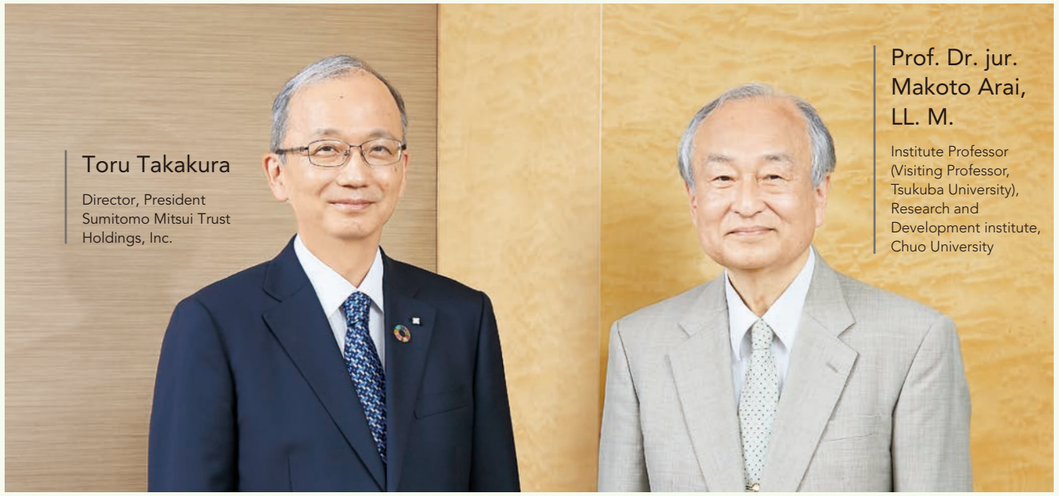




Special Interview

Pioneering the future with the power of trusts

The year 2022 marks the 100th anniversary of the enactment of Japan's Trust Act and Trust Business Act in 1922. We invited Institute Professor Makoto Arai of Research and Development institute, Chuo University, who specializes in civil law and trust law, to discuss this milestone.



Reflections on the 100th anniversary of the enactment of Japan's Trust Act and Trust Business Act

Arai This year, 2022, marks the centenary of the enactment of Japan's Trust Act and Trust Business Act.

During the Taisho era (1912-1926), there were approximately 500 trust companies, but many of them were engaged in a motley range of businesses far removed from "trust," such as real estate brokerage, high-interest lending, and investment, all under the name of "trust." In order to rectify the confusion in the trust industry, the Trust Act, which is the basic law that defines the concept of trust and its legal framework, and the Trust Business Act, which regulates the industry, were established. In addition, the Act on Engagement in Trust Business Activities by Financial Institutions was enacted in 1943 to allow merger between trust companies and banks with the objective to stabilize the business foundations of trust companies.

Since then, trusts have been utilized mainly in the areas of loan trusts, corporate pensions, land trusts, and asset liquidation, which supported Japan's postwar reconstruction and rapid economic growth by providing stable funds to major industries. In this context, 80 years after the enactment of the original two trust acts, the revised Trust Business Act and the revised Trust Act were enacted in 2004 and 2007, respectively.

Japan's legal system is based on the continental (or civil) law system, but our trust law is unique in a way that it incorporated Anglo-American (or common) law, which takes a different approach, and that was groundbreaking. To reach a fair decision when the law is not explicitly defined, Anglo-American or common law resolves issues systematically through the accumulation of precedents, whereas continental or civil law resolves issues individually by statute. Japan learned both of these systems, which formed our trust related practices.

Takakura Looking back at our history, when I joined The Sumitomo Trust and Banking Co., Ltd. in 1984, loan trusts were our main product. We contributed to Japan's rapid economic growth in the post-war period by channeling funds entrusted by individual clients into capital investment in major domestic industries, the so-called heavy manufacturing industries.

Rolling stock trusts, which are one of the movable property trusts, were also being utilized. I remember there were many trains and subway carriages with a trust bank nameplate, clearly identifying them as trust property.

Arai In essence, a trust is a framework for the custody and management of property on behalf of a third party. There is an anecdote that illustrates the integrity of Japan's trust



practice and spirit. During World War II, Japan seized control of U.S. assets in Japan as enemy property, and it is said that after the war, when the property was returned, the U.S. commended Japan for its prudent management practices. This is an example that truly embodies the spirit of trusts.

Takakura There's a similar anecdote in our company archives. During the wartime regime, our personnel were dispatched to Java Island in Southeast Asia at the request of the Japanese government to survey enemy property, and they were highly praised for their work. Both are examples of trust companies being highly valued for their property management capabilities. I understand that the current Trust Act is characterized by the coexistence of civil trusts and commercial trusts, but after 100 years of history, it seems to me that we are now returning to the usefulness of trusts in the administration of property.

The value that trusts bring to society

Arai Looking back on the history of the Trust Act and the Trust Business Act and their respective revisions, trusts had the momentum to become a driving force in society at critical junctures.

Takakura Indeed, over time, trusts have provided various products and services while flexibly changing their forms and schemes to meet the changing needs and concerns of society and clients.

In the current age, we face social issues such as a super aging society, climate change, and digitalization, and I believe that trusts are indispensable for solving these issues.

For example, baby boomers are now around 75 years of age, and over the next 10 to 15 years, various concerns that needs to be addressed will materialize. We consult our clients regarding their plans, including their thoughts on inheritance and other future matters that could arise after they pass away, while they are still fully capable of making their own decisions, and then we execute on their wishes, from financial planning to how to pass the baton to the next generation through inheritance. We recognize that, as a trust bank, it's important to make steady efforts to continuously provide products and services that utilizes the best use of such trust functions.

We offer support for a super aging society through a wide range of products including "100-Year Passport" for dementia, "solitary trust," which handles not only clients' inheritance and property management, but also their posthumous affairs, and will trusts. We also actively support family members who are trustees in civil trusts. I believe that as the population ages, there will be an increasing need for these services.

As for digitalization, I believe it's essential not only to improve client convenience, but also to enable us to bring forth new products by combining trust and digital technology. For example, we have been entrusted with the proper management of forest resources through a forestry trust. This wouldn't have been possible without the latest forest surveying technology, namely laser sensing using drones. I believe we can create new value by combining existing trust schemes with the latest digital technology.

With regard to climate change, achieving carbon neutrality by 2050 will require a huge amount of capital globally. Of course, there are occasions when we provide funds to our

clients, but in order to meet a huge financial need, it is necessary to attract investors' funds. Using a trust, we can tailor a scheme that is easier for investors to invest. By utilizing our trust function, we can connect clients requiring capital with investors who have investment needs.

Arai The trust is a beneficial framework for society in that sense it's equipped with the ability to change in line with the needs and changes of society. I believe that times of great social change are precisely the times when the power of trusts can be exercised.

Takakura In today's uncertain and fast-changing world, the usefulness of trusts have become increasingly apparent. I believe that by being attentive to people with different ideas and in different positions in accordance with the times would entice social harmony, so I would like to use our trust function to contribute to the stability of society.

Pioneering the future with trusts

Arai As I mentioned earlier, trusts have become a driving force in society at critical junctures in each new era. Where do you think we should focus our efforts in the future with trusts?

Takakura We have identified the economic, social, and environmental impacts of the Group's corporate activities as our "impact materiality." In this context, we're tackling the themes I mentioned earlier: population decline and super aging society issues, climate change, and technological (digital) innovation.

On the other hand, it's not necessarily true that the knowledge, know-how, and talent we have accumulated up to now are sufficient to deal with these themes, so we're also creating fields where people with new skills and insights can take on challenges.

For example, we have recruited people with doctoral degrees who have worked in manufacturers' research laboratories, and we have established a specialized team to work on the theme of climate change. Over the years, we have started proof-of-concept projects in collaboration with several companies and issued impact evaluations using the findings, and based on the results, we have identified and understood our clients' challenges and proposed solutions.

Going forward, we'll continue to create new solutions by integrating our knowledge and know-how accumulated as a trust bank.

Arai What are your thoughts on financial inclusion?

Takakura Financial inclusion is an important part of our impact materiality. Financial inclusion generally means making financial services accessible to people who don't have access to them. However, I believe that one aspect of financial inclusion is to offer individual clients, who are individual investors, to access a range of products that is appropriate for the clients' risk appetite and knowledge. For example, we use a trust scheme to provide sophisticated investment technology, on a smaller scale, to smaller pension funds. In addition, we have created a business process to provide this knowledge to individual clients in the form of fund wraps and investment trusts.

Similarly, with respect to seniors passing on their assets to future generations, I believe it's important to transform the services used by people with substantial assets into a form that can be used by everyone else.



Arai Finally, what's your view on the "power of trusts"?

Takakura A trust is based on credibility. These days, the term "fiduciary" is often used to describe this concept. The business of a trust bank is to accomplish the wishes of its clients, who believe in us and entrust us with this responsibility. I believe this is what fiduciary is all about.

We must remember that our continued existence as a trust bank group is a consequence of our pursuit of the best interests of our clients, and not the other way around.

In the next 100 years, we'll continue to pursue the best interests of our clients and, as a trust bank group, refine our expertise to provide solutions that exceed our clients' expectations of value in order to realize their aspirations.

Arai Thank you very much for inviting me today.

Financial Inclusion

Initiatives for financial Inclusion

The World Bank defines financial inclusion as meaning that "individuals and businesses have access to useful and affordable financial products and services that meet their needs—transactions, payments, savings, credit, and insurance—delivered in a responsible and sustainable way." Japan has one of the highest levels of financial institution account ownership in the world, but when considering access to and appropriate provision of financial services, with Japan at the top of the list of super aging societies, more support is needed for the elderly. We are moving forward with establishing a system that is capable of appropriately delivering services to anyone in need.

Declaration of dementia barrier free

The "Dementia Barrier-free Declaration" is made by companies and other organizations on their own websites and through other means. The declaration is a promise to work to create an environment in which people with dementia and their families can use stores, products, and services with peace of mind, with the aim of building momentum to achieve a barrier-free society for those with dementia.

Amid major changes in social structure due to the progress of a super aging society, financial institutions are expected to achieve financial inclusion. In March 2022, we expressed our agreement with the goals of the Dementia Barrier-free Declaration and made our own declaration in order to help realize a prosperous aging society in which all Japanese seniors can feel at ease and lead a happy life based on their own free will.

In accordance with this declaration, the Group is promoting product development, more sophisticated consulting services, community-based collaboration, and more in order to provide services to help people prepare for dementia in advance.

Please visit the following website to read our Dementia Barrier-free Declaration.
https://ninchisho-barrierfree.jp/search/detail/19/

Digest Report for Seniors (Considering the Problems of Dementia—V3.0)

Making advance preparations is essential to ensuring people feel at ease to live the life they want even after their decision-making capacity is impaired due to dementia or other reasons.

SuMi TRUST Bank published a digest report for seniors (Considering the Problems of Dementia—V3.0), in which our service options that can help clients with their advance preparations were organized for easy understanding. The content include adult guardianship systems and other public support mechanisms, as well as financial products and services that can complement such options.

It also offers Japan's first voice assistant function with high-quality voice synthesis*, which provides voice guidance available on your smartphone, by scanning the matrix barcode found on each page. Speed and tone can also be adjusted to make the voice easier to understand.

We provide optimal advance preparations by offering easy-to-understand information tailored to our clients.



* VOXX audio assistant is provided by REMEM Inc.

Scan the matrix barcode to receive audio guidance for page 5, "Optional systems and products for people with dementia."

Collaborating with Decision-Making Support Organization Japan to Help Clients Make Decisions

SuMi TRUST Bank is promoting initiatives to provide individuals with decision-making support to help them live the lives they want even after suffering from impaired judgment capabilities. To do so, we have become a regular member of the Decision-Making Support Organization Japan, and we are promoting the development of algorithm-based financial digital technologies by supporting the innovative efforts of Graduate School of Medical Science, Kyoto Prefectural University of Medicine (Professor of Psychiatry, Jin Narumoto, M.D., Ph.D.). (Please refer to the supplementary material on "The JFSA Strategic Priorities" from the Financial Services Agency (published separately) and to Development of digital technology for refinement of regulations, published by the New Energy and Industrial Technology Development Organization (NEDO).)



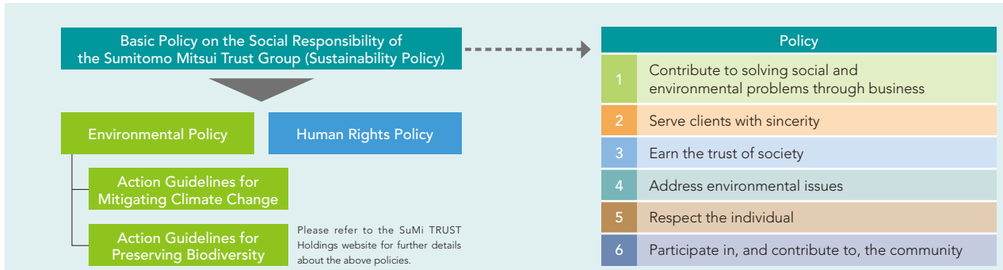
Handing over a list of donations
Left: Yoshihiko Yanagi, General Manager, Kyoto Branch
Right: Professor of Psychiatry, Jin Narumoto, M.D., Ph.D.



Sustainability

The Group defines its reason for existence ("Purpose") as "Creating new value with the power of trusts and let prosperous future for our clients and society bloom", and aims to achieve the goal of "balanced creation of both social value and economic value". Sustainability is an integral part of our Group management, and is becoming more important in every aspect of our businesses. Under our sustainability promotion framework (for details, see page 17), we are working to solve various social issues. In addition, considers addressing climate change as an important part of its sustainability efforts, and, in October 2021, announced its Carbon Neutral Commitment and is accelerating its initiatives to achieve a decarbonized society (for details, see starting on page 73).

1 Policies Related to Sustainability



2 Sustainability Management

The Sustainability Management Department is taking the lead in promoting the following initiatives related to important sustainability issues.

Management	• Promoting materiality management • Devising and promoting plans for sustainability work (manages the progress of social problem-solving businesses at Group companies) • Tackling climate change issues (Carbon Neutrality Planning and Management Department) • Conducting strategic information disclosure by issuing Sustainability Reports and other publications • 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 • Strategically providing value to the community through "With You" activities*1
Employee education	• Ensure employees understand strategies by distributing the Group's employee integrated report to all directors, officers, and employees • Early acquisition of practical knowledge through internal promotions such as "Challenge for SDGs!"*2, "SDGs Declarations" by all branch departments, and "With You" activities
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 to absorb the needs of stakeholders into the Group and improve initiatives

SuMi TRUST WithYou®

*1 This is the name for the community-based sustainability activities developed by the branch offices of SuMi TRUST Bank in order to forge strong relationships of trust with local communities.
*2 Measures to promote understanding the SDGs, with the aim of ensuring that each and every employee becomes responsible for promoting and raising awareness of the SDGs. We explain the SDGs in internal newsletters, conduct an annual e-learning program for all executives and employees, and display various posters, among other measures.

3 Solving Social Issues through Business

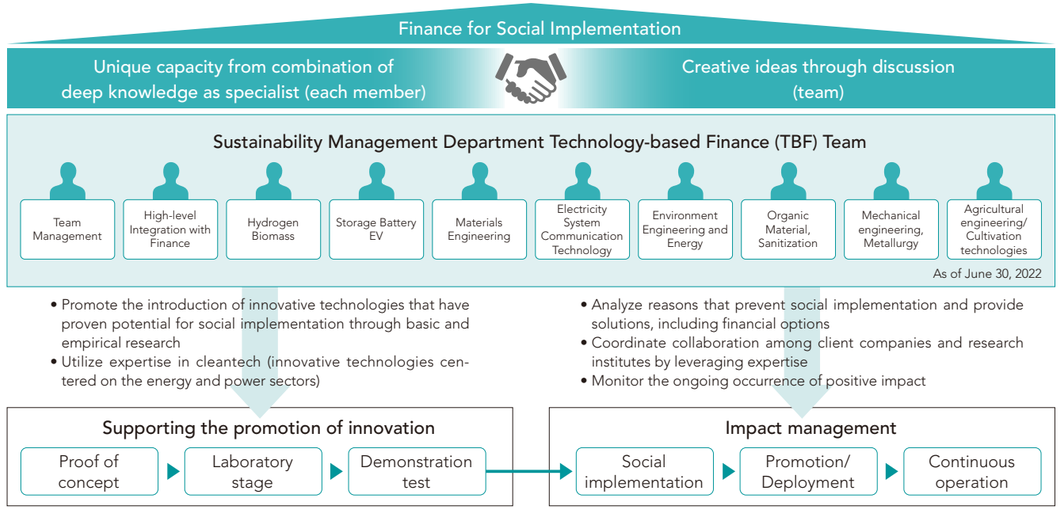
The Group promotes sustainable business that adds scientific knowledge (Technology Based Finance: TBF) and impact evaluation to asset management, asset administration, and banking, and leverages its strengths in contact with many market participants (investors, companies, individuals, and households) to create a virtuous cycle of funds, assets and capital. For details, refer to the business-specific initiatives (pages 34-47).

Initiatives of Technology-Based Finance (TBF)

One of the important functions of the Sustainability Management Department is the research and development of new sustainability-related businesses. With this in mind, we launched a Technology-based Finance (TBF) team in April 2021.

To solve the challenges in the SDGs and the Paris climate agreement, huge amounts of money will be needed, and innovative technologies will be a key. We saw that from now on, it would be necessary to understand the latest technology, deepen dialogue with clients, and approach finance from a scientific point of view. We therefore established a TBF team with the aim of supporting the practical implementation of technology from a financial perspective.

To achieve a decarbonized society and build a society in harmony with nature, we first teamed up researchers and experts with doctorate or master's degree of science and engineering in the fields of hydrogen, storage batteries, organic chemistry, and inorganic chemistry. By incorporating team members' knowledge into the impact evaluation process and implementing innovative technologies in society, we will accelerate our initiatives to promote positive impact and curb negative impact, thereby contributing to solving social issues. The activities of our TBF team represent a new challenge not only for our company, but also for the financial community. We hope to build social systems that solve environmental and social problems through the application of existing technologies, the development of new technologies, or the combination of both.



4 Addressing Climate Change Issues

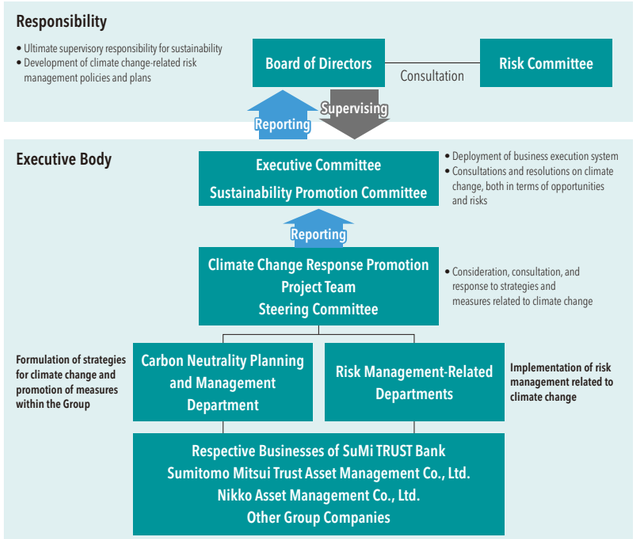
Governance

In case of our Group, the Board of Directors has formulated the Action Guidelines for Mitigating Climate Change as the Company's basic policy on climate change. In addition, with regard to climate change-related risk management, the Board of Directors established a climate change-related risk management policy within the Risk Management Rules, which shows our basic approach and management system for climate change-related risks.

■Action Guidelines for Mitigating Climate Change

1. Implementation of Measures and Support to Help Mitigate Climate Change
   In addition to actively taking measures to reduce greenhouse gas emissions in our own business operations, we will make efforts, as a corporate citizen, to support activities that mitigate and adapt to climate change.
2. Provision of Products and Services
   We will work on developing and providing products and services that help mitigate climate change, such as promoting the use of renewable energy and the spread of carbon offset products through our financial functions.
3. Collaboration with Stakeholders
   We will engage in dialogue and cooperation with our stakeholders for the work to mitigate climate change.
4. Education and Training
   We will ensure that these guidelines are fully implemented at group companies and will actively conduct education and training to mitigate climate change.

■Climate Change Response Promotion Framework



SuMi TRUST Group Carbon Neutral Commitment

In October 2021, we announced our Carbon Neutral Commitment to address social challenges such as the reduction of globally accelerated growth of greenhouse gas emission.

SuMi TRUST Group Carbon Neutral Commitment

(1) Contribute to achieving carbon neutrality in society by leveraging a trust bank group's wide-ranging and flexible functions

(2) Target net-zero greenhouse gas emissions in investment and loan portfolios by 2050
To achieve net-zero emissions by 2050, a milestone target for 2030 will be formulated in FY2022 in line with the framework of the NZBA*

(3) Achieve net-zero greenhouse gas emissions in SuMi TRUST Group by 2030

* Net Zero Banking Alliance: A banking industry alliance established by UNEPFI (United Nations Environment Programme Finance Initiative) that aims to achieve net-zero greenhouse gas emissions from investment and loan portfolios by 2050

Membership in NZBA and NZAMI

NZBA (Net-Zero Banking Alliance) is a UN-led initiative that aims to achieve net-zero greenhouse gas emissions from investment and loan portfolios by 2050. The Group became a member in October 2021. Furthermore, Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. joined the Net Zero Asset Managers initiative (NZAMI) in July 2021 and November 2021, respectively, and have initiated activities with the goal of achieving net zero in their investment portfolios by 2050.

Establishment of Climate Change Response Promotion Project Team

The Group has established the Climate Change Response Promotion Project Team as a cross-groups structure to study and promote measures to achieve the aims of the Carbon Neutral Commitment. In addition to personnel from the corporate management department of each company among SuMi TRUST Holdings, the project team includes members from each of business divisions, the Europe, Middle East and Africa Division, and the Americas Division of SuMi TRUST Bank, as well as Sumitomo Mitsui Trust Asset Management Co., Ltd., Nikko Asset Management Co., Ltd., and Trust Base.

The project team promotes the various initiatives set forth in the Carbon Neutral Commitment and reports regularly to the Executive Committee and the Board of Directors on the status of its activities.

Strategy (Climate Change Business Opportunities)

The Group understands the issues faced by its business partners and is providing products and services that contribute to solving them, with the aim of realizing a net-zero society.

■Major initiatives of SuMi TRUST Bank

Initiative	Overview	Reference page
Positive Impact Finance (PIF)	Financing contingent on a commitment to the goals concerning the economic, social, and environmental impact caused by the company's activities	P.42
Impact evaluation support and the activities of the Technology-Based Finance Team	Establishment of a team of decarbonization-related engineers and others to support the practical implementation of technology from a financial perspective	P.73
Impact Equity	Plan to supply a total of ¥2.5 trillion of own funds and institutional funds in equity for renewable energy and next-generation technologies	P.42
Transition Finance	Financing to support corporate initiatives in line with long-term strategies for the transition to a low-carbon society	P.41
Renewable Energy Finance	Financing for large-scale projects such as wind and solar power generation projects, as well as establishment and operation of renewable energy funds	P.41
Climate Solutions	Provision of advisory services for scenario analysis based on TCFD recommendations, and others, and solutions combining our businesses	P.41
Sustainable Management Support Consulting	Consultancy work to create a loop of "information disclosure," "engagement," and "integration into management," which are the key elements of sustainable management	P.41
Support for Real Estate ESG Initiatives	Problem-solving support related to real estate ESG, such as improvement and visualization of the environmental performance of real estate, and the support for maintenance and preservation/longevity of buildings	P.43

■Examples of initiatives at Sumitomo Mitsui Trust Asset Management Co., Ltd.

Engagement and exercise of voting rights	• Sumitomo Mitsui Trust Asset Management Co., Ltd.'s stand-alone engagement with investee companies • Collaborative engagement through PRI, CA100+, etc.
Collaboration with stakeholders	• Engagement with government agencies and industry bodies • Collaboration with NGOs such as Ceres • Advocacy activities of policies through Investor Agenda, etc.
Investment strategy	• Reflection of climate change factors according to the style of each fund • Consideration of climate change factors in investment decisions of each security

■Examples of initiatives at Nikko Asset Management Co., Ltd.

Management of milestones of engagement	• Progress management of engagement tackled together by the Equity Investment Department as one in accordance with the PDCA cycle for investee companies whose engagement policies can be set in advance
Integration of CSV* evaluation into the investment process	• Analysis of the relationship between CSV valuation including ESG factors and stock price valuation. Creation of an operational process that takes CSV stock price (fair stock price) calculated based on the CSV valuation into account, and application of it to all operational strategies
Climate change-related products	• Establishment of Global Hydrogen Equity Fund and China Decarbonization Innovation Equity Fund in FY2021

* CSV: Creating Shared Value, proposed by Professor Michael Porter of Harvard University in 2011

Strategy (Climate Change Related Risks)

Climate Change Related Risks

Transition risk refers to the cost of adapting to changes in legal systems and social demands during the transition to a decarbonized society, as well as the risk that existing businesses will be unable to continue to operate if they are unable to respond to these changes.

The physical risk is the risk that the Group's assets and parties to which we invest or loan will suffer loss due to the increase in natural disasters and others resulting from climate change.

Our policy is to identify and assess these risks related to climate change based on the framework shown in the table on the right, and then use this assessment to implement risk management.

Way of thinking about transition risk		Difficulty in reducing GHG emissions	
		High	Low
Magnitude of GHG emissions	Large	Large transition risk	
	Small		Small transition risk

Way of thinking about physical risk		Difficulty in securing alternative ways at disaster	
		High	Low
Magnitude of direct impact	Large	Large physical risk	
	Small		Small physical risk

Analysis of Climate Change Scenario

The analysis policy of climate change scenario of SuMi TRUST Bank is to analyze the possible impacts of the transition risks and physical risks, gradually expand the scope, sophisticate our analysis and identify climate change risks, based on which formulate strategies and conduct risk management.

■Scenario analysis initiatives to date at SuMi TRUST Bank

Risk type	Sector	Scenario and analysis period	Main analysis results
Transition risk	Electric power sector	IEA STEPS, SDS, 2050	If a power company does not invest in renewable energy power generation, its credit rating will deteriorate by two to three notches on average
Physical risk	Mortgage loans	IPCC RCP2.6, 8.6, 2100	Credit costs increase by ¥7 billion compared to 2019
Transition risk	Marine transport sector	NGFS Orderly, Disorderly, Hot House World, 2050	Recognizing that financial impacts will vary greatly depending on the assumed scenario such as each country's national policy of subsidies, cost increase due to the shift to alternative fuels, carbon price shifting, and changes in market share, and the company's course of action. Exchanged opinions with business partners in the shipping industry based on the results

• Scenario analysis of SuMi TRUST Bank's real estate financing

Method of analysis

Based on the Jupiter's ClimateScore Global (CSG), we analyzed 207 properties receiving real estate financing in Japan to estimate the direct damage from river floods that are expected to occur once every 100, 200, and 500 years and the financial impact of the decline in rental income due to the suspension of operations. We then estimated the deterioration of LTV (Loan to Value: ratio of the loan balance to the value of the collateral) and DSCR (Debt Service Coverage Ratio: ratio of the net cash flow of the property to the loan repayment amount) by the methods indicated below.

Results of analysis

<Estimated impact of the maximum possible damage to credit rating>

We set 5% as the minimum deterioration (rise) of the LTV level expected to impact the credit rating. The analysis found that the impact was limited to two properties in the case of possible once every 100-years flood, and three properties in the case of possible once every 500-years flood.

Challenges for sophistication

This analysis did not result in an explicit estimate of the future increase in risk due to climate change, however, we are also considering analyses that incorporate the increase in the frequency of disasters due to global warming in the future.

For properties in central Tokyo, where real estate financing exposure is concentrated, in addition to the direct damage to the property caused by a large-scale flood, we cannot deny the possibility that the demand for and supply of real estate could be adversely affected by, for example, damage to transportation and facility infrastructures, such as the surrounding subway networks and underground malls. Going forward, we recognize the need for more sophisticated analysis of the risk of large-scale flooding in urban areas from the perspective of the risk awareness of mid- to long-term climate change.

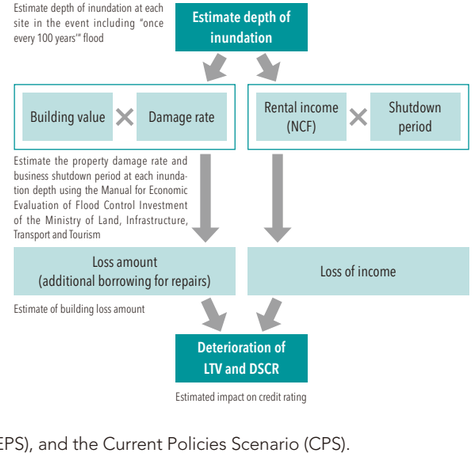
■Distribution of inundation depths of affected properties by region and frequency of occurrence

(Unit: case)

Property location	< 45 cm		45-50cm		50cm-1m		1-2m		2-3m		≥ 3m		Total	
	100 years	500 years	100 years	500 years	100 years	500 years	100 years	500 years	100 years	500 years	100 years	500 years	100 years	500 years
5 wards in central Tokyo	2	0	0	0	2	1	2	5	1	1	0	0	7	7
Other 23 wards	1	1	0	0	0	0	0	0	0	0	1	1	2	2
Greater Tokyo Metropolitan area	5	1	0	1	2	2	5	5	2	3	5	7	19	19
Osaka metropolitan area	2	0	0	0	0	0	0	2	0	0	0	0	2	2
Nagoya area	0	0	1	0	0	0	0	1	0	0	1	1	2	2
Other regions	1	1	1	0	1	0	1	2	1	2	0	0	5	5
Total	11	3	2	1	5	3	8	15	4	6	7	9	37	37

Return period: Depth of inundation in the event of a flood disaster that occurs once every 100 (500) years

■Pathway : Disaster ⇒ Credit risk occurrence



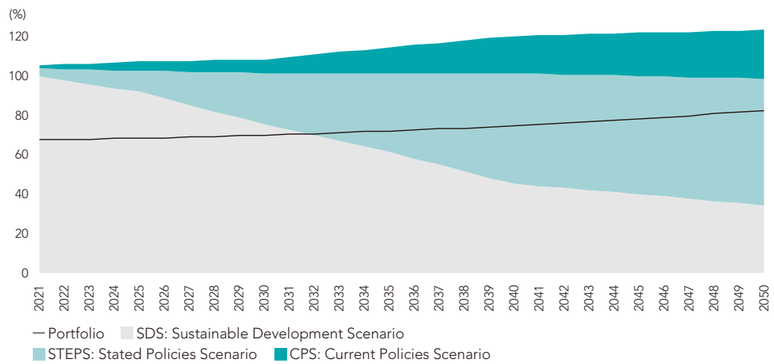
• Scenario analyses at Sumitomo Mitsui Trust Asset Management Co., Ltd.

Transition path analysis

Transition path analysis evaluates how the portfolio's climate change risk changes responding to future trends of climate change. We analyzed the future greenhouse gas emissions of our management portfolio based on three scenarios from the International Energy Agency (IEA): the Sustainable Development Scenario (SDS), the Stated Policies Scenario (STEPS), and the Current Policies Scenario (CPS).

We confirmed from it that emissions of overall assets managed by the company were likely to reach the emissions levels allowed by the SDS in 2032. The company's foreign assets are relatively highly occupied by stocks and bonds of public interest sectors of China and other Asian countries, and material sectors, which is considered to affect the result. The importance to strengthen and support efforts to address climate change issues in these regions and sectors is suggested.

■Comparison of the estimated pathway of greenhouse gas emissions of all assets managed by Sumitomo Mitsui Trust Asset Management Co., Ltd. with budget for emissions under each climate change scenario



Notes:
- Calculated on the basis of the company's holdings to the adjusted corporate value for each asset
- All industries excluding fossil fuel production industry: Scope 1+2; fossil fuel production industry: Scope 3; power industry: Scope 1
- SDS: Scenario published by IEA in line with the Paris Agreement (to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and attempt to limit the temperature increase to 1.5°C above pre-industrial levels)
- STEPS: Scenario published by IEA in which the targets announced by the governments are achieved (+2.7°C at the end of this century)
- CPS: Status quo scenario published by IEA without any policy change (+3.2°C at the end of this century)

Risk Management

Risk Management Related to Climate Change

The Group has positioned climate change as a risk driver affecting various risks including credit risk, and has developed a basic management policy for each risk category.

		Climate change-specific risk management policy	Risk horizon
Credit risk		Risk monitoring of greenhouse gas emissions, stranded assets, and storm and flood damage of the companies to whom we extend investments and loans	Short, medium, and long term
Market risk		Risk monitoring of price decline of securities issued by investee companies	Short/medium term
Operational risk	Administrative work (outsourcing)	Continuity of outsourced work due to storm and flood damage at the contractor	Short/medium term
	Event risk (storm and flood damages)	Addressing the impact of increased storm and flood damages caused by climate change on our holding real estates	Short, medium, and long term
	Compliance risk	Compliance with climate change-related regulations	Short/medium term
	Conduct risk	Addressing any negative impact on our clients, markets, societies and other parties caused by our actions	Short/medium term
Integrated risk management		Addressing any negative impact on SuMi TRUST Holdings and its stakeholders caused by failed achievement of net-zero emissions	Short, medium, and long term

Selected as Top Risks

The Group conducts comprehensive risk identification on a quarterly basis, and from among the identified critical risks, selects "top risks" as risks that could have a significant impact within one year and that require management attention, and "emerging risks" as risks that could have a significant impact in the medium to long term

Climate change-related risks were previously classified as "emerging risks," but due to significant changes in the public's perception of the importance of climate change, they have been reclassified as "top risks" starting from the September 2021 standard.

Initiatives for the Equator Principles

In February 2016, SuMi TRUST Bank signed on to the Equator Principles, international private-sector guidelines on environmental and social considerations in project finance. We incorporate risk management procedures based on the Equator Principles into our project finance decision-making process to ensure that the project sufficiently takes the natural environment and local communities into consideration.

In fiscal year 2021 there were 19 projects to which we applied the Equator Principles.

Initiatives for the Poseidon Principles

In March 2020, SuMi TRUST Bank became the first financial institution in Asia to sign on to the Poseidon Principles. Each year, financial institutions that are signatories to the Poseidon Principles calculate and publish their degree of contribution to efforts to reduce CO_2 emission of their entire ship finance portfolio.

SuMi TRUST Bank's Portfolio Climate Alignment

As of December 31, 2020	–0.8%

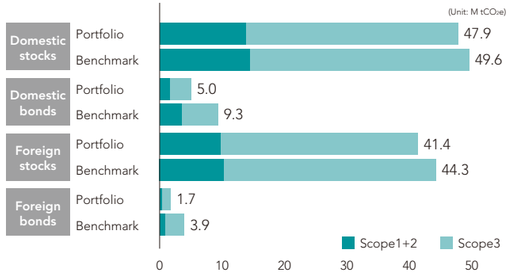
Initiatives at Sumitomo Mitsui Trust Asset Management Co., Ltd.

Fixed point analysis

We monitor greenhouse gas emissions and others at specific points in time based on data disclosed by investee companies and other information.

The targets are domestic stocks, domestic bonds, foreign stocks, and foreign bonds, all of which are below their benchmark emissions.

Greenhouse gas emissions by managed asset



* Based on Scope1+2+3. Benchmarks are as follows:
Domestic stocks: Tokyo Stock Price Index (TOPIX)/ Domestic bonds: NOMURA-BPI Overall (Corporate bonds only)/ Foreign stocks: MSCI-ACWI (ex Japan)/ Foreign bonds: Bloomberg Global Overall (excluding Japan), corporate bonds only/ Calculated on the basis of our holdings to the adjusted corporate value of each asset.

Climate Change-Related Risk Management in SuMi TRUST Bank's Investment and Loan Operations

• Policies for specific sectors

Based on the perspective that investments and loans that have a large negative impact on society need to be prohibited, curtailed, or carefully engaged, SuMi TRUST Bank has an established "policies for specific sectors" and regularly reviews them at the Executive Committee and others.

(1) Prohibited transactions

- Transactions that are considered immoral
- Transactions with anti-social forces
- Transactions where the use of funds is speculative
- Transactions that involve cluster munitions manufacturers as well as credit transactions with companies that have material involvement in the manufacturing process through lending and other activities with cluster munitions manufacturers.
- Businesses that negatively impact wetlands designated under the Ramsar Convention
- Businesses that negatively impact UNESCO World Heritage Sites
- Businesses that contravene the Washington Convention
- Businesses that use child labor or forced labor

(2) Transactions warranting special attention

Cross-sector transactions

- Businesses that negatively impact indigenous communities
- Businesses that negatively impact high conservation value areas
- Businesses involved in the expropriation of land leading to the forced removal of residents

Sector-specific transactions

- Coal-fired power generation
  SuMi TRUST Bank, in principle, will not engage in new projects for the construction of coal-fired power plants.
- Weapons manufacturing
  SuMi TRUST Bank will avoid lending and other activities where funds will be used for manufacturing weapons of mass destruction such as nuclear weapons, chemical weapons, biological weapons, or for manufacturing inhumane weapons such as antipersonnel landmines.
- Forestry
  The rapidly developing global deforestation is creating various problems such as reduction in biodiversity, decline in the stability of ecosystems, lower watershed protection, lower fixation of carbon dioxide and other items. SuMi TRUST Bank engages with timber manufacturers and manufacturers using timbers as raw materials only after careful consideration such as checking their international forest certification status*1 as well as fully taking into account whether or not there are existing problems with original inhabitants and local communities.

*1 FMC (Forest Management Certification) issued by FSC (the Forest Stewardship Council) for forestry management and forestry business operations; CoC (Chain of Custody Certification) for processing and distribution management of certified forest products, and others.

- Palm oil
  Palm oil is derived from "oil palms" grown on plantations. While palm oil demand is rapidly growing owing to its convenience and rising preference for wholesome foods, environmentally destructive developments are the main causes for the devastation of tropical rainforests and the decline in biodiversity. SuMi TRUST Bank engages with producers of palm oil and manufacturers using palm oil as a raw material only after careful consideration such as checking their international/local sustainable palm oil certification status*2 as well as fully taking into account whether or not there are existing problems with original inhabitants and local communities.

*2 RSPO (Roundtable on Sustainable Palm Oil) and others that aim to observe NDPE (No-deforestation, No-peat and No-exploitation) and the preservation of HCS (High Carbon Stock) forests

- Coal mining
  The extraction of coal from the ground has the risk of negatively impacting the environment and society, mainly owing to the impact that hazardous waste from coal mines has on the ecosystem, the deaths of workers as a result of cave-ins, and violations of human rights. And also given the likelihood that coal mining contributes to higher greenhouse gas emissions, which in turn is driving climate change, our basic policy is not to provide financing for any new coal extraction projects (general coal) or coal mining businesses that use the mountaintop removal method.
- Oil and gas
  Oil and gas exploration projects carry the risk of negatively impacting ecosystems, biodiversity, the living conditions of residents, and the natural environment. We carefully engage with such businesses after taking into full account environmental impacts and the existence of any problems involving indigenous peoples and local communities. We adopt a particularly cautious approach to oil sands extraction, shale oil and gas projects, exploration of minerals in the Arctic Circle, and pipeline laying.
- Hydroelectric power generation
  Large-scale hydroelectric power generation carries the risk of negatively impacting ecosystems, biodiversity, the living conditions of residents, and the natural environment. We carefully engage with such businesses after taking into full account environmental impacts and the existence of any problems involving indigenous peoples and local communities. We adopt a particularly cautious approach to large-scale hydroelectric power generation projects (output of at least 25MW) that involve the construction of dams.
- Large-scale plantations
  Plantation development carries the risk of deforestation, violations of human rights, and negatively impacting ecosystems, biodiversity, the living conditions of residents, and the natural environment. We carefully engage with such businesses after taking into full account environmental impacts and the existence of any problems involving indigenous peoples and local communities. We adopt a particularly cautious approach to projects that involve developments in forests and peatlands.

(3) Review of Sector Policies

SuMi TRUST Bank regularly reviews the suitability of established sector policies and the status of how transactions are being addressed at Sustainability Promotion Committee in our Executive Committee, etc., to reconsider the policies as well as make improvements to our operations as necessary.

(4) Education and Training

As a member of a responsible trust bank group, to ensure that SuMi TRUST Bank's directors and employees deepen their understanding of ways to reduce environmental impact, policies for human rights, and sector policies, the Bank continually conducts educational training. The company also spares no effort to ensure that directors and employees comply with all relevant regulations and procedures.

(5) Communication with Stakeholders

SuMi TRUST Bank continues to engage in dialogues and collaborations with various stakeholders on themes that are relevant to the sector policies that it has established. The Bank trusts that dialogues and collaborations with these stakeholders will prove useful when considering reviews to improve the sector policies to stay in line with the changing social environment and to continue improving their effectiveness.

Indexes and Goals

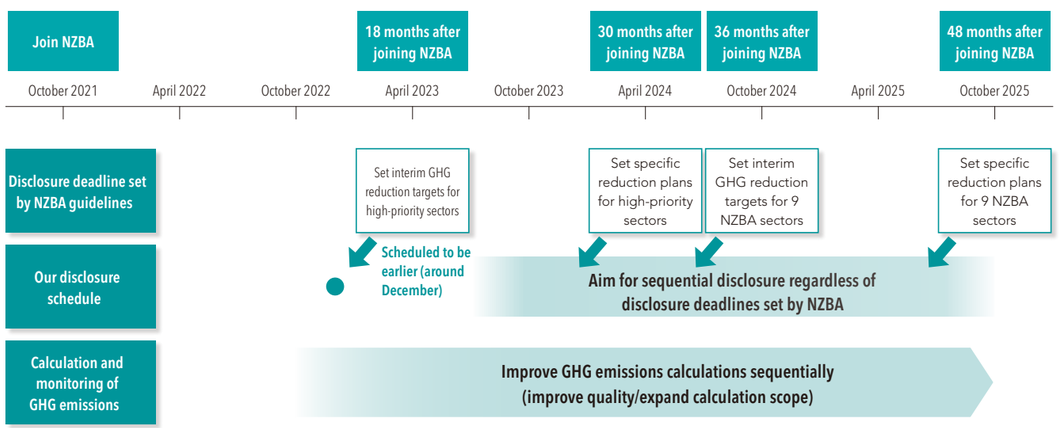
Actions to Reduce GHG Emissions in the Investment and Loan Portfolio

In accordance with the framework of the Net-Zero Banking Alliance (NZBA), the Group plans to set interim targets for reducing GHG emissions by 2030 for at least one of the nine NZBA-designated sectors* and disclose them during FY2022. These interim targets are to be set in line with the Paris Agreement's goal of limiting temperature increase, using widely accepted science-based decarbonization scenarios.

Subsequently, we will disclose specific reduction plans toward net-zero GHG emissions in the sectors concerned, and then set interim targets and disclose specific reduction plans for all nine NZBA-designated sectors.

* Electricity, oil and gas, coal, steel, transportation, cement, aluminum, real estate, and agriculture

■NZBA's Roadmap for Target Setting and Emissions Disclosure



Interim Targets for Reducing GHG Emissions for Management Portfolio at Group Asset Managers

Sumitomo Mitsui Trust Asset Management Co., Ltd.(SMTAM) has set an interim target of 2030 for greenhouse gas emissions from managing assets in accordance with NZAMI (Net Zero Asset Managers initiatives) framework. It will target 50% (approximately ¥43 trillion) of the assets under management (approximately ¥85 trillion as of June 30, 2021), and reduce their carbon footprint (greenhouse gas emissions per unit) by 50% compared to 2019. The company aims to achieve net-zero greenhouse gas emissions of the companies in which it invests through methods such as engagement with the companies, exercise of voting rights, collaboration with stakeholders such as asset owners and government agencies, sophistication of investing and financing strategies, and provision of investment opportunities (products) to its clients.

Nikko Asset Management Co., Ltd. plans to set an interim target of 2030 for greenhouse gas emissions of managing assets by November 2022, one year after joining NZAMI, in accordance with the NZAMI framework.

Initiatives in the Asset Management Area—Addressing NZAMI

■Sumitomo Mitsui Trust Asset Management Co., Ltd.

Disclosure of interim target	Target 50% of its approximately ¥85 trillion of managing assets and reduce their carbon footprint (greenhouse gas emissions per unit) by 50% compared to 2019
Participation in management	Appointed in March 2022 as an Asian representative member of the Advisory Group, which consists of six signatory institutions; Participate in the management of the entire NZAMI

■Nikko Asset Management Co., Ltd.

Disclosure of interim target	Schedule to announce in November 2022

Net Zero Target of In-house GHG Emissions

Regarding its own GHG emissions, the Group has announced in its Carbon Neutral Commitment mentioned previously that it aims to achieve net zero GHG emissions by 2030. SuMi TRUST Bank's offices in Japan are aiming to lead the way in achieving net zero. As of the end of May 2022, they have cut electricity usage by approximately 60%, and their goal is to achieve net zero within FY2022.

Long-Term Goals for Sustainable Finance

SuMi TRUST Bank had set a long-term target for sustainable finance of accumulated ¥5.0 trillion over the 10-year period from FY2021 through FY2030, including ¥3.0 trillion in environment-related fields. However, in response to the growing need for funding related to sustainable finance, the environment, and climate change, which is accelerating every year, the target was expanded this fiscal year to ¥10.0 trillion, including ¥2.5 trillion by impact equity.

Long-term goals for sustainable finance (Executed amount in total during FY2021-FY2030)	¥10.0 trillion (performance as of March 31, 2022: ¥0.83 trillion)

Status of Exposure of Carbon-Related Assets

Monitoring of "exposure of carbon-related assets*" is recommended as one of the indicators for understanding climate change risks according to the TCFD recommendations.

* TCFD defines loans to the "energy" and "utilities" sectors in GICS (Global Industry Classification Standard), excluding independent businesses of water utilities and renewable energy, as "exposure to carbon-related assets". The calculation range is the combined total of such loans of SuMi TRUST Bank and SuMi TRUST Bank (Thai).

■Exposure to Carbon-Related Assets in the Business Year Ending March, 2022

	Loan balance (trillion yen)	Ratio
Energy (oil, gas, etc.)	0.4	1.3%
Utilities (power, etc.)	1.2	4.1%
Total carbon-related assets	1.6*	5.4%*

* The ratio of the total exposure to carbon-related assets to the total loan balance is 5.4%, 0.4 point increase compared to March 31, 2021. The main reason is that, while the yen-converted loan balance of loans in foreign currency in the target sectors increased by weakening the yen, SuMi TRUST Bank's corporate loan balance is declining due to the faded out demand for COVID-19 related credit.

Initiatives of Each Employee

The Group is committed to initiatives related to the environment and biodiversity, including the disclosure of information on initiatives for natural capital and the formulation of "SuMi TRUST Group Zero Plastic Waste Declaration", which aims to eliminate plastic discarded without being recycled by 2030.

In FY2021, each branch office of SuMi TRUST Bank held a lobby exhibition to educate employees and actively raise community awareness about "natural capital" and "the problem of marine plastic garbage" under the slogan of "Think Globally, Act Locally." In addition, from October 2021 to January 2022, the "With You Eco Festival," to develop new "eco"-themed activities, was held in time with the announcement of the "Carbon Neutral Commitment for SuMi TRUST Group", which aims to achieve net zero emissions by 2050. This project is designed to raise each employee's interest in "eco"-related social issues and "visualize" the results of activities. Concrete results such as decarbonizing and power saving, food loss and plastic waste problems, and various recycling activities were posted with the title of "Eco Festival" on the "With You" blog of branch offices. We achieved 5,545 kg of CO_2 reduction (equivalent to the CO_2 absorbed by approximately 400 cedar trees) in 3 months of stimulant period.



"Zero Plastic Waste Declaration" poster

With You エコ祭

Click here for details about blogs on "Eco Festival." (Japanese text only)

5 Natural Capital (Biodiversity Issues)

The global environment is the foundation vital for all living creatures. With the blessings of the sun, it comprises of natural capital, such as water, air, soil, as well as marine and terrestrial fauna and flora nurtured there. Humans also depend on natural capital and have utilized it to build social systems and develop the economy. In this process, however, humans have also caused significant consequences.

Natural capital is not inexhaustible. Supplies may be exhausted sooner or later unless we appropriately grasp and manage our dependence and impacts on natural capital. This is closely interlinked with humans' day-to-day activities. For this reason, all SDGs are connected with natural capital. Primarily from the perspective of corporate activities, the Group focuses on natural capital in Japan, where we lay our business foundation, as well as natural capital outside Japan, where we highly rely on procurement of raw materials and parts. We have selected goals that contribute to proper dependence on and management of such natural capital.

Major Initiatives in the Group's Business to Date

2000	SuMi TRUST Bank is entrusted with "the Keidanren Nature Conservation Fund," a charitable trust, by the Nippon Keidanren Committee on Nature Conservation
2008	▪ SuMi TRUST Holdings signs the Leadership Declaration of the Business and Biodiversity Initiative ▪ SuMi TRUST Holdings establishes the Basic Policy for Addressing Biodiversity Issues (currently Action Guidelines for Preserving Biodiversity) ▪ SuMi TRUST Bank translates the interim report of the Economics of Ecosystems and Biodiversity (TEEB)
2010	SuMi TRUST Asset Management Co., Ltd. develops Ikimonogatari, a Japanese equity investment trust specializing in biodiversity
2012	SuMi TRUST Holdings signs the Natural Capital Declaration (currently the Natural Capital Finance Alliance) proposed by UNEP FI at the United Nations Conference on Sustainable Development (Rio+20)
2013	▪ SuMi TRUST Bank develops environmental rating loans with evaluation of natural capital preservation ▪ SuMi TRUST Bank forms the Natural Capital Study Group
2016	SuMi TRUST Bank signs the Equator Principles
2018	SuMi TRUST Asset Management Co., Ltd. joins Farm Animal Investment Risk & Return (FAIRR), an organization engaging primarily in the fisheries and livestock industries
2019	SuMi TRUST Bank develops Positive Impact Finance (PIF)
2020	▪ SuMi TRUST Bank establishes financing policies for specific sectors ▪ SuMi TRUST Bank is entrusted with a forestry trust by individual owners of forests in the Nishiawakura Village of Okayama Prefecture
2021	SuMi TRUST Asset Management Co., Ltd. participates in the Task force on Nature-related Financial Disclosures (TNFD) forum

* Each organization is addressing the issue at present.

Natural Capital Finance Alliance (Formerly the Natural Capital Declaration)

SuMi TRUST Holdings became a signatory to the "Natural Capital Declaration (NCD) " proposed by the United Nations Environment - Finance Initiative (UNEP FI) at the "United Nations Conference on Sustainable Development (Rio+20)" held in Rio de Janeiro in June 2012. SuMi TRUST Holdings is the only financial institution in Japan that was a signatory to it from the beginning. NCD has been developmentally reorganized into the Natural Capital Finance Alliance to the expand its initiatives.

Status of Our Initiatives against the Leadership Declaration of the Business and Biodiversity Initiative

At the ninth meeting of the Conference of the Parties (COP 9) to the Convention on Biological Diversity held in May 2008 in Germany, SuMi TRUST Holdings signed the Leadership Commitment supporting the "Business and Biodiversity Initiative" led by the German government. Since then, we have continued our efforts using this declaration as a guideline for our activities.

Initiatives through Investments and Loans

Environmental Rating Loans with Evaluation of Natural Capital Preservation

The sustainable use of natural capital as resources is vital for a company to continue its business. There is a growing awareness that natural capital-related procurement risk management across the global supply chain is an indispensable part of management strategy. In April 2013, SuMi TRUST Bank launched its Environmental Rating Loans with Evaluation of Natural Capital Preservation, which embed the concept of evaluating impacts on natural capital and a company's initiatives into the environmental-rating evaluation process that assesses its environmental measures. This is the world's first attempt to incorporate natural capital evaluation into loan criteria, and the Bank's efforts have been cited in the white paper on environment of the Japanese government and a report of the European Commission as an example of leading-edge practice.

Positive Impact Finance (PIF)

Many companies have above the standard level of impacts on natural capital not only through their own activities but also through their supply chain. SuMi TRUST Bank's Positive Impact Finance (PIF) (for details, see page 42) supports a client's initiatives by comprehensively analyzing these impacts, setting and monitoring targeting KPIs for reducing negative impacts and increasing positive impacts, and maintaining an ongoing dialogue with the client. For example, in PIF provided to a forestry company, we set its certified forest area in Japan and overseas and its sustainable percentage of timber handled and others as KPIs, and are supporting its sustainable forestry management.

Initiatives as an Investor

Sumitomo Mitsui Trust Asset Management Co., Ltd. has selected "natural capital and resource conservation" as one of its 12 ESG themes for top-down engagement. It has conducted engagement activities related to palm oil production, as well as engagement activities and recommendations for government to the Brazilian and Indonesian governments regarding rainforest conservation. It is also participating in the "Task Force on Nature-related Financial Disclosure (TNFD)", which was officially launched in June 2021, but started as an informal working group in the previous year (it was the only Japanese participating company while TNFD was a working group), and is contributing to the development of the framework.

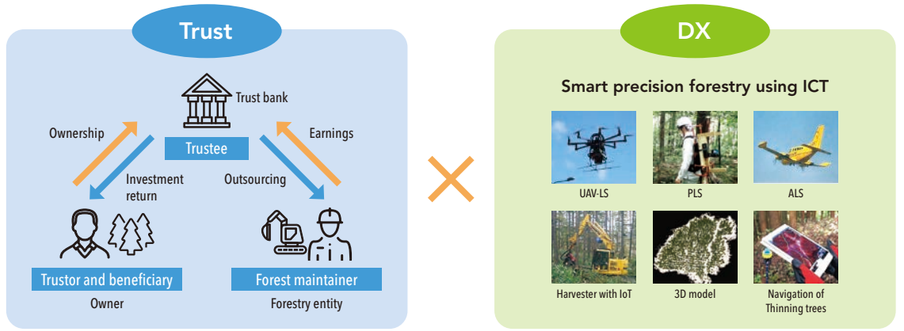
Forestry Trust Business

SuMi TRUST Bank developed a forestry trust scheme to solve social problems in Japan's forests and forestry industry, and in August 2020, was entrusted to manage a forest in Okayama Prefecture's Nishiawakura Village as the first commercial trust in Japan.

SuMi TRUST Bank will entrust management activities to forestry entities on behalf of the owner, manage revenues, and distributes dividends from earnings. By handling multiple forests, the forestry entities can streamline forestry management and prevent inheritance-related problems such as subdivision of land ownership and omissions of registration.

The latest laser sensing-based forest surveying technology was utilized to identify the data of individual trees, which are entrusted assets. By combining the "power of trust" to manage assets with the latest digital technology, we have been able to create new value of "forestry trusts" and "let prosperous future for our clients and society bloom."

Currently, in addition to considering to accept the second forestry trust, we are pursuing initiatives to match up forest buyers and sellers, revitalize the forest-derived CO_2 offset/credit market, and build a smart forestry-based supply chain with the goal of increasing the value of Japan's forests and forestry industry together with stakeholders.



Reference: Professor Masato Kato, Faculty of Agriculture, Shinshu University, "Transformation of Forestry into a Growth Industry and Smart Precision Forestry using ICT", Shinshu University NOW (PR magazine published by Shinshu University), Vol. 111, Section 8

6 Delivering Value to Communities

* For details, please refer to the Sustainability Report 2021/2022 pages 161-197.

Delivering value to communities is a means for the Group to have a positive impact on stakeholders in a more direct manner. Some initiatives are Group-wide, while others are being implemented independently by Group companies, like the "With You" activities.

We will look to ascertain the social value that these activities generate so that we might implement more beneficial initiatives in the future.

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

Initiative	Generating value (particularly emphasizing SDGs)	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. (cancelled in fiscal year 2020)	• Unearth talented students from disadvantaged backgrounds so they might become "changemakers" who change the world • Encourage graduates who have launched into the world to address poverty issues in the regions they hail from	The career of students after graduating (trace the career paths of supported scholarship students, as much as possible)

Support for United World College ISAK that is empowering changemakers

The boarding campus in Karuizawa is home to approximately 200 high school students from approximately 70 countries around the world. Of these, 70% are international students, who deepen learning at school, respecting their different backgrounds not only in terms of nationality, but also in terms of values, beliefs, and culture. Many of the students who participate in the summer school, where they can experience the school's education, are from developing countries and economically impoverished backgrounds. The Group has supported one scholarship student each year. This initiative is introduced in lobby displays at branch offices throughout Japan.

Students SuMi TRUST Group Have Supported Since 2013



2013	2014	2015	2016	2017	2018	2019	2021	2021
Vietnam Hong Lien Ngyuen	India Thulasi Priya Ramesh	India Thanuja Ramesh	Mexico Eduardo Bautista	India Prashanth Babu	India Prathana Himalachi	India Hemant Sharma	Australia Niko Carter	Vietnam Khanh Chi Luu

ESD (Education for Sustainable Development) Project A program to nurture the children who will lead the next generation

Initiative	Generating value (particularly emphasizing SDGs)	KPI
The Group collaborates with TREE INC. (Masahiro Mizuno, Representative Director) to provide original programs at schools throughout Japan with the use of visual aids and ICT (during FY2012- FY2021, 18 sessions of the program were held). In recent years, new initiatives such as education for teaching staff and online classes have also been introduced, using the SDGs as a starting point.	• Archiving classes and others including videos about making of classes • Providing awareness by making local SDG issues themes • Developing innovative ESD methods utilizing ICT, etc.	Accumulation of social value generated by each program (recorded videos provided to schools, new method trials, etc.)

Educating people who understand nature's value

In order to create a "sustainable society", it is important to incorporate economic and social perspectives within an environmental perspective and to work toward building a society with harmonious coexistence of people and nature and developing human resources. However, it is difficult to realize a truly sustainable society by simply "protecting lands verging on a crisis" that we are currently facing. SuMi TRUST Bank therefore advocates the forward-looking idea of "educating people who understand nature's value" to achieve the goal, and we offer ESD projects that provide original lessons throughout Japan. In the natural environment, at school and at home, our programs provide an opportunity for children, who will lead the next generation, to learn natural capital and ecosystem services and to share their wisdom in creating the future by finding out conservation activities of local National Trust lands and rare ecosystems, and SDGs initiatives.



Click here to see the promotional video celebrating the 10th anniversary of ESD projects. (Japanese text only)



Online teacher-student dialogue

Financial Inclusion —Providing financial literacy education to high school students—

SuMi TRUST Bank have researched and provided products and services related to asset formation and asset administration, inheritance, gifts and housing, and have offered information on their use (financial literacy) for aiming to promote greater financial access for all people.
With the lowering of the age of adulthood to 18 in 2022, we are also working to provide financial education to younger generations in addition to our joint research and information dissemination efforts to encourage productive aging, through which elderly individuals can continue to actively engage in society. In the future, we will continue to promote various initiatives that use the diverse mechanisms and broad network we hold as a trust bank.

Sumitomo Mitsui Trust Financial Education Institute

We are now approaching the era of unprecedented longevity, and we believe it is more important than ever before to increase awareness about financial literacy in the age of 100-year life. For that reason, we established a special organization called the "Sumitomo Mitsui Trust Financial Education Institute" in 2019.

The age of adulthood was lowered in 2022, and since the institute's founding, we have been trialing study sessions and other training programs that respond to the need for financial literacy education at educational institutions. In April 2022, financial education became a compulsory part of the high school home economics curriculum, and in response, we created instructional materials for two courses: a basic course, which offers versatile financial learning materials, and an advanced course, which also teaches about the relationship between SDGs and finance. We began providing free financial education learning materials to high schools by request through SuMi TRUST Bank's nationwide network of branch offices since March 2022.

ミライ研
三井住友トラスト・資産のミライ研究所

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

Initiative at Nada Junior and Senior High School

On June 4, 2022, Sumitomo Mitsui Trust Financial Education Institute provided a class named "Creating a future for the World and I – SDGs and Finance" at Nada Junior and Senior High School in Hyogo Prefecture. The class was attended by 51 junior and senior high school students. The class was part of a special "Saturday Lectures" series the school holds twice a year. SuMi TRUST Bank approached Nada Junior and Senior High School and open the course with the goal of improving student financial literacy and raising their awareness of SDGs.

The lecture was given in two sections: "Imagining the World in 2050" and "The Role of Finance in the Future."

We used the Advanced Course materials, which teach about the relationship between SDGs and finance. It explains the current state of SDGs and decarbonization, the role of finance, and investments as a part of money plans designed for the age of 100-year life. Students enthusiastically asked questions of the lecturer after the class was finished, and one student described how the class deepened their understanding of the relationship between SDGs and finance, and that they want to look into the initiatives of other companies as well.



3 Theme

How do we support value creation?



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

1 Basic Approach

In order to implement sound management based on a high degree of self-discipline guided by our fiduciary spirit and to gain the unwavering trust of society, we are committed to enhancing corporate governance along the lines of the following basic philosophy with the objective of improving the Group's sustainable growth and medium- to long-term corporate value. Having defined the Group's reason for existence (purpose) and identified issues of materiality, we also recognize that taking on the mission of solving social issues presents us with growth opportunities, which is why we have placed at the core of our management approach the notion that we must balance the creation of both social and economic value. As a foundation for every activity to be shared by all directors, officers, and employees of SuMi TRUST Group, the Board of Directors has established management principles (mission), an ideal model (vision), and codes of conduct (value).

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 effective equal treatment of shareholders.
- By recognizing the importance of its social responsibilities and public mission, SuMi TRUST Holdings shall endeavor to appropriately cooperate with its stakeholders, 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 articulate 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 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 and asset 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 shall strive 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 SuMi TRUST Group's corporate management as its central role, by setting out the basic management policy of 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 officers and other officers. 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 from the standpoint of stakeholders, in order to support sustainable growth and the medium- to long-term enhancement of the enterprise value of 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 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 SuMi TRUST Group, and promotes the practice of fiduciary duties in SuMi TRUST Group by supervising each Group company's commitment to its fiduciary duties.

(2) Composition of the Board of Directors

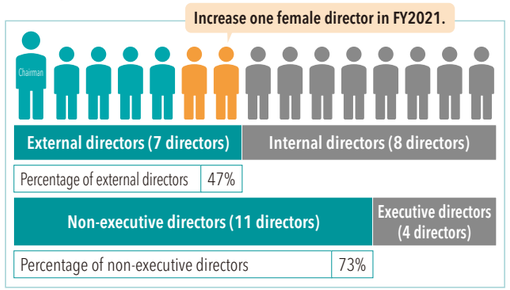
The Board of Directors at SuMi TRUST Holdings has appointed sufficient number of directors considered necessary and appropriate for the Board to demonstrate an effective supervisory function as required of a financial holding company tasked with the management of the Group. In determining the number 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.

When deciding on director candidates, we nominate those that have considerable insight and extensive knowledge of corporate management, financial accounting, legal affairs, risk management, and compliance to address the Company's priority issues (materiality), as well as an understanding of skills, sustainability, and so-called creative fields, such as IT and digital technology, unique to the trust business that can encourage the creation of new value. We endeavor to ensure that the makeup of the Board is suitable for appropriately overseeing the broad range of a trust bank group services, that each member can offer their astute opinions and advice, and that it is well balanced in terms of diversity.

* See page 16 for more details about materiality.
* See pages 96–97 for the expertise and experience of directors.

■ Composition of the Board of Directors



- All seven external directors have been registered as independent officers with the relevant securities exchange.
- Of the 15 directors, 13 are male and two are female (shown in orange above).
- 16 Board of Directors meetings were convened during the period July 1, 2021 through June 30, 2022. There were only two occasions on which one director was absent.

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

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.

External Directors' Meeting

To further improve the effectiveness of corporate governance, external directors' meetings*, which are attended exclusively by external directors, are held regularly.

These meetings, at which external directors engage in active and unrestrained discussions and share information and awareness from independent and objective positions, help foster a relationship of trust among the external directors and strengthen the supervisory function of the Board of Directors.

At the external directors' meetings held in FY2021, taking the results of the Evaluation of the Board of Directors and other factors into account, the external directors discussed, among other matters, operational improvements and topics for future discussion at the Board of Directors meeting, and then offered recommendations to the executive.

* Voluntary meetings organized by the external directors and not prescribed in any of the Company's regulations.

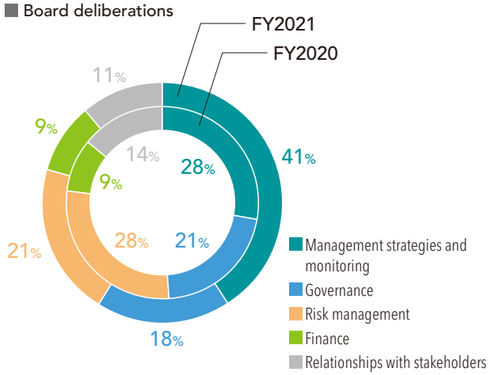
4 Deliberations by the Board of Directors

(1) Board deliberations and main topics of discussion

The deliberations of the Board of Directors are based on an annual schedule formulated with reference to the Evaluation of the Board of Directors conducted every year. Accordingly, the topics discussed reflect changes in the internal and external operating environments.

In FY2021, the Board engaged in discussions about key topics from both offensive and defensive points of view with the aim of increasing corporate value and the amount of time it spent deliberating issues related to management strategies and monitoring, such as medium- to long-term management issues and strategies, increased from last year. Even though the Board discussions regarding risk management and governance topics decreased compared to last year, it continued to deliberate on the visualization of administrative processes and the development of risk maps in order to improve service quality, the source of a trust bank group's strength. It also continued to discuss ways to further enhance the effectiveness of the internal control system and governance on a Group-wide basis. As such, the time spent discussing these topics was roughly the same as in FY2019 (23% for risk management and 15% for governance in FY2019).

■ Board deliberations



■ Main topics discussed by the Board in FY2021

Subject	Topics
Management strategies and monitoring	• Materiality management • Business portfolio analysis and allocation of management resources • Integrated framework for financial and non-financial information
Governance	• Enhancement of succession plans • Enhancement of group governance • Monitoring of strategic shareholdings
Risk management	• Penetration and observance of risk culture and compliance awareness • Cybersecurity and enhancement of risk management structure • Measures aimed at improving service quality
Finance	• Capital policy (including financial and non-financial) and shareholder returns policy
Relationships with stakeholders	• Sustainability and climate change policies • Stepped-up engagements and measures for achieving well-being • Strategies for promoting fiduciary duties and customer satisfaction

(2) Discussions of management themes

With a view to determining the Group's basic management policy and medium- to long-term strategies, the Board of Directors selects and deliberates on management materiality issues and other management themes from a medium- to long-term point of view. The external directors of SuMi TRUST Bank also participate in deliberations on management themes as Board meeting observers, not for the purpose of reaching conclusions, but to enhance Board deliberations with their viewpoints and opinions through free and open discussion.

This fiscal year, the focus of discussions was on the Group's business portfolio. Through dialogue between the Board and business execution departments, the circumstances surrounding the Group's business portfolio were discussed by putting the state of the financial industry into perspective and examining the Group's positioning in light of the market structure and competitive environment, the perspectives of non-financial resources, including the power of trusts, and the highly uncertain operating environment, including digitalization and increasingly complex social issues. These kinds of discussions mean we can identify strategic areas of focus by formulating an outlook for our business portfolio over the medium-to-long term to generate value for stakeholders by balancing the creation of both social and economic value.

5 Results of the FY2021 Evaluation of the Board of Directors

Every year we conduct an evaluation of the Board of Directors in an effort to enhance its effectiveness by considering and adopting measures aimed at improving issues identified in the evaluation and by implementing the PDCA cycle.

(1) Summary and key points of FY2021 evaluation

In the fiscal 2021 Evaluation of the Board of Directors, questionnaires and interviews were carried out. We then evaluated the effectiveness of the Board and each committee, taking the results of a review implemented by a third-party organization (external consultant) into account. In fiscal 2021, questions that seek to examine how the conduct of discussions have improved compared to in the past, as well as questions that ask respondents to identify key discussion items were added with the objective of improving the effectiveness of the Board. Also, with the objective of defining the role and function of the Board, steps were taken to project a future vision by introducing new questions that ask respondents what the future of the Board should be like, taking developments in the external business climate, such as the mounting pressure on companies to improve their corporate governance into account.

(2) Verification of key measures to address issues recognized in FY2020 evaluation

After verifying the results of the FY2021 Evaluation of the Board of Directors and measures hitherto adopted through questionnaires and interviews, we confirmed that a certain degree of improvement had been made regarding the issues identified in FY2020 concerning the Board of Directors and each committee, as well as the main measures taken to address them.

■ Measures to address issues recognized in FY2020 evaluation

(1) Improving discussions concerning important themes and medium- to long-term management issues and strategies set out in the Medium-Term Management Plan

The Board deepened its business portfolio strategy for enhancing corporate value, stepped up discussions about business strategies pertaining to sustainability issues, and engaged in discussions with various stakeholders in mind.

(2) Further improvement and validation of the effectiveness of the internal control system and governance on a Group-wide basis

The Board supervised and provided suggestions regarding the development of risk maps and other measures implemented by persons executing business, and also regarding improvements in management quality derived from the visualization and tighter control of administrative processes. It also monitored the building of a framework for overseeing Group affiliates and supervised efforts aimed at improving the internal control system and governance in more detail.

(3) Enhancement of dialogue with executives regarding the Board's recognition of issues and acceleration of responses to the issues

The Board shared its awareness of issues and furthered dialogue aimed at resolving them by improving the way it interacts with executives concerning opinions expressed at Board meetings. It also strengthened the way it shares issues by employing measures for improving its system of confirming what steps are being taken by executives in response to opinions voiced at committee meetings.

Message from Chairman of the Board of Directors



Isao Matsushita
External Director
Chairman of the Board of Directors

Five years have now passed since we adopted the "company with Three Committees" governance structure and during this time the Board steadily demonstrated its supervisory function, but in order to further enhance its effectiveness, we have continued to earnestly consider what the future of the Board should look like.

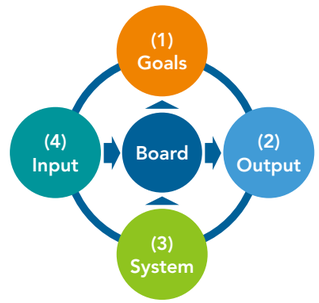
In recognizing this issue, in the recent Evaluation of the Board of Directors, alongside the conventional set of questions asked of Board members, new questions asking what the future of the Board should be like were introduced in order to define the role and function of the Board and improve its effectiveness in light of the mounting pressure on companies to improve corporate governance, as demonstrated by recent revisions to Japan's Corporate Governance Code. As the Group's role as a corporation under the framework of a habitable planet and a wholesome society continues to be redefined, the responses to those questions and the discussions that came out of the evaluation confirmed that the Board seeks to fulfill its fiduciary duties to various stakeholders.*

Further, we also recognize that further improving Group governance in light of the roles and functions of the boards of each company within the Group is an outstanding issue that we intend to squarely address going forward. As chairman of the Board of Directors I hope to meet the expectations of stakeholders by enriching discussions with a view to realizing sustainable and stable growth by balancing the creation of both social and economic value.

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

Reference: Future vision of the Board
the Board of Directors of stakeholderism

■ Future vision of the Board of Directors — framework



Item	Future vision of the Board	
(1) Goals	• Realizing "Purpose" • Fair capital allocation to stakeholders (capital agenda) • Sustainability as a corporation ⇒ Gaining the trust of all stakeholders as a fiduciary	
(2) Output	• Improving the quality of important decision making • Supervising execution of important business matter	■ Important decision making (determining a basic management policy) • Purpose/materiality/value creation process • Policy on establishing desirable stakeholder relationships • Medium- to long-term management strategies • Basic policy on internal controls
(3) System	• Organizational structure for enhancing quality of important decision making and monitoring functions • Stakeholder-oriented mindset and skills for addressing issues of materiality	
(4) Input	• Autonomous management • Board accountability	■ Accountability • Business activities and value creation • Business portfolio/capital allocation • Internal controls • Establishment of desirable stakeholder relationships

(3) Results of FY2021 Board evaluation and themes to be discussed more deeply going forward

In fiscal 2021, the Board of Directors demonstrated its supervisory function by deliberating on both offensive and defensive strategies aimed at enhancing corporate value. For example, it continued to discuss, in greater detail, management strategies and internal controls, and also stepped up its discussions of sustainability issues. The Evaluation of the Board of Directors indicated that the Board and each committee are aware of their respective objectives and are endeavoring to invigorate discussions and improve their supervisory functions. As a result, we believe that a certain degree of effectiveness is being sustained.

On the other hand, the following issues were identified as requiring improvement by the Board and each committee. As such, steps are being continuously taken to improve them.

(1) Enhancement of discussions towards the formulation of the next Medium-Term Management Plan (Group management strategy and improvements in allocation of managerial resources in line with that strategy)
(2) Further improvements in Group administration functions by the Board in consideration of the characteristics of other Group companies
(3) Discussions oriented more towards various stakeholders

With a view to next fiscal year, the Board will keep the interests of various stakeholders in mind when deliberating on the topics shown below so as to focus its discussions on important matters of Group governance.

■Examples of topics to be discussed in the next year

Category	Topics
Purpose/materiality/ value creation process	• Penetration of purpose • Materiality management, etc.
Relationships with stakeholders	• Policy on dialogue with stakeholders • Basic policy on sustainability, etc.
Management strategy/ capital allocation	• Group's next Medium-Term Management Plan • Basic policy on allocation of Group's managerial resources, etc.
Group governance/ internal controls	• Enhancement of governance framework for Group management • Risk management in accordance with a trust bank group characteristics, etc.

SuMi TRUST Holdings is committed to further improving the effectiveness of the Board of Directors and each committee by continuously implementing the PDCA cycle through the Evaluation of the Board of Directors.

6 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 trust bank group, the Conflicts of Interest Committee possesses supervisory functions unlike at any other financial group.

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. The results of the self-evaluations are reported to the Board of Directors in April for deliberation.

(1) Nominating Committee

(16 meetings convened from July 2021 through June 2022)

The Nominating Committee makes decisions on the details of proposals concerning the appointment and dismissal of directors for submission to the General Meeting of Shareholders and responds to enquiries from the Board of Directors about the management team succession plan and the appointment and dismissal of executive officers, including the president, and then deliberates on such matters before reporting back to the Board. It also conducts the same for the appointment and dismissal of directors, including the president, of SuMi TRUST Bank, and the appointment and dismissal of directors of Sumitomo Mitsui Trust Asset Management.

(2) Compensation Committee (10 meetings)

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 reports on these matters.

(3) Audit Committee (16 meetings)

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 SuMi TRUST Group. It appropriately utilizes the internal control system of 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.

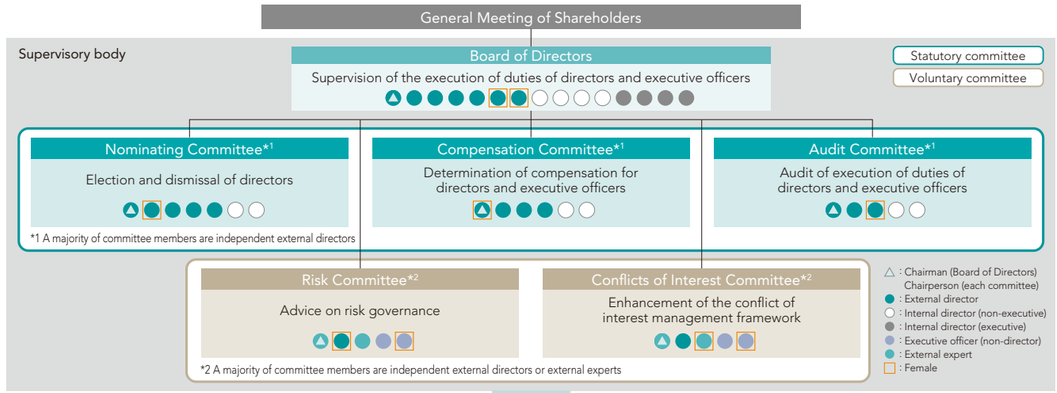
(4) Risk Committee (6 meetings)

The Risk Committee receives requests for consultation from the Board of Directors on (i) matters concerning the business environment surrounding 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 SuMi TRUST Group, and reviews and reports on their appropriateness.

(5) Conflicts of Interest Committee (7 meetings)

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 SuMi TRUST Group, (ii) matters concerning the effectiveness of conflict of interest management, client explanation management, and client support management of SuMi TRUST Group, as well as the enhancement of associated systems, (iii) matters concerning Policies regarding the Fiduciary Duties of SuMi TRUST Group and the action plans of each Group company, and (iv) particularly important matters concerning the dissemination of conflict of interest management and fiduciary duties in SuMi TRUST Group and other matters, and reviews and reports on their appropriateness.

■Corporate Governance System



* See page 97 for the makeup of each committee.

	Main matters of deliberation in FY2021*1	Matters for consultation posed by the Board of Directors in FY2022*2,3
Nominating Committee	• Proposed director candidates for the Company and major subsidiaries • Further refinement of succession plans and processes	• Succession plans and refinement of skill matrix
Compensation Committee	• Compensation for directors and executives by verifying levels and structures based on comparative analysis of compensation survey information	• Examination of executive compensation system reflecting stakeholder-oriented approach
Audit Committee	• Key audit items, including progress on the Medium-Term Management Plan, development and operation of the Group's internal control system, and management of financial reporting and disclosures	• Monitoring of process for formulating the next Medium-Term Management Plan • Enhancement of Group internal control system
Risk Committee	• Appropriateness of the Group's risk management framework • Measures for fostering and instilling a risk culture • Initiatives pertaining to risk management given the recent external environment	• Intersection of materiality management and risk management • Enhancement of risk governance in Group management • Strengthening and improving resilience • Risk management in accordance with a trust bank group characteristics
Conflicts of Interest Committee	• Development of frameworks for conflict of interest management and client protection management concerning Group and business expansion • Raising awareness about, and upholding, Group fiduciary duties	• Group management of conflicts of interest in light of next Medium-Term Management Plan • Clients' best interests as a trust bank group

*1 July 2021 through June 2022
*2 July 2022 through June 2023
*3 For the Audit Committee, audit instructions from the Board of Directors

7 Compensation System for Directors and Executive Officers / Succession Plan

(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 enhancement 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 framework 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 compensation system that is accountable, 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 40%	Individual performance compensation as a percentage of monthly compensation 25%	Bonus 20%	Stock compensation 15%	Total 100%

* For executives other than the President, the fixed compensation as a percentage of monthly compensation is about 45%, the individual performance compensation as a percentage of monthly compensation is about 25%, the bonus is about 20%, and the stock compensation is about 10%.

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

A system has been introduced to derive total bonus (performance-linked) and stock-based remuneration (share delivery trust) for directors and officers by calculating achievement rates for the items listed below with reference to KPIs and then multiplying the rates against a predetermined base. **Please note that the method for reflecting evaluations into stock-based remuneration is being reviewed in FY2022. See the message from the chairperson of the Compensation Committee on the next page for more details. The chart below shows the structure used in FY2021.**

Near-term / medium- term	Indicators (KPIs) concerning performance- linked compensation	Target*1	Actual*1	KPI selection reason	Evaluation Weight	Calculation method
Bonus for directors and executive officers (Bonus linked to earnings)						
Linked to near-term earnings	(1) Consolidated net business profit	280 bn yen	346 bn yen	Considered them as appropriate indicators of the company's business results and capabilities in the fiscal year under review	66.7%	Calculated based on a weighted average with a 2:1 weighting on the achievement rates for (1)and (2), respectively
	(2) Consolidated net profit attributable to owners of the parent	155 bn yen	169 bn yen		33.3%	
Stock compensation (Share delivery trust)*2						
Linked to near-term earnings	(1) Consolidated net business profit	280 bn yen	346 bn yen	Considered them as appropriate indicators of the company's business results and capabilities in the fiscal year under review	66.7%	Calculate d based on a weighted average with a 2:1 weighting on the achievement rates for (1) and (2), respectively
	(2) Consolidated net profit attributable to owners of the parent	155 bn yen	169 bn yen		33.3%	
Linked to medium- term earnings	(3) Consolidated shareholders' equity and ROE	Around 7%	6.25%	(1) Considered them as appropriate KPIs for they are key financial indicators and non- financial items in the company's medium- term management plan and key topics in management strategy (2) To clarify commitment to management of directors, officers, and executive officers	±5%	Final achievement rate calculate d 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 an appropriate incentive scheme
	(4) Consolidated CET1 ratio (common equity tier 1 capital ratio)	Mid-10% range	9.9%		±5%	
	(5) Consolidated overhead ratio (OHR)	Lower 60% range	57.1%		±5%	
	(6) ESG-related activities and rating agency score, etc.	–	–		±5%	
	(7) Fiduciary duty and client satisfaction activities	–	–		±5%	

*1 (1) and (2) are fiscal 2021 actual results versus fiscal 2021 forecasts. (3) through (5) are fiscal 2021 results versus fiscal 2022 targets established under the Medium-Term Management Plan.

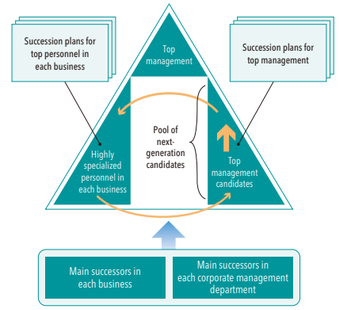
*2 Compensation with the use of a trust scheme. Points are awarded every fiscal year based on the achievement rates for the KPIs above and delivered in the form of shares upon retirement. Malus (reduction/cancellation before delivery of shares) and clawback (recovery after delivery of shares) provisions apply.

(4) Succession Plans

In order to achieve sustainable growth for the Group and enhance its corporate value, we have developed 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 those in charge of managing each business and those engaged in corporate management. These plans set out the ideals and requirements for directors and executive officers and aid in the management and development of a suitable pool of candidates. More specifically, even though candidates for top management are selected every year, the Nominating Committee deliberates on their selection, including future development policies, with reference to such information as performance, track record, assessments, experience, and skills whilst taking the current and future operating environment into account. These factors are reflected in job placement and responsibilities the following fiscal year and also prove useful in the development of top management. Also, when actually selecting a successor to top management, the Nominating Committee thoroughly deliberates on the candidates and the selection process and reports the results to the Board of Directors.

The progress of succession plans and development plans are periodically reported to the Board based on the aforementioned deliberations of the Nominating Committee.

■Development of management personnel based on management team succession plan



Message from the chairman of the Compensation Committee



Changes to how ESG performance is reflected in FY2022 executive compensation

Hiroko Kawamoto
External Director
Chairperson of the Compensation Committee

Given that the Group's sustainable management is growing increasingly important and stakeholders are more focused than ever before on how ESG assessments are reflected in the compensation paid to executive officers, the Compensation Committee has continued to discuss what kind of changes it should implement to executive compensation so that it functions more effectively as a sound incentive on ESG issues.

As a result, for executive compensation in FY2022, we decided to introduce changes to the stock-based (share delivery trust) remuneration system and incorporate a stronger emphasis on ESG.

The main changes are as follows.

<Main changes>

- The previous system of taking qualitative assessments of ESG as a component added on to the near-term earnings-linked performance evaluation into account has been changed to a system under which a 1:1:1 ratio for near-term earnings, medium-term financial metrics, and ESG is reflected in the performance evaluation for stock-based remuneration.
- The ESG assessment categories have been reviewed in light of materiality and now comprise the following five categories: climate change, fiduciary duties (FD) & client satisfaction (CS), employee engagement, D&I (empowerment of women, etc.), and ESG assessment organizations. We have therefore changed to a system in which the Compensation Committee determines an overall ESG score by quantitatively and qualitatively assessing these five categories and reflecting it in executive compensation.

I believe these changes to the performance evaluation system will generate a stronger awareness of the Group's initiatives to address sustainability issues and further advance our sustainable management.

■New performance assessment system for stock-based remuneration

Indicators (KPIs) for performance-linked compensation		Assessment weighting		Calculation method	Final determination method
Linked to near-term earnings	(1) Consolidated net business profit	33.3%	22.2%	Achievement rate vs. target	Determined by the Compensation Committee with special factors and the business environment taken into full account Achievement rate is capped at 130% with a lower limit of 0%
	(2) Consolidated net profit attributable to owners of the parent		11.1%		
Linked to medium-term financial metrics	(3) Consolidated shareholders' equity and ROE	33.3%	11.1%	Assessment score calculated based on qualitative assessment of progress on achieving Medium-Term Management Plan targets	
	(4) Consolidated CET1 ratio (common equity tier 1 capital ratio)		11.1%		
	(5) Consolidated overhead ratio (OHR)		11.1%		
Linked to ESG	(6) ESG overall assessment (categories: climate change, FD & CS activities, employee engagement, D&I (empowerment of women, etc.), ESG assessment organizations*)	33.3%		Assessment score calculated based on overall assessment comprising both quantitative and qualitative evaluations of activities in each assessment category	

* MSCI, FTSE, and Sustainalytics

Our Board of Directors and Executive Officers

(As of July 1, 2022)

Directors (internal)

			Areas of expertise			
			Corporate management	Financial accounting	Legal affairs, risk management, and compliance	Creativity
	Director, President (Representative Executive Officer) **Toru Takakura**	Toru Takakura has served as a senior managing executive officer in charge of overseeing corporate management departments of SuMi TRUST Holdings, and assumed office as President, Executive Officer in April 2021, and as Director, President in June 2021. He also has experience of being in charge of corporate management departments of Sumitomo Mitsui Trust Bank, Limited and has served as an officer in charge of Fiduciary Services Business. Therefore, he has extensive knowledge and experience regarding the corporate management and business operations of a trust bank group.	●	—	●	●
	Director, Deputy President (Representative Executive Officer) **Jiro Araumi**	Jiro Araumi was in charge of the corporate management department as Senior Managing Executive Officer from April 2017, and Director, Senior Managing Executive Officer from June 2017 to March 2021. He has assumed office as Director, Deputy President since April 2021. He also served as an officer in charge of Fiduciary Services Business of Sumitomo Mitsui Trust Bank, Limited until March 2021. Therefore, he has extensive knowledge and experience regarding the corporate management and business operations of a trust bank group.	●	—	●	●
	Director, Senior Managing Executive Officer **Nobuaki Yamaguchi**	Nobuaki Yamaguchi has extensive sales experience in the Wholesale Total Solution Services Business and Real Estate Business since he took office as executive officer of Sumitomo Mitsui Trust Bank, Limited in April 2017. At SuMi TRUST Holdings, he has been in charge of corporate management departments as Senior Managing Executive Officer since April 2021, and as Director, Senior Managing Executive Officer since June 2021.	●	●	—	●
	Director, Executive Officer **Kazuya Oyama**	Kazuya Oyama has been responsible for the planning and promotion of the Group's management strategy since he took office as Managing Executive Officer, General Manager of Corporate Planning Department of SuMi TRUST Holdings in April 2017. He assumed office as President of Sumitomo Mitsui Trust Bank, Limited in April 2021, and has been responsible for overall management of the company. He also has served as Director, Executive Officer at SuMi TRUST Holdings since June 2021.	●	●	●	●
	Chairman Nominating Committee Member / Compensation Committee Member **Tetsuo Ohkubo**	Tetsuo Ohkubo has experience in positions for supporting part of corporate management, being in charge of corporate management departments of SuMi TRUST Holdings, and supervised overall group management as Director, President from June 2017 to March 2021. He has assumed office as Chairman since April 2021.	●	●	●	●
	Director Nominating Committee Member / Compensation Committee Member **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 Executive Officer. Since June 2017, he has served as Director, Executive Officer, in a position of assisting the Group's overall management. At Sumitomo Mitsui Trust Bank, Limited, he was responsible for overall management from April 2017 to March 2021 as President. He has served as Chairman since April 2021.	●	●	●	●
	Director Audit Committee Member **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 Sumitomo Mitsui Trust Bank, Limited, 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 Audit Committee Member **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 Sumitomo Mitsui Trust Bank, Limited, 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, Executive Officers*2

Senior Managing Executive Officer **Futoshi Itani**	Managing Executive Officer **Atsushi Matsumoto**	Executive Officer, Executive Officer*2 **Masaya Yamashiro**	Executive Officer*2 **Toshiya Shimobeppu**	Executive Officer*2 **Nobuhisa Takahashi**
Managing Executive Officer **Junya Ueda**	Managing Executive Officer **Masakatsu Sato**	Executive Officer*2 (Real Estate Business)*3 **Atsushi Kaibara**	Executive Officer*2 **Kenji Kaiya**	Executive Officer*2 **Atsushi Ueda**
Managing Executive Officer Risk Committee Member / Conflicts of Interest Committee Member **Yasuyuki Suzuki**	Executive Officer, Executive Officer*2 **Shigenori Ikemura**	Executive Officer*2 (Retail Business)*3 **Seiji Iwakuma**	Executive Officer*2 **Yoshio Hishida**	Executive Officer*2 **Shinichi Nonomura**
Managing Executive Officer, Executive Officer*2 (Private Banking Business)*3 **Toshiaki Nakano**	Executive Officer, Executive Officer*2 Risk Committee Member / Conflicts of Interest Committee Member **Yuki Takada**	Executive Officer*2 (Investor Services Business and Asset Administration Business)*3 **Kengo Noguchi**	Executive Officer*2 **Toshio Masui**	Executive Officer*2 (Global Markets Business)*3 **Shinichi Tao**
Managing Executive Officer **Manatomo Yoneyama**	Executive Officer **Miyo Yajima**	Executive Officer*2 (Wholesale Business (Corporate Business))*3 **Shigeki Tanaka**	Executive Officer*2 (Asset Formation Advisory (Work Place))*3 **Daisuke Maeda**	Executive Officer*2 **Riro Sato**

*2 Executive Officers as defined in our internal policy; unless otherwise annotated, Executive Officers are defined in the Companies Act.
*3 ( ) indicates the business in charge at SuMi TRUST Bank.

Directors (external)

			Area of expertise			
			Corporate management	Financial accounting	Legal affairs, risk management, and compliance	Creativity
	Director (external) Nominating Committee Chairman / Compensation Committee Member **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 integrated energy, resources, and material enterprise group that represents Japan. (He has served as an external director, chairman of the Board of Directors, and chairman of the Nominating Committee at SuMi TRUST Holdings since June 2017.)	●	●	—	●
	Director (external) Audit Committee Member **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 for four years since June 2013, and as an external director at SuMi TRUST Holdings since June 2017.)	●	●	●	●
	Director (external) Nominating Committee Member / Compensation Committee Chairman **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. Therefore, she has extensive knowledge and experience regarding corporate management and diversity. (She served as an external director at SuMi TRUST Bank for one year from June 2016, and as an external director at SuMi TRUST Holdings since June 2017.)	●	—	●	●
	Director (external) Nominating Committee Member / Audit Committee Chairman **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 Sumitomo Mitsui Trust Bank, Limited. for three years from June 2016, and as an external director at SuMi TRUST Holdings since June 2019.)	—	—	●	●
	Director (external) Nominating Committee Member / Compensation Committee Member Conflicts of Interest Committee Member **Nobuaki Katoh*1**	Mr. Nobuaki Katoh has extensive experience in the general management of companies as a former President & CEO of DENSO CORPORATION, global auto parts manufacturer. He also has experience in the overseas general management of companies as a former President & CEO of DENSO INTERNATIONAL EUROPE B.V. (He has served as an external director at SuMi TRUST Holdings since June 2021.)	●	—	—	●
	Director (external) Nominating Committee Member / Compensation Committee Member **Masanori Yanagi*1**	Mr. Masanori Yanagi has extensive experience regarding overall bank management and policy-based finance, etc. as a former 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 Directors of the Japan Economic Research Institute (JERI). (He has served as an external director at SuMi TRUST Holdings since June 2021.)	●	—	—	●
	Director (external) Audit Committee Member / Risk Committee Member **Kaoru Kashima*1**	Ms. Kaoru Kashima 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 operating companies. She has also been engaged in management, human resources, corporate culture, public relations and promoting active participation of women as a managing director of an audit firm and a corporate manager. (She served as an external director (Audit and Supervisory Committee member) at SuMi TRUST Bank for two years from June 2019. She also has served as an external director of SuMi TRUST Holdings since June 2021.)	●	●	●	●

*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.

Executive Officer*2 **Akira Ojima**		
Executive Officer*2 **Tomoya Hirano**		
Executive Officer*2 **Hideki Kiya**		
Executive Officer*2 **Takahiro Yoshida**		

Members of Each Committee

(△ : Committee Chairperson ● : External Director ○ : Internal Director (non-executive) □ : Female
● : Executive Officer, Executive Officer*2 (non-director) ● : External expert)

			Nominating	Compensation	Audit	Risk	Conflicts of Interest
External	Directors	Isao Matsushita	△	●			
		Shinichi Saito			●		
		Hiroko Kawamoto	●	△			
		Mitsuhiro Aso	●		△		
		Nobuaki Katoh	●	●			●
		Masanori Yanagi	●	●			
		Kaoru Kashima			●	●	
	Experts	Hideki Kanda*4					△
		Kenji Fujii				△	
		Haruyuki Toyama				●	
		Akiko Hosokawa					●
Internal	Directors	Tetsuo Ohkubo	○	○			
		Masaru Hashimoto	○	○			
		Kuniyuki Shudo			○		
		Kouji Tanaka			○		
	Managing Executive Officer	Yasuyuki Suzuki				●	●
	Executive Officer, Executive Officer*2	Yuki Takada				●	●

*4 Mr. Hideki Kanda is an external director of SuMi TRUST Bank.

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.

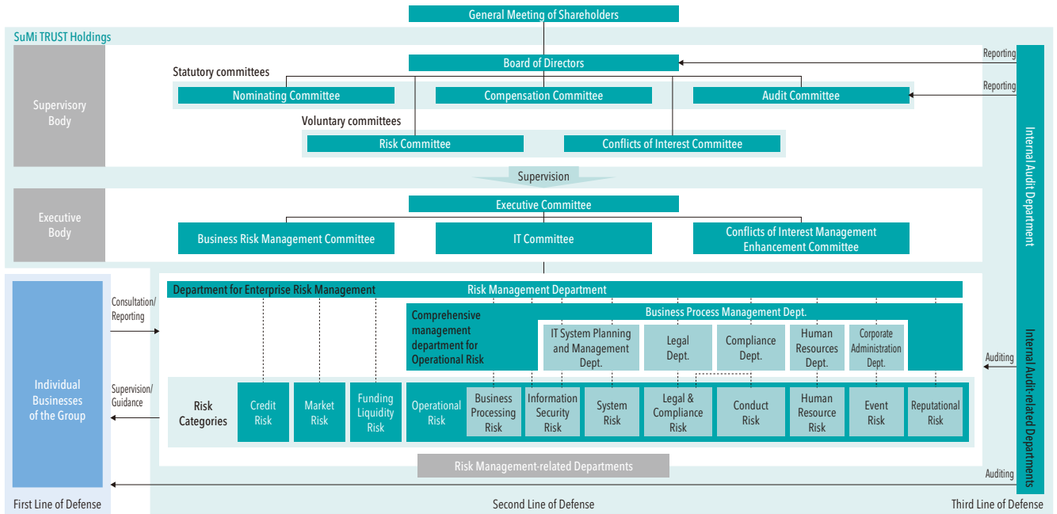
The Group's risk management framework encompasses the Risk Appetite Framework, and integrates it to function organically within the Group.

2 Risk Management System

(1) Risk Governance System

For the group-wide risk governance system, the Group has developed a Three Lines of Defense system consisting of risk management by individual 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 takes risks within the scope of its risk appetite (the type and amount of risk to be taken to achieve the goals set in the management plan) in accordance with its risk-taking policy, evaluates risks, and swiftly implements risk control at the on-site level when risks materialize. In addition, the status of risk management is reported to the second line of defense in a timely manner.

2) Second Line of Defense

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

The Risk Management Department, as an Enterprise Risk Management Department, 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. Furthermore, it shares information with risk management-related departments appropriately, monitors the overall status of risks and risk management in an integrated manner, and reports the status to the Executive Committee and the Board of Directors.

3) Third Line of Defense

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

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.

(2) Risk Management Process

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

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" (risks that require management attention due to their potential to have a material impact on the Group's business capabilities and earnings targets within one year) or "emerging risks" (risks that could have a material impact in the medium to long term; i.e., after one year).

3) Risk Monitoring

After setting KRIs* and other indicators, risk conditions are monitored with appropriate frequency, given the conditions of the Group's internal environment (risk profiles, allocated capital usage status, etc.) and external environment (economy, markets, etc.). Recommendations, guidance, and advice are given to each of the Group's businesses based on the risk conditions. Monitoring contents are reported and submitted to the Board of Directors, the Executive Committee, and other bodies regularly or as needed.

* KRI = Key Risk Indicator

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 and emerging risks are selected, and risk predictors are monitored. Countermeasures are implemented based on the monitoring results for both types of risks.

The top risks and emerging risks at present include "Risks related to the global COVID-19 pandemic", "Risks related to climate changes", and other risks. The results of risk analysis and necessary countermeasures are reported to the Board of Directors and the Executive Committee.

■Main Top Risks and Emerging Risks

Risks related to the COVID-19 pandemic
Risks related to falling prices for strategic shareholdings and similar assets
Risk related to concentration of credit in major obligors in the credit portfolio
Risks related to cyberattacks
Risks related to climate change*
Risks related to emergence of geopolitical events (e.g. the Ukraine crisis)
Risks related to innovation
Risks related to Japan's declining birthrate and aging population

* Please refer to the section of this report titled Addressing Climate Change Issues and to the TCFD Report 2021/2022 (published in January 2022) for information on the Group's efforts to counter risks related to climate change.

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.

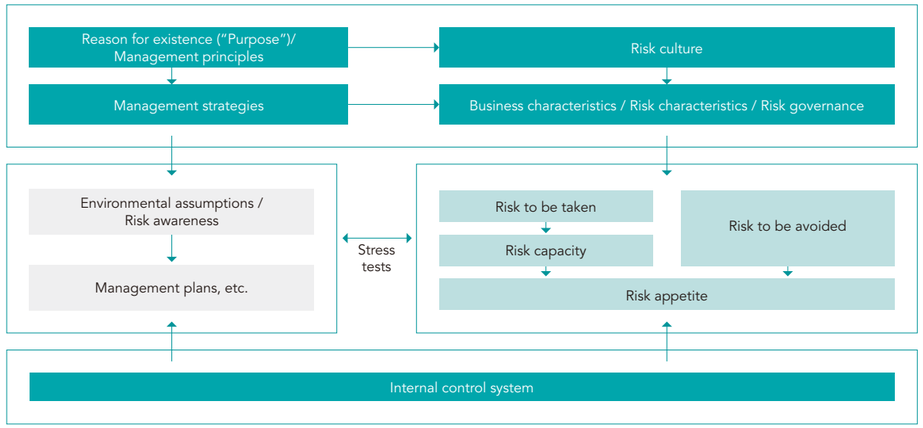
3 Risk Appetite

(1) Outline 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 within the Group's risk capacity, in order to achieve management strategies formulated based on the Group's reason for existence ("Purpose") and management principles ("Mission"), together with an internal control system that monitors the process and ensures its appropriateness and sufficiency.

To improve profitability and enhance risk management, the Group's RAF establishes communication processes through the setting, propagation, and oversight of risk appetite and promotes the improvement of transparency in the decision-making process, the optimization of management resource allocation, and the strengthening of the monitoring system for the whole of risk-taking.

■Outline of the Risk Appetite Framework



(2) Risk Appetite Controlling Process

1) Determining Risk Appetite Target

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 Board of Directors establishes a risk-taking policy, which is an overriding management policy based on its management principles, and takes into account the results of stress tests to set risk appetite indicators. In addition, the Executive Committee sets more detail risk-taking policy and risk appetite indicators for each business within the scope of policy set by the Board of Directors.

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

2) Monitoring of Risk Appetite Tolerance

In order to verify that risk taking is conducted appropriately based on its business model, the Group sets separate risk appetite indicators from the three perspectives 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 reconsiders the levels of risk taking.

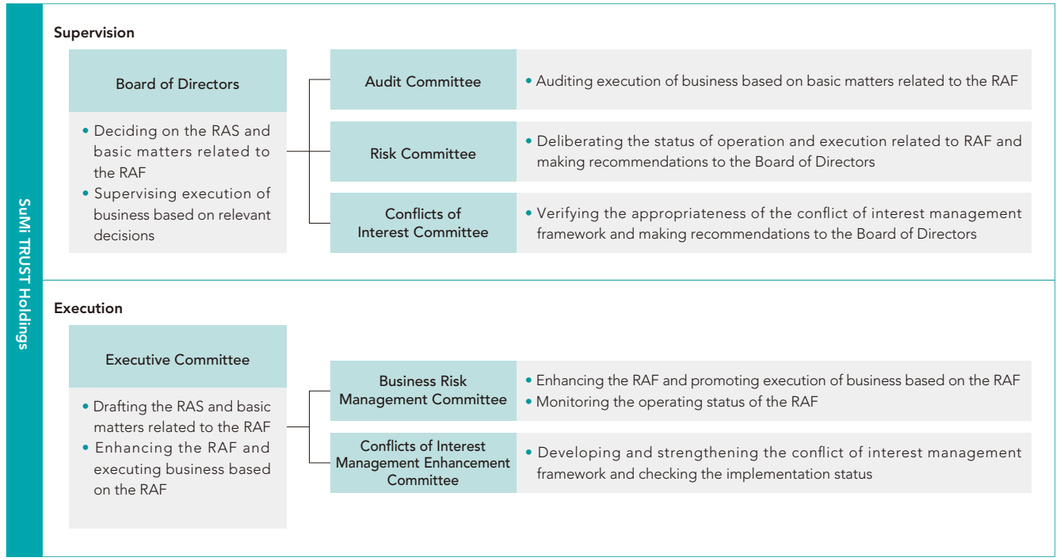
3) Risk Governance

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 defining and monitoring risk appetite.

The Group promotes the enhancement of risk governance, with the aim of achieving the sustainable and solid development of the Group.

The Group is working on enhancing 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 Management System



(3) Developing Positive Risk Culture

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

In order to foster a risk culture so that it will take root across the Group, we define risk-taking policies for each business when formulating its management plan, and encourage appropriate risk-taking by all officers and employees. In this way, the Group aims to build sustainable business models that contribute to increasing corporate and stakeholder value. In addition, we have formulated a Risk Appetite Statement (RAS) clearly stating our RAF, which is used as a common language in lively discussions concerning risk appetite within the Group.

4 Risk Characteristics

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

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.

In this context, 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 may adversely affect the Group, clients, markets, financial infrastructure, society, or the work environment due to inadequate or failed business processes, the activities of executives 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.
Conduct Risk	Risk that may adversely affect the Group, clients, markets, financial infrastructure, society, or the work environment due to the actions of Group companies, executives, or employees that are unprofessional or do not meet the expectations and trust of stakeholders.* *Appropriate service level set by the Group based on an understanding of reasonable expectations
Human Resource Risk	Risk that the Group may incur losses due to personnel and labor management issues, such as unequal or unfair management of personnel, and harassment.
Event Risk	Risk that the Group may incur losses due to external events that impair business, such as natural disasters, crimes such as terrorism, damage to public infrastructure that prevents its functioning, and the spread of infectious diseases, or due to the inappropriate use or management of tangible assets.
Reputational Risk	Risk that the Group may incur losses as a result of a deterioration of the reputation of SuMi TRUST Holdings or its subsidiaries, due to reasons such as mass media reports, rumors, or speculation.

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 i.e. capital adequacy (enterprise risk management).

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

Among the risks we manage through our enterprise risk management, we combine the risk values for risks that can be quantitatively measured using a single standard, such as VaR*, and compare the combined vale against our corporate strength i.e. capital adequacy, thereby managing risks (integrated risk management).

* VaR = Value at Risk

(2) Capital Allocation Operations

For the purpose of the Group's capital allocation operations, SuMi TRUST Holdings allocates capital to each 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 Information Security Risks and Cybersecurity Measures

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

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

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

(1) Organizational structure, etc.

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

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

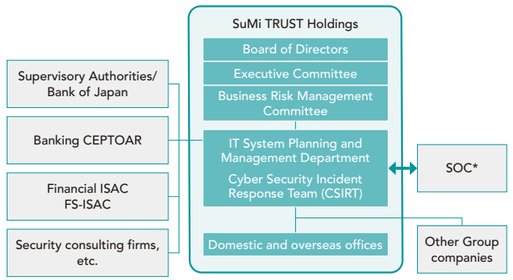
(2) Cybersecurity Management Framework

The Group has designated cyber-attacks as one of the governance and management framework materiality as well as a top risk, and has formulated the "Cybersecurity Management Declaration" to plan and promote cybersecurity measures under the leadership of our management team.

- We have established SuMiTRUSTCSIRT as a specialized organization for cybersecurity measures, and have built a management framework that collects and analyzes threat and vulnerability information from within and outside the Group, plans and implements security measures, and reports to management. We are also promoting the advancement of security measures through security review meetings and our IT Committee, as well as by utilizing outside expertise.
- The Group has established internal rules and regulations based on US security standards, and has developed processes for responding to cyberattacks both in normal times and in emergency situations.

- In addition to conducting cybersecurity risk assessments and system vulnerability assessments on a regular basis for SuMi TRUST Group and its subsidiaries and affiliates, we are promoting the standardization of cybersecurity rules and regulations to enhance and standardize the cybersecurity framework for the Group as a whole.

■Cybersecurity Management System



* Security Operation Center (SOC): The organization that monitors networks to detect and analyze cyberattacks.

(3) Monitoring System

The Group has built a common infrastructure for internet communications, and the Security Operation Center (SOC) monitors the common infrastructure network 24 hours a day, 365 days a year and detects threats by conducting correlation analysis of various types of data. This information is consolidated in SuMiTRUST-CSIRT*1, and we have established a monitoring system centered on the CSIRT.

(4) Enhancing Cybersecurity Measures

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

In addition, we periodically conduct risk analysis using cybersecurity heat maps and third-party assessments using international cybersecurity assessment tools such as FFIAC-CAT*2. We also participate in cyber exercises organized by the Financial ISAC*3 and the Cabinet Cybersecurity Center, running through the PDCA cycle to enhance our countermeasures and cyber resilience. Furthermore, we are also prepared for emergencies through our cyber insurance.

(5) Responding to the New Normal

In response to the COVID-19 pandemic, work from home and telework environments are rapidly expanding in the Group. For cybersecurity risks related to teleworking, we implement thorough security measures and information management for remote terminals and other equipment, and confirm safety through risk assessments and penetration tests.

(6) Security Personnel Development

To develop personnel with advanced expertise in cybersecurity, CSIRT collaborates with external experts in internal review meetings, participates in external communities such as Financial ISAC and FS-ISAC*4, provides external training and certification support, and sends employees to graduate schools.

We also make ongoing efforts to educate employees through information security training for all employees, phishing e-mail drills, and cyber exercises in cooperation with external organizations.

(7) System Risk Management Framework

In order to minimize the impact of large-scale failures and disasters on our information systems and prepare for early recovery and business continuity, we are working to strengthen our resilience by specifying the Group's communication and response systems in detail, developing workarounds and recovery procedures, and conducting education and training in operations.

In addition, to address the risk of delays and cost increases resulting from system development over a certain scale, we monitor the progress and quality management of largescale system development projects and report them to the IT Committee for discussion in an effort to ensure appropriate management of system development.

(8) IT Committee

The IT Committee is composed of the Officers and general managers in charge of each business management department, including the IT System Planning and Management Department, as well as external members, and examines and discusses important system investments and system technology from a multifaceted perspective. In terms of risk management, the IT Committee shares and discusses risks arising from system development, cybersecurity, and system risks, etc., and as an advisory body to the Board of Directors, actively utilizes the knowledge of external committee members, who are experts from outside the company, to enhance discussions and improve management.

*1 CSIRT (Computer Security Incident Response Team): In-house organization that collects, analyzes, and responds to early warning information about attacks
*2 FFIEC-CAT (Cyber Security Assessment Tool): A cybersecurity risk assessment tool published by FFIEC (Federal Financial Institutions Examination Council) for financial institutions
*3 Financial ISAC (Information Sharing and Analysis Center): Information sharing organization for Japanese financial institutions
*4 FS-ISAC (Financial Services Information Sharing and Analysis Center): Information sharing organization for financial institutions, mainly in the United States

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

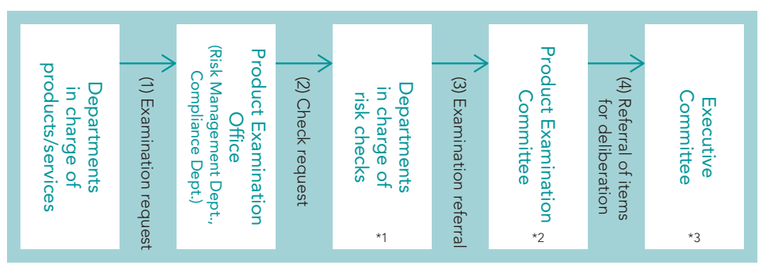
To address risks related to business continuity amid the COVID-19 pandemic, we established an emergency task force and set our basic stance of "ensuring the health and safety of our employees and their families," "maintaining business continuity as a key piece of social infrastructure," and "preventing the spread of infection in population (including activities that make the population less vulnerable)." In accordance to our stance, we have flexibly implemented measures while taking into account the COVID-19 infection situation in Japan and overseas, government requests, client trends, etc. In addition, we have implemented various business continuity measures as stipulated in our BCP and actively utilize teleworking in order to balance the maintenance of services with safety considerations.

8 New Product and Service Examination System and Post-Introduction Management System

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

For products and services that have been examined by the Product Examination Committee, after they are introduced, we regularly monitor the status of our post-introduction initiatives, including from a risk management perspective. Regular monitoring is also carried out from the viewpoint of providing clients with appropriate explanations for products and services that are expected to be affected due to changes in the environment and so on, regardless of whether or not they have been deliberated by the Product Examination Committee. The results of these verifications are reported to the Product Examination Committee, and in the event that a situation arises that differs from the assumptions at the time of review, we discuss how to address and report the details to the officers in charge of the Risk Management Department and the Compliance Department.

■Product Examination Process (SuMi TRUST Bank)



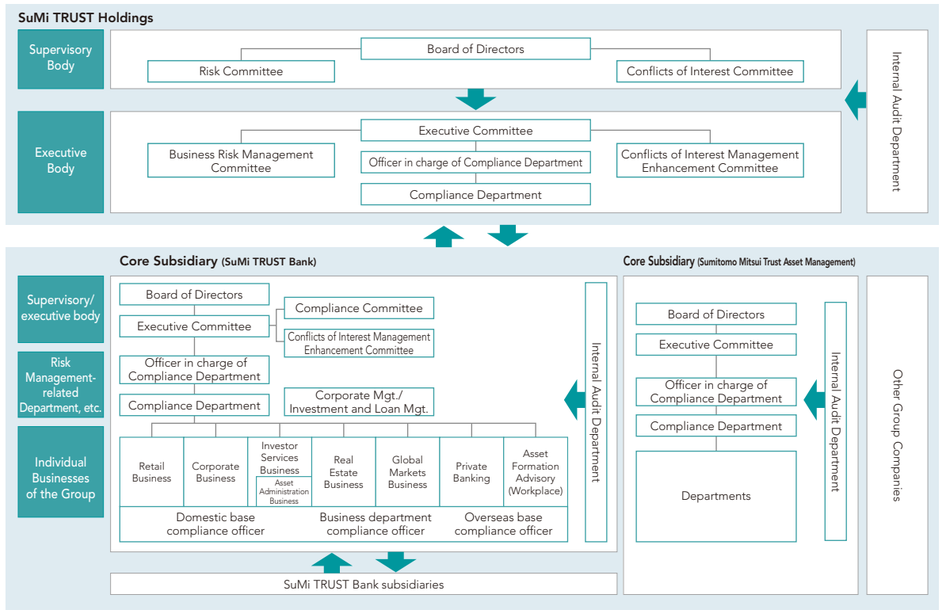
*1 Risk Management Dept., Compliance Dept., Legal Dept., Planning and Coordination Dept., Fiduciary Duties & Customer Satisfaction Planning and Promotion Dept., Financial Planning Dept., Business Process Management Dept., etc.
*2 Held jointly with the Conflicts of Interest Management Enhancement Committee as necessary to consider merchantability and the perspective of conflicts of interest.
*3 When new products and services that may have a significant impact on the Group's management are referred to SuMi TRUST Bank's Executive Committee, discussions are held with SuMi TRUST Holdings, and a framework is provided for bringing up matters at the Executive Committee and reporting to the Board of Directors.

1 The Group's Basic Initiative Policy and Compliance Framework

The Group's mission and vision is to be known as The Trust Bank, and we therefore place compliance as one of the most important themes in realizing that goal. Our Codes of Conduct ("Value") advocate for strict compliance with applicable laws and regulations, and the Board of Directors has established Compliance Rules that lay out the organizational structure required to meet them, including the Group's basic policies, standards to be met by directors, executive officers and employees, etc.

In light of recent environmental changes and the rise in societal expectations, the Group is also working to implement a compliance framework suited to our mission and vision, with better and best practices that go beyond mere compliance with laws and rules, as we aim to meet the expectations of our stakeholders and strengthen the trust they have placed in us.

In concrete terms, the Board of Directors has approved the formulation of an annual Compliance Program, through which it will regularly evaluate progress. In addition, the compliance framework is being implemented Group-wide in order to develop compliance frameworks tailored to the business of each Group company, with the formulation of compliance programs for each company, and the provision of guidance and supervision of progress and achievements.



2 Initiatives for Thorough Compliance Awareness

A Compliance Manual is distributed throughout the Group to explain laws and regulations that must be followed and describes how to handle the discovery of illegal or inappropriate behavior. We are also improving compliance training to maintain a high level of compliance awareness throughout the Group. Specific efforts include the Group's offering of training materials for e-Learning, discussion-based study sessions, etc., and working to spread awareness within Group companies by providing training and study sessions tailored to the businesses and products offered by each, and using e-Learning to provide training on specific themes.

Moreover, we are working to identify and improve issues by conducting compliance awareness surveys at major subsidiaries in order to gain an accurate understanding of the extent of compliance awareness within the Group.

3 Hotline System

The Group has established a Compliance Hotline to enable directors, executive officers, and employees to directly report legal violations to the Compliance Department and external law firms. The system protects whistleblowers through careful handling of information and privacy protection, and by prohibiting unfavorable treatment of whistleblowers, and through the use of simple reporting methods, by phone (to an external law firm) or online (to an in-house point of contact (SuMi TRUST Bank)). We have also set up an accounting hotline to receive reports of inappropriate accounting practices. (Please see page 376 of the reference materials.)

* Visit the website below to access our Sustainability Report, which contains information that includes the number of whistleblowing reports.
https://www.smth.jp/english/-/media/th/english/sustainability/report/2021/full/11.pdf

4 Initiatives to Prevent Money Laundering and Exclude Criminal Groups

The Group has published an Anti-Money Laundering Compliance Policy which delineates how we are continuously upgrading the systems in place by conducting regular risk assessments at overseas offices, supervising the development of mitigation systems tailored to specific risks, and overseeing upgrades to prevent unauthorized use of financial services. In addition, we provide training materials and advice to each Group company to bolster internal anti-money laundering* training and systems that help employees acquire specialized qualifications, thereby enhancing the anti-money laundering system of the Group as a whole.

The Group's Codes of Conduct ("Value") declare that it will stand firm against anti-social forces (i.e. criminal groups) and we are working to prevent any transactions with such groups. We have introduced exclusion clauses against organized crime groups for our various products and services, and we work closely with the police and other external agencies to cancel any transactions if it becomes clear after the transaction has begun that it is being conducted with a criminal group. Additionally, directors, executive officers, and employees undergo annual training on how to prevent any such transactions in order to increase awareness.

* Anti-money laundering is defined by the Group as the prevention of unauthorized use of financial services as detailed in the points (1)-(3) below.
(1) Money laundering: The act of attempting to prevent the discovery or seizure by investigative authorities of funds obtained through fraudulent/illegal means.
(2) Terrorist financing: The act of providing support through collecting or provision of funds or real estate that will be used to fund terrorist acts or otherwise fund the activities of terrorist organizations.
(3) Proliferation financing: The act of providing funds or financial services to any individual or group subject to a freeze of assets or other measures for being involved in the development, possession, or export of weapons of mass destructions (nuclear, chemical, or biological weapons).
* For more information about our initiatives to prevent money laundering and exclude criminal groups, please visit the website below to access our Sustainability Report.
https://www.smth.jp/english/-/media/th/english/sustainability/report/2021/full/11.pdf

5 Initiatives to Prevent Bribery and Corruption*

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

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.

* The Group defines bribery and corruption as the act of offering, promising, or providing entertainment, gifts of money or goods, or other benefits with the intent to improperly influence the counterparty, and the act of receiving or requesting goods or services with the intent to improperly benefit the provider.
* For more information on our anti-bribery measures, please visit the website below to access our Sustainability Report.
https://www.smth.jp/english/-/media/th/english/sustainability/report/2021/full/11.pdf

6 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.

Conduct Risk Management

1 Conduct Risk

As a trust bank group, we have a responsibility to meet the deserved expectations of our stakeholders and earn their trust, and we are expected to act in a way that fulfills that responsibility based in the high professional ethics and self-discipline that is born out of the fiduciary spirit.

Any inappropriate behavior that fails to meet these expectations could potentially have a negative impact on our clients, our working environment, the market, and society itself.

Examples would include damage to our credit and other non-financial burdens, or the levying of fines, lawsuit settlements, and other financial burdens.

The Group recognizes these risks as significant, and they are managed as conduct risk, a sub-category of operational risk.

The Group classifies conduct risk as any action that could have a negative impact on the Group, the working environment, our clients, the market, the financial infrastructure, or society due to an officer or employee of a Group company engaging in behavior that violates professional ethics or otherwise fails to meet expectations among stakeholders or damages their trust in us. Each Group company is working to create a PDCA cycle to regulate this possibility by defining and evaluating conduct risk, implementing risk control measures, and more.

2 Conduct Risk Management Initiatives

The Group recognizes that any situation that could lead to public questioning of the Group's corporate ethics and attitude is a risk, so we consider conduct risk management to be the effort to prevent such situations by regulating behavior that could lead there.

For example, the behavior of each Group company's officers and employees is often a reflection of their own beliefs, and that is where risk begins. It is important for these officers and employees to not simply comply with the rules every day, but to rather return to the position of professional ethics and have a shared understanding that what is important is to act with the customer in mind.

For this reason, conduct risk management in the Group is founded on assumption that reducing risk can be achieved by maintaining professional ethics, having a positive impact on stakeholders, and promoting better and best practices for clients.

In order to manage conduct risk, the Group is simultaneously working on a combination of measures that include the establishment of a steadfast administrative system that keeps misconduct and other inappropriate behavior in check, the nurturing of a corporate culture that encourages individuals to independently address risks that arise in the course of their work, and incentives to encourage such autonomous behavior.

Primary Conduct Risk Initiatives

- Identification, evaluation, and preventative monitoring for signs of conduct risk
- Collection of information from both inside and outside the Group to gain a better understanding of potential and unrecognized risks
- Cultivation and dissemination of a corporate culture that looks out for risk
- Conducting of employee awareness surveys

Column **Employee Discussions on Principles and Other Topics**

The Group is creating easy-to-use tools that extract the essence of the Group's purpose, mission, vision, values, and other principles to help raise awareness and give employees a more systematic understanding of these concepts.

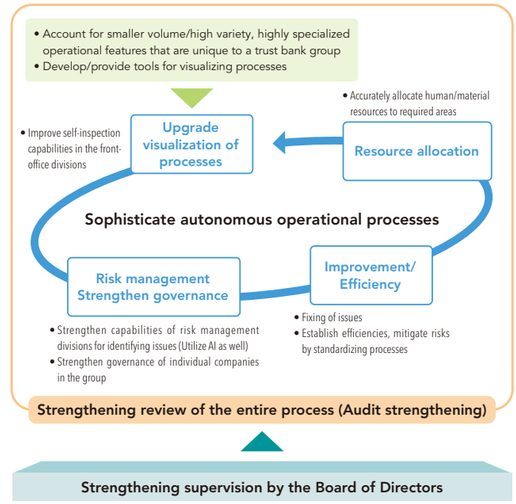
Employees engage in group discussions where they share opinions to provide practical ideas that can serve as references for any employee whenever they are uncertain about a decision they must make over the course of their work.



Enhance and Sophisticate Operational Quality

The Group considers the enhancement and sophistication of operational quality to be the most important management issue, providing products and services that exceed client expectations are based in the fiduciary spirit that is the foundation that earns the credibility of our clients and society.

Since it became unveil that tallying operations of voting rights exercise forms at SuMi TRUST Bank were conducted inappropriately in 2020, the Group as a whole has tackled to enhance risk governance through true cause analysis and other means. In addition, we have been reviewing operational processes, visualizing operation flows, improving operational quality, and strengthening supervision by the Board of Directors. We will continue to advance autonomous operational process, such as improve operational quality, streamline, strengthen management risk and governance, and optimize resource allocation, considering our low-volume/high-diversity products and highly-specialized operations unique to a trust bank group.



1 Initiatives in FY2021

We built a framework for discovery, analysis, and improvement of issues related to raising and advancing operational quality led by the Business Process Management Department, which is responsible for management and verification of operational quality and operational risk management functions. In addition, we know that having a deeper understanding of the products, services, and operations each employee is involved in leads to enhanced and sophisticate operational quality, therefore we have strived to watch over the entire operational process and visualize its flow, from the position of our businesses to the products and services that contribute to that position.

2 Future Initiatives

It is important for us to continuously enhance and sophisticate operational quality. We will continue to understand and identify potential risks in operational processes in each business offering product and service, based in the framework established in 2021. In addition, we will review our management framework to better meet client expectations, promote autonomous PDCA cycles to improve service quality, and promote efforts to establish these initiatives.

3 Strengthening Supervision

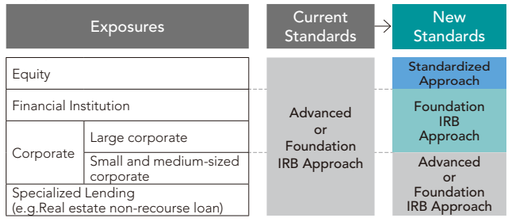
The Board of Directors receives executive reports on efforts to govern sophistication to operational quality including visualization of operational processes and on efforts to build an overall framework based on those improvements. It also receives regular reports from the Audit Committee about the results of audits, opinions, and the status of initiatives being undertaken. With these reports, the Board can provide systematic and efficient supervision by verifying the effectiveness of efforts and receiving proposals on how to improve them. We are seeing steady progress in the establishment of autonomous operational processes within the Group, and the Board will continue to supervise efforts to ensure sustained sophistication of operational quality and the maintenance of effectiveness across the entire management framework.

1 Compliance with the Finalized Basel III Framework

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.

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

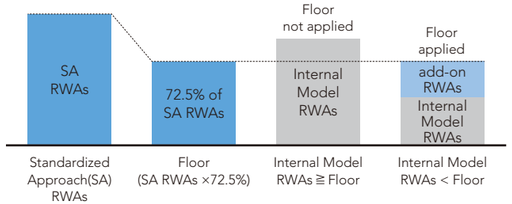


Standardized Approach: Supervisory risk weight according to external credit ratings
Foundation IRB Approach: Risk weight calculated based on banks' own estimates of probability of default (PD)
Advanced IRB Approach: Risk weight calculated based on banks' own estimates of probability of default (PD) and loss given default (LGD)

Financial institutions subject to international standards in Japan will be required to introduce the finalized Basel III framework in 2024*. In April 2022, the Notification of Financial Services Agency that defines regulatory standards in Japan was announced. In preparation for the introduction of the new regulations, the Group will work to achieve the financial resilience targets and maintain stability through capital accumulation and other means. In parallel, we will promote appropriate profitability control and portfolio management to establish the management systems.

* The adoption of the framework was previously scheduled to begin at the end of March 2023, but has been postponed by one year in light of international situations and other factors.

■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%.

2 Strengthening of Regulations on Non-financial Risk Areas

In response to the current economic situation, the general framework of financial risk regulations, including capital adequacy, liquidity, and large credit, is being finalized, although there are some adjustments and modifications to the timing and details of implementation. With this background, international organizations and the financial authorities of each country are focusing on tightening and enhancing regulations on non-financial risk areas. Examples of such areas that have been attracting interest recently include:

■ Operational resilience
■ Incorporation of climate change issues into financial supervision

<Operational resilience>

- Operational resilience refers to the ability of banks to continue "critical operations" in the event of a terrorist attack, cyberattack, pandemic, or natural disaster. The concept was proposed by the Bank of England in 2018 as a comprehensive framework encompassing BCP, cybersecurity, outsourcing management, and similar areas. In 2020, proposals and guidelines related to operational resilience were also issued by the European Commission, the Monetary Authority of Singapore (MAS), the International Organization of Securities Commissions (IOSCO), and the Federal Reserve Board (FRB). The Basel Committee incorporated these approaches into its March 2021 publication "Principles of Operational Resilience."
- As a trust bank group responsible for client asset management and asset administration, the Group is working on developing a compliance framework.

<Incorporation of climate change issues into financial supervision>

- From the standpoint of maintaining financial stability, financial regulators and central banks in countries around the world are considering how to integrate risk arising from climate change into their systems for overseeing financial stability. Proposals for frameworks designed to manage financial risk among financial institutions due to climate change have been made, and they include the Basel Committee on Banking Supervision publication titled Principles for the effective management and supervision of climate-related financial risks, released in November 2021, and the US Office of the Comptroller of the Currency (OCC) publication released in December titled, Risk Management: Principles for Climate-Related Financial Risk Management for Large Banks. Meanwhile, the Financial Stability Institute (FSI) published the regulatory response to climate risks: some challenges in February 2022, and it highlights the necessity for a review of the prudential regulatory framework by financial authorities with due consideration given to the impact of climate-related financial risks on financial stability.
- The Group is increasing our commitment to dealing with climate-related financial risks, through the publication of our TCFD Report 2021/2022 in January 2022, by disclosing initial estimates of greenhouse gas emissions in our investment and loan portfolios (Please see page 78).

1 Basic Initiative Policy

SuMi TRUST Group believes that establishing an efficient and effective internal auditing system commensurate with the size and nature of its business, the content of laws and regulations that apply to 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 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.

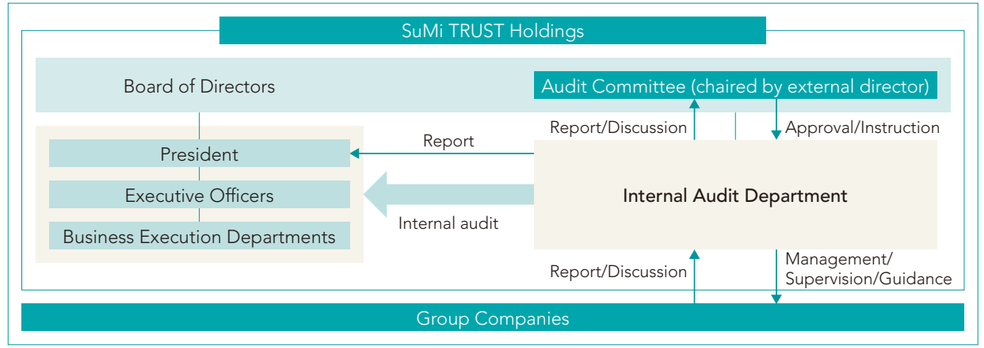
In addition, the Internal Audit Department, as the department supervising the Group's internal auditing, receives consultations from each Group company regarding the audit plan, and confirms its consistency with the basic policy on internal audits. The Internal Audit Department carries out internal audits in collaboration with the internal auditing unit of each Group company. The role of the Internal Audit Department also includes receiving reports of internal audit results from 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 company has formulated its own internal auditing plan in accordance with the Group's basic policy on internal audits, and that policy is decided upon by each Board of Directors in consultation with SuMi TRUST Holdings.

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

■SuMi TRUST Group



Development of New Products and Services Supporting Total Solutions

(1) Basic Stance on the Development of New Products and Services

In its Medium-Term Management Plan for FY2020-2022, the Group defined its reason for existence ("Purpose") as "To create new value with the power of trusts and let prosperous future for our clients and society bloom." Trust has a long history of developing and offering trust products to solve the issues of the times. With our Purpose in mind, we will continue to focus on developing products that contribute to our clients and society.

(2) System for the Development of New Products and Services

The Group pursues the development of new products and services that take advantage of its expertise and comprehensive capabilities as a trust bank group. SuMi TRUST Bank has the ability to develop new products and services within its businesses, and applies its business-specific expertise to the development of new products and services based on client needs and market trends.

We have established departments dedicated to specific areas of business management, including a Business Research and Development Department, Regional Revitalization Planning and Promotion Department, Digital Transformation Department, and Sustainability Management Department, and assigned them responsibility for research and development in their respective areas, namely trust and related areas, regional co-creation, digital transformation, and sustainability. We have also built a system to develop and support new products and services across businesses.

In addition, we have established a Products and Services Committee as a meeting body where executives and others can discuss the development of new products and services. These meetings are held on a regular basis to share issues where breakthroughs are required in the development process and to share measures to be taken to drive development forward from the perspective of medium- to long-term management strategies that go beyond the practical working level.

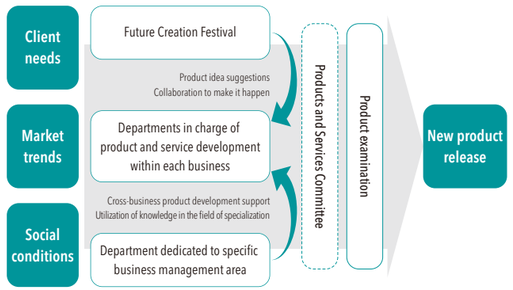
(3) "Future Creation Festival" Employees-initiated propose New Products and Services

Since 2018, the Group has held the Future Creation Festival (known as "Future Fes"), an in-house business plan contest that aims to create the future of the Group with ideas originating from employees. All Group employees are eligible to participate, and every year the contest has resulted in various ideas designed to solve social issues and enhance client convenience.

The most important element of Future Fes is that entrants can take on the challenge of commercializing their ideas, and it plays an important role in providing employees with an opportunity for self-actualization and independently contributing to society.

Our "Solitary Trust" product was launched in December 2019 as the first product originating from Future Fes, and since then, new products and services have been released regularly. These products, which were all developed with the goal of eliminating anxiety and inconvenience among our clients, include a service meant to support clients in personal matters of concern in the case of emergency (Solitary Trust), and a smartphone app that can be used to request withdrawals from our tuition fund endowment trust (Receipt submission app). The Group will continue to develop new products and services thereby contributing to society.

■System for Development of New Products and Services



Examples of products and services born out of Future Fes



GOOD DESIGN AWARD 2021

Solitary Trust*1



Mago-e-no-omoi Ryoshusho Teishutsu App*2
(For tuition fund endowment trust)



Will trusts*3
(With special clause for pet care)

*1 https://www.smtb.jp/personal/blind/after/lp02 *2 https://www.smtb.jp/personal/entrustment/education/app *3 https://www.smtb.jp/personal/entrustment/succession/about

Client-Oriented Initiatives

1 Providing Value to Clients

In a period of dramatic change, both individual and corporate clients are required to build, manage, and review their assets, and also plan for succession. But such activities are becoming increasingly complex and diverse; for this reason, there is a growing need for trustworthy financial institutions. SuMi TRUST Group aims to be the "Best Partner" for both individual and corporate clients. We seek to deliver outstanding value by accurately understanding their needs, and optimally addressing those needs through the provision of total solutions that cover a wide range of highly specialized products and services. We are the only independent a trust bank group in Japan, and this allows us to make effective use both of comprehensive capabilities that combine our banking and trust functions, as well as of diverse trust functions within the Group. In our strives to be fully client-oriented, we have established a stringent conflict of interest management framework. For further details about the conflict of interest management framework, please see page 116.

The Group is constantly striving to be completely client-oriented, to improve customer satisfaction, and to help solve social issues. Through these activities, we seek to earn the trust of our clients and of society, and to grow hand-in-hand with them. It was for this reason that we formulated and announced our Voluntary Declaration of Consumer Orientation* in June 2019. Since then, every fiscal year, we have published "Results of Initiatives Based on Voluntary Declaration of Consumer Orientation" to document our results and improvements.

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

2 Implementing a Client-Oriented Approach

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

We periodically announce a report entitled "KPIs for Initiatives Aimed at Becoming Our Clients' Best partner" due to clearly share the results of these initiatives to our clients. These KPIs include those commonly used by financial institutions regarding sales of investment trusts and foreign currency-denominated insurance.

■Promoting/Supervising Structure of the Group

	Organization		Initiatives
SuMi TRUST Holdings	Board of Directors	Conflicts of Interest Committee	• Oversee Conflict of Interest management for the Group • Monitor progress of Fiduciary Duties
SuMi TRUST Bank	Executive Committee	Conflict of Interest Management Enhancement Committee	• Discuss important cases • Supervise improvements in relevant departments
	Department in charge	Fiduciary Duties & Customer Satisfaction Planning Promotion Dept.	• Ensure execution of Fiduciary Duties (FD) and promote Customer Satisfaction (CS) improvements
		Compliance Dept.	• Enhance Conflict of Interest management
Group Companies*	Group-wide	Fiduciary Duties Discussion Panel	• Monitor and supervise Fiduciary Duties initiatives at Group companies, and ensure any directives are implemented

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

3 Status of Initiatives Aimed at Becoming Our Clients' "Best Partner," and Key Performance Indicators (KPIs)

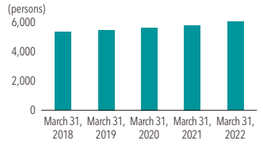
Through the formation, asset management and asset administration, SuMi TRUST Group seeks both to provide its clients with satisfaction and peace of mind, and to contribute to society and the economy. In addition, we aim to achieve sustainable and stable growth for the Group by improving our estimation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

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

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

(Asset Formation Assistance)

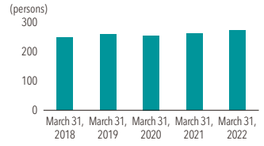
■Number of Holders of FP-Related Certifications



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

(Assistance regarding Inheritance, Wills, Estate Planning)

■Number of Financial Consultants and Trust Consultants

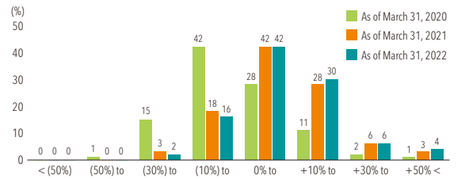


* SuMi TRUST Bank has financial consultants and trust consultants who are in-house experts in inheritance, wills, estate planning, etc. at all of its branches.

Client Comfort and Satisfaction, Contribution to Society and Economy [Evaluation by Clients and Society]

Improving Investment Returns for Clients

■Distribution of Clients with Investment Trust Gains/losses, Including Realized Profit and Loss

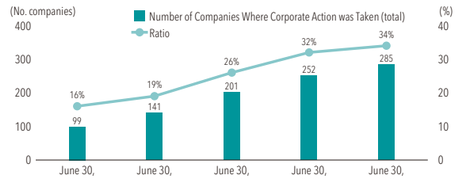


Client satisfaction rate	March 2020: 42%	March 2021: 79%	March 2022: 81%

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 make every effort to improve returns and realized profits/losses for our clients.

Enhancing Asset Management

■Number of Companies Where Corporate Action was Taken* and Ratio of Companies Where Corporate Action was Taken to Companies Participating in Engagement Activities (total)



As a responsible institutional investor, Sumitomo Mitsui Trust Asset Management pursues engagement and stewardship activities, including 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 companies that took action corresponding to opinions expressed in their engagement activities

SuMi TRUST Bank earns R&I Customer-oriented Investment Trust Sales Company Rating of "S+" for a second year in succession

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. SuMi TRUST Group will continue to pursue clientoriented 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.

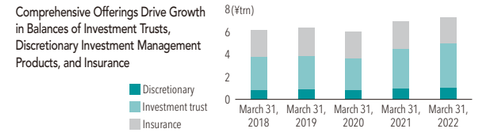
* The "R&I Customer-oriented Investment Trust Sales Company Rating" ("the rating") is not a statement of fact. Rather, it represents R&I's opinions regarding the "customer-oriented business operation" initiatives of companies engaged in the trust investment sales business. Though R&I uses information that it deems to be reliable when carrying out the rating, it does not independently verify the accuracy of this information. Furthermore, R&I 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.

Sustainable and Stable Growth of the Group [Objective Parameters]

Offering a Wide Range of Products and Services to Fulfill the Diverse Needs of Clients

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

Comprehensive Offerings Drive Growth in Balances of Investment Trusts, Discretionary Investment Management Products, and Insurance



4 Shaping Corporate Culture to Become Our Clients' "Best Partner"

With the objective of entrenching a corporate culture geared towards becoming our clients' "Best Partner," each FD & CS Committee in each branch or department of SuMi TRUST Bank discusses and takes action to make improvements based on feedback from client questionnaires and organizes various training sessions.

Establishment of FD & CS Committees

For the purpose of enhancing FD and improving CS, we have established FD & CS Committees at each of our branch offices and departments; these FD & CS Committees undertake various activities in line with the characteristics of each branch office and department.

Examples of FD & CS Committee Activities

- Discussions relating to client-oriented business operations and improving CS
- Improvement activities based on client opinions
- Sharing of successful examples and improvement activities based on issues identified in cases subject to review

FD & CS Supervisor (General Manager)

↕

FD & CS Leader
(Person in charge of FD & CS at each branch or department)

FD & CS Committee (General Managers, FD & CS Leaders, and at least one employee from each section)
Discusses and decides on issues to address / periodically manages progress of issues being addressed

All branch and department employees undertake FD & CS activities (address issues)

Business supervision department monitors and evaluates activities

Use of Client Questionnaires

SuMi TRUST Bank conducts questionnaire surveys for both corporate and individual clients at each of its businesses to manage and improve the quality of its services. Questionnaire results are analyzed to identify issues that need to be tackled by each business, and to implement initiatives to improve those issues.

Example of Utilizing CS Questionnaire in Each Business

Business supervising department examines content of questionnaire

↓

Business supervising department conducts questionnaire

↓

Business supervising department analyzes results

↓

Business supervising department examines issues, items requiring improvement, and measures for improvement

↓

Business supervising department reports improvement measures to the Fiduciary Duties & Customer Satisfaction Planning and Promotion Department and management team

Branch offices perform macro-analysis of branch environment

↓

Branch offices perform factor analysis of issues and consider improvement measures

↓

FD & CS Committee in each branch/department and business supervising department monitor progress

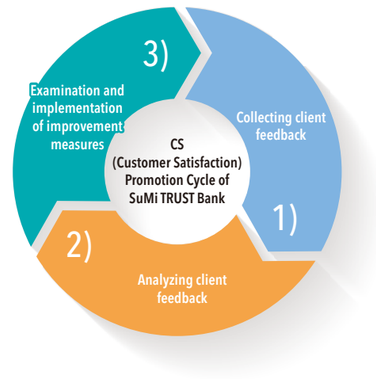
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Results of improvement are confirmed with the next questionnaire

* Case study of FD & CS Committee at a SuMi TRUST Bank Retail Business branch or department

5 Initiatives to Link "Voice of Clients" to Enhance Customer Satisfaction

1) SuMi TRUST Bank receives hundreds of thousands of valuable opinions and requests annually from clients and many requests via branch offices throughout Japan and through diverse channels such as call centers and the Group's website. 2) To analyze this client feedback, we use the "CS Voice of Clients Portal" system, the purpose of which is to better meet our clients' needs by making client feedback more 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.



6 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.

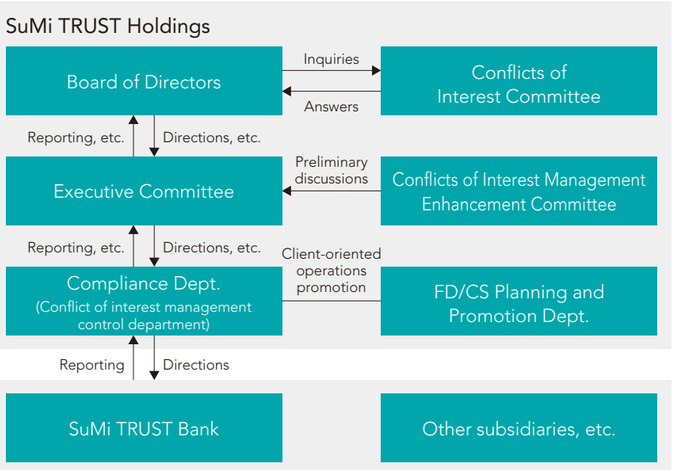
Furthermore, we have established a system in which the Compliance Department, which is the department that oversees conflict of interest management independently of sales divisions, regularly verifies the effectiveness of conflict of interest management across the Group. The results are regularly reported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

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.

The Conflicts of Interest Committee is verifying the effectiveness both of the December 2021 revisions to the Management Policy Concerning Conflicts of Interest, implemented following collaborations with the UBS Group's Wealth Management Business, and of the establishment of the conflict of interest management framework following the April 2022 reorganization of the SuMi TRUST Bank.

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

■ Conflict of Interest Management System*1



Conflicts of Interest Committee Members

Chairperson: Hideki Kanda*2
Professor, Law School at Gakushuin University
Emeritus Professor, University of Tokyo

Member: Nobuaki Kato
SuMi TRUST Holdings
External Director

Member: Akiko Hosokawa
Baker & McKenzie
Partner

Member: Yasuyuki Suzuki
SuMi TRUST Holdings
Managing Executive Officer

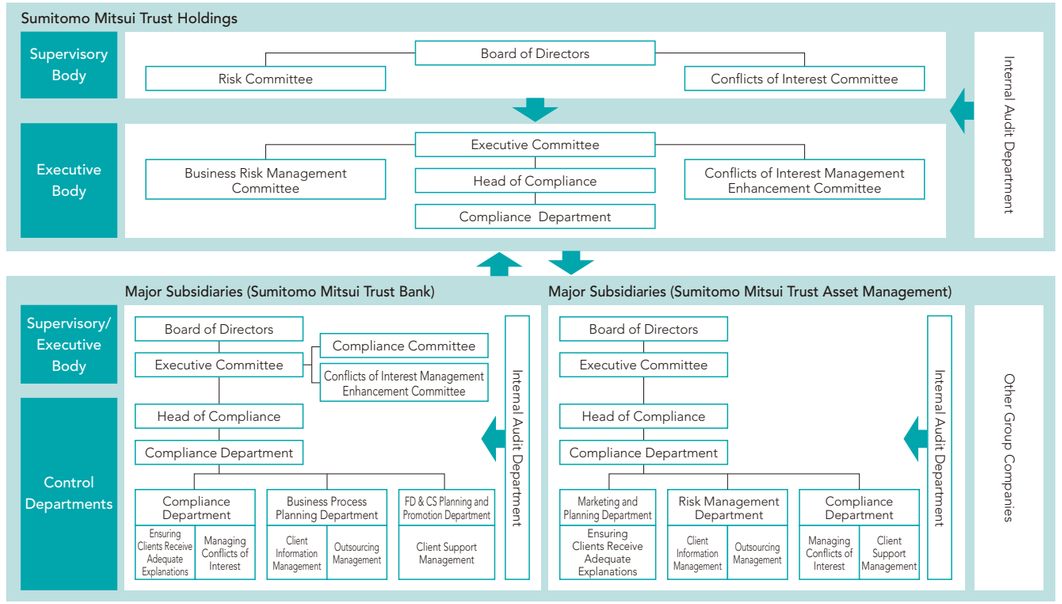
Member: Yuki Takada
SuMi TRUST Holdings
Executive Officer

*1 For roles and responsibilities of each management structure and main departments, please see page 113.
*2 External Director, SuMi TRUST Bank

7 Client Protection Management

(1) Basic Initiative Policy

The Group regards client protection as one of its most important management issues. SuMi TRUST Holdings has established a basic policy in its 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 frameworks 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, enhanced training and improvement.



(2) Client Explanation Management

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

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

* A rule that prohibits 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 accessing client information jointly within the Group, each company complies with laws on personal information protection, guidelines on personal information protection in the financial industry, and other related laws and regulations, so as to ensure the appropriate use of such information.

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

● Initiatives for Financial Facilitation

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, and restructuring of loan repayment conditions and other issues.

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

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

In addition, SuMi TRUST Bank has a system under which it respects and abides by the "Guidelines for Management Guarantee," which were adopted in February 2014, and the "Special Provisions on Guidelines for Management Guarantee" (adopted in April 2020), and discloses the utilization status of the guidelines (including the Special Provisions) on its website. The Bank also respects the "Guidelines on Arrangement for Victims of Natural Disaster," which was adopted in April 2016, and the "Special Provisions for the Application of the Guidelines to COVID-19," adopted in December 2020. It is therefore prepared to respond appropriately to consultations from clients directly or indirectly affected by the COVID-19 pandemic, by natural disasters such as the Great East Japan Earthquake, as well as by recent global affairs and increases in resource prices.

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

(1) Policy on Management Support Measures for SMEs

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

(2) Framework of Management Support for SMEs

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

1) Initiatives related to support for overseas expansion

SuMi TRUST Bank has a six-site network 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 high net-worth clients are provided in collaboration with an affiliate company, Sumitomo Mitsui Trust Wealth Partners, and various specialists such as lawyers and tax accountants.

Financial consultants have been assigned to branches nationwide as 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 asset administration.

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

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

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

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 in a flexible and appropriate manner, taking each client's circumstances into account.

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

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

Examples of Specific Initiatives

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

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 present our shareholders and investors a deeper understanding of SuMi TRUST Holdings' performance, business conditions, and business strategies directly by actively holding information meetings, in addition to disclosing corporate information in a timely, fair, and accurate manner.

2 Activities

(1) Activities for Individual Investors

SuMi TRUST Holdings engages in various measures to provide individual shareholders and investors with information to better understand the Group. These measures include organizing information meetings, distributing a newsletter for shareholders ("The Trust Newsletter–Business Report"), and setting up a dedicated website for individual investors; following an overhaul in July 2021, the website now features illustrated introductory content. In FY2021, in-person information meetings were again suspended to prevent the spread of COVID-19; however, we participated in an online information meeting organized by a securities firm, and distributed video of the meeting on our website.



For further details, please see our website (Japanese text only).
https://www.smth.jp/investors/individual_meeting/index.html

(2) Activities for Institutional Investors

SuMi TRUST Holdings holds investor meetings on financial results for institutional investors and analysts twice a year, in line with the announcement of full-year and interim results. We also conduct briefings on our management strategy and financial position by participating in conferences organized by securities companies, and by holding one-on-one investor meetings in Japan and overseas. The opinions of institutional investors and analysts obtained through these events are fed back to the management in a timely and appropriate manner, and IR activities are reported to the Board of Directors on a regular basis.

We are also working to enhance constructive dialogue with shareholders. To this end, we are increasing opportunities for dialogue with parties responsible for exercising voting rights, both to report on the progress of our priority issue initiatives as well as to explain the governance and management policies of the Group. In addition, in recognition of the growing importance of ESG(Environmental, Social and Governance), we hold regular IR days and are increasing opportunities for dialogue with investors on this topic.

COVID-19 has continued to make travel difficult both in Japan and overseas; however, in FY2021 we again actively engaged in dialogue with investors through various means such as conference calls and video conferencing.

IR Activities Carried Out in FY2021

Investor meetings on financial results for institutional investors and analysts	2 times
Overseas IR events	6 times
One-on-one meetings with institutional investors in Japan and overseas	Number of companies: 270 (including 120 overseas investors)
Information meetings for individual investors	5 times
IR DAY	3 times

3 General Meeting of Shareholders

The General Meeting of Shareholders is held in June of each year. Well in advance, Japanese and English-language versions of the convocation notice are simultaneously posted on the SuMi TRUST Holdings website, with printed notices sent by post one week later. Shareholders can exercise their voting rights electronically over the internet, using smartphones or other devices; indeed, we are actively promoting electronic voting by participating in the "Smart Exercise" campaign, which encourages shareholder registry administrators to permit the electronic exercise of voting rights using smartphones and other devices, and by adopting a platform for the electronic exercise of voting rights.

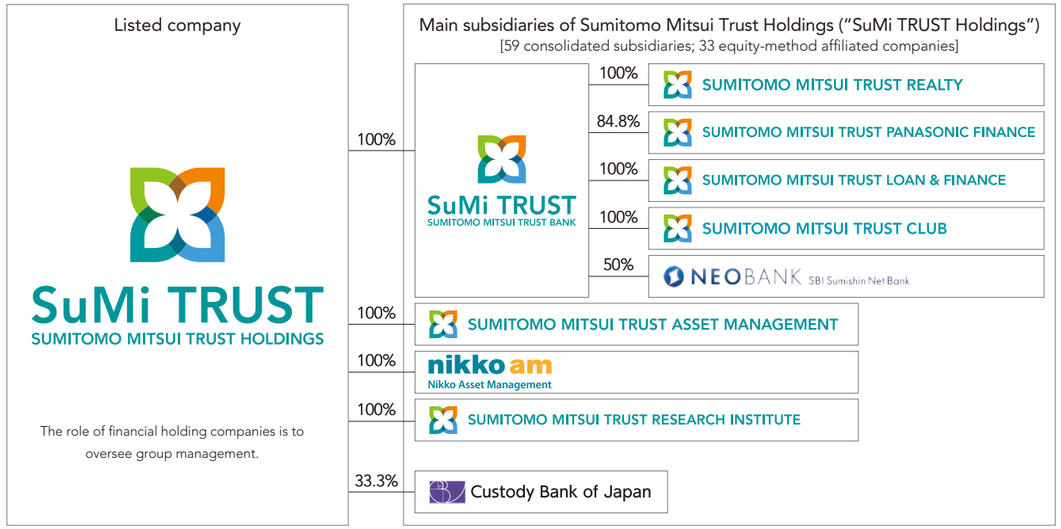
The 2022 General Meeting of Shareholders was held on June 23rd. As in 2021, the date was brought forward to avoid overlap with other shareholder meetings, in a bid to provide shareholders with all appropriate information. An online system was established for shareholders to ask questions about agenda items in advance of the General Meeting of Shareholders. We also conducted a live webcast of the meeting to allow shareholders who were unable to attend to view the proceedings via the Internet.

Notices of resolutions and voting results are promptly posted on our website after the conclusion of the General Meeting of Shareholders, along with video footage of the day's events.

Group Information

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 asset administration, real estate, and various other fields.

(as of March 31, 2022)

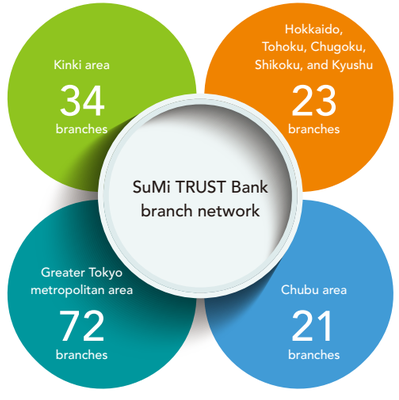


Ratio of ownership with voting rights is shown, including indirect ownership via subsidiaries.

Domestic Network

SuMi TRUST Bank has built a domestic branch network with a well-balanced footprint 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, 2022)



* The substantial number of branches is 115 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.

Providing online services across Japan



Status

SuMi TRUST Group is a trust bank group and an industry leader in many fields with a core focus on trust-related fee businesses.

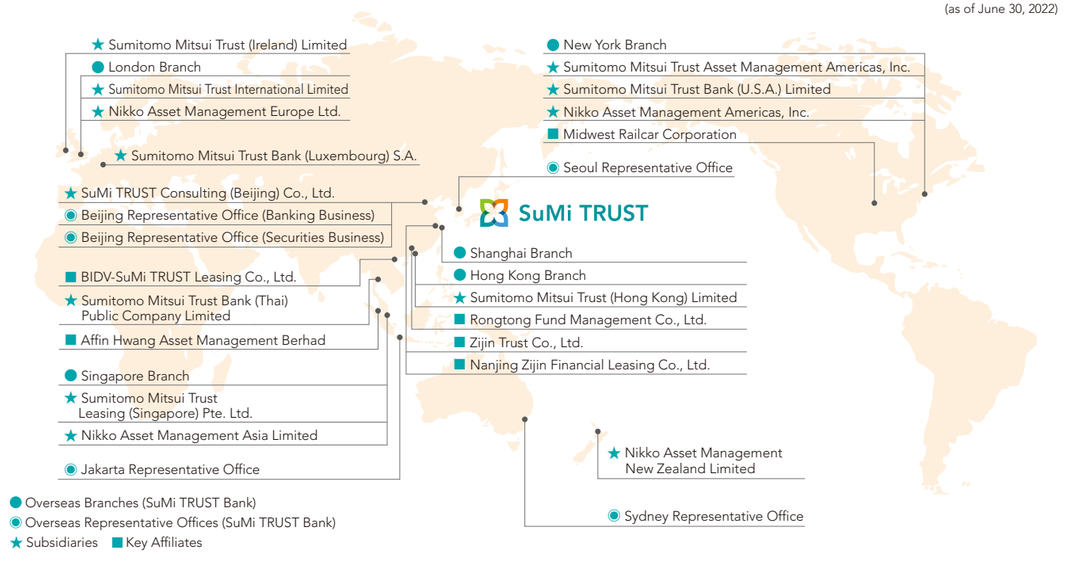
Trust (fee) businesses	Assets under management*1	¥127 tr	Domestic financial institutions	No.1
	Assets under custody*2	¥248 tr	Domestic financial institutions	No.1
	Balance of corporate pension funds	¥13 tr	Trust banks	No.1
	Lead manager for corporate pension funds	1,290 cases	Trust banks	No.1
	Entrusted balance of investment trusts	¥91 tr	Trust banks	No.1
	Number of shareholders under administration*1	32.13 mn	Trust banks	No.1
	Real estate-related revenue*1 *3	¥62.7 bn	Trust banks	No.2
	Number of client companies	¥22 tr	Trust banks	No.1
	Investment trust/discretionary investment sales volume*3	¥0.99 trn	Domestic banks	No.2
	Number of will trusts	35,884	Trust banks	No.2
	Balance of monetary claims in trusts	¥18 trn	Trust banks	No.1
Banking businesses	Balance of loans to individuals	¥11 tr	Domestic banks	No.4
	Balance of loans to corporations	¥19 tr	Domestic banks	No.5
	Total loan balance	¥30 tr	Domestic banks	No.5

Includes estimates based on our own research (as of March 31, 2022)
*1 Combined value for all Group companies
*2 Balance of trust assets (trust banks specializing in asset administration excluded due to their large amounts of re-entrusted trust assets)
*3 FY2021 result

Overseas Network

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

(as of June 30, 2022)



Sumitomo Mitsui Trust Holdings, Inc.
2022 Integrated Report

External Evaluation of SuMi TRUST Group

ESG Assessment Organizations

MSCI ESG Rating
(as of April 2022)

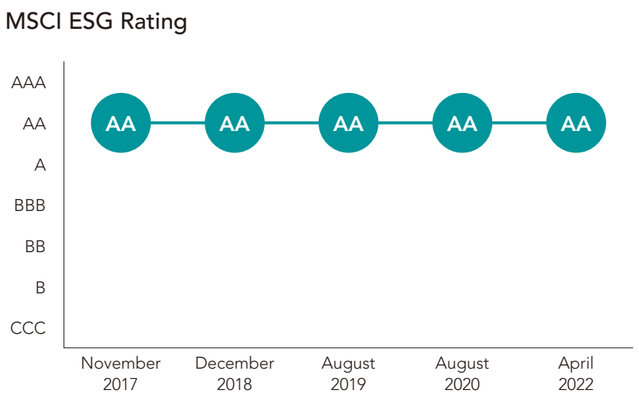
AA

Sustainalytics ESG Rating
(as of January 2022)

20.7

FTSE ESG Rating
(as of December 2021)

3.8



Adopted Indexes

2022 MSCI Japan Empowering Women Index (WIN)

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2022 MSCI Japan ESG Select Leaders Index

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2022 MSCI ESG Leaders Indexes

2022 MSCI ESG Leaders Indexes Constituent

FTSE 4Good Index Series

FTSE4Good

FTSE Blossom Japan Index

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

S&P/JPX Carbon Efficient Index

Bloomberg Gender-Equality Index 2022

Bloomberg Gender-Equality Index 2022

List of Awards*1

SuMi TRUST Holdings

Work with Pride Gold 2021

2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program

2022 健康経営優良法人 Health and productivity ホワイト500

2020 Nikkei Annual Report Awards Excellence Award

SuMi TRUST Bank

J-Win Diversity Award 2022

2022 ESG Finance Awards Japan SILVER

9th Annual Platinum Vision Awards*2
Grand Prize from the Economy, Trade and Industry Minister

プラチナ構想ネットワーク

HDI-Japan Phone Support (Quality) Three Stars

3 Stars Quality Service

FY2021 Good Design Award*3

GOOD DESIGN AWARD 2021

HDI-Japan Web Support Three Stars

3 Stars Support Portal

17th LCA Japan Forum Awards
LCA Japan Forum Chairman's Award

FY2021
Special Award, Selection Committee Chairperson's Award
(Principles for Financial Action for the 21st Century)

Work with Pride Rainbow 2021

Sumitomo Mitsui Trust Asset Management and Nikko Asset Management

Morningstar Award "Fund of the Year 2021"
Best Fund Award and Excellent Fund Award

Hundred Million People's Trust Funds Awards 2020,
Foreign Equity (excl. Japan) Category
First Prize

一億人の投信大賞 2020 外国株式部門

R&I Fund Award 2022
(Defined Benefit Pension Category, Investment Trusts Category)

The Asset Triple A Awards 2021
Best ETF Provider, Japan and Most Innovative ETF

R&I Customer Satisfaction Award 2022
(Investment Trusts Category)
Top Excellence Award

Refinitiv Lipper Fund Awards Japan 2022
(Defined Contribution Pension Category, Investment Trusts Category)
Best Fund Award

Best of the Best Awards
(Asia Asset Management)
Best Pension Fund Manager, Best Retail House, Fund Launch of the Year, Best Multi-Asset Manager

*1 Major awards the Group received in the past two years (2021 and 2022).
*2 Received by the forestry trust.
*3 Received by the solitary trust.

Financial Data

Billions of Yen (Unless specified otherwise)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Net Business Profit before Credit Costs	342.2	284.6	285.8	316.7	318.3	232.3	270.5	282.2	289.0	294.7	346.0
Total Credit Costs	(8.9)	6.1	9.1	19.3	(25.9)	(28.5)	2.9	(2.9)	(43.8)	(7.8)	(41.5)
Net Gains on Stocks	(33.9)	(4.2)	(3.7)	(2.1)	29.6	36.4	6.3	13.7	40.1	(43.5)	(38.3)
Of which Amortization of Shares, etc.	(30.3)	(7.7)	(2.3)	(0.3)	(6.3)	(3.8)	0.0	(3.4)	(12.4)	(0.8)	(0.9)
Other Net Non-Recurring Profit	(27.2)	(31.4)	(33.2)	(41.4)	(43.9)	(43.9)	(47.2)	(36.5)	(27.6)	(60.2)	(36.4)
Ordinary Profit	**272.1**	**255.0**	**258.0**	**292.4**	**278.0**	**196.3**	**232.6**	**256.4**	**257.6**	**183.1**	**229.7**
Extraordinary Profit	22.8	(26.7)	(11.3)	(59.9)	(4.9)	(5.2)	6.1	(15.0)	(16.9)	16.8	(1.7)
Total Income Taxes	(109.3)	(75.1)	(91.6)	(60.1)	(93.9)	(56.9)	(73.0)	(60.5)	(75.6)	(56.0)	(57.7)
Net Income	**185.6**	**153.1**	**154.9**	**172.4**	**179.1**	**134.2**	**165.7**	**180.7**	**165.0**	**143.9**	**170.2**
Net Profit Attributable to Non-Controlling Interests	(20.9)	(19.4)	(17.2)	(12.7)	(12.2)	(12.7)	(11.7)	(6.8)	(2.0)	(1.7)	(1.1)
Net Income Attributable to Owners of the Parent	**164.6**	**133.7**	**137.6**	**159.6**	**166.9**	**121.4**	**153.9**	**173.8**	**163.0**	**142.1**	**169.0**
Total Assets	**34,376.3**	**37,704.0**	**41,889.4**	**46,235.9**	**58,229.9**	**65,453.7**	**68,356.7**	**57,029.1**	**56,500.5**	**63,368.5**	**64,633.2**
Loans and Bills Discounted	20,636.4	22,391.6	23,824.0	25,550.0	27,525.8	28,040.4	28,190.5	29,025.7	29,703.3	30,506.9	30,876.5
Securities	6,795.7	6,346.0	5,764.4	4,813.3	4,926.2	5,127.7	5,537.6	5,759.5	6,437.5	6,983.4	7,879.2
Total Liabilities	**32,039.2**	**35,373.5**	**39,448.3**	**43,518.9**	**55,525.4**	**62,662.0**	**65,484.4**	**54,298.7**	**53,909.6**	**60,646.0**	**61,887.9**
Deposits	22,077.8	23,023.8	24,123.3	25,079.7	26,701.9	36,000.8	37,351.8	31,903.5	30,688.9	33,467.6	33,230.1
Negotiable Certificates of Deposit	3,252.8	4,103.5	5,100.1	6,570.5	7,130.6	7,326.6	6,563.3	6,328.6	5,860.2	7,160.5	6,587.9
Total Net Assets	**2,337.0**	**2,330.4**	**2,441.0**	**2,716.9**	**2,704.5**	**2,791.6**	**2,872.3**	**2,730.3**	**2,590.9**	**2,722.5**	**2,745.2**
Treasury Stock	1,817.8	1,711.5	1,901.7	1,860.1	1,966.8	2,031.6	2,127.8	2,242.9	2,334.3	2,416.0	2,517.5
Of which Retained Earnings	696.8	790.1	886.4	970.3	1,087.1	1,159.0	1,263.4	1,387.5	1,495.0	1,581.0	1,682.5
Accumulated Other Comprehensive Income	9.0	134.4	203.5	529.6	410.1	430.9	496.8	410.4	220.8	277.7	198.0
Non-Controlling Interests	510.1	484.4	335.6	326.9	327.1	328.4	246.8	75.8	34.5	27.7	28.7
Consolidated Common Equity Tier 1 Capital Ratio	—	8.30%	9.32%	10.28%	11.36%	11.04%	11.33%	12.18%	12.62%	12.12%	12.31%
Consolidated Tier 1 Capital Ratio	—	9.95%	10.83%	11.45%	13.36%	13.54%	13.74%	14.18%	14.47%	13.51%	13.71%
Consolidated Total Capital Ratio	—	14.10%	14.78%	15.57%	16.75%	16.42%	16.31%	16.77%	17.23%	15.76%	15.61%
Dividend Per Common Share (Yen)*	85	90	100	120	130	130	130	140	150	150	170
Dividend Payout Ratio	30.3%	27.2%	29.3%	29.6%	30.0%	40.9%	32.1%	30.5%	34.5%	39.5%	37.7%
Net Assets Per Common Share (Yen)*	4,131.11	4,707.16	5,110.21	6,186.38	6,181.19	6,437.57	6,897.36	7,008.67	6,822.48	7,192.07	7,249.71
Net Income Per Common Share (Yen)*	385.40	312.76	344.88	403.84	433.30	317.24	403.91	458.91	434.31	379.65	451.40
ROE	9.58%	7.48%	7.13%	7.17%	7.00%	5.01%	6.05%	6.58%	6.25%	5.41%	6.25%

* Value calculated by assuming that the reverse stock split on October 1st 2016 (1 share per 10 shares of common stock) was executed past FY 2016.
• As for derivative transaction, presentation treatment has been changed from net basis to gross basis since the first quarter of FY2021 (general treatment in the Practical Guidelines on Accounting Standards for Financial Instruments). Accordingly, figures as of March 31, 2021 have been updated.

Financial Review

Terms with an asterisk are explained in "Glossary" on page 127.

In the consolidated financial results for FY2021, net business profit surged by ¥51.3 billion year on year to a record high since the management integration. The rise was mainly due to an increase in net fees and commissions and related profit from both the client related business and the asset management business, which was spurred by strong market conditions, coupled with an increase in effective net interest income and related profit in SuMi TRUST Bank.

Despite the increase in credit costs due to deteriorating business conditions of some clients and revaluation of special loan loss provision, the net non-recurring profit line and below increased by ¥26.8 billion year on year to ¥169.0 billion after taking steps to reduce the risk that hedging transactions pose to annual profit and loss. In the second year of the three-year Medium-Term Management Plan launched in FY2020, the plan progressed as envisaged.

Overview of the Financial Results in FY2021

<Consolidated> SuMi TRUST Holdings (Consolidated)

Billions of Yen (Unless specified otherwise)

	FY2020 (A)	FY2021 (B)	Change (B)–(A)	Rate of change
Net Business Profit*	294.7	346.0	51.3	17.4%
Ordinary Profit	183.1	229.7	46.5	25.4%
Net Income Attributable to Owners of the Parent	142.1	169.0	26.8	18.9%
Total Credit Costs*	(7.8)	(41.5)	(33.7)	432.5%
Return on shareholders' equity*	5.41%	6.25%	0.84%	—
Net Income per Common Shares (EPS) (Yen)	379	451	71	18.9%
Net Assets per Common Shares (BPS) (Yen)	7,192.07	7,249.71	57	0.8%

* [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)

	FY2020 (A)	FY2021 (B)	Change (B)–(A)	Rate of change
Net Business Profit*	206.5	242.0	35.5	17.2%
Net Interest Income and Related Profit*	229.9	275.2	45.3	19.7%
Net Fees and Commissions and Related Profit*	163.9	180.8	16.8	10.3%
Net Trading Profit	(33.2)	13.4	46.6	—
Net Other Operating Profit	91.3	21.1	(70.1)	(76.9)%
General and Administrative Expenses	(245.4)	(248.5)	(3.1)	1.3%
Total Credit Costs*	(6.3)	(42.4)	(36.1)	572.8%
Net Non-recurring Profit, etc.	(86.2)	(48.8)	37.3	(43.3)%
Ordinary Profit	114.0	150.8	36.8	32.3%
Extraordinary Profit	15.6	(1.6)	(17.3)	—
Net Income	95.9	113.3	17.4	18.1%

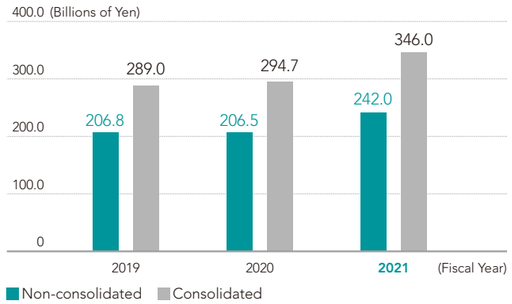
(Note) Amounts less than ¥100 million are rounded down.

<Dividends>

	FY2020 (A)	FY2021 (B)	Change (B)–(A)
Dividend per Share on Common Share (Yen)	150.00	170.00	+20.00

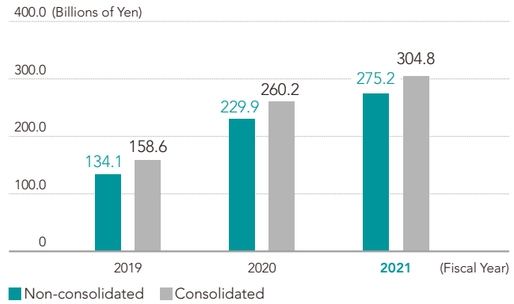
Status of Profit and Loss

Net Business Profit*



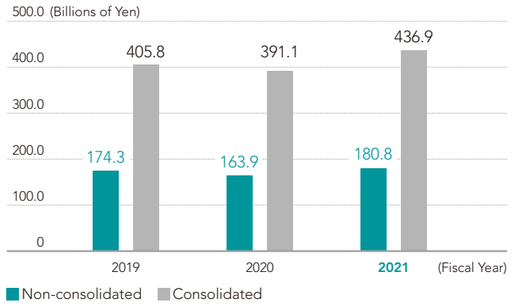
Fee-related businesses unique to the trust bank group grew. In addition, effective interest related earnings increased, with market conditions pushing up the profit, bringing the consolidated net business profit to ¥346.0 billion, which is an increase of ¥51.3 billion from the previous fiscal year and the highest profit since the management integration.

Net Interest Income and Related Profit*



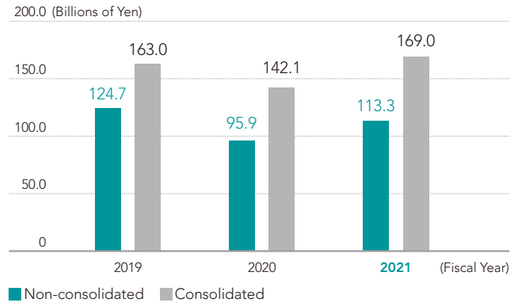
Net interest income and related profit increased by ¥44.5 billion compared to the previous fiscal year. Effective interest related earnings increased by ¥30.7 billion, including profit attributable to deployment of foreign currency surplus funds, which is included in net other operating profit. The contribution factors include the effect of favorable market conditions amounting to ¥25.0 billion (investment partnerships + approx. ¥13.0 billion), as well as the improvement of loan-deposit income in domestic and international business.

Net Fees and Commissions and Related Profit*



Amid the easing of pandemic related restrictions on business activities, the client related business, such as real estate brokerage services and investment management consulting services, performed well, as did the asset management business spurred by strong market conditions. As a result, net fees and commissions and related profit increased by ¥45.7 billion from the previous fiscal year to ¥436.9 billion.

Net Income Attributable to Owners of the Parent



Although credit costs increased due to deteriorating business conditions of some clients and revaluation of special loan loss provision, net income attributable to owners of the parent increased by ¥26.8 billion from the previous fiscal year to ¥169.0 billion, mainly due to the increase in net business profit. For the net non-recurring profit line and below, we recorded realized losses on bear funds that exceeded gains on sales due to steady progress in reducing strategic shareholdings, as steps to reduce the risk that bear funds pose to annual profit and loss associated with the expansion of unrealized losses.

Glossary

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

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

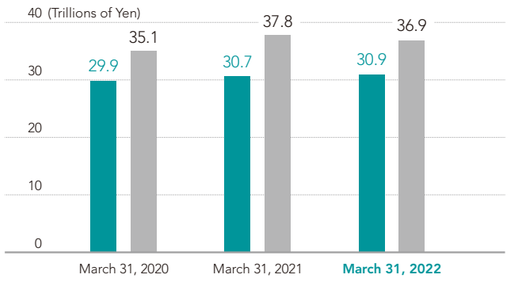
Net Interest Income and Related Profit
Net revenues after subtracting interest paid on deposits, etc., from revenues on loans and securities investment.

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

Financial Status

Terms with an asterisk are explained in "Glossary" on page 128.

Loans and Deposits (Non-consolidated)

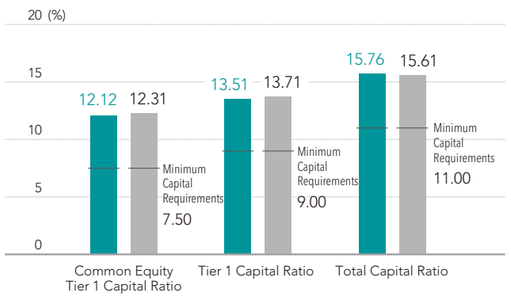


Loans increased while deposits decreased

Loans and bills discounted increased by ¥0.2 trillion from the end of the previous fiscal year to ¥30.9 trillion as a result of a decrease in loans to corporations and an increase in mortgage loans. Deposits decreased by ¥0.9 trillion to ¥36.9 trillion, mainly due to a decrease in time deposits from corporate clients.

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

Capital Adequacy Ratio, etc.* (Consolidated)



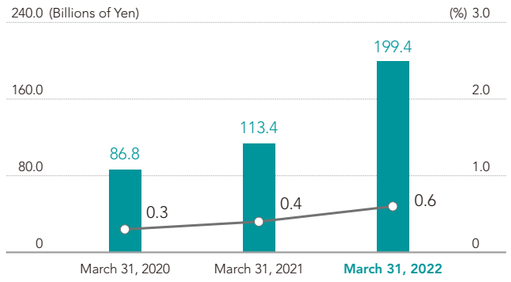
Coverage levels remain well above regulatory standards

Common Equity Tier 1 capital ratio increased by 0.19 percentage points from the end of the previous fiscal year to 12.31%. The increase was mainly due to a decrease in equity index futures in the global markets business. Total capital ratio decreased by 0.15 percentage points from the end of the previous fiscal year to 15.61%. Common Equity Tier 1 capital ratio as well as the total capital ratio remain well above the corresponding regulatory required levels of 7.50% and 11.00%, respectively.

Basel III:

Basel III is a new capital regulatory standard that was announced by the Basel Committee on Banking Supervision in December 2010. Basel III, intended to enhance the soundness of internationally active banks, 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 0.6%

The total balance of problem assets based on the Financial Reconstruction Act increased by ¥86.0 billion compared to the end of the previous fiscal year to ¥199.4 billion, with the ratio to total loan balance remaining at a low level of 0.6%, after an increase by 0.2%. As for the ratio of problem assets covered by collateral and the allowance for loan losses, the ratio was 77% for doubtful loans and 37% 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 June 30, 2022)

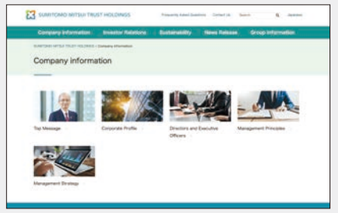
Registered Trade Name:	Sumitomo Mitsui Trust Holdings, Inc.
Headquarters Location:	1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Date of Establishment:	February 1, 2002 (Change of trade name: April 1, 2011)
Main Business:	With trust banking at its core, Sumitomo Mitsui Trust Holdings, Inc., will focus on the management of business operations, as the holding company of the Sumitomo Mitsui Trust Group, and sets the following (1) - (8) as its key functions: (1) Supervising management strategies (2) Supervising financial management (3) Supervising human resource management (4) Supervising general affairs management (5) Supervising business process management (6) Supervising risk management (7) Supervising compliance management (8) Managing internal auditing
Capital:	261,608,725,000 Yen
Stock Exchange Listings:	Tokyo, Nagoya Stock Exchanges Tokyo (Prime Market), Nagoya (Premier Market)
Securities Code:	8309

Rating Information (as of June 30, 2022)

		Long-term	Outlook	Short-term
Sumitomo Mitsui Trust Holdings	JCR	AA-	Stable	—
	R&I	A	Positive	—
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+	Positive	a-1

Website

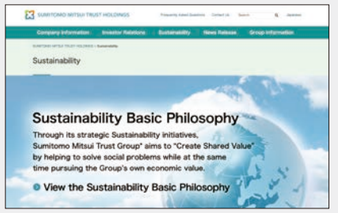
Please go to our website for specifics on our Group.



Company information
https://www.smth.jp/english/about_us



Investor Relations
https://www.smth.jp/english/investors



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

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

SUMITOMO MITSUI TRUST HOLDINGS

ANNUAL REPORT

—FINANCIAL DATA SECTION—

2022

SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

SuMi TRUST



Symbol Mark

The symbol mark features "Future Bloom" representing the purpose of Sumitomo Mitsui Trust Group, which is "creating new value with the power of trusts and let prosperous future for our clients and society bloom".

The four clear petals show our "Mission" to each stakeholder of clients, society, shareholders and employees. The four colors of petals represent our value (codes of conduct): "Truthfulness and Loyalty" (natural green), "Dedication and Development" (golden orange), "Trust and Creativity" (blue green), and "Self-help and Self-discipline" (sky blue).

Corporate Color

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

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Board of Directors and Executive Officers (As of July 1, 2022)

Director, President (Representative Executive Officer)
Toru Takakura

Director, Deputy President (Representative Executive Officer)
Jiro Araumi

Director, Senior Managing Executive Officer
Nobuaki Yamaguchi

Director, Executive Officer
Kazuya Oyama

Chairman
Tetsuo Ohkubo

Director
Masaru Hashimoto

Director
Kuniyuki Shudo

Director
Kouji Tanaka

Director (External)
Isao Matsushita*1

Director (External)
Shinichi Saito*1

Director (External)
Hiroko Kawamoto*1

Director (External)
Mitsuhiro Aso*1

Director (External)
Nobuaki Katoh*1

Director (External)
Masanori Yanagi*1

Director (External)
Kaoru Kashima*1

Senior Managing Executive Officer
Futoshi Itani

Managing Executive Officer
Junya Ueda

Managing Executive Officer
Yasuyuki Suzuki

Managing Executive Officer, Executive Officer*2
Toshiaki Nakano

Managing Executive Officer
Manatomo Yoneyama

Managing Executive Officer
Atsushi Matsumoto

Managing Executive Officer
Masakatsu Sato

Executive Officer, Executive Officer*2
Shigenori Ikemura

Executive Officer, Executive Officer*2
Yuki Takada

Executive Officer
Miyo Yajima

Executive Officer, Executive Officer*2
Masaya Yamashiro

Executive Officer*2
Atsushi Kaibara

Executive Officer*2
Seiji Iwakuma

Executive Officer*2
Kengo Noguchi

Executive Officer*2
Shigeki Tanaka

Executive Officer*2
Toshiya Shimobeppu

Executive Officer*2
Kenji Kaiya

Executive Officer*2
Yoshio Hishida

Executive Officer*2
Toshio Masui

Executive Officer*2
Daisuke Maeda

Executive Officer*2
Nobuhisa Takahashi

Executive Officer*2
Atsushi Ueda

Executive Officer*2
Shinichi Nonomura

Executive Officer*2
Shinichi Tao

Executive Officer*2
Riro Sato

Executive Officer*2
Akira Ojima

Executive Officer*2
Tomoya Hirano

Executive Officer*2
Hideki Kiya

Executive Officer*2
Takahiro Yoshida

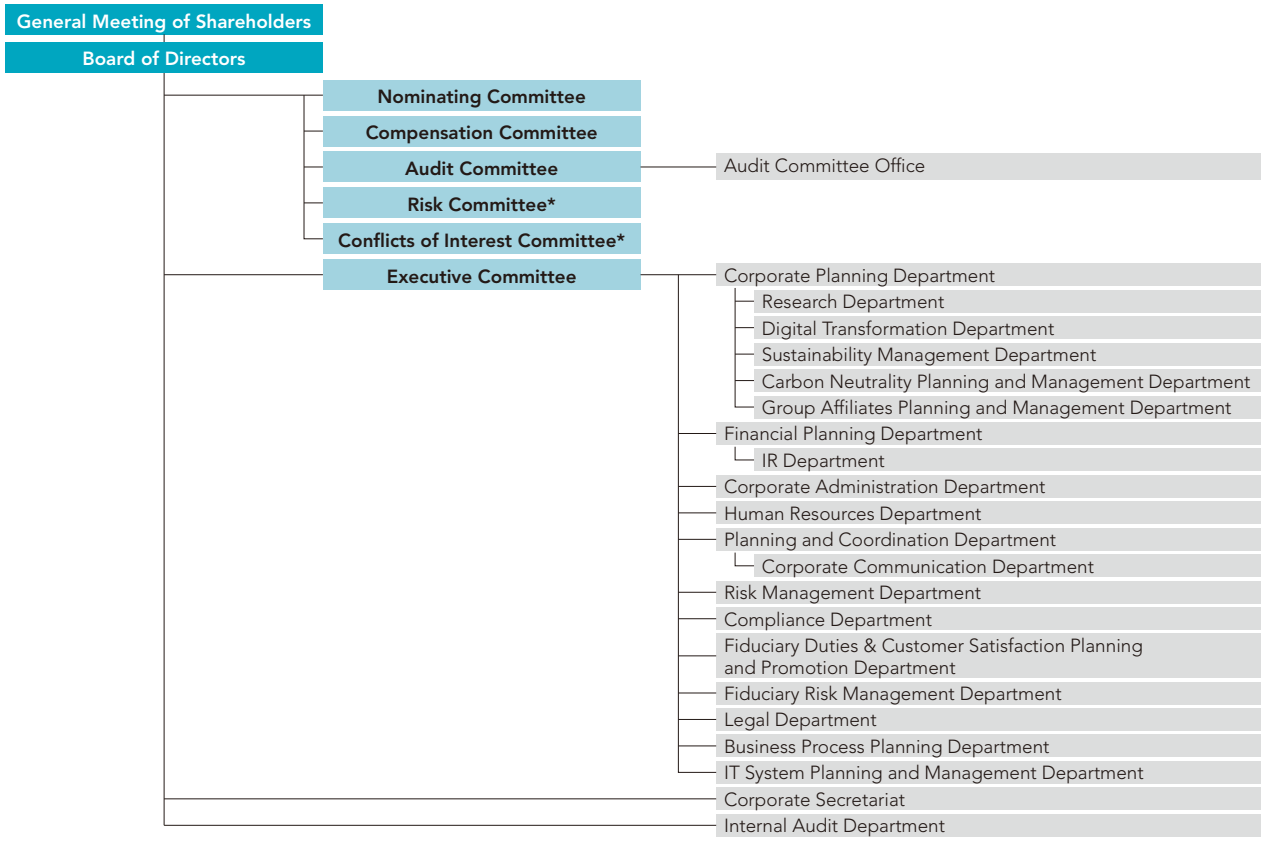
*1 External Directors as provided for in Article 2, Item 15 of the Companies Act.
*2 Executive Officers as defined in our internal policy; unless otherwise annotated, Executive Officers are defined in the Companies Act.

Employees (As of March 31, 2022)

Category	March 31, 2022	March 31, 2021
Number of Employees	233	184
Average Age	49 years, 8 months	51 years, 5 months
Average Length of Employment	21 years, 1 month	23 years, 8 months
Average Annual Salary	¥12,684 thousand	¥12,617 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, 2022)



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

Subsidiaries and Affiliated Companies (As of June 30, 2022)

Japan

Name	Location	Date of Establishment	Paid-in Capital (Millions)	Scope of Business	Ownership by SuMi TRUST Holdings (%)	Ownership by subsidiaries (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	July 28, 1925	¥ 342,037	Trust and Banking Business	100.0	—
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shibakoen 1-chome, Minato-ku, Tokyo	November 1, 1986	¥ 2,000	Investment Management Business, Investment Advisory and Agency Business	100.0	—
Sumitomo Mitsui Trust Research Institute Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	July 1, 1988	¥ 300	Survey, Research, Consulting, Investment Advisory Business	100.0	—
Trust Base Co., Ltd.*	6-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	April 1, 2021	¥ 100	Survey, Research, Consulting	100.0	
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	December 1, 1959	¥ 17,363	Investment Management Business, Investment Advisory and Agency Business	99.0	0.9
Mutual Fund & Insurance Research Institute	33-1, Shiba 3-chome, Minato-ku, Tokyo	December 1, 2017	¥ 150	Survey, Research, Consulting	88.0	—
UBS SuMi TRUST Wealth Advisory, Ltd.	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	September 25, 2019	¥ 5	Concurrent sales agency services, Financial instruments intermediary services, Banking agency services	50.0	—
UBS SuMi TRUST Wealth Management Co., Ltd.	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	May 1,2020	¥ 5,165	Securities business, Trust agreement agency services	49.0	—
Custody Bank of Japan, Ltd.	8-12, Harumi 1-chome, Chuo-ku, Tokyo	June 20, 2000	¥ 51,000	Trust and Banking Business	33.3	—

* Trust Garage Co., Ltd changed its name to Trust Base Co., Ltd as of September 1, 2021.
Note: For details concerning subsidiaries and affiliated companies of SuMi TRUST Bank, please refer to page 13.

Board of Directors and Executive Officers (As of July 1, 2022)

Chairman
Masaru Hashimoto

President (Representative Director)
Kazuya Oyama

Deputy President (Representative Director)
Atsushi Kaibara

Deputy President (Representative Director)
Seiji Iwakuma

Deputy President (Representative Director)
Kengo Noguchi

Director, Senior Managing Executive Officer
Shigeki Tanaka

Director, Senior Managing Executive Officer
Futoshi Itani

Director, Senior Managing Executive Officer
Nobuaki Yamaguchi

Director, Managing Executive Officer
Yasuyuki Suzuki

Director, Managing Executive Officer
Manatomo Yoneyama

Director, Managing Executive Officer
Atsushi Matsumoto

Director
Tetsuo Ohkubo

Director
Toru Takakura

Director (External)
Hideki Kanda*

Director (External)
Michiko Achilles*

Director (External)
Kazumi Torii*

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)
Junko Sasaki*

Senior Managing Executive Officer
Naohiro Tanaka

Senior Managing Executive Officer
Toshiya Shimobeppu

Senior Managing Executive Officer
Kenji Kaiya

Managing Executive Officer
Toshio Masui

Managing Executive Officer
Keiichi Hamano

Managing Executive Officer
Hideshi Sano

Managing Executive Officer
Yasunaga Matsumoto

Managing Executive Officer
Ryouji Nishimoto

Managing Executive Officer
Masahiko Kitajima

Managing Executive Officer
Daisuke Maeda

Managing Executive Officer
Junya Ueda

Managing Executive Officer
Toshiaki Nakano

Managing Executive Officer
Satoshi Kitai

Managing Executive Officer
Masaya Noda

Managing Executive Officer
Tetsuya Hiwatashi

Managing Executive Officer
Takumi Fujisawa

Managing Executive Officer
Nobuhisa Takahashi

Managing Executive Officer
Kazuhiko Kasuya

Managing Executive Officer
Takehiko Iwahara

Managing Executive Officer
Takafumi Arimura

Managing Executive Officer
Kouichi Kato

Managing Executive Officer
Masakatsu Sato

Managing Executive Officer
Takehiko Sakaue

Managing Executive Officer
Kazuteru Wakao

Executive Officer
Teruki Ido

Executive Officer
Yuki Takada

Executive Officer
Miyo Yajima

Executive Officer
Atsushi Ueda

Executive Officer
Hitoshi Kotaka

Executive Officer
Shinichi Nonomura

Executive Officer
Shinichi Tao

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

Executive Officer
Akira Ojima

Executive Officer
Toru Masuda

Executive Officer
Yuuko Nishigaya

Executive Officer
Natsuki Kitaguchi

Executive Officer
Hiroshi Matsumoto

Executive Officer
Michihiro Ooishi

Executive Officer
Shigeyuki Oouchi

Executive Officer
Kouichi Hashiguchi

Executive Officer
Kouichi Taguchi

Executive Officer
Makoto Takamura

Executive Officer
Masayuki Okamoto

Executive Officer
Nobuo Murakami

Executive Officer
Hisato Nakano

Executive Officer
Chikako Matsumoto

Executive Officer
Kenichi Fujimura

Executive Officer
Masaya Yamashiro

Executive Officer
Tomoya Hirano

Executive Officer
Hideki Kiya

Executive Officer
Naoki Ishibe

Executive Officer
Hirohiko Doi

Executive Officer
Takahiro Yoshida

Executive Officer
Takahiro Ishige

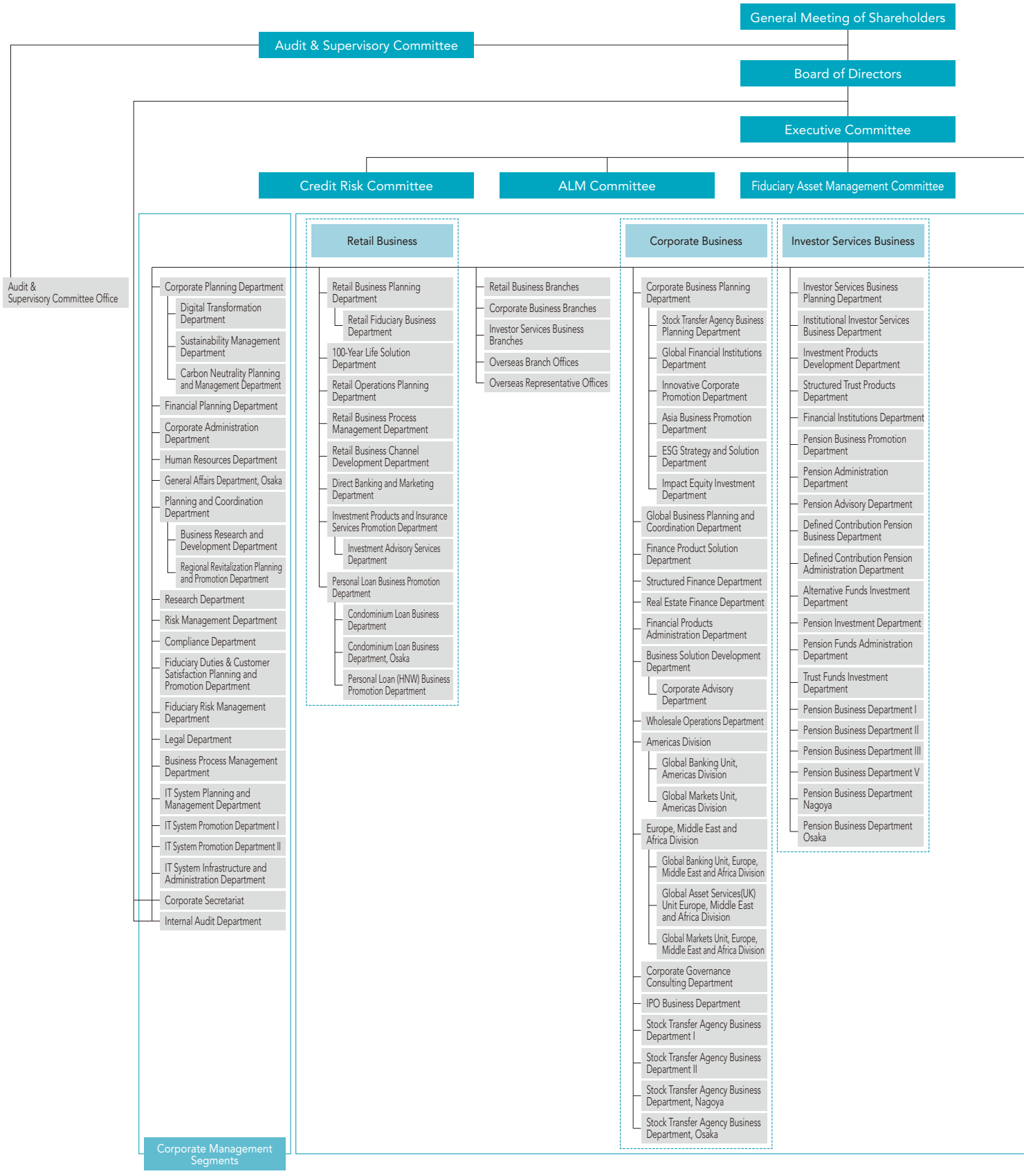
* External Directors as provided for in Article 2, Item 15 of the Companies Act.
Executive Officers as defined in our internal policy.

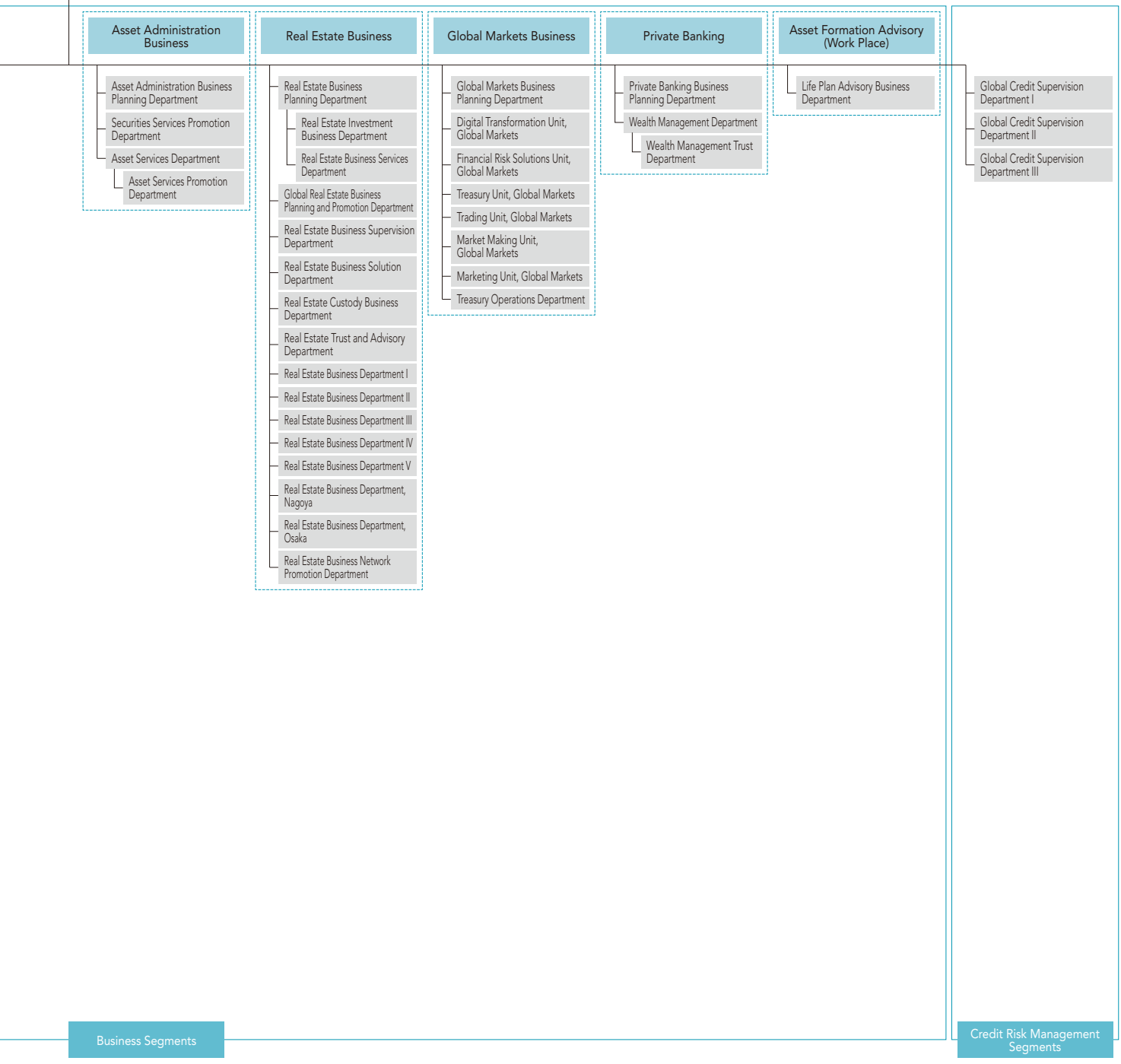
Employees (As of March 31, 2022)

Category	March 31, 2022	March 31, 2021
Number of Employees	**13,608**	13,740
Average Age	**41 years, 7 months**	41 years, 6 months
Average Length of Employment	**14 years, 3 months**	14 years, 0 month
Average Annual Salary	**¥6,956 thousand**	¥7,064 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, 2022)




Asset Administration Business
Asset Administration Business Planning Department
Securities Services Promotion Department
Asset Services Department
Asset Services Promotion Department
Real Estate Business
Real Estate Business Planning Department
Real Estate Investment Business Department
Real Estate Business Services Department
Global Real Estate Business Planning and Promotion Department
Real Estate Business Supervision Department
Real Estate Business Solution Department
Real Estate Custody Business Department
Real Estate Trust and Advisory Department
Real Estate Business Department I
Real Estate Business Department II
Real Estate Business Department III
Real Estate Business Department IV
Real Estate Business Department V
Real Estate Business Department, Nagoya
Real Estate Business Department, Osaka
Real Estate Business Network Promotion Department
Global Markets Business
Global Markets Business Planning Department
Digital Transformation Unit, Global Markets
Financial Risk Solutions Unit, Global Markets
Treasury Unit, Global Markets
Trading Unit, Global Markets
Market Making Unit, Global Markets
Marketing Unit, Global Markets
Treasury Operations Department
Private Banking
Private Banking Business Planning Department
Wealth Management Department
Wealth Management Trust Department
Asset Formation Advisory (Work Place)
Life Plan Advisory Business Department
Global Credit Supervision Department I
Global Credit Supervision Department II
Global Credit Supervision Department III
Business Segments
Credit Risk Management Segments

Branches (As of June 30, 2022)

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

Hokkaido, Tohoku

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

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

Tokyo

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

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

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

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

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

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

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

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

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

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

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

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

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

Consulting Plaza Chofu
(Chofu Sub-Branch, Shinjuku-Nishiguchi Branch)
48-26, Kojima-cho 2-chome, Chofu, Tokyo 182-0026, Japan

Shibuya Branch
Shibuya-Chuo Branch
2-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043, Japan

Shibuya Square A Building Sub-branch of Shibuya Branch
Shibuya Square A Building Sub-branch of Shibuya-Chuo Branch
9-5, Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043, Japan

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

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

Ogikubo Branch
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
Kichijoji-Chuo Branch
2-15, Kichijoji Hon-cho 2-chome, Musashino, Tokyo 180-0004, Japan

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

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

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

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

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

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

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

Kanto

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

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

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

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

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

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

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

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

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

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

Kashiwa Branch
2-1, Kashiwa 4-chome, Kashiwa,
Chiba 277-0005, Japan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Koshinetsu, Hokuriku

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

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

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

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

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

Tokai

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

Kanayamabashi Branch
15-10, Kanayama 1-chome, Naka-ku, Nagoya,
Aichi 460-0022, Japan

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

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

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

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

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

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

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

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

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

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

Sakai Branch
59-2, Mikunigaoka Miyuki-dori, Sakai-ku, Sakai,
Osaka 590-0028, Japan

Consulting Plaza Izumigaoka
(Senboku Sub-Branch, Sakai Branch)
2-3, Chayamadai 1-chome, Minami-ku, Sakai,
Osaka 590-0115, Japan

Yao Branch
6-8, Higashi Hon-machi 3-chome, Yao,
Osaka 581-0004, Japan

Hirakata Branch
Keihan-Hirakata Branch
13-20, Oka Higashi-cho, Hirakata,
Osaka 573-0032, Japan

Takatsuki Branch
5-20, Konya-machi, Takatsuki,
Osaka 569-0804, Japan

Ibaraki Branch
2-30, Futaba-cho, Ibaraki,
Osaka 567-0829, Japan

Toyonaka Branch
1-1, Hon-machi 1-chome, Toyonaka,
Osaka 560-0021, Japan

Senri-Chuo Branch
1-3, Shinsenri Higashi-machi 1-chome, Toyonaka,
Osaka 560-0082, Japan

Ikeda Branch
1-1-134, Kureha-cho, Ikeda,
Osaka 563-0048, Japan

Kobe Branch
Kobe-Sannomiya Branch
1-6, Goko-dori 8-chome, Chuo-ku, Kobe,
Hyogo 651-0087, Japan

Consulting Plaza Seishin-Chuo
(Seishin-Chuo Sub-Branch, Kobe Branch)
9-4, Kojidai 5-chome, Nishi-ku, Kobe,
Hyogo 651-2273, Japan

Tsukaguchi Branch
15-1, Tsukaguchi-cho 1-chome, Amagasaki,
Hyogo 661-0002, Japan

Nishinomiya Branch
5-39, Takamatsu-cho, Nishinomiya,
Hyogo 663-8204, Japan

Ashiya Branch
5-2, Funado-cho, Ashiya,
Hyogo 659-0093, Japan

Kawanishi Branch
7-18, Chuo-cho, Kawanishi,
Hyogo 666-0016, Japan

Akashi Branch
5-28, Higashinakano-machi, Akashi,
Hyogo 673-0886, Japan

Himeji Branch
252, Ekimae-cho, Himeji,
Hyogo 670-0927, Japan

Kyoto Branch
Kyoto-Shijo Branch
612, Karasuma-dori Shijo-sagaru Suiginya-cho, Shimogyo-ku,
Kyoto 600-8411, Japan

Otsu Branch
3-10, Umebayashi 1-chome, Otsu,
Shiga 520-0051, Japan

Nara-Saidaiji Branch
1-50, Saidaiji Higashi-machi 2-chome,
Nara 631-0821, Japan

Consulting Plaza Gakuenmae
(Gakuenmae Sub-Branch,
Nara-Saidaiji Branch)
8-11, Gakuen Kita 1-chome,
Nara 631-0036, Japan

Wakayama Branch
3-17, Higashi Kuramae-cho,
Wakayama 640-8203, Japan

Chugoku, Shikoku

Tottori Branch
103, Ima-machi 1-chome,
Tottori 680-0822, Japan

Okayama Branch
Okayama-Chuo Branch
1-5, Ekimoto-machi, Kita-ku,
Okayama 700-0024, Japan

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 2008, Building No. 2,
No. 26, Jianguomenwai Dajie, Chaoyang District,
Beijing 100022, People's Republic of China

Beijing Representative Office
(Securities business)
Room 5011, 5th Floor, Chang Fu Gong Office Building,
No. 26, Jianguomenwai Dajie, Chaoyang District,
Beijing 100022, People's Republic of China

Jakarta Representative Office
20th Floor, Summitmas I,
Jl. Jend. Sudirman, Kaveling 61-62,
Jakarta 12190, Indonesia

Seoul Representative Office
20th Floor, Booyoung Taepyoung Building, 55,
Sejong-daero, Jung-gu, Seoul 04513, Korea

Sydney Representative Office
Suite 3, Level 39, 259 George Street,
Sydney NSW 2000, Australia

Number of Contracted Trust Agencies* (As of March 31, 2022)

* 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.	112	64	44	76	55	1
Regional Banks	45	39	31	32	19	1
Second Regional Banks	15	10	7	12	9	—
Shinkin Central Bank, Shinkin Banks	40	13	3	23	27	—
Credit Union	8	—	—	8	—	—
Shoko Chukin Bank	1	1	—	—	—	—
City Banks, etc.	3	1	3	1	—	—
Securities Firms	8	1	4	7	—	—
Life Insurers and Business Enterprises	13	1	1	12	1	—
Total	133	66	49	95	56	1

Bank Service Agency (As of March 31, 2022)

Trade Name of Bank Service Agency	Business Offices, etc. Operating Bank Agency Service
SBI Sumishin Net Bank, Ltd.	Head Office, East Japan Customer Service Department Center, Ichigo Branch, Budou Branch, Mikan Branch, Lemon Branch, Ringo Branch, Banana Branch, Melon Branch, Kiwi Branch (10 Branches)
UBS SuMi TRUST Wealth Advisory Co., Ltd.	Head Office (1 Branch)
UBS AG (Bank) Tokyo Branch	Marunouchi Sub-branch, Osaka Sub-branch, Nagoya Sub-branch (3 Branches)
Sumitomo Mitsui Trust Life Partners Co., Ltd.	Consulting Plaza for Peaceful 100-Year life Shinjuku office, Consulting Plaza for Peaceful 100-Year life Nagoya office (2 Branches)

Subsidiaries and Affiliated Companies (As of June 30, 2022)

Japan

Name	Location	Date of Establishment	Paid-in Capital (Millions)	Scope of Business	Ownership by SuMi TRUST Bank (%)	Ownership by subsidiaries (%)
Tokyo Securities Transfer Agent Co., Ltd.	11, Kanda-nishikicho 3-chome, Chiyoda-ku, Tokyo	November 1, 1962	¥ 50	Stock Transfer Agency Services	100.0	—
Sumitomo Mitsui Trust Club Co., Ltd.	8-10, Harumi 1-chome, Chuo-ku, Tokyo	April 2, 1977	¥ 100	Credit Card Business	100.0	—
Sumitomo Mitsui Trust Guarantee Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	July 10, 1978	¥ 301	Housing Loan Guaranty Business	100.0	—
Sumitomo Mitsui Trust General Service Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	April 2, 1988	¥ 100	Property Leasing and Management Business	100.0	—
Sumitomo Mitsui Trust Wealth Partners Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	November 6, 1989	¥ 155	Consulting Business	100.0	—
Sumitomo Mitsui Trust Business Service Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	May 24, 1990	¥ 100	Back Office Services, Temporary Staffing Business, Outplacement Agency	100.0	—
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	20-1, Shimbashi 2-chome, Minato-ku, Tokyo	January 22, 1992	¥ 6,000	Money Lending Business	100.0	—
Sumitomo Mitsui Trust TA Solution Co., Ltd.	8-4, Izumi 2-chome, Suginami-ku, Tokyo	July 1, 1998	¥ 2,005	IT, Calculation Outsourcing Business	100.0	—
J-Eurus IR Co., Ltd.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	December 27, 2000	¥ 10	Consulting Business	100.0	—
Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd.	11-1, Kanda-nishikicho 3-chome, Chiyoda-ku, Tokyo	November 7, 2005	¥ 300	Investment Management, Investment Advisory	100.0	—
Sumitomo Mitsui Trust Career Partners Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	April 3, 2006	¥ 100	Training Programs, Personnel-related Services	100.0	—
Sumitomo Mitsui Trust Life Partners Co.,Ltd.	11-1, Kanda-nishikicho 3-chome, Chiyoda-ku, Tokyo	January 28, 2019	¥ 100	Insurance Agency Business, Banking Agency Services, Financial instruments intermediary services	100.0	—
Japan Securities Agents, Ltd.	2-4, Nihonbashi-kayabacho 1-chome, Chuo-ku, Tokyo	September 13, 1950	¥ 500	Stock Transfer Agency Services	85.1	—
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	2-3, Shibaura 1-chome, Minato-ku, Tokyo	February 27, 1967	¥ 25,584	General Leasing, Installment Purchase Services, Credit Card Business	84.8	—
Sumishin Guaranty Company Limited	33-1, Shiba 3-chome, Minato-ku, Tokyo	August 25, 1977	¥ 300	Loan Guarantee Business	—	100.0
Sumitomo Mitsui Trust Card Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	June 24, 1983	¥ 100	Credit Card Business	50.0	50.0
Sumitomo Mitsui Trust Systems & Services Co., Ltd.	1-10, Nikko-cho, Fuchu, Tokyo	February 12, 1973	¥ 100	System Development and Operation Management Services	44.4	55.5
Sumitomo Mitsui Trust Investment Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	March 22, 2000	¥ 100	Equity Investment Business	40.0	60.0
Sumitomo Mitsui Trust Realty Co., Ltd.	11-1, Kanda-nishikicho 3-chome, Chiyoda-ku, Tokyo	January 24, 1986	¥ 300	Real Estate Brokerage Business	4.6	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	—
HR One Corporation	5-12, Tsukiji 5-chome, Chuo-ku, Tokyo	May 20, 2002	¥ 603	HR-related Services Business	37.35	—
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	¥ 50	Investment Corporation, Asset Management Business	22.4	—
Sky Ocean Asset Management Co., Ltd.	1-1, Minatomirai 3-chome, Nishi-ku, Yokohama, Kanagawa	November 25, 2014	¥ 300	Investment Management	21.0	—
Mitsui & Co., Logistics Partners Ltd.	2-1, Nishi-kanda 3-chome, Chiyoda-ku, Tokyo	July 13, 2004	¥ 150	Investment Corporation, Asset Management Business	20.0	—
Cardif Assurance Vie (Japan)	20-1, Sakuragaoka-cho, Shibuya-ku, Tokyo	July 3, 2017	¥ 20,600	Life Insurance Business	20.0	—

Overseas

Name	Location	Date of Establishment	Paid-in Capital (Millions)	Scope of Business	Ownership by SuMi TRUST Bank (%)	Ownership by subsidiaries (%)
Sumitomo Mitsui Trust (Hong Kong) Limited	25/F, AIA Central, 1 Connaught Road, Central, Hong Kong	July 4, 1978	$ 45	Securities Business	100.0	—
Sumitomo Mitsui Trust Bank (Luxembourg) S.A.	2, rue Peternelchen, L-2370, Howald, Grand Duchy of Luxembourg	April 22, 1985	$ 30	Trust, Banking, Securities Businesses	100.0	—
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	111 River Street, Hoboken, NJ 07030, U.S.A.	May 20, 2002	$ 56	Banking, Trust Businesses	100.0	—
Sumitomo Mitsui Trust (Ireland) Limited	Block 5, Harcourt Centre, Harcourt Road, Dublin 2, Ireland	June 1, 2004	€ 75.87	Trust Business	100.0	—
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 3,200	Trust Business	20.0	—
Nanjing Zijin Financial Leasing Co., Ltd.	9th Floor, 309, Hanzhongmendajie, Gulou District, Nanjing, Jiangsu Province, 210036, People's Republic of China	May 20, 2016	RMB 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*
SuMi TRUST Consulting (Beijing) Co., Ltd	Room 7009, Building No. 2, No. 26, Jianguomenwai Dajie, Chaoyang District, Beijing 100022, People's Republic of China	February 1, 2021	RMB 4	Consulting Business	100.0	—

* 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")

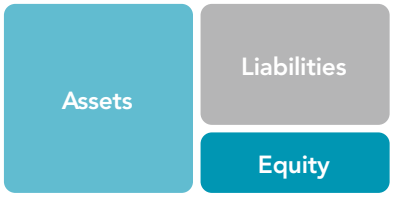
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How to Read the Financial Statements of Trust Banks

Balance Sheets of Trust Banks

(1) The financial statements of trust banks comprise two balance sheets: one for a banking account and the other for a trust account. The balance sheet for the banking account presents capital, fund management, and finance of trust banks. The balance sheet for the trust account shows assets that trust banks manage, administer, and dispose on behalf of the beneficiaries, according to the trusts' investment objectives, when the trusts have been set up for the trustors.

Balance sheet of banking account



Statement of trust account



(2) The outcomes (gains or losses) of asset management, administration, and disposition of the trust account pertain to the beneficiaries (after deducting trust fees). In principle, they do not affect the banking account. However, loan trusts and jointly operated money trusts ("JOMTs"), which are covered by deposit insurance, are treated as exceptions due to their principal guaranteed feature. As a result, the balance sheets for loan trusts and the JOMT accounts are disclosed, and, together with the banking account, become the "three major accounts" of trust banks. It is common for trust banks to manage various financial risks at the level of these accounts.

(Note) Japanese trust banks have stopped offering new loan trusts. The loan trusts, therefore, have a limited impact on the balance sheet and financial reporting.

(3) The liabilities section in statements of trust accounts shows the balance for each trust type. The assets section shows assets, such as loans, securities, real estate, and monetary claims, held in various trusts.

Money trusts include a wide variety of trust products. They include, for example, products with discretionary management rights, such as JOMTs and individually operated designated money trusts (referred to as *Shiteitan*), and products without discretionary management rights, such as specified money trusts (referred to as *Tokkin*). Fees for these products vary. Aside from money trusts, the trust banks have discretionary management rights for loan trusts and pension trusts, but not for investment trusts or securities trusts.

Statements of Income of Trust Banks

The trust banks disclose statements of income for banking accounts. The main components of "Net Business Profit before Credit Costs," which is equivalent to operating profit for other companies are as follows:

(1) Trust Fees
(2) Net Credit Cost of loan trusts and JOMT accounts
(3) Net Interest Income
(4) Net Fees and Commissions
(5) Net Trading Income
(6) Net Other Ordinary Income (gains or losses on sales of bonds, net gain or loss on foreign exchange transactions, net income or expense on derivatives other than trading or hedging)
(7) Gross Business Profit: (1)+(3)+(4)+(5)+(6)
(8) General and Administrative Expenses
(9) Transfer to general allowance for loan losses
(10) Net Business Profit: (7)–(8)–(9)
(11) Net Business Profit before Credit Costs: (10)+(2)+(9)

Fee Revenues of Trust Banks: Trust Fees and Net Fees and Commissions

In trust banks, broadly speaking, there are two types of fee revenues: "Trust Fees" and "Net Fees and Commissions." Fees that trust banks receive on trust contracts are posted to "Trust Fees." Fees and commissions on general service contracts are posted to "Net Fees and Commissions." Note that fees related to the loan trusts and JOMT accounts have characteristics similar to the banking business (deposits and loans) and are generally excluded from "Trust Fees." Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries (together, the "SuMi TRUST Group") include these fees in "Net Interest Income and Related Profit."

Fee Revenues

Trust Fees (excluding loan trusts & JOMTs)

- Pension trust fees *1
- Individually operated designated money trust fees *1
- Investment trust & specified money trust fees *2
- Asset securitization-related trust fees
- Real estate brokerage fees

Net Fees and Commissions

- Investment trust and insurance sales fees
- Discretionary investment fees
- Real estate brokerage fees
- Stock transfer agency fees
- Syndicated loan fees

*1 Fees related to management and administration of money trusts with discretionary management rights

*2 Fees related to administration of money trusts without discretionary management rights

Management's Discussion and Analysis

Overview of Business Activities of the Company

Economic and Financial Environment

In looking back on the financial and economic environment during the fiscal year under review, COVID-19 vaccination programs continued to be rolled out in Japan and overseas and business activity picked up again, but repeated waves of infections still weighed heavily on economic activity. Domestic production and exports turned downward from summer onwards, reflecting mainly semiconductor and other component supply shortages. Furthermore, the future outlook grew increasingly uncertain on the impact of the crisis in Ukraine with skyrocketing commodity prices fueling concerns of inflation.

In the financial markets, all eyes were on spiraling inflation and the timing of interest rate hikes in the US. The Nikkei Stock Average continued to meet upside resistance primarily because of the impact of prolonged restrictions on people's movements and temporarily fell to around 25,000 yen in reaction to the conflict in Ukraine. Yields on 10-year JGBs more or less transitioned in positive territory close to 0%, but rose to just above 0.2% in early 2022 in concert with rising US Treasury yields. The Japanese yen continued to weaken in response to a widening US-Japan interest rate differential, with the USD/JPY currency pair breaking above 120 yen at the end of March.

Developments of Business Activities

In fiscal 2020 we settled on the following "Purpose" (reason for existence) for the SuMi TRUST Group: Creating new value with the power of trusts and let prosperous future for our clients and society bloom. Based on this "Purpose," we continue to advance our business operations. In fiscal 2021, alongside the uncertainty in the financial and economic environment, we saw heightened interest in climate change and other social issues. The SuMi TRUST Group endeavored to respond to such changes by undertaking the following initiatives in an effort to achieve sustainable and stable growth through balanced creation of both social value and economic value.

Three key topics:
1. Improve operational quality beyond client expectations
2. Shore up the Group's sustainability
3. Enhance management infrastructure to boost probability of achieving growth

1. Improve operational quality beyond client expectations

The confidence our clients place in us comes from the quality of products and services that we provide, which we believe to be the foundation of the SuMi TRUST Group's competitive advantage. That is why we periodically evaluated what products and services to offer and took steps to improve our ability to accommodate client needs and enhance service quality.

For individual clients, SuMi TRUST Bank made improvements to existing products with a view to the age of 100-year life and started offering a product called 100-Year Passport Plus to help clients prepare for future uncertainties like dementia and get the most out of long-term asset management.

In responding to changing real estate needs in connection with the diversification of client lifestyles, multiple companies in the SuMi TRUST Group rolled out a plethora of services aimed at enhancing convenience for clients. For example, SuMi TRUST Bank started offering a scheme called Housing Will for mortgage loan clients to easily facilitate the home and property inheritance process in the event of the client's death, and deployed a system to enable clients to discuss and take necessary procedures for fire insurance handled by Sumitomo Mitsui Trust Life Partners at all branches of SuMi TRUST Bank

nationwide. Also, Sumitomo Mitsui Trust Realty accurately gauged demand for moving house among clients and steadily increased its number of housing brokerage transactions.

SBI Sumishin Net Bank's high-tech convenience and safety-focused, high-quality services underpinned by thoroughgoing security measures have been highly praised by the public, so much so that its number of deposit accounts grew roughly 20% year on year to surpass the five million mark. In recognition, SBI Sumishin Net Bank won the Excellence Award for the second-straight year in the Best Customer Support of The Year run by the Japan Institute of Information Technology.

Sumitomo Mitsui Trust Club strengthened its support of client business activities by not only improving member services to enrich the private life of clients, but also revamping its business card service and launching a new premium business card.

For corporate clients, given the growing importance of corporate management initiatives in the areas of the SDGs and ESG, the companies in the SuMi TRUST Group worked together to expand the Group's lineup of solutions to support the enhancement of sustainable management and corporate value at client companies, including the development of governance frameworks and improvements in human capital.

In aiming to help bring about a carbon-neutral society—an undertaking that will require an enormous amount of capital—SuMi TRUST Bank developed a framework for impact equity investments to support, as an investor itself, the adoption of next-generation energy sources and other superior technologies in society. It also launched an investment fund to accelerate the development of renewable energy in Japan through a partnership with Sumitomo Mitsui Trust Investment and business entities that boast advanced technological know-how.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. issued green bonds that can only be used to fund projects that have a beneficial impact on the environment. The money raised from the issuance was used to finance facilities that contribute to greater energy efficiency and the installation of renewable energy equipment. Sumitomo Mitsui Trust Loan & Finance worked together with Group companies and harnessed its proprietary specialist screening know-how to manage loan operations with an emphasis on balancing quality with quantity.

SuMi TRUST Bank recorded growth in assets under management (AUM) for mainly investor clients such as corporate pensions, public pensions, and financial institutions by continuing to develop and offer a range of investment products, including non-traditional assets and real assets outside of stocks and bonds, as well as investment funds that target startup firms looking to reinvigorate regional communities. Moreover, SuMi TRUST Bank kept a firm grip on its leading market share of the administration of defined contribution pension plans by focusing on expanding its lineup of ESG related products and investment education with the use of videos. This helped steadily increase its number of subscribers and AUM.

In the asset management business, under a Group-wide investment strategy, Sumitomo Mitsui Trust Asset Management and Nikko Asset Management boosted the Group's overall AUM by tapping heightening demand for investment in ESG fields. More specifically, Sumitomo Mitsui Trust Asset Management listed on the Tokyo Stock Exchange its first-ever exchange-traded fund (ETF), the SMT ETF Carbon Efficient Index Japan Equity. Nikko Asset Management launched multiple new publicly offered investment trusts that primarily invest in corporations taking active steps to decarbonize their operations in both developed and emerging countries.

In the asset administration business, Custody Bank of Japan and SuMi TRUST Bank, among others, went about beefing up their competitive strengths by continuing to reduce costs by streamlining operations and enhancing their asset administration infrastructure with the use of IT and digital technology.

2. Shore up the Group's sustainability (more effective use of managerial resources)

So that we can continuously contribute to solving the medium- to long-term issues currently faced by society and our clients, we are cognizant of the fact that the Group itself must lead a sustainable existence. Guided by this thinking, we made a conscious effort to push ahead with initiatives geared towards the more effective use of managerial resources, including the concentrated injection of capital, expenses, and human resources into areas for strengthening our defensive or offensive strategies.

To be more specific, from a defensive standpoint, we heavily allocated human resources and invested in systems to strengthen our risk management and compliance frameworks. Meanwhile, from an offensive point of view, we invested in a new growth field by acquiring a 49% equity stake in UBS SuMi TRUST Wealth Management in August 2021. This joint venture fuses together the UBS Group's asset management and securities services and the SuMi TRUST Group's strengths in mainly inheritance, asset succession, and real estate. Business operations aimed at enhancing the value provided to mainly business owner clients are well underway.

Also, for the purpose of not only improving the Group's capital efficiency, but also contributing to the sound development of Japan's capital markets, we switched to a policy of holding, in principle, no strategic shares as a conventional stable shareholder. Since making this policy announcement in May of last year, SuMi TRUST Bank has continued to engage in respectful dialogue with its corporate clients. In fiscal 2021 it reduced its strategic shareholdings at a pace considerably faster than before, selling some 53.8 billion yen in Japan-listed shares on an acquisition price basis.

In light of the fact that we are starting to see prospects for securing a level of capital sufficiency for the entire Group, with the aim of improving capital efficiency, we plan to buy back and retire treasury shares worth up to 30 billion yen.

3. Enhance management infrastructure to boost probability of achieving growth

In addition to the above, we pushed ahead with the following initiatives in order to further raise the probability of achieving growth.

(1) Digital transformation

In order to advance the Group's digital transformation (DX) with a flexible mindset not bound by conventional ways of thinking, we established a strategic subsidiary, Trust Base Co., Ltd., in April 2021. This company is making active use of specialist recruits, bolstering its systems, and expanding activities to drive DX forward. On the business front, we expanded new client platforms mainly through the development of a smartphone app known as Smart Life Designer so that clients can centrally manage their household expenses and assets, and by automating the business processes that handle data aggregation and analysis. At the same time, we continued to implement Group cost structure reforms.

(2) Promoting active participation of human resources

We endeavored to improve the well-being of SuMi TRUST Group employees so that every individual in our diverse and highly skilled workforce can unleash their full potential. And with the objective of stepping up efforts in the area of diversity and inclusion, we also went about expanding infrastructure that can help empower women in the workplace, support a balance between work and child-rearing/nursing care obligations, and demonstrate our respect for human rights and people in the LGBTQ community.

As a result, for the fourth year in a row through 2022 we were listed by Bloomberg in the Bloomberg Gender-Equality Index in recognition of our initiatives to further gender equality. Furthermore, SuMi TRUST Bank collected second prize in the basic corporate category of the 2022 J-Win Diversity Award, an event organized and run by the NPO J-Win. In addition, we have drafted a new action plan to have women account for at least 30% of all management roles by October 2024 and we are currently appointing women to managerial posts based on competency.

Moreover, because we believe that bringing specialists together and allowing them to interact with each other is indispensable to creating new value, we pushed ahead with the building of a HR portfolio brimming with diversity by focusing on the hiring of experts possessing specialist knowledge in the focused areas such as ESG, decarbonization, and digitalization.

(3) Sustainability management

The SuMi TRUST Group seeks for the balanced creation of both social value and economic value and employs a value creation approach that blends solutions for social issues with the Group's management strategy.

In particular, in order to contribute to the creation of a society with net-zero carbon emissions to combat the increasingly serious problem of global climate change, the Group announced its Carbon Neutral Commitment with the aim of reducing greenhouse gas emissions from our own business activities and in investment and loan portfolios overall to net zero.

In terms of specific initiatives, whilst we do provide sustainable finance products and various consulting services, so that we can support, from a financial perspective, the deployment of cutting-edge technology in society, we put together a team of experts with doctoral degrees in scientific fields that has now started working on a hydrogen value chain feasibility project and the establishment of a framework for ESG regional financing.

Also, as a signatory to the Principles for Responsible Banking (PRB), we have declared our commitment to proactively participating in impact creation ourselves and we intend to expand the Group's efforts in the area of impact finance while simultaneously diversifying our methods, including positive impact finance, equity investments, real assets, and venture capital. In recognition of our initiatives, SuMi TRUST Bank was awarded the silver prize (Minister of the Environment Award) in the indirect financing category of the Ministry of the Environment's 3rd ESG Finance Awards Japan.

Results of Business Activities

(Consolidated Financial Results for the Fiscal Year 2022)

For the fiscal year ended March 31, 2022, "Net Business Profit" increased by ¥ 51.3 billion (U.S. $419 million) from the previous fiscal year to ¥346.0 billion (U.S. $2,827 million) because of an increase in substantial funds-related income (*) primarily due to the improvement in revenue and expenditure on loans and deposits in Japan and overseas, and the decline in overseas market-based procurement interest rates, in addition to solid income from fees and commissions in the real estate brokerage business, investment management consulting business, and asset management business.

"Ordinary Profit" increased by ¥46.5 billion (U.S. $380 million) from the previous fiscal year to ¥ 229.7 billion (U.S. $1,877 million) , mainly due to improvements in gains or losses on stock-related derivatives and net gains on stock due to reduction of strategic shareholdings, despite increases of allowance for loan losses due to the deterioration of business conditions of some customers and increases in credit costs resulting from the revaluation of special reserves against the impact of changes in the economic environments on credit risk.

"Net Income Attributable to Owners of the Parent" increased by ¥26.8 billion (U.S. $219 million) from the previous fiscal year to ¥169.0 billion (U.S. $1,381 million) partly due to the loss of extraordinary gains from the recognition of the full amount of past service costs related to retirement benefits charged to profit or loss in the previous year.

(*) Substantial funds-related income refers to funds-related income plus surplus funds in foreign currency included in foreign exchange gains or losses.

Major KPIs (Consolidated)

Years Ended March 31	Millions of Yen				Millions of U.S. Dollars	Millions of Yen		
	2022				2022	2022		2021
	Forecast	Changes from Previous Year	Forecast	Results	Results	Changes from Previous Year	Changes from Forecast	Results
Net Business Profit Before Credit Costs (Note 1)	¥ 310,000	¥ (36,085)	¥ 330,000	¥ 346,085	$ 2,828	¥ 51,377	¥ 16,085	¥ 294,707
Substantial Gross Business Profit (Note 1)	800,000	(8,182)	795,000	808,182	6,604	68,885	13,182	739,296
General and Administrative Expenses (Note 1)	(490,000)	(27,903)	(465,000)	(462,096)	(3,776)	(17,507)	2,903	(444,589)
Fee and Commission Income Ratio (%)				54.0%		1.1%		52.9%
Over Head Ratio (%)	61.3%	4.2%	58.5%	57.1%		(3.0)%	(1.4)%	60.1%
Return on Equity (%)				6.25%		0.84%		5.41%
Consolidated Equity Tier 1 Capital Ratio (%)				12.31%		0.19% (Note2)		12.12%

(Notes)

1) The amounts of the net business profit before credit costs, the substantial gross business profit, and general and administrative expenses are counted in accordance with the internal administration of the Company, taking into account the profits and losses of affiliated companies accounted for by the equity method.

2) The consolidated equity Tier 1 capital ratio (calculated based on the finalization of the Basel III reforms) as of March 31, 2022 is 9.9%.

Consolidated BIS Capital Adequacy Ratio

Consolidated Equity Tier 1 capital ratio was 12.40%, Consolidated Tier 1 capital ratio was 13.81%, and Consolidated Total capital ratio was 15.73% as of March 31, 2022, 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 in "Management's Discussion and Analysis" is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥122.38 to U.S. $1, the approximate rate of exchange as of March 31, 2022.

Operating Results (Consolidated)

	Millions of Yen			Millions of U.S. Dollars
Years Ended March 31	2022	2021	Changes	2022
Gross Profit (excluding Trust Account Credit Costs)	¥ 748,372	¥ 680,826	¥ 67,545	$ 6,115
Trust Account Credit Costs (A)	—	—	—	—
General and Administrative Expenses (excluding non-recurring expenses)	(435,174)	(419,525)	(15,648)	(3,556)
Net Provision of General Allowance for Loan Losses (B)	14,341	4,996	9,345	117
Banking Account Credit Costs (C)	(57,554)	(13,614)	(43,939)	(470)
Reversal of Allowance for Loan Losses (D)	—	—	—	—
Recoveries of Written-Off Claims (E)	1,633	809	823	13
Net Gains (Losses) on Stocks and Other Securities	(38,337)	(43,527)	5,190	(313)
Net Income from Affiliated Companies Accounted for by the Equity Method	15,531	11,677	3,853	127
Impairment Loss	(1,468)	(20,173)	18,705	(12)
Others	(19,344)	(1,464)	(17,879)	(158)
Income Before Income Taxes	227,999	200,003	27,996	1,863
Net Income Attributable to Owners of the Parent	169,078	142,196	26,882	1,382
Total Credit Costs (A+B+C+D+E)	(41,579)	(7,808)	(33,770)	(340)
Net Business Profit Before Credit Costs	346,085	294,707	51,377	2,828

(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 2022	2021	Changes	Millions of U.S. Dollars 2022
Net Business Profit Before Credit Costs (Note 1)	¥ 346,085	¥ 294,707	¥ 51,377	$ 2,828
Substantial Gross Business Profit (Note 1)	808,182	739,296	68,885	6,604
Substantial Interest Income (Note 2)	320,210	289,432	30,777	2,617
Interest Income	304,838	260,248	44,590	2,491
Profits Earned from Market Deployment of Surplus Foreign Currency Fund	15,371	29,183	(13,812)	126
Fees and Commissions Related Income	436,956	391,190	45,765	3,570
Other Income (excluding Profits Earned From Market Deployment of Surplus Foreign Currency Fund)	51,015	58,673	(7,658)	417
General and Administrative Expenses (Note 1)	(462,096)	(444,589)	(17,507)	(3,776)
Total Credit Costs	(41,579)	(7,808)	(33,770)	(340)
Net Gain (Loss) on Stocks and Other Securities	(38,337)	(43,527)	5,190	(313)
Other Non-recurring profits (Losses)	(36,464)	(60,215)	23,751	(298)
Ordinary Profit	229,704	183,155	46,548	1,877
Extraordinary Profits (Losses)	(1,704)	16,847	(18,552)	(14)
Income before Income Taxes	227,999	200,003	27,996	1,863
Total Income Taxes	(57,763)	(56,064)	(1,698)	(472)
Net Income Attributable to Non-Controlling Interests	(1,157)	(1,742)	584	(9)
Net Income Attributable to Owners of the Parent	169,078	142,196	26,882	1,382
Return on Shareholders' Equity (%)	6.85	5.98	0.87	
Dividends per Share of Common Stock (DPS)	170	150	20	
Earnings per Share of Common Stock (EPS)	451	379	72	
Total Number of Shares Outstanding (Million of Shares) (Note 3)	374.5	374.5	0.0	

(Notes)

1) The amounts of the net business profit before credit costs, the substantial gross business profit, and general and administrative expenses are counted in accordance with the internal administration of the company, taking into account the profits and losses of affiliated companies accounted for by the equity method.

2) The amount of the substantial interest income is the sum of "Interest Income" and profits earned from market deployment of surplus foreign currency fund included in "Profits (Losses) on Sales of Foreign Exchanges."

3) The total number of shares outstanding is the average number of common stock (excluding treasury stock) outstanding.

Major Profit and Losses (Consolidated)

Years Ended March 31	Millions of Yen 2022	2021	Changes	Millions of U.S. Dollars 2022
Interest Income	¥ 304,838	¥ 260,248	¥ 44,590	$ 2,491
Other Profits	66,386	87,857	(21,470)	542
Profits Earned from Market Deployment of Surplus Foreign Currency Fund	15,371	29,183	(13,812)	126
Profits other than Profits Earned from Market Deployment of Surplus Foreign Currency Fund	51,015	58,673	(7,658)	417

Interest income increased by ¥44.5 billion (U.S. $364 million) from the previous fiscal year to ¥304.8 billion (U.S. $2,491 million), due to improvements in domestic and overseas earnings related to deposits and loans and positive effect of market conditions. The substantial interest income, which includes profits earned from market deployment of surplus foreign currency fund increased by ¥30.7 billion (U.S. $251 million) from the previous fiscal year to ¥320.2 billion (U.S. $2,616 million).

While "Fees and Commissions Related Income" increased by ¥45.7 billion (U.S. $373 million) from the previous fiscal year to ¥436.9 billion (U.S. $3,570 million), due to the strong performance in customers' businesses such as real estate brokerage business and investment management consulting business, and in asset management business supported by steady market conditions.

On the other hand, "General and Administrative Expenses" increased by ¥17.5 billion (U.S. $143 million) from the previous fiscal year to ¥462.0 billion (U.S. $3,775 million) due to an increase in expenses linked to gross profit in consolidated subsidiaries.

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 ¥51.3 billion (U.S. $419 million) from the previous fiscal year to ¥346.0 billion (U.S. $2,827 million).

Credit Costs (Consolidated)

"Total Credit Costs" increased by ¥33.7 billion (U.S. $275 million) from the previous fiscal year to ¥41.5 billion (U.S. $339 million) of losses, mainly because of an increase in allowance for loan losses based on deterioration of borrowers' classification for some customers.

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

"Net Gains (Losses) on Stock and Other Securities" increased by ¥5.1 billion (U.S. $42 million) from the previous fiscal year to ¥38.3 billion (U.S. $313 million) of losses. This was because of the recognition of gains on sale of strategic shareholdings of approximately ¥87.2 billion (U.S. $713 million) and excessing realized losses on hedging transactions of approximately ¥126.7 billion (U.S. $1,035 million) resulted from steady progress in reduction of strategic shareholdings.

Extraordinary Gain and Losses (Consolidated)

"Extraordinary Gains and Losses" decreased by ¥18.5 billion (U.S. $151 million) from the previous fiscal year to ¥1.7 billion (U.S. $14 million) of losses, mainly because of the recognition of approximately ¥37.7 billion (U.S. $308 million) of profit resulted from charging retirement benefits to profit or loss and approximately ¥19.3 billion (U.S. $158 million) of impairment losses on software in previous fiscal year.

Financial Condition

Assets and Liabilities

As of March 31, 2022, consolidated "Total Assets" were ¥64,633.2 billion (U.S. $528 billion), an increase of ¥1,264.6 billion (U.S. $10 billion), and consolidated "Total Net Assets" were ¥2,745.2 billion (U.S. $22 billion), an increase of ¥22.7 billion (U.S. $0.2 billion), compared with those as of the end of the previous fiscal year, respectively.

In particular, "Cash and Due from Banks" decreased by ¥265.3 billion (U.S. $2 billion) to ¥18,223.3 billion (U.S. $149 billion), "Loans and Bills Discounted" increased by ¥369.5 billion (U.S. $3 billion) to ¥30,876.5 billion (U.S. $252 billion), "Securities" increased by ¥895.7 billion (U.S.$7 billion) to

¥7,879.2 billion (U.S. $64 billion), and "Deposits" decreased by ¥237.5 billion (U.S. $2 billion) to ¥33,230.1 billion (U.S. $272 billion), compared with those as of the end of the previous fiscal year.

In the consolidated financial statements of the SuMi TRUST Group, Cash and Due from Banks, credits on Loans and Bills Discounted and Securities, and reception of Deposits are mainly in Japanese yen. However, the SuMi TRUST Group's policy is to balance the operations and financing in all currencies and to diversify and stabilize the funding base in foreign currencies through yen-based investment transactions by utilizing customer-related deposits and swap markets and issuance of bonds.

"Total Assets of Trust Accounts" were ¥248,215.4 billion (U.S. $2,028 billion) as of March 31, 2022, an increase of ¥8,368.8 billion (U.S. $68 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, 2022, 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 ¥86.0 billion (U.S. $1 billion) from the end of the previous fiscal year to ¥199.4 billion (U.S. $2 billion). The ratio of "Problem Assets under the Financial Reconstruction Act" to Total Balance increased by 0.2% to 0.6% 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	2022	2021	Changes	2022
Problem Assets under the Financial Reconstruction Act	¥ 199.4	¥ 113.4	¥ 86.0	$ 2
Total Balance	31,441.2	31,187.7	253.5	257
Ratio to Total Balance	0.6%	0.4%	0.2%	0.6%

Banking Account

Classification	Billions of Yen, Except for Percentages							
	Balance		Coverage Ratio		Collateral/Allowance		Allowance Ratio	
As of March 31	2022	2021	2022	2021	2022		2022	2021
Bankrupt and Practically Bankrupt Loans (A)	¥ 16.7	¥ 21.5	100%	100%	Specific Allowance Provided	¥ 3.4	100%	100%
					Covered by Collateral/Guarantee	13.2	—	—
Doubtful Loans (B)	117.0	44.4	77%	90%	Uncovered	26.3	71%	81%
					Specific Allowance Provided	66.9		
					Covered by Collateral/Guarantee	23.7	—	—
Substandard Loans (C)	64.9	47.4	37%	50%	Uncovered	40.9	10%	11%
					General Allowance Provided	4.6		
					Covered by Collateral/Guarantee	19.3	—	—
Total of (A), (B), and (C)	198.6	113.2						
Total Balance	31,427.9	31,171.7						
Ratio to Total Balance	0.6%	0.4%						

Principal Guaranteed Trust Account

Classification	Billions of Yen, Except for Percentages					
	Balance		Coverage Ratio		Collateral/Allowance	
As of March 31	2022	2021	2022	2021	2022	
Bankrupt and Practically Bankrupt Loans (A)	¥ —	¥ 0.0	—	100%	Covered by Collateral/Guarantee	¥ —
Doubtful Loans (B)	0.8	0.1	100%	100%	Covered by Collateral/Guarantee	0.8
Substandard Loans (C)	0.0	0.0	100%	100%	Covered by Collateral/Guarantee	0.0
Total of (A), (B), and (C)	0.8	0.2			Allowance for Jointly Operated Money Trusts	0.0
Total Balance	13.3	16.0				
Ratio to Total Balance	5.8%	1.0%				

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

	Percentage Points		
Years Ended March 31	2022	2021	Changes
Average Yield on Interest-Earning Assets (a)	0.46%	0.48%	(0.02)%
Loans and Bills Discounted (A)	0.63	0.64	(0.01)
Securities	1.15	1.09	0.06
Average Yield on Interest-Bearing Liabilities (b)	0.08	0.08	(0.00)
Deposits (B)	0.05	0.06	(0.01)
Gross Margin (a)−(b)	0.38	0.40	(0.02)
Loan-Deposit Margin (A)−(B)	0.58	0.58	(0.00)

Financial Summary:

Five-Year Summary

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Consolidated Statements of Banking Account	2022	2021	2020	2019	2018
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 18,223,364	¥ 18,488,763	¥ 13,141,192	¥ 16,045,864	¥ 28,841,328
Call Loans and Bills Bought	5,000	8,766	71,236	50,124	152,951
Securities	7,879,235	6,983,483	6,437,599	5,759,504	5,537,643
Loans and Bills Discounted	30,876,507	30,506,968	29,703,375	29,025,720	28,190,553
Foreign Exchanges	29,494	25,396	36,952	36,936	25,554
Customers' Liabilities for Acceptances and Guarantees	541,228	511,782	518,811	557,007	508,930
Others	7,078,389	6,843,412	6,591,384	5,553,956	5,099,836
Total Assets	¥ 64,633,220	¥ 63,368,573	¥ 56,500,552	¥ 57,029,113	¥ 68,356,798
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 39,818,106	¥ 40,628,273	¥ 36,549,212	¥ 38,232,195	¥ 43,915,175
Call Money and Bills Sold	799,524	60,675	142,974	72,793	146,931
Borrowed Money	7,153,498	5,782,602	5,856,384	4,023,801	4,370,083
Foreign Exchanges	1,275	577	3,213	457	1,984
Acceptances and Guarantees	541,228	511,782	518,811	557,007	508,930
Others	13,574,298	13,662,105	10,839,049	11,412,500	16,541,366
Total Liabilities	¥ 61,887,931	¥ 60,646,016	¥ 53,909,645	¥ 54,298,756	¥ 65,484,472
Net Assets:					
Shareholders' Equity	¥ 2,517,528	¥ 2,416,003	¥ 2,334,377	¥ 2,242,982	¥ 2,127,816
Accumulated Other Comprehensive Income	198,028	277,756	220,889	410,478	496,851
Subscription Rights to Shares	1,006	1,024	1,057	1,062	799
Non-Controlling Interests	28,725	27,772	34,583	75,832	246,858
Total Net Assets	¥ 2,745,288	¥ 2,722,556	¥ 2,590,907	¥ 2,730,356	¥ 2,872,325
Total Liabilities and Net Assets	¥ 64,633,220	¥ 63,368,573	¥ 56,500,552	¥ 57,029,113	¥ 68,356,798
For the Year					
Income:					
Trust Fees	¥ 110,539	¥ 102,883	¥ 99,816	¥ 103,911	¥ 100,591
Interest Income	375,659	363,749	489,366	507,007	426,129
Fees and Commissions	444,655	390,877	401,723	402,867	397,881
Trading Income	13,453	76	102,189	27,093	10,035
Other Ordinary Income	336,597	402,394	349,778	356,927	306,725
Other Income	120,731	158,185	95,680	71,626	125,142
Total Income	¥ 1,401,637	¥ 1,418,166	¥ 1,538,556	¥ 1,469,434	¥ 1,366,505
Expenses:					
Interest Expenses	¥ 107,883	¥ 137,471	¥ 361,890	¥ 371,845	¥ 246,071
Fees and Commissions Payments	133,161	118,031	109,666	97,755	87,974
Trading Expenses	—	33,300	—	—	—
Other Ordinary Expenses	291,487	290,350	280,488	249,652	230,442
General and Administrative Expenses	435,567	431,422	433,455	431,151	444,057
Other Expenses	205,536	207,586	112,333	77,688	119,136
Total Expenses	¥ 1,173,637	¥ 1,218,163	¥ 1,297,834	¥ 1,228,093	¥ 1,127,683
Income before Income Taxes	227,999	200,003	240,721	241,340	238,822
Net Income	¥ 170,236	¥ 143,938	¥ 165,094	¥ 180,741	¥ 165,746

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 451.40	¥ 379.65	¥ 434.31	¥ 458.91	¥ 403.91
Diluted Net Income per Share of Common Stock	451.12	379.42	434.03	458.64	403.75
Net Assets per Share of Common Stock	7,249.70	7,192.07	6,822.48	7,008.67	6,897.36

	Millions of Yen				
Statements of Trust Account	2022	2021	2020	2019	2018
Trust Assets	¥248,215,419	¥ 239,846,590	¥ 224,425,327	¥ 211,350,067	¥ 201,698,118

1. SuMi TRUST Holdings has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020, "the Standard for Revenue Recognition") and "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019, "the Standard for Fair value Measurement") from the beginning of the current fiscal year ended March 31, 2022. The effect of applying new accounting policies on Net Assets and Net Assets per Share of Common Stock is described in "Financial Data: Notes to Consolidated Financial Statements, Changes in Accounting Policies."
2. For the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on the general rule from the current fiscal year ended March 31, 2022. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021 and the effect of this change is described in "Financial Data: Notes to Consolidated Financial Statements, Changes in Presentation."
3. Trust assets are the amounts of trust assets held by consolidated subsidiaries that engage in the trust business in accordance with the Act on Engagement in Trust Business Activities by Financial Institutions. The consolidated subsidiary that engages in trust business activities is SuMi Trust Bank.

Financial Summary:

Five-Year Summary

Sumitomo Mitsui Trust Holdings, Inc.
As of and for the fiscal years ended March 31

	Millions of Yen				
Non-Consolidated Statements	2022	2021	2020	2019	2018
As of the Year-End					
Assets:					
Current Assets:	¥ 137,483	¥ 173,123	¥ 175,470	¥ 133,676	¥ 71,542
Cash and Due from Banks	18,978	2,541	2,349	2,110	1,775
Securities	104,000	164,000	129,000	100,000	53,000
Non-Current Assets	2,086,028	2,030,327	2,049,283	2,069,816	2,004,970
Investments and Other Assets	2,086,028	2,030,325	2,049,281	2,069,815	2,004,969
Total Assets	¥ 2,223,512	¥ 2,203,450	¥ 2,224,754	¥ 2,203,492	¥ 2,076,512
Liabilities:					
Current Liabilities	¥ 8,183	¥ 12,799	¥ 4,616	¥ 3,161	¥ 3,119
Non-Current Liabilities	645,303	620,209	650,093	651,610	594,310
Bonds Payable	630,000	610,000	640,000	641,600	584,300
Total Liabilities	¥ 653,486	¥ 633,009	¥ 654,709	¥ 654,771	¥ 597,429
Net Assets:					
Shareholders' Equity	¥ 1,569,019	¥ 1,569,417	¥ 1,568,986	¥ 1,547,658	¥ 1,478,282
Subscription Rights to Shares	1,006	1,024	1,057	1,062	799
Total Net Assets	¥ 1,570,025	¥ 1,570,441	¥ 1,570,044	¥ 1,548,721	¥ 1,479,082
Total Liabilities and Net Assets	¥ 2,223,512	¥ 2,203,450	¥ 2,224,754	¥ 2,203,492	¥ 2,076,512
For the Year					
Operating Income:	¥ 63,319	¥ 60,855	¥ 97,597	¥ 123,149	¥ 57,301
Dividends Received from Subsidiaries	58,154	56,256	95,851	121,832	55,512
Operating Expenses:	5,525	3,984	3,709	3,341	3,071
General and Administrative Expenses	5,525	3,984	3,709	3,341	3,071
Operating Profit	¥ 57,793	¥ 56,870	¥ 93,888	¥ 119,808	¥ 54,230
Non-Operating Income	¥ 6,715	¥ 7,891	¥ 8,183	¥ 7,709	¥ 6,785
Non-Operating Expenses	6,928	8,861	9,430	11,327	11,678
Income before Income Taxes	¥ 57,580	¥ 56,799	¥ 92,640	¥ 116,190	¥ 49,337
Net Income	¥ 57,620	¥ 56,637	¥ 93,858	¥ 127,717	¥ 49,333

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 153.83	¥ 151.21	¥ 250.04	¥ 337.06	¥ 129.40
Diluted Net Income per Share of Common Stock	153.74	151.12	249.87	336.86	129.35
Net Assets per Share of Common Stock	4,188.80	4,190.18	4,189.14	4,087.87	3,884.77

Financial Data:

Consolidated Balance Sheet

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets:			
Cash and Due from Banks	¥ 18,223,364	¥ 18,488,763	$ 148,908
Call Loans and Bills Bought	5,000	8,766	41
Receivables under Resale Agreements	150,741	160,268	1,232
Receivables under Securities Borrowing Transactions	652,534	727,689	5,332
Monetary Claims Bought	854,093	892,309	6,979
Trading Assets (Notes 1, 2, and 4)	967,565	962,849	7,906
Money Held in Trust	16,308	12,223	133
Securities (Notes 2 and 4)	7,879,235	6,983,483	64,383
Loans and Bills Discounted (Notes 3, 4 and 5)	30,876,507	30,506,968	252,300
Foreign Exchanges	29,494	25,396	241
Lease Receivables and Investment Assets (Note 4)	688,141	695,172	5,623
Other Assets (Notes 4, 8 and 14)	3,354,333	2,936,013	27,409
Tangible Fixed Assets (Note 6)	224,535	228,180	1,835
Intangible Fixed Assets (Note 7)	125,667	112,303	1,027
Assets for Retirement Benefits	192,223	231,165	1,571
Deferred Tax Assets	15,613	14,459	128
Customers' Liabilities for Acceptances and Guarantees	541,228	511,782	4,423
Allowance for Loan Losses	(163,369)	(129,223)	(1,335)
Total Assets	¥ 64,633,220	¥ 63,368,573	$ 528,135
Liabilities:			
Deposits (Notes 4 and 9)	¥ 33,230,162	¥ 33,467,678	$ 271,533
Negotiable Certificates of Deposit	6,587,944	7,160,594	53,832
Call Money and Bills Sold	799,524	60,675	6,533
Payables under Repurchase Agreements (Note 4)	1,485,033	1,628,440	12,135
Trading Liabilities (Note 1)	906,686	850,660	7,409
Borrowed Money (Notes 4 and 10)	7,153,498	5,782,602	58,453
Foreign Exchanges	1,275	577	10
Short-Term Bonds Payable	2,387,553	2,545,049	19,509
Bonds Payable (Note 11)	2,076,604	1,545,605	16,968
Borrowed Money from Trust Account (Note 12)	4,298,827	4,915,208	35,127
Other Liabilities (Notes 13 and 14)	2,312,326	2,035,474	18,895
Provision for Bonuses	21,087	18,460	172
Provision for Directors' Bonuses	181	219	1
Provision for Stocks Payment	732	532	6
Liabilities for Retirement Benefits	13,553	13,752	111
Provision for Reward Points Program	19,965	18,945	163
Provision for Reimbursement of Deposits	3,626	4,138	30
Provision for Contingent Losses	1,649	1,633	13
Deferred Tax Liabilities	44,081	81,594	360
Deferred Tax Liabilities for Land Revaluation (Note 6)	2,388	2,388	20
Acceptances and Guarantees	541,228	511,782	4,423
Total Liabilities	¥ 61,887,931	¥ 60,646,016	$ 505,703
Net Assets:			
Total Shareholders' Equity:	¥ 2,517,528	¥ 2,416,003	$ 20,571
Capital Stock	261,608	261,608	2,138
Capital Surplus	576,114	576,114	4,708
Retained Earnings	1,682,519	1,581,096	13,748
Treasury Stock	(2,714)	(2,815)	(22)
Total Accumulated Other Comprehensive Income:	198,028	277,756	1,618
Valuation Differences on Available-for-Sale Securities	277,617	329,429	2,268
Deferred Gains (Losses) on Hedges	(42,759)	(44,926)	(349)
Revaluation Reserve for Land (Note 6)	(6,839)	(6,739)	(56)
Foreign Currency Translation Adjustments	12,719	4,000	104
Remeasurements of Defined Benefit Plans	(42,708)	(4,007)	(349)
Subscription Rights to Shares	1,006	1,024	8
Non-Controlling Interests	28,725	27,772	235
Total Net Assets	¥ 2,745,288	¥ 2,722,556	$ 22,432
Total Liabilities and Net Assets	¥ 64,633,220	¥ 63,368,573	$ 528,135

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 7,249.70	¥ 7,192.07	$ 59.24

See accompanying notes.
The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥122.38 to U.S. $1.00, the exchange rate as of March 31, 2022.

Financial Data:

Consolidated Statement of Income

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Income:			
Trust Fees (Note 1)	¥ 110,539	¥ 102,883	$ 903
Interest Income:	375,659	363,749	3,070
Interest on Loans and Discounts	260,871	271,246	2,132
Interest and Dividends on Securities	97,683	75,898	798
Interest on Call Loans and Bills Bought	685	550	6
Interest on Receivables under Resale Agreements	—	20	—
Interest on Receivables under Securities Borrowing Transactions	—	0	—
Interest on Deposits with Banks	12,239	11,038	100
Other Interest Income (Note 2)	4,179	4,994	34
Fees and Commissions (Note 1)	444,655	390,877	3,633
Trading Income (Note 3)	13,453	76	110
Other Ordinary Income (Note 4)	336,597	402,394	2,750
Other Income (Note 5)	120,731	158,185	987
Total Income	¥ 1,401,637	¥ 1,418,166	$ 11,453
Expenses:			
Interest Expenses:	¥ 107,883	¥ 137,471	$ 882
Interest on Deposits	29,848	45,221	244
Interest on Negotiable Certificates of Deposit	6,787	14,198	55
Interest on Call Money and Bills Sold	481	371	4
Interest on Payables under Repurchase Agreements	1,665	3,576	14
Interest on Borrowings	4,635	6,911	38
Interest on Short-Term Bonds	3,271	5,763	27
Interest on Bonds	16,535	12,858	135
Other Interest Expenses (Note 2)	44,658	48,570	365
Fees and Commissions Payments	133,161	118,031	1,088
Trading Expenses (Note 3)	—	33,300	—
Other Ordinary Expenses (Note 4)	291,487	290,350	2,382
General and Administrative Expenses (Note 6)	435,567	431,422	3,559
Other Expenses (Note 5)	205,536	207,586	1,679
Total Expenses	¥ 1,173,637	¥ 1,218,163	$ 9,590
Income before Income Taxes	¥ 227,999	¥ 200,003	$ 1,863
Income Taxes:	57,763	56,064	472
Current	57,342	50,991	469
Deferred	420	5,073	3
Net Income	¥ 170,236	¥ 143,938	$ 1,391
Net Income Attributable to Non-Controlling Interests	1,157	1,742	9
Net Income Attributable to Owners of the Parent	¥ 169,078	¥ 142,196	$ 1,382

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 451.40	¥ 379.65	$ 3.69
Diluted Net Income per Share of Common Stock	¥ 451.12	¥ 379.41	$ 3.69

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, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Income	**¥ 170,236**	¥ 143,938	**$ 1,391**
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	**(46,938)**	(20,301)	**(384)**
Deferred Gains (Losses) on Hedges	**135**	9,944	**1**
Foreign Currency Translation Adjustments	**4,045**	1,982	**33**
Remeasurements of Defined Benefit Plans	**(38,671)**	64,492	**(316)**
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	**2,052**	1,080	**17**
Total Other Comprehensive Income (Loss) (Note)	**¥ (79,377)**	¥ 57,199	**$ (649)**
Comprehensive Income:	**¥ 90,859**	¥ 201,137	**$ 742**
Comprehensive Income Attributable to Owners of the Parent	**89,451**	199,178	**731**
Comprehensive Income Attributable to Non-Controlling Interests	**1,407**	1,958	**12**

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, 2022 and 2021

From April 1, 2021 to March 31, 2022

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 261,608	¥ 576,114	¥ 1,581,096	¥ (2,815)	¥ 2,416,003
Cumulative Effects of Changes in Accounting Policies			(9,636)		(9,636)
Restated Balance	261,608	576,114	1,571,460	(2,815)	2,406,367
Changes during the Year					
Cash Dividends			(58,119)		(58,119)
Net Income Attributable to Owners of the Parent			169,078		169,078
Purchase of Treasury Stock				(21)	(21)
Disposal of Treasury Stock		0		122	122
Purchase of Shares of Consolidated Subsidiaries					—
Reversal of Revaluation Reserve for Land			100		100
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	0	111,059	101	111,160
Balance at the End of the Year	¥ 261,608	¥ 576,114	¥ 1,682,519	¥ (2,714)	¥ 2,517,528

	Millions of Yen								
	Accumulated Other Comprehensive Income								
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Year	¥ 329,429	¥ (44,926)	¥ (6,739)	¥ 4,000	¥ (4,007)	¥ 277,756	¥ 1,024	¥ 27,772	¥ 2,722,556
Cumulative Effects of Changes in Accounting Policies								(0)	(9,636)
Restated Balance	329,429	(44,926)	(6,739)	4,000	(4,007)	277,756	1,024	27,772	2,712,920
Changes during the Year									
Cash Dividends									(58,119)
Net Income Attributable to Owners of the Parent									169,078
Purchase of Treasury Stock									(21)
Disposal of Treasury Stock									122
Purchase of Shares of Consolidated Subsidiaries									—
Reversal of Revaluation Reserve for Land									100
Net Changes of Items Other Than Shareholders' Equity	(51,812)	2,166	(100)	8,719	(38,701)	(79,727)	(18)	953	(78,792)
Total Changes during the Year	(51,812)	2,166	(100)	8,719	(38,701)	(79,727)	(18)	953	32,368
Balance at the End of the Year	¥ 277,617	¥ (42,759)	¥ (6,839)	¥ 12,719	¥ (42,708)	¥ 198,028	¥ 1,006	¥ 28,725	¥ 2,745,288

See accompanying notes.

From April 1, 2020 to March 31, 2021

	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	¥ 580,595	¥ 1,495,029	¥ (2,855)	¥ 2,334,377
Changes during the Year					
Cash Dividends			(56,244)		(56,244)
Net Income Attributable to Owners of the Parent			142,196		142,196
Purchase of Treasury Stock				(19)	(19)
Disposal of Treasury Stock		(2)		60	57
Purchase of Shares of Consolidated Subsidiaries		(4,478)			(4,478)
Reversal of Revaluation Reserve for Land			115		115
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	(4,480)	86,067	40	81,626
Balance at the End of the Year	¥ 261,608	¥ 576,114	¥ 1,581,096	¥ (2,815)	¥ 2,416,003

	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	¥ 351,459	¥ (56,765)	¥ (6,623)	¥ 1,332	¥ (68,513)	¥ 220,889	¥ 1,057	¥ 34,583	¥ 2,590,907
Changes during the Year									
Cash Dividends									(56,244)
Net Income Attributable to Owners of the Parent									142,196
Purchase of Treasury Stock									(19)
Disposal of Treasury Stock									57
Purchase of Shares of Consolidated Subsidiaries									(4,478)
Reversal of Revaluation Reserve for Land									115
Net Changes of Items Other Than Shareholders' Equity	(22,030)	11,839	(115)	2,667	64,506	56,866	(33)	(6,811)	50,022
Total Changes during the Year	(22,030)	11,839	(115)	2,667	64,506	56,866	(33)	(6,811)	131,649
Balance at the End of the Year	¥ 329,429	¥ (44,926)	¥ (6,739)	¥ 4,000	¥ (4,007)	¥ 277,756	¥ 1,024	¥ 27,772	¥ 2,722,556

See accompanying notes.

From April 1, 2021 to March 31, 2022

	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	$ 2,138	$ 4,708	$ 12,920	$ (23)	$ 19,742
Cumulative Effects of Changes in Accounting Policies			(79)		(79)
Restated Balance	2,138	4,708	12,841	(23)	19,663
Changes during the Year					
Cash Dividends			(475)		(475)
Net Income Attributable to Owners of the Parent			1,382		1,382
Purchase of Treasury Stock				(0)	(0)
Disposal of Treasury Stock		0		1	1
Purchase of Shares of Consolidated Subsidiaries					—
Reversal of Revaluation Reserve for Land			1		1
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Year	—	0	907	1	908
Balance at the End of the Year	$ 2,138	$ 4,708	$ 13,748	$ (22)	$ 20,571

	Millions of U.S. Dollars								
	Accumulated Other Comprehensive Income								
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Year	$ 2,692	$ (367)	$ (55)	$ 33	$ (33)	$ 2,270	$ 8	$ 227	$ 22,247
Cumulative Effects of Changes in Accounting Policies								(0)	(79)
Restated Balance	2,692	(367)	(55)	33	(33)	2,270	8	227	22,168
Changes during the Year									
Cash Dividends									(475)
Net Income Attributable to Owners of the Parent									1,382
Purchase of Treasury Stock									(0)
Disposal of Treasury Stock									1
Purchase of Shares of Consolidated Subsidiaries									—
Reversal of Revaluation Reserve for Land									1
Net Changes of Items Other Than Shareholders' Equity	(423)	18	(1)	71	(316)	(651)	(0)	8	(644)
Total Changes during the Year	(423)	18	(1)	71	(316)	(651)	(0)	8	264
Balance at the End of the Year	$ 2,268	$ (349)	$ (56)	$ 104	$ (349)	$ 1,618	$ 8	$ 235	$ 22,432

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, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 227,999	¥ 200,003	$ 1,863
Depreciation and Amortization	30,841	34,552	252
Impairment Losses	1,468	20,173	12
Amortization of Goodwill	7,882	7,875	64
Equity in Losses (Earnings) of Affiliated Companies	(15,531)	(11,677)	(127)
Increase (Decrease) in Allowance for Loan Losses	34,145	2,018	279
Increase (Decrease) in Provision for Bonuses	2,627	(159)	21
Increase (Decrease) in Provision for Directors' Bonuses	(38)	47	(0)
Increase (Decrease) in Provision for Stocks Payment	200	252	2
Decrease (Increase) in Assets for Retirement Benefits	39,540	(132,340)	323
Increase (Decrease) in Liabilities for Retirement Benefits	(338)	(441)	(3)
Increase (Decrease) in Provision for Reward Points Program	1,019	2,056	8
Increase (Decrease) in Provision for Reimbursement of Deposits	(511)	(728)	(4)
Increase (Decrease) in Provision for Contingent Losses	15	193	0
Interest Income	(375,659)	(363,749)	(3,070)
Interest Expenses	107,883	137,471	882
Loss (Gain) Related to Securities	55,500	50,309	454
Loss (Gain) on Money Held in Trust	257	(3,071)	2
Foreign Exchange Losses (Gains)	(184,288)	(56,942)	(1,506)
Loss (Gain) on Disposal of Fixed Assets	235	558	2
Net Decrease (Increase) in Trading Assets	(11,844)	375,744	(97)
Net Increase (Decrease) in Trading Liabilities	57,088	(352,237)	466
Net Decrease (Increase) in Loans and Bills Discounted	(369,539)	(803,592)	(3,020)
Net Increase (Decrease) in Deposits	(237,516)	2,778,758	(1,941)
Net Increase (Decrease) in Negotiable Certificates of Deposit	(572,650)	1,300,302	(4,679)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	1,415,895	(73,782)	11,570
Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan)	(800,096)	491,550	(6,538)
Net Decrease (Increase) in Call Loans	51,543	1,230,261	421
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	75,155	12,968	614
Net Increase (Decrease) in Call Money	595,441	(12,776)	4,866
Net Decrease (Increase) in Foreign Exchange-Assets	(4,098)	11,556	(33)
Net Increase (Decrease) in Foreign Exchange-Liabilities	698	(2,636)	6
Net Decrease (Increase) in Lease Receivables and Investment Assets	7,031	(21,292)	57
Net Increase (Decrease) in Short-Term Bonds Payable	(157,495)	837,951	(1,287)
Increase (Decrease) in Straight Bonds-Issuance and Redemption	552,497	570,236	4,515
Net Increase (Decrease) in Borrowed Money from Trust Account	(616,380)	164,918	(5,037)
Interest Received	377,391	383,204	3,084
Interest Paid	(104,641)	(162,409)	(855)
Other, Net	(256,062)	(25,174)	(2,092)
Subtotal	¥ (64,331)	¥ 6,589,955	$ (526)
Income Taxes (Paid) Refunded	(55,931)	(36,865)	(457)
Net Cash Provided by (Used in) Operating Activities	¥ (120,263)	¥ 6,553,089	$ (983)

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (9,173,484)	¥ (7,135,053)	$ (74,959)
Proceeds from Sales of Securities	4,226,468	3,071,193	34,536
Proceeds from Redemption of Securities	4,163,963	3,651,551	34,025
Increase in Money Held in Trust	(4,400)	(2,000)	(36)
Purchase of Tangible Fixed Assets	(8,882)	(27,800)	(73)
Proceeds from Sales of Tangible Fixed Assets	1,950	751	16
Purchase of Intangible Fixed Assets	(42,934)	(34,086)	(351)
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(41,987)	(49)	(343)
Proceeds from Sales of Shares of Affiliated Companies Accounted for Using the Equity Method	102	—	1
Net Cash Provided by (Used in) Investing Activities	¥ (879,205)	¥ (475,494)	$ (7,184)
Cash Flows from Financing Activities:			
Proceeds from Subordinated Borrowings	5,000	—	41
Repayments of Subordinated Borrowings	(50,000)	—	(409)
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	19,898	39,784	163
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(41,500)	(190,000)	(339)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	—	(12,655)	—
Cash Dividends Paid	(58,115)	(56,241)	(475)
Cash Dividends Paid to Non-Controlling Interests	(342)	(593)	(3)
Purchase of Treasury Stock	(21)	(19)	(0)
Proceeds from Sales of Treasury Stock	0	1	0
Net Cash Provided by (Used in) Financing Activities	¥ (125,079)	¥ (219,723)	$ (1,022)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ 59,053	¥ (18,749)	$ 483
Net Increase (Decrease) in Cash and Cash Equivalents	¥ (1,065,495)	¥ 5,839,121	$ (8,706)
Cash and Cash Equivalents at the Beginning of the Year	¥ 16,799,146	¥ 10,960,024	$ 137,270
Cash and Cash Equivalents at the End of the Year (Note)	¥ 15,733,650	¥ 16,799,146	$ 128,564

See accompanying notes.

Notes to Consolidated Financial Statements

Basis of Presentation of Financial Statements

The accompanying consolidated financial statements (banking account) have been prepared from the accounts maintained by Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") and its consolidated subsidiaries (together, "SuMi TRUST Group") in accordance with the accounting principles generally accepted in Japan and certain accounting and disclosure rules under the Financial Instruments and Exchange Act of Japan and the Banking Act of Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, the consolidated financial statements of SuMi TRUST Holdings issued in Japan have been reclassified and rearranged in order to present them in a form that is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which SuMi TRUST Holdings is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥122.38 to U.S. $1, the approximate rate of exchange as of March 31, 2022. 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, 2022:
59 companies
Principal Companies:
Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank")
Sumitomo Mitsui Trust Asset Management Co., Ltd.
Nikko Asset Management Co., Ltd.
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

Changes in the consolidated subsidiaries during the current fiscal year are as follows:

Trust Base Co., Ltd. is newly established and included in the scope of the consolidation from the fiscal year ended March 31, 2022.

Arcadia Funding LLC and four other companies are excluded from the scope of consolidation effective from the fiscal year ended March 31, 2022, due to liquidation and other factors.

(2) Unconsolidated Subsidiaries
Principal Companies:
Cattleya Co., Ltd.
ASIA GATEWAY I, L.P.

Cattleya Co., Ltd. and 10 other companies are excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

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:
33 companies
Principal Companies:
Custody Bank of Japan, Ltd.
SBI Sumishin Net Bank, Ltd.

Changes in the affiliated companies accounted for by the equity method during the current fiscal year are as follows:

UBS SuMi TRUST Wealth Management Co., Ltd. and one other company are included in the scope of application of the equity method effective from the fiscal year ended March 31, 2022, due to the acquisition of its shares and other factors.

SBI Card Co., Ltd. and one other company are excluded from the scope of the application of the equity method effective from the fiscal year ended March 31, 2022, due to liquidation and other factors.

(3) Unconsolidated Subsidiaries and Affiliated Companies that are Not Accounted for by the Equity Method:

Principal Companies:

Cattleya Co., Ltd.

ASIA GATEWAY I, L.P.

Cattleya Co., Ltd. and 10 other companies are excluded from the scope of the application of the equity method in accordance with Article 10, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/losses do not belong to the subsidiaries.

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
August 31:	1 company
September 30:	4 companies
November 30:	1 company
December 31:	7 companies
March 31:	44 companies

(2) Subsidiaries are consolidated using the financial statements as of the following dates:

- Consolidated subsidiaries with a balance sheet date of April 30: Provisionally prepared financial statements as of January 31
- A consolidated subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 28
- Consolidated subsidiaries with a balance sheet date of September 30: Provisionally prepared financial statements as of March 31
- A consolidated subsidiary with a balance sheet date of November 30: Provisionally prepared financial statements as of February 28
- The other consolidated subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet date, March 31, 2022, 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, 2022 and 2021.

Regarding valuation of specific market risks and credit risks for derivative transactions, fair value is measured in groups of financial assets and financial liabilities with the basis of the net asset or liability after offsetting financial assets and financial liabilities.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Holdings is required to determine the purposes of holding each security and classify such security into (i) securities held for trading purposes ("Trading Securities"), (ii) debt securities intended to be held to maturity ("Held-to-Maturity Debt Securities"), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories

("Available-for-Sale Securities"). "Held-to-Maturity Debt Securities" are carried at amortized cost using the moving-average method (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are valued at the market price (cost of securities sold is calculated using primarily the moving-average method). Equity securities with no market prices are carried at cost using the moving-average method.

Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheet.

(b) Securities in money held in trust are classified and accounted for in the same manner as those described in 4. (1) and 4. (2) (a) above.

(3) Financial Derivatives

Financial derivatives, excluding those for trading purposes, are stated at fair value.

Regarding valuation of specific market risks and credit risks, fair value is measured in groups of financial assets and financial liabilities with the basis of the net asset or liability after offsetting financial assets and financial liabilities.

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

Tangible fixed assets are depreciated using primarily the straight-line method.

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

(b) Intangible fixed assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over the useful life specified by SuMi TRUST Holdings or the consolidated subsidiaries, generally five years.

(c) Lease assets

The lease assets under "Tangible Fixed Assets" that are related to finance leases that do not transfer ownership of the lease assets to lessees are depreciated using the straight-line method over the lease term, assuming a residual value of zero.

(5) Allowance for Loan Losses

The major domestic consolidated subsidiaries record allowance for loan losses in accordance with internally established criteria for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings ("bankrupt borrowers") and against borrowers that are in substantially similar adverse condition ("virtually bankrupt borrowers"), the allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future ("possibly bankrupt borrowers"), an allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large borrowers with certain credit risks and credit amounts that are classified as possibly bankrupt borrowers, restructured loan borrowers, or close-observation borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

For claims that are classified as other than those above, the allowance is provided based on the estimated loan losses over the next one 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, then adjusted based on future forecast.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment of asset quality. The Risk Management Department, which is independent from the operating sections, monitors the results of such assessments.

As for the other consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratios, and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of unrecoverable amount for each claim.

For claims against bankrupt borrowers or virtually bankrupt borrowers with collateral or guarantees, claims against borrowers in legal or virtually bankrupt borrowers, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥23,943 million (U.S. $196 million) and ¥24,592 million as of March 31, 2022 and 2021, respectively.

(6) Provision for Bonuses

A provision for bonuses is provided for the estimated employee bonuses attributable to the current fiscal year.

(7) Provision for Directors' Bonuses

A provision for directors' bonuses is provided for the estimated directors' bonuses attributable to the current fiscal year.

(8) Provision for Stocks Payment

A provision for stocks payment is provided at SuMi TRUST Holdings and some of the consolidated subsidiaries for the estimated stock-based payments to directors under a stock compensation system attributable to the current fiscal year.

(9) Provision for Reward Points Program

A provision for reward points program is provided for the use of points granted to holders of Diners Club Card and other credit cards in the amount deemed necessary based on the reasonable estimates of the points to be used in the future.

(10) Provision for Reimbursement of Deposits in Dormant Accounts

At SuMi TRUST Bank, a provision for reimbursement of deposits in dormant accounts is provided for the deposits that were derecognized as liabilities under certain conditions. Such provision is provided against the estimated future reimbursement to be requested by customers based on the past reimbursement record.

(11) Provision for Contingent Losses

A provision for contingent losses is provided for 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, 2022, 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: The full amount of past service cost is charged to profit or loss in the fiscal year they occur, in principle.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts that would be required for voluntary termination at the year-end.

(13) Basis for Recognition of Significant Revenues and Expenses

The SuMi TRUST Group's main revenues from contracts with customers are "Trust Fees" and "Fees and Commissions" such as asset management and administration fees, stock transfer agency fees, real estate brokerage fees, and investment trust and insurance sales fees.

The timing of satisfying performance obligation in each transaction is determined based on the respective economic conditions as follows. The amount of consideration for transactions is generally received within approximately six months after the satisfaction of performance obligations and does not include significant financing components.

Trust fees and asset management and administration fees are recorded mainly in the "Fiduciary Services," "Asset Management Business," and "Retail Total Solutions Services." The SuMi TRUST Group is obligated to perform asset management and administrative services in accordance with the terms of trust agreements and various contracts. The SuMi TRUST Group recognizes revenues from these performance obligations over a period of time since the benefits are expensed by the customer as the daily services are provided.

Stock transfer agency fees are mainly recorded in the "Stock Transfer Agency Services." The SuMi TRUST Group is obligated to perform shareholder registry management services in accordance with agreement on entrustment of management of shareholder registry. The SuMi TRUST Group recognizes revenues from this performance obligation over a period of time since the benefits are expensed by the customer as the daily services are provided.

Real estate brokerage fees are recorded mainly in the "Real Estate." The SuMi TRUST Group is obligated to perform real estate brokerage services based on real estate brokerage contracts. Revenues are recognized when the performance obligation is satisfied at the time when the real estate sales contract is executed or when the property is delivered. The timing of satisfying performance obligation is determined based on the significance of the duties after the execution of the real estate sales contract.

Fees on sales of investment trusts and insurance are mainly recorded in the "Retail Total Solutions Services." The SuMi TRUST Group is obligated to provide product explanations and sales administrative services based on the terms and

conditions of transactions and consignment agreements. Revenues are recognized when the performance obligation is satisfied at the time of product sale.

(14) Foreign Currency Translation

Assets and liabilities of SuMi TRUST Bank that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing as of the consolidated balance sheet date, except for shares of stocks in affiliated companies translated into yen at the exchange rates prevailing at the acquisition dates.

Assets and liabilities of other consolidated subsidiaries that are denominated in foreign currencies are translated into yen at the exchange rates prevailing at their respective balance sheet dates.

(15) Accounting for Leases

As for the consolidated subsidiaries in Japan, income and expenses arising from transactions of finance leases that do not transfer ownerships to lessees are recognized as sales and costs of sales when lease payments are collected.

(16) Hedge Accounting

(a) Interest-related risk hedge

SuMi TRUST Bank manages interest rate risk arising from various assets and liabilities by using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Committee Practical Guidance No. 24 of March 17, 2022, "Guidance No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest rate volatility factors for the hedged items and the hedging instruments.

(b) Currency-related risk hedge

SuMi TRUST Bank manages the foreign exchange risk arising from various assets and liabilities denominated in foreign currencies using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidance No. 25 of October 8, 2020, "Guidance No. 25"). The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

Additionally, transactions intended to hedge the foreign exchange risk associated with foreign-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 Guidance No. 24 and Guidance No. 25. Accordingly, income or expenses arising from such interest rate swaps and cross-currency swaps are recognized as profits or losses, or deferred, rather than eliminated.

Deferred hedge accounting has been adopted for certain assets and liabilities by individual transactions.

Other consolidated subsidiaries account for such transactions as deferred hedges or exceptional treatment for interest rate swaps.

(17) Amortization of Goodwill

Goodwill is amortized over a period within 20 years that is reasonably determined for each case. Goodwill deemed immaterial, however, is expensed as incurred.

(18) Scope of Cash and Cash Equivalents in the Consolidated Statement of Cash Flows

The balance of "Cash and Cash Equivalents" in the consolidated statement of cash flows is equivalent to the balance of "Cash and Due from Banks" presented in the consolidated balance sheet (cash and due from the Bank of Japan for SuMi TRUST Bank).

(19) Nondeductible Consumption Taxes Associated with Assets

Nondeductible consumption taxes and local consumption taxes associated with assets are recorded as expenses in the current fiscal year.

(20) Adoption of Consolidated Taxation System

SuMi TRUST Holdings adopts the consolidated taxation system.

(21) Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System

Sumi Trust Holdings and some of its consolidated subsidiaries in Japan will transfer from the consolidated taxation system to the group tax sharing system from the fiscal year ending March 31, 2023. However, we 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.

"Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No.42, August 12, 2021), which specifies the treatment of accounting and disclosure of corporation taxes, local corporation taxes, and tax effect accounting under the group tax sharing system, will be adopted from the beginning of the fiscal year ended March 31, 2023.

Significant Accounting Estimates

1. Estimates of Allowance for Loan Losses

(1) The Amounts Recorded in the Consolidated Financial Statements during the Fiscal Year Ended March 31, 2022 and 2021:

The amounts recognized during the fiscal year ended March 31, 2022 and 2021 were ¥163,369 million (U.S. $1,335 million) and ¥129,223 million, respectively.

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

SuMi TRUST Bank assigns each borrower a "classification" in accordance with the borrower's solvency based on their financial conditions, funding stability, profitability, and others whenever there is disclosure of financial results or an event with an impact on the borrower's creditworthiness. SuMi TRUST Bank measures allowance for loan losses based on the "classification" assigned and transaction conditions of collateral and other factors. When deriving the "classification," quantitative as well as qualitative factors are taken into consideration.

Definition of each classification is as follows:

Classification	Definitions
Normal borrowers	Borrowers with good earnings performances and no significant financial problems
Borrowers requiring caution	Close monitoring is required due to sluggish/unstable business, financial problems, or problems with meeting loan terms and conditions such as reduction of interest rate and suspended payments
Substandard borrowers	Obligors with loans that are more than three months past due or with restructured loans within the "Borrowers Requiring Caution" category
Possibly bankrupt borrowers	Experiencing business difficulties, making insufficient progress in restructuring and highly likely to go bankrupt
Virtually bankrupt borrowers	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely
Bankrupt borrowers	Legally or formally bankrupt

The standards for allowances for loan losses for each classification are as follows:

Classification	Standards for allowances for loan losses
Normal borrowers	The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past one year.
Borrowers requiring caution and Substandard borrowers	The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past three years. For some borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").
Possibly bankrupt borrowers	The allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims. For some borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").
Virtually bankrupt borrowers and Bankrupt borrowers	The allowance is provided based on the amount of claims, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, the amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims.

For normal borrowers, borrowers requiring caution and substandard borrowers, changes in the loan loss ratio have an impact on the allowance for loan losses. For possibly bankrupt borrowers, virtually bankrupt borrowers, and bankrupt borrowers, changes in the amount expected to be collected through the disposal of collateral or execution of guarantees have a significant impact on the allowance for loan losses.

(3) Adjustments of Expected Credit Losses Considering the Future Forecast

The economic environment is undergoing significant changes due to the repetitive spread and lull of COVID-19 and the international situation surrounding Ukraine, which triggered a rise in resource prices and disruption in the global supply chain. The impact of these changes in the economic environment on the credit risk is reflected in the individual borrowers' classification and internal ratings to the extent that reasonable estimates can be made. However, there is a high level of uncertainty in the estimates because the impact is complex and diverse.

SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. estimate the impact on credit risks that have not yet been reflected in the financial information and historical loan-loss ratios of the borrowers and make necessary adjustments to expected future credit losses, considering the impact of the changes in the economic environment described above on the business performance and funding of borrowers.

In the fiscal year ended March 31, 2021, SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. identified industries that may have been affected by downturn of business performance due to the spread of COVID-19 and assessed the degree of prospects for recovery after the end of pandemic, assuming that the spread and the lull of COVID-19 will continue to alternate, and it will take time to settle down. Additional allowance for loan losses ("special allowance") of ¥18,432 million is recognized for some credit in industries described above by estimating the credit losses expected in the future, assuming that internal ratings of certain credits of the industries would be downgraded to some extent depending on the degree of prospects for recovery after the end of pandemic.

In the fiscal year ended March 31, 2022, SuMi TRUST Bank re-evaluated special allowance based on the method considering future forecast on the impact of not only COVID-19, but also the changes in the economic environment described above on credit losses. The specific methods of reevaluation are as follows:

(a) Re-evaluate the degree of prospects for the recovery in the future and the degree of impact on industries which may have been affected by downturn of business

performance and funding due to the repetitive spread and lull of COVID-19 and the international situation surrounding Ukraine, which triggered a rise in resource prices and disruption in the global supply chain.
(b) Predict the transition of internal ratings based on quantitative information, assuming the degree of deterioration in future credit risk for each industry and internal rating based on the degree of impact on certain credits of the industries which may have been affected by downturn of business performance and funding.
(c) Recognize special allowance by estimating credit losses expected in the future, assuming the transition of internal rating as described above.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. re-evaluated the special allowance based on the same method as of the fiscal year ended March 31, 2021. In the fiscal year ended March 31, 2022, SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. recognized a special allowance of ¥21,022 million (U.S. $172 million).

There is a high level of uncertainty about the assumptions used to recognize a special allowance, and the consolidated financial statements can be significantly affected if there is a change in the impact on the business performance and funding of borrowers due to the change in economic environment.

2. Estimates of Retirement Benefit Obligations

(1) The Amounts Recorded in the Consolidated Financial Statements during the Fiscal Year Ended March 31, 2022 and 2021:

The amounts recognized during the fiscal year ended March 31, 2022 and 2021 were ¥423,883 million (U.S. $3,464 million) and ¥431,223 million, respectively.

The amounts of assets for retirement benefits and liabilities for retirement benefits recorded in the consolidated financial statements for the fiscal year ended March 31, 2022 were ¥192,223 million (U.S. $1,571 million) and ¥13,553 million (U.S. $111 million), respectively. The net amount of ¥178,669 million (U.S. $1,460 million) was calculated by deducting plan assets of ¥602,553 million (U.S. $4,924 million) from retirement benefit obligations of retirement benefit plans with and without plan assets of ¥410,330 million (U.S. $3,353 million) and ¥13,553 million (U.S. $111 million), respectively.

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

Retirement benefit obligations, plan assets, and retirement benefit expenses are calculated based on assumptions used in actuarial calculation. These assumptions include discount rate, expected long-term rate of return on plan assets, employee turnover rate, and mortality rate.

Major assumptions used in actuarial calculation are as follows:

Discount rate	Expected long-term rate of return on plan assets
Mainly 0.5%	3.5%

SuMi TRUST Bank, which accounts for 94.8% of asset retirement obligations of the SuMi TRUST Group, has set a discount rate based on the interest rates of high-quality domestic corporate bonds whose maturities are equal to the expected period up to the payment of salaries in the future.

The expected long-term rate of return on plan assets is determined by evaluating the historical results of operation and the expected interest rate in the future. The expected long-term rate of return on plan assets is the weighted average rate of expected long-term rates of return on plan assets by groups of investment assets such as stocks and bonds.

(3) Impact of Changes in Assumptions on the Consolidated Financial Statements

The assumptions described in (2) will have a significant impact on retirement benefit obligations and retirement benefit expenses. The impacts on the consolidated financial statements when each of the discount rate and the expected long-term rate of return on plan assets of SuMi TRUST Bank changes by 0.5% are as follows:

	Impact on retirement benefit expenses	Impact on retirement benefit obligations
Discount rate:		
0.5% decrease	¥2,536 million increase	¥33,056 million increase
0.5% increase	¥2,266 million decrease	¥29,304 million decrease
Expected long-term rate of return on plan assets		
0.5% decrease	¥2,960 million increase	—
0.5% increase	¥2,960 million decrease	—

Changes in Accounting Policies

Application of Accounting Standard for Revenue Recognition etc.

SuMi Trust Holdings has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020, "the Standard for Revenue Recognition") etc. from the beginning of the current fiscal year ended March 31, 2022. Once control of a promised good or service is transferred to the customer, SuMi Trust Holdings recognizes revenue at the amount that SuMi Trust Holdings expects to receive in exchange for the good or service.

Application of the Standard for Revenue Recognition etc. is in accordance with the transitional treatments specified in the proviso in Paragraph 84 of the Standard for Revenue Recognition. The cumulative effect of applying the new accounting policy retrospectively prior to the current fiscal year ended March 31, 2022, is added to or deducted from retained earnings as of the beginning of the current fiscal year, and the new accounting policy is applied to the balance at the beginning of the current fiscal year.

The effects of this change in the accounting policy on the consolidated financial statements are immaterial.

The notes to "Information Related to Revenue Recognition" for the fiscal year ended March 31, 2021, is not presented in accordance with the transitional treatments specified in Section 3 of Paragraph 89 of the Standard for Revenue Recognition.

Application of Accounting Standard for Fair Value Measurement etc.

SuMi Trust Holdings has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019, "the Standard for Fair Value Measurement") etc. from the beginning of the current fiscal year ended March 31, 2022. In accordance with Paragraph 8 of the Standard for Fair Value Measurement, the fair value adjustment method for the calculation of the fair value of derivative transactions has been revised to a method that maximizes the use of observable inputs estimated from derivatives traded in the market. Such revision is a result of the application of the Standard for Fair Value Measurement, etc. and the cumulative effect of applying the new accounting policy retrospectively prior to the current fiscal year ended March 31, 2022, is reflected to the balance of retained earnings at the beginning of the current fiscal year, in accordance with the transitional treatments specified in Paragraph 20 of the Standard for Fair Value Measurement.

As a result, trading assets decreased by ¥7,127 million (U.S. $58 million), other assets decreased by ¥8,105 million (U.S. $66 million), deferred tax assets increased by ¥3,948 million (U.S. $32 million), trading liabilities decreased by ¥1,061 million (U.S. $9 million), other liabilities decreased by ¥1,277 million (U.S. $10 million), retained earnings decreased by ¥8,945 million (U.S. $73 million), and net assets per share of common stock decreased by ¥23.88 (U.S. $0.20) as of the beginning of the current fiscal year ended March 31, 2022.

In addition, in the notes to "Financial Instruments," the SuMi Trust Group has disclosed the notes related to the breakdown of fair values of financial instruments by input level. However, in accordance with the transitional treatments prescribed in Section 7-4 in "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, July 4, 2019), the notes for the previous fiscal year ended March 31, 2021, are not included.

New Accounting Standards and Interpretations Not Yet Adopted

The following standard and guidance were issued but not yet adopted.

- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021)

(1) Overview

The above guidance provides the treatments on measurement and notes of fair values of investment trusts and notes of fair values of investments in partnerships recognized at net amount corresponding to equity holdings on the balance sheet.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2023.

(3) Effects of the application of the standards

SuMi TRUST Holdings is currently in the process of determining the effects of the new guidance on the consolidated financial statements.

Changes in Presentation

Presentation of Financial Assets and Liabilities for Derivative Transactions based on Fair Value

Previously, derivative transactions included in "Trading Assets," "Trading Liabilities," "Other Assets," and "Other

Liabilities" were presented on a net basis for transactions that met the requirements under the practical guidance for accounting for financial instruments. However, for the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on a principle from the current fiscal year ended March 31, 2022. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.

As a result, "Trading Assets" of ¥433,766 million, "Other Assets" of ¥2,260,399 million, "Trading Liabilities" of ¥321,576 million, and "Other Liabilities" of ¥1,359,860 million, presented in the consolidated balance sheets for the fiscal year ended March 31, 2021, changed to ¥962,849 million, ¥2,936,013 million, ¥850,660 million, and ¥2,035,474 million, respectively.

Additionally, "Net Decrease (Increase) in Trading Assets" of ¥73,880 million and "Net Increase (Decrease) in Trading Liabilities" of ¥(50,373) million, presented in the consolidated statements of cash flows for the previous fiscal year ended March 31, 2021, changed to ¥375,744 million and ¥(352,237) million, respectively.

Additional Information

Share Delivery Trust for the Directors

1. Overview

A Performance-Based Stock Compensation System (the"System") was introduced that utilizes a trust, and applies to SuMi Trust Holdings' directors (excluding directors who are Audit Committee members and external directors) and executive officers (as defined in the Companies Act and as defined in SuMi Trust Holdings' internal policies), and the directors (excluding directors who are Audit and Supervisory Committee members and external directors) and executive officers (as defined in the internal policies) of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management Co., Ltd. ("SuMi TRUST AM"), which are core companies of 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, 2022 and 2021, were ¥1,344 million (U.S. $11 million) and 392 thousand shares, and ¥1,446 million and 422 thousand shares, respectively. The shares are recorded as treasury stock in the net assets section of the consolidated balance sheet as of March 31, 2022.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Securities in Trading Account	¥ 5,018	¥ 39,520	$ 41
Derivatives of Trading Securities	47	—	0
Derivatives of Securities Related to Trading Transactions	25	29	0
Trading-Related Financial Derivatives	954,675	918,298	7,801
Other Trading Assets	7,799	5,000	64
Total	**¥ 967,565**	¥ 962,849	**$ 7,906**

(2) Trading liabilities as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Derivatives of Trading Securities	¥ —	¥ 8	$ —
Derivatives of Securities Related to Trading Transactions	617	983	5
Trading-Related Financial Derivatives	906,069	849,668	7,404
Total	**¥ 906,686**	¥ 850,660	**$ 7,409**

2. Securities

Securities held as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Government Bonds	¥ 2,839,688	¥ 1,760,490	$ 23,204
Local Government Bonds	33,919	23,686	277
Corporate Bonds	730,020	699,775	5,965
Stocks	1,511,056	1,655,699	12,347
Other Securities	2,764,551	2,843,830	22,590
Total	**¥ 7,879,235**	¥ 6,983,483	**$ 64,383**

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

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Stocks	¥ 220,307	¥ 163,676	$ 1,800
Equity Investments	25,839	27,031	211

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
	2022	2021	2022
Securities that are Further Collateralized	¥ 149,251	¥ 154,547	$ 1,220
Securities that are Further Loaned	1,069,208	1,034,192	8,737
Securities Held without Selling or Repledging as of the End of the Fiscal Year	662	5,221	5

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 ¥65,058 million (U.S. $532 million) and ¥76,840 million as of March 31, 2022 and 2021, respectively.

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Bills Discounted	¥ 451	¥ 763	$ 4
Loans on Bills	170,626	146,219	1,394
Loans on Deeds	29,142,560	28,752,736	238,132
Overdrafts	1,562,868	1,607,249	12,771
Total	¥ 30,876,507	¥ 30,506,968	$ 252,300

Bills discounted are treated as financial transactions in accordance with Guidance No. 24. SuMi TRUST Holdings has a right to freely sell or (re-)pledge such commercial bills.

Loans in accordance with the Banking Act and the Act on Emergency Measures for Revitalization of the Financial Functions are presented below. Loans include corporate bonds in "securities" (limited to those issued in private placement of securities prescribed in Section 3 of Paragraph 2 in the Financial Instruments and Exchange Act, and those with wholly or partially guaranteed redemption of the principal and payment of the interest), loans and bills discounted, foreign exchanges, interest receivables, suspense payments, and customers' liabilities for acceptances and guarantees in "other assets" presented in the consolidated balance sheet, and securities loaned (limited to those under a loan for use or lease contract) provided in the notes, etc.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Bankrupt and Practically Bankrupt Loans	¥ 20,585	¥ 26,223	$ 168
Doubtful Loans	130,069	58,172	1,063
Loans Past Due Three Months or More	—	3,042	—
Restructured Loans	69,474	49,176	568
Total	¥ 220,130	¥ 136,614	$ 1,799

Bankrupt and practically bankrupt loans are those loans that have fallen into bankruptcy due to certain reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to

start rehabilitation proceedings and quasi-loans.

Doubtful loans are those loans with a strong likelihood that loan principals cannot be recovered and interest cannot be received according to the contract because of difficulties in the financial conditions and business performance of debtors who are not yet legally bankrupt, excluding those loans classified as bankrupt and practically bankrupt loans.

Loans past due three months or more are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as bankrupt and practically bankrupt loans and doubtful loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as bankrupt and practically bankrupt loans, doubtful loans or loans past due three months or more.

The above loans are presented at the amounts prior to deduction of allowances for loan losses.

Change in Presentation

The classification of risk management loans and others based on the Banking Act are aligned with the classification of claims subject to disclosure in accordance with the Act on Emergence Measures for Revitalization of Financial Functions due to enforcement of the "Cabinet Office Ordinance of the Act of Partial Revision made in Ordinance for Enforcement of the Banking Act (Cabinet Office Ordinance No.3, January 24, 2020)," effective from March 31, 2022.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets Pledged as Collateral:			
Trading Assets	¥ —	¥ 29,978	$ —
Securities	3,365,225	2,325,240	27,498
Loans and Bills Discounted	4,728,724	5,012,590	38,640
Lease Receivables and Investment Assets	54,956	50,491	449
Other Assets	60,425	109,610	494
Total	¥ 8,209,331	¥ 7,527,910	$ 67,081
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	¥ 21,788	¥ 19,273	$ 178
Payables under Repurchase Agreements	527,313	709,711	4,309
Borrowed Money	5,739,492	4,398,213	46,899

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
	2022	2021	2022
Securities	¥ 499,469	¥ 399,318	$ 4,081

"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
	2022	2021	2022
Initial Margins of Futures Markets	¥ 73,569	¥ 54,685	$ 601
Security Deposits	27,062	25,978	221
Cash Collateral Pledged for Financial Instruments-Assets	1,025,240	785,742	8,378
Cash Collateral Pledged for Repurchase Agreement Transactions	—	3,198	—

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 ¥12,757,371 million (U.S. $104,244 million) and ¥14,037,261 million, of which ¥8,558,906 million (U.S. $69,937 million) and ¥8,771,924 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2022 and 2021, 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, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Land	¥ 130,367	¥ 130,586	$ 1,065
Buildings	72,726	73,966	594
Lease Assets	4,798	5,061	39
Construction in Progress	110	108	1
Other	16,532	18,458	135
Total	¥ 224,535	¥ 228,180	$ 1,835

Accumulated depreciation amounted to ¥183,619 million (U.S. $1,500 million) and ¥181,392 million, and advance depreciation amounted to ¥25,882 million (U.S. $211 million) and ¥25,882 million as of March 31, 2022 and 2021, respectively.

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SuMi TRUST Bank was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation was calculated by reasonably adjusting the value of land based on the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998) and the land assessments under Item 4 of Article 2 of the same Order.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Software	¥ 91,133	¥ 69,946	$ 745
Goodwill	29,510	37,292	241
Other	5,024	5,065	41
Total	¥ 125,667	¥ 112,303	$ 1,027

8. Other Assets

Other assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Domestic Exchange Settlement Account, Debit	¥ 1,029	¥ 1,177	$ 8
Prepaid Expenses	8,257	7,367	67
Accrued Income	159,422	146,459	1,303
Initial Margins of Futures Markets	73,569	54,685	601
Variation Margins of Futures Markets	1,440	2,568	12
Financial Derivatives Other Than Trading Assets	1,500,703	1,296,876	12,263
Receivables for Securities Transactions	85,353	143,708	697
Cash Collateral Pledged for Financial Instruments-Assets	1,025,240	785,742	8,378
Other	499,316	497,426	4,080
Total	¥ 3,354,333	¥ 2,936,013	$ 27,409

9. Deposits

Deposits as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Current Deposits, Ordinary Deposits, Saving Deposits and Deposits at Notice	¥ 9,482,500	¥ 9,437,974	$ 77,484
Time Deposits	22,952,755	23,064,332	187,553
Other	794,906	965,371	6,495
Total	¥ 33,230,162	¥ 33,467,678	$ 271,533

10. Borrowed Money

Borrowed money as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Subordinated Borrowings	¥ 15,000	¥ 60,000	$ 123
Other Borrowed Money	7,138,498	5,722,602	58,331
Total	¥ 7,153,498	¥ 5,782,602	$ 58,453

Weighted average interest rates on borrowed money were 0.10% and 0.11% for the fiscal years ended March 31, 2022 and 2021, respectively.

Annual maturities of borrowed money as of March 31, 2022, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Years Ending March 31	2022	2022
2023	¥ 1,872,544	$ 15,301
2024	865,222	7,070
2025	2,436,476	19,909
2026	1,192,434	9,744
2027	46,143	377
Total	¥ 6,412,822	$ 52,401

11. Bonds Payable

Bonds payable as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Perpetual Subordinated Bonds	¥ 286,100	¥ 286,100	$ 2,338
Subordinated Bonds	472,996	494,495	3,865
Other Bonds Payable	1,317,508	765,010	10,766
Total	¥ 2,076,604	¥ 1,545,605	$ 16,968

Annual maturities of bonds payable as of March 31, 2022, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Years Ending March 31	2022	2022
2023	¥ 2,458,495	$ 20,089
2024	467,735	3,822
2025	289,760	2,368
2026	257,380	2,103
2027	355,975	2,909
Total	¥ 3,829,345	$ 31,291

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, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Domestic Exchange Settlement Account, Credit	¥ 841	¥ 963	$ 7
Income Taxes Payable	19,617	17,367	160
Accrued Expenses	64,726	61,185	529
Unearned Income	90,859	84,647	742
Variation Margins of Futures Markets	7,414	2,111	61
Financial Derivatives Other Than Trading Liabilities	1,574,196	1,340,950	12,863
Lease Obligations	12,632	12,265	103
Asset Retirement Obligations	3,881	4,193	32
Payables for Securities Transactions	65,626	144,357	536
Provision for Loss on Interest Repayment	39	39	0
Cash Collateral Accepted for Financial Instruments-Liabilities	240,455	155,739	1,965
Other	232,036	211,653	1,896
Total	¥ 2,312,326	¥ 2,035,474	$ 18,895

14. Other Assets and Liabilities Related to Revenue Recognition

The amounts of receivables from contracts with customers and the amounts of contract liabilities recognized in other assets and other liabilities, respectively, are presented in "Revenue Recognition, 2. Information Related to Contract Balance."

Notes to the Consolidated Statement of Income

1. Revenue from Contracts with Customers

Income is not classified into revenues from contracts with customers and other revenue. The amount of revenues from contracts with customers is presented in "Revenue Recognition, 1.Information Related to Disaggregation of Revenue from Contracts with Customers for the Current Fiscal Year Ended March 31, 2022."

2. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Interest on Monetary Claims Bought	¥ 2,438	¥ 2,778	$ 20
Others	1,741	2,216	14
Total	¥ 4,179	¥ 4,994	$ 34

(2) Other interest expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Interest on Interest Rate Swaps	¥ 22,553	¥ 27,641	$ 184
Others	22,105	20,928	181
Total	¥ 44,658	¥ 48,570	$ 365

3. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Income from Trading Securities and Derivatives	¥ 268	¥ —	$ 2
Net Income from Trading Transactions	812	—	7
Net Income from Trading-Related Financial Derivatives Transactions	12,315	—	101
Other Trading Income	57	76	0
Total	¥ 13,453	¥ 76	$ 110

(2) Trading expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Expenses on Trading Securities and Derivatives	¥ —	¥ 391	$ —
Net Expenses on Trading Transactions	—	2,097	—
Net Expenses on Trading-Related Financial Derivatives Transactions	—	30,812	—
Total	¥ —	¥ 33,300	$ —

4. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Gains on Foreign Exchange Transactions	¥ 23,642	¥ 79,280	$ 193
Gains on Sales and Redemption of Bonds	15,544	16,135	127
Net Income from Derivatives Other Than for Trading or Hedging	17,850	17,819	146
Others	279,559	289,158	2,284
Total	¥ 336,597	¥ 402,394	$ 2,750

(2) Other ordinary expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Losses on Sales and Redemption of Bonds	¥ 32,707	¥ 22,917	$ 267
Others	258,779	267,432	2,115
Total	¥ 291,487	¥ 290,350	$ 2,382

5. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Gains on Sales of Stocks and Other Securities	¥ 94,042	¥ 99,814	$ 768
Gains on Money Held in Trust	132	3,071	1
Recoveries of Written-Off Claims	1,633	809	13
Equity in Earnings of Affiliated Companies	15,531	11,677	127
Gains on Disposal of Fixed Assets	545	151	4
Others (Note)	8,847	42,662	72
Total	¥ 120,731	¥ 158,185	$ 987

(Note) In the fiscal year ended March 31, 2021, other extraordinary income was recognized as SuMi TRUST Bank charged the full amount of past service costs for retirement benefits to profit or loss in the fiscal year they occur.

(2) Other expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Provision for Allowance for Loan Losses	¥ 37,688	¥ 3,277	$ 308
Losses on Sales of Loans	5	—	0
Write-Off of Loans	5,461	4,272	45
Losses on Sales of Stocks and Other Securities	131,436	142,526	1,074
Losses on Impairment of Stocks and Other Securities	943	815	8
Losses on Money Held in Trust	390	—	3
Losses on Disposal of Fixed Assets (Note)	780	710	6
Losses on Impairment of Fixed Assets	1,468	20,173	12
Losses on Investment in Partnerships	4,770	3,853	39
Others	22,592	31,956	185
Total	¥ 205,536	¥ 207,586	$ 1,679

(Note)

The SuMi TRUST Group has revised the cost restructure reform and the strategies at branches considering the new normal as a result of the change in business environment due to the spread of the novel coronavirus disease. In addition, the SuMi TRUST Group has continuously implemented initiatives to enhance management accounting. The application method of asset impairment accounting for fixed assets has been revised to apply these initiatives. In particular, SuMi TRUST Bank, a major consolidated subsidiary, switched the asset group under the asset impairment accounting from a branch or other asset groups to six operating segments. In addition, SuMi TRUST Bank now allocates corporate assets to each operating segment based on a reasonable method such as the number of personnel in each segment.

As a result of these revisions, impairment losses were recognized as a portion of the investment of business assets for the Retail Total Solution Services was determined to be unrecoverable.

The impairment losses recognized due to the revision of the application method of asset impairment accounting described above were ¥19,364 million, which include impairment losses of tangible fixed assets of ¥1,655 million and those of software of ¥17,708 million. The entire impairment losses including those due to the revision were ¥20,173 million, which include impairment losses of tangible fixed assets of ¥1,893 million and those of software of ¥18,280 million.

The recoverable amounts of the asset groups described above are measured by value in use, which is calculated by discounting future cash flows measured in the business plan and others by the discount rate of 6.9%.

6. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Taxes Other Than Income Taxes	¥ 13,768	¥ 16,888	$ 113
Personnel Expenses	199,902	201,807	1,633
Others	221,896	212,727	1,813
Total	¥ 435,567	¥ 431,422	$ 3,559

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, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	¥ (124,092)	¥ (80,460)	$ (1,014)
Reclassification Adjustments	59,221	50,427	484
Before Tax Effects	(64,871)	(30,032)	(530)
Tax Effects	17,932	9,731	147
Valuation Difference on Available-for-Sale Securities	(46,938)	(20,301)	(384)
Deferred Gains (Losses) on Hedges:			
Changes during the Period	(22,365)	(10,714)	(183)
Reclassification Adjustments	22,552	27,625	184
Before Tax Effects	186	16,910	2
Tax Effects	(51)	(6,966)	(0)
Deferred Gains (Losses) on Hedges	135	9,944	1
Foreign Currency Translation Adjustments:			
Changes during the Period	4,210	1,982	34
Reclassification Adjustments	(165)	—	(1)
Before Tax Effects	4,045	1,982	33
Tax Effects	—	—	—
Foreign Currency Translation Adjustments	4,045	1,982	33
Remeasurements of Defined Benefit Plans:			
Changes during the Period	(55,822)	81,233	(456)
Reclassification Adjustments	414	11,679	3
Before Tax Effects	(55,407)	92,912	(453)
Tax Effects	16,736	(28,420)	137
Remeasurements of Defined Benefit Plans	(38,671)	64,492	(316)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies:			
Changes during the Period	2,079	857	17
Reclassification Adjustments	(27)	222	(0)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	2,052	1,080	17
Total Other Comprehensive Income (Loss)	¥ (79,377)	¥ 57,199	$ (649)

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, 2022 and 2021, 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, 2022					
Number of Issued Shares:					
Common Share	850,000	375,291	—	—	375,291
Treasury Stock:					
Common Share		745	5	34	716

(Notes)

1) The number of shares of common stock held as treasury stock increased by 5 thousand shares due to the purchase of odd lot or less than one thousand shares.

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, 4 thousand shares due to transfer of shares upon exercise of stock option rights, and 29 thousand shares due to the sales under the share delivery trust for the Directors system.

3) The number of shares of common stock held as treasury stock at the end of the fiscal year include 392 thousand shares of SuMi TRUST Holdings held by share delivery trust for the Directors. The decrease in the number of shares of common stock with regard to share delivery trust for the Directors is 29 thousand shares as of March 31, 2022.

	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, 2021					
Number of Issued Shares:					
Common Share	850,000	375,291	—	—	375,291
Treasury Stock:					
Common Share		755	6	15	745

(Notes)

1) The number of shares of common stock held as treasury stock increased by 6 thousand shares due to the purchase of odd lot or less than one thousand shares.

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, 8 thousand shares due to transfer of shares upon exercise of stock option rights, and 6 thousand shares due to the sales under the share delivery trust for the Directors system.

3) The number of shares of common stock held as treasury stock at the end of the fiscal year include 422 thousand shares of SuMi TRUST Holdings held by share delivery trust for the Directors. The decrease in the number of shares of common stock with regard to share delivery trust for the Directors is 6 thousand shares as of March 31, 2021.

2. Subscription Rights to Shares

Subscription rights to shares for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

		Millions of Yen		Millions of U.S. Dollars
		2022	2021	2022
SuMi TRUST Holdings	Subscription Rights to Shares as Stock Options	¥ 1,006	¥ 1,024	$ 8

3. Dividends

Dividends paid for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

As for the fiscal year ended March 31, 2022:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
June 23, 2021						
Ordinary General Meeting of Shareholders	Common Share	¥ 28,122 ($230)	Retained Earnings	¥ 75.00 ($0.61)	March 31, 2021	June 24, 2021

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
November 11, 2021						
Board of Directors' Meeting	Common Share	¥ 29,997 ($245)	Retained Earnings	¥ 80.00 ($0.65)	September 30, 2021	December 2, 2021

(Notes)

1) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 23, 2021 include ¥31 million (U.S. $0.3 million) of dividends for treasury stock held by the share delivery trust for the Directors.

2) Cash dividends declared at the Board of Directors' Meeting held on November 11, 2021 include ¥31 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, 2022, but whose effective date is after March 31, 2022, are as follows:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen) (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share (Yen) (U.S. Dollars)	Record Date	Effective Date
June 23, 2022						
Ordinary General Meeting of Shareholders	Common Share	**¥ 33,747 ($276)**	Retained Earnings	**¥ 90.00 ($0.74)**	March 31, 2022	June 24, 2022

(Note) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 23, 2022 include ¥35 million (U.S. $0.3 million) of dividends for treasury stock held by the share delivery trust for the Directors.

As for the fiscal year ended March 31, 2021:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 26, 2020						
Ordinary General Meeting of Shareholders	Common Share	¥ 28,122	Retained Earnings	¥ 75.00	March 31, 2020	June 29, 2020

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
November 12, 2020						
Board of Directors' Meeting	Common Share	¥ 28,122	Retained Earnings	¥ 75.00	September 30, 2020	December 2, 2020

(Notes)

1) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 26, 2020 include ¥32 million of dividends for treasury stock held by the share delivery trust for the Directors.

2) Cash dividends declared at the Board of Directors' Meeting held on November 12, 2020 include ¥31 million of dividends for treasury stock held by the share delivery trust for the Directors.

Dividends with a record date during the fiscal year ended March 31, 2021, but whose effective date is after March 31, 2021, are as follows:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 23, 2021						
Ordinary General Meeting of Shareholders	Common Share	¥ 28,122	Retained Earnings	¥ 75.00	March 31, 2021	June 24, 2021

(Note) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 23, 2021 include ¥31 million of dividends for treasury stock held by the share delivery trust for the Directors.

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, 2022 and 2021.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash and Due from Banks	¥ 18,223,364	¥ 18,488,763	$ 148,908
Due from Banks Held by SuMi TRUST Bank (Excluding Due from the Bank of Japan)	(2,489,713)	(1,689,616)	(20,344)
Cash and Cash Equivalents	¥ 15,733,650	¥ 16,799,146	$ 128,564

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 branch 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, 2022 and 2021, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Due in One Year or Less	¥ 3,998	¥ 3,922	$ 33
Due in More Than One Year	14,988	18,162	122
Total	¥ 18,987	¥ 22,084	$ 155

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2022 and 2021, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Due in One Year or Less	¥ 4,612	¥ 6,492	$ 38
Due in More Than One Year	31,904	49,946	261
Total	¥ 36,517	¥ 56,439	$ 298

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 Group considers that the basis of group-wide risk management is to ensure the effectiveness of PDCA (Plan, Do, Check, Action) cycles for each risk category according to the "Risk Management Policy" established by the board of directors.

The risk management framework of each risk category is as follows:

1) Credit risk management

Credit risk is the risk of financial loss of SuMi TRUST Group when a customer or counterparty fails to meet its contractual obligations, and such risk is generated from claims, mainly loans, bills discounted, and securities. Credit risk is the most basic financial risk related to a credit creating function. SuMi TRUST Group continuously diversifies its credit portfolios and builds up a stronger customer base by expanding its credit risk management framework further, and by meeting a new and sound demand for credit.

(a) Risk management policy on credit risk

The basic policy of SuMi TRUST Group on credit risk management calls for "a diversified credit portfolio" and "strict management for individual credits."

For the former, SuMi TRUST Group manages credit exposures of each customer based on its limited credit amount, and periodically reviews impacts of identified risks to large customers and concentration in industry sectors, including the measurement of the credit risk. SuMi TRUST Group makes efforts to mitigate credit concentration risk on a country-by-country basis by managing the diversification of the overall credit portfolio.

For the latter, SuMi TRUST Group manages individual credits through processes, such as credit screening, self-assessment, and internal credit ratings. Credit ratings indicate the credit status of customers and the possibility of defaults on a scale, and provide the basis for credit screening of individual transactions and credit portfolio management. SuMi TRUST Group continuously evaluates solvency and collectability of credits based on the analysis, for instance the customer's financial condition, cash flows, and earning capacity through the self-assessment.

(b) Risk management framework for credit risk

In SuMi TRUST Bank, the board of directors decides on important matters related to credit risk management when developing management plans. The board of directors also decides on credit strategy and economic capital allocation plans, and approves the "Self-Assessment Rules" based on reports on credit risk management, including asset-assessment management, to ensure the soundness of the assets. As for screening and credit management of each case, the Global Credit Supervision Department is segregated from branches as part of a check-and-balance system. Furthermore, the Research Department evaluates credit risks by implementing internal credit ratings based on industry research and credit analysis of individual companies along with performing quantitative analysis from a neutral standpoint. SuMi TRUST Bank periodically holds a meeting of the Executive Committee and Credit Risk Committee to deliberate on material matters of controlling and managing credit risks. SuMi TRUST Bank has built up an appropriate management framework for risk management through the check-and-balance function, the committees' discussions, and the validation of the credit risk management and operation by the Risk Management Department.

2) Market risk management

Market risk is the risk of financial loss of SuMi TRUST Group through changes in income and value of assets and liabilities held, including off-balance items, due to fluctuations in various market risk factors, such as interest rates, exchange rates, equity prices, commodity prices, and credit spreads.

(a) Risk management policy on market risk

In managing market risk, SuMi TRUST Group ensures the soundness of its business by appropriately controlling risks, and strives to secure reasonable profits which correspond to strategic goals, the scale and nature of its operations, and risk profiles through an advanced risk management framework.

(b) Risk management framework for market risk

With regard to market risk, SuMi TRUST Group maintains a basic policy for setting and controlling various risk limits and segregation of organizations related to market risk under its Rules for Risk Management. The practical application of the basic policy is stated in the Rules for Market Risk Management. Divisions that execute transactions (the front office) are clearly segregated from divisions that process transactions (the back office) for independent check purposes, and the Risk Management Department, which is independent from both of the front and back offices, centrally manages market risk. This department identifies and analyzes group-wide risk, tracks adherence to risk limits, and reports to respective directors in charge on a daily basis and to the board of directors periodically.

In SuMi TRUST Bank, the board of directors resolves ALM basic plans and risk management plans as important matters related to market risk under management plans. The ALM Committee resolves basic matters of ALM basic plans and risk management plans related to market risk regarding company-wide comprehensive risk management for assets and liabilities.

In SuMi TRUST Bank, the Risk Management Department is responsible for planning and implementing market risk management. The role of the Risk Management Department includes measuring risk levels and profits or losses and monitoring the status of market risk managed under ALM basic plans and the status of compliance with risk limits. The department reports its findings to the members of the ALM Committee on a daily basis, and to the ALM Committee as well as the board of directors periodically.

(c) Market risk management approach

SuMi TRUST Group uses Value at Risk ("VaR") to measure market risk exposures. VaR uses historical market fluctuation to statistically predict the maximum expected losses under specific conditions. Based on an internal model developed by SuMi TRUST Group, SuMi TRUST Group manages market risks by measuring VaR, calculating various risk management indicators, and carrying out various simulations.

VaR based on the internally developed model is calculated basically using the historical simulation method. Market risk can be classified into categories, such as interest rate risk, stock price risk, exchange rate risk, and others according to its characteristics. SuMi TRUST Group calculates market risk by simply adding up the risks of all categories without considering the correlation among these categories.

(d) Quantitative information related to market risk

(i) Trading accounts

SuMi TRUST Group uses VaR for managing risks associated with trading securities and some currency and interest-related derivatives transactions held in the Trading Accounts. The VaR model used is primarily based on the historical simulation method (with a holding period of 10 business days, confidence interval of 99%, and observation period of 1,300 business days).

As of March 31, 2022, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Trading Accounts was ¥8.6 billion (U.S. $70 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, 2022, resulted in zero instances where actual losses were in excess of VaR; therefore, SuMi TRUST Group considers that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on the past volatility, it may not properly capture those risks under extreme market movements.

(ii) Banking accounts

SuMi TRUST Group uses VaR for managing risks associated with financial assets and liabilities held in the Banking Accounts. The historical simulation method is the primary measurement method (with a holding period of a maximum of one year according to a position, confidence interval of 99%, and observation period of 1,300 business days).

As of March 31, 2022, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Banking Account was ¥739.8 billion (U.S. $6,045 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 and Breakdown by Input Level

The carrying amounts on the consolidated balance sheets, fair values of financial instruments as well as the differences between the carrying amounts on the consolidated balance sheets and fair values, and fair values by input level are presented below.

The amounts shown in the following table do not include investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, July 4, 2019, "Guidance for Application of Fair Value Measurement"), equity securities with no market prices, and investments in partnerships for which transitional treatments are applied in accordance with Paragraph 27 of Guidance for Application of Fair Value Measurement (See (1)(*1) and Note 3).

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair value determined based on the (unadjusted) quoted price in an active market for the same asset or liability

Level 2: Fair value determined based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified to the lowest priority level of fair value measurement in which each input belongs to.

(1) Financial assets and liabilities at fair value on the consolidated balance sheets

	Millions of Yen				Millions of U.S. Dollars			
	Mar. 31, 2022				Mar. 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary Claims Bought	¥ —	¥ 128,794	¥ —	¥ 128,794	$ —	$ 1,052	$ —	$ 1,052
Trading Assets								
Trading Securities	4,908	7,909	—	12,817	40	65	—	105
Money Held in Trust	1,295	196	—	1,492	11	2	—	12
Securities								
Available-for-Sale Securities	4,493,704	1,789,540	2,130	6,285,375	36,719	14,623	17	51,359
Stocks	1,209,310	—	—	1,209,310	9,882	—	—	9,882
Bonds	2,722,035	747,409	2,130	3,471,575	22,242	6,107	17	28,367
Government Bonds	2,722,035	—	—	2,722,035	22,242	—	—	22,242
Local Government Bonds	—	33,919	—	33,919	—	277	—	277
Short-Term Bonds Payable	—	—	—	—	—	—	—	—
Corporate Bonds	—	713,489	2,130	715,620	—	5,830	17	5,848
Other Securities	562,358	1,042,130	—	1,604,489	4,595	8,516	—	13,111
Foreign Stocks	4,793	—	—	4,793	39	—	—	39
Foreign Bonds	556,467	1,042,130	—	1,598,598	4,547	8,516	—	13,063
Others	1,097	—	—	1,097	9	—	—	9
Total Assets	¥ 4,499,908	¥ 1,926,441	¥ 2,130	¥ 6,428,479	$ 36,770	$ 15,741	$ 17	$ 52,529
Derivative Transactions (*2)(*3)(*4)								
Interest Rate Related Transactions	¥ 828	¥ (83,990)	¥ 1,173	¥ (81,988)	$ 7	$ (686)	$ 10	$ (670)
Currency Related Transactions	—	55,268	—	55,268	—	452	—	452
Stock Related Transactions	(2,695)	—	—	(2,695)	(22)	—	—	(22)
Bond-Related Transactions	6,256	47	—	6,303	51	0	—	52
Credit and Derivative Transactions	—	(2,319)	—	(2,319)	—	(19)	—	(19)
Total Derivative Transactions	¥ 4,389	¥ (30,994)	¥ 1,173	¥ (25,431)	$ 36	$ (253)	$ 10	$ (208)

(*1) The amounts of investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of the Guidance for Application of Fair Value Measurement are not included in the table above. The amount of such investment trusts on the consolidated balance sheets includes financial assets of ¥902,171 million (U.S. $7,372 million) as of March 31, 2022.

(*2) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(*3) As for derivative transactions applying hedge accounting, ¥(174,794) million (U.S. $(1,428) million) is recorded on the consolidated balance sheets as of March 31, 2022.

(*4) Derivative transactions qualifying for hedge accounting include interest rate swaps designated as hedging instruments to fix cash flows of hedged items such as loans and bills discounted, and deferred hedges have been adopted, in principle. In addition, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) has been adopted to these hedge transactions.

	Millions of Yen
	Mar. 31, 2021
	Consolidated Balance Sheet Amount
Monetary Claims Bought	¥ 115,222
Trading Assets	
Trading Securities	44,521
Money Held in Trust	1,816
Securities	
Available-for-Sale Securities	5,345,645
Total Assets	¥ 5,507,206
Derivative Transactions (*2)(*3)(*4)	
Interest Rate Related Transactions	(53,835)
Currency Related Transactions	78,672
Stock Related Transactions	(412)
Bond-Related Transactions	(359)
Credit and Derivative Transactions	(469)
Total Derivative Transactions	¥ 23,594

(*1) The amounts of investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of the Guidance for Application of Fair Value Measurement are not included in the table above. The amount of such investment trusts on the consolidated balance sheets includes financial assets of ¥981,733 million as of March 31, 2021.

(*2) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(*3) As for derivative transactions applying hedge accounting, ¥(126,664) million is recorded on the consolidated balance sheets as of March 31, 2021.

(*4) Derivative transactions qualifying for hedge accounting include interest rate swaps designated as hedging instruments to fix cash flows of hedged items such as loans and bills discounted, and deferred hedges have been adopted, in principle. In addition, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) has been adopted to these hedge transactions.

(2) Financial assets and liabilities which are not stated at fair value on the consolidated balance sheets

Cash and Due from Banks, Call Loans and Bills Bought, Receivables under Resale Agreements and Receivables under Securities Borrowing Transactions, Foreign Exchanges, Call Money and Bills Sold, Payables under Repurchase Agreements, Short-Term Bonds Payables, and Borrowed Money from Trust Account are not included in the following tables because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

	Millions of Yen					
	Mar. 31, 2022					
	Level 1	Level 2	Level 3	Total	Consolidated balance sheet amount	Differences
Monetary Claims Bought (*)	¥ —	¥ 46,091	¥ 679,295	¥ 725,386	¥ 724,950	¥ 436
Securities						
Held-to-Maturity Securities	130,800	74,210	—	205,011	191,999	13,012
Government Bonds	130,800	—	—	130,800	117,652	13,148
Local Government Bonds	—	—	—	—	—	—
Short-Term Bonds Payable	—	—	—	—	—	—
Corporate Bonds	—	14,674	—	14,674	14,400	274
Other Securities	—	59,536	—	59,536	59,947	(410)
Foreign Bonds	—	59,536	—	59,536	59,947	(410)
Others	—	—	—	—	—	—
Loans and Bills Discounted					30,876,507	
Allowance for Loan Losses (*)					(147,884)	
	—	—	30,940,603	30,940,603	30,728,623	211,980
Lease Receivables and Investment Assets (*)	—	—	696,544	696,544	681,554	14,990
Total Assets	¥ 130,800	¥ 120,302	¥ 32,316,443	¥ 32,567,547	¥ 32,327,128	¥ 240,419
Deposits	¥ —	¥ 33,245,281	¥ —	¥ 33,245,281	¥ 33,230,162	¥ 15,119
Negotiable Certificates of Deposit	—	6,587,944	—	6,587,944	6,587,944	—
Borrowed Money	—	7,125,970	—	7,125,970	7,153,498	(27,527)
Bonds Payable	—	2,050,985	—	2,050,985	2,076,604	(25,619)
Total Liabilities	¥ —	¥ 49,010,181	¥ —	¥ 49,010,181	¥ 49,048,209	¥ (38,027)

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

	Millions of Yen		
	Mar. 31, 2021		
	Consolidated Balance Sheet Amount	Fair Value	Difference
Monetary Claims Bought(*)	¥ 776,439	¥ 777,239	¥ 800
Securities			
Held-to-Maturity Securities	275,820	292,071	16,250
Loans and Bills Discounted	30,506,968		
Allowance for Loan Losses (*)	(115,198)		
	30,391,769	30,702,437	310,668
Lease Receivables and Investment Assets (*)	689,262	699,669	10,406
Total Assets	¥ 32,133,292	¥ 32,471,417	¥ 338,125
Deposits	33,467,678	33,486,483	18,804
Negotiable Certificates of Deposit	7,160,594	7,160,594	—
Borrowed Money	5,782,602	5,782,030	(571)
Bonds Payable	1,545,605	1,564,144	18,538
Total Liabilities	¥ 47,956,481	¥ 47,993,252	¥ 36,771

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

	Millions of U.S. Dollars					
	Mar. 31, 2022					
	Level 1	Level 2	Level 3	Total	Consolidated balance sheet amount	Differences
Monetary Claims Bought (*)	$ —	$ 377	$ 5,551	$ 5,927	$ 5,924	$ 4
Securities						
Held-to-Maturity Securities	1,069	606	—	1,675	1,569	106
Government Bonds	1,069	—	—	1,069	961	107
Local Government Bonds	—	—	—	—	—	—
Short-Term Bonds Payable	—	—	—	—	—	—
Corporate Bonds	—	120	—	120	118	2
Other Securities	—	486	—	486	490	(3)
Foreign Bonds	—	486	—	486	490	(3)
Others	—	—	—	—	—	—
Loans and Bills Discounted					252,300	
Allowance for Loan Losses (*)					(1,208)	
	—	—	252,824	252,824	251,092	1,732
Lease Receivables and Investment Assets (*)	—	—	5,692	5,692	5,569	122
Total Assets	$ 1,069	$ 983	$ 264,066	$ 266,118	$ 264,154	$ 1,965
Deposits	$ —	$ 271,656	$ —	$ 271,656	$ 271,533	$ 124
Negotiable Certificates of Deposit	—	53,832	—	53,832	53,832	—
Borrowed Money	—	58,228	—	58,228	58,453	(225)
Bonds Payable	—	16,759	—	16,759	16,968	(209)
Total Liabilities	$ —	$ 400,475	$ —	$ 400,475	$ 400,786	$ (311)

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

(Note 1) Description of the Valuation techniques and inputs used to measure fair values

Monetary Claims Bought

Among monetary claims bought, securitized products are stated at reasonably calculated prices, which are equivalent to market prices, such as counterparties' quoted prices or dealer/broker-quoted prices, and are classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values for all other monetary claims bought are principally calculated in the same manner as Loans and Bills Discounted and mainly classified into Level 3.

Trading Assets

Bonds and other securities held for trading purposes whose fair values are stated at dealer association prices or counterparties' quoted prices are classified into Level 1 or Level 2 depending on the level of market activity. Others whose fair values are calculated by discounting future cash flows to their present values using observable inputs, are classified into Level 2.

Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices and classified into Level 1 or Level 2 depending on the level of the components.

Notes regarding money held in trust by holding purpose are presented under the "Money Held in Trust" section.

Securities

Listed stocks are stated at quoted market prices and mainly classified into Level 1 depending on the level of market activity.

Bonds are stated at quoted market prices announced in exchange traded transactions, over-the-counter transactions, and others, and classified into Level 1 if they are traded in an active market. If the market is not active, even though bonds are stated at quoted market prices, they are classified into Level 2. Bonds stated at prices obtained from a third party, such as pricing services and dealers/brokers, are classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values of certain bonds are calculated by classifying them according to their internal ratings and maturities, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. If the discount rate is a significant unobservable input, the fair values of the bonds are classified into Level 3, otherwise Level 2.

Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities; and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. However, floating-rate loans for which their carrying amounts are deemed to approximate fair value, due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loans, are stated at their carrying amounts. For claims executed to borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the consolidated balance sheets at the consolidated balance sheet date, because such deducted amounts approximate fair value. Loans without stated maturities (as the amount of credit is limited to the value of the collateral or due to some other special characteristics) are stated at their carrying amounts as the carrying amounts are deemed to approximate the fair value because of the expected repayment periods and the interest terms. These fair values are classified into Level 3.

Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to the types of receivables, internal ratings, maturities, and others, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. These fair values are classified into Level 3.

Deposits and Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the consolidated balance sheet date (carrying amount). Time deposits with a fixed rate are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be newly used on the same type of deposits. Floating-rate time deposits and fixed-rate time deposits with short maturities (one year or less) are stated at their carrying amounts because the carrying amounts approximate the fair value. These fair values are classified into Level 2.

Borrowed Money

Borrowed money at floating rates is stated at their carrying amounts. The carrying amounts are deemed to approximate fair value because such amounts reflect short-term market interest rates, and there have been no significant changes in credit condition subsequent to undertaking the borrowed money. Fair values of borrowed money at fixed rates are calculated by discounting their future cash flows by the 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. These fair values are classified into Level 2.

Bonds Payable

Bonds issued by SuMi TRUST Holdings and its consolidated subsidiaries are stated at market prices, if such prices are available. Fair values for other bonds are calculated by discounting future cash flows to their present values by the assumed interest rate on issuance of similar bonds. These fair values are classified into Level 2.

Derivative transactions

The fair values of listed derivatives, including interest rates, bonds, currencies, and stocks, are classified into Level 1 as these amounts are measured using the liquidation price quoted by exchanges, given that the liquidation price represents the latest transaction price, and the unadjusted quoted price in an active market can be used.

The fair values of over-the-counter derivative transactions, including embedded derivatives separated from the host contract and accounted for as a derivative, in other words, derivatives other than listed derivatives, are, in principle, measured by a valuation method, including the following: the present value of the estimated future cash flows and the option valuation model, which use inputs such as observable interest rate and exchange rate. The fair values of these transactions take into account credit risks of the counterparties and SuMi TRUST Holdings. The valuation models applied in certain transactions utilize unobservable inputs in markets, such as correlations in the past. Over-the-counter derivative transactions are classified into Level 2 if observable inputs are used or the impact of unobservable inputs to the fair values is not significant. If the impact of unobservable inputs to the fair values is significant, they are classified into Level 3.

(Note 2) Quantitative information about financial assets and liabilities measured and stated on the consolidated balance sheets at fair value and classified into Level 3

(1) Quantitative information on significant unobservable inputs

	Valuation technique	Significant unobservable inputs	Range
Securities			
Corporate Bonds	Discounted present value method	Discount Rate	1.2%
Derivative Transactions			
Interest Rate Related Transactions	Option valuation model	Correlation between interest rate and foreign exchange rate	(47.4)% - (9.3)%
		Correlation between interest rates	10.3%

(2) Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the year

Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the fiscal year ended March 31, 2022, are as follows:

	Millions of Yen							
	Mar. 31, 2022							
	Beginning balance	Profit or losses for the period (*1)	Other comprehensive income (*2)	Net amount of purchase, issuance, sale, and settlement	Transfer to Level 3 (*3)	Transfer from Level 3 (*3)	Ending balance	Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1)
Securities	¥ 813	¥ —	¥ (12)	¥ (52)	¥ 1,381	¥ —	¥ 2,130	¥ —
Derivative Transactions (Interest Rate Related Transactions) (*4)	(273)	1,449	—	(1)	—	—	1,173	1,249

	Millions of U.S. Dollars							
	Mar. 31, 2022							
	Beginning balance	Profit or losses for the period (*1)	Other comprehensive income (*2)	Net amount of purchase, issuance, sale, and settlement	Transfer to Level 3 (*3)	Transfer from Level 3 (*3)	Ending balance	Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1)
Securities	$ 7	$ —	$ (0)	$ (0)	$ 11	$ —	$ 17	$ —
Derivative Transactions (Interest Rate Related Transactions) (*4)	(2)	12	—	(0)	—	—	10	10

(*1) The amounts shown in the table above are included in "Trading Income" in the consolidated statements of income.

(*2) The amounts shown in the table above are included in "Valuation Differences on Available-for-Sale Securities" under "Other Comprehensive Income Loss" in the consolidated statements of comprehensive income.

(*3) The amounts of transfer from or to Level 3 are relevant to the changes in the observability of the inputs. The transfer was made at the end of the fiscal year.

(*4) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(3) Description of the fair value valuation process

At the SuMi TRUST Group, the middle division creates policies and procedures for the calculation of fair values and procedures for the use of fair value valuation models, and based on them, the front and middle divisions collaboratively establish the fair value valuation model. In addition, the middle and other divisions verify the reasonableness of the valuation methods and the inputs used, and the appropriateness of the classification of the fair value level.

For the calculation of the fair value, the valuation model, which represents the nature, characteristics, and risks of each asset in the most appropriate manner, is utilized. Moreover, if quoted prices obtained from third parties are used, those prices are verified using an appropriate method, such as the review of the valuation method and the inputs used and comparison with the fair values of similar financial instruments.

(4) Description of the sensitivity of the fair value to changes in significant unobservable inputs

Discount Rate

The discount rate is determined for each financial asset and calculated based on the risk-free rate that incorporates other risk factors such as credit risk. A significant increase (decrease) in the discount rate would generally result in a significant decrease (increase) in the fair value.

Correlation

Correlation is an indicator of the relation of changes between variables such as interest rate and exchange rate. Correlation is used in the valuation technique of complex derivatives, and estimated based on historical results. A significant change in correlation would generally result in a significant increase or decrease in a fair value according to the nature and contractual terms and conditions of the financial instrument.

(Note 3) Consolidated balance sheet amounts of equity securities with no market prices, etc. and investments in partnership, etc. are as follows. These amounts are not included in "Securities" stated on the tables disclosed in "Fair Values of Financial Instruments and Breakdown by Input Level."

	Millions of Yen		Millions of U.S. Dollars
	Mar. 31, 2022	Mar. 31, 2021	**Mar. 31, 2022**
Equity Securities with No Market Prices, etc. (*1)(*3)	**¥ 92,009**	¥ 76,368	**$ 752**
Investments in Partnership, etc. (*2)	**174,836**	123,514	**1,429**

(*1) Unlisted stocks are included in "Equity securities with no market prices, etc." and their fair values are not disclosed in accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, March 31, 2020).

(*2) "Investments in partnership, etc." mainly include silent partnerships and investment partnerships. These fair values are not disclosed in accordance with Paragraph 27 of Guidance for Application of Fair Value Measurement.

(*3) Impairment losses of ¥235 million (U.S. $2 million) and ¥520 million were recognized against Unlisted Stocks and others as of March 31, 2022 and 2021, respectively.

(Note4) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2022 and 2021

	Millions of Yen					
March 31, 2022	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	¥ 18,147,555	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	5,000	—	—	—	—	—
Receivables under Resale Agreements	150,741	—	—	—	—	—
Receivables under Securities Borrowing Transactions	652,534	—	—	—	—	—
Monetary Claims Bought (*1)	708,547	29,605	6,268	1,668	1,439	106,099
Money Held in Trust	14,913	1,395	—	—	—	—
Securities	2,456,879	1,088,304	908,426	355,941	409,427	796,275
Held-to-Maturity Debt Securities	—	60	5,488	40,000	67,342	76,516
Government Bonds	—	60	—	40,000	60,000	15,000
Corporate Bonds	—	—	—	—	—	14,400
Available-for-Sale Securities with Maturity	2,456,879	1,088,244	902,938	315,941	342,084	719,759
Government Bonds	1,724,226	326,810	470,000	—	—	215,000
Local Government Bonds	1,200	4,546	10,630	1,136	16,619	—
Corporate Bonds	82,432	169,628	266,125	101,575	50,954	43,485
Loans and Bills Discounted (*2)	4,668,279	6,302,563	4,367,845	2,571,144	2,374,408	8,087,545
Lease Receivables and Investment Assets (*3)	166,497	243,502	146,501	53,097	45,085	10,713
Total	¥ 26,970,949	¥ 7,665,372	¥ 5,429,041	¥ 2,981,851	¥ 2,830,361	¥ 9,000,635

	Millions of Yen					
March 31, 2021	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	¥ 18,414,782	¥ 650	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	8,766	—	—	—	—	—
Receivables under Resale Agreements	160,268	—	—	—	—	—
Receivables under Securities Borrowing Transactions	727,689	—	—	—	—	—
Monetary Claims Bought (*1)	717,328	68,538	15,193	3,921	1,867	84,853
Money Held in Trust	10,857	1,265	100	—	—	—
Securities	1,396,910	951,185	1,004,417	548,405	298,412	848,078
Held-to-Maturity Debt Securities	—	—	5,051	20,000	60,000	187,738
Government Bonds	—	—	—	20,000	60,000	35,000
Corporate Bonds	—	—	—	—	—	23,400
Available-for-Sale Securities with Maturity	1,396,910	951,185	999,365	528,405	238,412	660,339
Government Bonds	927,273	200,000	380,000	—	—	135,000
Local Government Bonds	—	1,675	8,008	3,496	10,521	—
Corporate Bonds	31,639	218,289	218,724	110,577	30,485	64,084
Loans and Bills Discounted (*2)	4,636,130	5,814,658	4,667,574	2,613,581	2,485,048	7,811,836
Lease Receivables and Investment Assets (*3)	163,457	243,838	154,218	54,721	47,522	11,172
Total	¥ 26,236,192	¥ 7,080,137	¥ 5,841,505	¥ 3,220,628	¥ 2,832,850	¥ 8,755,940

	Millions of U.S. Dollars					
March 31, 2022	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	$ 148,289	$ —	$ —	$ —	$ —	$ —
Call Loans and Bills Bought	41	—	—	—	—	—
Receivables under Resale Agreements	1,232	—	—	—	—	—
Receivables under Securities Borrowing Transactions	5,332	—	—	—	—	—
Monetary Claims Bought (*1)	5,790	242	51	14	12	867
Money Held in Trust	122	11	—	—	—	—
Securities	20,076	8,893	7,423	2,908	3,346	6,507
Held-to-Maturity Debt Securities	—	0	45	327	550	625
Government Bonds	—	0	—	327	490	123
Corporate Bonds	—	—	—	—	—	118
Available-for-Sale Securities with Maturity	20,076	8,892	7,378	2,582	2,795	5,881
Government Bonds	14,089	2,670	3,840	—	—	1,757
Local Government Bonds	10	37	87	9	136	—
Corporate Bonds	674	1,386	2,175	830	416	355
Loans and Bills Discounted (*2)	38,146	51,500	35,691	21,010	19,402	66,086
Lease Receivables and Investment Assets (*3)	1,360	1,990	1,197	434	368	88
Total	$ 220,387	$ 62,636	$ 44,362	$ 24,366	$ 23,128	$ 73,547

(*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 ¥24 million (U.S. $0.2 million) and ¥58 million as of March 31, 2022 and 2021, 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 ¥142,058 million (U.S. $ 1,161 million) and ¥76,509 million, and those without maturity, amounting to ¥2,362,662 million (U.S. $19,306 million) and ¥2,401,629 million as of March 31, 2022 and 2021, 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 ¥678 million (U.S. $6 million) and ¥549 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥22,065 million (U.S. $180 million) and ¥19,691 million as of March 31, 2022 and 2021, respectively.

(Note 5) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2022 and 2021

	Millions of Yen					
March 31, 2022	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	¥ 25,352,703	¥ 5,699,782	¥ 2,175,496	¥ 2,128	¥ 50	¥ —
Negotiable Certificates of Deposit	6,532,944	55,000	—	—	—	—
Call Money and Bills Sold	799,524	—	—	—	—	—
Payables under Repurchase Agreements	1,485,033	—	—	—	—	—
Borrowed Money	1,872,544	3,301,699	1,238,578	282,356	80,253	378,065
Short-Term Bonds Payable	2,388,495	—	—	—	—	—
Bonds Payable (*2)	70,000	757,495	613,355	250,000	100,000	—
Borrowed Money from Trust Account	4,298,827	—	—	—	—	—
Total	¥ 42,800,073	¥ 9,813,976	¥ 4,027,430	¥ 534,484	¥ 180,304	¥ 378,065

	Millions of Yen					
March 31, 2021	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	¥ 25,270,516	¥ 5,400,861	¥ 2,795,112	¥ 921	¥ 266	¥ —
Negotiable Certificates of Deposit	7,045,594	115,000	—	—	—	—
Call Money and Bills Sold	60,675	—	—	—	—	—
Payables under Repurchase Agreements	1,628,440	—	—	—	—	—
Borrowed Money	1,669,700	1,013,609	2,455,241	182,169	77,652	384,228
Short-Term Bonds Payable	2,545,546	—	—	—	—	—
Bonds Payable (*2)	50,000	479,612	297,150	293,000	140,000	—
Borrowed Money from Trust Account	4,915,208	—	—	—	—	—
Total	¥ 43,185,683	¥ 7,009,083	¥ 5,547,504	¥ 476,091	¥ 217,918	¥ 384,228

	Millions of U.S. Dollars					
March 31, 2022	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	$ 207,164	$ 46,574	$ 17,777	$ 17	$ 0	$ —
Negotiable Certificates of Deposit	53,382	449	—	—	—	—
Call Money and Bills Sold	6,533	—	—	—	—	—
Payables under Repurchase Agreements	12,135	—	—	—	—	—
Borrowed Money	15,301	26,979	10,121	2,307	656	3,089
Short-Term Bonds Payable	19,517	—	—	—	—	—
Bonds Payable (*2)	572	6,190	5,012	2,043	817	—
Borrowed Money from Trust Account	35,127	—	—	—	—	—
Total	$ 349,731	$ 80,193	$ 32,909	$ 4,367	$ 1,473	$ 3,089

(*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 ¥286,100 million (U.S. $2,338 million) and ¥286,100 million as of March 31, 2022 and 2021, 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
	2022	2021	2022
Trading Securities	¥ (33)	¥ (326)	$ (0)

2. Held-to-Maturity Securities with Fair Value

	Millions of Yen		
March 31, 2022	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 117,652	¥ 130,800	¥ 13,148
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	14,400	14,674	274
Other Bonds	51,464	51,586	122
Foreign Bonds	5,488	5,495	7
Others	45,976	46,091	114
Subtotal	183,517	197,061	13,544
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	54,459	54,041	(417)
Foreign Bonds	54,459	54,041	(417)
Others	—	—	—
Subtotal	54,459	54,041	(417)
Total	¥ 237,976	¥ 251,103	¥ 13,127

	Millions of Yen		
March 31, 2021	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,030	¥ 133,748	¥ 15,717
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	23,400	23,788	388
Other Bonds	154,267	154,528	261
Foreign Bonds	101,870	102,016	146
Others	52,396	52,511	115
Subtotal	295,697	312,064	16,367
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	32,520	32,518	(1)
Foreign Bonds	32,520	32,518	(1)
Others	—	—	—
Subtotal	32,520	32,518	(1)
Total	¥ 328,217	¥ 344,582	¥ 16,365

March 31, 2022	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	$ 961	$ 1,069	$ 107
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	118	120	2
Other Bonds	421	422	1
Foreign Bonds	45	45	0
Others	376	377	1
Subtotal	1,500	1,610	111
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	$ —	$ —	$ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	445	442	(3)
Foreign Bonds	445	442	(3)
Others	—	—	—
Subtotal	445	442	(3)
Total	$ 1,945	$ 2,052	$ 107

3. Available-for-Sale Securities

March 31, 2022	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,143,030	¥ 466,273	¥ 676,756
Bonds	1,583,022	1,580,317	2,704
Government Bonds	1,091,138	1,090,948	190
Local Government Bonds	3,141	3,126	15
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	488,741	486,243	2,498
Other Securities	631,562	607,706	23,856
Foreign Stocks	3,971	211	3,760
Foreign Bonds	426,787	422,930	3,857
Others	200,802	184,564	16,238
Subtotal	3,357,614	2,654,298	703,316
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 66,280	¥ 82,631	¥ (16,350)
Bonds	1,888,553	1,904,676	(16,123)
Government Bonds	1,630,897	1,645,706	(14,809)
Local Government Bonds	30,777	31,005	(227)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	226,878	227,964	(1,086)
Other Securities	1,936,929	2,206,046	(269,117)
Foreign Stocks	821	1,472	(650)
Foreign Bonds	1,171,810	1,194,570	(22,759)
Others	764,296	1,010,003	(245,706)
Subtotal	3,891,762	4,193,354	(301,591)
Total	¥ 7,249,377	¥ 6,847,652	¥ 401,725

March 31, 2021	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,364,595	¥ 533,726	¥ 830,868
Bonds	1,789,475	1,785,319	4,156
Government Bonds	1,302,059	1,301,155	904
Local Government Bonds	6,410	6,379	31
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	481,004	477,784	3,220
Other Securities	980,917	951,162	29,754
Foreign Stocks	3,305	191	3,114
Foreign Bonds	751,018	737,897	13,120
Others	226,594	213,074	13,519
Subtotal	4,134,988	3,270,208	864,779
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 56,718	¥ 71,472	¥ (14,753)
Bonds	553,048	556,444	(3,396)
Government Bonds	340,400	343,106	(2,705)
Local Government Bonds	17,276	17,321	(44)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	195,370	196,016	(645)
Other Securities	1,642,980	2,022,418	(379,438)
Foreign Stocks	899	1,340	(440)
Foreign Bonds	822,472	826,123	(3,651)
Others	819,608	1,194,955	(375,346)
Subtotal	2,252,746	2,650,335	(397,588)
Total	¥ 6,387,735	¥ 5,920,543	¥ 467,191

March 31, 2022	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	$ 9,340	$ 3,810	$ 5,530
Bonds	12,935	12,913	22
Government Bonds	8,916	8,914	2
Local Government Bonds	26	26	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	3,994	3,973	20
Other Securities	5,161	4,966	195
Foreign Stocks	32	2	31
Foreign Bonds	3,487	3,456	32
Others	1,641	1,508	133
Subtotal	27,436	21,689	5,747
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	$ 542	$ 675	$ (134)
Bonds	15,432	15,564	(132)
Government Bonds	13,327	13,448	(121)
Local Government Bonds	251	253	(2)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	1,854	1,863	(9)
Other Securities	15,827	18,026	(2,199)
Foreign Stocks	7	12	(5)
Foreign Bonds	9,575	9,761	(186)
Others	6,245	8,253	(2,008)
Subtotal	31,801	34,265	(2,464)
Total	$ 59,237	$ 55,954	$ 3,283

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, 2022 and 2021.

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

	Millions of Yen		
Year Ended March 31, 2022	Amount Sold	Gain	Loss
Stocks	¥ 142,168	¥ 91,190	¥ 3,243
Bonds	1,005,440	1,397	1,609
Government Bonds	979,797	1,282	1,541
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	25,643	115	67
Other Securities	3,019,509	16,772	159,290
Foreign Stocks	675	19	67
Foreign Bonds	2,595,705	13,353	30,964
Others	423,128	3,398	128,259
Total	¥ 4,167,119	¥ 109,361	¥ 164,143

	Millions of Yen		
Year Ended March 31, 2021	Amount Sold	Gain	Loss
Stocks	¥ 128,882	¥ 94,308	¥ 1,075
Bonds	653,415	275	1,593
Government Bonds	644,846	221	1,593
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	8,568	53	—
Other Securities	2,238,237	21,286	162,774
Foreign Stocks	2,003	7	88
Foreign Bonds	1,710,775	14,542	20,794
Others	525,458	6,736	141,891
Total	¥ 3,020,536	¥ 115,869	¥ 165,443

	Millions of U.S. Dollars		
Year Ended March 31, 2022	Amount Sold	Gain	Loss
Stocks	$ 1,162	$ 745	$ 27
Bonds	8,216	11	13
Government Bonds	8,006	10	13
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	210	1	1
Other Securities	24,673	137	1,302
Foreign Stocks	6	0	1
Foreign Bonds	21,210	109	253
Others	3,457	28	1,048
Total	$ 34,051	$ 894	$ 1,341

(Note) The above figures include equity securities with no market prices and investments in partnerships.

6. Securities Reclassified due to the Change of the Holding Purpose

There were no securities reclassified due to the change of the holding purpose during the fiscal years ended March 31, 2022 and 2021.

7. Impairment of Securities

Securities other than equity securities with no market prices, etc. and investments in partnerships, etc., or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheet. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses on Stocks recognized during the fiscal years ended March 31, 2022 and 2021, were ¥446 million (U.S. $4 million) and ¥289 million, respectively. Impairment losses on Others recognized during the fiscal year ended March 31, 2022 and 2021 were ¥260 million (U.S. $2 million) and ¥5 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

	Millions of Yen	
Year Ended March 31, 2022	Carrying Amount	Valuation Difference Reflected in the Statement of Income
Money Held in Trust for Trading Purposes	**¥ 14,913**	**¥ (332)**

	Millions of Yen	
Year Ended March 31, 2021	Carrying Amount	Valuation Difference Reflected in the Statement of Income
Money Held in Trust for Trading Purposes	¥ 10,857	¥ 3,038

	Millions of U.S. Dollars	
Year Ended March 31, 2022	Carrying Amount	Valuation Difference Reflected in the Statement of Income
Money Held in Trust for Trading Purposes	**$122**	**$ (3)**

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, 2022 and 2021.

3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

	Millions of Yen				
March 31, 2022	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,395	¥ 989	¥ 406	¥ 406	¥ —

	Millions of Yen				
March 31, 2021	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,365	¥ 985	¥ 380	¥ 380	¥ —

	Millions of U.S. Dollars				
March 31, 2022	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	$ 11	$ 8	$ 3	$ 3	$ —

(Note) The amount of "Difference" is net of "Positive Difference" and "Negative Difference."

Valuation Differences on Available-for-Sale Securities

The following table shows components of "Valuation Differences on Available-for-Sale Securities" in the consolidated balance sheet.

	Millions of Yen		Millions of U.S. Dollars
March 31	2022	2021	2022
Valuation Differences			
Available-for-Sale Securities	¥ 405,138	¥ 469,518	$ 3,310
Other Money Held in Trust	406	380	3
Total Valuation Differences	405,545	469,898	3,314
Amount Equivalent to Deferred Tax Assets (Liabilities)	(124,695)	(142,109)	(1,019)
Total (Before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	280,849	327,788	2,295
Non-Controlling Interests	(244)	(159)	(2)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	(2,987)	1,800	(24)
Valuation Differences on Available-for-Sale Securities	¥ 277,617	¥ 329,429	$ 2,268

(Notes)

1) Foreign currency translation adjustments on equity securities with no market prices, etc. denominated in foreign currencies are included in the "Available-for-Sale Securities" under "Valuation Differences."

2) The valuation differences of ¥3,086 million (U.S. $25 million) and ¥2,288 million on available-for-sale securities composing assets held by associated companies as of March 31, 2022 and 2021, respectively, are included in "Available-for-Sale Securities" under "Valuation Differences."

Derivatives

1. Derivatives Transactions Not Qualifying for Hedge Accounting

Derivatives transactions not qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts), the fair values, and the valuation differences as of the consolidated balance sheet date are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Interest Futures								
Sold	¥ 17,325,091	¥ 8,676,986	¥ 74,776	¥ 74,776	$ 141,568	$ 70,902	$ 611	$ 611
Purchased	16,430,494	8,676,986	(73,948)	(73,948)	134,258	70,902	(604)	(604)
Interest Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC								
Forward Rate Agreements								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	46,565,435	40,034,339	(274,059)	(274,059)	380,499	327,131	(2,239)	(2,239)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	40,152,154	35,263,350	241,623	241,623	328,094	288,146	1,974	1,974
Floating Interest Rate Receivable/ Floating Interest Rate Payable	33,764,109	13,413,149	(6,670)	(6,670)	275,896	109,602	(55)	(55)
Interest Options								
Sold	9,558,634	9,548,395	(42,455)	(35,522)	78,106	78,023	(347)	(290)
Purchased	7,006,095	6,965,830	33,369	30,634	57,249	56,920	273	250
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (47,364)	¥ (43,167)			$ (387)	$ (353)

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 16,259,100	¥ 8,204,867	¥ (12,132)	¥ (12,132)
Purchased	16,382,636	8,740,344	9,956	9,956
Interest Options				
Sold	760,290	—	(85)	(26)
Purchased	680,474	—	108	29
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	45,212,322	35,442,523	1,042,944	1,042,944
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	37,529,904	30,758,857	(1,072,591)	(1,072,591)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	23,205,620	19,522,140	474	474
Interest Options				
Sold	9,282,788	9,266,363	18,087	27,782
Purchased	6,255,661	6,239,584	(3,461)	(7,879)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (16,697)	¥ (11,442)

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	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	¥ 7,163,682	¥ 6,540,039	¥ 89,974	¥ 89,974	$ 58,536	$ 53,440	$ 735	$ 735
Forward Exchange Contracts								
Sold	15,672,045	1,617,487	(576,219)	(576,219)	128,061	13,217	(4,708)	(4,708)
Purchased	18,844,572	283,636	690,736	690,736	153,984	2,318	5,644	5,644
Currency Options								
Sold	1,412,814	718,432	(75,527)	(7,637)	11,544	5,871	(617)	(62)
Purchased	1,027,966	558,220	66,483	14,041	8,400	4,561	543	115
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 195,447	¥ 210,895			$1,597	$1,723

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Currency Futures				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options				
Sold	—	—	—	—
Purchased	—	—	—	—
OTC				
Currency Swaps	¥ 7,182,667	¥ 5,771,209	¥ 53,639	¥ 53,639
Forward Exchange Contracts				
Sold	15,332,172	993,767	(297,505)	(297,505)
Purchased	20,910,556	364,335	422,703	422,703
Currency Options				
Sold	1,128,393	676,694	(50,297)	6,515
Purchased	794,918	473,197	39,658	(5,507)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 168,199	¥ 179,845

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	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	¥ 74,021	¥ —	¥ (4,650)	¥ (4,650)	$ 605	$ —	$ (38)	$ (38)
Purchased	45,631	—	1,918	1,918	373	—	16	16
Stock Index Options								
Sold	14,474	—	(130)	29	118	—	(1)	0
Purchased	18,081	—	166	(225)	148	—	1	(2)
OTC								
OTC Stock Options								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
OTC Stock Swaps								
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	—	—	—	—	—	—	—	—
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (2,695)	¥ (2,927)			$ (22)	$ (24)

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Stock Index Futures				
Sold	¥ 182,001	¥ —	¥ (1,850)	¥ (1,850)
Purchased	123,854	—	1,903	1,903
Stock Index Options				
Sold	67,159	—	(806)	(87)
Purchased	108,307	—	339	(284)
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			¥ (412)	¥ (318)

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 1,058,961	¥ —	¥ 18,999	¥ 18,999	$ 8,653	$ —	$ 155	$ 155
Purchased	902,988	—	(12,922)	(12,922)	7,379	—	(106)	(106)
Bond Future Options								
Sold	23,507	—	(159)	(42)	192	—	(1)	(0)
Purchased	26,654	—	339	154	218	—	3	1
OTC								
Bond Forward Contracts								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Bond Options								
Sold	—	—	—	—	—	—	—	—
Purchased	994	994	47	15	8	8	0	0
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 6,303	¥ 6,204			$ 52	$ 51

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 1,710,794	¥ —	¥ 25,127	¥ 25,127
Purchased	1,668,659	—	(23,317)	(23,317)
Bond Future Options				
Sold	711,176	—	(3,295)	75
Purchased	347,961	—	1,072	(198)
OTC				
Bond Forward Contracts				
Sold	¥ 44,260	¥ —	¥ 230	¥ 230
Purchased	55,657	—	(177)	(177)
Bond Options				
Sold	—	—	—	—
Purchased	—	—	—	—
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (359)	¥ 1,738

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	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	¥ 29,000	¥ 18,000	¥ 611	¥ 611	$ 237	$ 147	$ 5	$ 5
Purchased	66,392	55,392	(2,930)	(2,930)	543	453	(24)	(24)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥(2,319)	¥(2,319)			$ (19)	$ (19)

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swaps				
Sold	¥ 40,500	¥ 29,000	¥ 903	¥ 903
Purchased	46,032	34,532	(1,373)	(1,373)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (469)	¥ (469)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

2. Derivatives Transactions Qualifying for Hedge Accounting

Derivatives transactions qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
		2022			2022		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 1,150,748	¥ 1,118,912	¥ (53,298)	$ 9,403	$ 9,143	$ (436)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,779,306	1,351,050	18,674	14,539	11,040	153
Interest Futures							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Interest Options							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Exceptional Treatment for Interest Rate Swaps							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable		¥ —	¥ —		$ —	$ —	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		—	—		—	—	
Total				¥ (34,624)			$ (283)

	Major Hedged Item	Millions of Yen 2021 Notional Amount Total	Notional Amount Over One Year	Fair Value
Deferral Method				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 712,507	¥ 652,507	¥ (2,402)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,566,967	1,414,632	(34,735)
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				¥ (37,137)

(Note) Deferred hedge accounting stipulated in Guidance No.24 is applied, in principle.

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Major Hedged Item	Millions of Yen 2022 Notional Amount Total	Millions of Yen 2022 Notional Amount Over One Year	Millions of Yen 2022 Fair Value	Millions of U.S. Dollars 2022 Notional Amount Total	Millions of U.S. Dollars 2022 Notional Amount Over One Year	Millions of U.S. Dollars 2022 Fair Value
Deferral Method							
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 2,212,027	¥ 896,828	¥ (135,622)	$ 18,075	$ 7,328	$ (1,108)
Forward Exchange Contracts							
Sold		25,661	—	(849)	210	—	(7)
Purchased		91,480	—	1,293	748	—	11
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments"							
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies						
Sold		¥ 102,904	¥ —	¥ (4,990)	$ 841	$ —	$ (41)
Purchased		—	—	—	—	—	—
Total				¥ (140,169)			$ (1,145)

	Major Hedged Item	Millions of Yen 2021 Notional Amount Total	Millions of Yen 2021 Notional Amount Over One Year	Millions of Yen 2021 Fair Value
Deferral Method				
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 2,489,799	¥ 1,109,499	¥ (89,194)
Forward Exchange Contracts				
Sold		19,071	—	(695)
Purchased		87,050	—	2,816
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		¥ 96,624	¥ —	¥ (2,452)
Purchased		—	—	—
Total				¥ (89,526)

(Note) Deferred hedge accounting stipulated in Guidance No.25 is applied, in principle.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021.

Retirement and Pension Plans

1. Outline of the Retirement Benefit Plans Adopted by SuMi TRUST Holdings

SuMi TRUST Bank, a consolidated subsidiary of SuMi TRUST Holdings, has defined benefit plans (a corporate pension fund plan and a lump-sum retirement benefit plan). Additionally, a lump-sum retirement benefit plan is offered to contract employees according to internal rules. SuMi TRUST Bank also has a defined contribution pension plan and may provide extra retirement payments to retiring employees in some cases. SuMi TRUST Bank sets up employee retirement benefit trusts as part of its pension plan assets.

SuMi TRUST Bank partially revised defined benefit corporate pension plans in April 2021.

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
	2022	2021	2022
Retirement Benefit Obligations (opening balance)	¥ 431,223	¥ 462,975	$ 3,524
Service Cost-Benefits Earned during the Fiscal Year	10,880	12,813	89
Interest Cost on Projected Benefit Obligations	2,307	2,278	19
Actuarial Gains and Losses that Arose during the Fiscal Year	3,522	8,992	29
Retirement Benefits Paid	(18,365)	(18,102)	(150)
Past Service Cost that Arose during the Fiscal Year	—	(37,734)	—
Other (Note)	(5,685)	—	(46)
Retirement Benefit Obligations (closing balance)	¥ 423,883	¥ 431,223	$ 3,464

(Note) "Other" recognized in the current fiscal year is the reversal due to the termination of the defined benefit plans for one of the consolidated subsidiaries.

(2) Reconciliation of Plan Assets

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Plan Assets (opening balance)	¥ 648,636	¥ 536,026	$ 5,300
Expected Return on Plan Assets	22,608	24,766	185
Actuarial Gains and Losses that Arose during the Fiscal Year	(52,299)	90,226	(427)
Contributions by the Employer	4,936	13,797	40
Retirement Benefits Paid	(16,020)	(16,181)	(131)
Other (Note)	(5,307)	—	(43)
Plan Assets (closing balance)	¥ 602,553	¥ 648,636	$ 4,924

(Note) "Other" recognized in the current fiscal year is the reversal due to the termination of the defined benefit plans for one of the consolidated subsidiaries.

(3) Reconciliation between Closing Balances of Retirement Benefit Obligations and Plan Assets, and Liabilities and Assets for Retirement Benefits Recorded in the Consolidated Balance Sheet

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 410,330	¥ 417,978	$ 3,353
Plan Assets	(602,553)	(648,636)	(4,924)
	(192,223)	(230,657)	(1,571)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	13,553	13,245	111
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (178,669)	¥ (217,412)	$ (1,460)

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Liabilities for Retirement Benefits	¥ 13,553	¥ 13,752	$ 111
Assets for Retirement Benefits	(192,223)	(231,165)	(1,571)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (178,669)	¥ (217,412)	$ (1,460)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Service Cost-Benefits Earned during the Fiscal Year	¥ 10,880	¥ 12,813	$ 89
Interest Cost on Projected Benefit Obligations	2,307	2,278	19
Expected Return on Plan Assets	(22,608)	(24,766)	(185)
Amortization of Actuarial Differences	479	11,577	4
Amortization of Past Service Cost (Note)	(65)	(37,632)	(1)
Other	378	455	3
Retirement Benefit Expenses for Defined Benefit Obligations	¥ (8,627)	¥ (35,273)	$ (71)

(Note) ¥37,580 million of amortization of past service cost is recognized as extraordinary income for the fiscal year ended March 31, 2021.

(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
	2022	2021	2022
Past Service Cost	¥ (65)	¥ 101	$ (1)
Actuarial Differences	(55,342)	92,811	(452)
Total	¥ (55,407)	¥ 92,912	$ (453)

(6) Accumulated Remeasurements of Defined Benefit Plans

The breakdown of accumulated remeasurements of defined benefit plans (before tax effects) is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	**2022**
Unrecognized Past Service Cost	**¥ (102)**	¥ (295)	**$ (1)**
Unrecognized Actuarial Differences	**61,569**	6,065	**503**
Total	**¥ 61,466**	¥ 5,770	**$ 502**

(7) Plan Assets

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

	Proportion (%)	
	2022	2021
Debt Securities	**25**	24
Equity Securities	**59**	61
Cash and Due from Banks	**4**	3
Other	**12**	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 55% and 59% of the total plan asset for the fiscal years ended March 31, 2022 and 2021, 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, 2022 and 2021, are as follows:

	2022	2021
Discount Rate	**Mainly 0.5%**	Mainly 0.5%
Expected Long-Term Rate of Return on Plan Assets	**3.5%**	4.6%

3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Holdings and its consolidated subsidiaries to the defined contribution pension plans were ¥2,379 million (U.S. $19 million) and ¥2,242 million for the years ended March 31, 2022 and 2021, respectively.

Stock Option Plans

1. Expenses Recorded in Connection with Stock Options during the Fiscal Years Ended March 31, 2022 and 2021

(1) SuMi TRUST Holdings

There were no relevant items.

(2) Nikko Asset Management Co., Ltd. (consolidated subsidiary)

There were no relevant items.

2. Description of Stock Options

(1) SuMi TRUST Holdings

The following tables show stock options effective as of March 31, 2022. 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, 2022	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, 2022	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, 2022	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, 2022	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, 2022	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	20,000	19,300	39,300	32,200
Vested	—	—	—	—
Exercised	—	400	—	2,000
Forfeited	20,000	—	—	—
At the End of the Fiscal Year	—	18,900	39,300	30,200

	Shares			
Year Ended March 31, 2022	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	29,000	46,400	58,300	66,300
Vested	—	—	—	—
Exercised	900	600	700	—
Forfeited	—	—	—	—
At the End of the Fiscal Year	28,100	45,800	57,600	66,300

ii) Unit price information

Year Ended March 31, 2022	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)	—	3,963	—	3,917
Fair Unit Value on the Grant Date (yen)	620	340	1,460	4,240

Year Ended March 31, 2022	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)	3,654	3,641	4,312	—
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, 2022. The number of stock options represents the number of shares after converting into equivalent shares.

1) Description of Stock Options

Year Ended March 31, 2022	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, 2022	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	432,300	1,016,000
Granted	—	—
Forfeited	432,300	928,000
Vested	—	—
At the End of the Fiscal Year	—	88,000
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	1,772,000	2,607,000
Granted	—	—
Forfeited	956,000	1,071,000
Vested	—	—
At the End of the Fiscal Year	816,000	1,536,000
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, 2022	Resolution during Fiscal Year 2011	Resolution during Fiscal Year 2016
Grant Date	October 7, 2011	July 15, 2016
Exercise Price	¥ 737 (Note3)	¥ 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 ¥1,222 million (U.S. $10 million) as of March 31, 2022.

3) If the IPO price is set as any amount exceeding ¥737 (U.S. $6), 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 granted in the fiscal year ended March 31, 2022.

4. Method for Estimating the Number of Vested Stock Options

SuMi TRUST Holdings has adopted a method to reflect only the number of stock options that have been actually forfeited, because it is difficult to reasonably estimate the number that will be forfeited in the future.

Income Taxes

1. Breakdown of Major Factors Giving Rise to Deferred Tax Assets and Liabilities

Year Ended March 31	Millions of Yen 2022	Millions of Yen 2021	Millions of U.S. Dollars 2022
Deferred Tax Assets:			
Impairment of Securities	¥ 18,094	¥ 19,095	$ 148
Allowance for Loan Losses (Including Direct Write-Offs of Loans with Guarantees or Collateral)	55,080	46,756	450
Deferred Gains (Losses) on Hedges	18,366	18,469	150
Remeasurements of Defined Benefit Plans	18,945	2,196	155
Valuation Difference Due to Share Exchange	4,432	4,416	36
Other	72,892	71,042	596
Subtotal	187,810	161,975	1,535
Valuation Allowance	(20,900)	(23,639)	(171)
Deferred Tax Assets	¥ 166,909	¥ 138,336	$ 1,364
Deferred Tax Liabilities:			
Retirement Benefits	¥ (46,430)	¥ (39,229)	$ (379)
Valuation Difference on Available-for-Sale Securities	(131,370)	(150,201)	(1,073)
Valuation Difference Due to Share Exchange	(5,752)	(5,752)	(47)
Other	(11,823)	(10,287)	(97)
Deferred Tax Liabilities	¥ (195,377)	¥ (205,471)	$ (1,596)
Net Deferred Tax Assets (Liabilities)	¥ (28,467)	¥ (67,134)	$ (233)

2. Breakdown of Major Causes of Significant Differences Arising Between the Statutory Tax Rate and the Effective Tax Rate after Application of Tax Effect Accounting for Companies Submitting the Consolidated Financial Statements

Year Ended March 31	2022	2021
Effective Statutory Tax Rate	30.62%	30.62%
Adjustments:		
Changes in Valuation Allowance	(1.20)	(0.35)
Amortization of Goodwill	1.06	1.19
Share of Profit of Equity-Method Affiliated Companies	(2.09)	(1.79)
Permanent Differences (e.g., Cash Dividends Received)	(0.75)	(0.83)
Others	(2.31)	(0.81)
Effective Income Tax Rate	25.33%	28.03%

Revenue Recognition

1. Information Related to Disaggregation of Revenue from Contracts with Customers for the Current Fiscal Year Ended March 31, 2022

	Millions of Yen										
Year Ended March 31, 2022	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Asset Management Business	Global Markets	Others	Total	Income other than those disaggregated revenue	Total
Trust Fees	¥ 6,738	¥ 16,960	¥ —	¥ 3,513	¥ 83,326	¥ —	¥ —	¥ —	¥ 110,539	¥ —	¥ 110,539
Fees and Commissions	81,401	11,016	48,896	60,159	36,758	172,384	343	(41,834)	369,124	75,530	444,655
Income from Contracts with Customers	¥ 88,140	¥ 27,977	¥ 48,896	¥ 63,672	¥ 120,084	¥ 172,384	¥ 343	¥ (41,834)	¥ 479,664		

	Millions of U.S. Dollars										
Year Ended March 31, 2022	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Asset Management Business	Global Markets	Others	Total	Income other than those disaggregated revenue	Total
Trust Fees	$ 55	$ 139	$ —	$ 29	$ 681	$ —	$ —	$ —	$ 903	$ —	$ 903
Fees and Commissions	665	90	400	492	300	1,409	3	(342)	3,016	617	3,633
Income from Contracts with Customers	$ 720	$ 229	$ 400	$ 520	$ 981	$ 1,409	$ 3	$ (342)	$ 3,919		

(Note) "Others" includes elimination of internal transactions.

2. Information Related to Contract Balance

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2022	April 1, 2021	March 31, 2022
Receivables from Contracts with Customers	¥ 107,494	¥ 100,863	$ 878
Contract Liabilities	1,772	1,446	14

Receivables from contracts with customers and contract liabilities are included in "Other Assets" and "Other Liabilities," respectively, in the consolidated balance sheets. Contract liabilities retained at the beginning of the current fiscal year are mainly recognized as revenue for the current fiscal year ended March 31, 2022.

The amount of revenue from performance obligation satisfied or partially satisfied in the past year and recognized in the current fiscal year is immaterial.

3. Information Related to Transaction Prices Allocated to Residual Performance Obligations

The amount of revenue expected to be recognized from existing contracts after the fiscal year ended March 31, 2022 is immaterial. Contracts with their initial expected period of less than one year and with revenue recognized in the amount that The SuMi TRUST Group is entitled to claim are not included in the notes.

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 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 (Wholesale Total Solution Services Business and Wholesale Asset Management Business):
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:
Provision of services related to the pension business and the asset administration business

Asset Management Business:
Asset management service operations

Global Markets:
Marketing operations, market-making operations, investment operations, and financial management operations

The SuMi Trust Group used to disclose the "Asset Management Business" as a component of the "Fiduciary Services" until the consolidated fiscal year ended March 31, 2021. However, the "Asset Management Business" has been separated from the "Fiduciary Services" and disclosed as a separate segment effective from the fiscal year ended March 31, 2022.

Segment information for the previous fiscal year is based on the new reportable segment classifications.

2. Method for Calculating Substantial Gross Business Profit and Net Business Profit by Each Reportable Segment

Segment information is prepared based on internal management reports and the accounting policies used for the reportable segments are generally the same as those presented under "Significant Accounting Policies and Practices"; however, the reportable segments are accounted for in accordance with the rules for the internal management.

"Net Business Profit" represents "Substantial Gross Business Profit," less "G&A Expenses." "Substantial Gross Business Profit" and "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).

Additionally, income earned from inter-segment and cross-segment transactions is calculated by applying the criteria (market prices) specified in the rules for internal management.

"Fixed Assets" disclosed in the assets by reportable segments are the total amount of tangible fixed assets and intangible fixed asset. These assets are owned by SuMi TRUST Bank and allocated to each segment.

3. Profit or Loss and Fixed Assets by Reportable Segment

Year Ended March 31, 2022	Millions of Yen								
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Asset Management Business	Global Markets	Others	Total
Substantial Gross Business Profit	¥ 190,844	¥ 212,528	¥ 40,861	¥ 62,792	¥ 96,539	¥101,967	¥ 52,303	¥ 50,344	¥ 808,182
General and Administrative Expenses	(158,631)	(77,600)	(19,850)	(25,892)	(54,284)	(61,444)	(15,704)	(48,689)	(462,096)
Net Business Profit	¥ 32,212	¥ 134,928	¥ 21,011	¥ 36,900	¥ 42,255	¥ 40,523	¥ 36,599	¥ 1,654	¥ 346,085
Fixed Assets	¥ 71,016	¥ 45,530	¥ 1,976	¥ 9,318	¥ 16,870	¥ —	¥ 19,165	¥ 186,325	¥ 350,202

Year Ended March 31, 2021	Millions of Yen								
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Asset Management Business	Global Markets	Others	Total
Substantial Gross Business Profit	¥ 177,602	¥ 207,742	¥ 40,300	¥ 49,891	¥ 88,836	¥ 86,935	¥ 69,761	¥ 18,227	¥ 739,296
General and Administrative Expenses	(162,077)	(75,620)	(19,440)	(24,309)	(54,109)	(57,121)	(15,350)	(36,558)	(444,589)
Net Business Profit	¥ 15,524	¥ 132,122	¥ 20,859	¥ 25,581	¥ 34,726	¥ 29,813	¥ 54,410	¥ (18,331)	¥ 294,707
Fixed Assets	¥ 67,111	¥ 33,172	¥ 2,157	¥ 8,855	¥ 16,699	¥ —	¥ 19,618	¥ 192,869	¥ 340,484

Year Ended March 31, 2022	Millions of U.S. Dollars								
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Asset Management Business	Global Markets	Others	Total
Substantial Gross Business Profit	$ 1,559	$ 1,737	$ 334	$ 513	$ 789	$ 833	$ 427	$ 411	$ 6,604
General and Administrative Expenses	(1,296)	(634)	(162)	(212)	(444)	(502)	(128)	(398)	(3,776)
Net Business Profit	$ 263	$ 1,103	$ 172	$ 302	$ 345	$ 331	$ 299	$ 14	$ 2,828
Fixed Assets	$ 580	$ 372	$ 16	$ 76	$ 138	$ —	$ 157	$ 1,523	$ 2,862

(Notes)

1) The figures represent "Substantial Gross Business Profit" in substitution for net sales to be presented by companies in other industries.

2) The amounts of "Substantial Gross Business Profit" include net trust fees, net interest income, net fees and commissions, net trading income, and net other ordinary income and expenses.

3) "General and Administrative Expenses" include personnel expenses and non-personnel expenses.

4) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, general and administrative expenses of headquarters, and elimination of internal transactions.

5) The amount of "Fixed Assets" for each segment represents the amount of fixed assets owned by SuMi TRUST Bank. "Others" within "Fixed Assets" include corporate assets not allocated to any segment, fixed assets owned by consolidated subsidiaries outside the scope of allocation of resources, and adjustments for consolidation. For fixed assets not allocated to each segment, some of related expenses are allocated to each segment based on a reasonable allocation method.

4. Reconciliation Between Total Profit or Loss for Reportable Segments and Income before Income Taxes in the Consolidated Statement of Income

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Business Profit	¥ 346,085	¥ 294,707	$ 2,828
Other Income	120,731	158,185	987
Other Expenses	(205,536)	(207,586)	(1,679)
Other Adjustments	(33,280)	(45,303)	(272)
Income before Income Taxes	¥ 227,999	¥ 200,003	$ 1,863

Related Information

1. Information by Services

Disclosure of information by services is omitted as similar disclosure is included in the "3. Profit or Loss and Fixed Assets by Reportable Segment" in the "Segment Information" section.

2. Geographic Information

(1) Income

Income by geographical area for the fiscal years ended March 31, 2022 and 2021, consists of the following:

	Millions of Yen				
Year Ended March 31, 2022	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,216,885	¥ 72,283	¥ 55,428	¥ 57,040	¥ 1,401,637

	Millions of Yen				
Year Ended March 31, 2021	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,249,557	¥ 70,908	¥ 42,935	¥ 54,764	¥ 1,418,166

	Millions of U.S. Dollars				
Year Ended March 31, 2022	Japan	Americas	Europe	Asia and Oceania	Total
	$ 9,943	$ 591	$ 453	$ 466	$ 11,453

(Notes)

1) The figures represent income in substitution for net sales to be presented by companies in other industries.

2) Income related to transactions by SuMi TRUST Holdings, SuMi TRUST Bank (excluding overseas branches), and other domestic consolidated subsidiaries are presented under "Japan." Income related to transactions by oversea branches of SuMi TRUST Bank and foreign consolidated subsidiaries are presented under "Americas," "Europe," or "Asia and Oceania" based on the location of each overseas branch and subsidiary, reflecting their geographical proximity.

(2) Tangible Fixed Assets

More than 90% of SuMi TRUST Group's tangible fixed assets on the consolidated balance sheet as of March 31, 2022 and 2021, are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

Due to highly diversified income-generating transactions between SuMi TRUST Group and a significantly large number of SuMi TRUST Group's customers, transactions are not classified by major counterparty; accordingly, information by major customer is not presented.

Information Related to Losses on Impairment of Fixed Assets by Reportable Segment

Losses on impairment of fixed assets allocated to reportable segments during the fiscal year ended March 31, 2022 and 2021 were as follows:

	Millions of Yen								
Year Ended March 31, 2022	Retail Total Solutions Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Asset Management Business	Global Markets	Other	Total
Losses on Impairment of Fixed Assets	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 1,468	¥ 1,468

	Millions of Yen								
Year Ended March 31, 2021	Retail Total Solutions Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Asset Management Business	Global Markets	Other	Total
Losses on Impairment of Fixed Assets	¥ 19,364	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 809	¥ 20,173

	Millions of U.S. Dollars								
Year Ended March 31, 2022	Retail Total Solutions Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Asset Management Business	Global Markets	Other	Total
Losses on Impairment of Fixed Assets	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 12	$ 12

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, 2022 and 2021, were ¥7,882 million (U.S. $64 million) and ¥7,875 million, respectively. Unamortized balance of goodwill as of March 31, 2022 and 2021, were ¥29,510 million (U.S. $241 million) and ¥37,292 million, respectively.

Information Related to Gain on Negative Goodwill by Reportable Segment

There were no gains on negative goodwill by reportable segment during the fiscal years ended March 31, 2022 and 2021.

Related-Party Information

1. Related-Party Transactions

There were no material transactions that need to be disclosed for the fiscal years ended March 31, 2022 and 2021.

2. Notes to the Significant Affiliated Companies

There were no significant affiliated companies that need to be disclosed for the fiscal year ended March 31, 2022.

Per Share of Common Stock Information

	Yen		U.S. Dollars
	2022	2021	2022
Net Assets per Share of Common Stock	¥ 7,249.70	¥ 7,192.07	$ 59.24
Net Income per Share of Common Stock	451.40	379.65	3.69
Diluted Net Income per Share of Common Stock	451.12	379.41	3.69

(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, 2022	As of March 31, 2021	As of March 31, 2022
Net Assets as Reported	¥ 2,745,288	¥ 2,722,556	$ 22,432
Less:	29,732	28,796	243
Subscription Rights to Shares	1,006	1,024	8
Non-Controlling Interests	28,725	27,772	235
Net Assets Attributable to Common Shareholders	2,715,556	2,693,760	22,190
The Number of Shares of Common Stock Outstanding (Thousands of Shares)	374,574	374,545	374,574

(Note) The effect of the application of the Standard for Revenue Recognition etc. and the Standard for Fair Value Measurement etc. on the total amount of net assets and net assets per share is described in "Changes in Accounting Policies."

2) Net income per share of common stock and diluted net income per share of common stock and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	Year Ended March 31, 2022	Year Ended March 31, 2021	**Year Ended March 31, 2022**
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	**¥ 169,078**	¥ 142,196	**$ 1,382**
Net Income Not Attributable to Common Shareholders	**—**	—	**—**
Net Income Related to Common Stock that is Attributable to Owners of the Parent	**169,078**	142,196	**1,382**
Average Number of Shares of Common Stock Outstanding (Thousands of Shares)	**374,562**	374,542	**374,562**
Fully Diluted Net Income per Share of Common Stock			
Adjustments to Net Income Attributable to Owners of the Parent	**—**	—	**—**
Effect of Dilutive Securities (Thousands of Shares)	**230**	235	**230**
Subscription Rights to Shares (Thousands of Shares)	**230**	235	**230**
Summary of the potential shares that were excluded from calculation of diluted net income per share of common stock because they have no dilute effects	**Series 2 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 18,900 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 2,440,000 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 5,827,300 shares	**Series 2 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 18,900 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 2,440,000 shares**

3) For the calculation of net income per share, the remaining number of shares of SuMi TRUST Holdings held by the share delivery trust for the directors, 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, 2022.

For the calculation of net income per share, the average number of shares of treasury stock outstanding is 404 thousand shares for the fiscal year ended March 31, 2022 (424 thousand shares for the fiscal year ended March 31, 2021). For the calculation of net asset per share, the total number of shares of treasury stock outstanding is 392 thousand shares (422 thousand shares for the fiscal year ended March 31, 2021).

Significant Subsequent Event

Change in Reportable Segment

SuMi TRUST Group aims to promote and lead a virtuous circle of funds, assets, and capital by various stakeholders through provision of high value-added products and services and investments to create new values. Effective as of April 1, 2022, reorganization of SuMi TRUST Bank, Limited has been implemented.

Reportable segments of SuMi TRUST Group were previously divided into "Retail Total Solution Services," "Wholesale Financial Services (Wholesale Total Solution Services Business and Wholesale Asset Management Business)," "Stock Transfer Agency Services," "Real Estate," "Fiduciary Services," " Asset Management Business," and "Global Markets." As a result of the above, from the consolidated fiscal year ending March 31, 2023, the Group will reclassify them into the following segments: "Retail (former Retail Total Solution Services)," "Wholesale (former Wholesale Total Solution Services Business and former Stock Transfer Agency Services)," "Investor Services (former Wholesale Asset Management Business and former Fiduciary Services)," "Real Estate," "Global Markets," and " Asset Management Business."

Information regarding the amount of Substantial Gross Business Profit, General and Administrative Expenses, and Net Business Profit by reportable segment for the fiscal year ended March 31, 2022, based on the new reportable segment classifications is as follows:

	Millions of Yen							
	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Asset Management Business	Others	Total
Substantial Gross Business Profit	¥ 190,844	¥ 212,075	¥ 137,854	¥ 62,792	¥ 52,303	¥ 101,967	¥ 50,344	¥ 808,182
General and Administrative Expenses	(158,631)	(84,635)	(67,099)	(25,892)	(15,704)	(61,444)	(48,689)	(462,096)
Net Business Profits	¥ 32,212	¥ 127,440	¥ 70,754	¥ 36,900	¥ 36,599	¥ 40,523	¥ 1,654	¥ 346,085

	Millions of U.S. Dollars							
	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Asset Management Business	Others	Total
Substantial Gross Business Profit	$ 1,559	$ 1,733	$ 1,126	$ 513	$ 427	$ 833	$ 411	$ 6,604
General and Administrative Expenses	(1,296)	(692)	(548)	(212)	(128)	(502)	(398)	(3,776)
Net Business Profits	$ 263	$ 1,041	$ 578	$ 302	$ 299	$ 331	$ 14	$ 2,828

(Notes)

1) The figures represent "Substantial Gross Business Profit" in substitution for net sales to be presented by companies in other industries.

2) The amounts of "Substantial Gross Business Profit" include net trust fees, net interest income, net fees and commissions, net trading income, and net other ordinary income and expenses.

3) "General and Administrative Expenses" include personnel expenses and non-personnel expenses.

4) "Others" include costs of capital funding, dividends for shares for strategic shareholdings, general and administrative expenses of headquarters, and internal transactions to be eliminated.

5) Information regarding "Fixed Assets" by reportable segment after the change is currently being calculated.

The information related to disaggregation of revenue from contracts with customers based on the new reportable segment classification in the fiscal year ended March 31, 2022 is currently being calculated.

Financial Data:

Non-Consolidated Balance Sheets

Sumitomo Mitsui Trust Holdings, Inc.
As of March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets:			
Current Assets:			
Cash and Due from Banks	¥ 18,978	¥ 2,541	$ 155
Securities	104,000	164,000	850
Prepaid Expenses	234	199	2
Income Tax Refunds Receivable	12	—	0
Other Current Assets	14,258	6,382	117
Total Current Assets	137,483	173,123	1,123
Non-Current Assets:			
Tangible Fixed Assets:	0	0	0
Tools, Furniture, and Fixtures	0	0	0
Intangible Fixed Assets:	0	1	0
Software	0	1	0
Investments and Other Assets:	2,086,028	2,030,325	17,045
Investment Securities	652	652	5
Investments in Subsidiaries and Affiliated Companies (Stocks)	1,440,056	1,409,231	11,767
Long-Term Loans Receivable from Subsidiaries and Affiliated Companies	645,000	620,000	5,270
Deferred Tax Assets	224	347	2
Other Investments	94	94	1
Total Non-Current Assets	2,086,028	2,030,327	17,046
Total Assets	¥ 2,223,512	¥ 2,203,450	$ 18,169
Liabilities:			
Current Liabilities:			
Accrued Expenses	¥ 2,032	¥ 1,936	$ 17
Income Taxes Payable	5,338	8,231	44
Provision for Bonuses	259	217	2
Provision for Directors' Bonuses	77	61	1
Other Current Liabilities	475	2,352	4
Total Current Liabilities	8,183	12,799	67
Non-Current Liabilities:			
Bonds Payable	630,000	610,000	5,148
Long-Term Loans Payable	15,000	10,000	123
Provision for Share-Based Remuneration	150	107	1
Other Non-Current Liabilities	153	102	1
Total Non-Current Liabilities	645,303	620,209	5,273
Total Liabilities	¥ 653,486	¥ 633,009	$ 5,340
Net Assets:			
Total Shareholders' Equity:	¥ 1,569,019	¥ 1,569,417	$ 12,821
Capital Stock	261,608	261,608	2,138
Capital Surplus:	977,092	977,092	7,984
Legal Capital Surplus	702,933	702,933	5,744
Other Capital Surplus	274,158	274,158	2,240
Retained Earnings:	333,032	333,531	2,721
Other Retained Earnings:			
Retained Earnings Brought Forward	333,032	333,531	2,721
Treasury Stock-At Cost	(2,714)	(2,815)	(22)
Subscription Rights to Shares	1,006	1,024	8
Total Net Assets	¥ 1,570,025	¥ 1,570,441	$ 12,829
Total Liabilities and Net Assets	¥ 2,223,512	¥ 2,203,450	$ 18,169

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 4,188.80	¥ 4,190.18	$ 34.23

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥122.38 to U.S. $1.00, the exchange rate as of March 31, 2022.

Financial Data:

Non-Consolidated Statements of Income

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Operating Income:			
Dividends Received from Subsidiaries	¥ 58,154	¥ 56,256	$ 475
Fees and Commissions Received from Subsidiaries	5,164	4,598	42
Total Operating Income	63,319	60,855	517
Operating Expenses:			
General and Administrative Expenses	5,525	3,984	45
Total Operating Expenses	5,525	3,984	45
Operating Profit	57,793	56,870	472
Non-Operating Income:	6,715	8,789	55
Interest Income	6,641	7,706	54
Interest on Securities	8	14	0
Commission Fee	0	0	0
Other Non-Operating Income	65	1,068	1
Non-Operating Expenses:	6,928	8,861	57
Interest Expenses	76	76	1
Interest on Bonds Payable	6,564	7,628	54
Other Non-Operating Expenses	286	1,155	2
Income before Income Taxes	57,580	56,799	471
Income Taxes:	(40)	161	(0)
Current	(162)	371	(1)
Deferred	122	(210)	1
Net Income	¥ 57,620	¥ 56,637	$ 471

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 153.83	¥ 151.21	$ 1.26

Financial Data:

Non-Consolidated Statements of Changes in Net Assets

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2022 and 2021

From April 1, 2021 to March 31, 2022

	Millions of Yen					
	Shareholders' Equity					
		Capital Surplus			Retained Earnings	
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings Retained Earnings Brought Forward	Total Retained Earnings
Balance at the Beginning of the Year	¥ 261,608	¥ 702,933	¥ 274,158	¥ 977,092	¥ 333,531	¥ 333,531
Changes during the Year						
Cash Dividends					(58,119)	(58,119)
Net Income					57,620	57,620
Purchase of Treasury Stock						
Disposal of Treasury Stock			0	0		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Year	—	—	0	0	(499)	(499)
Balance at the End of the Year	¥ 261,608	¥ 702,933	¥ 274,158	¥ 977,092	¥ 333,032	¥ 333,032

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Year	¥ (2,815)	¥ 1,569,417	¥ 1,024	¥ 1,570,441
Changes during the Year				
Cash Dividends		(58,119)		(58,119)
Net Income		57,620		57,620
Purchase of Treasury Stock	(21)	(21)		(21)
Disposal of Treasury Stock	122	122		122
Net Changes of Items Other Than Shareholders' Equity			(18)	(18)
Total Changes during the Year	101	(397)	(18)	(415)
Balance at the End of the Year	¥ (2,714)	¥ 1,569,019	¥ 1,006	¥ 1,570,025

From April 1, 2020 to March 31, 2021

	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	¥ 274,160	¥ 977,094	¥ 333,139	¥ 333,139
Changes during the Year						
Cash Dividends					(56,244)	(56,244)
Net Income					56,637	56,637
Purchase of Treasury Stock						
Disposal of Treasury Stock			(2)	(2)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Year	—	—	(2)	(2)	392	392
Balance at the End of the Year	¥ 261,608	¥ 702,933	¥ 274,158	¥ 977,092	¥ 333,531	¥ 333,531

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Year	¥ (2,855)	¥ 1,568,986	¥ 1,057	¥ 1,570,044
Changes during the Year				
Cash Dividends		(56,244)		(56,244)
Net Income		56,637		56,637
Purchase of Treasury Stock	(19)	(19)		(19)
Disposal of Treasury Stock	60	57		57
Net Changes of Items Other Than Shareholders' Equity			(33)	(33)
Total Changes during the Year	40	430	(33)	397
Balance at the End of the Year	¥ (2,815)	¥ 1,569,417	¥ 1,024	¥ 1,570,441

From April 1, 2021 to March 31, 2022

	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	$ 2,138	$ 5,744	$ 2,240	$ 7,984	$ 2,725	$ 2,725
Changes during the Year						
Cash Dividends					(475)	(475)
Net Income					471	471
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	(4)	(4)
Balance at the End of the Year	$ 2,138	$ 5,744	$ 2,240	$ 7,984	$ 2,721	$ 2,721

	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	$ (23)	$ 12,824	$ 8	$ 12,833
Changes during the Year				
Cash Dividends		(475)		(475)
Net Income		471		471
Purchase of Treasury Stock	(0)	(0)		(0)
Disposal of Treasury Stock	1	1		1
Net Changes of Items Other Than Shareholders' Equity			(0)	(0)
Total Changes during the Year	1	(3)	(0)	(3)
Balance at the End of the Year	$ (22)	$ 12,821	$ 8	$ 12,829

Financial Data:

Statements of Trust Account

Sumitomo Mitsui Trust Holdings. Inc. and its Consolidated Subsidiaries
As of March 31, 2022 and 2021

As of March 31	Millions of Yen 2022	Millions of Yen 2021	Millions of U.S. Dollars 2022
Assets:			
Loans and Bills Discounted (Note 2)	¥ 2,131,254	¥ 1,804,393	$ 17,415
Securities (Note 3)	859,127	857,610	7,020
Beneficiary Rights	182,799,711	180,845,290	1,493,706
Securities Held in Custody Accounts	22,534	22,579	184
Monetary Claims	25,361,961	22,805,910	207,239
Tangible Fixed Assets	21,118,391	19,183,820	172,564
Intangible Fixed Assets	200,412	192,521	1,638
Other Claims	10,789,374	8,661,666	88,163
Loans to Banking Account	4,298,827	4,915,208	35,127
Cash and Due from Banks	633,823	557,590	5,179
Total Assets	¥ 248,215,419	¥ 239,846,590	$ 2,028,235
Liabilities:			
Money Trusts (Note 4)	¥ 36,216,311	¥ 34,196,939	$ 295,933
Pension Trusts	14,525,120	13,107,254	118,689
Property Formation Benefit Trusts	18,820	18,954	154
Securities Investment Trusts	80,405,840	81,009,958	657,018
Money in Trust Other Than Money Trusts	39,748,080	38,906,807	324,792
Securities in Trust	22,159,577	22,175,725	181,072
Money Claims in Trust	25,588,821	22,893,231	209,093
Real Estate in Trust	876	875	7
Composite Trusts	29,551,969	27,536,844	241,477
Total Liabilities	¥ 248,215,419	¥ 239,846,590	$ 2,028,235

See Notes to Statements of Trust Account

Notes to Statements of Trust Account

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SuMi TRUST Bank. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of SuMi TRUST Bank do not reflect SuMi TRUST Bank's records as to the assets accepted in trust, which are maintained separately under the trust account.

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by SuMi TRUST Bank, and such guaranteed principal as of March 31, 2022 and 2021, was ¥4,052,452 million (U.S. $33,114 million) and ¥4,634,580 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 ¥122.38 to U.S. $1, the approximate rate of exchange as of March 31, 2022. 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, 2022 and 2021, are for trust accounts in SuMi TRUST Bank.

2. Loans and Bills Discounted

Loans as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Loans on Deeds	**¥ 1,685,034**	¥ 1,428,073	**$ 13,769**
Loans on Bills	**446,220**	376,320	**3,646**
Total	**¥ 2,131,254**	¥ 1,804,393	**$ 17,415**

The balances of guaranteed trust account loans as of March 31, 2022 and 2021 stood at ¥13,316 million (U.S. $109 million) and ¥15,959 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, 2022 and 2021, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Doubtful Loans	**¥ 752**	¥ 134	**$ 6**
Restructured Loans	**13**	30	**0**
Total	**¥ 765**	¥ 164	**$ 6**

3. Securities

Securities held as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Government Bonds	¥ 401,621	¥ 457,214	$ 3,282
Local Government Bonds	30	30	0
Corporate Bonds	40,758	66,718	333
Stocks	6,444	7,910	53
Other Securities	410,272	325,736	3,352
Total	¥ 859,127	¥ 857,610	$ 7,020

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
	2022	2021	2022
Assets:			
Loans and Bills Discounted	¥ 13,316	¥ 15,959	$ 109
Other	4,039,461	4,618,947	33,008
Total	¥ 4,052,778	¥ 4,634,907	$ 33,116
Liabilities:			
Principal	¥ 4,052,452	¥ 4,634,580	$ 33,114
Allowance for Impairment of Guaranteed Trust Principal	12	19	0
Other	313	307	3
Total	¥ 4,052,778	¥ 4,634,907	$ 33,116

In the case of certain money trusts, the principal amount is guaranteed, and as the above table indicates, an allowance for the impairment of guaranteed trust principal is set aside by SuMi TRUST Bank. The figures in the table include funds entrusted from other trusts managed by SuMi TRUST Bank.

Financial Data:

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

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Financial Summary:

Five-Year Summary

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Consolidated Statements of Banking Account	2022	2021	2020	2019	2018
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 18,142,775	¥ 18,430,787	¥ 13,087,816	¥ 16,042,864	¥ 15,661,926
Securities	7,748,019	6,882,670	6,343,103	5,692,564	5,523,148
Loans and Bills Discounted	30,876,507	30,506,968	29,703,375	29,022,792	28,000,640
Lease Receivables and Investment Assets	688,141	695,172	673,880	653,447	677,238
Tangible Fixed Assets	231,770	235,430	220,936	219,309	221,961
Intangible Fixed Assets	100,109	85,397	100,915	152,896	178,131
Customers' Liabilities for Acceptances and Guarantees	541,228	511,782	518,811	557,007	508,930
Others	6,181,543	5,930,257	5,767,259	4,700,499	4,141,731
Allowance for Loan Losses	(163,369)	(129,223)	(127,205)	(99,770)	(102,903)
Total Assets	¥ 64,346,726	¥ 63,149,243	¥ 56,288,892	¥ 56,941,609	¥ 54,810,805
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 39,963,734	¥ 40,819,028	¥ 36,706,332	¥ 38,359,319	¥ 36,153,471
Acceptances and Guarantees	541,228	511,782	518,811	557,007	508,930
Others	21,493,253	19,476,937	16,851,259	15,525,403	15,430,814
Total Liabilities	¥ 61,998,216	¥ 60,807,748	¥ 54,076,402	¥ 54,441,730	¥ 52,093,216
Net Assets:					
Shareholders' Equity	¥ 2,114,764	¥ 2,024,588	¥ 1,948,981	¥ 2,041,013	¥ 2,064,444
Accumulated Other Comprehensive Income	205,045	289,269	236,738	424,472	509,704
Non-Controlling Interests	28,699	27,637	26,769	34,393	143,439
Total Net Assets	¥ 2,348,510	¥ 2,341,495	¥ 21,212,489	¥ 2,499,879	¥ 2,717,588
Total Liabilities and Net Assets	¥ 64,346,726	¥ 63,149,243	¥ 56,288,892	¥ 56,941,609	¥ 54,810,805
For the Year					
Income:					
Trust Fees	¥ 110,539	¥ 102,883	¥ 99,816	¥ 100,301	¥ 94,624
Interest Income	370,231	362,978	491,762	511,540	431,598
Fees and Commissions	300,637	270,406	313,804	383,437	380,132
Trading Income	13,453	76	102,189	27,926	10,035
Other Ordinary Income	335,885	405,800	348,650	357,080	306,724
Other Income	119,392	151,138	93,529	71,551	127,725
Total Income	¥ 1,250,140	¥ 1,293,283	¥ 1,449,753	¥ 1,451,837	¥ 1,350,842
Expenses:					
Interest Expenses	¥ 107,883	¥ 137,834	¥ 362,021	¥ 372,068	¥ 246,248
Fees and Commissions Payments	92,926	86,836	90,649	109,242	104,778
Trading Expenses	—	33,300	—	—	—
Other Ordinary Expenses	291,353	290,111	281,279	250,699	230,440
General and Administrative Expenses	361,104	365,801	385,180	407,483	419,102
Other Expenses	195,012	206,275	115,262	76,810	115,504
Total Expenses	¥ 1,048,281	¥ 1,120,161	¥ 1,234,394	¥ 1,216,303	¥ 1,116,073
Income before Income Taxes	¥ 201,858	¥ 173,121	¥ 215,358	¥ 235,533	¥ 234,768
Net Income	¥ 150,379	¥ 126,119	¥ 147,678	¥ 165,580	¥ 163,437

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 89.11	¥ 74.86	¥ 87.89	¥ 96.47	¥ 93.08
Diluted Net Income per Share of Common Stock	—	—	—	—	—
Net Assets per Share of Common Stock	1,385.34	1,381.78	1,305.26	1,472.33	1,537.23

Financial Summary:

Five-Year Summary

Sumitomo Mitsui Trust Bank, Limited
As of and for the fiscal years ended March 31

Non-Consolidated Statements of Banking Account	Millions of Yen				
	2022	2021	2020	2019	2018
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 17,925,030	¥ 18,216,321	¥ 12,916,014	¥ 15,831,242	¥ 15,408,170
Securities	7,951,169	7,090,335	6,625,035	6,091,898	5,972,337
Loans and Bills Discounted	30,916,363	30,691,618	29,953,513	29,404,142	28,259,093
Tangible Fixed Assets	184,334	186,717	189,926	195,414	198,328
Intangible Fixed Assets	77,756	58,880	70,937	65,607	66,969
Customers' Liabilities for Acceptances and Guarantees	426,405	383,537	359,757	385,467	398,773
Others	5,185,333	4,795,801	4,579,760	3,325,210	2,934,934
Allowance for Loan Losses	(136,300)	(100,846)	(98,191)	(75,211)	(77,169)
Total Assets	¥ 62,530,092	¥ 61,322,366	¥ 54,596,753	¥ 55,223,770	¥ 53,161,437
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 39,708,369	¥ 40,618,487	¥ 36,650,458	¥ 38,290,404	¥ 36,151,191
Acceptances and Guarantees	426,405	383,537	359,757	385,467	398,773
Others	20,344,012	18,270,801	15,569,113	14,276,060	14,239,205
Total Liabilities	¥ 60,478,786	¥ 59,272,826	¥ 52,579,329	¥ 52,951,932	¥ 50,789,170
Net Assets:					
Shareholders' Equity	¥ 1,807,041	¥ 1,752,055	¥ 1,705,866	¥ 1,829,610	¥ 1,865,959
Valuation and Translation Adjustments	244,263	297,484	311,558	442,227	506,307
Total Net Assets	¥ 2,051,305	¥ 2,049,539	¥ 2,017,424	¥ 2,271,838	¥ 2,372,266
Total Liabilities and Net Assets	¥ 62,530,092	¥ 61,322,366	¥ 54,596,753	¥ 55,223,770	¥ 53,161,437
For the Year					
Income:					
Trust Fees	¥ 110,539	¥ 102,883	¥ 99,816	¥ 100,972	¥ 94,870
Interest Income	360,361	345,877	474,575	520,790	409,528
Fees and Commissions	196,351	178,519	185,849	194,143	195,171
Trading Income	13,453	76	102,189	27,926	10,421
Other Ordinary Income	56,215	116,709	94,420	114,934	79,056
Other Income	102,866	139,243	82,349	60,606	100,469
Total Income	¥ 839,787	¥ 883,310	¥ 1,039,201	¥ 1,019,374	¥ 889,518
Expenses:					
Interest Expenses	¥ 104,274	¥ 133,693	¥ 356,435	¥ 366,989	¥ 246,207
Fees and Commissions Payments	106,900	99,698	95,322	89,832	86,499
Trading Expenses	—	33,300	—	—	—
Other Ordinary Expenses	35,082	25,388	51,868	34,608	29,490
General and Administrative Expenses	250,023	257,905	252,579	239,668	254,234
Other Expenses	194,377	203,658	105,475	83,466	108,431
Total Expenses	¥ 690,659	¥ 753,645	¥ 861,681	¥ 814,564	¥ 724,862
Income before Income Taxes	¥ 149,127	¥ 129,664	¥ 177,519	¥ 204,810	¥ 164,655
Net Income	¥ 113,343	¥ 95,941	¥ 124,706	¥ 148,661	¥ 117,980
Annual Dividends	¥ 49,850	¥ 49,867	¥ 201,461	¥ 121,320	¥ 55,360

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 67.68	¥ 57.29	¥ 74.47	¥ 88.77	¥ 70.45
Diluted Net Income per Share of Common Stock	—	—	—	—	—
Net Assets per Share of Common Stock	1,224.99	1,223.94	1,204.76	1,356.69	1,416.67

Financial Summary:

Five-Year Summary

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Statements of Trust Account	**2022**	2021	2020	2019	2018
As of the Year-End					
Assets:					
Securities	¥ **859,127**	¥ 857,610	¥ 1,075,184	¥ 1,253,465	¥ 1,834,427
Loans and Bills Discounted	**2,131,254**	1,804,393	1,543,160	1,445,195	1,306,319
Other	**245,225,037**	237,184,586	221,806,982	208,651,405	198,557,372
Total Assets	**¥ 248,215,419**	¥ 239,846,590	¥ 224,425,327	¥ 211,350,067	¥ 201,698,118
Liabilities:					
Money Trusts	¥ **36,216,311**	¥ 34,196,939	¥ 33,415,451	¥ 32,877,994	¥ 31,416,663
Pension Trusts	**14,525,120**	13,107,254	13,023,778	13,113,501	13,720,536
Property Formation Benefit Trusts	**18,820**	18,954	19,060	18,865	17,930
Other Trusts	**197,455,167**	192,523,442	177,967,038	165,339,705	156,542,988
Total Liabilities	**¥ 248,215,419**	¥ 239,846,590	¥ 224,425,327	¥ 211,350,067	¥ 201,698,118

	Millions of Yen				
Total Employable Funds (Non-Consolidated)	**2022**	2021	2020	2019	2018
As of the Year-End					
Deposits	¥ **39,708,369**	¥ 40,618,487	¥ 36,650,458	¥ 38,290,404	¥ 36,151,191
Money Trusts	**36,216,311**	34,196,939	33,415,451	32,877,994	31,416,663
Pension Trusts	**14,525,120**	13,107,254	13,023,778	13,113,501	13,720,536
Property Formation Benefit Trusts	**18,820**	18,954	19,060	18,865	17,930
Total Employable Funds*	¥ **90,468,620**	¥ 87,941,635	¥ 83,108,748	¥ 84,300,766	¥ 81,306,322

* Total Employable Funds represents the total amount of the Deposits in the Banking Account and funds included under the Money Trusts, Pension Trusts, Property Formation Benefit Trusts and Loan Trusts in the Trust Account.

Consolidated Balance Sheet

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets:			
Cash and Due from Banks	¥ 18,142,775	¥ 18,430,787	$ 148,250
Call Loans and Bills Bought	5,000	8,766	41
Receivables under Resale Agreements	150,741	160,268	1,232
Receivables under Securities Borrowing Transactions	652,534	727,689	5,332
Monetary Claims Bought	854,093	892,309	6,979
Trading Assets (Notes 1, 2 and 4)	967,565	962,849	7,906
Money Held in Trust	1,395	1,365	11
Securities (Notes 2 and 4)	7,748,019	6,882,670	63,311
Loans and Bills Discounted (Notes 3, 4 and 5)	30,876,507	30,506,968	252,300
Foreign Exchanges	29,494	25,396	241
Lease Receivables and Investment Assets (Note 4)	688,141	695,172	5,623
Other Assets (Notes 4, 8 and 14)	3,302,723	2,892,922	26,987
Tangible Fixed Assets (Note 6)	231,770	235,430	1,894
Intangible Fixed Assets (Note 7)	100,109	85,397	818
Assets for Retirement Benefits	192,204	231,145	1,571
Deferred Tax Assets	25,791	27,544	211
Customers' Liabilities for Acceptances and Guarantees	541,228	511,782	4,423
Allowance for Loan Losses	(163,369)	(129,223)	(1,335)
Total Assets	¥ 64,346,726	¥ 63,149,243	$ 525,794
Liabilities:			
Deposits (Notes 4 and 9)	¥ 33,271,789	¥ 33,494,433	$ 271,873
Negotiable Certificates of Deposit	6,691,944	7,324,594	54,682
Call Money and Bills Sold	799,524	60,675	6,533
Payables under Repurchase Agreements (Note 4)	1,485,033	1,628,440	12,135
Trading Liabilities (Note 1)	906,686	850,660	7,409
Borrowed Money (Notes 4 and 10)	7,783,498	6,392,602	63,601
Foreign Exchanges	1,275	577	10
Short-Term Bonds Payable	2,387,553	2,545,049	19,509
Bonds Payable (Note 11)	1,446,604	935,605	11,821
Borrowed Money from Trust Account (Note 12)	4,298,827	4,915,208	35,127
Other Liabilities (Notes 13 and 14)	2,279,211	2,005,525	18,624
Provision for Bonuses	12,668	12,025	104
Provision for Directors' Bonuses	98	103	1
Provision for Stocks Payment	569	417	5
Liabilities for Retirement Benefits	11,380	11,696	93
Provision for Reward Points Program	19,965	18,945	163
Provision for Reimbursement of Deposits	3,626	4,138	30
Provision for Contingent Losses	1,649	1,633	13
Deferred Tax Liabilities	52,690	91,243	431
Deferred Tax Liabilities for Land Revaluation (Note 6)	2,388	2,388	20
Acceptances and Guarantees	541,228	511,782	4,423
Total Liabilities	¥ 61,998,216	¥ 60,807,748	$ 506,604
Net Assets:			
Total Shareholders' Equity:	¥ 2,114,764	¥ 2,024,588	$ 17,280
Capital Stock	342,037	342,037	2,795
Capital Surplus	342,853	342,853	2,802
Retained Earnings	1,429,874	1,339,698	11,684
Total Accumulated Other Comprehensive Income:	205,045	289,269	1,675
Valuation Differences on Available-for-Sale Securities	290,154	345,053	2,371
Deferred Gains (Losses) on Hedges	(41,661)	(44,836)	(340)
Revaluation Reserve for Land (Note 6)	(4,456)	(4,016)	(36)
Foreign Currency Translation Adjustments	3,713	(2,452)	30
Remeasurements of Defined Benefit Plans	(42,703)	(4,477)	(349)
Non-Controlling Interests	28,699	27,637	235
Total Net Assets	¥ 2,348,510	¥ 2,341,495	$ 19,190
Total Liabilities and Net Assets	¥ 64,346,726	¥ 63,149,243	$ 525,794

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 1,385.34	¥ 1,381.78	$ 11.32

See accompanying notes.
The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥122.38 to U.S. $1.00, the exchange rate as of March 31, 2022.

Financial Data:

Consolidated Statement of Income

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Income:			
Trust Fees (Note1)	¥ 110,539	¥ 102,883	$ 903
Interest Income:	370,231	362,978	3,025
Interest on Loans and Discounts	260,871	271,246	2,132
Interest and Dividends on Securities	92,296	75,202	754
Interest on Call Loans and Bills Bought	685	550	6
Interest on Receivables under Resale Agreements	—	20	—
Interest on Receivables under Securities Borrowing Transactions	—	0	—
Interest on Deposits with Banks	12,199	10,963	100
Other Interest Income (Note 2)	4,179	4,994	34
Fees and Commissions (Note1)	300,637	270,406	2,457
Trading Income (Note 3)	13,453	76	110
Other Ordinary Income (Note 4)	335,885	405,800	2,745
Other Income (Note 5)	119,392	151,138	976
Total Income	¥ 1,250,140	¥ 1,293,283	$ 10,215
Expenses:			
Interest Expenses:	¥ 107,883	¥ 137,834	$ 882
Interest on Deposits	29,848	45,221	244
Interest on Negotiable Certificates of Deposit	6,787	14,198	55
Interest on Call Money and Bills Sold	481	371	4
Interest on Payables under Repurchase Agreements	1,665	3,576	14
Interest on Borrowings	11,200	14,540	92
Interest on Short-Term Bonds	3,271	5,763	27
Interest on Bonds	9,971	5,593	81
Other Interest Expenses (Note 2)	44,658	48,570	365
Fees and Commissions Payments	92,926	86,836	759
Trading Expenses (Note 3)	—	33,300	—
Other Ordinary Expenses (Note 4)	291,353	290,111	2,381
General and Administrative Expenses (Note 6)	361,104	365,801	2,951
Other Expenses (Note 5)	195,012	206,275	1,593
Total Expenses	¥ 1,048,281	¥ 1,120,161	$ 8,566
Income before Income Taxes	¥ 201,858	¥ 173,121	$ 1,649
Income Taxes:	51,479	47,001	421
Current	48,285	41,955	395
Deferred	3,194	5,046	26
Net Income	¥ 150,379	¥ 126,119	$ 1,229
Net Income Attributable to Non-Controlling Interests	1,155	760	9
Net Income Attributable to Owners of the Parent	¥ 149,223	¥ 125,358	$ 1,219

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 89.11	¥ 74.86	$ 0.73

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, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Income	**¥ 150,379**	¥ 126,119	**$ 1,229**
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	**(50,031)**	(23,241)	**(409)**
Deferred Gains (Losses) on Hedges	**1,142**	10,655	**9**
Foreign Currency Translation Adjustments	**3,058**	(46)	**25**
Remeasurements of Defined Benefit Plans	**(38,219)**	64,957	**(312)**
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	**515**	457	**4**
Total Other Comprehensive Income (Loss) (Note)	**¥ (83,534)**	¥ 52,783	**$ (683)**
Comprehensive Income:	**¥ 66,845**	¥ 178,902	**$ 546**
Comprehensive Income Attributable to Owners of the Parent	**65,439**	178,005	**535**
Comprehensive Income Attributable to Non-Controlling Interests	**1,405**	897	**11**

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, 2022 and 2021

From April 1, 2021 to March 31, 2022

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 342,853	¥ 1,339,698	¥ 2,024,588
Cumulative Effects of Changes in Accounting Policies			(9,636)	(9,636)
Restated Balance	342,037	342,853	1,330,061	2,014,951
Changes during the Year				
Cash Dividends			(49,850)	(49,850)
Net Income Attributable to Owners of the Parent			149,223	149,223
Reversal of Revaluation Reserve for Land			439	439
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	—	99,812	99,812
Balance at the End of the Year	¥ 342,037	¥ 342,853	¥ 1,429,874	¥ 2,114,764

	Millions of Yen							
	Accumulated Other Comprehensive Income							
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Year	¥ 345,053	¥ (44,836)	¥ (4,016)	¥ (2,452)	¥ (4,477)	¥ 289,269	¥ 27,637	¥ 2,341,495
Cumulative Effects of Changes in Accounting Policies							(0)	(9,636)
Restated Balance	345,053	(44,836)	(4,016)	(2,452)	(4,477)	289,269	27,636	2,331,858
Changes during the Year								
Cash Dividends								(49,850)
Net Income Attributable to Owners of the Parent								149,223
Reversal of Revaluation Reserve for Land								439
Net Changes of Items Other Than Shareholders' Equity	(54,899)	3,174	(439)	6,166	(38,225)	(84,224)	1,062	(83,161)
Total Changes during the Year	(54,899)	3,174	(439)	6,166	(38,225)	(84,224)	1,062	16,651
Balance at the End of the Year	¥ 290,154	¥ (41,661)	¥ (4,456)	¥ 3,713	¥ (42,703)	¥ 205,045	¥ 28,699	¥ 2,348,510

See accompanying notes.

From April 1, 2020 to March 31, 2021

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 342,853	¥ 1,264,091	¥ 1,948,981
Changes during the Year				
Cash Dividends			(49,867)	(49,867)
Net Income Attributable to Owners of the Parent			125,358	125,358
Reversal of Revaluation Reserve for Land			115	115
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	—	75,606	75,606
Balance at the End of the Year	¥ 342,037	¥ 342,853	¥ 1,339,698	¥ 2,024,588

	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	¥ 369,924	¥ (57,389)	¥ (3,901)	¥ (2,493)	¥ (69,401)	¥ 236,738	¥ 26,769	¥ 2,212,489
Changes during the Year								
Cash Dividends								(49,867)
Net Income Attributable to Owners of the Parent								125,358
Reversal of Revaluation Reserve for Land								115
Net Changes of Items Other Than Shareholders' Equity	(24,870)	12,553	(115)	40	64,923	52,531	867	53,398
Total Changes during the Year	(24,870)	12,553	(115)	40	64,923	52,531	867	129,005
Balance at the End of the Year	¥ 345,053	¥ (44,836)	¥ (4,016)	¥ (2,452)	¥ (4,477)	¥ 289,269	¥ 27,637	¥ 2,341,495

See accompanying notes.

From April 1, 2021 to March 31, 2022

	Millions of U.S. Dollars			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	$ 2,795	$ 2,802	$ 10,947	$ 16,543
Cumulative Effects of Changes in Accounting Policies			(79)	(79)
Restated Balance	2,795	2,802	10,868	16,465
Changes during the Year				
Cash Dividends			(407)	(407)
Net Income Attributable to Owners of the Parent			1,219	1,219
Reversal of Revaluation Reserve for Land			4	4
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	—	816	816
Balance at the End of the Year	$ 2,795	$ 2,802	$ 11,684	$ 17,280

	Millions of U.S. Dollars							
	Accumulated Other Comprehensive Income							
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Year	$ 2,820	$ (366)	$ (33)	$ (20)	$ (37)	$ 2,364	$ 226	$ 19,133
Cumulative Effects of Changes in Accounting Policies							(0)	(79)
Restated Balance	2,820	(366)	(33)	(20)	(37)	2,364	226	19,054
Changes during the Year								
Cash Dividends								(407)
Net Income Attributable to Owners of the Parent								1,219
Reversal of Revaluation Reserve for Land								4
Net Changes of Items Other Than Shareholders' Equity	(449)	26	(4)	50	(312)	(688)	9	(680)
Total Changes during the Year	(449)	26	(4)	50	(312)	(688)	9	136
Balance at the End of the Year	$ 2,371	$ (340)	$ (36)	$ 30	$ (349)	$ 1,675	$ 235	$ 19,190

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, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 201,858	¥ 173,121	$ 1,649
Depreciation and Amortization	29,209	33,333	239
Impairment Losses	1,468	20,786	12
Amortization of Goodwill	4,399	4,399	36
Equity in Losses (Earnings) of Affiliated Companies	(13,647)	(8,735)	(112)
Increase (Decrease) in Allowance for Loan Losses	34,145	2,018	279
Increase (Decrease) in Provision for Bonuses	643	(856)	5
Increase (Decrease) in Provision for Directors' Bonuses	(4)	28	(0)
Increase (Decrease) in Provision for Stocks Payment	152	197	1
Decrease (Increase) in Assets for Retirement Benefits	40,205	(131,674)	329
Increase (Decrease) in Liabilities for Retirement Benefits	(457)	(536)	(4)
Increase (Decrease) in Provision for Reward Points Program	1,019	2,056	8
Increase (Decrease) in Provision for Reimbursement of Deposits	(511)	(728)	(4)
Increase (Decrease) in Provision for Contingent Losses	15	193	0
Interest Income	(370,231)	(362,978)	(3,025)
Interest Expenses	107,883	137,834	882
Loss (Gain) Related to Securities	55,268	51,218	452
Loss (Gain) on Money Held in Trust	(74)	(69)	(1)
Foreign Exchange Losses (Gains)	(182,426)	(55,933)	(1,491)
Loss (Gain) on Disposal of Fixed Assets	336	558	3
Net Decrease (Increase) in Trading Assets	(11,844)	375,744	(97)
Net Increase (Decrease) in Trading Liabilities	57,088	(352,237)	466
Net Decrease (Increase) in Loans and Bills Discounted	(369,539)	(803,592)	(3,020)
Net Increase (Decrease) in Deposits	(222,643)	2,777,393	(1,819)
Net Increase (Decrease) in Negotiable Certificates of Deposit	(632,650)	1,335,302	(5,170)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	1,415,895	(73,782)	11,570
Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan)	(800,096)	491,550	(6,538)
Net Decrease (Increase) in Call Loans	51,543	1,230,261	421
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	75,155	12,968	614
Net Increase (Decrease) in Call Money	595,441	(12,776)	4,866
Net Decrease (Increase) in Foreign Exchange-Assets	(4,098)	11,556	(33)
Net Increase (Decrease) in Foreign Exchange-Liabilities	698	(2,636)	6
Net Decrease (Increase) in Lease Receivables and Investment Assets	7,031	(21,292)	57
Net Increase (Decrease) in Short-Term Bonds Payable	(157,495)	837,951	(1,287)
Increase (Decrease) in Straight Bonds-Issuance and Redemption	552,497	570,236	4,515
Net Increase (Decrease) in Borrowed Money from Trust Account	(616,380)	164,918	(5,037)
Interest Received	369,004	382,388	3,015
Interest Paid	(104,607)	(162,436)	(855)
Other, Net	(261,731)	(28,824)	(2,139)
Subtotal	¥ (147,481)	¥ 6,596,930	$ (1,205)
Income Taxes (Paid) Refunded	(37,605)	(71,054)	(307)
Net Cash Provided by (Used in) Operating Activities	¥ (185,086)	¥ 6,525,876	$ (1,512)

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (9,168,630)	¥ (7,128,175)	$ (74,919)
Proceeds from Sales of Securities	4,220,006	3,063,294	34,483
Proceeds from Redemption of Securities	4,158,323	3,650,794	33,979
Purchase of Tangible Fixed Assets	(8,447)	(27,223)	(69)
Proceeds from Sales of Tangible Fixed Assets	1,950	750	16
Purchase of Intangible Fixed Assets	(39,714)	(32,213)	(325)
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(8,606)	(49)	(70)
Proceeds from Sales of Shares of Affiliated Companies Accounted for Using the Equity Method	102	—	1
Net Cash Provided by (Used in) Investing Activities	¥ (845,015)	¥ (472,822)	$ (6,905)
Cash Flows from Financing Activities:			
Proceeds from Subordinated Borrowings	¥ 25,000	¥ 40,000	$ 204
Repayments of Subordinated Borrowings	(50,000)	(70,000)	(409)
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(41,500)	(120,000)	(339)
Cash Dividends Paid	(49,850)	(49,867)	(407)
Cash Dividends Paid to Non-Controlling Interests	(342)	(29)	(3)
Net Cash Provided by (Used in) Financing Activities	¥ (116,693)	¥ (199,897)	$ (954)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ 58,686	¥ (18,633)	$ 480
Net Increase (Decrease) in Cash and Cash Equivalents	¥ (1,088,109)	¥ 5,834,522	$ (8,891)
Cash and Cash Equivalents at the Beginning of the Year	¥ 16,741,171	¥ 10,906,648	$ 136,797
Cash and Cash Equivalents at the End of the Year (Note)	¥ 15,653,061	¥ 16,741,171	$ 127,905

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 ¥122.38 to U.S. $1, the approximate rate of exchange as of March 31, 2022. 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, 2022:
38 companies
Principal Companies:
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.
Sumitomo Mitsui Trust Realty Co., Ltd.
Sumitomo Mitsui Trust Guarantee Co., Ltd.
Sumitomo Mitsui Trust Club Co., Ltd.
Sumitomo Mitsui Trust and Bank (U.S.A.) Limited

Changes in the consolidated subsidiaries during the current fiscal year are as follows:

Arcadia Funding LLC and 1 other company are excluded from the scope of the consolidation, due to liquidation, from the fiscal year ended March 31, 2022.

(2) Unconsolidated Subsidiaries
Principal Companies:
Cattleya Co., Ltd.
ASIA GATEWAY I, L.P.

Cattleya Co., Ltd. and 10 other companies are excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations, because they are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

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:
22 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:

SBI Card Co., Ltd. and one other company are excluded from the scope of the application of the equity method effective from the fiscal year ended March 31, 2022, due to liquidation and other factors.

(3) Unconsolidated Subsidiaries and Affiliated Companies that are Not Accounted for by the Equity Method:
Principal Companies:
Cattleya Co., Ltd.
ASIA GATEWAY I, L.P.

Cattleya Co., Ltd. and 10 other companies are excluded from the scope of application of the equity method in accordance with Article 10, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/losses do not

belong to the subsidiaries.

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
August 31:	1 company
September 30:	4 companies
November 30:	1 company
December 31:	5 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 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, 2022, 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, 2022 and 2021.

Regarding valuation of specific market risks and credit risks for derivative transactions, fair value is measured in groups of financial assets and financial liabilities with the basis of the net asset or liability after offsetting financial assets and financial liabilities.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Bank is required to determine the purposes of holding each security and classify such security into (i) securities held for trading purposes ("Trading Securities"), (ii) debt securities intended to be held to maturity ("Held-to-Maturity Debt Securities"), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories ("Available-for-Sale Securities"). "Held-to-Maturity Debt Securities" are carried at amortized cost using the moving-average method (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are valued at the market price (cost of securities sold is calculated using primarily the moving-average method). Equity securities with no market prices are carried at cost using the moving-average method.

Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheet.

(b) Securities in money held in trust are classified and accounted for in the same manner as those described in 4. (1) and 4. (2) (a) above.

(3) Financial Derivatives

Financial derivatives, excluding those for trading purposes, are stated at fair value.

Regarding valuation of specific market risks and credit risks, fair value is measured in groups of financial assets and financial liabilities with the basis of the net asset or liability after offsetting financial assets and financial liabilities.

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

Tangible fixed assets are depreciated using primarily the straight-line method.

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

(b) Intangible fixed assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over the useful life specified by SuMi TRUST Bank or the consolidated subsidiaries, generally five years.

(c) Lease assets

The lease assets under "Tangible Fixed Assets" that are related to finance leases that do not transfer ownership of the lease assets to lessees are depreciated using the straight-line method over the lease term, assuming a residual value of zero.

(5) Allowance for Loan Losses

SuMi TRUST Bank records allowance for loan losses in accordance with internally established criteria for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings ("bankrupt borrowers") and against borrowers that are in substantially similar adverse condition ("virtually bankrupt borrowers"), the allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future ("possibly bankrupt borrowers"), an allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large borrowers with certain credit risks and credit amounts that are classified as possibly bankrupt borrowers, restructured loan borrowers, or close-observation borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

For claims that are classified as other than those above, the allowance is provided based on the estimated loan losses over the next one or three years, which 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 or three years, then adjusted based on future forecast.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment of asset quality. The Risk Management Department, which is independent from the operating sections, monitors the results of such assessments.

As for the 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 bankrupt borrowers or virtually bankrupt borrowers with collateral or guarantees, claims against borrowers in legal or virtually bankrupt borrowers, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥23,943 million (U.S. $196 million) and ¥24,592 million as of March 31, 2022 and 2021, respectively.

(6) Provision for Bonuses

A provision for bonuses is provided for the estimated employee bonuses attributable to the current fiscal year.

(7) Provision for Directors' Bonuses

A provision for directors' bonuses is provided for the estimated directors' bonuses attributable to the current fiscal year.

(8) Provision for Stocks Payment

A provision for stocks payment is provided at SuMi TRUST Bank for the estimated stock-based payments to directors under a stock 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, 2022, are attributed based on the plan's benefit formula.

Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost: In principle, the full amount of past service cost is charged to profit or loss in the fiscal year they occur.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts that would be required for voluntary termination at the year-end.

(13) Basis for Recognition of Significant Revenues and Expenses

The SuMi TRUST Bank Group's main revenues from contracts with customers are "Trust Fees" and "Fees and Commissions" such as asset administration fees, stock transfer agency fees, real estate brokerage fees, and investment trust and insurance sales fees.

The timing of satisfying performance obligation in each transaction is determined based on the respective economic conditions as follows. The amount of consideration for transactions is generally received within approximately six months after the satisfaction of performance obligations and does not include significant financing components.

Trust fees and asset administration fees are recorded mainly in the "Fiduciary Services," and "Retail Total Solutions Services." The SuMi TRUST Bank Group is obligated to perform asset administrative services in accordance with the terms of trust agreements and various contracts. The SuMi TRUST Bank Group recognizes revenues from these performance obligations over a period of time since the benefits are expensed by the customer as the daily services are provided.

Stock transfer agency fees are mainly recorded in the "Stock Transfer Agency Services." The SuMi TRUST Bank Group is obligated to perform shareholder registry management services in accordance with agreement on entrustment of management of shareholder registry. The SuMi TRUST Bank Group recognizes revenues from this performance obligation over a period of time since the benefits are expensed by the customer as the daily services are provided.

Real estate brokerage fees are recorded mainly in the "Real Estate." The SuMi TRUST Bank Group is obligated to perform real estate brokerage services based on real estate brokerage contracts. Revenues are recognized when the performance obligation is satisfied at the time when the real estate sales contract is executed or when the property is delivered. The timing of satisfying performance obligation is determined based on the significance of the duties after the execution of the real estate sales contract.

Fees on sales of investment trusts and insurance are mainly recorded in the "Retail Total Solutions Services." The SuMi TRUST Bank Group is obligated to provide product explanations and sales administrative services based on the terms and conditions of transactions and consignment agreements. Revenues are recognized when the performance obligation is satisfied at the time of product sale.

(14) Foreign Currency Translation

Assets and liabilities of SuMi TRUST Bank that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing as of the consolidated balance sheet date, except for shares of stocks in affiliated companies translated into yen at the exchange rates prevailing at the acquisition dates.

Assets and liabilities of consolidated subsidiaries that are denominated in foreign currencies are translated into yen at the exchange rates prevailing at their respective balance sheet dates.

(15) Accounting for Leases

As for the consolidated subsidiaries in Japan, income and expenses arising from transactions of finance leases that do not transfer ownerships to lessees are recognized as sales and costs of sales when lease payments are collected.

(16) Hedge Accounting

(a) Interest-related risk hedge

SuMi TRUST Bank manages interest rate risk arising from various assets and liabilities by using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Committee Practical Guidance No. 24 of March 17, 2022, "Guidance No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest rate volatility factors for the hedged items and those for the hedging instruments.

(b) Currency-related risk hedge

SuMi TRUST Bank manages the foreign exchange risk arising from various assets and liabilities denominated in foreign currencies using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidance No. 25 of October 8, 2020, "Guidance No. 25"). The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

Additionally, transactions intended to hedge the foreign exchange risk associated with foreign-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 Guidance No. 24 and Guidance No. 25. Accordingly, income or expenses arising from such interest rate swaps and cross-currency swaps are recognized as profits or losses, or deferred, rather than eliminated.

Deferred hedge accounting has been adopted for certain assets and liabilities by individual transactions.

Other consolidated subsidiaries account for such transactions as deferred hedges or exceptional treatment for interest rate swaps.

(17) Amortization of Goodwill

Goodwill is amortized over a period within 20 years that is reasonably determined for each case. Goodwill deemed immaterial, however, is expensed as incurred.

(18) Scope of Cash and Cash Equivalents in the Consolidated Statement of Cash Flows

For SuMi TRUST Bank, the balance of "Cash and Cash Equivalents" in the consolidated statement of cash flows is equivalent to the balance of cash and due from the Bank of Japan under "Cash and Due from Banks" presented in the consolidated balance sheet. For the consolidated subsidiaries, the balance of "Cash and Cash Equivalents" in the consolidated statement of cash flows is equivalent to the balance of "Cash and Due from Banks" presented in the consolidated balance sheet.

(19) Nondeductible Consumption Taxes Associated with Assets

Nondeductible consumption taxes and local consumption taxes associated with assets are recorded as expenses in the current fiscal year.

(20) Adoption of Consolidated Taxation System

SuMi TRUST Bank adopts the consolidated taxation system.

(21) 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 will transfer from the consolidated taxation system to the group tax sharing system from the fiscal year ending March 31, 2023, but 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.

"Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No.42, August 12, 2021), which specifies the treatment of accounting and disclosure of corporation taxes, local corporation taxes, and tax effect accounting under the group tax sharing system, will be adopted from the beginning of the fiscal year ended March 31, 2023.

Significant Accounting Estimates

1. Estimates of Allowance for Loan Losses

(1) The Amounts Recorded in the Consolidated Financial Statements during the Fiscal Year Ended March 31, 2022 and 2021:

The amounts recorded in the consolidated financial statements during the fiscal year ended March 31, 2022 and 2021 were ¥163,369 million (U.S. $1,335 million) and ¥129,223 million, respectively.

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

SuMi TRUST Bank assigns each borrower a "classification" in accordance with the borrower's solvency based on their financial conditions, funding stability, profitability, and others whenever there is disclosure of financial results or an event with an impact on the borrower's creditworthiness. SuMi TRUST Bank measures allowance for loan losses based on the "classification" assigned and transaction conditions of collateral and other factors. When deriving the "classification," quantitative as well as qualitative factors are taken into consideration.

Definition of each classification is as follows:

Classification	Definitions
Normal borrowers	Borrowers with good earnings performances and no significant financial problems
Borrowers requiring caution	Close monitoring is required due to sluggish/unstable business, financial problems, or problems with meeting loan terms and conditions such as reduction of interest rate and suspended payments
Substandard borrowers	Obligors with loans that are more than three months past due or with restructured loans within the "Borrowers Requiring Caution" category
Possibly bankrupt borrowers	Experiencing business difficulties, making insufficient progress in restructuring and highly likely to go bankrupt
Virtually bankrupt borrowers	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely
Bankrupt borrowers	Legally or formally bankrupt

The standards for allowances for loan losses for each classification are as follows:

Classification	Standards for allowances for loan losses
Normal borrowers	The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past one year.
Borrowers requiring caution and Substandard borrowers	The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past three years. For some borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

Possibly bankrupt borrowers	The allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims. For some borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").
Virtually bankrupt borrowers and Bankrupt borrowers	The allowance is provided based on the amount of claims, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, the amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims.

For normal borrowers, borrowers requiring caution, and substandard borrowers, changes in the loan loss ratio have an impact on the allowance for loan losses. For possibly bankrupt borrowers, virtually bankrupt borrowers, and bankrupt borrowers, changes in the amount expected to be collected through the disposal of collateral or execution of guarantees have a significant impact on the allowance for loan losses.

(3) Adjustments of Expected Credit Losses Considering the Future Forecast

The economic environment is undergoing significant changes due to the repetitive spread and lull of COVID-19 and the international situation surrounding Ukraine, which triggered a rise in resource prices and disruption in the global supply chain. The impact of these changes in the economic environment on the credit risk is reflected in the individual borrowers' classification and internal ratings to the extent that reasonable estimates can be made. However, there is a high level of uncertainty in the estimates because the impact is complex and diverse.

SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. estimate the impact on credit risks that have not yet been reflected in the financial information and historical loan-loss ratios of the borrowers and make necessary adjustments to expected future credit losses, considering the impact of the changes in the economic environment described above on the business performance and funding of borrowers.

In the fiscal year ended March 31, 2021, SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. identified industries that may have been affected by downturn of business performance due to the spread of COVID-19 and assessed the degree of prospects for recovery after the end of pandemic, assuming that the spread and the lull of COVID-19 will continue to alternate, and it will take time to settle down. Additional allowance for loan losses ("special allowance") of ¥18,432 million is recognized for some credit in industries described above by estimating the credit losses expected in the future, assuming that internal ratings of certain credits of the industries would be downgraded to some extent depending on the degree of prospects for recovery after the end of pandemic.

In the fiscal year ended March 31, 2022, SuMi TRUST Bank re-evaluated special allowance based on the method considering future forecast about the impact of not only the COVID-19 but also the changes in the economic environment described above on credit losses. The specific methods of reevaluation are as follows.

(a) Re-evaluate the degree of prospects for the recovery in the future and the degree of impact on industries which may have been affected by downturn of business performance and funding due to the repetitive spread and lull of COVID-19 and the international situation surrounding Ukraine, which triggered a rise in resource prices and disruption in the global supply chain.

(b) Predict the transition of internal ratings based on quantitative information, assuming the degree of deterioration in future credit risk for each industry and internal rating based on the degree of impact on certain credits of the industries which may have been affected by downturn of business performance and funding.

(c) Recognize special allowance by estimating credit losses expected in the future, assuming the transition of internal rating as described above.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. re-evaluated the special allowance based on the same method as of the fiscal year ended March 31, 2021. In the fiscal year ended March 31, 2022, SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. recognized a special allowance of ¥21,022 million (U.S. $172 million).

There is a high level of uncertainty about the assumptions used to recognize a special allowance, and the consolidated financial statements can be significantly affected if there is a change in the impact on the business performance and funding of borrowers due to the change in economic environment.

2. Estimates of Retirement Benefit Obligations

(1) The Amounts Recorded in the Consolidated Financial Statements during the Fiscal Year Ended March 31, 2022 and 2021:

The amounts recorded in the consolidated financial statements during the fiscal year ended March 31, 2022 and 2021 were ¥421,543 million (U.S. $3,445 million) and ¥429,015, respectively.

The amounts of assets for retirement benefits and liabilities for retirement benefits recognized in the consolidated financial statements for the fiscal year ended March 31, 2022 were ¥192,204 million (U.S. $1,571 million) and ¥11,380 million (U.S. $93 million), respectively. The net amount of ¥180,823 million (U.S. $1,478 million) was calculated by deducting plan assets of ¥602,366 million (U.S. $4,922 million) from retirement benefit obligations of retirement benefit plans with and without plan assets of ¥410,162 million (U.S. $3,352 million) and ¥11,380 million (U.S. $93 million), respectively.

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

Retirement benefit obligations, plan assets, and retirement benefit expenses are calculated based on assumptions used in actuarial calculation. These assumptions include discount rate, expected long-term rate of return on plan assets, employee turnover rate, and mortality rate.

Major assumptions used in actuarial calculation are as follows:

Discount rate	Expected long-term rate of return on plan assets
Mainly 0.5%	3.5%

SuMi TRUST Bank, which accounts for 95.3% of asset retirement obligations of SuMi TRUST Bank Group, has set a discount rate based on the interest rates of high-quality domestic corporate bonds whose maturities are equal to the expected period up to the payment of salaries in the future. The expected long-term rate of return on plan assets is determined by evaluating the historical results of operation and the expected interest rate in the future. The expected long-term rate of return on plan assets is the weighted average rate of expected long-term rates of return on plan assets by groups of investment assets such as stocks and bonds.

(3) Impact of Changes in Assumptions on the Consolidated Financial Statements

The assumptions described in (2) will have a significant impact on retirement benefit obligations and retirement benefit expenses. The impacts on the consolidated financial statements when each of the discount rate and the expected long-term rate of return on plan assets of SuMi TRUST Bank changes by 0.5% are as follows:

	Impact on retirement benefit expenses	Impact on retirement benefit obligations
Discount rate:		
0.5% decrease	¥2,536 million increase	¥33,056 million increase
0.5% increase	¥2,266 million decrease	¥29,304 million decrease
Expected long-term rate of return on plan assets:		
0.5% decrease	¥2,960 million increase	—
0.5% increase	¥2,960 million decrease	—

Changes in Accounting Policies

Application of Accounting Standard for Revenue Recognition etc.

SuMi TRUST Bank has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020, "the Standard for Revenue Recognition") etc. from the beginning of the current fiscal year ended March 31, 2022. Once control of a promised good or service is transferred to the customer, SuMi TRUST Bank recognizes revenue at the amount that SuMi TRUST Bank expects to receive in exchange for the good or service.

Application of the Standard for Revenue Recognition etc. is in accordance with the transitional treatments specified in the proviso in Paragraph 84 of the Standard for Revenue Recognition. The cumulative effect of applying the new accounting policy retrospectively prior to the current fiscal year ended March 31, 2022 is added to or deducted from retained earnings as of the beginning of the current fiscal year, and the new accounting policy is applied to the balance at the beginning of the current fiscal year.

The effects of this change in the accounting policy on the consolidated financial statements are immaterial.

The notes to "Revenue Recognition" for the previous

fiscal year ended March 31, 2021, is not presented in accordance with the transitional treatments specified in Section 3 of Paragraph 89 of the Standard for Revenue Recognition.

Application of Accounting Standard for Fair Value Measurement etc.

SuMi TRUST Bank has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019, "the Standard for Fair Value Measurement") etc. from the beginning of the current fiscal year ended March 31, 2022. In accordance with Paragraph 8 of the Standard for Fair Value Measurement, the fair value adjustment method for the calculation of the fair value of derivative transactions has been revised to a method that maximizes the use of observable inputs estimated from derivatives traded in the market. Such revision is a result of the application of the Standard for Fair Value Measurement, etc. and the cumulative effect of applying the new accounting policy retrospectively prior to the current fiscal year ended March 31, 2022 is reflected to the balance of retained earnings at the beginning of the current fiscal year, in accordance with the transitional treatments specified in Paragraph 20 of the Standard for Fair Value Measurement.

As a result, trading assets decreased by ¥7,127 million (U.S. $58 million), other assets decreased by ¥8,105 million (U.S. $66 million), deferred tax assets increased by ¥3,948 million (U.S. $32 million), trading liabilities decreased by ¥1,061 million (U.S. $9 million), other liabilities decreased by ¥1,277 million (U.S. $10 million), retained earnings decreased by ¥8,945 million (U.S. $73 million), and net assets per share of common stock decreased by ¥5.34 (U.S. $0.04) as of the beginning of the current consolidated fiscal year ended March 31, 2022.

In addition, in the notes to "Financial Instruments," the SuMi Trust Bank Group has disclosed the notes related to the breakdown of fair values of financial instruments by input level. However, in accordance with the transitional treatment prescribed in Section 7-4 in "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, July 4, 2019), the notes for the previous fiscal year ended March 31, 2021, are not included.

New Accounting Standards and Interpretations Not Yet Adopted

The following standard and guidance were issued but not yet adopted.

- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2022)

(1) Overview

The above guidance provides the treatments on measurement and notes of fair values of investment trusts and notes of fair values of investments in partnerships recognized at net amount corresponding to equity holdings on the balance sheet.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2023.

(3) Effects of the application of the standards

SuMi TRUST Bank is currently in the process of determining the effects of the new guidance on the consolidated financial statements.

Changes in Presentation

Presentation of Financial Assets and Liabilities for Derivative Transactions based on Fair Value

Previously, derivative transactions included in "Trading Assets," "Trading Liabilities," "Other Assets," and "Other Liabilities" were presented on a net basis for transactions that met the requirements under the practical guidance for accounting for financial instruments. However, for the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on a principle from the current fiscal year ended March 31, 2022. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.

As a result, "Trading Assets" of ¥433,766 million, "Other Assets" of ¥2,217,308 million, "Trading Liabilities" of ¥321,576 million, and "Other Liabilities" of ¥1,329,910 million, presented in the consolidated balance sheets for the fiscal year ended March 31, 2021, changed to ¥962,849 million, ¥2,892,922 million, ¥850,660 million and ¥2,005,525 million, respectively.

Additionally, "Net Decrease (Increase) in Trading Assets" of ¥73,880 million and "Net Increase (Decrease) in Trading Liabilities" of ¥(50,373) million, presented in the consolidated statements of cash flows for the previous fiscal year ended March 31, 2021, changed to ¥375,744 million and ¥(352,237) million, respectively.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Securities in Trading Account	¥ 5,018	¥ 39,520	$ 41
Derivatives of Trading Securities	47	—	0
Derivatives of Securities Related to Trading Transactions	25	29	0
Trading-Related Financial Derivatives	954,675	918,298	7,801
Other Trading Assets	7,799	5,000	64
Total	¥ 967,565	¥ 962,849	$ 7,906

(2) Trading liabilities as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Derivatives of Trading Securities	¥ —	¥ 8	$ —
Derivatives of Securities Related to Trading Transactions	617	983	5
Trading-Related Financial Derivatives	906,069	849,668	7,404
Total	¥ 906,686	¥ 850,660	$ 7,409

2. Securities

Securities held as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Government Bonds	¥ 2,839,688	¥ 1,760,490	$ 23,204
Local Government Bonds	33,919	23,686	277
Corporate Bonds	730,020	699,775	5,965
Stocks	1,411,918	1,591,961	11,537
Other Securities	2,732,472	2,806,755	22,328
Total	¥ 7,748,019	¥ 6,882,670	$ 63,311

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

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Stocks	¥ 133,672	¥ 112,069	$ 1,092
Equity Investments	25,839	27,031	211

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
	2022	2021	2022
Securities that are Further Collateralized	¥ 149,251	¥ 154,547	$ 1,220
Securities that are Further Loaned	1,069,208	1,034,192	8,737
Securities Held without Selling or Repledging as of the End of the Fiscal Year	662	5,221	5

The bonds presented under "Securities" in the Consolidated Balance Sheet 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 ¥65,058 million (U.S. $532 million) and ¥76,840 million as of March 31, 2022 and 2021, respectively.

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Bills Discounted	¥ 451	¥ 763	$ 4
Loans on Bills	170,626	146,219	1,394
Loans on Deeds	29,142,560	28,752,736	238,132
Overdrafts	1,562,868	1,607,249	12,771
Total	¥ 30,876,507	¥ 30,506,968	$ 252,300

Bills discounted are treated as financial transactions in accordance with Guidance No. 24. SuMi TRUST Bank has a right to freely sell or (re)pledge such commercial bills.

Loans in accordance with the Banking Act and the Act on Emergency Measures for Revitalization of the Financial Functions are presented below. Loans include corporate bonds in "securities" (limited to those issued in private placement of securities prescribed in Section 3 of Paragraph 2 in the Financial Instruments and Exchange Act, and those with wholly or partially guaranteed redemption of the principal and payment of the interest), loans and bills discounted, foreign exchanges, interest receivables, suspense payments, and customers' liabilities for acceptances and guarantees in "other assets" presented in the consolidated balance sheet, and securities loaned (limited to those under a loan for use or lease contract) provided in the notes, etc.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Bankrupt and Practically Bankrupt Loans	¥ 20,585	¥ 26,223	$ 168
Doubtful Loans	130,069	58,172	1,063
Loans Past Due Three Months or More	—	3,042	—
Restructured Loans	69,474	49,176	568
Total	¥ 220,130	¥ 136,614	$ 1,799

Bankrupt and practically bankrupt loans are those loans that have fallen into bankruptcy due to certain reasons, including initiation of bankruptcy proceedings, start of reorganization and quasi-loans.

Doubtful loans are those loans with a strong likelihood that loan principals cannot be recovered and interest cannot be received according to the contract because of difficulties in the financial conditions and business performance of debtors who are not yet legally bankrupt, excluding those loans classified as bankrupt and practically bankrupt loans.

Loans past due three months or more are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as bankrupt and practically bankrupt loans and doubtful loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as bankrupt and practically bankrupt loans, doubtful loans or loans past due three months or more.

The above loans are presented at the amounts prior to deduction of allowances for loan losses.

Change in Presentation

The classification of risk management loans and others based on the Banking Act are aligned with the classification of claims subject to disclosure in accordance with the Act on Emergence Measures for Revitalization of Financial Functions due to enforcement of the "Cabinet Office Ordinance of the Act of Partial Revision made in Ordinance for Enforcement of the Banking Act (Cabinet Office Ordinance No.3, January 24, 2020)," effective from March 31, 2022.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets Pledged as Collateral:			
Trading Assets	¥ —	¥ 29,978	$ —
Securities	**3,365,225**	2,325,240	**27,498**
Loans and Bills Discounted	**4,728,724**	5,012,590	**38,640**
Lease Receivables and Investment Assets	**54,956**	50,491	**449**
Other Assets	**60,425**	109,610	**494**
Total	**¥ 8,209,331**	¥ 7,527,910	**$ 67,081**
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	**¥ 21,788**	¥ 19,273	**$ 178**
Payables under Repurchase Agreements	**527,313**	709,711	**4,309**
Borrowed Money	**5,739,492**	4,398,213	**46,899**

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
	2022	2021	2022
Securities	¥ 499,469	¥ 399,318	$ 4,081

"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
	2022	2021	2022
Initial Margins of Futures Markets	¥ 71,040	¥ 53,270	$ 580
Security Deposits	26,767	25,660	219
Cash Collateral Pledged for Financial Instruments-Assets	1,025,240	785,742	8,378
Cash Collateral Pledged for Repurchase Agreement Transactions	—	3,198	—

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 ¥12,762,371 million (U.S. $104,285 million) and ¥14,042,261 million, of which ¥8,563,906 million (U.S. $69,978 million) and ¥8,776,924 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2022 and 2021, 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, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Land	¥ 139,303	¥ 139,523	$ 1,138
Buildings	72,062	73,283	589
Lease Assets	4,772	5,015	39
Construction in Progress	110	108	1
Other	15,520	17,500	127
Total	¥ 231,770	¥ 235,430	$ 1,894

Accumulated depreciation amounted to ¥179,823 million (U.S. $1,469 million) and ¥177,540 million, and advance depreciation amounted to ¥27,780 million (U.S. $227 million) and ¥27,792 million as of March 31, 2022 and 2021, 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.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Software	¥ 83,911	¥ 64,813	$ 686
Goodwill	12,478	16,877	102
Other	3,719	3,706	30
Total	¥100,109	¥ 85,397	$ 818

8. Other Assets

Other assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Domestic Exchange Settlement Account, Debit	¥ 1,029	¥ 1,177	$ 8
Prepaid Expenses	6,535	5,566	53
Accrued Income	122,573	110,652	1,002
Initial Margins of Futures Markets	71,040	53,270	580
Variation Margins of Futures Markets	—	2,150	—
Financial Derivatives Other Than Trading Assets	1,500,702	1,296,874	12,263
Receivables for Securities Transactions	85,353	143,708	697
Cash Collateral Pledged for Financial Instruments-Assets	1,025,240	785,742	8,378
Other	490,248	493,778	4,006
Total	¥ 3,302,723	¥ 2,892,922	$ 26,987

9. Deposits

Deposits as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Current Deposits, Ordinary Deposits, Saving Deposits and Deposits at Notice	¥ 9,517,128	¥ 9,457,729	$ 77,767
Time Deposits	22,959,755	23,071,332	187,610
Other	794,906	965,371	6,495
Total	¥ 33,271,789	¥ 33,494,433	$ 271,873

In the event of receivership, winding up proceedings or equivalent proceedings of the bank, Japanese law does not require our bank to confer lower priority to depositors of the foreign offices of our bank, vis-à-vis our home country depositors in the repayment of deposits.

10. Borrowed Money

Borrowed money as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Subordinated Borrowings	¥ 645,000	¥ 670,000	$ 5,270
Other Borrowed Money	7,138,498	5,722,602	58,331
Total	¥ 7,783,498	¥ 6,392,602	$ 63,601

Weighted average interest rates on borrowed money were 0.18% and 0.20% for the fiscal years ended March 31, 2022 and 2021, respectively.

Annual maturities of borrowed money as of March 31, 2022, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Year Ending March 31	2022	2022
2023	¥ 1,872,544	$ 15,301
2024	865,222	7,070
2025	2,466,476	20,154
2026	1,252,434	10,234
2027	86,143	704
Total	¥ 6,542,822	$ 53,463

11. Bonds Payable

Bonds payable as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Perpetual Subordinated Bonds	¥ 16,100	¥ 16,100	$ 132
Subordinated Bonds	112,996	154,495	923
Other Bonds Payable	1,317,508	765,010	10,766
Total	¥ 1,446,604	¥ 935,605	$ 11,821

Annual maturities of bonds payable as of March 31, 2022, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Year Ending March 31	2022	2022
2023	¥ 2,458,495	$ 20,089
2024	467,735	3,822
2025	259,760	2,123
2026	197,380	1,613
2027	315,975	2,582
Total	¥ 3,699,345	$ 30,228

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, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Domestic Exchange Settlement Account, Credit	¥ 841	¥ 963	$ 7
Income Taxes Payable	10,268	7,024	84
Accrued Expenses	63,724	60,164	521
Unearned Income	90,857	84,646	742
Variation Margins of Futures Markets	7,414	2,111	61
Financial Derivatives Other Than Trading Liabilities	1,571,382	1,339,876	12,840
Lease Obligations	12,606	12,218	103
Asset Retirement Obligations	3,727	4,059	30
Payables for Securities Transactions	65,626	144,357	536
Provision for Loss on Interest Repayment	39	39	0
Cash Collateral Accepted for Financial Instruments-Liabilities	240,455	155,739	1,965
Other	212,267	194,322	1,734
Total	¥ 2,279,211	¥ 2,005,525	$ 18,624

14. Other Assets and Liabilities related to Revenue Recognition

The amounts of receivables from contracts with customers and the amounts of contract liabilities recognized in other assets and other liabilities, respectively, are presented in "Revenue Recognition, 2. Information Related to Contract Balance."

Notes to the Consolidated Statement of Income

1. Revenue from Contracts with Customers

Income is not classified into revenues from contracts with customers and other revenue. The amount of revenues from contracts with customers is presented in "Revenue Recognition, 1. Information Related to Disaggregation of Revenue from Contracts with Customers for the Current Fiscal Year Ended March 31, 2022."

2. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Interest on Monetary Claims Bought	¥ 2,438	¥ 2,778	$ 20
Others	1,741	2,216	14
Total	¥ 4,179	¥ 4,994	$ 34

(2) Other interest expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Interest on Interest Rate Swaps	¥ 22,553	¥ 27,641	$ 184
Others	22,105	20,928	181
Total	¥ 44,658	¥ 48,570	$ 365

3. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Income from Trading Securities and Derivatives	¥ 268	¥ —	$ 2
Net Income from Trading Transactions	812	—	7
Net Income from Trading-Related Financial Derivatives Transactions	12,315	—	101
Other Trading Income	57	76	0
Total	¥ 13,453	¥ 76	$ 110

(2) Trading expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Expenses on Trading Securities and Derivatives	¥ —	¥ 391	$ —
Net Expenses on Trading Transactions	—	2,097	—
Net Expenses on Trading-Related Financial Derivatives Transactions	—	30,812	—
Total	¥ —	¥ 33,300	$ —

4. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Gains on Foreign Exchange Transactions	¥ 22,476	¥ 79,401	$ 184
Gains on Sales and Redemption of Bonds	14,757	14,833	121
Net Income from Derivatives Other Than for Trading or Hedging	19,091	22,407	156
Others	279,559	289,158	2,284
Total	¥ 335,885	¥ 405,800	$ 2,745

(2) Other ordinary expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Losses on Sales and Redemption of Bonds	¥ 32,574	¥ 22,678	$ 266
Others	258,779	267,432	2,115
Total	¥ 291,353	¥ 290,111	$ 2,381

5. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Gains on Sales of Stocks and Other Securities	¥ 94,956	¥ 99,114	$ 776
Gains on Money Held in Trust	74	69	1
Recoveries of Written-Off Claims	1,633	809	13
Equity in Earnings of Affiliated Companies	13,647	8,735	112
Gains on Disposal of Fixed Assets	444	150	4
Others (Note)	8,635	42,260	71
Total	¥ 119,392	¥ 151,138	$ 976

(Note) In the fiscal year ended March 31, 2021, other extraordinary income was recognized as SuMi TRUST Bank charged the full amount of past service costs for retirement benefits to profit or loss in the fiscal year they occur.

(2) Other expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Provision for Allowance for Loan Losses	¥ 37,688	¥ 3,277	$ 308
Losses on Sales of Loans	5	—	0
Write-Off of Loans	5,461	4,272	45
Losses on Sales of Stocks and Other Securities	130,580	141,995	1,067
Losses on Impairment of Stocks and Other Securities	1,827	491	15
Losses on Disposal of Fixed Assets	780	708	6
Losses on Impairment of Fixed Assets (Note)	1,468	20,786	12
Losses on Investment in Partnerships	4,770	3,853	39
Others	12,429	30,889	102
Total	¥ 195,012	¥ 206,275	$ 1,593

(Note)

SuMi TRUST Bank Group has revised the cost restructure reform and the strategies at branches considering the new normal as a result of the change in business environment due to the spread of the novel coronavirus disease. In addition, SuMi TRUST Bank Group has continuously implemented initiatives to enhance management accounting. The application method of asset impairment accounting for fixed assets has been revised to apply these initiatives. In particular, SuMi TRUST Bank switched the asset group under the asset impairment accounting from a branch or other asset groups to six operating segments. In addition, SuMi TRUST Bank now allocates corporate assets to each operating segment based on a reasonable method such as the number of personnel in each segment.

As a result of these revisions, impairment losses were recognized as a portion of the investment of business assets for the Retail Total Solution Services was determined to be unrecoverable.

The impairment losses recognized due to the revision of the application method of asset impairment accounting described above were ¥19,976 million, which include impairment losses of tangible fixed assets of ¥1,655 million and those of software of ¥18,320 million. The entire impairment losses including those due to the revision were ¥20,786 million, which include impairment losses of tangible fixed assets of ¥1,893 million and those of software of ¥18,892 million.

The recoverable amounts of the asset groups described above are measured by value in use, which is calculated by discounting future cash flows measured in the business plan and others by the discount rate of 6.9%.

6. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Taxes other than Income Taxes	¥ 12,852	¥ 15,906	$ 105
Personnel Expenses	165,469	170,750	1,352
Others	182,782	179,144	1,494
Total	¥ 361,104	¥ 365,801	$ 2,951

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, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	¥ (126,145)	¥ (85,688)	$ (1,194)
Reclassification Adjustments	56,774	51,441	627
Before Tax Effects	(69,371)	(34,246)	(567)
Tax Effects	19,340	11,005	158
Valuation Difference on Available-for-Sale Securities	(50,031)	(23,241)	(409)
Deferred Gains (Losses) on Hedges:			
Changes during the Period	(20,914)	(9,705)	(171)
Reclassification Adjustments	22,553	27,641	184
Before Tax Effects	1,639	17,936	13
Tax Effects	(496)	(7,280)	(4)
Deferred Gains (Losses) on Hedges	1,142	10,655	9
Foreign Currency Translation Adjustments:			
Changes during the Period	3,224	(46)	26
Reclassification Adjustments	(165)	—	(1)
Before Tax Effects	3,058	(46)	25
Tax Effects	—	—	—
Foreign Currency Translation Adjustments	3,058	(46)	25
Remeasurements of Defined Benefit Plans:			
Changes during the Period	(55,834)	81,240	(456)
Reclassification Adjustments	1,077	12,342	9
Before Tax Effects	(54,757)	93,583	(447)
Tax Effects	16,537	(28,625)	135
Remeasurements of Defined Benefit Plans	(38,219)	64,957	(312)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies:			
Changes during the Period	542	234	4
Reclassification Adjustments	(27)	222	(0)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	515	457	4
Total Other Comprehensive Income (Loss)	¥ (83,534)	¥ 52,783	$ (683)

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, 2022 and 2021, 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, 2022					
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, 2021					
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, 2022 and 2021.

3. Dividends

Dividends paid for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

As for the fiscal year ended March 31, 2022:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
June 23, 2021						
Ordinary General Meeting of Shareholders	Common Share	¥ 19,843 ($162)	Retained Earnings	¥ 11.85 ($0.10)	March 31, 2021	June 24, 2021

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
November 11, 2021						
Board of Directors' Meeting	Common Share	¥ 30,007 ($245)	Retained Earnings	¥ 17.92 ($0.15)	September 30, 2021	December 1, 2021

Dividends with a record date during the current fiscal year ended March 31, 2022, but whose effective date is after March 31, 2022, are as follows:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
June 23, 2022						
Ordinary General Meeting of Shareholders	Common Share	¥ 23,594 ($193)	Retained Earnings	¥ 14.09 ($0.12)	March 31, 2022	June 24, 2022

As for the fiscal year ended March 31, 2021:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 26, 2020						
Ordinary General Meeting of Shareholders	Common Share	¥ 21,735	Retained Earnings	¥ 12.98	March 31, 2020	June 29, 2020

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
November 12, 2020						
Board of Directors' Meeting	Common Share	¥ 28,132	Retained Earnings	¥ 16.80	September 30, 2020	December 1, 2020

Dividends with a record date during the fiscal year ended March 31, 2021, but whose effective date is after March 31, 2021 are as follows:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 23, 2021						
Ordinary General Meeting of Shareholders	Common Share	¥ 19,843	Retained Earnings	¥ 11.85	March 31, 2021	June 24, 2021

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, 2022 and 2021.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash and Due from Banks	¥ 18,142,775	¥ 18,430,787	$ 148,250
Due from Banks (Excluding Due from the Bank of Japan)	(2,489,713)	(1,689,616)	(20,344)
Cash and Cash Equivalents	¥ 15,653,061	¥ 16,741,171	$ 127,905

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 branch 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, 2022 and 2021, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Due in One Year or Less	¥ 2,608	¥ 2,574	$ 21
Due in More Than One Year	9,618	11,551	79
Total	¥ 12,226	¥ 14,125	$ 100

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2022 and 2021, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Due in One Year or Less	¥ 4,612	¥ 6,492	$ 38
Due in More Than One Year	31,904	49,946	261
Total	¥ 36,517	¥ 56,439	$ 298

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, 2022, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Trading Accounts was ¥8.6 billion (U.S. $70 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, 2022, resulted in zero instances where actual losses were in excess of VaR; therefore, SuMi TRUST Bank Group considers that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on the past volatility, it may not properly capture those risks under extreme market movements.

(ii) Banking accounts

SuMi TRUST Bank Group uses VaR for managing risks associated with financial assets and liabilities held in the Banking Accounts. The historical simulation method is the primary measurement method (with a holding period of a maximum of one year according to a position; confidence interval of 99%; and observation period of 1,300 business days).

As of March 31, 2022, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Banking Account was ¥736.4 billion (U.S. $6,017 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 risk 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 and Breakdown by Input Level

The carrying amounts on the consolidated balance sheets, fair values of financial instruments as well as the differences between the carrying amounts on the consolidated balance sheets and fair values, and fair values by input level are presented below.

The amounts shown in the following table do not include investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, July 4, 2019, "Guidance for Application of Fair Value Measurement"), equity securities with no market prices, and investments in partnerships for which transitional

treatments are applied in accordance with Paragraph 27 of Guidance for Application of Fair Value Measurement (See (1) (*1) and Note 3).

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair value determined based on the (unadjusted) quoted price in an active market for the same asset or liability

Level 2: Fair value determined based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified to the lowest priority level of fair value measurement in which each input belongs to.

(1) Financial assets and liabilities at fair value on the consolidated balance sheets

	Millions of Yen				Millions of U.S. Dollars			
	Mar. 31, 2022				Mar. 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary Claims Bought	¥ —	¥ 128,794	¥ —	¥ 128,794	$ —	$ 1,052	$ —	$ 1,052
Trading Assets								
Trading Securities	4,908	7,909	—	12,817	40	65	—	105
Money Held in Trust	1,295	—	—	1,295	11	—	—	11
Securities								
Available-for-Sale Securities	4,493,704	1,789,540	2,130	6,285,375	36,719	14,623	17	51,359
Stocks	1,209,310	—	—	1,209,310	9,882	—	—	9,882
Bonds	2,722,035	747,409	2,130	3,471,575	22,242	6,107	17	28,367
Government Bonds	2,722,035	—	—	2,722,035	22,242	—	—	22,242
Local Government Bonds	—	33,919	—	33,919	—	277	—	277
Short-Term Bonds Payable	—	—	—	—	—	—	—	—
Corporate Bonds	—	713,489	2,130	715,620	—	5,830	17	5,848
Other Securities	562,358	1,042,130	—	1,604,489	4,595	8,516	—	13,111
Foreign Stocks	4,793	—	—	4,793	39	—	—	39
Foreign Bonds	556,467	1,042,130	—	1,598,598	4,547	8,516	—	13,063
Others	1,097	—	—	1,097	9	—	—	9
Total Assets	¥ 4,499,908	¥ 1,926,244	¥ 2,130	¥ 6,428,283	$ 36,770	$ 15,740	$ 17	$ 52,527
Derivative Transactions (*2)(*3)(*4)								
Interest Rate Related Transactions	¥ 828	¥ (83,990)	¥ 1,173	¥ (81,988)	$ 7	$ (686)	$ 10	$ (670)
Currency Related Transactions	—	56,484	—	56,484	—	462	—	462
Stock Related Transactions	(1,098)	—	—	(1,098)	(9)	—	—	(9)
Bond-Related Transactions	6,256	47	—	6,303	51	0	—	52
Credit and Derivative Transactions	—	(2,319)	—	(2,319)	—	(19)	—	(19)
Total Derivative Transactions	¥ 5,985	¥ (29,778)	¥ 1,173	¥ (22,619)	$ 49	$ (243)	$ 10	$ (185)

(*1) The amounts of investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of the Guidance for Application of Fair Value Measurement are not included in the table above. The amount of such investment trusts on the consolidated balance sheets includes financial assets of ¥855,840 million (U.S. $6,993 million) as of March 31, 2022.

(*2) Derivative transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(*3) As for derivative transactions applying hedge accounting, ¥(173,870) million (U.S. $(1,421) million) is recorded on the consolidated balance sheets as of March 31, 2022.

(*4) Derivative transactions qualifying for hedge accounting include interest rate swaps designated as hedging instruments to fix cash flows of hedged items such as loans and bills discounted, and deferred hedges have been adopted, in principle. In addition, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) has been adopted to these hedge transactions.

	Millions of Yen
	Mar. 31, 2021
	Consolidated Balance Sheet Amount
Monetary Claims Bought	¥ 115,222
Trading Assets	
Trading Securities	44,521
Money Held in Trust	1,265
Securities	
Available-for-Sale Securities	5,345,226
Total Assets	¥ 5,506,236
Derivative Transactions (*2)(*3)(*4)	
Interest Rate Related Transactions	(53,835)
Currency Related Transactions	79,351
Stock Related Transactions	(20)
Bond-Related Transactions	(359)
Credit and Derivative Transactions	(469)
Total Derivative Transactions	¥ 24,666

(*1) The amounts of investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of the Guidance for Application of Fair Value Measurement are not included in the table above. The amount of such investment trusts on the consolidated balance sheets includes financial assets of ¥934,770 million as of March 31, 2021.

(*2) Derivative transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(*3) As for derivative transactions applying hedge accounting, ¥(126,094) million is recorded on the consolidated balance sheets as of March 31, 2021.

(*4) Derivative transactions qualifying for hedge accounting include interest rate swaps designated as hedging instruments to fix cash flows of hedged items such as loans and bills discounted, and deferred hedges have been adopted, in principle. In addition, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) has been adopted to these hedge transactions.

(2) Financial assets and liabilities which are not stated at fair value on the consolidated balance sheets

Cash and Due from Banks, Call Loans and Bills Bought, Receivables under Resale Agreements and Receivables under Securities Borrowing Transactions, Foreign Exchanges, Call Money and Bills Sold, Payables under Repurchase Agreements, Short-Term Bonds Payables, and Borrowed Money from Trust Account are not included in the following tables because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

	Millions of Yen					
	Mar. 31, 2022					
	Level 1	Level 2	Level 3	Total	Consolidated balance sheet amount	Difference
Monetary Claims Bought (*)	¥ —	¥ 46,091	¥ 679,295	¥ 725,386	¥ 724,950	¥ 436
Securities						
Held-to-Maturity Securities	130,800	74,210	—	205,011	191,999	13,012
Government Bonds	130,800	—	—	130,800	117,652	13,148
Local Government Bonds	—	—	—	—	—	—
Short-Term Bonds Payable	—	—	—	—	—	—
Corporate Bonds	—	14,674	—	14,674	14,400	274
Other Securities	—	59,536	—	59,536	59,947	(410)
Foreign Bonds	—	59,536	—	59,536	59,947	(410)
Others	—	—	—	—	—	—
Loans and Bills Discounted					30,876,507	
Allowance for Loan Losses (*)					(147,884)	
	—	—	30,940,603	30,940,603	30,728,623	211,980
Lease Receivables and Investment Assets (*)	—	—	696,544	696,544	681,554	14,990
Total Assets	¥ 130,800	¥ 120,302	¥ 32,316,443	¥ 32,567,547	¥ 32,327,128	¥ 240,419
Deposits	¥ —	¥ 33,286,909	¥ —	¥ 33,286,909	¥ 33,271,789	¥ 15,119
Negotiable Certificates of Deposit	—	6,691,944	—	6,691,944	6,691,944	—
Borrowed Money	—	7,763,328	—	7,763,328	7,783,498	(20,169)
Bonds Payable	—	1,412,698	—	1,412,698	1,446,604	(33,905)
Total Liabilities	¥ —	¥ 49,154,881	¥ —	¥ 49,154,881	¥ 49,193,836	¥ (38,955)

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

	Millions of Yen		
	Mar. 31, 2021		
	Consolidated Balance Sheet Amount	Fair Value	Difference
Monetary Claims Bought(*)	¥ 776,439	¥ 777,239	¥ 800
Securities			
Held-to-Maturity Securities	275,820	292,071	16,250
Loans and Bills Discounted	30,506,968		
Allowance for Loan Losses (*)	(115,198)		
	30,391,769	30,702,437	310,668
Lease Receivables and Investment Assets(*)	689,262	699,669	10,406
Total Assets	¥ 32,133,292	¥ 32,471,417	¥ 338,125
Deposits	33,494,433	33,513,238	18,804
Negotiable Certificates of Deposit	7,324,594	7,324,594	—
Borrowed Money	6,392,602	6,401,948	9,346
Bonds Payable	935,605	943,894	8,288
Total Liabilities	¥ 48,147,237	¥ 48,183,676	¥ 36,439

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

	Millions of U.S. Dollars					
	Mar. 31, 2022					
	Level 1	Level 2	Level 3	Total	Consolidated balance sheet amount	Difference
Monetary Claims Bought (*)	$ —	$ 377	$ 5,551	$ 5,927	$ 5,924	$ 4
Securities						
Held-to-Maturity Securities	1,069	606	—	1,675	1,569	106
Government Bonds	1,069	—	—	1,069	961	107
Local Government Bonds	—	—	—	—	—	—
Short-Term Bonds Payable	—	—	—	—	—	—
Corporate Bonds	—	120	—	120	118	2
Other Securities	—	486	—	486	490	(3)
Foreign Bonds	—	486	—	486	490	(3)
Others	—	—	—	—	—	—
Loans and Bills Discounted					252,300	
Allowance for Loan Losses (*)					(1,208)	
	—	—	252,824	252,824	251,092	1,732
Lease Receivables and Investment Assets (*)	—	—	5,692	5,692	5,569	122
Total Assets	$ 1,069	$ 983	$ 264,066	$ 266,118	$ 264,154	$ 1,965
Deposits	$ —	$ 271,996	$ —	$ 271,996	$ 271,873	$ 124
Negotiable Certificates of Deposit	—	54,682	—	54,682	54,682	—
Borrowed Money	—	63,436	—	63,436	63,601	(165)
Bonds Payable	—	11,544	—	11,544	11,821	(277)
Total Liabilities	$ —	$ 401,658	$ —	$ 401,658	$ 401,976	$ (318)

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

(Note 1) Description of the Valuation techniques and inputs used to measure fair values

Monetary Claims Bought

Among monetary claims bought, securitized products are stated at reasonably calculated prices, which are equivalent to market prices, such as counterparties' quoted prices or dealer/broker-quoted prices, and are classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values for all other monetary claims bought are principally calculated in the same manner as Loans and Bills Discounted and mainly classified into Level 3.

Trading Assets

Bonds and other securities held for trading purposes whose fair values are stated at dealer association prices or counterparties' quoted prices are classified into Level 1 or Level 2 depending on the level of market activity. Others whose fair values are calculated by discounting future cash flows to their present values using observable inputs, are classified into Level 2.

Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices and mainly classified into Level 1 depending on the level of the components.

Notes regarding money held in trust by holding purpose are presented under the "Money Held in Trust" section.

Securities

Listed stocks are stated at quoted market prices and mainly classified into Level 1 depending on the level of market activity.

Bonds are stated at quoted market prices announced in exchange traded transactions, over-the-counter transactions, and others, and classified into Level 1 if they are traded in an active market. If the market is not active, even though bonds are stated at quoted market prices, they are classified into Level 2. Bonds stated at prices obtained from a third party, such as pricing services and dealers/brokers, are classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values of certain bonds are calculated by classifying them according to their internal ratings and maturities, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. If the discount rate is a significant unobservable input, the fair values of the bonds are classified into Level 3, otherwise Level 2.

Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities; and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. However, floating-rate loans for which their carrying amounts are deemed to approximate fair value, due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loans, are stated at their carrying amounts. For claims executed to borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the consolidated balance sheets at the consolidated balance sheet date, because such deducted amounts approximate fair value. Loans without stated maturities (as the amount of credit is limited to the value of the collateral or due to some other special characteristics) are stated at their carrying amounts as the carrying amounts are deemed to approximate the fair value because of the expected repayment periods and the interest terms. These fair values are classified into Level 3.

Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to the types of receivables, internal ratings, maturities, and others, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. These fair values are classified into Level 3.

Deposits and Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the consolidated balance sheet date (carrying amount). Time deposits with a fixed rate are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be newly used on the same type of deposits. Floating-rate time deposits and fixed-rate time deposits with short maturities (one year or less) are stated at their carrying amounts because the carrying amounts approximate the fair value. These fair values are classified into Level 2.

Borrowed Money

Borrowed money at floating rates is stated at their carrying amounts. The carrying amounts are deemed to approximate fair value because such amounts reflect short-term market interest rates, and there have been no significant changes in credit condition subsequent to undertaking the borrowed money. Fair values of borrowed money at fixed rates are calculated by discounting their future cash flows by the 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. These fair values are classified into Level 2.

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. These fair values are classified into Level 2.

Derivative transactions

The fair values of listed derivatives, including interest rates, bonds, currencies, and stocks, are classified into Level 1 as these amounts are measured using the liquidation price quoted by exchanges, given that the liquidation price represents the latest transaction price, and the unadjusted quoted price in an active market can be used.

The fair values of over-the-counter derivative transactions, including embedded derivatives separated from the host contract and accounted for as a derivative, in other words, derivatives other than listed derivatives, are, in principle, measured by a valuation method, including the following: the present value of the estimated future cash flows and the option valuation model, which use inputs such as observable interest rate and exchange rate. The fair values of these transactions take into account credit risks of the counterparties and SuMi TRUST Bank. The valuation models applied in certain transactions utilize unobservable inputs in markets, such as correlations in the past. Over-the-counter derivative transactions are classified into Level 2 if observable inputs are used or the impact of unobservable inputs to the fair values is not significant. If the impact of unobservable inputs to the fair values is significant, they are classified into Level 3.

(Note 2) Quantitative information about financial assets and liabilities measured and stated on the consolidated balance sheets at fair value and classified into Level 3

(1) Quantitative information on significant unobservable inputs

	Valuation technique	Significant unobservable inputs	Range
Securities			
Corporate Bonds	Discounted present value method	Discount Rate	1.2%
Derivative Transactions			
Interest Rate Related Transactions	Option valuation model	Correlation between interest rate and foreign exchange rate	(47.4)% - (9.3)%
		Correlation between interest rates	10.3%

(2) Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the year

Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the fiscal year ended March 31, 2022, are as follows:

	Millions of Yen							
	Mar. 31, 2022							
	Beginning balance	Profit or losses for the period (*1)	Other comprehensive income (*2)	Net amount of purchase, issuance, sale, and settlement	Transfer to Level 3 (*3)	Transfer from Level 3 (*3)	Ending balance	Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1)
Securities	¥ 813	¥ —	¥ (12)	¥ (52)	¥ 1,381	¥ —	¥ 2,130	¥ —
Derivative Transactions (Interest Rate Related Transactions) (*4)	(273)	1,449	—	(1)	—	—	1,173	1,249

	Millions of U.S. Dollars							
	Mar. 31, 2022							
	Beginning balance	Profit or losses for the period (*1)	Other comprehensive income (*2)	Net amount of purchase, issuance, sale, and settlement	Transfer to Level 3 (*3)	Transfer from Level 3 (*3)	Ending balance	Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1)
Securities	$ 7	$ —	$ (0)	$ (0)	$ 11	$ —	$ 17	$ —
Derivative Transactions (Interest Rate Related Transactions) (*4)	(2)	12	—	(0)	—	—	10	10

(*1) The amounts shown in the table above are included in "Trading Income" in the consolidated statements of income.

(*2) The amounts shown in the table above are included in "Valuation Differences on Available-for-Sale Securities" under "Other Comprehensive Income (Loss)" in the consolidated statements of comprehensive income.

(*3) The amounts of transfer from or to Level 3 are relevant to the changes in the observability of the inputs. The transfer was made at the end of the fiscal year.

(*4) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(3) Description of the fair value valuation process

At the SuMi TRUST Bank Group, the middle division creates policies and procedures for the calculation of fair values and procedures for the use of fair value valuation models, and based on them, the front and middle divisions collaboratively establish the fair value valuation model. In addition, the middle and other divisions verify the reasonableness of the valuation methods and the inputs used, and the appropriateness of the classification of the fair value level.

For the calculation of the fair value, the valuation model, which represents the nature, characteristics, and risks of each asset in the most appropriate manner, is utilized. Moreover, if quoted prices obtained from third parties are used, those prices are verified using an appropriate method, such as the review of the valuation method and the inputs used and comparison with the fair values of similar financial instruments.

(4) Description of the sensitivity of the fair value to changes in significant unobservable inputs

Discount Rate

The discount rate is determined for each financial asset and calculated based on the risk-free rate that incorporates other risk factors such as credit risk. A significant increase (decrease) in the discount rate would generally result in a significant decrease (increase) in the fair value.

Correlation

Correlation is an indicator of the relation of changes between variables such as interest rate and exchange rate. Correlation is used in the valuation technique of complex derivatives, and estimated based on historical results. A significant change in correlation would generally result in a significant increase or decrease in a fair value according to the nature and contractual terms and conditions of the financial instrument.

(Note 3) Consolidated balance sheet amounts of equity securities with no market prices, etc. and investments in partnership, etc. are as follows. These amounts are not included in "Securities" stated on the tables disclosed in "Fair Values of Financial Instruments and Breakdown by Input Level."

	Millions of Yen	Millions of Yen	Millions of U.S. Dollars
	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022
Equity Securities with No Market Prices, etc. (*1)(*3)	¥ 79,506	¥ 64,237	$ 710
Investments in Partnership, etc. (*2)	174,373	123,514	1,558

(*1) Unlisted stocks are included in "Equity securities with no market prices, etc." and their fair values are not disclosed in accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, March 31, 2020).

(*2) "Investments in partnership, etc." mainly include silent partnerships and investment partnerships. These fair values are not disclosed in accordance with Paragraph 27 of Guidance for Application of Fair Value Measurement.

(*3) Impairment losses of ¥334 million (U.S. $3 million) and ¥352 million were recognized against Unlisted Stocks and others as of March 31, 2022 and 2021, respectively.

(Note4) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2022 and 2021

	Millions of Yen					
March 31, 2022	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	¥ 18,066,966	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	5,000	—	—	—	—	—
Receivables under Resale Agreements	150,741	—	—	—	—	—
Receivables under Securities Borrowing Transactions	652,534	—	—	—	—	—
Monetary Claims Bought (*1)	708,547	29,605	6,268	1,668	1,439	106,099
Money Held in Trust	—	1,395	—	—	—	—
Securities	2,456,707	1,088,284	907,993	351,704	403,077	796,255
Held-to-Maturity Debt Securities	—	60	5,488	40,000	67,342	76,516
Government Bonds	—	60	—	40,000	60,000	15,000
Corporate Bonds	—	—	—	—	—	14,400
Available-for-Sale Securities with Maturity	2,456,707	1,088,224	902,505	311,704	335,734	719,739
Government Bonds	1,724,226	326,810	470,000	—	—	215,000
Local Government Bonds	1,200	4,546	10,630	1,136	16,619	—
Corporate Bonds	82,432	169,628	266,125	101,575	50,954	43,485
Loans and Bills Discounted (*2)	4,668,279	6,302,563	4,367,845	2,571,144	2,374,408	8,087,545
Lease Receivables and Investment Assets (*3)	166,497	243,502	146,501	53,097	45,085	10,713
Total	¥ 26,875,275	¥ 7,665,352	¥ 5,428,609	¥ 2,977,614	¥ 2,824,011	¥ 9,000,615

	Millions of Yen					
March 31, 2021	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	¥ 18,356,807	¥ 650	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	8,766	—	—	—	—	—
Receivables under Resale Agreements	160,268	—	—	—	—	—
Receivables under Securities Borrowing Transactions	727,689	—	—	—	—	—
Monetary Claims Bought (*1)	717,328	68,538	15,193	3,921	1,867	84,853
Money Held in Trust	—	1,265	100	—	—	—
Securities	1,396,910	951,154	1,003,626	541,985	288,731	848,057
Held-to-Maturity Debt Securities	—	—	5,051	20,000	60,000	187,738
Government Bonds	—	—	—	20,000	60,000	35,000
Corporate Bonds	—	—	—	—	—	23,400
Available-for-Sale Securities with Maturity	1,396,910	951,154	998,574	521,985	228,731	660,318
Government Bonds	927,273	200,000	380,000	—	—	135,000
Local Government Bonds	—	1,675	8,008	3,496	10,521	—
Corporate Bonds	31,639	218,289	218,724	110,577	30,485	64,084
Loans and Bills Discounted (*2)	4,636,130	5,814,658	4,667,574	2,613,581	2,485,048	7,811,836
Lease Receivables and Investment Assets (*3)	163,457	243,838	154,218	54,721	47,522	11,172
Total	¥ 26,167,359	¥ 7,080,106	¥ 5,840,713	¥ 3,214,208	¥ 2,823,169	¥ 8,755,919

	Millions of U.S. Dollars					
March 31, 2022	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	$ 147,630	$ —	$ —	$ —	$ —	$ —
Call Loans and Bills Bought	41	—	—	—	—	—
Receivables under Resale Agreements	1,232	—	—	—	—	—
Receivables under Securities Borrowing Transactions	5,332	—	—	—	—	—
Monetary Claims Bought (*1)	5,790	242	51	14	12	867
Money Held in Trust	—	11	—	—	—	—
Securities	20,074	8,893	7,419	2,874	3,294	6,506
Held-to-Maturity Debt Securities	—	0	45	327	550	625
Government Bonds	—	0	—	327	490	123
Corporate Bonds	—	—	—	—	—	118
Available-for-Sale Securities with Maturity	20,074	8,892	7,375	2,547	2,743	5,881
Government Bonds	14,089	2,670	3,840	—	—	1,757
Local Government Bonds	10	37	87	9	136	—
Corporate Bonds	674	1,386	2,175	830	416	355
Loans and Bills Discounted (*2)	38,146	51,500	35,691	21,010	19,402	66,086
Lease Receivables and Investment Assets (*3)	1,360	1,990	1,197	434	368	88
Total	$ 219,605	$ 62,636	$ 44,359	$ 24,331	$ 23,076	$ 73,546

(*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 ¥24 million (U.S. $0.2 million) and ¥58 million as of March 31, 2022 and 2021, 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 ¥142,058 million (U.S. $1,161 million) and ¥76,509 million, and those without maturity, amounting to ¥2,362,662 million (U.S. $19,306 million) and ¥2,401,629 million as of March 31, 2022 and 2021, 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 ¥678 million (U.S. $6 million) and ¥549 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥22,065 million (U.S. $180 million) and ¥19,691 million as of March 31, 2022 and 2021, respectively.

(Note 5) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2022 and 2021

	Millions of Yen					
March 31, 2022	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	¥ 25,394,331	¥ 5,699,782	¥ 2,175,496	¥ 2,128	¥ 50	¥ —
Negotiable Certificates of Deposit	6,636,944	55,000	—	—	—	—
Call Money and Bills Sold	799,524	—	—	—	—	—
Payables under Repurchase Agreements	1,485,033	—	—	—	—	—
Borrowed Money (*2)	1,872,544	3,331,699	1,338,578	412,356	185,253	373,065
Short-Term Bonds Payable	2,388,495	—	—	—	—	—
Bonds Payable (*3)	70,000	727,495	513,355	120,000	—	—
Borrowed Money from Trust Account	4,298,827	—	—	—	—	—
Total	¥ 42,945,701	¥ 9,813,976	¥ 4,027,430	¥ 534,484	¥ 185,304	¥ 373,065

	Millions of Yen					
March 31, 2021	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	¥ 25,297,271	¥ 5,400,861	¥ 2,795,112	¥ 921	¥ 266	¥ —
Negotiable Certificates of Deposit	7,209,594	115,000	—	—	—	—
Call Money and Bills Sold	60,675	—	—	—	—	—
Payables under Repurchase Agreements	1,628,440	—	—	—	—	—
Borrowed Money (*2)	1,669,700	1,013,609	2,545,241	302,169	207,652	384,228
Short-Term Bonds Payable	2,545,546	—	—	—	—	—
Bonds Payable (*3)	50,000	479,612	207,150	173,000	10,000	—
Borrowed Money from Trust Account	4,915,208	—	—	—	—	—
Total	¥ 43,376,438	¥ 7,009,083	¥ 5,547,504	¥ 476,091	¥ 217,918	¥ 384,228

	Millions of U.S. Dollars					
March 31, 2022	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	$ 207,504	$ 46,574	$ 17,777	$ 17	$ 0	$ —
Negotiable Certificates of Deposit	54,232	449	—	—	—	—
Call Money and Bills Sold	6,533	—	—	—	—	—
Payables under Repurchase Agreements	12,135	—	—	—	—	—
Borrowed Money (*2)	15,301	27,224	10,938	3,369	1,514	3,048
Short-Term Bonds Payable	19,517	—	—	—	—	—
Bonds Payable (*3)	572	5,945	4,195	981	—	—
Borrowed Money from Trust Account	35,127	—	—	—	—	—
Total	$ 350,921	$ 80,193	$ 32,909	$ 4,367	$ 1,514	$ 3,048

(*1) The balance of demand deposits is included in "Within 1 Year." Deposits include balances of current accounts.

(*2) The balances exclude perpetual subordinated debts without maturity, amounting to ¥270,000 million (U.S. $2,206 million) and ¥270,000 million as of March 31, 2022 and 2021, respectively.

(*3) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥16,100 million (U.S. $132 million) and ¥16,100 million as of March 31, 2022 and 2021, 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
	2022	2021	2022
Trading Securities	¥ (33)	¥ (326)	$ (0)

2. Held-to-Maturity Securities with Fair Value

	Millions of Yen		
March 31, 2022	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 117,652	¥ 130,800	¥ 13,148
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	14,400	14,674	274
Other Bonds	51,464	51,586	122
Foreign Bonds	5,488	5,495	7
Others	45,976	46,091	114
Subtotal	183,517	197,061	13,544
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	54,459	54,041	(417)
Foreign Bonds	54,459	54,041	(417)
Others	—	—	—
Subtotal	54,459	54,041	(417)
Total	¥ 237,976	¥ 251,103	¥ 13,127

March 31, 2021	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,030	¥ 133,748	¥ 15,717
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	23,400	23,788	388
Other Bonds	154,267	154,528	261
Foreign Bonds	101,870	102,016	146
Others	52,396	52,511	115
Subtotal	295,697	312,064	16,367
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	32,520	32,518	(1)
Foreign Bonds	32,520	32,518	(1)
Others	—	—	—
Subtotal	32,520	32,518	(1)
Total	¥ 328,217	¥ 344,582	¥ 16,365

March 31, 2022	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	$ 961	$ 1,069	$ 107
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	118	120	2
Other Bonds	421	422	1
Foreign Bonds	45	45	0
Others	376	377	1
Subtotal	1,500	1,610	111
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	$ —	$ —	$ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	445	442	(3)
Foreign Bonds	445	442	(3)
Others	—	—	—
Subtotal	445	442	(3)
Total	$ 1,945	$ 2,052	$ 107

3. Available-for-Sale Securities

March 31, 2022	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,147,241	¥ 448,916	¥ 698,324
Bonds	1,583,022	1,580,317	2,704
Government Bonds	1,091,138	1,090,948	190
Local Government Bonds	3,141	3,126	15
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	488,741	486,243	2,498
Other Securities	599,341	582,649	16,692
Foreign Stocks	3,971	211	3,760
Foreign Bonds	426,787	422,930	3,857
Others	168,582	159,507	9,074
Subtotal	3,329,605	2,611,884	717,720
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 62,069	¥ 74,530	¥ (12,461)
Bonds	1,888,553	1,904,676	(16,123)
Government Bonds	1,630,897	1,645,706	(14,809)
Local Government Bonds	30,777	31,005	(227)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	226,878	227,964	(1,086)
Other Securities	1,937,534	2,206,591	(269,056)
Foreign Stocks	821	1,472	(650)
Foreign Bonds	1,171,810	1,194,570	(22,759)
Others	764,902	1,010,548	(245,646)
Subtotal	3,888,157	4,185,798	(297,640)
Total	¥ 7,217,762	¥ 6,797,682	¥ 420,079

	Millions of Yen		
March 31, 2021	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,372,949	¥ 515,578	¥ 857,371
Bonds	1,789,475	1,785,319	4,156
Government Bonds	1,302,059	1,301,155	904
Local Government Bonds	6,410	6,379	31
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	481,004	477,784	3,220
Other Securities	945,061	921,143	23,917
Foreign Stocks	3,305	191	3,114
Foreign Bonds	751,018	737,897	13,120
Others	190,737	183,055	7,682
Subtotal	4,107,486	3,222,040	885,445
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 48,364	¥ 61,062	¥ (12,698)
Bonds	553,048	556,444	(3,396)
Government Bonds	340,400	343,106	(2,705)
Local Government Bonds	17,276	17,321	(44)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	195,370	196,016	(645)
Other Securities	1,641,761	2,021,443	(379,681)
Foreign Stocks	899	1,340	(440)
Foreign Bonds	822,472	826,123	(3,651)
Others	818,390	1,193,980	(375,589)
Subtotal	2,243,174	2,638,950	(395,776)
Total	¥ 6,350,660	¥ 5,860,991	¥ 489,669

March 31, 2022	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	$ 9,374	$ 3,668	$ 5,706
Bonds	12,935	12,913	22
Government Bonds	8,916	8,914	2
Local Government Bonds	26	26	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	3,994	3,973	20
Other Securities	4,897	4,761	136
Foreign Stocks	32	2	31
Foreign Bonds	3,487	3,456	32
Others	1,378	1,303	74
Subtotal	27,207	21,342	5,865
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	$ 507	$ 609	$ (102)
Bonds	15,432	15,564	(132)
Government Bonds	13,327	13,448	(121)
Local Government Bonds	251	253	(2)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	1,854	1,863	(9)
Other Securities	15,832	18,031	(2,199)
Foreign Stocks	7	12	(5)
Foreign Bonds	9,575	9,761	(186)
Others	6,250	8,257	(2,007)
Subtotal	31,771	34,203	(2,432)
Total	$ 58,978	$ 55,546	$ 3,433

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, 2022 and 2021.

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

Year Ended March 31, 2022	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 142,168	¥ 92,105	¥ 2,388
Bonds	1,005,440	1,397	1,609
Government Bonds	979,797	1,282	1,541
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	25,643	115	67
Other Securities	3,013,050	16,205	159,156
Foreign Stocks	675	19	67
Foreign Bonds	2,595,705	13,353	30,964
Others	416,669	2,831	128,125
Total	¥ 4,160,660	¥ 109,708	¥ 163,154

Year Ended March 31, 2021	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 128,882	¥ 93,608	¥ 544
Bonds	653,415	275	1,593
Government Bonds	644,846	221	1,593
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	8,568	53	—
Other Securities	2,231,003	20,052	162,535
Foreign Stocks	2,003	7	88
Foreign Bonds	1,710,775	14,542	20,794
Others	518,224	5,502	141,652
Total	¥ 3,013,301	¥ 113,936	¥ 164,674

Year Ended March 31, 2022	Millions of U.S. Dollars		
	Amount Sold	Gain	Loss
Stocks	$ 1,162	$ 753	$ 20
Bonds	8,216	11	13
Government Bonds	8,006	10	13
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	210	1	1
Other Securities	24,620	132	1,301
Foreign Stocks	6	0	1
Foreign Bonds	21,210	109	253
Others	3,405	23	1,047
Total	$ 33,998	$ 896	$ 1,333

(Note) The above figures include equity securities with no market prices and investments in partnerships.

6. Securities Reclassified due to the Change of the Holding Purpose

There were no securities reclassified due to the change of the holding purpose during the fiscal years ended March 31, 2022 and 2021.

7. Impairment of Securities

Securities other than equity securities with no market price, etc. and investments in partnerships, etc., or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheet. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses on Stocks recognized during the fiscal years ended March 31, 2022 and 2021, were ¥1,232 million (U.S. $10 million) and ¥139 million, respectively. Impairment losses on Others recognized during the fiscal year ended March 31, 2022 was ¥260 million (U.S. $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 years ended March 31, 2022 and 2021.

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, 2022 and 2021.

3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

	Millions of Yen				
March 31, 2022	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,395	¥ 989	¥ 406	¥ 406	¥ —

	Millions of Yen				
March 31, 2021	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,365	¥ 985	¥ 380	¥ 380	¥ —

	Millions of U.S. Dollars				
March 31, 2022	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	$ 11	$ 8	$ 3	$ 3	$ —

(Note) The amount of "Difference" is net of "Positive Difference" and "Negative Difference."

Valuation Differences on Available-for-Sale Securities

The following table shows components of Valuation Differences on Available-for-Sale Securities in the consolidated balance sheet.

	Millions of Yen		Millions of U.S. Dollars
March 31	2022	2021	2022
Valuation Differences			
Available-for-Sale Securities	¥ 423,182	¥ 492,061	$ 3,458
Other Money Held in Trust	406	380	3
Total Valuation Differences	423,588	492,441	3,461
Amount Equivalent to Deferred Tax Assets (Liabilities)	(130,316)	(149,138)	(1,065)
Total (Before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	293,271	343,303	2,396
Non-Controlling Interests	(244)	(159)	(2)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	(2,872)	1,910	(23)
Valuation Differences on Available-for-Sale Securities	¥ 290,154	¥ 345,053	$ 2,371

(Notes)

1) Foreign currency translation adjustments on equity securities with no market prices, etc. denominated in foreign currencies, are included in the "Available-for-Sale Securities" under "Valuation Differences."

2) The valuation differences of ¥3,086 million (U.S. $25 million) and ¥2,288 million on available-for-sale securities composing assets held by associated companies as of March 31, 2022 and 2021, respectively, are included in "Available-for-Sale Securities" under "Valuation Differences."

Derivatives

1. Derivatives Transactions Not Qualifying for Hedge Accounting

Derivatives transactions not qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts), the fair values, and the valuation differences as of the consolidated balance sheet date are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Interest Futures								
Sold	¥ 17,325,091	¥ 8,676,986	¥ 74,776	¥ 74,776	$ 141,568	$ 70,902	$ 611	$ 611
Purchased	16,430,494	8,676,986	(73,948)	(73,948)	134,258	70,902	(604)	(604)
Interest Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC								
Forward Rate Agreements								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	46,565,435	40,034,339	(274,059)	(274,059)	380,499	327,131	(2,239)	(2,239)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	40,152,154	35,263,350	241,623	241,623	328,094	288,146	1,974	1,974
Floating Interest Rate Receivable/ Floating Interest Rate Payable	33,764,109	13,413,149	(6,670)	(6,670)	275,896	109,602	(55)	(55)
Interest Options								
Sold	9,558,634	9,548,395	(42,455)	(35,522)	78,106	78,023	(347)	(290)
Purchased	7,006,095	6,965,830	33,369	30,634	57,249	56,920	273	250
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (47,364)	¥ (43,167)			$ (387)	$ (353)

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 16,259,100	¥ 8,204,867	¥ (12,132)	¥ (12,132)
Purchased	16,382,636	8,740,344	9,956	9,956
Interest Options				
Sold	760,290	—	(85)	(26)
Purchased	680,474	—	108	29
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	45,212,322	35,442,523	1,042,944	1,042,944
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	37,529,904	30,758,857	(1,072,591)	(1,072,591)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	23,205,620	19,522,140	474	474
Interest Options				
Sold	9,282,788	9,266,363	18,087	27,782
Purchased	6,255,661	6,239,584	(3,461)	(7,879)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (16,697)	¥ (11,442)

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	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	¥ 7,163,682	¥ 6,540,039	¥ 89,974	¥ 89,974	$ 58,536	$ 53,440	$ 735	$ 735
Forward Exchange Contracts								
Sold	15,666,803	1,617,487	(575,926)	(575,926)	128,018	13,217	(4,706)	(4,706)
Purchased	18,844,572	283,636	690,736	690,736	153,984	2,318	5,644	5,644
Currency Options								
Sold	1,412,814	718,432	(75,527)	(7,637)	11,544	5,871	(617)	(62)
Purchased	1,027,966	558,220	66,483	14,041	8,400	4,561	543	115
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 195,739	¥ 211,187			$ 1,599	$ 1,726

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Currency Futures				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options				
Sold	—	—	—	—
Purchased	—	—	—	—
OTC				
Currency Swaps	¥ 7,182,667	¥ 5,771,209	¥ 53,639	¥ 53,639
Forward Exchange Contracts				
Sold	15,330,082	993,767	(297,395)	(297,395)
Purchased	20,910,556	364,335	422,703	422,703
Currency Options				
Sold	1,128,393	676,694	(50,297)	6,515
Purchased	794,918	473,197	39,658	(5,507)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 168,309	¥ 179,956

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	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	¥ 53,183	¥ —	¥ (3,054)	¥ (3,054)	$ 435	$ —	$ (25)	$ (25)
Purchased	45,631	—	1,918	1,918	373	—	16	16
Stock Index Options								
Sold	14,474	—	(130)	29	118	—	(1)	0
Purchased	18,081	—	166	(225)	148	—	1	(2)
OTC								
OTC Stock Options								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
OTC Stock Swaps								
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	—	—	—	—	—	—	—	—
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (1,098)	¥ (1,331)			$ (9)	$ (11)

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Stock Index Futures				
Sold	¥165,306	¥ —	¥ (1,458)	¥ (1,458)
Purchased	123,854	—	1,903	1,903
Stock Index Options				
Sold	67,159	—	(806)	(87)
Purchased	108,307	—	339	(284)
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			¥ (20)	¥ 73

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 1,058,961	¥ —	¥ 18,999	¥ 18,999	$ 8,653	$ —	$ 155	$ 155
Purchased	902,988	—	(12,922)	(12,922)	7,379	—	(106)	(106)
Bond Future Options								
Sold	23,507	—	(159)	(42)	192	—	(1)	(0)
Purchased	26,654	—	339	154	218	—	3	1
OTC								
Bond Forward Contracts								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Bond Options								
Sold	—	—	—	—	—	—	—	—
Purchased	994	994	47	15	8	8	0	0
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 6,303	¥ 6,204			$ 52	$ 51

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 1,710,794	¥ —	¥ 25,127	¥ 25,127
Purchased	1,668,659	—	(23,317)	(23,317)
Bond Future Options				
Sold	711,176	—	(3,295)	75
Purchased	347,961	—	1,072	(198)
OTC				
Bond Forward Contracts				
Sold	¥ 44,260	¥ —	¥ 230	¥ 230
Purchased	55,657	—	(177)	(177)
Bond Options				
Sold	—	—	—	—
Purchased	—	—	—	—
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (359)	¥ 1,738

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	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	¥ 29,000	¥ 18,000	¥ 611	¥ 611	$ 237	$ 147	$ 5	$ 5
Purchased	66,392	55,392	(2,930)	(2,930)	543	453	(24)	(24)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (2,319)	¥ (2,319)			$ (19)	$ (19)

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swaps				
Sold	¥ 40,500	¥ 29,000	¥ 903	¥ 903
Purchased	46,032	34,532	(1,373)	(1,373)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (469)	¥ (469)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

2. Derivatives Transactions Qualifying for Hedge Accounting

Derivatives transactions qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
		2022			2022		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 1,150,748	¥ 1,118,912	¥ (53,298)	$ 9,403	$ 9,143	$ (436)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,779,306	1,351,050	18,674	14,539	11,040	153
Interest Futures							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Interest Options							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Exceptional Treatment for Interest Rate Swaps							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable		—	—		—	—	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		—	—		—	—	
Total				¥ (34,624)			$ (283)

	Major Hedged Item	Millions of Yen 2021 Notional Amount Total	Notional Amount Over One Year	Fair Value
Deferral Method				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 712,507	¥ 652,507	¥ (2,402)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		1,566,967	1,414,632	(34,735)
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				¥ (37,137)

(Note) Deferred hedge accounting stipulated in Guidance No.24 is applied, in principle.

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Major Hedged Item	Millions of Yen 2022 Notional Amount Total	Millions of Yen 2022 Notional Amount Over One Year	Millions of Yen 2022 Fair Value	Millions of U.S. Dollars 2022 Notional Amount Total	Millions of U.S. Dollars 2022 Notional Amount Over One Year	Millions of U.S. Dollars 2022 Fair Value
Deferral Method							
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 2,212,027	¥ 896,828	¥ (135,622)	$ 18,075	$ 7,328	$ (1,108)
Forward Exchange Contracts							
Sold		1,560	—	(3)	13	—	(0)
Purchased		90,437	—	1,259	739	—	10
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments"							
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies						
Sold		¥ 98,890	¥ —	¥ (4,879)	$ 808	$ —	$ (40)
Purchased		—	—	—	—	—	—
Total				¥ (139,245)			$ (1,138)

	Major Hedged Item	Millions of Yen 2021 Notional Amount Total	Millions of Yen 2021 Notional Amount Over One Year	Millions of Yen 2021 Fair Value
Deferral Method				
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	¥ 2,489,799	¥ 1,109,499	¥ (89,194)
Forward Exchange Contracts				
Sold		1,231	—	0
Purchased		83,706	—	2,678
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		¥ 92,950	¥ —	¥ (2,441)
Purchased		—	—	—
Total				¥ (88,957)

(Note) Deferred hedge accounting stipulated in Guidance No.25 is applied, in principle.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021.

Retirement and Pension Plans

1. Outline of the Retirement Benefit Plans Adopted by SuMi TRUST Bank

SuMi TRUST Bank has defined benefit plans (a corporate pension fund plan and a lump-sum retirement benefit plan). Additionally, a lump-sum retirement benefit plan is offered to contract employees according to internal rules. SuMi TRUST Bank also has a defined contribution pension plan and may provide extra retirement payments to retiring employees in some cases. SuMi TRUST Bank sets up employee retirement benefit trusts as part of its pension plan assets.

SuMi TRUST Bank partially revised defined benefit corporate pension plans in April 2021.

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
	2022	2021	2022
Retirement Benefit Obligations (opening balance)	¥ 429,015	¥ 460,872	$ 3,506
Service Cost-Benefits Earned during the Fiscal Year	10,466	12,559	86
Interest Cost on Projected Benefit Obligations	2,301	2,276	19
Actuarial Gains and Losses that Arose during the Fiscal Year	3,534	8,985	29
Retirement Benefits Paid	(18,089)	(17,945)	(148)
Past Service Cost that Arose during the Fiscal Year	—	(37,734)	—
Other (Note)	(5,685)	—	(46)
Retirement Benefit Obligations (closing balance)	¥ 421,543	¥ 429,015	$ 3,445

(Note) "Other" recognized in the current fiscal year was reversal due to the termination of the defined benefit plans for one of the consolidated subsidiaries.

(2) Reconciliation of Plan Assets

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Plan Assets (opening balance)	¥ 648,464	¥ 535,869	$ 5,299
Expected Return on Plan Assets	22,606	24,765	185
Actuarial Gains and Losses that Arose during the Fiscal Year	(52,299)	90,226	(427)
Contributions by the Employer	4,922	13,783	40
Retirement Benefits Paid	(16,019)	(16,180)	(131)
Other (Note)	(5,307)	—	(43)
Plan Assets (closing balance)	¥ 602,366	¥ 648,464	$ 4,922

(Note) "Other" recognized in the current fiscal year was reversal due to the termination of the defined benefit plans for one of the consolidated subsidiaries.

(3) Reconciliation between Closing Balances of Retirement Benefit Obligations and Plan Assets, and Liabilities and Assets for Retirement Benefits Recorded in the Consolidated Balance Sheet

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 410,162	¥ 417,826	$ 3,352
Plan Assets	(602,366)	(648,464)	(4,922)
	(192,204)	(230,637)	(1,571)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	11,380	11,188	93
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (180,823)	¥ (219,449)	$ (1,478)

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Liabilities for Retirement Benefits	¥ 11,380	¥ 11,696	$ 93
Assets for Retirement Benefits	(192,204)	(231,145)	(1,571)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (180,823)	¥ (219,449)	$ (1,478)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Service Cost-Benefits Earned during the Fiscal Year	¥ 10,466	¥ 12,559	$ 86
Interest Cost on Projected Benefit Obligations	2,301	2,276	19
Expected Return on Plan Assets	(22,606)	(24,765)	(185)
Amortization of Actuarial Differences	1,142	12,241	9
Amortization of Past Service Cost (Note)	(65)	(37,632)	(1)
Other	217	292	2
Retirement Benefit Expenses for Defined Benefit Obligations	¥ (8,544)	¥ (35,028)	$ (70)

(Note) ¥37,580 million of amortization of past service cost is recognized as extraordinary income for the fiscal year ended March 31, 2021.

(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
	2022	2021	2022
Past Service Cost	¥ (65)	¥ 101	$ (1)
Actuarial Differences	(54,691)	93,481	(447)
Total	¥ (54,757)	¥ 93,583	$ (447)

(6) Accumulated Remeasurements of Defined Benefit Plans

The breakdown of accumulated remeasurements of defined benefit plans (before tax effect) is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Unrecognized Past Service Cost	¥ (102)	¥ (295)	$ (1)
Unrecognized Actuarial Differences	61,612	6,759	503
Total	¥ 61,509	¥ 6,463	$ 503

(7) Plan Assets

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

	Proportion (%)	
	2022	2021
Debt Securities	25	24
Equity Securities	59	62
Cash and Due from Banks	4	3
Other	12	11
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 55% and 59% of the total plan asset for the fiscal years ended March 31, 2022 and 2021, 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, 2022 and 2021, are as follows:

	2022	2021
Discount Rate	Mainly 0.5%	Mainly 0.5%
Expected Long-Term Rate of Return on Plan Assets	3.5%	4.6%

3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Bank and its consolidated subsidiaries to the defined contribution pension plans were ¥1,890 million (U.S. $15million) and ¥1,784 million for the years ended March 31, 2022 and 2021, respectively.

Income Taxes

1. Breakdown of Major Factors Giving Rise to Deferred Tax Assets and Liabilities

	Millions of Yen		Millions of U.S. Dollars
Year Ended March 31	2022	2021	2022
Deferred Tax Assets:			
Impairment of Securities	¥ 17,976	¥ 18,982	$ 147
Allowance for Loan Losses (Including Direct Write-Offs of Loans with Guarantees or Collateral)	55,080	46,756	450
Deferred Gains (Losses) on Hedges	17,885	18,381	146
Remeasurements of Defined Benefit Plans	18,945	2,196	155
Other	64,273	64,617	525
Subtotal	174,160	150,933	1,423
Valuation Allowance	(13,869)	(16,384)	(113)
Deferred Tax Assets	¥ 160,291	¥ 134,549	$ 1,310
Deferred Tax Liabilities:			
Retirement Benefits	¥ (46,424)	¥ (39,223)	$ (379)
Valuation Differences on Available-for-Sale Securities	(129,915)	(149,206)	(1,062)
Other	(10,849)	(9,818)	(89)
Deferred Tax Liabilities	¥ (187,190)	¥ (198,249)	$ (1,530)
Net Deferred Tax Assets (Liabilities)	¥ (26,898)	¥ (63,699)	$ (220)

2. Breakdown of Major Causes of Significant Differences Arising Between the Statutory Tax Rate and the Effective Tax Rate after Application of Tax Effect Accounting for Companies Submitting the Consolidated Financial Statements

Year Ended March 31	2022	2021
Effective Statutory Tax Rate	30.62%	30.62%
Adjustments:		
Changes in Valuation Allowance	(1.25)	(0.26)
Amortization of Goodwill	0.67	0.78
Share of Profit of Equity-Method Affiliated Companies	(2.07)	(1.55)
Permanent Differences (e.g., Cash Dividends Received)	(0.97)	(1.06)
Others	(1.50)	(1.38)
Effective Income Tax Rate	25.50%	27.15%

Revenue Recognition

1. Information Related to Disaggregation of Revenue from Contracts with Customers for the Current Fiscal Year Ended March 31, 2022

	Millions of Yen										
	SuMi Trust Bank										
Year Ended March 31, 2022	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Subsidiaries	Total	Income other than those disaggregated revenue	Total
Trust Fees	¥ 6,738	¥ 16,960	¥ —	¥ 3,513	¥ 83,326	¥ —	¥ —	¥ —	¥ 110,539	¥ —	¥ 110,539
Fees and Commissions	57,881	1,141	34,688	35,760	16,798	343	—	78,493	225,106	75,530	300,637
Total Income from Contracts with Customers	¥ 64,620	¥ 18,101	¥ 34,688	¥ 39,274	¥ 100,124	¥ 343	¥ —	¥ 78,493	¥ 335,646		

	Millions of U.S. Dollars										
	SuMi Trust Bank										
Year Ended March 31, 2022	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Subsidiaries	Total	Income other than those disaggregated revenue	Total
Trust Fees	$ 55	$ 139	$ —	$ 29	$ 681	$ —	$ —	$ —	$ 903	$ —	$ 903
Fees and Commissions	473	9	283	292	137	3	—	641	1,839	617	2,457
Total Income from Contracts with Customers	$ 528	$ 148	$ 283	$ 321	$ 818	$ 3	$ —	$ 641	$ 2,743		

(Note) "Others" includes elimination of internal transactions.

2. Information Related to Contract Balance

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2022	April 1, 2021	March 31, 2022
Receivables from Contracts with Customers	¥ 67,676	¥ 62,108	$ 553
Contract Liabilities	1,767	1,443	14

The receivables from contracts with customers and contract liabilities are included in "Other Assets" and "Other Liabilities", respectively in the consolidated balance sheets. Contract liabilities retained at the beginning of the current fiscal year are mainly recognized as revenue for the current fiscal year ended March 31, 2022.

The amount of revenue from performance obligation satisfied or partially satisfied in the past year and recognized in the current fiscal year is immaterial.

3. Information Related to Transaction Prices Allocated to Residual Performance Obligations

The amount of revenue expected to be recognized from existing contracts after the fiscal year ended March 31, 2022 is immaterial. Contracts with their initial expected period of less than one year and with revenue recognized in the amount that SuMi TRUST Bank Group is entitled to claim are not included in the notes.

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 periodically receive reporting on the operating results and other relevant information of the reportable segments to make decisions about the allocation of management resources and to assess performance.

The reportable segments of SuMi TRUST Bank Group comprises services of SuMi TRUST Bank on a non-consolidated basis and are presented below:

The main activities of the reportable segment are presented below:

Retail Total Solution Services:
Provision of services to individual customers

Wholesale Financial Services (Wholesale Total Solution Services Business and Wholesale Asset Management Business):
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:
Provision of services related to the pension business and the asset administration business

Global Markets:
Marketing operations, market-making operations, investment operations, and financial management operations

2. Method for Calculating Gross Business Profit and Net Business Profit by Each Reportable Segment

Segment information is prepared based on internal management reports and the accounting policies used for the reportable segments are generally the same as those presented under "Significant Accounting Policies and Practices"; however, the reportable segments are accounted for in accordance with the rules for the internal management.

Additionally, income earned from inter-segment and cross-segment transactions is calculated by applying the criteria (market prices) specified in the rules for internal management.

"Fixed Assets" disclosed in the assets by reportable segments are the total amount of tangible fixed assets and intangible fixed asset. The assets owned by SuMi TRUST Bank are allocated to each segment.

3. Profit or Loss and Fixed Assets by Reportable Segment

	Millions of Yen							
Year Ended March 31, 2022	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Gross Business Profit	¥ 131,317	¥ 150,003	¥ 23,819	¥ 39,274	¥ 59,802	¥ 52,303	¥ 34,141	¥ 490,663
General and Administrative Expenses	(117,612)	(47,178)	(4,059)	(9,924)	(23,715)	(15,704)	(30,377)	(248,572)
Net Business Profit	¥ 13,705	¥ 102,824	¥ 19,759	¥ 29,349	¥ 36,087	¥ 36,599	¥ 3,764	¥ 242,090
Fixed Assets	¥ 71,016	¥ 45,530	¥ 1,976	¥ 9,318	¥ 16,870	¥ 19,165	¥ 98,212	¥ 262,090

	Millions of Yen							
Year Ended March 31, 2021	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Gross Business Profit	¥ 122,773	¥ 148,846	¥ 23,542	¥ 31,199	¥ 54,870	¥ 69,761	¥ 992	¥ 451,985
General and Administrative Expenses	(123,994)	(46,453)	(3,800)	(9,825)	(23,948)	(15,350)	(22,077)	(245,451)
Net Business Profit	¥ (1,221)	¥ 102,392	¥ 19,741	¥ 21,374	¥ 30,921	¥ 54,410	¥ (21,085)	¥ 206,534
Fixed Assets	¥ 67,111	¥ 33,172	¥ 2,157	¥ 8,855	¥ 16,699	¥ 19,618	¥ 97,982	¥ 245,598

Year Ended March 31, 2022	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	$ 1,073	$ 1,226	$ 195	$ 321	$ 489	$ 427	$ 279	$ 4,009
General and Administrative Expenses	(961)	(386)	(33)	(81)	(194)	(128)	(248)	(2,031)
Net Business Profit	$ 112	$ 840	$ 161	$ 240	$ 295	$ 299	$ 31	$ 1,978
Fixed Assets	$ 580	$ 372	$ 16	$ 76	$ 138	$ 157	$ 803	$ 2,142

(Notes)

1) The figures represent "Gross Business Profit" in substitution for net sales to be presented by companies in other industries.

2) The amounts of "Gross Business Profit" include net trust fees, net interest income, net fees and commissions, net trading income, and net other ordinary income and expenses.

3) "General and Administrative Expenses" include personnel expenses and non-personnel expenses.

4) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, and general and administrative expenses of headquarters.

5) "Others" within "Fixed Assets" include corporate assets not allocated to any segment. For fixed assets not allocated to each segment, some of related expenses are allocated to each segment based on a reasonable allocation method.

4. Reconciliation Between Total Amount for Reportable Segments and the Carrying Amounts in the Consolidated Financial Statement

(1) Total Profit or Loss for Reportable Segments and Income before Income Taxes in the Consolidated Statement of Income

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Total Profit or Loss for Reportable Segments (Net Business Profit)	¥ 242,090	¥ 206,534	$ 1,978
Net Business Profit of Consolidated Subsidiaries that are Excluded from the Reportable Segments (Note)	60,566	55,891	495
Other Income	119,392	151,138	976
Other Expenses	(195,012)	(206,275)	(1,593)
Other Adjustments	(25,177)	(34,166)	(206)
Income before Income Taxes	¥ 201,858	¥ 173,121	$ 1,649

(Note) The amounts include elimination of internal transactions.

(2) Total Fixed Assets for Reportable Segments and Fixed Assets in the Consolidated Balance Sheet

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Total Fixed Assets for Reportable Segments	¥ 262,090	¥ 245,598	$ 2,142
Fixed Assets of Consolidated Subsidiaries that are Excluded from the Reportable Segments	67,194	69,336	549
Consolidated Adjustments	2,594	5,892	21
Fixed Assets	¥ 331,879	¥ 320,827	$ 2,712

Related Information

1. Information by Services

Disclosure of information by services is omitted as similar disclosure is included in the "3. Profit or Loss and Fixed Assets by Reportable Segment" in the "Segment Information" section.

2. Geographic Information

(1) Income

Income by geographical area for the fiscal years ended March 31, 2022 and 2021, consists of the following:

	Millions of Yen				
Year Ended March 31, 2022	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,092,463	**¥ 66,702**	**¥ 41,446**	**¥ 49,527**	**¥ 1,250,140**

	Millions of Yen				
Year Ended March 31, 2021	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,144,306	¥ 70,189	¥ 34,235	¥ 44,552	¥ 1,293,283

	Millions of U.S. Dollars				
Year Ended March 31, 2022	Japan	Americas	Europe	Asia and Oceania	Total
	$ 8,927	**$ 545**	**$ 339**	**$ 405**	**$ 10,215**

(Notes)

1) The figures represent Income in substitution for net sales to be presented by companies in other industries.

2) Income related to transactions by SuMi TRUST Bank (excluding overseas branches) and other domestic consolidated subsidiaries are presented under "Japan." Income related to transactions by overseas branches of SuMi TRUST Bank and foreign consolidated subsidiaries are presented under "Americas," "Europe," or "Asia and Oceania" based on the location of each overseas branch and subsidiary, reflecting their geographical proximity.

(2) Tangible Fixed Assets

More than 90% of SuMi TRUST Bank Group's tangible fixed assets on the consolidated balance sheet as of March 31, 2022 and 2021, are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

Due to highly diversified income-generating transactions between SuMi TRUST Bank Group and a significantly large number of SuMi TRUST Bank Group's customers, transactions are not classified by major counterparty; accordingly, information by major customer is not presented.

Information Related to Losses on Impairment of Fixed Assets by Reportable Segment

Losses on impairment of fixed assets recognized during the fiscal year ended March 31, 2022 and 2021 were as follows:

	Millions of Yen							
Year Ended March 31, 2022	Retail Total Solutions Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Losses on Impairment of Fixed Assets	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 1,409	¥ 1,409

	Millions of Yen							
Year Ended March 31, 2021	Retail Total Solutions Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Losses on Impairment of Fixed Assets	¥ 19,976	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 1,436	¥ 21,412

	Millions of U.S. Dollars							
Year Ended March 31, 2022	Retail Total Solutions Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Losses on Impairment of Fixed Assets	$ —	$ —	$ —	$ —	$ —	$ —	$ 12	$ 12

Losses on impairment of fixed assets recognized during the fiscal years ended March 31, 2022, and 2021, were ¥59 million (U.S. $0.5 million) and ¥(626) 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, 2022 and 2021, were 4,399 million (U.S. $35 million) and ¥4,399 million, respectively. Unamortized balance of goodwill as of March 31, 2022 and 2021, were ¥12,478 million (U.S. $102 million) and ¥16,877 million, respectively.

Information Related to Gain on Negative Goodwill by Reportable Segment

There were no gains on negative goodwill by reportable segment during the fiscal years ended March 31, 2022 and 2021.

Related-Party Information

1. Related-Party Transactions

Transactions of the SuMi TRUST Bank with its parent company for the fiscal year ended March 31, 2022 and 2021, are as follows:

Year Ended March 31, 2022

Type	Company Name	Company Location	Capital (Millions of Yen (Millions of U.S. Dollars))	Type of Business	Share of Voting Rights Held (%)	Business Relationship	Transaction Details	Transaction Amounts (Millions of Yen (Millions of U.S. Dollars))	Accounts	Ending Balances (Millions of Yen (Millions of U.S. Dollars))
Parent company	Sumitomo Mitsui Trust Holdings, Inc.	Chiyoda-ku, Tokyo	¥ 261,608 ($2,138)	Bank holding company	Direct 100	Money lending transaction	Borrowing of funds (Note)	¥ 25,000 ($204)	Bonds payable (Note)	¥ 645,000 ($5,270)
							Payment of interest (Note)	¥ 6,641 ($54)	Accrued Expenses	¥ 1,923 ($16)

Year Ended March 31, 2021

Type	Company Name	Company Location	Capital (Millions of Yen)	Type of Business	Share of Voting Rights Held (%)	Business Relationship	Transaction Details	Transaction Amounts (Millions of Yen)	Accounts	Ending Balances (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)	¥ 40,000	Bonds payable (Note)	¥ 620,000
							Repayment of funds (Note)	¥ 70,000		
							Payment of interest (Note)	¥ 7,705	Accrued Expenses	¥ 1,901

Terms and conditions of transactions and policies applied in deciding the terms and conditions

(Note) Loans are all subordinated borrowings with a debt relief clause at the contractual point of non-variability. The interest rates of the loans are determined reasonably based on the market interest rates and other rates.

2. Notes to 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 were no significant affiliated companies to be disclosed for the fiscal year ended March 31, 2022

Per Share of Common Stock Information

	Yen		U.S. Dollars
	2022	2021	2022
Net Assets per Share of Common Stock	¥ 1,385.34	¥ 1,381.78	$ 11.32
Net Income per Share of Common Stock	89.11	74.86	0.73

(Note)

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, 2022	As of March 31, 2021	As of March 31, 2022
Net Assets as Reported	¥ 2,348,510	¥ 2,341,495	$ 19,190
Less:	28,699	27,637	235
Non-Controlling Interests	28,699	27,637	235
Net Assets Attributable to Common Shareholders	2,319,810	2,313,858	18,956
The Number of Shares of Common Stock Outstanding (Thousands of Shares)	1,674,537	1,674,537	1,674,537

(Note) The effect of the application of the Standard for Revenue Recognition etc. and the Standard for Fair Value Measurement etc. on the total amount of net assets and net assets per share is described in "Changes in Accounting Policies."

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, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 149,223	¥ 125,358	$ 1,219
Net Income Not Attributable to Common Shareholders	—	—	—
Net Income Related to Common Stock that is Attributable to Owners of the Parent	149,223	125,358	1,219
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 for the fiscal years ended March 31, 2022 and 2021 is not presented because there were no potential shares.

Significant Subsequent Event

Change in Reportable Segment

SuMi TRUST Group aims to promote and lead a virtuous circle of funds, assets, and capital by various stakeholders through provision of high value-added products and services and investments to create new values. Effective as of April 1, 2022, reorganization of SuMi TRUST Bank, Limited has been implemented.

Reportable segments of SuMi TRUST Bank Group were previously divided into "Retail Total Solution Services," "Wholesale Financial Services (Wholesale Total Solution Services Business and Wholesale Asset Management Business)," "Stock Transfer Agency Services," "Real Estate," "Fiduciary Services," and "Global Markets." As a result of the above, from the consolidated fiscal year ending March 31, 2023, the Group will reclassify them into the following segments: "Retail (former Retail Total Solution Services)," "Wholesale (former Wholesale Total Solution Services Business and former Stock Transfer Agency Services)," "Investor Services (former Wholesale Asset Management Business and former Fiduciary Services)," "Real Estate," and "Global Markets."

Information regarding the amounts of Gross Business Profit, General and Administrative Expenses, and Net Business Profit by reportable segment for the fiscal year ended March 31, 2022, based on the new reportable segment classifications, are as follows:

	Millions of Yen						
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Global Markets	Others	Total
Gross Business Profit	¥ 131,317	¥ 140,620	¥ 93,005	¥ 39,274	¥ 52,303	¥ 34,141	¥ 490,663
General and Administrative Expenses	(117,612)	(41,403)	(33,549)	(9,924)	(15,704)	(30,377)	(248,572)
Net Business Profit	¥ 13,705	¥ 99,216	¥ 59,455	¥ 29,349	¥ 36,599	¥ 3,764	¥ 242,090

	Millions of U.S. Dollars						
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Global Markets	Others	Total
Gross Business Profit	$ 1,073	$ 1,149	$ 760	$ 321	$ 427	$ 279	$ 4,009
General and Administrative Expenses	(961)	(338)	(274)	(81)	(128)	(248)	(2,031)
Net Business Profit	$ 112	$ 811	$ 486	$ 240	$ 299	$ 31	$ 1,978

(Notes)

1) The figures represent "Gross Business Profit" in substitution for net sales to be presented by companies in other industries.

2) The amounts of "Gross Business Profit" include net trust fees, net interest income, net fees and commissions, net trading income, and net other ordinary income and expenses.

3) "General and Administrative Expenses" include personnel expenses and non-personnel expenses.

4) "Others" include costs of capital funding, dividends for shares for strategic shareholdings, and general and administrative expenses of headquarters.

5) Information regarding "Fixed Assets" by reportable segment after the change is currently being calculated.

The information related to disaggregation of revenue from contracts with customers based on the new reportable segment classification in the fiscal year ended March 31, 2022 is currently being calculated.

Financial Data:

Non-Consolidated Balance Sheets

Sumitomo Mitsui Trust Bank, Limited
As of March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets:			
Cash and Due from Banks:	¥ 17,925,030	¥ 18,216,321	$ 146,470
Cash	75,795	73,315	619
Due from Banks	17,849,235	18,143,006	145,851
Call Loans	5,000	8,766	41
Receivables under Resale Agreements	150,741	160,268	1,232
Receivables under Securities Borrowing Transactions	652,534	727,689	5,332
Monetary Claims Bought	123,567	105,830	1,010
Trading Assets:	1,048,258	1,042,356	8,566
Trading Account Securities	5,018	39,520	41
Derivatives of Trading Securities	47	—	0
Derivatives of Securities Related to Trading Transactions	25	29	0
Trading-Related Financial Derivatives	954,675	918,298	7,801
Other Trading Assets	88,492	84,508	723
Money Held in Trust	99	99	1
Securities:	7,951,169	7,090,335	64,971
Government Bonds	2,839,628	1,760,430	23,203
Local Government Bonds	33,919	23,686	277
Corporate Bonds	730,020	699,775	5,965
Stocks	1,516,253	1,717,801	12,390
Other Securities	2,831,348	2,888,640	23,136
Loans and Bills Discounted:	30,916,363	30,691,618	252,626
Bills Discounted	451	763	4
Loans on Bills	190,138	181,012	1,554
Loans on Deeds	28,443,342	28,190,037	232,418
Overdrafts	2,282,430	2,319,805	18,650
Foreign Exchanges:	29,494	25,396	241
Due from Foreign Banks	29,494	25,396	241
Other Assets:	2,922,768	2,488,201	23,883
Domestic Exchange Settlement Account, Debit	1,029	1,177	8
Prepaid Expenses	2,285	2,116	19
Accrued Income	111,101	99,986	908
Initial Margins of Futures Markets	71,040	53,270	580
Variation Margin of Futures Markets	—	2,150	—
Derivatives Other Than for Trading	1,499,100	1,294,048	12,250
Cash Collateral Pledged for Financial Instruments	1,025,240	785,742	8,378
Receivables for Securities Transactions	85,353	143,708	697
Other Assets	127,617	106,000	1,043
Tangible Fixed Assets:	184,334	186,717	1,506
Buildings	62,426	63,319	510
Land	104,329	104,535	853
Lease Assets	3,843	3,675	31
Construction in Progress	110	63	1
Other	13,623	15,123	111
Intangible Fixed Assets:	77,756	58,880	635
Software	74,152	55,278	606
Other	3,603	3,601	29
Prepaid Pension Expenses	252,869	237,191	2,066
Customers' Liabilities for Acceptances and Guarantees	426,405	383,537	3,484
Allowance for Loan Losses	(136,300)	(100,846)	(1,114)
Total Assets	¥ 62,530,092	¥ 61,322,366	$ 510,950

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥122.38 to U.S. $1.00, the exchange rate as of March 31, 2022.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Liabilities:			
Deposits:	¥ 32,898,724	¥ 33,174,292	$ 268,824
Current Deposits	1,639,928	2,006,030	13,400
Ordinary Deposits	7,749,739	7,353,317	63,325
Saving Deposits	1,885	1,828	15
Deposits at Notice	88,529	77,690	723
Time Deposits	22,623,620	22,769,916	184,864
Other Deposits	795,020	965,509	6,496
Negotiable Certificates of Deposit	6,809,644	7,444,194	55,643
Call Money	932,640	180,886	7,621
Payables under Repurchase Agreements	1,485,033	1,628,440	12,135
Trading Liabilities:	906,686	850,660	7,409
Derivatives of Trading Securities	—	8	—
Derivatives of Securities Related to Trading Transactions	617	983	5
Trading-Related Financial Derivatives	906,069	849,668	7,404
Borrowed Money:	7,335,261	5,883,091	59,938
Borrowing from Other Banks	7,335,261	5,883,091	59,938
Foreign Exchanges:	15,362	16,631	126
Due to Foreign Banks	15,082	16,425	123
Foreign Bills Payable	280	206	2
Short-Term Bonds Payable	1,845,782	2,013,793	15,082
Bonds Payable	1,371,604	865,605	11,208
Borrowed Money from Trust Account	4,298,827	4,915,208	35,127
Other Liabilities:	2,066,310	1,806,666	16,884
Domestic Exchange Settlement Account, Credit	841	963	7
Income Taxes Payable	4,981	2,661	41
Accrued Expenses	58,719	55,272	480
Unearned Revenue	34,547	26,629	282
Variation Margin of Futures Markets	7,414	2,111	61
Trading Account Securities Borrowed	662	5,211	5
Derivatives Other Than for Trading	1,570,467	1,338,109	12,833
Cash Collateral Accepted For Financial Instruments	240,455	155,739	1,965
Lease Obligations	5,772	5,526	47
Asset Retirement Obligations	3,127	3,329	26
Payables for Securities Transactions	65,626	144,357	536
Other	73,694	66,753	602
Provision for Bonuses	9,599	9,009	78
Provision for Directors' Bonuses	98	103	1
Provision for Stocks Payment	569	417	5
Provision for Retirement Benefits	940	783	8
Provision for Reimbursement of Deposits	3,626	4,138	30
Provision for Contingent Losses	1,649	1,633	13
Deferred Tax Liabilities	67,628	91,342	553
Deferred Tax Liabilities for Land Revaluation	2,388	2,388	20
Acceptances and Guarantees	426,405	383,537	3,484
Total Liabilities	¥ 60,478,786	¥ 59,272,826	$ 494,188
Net Assets:			
Total Shareholders' Equity:	¥ 1,807,041	¥ 1,752,055	$ 14,766
Capital Stock	342,037	342,037	2,795
Capital Surplus:	343,066	343,066	2,803
Legal Capital Surplus	273,016	273,016	2,231
Other Capital Surplus	70,049	70,049	572
Retained Earnings:	1,121,938	1,066,952	9,168
Legal Retained Earnings	69,020	69,020	564
Other Retained Earnings:	1,052,917	997,931	8,604
Other Voluntary Reserves	371,870	371,870	3,039
Retained Earnings Brought Forward	681,047	626,061	5,565
Total Valuation and Translation Adjustments:	244,263	297,484	1,996
Valuation Difference on Available-for-Sale Securities	291,152	340,796	2,379
Deferred Gains (Losses) on Hedges	(42,431)	(39,295)	(347)
Revaluation Reserve for Land	(4,456)	(4,016)	(36)
Total Net Assets	¥ 2,051,305	¥ 2,049,539	$ 16,762
Total Liabilities and Net Assets	¥ 62,530,092	¥ 61,322,366	$ 510,950

Financial Data:

Non-Consolidated Statements of Income

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Income:			
Trust Fees	¥ 110,539	¥ 102,883	$ 903
Interest Income:	360,361	345,877	2,945
Interest on Loans and Discounts	241,182	251,337	1,971
Interest and Dividends on Securities	106,126	83,278	867
Interest on Call Loans and Bills Bought	423	334	3
Interest on Receivables under Resale Agreements	—	20	—
Interest on Receivables under Securities Borrowing Transactions	—	0	—
Interest on Due from Banks	11,551	9,825	94
Other Interest Income	1,077	1,080	9
Fees and Commissions:	196,351	178,519	1,604
Fees and Commissions on Domestic and Foreign Exchanges	1,345	1,630	11
Other Fees and Commissions	195,005	176,888	1,593
Trading Income:	13,453	76	110
Gains on Trading Account Securities Transactions	268	—	2
Income from Securities and Derivatives Related to Trading Transactions	812	—	7
Income from Trading-Related Financial Derivatives Transactions	12,315	—	101
Other Trading Income	57	76	0
Other Ordinary Income:	56,215	116,709	459
Gain on Foreign Exchange Transactions	22,227	79,158	182
Gains on Sales of Bonds	14,751	14,822	121
Gains on Redemption of Bonds	5	10	0
Gains on Derivatives Other Than for Trading-Assets	19,091	22,407	156
Other	139	311	1
Other Income:	102,866	139,243	841
Recoveries of Written-Off Claims	1,052	398	9
Gains on Sales of Stocks and Other Securities	95,015	98,279	776
Other	6,797	40,565	56
Total Income	¥ 839,787	¥ 883,310	$ 6,862

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Expenses:			
Interest Expenses:	¥ 104,274	¥ 133,693	$ 852
Interest on Deposits	28,750	43,624	235
Interest on Negotiable Certificates of Deposit	6,787	14,198	55
Interest on Call Money and Bills Sold	839	858	7
Interest on Payables under Repurchase Agreements	1,665	3,576	14
Interest on Borrowings and Rediscounts	9,282	12,468	76
Interest on Short-Term Bonds	2,992	5,472	24
Interest on Bonds	9,836	5,397	80
Interest on Interest Swaps	22,439	27,525	183
Other Interest Expenses	21,681	20,572	177
Fees and Commissions Payments:	106,900	99,698	874
Fees and Commissions on Domestic and Foreign Exchanges	779	740	6
Other Fees and Commissions	106,120	98,958	867
Trading Expenses:	—	33,300	—
Expenses on Trading Securities and Derivatives	—	391	—
Expenses on Securities and Derivatives Related to Trading Transactions	—	2,097	—
Expenses on Trading-Related Financial Derivatives Transactions	—	30,812	—
Other Ordinary Expenses:	35,082	25,388	287
Loss on Sale of Bonds	32,574	22,678	266
Other Ordinary Expenses	2,508	2,709	20
General and Administrative Expenses	250,023	257,905	2,043
Other Expenses:	194,377	203,658	1,588
Provision of Allowance for Loan Losses	39,600	3,168	324
Written-Off Loans	3,803	2,465	31
Losses on Sales of Stocks and Other Securities	130,568	141,995	1,067
Losses on Devaluation of Stocks and Other Securities	1,811	486	15
Impairment Loss	1,409	21,412	12
Other	17,184	34,129	140
Total Expenses	¥ 690,659	¥ 753,645	$ 5,644
Income before Income Taxes	¥ 149,127	¥ 129,664	$ 1,219
Income Taxes:	35,784	33,723	292
Current	34,729	29,985	284
Deferred	1,054	3,738	9
Net Income	¥ 113,343	¥ 95,941	$ 926

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 67.68	¥ 57.29	$ 0.55

Non-Consolidated Statements of Changes in Net Assets

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2022 and 2021

From April 1, 2021 to March 31, 2022

	Millions of Yen							
	Shareholders' Equity							
		Capital Surplus			Retained Earnings			
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 273,016	¥ 70,049	¥ 343,066	¥ 69,020	¥ 997,931	¥ 1,066,952	¥ 1,752,055
Cumulative Effects of Changes in Accounting Policies						(8,945)	(8,945)	(8,945)
Restated Balance	342,037	273,016	70,049	343,066	69,020	988,985	1,058,006	1,743,109
Changes during the Year								
Cash Dividends						(49,850)	(49,850)	(49,850)
Net Income						113,343	113,343	113,343
Reversal of Revaluation Reserve for Land						439	439	439
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year	—	—	—	—	—	63,932	63,932	63,932
Balance at the End of the Year	¥ 342,037	¥ 273,016	¥ 70,049	¥ 343,066	¥ 69,020	¥ 1,052,917	¥ 1,121,938	¥ 1,807,041

	Millions of Yen				
	Valuation and Translation Adjustments				
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	Total Net Assets
Balance at the Beginning of the Year	¥ 340,796	¥ (39,295)	¥ (4,016)	¥ 297,484	¥ 2,049,539
Cumulative Effects of Changes in Accounting Policies					(8,945)
Restated Balance	340,796	(39,295)	(4,016)	297,484	2,040,593
Changes during the Year					
Cash Dividends					(49,850)
Net Income					113,343
Reversal of Revaluation Reserve for Land					439
Net Changes of Items Other Than Shareholders' Equity	(49,644)	(3,136)	(439)	(53,220)	(53,220)
Total Changes during the Year	(49,644)	(3,136)	(439)	(53,220)	10,711
Balance at the End of the Year	¥ 291,152	¥ (42,431)	¥ (4,456)	¥ 244,263	¥ 2,051,305

From April 1, 2020 to March 31, 2021

	Millions of Yen							
	Shareholders' Equity							
		Capital Surplus			Retained Earnings			
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 273,016	¥ 70,049	¥ 343,066	¥ 69,020	¥ 951,742	¥ 1,020,763	¥ 1,705,866
Changes during the Year								
Cash Dividends						(49,867)	(49,867)	(49,867)
Net Income						95,941	95,941	95,941
Reversal of Revaluation Reserve for Land						115	115	115
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year	—	—	—	—	—	46,188	46,188	46,188
Balance at the End of the Year	¥ 342,037	¥ 273,016	¥ 70,049	¥ 343,066	¥ 69,020	¥ 997,931	¥ 1,066,952	¥ 1,752,055

	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	¥ 363,461	¥ (48,002)	¥ (3,901)	¥ 311,558	¥ 2,017,424
Changes during the Year					
Cash Dividends					(49,867)
Net Income					95,941
Reversal of Revaluation Reserve for Land					115
Net Changes of Items Other Than Shareholders' Equity	(22,665)	8,707	(115)	(14,073)	(14,073)
Total Changes during the Year	(22,665)	8,707	(115)	(14,073)	32,115
Balance at the End of the Year	¥ 340,796	¥ (39,295)	¥ (4,016)	¥ 297,484	¥ 2,049,539

From April 1, 2021 to March 31, 2022

	Millions of U.S. Dollars							
	Shareholders' Equity							
		Capital Surplus			Retained Earnings			
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	$ 2,795	$ 2,231	$ 572	$ 2,803	$ 564	$ 8,154	$ 8,718	$ 14,317
Cumulative Effects of Changes in Accounting Policies						(73)	(73)	(73)
Restated Balance	2,795	2,231	572	2,803	564	8,081	8,645	14,243
Changes during the Year								
Cash Dividends						(407)	(407)	(407)
Net Income						926	926	926
Reversal of Revaluation Reserve for Land						4	4	4
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year	—	—	—	—	—	522	522	522
Balance at the End of the Year	$ 2,795	$ 2,231	$ 572	$ 2,803	$ 564	$ 8,604	$ 9,168	$ 14,766

	Millions of U.S. Dollars				
	Valuation and Translation Adjustments				
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	Total Net Assets
Balance at the Beginning of the Year	$ 2,785	$ (321)	$ (33)	$ 2,431	$ 16,747
Cumulative Effects of Changes in Accounting Policies					(73)
Restated Balance	2,785	(321)	(33)	2,431	16,674
Changes during the Year					
Cash Dividends					(407)
Net Income					926
Reversal of Revaluation Reserve for Land					4
Net Changes of Items Other Than Shareholders' Equity	(406)	(26)	(4)	(435)	(435)
Total Changes during the Year	(406)	(26)	(4)	(435)	88
Balance at the End of the Year	$ 2,379	$ (347)	$ (36)	$ 1,996	$ 16,762

Financial Data:

Statements of Trust Account

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
Fiscal year ended March 31, 2022 and 2021

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets:			
Loans and Bills Discounted (Note 2)	¥ 2,131,254	¥ 1,804,393	$ 17,415
Securities (Note 3)	859,127	857,610	7,020
Beneficiary Rights	182,799,711	180,845,290	1,493,706
Securities Held in Custody Accounts	22,534	22,579	184
Monetary Claims	25,361,961	22,805,910	207,239
Tangible Fixed Assets	21,118,391	19,183,820	172,564
Intangible Fixed Assets	200,412	192,521	1,638
Other Claims	10,789,374	8,661,666	88,163
Loans to Banking Account	4,298,827	4,915,208	35,127
Cash and Due from Banks	633,823	557,590	5,179
Total Assets	¥ 248,215,419	¥ 239,846,590	$ 2,028,235
Liabilities:			
Money Trusts (Note 4)	¥ 36,216,311	¥ 34,196,939	$ 295,933
Pension Trusts	14,525,120	13,107,254	118,689
Property Formation Benefit Trusts	18,820	18,954	154
Securities Investment Trusts	80,405,840	81,009,958	657,018
Money in Trust Other Than Money Trusts	39,748,080	38,906,807	324,792
Securities in Trust	22,159,577	22,175,725	181,072
Money Claims in Trust	25,588,821	22,893,231	209,093
Real Estate in Trust	876	875	7
Composite Trusts	29,551,969	27,536,844	241,477
Total Liabilities	¥ 248,215,419	¥ 239,846,590	$ 2,028,235

See Notes to Statements of Trust Account.

Notes to Statements of Trust Account

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SuMi TRUST Bank. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of SuMi TRUST Bank do not reflect SuMi TRUST Bank's records as to the assets accepted in trust, which are maintained separately under the trust account.

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by SuMi TRUST Bank, and such guaranteed principal as of March 31, 2022 and 2021, were ¥4,052,452 million (U.S. $33,114 million) and ¥4,634,580 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 ¥122.38 to U.S. $1, the approximate rate of exchange as of March 31, 2022. 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, 2022 and 2021, are for trust accounts in SuMi TRUST Bank.

2. Loans and Bills Discounted

Loans as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Loans on Deeds	¥ 1,685,034	¥ 1,428,073	$ 13,769
Loans on Bills	446,220	376,320	3,646
Total	¥ 2,131,254	¥ 1,804,393	$ 17,415

The balances of guaranteed trust account loans as of March 31, 2022 and 2021, stood at ¥13,316 million (U.S. $109 million) and ¥15,959 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, 2022 and 2021, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Doubtful Loans	¥ 752	¥ 134	$ 6
Restructured Loans	13	30	0
Total	¥ 765	¥ 164	$ 6

3. Securities

Securities held as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Government Bonds	¥ 401,621	¥ 457,214	$ 3,282
Local Government Bonds	30	30	0
Corporate Bonds	40,758	66,718	333
Stocks	6,444	7,910	53
Other Securities	410,272	325,736	3,352
Total	¥ 859,127	¥ 857,610	$ 7,020

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
	2022	2021	2022
Assets:			
Loans and Bills Discounted	¥ 13,316	¥ 15,959	$ 109
Other	4,039,461	4,618,947	33,008
Total	¥ 4,052,778	¥ 4,634,907	$ 33,116
Liabilities:			
Principal	¥ 4,052,452	¥ 4,634,580	$ 33,114
Allowance for Impairment of Guaranteed Trust Principal	12	19	0
Other	313	307	3
Total	¥ 4,052,778	¥ 4,634,907	$ 33,116

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 2022.

[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 Trust 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 (3) below), and integrates it to function organically within the SuMi TRUST Group.

(2) Risk Management System

1) 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]

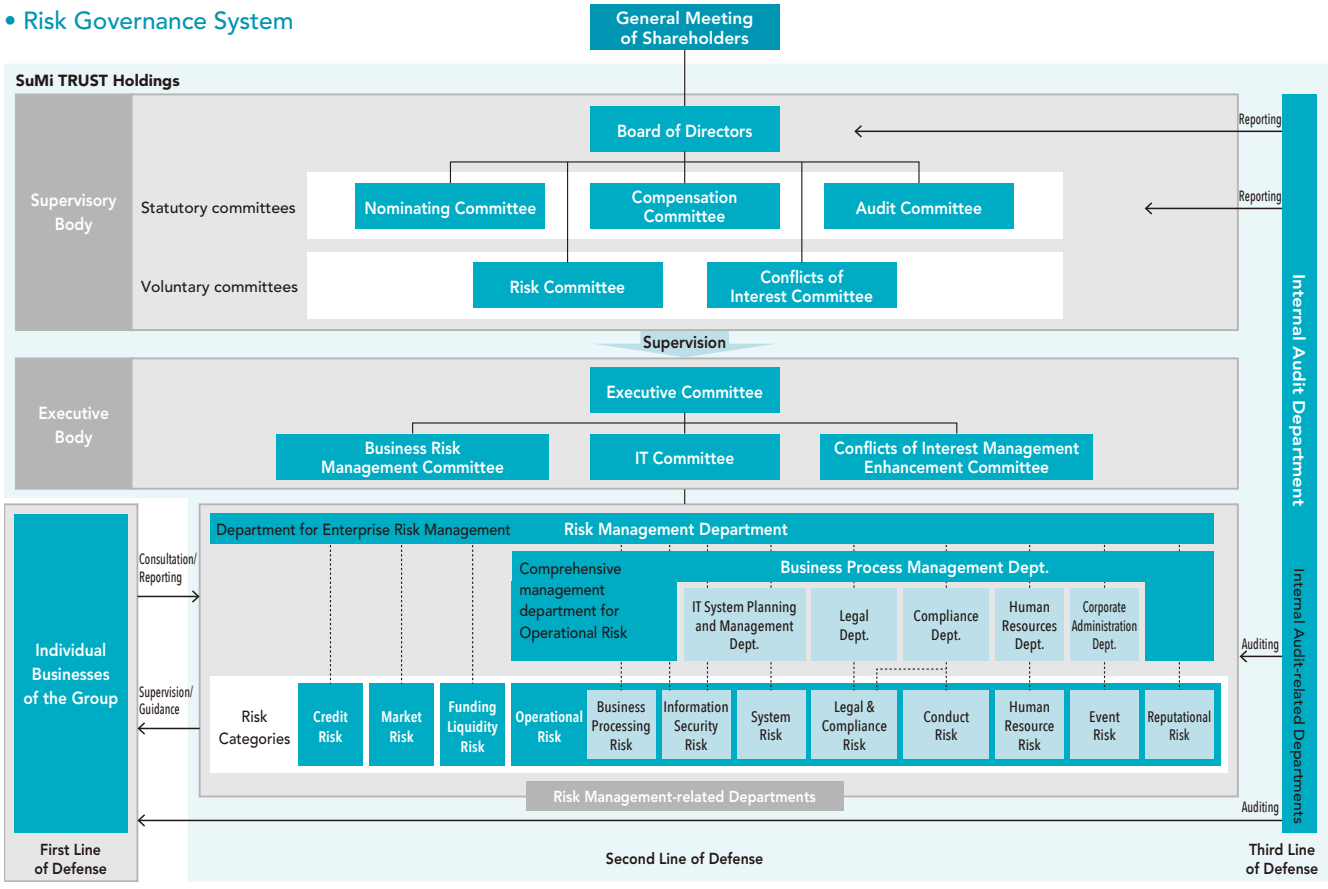
Each Group business identifies and gains an understanding of the risk characteristics involved in carrying out its own business, based on knowledge of the services and products in that business.

Each business takes risks within the scope of its risk appetite (the type and amount of risk to be taken to achieve the goals set in the management plan) in accordance with its risk-taking policy, evaluates risks, and swiftly implements risk control at the on-site level when risks materialize. In addition, the status of risk management is reported to the second line of defense in a timely manner.

[Second Line of Defense]

The Risk Management Department and risk management-related departments act as control departments responsible for the management of each risk category. In accordance with

• Risk Governance System



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

The Risk Management Department, as an Enterprise Risk Management Department, 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. Furthermore, it shares information with risk management-related departments appropriately, monitors the overall status of risks and risk management in an integrated manner, and reports the status to the Executive Committee and the Board of Directors.

[Third Line of Defense]

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

[Executive Committee]

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

* Executive officers defined by the Companies Act.

[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.

2) 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" (risks that require management attention due to their potential to have a material impact on the Group's business capabilities and earnings targets within one year) or "emerging risks" (risks that could have a material impact in the medium to long term; i.e., after one year).

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]

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

and submitted to the Board of Directors, the Executive Committee, and other bodies regularly or as needed*2.

*1 Key Risk Indicator
*2 The information on risks is reported to the Executive Committee and the Board of Directors on a monthly or quarterly basis according to its content. The information on risks to be reported is created by using internal databases, and risk measurement systems, etc. The 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 Group's business model and risk characteristics, and these management indicators are monitored. Regarding risks resulting from external factors, the top risks and emerging risks are selected, and risk predictors are monitored. Countermeasures are implemented based on the monitoring results for both types of risks.

The top risks and emerging risks at present include "Risks related to the global COVID-19 pandemic", "Risks related to climate changes", and other risks. The results of risk analysis and necessary countermeasures are reported to the Board of Directors and the Executive Committee.

■ Main top risks and emerging risks

Risks related to the global COVID-19 pandemic
Risks related to falling prices for strategic shareholdings and similar assets
Risk related to concentration of credit in major obligors in the credit portfolio
Risks related to cyber attacks
Risks related to climate change
Risks related to the emergence of geopolitical events (e.g., Ukraine crisis)
Risks related to innovation
Risks related to Japan's declining birthrate and aging population

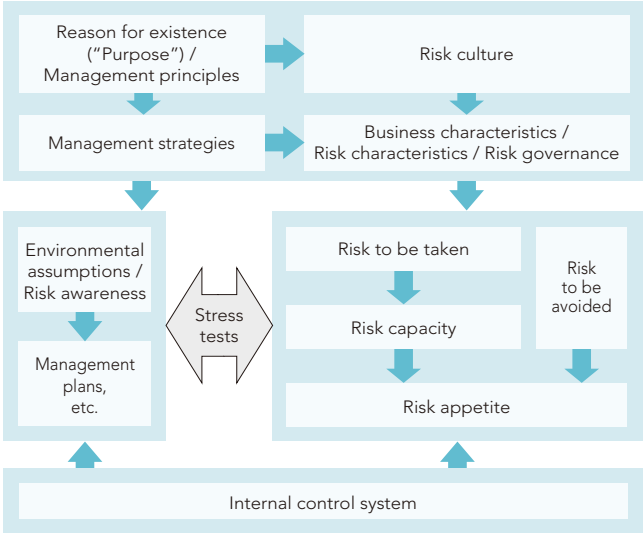
(3) Risk Appetite

1) 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 reason for existence (Purpose) and management principles (Mission) of the Group, and internal control system for supporting them.

The main aim of the Group's RAF is to both improve profitability and enhance risk management. The Group establishes communication processes through the setting, propagation, and oversight of risk appetite and promotes the improvement of transparency in the decision-making process regarding all kinds of risk-taking policies, including capital allocation and profitability maximization. In addition, the Group promotes the optimization and speed-up of management resources allocation and the strengthening of the monitoring system, by using RAF as the universal language of the Group.

• Outline of the Risk Appetite Framework



The SuMi TRUST Group formulated the Risk Appetite Statement (RAS), which clearly describes the entire framework of RAF and the details of risk appetite, etc. By thoroughly informing RAS among the staff of the Group, the Group encourages lively discussion on risk appetite and promotes the fostering and spread of sound risk culture. In addition, we have established indicators for risk appetite from the perspectives of return, risk, and cost, and continuously monitor and verify whether we are taking appropriate risks based on our business model. The results of monitoring are reported to the Board of Directors and the Executive Committee every six months.

2) Fostering and Instilling a 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 clarifies its risk-taking policies by line of business with the aim of building a sustainable business model through adequate risk-taking by all directors, officers and 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.

(4) Risk Characteristics

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 Group's business consist of (1) Retail, Corporate, and Investor Services Business classified as Clients businesses ;(2) Real Estate, Global Markets Business classified as Specialized businesses ;(3) Private Banking (PB) and Asset Formation Advisory (Work place) classified as Cross-Client base businesses, 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. In this context, 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.

• Businesses and Main Risk Characteristics of the Group

Risk Category \ Individual Businesses	Retail	Corporate	Investor Services	Real Estate	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 may adversely affect the Group, clients, markets, financial infrastructure, society, or the work environment due to inadequate or failed business processes, the activities of executives 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.
Conduct Risk	Risk that may adversely affect the Group, clients, markets, financial infrastructure, society, or the work environment due to the actions of Group companies, executives, or employees that are unprofessional or do not meet the expectations and trust of stakeholders*. * Appropriate service level set by the Group based on an understanding of reasonable expectations
Human Resource Risk	Risk that the Group may incur losses due to personnel and labor management issues, such as unequal or unfair management of personnel, and harassment.
Event Risk	Risk that the Group may incur losses due to external events that impair business, such as natural disasters, crimes such as terrorism, damage to public infrastructure that prevents its functioning, and the spread of infectious diseases, or due to the inappropriate use or management of tangible assets.
Reputational Risk	Risk that the Group may incur losses as a result of a deterioration of the reputation of SuMi TRUST Holdings or its subsidiaries, due to reasons such as mass media reports, rumors, or speculation.

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.

(5) 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 i.e. capital adequacy (enterprise risk management).

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

Among the risks we manage through our enterprise risk management, we 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 i.e. capital adequacy, thereby managing risks (integrated risk management).

- Overview of Risk Measurement Approaches in Integrated Risk Management

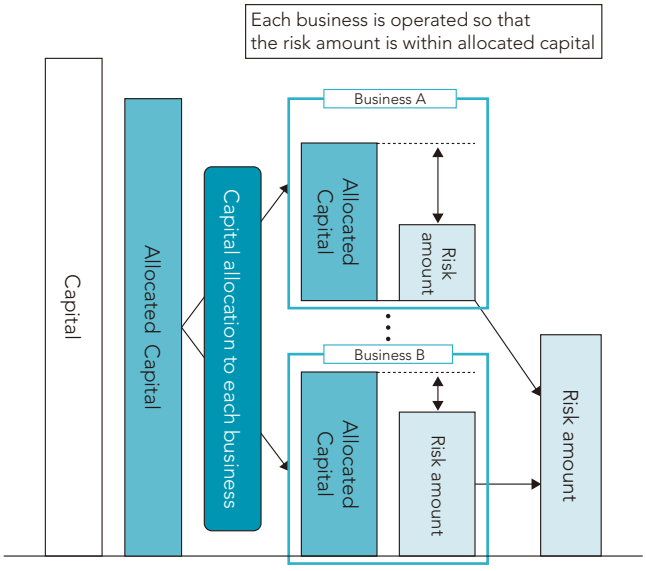
Risk category	Main scope	Main measurement approaches
Credit risk	Assets such as loans and bills discounted (including off-balance transactions)	Monte Carlo Simulation Method
Market risk	Risks related to trading accounts, banking accounts' interest rates, foreign exchange, stocks, commodities, and credit 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.

(6) 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.

In this context, as part of the Group's efforts to advance its risk management, we have been applying Advanced Measurement Approach to operational risks since the end of March 2014 and Advanced Internal Ratings-Based (AIRB) Approach to credit risks since the end of March 2015, both in compliance with the capital regulatory standards. In addition, liquidity coverage ratio was added to the first pillar at the end of March 2015 as part of the liquidity regulations, followed by leverage ratio at the end of March 2019 and net stable funding ratio at the end of September 2021 as part of the liquidity regulations. The Group complies with these regulations.

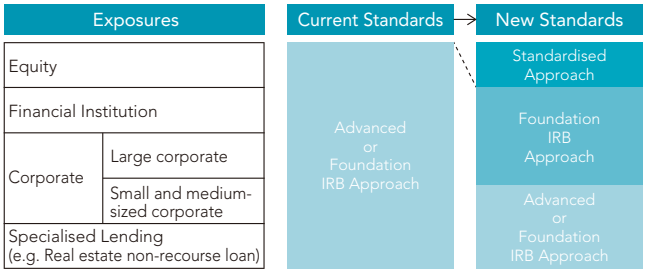
Moreover, in December 2015, the SuMi TRUST Group was designated as one of Domestic Systemically Important Banks (D-SIBs), which is the "domestic version" of Global Systemically Important Banks (G-SIBs) specified by the Financial Stability Board (FSB), and is subject to the 0.5% surcharge defined under 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.

Financial institutions subject to international standards in Japan will be required to introduce the finalized Basel III framework in 2024*. In April 2022, the Notification of Financial Services Agency that defines regulatory standards in Japan was announced. The Group will therefore continue to improve its risk management structure in preparation for the introduction of the new regulations by establishing a risk-asset calculation system compliant with the new regulatory requirements and by considering a portfolio management methodology based on appropriate profitability control, among other measures.

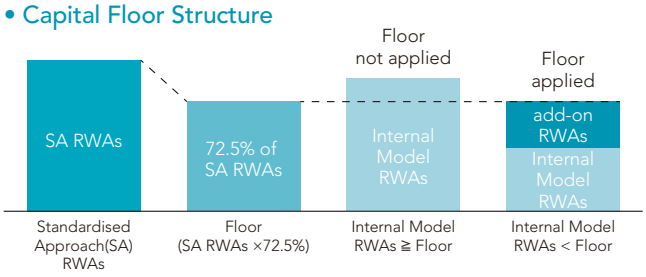
* The adoption of the framework was previously scheduled to begin at the end of March 2023, but has been postponed by one year in light of international situations and other factors.

• Regulatory Reform of Risk-weighted Assets Measurement Approach for Credit Risk



- Standardised Approach: Supervisory risk weight according to external credit ratings
- Foundation IRB Approach: Risk weight calculated based on banks' own estimates of probability of default (PD)
- Advanced IRB Approach: Risk weight calculated based on banks' own estimates of probability of default (PD) and loss given default (LGD)

• Capital Floor Structure



- In the case where 72.5%* of SA RWAs (Floor) is larger than internal model RWAs, Add-on RWAs are charged.

* Capital Floor will be subject to a five-year linear phase-in arrangement from the date of implementation of new standards. The applicable multiplier will start at 50% and increase by 5% at the end of each year until the end of Year 5, and it will eventually reach 72.5%.

As for the third pillar, from the end of March 2018, the adoption of common disclosure templates for internationally active banks, and the enhancement of disclosure items

have been implemented to offer necessary information that is sufficiently comparable to all market participants. After the introduction of the new regulations described above, the contents of our disclosures will be further enhanced.

(7) 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 natural disasters such as large earthquakes and large-scale wind and flood disasters, 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 cyber security measures at the initiative of management to respond to cyberattacks, 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, and implementing countermeasures concerning cyberattacks, and works on 24/7 monitoring, implementation of technical measures against cyberattacks, and collaboration with external specialized agencies. At the same time, we are endeavoring to strengthen cyber resilience through the preparation and improvement of manuals and other materials for use in both normal times and emergencies, and periodic training and drills.

To address risks related to business continuity amid the COVID-19 pandemic, we established an emergency task force and set our basic stance of "ensuring the health and safety of our employees and their families," "maintaining business continuity as a key piece of social infrastructure," and "preventing the spread of infection in population (including activities that make the population less vulnerable). In accordance to our stance, we have flexibly implemented measures while taking into account the COVID-19 infection situation in Japan and overseas, government requests, client trends, etc. In addition, we have implemented various business continuity measures as stipulated in our BCP and actively utilize teleworking in order to balance the maintenance of services with safety considerations.

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

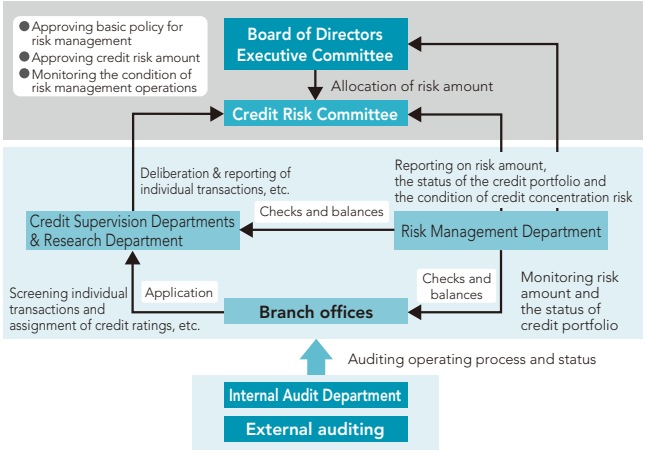
In addition to supervising credit risk management of the entire Group, Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") also works to maintain and establish the systems at each of the Group companies. Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank"), which is the SuMi TRUST Group's 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.

• Tables of Credit Rating, Asset Assessment and Disclosed Non-performing Loans

Credit rating		Asset assessment				Classification of non-performing loans based on the Financial Revitalization Act	Classification of risk management loan
Rating Rank*	Definition	Obligor category	Definition	Asset Classification	Definition		
1	Highest credibility of payment of principal and interest	Sound Obligor	Obligor that is operationally and financially sound	Class I (unclassified)	Assets with no risk of collection or no risk of impairment of the asset value	Normal Claims	Normal Claims
2	Very high credibility of payment of principal and interest						
3	High credibility of payment of principal and interest, but prone to be affected by the worsening business environment, etc.						
4	Perceived credibility of payment of principal and interest, but with declining potential						
5	No problem for credibility of payment of principal and interest at present but with potentiality of declining by deterioration of business environment, etc.						
6	Capable for principal and interest payment, but with potentiality of losing the ability if the business environment is deteriorated, etc.						
7	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.	Sub-Performing Obligor	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	Class II	Assets with higher-than-acceptable level of risk of collection	Claims against Sub-Performing Obligors with Delinquent/ Restructured Debt	Claims against Sub-Performing Obligors with Delinquent/ Restructured Debt
8	Obligor categorized as "Sub-Performing Obligor" in asset assessment and careful attention is required because of its extremely deteriorated financial condition, etc.	Sub-Performing Obligor with Delinquent / Restructured debt	Obligor with debt past due three or more months and / or restructured debt			Substandard Claims	Restructured Loans Loans Past Due Three Months or More
9	Obligor categorized as "Possibly Insolvent Obligor" in asset assessment	Possibly Insolvent Obligor	Obligor with high probability of bankruptcy in the future due to significantly weak business conditions and unfavorable progress of business restructuring plan	Class III	Assets with high potential of impairment or loss, whose rational estimate of loss amount is difficult	Doubtful Claims	Doubtful Claims
10	Obligor categorized as either "Substantially Insolvent Obligor" or "Bankrupt / Insolvent Obligor" in asset assessment or bankruptcy is occurred	Substantially Insolvent Obligor	Obligor, not legally or formally bankrupt, but virtually bankrupt	Class IV	Assets regarded uncollectible or worthless	Bankrupt and substantially bankrupt Claims	Bankrupt and substantially bankrupt Claims
		Bankrupt / Insolvent Obligor	Obligor entering corporate reorganization, liquidation or other statutory procedures				

* As for obligor ratings and structured ratings, we subdivide them further as necessary (e.g. 5+, 5, 5-, etc.).

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 137 "(5) Allowance for Loan Losses" of "4. Significant Accounting Policies."

E. Disclosure of Non-performing Loans

Non-performing loans to be disclosed include the risk management loans based on the Banking Act, and non-performing loans based on the Financial Revitalization Act.

As seen in the "Tables of Credit Rating, Asset Assessment and Disclosed Non-performing Loans" above, they are aggregated according to the obligor categorizations through asset assessment.

Most of the overdue loans with a delinquency period of three months or more are classified as "Doubtful Claims" or lower based on the Financial Revitalization Act. However, loans that are delinquent for up to roughly six months are not necessarily classified as "Doubtful Claims" or lower if there is little concern that the delinquency period will lengthen.

2) Credit Concentration Risk Management

Based on our belief that grasping the exposure of each client is the basis of credit risk management, we uniformly manage the transactions such as loans, investments and off-balance transactions, and monitor the status of observance of credit limit set against each of the segments (specific corporate groups, industries, countries of the location, etc.). We also regularly examine the impact of the materializing risks to major clients and industry diversification.

Based on our various client management systems, we micro-manage the credit conditions, credit balance, trading conditions, etc., of each clients.

3) Credit Risk Quantification

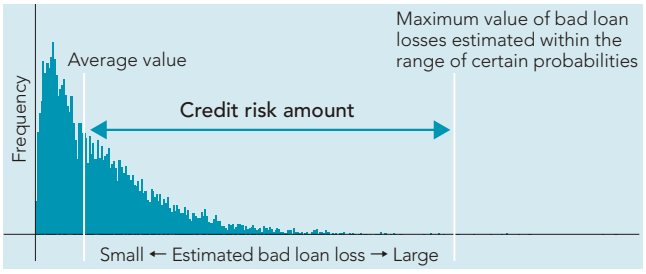
With our credit risk quantification, we quantitatively grasp the potentiality of banks' assets being affected by losses by loan losses over the coming year, and based on the estimation values such as probability of default (PD) and loss given default (LGD) per rating, measure the difference between maximum loan losses (maximum possible amount of loss within the scope of given probabilities) and expected loan losses (the mean value of losses) as credit risk amount.

At SuMi TRUST Bank, we employ the "Monte Carlo Simulation Method" to depict the distribution of loss amount: we run numerous potential scenarios (100,000 cases) as our risk measurement method to estimate the maximum loss via loss severity distribution (please refer to "Credit Risk Amount" below).

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.

• Credit Risk Amount



(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.

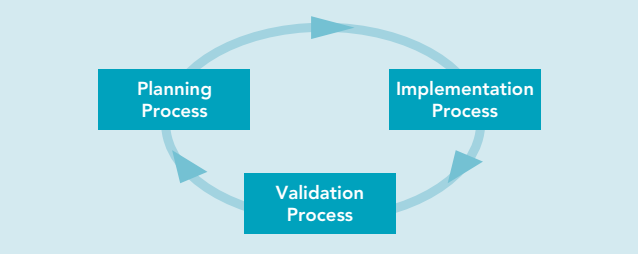
The credit rating system is broadly classified into the Japanese rating system (Japanese credit rating) and the Non-Japanese rating system (Non-Japanese credit rating), and each system comprises obligor ratings that reflect the PD of ordinary corporations; structured ratings that show the potentiality 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 subject to AIRB • Assets which are not subject to AIRB or FIRB

* Corporates not subject to specialised lending are limited to those to which a domestic credit rating is assigned.
Out of specialised lending, AIRB applies to real estate non-recourse loans (excluding those with high volatility), project finance, and object finance for ships and aircrafts.
Loans include acceptances & guarantees and commitment lines, etc. Also, those concerning subordinated debt, derivatives transactions, repo transactions and call loans are excluded.

B. Exclusion of the Application of the Internal Ratings-based Approach

In the 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 2022, 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."

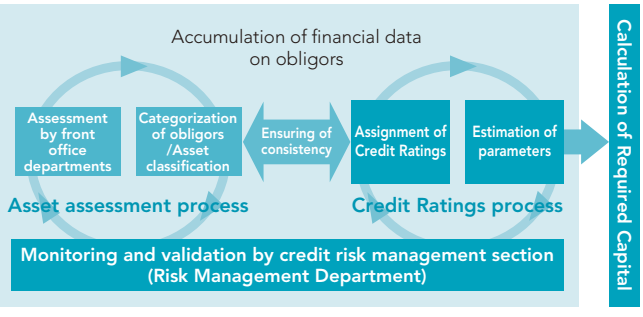
[Second Step] Estimation of Parameters

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 232.

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 234.

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 234

• 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	—	30%	31%	Supervisory Formula	Obligor Ratings, Facility Ratings
		Specialised Lending	Real estate non-recourse loans (excluding those with high volatility), project finance, and object finance for ships and aircraft	5%	5%	Supervisory Formula	Structured Ratings, Facility Ratings
			Real estate non-recourse loans (with high volatility) and other loans not stated above	0%	0%	Supervisory Slotting Criteria Approach	
		Sovereign Exposures	—	36%	36%	Supervisory Formula	Obligor Ratings, Facility Ratings
		Financial Institution Exposures	—	1%	1%	Supervisory Formula	Obligor Ratings, Facility Ratings
	Retail Exposures		Residential mortgage exposures	17%	17%	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		—	2%	2%	Look-through Approach	Obligor ratings, etc.
	Purchased Receivables		Regulatory formula for underlying assets	1%	1%	Supervisory Formula	Obligor Ratings, Facility Ratings
			Slotting criteria approach for underlying assets	0%	0%	Supervisory Slotting Criteria Approach	Structured Ratings
			Cases where classification is not possible due to multiple underlying assets	0%	0%	Top-down Approach	Credit Pools
	Others		Other assets, etc.	1%	1%	Designated risk weight is applied	—
Standardised Approach	Phased rollout/exclusion of IRB Approach		—	2%	2%	Designated risk weight is applied	—

[Applicable Credit Risk-weighted Assets Calculation Method]

Supervisory Formula	A method of calculating by using a predetermined function formula (risk weight function formula)
Supervisory Slotting Criteria Approach	A method of associating internal ratings with five predetermined ranks and calculating using a designated risk weight
Simple Risk-weight Method	A method of calculating by using a designated risk weight
Look-through Approach	A method of applying the calculation method according to the underlying assets
Top-down Approach	A method of calculating purchased assets as one aggregate using a predetermined function formula (risk weight function formula)

*1 Corporate exposures, etc., include lease transactions. In addition, corporate exposures, etc. include the exposures for small and mid-sized entities (SME).

*2 The proportion of EAD for each asset class in total EAD (*) on the 1) consolidated basis of SuMi TRUST Holdings and 2) consolidated basis of SuMi TRUST Bank is stated.
(*) Counterparty credit risk exposures, such as derivatives transactions and repo transactions and securitisation exposures are excluded from the aggregate calculation. For securitisation exposures, "Method based on Internal Ratings-Based Approach," "Rating-Based Approach," and others are used.

*3 The outline of the rating models used by the 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 offbalance 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. In addition to the basic policy of reducing strategic shareholdings, we have been working to control risk by hedging against market fluctuations. From fiscal 2021, the Group has shifted to a policy of not holding any of the conventional strategic shareholdings (shareholding of business partners as stable shareholders without the purpose of forming capital or business alliances, etc.), and based on this policy, we will continue to reduce our strategic shareholdings and hedging volume.

(3) Market Risk Management Policy

In managing market risk, we aim to ensure adequate profits commensurate with the strategic targets, scale and characteristics of the business of the 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.

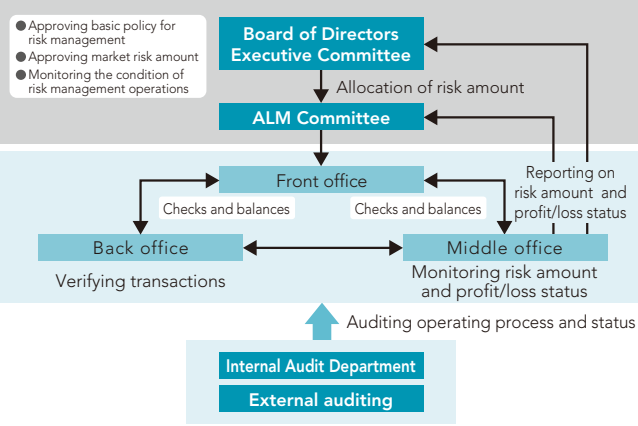
SuMi TRUST Bank develops the Asset Liability Management (ALM)* basic plan that covers comprehensive risk operation and management of assets and liabilities from the viewpoints of the entire company and a risk management plan concerning market risk and funding liquidity risk once in six months at the 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, strategic shareholdings, and credit valuation adjustment (CVA) 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 (For CVA, sensitivity-based method)
Fluctuation of risk factors	Absolute return

The scope of application of the internal model is interest rate risk, equity position risk, foreign exchange risk, and commodities risk (excluding some products) at SuMi TRUST Bank. The correlation between each risk factor is not taken into consideration, and the risk amount is simply added when creating synthesis of risk.

In order to verify the reliability and effectiveness of the internal model, backtestings are performed to compare the actual results of the daily profit/loss and the virtual profit/loss with the daily VaR whose holding period is one day. In addition, the validity of the model calculation method and precondition is verified periodically to ensure that the assumption for VaR calculation is not deviating from the actual market situation.

The VaR measurement using the historical simulation method that is affected by market fluctuations in the past observation period has a limit that it is impossible to capture large market fluctuations that have not occurred in the past or occurred outside of the observation period. This limit is complemented by implementing stress tests. The amount of loss when applying the expected scenario based on the maximum fluctuation range of each risk factor in the past and the future forecast to the current portfolio is regularly estimated.

(6) Compliance with Capital Adequacy Regulations

Calculation of Market Risk Equivalent Amount

The market risk equivalent amount refers to the sum of market risk in the trading account and foreign exchange risk and commodities risk in accounts other than the trading account, which is a factor used to calculate capital adequacy ratio. The 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.

ΔEVE is maximized associated with "steepener" for SuMi TRUST Holdings (consolidated) and SuMi Trust Bank (consolidated and non-consolidated). The maximum ΔEVE of SuMi Trust Bank (non-consolidated) shifted from "parallel down" (the fiscal year ended March 31, 2021) to "steepener" (the fiscal year ended March 31, 2022). However, the ratio of ΔEVE to Tier 1 capital is still well below the regulated level of 15%, and interest rate risk in the banking book is low.

3) Interest Rate Risk in the Banking Book Management Policy

The risk management policy concerning IRRBB is the same as 3 (3) "Market Risk Management Policy."

To control interest rate risk, hedge accounting is applied to transactions that use interest rate swaps as hedging instruments and meet the application requirements of hedge accounting.

4) Interest Rate Risk in the Banking Book Management System

SuMi TRUST Holdings oversees risk management related to the IRRBB of the entire Group, and SuMi TRUST Bank maintains and manages IRRBB management systems at the consolidated and global levels.

5) Interest Rate Risk in the Banking Book Management Method

At SuMi TRUST Bank, the ALM basic plan that covers comprehensive risk operation and management of assets and liabilities from the viewpoints of the entire company is developed once in six months at the 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 0.6 years.

- Core Deposits

The standardised approach exemplified by the Financial Services Agency is applied to the cases of SuMi TRUST Bank. Out of the NMDs that the clients can withdraw at any time, we recognize the balance that is expected to be stable and non-linked to interest rate as deposits with the maximum maturity of five years and the average maturity of 2.5 years.

• Term Deposits Redemption Ratio

Targeting yen-based term deposits, the redemption rate is set after checking past redemption results.

• Conditional Prepayment Rate of Loans

Targeting mortgage loan, etc., the prepayment rate is set after checking past repayment results.

• Treatment of Foreign Currencies

The target currencies are determined based on their respective ratio in the scale of the balance sheet, importance to the 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 may adversely affect the Sumitomo Mitsui Trust Group (the "SuMi TRUST Group"), clients, markets, financial infrastructure, society, or the work environment due to inadequate or failed business processes, the activities of executives or employees, computer systems, or due to external events. The SuMi TRUST Group classifies operational risk into business processing risk, system risk, information security risk, legal and compliance risk, conduct risk, human resource risk, event risk and reputational risk for the purpose of risk management.

(2) Characteristics of Operational Risk

Major risks related to the 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 face the risk of being used for financial crime activities, including money laundering and terrorist financing, resulting from ineffective anti-money laundering and terrorist financing measures, which could pose a serious threat to the soundness of our financial system. This also exposes us to the risk of being subjected to administrative dispositions such as business suspension orders, payment of large fines, and deterioration of our reputation. The 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.

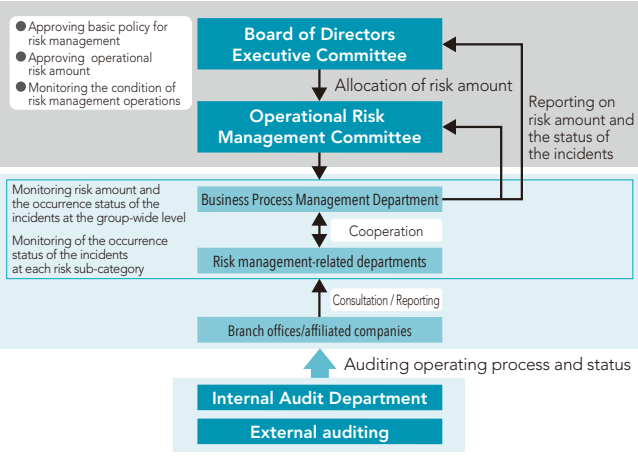
(4) Operational Risk Management System

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 Business Process Management Department, the department in charge of comprehensive operational risk management, is working on creation and enhancement of the operational risk management system in cooperation with each risk management-related department.

• Operational Risk Management System



(5) Operational Risk Management Method

Operational risks involved in all areas of the 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 Business Process Management Department, which is responsible for comprehensive management of business processing risk, comprehensively reviews inter-business issues concerning business processing risk and business process streamlining, and develops a system for ensuring the effectiveness of SuMi TRUST Bank's business processing risk management from a company-wide viewpoint. Meanwhile, we have established a department to oversee and provide guidance to business processing operations at each business, which reviews policies set out in each business and provides guidance and training on general business processing to the head office departments and the business offices. Furthermore, SuMi TRUST Bank

developed 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 System Planning and Management Department, which is responsible for system risk management, strives to mitigate system risk, through measures to prevent system risk from materializing, adequate response and causal analysis of the risk when materialized, and development of measures to prevent recurrence.

Moreover, SuMi TRUST Bank enhances the credibility of hardware and software as well as system operation, through measures including maintenance of hardware, securing of spare/alternate functions, back-up in place and preparation of manuals. In addition to above, measures for ensuring security of the information system and preventing illegal access and use by insider or through cyber or other attacks are also in place. Meanwhile, in order to minimize the impact of large-scale failures and disasters on the information system and to ensure early recovery and business continuity, we have in place a clarified communication and response system, manuals describing alternate measures and recovery procedures, along with the implementation of education and training on operations.

3) Information Security Risk Management

Information security risk refers to the risk that the 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 Business Process Management Department and the IT System Planning and Management Department, which is responsible for information security risk management, is committed to developing and enhancing an information security risk management system.

SuMi TRUST Bank places degrees of importance on all information assets under its care according to the impact of potential losses that SuMi TRUST Bank and clients may incur in the event of their leaks, loss or alteration. Methods and procedures for acquisition, use, management, safekeeping, internal communication, external use and disposal of information assets are set out according to the degrees of importance, for the effective implementation of security measures.

Meanwhile, we, as a business operator handling personal information and in charge of affairs using the individual number and affairs related to the individual number, adequately manage personal information, individual number and specific personal information (individual number and specific personal information, hereinafter referred to as "Specific Personal Information") in compliance with the Act on the Protection of Personal Information, the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure and guidelines set forth by government agencies, in addition to other standards. In addition, we have announced the "Declaration for the Protection of Personal Information" in an extensive effort to protect the personal information and Specific Personal Information of our clients and shareholders.

SuMi TRUST Bank is providing education and information to raise awareness of the information security risk management on a company-wide basis. Furthermore, the adequacy and effectiveness of the personal information management system are verified and ensured through self-inspection and internal audits.

4) Risk Management of Other Sub-categories

Regarding legal and compliance risk management, we not only are promoting compliance by setting compliance standards that executives and employees should follow and fostering their awareness of compliance, but also examine the consistency and compliance concerning company regulations and other rules, and the legality and suitability of transactions and business procedures from the legal perspective (legal checks).

With respect to conduct risk management, SuMi TRUST

Bank regularly assesses the status of major conduct risks and works to reduce and manage risks and prevent risks from materializing by promoting and fostering the awareness of executives and employees through internal training and other means.

In order to manage human resource risk, we have been poised to handle issues related to personnel and labor management, such as unequal or unfair management of personnel and harassment, through a multitude of approaches, including internal training and education, interviews, and establishment of consultation desk.

As event risk management, in an effort to tackle natural disasters, the spread of infectious diseases, occurrence of fire, crimes, or traffic accidents that may impair business, we have adopted various steps, including measures to avert disaster in case that disaster strikes, preventive measures, such as disaster prevention, protection against crimes, and safe driving management, and establishment of a business continuity management system.

For managing reputational risk, we are striving to prevent any harmful reputation and rumor from growing by detecting mass media reports and online posting that may damage the 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 eleven quantification units (all business sections, corporate management sections and earthquakes) that are based on the consistency between management regarding operational incidents and profit management.

The operational risk equivalent amount is calculated using the four elements that are required for the adoption of the Advanced Measurement Approach, i.e. internal loss data, external loss data, business environment and the internal control status, and scenario analysis, as well as the quantification model. The results of the calculation are utilized in activities to enhance operational risk management, including the deliberation of measures to improve the internal control status.

• Overview of 4 Elements of Scenario Analysis

Element	Details
Internal loss data	Information on operational risk losses arising inside the 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

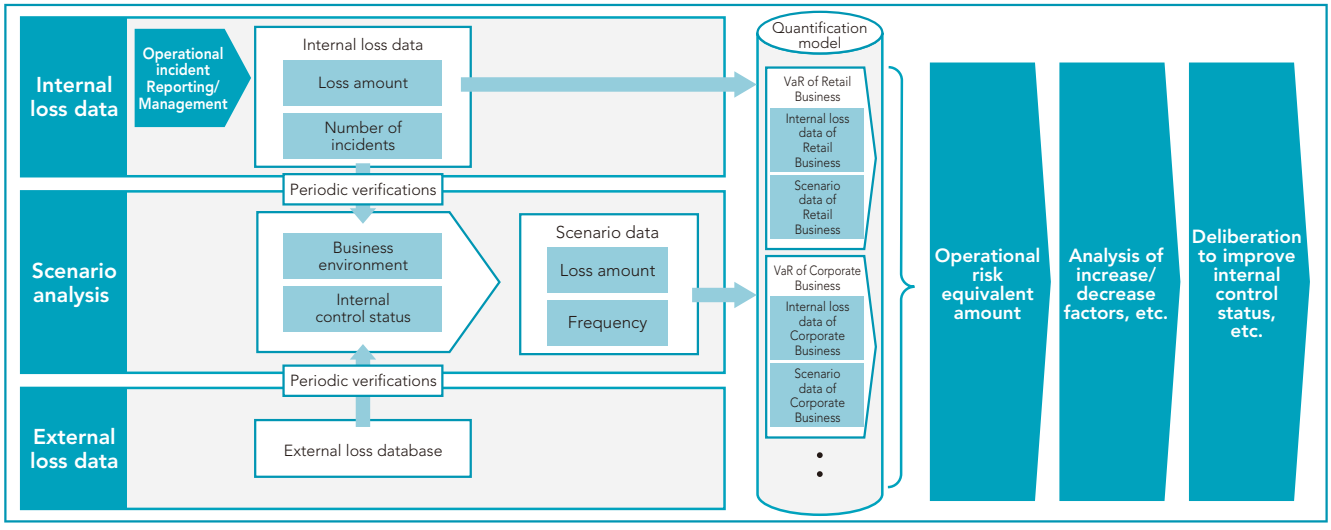
The VaR of each measurement unit is calculated by plotting frequency distributions and severity distribution based on the internal loss data and the scenario data prepared through the scenario analysis, and expressed through Monte Carlo Simulation that mixes such distributions and estimates

the total severity distribution.

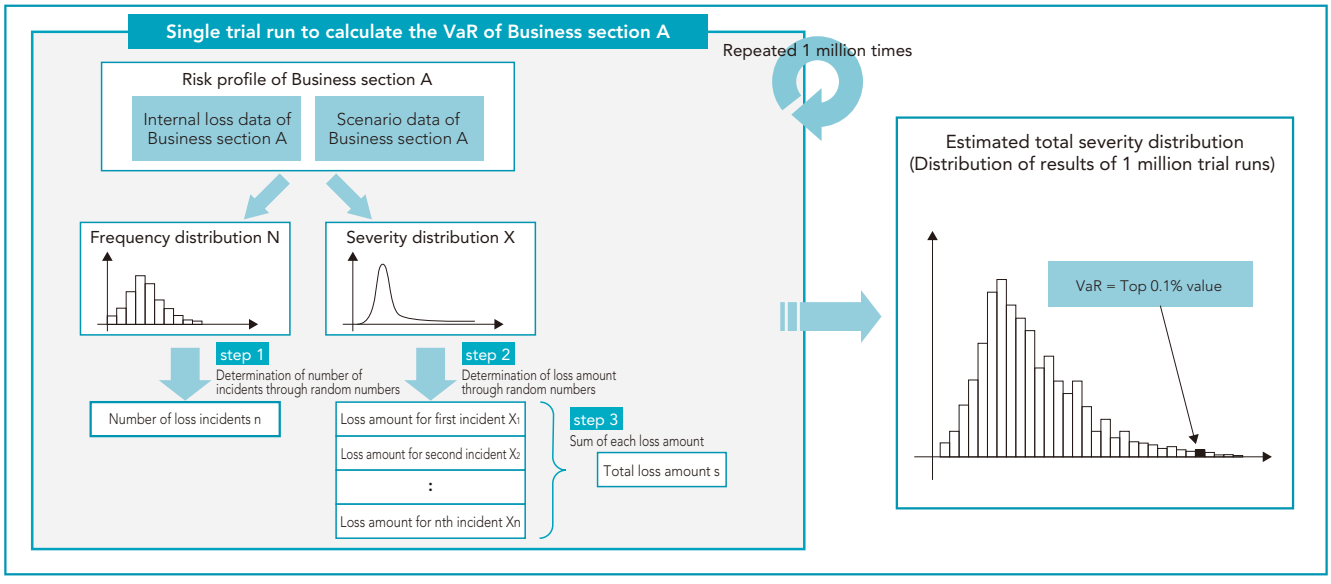
The Poisson distribution has been applied to the frequency distribution, and our own distribution method has been applied to severity distribution in order to grasp the amount of tail risk.

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 calculation 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 2022, 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. Securitised products originated by the Group are held by investors outside the Group and are not held by the Group's affiliates.

3) Risk Management Method

We measure credit risk amount of securitisation exposures based on the value of credit risk-weighted assets specified by the capital regulatory standards. In addition, interest rate risk involved in securitisation exposures is subject to measurement of market risk amount.

4) Securitisation transactions of Third Party Assets

With regard to securitisation transactions of assets purchased from third parties, the 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	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.

Strategic shareholdings of listed shares with market prices are subject to fair market valuation and are exposed to a risk of fluctuation in their market prices. Unlisted shares are also exposed to a risk that their estimated value may decline.

2) Risk Management Policy

We properly manage stocks held in the banking accounts, by taking into consideration profitability, within a scope of a certain risk amount through a framework of credit risk and market risk management according to the purpose of holding the stocks and risk characteristics.

For equity investments, etc., we make every effort to limit risk by scrutinizing transactions, taking into account market conditions and the investment performance of the portfolio manager.

In addition, our policy is to not hold conventional strategic shareholdings (shareholding of business partners as stable shareholders without the purpose of forming capital or business alliances, etc.). Based on this policy, we are working to reduce our strategic shareholdings, and we are also flexibly implementing hedging transactions to limit the risk of share price fluctuations.

3) Risk Management Method

Concerning the stocks held in the category of "available-for-sale securities," we measure risk according to whether or not there is a market price. We recognize a risk of price fluctuation for the stocks with market price and measure the stock VaR with a holding period of one year and a 99% confidence interval. Meanwhile, regarding unlisted shares without market prices, as it is not possible to directly observe price fluctuation, we measure the risk amount with the holding period of one year while using an approach for indirectly estimating the volatility by selecting an appropriate alternate index, and a reference to the Supervisory Formula Approach specified by the capital regulatory standards, depending on situations.

Concerning "Shares of Subsidiaries," we have rendered the assets and liabilities held by a relevant subsidiary subject to direct risk management. Furthermore, as for "Shares of Affiliated Companies," fluctuations in the value of our interest in relevant affiliated companies due to equity in losses or earnings are subject to risk management.

4) Accounting Policy

As of the end of March 2022, the valuation of the equity securities in the Group's consolidated financial statements is determined as follows: Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are valued at the market price (cost of securities sold is calculated using primarily the moving-average method). Equity securities with no market prices are carried at cost using the moving-average method. Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets.

5) Compliance with Capital Regulatory Standards

We measure the required capital of credit risk with an approach applied according to whether relevant equities are Japanese or Non-Japanese, and whether or not relevant equities are listed. Japanese equities are measured based on the Supervisory Formula Approach using the credit ratings assigned to relevant issuers.

Furthermore, we apply the Simple Risk-weight Method (Market-Based Approach) that multiplies the risk weight determined according to whether the equities are listed or not, in order to measure any Japanese equities without credit ratings, and Non-Japanese equities. The market risk amount is measured using VaR as a scale. For more details, please refer to "(5) Market Risk Management Method" of "3. Market Risk Management."

Basel III Disclosure Data

Sumitomo Mitsui Trust Holdings, Inc.

This section outlines and discloses matters to be stated in explanatory documents relating to the fiscal year, separately stipulated by the Commissioner of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2014) with regard to the status of capital adequacy, as set forth in Article 19-2, Paragraph 1, Item 5-(d) of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No.10, 1982), as well as separately stipulated by the Commissioner of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2015) with regard to the status of management soundness relating to liquidity, as set forth in Article 19-2, Paragraph 1, Item 5-(e) of the Ordinance for Enforcement of the Banking Act.

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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, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	¥ 2,480,157	¥ 2,513,114	¥ 2,490,704	¥ 2,474,209	¥ 2,455,126
2	Tier 1	2,761,527	2,795,027	2,772,270	2,755,445	2,736,717
3	Total capital	3,144,436	3,248,764	3,208,854	3,200,354	3,190,944
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	20,135,316	19,959,789	19,674,886	20,014,533	20,243,399
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio	12.31%	12.59%	12.65%	12.36%	12.12%
6	Tier 1 ratio	13.71%	14.00%	14.09%	13.76%	13.51%
7	Total capital ratio	15.61%	16.27%	16.30%	15.99%	15.76%
	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%	0.00%	0.00%	0.00%	0.00%
10	Bank G-SIB and/or D-SIB additional requirements	0.50%	0.50%	0.50%	0.50%	0.50%
11	Total of bank CET1 specific buffer requirements	3.00%	3.00%	3.00%	3.00%	3.00%
12	CET1 available after meeting the bank's minimum capital requirements	7.61%	8.00%	8.09%	7.76%	7.51%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	51,876,951	49,687,357	48,936,866	48,967,773	49,441,295
14	Basel III leverage ratio	5.32%	5.62%	5.66%	5.62%	5.53%

KM1		Millions of Yen, %				
Basel III Template No.		Fiscal Year 2021 4th Quarter	Fiscal Year 2021 3rd Quarter	Fiscal Year 2021 2nd Quarter	Fiscal Year 2021 1st Quarter	Fiscal Year 2020 4th Quarter
	Consolidated Liquidity Coverage Ratio (LCR)					
15	Total HQLA allowed to be included in the calculation	¥ 19,203,403	¥ 18,647,224	¥ 18,861,288	¥ 18,228,161	¥ 18,052,471
16	Net cash outflows	11,069,161	8,415,323	9,636,918	9,640,248	10,841,449
17	Consolidated LCR	173.4%	221.5%	195.7%	189.0%	166.5%
	Consolidated Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	35,985,670	35,851,387	36,154,769		
19	Total required stable funding	30,784,893	30,002,508	30,003,647		
20	Consolidated NSFR	116.8%	119.4%	120.5%		

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 2022, 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 59. 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		2022	2021	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		**¥ 2,483,781**	¥ 2,387,881	
1a	of Which: Capital Stock and Capital Surplus		**837,723**	837,723	
2	of Which: Retained Earnings		**1,682,519**	1,581,096	
1c	of Which: Treasury Stock (Deduction)		**2,714**	2,815	
26	of Which: Earnings to be Distributed (Deduction)		**33,747**	28,122	
	of Which: Others		**—**	—	
1b	Subscription Rights to Common Shares		**1,006**	1,024	
3	Accumulated Other Comprehensive Income		**198,028**	277,756	(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)	**2,682,815**	2,666,661	
	Common Equity Tier 1 Capital: Regulatory Adjustments				
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)		**123,049**	90,437	
8	of Which: Goodwill (Including Those Equivalent)		**56,025**	38,070	
9	of Which: Other Intangible Assets		**67,024**	52,366	
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		**653**	172	
11	Deferred Gains or Losses on Derivatives under Hedge Accounting		**(62,022)**	(40,649)	
12	Shortfall of Eligible Provisions to Expected Losses		**—**	—	
13	Securitisation Gain on Sale		**1,344**	1,111	
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities		**6,253**	—	
15	Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)		**133,350**	160,369	
16	Investments in Own Shares (Excluding Those Reported in the Net Assets Section)		**29**	94	
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)	**202,658**	211,535	
	Common Equity Tier 1 Capital (CETI)				
29	Common Equity Tier 1 Capital	(C) = (A)–(B)	**¥ 2,480,157**	¥ 2,455,126	

CC1 As of March 31 Basel III Template No.		Items		Millions of Yen, % a 2022	 b 2021	 c Reference Numbers to Reconciliation with the Balance Sheet
Additional Tier 1 Capital: Instruments						
30	31a	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards		¥ —	¥ —	
	31b	Subscription Rights to Additional Tier 1 Instruments		—	—	
	32	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards		**270,000**	270,000	
		Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles		—	—	
34–35		Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)		**11,380**	11,590	
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)	**281,380**	281,590	
Additional Tier 1 Capital: Regulatory Adjustments						
37		Investments in Own Additional Tier 1 Instruments		—	—	
38		Reciprocal Cross-Holdings in Additional Tier 1 Instruments		—	—	
39		Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)		—	—	
40		Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		**10**	—	
42		Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions		—	—	
43		Additional Tier 1 Capital: Regulatory Adjustments	(E)	**10**	—	
Additional Tier 1 Capital (AT1)						
44		Additional Tier 1 Capital	(F) = (D) – (E)	**281,370**	281,590	
Tier 1 Capital (T1 = CET1 + AT1)						
45		Tier 1 Capital	(G) = (C) + (F)	**2,761,527**	2,736,717	
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		**339,855**	335,153	
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)		**2,163**	2,105	
47+49		Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2 Capital		—	85,790	
47		of Which: Directly Issued and Issued by Special Purpose Vehicles		—	—	
49		of Which: Issued by Subsidiaries		—	85,790	
50		Provisions Allowed in Group Tier 2		**42,429**	32,718	
50a		of Which: General Allowance for Credit Losses		**3,050**	3,280	
50b		of Which: Excess Amount of Eligible Provisions to Expected Losses		**39,379**	29,437	
51		Tier 2 Capital: Instruments and Provisions	(H)	¥ **384,448**	¥ 455,767	

CC1

As of March 31

Basel III Template No.	Items		Millions of Yen, % a 2022	b 2021	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)	**382,908**	454,227	
	Total Capital (TC = T1 + T2)				
59	Total Capital	(K) = (G) + (J)	**3,144,436**	3,190,944	
	Total Risk Weighted Assets				
60	Total Risk Weighted Assets	(L)	**20,135,316**	20,243,399	
	Capital Ratios and Buffers (Consolidated)				
61	Common Equity Tier 1 Capital Ratio	(C)/(L)	**12.31%**	12.12%	
62	Tier 1 Capital Ratio	(G)/(L)	**13.71%**	13.51%	
63	Total Capital Ratio	(K)/(L)	**15.61%**	15.76%	
64	Total of bank CET1 specific buffer requirements		**3.00%**	3.00%	
65	of Which: Capital conservation buffer requirement		**2.50%**	2.50%	
66	of Which: Countercyclical buffer requirement		**0.00%**	0.00%	
67	of Which: Bank G-SIB and/or D-SIB additional requirements		**0.50%**	0.50%	
68	CET1 available after meeting the bank's minimum capital requirements		**7.61%**	7.51%	
	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)		**105,325**	134,244	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		**191,918**	165,595	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)		—	—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)		**56,165**	23,744	
	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)		**3,050**	3,280	
77	Cap on Inclusion of Provisions in Tier 2 under Standardised Approach		**13,252**	11,187	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)		**39,379**	29,437	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach		**96,874**	97,352	
	Capital Instruments Subject to Phase out Arrangements				
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		—	54,500	
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		—	85,790	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)		¥ —	¥ 69,699	

Note: SuMi TRUST Holdings' consolidated capital adequacy ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).

The certain procedure is not part of the audit of the consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal control over the procedure to calculate the ratio.

Main Features and Further Information of Regulatory Capital Instruments Consolidated

Outline and Details of Agreements Concerning Capital Funding Instruments are available on our website (https://www.smth.jp/english/investors/report/basel).

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Consolidated

Fiscal Year 2021

CC2: Reconciliation of Regulatory Capital to Balance Sheet

CC2 Items	a Consolidated Balance Sheet (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Assets)			
Cash and Due from Banks	¥ 18,223,364		
Call Loans and Bills Bought	5,000		
Receivables under Resale Agreements	150,741		
Receivables under Securities Borrowing Transactions	652,534		
Monetary Claims Bought	854,093		
Trading Assets	967,565		
Money Held in Trust	16,308		
Securities	7,879,235		3–b, 7–a
Loans and Bills Discounted	30,876,507		7–b
Foreign Exchanges	29,494		
Lease Receivables and Investment Assets	688,141		
Other Assets	3,354,333		7–c
Tangible Fixed Assets	224,535		
Intangible Fixed Assets	125,667		3–a
Assets for Retirement Benefits	192,223		4
Deferred Tax Assets	15,613		5–a
Customers' Liabilities for Acceptances and Guarantees	541,228		
Allowance for Loan Losses	(163,369)		
Total Assets	¥ 64,633,220		

CC2 Items	a Consolidated Balance Sheet (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Liabilities)			
Deposits	¥ 33,230,162		
Negotiable Certificates of Deposit	6,587,944		
Call Money and Bills Sold	799,524		
Payables under Repurchase Agreements	1,485,033		
Trading Liabilities	906,686		
Borrowed Money	7,153,498		9–a
Foreign Exchanges	1,275		
Short-term Bonds Payable	2,387,553		
Bonds Payable	2,076,604		9–b
Borrowed Money from Trust Account	4,298,827		
Other Liabilities	2,312,326		7–d
Provision for Bonuses	21,087		
Provision for Directors' Bonuses	181		
Provision for Stocks Payment	732		
Liabilities for Retirement Benefits	13,553		
Provision for Reward Points Program	19,965		
Provision for Reimbursement of Deposits	3,626		
Provision for Contingent Losses	1,649		
Deferred Tax Liabilities	44,081		5–b
Deferred Tax Liabilities for Land Revaluation	2,388		5–c
Acceptances and Guarantees	541,228		
Total Liabilities	61,887,931		
(Net Assets)			
Capital Stock	261,608		1–a
Capital Surplus	576,114		1–b
Retained Earnings	1,682,519		1–c
Treasury Stock	(2,714)		1–d
Total Shareholders' Equity	2,517,528		
Valuation Differences on Available-for-Sale Securities	277,617		
Deferred Gains (Losses) on Hedges	(42,759)		6
Revaluation Reserve for Land	(6,839)		
Foreign Currency Translation Adjustments	12,719		
Adjustments for Retirement Benefits	(42,708)		
Total Accumulated Other Comprehensive Income	198,028	(a)	
Subscription Rights to Shares	1,006		2
Non-controlling Interests	28,725		8
Total Net Assets	2,745,288		
Total Liabilities and Net Assets	¥ 64,633,220		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 261,608		1–a
Capital Surplus	576,114		1–b
Retained Earnings	1,682,519		1–c
Treasury Stock	(2,714)		1–d
Total Shareholders' Equity	¥ 2,517,528		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 2,517,528	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	837,723		1a
of Which: Retained Earnings	1,682,519		2
of Which: Treasury Stock (Deduction)	2,714		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Subscription Rights to Shares

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Subscription Rights to Shares	¥ 1,006		2
of Which: Subscription Rights to Shares Issued by the Bank Holding Company	1,006		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Subscription Rights to Common Shares	¥ 1,006		1b
Subscription Rights to Additional Tier 1 Instruments	—		31b
Subscription Rights to Tier 2 Instruments	—		46

3. Intangible assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 125,667		3–a
Securities	7,879,235		3–b
of Which: Goodwill Arising on the Application of the Equity Method	26,515		
Associated Deferred Tax Liabilities	29,133		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 56,025		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	67,024	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

4. Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits)

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 192,223		4
Associated Deferred Tax Liabilities	58,872		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	¥ 133,350		15

5. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 15,613		5–a
Deferred Tax Liabilities	44,081		5–b
Deferred Tax Liabilities for Land Revaluation	2,388		5–c
Associated Intangible Fixed Assets	29,133		
Associated Assets for Retirement Benefits	58,872		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 653	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	56,165	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	56,165		75

6. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains (Losses) on Hedges	¥ (42,759)		6

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (62,022)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

7. Investments in the Capital and Other TLAC Liabilities of Financial Entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 7,879,235		7–a
Loans and Bills Discounted	30,876,507	Including Subordinated Debts	7–b
Other Assets	3,354,333	Including derivatives	7–c
Other Liabilities	¥ 2,312,326	Including derivatives	7–d

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Investments in Own Capital	¥ 29		
Common Equity Tier 1 Capital	29		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-holdings in the Capital and other TLAC Liabilities	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital and Other TLAC Liabilities	—		53
Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital	105,325		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital and Other TLAC Liabilities	—		54
Amount below the Thresholds for Deduction (before risk weighting)	105,325		72
Significant Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	193,468		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	10		40
Tier 2 Capital and Other TLAC Liabilities	1,540		55
Amount below the Thresholds for Deduction (before risk weighting)	191,918		73

8. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 28,725		8

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ —	After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	11,380	After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	2,163	After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments)	48–49

9. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 7,153,498		9–a
Bonds Payable	2,076,604		9–b

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 270,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	339,855		46

Fiscal Year 2020

CC2 Items	a Consolidated Balance Sheet (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Assets)			
Cash and Due from Banks	¥ 18,488,763		
Call Loans and Bills Bought	8,766		
Receivables under Resale Agreements	160,268		
Receivables under Securities Borrowing Transactions	727,689		
Monetary Claims Bought	892,309		
Trading Assets*	962,849		
Money Held in Trust	12,223		
Securities	6,983,483		3–b, 7–a
Loans and Bills Discounted	30,506,968		7–b
Foreign Exchanges	25,396		
Lease Receivables and Investment Assets	695,172		
Other Assets*	2,936,013		7–c
Tangible Fixed Assets	228,180		
Intangible Fixed Assets	112,303		3–a
Assets for Retirement Benefits	231,165		4
Deferred Tax Assets	14,459		5–a
Customers' Liabilities for Acceptances and Guarantees	511,782		
Allowance for Loan Losses	(129,223)		
Total Assets*	¥ 63,368,573		

CC2 Items	a Consolidated Balance Sheet (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Liabilities)			
Deposits	¥ 33,467,678		
Negotiable Certificates of Deposit	7,160,594		
Call Money and Bills Sold	60,675		
Payables under Repurchase Agreements	1,628,440		
Trading Liabilities*	850,660		
Borrowed Money	5,782,602		9–a
Foreign Exchanges	577		
Short-term Bonds Payable	2,545,049		
Bonds Payable	1,545,605		9–b
Borrowed Money from Trust Account	4,915,208		
Other Liabilities*	2,035,474		7–d
Provision for Bonuses	18,460		
Provision for Directors' Bonuses	219		
Provision for Stocks Payment	532		
Liabilities for Retirement Benefits	13,752		
Provision for Reward Points Program	18,945		
Provision for Reimbursement of Deposits	4,138		
Provision for Contingent Losses	1,633		
Deferred Tax Liabilities	81,594		5–b
Deferred Tax Liabilities for Land Revaluation	2,388		5–c
Acceptances and Guarantees	511,782		
Total Liabilities*	60,646,016		
(Net Assets)			
Capital Stock	261,608		1–a
Capital Surplus	576,114		1–b
Retained Earnings	1,581,096		1–c
Treasury Stock	(2,815)		1–d
Total Shareholders' Equity	2,416,003		
Valuation Difference on Available-for-Sale Securities	329,429		
Deferred Gains or Losses on Hedges	(44,926)		6
Revaluation Reserve for Land	(6,739)		
Foreign Currency Translation Adjustment	4,000		
Adjustments for Retirement Benefits	(4,007)		
Total Accumulated Other Comprehensive Income	277,756	(a)	
Subscription Rights to Shares	1,024		2
Non-controlling Interests	27,772		8
Total Net Assets	2,722,556		
Total Liabilities and Net Assets*	¥ 63,368,573		

Notes: 1. Previously, transactions that fulfilled the requirements stipulated in the Practical Guidelines for Accounting for Financial Instruments were offset against each other. However, in order to properly indicate the credit risk due to the presence or absence of collateral related to derivative transactions, starting from the current fiscal year, we have changed to the method of presenting on a gross basis as a general rule. The financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.
2. 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	576,114		1–b
Retained Earnings	1,581,096		1–c
Treasury Stock	(2,815)		1–d
Total Shareholders' Equity	¥ 2,416,003		

(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	¥ 2,416,003	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	837,723		1a
of Which: Retained Earnings	1,581,096		2
of Which: Treasury Stock (Deduction)	2,815		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	¥ 1,024		2
of Which: Subscription Rights to Shares Issued by the Bank Holding Company	1,024		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Subscription Rights to Common Shares	¥ 1,024		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	¥ 112,303		3–a
Securities	6,983,483		3–b
of Which: Goodwill Arising on the Application of the Equity Method	777		
Associated Deferred Tax Liabilities	¥ 22,644		

(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)	¥ 38,070		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	52,366	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	¥ 231,165		4
Associated Deferred Tax Liabilities	70,796		

(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)	¥ 160,369		15

5. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 14,459		5–a
Deferred Tax Liabilities	81,594		5–b
Deferred Tax Liabilities for Land Revaluation	2,388		5–c
Associated Intangible Fixed Assets	22,644		
Associated Assets for Retirement Benefits	70,796		

(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)	¥ 172	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)	23,744	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)	23,744		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	¥ (44,926)		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	¥ (40,649)	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	¥ 6,983,483		7–a
Loans and Bills Discounted	30,506,968	Including subordinated Debts	7–b
Other Assets	2,936,013	Including derivatives	7–c
Other Liabilities	¥ 2,035,474	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	¥ 94		
Common Equity Tier 1 Capital	94		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	134,244		
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)	134,244		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	167,135		
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)	165,595		73

8. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 27,772		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)	11,590	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)	2,105	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	¥ 5,782,602		9–a
Bonds Payable	1,545,605		9–b

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 270,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	335,153		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	2022 Total	2022 Term-end balance of exposures: Loans, Call Loans, Deposits, etc.	2022 Term-end balance of exposures: Securities	2022 Term-end balance of exposures: Other Off-balance Sheet Transactions	2021 Total	2021 Term-end balance of exposures: Loans, Call Loans, Deposits, etc.	2021 Term-end balance of exposures: Securities	2021 Term-end balance of exposures: Other Off-balance Sheet Transactions
Japan	¥ 52,708,775	¥ 44,467,458	¥ 4,460,179	¥ 3,781,137	¥ 53,122,141	¥ 45,633,963	¥ 3,253,099	¥ 4,235,078
Outside Japan	7,000,315	5,432,862	1,102,540	464,912	5,889,971	4,343,171	1,187,530	359,269
Total for Geographic Regions	¥ 59,709,090	¥ 49,900,320	¥ 5,562,720	¥ 4,246,049	¥ 59,012,113	¥ 49,977,134	¥ 4,440,630	¥ 4,594,347
Manufacturing	4,713,051	3,092,841	351,745	1,268,464	5,016,114	3,256,604	315,765	1,443,744
Agriculture and Forestry	4,117	4,117	0	—	4,154	4,154	0	—
Fisheries	66	1	64	—	38	1	37	—
Mining and Quarrying of Stones and Gravel	80,924	68,005	162	12,756	74,942	62,221	109	12,611
Construction	335,291	212,858	22,894	99,538	368,244	222,976	18,705	126,562
Electricity, Gas, Heat Supply and Water	1,604,628	1,309,216	29,248	266,163	1,553,939	1,206,212	18,525	329,201
Information and Communication	463,918	358,425	3,259	102,233	479,086	388,544	4,754	85,787
Transport and Postal Activities	1,578,711	1,250,310	110,113	218,286	1,679,221	1,333,397	99,257	246,566
Wholesale and Retail Trade	1,993,066	1,618,779	56,561	317,725	1,903,462	1,503,008	54,963	345,489
Finance and Insurance	2,138,194	1,379,681	494,434	264,078	2,200,825	1,438,388	484,425	278,011
Real Estate	4,157,535	3,513,530	363,138	280,866	4,236,947	3,592,190	345,093	299,662
Goods Rental and Leasing	1,281,564	1,109,573	2,872	169,119	1,406,953	1,209,085	4,584	193,283
Local Public Bodies	153,741	114,366	33,919	5,455	137,536	108,188	23,686	5,661
Individuals	11,798,546	11,509,294	—	289,252	11,416,713	11,099,558	—	317,154
Others	29,405,731	24,359,317	4,094,304	952,108	28,533,932	24,552,601	3,070,720	910,610
Total for Industry Sectors	¥ 59,709,090	¥ 49,900,320	¥ 5,562,720	¥ 4,246,049	¥ 59,012,113	¥ 49,977,134	¥ 4,440,630	¥ 4,594,347
To 1 year	25,729,450	22,023,311	2,259,777	1,446,360	25,903,094	23,053,371	1,417,435	1,432,287
> 1 year to 3 years	7,275,422	5,104,110	801,988	1,369,323	6,718,722	4,503,309	675,992	1,539,420
> 3 years to 5 years	7,305,938	5,755,275	933,053	617,609	6,879,541	5,485,671	879,432	514,438
> 5 years	19,398,280	17,017,623	1,567,901	812,755	19,510,754	16,934,782	1,467,770	1,108,201
Total for Residual Maturity	¥ 59,709,090	¥ 49,900,320	¥ 5,562,720	¥ 4,246,049	¥ 59,012,113	¥ 49,977,134	¥ 4,440,630	¥ 4,594,347

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, 2022		FY2021	As of March 31, 2021		FY2020
	Term-end balance of exposures	Allowances for loan losses	Write-offs	Term-end balance of exposures	Allowances for loan losses	Write-offs
Japan	¥ 184,932	¥ 78,127	¥ 10,974	¥ 105,091	¥ 28,908	¥ 8,793
Outside Japan	54,258	7,989	2,675	52,385	9,760	2,595
Total for Geographic Regions	¥ 239,191	¥ 86,116	¥ 13,650	¥ 157,476	¥ 38,669	¥ 11,389
Manufacturing	101,488	60,168	5,743	11,863	6,669	690
Agriculture and Forestry	144	86	—	228	132	5
Fisheries	3	3	—	2	2	4
Mining and Quarrying of Stones and Gravel	10	1	—	1,328	14	330
Construction	599	458	24	685	543	2
Electricity, Gas, Heat Supply and Water	41	0	—	3,320	2,759	—
Information and Communication	88	72	4	109	87	8
Transport and Postal Activities	2,501	791	5	1,891	732	32
Wholesale and Retail Trade	8,226	5,779	6	8,602	5,969	402
Finance and Insurance	1,636	264	5	197	146	5
Real Estate	15,142	709	171	15,705	1,290	232
Goods Rental and Leasing	3,136	2,710	0	3,429	2,979	0
Local Public Bodies	—	—	—	—	—	—
Individuals	44,953	4,057	4,972	50,781	5,046	6,852
Others	61,218	11,012	2,717	59,330	12,293	2,819
Total for Industry Sectors	¥ 239,191	¥ 86,116	¥ 13,650	¥ 157,476	¥ 38,669	¥ 11,389

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	2022	2021
< 1 month	¥ 57,015	¥ 58,814
≥ 1 month to < 2 months	11,072	10,491
≥ 2 months to < 3 months	9,053	8,556
≥ 3 months	—	2,041
Total	¥ 77,141	¥ 79,904

Note: Among the term-end balance of exposures for each past due period, "Doubtful Claims" and "Bankrupt and substantially bankrupt Claims" prescribed in the provisions of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of the Financial Functions are excluded, in aggregate calculation.

Term-end Balance of Exposures of obligors whose loan conditions were Restructured for the purpose of restructuring or supporting business management ; of which Amounts of Increased Allowances for such exposures and Other Amounts due to the restructuring of the loan conditions

	Millions of Yen	
As of March 31	2022	2021
Amounts of Increased Allowances for Such Exposures Due to the Restructuring of the Loan Conditions	¥ 80,131	¥ 59,840
Other Amounts	—	—
Term-end Balance of Exposures	¥ 80,131	¥ 59,840

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	2022	2021
Total exposures relating to funds	¥ 1,206,013	¥ 1,182,602
Look-through Approach	803,115	906,967
Mandate-based Approach	402,782	275,548
Probability Approach (subject to 250% risk weight)	—	—
Probability Approach (subject to 400% risk weight)	—	—
Fall-Back Approach (subject to 1,250% risk weight)	115	87

Note: Exposures subject to the calculation of credit risk-weighted assets under the provisions of Article 54-5 and 145 of the FSA Capital Adequacy Notification are shown.

Disclosure Data Designated as Per the Appended Forms

Consolidated

OV1: Overview of Risk-weighted assets (RWA)

OV1 Basel III Template No.		Millions of Yen			
		Risk-weighted assets (RWA)		Minimum capital requirements	
		March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
1	Credit risk (excluding counterparty credit risk)	**¥ 12,428,600**	¥ 12,476,989	**¥ 1,048,742**	¥ 1,053,378
2	of Which: Standardised Approach (SA)	**410,820**	370,123	**32,865**	29,609
3	of Which: Internal Ratings-Based (IRB) Approach	**11,344,677**	11,503,965	**962,028**	975,536
	of Which: Significant investments in commercial entities	**—**	—	**—**	—
	of Which: Lease residual value	**66,079**	76,111	**5,286**	6,088
	Other assets	**607,023**	526,789	**48,561**	42,143
4	Counterparty credit risk (CCR)	**1,271,839**	1,245,732	**103,834**	101,741
5	of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR)	**—**	—	**—**	—
	of Which: Current Exposure Method (CEM)	**409,215**	407,852	**34,692**	34,573
6	of Which: Expected Positive Exposure (EPE)	**—**	—	**—**	—
	of Which: Credit Valuation Adjustment (CVA)	**660,133**	675,826	**52,810**	54,066
	of Which: Central Counterparty (CCP)	**55,007**	47,434	**4,400**	3,794
	Others	**147,482**	114,618	**11,930**	9,307
7	Equity positions in banking book under market-based approach	**226,481**	499,442	**19,205**	42,352
8	Equity investment in funds (Look-Through Approach (LTA))	**893,876**	1,054,073	**71,510**	84,325
9	Equity investment in funds (Mandate-Based Approach (MBA))	**1,363,728**	1,072,252	**109,098**	85,780
	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)	**1,448**	1,091	**115**	87
11	Settlement risk	**—**	—	**—**	—
12	Securitisation exposures in banking book	**357,010**	309,080	**28,560**	24,726
13	of Which: Internal Rating-Based Approach (SEC-IRBA)	**341,805**	291,351	**27,344**	23,308
14	of Which: External Rating-Based Approach (SEC-ERBA)	**14,852**	17,132	**1,188**	1,370
15	of Which: Standardised Approach (SEC-SA)	**—**	—	**—**	—
	of Which: subject to 1,250% risk weight	**352**	597	**28**	47
16	Market risk	**1,268,574**	1,427,275	**101,485**	114,182
17	of Which: Standardised Approach (SA)	**33,718**	22,017	**2,697**	1,761
18	of Which: Internal Model Approaches (IMA)	**1,234,856**	1,405,258	**98,788**	112,420
19	Operational risk	**945,703**	972,392	**75,656**	77,791
20	of Which: Basic Indicator Approach (BIA)	**209,208**	191,747	**16,736**	15,339
21	of Which: The Standardised Approach (TSA)	**—**	—	**—**	—
22	of Which: Advanced Measurement Approach (AMA)	**736,495**	780,645	**58,919**	62,451
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**620,460**	413,988	**52,615**	35,106
	Amounts included under transitional arrangements	**—**	—	**—**	—
24	Floor adjustment	**—**	—	**—**	—
25	Total (after applying scaling factor)	**¥ 20,135,316**	¥ 20,243,399	**¥ 1,610,825**	¥ 1,619,471

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, 2022						
	a	b	c	d	e	f	g
			Carrying values of items				
	Carrying values as reported in published consolidated financial statement	Carrying values under scope of regulatory consolidation	Credit risk (excluding amounts relevant to columns d and e)	Counterparty credit risk	Securitisation (excluding amounts relevant to column f)	Market risk	Items not subject to capital requirements or subject to deduction from capital
Assets:							
Cash and Due from Banks	¥ 18,223,364	¥ 18,223,364	¥ —	¥ —	¥ —	¥ —	
Call Loans and Bills Bought	5,000	5,000	—	—	—	—	
Receivables under Resale Agreements	150,741	—	150,741	—	—	—	
Receivables under Securities Borrowing Transactions	652,534	—	652,534	—	—	—	
Monetary Claims Bought	854,093	749,019	—	105,073	—	—	
Trading Assets	967,565	—	954,747	—	967,565	—	
Money Held in Trust	16,308	16,308	—	—	—	—	
Securities	7,879,235	7,281,068	—	598,136	—	29	
Loans and Bills Discounted	30,876,507	30,511,438	—	365,069	—	—	
Foreign Exchanges	29,494	29,494	—	—	—	—	
Lease Receivables and Investment Assets	688,141	688,141	—	—	—	—	
Other Assets	3,354,333	168,380	2,555,498	1,570	1,500,703	628,884	
Tangible Fixed Assets	224,535	224,535	—	—	—	—	
Intangible Fixed Assets	125,667	29,133	—	—	—	96,534	
Assets for Retirement Benefits	192,223	58,872	—	—	—	133,350	
Deferred Tax Assets	15,613	14,960	—	—	—	653	
Customers' Liabilities for Acceptances and Guarantees	541,228	541,228	—	—	—	—	
Allowance for Loan Losses	(163,369)	(163,369)	—	—	—	—	
Total Assets	¥ 64,633,220	¥ 58,377,576	¥ 4,313,523	¥ 1,069,850	¥ 2,468,269	¥ 859,452	
Liabilities:							
Deposits	¥ 33,230,162	¥ —	¥ —	¥ —	¥ —	¥ 33,230,162	
Negotiable Certificates of Deposit	6,587,944	—	—	—	—	6,587,944	
Call Money and Bills Sold	799,524	—	—	—	—	799,524	
Payables under Repurchase Agreements	1,485,033	—	1,485,033	—	—	—	
Trading Liabilities	906,686	—	906,686	—	906,686	—	
Borrowed Money	7,153,498	—	—	—	—	7,153,498	
Foreign Exchanges	1,275	—	—	—	—	1,275	
Short-Term Bonds Payable	2,387,553	—	—	—	—	2,387,553	
Bonds Payable	2,076,604	—	—	—	—	2,076,604	
Borrowed Money from Trust Account	4,298,827	—	—	—	—	4,298,827	
Other Liabilities	2,312,326	—	1,735,568	—	1,574,196	576,758	
Provision for Bonuses	21,087	—	—	—	—	21,087	
Provision for Directors' Bonuses	181	—	—	—	—	181	
Provision for Stocks Payment	732	—	—	—	—	732	
Liabilities for Retirement Benefits	13,553	—	—	—	—	13,553	
Provision for Reward Points Program	19,965	—	—	—	—	19,965	
Provision for Reimbursement of Deposits	3,626	—	—	—	—	3,626	
Provision for Contingent Losses	1,649	—	—	—	—	1,649	
Deferred Tax Liabilities	44,081	—	—	—	—	44,081	
Deferred Tax Liabilities for Land Revaluation	2,388	—	—	—	—	2,388	
Acceptances and Guarantees	541,228	—	—	—	—	541,228	
Total Liabilities	¥ 61,887,931	¥ —	¥ 4,127,288	¥ —	¥ 2,480,883	¥ 57,760,642	

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the sum of amounts in Columns a and b is not equal to the sum of amounts in Columns c to g.
2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

LI1	Millions of Yen						
	March 31, 2021						
	a	b	c	d	e	f	g
			Carrying values of items				
	Carrying values as reported in published consolidated financial statement	Carrying values under scope of regulatory consolidation	Credit risk (excluding amounts relevant to columns d and e)	Counterparty credit risk	Securitisation (excluding amounts relevant to column f)	Market risk	Items not subject to capital requirements or subject to deduction from capital
Assets:							
Cash and Due from Banks	¥ 18,488,763	¥ 18,488,763	¥ —	¥ —	¥ —	¥ —	
Call Loans and Bills Bought	8,766	8,766	—	—	—	—	
Receivables under Resale Agreements	160,268	—	160,268	—	—	—	
Receivables under Securities Borrowing Transactions	727,689	—	727,689	—	—	—	
Monetary Claims Bought	892,309	807,105	—	85,203	—	—	
Trading Assets	962,849	—	918,327	—	962,849	—	
Money Held in Trust	12,223	12,223	—	—	—	—	
Securities	6,983,483	6,449,529	—	533,950	—	3	
Loans and Bills Discounted	30,506,968	30,123,331	—	383,636	—	—	
Foreign Exchanges	25,396	25,396	—	—	—	—	
Lease Receivables and Investment Assets	695,172	695,172	—	—	—	—	
Other Assets	2,936,013	407,791	2,172,753	1,668	1,296,876	353,799	
Tangible Fixed Assets	228,180	228,180	—	—	—	—	
Intangible Fixed Assets	112,303	22,644	—	—	—	89,659	
Assets for Retirement Benefits	231,165	70,796	—	—	—	160,369	
Deferred Tax Assets	14,459	14,286	—	—	—	172	
Customers' Liabilities for Acceptances and Guarantees	511,782	511,782	—	—	—	—	
Allowance for Loan Losses	(129,223)	(129,223)	—	—	—	—	
Total Assets	¥ 63,368,573	¥ 57,736,547	¥ 3,979,039	¥ 1,004,459	¥ 2,259,726	¥ 604,004	
Liabilities:							
Deposits	¥ 33,467,678	¥ —	¥ —	¥ —	¥ —	¥ 33,467,678	
Negotiable Certificates of Deposit	7,160,594	—	—	—	—	7,160,594	
Call Money and Bills Sold	60,675	—	—	—	—	60,675	
Payables under Repurchase Agreements	1,628,440	—	1,628,440	—	—	—	
Trading Liabilities	850,660	—	850,660	—	850,660	—	
Borrowed Money	5,782,602	—	—	—	—	5,782,602	
Foreign Exchanges	577	—	—	—	—	577	
Short-Term Bonds Payable	2,545,049	—	—	—	—	2,545,049	
Bonds Payable	1,545,605	—	—	—	—	1,545,605	
Borrowed Money from Trust Account	4,915,208	—	—	—	—	4,915,208	
Other Liabilities	2,035,474	—	1,472,307	—	1,340,950	563,166	
Provision for Bonuses	18,460	—	—	—	—	18,460	
Provision for Directors' Bonuses	219	—	—	—	—	219	
Provision for Stocks Payment	532	—	—	—	—	532	
Liabilities for Retirement Benefits	13,752	—	—	—	—	13,752	
Provision for Reward Points Program	18,945	—	—	—	—	18,945	
Provision for Reimbursement of Deposits	4,138	—	—	—	—	4,138	
Provision for Contingent Losses	1,633	—	—	—	—	1,633	
Deferred Tax Liabilities	81,594	—	—	—	—	81,594	
Deferred Tax Liabilities for Land Revaluation	2,388	—	—	—	—	2,388	
Acceptances and Guarantees	511,782	—	—	—	—	511,782	
Total Liabilities	¥ 60,646,016	¥ —	¥ 3,951,408	¥ —	¥ 2,191,610	¥ 56,694,608	

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.
3. Previously, derivative transactions included in "Trading Assets," "Trading Liabilities," "Other Assets," and "Other Liabilities" were presented on a net basis for transactions that met the requirements under the practical guidance for accounting for financial instruments. However, for the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on a principle from the current fiscal year ended March 31, 2022. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

LI2		Millions of Yen				
		March 31, 2022				
		a	b	c	d	e
Item No.		Total	Items subject to: Credit risk (excluding amounts relevant to columns c and d)	Counterparty credit risk	Securitisation (excluding amounts relevant to column e)	Market risk
1	Asset carrying value amount under scope of regulatory consolidation	¥ 63,773,767	¥ 58,377,576	¥ 4,313,523	¥ 1,069,850	¥ 2,468,269
2	Liabilities carrying value amount under scope of regulatory consolidation	4,127,288	—	4,127,288	—	2,480,883
3	Total net amount under regulatory scope of consolidation	59,646,479	58,377,576	186,234	1,069,850	(12,614)
4	Off-balance sheet amounts	4,264,429	3,930,312	—	334,117	—
5	Differences due to netting, the exposure calculation method, etc.	2,783,618	—	2,877,909	—	(94,291)
6	Differences due to consideration of allowances and write-offs	30,373	30,373	—	—	—
7	Other	56,165	56,165	—	—	—
8	Regulatory exposure amounts	66,781,066	62,394,428	3,064,143	1,403,967	(106,905)

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the amount in Column a is not equal to the sum of amounts in Columns b to e, for Item No. 1, 2, 3, and 8.

2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

3. The major factors in the difference between the amount of exposure in the capital regulatory standards and the amount posted in the consolidated balance sheet for each risk category are as follows:
- Credit Risk and Securitisation Exposures: Differences due to off-balance sheet amounts, consideration of allowances and write-offs, and other adjustments such as deferred tax assets (temporary differences)
- Counterparty credit risk: Difference due to netting, the application of the credit risk mitigation techniques, and the application of the Current Exposure Method to the exposure calculation method
- Market risk: Difference due to netting, etc.

LI2		Millions of Yen				
		March 31, 2021				
		a	b	c	d	e
			Items subject to:			
Item No.		Total	Credit risk (excluding amounts relevant to columns c and d)	Counterparty credit risk	Securitisation (excluding amounts relevant to column e)	Market risk
1	Asset carrying value amount under scope of regulatory consolidation	¥ 62,764,568	¥ 57,736,547	¥ 3,979,039	¥ 1,004,459	¥ 2,259,726
2	Liabilities carrying value amount under scope of regulatory consolidation	3,951,408	—	3,951,408	—	2,191,610
3	Total net amount under regulatory scope of consolidation	58,813,160	57,736,547	27,631	1,004,459	68,115
4	Off-balance sheet amounts	4,529,256	4,280,797	—	248,459	—
5	Differences due to netting, the exposure calculation method, etc.	2,371,285	—	2,687,820	—	(316,535)
6	Differences due to consideration of allowances and write-offs	36,982	36,982	—	—	—
7	Regulatory exposure amounts	65,750,685	62,054,328	2,715,451	1,252,918	(248,419)

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: Differences due to 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.

4. Previously, derivative transactions included in "Trading Assets," "Trading Liabilities," "Other Assets," and "Other Liabilities" were presented on a net basis for transactions that met the requirements under the practical guidance for accounting for financial instruments. However, for the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on a principle from the current fiscal year ended March 31, 2022. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.

CR1: Credit quality of assets

CR1		Millions of Yen			
		March 31, 2022			
Item No.		a	b	c	d
		Gross carrying values of		Allowances	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
	On-balance sheet assets				
1	Loans and Bills Discounted	¥ 227,989	¥ 30,269,561	¥ 147,852	¥ 30,349,699
2	Debt Securities	749	4,663,271	—	4,664,020
3	Other on-balance sheet assets (debt-based assets)	16,124	19,822,885	14,630	19,824,380
4	Total on-balance sheet assets (1+2+3)	244,863	54,755,718	162,482	54,838,099
	Off-balance sheet assets				
5	Acceptances and Guarantees, etc.	143	541,084	886	540,341
6	Commitments, etc.	1,367	4,328,591	1,649	4,328,309
7	Total off-balance sheet assets (5+6)	1,510	4,869,676	2,536	4,868,651
	Total				
8	Total (4+7)	¥ 246,374	¥ 59,625,395	¥ 165,019	¥ 59,706,751

Note: The aggregate calculation on this statement does not include counterparty credit risk, the credit risk related to securitisation transactions, or the credit risk related to funds.

CR1		Millions of Yen			
		March 31, 2021			
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	¥ 143,700	¥ 29,962,652	¥ 113,277	¥ 29,993,075
2	Debt Securities	761	3,657,103	—	3,657,864
3	Other on-balance sheet assets (debt-based assets)	16,811	20,082,537	14,961	20,084,388
4	Total on-balance sheet assets (1+2+3)	161,273	53,702,294	128,238	53,735,328
	Off-balance sheet assets				
5	Acceptances and Guarantees, etc.	157	511,624	985	510,797
6	Commitments, etc.	2,323	5,037,694	1,633	5,038,384
7	Total off-balance sheet assets (5+6)	2,481	5,549,319	2,619	5,549,181
	Total				
8	Total (4+7)	¥ 163,754	¥ 59,251,613	¥ 130,857	¥ 59,284,510

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, 2022 Amounts
1	Stock of defaulted loans and debt securities at the end of the previous fiscal year		¥ 161,273
2	Changes in stock of loans and debt securities for each factor during the fiscal year	Of which: Newly defaulted	131,922
3		Of which: Returning to non-defaulted status	10,117
4		Of which: Written-offs	10,962
5		Of which: Other factors	(27,251)
6	Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5)		244,863

Notes: 1. The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.
2. The main factor for the item 5. "Of which: Other factors" is the stock decrease caused by the collection of defaulted exposures.

CR2 Item No.			Millions of Yen March 31, 2021 Amounts
1	Stock of defaulted loans and debt securities at the end of the previous fiscal year		¥ 143,609
2	Changes in stock of loans and debt securities for each factor during the fiscal year	Of which: Newly defaulted	57,773
3		Of which: Returning to non-defaulted status	11,918
4		Of which: Written-offs	11,530
5		Of which: Other factors	(16,661)
6	Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5)		161,273

Notes: 1. The end of the previous fiscal year indicates March 31, 2020, and the end of the fiscal year indicates March 31, 2021.
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, 2022				
		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans and Bills Discounted	¥ 29,144,608	¥ 1,205,090	¥ 336,640	¥ 164,745	¥ —
2	Debt Securities	4,645,034	18,986	—	18,900	—
3	Other on-balance sheet assets (debt-based assets)	19,824,285	94	91	3	—
4	Total (1+2+3)	¥ 53,613,928	¥ 1,224,171	¥ 336,731	¥ 183,648	¥ —
5	Of which defaulted	161,567	5,861	4,555	—	—

CR3 Item No.		Millions of Yen March 31, 2021				
		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans and Bills Discounted	¥ 29,344,915	¥ 648,159	¥ 294,113	¥ 181,098	¥ —
2	Debt Securities	3,626,036	31,828	—	31,500	—
3	Other on-balance sheet assets (debt-based assets)	20,084,034	353	181	171	—
4	Total (1+2+3)	¥ 53,054,986	¥ 680,342	¥ 294,294	¥ 212,769	¥ —
5	Of which defaulted	127,803	6,038	4,791	—	—

CR4: Standardised approach – Credit risk exposure and Credit risk mitigation (CRM) effects

CR4		Millions of Yen, %					
		March 31, 2022					
		a	b	c	d	e	f
Item No.	Asset classes	Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		Credit RWA amount	RWA density
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Cash	¥ 36	¥ —	¥ 36	¥ —	¥ —	—%
2	Government of Japan and Bank of Japan (BOJ)	60	—	60	—	—	—
3	Foreign central governments and foreign central banks	272,010	—	272,010	—	17,736	6.52
4	Bank for International Settlements, etc.	—	—	—	—	—	—
5	Local governments of Japan	12	—	12	—	—	—
6	Foreign non-central government public sector entities (PSEs)	14,108	—	14,108	—	13,964	98.97
7	Multilateral development banks (MDBs)	—	—	—	—	—	—
8	Japan Finance Organization for Municipalities (JFM)	—	—	—	—	—	—
9	Government-affiliated agencies of Japan	—	—	—	—	—	—
10	The three local public corporations	—	—	—	—	—	—
11	Financial institutions and type I financial instruments business operators	241,904	—	241,904	—	87,845	36.31
12	Corporates, etc.	279,320	135,587	279,320	12,053	291,273	99.96
13	SMEs, etc. and individuals	—	—	—	—	—	—
14	Residential mortgage loans	—	—	—	—	—	—
15	Real estate acquisition activities, etc.	—	—	—	—	—	—
16	Past due loans for three months or more, etc. (excluding residential mortgage loans)	0	—	0	—	0	146.97
17	Past due loans for three months or more (residential mortgage loans)	—	—	—	—	—	—
18	Uncollected notes	—	—	—	—	—	—
19	Guaranteed by credit guarantee corporations, etc.	—	—	—	—	—	—
20	Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.	—	—	—	—	—	—
21	Investments, etc. (excluding significant investments)	—	—	—	—	—	—
22	Total	¥ 807,453	¥ 135,587	¥ 807,453	¥ 12,053	¥ 410,820	50.13%

CR4		Millions of Yen, %					
		March 31, 2021					
		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	¥ 14	¥ —	¥ 14	¥ —	¥ —	—%
2	Government of Japan and Bank of Japan (BOJ)	60	—	60	—	—	—
3	Foreign central governments and foreign central banks	338,001	—	338,001	—	35,594	10.53
4	Bank for International Settlements, etc.	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	65	—	65	—	34	52.18
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	229,068	—	229,068	—	119,764	52.28
12	Corporates, etc.	191,878	282,315	191,878	22,975	214,731	99.94
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	150.00
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	¥ 759,086	¥ 282,315	¥ 759,086	¥ 22,975	¥ 370,124	47.33%

CR5: Standardised approach – Exposures by asset classes and risk weights

CR5

Millions of Yen

Item No.	Asset classes \ Risk weight	March 31, 2022										
		a	b	c	d	e	f	g	h	i	j	k
		Credit risk exposure amounts (post-CCF and post-CRM)										
		0%	10%	20%	35%	50%	75%	100%	150%	250%	1,250%	Total
1	Cash	¥ 36	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 36
2	Government of Japan and Bank of Japan (BOJ)	60	—	—	—	—	—	—	—	—	—	60
3	Foreign central governments and foreign central banks	236,538	—	—	—	35,472	—	—	—	—	—	272,010
4	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—	—	—
5	Local governments of Japan	12	—	—	—	—	—	—	—	—	—	12
6	Foreign non-central government public sector entities (PSEs)	—	—	147	—	51	—	13,909	—	—	—	14,108
7	Multilateral development banks (MDBs)	—	—	—	—	—	—	—	—	—	—	—
8	Japan Finance Organization for Municipalities (JFM)	—	—	—	—	—	—	—	—	—	—	—
9	Government-affiliated agencies of Japan	—	—	—	—	—	—	—	—	—	—	—
10	The three local public corporations	—	—	—	—	—	—	—	—	—	—	—
11	Financial institutions and type I financial instruments business operators	—	—	187,518	—	8,089	—	46,297	—	—	—	241,904
12	Corporates, etc.	—	—	—	—	201	—	291,172	—	—	—	291,373
13	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—	—	—
14	Residential mortgage loans	—	—	—	—	—	—	—	—	—	—	—
15	Real estate acquisition activities, etc.	—	—	—	—	—	—	—	—	—	—	—
16	Past due loans for three months or more, etc. (excluding residential mortgage loans)	—	—	—	—	0	—	—	0	—	—	0
17	Past due loans for three months or more (residential mortgage loans)	—	—	—	—	—	—	—	—	—	—	—
18	Uncollected notes	—	—	—	—	—	—	—	—	—	—	—
19	Guaranteed by credit guarantee corporations, etc.	—	—	—	—	—	—	—	—	—	—	—
20	Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.	—	—	—	—	—	—	—	—	—	—	—
21	Investments, etc. (excluding significant investments)	—	—	—	—	—	—	—	—	—	—	—
22	Total	¥ 236,646	¥ —	¥ 187,666	¥ —	¥ 43,814	¥ —	¥ 351,379	¥ 0	¥ —	¥ —	¥ 819,506

CR5		Millions of Yen										
		March 31, 2021										
		a	b	c	d	e	f	g	h	i	j	k
Item No.	Asset classes \ Risk weight	Credit risk exposure amounts (post-CCF and post-CRM)										
		0%	10%	20%	35%	50%	75%	100%	150%	250%	1,250%	Total
1	Cash	¥ 14	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 14
2	Government of Japan and Bank of Japan (BOJ)	60	—	—	—	—	—	—	—	—	—	60
3	Foreign central governments and foreign central banks	266,923	—	—	—	70,967	—	111	—	—	—	338,001
4	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	—	—	15	—	39	—	12	—	—	—	65
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	—	—	135,773	—	1,370	—	91,924	—	—	—	229,068
12	Corporates, etc.	—	—	—	—	245	—	214,609	—	—	—	214,853
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
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	¥ 266,997	¥ —	¥ 135,788	¥ —	¥ 72,621	¥ —	¥ 306,655	¥ 0	¥ —	¥ —	¥ 782,062

CR6: IRB – Credit risk exposures by portfolio and PD range

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2022											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
	Sovereign exposures (Advanced Internal Ratings-Based Approach (AIRB))												
1	0.00 to < 0.15	¥ 3,587,234	¥ 33	75.00%	¥ 3,602,414	0.00%	0.0	32.09%	1.9	¥ 27,695	0.76%	¥ 16	
2	0.15 to < 0.25	2,223	—	—	385	0.20	0.0	31.83	2.6	125	32.41	0	
3	0.25 to < 0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	3,589,457	33	75.00	3,602,800	0.00	0.0	32.09	1.9	27,820	0.77	16	¥ 44
	Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB))												
1	0.00 to < 0.15	18,540,535	122,103	75.34	18,651,439	0.00	0.1	44.99	1.0	101,782	0.54	123	
2	0.15 to < 0.25	0	—	—	0	0.20	0.0	45.00	1.0	0	30.44	0	
3	0.25 to < 0.50	21,628	0	75.00	12,728	0.29	0.0	45.00	3.0	8,750	68.74	16	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	10,082	—	—	82	35.80	0.0	45.00	1.0	213	258.11	13	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	18,572,246	122,103	75.34	18,664,250	0.00	0.1	44.99	1.0	110,746	0.59	154	185
	Financial Institution exposures (AIRB)												
1	0.00 to < 0.15	512,156	8,500	100.00	534,878	0.05	0.0	31.10	2.8	106,014	19.82	88	
2	0.15 to < 0.25	51,000	9,000	75.00	57,750	0.20	0.0	32.10	1.3	13,788	23.87	37	
3	0.25 to < 0.50	8,800	7,575	86.79	15,375	0.49	0.0	32.10	1.0	5,762	37.48	24	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	6,277	1,996	91.28	8,099	1.43	0.0	30.58	1.4	4,803	59.31	34	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	578,233	27,071	87.35	616,102	0.09	0.0	31.21	2.6	130,368	21.16	185	343
	Financial Institution exposures (FIRB)												
1	0.00 to < 0.15	158,235	113,103	75.00	243,063	0.05	0.0	48.01	1.3	52,966	21.79	70	
2	0.15 to < 0.25	1,729	—	—	1,729	0.20	0.0	71.02	2.3	1,180	68.25	2	
3	0.25 to < 0.50	22,314	—	—	22,314	0.27	0.0	58.44	1.5	14,312	64.14	36	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	3,167	—	—	3,167	1.76	0.0	45.00	3.8	4,206	132.80	25	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	185,447	113,103	75.00	270,274	0.09	0.0	48.98	1.3	72,665	26.88	134	61

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2022											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
Corporate exposures (excluding SME exposures and specialised lending) (AIRB)													
1	0.00 to < 0.15	¥ 7,149,077	¥ 2,801,193	76.04%	¥ 9,339,244	0.07%	0.6	31.42%	2.5	¥ 1,713,083	18.34%	¥ 2,268	
2	0.15 to < 0.25	1,722,211	466,183	75.89	2,044,349	0.20	0.3	30.61	2.1	597,443	29.22	1,278	
3	0.25 to < 0.50	2,267,134	500,491	72.10	2,629,361	0.38	1.1	30.20	2.2	1,049,116	39.90	2,997	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	998,803	202,761	70.49	1,099,367	1.58	0.7	28.36	2.2	717,185	65.23	4,930	
6	2.50 to < 10.00	66,860	11,808	79.03	78,106	7.07	0.0	24.74	1.7	67,830	86.84	1,345	
7	10.00 to < 100.00	7,590	234	75.00	6,067	18.41	0.0	23.85	2.2	7,265	119.75	266	
8	100.00 (Default)	122,147	—	—	127,932	100.00	0.0	32.09	1.0	52,602	41.11	36,851	
9	Sub-total	12,333,824	3,982,671	75.25	15,324,428	1.13	3.0	30.85	2.3	4,204,527	27.43	49,938	¥106,738
Corporate exposures (excluding SME exposures and specialised lending) (FIRB)													
1	0.00 to < 0.15	839,060	121,671	78.78	939,667	0.07	0.8	52.29	2.8	323,649	34.44	366	
2	0.15 to < 0.25	45,696	66,740	100.00	112,581	0.20	0.3	54.03	2.2	67,955	60.36	124	
3	0.25 to < 0.50	501,230	65,356	74.16	548,835	0.33	1.3	46.32	2.7	350,565	63.87	820	
4	0.50 to < 0.75	88,007	13,159	75.00	97,877	0.62	0.0	45.00	3.7	93,440	95.46	276	
5	0.75 to < 2.50	375,270	21,737	75.53	391,737	1.44	1.3	44.12	3.7	473,425	120.85	2,503	
6	2.50 to < 10.00	116,417	2,218	78.30	118,270	5.36	0.2	44.35	4.1	202,528	171.24	2,816	
7	10.00 to < 100.00	71,076	—	—	71,077	30.21	0.0	44.99	3.8	190,956	268.65	9,662	
8	100.00 (Default)	31,604	896	96.65	37,803	100.00	0.0	44.51	1.0	0	0.00	16,830	
9	Sub-total	2,068,364	291,779	82.24	2,317,850	3.22	4.2	48.52	3.0	1,702,520	73.45	33,398	18,463
SME exposures (AIRB)													
1	0.00 to < 0.15	55,704	582	75.00	54,187	0.12	0.0	30.59	2.2	11,006	20.31	20	
2	0.15 to < 0.25	102,593	—	—	96,153	0.20	0.0	30.14	3.2	28,887	30.04	59	
3	0.25 to < 0.50	85,649	7,119	90.09	89,560	0.41	0.0	24.74	2.8	27,195	30.36	88	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	111,412	18,255	76.77	122,834	1.59	0.1	21.85	2.7	56,253	45.79	418	
6	2.50 to < 10.00	6,530	111	77.53	6,616	7.34	0.0	20.54	1.5	3,898	58.91	102	
7	10.00 to < 100.00	1,292	—	—	1,292	18.41	0.0	22.32	2.8	1,281	99.16	53	
8	100.00 (Default)	1,277	—	—	1,306	100.00	0.0	21.50	1.0	349	26.71	253	
9	Sub-total	364,460	26,068	80.37	371,950	1.24	0.3	25.94	2.8	128,873	34.64	995	1,097
SME exposures (FIRB)													
1	0.00 to < 0.15	15	—	—	15	0.11	0.0	45.00	1.0	2	18.80	0	
2	0.15 to < 0.25	45	—	—	45	0.20	0.0	45.00	1.0	12	26.98	0	
3	0.25 to < 0.50	106,414	1,412	75.00	105,982	0.48	0.6	38.22	4.6	67,536	63.72	197	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	314,453	1,986	77.62	313,489	1.67	1.7	39.36	4.8	292,822	93.40	2,066	
6	2.50 to < 10.00	6,748	—	—	6,762	7.32	0.0	38.55	4.1	8,285	122.53	188	
7	10.00 to < 100.00	2,195	—	—	2,223	18.41	0.0	45.00	1.4	4,356	195.98	184	
8	100.00 (Default)	5,992	0	0.00	6,184	100.00	0.0	40.10	1.0	0	0.00	2,480	
9	Sub-total	435,864	3,399	76.52	434,703	2.95	2.5	39.11	4.7	373,016	85.80	5,117	405

CR6

Millions of Yen, %, 1,000 cases, Year

		March 31, 2022											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
	Specialised lending (AIRB)												
1	0.00 to < 0.15	¥ 1,320,005	¥ 101,243	75.00%	¥ 1,395,938	0.08%	0.3	26.30%	4.1	¥ 312,385	22.37%	¥ 314	
2	0.15 to < 0.25	85,887	22,114	75.00	102,472	0.20	0.0	30.80	3.8	42,750	41.71	64	
3	0.25 to < 0.50	869,979	143,937	74.99	977,920	0.33	0.2	24.34	4.3	404,129	41.32	795	
4	0.50 to < 0.75	151,786	52,471	75.18	191,238	0.64	0.0	25.07	4.3	105,239	55.03	309	
5	0.75 to < 2.50	363,252	47,578	73.65	398,295	1.48	0.0	24.74	3.4	253,091	63.54	1,467	
6	2.50 to < 10.00	99,872	55,054	73.27	140,211	3.92	0.0	23.35	3.6	110,294	78.66	1,230	
7	10.00 to < 100.00	73,761	18,286	75.00	87,475	22.66	0.0	38.88	4.0	185,006	211.49	8,065	
8	100.00 (Default)	15,398	1,331	75.00	16,401	100.00	0.0	28.29	1.0	5,570	33.96	4,195	
9	Sub-total	2,979,942	442,016	74.65	3,309,953	1.61	0.8	25.82	4.1	1,418,468	42.85	16,443	¥ 5,257
	Specialised lending (FIRB)												
1	0.00 to < 0.15	1,213	—	—	1,213	0.08	0.2	45.00	1.0	197	16.26	0	
2	0.15 to < 0.25	71	—	—	71	0.20	0.0	45.00	1.0	21	30.44	0	
3	0.25 to < 0.50	1,371	—	—	1,371	0.32	0.1	45.00	1.0	557	40.62	2	
4	0.50 to < 0.75	270	—	—	270	0.63	0.0	45.00	1.0	159	59.19	0	
5	0.75 to < 2.50	550	—	—	550	1.44	0.0	45.00	1.0	461	83.78	3	
6	2.50 to < 10.00	78	—	—	78	3.67	0.0	45.00	1.0	91	116.67	1	
7	10.00 to < 100.00	203	—	—	203	17.87	0.0	45.00	1.0	418	205.72	16	
8	100.00 (Default)	0	—	—	0	100.00	0.0	45.00	1.0	0	0.00	0	
9	Sub-total	3,759	—	—	3,759	1.46	0.6	45.00	1.0	1,907	50.73	24	—
	Equity exposures (PD/LGD Approach)												
1	0.00 to < 0.15	1,107,433	—	—	542,498	0.07	0.3	90.00	5.0	620,248	114.33	—	
2	0.15 to < 0.25	121,996	—	—	63,349	0.20	0.1	90.00	5.0	92,740	146.39	—	
3	0.25 to < 0.50	95,660	—	—	52,370	0.36	0.4	90.00	5.0	95,187	181.75	—	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	36,491	—	—	28,959	1.79	0.2	90.00	5.0	89,227	308.10	—	
6	2.50 to < 10.00	3,009	—	—	2,198	6.57	0.0	90.00	5.0	9,283	422.29	—	
7	10.00 to < 100.00	415	—	—	415	18.41	0.0	90.00	5.0	2,560	616.26	—	
8	100.00 (Default)	283	—	—	160	100.00	0.0	90.00	5.0	1,804	1,125.00	—	
9	Sub-total	1,365,289	—	—	689,953	0.23	1.1	90.00	5.0	911,053	132.04	—	
	Purchased receivables for corporates, etc. (default risk) (AIRB)												
1	0.00 to < 0.15	12,881	—	—	12,881	0.10	0.0	32.10	3.3	3,531	27.41	4	
2	0.15 to < 0.25	7,000	—	—	7,000	0.20	0.0	32.10	5.0	3,379	48.27	4	
3	0.25 to < 0.50	11,578	—	—	11,578	0.31	0.0	32.10	2.3	4,608	39.80	11	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	64,425	—	—	64,425	1.53	0.0	31.60	4.0	57,110	88.64	313	
6	2.50 to < 10.00	2,018	—	—	2,018	7.88	0.0	32.10	3.6	2,740	135.78	51	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	2,895	—	—	2,895	100.00	0.0	32.10	1.0	1,190	41.12	834	
9	Sub-total	100,799	—	—	100,799	4.07	0.0	31.78	3.7	72,560	71.98	1,219	488

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2022											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (AIRB)													
1	0.00 to < 0.15	¥ 4,442	¥ —	—%	¥ 4,442	0.12%	0.0	100.00%	1.0	¥ 2,208	49.70%	¥ —	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	4,442	—	—	4,442	0.12	0.0	100.00	1.0	2,208	49.70	—	¥ —
Purchased receivables for corporates, etc. (default risk) (FIRB)													
1	0.00 to < 0.15	306,276	4,019	100.00	310,295	0.06	0.2	45.00	1.0	42,010	13.53	89	
2	0.15 to < 0.25	81,589	—	—	81,589	0.20	0.1	45.00	1.0	25,312	31.02	75	
3	0.25 to < 0.50	112,416	2,892	75.00	114,585	0.37	1.0	45.00	1.1	51,756	45.16	192	
4	0.50 to < 0.75	423	2,639	75.00	2,402	0.62	0.0	45.00	4.5	2,452	102.08	6	
5	0.75 to < 2.50	47,170	—	—	47,170	1.52	3.3	45.00	1.1	38,989	82.65	323	
6	2.50 to < 10.00	4,330	—	—	4,330	6.56	0.5	45.00	1.0	6,384	147.43	127	
7	10.00 to < 100.00	522	—	—	522	18.41	0.0	45.00	1.0	1,140	218.32	43	
8	100.00 (Default)	4,546	—	—	4,546	100.00	0.0	45.00	1.0	0	0.00	2,045	
9	Sub-total	557,274	9,550	85.52	565,442	1.14	5.4	45.00	1.1	168,046	29.71	2,903	365
Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)													
1	0.00 to < 0.15	386,470	6,658	90.09	392,468	0.06	0.3	92.50	1.1	113,138	28.82	13	
2	0.15 to < 0.25	54,292	—	—	54,292	0.21	0.1	92.00	1.0	35,343	65.09	7	
3	0.25 to < 0.50	16,136	2,892	75.00	18,305	0.40	0.1	73.75	1.6	15,796	86.29	12	
4	0.50 to < 0.75	18	—	—	18	0.62	0.0	45.00	1.0	10	58.78	0	
5	0.75 to < 2.50	1,521	—	—	1,521	1.01	0.1	91.46	1.2	8,840	581.09	1	
6	2.50 to < 10.00	3,250	—	—	3,250	6.88	0.0	100.00	1.0	10,750	330.68	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	461,689	9,550	85.52	469,857	0.14	0.7	91.76	1.1	183,879	39.13	35	—
Purchased receivables for retail (default risk)													
1	0.00 to < 0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	32,046	—	—	32,046	0.30	29.5	70.83	—	12,135	37.86	69	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	32,046	—	—	32,046	0.30	29.5	70.83	—	12,135	37.86	69	88

CR6 — Millions of Yen, %, 1,000 cases, Year

Item No.	PD scale	March 31, 2022 a: On-balance sheet gross exposures	b: Off-balance sheet exposures pre-CCF and pre-CRM	c: Average CCF	d: EAD post-CCF and post-CRM	e: Average PD	f: Number of obligors	g: Average LGD	h: Average maturity	i: Credit RWA amounts	j: RWA density	k: EL	l: Eligible provisions
	Qualifying revolving retail exposures												
1	0.00 to < 0.15	¥ 0	¥ 39,550	27.13%	¥ 10,730	0.09%	42.7	59.37%	—	¥ 380	3.55%	¥ 6	
2	0.15 to < 0.25	41,972	706,261	11.31	121,914	0.22	197.3	70.80	—	10,120	8.30	193	
3	0.25 to < 0.50	19,951	945,124	7.43	90,210	0.35	137.6	75.96	—	11,682	12.94	244	
4	0.50 to < 0.75	34,826	242,256	11.31	62,247	0.54	79.0	70.80	—	10,488	16.84	239	
5	0.75 to < 2.50	11,201	212,375	12.36	37,469	1.15	109.8	70.10	—	10,956	29.24	302	
6	2.50 to < 10.00	31,691	62,122	12.05	39,181	4.82	38.7	70.96	—	31,356	80.03	1,341	
7	10.00 to < 100.00	188	1,166	11.09	317	48.23	0.5	67.08	—	538	169.51	107	
8	100.00 (Default)	42	3,374	8.53	7,708	100.00	8.7	71.20	—	8,856	114.89	4,779	
9	Sub-total	139,872	2,212,231	10.05	369,779	3.00	614.6	71.68	—	84,378	22.81	7,214	¥ 9,047
	Residential mortgage exposures												
1	0.00 to < 0.15	4,595,396	11,505	100.00	4,606,902	0.10	154.3	17.46	—	195,407	4.24	833	
2	0.15 to < 0.25	2,156,221	28	100.00	2,156,249	0.17	96.0	17.19	—	132,592	6.14	636	
3	0.25 to < 0.50	3,535,196	1,269	100.00	3,536,476	0.33	210.5	16.56	—	338,399	9.56	1,944	
4	0.50 to < 0.75	81,937	—	—	81,937	0.69	6.1	21.18	—	17,059	20.81	121	
5	0.75 to < 2.50	95,837	19	100.00	95,857	0.89	9.9	19.15	—	21,364	22.28	164	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	62,721	4	100.00	62,726	19.28	3.6	17.40	—	60,537	96.51	2,126	
8	100.00 (Default)	32,338	14	100.00	33,402	100.00	1.8	18.54	—	9,503	28.45	5,432	
9	Sub-total	10,559,648	12,843	100.00	10,573,551	0.63	482.5	17.15	—	774,863	7.32	11,258	25,355
	Other retail exposures												
1	0.00 to < 0.15	0	21,411	21.91	4,691	0.09	19.2	18.44	—	213	4.54	0	
2	0.15 to < 0.25	165,451	—	—	165,451	0.24	50.6	68.65	—	52,725	31.86	278	
3	0.25 to < 0.50	192,735	—	—	192,735	0.37	67.0	37.89	—	45,478	23.59	286	
4	0.50 to < 0.75	352,775	404	100.00	353,475	0.54	85.4	34.12	—	92,673	26.21	680	
5	0.75 to < 2.50	176,754	136,520	31.29	219,477	1.17	256.4	60.29	—	141,121	64.29	1,606	
6	2.50 to < 10.00	38,864	15,414	36.74	44,528	6.35	38.6	33.76	—	23,177	52.05	1,001	
7	10.00 to < 100.00	2,547	859	93.07	3,382	35.60	0.7	30.39	—	2,350	69.47	454	
8	100.00 (Default)	8,847	1,767	31.23	18,773	100.00	10.2	48.33	—	9,125	48.60	8,344	
9	Sub-total	937,976	176,377	31.08	1,002,517	2.83	528.4	46.44	—	366,866	36.59	12,654	15,552
	Lease transactions												
1	0.00 to < 0.15	213,286	—	—	213,286	0.07	0.4	45.00	2.6	52,422	24.57	75	
2	0.15 to < 0.25	128,970	—	—	128,970	0.20	0.1	45.00	3.9	74,446	57.72	118	
3	0.25 to < 0.50	53,527	—	—	53,527	0.43	0.3	45.00	2.5	35,242	65.83	104	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	43,152	—	—	43,152	1.74	0.3	45.00	2.6	44,873	103.98	338	
6	2.50 to < 10.00	14,226	—	—	14,226	5.25	0.0	45.00	3.7	23,615	165.99	336	
7	10.00 to < 100.00	5,028	—	—	5,028	18.41	0.0	45.00	3.9	12,178	242.16	416	
8	100.00 (Default)	—	—	—	513	100.00	0.0	45.00	1.0	0	0.00	231	
9	Sub-total	458,193	—	—	458,707	0.78	1.2	45.00	3.0	242,778	52.92	1,621	5,251
Total (all portfolios)		¥ 55,728,834	¥ 7,428,799	55.05%	¥ 59,183,170	0.74%	1,675.9	35.43%	2.0	¥ 10,989,683	18.56%	¥ 143,385	¥ 188,749

Notes: 1. "Number of obligors" in Column f: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.
2. Purchased receivables for retail (dilution risk and originator risk of loan participation) are not applicable.

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2021											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
Sovereign exposures (Advanced Internal Ratings-Based Approach (AIRB))													
1	0.00 to < 0.15	¥ 2,621,257	¥ 33	75.00%	¥ 2,638,281	0.00%	0.0	32.09%	2.1	¥ 16,876	0.63%	¥ 9	
2	0.15 to < 0.25	1,837	—	—	45	0.20	0.0	27.64	1.8	10	24.17	0	
3	0.25 to < 0.50	2,304	—	—	113	0.30	0.0	32.10	1.0	31	28.18	0	
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	2,625,399	33	75.00	2,638,440	0.00	0.0	32.09	2.1	16,919	0.64	9	¥ 51
Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB))													
1	0.00 to < 0.15	18,897,473	71,113	75.67	18,982,865	0.00	0.0	44.99	1.1	86,554	0.45	118	
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	34,451	338	75.00	20,905	0.29	0.0	45.00	3.5	14,777	70.68	27	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	7,771	—	—	71	8.63	0.0	45.00	1.0	118	165.28	2	
7	10.00 to < 100.00	10,188	—	—	188	13.42	0.0	45.00	1.5	383	203.73	11	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	18,949,885	71,451	75.66	19,004,030	0.00	0.1	44.99	1.1	101,833	0.53	159	150
Financial Institution exposures (AIRB)													
1	0.00 to < 0.15	476,380	12,000	100.00	514,048	0.05	0.0	31.27	3.4	117,915	22.93	84	
2	0.15 to < 0.25	39,500	9,000	75.00	46,250	0.20	0.0	32.10	1.2	10,815	23.38	30	
3	0.25 to < 0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to < 0.75	1,400	1,000	75.00	2,150	0.50	0.0	32.10	1.0	806	37.49	3	
5	0.75 to < 2.50	19,251	5,883	95.71	24,882	1.16	0.0	31.96	1.0	13,767	55.33	92	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	536,531	27,883	90.13	587,330	0.11	0.0	31.36	3.1	143,305	24.39	211	324
Financial Institution exposures (FIRB)													
1	0.00 to < 0.15	151,116	103,873	75.00	229,188	0.06	0.0	47.89	1.5	61,404	26.79	72	
2	0.15 to < 0.25	1,729	—	—	1,729	0.20	0.0	71.02	3.1	1,415	81.85	2	
3	0.25 to < 0.50	8,900	—	—	8,854	0.28	0.0	45.00	1.1	4,622	52.20	11	
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	3,255	—	—	3,255	1.71	0.0	45.00	4.3	4,442	136.46	25	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	165,003	103,873	75.00	243,029	0.09	0.0	47.91	1.6	71,885	29.57	111	57

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2021											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
Corporate exposures (excluding SME exposures and specialised lending) (AIRB)													
1	0.00 to < 0.15	¥ 7,084,227	¥ 3,087,710	75.91%	¥ 9,484,269	0.07%	0.7	31.38%	2.5	¥ 1,732,515	18.26%	¥ 2,267	
2	0.15 to < 0.25	1,948,161	485,776	74.77	2,281,047	0.20	0.4	30.62	2.3	719,975	31.56	1,432	
3	0.25 to < 0.50	1,429,315	361,884	74.26	1,689,333	0.30	0.5	31.40	2.2	662,085	39.19	1,637	
4	0.50 to < 0.75	1,116,000	249,616	77.45	1,305,426	0.50	0.7	29.27	2.3	587,601	45.01	1,929	
5	0.75 to < 2.50	828,406	148,090	69.03	895,076	1.39	0.7	28.80	2.1	579,000	64.68	3,611	
6	2.50 to < 10.00	170,224	9,048	81.90	178,311	6.28	0.1	24.05	2.2	148,773	83.43	2,714	
7	10.00 to < 100.00	88,691	775	75.00	88,695	18.67	0.0	31.70	3.2	151,091	170.34	5,252	
8	100.00 (Default)	32,151	—	—	38,465	100.00	0.0	31.68	1.0	15,605	40.56	10,940	
9	Sub-total	12,697,179	4,342,903	75.51	15,960,626	0.64	3.2	30.88	2.4	4,596,649	28.79	29,786	¥ 69,700
Corporate exposures (excluding SME exposures and specialised lending) (FIRB)													
1	0.00 to < 0.15	899,338	102,406	77.51	985,091	0.07	0.8	53.50	2.9	355,587	36.09	390	
2	0.15 to < 0.25	61,692	69,755	100.00	131,486	0.20	0.4	55.86	2.5	86,795	66.01	150	
3	0.25 to < 0.50	342,976	57,183	74.51	384,532	0.29	0.6	48.74	2.4	246,337	64.06	560	
4	0.50 to < 0.75	181,158	21,981	75.22	197,820	0.56	0.8	40.57	3.1	149,273	75.45	457	
5	0.75 to < 2.50	360,802	5,053	78.52	365,135	1.42	1.1	44.25	3.9	453,885	124.30	2,293	
6	2.50 to < 10.00	125,848	4,555	88.54	130,162	5.59	0.3	45.63	4.2	233,969	179.75	3,319	
7	10.00 to < 100.00	67,302	—	—	65,480	28.54	0.0	44.80	3.8	173,578	265.08	8,368	
8	100.00 (Default)	30,202	—	—	34,889	100.00	0.0	44.63	1.0	0	0.00	15,572	
9	Sub-total	2,069,322	260,935	82.88	2,294,598	3.02	4.3	49.42	3.0	1,699,426	74.06	31,113	17,866
SME exposures (AIRB)													
1	0.00 to < 0.15	81,031	7,010	75.00	84,387	0.12	0.0	31.19	2.1	17,141	20.31	33	
2	0.15 to < 0.25	82,986	—	—	76,288	0.20	0.0	31.76	3.1	24,024	31.49	49	
3	0.25 to < 0.50	31,264	—	—	31,114	0.30	0.0	30.01	3.2	10,688	34.35	28	
4	0.50 to < 0.75	43,671	542	75.00	42,339	0.50	0.0	23.60	2.4	12,940	30.56	50	
5	0.75 to < 2.50	118,751	7,605	79.46	121,704	1.56	0.1	22.37	2.8	58,076	47.71	426	
6	2.50 to < 10.00	9,458	15	100.00	9,474	6.65	0.0	17.19	2.6	4,826	50.94	113	
7	10.00 to < 100.00	2,259	—	—	1,563	18.67	0.0	22.94	2.7	1,676	107.21	67	
8	100.00 (Default)	1,325	—	—	2,646	100.00	0.0	26.97	1.0	903	34.14	641	
9	Sub-total	370,749	15,173	77.26	369,518	1.63	0.3	27.01	2.7	130,277	35.25	1,411	2,625
SME exposures (FIRB)													
1	0.00 to < 0.15	9	—	—	9	0.11	0.0	45.00	1.0	1	19.55	0	
2	0.15 to < 0.25	43	—	—	43	0.20	0.0	45.00	1.0	11	26.61	0	
3	0.25 to < 0.50	315	—	—	315	0.30	0.0	45.00	2.1	150	47.63	0	
4	0.50 to < 0.75	102,607	891	75.00	101,845	0.50	0.6	38.31	4.6	66,525	65.32	196	
5	0.75 to < 2.50	299,196	2,132	80.09	298,332	1.59	1.7	39.83	4.8	279,128	93.56	1,898	
6	2.50 to < 10.00	7,572	—	—	7,578	7.24	0.0	39.22	4.3	9,495	125.29	213	
7	10.00 to < 100.00	366	—	—	382	18.67	0.0	45.00	3.2	767	200.57	32	
8	100.00 (Default)	5,479	159	68.00	5,746	100.00	0.0	39.40	1.0	0	0.00	2,264	
9	Sub-total	415,591	3,183	78.05	414,253	2.81	2.4	39.45	4.7	356,081	85.95	4,606	487

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2021											
		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	¥1,285,800	¥ 89,285	75.45%	¥1,353,168	0.08%	0.3	26.69%	4.2	¥ 320,557	23.68%	¥ 325	
2	0.15 to < 0.25	83,351	5,047	75.00	87,137	0.20	0.0	28.32	3.5	30,991	35.56	50	
3	0.25 to < 0.50	656,681	110,796	74.55	739,284	0.29	0.1	22.88	4.3	276,271	37.37	505	
4	0.50 to < 0.75	257,189	164,593	75.07	380,751	0.58	0.0	23.14	4.5	191,839	50.38	515	
5	0.75 to < 2.50	324,249	68,959	73.14	374,690	1.42	0.0	25.01	3.6	246,085	65.67	1,355	
6	2.50 to < 10.00	101,129	40,266	75.00	131,329	4.78	0.0	26.32	3.4	120,959	92.10	1,649	
7	10.00 to < 100.00	71,700	9,653	75.00	78,940	24.77	0.0	38.88	4.0	168,930	213.99	7,951	
8	100.00 (Default)	14,993	2,288	75.00	16,714	100.00	0.0	24.65	1.0	5,331	31.89	3,694	
9	Sub-total	2,795,097	490,891	74.74	3,162,017	1.69	0.7	25.50	4.1	1,360,966	43.04	16,047	¥ 7,858
	Specialised lending (FIRB)												
1	0.00 to < 0.15	1,149	—	—	1,149	0.09	0.2	45.00	1.0	203	17.73	0	
2	0.15 to < 0.25	72	—	—	72	0.20	0.0	45.00	1.0	22	30.51	0	
3	0.25 to < 0.50	989	—	—	989	0.30	0.1	45.00	1.0	385	38.98	1	
4	0.50 to < 0.75	249	—	—	249	0.55	0.0	45.00	1.0	137	55.21	0	
5	0.75 to < 2.50	493	—	—	493	1.43	0.0	45.00	1.0	413	83.77	3	
6	2.50 to < 10.00	68	—	—	68	4.59	0.0	45.00	1.0	86	126.34	1	
7	10.00 to < 100.00	185	—	—	185	20.40	0.0	45.00	1.0	388	209.70	16	
8	100.00 (Default)	18	—	—	18	100.00	0.0	45.00	1.0	0	0.00	8	
9	Sub-total	3,226	—	—	3,226	2.22	0.6	45.00	1.0	1,637	50.76	32	—
	Equity exposures (PD/LGD Approach)												
1	0.00 to < 0.15	1,328,554	—	—	508,579	0.07	0.3	90.00	5.0	597,850	117.55	—	
2	0.15 to < 0.25	133,440	—	—	55,760	0.20	0.1	90.00	5.0	84,623	151.76	—	
3	0.25 to < 0.50	73,600	—	—	27,779	0.30	0.2	90.00	5.0	47,776	171.98	—	
4	0.50 to < 0.75	42,046	—	—	21,255	0.50	0.2	90.00	5.0	43,143	202.97	—	
5	0.75 to < 2.50	18,886	—	—	14,116	1.45	0.2	90.00	5.0	41,571	294.48	—	
6	2.50 to < 10.00	4,768	—	—	2,460	6.76	0.0	90.00	5.0	10,778	438.03	—	
7	10.00 to < 100.00	0	—	—	0	18.68	0.0	90.00	5.0	0	722.93	—	
8	100.00 (Default)	135	—	—	48	100.00	0.0	90.00	5.0	546	1,125.00	—	
9	Sub-total	1,601,432	—	—	630,001	0.17	1.3	90.00	5.0	826,289	131.15	—	
	Purchased receivables for corporates, etc. (default risk) (AIRB)												
1	0.00 to < 0.15	6,452	—	—	6,452	0.09	0.0	32.10	2.9	1,591	24.67	1	
2	0.15 to < 0.25	9,820	—	—	9,820	0.20	0.0	32.10	4.6	4,590	46.73	6	
3	0.25 to < 0.50	14,399	—	—	14,399	0.30	0.0	32.10	2.9	6,316	43.86	14	
4	0.50 to < 0.75	6,835	—	—	6,835	0.50	0.0	31.89	4.5	5,571	81.49	11	
5	0.75 to < 2.50	25,171	—	—	25,171	1.58	0.0	31.12	3.6	21,075	83.72	124	
6	2.50 to < 10.00	480	—	—	480	7.65	0.0	32.10	3.8	652	135.94	11	
7	10.00 to < 100.00	371	—	—	371	18.67	0.0	32.10	3.1	639	172.07	22	
8	100.00 (Default)	2,527	—	—	2,527	100.00	0.0	32.10	1.0	1,039	41.12	728	
9	Sub-total	66,059	—	—	66,059	4.74	0.0	31.70	3.5	41,477	62.78	920	499

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2021											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (AIRB)													
1	0.00 to < 0.15	¥ 2,280	¥ —	—%	¥ 2,280	0.13%	0.0	100.00%	1.0	¥ 1,191	52.25%	¥ —	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	2,280	—	—	2,280	0.13	0.0	100.00	1.0	1,191	52.25	—	¥ —
Purchased receivables for corporates, etc. (default risk) (FIRB)													
1	0.00 to < 0.15	322,172	21,997	100.00	344,169	0.05	0.2	45.00	1.0	44,378	12.89	98	
2	0.15 to < 0.25	67,853	30	75.00	67,876	0.20	0.1	45.00	1.0	21,260	31.32	62	
3	0.25 to < 0.50	63,775	3,319	75.00	66,265	0.30	0.2	45.00	1.1	27,513	41.51	92	
4	0.50 to < 0.75	47,014	2,386	75.00	48,804	0.51	0.9	45.00	1.3	27,711	56.78	112	
5	0.75 to < 2.50	39,785	—	—	39,785	1.49	3.8	45.00	1.3	33,365	83.86	267	
6	2.50 to < 10.00	4,304	—	—	4,304	6.33	0.7	45.00	1.0	6,236	144.89	122	
7	10.00 to < 100.00	169	—	—	169	35.75	0.0	45.00	4.9	446	264.09	27	
8	100.00 (Default)	4,110	—	—	4,110	100.00	0.0	45.00	1.0	0	0.00	1,849	
9	Sub-total	549,186	27,733	94.82	575,485	1.01	6.1	45.00	1.1	160,912	27.96	2,632	428
Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)													
1	0.00 to < 0.15	366,598	2,386	75.00	368,388	0.05	0.2	92.91	1.0	113,991	30.94	10	
2	0.15 to < 0.25	46,796	30	75.00	46,818	0.20	0.1	99.72	1.0	13,453	28.73	0	
3	0.25 to < 0.50	47,941	3,319	75.00	50,431	0.30	0.1	88.27	1.1	22,730	45.07	14	
4	0.50 to < 0.75	4,451	—	—	4,451	0.50	0.0	45.00	4.7	4,365	98.06	10	
5	0.75 to < 2.50	8,504	—	—	8,504	1.70	0.2	97.90	1.0	11,806	138.83	2	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	474,292	5,735	75.00	478,594	0.12	0.6	92.73	1.1	166,347	34.75	37	—
Purchased receivables for retail (default risk)													
1	0.00 to < 0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	45,085	—	—	45,085	0.30	33.6	76.75	—	18,581	41.21	106	
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	45,085	—	—	45,085	0.30	33.6	76.75	—	18,581	41.21	106	174

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2021											
		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	¥ 42,074	27.62%	¥ 11,624	0.10%	44.3	60.85%	—	¥ 441	3.79%	¥ 7	
2	0.15 to < 0.25	37,654	798,901	11.49	129,504	0.23	195.3	67.87	—	10,515	8.11	202	
3	0.25 to < 0.50	19,844	898,112	7.78	89,802	0.35	144.5	75.82	—	11,625	12.94	243	
4	0.50 to < 0.75	30,851	267,810	11.49	61,641	0.55	82.0	67.87	—	10,146	16.46	232	
5	0.75 to < 2.50	12,116	233,306	12.57	41,465	1.15	120.9	68.73	—	11,922	28.75	329	
6	2.50 to < 10.00	32,204	77,185	12.23	41,647	4.86	41.6	68.47	—	32,357	77.69	1,387	
7	10.00 to < 100.00	198	1,182	12.05	340	46.18	0.5	66.17	—	582	170.95	108	
8	100.00 (Default)	129	5,197	8.72	11,131	100.00	13.5	69.15	—	11,554	103.79	6,773	
9	Sub-total	132,999	2,323,770	10.48	387,158	3.81	642.9	69.70	—	89,144	23.02	9,284	¥ 12,489
	Residential mortgage exposures												
1	0.00 to < 0.15	4,396,104	13,743	100.00	4,409,848	0.11	152.1	17.71	—	201,011	4.55	873	
2	0.15 to < 0.25	2,297,518	51	100.00	2,297,570	0.17	105.9	17.47	—	146,476	6.37	707	
3	0.25 to < 0.50	3,197,850	1,881	100.00	3,199,741	0.33	190.3	17.19	—	324,265	10.13	1,877	
4	0.50 to < 0.75	39,795	—	—	39,795	0.65	2.6	22.05	—	8,285	20.82	57	
5	0.75 to < 2.50	136,691	19	100.00	136,711	0.87	13.6	20.55	—	32,008	23.41	244	
6	2.50 to < 10.00	3,745	—	—	3,745	2.92	0.1	16.17	—	1,486	39.69	17	
7	10.00 to < 100.00	58,509	12	100.00	58,522	19.97	3.4	18.18	—	59,453	101.59	2,147	
8	100.00 (Default)	34,066	16	100.00	35,591	100.00	2.0	19.33	—	10,027	28.17	6,079	
9	Sub-total	10,164,281	15,724	100.00	10,181,524	0.67	470.3	17.56	—	783,016	7.69	12,004	25,829
	Other retail exposures												
1	0.00 to < 0.15	0	22,625	22.13	5,008	0.10	20.4	21.29	—	272	5.44	1	
2	0.15 to < 0.25	153,768	—	—	153,768	0.24	47.2	73.50	—	52,388	34.06	276	
3	0.25 to < 0.50	205,871	—	—	205,871	0.38	70.4	38.42	—	49,928	24.25	317	
4	0.50 to < 0.75	339,598	384	100.00	340,279	0.56	88.3	35.80	—	95,289	28.00	711	
5	0.75 to < 2.50	177,771	145,035	31.83	223,949	1.20	271.2	61.10	—	147,492	65.85	1,713	
6	2.50 to < 10.00	36,806	16,542	36.49	42,843	6.83	41.8	33.57	—	22,467	52.44	1,020	
7	10.00 to < 100.00	2,928	799	91.92	3,716	34.59	0.7	32.17	—	2,724	73.30	522	
8	100.00 (Default)	10,241	1,712	30.30	21,756	100.00	11.4	47.72	—	6,344	29.15	9,874	
9	Sub-total	926,986	187,100	31.45	997,193	3.18	551.7	47.91	—	376,907	37.79	14,438	18,178
	Lease transactions												
1	0.00 to < 0.15	219,164	—	—	219,164	0.07	0.4	45.00	2.7	53,869	24.57	74	
2	0.15 to < 0.25	151,854	—	—	151,854	0.20	0.1	45.00	4.1	90,665	59.70	140	
3	0.25 to < 0.50	21,951	—	—	21,951	0.30	0.1	45.00	2.4	12,083	55.04	30	
4	0.50 to < 0.75	41,661	—	—	41,661	0.50	0.2	45.00	3.2	32,672	78.42	94	
5	0.75 to < 2.50	38,027	—	—	38,027	1.62	0.3	45.00	2.8	39,528	103.94	277	
6	2.50 to < 10.00	3,989	—	—	3,989	5.92	0.0	45.00	3.5	6,217	155.85	106	
7	10.00 to < 100.00	1,856	—	—	1,856	18.67	0.0	45.00	3.8	4,473	241.00	156	
8	100.00 (Default)	—	—	—	326	100.00	0.0	45.00	1.0	0	0.00	146	
9	Sub-total	478,504	—	—	478,830	0.47	1.2	45.00	3.2	239,510	50.01	1,026	5,319
Total (all portfolios)		¥ 55,069,093	¥ 7,876,394	55.59%	¥ 58,519,285	0.63%	1,720.2	35.73%	2.0	¥ 11,182,363	19.10%	¥ 123,940	¥ 162,039

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, 2022	
		a	b
Item No.	Portfolio	Pre-credit derivatives credit RWA amounts	Actual credit RWA amounts
1	Sovereign Exposures – FIRB	¥ 110,746	¥ 110,746
2	Sovereign Exposures – AIRB	26,586	26,586
3	Financial Institution Exposures – FIRB	72,665	72,665
4	Financial Institution Exposures – AIRB	128,594	128,594
5	Corporate exposures (excluding specialised lending) – FIRB	2,075,536	2,075,536
6	Corporate exposures (excluding specialised lending) – AIRB	4,336,409	4,336,409
7	Specialised lending – FIRB	356,900	356,900
8	Specialised lending – AIRB	1,418,468	1,418,468
9	Retail – Qualifying revolving retail exposures	84,378	84,378
10	Retail – Residential mortgage exposures	774,863	774,863
11	Retail – Other retail exposures	366,866	366,866
12	Equity Exposures – FIRB	1,137,535	1,137,535
13	Equity Exposures – AIRB	—	—
14	Purchased receivables – FIRB	364,060	364,060
15	Purchased receivables – AIRB	74,768	74,768
16	Total	¥ 11,328,380	¥ 11,328,380

Note: The SuMi TRUST Group does not use credit derivatives as credit risk mitigation techniques.

CR7		Millions of Yen	
		March 31, 2021	
		a	b
Item No.	Portfolio	Pre-credit derivatives credit RWA amounts	Actual credit RWA amounts
1	Sovereign Exposures – FIRB	¥ 101,827	¥ 101,827
2	Sovereign Exposures – AIRB	15,677	15,677
3	Financial Institution Exposures – FIRB	71,870	71,870
4	Financial Institution Exposures – AIRB	139,834	139,834
5	Corporate exposures (excluding specialised lending) – FIRB	2,055,530	2,055,530
6	Corporate exposures (excluding specialised lending) – AIRB	4,731,640	4,731,640
7	Specialised lending – FIRB	323,239	323,239
8	Specialised lending – AIRB	1,360,966	1,360,966
9	Retail – Qualifying revolving retail exposures	89,144	89,144
10	Retail – Residential mortgage exposures	783,016	783,016
11	Retail – Other retail exposures	376,907	376,907
12	Equity Exposures – FIRB	1,325,732	1,325,732
13	Equity Exposures – AIRB	—	—
14	Purchased receivables – FIRB	345,841	345,841
15	Purchased receivables – AIRB	42,668	42,668
16	Total	¥ 11,763,897	¥ 11,763,897

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, 2022 RWA amounts
1	RWA at the end of the previous fiscal year		¥ 12,707
2	Factor of RWA changes	Asset size	33
3		Asset quality	(533)
4		Model updates	—
5		Methodology and policy	—
6		Acquisitions and disposals	—
7		Foreign exchange movements	265
8		Others	—
9	RWA at the end of the fiscal year		¥ 12,472

Note: The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.

CR8 Item No.			Billions of Yen March 31, 2021 RWA amounts
1	RWA at the end of the previous fiscal year		¥ 12,184
2	Factor of RWA changes	Asset size	457
3		Asset quality	(52)
4		Model updates	—
5		Methodology and policy	—
6		Acquisitions and disposals	—
7		Foreign exchange movements	118
8		Others	—
9	RWA at the end of the fiscal year		¥ 12,707

Note: The end of the previous fiscal year indicates March 31, 2020, and the end of the fiscal year indicates March 31, 2021.

CR9: IRB – Backtesting of probability of default (PD) per portfolio

Entities subject to AIRB and FIRB

CR9		%, Cases											
		March 31, 2022 (Period covered: September 30, 2020 - September 30, 2021)											
a	b	c					d	e	f		g	h	i
Portfolio	PD Range	External rating equivalent					Weighted average PD (EAD weighted)	Arithmetic average PD (by obligors)	Number of obligors		Defaulted obligors during the reported period	Of which: new defaulted obligors during the reported period	Average historical annual default rate (5 years)	Credit RWA amounts ratio
		S&P	Moody's	Fitch	R&I	JCR			September 30, 2020	September 30, 2021				
Sovereign Exposures	—	AAA~ B-	Aaa~ B3	AAA~ B-	AAA~ BBB-	AAA~ BBB	0.00%	0.10%	757	792	0	0	0.00%	0.9%
Financial Institution Exposures	—	AA~ B-	Aa2~ B3	AA~ B-	AA+~ BB-	AAA~ BB	0.10	0.19	422	420	0	0	0.00	1.6
Corporate Exposures (Japanese)	≥ 0% to 0.03%	AAA~ A-	Aaa~ A3	—	AAA~ AA-	AAA~ AA	0.03	0.03	542	522	0	0	0.00	60.4
	> 0.03% to 0.1%	BBB+~ BBB-	Baa1~ Baa3	—	A+~ A-	AA-~ A	0.06	0.06	572	560	0	0	0.02	
	> 0.1% to 0.5%	BB+~ BB-	Ba1~ Ba3	—	BBB+~ BBB-	A-~ BBB	0.20	0.22	2,765	2,732	0	0	0.01	
	> 0.5% to 5%	B+~ B-	B1~ B3	—	BB+~ BB-	BBB-~ BB	1.02	1.22	5,213	5,498	9	0	0.18	
	> 5% to <100%	—	—	—	—	—	9.74	7.89	294	285	7	0	3.57	
Corporate Exposures (Non-Japanese)	≥ 0% to 0.03%	AAA~ AA-	Aaa~ Aa3	AAA~ AA-	—	—	0.03	0.03	48	48	0	0	0.00	11.1
	> 0.03% to 0.1%	A+~ A-	A1~ A3	A+~ A-	—	—	0.06	0.06	128	135	0	0	0.00	
	> 0.1% to 0.5%	BBB+~ BBB-	Baa1~ Baa3	BBB+~ BBB-	—	—	0.23	0.24	281	310	0	0	0.00	
	> 0.5% to 15%	BB+~ B-	Ba1~ B3	BB+~ B-	—	—	2.35	2.87	570	599	1	0	0.22	
	> 15% to < 100%	—	—	—	—	—	34.71	34.71	53	58	3	0	12.24	
Purchased receivables for corporates, etc. (Top-down approach)	—	—	—	—	AAA~ BB+	AAA~ BBB-	3.53	3.53	301	253	0	0	0.53	0.0
Qualifying revolving retail exposures	≥ 0% to 10%						0.46	0.30	41,973	41,170	30	0	0.09	0.0
	> 10% to < 100%						23.78	23.78	124	90	20	0	14.63	
Residential mortgage exposures	≥ 0% to 2%						0.20	0.22	521,749	544,382	328	0	0.09	6.1
	> 2% to < 100%						19.97	19.93	3,817	3,576	552	0	12.75	
Other retail exposures	≥ 0% to 10%						0.61	0.61	38,141	36,933	99	0	0.36	0.4
	> 10% to < 100%						23.90	25.63	160	147	33	0	17.57	

Entities subject to FIRB

CR9

%, Cases

March 31, 2022 (Period covered: September 30, 2020 - September 30, 2021)

a	b	c					d	e	f		g	h	i	
Portfolio	PD Range	External rating equivalent					Weighted average PD (EAD weighted)	Arithmetic average PD (by obligors)	Number of obligors		Defaulted obligors during the reported period	Of which: new defaulted obligors during the reported period	Average historical annual default rate (5 years)	Credit RWA amounts ratio
		S&P	Moody's	Fitch	R&I	JCR			September 30, 2020	September 30, 2021				
Sovereign Exposures	—	—	—	—	AAA~BBB	AAA~BBB+	0.02%	0.03%	236	225	0	0	0.00%	0.0%
Financial Institution Exposures	—	—	—	—	AA+~BBB	AAA~BBB+	0.13	0.18	5	3	0	0	0.00	0.0
Corporate Exposures (Japanese)	≥ 0% to 0.03%	—	—	—	AAA~AA-	AAA~AA	0.03	0.03	40	36	0	0	0.00	3.2
	> 0.03% to 0.1%	—	—	—	A+~A-	AA-~A	0.06	0.06	77	83	0	0	0.00	
	> 0.1% to 0.5%	—	—	—	BBB+~BBB-	A-~BBB	0.19	0.19	450	420	1	0	0.02	
	> 0.5% to 5%	—	—	—	BB+~BB-	BBB-~BB	1.19	1.12	885	834	10	0	0.78	
	> 5% to < 100%	—	—	—	—	—	7.55	7.87	228	200	8	0	4.97	
Qualifying revolving retail exposures	≥ 0% to 10%						0.95	0.82	594,682	566,943	3,445	110	0.72	0.7
	> 10% to < 100%						63.20	62.95	499	490	314	0	59.29	
Residential mortgage exposures	≥ 0% to 2%						0.65	0.72	13,031	12,670	41	0	0.38	0.3
	> 2% to < 100%						22.51	22.51	316	339	30	0	12.21	
Other retail exposures	≥ 0% to 10%						1.02	1.48	305,485	295,730	1,149	31	0.58	2.6
	> 10% to < 100%						41.84	63.35	566	560	285	2	47.90	

Notes: 1. On the previous page, Sumitomo Mitsui Trust Holdings, Inc., Sumitomo Mitsui Trust Bank, Limited and specific purpose companies (SPCs) engaging in liquidation of receivables, subject to AIRB and FIRB, are counted. On this page, Group companies (i.e. Sumitomo Mitsui Trust Guarantee Co., Ltd., Sumishin Guaranty Company Limited, Sumitomo Mitsui Trust Card Co., Ltd., Sumitomo Mitsui Trust Loan & Finance Co., Ltd., Sumitomo Mitsui Trust Panasonic Finance Co., Ltd., and Sumitomo Mitsui Trust Club Co., Ltd.), subject to FIRB, are counted.

2. Column a: As for "Corporate Exposures (excluding specialised lending)," "Specialised lending (subject to the PD/LGD Approach)," Equity exposures (subject to the PD/LGD Approach)," and "Purchased receivables (other than those for corporates, etc. subject to top-down approach)," these portfolio classifications have been integrated into "Corporate Exposures". In addition, different rating systems (PD) are used in Japanese rating and Non-Japanese rating, and so "Corporate Exposures" are classified into "Japanese" and "Non-Japanese."

3. Column c: With reference to the internal rating for each obligor, the range of external rating is stated in accordance with the relation between the internal rating and external rating of the internal rules for 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 2020. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2020 to the end of September 2021.

5. Column f to Column h: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.

6. "Average historical annual default rate (5 years)" in column i represents the average value of the actual default rate for each year of the latest nine years rather than the latest five years.

7. The scope of application of the major model used in the consolidation range specified by the capital regulatory standards is determined while considering the portfolio classifications specified by regulations and credit decisions based on the risk driver of each portfolio (explanatory variables of the adopted rating model, etc.). "Credit RWA amounts ratio" of each internal model is stated for each portfolio*.
* "Credit RWA amounts ratio" (obtained with the reference date being the end of September 2021) is the ratio of RWA amounts for each portfolio to the total RWA amounts subject to the IRB approach (excluding counterparty credit risk, the credit risk related to securitisation transactions, and the credit risk related to funds).

8. In the ">10% to <100%" category of "Other retail exposures" of entities subject to FIRB, "Average historical annual default rate (5 years)" in Column i exceeds "Weighted average PD (EAD weighted)" in Column d. This is attributable to the difference in the method for obtaining average values. The appropriateness of the PD estimation in each pool classification is examined regularly every year.

Entities subject to AIRB and FIRB

CR9

%, Cases

March 31, 2021 (Period covered: September 30, 2019 - September 30, 2020)

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, 2019	September 30, 2020				
Sovereign Exposures	—	AAA~ B	Aaa~ B2	AAA~ B	AAA~ BBB-	AAA~ BBB	0.00%	0.09%	671	757	0	0	0.00%	0.8%
Financial Institution Exposures	—	AA~ B-	Aa2~ B3	AA~ B-	AA+~ BB-	AAA~ BB	0.08	0.22	424	424	0	0	0.00	1.9
Corporate Exposures (Japanese)	≥ 0% to 0.03%	AAA~ A-	Aaa~ A3	—	AAA~ AA-	AAA~ AA	0.03	0.03	542	523	0	0	0.00	59.3
	> 0.03% to 0.1%	BBB+~ BBB-	Baa1~ Baa3	—	A+~ A-	AA-~ A	0.06	0.06	508	539	1	0	0.02	
	> 0.1% to 0.5%	BB+~ BB-	Ba1~ Ba3	—	BBB+~ BBB-	A-~ BBB	0.19	0.22	2,681	2,717	2	0	0.02	
	> 0.5% to 5%	B+~ B-	B1~ B3	—	BB+~ BB-	BBB-~ BB	0.99	1.21	4,985	5,175	15	0	0.18	
	> 5% to < 100%	—	—	—	—	—	8.41	8.88	246	283	21	0	3.71	
Corporate Exposures (Non-Japanese)	≥ 0% to 0.03%	AAA~ AA-	Aaa~ Aa3	AAA~ AA-	—	—	0.03	0.03	35	40	0	0	0.00	9.3
	> 0.03% to 0.1%	A+~ A-	A1~ A3	A+~ A-	—	—	0.06	0.07	111	107	0	0	0.00	
	> 0.1% to 0.5%	BBB+~ BBB-	Baa1~ Baa3	BBB+~ BBB-	—	—	0.25	0.26	263	255	0	0	0.00	
	> 0.5% to 15%	BB+~ B-	Ba1~ B3	BB+~ B-	—	—	2.08	2.60	590	528	8	0	0.23	
	> 15% to < 100%	—	—	—	—	—	34.71	34.71	19	39	7	0	13.06	
Purchased receivables for corporates, etc. (Top-down approach)	—	—	—	—	AAA~ BB+	AAA~ BBB-	3.53	3.53	314	301	1	0	0.59	0.0
Qualifying revolving retail exposures	≥ 0% to 10%						0.51	0.33	41,995	41,973	36	0	0.09	0.0
	> 10% to < 100%						24.13	24.13	175	123	28	0	14.44	
Residential mortgage exposures	≥ 0% to 2%						0.23	0.24	502,091	521,749	390	0	0.09	6.0
	> 2% to < 100%						20.50	20.41	5,205	3,817	646	0	12.54	
Other retail exposures	≥ 0% to 10%						0.65	0.63	39,766	38,141	191	0	0.38	0.4
	> 10% to < 100%						24.30	25.93	263	159	48	0	17.19	

Entities subject to FIRB

CR9		%, Cases												
		March 31, 2021 (Period covered: September 30, 2019 - September 30, 2020)												
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, 2019	September 30, 2020				
Sovereign Exposures	—	—	—	—	AAA~ BBB+	AAA~ A-	0.03%	0.04%	213	236	0	0	0.00%	0.0%
Financial Institution Exposures	—	—	—	—	AA+~ BBB+	AAA~ A-	0.03	0.14	5	5	0	0	0.00	0.0
Corporate Exposures (Japanese)	≥ 0% to 0.03%	—	—	—	AAA~ AA-	AAA~ AA	0.03	0.03	46	40	0	0	0.00	3.2
	> 0.03% to 0.1%	—	—	—	A+~ A-	AA-~ A	0.06	0.06	86	77	0	0	0.00	
	> 0.1% to 0.5%	—	—	—	BBB+~ BBB-	A-~ BBB	0.19	0.24	480	450	0	0	0.00	
	> 0.5% to 5%	—	—	—	BB+~ BB-	BBB-~ BB	1.14	1.23	958	885	9	1	0.74	
	> 5% to < 100%	—	—	—	—	—	8.02	7.78	260	228	10	1	5.15	
Qualifying revolving retail exposures	≥ 0% to 10%						1.15	0.92	611,482	594,682	3,744	89	0.74	0.7
	> 10% to < 100%						67.67	68.91	584	499	308	0	58.83	
Residential mortgage exposures	≥ 0% to 2%						0.65	0.73	13,129	13,031	75	0	0.39	0.3
	> 2% to < 100%						23.19	23.19	270	316	32	0	12.55	
Other retail exposures	≥ 0% to 10%						0.96	1.50	321,946	304,605	1,891	57	0.61	2.6
	> 10% to < 100%						44.78	62.54	933	564	458	1	47.59	

Notes: 1. On the previous page, Sumitomo Mitsui Trust Holdings, Inc., Sumitomo Mitsui Trust Bank, Limited and specific purpose companies (SPCs) engaging in liquidation of receivables, subject to AIRB and FIRB, are counted. On this page, Group companies (i.e. Sumitomo Mitsui Trust Guarantee Co., Ltd., Sumishin Guaranty Company Limited, Sumitomo Mitsui Trust Card Co., Ltd., Sumitomo Mitsui Trust Loan & Finance Co., Ltd., Sumitomo Mitsui Trust Panasonic Finance Co., Ltd., and Sumitomo Mitsui Trust Club Co., Ltd.), subject to FIRB, are counted.

2. Column a: As for "Corporate Exposures (excluding specialised lending)," "Specialised lending (subject to the PD/LGD Approach)," Equity exposures (subject to the PD/LGD Approach)," and "Purchased receivables (other than those for corporates, etc. subject to top-down approach)," these portfolio classifications have been integrated into "Corporate Exposures". In addition, different rating systems (PD) are used in Japanese rating and Non-Japanese rating, and so "Corporate Exposures" are classified into "Japanese" and "Non-Japanese."

3. Column c: With reference to the internal rating for each obligor, the range of external rating is stated in accordance with the relation between the internal rating and external rating of the internal rules for 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 2019. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2019 to the end of September 2020.

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 eight 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 2020) is the ratio of RWA amounts for each portfolio to the total RWA amounts subject to the IRB approach (excluding counterparty credit risk, the credit risk related to securitisation transactions, and the credit risk related to funds).

8. In the ">10% to <100%" category of "Other retail exposures" of entities subject to FIRB, "Average historical annual default rate (5 years)" in Column i exceeds "Weighted average PD (EAD weighted)" in Column d. This is attributable to the difference in the method for obtaining average values. The appropriateness of the PD estimation in each pool classification is examined regularly every year.

CR10: IRB – Specialised Lending (Supervisory Slotting Criteria Approach) and Equity Exposures (Market-Based Approach, etc.)

CR10 — Millions of Yen, %

March 31, 2022

a	b	c	d	e	f	g	h	i	j	k	l
Specialised lending (supervisory slotting criteria approach)											
Other than high-volatility commercial real estate (HVCRE)											
Regulatory categories	Remaining maturity	On-balance sheet amounts	Off-balance sheet amounts	RW	Exposure amounts (EAD)					Credit RWA amounts	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	< 2.5 years	¥ —	¥ —	50%	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	2.5 years≤	—	—	70%	—	—	—	—	—	—	—
Good	< 2.5 years	—	—	70%	—	—	—	—	—	—	—
	2.5 years≤	—	—	90%	—	—	—	—	—	—	—
Satisfactory		—	—	115%	—	—	—	—	—	—	—
Weak		—	—	250%	—	—	—	—	—	—	—
Default		—	—	—	—	—	—	—	—	—	—
Total		¥ —	¥ —	—	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

HVCRE

Regulatory categories	Remaining maturity	On-balance sheet amounts	Off-balance sheet amounts	RW	Exposure amounts (EAD)	Credit RWA amounts	Expected losses
Strong	< 2.5 years	11,006	6,383	70%	15,794	11,055	63
	2.5 years≤	2,682	4,368	95%	5,958	5,660	23
Good	< 2.5 years	45,048	8,966	95%	51,772	49,184	207
	2.5 years≤	45,247	71,026	120%	98,516	118,220	394
Satisfactory		50,799	95,003	140%	122,051	170,872	3,417
Weak		—	—	250%	—	—	—
Default		—	—	—	—	—	—
Total		¥ 154,783	¥ 185,747	—	¥ 294,094	¥ 354,993	¥ 4,105

Equity exposures (Market-Based Approach, etc.)

Equity exposures subject to market-based approach

Categories	On-balance sheet amounts	Off-balance sheet amounts	RW	Exposure amounts (EAD)	Credit RWA amounts
Simple risk weight method – Listed shares	9,347	15,799	300%	25,147	75,441
Simple risk weight method – Unlisted shares	35,446	3,085	400%	37,760	151,040
Internal Models Approach	—	—	—	—	—
Total	¥ 44,793	¥ 18,884	—	¥ 62,907	¥ 226,481

Equity exposures subject to 100% risk weight

Equity exposures subject to 100% risk weight in accordance with the provisions of Article 166, Paragraph 1 of the FSA Capital Adequacy Notification or Paragraph 1 of Article 144 of the FSA Bank Holding Company Capital Adequacy Notification	—	—	100%	—	—

CR10

Millions of Yen, %

March 31, 2021

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	2,428	3,657	70%	5,171	3,619	20
	2.5 years≤	1,171	2,091	95%	2,739	2,602	10
Good	< 2.5 years	17,625	209	95%	17,782	16,893	71
	2.5 years≤	42,899	53,093	120%	82,719	99,263	330
Satisfactory		61,014	69,433	140%	113,089	158,325	3,166
Weak		14,234	2,831	250%	16,358	40,896	1,308
Default		—	—	—	—	—	—
Total		¥ 139,373	¥131,316	—	¥ 237,861	¥ 321,601	¥ 4,908

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	16,759	114,751	300%	131,511	394,534
Simple risk weight method – Unlisted shares	22,645	4,776	400%	26,227	104,908
Internal Models Approach	—	—	—	—	—
Total	¥ 39,404	¥119,527	—	¥ 157,738	¥ 499,442

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, 2022					
		a	b	c	d	e	f
Item No.		RC	PFE	Effective EPE (EEPE)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA amounts
1	SA-CCR	¥ —	¥ —		1.4	¥ —	¥ —
	Current Exposure Method (CEM)	640,927	611,576			1,252,504	409,215
2	Expected Exposure Method (IMM)			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					846,397	147,482
5	Exposure variation estimation model					—	—
6	Total						¥ 556,698

CCR1		Millions of Yen					
		March 31, 2021					
		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)	488,830	576,002			1,064,833	407,852
2	Expected Exposure Method (IMM)			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					672,039	114,618
5	Exposure variation estimation model					—	—
6	Total						¥ 522,471

CCR2: Credit valuation adjustment (CVA) capital charge

CCR2		Millions of Yen	
		March 31, 2022	
		a	b
Item No.		EAD post-CRM	RWA amounts (Amounts calculated by dividing CVA risk equivalent amounts by 8%)
1	Total portfolios subject to advanced risk measurement method	¥ —	¥ —
2	(i) Amount of CVA Value at Risk (including the multiplier)		—
3	(ii) Amount of CVA Stressed Value at Risk (including the multiplier)		—
4	Total portfolios subject to the standardised risk measurement method	1,209,187	660,133
5	Total portfolios subject to the CVA capital charge	¥ 1,209,187	¥ 660,133

CCR2		Millions of Yen	
		March 31, 2021	
		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	992,801	675,826
5	Total portfolios subject to the CVA capital charge	¥ 992,801	¥ 675,826

CCR3: CCR exposures by regulatory portfolio and risk weights

CCR3		Millions of Yen								
		March 31, 2022								
		a	b	c	d	e	f	g	h	i
Item No.	Regulatory portfolio \ Risk weight	Credit equivalent amounts (post-CRM)								
		0%	10%	20%	50%	75%	100%	150%	Other	Total
1	Government of Japan and Bank of Japan (BOJ)	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	Foreign central governments and foreign central banks	—	—	—	—	—	—	—	—	—
3	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—
4	Local governments of Japan	—	—	—	—	—	—	—	—	—
5	Foreign non-central government public sector entities (PSEs)	—	—	—	—	—	—	—	—	—
6	Multilateral development banks (MDBs)	—	—	—	—	—	—	—	—	—
7	Japan Finance Organization for Municipalities (JFM)	—	—	—	—	—	—	—	—	—
8	Government-affiliated agencies of Japan	—	—	—	—	—	—	—	—	—
9	The three local public corporations	—	—	—	—	—	—	—	—	—
10	Financial institutions and type I financial instruments business operators	—	—	600,903	—	—	—	—	—	600,903
11	Corporates, etc.	—	—	—	—	—	—	—	—	—
12	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—
13	Other than the above	—	—	—	—	—	6	—	—	6
14	Total	¥ —	¥ —	¥ 600,903	¥ —	¥ —	¥ 6	¥ —	¥ —	¥ 600,909

Note: The aggregate calculation on this statement includes exposures based on the standardised approach only.

CCR3		Millions of Yen								
		March 31, 2021								
		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	—	—	431,016	—	—	—	—	—	431,016
11	Corporates, etc.	—	—	—	—	—	—	—	—	—
12	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—
13	Other than the above	—	—	—	—	—	5	—	—	5
14	Total	¥ —	¥ —	¥ 431,016	¥ —	¥ —	¥ 5	¥ —	¥ —	¥ 431,021

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, 2022						
Item No.	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	RWA density
		Sovereign exposures						
1	0.00 to < 0.15	¥ 29,100	0.01%	0.0	21.10%	1.7	¥ 2,338	8.03%
2	0.15 to < 0.25	—	—	—	—	—	—	—
3	0.25 to < 0.50	—	—	—	—	—	—	—
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	—	—	—	—	—	—	—
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	29,100	0.01	0.0	21.10	1.7	2,338	8.03
		Financial Institution exposures						
1	0.00 to < 0.15	710,740	0.04	0.1	24.39	2.0	131,195	18.45
2	0.15 to < 0.25	201	0.20	0.0	89.61	2.4	126	62.85
3	0.25 to < 0.50	18,912	0.30	0.0	35.36	4.4	18,013	95.24
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	—	—	—	—	—	—	—
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	729,854	0.05	0.1	24.60	2.0	149,335	20.46
		Corporate exposures and SME exposures						
1	0.00 to < 0.15	464,563	0.04	0.3	13.70	1.6	85,418	18.38
2	0.15 to < 0.25	18,437	0.20	0.0	45.00	2.0	7,429	40.29
3	0.25 to < 0.50	17,290	0.36	0.1	45.65	2.3	10,042	58.08
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	4,088	1.64	0.1	45.00	2.9	4,604	112.62
6	2.50 to < 10.00	409	4.22	0.0	45.00	4.6	681	166.34
7	10.00 to < 100.00	143	35.80	0.0	45.00	1.0	370	258.11
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	504,932	0.09	0.6	14.48	1.6	108,546	21.49
		Specialised lending						
1	0.00 to < 0.15	53,459	0.09	0.1	45.00	4.6	23,915	44.73
2	0.15 to < 0.25	1,259	0.20	0.0	45.00	4.1	774	61.51
3	0.25 to < 0.50	23,255	0.31	0.0	45.00	4.9	18,620	80.06
4	0.50 to < 0.75	26,262	0.65	0.0	45.00	4.8	28,109	107.03
5	0.75 to < 2.50	23,862	1.26	0.0	45.00	4.7	30,136	126.28
6	2.50 to < 10.00	45,807	3.11	0.0	45.00	4.8	72,479	158.22
7	10.00 to < 100.00	259	13.95	0.0	45.00	4.9	632	243.75
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	174,167	1.18	0.3	45.00	4.7	174,667	100.28
Total (all portfolios)		¥ 1,438,054	0.20%	1.1	20.49%	2.2	¥ 434,887	30.24%

Note: 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, 2021						
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	¥ 19,904	0.02%	0.0	37.92%	1.7	¥ 2,114	10.62%
2	0.15 to < 0.25	—	—	—	—	—	—	—
3	0.25 to < 0.50	—	—	—	—	—	—	—
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	—	—	—	—	—	—	—
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	19,904	0.02	0.0	37.92	1.7	2,114	10.62
	Financial Institution exposures							
1	0.00 to < 0.15	544,536	0.04	0.1	20.01	2.3	102,347	18.79
2	0.15 to < 0.25	273	0.20	0.0	45.00	2.8	122	44.83
3	0.25 to < 0.50	40,354	0.28	0.0	20.83	3.8	32,704	81.04
4	0.50 to < 0.75	780	0.50	0.0	45.00	1.0	409	52.44
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	585,944	0.06	0.1	20.08	2.4	135,583	23.13
	Corporate exposures and SME exposures							
1	0.00 to < 0.15	368,702	0.05	0.3	11.49	1.7	73,079	19.82
2	0.15 to < 0.25	35,152	0.20	0.0	45.00	4.1	21,019	59.79
3	0.25 to < 0.50	8,399	0.30	0.0	45.00	3.3	5,345	63.64
4	0.50 to < 0.75	6,391	0.51	0.0	46.46	3.6	5,591	87.48
5	0.75 to < 2.50	4,604	1.45	0.0	45.00	3.8	5,810	126.18
6	2.50 to < 10.00	1,470	4.42	0.0	45.00	4.3	2,434	165.59
7	10.00 to < 100.00	656	35.76	0.0	45.00	1.9	1,745	265.93
8	100.00 (Default)	1	100.00	0.0	45.00	1.0	0	0.00
9	Sub-total	425,378	0.16	0.6	12.70	2.0	115,026	27.04
	Specialised lending							
1	0.00 to < 0.15	70,895	0.09	0.1	45.00	4.7	30,311	42.75
2	0.15 to < 0.25	871	0.20	0.0	45.00	3.9	504	57.95
3	0.25 to < 0.50	30,711	0.29	0.0	45.00	4.9	24,578	80.03
4	0.50 to < 0.75	23,901	0.63	0.0	45.00	4.8	25,080	104.93
5	0.75 to < 2.50	45,409	1.54	0.0	45.00	4.8	61,376	135.16
6	2.50 to < 10.00	24,687	3.17	0.0	45.00	4.8	39,312	159.24
7	10.00 to < 100.00	6	35.80	0.0	45.00	1.0	14	234.20
8	100.00 (Default)	46	100.00	0.0	45.00	1.0	0	0.00
9	Sub-total	196,529	0.93	0.2	45.00	4.8	181,179	92.18
Total (all portfolios)		¥ 1,227,758	0.23%	1.1	18.05%	2.6	¥ 433,904	35.34%

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, 2022					
		a	b	c	d	e	f
Item No.		Collateral used in derivative transactions				Collateral used in repo transactions	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash (domestic currency)	¥ —	¥ 166,263	¥ —	¥ 480,779	¥ 50,028	¥ 803,276
2	Cash (other currency)	—	220	—	323,716	1,435,005	972
3	Domestic sovereign debt	12,815	858	14,455	30,797	337,823	353,438
4	Other sovereign debt	859	—	—	—	1,155,773	2,738,273
5	Government agency debt	—	—	—	—	129,008	97,303
6	Corporate bonds	—	—	—	—	312,503	199,355
7	Equity securities	—	—	—	6,995	1,074,742	819,386
8	Other collateral	—	—	—	—	—	—
9	Total	¥ 13,674	¥ 167,342	¥ 14,455	¥ 842,289	¥ 4,494,884	¥ 5,012,006

CCR5		Millions of Yen					
		March 31, 2021					
		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)	¥ —	¥ 123,752	¥ —	¥ 311,385	¥ 30,067	¥ 732,944
2	Cash (other currency)	—	3,789	—	251,567	968,538	549
3	Domestic sovereign debt	—	1,081	—	19,040	228,621	354,177
4	Other sovereign debt	—	—	—	—	845,426	1,704,208
5	Government agency debt	—	—	—	—	116,000	13,375
6	Corporate bonds	—	—	—	—	384,389	326,855
7	Equity securities	—	—	—	12,577	701,562	560,016
8	Other collateral	—	—	—	—	—	—
9	Total	¥ —	¥ 128,624	¥ —	¥ 594,572	¥ 3,274,606	¥ 3,692,125

CCR6: Credit derivatives exposures

CCR6		Millions of Yen	
		March 31, 2022	
Item No.		a	b
		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	¥ 29,000	¥ 29,000
2	Index credit default swaps	37,392	—
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	Total notionals	¥ 66,392	¥ 29,000
	Fair values		
7	Positive fair value (asset)	32	643
8	Negative fair value (liability)	(2,963)	(32)

CCR6		Millions of Yen	
		March 31, 2021	
Item No.		a	b
		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	¥ 40,500	¥ 40,500
2	Index credit default swaps	5,533	—
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	Total notionals	¥ 46,032	¥ 40,500
	Fair values		
7	Positive fair value (asset)	9	913
8	Negative fair value (liability)	(1,387)	(9)

CCR7: RWA flow statements of CCR exposures under Internal Model Method (IMM)

As of March 31, 2022
Not applicable.

As of March 31, 2021
Not applicable.

CCR8: Exposures to central counterparties (CCP)

CCR8		Millions of Yen	
		March 31, 2022	
Item No.		a	b
		EAD to CCP (post-CRM)	RWA amounts
1	Exposures to qualifying central counterparties (QCCPs) (total)		¥ 55,007
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,536,663	30,733
3	(i) OTC derivatives	1,241,187	24,823
4	(ii) Exchange-traded derivatives	202,133	4,042
5	(iii) Repo transactions	93,342	1,866
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	242,227	4,844
9	Pre-funded default fund contributions	32,748	19,429
10	Unfunded default fund contributions	—	—
11	Exposures to non-QCCPs (total)		¥ —
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—
13	(i) OTC derivatives	—	—
14	(ii) Exchange-traded derivatives	—	—
15	(iii) Repo transactions	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—
17	Segregated initial margin	—	
18	Non-segregated initial margin	—	—
19	Pre-funded default fund contributions	—	—
20	Unfunded default fund contributions	—	—

CCR8		Millions of Yen	
		March 31, 2021	
Item No.		a	b
		EAD to CCP (post-CRM)	RWA amounts
1	Exposures to qualifying central counterparties (QCCPs) (total)		¥ 47,434
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,444,565	28,891
3	(i) OTC derivatives	1,208,535	24,170
4	(ii) Exchange-traded derivatives	167,635	3,352
5	(iii) Repo transactions	68,394	1,367
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	182,733	3,654
9	Pre-funded default fund contributions	23,319	14,888
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, 2022								
		a	b	c	d	e	f	g	h	i
Item No.	Type of underlying asset	Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	¥ 85,983	¥ —	¥ 85,983	¥ 377,826	¥ —	¥ 377,826	¥ 126,073	¥ —	¥ 126,073
2	Residential mortgage	85,983	—	85,983	67,793	—	67,793	87,427	—	87,427
3	Credit card	—	—	—	40,787	—	40,787	28,428	—	28,428
4	Other retail exposures	—	—	—	269,245	—	269,245	10,216	—	10,216
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	6,548	—	6,548	14,921	—	14,921	791,122	—	791,122
7	Loans to corporates	—	—	—	—	—	—	791,122	—	791,122
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	6,548	—	6,548	14,921	—	14,921	—	—	—
10	Other wholesale	—	—	—	—	—	—	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

SEC1		Millions of Yen								
		March 31, 2021								
		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	¥ 86,324	¥ —	¥ 86,324	¥ 310,776	¥ —	¥ 310,776	¥ 98,354	¥ —	¥ 98,354
2	Residential mortgage	86,324	—	86,324	75,519	—	75,519	62,570	—	62,570
3	Credit card	—	—	—	40,517	—	40,517	31,905	—	31,905
4	Other retail exposures	—	—	—	194,740	—	194,740	3,877	—	3,877
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	7,511	—	7,511	27,233	—	27,233	720,685	—	720,685
7	Loans to corporates	—	—	—	—	—	—	720,685	—	720,685
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	7,511	—	7,511	27,233	—	27,233	—	—	—
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, 2022
Not applicable.

As of March 31, 2021
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, 2022														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Item No.		Total	Traditional securitisations (sub-total)							Synthetic securitisations (sub-total)						
				Securitisation			Re-securitisation				Securitisation			Re-securitisation		
					Retail underlying	Wholesale		Senior	Non-senior			Retail underlying	Wholesale		Senior	Non-senior
	Exposure values (by RW bands)															
1	≤ 20% risk weight	¥328,047	¥328,047	¥328,047	¥313,125	¥14,921	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	101,665	101,665	101,665	101,665	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	44,314	44,314	44,314	44,314	—	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	11,224	11,224	11,224	4,676	6,548	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	28	28	28	28	—	—	—	—	—	—	—	—	—	—	—
	Exposure Values (by regulatory approach)															
6	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	485,006	485,006	485,006	463,535	21,470	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	245	245	245	245	—	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250% risk weight	28	28	28	28	—	—	—	—	—	—	—	—	—	—	—
	RWA (by regulatory approach)															
10	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	155,117	155,117	155,117	126,415	28,701	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	36	36	36	36	—	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight	352	352	352	352	—	—	—	—	—	—	—	—	—	—	—
	Capital requirement values (by regulatory approach)															
14	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	12,409	12,409	12,409	10,113	2,296	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	2	2	2	2	—	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight	28	28	28	28	—	—	—	—	—	—	—	—	—	—	—

SEC3		Millions of Yen														
		March 31, 2021														
		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	¥290,498	¥290,498	¥290,498	¥263,264	¥27,233	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	83,784	83,784	83,784	83,784	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	40,987	40,987	40,987	40,987	—	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	16,528	16,528	16,528	9,016	7,511	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	47	47	47	47	—	—	—	—	—	—	—	—	—	—	—
Exposure Values (by regulatory approach)																
6	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	431,780	431,780	431,780	397,035	34,744	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	17	17	17	17	—	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250% risk weight	47	47	47	47	—	—	—	—	—	—	—	—	—	—	—
RWA (by regulatory approach)																
10	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	153,520	153,520	153,520	111,402	42,117	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	2	2	2	2	—	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight	597	597	597	597	—	—	—	—	—	—	—	—	—	—	—
Capital requirement values (by regulatory approach)																
14	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	12,281	12,281	12,281	8,912	3,369	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight	47	47	47	47	—	—	—	—	—	—	—	—	—	—	—

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, 2022														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Item No.		Total	Traditional securitisations (sub-total)							Synthetic securitisations (sub-total)						
				Securitisation			Re-securitisation				Securitisation			Re-securitisation		
					Retail underlying	Wholesale		Senior	Non-senior			Retail underlying	Wholesale		Senior	Non-senior
	Exposure values (by RW bands)															
1	≤ 20% risk weight	¥830,760	¥830,760	¥830,760	¥96,969	¥733,790	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	17,672	17,672	17,672	16,024	1,647	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	3,988	3,988	3,988	3,376	611	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	64,773	64,773	64,773	9,701	55,071	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
	Exposure Values (by regulatory approach)															
6	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	888,767	888,767	888,767	97,644	791,122	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	28,428	28,428	28,428	28,428	—	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250% risk weight	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
	RWA (by regulatory approach)															
10	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	186,688	186,688	186,688	18,116	168,571	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	14,815	14,815	14,815	14,815	—	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
	Capital requirement values (by regulatory approach)															
14	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	14,935	14,935	14,935	1,449	13,485	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	1,185	1,185	1,185	1,185	—	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—

SEC4		Millions of Yen														
		March 31, 2021														
		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	¥717,104	¥717,104	¥717,104	¥77,100	¥640,004	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	55,565	55,565	55,565	3,103	52,462	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	35,834	35,834	35,834	7,614	28,219	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	10,535	10,535	10,535	10,535	—	—	—	—	—	—	—	—	—	—	—
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)	784,824	784,824	784,824	64,138	720,685	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	34,215	34,215	34,215	34,215	—	—	—	—	—	—	—	—	—	—	—
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)	137,830	137,830	137,830	13,121	124,709	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	17,129	17,129	17,129	17,129	—	—	—	—	—	—	—	—	—	—	—
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)	11,026	11,026	11,026	1,049	9,976	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	1,370	1,370	1,370	1,370	—	—	—	—	—	—	—	—	—	—	—
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, 2022
Item No.		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)
1	Interest rate risk (general and specific)	¥ 4,521
2	Equity risk (general and specific)	—
3	Foreign exchange risk	29,197
4	Commodity risk	—
	Options transactions	
5	Simplified approach	—
6	Delta-plus method	—
7	Scenario approach	—
8	Specific risk related to securitisation exposures	—
9	Total	¥ 33,718

MR1		Millions of Yen
		March 31, 2021
Item No.		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)
1	Interest rate risk (general and specific)	¥ 2,640
2	Equity risk (general and specific)	—
3	Foreign exchange risk	19,376
4	Commodity risk	—
	Options transactions	
5	Simplified approach	—
6	Delta-plus method	—
7	Scenario approach	—
8	Specific risk related to securitisation exposures	—
9	Total	¥ 22,017

MR2: Risk-weighted Assets Flow Statements of Market Risk Exposures under Internal Model Approach

MR2		Billions of Yen					
		March 31, 2022					
		a	b	c	d	e	f
Item No.		VaR	Stressed VaR	Additional risk	Comprehensive risk	Others	Total RWA
1a	RWA at the end of previous reporting period (March 31, 2021)	¥ 365	¥ 1,039	¥ —	¥ —		¥ 1,405
1b	Regulatory adjustment ratio (1a/1c)	3.13	3.08	—	—		3.09
1c	RWA at the end of the previous fiscal year	116	336	—	—		453
2	Factor of RWA changes: Movement in risk levels	(9)	(22)	—	—		(31)
3	Factor of RWA changes: Model updates/changes	(33)	49	—	—		15
4	Factor of RWA changes: Methodology and policy	—	—	—	—		—
5	Factor of RWA changes: Acquisitions and disposals	—	—	—	—		—
6	Factor of RWA changes: Foreign exchange movements	(3)	(55)	—	—		(58)
7	Factor of RWA changes: Others	36	(52)	—	—		(16)
8a	RWA at the end of the fiscal year	106	255	—	—		362
8b	Regulatory adjustment ratio (8c/8a)	2.58	3.74	—	—		3.40
8c	RWA at the end of current reporting period (March 31, 2022)	275	959	—	—		1,234

Note: The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.

MR2		Billions of Yen					
		March 31, 2021					
		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, 2020)	¥ 297	¥ 1,013	¥ —	¥ —		¥ 1,311
1b	Regulatory adjustment ratio (1a/1c)	2.69	3.72	—	—		3.42
1c	RWA at the end of the previous fiscal year	110	272	—	—		382
2	Factor of RWA changes: Movement in risk levels	62	72	—	—		134
3	Factor of RWA changes: Model updates/changes	—	—	—	—		—
4	Factor of RWA changes: Methodology and policy	—	—	—	—		—
5	Factor of RWA changes: Acquisitions and disposals	—	—	—	—		—
6	Factor of RWA changes: Foreign exchange movements	(7)	1	—	—		(6)
7	Factor of RWA changes: Others	(48)	(8)	—	—		(57)
8a	RWA at the end of the fiscal year	116	336	—	—		453
8b	Regulatory adjustment ratio (8c/8a)	3.13	3.08	—	—		3.09
8c	RWA at the end of current reporting period (March 31, 2021)	365	1,039	—	—		1,405

Note: The end of the previous fiscal year indicates March 31, 2020, and the end of the fiscal year indicates March 31, 2021.

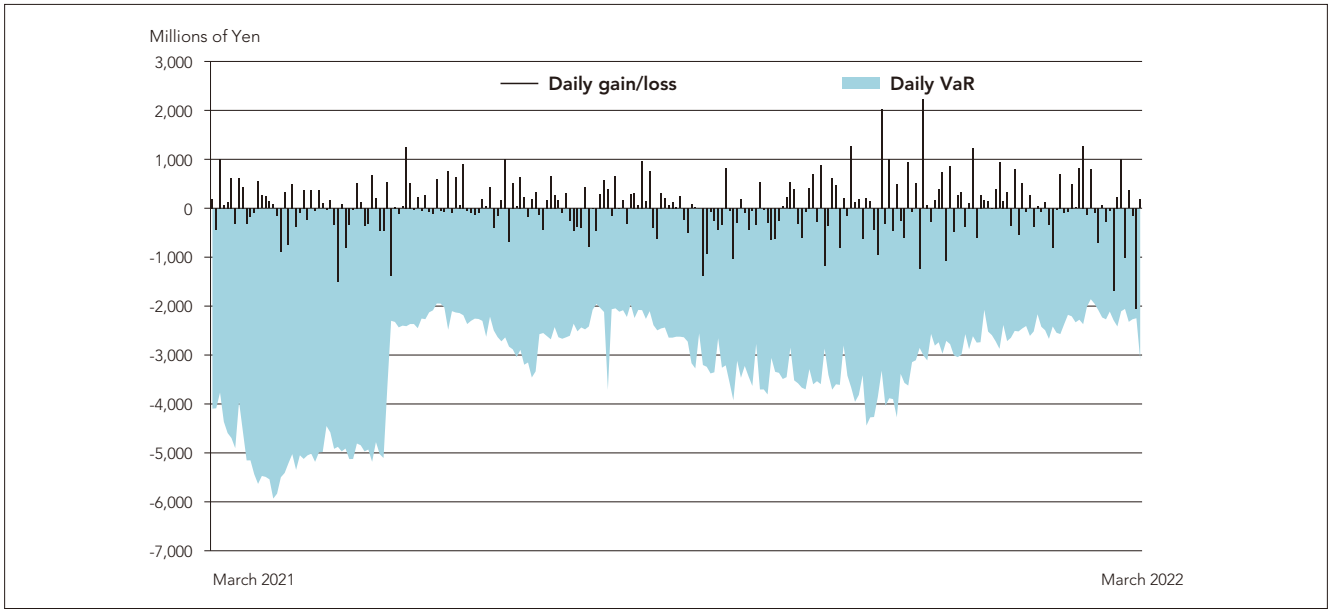
MR3: Values of Internal Model Approaches (IMA) (Market risk)

MR3 Item No.		Millions of Yen
		March 31, 2022
	VaR (holding period:10 business days, one-sided confidence interval:99%)	
1	Maximum value	¥ 15,601
2	Average value	8,618
3	Minimum value	5,388
4	Period end	8,552
	Stressed VaR (holding period:10 business days, one-sided confidence interval:99%)	
5	Maximum value	46,371
6	Average value	33,841
7	Minimum value	20,195
8	Period end	20,464
	Incremental risk charge (one-sided confidence interval: 99.9%)	
9	Maximum value	—
10	Average value	—
11	Minimum value	—
12	Period end	—
	Comprehensive risk capital charge (one-sided confidence interval: 99.9%)	
13	Maximum value	—
14	Average value	—
15	Minimum value	—
16	Period end	—
17	Floor (modified standardised measurement method)	—

MR3 Item No.		Millions of Yen
		March 31, 2021
	VaR (holding period:10 business days, one-sided confidence interval:99%)	
1	Maximum value	¥ 13,022
2	Average value	8,745
3	Minimum value	4,985
4	Period end	9,347
	Stressed VaR (holding period:10 business days, one-sided confidence interval:99%)	
5	Maximum value	34,912
6	Average value	28,314
7	Minimum value	18,982
8	Period end	26,958
	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)	—

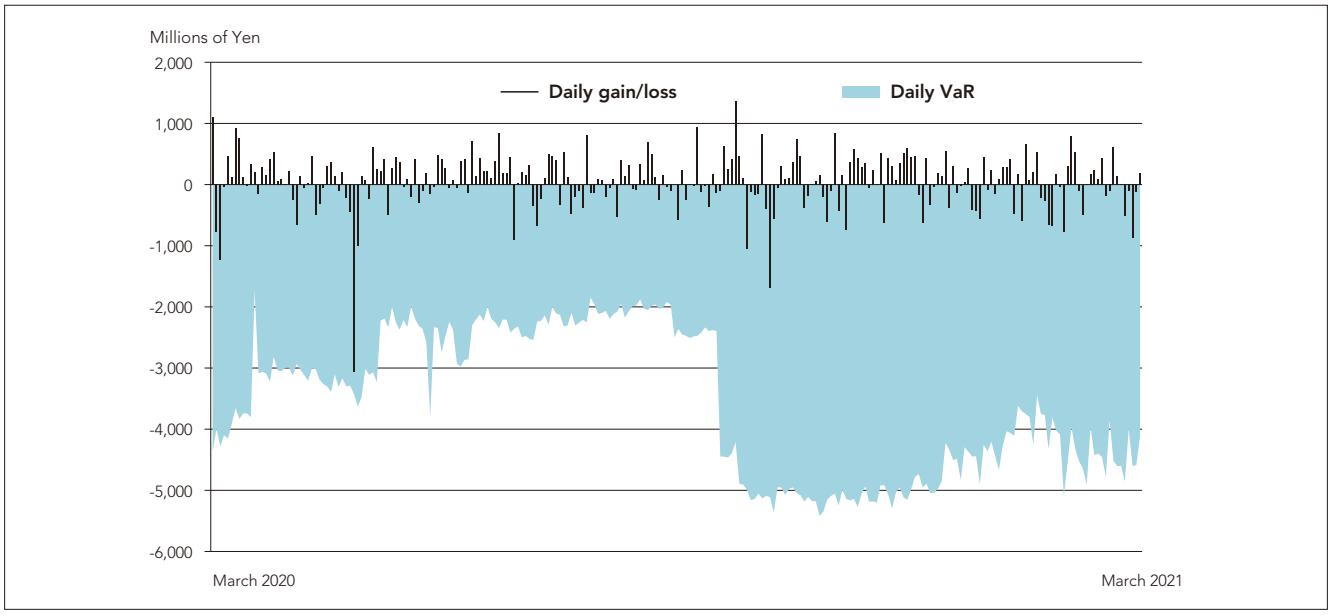
MR4: Backtesting results by Internal Model Approaches (IMA)

MR4	March 31, 2022



Note: As shown above, during the reported period, there was no exceedance occurred in backtesting.

MR4	March 31, 2021



Note: As shown above, during the reported period, three exceedances occurred in backtesting.

IRRBB1: Interest rate risk

IRRBB1		Millions of Yen			
		a	b	c	d
Item No.		⊿EVE		⊿NII	
		March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
1	Parallel up	**¥ 94,116**	¥ 48,562	**¥ (123,722)**	¥ (77,953)
2	Parallel down	**2,127**	81,361	**119,484**	76,463
3	Steepener	**106,332**	92,204		
4	Flattener	**—**	858		
5	Short rate up	**75**	—		
6	Short rate down	**22,118**	57,337		
7	Maximum	**106,332**	92,204	**119,484**	76,463
		e		f	
		March 31, 2022		March 31, 2021	
8	Tier 1 Capital	**¥ 2,761,527**		¥ 2,736,717	

CCyB1: Countercyclical buffer requirement: Status by Country or Region

CCyB1	Millions of Yen, %			
	March 31, 2022			
	a	b	c	d
Country or region	Countercyclical capital buffer rate	Risk-weighted assets used in the computation of the countercyclical capital buffer	Bank-specific countercyclical capital buffer rate	Counter cyclical buffer requirement amount
Hong Kong	**1.00%**	**¥ 37,060**		
Luxembourg	**0.50%**	**79,071**		
Subtotal		**116,131**		
Total		**¥ 16,314,922**	**0.00%**	**¥ —**

Notes: 1. The amount of credit RWA by country or region is, in principle, calculated on the basis of where the ultimate risk of the exposure resides (based on the country or region where the borrower resides). However, with respect to securitisation exposures and equity investments in funds whose country or region are difficult to identify, calculations are made according to the country or region in which the exposure is booked.
2. The ratio of the SuMi TRUST Group's exposures in the two 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, 2021			
	a	b	c	d
Country or region	Countercyclical capital buffer rate	Risk-weighted assets used in the computation of the countercyclical capital buffer	Bank-specific countercyclical capital buffer rate	Counter cyclical buffer requirement amount
Hong Kong	1.00%	¥ 44,562		
Luxembourg	0.50%	73,617		
Subtotal		118,180		
Total		¥ 16,222,459	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 two 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, 2022	March 31, 2021
1	Cross-jurisdictional activity	Cross-jurisdictional claims	¥ 10,557,253	¥ 8,328,718
2		Cross-jurisdictional liabilities	15,676,420	14,163,351
3	Size	Total exposures	67,218,303	65,923,801
4	Interconnectedness	Intra-financial system assets	6,566,865	5,155,046
5		Intra-financial system liabilities	7,892,338	7,635,514
6		Securities outstanding	12,552,343	12,696,376
7	Substitutability / Financial institution infrastructure	Assets under custody	296,607,074	278,474,007
8		Payments through settlement systems	675,131,439	994,303,631
9		Underwritten transactions in debt and equity markets	8,365	9,518
10		Total trading volume	1,369,560	
11	Complexity	Notional amount of over-the-counter (OTC) derivatives	186,626,026	171,993,477
12		Level 3 assets	352,601	815,084
13		Trading and available-for-sale (AFS) securities	3,183,461	3,145,315

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	2022	2021
		On-Balance Sheet Exposures		
1		On-Balance Sheet Exposures before Deducting Adjustment Items	¥ 44,943,111	¥ 42,956,670
1a	1	Total Assets Reported in the Consolidated Balance Sheet*	49,548,958	47,137,138
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)*	4,605,846	4,180,467
2	7	The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction)	257,093	251,073
3		Total On-Balance Sheet Exposures (A)	44,686,018	42,705,596
		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.	958,636	716,500
5		The Amount Equivalent to Potential Future Exposure Associated with Derivatives Transactions, etc. Multiplied by 1.4		
		Add-On Amount Associated with Derivatives Transactions, etc.	1,069,627	1,038,169
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.	804,496	562,953
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)	149,682	169,107
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	29,000	40,500
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)	29,000	40,500
11	4	Total Exposures Related to Derivative Transactions (B)	2,683,078	2,148,516
		Exposures Related to Repo Transactions		
12		The Amount of Assets Related to Repo Transactions, etc.	803,276	887,958
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)	—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.	417,004	307,438
15		The Exposures for Agent Repo Transaction		
16	5	The Total Exposures Related to Repo Transactions, etc. (C)	1,220,280	1,195,397
		Exposures Related to Off-Balance Sheet Transactions		
17		Notional Amount of Off-Balance Sheet Transactions	8,399,573	8,653,515
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)	5,111,999	5,261,730
19	6	Total Exposures Related to Off-Balance Sheet Transactions (D)	3,287,573	3,391,784
		Basel III Leverage Ratio on a Consolidated Basis		
20		The Amount of Capital (Tier 1 Capital) (E)	2,761,527	2,736,717
21	8	Total Exposures (F) = (A)+(B)+(C)+(D)	¥ 51,876,951	¥ 49,441,295
22		Basel III Leverage Ratio on a Consolidated Basis (G) = (E)/(F)	5.32%	5.53%
		Basel III Leverage Ratio If Including Deposits Held with the Bank of Japan		
		Total Exposures (F)	¥ 51,876,951	49,441,295
		Deposits Held with the Bank of Japan	15,084,261	16,231,435
		Total Exposures If Including Deposits Held with the Bank of Japan (F')	66,961,213	65,672,730
		Basel III Leverage Ratio If Including Deposits Held with the Bank of Japan (H) = (E)/(F')	4.12%	4.16%

Notes: 1. Previously, derivative transactions that fulfilled the requirements stipulated in the Practical Guidelines for Accounting for Financial Instruments were offset. However, starting from the current fiscal year, we have changed to the method of presenting on a gross basis as a general rule. The financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

2. SuMi TRUST Holdings' Basel III leverage ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).
The certain procedure is not part of the audit of the consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the Basel III leverage ratio itself or parts of internal control over the procedure to calculate the ratio.

Liquidity Coverage Ratio (LCR) Consolidated

Quantitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

	Items	Millions of Yen, %, the Number of Data			
		Fiscal Year 2021 4th Quarter		Fiscal Year 2021 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)		¥ 19,203,403		¥ 18,647,224
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash outflows related to unsecured retail funding	¥ 18,135,241	¥ 873,534	¥ 18,200,264	¥ 880,676
3	of which: Stable deposits	850,704	25,521	842,978	25,289
4	of which: Less stable deposits	8,447,286	848,013	8,525,788	855,387
5	Cash outflows related to unsecured wholesale funding	13,411,846	10,579,241	11,666,666	9,032,648
6	of which: Qualifying operational deposits	—	—	—	—
7	of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	10,070,757	7,238,152	9,036,473	6,402,455
8	of which: Debt securities	3,341,089	3,341,089	2,630,193	2,630,193
9	Cash outflows related to secured funding, etc.		9,935		5,497
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	6,307,256	1,681,255	6,131,693	1,553,527
11	of which: Cash outflows related to derivative transactions, etc.	381,443	381,443	335,697	335,697
12	of which: Cash outflows related to funding programs	—	—	—	—
13	of which: Cash outflows related to credit and liquidity facilities	5,925,813	1,299,812	5,795,996	1,217,830
14	Cash outflows related to contractual funding obligations, etc.	463,327	313,144	606,111	435,288
15	Cash outflows related to contingencies	10,933,810	21,569	10,887,395	21,489
16	Total cash outflows		13,478,678		11,929,125
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash inflows related to secured lending, etc.	¥ 50,141	¥ —	¥ 55,209	¥ —
18	Cash inflows related to collection of loans, etc.	3,071,793	2,153,086	3,989,919	3,217,947
19	Other cash inflows	599,597	256,431	585,442	295,855
20	Total cash inflows	3,721,531	2,409,517	4,630,570	3,513,802
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		¥ 19,203,403		¥ 18,647,224
22	Net cash outflows		11,069,161		8,415,323
23	Consolidated Liquidity Coverage Ratio (LCR)		173.4%		221.5%
24	The number of data used to calculate the average value		59		63

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our consolidated LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

Our consolidated LCR satisfies the regulated level (100%) as required under liquidity ratio regulations and the actual LCR is roughly in line with our initial forecast. Up ahead, we do not expect our LCR to deviate significantly from the current level.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality liquid assets and net cash outflows in major currencies.

(4) Other items concerning LCR

We apply neither the "treatment for qualifying operational deposit" nor the "additional collateral required to market valuation changes based on the scenario approach."

Furthermore, taking account of the impact to LCR, we are using month-end data in lieu of daily data for the consolidated subsidiary companies of minor importance with practical restrictions.

Net Stable Funding Ratio (NSFR) — Consolidated

Consolidated Net Stable Funding Ratio

Quantitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a consolidated basis

Item No.		Millions of Yen, %				
		Fiscal Year 2021 4th Quarter				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) items (1)						
1	Capital	¥ 3,008,789	¥ —	¥ —	¥ 315,000	¥ 3,323,789
2	of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	3,008,789	—	—	279,855	3,288,644
3	of which: Other capital instruments that are not included in the above category	—	—	—	35,144	35,144
4	Funding from retail and small business customers	12,527,338	—	—	6,179,505	17,454,110
5	of which: Stable deposits	—	—	—	—	—
6	of which: Less stable deposits	12,527,338	—	—	6,179,505	17,454,110
7	Wholesale funding	4,607,844	21,987,806	1,787,650	9,780,778	15,172,588
8	of which: Operational deposits	—	—	—	—	—
9	of which: Other wholesale funding	4,607,844	21,987,806	1,787,650	9,780,778	15,172,588
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	Other liabilities	279,679	1,120,643	40,000	—	35,181
12	of which: Derivative liabilities				—	
13	of which: All other liabilities and equity not included in the above categories	279,679	1,120,643	40,000	—	35,181
14	Total available stable funding					¥ 35,985,670
Required stable funding (RSF) items (2)						
15	HQLA					¥ 1,099,534
16	Deposits held at financial institutions for operational purposes	—	—	—	60,499	60,499
17	Loans, repo transactions-related assets, securities and other similar assets	174,635	5,376,323	2,158,814	27,127,685	25,413,643
18	of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA)	—	596,518	—	—	0
19	of which: Loans to- and repo transactions with- financial institutions (not included in item 18)	52,968	1,135,698	411,567	2,300,228	2,709,382
20	of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22)	—	2,940,999	1,308,940	11,689,669	12,029,255
21	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	577,208	85,897	201,668	462,637
22	of which: Residential mortgages	—	417,061	353,125	10,994,995	8,564,348
23	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	329,949	257,961	6,469,839	4,611,191
24	of which: Securities that are not in default and do not qualify as HQLA and other similar assets	121,666	286,045	85,180	2,142,791	2,110,656
25	Assets with matching interdependent liabilities	—	—	—	—	—
26	Other assets	935,511	350,591	3,358	2,886,845	3,720,864
27	of which: Physical traded commodities, including gold	—				—
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)				329,170	279,794
29	of which: Derivative assets				379,155	379,155
30	of which: Derivative liabilities (before deduction of variation margin posted)				44,169	44,169
31	of which: All other assets not included in the above categories	935,511	350,591	3,358	2,134,350	3,017,744
32	Off-balance sheet items				6,470,431	490,351
33	Total required stable funding					¥ 30,784,893
34	Consolidated net stable funding ratio (NSFR)					116.8%

Item No.		Millions of Yen, %				
		Fiscal Year 2021 3rd Quarter				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) items (1)						
1	Capital	¥ 3,071,029	¥ —	¥ —	¥ 310,000	¥ 3,381,029
2	of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	3,071,029	—	—	281,261	3,352,291
3	of which: Other capital instruments that are not included in the above category	—	—	—	28,738	28,738
4	Funding from retail and small business customers	12,483,217	—	—	6,265,184	17,500,079
5	of which: Stable deposits	—	—	—	—	—
6	of which: Less stable deposits	12,483,217	—	—	6,265,184	17,500,079
7	Wholesale funding	4,567,579	22,509,435	1,726,392	9,189,069	14,936,290
8	of which: Operational deposits	—	—	—	—	—
9	of which: Other wholesale funding	4,567,579	22,509,435	1,726,392	9,189,069	14,936,290
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	Other liabilities	238,227	1,040,406	40,000	—	33,986
12	of which: Derivative liabilities				—	
13	of which: All other liabilities and equity not included in the above categories	238,227	1,040,406	40,000	—	33,986
14	Total available stable funding					¥ 35,851,387
Required stable funding (RSF) items (2)						
15	HQLA					¥ 1,360,580
16	Deposits held at financial institutions for operational purposes	—	—	—	89,066	89,066
17	Loans, repo transactions-related assets, securities and other similar assets	176,610	5,960,563	2,030,394	26,347,210	24,925,795
18	of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA)	—	599,494	—	—	0
19	of which: Loans to- and repo transactions with- financial institutions (not included in item 18)	45,942	1,303,952	301,907	2,160,809	2,539,542
20	of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22)	—	3,584,812	1,093,418	11,224,717	11,862,979
21	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	726,897	19,572	127,731	456,260
22	of which: Residential mortgages	—	428,792	341,489	10,935,675	8,521,302
23	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	342,198	248,541	6,436,722	4,590,741
24	of which: Securities that are not in default and do not qualify as HQLA and other similar assets	130,667	43,512	293,578	2,026,007	2,001,971
25	Assets with matching interdependent liabilities	—	—	—	—	—
26	Other assets	815,085	288,419	10,066	2,402,432	3,208,418
27	of which: Physical traded commodities, including gold	—				—
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)				253,041	230,606
29	of which: Derivative assets				149,893	149,893
30	of which: Derivative liabilities (before deduction of variation margin posted)				27,539	27,539
31	of which: All other assets not included in the above categories	815,085	288,419	10,066	1,971,957	2,800,379
32	Off-balance sheet items				6,198,441	418,645
33	Total required stable funding					¥ 30,002,508
34	Consolidated net stable funding ratio (NSFR)					119.4%

Qualitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a consolidated basis

(1) Items concerning fluctuations in the consolidated NSFR over time

Our consolidated NSFR has remained stable mainly due to our predetermined funding policy on the sticky money.

(2) Items concerning special provisions for interdependent assets and liabilities

The "Special provisions for interdependent assets and liabilities" stipulated in the items under Article 99 of the Financial Services Agency Notification on Liquidity Ratio are not applied on a consolidated basis.

(3) Other items concerning consolidated NSFR

Our consolidated NSFR satisfies the regulated level (100%), and we do not expect NSFR to deviate significantly from the current level in the future.

Currently, the entire amount of funding from retail and small business customers is recorded as "less stable deposits."

Basel III Disclosure Data

This section outlines matters to be stated in explanatory documents relating to the fiscal year, separately stipulated by the Commissioner of the Financial Services Agency (Notification No.21 of Financial Services Agency, 2012) with regard to the matters regarding compensation as having significant consequences on the business operation or asset status of a bank, a bank holding company, or their subsidiaries, as set forth in Article 19-2, Paragraph 1, Item 6, Article 19-3, Item 4 and Article 34-26, Paragraph 1, Item 5 of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No. 10, 1982).

The following disclosure, unless otherwise stated, is with respect to Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") as of the end of March 2022.

[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.

(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 2021 (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, 2021-March 31, 2022)	Total amount of compensation*
Compensation Committee (SuMi TRUST Holdings)	10 times	—
Board of Directors (SuMi TRUST Bank)	1 time	—

Note: The total amount of compensation, etc. is not stated as the amount equivalent to the compensation related to the execution of the duties for the Compensation Committee, etc. alone cannot be calculated separately.

2. Adequacy Evaluation of Design and Operation of the Compensation System for Applicable Officers and Employees of SuMi TRUST Holdings

(1) Policies Concerning Compensation, etc. for Applicable Officers and Employees

(i) Policies Concerning Compensation for "Applicable Officers"

The Group has defined its "Purpose" as "Creating new value with the power of trusts and let prosperous future for our clients and society bloom," and placed at the core of its management philosophy the notion of "balanced creation of both social value and economic value" with the goal of realizing the development of a sustainable society and achieving sustainable and stable growth for the Group. Recognizing the role that officer compensation plays in each and every executive's efforts to realize the goal and act in a manner that embodies its "Purpose," SuMi TRUST Holdings will constantly review its policies and systems to ensure that they are based on the philosophy.

The Compensation Committee determines the content of remuneration for individual directors and executive officers.*1

Our aim is for the remunerations for directors and executive officers*1 to function effectively as an incentive for improvement of corporate performance and expansion of enterprise value in order to realize stable and sustainable growth of 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 performance-based variable remuneration, such as directors' bonuses, the Compensation Committee monitors the operation of the remuneration system by checking the ratio of variable remuneration to the total amount of remuneration and the appropriateness of the payment amount, and confirms that performance-based pay is not excessive.

3. Regarding the Items about the Consistency between the Systems of Remuneration for Target Executives and Employees of SuMi TRUST Holdings and Risk Management, and the Linkage between the Remuneration and Performance of Target Employees of 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	25
2		Total amount of fixed compensation (3+5+7)	¥ 282	¥ 740
3		of Which: Cash compensation amount	282	740
4		of 3 above: Deferred amount	—	—
5		of Which: Stock compensation amount or Stock-linked compensation amount	—	—
6		of 5 above: Deferred amount	—	—
7		of Which: Other compensation amount	—	—
8		of 7 above: Deferred amount	—	—
9	Variable compensation	The number of applicable officers and employees, etc.	11	23
10		Total amount of variable compensation (11+13+15)	¥ 253	¥ 546
11		of Which: Cash compensation amount	194	471
12		of 11 above: Deferred amount	—	—
13		of Which: Stock compensation amount or Stock-linked compensation amount	58	74
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	2
21		Total amount of other compensations	¥ 1	¥ 2
22		of Which: Deferred amount	—	—
23	Total amount of compensations (2+10+18+21)		¥ 538	¥ 1,288

(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 2022.

[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 217-248.

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		Millions of Yen, %				
Basel III Template No.		a	b	c	d	e
		March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	¥ 2,142,557	¥ 2,167,789	¥ 2,153,079	¥ 2,119,624	¥ 2,108,049
2	Tier 1	2,423,927	2,449,701	2,434,644	2,400,860	2,389,620
3	Total capital	2,806,835	2,903,438	2,871,228	2,845,768	2,843,843
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	19,590,422	19,436,911	19,147,719	19,509,687	19,794,125
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio	10.93%	11.15%	11.24%	10.86%	10.64%
6	Tier 1 ratio	12.37%	12.60%	12.71%	12.30%	12.07%
7	Total capital ratio	14.32%	14.93%	14.99%	14.58%	14.36%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	51,640,697	49,455,315	48,720,059	48,757,446	49,247,112
14	Basel III leverage ratio	4.69%	4.95%	4.99%	4.92%	4.85%

KM1		Millions of Yen, %				
Basel III Template No.		Fiscal Year 2021 4th Quarter	Fiscal Year 2021 3rd Quarter	Fiscal Year 2021 2nd Quarter	Fiscal Year 2021 1st Quarter	Fiscal Year 2020 4th Quarter
	Consolidated Liquidity Coverage Ratio (LCR)					
15	Total HQLA allowed to be included in the calculation	¥ 19,203,403	¥ 18,647,224	¥ 18,861,288	¥ 18,228,161	¥ 18,052,471
16	Net cash outflows	11,104,073	8,451,472	9,690,946	9,720,773	10,920,820
17	Consolidated LCR	172.9%	220.6%	194.6%	187.5%	165.3%
	Consolidated Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	35,600,930	35,459,141	35,769,056		
19	Total required stable funding	30,504,195	29,725,694	29,740,751		
20	Consolidated NSFR	116.7%	119.2%	120.2%		

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 2022, 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 38. The principal companies are the following.

Name	Principal Business Operations
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Money Lending Business
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	General Leasing, Installment Purchase Services, Credit Card Business
Sumitomo Mitsui Trust Realty Co., Ltd.	Real Estate Brokerage Business
Sumitomo Mitsui Trust Guarantee Co., Ltd.	Loan Guarantee Business
Sumitomo Mitsui Trust Club Co., Ltd.	Credit Card Business
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Banking, Trust Business

(3) There is no affiliated company that undertakes financial services subject to the FSA Capital Adequacy Notification, Article 9.

(4) There are no particular restrictions on the transfer of funds and capital within 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	2022	2021	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	**¥ 2,091,170**	¥ 2,004,745	
1a	of Which: Capital Stock and Capital Surplus	**684,890**	684,890	
2	of Which: Retained Earnings	**1,429,874**	1,339,698	
1c	of Which: Treasury Stock (Deduction)	**—**	—	
26	of Which: Earnings to be Distributed (Deduction)	**23,594**	19,843	
	of Which: Others	**—**	—	
1b	Subscription Rights to Common Shares	**—**	—	
3	Accumulated Other Comprehensive Income	**205,045**	289,269	(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)	**2,296,216**	2,294,014	
	Common Equity Tier 1 Capital: Regulatory Adjustments			
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	**73,197**	65,013	
8	of Which: Goodwill (Including Those Equivalent)	**12,478**	17,554	
9	of Which: Other Intangible Assets	**60,719**	47,459	
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	**450**	44	
11	Deferred Gains or Losses on Derivatives under Hedge Accounting	**(60,924)**	(40,559)	
12	Shortfall of Eligible Provisions to Expected Losses	**—**	—	
13	Securitisation Gain on Sale	**1,344**	1,111	
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	**6,253**	—	
15	Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	**133,337**	160,355	
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)	**153,658**	185,965	
	Common Equity Tier 1 Capital (CETI)			
29	Common Equity Tier 1 Capital (C) = (A)–(B)	**¥ 2,142,557**	¥ 2,108,049	

CC1 As of March 31 Basel III Template No.	Items		Millions of Yen, % a 2022	 b 2021	 c Reference Numbers to Reconciliation with the Balance Sheet
	Additional Tier 1 Capital: Instruments				
30	31a Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards		¥ —	¥ —	
	31b Subscription Rights to Additional Tier 1 Instruments		—	—	
	32 Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards		**270,000**	270,000	
	Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles		—	—	
34–35	Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)		**11,379**	11,571	
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)	**281,379**	281,571	
	Additional Tier 1 Capital: Regulatory Adjustments				
37	Investments in Own Additional Tier 1 Instruments		—	—	
38	Reciprocal Cross-Holdings in Additional Tier 1 Instruments		—	—	
39	Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)		—	—	
40	Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		**10**	—	
42	Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions		—	—	
43	Additional Tier 1 Capital: Regulatory Adjustments	(E)	**10**	—	
	Additional Tier 1 Capital (AT1)				
44	Additional Tier 1 Capital	(F) = (D) – (E)	**281,369**	281,571	
	Tier 1 Capital (T1 = CET1 + AT1)				
45	Tier 1 Capital	(G) = (C) + (F)	**2,423,927**	2,389,620	
	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		**339,855**	335,153	
	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)		**2,163**	2,100	
47+49	Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2 Capital		—	85,790	
47	of Which: Directly Issued and Issued by Special Purpose Vehicles		—	85,790	
49	of Which: Issued by Subsidiaries		—	—	
50	Provisions Allowed in Group Tier 2		**42,429**	32,718	
50a	of Which: General Allowance for Credit Losses		**3,050**	3,280	
50b	of Which: Excess Amount of Eligible Provisions to Expected Losses		**39,379**	29,437	
51	Tier 2 Capital: Instruments and Provisions	(H)	¥ **384,448**	¥ 455,762	

CC1 As of March 31 Basel III Template No.	Items		Millions of Yen, % a 2022	 b 2021	 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)	**382,908**	454,222	
	Total Capital (TC = T1 + T2)				
59	Total Capital	(K) = (G) + (J)	**2,806,835**	2,843,843	
	Total Risk Weighted Assets				
60	Total Risk Weighted Assets	(L)	**19,590,422**	19,794,125	
	Capital Ratios (Consolidated)				
61	Common Equity Tier 1 Capital Ratio	(C)/(L)	**10.93%**	10.64%	
62	Tier 1 Capital Ratio	(G)/(L)	**12.37%**	12.07%	
63	Total Capital Ratio	(K)/(L)	**14.32%**	14.36%	
	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)		**98,717**	126,945	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		**131,359**	113,764	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)		—	—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)		**56,041**	25,717	
	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)		**3,050**	3,280	
77	Cap on Inclusion of Provisions in Tier 2 under Standardised Approach		**10,695**	8,883	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)		**39,379**	29,437	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach		**95,763**	96,539	
	Capital Instruments Subject to Phase out Arrangements				
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		—	38,900	
83	Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)		—	—	
84	Current Cap on Tier 2 Instruments Subject to Phase out Arrangements		—	85,790	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)		—	69,699	

Note: SuMi TRUST Holdings' consolidated capital adequacy ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).

The certain procedure is not part of the audit of the consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal control over the procedure to calculate the ratio.

Main Features and Further Information of Regulatory Capital Instruments Consolidated

Main Features and Further Information of Regulatory Capital Instruments are available on our website (https://www.smth.jp/english/investors/report/basel).

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Consolidated

Fiscal Year 2021

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	¥ 18,142,775		
Call Loans and Bills Bought	5,000		
Receivables under Resale Agreements	150,741		
Receivables under Securities Borrowing Transactions	652,534		
Monetary Claims Bought	854,093		
Trading Assets	967,565		
Money Held in Trust	1,395		
Securities	7,748,019		2–b, 6–a
Loans and Bills Discounted	30,876,507		6–b
Foreign Exchanges	29,494		
Lease Receivables and Investment Assets	688,141		
Other Assets	3,302,723		6–c
Tangible Fixed Assets	231,770		
Intangible Fixed Assets	100,109		2–a
Assets for Retirement Benefits	192,204		3
Deferred Tax Assets	25,791		4–a
Customers' Liabilities for Acceptances and Guarantees	541,228		
Allowance for Loan Losses	(163,369)		
Total Assets	¥ 64,346,726		

CC2 Items	a Consolidated Balance Sheet (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Liabilities)			
Deposits	¥ 33,271,789		
Negotiable Certificates of Deposit	6,691,944		
Call Money and Bills Sold	799,524		
Payables under Repurchase Agreements	1,485,033		
Trading Liabilities	906,686		
Borrowed Money	7,783,498		8
Foreign Exchanges	1,275		
Short-term Bonds Payable	2,387,553		
Bonds Payable	1,446,604		
Borrowed Money from Trust Account	4,298,827		
Other Liabilities	2,279,211		6–d
Provision for Bonuses	12,668		
Provision for Directors' Bonuses	98		
Provision for Stocks Payment	569		
Liabilities for Retirement Benefits	11,380		
Provision for Reward Points Program	19,965		
Provision for Reimbursement of Deposits	3,626		
Provision for Contingent Losses	1,649		
Deferred Tax Liabilities	52,690		4–b
Deferred Tax Liabilities for Land Revaluation	2,388		4–c
Acceptances and Guarantees	541,228		
Total Liabilities	61,998,216		
(Net Assets)			
Capital Stock	342,037		1–a
Capital Surplus	342,853		1–b
Retained Earnings	1,429,874		1–c
Total Shareholders' Equity	2,114,764		
Valuation Differences on Available-for-Sale Securities	290,154		
Deferred Gains (Losses) on Hedges	(41,661)		5
Revaluation Reserve for Land	(4,456)		
Foreign Currency Translation Adjustments	3,713		
Adjustments for Retirement Benefits	(42,703)		
Total Accumulated Other Comprehensive Income	205,045	(a)	
Non-controlling Interests	28,699		7
Total Net Assets	2,348,510		
Total Liabilities and Net Assets	¥ 64,346,726		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1–a
Capital Surplus	342,853		1–b
Retained Earnings	1,429,874		1–c
Total Shareholders' Equity	¥ 2,114,764		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 2,114,764	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	684,890		1a
of Which: Retained Earnings	1,429,874		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 100,109		2–a
Securities	7,748,019		2–b
of Which: Goodwill Arising on the Application of the Equity Method	—		
Associated Deferred Tax Liabilities	26,912		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 12,478		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	60,719	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits)

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 192,204		3
Associated Deferred Tax Liabilities	58,866		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	¥ 133,337		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 25,791		4–a
Deferred Tax Liabilities	52,690		4–b
Deferred Tax Liabilities for Land Revaluation	2,388		4–c
Associated Intangible Fixed Assets	26,912		
Associated Assets for Retirement Benefits	58,866		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 450	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	56,041	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	56,041		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains (Losses) on Hedges	¥ (41,661)		5

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (60,924)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the Capital and Other TLAC Liabilities of Financial Entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 7,748,019		6–a
Loans and Bills Discounted	30,876,507	Including Subordinated Debts	6–b
Other Assets	3,302,723	Including derivatives	6–c
Other Liabilities	¥ 2,279,211	Including derivatives	6–d

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Investments in Own Capital	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in the Capital and Other TLAC Liabilities	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital and Other TLAC Liabilities	—		53
Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital	98,717		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital and Other TLAC Liabilities	—		54
Amount below the Thresholds for Deduction (before risk weighting)	98,717		72
Significant Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	132,909		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	10		40
Tier 2 Capital and Other TLAC Liabilities	1,540		55
Amount below the Thresholds for Deduction (before risk weighting)	131,359		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 28,699		7

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ —	After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	11,379	After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	2,163	After Reflecting Amounts Eligible for Inclusion (after Non-controlling Interest Adjustments)	48–49

8. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 7,783,498		8

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 270,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	339,855		46

Fiscal Year 2020

CC2	a	c	d
Items	Consolidated Balance Sheet (Millions of Yen)	Ref. No. of Composition of Capital	Ref. No. of Appendix
(Assets)			
Cash and Due from Banks	¥ 18,430,787		
Call Loans and Bills Bought	8,766		
Receivables under Resale Agreements	160,268		
Receivables under Securities Borrowing Transactions	727,689		
Monetary Claims Bought	892,309		
Trading Assets*	962,849		
Money Held in Trust	1,365		
Securities	6,882,670		2–b, 6–a
Loans and Bills Discounted	30,506,968		6–b
Foreign Exchanges	25,396		
Lease Receivables and Investment Assets	695,172		
Other Assets*	2,892,922		6–c
Tangible Fixed Assets	235,430		
Intangible Fixed Assets	85,397		2–a
Assets for Retirement Benefits	231,145		3
Deferred Tax Assets	27,544		4–a
Customers' Liabilities for Acceptances and Guarantees	511,782		
Allowance for Loan Losses	(129,223)		
Total Assets*	¥ 63,149,243		

CC2 Items	a Consolidated Balance Sheet (Millions of Yen)	c Ref. No. of Composition of Capital	d Ref. No. of Appendix
(Liabilities)			
Deposits	¥ 33,494,433		
Negotiable Certificates of Deposit	7,324,594		
Call Money and Bills Sold	60,675		
Payables under Repurchase Agreements	1,628,440		
Trading Liabilities*	850,660		
Borrowed Money	6,392,602		8
Foreign Exchanges	577		
Short-term Bonds Payable	2,545,049		
Bonds Payable	935,605		
Borrowed Money from Trust Account	4,915,208		
Other Liabilities*	2,005,525		6–d
Provision for Bonuses	12,025		
Provision for Directors' Bonuses	103		
Provision for Stocks Payment	417		
Liabilities for Retirement Benefits	11,696		
Provision for Reward Points Program	18,945		
Provision for Reimbursement of Deposits	4,138		
Provision for Contingent Losses	1,633		
Deferred Tax Liabilities	91,243		4–b
Deferred Tax Liabilities for Land Revaluation	2,388		4–c
Acceptances and Guarantees	511,782		
Total Liabilities*	60,807,748		
(Net Assets)			
Capital Stock	342,037		1–a
Capital Surplus	342,853		1–b
Retained Earnings	1,339,698		1–c
Total Shareholders' Equity	2,024,588		
Valuation Difference on Available-for-Sale Securities	345,053		
Deferred Gains or Losses on Hedges	(44,836)		5
Revaluation Reserve for Land	(4,016)		
Foreign Currency Translation Adjustment	(2,452)		
Adjustments for Retirement Benefits	(4,477)		
Total Accumulated Other Comprehensive Income	289,269	(a)	
Non-controlling Interests	27,637		7
Total Net Assets	2,341,495		
Total Liabilities and Net Assets*	¥ 63,149,243		

Notes: 1. Previously, transactions that fulfilled the requirements stipulated in the Practical Guidelines for Accounting for Financial Instruments were offset against each other. However, in order to properly indicate the credit risk due to the presence or absence of collateral related to derivative transactions, starting from the current fiscal year, we have changed to the method of presenting on a gross basis as a general rule. The financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

2. 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	1,339,698		1–c
Total Shareholders' Equity	¥ 2,024,588		

(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	¥ 2,024,588	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	1,339,698		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	¥ 85,397		2–a
Securities	6,882,670		2–b
of Which: Goodwill Arising on the Application of the Equity Method	676		
Associated Deferred Tax Liabilities	21,060		

(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)	¥ 17,554		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	47,459	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	¥ 231,145		3
Associated Deferred Tax Liabilities	70,789		

(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)	¥ 160,355		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 27,544		4–a
Deferred Tax Liabilities	91,243		4–b
Deferred Tax Liabilities for Land Revaluation	2,388		4–c
Associated Intangible Fixed Assets	21,060		
Associated Assets for Retirement Benefits	70,789		

(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)	¥ 44	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)	25,717	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)	25,717		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	¥ (44,836)		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	¥ (40,559)	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	¥ 6,882,670		6–a
Loans and Bills Discounted	30,506,968	Including Subordinated Debts	6–b
Other Assets	2,892,922	Including derivatives	6–c
Other Liabilities	¥ 2,005,525	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	126,945		
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)	126,945		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	115,304		
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)	113,764		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 27,637		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)	11,571	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)	2,100	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	¥ 6,392,602		8

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 270,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	335,153		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	2022 Term-end balance of exposures				2021 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	¥ 52,637,996	¥ 44,467,458	¥ 4,389,401	¥ 3,781,137	¥ 53,065,755	¥ 45,633,963	¥ 3,196,622	¥ 4,235,169
Outside Japan	7,000,315	5,432,862	1,102,540	464,912	5,889,971	4,343,171	1,187,530	359,269
Total for Geographic Regions	¥ 59,638,311	¥ 49,900,320	¥ 5,491,941	¥ 4,246,049	¥ 58,955,726	¥ 49,977,134	¥ 4,384,153	¥ 4,594,438
Manufacturing	4,713,051	3,092,841	351,745	1,268,464	5,016,114	3,256,604	315,765	1,443,744
Agriculture and Forestry	4,117	4,117	0	—	4,154	4,154	0	—
Fisheries	66	1	64	—	38	1	37	—
Mining and Quarrying of Stones and Gravel	80,924	68,005	162	12,756	74,942	62,221	109	12,611
Construction	335,291	212,858	22,894	99,538	368,244	222,976	18,705	126,562
Electricity, Gas, Heat Supply and Water	1,604,628	1,309,216	29,248	266,163	1,553,939	1,206,212	18,525	329,201
Information and Communication	463,918	358,425	3,259	102,233	479,086	388,544	4,754	85,787
Transport and Postal Activities	1,578,711	1,250,310	110,113	218,286	1,679,221	1,333,397	99,257	246,566
Wholesale and Retail Trade	1,993,066	1,618,779	56,561	317,725	1,903,462	1,503,008	54,963	345,489
Finance and Insurance	2,132,779	1,379,681	489,019	264,078	2,195,409	1,438,388	479,009	278,011
Real Estate	4,157,535	3,513,530	363,138	280,866	4,236,947	3,592,190	345,093	299,662
Goods Rental and Leasing	1,282,325	1,109,573	3,632	169,119	1,407,714	1,209,085	5,344	193,283
Local Public Bodies	153,741	114,366	33,919	5,455	137,536	108,188	23,686	5,661
Individuals	11,798,546	11,509,294	—	289,252	11,416,713	11,099,558	—	317,154
Others	29,339,607	24,359,317	4,028,181	952,108	28,482,201	24,552,601	3,018,897	910,701
Total for Industry Sectors	¥ 59,638,311	¥ 49,900,320	¥ 5,491,941	¥ 4,246,049	¥ 58,955,726	¥ 49,977,134	¥ 4,384,153	¥ 4,594,438
To 1 year	25,729,450	22,023,311	2,259,777	1,446,360	25,903,094	23,053,371	1,417,435	1,432,287
> 1 year to 3 years	7,275,422	5,104,110	801,988	1,369,323	6,718,722	4,503,309	675,992	1,539,420
> 3 years to 5 years	7,305,938	5,755,275	933,053	617,609	6,879,541	5,486,323	878,780	514,438
> 5 years	19,327,501	17,017,623	1,497,122	812,755	19,454,367	16,934,130	1,411,944	1,108,292
Total for Residual Maturity	¥ 59,638,311	¥ 49,900,320	¥ 5,491,941	¥ 4,246,049	¥ 58,955,726	¥ 49,977,134	¥ 4,384,153	¥ 4,594,438

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, 2022		FY2021	As of March 31, 2021		FY2020
	Term-end balance of exposures	Allowances for loan losses	Write-offs	Term-end balance of exposures	Allowances for loan losses	Write-offs
Japan	¥ 184,932	¥ 78,127	¥ 10,974	¥ 105,091	¥ 28,908	¥ 8,793
Outside Japan	54,258	7,989	2,675	52,385	9,760	2,595
Total for Geographic Regions	¥ 239,191	¥ 86,116	¥ 13,650	¥ 157,476	¥ 38,669	¥ 11,389
Manufacturing	101,488	60,168	5,743	11,863	6,669	690
Agriculture and Forestry	144	86	—	228	132	5
Fisheries	3	3	—	2	2	4
Mining and Quarrying of Stones and Gravel	10	1	—	1,328	14	330
Construction	599	458	24	685	543	2
Electricity, Gas, Heat Supply and Water	41	0	—	3,320	2,759	—
Information and Communication	88	72	4	109	87	8
Transport and Postal Activities	2,501	791	5	1,891	732	32
Wholesale and Retail Trade	8,226	5,779	6	8,602	5,969	402
Finance and Insurance	1,636	264	5	197	146	5
Real Estate	15,142	709	171	15,705	1,290	232
Goods Rental and Leasing	3,136	2,710	0	3,429	2,979	0
Local Public Bodies	—	—	—	—	—	—
Individuals	44,953	4,057	4,972	50,781	5,046	6,852
Others	61,218	11,012	2,717	59,330	12,293	2,819
Total for Industry Sectors	¥ 239,191	¥ 86,116	¥ 13,650	¥ 157,476	¥ 38,669	¥ 11,389

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	2022	2021
< 1 month	¥ 57,015	¥ 58,814
≥ 1 month to < 2 months	11,072	10,491
≥ 2 months to < 3 months	9,053	8,556
≥ 3 months	—	2,041
Total	¥ 77,141	¥ 79,904

Note: Among the term-end balance of exposures for each past due period, "Doubtful Claims" and "Bankrupt and substantially bankrupt Claims" prescribed in the provisions of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of the Financial Functions are excluded, in aggregate calculation.

Term-end Balance of Exposures of obligors whose loan conditions were Restructured for the purpose of restructuring or supporting business management ; of which Amounts of Increased Allowances for such exposures and Other Amounts due to the restructuring of the loan conditions

	Millions of Yen	
As of March 31	2022	2021
Amounts of Increased Allowances for Such Exposures Due to the Restructuring of the Loan Conditions	¥ 80,131	¥ 59,840
Other Amounts	—	—
Term-end Balance of Exposures	¥ 80,131	¥ 59,840

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	2022	2021
Total exposures relating to funds	¥ 1,163,332	¥ 1,135,640
Look-through Approach	803,115	906,967
Mandate-based Approach	360,100	228,585
Probability Approach (subject to 250% risk weight)	—	—
Probability Approach (subject to 400% risk weight)	—	—
Fall-Back Approach (subject to 1,250% risk weight)	115	87

Note: Exposures subject to the calculation of credit risk-weighted assets under the provisions of Article 76-5 and 167 of the FSA Capital Adequacy Notification are shown.

Disclosure Data Designated as Per the Appended Forms

Consolidated

OV1: Overview of Risk-weighted assets (RWA)

OV1 Basel III Template No.		Millions of Yen			
		Risk-weighted assets (RWA)		Minimum capital requirements	
		March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
1	Credit risk (excluding counterparty credit risk)	**¥ 12,355,554**	¥ 12,418,284	**¥ 1,042,867**	¥ 1,048,654
2	of Which: Standardised Approach (SA)	**396,270**	357,889	**31,701**	28,631
3	of Which: Internal Ratings-Based (IRB) Approach	**11,338,133**	11,498,202	**961,473**	975,047
	of Which: Significant investments in commercial entities	**—**	—	**—**	—
	of Which: Lease residual value	**66,079**	76,111	**5,286**	6,088
	Other assets	**555,070**	486,080	**44,405**	38,886
4	Counterparty credit risk (CCR)	**1,271,434**	1,245,363	**103,802**	101,711
5	of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR)	**—**	—	**—**	—
	of Which: Current Exposure Method (CEM)	**408,955**	407,578	**34,671**	34,551
6	of Which: Expected Positive Exposure (EPE)	**—**	—	**—**	—
	of Which: Credit Valuation Adjustment (CVA)	**659,988**	675,731	**52,799**	54,058
	of Which: Central Counterparty (CCP)	**55,007**	47,434	**4,400**	3,794
	Others	**147,482**	114,618	**11,930**	9,307
7	Equity positions in banking book under market-based approach	**207,882**	499,375	**17,628**	42,347
8	Equity investment in funds (Look-Through Approach (LTA))	**893,938**	1,054,083	**71,515**	84,326
9	Equity investment in funds (Mandate-Based Approach (MBA))	**1,228,579**	949,128	**98,286**	75,930
	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)	**1,448**	1,091	**115**	87
11	Settlement risk	**—**	—	**—**	—
12	Securitisation exposures in banking book	**357,010**	309,080	**28,560**	24,726
13	of Which: Internal Rating-Based Approach (SEC-IRBA)	**341,805**	291,351	**27,344**	23,308
14	of Which: External Rating-Based Approach (SEC-ERBA)	**14,852**	17,132	**1,188**	1,370
15	of Which: Standardised Approach (SEC-SA)	**—**	—	**—**	—
	of Which: Subject to 1,250% risk weight	**352**	597	**28**	47
16	Market risk	**1,252,756**	1,417,864	**100,220**	113,429
17	of Which: Standardised Approach (SA)	**17,900**	12,605	**1,432**	1,008
18	of Which: Internal Model Approaches (IMA)	**1,234,856**	1,405,258	**98,788**	112,420
19	Operational risk	**806,414**	852,497	**64,513**	68,199
20	of Which: Basic Indicator Approach (BIA)	**129,679**	148,187	**10,374**	11,854
21	of Which: The Standardised Approach (TSA)	**—**	—	**—**	—
22	of Which: Advanced Measurement Approach (AMA)	**676,735**	704,309	**54,138**	56,344
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**468,441**	284,402	**39,723**	24,117
	Amounts included under transitional arrangements	**—**	—	**—**	—
24	Floor adjustment	**—**	—	**—**	—
25	Total (after applying scaling factor)	**¥ 19,590,422**	¥ 19,794,125	**¥ 1,567,233**	¥ 1,583,530

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, 2022						
	a	b	c	d	e	f	g
			Carrying values of items				
	Carrying values as reported in published consolidated financial statement	Carrying values under scope of regulatory consolidation	Credit risk (excluding amounts relevant to columns d and e)	Counterparty credit risk	Securitisation (excluding amounts relevant to column f)	Market risk	Items not subject to capital requirements or subject to deduction from capital
Assets:							
Cash and Due from Banks	¥ 18,142,775	¥ 18,142,775	¥ —	¥ —	¥ —	¥ —	
Call Loans and Bills Bought	5,000	5,000	—	—	—	—	
Receivables under Resale Agreements	150,741	—	150,741	—	—	—	
Receivables under Securities Borrowing Transactions	652,534	—	652,534	—	—	—	
Monetary Claims Bought	854,093	749,019	—	105,073	—	—	
Trading Assets	967,565	—	954,747	—	967,565	—	
Money Held in Trust	1,395	1,395	—	—	—	—	
Securities	7,748,019	7,149,882	—	598,136	—	—	
Loans and Bills Discounted	30,876,507	30,511,438	—	365,069	—	—	
Foreign Exchanges	29,494	29,494	—	—	—	—	
Lease Receivables and Investment Assets	688,141	688,141	—	—	—	—	
Other Assets	3,302,723	109,357	2,562,911	1,570	1,500,702	628,884	
Tangible Fixed Assets	231,770	231,770	—	—	—	—	
Intangible Fixed Assets	100,109	26,912	—	—	—	73,197	
Assets for Retirement Benefits	192,204	58,866	—	—	—	133,337	
Deferred Tax Assets	25,791	25,341	—	—	—	450	
Customers' Liabilities for Acceptances and Guarantees	541,228	541,228	—	—	—	—	
Allowance for Loan Losses	(163,369)	(163,369)	—	—	—	—	
Total Assets	¥ 64,346,726	¥ 58,107,254	¥ 4,320,935	¥ 1,069,850	¥ 2,468,267	¥ 835,868	
Liabilities:							
Deposits	¥ 33,271,789	¥ —	¥ —	¥ —	¥ —	¥ 33,271,789	
Negotiable Certificates of Deposit	6,691,944	—	—	—	—	6,691,944	
Call Money and Bills Sold	799,524	—	—	—	—	799,524	
Payables under Repurchase Agreements	1,485,033	—	1,485,033	—	—	—	
Trading Liabilities	906,686	—	906,686	—	906,686	—	
Borrowed Money	7,783,498	—	—	—	—	7,783,498	
Foreign Exchanges	1,275	—	—	—	—	1,275	
Short-Term Bonds Payable	2,387,553	—	—	—	—	2,387,553	
Bonds Payable	1,446,604	—	—	—	—	1,446,604	
Borrowed Money from Trust Account	4,298,827	—	—	—	—	4,298,827	
Other Liabilities	2,279,211	—	1,732,753	—	1,571,382	546,457	
Provision for Bonuses	12,668	—	—	—	—	12,668	
Provision for Directors' Bonuses	98	—	—	—	—	98	
Provision for Stocks Payment	569	—	—	—	—	569	
Liabilities for Retirement Benefits	11,380	—	—	—	—	11,380	
Provision for Reward Points Program	19,965	—	—	—	—	19,965	
Provision for Reimbursement of Deposits	3,626	—	—	—	—	3,626	
Provision for Contingent Losses	1,649	—	—	—	—	1,649	
Deferred Tax Liabilities	52,690	—	—	—	—	52,690	
Deferred Tax Liabilities for Land Revaluation	2,388	—	—	—	—	2,388	
Acceptances and Guarantees	541,228	—	—	—	—	541,228	
Total Liabilities	¥ 61,998,216	¥ —	¥ 4,124,474	¥ —	¥ 2,478,068	¥ 57,873,742	

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the sum of amounts in Columns a and b is not equal to the sum of amounts in Columns c to g.
2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

LI1	Millions of Yen						
	March 31, 2021						
	a	b	c	d	e	f	g
			Carrying values of items				
	Carrying values as reported in published consolidated financial statement	Carrying values under scope of regulatory consolidation	Credit risk (excluding amounts relevant to columns d and e)	Counterparty credit risk	Securitisation (excluding amounts relevant to column f)	Market risk	Items not subject to capital requirements or subject to deduction from capital
Assets:							
Cash and Due from Banks	¥ 18,430,787	¥ 18,430,787	¥ —	¥ —	¥ —	¥ —	
Call Loans and Bills Bought	8,766	8,766	—	—	—	—	
Receivables under Resale Agreements	160,268	—	160,268	—	—	—	
Receivables under Securities Borrowing Transactions	727,689	—	727,689	—	—	—	
Monetary Claims Bought	892,309	807,105	—	85,203	—	—	
Trading Assets	962,849	—	918,327	—	962,849	—	
Money Held in Trust	1,365	1,365	—	—	—	—	
Securities	6,882,670	6,348,720	—	533,950	—	—	
Loans and Bills Discounted	30,506,968	30,123,331	—	383,636	—	—	
Foreign Exchanges	25,396	25,396	—	—	—	—	
Lease Receivables and Investment Assets	695,172	695,172	—	—	—	—	
Other Assets	2,892,922	440,374	2,097,170	1,668	1,296,874	353,708	
Tangible Fixed Assets	235,430	235,430	—	—	—	—	
Intangible Fixed Assets	85,397	21,060	—	—	—	64,337	
Assets for Retirement Benefits	231,145	70,789	—	—	—	160,355	
Deferred Tax Assets	27,544	27,499	—	—	—	44	
Customers' Liabilities for Acceptances and Guarantees	511,782	511,782	—	—	—	—	
Allowance for Loan Losses	(129,223)	(129,223)	—	—	—	—	
Total Assets	¥ 63,149,243	¥ 57,618,360	¥ 3,903,456	¥ 1,004,459	¥ 2,259,723	¥ 578,445	
Liabilities:							
Deposits	¥ 33,494,433	¥ —	¥ —	¥ —	¥ —	¥ 33,494,433	
Negotiable Certificates of Deposit	7,324,594	—	—	—	—	7,324,594	
Call Money and Bills Sold	60,675	—	—	—	—	60,675	
Payables under Repurchase Agreements	1,628,440	—	1,628,440	—	—	—	
Trading Liabilities	850,660	—	850,660	—	850,660	—	
Borrowed Money	6,392,602	—	—	—	—	6,392,602	
Foreign Exchanges	577	—	—	—	—	577	
Short-Term Bonds Payable	2,545,049	—	—	—	—	2,545,049	
Bonds Payable	935,605	—	—	—	—	935,605	
Borrowed Money from Trust Account	4,915,208	—	—	—	—	4,915,208	
Other Liabilities	2,005,525	—	1,471,233	—	1,339,876	534,291	
Provision for Bonuses	12,025	—	—	—	—	12,025	
Provision for Directors' Bonuses	103	—	—	—	—	103	
Provision for Stocks Payment	417	—	—	—	—	417	
Liabilities for Retirement Benefits	11,696	—	—	—	—	11,696	
Provision for Reward Points Program	18,945	—	—	—	—	18,945	
Provision for Reimbursement of Deposits	4,138	—	—	—	—	4,138	
Provision for Contingent Losses	1,633	—	—	—	—	1,633	
Deferred Tax Liabilities	91,243	—	—	—	—	91,243	
Deferred Tax Liabilities for Land Revaluation	2,388	—	—	—	—	2,388	
Acceptances and Guarantees	511,782	—	—	—	—	511,782	
Total Liabilities	¥ 60,807,748	¥ —	¥ 3,950,334	¥ —	¥ 2,190,536	¥ 56,857,414	

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.
3. Previously, derivative transactions included in "Trading Assets," "Trading Liabilities," "Other Assets," and "Other Liabilities" were presented on a net basis for transactions that met the requirements under the practical guidance for accounting for financial instruments. However, for the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on a principle from the current fiscal year ended March 31, 2022. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

LI2		Millions of Yen				
		March 31, 2022				
		a	b	c	d	e
Item No.		Total	Items subject to: Credit risk (excluding amounts relevant to columns c and d)	Counterparty credit risk	Securitisation (excluding amounts relevant to column e)	Market risk
1	Asset carrying value amount under scope of regulatory consolidation	¥ 63,510,857	¥ 58,107,254	¥ 4,320,935	¥ 1,069,850	¥ 2,468,267
2	Liabilities carrying value amount under scope of regulatory consolidation	4,124,474	—	4,124,474	—	2,478,068
3	Total net amount under regulatory scope of consolidation	59,386,383	58,107,254	196,460	1,069,850	(9,801)
4	Off-balance sheet amounts	4,268,179	3,934,062	—	334,117	—
5	Differences due to netting, the exposure calculation method, etc.	2,753,459	—	2,866,381	—	(112,922)
6	Differences due to consideration of allowances and write-offs	30,373	30,373	—	—	—
7	Other	56,041	56,041	—	—	—
8	Regulatory exposure amounts	66,494,437	62,127,732	3,062,842	1,403,967	(122,723)

Notes: 1. Derivatives transactions included in "trading assets" and "trading liabilities" and foreign exchanges included in "other assets" and "other liabilities" are subject to capital charge in both counterparty credit risk and market risk. Accordingly, the amount in Column a is not equal to the sum of amounts in Columns b to e, for Item No. 1, 2, 3, and 8.

2. Among market risks, the foreign exchange risk in banking accounts is not easily linked to individual items of accounts in the consolidated balance sheet. Accordingly, it is not included in the above figures.

3. The major factors in the difference between the amount of exposure in the capital regulatory standards and the amount posted in the consolidated balance sheet for each risk category are as follows:
   - Credit Risk and Securitisation Exposures: Differences due to off-balance sheet amounts, consideration of allowances and write-offs, and other adjustments such as deferred tax assets (temporary differences)
   - Counterparty credit risk: Difference due to netting, the application of the credit risk mitigation techniques, and the application of the Current Exposure Method to the exposure calculation method
   - Market risk: Difference due to netting, etc.

LI2

Item No.		Millions of Yen March 31, 2021				
		a	b	c	d	e
			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	¥ 62,570,798	¥ 57,618,360	¥ 3,903,456	¥ 1,004,459	¥ 2,259,723
2	Liabilities carrying value amount under scope of regulatory consolidation	3,950,334	—	3,950,334	—	2,190,536
3	Total net amount under regulatory scope of consolidation	58,620,463	57,618,360	(46,877)	1,004,459	69,187
4	Off-balance sheet amounts	4,533,097	4,284,638	—	248,459	—
5	Differences due to netting, the exposure calculation method, etc.	2,433,938	—	2,760,956	—	(327,018)
6	Differences due to consideration of allowances and write-offs	36,982	36,982	—	—	—
7	Regulatory exposure amounts	65,624,482	61,939,982	2,714,078	1,252,918	(257,830)

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: Differences due to 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.

4. Previously, derivative transactions included in "Trading Assets," "Trading Liabilities," "Other Assets," and "Other Liabilities" were presented on a net basis for transactions that met the requirements under the practical guidance for accounting for financial instruments. However, for the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on a principle from the current fiscal year ended March 31, 2022. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.

CR1: Credit quality of assets

CR1		Millions of Yen			
		March 31, 2022			
Item No.		a	b	c	d
		Gross carrying values of		Allowances	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
	On-balance sheet assets				
1	Loans and Bills Discounted	¥ 227,989	¥ 30,269,561	¥ 147,852	¥ 30,349,699
2	Debt Securities	749	4,663,271	—	4,664,020
3	Other on-balance sheet assets (debt-based assets)	16,124	19,689,885	14,630	19,691,380
4	Total on-balance sheet assets (1+2+3)	244,863	54,622,718	162,482	54,705,099
	Off-balance sheet assets				
5	Acceptances and Guarantees, etc.	143	541,084	886	540,341
6	Commitments, etc.	1,367	4,328,591	1,649	4,328,309
7	Total off-balance sheet assets (5+6)	1,510	4,869,676	2,536	4,868,651
	Total				
8	Total (4+7)	¥ 246,374	¥ 59,492,395	¥ 165,019	¥ 59,573,751

Note: The aggregate calculation on this statement does not include counterparty credit risk, the credit risk related to securitisation transactions, or the credit risk related to funds.

CR1		Millions of Yen			
		March 31, 2021			
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	¥ 143,700	¥ 29,962,652	¥ 113,277	¥ 29,993,075
2	Debt Securities	761	3,657,103	—	3,657,864
3	Other on-balance sheet assets (debt-based assets)	16,811	19,696,009	14,961	19,697,859
4	Total on-balance sheet assets (1+2+3)	161,273	53,315,765	128,238	53,348,799
	Off-balance sheet assets				
5	Acceptances and Guarantees, etc.	157	511,624	985	510,797
6	Commitments, etc.	2,323	5,037,694	1,633	5,038,384
7	Total off-balance sheet assets (5+6)	2,481	5,549,319	2,619	5,549,181
	Total				
8	Total (4+7)	¥ 163,754	¥ 58,865,085	¥ 130,857	¥ 58,897,981

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, 2022 Amounts
1	Stock of defaulted loans and debt securities at the end of the previous fiscal year		¥ 161,273
2	Changes in stock of loans and debt securities for each factor during the fiscal year	Of which: Newly defaulted	131,922
3		Of which: Returning to non-defaulted status	10,117
4		Of which: Written-offs	10,962
5		Of which: Other factors	(27,251)
6	Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5)		244,863

Notes: 1. The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.
2. The main factor for the item 5. "Of which: Other factors" is the stock decrease caused by the collection of defaulted exposures.

CR2 Item No.			Millions of Yen March 31, 2021 Amounts
1	Stock of defaulted loans and debt securities at the end of the previous fiscal year		¥ 143,609
2	Changes in stock of loans and debt securities for each factor during the fiscal year	Of which: Newly defaulted	57,773
3		Of which: Returning to non-defaulted status	11,918
4		Of which: Written-offs	11,530
5		Of which: Other factors	(16,661)
6	Stock of defaulted loans and debt securities at the end of the fiscal year (1+2-3-4+5)		161,273

Notes: 1. The end of the previous fiscal year indicates March 31, 2020, and the end of the fiscal year indicates March 31, 2021.
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, 2022				
		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans and Bills Discounted	¥ 29,144,608	¥ 1,205,090	¥ 336,640	¥ 164,745	¥ —
2	Debt Securities	4,645,034	18,986	—	18,900	—
3	Other on-balance sheet assets (debt-based assets)	19,691,285	94	91	3	—
4	Total (1+2+3)	¥ 53,480,928	¥ 1,224,171	¥ 336,731	¥ 183,648	¥ —
5	Of which defaulted	161,567	5,861	4,555	—	—

CR3 Item No.		Millions of Yen March 31, 2021				
		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans and Bills Discounted	¥ 29,344,915	¥ 648,159	¥ 294,113	¥ 181,098	¥ —
2	Debt Securities	3,626,036	31,828	—	31,500	—
3	Other on-balance sheet assets (debt-based assets)	19,697,505	353	181	171	—
4	Total (1+2+3)	¥ 52,668,457	¥ 680,342	¥ 294,294	¥ 212,769	¥ —
5	Of which defaulted	127,803	6,038	4,791	—	—

CR4: Standardised approach – Credit risk exposure and Credit risk mitigation (CRM) effects

CR4		Millions of Yen, %					
		March 31, 2022					
		a	b	c	d	e	f
Item No.	Asset classes	Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		Credit RWA amount	RWA density
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Cash	¥ 36	¥ —	¥ 36	¥ —	¥ —	—%
2	Government of Japan and Bank of Japan (BOJ)	60	—	60	—	—	—
3	Foreign central governments and foreign central banks	272,010	—	272,010	—	17,736	6.52
4	Bank for International Settlements, etc.	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	13,898	—	13,898	—	13,898	100.00
7	Multilateral development banks (MDBs)	—	—	—	—	—	—
8	Japan Finance Organization for Municipalities (JFM)	—	—	—	—	—	—
9	Government-affiliated agencies of Japan	—	—	—	—	—	—
10	The three local public corporations	—	—	—	—	—	—
11	Financial institutions and type I financial instruments business operators	172,997	—	172,997	—	73,590	42.53
12	Corporates, etc.	279,092	135,587	279,092	12,053	291,045	99.96
13	SMEs, etc. and individuals	—	—	—	—	—	—
14	Residential mortgage loans	—	—	—	—	—	—
15	Real estate acquisition activities, etc.	—	—	—	—	—	—
16	Past due loans for three months or more, etc. (excluding residential mortgage loans)	0	—	0	—	0	146.97
17	Past due loans for three months or more (residential mortgage loans)	—	—	—	—	—	—
18	Uncollected notes	—	—	—	—	—	—
19	Guaranteed by credit guarantee corporations, etc.	—	—	—	—	—	—
20	Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.	—	—	—	—	—	—
21	Investments, etc. (excluding significant investments)	—	—	—	—	—	—
22	Total	¥ 738,094	¥ 135,587	¥ 738,094	¥ 12,053	¥ 396,270	52.82%

CR4

Millions of Yen, %

Item No.	Asset classes	March 31, 2021					
		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	¥ 13	¥ —	¥ 13	¥ —	¥ —	—%
2	Government of Japan and Bank of Japan (BOJ)	60	—	60	—	—	—
3	Foreign central governments and foreign central banks	338,001	—	338,001	—	35,594	10.53
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	170,640	—	170,640	—	107,765	63.15
12	Corporates, etc.	191,677	282,315	191,677	22,975	214,530	99.94
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	150.00
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	¥ 700,392	¥ 282,315	¥ 700,392	¥ 22,975	¥ 357,890	49.48%

CR5: Standardised approach – Exposures by asset classes and risk weights

CR5		Millions of Yen										
		March 31, 2022										
		a	b	c	d	e	f	g	h	i	j	k
Item No.	Asset classes / Risk weight	Credit risk exposure amounts (post-CCF and post-CRM)										
		0%	10%	20%	35%	50%	75%	100%	150%	250%	1,250%	Total
1	Cash	¥ 36	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 36
2	Government of Japan and Bank of Japan (BOJ)	60	—	—	—	—	—	—	—	—	—	60
3	Foreign central governments and foreign central banks	236,538	—	—	—	35,472	—	—	—	—	—	272,010
4	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	—	—	—	—	—	—	13,898	—	—	—	13,898
7	Multilateral development banks (MDBs)	—	—	—	—	—	—	—	—	—	—	—
8	Japan Finance Organization for Municipalities (JFM)	—	—	—	—	—	—	—	—	—	—	—
9	Government-affiliated agencies of Japan	—	—	—	—	—	—	—	—	—	—	—
10	The three local public corporations	—	—	—	—	—	—	—	—	—	—	—
11	Financial institutions and type I financial instruments business operators	—	—	120,188	—	6,511	—	46,297	—	—	—	172,997
12	Corporates, etc.	—	—	—	—	201	—	290,944	—	—	—	291,146
13	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—	—	—
14	Residential mortgage loans	—	—	—	—	—	—	—	—	—	—	—
15	Real estate acquisition activities, etc.	—	—	—	—	—	—	—	—	—	—	—
16	Past due loans for three months or more, etc. (excluding residential mortgage loans)	—	—	—	—	0	—	—	0	—	—	0
17	Past due loans for three months or more (residential mortgage loans)	—	—	—	—	—	—	—	—	—	—	—
18	Uncollected notes	—	—	—	—	—	—	—	—	—	—	—
19	Guaranteed by credit guarantee corporations, etc.	—	—	—	—	—	—	—	—	—	—	—
20	Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.	—	—	—	—	—	—	—	—	—	—	—
21	Investments, etc. (excluding significant investments)	—	—	—	—	—	—	—	—	—	—	—
22	Total	¥ 236,634	¥ —	¥ 120,188	¥ —	¥ 42,184	¥ —	¥ 351,140	¥ 0	¥ —	¥ —	¥ 750,148

CR5

Item No.	Asset classes \ Risk weight	Millions of Yen March 31, 2021 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	¥ 13	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 13
2	Government of Japan and Bank of Japan (BOJ)	60	—	—	—	—	—	—	—	—	—	60
3	Foreign central governments and foreign central banks	266,923	—	—	—	70,967	—	111	—	—	—	338,001
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	—	—	78,391	—	325	—	91,924	—	—	—	170,640
12	Corporates, etc.	—	—	—	—	245	—	214,408	—	—	—	214,652
13	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—	—	—
14	Residential mortgage loans	—	—	—	—	—	—	—	—	—	—	—
15	Real estate acquisition activities, etc.	—	—	—	—	—	—	—	—	—	—	—
16	Past due loans for three months or more, etc. (excluding residential mortgage loans)	—	—	—	—	0	—	—	0	—	—	0
17	Past due loans for three months or more (residential mortgage loans)	—	—	—	—	—	—	—	—	—	—	—
18	Uncollected notes	—	—	—	—	—	—	—	—	—	—	—
19	Guaranteed by credit guarantee corporations, etc.	—	—	—	—	—	—	—	—	—	—	—
20	Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.	—	—	—	—	—	—	—	—	—	—	—
21	Investments, etc. (excluding significant investments)	—	—	—	—	—	—	—	—	—	—	—
22	Total	¥ 266,997	¥ —	¥ 78,391	¥ —	¥ 71,537	¥ —	¥ 306,443	¥ 0	¥ —	¥ —	¥ 723,367

CR6: IRB – Credit risk exposures by portfolio and PD range

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2022											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
	Sovereign exposures (Advanced Internal Ratings-Based Approach (AIRB))												
1	0.00 to < 0.15	¥ 3,587,234	¥ 33	75.00%	¥ 3,602,414	0.00%	0.0	32.09%	1.9	¥ 27,695	0.76%	¥ 16	
2	0.15 to < 0.25	2,223	—	—	385	0.20	0.0	31.83	2.6	125	32.41	0	
3	0.25 to < 0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	3,589,457	33	75.00	3,602,800	0.00	0.0	32.09	1.9	27,820	0.77	16	¥ 44
	Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB))												
1	0.00 to < 0.15	18,540,535	122,103	75.34	18,651,439	0.00	0.1	44.99	1.0	101,782	0.54	123	
2	0.15 to < 0.25	0	—	—	0	0.20	0.0	45.00	1.0	0	30.44	0	
3	0.25 to < 0.50	21,628	0	75.00	12,728	0.29	0.0	45.00	3.0	8,750	68.74	16	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	10,082	—	—	82	35.80	0.0	45.00	1.0	213	258.11	13	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	18,572,246	122,103	75.34	18,664,250	0.00	0.1	44.99	1.0	110,746	0.59	154	185
	Financial Institution exposures (AIRB)												
1	0.00 to < 0.15	512,156	8,500	100.00	534,878	0.05	0.0	31.10	2.8	106,014	19.82	88	
2	0.15 to < 0.25	51,000	9,000	75.00	57,750	0.20	0.0	32.10	1.3	13,788	23.87	37	
3	0.25 to < 0.50	8,800	7,575	86.79	15,375	0.49	0.0	32.10	1.0	5,762	37.48	24	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	6,277	1,996	91.28	8,099	1.43	0.0	30.58	1.4	4,803	59.31	34	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	578,233	27,071	87.35	616,102	0.09	0.0	31.21	2.6	130,368	21.16	185	343
	Financial Institution exposures (FIRB)												
1	0.00 to < 0.15	158,235	113,103	75.00	243,063	0.05	0.0	48.01	1.3	52,966	21.79	70	
2	0.15 to < 0.25	1,729	—	—	1,729	0.20	0.0	71.02	2.3	1,180	68.25	2	
3	0.25 to < 0.50	22,314	—	—	22,314	0.27	0.0	58.44	1.5	14,312	64.14	36	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	3,167	—	—	3,167	1.76	0.0	45.00	3.8	4,206	132.80	25	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	185,447	113,103	75.00	270,274	0.09	0.0	48.98	1.3	72,665	26.88	134	61

CR6

Millions of Yen, %, 1,000 cases, Year

		March 31, 2022											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
Corporate exposures (excluding SME exposures and specialised lending) (AIRB)													
1	0.00 to < 0.15	¥ 7,149,077	¥ 2,801,193	76.04%	¥ 9,339,244	0.07%	0.6	31.42%	2.5	¥ 1,713,083	18.34%	¥ 2,268	
2	0.15 to < 0.25	1,722,211	466,183	75.89	2,044,349	0.20	0.3	30.61	2.1	597,443	29.22	1,278	
3	0.25 to < 0.50	2,267,134	500,491	72.10	2,629,361	0.38	1.1	30.20	2.2	1,049,116	39.90	2,997	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	998,803	202,761	70.49	1,099,367	1.58	0.7	28.36	2.2	717,185	65.23	4,930	
6	2.50 to < 10.00	66,860	11,808	79.03	78,106	7.07	0.0	24.74	1.7	67,830	86.84	1,345	
7	10.00 to < 100.00	7,590	234	75.00	6,067	18.41	0.0	23.85	2.2	7,265	119.75	266	
8	100.00 (Default)	122,147	—	—	127,932	100.00	0.0	32.09	1.0	52,602	41.11	36,851	
9	Sub-total	12,333,824	3,982,671	75.25	15,324,428	1.13	3.0	30.85	2.3	4,204,527	27.43	49,938	¥106,738
Corporate exposures (excluding SME exposures and specialised lending) (FIRB)													
1	0.00 to < 0.15	839,060	121,671	78.78	939,667	0.07	0.8	52.29	2.8	323,649	34.44	366	
2	0.15 to < 0.25	45,696	66,740	100.00	112,581	0.20	0.3	54.03	2.2	67,955	60.36	124	
3	0.25 to < 0.50	501,230	65,356	74.16	548,835	0.33	1.3	46.32	2.7	350,565	63.87	820	
4	0.50 to < 0.75	88,007	13,159	75.00	97,877	0.62	0.0	45.00	3.7	93,440	95.46	276	
5	0.75 to < 2.50	375,270	21,737	75.53	391,737	1.44	1.3	44.12	3.7	473,425	120.85	2,503	
6	2.50 to < 10.00	116,417	2,218	78.30	118,270	5.36	0.2	44.35	4.1	202,528	171.24	2,816	
7	10.00 to < 100.00	71,076	—	—	71,077	30.21	0.0	44.99	3.8	190,956	268.65	9,662	
8	100.00 (Default)	31,604	896	96.65	37,803	100.00	0.0	44.51	1.0	0	0.00	16,830	
9	Sub-total	2,068,364	291,779	82.24	2,317,850	3.22	4.2	48.52	3.0	1,702,520	73.45	33,398	18,463
SME exposures (AIRB)													
1	0.00 to < 0.15	55,704	582	75.00	54,187	0.12	0.0	30.59	2.2	11,006	20.31	20	
2	0.15 to < 0.25	102,593	—	—	96,153	0.20	0.0	30.14	3.2	28,887	30.04	59	
3	0.25 to < 0.50	85,649	7,119	90.09	89,560	0.41	0.0	24.74	2.8	27,195	30.36	88	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	111,412	18,255	76.77	122,834	1.59	0.1	21.85	2.7	56,253	45.79	418	
6	2.50 to < 10.00	6,530	111	77.53	6,616	7.34	0.0	20.54	1.5	3,898	58.91	102	
7	10.00 to < 100.00	1,292	—	—	1,292	18.41	0.0	22.32	2.8	1,281	99.16	53	
8	100.00 (Default)	1,277	—	—	1,306	100.00	0.0	21.50	1.0	349	26.71	253	
9	Sub-total	364,460	26,068	80.37	371,950	1.24	0.3	25.94	2.8	128,873	34.64	995	1,097
SME exposures (FIRB)													
1	0.00 to < 0.15	15	—	—	15	0.11	0.0	45.00	1.0	2	18.80	0	
2	0.15 to < 0.25	45	—	—	45	0.20	0.0	45.00	1.0	12	26.98	0	
3	0.25 to < 0.50	106,414	1,412	75.00	105,982	0.48	0.6	38.22	4.6	67,536	63.72	197	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	314,453	1,986	77.62	313,489	1.67	1.7	39.36	4.8	292,822	93.40	2,066	
6	2.50 to < 10.00	6,748	—	—	6,762	7.32	0.0	38.55	4.1	8,285	122.53	188	
7	10.00 to < 100.00	2,195	—	—	2,223	18.41	0.0	45.00	1.4	4,356	195.98	184	
8	100.00 (Default)	5,992	0	0.00	6,184	100.00	0.0	40.10	1.0	0	0.00	2,480	
9	Sub-total	435,864	3,399	76.52	434,703	2.95	2.5	39.11	4.7	373,016	85.80	5,117	405

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2022											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
	Specialised lending (AIRB)												
1	0.00 to < 0.15	¥ 1,320,005	¥ 101,243	75.00%	¥ 1,395,938	0.08%	0.3	26.30%	4.1	¥ 312,385	22.37%	¥ 314	
2	0.15 to < 0.25	85,887	22,114	75.00	102,472	0.20	0.0	30.80	3.8	42,750	41.71	64	
3	0.25 to < 0.50	869,979	143,937	74.99	977,920	0.33	0.2	24.34	4.3	404,129	41.32	795	
4	0.50 to < 0.75	151,786	52,471	75.18	191,238	0.64	0.0	25.07	4.3	105,239	55.03	309	
5	0.75 to < 2.50	363,252	47,578	73.65	398,295	1.48	0.0	24.74	3.4	253,091	63.54	1,467	
6	2.50 to < 10.00	99,872	55,054	73.27	140,211	3.92	0.0	23.35	3.6	110,294	78.66	1,230	
7	10.00 to < 100.00	73,761	18,286	75.00	87,475	22.66	0.0	38.88	4.0	185,006	211.49	8,065	
8	100.00 (Default)	15,398	1,331	75.00	16,401	100.00	0.0	28.29	1.0	5,570	33.96	4,195	
9	Sub-total	2,979,942	442,016	74.65	3,309,953	1.61	0.8	25.82	4.1	1,418,468	42.85	16,443	¥ 5,257
	Specialised lending (FIRB)												
1	0.00 to < 0.15	1,213	—	—	1,213	0.08	0.2	45.00	1.0	197	16.26	0	
2	0.15 to < 0.25	71	—	—	71	0.20	0.0	45.00	1.0	21	30.44	0	
3	0.25 to < 0.50	1,371	—	—	1,371	0.32	0.1	45.00	1.0	557	40.62	2	
4	0.50 to < 0.75	270	—	—	270	0.63	0.0	45.00	1.0	159	59.19	0	
5	0.75 to < 2.50	550	—	—	550	1.44	0.0	45.00	1.0	461	83.78	3	
6	2.50 to < 10.00	78	—	—	78	3.67	0.0	45.00	1.0	91	116.67	1	
7	10.00 to < 100.00	203	—	—	203	17.87	0.0	45.00	1.0	418	205.72	16	
8	100.00 (Default)	0	—	—	0	100.00	0.0	45.00	1.0	0	0.00	0	
9	Sub-total	3,759	—	—	3,759	1.46	0.6	45.00	1.0	1,907	50.73	24	—
	Equity exposures (PD/LGD Approach)												
1	0.00 to < 0.15	1,104,134	—	—	539,199	0.07	0.3	90.00	5.0	616,046	114.25	—	
2	0.15 to < 0.25	121,984	—	—	63,337	0.20	0.1	90.00	5.0	92,724	146.39	—	
3	0.25 to < 0.50	94,437	—	—	51,148	0.36	0.3	90.00	5.0	92,865	181.56	—	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	36,490	—	—	28,958	1.79	0.2	90.00	5.0	89,224	308.10	—	
6	2.50 to < 10.00	3,009	—	—	2,198	6.57	0.0	90.00	5.0	9,283	422.29	—	
7	10.00 to < 100.00	415	—	—	415	18.41	0.0	90.00	5.0	2,560	616.26	—	
8	100.00 (Default)	283	—	—	160	100.00	0.0	90.00	5.0	1,804	1,125.00	—	
9	Sub-total	1,360,754	—	—	685,418	0.23	1.1	90.00	5.0	904,510	131.96	—	
	Purchased receivables for corporates, etc. (default risk) (AIRB)												
1	0.00 to < 0.15	12,881	—	—	12,881	0.10	0.0	32.10	3.3	3,531	27.41	4	
2	0.15 to < 0.25	7,000	—	—	7,000	0.20	0.0	32.10	5.0	3,379	48.27	4	
3	0.25 to < 0.50	11,578	—	—	11,578	0.31	0.0	32.10	2.3	4,608	39.80	11	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	64,425	—	—	64,425	1.53	0.0	31.60	4.0	57,110	88.64	313	
6	2.50 to < 10.00	2,018	—	—	2,018	7.88	0.0	32.10	3.6	2,740	135.78	51	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	2,895	—	—	2,895	100.00	0.0	32.10	1.0	1,190	41.12	834	
9	Sub-total	100,799	—	—	100,799	4.07	0.0	31.78	3.7	72,560	71.98	1,219	488

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2022

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	¥ 4,442	¥ —	—%	¥ 4,442	0.12%	0.0	100.00%	1.0	¥ 2,208	49.70%	¥ —	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	4,442	—	—	4,442	0.12	0.0	100.00	1.0	2,208	49.70	—	¥ —
	Purchased receivables for corporates, etc. (default risk) (FIRB)												
1	0.00 to < 0.15	306,276	4,019	100.00	310,295	0.06	0.2	45.00	1.0	42,010	13.53	89	
2	0.15 to < 0.25	81,589	—	—	81,589	0.20	0.1	45.00	1.0	25,312	31.02	75	
3	0.25 to < 0.50	112,416	2,892	75.00	114,585	0.37	1.0	45.00	1.1	51,756	45.16	192	
4	0.50 to < 0.75	423	2,639	75.00	2,402	0.62	0.0	45.00	4.5	2,452	102.08	6	
5	0.75 to < 2.50	47,170	—	—	47,170	1.52	3.3	45.00	1.1	38,989	82.65	323	
6	2.50 to < 10.00	4,330	—	—	4,330	6.56	0.5	45.00	1.0	6,384	147.43	127	
7	10.00 to < 100.00	522	—	—	522	18.41	0.0	45.00	1.0	1,140	218.32	43	
8	100.00 (Default)	4,546	—	—	4,546	100.00	0.0	45.00	1.0	0	0.00	2,045	
9	Sub-total	557,274	9,550	85.52	565,442	1.14	5.4	45.00	1.1	168,046	29.71	2,903	365
	Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)												
1	0.00 to < 0.15	386,470	6,658	90.09	392,468	0.06	0.3	92.50	1.1	113,138	28.82	13	
2	0.15 to < 0.25	54,292	—	—	54,292	0.21	0.1	92.00	1.0	35,343	65.09	7	
3	0.25 to < 0.50	16,136	2,892	75.00	18,305	0.40	0.1	73.75	1.6	15,796	86.29	12	
4	0.50 to < 0.75	18	—	—	18	0.62	0.0	45.00	1.0	10	58.78	0	
5	0.75 to < 2.50	1,521	—	—	1,521	1.01	0.1	91.46	1.2	8,840	581.09	1	
6	2.50 to < 10.00	3,250	—	—	3,250	6.88	0.0	100.00	1.0	10,750	330.68	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	461,689	9,550	85.52	469,857	0.14	0.7	91.76	1.1	183,879	39.13	35	—
	Purchased receivables for retail (default risk)												
1	0.00 to < 0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	32,046	—	—	32,046	0.30	29.5	70.83	—	12,135	37.86	69	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	32,046	—	—	32,046	0.30	29.5	70.83	—	12,135	37.86	69	88

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2022											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
	Qualifying revolving retail exposures												
1	0.00 to < 0.15	¥ 0	¥ 39,550	27.13%	¥ 10,730	0.09%	42.7	59.37%	—	¥ 380	3.55%	¥ 6	
2	0.15 to < 0.25	41,972	706,261	11.31	121,914	0.22	197.3	70.80	—	10,120	8.30	193	
3	0.25 to < 0.50	19,951	945,124	7.43	90,210	0.35	137.6	75.96	—	11,682	12.94	244	
4	0.50 to < 0.75	34,826	242,256	11.31	62,247	0.54	79.0	70.80	—	10,488	16.84	239	
5	0.75 to < 2.50	11,201	212,375	12.36	37,469	1.15	109.8	70.10	—	10,956	29.24	302	
6	2.50 to < 10.00	31,691	62,122	12.05	39,181	4.82	38.7	70.96	—	31,356	80.03	1,341	
7	10.00 to < 100.00	188	1,166	11.09	317	48.23	0.5	67.08	—	538	169.51	107	
8	100.00 (Default)	42	3,374	8.53	7,708	100.00	8.7	71.20	—	8,856	114.89	4,779	
9	Sub-total	139,872	2,212,231	10.05	369,779	3.00	614.6	71.68	—	84,378	22.81	7,214	¥ 9,047
	Residential mortgage exposures												
1	0.00 to < 0.15	4,595,396	11,505	100.00	4,606,902	0.10	154.3	17.46	—	195,407	4.24	833	
2	0.15 to < 0.25	2,156,221	28	100.00	2,156,249	0.17	96.0	17.19	—	132,592	6.14	636	
3	0.25 to < 0.50	3,535,196	1,269	100.00	3,536,476	0.33	210.5	16.56	—	338,399	9.56	1,944	
4	0.50 to < 0.75	81,937	—	—	81,937	0.69	6.1	21.18	—	17,059	20.81	121	
5	0.75 to < 2.50	95,837	19	100.00	95,857	0.89	9.9	19.15	—	21,364	22.28	164	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	62,721	4	100.00	62,726	19.28	3.6	17.40	—	60,537	96.51	2,126	
8	100.00 (Default)	32,338	14	100.00	33,402	100.00	1.8	18.54	—	9,503	28.45	5,432	
9	Sub-total	10,559,648	12,843	100.00	10,573,551	0.63	482.5	17.15	—	774,863	7.32	11,258	25,355
	Other retail exposures												
1	0.00 to < 0.15	0	21,411	21.91	4,691	0.09	19.2	18.44	—	213	4.54	0	
2	0.15 to < 0.25	165,451	—	—	165,451	0.24	50.6	68.65	—	52,725	31.86	278	
3	0.25 to < 0.50	192,735	—	—	192,735	0.37	67.0	37.89	—	45,478	23.59	286	
4	0.50 to < 0.75	352,775	404	100.00	353,475	0.54	85.4	34.12	—	92,673	26.21	680	
5	0.75 to < 2.50	176,754	136,520	31.29	219,477	1.17	256.4	60.29	—	141,121	64.29	1,606	
6	2.50 to < 10.00	38,864	15,414	36.74	44,528	6.35	38.6	33.76	—	23,177	52.05	1,001	
7	10.00 to < 100.00	2,547	859	93.07	3,382	35.60	0.7	30.39	—	2,350	69.47	454	
8	100.00 (Default)	8,847	1,767	31.23	18,773	100.00	10.2	48.33	—	9,125	48.60	8,344	
9	Sub-total	937,976	176,377	31.08	1,002,517	2.83	528.4	46.44	—	366,866	36.59	12,654	15,552
	Lease transactions												
1	0.00 to < 0.15	213,286	—	—	213,286	0.07	0.4	45.00	2.6	52,422	24.57	75	
2	0.15 to < 0.25	128,970	—	—	128,970	0.20	0.1	45.00	3.9	74,446	57.72	118	
3	0.25 to < 0.50	53,527	—	—	53,527	0.43	0.3	45.00	2.5	35,242	65.83	104	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	43,152	—	—	43,152	1.74	0.3	45.00	2.6	44,873	103.98	338	
6	2.50 to < 10.00	14,226	—	—	14,226	5.25	0.0	45.00	3.7	23,615	165.99	336	
7	10.00 to < 100.00	5,028	—	—	5,028	18.41	0.0	45.00	3.9	12,178	242.16	416	
8	100.00 (Default)	—	—	—	513	100.00	0.0	45.00	1.0	0	0.00	231	
9	Sub-total	458,193	—	—	458,707	0.78	1.2	45.00	3.0	242,778	52.92	1,621	5,251
Total (all portfolios)		¥ 55,724,300	¥ 7,428,799	55.05%	¥ 59,178,635	0.74%	1,675.9	35.43%	2.0	¥ 10,983,140	18.55%	¥ 143,385	¥ 188,749

Notes: 1. "Number of obligors" in Column f: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.
2. Purchased receivables for retail (dilution risk and originator risk of loan participation) are not applicable.

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2021

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	¥ 2,621,257	¥ 33	75.00%	¥ 2,638,281	0.00%	0.0	32.09%	2.1	¥ 16,876	0.63%	¥ 9	
2	0.15 to < 0.25	1,837	—	—	45	0.20	0.0	27.64	1.8	10	24.17	0	
3	0.25 to < 0.50	2,304	—	—	113	0.30	0.0	32.10	1.0	31	28.18	0	
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	2,625,399	33	75.00	2,638,440	0.00	0.0	32.09	2.1	16,919	0.64	9	¥ 51
	Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB))												
1	0.00 to < 0.15	18,897,473	71,113	75.67	18,982,865	0.00	0.0	44.99	1.1	86,554	0.45	118	
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	34,451	338	75.00	20,905	0.29	0.0	45.00	3.5	14,777	70.68	27	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	7,771	—	—	71	8.63	0.0	45.00	1.0	118	165.28	2	
7	10.00 to < 100.00	10,188	—	—	188	13.42	0.0	45.00	1.5	383	203.73	11	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	18,949,885	71,451	75.66	19,004,030	0.00	0.1	44.99	1.1	101,833	0.53	159	150
	Financial Institution exposures (AIRB)												
1	0.00 to < 0.15	476,380	12,000	100.00	514,048	0.05	0.0	31.27	3.4	117,915	22.93	84	
2	0.15 to < 0.25	39,500	9,000	75.00	46,250	0.20	0.0	32.10	1.2	10,815	23.38	30	
3	0.25 to < 0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to < 0.75	1,400	1,000	75.00	2,150	0.50	0.0	32.10	1.0	806	37.49	3	
5	0.75 to < 2.50	19,251	5,883	95.71	24,882	1.16	0.0	31.96	1.0	13,767	55.33	92	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	536,531	27,883	90.13	587,330	0.11	0.0	31.36	3.1	143,305	24.39	211	324
	Financial Institution exposures (FIRB)												
1	0.00 to < 0.15	151,116	103,873	75.00	229,188	0.06	0.0	47.89	1.5	61,404	26.79	72	
2	0.15 to < 0.25	1,729	—	—	1,729	0.20	0.0	71.02	3.1	1,415	81.85	2	
3	0.25 to < 0.50	8,900	—	—	8,854	0.28	0.0	45.00	1.1	4,622	52.20	11	
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	3,255	—	—	3,255	1.71	0.0	45.00	4.3	4,442	136.46	25	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	165,003	103,873	75.00	243,029	0.09	0.0	47.91	1.6	71,885	29.57	111	57

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2021											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
	Corporate exposures (excluding SME exposures and specialised lending) (AIRB)												
1	0.00 to < 0.15	¥ 7,084,227	¥ 3,087,710	75.91%	¥ 9,484,269	0.07%	0.7	31.38%	2.5	¥ 1,732,515	18.26%	¥ 2,267	
2	0.15 to < 0.25	1,948,161	485,776	74.77	2,281,047	0.20	0.4	30.62	2.3	719,975	31.56	1,432	
3	0.25 to < 0.50	1,429,315	361,884	74.26	1,689,333	0.30	0.5	31.40	2.2	662,085	39.19	1,637	
4	0.50 to < 0.75	1,116,000	249,616	77.45	1,305,426	0.50	0.7	29.27	2.3	587,601	45.01	1,929	
5	0.75 to < 2.50	828,406	148,090	69.03	895,076	1.39	0.7	28.80	2.1	579,000	64.68	3,611	
6	2.50 to < 10.00	170,224	9,048	81.90	178,311	6.28	0.1	24.05	2.2	148,773	83.43	2,714	
7	10.00 to < 100.00	88,691	775	75.00	88,695	18.67	0.0	31.70	3.2	151,091	170.34	5,252	
8	100.00 (Default)	32,151	—	—	38,465	100.00	0.0	31.68	1.0	15,605	40.56	10,940	
9	Sub-total	12,697,179	4,342,903	75.51	15,960,626	0.64	3.2	30.88	2.4	4,596,649	28.79	29,786	¥ 69,700
	Corporate exposures (excluding SME exposures and specialised lending) (FIRB)												
1	0.00 to < 0.15	899,338	102,406	77.51	985,091	0.07	0.8	53.50	2.9	355,587	36.09	390	
2	0.15 to < 0.25	61,692	69,755	100.00	131,486	0.20	0.4	55.86	2.5	86,795	66.01	150	
3	0.25 to < 0.50	342,976	57,183	74.51	384,532	0.29	0.6	48.74	2.4	246,337	64.06	560	
4	0.50 to < 0.75	181,158	21,981	75.22	197,820	0.56	0.8	40.57	3.1	149,273	75.45	457	
5	0.75 to < 2.50	360,802	5,053	78.52	365,135	1.42	1.1	44.25	3.9	453,885	124.30	2,293	
6	2.50 to < 10.00	125,848	4,555	88.54	130,162	5.59	0.3	45.63	4.2	233,969	179.75	3,319	
7	10.00 to < 100.00	67,302	—	—	65,480	28.54	0.0	44.80	3.8	173,578	265.08	8,368	
8	100.00 (Default)	30,202	—	—	34,889	100.00	0.0	44.63	1.0	0	0.00	15,572	
9	Sub-total	2,069,322	260,935	82.88	2,294,598	3.02	4.3	49.42	3.0	1,699,426	74.06	31,113	17,866
	SME exposures (AIRB)												
1	0.00 to < 0.15	81,031	7,010	75.00	84,387	0.12	0.0	31.19	2.1	17,141	20.31	33	
2	0.15 to < 0.25	82,986	—	—	76,288	0.20	0.0	31.76	3.1	24,024	31.49	49	
3	0.25 to < 0.50	31,264	—	—	31,114	0.30	0.0	30.01	3.2	10,688	34.35	28	
4	0.50 to < 0.75	43,671	542	75.00	42,339	0.50	0.0	23.60	2.4	12,940	30.56	50	
5	0.75 to < 2.50	118,751	7,605	79.46	121,704	1.56	0.1	22.37	2.8	58,076	47.71	426	
6	2.50 to < 10.00	9,458	15	100.00	9,474	6.65	0.0	17.19	2.6	4,826	50.94	113	
7	10.00 to < 100.00	2,259	—	—	1,563	18.67	0.0	22.94	2.7	1,676	107.21	67	
8	100.00 (Default)	1,325	—	—	2,646	100.00	0.0	26.97	1.0	903	34.14	641	
9	Sub-total	370,749	15,173	77.26	369,518	1.63	0.3	27.01	2.7	130,277	35.25	1,411	2,625
	SME exposures (FIRB)												
1	0.00 to < 0.15	9	—	—	9	0.11	0.0	45.00	1.0	1	19.55	0	
2	0.15 to < 0.25	43	—	—	43	0.20	0.0	45.00	1.0	11	26.61	0	
3	0.25 to < 0.50	315	—	—	315	0.30	0.0	45.00	2.1	150	47.63	0	
4	0.50 to < 0.75	102,607	891	75.00	101,845	0.50	0.6	38.31	4.6	66,525	65.32	196	
5	0.75 to < 2.50	299,196	2,132	80.09	298,332	1.59	1.7	39.83	4.8	279,128	93.56	1,898	
6	2.50 to < 10.00	7,572	—	—	7,578	7.24	0.0	39.22	4.3	9,495	125.29	213	
7	10.00 to < 100.00	366	—	—	382	18.67	0.0	45.00	3.2	767	200.57	32	
8	100.00 (Default)	5,479	159	68.00	5,746	100.00	0.0	39.40	1.0	0	0.00	2,264	
9	Sub-total	415,591	3,183	78.05	414,253	2.81	2.4	39.45	4.7	356,081	85.95	4,606	487

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2021

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	¥ 1,285,800	¥ 89,285	75.45%	¥ 1,353,168	0.08%	0.3	26.69%	4.2	¥ 320,557	23.68%	¥ 325	
2	0.15 to < 0.25	83,351	5,047	75.00	87,137	0.20	0.0	28.32	3.5	30,991	35.56	50	
3	0.25 to < 0.50	656,681	110,796	74.55	739,284	0.29	0.1	22.88	4.3	276,271	37.37	505	
4	0.50 to < 0.75	257,189	164,593	75.07	380,751	0.58	0.0	23.14	4.5	191,839	50.38	515	
5	0.75 to < 2.50	324,249	68,959	73.14	374,690	1.42	0.0	25.01	3.6	246,085	65.67	1,355	
6	2.50 to < 10.00	101,129	40,266	75.00	131,329	4.78	0.0	26.32	3.4	120,959	92.10	1,649	
7	10.00 to < 100.00	71,700	9,653	75.00	78,940	24.77	0.0	38.88	4.0	168,930	213.99	7,951	
8	100.00 (Default)	14,993	2,288	75.00	16,714	100.00	0.0	24.65	1.0	5,331	31.89	3,694	
9	Sub-total	2,795,097	490,891	74.74	3,162,017	1.69	0.7	25.50	4.1	1,360,966	43.04	16,047	¥ 7,858
	Specialised lending (FIRB)												
1	0.00 to < 0.15	1,149	—	—	1,149	0.09	0.2	45.00	1.0	203	17.73	0	
2	0.15 to < 0.25	72	—	—	72	0.20	0.0	45.00	1.0	22	30.51	0	
3	0.25 to < 0.50	989	—	—	989	0.30	0.1	45.00	1.0	385	38.98	1	
4	0.50 to < 0.75	249	—	—	249	0.55	0.0	45.00	1.0	137	55.21	0	
5	0.75 to < 2.50	493	—	—	493	1.43	0.0	45.00	1.0	413	83.77	3	
6	2.50 to < 10.00	68	—	—	68	4.59	0.0	45.00	1.0	86	126.34	1	
7	10.00 to < 100.00	185	—	—	185	20.40	0.0	45.00	1.0	388	209.70	16	
8	100.00 (Default)	18	—	—	18	100.00	0.0	45.00	1.0	0	0.00	8	
9	Sub-total	3,226	—	—	3,226	2.22	0.6	45.00	1.0	1,637	50.76	32	—
	Equity exposures (PD/LGD Approach)												
1	0.00 to < 0.15	1,319,041	—	—	504,805	0.07	0.3	90.00	5.0	592,987	117.46	—	
2	0.15 to < 0.25	132,789	—	—	55,109	0.20	0.1	90.00	5.0	83,725	151.92	—	
3	0.25 to < 0.50	73,600	—	—	27,779	0.30	0.2	90.00	5.0	47,776	171.98	—	
4	0.50 to < 0.75	42,046	—	—	21,255	0.50	0.2	90.00	5.0	43,143	202.97	—	
5	0.75 to < 2.50	18,885	—	—	14,115	1.45	0.2	90.00	5.0	41,568	294.48	—	
6	2.50 to < 10.00	4,768	—	—	2,460	6.76	0.0	90.00	5.0	10,778	438.03	—	
7	10.00 to < 100.00	0	—	—	0	18.68	0.0	90.00	5.0	0	722.93	—	
8	100.00 (Default)	135	—	—	48	100.00	0.0	90.00	5.0	546	1,125.00	—	
9	Sub-total	1,591,267	—	—	625,575	0.18	1.3	90.00	5.0	820,527	131.16	—	
	Purchased receivables for corporates, etc. (default risk) (AIRB)												
1	0.00 to < 0.15	6,452	—	—	6,452	0.09	0.0	32.10	2.9	1,591	24.67	1	
2	0.15 to < 0.25	9,820	—	—	9,820	0.20	0.0	32.10	4.6	4,590	46.73	6	
3	0.25 to < 0.50	14,399	—	—	14,399	0.30	0.0	32.10	2.9	6,316	43.86	14	
4	0.50 to < 0.75	6,835	—	—	6,835	0.50	0.0	31.89	4.5	5,571	81.49	11	
5	0.75 to < 2.50	25,171	—	—	25,171	1.58	0.0	31.12	3.6	21,075	83.72	124	
6	2.50 to < 10.00	480	—	—	480	7.65	0.0	32.10	3.8	652	135.94	11	
7	10.00 to < 100.00	371	—	—	371	18.67	0.0	32.10	3.1	639	172.07	22	
8	100.00 (Default)	2,527	—	—	2,527	100.00	0.0	32.10	1.0	1,039	41.12	728	
9	Sub-total	66,059	—	—	66,059	4.74	0.0	31.70	3.5	41,477	62.78	920	499

CR6		Millions of Yen, %, 1,000 cases, Year											
		March 31, 2021											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Aver-age matu-rity	Credit RWA amounts	RWA density	EL	Eligible provisions
Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (AIRB)													
1	0.00 to < 0.15	¥ 2,280	¥ —	—%	¥ 2,280	0.13%	0.0	100.00%	1.0	¥ 1,191	52.25%	¥ —	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to < 0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	2,280	—	—	2,280	0.13	0.0	100.00	1.0	1,191	52.25	—	¥ —
Purchased receivables for corporates, etc. (default risk) (FIRB)													
1	0.00 to < 0.15	322,172	21,997	100.00	344,169	0.05	0.2	45.00	1.0	44,378	12.89	98	
2	0.15 to < 0.25	67,853	30	75.00	67,876	0.20	0.1	45.00	1.0	21,260	31.32	62	
3	0.25 to < 0.50	63,775	3,319	75.00	66,265	0.30	0.2	45.00	1.1	27,513	41.51	92	
4	0.50 to < 0.75	47,014	2,386	75.00	48,804	0.51	0.9	45.00	1.3	27,711	56.78	112	
5	0.75 to < 2.50	39,785	—	—	39,785	1.49	3.8	45.00	1.3	33,365	83.86	267	
6	2.50 to < 10.00	4,304	—	—	4,304	6.33	0.7	45.00	1.0	6,236	144.89	122	
7	10.00 to < 100.00	169	—	—	169	35.75	0.0	45.00	4.9	446	264.09	27	
8	100.00 (Default)	4,110	—	—	4,110	100.00	0.0	45.00	1.0	0	0.00	1,849	
9	Sub-total	549,186	27,733	94.82	575,485	1.01	6.1	45.00	1.1	160,912	27.96	2,632	428
Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)													
1	0.00 to < 0.15	366,598	2,386	75.00	368,388	0.05	0.2	92.91	1.0	113,991	30.94	10	
2	0.15 to < 0.25	46,796	30	75.00	46,818	0.20	0.1	99.72	1.0	13,453	28.73	0	
3	0.25 to < 0.50	47,941	3,319	75.00	50,431	0.30	0.1	88.27	1.1	22,730	45.07	14	
4	0.50 to < 0.75	4,451	—	—	4,451	0.50	0.0	45.00	4.7	4,365	98.06	10	
5	0.75 to < 2.50	8,504	—	—	8,504	1.70	0.2	97.90	1.0	11,806	138.83	2	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	474,292	5,735	75.00	478,594	0.12	0.6	92.73	1.1	166,347	34.75	37	—
Purchased receivables for retail (default risk)													
1	0.00 to < 0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to < 0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to < 0.50	45,085	—	—	45,085	0.30	33.6	76.75	—	18,581	41.21	106	
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	45,085	—	—	45,085	0.30	33.6	76.75	—	18,581	41.21	106	174

CR6

Millions of Yen, %, 1,000 cases, Year

March 31, 2021

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	¥ 42,074	27.62%	¥ 11,624	0.10%	44.3	60.85%	—	¥ 441	3.79%	¥ 7	
2	0.15 to < 0.25	37,654	798,901	11.49	129,504	0.23	195.3	67.87	—	10,515	8.11	202	
3	0.25 to < 0.50	19,844	898,112	7.78	89,802	0.35	144.5	75.82	—	11,625	12.94	243	
4	0.50 to < 0.75	30,851	267,810	11.49	61,641	0.55	82.0	67.87	—	10,146	16.46	232	
5	0.75 to < 2.50	12,116	233,306	12.57	41,465	1.15	120.9	68.73	—	11,922	28.75	329	
6	2.50 to < 10.00	32,204	77,185	12.23	41,647	4.86	41.6	68.47	—	32,357	77.69	1,387	
7	10.00 to < 100.00	198	1,182	12.05	340	46.18	0.5	66.17	—	582	170.95	108	
8	100.00 (Default)	129	5,197	8.72	11,131	100.00	13.5	69.15	—	11,554	103.79	6,773	
9	Sub-total	132,999	2,323,770	10.48	387,158	3.81	642.9	69.70	—	89,144	23.02	9,284	¥ 12,489
	Residential mortgage exposures												
1	0.00 to < 0.15	4,396,104	13,743	100.00	4,409,848	0.11	152.1	17.71	—	201,011	4.55	873	
2	0.15 to < 0.25	2,297,518	51	100.00	2,297,570	0.17	105.9	17.47	—	146,476	6.37	707	
3	0.25 to < 0.50	3,197,850	1,881	100.00	3,199,741	0.33	190.3	17.19	—	324,265	10.13	1,877	
4	0.50 to < 0.75	39,795	—	—	39,795	0.65	2.6	22.05	—	8,285	20.82	57	
5	0.75 to < 2.50	136,691	19	100.00	136,711	0.87	13.6	20.55	—	32,008	23.41	244	
6	2.50 to < 10.00	3,745	—	—	3,745	2.92	0.1	16.17	—	1,486	39.69	17	
7	10.00 to < 100.00	58,509	12	100.00	58,522	19.97	3.4	18.18	—	59,453	101.59	2,147	
8	100.00 (Default)	34,066	16	100.00	35,591	100.00	2.0	19.33	—	10,027	28.17	6,079	
9	Sub-total	10,164,281	15,724	100.00	10,181,524	0.67	470.3	17.56	—	783,016	7.69	12,004	25,829
	Other retail exposures												
1	0.00 to < 0.15	0	22,625	22.13	5,008	0.10	20.4	21.29	—	272	5.44	1	
2	0.15 to < 0.25	153,768	—	—	153,768	0.24	47.2	73.50	—	52,388	34.06	276	
3	0.25 to < 0.50	205,871	—	—	205,871	0.38	70.4	38.42	—	49,928	24.25	317	
4	0.50 to < 0.75	339,598	384	100.00	340,279	0.56	88.3	35.80	—	95,289	28.00	711	
5	0.75 to < 2.50	177,771	145,035	31.83	223,949	1.20	271.2	61.10	—	147,492	65.85	1,713	
6	2.50 to < 10.00	36,806	16,542	36.49	42,843	6.83	41.8	33.57	—	22,467	52.44	1,020	
7	10.00 to < 100.00	2,928	799	91.92	3,716	34.59	0.7	32.17	—	2,724	73.30	522	
8	100.00 (Default)	10,241	1,712	30.30	21,756	100.00	11.4	47.72	—	6,344	29.15	9,874	
9	Sub-total	926,986	187,100	31.45	997,193	3.18	551.7	47.91	—	376,907	37.79	14,438	18,178
	Lease transactions												
1	0.00 to < 0.15	219,164	—	—	219,164	0.07	0.4	45.00	2.7	53,869	24.57	74	
2	0.15 to < 0.25	151,854	—	—	151,854	0.20	0.1	45.00	4.1	90,665	59.70	140	
3	0.25 to < 0.50	21,951	—	—	21,951	0.30	0.1	45.00	2.4	12,083	55.04	30	
4	0.50 to < 0.75	41,661	—	—	41,661	0.50	0.2	45.00	3.2	32,672	78.42	94	
5	0.75 to < 2.50	38,027	—	—	38,027	1.62	0.3	45.00	2.8	39,528	103.94	277	
6	2.50 to < 10.00	3,989	—	—	3,989	5.92	0.0	45.00	3.5	6,217	155.85	106	
7	10.00 to < 100.00	1,856	—	—	1,856	18.67	0.0	45.00	3.8	4,473	241.00	156	
8	100.00 (Default)	—	—	—	326	100.00	0.0	45.00	1.0	0	0.00	146	
9	Sub-total	478,504	—	—	478,830	0.47	1.2	45.00	3.2	239,510	50.01	1,026	5,319
Total (all portfolios)		¥ 55,058,928	¥ 7,876,394	55.59%	¥ 58,514,858	0.63%	1,720.2	35.73%	2.0	¥ 11,176,600	19.10%	¥ 123,940	¥ 162,039

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, 2022	
		a	b
Item No.	Portfolio	Pre-credit derivatives credit RWA amounts	Actual credit RWA amounts
1	Sovereign Exposures – FIRB	¥ 110,746	¥ 110,746
2	Sovereign Exposures – AIRB	26,586	26,586
3	Financial Institution Exposures – FIRB	72,665	72,665
4	Financial Institution Exposures – AIRB	128,594	128,594
5	Corporate exposures (excluding specialised lending) – FIRB	2,075,536	2,075,536
6	Corporate exposures (excluding specialised lending) – AIRB	4,336,409	4,336,409
7	Specialised lending – FIRB	356,900	356,900
8	Specialised lending – AIRB	1,418,468	1,418,468
9	Retail – Qualifying revolving retail exposures	84,378	84,378
10	Retail – Residential mortgage exposures	774,863	774,863
11	Retail – Other retail exposures	366,866	366,866
12	Equity Exposures – FIRB	1,112,392	1,112,392
13	Equity Exposures – AIRB	—	—
14	Purchased receivables – FIRB	364,060	364,060
15	Purchased receivables – AIRB	74,768	74,768
16	Total	¥ 11,303,237	¥ 11,303,237

Note: The SuMi TRUST Bank Group does not use credit derivatives as credit risk mitigation techniques.

CR7		Millions of Yen	
		March 31, 2021	
		a	b
Item No.	Portfolio	Pre-credit derivatives credit RWA amounts	Actual credit RWA amounts
1	Sovereign Exposures – FIRB	¥ 101,827	¥ 101,827
2	Sovereign Exposures – AIRB	15,677	15,677
3	Financial Institution Exposures – FIRB	71,870	71,870
4	Financial Institution Exposures – AIRB	139,834	139,834
5	Corporate exposures (excluding specialised lending) – FIRB	2,055,530	2,055,530
6	Corporate exposures (excluding specialised lending) – AIRB	4,731,640	4,731,640
7	Specialised lending – FIRB	323,239	323,239
8	Specialised lending – AIRB	1,360,966	1,360,966
9	Retail – Qualifying revolving retail exposures	89,144	89,144
10	Retail – Residential mortgage exposures	783,016	783,016
11	Retail – Other retail exposures	376,907	376,907
12	Equity Exposures – FIRB	1,319,902	1,319,902
13	Equity Exposures – AIRB	—	—
14	Purchased receivables – FIRB	345,841	345,841
15	Purchased receivables – AIRB	42,668	42,668
16	Total	¥ 11,758,067	¥ 11,758,067

Note: The SuMi TRUST Bank Group does not use credit derivatives as credit risk mitigation techniques.

CR8: RWA flow statements of credit risk exposures under IRB

CR8 Item No.			Billions of Yen March 31, 2022 RWA amounts
1	RWA at the end of the previous fiscal year		¥ 12,580
2	Factor of RWA changes	Asset size	1
3		Asset quality	(548)
4		Model updates	—
5		Methodology and policy	—
6		Acquisitions and disposals	—
7		Foreign exchange movements	265
8		Others	—
9	RWA at the end of the fiscal year		¥ 12,298

Note: The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.

CR8 Item No.			Billions of Yen March 31, 2021 RWA amounts
1	RWA at the end of the previous fiscal year		¥ 12,056
2	Factor of RWA changes	Asset size	458
3		Asset quality	(53)
4		Model updates	—
5		Methodology and policy	—
6		Acquisitions and disposals	—
7		Foreign exchange movements	118
8		Others	—
9	RWA at the end of the fiscal year		¥ 12,580

Note: The end of the previous fiscal year indicates March 31, 2020, and the end of the fiscal year indicates March 31, 2021.

CR9: IRB – Backtesting of probability of default (PD) per portfolio

Entities subject to AIRB and FIRB

CR9		%, Cases											
		March 31, 2022 (Period covered: September 30, 2020 - September 30, 2021)											
a	b	c					d	e	f		g	h	i
Portfolio	PD Range	External rating equivalent					Weighted average PD (EAD weighted)	Arithmetic average PD (by obligors)	Number of obligors		Defaulted obligors during the reported period	Of which: new defaulted obligors during the reported period	Average historical annual default rate (5 years)	Credit RWA amounts ratio
		S&P	Moody's	Fitch	R&I	JCR			September 30, 2020	September 30, 2021				
Sovereign Exposures	—	AAA~ B-	Aaa~ B3	AAA~ B-	AAA~ BBB-	AAA~ BBB	0.00%	0.10%	757	792	0	0	0.00%	0.9%
Financial Institution Exposures	—	AA~ B-	Aa2~ B3	AA~ B-	AA+~ BB-	AAA~ BB	0.10	0.19	422	420	0	0	0.00	1.6
Corporate Exposures (Japanese)	≥ 0% to 0.03%	AAA~ A-	Aaa~ A3	—	AAA~ AA-	AAA~ AA	0.03	0.03	542	522	0	0	0.00	61.1
	> 0.03% to 0.1%	BBB+~ BBB-	Baa1~ Baa3	—	A+~ A-	AA-~ A	0.06	0.06	572	560	0	0	0.02	
	> 0.1% to 0.5%	BB+~ BB-	Ba1~ Ba3	—	BBB+~ BBB-	A-~ BBB	0.20	0.22	2,763	2,730	0	0	0.01	
	> 0.5% to 5%	B+~ B-	B1~ B3	—	BB+~ BB-	BBB-~ BB	1.02	1.22	5,212	5,497	9	0	0.18	
	> 5% to <100%	—	—	—	—	—	9.74	7.89	294	285	7	0	3.57	
Corporate Exposures (Non-Japanese)	≥ 0% to 0.03%	AAA~ AA-	Aaa~ Aa3	AAA~ AA-	—	—	0.03	0.03	48	48	0	0	0.00	11.3
	> 0.03% to 0.1%	A+~ A-	A1~ A3	A+~ A-	—	—	0.06	0.06	128	135	0	0	0.00	
	> 0.1% to 0.5%	BBB+~ BBB-	Baa1~ Baa3	BBB+~ BBB-	—	—	0.23	0.24	281	310	0	0	0.00	
	> 0.5% to 15%	BB+~ B-	Ba1~ B3	BB+~ B-	—	—	2.35	2.87	570	599	1	0	0.22	
	> 15% to <100%	—	—	—	—	—	34.71	34.71	53	58	3	0	12.24	
Purchased receivables for corporates, etc. (Top-down approach)	—	—	—	—	AAA~ BB+	AAA~ BBB-	3.53	3.53	301	253	0	0	0.53	0.0
Qualifying revolving retail exposures	≥ 0% to 10%						0.46	0.30	41,973	41,170	30	0	0.09	0.0
	> 10% to < 100%						23.78	23.78	124	90	20	0	14.63	
Residential mortgage exposures	≥ 0% to 2%						0.20	0.22	521,749	544,382	328	0	0.09	6.1
	> 2% to < 100%						19.97	19.93	3,817	3,576	552	0	12.75	
Other retail exposures	≥ 0% to 10%						0.61	0.61	38,141	36,933	99	0	0.36	0.4
	> 10% to < 100%						23.90	25.63	160	147	33	0	17.57	

Entities subject to FIRB

CR9

%, Cases

March 31, 2022 (Period covered: September 30, 2020 - September 30, 2021)

a	b	c					d	e	f		g	h	i	
Portfolio	PD Range	External rating equivalent					Weighted average PD (EAD weighted)	Arithmetic average PD (by obligors)	Number of obligors		Defaulted obligors during the reported period	Of which: new defaulted obligors during the reported period	Average historical annual default rate (5 years)	Credit RWA amounts ratio
		S&P	Moody's	Fitch	R&I	JCR			September 30, 2020	September 30, 2021				
Sovereign Exposures	—	—	—	—	AAA~BBB	AAA~BBB+	0.02%	0.03%	236	225	0	0	0.00%	0.0%
Financial Institution Exposures	—	—	—	—	AA+~BBB	AAA~BBB+	0.13	0.18	5	3	0	0	0.00	0.0
Corporate Exposures (Japanese)	≥ 0% to 0.03%	—	—	—	AAA~AA-	AAA~AA	0.03	0.03	40	36	0	0	0.00	3.2
	> 0.03% to 0.1%	—	—	—	A+~A-	AA-~A	0.06	0.06	77	83	0	0	0.00	
	> 0.1% to 0.5%	—	—	—	BBB+~BBB-	A-~BBB	0.19	0.19	450	420	1	0	0.02	
	> 0.5% to 5%	—	—	—	BB+~BB-	BBB-~BB	1.19	1.12	885	834	10	0	0.78	
	> 5% to < 100%	—	—	—	—	—	7.55	7.87	228	200	8	0	4.97	
Qualifying revolving retail exposures	≥ 0% to 10%						0.95	0.82	594,682	566,943	3,445	110	0.72	0.7
	> 10% to < 100%						63.20	62.95	499	490	314	0	59.29	
Residential mortgage exposures	≥ 0% to 2%						0.65	0.72	13,031	12,670	41	0	0.38	0.3
	> 2% to < 100%						22.51	22.51	316	339	30	0	12.21	
Other retail exposures	≥ 0% to 10%						1.02	1.48	305,485	295,730	1,149	31	0.58	2.6
	> 10% to < 100%						41.84	63.35	566	560	285	2	47.90	

Notes: 1. On the previous page, Sumitomo Mitsui Trust Bank, Limited and specific purpose companies (SPCs) engaging in liquidation of receivables, subject to AIRB and FIRB, are counted. On this page, Group companies (i.e. Sumitomo Mitsui Trust Guarantee Co., Ltd., Sumishin Guaranty Company Limited, Sumitomo Mitsui Trust Card Co., Ltd., Sumitomo Mitsui Trust Loan & Finance Co., Ltd., Sumitomo Mitsui Trust Panasonic Finance Co., Ltd., and Sumitomo Mitsui Trust Club Co., Ltd.), subject to FIRB, are counted.

2. Column a: As for "Corporate Exposures (excluding specialised lending)," "Specialised lending (subject to the PD/LGD Approach)," Equity exposures (subject to the PD/LGD Approach)," and "Purchased receivables (other than those for corporates, etc. subject to top-down approach)," these portfolio classifications have been integrated into "Corporate Exposures". In addition, different rating systems (PD) are used in Japanese rating and Non-Japanese rating, and so "Corporate Exposures" are classified into "Japanese" and "Non-Japanese".

3. Column c: With reference to the internal rating for each obligor, the range of external rating is stated in accordance with the relation between the internal rating and external rating of the internal rules for 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 2020. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2020 to the end of September 2021.

5. Column f to Column h: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.

6. "Average historical annual default rate (5 years)" in column i represents the average value of the actual default rate for each year of the latest nine years rather than the latest five years.

7. The scope of application of the major model used in the consolidation range specified by the capital regulatory standards is determined while considering the portfolio classifications specified by regulations and credit decisions based on the risk driver of each portfolio (explanatory variables of the adopted rating model, etc.). "Credit RWA amounts ratio" of each internal model is stated for each portfolio*.
* "Credit RWA amounts ratio" (obtained with the reference date being the end of September 2021) is the ratio of RWA amounts for each portfolio to the total RWA amounts subject to the IRB approach (excluding counterparty credit risk, the credit risk related to securitisation transactions, and the credit risk related to funds).

8. In the ">10% to <100%" category of "Other retail exposures" of entities subject to FIRB, "Average historical annual default rate (5 years)" in Column i exceeds "Weighted average PD (EAD weighted)" in Column d. This is attributable to the difference in the method for obtaining average values. The appropriateness of the PD estimation in each pool classification is examined regularly every year.

Entities subject to AIRB and FIRB

CR9

%, Cases

March 31, 2021 (Period covered: September 30, 2019 - September 30, 2020)

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, 2019	September 30, 2020				
Sovereign Exposures	—	AAA~ B	Aaa~ B2	AAA~ B	AAA~ BBB-	AAA~ BBB	0.00%	0.09%	671	757	0	0	0.00%	0.8%
Financial Institution Exposures	—	AA~ B-	Aa2~ B3	AA~ B-	AA+~ BB-	AAA~ BB	0.08	0.22	424	424	0	0	0.00	1.9
Corporate Exposures (Japanese)	≥ 0% to 0.03%	AAA~ A-	Aaa~ A3	—	AAA~ AA-	AAA~ AA	0.03	0.03	542	523	0	0	0.00	59.9
	> 0.03% to 0.1%	BBB+~ BBB-	Baa1~ Baa3	—	A+~ A-	AA-~ A	0.06	0.06	508	539	1	0	0.02	
	> 0.1% to 0.5%	BB+~ BB-	Ba1~ Ba3	—	BBB+~ BBB-	A-~ BBB	0.19	0.22	2,679	2,715	2	0	0.02	
	> 0.5% to 5%	B+~ B-	B1~ B3	—	BB+~ BB-	BBB-~ BB	0.99	1.21	4,984	5,174	15	0	0.18	
	> 5% to <100%	—	—	—	—	—	8.41	8.88	246	283	21	0	3.71	
Corporate Exposures (Non-Japanese)	≥ 0% to 0.03%	AAA~ AA-	Aaa~ Aa3	AAA~ AA-	—	—	0.03	0.03	35	40	0	0	0.00	9.4
	> 0.03% to 0.1%	A+~ A-	A1~ A3	A+~ A-	—	—	0.06	0.07	111	107	0	0	0.00	
	> 0.1% to 0.5%	BBB+~ BBB-	Baa1~ Baa3	BBB+~ BBB-	—	—	0.25	0.26	263	255	0	0	0.00	
	> 0.5% to 15%	BB+~ B-	Ba1~ B3	BB+~ B-	—	—	2.08	2.60	590	528	8	0	0.23	
	> 15% to <100%	—	—	—	—	—	34.71	34.71	19	39	7	0	13.06	
Purchased receivables for corporates, etc. (Top-down approach)	—	—	—	—	AAA~ BB+	AAA~ BBB-	3.53	3.53	314	301	1	0	0.59	0.0
Qualifying revolving retail exposures	≥ 0% to 10%						0.51	0.33	41,995	41,973	36	0	0.09	0.0
	> 10% to < 100%						24.13	24.13	175	123	28	0	14.44	
Residential mortgage exposures	≥ 0% to 2%						0.23	0.24	502,091	521,749	390	0	0.09	6.1
	> 2% to < 100%						20.50	20.41	5,205	3,817	646	0	12.54	
Other retail exposures	≥ 0% to 10%						0.65	0.63	39,766	38,141	191	0	0.38	0.4
	> 10% to < 100%						24.30	25.93	263	159	48	0	17.19	

Entities subject to FIRB

CR9

%, Cases

March 31, 2021 (Period covered: September 30, 2019 - September 30, 2020)

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, 2019	September 30, 2020				
Sovereign Exposures	—	—	—	—	AAA~ BBB+	AAA~ A-	0.03%	0.04%	213	236	0	0	0.00%	0.0%
Financial Institution Exposures	—	—	—	—	AA+~ BBB+	AAA~ A-	0.03	0.14	5	5	0	0	0.00	0.0
Corporate Exposures (Japanese)	≥ 0% to 0.03%	—	—	—	AAA~ AA-	AAA~ AA	0.03	0.03	46	40	0	0	0.00	3.2
	> 0.03% to 0.1%	—	—	—	A+~ A-	AA-~ A	0.06	0.06	86	77	0	0	0.00	
	> 0.1% to 0.5%	—	—	—	BBB+~ BBB-	A-~ BBB	0.19	0.24	480	450	0	0	0.00	
	> 0.5% to 5%	—	—	—	BB+~ BB-	BBB-~ BB	1.14	1.23	958	885	9	1	0.74	
	> 5% to < 100%	—	—	—	—	—	8.02	7.78	260	228	10	1	5.15	
Qualifying revolving retail exposures	≥ 0% to 10%						1.15	0.92	611,482	594,682	3,744	89	0.74	0.7
	> 10% to < 100%						67.67	68.91	584	499	308	0	58.83	
Residential mortgage exposures	≥ 0% to 2%						0.65	0.73	13,129	13,031	75	0	0.39	0.3
	> 2% to < 100%						23.19	23.19	270	316	32	0	12.55	
Other retail exposures	≥ 0% to 10%						0.96	1.50	321,946	304,605	1,891	57	0.61	2.6
	> 10% to < 100%						44.78	62.54	933	564	458	1	47.59	

Notes: 1. On the previous page, Sumitomo Mitsui Trust Bank, Limited and specific purpose companies (SPCs) engaging in liquidation of receivables, subject to AIRB and FIRB, are counted. On this page, Group companies (i.e. Sumitomo Mitsui Trust Guarantee Co., Ltd., Sumishin Guaranty Company Limited, Sumitomo Mitsui Trust Card Co., Ltd., Sumitomo Mitsui Trust Loan & Finance Co., Ltd. , Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. and Sumitomo Mitsui Trust Club Co., Ltd.), subject to FIRB, are counted.

2. Column a: As for "Corporate Exposures (excluding specialised lending)," "Specialised lending (subject to the PD/LGD Approach)," Equity exposures (subject to the PD/LGD Approach)," and "Purchased receivables (other than those for corporates, etc. subject to top-down approach)," these portfolio classifications have been integrated into "Corporate Exposures". In addition, different rating systems (PD) are used in Japanese rating and Non-Japanese rating, and so "Corporate Exposures" are classified into "Japanese" and "Non-Japanese".

3. Column c: With reference to the internal rating for each obligor, the range of external rating is stated in accordance with the relation between the internal rating and external rating of the internal rules for 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 2019. In addition, Column g and Column h were obtained by counting the number of defaulted obligors from the end of September 2019 to the end of September 2020.

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 eight 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 2020) is the ratio of RWA amounts for each portfolio to the total RWA amounts subject to the IRB approach (excluding counterparty credit risk, the credit risk related to securitisation transactions, and the credit risk related to funds).

8. In the ">10% to <100%" category of "Other retail exposures" of entities subject to FIRB, "Average historical annual default rate (5 years)" in Column i exceeds "Weighted average PD (EAD weighted)" in Column d. This is attributable to the difference in the method for obtaining average values. The appropriateness of the PD estimation in each pool classification is examined regularly every year.

CR10: IRB – Specialised Lending (Supervisory Slotting Criteria Approach) and Equity Exposures (Market-Based Approach, etc.)

CR10 — Millions of Yen, %

March 31, 2022

a	b	c	d	e	f	g	h	i	j	k	l
Specialised lending (supervisory slotting criteria approach)											
Other than high-volatility commercial real estate (HVCRE)											
Regulatory categories	Remaining maturity	On-balance sheet amounts	Off-balance sheet amounts	RW	Exposure amounts (EAD)					Credit RWA amounts	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	< 2.5 years	¥ —	¥ —	50%	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	2.5 years≤	—	—	70%	—	—	—	—	—	—	—
Good	< 2.5 years	—	—	70%	—	—	—	—	—	—	—
	2.5 years≤	—	—	90%	—	—	—	—	—	—	—
Satisfactory		—	—	115%	—	—	—	—	—	—	—
Weak		—	—	250%	—	—	—	—	—	—	—
Default		—	—	—	—	—	—	—	—	—	—
Total		¥ —	¥ —	—	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amounts	Off-balance sheet amounts	RW					Exposure amounts (EAD)	Credit RWA amounts	Expected losses
Strong	< 2.5 years	11,006	6,383	70%					15,794	11,055	63
	2.5 years≤	2,682	4,368	95%					5,958	5,660	23
Good	< 2.5 years	45,048	8,966	95%					51,772	49,184	207
	2.5 years≤	45,247	71,026	120%					98,516	118,220	394
Satisfactory		50,799	95,003	140%					122,051	170,872	3,417
Weak		—	—	250%					—	—	—
Default		—	—	—					—	—	—
Total		¥ 154,783	¥ 185,747	—					¥ 294,094	¥ 354,993	¥ 4,105
Equity exposures (Market-Based Approach, etc.)											
Equity exposures subject to market-based approach											
Categories		On-balance sheet amounts	Off-balance sheet amounts	RW					Exposure amounts (EAD)	Credit RWA amounts	
Simple risk weight method – Listed shares		5,707	15,799	300%					21,506	64,520	
Simple risk weight method – Unlisted shares		33,526	3,085	400%					35,840	143,361	
Internal Models Approach		—	—	—					—	—	
Total		¥ 39,233	¥ 18,884	—					¥ 57,347	¥ 207,882	
Equity exposures subject to 100% risk weight											
Equity exposures subject to 100% risk weight in accordance with the provisions of Article 166, Paragraph 1 of the FSA Capital Adequacy Notification or Paragraph 1 of Article 144 of the FSA Bank Holding Company Capital Adequacy Notification		—	—	100%					—	—	

CR10

Millions of Yen, %

March 31, 2021

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	2,428	3,657	70%	5,171	3,619	20
	2.5 years≤	1,171	2,091	95%	2,739	2,602	10
Good	< 2.5 years	17,625	209	95%	17,782	16,893	71
	2.5 years≤	42,899	53,093	120%	82,719	99,263	330
Satisfactory		61,014	69,433	140%	113,089	158,325	3,166
Weak		14,234	2,831	250%	16,358	40,896	1,308
Default		—	—	—	—	—	—
Total		¥ 139,373	¥ 131,316	—	¥ 237,861	¥ 321,601	¥ 4,908

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	16,759	114,751	300%	131,511	394,534
Simple risk weight method – Unlisted shares	22,628	4,776	400%	26,210	104,841
Internal Models Approach	—	—	—	—	—
Total	¥ 39,387	¥ 119,527	—	¥ 157,721	¥ 499,375
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, 2022					
		a	b	c	d	e	f
Item No.		RC	PFE	Effective EPE (EEPE)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA amounts
1	SA-CCR	¥ —	¥ —		1.4	¥ —	¥ —
	Current Exposure Method (CEM)	639,628	611,575			1,251,203	408,955
2	Expected Exposure Method (IMM)			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					846,397	147,482
5	Exposure variation estimation model					—	—
6	Total						¥ 556,438

CCR1		Millions of Yen					
		March 31, 2021					
		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)	487,457	576,002			1,063,460	407,578
2	Expected Exposure Method (IMM)			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					672,039	114,618
5	Exposure variation estimation model					—	—
6	Total						¥ 522,196

CCR2: Credit valuation adjustment (CVA) capital charge

CCR2		Millions of Yen	
		March 31, 2022	
		a	b
Item No.		EAD post-CRM	RWA amounts (Amounts calculated by dividing CVA risk equivalent amounts by 8%)
1	Total portfolios subject to advanced risk measurement method	¥ —	¥ —
2	(i) Amount of CVA Value at Risk (including the multiplier)		—
3	(ii) Amount of CVA Stressed Value at Risk (including the multiplier)		—
4	Total portfolios subject to the standardised risk measurement method	1,207,886	659,988
5	Total portfolios subject to the CVA capital charge	¥ 1,207,886	¥ 659,988

CCR2		Millions of Yen	
		March 31, 2021	
		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	991,777	675,731
5	Total portfolios subject to the CVA capital charge	¥ 991,777	¥ 675,731

CCR3: CCR exposures by regulatory portfolio and risk weights

CCR3		Millions of Yen								
		March 31, 2022								
		a	b	c	d	e	f	g	h	i
Item No.	Regulatory portfolio \ Risk weight	Credit equivalent amounts (post-CRM)								
		0%	10%	20%	50%	75%	100%	150%	Other	Total
1	Government of Japan and Bank of Japan (BOJ)	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	Foreign central governments and foreign central banks	—	—	—	—	—	—	—	—	—
3	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—
4	Local governments of Japan	—	—	—	—	—	—	—	—	—
5	Foreign non-central government public sector entities (PSEs)	—	—	—	—	—	—	—	—	—
6	Multilateral development banks (MDBs)	—	—	—	—	—	—	—	—	—
7	Japan Finance Organization for Municipalities (JFM)	—	—	—	—	—	—	—	—	—
8	Government-affiliated agencies of Japan	—	—	—	—	—	—	—	—	—
9	The three local public corporations	—	—	—	—	—	—	—	—	—
10	Financial institutions and type I financial instruments business operators	—	—	599,601	—	—	—	—	—	599,601
11	Corporates, etc.	—	—	—	—	—	—	—	—	—
12	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—
13	Other than the above	—	—	—	—	—	6	—	—	6
14	Total	¥ —	¥ —	¥ 599,601	¥ —	¥ —	¥ 6	¥ —	¥ —	¥ 599,608

Note: The aggregate calculation on this statement includes exposures based on the standardised approach only.

CCR3		Millions of Yen								
		March 31, 2021								
		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	—	—	429,643	—	—	—	—	—	429,643
11	Corporates, etc.	—	—	—	—	—	—	—	—	—
12	SMEs, etc. and individuals	—	—	—	—	—	—	—	—	—
13	Other than the above	—	—	—	—	—	5	—	—	5
14	Total	¥ —	¥ —	¥ 429,643	¥ —	¥ —	¥ 5	¥ —	¥ —	¥ 429,648

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, 2022						
Item No.	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	RWA density
	Sovereign exposures							
1	0.00 to < 0.15	¥ 29,100	0.01%	0.0	21.10%	1.7	¥ 2,338	8.03%
2	0.15 to < 0.25	—	—	—	—	—	—	—
3	0.25 to < 0.50	—	—	—	—	—	—	—
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	—	—	—	—	—	—	—
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	29,100	0.01	0.0	21.10	1.7	2,338	8.03
	Financial Institution exposures							
1	0.00 to < 0.15	710,740	0.04	0.1	24.39	2.0	131,195	18.45
2	0.15 to < 0.25	201	0.20	0.0	89.61	2.4	126	62.85
3	0.25 to < 0.50	18,912	0.30	0.0	35.36	4.4	18,013	95.21
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	—	—	—	—	—	—	—
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	729,854	0.05	0.1	24.60	2.0	149,335	20.46
	Corporate exposures and SME exposures							
1	0.00 to < 0.15	464,563	0.04	0.3	13.70	1.6	85,418	18.38
2	0.15 to < 0.25	18,437	0.20	0.0	45.00	2.0	7,429	40.29
3	0.25 to < 0.50	17,290	0.36	0.1	45.65	2.3	10,042	58.08
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	4,088	1.64	0.1	45.00	2.9	4,604	112.62
6	2.50 to < 10.00	409	4.22	0.0	45.00	4.6	681	166.34
7	10.00 to < 100.00	143	35.80	0.0	45.00	1.0	370	258.11
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	504,932	0.09	0.6	14.48	1.6	108,546	21.49
	Specialised lending							
1	0.00 to < 0.15	53,459	0.09	0.1	45.00	4.6	23,915	44.73
2	0.15 to < 0.25	1,259	0.20	0.0	45.00	4.1	774	61.51
3	0.25 to < 0.50	23,255	0.31	0.0	45.00	4.9	18,620	80.06
4	0.50 to < 0.75	26,262	0.65	0.0	45.00	4.8	28,109	107.03
5	0.75 to < 2.50	23,862	1.26	0.0	45.00	4.7	30,136	126.28
6	2.50 to < 10.00	45,807	3.11	0.0	45.00	4.8	72,479	158.22
7	10.00 to < 100.00	259	13.95	0.0	45.00	4.9	632	243.75
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	174,167	1.18	0.3	45.00	4.7	174,667	100.28
Total (all portfolios)		¥ 1,438,054	0.20%	1.1	20.49%	2.2	¥ 434,887	30.24%

Note: The SuMi TRUST Bank Group applies the Foundation Internal Ratings-Based Approach to the calculation of risk-weighted assets related to counterparty credit risk.

CCR4		Millions of Yen, %, 1,000 cases, Year						
		March 31, 2021						
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	¥ 19,904	0.02%	0.0	37.92%	1.7	¥ 2,114	10.62%
2	0.15 to < 0.25	—	—	—	—	—	—	—
3	0.25 to < 0.50	—	—	—	—	—	—	—
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	—	—	—	—	—	—	—
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	19,904	0.02	0.0	37.92	1.7	2,114	10.62
				Financial Institution exposures				
1	0.00 to < 0.15	544,536	0.04	0.1	20.01	2.3	102,347	18.79
2	0.15 to < 0.25	273	0.20	0.0	45.00	2.8	122	44.83
3	0.25 to < 0.50	40,354	0.28	0.0	20.83	3.8	32,704	81.04
4	0.50 to < 0.75	780	0.50	0.0	45.00	1.0	409	52.44
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	585,944	0.06	0.1	20.08	2.4	135,583	23.13
				Corporate exposures and SME exposures				
1	0.00 to < 0.15	368,702	0.05	0.3	11.49	1.7	73,079	19.82
2	0.15 to < 0.25	35,152	0.20	0.0	45.00	4.1	21,019	59.79
3	0.25 to < 0.50	8,399	0.30	0.0	45.00	3.3	5,345	63.64
4	0.50 to < 0.75	6,391	0.51	0.0	46.46	3.6	5,591	87.48
5	0.75 to < 2.50	4,604	1.45	0.0	45.00	3.8	5,810	126.18
6	2.50 to < 10.00	1,470	4.42	0.0	45.00	4.3	2,434	165.59
7	10.00 to < 100.00	656	35.76	0.0	45.00	1.9	1,745	265.93
8	100.00 (Default)	1	100.00	0.0	45.00	1.0	0	0.00
9	Sub-total	425,378	0.16	0.6	12.70	2.0	115,026	27.04
				Specialised lending				
1	0.00 to < 0.15	70,895	0.09	0.1	45.00	4.7	30,311	42.75
2	0.15 to < 0.25	871	0.20	0.0	45.00	3.9	504	57.95
3	0.25 to < 0.50	30,711	0.29	0.0	45.00	4.9	24,578	80.03
4	0.50 to < 0.75	23,901	0.63	0.0	45.00	4.8	25,080	104.93
5	0.75 to < 2.50	45,409	1.54	0.0	45.00	4.8	61,376	135.16
6	2.50 to < 10.00	24,687	3.17	0.0	45.00	4.8	39,312	159.24
7	10.00 to < 100.00	6	35.80	0.0	45.00	1.0	14	234.20
8	100.00 (Default)	46	100.00	0.0	45.00	1.0	0	0.00
9	Sub-total	196,529	0.93	0.2	45.00	4.8	181,179	92.18
Total (all portfolios)		¥ 1,227,758	0.23%	1.1	18.05%	2.6	¥ 433,904	35.34%

Note: The SuMi TRUST Bank Group applies the Foundation Internal Ratings-Based Approach to the calculation of risk-weighted assets related to counterparty credit risk.

CCR5: Composition of collateral for CCR exposure

CCR5		Millions of Yen					
		March 31, 2022					
		a	b	c	d	e	f
Item No.		Collateral used in derivative transactions				Collateral used in repo transactions	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash (domestic currency)	¥ —	¥ 166,263	¥ —	¥ 480,779	¥ 50,028	¥ 803,276
2	Cash (other currency)	—	220	—	323,716	1,435,005	972
3	Domestic sovereign debt	12,815	858	14,455	30,797	337,823	353,438
4	Other sovereign debt	859	—	—	—	1,155,773	2,738,273
5	Government agency debt	—	—	—	—	129,008	97,303
6	Corporate bonds	—	—	—	—	312,503	199,355
7	Equity securities	—	—	—	6,995	1,074,742	819,386
8	Other collateral	—	—	—	—	—	—
9	Total	¥ 13,674	¥ 167,342	¥ 14,455	¥ 842,289	¥ 4,494,884	¥ 5,012,006

CCR5		Millions of Yen					
		March 31, 2021					
		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)	¥ —	¥ 123,752	¥ —	¥ 311,385	¥ 30,067	¥ 732,944
2	Cash (other currency)	—	3,789	—	251,567	968,538	549
3	Domestic sovereign debt	—	1,081	—	19,040	228,621	354,177
4	Other sovereign debt	—	—	—	—	845,426	1,704,208
5	Government agency debt	—	—	—	—	116,000	13,375
6	Corporate bonds	—	—	—	—	384,389	326,855
7	Equity securities	—	—	—	12,577	701,562	560,016
8	Other collateral	—	—	—	—	—	—
9	Total	¥ —	¥ 128,624	¥ —	¥ 594,572	¥ 3,274,606	¥ 3,692,125

CCR6: Credit derivatives exposures

CCR6		Millions of Yen	
		March 31, 2022	
Item No.		a	b
		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	¥ 29,000	¥ 29,000
2	Index credit default swaps	37,392	—
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	Total notionals	¥ 66,392	¥ 29,000
	Fair values		
7	Positive fair value (asset)	32	643
8	Negative fair value (liability)	(2,963)	(32)

CCR6		Millions of Yen	
		March 31, 2021	
Item No.		a	b
		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	¥ 40,500	¥ 40,500
2	Index credit default swaps	5,533	—
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	Total notionals	¥ 46,032	¥ 40,500
	Fair values		
7	Positive fair value (asset)	9	913
8	Negative fair value (liability)	(1,387)	(9)

CCR7: RWA flow statements of CCR exposures under Internal Model Method (IMM)

As of March 31, 2022
Not applicable.

As of March 31, 2021
Not applicable.

CCR8: Exposures to central counterparties (CCP)

CCR8		Millions of Yen	
		March 31, 2022	
Item No.		a	b
		EAD to CCP (post-CRM)	RWA amounts
1	Exposures to qualifying central counterparties (QCCPs) (total)		¥ 55,007
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,536,663	30,733
3	(i) OTC derivatives	1,241,187	24,823
4	(ii) Exchange-traded derivatives	202,133	4,042
5	(iii) Repo transactions	93,342	1,866
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	242,227	4,844
9	Pre-funded default fund contributions	32,748	19,429
10	Unfunded default fund contributions	—	—
11	Exposures to non-QCCPs (total)		¥ —
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—
13	(i) OTC derivatives	—	—
14	(ii) Exchange-traded derivatives	—	—
15	(iii) Repo transactions	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—
17	Segregated initial margin	—	
18	Non-segregated initial margin	—	—
19	Pre-funded default fund contributions	—	—
20	Unfunded default fund contributions	—	—

CCR8		Millions of Yen	
		March 31, 2021	
Item No.		a	b
		EAD to CCP (post-CRM)	RWA amounts
1	Exposures to qualifying central counterparties (QCCPs) (total)		¥ 47,434
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,444,565	28,891
3	(i) OTC derivatives	1,208,535	24,170
4	(ii) Exchange-traded derivatives	167,635	3,352
5	(iii) Repo transactions	68,394	1,367
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	182,733	3,654
9	Pre-funded default fund contributions	23,319	14,888
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, 2022								
		a	b	c	d	e	f	g	h	i
Item No.	Type of underlying asset	Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	¥ 85,983	¥ —	¥ 85,983	¥ 377,826	¥ —	¥ 377,826	¥ 126,073	¥ —	¥ 126,073
2	Residential mortgage	85,983	—	85,983	67,793	—	67,793	87,427	—	87,427
3	Credit card	—	—	—	40,787	—	40,787	28,428	—	28,428
4	Other retail exposures	—	—	—	269,245	—	269,245	10,216	—	10,216
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	6,548	—	6,548	14,921	—	14,921	791,122	—	791,122
7	Loans to corporates	—	—	—	—	—	—	791,122	—	791,122
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	6,548	—	6,548	14,921	—	14,921	—	—	—
10	Other wholesale	—	—	—	—	—	—	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

SEC1		Millions of Yen								
		March 31, 2021								
		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	¥ 86,324	¥ —	¥ 86,324	¥ 310,776	¥ —	¥ 310,776	¥ 98,354	¥ —	¥ 98,354
2	Residential mortgage	86,324	—	86,324	75,519	—	75,519	62,570	—	62,570
3	Credit card	—	—	—	40,517	—	40,517	31,905	—	31,905
4	Other retail exposures	—	—	—	194,740	—	194,740	3,877	—	3,877
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	7,511	—	7,511	27,233	—	27,233	720,685	—	720,685
7	Loans to corporates	—	—	—	—	—	—	720,685	—	720,685
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	7,511	—	7,511	27,233	—	27,233	—	—	—
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, 2022
Not applicable.

As of March 31, 2021
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, 2022														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Item No.		Total	Traditional securitisations (sub-total)							Synthetic securitisations (sub-total)						
				Securitisation			Re-securitisation				Securitisation			Re-securitisation		
					Retail underlying	Wholesale		Senior	Non-senior			Retail underlying	Wholesale		Senior	Non-senior
	Exposure values (by RW bands)															
1	≤ 20% risk weight	¥328,047	¥328,047	¥328,047	¥313,125	¥14,921	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	101,665	101,665	101,665	101,665	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	44,314	44,314	44,314	44,314	—	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	11,224	11,224	11,224	4,676	6,548	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	28	28	28	28	—	—	—	—	—	—	—	—	—	—	—
	Exposure Values (by regulatory approach)															
6	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	485,006	485,006	485,006	463,535	21,470	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	245	245	245	245	—	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250% risk weight	28	28	28	28	—	—	—	—	—	—	—	—	—	—	—
	RWA (by regulatory approach)															
10	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	155,117	155,117	155,117	126,415	28,701	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	36	36	36	36	—	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight	352	352	352	352	—	—	—	—	—	—	—	—	—	—	—
	Capital requirement values (by regulatory approach)															
14	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	12,409	12,409	12,409	10,113	2,296	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	2	2	2	2	—	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight	28	28	28	28	—	—	—	—	—	—	—	—	—	—	—

SEC3

Millions of Yen

March 31, 2021

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	¥290,498	¥290,498	¥290,498	¥263,264	¥27,233	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	83,784	83,784	83,784	83,784	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	40,987	40,987	40,987	40,987	—	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	16,528	16,528	16,528	9,016	7,511	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	47	47	47	47	—	—	—	—	—	—	—	—	—	—	—
	Exposure Values (by regulatory approach)															
6	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	431,780	431,780	431,780	397,035	34,744	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	17	17	17	17	—	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250% risk weight	47	47	47	47	—	—	—	—	—	—	—	—	—	—	—
	RWA (by regulatory approach)															
10	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	153,520	153,520	153,520	111,402	42,117	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	2	2	2	2	—	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight	597	597	597	597	—	—	—	—	—	—	—	—	—	—	—
	Capital requirement values (by regulatory approach)															
14	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	12,281	12,281	12,281	8,912	3,369	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight	47	47	47	47	—	—	—	—	—	—	—	—	—	—	—

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, 2022														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Item No.		Total	Traditional securitisations (sub-total)							Synthetic securitisations (sub-total)						
				Securitisation			Re-securitisation				Securitisation			Re-securitisation		
					Retail underlying	Wholesale		Senior	Non-senior			Retail underlying	Wholesale		Senior	Non-senior
	Exposure values (by RW bands)															
1	≤ 20% risk weight	¥830,760	¥830,760	¥830,760	¥96,969	¥733,790	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	17,672	17,672	17,672	16,024	1,647	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	3,988	3,988	3,988	3,376	611	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	64,773	64,773	64,773	9,701	55,071	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
	Exposure Values (by regulatory approach)															
6	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	888,767	888,767	888,767	97,644	791,122	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	28,428	28,428	28,428	28,428	—	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250% risk weight	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
	RWA (by regulatory approach)															
10	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	186,688	186,688	186,688	18,116	168,571	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	14,815	14,815	14,815	14,815	—	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
	Capital requirement values (by regulatory approach)															
14	Subject to the Internal Ratings-Based Approach (SEC-IRBA) or Internal Assessment Approach (IAA)	14,935	14,935	14,935	1,449	13,485	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	1,185	1,185	1,185	1,185	—	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SEC-SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—

SEC4

Millions of Yen

March 31, 2021

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	¥717,104	¥717,104	¥717,104	¥77,100	¥640,004	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	55,565	55,565	55,565	3,103	52,462	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	35,834	35,834	35,834	7,614	28,219	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	10,535	10,535	10,535	10,535	—	—	—	—	—	—	—	—	—	—	—
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)	784,824	784,824	784,824	64,138	720,685	—	—	—	—	—	—	—	—	—	—
7	Subject to the External Ratings-Based Approach (SEC-ERBA)	34,215	34,215	34,215	34,215	—	—	—	—	—	—	—	—	—	—	—
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)	137,830	137,830	137,830	13,121	124,709	—	—	—	—	—	—	—	—	—	—
11	Subject to the External Ratings-Based Approach (SEC-ERBA)	17,129	17,129	17,129	17,129	—	—	—	—	—	—	—	—	—	—	—
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)	11,026	11,026	11,026	1,049	9,976	—	—	—	—	—	—	—	—	—	—
15	Subject to the External Ratings-Based Approach (SEC-ERBA)	1,370	1,370	1,370	1,370	—	—	—	—	—	—	—	—	—	—	—
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, 2022
Item No.		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)
1	Interest rate risk (general and specific)	¥ 4,521
2	Equity risk (general and specific)	—
3	Foreign exchange risk	13,379
4	Commodity risk	—
	Options transactions	
5	Simplified approach	—
6	Delta-plus method	—
7	Scenario approach	—
8	Specific risk related to securitisation exposures	—
9	Total	¥ 17,900

MR1		Millions of Yen
		March 31, 2021
Item No.		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)
1	Interest rate risk (general and specific)	¥ 2,640
2	Equity risk (general and specific)	—
3	Foreign exchange risk	9,965
4	Commodity risk	—
	Options transactions	
5	Simplified approach	—
6	Delta-plus method	—
7	Scenario approach	—
8	Specific risk related to securitisation exposures	—
9	Total	¥ 12,605

MR2: Risk-weighted Assets Flow Statements of Market Risk Exposures under Internal Model Approach

MR2			Billions of Yen					
			March 31, 2022					
			a	b	c	d	e	f
Item No.			VaR	Stressed VaR	Additional risk	Comprehensive risk	Others	Total RWA
1a	RWA at the end of previous reporting period (March 31, 2021)		¥ 365	¥ 1,039	¥ —	¥ —		¥ 1,405
1b	Regulatory adjustment ratio (1a/1c)		3.13	3.08	—	—		3.09
1c	RWA at the end of the previous fiscal year		116	336	—	—		453
2	Factor of RWA changes	Movement in risk levels	(9)	(22)	—	—		(31)
3		Model updates/changes	(33)	49	—	—		15
4		Methodology and policy	—	—	—	—		—
5		Acquisitions and disposals	—	—	—	—		—
6		Foreign exchange movements	(3)	(55)	—	—		(58)
7		Others	36	(52)	—	—		(16)
8a	RWA at the end of the fiscal year		106	255	—	—		362
8b	Regulatory adjustment ratio (8c/8a)		2.58	3.74	—	—		3.40
8c	RWA at the end of current reporting period (March 31, 2022)		275	959	—	—		1,234

Note: The end of the previous fiscal year indicates March 31, 2021, and the end of the fiscal year indicates March 31, 2022.

MR2			Billions of Yen					
			March 31, 2021					
			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, 2020)		¥ 297	¥ 1,013	¥ —	¥ —		¥ 1,311
1b	Regulatory adjustment ratio (1a/1c)		2.69	3.72	—	—		3.42
1c	RWA at the end of the previous fiscal year		110	272	—	—		382
2	Factor of RWA changes	Movement in risk levels	62	72	—	—		134
3		Model updates/changes	—	—	—	—		—
4		Methodology and policy	—	—	—	—		—
5		Acquisitions and disposals	—	—	—	—		—
6		Foreign exchange movements	(7)	1	—	—		(6)
7		Others	(48)	(8)	—	—		(57)
8a	RWA at the end of the fiscal year		116	336	—	—		453
8b	Regulatory adjustment ratio (8c/8a)		3.13	3.08	—	—		3.09
8c	RWA at the end of current reporting period (March 31, 2021)		365	1,039	—	—		1,405

Note: The end of the previous fiscal year indicates March 31, 2020, and the end of the fiscal year indicates March 31, 2021.

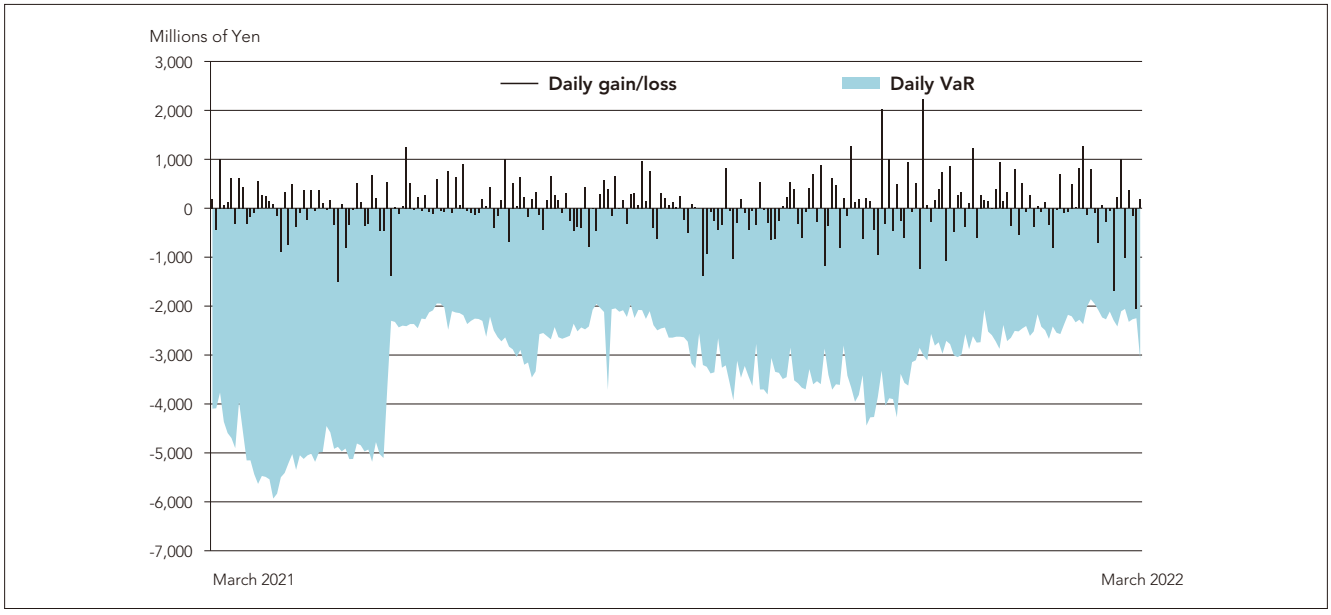
MR3: Values of Internal Model Approaches (IMA) (Market risk)

MR3 Item No.		Millions of Yen
		March 31, 2022
	VaR (holding period:10 business days, one-sided confidence interval:99%)	
1	Maximum value	¥ 15,601
2	Average value	8,618
3	Minimum value	5,388
4	Period end	8,552
	Stressed VaR (holding period:10 business days, one-sided confidence interval:99%)	
5	Maximum value	46,371
6	Average value	33,841
7	Minimum value	20,195
8	Period end	20,464
	Incremental risk charge (one-sided confidence interval: 99.9%)	
9	Maximum value	—
10	Average value	—
11	Minimum value	—
12	Period end	—
	Comprehensive risk capital charge (one-sided confidence interval: 99.9%)	
13	Maximum value	—
14	Average value	—
15	Minimum value	—
16	Period end	—
17	Floor (modified standardised measurement method)	—

MR3 Item No.		Millions of Yen
		March 31, 2021
	VaR (holding period:10 business days, one-sided confidence interval:99%)	
1	Maximum value	¥ 13,022
2	Average value	8,745
3	Minimum value	4,985
4	Period end	9,347
	Stressed VaR (holding period:10 business days, one-sided confidence interval:99%)	
5	Maximum value	34,912
6	Average value	28,314
7	Minimum value	18,982
8	Period end	26,958
	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)	—

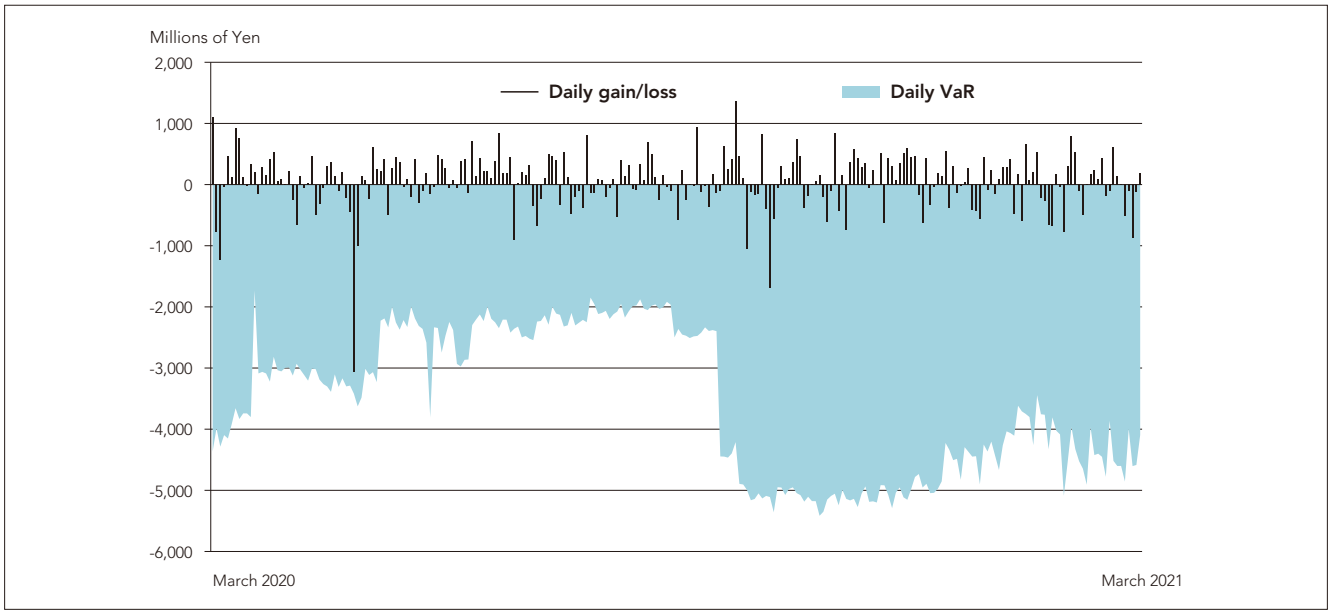
MR4: Backtesting results by Internal Model Approaches (IMA)

MR4	March 31, 2022



Note: As shown above, during the reported period, there was no exceedance occurred in backtesting.

MR4	March 31, 2021



Note: As shown above, during the reported period, three exceedances occurred in backtesting.

IRRBB1: Interest rate risk

IRRBB1		Millions of Yen			
		a	b	c	d
Item No.		⊿EVE		⊿NII	
		March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
1	Parallel up	**¥ 94,116**	¥ 48,562	**¥ (123,722)**	¥ (77,953)
2	Parallel down	**2,127**	81,361	**119,484**	76,463
3	Steepener	**106,332**	92,204		
4	Flattener	**—**	858		
5	Short rate up	**75**	—		
6	Short rate down	**22,118**	57,337		
7	Maximum	**106,332**	92,204	**119,484**	76,463
		e		f	
		March 31, 2022		March 31, 2021	
8	Tier 1 Capital	**¥ 2,423,927**		¥ 2,389,620	

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	2022	2021
		On-Balance Sheet Exposures		
1		On-Balance Sheet Exposures before Deducting Adjustment Items	¥ 44,658,060	¥ 42,737,760
1a	1	Total Assets Reported in the Consolidated Balance Sheet*	49,262,464	46,917,808
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)*	4,604,404	4,180,048
2	7	The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction)	206,994	225,413
3		Total On-Balance Sheet Exposures (A)	44,451,065	42,512,347
		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.	958,635	716,497
5		The Amount Equivalent to Potential Future Exposure Associated with Derivatives Transactions, etc. Multiplied by 1.4		
		Add-On Amount Associated with Derivatives Transactions, etc.	1,068,328	1,037,147
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.	804,496	562,953
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)	149,682	169,107
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	29,000	40,500
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)	29,000	40,500
11	4	Total Exposures Related to Derivative Transactions (B)	2,681,776	2,147,492
		Exposures Related to Repo Transactions		
12		The Amount of Assets Related to Repo Transactions, etc.	803,276	887,958
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)	—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.	417,004	307,438
15		The Exposures for Agent Repo Transaction		
16	5	The Total Exposures Related to Repo Transactions, etc. (C)	1,220,280	1,195,397
		Exposures Related to Off-Balance Sheet Transactions		
17		Notional Amount of Off-Balance Sheet Transactions	8,399,573	8,653,606
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)	5,111,999	5,261,730
19	6	Total Exposures Related to Off-Balance Sheet Transactions (D)	3,287,573	3,391,875
		Basel III Leverage Ratio on a Consolidated Basis		
20		The Amount of Capital (Tier 1 Capital) (E)	2,423,927	2,389,620
21	8	Total Exposures (F) = (A)+(B)+(C)+(D)	¥ 51,640,697	¥ 49,247,112
22		Basel III Leverage Ratio on a Consolidated Basis (G) = (E)/(F)	4.69%	4.85%
		Basel III Leverage Ratio on a Consolidated Basis If Including Deposits Held with the Bank of Japan		
		Total Exposure (F)	¥ 51,640,697	¥ 49,247,112
		Deposits Held with the Bank of Japan	15,084,261	16,231,435
		Total Exposure If Including Deposits Held with the Bank of Japan (F')	66,724,959	65,478,547
		Basel III Leverage Ratio on a Consolidated Basis If Including Deposits Held with the Bank of Japan (H) = (E)/(F')	3.63%	3.64%

Notes: 1. Previously, derivative transactions that fulfilled the requirements stipulated in the Practical Guidelines for Accounting for Financial Instruments were offset. However, starting from the current fiscal year, we have changed to the method of presenting on a gross basis as a general rule. The financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

2. SuMi TRUST Holdings' Basel III leverage ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).
The certain procedure is not part of the audit of the consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the Basel III leverage ratio itself or parts of internal control over the procedure to calculate the ratio.

Liquidity Coverage Ratio (LCR) Consolidated

Quantitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

	Items	Millions of Yen, %, the Number of Data			
		Fiscal Year 2021 4th Quarter		Fiscal Year 2021 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)		¥ 19,203,403		¥ 18,647,224
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash outflows related to unsecured retail funding	¥ 18,135,246	¥ 873,535	¥ 18,200,264	¥ 880,676
3	of which: Stable deposits	850,704	25,521	842,978	25,289
4	of which: Less stable deposits	8,447,291	848,013	8,525,788	855,387
5	Cash outflows related to unsecured wholesale funding	13,488,689	10,655,399	11,731,752	9,097,230
6	of which: Qualifying operational deposits	—	—	—	—
7	of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	10,096,227	7,262,937	9,058,987	6,424,465
8	of which: Debt securities	3,392,462	3,392,462	2,672,765	2,672,765
9	Cash outflows related to secured funding, etc.		9,935		5,497
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	6,312,256	1,683,255	6,136,693	1,555,527
11	of which: Cash outflows related to derivative transactions, etc.	381,443	381,443	335,697	335,697
12	of which: Cash outflows related to funding programs	—	—	—	—
13	of which: Cash outflows related to credit and liquidity facilities	5,930,813	1,301,812	5,800,996	1,219,830
14	Cash outflows related to contractual funding obligations, etc.	420,080	269,897	575,677	404,855
15	Cash outflows related to contingencies	10,933,810	21,569	10,887,395	21,489
16	Total cash outflows		13,513,590		11,965,274
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash inflows related to secured lending, etc.	¥ 50,141	¥ —	¥ 55,209	¥ —
18	Cash inflows related to collection of loans, etc.	3,071,793	2,153,086	3,989,919	3,217,947
19	Other cash inflows	599,597	256,431	585,442	295,855
20	Total cash inflows	3,721,531	2,409,517	4,630,570	3,513,802
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		¥ 19,203,403		¥ 18,647,224
22	Net cash outflows		11,104,073		8,451,472
23	Consolidated Liquidity Coverage Ratio (LCR)		172.9%		220.6%
24	The number of data used to calculate the average value		59		63

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our consolidated LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

Our consolidated LCR satisfies the regulated level (100%) as required under liquidity ratio regulations and the actual LCR is roughly in line with our initial forecast. Up ahead, we do not expect our LCR to deviate significantly from the current level.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality liquid assets and net cash outflows in major currencies.

(4) Other items concerning LCR

We apply neither the "treatment for qualifying operational deposit" nor the "additional collateral required to market valuation changes based on the scenario approach."

Furthermore, taking account of the impact to LCR, we are using month-end data in lieu of daily data for the consolidated subsidiary companies of minor importance with practical restrictions.

Net Stable Funding Ratio (NSFR) Consolidated

Consolidated Net Stable Funding Ratio

Quantitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a consolidated basis

Item No.		Millions of Yen, %				
		Fiscal Year 2021 4th Quarter				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) items (1)						
1	Capital	¥ 2,622,188	¥ —	¥ —	¥ 315,000	¥ 2,937,188
2	of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	2,622,188	—	—	279,855	2,902,043
3	of which: Other capital instruments that are not included in the above category	—	—	—	35,144	35,144
4	Funding from retail and small business customers	12,527,338	—	—	6,179,505	17,454,110
5	of which: Stable deposits	—	—	—	—	—
6	of which: Less stable deposits	12,527,338	—	—	6,179,505	17,454,110
7	Wholesale funding	4,642,472	22,096,806	1,789,650	9,780,778	15,174,474
8	of which: Operational deposits	—	—	—	—	—
9	of which: Other wholesale funding	4,642,472	22,096,806	1,789,650	9,780,778	15,174,474
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	Other liabilities	289,354	1,075,606	40,000	—	35,156
12	of which: Derivative liabilities				—	
13	of which: All other liabilities and equity not included in the above categories	289,354	1,075,606	40,000	—	35,156
14	Total available stable funding					¥ 35,600,930
Required stable funding (RSF) items (2)						
15	HQLA					¥ 1,099,534
16	Deposits held at financial institutions for operational purposes	—	—	—	60,499	60,499
17	Loans, repo transactions-related assets, securities and other similar assets	174,635	5,376,323	2,158,814	27,127,685	25,413,643
18	of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA)	—	596,518	—	—	0
19	of which: Loans to- and repo transactions with- financial institutions (not included in item 18)	52,968	1,135,698	411,567	2,300,228	2,709,382
20	of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22)	—	2,940,999	1,308,940	11,689,669	12,029,255
21	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	577,208	85,897	201,668	462,637
22	of which: Residential mortgages	—	417,061	353,125	10,994,995	8,564,348
23	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	329,949	257,961	6,469,839	4,611,191
24	of which: Securities that are not in default and do not qualify as HQLA and other similar assets	121,666	286,045	85,180	2,142,791	2,110,656
25	Assets with matching interdependent liabilities	—	—	—	—	—
26	Other assets	917,529	350,591	3,358	2,623,880	3,439,916
27	of which: Physical traded commodities, including gold	—				—
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)				329,170	279,794
29	of which: Derivative assets				379,155	379,155
30	of which: Derivative liabilities (before deduction of variation margin posted)				44,169	44,169
31	of which: All other assets not included in the above categories	917,529	350,591	3,358	1,871,385	2,736,797
32	Off-balance sheet items				6,475,431	490,601
33	Total required stable funding					¥ 30,504,195
34	Consolidated net stable funding ratio (NSFR)					116.7%

Item No.		Millions of Yen, %				
		Fiscal Year 2021 3rd Quarter				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) items (1)						
1	Capital	¥ 2,675,262	¥ —	¥ —	¥ 310,000	¥ 2,985,262
2	of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	2,675,262	—	—	281,261	2,956,523
3	of which: Other capital instruments that are not included in the above category	—	—	—	28,738	28,738
4	Funding from retail and small business customers	12,483,515	—	—	6,265,184	17,500,348
5	of which: Stable deposits	—	—	—	—	—
6	of which: Less stable deposits	12,483,515	—	—	6,265,184	17,500,348
7	Wholesale funding	4,584,050	22,631,985	1,731,392	9,189,069	14,939,565
8	of which: Operational deposits	—	—	—	—	—
9	of which: Other wholesale funding	4,584,050	22,631,985	1,731,392	9,189,069	14,939,565
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	Other liabilities	238,211	1,010,118	40,000	—	33,964
12	of which: Derivative liabilities				—	
13	of which: All other liabilities and equity not included in the above categories	238,211	1,010,118	40,000	—	33,964
14	Total available stable funding					¥ 35,459,141
Required stable funding (RSF) items (2)						
15	HQLA					¥ 1,360,580
16	Deposits held at financial institutions for operational purposes	—	—	—	89,066	89,066
17	Loans, repo transactions-related assets, securities and other similar assets	176,610	5,960,563	2,030,394	26,347,210	24,925,795
18	of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA)	—	599,494	—	—	0
19	of which: Loans to- and repo transactions with- financial institutions (not included in item 18)	45,942	1,303,952	301,907	2,160,809	2,539,542
20	of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22)	—	3,584,812	1,093,418	11,224,717	11,862,979
21	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	726,897	19,572	127,731	456,260
22	of which: Residential mortgages	—	428,792	341,489	10,935,675	8,521,302
23	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	342,198	248,541	6,436,722	4,590,741
24	of which: Securities that are not in default and do not qualify as HQLA and other similar assets	130,667	43,512	293,578	2,026,007	2,001,971
25	Assets with matching interdependent liabilities	—	—	—	—	—
26	Other assets	798,849	288,419	10,066	2,141,604	2,931,355
27	of which: Physical traded commodities, including gold	—				—
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)				253,041	230,606
29	of which: Derivative assets				149,893	149,893
30	of which: Derivative liabilities (before deduction of variation margin posted)				27,539	27,539
31	of which: All other assets not included in the above categories	798,849	288,419	10,066	1,711,130	2,523,316
32	Off-balance sheet items				6,203,441	418,895
33	Total required stable funding					¥ 29,725,694
34	Consolidated net stable funding ratio (NSFR)					119.2%

Qualitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a consolidated basis

(1) Items concerning fluctuations in the consolidated NSFR over time

Our consolidated NSFR has remained stable mainly due to our predetermined funding policy on the sticky money.

(2) Items concerning special provisions for interdependent assets and liabilities

The "Special provisions for interdependent assets and liabilities" stipulated in the items under Article 101 of the Financial Services Agency Notification on Liquidity Ratio are not applied on a consolidated basis.

(3) Other items concerning consolidated NSFR

Our consolidated NSFR satisfies the regulated level (100%), and we do not expect NSFR to deviate significantly from the current level in the future.

Currently, the entire amount of funding from retail and small business customers is recorded as "less stable deposits."

KM1: Key Metrics

Non-consolidated

KM1 Basel III Template No.		Millions of Yen, %				
		a	b	c	d	e
		March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	¥ 1,852,771	¥ 1,891,736	¥ 1,891,607	¥ 1,868,971	¥ 1,858,096
2	Tier 1	2,122,761	2,161,726	2,161,597	2,138,961	2,128,096
3	Total capital	2,486,809	2,592,234	2,574,977	2,560,419	2,559,523
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	18,815,901	18,666,117	18,484,376	18,872,154	19,165,759
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio	9.84%	10.13%	10.23%	9.90%	9.69%
6	Tier 1 ratio	11.28%	11.58%	11.69%	11.33%	11.10%
7	Total capital ratio	13.21%	13.88%	13.93%	13.56%	13.35%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	49,725,068	47,457,727	46,865,337	46,838,519	47,356,321
14	Basel III leverage ratio	4.26%	4.55%	4.61%	4.56%	4.49%

KM1 Basel III Template No.		Millions of Yen, %				
		a	b	c	d	e
		Fiscal Year 2021 4th Quarter	Fiscal Year 2021 3rd Quarter	Fiscal Year 2021 2nd Quarter	Fiscal Year 2021 1st Quarter	Fiscal Year 2020 4th Quarter
	Non-consolidated Liquidity Coverage Ratio (LCR)					
15	Total HQLA allowed to be included in the calculation	¥ 18,957,174	¥ 18,392,482	¥ 18,617,493	¥ 17,994,265	¥ 17,824,739
16	Net cash outflows	10,155,805	7,412,781	8,728,516	8,716,289	9,993,155
17	Non-consolidated LCR	186.6%	248.1%	213.2%	206.4%	178.3%
	Non-consolidated Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	34,769,782	34,606,743	34,937,986		
19	Total required stable funding	28,267,940	27,545,952	27,602,145		
20	Non-consolidated NSFR	123.0%	125.6%	126.5%		

Composition of Capital (Non-consolidated BIS capital adequacy ratio)

Non-consolidated

CC1: Composition of Capital

CC1 As of March 31		Millions of Yen, %		
		a	b	c
Basel III Template No.	Items	2022	2021	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	**¥ 1,783,447**	¥ 1,732,212	
1a	of Which: Capital Stock and Capital Surplus	**685,103**	685,103	
2	of Which: Retained Earnings	**1,121,938**	1,066,952	
1c	of Which: Treasury Stock (Deduction)	**—**	—	
26	of Which: Earnings to be Distributed (Deduction)	**23,594**	19,843	
	of Which: Others	**—**	—	
1b	Subscription Rights to Common Shares	**—**	—	
3	Valuation and Translation Adjustments	**244,263**	297,484	(a)
6	Common Equity Tier 1 Capital: Instruments and Reserves (A)	**2,027,711**	2,029,696	
	Common Equity Tier 1 Capital: Regulatory Adjustments			
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	**53,947**	40,851	
8	of Which: Goodwill (Including Those Equivalent)	**—**	—	
9	of Which: Other Intangible Assets	**53,947**	40,851	
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	**(61,694)**	(35,018)	
12	Shortfall of Eligible Provisions to Expected Losses	**—**	—	
13	Securitisation Gain on Sale	**993**	1,202	
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	**6,253**	—	
15	Defined-Benefit Pension Fund Net Assets (Prepaid Pension Expenses) (Net of Related Deferred Tax Liabilities)	**175,440**	164,563	
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)	**174,939**	171,599	
	Common Equity Tier 1 Capital (CET1)			
29	Common Equity Tier 1 Capital (C) = (A)–(B)	**¥ 1,852,771**	¥ 1,858,096	

CC1 As of March 31			Millions of Yen, %		
			a	b	c
Basel III Template No.		Items	2022	2021	Reference Numbers to Reconciliation with the Balance Sheet
		Additional Tier 1 Capital: Instruments			
30	31a	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	—	
	31b	Subscription Rights to Additional Tier 1 Instruments	—	—	
	32	Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	**¥ 270,000**	¥ 270,000	
		Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—	—	
33+35		Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital	—	—	
36		Additional Tier 1 Capital: Instruments (D)	**270,000**	270,000	
		Additional Tier 1 Capital: Regulatory Adjustments			
37		Investments in Own Additional Tier 1 Instruments	—	—	
38		Reciprocal Cross-Holdings in Additional Tier 1 Instruments	—	—	
39		Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	—	—	
40		Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	**10**	—	
42		Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions	—	—	
43		Additional Tier 1 Capital: Regulatory Adjustments (E)	**10**	—	
		Additional Tier 1 Capital (AT1)			
44		Additional Tier 1 Capital (F) = (D) – (E)	**269,990**	270,000	
		Tier 1 Capital (T1 = CET1 + AT1)			
45		Tier 1 Capital (G) = (C) + (F)	**2,122,761**	2,128,096	
		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	**339,855**	335,153	
		Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—	—	
47+49		Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2 Capital	—	85,790	
50		Provisions Allowed in Group Tier 2	**25,733**	12,022	
50a		of Which: General Allowance for Credit Losses	—	—	
50b		of Which: Excess Amount of Eligible Provisions to Expected Losses	**25,733**	12,022	
51		Tier 2 Capital: Instruments and Provisions (H)	**¥ 365,588**	¥ 432,966	

CC1 As of March 31 Basel III Template No.	Items	Millions of Yen, % a 2022	 b 2021	 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)	**364,048**	431,426	
	Total Capital (TC = T1 + T2)			
59	Total Capital (K) = (G) + (J)	**2,486,809**	2,559,523	
	Total Risk Weighted Assets			
60	Total Risk Weighted Assets (L)	**18,815,901**	19,165,759	
	Capital Ratios (Non-consolidated)			
61	Common Equity Tier 1 Capital Ratio (C)/(L)	**9.84%**	9.69%	
62	Tier 1 Capital Ratio (G)/(L)	**11.28%**	11.10%	
63	Total Capital Ratio (K)/(L)	**13.21%**	13.35%	
	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)	**95,249**	123,647	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)	**66,072**	63,134	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)	—	—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)	**31,220**	—	
	Provisions Included in Tier 2 Capital: Instruments and Provisions			
76	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardised Approach (Prior to Applicable of Cap)	—	—	
77	Cap on Inclusion of Provisions in Tier 2 under Standardised Approach	**3,221**	2,412	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)	**25,733**	12,022	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach	**95,829**	97,113	
	Capital Instruments Subject to Phase out Arrangements			
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements	—	38,900	
83	Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)	—	—	
84	Current Cap on Tier 2 Instruments Subject to Phase out Arrangements	—	85,790	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)	¥ —	¥ 69,699	

Note: SuMi TRUST Holdings' non-consolidated capital adequacy ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).
The certain procedure is not part of the audit of the non-consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the non-consolidated BIS capital adequacy ratio itself or parts of internal control over the procedure to calculate the ratio.

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Non-consolidated

Fiscal Year 2021

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	¥ 17,925,030	¥ 17,925,031		
Call Loans	5,000	5,000		
Receivables under Resale Agreements	150,741	150,741		
Receivables under Securities Borrowing Transactions	652,534	652,534		
Monetary Claims Bought	123,567	123,567		
Trading Assets	1,048,258	1,048,258		
Money Held in Trust	99	99		
Securities	7,951,169	7,951,168		6–a
Loans and Bills Discounted	30,916,363	30,916,363		6–b
Foreign Exchanges	29,494	29,494		
Other Assets	2,922,768	2,922,768		6–c
Tangible Fixed Assets	184,334	184,334		
Intangible Fixed Assets	77,756	77,756		2
Prepaid Pension Expenses	252,869	252,869		3
Customers' Liabilities for Acceptances and Guarantees	426,405	426,405		
Allowance for Loan Losses	(136,300)	(136,300)		
Total Assets	¥ 62,530,092	¥ 62,530,092		

CC2 Items	a 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	¥ 32,898,724	¥ 32,898,724		
Negotiable Certificates of Deposit	6,809,644	6,809,644		
Call Money	932,640	932,640		
Payables under Repurchase Agreements	1,485,033	1,485,033		
Trading Liabilities	906,686	906,686		
Borrowed Money	7,335,261	7,335,261		7
Foreign Exchanges	15,362	15,362		
Short-term Bonds Payable	1,845,782	1,845,782		
Bonds Payable	1,371,604	1,371,604		
Borrowed Money from Trust Account	4,298,827	4,298,827		
Other Liabilities	2,066,310	2,066,310		6–d
Provision for Bonuses	9,599	9,599		
Provision for Directors' Bonuses	98	98		
Provision for Stocks Payment	569	569		
Provision for Retirement Benefits	940	940		
Provision for Reimbursement of Deposits	3,626	3,626		
Provision for Contingent Losses	1,649	1,649		
Deferred Tax Liabilities	67,628	67,628		4–a
Deferred Tax Liabilities for Land Revaluation	2,388	2,388		4–b
Acceptances and Guarantees	426,405	426,405		
Total Liabilities	60,478,786	60,478,786		
(Net Assets)				
Capital Stock	342,037	342,037		1–a
Capital Surplus	343,066	343,066		1–b
Retained Earnings	1,121,938	1,121,938		1–c
Total Shareholders' Equity	1,807,041	1,807,041		
Valuation Differences on Available-for-Sale Securities	291,152	291,152		
Deferred Gains (Losses) on Hedges	(42,431)	(42,431)		5
Revaluation Reserve for Land	(4,456)	(4,456)		
Foreign Currency Translation Adjustments	—	(0)		
Total Valuation and Translation Adjustments	244,263	244,263	(a)	
Total Net Assets	2,051,305	2,051,305		
Total Liabilities and Net Assets	¥ 62,530,092	¥ 62,530,092		

(Appendix)

1. Shareholders' equity

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1–a
Capital Surplus	343,066		1–b
Retained Earnings	1,121,938		1–c
Total Shareholders' Equity	¥ 1,807,041		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,807,041	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	685,103		1a
of Which: Retained Earnings	1,121,938		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible assets

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 77,756		2
Associated Deferred Tax Liabilities	23,808		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ —		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	53,947	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-benefit pension fund net assets (prepaid pension Expenses)

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Prepaid Pension Expenses	¥ 252,869		3
Associated Deferred Tax Liabilities	77,428		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Defined-Benefit Pension Fund Net Assets (Prepaid Pension Expenses) (Net of Related Deferred Tax Liabilities)	¥ 175,440		15

4. Deferred tax assets

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Liabilities	¥ 67,628		4–a
Deferred Tax Liabilities for Land Revaluation	2,388		4–b
Associated Intangible Fixed Assets	23,808		
Associated Prepaid Pension Expenses	77,428		

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ —	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	31,220	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	31,220		75

5. Deferred gains or losses on hedges

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains (Losses) on Hedges	¥ (42,431)		5

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (61,694)	Excluding those items whose valuation differences arising from hedged items are recognized as "Valuation and translation adjustments"	11

6. Investments in the Capital and Other TLAC Liabilities of Financial Entities

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 7,951,169		6–a
Loans and Bills Discounted	30,916,363	Including Subordinated Debts	6–b
Other Assets	2,922,768	Including derivatives	6–c
Other Liabilities	¥ 2,066,310	Including derivatives	6–d

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Investments in Own Capital	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in the Capital and Other TLAC Liabilities	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital and Other TLAC Liabilities	—		53
Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital	95,249		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital and Other TLAC Liabilities	—		54
Amount below the Thresholds for Deduction (before risk weighting)	95,249		72
Significant Investments in the Capital and Other TLAC Liabilities of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	67,622		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	10		40
Tier 2 Capital and Other TLAC Liabilities	1,540		55
Amount below the Thresholds for Deduction (before risk weighting)	66,072		73

7. Other Capital Instruments

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 7,335,261		7

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 270,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	339,855		46

Fiscal Year 2020

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	¥ 18,216,321	¥ 18,216,322		
Call Loans	8,766	8,766		
Receivables under Resale Agreements	160,268	160,268		
Receivables under Securities Borrowing Transactions	727,689	727,689		
Monetary Claims Bought	105,830	105,830		
Trading Assets*	1,042,356	1,042,356		
Money Held in Trust	99	99		
Securities	7,090,335	7,090,333		6–a
Loans and Bills Discounted	30,691,618	30,691,618		6–b
Foreign Exchanges	25,396	25,396		
Other Assets*	2,488,201	2,488,201		6–c
Tangible Fixed Assets	186,717	186,717		
Intangible Fixed Assets	58,880	58,880		2
Prepaid Pension Expenses	237,191	237,191		3
Customers' Liabilities for Acceptances and Guarantees	383,537	383,537		
Allowance for Loan Losses	(100,846)	(100,846)		
Total Assets*	¥ 61,322,366	¥ 61,322,366		

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	¥ 33,174,292	¥ 33,174,292		
Negotiable Certificates of Deposit	7,444,194	7,444,194		
Call Money	180,886	180,886		
Payables under Repurchase Agreements	1,628,440	1,628,440		
Trading Liabilities*	850,660	850,660		
Borrowed Money	5,883,091	5,883,091		7
Foreign Exchanges	16,631	16,631		
Short-term Bonds Payable	2,013,793	2,013,793		
Bonds Payable	865,605	865,605		
Borrowed Money from Trust Account	4,915,208	4,915,208		
Other Liabilities*	1,806,666	1,806,666		6–d
Provision for Bonuses	9,009	9,009		
Provision for Directors' Bonuses	103	103		
Provision for Stocks Payment	417	417		
Provision for Retirement Benefits	783	783		
Provision for Reimbursement of Deposits	4,138	4,138		
Provision for Contingent Loss	1,633	1,633		
Deferred Tax Liabilities	91,342	91,342		4–a
Deferred Tax Liabilities for Land Revaluation	2,388	2,388		4–b
Acceptances and Guarantees	383,537	383,537		
Total Liabilities*	59,272,826	59,272,826		
(Net Assets)				
Capital Stock	342,037	342,037		1–a
Capital Surplus	343,066	343,066		1–b
Retained Earnings	1,066,952	1,066,952		1–c
Total Shareholders' Equity	1,752,055	1,752,055		
Valuation Difference on Available-for-Sale Securities	340,796	340,796		
Deferred Gains or Losses on Hedges	(39,295)	(39,295)		5
Revaluation Reserve for Land	(4,016)	(4,016)		
Foreign Currency Translation Adjustments	—	(0)		
Total Valuation and Translation Adjustments	297,484	297,484	(a)	
Total Net Assets	2,049,539	2,049,539		
Total Liabilities and Net Assets*	¥ 61,322,366	¥ 61,322,366		

Note: Previously, transactions that fulfilled the requirements stipulated in the Practical Guidelines for Accounting for Financial Instruments were offset against each other. However, in order to properly indicate the credit risk due to the presence or absence of collateral related to derivative transactions, starting from the current fiscal year, we have changed to the method of presenting on a gross basis as a general rule. The financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

(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	1,066,952		1–c
Total Shareholders' Equity	¥ 1,752,055		

(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	¥ 1,752,055	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	1,066,952		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	¥ 58,880		2
Associated Deferred Tax Liabilities	18,029		

(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)	40,851	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	¥ 237,191		3
Associated Deferred Tax Liabilities	72,628		

(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)	¥ 164,563		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	¥ 91,342		4–a
Deferred Tax Liabilities for Land Revaluation	2,388		4–b
Associated Intangible Fixed Assets	18,029		
Associated Prepaid Pension Expenses	72,628		

(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	¥ (39,295)		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	¥ (35,018)	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	¥ 7,090,335		6–a
Loans and Bills Discounted	30,691,618	Including subordinated loans	6–b
Other Assets	2,488,201	Including derivatives	6–c
Other Liabilities	¥ 1,806,666	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	123,647		
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)	123,647		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	64,674		
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)	63,134		73

7. Other Capital Instruments

(1) Non-consolidated balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 5,883,091		7

(2) Composition of capital

Items in the Composition of Capital	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 270,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	335,153		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, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
1	Credit risk (excluding counterparty credit risk)	**¥ 12,290,526**	¥ 12,381,768	**¥ 1,032,083**	¥ 1,040,123
2	of Which: Standardised Approach (SA)	**827**	1,106	**66**	88
3	of Which: Internal Ratings-Based (IRB) Approach	**10,175,272**	10,329,612	**862,863**	875,951
	of Which: Significant investments in commercial entities	**—**	—	**—**	—
	of Which: Lease residual value	**—**	—	**—**	—
	Other assets	**2,114,426**	2,051,049	**169,154**	164,083
4	Counterparty credit risk (CCR)	**1,149,099**	1,155,749	**94,014**	94,542
5	of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR)	**—**	—	**—**	—
	of Which: Current Exposure Method (CEM)	**407,204**	405,097	**34,530**	34,352
6	of Which: Expected Positive Exposure (EPE)	**—**	—	**—**	—
	of Which: Credit Valuation Adjustment (CVA)	**659,325**	674,527	**52,746**	53,962
	of Which: Central Counterparty (CCP)	**55,007**	47,434	**4,400**	3,794
	Others	**27,562**	28,689	**2,337**	2,432
7	Equity positions in banking book under market-based approach	**186,018**	482,003	**15,774**	40,873
8	Equity Investments in Funds (Look-through Approach)	**893,938**	1,054,083	**71,515**	84,326
9	Equity Investments in Funds (Mandate-based Approach)	**1,228,015**	948,627	**98,241**	75,890
	Equity Investments in Funds (Probability Approach 250%)	**—**	—	**—**	—
	Equity Investments in Funds (Probability Approach 400%)	**—**	—	**—**	—
10	Equity Investments in Funds (Probability Approach 1,250%)	**1,448**	1,091	**115**	87
11	Settlement risk	**—**	—	**—**	—
12	Securitisation exposures in banking book	**289,158**	235,194	**23,132**	18,815
13	of Which: Internal Rating-Based Approach (SEC-IRBA)	**274,306**	218,062	**21,944**	17,444
14	of Which: External Rating-Based Approach (SEC-ERBA)	**14,852**	17,132	**1,188**	1,370
15	of Which: Standardised Approach (SEC-SA)	**—**	—	**—**	—
	of Which: Subject to 1,250% risk weight	**0**	0	**0**	0
16	Market risk	**1,240,649**	1,407,899	**99,251**	112,631
17	of Which: Standardised Approach (SA)	**5,793**	2,640	**463**	211
18	of Which: Internal Model Approaches (IMA)	**1,234,856**	1,405,258	**98,788**	112,420
19	Operational risk	**631,520**	657,321	**50,521**	52,585
20	of Which: Basic Indicator Approach (BIA)	**—**	—	**—**	—
21	of Which: The Standardised Approach (TSA)	**—**	—	**—**	—
22	of Which: Advanced Measurement Approach (AMA)	**631,520**	657,321	**50,521**	52,585
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**243,170**	157,826	**20,620**	13,383
	Amounts included under transitional arrangements	**—**	—	**—**	—
24	Floor adjustment	**—**	—	**—**	—
25	Total (after applying scaling factor)	**¥ 18,815,901**	¥ 19,165,759	**¥ 1,505,272**	¥ 1,533,260

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, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
1	Parallel up	**¥ 74,043**	¥ 41,776	**¥ (124,791)**	¥ (79,319)
2	Parallel down	**2,132**	98,554	**120,552**	77,829
3	Steepener	**98,697**	86,223		
4	Flattener	**—**	854		
5	Short rate up	**75**	—		
6	Short rate down	**28,865**	63,474		
7	Maximum	**98,697**	98,554	**120,552**	77,829
		e		f	
		March 31, 2022		March 31, 2021	
8	Tier 1 Capital	**¥ 2,122,761**		¥ 2,128,096	

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		2022	2021
		On-Balance Sheet Exposures			
1		On-balance Sheet Exposures before Deducting Adjustment Items		¥ 42,957,850	¥ 41,041,954
1a	1	Total Assets Reported in the Non-consolidated Balance Sheet*		47,445,830	45,090,930
1b	3	The Amount of Assets that are Deducted from the Total Assets Reported in the Non-consolidated Balance Sheet (except adjustment items) (Deduction)*		4,487,979	4,048,976
2	7	The Amount of Adjustment Items Pertaining to Tier1 Capital (Deduction)		229,397	205,415
3		Total On-Balance Sheet Exposures	(A)	42,728,453	40,836,539
		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.		957,062	713,671
5		The Amount Equivalent to Potential Future Exposure Associated with Derivatives Transactions, etc. Multiplied by 1.4			
		Add-On Amount Associated with Derivatives Transactions, etc.		1,066,025	1,034,582
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.		804,496	562,953
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)		149,682	169,107
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		29,000	40,500
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)		29,000	40,500
11	4	Total Exposures Related to Derivative Transactions	(B)	2,677,901	2,142,099
		Exposures Related to Repo Transactions			
12		The Amount of Assets Related to Repo Transactions, etc.		803,276	887,958
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)		—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.		406,377	291,231
15		The Exposures for Agent Repo Transaction			
16	5	The Total Exposures Related to Repo Transactions, etc.	(C)	1,209,654	1,179,190
		Exposures Related to Off-Balance Sheet Transactions			
17		Notional Amount of Off-Balance Sheet Transactions		5,936,622	6,138,198
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)		2,827,562	2,939,706
19	6	Total Exposures Related to Off-Balance Sheet Transactions	(D)	3,109,059	3,198,491
		Basel III Leverage ratio on a Non-consolidated Basis			
20		The Amount of Capital (Tier 1 Capital)	(E)	2,122,761	2,128,096
21	8	Total Exposures	(F) = (A)+(B)+(C)+(D)	¥ 49,725,068	¥ 47,356,321
22		Basel III Leverage Ratio on a Non-consolidated Basis	(G) = (E)/(F)	4.26%	4.49%
		Basel III Leverage Ratio on a Non-consolidated Basis If Including Deposits Held with the Bank of Japan			
		Total Exposures	(F)	¥ 49,725,068	¥ 47,356,321
		Deposits held with the Bank of Japan		15,084,261	16,231,435
		Total exposure if including deposits held with the Bank of Japan	(F')	64,809,330	63,587,756
		Basel III Leverage Ratio on a Non-consolidated Basis If Including Deposits Held with the Bank of Japan	(H) = (E)/(F')	3.27%	3.34%

Notes: 1. Previously, derivative transactions that fulfilled the requirements stipulated in the Practical Guidelines for Accounting for Financial Instruments were offset. However, starting from the current fiscal year, we have changed to the method of presenting on a gross basis as a general rule. The financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

2. SuMi TRUST Holdings' Basel III leverage ratio calculation was audited by KPMG AZSA LLC, an external auditor, in accordance with "Practical Guidance on Agreed-Upon Procedures Engagement for Capital Adequacy Ratio and Leverage Ratio Calculation" (Practical Guidance 4465 for Specialized Business of the Japanese Institute of Certified Public Accountants).
The certain procedure is not part of the audit of the non-consolidated financial statements or the audit of the internal control over the financial reporting but was conducted by the external auditor on the agreed-upon scope and under agreed-upon examination procedures, and is a report of the results presented to us. It thus does not represent an opinion or conclusion by the external auditor regarding the Basel III leverage ratio itself or parts of internal control over the procedure to calculate the ratio.

Liquidity Coverage Ratio (LCR)

Non-consolidated

Quantitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a non-consolidated basis

	Items	Millions of Yen, %, the Number of Data			
		Fiscal Year 2021 4th Quarter		Fiscal Year 2021 3rd Quarter	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)		¥ 18,957,174		¥ 18,392,482
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash outflows related to unsecured retail funding	¥ 18,135,309	¥ 873,553	¥ 18,200,310	¥ 880,689
3	of which: Stable deposits	850,704	25,521	842,978	25,289
4	of which: Less stable deposits	8,447,354	848,032	8,525,834	855,400
5	Cash outflows related to unsecured wholesale funding	13,068,138	10,241,070	11,279,490	8,647,513
6	of which: Qualifying operational deposits	—	—	—	—
7	of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	9,828,434	7,001,366	8,764,265	6,132,288
8	of which: Debt securities	3,239,704	3,239,704	2,515,225	2,515,225
9	Cash outflows related to secured funding, etc.		9,935		5,497
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	5,345,635	1,574,038	5,215,262	1,476,112
11	of which: Cash outflows related to derivative transactions, etc.	320,088	320,088	302,792	302,792
12	of which: Cash outflows related to funding programs	—	—	—	—
13	of which: Cash outflows related to credit and liquidity facilities	5,025,547	1,253,950	4,912,470	1,173,320
14	Cash outflows related to contractual funding obligations, etc.	313,870	163,735	398,131	227,346
15	Cash outflows related to contingencies	12,485,793	21,982	12,436,517	21,897
16	Total cash outflows		12,884,313		11,259,054
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash inflows related to secured lending, etc.	¥ 50,141	¥ —	¥ 55,209	¥ —
18	Cash inflows related to collection of loans, etc.	3,409,491	2,533,005	4,314,430	3,584,277
19	Other cash inflows	535,116	195,503	550,537	261,996
20	Total cash inflows	3,994,748	2,728,508	4,920,176	3,846,273
Non-consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		¥ 18,957,174		¥ 18,392,482
22	Net cash outflows		10,155,805		7,412,781
23	Non-consolidated Liquidity Coverage Ratio (LCR)		186.6%		248.1%
24	The number of data used to calculate the average value		59		63

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a non-consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our non-consolidated LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

Our non-consolidated LCR satisfies the regulated level (100%) as required under liquidity ratio regulations and the actual LCR is roughly in line with our initial forecast. Up ahead, we do not expect our LCR to deviate significantly from the current level.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality liquid assets and net cash outflows in major currencies.

(4) Other items concerning LCR

We apply neither the "treatment for qualifying operational deposit" nor the "additional collateral required to market valuation changes based on the scenario approach."

Net Stable Funding Ratio (NSFR) — Non-consolidated

Non-consolidated Net Stable Funding Ratio

Quantitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a non-consolidated basis

Item No.		Millions of Yen, %				
		Fiscal Year 2021 4th Quarter				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) items (1)						
1	Capital	¥ 2,323,444	¥ —	¥ —	¥ 315,000	¥ 2,638,444
2	of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	2,323,444	—	—	279,855	2,603,299
3	of which: Other capital instruments that are not included in the above category	—	—	—	35,144	35,144
4	Funding from retail and small business customers	12,531,767	—	—	6,179,505	17,458,096
5	of which: Stable deposits	—	—	—	—	—
6	of which: Less stable deposits	12,531,767	—	—	6,179,505	17,458,096
7	Wholesale funding	4,740,018	21,813,313	1,683,131	9,412,897	14,653,241
8	of which: Operational deposits	—	—	—	—	—
9	of which: Other wholesale funding	4,740,018	21,813,313	1,683,131	9,412,897	14,653,241
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	Other liabilities	386,684	195,708	40,000	—	20,000
12	of which: Derivative liabilities				—	
13	of which: All other liabilities and equity not included in the above categories	386,684	195,708	40,000	—	20,000
14	Total available stable funding					¥ 34,769,782
Required stable funding (RSF) items (2)						
15	HQLA					¥ 1,099,534
16	Deposits held at financial institutions for operational purposes	—	98,722	4,500	75,104	126,715
17	Loans, repo transactions-related assets, securities and other similar assets	181,066	6,184,436	2,043,833	26,090,058	24,558,259
18	of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA)	—	596,518	—	—	0
19	of which: Loans to- and repo transactions with- financial institutions (not included in item 18)	59,400	2,064,132	433,582	2,393,077	2,953,469
20	of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22)	—	2,940,999	1,308,940	11,689,669	12,029,255
21	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	577,208	85,897	201,668	462,637
22	of which: Residential mortgages	—	216,047	216,129	9,864,519	7,424,531
23	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	136,605	136,266	6,431,029	4,416,493
24	of which: Securities that are not in default and do not qualify as HQLA and other similar assets	121,666	366,738	85,180	2,142,791	2,151,003
25	Assets with matching interdependent liabilities	—	—	—	—	—
26	Other assets	1,211,241	350,591	3,358	922,021	2,031,770
27	of which: Physical traded commodities, including gold	—				—
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)				329,170	279,794
29	of which: Derivative assets				379,155	379,155
30	of which: Derivative liabilities (before deduction of variation margin posted)				44,169	44,169
31	of which: All other assets not included in the above categories	1,211,241	350,591	3,358	169,526	1,328,650
32	Off-balance sheet items				5,705,009	451,660
33	Total required stable funding					¥ 28,267,940
34	Non-consolidated net stable funding ratio (NSFR)					123.0%

Item No.		Millions of Yen, %				
		Fiscal Year 2021 3rd Quarter				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) items (1)						
1	Capital	¥ 2,351,474	¥ —	¥ —	¥ 310,000	¥ 2,661,474
2	of which: Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	2,351,474	—	—	281,261	2,632,735
3	of which: Other capital instruments that are not included in the above category	—	—	—	28,738	28,738
4	Funding from retail and small business customers	12,486,548	—	—	6,265,184	17,503,077
5	of which: Stable deposits	—	—	—	—	—
6	of which: Less stable deposits	12,486,548	—	—	6,265,184	17,503,077
7	Wholesale funding	4,662,115	22,215,111	1,712,664	8,823,476	14,422,191
8	of which: Operational deposits	—	—	—	—	—
9	of which: Other wholesale funding	4,662,115	22,215,111	1,712,664	8,823,476	14,422,191
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	Other liabilities	352,629	106,410	40,000	—	20,000
12	of which: Derivative liabilities				—	
13	of which: All other liabilities and equity not included in the above categories	352,629	106,410	40,000	—	20,000
14	Total available stable funding					¥ 34,606,743
Required stable funding (RSF) items (2)						
15	HQLA					¥ 1,360,580
16	Deposits held at financial institutions for operational purposes	—	122,235	8,500	51,166	116,533
17	Loans, repo transactions-related assets, securities and other similar assets	182,815	6,571,315	1,935,195	25,320,323	24,050,257
18	of which: Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA)	—	599,494	—	—	0
19	of which: Loans to- and repo transactions with- financial institutions (not included in item 18)	52,147	2,064,972	333,615	2,260,691	2,770,362
20	of which: Loans and repo transactions-related assets (not included in item 18, 19 and 22)	—	3,584,812	1,093,418	11,224,717	11,862,979
21	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	726,897	19,572	127,731	456,260
22	of which: Residential mortgages	—	214,919	214,582	9,808,905	7,383,141
23	of which: With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	135,139	134,832	6,399,354	4,394,184
24	of which: Securities that are not in default and do not qualify as HQLA and other similar assets	130,667	107,115	293,578	2,026,007	2,033,773
25	Assets with matching interdependent liabilities	—	—	—	—	—
26	Other assets	1,112,126	288,419	10,066	535,998	1,639,026
27	of which: Physical traded commodities, including gold	—				—
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)				253,041	230,606
29	of which: Derivative assets				149,893	149,893
30	of which: Derivative liabilities (before deduction of variation margin posted)				27,539	27,539
31	of which: All other assets not included in the above categories	1,112,126	288,419	10,066	105,523	1,230,987
32	Off-balance sheet items				5,425,020	379,554
33	Total required stable funding					¥ 27,545,952
34	Non-consolidated net stable funding ratio (NSFR)					125.6%

Qualitative Disclosure Items for the Net Stable Funding Ratio (NSFR) on a non-consolidated basis

(1) Items concerning fluctuations in the non-consolidated NSFR over time

Our non-consolidated NSFR has remained stable mainly due to our predetermined funding policy on the sticky money.

(2) Items concerning special provisions for interdependent assets and liabilities

The "Special provisions for interdependent assets and liabilities" stipulated in the items under Article 101 of the Financial Services Agency Notification on Liquidity Ratio are not applied on a non-consolidated basis.

(3) Other items concerning non-consolidated NSFR

Our non-consolidated NSFR satisfies the regulated level (100%), and we do not expect NSFR to deviate significantly from the current level in the future.

Currently, the entire amount of funding from retail and small business customers is recorded as "less stable deposits."

Basel III Disclosure Data

This section outlines matters to be stated in explanatory documents relating to the fiscal year, separately stipulated by the Commissioner of the Financial Services Agency (Notification No.21 of Financial Services Agency, 2012) with regard to the matters regarding compensation as having significant consequences on the business operation or asset status of a bank, a bank holding company, or their subsidiaries, as set forth in Article 19-2, Paragraph 1, Item 6, Article 19-3, Item 4 and Article 34-26, Paragraph 1, Item 5 of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No.10, 1982).

The following disclosure, unless otherwise stated, is with respect to Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank") as of the end of March 2022.

[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 of the Company, and exclude external directors.

(ii) Scope of "Applicable Employees, etc."

Of SuMi TRUST Bank's officers and employees outside the scope of applicable officers as well as officers and employees of its significant consolidated subsidiaries, a "person receiving a substantial amount of compensation" with significant consequence on the business operation or asset status of SuMi TRUST Bank and its significant consolidated subsidiaries, are subject to disclosure as applicable employees, etc.

(a) Scope of "Significant Consolidated Subsidiary"

"Significant consolidated subsidiary" refers to a consolidated subsidiary either with its total assets representing more than 2% of the consolidated total assets or with significant consequence on Group management. No entities qualify.

(b) Scope of a "Person Receiving a Substantial Amount of Compensation"

A "person receiving a substantial amount of compensation" refers to a person who receives compensation in excess of a certain threshold amount from SuMi TRUST Bank or its significant consolidated subsidiaries. Such a threshold amount is set at ¥40 million within 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, 2021-March 31, 2022)	Total amount of compensation*
Board of Directors (SuMi TRUST Bank)	1 time	—

Note: The total amount of compensation, etc. is not stated as the amount equivalent to the compensation related to the execution of the duties for the Board of Directors alone cannot be calculated separately.

2. Adequacy Evaluation of Design and Operation of the Compensation System for Applicable Officers and Employees of SuMi TRUST Bank

(1) Policies Concerning Compensation, etc. for Applicable Officers and Employees

(i) Policies Concerning the Compensation for "Applicable Officers"

The Group has defined its "Purpose" as "Creating new value with the power of trusts and let prosperous future for our clients and society bloom," and placed at the core of its management philosophy the notion of "balanced creation of both social value and economic value" with the goal of realizing the development of a sustainable society and achieving sustainable and stable growth for the Group. Recognizing the role that officer compensation plays in each and every executive's efforts to realize the goal and act in a manner that embodies its "Purpose," SuMi TRUST Holdings will constantly review its policies and systems to ensure that they are based on the philosophy.

The limit on compensation for directors and officers for this fiscal year as decided by the General Meeting of Shareholders is ¥1,160 million per year for directors, excluding Audit and Supervisory Committee members, and ¥240 million per year for directors that are members of the Audit and Supervisory Committee. An annual limit of ¥200 million for stock compensation (share delivery trust) for directors, excluding Audit and Supervisory Committee members, has also been separately resolved. Compensation is capped by these limits.

Compensation for directors is intended to function effectively as an incentive to make improvements in corporate performance and expand corporate value in order to achieve steady and sustainable growth of 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 performance-based variable remuneration, such as directors' bonuses, the Compensation Committee of SuMi TRUST Holdings monitors the operation of the remuneration system by checking the ratio of variable remuneration to the total amount of remuneration and the appropriateness of the payment amount, and confirms that performance-based pay is not excessive.

3. Regarding the Items about the Consistency between the Systems of Remuneration for Target Executives and Employees of SuMi TRUST Bank and Risk Management, and the Linkage between the Remuneration and Performance of Target Employees of the SuMi TRUST Bank Group

In determining the remuneration of applicable officers, we consult with the Compensation Committee of SuMi TRUST Holdings regarding the policy for determining remuneration for individuals, and the decision is made by the Board of Directors after receiving the report of the Committee. In addition, we have introduced a system whereby individual remuneration is reported to the Compensation Committee for deliberation, and a system is in place to check whether the remuneration is appropriate in accordance with SuMi TRUST Holdings' policy for determining individual remuneration as reported by the Compensation Committee. In determining the remuneration of applicable employees, the SuMi TRUST Group takes into consideration the Group's financial situation and other factors before implementing budgetary measures.

4. Types, Total Amount of Payment, and Payment Method of Compensation, etc. for Applicable Officers and Employees of 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.	13	12
2		Total amount of fixed compensation (3+5+7)	¥ 306	¥ 434
3		of Which: Cash compensation amount	306	434
4		of 3 above: Deferred amount	—	—
5		of Which: Stock compensation amount or Stock-linked compensation amount	—	—
6		of 5 above: Deferred amount	—	—
7		of Which: Other compensation amount	—	—
8		of 7 above: Deferred amount	—	—
9	Variable compensation	The number of applicable officers and employees, etc.	11	12
10		Total amount of variable compensation (11+13+15)	¥ 316	¥ 229
11		of Which: Cash compensation amount	242	229
12		of 11 above: Deferred amount	—	—
13		of Which: Stock compensation amount or Stock-linked compensation amount	74	—
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.	2	—
21		Total amount of other compensations	¥ 2	¥ —
22		of Which: Deferred amount	—	—
23	Total amount of compensations (2+10+18+21)		¥ 624	¥ 663

(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.

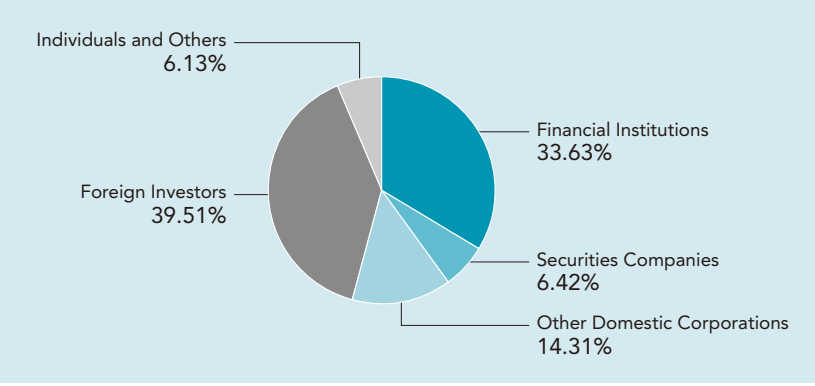
Stock Information (as of March 31, 2022)

Major Shareholders (Common Shares)

	Shareholder Name	Number of Shares Held (Shares)	Shareholding Ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	67,368,800	17.96
2	Custody Bank of Japan, Ltd. (Trust Account)	22,901,800	6.10
3	JPMorgan Securities Japan Co., Ltd.	6,639,205	1.77
4	The Bank of New York Mellon 140051	6,361,700	1.69
5	Northern Trust Co. (AVFC) Re Silchester International Investors International Value Equity Trust	5,995,200	1.59
6	State Street Bank West Client - Treaty 505234	5,805,935	1.54
7	SSBTC Client Omnibus Account	5,466,786	1.45
8	State Street Bank and Trust Company 505001	5,347,409	1.42
9	Northern Trust Co. (AVFC) Re U.S. Tax Exempted Pension Funds	5,103,951	1.36
10	JP Morgan Chase Bank 385781	4,755,301	1.26

(Note) The shareholding ratio is calculated by excluding the treasury stock and rounded down to second decimal places.

Composition of Shareholders (Common Shares)



(Note1) Number of Shares per Unit: 100 shares
(Note2) Treasury Stock (324,450 shares) is included 3,244 units in "Individuals and Others" and 50 shares in "Shares constituting less than one unit".
(Note3) The component ratio is rounded off to two decimal places.

ADR (American Depositary Receipt) Information

ADR:	Underlying Share Ratio 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) https://www.adrbnymellon.com/

Other Data

Authorized Shares:	
Common Shares:	850,000,000 Shares
Preferred Shares:	40,000,000 Shares
Number of Shares issued:	
Common Shares:	375,291,440 Shares
Preferred Shares:	0 Shares
Number of Shareholders: (*)	
Common Shares:	45,855
Preferred Shares:	0

(*) Excluding shareholders who hold shares constituting less than one unit (11,723)

Disclosure Policy

SuMi TRUST Holdings is fully aware of the importance of its social responsibility and public mission, and constantly seeks to secure unwavering trust from society through sound management based on rigorous self-discipline. For this purpose, we endeavor to ensure appropriate disclosure of corporate information to assure the transparency of our corporate management.

Attitude toward Disclosure

We not only comply strictly with various laws and rules, such as the Companies Act, the Banking Law and the Financial Instruments and Exchange Act (including the rules for timely disclosure of corporate information, etc., defined by securities exchanges on which our shares are listed), but also endeavor to disclose corporate information that helps our clients, shareholders, and investors better understand the SuMi TRUST Group, under the basic conditions of appropriate timing, accuracy and fairness, and realize highly transparent management.

We do not release personal information, client data or any information, the disclosure of which violates the rights of the parties concerned by such action.

Disclosure Methods

When disclosing information, we make active use of the Internet, various publications and other media tools to reach the broadest possible number of interested parties, whether clients, shareholders or investors, in or outside Japan, in a timely, accurate and fair manner.

In the disclosure of various materials, we strive to provide easy-to-understand explanations of the main points of SuMi TRUST Group's management policies, business results, finance situation, etc. We explain these main points at our information meetings, etc.

Establishment of Disclosure System

We maintain and promote the appropriate disclosure system by such means as the establishment of an Information Disclosure Committee to ensure disclosure of SuMi TRUST Group's information in accordance with the above disclosure policy.

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SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS



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